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TERRORISM NEWS:

U.S.: Courts No Longer Open To Detainees (AP)

By Matt Apuzzo
AP, October 21, 2006

Hundreds of detainees received notice from the Justice Department this week that because of a new law signed by President Bush, the U.S. court system is no longer open to them. Now it will be up to a federal appeals court, and ultimately the Supreme Court, to decide the fate of prisoners who have spent years arguing the government is illegally holding them at overseas military bases.

A prisoner's right to challenge his detention is one of the basic tenets of the Constitution — a right known as habeas corpus. Under the law signed Tuesday, however, the courts no longer have authority over such petitions in cases involving "enemy combatants."

The law gives the military the authority to decide whether to charge prisoners before special commissions or, if necessary, hold them indefinitely.

Attorney General Alberto Gonzales said Friday that the new law gives more access to appeals "than has ever been available to any enemy combatant in the past."

But the habeas corpus exemption has drawn criticism from lawyers, civil rights groups and even members of Bush's own party, such as Sen. Arlen Specter, R-Pa., the chairman of the Senate Judiciary Committee.

"Habeas protects against the executive taking a person and locking them up without a chance to prove their innocence," said Jonathan Hafetz, who handles many detainee cases for the Brennan Center for Justice at New York University School of Law. "Habeas is what stands between us and a system of secret detentions, a police state."

The Justice Department filed notices with several federal judges Wednesday, telling them the law renders detainee cases in their courts moot.

The judges probably will not rule on that issue, however, until an appeals court decides how to handle the law. The U.S. Court of Appeals for the District of Columbia Circuit, which was considering two detainee cases, ordered lawyers to make their case for what should happen next.

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Bush cited the victims of the 2001 terrorist attacks when he signed the bill. He said the law allows the nation to bring to trial such detainees as Khalid Sheikh Mohammed, the accused mastermind of the Sept. 11 attacks, and Ramzi Binalshibh, an alleged would-be hijacker.

The law was passed in response to a Supreme Court ruling in June that the Bush administration's original plan for military tribunals violated U.S. and international law.

"The judiciary has provided guidance, and the president acted on it with bipartisan support," said Glenn Sulmasy, a law professor at the U.S. Coast Guard Academy and an early supporter of creating new courts to try terror suspects.

"It will be difficult for the court to attack what's going on and intervene in what's really warfare. It would be a broad step by the judicial branch," Sulmasy said.

The three-member appeals court ordered a month of briefs on the law, which means a ruling will not come before late November or December, well after the Nov. 7 elections.

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Associated Press writer Lara Jakes Jordan contributed to this report.

Opinions Vary On Constitutionality Of Tribunal Compromise Law (MCT)

By James Rosen

McClatchy Newspapers, October 21, 2006

WASHINGTON - For weeks, as he and other senators held up President Bush's proposal for trying terrorism suspects, Sen. Lindsey Graham, R-S.C., said the Supreme Court would reject Bush's measure.

Now, after joining the president at the White House for the bill-signing ceremony, Graham is predicting that the high court will accept the compromise law produced by weeks of high-stakes negotiations.

Graham, a military lawyer who serves in the Air Force Reserve, already has counted heads on the Supreme Court.

"I think this could be 7-2" to uphold the new law, Graham said Thursday in an interview. "I think the court is going to find that the military commissions Congress has authorized are compliant with Common Article 3 of the Geneva Conventions, and that they afford due process of a civilized nation."

"Everything we've done is consistent with the law of armed conflict, and the detainees have more rights than any other enemy prisoners have had in any other war," Graham said.

Legal scholars' opinions vary.

The tribunals law "unconstitutionally suspends the writ of habeas corpus, and it denies any noncitizen held anywhere in the world his fundamental right to contest the lawfulness of his detention by the United States," said Jonathan Hafetz, who represents a detainee as associate counsel at New York University's Brennan Center for Justice.

"It defines `enemy combatant' in overly broad terms that exceed what the Constitution allows," Hafetz said.

Habeas corpus affords those accused of crimes access to court to respond to the charges against them. The Founding Fathers wrote it into the Constitution, preceding the Bill of Rights, which was added later as its first 10 amendments.

Randy Barnett, a constitutional law professor at Georgetown University, expressed confidence that the new law will pass Supreme Court muster, however.

"Most of the Supreme Court's focus (in post-Sept. 11 detainee cases) has been about the failure of the Bush administration to get congressional authorization for what it was doing," Barnett said. "Now the administration has such authorization. The odds of the Supreme Court saying that what Congress did was unconstitutional are extremely remote."

No matter where they stand on habeas or the other substantive issues that the controversial law raises, legal experts of all stripes agree that it will end up before the Supreme Court.

According to legal scholars, much of the coming struggle over the tribunals law will focus on its stripping habeas rights from about 400 terrorism suspects, most of them detained at the U.S. military base in Guantanamo Bay, Cuba.

The high court probably also will examine the law's definition of "enemy combatant" and explore whether it meets the U.S. government's obligations under the Geneva Conventions.

In large measure, as the government continues to adapt laws and procedures to the Sept. 11, 2001, terrorist attacks, the 2006 Military Commissions Act is Congress' answer to two key high-court rulings since the tragedy:

- In a June 2004 ruling on Rasul v. Bush, the justices said U.S. courts - not the military commissions - have the ultimate say in determining whether noncitizens captured overseas and held at Guantanamo Bay have been detained legally.

- In its June 2006 decision in the Hamdan v. Rumsfeld case, the court ruled that Bush had exceeded his presidential authority by creating, without congressional action, a system of military commissions to try the detainees.

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On Sept. 8, almost three months after the Hamdan ruling, Bush sent Congress a proposal for interrogating the detainees and trying them before military tribunals. Almost immediately, Graham and two fellow Republican senators - John McCain of Arizona and John Warner of Virginia - criticized several of its main provisions, and others soon joined them.

Over the next month, White House lawyers led by National Security Adviser Stephen Hadley engaged in fevered talks with the three senators. When they reached a compromise, all said they'd found common ground on the legal issues at stake.

The administration gave more ground on how the military commissions will work and how the trials will run, while the three senators yielded more on the controversial interrogation techniques, said John Radsan, who served as the CIA's assistant general counsel from 2002 to 2004 and now runs the National Security Forum at the William Mitchell College of Law in St. Paul, Minn.

The law spells out nine "grave breaches" of Geneva Convention protections and prohibits "cruel, inhumane or degrading" treatment of detainees, Radsan said. It retains "gray areas" in weighing which interrogation procedures are legal.

"I don't know what Graham, McCain and Warner agreed to in that room with Hadley, and I don't think the American people know," Radsan said. "A lot of what was decided stayed in that room between Hadley and those three senators. We want to have some check on the CIA. This is being done in our name."

Graham said the law provided more than enough guidance for CIA interrogations. And he said it protected detainees' rights by allowing them to appeal the U.S. military's classification of them as "enemy combatants" to the U.S. Circuit Court of Appeals in Washington.

Graham, though, also said the law properly dismissed hundreds of lawsuits already brought by detainees with a broad range of grievances over their confinement.

"Every detainee will have their day in court, and the court can determine whether the government properly defined them as an enemy combatant," Graham said. "But they can no longer sue the government for better exercise, mail delivery, medical malpractice."

Despite his confidence that the Supreme Court will uphold the law, Graham said he was far from cocky.

"If I'm wrong, I will take the floor of the Senate and humbly say I was wrong," he said.

Legal scholars who've combed through the 38-page Military Commissions Act of 2006 say the forthcoming court struggle over it probably will focus on three sections:

-Near its start, it defines "unlawful enemy combatant" as "a person who has purposefully and materially supported hostilities against the United States ... including a person who is part of the Taliban, al-Qaida or associated forces." Critics say this definition is too broad and permits the indefinite detention of those who express their intense dislike of the United States but aren't terrorists.

-While the law affirms U.S. adherence to the Geneva Conventions elsewhere, a clause near the ends troubles critics. "No person may invoke the Geneva Conventions or any protocols thereto ... as a source of rights in any court of the United States or its states or territories," it says. Some scholars say the clause appears to prevent the prosecution of interrogators or other American officials for breaking U.S. laws that codify international war-crimes standards and make them part of the American justice system.

-In perhaps the most contentious issue, the measure amends federal civil law by stripping noncitizens of their habeas-corpus rights to appeal their detentions to U.S. courts outside the military. The clause reads: "No court, justice or judge shall have jurisdiction to hear or consider an application for a writ of habeas corpus filed by or on behalf of an alien detained by the United States who has been determined by the United States to have been properly detained as an enemy combatant or is awaiting such determination."

Lawyer Convicted In Terror Case Lied On The Stand, A Juror Says (NYT)

By Julia Preston

The New York Times, October 21, 2006

He was known as Juror 8, for the jury box chair where he listened silently for more than six months as the convoluted evidence unfolded in the trial of Lynne F. Stewart, the radical defense lawyer accused of aiding Islamic terrorism.

The jurors argued behind closed doors in Federal District Court in Manhattan for another month before they finally agreed to convict Ms. Stewart on all five charges she faced for smuggling messages out of prison from her terrorist client, Sheik Omar Abdel Rahman.

“We found what jurors called the smoking gun,” Juror 8 said in an interview. “Lynne Stewart knew full well that violence was going to be committed,” he said, after she publicized the sheik’s words. He said the jurors also concluded that she had lied in her testimony.

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So on Monday, 20 months after the verdict, Juror 8 kept his eye on the television, waiting for news of her sentence. When he heard that Judge John G. Koeltl had reduced the 30 years sought by the government to 28 months in prison, Juror 8 said he was first disbelieving, then "vastly disappointed."

He said the light sentence obscured facts the jurors had painstakingly linked together that tied Ms. Stewart to terrorism. He believes only the jurors understood their meaning in the complex case.

He does not speak for all the jurors. Because of the serious terrorism charges, they served anonymously, and the names of the eight women and four men were known to only one court administrator. One other, a woman known as Juror 9, made her views known this week. "I am glad that the sentence was as short as it was, but sorry that she was sentenced to any time at all," Juror 9 said in a statement issued by her lawyer, Steven Masef.

"The right thing for the judge to have done," she said, "was to have overturned the jury verdict and thrown the whole case out."

Although she voted to convict, Juror 9 wrote a letter to Judge Koeltl in March 2005 saying she had done it "as a result of the fear and intimidation I was made to feel for my life" in the jury room. The judge ruled that her objections were not sufficient to overturn the verdict. Juror 8 said that Juror 9 was one of two jurors who held out for acquittal long into the deliberations.

Juror 8 still does not want his name published, saying he continues to have moments of fear because of his vote to convict Ms. Stewart. He is a research scientist in his early 60's who holds an advanced academic degree from a prominent East Coast university and lives in Manhattan.

He came forward for an interview armed with trial exhibit numbers and typewritten notes, giving the most detailed look to date inside the jury's grueling, often angry deliberations. He said he wanted to counter his dismay about the sentence by leaving a public record about the jury's findings.

The jurors' mining of the evidence, he said, convinced them that Ms. Stewart was aware that one militant from Abdel Rahman's organization in Egypt, the Islamic Group, planned to foment terror attacks using a message from the sheik that Ms. Stewart released. The sheik, a blind Islamic cleric from Egypt, is serving a life sentence for his role in a 1993 plot to bomb New York City landmarks.

Juror 8 said the militant, Rifai Taha, a fugitive convicted terrorist, emerged as a major and very chilling figure in the trial. Prosecutors showed a videotape of Mr. Taha sitting with Osama bin Laden somewhere in Afghanistan before the Sept. 11 attacks, calling for violence against Americans.

One message that Ms. Stewart carried into prison on a visit to the sheik in May 2000, violating special restrictions, was from Mr. Taha. He sought guidance about a cease-fire the sheik's followers were observing in Egypt, which Mr. Taha was chafing to cancel.

Ms. Stewart testified that she was not aware of Mr. Taha's violent history or his efforts to spur a new campaign of attacks against Egypt's government.

But according to Juror 8, the jury found clear evidence among the stacks of prosecution documents and wiretap transcripts that she did know of Mr. Taha's extremist violence as early as 1998.

"There's the belief that she didn't know who Taha was, that she didn't think anything bad would happen," Juror 8 said. "I want to state very emphatically: that is a complete lie."

Even more persuasive to the jury, Juror 8 contended, was the evidence about the chain of events after Ms. Stewart called a reporter in Egypt with the sheik's response to Mr. Taha, in which he said he no longer supported the cease-fire.

The sheik's new position provoked a furor in Egypt. According to evidence the jurors examined, Juror 8 said, several of his supporters warned in public comments and letters sent to Ms. Stewart that his words could prompt violence. But a week later Ms. Stewart issued a second press release in which the sheik once again criticized the cease-fire.

Juror 8 said the jurors found that Mr. Taha had used the sheik's words to recruit at least one Egyptian militant to start plotting an attack.

"She smuggled Taha's message in," Juror 8 said. "She smuggled Rahman's reply out. She was told that violence would occur, and she had a second press conference to reinforce the first. No person who was opposed to violence would conduct themselves in that manner."

Ultimately, the cease-fire was not canceled.

Juror 8 said he was offended after the Feb. 10, 2005, verdict when Ms. Stewart said that the jurors had been influenced by post-Sept. 11 fears of terrorism. "It wasn't politics, it was her actions," he said. "The jury did not speculate. We dealt with the evidence."

It is not uncommon for jurors, who have no say in sentencing, to disagree with a judge's decision. In court on Monday, Judge Koeltl cited laws requiring him to consider other factors besides the guilty verdict, such as Ms. Stewart's past work and the possibility that she would repeat her crime.

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While the judge found that Ms. Stewart, who is 67, had engaged in "extraordinarily severe" criminal conduct that "plainly went beyond any reasonable bounds of zealous advocacy," he also considered her long career defending unpopular clients, her recent bout with cancer and her disbarment. He allowed her to remain free on bail while she pursues her appeal.

Juror 8 said he gained respect for Judge Koeltl during the trial. "He's a very logical man," he said. "I'm sure he was led logically to that sentence." The judge was appointed to the bench in 1994 by President Clinton.

The juror insisted that the looming figure of Mr. bin Laden had no impact on the jurors, who were repeatedly instructed he had no role in the case.

"The judge told me he had no part, so he had no part," Juror 8 said. "And 11 other people agreed. We did not go off reservation."

He said he was distressed by the sight of Ms. Stewart celebrating on Monday with cheering supporters outside the courthouse. "The end of this process," he said, "is a person who committed very serious crimes out on the street smiling with bouquets of roses."

Enemy Of The State: Kurdish Man Imprisoned By Taliban And U.S. (AP)

By Michael J. Sniffen, Associated Press

AP, October 21, 2006

WASHINGTON – Abdul Rahim insists he's an apolitical student who fled a strict father. But he's fallen into a black hole in the war on terror in which first the Taliban and then the United States imprisoned him as an enemy of the state.

Arrested by the Taliban in Afghanistan in January 2000, Rahim says al-Qaeda leaders burned him with cigarettes, smashed his right hand, deprived him of sleep, nearly drowned him and hanged him from the ceiling until he "confessed" to spying for the United States.

U.S. forces took the young Kurd from Syria into custody in January 2002 after the Taliban fled his prison. Accusing him of being an al-Qaeda terrorist, U.S. interrogators deprived him of sleep, threatened him with police dogs and kept him in stress positions for hours, he says. He's been held ever since as an enemy combatant.

Rahim's story is one of several emerging from the U.S. prison at Guantanamo Bay as defense lawyers make bids to free their clients while the Bush administration tries to use a new law to lock them out of federal courts.

After the Supreme Court overturned President Bush's plans for commissions to try detainees, Bush obtained a new law from Congress barring federal courts from hearing appeals for release by any alien "properly detained as an enemy combatant." The Justice Department told district and appellate judges this week they no longer have jurisdiction to hear dozens of such pending cases.

A court fight over that is certain.

Calling the move to strip jurisdiction "a direct attack on our constitutional structure," Federal Public Defender Steven T. Wax in Portland, Ore., said, "We will litigate that as hard as we can in whatever forum we can find, because they are wrong."

Other detainees whose lawyers filed new evidence in U.S. District Court motions this month include:

Adel Hassan Hamad, a Sudanese charity worker arrested at 1:30 a.m. July 18, 2002, in his Peshawar, Pakistan, apartment. Co-workers swear he was a hospital administrator with no connection to terrorists. A dissenting U.S. Army major on the panel that reviewed the unclassified and secret evidence against him called it "unconscionable" to detain him because some employees of the same charity may have supported terrorist ideals.

Nazar "Chaman" Gul, a 29-year-old Afghani who thought he was working as an armed fuel depot guard for the Karzi government installed by U.S. forces. The man who hired him swears that was the case, but he is accused of being a member of a terrorist group. The lawyers say he has been mistaken for a commander of that terror group, named Chaman Gul, also held at Guantanamo.

All three are represented by Wax and his assistants. Wax's staff traveled to Afghanistan, Pakistan and the United Arab Emirates to gather dozens of sworn statements from co-workers, relatives, fellow inmates and people who knew these detainees but haven't spoken to them in years. These newly filed accounts substantiate details of the detainees' denials that they were terrorists.

"These clients are not enemy combatants," Wax said in an interview. The new law "does not apply to people who are not enemy combatants," he said.

Wax said it would be unconstitutional to apply the jurisdiction-stripping bill retroactively to existing cases. And he said the Supreme Court has ruled before that it has the final say over its jurisdiction in these so-called habeas corpus petitions for release from custody. Following President Lincoln's suspension of habeas corpus for prisoners of war, the high court in 1866 set a man free after finding he was not a prisoner of war, Wax noted.

The government feels differently about Wax's clients.

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"Multiple reviews have been conducted since each detained enemy fighter was captured, including for these three individuals," said a Pentagon spokesman, Navy Cmdr. Jeffrey D. Gordon. "There is a significant amount of evidence, both unclassified and classified, which supports continued detention of these detainees and others at Guantanamo."

Now 28, Rahim, buttressed by testimony from friends and relatives, says he wound up in Afghanistan in a bid to escape his father, a strict teacher of Islamic education who objected to his borrowing money outside the family for a college trip. With his father holding his passport, he tried futilely to get from his home in the United Arab Emirates to Europe or Canada.

Finally a friendly diplomat got him deported to Afghanistan where he and others say he hoped to be declared a refugee and moved to Europe by international aid agencies. He says the Taliban conscripted him and sent him against his will to the Al Farouq terrorist training camp. When he tried to leave 18 days later, they imprisoned him, he says.

In spring 2000, Abu Dhabi television broadcast a video of a tearful, fidgeting Rahim saying a U.S. agent recruited him to find Osama bin Laden. "I deserve to die ... but if the Taliban let me live, I want to spend the next 22 years fighting for jihad," he said.

On Jan. 17, 2002, then-Attorney General John Ashcroft said U.S. forces found five videotapes in the ruined Afghan home of bin Laden aide Mohammed Atef – one of the men Rahim says directed his torture. Ashcroft said the tapes show young men delivering "martyrdom messages from suicide terrorists" and identified one as "Abd Rahim."

Rahim's attorney Stephen Sady said any Taliban tapes of Rahim "were the product of torture" and no different from false confessions Sen. John McCain, R-Ariz., made to stay alive in a North Vietnamese prison.

"After two years the Americans came and saved me from the prison," Rahim told U.S. officers. "I told them about the videotape the Taliban made of me ... it created confusion to the point that the Americans believed I was working with al-Qaeda."

He added: "Nothing changed in my life. I was taken from prison to prison."

The FBI's Un-intelligence (TOLB)

Toledo Blade (OH), October 21, 2006

A FEW weeks ago, Jeff Stein, national security editor for Congressional Quarterly magazine, interviewed Willie Hulon, who recently was named chief of the FBI's national security branch.

Toward the end of the interview, Mr. Stein (according to an op-ed article he wrote for the New York Times last Tuesday) asked Mr. Hulon if it was important for a man in his position to know the difference between Sunnis and Shiites.

"Yes, sure," Mr. Hulon responded. "It's important to know who your targets are."

But then Mr. Stein asked Mr. Hulon to explain the difference. He couldn't. And he misidentified Iran and Hezbollah as Sunni.

Mr. Hulon is continuing a long tradition of abysmal and inexcusable ignorance in high places at FBI.

"My curiosity about our policy makers' grasp of Islam's two major branches was piqued in 2005, when Jon Stewart and other TV comedians made hash out of depositions, taken in a whistle-blower case, in which top FBI officials drew blanks when asked basic questions about Islam," Mr. Stein wrote. "One of the bemused officials was Gary Bald, then the bureau's counterterrorism chief. Such expertise, Mr. Bald maintained, wasn't as important as being a good manager."

Intelligence analyses of North Korea's missile and nuclear programs were badly flawed, wrote Bill Gertz in the Washington Times Oct. 12.

"The officials said there were as many as 10 failures related to intelligence reporting on North Korean missile tests and the suspected nuclear test that harmed administration efforts to deal with the issue," Mr. Gertz wrote.

The 9/11 plot succeeded due to a massive intelligence failure on the part of the FBI and the CIA. The FBI knew that Ramzi Yousef, the architect of the 1993 attack on the World Trade Center, planned to use airplanes in (among other things) a suicide attack on CIA headquarters (Operation Bojinka), and that Islamists were taking flying lessons in Arizona, Oklahoma, and Minnesota. But senior FBI leaders failed to connect the dots and turned a deaf ear to subordinates who did.

The 1993 World Trade Center attack could have been averted had senior FBI officials in New York paid attention to Emad Salem, an informant recruited by Special Agent Nancy Floyd, who warned of the attack. Afterwards, wrote Peter Lance in his superb book, A Thousand Years for Revenge, Ms. Floyd was driven from the bureau for having been too aggressively right. Her superiors - who were so disastrously wrong - were promoted.

When in 2002 FBI translator Sibel Edmonds reported to her supervisor that some of her fellow Turkish and Farsi translators were leaving important information out of their translations and had ties to radical groups, it was Ms. Edmonds who was fired, for "rocking the boat."

The Iraq war was undertaken in large part because intelligence agencies exaggerated the threat posed by Saddam Hussein's weapons of mass destruction. Reporting on Saddam's forces and tactics was also badly flawed, wrote Michael Gordon and retired Marine Gen. Bernard Trainor in their acclaimed book, Cobra II:

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"The CIA in particular was not only wrong about WMD, but failed to identify the importance of the Fedayeen [irregular forces loyal to Saddam] or to uncover the tons of arms that had been cached in the cities and towns of southern Iraq," they said. "The CIA's assurances that the Iraqi military would capitulate and that the Army and Marines would be welcome in the southern cities were misleading and dangerous."

Most of what has passed for debate on intelligence failures has been efforts to assign partisan blame for them.

There is some partisan blame to be assigned. President Clinton slashed spending on intelligence gathering, and his Justice Department forbade FBI agents working on criminal cases from sharing information with FBI intelligence officers.

But most of our intelligence failures have little to do with politics. They are a product of the bureaucratic structures and imperatives of the agencies, and the competence - or lack of it - of the people who lead them.

As far as we know, no one in the FBI or the CIA has been held accountable for intelligence failures. And when no one is held accountable, you get people like Mr. Hulon in jobs they obviously are unqualified to do.

This is President Bush's greatest failure. And it's worse than President Clinton's, because it's happened after 9/11, when there can no longer be any excuse for being asleep at the switch.

"Too many officials in charge of the war on terrorism just don't care to learn much, if anything about the enemy we're fighting," Mr. Stein said.

Jack Kelly is a member of The Blade's national bureau.

HOMELAND RESPONSE:

Man, 20, Arrested In Stadium Threat Hoax (NYT)

By Ronald Smothers

The New York Times, October 21, 2006

NEWARK, Oct. 20 — A 20-year-old Wisconsin man was arrested Friday and charged with posting messages on Internet chat boards threatening that radioactive "dirty bombs" would go off at National Football League stadiums in seven cities on Sunday.

Federal officials labeled the threat a hoax on Thursday, but at a news conference on Friday to announce the arrest, the United States attorney in Newark, Christopher J. Christie, called it the "Internet version of yelling 'Fire!' in a crowded theater in this post-9/11 era."

Law enforcement officials said that the message posted by the man, Jake J. Brahm, a clerk at a natural-foods grocery cooperative in Wauwatosa, Wis., explained that the timing of the threatened explosions coincided with the end of the Muslim holy month of Ramadan and that Al Qaeda would take credit for what members would call "America's Hiroshima." General chaos would follow, the message said, with civil wars erupting across the globe and economies collapsing.

Mr. Christie said investigators had determined that Mr. Brahm first posted the message in mid-September and reposted it at least 40 times. It identified the stadiums where the bombs would go off simultaneously as Giants Stadium in East Rutherford, N.J., and those in Atlanta; Cleveland; Houston; Miami; Oakland, Calif.; and Seattle.

Mr. Brahm surrendered to Federal Bureau of Investigation agents in Milwaukee on Friday morning and later appeared in shackles for his first court appearance at the Federal District Court for the Southeastern District of Wisconsin. He was charged with making a terrorist threat over the Internet. A conviction would carry a maximum sentence of five years in prison and a $250,000 fine.

Citing Mr. Brahm's lack of a criminal record and his strong community ties, Federal Magistrate Patricia J. Gorence released him into the custody of his father on the condition that Mr. Brahm not travel outside Wisconsin and New Jersey, where Mr. Christie's office will have jurisdiction over his case. Judge Gorence also forbade him to use the Internet or any computer that has access to the Internet.

Mr. Brahm's lawyer, Patrick Knight, would not speculate on a motive or on F.B.I. reports that his client had said he had admitted posting the message as part of a "writing duel" with a Texas man to see who could come up with the scariest threat.

Mr. Knight did say that his client's intent was not malicious.

"It's the curse of the Internet," he said. "I think there is a whole class of folks who post a variety of things to get comments back, and in 2006 I don't think anyone is sure what is a private communication and what is intended for public consumption. I think in the end we will find that this was something that just spiraled out of control."

Wisconsin Man Charged In Terror Hoax (WT)

By Jerry Seper

DOJ_NMG_0084195

The Washington Times, October 21, 2006

Federal prosecutors have charged a Wisconsin man as the source of an Internet posting that threatened to detonate radioactive "dirty bombs" at NFL stadiums in seven states.

Jake J. Brahm, 20, of Wauwatosa, Wis., was charged in a criminal complaint with willfully conveying false information or hoaxes threatening to damage buildings through the use of weapons of mass destruction and radiological dispersal devices. The charge carries a maximum penalty of five years in prison and a $250,000 fine.

U.S. Attorney Christopher J. Christie in New Jersey said Mr. Brahm, a grocery store worker, turned himself in yesterday to the U.S. Marshal's Service in Milwaukee on a criminal complaint filed in U.S. District Court in Newark, N.J.

FBI spokesman Richard Kolko said Mr. Brahm was first taken into custody by local police in Wauwatosa on Wednesday, based on information police received that he was the source of the Internet threat to bomb the stadiums. The FBI was immediately notified, and Mr. Brahm was interviewed by agents Wednesday evening.

"These types of hoaxes scare innocent people, cost business resources and waste valuable homeland security resources," Mr. Christie said. "We cannot tolerate this Internet version of yelling fire in a crowded theater in the post-9/11 era."

According to the criminal complaint, Mr. Brahm told the FBI he posted the threatening message at least 40 times on various Web sites.

Mr. Kolko said that in the message, Mr. Brahm warned that on Oct. 22, seven "dirty explosive devices" would be delivered by truck and detonated at NFL stadiums in New Jersey, Miami, Atlanta, Seattle, Houston, Oakland, Calif., and Cleveland.

All but the Atlanta stadium are open-air arenas and, according to message, that would allow for a maximum death toll, with the radioactive fallout spreading beyond the stadium to a wider area.

"The death toll will approach 100,000 from the initial blasts and countless other fatalities will later occur as result from radioactive fallout," the message said, adding that the explosions would be lauded by al Qaeda leader Osama bin Laden and the aftermath of the near-simultaneous blasts would be civil wars around the globe.

"Global economies will screech to a halt," the message said. "General chaos will rule."

Mr. Christie credited FBI agents in Newark, under the direction of Special Agent in Charge Leslie G. Wiser, Jr., for their work in the investigation leading to the charges against Mr. Brahm. He also credited FBI agents and the Joint Terrorism Task Force in Milwaukee, under the direction of Special Agent in Charge Richard K. Ruminski, for their work in the investigation, as well as the Wauwatosa Police Department.

The case is being prosecuted by Assistant U.S. Attorney Michael A. Hammer, Jr., chief of the U.S. Attorney's Office Terrorism Unit in Newark.

FBI Removes Dead Man From Terror List (AP-Y)

AP, October 21, 2006

The FBI removed an al-Qaida explosives expert linked to the 1998 U.S. Embassy bombings in Africa from the most wanted terrorists list Friday after learning he was killed six months ago.

Muhsin Musa Matwali Atwah was killed in an April 12 gunfight with Pakistani authorities, FBI spokesman Richard Kolko said. He said the FBI was notified just this week that Atwah's death had been confirmed.

Egyptian-born Atwah was wanted in connection with the deadly embassy bombings in Kenya and Tanzania. The State Department offered a $5 million reward for his capture.

News reports out of Pakistan in late April said Atwah was killed by the Pakistani military in a raid on a suspected insurgent hideout in the tribal region of North Waziristan bordering Afghanistan.

Twenty-six suspected terrorists remain on the FBI's list, including al-Qaida leader Osama bin Laden.

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On the Net:

FBI's Most Wanted Terrorists: http://www.fbi.gov/wanted/terrorists/fugitives.htm

Ground Zero Forensic Team Is Posted To Seek Remains (NYT)

By David W. Dunlap

The New York Times, October 21, 2006

New York City's chief medical examiner will station a team at ground zero to look for human remains from 9/11, the Bloomberg administration said yesterday, after dozens of bones were found Thursday by workers excavating two manholes that had been covered since 2002.

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"This was an enormous disaster," Mayor Michael R. Bloomberg said on his WABC radio program. "It's an enormous area. And I think those that did the recovery effort, you know they did the best they could. You can't be perfect, unfortunately, when something's this big."

The excavation began Wednesday under a service road paralleling West Street. Workers for Phoenix Constructors are preparing this area, south of Vesey Street and within the World Trade Center site, for a passageway to link the future trade center below ground to Battery Park City. On Thursday morning, they found as many as 80 bones and bone fragments and personal effects like wallets and watches.

Officials expect more remains to emerge from four other manholes and utility service boxes that have been covered since the service road was built four years ago. They also expect to find smaller remains in material that was vacuumed out of the manholes by Consolidated Edison crews on Wednesday.

After a 90-minute meeting yesterday with utility executives and other officials, Deputy Mayor Edward Skyler said that Con Ed and Verizon crews would continue to remove material from underground areas near West Street.

"The city's medical examiner will be on site to carefully sift through any material recovered to identify any human remains," Mr. Skyler said. "The medical examiner's forensic anthropologists will work closely with police and fire personnel, who will be on scene at all times."

Mr. Skyler said the city's Department of Design and Construction and the Lower Manhattan Construction Command Center would identify other underground areas, if any, that need to be searched by the same method.

Mayor Bloomberg said such discoveries might continue. "Whether or not two years from now or during construction somebody finds something else, you just don't know," he said.

Despite an impression four years ago that the recovery effort had been completed, human remains continue to be found around ground zero. In the last year, 760 body parts were discovered at the former Deutsche Bank building. Victims' relatives believe that many more remains await recovery at the Fresh Kills landfill on Staten Island.

The discovery this week reopened a scar that never healed for the many relatives of victims who all but vanished on Sept. 11, 2001. To date, the medical examiner's office has identified no physical trace of 1,151 of the 2,749 people who died in the attack.

Yesterday, family members called on local officials to step aside and permit a thorough new search for human remains, governed by strict protocols, on the trade center site and its environs.

"If they were capable of doing the job, we wouldn't be finding these human remains now," said Sally Regenhard of the Skyscraper Safety Campaign. She has yet to recover the remains of her son, Christian, a probationary firefighter, who was killed on 9/11.

The family members demanded a halt to all construction at the trade center site and the intervention of the federal government through the Joint P.O.W.-M.I.A. Accounting Command, which recovers and identifies service members who have been killed in action and operates what it describes as the world's largest forensic anthropology laboratory.

None of these concessions were forthcoming from City Hall, leading Glenn P. Corbett, a technical adviser to the Skyscraper Safety Campaign, to call the mayor's response "totally inadequate."

Fire On The Water (NYT)

The New York Times, October 21, 2006

When the Coast Guard decided it wanted to practice firing its new machine guns on the Great Lakes, it posted an item in the Federal Register — not exactly household reading. Now that the public has caught up, there is an uproar all around the lakes — in Canada as well as the United States — and a belated decision to hold public hearings.

The Coast Guard's proposal is cautious and, as military exercises go, quite modest. It plans two or three test firings a year, a few hours each time, in 34 possible areas at least five nautical miles offshore. Officials argue that it is prudent to give crews heavier weapons than the handheld guns they carried on the lakes before 9/11.

Few are disputing that the United States needs to do more to protect its borders against terrorists. But we face far more plausible threats than terrorists cutting across Lake Michigan in small boats.

As a defense against terrorism, militarizing the Great Lakes is a symbolic defeat. And it is another in a series of incremental changes that threaten to change everything that we take for granted about our country.

The question is how far we choose to militarize ourselves at home in response to terrorism. Turning the Great Lakes — even on occasion — into a live-fire zone is the kind of decision that says little to terrorists but speaks volumes to the rest of us.

Louisiana Pays Part Of FEMA Bill And Sues On Rest (NYT/AP)

By The Associated Press

DOJ_NMG_0084197

The New York Times, October 21, 2006

BATON ROUGE, La., Oct. 20 (AP) — Louisiana wired $319 million to the Federal Emergency Management Agency on Friday, a large part of what the agency billed the state for hurricane recovery for Hurricanes Katrina and Rita, and filed a lawsuit in federal court disputing the remaining $61 million bill.

The state's actions were based on the advice of the legislative auditor.

The commissioner of administration, Jerry Luke LeBlanc, who is the governor's top financial adviser, said that the state attorney general's office filed the lawsuit Friday afternoon and that the disputed dollars would be deposited into a registry of the court until the case was resolved.

The legislative auditor, Steve Theriot, the chief investigator for the Legislature, said that he could account for only 88 percent of the spending, but that the state was objecting to a part of that as well.

In the remaining disputed money, Mr. Theriot said that in some instances, people with invalid addresses or duplicate homes, who should not have received benefits from the agency, had.

"One of those errors, as an example, was a person who was charged with a felony in another state had applied for funds and got it," he told the Joint Legislative Committee on the Budget, which approved the payment to FEMA.

Agency officials have said they welcome any information from the legislative auditor's office about improper spending and will investigate it.

States are required to pick up part of the cost for some types of FEMA's disaster aid.

Storming Capitol Hill To Help Louisiana (LAT)

By Ann M. Simmons, Times Staff Writer

The Los Angeles Times, October 21, 2006

Women of the Storm encourage lawmakers to visit the devastated Gulf Coast so they will be roused to offer aid. Scores have accepted.

The chartered jet that lifted off at dawn recently from New Orleans carried 131 Louisiana women — homemakers, professionals, full-time volunteers and local celebrities, dressed for political combat in pastel power suits, smart skirt outfits and discreet jewelry.

As they sipped coffee and munched scones, their conversations ranged from their kids' progress at school to next month's reopening of a downtown landmark, Saks Fifth Avenue.

But the chatter came to a stop when Anne Milling, a striking, slender woman in her 60s, strode to the front of the plane. Brimming with confidence and charm, she outlined the game plan. At stake was nothing less than the future of their Gulf Coast home, battered a year ago by Hurricanes Katrina and Rita.

"Be positive, be tenacious, be your upbeat self," Milling urged her compatriots. "This is how you're going to sell Louisiana."

The Women of the Storm, as this ad hoc group calls itself, were about to land in Washington and embark on a one-day mission in the nation's halls of power. The goal: to persuade members of Congress to help save the state's fast-disappearing coastline.

The powerful folks in Washington ignore this eclectic group at their peril. The Women are quickly becoming a recognized power among the activist groups that have sprouted from the rubble of Katrina, many fueled by frustration with the slow pace of government assistance.

Their first objective has been to bring Washington to New Orleans. The group's premise is simple: When lawmakers see how devastated the Gulf Coast looks, they will be roused to help. So far, the group has helped convince 55 of the nation's 100 senators and at least 106 of its 435 representatives to visit Louisiana.

But the Women of the Storm also have accomplished something just as rare: offering this city, historically fraught with ethnic division, a shining example of cross-cultural unity. Among these women are whites, blacks, Latinas and Asians. They are executives, civil servants and stay-at-home moms, all pulling together for the future of their city.

Before landing to tackle their September agenda, the group's leaders prepped the fledgling lobbyists.

"Don't hesitate to be dramatic," advised Pam Bryan, a member of the group's executive committee. "What we're asking for is $15 billion. When you think about it, that's not a lot of money. Don't be afraid to ask for that. Please pass on the sense of urgency … that we need this money now!"

Information sheets rustled, and whispered acknowledgments were heard through the cabin. Two committee members, Beverly Church and Nancy Marsiglia, rose for a role-playing exercise, with Church playing a skeptical U.S. representative and Marsiglia playing a Woman of the Storm.

"What about your leadership? Who is running the city?" Church demanded.

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"We think it is important to keep politics out of this," Marsiglia responded. "We are a citizens group, and citizens are leading the way. We are the face of Louisiana today."

The grass-roots women's movement was born on Thanksgiving as Milling sat down to dinner with a group of friends and talked about the paucity of help after the storm. By Jan. 10, Milling had gathered eight pals in her living room to make a plan. And by Jan. 30, when they made their first trip to Capitol Hill to lobby for the release of funds for Louisiana's Road Home program, they had added more than 120 to their ranks. Today, more than 500 Louisiana members are registered on the group's e-mail list.

Financed by donations, the group is a broad range of Gulf Coast women, including some local celebrities, like 83-year-old chef Leah Chase, commonly known as the "queen of Creole Cuisine" and owner of the landmark New Orleans restaurant Dooky Chase's.

They hand-deliver invitations to the politicians and lead those who visit the region on tours of the most damaged neighborhoods.

Still, 45 senators and at least 329 U.S. representatives have not made the journey.

"Why have they not come?" asked Cecile Tebo, a member of the group who is also a crisis unit coordinator for the New Orleans Police Department and a third-generation New Orleanian. "Is it fear? I can't imagine. This affects the entire country. Until you feel it, see it, smell it, hear it, you don't understand it."

For many of the women, mastering the intricacies of lobbying on Capitol Hill is new. But just as Katrina changed New Orleans forever, it changed their minds about their roles in its recovery. Jeanette Bell, a floriculturist who is African American, said, "I believe my presence [in the group] represents a commitment on the part of people of color. Just because we're not always in the forefront doesn't mean that we aren't committed to the rebuilding of the city."

"It's the power of group," added Tebo, the police crisis unit worker. "This is typical New Orleans. There's that passion. There's that little bit of funk."

The women were driven by bus from Ronald Reagan Washington National Airport to a grassy area near the Capitol complex. They hoisted blue umbrellas — symbols of the blue tarps that cover many damaged rooftops in Louisiana. At a news conference, they were surrounded by the state's two senators and five of its members of Congress.

Before fanning out, some of the women changed from pumps into comfortable walking shoes. Naydja Bynum, a property preservationist who lives in the historic traditionally African American New Orleans neighborhood of Treme, donned black soft fabric slip-on shoes that she bought last year on a trip to Europe. "I knew they would come in handy, she said later that day.

The women traipsed from the House to the Senate, from the Senate to House, navigating the maze of underground tunnels and magnificent corridors that connects them.

On Tebo's list were one senator and four congressmen. She was partnered with Lang Le, a Vietnamese American whose eastern New Orleans house was inundated by several feet of water. Tebo and Le rushed to their first scheduled appointment, with Rep. Patrick J. Kennedy (D-R.I.), who has not yet visited New Orleans. But he was called away on other business, so a staff member filled in.

Tebo did most of the talking, sticking to the script and convincingly pleading the case of coastal restoration and flood protection.

"I didn't know if I was saying all the right things," Tebo said as she left the room.

"You did great," Le encouraged. "It sounded good."

Milling was teamed with Rita Benson LeBlanc, executive vice president of administration for the New Orleans Saints football team. At 29, LeBlanc is one of the group's youngest members.

Their list included Sen. Hillary Rodham Clinton (D-N.Y.).

"How's it going?" Clinton asked the group.

"They know who we are," Benson LeBlanc informed the senator. The Women need no introduction on the Hill.

Clinton told them how important it was that they were helping put a human face on Louisiana's tragedy. "Just be persistent," the senator added.

"You know how women are," Milling said. "They can nag, and they are tenacious."

She handed Clinton a book about Katrina by the staff of the Times Picayune as she impressed upon the senator the need to "get the House and the Senate on the same page" in terms of backing coastal restoration in Louisiana.

"We need the revenue now," Milling told Clinton. "This is an issue that's crucial to us today."

"I'm supportive, and I'll continue to do whatever I can," the senator promised, as she readied to pose for a photograph with the women.

Many of the elected officials pledged continued assistance. But some in the group said they got the cold shoulder from a few representatives or their testy staffers; and one official reportedly mocked the Women as being nothing more than debutantes. Diplomacy prevented group members from naming names.

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Encountering a naysayer or two is par for the course, said Madeline West, an attorney and core member, but "overall it was positive."

En route to the airport for the trip back to New Orleans, one woman called her kids and promised a hug and a kiss when she got home; another longed for a bath. All recognized that their work was far from done.

"The women-hours in this are tremendous," member Polly Renwick said. "And it will not end when we leave here."

As cups of white wine were handed out on board the aircraft, Milling thanked members for their day of hard work — they had gathered at 5:45 a.m. and landed back in New Orleans at around 10:30 p.m.

She also reminded them to send a thank-you note, or a card, to every official or staffer they had called on.

"It does make a difference being a woman," Milling said. "We can say and do things men can't. We are more passionate. It's different to the way a man would approach a problem."

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WAR NEWS:

Bush, Rumsfeld Defend Strategy (WP)

By Ann Scott Tyson And Michael A. Fletcher

The Washington Post, October 21, 2006

They Say Surge In Violence Won't Change Iraq Goals

President Bush and Defense Secretary Donald H. Rumsfeld yesterday defended the U.S. strategy in Iraq, saying the ultimate goals remain unchanged despite escalating violence and increasingly somber assessments from military leaders on the ground.

Speaking at a Washington fundraiser, Bush said the U.S. goal in Iraq "is clear and unchanging": creating a country that can govern and defend itself and "that will be an ally in the war against these extremists."

In a briefing later at the Pentagon, Rumsfeld played down the significance of fighting and sectarian violence that have erupted over the past few days outside Baghdad, as U.S. troops in Iraq suffer some of the highest monthly casualties since the 2003 invasion.

The U.S. military strategy of handing over security to Iraqi forces will never be a "straight, smooth, steady path" and American troops may have to step back in repeatedly to quell outbreaks of violence, Rumsfeld said.

But Rumsfeld rejected the suggestion that this means the U.S. strategy of "clear, hold and build" is failing.

The remarks came amid growing concern among both Republican and Democratic lawmakers about the administration's Iraq plan, with some predicting that upcoming elections and the apparent lack of progress on the ground would soon force the Bush administration to abandon its open-ended support of the war.

Rumsfeld said he will meet today with Bush, Vice President Cheney and top U.S. commanders including Gen. John P. Abizaid and Gen. George W. Casey Jr. to "discuss the way forward" in Iraq. White House press secretary Tony Snow said the meeting was a routine update on the conflict -- scheduled weeks ago -- and that it did not herald a major change in strategy.

"The biggest mistake would be not to pass things over to the Iraqis," Rumsfeld said. "It's their country. They're going to have to govern it. They're going to have to provide security for it. And they're going to have to do it sooner rather than later."

Attacks and sectarian fighting have flared beyond Baghdad in recent days -- from Amarah in the south to the Tigris River town of Balad and the northern city of Mosul -- in some cases requiring the urgent intervention of U.S. forces. Sunni insurgents have also been staging bold military displays in cities and towns in the vast western province of Anbar, which a senior U.S. military officer this week described as "an al-Qaeda stronghold."

The eruption of violence around Iraq comes as thousands of U.S. reinforcement troops are tied down in aggressive operations to secure Baghdad, where attacks have nevertheless surged 43 percent since midsummer in a trend that an American general there this week called "disheartening."

At least 75 U.S. troops have been killed so far in Iraq this month -- the highest daily rate since January 2005. The United Nations has said that more than 100 Iraqis a day are being killed in raging sectarian violence.

U.S. commanders are wrestling with the question of whether to raise troop levels. Last week, Casey, the top U.S. general in Iraq, said that more troops would have an immediate impact on reducing attacks in localities where they operate but that it was uncertain whether they would contribute to bringing violence down in the long term.

Casey is working on projections for when the U.S. military can hand over responsibilities to Iraqi forces in different parts of the country, but Rumsfeld said yesterday that "there's no doubt" some of the projections will not be met. "In some cases, once we meet the projection, we may have to go back and do it again if it doesn't work," he said.

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Iraqi insurgents and other fighters may be targeting areas transferred to the control of Iraqi forces, Rumsfeld said. "They're smart, the enemy," he added. "They've got brains, and they use them."

Rumsfeld and Bush said military commanders are constantly adjusting their tactics to meet enemy challenges, even though overarching goals remain unchanged.

Bush repeated his vow not to withdraw troops from Iraq before the goals are achieved. "Victory in Iraq is vital for the security of a generation of Americans who are coming up," he said. "And so we will stay in Iraq, we will fight in Iraq and we will win in Iraq."

Bush said the recent spike in violence is largely attributable to a more aggressive posture being taken by U.S. troops, who have been directly confronting militias and others who have been stirring trouble. "In other words, we're on the move," Bush said. ". . . We're engaging the enemies, and they're putting up a tough fight."

In his remarks at an event that raised $1 million for Republican Senate candidates, Bush acknowledged the difficulty of the war. "Listen, I fully understand it's a tough fight in Iraq," he said. "I know it, you know it, and our troops know it."

Still, he said, the United States has no choice but to stay in the fight. "This is going to be a long struggle, but in order to prevail, it requires perseverance and determination, and a strong belief in the power of liberty to conquer the ideology of hate," he said.

Militias Battle For Iraqi City As Shiite Rivalry Escalates (NYT)

By Kirk Semple

The New York Times, October 21, 2006

BAGHDAD, Oct. 20 — Hundreds of militiamen linked to the Shiite cleric Moktada al-Sadr battled local police and members of a rival Shiite militia in the southeastern city of Amara on Friday, destroying police stations, seizing control of entire neighborhoods and detonating bombs that sent thick pillars of black smoke into the sky.

At one point, the Mahdi Army, Mr. Sadr's militia force, appeared to be in control of the eastern half of the city of about 250,000, close to the Iranian border. But after a day of negotiations involving representatives of the warring militias, and delegates from the Baghdad offices of Prime Minister Nuri Kamal al-Maliki, Mahdi Army gunmen withdrew from their positions, and by nightfall the city was under the control of an Iraqi Army battalion that had been dispatched from Basra, officials and residents said.

The clashes, pitting fighters linked to Mr. Sadr against members of the Badr Organization, the military wing one of the country's leading Shiite parties, exposed the deep fissures in the country's Shiite leadership and cast doubt on the ability of the ruling Shiite coalition to hold itself together. It also underscored the weaknesses of the Iraqi security forces and the potency of the Mahdi Army, which has been able to operate virtually unchecked in Iraq and is widely accused of propelling the cycle of sectarian violence that has pushed the nation to the brink of civil war.

With the battle for the city erupting only two months after British troops withdrew from a garrison on the city's edge, it raised fresh questions, too, about the ability of the Iraqi government and security forces to maintain order once allied troops are withdrawn.

Reviews of the American strategy in Iraq took on more urgency on Friday, as President Bush held a half-hour meeting at the White House with Gen. John. P. Abizaid, the top American commander in the Middle East. The meeting was the first of several scheduled in coming days with his senior advisers.

The stability of Mr. Maliki's government in Baghdad depends on a tenuous peace between Mr. Sadr, who controls one of the largest parties in the ruling Shiite bloc, and Abdul Aziz al-Hakim, who leads another, the Supreme Council for the Islamic Revolution in Iraq, and its private army, the Badr Organization. A dynastic rivalry between their families, dating back decades, has carried over into a personal and political rivalry between the men, and their militias have periodically clashed.

"The split is very old and it has caused a lot of tragedy," said Abd-Kareem al-Mahamedawy, one of Amara's most prominent political leaders and a moderate Shiite. "It's just a fight for power."

Mr. Sadr's office disavowed responsibility for the fighting in Amara, and his role in the assault remained murky. But residents and local officials said the gunmen, who wore the black clothes and black balaclavas that have become hallmarks of the Mahdi Army, claimed allegiance to Mr. Sadr.

The possibility of a violent break between the factions would severely complicate the efforts of Iraqi and American officials to quell the soaring sectarian and insurgent violence in Iraq. A factional war among the Shiite groups, which might quickly spread to other major centers where Mr. Sadr and Mr. Hakim are vying for power, including Baghdad, would add another nightmarish dimension to the bloodletting here, on top of the sectarian killing between Sunnis and Shiites and the war that militant groups from both sects are waging against American-led allied troops.

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Compared to the west and north of the country, where a fierce Sunni Arab-led insurgency has tormented American and Iraqi troops and Sunni and Shiite death squads have engaged in a vicious cycle of violence, the predominantly Shiite south has been relatively peaceful. But a disintegration of the unstable pact between Mr. Sadr and Mr. Hakim could draw American attention away from the other fronts and compel the British military to return to areas they had ceded to the Iraqis.

The American military command acknowledged this week that it was re-examining the latest security plan for Baghdad, where three months of intensive American-led sweeps had failed to curb violence by Sunni Arab-led insurgents and Shiite and Sunni militias. An American soldier was killed Friday in a bombing in southwest Baghdad, according to the military, raising the total of American troop deaths in Iraq this month to at least 74.

The Bush administration has pinned the withdrawal of American troops on the ability of Iraqi forces to assume command of the country's security. In the south, the British have handed over security for two provinces to the Iraqis. In August, they put Iraqi forces in charge of Amara and withdrew from the city.

In an interview with The Associated Press, President Bush said of Iraq, "We are constantly adjusting our tactics so that we achieve the objective, and right now it's tough, it's tough."

At the Pentagon, Defense Secretary Donald H. Rumsfeld said it was essential to transfer more security and governing responsibilities to the Iraqi government. "It's their country," he said at a news conference. "They're going to have to govern it, they're going to have to provide security for it, and they're going to have to do it sooner rather than later."

Shiite militias — especially the Mahdi Army — have presented Mr. Maliki with perhaps the greatest conundrum of his administration. American officials have pressed him vigorously to disarm the militias and rid the state security forces of their influence. Yet Mr. Maliki has been hesitant to attack them, particularly the Mahdi Army and Badr Organization, for fear of alienating fundamentalist Shiite leaders inside his fractious coalition. On Wednesday, Mr. Maliki met privately with Mr. Sadr in Najaf but offered no details about their conversation.

British forces did not intervene to stop the bloodshed in Amara, instead deferring to the Iraqi government to resolve the dispute. British military officials said a quick reaction force was standing by in case Iraqi diplomatic efforts failed.

British commanders called the Iraqi response to the crisis a success.

"The Iraqi police and Iraqi Army have faced their sternest test since we stepped back from Amara," Maj. Charlie Burbridge, a British military spokesman, said in a telephone interview. "We believed the Iraqi security forces were in position to provide day-to-day security and implement the rule of law in Amara, and we still maintain the case."

The fighting, he said, did not upset plans to hand over full control of Maysan Province to the Iraqi government in December.

According to Mr. Mahamedawy, this week's dispute between the Shiite militias began after Qassim al-Tamimi, chief of investigations for the provincial police force and a member of the Badr Organization, was killed in a bombing. Badr fighters blamed the Mahdi Army. Police then arrested the brother of the local Mahdi Army commander in connection with the bombing, the authorities said.

More than 200 Mahdi fighters responded with an assault on the city beginning Thursday afternoon, then continuing at daybreak on Friday. According to Col. Khalid al-Fredgy, a police officer in Amara, the police officers eventually ran out of ammunition and fled their posts. By late morning, Mahdi gunmen wearing black clothes and black balaclavas were patrolling neighborhoods in commandeered police vehicles and manning roadblocks, local leaders and residents said.

"Policemen tried to protect the stations, but what can they do?" Mr. Mahamedawy said by telephone early Friday afternoon. "They do not have enough weapons and ammunition compared with the militia, which has all kinds of weapons."

Delegates from the Badr Organization and from Mr. Sadr's headquarters in Najaf met with envoys from Mr. Maliki's office and hammered out a truce that allowed for the Iraqi Army to retake the streets, according to Mr. Mahamedawy.

By dusk, at least 10 police officers and 15 militiamen had been killed, according to Major Burbridge, and about 90 gunmen were wounded. Police officials said that several of their men remained unaccounted for and had presumably been kidnapped by the Mahdi Army fighters.

"Those rogue gangs were brought back into line by their political leaders," Major Burbridge said.

Witnesses said a message from Mr. Sadr was broadcast by loudspeakers atop vehicles Friday, calling on gunmen to lay down their weapons, though the order was widely disregarded.

Western intelligence officials in Baghdad have also spoken of Mahdi splinter groups operating as freelance death squads beyond Mr. Sadr's control, but some American officers have questioned whether Mr. Sadr has adopted this notion in order to deflect responsibility for crimes committed by his men.

Amara is the capital of Maysan Province, a region of farmland and marshes about 240 miles southeast of Baghdad. The city has been a chokepoint for munitions and people entering from Iran.

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Political control there, and throughout the south, has been fiercely contested by followers of Mr. Hakim and Mr. Sadr. Mr. Sadr's allies dominate the provincial council. But the police chief is a former Badr Organization member and many of his officers are loyal to the militia.

Some local leaders warned that the cycle of revenge among Shiites would likely not end with Friday's truce, and that in the fiercely tribal culture of Maysan, relatives of officers who were killed or kidnapped might seek to avenge those attacks.

Bush Open To Shift In Iraq War 'Tactics' (LAT)

By Paul Richter And Doyle Mcmanus

The Los Angeles Times, October 21, 2006

WASHINGTON — With U.S. casualties rising and pressure growing from Republican and Democratic leaders for a change of course in Iraq, President Bush said Friday that he was willing to adjust U.S. "tactics" in Baghdad but did not intend to change his strategy or long-term goals.

"We will stay in Iraq, we will fight in Iraq and we will win in Iraq," Bush told Republican contributors in Washington. "Our goal hasn't changed, but the tactics are constantly adjusting to an enemy which is brutal and violent."

But pressure is mounting among some administration officials and party faithful for a major change in the way Bush is handling the war.

His remarks appeared to signal that he was open to at least a limited change in his approach, and that he was not wedded to a "stay-the-course" doctrine, as critics say. At the same time, Bush pledged to secure victory and said he would not change his administration's strategy or overall goals, even if it shifted tactics.

He spoke at the end of a grim week that saw an American commander acknowledge that U.S. policies aimed at quelling violence in Baghdad had fallen short and on the eve of a White House conference with generals, Cabinet officials and national security advisors.

The developments came as an increasing number of Republicans questioned the wisdom of Bush's policies in Iraq and called for new military and political options, and as expectations grew for a postelection change in direction. By adhering to longer-term goals while allowing for tactical changes, Bush could argue that military shifts did not represent a failure of policies.

In his comments, Bush said his administration's "unchanging" goal was to enable Iraq to govern, defend and sustain itself.

But some administration officials said Friday that in the face of Iraq's deepening troubles, they were weighing major changes in direction and expected a new course — though not a withdrawal — to be announced within months.

One senior official said he expected the change to come once a congressionally chartered panel, the Iraq Study Group, makes its recommendations, giving the administration "political cover."

"We're not going to pack up and go home," said the official, who asked to remain anonymous because he was not authorized to speak on the subject. "But the situation is grim, and may even be worse than it looks in the media" because of frequent near-calamities in Iraq that never come to the public's attention.

"People here are desperate, and there is a lot of deep thinking going on," the senior official said.

Richard N. Haass, president of the Council on Foreign Relations, an independent foreign policy organization, said opinion on the war appeared to be near "a tipping point."

"I think we are reaching the point, and it's going to happen soon, where simply 'more of essentially the same' is going to be a policy that very few people are going to be able to support," said Haass, who was an aide to former Secretary of State Colin L. Powell.

Several strategic alternatives in Iraq are receiving the most attention, observers said.

They include setting a timetable for withdrawal; giving a larger role to other countries in the region, notably Syria and Iran, to win their cooperation on security; decentralizing the government of Iraq, or even formally dividing the country into Kurdish, Sunni Arab and Shiite states; and encouraging the formation of a new government led by a strong leader, such as an Iraqi army general.

Administration officials and outside experts said all of the options had major disadvantages and would have substantial political costs. U.S. officials said each of the alternatives had been rejected at various points by the administration.

But the senior U.S. official said some in the government continued to think about options that had been ruled out — including a more authoritarian approach — in hopes of establishing order as a first step toward rebuilding the country.

The official described it as a "last choice," but said, "at some point, the situation becomes so serious that you need order, period."

Handing the government over to a strong leader would carry large political costs. It would mean setting aside the administration's goal of establishing an American-style government, at least temporarily. And it would mean finding what some officials call a "man on horseback" who would have support from all the major Iraqi factions — perhaps an impossible task.

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The strongman option was called the "most plausible" by scholar Eliot Cohen of the Johns Hopkins University School of Advanced International Studies, who has close ties to the military and administration. Cohen, often described as a leading neoconservative, has been praised by Bush.

Cohen wrote in a Wall Street Journal column published Friday that the Iraq war was, "if not a failure, failing." He said throwing U.S. support behind a strong leader would force the administration to swallow "a substantial repast of crow."

The option of regionalizing the effort — with the help of Iran and Syria — appears to have the support of former Secretary of State James A. Baker III, the Iraq Study Group co-chairman.

The senior U.S. official said that such an approach would require Washington to set aside other goals regarding Syria and Iran — including its push to keep Tehran from gaining a nuclear weapon.

"The question is, are they willing to throw out their Iran and Syria policies to help their Iraq policy?" he said. "That's hard for me to conceive."

The Pentagon has begun its own work on a "Plan B," involving changes that Bush would consider tactical rather than strategic.

Pentagon officials have declined to talk about alternatives under discussion, but there are several shifts they could make.

The military could intensify its counterinsurgency efforts, moving more American units out of bases and into cities and neighborhoods — a version of the strategy the U.S. pursued in Tall Afar and Ramadi. But those options probably would require additional troops, who most likely would come from unpopular combat tour extensions.

A probable candidate for an extension under such a scenario would be the 4th Infantry Division, which is expected to complete its yearlong tour in November and December. Keeping the division in Baghdad would provide an instant boost in the U.S. military presence.

Conversely, the military may decide to abandon its Baghdad security plan, returning more forces to bases. Such a move essentially would mean dropping a large part of the Pentagon's counterinsurgency effort, but it could force the Iraqi military to take more responsibility.

The Pentagon also could seek to ramp up its military advisor efforts. Top Army generals have repeatedly predicted that as infantry brigades shrink, the number of military advisors working with Iraqi security forces will increase.

One military option, backed by Sen. John McCain (R-Ariz.) and others, is increasing troop levels. But administration officials are concerned that would further erode public support, and that there are no extra troops to be had in large numbers.

Bush summoned Army Gen. John P. Abizaid, the top U.S. commander in the Middle East, to the White House on Friday. The administration said Abizaid already was in the capital and Bush asked for a meeting.

Bush will consult today with Abizaid and Army Gen. George W. Casey Jr., who is commander of U.S. forces in Iraq. Defense Secretary Donald H. Rumsfeld, Vice President Dick Cheney and national security advisor Stephen Hadley also will take part, Rumsfeld told reporters.

Abizaid will appear via teleconference from the U.S. Central Command in Florida and Casey will take part from Baghdad.

Democrats sought Friday to use the acknowledged breakdown of the Baghdad offensive as an opportunity to emphasize their case for a phased withdrawal from Iraq.

"It has never been more clear that we need to change course in Iraq," House and Senate Democratic leaders wrote in a letter to Bush.

Times staff writers Julian E. Barnes and Peter Spiegel contributed to this report.

Pressure Builds For Policy Shift, But Bush Shows No Signs Of Budging (MCT)

By Ron Hutcheson And Nancy A. Youssef

McClatchy Newspapers, October 21, 2006

WASHINGTON - Appalled by spiraling violence in Iraq and frustrated by Prime Minister Nouri al Maliki's failure to quell it, American officials are grasping for new ways to keep the conflict from spinning out of control.

But President Bush has given no indication that he's ready to make dramatic changes in his Iraq policy, which has come to define his presidency and dominate next month's congressional elections. If anything, the president's public comments and those of his senior aides suggest that he's more determined than ever to stay the course.

Senior U.S. military, diplomatic and intelligence officials, however, have concluded that Maliki's Iraqi government is either unwilling or unable to crack down on the country's Shiite Muslim militias. Some even have suggested that the United States should consider beginning to withdraw some troops to increase the pressure on Maliki to take decisive action.

Bush and his aides, however, say he won't retreat from his vision of a united, stable, secure and democratic Iraq.

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"Our goal in Iraq is clear and it's unchanging: a country that can sustain itself, a country that can govern itself, a country that can defend itself, and a country which will be an ally in the war against these extremists," Bush said Friday at a Republican fundraiser.

White House spokesman Tony Snow said Friday that Bush has rejected two of the most frequently mentioned options: a phased U.S. withdrawal or a partition that would divide Iraq into Shiite, Sunni and Kurdish regions. He said that Bush is open to changes in tactics that could help achieve his goals, but won't consider any deviation from his core strategy.

"Leaving is not going to work, and partition is simply off the table," Snow said. "The strategy's going to be the same, which is an Iraq that can sustain, govern and defend itself."

That leaves senior American officials and commanders in Iraq in a tough place. They've acknowledged that the current approach isn't working, and that they're looking for an alternative. But the decision ultimately is the president's.

Lawmakers in both parties agree that Bush will face more pressure to change course if Republicans lose control of Congress next month.

Calls for change by the independent Iraq Study Group, headed by former Secretary of State James Baker, a Bush family friend, might sway the president. Baker, who's said that the group won't release its findings until after the Nov. 7 elections, has pledged to consider all options, but Snow already has made it clear that Bush won't be bound by the group's advice.

"This is something you listen to seriously, but we are not going to outsource the business of handling the war in Iraq," he said. "The president is the commander-in-chief. And simply because you have a blue ribbon panel, it does not mean that he hands it off to them."

The pressure for change - from commanders in Iraq, from voters and from Bush's fellow Republicans - is building, and a flurry of meetings has prompted speculation that some changes may be afoot.

Bush invited Gen. John Abizaid, the top U.S. commander in the region, to the White House Friday for an update on Iraq, and the president will hear from commanders in the field in a videoconference on Saturday that will include Vice President Dick Cheney and Defense Secretary Donald H. Rumsfeld.

A senior defense official said that Marine Gen. Peter Pace, the chairman of the Joint Chiefs of Staff, also has begun taking a more active role in shaping discussions about Iraq strategy, meeting regularly with military commanders and retired officers who've returned from the region.

But the official, who declined to be named because he wasn't authorized to speak on the record, was skeptical that the discussions would lead to "a major overhaul" of Iraq strategy, even though Pace acknowledged at a luncheon with reporters last week that the current strategy hasn't worked.

"I think conceptually the strategy is correct," the official said, "and I think operationally there may be a need for some adjustment to achieve the desired results."

At a Pentagon news conference Friday, Rumsfeld declined to say whether he'd offer any new ideas, but he stressed the current goal of transferring security responsibility to Iraqi forces.

"It's their country. They're going to have to govern it," Rumsfeld said. "They're going to have to provide security for it, and they're going to have to do it sooner rather than later. And that means they've got to take pieces of it as they go along."

U.S. officials in Iraq, however, concede that the handoff to Iraqis hasn't gone as planned.

On Thursday, Army Maj. Gen. William Caldwell, the chief U.S. spokesman in Iraq, announced that a two-month effort to stabilize Baghdad has fallen far short of its goals. Shiite death squads continue to operate with near impunity, other officials said, and sectarian violence is increasing - up 22 percent in the first three weeks of the Muslim holy month of Ramadan over previous weeks, Caldwell said. The Iraqi government is plagued by corruption and ineffectiveness.

Earlier this week, Iraqi forces lost control of the mostly Shiite city of Balad, months after U.S. forces handed control of the community to local leaders. U.S. forces had to intervene to stop tit-for-tat violence between the residents of Balad and neighboring Sunnis.

On Friday, hundreds of Shiite militiamen took over three police stations in the southern city of Amara. British troops joined Iraqi security forces in trying to restore order.

U.S. officials were particularly frustrated by Maliki's recent decision to order the release of Sheik Mazin al Saidy, a top associate of fiery Shiite cleric Muqtada al-Sadr, whose Mahdi Army militia is thought to be responsible for much of the sectarian killings.

U.S. officials had planned to trumpet the arrest as a significant step toward stopping the surge of sectarian violence. But Maliki intervened and demanded Saidy's release, pointing out that he was the elected leader of a democratic Iraq.

To Iraqi Sunnis, the decision was more evidence that the Iraqi government is aligned with Shiite death squads. To U.S. military officials, it was a troubling development in their campaign to crack down on sectarian violence.

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Some senior officials in Washington, all of whom spoke on the condition of anonymity because their reports are classified and their advice to the president and the defense secretary is confidential, echoed the frustrations in Iraq.

Some have concluded that current U.S. troop levels and deployments aren't sufficient to stem the rising sectarian violence, but that sending additional troops wouldn't change the equation. Some say that the U.S. effort to train Iraqi police and troops to take over security has failed because the Iraqi forces are either overwhelmed by or in league with sectarian militias.

Earlier this week, former Deputy Secretary of State Richard Armitage suggested a gradual reduction of U.S. troops, perhaps at a rate of about 5 percent every few months.

"We can't win on the battlefield," said Armitage, who served throughout Bush's first term. "The problem is that this is now a political struggle being carried out amid chaos, and we can't wish stability on the Iraqis. They have to be willing to fight for it."

Asked if he thought that staying the course remains an option, Armitage replied: "If the definition of insanity is doing the same thing over and over again and expecting a different result, then clearly it isn't. The problem is that you can change tactics in an hour, but it takes time to change strategy, and it's too late for that now."

One senior official said advocates of change have mounted a "low-wattage mutiny" to try to convince Bush to try a new approach.

So far, though, it seems to have had little impact on the president.

"All these proposals have one thing in common: they would have our country quit in Iraq before the job is done," Bush said on Thursday at another Republican fundraiser, after summing up the various options offered by his critics. "America will stay, we will fight, and we will win in Iraq."

Hutcheson reported from Washington, Youssef from Baghdad. McClatchy correspondents Drew Brown and John Walcott in Washington contributed to this report.

Bush: I Won't Change Strategy In Iraq (AP)

By Deb Riechmann And Kevin Freking

AP, October 21, 2006

President Bush conceded Friday that "right now it's tough" for American forces in Iraq, but the White House said he would not change U.S. strategy in the face of pre-election polls that show voters are upset.

With Republicans anxious about the potential loss of Congress — and with conditions seemingly deteriorating in Iraq — Bush addressed the question of whether he would alter his policies.

"We are constantly adjusting our tactics so that we achieve the objective, and right now it's tough, it's tough," Bush said in an Associated Press interview.

Bush met with Gen. John Abizaid, the top U.S. commander in the Middle East, at the White House for a half-hour Friday afternoon. The White House said Abizaid already was in town and Bush asked him over. The president also will consult by video conference on Saturday with Abizaid at U.S. Central Command in Tampa, Fla., and with Gen. George Casey, who leads the U.S.-led Multinational Forces in Iraq, to determine if a change in tactics is necessary to combat the increasing violence.

Despite calls for change, Bush said, "Our goal has not changed. Our goal is a country that can defend, sustain and govern itself, a country that which will serve as an ally in this war. Our tactics are adjusting."

There were fresh signs of Republican doubts about the war. Sen. Kay Bailey Hutchison of Texas, who holds a seat deemed safe for the GOP, said in a campaign debate Thursday she would have voted against the war had she known ousted Iraqi leader Saddam Hussein possessed no weapons of mass destruction.

Democrats also kept up the pressure on Bush. In a letter to the president, a dozen House and Senate Democratic leaders urged him to bring home some U.S. troops and force the Iraqis to take more responsibility for their security. The Democrats said Bush should do more to pressure Iraqi leaders to disarm militias and find a political solution that would curb violence.

"The steadily mounting sectarian violence, growing insurgency and escalating casualty figures in Iraq are unacceptable and unsustainable," the Democrats said. "We urge you to change course, level with the American people and join with us to develop a policy that will work before the situation in Iraq is irretrievable."

Presidential spokesman Tony Snow said that while Bush might change tactics, he would not change his overall strategy.

"He's not somebody who gets jumpy at polls," Snow said of Bush.

Bush, at a political fundraiser in Washington for the National Republican Senatorial Committee, railed against Democrats who criticize the war. Calling the Democrats the party of "cut and run," Bush said voters need to ask: "Which political party has a strategy for victory in this war on terror?' "

As of Friday, the U.S. combat death toll in Iraq during October stood at 75 — possibly heading for the highest for any month in nearly two years. Now in its fourth year, the war has claimed the lives of at least 2,786 Americans. Approval of Bush's

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handling of Iraq has dipped to 37 percent among likely voters in the AP-Ipsos poll early this month, down slightly from 41 percent last month.

Defense Secretary Donald H. Rumsfeld said the Iraqi government must become less reliant on the United States to handle security. He also said U.S. officials are working with the Iraqis to develop projections on when that might happen.

"It's their country, they're going to have to govern it, they're going to have to provide security for it, and they're going to have to do it sooner rather than later," Rumsfeld said.

"The biggest mistake would be to not pass things over to the Iraqis, create a dependency on their part, instead of developing strength and capacity and competence," he said.

Doubts about the effectiveness of current tactics have risen, and the U.S. military has said its two-month drive to crush insurgent and militia violence in Baghdad has fallen short. Attacks in Baghdad rose by 22 percent in the first three weeks of the Muslim holy month of Ramadan, compared with the three previous weeks.

On Friday, the Shiite militia run by the anti-American cleric Muqtada al-Sadr briefly seized control of the southern Iraqi city of Amarah in one of the most brazen acts of defiance yet by the country's powerful, unofficial armies. Tom Casey, deputy spokesman at the State Department, said the United States was urging the Iraqis to make sure that security in Amarah was returned to the government.

"The flare-up of violence in Amarah points out that our strategy to quell the violence in that country is failing," said Rep. Ike Skelton of Missouri, the ranking Democrat on the House Armed Services Committee.

Bush Sees Support Ebb Away For Military Strategy In Iraq (FT)

By Edward Luce And Demetri Sevastopulo In Washington

Financial Times, October 21, 2006

Support for George W. Bush's strategy of "staying the course" in Iraq appears to be crumbling, with a growing number of fellow Republicans and senior military figures questioning how long the US can sustain its presence.

The US president got a jolting reminder of the deteriorating situation when the Mahdi army of hardline Shia cleric Moqtada al-Sadr took control of the southern city of Amara. The putsch raised more questions over the stability of Iraq's coalition government under Nouri al-Maliki, who is nominally supported by the Sadrist group that carried it out.

It follows some of the worst violence in Iraq since the US-led invasion, with more than 100 civilian deaths a day over the past three weeks and more than 70 US military casualties. Major General William Caldwell, US military spokesman in Baghdad, acknowledged on Thursday that the strategy of "clear and hold" in Baghdad was failing.

Mr Bush conceded yesterday that he was increasingly flexible about America's military strategy. In the past few weeks he has abandoned talk of achieving "victory" in Iraq - previously a stock-in-trade of presidential announcements. "We are constantly adjusting tactics so we can achieve our objectives," Mr Bush said. "And right now, it's tough."

Domestic pressure on him is mounting ahead of a widely predicted Republican defeat in the November 7 mid-term elections.

"We are now way past the tipping point on the ground in Iraq," said Gary Samore at the Council on Foreign Relations in New York. "But it is doubtful there will be any change of course until we see the results of the mid-term elections."

Mr Bush's difficulties have been exacerbated by growing dissent within his own party, with Republican congressional candidates distancing themselves from Washington's "stay the course" line. In what analysts see as a sign of growing desperation, some even support a widely-distrusted plan to partition Iraq into separate Kurdish, Shia and Sunni entities.

Attention is increasingly focused on the Iraq Study Group, an independent body led by James Baker, the former secretary of state, and Lee Hamilton, a former Democratic lawmaker, which is expected to recommend a drastic change of course. Some think it could lead to the departure of Donald Rumsfeld, defence secretary, soon after the polls.

"A lot rides on the outcome of the elections," an ISG member in Washington said last night. "If the Democrats win, the pressure on Mr Bush to start drawing down the troops could be overwhelming. If the Republicans retain control of Congress, then you could see more US troops sent there in a last-ditch effort to stabilise the violence."

Amara Violence Increases Strains On Unified Iraq Idea (Update1) (BLOOM)

By Judy Mathewson And Daniel Williams

Bloomberg, October 21, 2006

Oct. 20 (Bloomberg) -- A Shiite militia clashed with Iraqi police today in an effort to take over the southern Iraqi city of Amara, raising questions about whether the U.S.-backed central government and its army can keep the country whole.

Hooded gunmen wearing black uniforms seized Amara for a few hours, and 25 people died in gun battles before the Iraqi Army moved in to retake the city of 750,000, the Associated Press reported.

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The fighting involving the Mahdi Army militia broke out yesterday after a police intelligence officer linked to a rival militia was killed. In retaliation, a brother of the Mahdi Army commander in the city was abducted, and demands were made for the official's killers to be handed over, according to AP. Mahdi Army gunmen, loyal to anti-U.S. cleric Moqtada al-Sadr, carried out the assault on Amara. Al-Sadr made an appeal for calm.

The violence in Amara demonstrates how events may be overrunning the U.S. policy of supporting a unified Iraqi government, and also driving a de facto division of the country along ethnic and sectarian lines. President George W. Bush has so far rejected any recommendation to divide the country, saying it would only lead to more violence.

``You don't want to create the Balkans," Bush spokesman Tony Snow said today in Washington. Ethnic conflicts erupted in the Balkans after the breakup of Yugoslavia in the 1990s, killing tens of thousands of people. The U.S. will continue urging Iraqis to identify themselves as one people, recalling how 12 million citizens turned out a year ago for the first democratic election in decades, Snow said.

At least three police stations and several other facilities were attacked in Amara, Sheik Abdul Kareem al-Muhammadawi, a tribal leader, told the New York Times in a telephone interview. He said the Iraqi police were outgunned and lacked sufficient weapons and ammunition.

Status of Amara

The Iraqi police in Amara are able to ``contain" the fighting, according to the U.K. Ministry of Defense, which has responsibility for southern Iraq. CNN broadcast pictures of masked men toting automatic weapons on the streets of Amara as black smoke billowed behind them.

An independent commission set up by Congress and led by former Secretary of State James Baker III is set to make recommendations on Iraq before the end of the year. Baker has said Prime Minister Nuri al-Maliki's government is running out of time to demonstrate that it can get control of the country. He has also said creating three Iraqi states in a loose federation is one of the ideas that the panel is reviewing.

Republican Rift

As the idea of creating semi-autonomous states for Kurds and Shiite and Sunni Muslims gains attention, splits are emerging between President George W. Bush and Republican lawmakers.

The break was highlighted this week when Senator Kay Bailey Hutchison, a Texas Republican, endorsed greater autonomy for Iraq's main groups.

``We have to step back and stop trying to put our American ideas onto this problem and start trying to get an understanding of their views, and strong-held prejudices," Hutchinson told the Houston Chronicle.

``There are many Republicans who are privately saying they want to see the decentralization idea tried," Leslie Gelb, president emeritus of the New York-based Council on Foreign Relations and an advocate of decentralizing Iraqi power, said today in a telephone interview.

Gelb said these Republicans will not go public until after the midterm congressional elections a few weeks away. Until then, Gelb said he is ``honor-bound" not to name the dissenters.

Government Model, Poll

The Iraqi Constitution already allows regions to exercise limited self-government while giving the central government authority over common interests, such as border defense, foreign affairs and oil revenues.

Iraqis favor the centralized form of government in place now, according to a poll released last month by the University of Maryland. Asked whether their new system ``grants the central government too much power, too little power or about the right amount," only 37 percent of the 1,150 Iraqi adults questioned said it gave too much power.

Senator Joseph Biden of Delaware, the top Democrat on the Senate Foreign Relations Committee, joined Gelb last May to recommend amending the Iraqi Constitution to establish independently governed Kurdish, Sunni and Shiite regions with a central government in Baghdad to manage common interests.

`Emerging Reality'

Under the proposal, Sunnis would be guaranteed 20 percent of oil revenue to match their share of the population. In a New York Times commentary they cited the success of Bosnia's Dayton Accords a decade ago that brought peace to that part of the Balkans.

``At least this idea has a chance because it fits the emerging reality on the ground," Gelb said today.

Iraq's Arab neighbors, along with Turkey, all oppose partition or federalism. Several states have minorities within their own borders and regard partition in Iraq as a bad precedent. Arab states, ruled mostly by Sunni Muslim administrations, are reluctant to see Shiites and Kurds benefit from partition, due to their control of the southern and northern oil fields, while Sunnis in the center of Iraq are left without oil.

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The traditional rivalry between Arabs and Iranians makes any partition of Iraq problematic. Many Arab governments view such a partition as an opportunity for Iran to gain influence in the Arab Middle East.

As early as 2003, Egypt's president Hosni Mubarak expressed opposition to ``trends towards partitioning the country." Last April, Mubarak went further and warned that Iran's influence in southern Iraq was poisoning the region.

An Old Bush Hand Takes On A New Role On The Iraq War (NYT)

By Steven R. Weisman

The New York Times, October 21, 2006

WASHINGTON, Oct. 20 — For years, James A. Baker III was asked to explain why the first President Bush, whom he served as secretary of state, did not oust Saddam Hussein in 1991 at the end of the Persian Gulf war.

"Guess what?" Mr. Baker says these days. "Nobody asks me that anymore."

Of course, Mr. Baker is still asked about Iraq. But the questions now focus on what strategies he and the Iraq Study Group, which he helps lead, will propose to deal with the Iraq war that the current President Bush started, taking on a job that his father began but cut short.

In a telephone interview on Friday, Mr. Baker said he was reluctant to take the job as the Republican co-chairman of the bipartisan group when Congressional leaders and members of the Bush administration urged him to do it, suggesting that was what Mr. Bush wanted. "My attitude was that if the president wants me to do this, he'll look me in the eye and say, 'Please do it,' " Mr. Baker said. "And that's what he did. The point being, I wasn't going to get involved in an intramural contest about what the policy on Iraq should or shouldn't be without his approval."

Asserting that Mr. Bush has an unwarranted reputation for not listening to dissenting views, Mr. Baker added: "It seems to me that this project demonstrates one heck of a lot of flexibility. He's very interested in what this panel has to say."

Mr. Bush has opened himself to the new ideas when the war is presenting some of the problems the elder Mr. Bush and his aides, in their own memoirs, have said they worried about in 1991. They feared that Iraq would be torn by sectarian strife and that the United States would face worldwide resentment and a backlash at home.

Mr. Baker leads the study group with Lee H. Hamilton, a former Democratic representative from Indiana who is now director of the Woodrow Wilson Center for Scholars in Washington. Its work is to be completed in December or January, a timetable set up at the group's beginning to keep its conclusions out of the current election campaign.

Few outside the group know what it will recommend. Speculation has centered on the possibility of a phased military withdrawal from Iraq; a possible separation of Sunni, Shiite and Kurdish areas; some kind of international protectorate to secure Baghdad; and greater involvement in Iraq and the region by Iran and other neighbors.

But as a personal drama, the study group has set off fevered talk in Washington, ranging from the political to the psychological, especially now that Mr. Baker has declared that neither Mr. Bush's "stay the course" message nor what the White House calls the "cut and run" approach of critics offers a way out.

"There are other options other than just those two," Mr. Baker said recently on National Public Radio while promoting his new book, "Work Hard, Study and Keep Out of Politics." His group's proposals, Mr. Baker added, will probably not please the administration or its foes.

Mr. Baker's long association with the Bush family has often led to his coming to the rescue in bad situations. But the talk in Washington about the panel's work is filled with rich historical antiphonies.

In late 1992, for example, he resigned as secretary of state to try to save the first President Bush's faltering re-election campaign; Mr. Baker was openly reluctant to leave the citadel of diplomacy at the end of the cold war to return to the petty world of political handlers.

Family associates have said that George W. Bush was among those who resented Mr. Baker at the time for his mixed feelings about leaving when his father needed help. Running for president eight years later, the younger Mr. Bush, by then governor of Texas, turned to many longtime Republican strategists, including former Secretary of State George P. Shultz, but not Mr. Baker. "That was O.K. with me," Mr. Baker wrote in his book.

But in the crisis over the vote count in Florida in 2000, the younger Mr. Bush was prevailed on to reach out to Mr. Baker. People close to the family said Mr. Baker's brilliant managing of the team of lawyers and political experts in that fight banished the younger man's doubts about his loyalty.

"My perception is that Baker feels that with Florida he recouped his relationship with the family," said a friend of Mr. Baker's. "That's very important to him personally."

That friend as well as others who spoke for this article did not want to be quoted discussing Mr. Baker's relationship with the Bush family, a subject that Mr. Baker himself refuses to talk about.

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The friendship between Mr. Baker and the elder Mr. Bush is legendary among their friends. The two men had been friends for years when Mr. Baker's wife died of breast cancer in 1970, leaving him close to despair. Mr. Bush offered Mr. Baker refuge from his grief by asking him to join his Senate campaign in Texas, though Mr. Baker had to change his registration from Democrat to Republican.

The Senate campaign failed, and Mr. Baker went on to more failures and successes: managing Mr. Bush's first presidential run in 1980, serving as President Reagan's chief of staff and treasury secretary, then as manager of Mr. Bush's successful White House campaign in 1988 and later as Mr. Bush's secretary of state.

For some time, Mr. Baker now acknowledges, he shared the limited regard that many people had of George W. Bush. Like others, he attributes Mr. Bush's eventual success to the discipline and Christian faith that led him to turn his life around in his 40's. In his book, Mr. Baker said he has tremendous admiration for the current president.

But reading between the lines, it seems that admiration may not extend to others in the Bush administration.

The Iraq Study Group, for example, may not recommend a change of personnel in the administration along with a change of course, but many doubt that those associated with the current approach could carry out a new one.

It is well known that Mr. Baker is not a great fan of Defense Secretary Donald H. Rumsfeld. Mr. Baker said in his book that Mr. Rumsfeld "engineered" the elder Mr. Bush out of contention as a vice-presidential candidate under President Ford in 1976.

Mr. Baker wrote of the "costly mistakes" of the war, including the lack of adequate troops and the dismantling of the Iraqi Army. But he attributed those failings to the Defense Department, not the White House.

The one hallmark of Mr. Baker's efforts, associates said, is that he would not undertake a project destined to sit on a shelf and be ignored. "Jim Baker knows that Iraq is a mess," said Dennis B. Ross, the longtime Middle East envoy who remains a close adviser to Mr. Baker. "But this is not going to be an academic exercise. He's going to try to come up with a solution that also allows him to persuade the president that this is the right way to go."

If there is an analogy to Mr. Baker's enterprise, it could be the Social Security commission of the early 1980's under President Reagan. There was an impasse between Mr. Reagan and House Speaker Thomas P. O'Neill Jr., the Democratic lion and opponent of Mr. Reagan's desire to overhaul the system.

Alan Greenspan, the retired chairman of the commission, recalled in an interview that he had remained in constant touch with Mr. Baker, then White House chief of staff, while the commission's top Democrat was in constant touch with Mr. O'Neill.

The eventual compromise preserved the Social Security system, but subjected benefits of the wealthy to taxation.

"Jim is one of the best negotiators I've ever seen," Mr. Greenspan said. "Were he not involved in the Social Security commission, I seriously question whether we could have pulled it off."

Bush Pins Label Of 'Defeat' Party On Democrats (WT)

By Stephen Dinan

The Washington Times, October 21, 2006

President Bush yesterday said Democrats became the party of "doubt and defeat" during the fight against communism in the Cold War, and said it shows today in their calls for withdrawal from Iraq.

The president also said terrorists are trying to influence the debate in the United States by making images and video clips of their attacks on U.S. troops available to cable news networks "and opinion leaders throughout the West."

"The Democrat Party that has evolved from one that was confident in its capacity to help deal with the problems of the world to one that is doubting, today still has an approach of doubt and defeat," Mr. Bush said in a campaign speech to donors to the National Republican Senatorial Committee at the Mayflower Hotel near the White House.

He said that shift began in 1972, with the nomination of George McGovern to run for president, continued into President Jimmy Carter's administration and characterized Democrats during Republican President Ronald Reagan's administration.

"They'd gotten to the point where they didn't think that we could win," Mr. Bush said. "Many of their leaders fought the Reagan defense buildup; they fought his Strategic Defense Initiative; they opposed the liberation of Grenada; they didn't like America's support for freedom fighters resisting Soviet puppet regimes."

He contrasted that with Presidents John F. Kennedy and Harry S. Truman, who he said "understood the challenges of their time and were willing to confront those challenges with strong leadership."

Mr. Bush finds himself trying to rally support for the war in Iraq in the face of declining support for both the war and for his own presidency, and with congressional elections little more than two weeks away.

He also is facing more questions from inside his party, as well as from Democrats, over specific tactics and strategy during a violent month for both U.S. forces and Iraqi civilians.

In an interview with the Associated Press yesterday, Mr. Bush acknowledged "tough" times in Iraq, but said the United States is always changing tactics.

The president met yesterday with Gen. John Abizaid, commander of U.S. Central Command, and is scheduled today to hold a briefing with military commanders and top civilian officials.

Democrats said the current flare-up in violence means Mr. Bush's strategy is failing.

"The eruptive situation in Iraq reflects that we are reaping the ultimate results of perils of the amateur strategy formulated by our civilian leaders in the early phases of this conflict," said Rep. Ike Skelton of Missouri, the top Democrat on the House Armed Services Committee.

Mr. Skelton, a respected Democratic voice on military matters, said there needs to be "a major change in strategy that will shift the military mission to the Iraqis, allowing for the redeployment over time of American forces, and that will pressure the Iraqi government to disarm the militias."

Meanwhile, the Democratic leadership in the House and Senate wrote a letter urging Mr. Bush to tell the Iraqis the U.S. commitment is not limitless.

Defense Secretary Donald H. Rumsfeld seemed to agree yesterday, saying in a briefing with reporters that U.S. officials are working with the Iraqi government to try to set a schedule for turning over responsibility for the country's security.

"It's their country, they're going to have to govern it, they're going to have to provide security for it, and they're going to have to do it sooner rather than later. And that means they've got to take pieces of it as we go along," Mr. Rumsfeld said.

Over the past two days, the Bush administration has argued that the increased violence is an attempt to influence U.S. opinion, particularly in the run-up to the midterm elections. Army Maj. Gen. William B. Caldwell IV, spokesman for the multinational force in Iraq, raised that possibility Thursday, as did White House spokesman Tony Snow.

And yesterday Mr. Bush said the terrorists exploit the press by filming their attacks and e-mailing images and video clips "to Middle Eastern cable networks like Al Jazeera, and opinion leaders throughout the West."

Mr. Snow later pointed to CNN as a network that "has shown pictures of snipers hitting Americans, which was used as a propaganda tool," as evidence of that claim.

But Mr. Snow said those videos are one-sided, and don't do justice to the state of the war.

"I'm sure the editors are savvy enough to know that when they get a video like this, it's designed less to give you a full and complete view of what's going on in the country than to create a sense of triumphalism for the killers of Americans," he said. "That's the intention of that. I think that's hard to dispute."

Hutchison: WMD Info Swayed Vote On Iraq (AP)

By Suzanne Gamboa

AP, October 21, 2006

Sen. Kay Bailey Hutchison, one of President Bush's most ardent loyalists on the war in Iraq, voiced her strongest criticism yet of the administration's reasons for going to war.

In a debate with her challenger in the Nov. 7 election, Hutchison, R-Texas, said she would not have voted for war had she known there were no weapons of mass destruction in Iraq. But she also made it clear she does not support troop withdrawal.

"If I had known then what I know now about the weapons of mass destruction, which was a key reason that I voted to go in there, I would not vote to go into Iraq the way we did," Hutchison said. "But I have to say, I don't think the president would have asked for that vote, either. We had intelligence that we relied on."

Her comments Thursday night come as a small but growing number of Republicans are suggesting a change in the Iraq strategy may be necessary.

She recently has been edging slightly away from President Bush on the war. This week she told Texas newspapers the option of partitioning Iraq into semiautonomous regions should be considered.

The White House said it has rejected that option.

In July 2004, the bipartisan Senate Intelligence Committee found key U.S. assertions leading to the Iraq war — that Saddam Hussein had chemical and biological weapons and was working to make nuclear weapons — were wrong or based on faulty CIA analyses.

A September report by a Democratic Senate panel said the White House painted a portrait of Iraq of having ties to al-Qaida based in part on intelligence it knew was flawed.

Republicans attacked the report as recycled information and accused Democrats of election-year politicking on the eve of the fifth anniversary of the terrorist attacks.

Hutchison's opponent, Democrat Barbara Radnofsky criticized the senator's debate statement, saying it was evidence the U.S. should not be in Iraq.

"It's clear the Senate papers reflect a lack of consensus or decisiveness that there was weapons of mass destruction. They were there, she just didn't read them," Radnofsky said.

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Allen Faces Questions On Iraq War Stance (AP)

By Bob Lewis

AP, October 21, 2006

Republican Sen. George Allen called for "changes in tactics" in how the U.S. is fighting the Iraq war on Friday as he continued to face questions about his morphing position on the war.

"The situation there is one that needs adjustments, that needs changes in tactics. We need to adapt to the situation on the ground," Allen said at a campaign event Friday morning with GOP leaders of the state legislature.

Even so, Allen, whom polls show to be in a tight Senate race with Democratic candidate Jim Webb, has yet to reject or criticize the hard line on Iraq that he had touted for months and that President Bush repeated Thursday at an Allen fundraiser.

Allen and Webb appeared separately later Friday in Hampton at a forum of the National Association for the Advancement of Colored People, where each signed up for lifetime membership.

Allen used the event to try to put behind him allegations that he has been insensitive to racial concerns, recounting efforts to provide money for historically black colleges and universities, as well as his trip to Selma, Ala., with Rep. John Lewis, D-Ga., to honor the bloody civil rights march there 40 years ago.

Once regarded only as a warm-up race for a presumed 2008 Allen presidential bid, the race became competitive in August after Allen singled out a man of Indian descent before a mostly white crowd at a rally and called him "macaca," which can be considered a racial slur.

Webb couched the coming election as "a choice between those who have power and those who will stand up to power."

Webb has been a critic of the war since 2002, before the U.S.-led invasion, when he wrote that it would mire the United States in a bloody and protracted quagmire and destabilize the oil-rich region. He cited the war, in part, for his decision to leave the GOP. He was asked no questions about Iraq at the Friday event.

Allen began shifting his public position on the unpopular war two weeks ago after fellow Virginia Sen. John Warner, a five-term moderate and chairman of the Armed Services Committee, returned from an Iraq visit saying the war was "drifting sideways," with Iraq's fledgling government unable to disarm its deadly sectarian militias.

Allen continued to hedge his views on the war at the NAACP event.

"Progress in Iraq has not been sufficiently fast as far as I'm concerned," Allen said. But he added, "to leave Iraq a safe haven for terrorists is not an acceptable risk."

On Friday, Allen began televising a new ad in which John Warner says, "George and I stand for a safe and strong America."

Even in conservative Virginia, polls show lagging support for the war. A recent Washington Post poll of 1,004 likely Virginia voters showed that 44 percent believed the war worth fighting considering its costs to the U.S., and 54 percent said it was not worth fighting.

But Allen won't stiff-arm the president, who on Thursday raised an estimated $600,000 for him in a paid media campaign that is costing both sides well over $1 million a week in television time alone.

"I think the point of the matter we ought to take into consideration is the risk here, the risk facing our country, how we need to improve, how we need to adapt, how the Iraqi people have to stand up for their own sovereignty and control their own destiny," Allen said Friday.

A Washington Post poll released Sunday showed Allen favored by 49 percent of voters surveyed last week, while Webb had 47 percent support. The results were within the poll's margin of sampling error of plus or minus 3 percentage points.

Rumsfeld: Iraq Must Take Over Security (AP)

By Robert Burns

AP, October 21, 2006

The Iraqi government is going to have to take over its country's security "sooner rather than later," Defense Secretary Donald H. Rumsfeld said Friday, as the violence there continued to escalate.

Rumsfeld said U.S. officials, including Gen. George Casey, the top U.S. commander in Iraq, are working with the Iraqi government to develop projections as to when they think they can pass off various pieces of responsibility. He provided no detail.

"The biggest mistake would be to not pass things over to the Iraqis, create a dependency on their part, instead of developing strength and capacity and competence," said Rumsfeld. "It's their country, they're going to have to govern it, they're going to have to provide security for it, and they're going to have to do it sooner rather than later. And that means they've got to take pieces of it as we go along."

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Rumsfeld has made similar comments before about gradually turning control of the country from American forces to Iraqi authorities.

But Friday's remarks came less than three weeks before elections in which Democrats are threatening to recapture control of Congress. A leading issue in the campaign is the war, which is widely unpopular with voters. U.S. deaths have surpassed 2,780, and President Bush is under growing pressure from lawmakers of both parties to alter his policies.

The secretary also said military commanders will speak with Bush on Saturday to discuss the situation in Iraq, although he said such discussions are not unusual.

He also said the biggest mistake would be to not continue turning regions of the country over to the Iraqis, even if that means the U.S. has to go back and retake control because the Iraqis are overwhelmed.

In recent weeks, the security situation in Iraq has continued to spiral out of control. Shiite militia stormed police stations in Amarah Friday, seizing that southern Iraqi city. Bush noted he was scheduled to speak with U.S. commanders to determine if a change in tactics is necessary to combat the escalating violence.

Bush told The Associated Press that the situation is Iraq is "tough" and that the Iraqi government is going to have to deal firmly with the militias.

On Thursday the U.S. military acknowledged that the latest two-month operation to quell the violence had not met expectations and defense officials were rethinking their strategy there. There are currently 144,000 U.S. forces in Iraq.

Rumsfeld spoke to reporters at the conclusion of meetings with South Korea's defense minister, Yoon Kwang Ung, to discuss a number of issues. They included North Korea's recent nuclear test and the ongoing U.S. commitment to defend the region against a nuclear threat.

Rumsfeld: Iraq Must Stand Up 'Sooner' (WT/UPI)

The Washington Times/UPI, October 21, 2006

U.S. Defense Secretary Donald Rumsfeld told reporters Friday that Iraq must take responsibility "sooner rather than later" for its own security.

At a briefing, Rumsfeld refused to say whether a "course correction" is needed in U.S. strategy. He said he prefers to give his advice directly to the president, the Washington Post reported.

Rumsfeld is scheduled to confer Saturday with President George W. Bush, Vice President Dick Cheney and Gen. John Abizaid, head of Central Command. Gen. George Casey, the head of U.S. forces in Iraq, is to join the discussion from Baghdad by video.

October has been an especially deadly month for U.S. forces in Iraq and for Iraqis. Last weekend, sectarian violence erupted in Bladad, a city north of Baghdad, while U.S. troops in a massive base nearby did nothing for several days, the newspaper said.

Exit Vibrations (WT)

By Clarence Page

The Washington Times, October 21, 2006

President Bush says it's not true, but recent events related to Iraq indicate the administration is leaning toward the George Aiken option: Declare victory and come home.

Mr. Aiken is the late Republican senator from Vermont who is credited with offering that advice early in the Vietnam War. It could have saved us Americans and the Vietnamese a lot of grief.

A number of observers in recent years, including your humble column-scrivener, have suggested a similar answer to our worsening, no-win situation in Iraq. The White House has not listened, and the Iraq debacle has gotten worse. Iraq has sunk deeper into what looks like a civil war and the Bush administration has sunk deeper into denial.

But recent events indicate that, despite Mr. Bush's mantra about "staying the course" in Iraq, he's looking for an exit strategy.

Former Secretary of State James Baker, a savvy negotiator and reliable Bush family friend, has re-emerged as the Republican co-chairman with former Indiana Rep. Lee Hamilton, a Democrat, of the bipartisan Iraq Study Group. With the administration's support, the study group was created at the urging of Congress last March to reassess the war and come up with suggestions.

The group is withholding its report until after the November elections. But Mr. Baker's remarks in recent interviews offer important hints.

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For example, Mr. Baker teased our curiosity in an ABC-TV interview last Sunday with this: "I think it's fair to say our commission believes that there are alternatives between the stated alternatives -- the ones that are out there in the political debate -- of 'stay the course' and 'cut and run.'"

Amid the cacophony of Washington's polarized shouting matches, Mr. Baker's words sounded like the voice of reason Americans took for granted in the years of President George H.W. Bush. Mr. Baker stood with the elder Mr. Bush against those who wanted the U.S. to invade Baghdad during the Persian Gulf war, in defiance of the United Nations mandate. The regional instability Mr. Baker feared from such an invasion has happened with today's Iraq war.

Obviously, the younger Mr. Bush should have listened to Mr. Baker's advice before embarking on his Iraq adventure. Instead, he went along in the heat of post-September 11 passions with Vice President Dick Cheney and other eager neo-conservatives who thought U.S. soldiers would be greeted with flowers and candy.

Author-journalist Bob Woodward and other close observers say the younger Mr. Bush steadfastly avoids turning to his dad for advice, for reasons all his own, despite his father's superior international expertise. Yet, though the younger Bush's often vows to "stay the course" against those who want to "cut and run," he also says he is willing to "change tactics" in Iraq if the Baker-Hamilton group recommends it.

If so, the Baker group could offer cover for the younger Mr. Bush to do something he is loathe to do in public: change his mind.

His promise to "stay the course" in Iraq until "the job gets done" could undergo subtle alteration. If Mr. Baker's group defines a new "job" for America in Iraq, it could "get done" in whatever way the president says it should. Americans could declare victory and come home.

But what next? If Mr. Bush's softened stance offers a light at the end of Iraq's long, dark tunnel, to borrow a Vietnam-era metaphor, let us hope the light is not that of an oncoming train.

In interviews, Mr. Baker has rejected a quick withdrawal from Iraq, fearing "the biggest civil war you've ever seen." Unfortunately, the mounting casualties amid factional fighting indicate Iraq already has a growing civil war.

In fact, Iraq's best direction may come through a partitioning of the country between its dominant Sunni, Shi'ite and Kurdish factions. President Bush rejected that option this week in expressing support for Iraq's embattled Prime Minister Nouri al-Maliki.

But that's just as well. An American endorsement of partitioning probably would doom its acceptance by Iraqis and their regional neighbors. If Iraq is to be partitioned, responsible Iraqi leaders will have to work that out.

Mr. Baker is right to say Americans cannot be the sole deciders of Iraq's future. There are no perfect or peaceful solutions for Iraq in the short term. There are more hard days to come. But, whether in war or in peace, Iraq's future ultimately must be decided by Iraqis. As that happens, the best thing that Americans can do is to declare victory and get out of the way.

Clarence Page is a nationally syndicated columnist.

Sadr Militia Briefly Seizes Southern City (WP)

By John Ward Anderson, Washington Post Foreign Service

The Washington Post, October 21, 2006

Deadly Fighting Reflects Rifts Among Iraqi Shiites

BAGHDAD, Oct. 20 -- Members of the Mahdi Army, a powerful Shiite militia headed by firebrand cleric Moqtada al-Sadr, briefly took over the southern Iraqi city of Amarah and battled with the local Shiite police before withdrawing on Friday, in a bloody feud that illustrated deepening rifts within Iraq's largest sect and the growing turmoil in the south.

As many as 25 people, including 10 policemen, were killed in street fighting and mortar attacks that raged in Amarah, a predominantly Shiite city about 190 miles southeast of Baghdad, from midday Thursday until about 2 p.m. Friday. The militia attacked the headquarters and two stations of the city police department, which is reportedly aligned with the Badr Brigades, an arm of the Supreme Council for the Islamic Revolution in Iraq, a powerful Shiite religious party.

Each side blamed the other in a cycle of retaliatory clashes with tribal overtones.

Residents reached by telephone said the conflict began when a police intelligence chief with the Supreme Council was assassinated, and police responded by arresting the brother of a local Mahdi Army chief.

Negotiations to release him broke down, they said, and at about 1 p.m. on Thursday members of the Mahdi Army attacked three police facilities with mortar fire and rocket-propelled grenades. The militia imposed a curfew and patrolled the streets with loudspeakers, ordering residents to stay inside.

The takeover ended, according to Maj. Charlie Burbridge, a British military spokesman, "when Moqtada al-Sadr told them to stop. The situation now is calm but tense."

Burbridge said about 200 to 300 gunmen were involved in the attacks. He said the local police chief said that 10 of his men were killed and that police killed 15 members of the militia and wounded 90.

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Burbridge said police officers were back in their stations and in control of the streets. He said 220 Iraqi army troops were in the town supporting them, and that 700 more Iraqi soldiers and 500 British troops were on standby to go if requested.

British troops withdrew from Amarah, the capital of Maysan province, two months ago after their camp came under repeated mortar fire from Shiite militiamen identified by local residents as members of the Mahdi Army.

Southern Iraq, a Shiite stronghold, has generally been spared the intense bloodletting that terrorist attacks and sectarian violence have brought to much of the rest of the country. But the Mahdi Army's takeover of Amarah, even if only temporary, is another sign that the south is becoming more restive as the rest of the country slips toward open civil war.

It also is a stark illustration of the deepening tension among Shiite leaders as the United States pushes the government of Prime Minister Nouri al-Maliki to rein in militias, particularly Sadr's. The Mahdi Army has openly fought U.S. forces and has been accused of ruthlessly attacking Sunni Arabs and forcing them from their homes and towns. The fierce struggle between Shiite factions at the local level mirrors that at the national level, where the same groups are flexing their political and military muscle in a battle for control.

Maliki, who heads a government led by Shiite religious parties and was backed by Sadr, sent a ministerial team led by Sherwan al-Wailli, minister of state for national security, to the province to help settle the conflict.

"This was a very serious incident, but the silver lining is that Iraqi security forces were able to deal with it without the need of multinational forces to intervene," Burbridge said. "The Iraqi police and army resolved the situation, and it was conducted through negotiations instead of armed violence."

In Baghdad, a spokesman for the Interior Ministry, Brig. Abdul Karim Khalaf Kinany, said the clashes were not driven by intra-Shiite conflict, but by tribal differences.

"The clashes in Amarah were not between the police and the Mahdi Army," he said. "Police had in fact interfered to settle a tribal dispute between the tribe of the police officer, the head of the intelligence division . . . and the tribesmen of the suspects who were arrested by the police on suspicion of carrying out the assassination."

Burbridge described the gunmen as "a rogue element of one militia" who gave up the fight about 2 p.m. Friday after "their leadership told them to come back into line, and the violence stopped."

Special correspondent Saad al-Izzi contributed to this report.

Siege Of Amarah Reflects Trouble In Baghdad (LAT)

By Louise Roug, Times Staff Writer

The Los Angeles Times, October 21, 2006

Deadly clashes between Shiite fighters and police ebb. But two days of mayhem show the Iraqi government's difficulty reining in militias.

BAGHDAD — As hundreds of masked, black-clad men descended on a normally quiet southern city Friday and gunfire echoed outside, Ahmed and Roqayah Jasim locked the doors of their modest home. They prayed for themselves and their three young children.

Then they heard a knock on the door. Ahmed, a 33-year-old teacher, reluctantly opened it. A fighter no older than 20 stood holding a sniper rifle.

"He didn't threaten me," Ahmed said later, still stunned. "He just asked me, like a favor, 'Can I use your roof to shoot from?' And I said, 'No you can't. I have a family.' He seemed to understand, and so he left."

By Friday evening, two days of fighting in the southern city of Amarah between police and the Al Mahdi army militia, which is loyal to anti-American Shiite cleric Muqtada Sadr, had eased. The national government rushed soldiers and a high-level security delegation to the city, led by national security minister Sherwan Waili. Sadr also sent representatives. Government officials and tribal elders met into the evening, trying to negotiate a solution to the conflict.

U.S. Defense Secretary Donald H. Rumsfeld said in Washington that he believed Iraqi security forces had regained control of the area.

But the two-day offensive by the Al Mahdi army highlighted how difficult it has become for the central government and its security forces to rein in Shiite Muslim militias, both in the capital and in the south.

The militias fired mortar rounds at police stations where officers had barricaded themselves. When police ran out of ammunition and fled, Al Mahdi militiamen blew up at least two of the stations. During 48 hours of ferocious street battles in the oil-rich city of 300,000, 22 people were killed and almost 100 were injured.

Prime Minister Nouri Maliki visited Sadr this week in the holy city of Najaf to ask for his support in clamping down on bands of militiamen who kill with impunity. But Maliki also depends for political support on Sadr, who controls 30 seats in the Council or Representatives, or parliament. And despite Sadr's intermittent calls for calm, violence has continued unabated.

Amarah residents said they were worried.

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"Today we have those delegations, but what about tomorrow?" asked Khalil Rasheed, a 55-year-old shopkeeper, who said his city was beset by armed thugs bent on enforcing religious rule. "The situation is more dangerous than people imagine."

"I'm worried, seeing those people taking control," said Haitham Sadek, Ahmed Jasim's colleague. "The future will be horrible if these people are going to control" Amarah, he said.

Shiite militiamen have whipped those caught drinking alcohol and killed women accused of adultery, Sadek said. He said he recently saw the funeral of a nurse who was killed after she was accused of adultery.

British troops abruptly pulled out of a base in the city in late August, to hand power to Iraqi security forces and free up the soldiers to patrol the Iranian border. Their camp was promptly pillaged and burned by looters, some of them carrying pictures of Sadr.

At the time, Sadr's militia broadcast messages over loudspeakers throughout Amarah proclaiming victory.

"This is the first Iraqi city that has kicked out the occupier," one announcement said. "We have to celebrate this occasion."

Handing over control to the Iraqi army and police is key to the strategy of U.S.-led military forces, but the Iraqis often have proved inadequate, especially when facing Shiite militias.

During a similar battle between Iraqi forces and Shiite militiamen in the southern city of Diwaniya in late August, American troops eventually had to come to the aid of beleaguered Iraqi soldiers.

Rumsfeld told reporters in Washington that there would be setbacks when U.S. and British forces handed control to Iraqi forces, and that the U.S.-led coalition would step in and try to restore order.

"It is never going to be a straight, smooth, steady path," Rumsfeld said at a news conference. "The biggest mistake would be to not pass things over to the Iraqis, create a dependency on their part instead of developing strength and capacity and competence."

Police officers in Amarah, nearly 200 miles southeast of Baghdad, stood their ground in some cases, defending stations until their ammunition ran out. But in other cases, they simply ran when faced with the heavily armed attackers, witnesses said.

Assailants overran three police stations in the city, blowing up at least two of them. Unknown gunmen burned down the local Sadr office in apparent retaliation, witnesses said.

The fighting began Thursday afternoon. Carrying AK-47s, the black-clad militiamen fanned out across the city. The gunmen stopped one police patrol, telling officers to get out of the car. Watching the officers flee, leaving guns and equipment behind, one doctor said he was sickened by how powerless he felt.

Men using loudspeakers on cars and at mosques advised residents to stay inside.

Like others, Jasim became a prisoner in his house.

"Even standing at the gate, even looking through the window, was impossible because bullets were flying in all directions," he said. When the sniper knocked on the door Friday morning, Jasim and his wife were huddling with their children, Hussein, 5; Zainab, 3; and Fatma, 1; inside the most secure room in the house.

"We were afraid but, thank God, he showed understanding," Jasim said of the sniper.

The fighting was spurred by the killing this week of the provincial head of intelligence, Col. Ali Qassem Tamimi, who died in a roadside bombing along with five of his guards. Members of his tribe accused Sadr's militia and took revenge by kidnapping the brother of the local Al Mahdi army leader.

Shahib Amiri, a Sadr official in Najaf, said the cleric had sent his delegates to try to quell the violence because he "does not accept such acts."

As elsewhere in the south, the security situation has lately deteriorated in Amarah.

When British forces first arrived, southern Iraq was relatively peaceful and troops patrolled the streets without flak jackets, wearing soft hats instead of helmets. But the calm slowly evaporated as Shiite militias became more assertive.

By August this year, just before their departure, British troops were constantly barraged by mortar fire and rockets in their camp in Amarah.

Hamid Rashi, a government official, longed for the days when the British patrolled the city. "They are the only force who can stand in the face of the Mahdi army," he said. "I don't think that the Iraqi army can settle the situation."

Elsewhere in Iraq on Friday, at least 10 people were reported killed in mortar attacks north of the capital near Balad, where sectarian fighting erupted last week. In Baghdad, four people were killed the previous night in a mortar attack, according to police officials. The American military also announced that a soldier died Friday when his vehicle struck a roadside bomb in southwest Baghdad.

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Times staff writers Raheem Salman and Saif Hameed in Baghdad and Julian E. Barnes in Washington and a special correspondent in Amarah contributed to this report.

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Shiite Militias Attack Iraqi Government Forces In Amara (MCT)

By Zaineb Obeid And Nancy A. Youssef

McClatchy Newspapers, October 21, 2006

BAGHDAD, Iraq - Hundreds of members of Shiite cleric Muqtada al Sadr's militia seized control of three police stations in a southern Iraqi city Friday, in another sign that Iraqi government forces are unable or unwilling to subdue rogue elements.

As many 20 people were killed and another 90 were injured.

Amara residents said the attack was the latest battle in a long fight for control of the city among government forces, Sadr's Mahdi Army and the Badr Organization, which is backed by a rival Shiite party, the Supreme Council for Islamic Revolution in Iraq. Sadr's forces and the Badr Organization receive support from Iran.

Iraqi and British officials said the city was back under control by the end of the day, but many remain worried that sectarian violence is escalating across the country as Shiite militias battle government forces, Sunni Muslim fighters and sometimes one another.

Sadrists appear to have gained considerable influence in several cities in Iraq's largely Shiite south, where they attacked government forces earlier this month in the city of Diwaniyah.

Earlier this week, Shiites and Sunnis killed each other in retaliatory violence around the northern city of Balad, a Shiite community surrounded by Sunni towns. U.S. officials, who'd handed over control of Balad to Iraqi forces last April, had to intervene to stop the violence.

Likewise, British officials had returned control of Amara - the capital of Misan province, which borders Iran - to Iraqi forces in August. They, too, had to help quell an outbreak of fighting Friday.

It's unclear how much control Sadr has over some members of his militia, which has expanded and splintered since he founded it in 2003. During Friday's fighting, some militiamen appeared to defy the firebrand cleric's orders for calm.

"I am asking all to keep quiet and not to be dragged (into) the occupation schemes, which aim to escalate strife," Sadr said in a statement. "Anybody who does not obey this order should consider himself disavowed from the Mahdi Army and bear responsibility for what he did."

The killing Wednesday of the head of police intelligence in Amara spurred a full-scale battle. Police charged that Sadrists killed Lt. Ali al Tamami, a member of the Badr Organization. The next day, his family captured the brother of a local Mahdi Army leader, charging that he was responsible for Tamimi's murder, said Abdul Mahdi Omar, a member of the provincial council.

The Mahdi Army said it would attack if police didn't release the captive by 2 p.m. Friday. When he wasn't freed, hundreds of gunmen stormed the city's two police stations and its major crimes unit, setting them ablaze and destroying the buildings.

"All the police stations in the city and the suburbs and the outskirts have fallen into the Sadrists' hands," Wahid Hammed, 38, a worker in Amara, said in a midday interview with McClatchy Newspapers. "The Sadrists control the city."

Prime Minister Nouri al Maliki sent a delegation to the city to try to calm tensions, and it was negotiating a peace deal along with tribal leaders. After they began meeting and Sadr issued a statement, the situation began to calm down, residents said. But a Mahdi Army Web site said militiamen had to defy Sadr's orders briefly to reclaim control of their Amara office from the police.

In other news, U.S. officials announced that a soldier was killed Friday by a homemade bomb in southern Baghdad, bringing the monthly death toll for the American military in Iraq to at least 74. If the trend continues, October could be the deadliest month for the U.S. since November 2004, when American forces launched an offensive in the mostly Sunni western city of Fallujah.

Amara Unrest Strains Plans For Unified Iraq (FT)

By Steve Negus, Iraq Correspondent, And Agencies

Financial Times, October 21, 2006

A radical Iraqi militia group stormed police stations in a bid to take over the southern provincial capital of Amara on Friday, in a move that threatens to set back British plans to hand over control of the area to local security forces.

Fighters from the Mahdi Army, a movement that is nominally loyal to the Shia radical cleric Moqtada al-Sadr, seized and demolished three police stations, news agencies quoted witnesses and police as saying. Others patrolled the streets and commandeered police vehicles or set up checkpoints on the outskirts of town. At least 15 people were reported killed. The fighting, which appears to be a feud between rival Shia factions, comes amid US attempts to force the government of prime minister Nouri al-Maliki to clamp down on militia activity. Complicating the situation is the fact that a number of seats in Mr Maliki's Shia-led coalition are occupied by politicians loyal to Mr Sadr.

The Iraqi government dispatched an emergency delegation to Amara, a town of 75,000 people, headed by Shirwan al-Waily, minister of state for national security, and also reinforced army units in the region.

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"We're still studying the situation [in Amara] and trying to figure out exactly what's going on," Tony Snow, White House spokesman, said.

Rival groups reportedly clash frequently in Maysan, the lawless province of which Amara is the capital, although Friday's fighting appeared to be far larger than any previous incident. According to wire reports, the fighting broke out after a high-ranking policeman affiliated with another militia, the Badr Brigade, was killed by a roadside bomb, and his family kidnapped the teenage brother of the Mahdi Army's local commander.

The fighters, however, reportedly withdrew from some of their positions after an envoy from Mr Sadr neg-otiated a temporary ceasefire.

The BBC reported that the British Ministry of Defence said UK troops in the area could intervene if the Iraqi government requested it.

The fighting threatens to disrupt British plans to complete the handover of the four Shia-majority provinces in their area of responsibility to local authorities. British and other coalition forces had already pulled out of two of the four provinces in their zone in June and September and withdrew from Amara in August.

A key criterion for full withdrawal would be the ability of local security forces to maintain control of the province themselves, without falling back on foreign troops or the Iraqi army.

Conflicts between Shia militias are also blamed for a surge of lawlessness in the first half of this year in the neighbouring governorate of Basra, the fourth province in the British zone.

The Mahdi Army is also blamed for much of the sectarian killing that has left thousands dead in Baghdad and central Iraq in recent months, although US officials say much of the militia has fractured into smaller cells that do not necessarily answer to Mr Sadr.

The Amara upheaval provides a further sign that the main ethnic and sectarian blocs are not only warring against each other but are fractured internally as well.

Shiite Militia Briefly Seizes Iraqi City (AP-Y)

By Steven R. Hurst, Associated Press Writer

AP, October 21, 2006

Black-uniformed, hooded gunmen loyal to an anti-American Shiite cleric briefly seized the major southern city of Amarah on Friday in an audacious drive against local security forces, largely controlled by Iraq's other main Shiite militia.

Twenty-five gunmen and police died in gunbattles before the Iraqi army moved in to retake the city of 750,000 people at the head of Iraq's famous marshlands where the Tigris and Euphrates rivers draw close together. Amarah is 30 miles from the border with Iran, where the Shiite theocracy is said to be funding, arming and training both rival militias.

The Amarah showdown between the two virtual private armies highlighted the potential for an all-out conflict between them and their political sponsors, both with large blocs in parliament and important to the survival of Prime Minister Nouri al-Maliki's shaky 4-month-old government.

It also underlined the deep underlying rift that exists between the firebrand cleric Muqtada al-Sadr's faction, whose forces took Amarah on Friday, and that of the more traditional but powerful Supreme Council for the Islamic Revolution in Iraq, or SCIRI, headed by key power broker Abdul-Aziz al-Hakim, who spent decades in Iranian exile during Saddam Hussein's rule.

The U.S. exit strategy depends on returning military and political control to the Iraqi government, but outbreaks of civil conflict raise doubts about how long that will take and add urgency to a policy review under way among Bush administration political and military officials.

President Bush conceded Friday that "right now it's tough" for American forces in Iraq, but the White House said he would not change U.S. strategy in the face of pre-election polls that show voters are upset. Bush said the war was at a difficult stage and that he was preparing to consult about a change in tactics with key generals — Gen. John Abizaid, the top U.S. commander in the Middle East, and Gen. George Casey, who leads the U.S.-led Multinational Forces in Iraq.

Defense Secretary Donald H. Rumsfeld said that despite the violence in Amarah, it was not a strategic error for the British to turn over control of the city to the Iraqis in August.

"The biggest mistake would be to not pass things over to the Iraqis, create a dependency on their part, instead of developing strength and capacity and competence," Rumsfeld said.

The clashes marred the Muslim day of prayer for the second Friday in a row in cities where American and British forces had only recently ceded military control to Iraqi security forces and the army. More than 100 people were slain in Balad this past week, most of them by Shiite deaths squads drawn largely from al-Sadr's Mahdi Army.

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The Mahdi Army held Amarah for several hours in an embarrassingly strong showing against the local police and security forces, controlled by the Badr Brigade militia loyal to SCIRI, the country's dominant political force with deep and historic links to Iran.

Elsewhere in Iraq on Friday, police reported the deaths of 34 people, including 10 killed in mortar attacks overnight in Balad, an hour north of the capital, and a family of nine Shiites shot to death when gunmen burst into their home in Aziziyah, 35 miles southeast of Baghdad.

A U.S. soldier was killed when his vehicle was hit by a roadside bomb southwest of the capital. A Salvadoran Army captain was killed and four soldiers were wounded when their convoy hit an explosive device in Wasit province, El Salvador's defense department said.

Until recently, Baghdad had been the focus of sectarian and Sunni insurgent killers, prompting the United States to launch a drive in August to rid the capital of the gunmen and torturers. An additional 12,000 U.S. and Iraqi forces were put on the streets for the task.

But two months into the operation, the U.S. combat death toll in October alone stood at 75 — likely to be the highest for any month in nearly two years. Attacks on Americans jumped by 22 percent in the first three weeks of the holy month of Ramadan, when compared to the three previous weeks. The U.S. military spokesman in Iraq said the bid to cleanse the capital was failing and needs to be refocused.

Against that background, the Amarah turmoil and killings looked more ominous, especially as it marked one of the first serious armed confrontations among Shiites. Most recent killings in Iraq involved tit-for-tat attacks between Shiites and Sunni Arabs, the minority sect in Iraq that dominated the country until Saddam's ouster.

Amarah is a major population center in the resource-rich yet impoverished south and a traditional center of Shiite defiance to successive Iraqi regimes. Its marshlands were drained by Saddam during the 1990s in reprisal for the city's role in the Shiite uprising after the Gulf War. Saddam ordered the killing of tens of thousands of Shiites in retribution.

The British military spokesman in Basra, headquarters for Britain's 7,200 soldiers in Iraq, sought to play down the seriousness of Friday's fighting, noting that 600 Iraqi soldiers were able to force Mahdi Army fighters off the streets, arrange a truce and return quiet to the city by Friday afternoon. Estimates of the number of Mahdi Army fighters ranged between 200 and 800.

"It's like when you take the training wheels off a bike. There are some wobbles. This was a pretty big wobble, but it's still moving in the right direction," said spokesman Maj. Charlie Burbridge.

"They (Iraqi security forces) have applied a solution and at the moment it's holding," he said. "At the moment, it's tense but calm."

Five-hundred British soldiers were on standby if the government called for help. Burbridge said 25 gunmen and police were killed, adding that a British drone overhead the city recorded the events all day.

At the height of the fighting Friday, AP Television News video showed thick, black smoke billowing from behind barricades at a police station, much of it from vehicles set on fire inside the compound. Hooded gunmen roamed the streets with Kalashnikov automatic rifles and rocket-propelled grenade launchers. Most of the streets were deserted except for the gunmen.

The militiamen later withdrew from their positions and lifted their siege under a truce brokered by an al-Sadr envoy as the Iraqi forces entered the city.

The fighting came just days after al-Maliki met with al-Sadr at the cleric's Najaf headquarters to enlist support for capping sectarian violence and to bolster his government, which is increasingly at odds with the United States for not disbanding the militias, among other issues.

The timing of the violence may have indicated al-Sadr and other Mahdi Army commanders did not have full control over individual units, lending weight to speculation that Shiite gunmen were splitting off from the main organization to pursue their own agendas. The U.S. military said it counts 23 separate militias in Baghdad alone.

The Amarah fighting was believed to have begun over the killing Thursday of Qassim al-Tamimi, the provincial head of police intelligence and a leading member of the Badr Brigade militia.

In retaliation, his family kidnapped the teenage brother of the Mahdi Army commander in Amarah, Sheik Fadel al-Bahadli, and demanded he find and hand over al-Tamimi's killers. The Mahdi Army then stormed into the city overnight and held it for several hours Friday. It was not clear if al-Bahadli's brother was released.

Many Iraqis Look To Gunmen As Protectors (NYT)

By Sabrina Tavernise

The New York Times, October 21, 2006

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BAGHDAD, Oct. 20 — Behind the maze of men with guns in Iraq is a very simple truth: their barrels offer protection, something Iraqis say the government has never given them.

On Friday, the web wound tightly around the southern city of Amara, where the two largest and best-armed militias, both made up of religious Shiites, were fighting for control of the city.

But when the prime minister speaks of disarming militias — those mushrooming armies of men with guns that carry out most of the killing here — Iraqi brows begin to furrow.

"He's just talking," snapped Fadhil Sabri, a 37-year-old generator repairman in a grease-stained shop in Sadr City, a Baghdad stronghold of the Mahdi Army, a Shiite militia.

"Not now. Not even in 10 years. You need arms to defend yourself," he said.

Iraq is awash in killings, and many are blamed on the Mahdi Army, the militia commanded by a glowering Shiite cleric, Moktada al-Sadr. An indignant Mr. Sadr called his men to fight against the American military twice in 2004. It was bloodied, but survived. Since then the Mahdi Army, and a growing criminal breakaway element, have grown into one of the government's biggest problems and are a major obstacle to the success of the American enterprise here.

Despite its new rogue fringe, Iraqi Shiites see the Mahdi militia as their most effective protector against the hostile Sunni groups that have slaughtered Shiites and driven them from their homes. Shiites say that as long as the government cannot keep them safe, they cannot support the disarming of militias.

That paradox confronts the American military as it presses the Iraqi government to contain militias like Mr. Sadr's: how is it possible to control a militia when trust among Iraqis has vanished and the government is incapable of containing the spiraling violence?

Mr. Sadr and his Mahdi Army have emerged as one of the biggest puzzles of the war. The cleric controls a large and crucial bloc of seats in Parliament. At the same time, 92 percent of the mortar and rocket attacks in August and September on the Green Zone — the protected area in Baghdad that houses the American military and the Iraqi government — came from Sadr City.

As the recent fighting in Amara shows, the group and its rogue elements have settled deeply into the crevices of Iraqi society, filling college security offices and student unions, as well as the ranks of the police and the army. It is often at the center of spasms of sectarian killing, like the violence last weekend in Balad, and it frequently battles rival Shiite groups, as in Amara, and earlier this month in another southern city, Diwaniya.

But in a measure of just how complex Iraq has become, it is impossible to tell where loyalties to Mr. Sadr end and criminal activity begins. Rogue groups of his former followers now run underground fiefdoms of sectarian killing and kidnapping — and even a special market for victims' cars. One of his senior aides was arrested by the American military earlier this week on suspicion of having directed the killing and torture of Sunnis. The Americans later reluctantly released him at the request of the Iraqi government.

The changes in the Mahdi Army are so profound — the American military estimates that as much as a third of it has fallen away — that it is becoming a generic term for Shiite militia. A senior American military official estimated there were 23 militias operating in Baghdad alone.

"It's hard to understand the amount of groups who are moving around and where they are getting their funding," said Col. Thomas Vail, the American commander in charge of eastern Baghdad. "It's very complex right now, more than when we first came."

The mechanisms for killing have become more sophisticated. A senior coalition intelligence official at a briefing last month detailed an example of a Mahdi Army death squad. Group leaders are issued instructions on order forms listing a target person and an address, the official said. A group can consist of special forces, intelligence units and punishment committees, complete with clerics who impose sentences. Some of the leaders may be inside the Interior Ministry, the official said. Others may work with their contacts within the ministry to obtain equipment such as cars.

The American military's task has been vastly complicated by the sheer relentlessness of the violence. Ever larger portions of the Iraqi population have been radicalized in three years of war, chopping ground out from under the moderates. Now, even those whose job requires them to take a position against militias reluctantly back them.

"Right now I support the presence of the Mahdi Army," said a senior judge on Iraq's criminal court, who declined to be named out of concern for his safety. "I know this is unacceptable in law, in politics, in society, but in this unusual time we are living in, this is the reality."

It is a broadly held view among Shiites that the American military has unfairly focused on Shiite militias and has largely forgotten the Sunni militias that they say launched the sectarian war. Groups like the Omar Brigade, formed to kill Shiites and carry out lethal suicide bombings, went unchecked, prompting a Shiite response, they say.

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Just how far Shiite sentiment has shifted can be seen in the words of Qasim Dawood, the national security minister under former Prime Minister Ayad Allawi during Mr. Sadr's fight against the Americans in 2004.

"The support of the militias within the Shiite community comes from the failure of the Ministry of Interior, the Ministry of Defense and the coalition forces to provide security," he said. "The creation of these militias comes as a reaction."

But that reaction spilled over into open carnage in February, when Shiite mobs rampaged through Baghdad, dragging Sunnis out of their homes and mosques and killing them. Shiites' patience had snapped, and they began to take systematic revenge.

As the killing spun off in strange new directions, the Mahdi Army, or those associated with it, was at the forefront.

The Mahdi Army's victims are sad, struggling figures, often stuffed into the trunks of cars. This tactic became so widespread that Iraqi soldiers at checkpoints have been known to stop cars that are playing loud, thumping music, mistaking the sound for a person trying to get out.

In the eastern Baghdad neighborhood of Ur, which is connected to Sadr City by a fast and largely empty road, a worker counted 14 victims on a particularly bad day in August, shortly after an attack on a procession of Shiite pilgrims. He said four were shot in front of him on a dirt road near a high school. The bodies of another 10 were dumped there later that day. Police cars, like hearses, later picked them up.

The killing took place openly, often silently, and without fanfare. Gunmen did not bother to hide their faces. One resident sardonically referred to Ur as gbour, which means graves in Arabic.

Iraqis began referring to the victims, often Sunnis, as sheep. Most condemn the killing, which they attribute to the Mahdi militia.

"I know they are killing Sunnis now — none of us likes this," said Firas al-Saeidi, a 29-year-old Shiite resident of Sadr City, who works in the Ministry of Defense. "But it keeps balance in our sensitive areas. We need that."

"Life was not just cheap, it was free," said Ibrahim, a Shiite from Ur who asked that his last name not be used.

Despite the carnage, Ibrahim sees the militia as providing important protection.

His sparely furnished guest room was subdued last week, after the killing of his brother and the brother's 15-year-old son by Sunni gunmen in September. At the funeral, Mahdi members approached him and offered to kill Sunnis to avenge the deaths. He declined, but said he would draw on their intelligence to find the killers. He could not go to the police station where his brother was shot because the policemen are Sunni, he said.

"If I find who killed my brother, I will tell Mahdi Army to kill him," he said.

The government, on the other hand, refused to even pick up the body of an acquaintance of his in a Sunni neighborhood recently, because the area was too hostile.

"If a government is too scared to pick up a body, is it a government?" Ibrahim asked.

A protector for most Shiites, the Mahdi Army can also be a persecutor. Mahdi members first approached Edrice al-Aaraji, a Shiite, shortly after he moved to a Shiite area in northern Baghdad this spring. The men acted chummy and asked if he and his brother would pitch in on overnight watch shifts on the block.

Mr. Aaraji pretended to be interested, but avoided them. He even traveled to a different neighborhood to make it look as if he was serving on guard duty somewhere else.

The men become more aggressive, particularly after the killing of his uncle, apparently by Mahdi-affiliated gunmen, in August. Later Mr. Aaraji learned that the men had been eyeing the house he moved into as a weapons storage space.

"Now they are after us," he said. "They watch our comings and goings."

In Sadr City, in a darkened room off a sun-splashed courtyard hung with laundry, Sayeed Abdul Zahra, a member of Mr. Sadr's social service committee, dismissed any suggestion of the Mahdi Army disarming: "Impossible."

Besides, he said, Mr. Sadr does not own the guns. "I bought my weapons with my own money."

A short drive north, in Ur, mourners were gathering for the funeral of a man and his 6-year-old son. A bombing on Monday in a nearby market killed them both. The family blamed a puritanical Sunni Islamic sect, the Wahhabis, whose name has become the Shiite codeword for Sunni extremists.

A boy around the age of 8 took money from his father to buy candy at a market across the street. As he walked away, his father called after him: "Be careful of the Wahhabis."

When asked why he had said it, his reply came fast and cold.

"I want to teach him whom to hate," he said.

Iraq's Religious Figures Issue Edicts (AP)

By By
AP, October 21, 2006

In a bid to stop sectarian bloodshed, Shiite and Sunni religious figures met in Mecca, Islam's holiest city, and issued a series of edicts Friday forbidding violence between Iraq's two Muslim sects.

It is uncertain, however, whether the edicts, or fatwas, will find resonance among the country's Sunni and Shiite militants whose tit-for-tat attacks have created a deadly cycle of violence that gains momentum and brutality daily.

Previous attempts to reconcile Iraq's rival sects have failed to stanch the violence.

While Shiites and Sunnis in Iraq usually abide by fatwas issued or endorsed by their top clerics, the sectarian violence is largely perpetuated by militants who abide only by the strict interpretations of the Quran, Islam's holy book, and Hadith, sayings of Islam's prophet Muhammad, that are offered by radical clerics outside Islam's mainstream.

The Mecca meeting had lowered expectations from the outset, with its organizers maintaining that they did not seek a truce in Iraq, where a Sunni insurgency continues to target U.S. and Iraqi forces, but only to stop sectarian killings between rival Sunnis and Shiites.

A final communique, heavy on quotations from the Quran and Hadith, was issued at the end of the two-day meeting. It contained 10 points, the majority of which were edicts forbidding kidnappings, incitement of hatred, attacks on mosques and Shiite places of worship. It also prohibited forcing members of the other sect from their homes and called for the release from detention of Iraqis not charged with specific crimes.

It also stated that differences between the two sects did not touch on the basics of the faith.

Participants included Shiite and Sunni clerics, representatives of Shiite Prime Minister Nouri al-Maliki, and clerics from the Shiite holy city of Najaf, the former leader of Iraq's largest Sunni party and a senior official from the largest Shiite party, the Supreme Council for the Islamic Revolution in Iraq.

None was among the country's top clerics, but spokesman Salah Abdul-Razaq, speaking to The Associated Press from Mecca, said the fatwas were vetted and approved by Grand Ayatollah Ali al-Sistani, the country's top Shiite cleric, and radical anti-U.S. Shiite leader Muqtada al-Sadr. Al-Sadr is not a high-ranking cleric but he runs the Mahdi Army, a militia blamed for much of the violence against Sunni Arabs.

At the end of the signing ceremony, which was carried live by Iraqi TV stations, a presenter read a message from al-Sistani and other top Shiite clerics supporting the final communique. He also read a letter of support from Sheik Mohammed Sayed Tantawi, the grand sheik of al-Azhar in Cairo, Egypt, Sunni Islam's top seat of learning.

The Association of Muslim Scholars, an influential hard-line Sunni group, did not formally take part in the Mecca meeting, Abdul-Razaq said.

In an interview with the Saudi daily al-Watan, the association's leader, Harith al-Dhari, said he did not expect the Mecca meeting to make a difference on the ground.

"I don't believe ... it will contribute to the narrowing of the gap (between the Shiites and Sunnis) or reduce the suffering of the Iraqi people today," he said. "I am not optimistic." However, a message from al-Dhari read at the end of the signing ceremony said the Mecca meeting was "a step in the right direction."

The root of the current bout of Sunni-Shiite violence dates back to 2003, when the overthrow of Saddam Hussein's regime ended decades of domination by the minority Sunnis and empowering the long-oppressed Shiite majority.

The destruction of a major Shiite shrine in the city of Samarra north of Baghdad last February ignited the worst bout of sectarian violence, and the bloodletting is little diminished.

Differences between the two sides were exacerbated when parliament adopted a Shiite-backed law this week allowing provinces in the Shiite and oil-rich south to establish an autonomous region like the Kurdish one in the north. Sunni Arabs and some Shiites opposed the law, arguing that federalism would lead to the eventual breakup of Iraq.

Underlining the challenges facing any bid to end Iraq's violence and lawlessness, a Sunni organization reported in Baghdad within minutes of the signing ceremony in Mecca that the son of one of the signatories, Mohsin Abdul-Hamid, was kidnapped Thursday by gunmen at a checkpoint in Baghdad.

The son, Yasser Mohsin Abdul-Hamid is the deputy head of the Sunni government department that looks after Sunni mosques and seminaries.

Islamic Clerics Decree A Halt To Sectarian Bloodshed (WT)

The Washington Times, October 21, 2006

From combined dispatches

BAGHDAD -- Dozens of Iraqi Shi'ite and Sunni clerics meeting in the Muslim holy city of Mecca yesterday called for an end to sectarian violence that many fear could lead to civil war in Iraq.

Sponsored by the 57-nation Organization of the Islamic Conference (OIC), the meeting approved a declaration prohibiting the killing of Muslims in Iraq and called for safeguarding the unity of the country.

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It also urged the release of Muslim and non-Muslim hostages.

It was not clear what impact the document signed by the dozens of clerics would have on militias that appear to be outside the control of both Shi'ite and Sunni religious authorities, and others that are affiliated with al Qaeda.

Nevertheless, it marked an unprecedented effort by Iraqi religious leaders -- who gathered in the Saudi Arabian city where Islam was born -- to speak out against the bloodshed that has increased daily throughout the holy month of Ramadan.

Yesterday was no exception as black-uniformed, hooded gunmen loyal to anti-American Shi'ite cleric Muqtada al-Sadr briefly seized the major southern city of Amarah.

Twenty-five gunmen and police died in gunbattles between rival Shi'ite factions before the Iraqi army moved in to retake the city of 750,000 people.

The city is famous for its marshlands along the Tigris river 30 miles from the border with Iran, where the Shi'ite theocracy is said to be funding, arming and training both Sheik al-Sadr's Mahdi Army and the rival Badr Brigades.

The Amarah showdown highlighted the potential for an all-out conflict between them and their political sponsors, both with large blocs in parliament and important to the survival of Prime Minister Nouri al-Maliki's shaky four-month-old government.

It also underlined the deep underlying rift that exists between Sheik al-Sadr and the more traditional but powerful Supreme Council for the Islamic Revolution in Iraq (SCIRI).

SCIRI and its Badr Brigades are headed by key power broker Abdul-Aziz al-Hakim, who spent decades in Iranian exile during Saddam Hussein's rule.

The clashes marred the Muslim day of prayer for the second Friday in a row in cities where American and British forces had only recently ceded military control to Iraqi security forces and the army.

More than 100 persons were slain in Balad, a small city north of Baghdad, this past week, most of them by Shi'ite death squads drawn largely from Sheik al-Sadr's Mahdi militia.

The Mahdi fighters held Amarah for several hours in an embarrassingly strong showing against the local police and security forces, controlled by the Badr Brigade.

Elsewhere in Iraq yesterday, police reported the deaths of 34 persons, including 10 killed in mortar attacks overnight in Balad.

Gunmen burst into a Shi'ite home in Aziziyah, 35 miles southeast of Baghdad, killing a Shi'ite family of nine.

A U.S. soldier was killed when his vehicle was hit by a roadside bomb southwest of the capital.

Amarah is a major population center in the resource-rich yet impoverished south and a traditional center of Shi'ite defiance to successive Iraqi regimes.

Its marshlands were drained by Saddam during the 1990s in reprisal for the city's role in the Shi'ite uprising after the Persian Gulf War.

At the height of the fighting yesterday, Associated Press Television News video showed thick, black smoke billowing from behind barricades at a police station, much of it from vehicles set on fire inside the compound.

Hooded gunmen roamed the streets with automatic assault rifles and rocket-propelled grenade launchers. Most of the streets were deserted except for the gunmen.

The militiamen later withdrew from their positions and lifted their siege with a truce brokered by an al-Sadr envoy as government forces entered the city.

At the meeting in Mecca, clerics drafted a document they said was inspired by historic Islamic texts prohibiting infighting among Muslims.

"This document takes effect from this moment. ... We hope [religious] authorities and clerics spread the message of the document in mosques ... and that local media make sure it reaches all Iraqis," said Saudi-based OIC Secretary-General Ekmeleddin Ihsanoglu.

He said the document draws its strength from the symbolism of the signing venue.

Neither Sheik al-Sadr nor Iraq's top Shi'ite leader, Grand Ayatollah Ali al-Sistani sent representatives to the meeting.

U.N.: 914,000 Have Fled Homes In Iraq (AP-Y)

By Frank Jordans, Associated Press Writer

AP, October 21, 2006

At least 914,000 Iraqis have fled their homes since the U.S.-led invasion in 2003, more than a third since an increase in sectarian bloodshed at the start of this year, the U.N. refugee agency said Friday.

The overall number is likely to be much higher, said Ron Redmond, chief spokesman for the U.N. High Commissioner for Refugees. The agency has concluded that 754,000 displaced Iraqis remain in the country, while tens of thousands more have sought refuge abroad.

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"We remain extremely concerned about the rapidly deteriorating situation in Iraq and the ongoing displacement this is creating both inside and outside Iraq," Redmond told reporters.

Redmond told The Associated Press that at least 40,000 Iraqis have arrived in Syria every month for the last four months.

Most of those who have fled their homes since the start of the war came from central areas of the country around Baghdad, Redmond said.

"There are some in the north and south as well, but the majority are in the center. A lot of them are going to Sunni areas, or Shia areas, where they have family, relatives, other social groups that will help them and take care of them," Redmond said.

About 365,000 people — nearly half of those who have fled to other areas within Iraq — have left since sectarian fighting intensified after the bombing of an important Shiite shrine in the city of Samarra in February, Redmond said.

Redmond said the figures were compiled by UNHCR staffers from information provided by government offices and other aid agencies. According to Iraqi government information, 1.5 million people are currently classed as internally displaced, though that includes 800,000 from before the 2003 invasion.

Unlike casualty figures, which vary widely and have been the subject of much criticism from governments and non-governmental organizations working in Iraq, nobody has disputed the overall number of internally displaced, Redmond said.

The flow of refugees into neighboring countries also increased sharply after the Samarra attack, but the governments have so far failed to provide the agency with overall numbers, Redmond said.

UNHCR estimates that there are 1.6 million Iraqis in other countries in the region, mainly Jordan and Syria, but some of those have been outside Iraq for more than a decade.

914,000 Iraqis Displaced By War, U.N. Says (LAT/AP)

From The Associated Press

The Los Angeles Times, October 21, 2006

GENEVA — At least 914,000 Iraqis have fled their homes since the U.S.-led invasion in 2003, more than a third of them since sectarian bloodshed increased early this year, the United Nations refugee agency said Friday.

The Office of the U.N. High Commissioner for Refugees has concluded that 754,000 people are displaced in the country, and tens of thousands more have sought refuge abroad.

"We remain extremely concerned about the rapidly deteriorating situation in Iraq and the ongoing displacement this is creating both inside and outside Iraq," said Ron Redmond, chief spokesman for the agency.

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Unlike casualty figures, which vary widely and have been the subject of much criticism from governments and nongovernmental organizations working in Iraq, the overall number of internally displaced has not been disputed, Redmond said.

U.N. Says Iraq Seals Data On The Civilian Toll (NYT)

By Warren Hoge

The New York Times, October 21, 2006

UNITED NATIONS, Oct. 20 — The United Nations office in Baghdad says that Nuri Kamal al-Maliki, the Iraqi prime minister, has ordered the country's medical authorities to stop providing the organization with monthly figures on the number of civilians killed and wounded in the conflict there, according to a confidential cable.

The cable, dated Oct. 17 and sent to United Nations officials in New York and Geneva by Ashraf Qazi, the United Nations envoy to Iraq, says the prohibition may hinder the ability of his office to give accurate accounts in its bimonthly human rights reports on the levels of violence and the effect on Iraqi society.

Concern over the numbers of civilians who have died in Iraq has risen sharply at a time when organized attacks by insurgents are swelling the numbers of victims and when a new report from a team of Iraqi and American researchers shows that more than 600,000 civilians have died in violence across Iraq since the 2003 American invasion.

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Mr. Qazi, a former Pakistani diplomat, says that the order to let the prime minister's office take over the release of the numbers came down a day after a United Nations report for July and August showed a serious upward spike in the number of dead and wounded. The leader of the Health Ministry in Iraq appealed to be allowed to continue supplying the figures to the United Nations but was turned down according to a subsequent letter from the prime minister's office, Mr. Qazi's cable said.

The existence of the cable was reported Friday by The Washington Post.

Feisal al-Istrabadi, Iraq's deputy ambassador to the United Nations, said he had not seen the cable and therefore could not comment on its specifics. "But what I can say is what the prime minister is aiming for is to have one voice reflecting accurate information about the statistics of those who are dying every day," he said. "So, the concern was that the Ministry of Health, which has had accurate figures to date, be the official source of the information.

"It is trying to avoid a situation where different agencies, which may have different perspectives, put out sets of numbers that are, in fact, not as accurate as they should be."

The most recent United Nations report, published in September, showed that 3,590 people were killed in July and 3,009 in August in violence across the country. Compiled by statistics from Baghdad's central morgue and from hospitals and morgues countrywide, the report posited an average death rate of 97 people per day.

The United Nations reports have been cited by independent researchers as reliable indicators of the incidence of violence in Iraq and were not disputed by the Iraqi government until the September report that showed sharp rises in the figures.

In his cable, Mr. Qazi described a process by which his office tried to compile the most reliable statistics.

He said that initially his office had been able to overcome Iraqi government reluctance to release figures by obtaining statistics from the Health Ministry's Medico-Legal Institute in Baghdad.

The institute records the number of unidentified civilians killed violently whose bodies are taken to the morgue in Baghdad, but not those killed violently whose bodies are taken to hospitals and later handed over to families for burial. Therefore, Mr. Qazi said, the institute's figures represented only "an indicator, albeit imperfect, of the growing number of civilian victims in the capital."

To come up with a more thorough account, Mr. Qazi said, the United Nations combined the institute's findings with figures from the Department of Operations at the Ministry of Health, which records those killed or wounded as a result of violence from hospitals across almost all parts of the country.

Mr. Qazi noted that the figures "may have contributed to an increased international awareness regarding the severe consequences that the conflict in Iraq is having on civilians."

The cable said that following the release of the last United Nations human rights report on Sept. 20, the prime minister's office "expressed doubts" about its accuracy.

The next day, the Ministry of Health was told that it should no longer release its figures but instead channel them through the prime minister's office. Mr. Qazi said he learned of this on Oct. 12.

Mr. Qazi said the United Nations would continue to seek figures from the Department of Operations at the Ministry of Health and "use our contacts to see what measure of verification may be possible."

Republicans Call CNN Tape 'Enemy Propaganda' (LAT)

By Tony Perry

The Los Angeles Times, October 21, 2006

SAN DIEGO -- CNN cable news has become "the publicist for an enemy propaganda film" by broadcasting a tape showing an insurgent sniper apparently killing an American soldier, said the chairman of the U.S. House Armed Services Committee here Friday.

Rep. Duncan Hunter, R-Calif., called for the Pentagon to oust immediately any CNN reporter embedded with U.S. troops in Iraq.

"I think Americans like to think we're all in this together," Hunter said. "The average American Marine or soldier has concluded after seeing that film that CNN is not on their side."

CNN said its decision to show the brief tape was motivated by a desire to show the public the growing threat insurgent snipers pose to U.S. troops.

"Whether or not you agree with us in this case, our goal, as always, is to present the unvarnished truth as best we can," wrote CNN producer David Doss in a blog on the network's Web site.

Tony Snow, President Bush's press secretary, said the insurgents were hoping to "break the will of the American people" by slipping the tape to CNN.

The tape was shown first on CNN's "Anderson Cooper 360" program, where Doss is executive producer, and then on several news shows. It remains on the network's Web site.

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Doss said CNN Baghdad correspondent Michael Ware in Iraq received the tape after communicating through intermediaries with Ibrahim Shimar, a spokesman for the Islamic Army.

Doss said the decision to use the sniper tape came after hours of "intense editorial debate" at CNN. One compromise was made: The moment when the bullet hits the soldier's head is blacked out. The soldier's face and unit patches are not clearly visible and so identifying him was impossible, the network said.

Rep. Brian Bilbray, R-Calif., who joined Hunter and Rep. Darrell Issa, R-Calif., in sending a letter to Defense Secretary Donald H. Rumsfeld, called the film "nothing short of a terrorist snuff film."

Snow, at his regular news briefing in Washington, said the video was misleading because it made it appear that Americans were "sitting ducks" and the insurgents were winning. In fact, the insurgents "are dying in much greater numbers and suffering much greater damage," he said.

The Pentagon had no official reaction to the CNN video. Though embedded reporters are made to sign pledges not to show the faces of dead Americans until their families are notified, nothing prohibits the use of pictures where identities are not discernible.

Plea Deal Reported In Iraqi Murder Case (AP)

By Thomas Watkins

AP, October 21, 2006

A Camp Pendleton Marine will plead guilty next week for his role in the killing of an Iraqi man last April, his father said Friday.

Pfc. John J. Jodka, 20, of Encinitas will plead guilty to assault and obstruction of justice, his father, John Jodka, told The Associated Press in a telephone interview.

The elder Jodka said murder, kidnapping and other charges would be dropped in exchange for the plea, but later said it was premature to discuss details of the arrangement.

Attorney Joseph Casas, who represents Jodka, said he could not disclose details of the negotiations but said the deal was "in the best interests of my client and the best interests of justice and the best interests of the Marine Corps."

Casas said that Jodka would testify at his court-martial and that the judge was not expected to sentence his client until Nov. 15.

"J.J. will have his chance to talk about his account of what happened in Hamdania," Casas said, adding he would be calling witnesses during the court appearance.

Jodka is one of seven Marines and one Navy corpsman who were charged in the murder of Hashim Ibrahim Awad in the town of Hamdania, west of Baghdad. As part of a separate plea negotiation, the corpsman recently testified about what he remembers from the incident.

Jodka would be the first Marine to plead guilty in the case.

Petty Officer 3rd Class Melson J. Bacos, a Navy corpsman on patrol with the Marines, pleaded guilty Oct. 6 to kidnapping and conspiracy under a deal with prosecutors. He agreed to testify at his court-martial and during upcoming proceedings about what he witnessed.

Details of Jodka's plea negotiations were not disclosed by order of the judge in the case, Jodka's father said. He added that his son would not be sentenced next week.

Marine Corps spokesman Lt. Col. Sean Gibson said it would be inappropriate to discuss any potential negotiations between the government and the defense.

Marine To Plead Guilty In Killing Of Iraqi Man (LAT)

By Tony Perry

The Los Angeles Times, October 21, 2006

ENCINITAS, Calif. — Marine Pfc. John Jodka III will become the second defendant accused in the shooting death of an unarmed Iraqi man in April to plead guilty in the case, Jodka's father said Friday night.

Jodka is one of eight troops with the 3rd Battalion, 5th Regiment, who were charged with murder and kidnapping in the shooting death of a disabled 52-year-old Iraqi in Hamandiya, west of Baghdad. The eight were accused of dragging Hashim Ibrahim Awad, whom they suspected of having ties to the insurgency, from his home, tying his hands and feet and shooting him to death.

Under the plea arrangement, Jodka will plead guilty to lesser charges.

"I remain as proud of my son as the day he enlisted in the Marine Corps," said John Jodka II, who lives in Encinitas. "He is my hero."

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In the original indictment, Jodka, who was 19 and on his first tour in Iraq, was listed among the five Marines accused of shooting Awad. He was the youngest and lowest-ranking.

Navy corpsman Melson Bacos, who was a comrade of the troops in the 5th Regiment's Kilo Company, has pleaded guilty to lesser charges and agreed to testify against the Marines. He was sentenced to a year in the brig; with credit for time served, Bacos is expected to be free within five months.

Jodka, who is expected to enter his plea Thursday, is a graduate of San Dieguito Academy, a highly competitive Encinitas high school, and he attended UC Riverside before enlisting.

Jodka was moved from the brig at Camp Pendleton to the Miramar Marine Corps Air Station brig two weeks ago to separate him from other defendants.

Other attorneys in the case have asserted that their clients will not plea-bargain. Victor Kelley said his client, Cpl. Trent D. Thomas, would "never testify against his brothers."

Officer Awaits Fate In Abu Ghraib Case (AP)

By David Dishneau

AP, October 21, 2006

An Army colonel began deliberating Friday whether to recommend a court-martial for an officer accused of abusing Abu Ghraib prisoners by ignoring their mistreatment and then lying to investigators about it.

A decision is expected by early November on whether Lt. Col. Steven L. Jordan, an Army reservist from Fredericksburg, Va., will stand trial for any of the 12 charges against him, including one count of cruelty and maltreatment and three counts of dereliction of duty.

Col. Daniel Cummings, who presided over Jordan's five-day Article 32 investigation, will make a written recommendation to Gen. Guy C. Swann, commander of the Military District of Washington. Swann will decide whether a trial is warranted.

Jordan, 50, is the highest-ranking U.S. soldier, and the first officer, charged with crimes stemming from the physical abuse and sexual humiliation of Abu Ghraib detainees. He faces up to 42 years in prison if convicted of all counts.

Prosecutors offered little direct evidence at the hearing that Jordan oppressed detainees in fall 2003 by "subjecting them to forced nudity and intimidation by dogs," as alleged in the lone count of cruelty and maltreatment.

The strongest eyewitness evidence that he ignored abuses came from Capt. Donald Reese, the former commander of the 372nd Military Police Company who testified that Jordan was a daily visitor to the prison's "hard site," where some prisoners were stripped naked as an interrogation technique.

Instead, prosecutors relied largely on documents and soldiers' statements to investigators to support the government's claim that Jordan, as titular director of the prison's interrogation center, knew of the abuses and didn't stop them.

"He didn't do the job, which resulted in criminality," Lt. Col. John P. Tracy said in closing arguments Friday.

Defense attorneys said Jordan wasn't in charge of interrogators, despite his director's title, and therefore wasn't responsible for any abuses they committed.

"No direct line, certainly, no dotted line, no blurry line — there has been no line drawn between Lt. Col. Jordan and detainee abuse," Maj. Kris Poppe said in his closing argument.

Jordan, a civil affairs officer with a military-intelligence background, was sent to Abu Ghraib in September 2003 by top intelligence commanders in Iraq to run the newly established Joint Interrogation and Debriefing Center.

But according to witnesses for both sides, Jordan devoted himself mainly to improving soldiers' safety and welfare, introducing himself to incoming interrogators as "the civil affairs officer" and as a liaison between the JIDC and U.S. commanders in Baghdad.

Jordan's case is the last remaining active investigation in the Abu Ghraib scandal, said Lt. Col. Patricia Lewis, deputy staff judge advocate at the Military District of Washington. Eleven enlisted soldiers have been convicted of crimes at Abu Ghraib, and a number of officers have been reprimanded.

Gunmen Execute 8 Afghan Laborers (LAT/AP)

From The Associated Press

The Los Angeles Times, October 21, 2006

KABUL, Afghanistan — Gunmen ambushed a carload of Afghan laborers heading home from a remote U.S. military base in eastern Afghanistan and executed eight of them, a police official said Friday.

The killings occurred as a statement purportedly issued by fugitive Taliban leader Mullah Mohammed Omar called for stepped-up attacks on Afghan and foreign troops. It told the North Atlantic Treaty Organization to leave Afghanistan, saying alliance members were "losing their soldiers only for America."

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The victims, who worked for the U.S. military in the mountainous Korangal area of Kunar province, were killed Thursday, said Abdul Saboor, the provincial deputy police chief.

Gunmen stopped the workers' car, searched them and took about $6,000 before gunning them down, said Salehzai Didar, Kunar's governor. Two workers escaped, he said.

"This was a shocking attack against these poor people," said Saboor, who did not identify the attackers other than to describe them as "the enemy."

Afghanistan this year has faced its deadliest surge in violence since U.S.-led forces ousted the fundamentalist Taliban regime five years ago for sheltering Osama bin Laden.

The statement attributed to Omar was forwarded by e-mail to the Associated Press by Mohammed Hanif, who claims to speak for the militia. It warned that the Taliban would increase its attacks against foreign and Afghan troops, "which would be a surprise to many."

"I would again ask mujahedin to intensify their attacks, but they should avoid any harm to innocent people and children," said the statement, which was issued just before the Muslim holiday of Eid al-Fitr, which marks the end of the fasting month of Ramadan.

The statement's authenticity could not be verified.

It said that democracy in Afghanistan had failed and that the Western-backed government of President Hamid Karzai was seeking an "exit."

Total Says Executive Questioned Over Iraq Oil Deals Is Innocent (NYT)

By James Kanter

The New York Times, October 21, 2006

PARIS, Oct. 20 — The French oil company Total rallied on Friday to the defense of its second in command and designated chief executive, Christophe de Margerie, after he was taken into custody and questioned about possible illegal payments for Iraqi oil.

Mr. de Margerie, 55, and a former Total executive, Bernard de Combret, 63, were released on bail on Thursday after being held for 48 hours. The two men were questioned by Judge Philippe Courroye, who is investigating possible kickbacks linked to the United Nations-supervised oil-for-food program in Iraq.

“The judge has to prove that he is or is not guilty, and we think he’s not guilty,” said a Total spokeswoman, Catherine Enck.

She said the Total board remained committed to elevating Mr. de Margerie, who is head of exploration and production, to the top job in February.

The oil-for-food program allowed the government of Saddam Hussein to sell oil while the country was under sanctions imposed by the United Nations after Iraq invaded Kuwait in 1990. The oil money was supposed to be used to buy necessities for Iraq’s civilians, but reports of corruption in the program prompted several inquiries.

An independent investigation by Paul A. Volcker, former chairman of the Federal Reserve Board, reported a year ago that Russia and France received favored treatment from the Hussein government.

In France, a former interior minister, Charles Pasqua, is among those under investigation.

Ms. Enck said Total had negotiated with the Hussein government to develop the oil-rich Majnoon and Nahr Umar fields in southern Iraq, the site of the world’s third-largest oil reserves, after Saudi Arabia and Iran. She insisted that the company had never signed contracts with the government, and that development of the fields could only have gone forward once the sanctions were lifted.

“The group has never purchased, either directly or indirectly, oil that has been smuggled illegally from Iraq,” Total said in a statement on its Web site.

A Citigroup analyst, Jonathan Wright, brushed off the seriousness of the development, writing in a research note that he expected business as usual at the company.

Total Chief Charged In Oil-for-food Scandal (FT)

By Martin Arnold

Financial Times, October 21, 2006

A Paris investigative judge has charged the incoming chief executive of Total, the French oil and gas group, with corruption during the scandal-plagued United Nations’ oil-for-food programme in Iraq.

Christophe de Margerie, Total’s head of exploration and production, was imprisoned for 48 hours, questioned by judicial police and a judge, before being charged with aiding and abetting corruption of foreign officials and misuse of company property.

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He was released from custody on Thursday night. The surprise move cast a shadow over plans for Mr Margerie to replace Thierry Desmarest as chief executive when the latter steps up to non-executive chairman after the group's annual results in February.

But Total insisted the succession would proceed as planned. "Presumption of innocence is absolute and so life goes on," said Catherine Enck, spokeswoman at Total. The French judicial system can often put people under investigation for years, sometimes without ever going to trial.

"The group would like to reassure Mr de Margerie of its solidarity. Total confirms that at no time did the group circumvent the United Nations embargo against Iraq and strictly adhered to the rules of the oil-for-food programme," the company said on Friday.

The move is a setback for the image of France's biggest company with a market capitalisation just short of €130bn. It employs 95,000 staff and had profits of €12bn and sales of €143bn in 2005. Yet analysts shrugged off the news and Total shares rose €0.50 to €53.70.

Mr de Margerie, 55, was head of Total's activities in the Middle East between 1995 and 1999. He is well respected in the industry as an affable and outspoken expert on the Gulf region's oil sector. His lawyer, Olivier Rosenfeld, said the charges were "without foundation".

Bernard de Combret, Total's former head of trading, who quit in 2001, was taken into custody with Mr de Margerie and charged with the same crimes. The charges add to growing discomfort in Paris political and business circles about the damage being done to France's prestige by the inquiry. Mr de Margerie is due to accompany President Jacques Chirac on next week's state visit to China.

He is suspected of participating in kickbacks to the Iraqi regime of Saddam Hussein from 1996 to 2002. Total is suspected of making the payments via Telliac, the Swiss trading company, to gain better access to Iraqi oil during the UN embargo.

Total said: "All oil acquired by the company, without exception, was purchased officially with the required authorisations under UN within the framework of the oil-for-food programme put in place in 1996. The group has never purchased, either directly or indirectly, oil that has been smuggled illegally from Iraq."

The group has only recently recovered from a big corruption scandal at Elf, the former state oil group it acquired in 1999. The "Elf affair" lasted eight years, becoming France's biggest corruption trial and exposing rampant corruption in the final years of the Mitterrand presidency.

Judge Philippe Courroye has already charged a handful of more junior Total executives with similar offences, as well as leading French diplomats and politicians, most notably Charles Pasqua, former interior minister, and Jean-Bernard Mérimée, France's former UN ambassador.

An independent report by former Federal Reserve chairman Paul Volcker last year accused some 2,253 companies of paying kickbacks to Saddam Hussein's regime, while officials and middlemen around the globe were accused of receiving illicit oil allocations in return for political support.

The payments were in contravention of international law and the rules of the oil-for-food system. Politicians and executives in countries from Germany to India have been snared by the scandal. But France's strong ties to Saddam Hussein's regime seemed to mean it was more involved than most.

The Real 'New Iraq' (WP)

By Colbert I. King

The Washington Post, October 21, 2006

Christians are being targeted in Iraq. It's not because they are one of the dominant groups vying to run the country. They aren't. Their clerics also are not part of Iraq's religious elite, although Christianity has deep roots in that country.

As the New York Times reported this week, since the Bush administration launched the invasion of Iraq 3 1/2 years ago, church bombings, assassinations, kidnappings and threats have become a daily part of Christian life. And the persecution of Christians began even before Pope Benedict XVI called attention to the words of a 14th-century Byzantine emperor who had some unkind things to say about Islam. Many churches in Baghdad have been forced to cancel services, the Times reports, and some have not met since.

Why? Because religion is moving front and center in Iraq, and to be a Christian in that Islamic nation has become dangerous.

But it's equally risky to be a Shiite living among Sunnis or a Sunni residing in a province dominated by Shiites. These days, if you happen to be in the wrong place at the wrong time, religion can get you kidnapped, tortured and beheaded.

If that isn't enough, toss into this cauldron Americans in military uniform, many in the flower of their youth. Most have no idea why religious extremists are tearing each other apart. Trained to fight wars and combat terrorism, American troops have

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instead been engaged in sweeps through Baghdad's slums in an effort to uproot religiously chauvinistic death squads hellbent on destroying each other. For rendering that service to the Iraqi people (who should be doing the job themselves), America has been paying a high price in blood and treasure, and with little apparent success.

Instead of the violence being reduced, sectarian bloodshed and attacks in Baghdad have shot up 22 percent in the past three weeks. American military fatalities are occurring at the highest rate in more than a year, reports The Post. And toward what end?

Look at the post-Saddam Hussein Iraq taking shape.

In the eyes of the Bush administration and its foreign policy allies in Washington, Iraqi reconstruction and the march toward democracy are just a matter of time. All that's needed is for the government of Prime Minister Nouri al-Maliki and the Iraqi armed forces to quell the sectarian violence. Put together the right alliances and the problem is solved, they believe. They see the answer to Iraq's problems in political terms.

But there are other aspects of Iraq that bother those of us who aren't as smart as the brilliant Washington thinkers who got us where we are today.

Some of us can't forget the prewar talk about weapons of mass destruction and Saddam Hussein's partnership with al-Qaeda, and how wrong the foreign policy elite were about that.

Then there was the rosy post-Hussein world portrayed by the Bush administration, in which Iraqis, liberated from the grip of fear and imbued with a deep and abiding respect for human rights and freedom, would be busy building a better future for themselves.

Now let's return to the Christians.

From Tuesday's New York Times: "Conditions have been especially bleak for Christians in Basra, the southern city that is dominated by radical Shiite militias. Christian women there often wear Muslim head scarves to avoid harassment from religious zealots trying to impose a strict Islamic dress code." An Iraqi woman who attends the country's only Anglican church told the Times that she wears a head scarf anytime she goes outside her neighborhood. "I am afraid of being attacked," she said.

A priest was beheaded last week. A bomb blast at a Baghdad church killed two worshipers recently. From this mayhem, however, the Bush administration averts its gaze.

But the truth has been present all along for those who would dare to see it.

Within months of the U.S. invasion in 2003, The Post's Anthony Shadid and Rajiv Chandrasekaran were reporting on religious fissures in Iraq. The deepening divisions among Iraq's principal religious and ethnic groups were a regular theme in their writing.

But the White House and its cheerleaders would have had us think otherwise -- that the source of trouble was solely foreign infiltrators and remnants of Hussein's Baathist Party.

There is a new Iraq emerging before our eyes.

It is an Iraq that torments Christians, that indulges in unrelenting sectarian bloodbaths, that cheers for Hezbollah, that is no more a friend to Israel than is Iran, all despite the lies sold to the White House and Pentagon by self-serving, power-hungry Iraqi expatriates.

The new Iraq is not what George W. Bush talks about. But that's the Iraq he's got. And, worst of all, that's the Iraq we are in.

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Bush Exploited Americans' Urge For Safety (AJC)

By Cynthia Tucker

The Atlanta Journal-Constitution, October 21, 2006

Americans wanted to believe.

In the weeks and months following the terrorist atrocities of Sept. 11, Americans wanted to believe that we could find our way back to a time when terrorism didn't happen here. They might strike U.S. embassies in east Africa, U.S. Navy destroyers in Middle Eastern waters or tourist hotels on faraway islands, but we wanted to believe we could keep them from reaching us here a second time. So when President Bush offered military invasions against two distant countries as the way back to safety at home, most Americans supported him enthusiastically. Not only did most Americans support the strike against Afghanistan, which had offered a safe haven to al-Qaida, but a majority also backed the invasion of Iraq, which had no link to Sept. 11.

Some armchair hawks supported the effort to topple Saddam Hussein because they wanted cheap revenge, whether or not Saddam had any link to Osama bin Laden. The United States has the strongest military in the history of the world — the most destructive bombs, the fanciest fighter jets, the fiercest tanks. What good is all that high-priced hardware if you don't use it every now and then?

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Just this June, conservative pundit John Derbyshire confessed in a National Review column that he regretted his early enthusiasm for the invasion of Iraq. Quoting a harsh passage he had written earlier, he admitted that his support for that war was hardly based on humanitarian or strategic impulses:

"[M]y attitude to the war is really just punitive, and Iraq was a target of opportunity. I am not a Wilsonian nation-builder. I don't want to 'bring democracy to Iraq.' I don't, in fact, give a fig about the Iraqis. I am happy to leave barbarians alone to practice their unspeakable folkways, so long as they do not bother civilized peoples. When they do bother us, though, I want them smacked down with great ferocity."

Derbyshire was hardly alone. Secretary of Defense Donald Rumsfeld was eager to attack Iraq because it presented better targets for our advanced weaponry than primitive Afghanistan, according to several White House insider accounts.

Perhaps, though, most Americans supported the president because they believed him when he said Saddam had weapons of mass destruction that he'd give to terrorists. Americans also believed Bush when he said repeatedly that Saddam had crucial ties to al-Qaida, ignoring intelligence reports that Saddam and Osama had no relationship.

Bush had a major advantage in persuading Americans to support his Iraqi misadventure: Voters wanted to believe that ousting Saddam would take care of terrorists. The president offered the certainty that the nation craved. It's easier to believe in a highly unlikely proposition if you desperately want it to be true.

But 3 1/2 years after the invasion, with bloodshed escalating, the spell has worn off. A CNN poll this month showed 64 percent of respondents opposed to the war. And while a handful of Republican congressional candidates still try to justify the decision to topple Saddam, most GOP candidates try to avoid the subject.

Meanwhile, we are less secure than we were five years ago. Terrorists are using our invasion of Iraq as a recruiting tool. While Saddam had no weapons of mass destruction, North Korea apparently now has nukes. Iran is on its way to nuclear capabilities. And we have few soldiers left to handle a conflict anywhere else. Even if Bush wanted to invade Iran, he has no brigades to send. They're bogged down in Iraq. Moreover, our international alliances are frayed — where they're not ripped to shreds.

All in all, we've paid a high price for our refusal to see ourselves as we really are, not the way we want to be seen. We wanted to be "the shining city on the hill," set apart from the rest of the world, immune to its problems, better, safer, smarter than anybody else.

The United States is a strong and capable nation, but we are vulnerable to bird flu from Singapore, suitcase nukes from the old Soviet empire and suicide bombers from Saudi Arabia. Our best strategy for protecting ourselves will always be a nuanced and multifaceted approach using diplomacy, strategic alliances, intelligence-gathering, law enforcement and, as a last resort, military force.

That nuanced approach doesn't appeal to the bully boys who want to send other people's children out to blow up a country. But we should have learned by now to stop listening to them.

DOJ:

U.S. Prosecutors Honored (BSUN)

The Baltimore Sun, October 21, 2006

The U.S. Justice Department honored five federal prosecutors in Maryland yesterday with 2006 Director's Awards from the department's executive office for United States attorneys.

Roann Nichols was recognized for her work in negotiating the civil settlement of fraud charges against Serono Laboratories Inc. in connection with illegal schemes to promote, market and sell its AIDS drug, Serostim.

A. David Copperthite and Charles J. Peters, who serve in the U.S. attorney's narcotics and organized crime section, were recognized for their work on the prosecution of Baltimore police detectives William King and Antonio Murray. Stuart A. Berman and Barbara S. Skalla received Director's Awards for their work on the prosecution of international drug dealers from Pakistan, a trial handled in the U.S. District Court in Greenbelt.

[Matthew Dolan]

CORPORATE SCANDALS:

Ouster Of UnitedHealth CEO Rachets Up Stock Options Scandal (AP)

AP, October 21, 2006

DOJ_NMG_0084231

WASHINGTON - Chief executives caught in the stock-options scandal may find it harder to keep their jobs now that a CEO as mighty as UnitedHealth's William McGuire has fallen.

The scandal rattling corporate America has claimed more than three dozen executives and board directors at 19 public companies so far. McGuire, whose retirement was announced Sunday, is arguably the most prominent.

The move was quickly followed this week by news that the chairman and founder of computer chip supplier KLA-Tencor Corp. was retiring over options, the top two executives of encryption specialist SafeNet Inc. had resigned, and consulting firm Sapient Corp.'s co-founder had quit as chief executive and co-chairman in a broad management shakeup.

Last week saw the abrupt departures of two well-known Silicon Valley CEOs: George Samenuk of McAfee Inc. and Shelby Bonnie of CNet Networks Inc. McAfee, a leading maker of computer antivirus software, also fired its president, Kevin Weiss.

The spotlight in the scandal has turned from lesser known executives like Jacob "Kobi" Alexander - the fugitive former CEO of Comverse Technology Inc. now in Namibia awaiting extradition to face charges - to more mainstream, established corporate leaders at blue-chip companies.

"Not only are the dominoes falling, but the dominoes are getting bigger," said Anthony Sabino, a business law professor at St. John's University in Queens.

The fall of a big domino like McGuire - the man who engineered UnitedHealth's rise from a regional health insurer into the nation's second-largest - can spark the descent of others like him, Sabino maintained. "Everybody else who's involved is at risk," he said.

A sort of guillotine for corporate executives has been set out in the public square. With more than 100 companies under options investigations by the Justice Department and the Securities and Exchange Commission, many likely are eager to show their cooperation with the authorities and willingness to take remedial action - like firing executives believed to be implicated or responsible and possibly recouping some of their options money.

"The companies are doing their best to anticipate the concerns that the government will raise," said Tim Coleman, a former federal prosecutor who is an attorney at Dewey Ballantine in Washington. Companies' actions "are with a view to what's going to happen on the day of reckoning," he suggested.

At issue in many of the investigations is a practice known as backdating. Stock options are issued retroactively to coincide with low points in a company's share price, potentially fattening profits for options recipients when they sell their shares at higher market prices.

If they aren't properly disclosed, backdated options can falsely inflate corporate profits and result in an underpayment of taxes.

For executives and directors, "If there was knowing and willful participation by individuals, ... there's potential criminal liability for those individuals," said Michael Himmel, also an ex-federal prosecutor now in private practice, at Lowenstein Sandler in New York.

Falsifying documents related to options grants, concealing information from the board - those would be signs of potential criminal conduct by executives, experts say.

Some company officers and directors may contend that lawyers and other advisers gave their blessing to the options dating.

"It isn't criminal to basically end up giving bad advice," said Lawrence Barcella, a former Justice Department prosecutor who specializes in white-collar cases at Paul, Hastings, Janofsky & Walker. It's another matter, he said, if the attorneys or advisers "knowingly and willfully enabled" the company executives to carry out a deceptive options scheme.

Yesterday, Costco Wholesale Corp., the nation's largest wholesale club operator, said that President and Chief Executive Jim Sinegal and Chief Financial Officer Richard Galanti won't get what would would have been almost $300,000 in combined bonuses this year because they were responsible for irregular stock options awards.

Ruling On Convictions Could Help Skilling (BLOOM)

Bloomberg, October 21, 2006

HOUSTON, Oct. 20 (Bloomberg News) — A federal appeals court has refused to consider reinstating the convictions of four former Merrill Lynch executives found guilty of helping engineer Enron's sale of mobile power plants to the brokerage in 1999 to help Enron appear to have met earnings targets.

The United States Court of Appeals for the Fifth Circuit denied a government request for a hearing before all its 15 judges, the online court docket said yesterday. A three-judge panel in August threw out the fraud convictions of the bankers, finding flaws in the prosecution theory that they deprived Enron of their "honest services" in the transaction.

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The decision may help Enron's former chief executive, Jeffrey K. Skilling, in his bid to have his guilty verdicts thrown out. Mr. Skilling, 52, had cited the ruling in asking the judge in his case to cancel his fraud convictions. His sentencing begins Monday.

"If the government's theory of prosecution was based on the same theory that's now been overturned and affirmed by the appellate court, we can expect Skilling's lawyers to make this the centerpiece of their appeal," said Robert Mintz, a former federal prosecutor.

Jaclyn Lesch, a Justice Department spokeswoman, declined to comment yesterday.

The Merrill executives were convicted of improperly inflating Enron's 1999 fourth-quarter earnings by disguising a loan as proceeds from the sale to the investment bank of power-generating barges moored off the Nigerian coast.

Prosecutors said the bankers deprived Enron of their honest services by acting against its interest.

The appeals court disagreed, saying the theory cannot be applied when an employer "aligns the interests of the employee with a specified corporate goal" and the employee acts accordingly.

SKILLING MAY GET 20 YEARS IN PRISON (NYPOST)

By Paul Tharp

The New York Post, October 21, 2006

October 21, 2006 -- Jeff Skilling, the last remaining disgraced boss of Enron, faces 20 years behind bars at his sentencing Monday - while his lawyers face an unpaid legal tab of $30 million.

Skilling, 52, is among eight executives snared in the infamous $60 billion collapse of Enron four years ago, and is likely to be in his 70s by the time he leaves prison.

He's already nearly broke, say his lawyers.

But prosecutors say he's got many millions left from his ill-gotten gains, and must fork over $182.9 million in penalties and restitution to his victims.

Thousands of investors and former Enron employees lost more than $2 billion from holding worthless Enron shares wrecked in the cooked-books scandal.

About a dozen of the victims have been permitted to speak at Skilling's sentencing in Houston federal court to admonish him.

Skilling's partner in the crimes, former CEO Ken Lay, was to have been sentenced with Skilling on Monday but Lay cheated justice by dropping dead of a heart attack July 5, six weeks after his conviction.

A judge wiped Lay's record clean earlier this week, since his death leaves him unable to complete an appeal of his conviction.

Skilling also is appealing to have his conviction thrown out because four Merrill Lynch bankers involved in the schemes had their convictions tossed earlier this year by a three-judge appeals panel.

It hasn't stopped prosecutors, however, from going after Skilling to shoulder Lay's $43.5 million penalty plus Skilling's own separate penalties of $139.4 million.

Prosecutors say Skilling still has about $60 million in assets, which have been frozen.

Skilling's lawyer, Dan Petrocelli, said Skilling owes his legal defense team more than $30 million, not counting the $23 million that the Justice Department earlier allowed Skilling to set aside for his defense before his assets were frozen.

Feinstein Asks Justice To Appeal Ruling Vacating Lay Conviction (FRESBEE)

Fresno Bee, October 21, 2006

Sen. Dianne Feinstein is urging the Justice Department to appeal a ruling this week vacating the fraud and conspiracy conviction of Enron founder Kenneth Lay.

Feinstein, D-Calif., sent a letter to Attorney General Alberto Gonzales on Friday criticizing the decision to erase the conviction. U.S. District Judge Sim Lake in Houston made the ruling because Lay died before getting to pursue appeals.

"I urge the Justice Department to seek an appeal of Judge Lakes' decision, so that the government can fight to preserve Enron victims' hard-fought right to obtain restitution," Feinstein wrote.

The government wants to recover some $42.5 million in what it says were Lay's ill-gotten gains and the ruling complicates that. Fraud by Enron and other companies drove up energy costs in California by billions during the state's 2000-2001 energy crisis.

A Justice Department spokesman, Bryan Sierra, said the department was considering whether to appeal.

Feinstein also criticized the handling of legislation drafted by the Bush administration to change how the law handles the death of a criminal defendant while his or her appeal is pending. The Justice Department sent the proposed legislation to House

Speaker Dennis Hastert and Vice President Dick Cheney, who is formally president of the Senate, in early September, but it was not brought to the floor before Congress recessed for the midterm elections.

Feinstein, who serves on the Senate Judiciary Committee, told Gonzales she was "dismayed" that the proposed legislation was not circulated to other lawmakers.

Sierra said the legislation was referred to the Judiciary Committee and widely reported in the press.

Feinstein said she planned to introduce legislation of her own once Congress reconvenes to address issues arising from the death of a defendant pending appeal.

Senator Wants Justice Department To Appeal Lay Decision (HC)

By David Ivanovich

Houston Chronicle, October 21, 2006

WASHINGTON — Sen. Dianne Feinstein, D-Calif., called on the Justice Department on Friday to appeal a Houston judge's decision to vacate the late Ken Lay's fraud and conspiracy convictions.

U.S. District Court Judge Sim Lake earlier this week wiped out the one-time Enron Corp. chairman's convictions because Lay died before his appeals had been exhausted. Lake's decision followed a precedent set in another case in the 5th Circuit Court of Appeals.

Feinstein, in a letter to U.S. Attorney General Alberto Gonzales, called on the government to appeal the ruling so "the government can fight to preserve Enron victims' hard-fought right to obtain restitution."

Feinstein argued the 5th Circuit's ruling went beyond a doctrine in common law that does away with punishments after a defendant's death.

"The Supreme Court has never held that it also must wipe out a victim's right to compensatory relief such as restitution," Feinstein wrote.

Justice Department spokeswoman Jaclyn Lesch said: "We have received the letter, and it will be sent to the appropriate persons for review."

Feinstein, a member of the Senate Judiciary Committee, said she plans to introduce legislation during Congress' lame duck session after the elections to try to address the decision.

Lay died July 5, just weeks after a jury found him guilty on six charges of fraud and conspiracy.

Lake also found him guilty of bank fraud.

Grasso Braces For Long Battle Over Pay Ruling (WSJ)

By Aaron Lucchetti And Paul Davies

The Wall Street Journal, October 21, 2006

Judge's Decision Means Victory For Foes of Former NYSE Chief; A Legal Monster Is Spawned

The fight over one of Wall Street's biggest paychecks -- the $187.5 million compensation package amassed by former New York Stock Exchange chief Dick Grasso -- is headed for yet another round of nasty court battles.

A judge's decision on Thursday that Mr. Grasso needs to give back as much as $100 million significantly changes the landscape of the battle, handing Mr. Grasso's enemies a key victory.

Mr. Grasso vowed to keep pressing his case. "I believe it was right when I started, and nothing has changed my mind," Mr. Grasso said Friday in an interview.

Mr. Grasso, 60 years old, lost his job at the NYSE in 2003 because of the controversy over the rich pay package. Mr. Grasso says he was paid the bulk of the money in 2003 and about $80 million was left after taxes. He says that cash is "prudently managed in a mix of stocks and bonds." He and his wife also own five homes and apartments in New York and Florida. "There are no boats, no planes," he said.

The case has become a many-headed legal monster. There are no fewer than six separate legal claims being made against Mr. Grasso in New York State courts pertaining to his pay. That proliferation of claims has produced some strange legal twists: For instance, a five-judge panel is already hearing appeals to some parts of the dispute -- even though the case itself has yet to go to trial.

Currently, the trial is slated to start sometime next year.

New York state, which is suing Mr. Grasso, contends that he was overpaid as the chairman of a not-for-profit institution. Back then, the NYSE was set up as a not-for-profit, although since then it has converted itself into a public company, NYSE Group Inc.

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Justice Charles E. Ramos, a New York state-court judge, found that Mr. Grasso withheld details about the scope of his pay from the exchange's board of directors. The ruling was a big victory for Attorney General Eliot Spitzer, who made a name for himself a few years ago by waging a war on Wall Street abuses and is now running for governor.

He is up against the feisty Mr. Grasso, who hails from a mostly working-class neighborhood in the New York City borough of Queens, where his mother was a housekeeper. Mr. Grasso has fought Mr. Spitzer at every step. "If he wants to give us a jury trial tomorrow, we'll be there," Mr. Grasso said.

Mr. Spitzer sued Mr. Grasso in May 2004 after settlement discussions between the two sides went nowhere.

Mr. Grasso turned around and sued the NYSE, claiming he actually was owed another $50 million and also that he was defamed after he left the exchange. Over the past two and half years, he has filed numerous motions to have parts of the case against him tossed out, asking at one point for the judge to be replaced and arguing for a trial before a jury -- something he isn't guaranteed under state law.

All of those motions were denied by Justice Ramos and then sent to the New York appellate court, which is expected to hear arguments next month.

"The motion, cross-motions and appeals are really indicative of what a pitched battled it is," says Zachary Hummel, an attorney at Bryan Cave LLP who has followed the matter.

Mr. Grasso defended his legal tactics as necessary for getting a fair trial. "We were ready to start" months ago, said Mr. Grasso. "What we're not ready to do is give up my right to justice under the law."

In an interview on Friday, Mr. Spitzer said "there will be no settlements" with Mr. Grasso. "These defendants deserve to have their repeated lies and misrepresentations brought out into the open."

Ken Langone, a former Big Board director who ran the compensation committee and was also named by the Attorney General as a defendant in the case, disputes Mr. Spitzer's assertions . "Mr. Langone has been straightforward and upfront from day one about the decisions he made as a director, and those facts have been brought into the open time and again in every deposition," a spokesman for Mr. Langone said in a statement. "Mr. Spitzer's cheap disparagements, while typical, cannot alter the obvious reality that Mr. Langone acted properly in his duties and stands behind his conduct."

Justice Ramos's latest ruling will be the subject of Mr. Grasso's next appeal, which will be heard by New York's appellate court, the second-highest court in New York under the Court of Appeals. If Justice Ramos's opinion stands, Mr. Grasso will have to give back the money, the exact amount of which has yet to be determined.

At that point, Mr. Spitzer could claim victory and call it a day. He has previously said that he felt Mr. Grasso should pay $100 million or more back to his former employer.

The same appellate court is expected to hear arguments after Thanksgiving on Mr. Grasso's motion to have the case decided by a jury. Justice Ramos doesn't support a jury trial for major parts of the case. The main legal question to be decided is whether Mr. Grasso's $187.5 million pay package was "reasonable" under the state laws governing not-for-profits.

Mr. Grasso has also requested that Justice Ramos remove himself from the case, in part because the judge had twice previously sought a board seat on the NYSE. If the appellate court agrees, a different judge will hear the case.

Mr. Spitzer said Mr. Grasso is grasping at straws on this claim: "The last refuge of the guilty is to impugn the integrity of the court," he said.

Legal experts say Mr. Grasso has strong grounds to appeal the Ramos ruling.

"Any time a judge usurps the legal process and makes a summary judgment, the appeals court will take a close look at it," says Thomas Curran, a former Manhattan assistant district attorney.

A settlement seems unlikely. Mr. Grasso "has very little leverage right now," Mr. Curran said. "And Mr. Spitzer is not interested in being conciliatory at this stage. Maybe after January [when Mr. Spitzer leaves office], there will be room for discussions."

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CRIMINAL LAW:

Foley Case A Test For Ethics Panel (WP)

By Juliet Eilperin

The Washington Post, October 21, 2006

Despite an uncharacteristic spurt of activity, the House ethics committee is unlikely to complete its investigation of the Mark Foley page scandal before the election, but it may issue an interim report on Foley's activities and how the GOP leadership responded to warnings, according to sources.

A committee panel has spent two weeks hearing from an array of witnesses. These included former House clerk Jeff Trandahl, who helped supervise the pages, and House Majority Leader John A. Boehner (R-Ohio), who said he warned House Speaker J. Dennis Hastert (R-Ill.) this spring about Foley's inappropriate e-mails to a former page from Louisiana.

Foley (R-Fla.) abruptly resigned his House seat Sept. 29 after being confronted by ABC News with copies of sexually explicit instant messages he had sent to male former pages. The FBI has launched a criminal investigation into Foley's actions, and the Committee on Standards of Official Conduct, which has been largely dormant for the past two years, is investigating what, if anything, House GOP leaders did in response to repeated warnings about Foley's conduct.

Next week, the panel is likely to depose members of Hastert's staff, including chief of staff Scott Palmer and counsel Ted Van Der Meid, and possibly the speaker himself.

It may also interview Rep. Jim Kolbe (R-Ariz.), who is the subject of a preliminary Justice Department inquiry into a camping trip he took with male former pages and others in 1996.

Rep. Tom Cole (R-Okla.), who sits on the ethics committee but is not on the four-member task force investigating the Foley matter, said both political parties have a stake in seeing that the probe is completed as soon as possible. The scandal has become an issue in several races and has cast a pall over the House, an institution that had already suffered a serious decline in public approval, according to polling.

"There's no upside for anybody in dragging this out," Cole said. "It serves us well and it serves [the Democrats] well to actually just do the right thing."

The committee's sudden flurry of activity -- its members have taken sworn depositions from key players in the Foley scandal four days a week for the past two weeks -- contrasts with its failure to respond to a rash of lobbying and political corruption scandals over the past two years. Evenly divided between Republicans and Democrats, the committee sat idle while the two parties feuded over staffing and procedural issues. Some ethics watchdog groups say the outcome of the Foley probe will demonstrate whether Congress can police itself.

"This is a crucial test institutionally," said Rep. Howard L. Berman (Calif.), the top Democrat on the ethics committee and the Foley investigative panel. "If we can't divorce ourselves from the political consequences and come to a bipartisan conclusion, it speaks poorly for the future of peer review in the House."

In April, the ethics committee's ranking Democrat, Rep. Alan B. Mollohan (W.Va.) stepped aside when it became known that he was under federal investigation for funneling federal funds to home-state foundations and possibly enriching himself. A month later, the committee finally announced that it was investigating three people: former representative Randy "Duke" Cunningham (R-Calif.), Rep. William J. Jefferson (D-La.) and Rep. Robert W. Ney (R-Ohio). Cunningham and Ney have pleaded guilty to accepting bribes, and Cunningham has begun serving a long prison sentence. Jefferson is the subject of another federal bribery probe. The committee has not issued reports in any of those cases.

"Regardless of what happens in the Foley investigation, the ethics process in the House is a failed process and must be fixed," said Democracy 21 President Fred Wertheimer, a congressional watchdog who supports establishment of an independent investigative body that would answer to the ethics panel. "We have had the most congressional corruption scandals in three decades, and we have had a House ethics committee that did nothing about it."

But Berman and the committee's chairman, Doc Hastings (R-Wash.), have managed to resuscitate the panel to some extent in recent months, doling out private advice to lawmakers behind closed doors and taking on the politically sensitive task of probing whether Hastert and his deputies failed to act quickly enough to stop Foley.

In a statement, Hastings said the task force's "primary focus is on how individuals holding positions of authority in the House -- as well as the overall system, if you will -- handled information concerning improper interaction between members and House pages."

Earlier this month, House Minority Leader Nancy Pelosi (D-Calif.) offered a resolution demanding that the panel issue a preliminary report on its work within 10 days. GOP leaders referred the measure to the ethics committee, and it is now clear that the panel will not release its findings that quickly.

The committee has not decided whether to issue an interim report, sources said, but members will weigh the option after concluding depositions in the case.

Hastings said that although he and his colleagues hope to conclude the probe soon, "the American people are entitled to the entire truth about how this incident was handled, and we'll take as long as necessary to make sure they get it.

"You simply cannot pledge to go wherever the evidence takes you and, at the same time, set some self-imposed deadline and expect to be taken seriously," he said.

The task force needs to depose only about half a dozen additional witnesses and does not need to engage in a lengthy document review, but GOP ethics lawyer Jan Baran said it will be nearly impossible for the committee to issue a final report before voters go to the polls.

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Priest Named By Foley Is Barred From All Religious Duties (NYT)

By Abby Goodnough

The New York Times, October 21, 2006

MIAMI, Oct. 20 — The Archdiocese of Miami on Friday barred the Rev. Anthony Mercieca from functioning as a priest anywhere in the world after confirming that he was the clergyman who Mark Foley said molested him in the 1960's.

Father Mercieca, who now lives in Malta, can no longer publicly celebrate Mass, administer the sacraments or wear priestly clothes, said Mary Ross Agosta, a diocesan spokeswoman.

Ms. Agosta apologized to Mr. Foley in a statement and described as repugnant Father Mercieca's intimate contact with him, which the priest disclosed to a Florida newspaper this week. Father Mercieca, 69, worked in South Florida for almost 40 years and remains under the auspices of the archdiocese.

"Such behavior is morally reprehensible, canonically criminal and inexcusable," Ms. Agosta said.

Mr. Foley, 52, resigned from the House of Representatives last month after the release of sexually explicit messages he had sent to teenage Congressional pages. Soon after, his lawyer announced that Mr. Foley is gay, had gone into treatment for alcoholism and had been molested by a clergyman when he was 13 to 15.

"An apology is due to Mr. Foley for the hurt he has experienced," Ms. Agosta said.

So far, she said, no one else had reported sexual misconduct by Father Mercieca. He worked in at least eight parishes in South Florida since 1966, most recently at Blessed Trinity Catholic Church in Miami Springs from 1993 to 2003. Ms. Agosta said he left Florida to retire.

"There were absolutely no other problems," she said in an interview.

Ms. Agosta said the Archdiocese of Miami had begun an internal investigation that could result in further sanctions against Father Mercieca. A spokesman for the archbishop of Malta said an investigation was under way there, too.

Though retired, Father Mercieca was still saying Mass every morning at a cathedral on Gozo, the Maltese island where he was raised and now lives with his brother, also a priest.

The Survivors Network of Those Abused by Priests, an advocacy group, said that both diocesan actions were insufficient and that Father Mercieca should be put in a secure treatment facility while the police investigated.

The Herald-Tribune of Sarasota, Fla., reported Thursday that Father Mercieca said he had skinny-dipped and lounged naked in saunas with the young Mr. Foley, massaged him and roomed with him naked on overnight trips. He said that once, on tranquilizers, he might have gone further with Mr. Foley but could not recall details.

Father Mercieca repeated the claims in interviews with other news outlets, but also said his relationship with Mr. Foley was not sexual.

The survivors group has urged Mr. Foley to press charges, but the statute of limitations has probably expired. His civil lawyer, Gerald Richman, said Friday that he had no idea whether Mr. Foley would pursue the matter.

Mr. Richman identified Father Mercieca to Palm Beach County prosecutors this week as Mr. Foley's molester. Prosecutors shared the information with the archdiocese, but said they would do nothing more unless other victims emerged.

Ms. Agosta said the archdiocese, which includes Broward, Miami-Dade and Monroe Counties, would encourage any other victims to come forward by asking every parish to make an announcement about Father Mercieca.

Just A Quiet Retiree Leading Mass In Malta (NYT)

By Ian Fisher

The New York Times, October 21, 2006

VICTORIA, Malta, Oct. 20 — He is known here as Father Tony, though he does not seem to be known very well, for the Rev. Anthony Mercieca spent his career as a priest far from Gozo, the tiny Mediterranean island where he grew up. And he is not sociable anyway, say people who know him.

"He is a very solitary man," said George Borg, 52, a teacher who described himself as a family friend. "He walks alone."

That quiet ended after Father Mercieca, 69, gave several telephone interviews admitting that he had had possibly inappropriate encounters in Florida in the 1960's with Mark Foley, the congressman who resigned over explicit electronic messages to pages.

In the interviews, Father Mercieca admitted to massaging the boy, skinny-dipping with him and staying in the same room with him on overnight trips. He said, perhaps, too much — and on Friday, he refused to speak to reporters camped out on the narrow street where he lives with his brother, George, also a priest. As the diocese here investigated the accusations, many of those closest to Father Mercieca did not want to address the subject.

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"Leave me alone for five minutes," his brother begged reporters as he left the family house here in the main town on Gozo, the smaller of two principal islands of Malta, a Roman Catholic nation of 400,000 south of Sicily.

The sketchiest of portraits emerged from neighbors and church officials: Father Mercieca retired here a few years ago, having spent his career mostly in Brazil and the United States, and has not been officially active here as a priest. But he said Mass at 9 every morning for several dozen worshipers at the main church here.

While abroad, he returned to Gozo several weeks a year for vacation.

One church official, who requested anonymity because he did not have the authority to speak publicly, said that until the interviews on Thursday the diocese had not known of Mr. Foley's accusations — or indeed any against Father Mercieca concerning abuse.

There seemed to be little anger at Father Mercieca among his neighbors. "There are a lot of people like this," said one, Carmel Grech, 80. "Everybody has sins. What is the big fuss here?"

After 3 Attempts To Convict Gotti, Prosecutors Decide Against Making It 4 (NYT)

By Alan Feuer

The New York Times, October 21, 2006

John A. Gotti, who three times in just over a year has escaped conviction on federal racketeering charges, will finally be able to pursue what he claims he has long desired: an ordinary life.

After three trials in Manhattan, each ending in a hung jury, federal prosecutors have announced that they will not seek a fourth trial on those charges for Mr. Gotti, a decision federal officials had indicated was likely. It enshrines him as a defendant even trickier to convict than his father, the Gambino family don, John J. Gotti, who beat the rap three times himself before being found guilty in 1992 and dying in a federal prison hospital 10 years later. (The younger Mr. Gotti is not invulnerable: He was convicted in a previous case and served prison time.)

In a terse statement issued yesterday, Michael J. Garcia, the United States attorney in Manhattan, said this particular case was over. "The government has concluded that a retrial of defendant John A. Gotti on the pending indictment is not in the interests of justice in light of the three prior hung juries in the case," it read. "Accordingly, we submitted a proposed order which the court has signed and which ends this prosecution."

That left Mr. Gotti, who has acknowledged through his lawyers that he ran the Gambino family during stretches of the 1990's, to return to a life as normal as his name will allow — for now.

This decision does not preclude the F.B.I. or other authorities from developing new evidence for a different case some day.

At the end of his third trial in September, Mr. Gotti told reporters he wanted to "move on" and expressed a desire to work with children.

His lawyer, Charles F. Carnesi, said Mr. Gotti may turn to academe. "He's interested in pursuing a degree," he said. "In social work or counseling or maybe something with the schools." With the indictment dismissed, he is free to go as he pleases, and the liens on his property securing his bail will soon be lifted, Mr. Carnesi said.

Mr. Gotti's triumph was a stinging defeat for Curtis Sliwa, the radio talk show host whom prosecutors said was a victim in the case. While the jury agreed that Mr. Gotti ordered the abduction and attack of Mr. Sliwa in 1992 after he called the elder Mr. Gotti a drug dealer on the air, they could not agree on the overall charge that this was part of a racketeering conspiracy.

In a statement from the newsroom of WABC radio, Mr. Sliwa called Mr. Gotti a criminal and a drain on society. He also called Mr. Gotti's father a serial killer and a disgrace to the human race. He said he intended to sue Mr. Gotti "for not only the bullets that he ordered put into my body, but for the fear and abuse he has heaped on our law-abiding society over the past 20 years."

He ridiculed Mr. Gotti's plan to "turn over a new leaf" as a charade.

"He claims that he has moved on with his life and just wants to live in peace," Mr. Sliwa wrote. "He wants to write books for children and raise money for charity, he claims. But part of moving on in life is acknowledging the innocent people hurt in the past. The people he extorted, stole from, had beaten and shot."

Federal Prosecutors Decline To Pursue Fourth Racketeering Case Against Junior Gotti (AP)

By LARRY McSHANE, Associated Press

AP, October 21, 2006

NEW YORK (AP) - Three mistrials added up Friday to one huge victory for second-generation mobster John A. "Junior" Gotti.

Federal prosecutors announced they would not pursue a fourth racketeering case against Mr. Gotti, son of the late Gambino head John "Teflon Don" Gotti.

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"The decision wasn't unexpected, but obviously it's great to have confirmation," said Mr. Gotti's attorney, Charles Carnesi. "It's a terrific relief."

Mr. Carnesi had not yet spoken with Mr. Gotti, who said after last month's third mistrial that he wanted to take his wife and six children to the Midwest, attend college and lead a quiet life away from the region where his name became synonymous with organized crime.

U.S. Attorney Michael Garcia said in a statement that retrying Mr. Gotti "is not in the interests of justice in light of the three prior hung juries in the case."

But more legal problems could lie ahead: Radio talk show host Curtis Sliwa promised a civil suit against Mr. Gotti over his near-fatal June 1992 kidnapping allegedly ordered by the mob scion. Mr. Sliwa was allegedly targeted for his incessant on-air criticism of the elder Mr. Gotti. He survived by diving out the window of a moving cab after suffering a pair of gunshot wounds.

The jury in the third trial unanimously found that Mr. Gotti, 42, had ordered the kidnapping, and the defendant admitted to a lengthy criminal career. But that was insufficient to convict the younger Mr. Gotti of racketeering because the panel was split on his claim of quitting the mob before July 1999.

Mr. Gotti's assertion was the key to the case, because the five-year racketeering statute of limitations expired if he had stopped mob activity by that date. The latest case had a jury divided 8-4, with most believing Mr. Gotti never swore off the mob before the Sept. 27 mistrial was declared.

In Mr. Gotti's September 2005 trial, a jury deadlocked 11-1 in favor of conviction. This spring, a second trial produced the same result - although that panel favored acquittal.

We Give Up On Jr., Say Feds (NYDN)

By John Marzulli, Daily News Staff Writer

New York Daily News, October 21, 2006

For John A. (Junior) Gotti, the third mistrial was the charm.

Federal prosecutors announced yesterday they will not retry Gotti for racketeering and will abandon efforts to nail him for trying to kill radio host Curtis Sliwa.

Manhattan U.S. Attorney Michael Garcia said in a statement that a fourth trial was "not in the interests of justice in light of the three prior hung juries."

That means for the first time in eight years, Gotti, 42, is a free man with no criminal charges hanging over him. That didn't sit well with Sliwa, who vowed to bring a lawsuit against Gotti seeking damages for the 1992 shooting, which allegedly was in retaliation for his on-air attacks on the late Gambino crime boss John Gotti.

"I feel as disappointed as a Mets fan today," Sliwa told the Daily News. "I would have hoped they would have prosecuted him four or five times. But I understand they have to deal with legal technicalities."

Late yesterday afternoon, Gotti - whose father's ability to beat the rap earned him the moniker the Teflon Don - returned to his gated mansion in Oyster Bay Cove, L.I., with one of his sons in a chauffeured sedan, declining to speak to a reporter.

The mob scion has expressed interest in moving out West, returning to school to study child psychology and writing a book, but he needs permission from the feds because he's still on supervised release for his 1998 federal conviction.

"He's been talking about plans for the future and now John has the freedom to go on with his life," sister Victoria Gotti said. "His only option, I think, is to get off the [government's] radar and go off and live somewhere else, like the Midwest or down South."

She said the entire Gotti clan is "beat up and tired" after three trials that have taken a heavy emotional toll on her brother. Gotti already had heard the good news on the radio by the time defense lawyer Charles Carnesi reached him.

"He was thrilled," Carnesi said. "As much as it was expected, it's still different when you finally have confirmation.

"He wants to leave New York as soon as it can be arranged," Carnesi added.

Sliwa said he's owed monetary damages - "I can't tell you the pain I suffer as a result of the rearrangement of my internal plumbing" - and promised to donate any proceeds to charity.

But his lawsuit is probably dead on arrival, legal experts say, for the very same reason the feds failed to convict Gotti - the statute of limitations has passed.

Although the jury in the last mistrial agreed to convict Gotti in the Sliwa attack - which might have created an exception to the one-year statute of limitations for filing a civil suit - there was no verdict because they were hung on the racketeering charge.

Gotti's mother, Victoria, didn't think much of Sliwa's threatened suit.

"I think the victims of all his hoaxes should sue him," she said, referring to Sliwa's admissions that he had staged publicity stunts to get media coverage of the Guardian Angels, including a fabricated claim that he had been kidnapped by a city transit cop.

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Though Gotti insists he left the Mafia behind in 1999, one law enforcement source said it's "pretty impossible" to believe he's going to move away and go straight.

"He sitting on a ton of money which is all ill-gotten gains," the source said. "He knows one life and it's called organized crime. Plus he has to look over his shoulder with the Gambino family because he really upset a lot of people."

But mob expert Jerry Capeci said he doesn't think anyone is gunning for Gotti for speaking to prosecutors, which at one point was a serious Mafia no-no.

"He never hurt anyone, never became a cooperating witness," Capeci said. "Even though three juries could never agree on whether he quit the mob, his Gambino crime family days are gone, if not forgotten."

With John Lauinger

Junior Gotti Won't Face Retrial (NSDY)

By Anthony M. Destefano, Newsday Staff Writer

Long Island Newsday, October 21, 2006

The government dropped the other shoe Friday and said it won't retry John A. Gotti, the son of the late crime boss, on racketeering charges.

It was widely expected that federal prosecutors in Manhattan would drop efforts to convict Gotti after three mistrials. Gotti, 42, of Oyster Bay, the son of the late Gambino crime boss John Gotti, has been free on bail since the latest mistrial on Sept. 27.

"The government has concluded that a retrial of defendant John A. Gotti on the pending indictment is not in the interests of justice in light of the three prior hung juries in the case," said Manhattan U.S. Attorney Michael J. Garcia in a statement released Friday morning. Garcia said Manhattan federal court Judge Shira Scheindlin signed papers that ended the prosecution of Gotti.

"It was just wise to stop," said one federal law enforcement official who asked not to be named.

"It wasn't unexpected, but it is great to have confirmation," said Gotti's defense attorney, Charles Carnesi, of Garden City. "It was the right and responsible thing to do."

"He fully intends to move out of New York" to get away from his former associates, Carnesi said of Gotti.

But Gotti was blasted by Curtis Sliwa, the Guardian Angels founder and radio personality whose 1992 kidnapping was ordered by Gotti, prosecutors charged. Sliwa, who was seriously wounded in the incident, also said he planned to sue Gotti for the attack. But such a suit could run up against the statute of limitations.

During his last trial, Gotti told Newsday that he planned to continue his college studies and work with children. With the dismissed indictment, Gotti's multimillion-dollar bail has been cleared.

Though Gotti couldn't be reached for comment Friday, his sister Angel said her brother might explore the idea of going into a food business with both her and sister Victoria.

"We are all relieved," Angel Gotti said. "Hopefully, they will leave him alone."

Gotti was accused in the indictment of various racketeering offenses, including conspiracy, extortion conspiracy and witness tampering. He faced 20 years in prison on the racketeering charge alone. But in three trials between August 2005 and this year, the government failed to convince a unanimous jury. In the last trial, jurors told reporters the panel sometimes was evenly split on some of the charges.

The only unanimous decision by the jury came in its finding that Gotti was involved in the Sliwa kidnapping, jurors said. But the Sliwa charge was only one racketeering act, of which two had to be proved to sustain a conviction.

Gotti maintained that he left the mob in July 1999, a date that would have put the indictment outside the statute of limitations. Some jurors said Gotti's withdrawal defense was credible.

Sliwa, who said he still suffers from the effects of being shot during the kidnap attempt, vented his anger and frustration in a statement released Friday.

"Today, John Gotti was given a gift he didn't deserve -- release from federal criminal charges, which included his ordering of the plot to kidnap and shoot me in 1992," Sliwa said.

Sliwa said he plans to bring a lawsuit against Gotti "for the harm he has caused to me and my family" as well as "fear and abuse he heaped on law-abiding society."

But intentional tort claims are governed by a one-year statute of limitations, and unless Sliwa has some other legal theory, any lawsuit against Gotti could not go forward, said Robert Kelner, a prominent personal injury attorney in Manhattan.

GIDDY GOTTI JR. DEFEATS THE FEDS (NYPOST)

By Kati Cornell

The New York Post, October 21, 2006

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October 21, 2006 -- Prosecutors in the John "Junior" Gotti case threw in the towel yesterday, announcing they won't seek a fourth racketeering trial for the mob scion.

The son of the late Gambino boss John "Teflon Don" Gotti - who earned his nickname by beating a trio of prosecutions before he was jailed for life in 1992 - got his good news less than a month after his third mistrial in the span of a year.

"The government has concluded that a retrial of defendant John A. Gotti on the pending indictment is not in the interests of justice in light of the three prior hung juries," U.S. Attorney Michael Garcia said yesterday.

"We're very pleased," said Gotti lawyer Charles Carnesi. "The decision wasn't unexpected, but obviously it's great to have confirmation. It's a terrific relief, and I'm very, very pleased for John, his wife and his children."

But Gotti's legal woes are far from over if radio host Curtis Sliwa and the feds have their way.

Sliwa, who was kidnapped and shot in a chilling 1992 plot allegedly hatched by Gotti, yesterday announced plans to hit the former Gambino crime family leader with a civil suit.

"John Gotti was given a gift he didn't deserve," Sliwa said. "I'm bringing a lawsuit against Gotti for the harm he has caused to me and my family. For not only the bullets that he ordered put into my body, but for the fear and abuse he has heaped on our law-abiding society over the past 20 years."

Prosecutors made a written request to have the charges nullified, which was authorized by Manhattan federal Judge Shira Scheindlin - a strategic decision by the feds that could allow them to pursue portions of the case in a future indictment.

The move pre-empted plans by Gotti's lawyers to seek permanent dismissal of the racketeering charges, which included kidnapping, a 2003 witness-tampering plot, loansharking and other crimes.

The sticking point for the divided jury at Gotti's latest trial in September was his claim that he retired from the Mafia in 1999 - before the five-year statute of limitations on most of the charges in the case - splitting the anonymous panel eight to four in favor of conviction.

One charge the jury did agree on unanimously was that Gotti ordered a pair of Gambino goons to kidnap Sliwa, founder of the Guardian Angels, in a stolen taxi.

This wasn't enough for a conviction under racketeering laws, however, since prosecutors must prove at least two criminal acts.

"I'm now convinced that the trial must have occurred in some small, uneducated country, and not in New York City in 2006," said mob-busting former federal prosecutor James Walden. "The notion that John Gotti Jr. withdrew from the Gambino family based on the evidence presented in that trial is gullible in the extreme."

Defense lawyer Gerald Shargel, who represented Gotti, said: "The government had a very weak case, and every time they tried to make it better, it just got worse."

Paul Callan, legal analyst and former deputy chief of homicide at the Brooklyn DA's office, called the failure to convict Gotti a "travesty of justice."

"The prosecution tried him too often and too late," he said.

Sliwa, who nearly died from the bullet wounds after he escaped his attackers by throwing himself out of the speeding cab, said any money he receives from a suit would go to other victims of the Gambino family.

"Knowing John Gotti Jr., the biggest way to hurt him is to force him to give up his money. He's like a miser. He throws nickels around like manhole covers," Sliwa said.

Gotti has vowed to leave the Northeast if the feds abandoned the prosecution.

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Mr. Gotti, You're Free To Go (STNIA)

By Jeff Harrell, STATEN ISLAND ADVANCE

Staten Island Advance (NY), October 21, 2006

After 3 mistrials, prosecutors say they're done trying him

There won't be a fourth trial of John A. (Junior) Gotti.

After three hung juries, federal prosecutors yesterday dropped racketeering charges against the one-time head of the Gambino crime family.

"The government has concluded that a retrial of defendant John A. Gotti on the pending indictment is not in the interests of justice in light of the three prior hung juries in the case," said U.S. Attorney Michael Garcia, whose office first tried Gotti on a series of racketeering charges in August last year -- ending with a hung jury voting 11-1 for conviction.

"Accordingly, [on Thursday] we submitted a proposed order which the court has signed and which ends this prosecution," Garcia said.

Gotti, 42, was tried three times on charges ranging from racketeering and construction extortion to ordering the 1992 abduction of Curtis Sliwa, in which the radio-show host and Guardian Angels founder was shot and wounded in a rigged taxicab.

Had he been convicted, he faced 35 years in prison.

The dismissal -- signed by Garcia; Assistant U.S. Attorney Victor Hou, lead prosecutor during the third trial, and U.S. District Judge Shira A. Scheindlin -- was made public yesterday.

Gotti's attorney Charles Carnesi greeted the news with relief.

"It was not unexpected," Carnesi said. "We were thrilled when we got the outcome that we did -- the excitement was when we got the hung jury.

"We are relieved to get the confirmation."

Carnesi said yesterday afternoon that he had yet to speak with Gotti about the decision.

Jennie Carmona, who served as the defense team's legal assistant during all three trials, said word that the feds would not seek a fourth trial had reached members of Gotti's family, including his mother, Victoria Gotti, and his sister, Angel.

"I'm glad that all the charges have been dismissed," Ms. Carmona said. "And now John Gotti can return and have a normal life, as normal as can be, with his children and family, who he adores."

Following the third mistrial, which was declared on Sept. 27, Gotti maintained that he wanted to take his wife and six children out of New York, perhaps to the Midwest, where he might attend college. He also mentioned Florida, North Carolina and the Pacific Northwest as possible destinations.

"Just let us go," was Gotti's mantra as he stood in the courtroom waiting for court officers to remove the electronic bracelet that he wore for nearly a year as a condition of house arrest. "Let me move on with my life."

In the first trial, only one juror believed that Gotti's defense. In the second trial, held in the spring, eight of 12 jurors voted for acquittal. In his third trial, the jury was unanimous only in finding that Gotti ordered the abduction of and attack on Sliwa as payback for on-air blasts against the elder John Gotti, who was sent to prison for life.

While the feds appear to be done with Gotti, Sliwa isn't.

"I'm bringing a lawsuit against Gotti for the harm he has caused to me and my family," Sliwa said yesterday. "He didn't deserve this break, because a jury found him guilty of nearly killing me."

Throughout the trials, Gotti was held on $7 million bail. That money, put up by family and friends, will be returned.

Jeff Harrell is a news reporter for the Advance. He may be reached at harrell@siadvance.com.

`Junior' Gotti Kidnap Case Is Dismissed By U.S. (Update2) (BLOOM)

By David Glovin And Patricia Hurtado

Bloomberg, October 21, 2006

Oct. 20 (Bloomberg) -- The U.S. government dropped its racketeering case against accused gangster John A. ``Junior'' Gotti, who was charged with ordering the 1992 kidnapping of radio talk show host Curtis Sliwa.

The dismissal of the case came after jurors deadlocked and a U.S. judge on Sept. 27 declared a third mistrial of the case for Gotti, the son of the late Gambino crime family boss. Gotti faced up to 30 years in prison had he been convicted of racketeering and conspiracy charges.

``The government has concluded that a retrial of defendant John A Gotti on the pending indictment is not in the interests of justice in light of the three prior hung juries,'' U.S. Attorney Michael Garcia said in a statement today in New York that announced the dismissal, which was approved by a judge yesterday.

The announcement mirrored Garcia's dismissal of several other high-profile cases. Prosecutors in August said they'd withdraw obstruction-of-justice charges against former Credit Suisse Group banker Frank Quattrone if he remains out of trouble. Quattrone's conviction had been reversed by an appeals court. Prosecutors also dismissed charges this year against two New York Stock Exchange specialists accused of illegal trading.

Lauren McDonough, a spokeswoman for Garcia, declined to comment beyond the statement.

Gotti lawyer Charles Canesi didn't have an immediate comment. Gotti lives with his wife and six children in Oyster Bay, New York.

Sliwa

Federal prosecutors said Gotti personally ordered the kidnapping and assault of Sliwa in retaliation for disparaging remarks he made on the air about Gotti's father.

Prosecutors claimed Joseph D'Angelo, a soldier in the Gambino crime family, posing as a taxi driver, picked up Sliwa near his apartment in Manhattan's East Village in a stolen cab.

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Sliwa testified that a second man hiding in the front seat opened fire and shot him repeatedly while they struggled in the moving cab. Sliwa, founder of the Guardian Angels anti-crime group, escaped through the window of the cab with serious wounds in his leg and torso.

The defendant's father, John J. Gotti, who led the Gambino family until his 1992 conviction for racketeering, spent the last 11 years of his life in a federal prison hospital in Springfield, Missouri. He died of throat cancer on June 10, 2002. He was 61.

Exclusive: Feds Probe A Top Democrat's Relationship With AIPAC (TIME)

By Timothy J. Burger, Washington

Time, October 22, 2006

The Department of Justice is investigating whether Rep. Jane Harman and the pro-Israel group worked together to get her reappointed as the top Democrat on the House Intelligence Committee

Did a Democratic member of Congress improperly enlist the support of a major pro-Israel lobbying group to try to win a top committee assignment? That's the question at the heart of an ongoing investigation by the FBI and Justice Department prosecutors, who are examining whether Rep. Jane Harman of California and the American Israel Public Affairs Committee (AIPAC) may have violated the law in a scheme to get Harman reappointed as the top Democrat on the House intelligence committee, according to knowledgeable sources in and out of the U.S. government.

The sources tell TIME that the investigation by Justice and the Federal Bureau of Investigation, which has simmered out of sight since about the middle of last year, is examining whether Harman and AIPAC arranged for wealthy supporters to lobby House Democratic leader Nancy Pelosi on Harman's behalf. Harman said Thursday in a voicemail message that any investigation of — or allegation of improper conduct by — her would be "irresponsible, laughable and scurrilous." On Friday, Washington GOP super lawyer Ted Olson left voicemail messages underscoring that Harman has no knowledge of any investigation. "Congresswoman Harman has asked me to follow up on calls you've had," Olson said. "She is not aware of any such investigation, does not believe that it is occurring, and wanted to make sure that you and your editors knew that as far as she knows, that's not true... . No one from the Justice Department has contacted her." It is not, however, a given that Harman would know that she is under investigation. In a follow-up phone call from California, Olson said Harman hired him this morning because she takes seriously the possibility of a media report about an investigation of her, even though she does not believe it herself.

A spokesman for AIPAC, a powerful Washington-based organization with more than 100,000 members across the U.S., denied any wrongdoing by the group and stressed that it is not taking sides in regards to the committee assignment. Spokespersons for Justice and the FBI declined to comment. The case is a spin-off of a probe that has already led to charges under the Espionage Act against two AIPAC lobbyists, whose case is still pending, and to a 12-and-a-half-year prison sentence for former Defense Intelligence Agency official Lawrence A. Franklin. Franklin pleaded guilty a year ago to three felony counts involving improper disclosure and handling of classified information about the Middle East and terrorism to the two lobbyists, who in turn are accused of passing it on to a journalist and a foreign government, widely believed to be Israel. The two lobbyists, who have denied any wrongdoing but were dismissed by AIPAC in April of 2005, were indicted on felony counts of conspiring with government officials to receive classified information they were not authorized to have access to and providing national defense information to people not entitled to receive it.

Around mid-2005, the investigation expanded to cover aspects of Harman's quiet but aggressive campaign to persuade House Minority Leader Nancy Pelosi to reappoint her to the prestigious position on the House intel panel. The alleged campaign to support Harman for the leadership post came amid media reports that Pelosi had soured on her California colleague and might name Rep. Alcee Hastings of Florida, himself a major supporter of Israel, to succeed Harman.

The sources say the probe also involves whether, in exchange for the help from AIPAC, Harman agreed to help try to persuade the Administration to go lighter on the AIPAC officials caught up in the ongoing investigation. If that happened, it might be construed as an illegal quid pro quo, depending on the context of the situation. But the sources caution that there has been no decision to charge anyone and that it is unclear whether Harman and AIPAC acted on the idea.

AIPAC spokesman Patrick Dorton denies that the organization has engaged in any improper conduct. "Both Congressman Hastings and Congresswoman Harman are strong leaders on issues of importance to the pro-Israel community and would be exemplary Democratic leaders for the House intelligence committee," Dorton said. "AIPAC would never engage in a quid pro quo in relation to a federal investigation or any federal matter and the notion that it would do so is preposterous. AIPAC is not aware that the Justice Department is looking into issues involving the intelligence committee, and has not been asked any questions or contacted by the government on this matter, but certainly would cooperate with any inquiry." Dorton added that AIPAC has previously been assured that the organization and its current employees are not being investigated. In this same investigation, the Justice Department has previously suggested that AIPAC had questionable motives in trying to help a valued government

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contact remain in a sensitive national security post. The Justice Department alleges in its indictment of Franklin that he asked one of the two AIPAC lobbyists to "put in a good word" for him in seeking assignment to the National Security Council. The document says the AIPAC official noted that such a job would put Franklin "by the elbow of the President" and said he would "do what I can."

AIPAC lists praise from Pelosi among a series of quotes from world leaders on its website: "The special relationship between the United States and Israel is as strong as it is because of your [AIPAC's] fidelity to that partnership..." But congressional sources say Pelosi has been infuriated by pressure from some major donors lobbying on behalf of Harman. In a story touching on tensions between Pelosi and Harman, an alternative California publication, LA Weekly, reported in May that Harman "had some major contributors call Pelosi to impress upon her the importance of keeping Jane in place. According to these members, this tactic, too, hasn't endeared Harman to Pelosi."

A congressional source tells TIME that the lobbbying for Harman has included a phone call several months ago from entertainment industry billionaire and major Democratic party contributor Haim Saban. A Saban spokeswoman said he could not be reached for comment. A phone call pushing for a particular member's committee assignment might be unwelcome, but it would not normally be illegal on its own. And it is unclear whether Saban — who made much of his fortune with the Mighty Morphin Power Rangers children's franchise — knew that lobbying Pelosi might be viewed by others as part of a larger alleged plan.

Saban has donated at least $3,000 to Harman's campaign, according to Federal Election Commission records, and the Saban Center for Middle East Policy, which he sponsors at the prestigious Brookings Institution, boasts Harman among its biggest fans. "When the Saban Center talks, I listen," Harman said at a Saban Center briefing in February on U.S. strategy in Iraq. Harman quipped that, in order to attend the session at Brookings, she had to "blow off" a senior intelligence official's appearance before a House committee.

Rep. Harman Reportedly Under Investigation (WT)

The Washington Times, October 21, 2006

The U.S. Justice Department is trying to determine whether Rep. Jane Harman, D-Calif., got improper help from an Israeli lobbying group.

Harman of California is the senior Democrat on the House intelligence committee. Time Magazine reports she may have received a boost from the American Israel Public Affairs Committee when Minority Leader Nancy Pelosi wanted to remove her from the committee.

Harman left a voice mail for the magazine calling any suggestions of improper conduct "irresponsible, laughable and scurrilous." She has retained Ted Olson, the lawyer who formerly served as President George W. Bush's solicitor general.

Olson told Time Harman did not know of any investigation but decided to retain him after news reports of a probe.

The investigation appears to stem from another probe involving AIPAC. Two former employees have been charged with receiving classified information from Lawrence Franklin, a former Defense Intelligence Agency employee who has pleaded guilty in the case.

Abramoff To Do Time In Cumberland, Md (NBC)

By Joel Seidman, Producer

NBC News, October 21, 2006

.Disgraced lobbyist still cooperating in influence-peddling probe

WASHINGTON - Disgraced lobbyist Jack Abramoff will report Nov. 15 to a federal prison in Cumberland, Md., to serve a 70-month sentence for fraud and conspiracy charges in connection with the purchase of Florida-based SunCruz Casinos.

U.S. District Judge Paul Huck granted a request by prosecutors and Abramoff's lawyer, Abbe Lowell, that Abramoff serve his time at the Cumberland facility because it is within driving distance of Washington. They said in a court filing that Abramoff was cooperating in the Justice Department's Washington influence peddling investigation and would continue to assist prosecutors while in prison.

The Cumberland facility, about a two-hour drive from Washington, "will facilitate the government's access" to Abramoff, according to court papers. The government said the proximity to Washington would help prosecutors reduce costs and travel time.

Story continues below ? advertisement

If the Cumberland prison is full, Huck recommended that Abramoff be housed at the federal corrections facility in Morgantown, W.Va., which "is also within driving distance of Washington, D.C."

Abramoff and his partner, Adam Kidan, pleaded guilty in January to defrauding lenders of more than $60 million in the SunCruz gambling casino scandal in Florida.

Abramoff is scheduled to appear at a court hearing Dec. 8 in Washington regarding his guilty pleas in January to charges of fraud, tax evasion and conspiracy to bribe Rep. Bob Ney, R-Ohio.

Ney pleaded guilty last week to two counts of conspiring to commit fraud and to making false statements. He is expected to serve 27 months based on a Justice Department recommendation.

Ney is the only member of Congress to be charged in the Abramoff lobbying scandal. He has vowed to resign from Congress in the "next few weeks," but as of now he remains in the House.

TAX BREAK: Legislator Lobbied Him On Behalf Of Marlow, Borough Mayor Says. (ADN)

By Lisa Demer, Anchorage Daily News

Anchorage Daily News, October 21, 2006

Kohring's work for developer criticized

Last year, state Rep. Vic Kohring sat down with the mayor of the Fairbanks North Star Borough, Jim Whitaker, to talk about changing a state law to increase a tax break for an Anchorage-based developer.

Kohring, a Wasilla Republican, wasn't there to represent a constituent. He was on the payroll of the developer, Marc Marlow, for whom he had been working since November 2004.

To Whitaker, himself a former legislator, Kohring was acting like a lobbyist, not a lawmaker.

The Fairbanks borough had already approved a tax break for Marlow should he buy and renovate the Polaris Hotel, a boarded-up derelict building that is to Fairbanks what the old MacKay Building was to Anchorage.

But in the meeting in Whitaker's office on Nov. 3, Kohring wanted to see if the borough would agree to a change in state law to make the tax break even more beneficial to Marlow, according to Whitaker.

"As far as I could tell, he was functioning as a lobbyist, and lobbyists do that all the time," said Whitaker, who served alongside Kohring from 1999 to 2003 as part of the Republican majority in the state House. "I thought it was inappropriate."

The bill was eventually introduced in the Alaska Legislature by Fairbanks Rep. Jay Ramras, who said he was asked by Kohring to advance the legislation. Marlow said in an interview recently that he drafted the bill.

"I wrote the original language," Marlow said.

TWO-YEAR RELATIONSHIP

Kohring has worked on a half-dozen projects for Marlow since being hired by him in 2004. Several of the projects, including a proposed electrical generating plant in the Mat-Su, are subject to government approvals.

Now their relationship is coming under new scrutiny as part of an FBI investigation into legislators, influence peddling and the oil field service and construction company Veco Corp.

Kohring is one of six Alaska legislators whose offices were searched by the FBI on Aug. 31. Agents took a folder of information on Marlow along with other items, according to a copy of the receipt for property provided by Kohring's attorney.

No one has been charged with a crime. The FBI has said the investigation is continuing.

Kohring, 48, is a Republican seeking his seventh term representing the Wasilla area. He rode the wave of conservatism that swept through the Mat-Su Borough in the 1990s. He is among a handful of state lawmakers who have found work with companies that have business before the Legislature or state agencies. Kohring's business, Vic Kohring Enterprises, has one client, Marlow, according to required financial disclosures. Marlow paid him $38,100 last year and $5,400 in 2004. Kohring won't have to disclose his 2006 income until March, but he said in an e-mail that his pay from Marlow has dropped because he's taking time off for campaigning.

Kohring says he's abiding by all the ethics rules for legislators.

Outside employment is to be expected for part-time legislators, he wrote in one of several e-mails to the Daily News.

"I trust the voter's judgment to evaluate my activities and my constituents are the ultimate judge," Kohring wrote. "I firmly believe I have never compromised my obligations to them or the state because of my personal employment."

The alternative, he said, is either full-time legislators or "those who are rich or retired."

Kohring declined to sit for an interview and answer detailed questions about his relationship with Marlow.

Kohring, who had a drywall business until back surgery four years ago, says he's qualified for his job with Marlow regardless of his role as legislator. He has a master's degree in business administration from Alaska Pacific University and served stints as vice chairman of the board of the Alaska Housing Finance Corp. and chairman of the Wasilla Planning Commission.

'GOOD HORSE SENSE'

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Marlow said he hired Kohring because of his "good horse sense," work ethic and contacts in the Valley from spending his adult life there -- not because he's a legislator.

"There's not a lot of hand holding for him to get things done and analyze situations and figure out ways around roadblocks and that sort of thing," Marlow said. "The things I have him working on primarily are controlled by the state or a public utility."

Marlow, 49, has a knack for projects supported by tax breaks, grants and government-backed loans. The Oregon native came to Anchorage in 1983 as an electrical contractor. He soon branched out.

Marlow rescued the old MacKay building in downtown Anchorage after it had sat empty and ugly for nearly a quarter century and reopened it this year as a fashionable apartment house, McKinley Tower. A city property tax break, plus government loans and guarantees, made it possible. Over the past decade, he's developed a dozen low-income senior housing projects in Alaska with federal grants. He's a part owner of the old Knik Arm Power Plant on Ship Creek and plans to seek a property tax break once he firms up plans to get it running again.

Marlow said there's nothing wrong with hiring a legislator. He's known Kohring since about 1991, three years before Kohring was first elected to the House.

"The rules don't preclude it from happening, and the rules have been followed to the letter," Marlow said. "So if somebody has a problem with it, then they need to change the rules. They don't need to attack the people that are following the rules."

Marlow sounded offended that anyone would take issue with a lawmaker working for a developer and linked his situation to that of an oppressed minority.

"Some people don't like Muslims either or black people or homosexuals, but it doesn't make them right," Marlow said. Asked what that had to do with his situation with Kohring, Marlow said, "There's all kinds of different prejudices or people's different reasons for not liking one thing or another."

In 2002, a couple of years before he started working for Marlow, Kohring sponsored a bill to extend an existing state law allowing tax breaks to developers of deteriorated properties. Without the legislation, the opportunity for such tax breaks would have expired that July 1. The bill passed.

The next year, Kohring introduced a bill sought by Marlow to extend a lease for Alaska Railroad land on Government Hill from 55 to 75 years. The longer lease was necessary, Marlow testified, so a senior housing project proposed for the site would qualify for a government grant. The bill passed the House but stalled in a Senate committee.

In November 2004, Kohring started working for Marlow. He estimates he worked 800 hours last year setting up meetings, making phone calls, developing plans and conducting research on about a half-dozen projects.

In late 2005, Kohring called then-Anchorage municipal attorney Fred Boness on behalf of Marlow. At issue was an untried tax mechanism that Marlow hoped to use to pay for water and sewer lines on land in South Anchorage, around Minnesota Drive and C Street. Boness said he told Marlow the mechanism wouldn't work in Anchorage.

The concept, provided for in state law, is almost a "chicken and egg thing," said the municipality's chief fiscal officer, Jeff Sinz. A local government would issue revenue bonds to pay for improvements that are then repaid through higher taxes generated by the new development.

Asked what he wanted Kohring to accomplish for him, Marlow denied that the legislator ever worked for him on that project.

Kohring also said he didn't remember doing anything regarding any South Anchorage project.

But Boness said in an e-mail to the Daily News that Kohring contacted him for an explanation. He figured Kohring was making the kind of inquiry a legislator would typically make to find out why a law didn't work. Boness said he doesn't recall Kohring disclosing he was on Marlow's payroll.

On Dec. 29, Boness sent a detailed e-mail to Kohring explaining why the tax mechanism wouldn't work even though state law provided for it. Boness referred to Marlow three times in the e-mail. The short answer is that in Anchorage, property taxes are designated for specific services; police taxes shouldn't be used for sewer lines.

FOCUS ON POLARIS BUILDING

In Fairbanks, the tax break at issue was for the infamous Polaris building. The old hotel is Fairbanks' tallest building, but it's been empty for years, a boarded-up embarrassment across the street from the new courthouse.

Marlow doesn't own the Polaris but said he's looking to buy it -- if the finances work out. He said his option has run out; talks continue.

The tax break approved by the Fairbanks borough in September 2005 exempted all but $10,000 a year in property taxes for 10 years and deferred normal property taxes for the five years after that.

Marlow thought he wouldn't have to pay the deferred taxes unless he sold the property. The borough expected the taxes when those five years were up, or when the property sold -- whichever happened first.

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In stepped Kohring, said Whitaker, the borough mayor. Kohring made it clear he was working for Marlow, Whitaker said, and at a Nov. 3 meeting, Kohring wanted to know whether the borough would agree with a change in state law to match Marlow's view. His answer, Whitaker said, was no -- not if it meant the deferred taxes didn't come in as expected.

Kohring then approached Ramras, R-Fairbanks, and asked him to sponsor the legislation. The Polaris is in Ramras' district.

Why not just sponsor the bill yourself? Ramras recalled asking him.

He couldn't, because he had taken consulting fees from Marlow, Ramras said that Kohring told him.

"I further informed Jay that even though the rules would have allowed me to draft and file a bill, I had made a personal decision to limit my involvement with any legislation," Kohring wrote to the Daily News in an Oct. 15 e-mail.

Ramras said he was glad to sponsor the bill if it helped bring back to life the once glamorous hotel. He said he tried to keep his distance from Marlow and told him not to send a card, a campaign donation or anything else.

Fairbanks officials say the bill that passed doesn't provide as lucrative a tax break as Marlow wanted, allowing the taxes to be deferred until the building sells. Marlow insists it does. The final wording says the due date will be as specified by the municipality. The bill also eliminated the expiration date for the law.

On the House floor April 5 and again May 9, Kohring asked to be excused from voting on the measure because he worked for a developer who could benefit. He was directed to vote anyway, standard when conflicts are declared in the Legislature.

Just recently, Marlow said the legislation didn't even benefit him. On Oct. 9, Marlow battled talk radio host Dan Fagan over the issue. The exchange on KFQD went like this:

Marlow: "You said on the radio that I was going to have a direct benefit by the legislation, which is not true."

Fagan: "So that legislation did not in any way save you any money?"

Marlow: "Absolutely not one dime. All that legislation did is set up a situation in Fairbanks wherein the Polaris building could be renovated like the McKinley (the old MacKay) building was ..."

But as the 10-minute duel ran its course, Marlow admitted that he needed the legislation to even consider buying the building.

"You just made my point!" Fagan exclaimed.

Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390.

Bills helping Marlow

State Rep. Vic Kohring has sponsored two bills that benefited developer Marc Marlow and, after he began working directly for Marlow, asked another legislator to sponsor a third. The bills are:

· HB 389: Sponsored by Kohring in 2002 to extend an existing state law allowing tax breaks to developers of deteriorated properties. Without the legislation, the opportunity for such tax breaks would have expired July 1, 2002. The bill passed, extending the tax breaks to 2006.

· HB 97: Sponsored by Kohring in 2003. Would have allowed Marlow to extend a lease of Alaska Railroad land on Government Hill from 55 to 75 years. Passed the House but stalled in the Senate.

· HB 334: Sponsored by Fairbanks Rep. Jay Ramras this year at the request of Kohring, who said he couldn't sponsor it himself because he was being paid by Marlow. Bill concerned tax breaks to developers of deteriorated properties. Marlow wanted to specify that deferred taxes only came due when the property sold. Bill passed, says that the taxes will be due as specified by the municipality. Also eliminated the expiration date.

FBI Said To Be Investigating Ex-official (APP)

By Keith Brown, COASTAL MONMOUTH BUREAU

Asbury Park Press, October 21, 2006

Records on Tinton Falls' Abrams reportedly sought

TINTON FALLS — The FBI served a subpoena at borough hall late Friday afternoon requesting all records relating to a former Planning Board member's activities while a borough official, a source said.

The source, who spoke on condition of anonymity, said the FBI is investigating the activities of Paul J. Abrams and his relationship with the developer of the proposed Heather Glen development, intended for the Tinton Avenue site of the former Communications-Electronic Command building.

Borough officials were tight-lipped Friday.

Borough Administrator W. Bryan Dempsey referred all questions regarding the subpoena to James E. Berube Jr., borough attorney.

Berube would not say whether the borough was served with an FBI subpoena, but he said there was "a development" regarding Abrams, who in 2002 contracted with a New York developer to further plans for an upscale housing development on the 39-acre property.

"We are cooperating fully with the authorities," Berube said.

Berube would not say which authorities the borough is cooperating with but referred other questions to the U.S. Attorney's Office and the Monmouth County Prosecutor's Office.

Mike Drewniak, a U.S. Attorney's Office spokesman, and Peter Warshaw, first assistant Monmouth County prosecutor, declined to comment.

News of the subpoena apparently had not reached Abrams on Friday.

"I have no idea what you're talking about," he said.

Abrams' lawyer, Mitchell Ansell, also said that he had no knowledge of the subpoena but that Abrams did nothing wrong during his tenure as a borough official.

"Paul Abrams committed no crime," said Ansell, of the Ocean Township law firm Ansell Zaro Grimm & Aaron. "Paul Abrams did nothing illegal and conducted himself at all times in a professional and lawful manner, and any allegation to the contrary we deem to be libelous."

Project approved in '05

An Asbury Park Press investigation published in March found that Abrams, a Realtor, in 2002 negotiated a deal worth up to $200,000 with New York developer Abraham Leser to be Leser's consultant in the approval process for the 151-unit housing development that became known as Heather Glen. The development was approved by the Planning Board in 2005.

Abrams worked the deal through his Ocean Township realty company, Saymark Realtors.

He was a Planning Board member from 1997 to November 2002. He also was a member of the Zoning Board of Adjustment until 2005 and the Environmental Commission until 2004.

Under a contract between Saymark Realtors and Tinton Telecom LLC, a company owned by Leser, Abrams' responsibilities included pushing for the zoning change to allow the development and attempting to buy adjoining properties to more than double the project size.

Through his company, Abrams negotiated with adjoining landowners to sell their properties for the project. According to his consultant contract, he also provided "direction to professionals for the proposed development of the property."

In addition to a $10,000 retainer — paid by check to Saymark Realtors on Nov. 19, 2002 — Abrams' firm was to have been paid $20,000 when the property was rezoned, $20,000 when the project was approved by the Planning Board and $1,000 per home once the houses were sold, according to the contract. The total contract could be worth $201,000 if all the homes were sold.

Abrams resigned from the Planning Board Nov. 20, 2002, a day after he received the retainer for his work as Leser's consultant. He remained a member of the environmental commission and the zoning board.

Planning Board suing

The Press also reviewed planning board minutes and application files from late 1997, when Abrams was appointed to the board, through November 2002. That review revealed Abrams took actions that furthered the applications for three developments, homes in which Abrams' realty company later helped sell.

Abrams' involvement with the Heather Glen development prompted the Planning Board in May to sue the former board member, saying Abrams was "unjustly enriched" by his financial arrangement with Leser.

It also says Abrams breached his "duty of trust" to "the people of Tinton Falls" by accepting, through his company, payment from a developer while still a borough official. The lawsuit seeks hundreds of thousands of dollars in fines and the dissolution of Abrams' realty company. It also names Leser, six "John Does" and six "John Doe businesses" that ostensibly knew of the financial relationship among Abrams, Saymark, Leser and Tinton Telecom.

Ansell, Abrams' attorney, has said the claims in the lawsuit are shocking, meritless and "wholly without any type of basis in fact."

No work on the Heather Glen project has begun, pending the resolution of the planning board's suit against Abrams and other lawsuits involving the development.

Video: FBI Examines Records At West Warwick Town Hall (WJAR-TV)

WJAR-TV, October 21, 2006

NBC 10 has learned that the FBI has subpoenaed records from the West Warwick Town Hall and confirmed that the records taken involve land deals that Senate President Joseph Montalbano conducted for the town.

The land deals include two parcels in the West Warwick industrial park.

The state Ethics Commission is still looking into a complaint accusing Montalbano of failing to disclose legal work he did for West Warwick before a vote on a constitutional amendment that would allow a casino to be built in the town.

The complaint, filed by Operation Clean Government, a citizens group, accused Montalbano of failing to disclose more than $86,000 that his law firm received for work done for West Warwick town authorities.

The complaint also accused Montalbano of having a conflict of interest while the Senate debated and ultimately passed a constitutional amendment allowing the Narragansett Indian tribe to open a casino in West Warwick.

"Montalbano did this work while at the same time voting on the casino up on the General Assembly as senate president and urging passing of the bill," said Bob Arruda, president of Operation Clean Government.

While Town Manager Wolfgang Bauer confirmed the records were subpoenaed, he emphasized that none of the properties that Montalbano handled fell within the footprint of the Harrah's casino plan.

Arruda said he wasn't surprised that federal officials are now looking into the case.

"I think at this stage of the game, the only time that anything substantive is done in Rhode Island is when the feds come in," he said. "The feds need to be involved in this to make certain that has been no criminal activity. And I'm not alleging that there has been. But this needs to be cleaned up one way or another."

Montalbano said he had no comment.

FBI Grabs Montalbano Records In W.W. (PAWTIMES)

By Tracy Scudder, Special to The Times

Pawtucket Times, October 21, 2006

WEST WARWICK - The FBI has seized documents related to work that state Senate President Joseph A. Montalbano (D-Dist. 17, Pawtucket, North Providence, Lincoln) has done for the town, according to West Warwick Council President John J. Flynn.

Flynn confirmed that records like tax titles were turned over to the FBI by Town Manager Wolfgang Bauer, who received a confidential subpoena last week.

Montalbano worked on the tax title for property that is adjacent to the proposed Narragansett Indians casino site; however, town officials would not confirm if the documents subpoenaed included that property.

News of the FBI's interest in the records came as a report began spreading that the FBI had seized the records in Town Hall.

Several town employees Friday denied reports of FBI agents serving a subpoena for records. Flynn said he also received a call about a report that the FBI raided the town hall early yesterday afternoon.

"I have talked to both the town manager and the town clerk, who would obviously be in charge of the records," said Flynn. "There was no FBI presence in town hall and there certainly wasn't a raid."

"There hasn't been an FBI agent in West Warwick Town Hall in I don't know how long, unless they were here in disguise," he said. "Nothing has been seized and everything is still intact."

The FBI would not confirm or deny if or what documents were subpoenaed from the town.

"We can only speak to what is public record. I have nothing in my records that indicates any activity that is of public record," said FBI spokesperson Gail Marcinkevich.

Television news reports, however, said that Bauer confirmed it was the FBI that subpoenaed records from town hall. And Flynn said the documents were related to Montalbano's work.

"The records were turned over in a timely manner. I'm confident when all the records are reviewed they'll find no criminal activity," said Flynn.

Montalbano's spokesman would not comment on the matter. Montalbano and Bauer could not be reached for comment.

The Secret Life Of An Informant (WSJ)

By Karen Richardson

The Wall Street Journal, October 21, 2006

To secure a lighter sentence, Garland Hardeman taped friends, associates and a lover Surviving a .22 caliber shot to the head

Garland Hardeman had many awkward moments in his four-year career as a government informant, such as the time he got shot in the face, and the time he wiretapped one of his oldest friends. He also recorded a conversation with his girlfriend in their hotel bedroom, deactivating the device only when their pillow talk turned steamy.

Mr. Hardeman, a Los Angeles cop-turned-lobbyist, was "working off a beef," as prosecutors say -- hoping to reduce his own jail time by acting as a government witness. Earlier, he had been busted for attempted bribery in a Los Angeles garbage-hauling scandal. He continued to work as a lobbyist, using the job as cover to trick friends and business associates into admitting their part in one of the most widespread cases of public malfeasance in the U.S., spanning nine cities and five states.

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The double life of an informant is a peculiar one, filled at the same time with tedium and betrayal. Mr. Hardeman wore a wire to record 17 people, many of whom were subsequently convicted. That included his girlfriend. He testified in four grand juries and three trials and accounted for a "substantial" part of the evidence used in "the most pervasive corruption case this district has ever seen," says Tom McConville, a federal prosecutor in the Central District of California. Many of the cases involved paying bribes and kickbacks in return for municipal contracts.

Mr. Hardeman also complained about the petty indignities of life undercover. He had to pay for most of his travel costs before filing expenses to his boss, in this case, the Federal Bureau of Investigation. "It took them up to three months to reimburse me sometimes," he griped during one of a series of interviews this summer.

The feds are now among Mr. Hardeman's few remaining supporters. In February, Mary Butler, a top prosecutor from the Justice Department's Public Integrity Section in Washington, D.C., took the unusual step of speaking on his behalf in court. She praised his meticulous record-keeping and noted that he stood up under "serious cross-examination" when he took the stand.

Mr. Hardeman's account of his double life is largely confirmed by three current or former federal prosecutors, two of his defense lawyers, FBI officials, court documents and transcripts.

The government has long relied on informants and wiretapping to pursue drug rings and organized crime syndicates. But the government's use of cooperating witnesses spiked after 1987 when Congress enacted federal sentencing guidelines that largely usurped judges' discretion in doling out prison time.

Defendants quickly learned that the only way to escape the rigid penalty structure was to cooperate in return for a lenient sentence. In fraud cases, snitches are especially valuable because they can give life to the sometimes complex documents that lie at the heart of many cases. These days it is standard procedure in white-collar cases for the government to try to "flip" defendants if they have something to offer.

Cooperators' testimony is most useful when prosecutors can corroborate it with hard evidence; juries aren't predisposed to like or trust such witnesses. Mr. Hardeman, 49 years old, was ideal in this regard. He provided the feds with hotel receipts, old photos and secret recordings that backed up his version of events.

Mr. Hardeman grew up in a tight-knit African-American Catholic family in Detroit with two brothers, including a twin, and three sisters. He was an altar boy.

Carlos Jones, Mr. Hardeman's college roommate, and a family friend for 30 years, remembers the young Mr. Hardeman as "very gregarious," athletic and popular. "I was surprised he was caught up in that because for the most part he was an up-and-up type of person," says Dr. Jones, who is also Mr. Hardeman's dentist.

After graduating from Michigan State in 1982, Mr. Hardeman moved to L.A. and became a policeman, remaining on the force for 14 years. In 1987, while still part of the Los Angeles Police Department, he won the first of three terms as a councilman in Inglewood, a working-class area in southwestern L.A., where he earned a reputation for being outspoken. Risking retribution from colleagues, he testified about discrimination in the force at a commission set up after the beating of black motorist Rodney King.

After Mr. Hardeman lost his seat in 1999 -- he supported closing the local fire department -- he switched to lobbying. Using his knowledge as a public official, he helped companies bid for municipal contracts. Two big-name clients were M.R. Beal & Co., a minority-owned New York investment bank, and Waste Management Inc., a giant garbage-hauling company based in Houston.

Municipal contracting has expanded rapidly in recent years as cities turned to private companies to provide basic services. Last year municipalities issued $408 billion in bonds to pay for filling potholes, laying sewers, wiring street lights and picking up trash -- nearly double the sum of a decade earlier.

It is a business notorious for corruption, in part because of the clubby nature of city governments. As federal authorities cracked down on no-bid contracts and payrolls padded with employees who don't work, corruption shifted to areas that had escaped federal scrutiny, such as minority set-aside programs. In such programs, which expanded rapidly in the 1970s and 1980s, cities seek out firms owned by women or minorities, or those with a substantial minority staff. Most of the cases in which Mr. Hardeman testified directly or indirectly related to this area, prosecutors say.

Cases involving minority set-aside contracts are little different from earlier forms of wrongdoing. "African-Americans and women did not invent municipal corruption in this country," says Steve Dettelbach, a partner at Baker & Hostetler LLP in Cleveland. Mr. Dettelbach, a former federal prosecutor, tried one of the cases involving Mr. Hardeman.

As Mr. Hardeman began his lobbying career, he became adept at introducing companies to local, often African-American politicians who could help them win business. After barely a year, he found himself on the wrong side of the law.

The FBI was investigating the mayor of City of Carson, Calif., as part of a wide-ranging corruption probe. Based on a tip from someone in the city council, agents started looking at consultants and lobbyists who did business with the city, including Mr. Hardeman.

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Mr. Hardeman says he often thinks back to the events leading up to the day he was busted. "I should have followed my inner voice," he says, the one that told him "to go the road less traveled." Instead, he says, "I fell prey to the temptations of money."

The sting operation that nabbed him could have been written by a Hollywood scriptwriter. To play the part of the corrupt official extorting bribes, the FBI recruited Manual Ontal, a City of Carson councilman. He volunteered to cooperate with the government after he was caught in a previous municipal-bribery scandal.

First, Mr. Ontal tried to interest Mr. Hardeman in participating in a gun-smuggling venture he claimed to be running out of the Philippines. When that didn't work, Mr. Ontal introduced him to "Uncle Jerry," a burly white man who wore a ponytail and gold-plated jewelry, and traveled by limousine. "He looked like a white Mr. T," recalls Mr. Hardeman.

Uncle Jerry was working in some way for the FBI, which won't explain his exact role or identity. Uncle Jerry spent lavishly on Mr. Hardeman and, after putting his target at ease, tried coaxing the lobbyist to talk about criminal acts he might have committed, such as paying bribes. Uncle Jerry paid for expensive dinners at Josh Slockum's, a restaurant owned by basketball star Dennis Rodman, and took Mr. Hardeman marlin fishing off Marina Del Rey. But Mr. Hardeman didn't say anything incriminating.

Eventually, the FBI recorded Mr. Hardeman -- in a roundabout way -- offering Mr. Ontal a $50,000 bribe to steer city contracts to two clients, Waste Management and Klistoff & Sons, another trash-hauling company.

Nine people were convicted in what the FBI dubbed "the trash-talkin' case," including the City of Carson mayor. Neither Waste Management nor any of its employees were charged with a crime. In a written statement, the company's lawyer says Waste Management cooperated with the probe, "including providing information on Mr. Hardeman's activities." Klistoff & Sons was hit with a big fine in another corruption case and no longer exists. Waste Management later bought its assets.

In June 2005, a judge sentenced Mr. Ontal to one year probation. He couldn't be reached for comment and his attorney didn't return calls.

Facing up to three years in prison for attempted bribery, Mr. Hardeman swiftly agreed to cooperate. Soon he was wearing a recording device disguised as a pager and was reporting daily to an FBI agent.

To begin with, however, he was a reluctant snoop. "He didn't take to it well initially because he was mad that he got caught," says Craig Howland, the FBI special agent who worked with Mr. Hardeman during his cooperation with the government. "There was always that inner struggle with him on snitching out his friends."

Among his first assignments was to betray Tyrone Smith. Mr. Smith was a director of the West Basin Municipal Water Authority, the City of Carson's water district. The pair had been friends for 15 years.

The two had met when they were young city councilmen moving in Los Angeles's close circle of African-American politicians. Later, not knowing he had been betrayed by Mr. Hardeman, Mr. Smith continued to introduce business clients to Mr. Hardeman, recalls Mr. Hardeman. "Our kids went to school together," Mr. Hardeman says. "It wasn't a good position to be in."

The FBI wanted to hear Mr. Smith talking about a bribe Mr. Hardeman had given him a year earlier. According to both men, Mr. Hardeman paid Mr. Smith $25,000 -- half of a $50,000 payment from Mr. Hardeman's client, investment bank M.R. Beal. In exchange, Mr. Smith agreed to vote to award a $142 million debt-restructuring contract to M.R. Beal's partner on the deal, Rice Financial Products Co., another minority-owned finance firm in New York.

During a May 2002 conference in Palm Springs, Calif., Mr. Hardeman recorded about 10 conversations with his friend, during which he chatted about family matters to relax Mr. Smith and "ease it out of him," Mr. Hardeman recalls. Eventually Mr. Smith described on tape how he had given the money to his wife.

In August 2003, Mr. Smith pleaded guilty to extortion and money laundering; he was one of 12 defendants who were convicted in the City of Carson and West Basin cases. In March 2005, he was sentenced to two years in prison. His lawyer, Mark Albrecht of Ivie McNeill & Wyatt, declines to comment. Mr. Smith, who is in Lompoc Federal Prison Camp in Lompoc, Calif., couldn't be reached for comment.

An M.R. Beal spokesman says, "M.R. Beal was not aware, did not authorize, and does not condone illicit payments to elected officials." Rice Financial, which is contesting a related civil suit in Superior Court of the State of California, County of Ventura, declines to comment on Mr. Hardeman.

As a former policeman, Mr. Hardeman knew how cooperators could be reviled by their peers -- and even by some cops. He scoured his memories to justify his actions. Revenge turned out to be a good motivator.

"I knew I was doing something to betray these people, but they weren't very good to me either," he says. Mr. Smith, for example, hadn't voted in his favor when he was bidding for a consulting contract with the water district.

In June 2002, a month after he taped Mr. Smith, Mr. Hardeman came close to getting uncovered as a snitch. He was sitting in a new, red pickup truck with a low-level former Waste Management official. The driver of the pickup seemed nervous, Mr.

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Hardeman recalls. The former official cranked up the music to drown out conversation. Then, he grabbed a pen and scribbled out a note to his passenger: "Are you going to snitch?"

After writing the note, the driver ripped it up and tossed it out the window as the pair drove through Inglewood. A few minutes later, Mr. Hardeman says, he returned to the scene with Mr. Howland, his FBI case agent, who had been tailing the pickup. The two men searched in vain for the scraps, which they wanted as evidence.

That summer came the most complex betrayal: Mr. Hardeman had to tape his girlfriend.

Monique McGilbra was a newly divorced mother of two when the pair met in April 2000 at a convention for African-American public administrators in Charlotte, N.C. Statuesque and an immaculate dresser, she held a senior job in the Houston mayor's office, running the city's energy and environmental business.

"I fell in love," says Mr. Hardeman. "She had power and influence in government. I was very attracted to her."

At the time, Ms. McGilbra was being wined and dined by consultants who wanted Houston contracts. Nate Gray, a lobbyist based in Cleveland, treated her to $1,000 dinners, Super Bowl tickets in New Orleans, and a $700 Louis Vuitton wallet, according to her later court testimony. Mr. Hardeman accompanied her to some of the events.

Ms. McGilbra later steered a city contract toward Honeywell Inc., a big industrial conglomerate that was a client of Messrs. Gray and Hardeman. (Honeywell gave up the work when the scandal broke.)

Investigators in Cleveland had been wiretapping Mr. Gray for months, during which time Mr. Gray was recorded complaining about Ms. McGilbra's expensive tastes. They wanted Mr. Hardeman to record his girlfriend admitting to taking the gifts, which were considered bribes by prosecutors because she was a public official. Prosecutors say Mr. Hardeman broke down in tears when they told him he would have to wear a wire.

In August 2002, Mr. Hardeman met Ms. McGilbra in Houston. During their evening out, they talked briefly about the gifts. Later, alone in their hotel, Mr. Hardeman brought up the topic again. He says Ms. McGilbra playfully patted him down, as if checking for a wire, before talking about her pay-to-play relationship with Mr. Gray.

"Before sex, there was some good information," Mr. Hardeman recalls.

Mr. Hardeman says he drew the line at keeping the recording device running once things got too steamy. The trick, he says, was to find an excuse to slip into the bathroom to stop the tape, a task that required sticking a paper clip into a button at the bottom of the fake pager. "I was always thinking, how do I get back to the bathroom to turn it off?" he says.

Ms. McGilbra, through her attorney Robert Rotatori, says she didn't detect anything suspicious about Mr. Hardeman's behavior when he was wearing the wire. She says she couldn't believe Mr. Hardeman was capable of "using her that way," Mr. Rotatori says, adding: "The government went to bed with Garland Hardeman. He's a scoundrel, a liar, a thief and a cheat."

Based in part on the taped conversations, Ms. McGilbra pleaded guilty last year to conspiracy to commit various types of fraud in Houston and Cleveland, and was sentenced to three years in prison. At her sentencing, Ms. McGilbra told the judge she was led to break the law because of her relationship with Mr. Hardeman. She says she accepted the gifts to help her boyfriend get to know Mr. Gray. "I loved him very much," she testified. Mr. Gray, one of nine people convicted in this case, was sentenced to 15 years in jail.

At the trial, Mr. Hardeman again suggested revenge as a reason for his cooperation with authorities. Ms. McGilbra had demanded he hand over a $3,000 monthly retainer he had won from one of her consultant friends, Mr. Hardeman testified. "It felt really like I was being used," he said in an interview. Mr. Hardeman said in court that they eventually agreed she would receive a 20% cut.

In April 2003, Mr. Hardeman was watching a Lakers basketball game on TV at Cabo's barbecue restaurant in Houston -- "I liked the shrimp at Cabo's," he says -- when he was suddenly knocked to the floor, unable to see. He had been hit directly above his right eye with a .22 caliber bullet. The shot was fired from a distance and caused no permanent damage after lodging in the space between his eyelid and his eyeball. Mr. Hardeman still has the bullet.

The shooting, rare in a white-collar crime case, threw prosecutors and the FBI into a tizzy. After an FBI investigation, no arrests were ever made and officials ultimately categorized it as a random event.

Mr. Hardeman doesn't buy that explanation. He thinks someone put a hit on him, perhaps Ms. McGilbra.

Ms. McGilbra's lawyer, Mr. Rotatori, denies it. "There are probably a million and one reasons someone would want to shoot him," he adds.

Despite the many anxieties of leading a double life, the subject to which Mr. Hardeman most often returns is the injustice of the FBI's expense-reimbursement system. A meticulous man -- he keeps business cards and receipts from every restaurant he visits -- the money issues gall him. "I was working full time, but I wasn't getting paid," he says.

He maintains a long list of affronts, including the time he was ordered to spend $85 at Radio Shack for a tape recorder, a special cord for recording phone conversations, and tapes. "I bought the best tapes, not cheap tapes," he says.

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The FBI office in Los Angeles, which was responsible for reimbursing Mr. Hardeman, says the process may have seemed slow to him because he was often on the road and had to delay filing expenses.

Mr. Hardeman expected the real payoff to come when he was sentenced. He wanted probation, like Mr. Ontal, the councilman who lured him into giving a bribe in the first place. His prosecutors not only took the unusual step of recommending probation -- he was facing three years -- but also spoke out on his behalf at sentencing. Both Ms. Butler, the trial attorney from Washington, D.C., and Mr. McConville, the Assistant U.S. Attorney, said Mr. Hardeman deserved a break because of his extensive cooperation.

That didn't work out. This summer in Central District Court in Los Angeles, Judge Percy Anderson sentenced Mr. Hardeman to a year and a day in a federal penitentiary, plus three years of supervised release. The judge said he wanted to "send a very clear message" about public corruption.

"It's just totally unfair," Mr. Hardeman says. "I gave four years of my life to working for the government, and now I have to give another four."

The night before he had to report to the prison, Mr. Hardeman spent time with his dentist-friend in Detroit. Dr. Jones gave him a free, emergency root canal.

On Aug. 30, Mr. Hardeman was driven by an old friend to the Taft Correctional Institution federal prison camp, which is located in an isolated patch of California desert, to begin his sentence. Among Taft's other inmates are a former mayor and his onetime attorney, both of whom Mr. Hardeman helped put there.

Write to Karen Richardson at karen.richardson@awsj.com1

Columnist Settles Education Dept. Case (AP)

AP, October 21, 2006

WASHINGTON - Columnist Armstrong Williams has reached a settlement with prosecutors regarding payments he received by the Education Department to promote President Bush's agenda.

Under the settlement, Williams admits no wrongdoing but will have to pay $34,000. The deal was reached last week by Williams, the Education Department and its subcontractor, Ketchum Communications.

"The department is happy to see this matter come to a close," Katherine McLane, a spokeswoman for Education Secretary Margaret Spellings, said Sunday. "One of the first steps Secretary Spellings took when she came to office is to establish guidelines to prevent future occurrences of this type of situation."

A message left at Williams' office was not immediately returned Sunday.

The settlement brings to a close a yearlong investigation into the case after reports emerged that the Education Department contracted with several radio, television and print commentators to promote the No Child Left Behind Act.

Lawmakers criticized the contracts as an improper use of taxpayer dollars. Congressional auditors concluded the department engaged in illegal "covert propaganda" by hiring Williams without requiring him to disclose he was paid.

In the settlement, the Justice Department examined whether Williams actually performed the work that was promised in his $240,000 contract signed in late 2003 and cited in his monthly reports to the Education Department.

Ultimately, prosecutors determined he was overpaid $34,000. Their review did not examine whether he improperly promoted the Bush administration's agenda.

ON THE NET

Education Department: http://www.ed.gov/index.jhtml

Justice Department: http://www.usdoj.gov

Glenview Man Linked To Cop Killing In Poland (CHIT)

By Jeff Coen And Rudolph Bush, Tribune Staff Reporters. Tribune Staff Reporters Andrew Zajac And Dave Wischnowsky And Tribune News Services Contributed To This Report

Chicago Tribune, October 21, 2006

Investor held in high-profile murder for hire

A Glenview businessman wanted in Poland for soliciting the gangland-style murder of a former national police chief was taken into custody Friday morning at his home, an arrest billed as a breakthrough in a case of enormous significance in that country.

A man identified in court records as Edward Mazur, 60, appeared in federal court in Chicago on Friday afternoon, and was ordered held pending an identification and extradition hearing Wednesday. The arrest came on the heels of a high-level meeting in Washington this month between Atty. Gen. Alberto Gonzales and Polish Justice Minister Zbigniew Ziobro.

Officials said Ziobro met with Gonzales to discuss Mazur's extradition for the 1998 murder of Marek Papala.

The wealthy investor is accused in Poland of scheming with organized crime figures to kill Papala, a one-time police commander general who was gunned down in front of his home in Warsaw as he got out of a car.

Mazur was arrested by federal agents Friday on a provisional warrant from the Polish government, FBI spokesman Ross Rice said.

A judge in Warsaw issued a warrant for Mazur's arrest in February 2005 on a charge of soliciting a man named Artur Zirajewski to carry out the murder with a third person in exchange for $40,000.

The case has been the subject of intense media scrutiny in Poland, where there has been much speculation about the crime and Mazur's possible connections to it. Mazur had been briefly arrested in Poland in 2002 in connection with the slaying, but was released.

His arrest Friday made national headlines in Poland.

Ziobro held a news conference there Friday to announce that prosecutors had gathered "hard evidence" against Mazur that includes statements from Zirajewski and other witnesses, and to call his arrest "good news."

In 2002, Mazur filed a libel suit in Chicago against a Polish-language publication in Washington that he claimed unfairly accused him of contracting Papala's murder and exercising undue influence over the prime minister of Poland.

"Mr. Mazur did not contract the murder of Mr. Papala and was not involved in Mr. Papala's murder in any way," his attorney, Michael Stiegel, wrote at the time.

Stiegel further wrote that Mazur has never been involved in or charged with involvement in any illegal activity or `shady dealings.'" The lawsuit was later dropped.

In an interview late Friday, Stiegel said he believed the accusations against Mazur were politically motivated. The recently victorious Polish conservative party won elections in that country in part on a promise to solve the Papala murder case.

Stiegel said he had "grave doubts" that Mazur was involved in the crime and understood that Papala was in fact a friend of Mazur's.

"He had set up an opportunity for this guy to come to the United States and study English," Stiegel said.

In the suit, Mazur included a number of personal details. He stated he immigrated to the U.S. from Poland in 1962 and graduated from a school listed as "Chicago Tech" with a degree in electrical engineering.

His career involved working for a number of international companies as well as staking a claim in several businesses, from a medical products company to a yogurt manufacturer in Poland, the suit states.

Illinois records show Mazur was the president of a firm called Demarex Inc., which was registered at his Glenview home until it dissolved in May. A recent Securities and Exchange Commission filing showed Mazur has had multimillion-dollar dealings with a Canadian cable company that does a large amount of business in Poland.

Mazur also was involved in a number of Polish organizations locally and nationally, according to court records.

In the suit, Mazur stated that he was director of the American Center of Polish Culture in Washington, D.C., and was the president of WISLA, "a social and athletic club in Chicago founded by Polish immigrants in 1927."

In the 2002 suit, Mazur stated that he lived in Glenview and had three sons.

Neighbors on Mazur's upscale Glenview street said he lived in his home on Lawson Road with his wife, a son who is a junior in high school and the teen's grandfather.

A woman who answered the door there declined to comment as members of Chicago's Polish-language media waited outside.

The U.S. Embassy in Warsaw on Friday issued a statement that "Mazur is currently being held by U.S. authorities awaiting his formal extradition to Poland."

"I can assure the Polish public that this matter is receiving a great deal of attention from the U.S. government," the statement quoted U.S. Ambassador Victor Ashe as saying.

At the Dirksen U.S. Courthouse in Chicago, U.S. Magistrate Judge Arlander Keys delayed a proceeding to formally identify the man in custody as Mazur, because he did not have a criminal attorney to represent him.

A hearing will be held Wednesday afternoon for Mazur, "or whomever is under arrest in this case," Keys said.

The judge advised the man identified by prosecutors as Mazur of his rights, and ordered that he remain in custody until the hearing. If his identity is confirmed, Mazur would be extradited under a 1999 extradition treaty between the U.S. and Poland, officials said.

Assistant U.S. Atty. Mitchell Mars outlined the charges against Mazur. The man who appeared in court answered "I understood" when asked by the judge if the accusations were clear. Evidence against Mazur was spelled out in a 10-page complaint that was unsealed Friday.

The key witness, Zirajewski, allegedly has told authorities he met with an organized crime figure along with Mazur and another man a couple of months before the killing.

"The ensuing conversation lasted for about an hour, Mazur doing most of the talking," the complaint states. "Mazur said that he was interested in killing Papala, who `was a big obstacle to further business.'

"Mazur displayed a newspaper clipping featuring a picture of Papala," the complaint states.

Zirajewski allegedly told authorities Mazur told him Papala was under surveillance and asked questions about a hit man's skill.

Natalia Papala, daughter of the slain chief, was quoted on a Warsaw police Web site Friday.

"[The] arresting of Edward Mazur allows us to have hope that now will occur a turning point in the conducted investigation," the statement read. "Initiating the extradition procedure creates a chance to complete the investigation and press charges against other people who also stand behind this homicide."

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FBI Arrests Businessman Wanted In Poland Over 1998 Police Official Slaying (AP)

By Mike Robinson, The Associated Press

AP, October 21, 2006

CHICAGO - A businessman wanted in Poland on charges of soliciting the murder of a former superintendent of police was arrested Friday at his suburban home, federal officials announced.

Edward Mazur, 59, was taken into custody by the FBI, Drug Enforcement agents and police without incident at his home in affluent north suburban Glenview, FBI spokesman Ross Rice said.

He appeared briefly before U.S. Magistrate Judge Arlander Keys, who ordered him held in the federal government's Metropolitan Correctional Center pending an extradition hearing set for Wednesday.

Keys warned the defendant that if he proved to be the Edward Mazur named in an arrest warrant issued by a court in Warsaw, "the officials from Poland will come to Chicago and take you in custody to Poland."

Helen Kim, a federal defender who represented Mazur at the brief hearing, said she knew little about him and expected him to hire another attorney. A civil attorney, Bruce Tinkoff, said he and Mazur's wife were searching for a criminal defense lawyer to handle the case.

Tinkoff declined to answer questions about Mazur.

A complaint unsealed Friday said the arrest warrant issued by a Polish court in February charged that, in April 1998, Mazur had offered another man $40,000 to murder Warsaw's police chief superintendent Marek Papala.

Papers submitted by Polish authorities said that Mazur made the offer to an Artur Zirajewski at a meeting in a hotel in Gdansk, according to the complaint. It said that members of organized crime in Poland and narcotics traffickers might have been involved in plotting to murder Papala.

The Polish documents said that Mazur also solicited another man, Andrzej Zielinski, to kill the police official.

Papala, who was the commander general of the Warsaw Department of Police, was shot and killed on June 28, 1998, as he got out of a vehicle in front of his Warsaw home.

Before that, however, both Zirajewski and Zielinski had been arrested, according to the complaint. It said that the two men were among four witnesses who have given accounts of the case in statements to police.

The 10-page complaint traced a complex series of meetings between Zirajewski and an array of other alleged plotters at the Gdansk hotel and at a marina to solicit and plan the Papala killing.

"From the discussion at the marina, Zirajewski learned that the conspirators were waiting for a signal from someone at the Ministry of Internal Affairs, who was somehow connected to the policeman," it said.

It said that another man at the meeting told Zirajewski that "other highly placed persons were behind this murder plot."

There was nothing further in the complaint to suggest which highly placed officials, if any, might have been involved in such a conspiracy.

At a news conference in Warsaw, Justice Minister Zbigniew Ziobro said Polish prosecutors have gathered "hard evidence" that Mazur played a "very important role" in the killing of Papala.

Ziobro met with Justice Department officials in Washington earlier this month to present the evidence and request action in the case.

Papala's wife and daughter said that the arrest gave them hope that there could be a breakthrough in the eight-year investigation.

"Opening of the extradition procedure provides a chance for closing the investigation and bringing charges against other people who are also behind this killing," Malgorzata and Natalia said in a statement posted on the national police website.

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Associated Press Writer Monika Scislowska in Warsaw contributed to this report.

YouTube Shared User Data With Studio Lawyers (MRKTWTCH)

By Ben Charny, MarketWatch

Market Watch, October 21, 2006

Video site helped Paramount Pictures track down and sue filmmaker

SAN FRANCISCO (MarketWatch) -- It's no secret that millions of Internet users every day watch copyright-infringing video clips on YouTube, the upstart Web site that Google Inc. has agreed to acquire for $1.65 billion.

What's less known is that YouTube has been watching the watchers.

YouTube's actions in response to a subpoena it received in May show that it has been keeping tabs on users who post copyrighted material to its site -- and in one case shared the name of a user with lawyers from a Hollywood film studio.

On May 24, lawyers for Viacom Inc.'s Paramount Pictures convinced a federal judge in San Francisco to issue a subpoena requiring YouTube to turn over details about a user who uploaded dialog from the movie studio's "Twin Towers," according to a copy of the document.

'I was happy to utilize YouTube when it was still not clearly established. It felt a bit utopian, even though the days for that were clearly numbered.'

— Chris Moukarbel, filmmaker

YouTube promptly handed over the data to Paramount, which on June 16 sued the creator of the 12-minute clip, New York City-based filmmaker Chris Moukarbel, for copyright infringement, in federal court in Washington.

That YouTube chose to turn over the data, rather than simply remove the offending video from its site -- as it did Friday when it agreed to take down 30,000 videos at the request of a group of Japanese media companies -- came as a surprise to copyright experts.

"YouTube seems to have given up too easily," said Laurence P. Colton, an intellectual-property lawyer at the firm of Powell & Goldstein LLP in Atlanta.

Its prompt legal capitulation suggests that YouTube users who post copyrighted material should not expect the company to protect them from media-business lawsuits, said Colton, whose firm wasn't involved in the Paramount subpoena or lawsuit and who learned of them from a MarketWatch reporter.

The "Twin Towers" episode is reminiscent of the way the entertainment industry vanquished the first version of Napster Inc. and other digital-music sites that made it easy to download copyrighted songs over the Internet.

Music company lawyers first warned and then sued individual users who downloaded their songs. Now it looks like piracy hunters for the movie studios are using the same technique against YouTube users.

YouTube's decision to help Paramount track down Moukarbel stands in stark contrast to the philosophy of Google, which has fought the U.S. Justice Department over attempts to access data about consumers who use its search services.

Google has balked at releasing even the most innocuous information about its users' behavior to the U.S. government in the past. Also, it's now battling requests for user details coming from Brazilian and Indian government investigators.

Google declined repeated phone and e-mail requests for comment for this story. Julie Supan, YouTube's senior marketing director, declined comment.

The end of 'utopia'

With more media companies signaling that they will come after YouTube for compensation over copyrighted material, Moukarbel's experience suggests that some of those among the Web site's 40 million users who post copyrighted material can expect legal trouble.

Moukarbel settled the suit after he admitted making the film and agreed to remove it from his own Web site and from YouTube, according to a copy of a court order that was part of the settlement. He also agreed to make an effort to remove it from other sites where it had been posted.

Moukarbel told MarketWatch in an interview that YouTube's actions signaled to him the end of an era for the video site.

"I was happy to utilize YouTube when it was still not clearly established. It felt a bit utopian, even though the days for that were clearly numbered," Moukarbel said.

It remains to be seen if this has any chilling effect on the phenomenal growth of YouTube, which was founded just 20 months ago by former executives of PayPal, the electronic payment firm that was eventually acquired by eBay Inc.

The freewheeling nature of the site - and its apparent cloak of user anonymity -- has helped the upstart become a top 20 Web site whose users watch up to 100 million video clips every day.

A slew of lawsuits like those filed against individual digital music pirates could change that atmosphere, and perhaps the growth rate, of YouTube's online community.

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"This community was built as a kind of free-for-all, where people could have a lot of fun and do it rather anonymously," Colton said. "You don't get that kind of community by saying, 'Here, sign up and at the simplest drop of a subpoena, we'll give that information away.' "

To be sure, Google, which hopes to close the YouTube purchase by year's end, has already taken steps to reduce the copyright liability it will inherit from the private firm. Just before it announced the acquisition of YouTube, the two companies signed licensing agreements with several large media firms, including Vivendi's Universal Music Group, Warner Music Group Corp., Sony BMG and CBS Corp.

Several large entertainment industry providers are now teaming up to request compensation from the site, according to The Wall Street Journal. Viacom , which owns Paramount, estimates that pirated versions of video clips from its MTV, Comedy Central and Nickelodeon channels are watched 80,000 times a day on YouTube, according to the Journal.

Paramount Pictures spokeswoman Nancy Kirkpatrick said that the company's actions against Moukarbel "in no way means we're targeting YouTube." She declined further comment on the lawsuit against Moukarbel.

When asked about YouTube, a spokeswoman for the Motion Picture Industry Association said "we continue to pursue those who violate copyright laws on all levels, and we will continue to monitor YouTube for copyrighted material."

That means YouTube users who post such material could face legal problems similar to Moukarbel's.

Moukarbel, meanwhile, said he harbors no hard feelings toward YouTube about the incident.

"I was happy with its run on YouTube, and, frankly, I was surprised it lasted as long as it did," he said. "That they eventually offered my information to Paramount doesn't bother me at this point." Ben Charny is a MarketWatch reporter based in San Francisco.

Former Youth Pastor Faces Child Porn Charges (SLPD)

By Sandi Villarreal

St. Louis Post-Dispatch, October 21, 2006

Authorities tipped off by someone from church

A former youth leader at Grace Baptist Church in St. Charles was indicted Thursday on federal child pornography charges.

According to the indictment, Michael Gulley, 45, of the 3600 block of Ehlmann Road in St. Charles, had seven files of child pornography on his computer.

Terri Dougherty, assistant to U.S. Attorney Catherine Hanaway, said the files were sent from Gulley's work computer to his home computer.

Capt. Gerry Pollard, spokesman for the St. Charles Police Department, said the investigation began in November 2005.

"A person involved with the church became alarmed at what was going on," he said.

Tom Bossch, a deacon at Grace Baptist Church, said it was church staff members who discovered what they believed to be a crime and immediately notified the police department. Bossch said the church has a system of checks that make sure that type of behavior is not tolerated.

The St. Charles County Sheriff's Department's computer forensics unit also was involved in the investigation. When a department seizes a computer, investigators in the unit process hard drives to uncover the information.

Gulley was indicted on one felony count of possession of child pornography. If he is convicted, he could face a maximum of 10 years in prison, fines up to $250,000 and supervised release for life.

Dougherty said Friday afternoon Gulley was in the process of being released on a $20,000 bond.

The case is part of Project Safe Childhood - a nationwide initiative created by Attorney General Alberto Gonzales.

According to the U.S. Department of Justice Web site, the project aims to protect children from exploitation on the Internet through coordinated and comprehensive efforts at a national and community level.

"Nothing we do is more important than protecting children from these predators," Hanaway said in a news release.

"We can only make these cases when we have the commitment of local law enforcement," she said. "I am very grateful to the St. Charles Police Department for their investigation in this case."

Federal $$ To Help Purchase Bulletproof Vests For NYPD (STNIA)

By Rob Hart, Advance Staff Writer

Staten Island Advance (NY), October 21, 2006

The NYPD is finally on course to receive a federal grant of more than $538,000 to purchase about 1,000 bulletproof vests, under a funding stream approved yesterday by the Department of Justice.

The money comes from the Justice Department's Bulletproof Vest Partnership Grant Program, funded at $30 million in the Fiscal Year 2006 Science, State, Justice, and Commerce Appropriations bill.

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Earlier this year, the Bush administration proposed drastic cuts in the funding, from $30 million to $10 million.

Over two years, that reduction would have cost the city the money to buy 1,000 replacement vests. It was among a series of cuts the White House pushed to rein in spending and reduce the budget deficit.

However, a bipartisan effort in Congress opposing the cuts, joined by Rep. Vito Fossella (R-Staten Island/Brooklyn), was successful.

And Rep. Stephen Lynch (D-Mass.) submitted an amendment to the House, which was passed in June, which increased funding for the vest program to $32 million for Fiscal Year 2007.

"This funding will help ensure our law enforcement officers have necessary lifesaving equipment to do their jobs protecting the citizens of our city," Fossella said in a statement. "Cities like New York rely on federal assistance to purchase necessary equipment and resources for first responders."

"The Bulletproof Vest Partnership will ensure that we can provide the latest technology in protective vests to police and correction officers," Mayor Michael Bloomberg said.

Rob Hart covers state government for the Advance. He may be reached at rhart@siadvance.com.

Off-label Drug Marketing: Missing The Mark (MERCN)

By Steve Johnson

The San Jose Mercury News, October 21, 2006

The heart-failure drug Natrecor seemed sure to become a blockbuster after Scios of Fremont put it on the market in 2001.

Besides its use in hospitalized patients, many clinics began giving it to walk-in patients in weekly sessions dubbed ``tuneups." Some people -- including prominent heart specialist Dr. Eric Topol -- say Scios encouraged this with a hotline and brochure explaining how to bill Medicare for the sessions.

There was only one problem: Some medical experts contend Natrecor was never approved for such tuneups. Some also say it may not be as safe as initially thought.

Scios says studies show the drug is safe. And it has launched a campaign to clarify to doctors that the drug is not recommended for repeated use in patients in a clinic setting.

Nevertheless, the drug's sales have sagged and the company is under investigation by the U.S. attorney in San Francisco for allegedly engaging in ``off-label" marketing, promoting drugs for uses not approved by the government.

Since this case came to light, critics in two major medical journals have cited Natrecor as an example of how easy it is for drug companies to peddle their medicines for unapproved purposes. Although doctors are allowed to prescribe drugs for off-label treatments, companies are forbidden from promoting their drugs for such uses.

``The system is faulty, and there are numerous leaks in the pipe," said Aaron Kesselhelm, one of three Harvard medical specialists who published an article this summer in the journal Health Affairs that criticized the use of Natrecor for tuneups.

But executives at Scios -- which Johnson & Johnson bought for $2.4 billion in 2003 -- maintain they and Natrecor have been unfairly tarnished.

Scios spokeswoman Chris Ernst wouldn't comment about the off-label claims, except to say the company is cooperating with the federal probe. But she stressed that ``patients are our first priority" and noted that 15 studies of Natrecor in people turned up no cause to believe the drug is risky.

Nonetheless, Scios said in June it will do another massive study over the next couple of years to definitively assess Natrecor's safety.

The U.S. Food and Drug Administration approved Natrecor for treating patients with congestive heart failure who have trouble breathing even while doing minimal activity or resting. It has been given to hundreds of thousands of people and its sales hit $395 million in 2004. But since then, the drug has run into trouble.

After reanalyzing past studies of Natrecor, New York heart specialist Dr. Jonathan Sack- ner-Bernstein published two reports in 2005, warning the drug seemed linked to worrisome rates of kidney problems and death.

In disputing Sackner-Bernstein's conclusions, Scios has reported finding only a slightly increased death rate among those taking Natrecor after 30 days. Moreover, after tracking some Natrecor patients over six months, the company said it found virtually no difference in their death rate compared with patients on other medicine.

Although many patients are given drugs for off-label uses, the practice worries some critics. Doctors often prescribe medicines for purposes not approved by the government based on preliminary studies suggesting they might be effective for such uses. But one expert has said the evidence supporting off-label use is questionable.

A study published in May by Dr. Randall Stafford, an associate professor of medicine at Stanford University, found about 20 percent of the drugs in a national prescription database were given for off-label purposes. And in most of those cases, he determined, there was little or no evidence the drug was effective for those uses.

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Companies, on the other hand, can face heavy fines for promoting drugs for off-label purposes. But the FDA's ability to halt abuses is limited, said Dr. Sidney Wolfe, who directs Public Citizen's Health Research Group.

``They do not have anywhere near the budget they should," Wolfe said. ``That is a major reason the drug industry is able to get away with what they do."

FDA and Justice Department officials said they don't track how many companies have been prosecuted for off-label marketing. But Ioana Petrou, chief of major crimes for the U.S. attorney in San Francisco, said federal authorities have been paying increasing attention to such practice, given the grave danger it can pose to the public.

``In the vast majority of the cases prosecuted, there are misleading statements being made to the medical community by the pharmaceutical companies," she said. ``So the patients can't rely on their doctors to tell them what is safe and effective."

Petrou said the first off-label case the Justice Department ever prosecuted involved Protropin, made by Genentech of South San Francisco. Although Protropin was approved for treating children with a growth hormone deficiency, the company was accused of promoting it for healthy short children. Genentech denied the charges, but paid $50 million to settle the case in 1999.

Now Genentech is under investigation for off-label marketing again, this time over Rituxan. In 1997, the FDA approved the drug for treating non-Hodgkin's lymphoma and in February this year also approved its use for rheumatoid arthritis.

It's unclear what the current investigation by the U.S. Attorney in Philadelphia involves. But a lawsuit by a former Genentech employee has accused the firm and its partner, Biogen Idec, of promoting Rituxan for rheumatoid arthritis before it was approved for that purpose.

Genentech spokeswoman Caroline Pecquet said the company is cooperating with prosecutors, who she said are expected to call current and former Genentech employees before a grand jury.

``We are committed to ethical and legal promotional practices," Pecquet added.

Yet another Bay Area company accused of off-label marketing is InterMune of Brisbane. In July, its executives announced they had created a $30 million reserve in hopes of settling a federal investigation into claims the firm improperly promoted Actimmune. The drug is approved for treating a bone disorder and a condition that makes people prone to infections. But InterMune also was accused of marketing it as a treatment for lung disease.

InterMune spokeswoman Pam Lord said the probe focuses on former employees.

The marketing of Natrecor has aroused particular concern because of questions about its safety, especially given the claims that people were receiving repeated injections of the drug in tuneups.

Using Natrecor occasionally to treat people in out-patient clinics wouldn't necessarily be considered an off-label use of the drug, said Dr. Norman Stockbridge, who directs an FDA division overseeing heart and kidney drugs. But he said giving such patients frequent doses of Natrecor would be an unapproved use.

Responding to the criticism, Scios convened a panel of medical experts last year to review Natrecor's safety. The group concluded more studies of the drug were warranted. But until then, it recommended that Natrecor should be given only to the seriously ill in hospitals and not in frequent doses to people in outpatient clinics.

Since the Natrecor controversy erupted last year, doctors familiar with the drug say its use has dropped dramatically. That troubles some doctors who swear by Natrecor, also known as nesiritide.

``I am absolutely enthusiastic," said Dr. John Luber Jr., a Tacoma, Wa. heart specialist involved in a Scios-sponsored study this year that found Natrecor lessened the likelihood of death among heart surgery patients.

But in the New England Journal of Medicine last year, Topol, former chair of the Cardiovascular Medicine Department at the Cleveland Clinic in Ohio, cited Natrecor as an example of a serious and widespread public health issue.

``We need a tuneup of our procedures to eliminate indiscriminate use of drugs, such as nesiritide, when there is not proper evidence of their safety," he warned.

CIVIL LAW:

Naval Shipyard Kickback Suit Settled For $4.2M (DPHR)

By Peter Dujardin 247-4749

Newport News (VA) Daily Press, October 21, 2006

The suit originated with a complaint filed by the head of a freight forwarding firm in Newport News.

NEWPORT NEWS -- An Illinois transportation firm has agreed to pay $4.2 million to settle U.S. Justice Department accusations that it deliberately overcharged Norfolk Naval Shipyard for delivering cargo.

The original whistle-blower - who runs a competing freight forwarding firm in Newport News - is sharing the winnings.

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AIT Worldwide Logistics of Itasca, Ill., had been accused of scheming with its agent in Hampton Roads and a transportation officer at Norfolk Naval Shipyard to bilk the government in exchange for giving kickbacks to the transportation officer. Paul Watkins runs the Oyster Point division of Target Logistic Services, a Baltimore-based company that competes with AIT for freight forwarding contracts. He was the original whistle-blower, gathering evidence of the scheme three years ago and reporting it to the Naval Criminal Investigative Service.

Under the terms of the federal whistle-blower act, Watkins and his lawyer will split 18 percent of the amount of the Justice Department winnings.

Watkins will get $502,000, or 12 percent of the total, before taxes. Bryan Schempf - an attorney with the Newport News firm of Jones Blechman Woltz and Kelly - and his firm will get the remaining 6 percent, or $251,000 before taxes.

The Justice Department alleged that Thomas A. Perry Jr. - owner of Air Cargo Expediters Inc., as AIT's agent in Hampton Roads - provided illegal gratuities to people working in the transportation office at Norfolk Naval Shipyard. Those included Gene Boyce, the yard's transportation officer.

Perry, of Virginia Beach, and Boyce, of Elizabeth City, N.C., pleaded guilty last year to conspiracy in the scheme, which the Justice Department described as Boyce getting gratuities in return for awarding freight contracts to AIT between 1999 and 2004.

Boyce was sentenced to 44 months in prison and ordered to pay $543,055.36. Perry was sentenced to eight months in prison and ordered to pay $543,055.

Watkins said he heard rumors for years about kickbacks at the shipyard and always found it difficult to win contracts forwarding its air and truck cargo. "I couldn't ever get it," he said.

But then - simply by looking at public records at a government freight management Web site - Watkins began noticing that AIT was, at times, charging Norfolk Naval Shipyard as much as five or 10 times the going rate to ship spare aircraft and ship parts around the world.

There were thousands of shipments, with various levels of overcharging. In some cases, for example, a 10,000-pound air shipment delivered by AIT might be costing $50,000 - or $5 a pound - when it should have been costing only about $10,000, or $1 a pound, Watkins said.

"They were outrageous numbers, compared with what I would've charged," he said.

At first, Watkins said, "all the reasons were selfish - I was trying to grow my own business. But I finally got so disgusted in it. It was going on continually. Maybe daily."

He started printing out and tabulating what he found - at one point determining how many armored kits for soldiers in Iraq that the government could buy with the savings.

In the fall of 2003, Watkins e-mailed a Navy inspector general fraud line that he found on the Web and contacted several other Navy officials. He never heard back. But he persisted, calling the Naval Criminal Investigative Service, which began investigating immediately, he said.

"I talked to the head of it over there in Chesapeake," Watkins said.

"He told me, 'Hang up the phone. Someone will call you in 10 minutes.' And so I showed it all to them, ... and they responded."

The investigation was aggressive from the beginning, Watkins said, with the Justice Department getting involved in October 2005. Payments of gifts and cash payments were uncovered in the probe.

In addition to paying the fine, AIT has also been barred from providing federal freight forwarding to the government.

Tentative Settlement Reached In Va. Jet-noise Case (NAVYT)

By William H. McMichael, Staff writer

Navy Times, October 21, 2006

The U.S. government has reached a tentative settlement with more than 3,000 southern Virginia homeowners over their claims that excessive Navy jet noise reduced the value of their properties beginning in 1999, according to a court order filed Tuesday.

The published order cancels the trial that was scheduled to start Thursday in Chesapeake, Va., under the auspices of the U.S. Court of Federal Claims. Judge Victor J. Wolski also halted all proceedings in all the matters and ordered that the parties file a joint status report on the settlement process within 90 days.

Settlement details or proposals for same have not been released. Justice Department spokeswoman Cynthia Magnuson cautioned that “nothing has been finalized.”

A total of eight cases are covered by the ruling and involve a total of 3,400 property owners, Magnuson said. That figure likely includes husband-and-wife co-owners, according to Kieron Quinn, one of the attorneys representing the plaintiffs, who said that 2,098 properties are affected.

The claims vary slightly based on the level of exposure alleged by each plaintiff. But the general government and plaintiff positions are set out in motions filed in April and May in Carole and Robert Testwuide et al v. the U.S.

The Testwuide complaint is based on a claim of excessive jet noise in the areas around Virginia Beach's Oceana Naval Air Station and nearby Fentress Auxiliary Landing Field in Chesapeake, to the south of Oceana. The noise increased dramatically, the plaintiffs allege, when 10 squadrons of F/A-18 Hornet fighter jets were transferred from Cecil Field in Florida to Oceana between December 1998 and June 1999, the result of a federal base-closing decision.

The plaintiff response in the Testwuide case held that the transfer "caused an enormous increase in noise in the neighborhood" surrounding Oceana and that residents have recorded backyard noise levels "that are at the threshold of pain."

The brief cited the experience of former Virginia Beach resident Betty Capps, who lived in the city from 1981 to 2005. Capps said she formerly had no problem with the jet noise but as a result of the increased noise in 1999, "she cannot conduct phone conversations or hear the television," according to the brief.

The government's motion to dismiss that case argued that the plaintiff claims are "factually unsupported." It argued that overflight rights — known as avigation easements — should have been taken and in place at least since 1981, when, the government said, flight activity was far greater than in 1999. As a result, the asserted claims should be barred under the six-year statute of limitations that governs claims made before the Court of Federal Claims, it said. The government also argued that some plaintiffs didn't own their property at the time.

The plaintiffs in the Testwuide case responded that the government provided no proof that a "taking" of overflight rights occurred in 1981 and that the selection of that year is arbitrary and based on the number of aircraft estimated to be flying out of Oceana at that time.

Feds Getting Tough On Utah Bankruptcy Fraud (SLT)

By Steven Oberbeck, The Salt Lake Tribune

Salt Lake Tribune, October 21, 2006

Shortly after emerging from a Chapter 7 bankruptcy in 2000, Deseree Dyer of West Valley City borrowed $26,000 from Wells Fargo Bank and purchased a new Jeep Grand Cherokee.

In less than a year, she defaulted on the loan.

Wells Fargo repossessed and sold the vehicle, then went after the 29-year-old Dyer to collect the rest of the money she owed. To get out of paying that debt, Dyer mailed the bank a copy of her bankruptcy papers, fraudulently dated to indicate the court had freed her from paying Wells Fargo.

She pleaded guilty to one count of bankruptcy fraud last week, days before the U.S. Department of Justice announced the result of a nationwide investigation aimed at rooting out similar bankruptcy fraud cases nationwide.

Prosecutors have filed criminal charges against 78 people in 36 judicial districts nationwide. Three of them were in Utah.

"Bankruptcy fraud must not be tolerated, if our bankruptcy system is to serve its purpose of helping the honest debtor in need of financial relief," Clifford White, acting director of the Executive Office of U.S. Trustees, said in announcing the results of the probe dubbed "Operation Truth or Consequences."

Among those charged as a result of the nationwide sweep were nine attorneys, two bankruptcy petition preparers and a former law enforcement officer. The Justice Department estimates fraud is

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involved in approximately 10 percent of all bankruptcy petitions.

Collectively, the charges alleged defendants concealed more than $3 million in assets, used false Social Security numbers and identities, submitted fraudulent documents and fraudulently received government loans and benefits, the Justice Department said. In many states such bankruptcy fraud prosecutions are rare, but that's not the case in Utah.

Three years ago, the U.S. Attorney's office in Utah teamed up with the U.S. Trustee's office to make bankruptcy-fraud prosecutions a priority. The result: Over the past several years attorneys from those offices in Utah have brought a big percentage of the indictments filed nationwide.

"We made a conscious decision to make it a priority," said Barbara Bearnson, chief of the Criminal Division at the U.S. attorney's office in Utah. "In other districts, though, bankruptcy fraud cases are regularly brought."

To bolster the government's investigation and prosecution efforts, then U.S. Attorney Paul Warner in 2003 named Assistant U.S. Trustee Cy Castle in Salt Lake City as a special assistant U.S. attorney.

Castle's presence brought an additional element of experience and manpower to the U.S. attorney's office, which takes the lead in prosecuting bankruptcy-fraud cases referred to it by the courts or U.S. trustee's office. As a special assistant U.S. attorney, Castle has taken the lead in prosecuting the cases as well.

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Dyer will be sentenced in January and faces up to five years in prison and a $250,000 fine. Among the three Utahns charged in the sweep were Kathleen Heath, 51, of West Bountiful, indicted on one count of concealing assets and two counts of filing a false bankruptcy oath.

She filed a Chapter 7 bankruptcy in May 2005 and listed assets worth just $230. But prosecutors say she failed to disclose she owned a 2001 Honda Accord and a home in which there was approximately $80,000 in equity.

"We've been seeing fewer bankruptcy cases filed [this year], but the fraud hasn't decreased," Bearnson said. "And we're going to continue to make [prosecutions] a priority."

Response Rates To FOIA Requests Improve (FEDT)

By Aimee Curl

Federal Times, October 21, 2006

Agencies are improving the way they disseminate information to the public thanks to a presidential directive that requires them to review and revamp how they respond to Freedom of Information Act requests.

The executive order "has had an immediate and widespread positive effect on the operations of the federal agencies that administer the FOIA," Attorney General Alberto Gonzales wrote in a report issued Oct. 16. However, he noted that a large backlog at many agencies "still remains an area of concern."

The order, issued by the president in December 2005, requires agencies to name chief FOIA officers at the assistant secretary level and create improvement plans to streamline the processing of requests. The order also directs agencies to establish one or more service centers and designate one or more public liaisons to this effort.

Gonzales said agencies, in their FOIA improvement plans, have embraced a number of critical elements — expanded use of technology, active disclosure of information, improved customer service and backlog reduction.

In reviewing agency improvement plans, Gonzales said he discovered a number of best practices worth sharing. He said some agencies, including the Small Business Administration and Energy and Defense departments, have implemented in-house, training programs for both FOIA and non-FOIA employees.

Other examples include the Commerce Department's use of intranet FOIA sites so agency personnel can share information and the General Services Administration's plan to simplify the standard acknowledgment letter and send out postcards to FOIA requestors instead.

In his recommendations, Gonzales suggested all agencies switch to postcards.

"The simple use of postcards rather than standard written letters for this basic, universal step in the FOIA process could save countless hours (and funding), freeing FOIA personnel for more substantive activities," he wrote.

Gonzales also recommended agencies work together to maximize the use of technology in order to make responding to FOIA requests more timely and cost-effective.

Rep. Todd Platts, R-Pa., said he was glad to see that the report discussed the issue of FOIA backlogs. Platts, who chairs the House Government Reform subcommittee on government management, finance and accountability, held a hearing in July to examine the executive order.

"Improving the operational aspects of the Freedom of Information Act has been an important goal of the subcommittee," Platts said in a statement. "I'm pleased to see that the attorney general's report provides a fair accounting of actions that federal agencies have taken to help citizens in their quest for information."

CIVIL RIGHTS:

Calif. Candidate's Office, Home Raided (AP)

By Peter Prengaman

AP, October 21, 2006

Garden Grove, Calif. (AP) -- For two days, a Republican congressional candidate had promised to explain how a threatening letter was sent by his campaign without his knowledge to thousands of Hispanic immigrant voters. As about 200 people gathered Friday in front of his campaign headquarters seeking answers, Tan D. Nguyen was a no-show at his own news conference. Instead, 10 uniformed California Department of Justice police officers arrived with a search warrant and pounded on the glass of Nguyen's storefront headquarters.

Agents spent two hours sifting through cabinets, boxes and computers. They left carrying several boxes and plastic bags of evidence.

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Hours later, they searched a home in nearby Anaheim listed as belonging to one of Nguyen's staffers, emerging with a computer hard drive and a small box. Nguyen's neighbors in a gated community in Santa Ana said law enforcement officers also spent several hours searching his home.

Nguyen, a Vietnamese immigrant trying to unseat a popular Democratic incumbent, has acknowledged his campaign sent the letter, which wrongly said immigrants could be jailed if they voted. He blamed an unidentified staffer whom he said he has fired.

Nguyen has resisted calls from leaders in his own party to quit the race, saying he did not approve the letter and did not know about it.

Many mulling around his office Friday were supporters.

"He's the No. 1 man because his No. 1 issue is kicking out all the illegals," said Ernie Sqarlata, 86.

State and federal officials have been investigating the mailing for possible violations of election or civil rights law. It is illegal to use threats to try to dissuade anyone from voting.

The letter, written in Spanish, was mailed to an estimated 14,000 Democratic voters in Orange County. It warns, "You are advised that if your residence in this country is illegal or you are an immigrant, voting in a federal election is a crime that could result in jail time."

In fact, immigrants who are adult naturalized citizens are eligible to vote. Secretary of State Bruce McPherson said Friday his office will send letters to homes that received the mailing to clarify voters' rights.

Nguyen's attorney, David Wiechert, cautioned against jumping to conclusions.

"A search doesn't mean the person whose office is being searched is guilty," said Wiechert, standing outside Nguyen's office. "This is a political firestorm of high-ranking Republicans and Democrats speculating about an investigation they have no knowledge of."

Orange County Republican Chairman Scott Baugh has said that after speaking with state investigators and the company that distributed the mailing, he believes Nguyen expedited the "obnoxious and reprehensible" letter. The party's executive committee voted unanimously to urge Nguyen to drop out, he said.

State Democratic Chairman Art Torres said party leaders were planning a rally for Orange County on Tuesday. "It's a hate crime as far as we are concerned," Torres said.

Gov. Arnold Schwarzenegger said he planned to visit the country and meet with Hispanic leaders Saturday.

Phil Angelides, the Democratic candidate for governor, said: "They've got a real problem. They've got to clean it up because it's not good for California."

Illegal immigration has been a centerpiece of Nguyen's campaign to oust Democratic Rep. Loretta Sanchez, a five-term congresswoman.

Nguyen was born in 1973 in Vietnam, where his family fled the communist regime. In 2004, he unsuccessfully ran in the Democratic primary to challenge GOP Rep. Dana Rohrabacher. He later changed his party affiliation and declared his bid to upset Sanchez.

On Friday, Hispanic and Vietnamese leaders joined the chorus condemning the letter, saying it should not become a wedge that drives their communities apart.

"This letter reminds us of what we were running away from in Vietnam, where people can't vote the way they want," said Xuyen Dong, who heads the Orange County chapter of the Vietnamese Professional Society.

Associated Press writers Michael R. Blood in Los Angeles, Don Thompson in Sacramento and Ana Beatriz Cholo in Santa Ana contributed to this report.

Nguyen's Campaign Office Raided (OCR)

By NORBERTO SANTANA Jr., The ORANGE COUNTY REGISTER

Orange County (CA) Register, October 21, 2006

State investigators take computers from the workplace and search the candidate's home.

News media converged on Tan Nguyen's Garden Grove campaign office Friday expecting to hear from the Republican congressional candidate about a mailer sent out this week warning immigrants against voting in the November election.

Instead, the media horde got a front-row seat to a half-dozen agents from the state Attorney General's Office serving search warrants and combing through Nguyen's office.

Officers confiscated three computer hard drives, checked for fingerprints, leafed through files and interviewed Nguyen's attorney. Agents also searched Nguyen's Santa Ana home and a campaign worker's Anaheim home.

Despite burgeoning state and federal probes into the flier, Nguyen's attorney said Nguyen has no plans to withdraw as the Republican nominee for the 47th Congressional District race against incumbent Democrat Loretta Sanchez.

Dave Wiechert, an attorney representing Nguyen, said: "Mr. Nguyen has indicated that he did not authorize or approve the mailing" and would not discuss specifics because of the investigation. Wiechert said misinformation was fueling "a political firestorm."

That firestorm has included widespread condemnation from GOP leaders such as Gov. Arnold Schwarzenegger and Orange County Republican Party Chairman Scott Baugh. On Thursday, Baugh accused Nguyen of being directly linked to the letter.

Wiechert, citing his experience as a former prosecutor, said: "You see statements by high-ranking Republicans and Democrats speculating about an investigation that, I'm sure, based on my experience, that they have little or no knowledge about."

The controversy was fueled Friday when county officials halted Registrar of Voters Neal Kelley from sending out a letter setting the record straight to the 14,000 households targeted by Nguyen's mailer. The state attorney general and the secretary of state had contacted Kelley as part of discussions about sending out such a letter.

Several Republican county supervisors argue that the Registrar of Voters Office should not get involved in correcting campaign mailers.

"The registrar of voters is not supposed to be the arbiter of truth in elections," Board of Supervisors Chairman Bill Campbell said.

Campbell added that having the county elections office track and respond to such fliers would set a bad precedent.

Supervisor Lou Correa, the board's lone Democrat, argued that "ignoring this type of letter is a precedent that I'm concerned about being set."

Correa has demanded that supervisors publicly debate the issue at their meeting Tuesday. He wants a letter sent out. "This, in my opinion – this is not like every other mailer," Correa said. "The issue here is voter suppression, especially given the history here in Orange County."

On Friday, Secretary of State Bruce McPherson, whose office is also conducting an investigation into the suspect mailer, announced he would send out a letter.

"I want all eligible voters in California to cast their votes without fear or misinformation. I am outraged that anyone would try to rob eligible Californians of their right to vote. Any attempt to intimidate voters is unacceptable" McPherson said.

Santa Ana Councilman Jose Solorio indicated Friday that the voter-intimidation efforts may extend beyond the mailer. Solorio presented a copy of a sign he said was distributed throughout Delhi Park that read: "Are you a resident or illegal? If you vote, you'll get deported." The signs also carried the moniker of a group called Alizanda Pro-imigrados (Pro-Immigrants Alliance).

Solorio said he had forwarded the signs to the Attorney General's Office and has been assured that they would be investigated.

"(The signs) shows that it's more widespread than this one single rogue incident," Orange County Democratic Party Chairman Frank Barbaro said.

Meanwhile, pressure for a federal probe into the mailer continued to mount.

Sens. Patrick Leahy, D-Vt., and Edward Kennedy, D-Mass., wrote U.S. Attorney General Alberto Gonzales on Friday seeking a full report from the Department of Justice on its probe.

"This shameful and dishonest scheme to discourage Latino citizens from voting is a blatant violation of the Voting Rights Act, and all those involved should be held accountable as soon as possible," Kennedy said.

CONTACT US: Register staff writers Annie Burris, Dena Bunis, Jeff Overley and Martin Wisckol contributed to these reports.

State Police Raid Home Of California Congressional Candidate (MCT)

By Norberto Santana Jr., The Orange County Register

McClatchy Newspapers, October 21, 2006

SANTA ANA, Calif. - News media converged on Tan Nguyen's campaign office Friday expecting to hear from the Republican congressional candidate about a mailer sent out this week warning immigrants against voting in the November election.

Instead, the media horde got a front-row seat to a half-dozen agents from the state Attorney General's Office serving search warrants and combing through Nguyen's office.

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Despite burgeoning state and federal probes into the flier, Nguyen's attorney said Nguyen has no plans to withdraw as the Republican nominee for the 47th Congressional District race against incumbent Democrat Loretta Sanchez.

Dave Wiechert, an attorney representing Nguyen, said that "Mr. Nguyen has indicated that he did not authorize or approve the mailing" yet declined to discuss specifics because of the ongoing investigation. Wiechert added that misinformation was fueling what he called "a political firestorm."

That firestorm has included widespread condemnation from GOP leaders such as Gov. Arnold Schwarzenegger and Orange County Republican Party Chairman Scott Baugh. On Thursday, Baugh accused Nguyen of being directly linked to the letter.

Wiechert, citing his experience as a former prosecutor, said, "You see statements by high-ranking Republicans and Democrats speculating about an investigation that, I'm sure, based on my experience, that they have little or no knowledge about."

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Campbell added that having the county elections office track and respond to such fliers would set a bad precedent.

Yet Supervisor Lou Correa, the board's lone Democrat, argued that "ignoring this type of letter is a precedent that I'm concerned about being set."

Correa has demanded that supervisors publicly debate the issue at their weekly meeting Tuesday. He wants a letter sent out.

"This, in my opinion - this is not like every other mailer," Correa said. "The issue here is voter suppression, especially given the history here in Orange County."

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Solorio said he had forwarded the signs to the Attorney General's Office and has been assured that they would be investigated.

"It (the signs) shows that it's more widespread than this one single rogue incident (the letter). This stuff does not happen in a vacuum," Orange County Democratic Party Chairman Frank Barbaro said.

Meanwhile, pressure for a federal probe into the mailer continued to mount.

Sens. Patrick Leahy, D-Vt., and Edward Kennedy, D-Mass., wrote U.S. Attorney General Alberto Gonzales on Friday seeking a full report from the Department of Justice on its investigation.

"This shameful and dishonest scheme to discourage Latino citizens from voting is a blatant violation of the Voting Rights Act, and all those involved should be held accountable as soon as possible," Kennedy said.

Raids Widen 'Immigrant' Letter Probe (LAT)

By Jennifer Delson, Christopher Goffard And Mai Tran, Times Staff Writers

The Los Angeles Times, October 21, 2006

Agents take evidence from candidate Tan Nguyen's home and office, seeking details of note about voting status sent to O.C. residents.

Even as he prepared to step before the cameras Friday in an effort to mend his tattered candidacy for Congress, the worst week of Tan Nguyen's political life got bleaker still, as state agents raided his Garden Grove campaign headquarters and Santa Ana home, hauling off computers and bags of evidence.

The investigation by California Department of Justice agents stems from a racially charged letter that Nguyen admits his office sent to about 14,000 registered voters in central Orange County. The letter, which warned "immigrants" they could be jailed or deported if they tried to vote, has spurred condemnation across the political spectrum and an investigation into possible voting rights violations.

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Nguyen, a Vietnamese immigrant who is running to unseat Democratic U.S. Rep. Loretta Sanchez, maintains that he neither wrote nor authorized the instantly infamous letter, claiming it was the work of a campaign manager he refused to name. According to the head of the Orange County Republican Party, however, the mailing house that sent the letter said Nguyen had a direct hand in it.

State agents arrived both at Nguyen's campaign office and his home about 1 p.m. Friday with search warrants, scouring files, plumbing cabinets and bagging evidence.

Nguyen had to cancel a planned afternoon news conference, which his lawyer, David Wiechert, said would be rescheduled for next week.

"I do not believe he'll be arrested," said Wiechert, who specializes in white collar criminal defense work. "My belief is he'll be cleared. He's asserted his innocence."

The lawyer said agents from the state attorney general's office had questioned Nguyen for two hours Thursday and that he was cooperating fully with their investigation.

"A search doesn't mean the person whose office is being searched is guilty," Wiechert added. "This is a political firestorm of high-ranking Republicans and Democrats speculating about an investigation they have no knowledge of."

According to a source close to the investigation, the attorney general's office has determined that an LAPD officer, who is a friend of a worker in Nguyen's office, paid $4,000 on a credit card for the bulk mailing of the letter and used an alias.

In addition to the letter, the attorney general's office is investigating a racially charged poster that was recently hung in Santa Ana's Delhi Park. Translated from Spanish, the poster reads, "If you are a resident or are illegal, if you vote, you will be thrown out."

Park regulars say there were dozens of the posters hanging in the park for nearly a week. "They were put on just about every tree and pole around here," said Juan Cabrera, who was visiting the park Friday.

Santa Ana Councilman Jose Solorio found one of the posters on the ground in the park Friday and passed the information on to the attorney general's office. Solorio wondered whether there was a link between the letters sent out by Nguyen's office and the park posters. "The rhetoric in the signs sounds similar to the letters, so I have my suspicions," Solorio said.

State attorney general spokesman Nathan Barankin said the posters were "under review" but would not say whether that probe would be tied to the letter investigation. "We can't rule [the posters] in or out," he said.

Javier Gonzalez, executive director of Strengthening Our Lives, a union-based voter drive campaign, said the poster's use of the word "resident" was deceptive. He said his mother, a naturalized U.S. citizen, considers herself a U.S. resident, and might think from reading the letter that she should not vote.

Meanwhile, the letter from Nguyen's office, which has prompted the GOP to disown him, continues to generate howls of indignation. "When you tell immigrants who have become citizens they can go to jail for voting, you are spreading lies, not liberty," said an ACLU news release, calling for Orange County Registrar Neal Kelley to send out letters correcting misinformation in the original letter.

Said Mai Cong, president of the Vietnamese Community of Orange County: "I was distressed to learn that someone in our immigrant community is involved in a case of voter intimidation. This is like 'a single worm that spoils that soup,' as we Vietnamese Americans used to say."

Among the recipients of the letter was Kristen Panagua, a Disneyland Hotel worker, who said it angered her. "I respect and love this country," said Panagua, who registered to vote six years ago after becoming a U.S. citizen. "They are trying to intimidate us to keep us from being part of it."

Isabel Procopio, a janitor and volunteer for Strengthening Our Lives, said she was knocking on doors in Garden Grove on Saturday as part of a campaign to encourage voter participation. Of the 30 doors she approached, she found 10 residents who had received the letter. "Many people told me they are really afraid," she said. "They also said they were angry. I'm telling them not to let racist Republicans intimidate us."

Gustavo Arellano, the OC Weekly staffer who writes the syndicated "Ask A Mexican!" column, said the letter would generate a massive backlash among Latino voters, who would be galvanized to defeat Republicans in local elections in November.

"Latinos are going to hear about this [and say], 'Oh, Republicans: anti-immigrant,' " he said. "They're not going to pay attention to the fact that the Republican Party has denounced the letter, or that Gov. Schwarzenegger has called it a hate crime. They're just going to chalk it up as another instance of GOP xenophobia."

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Staff writer Christine Hanley contributed to this report.

California: Offices Searched Over Letters (NYT)

By Cindy Chang

The New York Times, October 21, 2006

State investigators searched the offices of a Republican Congressional candidate, a day after he acknowledged that a campaign worker was responsible for a letter sent to as many as 14,000 Latino residents in an effort to keep them from the polls. The candidate, Tan Nguyen, left, will stay in the race against the incumbent, Loretta Sanchez, even though the Republican Party has urged him to withdraw, said his lawyer, David Wiechert. Mr. Nguyen has denied having any knowledge of the letter, which stated that immigrants could be jailed if they voted.

Discrimination Claims Hurt Business Even If False (TSSC)

By Jim Duplessis

The State (SC), October 21, 2006

Experts say Cracker Barrel gained one more business risk when the mother of comedian Chris Rock accused Cracker Barrel of racial discrimination for her treatment at a restaurant Tuesday.

The risk isn't so much that Lebanon, Tenn.-based Cracker Barrel might lose a lawsuit, if one is filed.

The real risk is that it will set back the company's ability to lure one of the most lucrative sources of increasing its business: drawing more minority customers.

In customer relations, perceptions can be just as dangerous as reality for a company, said Jerome D. Williams, professor of advertising at the University of Texas at Austin.

"Whether they're true or not is irrelevant: They're true in the minds of the customer," Williams said. "Companies cannot stick their heads in the sand."

How restaurants — or any other business — treat minorities became a major topic in business circles 12 years ago when the Spartanburg-based Denny's restaurant chain reached a consent decree with the U.S. Justice Department that required it to take a series of steps to prevent discrimination.

Similar lawsuits led Cracker Barrel to reach a consent decree in 2004. The Justice Department cited widespread discrimination within the chain. In some restaurants, black diners routinely were given tables apart from whites, were seated after white customers who arrived later and were given inferior service.

The decree led Cracker Barrel to establish a discrimination policy. It now handles customer complaints, regardless of race, by:

· Reporting the complaint to the manager on duty
· Requiring the manager to listens to the complaint
· Requiring complaints to be reported to company headquarters
· Requiring complaints to be investigated thoroughly

The company also posts its anti-discrimination policy on wall signs, in their menus and on its Web site. The postings include a toll-free number that customers can call to reach a company representative 24 hours a day, seven days a week.

But one of Cracker Barrel's 19 S.C. restaurants left Rose Rock and her daughter feeling they had been singled out for bad service because of their race.

Rock, who lives near Georgetown, and her daughter arrived at Cracker Barrel in Murrells Inlet May 14. They were seated, but waited about 30 minutes before a server or manager spoke with them.

Rock alleges racial discrimination, noting that she and her daughter were the only black customers in the restaurant, and they watched as white customers at other tables were served.

Diana Wynne, senior vice president of corporate affairs for Cracker Barrel, explained Rock and her daughter were seated during a shift change, and no server picked up their table. As a result, no one gave her a menu or took her order.

After Rock got the attention of the manager, he apologized and offered to expedite her order. She declined. The manager followed up with a letter of apology, a gift basket and free meal coupons.

"Ms. Rock is a valued guest of Cracker Barrel," Wynne said. "This is not a case of discrimination. We let a customer down."

"I can assure you we will take appropriate action, including termination if our policies were violated," she said. "We do not tolerate discrimination of any kind."

Blacks and other minorities represent about 30 percent of the nation's population — and base of potential customers.

"Companies can no longer afford to operate business as usual. They're going to lose future opportunity for growth," said Geraldine R. Henderson, associate professor at Northwestern University.

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But many companies still do just that, Williams said.

"You have people in management from that generation who allow people to get away with it, or give them a slap on the wrist," Williams said.

Spartanburg-based Denny's set a new standard for coping with racial discrimination after 1993, when it reached a consent order with the U.S. Justice Department over a series of complaints of poor service given to black customers.

Shortly after the consent decree, Denny's conducted a poll that found about half of black respondents said they would never eat at a Denny's restaurant again. But by 2004, company polling found that number had fallen to 15 percent.

"Denny's is an excellent example of a company that turned things around," Williams said. "They made changes and the minority community was very receptive."

Danielle Holley-Walker, an assistant law professor at the University of South Carolina, said companies should establish practices to prevent discrimination, and respond to allegations immediately.

That starts with apologizing.

"Most people don't settle their everyday disputes by filing lawsuits," Holley-Walker said. "For most people, getting an apology or a voucher for a free meal is enough."

Incidents in which customers report bad service should be reported up to top management, including the company's lawyers, so that the company can adjust its policies to better prevent discrimination and improve overall service, Holley-Walker said.

"In order to learn from your mistakes, you have to have some reporting," she said.

"From an economic, capitalist standpoint, you would not want to alienate anybody and leave money on the table because of the way you treat people," Williams said.

Reach DuPlessis at (803) 771-8305.

ABOUT CRACKER BARREL

Cracker barrel has 548 restaurants in 41 states, including 19 in South Carolina. Each store serves about 1,100 guests per day. Most of its restaurants are by interstate highways, and all are company owned.

Nevada: Street Solicitation (NYT)

By Carolyn Marshall

The New York Times, October 21, 2006

A federal appeals court in San Francisco struck down a Las Vegas ordinance barring solicitation on city streets, calling it unconstitutional. The decision, by the United States Court of Appeals for the Ninth Circuit, stems from a 1997 case brought by the American Civil Liberties Union and several religious and political groups challenging Las Vegas ordinances that barred certain groups from distributing leaflets or using vendor tables along a five-block pedestrian promenade. The court also ruled that the city violated the A.C.L.U.'s constitutional right to free speech when it forbid it to set up a vendor table. "We hold that the erection of tables in a public forum is expressive activity protected by our Constitution to the extent that the tables facilitate the dissemination of First Amendment speech," Judge Richard A. Paez wrote.

FBI: No Hate Crimes Recorded In Alabama In 2005 (MR)

By Susan Daker, Staff Reporter

Mobile Press-Register (AL), October 21, 2006

No hate crimes were recorded in Alabama in 2005, according to statistics released this week by the FBI, but law enforcement agencies representing about 10 percent of the state's population were the only ones providing information for the survey.

Alabama and Mississippi were the only states in the nation that reported zero hate crimes, according to the FBI. Hawaii did not participate in the study, which included 49 states and the District of Columbia.

"The idea that Alabama had no hate crimes is not believable," said Mark Potok, a director of the Southern Poverty Law Center, which is based in Montgomery and tracks hate crimes and monitors extremist groups.

The FBI reported that nationally more than 7,000 criminal incidents recorded in 2005 occurred as a result of bias toward a particular race, religion, sexual orientation, ethnicity/national origin, or physical or mental disability. In 2005, California reported the most hate crimes, recording 1,379. New Jersey reported the second most with 738, according to the FBI.

A more accurate survey of hate crimes, according to Potok, is the U.S. Department of Justice's "Hate Crimes Reported by Victims and Police" publication, which was released in Nov. 2005.

In contrast to the FBI's report, the Justice Department found that between 2000 and 2003 there was an annual average of 191,000 hate crime incidents nationally involving one or more victims.

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The Justice Department's survey shows "a serious social problem," Potok said.

Thirty-two jurisdictions from Alabama submitted information to the FBI; these agencies represent a population of about 455,247. The state population is nearly 4.5 million.

Citronelle, Atmore, the University of South Alabama and Loxley were the only southwest Alabama police agencies that reported, according to the FBI. All those agencies reported zero hate crimes. The Mobile Police Department, the Prichard Police Department, the Mobile County Sheriff's Office and the Baldwin County Sheriff's Office did not participate in the study, the statistics show. Participation is voluntary, according to the FBI.

Potok said the difference between the Justice Department and FBI numbers shows the "ludicrous" nature of the FBI's report.

"I'm not attacking the FBI," he said. The FBI is only reporting what is reported to it.

Potok said the FBI study's numbers fall short for a variety of reasons.

Many hate crimes are never reported to the police, he said. Some district attorneys will not prosecute under the enhanced penalties for hate crimes, so police do not bother to investigate whether race, sex, sexual orientation or religion were the motive for the crimes, Potok said.

Many law enforcement personnel do not agree with the idea of hate crimes. To them, murder is murder and all crimes are hate crimes, Potok said.

Some local law enforcement officials said they did not report to the FBI because they did not believe they had any hate crimes to report.

Hate crimes are "something that we obviously monitor," said John Murphy, spokesman for the Baldwin County Sheriff's Office. "We've been fortunate in Baldwin County not to have any."

In Mobile, police spokesman Officer Eric Gallichant said, "We did not report because we did not have any in that reporting period."

Kate Johnson, the spokeswoman for the Mobile County Sheriff's Office, said that the sheriff's department does not know of any hate crimes last year in the county. She said, however, under the new administration of Sheriff Sam Cochran, who was appointed to the post this year, the department will participate in the study.

Citronelle police Chief Conrad Reid said that he submitted the report because the FBI needs to know where hate crimes are and are not occurring so that it can provide extra support where needed.

"Any agency that asks me for something like that, I try to do it," he said.

Reid said he cannot recall Citronelle ever having had a hate crime, but he noted that the hate crime designation has existed only since 1994 when Alabama passed a law mandating longer minimum sentences for crimes committed because of a victim's race, color, religion, national origin, ethnicity, or physical or mental disability. The Alabama law does not include sexual orientation.

For the 2004 FBI report, Alabama law enforcement agencies submitted three hate crimes to the FBI. One of them occurred in Atmore, the report showed. A call for the Atmore police chief was not returned. Other instances of Alabama hate crimes occurred in Jefferson County and in the city of Greensboro in Hale County.

U.S. Asked To Watch Election In Chesterfield (RTD)

By Tyler Whitley, TIMES-DISPATCH STAFF WRITER

Richmond Times-Dispatch, October 21, 2006

The American Civil Liberties Union of Virginia asked the U.S. Justice Department yesterday to send election observers to Chesterfield County on Election Day. The ACLU claims the county's actions could discourage minority voters.

Kent Willis, director of the ACLU, cited four incidents over the past two years, including a new allegation that the registrar, Lawrence C. Haake III, refused to issue an absentee ballot to a registered voter because the prospective voter would not give his Social Security number.

Cynthia Magnuson, a spokeswoman for the Justice Department, said the department has received the letter from Willis. It does not disclose which localities it will monitor until 24 hours before an election, she said.

Haake said he believes he is following the law.

But the State Board of Elections yesterday said Social Security numbers are not required. It said the Chesterfield Electoral Board, which supervises the registrar, should meet as soon as possible to consider the matter.

In a news release explaining his letter to John Tanner, chief of the Justice Department's Voting Rights Section, Willis said, "Chesterfield seems to be Virginia's No. 1 trouble spot for irregular voting procedures."

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He cited Election Day practices two years ago that the ACLU said disproportionately affected minority voters, such as the registrar asking for armed guards at the polling places. Haake said that because of heavy voting, he just wanted to maintain order.

Willis also said that in the same presidential election, county election officials misinformed voters that they must show identification to vote. If voters don't have identification, they are allowed to cast a provisional ballot after signing an affidavit that they are who they say they are.

Last year Haake refused to count provisional ballots submitted by people who had registered on time but whose applications were not processed in a timely manner.

Haake said he disagrees with the State Board of Election's interpretation of the law on Social Security numbers.

"The state board deals in abstract concepts, and we deal in realities," he said.

Contact staff writer Tyler Whitley at twhitley@timesdispatch.com or (804) 649-6780.

Citing Minority Voting Concerns, ACLU Seeks U.S. Poll Observers (AP)

By The Associated Press

AP, October 21, 2006

CHESTERFIELD, Va. -- The Virginia chapter of the American Civil Liberties Union is asking federal officials to monitor the Nov. 7 elections in Chesterfield County because of what the ACLU called a pattern of minority voter intimidation.

"My request stems from several recent incidents in Chesterfield, indicating that officials there may implement voting procedures that will have an adverse impact on minority voters," the ACLU's Kent Willis wrote to John Tanner, chief of voting rights for the U.S. Justice Department. The letter was sent Friday.

Willis cited several actions since 2004: --In October 2004, the county's general registrar, Lawrence Haake III, announced plans for security reasons to place armed guards at every polling precinct, a tactic Willis said was used in the past to intimidate black voters. --In November 2004, ACLU officials received complaints that county poll workers were restricting voters lacking identification. Willis said Virginia law allows voters to cast ballots without identification, provided they sign an affirmation of identity. --Requiring absentee voters to provide Social Security numbers. The State Board of Elections has said registrars can ask for Social Security numbers, but they cannot deny a ballot. --Refusing to count provisional ballots of voters who registered through the state Department of Motor Vehicles prior to registration deadlines, but whose applications had not been forwarded to the registrar.

"Chesterfield seems to be Virginia's number one trouble spot for irregular voting procedures," Willis said Friday of the suburban Richmond county. "The Justice Department ought to be present on Election Day in Chesterfield to ensure that racially fair procedures are in place."

Haake called the claims baseless and insisted he has followed state laws.

"We actually worked with the (U.S.) Department of Justice over the summer in a training program," he said.

"Federal observers can come or not, it doesn't matter," Haake said. "Everything we've done is consistent with the law."

Arizona May Use Voter-ID Law, High Court Says (WP)

By Charles Lane

The Washington Post, October 21, 2006

The Supreme Court ruled yesterday that Arizona may enforce a new state law requiring voters to show a photo identification card at the polls on Election Day this year, despite a pending lawsuit by opponents who say the measure will disenfranchise the poor, minorities and the elderly.

In its unanimous five-page ruling, the court did not decide whether the Arizona law was constitutional. Rather, it overturned a federal appeals court in San Francisco that would have blocked enforcement of the law until the opponents' suit could be decided.

That would take too long, the court said, noting that, "in view of the impending election," Arizona needed "clear guidance."

The actual impact of the Arizona law, which was approved in a statewide referendum two years ago but has not yet been applied, was still too unclear to justify changing the state's plans so close to Nov. 7, the justices said.

Most states permit voters to present alternative forms of identification such as a bank statement or utility bill.

But Arizona, which borders Mexico and has seen a surge in migration in recent years, is one of several states that have recently enacted a photo-ID requirement in response to reports that illegal immigrants and other ineligible voters have been casting ballots.

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The Arizona law requires voters not only to present proof of citizenship when they register but also to present a photo ID when they go to the polls. Those without a photo ID may cast a provisional ballot, but their votes do not count unless they can produce a valid identification card within five days.

Similar statutes in Georgia and Missouri have been struck down in court. An Indiana law was upheld, but a federal appeals court in Chicago is currently considering an appeal by opponents.

The Republican-controlled House recently approved the Federal Election Integrity Act, which requires voters in federal elections to present a photo ID at the polls. It also requires states to make such an ID available free of charge.

Because of the various lower-court cases, the Supreme Court may soon have to rule on the constitutionality of the photo-ID requirements.

The justices emphasized the limited scope of their decision yesterday. There are good arguments both for and against the Arizona law, the court said, but "we express no opinion here on the . . . ultimate resolution of these cases."

Opponents say that the ID requirement imposes an extra burden on minorities, the poor and the elderly, who are less likely than other citizens to have a driver's license, the most common form of state-issued photo ID. Opponents say that because states charge fees for photo IDs, requiring one to vote is tantamount to an unconstitutional poll tax.

Supreme Court Allows Arizona To Use New Voter-ID Procedure (NYT)

By Linda Greenhouse

The New York Times, October 21, 2006

WASHINGTON, Oct. 20 — The Supreme Court ruled unanimously late Friday that Arizona could put its new voter-identification rules into effect for the Nov. 7 election while challenges to those rules proceed in the lower federal courts.

In an unsigned opinion, the court granted Arizona's request to overturn an injunction issued this month by a two-judge federal appeals panel. The judges, A. Wallace Tashima and William A. Fletcher of the United States Court of Appeals for the Ninth Circuit, had acted at the request of a group of Arizona Indian tribes, the League of Women Voters and other groups who have joined to challenge the constitutionality of the rules.

The Supreme Court opinion made clear that it was not ruling on the merits of the case, in which the plaintiffs contend that Proposition 200, adopted by Arizona voters in 2004, places an unconstitutional burden on members of minorities and others who do not have ready access to the forms of identification required to register and to vote.

Justice John Paul Stevens filed a one-paragraph concurring opinion that offered an explanation for the court's action. "Allowing the election to proceed without enjoining the statutory provisions at issue will provide the courts with a better record on which to judge their constitutionality," Justice Stevens said.

The opinion criticized the appeals court judges for not providing "any factual findings or indeed any reasoning" in their four-sentence order granting the injunction, which had previously been denied by the federal district court in Phoenix.

Proposition 200 requires proof of citizenship before a person can register to vote. To receive a ballot at the polls, a voter must present a single form of photo identification or two forms of identification with the voter's name and address like a bank statement or utility bill.

Voters without proper identification can cast provisional ballots and provide identification within five days. No identification beyond a signature is required for those who cast an "early ballot."

Court: Ariz. Can Seek Photo ID For Vote (AP-Y)

By Mark Sherman

AP, October 21, 2006

The Supreme Court ruled Friday that Arizona may require voters to provide photo IDs when they cast their ballots next month.

The justices cautioned that they were not issuing a ruling on the constitutionality of Arizona's law. "As we have noted, the facts in these cases are hotly contested," the court said in an unsigned five-page order.

The ruling merely allows the Nov. 7 election to proceed with the photo ID law in place. Federal courts still will have to resolve a lawsuit contending that the law will disenfranchise numerous voters, particularly the elderly and minorities.

"This decision eliminates all confusion about what rules will be followed for the Nov. 7 general election," Arizona Attorney General Terry Goddard said.

Courts in Georgia and Missouri have blocked similar laws.

Justice John Paul Stevens, in a brief concurring opinion, said the high court's action makes it more likely that the constitutional issues "will be resolved correctly on the basis of historical facts rather than speculation."

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The law requires voters to prove citizenship when registering to vote and to show photo IDs when they go to the polls. The law was meant to make sure illegal immigrants weren't casting ballots.

Opponents of the law contend it discourages some people from voting, including the elderly, poor and disadvantaged who don't always carry IDs. Nina Perales, an attorney for the Mexican American Legal Defense and Educational Fund, said the ruling "means many voters will be turned away from the polls on election day" because they lack the required ID.

Arizona residents, Indian tribes and community groups filed suit in May.

A federal judge ruled the state could enforce the law. But the 9th U.S. Circuit Court of Appeals later blocked it from taking effect for the Nov. 7 election.

In his bid to allow the state to go forward, Goddard told the justices that "voter registration at the polls is an emerging issue of national importance. States have a compelling interest in curbing fraud and protecting the integrity of elections."

Voters without proper ID may cast provisional ballots and furnish identification within five business days of the election.

Lacking photo identification, voters still can cast ballots during the state's early voting period. State officials said there is ample time to compare signatures on the ballot with those on registration rolls.

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Associated Press writer Paul Davenport in Phoenix contributed to this report.

High Court Allows Arizona To Enact New Voter ID Law (LAT)

By David G. Savage, Times Staff Writer

The Los Angeles Times, October 21, 2006

The ruling reverses one by the 9th Circuit. It is expected to benefit Republicans at the polls.

WASHINGTON — The Supreme Court cleared the way Friday for Arizona to enforce a new rule for next month's election that requires most voters to show proof of identification before casting a ballot.

In an unsigned and apparently unanimous opinion, the justices reversed a ruling by the U.S. 9th Circuit Court of Appeals in San Francisco that had blocked the Arizona law from taking effect this year.

The justices emphasized that they were not ruling on the still-pending constitutional challenge to the law. They also noted that the law included some exceptions for eligible voters without photo identification.

Nonetheless, Friday's order is likely to be seen as a benefit for Republican candidates and a setback for Democrats.

In recent years, Republicans in Congress and in many state capitals have pressed for voter-identification requirements at the ballot box. They say these rules are needed to combat fraudulent voting.

These laws have been opposed by Democrats and civil rights advocates. They say that there is little evidence of such fraud and that the requirements are designed to suppress voting by poor, elderly, disabled or minority persons who do not have a government-issued photo identification, such as a driver's license.

Courts in recent weeks have blocked new voter ID laws in Georgia and Missouri. A challenge to an Indiana law is before an appeals court.

The Arizona measure was approved in 2004 by 56% of the vote as part of Proposition 200. Most of the controversy over this initiative involved its provisions for cutting off public benefits to immigrants.

Under Arizona's law, eligible voters who do not have the required identification may vote as many as five days before election day. This gives election officials time to match their signatures with voter rolls. Voters without identification may cast a provisional ballot on election day, but their vote will be counted only if they furnish the required identification within five days.

In May, the American Civil Liberties Union, the League of Women Voters and several other civil rights groups sued to block the voter identification rule from being enforced Nov. 7. They called the rule a "21st century poll tax" because it could force some poor voters to purchase photo ID cards. Some voting rights experts also said this requirement could significantly depress voting by the state's Navajos.

A federal judge refused to block the law from taking effect, but on Oct. 5, a two-judge panel of the 9th Circuit issued an order saying the law could not be enforced for the upcoming election. The appeals court did not explain its ruling.

Arizona's attorney general asked the Supreme Court to intervene. And on Friday afternoon, the high court issued a six-page opinion that set aside the 9th Circuit's order. It noted that the 9th Circuit's "bare order" did not give a good reason for blocking the law from taking effect.

The court, however, said its decision was not intended to express an opinion on the outcome of the case, which must still be argued.

The opinion cites arguments on both sides. A state has "a compelling interest in preserving the integrity of its election process," the court said. At the same time, it noted that the "possibility that qualified voters might be turned away" required careful consideration of a challenge to the law.

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ANTITRUST:

Groups Balk Over Buyout (AP)

By John Dunbar

AP, October 21, 2006

WASHINGTON - Consumer groups say concessions offered by AT&T Inc. as it seeks government approval of its buyout of BellSouth Corp. fall far short of what's needed for the deal to be in the public interest.

The Justice Department has signed off on the deal, but the Federal Communications Commission has not voted on it.

AT&T contends it has offered a full range of accommodations, including $10-a-month Internet access, free modems, promises to temporarily freeze prices for competitors that use the company's networks and even a program to return to the United States some jobs that were shipped overseas.

Gene Kimmelman, vice president of federal and international affairs for Consumers Union, the publisher of Consumer Reports magazine, described AT&T's conditions as "things they think make them look good" and part of a marketing strategy rather than a sincere effort to preserve competition.

Opponents of the deal, whose views often closely track those of the commission's two Democrats who managed to delay a planned FCC vote, would like to see AT&T beef up its offer in three main areas:

· Stronger assurances by the company that it will not discriminate against certain kinds of Internet traffic, a concept known as "network neutrality."

· Offer "naked DSL," or stand-alone digital subscriber line service, that is priced competitively.

· Lower prices for "special access" customers -- service offered to capacity-hungry customers, such as large businesses and Internet service providers, that guarantee a dedicated high-capacity link to distribute voice and data.

Robert Quinn Jr., AT&T's vice president for federal regulatory affairs, briefed reporters Friday to defend his company's offer in advance of a Tuesday deadline for comment. He said AT&T has put a "full slate of conditions on the table" tailored to satisfy the public interest.

He pointed to two major benefits of the BellSouth buyout: greater availability of low-priced high-speed Internet access to customers in the AT&T-BellSouth service area, and the future benefits of video services for BellSouth customers to compete with the cable industry.

The deal would unite AT&T, which dominates much of California, Texas and the Midwest, with BellSouth, whose home base is in Atlanta and provides local phone and Internet access to the Carolinas, Florida, Georgia and Louisiana.

A vote is expected at a commission meeting on Nov. 3, though it does not appear that AT&T and consumer groups agree on the three major issues.

On network neutrality, AT&T says it has promised to adhere to a set of FCC principles that bar discrimination in the handling of Internet traffic.

On "naked DSL," Quinn said the company doesn't want to make guarantees about pricing that might hurt it competitively.

AT&T also says its rates for special-access customers are competitive and have even dropped in some areas.

AT&T To Fight Calls To Jettison Airwaves (BLOOM)

Bloomberg, October 21, 2006

They will be used to carry wireless high-speed Internet service.

AT&T Inc. will fight calls by opponents of its $81 billion purchase of BellSouth Corp. to divest airwaves intended for wireless high-speed Internet service, a company lobbyist said.

AT&T, the biggest U.S. telephone company, plans to use the airwaves for emerging "WiMax" broadband services, Senior Vice President Robert Quinn said Friday.

"Mobility is a feature that people are going to want to have," Quinn said. "We have every incentive in the world to utilize that spectrum."

Clearwire Corp., a wireless Internet service provider founded by mobile-phone pioneer Craig McCaw, is among the companies urging the U.S. Federal Communications Commission to force AT&T to sell WiMax spectrum that it would gain through the BellSouth deal. Without divestitures, the combined company could thwart independent carriers seeking to offer nationwide advanced broadband service, Clearwire told the FCC in an Oct. 18 letter.

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Spectrum divestitures weren't among the conditions that San Antonio-based AT&T proposed last week in an effort to persuade at least three of the FCC's five members to support the BellSouth purchase.

"The commitments we put on the table were basically to expand the WiMax trials that we have," Quinn said. "We can't both divest spectrum and expand our offerings in those markets."

FCC approval is the last regulatory hurdle AT&T must surmount to finish the transaction. The Justice Department and 18 states have cleared the deal without conditions.

Judge: Petco Vote Can Go Ahead (SDUT)

By Frank Green, Union-tribune Staff Writer

The San Diego Union-Tribune, October 21, 2006

Dissident shareholders fail to stop meeting

A judge declined yesterday to block a Monday meeting at which Petco shareholders will vote on the proposed sale of the company to two private investment firms.

Attorneys representing dissident shareholders had wanted a temporary injunction halting the meeting so that shareholders could, among other remedies, be provided with additional information on how the company's board chose Leonard Green & Partners and Texas Pacific's $1.8 billion bid over a higher offer from PetSmart.

In turning down the injunction request, San Diego Superior Court Judge John S. Meyer said there was not enough time "to add some discrete information to the proxy" with Monday's meeting looming.

He added that he was not sure whether an injunction was appropriate. He voiced concern during the hearing about possible damage to Petco's stock price if there should be a delay in the vote.

Petco shares rose a penny yesterday to close at $28.84 on the Nasdaq.

The San Diego-based pet supplies firm, which has more than 800 stores, announced July 14 that it had a $1.8 billion stock and assumed debt deal with Leonard Green and Texas Pacific, which had previously owned Petco.

Petco would be bought for $29 a share – a 49 percent premium over the trading price of $19.45 a share the day before the announcement. The two private equity firms plan to make Petco a private company.

During the negotiating process, Petco's board passed on a $33-a-share offer by rival Pet-Smart, which has about 860 stores, because of what Petco said were concerns that antitrust questions could delay a deal indefinitely.

Darren Robbins, a partner in the law firm of Lerach Coughlin Stoia Geller Rudman & Robbins representing shareholders, expressed disappointment in the judge's decision to allow the shareholders' meeting to go forward.

He said that the class-action lawsuit brought by his clients against Petco's directors and executives in July would proceed. It seeks between $300 million and $400 million in damages from the company, claiming that Petco's board and management were unduly influenced in their decision by their close ties to Leonard Green and Texas Pacific. A trial date has not yet been set.

Some Petco directors and executives have been with the company for many years, and several were on hand when the two private equity firms spent $600 million to acquire Petco stock in October 2000 to take the com pany private. Petco said in its proxy statement that it anticipated its current managers would hold similar positions following the sale.

Analysts expect shareholders to overwhelmingly approve Petco's sale to the two firms. The meeting is scheduled for 10 a.m. Monday at Homewood Suites by Hilton, 11025 Vista Sorrento Parkway, San Diego.

"I don't see any point in shareholders voting this down," said Joan Storms, an analyst who covers Petco for Wedbush Morgan Securities in Los Angeles.

After taking Petco private, Leonard Green and Texas Pacific are likely to pare costs as they prepare the firm for a possible sale or a new public offering in the next several years, analysts said.

The deal is being financed largely by debt that Petco will repay, so it will need to maintain a strong cash flow to make the payments, added analysts.

In a typical leveraged buyout, the buyer "sees some asset that is undervalued," said Paul Kedrosky, executive director of the von Liebig Center for Entrepreneurism and Technology Advancement at the University of California San Diego. "They aren't buying the company because it's efficiently run."

Regions, AmSouth Merger Wins Fed Approval (HT)

By Wayne Smith, Times Business Editor Wayne.smith@htimes.com

The Huntsville Times (AL), October 21, 2006

$10 billion deal expected to close in early November

Regions Financial Corp. and AmSouth Bancorp. said late Friday that the Federal Reserve Board has approved their planned merger.

The announcement came one day after AmSouth said it had reached an agreement with federal regulators to sell 52 branches in Alabama, Mississippi and Tennessee. That agreement resolved antitrust concerns raised by the Department of Justice after the two Birmingham-based banks said last spring they planned to merge.

The offices for sale include five in Madison County, one in Decatur and one in Fayetteville, Tenn.

"We are pleased we have received the key regulatory approvals required for this merger and expect to complete the transaction in early November," Jackson W. Moore, Regions chairman, president and CEO, said in a prepared statement. "This moves us one step closer to creating a top regional financial services provider."

The combined bank will keep the Regions name. Moore will serve as chairman of the new Regions.

AmSouth and Regions announced plans in May to merge, and shareholders of both companies approved the $10 billion deal earlier this month.

The combination will create a bank holding company with more than $140 billion in assets, about $100 billion in deposits and nearly 2,000 branches in 16 states across the South, Midwest and Texas.

"Once we complete this merger, we can begin providing our customers with a wider range of products and services as well as more convenient locations," C. Dowd Ritter, chairman, president and CEO of AmSouth, said in a prepared statement. Ritter will serve as president and CEO of the new Regions.

Combined, the two companies employ about 37,000 people.

Officials have said as many as 10 percent of the employees of the combined bank, or some 3,700 workers, could lose their jobs.

Ripplewood Ponders Bid For Delphi (WSJ)

By Ianthe Jeanne Dugan

The Wall Street Journal, October 21, 2006

Offer for Auto-Parts Maker Could Surpass $10 Billion; Stallkamp Leads the Effort

Ripplewood Holdings LLC, a large New York-based buyout firm, is preparing a likely bid for Delphi Corp., the auto-parts giant that filed for bankruptcy protection last year, according to people familiar with the matter.

Ripplewood has examined the possibility of taking over the entire auto-parts maker, but a bid for just part of Delphi also is possible, these people said. The effort is being led by Thomas Stallkamp, a Ripplewood partner who formerly was president of Chrysler Corp.

A bid for all of Delphi likely would far surpass $10 billion, people involved in the discussions said. Delphi's enterprise value -- the value of all its stocks and bonds combined -- is estimated to total between $13 billion and $14 billion when it emerges from bankruptcy protection, according to stakeholders and officials who have been negotiating a restructuring for several months.

If Ripplewood makes a bid, it will join a short list of official contenders jockeying for stakes in Delphi. Appaloosa Management, a hedge fund that owns more than 9% of Delphi, has proposed pumping in several billion dollars in a deal that would give that firm more than a third of Delphi's stock after it emerges from bankruptcy. Also jockeying for a significant stake is Cerberus Capital Management LP, a large private-equity firm. It is unclear whether these investors could work out a deal in which they coexist or if one investors' bid would put the others out of the running.

No deal is likely to come together before mid-November. Delphi has indicated it is trying to come to an agreement with unions and General Motors Corp. by Nov. 8 over proposals to cut costs. It is working closely in that effort with GM, Delphi's former parent. GM also has provided financial assistance to Delphi, which has offered buyouts and early-retirement incentives that have been accepted by about two-thirds of its workers. in offering buyout. It's unclear what full role GM may play in assessing any bids for Delphi.

Any proposal would have to be approved by Delphi's board, which is meeting in early November. The board would likely seek input from creditors, shareholders and union representatives, who have been negotiating for months over the framework for the company's restructuring. Any deal will also need approval of the bankruptcy court. Delphi has said it intends to emerge from bankruptcy protection by early 2007.

Write to Ianthe Jeanne Dugan at ianthe.dugan@wsj.com1

Tops Sale Of Stores To Rival Defended (CLPD)

By Janet H. Cho, Plain Dealer Reporter

The Cleveland Plain Dealer, October 21, 2006

Ohio groceries lacked viable buyer, official says

Tops Markets LLC insists there was never a financially viable offer to buy all 46 of its grocery stores in Northeast Ohio.

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John Barrett, a senior vice president for Tops Markets in Williamsville, N.Y., said if Tops had received what it considered a legitimate proposal to keep all its stores open and hire all 4,000-plus employees, it would have taken it.

"We have a responsibility to our employees and our landlords to sell the stores to someone who has a business plan, a track record" and financial backing to ensure the deal wouldn't fall through, Barrett said. "There was nobody who could do it, nobody who had a track record of operating even one store successfully."

Barrett's remarks came at a meeting Friday with U.S. Rep. Dennis Kucinich, who is raising antitrust questions about Tops' decision to sell 18 of the stores to its principal competitor, Giant Eagle Inc.

Kucinich said he knows of at least two groups that have offered to buy all 46 stores and honor existing union contracts. When he pulled out a letter dated Oct. 18 from a private equity fund, Retail Group Partners Inc. of Kennesaw, Ga., Barrett said that group submitted its bid 10 days after Tops announced the Giant Eagle deal.

Barrett also hand-delivered a letter to Kucinich from Max Henderson Jr., Tops' executive vice president and general manager, explaining Tops' decision to exit Northeast Ohio after years of declining sales.

Barrett said Tops was increasingly being squeezed between mass discounters like Wal-Mart Stores Inc. and local competitors such as Marc's Deeper Discount Stores, Aldi, Save-A-Lot and Heinen's Fine Foods.

"The competition will become even more fierce as Wal-Mart moves forward with its planned Supercenter expansion into the area," Henderson wrote, referring to Wal-Mart's planned opening next year at the Steelyard Commons shopping center under construction in Cleveland. "Tops suffered considerably from the competitive environment, which contributed to declining sales. This, coupled with extremely high labor costs, made it impossible for Tops to continue to be operated in the area, especially in light of the oncoming onslaught from non-union operators, like Wal-Mart."

Barrett said "legacy labor contracts" in the Cleveland market meant it paid higher labor costs here than in its other union markets in New York, Boston and Washington, D.C. He said Tops couldn't afford to keep offering premium wages and benefits and compete with supermarkets that pay much lower salaries, offer fewer benefits and no pensions.

Tops watched its market share shrink and its net sales decline "in the double digits" in Northeast Ohio to the point where it had no alternative but to withdraw from the market, Henderson said.

Although Henderson did not directly address Kucinich's antitrust charges, he said the agreement to sell 18 stores to Giant Eagle "ensured that customers will have excellent stores in which to shop; has protected good jobs for the vast majority of employees . . . and has contributed to the ongoing economic well-being of the communities where these stores are located."

Barrett said Tops has 1,770 employees in the 18 stores Giant Eagle is buying, and Giant Eagle plans to hire 2,300 people, including butchers and bakers. He said Giant Eagle has received more than 3,000 applications from Tops employees for those jobs.

Tops aims to sell the remaining 28 stores to buyers who will keep the businesses as supermarkets and hire Tops employees.

"We're close to some agreements to get more stores sold," Barrett said.

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States Battle Weyerhaeuser Argument (OREG)

By Dylan Rivera, The Oregonian

The Oregonian, October 21, 2006

Competition - The U.S. Supreme Court will hear the timber giant's appeal for a tighter test on predatory bids

The U.S. Supreme Court will hear arguments next month about a ruling that Oregon and seven other states say is critical in stopping big companies from getting away with illegal monopolies in forest products, agriculture and high-tech goods.

Attorneys general from Oregon, California, Arizona, Iowa, Louisiana, Montana, West Virginia and Wisconsin recently submitted a court brief that comes down against an argument by Weyerhaeuser Co., the timber giant.

The case led to a $79 million judgment against Weyerhaeuser, prompting settlements and judgments totaling about another $50 million.

The states did not explicitly support a 2003 Portland federal jury verdict that found Weyerhaeuser had created an illegal monopoly in the market for alder sawlogs. But they wrote stridently against a tough new legal standard for antitrust plaintiffs that Weyerhaeuser is seeking. Rejection of Weyerhaeuser's argument and adoption of a more lenient one, the states wrote, could bar a single firm from dominating government timber auctions, protect small businesses and ensure competition for government contracts.

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"It's always significant when a government body, especially a major government body, signs on in support of a private plaintiff," said Jack Kirkwood, an antitrust expert at Seattle University School of Law who has consulted for the case's plaintiffs. "The states represent a public interest that the private plaintiff may not."

The states' chiming in raises the profile of a case that was fought mostly in obscurity until the last year or so. In part, it caught little attention because it dealt with alder, a native Northwest hardwood species used in musical instruments and furniture. It is not nearly as widespread as softwood lumber, such as Douglas fir, used in home construction.

It also mainly affects instances in which one competitor has at least 55 percent market share, one of many prerequisites for antitrust concern.

The case has caught national attention as a rare antitrust case to make it to the nation's highest court. As with all cases before the Supreme Court, the Weyerhaeuser case could set a precedent governing business competition nationwide.

Other elements, legal and political, add to the interest. It will be among the first major antitrust cases to be decided by a court that includes Chief Justice John Roberts and Justice Samuel Alito, and so could point to their position on antitrust issues.

The Weyerhaeuser case also presents questions about business conduct in competition for supplies, what economists call "inputs," for industrial processes. Antitrust cases more commonly turn on whether a large company unfairly reduced prices to undermine competitors, with the aim of controlling a market and, in the long term, using that power to increase prices.

The New York Times editorial board, in a critique of Bush administration antitrust enforcement last week, cited the alder log case.

"Not only has the government failed to bring many significant cases, it is opposing one brought and won by a third party," the newspaper wrote.

Trial in Portland

In a federal trial in 2003 in Portland, Ross-Simmons Hardwood Lumber Co. of Longview, Wash., alleged that Weyerhaeuser's Portland-based hardwoods division unfairly forced Ross-Simmons out of business.

Weyerhaeuser officials crafted exclusive contracts that guaranteed it could buy logs from some of the Northwest's largest landowners, causing log shortages for competitors, Ross-Simmons alleged. Weyerhaeuser bought alder sawlogs, even when it didn't need them, in some cases letting the logs rot rather than letting them to go to competitors, Ross-Simmons said.

The timber giant established a dominant presence in the market for alder logs, and plaintiffs say internal Weyerhaeuser documents showed a long-term plan to use that presence to force down the price it paid for logs.

Weyerhaeuser has denied all allegations in the lawsuit. It has settled cases that used the Ross-Simmons case as a precedent.

The issue before the Supreme Court pivots on how juries should decide when a dominant company's purchasing practices constitute illegal "predatory bidding."

Two-part test

The court has a well-established test for "predatory pricing," a more common illegal strategy in which companies offer products for below-cost prices to pressure competitors. In a 1993 case called Brooke Group Ltd. v. Brown & Williamson Tobacco Corp., the Supreme Court established that plaintiffs in predatory-pricing cases must meet a two-part test: They must show that a monopolist lost money by reducing prices and that it was likely to recoup its losses later by increasing prices.

Weyerhaeuser's attorneys say the Brooke Group test should apply to predatory bidding. But in the Ross-Simmons trial, they wrote, Judge Owen Panner used an unduly vague subjective test, like "throwing a marshmallow" at a jury.

Panner asked the jury to decide whether Weyerhaeuser bought more logs than it "needed" and whether it paid a higher price than "necessary" to prevent competitors from obtaining logs "at a fair price."

"Under the Ninth Circuit's wholly subjective rule, it is impossible for businesses to know what pricing decisions conform with the law," Weyerhaeuser wrote. "Firms accordingly will be forced to curb aggressive -- and desirable -- competitive bidding for fear of triggering unwarranted liability; and baseless litigation will be encouraged."

Other factors

The states attorneys general and Ross-Simmons' attorneys say the jury weighed more than just those few phrases, looking at Weyerhaeuser's dominance in the alder log market and evidence that the company intended to force competitors out of business.

The Brooke Group test is unworkable, the states argue. Monopolists could use other subsidiaries to offset losses in a given market so that they would not need to operate at a loss.

And, the states ask, what if the higher input cost is relatively small as a percentage of the product cost? Under that scenario, monopolists still could make profits while paying a much higher price for the input. And, if the input is essential to production of the end product, the increased price could cut off competitors and push them out of business.

Such a test would be too difficult for small companies to meet, the states wrote.

"You have a standard that we contend is not workable and will produce a lot of false negatives," said Emilio Varanini, deputy attorney general for California. "It will let a lot of people off who should not be getting off."

Varanini and Tim Nord, assistant attorney general for Oregon, co-wrote the states' brief, submitted Oct. 12.

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Feds Accuse Avaya In Antitrust Lawsuit (AP)

By LINDA A. JOHNSON, ASSOCIATED PRESS

AP, October 21, 2006

Communications company to appear at Nov. 14 hearing

TRENTON -- Business communications systems provider Avaya is accused in a federal antitrust lawsuit of illegally blocking competitors from providing maintenance and repairs to telephone equipment and software sold by Avaya.

Continuant of Fife, Wash., which operates a telephone system maintenance business throughout North America, said Wednesday that it countersued Bernards-based Avaya after the AT&T spinoff sued Continuant this summer.

The two parties are scheduled to appear in federal court in Trenton, where the two lawsuits were filed, for a hearing Nov. 14.

Avaya spokeswoman Lynn Newman declined to discuss the case.

Continuant's lawsuit asks the court to permanently bar Avaya "from continuing its anti-competitive conduct," including bundling service contracts with the sales of its telephones, cables and other telecom equipment, and keeping secret from competitors passwords necessary for maintaining the communications systems. Continuant also is seeking compensatory and punitive damages, legal fees and other costs.

"Avaya's the only company that has a policy like this," said Bruce Shelby, Continuant's vice president of sales.

"They say a customer doesn't have the right to access their system to perform maintenance."

Shelby said his company believes that is illegal and that Avaya is overcharging its customers for maintenance when its service level has declined because of a series of major layoffs.

Avaya filed suit against Continuant and two sister companies on June 5, accusing them of misappropriating trade secrets, interfering with contractual relations, misrepresentation, libel and other offenses.

Avaya later amended its complaint, and Continuant filed a countersuit on Aug. 21, but did not announce it until Wednesday.

Like other telecommunication equipment makers, Avaya has been trying to boost the continuing revenues that come from maintaining communication systems, rather than relying heavily on one-time sales. The company has been struggling with rising costs, falling profits and a depressed share price, culminating with the replacement of its president and chief executive, Donald K. Peterson, in July.

Update: Vista Security Discussions Off To Bad Start (IDG)

By Robert McMillan, IDG News Service

IDG News Service, October 21, 2006

Technical glitch keeps key security rivals from joining first online discussion of contentious Vista kernel seccurity

Security vendors looking to gain insight into Microsoft's plans for opening up the Vista operating system kernel were frustrated Thursday morning when a technical glitch kept many from joining the first online discussion of this issue.

"Oops," wrote Microsoft Senior Product Manager Stephen Toulouse in a blog posting on the subject. "We had a glitch where we sent out a messed up link. ... We're very sorry about that, it certainly was not intentional and we definitely see that was not a good thing for people to experience on such an important topic."

Microsoft set up the meeting to talk about how it plans to give security vendors access to Vista's kernel on 64-bit systems. This has been a contentious issue, as Microsoft had initially planned to lock software vendors such as Symantec and McAfee out of the kernel, claiming that this would make Vista more secure. The security vendors said this would harm their products, and Microsoft finally capitulated, after first being warned by European Union regulators.

Microsoft rescheduled its Thursday morning Web conference after it realized it had sent out a bad LiveMeeting link to participants, but in the end some security vendors were shut out of the meeting.

Most of Symantec's team, for example, was unable to attend. "It turned out that everybody on our team was not able to make the first meeting but one guy," said Cris Paden, a Symantec spokesman.

Microsoft has set up a second meeting for later in the day Thursday to take questions from those who missed the first, Paden said. A further meeting is also planned for Monday, according to Toulouse.

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Late Thursday, McAfee said there was "little indication" that Microsoft planned to live up to its promise, made late last week, to work with security vendors on several issues relating to Vista. "We have been greatly disappointed by the lack of action by the company so far and Microsoft has not lived up, either in detail or in spirit, to the hollow assurances offered by their top management," said Christopher Thomas, McAfee's outside legal counsel in Brussels, in a statement. Thomas is a partner with the Lovells law firm.

Sunbelt Software President Alex Eckelberry said that the mix-up was due to an honest mistake with Microsoft's conferencing software. "Someone at Microsoft accidentally sent out the LiveMeeting presentation invites as "presenter," which if you've ever used LiveMeeting, is an invitation to chaos," he said in a blog posting. "Realizing their error, the meeting was rescheduled for 30 minutes later, and that didn't all come together, because the meeting had been originally setup to end at 12:30, [Eastern time] so we were promptly all kicked off."

"While I have my disagreements with Microsoft on the PatchGuard issue, I must defend them in this instance," he added. "It was a case of a few honest mistakes made by well-intentioned people, probably working under a tremendous amount of stress."

Microsoft has said it expects to make new kernel APIs (application programming interfaces) for security products available as part of the first major, "service pack," update to Vista. Security vendors are pushing to have them included sooner.

Microsoft Partners Fume Over Vista Security Stance (AP)

By Jordan Robertson

AP, October 21, 2006

Microsoft Corp. is no stranger to antitrust skirmishes and complaints from competitors about unfair business practices.

But the latest fight over its upcoming Vista operating system pits Microsoft against an unlikely adversary: the security software vendors who are some of its most intimate partners in protecting its notoriously vulnerable systems from attacks.

As Vista's planned release nears, the company is facing a backlash from such vendors as Symantec Corp. and McAfee Inc., which argue that even the concessions Microsoft recently made to appease European antitrust regulators won't do enough to help them best protect their customers.

"We've been talking to them for over two years on this issue," said Rowan Trollope, Symantec's vice president for consumer engineering. "And now (with) basically a very short amount of time before the operating system comes out, we're not in a good position to provide that security to our customers."

Ultimately, consumers will decide whether Microsoft's own security measures are adequate to combat increasingly sophisticated Internet threats and keep personal data safe from hackers and online criminals.

But the showdown also marks an important turning point in how computer users buy security software.

Microsoft now competes directly with Cupertino-based Symantec and Santa Clara-based McAfee with its own product, called OneCare, posing a substantial threat to vendors who have been vital to protecting generations of Microsoft operating systems.

European antitrust regulators have warned Microsoft not to shut out rivals in security software and other markets, and the European Union so far has fined the Redmond, Wash., company $970 million over the current flavor of Windows.

To quell EU concerns about Vista, Microsoft pledged to make key changes, but the vendors remain unsatisfied and have threatened antitrust lawsuits. McAfee issued a statement Thursday complaining of the company's failure to live up to "hollow assurances."

Industry analysts said Microsoft's new dual role could inadvertently make the operating system more vulnerable.

"Microsoft's priority should be simple: Fortify the operating system, make it secure, make it as impenetrable as possible, but work with the third parties," said Joe Wilcox, a senior analyst with Jupiter Research.

Vista will be Microsoft's first major upgrade to its flagship operating system since Windows XP's release in 2001. The company touts Vista's sleeker looks, improved search capabilities and simplified organization as key upgrades over previous systems.

But several key security changes prompted Symantec and McAfee officials to launch withering public attacks in recent weeks.

Executives accused Microsoft of unfairly promoting its own security software with a dashboard that couldn't be disabled by vendors. The company pledged technological information to turn off the feature, designed to help customers easily see what protections are switched on.

Vendors also howled over an icon on the welcome screen linking to Microsoft security products. Microsoft refused to remove the link but has vowed to link to other security companies.

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The biggest - and currently unresolved - fight hinges on vendors' claims they have been locked out of access to the core, or kernel, of higher-end, 64-bit versions of Vista.

A new feature called PatchGuard is meant to protect the most sensitive information in the guts of the system. While blocking out hackers, PatchGuard also keeps out security vendors that have traditionally been allowed inside to retrieve necessary information.

Vendors said their products will thus lack advanced security features for 64-bit users (The 32-bit version that consumers are likely to get does not include PatchGuard and thus offers access to the disputed data).

Microsoft said the methods previously used were undocumented and unsupported and left the system less secure and less stable. Customers, the company said, demand better security.

The company has agreed to permit limited kernel access, but will not provide a "blanket exception" or turn off the feature entirely, said Stephen Toulouse, a senior program manager in Microsoft's Security Technology Unit.

"We did look at that, but we got consistent feedback that that wouldn't be a good option for the customer," he said. "We want to make clear that we will work with those vendors. It will take some time, but we're committed to making that happen."

Microsoft held online briefings with security vendors on Thursday to address their concerns, though technical difficulties booted some vendors out.

Security vendors said their engineers are going to have to scramble to update their software once the technical tools they need become available, which could be months away.

Vista begins shipping to computer manufacturers and larger businesses next month. Consumers should be able to buy the new operating system in January.

"We're turning blue holding our breath waiting for something to happen," McAfee chief scientist George Heron said in an interview. "And frankly so are the users. This is the 11th hour. Now is not the time to crack open the designs."

In the meantime, third-party vendors said their products will work but won't have maximum protection. Microsoft said its products will adhere to the same rules and won't have an unfair advantage.

Security experts said it's unclear whether Microsoft's stance on protecting the kernel will make Windows more secure, though it will likely challenge hackers to try to crack it.

"No matter how secure any operating system is, if it has been built by man, it can be broken by man," said Ken Dunham, director of the rapid response team at VeriSign Inc.'s iDefense Intelligence. "While it might be a major improvement, there is no silver bullet."

Vendors said customers are likely to agree.

"It's a little bit like the fox guarding the hen house," Symantec's Trollope said. "If Microsoft can control the ways that companies can innovate, if they can control the dialogue of security with the customer, you end up with a security monoculture. And that's unacceptable."

Gartner: Vista Antitrust Tweaks To Take Years (CNET)

By Joris Evers, Staff Writer, CNET News.com

CNET News, October 21, 2006

Analyst firm says changes to the 64-bit version of the OS update could also cause compatibility trouble in the interim.

Antitrust related changes to security in Windows Vista 64-bit will take years to complete and will cause compatibility trouble in the interim, according to Gartner.

Users of security technologies such as host intrusion-prevention systems, or HIPS, should postpone buying 64-bit versions of Vista, Gartner analyst Neil MacDonald wrote in a research note published on Wednesday. MacDonald also noted that many integrated security products today include HIPS functionality.

"Recognize that many of these products will not deliver full functionality using 64-bit Vista," MacDonald wrote. "Do not plan for initial use of 64-bit Vista if you are using incompatible products for which no suitable alternative exists." People should ask their security vendor for Vista compatibility guarantees, he suggested.

In response to antitrust concerns from the European Commission, Microsoft last week said third-party security software will be able to interact with the kernel of 64-bit versions of Vista. Security companies had requested that capability, but Microsoft had denied it until it capitulated under pressure from regulators.

Security companies now have unfettered access to the core of 32-bit versions of Windows. But they complained that a kernel shield called PatchGuard in 64-bit versions of Vista, which is intended to stop hackers, blocks security products, too. 64-bit Windows is expected to eventually supplant 32-bit versions.

While Microsoft has promised to give its security rivals controlled access to the Vista kernel, the programming interfaces to do so still need to be developed.

"Our goal is to provide an initial set of documented, supported kernel interfaces in the Windows Vista SP1 (Service Pack 1) timeframe, recognizing that this will require collaboration from our industry partners," Ben Fathi, the outgoing corporate vice president of Microsoft's Security Technology Unit said in a statement late Thursday.

Gartner expects SP1 to be released in early 2008 and predicts that more programming interfaces related to the kernel will be delivered with SP2 or later. All these changes could have a negative effect on Vista, MacDonald wrote.

"Any kernel changes may have a 'ripple effect' up the software stack and will require retesting of all of Windows Vista applications," he wrote.

The timing is much to the dismay of some security companies, including McAfee. "Microsoft has not lived up, either in detail or in spirit, to the hollow assurances offered by their top management last week," Christopher Thomas, a partner at McAfee's Brussels-based law firm Lovells, said in a statement Thursday. Vista is scheduled for release to manufacturers in November and for sale to the public in January.

Access to the Vista kernel is one of two concessions Microsoft made. The Redmond, Wash., software giant has already provided security companies with a way to disable alerts sent out by the Windows Security Center, if their third-party protective software is installed.

ENVIRONMENT/INDIAN AFFAIRS:

Sunny Side Up (NYT)

By Claudia H. Deutsch

The New York Times, October 21, 2006

General Motors liked the idea of using the sun to power its buildings. But until recently, one immutable economic fact held G.M. back: The upfront costs were simply too high to justify the ultimate payoff.

G.M. is not alone. Even solar energy's biggest fans concede that the high investment costs have kept companies from pursuing what is arguably the cleanest, most renewable and least politically sensitive energy source around.

But now, G.M. and a small but growing number of other companies and municipalities are getting solar energy from systems installed by others. Even though the installations are right on their own roofs, they buy the electricity much as they would from a utility's grid. And because the companies that paid for the systems will get a steady income, they can provide power from the sun at competitive electricity rates.

Since June, the roof of G.M.'s parts warehouse in Cucamonga, Calif., has been host to a photovoltaic array with the ability to generate as much as 1.5 million kilowatt hours of electricity a year. The installation, which G.M. expects will provide half of the building's electricity, cost G.M. nothing.

A solar developer called Developing Energy Efficient Roof Systems — commonly called Deers — bought the equipment with money it raised from private financiers. Deers and its investors own the cells; G.M. signed a long-term contract to purchase the solar-generated electricity from them, at a discount to the prevailing rate for electricity in the region.

These days, that rate is 9 cents to 10 cents a kilowatt hour; G.M. expects that the solar system will reduce its overall electricity costs by 10 percent a year.

"We assume the risk, because we know that companies like G.M. have budgets to buy electricity, not to spend millions of dollars generating it," said Jack P. DeLiddo, president of Deers.

G.M. is already negotiating with Deers to put a similar solar array on a warehouse in nearby Fontana. "The savings are small, but it's exciting to create such an environmentally sound project without any need to shell out capital," said Kamesh Gupta, manager of planning and programs for General Motors Energy and Utility Services, which purchases all the energy used by G.M.

Similar deals are cropping up elsewhere. Some specify that the users pay the solar developers a fixed rate for electricity, while others specify a fixed discount to the going rate.

Other factors are involved as well. The parties generally negotiate who will retain potential credits for reducing carbon emissions. When the developers and their backers keep the carbon abatement credits, they generally plan to sell them to companies that might otherwise have trouble complying with rules planned in California and expected elsewhere aimed at limiting global warming.

The electricity users could do that, too, but some of them might also use the credits to offset emissions from other parts of their operations.

But the same logic underpins all of the deals: The electricity users get a clean, reliable source of energy. The developers and their backers get an equally reliable return on their investment — which can be as high as $6,000 per kilowatt hour of capacity — as well as the tax credits and rebates that California and other states offer for renewable energy projects.

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"Corporations like solar energy, but they would rather make sizable investments in their core businesses," said Craig Hanson, head of the Green Power Market Development Group, a consortium of large companies working under the auspices of the World Resources Institute to promote renewable energy. "But for the financiers, it's like buying the bond of a triple-A-rated company. It may not offer a 20 percent return, but it's a stable and secure investment."

The "solar services model," as Mr. Hanson calls the solar contracts, is drawing interest from a diverse group of companies and financiers.

Alcoa is negotiating with developers to put solar cells on a manufacturing plant, although it will not specify details. General Electric Energy Financial Services has installed solar roofs that provide half the electricity used by 23 San Diego schools.

Kevin Walsh, the G.E. unit's manager for renewable energy, said the company was installing another seven. "For a financier like us, it's a nice, steady stream of revenue with the risk virtually eliminated," Mr. Walsh said. His unit, he said, is negotiating with a "big box retailer" to install solar roofs on some of its stores.

Retailers, which normally operate with the kind of razor-thin margins that cannot support large capital investments on anything but the core business, have been particularly receptive to the solar services model.

Whole Foods Market, in a deal with SunEdison, a solar project manager financed by a group of investors that includes Goldman Sachs, has solar cells providing about 10 percent of the energy it uses in three stores and one warehouse, and plans many more. "There's just no downside," said Jennifer McDonnell, green mission specialist for Whole Foods.

Staples, which has two distribution centers in California that derive about 15 percent of their electricity from 280 kilowatt solar arrays installed by SunEdison, also plans new ones. It recently put a 120 kilowatt system on an office building in Englewood, N.J., and is planning a large solar array for a distribution center in Killingly, Conn.

Mark Buckley, vice president for environmental affairs, said he had identified 140 stores that seemed to be prime candidates for similar installations.

"We are a frugal business with low margins, so we cannot justify the cost of a solar system," he said. "This way, we've got no capital investment, no operating expenses, and we're lowering our energy costs even as we reduce our carbon emissions. This is a true win-win."

That does not mean the deals are free of risk. They are not feasible in locations where the sun does not shine consistently through the year, or in states that do not offer tax incentives and rebates.

The economics do not work for the many industrial companies that have negotiated below-market electricity rates. Users must commit to buying a set amount of energy for at least 10 years.

Older buildings often have aged roofs that cannot support conventional photovoltaic cells (although Mr. Walsh of G.E. Energy Financial Services said his group used a technology that embedded the photovoltaic cells in a new, and removable, roof).

Companies must also persuade their own managements — or in the case of leased buildings, their landlords — to allow the installations. And, of course, the economics only make sense to people who think that prices for conventional energy will keep rising.

"We have an incentive to make sure the systems work well, because that's how we make our money," said Jigar Shah, who founded SunEdison in 2003 and is generally thought to have pioneered the solar services model. "But let's face it, we are putting a hole in their roof, so they have to trust we can do it properly. And if you think electricity rates will go down, these long-term contracts don't look good."

But few economists are predicting that electricity rates will plummet. And, even if they do, solar energy would still appeal to companies worried about carbon emissions and looking at ways to improve their public image.

"The energy is clean, and the fixed-price agreement doesn't fluctuate," Ms. McDonnell of Whole Foods said. "Seeing whether solar would work is now on our check list for every one of our new stores."

Future Forecast: Extreme Weather (WP/AP)

By Seth Borenstein

The Washington Post, October 21, 2006

The world -- especially the Western United States, the Mediterranean region and Brazil -- is likely to suffer more extended droughts, heavy rainfalls and longer heat waves over the next century because of global warming, a new study forecasts.

But the prediction of a future of nasty extreme weather also includes fewer freezes and a longer growing season.

In a preview of a major international multiyear report on climate change that comes out next year, a study from the National Center for Atmospheric Research details what nine of the world's top computer models predict for the lurching of climate at its most extreme.

"It's going to be a wild ride, especially for specific regions," said the study's lead author, Claudia Tebaldi, a scientist at the federally funded academic research center.

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Tebaldi pointed to the Western United States, Mediterranean nations and Brazil as "hot spots" that will get extremes at their worst, according to the computer models.

Some places, such as the Pacific Northwest, are predicted to get a strange double whammy of longer dry spells punctuated by heavier rainfall.

As the world warms, there is likely to be more rain in the tropical Pacific Ocean, and that will change the airflow for certain areas, in much the same way that El NiÃ±o weather oscillations now do, said the study's co-author, Gerald Meehl, a top computer modeler at the research center. Those changes will affect the Western United States, Australia and Brazil, even though it's on South America's eastern coast.

For the Mediterranean, the issue has more to do with rainfall in the tropical Atlantic Ocean changing air currents, he said.

"Extreme events are the kinds of things that have the biggest impacts, not only on humans but on mammals and ecosystems," Meehl said. The study, to be published in the December issue of the peer-reviewed journal Climatic Change, "gives us stronger and more compelling evidence that these changes in extremes are more likely," he said.

The researchers took 10 international agreed-upon indexes that measure climate extremes -- five that deal with temperature and five with precipitation -- and ran computer models for the world through 2099. What Tebaldi called the scariest results had to do with heat waves and warm nights. Everything about heat waves -- their intensity, length and occurrence -- worsens.

"The changes are very significant there," Tebaldi said. "It's enough to say we're in for a bad future."

The Population Boon (WSJ)

The Wall Street Journal, October 21, 2006

"How will we house the next hundred million Americans? . . . How will we educate and employ such a large number of people? How will we provide adequate health care when our population reaches 300 million?"

-- President Richard Nixon, 1969

President Nixon didn't live to see his questions answered, but this week the U.S. population surpassed the 300 million mark. And surprisingly, given the tenor of the reaction to the last hectomillion milestone, reached in 1967, the 300 millionth American was not greeted with the same wailing and gnashing of teeth as the 200 millionth. Call it progress.

Around the time the country's population hit 200 million, biologist Paul Ehrlich, always good for a bit of doom and gloom, compared "America's pride in her growing population . . . to a cancer patient's pride in his expanding tumor," according to Time magazine. Stewart Udall, a former Secretary of the Interior, thought 100 million sounded like a better number than 200 million. Messrs. Ehrlich and Udall are still among our 300 million, but their population bomb has conspicuously failed to explode, which may go some way toward explaining why, in the popular imagination at least, this week's milestone did not prompt widespread anxiety about the future.

HOT TOPIC

The United States: 300 Million and Growing1

In Japan and Western Europe, population implosion has become the crisis of the moment. Birth rates in most Western European countries are now so low that governments are busily looking for ways to avoid a very different kind of demographic catastrophe. The problem posed by Europe's aging population is exacerbated by its reliance on intergenerational transfer payments to support its public pension systems; America, with both a greater emphasis on wealth accumulation and a higher birth rate, is comparatively better off. Demographics and Social Security are on a collision course here as well, but Europe's difficulties in this regard make America seem fortunate by comparison.

China, thanks to its draconian one-child policy, also faces a demographic challenge, embodied in the oft-heard refrain that the Middle Kingdom risks becoming the first country ever to grow old before it grows rich. Population-control measures have resulted in a shortage of women and girls, one of many unintended consequences of the population-control hysteria of the 1960s and 1970s.

At bottom, the debate over population revolves around a single question: Are human beings a burden, or a resource? The former view is embodied by the Ehrlich and Nixon quotes above. More bodies mean more mouths to feed, house and provide for. At a certain point, in this perspective, you run out of stuff.

The latter view holds that people don't just consume things. They make them too. More bodies mean more minds, more innovation, more dynamism and more progress. The history of the world as America went from 100 million or 200 million to 300 million lends a lot more support to the humans-as-resource view than the humans-as-burden view. In the middle of the last century, the fathers of the population-control school of thought warned darkly that when world population reached seven billion, the "carrying capacity" of the planet would be reached. Mass starvation and political upheaval would be the inevitable result. Well, we're getting right up there, but the bread lines are getting shorter, not longer.

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Simply put, the reason is prosperity. For decades, economic growth has easily outstripped population growth, giving the U.S., and much of the rest of the world, both more people and more prosperity, something presumed to be impossible by the Malthusians. Meanwhile, the slowdown in population growth brings a whole new set of challenges. To meet them, America and the world will need more minds generating new ideas. Four hundred million, here we come.

Court Limits U.S. Authority At Casinos (AP-Y)

By Erica Werner, Associated Press Writer

AP, October 21, 2006

The federal government can't make rules for the ways Las Vegas-style games are played at Indian casinos, an appeals court ruled Friday in a blow to efforts to regulate the booming, $22 billion tribal gambling industry.

The decision by a three-judge panel of the U.S. Court of Appeals for the District of Columbia Circuit arises from a dispute in Arizona between the Colorado River Indian Tribes and the National Indian Gaming Commission, the federal agency that oversees Indian casinos.

The commission tried in 2001 to audit the tribe's casino in Parker, Ariz., to ensure compliance with recently enacted federal standards for how games like blackjack and slot machines are run. The tribe objected, contending the commission was overstepping its authority under the National Indian Gaming Regulatory Act.

A federal district court sided with the tribe, and the appeals court agreed in an 11-page ruling. While federal law gives the gaming commission some authority over games like lotto and bingo on Indian land, the big moneymakers like blackjack and slots — classified as "Class III" games — are outside the commission's jurisdiction, said the ruling written by Judge A. Raymond Randolph.

"What is the statutory basis empowering the commission to regulate Class III gaming operations?" the ruling asked. "Finding none, we affirm" the lower court's decision.

Tribes can open Las Vegas-style casinos only after they sign a "compact" with their state's governor, and the court asserted there was no federal role in regulating the game-playing.

Tribal gambling has grown explosively since Congress established the legal framework for it in 1988, and there are now more than 400 Indian gambling facilities operated by 223 Indian tribes in 28 states.

With the growth have come conflicts as tribes have asserted their sovereignty as independent governments. Local and state governments have sought to sketch out some authority, and the federal government increasingly has attempted to regulate aspects of Indian gambling from labor to slot machine standards.

The National Indian Gaming Association welcomed the ruling as a victory for tribal sovereignty.

"Today, the federal court of appeals told us what Indian tribes always knew — it is not the NIGCs job to establish federal regulations that override the sovereign decisions of tribes and states made through Class III gaming compacts," the association's chairman, Ernest Stevens, Jr., said in a statement.

Officials with the National Indian Gaming Commission did not immediately return calls seeking comment.

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On the Net:

The court: http://www.cadc.uscourts.gov/internet/internet.nsf

FBI/DEA/ATF/USMS:

Two Plead Guilty To Gun Trafficking Charges (KNOXNS)

By Jamie Satterfield

Knoxville News Sentinel (TN), October 21, 2006

Flea market dealers will be sentenced in Jan. to federal prison

Move over, Wal-Mart. Forget about it, Bass Pro Shops.

When it comes to peddling guns, these guys had a sales pitch the big retail boys just can't match - low prices and no questions asked.

There was only one hitch in the business plan for gun salesmen George Manus, 71, and Timothy Cobb, 49. It was illegal.

Now, this pair of flea market dealers is headed to federal prison.

Manus and Cobb pleaded guilty in U.S. District Court earlier this week to gun trafficking charges and face sentencing in January.

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In paperwork prepared as part of their pleas, Assistant U.S. Attorney Tracee Plowell described a profitable gun peddling business where the only thing that mattered was cash.

"Manus told (a police snitch) that he doesn't care so long as he gets his money out of it," Plowell wrote.

Manus and Cobb were nabbed as part of a U.S. Bureau of Alcohol, Tobacco, Firearms & Explosives probe. It isn't the first time the ATF has gone after flea market gun dealers. The agency headed a roundup of more than a dozen unlicensed dealers in 2002.

But that case turned out to be a bit of a public relations nightmare for the ATF because many of the gun peddlers were gray-haired retirees with clean records who insisted they had no idea selling a few guns in their personal collections was a crime.

This go-around, the ATF built cases against Manus and Cobb that left little room for a casual-sales defense.

Plowell wrote that the agency used snitches to buy lots and lots of guns from the pair.

Cobb once met a snitch in the parking lot of a fast-food restaurant on Tazewell Pike to seal a deal, but most of the gun sales at issue in the case occurred at what has been identified as the 407 Flea Market in Sevier County.

The snitches made sure to tell Cobb and Manus they were criminals barred from owning or buying guns. One snitch made it clear he sold marijuana. Cobb and Manus made it equally clear they didn't care so long as the snitches masquerading as customers had cash.

Cobb and Manus also told the informants that the guns they were peddling were not part of their private stashes, Plowell wrote. Instead, the pair said they bought guns to resale at a profit, she wrote.

Jamie Satterfield may be reached at 865-342-6308.

CONGRESS-ADMINISTRATION:

Limits On Aide In Leak Case Are Protested By Democrat (NYT)

By Scott Shane

The New York Times, October 21, 2006

The senior Democrat on the House Intelligence Committee yesterday sharply protested the chairman's decision to suspend a Democratic staff member's access to classified information in a leak inquiry.

The congresswoman, Jane Harman of California, called the action a groundless act of political retaliation.

Ms. Harman's complaint to the chairman, Representative Peter Hoekstra, Republican of Michigan, involved his internal investigation of the possible source of an article on Sept. 24 in The New York Times about a National Intelligence Estimate saying the Iraq war had become a cause célèbre for terrorists.

Ms. Harman said she was appalled by Mr. Hoekstra's move against the staff member, Larry Hanauer.

"There is no evidence to suggest that the professional staff member in question did anything wrong," she said in a statement.

Ms. Harman said Mr. Hoekstra had admitted to her that his action against Mr. Hanauer was payback for her release on Tuesday of a report on actions by former Representative Randy Cunningham while he was on the Intelligence Committee. Mr. Cunningham, a California Republican, is serving an eight-year prison sentence for taking bribes.

"If you have a problem with me, why not deal with me directly?" Ms. Harman asked Mr. Hoekstra in a letter sent on Wednesday.

In his response sent yesterday, Mr. Hoekstra said he felt obliged to investigate the question. "This is an issue of national security," he wrote, inviting Ms. Harman to help decide how to conduct the inquiry.

The mutual accusations deepened the partisan tensions that have repeatedly gridlocked the House committee and its Senate counterpart for two years, a period of intense debate on intelligence policies.

On Tuesday, acting at the suggestion of another panel member, Representative Ray LaHood, Republican of Illinois, Mr. Hoekstra banned Mr. Hanauer, the staff member, from the committee's high-security offices and from access to classified documents.

Mr. LaHood said Mr. Hanauer had requested a copy of the National Intelligence Estimate and received it two days before the article in The Times appeared on the Web.

In an interview yesterday, Mr. LaHood conceded he had no evidence of a leak beyond the coincidence of timing.

"But some of us think it's more than a coincidence," he said.

Democrats on the committee and a lawyer for Mr. Hanauer said Mr. LaHood's sleuthing was off base.

Representative John F. Tierney, Democrat of Massachusetts, said in an interview that he requested a copy of the National Intelligence Estimate last month after The Times had called his office. When a committee security officer could not immediately

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locate it, Mr. Hanauer requested the document from the office of the director of national intelligence, John D. Negroponte, and a copy was delivered.

"I didn't talk to The New York Times, and I don't think he did either," Mr. Tierney said of Mr. Hanauer. "I want the committee to clear his name as soon as possible."

Mr. Hanauer's lawyer, Jonathan Turley, said his client had nothing to do with any leak of the intelligence estimate and would offer a sworn statement to that effect. Mr. Turley said Mr. Hanauer was collateral damage in a pre-election squabble.

"He simply got the document and gave it to a member," the lawyer said.

Mr. Hanauer, who joined the committee staff last year after working for the Defense Department and the Booz Allen Hamilton, the consulting firm, remains on the panel payroll and retains his security clearance.

The estimate on terrorism had a relatively low-level classification, "secret," and was made available in May to hundreds of people in multiple agencies and Congressional committees. The Times has previously reported that its article about the estimate was based on interviews with more than 10 officials and outside experts.

The dispute on the panel appears to result from the argument over the report on Mr. Cunningham, which Michael Stern, a special counsel appointed jointly by Mr. Hoekstra and Ms. Harman, wrote. That report found that Mr. Cunningham had used his committee position to help steer $70 million in contracts to favored companies.

On Tuesday, when Ms. Harman released an unclassified summary of the counsel's report, Mr. Hoekstra called that "disturbing and beyond the pale." He wrote to Ms. Harman on Tuesday that he had suspended Mr. Hanauer, implicitly linking her releasing the report on Mr. Cunningham to the reported leak.

"It has become clear to me by your continuing and unauthorized release of information received and maintained by the committee," Mr. Hoekstra wrote, "that the Democrats are not willing to protect committee information."

Suspecting Leak, Chairman Suspends Panel Staffer (WP)

By Walter Pincus

The Washington Post, October 21, 2006

The Republican chairman of the House Permanent Select Committee on Intelligence suspended a mid-level Democratic staffer Tuesday based on a suspicion that he may have been connected to the leak of a politically damaging intelligence report almost a month ago, according to Republican and Democratic congressional sources.

The action by Rep. Peter Hoekstra (R-Mich.), which has drawn sharp criticism from Democratic panel members, was described by legislators of both parties as another example of the increased partisan infighting that has damaged the workings of the intelligence panel during this election year.

"The chairman's unilateral action is without basis and an abuse of his power to provide security accesses," Rep. Jane Harman (D-Calif.), ranking Democrat on the panel, said yesterday. "There is no evidence to suggest that the professional staff member in question did anything wrong," she added.

Late yesterday, Washington lawyer Jonathan Turley sent a letter to Hoekstra and Harman saying he represented the staff member involved, Larry Hanauer, whose name had been leaked to the media. Turley wrote that he wanted an expedited review of his client's role "to clear his name at the earliest possible date." He said there was "not a single scintilla of evidence suggesting that Mr. Hanauer had any role in the leaking of the NIE," or National Intelligence Estimate, and that he was drafting a sworn statement to that effect.

Adding to the political overtones, several Republican lawmakers issued news releases yesterday condemning leaks and praising Hoekstra -- including House Majority Leader John A. Boehner (Ohio), House Majority Whip Roy Blunt (Mo.) and Sen. John Cornyn (Tex.).

The initial accusation against Hanauer was made to Hoekstra more than three weeks ago in a letter from Rep. Ray LaHood (R-Ill.), a committee member. The charge was based on a "coincidence" that the Democratic staffer obtained the document, at the request of a member, two days before stories about its contents were published. "I have no credible information to say any classified information was leaked from the committee's minority staff. . . . This may in fact be only coincidence and simply 'look bad,' " LaHood said in his letter, but he requested a formal inquiry.

LaHood defended his letter in a telephone interview yesterday. "Why was there this coincidence? . . . That's what the investigation should be about," he said.

LaHood also linked Hoekstra's decision to suspend the staff member on Tuesday to Harman's unilateral release that day of the summary of a special counsel's report about how former representative Randy "Duke" Cunningham (R-Calif.) manipulated the committee to benefit contractors who had bribed him.

"We are in the political season. . . . If the ranking member wants to play politics," LaHood told Fox News yesterday, referring to Harman, "there are some of us on the other side that can play politics, and I'm not afraid to do it."

Yesterday, Hoekstra sent a letter to Harman saying he thought the suspension was necessary "given the current 'zero tolerance' atmosphere for any indication . . . that suggests the potential for wrongdoing." He also referred to the coincidence of timing as a "red flag" suggesting a leak of classified information. The special counsel's report criticized the committee for failing to act on "red flags" about Cunningham.

Three days earlier, on the day of the suspension, Hoekstra wrote Harman that he had "thought carefully about this and have come to the conclusion that I cannot assume that this was mere coincidence." Hoekstra added that the staffer "could have been involved in, or confirmed the leak of, the classified NIE information."

At issue is the leak of selected contents, harmful to the Bush administration, from a classified April 2006 National Intelligence Estimate titled "Trends of Global Terrorism." The New York Times first published a story about the NIE, with the headline "Spy Agencies Say Iraq War Worsens Terrorism Threat," on Sept. 23 on its Web site and again in its Sept. 24 print edition.

Intelligence community sources, speaking anonymously because the NIE remains classified, have told The Washington Post that Times reporters were asking questions about the contents of that NIE weeks before publication of the story. In his story, Times reporter Mark Mazzetti wrote that over the weeks he had interviewed "a dozen United States government officials and outside experts . . . for this article." He added that all "had either seen the final version of the document or participated in the creation of earlier drafts."

Three days before publication of the Times story, on Sept. 20, Rep. John F. Tierney (D-Mass.), a member of the intelligence panel, received a media inquiry about the NIE, according to a statement his office released yesterday. Tierney said yesterday that he knew nothing about it but called over to the Democratic staff and asked whether such a report had been received. The staff member talked to the committee security officer, who said such reports had not been put on an internal, secure Web site because of technical problems, according to a committee staff member who asked not to be identified.

Hanauer and the security officer called the Office of the Director of National Intelligence, which had produced the NIE, and a copy of the secret document was delivered the next day, Sept. 21. The staff member took a hard copy to Tierney, and the committee security officer scanned it into the panel's classified Web site, making it available to all committee members. Tierney said that after he read it and saw it was classified he refused to discuss it with reporters.

"I don't know why they came down on this fellow," Tierney said.

Democratic Aide's Access To Intelligence Is Cut Off (LAT)

By Greg Miller

The Los Angeles Times, October 21, 2006

WASHINGTON — The chairman of the House Intelligence Committee has suspended a Democratic aide's access to classified materials, citing concerns the staffer might have leaked parts of an intelligence assessment on terrorism to the media.

The highly unusual move drew sharp protest from the panel's ranking Democrat, Jane Harman of Venice, who said in a statement Friday, "There is no evidence to suggest that the professional staff member in question did anything wrong."

With an election in less than three weeks that could swing control of Congress, the exchange reflects a major deterioration in relations on a committee that traditionally has sought to avoid partisan clashes. One congressional official said the committee was in "meltdown."

Committee Chairman Peter Hoekstra (R-Mich.) said he suspended the aide's access to secret intelligence documents after learning that the employee had requested a copy of a high-level intelligence estimate days before details of the document showed up in the press.

In a letter to Harman released by Hoekstra's office Friday, Hoekstra said, "I cannot assume that this was mere coincidence."

The aide was identified by other congressional officials as Larry Hanauer. The officials, who spoke on condition of anonymity because of a pending investigation into the leak, said Hanauer had held positions with the departments of Defense and Homeland Security before joining the professional staff of Democrats on the House intelligence panel about two years ago.

A spokesman for Harman said Hanauer was not available to comment. His attorney, Jonathan Turley, expressed anger that Hanauer was named in news reports Friday and said there was no evidence the aide leaked the intelligence report.

Turley wrote to committee leaders, "When a staffer can become fodder for politics in this way, it discourages qualified people from seeking to join public service."

Other Democratic aides said Hanauer was familiar with rules surrounding classified materials and said they were skeptical he would leak information.

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The document he requested — on behalf of committee member John F. Tierney (D-Mass.), according to Turley — was a National Intelligence Estimate on global terrorism trends that suggested the Iraq war had exacerbated terrorism. Disclosure of the analysis last month was a political embarrassment to the Bush administration.

The analysis was disseminated to government officials and multiple congressional committees months before some of its findings were reported Sept. 24 in the Los Angeles Times and New York Times.

Hoekstra's suspension of Hanauer's access was the latest in a series of showdowns between the committee's senior members. Hoekstra was angered earlier this week when Harman publicly released an unclassified summary of an internal committee investigation into abuses by former Rep. Randy "Duke" Cunningham (R-Rancho Santa Fe), who served on the panel and is now in prison for taking bribes.

In his letter to Harman, dated Tuesday, Hoekstra alluded to the release of the Cunningham report and said he had suspended Hanauer's access in part because he was concerned that "Democrats are not willing to protect committee information." Hoekstra said Hanauer's suspension would remain in effect until a panel investigation of the Iraq analysis' leak was complete.

Writing to Hoekstra on Wednesday, Harman said the suspension of Hanauer was "in retaliation for my decision to release an unclassified summary" of the Cunningham probe.

"If you have a problem with me, why not deal with me directly?" she wrote.

A Democratic aide familiar with the Hanauer matter agreed: "He didn't do anything. He is a pawn in a retribution."

An aide to Harman said Hanauer remained on the committee payroll, working outside the main committee offices on unclassified matters.

Democrats Back Staffer Suspended Over Iraq Leak (WT/AP)

The Washington Times/AP, October 21, 2006

ASSOCIATED PRESS

Democrats say the Republican head of the House intelligence committee had no grounds to suspend a staff member who has come under scrutiny for the leak of a secret intelligence assessment.

The unidentified staff member, a Democrat, was suspended this week by Chairman Peter Hoekstra and is being denied access to classified information pending the outcome of a review. Mr. Hoekstra yesterday said the step was the least aggressive he could take while the committee investigates.

The Michigan Republican said the committee aide will be interviewed and other information will be collected. That could include correspondence, phone records and interviews with people who interacted with the aide.

For now, Mr. Hoekstra said, he has not involved the FBI, which would normally handle investigations into leaks of classified material.

"We ought to be able to resolve this very, very quickly," he said.

The House Permanent Select Committee on Intelligence's top Democrat, Jane Harman of California, said Mr. Hoekstra's "action is without basis and an abuse of his power" in overseeing security access.

"There is no evidence to suggest that the professional staff member in question did anything wrong," she said. She depicted Mr. Hoekstra's move as political payback, saying the chairman was angry that Mrs. Harman had released a report about a former Republican congressman jailed for taking bribes.

The leak to the New York Times of a National Intelligence Estimate on global terror trends caused a political uproar last month. In the assessment, completed in April, analysts from the government's 16 spy agencies concluded that the Iraq war has become a "cause celebre" for Islamic extremists, breeding deep resentment of the United States.

President Bush, who suggested the document was leaked for "political purposes" weeks before the midterm elections, later made public four pages of the estimate's key findings.

Attorney General Alberto R. Gonzales yesterday would not discuss whether the Justice Department is investigating who leaked the information about the intelligence assessment. But he described the government as "concerned about the disclosure of classified information, particularly during a time of war."

"Certain kinds of information are protected by law and should remain so," he said.

In a letter to Mr. Hoekstra dated Sept. 29, Rep. Ray LaHood, Illinois Republican, a committee member, said the Democratic staffer requested the document from Director of National Intelligence John D. Negroponte three days before a Sept. 23 story by the Times on its conclusions.

"I have no credible information to say any classified information was leaked from the committee's minority staff, but the implications of such would be dramatic," Mr. LaHood said in the letter, a copy of which was obtained by the Associated Press. "This may, in fact, be only coincidence, and simply 'look bad.' But coincidence, in this town, is rare."

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A conference call to the committee's nine Democrats on Wednesday to inform them of the aide's suspension prompted outrage, said two congressional officials, who spoke on the condition of anonymity because they were not authorized to speak publicly about internal committee business.

The officials said that the National Intelligence Estimate was marked "secret," rather than "top secret" or another more restrictive classification. Mrs. Harman said thousands of people across government would have had access to it, and noted the assessment was also posted on the committee's internal Web site days before the story was published.

Mr. Hoekstra said he does not think that any committee Republicans had access to the intelligence assessment before it was leaked, citing a computer malfunction that prevented committee members and staff from realizing it had been transmitted to them.

"We are pretty confident that the number of people on the committee who had access to this report is very, very limited," he said.

Bush Urges GOP On Medicare Drug Benefit (AP-Y)

By Kevin Freking

AP, October 21, 2006

President Bush said Friday that Republicans are missing an opportunity if they're not talking up the Medicare drug benefit while campaigning this election season.

"I think this is a fantastic program, but more importantly, so do the seniors," he said in an interview with The Associated Press.

The drug program was rife with problems at the outset, but reports indicate that in recent months it has been operating smoothly. The administration estimates that the average elderly or disabled person will save about $1,100 annually on medicine.

Polls indicate that most participants are satisfied.

"My own view is our candidates and the people who voted for this ought to be out there traveling to senior centers all over their districts and their state saying, 'Look what we did,'" Bush said.

Democrats, however, say revising the plan would be a first order of business if they regain control of Congress.

The program allows seniors and the disabled to enroll in private plans that negotiate drug prices with manufacturers. The program is subsidized by the federal government and is expected to cost taxpayers about $30 billion this year.

Democratic lawmakers say the government should do the price negotiations, using its considerable purchasing power to lower the cost for seniors. Also, many Democrats would like to simplify the program by letting the government administer a plan instead of relying on dozens of private insurers.

Seniors would flock to the government-administered plan, Democrats say, because it would more closely resemble how they use Medicare to pay for visits to the family doctor.

Rep. Nancy Pelosi, D-Calif., promises that Democrats would move quickly to give the secretary of health and human services negotiation powers, similar to the way the Veterans Affairs Department negotiates prices for the drugs that it covers.

"As pharmaceutical companies reap record profits, it's clear the president's flawed prescription drug plan is working better for drug companies than it is for America's seniors," Pelosi said Friday. "It is no wonder that the Republican prescription drug bill actually bars Medicare from negotiating lower drug prices for seniors."

But the president said that he likes having dozens of private insurance plans competing for business — that the competition leads to better prices and service.

"There is a fundamental disagreement and that is: Who should be making decisions for consumers?" Bush said. "Obviously there's a group of folks that feel like the government can do a better job than the consumers themselves. We strongly believe that empowering consumers is the appropriate way to promote quality in health care."

"As a matter of fact, we will resist any changes to weaken the program."

Bush participated in a small roundtable on the drug benefit with a couple from Springfield, Va., pharmacy representatives, a caregiver who helped her aunt enroll and the administrator of a non-profit agency that helps low-income beneficiaries enroll.

Karen Smith, a pharmacist in Washington, told Bush that she believes the program has helped many of her customers.

"I would actually have customers who could only buy five pills at a time because of the cost of their medication. Since Medicare, I don't see that any more," Smith said.

Dr. William "Barker" Hardison and his wife Lois estimated they had saved about $1,700 through September on the cost of their medicine. The rate of savings will decline because Lois is now in the coverage gap known as the doughnut hole. Still, the couple estimated they will have save about $2,000 for the year.

"There's been a doughnut hole forever. It just used to start at zero," Health and Human Services Secretary Mike Leavitt said.

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Bush asked Medicare officials about 630,000 seniors and disabled people who were recently notified that they would not be considered dual-eligibles, which means they would not be automatically enrolled in a plan that covers virtually all of their prescriptions for almost no cost.

Leslie Norwalk, the acting administrator for the Centers for Medicare and Medicaid Services, told Bush that the people will remain in the plans they are currently enrolled in. But if they want extra help in paying for their medicine, as they receive now, they need to apply for the low-income subsidy.

The Kaiser Family Foundation says its polling shows more than eight in 10 seniors who are enrolled in a Medicare drug plan are satisfied, although almost two in 10 say they have encountered a major problem in using it.

Michael Gerson Mr. Compassionate Conservatism (WSJ)

By Naomi Schaefer Riley

The Wall Street Journal, October 21, 2006

ALEXANDRIA, Va. -- Amid the cut and thrust of the midterm elections, two questions have frothed up within the recesses of the GOP -- almost as an arcane distraction from the squalid business of holding on to House and Senate: Has compassionate conservatism worked? And should Republicans try it again?

Former House Majority Leader Dick Armey has made his position plain. In a recent open letter from his organization, Freedomworks, he assailed some leaders of the religious right, suggesting that if Republicans lose in November it would be because they have abandoned the principle of limited government in favor of embracing government for supposedly conservative ends. Meanwhile, David Kuo, former deputy director of the Office of Faith-Based and Community Initiatives, has complained in recent interviews and op-eds that the biggest promises of compassionate conservatism, especially the support of faith-based initiatives, have been broken.

Perhaps the best person to sort out this business is Michael Gerson, George W. Bush's chief speechwriter from the beginning of his presidential campaign through the end of his first term, and then White House senior policy adviser until June. Now a senior fellow at the Council on Foreign Relations, Mr. Gerson is plotting a book about the future of conservatism. He has been giving a lot of thought to its history.

Known around the White House as "Mr. Compassionate Conservatism," Mr. Gerson tells me: "I think it's a political truth that one reason we won the 2000 election was that Republicans finally had a message on education and welfare. In 2008, they will have to have something other than a simplistic antigovernment message." In Mr. Gerson's view, "compassionate conservatism is the theory that the government should encourage the effective provision of social services without providing the service itself." It was, in effect, a conservative twofer: limiting the scope of government and empowering faith-based institutions by entrusting to the latter services that had traditionally been performed by the former. Or so the thinking went. * * *

We're in the sparsely decorated living room of Mr. Gerson's modest Alexandria home. An unassuming man who sits on the edge of his seat and nervously shakes his legs, he is regarded by people on both sides of the aisle as one of the most influential modern speechwriters. His rhetoric, they say, didn't just describe the president's policies, it helped shape them.

Mr. Gerson acknowledges that the antigovernment impulse "has a lot of intellectual energy" and has produced some "very healthy institutions and smart people with important policy prescriptions." But he is more interested in the strain of conservatism that is drawn from Catholic social thought, which stresses that human beings are responsible for others' welfare, and that the functions of society ought to be performed by the most local authority possible.

Yet Mr. Gerson is an evangelical, not a Catholic. And before being hired by the president, he worked for two other prominent evangelicals, both of whom he counts among the pioneers of compassionate conservatism: Prison Fellowship founder Chuck Colson and Sen. Dan Coats of Indiana. Mr. Colson plucked Mr. Gerson from Wheaton College (Billy Graham's alma mater) in 1986, where he studied theology. Wheaton has no Catholics on its faculty, but has led an intellectual charge to get evangelicals to think more about Catholic teachings. "It's almost a shame to say," Mr. Gerson laments, "but evangelicalism doesn't have that rich a tradition, and so you look for other sources that represent an authentic Christian witness in society."

Mr. Gerson's debt to Catholic teachings is also apparent on issues such as immigration. I asked him why, when most religious groups lined up this year to support the president's immigration proposals, evangelicals were noticeably absent. "There has been a significant history of Catholic reflection on immigration," Mr. Gerson says. He believes that a more "conspicuously global church" like the Catholic one is more likely to realize "that human beings in every culture and across every border have a radical equality before God." He also believes that evangelicals (and many secular Republicans) have succumbed "to one of the traditional temptations of conservatism": defining our national identity in terms of culture instead of ideals.

Mr. Gerson sees this temptation "reflected in our argument about democracy in the Middle East." Must there be a "democratic culture" before one can have a democracy? Mr. Gerson says that democracy took hold despite Confucianism in Asia, Catholicism in southern Europe and Orthodoxy in Eastern Europe. "All of these," Mr. Gerson notes, "were regarded as

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cultural impediments to democratic progress. In fact our ideals, the ideals of freedom, turned out to be more appealing than we thought." Mr. Gerson is confident that the same will prove true in Iraq and Afghanistan. "I have a deep belief that liberty improves human life. . . . People eventually find that to be true, but that doesn't mean they immediately find it to be true."

Mr. Gerson looks back on the last few years of trying to spread freedom as "a time of exhausting international engagement on a variety of fronts." And he doesn't see it ending any time soon. But if the war on terror is really going to occupy our focus for the foreseeable future, why should Republicans run on improving education and ending poverty? Did 9/11 spell the end of compassionate conservatism?

Mr. Gerson believes the answer is no; the administration's foreign policy, he says, represents an expansion of the philosophy of compassionate conservatism. Bringing freedom and democracy to other parts of the globe has required military action, but Mr. Gerson is annoyed by Mr. Bush's critics on the left who say the president only uses force to solve global problems. "The administration's increases in foreign assistance have percentage-wise been the largest since the Marshall Plan," he notes.

He is more defensive, though, when it comes to domestic spending. Mr. Gerson justifies the ballooning federal budget in two ways. First, he notes that a lot of the spending has been on security: "I think it's largely and unfairly ignored that much of the spending increases that have occurred took place in the first term as a reaction to 9/11."

But Mr. Gerson also acknowledges that "there is a genuine argument about the role of government that is going on." And he asserts that the president has been nothing if not honest about where he comes down in that argument. "It should not have surprised anyone that President Bush was going to sign on to the Medicare prescription-drug benefit because he campaigned on it in 1999. And it should not have surprised anyone that he was going to define a federal role in education to raise standards because it was one of his main promises as a candidate."

Other proposals, though, like Social Security reform, which would have appeased the party's more libertarian wing, have fallen by the wayside. He suggests that the country's polarization is a significant part of the problem. The war has contributed to this embittered atmosphere, but Mr. Gerson believes that religious divisions in this country are also a factor. "I think religion raises the temperature of a lot of debates, and it becomes a cultural clash." He blames the religious right for "taking Republican policy prescriptions and baptizing them -- making them into requirements of conscience."

Of course, this "baptizing" has helped Republicans, not least the president, to garner votes. But he also observes "an abdication on the part of the Democratic Party, [which has] an almost active hostility to people of faith and religiously informed reasoning in public debate."

As a young man -- I picture a slightly more awkward and more agitated version of the one sitting before me -- Mr. Gerson was a fan of Jimmy Carter, but he broke ranks over abortion. Still, he believes that Democrats could win back religious folks some day. "There was a time in American history not too long ago where the most prominent evangelical was also the leading Democrat in the country. [William Jennings Bryan] didn't see any inconsistency in those things and I don't, to some extent."

Whatever its benefits for the Republicans, Mr. Gerson believes it is "unhealthy" that one party is secular and one party is religious. "My view" he tells me, "is summarized by Martin Luther King, Jr., who said that the church should not be the master of the state, or the servant of the state. It should be the conscience of the state."

He believes that conscience is especially needed for bioethical questions. He compares the utilitarian arguments of the president's critics -- "they believe that medical research should proceed with very few limits because it will benefit many people" -- with the supporters of popular sovereignty during Lincoln's time. "Yes we're a democracy," he acknowledges, "but we're a democracy that believes all men are created equal and endowed by their creator with certain inalienable rights."

Mr. Gerson punctuates his speech, the way he punctuated the president's speeches, with biblical references, and he has been accused of making the president speak in a kind of religious code -- indeed, Mr. Kuo recently suggested this. But Mr. Gerson says he isn't trying to hide anything and there are "tens of millions of people" for whom references to the Bible are "very familiar." * * *

But the president's rhetoric has come under fire from the right as well. After the second inaugural, this newspaper's Peggy Noonan criticized what she saw as the president's utopianism: "Tyranny," she wrote, "is a very bad thing and quite wicked, but one doesn't expect we're going to eradicate it any time soon. Again, this is not heaven, it's earth." Mr. Gerson again has little patience for this argument: "There is always tension between the ideals of rhetoric and the messy circumstances of the world." But he argues, as our conversation reaches crescendo, "I have no idea why that would argue that you give up on setting out the ideals."

And here is where you see Mr. Gerson's gift. The president's critics, he knows, decry America's use of power as hypocritical -- that this country claims to look out for the oppressed when really we're the oppressor. In reply, Mr. Gerson picks the Founder many now think of as the biggest hypocrite of all: Thomas Jefferson. "Even though he was inconsistent in his own

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life, he set out an ideal that improved and motivated and guided American history from that day to this." That, he says, "is the best role of political rhetoric."

The Woman Who Would Be Speaker (WP)

By Lois Romano

The Washington Post, October 21, 2006

On election night 2004, Nancy Pelosi faced a painful reality: Her party was again a big loser, failing to win the presidency and losing three more House seats. Pundits were suggesting Pelosi should accept her fate as the leader of a permanent House minority.

But the California legislator had a different idea. Instead, she reached out to advertising executives, Internet moguls and language specialists to ask how Democrats could rise from the ashes and challenge President Bush and the Republicans. The advice that came back was unabashed: "You must take him down" and then hammer away at the differences between the two parties, Pelosi recalled.

Today the Democrats appear capable of taking back leadership of the House after 12 years in the minority, for reasons largely beyond Pelosi's control: an unpopular war, an unpopular president and a series of scandals that have left the Republicans highly vulnerable.

Nevertheless, if the Democrats win, experts say, much credit is due this 66-year-old woman, whose notable fundraising abilities (she raised $50 million this election cycle) and scorched-earth strategy of refusing to negotiate with the GOP have put her on track to become the first woman to be speaker of the House.

Dismissed by her critics as too liberal, too elitist and too lacking in gravitas, Pelosi, serving her 10th term, has proved to be a tough-minded tactician who has led her caucus from the political center and kept the fractious House Democrats in line. Pelosi and House Speaker J. Dennis Hastert (R-Ill.) rarely work together, and the Democrats voted along party lines 88 percent of the time last year -- the most unified voting record in 50 years -- according to a Congressional Quarterly study. By hanging together, the Democrats have thwarted many GOP initiatives, including the centerpiece of Bush's second-term agenda, restructuring Social Security.

That approach, while emboldening the Democrats, has earned Pelosi the enmity of House Republicans, who claim she is an obstructionist. Pelosi, who is married to a wealthy San Francisco businessman and wears designer suits, is a favorite target of conservatives. Throughout the campaign, Republicans have sought to scare voters by portraying Pelosi as a liberal extremist who would be weak on national security and prone to raises taxes if her party were back in control.

On his Web site, Majority Whip Roy Blunt (Mo.) calls the prospect of Pelosi becoming speaker "just plain scary" and says: "While Republicans fight the War on Terror, . . . House Democrats plot to establish a Department of Peace."

Even before the Democrats' disappointing showing in the 2002 midterm elections, Pelosi began making calls to line up support for a minority-leader bid, in case then-Rep. Richard A. Gephardt (D-Mo.) decided to step aside to run for president. Within days of Gephardt's decision to retire from the House, she locked up the post convincingly, by a vote of 177 to 29.

She took charge with a burst of energy and quickly developed a Democratic message that highlighted shortcomings in the Bush agenda. Later, she criticized the administration's decision to go to war in Iraq. Her strategy was to unite Democrats behind non-threatening, core issues such as the minimum wage, health care, Social Security and energy independence while steering clear of divisive social issues such as abortion rights and gun control.

While Pelosi appears at ease and chatty in informal gatherings, she often comes across as stiff and tentative in public, and she rarely projects well on television. After a halting performance on NBC's "Meet the Press" in May, Pelosi worked with media experts to polish her style and shorten her answers.

Some conservative Democrats say she has given them a voice in forming policy by creating a number of advisory groups that focus on, among other things, rural issues and faith. "It's much easier to hold the party together if the people who feel the most disaffected feel well-treated," said David Rohde, a professor of political science at Duke University.

Rep. Collin C. Peterson (Minn.) is one of those conservatives. "I have always believed that it takes someone of the same political persuasion to convince the folks on the left that we're not going to be able to govern if we don't come to the center," he said.

This summer, as Republicans were demonizing Pelosi as a liberal liability, Peterson invited her to his rural district -- where she looked comfortable eating a pork chop on a stick and vowed to direct energy money to the Midwest, instead of the Mideast.

Colleagues say Pelosi's polished Pacific Heights exterior belies an iron-fist management style. One of her first moves as leader was to take control over who gets seats on the most coveted committees -- Ways and Means, Appropriations, and Energy and Commerce.

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The newspaper Roll Call said in December that Pelosi threatened to remove Rep. Edolphus Towns (N.Y.) from the Energy and Commerce Committee for siding with Republicans on a key trade bill. And despite objections from the Congressional Black Caucus and others, she demanded the removal of Rep. William J. Jefferson (La.) from the Ways and Means Committee after authorities caught him on tape accepting $100,000, allegedly in bribe money. The ousting of Jefferson startled even Republicans.

Pelosi's biggest challenge was in trying to forge a consensus on the war in Iraq, a near-impossible task given the sharp divisions among Democrats in the House and Senate and the political danger of openly challenging Bush on the war. She had been highly critical of Gephardt's support for the war in the fall of 2002 and helped line up 126 Democratic votes against the resolution authorizing an invasion of Iraq.

But as the new minority leader, Pelosi knew she could not impose her views on her caucus and instead initially took the position that it was the Republicans' war, for the Republicans to fix. Privately, however, she spent months conferring with Rep. John P. Murtha (D-Pa.), a decorated Vietnam War veteran and prominent voice on military matters, who had voted for the war but was now souring on it. Pelosi knew that her voice would not be as credible as Murtha's.

The two planned Murtha's surprise turnaround a year ago, when he demanded immediate withdrawal of U.S. troops. Two weeks later, Pelosi followed his lead.

Should the Democrats win in November, Pelosi said, their new majority will push for the immediate start of a phased withdrawal of troops, to be completed by the end of 2007.

At the same time, she said, the new majority would quickly move to raise the minimum wage, allow the government to negotiate directly with drug companies for lower prices for seniors, repeal corporate incentives to take jobs overseas, make college tuition tax-deductible, and implement all the recommendations of the commission that investigated the Sept. 11, 2001, attacks, securing nuclear material from former Soviet states to keep it from terrorists.

Some Democrats complain that Pelosi relies on too tight a coterie of advisers, chief among them Reps. George Miller and Anna G. Eshoo of California. Others include Murtha, Edward J. Markey (D-Mass.), Rosa L. DeLauro (Conn.), David R. Obey (Wis.), John M. Spratt Jr. (S.C.) and Rahm Emanuel (Ill.), who heads the Democratic Congressional Campaign Committee. "The biggest complaint is that if you were not with her in the beginning you can't get in," a former leadership aide said.

Pelosi has signaled that she would not rely totally on seniority in appointing committee chairs. She has, however, told ranking members on the most powerful panels, Ways and Means, Rules, Energy and Commerce, and Appropriations, that she supports them.

And, after studiously avoiding cooperating with the Republican leadership for years, she has vowed to reach out to Republicans and be more inclusive. She said, for example, that she would allow Republicans to bring bills to the floor and have a say in conference committees. But many are skeptical.

"That would not happen," said Rep. Jack Kingston (R-Ga). "I have never seen Nancy Pelosi reach out to a Republican."

Pelosi was first elected to the House at 47, after she raised her five children. She grew up as a member of a prominent Maryland political family and developed an interest in politics at an early age. Her father, Thomas D'Alesandro Jr., was mayor of Baltimore for 12 years, and her brother, Thomas J. D'Alesandro III, later served as mayor for four years.

She attended Trinity College in Washington, a Catholic girls school, and met and married Paul Pelosi, today a millionaire investor. The couple settled in San Francisco, and Pelosi honed her political skills and developed a name while driving carpool -- as a fundraiser, state party chairwoman and Democratic National Committee member.

Markey said Pelosi was "no ordinary freshman" when she arrived through a special election. She was someone who could pick up the phone and call first lady Hillary Rodham Clinton and raise millions when asked. Substantively, colleagues said she proved herself on key committees, including Appropriations and Intelligence.

In 2001, she successfully challenged the old boys' network by running for minority whip against the favored Rep. Steny H. Hoyer (Md.), because, she said, she saw "more of the same" ahead for Democrats.

She quickly consolidated her power, sending a strong message to those she saw as adversaries. "If someone is her enemy, she shuts them out. She closes them down," Murtha said.

Members took note when Pelosi gave $10,000 to former Democratic representative Lynn Nancy Rivers of Michigan, whom reapportionment had pitted against a Democratic lion of the House, John D. Dingell, who had voted for Hoyer. "She was with the people who supported her," said Miller, her friend.

Murtha and others said she never brought Hoyer into her circle, although he is her No. 2 in the House Democratic leadership. Hoyer said in an interview that "Nancy and I have worked very effectively together."

Pelosi said she holds no grudge against Hoyer, but members said there was no missing her intentions when she did not dissuade Murtha from challenging Hoyer for the No. 2 leadership post.

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In describing her dealings with fellow Democrats, Pelosi said, "I expect a certain level of discipline when we have agreed on where we're going." Some members, she said, "mistake sometimes my courtesy for a lack of strength, and they ought not to do that."

Madam Speaker? Pelosi Likes The Sound (LAT)

By Faye Fiore

The Los Angeles Times, October 21, 2006

SEATTLE — It's only 9 a.m. and Nancy Pelosi has already had two breakfasts and a bowl of chocolate ice cream. The House minority leader has met with a couple of donors in a hotel dining room, run back up to her room for a live radio interview, down to the dining room again for a sit-down with the local newspapers, and up to her room for a phone strategy session.

She is, as ever, exquisitely dressed, in a stylish pale-green suit that she will wear three times in the next three days. Packing light saves time. Everything must fit into one carry-on and a garment bag, which she lugs herself, clacking across airports in her high heels.

With less than three weeks before an election that will decide control of Congress, the Democrats are within tantalizing reach of a House win that would almost certainly make Pelosi the first female speaker of the House — second in line to the presidency — and the first from California.

They need to gain 15 seats to take control, and Pelosi falls asleep at night crunching the numbers. It is her single burning obsession to lead her party to victory, and she devotes nearly every waking minute to it, coaching candidates, raising money and calculating in which districts to spend it.

In three years as minority leader she has raised record amounts of cash and preached party unity that has helped bring 201 unruly Democrats to the brink of power.

Yet Pelosi is not necessarily the public face most Democrats would have chosen to represent a party struggling to look strong in these unsettled times — a 66-year-old liberal congresswoman from war-protesting San Francisco who looks too demure to stand up for national security and isn't great on TV.

Republican ad campaigns cast her as a caricature of liberal excess; depicted with eyes bulging and mouth agape, she looks like she's about to pop a blood vessel or bite somebody.

"Look, if I weren't effective, I don't think they would try to take me down. You're in the arena, you're in the ring. That's what happens," Pelosi says on the way to another fundraiser as she crisscrosses the country, her cellphone affixed to her ear in the car, at breakfast and in the beauty salon, where she recently dropped it into a pedicure bowl.

She has raised more money than any congressional Democrat — $100 million since she was elected leader nearly four years ago — half of it in this election cycle alone, tapping her wealthy ideological soul mates and cultivating small donors with direct mail and the Internet.

She brought vases of white lilies to the minority leader's office, but also a discipline that Democrats had not seen in years, threatening consequences for anyone who strayed from the party line. The result was unity 88% of the time on such votes as energy policy and President Bush's budget. The famously unified Republicans did only slightly better.

"Prior leadership did not discipline the troops in the way Nancy has," said Vic Fazio, a former Democratic congressman from West Sacramento, now a Washington lobbyist. "And she brought a lot of new donors to the table."

Pelosi proved herself in the backrooms and trenches of Washington, not on the Sunday morning talking-heads circuit. She tends to speak in scripted talking points — one columnist likened her delivery to "a compendium of bumper stickers." She leans toward mind-numbing alliteration: The only three excuses for breaking from the party line are "conscience, constituents, Constitution."

Most agree she has improved with practice and occasional guidance from media coaches to slow down and smile. She was more relaxed during a recent appearance on the "Late Show With David Letterman" and drew applause more than once with jabs such as: "Mr. President, 'stay the course' is not a strategy, it's a slogan, and we need more than that."

Unlike previous party leaders from both sides — Democrat Richard Gephardt and Republican Newt Gingrich, most notably — Pelosi isn't running for president. Her raucous but loyal district has sent her to Washington 10 times, by margins so huge that she doesn't campaign; she's never needed national exposure and says she would rather spend her time promoting her party than herself.

"I could stay in Washington all the time and go on Sunday morning shows, but I don't have time for that. I need to be traveling and raising money and be at home," she says from the back seat of a black SUV on her way to yet another fundraiser. "At the beginning of all this 23 months ago, we were told we were a permanent minority…. I'm fighting a battle here. I'm not getting my hair done."

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Pelosi learned her political skills from her father, Thomas D'Alesandro Jr., a New Deal congressman and revered mayor of Baltimore. He taught "little Nancy" — one of six children and the only girl — how to build a grass-roots campaign, cultivate relationships and call in favors. In the living room of their brick row house there were usually constituents looking for work or a financial assist — along with the now-famous "favor file" that kept track of every good deed; it was consulted when her father or the party needed help in return.

Her time-management skills were honed on another training ground: the San Francisco home where she and her husband, Paul Pelosi, a wealthy investment banker and her college sweetheart, raised four girls and a boy, born in six years. Nancy Pelosi was the driver, cook, Halloween-costume seamstress and disciplinarian — putting out fires and making every minute count, not unlike life in Congress.

While the children were small, Pelosi served as California state party chair and learned the art of raising money. People would ask how she managed to do so much with so many kids. "I told them I couldn't have done it without the children," Pelosi says now.

Each one had a job addressing envelopes, stuffing, sealing and stamping. Their hard work at the Democratic Party office earned them a bowl of French onion soup across the street at the old Liberty House department store in San Francisco. Not to mention occasional recognition at church, where they belted out: "He's got the stuffers and the sealers, in his hands … "

Raising her children taught Pelosi to think strategically, whether putting together a puzzle with her grandchildren at the family's Napa Valley vacation home (sort by color and edges and consult the picture on the box) or plotting to foil Bush's plan to privatize Social Security (kick him in the shins and give him nothing to attack).

Acting on advice from marketing gurus after the 2004 presidential election, Pelosi ordered her ranks to assail the Bush privatization plan while offering nothing of their own that the Republicans could counterassault. Week after week impatient Democrats asked, "When can we propose a plan?" and week after week she intoned, "Never."

When the Bush team visited 60 cities in 60 days to sell Medicare prescription coverage — the centerpiece of his second term — Democrats were on the ground too, with a message of higher drug costs and industry perks.

In eight months, support for Bush's idea among seniors had dropped significantly, marking the beginning of his decline in national public opinion polls.

"We had to make them pay … for trying to do that to the American people," she explains, displaying the bite that has made her reputation as a political pit bull.

It is a side of Pelosi that has earned her both admirers and detractors, depending on who happens to be on the receiving end of her wrath. She is known to have a long memory for slights. A bitter and protracted House leadership battle with Rep. Steny H. Hoyer (D-Md.) has left lasting divisions between her backers and his.

"About 75% of the caucus are her rabid supporters, the other 25% not so supportive," one senior Democrat said, asking to remain anonymous to avoid offending the leadership. "A lot of people just don't like to be led. And to some degree, people perceive her as being too focused on her enemies and not sufficiently willing to open up a new dialogue and move on."

Some believe Pelosi is held to a higher standard in maledominated Washington. When the men in the leadership stick to talking points, they are "on message." When Pelosi does, she is redundant and shrill.

"There is still a double standard," said Democratic strategist Anita Dunn, who has given Pelosi tips on media presence. "There have been some comb-over jokes about male members of Congress, but by and large people just accept what they look and sound like. That is still not the case with females."

Though she is probably the second most lampooned woman in U.S. politics — after Sen. Hillary Rodham Clinton (D-N.Y.) — Pelosi is far from a household name. "I don't think most people know who I am," she says.

That could change in one historic moment if Pelosi is pulled from the trenches and plopped into the spotlight.

She sees it as an opportunity to change the culture of Washington.

"I think the fact that I am a woman will raise expectations in terms of more hope in government, and I will not disappoint," she says.

"The gavel of the speaker of the House is in the hands of special interests, and now it will be in the hands of America's children. I don't mean to imply my male colleagues will have any less integrity…. But I don't know that a man can say that as easily as a woman can."

*

(INFOBOX BELOW)

Nancy Pelosi

1940: Born Nancy D'Alesandro in Baltimore; her father served five terms in Congress ending in 1947, then 12 years as Baltimore mayor

1962: Graduates from Trinity College (now called Trinity University), Washington, D.C.

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1977-1981: Northern chair, California Democratic Party
1981-1983: State chair, California Democratic Party
1985-1987: Finance chair, Democratic Senatorial Campaign Committee
1987-present: Elected by California's 8th Congressional District, which includes most of San Francisco; served for 10 years (until early 2003) on the intelligence committee
2001: Elected minority whip by House Democrats
Oct. 2002: Leads Democratic faction opposed to authorizing military force in Iraq, bucking the House Democratic leader
Nov. 2002: Elected minority leader by House Democrats
Nov. 2004: Democrats lose House seats as Bush wins reelection
Sources: Almanac of American Politics 2006; office of Nancy Pelosi
Los Angeles Times

Rank Would Guide Pelosi As She Chose Chairmen (WP)

By Jonathan Weisman
The Washington Post, October 21, 2006

If Democrats win control in November, House Minority Leader Nancy Pelosi (Calif.) has decided to award committee chairmanships based almost entirely on seniority, ensuring that the House would feature far more minority faces, and some liberal firebrands, in key posts.

But, mindful of the growing power of an expanding band of Democratic moderates and conservatives, Pelosi has also vowed that she would keep her chairmen on a tight leash, according to leadership aides and current and former Democratic lawmakers. She has assured conservative Democrats that she would personally temper the legislative impulses of her most liberal chairmen while keeping close tabs on the investigations that could dominate the final two years of the Bush presidency.

House Democratic leaders and their would-be chairmen are careful to say in public that they are focused only on the Nov. 7 elections and have not begun to plan for a possible takeover. But privately, Pelosi has had several conversations with the senior Democrats on the House's most powerful committees, as well as with conservative "Blue Dog" Democrats, who have sought assurances that they will have a voice after the polls close.

"We've inched our way back toward the majority by replacing Republicans with conservative-to-moderate Democrats, and you're going to see a lot more of that November 7," said Rep. Mike Ross (D-Ark.), one of the leaders of the Blue Dog coalition. "Do I believe Blue Dogs will have a greater voice in the Democratic leadership? You betcha."

The Blue Dogs could hold the balance of power in a Democratic House. With 37 members, the group already has clout; 16 Democratic candidates have the Blue Dogs' endorsement, and a dozen of them could win. That would give them numbers surpassing the Congressional Black Caucus's 43 members.

Rep. Dennis Cardoza (D-Calif.), a Blue Dog co-chairman, promised that the group would be "a moderating influence on any excesses that might be brought forth by other wings of the party."

"That's not a threat," he said. "That's just the facts of life."

For Republicans in this campaign season, however, the face of the Democratic Party is not the Blue Dog wing but what Cardoza called those "other wings." Committee chairmanships would appear to be an unlikely campaign issue, but Republicans are using it with gusto, especially to rally dispirited conservatives to the polls.

Republicans have attacked Rep. Charles B. Rangel (N.Y.), the senior Democrat on the Ways and Means Committee, as a tax hiker. The Republican National Committee called Rep. George Miller (D-Calif.), the would-be chairman of the Education and Workforce Committee, "a liberal partisan" who "would launch criminal inquiries into the Bush administration."

In Topeka, Kan., last week, Vice President Cheney singled out three of the most liberal Democrats in the House as foils -- Reps. John Conyers Jr. (Mich.), the would-be Judiciary Committee chairman; Henry A. Waxman (Calif.), who is in line to take over the Government Reform Committee; and Barney Frank (Mass.), the senior Democrat on the Financial Services Committee.

"In all the decisions that will come in the next two years, it's going to matter a great deal which party has the majority on the floor and the gavel in committee," Cheney said.

In a debate between six-term Rep. John N. Hostettler (R-Ind.) and his challenger, Sheriff Brad Ellsworth (D), Hostettler warned that if Democrats take over, "Charlie Rangel will be the chairman of the House Ways and Means Committee."

Some Republicans have steered clear of those lines of attack. House Government Reform Committee Chairman Thomas M. Davis III (R-Va.) said he has "worked closely" with Waxman, the ranking Democrat.

Misgivings exist in Democratic ranks as well. Several moderate-to-conservative Democrats in the House, who spoke on the condition of anonymity for fear of fraying party unity, specifically mentioned two members: Conyers, who has already laid out what he says are grounds to impeach President Bush, and Alcee L. Hastings (Fla.), a senior Democrat on the intelligence

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committee, who was impeached and removed from his federal judgeship in 1989 for conspiring to take a $150,000 bribe and give light sentences to two convicted swindlers.

Hastings has already become something of a campaign issue. At a recent event featuring Democratic challenger Heath Shuler, an aide to his opponent, Rep. Charles H. Taylor (R-N.C.), called out that a Democratic majority would let Hastings into the inner sanctums of the intelligence world.

Such concerns have placed Pelosi in a squeeze between conservative Democrats, who could be responsible for swinging the balance of power next month, and minority lawmakers who are demanding that Pelosi respect the seniority system.

For now, she is largely siding with the congressional black and Hispanic caucuses, whose ranks would provide at least half a dozen chairmen by seniority. Three black lawmakers have already received pledges: Pelosi aides gave strong assurances that Conyers would become Judiciary Committee chairman and that Rep. Bennie Thompson (D-Miss.) would become chairman of the Homeland Security Committee. In a private meeting, Pelosi told Rangel that he would take over the Ways and Means Committee.

In the same meeting, she assured Rep. John D. Dingell (D-Mich.) that she would back his return to the chairmanship of the Energy and Commerce Committee, a post he used in the 1980s and 1990s to become one of the most powerful and feared figures in Congress.

She also told Rep. David R. Obey (D-Wis.) that he would have her support to take back the reins of the Appropriations Committee.

But there are caveats. Parts of Dingell's former domain that Republicans took away from the energy committee, such as oversight over the Securities and Exchange Commission, will not be returned, leadership aides said. And Pelosi has made it clear that she wants Waxman, on the Government Reform Committee, not Dingell, to take the lead on investigations.

The intelligence committee remains the biggest problem. The senior Democrat, Rep. Jane Harman (Calif.), wants the chairmanship and has the strong backing of the Blue Dogs. But personal friction between Harman and Pelosi virtually ensures that Harman will not remain on the committee, according to lawmakers and aides close to Pelosi.

Hastings would be next in line, but conservative Democrats are adamantly opposed. Skipping over him would be problematic, however. Rep. Sanford Bishop (D-Ga.) was the last black lawmaker in line for the sensitive committee chairmanship. But to lure Harman out of retirement in 2000, Pelosi and then-House Minority Leader Richard A. Gephardt (Mo.) promised she would get the top Democratic slot on the panel. Bishop was eased off the committee with a plum seat on the appropriations panel.

In light of that history, skipping over Hastings might cause a real rupture with the Congressional Black Caucus, Pelosi aides fear. Tensions between Pelosi and the caucus flared earlier this year when she successfully pushed to remove the ethically tainted William J. Jefferson (D-La.) from the powerful Ways and Means Committee. Jefferson is under federal investigation as part of a bribery and corruption case.

Leadership aides have begun floating a compromise, Rep. Silvestre Reyes (Tex.), the third-ranking Democrat on the intelligence committee, hoping that a minority choice would soothe bruised feelings.

"Reyes would be a fabulous choice," said one Blue Dog lawmaker. "It would show no lack of sensitivity to minorities, and it would be a compromise that would take care of a lot of issues."

The Congressional Black Caucus, headed by Rep. Melvin Watt (D-N.C.), is having none of it, however.

"The CBC would not look kindly on that," said caucus spokeswoman Myra Dandridge. "The first order of business of the CBC chairman would be to protect his members, and Alcee Hastings has the seniority, the knowledge and the experience to be chairman of the intelligence committee."

Staff writer Juliet Eilperin contributed to this report.

At Play In The Realm Of Political Animals (NYT)

By Kayleen Schaefer

The New York Times, October 21, 2006

POOLESVILLE, Md.

THE gravel driveway for the Potomac Polo Club is unmarked, but the 200 young men and women who traveled here, 45 minutes from Washington, knew they were at the right place when they spotted the black Hummer limousine and saw the crowd at the beer bong.

They had arrived at the fall party, Swine on the Vine, of the Capital Club, a Washington group of 100 politically connected young men, who are known for partying like they're back at a fraternity kegger.

For a certain set of young Washington, the parties are a raucous antidote to the restrained fund-raisers and embassy cocktail gatherings that otherwise make up the district's social life.

"The Capital Club has no mission except to show its members and their many dates a good time," said Jayne Sandman, associate publisher of the Washington magazine Capitol File. "It's hedonistic relief from a city of suits and ties."

Among the club members and their guests, most in their 20's and 30's, were White House staff members, Capitol Hill aides, lawyers, publicists and lobbyists. About 90 percent of club members are Republican, and 80 percent work in government. Barbara and Jenna Bush have been known to show up at some of the parties, six a year, which provide a glimpse of Washington's young power elite with ties loosened, six years into the Republican domination of government.

When the cover band took a break at Swine on the Vine, guests crowded around the beer bong, eager to take their turn guzzling a can of beer poured down a funnel. A young man shook a portable outhouse because he knew his buddy was inside.

The dress code was preppy enough for a polo ground: women in pearl necklaces, lightweight wrap sweaters and jeans tucked into riding boots. Men favored oxford shirts with sunglasses strung around their necks. Jeff Kimbell, a lobbyist who is a former club president, wore a belt buckle made from a car's gearshift handle (with options for "drive and reverse," he said suggestively). Josh Overbay, who works for the United States Chamber of Commerce, wore a camouflage hat that said, "Support Wildlife. Drink Wild Turkey."

"Girls love to hate them," observed Bridget Bunner of the Capital Club's 100 men. Ms. Bunner, a 23-year-old fund-raiser for Democratic Congressman Alan B. Mollohan of West Virginia, added, "They're the kind of guys their moms want them to marry."

This summer, members sent each other Internet links to a Smirnoff ad on YouTube that parodied every cliché of the WASP elite, down to their seersucker suits and the popped collars of their polo shirts. It featured three blondes in pearls and tennis clothes, with young men rapping "where my WASP's at?" and calling haters "jealous because our families run the nation." Capital Club members said it reminded them of themselves.

Members of the club have connections throughout government, and in some cases are wired right into the brain trust at the White House: the Republican lobbying firm DCI Group, which has strong ties to the Republican Party chairman Ken Mehlman and the White House senior adviser Karl Rove, has sponsored its parties. But club members insist their gatherings are not about networking or advancing anyone's career or political agenda.

"If you want networking," said Jonathan Grella, 32, a public relations executive and Tom Delay's former press secretary, "go to a fund-raiser or a charity event, or go to Sally Quinn's house."

Even if this generation had a version of Ms. Quinn's house, the Capital Club partygoer would rather not drop by. "There's no one talking about issues in the beer line," said Jessica Clement, who dates a past president of the club and works for the DCI Group.

Jessica Cutler, the former congressional staff member whose blog, written under the pseudonym Washingtonienne, exposed several Washington men's sex lives, said she attended one party — uninvited — in 2004, and that was enough for her. But Washington is not like New York, she said, and there are not many opportunities for the young and ambitious to establish themselves on the social scene.

"Either you're dealing with college kids," she said of Washington's night life, "where you feel you're the oldest person there. Or you feel like you're way too young to be there because they're all old men."

Still, the Capital Club seems contrived, Ms. Cutler said. "It feels like these guys are young and they just came up with it, as opposed to it being an institution."

"That didn't appeal to me," she said, "but I can see why it appeals to the D.C. type. They do want to be on the board of the museum."

Many members do come from privileged backgrounds; Mississippi Gov. Haley Barbour's son, Reeves, is a member, as are West Virginia Rep. Shelley Moore Capito's son, Moore, and Georgia Senator Saxby Chambliss's son, Bo, a lobbyist, all Republicans. Billy Bush, President Bush's cousin and a host of "Access Hollywood," is a former member, as is John Breaux Jr., a lobbyist whose father is the former Democratic Louisiana senator.

But the club is, in some ways, populist. Annual dues are only $250. Anyone who buys a ticket can come to the parties. The cost for Swine on the Vine for nonmembers was $50 for men, $40 for women. At the end of the year, the club donates about $5,000 to charities like the American Red Cross.

"I hate when we get painted with that picture of a bunch of bratty kids or of a privileged young Republicans' club," said George Vincent, 25, a real estate developer. "I know a lot of the guys fit that, but not all. The Republican part works, but I'm not pretentious."

The club was formed in 1980 — the year Ronald Reagan was elected president — by five graduates of the University of Virginia and Washington and Lee, with the intent of recreating their fraternity parties.

"The first one, as it has been described to us, was three kegs of beer in a hotel ballroom in Crystal City, Virginia," said Mat Lapinski, 26, the current club president and a lobbyist with a Washington law firm.

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The Clinton years were not good for the club; according to some members, it tried to become too exclusive, restricting access to its parties. It could hardly refill its membership ranks. The return of the Republicans to Congress in the mid-90's marked the club's resurgence.

The club says 60 to 70 men try to join each year for the dozen spots that open up. A thousand people went to the Sinatra Soiree in July, where the "summer ahoy" dress code must have prompted a run on the J. Crew catalog. More than one guest carried a polo mallet as a walking stick.

Even with the polls this month showing Democrats threatening the Republican majority in Congress, and the House leadership under attack, members insisted that a shift in the balance of power in Washington would not dim the club's appeal, or its party-hearty spirit. The next gathering, a Halloween costume affair on Oct. 28, is 10 days before Election Day. Some members said they were looking forward to it as a timeout from the tense political season.

"It wouldn't matter if the Democrats controlled Congress or if Ralph Nader were president," said Mr. Kimbell, 35, the former president. "The club isn't about politics. It is precisely the opposite, as it gives members an opportunity to get away from politics for at least a little while, listen to some live music, throw down a few shots of Patrón and have a few howls with the boys. And perhaps enjoy the fruits of some of our lady guests."

The parties aren't so wild that anyone will be forced to issue a public apology the next day. This being Washington, Capital Club members are aware that once you damage your reputation, it's not easy to repair it. A lesson was learned from an experience with the Madison, a women's club similar to the Capital Club, after a member told The Hill newspaper that she "would be the ultimate trophy wife."

The same article called the Madison the female equivalent of the Capital Club. The Capital Club rushed out an e-mail message to the Madison's board insisting they "do not want the Madison to be referenced as the female equivalent to the club."

Mr. Lapinski, the Capital Club's president, said: "We have always welcomed everyone to our events. And some members worried that referring to the organizations as equivalents would have a negative impact on attendance at our events by our friends in the Junior League and other non-Madison ladies."

When the sun went down at Swine on the Vine, a few couples retreated to blankets by the bonfire, but the majority jammed together in front of the stage to hear the band, as if they were at a high school dance. Men on the sideline fired up cigars.

At the end of the night, 10 empty kegs were lined up as people danced to the last song, Journey's "Don't Stop Believin'." A young man stumbled out of the darkness while rebuttoning his untucked white shirt. Guests left in pairs, holding hands, while some single women consoled each other. "He's a dirtbag," one said.

"I just want to get out of here," her friend said.

A boisterous group piled into the Hummer limo, and all of the cars headed back to Washington together.

U.S. Treasury's Paulson Sells New York Condo For $8 Million (BLOOM)

By Sharon L. Crenson

Bloomberg, October 21, 2006

Oct. 20 (Bloomberg) -- U.S. Treasury Secretary Henry Paulson, the former chief executive officer of Goldman Sachs Group Inc., sold his 50th floor condominium near Manhattan's Lincoln Center for almost $8 million, according to public records.

Paulson paid a total of $2.88 million for two apartments he bought and combined on West 67th Street, one in 1996 and the other in 1998. Tax on the re-sale was about $112,000, according to the New York City Register.

The median price for four-bedroom Manhattan apartments like Paulson's was just under $7 million in the third quarter, according to Miller Samuel Inc., the borough's largest appraiser. On the Upper West Side, it was about $7.2 million, and prices in that neighborhood may be poised to rise further, said Gregory J. Heym, chief economist for Terra Holdings, the parent company of New York City real estate brokers Brown Harris Stevens and Halstead Property.

``The West Side market in our latest report looked a little weak," Heym said ``The prices over there are going to shoot up."

Goldman, the world's most-profitable securities firm, last year paid Paulson $38.3 million in salary, stock and options, making him Wall Street's most highly-compensated executive in 2005. After he was confirmed on June 28 as Treasury secretary, the firm said it would give him an $18.7 million cash bonus for the first half of 2006. As Treasury secretary, he earns $183,500 per year. Treasury spokeswoman Brookly McLaughlin didn't immediately return a call seeking comment from Paulson.

The apartment sale was first reported in the New York Post.

Nine-Room Condo

Paulson and wife Wendy J. Paulson sold their nine-room condo for $7,995,000 just as that type of apartment building is becoming more popular in New York. About 70 percent of the city's multi- family stock is in co-operatives where residents sit on boards that review the finances and private lives of potential buyers. Condos don't require such approval and are more likely to be newly constructed.

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The number of Manhattan apartment sales, both condominium and co-op, rose 9.3 percent to 2,113 in the third quarter, gaining 5.8 percent from a year ago, according to the Miller Samuel report.

Fueled by Wall Street bonus money, New York apartment prices gained 73 percent over the past five years, making Manhattan the most expensive urban market in the U.S.

Investment banks such as Goldman Sachs and Morgan Stanley handed out a record $21.5 billion in bonuses at the end of 2005, according to New York State Comptroller Alan Hevesi.

The Paulsons have another home in Barrington, Illinois, according to New York City documents.

U.S. new-house prices will fall this year for the first time since 1991 and existing homes will have the smallest gain ever, the National Association of Realtors said this month. The U.S. median price for a new home probably will dip 0.2 percent to $240,500, the first decline since a drop of 2.4 percent 15 years ago. The price for previously owned homes likely will rise 1.6 percent to $223,000, the smallest gain on record.

Neil Binder, co-owner of Manhattan's Bellmarc brokerage, said media coverage of the slowing U.S. housing market has sparked sales.

``When the press came out that the world was coming to an end, it stimulated a lot of activity,'' he said.

Flexing Our Muscles In Space (NYT)

The New York Times, October 21, 2006

The Bush administration has adopted a jingoistic and downright belligerent tone toward space operations. In a new "national space policy" posted without fanfare on an obscure government Web site, and in recent speeches, it has signaled its determination to be pre-eminent in space — as it is in air power and sea power — while opposing any treaties that might curtail any American action there.

This chest-thumping is being portrayed as a modest extension of the Clinton administration's space policy issued a decade ago. And so far there is no mention of putting American weapons in space. But the more aggressive tone of the Bush policy may undercut international cooperation on civilian space projects — a goal to which the new policy subscribes — or set off an eventual arms race in space.

The new policy reflects the worst tendencies of the Bush administration — a unilateral drive for supremacy and a rejection of treaties. And it comes just as the White House is desperately seeking help to rein in the nuclear programs of North Korea and Iran. That effort depends heavily on cooperation from China and Russia, two countries with their own active space programs.

The administration regards the policy as a necessary update to reflect how important space is becoming for the American economy and defense. But outside experts who have parsed the language are struck by how forceful and nationalistic it sounds.

Whereas the 1996 policy opened with assurances that the United States would pursue greater levels of partnership and cooperation in space, the new policy states: "In this new century, those who effectively utilize space will enjoy added prosperity and security and will hold a substantial advantage over those who do not. Freedom of action in space is as important to the United States as air power and sea power."

The only solace is that the new policy does not endorse placing weapons in space or fighting in, through or from space, as the Air Force has been urging. But neither does it rule out these activities.

In keeping with the more muscular stance, the administration is also opposing any negotiations on a treaty to prevent an arms race in outer space — arguing that it may impede America's ability to defend its satellites from ground-based weapons. That seems shortsighted. An international treaty to keep space free of weapons might well provide greater security than a unilateral declaration that we will do whatever we have to do to preserve our own space assets.

Michael Griffin, the NASA administrator, insisted he did not intend to sound jingoistic when he addressed a conference in Spain this month — but he sure came across that way. He wondered aloud what language future settlers of the Moon and Mars would speak. "Will my language be passed down over the generations to future lunar colonies?" he asked. "Or will another, bolder or more persistent culture surpass our efforts and put their own stamp on the predominant lunar society of the far future?"

We fear the old notion that space might provide the perfect arena for international cooperation may be yielding to a new era of competition — one not seen since the cold war race to the moon.

Farm Insurance Racket (WP)

The Washington Post, October 21, 2006

IF WE ASKED Congress to spend billions making the newspaper business a risk-free enterprise, our editorial would be laughed out of the Capitol. Yet that is essentially the deal American farmers -- and the insurance companies that profit from their government-sponsored premiums -- get from the federal government every year. The result, according to a two-part Post

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investigation published this week, is billions of federal dollars wasted in unfair and uncompetitive handouts, many of which go to farmers working land that would be left fallow in a freer market.

The Post's study found that many farmers benefit not only from government-backed, cut-rate farm insurance but also from federal disaster relief funds. This double-dipping means that farmers who lose 35 percent or more of a crop can recoup up to 95 percent of the money they would have gotten from selling their harvest. Ironically, Congress approved a complex public-private scheme that offers cheap farm insurance to all comers in order to wean farmers off disaster aid. Yet even now that the federal government pays, on average, 60 percent of farmers' premiums, lawmakers continue to pass redundant emergency aid for afflicted farmers.

Because of the government largess, farmers in parts of the country that are less than hospitable to productive agriculture continue to plant -- and eat up federal money. Post investigators Gilbert M. Gaul, Dan Morgan and Sarah Cohen revealed, for example, that over the past four years, Mark Orebaugh, a farmer in parched southwestern Kansas, paid $81,730 in insurance premiums and received $295,796 back in claims, more than 3 1/2 times what he put in. He has also taken disaster aid on top of that, as significant portions of his crop were destroyed in four of the past six years. In the past 10 years, four of every 10 dollars in disaster relief went to only four states -- Kansas, North Dakota, South Dakota and Texas. More than half of all farm payouts are concentrated in 25 congressional districts.

Unproductive farmers are not the only ones taking advantage. The insurance companies that work with the government to provide farm disaster coverage have seen their profits balloon in recent years. The federal government sets the price for coverage, helps farmers pay it and reimburses insurers for administrative costs. The insurance companies then shift the liability for their most risky accounts onto taxpayers. Last year, these farm insurers posted profits of $927 million and took $829 million in administrative fees from the government.

Nevertheless, North Dakota farmer Terry Aronson unpretentiously defended the system to Post reporters. "Taxpayers are funding something good, the rural life." Yet most Americans -- removed from "the rural life" in urban and suburban communities -- pay not only the opportunity cost of funneling money to farmers but also the incalculable costs of failed trade talks, which hurt the American consumer. America has a sentimental attachment to its farmlands. But preserving the rural life of a few, unproductive farmers is not worth the price it pays to do it.

OTHER NEWS:

Dow Closes Out Week Riding Crest Of 12,000 (WP/AP)

By Tim Paradis

The Washington Post, October 21, 2006

NEW YORK, Oct. 20 -- Wall Street ended a record-setting week narrowly mixed Friday, with the Dow Jones industrial average falling to close at slightly more than 12,000 after a lackluster profit report and forecast from Caterpillar Inc. prompted many investors to retreat.

Caterpillar, one of the 30 blue-chip stocks that make up the Dow, unnerved investors who have bet that the slowing economy would pull off a soft landing rather than tip into recession.

"Caterpillar must have taken about 60 to 70 points off the Dow," said Stephen Carl, head of equity trading at Williams Capital Group.

It was optimism about the economy and rising hopes for strong third-quarter earnings that had lifted the Dow into uncharted territory this week. The blue chip index, reaching its first 1,000-point milestone in 7 1/2 years, traded past 12,000 for the first time Wednesday and had its first close above that mark on Thursday.

On Friday, the Dow closed down 9.36, or 0.08 percent, at 12,002.37. Broader stock indicators showed modest gains after spending much of the session with losses. The Standard & Poor's 500-stock index rose 1.64, or 0.12 percent, to 1,368.60. The Nasdaq composite index rose 1.36, or 0.06 percent, to 2,342.30 after a strong earnings report from Google Inc.

For the week, the Dow rose 0.35 percent, the S&P gained 0.22 percent and the Nasdaq fell 0.64 percent. The Dow had shown triple-digit point gains in each of the previous three weeks.

Despite the overall gains in the market, the S&P stands about 10.4 percent below its high close of 1,527.46 and the Nasdaq is even further off, about 54 percent. All three indexes had peaked in early 2000 before plunging in response to the dot-com bust, recession and the aftermath of the 2001 terror attacks.

Joe Battipaglia, chief investment officer at Ryan Beck & Co., contends that while earnings reports have been sound over all companies are coming in with more guarded forecasts. He also is concerned that falling oil prices could indicate the economy is slowing too quickly.

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"Caterpillar today was sort of a splash of cold water on the notion that this economy is in the perfect place and will continue to be in the perfect place," Battipaglia said.

Caterpillar fell $10.02 or 14.5 percent, to $59 despite a 15 percent increase in its third-quarter profit. Though the company sold more construction and mining equipment, it warned increased operating costs and weaker-than-expected sales would cut into its full-year profits.Movers

Merck rose $1.15, to $45.64, after reporting stronger-than-expected earnings and revenue, though earnings were down 34 percent and sales were flat.

Vical rose 53 cents, to $5.88. The developer of gene-based therapies said a trial of its bird flu vaccine effectively protected ferrets against a lethal strain of the virus. It hopes to begin testing the vaccine in humans soon.

SanDisk fell $12.59, to $49.15. The maker of flash-memory chips posted a 4 percent decline in third-quarter profit and forecast prices would fall as much as 20 percent in the fourth quarter.

Arch Coal fell $2.22, to $32.04, after the company lowered its full-year profit forecast because of weakness in the domestic market. Arch Coal also said that its third-quarter profit nearly tripled as its operating costs fell.Indexes

New York Stock Exchange composite index rose 1.22, to 8,702.03.

American Stock Exchange index rose 3.58, to 1,936.66.

Russell 2000 index of smaller-company stocks fell 5.26, to 762.13.Volume

NYSE: 2.57 billion shares, down from 2.65 billion on Thursday. Declining issues outnumbered advancers by about 3 to 2.

Nasdaq: 1.88 billion shares, down from 1.97 billion. Decliners outnumbered advancers.Commodities

Crude oil for November delivery: $56.82, down $1.68.

Gold for current delivery: $593, down from $599 on Thursday.

Blue Chips Pause For Oxygen At 12000 Level (WSJ)

By Michael Hudson

The Wall Street Journal, October 21, 2006

The Dow Jones Industrial Average paused in its march to new records but finished above the 12000 level for the second straight session -- just barely.

After trading lower for much of the session, the blue-chip average rallied in the waning minutes of trading Friday afternoon to finish at 12002.37, down 9.36 points, or 0.1%. It ended the week up 41.86 points, or 0.3%, and is up 12% for the year.

"The mood swings have been pretty intense," said Edward Yardeni, chief investment strategist for Akron, Ohio, money manager Oak Associates Ltd., "Nobody wants to believe that things are as good as they are."

After 10 upward moves in the last 14 trading sessions, some market watchers think the Dow industrials are poised to take a breather, at least for the short term.

The stock market is "still nervous and jittery and will likely be so for the next week or so, until we're done with earnings season," said Brian Reynolds, chief market strategist for M.S. Howells, a Scottsdale, Ariz., brokerage firm. "Eventually we'll work through that and start moving up again."

The blue-chip average was dragged down Friday by heavy-equipment maker Caterpillar, one of 30 Dow components, which fell nearly 15% after reporting earnings below analysts' expectations.

Other indexes rose yesterday. The broad Standard & Poor's 500-stock index gained 0.1%, or 1.64 points, to finish at 1368.60, up 0.2% for the week and 9.6% for the year. The Nasdaq gained 0.06%, or 1.36, to 2342.30, down 0.6% for the week but up 6.2% year-to-date.

Despite the disappointing earnings report from Caterpillar, most companies have been reporting solid numbers, according to data provider Thomson Financial. Earnings of companies in the S&P 500 are now projected to have jumped 16% in the third quarter over last year, Thomson said.

In major market action:

Stocks rose; bonds were mostly flat. The price of the 10-year Treasury note stayed pat, yielding 4.788%. The 30-year bond rose 1/32, or 31.25 cents for every $1,000 invested, to yield 4.909%.

The dollar strengthened. Late in New York, it traded at 118.69 yen, compared with 118.16. The euro fell against the dollar to $1.2619 from $1.2618.

U.S. Stocks Rise As Google, 3M Beat Profit Estimates, Oil Falls (BLOOM)

By Nick Baker

Bloomberg, October 21, 2006

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Oct. 20 (Bloomberg) -- U.S. stocks preserved their fourth straight weekly gain as earnings at Google Inc. and 3M Co. beat analysts' estimates and oil dropped below $57 a barrel, lifting companies that depend on consumer spending.

``Everyone's waiting for things to slow down here, but the information we are getting from corporate America is that things are fine," said Philip Tasho, who helps manage $450 million as chief investment officer at Tamro Capital Partners in Alexandria, Virginia.

Merck & Co. reached a two-year high after saying earnings will rise more than previously forecast. Coca-Cola Co. rallied after Merrill Lynch & Co. put it on a list of favored stocks.

The Dow Jones Industrial Average fell after Caterpillar Inc., the best-performing member during the past four years, said a slowing U.S. economy may reduce earnings growth. The average slid 9.36, or 0.1 percent, to 12,002.37. Caterpillar knocked 80 points off the measure for the day.

The Standard & Poor's 500 Index rose 1.64, or 0.1 percent, to 1368.60. The Nasdaq Composite Index gained 1.36, or 0.1 percent, to 2342.30.

For the week, the S&P 500 increased 0.2 percent, while the Dow average gained 0.4 percent and the Nasdaq fell 0.6 percent.

Google soared $33.61, or 7.9 percent, to $459.67 for the S&P 500's biggest gain. Net income at the world's most-used Internet search engine almost doubled to $733.4 million. Profit excluding stock-based compensation costs was $2.62 a share. On average, analysts predicted $2.42, according to Thomson Financial.

Google's Prospects

Citigroup Inc. raised its price estimate for Google shares by 9.1 percent to $600. ``If retail this holiday season shapes up to be exceptionally strong, then Google could be a major beneficiary," analysts including Mark Mahaney wrote.

3M, maker of products from Post-it Notes to electronic road signs, advanced $2.07 to $78.47. Third-quarter net income rose 6.4 percent on acquisitions and sales of optical film for flat- panel television screens. Per-share profit was $1.17 excluding some items, topping analysts' $1.12 average estimate in a Thomson survey.

Merck gained $1.15 to $45.64. It raised its 2006 earnings forecast for the third time this year, to $2.18 to $2.25 a share from the prior $2.10-to-$2.24 projection.

With today's rally, the drugmaker's shares reclaimed all of their losses after Merck in September 2004 withdrew Vioxx, the world's second-best selling painkiller at the time, because of a potential link to heart attacks and strokes.

Coca-Cola's Gain

Coca-Cola gained $1.84 to $46.75. Merrill Lynch added the shares to its ``Focus 1" list, a day after profit at the world's biggest soft-drink maker beat analysts' estimates. Merrill's Christine Farkas increased forecasts for 2006, 2007 and 2008 earnings.

Caterpillar, the world's biggest maker of earthmoving equipment, tumbled more than 14 percent, the most since October 1987. The shares lost $10.02 to $59.

The company's results come a day after financial companies including Citigroup posted disappointing earnings and a report on leading economic indicators signaled a slowdown.

A weakening economy may soon put an end to a streak of 10 percent-plus growth in quarterly earnings. S&P 500 profit will increase 8.8 percent in the first three months of 2007, according to Thomson today. Double-digit rises in the third and fourth quarters would push the winning streak to 14 quarters, the longest in five decades.

Caterpillar Forecast

In 2007, Caterpillar's revenue will be little changed to up 5 percent, with per-share profit little changed to up 10 percent from the middle of its 2006 forecast. The company's third-quarter profit rose less than analysts' forecasts.

Crude for November delivery declined 2.9 percent to $56.82 a barrel in New York, the lowest close since Nov. 29, as traders said the Organization of Petroleum Exporting Countries will fail to cut production by 1.2 million barrels a day as planned. Prices have plunged 28 percent from a record of $78.40 reached July 14.

Exxon Mobil Corp., the world's biggest oil company, lost 18 cents to $69.55. Valero Energy Corp., the largest U.S. refiner, slipped 85 cents to $52.09.

Telephone, health-care and so-called consumer-staples companies, which have a reputation as havens in an economic slump, led the S&P 500's advance. The Russell Top 50, a gauge of 50 of the largest U.S. companies, added 0.6 percent on expectations the group will also weather a slowdown.

AT&T, Verizon

AT&T Inc., the biggest U.S. phone company, gained 69 cents to $34.44. Verizon Communications Inc., AT&T's closest rival, added 59 cents to $37.80.

Food, beverage and other consumer-staples stocks gained.

Wal-Mart Stores Inc. added 88 cents to $49.37. The world's largest retailer is ``changing for the better, rapidly," Oppenheimer analyst Bernard Sosnick wrote.

Airlines gained following oil's decline and a debt-rating upgrade by Fitch Ratings for AMR Corp. and Continental Airlines Inc. The risk of a ``liquidity crisis" at the pair has been ``reduced dramatically," according to Fitch.

The AMEX Airline Index rose 3.1 percent. AMR, the parent of American Airlines, advanced $1.42 to $27.70. Continental added $2.40 to $35.05. JetBlue Airways Corp. climbed 26 cents to $10.92.

Steelmakers in the S&P 500 declined 1.2 percent after India's Tata Steel Ltd. agreed to buy Corus Group Plc, creating the world's fifth-largest steel producer, for less than some investors expected. U.S. Steel Corp., the biggest U.S.-based steel company, fell $1.37 to $66.18.

S&P 500 shares, called Spiders, increased 3 cents to $136.84. Nasdaq-100 tracking shares, known by their QQQQ symbol, added 10 cents to $42.

S&P 500 futures expiring in December advanced 0.60 to 1374.90 on the Chicago Mercantile Exchange. Nasdaq-100 Index futures slipped 4 to 1718.75.

The Russell 2000 Index, a benchmark for companies with a median market value of $642.7 million, fell 0.7 percent to 762.13. The Dow Jones Wilshire 5000 Total Market Index, the broadest measure of U.S. shares, added 0.1 percent to 13,690.51. Based on its gain, the value of stocks increased by $23.9 billion.

AMR Corp. (AMR US) AT&T Inc. (T US) Caterpillar Inc. (CAT US) Coca-Cola Co. (KO US) Continental Airlines Inc. (CAL US) Exxon Mobil Corp. (XOM US) Google Inc. (GOOG US) JetBlue Airways Corp. (JBLU US) Merck & Co. (MRK US) 3M Co. (MMM US) U.S. Steel Corp. (X US) Valero Energy Corp. (VLO US) Verizon Communications Inc. (VZ US) Wal-Mart Stores Inc. (WMT US)

Oil Tumbles Below $57 On Skepticism OPEC Will Make Output Cuts (BLOOM)

By Mark Shenk

Bloomberg, October 21, 2006

Oct. 20 (Bloomberg) -- Crude oil fell below $57 a barrel in New York for the first time this year as traders said OPEC members will fail to cut production by 1.2 million barrels a day as planned.

The 4.4 percent reduction starting Nov. 1 will be based on how much members were pumping last month, rather than quotas, United Arab Emirates Oil Minister Mohamed al-Hamli, who will become president of the group in 2007, said after members met in Doha, Qatar. Prices have plunged 28 percent from the record of $78.40 a barrel reached July 14.

``I'll be surprised if we see them cut even half the volumes promised," said Michael Lynch, president of Strategic Energy & Economic Research in Winchester, Massachusetts. ``If prices stay at this level for a few weeks we'll probably see some of the weaker members such as Venezuela and Algeria forget about their pledges."

Crude oil for November delivery fell $1.68, or 2.9 percent, to $56.82 a barrel on the New York Mercantile Exchange, the lowest close since Nov. 29. Futures are down 3 percent this week and 6.9 percent from a year ago. The November contract expired today. The more-active December contract fell $1.17, or 1.9 percent, to close at $59.33 a barrel.

``The OPEC announcement may help explain why the spread between the November and December contracts grew today," said Jason Schenker, an economist with Wachovia Corp. in Charlotte, North Carolina. ``OPEC's cuts may have an impact but we won't feel it until December at the earliest."

Expected Reduction

OPEC's cutback was larger than the reduction that ministers had been talking about for the past two weeks and was endorsed by OPEC's biggest producer, Saudi Arabia, which will trim output by 380,000 barrels a day.

``We needed more to stabilize the market," Algerian Oil Minister Chakib Khelil said after the meeting. Members are ``unanimous" that they need to ensure price stability, OPEC President and Nigerian Oil Minister Edmund Daukoru told reporters today in Madrid. OPEC ministers are concerned about falling prices and rising U.S. stockpiles, Abdullah bin Hamad al-Attiyah, Qatar's oil minister, said in a phone interview on Oct. 11.

``When we advertised 1 million, the market didn't respond, so something more had to be done," Daukoru said in an interview.

OPEC may need to cut an additional 300,000 barrels a day when the group meets Dec. 14 in Abuja, Nigeria, Venezuelan Oil Minister Rafael Ramirez said today.

Appropriate Cut

``The cut seems appropriate given the increase in stockpiles," said Aaron Kildow, a broker at Prudential Financial Derivatives LLC in New York. ``The most bullish thing to come out of the meeting was the announcement that they may cut again when they meet in December."

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Prices may fall next week on doubts the producer group will cut production enough to reduce excess supplies, according to a Bloomberg News survey yesterday, before OPEC announced its decision. Twenty-one of 49 analysts, traders and brokers, or 43 percent, said prices will decline. Fourteen forecast an increase and 14 predicted little change.

``A cut of 1 million barrels was factored in so it looks like they decided to cut more to get the market's attention,'' said Rick Mueller, an analyst with Energy Security Analysis Inc. in Tilburg, the Netherlands. ``I doubt there will be a dramatic up-tick in prices because inventories are so high and uncertainty about what the members will actually cut.''

U.S. crude oil inventories surged 5.02 million barrels to 335.6 million last week, the Energy Department reported Oct. 18. It was the biggest increase since March and left stockpiles 14 percent higher than the five-year average for the week, the department said. The U.S. consumes 25 percent of the world's oil.

Heating Season

``Demand should rise in coming weeks because of the approach of heating season,'' Kildow said.

Global consumption peaks during the Northern Hemisphere winter, when furnaces are stoked. The International Energy Agency, which advises 26 industrialized nations on energy policy, said OPEC's decision was ill-timed because demand will increase as the heating season nears.

``I think this cut comes at the worst time possible,'' IEA Executive Director Claude Mandil said today in a phone interview. ``I don't like the idea of OPEC trying to defend prices of $60 a barrel.'' That is not ``helpful'' to consumer nations and poorer countries, he said.

Brent crude oil for December fell $1.19, or 2 percent, to close at $59.68 a barrel on the London-based ICE Futures exchange.

Oil Prices Drop Despite OPEC Call To Cut Output (WP)

By Steven Mufson, Washington Post Staff Writer

The Washington Post, October 21, 2006

If yesterday was a test of the power of the Organization of the Petroleum Exporting Countries, the cartel flunked.

Hours after the world's leading group of oil producers vowed to cut output by 1.2 million barrels a day to stop a three-month-old slide in petroleum prices, oil prices on world markets continued to head downward. Crude oil slipped $1.68 a barrel yesterday to close at less than $57 a barrel in New York markets for the first time this year.

Oil traders and analysts said they remained unconvinced that OPEC members would have enough discipline to trim production by more than half the amount announced. And it remained unclear whether that smaller amount would be enough to stabilize prices as OPEC hopes.

"There's still a lot of skepticism about the extent to which they'll cut or not," said Adam E. Sieminski, chief energy economist of Deutsche Bank AG.

Meanwhile, the drop in oil prices continued to provide a boost to the U.S. economy, especially for companies sensitive to fuel prices. The shares of major airlines, for example, jumped after analysts boosted earnings estimates for several big carriers. They cited lower prices of jet fuel, one of the industry's biggest costs. Shares of American Airlines parent AMR Corp. rose $1.42 a share, or 5.4 percent, to close at $27.70. Continental Airlines Inc. set a new 52-week high for a second consecutive day.

Even if the cuts materialize, it will take weeks for them to work their way through the supply chain. OPEC said the cuts will take effect Nov. 1, but it would be several weeks before any change showed up on U.S. shores.

"The market is going to wait until it sees evidence that OPEC has cut back supply to a significant degree. And that's going to take time," said James Burkhard, managing director of the global oil group at Cambridge Energy Research Associates. He said that supply agreements for November had already been set. "So we're not likely to see much evidence of a cut until December," he said.

In the absence of a measurable supply effect, the initial verdict on the production cuts was rendered by traders and investors based on psychology and expectations. "We are in the throes of momentum traders," said the head of commodity trading at a U.S. hedge fund, who requested anonymity so as not to disclose his position to competitors. "They don't care about demand for oil. All they care about is whether trends are broken. Those guys are in full control."

And the trend lines are pointing the opposite direction from the way they were looking earlier in the year. As a result, many of the speculative investors and hedge funds that were buying from February through August are now selling their energy positions.

"OPEC says it will defend a number and the assumption everyone makes is that $60 [a barrel] is that number," Sieminski said. "So there's a temptation to sell below that to force their hand and say, 'Let's see how many aces you're holding.' So what the Saudis and OPEC have to do to convince the speculators is to show that they have more than deuces in their hand."

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Even analysts trying to look past today's market and calibrate real supply and demand two or three months from now were uncertain about what the balance would be. OPEC's own forecasts for next year are relatively pessimistic from the cartel's point of view. It sees world oil consumption rising by a relatively modest 1.3 million barrels a day and non-OPEC oil production rising by 1.8 million barrels a day, thus cutting demand for OPEC's oil.

But the Energy Department's Energy Information Administration sees a bigger increase in usage and a smaller increase in non-OPEC demand, resulting in a small increase in demand for OPEC oil.

Burkhard said that the uncertainty stems from an unclear picture of world economic growth and the conservation response to oil prices that have been very high for more than a year. Additional supplies next year will be coming from Canada; Brazil; West Africa, mostly Angola; and the Caspian Sea region, from Azerbaijan and Kazakhstan.

Even if OPEC succeeds in cutting world production below global consumption, which this year is running around 84.6 million barrels a day according to the International Energy Agency, ample inventories will soften the impact for a while. The IEA estimates that the 30 members of the Organization for Economic Cooperation and Development have 55 days of oil in storage, up one day from last year and slightly more than usual.

Burkhard said that another factor in prices would be the gradual buildup of spare production capacity. In 2002, the world had about 7 million barrels a day of spare oil production capacity, about 10 percent of consumption then, that could be tapped if a geopolitical crisis disrupted supplies somewhere. By some estimates, that cushion had shrunk to about 1 million barrels a day while consumption had grown. That contributed to what many called a "fear factor" in the oil price, especially as tensions rose between the United States and Iran over Tehran's insistence on continuing its nuclear program without international restrictions.

Burkhard estimated that OPEC's current spare capacity is about 2.4 million barrels a day and would rise to 2.8 million barrels a day next year, without counting production capacity currently shut in by violence in Iraq and Nigeria.

"One of the reasons prices rose so high earlier this year was the fear about what could happen," Burkhard said. "It was driven by the thin cushion of spare production capacity. If OPEC now cuts back on production at the same time that it is adding capacity, then we are likely to see a bigger cushion of spare capacity, which would diminish the impact of geopolitical fears on the oil price."

Texas Justice Who Spoke For Bush Pick Is Cleared (NYT)

By Ralph Blumenthal

The New York Times, October 21, 2006

HOUSTON, Oct. 20 — A Texas Supreme Court justice who championed a longtime friend and fellow Republican, Harriet E. Miers, for the United States Supreme Court last year was cleared Friday of charges that his efforts had violated state rules of judicial ethics.

The justice, Nathan. L. Hecht, 57, who is running for re-election, had received a public admonition, the mildest form of sanction, from the State Commission on Judicial Conduct. It said he had discredited the judiciary by giving about 120 interviews that amounted to an endorsement of another candidate and a lending of judicial prestige to a private interest.

But three appellate justices appointed as a Special Court of Review to hear Justice Hecht's appeal overturned the reprimand, which had carried no civil or criminal penalty.

The true villain, a court majority said, was the ambiguity of the rules adopted by the Texas Supreme Court, the state's highest civil court, on which Justice Hecht has sat since 1989. Two of the three justices agreed with Justice Hecht that the ethics rules were improperly vague and did not apply to what he had done, at the urging of the White House, to further Ms. Miers's bid for the nation's highest court.

A third member of the special court found that Justice Hecht had violated the rules, but that they were unconstitutional because they limited his freedom of speech.

"I'm grateful to see it; I think they reached the right decision," Justice Hecht, the longest-serving member of the Texas Supreme Court, said by telephone after the ruling. He said he had expected to be vindicated, but the court would now have to grapple with rewriting the ethics code.

"We never thought about judges having free speech rights," he said. Revisions of the rules are "already in the mill," he added, "but there's still a lot of fog out there."

The case raised some perplexing questions. Senator Arlen Specter, Republican of Pennsylvania and chairman of the Judiciary Committee, has said he had been prepared to call Justice Hecht as a witness if the Miers nomination had not faltered.

Would it have been proper for the justice to speak forcefully for Ms. Miers in the hearing room, but not outside it? If he had stayed silent in the face of questions about Ms. Miers, the justice testified, would that, too, not have been taken as a powerful negative comment, in view of their close 30-year friendship?

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And most peculiarly, Justice Hecht testified, if the rules prevent judges from speaking out in support of a candidate, why do they allow comments in opposition?

The opinion by the special court, an appellate panel drawn at random by the Texas Supreme Court, found that the ethics code, or canons, had “a complete lack of definitions of critical terms” involving what judges cannot do to support or endorse candidates for public office.

“There is no bright line of demarcation between acceptable and prohibited conduct,” the ruling said. “We decline to come down on the side of condemnation in the face of what we perceive as undeniably obvious: the ambiguity, confusion and apparent contradictions in the content, interpretation and application of the canons.” It was signed by Justices Kerry P. Fitzgerald and Amos L. Mazzant, both Republicans from Dallas.

The third justice, Ann Crawford McClure, a Democrat from El Paso, agreed to reverse the admonition of Justice Hecht, but for different reasons. In her concurring opinion, Justice McClure wrote that Justice Hecht had broken the rules by appealing for support for Ms. Miers, thereby “endorsing” her and authorizing the use of his name and judicial office “to sell the Miers nomination.” She also found that it had been in Ms. Miers’s “private interest.”

Moreover, Justice McClure said, because Justice Hecht said he had seen nothing wrong with his conduct and would do it again, “the evidence supports a finding that Justice Hecht willfully violated the canons.”

Still, she said, since judges can make political contributions — “a Texas judge may put his money where his mouth can’t go,” as she put it — she agreed that the rules imposed unconstitutional limits on his freedom of speech. And so, she said, the sanctions had to be reversed.

Because the majority opinion did not rely on constitutional issues, it left little ground for an appeal to the United States Supreme Court.

The case also left much unclear. “Thirty-seven-hundred judges want to know what to do,” Justice McClure wrote. New rules would have to be devised, she said, but she suggested to her fellow jurists: “Our ability to speak does not mean that we should speak. I haven’t and I won’t.”

No Reprimand In Judge's Support Of Miers (AP-Y)

By Angela K. Brown

AP, October 21, 2006

A three-judge panel dismissed the reprimand of a Texas Supreme Court justice who publicly endorsed his friend Harriet Miers after her short-lived U.S. Supreme Court nomination.

In a ruling announced Friday, the panel of appeals court judges said Nathan Hecht did not violate state rules that bar judges from lending their office's prestige to boost the private interests of themselves or others, and from using their names to endorse candidates for office.

"This is complete vindication for Justice Hecht," said his attorney, Chip Babcock. "It removes the only blemish on a 20-plus-year record of service to the state."

The State Commission on Judicial Conduct had admonished Hecht in May after two complaints were filed against him.

Hecht had told White House staff to send him all media inquiries about Mier's career and campaigned for her in about 120 newspaper, radio and television interviews, the commission said.

Mark Greenwald, an attorney for the commission, said the panel had expected that outcome and was glad that Hecht got his day in court. But he said that the commission had no guidance on rules for the conduct of other judges.

"It does signal our fears will be realized of endorsement shenanigans," he said.

Hecht had argued that he did not violate any ethics codes and had the right to free speech.

Miers was nominated last October by President Bush to replace the retiring Sandra Day O'Connor, but she dropped out under fire from conservatives who questioned her qualifications and would not support her.

Hecht, who worked with Miers in a Dallas law firm starting in the 1970s, said he didn't mean to endorse her, rather he wanted to provide information about her qualifications. He said he felt compelled to comment because being silent would have been perceived as trying to hide something about Miers.

Bush Drops In At Italian-American Dinner (AP-Y)

By Deb Riechmann

AP, October 21, 2006

President Bush made a surprise appearance Friday night at a National Italian American Foundation dinner show featuring Frankie Valli and the Four Seasons.

"I'm sorry I'm not going to be around to hear you," said Bush, who stunned the crowd when he slipped on stage.

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The president recognized famous faces in the audience, including Justices Samuel Alito Jr. and Antonin Scalia, New York Yankees baseball legend Yogi Berra and Tommy Lasorda, the longtime manager of the Los Angeles Dodgers. Then his remarks turned serious.

Bush recognized one prominent Italian American, Gen. Peter Pace, chairman of the Joint Chiefs of Staff, who was missing from the annual gathering that attracted more than 1,000 people to a Washington hotel. Bush said he would be meeting with Pace and other military leaders on Saturday to discuss the U.S. strategy for addressing ongoing violence in Iraq.

"We're in a titanic struggle between extremists and radicals who cannot stand the way of life of America," Bush said. "They don't like the thought that people from different backgrounds are able to live under a nation and work together and achieve greatness. They can't stand the thought of free societies flourishing in their midst."

The National Italian American Foundation promotes the contributions of nearly 25 million Italian Americans, who represent the fifth largest ethnic and voting group in the nation. Bush's appearance continued a three-decade tradition of every president attending the annual convention.

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On the Net:

National Italian America Foundation http://www.niaf.org

White House http://www.whitehouse.gov

Ads Accuse Dems Of Not Protecting Kids (AP-Y)

By Jim Kuhnhenn

AP, October 21, 2006

The text is white against a black screen. The sound is the electronic warbling of a video game. But in this political ad, the message is in the faceless voices of cheerful children engaged in mayhem.

"Hit the hooker with the tire iron!" "Steal the old lady's car." "Shoot her first!"

The ad accuses a Democratic candidate of voting against banning the sale of violent and sexually explicit video games to children. Another ad, in Connecticut, says a Democrat voted to permit convicted sex offenders in public housing. Yet another, in Arizona, linked a candidate's work as a lawyer for the American Civil Liberties Union to the ACLU's defense of a pedophile's group.

In the fallout from former Rep. Mark Foley's electronic sex scandal, Republicans are turning the tables on Democrats, airing ads and leveling public accusations claiming their opponents have failed to protect children against sexual imagery, sexual violence or sexual predators.

It's a case that Republicans have made against Democrats for some time. But the portrayal of Democrats as weak in the defense of children now also serves as a counterpoint to Democratic charges that GOP leaders did little to protect teenage congressional pages against Foley's sexually explicit electronic messages.

"I don't think it would be getting much national attention if it wasn't for the Foley case," said Tom McClusky, vice president of government affairs for the conservative Family Research Council.

To be sure, the attention to sex and allegations of sex in this election is not limited to Foley or the voting records or professional associations of certain candidates. In Pennsylvania, Republican Rep. Don Sherwood has been dogged by an extramarital affair he acknowledged last year. In Nevada, a cocktail waitress accused Republican Rep. Jim Gibbons, who is running for governor, of propositioning her and assaulting her in a parking garage. Gibbons on Thursday denied the accusation.

In a handful of other races, Republicans have raised the image of a fringe organization, the North American Man Boy Love Association, and tried to link Democrats to it through their votes or their association with the ACLU. The civil liberties organization defended NAMBLA in a 2000 First Amendment case.

In Arizona, Republican Rep. Rick Renzi aired an ad citing his challenger's work for the ACLU and the ACLU's defense of the man-boy love organization. In California, Republican Rep. John Doolittle accused his challenger, Charlie Brown, of supporting NAMBLA because he has an ACLU membership. And in Ohio, Republican gubernatorial candidate Ken Blackwell accused his Democratic opponent, Rep. Ted Strickland, of siding with NAMBLA because he voted against a resolution condemning an article in a psychology journal about child sexual abuse.

"Republicans are running a hyper-negative campaign to close out this election season because they are so far behind," said Bill Burton, a spokesman for the Democratic Congressional Campaign Committee. "But voters are smarter than these ridiculous Republican charges give them credit for."

The ad featuring children playing a violent video game is aimed at Rep. Baron Hill, a Democrat and former House member who is trying to recapture his seat from Republican Rep. Mike Sodrel. It cites Hill's vote in 1999 against an amendment to a juvenile crime bill that would have prohibited the sale of violent and sexually explicit movies and video games to teenagers. The

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amendment failed after lawmakers argued against it on First Amendment grounds. Ninety-two Republicans also voted against the measure.

But Democrats are seeking to inoculate themselves against such charges. In New Mexico, state Attorney General Patricia Madrid, a Democrat who is challenging Republican Rep. Heather Wilson, has run an ad highlighting the work of her office's Internet sex crimes prosecution unit. In Colorado, Democratic House candidate Ed Perlmutter aired an ad emphasizing his commitment to children.

"In Congress," he says, "I'll fight to pass laws protecting kids from online predators and violent video games."

Helping Democrats Bridge The 'God Gap' (WP)

By Daniel Burke

The Washington Post, October 21, 2006

At a meeting of the House Democrats' Faith Working Group, a perplexed congressman turned to his colleagues for pastoral guidance. How could he counter a local preacher who argued that all of Jesus's moral teachings were about the world to come, not the here and now?

Rep. David E. Price (D-N.C.) stood amid the sympathetic sighs and "you can't convert everyone" comments to offer a new spin on an old parable.

The Good Samaritan is walking down the road and cares for a stranger who has been beaten and robbed, Price said. The next day, on the same road, another person has been beaten and robbed. So it goes for another week -- more robberies, more victims.

"How long is it going to take before the Samaritan says, 'Hey, maybe we ought to patrol this road,' " Price said. In other words, the lawmaker argued, there are some problems that individuals can't solve on their own. They require the resources of a morally responsible government.

As Democrats seek to reframe America's debate over moral values and close their "God gap" with religious communities, conversations such as these are blowing like a mighty wind through party circles.

Gone are the days when "faith outreach" meant visiting African-American churches two weeks before an election, party leaders say. Instead, Democrats are seeking -- and getting -- regular meetings with megachurch pastors T.D. Jakes, Joel Osteen and Rick Warren.

Rather than cede red states to Republicans, the party is buying airtime on Christian radio stations, with the message that Democrats are indeed a party with deep moral convictions.

No longer leaning on 1960s-era preachers to guide progressive politics, Democrats are now also turning to young voices such as strategist Mara Vanderslice, 31, and writer Amy Sullivan, 33, who offer new perspectives and fresh ideas.

While Republicans learned long ago how to connect with religious voters, Democrats are just now starting their efforts.

After interviews with dozens of politicians, strategists, the think-tank set and a Noah's ark of religious leaders, Religion News Service has identified 12 of the most influential voices in helping Democrats reach people of faith. Those on the list are whispering in the ears of the powerful and playing matchmaker between religious and political pace-setters.

They are:

Â· The House Trinity : Reps. James E. Clyburn (S.C.), Rosa L. DeLauro (Conn.) and David Price, who lead the effort on Capitol Hill to frame legislative debates in moral terms.

Â· The Theologian : Shaun Casey, an ethicist at Washington's Wesley Theological Seminary, who provides a moral and historical framework for progressive faith-based politics.

Â· The Preacher : Leah Daughtry, chief of staff at the Democratic National Committee, who champions outreach to religious voters at party headquarters.

Â· The Model : Timothy M. Kaine, governor of Virginia, who showed Democrats how a faith-infused campaign can turn a red state blue.

Â· The Insider : Michael McCurry, former White House press secretary, who coaxes Washington Democrats into sharing their spiritual sides.

Â· The Blessed One : Barack Obama, the junior senator from Illinois, who challenges his party to make room for religion in the public square.

Â· The Prophet : Rabbi David Saperstein, head of the Religious Action Center of Reform Judaism, who is one of Washington's most articulate voices in liberal politics.

Â· The Matchmaker : Burns Strider, a staffer who shepherds the House Democratic Faith Working Group and corrals lawmakers into meetings with the religious community.

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Â· The Agitator : Amy Sullivan, an independent but opinionated journalist who pens passionate pleas for Democrats to "get religion."

Â· The Strategist : Mara Vanderslice of the consulting firm Common Good Strategies, who works the campaign trail, helping candidates build relationships with diverse religious communities.

In some ways, these 12 people reflect the diversity for which Democrats pride themselves. They include a former Churches of Christ minister, a Pentecostal preacher, two Catholics, a Methodist Sunday school teacher, an Episcopalian, a progressive evangelical, Baptists and a rabbi.

Some at Democratic Party headquarters are taking an under-the-radar approach to religious outreach and are reluctant to divulge all the party's plans and advisers.

"Our focus is not in putting someone behind a pulpit," said Leslie Brown, the DNC's "faith in action" coordinator. But after conducting polls, meeting with state party chairs and undertaking an "internal education," Democrats are building a "message-driven machine," Brown said.

"We want to talk about things in ways we can relate to the faith community," said Rep. Clyburn, who heads the Faith Working Group. "I don't talk about the environment just as keeping things green, I talk about it in terms of stewardship."

But while recent polls suggest evangelicals may be growing disillusioned with Republicans, many are still reluctant to pull the lever for Democratic candidates, said the Rev. Richard Cizik, vice president of the National Association of Evangelicals.

"Simply using 'faith language' won't redound to the benefit of any candidate, Republican or Democrat, without some authenticity there," Cizik said.

"When evangelicals think about the reputation of the Republican Party, which isn't too good right now, at least it does have a record of reaching out to those voters and it does have a record on Capitol Hill of at least trying to carry water for their issues," Cizik said.

Still, there are issues such as the environment, poverty, war and health care on which Democratic positions dovetail with those of many religious Americans, party leaders say.

"It's not always pretty," Casey of Wesley Theological Seminary said of Democrats' fledgling efforts to reach these voters. "But the good news is everybody realizes the party has to do a better job."

Politics Why The Center Matters In This Election (WSJ)

By John Harwood

The Wall Street Journal, October 21, 2006

BILLINGS, Mont. -- As candidates head into the final two weeks of midterm election campaigns, Democrats see an opportunity as wide as the Rocky Mountain skies. The question, here and elsewhere, is whether they can hold high ground in the place that matters most in 2006.

That place, oddly enough, appears to be the political center. Polls suggest Republicans so far have lost the center -- in overwhelming proportions. To maintain their grip on power in Congress, they need to find some way to woo a big chunk of it back in the next 17 days.

Prevailing political wisdom holds that the only things that matter are each party's "base" -- that there is no center anymore, and no more swing voters worth chasing. But look at what has happened among independent voters in the latest Wall Street Journal/NBC Poll1, taken this past week: Support for Republicans has collapsed. Just 24% of them say they want President Bush's party to control Congress after Election Day. Independents disapprove of Mr. Bush's job performance by 2 to 1.

That's a big change from 2004, when Mr. Bush and John Kerry split the votes of independents. The president won for two reasons. He maintained higher allegiance within his own party -- just 6% of Republicans backed Mr. Kerry, while 11% of Democrats crossed over to support Mr. Bush -- and he generated sufficient partisan enthusiasm that Republicans matched Democrats as a proportion of the electorate.

Although Democrats display greater zest about this election, the "base" of Mr. Bush's party appears solid: Just 5% of Republicans want Democrats to take over Capitol Hill. Just 2% of Democrats want Republicans to win. By the standards of modern political history, those are extraordinary levels of partisan cohesion. In the landmark midterm elections of 1974 (when Democrats won big), 1982 (ditto) and 1994 (big Republican gains), more than twice that many voters crossed party lines.

Here in Montana, Democrats have nominated Jon Tester for the Senate. With a flat-top haircut, an ample farmer's belly and a hand that was mangled in a meat grinder when he was a boy, he appeals to locals. He attacks incumbent Sen. Conrad Burns for having lost touch with Montana while cozying up to lobbyist Jack Abramoff.

"My first priority will be not what any Democrat or Republican wants, but what the state of Montana needs," Mr. Tester says. Popular Democratic Gov. Brian Schweitzer, who has revived his party's fortunes in this red state, says Sen. Burns has developed "senator-itis."

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But Sen. Burns hasn't won three terms by lacking political skills. He'll try to make up a deficit in the polls these last two weeks by accusing his opponent of favoring tax increases. He won't rail against "earmarks" the way some Republicans are doing to court their disaffected right wing. In a classic appeal toward centrists, Sen. Burns will invoke his clout as an appropriations subcommittee chairman. "When it comes to the state of Montana, seniority is important, effectiveness is important, and experience is important," he says. The odds may appear to be against him and his party, but his campaign's close will be pointed toward the voters who count most in campaign 2006.

McCain Tries To Trump Republican Woes (WSJ)

By Greg Hitt And Christopher Conkey

The Wall Street Journal, October 21, 2006

John McCain is one of the few Republicans to find a silver lining in an otherwise dreary political season for his party.

That is because the Arizona senator has capitalized in an aggressive and systematic way by using the 2006 fight for control of Congress to lay the groundwork for a probable run for the presidency in 2008.

Mr. McCain is crisscrossing the country on behalf of beleaguered Republicans, tapping his position as one of his party's most popular figures at a time when the image of President Bush and other administration officials is slumping. The senator has steered $1.2 million of campaign funds so far to Republican candidates and political committees. He is enlisting influential grass-roots supporters in Iowa and New Hampshire, pivotal early battlegrounds in the presidential-nomination fight.

And he is firing up the party's conservative foot soldiers, picking a fight with New York Sen. Hillary Clinton, a likely top Democratic presidential candidate, over whether her husband's administration took adequate steps to contain North Korea's nuclear ambitions.

McCain aides say he isn't doing anything differently than in years past, when the combative senator helped rally the Republican faithful during midterm elections. What is different now is that Mr. McCain is the biggest name in the ranks of Republicans considering a run for the presidency. Much of the work he has done this year for others can also help solidify his own status as the likely Republican front-runner.

"Obviously, we'd be committing malpractice as his advisers if we weren't laying the groundwork for a campaign," says longtime McCain strategist John Weaver. "I don't think anyone outside of perhaps the president has put more on the line and worked harder for the party and candidates than John has."

Republican consultant Greg Mueller said the political spadework by Mr. McCain, long considered an outsider within his own party, is helping him build ties with the conservative activists and party mandarins who play a key role in determining the Republican nomination. "McCain right now is leveraging the midterm elections to position himself as the national candidate and national front-runner," Mr. Mueller said.

Meanwhile, the senator's role as a critic of the administration's handling of Iraq -- from troop levels to reconstruction to the treatment of detainees -- has earned him credibility with a wider swath of voters. And while this has put welcome distance between him and a weakened White House, he hasn't wavered from defending his own vote in favor of toppling Saddam Hussein.

The Arizona senator isn't the only Republican with higher ambitions who is trying to forge alliances. Massachusetts Gov. Mitt Romney, Senate Majority Leader Bill Frist of Tennessee and New York Gov. George Pataki are among the potential Republican presidential hopefuls traversing the country to make campaign appearances with, and distribute contributions to, state and federal candidates.

"Everybody's pretty much equal" in terms of visibility in New Hampshire, said that state's Senate president, Ted Gatsas, referring to the potential Republican hopefuls. But Mr. McCain made a big splash at a Republican fund-raiser in the state earlier this year, raising more than $80,000. "It was probably the single most successful fund-raiser the Senate Republican PAC [political-action committee] had this year," Mr. Gatsas said.

Indeed, no one appears to be working as hard as Mr. McCain and his political team, which now includes Terry Nelson, political director of the 2004 Bush-Cheney campaign. "McCain's got something going almost everywhere," said Charles Black, a veteran Republican strategist.

McCain aides said the senator won't make a formal decision about seeking the presidency until early next year. Should he enter the 2008 race, he would find a much different landscape than in 2000, when he jousted unsuccessfully with Mr. Bush for the Republican nomination. Then, the war hero-turned-politician was the underdog, while then-Texas Gov. Bush traded on his famous last name to become the early favorite of the party establishment.

Now it is Mr. McCain who is working to assume the establishment mantel.

Since Labor Day, the senator's team has worked hard to create a sense of momentum. Every week has brought new announcements of local officials who have aligned themselves with the senator's political-action committee, known as Straight

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Talk America. Many are in battleground states such as Michigan, New Hampshire and Iowa. If Mr. McCain decides to run for the presidency, Straight Talk America would effectively serve as a launch pad for his candidacy.

Mr. McCain's ties with Mr. Bush have been strained since 2000. But recently, he has been at pains to stress that many of his new grass-roots supporters have been past backers of Mr. Bush. In Michigan, former Bush fund-raiser James Nicholson, one of the president's top moneymen, has agreed to lead fund raising in the state for Mr. McCain. Mr. McCain's team in Iowa is being led by Dave Roederer, who served as state chairman of the Bush-Cheney re-election team in 2004.

Mr. McCain has plans to campaign almost daily through Nov. 7. He has already been on the road for weeks, recently visiting Wisconsin, South Dakota and Iowa. Though many voters are taking a dim view of the Republican Party, Mr. McCain remains a big draw. On a recent stop in Sioux Falls, S.D., a 17-year-old student interviewer asked for Mr. McCain's autograph. "I couldn't miss the chance to get him to sign my poster," the student said.

Embattled Republican candidates campaigning with Mr. McCain, meanwhile, are benefiting from his carefully cultivated image as an iconoclast who nonetheless remains loyal to the party. In Virginia, incumbent Sen. George Allen, who until recently had harbored his own presidential ambitions and is in an unexpectedly tough race, has featured Mr. McCain in television ads.

The relentlessly bad news from Iraq, along with voter outrage over the Foley-page scandal and unease about the economy, have given Democrats the best chance in more than a decade to retake Congress.

In the months ahead, demand is likely to grow among Republicans for new leadership and a message that broadens the party's reach. That could benefit Mr. McCain, said Fred Greenstein, a scholar at Princeton University. "There is a market for someone who seems to transcend the very sharp cleavages in politics," he says. "McCain has a lot of that."

Questions remain about how much Mr. McCain's work in 2006 will matter as the 2008 fight unfolds and whether he has put at risk his image as an independent voice by entwining himself with the Republican establishment. The answers won't become clear for many months.

Scott Reed, who managed Republican Sen. Bob Dole's presidential campaign a decade ago, says Mr. McCain's work in 2006 will no doubt help down the line. "It is a good time to build a foundation, to put together a real nomination fight," Mr. Reed says. "He's getting some chits."

In Debate, Clinton Deflects Questions About 2008 (NYT)

By Anne E. Kornblut

The New York Times, October 21, 2006

ROCHESTER, Oct. 20 — Facing a barrage of questions about her national ambitions during the first Senate debate on Friday night, Senator Hillary Rodham Clinton firmly maintained that she was focused on her work in Congress and had made no decisions about running for president.

But her Republican opponent seized on her aspirations at every opening, accusing her of already abdicating her responsibilities to New York.

In a lively but cordial hour of exchanges, Mrs. Clinton steered toward substantive answers about foreign and domestic policy, and was sharply critical of the Bush administration's handling of the war in Iraq.

One of the most spirited exchanges came when she repeated her call for President Bush to replace Defense Secretary Donald H. Rumsfeld.

"You know, in the middle of the Civil War, Abraham Lincoln did not hesitate to change generals," Mrs. Clinton said, drawing applause from the audience at the University of Rochester auditorium.

"You're not president yet, Mrs. Clinton," her opponent, John Spencer, the former mayor of Yonkers, shot back, noting that Lincoln was the president, not a senator, when he made critical decisions about that war.

The debate put the former first lady and her little-known challenger on an even stage for the first time in the campaign. But the question of Mrs. Clinton's ambitions beyond Election Day hovered over the event, with the debate considered a rare chance to see how the former first lady might perform in a political ritual common to presidential races.

Mr. Spencer, who is far behind in the polls, alluded to the difference in their national stature, joking that he, for one, had no intention of running for president if he won the Senate race.

Yet Mrs. Clinton, despite her far greater celebrity and resources in a race she appears poised to win, seemed to take her rival's criticisms seriously. She grew visibly defensive at one point, interrupting the line of questioning to respond to his accusations that she had not taken national security seriously enough and had weakened the nation's defenses by raising questions about the administration's secret wiretapping program.

"So many attacks, so little time," she said.

The underlying tone, nonetheless, was civil. Mr. Spencer took the stage first, greeting the crowd somewhat awkwardly. Mrs. Clinton then strode out to meet him, calling Mr. Spencer by his first name and telling him she was glad to see him.

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When it was over, the two sides dispersed, barely bothering with the "spin room" where political strategists traditionally try to convince reporters that their candidates won.

The debate, the first of two, is scheduled to be replayed on C-Span on Saturday at 8 p.m. A second debate is set for Sunday morning, a time slot that, like Friday night, is unlikely to draw a sizable audience.

The debate setting proved critical for Mrs. Clinton in her first campaign six years ago: When her Republican rival, Rick A. Lazio, approached her onstage during their first debate and demanded she sign a pledge refusing soft-money donations, he appeared harsh and in turn made her look vulnerable. Strategists later blamed the incident for Mr. Lazio's defeat, saying the moment had helped Mrs. Clinton with female voters who had started out wary of her.

Mrs. Clinton ultimately beat Mr. Lazio by double digits, a relative breeze compared with what might have been a close race with Mayor Rudolph W. Giuliani if he had not dropped out.

And she has faced hardly a ripple of trouble in the years since. Her popularity is high statewide, her political opposition minimal; even some Republicans in upstate areas appear to have warmed to her as a senator, a fact her advisers intend to trumpet if she performs well on Nov. 7 and then turns to run for president.

A Quinnipiac University poll released this week showed Mrs. Clinton at 65 percent and Mr. Spencer at 30 percent, with 5 percent of voters undecided. That is an almost exact reversal of the state electorate's feelings about President Bush: 64 percent said they disapproved of his job performance as president, and 29 percent said they approved.

"Barring some cataclysmic reversal, Clinton-for-president can start cranking up for real on Nov. 8," said Maurice Carroll, director of the Quinnipiac University Polling Institute.

Mrs. Clinton's smooth trajectory since becoming a senator has been a shift after her turbulent years as a political wife. Few expected that she would court Republican allies after the bitter impeachment of her husband, or have the patience, after eight years in the White House, to focus on the minutiae of constituent work.

Similarly, Mr. Spencer has been in an unexpected spot as Mrs. Clinton's Republican challenger — abandoned financially by the national party, hardly recognized throughout the state. Mr. Spencer, a former mayor of Yonkers, had less than $475,000 in campaign funds at the end of September, a pittance compared with her approximately $15.8 million in the bank. Mrs. Clinton has raised nearly $50 million and spent about $35 million; both the infrastructure she has built and whatever money is left at the end can be transferred into a presidential race if she decides to run.

Mr. Spencer appears poised to win a good part of the third of the state that tends to vote Republican. With strong anti-abortion views and his ardent support for the Bush administration, he has run a lonely race, with little aid even from other Republicans in New York.

"I've been stabbed in the back," Mr. Spencer told the conservative columnist Robert D. Novak, who wrote that Mrs. Clinton was getting a "free pass to pursue both national party-building and her own presidential ambitions."

Mrs. Clinton, who turns 59 on Thursday, has insisted she is focused on running for re-election, a line that has become something of a comic refrain in her office. Yet she has run television and radio spots in her race, part of an effort to drive up Democratic turnout and run up her score.

During the Democratic primary season this year, Mrs. Clinton refused to debate her antiwar challenger, Jonathan Tasini, all but ignoring his candidacy and sidestepping his attacks on her vote to authorize the invasion of Iraq.

Yet Mrs. Clinton did recalibrate her tone on the war, growing much sharper in her criticism of its handling — a move that not only secured her landslide victory in the August primary, but also helped lay the groundwork for a possible run in a presidential primary in 2008.

Clinton, Spencer Hold Debate In New York (AP-Y)

By Marc Humbert

AP, October 21, 2006

The Republican seeking to unseat Democratic Sen. Hillary Rodham Clinton went on the attack against her in their first debate Friday, accusing her of putting presidential aspirations ahead of voters.

"I'm the only one standing on this platform who wants to be a United States senator for New York for the next six years," said John Spencer, a former Yonkers mayor, in his opening remarks.

Clinton acknowledged that she has thought about running for the presidency in 2008, but said she is committed to running for Senate re-election.

"As you might guess, I've been asked that a few times before," she said of her possible White House aspirations. "I am focused on this election. I am focused on my work in the Senate. Obviously, people are talking about whether I will or should be running for president, and I'm flattered by that."

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The debate attracted attention because Clinton, whose re-election appears increasingly likely, is the front-runner among potential 2008 Democratic presidential candidates. Analysts say the debates could be an important dress rehearsal for Clinton as she prepares to step onto the national stage.

Spencer is an ultraconservative former mayor of the New York City suburb of Yonkers, battling anonymity and a national party that has forsaken his candidacy.

He bashed Clinton throughout during the debate, attacking her on issues including immigration, North Korea and Iraq.

In Spencer, Clinton faces an abortion-hating, anti-gun-control conservative who has been vocal in his support of President Bush and the war in Iraq. Though she voted for the war, Clinton, who supports abortion rights, has strongly criticized Bush's conduct of the conflict.

Spencer said he favored changing war strategies, while Clinton said she favored changing course. She said that Bush's stay-the-course stance was not a strategy and that Defense Secretary Donald Rumsfeld is not credible any longer.

"In the middle of the Civil War, Abraham Lincoln did not hesitate to change generals," she said.

Spencer scolded Clinton for taking such a position because Rumsfeld serves the president, and "you are not president yet," he said.

Clinton stressed the need for diplomacy on such issues as the nuclear situation in North Korea — something she said the Bush administration has failed to do.

"This administration doesn't like to talk to people they disagree with," Clinton said.

But she said she would not rule out using military force against North Korea.

Spencer showed flashes of humor, such as when he was asked about speculation that he was using the Senate race to set himself up for another run for mayor of Yonkers.

"I'm not going to leave a six-year term in the Senate to run for mayor of Yonkers again," he said.

A statewide poll released on the eve of the debate by Quinnipiac University's Polling Institute had Clinton leading Spencer 65 percent to 30 percent. She has also far outspent him.

The timing of the one-hour televised debates accepted by Clinton, Friday night in Rochester and Sunday morning in New York City, appeared designed to attract small television audiences. Spencer had sought a series of debates all across the state.

Spencer has been complaining loudly for months that the national GOP has left him hanging.

"Running for U.S. Senate against Hillary Clinton is a lot like walking point," said the decorated Vietnam War veteran. "You find out who your buddies are real fast."

Friday's debate was sponsored and moderated by Time Warner cable television news channels and was aired across the state.

Focusing On Opinions, Slipping On Some Facts (NYT)

By Richard Pérez-peña

The New York Times, October 21, 2006

The art of politics often calls upon more opinion and generalization than specific factual claims that can be disproved. So it went for most of the first half of last night's debate between Senator Hillary Rodham Clinton and her Republican challenger, John Spencer.

In fact, on the question hanging over the race, and the first to arise in the debate — will Mrs. Clinton, a Democrat, run for president in 2008? — there is no provable answer, though it would be hard to find a politically minded American without an opinion.

But as the debate in Rochester wore on, Mr. Spencer — the more heated, less rehearsed of the two — made questionable statements on a number of issues, including the fruits of the Bush administration's warrantless wiretapping, North Korea's nuclear program and Mrs. Clinton's voting record on security matters. At one point, he contradicted his own Web site on the subject of a proposed fence along the Mexican border.

Mrs. Clinton had her own slips, notably in insisting that her failed 1993 health care plan would not have been government-run, but with a lead of about 30 points in voter surveys, she has the luxury of sticking to her script, and she is adept at that. More often it was Mr. Spencer making the doubtful claims.

He derided a deal made in 1994 by the administration of Bill Clinton that was supposed to halt the nuclear weapons program of Kim Jong Il, the North Korean dictator. "He was duping us," Mr. Spencer said of Mr. Kim. "He was taking care of his military, starving his people and making plutonium."

In fact, intelligence officials say that as long as that deal stood, North Korea was not taking plutonium from its nuclear power plant and processing it for use in nuclear weapons, in part because United Nations inspectors were monitoring the program.

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The 1994 pact fell apart after George W. Bush became president, a development that became known to the West in 2002, when it was revealed that Mr. Kim's regime had been secretly enriching uranium — another element that can make the core of an atomic bomb — in violation of the agreement.

On Oct. 8, North Korea detonated an atomic bomb for the first time, and United States government officials say that the fuel used was plutonium, processed either before the 1994 agreement, or since the agreement collapsed.

Mr. Spencer defended the Bush administration's program of wiretapping some communications of people within the United States without first obtaining warrants, and said Mrs. Clinton had voted against it. In fact, there has been no vote, in part because the administration says it does not need Congressional authority. Mrs. Clinton has said that she would vote to give the president some ability to conduct warrantless wiretapping, though she has also said that in many cases warrants should be obtained.

One of the debate panelists, in asking Mr. Spencer a question, stated that he favored building a 2,000-mile fence along the Mexican border to keep out illegal immigrants. Mr. Spencer interrupted to say that was not his view.

It was pointed out that his campaign Web site takes that position, saying, "Build a 2,000-mile-long fence to span the U.S.-Mexico border to slow border crossings and aid the efforts of those patrolling the border."

Mr. Spencer, a former mayor of Yonkers, shrugged and said, "First of all, I haven't looked at my Web site in about six months."

Late in the debate, Mrs. Clinton was asked if she still favored the kind of government-run health care she proposed in 1993. She countered that that plan "is not government-run."

But under the 1993 proposal, the federal government would have required employers to buy health insurance, the government would have established health care cooperatives for buying insurance, and the government would have regulated premiums.

As for Mrs. Clinton's presidential aims, Mr. Spencer said that of the two candidates, only he intended to serve a full six-year term.

Mrs. Clinton replied, "I don't know what the future holds and I have no decision ready to be made or even waiting in the wings."

People may believe or disbelieve her, but only one person knows for certain whether she is telling the truth.

Elizabeth Edwards Apologizes To Clinton (AP-Y)

By Philip Elliott

AP, October 21, 2006

Elizabeth Edwards, wife of White House hopeful John Edwards, apologized to Sen. Hillary Clinton after saying her choices in life have made her happier than the senator, a Clinton aide said Friday.

Clinton adviser Howard Wolfson said Elizabeth Edwards called the New York Democrat on Friday night just after she finished a debate in Rochester, N.Y., against Republican challenger John Spencer.

"Elizabeth Edwards called her and apologized," Wolfson said. "They had a good conversation."

Wolfson said the two spoke only for a couple of minutes.

"The senator thanked her for the call and wished her well on her book tour," Wolfson said.

The apology followed remarks by Elizabeth Edwards on Thursday at a luncheon sponsored by Ladies' Home Journal.

"She and I are from the same generation," she said of the senator and former first lady. "We both went to law school and married other lawyers, but after that we made other choices. I think my choices have made me happier. I think I'm more joyful than she is."

Clinton and Edwards, the former North Carolina senator and Democratic vice presidential nominee in 2004, are potential rivals for their party's presidential nomination in 2008.

Edwards said she didn't know the New York senator very well but said Clinton would be "a formidable opponent" for her husband.

Before the apology, she released a statement Friday evening disputing reports about the event.

"Unfortunately, large portions of the material released by (Ladies' Home Journal) as quoted statements by me were erroneous and nearly all the statements, either because of significant omissions, or editing, or error, give a misimpression about what I said," Edwards said. "This is particularly true with respect to my comments about Sen. Clinton, who holds a serious and demanding public office while I am largely home, joyfully I must admit, with two lovely children."

Edwards also said she has "great respect" for the senator.

Asked for specific examples of errors, a spokeswoman for Edwards' One America Committee said the magazine's transcript combined answers to two questions into one quote. Also, her comments about being joyous referred to previous experiences and were not meant to be a contemporary comparison, said the spokeswoman, Kim Rubey.

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Later, Rubey said Edwards called Clinton "to explain that her words had been taken out of context and to express her regret for the misunderstanding."

Ladies' Home Journal, which provided a transcript, said the quotes were accurate.

Edwards, who is promoting her memoir, "Saving Graces," recalled how as first lady Clinton deftly answered questions on Capitol Hill during testimony on President Clinton's health care proposal.

"As a woman, you couldn't help cheering from the sidelines," Edwards said. "That will be a factor for John. She will be a formidable opponent."

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Associated Press writer Marc Humbert in Rochester, N.Y., contributed to this report.

Lieberman Gets A Boost From A Republican And A Lift From A Recent Survey (NYT)

By Jennifer Medina

The New York Times, October 21, 2006

HARTFORD, Oct. 20 — United States Senator Joseph I. Lieberman won the backing of a top Republican in the Senate on Friday as Howard Dean traveled here to rally Democrats behind Ned Lamont's effort to unseat Mr. Lieberman.

On the same day, a new independent poll was released showing Mr. Lieberman, who lost the Democratic primary to Mr. Lamont and is running as an independent, with a substantial lead as he seeks a fourth term.

Mr. Lieberman appeared at the New London City Pier with Senator Susan M. Collins, a Republican from Maine, to highlight the need for port security — and to campaign together. Ms. Collins said her support for Mr. Lieberman, a one-time Democratic vice-presidential candidate, marked the first time she was backing a "non-Republican."

Ms. Collins said she admired his ability to work with both parties in Washington. "There are certain leaders, and certain issues, that transcend partisan politics and require work across party lines, and Joe Lieberman is that leader, and homeland security is that issue," she said.

While Ms. Collins said she wanted nothing more than to see Mr. Lieberman win, she added that she did not want the Democrats to win back the Senate, where she heads the Homeland Security committee.

"As much as I love Joe Lieberman, I like being chairman," she said, embracing Mr. Lieberman with a laugh.

"This is one area where we have a slight disagreement," said a smiling Mr. Lieberman, who is the ranking minority member on the committee. He has said he will caucus with the Democrats if he wins.

Mr. Dean, the chairman of the Democratic National Committee, appeared at a sports bar in the state capital to rally support for Mr. Lamont and other Democratic candidates, including John DeStefano, the mayor of New Haven, who is running for governor, and Christopher S. Murphy, who is trying to unseat Congresswoman Nancy L. Johnson, a Republican.

His stop in Connecticut coincided with the release of a Quinnipiac University poll that showed Mr. Lamont trailing Mr. Lieberman by 17 percentage points, widening a 10-point lead he held in a Quinnipiac poll last month. The poll showed a 52 to 35 lead among likely voters and was conducted from Tuesday through Thursday. It had a margin of error of plus or minus 3.5 percentage points.

The Republican candidate for the Senate, Alan Schlesinger, trailed with 6 percent of the vote. Another 7 percent said they were undecided.

Mr. Lieberman was ebullient about the results, saying it showed that his bipartisan message was working. The polls suggest that Mr. Lieberman has overwhelming support from Republicans, but has also maintained a large chunk of Democratic support.

But Mr. Dean, along with other state party leaders, used the day to rally for a change in Washington, maintaining that Mr. Lamont's victory in the primary was a sign of progress. "Your state has done something extraordinary," he said. "Your state had a courageous person step up when nobody thought he could win and take on folks who supported the Bush policy." The Democrats are also challenging Republican incumbents in three competitive House seats in Connecticut.

Mr. Lamont took a veiled jab at Mr. Lieberman, who said earlier this week that Democrats should take control over Congress only if they ratcheted down the tone of partisanship in Washington.

"I don't know why it is, but it sure seems like George Bush and Dick Cheney really want Joe Lieberman in the U.S. Senate," Mr. Lamont said in brief remarks at the rally, prompting the audience to boo at the mention of the president's name.

On Thursday, President Bush used Mr. Lieberman's loss in the primary to roundly criticize the Democratic Party, saying that it showed that "if you want to be a Democrat these days, you can be for almost anything, but victory in Iraq is not an option."

Mr. Lieberman dismissed the president's remarks on Friday, saying that "people who are for giving up on Iraq" and "people who don't want to give up" have both tried to use the results of the Connecticut primary to their advantage.

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Senate Candidate Confronts Opponent (AP-Y)

By Beth Rucker

AP, October 21, 2006

Democratic Senate candidate Harold Ford Jr. turned up at a news conference Friday in Memphis called by his opponent, Republican Bob Corker, leading to a confrontation about Ford's large, politically active family.

Ford, a Memphis congressman, and Corker are locked in a tight race that could help determine whether Democrats gain control of the Senate.

Corker, a former Chattanooga mayor, has said he wouldn't make Ford's family an issue in the race, but in recent debates said the Fords engaged in "machine-type politics."

Corker has questioned the work of Ford's father, former U.S. Rep. Harold Ford Sr., as a lobbyist for Fannie Mae while Ford Jr. sat on the House committee overseeing the mortgage giant's activities.

Ford Jr. said that no one in his family has ever lobbied him on congressional issues and that he would refuse them if they did.

Corker had scheduled the Friday morning news conference at a Memphis airport to discuss a proposal to prohibit relatives of senators and representatives from lobbying their family members. The Ford campaign had said the congressman would also be there.

The meeting between the two men was captured by WREG-TV in Memphis. It was unclear whether the confrontation happened before or after the news conference.

Ford, who was speaking with reporters, spotted Corker in the parking lot and began walking toward him. Ford told Corker that he wanted to debate him on the Iraq war, then mentioned Ford's plan to partition Iraq into three regions.

But then Corker stopped him and said he had come to talk about ethics. Corker called Ford's visit to the news conference "a true sign of desperation."

Ford replied, "I could never find you...." Corker said he was in Jackson, northeast of Memphis, on Thursday night, but Ford brought the conversation back to Iraq.

"Tell me, what do you think about this Iraq thing?" Ford asked. "I know you're here to talk about my family. I thought you made a promise right after ..."

"No, no, no. I'm here to talk about you, and this race," Corker said before walking away.

The Ford campaign issued a statement Friday afternoon.

"I fully support prohibiting family members from lobbying members of Congress," Ford said. "As Mr. Corker knows full well, I have never been lobbied by any member of my family at any time on any matter before the Congress."

Playboy And Pastors Enlisted For Attack Adverts (FT)

By Caroline Daniel In Washington

Financial Times, October 21, 2006

The Republican attack advertisement starts with a clip from the rival candidate's campaign. It shows Harold Ford, sitting in church, saying he will not be painted as someone he is not. "Fair enough," intones the announcer. "So what kind of man parties with Playboy playmates in lingerie, then films political ads from a church pew?"

Cue: images of Mr Ford, the Democrat candidate for a Tennessee Senate seat, with James Bond-style silhouettes of Playboy bunnies, to highlight his hypocrisy. Then it cuts to images of Osama bin Laden and shadowy mig-rants darting through a forest.

The barbs are typical of a mid-term election campaign that experts say is unprecedented in its negative advertising. Candidates have been accused of all known earthly sins: mistress throttling, paedophile protecting, corruption, caring more about the sex habits of "the Two Spirited Aleutian Eskimos, whoever they are" than body armour.

In the Virginia Senate race, George Allen, the Rep-ublican, accused his opponent of trading on his brief period in the Ronald Reagan administration, invoking a letter from the secular saint, Nancy Reagan, to get him to stop doing so. In return the Democrats charged Mr Allen with failing to disclose stock options and of allowing the "corporate financing of terrorist states".

Such adverts are nothing new in American politics. The Tennessee advert had a precedent in one for another Ford: Gerald Ford, weaving the same twin themes of Playboy and church. President Ford's 1976 re-election campaign advert took a swipe at the Democrat Jimmy Carter for giving an interview to the magazine. It shows a pastor in church saying he had asked Mr Ford if he would have given such an interview and was told "no". Mr Ford is shown nodding from the pews.

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John Geer, professor of political science at Vanderbilt University and author of In Defense of Negativity, said: "2006 marks the most negative mid-term campaign in recent memory. In September the Republican party admitted early on that they would invest heavily in attack adverts. They don't normally say they are going negative."

The Republican national committee will spend 90 per cent of its $50m (€40m, £27m) budget on negative adverts. The toughest come from the national parties: outsourcing attacks offers a veneer of respectability to candidates. The national Republican senatorial committee paid for the Ford ad. When Bob Corker, the candidate, was asked, he demurred: "I haven't seen the ad."

Congressional campaign adverts tend to be nastier than presidential ones, says Mr Geer. "Many are not exactly prime-time candidates and the quality of their advertising teams tends to vary more. Weak consultants and weak candidates do weak adverts."

Negative adverts are usually more accurate, and informative, than positive adverts that offer woolly endorsements of abstract ideals such as peace, democracy or, in the ironic case of Michael Steele, the Senate candidate in Maryland, puppies. "For the record, I love puppies," one advert says. Instead, negative ads cite specific votes or documents.

In the Pennsylvania Senate race, Rick Santorum skewered his rival with facts about how much work Bob Casey had skipped, such as failing to complete 800 audits as governor. "Before running for a new job, shouldn't he show up for the one we already pay him for?"

Getting facts wrong can be fatal. Another Santorum ad-vert depicts Mr Casey's campaign team as shady crooks. The Democratic senatorial campaign committee points out: "Two have even contributed to Santorum's 2006 campaign. One of the alleged 'team' died two years ago."

In Mr Ford's case, the Play-boy advert was grounded in truth. Although he denied he had ever been to a "Playboy mansion party", he did go to one in Jacksonville after the SuperBowl last year. Even so, the advert could still backfire – and get him the sports and the church vote. As Mr Geer notes: "A lot of people would like to go to a SuperBowl party and go to church the next day."

Allen, Webb Are Not Spotlighting Their Positions On Immigration (WP)

By Karin Brulliard

The Washington Post, October 21, 2006

Millions of protesters took to the streets this year to demand amnesty for unauthorized immigrants. Congress debated immigration bills for months before approving a 700-mile border fence. In several fiercely contested political races nationwide, illegal immigration has taken center stage.

The candidates in Virginia's Senate race, meanwhile, have barely touched it.

Republican Sen. George Allen and his challenger, Democrat James Webb, have stark differences on the issue. While both call for sealing the borders, Allen brooks no sympathy for illegal immigrants and favors guest-worker plans. Webb supports legalization for some immigrants and opposes broad programs for temporary foreign labor.

Analysts say the relative absence of immigration in the race reflects the increasingly tricky proposition of campaigning on polarizing topics, especially in a traditionally conservative state with a changing political landscape. In recent elections, Northern Virginia voters' allegiance has shifted toward Democrats.

"Statewide in Virginia, I think it's a lot thornier," said Mark J. Rozell, a public policy professor at George Mason University. "With the divide . . . it's really hard to say that someone can play this issue one way and know that he's going to benefit."

Studies show that Virginia's illegal immigrant population has swelled in recent years and that growth has been densest in Northern Virginia. Herndon voters this spring ousted Town Council members who backed a hiring site for immigrant day laborers, but Republican Jerry W. Kilgore lost the Northern Virginia suburbs -- and the governor's race -- after a campaign in which he vowed, among other things, to crack down on illegal immigrants.

In a recent Washington Post poll, 59 percent of likely Virginia voters said immigration would be important in their choice for senator -- but only after issues such as terrorism, Iraq, the economy, ethics in government, health care and taxes.

Nationally, most candidates campaigning on immigration are of the tough-on-illegal-immigration persuasion, like Allen. But Allen has battled accusations of insensitivity to minorities since the summer, when he called an Indian American campaign worker for Webb a "macaca."

"Immigration, like it or not, is an issue that touches on race," said Steven A. Camarota, research director at the Center for Immigration Studies, which favors limiting immigration.

Asked about the Herndon day-labor center at a Richmond debate this month, Allen responded: "We should not be rewarding illegal behavior because all that will do is encourage more illegal behavior."

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Parting ways with President Bush, Allen voted this session against a failed Senate bill that would have given some illegal immigrants a path to citizenship. The senator leans toward House Republicans on immigration, favoring enforcement-only approaches that aim to close the borders.

"First and foremost, Virginians want our borders secured," said Dick Wadhams, Allen's campaign manager. He said Allen considered Congress's final border fence bill a "good start."

To address the question of the nation's estimated 12 million illegal immigrants, Allen wants stepped-up punishment of their employers, Wadhams said. Strict enforcement, Allen reasons, will dry up the source of jobs over time. Allen backs expanded guest-worker programs that supply migrant labor to farms and skilled employees to tech companies.

That position is a key difference between Allen and Webb, who rails against corporate interests and bemoans the struggle of the middle class. He criticizes large-scale guest-worker programs, saying more oversight is needed so jobs do not go to cheaper foreign labor. Unlike Allen, Webb supports giving a path to legalization to immigrants who have been in the United States long enough to have planted deep roots.

"That in some way means sorting out people who have long ties with their community in the name of fairness and reality," Webb said. But he added: "I'm not for amnesty. I want to make that clear."

Webb said the Herndon day-labor center is an acceptable way to locally manage the effects of a failed federal immigration system. On his Web site, he calls for the United States to strengthen border security above all else and to turn next to the questions of illegal immigrants and a guest-worker plan. In an interview, he did not emphasize the need for border security as strongly. And he added a fourth component: pressuring -- and helping -- Mexico to stem migration through economic development.

Webb has been endorsed by a group of Latino leaders called Adelante Con Webb, which chose Webb in part for his vision of a broad overhaul of immigration laws, said Arlington County Board member Walter Tejada (D), a member of the group.

But Tejada said the endorsement came only after Webb met with the group and justified his views on affirmative action, which he has called "state-sponsored racism." Now Webb says he supports it for blacks but not for other ethnic minorities, unless poor whites are included. Webb says the position is based on fairness and hews to the program's original intent.

"We really understood and realized that this man really is about opportunity," Tejada said.

Allen earned the endorsement of the Latino Coalition, a nonpartisan advocacy group that has often backed GOP proposals and is headed by former Bush appointee Hector V. Barreto, who resigned as head of the Small Business Administration in April. Robert de Posada, the Latino Coalition's president, called Webb's affirmative action position "extremely insulting."

As Virginia governor, de Posada said, Allen "opened doors for Hispanics" by appointing several Latinos, including former Virginia Transportation secretary Robert E. Martinez. That prompted the coalition, which favors legalization for illegal immigrants, to overlook Allen's immigration views.

Staff writer Michael D. Shear contributed to this report.

Wilder Advises Webb To Make Stance Clear (WT)

By Christina Bellantoni

The Washington Times, October 21, 2006

RICHMOND -- Mayor L. Douglas Wilder, a former governor and one of the state's leading Democrats, has some advice for his party's U.S. Senate nominee James H. Webb Jr. -- let voters know what you stand for.

"The question is, what reasons will Jim Webb give people to vote for him," Mr. Wilder, 75, told The Washington Times. "There are so many people in the middle that want to have a reason to lean this way or that."

Mr. Wilder has yet to endorse anyone in Virginia's U.S. Senate contest.

He said that Mr. Webb still trails Republican Sen. George Allen, in part, because he has failed to articulate a message beyond opposing Mr. Allen and President Bush.

He also said it's "amazing" that so many voters he meets are undecided before the Nov. 7 election.

An endorsement from Mr. Wilder, who became the nation's first black governor in 1990, carries high value in any political contest in Virginia. But a Wilder blessing this year would be priceless for either Senate nominee.

Mr. Wilder said that he has spoken with both nominees -- and with Mr. Webb as recently as Thursday.

"I told him that I think a lot of people are looking to see which of the candidates has a concise clear message that distinguishes one from the other," he said. "It's not a matter of voting against somebody but reasons that people would want to vote for Jim Webb."

Gov. Timothy M. Kaine, a Democrat, knows the power of a Wilder blessing: He was endorsed by the mayor Nov. 2, less than a week before last year's election.

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"It helped a lot," Mr. Kaine told The Times. "At that point, we felt like we had momentum and it was a confirmation of momentum, which created more momentum."

Mr. Wilder, who was elected with 79 percent of the vote in Richmond in 2004, holds influence over many Virginians but has particular sway among black voters.

Twenty percent of the state's population is black, according to the 2004 census.

Mr. Allen captured 20 percent of the black vote in 1993 when he was elected to succeed Mr. Wilder as governor, and 17 percent when he unseated Democratic Sen. Charles S. Robb in 2000.

The black vote has become increasingly important in the neck-and-neck contest between Mr. Allen and Mr. Webb.

Both men have been accused of making racist comments when they were young.

Mr. Allen was accused of using the "n-word" as a student at the University of Virginia, and he called an Indian-American Webb volunteer "macaca" at a campaign event this past summer. The term, which Mr. Allen said he made up, is considered a racial slur in some cultures.

Mr. Webb has faced criticism from blacks for saying that affirmative action is unfair to white men. However, he has since tempered his comments and recently received the endorsement of the state's Legislative Black Caucus.

Mr. Wilder, who dropped a bid for the U.S. Senate in 1994, is unpredictable. He has endorsed Republicans and Democrats, and has turned his back on candidates he previously had favored.

He joined Mr. Allen in March 2004, denouncing a state tax increase proposed by then-Gov. Mark Warner, a Democrat he had endorsed a few years earlier.

"Had I had any idea he would be embarking upon raising of taxes of Virginians past anything we had promised during that course, I would not have been there with him," Mr. Wilder said in 2004.

The increase ultimately passed, but left Mr. Wilder at odds with some of the state's most loyal Democrats.

Open Seats Lift Democratic Hopes In The House (NYT)

By Carl Hulse

The New York Times, October 21, 2006

GOLDEN, Colo., Oct. 19 — Ed Perlmutter, a former Democratic state senator, has had other opportunities to run for the House seat representing the district around Denver, but he waited until this year, when the Republican incumbent decided to run for governor rather than seek re-election.

“It is a clean slate,” Mr. Perlmutter said about the appeal of a race without an entrenched office-holder. “It gives people a real shot at seeing who the right guy is.”

In the age of gerrymander, the open seat — one where incumbents step aside because of age, ambition, scandal or other considerations — is a rare but sometimes golden opportunity for one party to wrest control from the other. This year, Democrats like Mr. Perlmutter are taking full advantage, giving their party a potentially vital edge in the battle for control of the House.

“I hate open seats,” Representative Thomas M. Reynolds of New York, chairman of the National Republican Congressional Committee, said in an interview last month as he discussed his party’s difficulties in defending its openings.

Deprived of the name recognition, fund-raising and other powers of incumbency — not least the ability to steer federal dollars into local projects — candidates trying to defend open seats for their parties can have a much harder time of it than do sitting members of Congress.

This year, there are 33 open House seats, including three that are vacant at the moment but had been held steadily by one party, and polls suggest that Democrats have a good chance to capture enough Republican-held districts to put them well on their way to tilting the balance of power in Washington.

Surveys show Mr. Perlmutter in command of his race against his Republican opponent, Rick O’Donnell, in the contest to succeed Representative Bob Beauprez, a Republican who is running for governor.

In races for 20 other Republican open seats, recent polls show the Democrat leading in at least 8, putting the party more than halfway to the 15 seats needed to capture the House. Just one of 12 Democratic open seats appears at risk, and even that is considered a long shot.

The state-of-play shows why leaders of both parties pleaded with incumbents who were contemplating leaving the House to stick around, begging them to pass up career changes, more time with the grandchildren or a run for the Senate.

Grabbing open seats has proven critical in past Congressional realignments. In the watershed election of 1994, House Republicans converted 22 Democratic open seats; in the Watergate election of 1974, House Democrats flipped 13 Republican seats. Now, for Democrats to seize the majority, the open seats will be crucial. “You have to win the open seats by a rather substantial proportion because, unless you have a nationalized race, the incumbents are going to win,” said John Samples, director of the Center for Representative Government at the Cato Institute.

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It is a testament to the partisan makeup of most Congressional districts that even with such a strong political tide running against the Republican majority, Democrats are still trying to assemble enough victories to gain control of the House.

But Colorado's Seventh, which ranges from industrial Commerce City through bedroom communities to the old Gold Rush town of Golden, is a textbook swing district drawn to foster competition. Mr. Perlmutter was considered a top prospect for the new seat in 2002, but said he decided not to run to tend to a young family and a law practice. In 2004, Mr. Beauprez was solidly ensconced, but when he started publicly pondering a run for governor in 2005, Mr. Perlmutter got serious about a race.

The benefits of incumbency can be both large and small — from visibility and the ability to help individual constituents to an aura of political invincibility that discourages challenges and keeps donations flowing.

Mr. Perlmutter, who represented part of the House district as a state legislator, still had to win a tough and expensive primary to get into the general election, though it ultimately helped raise his profile. Mr. O'Donnell, a lifelong resident of the district who lost a primary to Mr. Beauprez in 2002, escaped a primary this year. But he quickly discovered he had work to do to become known.

"Over the summer, I would knock on people's doors, and they would say, 'Who are you? What are you running for?' " Mr. O'Donnell said. "A couple hundred thousand dollars in TV ads takes care of that."

In their closely watched race, Mr. O'Donnell has sought to emphasize a hard line on immigration and raise the specter of Democratic tax increases while Mr. Perlmutter has pressed the need for change in Republican-controlled Washington and emphasized stem-cell research, an issue he has personalized, saying it represents the potential for treatment of his daughter's epilepsy.

If there were a year not to be an incumbent, Mr. O'Donnell argues, this is it with the Republicans he hopes to join in the House facing an electorate anxious about the war in Iraq, frustrated with the Congress and angry over constant scandal.

"This year, I am thrilled to be an open-seat candidate," Mr. O'Donnell said.

Yet Mr. Perlmutter and his Democratic allies have worked to tie Mr. O'Donnell to the Bush administration and an unpopular war. In doing so, they have saddled Mr. O'Donnell with the disadvantages of incumbency while he lacks the long-term relationship with district voters that might help a sitting lawmaker.

In a new advertisement broadcast this week by the Democratic Congressional Campaign Committee on behalf of Mr. Perlmutter, a beaming Mr. O'Donnell was shown leaving Air Force One with President Bush as the president arrived for a fund-raising visit this summer. "Another vote for George Bush's agenda," says the advertisement.

Mr. O'Donnell and his aides acknowledge that in the Denver area, where snow is already falling this year, it is tough sledding for Republicans. "I am under no illusions," he said. "It is going to be painstaking, vote by vote by vote."

Republicans hardly needed added trouble in a year when the party controlling the White House traditionally suffers. But their task was greatly complicated by the departure of three veteran lawmakers in safe seats who exited under ethical clouds and left their local ballots in shambles.

Tom DeLay, the former House majority leader under indictment in Texas, quit after winning his primary and state Republicans lost a legal fight to replace him on the ballot, forcing them to put their hopes in a difficult write-in campaign. The name of Mark Foley, who resigned over sexually explicit e-mail to former pages, will remain on the ballot in his Florida district, though votes cast for him will go to another candidate. Representative Bob Ney of Ohio, who recently pleaded guilty to corruption charges, dropped out of his race but left his replacement contending with the fallout from his bribery scandal. Democrats could conceivably win all three seats.

In Arizona, Representative Jim Kolbe, who is retiring, refused to endorse the conservative Republican who won the primary to replace him, putting Republican retention of that seat in jeopardy. In Colorado Springs, Republican divisions over the candidate to succeed Representative Joel Hefley, who is retiring, have national Democrats examining whether to make a serious run at that solidly Republican seat.

"In a year like this, the only Republican open seats that are certain to stay Republican are rock-solid, overwhelmingly Republican districts," said Stuart Rothenberg, a nonpartisan Congressional handicapper.

The Democratic Congressional Campaign Committee just bought advertising time in the race for a Nevada open seat that was previously considered out of reach, and party strategists are looking into investing in others where Republicans are showing signs of weakness.

"We are trying to figure out the combination on the lock of the gerrymandered districts," said Representative Rahm Emanuel of Illinois, campaign committee chairman.

Republicans are fighting back, spending on television advertisements for Mr. O'Donnell and others in open seat races. But they are also being forced to spend in places like Idaho, where they had expected to avoid a fight. Party officials predict that in the end, many of the seats will remain in Republican hands.

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In A G.O.P. Stronghold, 3 Districts In Indiana Are Now Battlegrounds (NYT)

By Joyce Purnick

The New York Times, October 21, 2006

MISHAWAKA, Ind. — Indiana, so heavily Republican that it has not voted for a Democratic presidential candidate since 1964, has become an unexpected battleground in this year's Congressional elections.

Three of the state's seven Republican members of Congress are locked in tough races, with the campaigns drawing big money and big names from both parties, including President Bush, Laura Bush, Barbara Bush, former President Bill Clinton and Senator Barack Obama, Democrat of Illinois.

What is happening here in the Crossroads of America?

Just standard election year politics, say Republicans, in a state with a history of close races and of electing some Democrats (two of its nine members of Congress are Democrats, as is one senator). It is more than that, say Democrats, portraying Indianans as unusually disaffected and predicting that their party will make significant gains.

Ed Feigenbaum, editor of The Indiana Legislative Insight, a nonpartisan newsletter, said the situation reflected the nation's souring mood.

"People are unhappy everywhere," Mr. Feigenbaum said. "And incumbents suffer when they think the country is heading in the wrong direction."

It is not that candidates in the three competitive districts differ substantially on issues that matter most to voters. But their styles are different, as is the political company they keep, as each often reminds voters.

Republicans warn that Democratic victories will mean liberal leadership in Congress, while Democrats say their opponents support failed policies. The overwhelmingly negative advertisements on both sides have focused on personalities, moral values, party allegiances and help for veterans.

Voters seem focused on larger matters. From the hills of New Albany near the Kentucky border to the gray streets of Mishawaka near the Michigan border, scores of voters in the three districts said in interviews that they were uneasy about Iraq, illegal immigration, the economy and the cost of health care.

Some said they feared that gasoline prices would rise again, while others complained about lobbyists. None cited the resignation of Representative Mark Foley over his e-mail exchanges with Congressional pages, though many Republicans were concerned that unhappiness about moral lapses in Washington might depress turnout among Christian conservatives.

Some spoke about local issues, but national matters, especially Iraq, prevailed.

"Iraq is seen as a failed Republican policy that isn't working and costing money," said Brian Vargus, a professor of political science at Indiana University in Indianapolis.

"That really resonates with Hoosiers," Mr. Vargus said. "They are very patriotic, feel that the American military is very efficient so someone is doing something wrong."

Second District

Representative Chris Chocola, a Republican, and the Democrat, Joe Donnelly, a lawyer and businessman, are in a race that was never supposed to be so close, though the district has elected Democrats in the past.

The economy and immigration loom as large as Iraq in this blue-collar district. Many auto-parts plants have closed or been cut back. Workers are nervous, and some say that Mr. Chocola does not understand their predicament because he is independently wealthy.

Plant workers blame Washington for higher gasoline prices, which hurt demand for automobiles; for spending money on Iraq that could be spent at home; and for failing, as they see it, to stop illegal immigrants from taking jobs in nonunion shops.

Mr. Chocola soundly defeated Mr. Donnelly in 2004, but polls now show Mr. Donnelly ahead. Mr. Donnelly appears to be benefiting from spending by independent groups and national Democrats. (Republicans recently stopped broadcasting advertising for Mr. Chocola, cautioning they have not given up on him but declining to say if the advertisements will resume.)

"Billions of dollars go to China, they're taking away our jobs, and they call it free trade," said Richard Rittenhouse Jr., leaning against a friend's pickup after their shift at the AM General Hummer H2 plant in Elkhart.

Illegal immigrants, whose numbers are relatively small in Indiana, but are concentrated in some areas, are "working hard and cheap" in nonunion plants Mr. Rittenhouse said, while union jobs are trimmed.

He and his friend, Steve Patton, said they were also frustrated by high property taxes, the leasing of a state toll road to a foreign entity and changes in the local daylight saving time.

Mr. Chocola said he was not worried.

"This district is always competitive," he said, after addressing students at Penn High School in Mishawaka. "Nothing unusual."

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Mr. Donnelly, who criticizes Mr. Chocola for supporting the president on Iraq and foreign trade, sounds equally confident.

"We're going to change the country," he said in a South Bend pub.

Eighth District

The "Bloody Eighth" as it is known because of its close elections. Representative John Hostettler, a six-term Republican, is invariably described an unorthodox public official who does as he likes, from voting against the Iraq war to taking a loaded gun into the Louisville airport two years ago. The congressman said he had forgotten that the gun was in his briefcase.

Political analysts say Mr. Hostettler has been more unorthodox than usual, campaigning and fund-raising less aggressively than might be expected, given his opposition — the telegenic sheriff of Vanderburgh County, Brad Ellsworth.

Mr. Hostettler, who insists he is campaigning hard, historically wins, usually by small margins, helped by a strong get-out-the-vote operation led by Christian conservatives.

But Democrats see Mr. Ellsworth as the strongest opponent Mr. Hostettler has faced, a conservative Democrat whose record can appeal to working-class voters.

The candidates in fact agree on most issues. Both oppose abortion rights and favor tough immigration laws. Their major difference is Mr. Hostettler's vote against raising the minimum wage and Mr. Ellsworth's support for it.

Nonetheless, Mr. Hostettler paints Mr. Ellsworth as "far to the left," and raises the specter of Representative Nancy Pelosi, the House minority leader from California, becoming speaker if Democrats win a majority.

That registers with some voters. "They are both good men, but the Democrats will put pressure on him to put Pelosi in, an extreme Democrat," Mike Rhoads, an insurance agent, after said services at Bethel Temple, a nondenominational Christian church in Evansville.

Mr. Hostettler's longevity in Washington registers with other voters, among them Betty Paddock, a retired dietitian who voted for Mr. Hostettler in 2004.

"He's been there a long time, time for a change," Ms. Paddock said at the West Side Nut Club Fall Festival in Evansville. Hr sister Jean Tabor, a cashier at a Target store, added, "Too many bad things are happening."

Ninth District

The race is a rubber match, an unusually personal fight between two candidates with distinctly different styles — Representative Mike Sodrel, a Republican who two years ago beat the same Democratic opponent, Baron Hill, a former two-term congressman.

Mr. Sodrel worked the crowd in shirt sleeves during the Harvest Homecoming Festival in New Albany, across the Ohio River from Louisville, Ky. The day before, Mr. Hill appeared in suit and tie, serious and unsmiling as he and Senator Evan Bayh, Democrat of Indiana, discussed domestic security in a town firehouse.

Mr. Sodrel, owner of a trucking company, accuses Mr. Hill of having "gone Washington." He says that Mr. Hill "doesn't share our values" and that Mr. Hill voted against protecting the flag from desecration and opposed a bill banning same-sex marriage.

Mr. Hill says that he honors the flag and opposes same-sex marriage but that the issues should be left for states. He accuses Mr. Sodrel of being too close to the oil industry, and calls on him to return campaign contributions from Speaker J. Dennis Hastert and other Republicans for what he calls a failure of leadership in the Foley case.

Both candidates strike voters as too negative and out of touch with what really concerns people, many football fans said at a recent Friday game at New Albany High School.

"Nobody wants to talk about anything I think is important, like getting out of this stupid war," said Edward Summers, a veteran of World War II.

Neal Lang, a fifth-grade teacher from nearby Floyds Nob, said he was worried that the country "seems angry and strongly divided."

Mr. Lang said he did not know who he would vote for, but predicted, "I think it will be close again."

Working Families Party's Aim: Putting Democrats In Congress (NYT)

By Nicholas Confessore

The New York Times, October 21, 2006

Even by the Lilliputian standards of minor political parties, the Working Families Party has typically played the part of feisty underdog. Only four states list the party on their ballots, and even in New York, where it is based and most active, Working Families usually draws far fewer voters than rivals like the Conservative Party or the Independence Party.

Nevertheless, leaders of the Working Families Party, hoping to play a small but crucial role in this fall's Congressional elections, have started an effort to swing unaffiliated voters to Democratic candidates in three tight Congressional races.

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The party is focusing on unaffiliated voters in New York's 24th and 29th Congressional Districts and Connecticut's 5th Congressional District, which all have a Democratic candidate cross-endorsed by the Working Families Party. Both New York and Connecticut allow "fusion" elections in which candidates may run on more than one party line.

In New York's 24th District, Michael A. Arcuri, a Democrat, is battling State Senator Raymond A. Meier, a Republican; and in Connecticut's 5th District, State Senator Christopher S. Murphy, a Democrat, is challenging Nancy L. Johnson, the Republican incumbent.

Working Families is financing direct mail, door-to-door canvassing and phone banks in those districts. In New York's 29th Congressional District, the party will begin a direct-mail effort on behalf of the Democratic candidate, Eric Massa, who is challenging Congressman John Randy Kuhl Jr., the incumbent Republican.

The tight focus on upstate, unaffiliated voters is something of a departure for the Working Families Party, which was founded by a coalition of labor unions and community organizations in 1998. Its supporters are most heavily concentrated in the New York City area, where the party has worked largely in support of liberal Democratic candidates. But party officials said that polling they conducted but did not release showed that a large number of independent voters in the three districts supported views traditionally associated with liberal Democrats, like being in favor of universal health care and in opposition to free trade.

According to the poll, the party said, many of those surveyed said they believed that both major parties were indifferent to such concerns, and that they might be open to voting for a Democratic candidate on a minor party line if the candidate had their values.

"People see our message about jobs and health care not as a left-wing message," said Dan Cantor, the party's executive director. "They put it dead center in focus groups. Trade deals, universal health care. These independent voters are like incipient progressives."

Mr. Cantor also cited past efforts by the party, like its work in 2002 on behalf of Representative Tim Bishop of Suffolk County, as evidence that the party may prove able to provide candidates with crucial voters in tight races. Mr. Bishop, who ran on the Democratic and Working Families lines, beat a Republican incumbent by about 2,500 votes; he earned 2,700 votes on the Working Families line. Of those 2,700, more than half came from people who also voted to re-elect Republican Gov. George E. Pataki.

"Having that extra line, giving independents a place to go, and having them work to get out the vote, all of that was very helpful to me," Mr. Bishop said in an interview.

The party will spend at least $400,000 — a third of it donated from New York's Democratic Congressional delegation — on the effort, a large amount for the party, though a relatively small expenditure given the millions of dollars being spent by the Democratic and Republican campaign committees and the candidates themselves.

But some political experts said that such a political bank shot — persuading unaffiliated voters to register a protest vote for a Democrat by voting for a minor party — could prove more or less unsolvable.

"To the extent that people know that the Working Families Party exists, those people don't view the Working Families Party as less liberal or left than the Democratic Party," said Norman Adler, a political consultant in New York who has advised Republican and Democratic candidates. "People who are liberal are already very comfortable voting for the Democrats.

"Talking to blanks is always useful, since they comprise the largest number of people who haven't made up their mind," he added, referring to people who do not select a party on their voter registration. "But to make the argument that they're the alternative to the Democratic Party for independent voters — I don't think that'll work."

The Political Season Has Gone Sordid (LAT)

The Los Angeles Times, October 21, 2006

Republican congressional candidate Tan Nguyen was expendable (meaning he had no chance of beating Loretta Sanchez), so he was expended this week by the Orange County Republican leadership. A heroic decision, tempered only by the fact that as recently as 2004 Nguyen was running as a Democrat.

In other words, Nguyen wasn't exactly dyed-in-the-wool. Still, when it was learned that his office apparently sent out 14,000 copies of a letter to registered voters saying it was illegal for immigrants to vote, the party leadership quickly leaned on him to withdraw and said all the right things about veiled intimidation of Latinos who are duly registered.

It is truly a new day in Orange County, where a generation ago the previous Republican Party leadership would have tabbed Nguyen as an up-and-comer with a good head on his shoulders.

Nguyen, who clearly doesn't yet have the hang of this running-for-office thing, said he had nothing to do with the mailing and ascribed the blame to his office manager. He presumably was going to lay out his defense Friday afternoon at a news conference, but state agents put a crimp in those plans by raiding his Garden Grove office.

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You can't help but appreciate (in a twisted way) how this flare-up reflects on Orange County's changing demographics. That is, no longer is the attempted thwarting of the Latino vote limited to Anglo officeholders. Nguyen, according to his website, is a Vietnamese refugee who was 8 when his family fled the Communists and came to America.

And now, just 25 years later, he's got his name in the newspapers in connection with political dirty tricks.

A cynic would say he's assimilated well.

And speaking of assimilation and participating in the democracy …

Over in Anaheim, Bill Dalati is getting a dose of the American political system in his first run for office. The 41-year-old insurance agent has been called a potential "Manchurian candidate" by a former state Republican Party chairman who cites Dalati's political support of a controversial congresswoman from Georgia and his advocacy of the local Council on American-

Islamic Relations, considered an extremist group by some but which somehow manages to operate quite comfortably and openly under the noses of the entire local and federal law enforcement structure. I was once at a CAIR meeting where local public officials and law enforcement representatives praised it.

For you youngsters, a "Manchurian candidate" is taken from a 1962 movie and refers to someone who pretends to be one of us but is really an agent of the enemy. Dalati's birth name is Belal, and he was born in Syria, so you know who the critics think he's a secret agent of.

Call me irreverent, but I'd like to see what a Manchurian candidate from Syria could do to Anaheim. Sure, he says he's interested in housing and traffic, but the mind boggles at what someone with a secret agenda could do.

Hey, wait a second! Isn't Anaheim Mayor Curt Pringle a more likely Manchurian candidate? Nobody looks more benign than he does. And how do we know for sure his family drapery business wasn't fronting for something else?

Sorry, mayor. It's all in the spirit of a long political season.

I got hold of a subdued Dalati late Friday and asked him how he was enjoying his first run for office. He didn't sound overly amused. "I was trying to run a straightforward campaign," he said. "Unfortunately, they brought race and religion into it. Because of the Islamophobia out there, I think it's hurt me."

He said he was getting calls of support from "true Americans" but that other e-mails included threats. He's one of seven candidates for two council seats, and I asked if he regretted running. No, he said. "I know what I ran for. I wanted to serve … and give back to a community and country that has given so much to me."

In the present climate, you say something like that and your critics only chalk it up to more cunning.

There you have it. That's my report from today's Politics & Ethnicity front.

Kind of gives you a warm, fuzzy feeling about things, doesn't it?

Ehrlich, O'Malley Focus On Turnout As Election Nears (WP)

By Matthew Mosk And Robert Barnes

The Washington Post, October 21, 2006

The hallways were decorated with the green and white of Martin O'Malley's campaign, but more important was what was happening inside the Prince George's County ballroom: thunderous applause from a thousand supporters, most of them African American women.

The Baltimore mayor converted the rostrum into a pulpit.

"Turn to your neighbor and say, 'There's a lot of power in this room,' " O'Malley preached.

" There's a lot of power in this room ," the women cried out.

Four years ago, Democrats headed into the final stretch of a heated governor's race without much of a message to get their supporters to the polls, and there was a pointed lack of enthusiasm from black voters, the party's most loyal supporters. The Democrats got clobbered.

"We didn't really do our job in '02, and we saw what happened," said Donna Edwards, a Democratic Party activist and former congressional candidate who attended the rally.

Democrats are determined to make this year different, said Edwards and others supporting O'Malley's bid to retake the governor's office from Republican Robert L. Ehrlich Jr. This time, both Ehrlich and O'Malley have elaborate plans, in the works for more than a year, to maximize turnout that are the centerpiece of a two-week sprint to Election Day.

For O'Malley, the focus is on what campaign manager Josh White calls "drop-off voters," those who turn out when presidential candidates are on the ballot but stay home in intervening years.

"We're, in a sense, trying to expand our base," White said. "These are people who need a push out the door. But once they get there, we know they'll be with us."

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For Republicans, the task is more complicated. Because Democrats hold a nearly 2 to 1 edge on voter rolls, Ehrlich can't afford to merely try to drive more people to the polls. He needs to motivate his supporters to show up Nov. 7 while doing nothing to energize those backing his opponent.

To accomplish this, his aides said they have been brewing their own turnout recipe -- one that depends on the science of "microtargeting" and on many of the same formulas that helped propel George W. Bush to victory in 2004. Information about every potential Ehrlich voter, down to the magazines they read and the church they attend, will drive the strategy for lighting a spark under them on Election Day.

"Every race is about turnout, but this one especially so for Ehrlich," said one of the governor's top aides, who discussed internal campaign strategy on the condition that he not be named. "Last time, we won partly because I think we had a superior air game -- television ads, radio ads, direct mail. This time, in my opinion, we win by having a better ground game."

While each campaign will spend the next two weeks working several fronts -- O'Malley will launch a bus tour; Ehrlich will begin a barrage of television ads -- the strategy that could ultimately decide the outcome of this year's hotly contested race is the one that succeeds at driving the right voters to the polls.

A crucial piece of the effort for Democrats will involve black voters, who traditionally have been the party's most loyal constituency but who stayed home in large numbers in 2002, when Kathleen Kennedy Townsend became the first Democratic gubernatorial candidate to lose in Maryland in 34 years.

Census records show that although 50.5 percent of registered black voters turned out to vote in 1998, that number dropped to 41.3 percent in 2002.

This year, many Democrats are still waiting for signs that black voters will take an interest in O'Malley, said former Maryland governor Parris N. Glendening (D).

"I think this is going to be the biggest single challenge, because the excitement and the enthusiasm is really not at the level that it needs to be to get a really good, strong turnout," Glendening said, adding that he believes interest will climb as the election approaches.

The Democrats have some obstacles within the black community. For one, Republicans fielded the state's first African American to be elected statewide, Lt. Gov. Michael S. Steele, and he is now on the ballot in the race for U.S. Senate.

And there is also unease about the complexion of the Democratic statewide ticket: All but one of the candidates is white. But that is a "longer-term problem," Edwards said. "I don't think that's going to be enough to keep people from voting."

Democratic Party officials have tried to address those issues by producing a series of door-hangers and brochures aimed specifically at black voters, including one that pictures an African American woman on the front and the words, "Why I am a Democrat . . ."

O'Malley recruited an African American running mate, Del. Anthony G. Brown (Prince George's), and has brought in well-known black figures to help, too. Basketball great-turned-movie theater mogul Earvin "Magic" Johnson is promoting the Baltimore mayor on the radio. Former president Bill Clinton and Sen. Barack Obama have joined him on the stump.

"Bill Clinton is like the Energizer bunny for Democrats, and especially the key groups we need to make sure come out, African American voters especially," Edwards said.

Today, Rep. Elijah E. Cummings (D-Md.) will kick off a two-week canvassing effort in black neighborhoods that will involve passing out 10,000 postcards reminding residents of their voting rights. O'Malley himself will be knocking on doors of targeted voters in Montgomery and Howard counties tomorrow.

The party has also recruited three to four times as many volunteers as they had four years ago to phone the drop-off voters, White said. It's a strategy that might have yielded little in years past but could prove vital in taking advantage of a national climate that appears to favor Democrats heavily.

That climate has forced Ehrlich's campaign to direct more attention to independents and his own base of support, the state's rural Republicans, to make sure they don't decide to stay home. Part of Ehrlich's success in 2002 stemmed from bringing out 191,000 more Republicans than voted in 1998 for Ellen R. Sauerbrey.

Ehrlich said he is not concerned by the national mood, noting that in two weeks, events in North Korea or elsewhere could shift attention away from the series of GOP scandals in Washington. And he believes the microtargeting effort will overcome any unease about voting.

"You saw in 2004 what it can do," he said, referring to Bush's successful turnout effort.

At the same time, he has been writing to supporters to persuade them to cast absentee ballots. The stated purpose has been to ensure a secure ballot in the face of possible problems with electronic voting. But because he'll know that those ballots have been cast and can scratch those voters off of contact lists, he can improve the efficiency of his turnout operation come Election Day, he said.

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When asked what effect surrogates such as Clinton will have on the outcome of the race, the governor laughed. Yes, the former president probably helps energize some Democrats, he said. "But he helps me with my base, too."

Anti-O'Malley Ad Shows Baltimore In A Grim Light (WP)

By Eric Rich

The Washington Post, October 21, 2006

Mayor Martin O'Malley may be the target but Baltimore also takes a beating in a television ad launched yesterday by the Republican Governors Association, a 30-second tableau of urban decay that declares Maryland's largest municipality "the most dangerous city in America."

The ad, the first the group has aired in the state, features footage of a cemetery and a crime scene. The camera bounces erratically as the images lose and regain focus. The schools are in shambles, a female voice says, and the homicide rate is six times higher than New York City's. "Baltimore," the voice says, "Martin O'Malley's legacy of mismanagement. And now he wants a promotion so he can do for the entire state of Maryland what he did for Baltimore."

The O'Malley campaign was quick to condemn the ad, which they said perpetuated stereotypes about a city they said Gov. Robert L. Ehrlich Jr. (R) is "essentially disowning."

"It's essentially unheard of for a governor to allow an outside group to attack the biggest city in his state," said Hari Sevugan, an O'Malley spokesman.

A recent Ehrlich ad raised similar issues far more delicately: A Baltimore resident -- with a criminal record, it later emerged -- describes himself as a Democrat so concerned about crime and the city schools that he intends to vote for Ehrlich.

Ehrlich spokeswoman Shareese N. DeLeaver declined to comment on whether the campaign has misgivings about Baltimore being portrayed in such a light. The ad, she said, "isn't about Baltimore, it's about Martin O'Malley's failure of leadership of Baltimore."

The governors association is barred from coordinating its activities with the campaign.

"The intent of this advertisement is not to trash Baltimore," said Phil Musser, the association's executive director. "The intent is to point out what's clearly a lackluster record."

The Democratic Governors Association contributed $290,000 to the Maryland Fund, an independent group that has spent nearly $1 million on negative ads linking Ehrlich to the policies of President Bush.

Yesterday, Democrats pointed out that the Republican group received a $100,000 contribution Sept. 29 from a prominent Maryland developer and Ehrlich supporter, Kingdon Gould. Gould, developer of the Konterra project in Prince George's County, has contributed $50,000 to Ehrlich through various companies since 1999. He was traveling yesterday and did not respond to calls seeking comment.

Computer Voting Disks Likely Made For Testers (WP)

By Cameron W. Barr

The Washington Post, October 21, 2006

A Maryland election official said yesterday that possibly stolen computer disks believed to be electronic voting software were "apparently produced" for use by a testing firm hired by the Maryland legislature in November 2003.

Ross Goldstein, deputy administrator of the Maryland State Board of Elections, said documents indicate that the disks were sent to Maryland so Raba Technologies Inc. could assess the security of the state's electronic voting system, which is provided by Diebold Election Systems. A receptionist at Raba, based in Columbia, declined to comment yesterday after consulting with her supervisor.

Labels on the disks indicate that they contain the versions of two Diebold programs that powered electronic voting machines in Maryland in 2004, Goldstein said Thursday. Diebold said one version of one program is still in use in some jurisdictions elsewhere in the United States.

Cheryl C. Kagan, a former Maryland delegate who has questioned the security of electronic voting systems, said the disks were delivered anonymously to her office in Olney on Tuesday.

State elections administrator Linda H. Lamone has asked the FBI to investigate the apparent theft and leaking of proprietary voting software.

Critics of electronic voting said the most recent incident in Maryland casts doubt on Lamone's claim that Maryland has the nation's most secure voting system. "There now may be numerous copies of the Diebold software floating around in unauthorized hands," said Linda Schade, co-founder of TrueVoteMD, which has pressed for a system that provides a verifiable paper record of each vote.

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Yesterday, Henry Fawell, a spokesman for Gov. Robert L. Ehrlich Jr. (R), said the suspected leak "raises yet another unanswered question about the Diebold technology on which our election system depends." Ehrlich initially supported the Diebold technology but in recent years has said Maryland should switch to a system that provides a paper trail.

Some computer scientists said the incident shows why the makers of voting systems should publicly disclose their software. "It's hard to keep a secret like this for a long time," said Edward Felten, a Princeton University computer scientist who demonstrated in September how Diebold's machines could easily be hacked. The company called Felten's work inaccurate and unrealistic.

The Washington Post, which obtained copies of the disks Wednesday to verify them, agreed yesterday to Diebold's request to return them.

Kagan said that she expects to meet with FBI agents next week and that she was prepared to grant the FBI's request to turn over the disks.

The disks bear logos from two other testing companies, Ciber Inc. and Wyle Laboratories, which Diebold hired to test its voting system. Maryland retained Raba in 2003 to conduct a security assessment after an academic study revealed vulnerabilities in Diebold's system, said Karl S. Aro, executive director of the Department of Legislative Services.

Aro said he believes that Diebold made its own arrangements to transmit the software to Raba. "To my knowledge, [Aro's staff] never touched those disks," Aro said.

Diebold spokesman Mark Radke said: "We contacted Ciber and Wyle and asked them to send the software directly to someone in Maryland." He said he could not confirm if the recipient was Raba or an intermediary.

Felten, the Princeton computer scientist, said public disclosure of the core instructions or "source code" that powers electronic voting machines would enhance security by allowing experts to find flaws that could then be corrected.

David Jefferson, a computer scientist at Lawrence Livermore National Laboratory who advises California's secretary of state on election matters, said the source code should be public precisely because it is part of voting systems. "Our democratic process has to be completely open, and we cannot conduct transparent elections on top of secret software," he said.

Michael I. Shamos, a computer scientist at Carnegie Mellon University, said the appearance of the disks in Kagan's office is "essentially meaningless." He said electronic voting source code should be disclosed because of the public's strong interest in the credibility of voting systems. "Since the disclosure of source code is a good thing," he asked, "why should we be complaining when some gets disclosed?"

"Anything that happens to convince the makers of voting software to drop the nonsensical claim of 'trade secrets' is a good thing," Shamos said.

Radke said the company was not averse to disclosing its code if the law were changed to require it. But he said disclosure would dampen innovation in the field.

Avi Rubin, a computer scientist at Johns Hopkins University who reviewed the software Wednesday at the request of The Post, said he was all but certain that the material on the disks was Diebold software.

Angelides Urges Gov. To Release Tapes (LAT)

By Peter Nicholas

The Los Angeles Times, October 21, 2006

SACRAMENTO — In private conversations in the governor's office earlier this year, Arnold Schwarzenegger spoke with aides about the "failure of Mexican American immigrants to assimilate into American culture" and made "ad hominem remarks about a variety of legislators," Phil Angelides' gubernatorial campaign said Friday.

An attorney for Angelides sent a 10-page letter to Schwarzenegger aides urging them to release recordings of the governor's conversations before the Nov. 7 election.

In the letter, the Angelides campaign offered more detail about what Schwarzenegger said in unguarded moments in his office than has been made public to date.

Angelides aides know what the recordings contain because they downloaded them from the governor's website in late August. But the campaign has declined to release the tapes on its own, calling on Schwarzenegger to take that step.

"Instead of hiding behind his handlers, he should publicly release these records so that the people of the state of California can hear for themselves what the governor believes in candid moments away from the spotlight," Angelides campaign attorney Lance Olson wrote.

Schwarzenegger officials indicated that the governor would not release the recordings, saying they are not a matter of public record.

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Schwarzenegger campaign manager Steve Schmidt, in an interview, said of Angelides: "This is yet another act of political desperation by a failing candidate who, with every passing day, makes it clear he lacks the ethics, integrity and character to be governor of California."

At issue are four hours of recordings. They were made by the governor's speech writing team, whose members taped the governor's conversations to familiarize themselves with his cadence and speech patterns. Six minutes of recordings have been made public so far and are posted on The Times' website at latimes.com/news/local/politics/cal/la-govmeetingmp30954716.mp3file.

In that snippet, Schwarzenegger, talking casually with his inner circle of advisors, made comments about the temperament of Assemblywoman Bonnie Garcia (R-Cathedral City). Discussing her ethnicity, he said it didn't matter if she was Puerto Rican or Cuban.

"I mean, they are all very hot," he said. "They have the, you know, part of the black blood in them and part of the Latino blood in them that together makes it."

Fearing legal repercussions, Angelides campaign officials have been unwilling to release the rest of the recordings. But they've offered hints about what Schwarzenegger says in recent letters to the governor.

In the letter Friday, Olson rebuts Schwarzenegger's claim that the tapes are exempt from disclosure under a legal provision that protects the governor's internal "deliberations."

Olson writes that the recordings "do not relate to anything 'deliberative' at all and are clearly unrelated to speech writing but, rather, discuss Republican Party politics, derogatory remarks about Mexican Americans and observations about legislators and other public figures."

Were Schwarzenegger to demean Mexican Americans, it could produce a backlash.

The governor has been courting Latino voters in hopes of building on the 32% of the Latino vote he received in the 2003 recall election.

After The Times made public part of the recordings last month, the California Highway Patrol opened an investigation. The Schwarzenegger administration had notified the CHP, claiming the Angelides campaign had "penetrated" a secure, password-protected part of the governor's website.

Angelides campaign officials deny that's the case. They said staff members encountered no passwords or obstacles of any kind in downloading the recordings and they assert that others who have visited the governor's website have done much the same thing.

The CHP said it would produce at least a preliminary report quickly. But at this point, with 17 days left in the campaign, no report has emerged.

Schwarzenegger Story Gets Another Rewrite (LAT)

By Peter Nicholas

The Los Angeles Times, October 21, 2006

SACRAMENTO — Maybe the make-or-break moment of Arnold Schwarzenegger's governorship was the morning of Nov. 10, 2005, in his hotel suite across the street from the Capitol building.

He had just been walloped in the special election that he had thrust before voters, capping a year when he had fought to put in place a distinctly conservative agenda.

Prepping the Republican governor for a news conference, one of his aides urged a tough stance: Don't apologize, don't give ground.

Schwarzenegger did the opposite. He appeared before the cameras and conceded that he had screwed up and promised to start listening to the Democrat-dominated Legislature.

So began his political resurrection. From a nadir at which he was being compared with Jesse Ventura, the pro wrestler who flamed out as governor of Minnesota after one term, Schwarzenegger rose to be the front-runner in the Nov. 7 election.

His governorship has been a string of such moments: spontaneous decisions that have carried large consequences, for better and for worse. New to professional politics, he has been learning as he goes.

He has overreached; called officials "stooges" and worse; flip-flopped, wasted time and money. All in full view of California voters and in the face of enormous expectations that came with the historic 2003 recall election.

But over the last 11 months he has righted himself, relying on competitive instincts that told him if he was to survive he needed to drop the hubris and build a centrist government more in step with California voters.

It worked. His approval rating is up to 56%, according to the latest Los Angeles Times poll, a rise of nearly 20 percentage points in one year.

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Schwarzenegger came to the job convinced he could master it — much as he has everything else he's tried. But the job nearly mastered him. Three years after taking office, he is, in fundamental ways, still figuring out what a governor is supposed to do.

His advisors say they still worry when he speaks in public, wondering if he'll blurt out something that offends a constituency or torpedoes a policy position his administration spent months crafting. Others who have worked closely with him said they have no idea what to expect next if Schwarzenegger wins.

Will he be the combative partisan who, 168 times during 2005, railed about "special interests" corrupting Sacramento, according to transcripts of speeches and interviews?

Will he be the go-along moderate who has not once uttered that phrase in public this year? "Arnold 2.0" is how some aides now describe him.

Or is another reinvention in the works?

"I don't know where the governor is going to go next year," said Assemblyman Keith Richman, a moderate Republican from Northridge.

Few people reach high elective office with so little political experience. Schwarzenegger walked off the set of "Terminator 3" and into the recall election.

Campaign workers mined interviews he'd given as a champion bodybuilder and movie star, looking for the germ of a policy platform. He was tutored extensively in his Santa Monica office — sessions his staff labeled "Schwarzenegger University."

The cramming helped. Schwarzenegger retains information well and is adept at numbers, which he says he thinks about in his native German. When he grasps something, he utters a two-word acknowledgment: "Got it."

But after he took office, his busy schedule slowed the schooling. And the gaps in what he understood about California government became painfully evident.

Marybel Batjer, the governor's Cabinet secretary in his first year, said, "Yes, he needed more education, and if I could have done it better — and I don't know how we could squeeze more time out of him — I would have had policy briefing time on his schedule weekly."

First Lady Maria Shriver would, on occasion, call then-Chief of Staff Patricia Clarey. Her husband would come home at night with a stack of briefing papers, Shriver said, and realize in frustration that he was not getting everything he needed from the daytime briefings, according to one person familiar with the conversations.

There was an embarrassing moment in his first months in office when Schwarzenegger's inexperience showed.

He often boasted about his negotiating skills. After years of haggling with Hollywood bosses over movie contracts, he was confident he could outwit Sacramento interest groups. But it wasn't as easy as he supposed.

He sat down with officials from the California Teachers Assn., the powerful labor group, to discuss the complex spending formulas that drive the education budget. The governor hoped CTA would agree to concessions that might stave off deep budget cuts.

Schwarzenegger acknowledged to his staff at one point that he wasn't in command of the details. But he plowed ahead, ultimately striking a deal with the union: CTA would forgo $2 billion owed to schools, in return for the governor's promise to repay the money in coming years.

The agreement turned out to be politically costly. It was Schwarzenegger who had been outmaneuvered.

Facing a tight budget the next year, the governor broke the promise. He told the union that if he lived up to the bargain, it would mean drastic cuts elsewhere in government that he was unwilling to make. Union officials turned on him.

The governor hadn't realized the commitment he'd made, said Peter Siggins, then Schwarzenegger's legal counsel, who was taken aback by the agreement.

"I sat down with [another aide] and said, 'Did we really agree to this?' " said Siggins, now a state appeals court judge in San Francisco. "I was surprised. It … really boxed him in."

The teachers union, once a friend, was now a dogged and well-funded enemy.

For all the stagecraft Schwarzenegger employs to make sure he appears in a flattering light, he tends to wing it when he grabs the mike. He says what feels right at the moment. But the spontaneity can backfire, and has.

In April, the administration prepared for an environmental summit in San Francisco. In defiance of his big-business supporters, the governor was going to call for emissions caps meant to curb global warming.

The day came. Schwarzenegger led a discussion that included business leaders unhappy about the plan. An official of a cement trade group objected that mandatory caps would be a burden to business.

Schwarzenegger began to waffle. Maybe it would be better to start "without caps," he said. Aides cringed.

"It undercut the main message of the day," said one administration official, requesting anonymity because he was not authorized to speak publicly.

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Damage was done — and Schwarzenegger had to undo it. The next day, in an appearance in Davis, he said emissions caps were "a great idea."

In other ways, Schwarzenegger sounds like the most seasoned of politicians, saying one thing but doing another.

The day after winning the election in 2003, he said at a news conference that he would devote himself to the job full time: "There will be no time for movies or anything else."

A month later, he quietly signed an agreement to serve as a consultant to and editor of the tabloid and muscle-magazine publisher American Media Inc., which would pay him an estimated $8 million over five years. He severed the arrangement after it was made public last year.

Schwarzenegger once eloquently warned of the danger of "special interests" — moneyed groups whose fortunes depend on state action. They give millions to politicians and expect favors in return, the governor said.

But since entering the recall campaign, Schwarzenegger has accepted record sums of campaign cash — more than $114 million — from oil companies, insurers, developers and growers that rely on the governor to sign or veto key legislation.

Every year the California Chamber of Commerce, the state's leading business lobbying group, puts out a list of what it calls "job killer bills" — legislation it wants defeated.

Of 11 such bills that passed the Legislature and made it to the governor's desk this year, he vetoed nine, or 82%.

"He came in on a reform platform which essentially was to hose out the Augean Stables," said Martin Kaplan, associate dean of the USC Annenberg School for Communication, referring to the labors of Hercules. "And he ends up raising more money than Gray Davis, or anyone else, for that matter."

Schwarzenegger has said repeatedly that legislators were "spending addicts." But he has signed budgets that have raised state spending 27%, to $101.3 billion from $79.8 billion.

On a radio show, Schwarzenegger explained his ethics policy. Indian tribes that own casinos are "people that I would never take money from," he said. That would be a "conflict of interest," because a governor negotiates gambling compacts with tribes, he said.

Yet six tribes that own casinos have donated at least $800,000 altogether to the California Republican Party in the last two years. And the party has run television ads helpful to Schwarzenegger.

Schwarzenegger has a record of floating ideas and then dropping them. He vowed in 2004 to bust the Legislature down to part-time status. Never did it.

He told the Sacramento Press Club in January that he would set up a bipartisan commission to examine the state's costly pension system. Never happened.

Then there are moments when he seems to simply get carried away.

Frustrated that lawmakers wouldn't pass his budget, he appeared at a rally at a shopping mall in Ontario two years ago to ratchet up pressure. His staff had written a speech for him, but Schwarzenegger ad-libbed.

Before a crowd of more than 1,000 supporters, he called his legislative opponents "girlie men." The audience loved it, but Democratic lawmakers were furious. The tone had been set for the next year, which Schwarzenegger had optimistically dubbed "the year of reform."

Some of Schwarzenegger's top aides never wanted the special election. After a flurry of campaigns in 2003-04, they thought he needed a year to govern quietly and squirrel away some money for a reelection bid.

But Schwarzenegger worried that if he didn't go to the ballot with a dramatic proposal to shake things up, he might be facing years of paralysis in Sacramento, aides said. A big, bold step was needed, he believed.

Things came to a head at a meeting at a Sheraton hotel near the Capitol late in 2004. Schwarzenegger snapped at his staff that they had dithered, failing to prepare for the special election he envisioned.

One advisor recalls Schwarzenegger saying that without a special election, he "would be facing 18 months where nothing would get done." He wouldn't be talked out of it.

Schwarzenegger backed four measures that his allies placed on the November 2005 ballot: He wanted to curb state spending, revamp the way the state draws voting districts, make it tougher for teachers to get tenure and bar unions from making campaign contributions without permission from members.

The agenda wasn't even his own. It had been cobbled together by the Chamber of Commerce, anti-tax forces and conservative leaders on the fringes of the governor's political circle.

The program also was reminiscent of a Schwarzenegger mentor — former Republican Gov. Pete Wilson. In the 1990s, Wilson went to the ballot to expand the governor's budget-cutting powers and impose restrictions on union political activity. Voters said no.

The Republican operatives surrounding Schwarzenegger remembered those fights from the Wilson years. But maybe they'd have better luck with a former movie star as the salesman.

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Joel Fox was co-chairman of a campaign committee that became the prime fundraising vehicle for the Schwarzenegger-backed initiatives.

In Schwarzenegger, he saw a "Mr. Olympia who has the ability to lift the weight of the world — and we were going to jump on his back. That's the attitude we had," he said.

But "it didn't serve Arnold well," Fox said. "And I take part of the blame for this debacle."

Teachers, nurses and firefighters mobilized against the governor's agenda, picketing Schwarzenegger's fundraising events from Manhattan to Los Angeles. Schwarzenegger could not muster grass-roots support or raise enough money to combat the union attacks.

"We stumbled around," said Mike Murphy, the governor's chief political strategist at the time. "We tried to do three years of reform in about six months."

Battered by the unions' TV ads, Schwarzenegger saw his approval ratings plummet. When defeat came last November, he moved quickly to recapture voters' trust.

He had spent much of 2005 declaring he'd been sent to Sacramento to "fix a broken system." Now he understood that voters wanted him to work within that system, broken or not.

A shake-up followed.

Murphy left to focus more on Hollywood projects. Shriver, injecting herself in the personnel search, as she often does when her husband is in trouble, found a replacement in Steve Schmidt, a barrel-chested veteran of the Bush White House who runs a no-nonsense political operation.

Out went Clarey, once an aide to former Republican Gov. Pete Wilson. In came Susan Kennedy, once an aide to former Democratic Gov. Gray Davis.

"That was his apology," Kaplan said. "By hiring her, and taking pretty intense public criticism for it from his Republican base, he was saying: 'I really heard you. I got it.' "

Embracing the Democratic agenda, Schwarzenegger signed bills raising the minimum wage and providing prescription drug discounts. It was effective politics, executed on the cusp of a reelection campaign.

But it also showed some flexibility: Schwarzenegger had tried something. It didn't work. So he tried something else.

"He's been a very reliable partner in advancing a very strong Democratic agenda," said Fabian Nuñez, the Democratic speaker of the Assembly. "It's the ultimate irony."

When something works, Schwarzenegger stays with it, his friends say. Now that his political recovery has put a second term within his grasp, he's unlikely to risk another effort to shake Sacramento to its core.

"I've known him 27 years and I've never seen him happier than he is now," said Bonnie Reiss, a longtime friend and a senior aide.

Others sound a more wistful note. They hoped Schwarzenegger would prove a transformational figure.

Right after taking office, Schwarzenegger embarked on one of the most ambitious projects of his governorship. Acting on his vow to "blow up the boxes" of government, he appointed 275 state employees, aides and consultants to plan how to do it. The group came up with a far-reaching program to wipe out 100 state boards and commissions. But when interest groups complained, Schwarzenegger backed down. The panel's 2,500-page report, released more than two years ago, sits on bookshelves across the capital, ignored.

"I would like to have blown up a box or two," Fox said.

(INFOBOX BELOW)

Arnold Schwarzenegger

Party: Republican

Occupation: Governor of California

Age: 59; born in Thal, Austria.

Residence: Los Angeles (Brentwood)

Personal: Wife, Maria Shriver; four children.

Education: Bachelor's degree in business and international economics, University of Wisconsin-Superior, 1979

Career highlights: As a bodybuilder, won 13 championship titles; was the subject of "Pumping Iron," a 1977 documentary about bodybuilding, and went on to star in many films; in 1990, was named chairman of the President's Council on Physical Fitness and Sports under President George H. W. Bush; sponsored Proposition 49, a ballot measure approved in 2002 to increase funding for after-school programs.

Platform: Job creation through economic development and promotion of the California economy; no tax increases; curbs on greenhouse gases through regulation of business; $37 billion in bonds to rebuild state infrastructure.

Los Angeles Times

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Boo!? An Inevitable October Surprise (WP)

By Linton Weeks

The Washington Post, October 21, 2006

The October surprise: It's as much a seasonal sure thing in Washington as cherry blossoms and the National Christmas Tree.

When leaves fall and elections loom, the term gets tossed around more than a Manning family football. This October, too, is chockablock with shockers. Already "October surprise" has been applied to: several unflattering new books about the White House, an upwardly revised civilian casualty estimate from the Iraq war, the Mark Foley scandal . . . and October isn't over yet.

Originally the term meant some alakazam rabbit-from-a-hat trick that an incumbent party would unveil to keep its candidate in office. Over time the phrase has been bandied about and overused to the point that it now means any startling surprise from any direction that might somehow affect the outcome of an election.

October, says Michele Swers, a political scientist at Georgetown University, "is when the electorate begins to focus on the candidates and the issues, and voters begin to actually look at what you do and what you say."

A surprise works, she says, "if there's already a national mood building for a certain issue. The surprise can exacerbate the mood of the people. Anything that intensifies a national wave is helpful."

On his MSNBC show last week, former congressman Joe Scarborough pointed out three recent eye-openers, including "the latest October surprise from New York's publishing world." Excited, he cited "State of Denial" by Bob Woodward, which actually went on sale Sept. 30, and "Soldier: The Life of Colin Powell" by Karen DeYoung, published on Oct. 10. Both books, by Washington Post reporters, "provided a double-barrel blast at the White House," Scarborough said.

He continued, "But now another book drops within weeks of the midterm elections, claiming the Bush White House played Christians for fools and called them nuts and lunatics behind their backs."

He was talking about David Kuo's "Tempting Faith: An Inside Story of Political Seduction." Published this week, the book questions the Bush administration's sincerity when it comes to support for faith-based initiatives and for the social issues important to evangelicals.

On CNBC, Jed Babbin, who was a defense undersecretary in the George H.W. Bush administration, referred to the Johns Hopkins University study of Iraqi civilian deaths -- published in the British medical journal the Lancet -- as "another October surprise. . . . It's not at all credible."

Babbin said the number of Iraqi dead has been used before as a pre-November jolt. "The last time they published this same report," he said of the Johns Hopkins survey, "the same group went out and did a similar analysis two years ago, and guess what? They put it out just before the 2004 election."

The longest-running eyebrow-raiser of this October -- the Mark Foley scandal -- got its start in the final days of September. Keith Olbermann, host of the MSNBC program "Countdown," referred to it as a pre-October surprise, but the story has drip-dripped through the month. "The Democrats prayed for an October surprise," wrote syndicated columnist Jonah Goldberg, "and like manna from heaven, a hypocritical, sexually disturbed Florida Republican dropped into their laps."

Some Republican strategists suggested that Democrats waited to make a big deal about Foley's instant messages to generate an autumnal bombshell.

The earliest mention of "October surprise" in a Nexis database search of American newspapers is in The Washington Post in late August 1980. William R. Van Cleve, co-director of candidate Ronald Reagan's panel of military policy advisers, said that the notion of the incumbent president, Jimmy Carter, pulling an "October surprise" somewhere in the world to influence the pending election "has been nagging at some of us for some period of time." The rumored surprise was an invasion of Iran, which was holding dozens of Americans captive.

In October 1992, the issue of Penthouse magazine with the Gennifer Flowers interview about her relationship with candidate Bill Clinton went on sale. In late September 1996, questions arose about campaign contributions from foreign sources to the reelection campaign of Clinton and Al Gore. On Nov. 2, 2000, just five days before the election, a Maine television station reported that candidate George W. Bush had been arrested in 1976 on a drunk-driving charge. "Call it the October surprise a few days late," a CBS reporter said at the time.

In some years the October surprise, like the Great Pumpkin or Godot, is much anticipated but never appears. But in recent years it's become so predictable, so commonplace, it should be called the October Same-Old Same-Old.

"Surprises, on schedule, are hardly surprises," Matt Drudge of the Drudge Report says in an interview. "The October surprise has become a tired ritual that needs reinvention."

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There are variations. And trying to guess the next iteration -- sex scandal, international policy shift, military assault -- makes for a popular bar game. But in this era of muck-slinging politics with candidates "going negative" and "digging up dirt," a true October surprise would be an October without one.

Obama's Project Runway (NYT)

By Maureen Dowd

The New York Times, October 21, 2006

WASHINGTON

So the question before us is, should Barack Obama stop lounging around in fashion magazines and do some honest work, like running for president?

How will we ever persuade him to give up his modeling gigs in Men's Vogue, Marie Claire, Vanity Fair and Washington Life? How can we lure the lanky young senator from Illinois out of the glossy celebrity pages and back to gritty substance, away from Annie Leibovitz's camera and back to Abraham Lincoln's tradition? He may not want to come back, now that he has mastered that J.F.K. casual glamour pose in shirt sleeves and tie, suit jacket slung over his shoulder, elegant wife and pretty children accessorizing.

The Washington Post's fashion reporter, Robin Givhan, analyzed the Men's Vogue spread, with its "touch football" aura: "Obama is pictured in warm light or soft focus. He is pondering, nurturing, working. But never glad-handing, pontificating or fund-raising. The pictures celebrate the idea of Obama rather than the reality of politics."

Why should the 45-year-old senator tackle reality in a city that has forsworn it altogether? And why not join the catwalk of Democratic hotties? The Washington Post reported that the Democrats were "fielding an uncommonly high number of uncommonly good-looking candidates." Young and cute, as the party campaign honcho Rahm Emanuel wryly told me, could be a refreshing change from "Hastert, Rumsfeld and Cheney, who look like the retirees from 'Goodfellas.' "

Mr. Obama's main accomplishment so far is sending a chill through Hillary Clinton, the Democrats' dreaded eventuality. It must certainly be more fun cavorting on a cover with Eva Longoria than caucusing in the Capitol with Harry Reid. Working on legislation can be so tedious, compared with a 13-city book tour in which you are feted as the liberal hunk of the 21st century, generating buzz about your future instead of the country's.

Mr. Obama, who fears being seen as fluffy and who has been known to mock pretty boys in his party, never seems to take off his makeup these days, as he pads from one soft perch to the next, from Oprah to Meredith to Larry. The first black president of the Harvard Law Review is spending too much time in green rooms.

He also logs a lot of time at the gym. (You never know when Anna Wintour will call.) It is the only thing this intellectually nimble, preternaturally articulate smarty-pants has in common with W.

"Politics sometimes blends in with celebrity," he told Oprah this week. "And it gobbles you up because the tendency is for people to want to see you perform and say what they want to hear, as opposed to you trying to stay in touch with, you know, that deepest part of you, that kernel of truth inside." Doesn't he see that when you express this skepticism on Oprah it is not skepticism at all?

Haven't we seen this tease before? Before the 1996 campaign, Colin Powell scared the bejesus out of Hillary's husband by showing a fair amount of leg on his book tour. He sold 2.6 million books and was hugely popular, but caution crimped him. He never ran for president, and when he went to the State Department he never stood up to the forces of darkness.

Senator Obama's caution, too, may cause him to miss the moment. Like Alma Powell, Michelle Obama is afraid for her husband to run.

After 16 years of polarizing presidents driving them crazy, Americans will be yearning for someone as soothing as Obama. ("No one is exempt," he writes in one of many platitudes in his new book, "from the call to find common ground.") He is so hot now that tickets to his political events are being sought, at scalpers' prices, on Craig's List.

His appeal combines the political ability — alien to the Bush administration — to see something from your opponent's point of view with the cool detachment of a J.F.K. He's intriguingly imperfect: His ears stick out, he smokes, and he's written about wrestling with pot, booze and "maybe a little blow" as a young man.

He has been told by Democratic leaders to think about whether he really wants to be president, or whether he's just getting swept away by people who want him to do it. (That's a distinction that entitled and unqualified Republican WASPs like W. and Dan Quayle never bother to make, simply learning — or not learning — on the job.)

Does Barack Obama want to be a celebrity or a man of history — or is there no longer any difference?

The Decline Of Political Competition (LAT)

The Los Angeles Times, October 21, 2006

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IN AN ELECTION YEAR IN WHICH grumpy voters from coast to coast are gunning for the scalps of doddering Republicans, Rep. Gary Miller (R-Diamond Bar) would seem a vulnerable target. Named this summer by a nonprofit watchdog group as one of the "20 most corrupt members of Congress," Miller has earmarked road repairs near housing developments he co-owns, declined to pay taxes on three land sales and — in a congressional district one-quarter Latino — wrote legislation denying citizenship to the children of illegal immigrants.

But Democrats have a competitive disadvantage in unseating the four-term congressman: Miller is running for reelection unopposed.

This scene is playing out throughout Southern California and the rest of the state as competitive races and even challengers are becoming endangered species. Because of a cynical bipartisan agreement after the 2000 census, Democrats and Republicans represent frequently convoluted geographical footprints meticulously designed, it would seem, to ensure that no incumbent party will ever lose another election, no matter which way the political winds are blowing. In 2004, for example, not a single one of the 153 redrawn congressional, Assembly or state Senate seats changed political hands, and only three of the 53 House victors won with less than 60% of the vote.

Having carved out their spoils, Yalta-like, the two parties are loath to venture into each other's territories, even with polls showing that people want change. The cities of Diamond Bar, Chino and Rowland Heights all voted for Al Gore in 2000, and the Italy-shaped 42nd District that envelops them abuts the land-splotches of Democrats Linda T. Sanchez, Joe Baca and Grace F. Napolitano, yet no Democrat bothered to muster the 3,000 signatures necessary to take on Miller. One-candidate elections are supposed to be for fiefdoms like Myanmar, or the city of Vernon.

The unilateral disarmament is not limited to the party of Jimmy Carter. You could buy a car on Brand Boulevard in Glendale, drive southwest through Silver Lake and Hollywood as the street becomes Hyperion and then Fountain, take a left at Western and go all 30 miles to the Pacific Ocean, and only one of the five congressional districts you'd cross through would have a Republican on the ballot. (To add insult to neglect, the 35th's Maxine Waters is on that "20 most corrupt" list too.) That's 150,000 registered Republicans who the national party has left stranded in a sea of blue. Rarely have American Independents and Libertarians looked so inviting.

The solution to this unseemly state of affairs remains simple — put redistricting in the hands of retired judges, just like it was in the 1990s, and stop letting the major parties define the terms for their own cartel. Alas, voters turned down such a reform in last year's special election. Gov. Arnold Schwarzenegger is still committed to an overhaul of the redistricting process, and we wish him well. It'd be a shame to let California devolve into 53 one-party states.

U.S. And China Call For North Korea To Rejoin Talks (NYT)

By Thom Shanker And Joseph Kahn

The New York Times, October 21, 2006

BEIJING, Oct. 20 — The United States and China spoke in a unified voice on Friday to call for the resumption of six-party talks on North Korea's nuclear program, but they did not announce concrete steps to increase pressure on the North Korean government.

Secretary of State Condoleezza Rice said she had been told by the Chinese government that a special envoy sent by Beijing to North Korea had delivered "a strong message." And the Chinese foreign minister, standing beside Ms. Rice, pledged his nation's commitment to breaking the stalemate over the North's nuclear weapons program.

The meetings in Beijing took place after China's special envoy, State Councilor Tang Jiaxuan, returned from Pyongyang, where he had met with Kim Jong-il, the North Korean leader. Chinese officials described the meeting as "positive" and "greatly significant," but declined to provide details of what Mr. Kim had said.

Two South Korean news organizations quoted diplomatic sources as saying Mr. Kim had offered to resume nuclear talks under certain conditions, and said he gave assurances that he had no plans to conduct a second nuclear test, as many in the region had feared.

Those accounts were not confirmed by either Chinese or American officials, and North Korea held a huge political rally in downtown Pyongyang to "hail the success" of its nuclear test.

Li Zhaoxing, China's foreign minister, said, "We are ready to maintain and continue to strengthen our consultation and cooperation with all the other parties to strive to break the stalemate as soon as possible and reconvene the six-party talks."

Ms. Rice stressed that North Korea should return to those talks "without condition," and that the financial restrictions the United States has imposed to crack down on North Korean counterfeiting would not be lifted just to entice the North back to the negotiations.

In comments later Friday, Ms. Rice expressed confidence that China was committed to enforcing new United Nations military sanctions on North Korea, and that a number of economic and trade measures were under review.

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Asked specifically whether the Chinese were considering halting their oil supplies to North Korea, Ms. Rice said the Chinese government had told her it would "consider a whole host of measures."

Ms. Rice also said the Beijing leadership pledged to be "scrupulous" about ensuring that North Korea does not ship prohibited materials across its lengthy border with China.

As she neared the end of a fast-paced swing through Japan, South Korea and China, with a final stop in Moscow planned for the weekend, Ms. Rice said that halting North Korea's trade in nuclear bomb-making materials and missiles would take time; she emphasized that "this is an early trip."

The six-nation talks over North Korea's nuclear program stalled after multiple rounds in 2004 and 2005. Mr. Kim ignored Chinese pressure to return to the bargaining table before conducting a missile test in July and the nuclear test on Oct. 9.

Some Chinese experts say they hope Mr. Kim, emboldened by becoming the world's latest nuclear power, is eager to resume negotiations and see the price he can extract in exchange for slowing or scrapping his nuclear program.

But others here doubt he has any intention of rolling back the nuclear program, the realization of an enormously expensive effort begun by Mr. Kim's father, Kim Il-sung, after the Korean War.

There were mixed signs on Friday about the potential for resuming talks. Mr. Kim's meeting on Thursday with Mr. Tang was treated as a sign of progress here, if only because Mr. Kim appeared eager to repair relations with his leading benefactor.

A South Korean newspaper, Chosun Ilbo, citing diplomatic sources in China, said Mr. Kim had "expressed regret" for the nuclear test. Ms. Rice, however, said that her Chinese hosts had made no mention of any expression of regret by Mr. Kim. She said that there was nothing surprising in the Chinese summary of the visit by their envoy to North Korea.

Later in the day, though, the Yonhap News Agency of South Korea quoted diplomatic sources as saying that Mr. Kim had promised not to conduct another nuclear test, an event that China and the United States have said would quickly lead to a much harsher set of sanctions on his already isolated country.

That account also could not be confirmed.

It is unclear whether a new offer from North Korea to return to talks, provided certain conditions are met, will persuade China to reduce pressure on Pyongyang.

The risk for the United States is that China may soften its stance if it perceives that the Bush administration, rather than Mr. Kim, is throwing up obstacles to resuming talks.

Mr. Kim has pushed to hold one-on-one negotiations with the United States, but the Bush administration has refused to negotiate with North Korea outside the six-party talks. China has urged President Bush to authorize bilateral talks, but he has declined.

Even so, Chinese scholars who have held discussions with Chinese leaders say that North Korea's missile and nuclear tests, which were conducted despite stern warnings from China, had pushed Beijing toward a less accommodating approach toward its neighbor and onetime ally.

China twice backed United Nations sanctions against North Korea, and has since then indicated internally that it may be prepared to impose a range of bilateral sanctions if Mr. Kim continues to develop his nuclear program.

The Chinese leadership, the experts said, is prepared to reduce inexpensive oil supplies to North Korea if it conducts more nuclear tests or refuses to return to talks.

China has also imposed limited restrictions on banking transactions with North Korea, especially in the trading post of Dandong, on the Chinese side of the North Korean border, bankers there say.

Chinese analysts said they were not surprised that Mr. Kim would seek to blunt international solidarity against him. But they said they doubted he would be prepared to bargain in earnest about dismantling his nuclear program.

"I am pessimistic about the prospects for a diplomatic breakthrough," said Zhu Feng, a senior international affairs scholar and arms control expert at Beijing University. "The talks have to be given a chance, but I see no signs that Kim has undergone a sudden change of heart."

Mr. Zhu said he also doubted that China had much patience for inconclusive negotiations or North Korean "tricks" to buy time.

"I don't think our leaders are prepared to tolerate him much longer," Mr. Zhu said. "My feeling is that they are prepared to implement harsher penalties and will have to proceed with them before long."

China Gave 'Strong Message' To North Koreans, Rice Says (WP)

By Glenn Kessler, Washington Post Staff Writer

The Washington Post, October 21, 2006

Beijing Is Called Ready to Apply U.N. Sanctions

DOJ_NMG_0084336

BEIJING, Oct. 20 -- China and the United States on Friday appeared to close ranks on North Korea, as Secretary of State Condoleezza Rice emerged from a day-long series of meetings here to say that a high-level Chinese government delegation had given North Korea "a strong message" about its nuclear test. China urged North Korea, its longtime beneficiary, to return to six-nation negotiations and appeared ready to implement key measures of the U.N. Security Council resolution punishing the Pyongyang government, Rice said.

Chinese Foreign Minister Li Zhaoxing and other Chinese officials did not provide details of the meeting on Thursday between a Chinese envoy and North Korean leader Kim Jong Il. But Li pointedly told reporters after meeting with Rice that China will "continue to implement our relevant international obligations and exert our due role in this process."

Rice, briefing reporters traveling with her, said China is considering a range of responses, but said she did not press the government to take any particular steps to force North Korea back to the bargaining table to discuss its nuclear program. "Let's just watch and see what China will do," Rice said, adding that "nobody wants to be on the wrong side of this resolution, in other words, something slipping through."

The U.N. resolution bars trade with North Korea in major weapons, materials that could be used in a nuclear program and luxury goods. China has an 880-mile land border with North Korea, and Rice said the border would be closely monitored.

China has been North Korea's largest trading partner, and has frequently criticized the Bush administration for its refusal to hold bilateral negotiations with North Korea. But officials here were shocked by Pyongyang's refusal to heed its warnings not to conduct a test.

Rice arrived in China after stops in Japan and South Korea to coordinate strategy on implementing the resolution and to reassure Asians that the United States does not want to escalate the conflict. Among the leaders she met with were Chinese President Hu Jintao and Premier Wen Jiabao.

Rice said it was clear that early reports on U.S. intentions have "conjured up in people's minds the Cuban missile crisis," in which the United States imposed a quarantine on Cuba, and she wanted to allay those fears.

She also emphasized that she had not come to Asia "with my own list of what every country in the world should do." But she predicted that the sanctions may remain in place for some time. "I do believe that you're getting a firm response," she said. "If there isn't some movement, you may get a firmer response as time goes on, but I think this is going to evolve."

On Thursday, China announced that State Councilor Tang Jiaxuan had met with Kim in Pyongyang. When Rice and Tang posed for photographs before their meeting Friday, Tang was overheard telling Rice, "Fortunately, my visit this time has not been in vain." Reporters were then ushered from the room.

The Tang-Kim meeting spurred a rash of news reports in South Korea that Kim had expressed regret for the Oct. 9 test, that North Korea would return to the talks and even that North Korea had declared it would not conduct a second test. Like the Chinese officials, Rice did not disclose details of the meeting, except to say she did not get any indication that Kim expressed regret for testing the weapon.

"There wasn't anything particularly surprising" about Kim's message, Rice said, suggesting the reports that Kim promised a halt in testing were also inaccurate.

Rice aides declined to elaborate on her remarks. In Washington, White House spokesman Tony Snow said that "the North Koreans have not made proffers to return to the six-party talks" and instead said they would return only if the United States ended a crackdown on North Korean money-laundering operations.

The talks have been suspended for nearly a year. North Korea has blamed a U.S. Treasury Department action against a bank in Macau called Banco Delta Asia, which the department had identified as the main conduit for bringing North Korean-made counterfeit U.S. bills into the international system. The Treasury Department had determined that senior officials at the Macau bank accepted large deposits of cash and agreed to place the bogus money into circulation. The bank is also reputed to hold the private accounts of Kim and his family.

In September 2005, four days before North Korea reached an agreement with the United States, China, Russia, Japan and South Korea on a "statement of principles" to guide nuclear negotiations, the Treasury Department formally designated the bank as a "primary money-laundering concern." Banco Delta Asia quickly teetered on the edge of collapse, and banks around the world began to curtail their dealings with North Korea for fear of being similarly tainted. After the impact of the Treasury action became apparent, North Korea refused to return to the six-party talks.

Rice said a recent decision by at least four Chinese banks to stop dealing with North Korea was related to the investigation of Banco Delta Asia. "I will tell you that the reaction to Banco Delta Asia has been quite extraordinary, and it must mean that it's having an effect," she said.

In Washington, meanwhile, Defense Secretary Donald H. Rumsfeld and South Korean Defense Minister Yoon Kwang Ung met Friday and approved a joint communique emphasizing the "continuation of the extended deterrence offered by the U.S. nuclear umbrella" for South Korea. The 2005 communique had spoken only of "continued provision of a nuclear umbrella."

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South Korean officials had urged their U.S. counterparts to expand on the "nuclear umbrella" assurance, although the Pentagon resisted the change, U.S. defense officials said. "They wanted to define it further" said a Pentagon spokesman, Maj. David Smith, such as "if the North does this, we'll do that." But he said U.S. policy is not to provide such details, either publicly or privately.

At a Pentagon news conference, Rumsfeld repeatedly said that this year's joint communique would be virtually the same as last year's, until Yoon contradicted him. "I hope that when the joint statement comes out eventually, it'll have different language from years past," Yoon said.

Staff writer Ann Scott Tyson in Washington contributed to this report.

China Urges North Korea To Return To Negotiations (MCT)

By Warren P. Strobel

McClatchy Newspapers, October 21, 2006

BEIJING - China sent "a strong message" to North Korea about its nuclear weapons test and urged Pyongyang to return to negotiations about its nuclear arsenal, Secretary of State Condoleezza Rice said after meetings here Friday.

Displaying unusual harmony with China on a key security issue, Rice praised Beijing's role in the crisis, and she, too, urged North Korea to return to the six-nation negotiations. She expressed pessimism that the isolated North Korean regime would take up the offer anytime soon, however.

Chinese Foreign Minister Li Zhaoxing appealed for "cool-headedness" in dealing with North Korea's nuclear ambitions, reflecting Beijing's long-standing fears of instability on the Korean peninsula.

China has long propped up Kim's regime with oil supplies and other aid, but there are signs that Beijing is losing patience with North Korea and reassessing those ties. Some U.S. officials believe that the apparent shift may reflect the fact the China has become a major economic power that values stability more than revolutionary fervor or ideological solidarity with the erratic Communist regime in Pyongyang.

Senior Chinese leaders privately have expressed frustration with North Korean leader Kim Jong Il and questioned his judgment with unusual candor, and a senior Rice aide, speaking aboard her flight here from South Korea, said there's been a "sea change" in China's attitude toward North Korea. The aide requested anonymity to speak more frankly. China, which was deeply embarrassed and angered by North Korea's October 9 nuclear test, this week sent a senior envoy, Tang Jiaxuan, to Pyongyang to make its views clear. Tang, who returned to Beijing on Thursday, said that his mission produced results.

"Fortunately, my visit this time has not been in vain," he said as he met with Rice. He wasn't more specific. There was an unconfirmed report from South Korea's Yonhap news agency that North Korean leader Kim promised Tang that his country wouldn't conduct more nuclear tests.

U.S. officials said they couldn't confirm that report, and cast doubt on it.

A major part of Rice's mission here was to ensure that China, North Korea's only major ally, enforces strict U.N. sanctions on the country's imports and exports.

Foreign Minister Li said that China would enforce the U.N. sanctions.

"China will, as always, continue to implement our relevant international obligations and exert our due role in this process," Li said.

That message apparently was delivered to the North Koreans, as well.

Tang "went out of his way to tell the North that (the U.N. resolution imposing sanctions) was a resolution that everybody has to implement," Rice said in a session with reporters accompanying her to Asia.

The U.N. sanctions ban North Korea from importing or exporting materials for its nuclear weapons and ballistic missile programs; advanced weapons such as tanks and artillery; and luxury goods.

China will be critical in determining whether the sanctions have any effect on isolated North Korea's political calculus.

Rice said she didn't dictate to the Chinese how they should enforce them and noted that, since the U.N. resolution was passed with near-record swiftness, discussions are still under way about the details of inspecting North Korean cargoes.

She predicted that Beijing, which is concerned about a potential flood of refugees, would be "scrupulous" about patrolling its 880-mile border with impoverished North Korea.

The six-nation talks have been on ice for nearly a year, since North Korea boycotted them to protest a Bush administration financial crackdown that froze accounts linked to Kim's regime in a bank in China's territory of Macau.

China has been urging Washington to suspend the financial measures in order to restart the talks, which also include Japan, Russia and South Korea.

But Rice said the Chinese told her that the talks should begin without preconditions. "The Chinese are emphasizing the need for six-party talks to begin again," she said.

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Rice said that President Bush has made it clear that he won't reverse the financial measures, some of which were taken to protect the U.S. dollar against counterfeiting.

She was skeptical that North Korea would return to the negotiating table soon, and predicted that the sanctions against it could be in place for some time.

"I don't know how quickly they will make a strategic decision to denuclearize," she said. "I think we will be at this for a long time."

Rice also met with Chinese President Hu Jintao and Premier Wen Jiabao. She flies to Moscow for meetings on Saturday.

China Takes Tough Stance On North Korea (AP-Y)

By Anne Gearan, Ap Diplomatic Writer

AP, October 21, 2006

An exasperated China took a newly tough approach to communist ally North Korea on Friday, siding with the United States in saying the North must back away from nuclear confrontation, and moving to cut Pyongyang's vital supply of hard currency.

Chinese banks have stopped financial transfers to North Korea under government orders, bank employees said Friday. And at an appearance with Secretary of State Condoleezza Rice, China's foreign minister nudged the North to resume negotiations over its nuclear program and assured Washington that China would carry out United Nations sanctions on Pyongyang.

"We hope all relevant parties will maintain coolheadedness, adopt a prudent and a responsible approach and adhere to peaceful dialogue," Li Zhaoxing said as Rice concluded crisis talks in Asia following the North's Oct. 9 nuclear test blast.

China, which is North Korea's longtime protector, has been reluctant in the past to use economic pressure for fear Kim Jung Il's government might collapse.

But Chinese leaders were stung when the North ignored their warnings not to test-fire missiles over the summer, and again when it defied Beijing by detonating the underground blast this month. China previously had reduced food aid to North Korea amid complaints that Pyongyang had ignored Chinese interests.

The move by China's banks could deal a significant blow to the already impoverished North. China is North Korea's top trading partner — accounting for more than half its total foreign trade of less than $4 billion last year — and is a key conduit for its hard currency.

China's actions are considered key to enforcing U.N. sanctions on the North over the test, and to coaxing the North to back away from the nuclear brink and rejoin talks.

Rice told reporters China has new resolve against the North that shows it has re-evaluated its relationship with Pyongyang. Last week's U.N. Security Council vote to impose sanctions on Pyongyang, which Beijing supported, proves the point, Rice said.

"In this entire 30-year history of the North Korean nuclear program, this is the first time that the international system has been able to actually impose a cost on North Korea for its nuclear behavior," Rice said. "It's able to impose that cost because China has been brought into the process in a way that China never was before."

The U.S.-backed sanctions were watered down partly at China's request, but China's vote in favor of punishment still represents a shift for Beijing.

All four major Chinese state-owned banks and British-owned HSBC Corp. have stopped financial transfers to the North, according to bank employees in Beijing and the northeastern Chinese city of Shenyang.

China has also been inspecting North Korean trucks at some points along the two nations' 880-mile border, and it dispatched a top envoy to Pyongyang this week to warn the North against a second nuclear test and try to bring it back to the arms talks.

Discussions over Pyongyang's nuclear program have been stalled for a year because of a boycott by the North over U.S. financial sanctions. The talks involve the United States, host China, the two Koreas, Japan and Russia.

Beijing was the final and most important stop on Rice's hastily arranged tour of Asian capitals. She continues to Moscow on Saturday for talks on the dual nuclear challenges posed by North Korea and Iran.

In Beijing, Rice appealed to North Korea to return without condition to stalled international talks over its nuclear program. She downplayed differences among the U.S., China and South Korea over the strength and tone of world response to Pyongyang.

The U.N. sanctions ban trade with the North in major weapons and materials that could be used by its ballistic missile and unconventional weapons programs, and in luxury goods enjoyed almost exclusively by elites around Kim.

The U.N. restrictions call for inspections of all cargo leaving and arriving in North Korea, but it is not clear how that will work in practice. Rice has stepped gingerly around that point this week, saying all nations are obligated to enforce the sanctions but leaving the details vague.

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Several Defense Department officials said Friday that the U.S. Navy is tracking a North Korean cargo ship that left port and was headed south from the Korean Peninsula. One of the officials, who requested anonymity because of the sensitivity of the information, said the U.S. does not know what the ship is carrying or its destination.

South Korean news reported Friday that Kim said Pyongyang doesn't plan to carry out any more nuclear tests and expressed regret about the country's first-ever atomic detonation last week. Kim told a visiting Chinese envoy, State Councilor Tang Jiaxuan, that the North had "no plans for additional nuclear tests," Yonhap news agency reported, citing an unnamed diplomatic source in Beijing.

Rice met with Tang in Beijing on Friday and later told reporters that he had carried a "strong message to North Korea about the seriousness of what has happened."

Rice would not provide details of Kim's response, but White House press secretary Tony Snow told reporters in Washington that the North had not offered to return to six-nation arms talks stalled since late last year.

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Associated Press writer Lolita C. Baldor contributed to this report from Washington.

U.S. Finds Allies Are Reluctant To Enforce North Korea Sanctions (WSJ)

By Neil King Jr. In Beijing, Gordon Fairclough In Shanghai And Yuka Hayashi In Tokyo

The Wall Street Journal, October 21, 2006

As it leads the charge to punish North Korea for testing nuclear weapons, the U.S. is finding its allies are reluctant to enforce even the minimal sanctions imposed by the United Nations -- and that its own, tougher approach has serious gaps as well.

During her Asia trip this past week, Secretary of State Condoleezza Rice said the solution is to put more muscle into an effort launched by the U.S. three years ago to monitor and interdict suspected weapons shipments around the world. The Proliferation Security Initiative, or PSI, has had its successes. But North Korea's three key neighbors -- China, South Korea and Japan -- are all uncertain about how that crackdown might work, or even if they want to participate.

The logic behind PSI is simple: A loose coalition of countries share intelligence on suspected arms trafficking, and then swoop in on ships or planes suspected of carrying illicit cargo. U.S. officials say the program has resulted in a number of prominent catches around the world, including missiles and chemicals, mainly involving North Korean shipments.

Pyongyang has been accused for years of trafficking in everything from counterfeit currency to nuclear-weapons parts. The U.N. resolution, approved days after North Korea's Oct. 9 nuclear test, calls for countries to prevent Pyongyang's trafficking in illicit materials. It left the details to be worked out later.

Ms. Rice's immediate challenge is to get real cooperation from North Korea's neighbors. Yet she appeared to make little progress on that front during her Asia trip, which ended Saturday.

South Korea remains reluctant to sign on, and members of Seoul's ruling liberal party argue that it shouldn't. Demonstrators outside the Foreign Ministry headquarters chanted slogans opposing PSI during Ms. Rice's visit. Chinese authorities, meanwhile, who are otherwise taking tough steps to crack down on North Korea, have said they may draw the line at interdicting shipments at sea.

Beijing and Seoul worry that any attempts to stop North Korean freighters could spark an armed skirmish. Japan, while more eager to crack down on Pyongyang, is severely limited by its pacifist constitution.

Even if the U.S. were to get full cooperation on PSI, participants would face challenges in tracking and interdicting banned shipments. Getting sound intelligence on shipments is tough, especially when it is easy to disguise a vessel's identification and registration.

Countries are also wrangling over the legal justification for interdicting shipments, especially in international waters. Neither PSI nor the U.N. sanctions gives countries clear legal leverage. Ms. Rice has argued that under the U.N. resolution, countries have a "mandatory obligation" to scrutinize shipments from North Korea under the authority of their domestic laws.

The legal hurdle is particularly high in Japan. To pave the way for its military participation, Tokyo may have to invoke for the first time a clause in a 1999 law that grants expanded responsibility to the country's self-defense forces.

As the North's top trade partner, China has a tall order, too, policing a long land border with its neighbor. In the past week, Beijing has stepped up inspections of trucks bound for North Korea at the main border crossing in Dandong.

Some U.S. officials, too, are wary of the consequences of stopping or seizing North Korean vessels or their cargoes at sea. One U.S. official said the military, currently fighting two wars, is short of the resources to effectively police shipping. "I don't think our military is anxious to dedicate significant resources to that sort of effort," the official said.

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Asia Goal Proving Elusive For Rice (LAT)

By Mark Magnier

The Los Angeles Times, October 21, 2006

BEIJING — As U.S. Secretary of State Condoleezza Rice left China today for Russia, her goal of uniting Northeast Asia in a strong, unambiguous punitive stance against North Korea remained elusive.

China continued to balk at using its economic leverage too aggressively against its longtime ally, given the risk that a wave of refugees along their 880-mile shared border could destabilize its industrial northeast. China would be the linchpin of any effective sanctions since it supplies most of North Korea's fuel and much of its food.

South Korea has refused to shutter two major economic projects with the North that put millions of dollars in hard currency into the pockets of the isolated Stalinist regime.

Russia, the final stop on Rice's four-nation trip in the wake of North Korea's Oct. 9 nuclear test, opposes tough economic sanctions or intrusive searches.

And Japan, closest to Washington in its thinking on the crisis, is roundly viewed in the region as the wrong player at the wrong time to make like neighborhood cop. The concern is that memories of Japan's wartime brutality on the Korean peninsula and throughout Asia would inflame tensions were it to inspect North Korean ships at sea or take other tough enforcement steps.

With no easy answers, a wily adversary in Pyongyang, the North's capital, and limited options, Rice sought Friday to lower expectations, even as she praised China's willingness to consider tougher measures in the interest of regional and global stability.

"This is an early trip. People are reviewing where they are," she told reporters in Beijing. "What do we know about securing the land border with North Korea? Not very much."

Amid South Korean and Japanese media reports that Pyongyang had no plan to test a second nuclear device, and that it was contrite about the test that rattled nerves around the world, the North remained publicly defiant.

"The nuclear test was an exercise of the independent and legitimate right of [North Korea] as a sovereign state," said Choe Thae Bok, a senior member of the North's Korean Workers' Party, according to the country's official news agency.

The record is not very good when it comes to nations getting the nuclear genie back into the bottle.

"No country has stopped nuclear tests after only carrying out one," Japanese Foreign Minister Taro Aso told reporters in Tokyo. "We have to think that [a second test] will be done."

Faced with few alternatives, North Korea's neighbors have put renewed faith in the heretofore unsuccessful six-nation talks as a way to contain the isolated, impoverished state. Negotiations stalled after Pyongyang walked out a year ago. In addition to China and the United States, the participants are the two Koreas, Japan and Russia.

As usual, a great deal comes down to mercurial North Korea's stance, behavior and negotiating tactics.

"I can't answer to whether they're serious about returning to six-party talks or not," Rice told reporters. "I don't think anybody believes that six or seven six-party talk sessions in which we again get into an argument about the sequencing of a light-water reactor is going to be very helpful to anyone."

China's desire to see the talks succeed — it had a crucial role in setting them up — and its role as mediator and host are additional reasons it is reluctant to push North Korea too hard on sanctions. Beijing believes that if it is identified too closely with a U.S. hard-line stance, it loses the opportunity to broker a solution in the future, with the international prestige that entails.

"Our purpose is to do some punitive things," said Shen Dingli, an international relations professor at Fudan University in Shanghai. "But the ultimate goal is to bring them back to the six-party talks and to abandon their nuclear weapons."

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Times staff writer Bruce Wallace in Tokyo and Yin Lijin in The Times' Beijing Bureau contributed to this report.

China Wrests N. Korean Pledge (WT)

By Nicholas Kralev

The Washington Times, October 21, 2006

BEIJING -- China reportedly won a pledge from North Korean leader Kim Jong-il not to conduct another nuclear test and at the same time blocked bank transfers to the isolated state.

"In this entire 30-year history of the North Korean nuclear program, this is the first time that the international system has been able to actually impose a cost on North Korea for its nuclear behavior," Secretary of State Condoleezza Rice said.

"It's able to impose that cost because China has been brought into the process in a way that China never was before," she said after meetings with President Hu Jintao and other senior leaders.

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Chinese State Councilor Tang Jiaxuan briefed Miss Rice on his meeting with Mr. Kim a day earlier in Pyongyang. As state councilor, Mr. Tang outranks China's foreign minister in the government hierarchy.

"Fortunately, my visit this time has not been in vain," Mr. Tang said.

Meanwhile, acting on government orders, four state-owned Chinese banks halted financial transfers to North Korea, bank employees told the Associated Press in Beijing and the northeastern city of Shenyang.

Miss Rice flew out of the Chinese capital today for Moscow, where she will hold further talks on implementing U.N. sanctions. Miss Rice is scheduled to discuss North Korea with Russian President Vladimir Putin and Foreign Minister Sergei Lavrov.

The secretary of state has also visited Japan and South Korea on her tour of North Korea's neighbors.

"We have no plans for additional nuclear tests," South Korea's Yonhap news agency quoted Mr. Kim as telling the Chinese envoy. The newspaper cited an unidentified diplomatic source in Beijing.

South Korea's Chosun Ilbo daily reported that the North Korean leader also told the Chinese visitors "he is sorry about the nuclear test" already conducted. The newspaper cited a diplomatic source in China.

The Japanese news agency Kyodo quoted Foreign Minister Taro Aso as saying he had information, although not confirmed, that the North Korean leader had said he would not conduct another test.

U.S. and Chinese officials stopped short of confirming the reports, saying only that Mr. Kim pledged not to escalate the situation further.

Mr. Tang "went out of his way to emphasize that he told the North" that China "intends to implement" U.N. Security Council Resolution 1718, Miss Rice told reporters in a joint press conference with Chinese Foreign Minister Li Zhaoxing.

The U.N. measure imposed sanctions on missile- and nuclear-related imports and exports and called for inspections of cargo heading in and out of North Korea.

"The Chinese made the point to us that they are scrupulous about [their] land border" with North Korea, Miss Rice said. "You will see cooperation on cargo, particularly if there is suspicious cargo."

China had said publicly that it would not participate in inspections called for in the U.N. resolution. Nevertheless, Chinese officials this week began inspecting North Korean trucks crossing the two nations' 880-mile border.

Miss Rice said that her visit to China, and earlier to Japan and South Korea, was intended to emphasize the importance of enforcing the resolution.

"Their implementation is going to differ according to their own authorities, with the specific problems they face," she said.

During his joint appearance with Miss Rice, Mr. Li, the Chinese foreign minister, urged North Korea to end its yearlong boycott of six-nation talks on North Korea's nuclear future.

"We hope all relevant parties will maintain coolheadedness, adopt a prudent and a responsible approach and adhere to peaceful dialogue," Mr. Li said.

As North Korea's longtime ally and protector, China had used its veto-wielding clout in the U.N. Security Council to soften the sanctions package.

The measure explicitly ruled out the threat of military force if North Korean defiance continued.

Nevertheless, China's vote for the final resolution and measures it has since implemented represented a major shift in its posture toward the North.

Russia, China, Japan, the two Koreas and the United States are parties in the six-nation talks that have been boycotted by North Korea since late last year.

N. Korea Threat Lies In Nuclear Sales (LAT)

By Greg Miller

The Los Angeles Times, October 21, 2006

U.S. intelligence officials and weapons experts say the possible export of atomic material and know-how is a greater concern than an attack.

WASHINGTON — U.S. intelligence officials and weapons proliferation experts say they are concerned that North Korea could add plutonium to the extensive inventory of arms components and technologies it already has sold to such nations as Syria, Pakistan and Libya.

Because of North Korea's track record as an eager exporter of weaponry, some experts are more worried about the government in Pyongyang spreading nuclear technology to other "rogue" nations than about the possibility of it launching a nuclear attack.

"Iran having nuclear weapons is a threat," said David Albright, a former weapons inspector and current president of the Institute for Science and International Security in Washington.

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"It's hard to articulate that North Korea having nuclear weapons is a threat to anybody, except by selling it."

That concern prompted a warning from President Bush on Wednesday that Pyongyang would face a "grave consequence" if caught trying to sell plutonium or nuclear weapons to "rogue" nations or terrorist groups.

Albright and other experts, as well as American intelligence officials, said they had not seen evidence that North Korea was attempting to sell the nuclear technology it demonstrated in an underground explosion Oct. 9. Doing so, they said, would be an extreme and dangerous step even for one of the world's most defiant regimes.

But the combination of North Korea's newly demonstrated capability and its long history of selling arms has refocused international attention on the nuclear proliferation threat.

"I don't think you'll find guys saying they've got devices ready to sell off the shelf," said a U.S. intelligence official, who spoke on condition of anonymity because of the classified nature of the subject. "I think the concern would be about components and raw material."

Tracking North Korea's weapons programs and shipments has been a major priority for U.S. intelligence agencies.

Last year, American intelligence analysts concluded that samples of processed uranium surrendered by Libya probably had come from North Korea. Libya turned over the materials when it agreed in 2003 to abandon its illegal weapons programs.

Pyongyang has a more extensive and established record as an exporter of conventional missile components.

A study by the London-based International Institute for Strategic Studies says North Korea had sold "several hundred" mid-range ballistic missiles "as well as materials, equipment, components and production technology" to countries that include Egypt, Iran, Libya, Pakistan, Syria and Yemen. Most of the exported missiles have been variants of the Scud design the Soviets first sold to North Korea in the late 1960s, the study says.

Over a two-decade period, sales of missiles and components have brought in revenue of several hundred million dollars, "a significant portion of North Korea's hard currency earnings," the study says.

North Korea is an impoverished country that relies on China for much of its food, and it depends on the sale of weapons and contraband, allegedly including counterfeit U.S. currency, for much of its revenue.

North Korea is believed to have engaged in barter arrangements by which it has provided missiles to Iran in exchange for oil. Of greater concern has been an apparent deal with Pakistan begun in 1997 by which North Korea provided missile components and technology in return for expertise on developing a uranium enrichment program — a means of producing weapons-grade nuclear material that is more difficult to detect than the reprocessing of plutonium.

Numerous North Korean weapons shipments have been intercepted. In 1996, Swiss authorities stopped a consignment of Scud missile components headed to Egypt, prompting Cairo to promise to curtail its purchases from North Korea.

Given North Korea's record, its nuclear test has triggered fears that it may next seek to export such weapons technology as well.

As recently as several years ago, American intelligence agencies concluded that North Korea probably had enough plutonium for two or three bombs. But in December 2002, North Korea expelled international inspectors, soon thereafter withdrew from the Nuclear Nonproliferation Treaty and subsequently declared that it was resuming the reprocessing of more than 8,000 spent fuel rods.

"They have certainly produced enough plutonium since that time to make a number of more weapons," said a U.S. defense official familiar with the intelligence on North Korea.

It is unclear whether Pyongyang plans further nuclear tests. American spy satellites and other surveillance have detected suspicious activity at other underground facilities, possibly indicating preparations for another test, U.S. intelligence officials said. However, South Korean and Japanese media reported Friday that North Korean leader Kim Jong Il had told a Chinese envoy that Pyongyang would not conduct another test.

Experts said that further tests would suggest that North Korea has an ample supply of plutonium, enough to make additional bombs and raise concerns about proliferation.

Recent sanctions imposed by the United Nations bar North Korea from spreading nuclear material or technology. And most experts said the country would probably refrain from doing so. "It's still a low-probability worry," said Michael Levi, a nuclear weapons expert at the Council on Foreign Relations, "but it's the high consequences that make people concerned."

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(INFOBOX BELOW)

A history of arms exports

Here are some of the transfers of weapons and related materials from North Korea to other countries:

Egypt

· Bought Scud-B missiles in 1980s

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· Bought Scud-C throughout 1990s
· Negotiated for Nodong missiles in 2000, but U.S. diplomatic intervention blocked transfer
Iran
· Had Scud-B missiles and mobile launchers shipped in 1987 for Iran-Iraq war
· Received Scud-C missiles in early 1990s
· Began to have Nodong missiles shipped in 1995
· May have received advanced Taepodong technology
Pakistan
· Reportedly agreed around 1997 to trade uranium enrichment technology for Nodong missiles and production technology
· Arranged for missile components and technicians to be transported by aircraft from North Korea in late 1997
· Tested version of Nodong in April 1998
Syria
· Reports of negotiations surfaced in 1989
· Received Scud-C missiles in 1990s
· Few reports of substantial sales since 1990s, perhaps because Syria and Iran developed missile cooperation
Libya
· Ship destined for Libya carrying Scud missile materials, components and blueprints intercepted June 1999 by Indian customs officials
· Unconfirmed reports of purchases of Nodong missiles or components since 2000
· U.S. intelligence analyzed Libyan-processed uranium after December 2003 and concluded it came from North Korea
United Arab Emirates, Yemen
· Minor purchases of Scud missiles during 1990s
· North Korean ship carrying 15 Scud missiles for Yemen temporarily detained in December 2002
Source: "North Korea's Weapons Programs — A Net Assessment," International Institute for Strategic Studies

Amid Nuclear Crisis, Sun May Be Setting On `sunshine Policy' (MCT)

By Tim Johnson
McClatchy Newspapers, October 21, 2006

SEOUL, South Korea - Many South Koreans shrug off North Korea's Oct. 9 nuclear test, saying that while a nuclear-armed Pyongyang may menace the United States and Japan, it's unlikely to attack its prosperous southern neighbor.

Their attitudes changed markedly under the "sunshine policy" launched in 1998 by former President Kim Dae-jung, which fueled investment in impoverished North Korea and helped defuse the fear that the Korean Peninsula might be at war once again.

But North Korea's entry into the global nuclear club may be a coda for the sunshine policy. Some South Koreans say engagement has failed to encourage significant reform in North Korea. Others view it as appeasement, saying their nation has served as a virtual ATM for North Korea.

The sunshine policy, which also has put Seoul in conflict with Washington, clearly is nearing sunset.

"Public opinion is divided," said Choi Jang-jip, a Korea University political scientist. "After the nuclear test, questions have been raised about people's trust in the policy."

A prominent political scientist, Nam Sung-wook, said he expected the policy "to expire in the near future" because it had failed to halt North Korea's nuclear quest. "North Korea is a brand-new country since Oct. 9," he said.

The sunshine policy dramatically increased the exposure of South Koreans to North Korea, and many South Koreans came to believe that they were forestalling North Korea's economic collapse and setting the pace for eventual orderly reunification. Each month, tens of thousands of South Koreans cross the heavily fortified border to visit a mountain sanctuary resort in North Korea, getting a small taste of life on the other side.

Now, however, polls show that an increasing number of South Koreans think that Seoul should stand up more firmly to Pyongyang, even as their fear of North Korea has diminished.

"You need to use a stick as well as a carrot in conducting the engagement policy," said Kim Yong-won, a 25-year-old university student studying computer science.

The pillars of the policy are two massive cross-border investment projects, the Mount Kumgang resort - Diamond Mountain in English - and the Kaesong Industrial Zone.

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About 40,000 South Koreans go each month to the resort in the Kumgang Mountains, a site exalted in Korean literature as the embodiment of the peninsula's scenic beauty. Some 1.35 million South Koreans have traveled to the resort, crossing the once-feared Demilitarized Zone into North Korea.

The Kaesong Industrial Zone, an hour's bus ride from Seoul just north of the DMZ, employs 9,000 North Koreans now and is slated to grow rapidly in the next few years.

The Hyundai Group, which has financed the projects, has pumped in about $1.6 billion, helping to increase cross-border trade to more than $1 billion last year.

Newspapers fill with emotional stories of reunions among relatives who were separated after the 1950-1953 Korean War. Some 14,600 people have been reunited, and tens of thousands of South Koreans, mainly businessmen, have visited North Korea under the sunshine policy, mostly searching for opportunities.

"For 50 years, before Kim Dae-jung's sunshine policy, only 200 South Koreans had visited North Korea," said Jung Chung-rae, a legislator from South Korea's ruling Uri Party.

As a result of the increased exposure, Jung said, polls consistently show that fewer than 10 percent of South Koreans feel an immediate threat from North Korea.

The last major nuclear scare occurred in 1994, when Pyongyang threatened to turn Seoul into a "sea of fire." Panic ensured, with many South Koreans fleeing to markets in "ramen runs," believing that catastrophic war might erupt.

But a majority of South Koreans now think that North Korea is using its newfound nuclear capacity as a bargaining chip and would target other nations - probably Japan and the United States - only if pushed to the wall.

"I don't think Kim Jong Il will fire nuclear weapons toward South Korea because that would be killing his own brethren," said Oh Sang-tae, a 64-year-old deliveryman for an office-supply store in central Seoul.

Like many residents of Seoul, he said he wasn't sure where there might be a secure bomb shelter. The Donga-ilbo newspaper reported recently that the city of some 10 million people has nuclear shelters capable of holding only 1,500.

Conservatives, who've long decried the sunshine policy, said many South Koreans had grown foolishly inured to real threats of war.

"Maybe people are numb," said Cha Myung-jin, a legislator with South Korea's largest opposition force, the Grand National Party. "The threat has been going on for so long, people don't feel it."

Pyongyang is known to have 8,000 artillery pieces dug into mountains and aimed at Seoul, ready to lob conventional, chemical and biological shells.

From his perch at Seoul's South Gate Market, vendor Kim Myong-seon - who sells military surplus gear, including gas masks - said citizens weren't nervous as they once were.

"It was after Sept. 11 that people bought gas masks," he said. "People thought South Korea could be another target of al-Qaida because it is a U.S. ally."

Now sales are slow. No one is rushing out to stock up for conflict.

"Nobody is frightened," Kim said. "It's not like in the past."

Yet polls have found that South Koreans do worry about the role the Bush administration may play in a crisis, fearing that they might get dragged into a war and dreading anything like the war U.S. troops are waging in Iraq, where some 2,400 South Korean troops are posted.

"I am afraid of President Bush. It is possible he could start a war in Korea as he did in Iraq," said Cho Sung-moo, an electrical engineering student at Chonnam University in Seoul.

U.N. Reports On Genetic Concentration Camps (WT)

By Damien Mcelroy

The Washington Times, October 21, 2006

North Korea operates a rigorous system of eugenics that locks up those deemed subnormal, ranging from the disabled to dwarfs, according to a U.N. report released yesterday.

A system of gulags is designed to ensure that those who do not conform to the state's designation of normal do not pass on their genes by having children.

"Those with disabilities are sent away from the capital city and particularly those with mental disability are detained in areas or camps known as 'Ward 49' with harsh and subhuman conditions," wrote Vitit Muntarbhorn, a Thai lawyer who is special rapporteur for human rights in North Korea.

Evidence was gathered from defectors to South Korea.

The report said dwarfs are not allowed to reproduce and they are rounded up and relocated. Marriages at the camps are permitted but having children is not.

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Shut away for life, the afflicted are subjected to harsh and subhuman conditions. Food is scarce and of poor quality and beatings are commonplace, according to the report.

There are extensive descriptions of other forms of torture, including chemical weapons tests and germ agent experiments. Those not used as laboratory guinea pigs are ordered to carry out back-breaking work.

North Korea is not the only totalitarian state to retain a fascination with the goal of breeding a better population by eliminating those with "weak" genes. But since the fall of the Soviet bloc, it apparently is one of the last states to implement the practice.

Pyongyang is also dedicated to the principle of racial purity. Women who have sexual relations with the small Chinese community in North Korea are often purged.

"If they carry a child of non-Korean ethnicity, they may be subjected to discrimination and/or violence, with a dire impact on the babies," the report stated.

The report was delivered to the U.N. General Assembly, which has been asked to censure the Stalinist dictatorship.

U.S.: China Must Address Trade Disputes (AP-Y)

By Martin Crutsinger

AP, October 21, 2006

China has made progress in resolving long-standing trade disputes with the United States, but more needs to be done in a number of areas, the administration's top trade official for Asia said Friday.

Deputy U.S. Trade Representative Karan Bhatia said that when he holds talks next week with Chinese trade officials in Beijing, he would review a number of commitments China made last spring.

He said the government seemed to be fulfilling some pledges, such as an agreement to load legal software on all new computers sold in China. But in other areas, the Chinese have been less forthcoming, he said.

"We are looking, frankly, for speedy resolution in areas where they have made policy commitments," Bhatia said.

In addition to the commitment on computer software, other commitments made by the Chinese included ways it planned to crack down on the sale of illegal, pirated computer software and expanding the opportunity for U.S. and other foreign firms to compete for Chinese government contracts.

Bhatia's trip is just the latest by administration officials seeking to show progress in dealing with America's ballooning trade deficit with China, which hit a record $202 billion last year and is on track to exceed that amount this year.

In addition to discussions with government officials in Beijing, Bhatia was traveling to the Chinese cities of Dalian and Shenyang to meet with local government officials and business leaders during five days of talks that will begin next Tuesday.

Before arriving in China, Bhatia planned a stop Monday in Seoul, South Korea, for meetings with government officials, business groups and students to present U.S. administration views on the current free trade negotiations with South Korea.

Bhatia said the United States still has significant issues to resolve before it will be able to complete the free trade deal with South Korea or a separate free trade agreement being negotiated with Malaysia.

Both sets of talks face a deadline for completion at the beginning of next year for the deals to be submitted to Congress before President Bush loses his negotiating authority under the Trade Promotion Act, which is set to expire next July.

Bhatia said both South Korea and Malaysia stood to gain a great deal economically by concluding agreements. He said North Korea's recent testing of a nuclear device underscored the need for close ties between the U.S. and South Korea but did not have an impact on the "nuts and bolts" of the talks on removing trade barriers.

The fourth round of the U.S.-South Korea trade talks are scheduled to be held next week in Jeju, South Korea.

Those negotiations will be followed the next week in Kuala Lumpur with the third round of talks on a free trade agreement with Malaysia.

Bhatia said those talks had faced recent obstacles including debate inside the Malaysian government over negotiating positions in such areas as opening bidding on government contracts to U.S. companies.

But Bhatia said the administration still believed a deal could be done before Bush's negotiating authority expires.

"We are prepared to work as quickly as Malaysia wants to," he said.

China's Milestone, Our Millstone (NYT)

The New York Times, October 21, 2006

The Chinese sell a lot of merchandise in the United States and, in the process, accumulate a lot of dollars. They then loan many of those dollars back to the United States in exchange for all manner of American i.o.u.'s, including Treasury bonds, federal agency bonds, and private-sector debt.

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America's indebtedness to China, as a result, is staggeringly high, although the Bush administration — which needs foreign loans to help finance the budget deficit — seems unfazed. But there is reason for pause. The Wall Street Journal reported this week that China's holdings of foreign currency and securities would soon top $1 trillion, a fivefold increase since 2000. Roughly 70 percent of that is believed to be in dollars or dollar-based assets.

Of course, $1 trillion does not confer significantly more clout than, say, $990 billion. But the size and growth of China's holdings mean increasing vulnerability for the United States.

For several years, China's loans have helped to keep prices and interest rates low in the United States, and to finance big tax cuts. If the lending began to dry up — because Chinese officials decided to diversify into other currencies or to spend more at home — prices, interest rates and taxes in the United States would very likely rise. If the loans dried up quickly — a worst-case scenario — the result could be a sharp financial crisis. A gradual shift could mean a long downward trend in American living standards as a higher cost of living took its toll.

China might never pull back in a way that harmed the United States. But the fact that it could already makes the global financial system more volatile. Investors and traders are hypersensitive to any hint that Beijing may switch allocations.

The Journal also reported that administration officials are concerned that developing nations, unhappy with conditions on loans from the International Monetary Fund, may decide to borrow directly from China. That would give Beijing more influence over emerging markets and their governments.

To its credit, the Bush administration has repeatedly stressed that the rise of China is not to be feared or begrudged. But excessive borrowing during the Bush years has made the United States unnecessarily vulnerable.

Iran's Leader Warns West On Support For Israel (NYT)

By Nazila Fathi

The New York Times, October 21, 2006

TEHRAN, Oct. 20 — President Mahmoud Ahmadinejad of Iran warned Europe on Friday that continued support for Israel could lead to an act of revenge by those in the Middle East angry about the Palestinians' plight.

He issued the warning at a critical time; the United Nations Security Council is expected to begin public deliberations next week on whether to impose sanctions on Iran for defying a United Nations demand to suspend uranium-enrichment activities by the end of August.

Mr. Ahmadinejad, addressing European countries, said, "People in the region blame you for any crime or invasion against any country and will take revenge on you."

"You should know that the rage of people is boiling and is like an ocean that is welling up," he said in his speech at a rally here. "Once its storm begins blowing, it will go beyond the borders of Lebanon and Palestine, and it will hurt European countries."

He did not describe what revenge could entail in his speech, which was also carried live on radio.

The rally was called for Jerusalem Day, held here every year on the last Friday of the fasting month of Ramadan in support of the Palestinian struggle against Israel. Mr. Ahmadinejad told tens of thousands of demonstrators that Israel could not last long after its battle this summer against Hezbollah militants in Lebanon. "Hezbollah shattered the myth that Israel is undefeatable," he said. "Now Israel has no reason to exist."

State-run television showed tens of thousands of demonstrators around the country who chanted "Death to America" and "Death to Israel." People carried pictures of Sheik Hassan Nasrallah, the leader of Hezbollah in Lebanon, and burned American and Israeli flags.

Over the last year, Mr. Ahmadinejad has caused international outrage by questioning the Holocaust and saying, "Israel should be wiped off the map," a slogan used often by the father of the 1979 revolution, Ayatollah Ruhollah Khomeini.

On Friday, Mr. Ahmadinejad talked again about the Holocaust, saying: "Even if we assume that six million Jews were killed in World War II, how come you don't have sympathy for the other 54 million who were killed, too? It is not even clear who counted those you have sympathy for." He said Israel has effectively held European countries hostage for what happened during World War II.

Television reports also showed demonstrators chanting in support of Iran's nuclear program.

Mr. Ahmadinejad repeated Friday that Iran would not give in to international demands to suspend its uranium-enrichment program and dismissed United Nations efforts to impose sanctions on Iran as illegitimate. "They want to use the Security Council as an instrument to put pressure on our people," he said. "But thank God they will never succeed."

Ali Akbar Hashemi Rafsanjani, the former president, warned Western countries at the same rally that sanctions on Iran would have serious consequences for Europeans. "I advise them not to implement the harmful decision they have made over

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Iran's nuclear program," he said. Mr. Rafsanjani has backed Iran's nuclear program in public speeches but is believed to favor policies that would prevent confrontation between Iran and the West.

Mr. Ahmadinejad said last week that Iran would welcome sanctions because local industries would have a chance to grow.

Britain, France, Germany and the United States have been working on a Security Council resolution on Iran that they hope to introduce early next week. It may include a ban on nuclear or missile cooperation with Iran. European Union foreign ministers, meeting Tuesday in Luxembourg, agreed to call for limited sanctions.

In its first official response to the threat of United Nations action, Iran's Foreign Ministry said in a statement that Iran would not "remain idle if sanctions are imposed."

"It is big miscalculation to think the policy of carrot and stick can be pursued at the same time," the statement said, according to ISNA, a government-affiliated news agency.

Israel Accuses Iran Of Blocking Release (AP)

By Edith M. Lederer, Associated Press Writer

AP, October 21, 2006

Israel accused the Iranian government of paying $50 million to block a deal that would have freed an Israeli soldier captured by Hamas-linked militants who crossed from Gaza into Israel on June 25. Hamas and Iran dismissed the accusation as untrue.

Israel's U.N. Ambassador Dan Gillerman told the Security Council on Thursday that "we heard news" earlier in the day that Tehran bribed Hamas leader Khaled Mashaal "to sabotage the negotiations on the release of Cpl. Gilad Shalit and prevent his release."

Gillerman later refused to divulge the basis of the allegation or provide details, saying only that "we have every reason to believe that the Iranian regime has bribed Khaled Mashaal."

Iranian diplomat Mansour Sadeghi told the council his government "categorically rejected" all allegations against his country made by Israel, dismissing Gillerman's allegations as "baseless and absurd."

He said Gillerman's allegations were an attempt to divert attention from Israel's "aggression, occupation and state terrorism," and its defiance of Security Council resolutions.

According to a report Thursday in the Israeli daily Yediot Ahronot, which cited anonymous sources from a Western country, the deal was foiled when an Iranian delegation met Mashaal in Damascus and offered him $50 million to block it.

Mashaal, who lives in exile in Damascus, accepted the money and ratcheted up his demands for Shalit's release, the report said, deadlocking the negotiations.

"If this is the way in which Iran threatens humanitarian situations," Gillerman said, "I shudder to think about the lengths to which Iran will go to undermine a diplomatic one, and achieve its dangerous regional aspirations and nightmarish and megalomaniacal dreams of nuclear capability."

Osama Hamdan, Hamas' representative in Lebanon, said in a telephone interview on Friday that the report "is an obvious Israeli lie."

"Everybody knows that the Israeli soldier was captured in order to exchange him with Palestinian prisoners, so, the issue has no relationship with money, or any other matter," Hamdan said. "The issue is related to the release of Palestinians captives."

Israel has long been targeting Mashaal. In 1997, Israel botched an assassination attempt in Jordan. Two Mossad agents injected Mashaal with poison, but were caught, and as Mashaal lay dying in a Jordanian hospital, King Hussein of Jordan forced Israel to provide the antidote in return for the release of the Mossad agents.

In June, then-Justice Minister Haim Ramon said Mashaal is a target for assassination for ordering Shalit's kidnapping.

Alvaro de Soto, the U.N.'s Mideast envoy, told the Security Council that Egyptian officials are leading diplomatic efforts to free Shalit "and report that a package is on the table designed to address both parties' concerns, but the captors say they seek additional guarantees."

The package reportedly involved a swap of hundreds of Palestinian prisoners jailed by Israel for Shalit.

Israeli War Plan Had No Exit Strategy (WP)

By Scott Wilson

The Washington Post, October 21, 2006

JERUSALEM -- Just two days after Israel launched a punishing counterattack against Hezbollah this summer, Israeli military and diplomatic officials were deeply split over war strategy.

On July 14, as Israeli aircraft prepared to bomb south Beirut, the research unit of Israel's military intelligence branch presented a report to senior Israeli officials that questioned the war plan's ability to achieve the government's goals.

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The analysis, according to senior Foreign Ministry officials who read it, concluded that the heavy bombing campaign and small ground offensive then underway would show "diminishing returns" within days. It stated that the plan would neither win the release of the two Israeli soldiers in Hezbollah's hands nor reduce the militia's rocket attacks on Israel to fewer than 100 a day.

Those initial conclusions held true when the war ended 31 days later.

"The question we want to know to this day was why the military chose an option that had no exit strategy," said a senior Foreign Ministry official who read the report. "They never had one, as far as we could tell."

An examination of the first days of the war shows that leaders of Israel's newly elected government launched a broad military campaign without a clear strategy for how it was to end. It also reveals that while Israeli military officials anticipated an entrenched guerrilla force, front-line officers were surprised by just how well prepared Hezbollah was.

This account was drawn from interviews with Israeli military commanders, senior political and diplomatic officials and soldiers, and a visit to the site where the war began. Several commissions are investigating how Israel's political and military leadership managed the war, and those conclusions could determine how long Prime Minister Ehud Olmert's government remains in office.

Maj. Gen. Ido Nehushtan, the military's chief of strategic planning, declined to comment directly on the research unit's assessment. But he acknowledged that "yes, you are right, that at one point we reached a point of diminishing returns."

"But you never know when that crack will come," he said.The Ambush

On July 12, two Israeli Humvees passed within yards of a Hezbollah ambush point. It was a hollow carved in the underbrush, just above the track used by Israeli military patrols. The hidden Hezbollah camp was stocked with food, water, radios, rifles, antitank missiles and diagrams detailing the insignia and size of Israeli military units. The Hezbollah fighters aimed and fired at the Israeli convoy just after 9 a.m. along a remote bend in the fence-lined road.

Lt. Col. Ishai Efroni, deputy commander of the Baram Brigade, had for months seen donkeys carrying sacks on the other side of the border, led by men who appeared to be Lebanese farmers. "We thought it was fertilizer," he said of the sacks. Later, he realized it was weapons and equipment. "This is what you learn in guerrilla school," he said of the Hezbollah fighters. "You take your time."

Efroni noticed that the Hezbollah gunmen had grown increasingly brazen walking the fence line in his sector along the northwestern border, and on May 28 the guerrillas fired a barrage of Katyusha rockets toward Israel's coastal towns. "I got the feeling something had changed," said Efroni, 41, who has spent most of his career in the northern border area.

On July 12, the dull thump of explosions reached Efroni's brigade headquarters as he reviewed morning intelligence reports. Six other army posts reported taking fire at the same time, coordinated attacks that knocked out surveillance cameras.

Contact with the patrol was lost after the Hezbollah team knocked out the trailing Humvee, killing the soldiers inside. But it took 20 minutes to confirm that Staff Sgts. Ehud Goldwasser, 31, and Eldad Regev, 26, were missing from the first vehicle, a delay that gave the gunmen a large lead as they fled through olive orchards to the Lebanese border village of Aita al-Shaab.

Efroni sent a Merkava tank, an armored personnel carrier and a helicopter in pursuit. But the most direct route into the village was a dirt track lined with explosives-filled trenches. Instead, Efroni ordered the tank through a rocky canyon from the east. Tracking its progress from the operations room, he watched with alarm as it unexpectedly veered onto the road near a known Hezbollah post.

The blast beneath the tank was enormous, killing the four soldiers inside instantly. The fight to retrieve the bodies lasted hours and killed the eighth Israeli soldier of the day.

"All they wanted was some part of their bodies," Efroni said, referring to the Hezbollah fighters. He recalled that Israel had released hundreds of Palestinian, Lebanese and other Arab prisoners in exchange for the remains of three soldiers taken in 2000 and a kidnapped civilian. "They know we go to great efforts to get our people back."An Evolving Response

At 9:45 on the morning of July 12, Olmert sat across from Noam and Aviva Shalit, an unassuming couple who had come to hear how Israel's leader intended to free their son, captured by radical Palestinians outside the Gaza Strip 2 1/2 weeks earlier.

There was a knock on Olmert's office door. His military aide entered with a note.

The slip contained news of the ambush. "Hannibal," the army code word for a captured soldier, had been passed up the chain of command.

"I think you should read this, too," Olmert said as he handed the note to Noam Shalit, according to his communications director, Asaf Shariv, who watched events unfold that morning.

The Hannibal code triggered instant aerial surveillance and airstrikes inside Lebanon to limit Hezbollah's ability to move the soldiers it had seized. "If we had found them, we would have hit them, even if it meant killing the soldiers," a senior Israeli official said.

Olmert ordered his government to assemble that evening for an emergency meeting at military headquarters in Tel Aviv.

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Just before 6 p.m., Olmert arrived at the compound of palms and grassy courtyards. For the next two hours, his generals and intelligence chiefs presented him with a plan to strike Lebanon's roads, bridges, international airport and other infrastructure, especially in the Shiite Muslim south that is Hezbollah's heartland. This was followed by a government meeting, which went on until midnight.

Several officials said there was little dissension among ministers over the scope of the response. Within hours it had become an air-and-sea blockade of Lebanon. But Olmert, who was elected in March having never held a security portfolio, expressed concern over what Hezbollah intended to do in response.

"He wanted to know what would happen in the north," a senior Israeli official who attended the meeting recounted. "On that day, though, everyone was in favor of war."

Scores of targets were hit in the first hours, including many of Hezbollah's longer-range rocket launchers in a single 34-minute period. But rockets launched by Hezbollah soon began falling across northern Israel.

The conventional Israeli military plan for an attack on southern Lebanon is called "Stones of Fire." The doctrine has been revised over the years, but it still relies on a ground invasion force of four army divisions.

Lt. Gen. Dan Halutz, Israel's chief of staff, set that plan aside. Instead, Halutz, the first air force general to lead the military, emphasized air power. He hoped aerial assaults would encourage Lebanon's Sunni Muslim and Christian populations to turn against Hezbollah, a radical Shiite movement that has an armed wing and a vast social services network, and that operates as a state within a state.

"We couldn't fight Lebanon as a country," said Nehushtan, the military's head of strategic planning. "The only way to stop them was to make them take the blame for their attacks."

Given the expected rocket reprisals from Hezbollah, some Israeli officials believed a large ground war was inevitable and should begin sooner rather than later. But Nehushtan, then a brigadier general, said "Stones of Fire" had lost its relevance after Syria's military withdrew from Lebanon last year. He said Hezbollah's guerrilla tactics required a different approach.

According to Israeli intelligence estimates, Hezbollah had invested $1.5 billion over the past six years preparing for war, chiefly with material and logistical help from Syria and Iran, whose Shiite government uses the militia to project power in the Arab world. Weapons had been stockpiled in tunnels, bunkers and private homes, a nightmarish scenario for a conventional army in the age of cable news.

Israeli military officials had watched much of the preparation take place from ground posts and aerial surveillance, and even knew which houses were used for storing some of Hezbollah's rockets months before the war began. But senior Israeli officers said the extent of the tunnel networks, the size of the arsenal and some of the more sophisticated weapons in it were not anticipated.

The officers also said Israel's airstrikes on some bunker systems and built-in short-range rocket sites were less effective than planned. Also, the Lebanese did not turn against Hezbollah as the Israelis had hoped.

"This was not the beginning," Nehushtan said of Hezbollah's ambush. "This was the end of one process and the beginning of another."Support From Abroad

Israel's foreign minister, Tzipi Livni, was one of those who initially supported the military assault on Hezbollah. She was influenced by events earlier in Gaza, when the soldier had been captured by radical Palestinians. Some of her senior advisers had been arguing that there were bigger issues involved -- that Israel should strike hard at Hamas, one of the groups involved in the soldier's capture, and attempt to focus international attention on its radical supporters in Syria and Iran. Livni had not fully agreed with them at the time. But when Hezbollah struck, she readily assented.

"I think July 12 was the day she accepted the thesis we submitted weeks before that we were being threatened by a radical axis," a senior Foreign Ministry official said. "This was another in-your-face event that if we allowed to go unpunished would lead to many more abductions."

Livni's chief concern was avoiding the international condemnation of a military strike that accompanied Israel's 1982 invasion of Lebanon. She reached out to the Bush administration, to European governments and to moderate Arab nations, whose Sunni leaders publicly criticized Hezbollah for the ambush and viewed Israel's response as an opportunity to rid the region of a menacing Iranian proxy.

The support she found, according to two senior officials, was surprising given the international criticism that accompanied past Israeli operations in Lebanon. Some within the ministry interpreted the support as encouragement to deepen the war.

"It took us more than a week to understand how the world had changed," the senior Foreign Ministry official said.Internal Dissent

The internal consensus, trumpeted in public by Israel's leaders, crumbled with the military intelligence assessment. A senior Foreign Ministry official said Livni was briefed on the report at 2 p.m. July 14 and immediately ordered her staff to begin devising a diplomatic exit strategy.

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Later that day in a meeting of the seven-member war cabinet, she voted against bombing Hezbollah's urban stronghold in south Beirut. She was concerned that the plan would only bring an escalation in Hezbollah rocket fire and not further the government's goals. Most of the cabinet voted to continue the bombing, according to Foreign Ministry officials, even though a number of cabinet members were expressing angry surprise over the size of Hezbollah's arsenal and tenacity on the ground.

In the days that followed, the cabinet, led by Olmert, continued voting to expand the war as proposed by Halutz and other proponents of the air campaign. While failing to deplete Hezbollah's rocket fire, the Israeli bombardment avoided heavy casualties for Israel, casualties that a major ground invasion would have brought.

Avi Dichter, Olmert's public security minister and a member of the war cabinet who also opposed the bombing of southern Beirut, said 10 days after the military intelligence report was filed that "if there are surprises, I think they are local surprises, not strategic ones."

"You can do this in a very short time," Dichter said. "But you are going to kill many more innocent civilians and cause many more casualties among the troops. We have no intention of doing either."

On Aug. 11, Israel finally went beyond the air campaign and pushed thousands of troops across the border as the debate over a U.N.-brokered cease-fire began. The goal of the troops was to destroy Hezbollah's short-range Katyusha rockets that the air force had been unable to knock out.

Just three days later, the troops froze after Olmert's cabinet accepted the cease-fire terms -- a period when 35 soldiers died, nearly a third of all Israeli troops killed in the war. "We realized we had to do this from the ground," Nehushtan said. "And it was left incomplete."

Muslims Flood Streets Of Jerusalem For Ramadan (NYT)

By Greg Myre

The New York Times, October 21, 2006

JERUSALEM, Oct. 20 — With Israel imposing tight restrictions on Palestinian movements, the holy month of Ramadan marks a rare occasion when large numbers of Palestinians from the West Bank can enter Jerusalem to worship at the Aksa Mosque compound, one of the most sacred sites in Islam.

On Friday, the last one before Ramadan ends, an estimated 180,000 Muslims from the West Bank and Israel filled the narrow stone streets of Jerusalem's Old City and prayed at the compound. But it was no consolation for the thousands of West Bank men who were turned back at the city's edge, some in scuffles with Israeli security forces.

Israel, citing security concerns, only permitted West Bank men over age 45 to enter Jerusalem and the mosque compound, while the Israeli security forces maintained a large presence at the crossing points along the nation's West Bank security barrier.

On Jerusalem's southern border with Bethlehem, Israeli security forces fired tear gas and lobbed stun grenades to drive back hundreds of Palestinian men who were not allowed to pass the security checkpoint through the 25-foot-high concrete wall dividing the cities.

"It's a terrible feeling," said Qassem al-Balboul, 42. He sought to pray in Jerusalem with his 8-year-old daughter, Sundus, who has been asking for years to visit Al Aksa Mosque. "We have no jobs and no money, and now we can't even pray at our greatest mosque."

The Palestinians in Bethlehem began gathering shortly after sunrise, hours before the main prayers at the Aksa compound a few miles away. As the crowd grew, with many clearly below the minimum age limit, the police ordered them to disperse.

"Please, please, move back; I don't want to use this," said an Israeli border policeman clutching a stun grenade. But as the crowd pressed forward, the policeman and his colleagues began tossing the stun grenades and firing tear gas.

It was the second consecutive Friday that the security forces had clashed with Palestinians seeking to enter Jerusalem, though no serious injuries were reported either time.

Arab citizens of Israel and those living in East Jerusalem do not face restrictions in visiting the mosque compound, the place where the Palestinian uprising began in 2000. But since then, Palestinians from the West Bank have had an increasingly difficult time entering Jerusalem. With occasional exceptions, Palestinians from the Gaza Strip cannot get permission to visit Jerusalem.

Israel says that the huge crowds show its commitment to the freedom of worship, but insists that the restrictions are necessary to guard against possible violence at the site.

The mosque compound was built about 1,300 years ago over the ruins of the biblical Jewish Temples. The holiest site for Jewish prayer is the Western Wall, which forms one side of the compound, known to Jews as the Temple Mount.

The four Fridays during Ramadan always draw large crowds, and this year the Muslim holy month overlapped with Jewish holidays that brought tens of thousands of Jewish worshipers to the Western Wall.

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"We have to make arrangements for huge numbers of people, and in our view, everything went according to plan," said Micky Rosenfeld, a police spokesman.

Palestinians took a different view.

Mufeed Dadoah, 39, has had a permit to work in Israel for the past 15 years, and enters Jerusalem daily for his job as a construction worker. But on Friday, he was prevented from entering in the morning because he was not 45.

"Today, Israel decides everything for us, but some day this will change," Mr. Dadoah said.

When Jordan controlled Jerusalem's Old City from 1948 to 1967, it did not permit Jews to enter and pray at the Western Wall.

Mr. Dadoah said he envisioned a day when Muslims would again rule the city and its religious shrines. He was asked if Jews would then be allowed to pray at their holy sites. "God willing, no," he said.

He then joined about 200 Palestinian men who prayed in the street, with Israel's separation barrier looming in the background.

In Jerusalem, worshipers emerged from the Aksa Mosque compound and clogged the streets lined with small shops. But this year, Palestinian economic conditions are worse than ever, and most said they lacked the money to buy the usual gifts for the Id al-Fitr holiday next week, at the end of Ramadan.

"How can we enjoy the holidays?" asked Safiyeh al-Awadeh, 42, from the West Bank town of Hebron. Normally, she comes to Jerusalem to pray and stock up on gifts for her nine children, as well as to prepare for a large family feast.

"Today, I can't afford anything," she said. "All I have is this," she added, opening a plastic bag with the prayer rug she had brought from home.

In the Gaza Strip on Friday, Palestinian gunmen fired on Palestinian security forces traveling with Prime Minister Ismail Haniya. One security force vehicle was set on fire, but no injuries were reported.

Residents Shut Out Of West Bank (LAT)

By Ken Ellingwood

The Los Angeles Times, October 21, 2006

Scores of Palestinians are separated from their families since Israel tightened reentry rules.

RAMALLAH, West Bank — Abdelhakeem Itayem, a Palestinian with American citizenship, was counting on a simple overnight stay when he traveled from the West Bank to Jordan on a business trip.

Six months later, he is still there, trapped in bureaucratic limbo.

Israeli officials, who control the border between Jordan and the West Bank, refused to let him return when he presented his U.S. passport at the crossing from Jordan.

"I came to Amman for one day. I had one suit and a change of clothes for one day. And now I can't go back," Itayem said by telephone from the Jordanian capital, where he has rented an apartment while awaiting an answer.

The long delay has kept him from his wife, Lisa, and their seven children, who remain in the family's home near Ramallah, said Itayem, 41. It also has cost him his job as a manager for a Palestinian distributor of foreign consumer goods.

"It's breaking my heart," he said.

His plight is not unique. Activists say scores of Palestinians who carry foreign passports, mostly American, have been denied entry this year since Israel moved to close a loophole that once allowed residents to enter repeatedly on renewable Israeli tourist visas.

The policy has created a quandary for the Palestinian Americans who remain: If they leave to get a new three-month stamp, they may not be allowed back. If they stay, their current Israeli visas will expire. Many say their previous applications for formal residency in the Palestinian territories were rejected by Israel or never acted upon.

"The Israelis are turning their back to any logic," said Adel Samara, whose wife, Enayeh, was refused entry in May after she crossed to Jordan to get her American passport stamped with a fresh Israeli tourist visa.

Samara, a Palestinian economist and writer, said Enayeh, 56, is staying with a sister in Chicago after living in the West Bank for 31 years on a succession of short-term Israeli visas. Making matters worse, he said, Israel won't let him leave because of his past involvement in nationalist Palestinian groups.

"I can't go outside, and she can't come inside," Samara, 62, said in Ramallah. "It is like a form of divorce."

Israeli officials say the tourist visas were not meant to serve as documents for Palestinian residency or work in the West Bank and Gaza Strip.

The new restrictions have created uncertainty and anger among Palestinian Americans, especially in the West Bank, where they number at least 30,000 and are leading players in business and academic life.

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A group of Palestinians with American citizenship has lobbied diplomats and launched a campaign to draw attention to the problem. Samara, who is also a U.S. citizen, is working with an Israeli advocacy group to challenge the legality of the new rules.

He and others charge that Israel imposed the tighter rules to punish Palestinians for electing the militant group Hamas in January's parliamentary elections, and to reduce the Palestinian population of the West Bank and Gaza Strip.

Israel rejects those claims.

U.S. Secretary of State Condoleezza Rice raised the visa issue in meetings with Israeli officials in Jerusalem this month. American diplomats say they have asked Israel to explain the policy.

Israel acknowledges that the rules, overseen by the Interior Ministry, have caused problems. Officials said the change was an attempt to curb misuse of tourist visas, which had become a favored means of entry for thousands of Palestinians with foreign citizenship.

"It was decided in the government, at a medium-level bureaucratic level, that this is wrong. How can you let people be here when they are obviously not tourists? It's an abuse of the tourist visa," said Mark Regev, a spokesman for the Israeli Foreign Ministry.

The tightened policy, however, is having "unintended consequences" that officials are now trying to correct, Regev said.

Israel has said that Palestinians living in the West Bank should apply for residency, which is granted by the Jewish state, rather than continue seeking tourist visas.

But many Palestinians complain that they have been denied residency, or have met with inaction.

After the signing of the Oslo interim peace accords in the early 1990s, Israel agreed to allow 3,000 people to move into the West Bank and Gaza Strip each year, an annual quota later raised to 10,000 and then 20,000, said Shlomo Dror, a spokesman for the office that serves as liaison to the Palestinians.

But he said the Palestinian Authority, created in 1994, often failed to provide the names of those who were living in the Palestinian territories and in need of formal residency.

Israel has frozen applications aimed at unifying families since the outbreak of violence in 2000. And since Hamas won office in January, Israel — which considers the group as a terrorist organization — has refused to deal with the Palestinian Authority government.

Dror said the number of people without proper residency status had grown to 60,000, in part because of Israel's freeze on the family-reunification process. "We are trying to sort the problem out and find a different way," he said.

Itayem, who was born in the West Bank but moved to Chicago at 15, said he might relocate his wife and children to Amman during the winter break for schools. But doing so would leave no one to watch over his 75-year-old mother and 38-year-old sister, who is disabled, he said.

The episode has left Itayem angry and disoriented. He found work in Amman at a sister company of his former West Bank employer. But Itayem is staying in an unfurnished apartment and has no clear answers to why he cannot go back to the West Bank, his home for the last 12 years.

"What kind of a life?" he asked. "My wife is in one country, and I'm alone in another country."

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U.S. Courts Hamas Rival (WT)

By Harry De Quetteville

The Washington Times, October 21, 2006

GAZA CITY, Gaza Strip -- To his enemies, he is ruthless and corrupt.

But to his allies in the West, Mohammed Dahlan is a potential Palestinian savior to stand up to the radical Islamist group Hamas.

Secular and tough -- some say brutal -- Mr. Dahlan, a member of the rival Fatah party, is being courted by U.S. diplomats eager to counter Hamas' burgeoning influence in the occupied territories.

Last week, as the worst interfactional fighting in 10 years fueled fears of a Palestinian civil war, U.S. officials described him as a man who can "get things done" in a violent climate.

In less diplomatic terms, that means having the clout, if needed, to summon armed Palestinians into battle with Hamas, which Washington regards as a terrorist group.

"He can be viewed as a thug," said one official, "but he is one of the very few people who has authority and can impose some order on the ground who is not from Hamas."

U.S. officials are increasingly reluctant to apply that "can-do" description to Fatah's moderate leader, Palestinian Authority President Mahmoud Abbas, 71.

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While outwardly backing him, they privately condemn Mr. Abbas as hesitant and timid in taking on Hamas since the Islamic movement came to power in January's democratic elections.

Since then, living standards for most Palestinians, particularly in the coastal Gaza Strip, have plummeted as a result of Hamas' refusal to recognize Israel's right to exist or accept previous peace agreements with the Jewish state. In the face of such intransigence, international aid has been cut off.

Sitting in his plush and heavily guarded office in Gaza, Mr. Dahlan is openly contemptuous of Hamas' ideological rule.

"They thought that running a government was like running a charity," said Mr. Dahlan, who ran Palestinian security services in Gaza under Yasser Arafat until 2002. "But we need health care, education, roads, salaries. We don't need speeches and sermons at the mosque on Friday."

The main proposal to restart international funding, on which the crippled Palestinian economy depends, had been to form a national unity government. But talks between Fatah and Hamas now look irremediably deadlocked.

U.S. officials say they have few options to stop the carnage. They are covertly grooming a few potential successors to Mr. Abbas, including Mr. Dahlan.

As security chief, Mr. Dahlan arrested thousands of Hamas members. Some purportedly were tortured and others had their beards -- signs of their religious devotion -- forcibly shaved off.

"Dahlan is a gangster. He tortured us and abused us," said Islam Shahwan, a spokesman for Hamas' militia.

A Liberal Brother At Odds With The Muslim Brotherhood (NYT)

By Michael Slackman

The New York Times, October 21, 2006

CAIRO

GAMAL AL-BANNA is 85, and for much of his life he has been overshadowed by his famous brother, Sheik Hassan al-Banna, the founder of the Muslim Brotherhood, the Islamist political party and antecedent of a host of militant Islamist organizations, from Al Qaeda to Hamas.

That seems to have suited him just fine, though. He liked to write, read and think. His sister left him a lot of money, and so for decades, that is exactly how he spent his days.

His bedroom is at one end of a dusty old apartment on a chaotic street in the center of the city. At the other end is his office, his desk piled high with papers. In between are books — some 30,000 of them — arranged neatly on floor-to-ceiling shelves. One section is devoted to the 100 or so books he has written and translated over the course of his lifetime.

But Mr. Banna is no longer living in his brother's shadow. And, like the organization his brother founded, the younger Mr. Banna is no friend of the establishment, but for quite a different reason. He is a liberal thinker, a man who would like to see Islamic values and practices interpreted in the context of modern times. Egypt's gatekeepers of religious values, the government-appointed and self-appointed arbiters of God's word, condemn, dismiss and dispute what he says. They have also banned at least one of his books.

"Gamal al-Banna has opinions that fall outside the scope of religion," said Sheik Omar el-Deeb, deputy in charge of Al Azhar, the centuries-old seat of Islamic learning in Cairo. "The people, of course, oppose anybody who talks about things that violate religion."

Mr. Banna likes to wear a blue collarless suit, buttoned to the very top. He prefers sandals to shoes, and wears his thin, wiry white hair swept back. He is often laughing, a kind of knowing chuckle that seems to say he knows better, by virtue of his age and experience.

He doesn't press his ideas, does not try to wage a contest with the institution of Al Azhar, but instead takes the long-term view, hoping to plant a few seeds that will, in time, take root and spread. He recognizes that, at the moment, the other side is winning the contest of ideas in Egypt, and the region.

"If religion was correctly understood, it would be a power of liberation," Mr. Banna said. "But it is misunderstood, and so it is driving us backward."

The views alleged to fall outside religion include those on women: They are not required to wear a veil, as most do in Egypt, Mr. Banna believes; they should not be forced to undergo genital cutting, as most do now in Egypt; and they should be allowed to lead men in prayer, which is forbidden in Egypt.

"My idea is that man is the aim of religion, and religion only a means," said Mr. Banna. "What is prevalent today is the opposite."

Egypt, often looked to as a center of moderate Islam, is, like the rest of the Arab world, becoming more conservative and less tolerant of opposing religious views, according to thinkers like Mr. Banna. Since August there have been at least three high-

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profile cases here where religious officials condemned, or sought to have criminally charged, people or publications promoting religious ideas they deemed offensive.

"When the Muslims used to disagree, they had different schools of thought," said Sayed el-Qemni, another reform-minded writer who lives in a small city outside of Cairo. "No one would point to the other and say, 'This is not Islam.' But when one school of thought says, 'I am the correct school of thought and everyone else deserves death,' then you are starting a new religion."

Mr. Qemni has received death threats for some of his writings, and sleeps with two police officers guarding his house.

BY contrast, Mr. Banna exudes a sense of impunity. That, he says, is not a result of his name, though it is a powerful force in a society where family ties are deeply respected, but because "I am free."

He is free because he has been careful not to become involved in political movements — and because of his sister, Fawziyya, who left him the equivalent of about $100,000. That is a huge sum in Egypt, especially considering Mr. Banna has no family and lives and works in the same apartment at a nominal rent.

"I am a completely independent man," he said with a smile. "I am not an employee, I am not in any party, and I am not affiliated with anything — completely independent."

Mr. Banna was born Dec. 15, 1920, in Mahmudiya, a village in Egypt's northern Nile Delta, northwest of the capital. The youngest of five children, he moved with his family to Cairo at age 4. His oldest sibling, Hassan, went on to form the Muslim Brotherhood, which is the largest organized opposition group in Egypt, although banned.

Their father, Ahmad Banna, a self-taught prayer leader and religious teacher, supported the family by repairing watches (his small wooden worktable sits in the hall of Gamal's apartment). The elder Mr. Banna spent years of his life indexing the many thousands of sayings of the Prophet Muhammad, assembling them in a multivolume set that sits on his youngest son's shelves and inspires the son to this day.

As a young man, Mr. Banna was kicked out of high school after a dispute with an English teacher. He finished his studies at a technical school and did not pursue college, he said, because he knew he wanted to pursue writing. So he went out and began to write. In 1946, he published a book, "A New Democracy," which included a chapter titled "Toward a New Understanding of Islam."

MR. BANNA says one of the fundamental problems with religious leaders in Egypt is that they look to the interpretations of their ancestors and not to the Koran itself. To look directly at the book, and not at the words as interpreted by men living in a different time, would have a liberating effect, he says.

Many of his ideas challenge the core beliefs of the radical Muslims who have been driving the religious agenda in the region. Some Islamists say, for example, that elected governments are un-Islamic because people must follow God's law, or Shariah, and not that of a parliament.

But Mr. Banna says the radicals are guilty of pursuing the very logic they say is un-Islamic. They would impose what amounts to their interpretation of the Koran onto other Muslims. That, he says, is no different than relying on a parliament to pass laws, as both are a result of man's intervention, not divine revelation.

Islam, he says, needs to be seen in a modern context. "Because Islam is the last of religions, if it was rigid and closed, it could not stand the changes of the ages," he said.

Mr. Banna does not deliver his message as a lecture. He speaks casually, slipping between English and Arabic, smiling, waving his hands. He has his own name now, and a philosophy quite different from the Islamist organization his brother founded.

Unlike the Brotherhood, he has stayed far from politics, but that does not mean he is apolitical. On the contrary, Mr. Banna says he believes that the reason his ideas have not gained momentum is that political freedom in Egypt is stifled by the nation's rulers.

"They want only power," he said. "They don't want freedom of thought. Free thought, that will condemn them."

Scrambling To Save Trade Perks (LAT)

By Chris Kraul

The Los Angeles Times, October 21, 2006

BOGOTA, Colombia — The Bush administration has a prescription for fighting coca growing, sidelining Venezuelan President Hugo Chavez and saving thousands of jobs in Latin America: extending free trade for Andean nations.

A senior Bush administration official said this week that the White House would push Congress to pass a bill continuing trade benefits for Colombia, Ecuador, Peru and Bolivia under a little-known law. It wants the bill passed during the "lame-duck session" after the November elections and before the new Congress is sworn in in January — while free-trade-friendly Republicans are still in control.

The administration has acknowledged that an extension of trade preferences would improve frayed diplomatic relations in Latin America while countering Chavez's influence, analysts said. The White House has mounted an 11th-hour campaign to

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preserve the trade perks, which have generated thousands of jobs, given birth to entire export industries and provided alternatives to drug trafficking. The benefits are set to expire Dec. 31.

The Andean Trade Promotion and Drug Eradication Act was initiated in 1991 by then-President George H.W. Bush. U.S.-Colombia trade alone has tripled to $15 billion since 1990, thanks partly to the boom in the flower, apparel, liquor and fresh-produce industries.

Industries such as pouched tuna in Ecuador and asparagus in Peru have sprung up to take advantage of special rules that allow products to enter the U.S. market duty-free. Colombian flower exports have grown 10% annually since 2002 to $758 million in 2005. Flower-related jobs now total 190,000, according to the nation's largest flower growers association.

Expiration of the trade preferences could deliver a death blow to industries that overnight will lose exemptions on duties of 6% to 20%. That margin is crucial to flower growers here and in Ecuador, which face rising competition from countries including China.

This month, Miami-based Dole Fresh Flowers, a major exporter of roses and other flowers to the U.S., announced that it was cutting 3,500 jobs at greenhouses in Colombia and Ecuador, partly because of the uncertainty surrounding free trade.

The nations involved in the Andean Trade Promotion and Drug Eradication Act accepted that one-way trade preferences eventually would be replaced by bilateral free-trade agreements between the U.S. and each of the four countries. The deals, which would give U.S. companies access to Andean markets, would be sealed in international treaties.

"Preferences can be taken away, but a free-trade agreement is hard to change, so it's imperative that Colombia passes one," said Richard Francis, an analyst at Standard & Poor's in New York. "It would also make Colombia more attractive for foreign investors by giving them a longer-term horizon."

For a variety of reasons, none of the four countries will have individual free-trade agreements in place by year's end. Peru and Colombia are the furthest along, as both have completed free-trade negotiations with the U.S. By December, both will have signed formal agreements that could take months, perhaps a year, to take effect.

Negotiations on a free-trade agreement for Ecuador have stalled for political reasons, and a prospective effective date is even farther out. Bolivia is not ready for a formal free-trade agreement but wants an extension of the one-way preferences.

The White House recognizes that the "hole" between the expiration of the current trade preferences and the effective dates of the free-trade agreements could have dire economic consequences, according to a senior Bush administration official who spoke on condition that he not be identified.

"People have organized their commercial relations around the lack of tariffs," the official said. "We would prefer to see those relations continue without being disrupted by an on-again, off-again tariff situation."

Gary Hufbauer, an economist with the Washington-based Institute for International Economics, said the White House recognized that the loss of trade benefits would unduly punish Colombia and Peru, staunch U.S. allies in the drug war, and also "give the populists in Bolivia and in Ecuador more reason to push back against the United States."

Hufbauer was referring to Bolivian President Evo Morales, who, though not rejecting an eventual free-trade agreement, has used harsh anti-U.S. rhetoric.

In Ecuador, a presidential runoff election set for Nov. 26 will pit pro-free-trade candidate Alvaro Noboa against Chavez friend and free-trade opponent Rafael Correa.

The White House said it would push Congress for an extension of trade preferences for all four countries even though relations with Ecuador and Bolivia have been strained. In May, Ecuador's state oil company seized an oil field operated by Westwood-based Occidental Petroleum Corp. A month later, U.S. embassy officials there said chances of a new free-trade deal were slim in light of the seizure.

But this week, the senior administration official said the U.S. now believed it was best to "engage" both Ecuador and Bolivia with trade preferences.

"We would support an extension for all four countries for a year or two perhaps," he said.

For Ecuador, the extension might hinge on whether its president, whoever he is, agrees to abide by impending international arbitration of the oil field seizure, which could end in a judgment requiring Ecuador to reimburse Occidental hundreds of millions of dollars.

Bruce Bagley, a political science professor at the University of Miami, said the new U.S. posture was a clear effort to send a message to Ecuadorean voters to support candidate Noboa, because Correa has said during the campaign that he will not take part in the Occidental arbitration process.

"The U.S. government is showing political acumen for once in trying to tip the balance away from Correa, the pro- Chavez candidate, and toward Noboa, whom they see as an entrepreneur, free trader and capitalist," Bagley said.

Santiago Pardo, vice president of Andalex, Colombia's largest foreign trade business group, said the move to get the trade preferences extended might have come too late.

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"There is very little time, and the U.S. Congress will have lots of other things to do," Pardo said. "We are already losing investment because of the uncertainty."

Organization of American States Secretary General Jose Miguel Insulza and Inter-American Development Bank President Luis Alberto Moreno have joined in lobbying Congress for the extension.

"They're making a big push," Hufbauer said.

Peru has already signed a free-trade agreement with the U.S. that awaits approval by the legislatures of both countries. Colombia is expected to sign a free-trade deal in late November, but it will not take effect until next fall, assuming that the legislatures of both nations approve it, observers here say.

Failure of Congress to extend the trade preferences would result in significant losses of Colombian jobs and exports, said Mauricio Reina, an economist with Fedesarrollo, a think tank in Bogota. Four of every 5 Colombian export-oriented apparel firms, for example, rely on the trade preferences, as do 5 of every 6 firms that export liquor or tobacco. Those firms would find themselves in immediate financial difficulty, he said.

"It's hard to know what percentage would be left out of the U.S. market because it's impossible to know how many companies could absorb that extra tariff they would begin to pay," Reina said. "But it's safe to say that it would be a very important percentage."

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EU Urges Putin To Honour Oil Contracts (FT)

By George Parker In Lahti

Financial Times, October 21, 2006

European leaders on Friday night pressed Vladimir Putin, Russia's president, to honour contracts with western oil companies, amid fears in the EU over Moscow's tightening grip on the energy sector.

In a strained summit dinner in the Finnish town of Lahti, EU leaders also chided Mr Putin on questions of human rights, press freedom and Moscow's tough treatment of the former Soviet republic of Georgia.

The meeting with Mr Putin served as a reminder to European leaders that their attempt to build a more equal energy partnership with Russia has so far yielded few positive results.

Instead of encouraging European investment in Russia, Moscow has questioned contracts signed in the 1990s by companies including Royal Dutch Shell and Total. This month it also shut foreign capital out of the development of the huge Shtokman gas field.

In spite of the differences among EU member states in their relations with Moscow, some leaders bit their tongues at last night's dinner. They jointly argued that Mr Putin should treat western companies fairly if he wants Russian companies to have greater access to European markets.

"We offer security in contracts and we expect the same from Russia, namely also legal security in contracts and access to the Russian market," Angela Merkel, German chancellor, said before the dinner.

Tony Blair, Britain's prime minister, called for a "two-way street" in investment, in spite of criticism that he has already signalled that Gazprom could be considered as a buyer for Centrica, the British gas company, without reciprocal market opening in Russia.

Mr Putin said that he had no intention of bowing to European demands that Russia should open Gazprom's pipelines to other companies, as required under the energy charter treaty, which Russia has signed but has not ratified.

He also defended Russia's decision to clamp down on "environmental breaches" by Royal Dutch Shell in the Sakhalin 2 field, and said he hoped foreign companies could be involved later in the Shtokman project.

Mr Putin also issued an uncompromising warning to Georgia to calm a dispute with Russian-backed breakaway regions in the former Soviet republic, claiming it could end in "disaster and bloodshed".

Faced with their implacable dinner guest, the EU's 25 heads of government had spent much of lunch discussing how to present a common line to the Russian president. Matti Vanhanen, Finland's president, said they succeeded: "We were very united," he said.

José Manuel Barroso, European Commission president, said Russia and the EU needed a partnership based on reciprocity, openness, transparency, non-discrimination and market prices.

"We cannot allow energy to divide Europe as communism once did," he said.

The timing of Mr Putin's appearance as the guest of honour at the EU summit was viewed as awkward by many European diplomats.

Russia's dealings with western oil companies, its tough treatment of Georgians living within Russian borders and the assassination of the journalist Anna Politkovskaya have all caused increasing concern in Europe.

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On Friday Mr Barroso was forced to justify why the EU was honouring a leader who was overheard on Thursday joking that he “envied” the Israeli president, who is facing rape allegations.

The Russian Kommersant daily newspaper quoted Mr Putin, a former KGB agent, as saying: “He turns out to be a really powerful guy! He raped 10 women!” The Kremlin said his attempt at humour had been lost in translation.

Putin Ducks EU Demands On Energy Charter (AP)

By Constant Brand, Associated Press Writer

AP, October 21, 2006

Russian President Vladimir Putin defended his government's tough stance on Georgia and dodged EU leaders' demands Friday that he commit to a legally binding energy charter that would guarantee better access to Russia's oil and gas fields.

The 25 EU leaders, meeting with Putin over dinner following a one-day summit on energy, also grilled Putin about the recent killing of Russian journalist Anna Politkovskaya — an apparent execution-style slaying that EU leaders raised as an example of slipping human rights in Russia.

Putin called her death "a brutal murder" and pledged to hunt down her killers, diplomats said.

But he sidestepped European appeals for moderation on Georgia, and said he was acting to prevent conflict between Georgia and its breakaway regions of Abkhazia and South Ossetia, which have close ties to Russia.

"To our great sorrow and concern, the situation is developing in the direction of possible bloodshed," Putin told reporters. He accused Georgia of trying to take back the two regions "by military means. This is what you and I should be afraid of ... bloodshed in that region."

Russia and Georgia have had a history of friction since they went their separate ways with the collapse of the Soviet Union 15 years ago.

The Kremlin has recently cracked down on Georgian migrants in Russia as retaliation for Georgia's arrest in late September of four Russian military officers on charges of espionage. Russia has deported hundreds of people and closed dozens of Georgian-run firms and restaurants.

Summit host Finnish Prime Minister Matti Vanhanen confronted Putin on human rights and democracy in Russia, as well as EU concerns about Moscow's military campaign in Chechnya, officials and diplomats said.

"It was a tough message," Lithuanian President Valdas Adamkus told The Associated Press. But Putin "was very forceful" in defending his country's policy on Chechnya.

EU leaders spent Friday in the lakeside town of Lahti, north of Helsinki, forging a united front on energy before meeting with Putin in the evening.

The leaders of the European Union — which already depends on Russia for a quarter of its energy — urged Putin to implement a legally binding energy charter that would ensure supplies of Russian oil and gas for Europe.

The EU is anxious to secure future supplies of oil and gas from Russia but concerned about Moscow's reliability as a source — at a time of questions about a backsliding on democracy in increasingly authoritarian Russia.

Last winter, a dispute with Ukraine led Moscow to temporarily turn off the taps, disrupting natural gas supplies for several EU nations.

"From the economic point of view, we demand that Russia is a stable and reliable supplier," said Italian Prime Minister Romano Prodi.

The 25 EU leaders succeeded in devising a common stance on how to approach Russia on energy — but Putin disagreed with their views, Estonian Prime Minister Andrus Ansip told the AP.

"The European Union was speaking in one voice — one single voice — and of course, Russia wasn't speaking in the same voice," he said with a laugh.

Dutch Prime Minister Jan Peter Balkenende said Friday's talks with Putin were just the start of a wider discussion on EU's partnership with Moscow. The two sides meet again Nov. 24 for an EU-Russia summit.

Also at the summit, EU leaders called on the Sudanese government to accept a U.N. peacekeeping force in the western region of Darfur, where 200,000 people have died and more than 2.5 million displaced in three years of violence.

EU leaders also discussed illegal immigration, with Spanish Prime Minister Jose Luis Rodriguez Zapatero appealing for more boats, planes, patrols and money to help Italy, Malta, Greece and Spain tackle the growing problem of migrants from Africa landing on European shores.

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Associated Press writers Maria Danilova, Paul Ames, Robert Wielaard and Matti Huuhtanen contributed to this report.

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On the Net:

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Aftermath Of A Murder (WP)

The Washington Post, October 21, 2006

IT HAS NOW been 14 days since Russian journalist Anna Politkovskaya was murdered in Moscow. No one has been arrested for the crime, which is hardly surprising: None of the dozen other killings of journalists since Vladimir Putin became Russia's president has been solved. This one eliminated one of the fiercest and bravest critics of his government, a reporter who had tenaciously documented the depravity of Mr. Putin's war against Chechnya. We don't have any evidence implicating the Kremlin, but it's revealing to examine how Mr. Putin and his regime have behaved over the past few days.

The president's first reaction was a strange silence. While politicians, media outlets and statesmen in Russia and around the world condemned Ms. Politkovskaya's murder, no word came from Mr. Putin for three days. When finally compelled to speak, at a joint news conference in Germany with Chancellor Angela Merkel, Mr. Putin offered a rote condemnation of the attack. He then disparaged Ms. Politkovskaya, saying that "the level of her influence on political life in Russia was utterly insignificant." He made the ugly suggestion that foreign-based enemies of his government were somehow behind the killing -- a claim echoed in the state-controlled press. "We have information, and it is reliable, that many people hiding from Russian justice have long been nurturing the idea of sacrificing somebody in order to create a wave of anti-Russia feeling in the world," he said.

Really? If so, Mr. Putin's enemies also must have found a way to manipulate his own security forces. It was interior ministry operatives, after all, who violently broke up a peaceful vigil in Ms. Politkovskaya's memory in the Caucasian city of Nazran on Monday. Flowers and pictures of the slain journalist were ripped from the hands of the participants and stomped on. Ekaterina Sokiryanskaya, a well-known activist of the human rights group Memorial, was punched in the face and head; she suffered a broken nose and a concussion. Three days earlier, a court ordered the closure of the Russian-Chechen Friendship Society, one of the few nongovernmental organizations still attempting to document abuses in that devastated province. On Thursday the government suspended the operations of Amnesty International, Human Rights Watch and more than 90 other NGOs, saying they had not met the requirements of a controversial new registration law.

One other part of this story has played out with depressing predictability: the absence of any serious follow-up by Western leaders. At the same news conference at which Mr. Putin uttered his ugly insinuations, Ms. Merkel vowed that her government would press to complete a new partnership agreement between the European Union and Russia when Germany has the rotating E.U. presidency next year. Yesterday Mr. Putin was invited to dine with European leaders at a summit in Finland. If Ms. Politkovskaya's murder remains unsolved, will it be an obstacle to "partnership" between Russia and Europe? Sadly, Mr. Putin has been given no reason to think so.

'Enemy' Schoolchildren In Moscow (WP)

By Masha Lipman

The Washington Post, October 21, 2006

MOSCOW -- A Georgian migrant worker died at a Moscow airport this week while awaiting deportation. Tengiz Togonidze, 48, had asthma and was gasping for breath, but he was reportedly denied permission to get some fresh air either during the five days he was held in a detention center or afterward, during the trip to the airport, which took many hours. He was one of some 700 ethnic Georgians deported over the past three weeks as the government's anti-Georgia policies turned into a campaign of harassment of Georgians in Russia. The political conflict between Russia and Georgia has led to an ugly outburst of political xenophobia here.

In recent years intolerance and even violent ethnic and racial crime have become increasingly common in Russia. Just this summer, in a vicious attack on "non-locals," dark-skinned residents were driven out of the northwestern town of Kondopoga and some of their businesses set on fire or property smashed.

But this anti-Georgian campaign is different, in a scary way. Until now, if government authorities contributed to public xenophobia it was through inaction, incompetence or irresponsibility. Now ethnic hostility is being incited by government figures -- legislators and executive officials alike.

Three weeks ago, in a new round of the tit-for-tat fight between Moscow and Tbilisi that has been going on since Mikheil Saakashvili became Georgia's president, four Russian servicemen were arrested in Georgia on charges of espionage. Apparently caught off guard, the Kremlin responded with a barrage of threatening language. Though the immediate conflict was resolved after a few days through Western mediation, the anger and resentment over an obviously arrogant act by the Georgian government appeared to call for revenge.

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In the days that followed the arrests, Russian officials sought to outdo one another in anti-Georgian rhetoric. Georgians were declared the most criminal of all ethnic minorities in Russia. A broad range of officials and loyalists demanded that they be barred from entering Russia and that migrant workers be forbidden to send home remittances.

President Vladimir Putin remarked that "migration flows should be regulated so that . . . our citizens would not be disadvantaged in various sectors of the economy." The speaker of the lower house proclaimed that "indigenous residents should be assured of advantages in trading activity at marketplaces." At the same time, on Kremlin-controlled television, Georgians were vilified as fat cats running casinos and driving Mercedes-Benzes. Raids on casinos (with their owners' unmistakably Georgian-sounding last names repeatedly cited) were shown on national news programs. One of the federal channels showed a documentary about "guests" from the south -- all with Georgian last names -- coming to Russia to commit crimes.

Georgia has been virtually blockaded, with transport from and to Russia severed. Though the Russian government wouldn't admit that the blockade was political (it was described as a punitive measure for failure to observe various rules and regulations), the message was unambiguous: Georgia and Georgians were the enemies of Russia.

Ethnic Georgians all over Moscow have been harassed by the police, regardless of whether they were Georgian nationals or held Russian citizenship. Fearing raids and shakedowns, Georgian restaurants suspended operations. Georgians were denied Russian entry visas regardless of their status and occupation; those barred from entering Russia included a popular dance company. Meanwhile, the Russian youth chess team refused to take part in the world championship being held in the Georgian city of Batumi.

The campaign took an especially ugly turn when some Moscow schools were ordered to submit lists of children with Georgian last names to police to facilitate the search for their parents, whose Georgian origin now made them suspect.

Until recently, Georgians would have seemed an unlikely target for such hostility. Georgian culture, art and cuisine have long been inseparable from Russian/Soviet life. Georgian moviemakers directed some of the most popular Soviet movies, which are watched by millions of Russians as eagerly today as they were in the U.S.S.R. The Russian cultural elite is inconceivable without Georgian actors, singers and artists. Georgian food is found not only in Georgian restaurants, which are mercifully cheap by Moscow standards, but as part of family holiday meals throughout Russia. And Georgians share a common Orthodox Christian religion with Russians.

But the sad truth is that ethnic hostility can be readily embraced by the Russian people, and the ethnicity involved doesn't seem to matter much. As the TV news was filled with anti-Georgian themes, television monitoring services registered increased interest in news programming. In a national poll taken in mid-October, 38 percent of Russians said they would support the deportation of all Georgians from Russia, even those with Russian citizenship. A significant majority said they approve of deportations, transportation blockades, stepped-up inspections of Georgian businesses and other anti-Georgian measures taken by the government. And there has been little in the way of protest against the xenophobia: Russia's remaining liberal media outlets condemned what they referred to as "ethnic cleansing," and a couple of rallies opposing the anti-Georgia campaign were held.

After a while, however, the authorities seemed to realize that things had gone too far. They have begun to backpedal. The initiative to check schools for Georgian children was strongly condemned by a Moscow government official, who was joined by many others; high-ranking law enforcers even apologized for the action. Several officials came out with reassuring statements that the government is acting to restore order, not to harass individual Georgians.

The campaign may well turn out to be simply a resentful overreaction to Georgia's arrogance with regard to the alleged spying rather than a deliberate policy aimed at capitalizing on public xenophobia. But the government's desire to punish Georgia has broken the fragile taboo on ethnic hostility in official language. In the xenophobic atmosphere of today's Russia, this threatens to further encourage ethnic hatred and lead to more loss of life.

Masha Lipman, editor of the Carnegie Moscow Center's Pro et Contra journal, writes a monthly column for The Post.

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USDOJ- Office of Public Affairs

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TERRORISM NEWS:

DOJ Says Courts Are No Longer Open To Detainees. The AP (10/21, Apuzzo) reports, "Hundreds of detainees received notice from the Justice Department this week that because of a new law signed by President Bush, the U.S. court system is no longer open to them. Now it will be up to a federal appeals court, and ultimately the Supreme Court, to decide the fate of prisoners who have spent years arguing the government is illegally holding them at overseas military bases." The "habeas corpus exemption has drawn criticism from lawyers, civil rights groups and even members of Bush's own party, such as Sen. Arlen Specter, R-Pa., the chairman of the Senate Judiciary Committee."

Opinions Vary On Legality Of Military Tribunals. McClatchy Newspapers (10/21, Rosen) reports, "The administration gave more ground on how the military commissions will work and how the trials will run, while the three senators yielded more on the controversial interrogation techniques, said John Radsan, who served as the CIA's assistant general counsel from 2002 to 2004 and now runs the National Security Forum at the William Mitchell College of Law in St. Paul, Minn." Several scholars' varying opinions on whether the Supreme Court will uphold the law are noted. Sen. Lindsey Graham (R-SC) predicts a 7-2 vote upholding it.

Many Highly-Publicized Terror Arrests End In Minor Convictions. In a story taking an overall negative tone toward the FBI, CNN's Paula Zahn Now (10/20) reported, "Since 9/11, hundreds of terror suspects have been arrested in the U.S., and just about every time you see the Justice Department and the FBI make an announcement with a lot of fanfare in front of a lot of TV cameras, but so many times we never hear about those the suspects again." CNN (Griffin) added, "In the FBI's war on terror, this man came close to being another Justice Department statistic." Detroit gas station attendant Abdul Berro is "about to be sentenced for credit card and bank fraud," but not "for terrorism, even though the FBI spent months and hundreds of thousands of dollars investigating him and others for plotting against America. The FBI had an informant who said there was more going on with Berro than just credit card fraud. … According to documents, the bureau paid that informant more than $200,000," but he "turned out to be a liar, a con man, now serving a 10-year sentence for his expensive misinformation." Griffin noted that "an independent research group at Syracuse University says half the sentences for these terrorism-related cases are for 28 days or less in prison. … The FBI's John Miller insists that even these lesser convictions are vital in the war on terror." Miller: "The idea is to neutralize these groups either before they are able to transmit money to a terrorist organization overseas, before they are able to put together an attack plan here." Griffin: Judge Richard Posner "says the U.S. needs a new domestic agency, one less concerned with making quick arrests and more willing to take the risk of sitting on a case to see if it leads to a bigger terror threat. The FBI's Miller disagrees." Miller: "This is not a game of chicken we're playing, where we can see whether we get within hours of them striking to get just that much more proof."

Juror Upset By Stewart's Sentence For Aiding Terrorists. The New York Times (10/21, Preston, 1.21M) reports, "He was known as Juror 8, for the jury box chair where he listened silently for more than six months as the convoluted evidence unfolded in the trial of Lynne F. Stewart, the radical defense lawyer accused of aiding Islamic terrorism. The jurors argued behind closed doors in Federal District Court in Manhattan for another month before they finally agreed to convict Ms. Stewart on all five charges she faced for smuggling messages out of prison from her terrorist client, Sheik Omar Abdel Rahman. … So on Monday, 20 months after the verdict, Juror 8 kept his eye on the television, waiting for news of her sentence. When he heard that Judge John G. Koeltl had reduced the 30 years sought by the government to 28 months in prison, Juror 8 said he was first disbelieving, then 'vastly disappointed.'"

Kurd Was Imprisoned By US And Taliban. The AP (10/21, Sniffen) reported that Abdul Rahim was arrested "by the Taliban in Afghanistan in January 2000, Rahim says al-Qaeda leaders burned him with cigarettes, smashed his right hand, deprived him of sleep, nearly drowned him and hanged him from the ceiling until he 'confessed' to spying for the United States. US forces took the young Kurd from Syria into custody in January 2002 after the Taliban fled his prison. Accusing him of being an al-Qaeda

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terrorist, US interrogators deprived him of sleep, threatened him with police dogs and kept him in stress positions for hours, he says. He's been held ever since as an enemy combatant." His story "is one of several emerging from" Gitmo "as defense lawyers make bids to free their clients while the Bush administration tries to use a new law to lock them out of federal courts."

Columnist Assails Hulon, FBI Over "Un-Intelligence." In a Toledo Blade (10/21) column titled "The FBI's Un-Intelligence," the Blade's Jack Kelly wrote, "A Few weeks ago, Jeff Stein, national security editor for Congressional Quarterly magazine, interviewed Willie Hulon, who recently was named chief of the FBI's national security branch." When "Mr. Stein asked Mr. Hulon to explain the difference" between Sunnis and Shiites, "He couldn't." Kelly added, "Mr. Hulon is continuing a long tradition of abysmal and inexcusable ignorance in high places at FBI," and Kelly goes on to discuss intelligence shortcomings on North Korea, Iraq and the 1993 WTC attack. "As far as we know, no one in the FBI or the CIA has been held accountable for intelligence failures. And when no one is held accountable, you get people like Mr. Hulon in jobs they obviously are unqualified to do. This is President Bush's greatest failure."

HOMELAND RESPONSE:

DHS Aid Disbursement Formula Said To Favor Less Populous States. The CBS Evening News (10/20, story 5, 3:40, Couric, 7.66M) reported, "This year, the Federal government gave the states nearly $2 billion in homeland security money, but you might be surprised how it got divvyed up. For instance, North Dakota -- hardly considered a major terror target -- got nearly $17 per resident. But New York, which has been attacked twice, got only about $9.50 per person. Montana received nearly as much money per resident as New York did." CBS continued, "Tom Kean, Chairman of the 9/11 Commission, says Congress should refigure the formula that now gives some homeland security dollars to every state." Kean: "An area that has the greatest threat is the first priority, and the money. And so on down the list." According to CBS, "Since 9/11, Montana has received about $70 million in Federal homeland security dollars, raising questions as to how wisely that money is being spent. State officials point to the need to protect projects like this hydroelectric dam and dozens of other potential targets for terrorism. Like power grids, missile sites, and 545 miles of largely unprotected border with Canada."

Man Arrested For Football Stadium Bomb Hoax. NBC Nightly News (10/20, story 5, :30, Williams, 9.87M) reported, "Tonight there is an arrest in connection with what turned out to be a phony threat on the internet to attack seven NFL stadiums this weekend with radioactive so-called dirty bombs. A 20-year-old Wisconsin grocery store clerk is accused of orchestrating this hoax. He told prosecutors he had posted the same phony threat 40 different times on various websites."

The New York Times (10/21, Smothers, 1.21M) reports, "Federal officials labeled the threat a hoax on Thursday, but at a news conference on Friday to announce the arrest, the United States attorney in Newark, Christopher J. Christie, called it the 'Internet version of yelling 'Fire!' in a crowded theater in this post-9/11 era.' Law enforcement officials said that the message posted by the man, Jake J. Brahm…explained that the timing of the threatened explosions coincided with the end of the Muslim holy month of Ramadan and that Al Qaeda would take credit for what members would call 'America's Hiroshima.'" The Washington Times (10/21, Seper, 88K) also reports on this story.

FBI Removes Dead Man From Terrorist List. The AP (10/21) reports, "The FBI removed an al-Qaida explosives expert linked to the 1998 U.S. Embassy bombings in Africa from the most wanted terrorists list Friday after learning he was killed six months ago. Muhsin Musa Matwali Atwah was killed in an April 12 gunfight with Pakistani authorities ... Twenty-six suspected terrorists remain on the FBI's list, including al-Qaida leader Osama bin Laden."

9/11 Victims' Remains Found Near WTC Site. NBC Nightly News (10/20, story 4, 2:00, Williams, 9.87M) reported, "This week here in New York, over five years now since 9/11, more human remains were found dating back to that attack." The New York Times (10/21, Dunlap, 1.21M) reports, "New York City's chief medical examiner will station a team at ground zero to look for human remains from 9/11, the Bloomberg administration said yesterday, after dozens of bones were found Thursday by workers excavating two manholes that had been covered since 2002."

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NYTimes Faults Coast Guard For Live-Fire Drills On Great Lakes. The New York Times (10/21, 1.21M) editorializes, "When the Coast Guard decided it wanted to practice firing its new machine guns on the Great Lakes, it posted an item in the Federal Register -- not exactly household reading. Now that the public has caught up, there is an uproar all around the lakes ... Few are disputing that the United States needs to do more to protect its borders against terrorists. But we face far more plausible threats than terrorists cutting across Lake Michigan in small boats. ... Turning the Great Lakes -- even on occasion -- into a live-fire zone is the kind of decision that says little to terrorists but speaks volumes to the rest of us."

Louisiana Pays FEMA $319 Million, Sues Over $61 Million Bill. The New York Times/AP (10/21) reports the state of Louisiana "wired $319 million to the Federal Emergency Management Agency on Friday, a large part of what the agency billed the state for hurricane recovery for Hurricanes Katrina and Rita, and filed a lawsuit in federal court disputing the remaining $61 million bill. The state's actions were based on the advice of the legislative auditor. The commissioner of administration, Jerry Luke LeBlanc, who is the governor's top financial adviser, said that the state attorney general's office filed the lawsuit Friday afternoon and that the disputed dollars would be deposited into a registry of the court until the case was resolved.

Activists Encourage Lawmakers To Visit The Gulf Coast. The Los Angeles Times (10/21, Simmons, 918K) reports, "The Women of the Storm, as this ad hoc group calls itself, were about to land in Washington and embark on a one-day mission in the nation's halls of power. The goal: to persuade members of Congress to help save the state's fast-disappearing coastline. The powerful folks in Washington ignore this eclectic group at their peril. The Women are quickly becoming a recognized power among the activist groups that have sprouted from the rubble of Katrina, many fueled by frustration with the slow pace of government assistance. Their first objective has been to bring Washington to New Orleans. The group's premise is simple: When lawmakers see how devastated the Gulf Coast looks, they will be roused to help. So far, the group has helped convince 55 of the nation's 100 senators and at least 106 of its 435 representatives to visit Louisiana."

WAR NEWS:

Administration Open To Changing Iraq Tactics, But Not Strategy. The possibility of the president changing his approach the war in Iraq received heavy coverage, leading the three network newscasts and appearing on the front-page of major newspapers. ABC World News (10/20, lead story, 2:30, Gibson, 8.78M) reported, "President Bush has gathered his top Iraq advisers for discussions on strategy." Bush "met today with the top commander for the Middle East, to talk about a possible change in tactics." President Bush: "My message to them is, 'whatever you need, we'll give you. And whatever tactics you think work on the ground, you put in place.'" Raddatz added, "A senior military official tells ABC News that for now, the changes will be only minor adjustments in how the battle is fought. There are no large scale changes in the plan." In the face of calls to adjust its policies, one "senior official said that the pressure will continue on Iraqi Prime Minister Nouri al Maliki to crack down on the militias." One "senior official said today Maliki will be given until the end of the year and then commanders and Administration officials, Charlie, will reassess the situation to see if it's working."

The CBS Evening News (10/20, lead story, 3:00, Couric, 7.66M) reported, "Pressure is building on President Bush to find a way out of Iraq where the US death toll is now approaching 2,800." CBS (Axelrod): "In a not-so-subtle dig at 'cut-and-run,' his former number two at the State Department Richard Armitage now says the US should 'notify and walk.' Notify Iraqis we're going to be drawing down our troops over a reasonable interval of months. 'We can't win this militarily.'" CBS states that the President "is now in a delicate dance, showing resolve on the campaign trail but hinting at flexibility when he describe what is he tells his generals." Bush: "Whatever you need, we'll give you and whatever you tactics you think work on the ground, you put in place." CBS correspondent David Axelrod described Bush as "showing no flexibility on a phased withdrawal. It's called a non-starter, the idea of dividing Iraq into three separate regions, that's being ruled out, too."

NBC Nightly News (10/20, lead story, 3:30, Williams, 9.87M) reported, "It has been a week of setbacks in Iraq and there have been some rare admissions from the Bush administration regarding U.S. policy there. Tonight there is further evidence that some sort of review of the Iraq war is

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underway." NBC (Gregory) added, "There's also a greater sense of urgency within the White House about the war. A flurry of meetings today focused on two key questions. 'What should the U.S. do next in Iraq?' And 'what realistically can it do?' With just weeks to go before Iraq's political impact is felt at the polls, the President today conceded setbacks."

The Washington Post (10/21, A1, Tyson, Fletcher, 748K) reports that Defense Secretary Donald Rumsfeld and Bush "said military commanders are constantly adjusting their tactics to meet enemy challenges." However, the Post emphasizes that Bush and Rumsfeld also "defended the U.S. strategy in Iraq, saying the ultimate goals remain unchanged despite escalating violence and increasingly somber assessments from military leaders on the ground."

The New York Times (10/21, A1, Semple, 1.21M) in an article focused mainly on militia violence in Iraq notes, "Reviews of the American strategy in Iraq took on more urgency on Friday."

The Los Angeles Times (10/21, Richter, McManus, 918K) in an article titled "Bush Open To Shift In Iraq War 'Tactics'" says Bush's remarks Friday "appeared to signal that he was open to at least a limited change in his approach, and that he was not wedded to a 'stay-the-course' doctrine, as critics say. At the same time, Bush pledged to secure victory and said he would not change his administration's strategy or overall goals, even if it shifted tactics." With continuing violence in Iraq and "an increasing number of Republicans" questioning "the wisdom of Bush's policies" some "administration officials said Friday that in the face of Iraq's deepening troubles, they were weighing major changes in direction and expected a new course -- though not a withdrawal -- to be announced within months."

Under the headline "Pressure Builds For Policy Shift, But Bush Shows No Signs Of Budging," McClatchy Newspapers (10/21, Hutcheson, Youssef) report, "American officials are grasping for new ways to keep the conflict from spinning out of control." Yet, "Bush has given no indication that he's ready to make dramatic changes in his Iraq policy" and his "public comments and those of his senior aides suggest that he's more determined than ever to stay the course." White House spokesman Tony Snow Friday "said that Bush is open to changes in tactics that could help achieve his goals, but won't consider any deviation from his core strategy." McClatchy notes, "That leaves senior American officials and commanders in Iraq in a tough place. They've acknowledged that the current approach isn't working, and that they're looking for an alternative."

The AP (10/20, Riechmann, Freking) portrays Bush as adamant in his resolve regarding Iraq, reporting that he "conceded Friday that 'right now it's tough' for American forces in Iraq, but the White House said he would not change U.S. strategy in the face of pre-election polls." The AP notes "fresh signs of Republican doubts," including the statement of Sen. Kay Bailey Hutchison. Secretary Rumsfeld "said the Iraqi government must become less reliant on the United States to handle security. He also said U.S. officials are working with the Iraqis to develop projections on when that might happen."

The Financial Times (10/21, Luce, Sevastopulo) agrees that "Bush conceded yesterday that he was increasingly flexible about America's military strategy" and "has abandoned talk of achieving 'victory.'" On the issue of dividing Iraq along ethnic lines, Bloomberg (10/21, Mathewson, Williams) quotes White House spokesman Tony Snow saying, "You don't want to create the Balkans." Bloomberg adds, "The U.S. will continue urging Iraqis to identify themselves as one people, recalling how 12 million citizens turned out a year ago for the first democratic election in decades, Snow said."

Speculation Abounds Concerning Iraq Study Group's Recommendations. The New York Times (10/21, Weisman, 1.21M) reports, "Bush has opened himself to the new ideas when the war is presenting some of the problems the elder Mr. Bush and his aides, in their own memoirs, have said they worried about in 1991." James A. Baker III, co-chairman of the Iraq Study Group, says "Bush has an unwarranted reputation for not listening to dissenting views," adding, "this project demonstrates one heck of a lot of flexibility." The group "has set off fevered talk in Washington, ranging from the political to the psychological, especially now that Mr. Baker has declared that neither Mr. Bush's 'stay the course' message nor what the White House calls the 'cut and run' approach of critics offers a way out," and "Speculation has centered on the possibility of a phased military withdrawal from Iraq; a possible separation of Sunni, Shiite and Kurdish areas; some kind of international protectorate to secure Baghdad; and greater involvement in Iraq and the region by Iran and other neighbors." While the group may not recommend personnel changes, "many doubt that those associated with the current approach could carry out a new

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one," and "it is well known that Mr. Baker is not a great fan of Defense Secretary Donald H. Rumsfeld."

Bush Links Democrats' Position On Iraq To Stance During Cold War. In contrast to other newspapers which focus on speculation about a shift in Administration Iraq policy, the Washington Times (10/21, A1, Dinan, 88K) in a front page story leads with Bush's campaign message reporting, "President Bush yesterday said Democrats became the party of 'doubt and defeat' during the fight against communism in the Cold War, and said it shows today in their calls for withdrawal from Iraq." Bush "said that shift began in 1972, with the nomination of George McGovern to run for president, continued into President Jimmy Carter's administration and characterized Democrats during Republican President Ronald Reagan's administration."

Administration Seen As Under "Pressure" To Shift Strategy. Continuing a theme found in many news reports ABC World News (10/20, story 3, 2:00, Gibson, 8.78M) focused on the Iraq War's impact on the congressional elections, reporting, "Karl Rove, the top White House political adviser, earlier on, was saying the Republican candidates ought to embrace the war and accuse Democrats of wanting to cut and run." ABC chief Washington correspondent, George Stephanopoulos: "And those words, cut and run, were the magic words for Republicans all year long. Even when the Iraq headlines were bad, if they could accuse Democrats of cutting and running, they felt they were in good shape. That slogan is losing its potency right now. And there's some evidence the Democratic charge of staying the course is gaining power. If you look at the tight Senate races, Democrats are on the offense, advertising on Iraq in seven of the tight Senate races. We see Republicans starting to break ranks."

GOP Candidates Begin To Waver On War. The AP (10/20, Gamboa) reports, "Sen. Kay Bailey Hutchison, one of President Bush's most ardent loyalists on the war in Iraq, voiced her strongest criticism yet of the administration's reasons for going to war. In a debate with her challenger in the Nov. 7 election, Hutchison, R-Texas, said she would not have voted for war had she known there were no weapons of mass destruction in Iraq. But she also made it clear she does not support troop withdrawal." Her words "come as a small but growing number of Republicans are suggesting a change in the Iraq strategy may be necessary."

The AP (10/20, Lewis) reports, "Republican Sen. George Allen…called for 'changes in tactics' in how the U.S. is fighting the Iraq war on Friday as he continued to face questions about his morphing position on the war." Allen "has yet to reject or criticize the hard line on Iraq that he had touted for months and that President Bush repeated Thursday at an Allen fundraiser," but he "began shifting his public position on the unpopular war two weeks ago after fellow Virginia Sen. John Warner" said Iraq was "drifting sideways."

Rumsfeld Says Iraq Must Take Over Security. The AP (10/20, Burns) says that Rumsfeld argued that "the biggest mistake would be to not continue turning regions of the country over to the Iraqis, even if that means the U.S. has to go back and retake control because the Iraqis are overwhelmed." While he has made such remarks before about handing over responsibility, these comments "came less than three weeks before elections in which Democrats are threatening to recapture control of Congress."

UPI (10/20) also reports his declaration, saying that Rumsfeld "is scheduled to confer Saturday with President George W. Bush, Vice President Dick Cheney and Gen. John Abizaid, head of Central Command. Gen. George Casey, the head of U.S. forces in Iraq, is to join the discussion from Baghdad by video."

Soldiers Feel Frustration In Iraq. The CBS Evening News (10/20, story 2, 3:40, Logan, 7.66M) reported, "Some senior American commanders in Baghdad now describe their mission here as treading water, trying to buy time for an Iraqi government and political system that so far is failing. Also failing is the US mission to reduce bloodshed in the Iraqi capital, something military commanders finally admitted as the death toll for American troops surged with over 70 dead already this month. While leaders in Washington work on a new strategy, American soldiers are forced to keep on with the operation in Baghdad."

Clarence Page Sees Bush Preparing To "Declare Victory And Go Home." In the Washington Times (10/21, 88K), syndicated columnist Clarence Page predicts, "Iraq has sunk deeper into what looks like a civil war and the Bush administration has sunk deeper into denial. But recent events indicate that, despite Mr. Bush's mantra about 'staying the course' in Iraq, he's looking for an exit strategy." Bush's consultation of the Baker-led Iraq Study Group "could offer cover for the younger Mr. Bush to do something he is loath to do in public: change his mind. ... In fact, Iraq's best direction may come through a partitioning of the country between its dominant Sunni, Shi'ite and Kurdish factions. ... But, whether

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in war or in peace, Iraq's future ultimately must be decided by Iraqis."

Militias Clash In Amarah. ABC World News (10/20, story 2, 1:50, Gibson, 8.78M) reported, "There may be a desire to crack down on the militias. But it wouldn't seem to be work working from what happened today. One of the things the US fears most in Iraq is militias seizing power at will, and dimming hopes for unification in the future. It happened today in Amarah, a city in the south. Population 750,000. The Mehdi army led by a cleric in Baghdad took over the city." ABC (McCarthy): "By nightfall, mediators sent by prime minister Maliki had arranged an uneasy truce in the city. But the damage had already been done to the government's authority." University of Michigan professor Juan Cole: "The guerillas typically have better firepower than the Iraqi military and the security forces. I am not sure anyone can do what Maliki has been called upon to do." McCarthy: "Iraq is increasingly becoming a battlefield for private armies, outside any central control. If that isn't stopped, many are afraid the country is truly heading into darkness."

NBC Nightly News (10/20, story 2, 2:30, Williams, 9.87M) called the violence in Amarah "the latest example of this unraveling security situation on the ground." NBC (Engel): "This is an example of an exit strategy gone wrong. The Mahdi army invaded the city of Amarah and briefly seized control. This is the second city here this week where Iraqi security forces have been unable to stand up to militias. It was Shi'ites killing Shi'ites. " The attack on Amarah is Sadr's "boldest challenge yet to the central government." The Brookings Institution's Michael O'Hanlon: "Sadr may be getting ready for war and he may be getting ready to try to control as much of Baghdad and surrounding areas as possible in the belief that ultimately who rules Iraq will be settled on the battlefield, not at the ballot box." Loren Thompson, Lexington Institute military analyst: "If U.S. troops can't count on the Iraqi security forces to maintain control then we basically got two choices. Stick around or accept defeat." Engel: "Tonight after negotiations with Sadr's forces, the Iraqi army did regain control of Amarah, but Sadr's brazen takeover put both the Iraqi government and the U.S. military on notice of what could be an emerging pattern."

The New York Times (10/21, A1, Semple, 1.21M) reports, "Hundreds of militiamen linked to the Shiite cleric Moktada al-Sadr battled local police and members of a rival Shiite militia in the southeastern city of Amara," but "after a day of negotiations involving representatives of the warring militias, and delegates from the Baghdad offices of Prime Minister Nuri Kamal al-Maliki, Mahdi Army gunmen withdrew from their positions, and by nightfall the city was under the control of an Iraqi Army battalion that had been dispatched from Basra." The fighting "exposed the deep fissures in the country's Shiite leadership and cast doubt on the ability of the ruling Shiite coalition to hold itself together. It also underscored the weaknesses of the Iraqi security forces and the potency of the Mahdi Army," and "raised fresh questions, too, about the ability of the Iraqi government and security forces to maintain order once allied troops are withdrawn."

The Washington Post (10/21, A13, Anderson, 748K) adds, "Each side blamed the other in a cycle of retaliatory clashes with tribal overtones," and "a spokesman for the Interior Ministry, Brig. Abdul Karim Khalaf Kinany, said the clashes were not driven by intra-Shiite conflict, but by tribal differences." However, the "bloody feud…illustrated deepening rifts within Iraq's largest sect and the growing turmoil in the south," proving "a stark illustration of the deepening tension among Shiite leaders."

The Los Angeles Times (10/21, Roug, 918K) reports that Secretary Rumsfeld "said in Washington that he believed Iraqi security forces had regained control of the area. But the two-day offensive by the Al Mahdi army highlighted how difficult it has become for the central government and its security forces to rein in Shiite Muslim militias, both in the capital and in the south. ... Handing over control to the Iraqi army and police is key to the strategy of U.S.-led military forces, but the Iraqis often have proved inadequate, especially when facing Shiite militias."

McClatchy Newspapers (10/21, Obeid, Youssef) calls the fighting "another sign that Iraqi government forces are unable or unwilling to subdue rogue elements." McClatchy speculates, "It's unclear how much control Sadr has over some members of his militia, which has expanded and splintered since he founded it in 2003. During Friday's fighting, some militiamen appeared to defy the firebrand cleric's orders for calm."

The Financial Times (10/21, Negus) headlines its coverage, "Amara Unrest Strains Plans For Unified Iraq" and reports from the British point of view, "The fighting threatens to disrupt British plans to complete the handover of the four Shia-majority provinces in their area of responsibility to local authorities. British and other coalition forces had already

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pulled out of two of the four provinces in their zone in June and September and withdrew from Amara in August."

The AP (10/20, Hurst) reports, "The Amarah showdown between the two virtual private armies highlighted the potential for an all-out conflict between them and their political sponsors, both with large blocs in parliament and important to the survival of Prime Minister Nouri al-Maliki's shaky 4-month-old government." Secretary Rumsfeld is quoted as saying that it "was not a strategic error for the British to turn over control of the city to the Iraqis in August."

Many Iraqis Consider Militia Gunmen As Protectors. The New York Times (10/21, Tavernise, 1.21M) reports that "the Mahdi Army, and a growing criminal breakaway element, have grown into one of the government's biggest problems and are a major obstacle to the success of the American enterprise here. Despite its new rogue fringe, Iraqi Shiites see the Mahdi militia as their most effective protector against the hostile Sunni groups that have slaughtered Shiites and driven them from their homes. Shiites say that as long as the government cannot keep them safe, they cannot support the disarming of militias. ... It is a broadly held view among Shiites that the American military has unfairly focused on Shiite militias and has largely forgotten the Sunni militias that they say launched the sectarian war." The Times asks rhetorically, "How is it possible to control a militia when trust among Iraqis has vanished and the government is incapable of containing the spiraling violence?"

Iraqi Religious Leaders Issue Edicts Against Violence. The AP (10/20) reports, "In a bid to stop sectarian bloodshed, Shiite and Sunni religious figures met in Mecca, Islam's holiest city, and issued a series of edicts Friday forbidding violence between Iraq's two Muslim sects. It is uncertain, however, whether the edicts, or fatwas, will find resonance among the country's Sunni and Shiite militants whose tit-for-tat attacks have created a deadly cycle of violence that gains momentum and brutality daily." The ongoing violence "is largely perpetuated by militants who abide only by the strict interpretations of the Quran, Islam's holy book, and Hadith, sayings of Islam's prophet Muhammad, that are offered by radical clerics outside Islam's mainstream."

The Washington Times (10/21, 88K) in a front page article reports on this meeting and its edict as well, stating, "It was not clear what impact the document signed by the dozens of clerics would have on militias that appear to be outside the control of both Shi'ite and Sunni religious authorities, and others that are affiliated with al Qaeda. Nevertheless, it marked an unprecedented effort by Iraqi religious leaders -- who gathered in the Saudi Arabian city where Islam was born -- to speak out against the bloodshed that has increased daily throughout the holy month of Ramadan."

UN Says 914,000 Have Fled Iraq. The AP (10/20, Jordans) reports, "At least 914,000 Iraqis have fled their homes since the U.S.-led invasion in 2003, more than a third since an increase in sectarian bloodshed at the start of this year, the U.N. refugee agency said Friday. ... The agency has concluded that 754,000 displaced Iraqis remain in the country." The Los Angeles Times (10/21, 918K) carries an abbreviated version of this article.

UN Complains Of Iraqi Sealing Of Civilian Death Toll Data. The New York Times (10/21, Hoge, 1.21M) reports, "The United Nations office in Baghdad says that Nuri Kamal al-Maliki, the Iraqi prime minister, has ordered the country's medical authorities to stop providing the organization with monthly figures on the number of civilians killed and wounded in the conflict there, according to a confidential cable. ... Ashraf Qazi, the United Nations envoy to Iraq, says the prohibition may hinder the ability of his office to give accurate accounts in its bimonthly human rights reports on the levels of violence and the effect on Iraqi society."

GOP Criticizes CNN For Airing "Sniper Tape." The Los Angeles Times (10/21, Perry, 918K) reports, "CNN cable news has become 'the publicist for an enemy propaganda film' by broadcasting a tape showing an insurgent sniper apparently killing an American soldier" according to House Armed Services Committee Chairman Duncan Hunter. Hunter "called for the Pentagon to oust immediately any CNN reporter embedded with U.S. troops in Iraq." Reps. Brian Bilbray and Darrell Issa joined Hunter in "sending a letter to Defense Secretary Donald H. Rumsfeld." The Pentagon, though, "had no official reaction to the CNN video. Though embedded reporters are made to sign pledges not to show the faces of dead Americans until their families are notified, nothing prohibits the use of pictures where identities are not discernible."

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Plea Is Reported In Iraq Murder Case. The AP (10/20, Watkins) reports, "A Camp Pendleton Marine will plead guilty next week for his role in the killing of an Iraqi civilian last April, his attorney said Friday. Pfc. John J. Jodka, 20, of Encinitas, would be the first Marine to plead guilty in the case, in which six other Marines and one Navy corpsman were also charged with murder." His attorney "said Jodka would testify at his court-martial and that sentencing was not expected until Nov. 15."

The Los Angeles Times (10/21, Perry, 918K) reports that Jodka "was the youngest and lowest-ranking" of the Marine defendants and that he "was moved from the brig at Camp Pendleton to the Miramar Marine Corps Air Station brig two weeks ago to separate him from other defendants."

Officer Awaits Ruling In Abu Ghraib Case. The AP (10/20, Dishneau) reports, "An Army colonel began deliberating Friday whether to recommend a court-martial for an officer accused of abusing Abu Ghraib prisoners by ignoring their mistreatment and then lying to investigators about it. A decision is expected by early November on whether Lt. Col. Steven L. Jordan, an Army reservist from Fredericksburg, Va., will stand trial for any of the 12 charges against him." He "is the highest-ranking U.S. soldier, and the first officer, charged with crimes stemming from the physical abuse and sexual humiliation of Abu Ghraib detainees."

Colonel Takes Care Of 18,000 Troops' Families. ABC World News (10/20, story 10, 3:10, Gibson, 8.78M) reported, "Finally from us, our 'person of the week' we are awed, time and again, by the bravery and sacrifice exhibited on the battlefields of Iraq. And humbled when we hear of the sacrifices that families at home also make. Tonight, the man who takes care of the families when their loved ones are in the thick of war." Col. Larry Phelps: "I think the perception is, when a unit deploys, it sweeps the building out, locks the door and walks away. But with a division the size of this one, we have over 18,000 soldiers. And every one of those soldiers has a family. And every one of those families has to be taken care of in the absence of the soldier." Gibson: "Colonel Larry Phelps is the commander of the Army's 1st Cavalry Rear Detachment. The 1st Cav is presently deploying 18,000 soldiers to Iraq. And in simple terms, Colonel Phelps is in charge of taking care of the 18,000 families left behind. Taking care of one family is hard enough for most of us. Think about 18,000."

Gunmen Murder 8 Afghan Laborers. The Los Angeles Times/AP (10/21) reports, "Gunmen ambushed a carload of Afghan laborers heading home from a remote U.S. military base in eastern Afghanistan and executed eight of them ... The killings occurred as a statement purportedly issued by fugitive Taliban leader Mullah Mohammed Omar called for stepped-up attacks on Afghan and foreign troops." The victims "worked for the U.S. military in the mountainous Korangal area of Kunar province."

Total Says Interrogated Executive Is Innocent In Oil For Food Probe. The New York Times (10/21, Kanter, 1.21M) reports, "The French oil company Total rallied on Friday to the defense of its second in command and designated chief executive, Christophe de Margerie, after he was taken into custody and questioned about possible illegal payments for Iraqi oil. Mr. de Margerie, 55, and a former Total executive, Bernard de Combret, 63, were released on bail on Thursday after being held for 48 hours." A spokeswoman said, "The judge has to prove that he is or is not guilty, and we think he's not guilty."

The Financial Times (10/21, Arnold) reports, "The surprise move cast a shadow over plans for Mr Margerie to replace Thierry Desmarest as chief executive when the latter steps up to non-executive chairman after the group's annual results in February. ... The charges add to growing discomfort in Paris political and business circles about the damage being done to France's prestige by the inquiry. ... Politicians and executives in countries from Germany to India have been snared by the scandal. But France's strong ties to Saddam Hussein's regime seemed to mean it was more involved than most."

Columnist King Sees Violent New Iraq. In his Washington Post (10/21, 748K) column, Colbert King writes, "Some of us can't forget the prewar talk about weapons of mass destruction and Saddam Hussein's partnership with al-Qaeda, and how wrong the foreign policy elite were about that. Then there was the rosy post-Hussein world portrayed by the Bush administration, in which Iraqis, liberated from the grip of fear and imbued with a deep and abiding respect for human rights and freedom, would be busy building a better future for themselves. ... There is a new Iraq emerging before our eyes. It is an Iraq that torments Christians, that indulges in unrelenting sectarian bloodbaths, that cheers for Hezbollah, that is no more a friend to Israel than is Iran, all despite the

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lies sold to the White House and Pentagon by self-serving, power-hungry Iraqi expatriates."

Cynthia Tucker Says Bush "Exploited" Americans' Fears. In a column scheduled to appear Sunday in the Atlanta Journal Constitution (10/22), Cynthia Tucker writes, "Bush had a major advantage in persuading Americans to support his Iraqi misadventure: Voters wanted to believe that ousting Saddam would take care of terrorists. ... But 3 1/2 years after the invasion, with bloodshed escalating, the spell has worn off…we are less secure than we were five years ago. Terrorists are using our invasion of Iraq as a recruiting tool. While Saddam had no weapons of mass destruction, North Korea apparently now has nukes. Iran is on its way to nuclear capabilities. And we have few soldiers left to handle a conflict anywhere else." She also charges that Secretary Rumsfeld "was eager to attack Iraq because it presented better targets for our advanced weaponry than primitive Afghanistan, according to several White House insider accounts."

DOJ:

DOJ Honors Five Maryland Prosecutors With Director's Awards. The Baltimore Sun (10/21) reported, "The US Justice Department honored five federal prosecutors in Maryland yesterday with 2006 Director's Awards from the department's executive office for United States attorneys. Roann Nichols was recognized for her work in negotiating the civil settlement of fraud charges against Serono Laboratories Inc. in connection with illegal schemes to promote, market and sell its AIDS drug, Serostim. A. David Copperthite and Charles J. Peters, who serve in the U.S. attorney's narcotics and organized crime section, were recognized for their work on the prosecution of Baltimore police detectives William King and Antonio Murray. Stuart A. Berman and Barbara S. Skalla received Director's Awards for their work on the prosecution of international drug dealers from Pakistan, a trial handled in the U.S. District Court in Greenbelt."

CORPORATE SCANDALS:

Ouster Of UnitedHealth CEO Could Make Other CEOs Vulnerable. The AP (10/21) reported, "Chief executives caught in the stock-options scandal may find it harder to keep their jobs now that a CEO as mighty as UnitedHealth's William McGuire has fallen. The scandal rattling corporate America has claimed more than three dozen executives and board directors at 19 public companies so far. McGuire, whose retirement was announced Sunday, is arguably the most prominent. … The fall of a big domino like McGuire - the man who engineered UnitedHealth's rise from a regional health insurer into the nation's second-largest - can spark the descent of others like him." The AP adds, "A sort of guillotine for corporate executives has been set out in the public square. With more than 100 companies under options investigations by the Justice Department and the Securities and Exchange Commission, many likely are eager to show their cooperation with the authorities and willingness to take remedial action - like firing executives believed to be implicated or responsible and possibly recouping some of their options money."

Fifth Circuit Ruling Could Aid Skilling Effort To Have Convictions Thrown Out. Bloomberg (10/21) reported, "A federal appeals court has refused to consider reinstating the convictions of four former Merrill Lynch executives found guilty of helping engineer Enron's sale of mobile power plants to the brokerage in 1999 to help Enron appear to have met earnings targets. The United States Court of Appeals for the Fifth Circuit denied a government request for a hearing before all its 15 judges, the online court docket said yesterday. … The decision may help Enron's former chief executive, Jeffrey K. Skilling, in his bid to have his guilty verdicts thrown out. Mr. Skilling, 52, had cited the ruling in asking the judge in his case to cancel his fraud convictions. His sentencing begins Monday."

The New York Post (10/21, Tharp) reported that Skilling "faces 20 years behind bars at his sentencing Monday - while his lawyers face an unpaid legal tab of $30 million." Skilling is "already nearly broke, say his lawyers. But prosecutors say he's got many millions left from his ill-gotten gains, and must fork over $182.9 million in penalties and restitution to his victims."

Feinstein Urges DOJ To Appeal Ruling On Lay Convictions. The Fresno Bee (10/21) reports, "Sen. Dianne Feinstein is urging the Justice Department to appeal a ruling this week vacating the fraud and conspiracy conviction of Enron founder Kenneth Lay." In a letter to Attorney General Alberto Gonzales. Feinstein criticized "the decision to erase

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the conviction. U.S. District Judge Sim Lake in Houston made the ruling because Lay died before getting to pursue appeals. 'I urge the Justice Department to seek an appeal of Judge Lakes' decision, so that the government can fight to preserve Enron victims' hard-fought right to obtain restitution,' Feinstein wrote."

The Houston Chronicle (10/21, Ivanovich) reports, "Feinstein argued the 5th Circuit's ruling went beyond a doctrine in common law that does away with punishments after a defendant's death. 'The Supreme Court has never held that it also must wipe out a victim's right to compensatory relief such as restitution,' Feinstein wrote."

Grasso Vows To Continue Fighting Over Paychecks. The Wall Street Journal (10/21, B1, Lucchetti, Davies) reported, "The fight over one of Wall Street's biggest paychecks -- the $187.5 million compensation package amassed by former New York Stock Exchange chief Dick Grasso -- is headed for yet another round of nasty court battles. A judge's decision on Thursday that Mr. Grasso needs to give back as much as $100 million significantly changes the landscape of the battle, handing Mr. Grasso's enemies a key victory. Mr. Grasso vowed to keep pressing his case. 'I believe it was right when I started, and nothing has changed my mind,' Mr. Grasso said Friday in an interview."

CRIMINAL LAW:

Ethics Panel May Release Interim Report On Foley Case Before Election. The Washington Post (10/21, A8, Eilperin, 748K) reports, "Despite an uncharacteristic spurt of activity, the House ethics committee is unlikely to complete its investigation of the Mark Foley page scandal before the election, but it may issue an interim report on Foley's activities and how the GOP leadership responded to warnings." In addition to key members of House Speaker Dennis Hastert's staff they may depose Hastert as well. Rep. Howard Berman and the panel's chairman, Rep. Doc Hastings "have managed to resuscitate the panel to some extent in recent months, doling out private advice to lawmakers behind closed doors and taking on the politically sensitive task of probing whether Hastert and his deputies failed to act quickly enough to stop Foley."

Priest Suspended After Abuse Of Foley Revealed. The CBS Evening News (10/20, story 4, 2:00, Couric, 7.66M) profiles Father Anthony Mercieca, "the priest at the center of the Mark Foley scandal. Today we got our first look at him and the church is now taking action." The New York Times (10/21, Goodnough, 1.21M) reports, "The Archdiocese of Miami on Friday barred the Rev. Anthony Mercieca from functioning as a priest anywhere in the world after confirming that he was the clergyman who Mark Foley said molested him in the 1960's."

The New York Times (10/21, Fisher, 1.21M) adds, "The sketchiest of portraits emerged from neighbors and church officials: Father Mercieca retired here a few years ago, having spent his career mostly in Brazil and the United States, and has not been officially active here as a priest. But he said Mass at 9 every morning for several dozen worshipers at the main church here."

US Will Not Seek Fourth Trial Of Gotti. The New York Times (10/21, Feuer) reported, "John A. Gotti, who three times in just over a year has escaped conviction on federal racketeering charges, will finally be able to pursue what he claims he has long desired: an ordinary life. After three trials in Manhattan, each ending in a hung jury, federal prosecutors have announced that they will not seek a fourth trial on those charges for Mr. Gotti, a decision federal officials had indicated was likely. It enshrines him as a defendant even trickier to convict than his father." The Times noted, "This decision does not preclude the F.B.I. or other authorities from developing new evidence for a different case some day." In a widely-distributed story, the AP (10/21, McShane) called it "one huge victory for second-generation mobster" Gotti. "But more legal problems could lie ahead: Radio talk show host Curtis Sliwa promised a civil suit against Mr. Gotti over his near-fatal June 1992 kidnapping allegedly ordered by the mob scion."

The New York Daily News (10/21, Marzulli) reported, "Though Gotti insists he left the Mafia behind in 1999, one law enforcement source said it's 'pretty impossible' to believe he's going to move away and go straight. 'He sitting on a ton of money which is all ill-gotten gains,' the source said. 'He knows one life and it's called organized crime. Plus he has to look over his shoulder with the Gambino family because he really upset a lot of people.' But mob expert Jerry Capeci said he doesn't think anyone is gunning for Gotti for speaking to prosecutors." Capeci noted, "He never hurt anyone, never became a cooperating witness." Newsday (10/21, DeStefano) added that US Attorney Michael Garcia said in a

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statement Friday that US District Judge Shira Scheindlin "signed papers that ended the prosecution of Gotti. 'It was just wise to stop,' said one federal law enforcement official who asked not to be named." The New York Post (10/21, Cornell) reported on the decision, under the headline "Giddy Gotti Jr. Defeats The Feds." The Staten Island Advance (10/21, Harrell) and Bloomberg (10/21, Glovin, Hurtado) also reported the story.

DOJ Examining Harman's Relationship With AIPAC. Time (10/22, Burger) reported on its web site, "Did a Democratic member of Congress improperly enlist the support of a major pro-Israel lobbying group to try to win a top committee assignment? That's the question at the heart of an ongoing investigation by the FBI and Justice Department prosecutors, who are examining whether Rep. Jane Harman of California and the American Israel Public Affairs Committee (AIPAC) may have violated the law in a scheme to get Harman reappointed as the top Democrat on the House intelligence committee, according to knowledgeable sources in and out of the US government." A spokesman for AIPAC "denied any wrongdoing by the group and stressed that it is not taking sides in regards to the committee assignment. Spokespersons for Justice and the FBI declined to comment."

The Washington Times (10/21) reported, "Time Magazine reports she may have received a boost from the American Israel Public Affairs Committee when Minority Leader Nancy Pelosi wanted to remove her from the committee. Harman left a voice mail for the magazine calling any suggestions of improper conduct 'irresponsible, laughable and scurrilous.' She has retained Ted Olson, the lawyer who formerly served as President George W. Bush's solicitor general. Olson told Time Harman did not know of any investigation but decided to retain him after news reports of a probe."

Abramoff To Serve Time In Cumberland, Maryland. NBC News (10/21, Seidman) reported, "Disgraced lobbyist Jack Abramoff will report Nov. 15 to a federal prison in Cumberland, Md., to serve a 70-month sentence for fraud and conspiracy charges in connection with the purchase of Florida-based SunCruz Casinos. U.S. District Judge Paul Huck granted a request by prosecutors and Abramoff's lawyer, Abbe Lowell, that Abramoff serve his time at the Cumberland facility because it is within driving distance of Washington. They said in a court filing that Abramoff was cooperating in the Justice Department's Washington influence peddling investigation and would continue to assist prosecutors while in prison."

Alaska Lawmaker's Relationship With Developer Is One Focus Of FBI Probe. The Anchorage Daily News (10/21, Demer) reported, "Last year, state Rep. Vic Kohring sat down with the mayor of the Fairbanks North Star Borough, Jim Whitaker, to talk about changing a state law to increase a tax break for an Anchorage-based developer." Kohring "was on the payroll of the developer, Marc Marlow, for whom he had been working since November 2004. To Whitaker, himself a former legislator, Kohring was acting like a lobbyist, not a lawmaker." The Daily News added, "Kohring has worked on a half-dozen projects for Marlow," and "now their relationship is coming under new scrutiny as part of an FBI investigation into legislators, influence peddling and the oil field service and construction company Veco Corp. Kohring is one of six Alaska legislators whose offices were searched by the FBI," and "agents took a folder of information on Marlow along with other items, according to a copy of the receipt for property provided by Kohring's attorney."

FBI Investigating Former New Jersey Township Planning Board Member. The Asbury Park Press (10/21, Brown) reported from Tinton Falls, N.J., "The FBI served a subpoena at borough hall late Friday afternoon requesting all records relating to a former Planning Board member's activities while a borough official, a source said. The source…said the FBI is investigating the activities of Paul J. Abrams and his relationship with the developer of the proposed Heather Glen development, intended for the Tinton Avenue site of the former Communications-Electronic Command building." The Press noted, "News of the subpoena apparently had not reached Abrams on Friday. 'I have no idea what you're talking about,' he said."

FBI Subpoenas Records On Rhode Island Senate President's Land Deals. WJAR-TV Providence (10/20) reported on its Web site from a story broadcast Friday, "NBC 10 has learned that the FBI has subpoenaed records from the West Warwick Town Hall and confirmed that the records taken involve land deals that Senate President Joseph Montalbano conducted for the

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town. … The state Ethics Commission is still looking into a complaint accusing Montalbano of failing to disclose legal work he did for West Warwick before a vote on a constitutional amendment that would allow a casino to be built in the town. The complaint, filed by Operation Clean Government…accused Montalbano of failing to disclose more than $86,000 that his law firm received for work done for West Warwick town authorities." The Pawtucket Times (10/21, Scudder) noted, "The FBI would not confirm or deny if or what documents were subpoenaed from the town. 'We can only speak to what is public record. I have nothing in my records that indicates any activity that is of public record,' said FBI spokesperson Gail Marcinkevich. Television news reports, however, said that Bauer confirmed it was the FBI that subpoenaed records from town hall."

Informant Taped Friends, Associates, Girlfriend In Effort To Reduce His Sentence. A front page story in the Wall Street Journal (10/21, A1, Richardson) reported, "To secure a lighter sentence, Garland Hardeman taped friends, associates and a lover Surviving a .22 caliber shot to the head. … Mr. Hardeman, a Los Angeles cop-turned-lobbyist, was 'working off a beef,' as prosecutors say -- hoping to reduce his own jail time by acting as a government witness. Earlier, he had been busted for attempted bribery in a Los Angeles garbage-hauling scandal. He continued to work as a lobbyist, using the job as cover to trick friends and business associates into admitting their part in one of the most widespread cases of public malfeasance in the U.S., spanning nine cities and five states." Hardeman "wore a wire to record 17 people, many of whom were subsequently convicted. That included his girlfriend. He testified in four grand juries and three trials and accounted for a 'substantial' part of the evidence used in 'the most pervasive corruption case this district has ever seen,' says Tom McConville, a federal prosecutor in the Central District of California. Many of the cases involved paying bribes and kickbacks in return for municipal contracts."

Williams Settles Education Department Case. The AP (10/21) reported, "Columnist Armstrong Williams has reached a settlement with prosecutors regarding payments he received by the Education Department to promote President Bush's agenda. Under the settlement, Williams admits no wrongdoing but will have to pay $34,000. The deal was reached last week by Williams, the Education Department and its subcontractor, Ketchum Communications." The settlement "brings to a close a yearlong investigation into the case after reports emerged that the Education Department contracted with several radio, television and print commentators to promote the No Child Left Behind Act." The AP adds, "In the settlement, the Justice Department examined whether Williams actually performed the work that was promised in his $240,000 contract signed in late 2003 and cited in his monthly reports to the Education Department. Ultimately, prosecutors determined he was overpaid $34,000."

Man Wanted In Poland For 1998 Police Killing Arrested In US. The Chicago Tribune (10/21, Coen, Bush, Zajac, Wischnowsky) reported that Edward Mazur, a Glenview businessman who is wanted in Poland for soliciting the murder of a former national police chief, ""was taken into custody Friday morning at his home, an arrest billed as a breakthrough in a case of enormous significance in that country." Mazur "appeared in federal court in Chicago on Friday afternoon, and was ordered held pending an identification and extradition hearing Wednesday. The arrest came on the heels of a high-level meeting in Washington this month between Atty. Gen. Alberto Gonzales and Polish Justice Minister Zbigniew Ziobro."

The AP (10/21, Robinson) reports that US Magistrate Judge Arlander Keys "warned the defendant that if he proved to be the Edward Mazur named in an arrest warrant issued by a court in Warsaw, 'the officials from Poland will come to Chicago and take you in custody to Poland.'"

YouTube Turned Over User Data To Media Lawyers In Response To Subpoena. Market Watch (10/21, Charny) reported, "YouTube's actions in response to a subpoena it received in May show that it has been keeping tabs on users who post copyrighted material to its site -- and in one case shared the name of a user with lawyers from a Hollywood film studio. On May 24, lawyers for Viacom Inc.'s Paramount Pictures convinced a federal judge in San Francisco to issue a subpoena requiring YouTube to turn over details about a user who uploaded dialog from the movie studio's 'Twin Towers,' according to a copy of the document. YouTube promptly handed over the data to Paramount, which on June 16 sued the creator of the 12-minute clip, New York City-based filmmaker Chris Moukarbel, for copyright infringement, in federal court in Washington."

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Church Youth Pastor Indicted On Child Porn Charges. The St. Louis Post-Dispatch (10/21, Villarreal) reported, "A former youth leader at Grace Baptist Church in St. Charles was indicted Thursday on federal child pornography charges. According to the indictment, Michael Gulley…had seven files of child pornography on his computer. Terri Dougherty, assistant to U.S. Attorney Catherine Hanaway, said the files were sent from Gulley's work computer to his home computer. Capt. Gerry Pollard, spokesman for the St. Charles Police Department, said the investigation began in November 2005. 'A person involved with the church became alarmed at what was going on,' he said." Gulley "was indicted on one felony count of possession of child pornography. If he is convicted, he could face a maximum of 10 years in prison, fines up to $250,000 and supervised release for life."

NYPD To Receive Grant To Buy Bulletproof Vests. The Staten Island Advance (NY) (10/21, Hart) reported, "The NYPD is finally on course to receive a federal grant of more than $538,000 to purchase about 1,000 bulletproof vests, under a funding stream approved yesterday by the Department of Justice. The money comes from the Justice Department's Bulletproof Vest Partnership Grant Program, funded at $30 million in the Fiscal Year 2006 Science, State, Justice, and Commerce Appropriations bill."

Scios Under Investigation For "Off Label" Marketing Of Heart Drug. The San Jose Mercury News (10/21, Johnson) reports, "The heart-failure drug Natrecor seemed sure to become a blockbuster after Scios of Fremont put it on the market in 2001. Besides its use in hospitalized patients, many clinics began giving it to walk-in patients in weekly sessions dubbed 'tuneups.' … There was only one problem: Some medical experts contend Natrecor was never approved for such tuneups. Some also say it may not be as safe as initially thought. Scios says studies show the drug is safe. And it has launched a campaign to clarify to doctors that the drug is not recommended for repeated use in patients in a clinic setting. Nevertheless, the drug's sales have sagged and the company is under investigation by the US attorney in San Francisco for allegedly engaging in 'off-label' marketing, promoting drugs for uses not approved by the government."

CIVIL LAW:

Illinois Firm Settles Naval Shipyard Kickback Accusations. The Newport News (VA) Daily Press (10/21) reports, "An Illinois transportation firm has agreed to pay $4.2 million to settle US Justice Department accusations that it deliberately overcharged Norfolk Naval Shipyard for delivering cargo. The original whistle-blower -- who runs a competing freight forwarding firm in Newport News -- is sharing the winnings." AIT Worldwide Logistics of Itasca, Ill., "had been accused of scheming with its agent in Hampton Roads and a transportation officer at Norfolk Naval Shipyard to bilk the government in exchange for giving kickbacks to the transportation officer. Paul Watkins runs the Oyster Point division of Target Logistic Services, a Baltimore-based company that competes with AIT for freight forwarding contracts. He was the original whistle-blower, gathering evidence of the scheme three years ago and reporting it to the Naval Criminal Investigative Service. Under the terms of the federal whistle-blower act, Watkins and his lawyer will split 18 percent of the amount of the Justice Department winnings."

Government Reaches Settlement Over Jet Noise Claims. The Navy Times (10/21, McMichael) reports, "The US government has reached a tentative settlement with more than 3,000 southern Virginia homeowners over their claims that excessive Navy jet noise reduced the value of their properties beginning in 1999, according to a court order filed Tuesday. The published order cancels the trial that was scheduled to start Thursday in Chesapeake, Va., under the auspices of the US Court of Federal Claims. Judge Victor J. Wolski also halted all proceedings in all the matters and ordered that the parties file a joint status report on the settlement process within 90 days. Settlement details or proposals for same have not been released. Justice Department spokeswoman Cynthia Magnuson cautioned that 'nothing has been finalized.'"

DOJ Cracking Down On Bankruptcy Fraud. The Salt Lake Tribune (10/21, Oberbeck) reports that the Justice Department is cracking down on bankruptcy fraud. According to the Tribune, prosecutors "have filed criminal charges against 78 people in 36 judicial districts nationwide. Three of them were in Utah. … Among those charged as a result of the nationwide sweep were nine attorneys, two bankruptcy petition preparers and a former law enforcement

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officer. The Justice Department estimates fraud is involved in approximately 10 percent of all bankruptcy petitions. Collectively, the charges alleged defendants concealed more than $3 million in assets, used false Social Security numbers and identities, submitted fraudulent documents and fraudulently received government loans and benefits, the Justice Department said. In many states such bankruptcy fraud prosecutions are rare, but that's not the case in Utah.

The Federal Times (10/21, Curl) reports, "Agencies are improving the way they disseminate information to the public thanks to a presidential directive that requires them to review and revamp how they respond to Freedom of Information Act requests. The executive order 'has had an immediate and widespread positive effect on the operations of the federal agencies that administer the FOIA,' Attorney General Alberto Gonzales wrote in a report issued Oct. 16. However, he noted that a large backlog at many agencies 'still remains an area of concern.'" The Presidential order, issued in December 2005, "requires agencies to name chief FOIA officers at the assistant secretary level and create improvement plans to streamline the processing of requests. The order also directs agencies to establish one or more service centers and designate one or more public liaisons to this effort. Gonzales said agencies, in their FOIA improvement plans, have embraced a number of critical elements — expanded use of technology, active disclosure of information, improved customer service and backlog reduction."

CIVIL RIGHTS:

California Congressional Candidate's Office Raided. The AP (10/21, Prengaman) reports that the home of California congressional candidate Tan Nguyen was raided by 10 uniformed California Department of Justice police officers Friday. Agents "spent two hours sifting through cabinets, boxes and computers" and "left carrying several boxes and plastic bags of evidence." Nguyen has acknowledged his campaign sent a letter, "which wrongly said immigrants could be jailed if they voted. He blamed an unidentified staffer whom he said he has fired. Nguyen has resisted calls from leaders in his own party to quit the race, saying he did not approve the letter and did not know about it."

The Orange County (CA) Register (10/21, Santana) reports, "Agents also searched Nguyen's Santa Ana home and a campaign worker's Anaheim home."

The McClatchy Newspapers (10/21, Santana) reports, "Despite burgeoning state and federal probes into the flier, Nguyen's attorney said Nguyen has no plans to withdraw as the Republican nominee for the 47th Congressional District race against incumbent Democrat Loretta Sanchez. Dave Wiechert, an attorney representing Nguyen, said that 'Mr. Nguyen has indicated that he did not authorize or approve the mailing' yet declined to discuss specifics because of the ongoing investigation. Wiechert added that misinformation was fueling what he called 'a political firestorm.'"

The Los Angeles Times (10/21, Delson, Goffard, Tran) reported, "Even as he prepared to step before the cameras Friday in an effort to mend his tattered candidacy for Congress, the worst week of Tan Nguyen's political life got bleaker still, as state agents raided his Garden Grove campaign headquarters and Santa Ana home, hauling off computers and bags of evidence." Nguyen "maintains that he neither wrote nor authorized the instantly infamous letter, claiming it was the work of a campaign manager he refused to name. According to the head of the Orange County Republican Party, however, the mailing house that sent the letter said Nguyen had a direct hand in it." Nguyen lawyer David Wiechert "said agents from the state attorney general's office had questioned Nguyen for two hours Thursday and that he was cooperating fully with their investigation." The New York Times (10/21, Chang, 1.21M) also briefly reported on the search of Nguyen's home and office.

Local Television. Many California television networks reported that federal authorities raided the campaign office and home of Republican congressional candidate Tan Nguyen in an effort to find evidence regarding who sent a letter threatening illegal immigrants with arrest if they vote. Some examples: KNSD-TV San Diego, (10/20, 6:14 p.m.) broadcasted, "Authorities came looking for answers and for evidence. Investigators with the state Department of Justice spent nearly two hours inside the campaign office of Tan Nguyen. Authorities searched through files, computers and documents. They would not say what they found."

KPSP-TV Palm Springs, (10/20, 5:00 p.m.) broadcasted, "State authorities are searching the campaign office of Orange County Republican congressional candidate Tan Nguyen. … Tonight about ten uniformed agents from the state Department of Justice arrived at the campaign office today with a search warrant."

KSBY-TV Santa Barbara, (10/20, 6:15 p.m.) broadcasted, "State agents search the campaign office of a

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Republican congressional candidate whose campaign mailed thousands of intimidating letters to Hispanic immigrant voters. Half-dozen agents could be seen opening cabinets and scouring desks in the storefront campaign office of Tan Nguyen."

KFMB-TV San Diego, (10/20, 11:07 p.m.) broadcasted, "Department of Justice agents also searched Tan Nguyen's home. The republican maintains he's innocent, saying he fired the staffer responsible for the controversial letter."

KPSP-TV Palm Springs, (10/21, 11:30 p.m.) broadcasted, "Schwarzenegger said if candidate Tan Nguyen knew about the letter, he should resign. 'I think those kind of tactics are illegal, this is hate crime, and I think that anyone that knew, and if he knew, has to resign immediately. I think there should be no tolerance for this kind of behavior, and I think that it is good that attorney general Bill Lockyer is investigating the whole thing."

Discrimination Claim Could Hurt Cracker Barrel's Ability To Draw Minority Customers. The State (SC) (10/21, Duplessis) reported, "Experts say Cracker Barrel gained one more business risk when the mother of comedian Chris Rock accused Cracker Barrel of racial discrimination for her treatment at a restaurant Tuesday. … The real risk is that it will set back the company's ability to lure one of the most lucrative sources of increasing its business: drawing more minority customers." Lawsuits "led Cracker Barrel to reach a consent decree in 2004. The Justice Department cited widespread discrimination within the chain. In some restaurants, black diners routinely were given tables apart from whites, were seated after white customers who arrived later and were given inferior service. The decree led Cracker Barrel to establish a discrimination policy."

Court Strikes Down Las Vegas Ordinance Barring Street Solicitation. The New York Times (10/21, Marshall) reported, "A federal appeals court in San Francisco struck down a Las Vegas ordinance barring solicitation on city streets, calling it unconstitutional. The decision, by the United States Court of Appeals for the Ninth Circuit, stems from a 1997 case brought by the American Civil Liberties Union and several religious and political groups challenging Las Vegas ordinances that barred certain groups from distributing leaflets or using vendor tables along a five-block pedestrian promenade. The court also ruled that the city violated the ACLU's constitutional right to free speech when it forbid it to set up a vendor table."

Alabama Reported Zero Hate Crimes In 2005. The Mobile Press-Register (AL) (10/21, Daker) reported, "No hate crimes were recorded in Alabama in 2005, according to statistics released this week by the FBI, but law enforcement agencies representing about 10 percent of the state's population were the only ones providing information for the survey. Alabama and Mississippi were the only states in the nation that reported zero hate crimes, according to the FBI. Hawaii did not participate in the study, which included 49 states and the District of Columbia." The FBI "reported that nationally more than 7,000 criminal incidents recorded in 2005 occurred as a result of bias toward a particular race, religion, sexual orientation, ethnicity/national origin, or physical or mental disability. In 2005, California reported the most hate crimes, recording 1,379. New Jersey reported the second most with 738, according to the FBI."

ACLU Asks Justice Department To Monitor Chesterfield County Voting. The Richmond Times-Dispatch (10/21, Whitley) reported, "The American Civil Liberties Union of Virginia asked the U.S. Justice Department yesterday to send election observers to Chesterfield County on Election Day. The ACLU claims the county's actions could discourage minority voters. Kent Willis, director of the ACLU, cited four incidents over the past two years, including a new allegation that the registrar, Lawrence C. Haake III, refused to issue an absentee ballot to a registered voter because the prospective voter would not give his Social Security number. Cynthia Magnuson, a spokeswoman for the Justice Department, said the department has received the letter from Willis. It does not disclose which localities it will monitor until 24 hours before an election, she said."

The AP (10/21) reported, "Willis cited several actions since 2004: --In October 2004, the county's general registrar, Lawrence Haake III, announced plans for security reasons to place armed guards at every polling precinct, a tactic Willis said was used in the past to intimidate black voters. --In November 2004, ACLU officials received complaints that county poll workers were restricting voters lacking identification. Willis said Virginia law allows voters to cast ballots without identification, provided they sign an affirmation of identity. --Requiring absentee voters to provide Social

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Security numbers. The State Board of Elections has said registrars can ask for Social Security numbers, but they cannot deny a ballot. --Refusing to count provisional ballots of voters who registered through the state Department of Motor Vehicles prior to registration deadlines, but whose applications had not been forwarded to the registrar."

SCOTUS Overturns Injunction On Arizona Voter ID Law. The Washington Post (10/21, A3, Lane, 748K) reports the Supreme Court "ruled yesterday that Arizona may enforce a new state law requiring voters to show a photo identification card at the polls on Election Day this year, despite a pending lawsuit by opponents who say the measure will disenfranchise the poor, minorities and the elderly. In its unanimous five-page ruling, the court did not decide whether the Arizona law was constitutional. Rather, it overturned a federal appeals court in San Francisco that would have blocked enforcement of the law until the opponents' suit could be decided." The law "requires voters not only to present proof of citizenship when they register but also to present a photo ID when they go to the polls. Those without a photo ID may cast a provisional ballot, but their votes do not count unless they can produce a valid identification card within five days."

The New York Times (10/21, Greenhouse, 1.21M) reports, "In an unsigned opinion, the court granted Arizona's request to overturn an injunction issued this month by a two-judge federal appeals panel. The judges, A. Wallace Tashima and William A. Fletcher of the United States Court of Appeals for the Ninth Circuit, had acted at the request of a group of Arizona Indian tribes, the League of Women Voters and other groups who have joined to challenge the constitutionality of the rules." The AP (10/21, Sherman) reports, "Courts in Georgia and Missouri have blocked similar laws. Justice John Paul Stevens, in a brief concurring opinion, said the high court's action makes it more likely that the constitutional issues 'will be resolved correctly on the basis of historical facts rather than speculation.'"

The Los Angeles Times (10/21, Savage, 918K) reports, "Friday's order is likely to be seen as a benefit for Republican candidates and a setback for Democrats. In recent years, Republicans in Congress and in many state capitals have pressed for voter-identification requirements at the ballot box. They say these rules are needed to combat fraudulent voting."

ANTITRUST:

Consumer Groups Want More Concessions From AT&T For BellSouth Buyout. The AP (10/21, Dunbar) reported, "Consumer groups say concessions offered by AT&T Inc. as it seeks government approval of its buyout of BellSouth Corp. fall far short of what's needed for the deal to be in the public interest. The Justice Department has signed off on the deal, but the Federal Communications Commission has not voted on it. AT&T contends it has offered a full range of accommodations, including $10-a-month Internet access, free modems, promises to temporarily freeze prices for competitors that use the company's networks and even a program to return to the United States some jobs that were shipped overseas." The AP Adds, "Opponents of the deal, whose views often closely track those of the commission's two Democrats who managed to delay a planned FCC vote, would like to see AT&T beef up its offer in three main areas: Stronger assurances by the company that it will not discriminate against certain kinds of Internet traffic, a concept known as 'network neutrality.' Offer 'naked DSL,' or stand-alone digital subscriber line service, that is priced competitively. Lower prices for 'special access' customers -- service offered to capacity-hungry customers, such as large businesses and Internet service providers, that guarantee a dedicated high-capacity link to distribute voice and data."

Bloomberg (10/21) reported, "AT&T Inc. will fight calls by opponents of its $81 billion purchase of BellSouth Corp. to divest airwaves intended for wireless high-speed Internet service, a company lobbyist said. AT&T, the biggest U.S. telephone company, plans to use the airwaves for emerging 'WiMax' broadband services, Senior Vice President Robert Quinn said Friday. 'Mobility is a feature that people are going to want to have,' Quinn said. 'We have every incentive in the world to utilize that spectrum.'"

Judge Rules Petco Vote Can Proceed. The San Diego Union-Tribune (10/21, Green) reported, "A judge declined yesterday to block a Monday meeting at which Petco shareholders will vote on the proposed sale of the company to two private investment firms. Attorneys representing dissident shareholders had wanted a temporary injunction halting the meeting so that shareholders could, among other remedies, be provided with additional information on how the company's board chose Leonard

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Green & Partners and Texas Pacific's $1.8 billion bid over a higher offer from PetSmart. In turning down the injunction request, San Diego Superior Court Judge John S. Meyer said there was not enough time 'to add some discrete information to the proxy' with Monday's meeting looming. He added that he was not sure whether an injunction was appropriate. He voiced concern during the hearing about possible damage to Petco's stock price if there should be a delay in the vote."

Federal Reserve Approves Regions, AmSouth Merger. The Huntsville Times (AL) (10/21, Smith) reports, "Regions Financial Corp. and AmSouth Bancorp. said late Friday that the Federal Reserve Board has approved their planned merger. The announcement came one day after AmSouth said it had reached an agreement with federal regulators to sell 52 branches in Alabama, Mississippi and Tennessee. That agreement resolved antitrust concerns raised by the Department of Justice after the two Birmingham-based banks said last spring they planned to merge. … The combined bank will keep the Regions name."

Ripplewood Mulling Bid For Delphi. The Wall Street Journal (10/21, A3, Dugan) reported, "Ripplewood Holdings LLC, a large New York-based buyout firm, is preparing a likely bid for Delphi Corp., the auto-parts giant that filed for bankruptcy protection last year, according to people familiar with the matter. Ripplewood has examined the possibility of taking over the entire auto-parts maker, but a bid for just part of Delphi also is possible, these people said." The Journal adds, "A bid for all of Delphi likely would far surpass $10 billion, people involved in the discussions said. Delphi's enterprise value -- the value of all its stocks and bonds combined -- is estimated to total between $13 billion and $14 billion when it emerges from bankruptcy protection, according to stakeholders and officials who have been negotiating a restructuring for several months."

Tops Exec Says There Was No Viable Offer To Buy Ohio Stores. The Cleveland Plain Dealer (10/21, Cho) reported, "Tops Markets LLC insists there was never a financially viable offer to buy all 46 of its grocery stores in Northeast Ohio. John Barrett, a senior vice president for Tops Markets in Williamsville, N.Y., said if Tops had received what it considered a legitimate proposal to keep all its stores open and hire all 4,000-plus employees, it would have taken it." Barrett's remarks "came at a meeting Friday with U.S. Rep. Dennis Kucinich, who is raising antitrust questions about Tops' decision to sell 18 of the stores to its principal competitor, Giant Eagle Inc."

High Court To Hear Weyerhaeuser Argument On Illegal Monopoly Ruling. The Oregonian (10/21, Rivera) reported, "The US Supreme Court will hear arguments next month about a ruling that Oregon and seven other states say is critical in stopping big companies from getting away with illegal monopolies in forest products, agriculture and high-tech goods. Attorneys general from Oregon, California, Arizona, Iowa, Louisiana, Montana, West Virginia and Wisconsin recently submitted a court brief that comes down against an argument by Weyerhaeuser Co., the timber giant. The case led to a $79 million judgment against Weyerhaeuser, prompting settlements and judgments totaling about another $50 million. The states did not explicitly support a 2003 Portland federal jury verdict that found Weyerhaeuser had created an illegal monopoly in the market for alder sawlogs. But they wrote stridently against a tough new legal standard for antitrust plaintiffs that Weyerhaeuser is seeking. Rejection of Weyerhaeuser's argument and adoption of a more lenient one, the states wrote, could bar a single firm from dominating government timber auctions, protect small businesses and ensure competition for government contracts."

Avaya Faces Federal Antitrust Suit. The AP (10/21, Johnson) reported, "Business communications systems provider Avaya is accused in a federal antitrust lawsuit of illegally blocking competitors from providing maintenance and repairs to telephone equipment and software sold by Avaya. Continuant of Fife, Wash., which operates a telephone system maintenance business throughout North America, said Wednesday that it countersued Bernards-based Avaya after the AT&T spinoff sued Continuant this summer. The two parties are scheduled to appear in federal court in Trenton, where the two lawsuits were filed, for a hearing Nov. 14."

Technical Glitch Mars Meeting On Vista Operating System. The IDG News Service (10/21, McMillan) reported, "Security vendors looking to gain insight into Microsoft's plans for opening up the Vista operating system kernel were frustrated Thursday morning when a technical glitch kept many from joining the first online discussion of this issue. … Microsoft set up the meeting to talk about how it plans to give security vendors access to

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Vista's kernel on 64-bit systems. This has been a contentious issue, as Microsoft had initially planned to lock software vendors such as Symantec and McAfee out of the kernel, claiming that this would make Vista more secure. The security vendors said this would harm their products, and Microsoft finally capitulated, after first being warned by European Union regulators. Microsoft rescheduled its Thursday morning Web conference after it realized it had sent out a bad LiveMeeting link to participants, but in the end some security vendors were shut out of the meeting."

Vista Fight Pits Microsoft Against Vendors. The AP (10/21, Robertson) reports that the fight over Microsoft's Vista operating system pits the company "against an unlikely adversary: the security software vendors who are some of its most intimate partners in protecting its notoriously vulnerable systems from attacks. As Vista's planned release nears, the company is facing a backlash from such vendors as Symantec Corp. and McAfee Inc., which argue that even the concessions Microsoft recently made to appease European antitrust regulators won't do enough to help them best protect their customers."

Gartner Analyst Says Antitrust Changes To Vista Will Take Years To Complete. CNET News (10/21, Evers) reported, "Antitrust related changes to security in Windows Vista 64-bit will take years to complete and will cause compatibility trouble in the interim," according to Gartner analyst Neil MacDonald. CNET added, "Users of security technologies such as host intrusion-prevention systems, or HIPS, should postpone buying 64-bit versions of Vista, Gartner analyst Neil MacDonald wrote in a research note published on Wednesday. MacDonald also noted that many integrated security products today include HIPS functionality."

ENVIRONMENT/INDIAN AFFAIRS:

Solar Services Companies Provide Cleaner Energy To Corporations. The New York Times (10/21, Deutsch, 1.21M) reports that one solution "a small but growing number of other companies and municipalities" have adopted to avoid high investment costs in solar power is to get "solar energy from systems installed by others. Even though the installations are right on their own roofs, they buy the electricity much as they would from a utility's grid. And because the companies that paid for the systems will get a steady income, they can provide power from the sun at competitive electricity rates." One example is a G.M.'s parts warehouse in Cucamonga, Calif., which "has been host to a photovoltaic array with the ability to generate as much as 1.5 million kilowatt hours of electricity a year." The Times notes, "A solar developer called Developing Energy Efficient Roof Systems…bought the equipment with money it raised from private financiers. Deers and its investors own the cells; G.M. signed a long-term contract to purchase the solar-generated electricity from them, at a discount to the prevailing rate for electricity in the region."

Homeowner Touts Benefits Of Personal Solar-Hydrogen Energy System. ABC World News (10/20, story 9, 2:00, Gibson, 8.78M) reported, "While the ups and downs of energy prices make a big difference to millions of families, what if you didn't care because your energy bills were zero? Today, one man in New Jersey, unhooked from the power grid forever." ABC describes how Mike Strizki has installed a "homemade, pollution-free power plant. And it will run his home using only sunlight and water." Strizki also has a fuel cell car, "also powered with homemade hydrogen. As a working prototype, the system was not cheap. $150,000 paid for with a utility grant. But Mike is quick to point out that early computers were also big and expensive."

Study Warns Of Extreme Weather Caused By Global Warming. The Washington Post/AP (10/21, A2, Borenstein) reports, "The world -- especially the Western United States, the Mediterranean region and Brazil -- is likely to suffer more extended droughts, heavy rainfalls and longer heat waves over the next century because of global warming, a new study" of nine computer models by the National Center for Atmospheric Research forecasts. Yet, "the prediction of a future of nasty extreme weather also includes fewer freezes and a longer growing season."

WSJ Dismisses Concerns Over Growing Population's Strain On Resources. The Wall Street Journal (10/21, A8, 2.03M) editorializes, "At bottom, the debate over population revolves around a single question: Are human beings a burden, or a resource?" The world has escaped pessimistic prognostications because of "prosperity" as "economic growth has easily outstripped population growth, giving the U.S., and much of the rest of the world, both more people and more prosperity, something presumed to be impossible by the Malthusians. Meanwhile, the slowdown in population growth brings a whole new set of challenges. To

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meet them, America and the world will need more minds generating new ideas. Four hundred million, here we come."

Court Limits Feds' Authority At Indian Casinos. The AP (10/21, Werner) reports, "The federal government can't make rules for the ways Las Vegas-style games are played at Indian casinos, an appeals court ruled Friday in a blow to efforts to regulate the booming, $22 billion tribal gambling industry. The decision by a three-judge panel of the U.S. Court of Appeals for the District of Columbia Circuit arises from a dispute in Arizona between the Colorado River Indian Tribes and the National Indian Gaming Commission, the federal agency that oversees Indian casinos. The commission tried in 2001 to audit the tribe's casino in Parker, Ariz., to ensure compliance with recently enacted federal standards for how games like blackjack and slot machines are run. The tribe objected, contending the commission was overstepping its authority under the National Indian Gaming Regulatory Act. A federal district court sided with the tribe, and the appeals court agreed in an 11-page ruling. While federal law gives the gaming commission some authority over games like lotto and bingo on Indian land, the big moneymakers like blackjack and slots…are outside the commission's jurisdiction, said the ruling written by Judge A. Raymond Randolph."

FBI/DEA/ATF/USMS:

Two Face Sentencing In January On Gun Trafficking Charges. The Knoxville News Sentinel (TN) (10/21, Satterfield) reported that George Manus and Timothy Cobb pleaded guilty in US District Court to gun trafficking charges and face sentencing in January. The Sentinel reported, "In paperwork prepared as part of their pleas, Assistant U.S. Attorney Tracee Plowell described a profitable gun peddling business where the only thing that mattered was cash. … Manus and Cobb were nabbed as part of a US Bureau of Alcohol, Tobacco, Firearms & Explosives probe. It isn't the first time the ATF has gone after flea market gun dealers. The agency headed a roundup of more than a dozen unlicensed dealers in 2002."

CONGRESS-ADMINISTRATION:

Democrats Back Aide Suspended Over Suspicion Of NIE Leak. The New York Times (10/21, Shane, 1.21M) reports, "The senior Democrat on the House Intelligence Committee yesterday sharply protested the chairman's decision to suspend a Democratic staff member's access to classified information in a leak inquiry. The congresswoman, Jane Harman of California, called the action a groundless act of political retaliation." She "said [Chairman Peter] Hoekstra had admitted to her that his action against [Larry] Hanauer was payback for her release on Tuesday of a report on actions by former Representative Randy Cunningham while he was on the Intelligence Committee."

The Washington Post (10/21, A4, Pincus, 748K) reports that Hoekstra's act, "which has drawn sharp criticism from Democratic panel members, was described by legislators of both parties as another example of the increased partisan infighting that has damaged the workings of the intelligence panel during this election year." Attorney Jonathan Turley represents Hanauer and "said there was 'not a single scintilla of evidence suggesting that Mr. Hanauer had any role in the leaking of the NIE.'"

The Los Angeles Times (10/21, Miller, 918K) reports that the dispute "reflects a major deterioration in relations on a committee that traditionally has sought to avoid partisan clashes. One congressional official said the committee was in 'meltdown.'" Hoekstra "was angered earlier this week when Harman publicly released an unclassified summary of an internal committee investigation into abuses by former Rep. Randy 'Duke' Cunningham." The Washington Times/AP (10/21) reports that Hoekstra "said the step was the least aggressive he could take while the committee investigates."

Bush Urges Republicans To Tout Medicare Drug Benefit. The AP (10/21, Freking) reports President Bush "said Friday that Republicans are missing an opportunity if they're not talking up the Medicare drug benefit while campaigning this election season. 'I think this is a fantastic program, but more importantly, so do the seniors,' he said in an interview with The Associated Press. The drug program was rife with problems at the outset, but reports indicate that in recent months it has been operating smoothly.

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The administration estimates that the average elderly or disabled person will save about $1,100 annually on medicine. Polls indicate that most participants are satisfied. 'My own view is our candidates and the people who voted for this ought to be out there traveling to senior centers all over their districts and their state saying, "Look what we did,"' Bush said."

Gerson Defends Bush's "Compassionate Conservatism." The Wall Street Journal's Naomi Schaefer Riley (10/21, A8) writes, "two questions have frothed up within the recesses of the GOP… : Has compassionate conservatism worked? And should Republicans try it again? … Perhaps the best person to sort out this business is" President Bush's former speechwriter Michael Gerson. Gerson "is plotting a book about the future of conservatism. He has been giving a lot of thought to its history. Known around the White House as 'Mr. Compassionate Conservatism,' Mr. Gerson tells me: 'I think it's a political truth that one reason we won the 2000 election was that Republicans finally had a message on education and welfare. In 2008, they will have to have something other than a simplistic antigovernment message.'" Gerson "asserts that the president has been nothing if not honest about where he comes down in that argument. 'It should not have surprised anyone that President Bush was going to sign on to the Medicare prescription-drug benefit because he campaigned on it in 1999. And it should not have surprised anyone that he was going to define a federal role in education to raise standards because it was one of his main promises as a candidate."

Pelosi's Refusal To Negotiate With GOP Credited With Boosting Democrats. Three prominent US newspapers publish reports on the possibility that House Minority Leader could become Speaker. The Washington Post (10/21, A1, Romano, 748K), in a front-page article titled, "The Woman Who Would Be Speaker," reports, "On election night 2004, Nancy Pelosi faced a painful reality: Her party was again a big loser. … Pundits were suggesting Pelosi should accept her fate as the leader of a permanent House minority." But Pelosi "had a different idea. Instead, she reached out to advertising executives, Internet moguls and language specialists to ask how Democrats could rise from the ashes and challenge President Bush and the Republicans. The advice that came back was unabashed: 'You must take him down' and then hammer away at the differences between the two parties, Pelosi recalled. Today the Democrats appear capable of taking back leadership of the House…for reasons largely beyond Pelosi's control. … Nevertheless, if the Democrats win, experts say, much credit is due this 66-year-old woman, whose notable fundraising abilities (she raised $50 million this election cycle) and scorched-earth strategy of refusing to negotiate with the GOP have put her on track to become the first woman to be speaker of the House."

The Los Angeles Times (10/21, Fiore, 918K) reports Democrats "need to gain 15 seats to take control, and Pelosi falls asleep at night crunching the numbers. It is her single burning obsession to lead her party to victory, and she devotes nearly every waking minute to it, coaching candidates, raising money and calculating in which districts to spend it. In three years as minority leader she has raised record amounts of cash and preached party unity that has helped bring 201 unruly Democrats to the brink of power."

Blue Dogs Claim They Will Exert Moderating Influence Over Democratic Majority. The Washington Post (10/21, A6, Weisman, 748K) reports, "If Democrats win control in November…Pelosi has decided to award committee chairmanships based almost entirely on seniority, ensuring that the House would feature far more minority faces, and some liberal firebrands, in key posts. But, mindful of the growing power of an expanding band of Democratic moderates and conservatives," Pelosi "has assured conservative Democrats that she would personally temper the legislative impulses of her most liberal chairmen while keeping close tabs on the investigations that could dominate the final two years of the Bush presidency." Rep. Dennis Cardoza, Blue Dog coalition co-chairman, "promised that the group would be 'a moderating influence on any excesses that might be brought forth by other wings of the party.'" The Post goes on to report, "The intelligence committee remains the biggest problem. The senior Democrat, Rep. Jane Harman (Calif.), wants the chairmanship and has the strong backing of the Blue Dogs. But personal friction between Harman and Pelosi virtually ensures that Harman will not remain on the committee, according to lawmakers and aides close to Pelosi."

Congress Urged To Overhaul Medical Records System. ABC World News (10/20, story 7, 2:20,Gibson, 8.78M) reported, "Today, ABC is wrapping up a

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week of reports exploring ways to improve health care in America. How to make it better, more affordable, more available. Our medical editor, Dr. Timothy Johnson, has been a guiding force behind this series. … Is there one thing that we could do right now that would improve care and bring down costs?" Dr. Timothy Johnson: "Absolutely. That would be introducing an electronic, computerized record-keeping system to replace the sloppy, wasteful paperwork system we have right now. Not only could that lower cost. But it would more importantly improve quality. The best systems in this country already do it. The government has to take the lead on this. They have the clout. They could pass legislation. It's bipartisan. Leaders in both parties say they want to do it. They need to stop talking and do it."

White House Aides Among Members Of Prominent Young Republican Group. The New York Times (10/21, Schaefer, 1.21M) describes how the "Swine on the Vine, of the Capital Club, a Washington group of 100 politically connected young men," use parties to release stress from working in the Capitol. The Times notes, "Among the club members and their guests, most in their 20's and 30's, were White House staff members. … Barbara and Jenna Bush have been known to show up at some of the parties." They "in some cases are wired right into the brain trust at the White House: the Republican lobbying firm DCI Group, which has strong ties to the Republican Party chairman Ken Mehlman and the White House senior adviser Karl Rove, has sponsored its parties. But club members insist their gatherings are not about networking or advancing anyone's career or political agenda." Among other former notable members is "Billy Bush, President Bush's cousin and a host of 'Access Hollywood.'"

Paulson Sells Manhattan Condo For Almost $8 Million. Bloomberg (10/21, Crenson) reports, "U.S. Treasury Secretary Henry Paulson…sold his 50th floor condominium near Manhattan's Lincoln Center for almost $8 million, according to public records." Bloomberg adds, "The median price for four-bedroom Manhattan apartments like Paulson's was just under $7 million in the third quarter, according to Miller Samuel Inc., the borough's largest appraiser."

NYT Criticizes Administration's Space Policy. The New York Times (10/21, 1.21M) editorializes, "The Bush administration has adopted a jingoistic and downright belligerent tone toward space operations. In a new 'national space policy' posted without fanfare on an obscure government Web site, and in recent speeches, it has signaled its determination to be pre-eminent in space…while opposing any treaties that might curtail any American action there." It "is being portrayed as a modest extension of the Clinton administration's space policy issued a decade ago." Yet "the more aggressive tone of the Bush policy may undercut international cooperation on civilian space projects -- a goal to which the new policy subscribes -- or set off an eventual arms race in space." And it "reflects the worst tendencies of the Bush administration -- a unilateral drive for supremacy and a rejection of treaties."

WPost Decries Wasteful Federal Farm Subsidies. The Washington Post (10/21, A18, 748K), in an editorial, states that a Post investigation of farm subsidies reveals "billions of federal dollars" are "wasted in unfair and uncompetitive handouts, many of which go to farmers working land that would be left fallow in a freer market." In response, "North Dakota farmer Terry Aronson unpretentiously defended the system to Post reporters. 'Taxpayers are funding something good, the rural life.' Yet most Americans -- removed from 'the rural life' in urban and suburban communities -- pay not only the opportunity cost of funneling money to farmers but also the incalculable costs of failed trade talks, which hurt the American consumer. America has a sentimental attachment to its farmlands. But preserving the rural life of a few, unproductive farmers is not worth the price it pays to do it."

OTHER NEWS:

Stocks Down Slightly After Record-Setting Week. The Washington Post/AP (10/21, D1, Paradis) reports, "Wall Street ended a record-setting week narrowly mixed Friday, with the Dow Jones industrial average falling to close at slightly more than 12,000 after a lackluster profit report and forecast from Caterpillar Inc. prompted many investors to retreat." Ryan Beck & Co. chief investment officer Joe Battipaglia "contends that while earnings reports have been sound over all companies are coming in with more guarded forecasts. He also is concerned that falling oil prices could indicate the economy is slowing too quickly."

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The Wall Street Journal (10/21, B1, Hudson, 2.03M) says, "After 10 upward moves in the last 14 trading sessions, some market watchers think the Dow industrials are poised to take a breather, at least for the short term." The Journal notes, "The stock market is 'still nervous and jittery and will likely be so for the next week or so, until we're done with earnings season,' said Brian Reynolds, chief market strategist for M.S. Howells, a Scottsdale, Ariz., brokerage firm. 'Eventually we'll work through that and start moving up again.'"

Bloomberg (10/21, Baker) reports, "U.S. stocks preserved their fourth straight weekly gain as earnings at Google Inc. and 3M Co. beat analysts' estimates and oil dropped below $57 a barrel, lifting companies that depend on consumer spending." The Dow Jones Industrial Average "slid 9.36, or 0.1 percent, to 12,002.37" and the S&P 500 Index "rose 1.64, or 0.1 percent, to 1368.60. The Nasdaq Composite Index gained 1.36, or 0.1 percent, to 2342.30." Bloomberg adds, "For the week, the S&P 500 increased 0.2 percent, while the Dow average gained 0.4 percent and the Nasdaq fell 0.6 percent."

OPEC Seeks To Cut Supply As Oil Prices Continue To Fall. ABC World News (10/20, story 8, 0:10, Gibson, 8.78M) reported, "As oil prices keep falling, OPEC, today, vowed to cut supply. But prices just fell some more. At an emergency meeting, OPEC announced plans to cut production by 1.2 million barrels a day, about 4%. But with traders skeptical that OPEC members will actually stick to the deal, oil closed down almost $2 a barrel to under $57."

Bloomberg (10/21, Shenk) reports, "OPEC's cutback was larger than the reduction that ministers had been talking about for the past two weeks and was endorsed by OPEC's biggest producer, Saudi Arabia, which will trim output by 380,000 barrels a day." Energy Security Analysis Inc. analyst Rick Mueller said, "A cut of 1 million barrels was factored in so it looks like they decided to cut more to get the market's attention. … I doubt there will be a dramatic up-tick in prices because inventories are so high and uncertainty about what the members will actually cut."

The Washington Post (10/21, D1, Mufson, 748K) says, "If yesterday was a test of the power of the Organization of the Petroleum Exporting Countries, the cartel flunked." The Post notes, "Oil traders and analysts said they remained unconvinced that OPEC members would have enough discipline to trim production by more than half the amount announced. And it remained unclear whether that smaller amount would be enough to stabilize prices as OPEC hopes." Meanwhile, decreasing oil prices "continued to provide a boost to the U.S. economy, especially for companies sensitive to fuel prices."

Texas Judge Avoids Reprimand For Support Of Miers. The New York Times (10/21, Blumenthal, 1.21M) reports Texas Supreme Court judge Nathan. Hecht, "who championed a longtime friend and fellow Republican, Harriet E. Miers, for the United States Supreme Court last year was cleared Friday of charges that his efforts had violated state rules of judicial ethics." He "had received a public admonition, the mildest form of sanction, from the State Commission on Judicial Conduct. It said he had discredited the judiciary by giving about 120 interviews that amounted to an endorsement of another candidate and a lending of judicial prestige to a private interest." Yet "three appellate justices appointed as a Special Court of Review to hear Justice Hecht's appeal overturned the reprimand, which had carried no civil or criminal penalty." The AP (10/21, Brown) reports similar details.

Bush Makes Surprise Appearance At Italian-American Event. The AP (10/21, Riechmann) reports President Bush "made a surprise appearance Friday night at a National Italian American Foundation dinner show featuring Frankie Valli and the Four Seasons." Bush "recognized famous faces in the audience, including Justices Samuel Alito Jr. and Antonin Scalia," but "then his remarks turned serious. Bush recognized one prominent Italian American, Gen. Peter Pace, chairman of the Joint Chiefs of Staff, who was missing from the annual gathering that attracted more than 1,000 people to a Washington hotel." Bush said, "We're in a titanic struggle between extremists and radicals who cannot stand the way of life of America. … They don't like the thought that people from different backgrounds are able to live under a nation and work together and achieve greatness. They can't stand the thought of free societies flourishing in their midst."

RNC Ad References LBJ's "Daisy Ad." NBC Nightly News (10/20, story 7, 1:00, Williams, 9.87M) reported, "The Republican National Committee is out with a new campaign ad and when some political veterans first saw it, it reminded them of something. The ad, which shows a series of images and threats from al Qaeda contains the following wording on the screen. At the end of the ad, 'these are the

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stakes.' Well, when some politicos laid eyes on the ad it reminded them of something from a few decades ago. That there, the voice of President Lyndon Johnson, and the famous 'daisy ad' designed to scare people away from Goldwater in 1964. … The R.N.C. has only purchased about $20,000 in airtime. They're hoping for news media exposure to provide free airtime."

GOP Airs Ads Claiming Democrats Endanger Children In Response To Foley Scandal. The AP (10/21, Kuhnhenn) reports "in this political ad, the message is in the faceless voices of cheerful children engaged in mayhem. 'Hit the hooker with the tire iron!' 'Steal the old lady's car.' 'Shoot her first!' The ad accuses a Democratic candidate of voting against banning the sale of violent and sexually explicit video games to children. Another ad, in Connecticut, says a Democrat voted to permit convicted sex offenders in public housing. Yet another, in Arizona, linked a candidate's work as a lawyer for the American Civil Liberties Union to the ACLU's defense of a pedophile's group. In the fallout from former Rep. Mark Foley's electronic sex scandal, Republicans are turning the tables on Democrats, airing ads and leveling public accusations claiming their opponents have failed to protect children against sexual imagery, sexual violence or sexual predators." The AP adds, "The ad featuring children playing a violent video game is aimed at Rep. Baron Hill, a Democrat and former House member who is trying to recapture his seat from Republican Rep. Mike Sodrel. It cites Hill's vote in 1999 against an amendment to a juvenile crime bill that would have prohibited the sale of violent and sexually explicit movies and video games to teenagers."

Democrats' Religious Outreach More Focused Than In Years Past. The Washington Post (10/21, B9, Burke, 748K) reports on a meeting of the House Democrats' Faith Working Group. According to the Post, "As Democrats seek to reframe America's debate over moral values and close their 'God gap' with religious communities, conversations such as these are blowing like a mighty wind through party circles. Gone are the days when 'faith outreach' meant visiting African-American churches two weeks before an election, party leaders say. Instead, Democrats are seeking -- and getting -- regular meetings with megachurch pastors T.D. Jakes, Joel Osteen and Rick Warren. Rather than cede red states to Republicans, the party is buying airtime on Christian radio stations, with the message that Democrats are indeed a party with deep moral convictions."

Polls Said To Indicate Candidates Can Gain Votes By Moving To The Center. The Wall Street Journal's John Harwood (10/21, A2) writes, "Prevailing political wisdom holds that the only things that matter are each party's 'base' -- that there is no center anymore, and no more swing voters worth chasing. But look at what has happened among independent voters in the latest Wall Street Journal/NBC Poll1, taken this past week: Support for Republicans has collapsed. Just 24% of them say they want President Bush's party to control Congress after Election Day. Independents disapprove of Mr. Bush's job performance by 2 to 1. That's a big change from 2004, when Mr. Bush and John Kerry split the votes of independents." This year "Just 5% of Republicans want Democrats to take over Capitol Hill. Just 2% of Democrats want Republicans to win." Harwood notes that Sen. Conrad Burns will try to close Jon Tester's lead "by accusing his opponent of favoring tax increases. He won't rail against 'earmarks' the way some Republicans are doing to court their disaffected right wing. In a classic appeal toward centrists, Sen. Burns will invoke his clout as an appropriations subcommittee chairman."

McCain Aiding GOP Candidates While Laying Groundwork For 2008. The Wall Street Journal (10/21, A4, Hitt, Conkey, 2.03M) reports Sen. John McCain "has capitalized in an aggressive and systematic way by using the 2006 fight for control of Congress to lay the groundwork for a probable run for the presidency in 2008. Mr. McCain is crisscrossing the country on behalf of beleaguered Republicans, tapping his position as one of his party's most popular figures at a time when the image of President Bush and other administration officials is slumping. The senator has steered $1.2 million of campaign funds so far to Republican candidates and political committees. He is enlisting influential grass-roots supporters in Iowa and New Hampshire, pivotal early battlegrounds in the presidential-nomination fight. And he is firing up the party's conservative foot soldiers, picking a fight with New York Sen. Hillary Clinton…over whether her husband's administration took adequate steps to contain North Korea's nuclear ambitions." McCain "has plans to campaign almost daily through Nov. 7. … Embattled Republican candidates campaigning with Mr.

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McCain…are benefiting from his carefully cultivated image as an iconoclast who nonetheless remains loyal to the party."

Clinton Faces Questions Concerning Her Presidential Ambitions During Debate. The New York Times (10/21, Kornblut, 1.21M) reports, "Facing a barrage of questions about her national ambitions during the first Senate debate on Friday night, Senator Hillary Rodham Clinton firmly maintained that she was focused on her work in Congress and had made no decisions about running for president. But her Republican opponent [John Spencer] seized on her aspirations at every opening, accusing her of already abdicating her responsibilities to New York." The AP (10/20, Humbert) reports Clinton "acknowledged that she has thought about running for the presidency in 2008, but said she is committed to running for Senate re-election. 'As you might guess, I've been asked that a few times before,' she said of her possible White House aspirations. 'I am focused on this election. I am focused on my work in the Senate. Obviously, people are talking about whether I will or should be running for president, and I'm flattered by that.'" The New York Times (10/21, Pérez-peña, 1.21M) reports, "on the question hanging over the race, and the first to arise in the debate — will Mrs. Clinton, a Democrat, run for president in 2008? — there is no provable answer, though it would be hard to find a politically minded American without an opinion."

Edwards' Wife Apologizes To Clinton. The AP (10/21, Elliott) reports Elizabeth Edwards, wife of former Senator John Edwards, "apologized to Sen. Hillary Clinton after saying her choices in life have made her happier than the senator, a Clinton aide said Friday. Clinton adviser Howard Wolfson said Elizabeth Edwards called the New York Democrat on Friday night. … 'Elizabeth Edwards called her and apologized,' Wolfson said. 'They had a good conversation.' Wolfson said the two spoke only for a couple of minutes. 'The senator thanked her for the call and wished her well on her book tour,' Wolfson said. The apology followed remarks by Elizabeth Edwards on Thursday at a luncheon sponsored by Ladies' Home Journal. 'She and I are from the same generation,' she said of the senator and former first lady. 'We both went to law school and married other lawyers, but after that we made other choices. I think my choices have made me happier. I think I'm more joyful than she is.'"

Lieberman Has 17 Point Lead In New Poll. The New York Times (10/21, Medina, 1.21M) reports Sen. Joseph Lieberman "won the backing of a top Republican in the Senate on Friday as Howard Dean traveled here to rally Democrats behind Ned Lamont's effort to unseat Mr. Lieberman." Lieberman "appeared at the New London City Pier with Senator Susan M. Collins, a Republican from Maine, to highlight the need for port security — and to campaign together." Dean "appeared at a sports bar in the state capital to rally support for Mr. Lamont and other Democratic candidates, including John DeStefano, the mayor of New Haven, who is running for governor, and Christopher S. Murphy, who is trying to unseat Congresswoman Nancy L. Johnson, a Republican." The Times notes yesterday's "release of a Quinnipiac University poll that showed Mr. Lamont trailing Mr. Lieberman by 17 percentage points, widening a 10-point lead he held in a Quinnipiac poll last month. The poll showed a 52 to 35 lead among likely voters and was conducted from Tuesday through Thursday. It had a margin of error of plus or minus 3.5 percentage points. The Republican candidate for the Senate, Alan Schlesinger, trailed with 6 percent of the vote. Another 7 percent said they were undecided."

Ford Disrupts Corker News Conference. The AP (10/21, Rucker) reports Rep. Harold Ford Jr. "turned up at a news conference Friday in Memphis called by his opponent, Republican Bob Corker, leading to a confrontation about Ford's large, politically active family." Corker "has questioned the work of Ford's father, former U.S. Rep. Harold Ford Sr., as a lobbyist for Fannie Mae while Ford Jr. sat on the House committee overseeing the mortgage giant's activities. Ford Jr. said that no one in his family has ever lobbied him on congressional issues and that he would refuse them if they did. Corker had scheduled the Friday morning news conference at a Memphis airport to discuss a proposal to prohibit relatives of senators and representatives from lobbying their family members." Ford "told Corker that he wanted to debate him on the Iraq war, then mentioned Ford's plan to partition Iraq into three regions. But then Corker stopped him and said he had come to talk about ethics. Corker called Ford's visit to the news conference 'a true sign of desperation.'"

NRSC's Ad Tying Ford To Playboy Party Described. The Financial Times (10/21, Daniel) reports, "The Republican attack advertisement starts with a clip from

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the rival candidate's campaign. It shows Harold Ford, sitting in church, saying he will not be painted as someone he is not. 'Fair enough,' intones the announcer. 'So what kind of man parties with Playboy playmates in lingerie, then films political ads from a church pew?' Cue: images of Mr Ford, the Democrat candidate for a Tennessee Senate seat, with James Bond-style silhouettes of Playboy bunnies, to highlight his hypocrisy. … The national Republican senatorial committee paid for the Ford ad. When Bob Corker, the candidate, was asked, he demurred: 'I haven't seen the ad.'"

Allen And Webb Seen As Avoiding Immigration Debate. The Washington Post (10/21, B5, Brulliard, 748K) reports Allen and James Webb "have stark differences on" immigration. Allen "brooks no sympathy for illegal immigrants and favors guest-worker plans." Webb "supports legalization for some immigrants and opposes broad programs for temporary foreign labor. Analysts say the relative absence of immigration in the race reflects the increasingly tricky proposition of campaigning on polarizing topics, especially in a traditionally conservative state with a changing political landscape. In recent elections, Northern Virginia voters' allegiance has shifted toward Democrats. Studies show that Virginia's illegal immigrant population has swelled in recent years and that growth has been densest in Northern Virginia. Herndon voters this spring ousted Town Council members who backed a hiring site for immigrant day laborers, but Republican Jerry W. Kilgore lost the Northern Virginia suburbs -- and the governor's race -- after a campaign in which he vowed, among other things, to crack down on illegal immigrants."

Wilder Offer Webb Advice. The Washington Times (10/21, A1, Bellantoni, 88K) reports Richmond Mayor Douglas Wilder, "a former governor and one of the state's leading Democrats, has some advice for" Webb – "let voters know what you stand for. 'The question is, what reasons will Jim Webb give people to vote for him,' Mr. Wilder, 75, told The Washington Times. 'There are so many people in the middle that want to have a reason to lean this way or that.' Mr. Wilder has yet to endorse anyone in Virginia's U.S. Senate contest."

Talent Handicapped By National GOP's Difficulties. NBC Nightly News (10/20, story 6, 3:30, Williams, 9.87M) reported, "Missouri -- always a political bellwether state and the Senate race there is no exception. … Unhappiness with the war in Iraq and Washington in general making things difficult for the Republican incumbent" Sen. Jim Talent, who is "in the political fight of his life. … His challenger, Democrat Claire McCaskill, now making serious headway by highlighting talent support for president Bush and the war in Iraq." Talent "doesn't dispute that the souring mood toward republicans nationally may hurt. … But his opponent McCaskill is also benefiting from a local initiative on the ballot to allow stem cell research. Polls show most in Missouri support it. So does McCaskill, but Talent is opposed."

Democrats' Find Success Targeting Open Seats. The New York Times (10/21, Hulse, 1.21M) reports, "Ed Perlmutter, a former Democratic state senator, has had other opportunities to run for the House seat representing the district around Denver, but he waited until this year, when the Republican incumbent decided to run for governor rather than seek re-election. … In the age of gerrymander, the open seat — one where incumbents step aside because of age, ambition, scandal or other considerations — is a rare but sometimes golden opportunity for one party to wrest control from the other. This year, Democrats like Mr. Perlmutter are taking full advantage, giving their party a potentially vital edge in the battle for control of the House." The Times continues, "This year, there are 33 open House seats, including three that are vacant at the moment but had been held steadily by one party, and polls suggest that Democrats have a good chance to capture enough Republican-held districts to put them well on their way to tilting the balance of power in Washington. Surveys show Mr. Perlmutter in command of his race against his Republican opponent, Rick O'Donnell, in the contest to succeed Representative Bob Beauprez, a Republican who is running for governor. In races for 20 other Republican open seats, recent polls show the Democrat leading in at least 8, putting the party more than halfway to the 15 seats needed to capture the House. Just one of 12 Democratic open seats appears at risk, and even that is considered a long shot."

Tight House Races In Indiana Feature Vulnerable GOP Incumbents. The New York Times (10/21, Purnick, 1.21M) reports Indiana "has become an unexpected battleground in this year's Congressional elections. Three of the state's seven Republican members of Congress are locked in tough races, with the campaigns drawing big money and big names from both parties." Rep.

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Chris Chocola "and the Democrat, Joe Donnelly, a lawyer and businessman, are in a race that was never supposed to be so close, though the district has elected Democrats in the past. The economy and immigration loom as large as Iraq in this blue-collar district. Many auto-parts plants have closed or been cut back. Workers are nervous, and some say that Mr. Chocola does not understand their predicament because he is independently wealthy." Rep. John Hostettler "is invariably described an unorthodox public official who does as he likes, from voting against the Iraq war to taking a loaded gun into the Louisville airport two years ago. … Political analysts say Mr. Hostettler has been more unorthodox than usual, campaigning and fund-raising less aggressively than might be expected, given his opposition — the telegenic sheriff of Vanderburgh County, Brad Ellsworth." In IN9 "the race is a rubber match, an unusually personal fight between two candidates with distinctly different styles — Representative Mike Sodrel, a Republican who two years ago beat the same Democratic opponent, Baron Hill, a former two-term congressman."

Working Families Party Campaigns For Three Democratic House Candidates. The New York Times (10/21, Confessore, 1.21M) reports, "Even by the Lilliputian standards of minor political parties, the Working Families Party has typically played the part of feisty underdog. Only four states list the party on their ballots, and even in New York, where it is based and most active, Working Families usually draws far fewer voters than rivals like the Conservative Party or the Independence Party. … The party is focusing on unaffiliated voters in New York's 24th and 29th Congressional Districts and Connecticut's 5th Congressional District, which all have a Democratic candidate cross-endorsed by the Working Families Party."

GOP House Candidate Investigated Over Immigrant Threats. The New York Times (10/21, Chang, 1.21M) reports California state investigators "searched the offices of a Republican Congressional candidate, a day after he acknowledged that a campaign worker was responsible for a letter sent to as many as 14,000 Latino residents in an effort to keep them from the polls. The candidate, Tan Nguyen, left, will stay in the race against the incumbent, Loretta Sanchez, even though the Republican Party has urged him to withdraw, said his lawyer, David Wiechert. Mr. Nguyen has denied having any knowledge of the letter, which stated that immigrants could be jailed if they voted." The Los Angeles Times' Dana Parsons (10/21) writes, "It is truly a new day in Orange County, where a generation ago the previous Republican Party leadership would have tabbed Nguyen as an up-and-comer with a good head on his shoulders."

Ehrlich And O'Malley Concentrate On GOTV Efforts. The Washington Post (10/21, A1, Mosk, Barnes, 748K) reports that in 2002 Maryland Democrats "headed into the final stretch of a heated governor's race without much of a message to get their supporters to the polls, and there was a pointed lack of enthusiasm from black voters, the party's most loyal supporters. The Democrats got clobbered. … Democrats are determined to make this year different, said" top Democrats supporting Baltimore Mayor Martin O'Malley's "bid to retake the governor's office from Republican Robert L. Ehrlich Jr. This time, both Ehrlich and O'Malley have elaborate plans, in the works for more than a year, to maximize turnout that are the centerpiece of a two-week sprint to Election Day." The Post notes, "For Republicans, the task is more complicated. Because Democrats hold a nearly 2 to 1 edge on voter rolls, Ehrlich can't afford to merely try to drive more people to the polls. He needs to motivate his supporters to show up Nov. 7 while doing nothing to energize those backing his opponent."

Republican Governors Association Targets O'Malley's Record In Baltimore. The Washington Post (10/21, B4, Rich, 748K) reports O'Malley "may be the target but Baltimore also takes a beating in a television ad launched yesterday by the Republican Governors Association, a 30-second tableau of urban decay that declares Maryland's largest municipality 'the most dangerous city in America.' The ad, the first the group has aired in the state, features footage of a cemetery and a crime scene. The camera bounces erratically as the images lose and regain focus. The schools are in shambles, a female voice says, and the homicide rate is six times higher than New York City's. 'Baltimore,' the voice says, 'Martin O'Malley's legacy of mismanagement. And now he wants a promotion so he can do for the entire state of Maryland what he did for Baltimore.'"

Maryland Legislator Receives Stolen Voting Machine Software. The Washington Post (10/21, B1, Barr, 748K) reports, "A Maryland election official said yesterday that possibly stolen computer disks believed to be electronic voting software were 'apparently produced' for use by a

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testing firm hired by the Maryland legislature in November 2003. … Documents indicate that the disks were sent to Maryland so Raba Technologies Inc. could assess the security of the state's electronic voting system, which is provided by Diebold Election Systems. … Labels on the disks indicate that they contain the versions of two Diebold programs that powered electronic voting machines in Maryland in 2004, Goldstein said Thursday. Diebold said one version of one program is still in use in some jurisdictions elsewhere in the United States. Cheryl C. Kagan, a former Maryland delegate who has questioned the security of electronic voting systems, said the disks were delivered anonymously to her office in Olney on Tuesday."

Angelides Urges Schwarzenegger To Release Controversial Recordings. The Los Angeles Times (10/21, Nicholas, 918K) reports, "In private conversations in the governor's office earlier this year, Arnold Schwarzenegger spoke with aides about the 'failure of Mexican American immigrants to assimilate into American culture' and made 'ad hominem remarks about a variety of legislators,' Phil Angelides' gubernatorial campaign said Friday. An attorney for Angelides sent a 10-page letter to Schwarzenegger aides urging them to release recordings of the governor's conversations before the Nov. 7 election. … Angelides aides know what the recordings contain because they downloaded them from the governor's website in late August. But the campaign has declined to release the tapes on its own, calling on Schwarzenegger to take that step." Schwarzenegger aides "indicated that the governor would not release the recordings, saying they are not a matter of public record."

Schwarzenegger's Reaction To Special Election Defeats Spurred His Comeback. The Los Angeles Times (10/21, Nicholas, 918K) reports, "Maybe the make-or-break moment of Arnold Schwarzenegger's governorship was the morning of Nov. 10, 2005, in his hotel suite across the street from the Capitol building. He had just been walloped in the special election that he had thrust before voters, capping a year when he had fought to put in place a distinctly conservative agenda. Prepping the Republican governor for a news conference, one of his aides urged a tough stance: Don't apologize, don't give ground. Schwarzenegger did the opposite. He appeared before the cameras and conceded that he had screwed up and promised to start listening to the Democrat-dominated Legislature. So began his political resurrection. From a nadir at which he was being compared with Jesse Ventura, the pro wrestler who flamed out as governor of Minnesota after one term, Schwarzenegger rose to be the front-runner in the Nov. 7 election."

History Of "October Surprise" Described. The Washington Post (10/21, C1, Weeks, 748K) reports on the history of the "October surprise." According to the Post, two developments that have been described as this year's "surprise" are a spate of books critical of President Bush and the Johns Hopkins study released last week that purported to find that as many as 600,000 Iraqis have been killed since the beginning of the war in 2003.

Columnist Dowd Questions Obama's Desire For Presidency. Maureen Dowd in her column in the New York Times (10/21, 1.21M) writes, "So the question before us is, should Barack Obama stop lounging around in fashion magazines and do some honest work, like running for president?" Obama's "appeal combines the political ability — alien to the Bush administration — to see something from your opponent's point of view with the cool detachment of a J.F.K." Obama's "been told by Democratic leaders to think about whether he really wants to be president, or whether he's just getting swept away by people who want him to do it." Dowd ponders whether Obama wants "to be a celebrity or a man of history — or is there no longer any difference?"

LATimes Notes California Democrats Disadvantaged By Redistricting. The Los Angeles Times (10/21, 918K), in an editorial, writes, "In an election year in which grumpy voters from coast to coast are gunning for the scalps of doddering Republicans, Rep. Gary Miller (R-Diamond Bar) would seem a vulnerable target." He "has earmarked road repairs near housing developments he co-owns, declined to pay taxes on three land sales and -- in a congressional district one-quarter Latino -- wrote legislation denying citizenship to the children of illegal immigrants. But Democrats have a competitive disadvantage in unseating the four-term congressman: Miller is running for reelection unopposed. This scene is playing out throughout Southern California and the rest of the state as competitive races and even challengers are becoming endangered species. Because of a cynical bipartisan agreement after the 2000 census, Democrats and Republicans represent frequently convoluted geographical footprints meticulously designed, it would seem, to ensure that no incumbent party will ever lose

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another election, no matter which way the political winds are blowing."

Chinese Leaders Assure Rice They Will Enforce North Korea Sanctions. ABC World News (10/20, story 4, 1:40, Gibson, 8.78M) reported, "The Secretary of State, Condoleezza Rice has wrapped up her Asian tour to rally support for United Nations sanctions. Today, she was in Beijing meeting China's leaders. We reported yesterday a Chinese delegation was in North Korea. And it appears the Chinese say they will enforce the sanctions against North Korea." ABC correspondent Karl added that "there were signs today that the effort to isolate North Korea is gaining momentum. Chinese leaders assured Secretary of State Rice, they'll help enforce sanctions. And China's four biggest banks said they would suspend transfers to North Korea. A move that potentially goes further than U.N. sanctions."

In a brief story The CBS Evening News (10/20, story 3, 0:20, Couric, 7.66M) noted, "Kim Jong Il reportedly told Chinese envoys that he is sorry for conducting a nuclear test nearly two weeks ago and promised he won't do it again. Just the same, he held a huge rally today to celebrate that test. While that was happening, Secretary of State Rice was in Beijing hoping to persuade the Chinese to vigorously enforce U.N. sanctions against North Korea."

NBC Nightly News (10/20, story 3, 1:00, Williams, 9.87M) reported, "Secretary of State Condoleezza Rice made the most important stop on her Asia trip today to press for tougher action against North Korea for conducting a nuclear test." NBC (Mitchell) added, "She was in China and met with China's president but also with a top Chinese envoy who had just returned from North Korea where he personally delivered a tough message to Kim Jong-Il. Rice says that the Chinese official told Kim he needs to return to regional talks and should not even think about exploding a second nuclear test. Rice says that China agreed to inspect North Korean cargo but that she won few hard commitments from them and contrary to earlier reports out of South Korea, Kim did not tell the Chinese he is ready to return to talks or end the nuclear showdown."

The New York Times (10/21, Shanker, Kahn, 1.21M) reports, "The United States and China spoke in a unified voice on Friday to call for the resumption of six-party talks on North Korea's nuclear program, but they did not announce concrete steps to increase pressure on the North Korean government." Secretary of State Condoleezza Rice "expressed confidence that China was committed to enforcing new United Nations military sanctions on North Korea, and that a number of economic and trade measures were under review." She "also said the Beijing leadership pledged to be 'scrupulous' about ensuring that North Korea does not ship prohibited materials across its lengthy border with China." Rice added "she had been told by the Chinese government that a special envoy sent by Beijing to North Korea had delivered 'a strong message.'" He "returned from Pyongyang, where he had met with Kim Jong-il, the North Korean leader. Chinese officials described the meeting as 'positive' and 'greatly significant,' but declined to provide details of what Mr. Kim had said. Accounts that "Kim had offered to resume nuclear talks under certain conditions, and said he gave assurances that he had no plans to conduct a second nuclear test," weren't "confirmed by either Chinese or American officials." Rice did stress "that North Korea should return to those talks 'without condition,' and that the financial restrictions the United States has imposed to crack down on North Korean counterfeiting would not be lifted just to entice the North back to the negotiations." Still, she added "that halting North Korea's trade in nuclear bomb-making materials and missiles would take time."

The Washington Post (10/21, A11, Kessler, 748K) adds, "China and the United States on Friday appeared to close ranks on North Korea." Rice also said, "Let's just watch and see what China will do." McClatchy Newspapers (10/21, Strobel) reports that rice showed "unusual harmony with China on a key security issue." However, "senior Chinese leaders privately have expressed frustration with North Korean leader Kim Jong Il and questioned his judgment with unusual candor" and according to senior Rice aide "there's been a 'sea change' in China's attitude toward North Korea." The AP (10/21, Gearan) adds, "An exasperated China took a newly tough approach to communist ally North Korea on Friday, siding with the United States."

In contrast to the articles affirming China's cooperation with the US, the Wall Street Journal (10/21, A4, King, Fairclough, Hayashi, 2.03M) reports that "the U.S. is finding its allies are reluctant to enforce even the minimal sanctions imposed by the United Nations -- and that its own, tougher approach has serious gaps as well." The "immediate challenge" for Rice is getting "real cooperation from North Korea's neighbors. Yet she appeared to make little progress on that front during her Asia trip." South Korea is "reluctant to

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sign on, and members of Seoul's ruling liberal party argue that it shouldn't." The Chinese, "who are otherwise taking tough steps to crack down on North Korea, have said they may draw the line at interdicting shipments at sea," and "Japan, while more eager to crack down on Pyongyang, is severely limited by its pacifist constitution." Additionally, "getting sound intelligence on shipments is tough, especially when it is easy to disguise a vessel's identification and registration," and some U.S. officials "are wary of the consequences of stopping or seizing North Korean vessels or their cargoes at sea. One U.S. official said the military, currently fighting two wars, is short of the resources to effectively police shipping."

In the same vein, the Los Angeles Times (10/21, Magnier, 918K) adds that as "Rice left China today for Russia, her goal of uniting Northeast Asia in a strong, unambiguous punitive stance against North Korea remained elusive." So, "with no easy answers, a wily adversary in Pyongyang, the North's capital, and limited options, Rice sought Friday to lower expectations, even as she praised China's willingness to consider tougher measures."

The Washington Times (10/21, A1, Kralev, 88K) reports that Rice said "China has been brought into the process in a way that China never was before." The paper takes a different tone from the New York Times on the claims that China "won a pledge from North Korean leader Kim Jong-il not to conduct another nuclear test and at the same time blocked bank transfers to the isolated state," reporting that "U.S. and Chinese officials stopped short of confirming the reports, saying only that Mr. Kim pledged not to escalate the situation further."

Experts Said To Worry About North Korean Nuclear Sales. The Los Angeles Times (10/21, Miller, 918K) reports, "U.S. intelligence officials and weapons proliferation experts say they are concerned that North Korea could add plutonium to the extensive inventory of arms components and technologies it already has sold to such nations as Syria, Pakistan and Libya," and "some experts are more worried about the government in Pyongyang spreading nuclear technology to other 'rogue' nations than about the possibility of it launching a nuclear attack." However, they agree that such a sale "would be an extreme and dangerous step even for one of the world's most defiant regimes."

South Korea's Sunshine Policy Said To Be Ending. McClatchy Newspapers (10/21, Johnson) reports, "North Korea's entry into the global nuclear club may be a coda for the sunshine policy. Some South Koreans say engagement has failed to encourage significant reform in North Korea. Others view it as appeasement, saying their nation has served as a virtual ATM for North Korea." Recent "polls show that an increasing number of South Koreans think that Seoul should stand up more firmly to Pyongyang, even as their fear of North Korea has diminished."

ABC Profiles North Korean Culture. ABC World News (10/20, story 5, 1:30, Gibson, 8.78M) reported, "North Korea, of course, is the most-isolated nation in the world. The hermit kingdom it's called. It's nearly impossible for reporters to get inside. But this week, ABC's Diane Sawyer has been the only Western journalist there. So we asked her tonight, to share some of her impressions with us." Sawyer, added that there are signs of a nation with no money. Dark halls. Few lightbulbs. Rundown buildings. But inside, people proud of their three rooms, carpeted and pictures of Kim il-Sung and Kim Jong-il. We notice that traveling through the streets, we never once saw an obese person. We never once saw a dog or cat, either, for that matter. We are looking at two worlds, very different views and few bridges between."

UN Report Says North Korea Imprisons "Those Deemed Subnormal." The Washington Times (10/21, Mcelroy, 88K) reports that a U.N. report released yesterday says "North Korea operates a rigorous system of eugenics that locks up those deemed subnormal, ranging from the disabled to dwarfs," and are "designed to ensure that those who do not conform to the state's designation of normal do not pass on their genes by having children." Base on evidence gathered from defectors to South Korea, the report says "the afflicted are subjected to harsh and subhuman conditions. Food is scarce and of poor quality and beatings are commonplace."

US Trade Rep To Discuss Trade Disputes With China. The AP (10/21, Crutsinger) reports that Deputy U.S. Trade Representative Karan Bhatia said "China has made progress in resolving long-standing trade disputes with the United States," such as an agreement to load legal software on all new computers sold in China, "but more needs to be done in a number of areas." He added that "when he holds talks next week with Chinese trade officials in Beijing, he would review a number of commitments China made last spring," including "ways it planned to crack down on the sale of illegal, pirated computer software and

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expanding the opportunity for U.S. and other foreign firms to compete for Chinese government contracts."

NYTimes Argues Bush's Excessive Borrowing Creates Vulnerabilities To China. The New York Times (10/21, 1.21M) editorializes, "America's indebtedness to China…is staggeringly high." While the Administration "seems unfazed," China's holdings' "size and growth…mean increasing vulnerability for the United States." If their lending "dried up quickly…the result could be a sharp financial crisis," but even a gradual change "could mean a long downward trend in American living standards as a higher cost of living took its toll." Also, "administration officials are concerned that developing nations, unhappy with conditions on loans from the International Monetary Fund, may decide to borrow directly from China. That would give Beijing more influence over emerging markets and their governments. To its credit, the Bush administration has repeatedly stressed that the rise of China is not to be feared or begrudged. But excessive borrowing during the Bush years has made the United States unnecessarily vulnerable."

Iran Dismisses UN Sanctions Possibility, Warns Europe Against Support For Israel. The New York Times (10/21, Fathi, 1.21M) reports that as "the United Nations Security Council is expected to begin public deliberations next week on whether to impose sanctions on Iran for defying a United Nations demand to suspend uranium-enrichment activities by the end of August," Iran's Foreign Ministry, with "its first official response to the threat of United Nations action…said in a statement that Iran would not 'remain idle if sanctions are imposed.'" At the same time, Iranian President Mahmoud Ahmadinejad "warned Europe…that continued support for Israel could lead to an act of revenge by those in the Middle East angry about the Palestinians' plight," although "He did not describe what revenge could entail in his speech." He also "repeated…that Iran would not give in to international demands to suspend its uranium-enrichment program and dismissed United Nations efforts to impose sanctions on Iran as illegitimate."

Israel Says Iran Bribed Hamas To Block Soldier's Release. The AP (10/21, Lederer) reports, "Israel's U.N. Ambassador Dan Gillerman told the Security Council on Thursday that 'we heard news' earlier in the day that Tehran bribed Hamas leader Khaled Mashaal 'to sabotage the negotiations on the release of Cpl. Gilad Shalit and prevent his release.'" Shalit is the Israeli soldier captured by Hamas-linked militants on June 25. "Gillerman later refused to divulge the basis of the allegation or provide details." Ianian diplomat Mansour Sadeghi responded that "his government 'categorically rejected' all allegations against his country made by Israel, dismissing Gillerman's allegations as 'baseless and absurd,'" and Osama Hamdan, Hamas' representative in Lebanon, called the report 'an obvious Israeli lie.'"

Israel Said To Have Begun Hezbollah Conflict Without Strategy For Ending It. The Washington Post (10/21, A1, Wilson, 748K) reports, "An examination of the first days of the war" between Israel and Hezbollah "shows that leaders of Israel's newly elected government launched a broad military campaign without a clear strategy for how it was to end. It also reveals that while Israeli military officials anticipated an entrenched guerrilla force, front-line officers were surprised by just how well prepared Hezbollah was." Senior Israeli officers admitted "the extent of the tunnel networks, the size of the arsenal and some of the more sophisticated weapons in it were not anticipated." Two days after the counterattack began, "Israeli military and diplomatic officials were deeply split over war strategy." Their "internal consensus, trumpeted in public by Israel's leaders, crumbled" after "the research unit of Israel's military intelligence branch presented a report to senior Israeli officials that questioned the war plan's ability to achieve the government's goals."

Citing Security Concerns, Israel Restricts Muslims Entering Jerusalem To Pray At Holy Site. The New York Times (10/21, Myre, 1.21M) reports, "With Israel imposing tight restrictions on Palestinian movements, the holy month of Ramadan marks a rare occasion when large numbers of Palestinians from the West Bank can enter Jerusalem to worship at the Aksa Mosque compound, one of the most sacred sites in Islam." Although an estimated 180,000 Muslims prayed at the compound, "thousands of West Bank men who were turned back at the city's edge, some in scuffles with Israeli security forces," as "Israel, citing security concerns, only permitted West Bank men over age 45 to enter Jerusalem and the mosque compound." It "says that the huge crowds show its commitment to the freedom of worship, but insists that the restrictions are necessary to guard against possible violence at the site."

Israel's Revised Visa Policy Prevents Palestinian-Americans From Returning To West Bank. The Los

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Angeles Times (10/21, Ellingwood, 918K) reports, "Activists say scores of Palestinians who carry foreign passports, mostly American, have been denied entry this year since Israel moved to close a loophole that once allowed residents to enter repeatedly on renewable Israeli tourist visas," and this "has created a quandary for the Palestinian Americans who remain: If they leave to get a new three-month stamp, they may not be allowed back. If they stay, their current Israeli visas will expire." U.S. Secretary of State Condoleezza Rice had "raised the visa issue in meetings with Israeli officials in Jerusalem this month," and "American diplomats say they have asked Israel to explain the policy." Mark Regev, a spokesman for the Israeli Foreign Ministry, "said the change was an attempt to curb misuse of tourist visas," which "were not meant to serve as documents for Palestinian residency or work in the West Bank and Gaza Strip." However, he admits that the changed policy "is having 'unintended consequences' that officials are now trying to correct."

US Said To Be Turning From Abbas To Rival Fatah Leader. The Washington Times (10/21, De Quetteville, 88K) reports, "Secular and tough -- some say brutal" - Mohammed Dahlan, "a member of the rival Fatah party, is being courted by U.S. diplomats eager to counter Hamas' burgeoning influence in the occupied territories." U.S. officials describe him "as a man who can 'get things done' in a violent climate. In less diplomatic terms, that means having the clout, if needed, to summon armed Palestinians into battle with Hamas." An official admits, "He can be viewed as a thug…but he is one of the very few people who has authority and can impose some order on the ground who is not from Hamas." While US officials are "outwardly backing" Palestinian Authority President Mahmoud Abbas, "they privately condemn Mr. Abbas as hesitant and timid in taking on Hamas."

Brother Of Muslim Brotherhood Founder Advocates Liberal Islam. The New York Times (10/21, Slackman, 1.21M) reports that Gamal al-Banna, the brother of Sheik Hassan al-Banna, the founder of the Muslim Brotherhood, "is no friend of the establishment," because he "is a liberal thinker, a man who would like to see Islamic values and practices interpreted in the context of modern times." He advocates women's rights, for example. He remains free because "he has been careful not to become involved in political movements," and his sister left him enough to live well on. He feels "Egypt, often looked to as a center of moderate Islam, is, like the rest of the Arab world, becoming more conservative and less tolerant of opposing religious views."

Administration Launches Effort To Extend Latin American Trade Deals. The Los Angeles Times (10/21, Kraul, 918K) reports, "The Bush administration has a prescription for fighting coca growing, sidelining Venezuelan President Hugo Chavez and saving thousands of jobs in Latin America: extending free trade for Andean nations." One "senior Bush administration official said this week that the White House would push Congress to pass a bill continuing trade benefits for Colombia, Ecuador, Peru and Bolivia under a little-known law. It wants the bill passed during the 'lame-duck session' after the November elections and before the new Congress is sworn in in January -- while free-trade-friendly Republicans are still in control." So it "has mounted an 11th-hour campaign to preserve the trade perks, which have generated thousands of jobs, given birth to entire export industries and provided alternatives to drug trafficking."

EU Leaders Confront Putin On Oil Contracts. The Financial Times (10/21, Parker) reports, "European leaders on Friday night pressed Vladimir Putin, Russia's president, to honour contracts with western oil companies." At the "strained summit dinner," the "EU leaders also chided Mr Putin on questions of human rights, press freedom and Moscow's tough treatment of the former Soviet republic of Georgia." However, it only served as a reminder that "their attempt to build a more equal energy partnership with Russia has so far yielded few positive results." Putin was "implacable," and responded "that he had no intention of bowing to European demands that Russia should open Gazprom's pipelines to other companies, as required under the energy charter treaty, which Russia has signed but has not ratified." He "also issued an uncompromising warning to Georgia."

The AP (10/21, Brand) agrees that Putin "sidestepped European appeals for moderation on Georgia" and for energy security. Estonian Prime Minister Andrus Ansip said, "The European Union was speaking in one voice — one single voice — and of course, Russia wasn't speaking in the same voice."

WPost Criticize Putin, Western Leaders On Handling Of Russian Journalist's Murder. The

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Washington Post (10/21, A18, 748K) editorializes that "it's revealing to examine how Mr. Putin and his regime have behaved" in response to the murder of Russian journalist Anna Politkovskaya. "The president's first reaction was a strange silence." Then, when "compelled to speak…Putin offered a rote condemnation of the attack. He then disparaged Ms. Politkovskaya" and "made the ugly suggestion that foreign-based enemies of his government were somehow behind the killing." If true, "Putin's enemies also must have found a way to manipulate his own security forces," as "interior ministry operatives…who violently broke up a peaceful vigil in Ms. Politkovskaya's memory." The "other part of this story has played out with depressing predictability: the absence of any serious follow-up by Western leaders. … Sadly, Mr. Putin has been given no reason to think" that should Ms. Politkovskaya's murder remain unsolved, it will "be an obstacle to 'partnership' between Russia and Europe."

Journalist Says Russian Treatment Of Georgia Encourages Future Ethnic Hatread, Loss Of Life. Masha Lipman, editor of the Carnegie Moscow Center's Pro et Contra journal and a columnist for The Post, writes in an op-ed in the Washington Post (10/21, A19, 748K), "In recent years intolerance and even violent ethnic and racial crime have become increasingly common in Russia." Recently "the political conflict between Russia and Georgia has led to an ugly outburst of political xenophobia" which "s different, in a scary way. Until now, if government authorities contributed to public xenophobia it was through inaction, incompetence or irresponsibility. Now ethnic hostility is being incited by government figures -- legislators and executive officials alike" and "the message was unambiguous: Georgia and Georgians were the enemies of Russia." While "the authorities seemed to realize that things had gone too far" and "have begun to backpedal," Russia's "desire to punish Georgia has broken the fragile taboo on ethnic hostility in official language. In the xenophobic atmosphere of today's Russia, this threatens to further encourage ethnic hatred and lead to more loss of life."

Kremlin Defends Putin's Remarks About Katsav Scandal. ABC World News (10/20, story 6, 0:30, Gibson, 8.78M) reported, "The Kremlin is defending Vladimir Putin after the Russian President joked about rape and assault allegations against the Israeli President, Moshe Katsav. Meeting the Israeli prime minister, he said say hello to your President. He didn't look like a guy who would handle ten women. A Russian newspaper is conveying a more graphic version, quoting Putin saying of Katsa, 'we all envy him.' As many as ten women have complained about Katsav. The Kremlin says the meaning of Putin's remarks were lost in translation."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Schwarzenegger Story Gets Another Rewrite."
"Words They've Lived By."
"Driver Guilty of Felony in Markey Crash."
"A Champion of Black History."
"Madam Speaker? Pelosi Likes the Sound."
"Bush Open to Shift in Iraq War 'Tactics'."

New York Times:

"Militias Battle for Iraqi City as Shiite Rivalry Escalates."
"As Trust Vanishes, Many Iraqis Look to Gunmen as Protection."
"Open Seats Lift Democratic Hopes in the House."
"Anger Festering in French Areas Scarred in Riots."
"Entrees Break the $40 Barrier, and, Sorry, the Sides Cost Extra."
"Doctors Rethink Widespread Use of Heart Stents."

Washington Post:

"Bush, Rumsfeld Defend Strategy."
"The Woman Who Would Be Speaker."
"Israeli War Plan Had No Exit Strategy."
"Veil Debate in Britain is Also Divisive for Muslims."
Ehrlich O'Malley Focus on Turnout As Election Nears."
"Used Cellphones Hold Trove of Secrets That Can Be Hard to Erase."

Washington Times:

"China Wrest N. Korean Pledge."
"World Series Lifts Detroit's Morale."
"Bush Pins Label of "Defeat" Party on Democrats."
"Screen Horror Gives Guys, Girls Roles."
"Wilder Advises Webb to Make Stance Clear."
"Doing Deals on the Green."

Detroit Free Press:

"Bachynski wails over guilty verdict."
"It's time to get your Halloween costume."

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"Detroiters look for equality."

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"One Crash Every 2.8 Minutes."
"'I said 1, 2, 3, 4, Mommy, wake up!'"
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Dallas Morning News:

"TXU Identified as Target of State's Energy Inquiry."
"U.S. Struggling to Curb Clout of Iraqi Militias."
"DA Scoffs at Test."
"Panel Clears Justice on Ethics Charges."

Houston Chronicle:

"Homicide Rate on Track to be Worst in a Decade."
"Rival Shiite Factions Battle for Iraqi City."
Clinic is World's 1st to Target a Rare Killer."
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Story Lineup From Last Night's Network News:

ABC: Administration Iraq Strategy; Iraqi Militia Threat; GOP Pressure On Administration; US-China North Korea Sanctions; North Korean Culture; Putin Israeli Remarks; Universal Health Care Reform; OPEC, Oil Prices Down; Solar Power Alternative; Caring For US Troops' Families.

CBS: Administration Iraq Pressure; US Soldiers Frustrated; US-China North Korea Sanctions; Church Response To Foley Abuser; DHS Fund Distribution Questions; Campaign Ad Preview; Elderly Driving Dangers; Cassini Saturn Pictures; Sad Message In Bottle.

NBC: Bush Iraq Policy; Maghdi Siege Of Amarrah; Rice And North Korea; Ground Zero Remains Found; Football Stadium Hoax; Missouri Senate Race; RNC Terrorism Ad; Detroit Tigers; Ballet Charity.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Unavailable.
VICE PRESIDENT CHENEY -- Unavailable.

US Senate: No scheduled events.

US House: No scheduled events.

Other: Oct. 14 - 23. PSYCHIATRIC SERVICES _ The Americam Psychiatric Association hosts its 2006 Institute on Psychiatric Services. Location: Marriott Wardman Park Hotel, 2660 Woodley Road NW.

Oct. 16 - 21. SAFE KIDS _ Safe Kids Worldwide holds its 18th annual Leadership Conference. Location: Hyatt Regency on Capitol Hill, 400 New Jersey Ave. NW. Contacts: n/a, 202-662-0600

Oct. 19 - 21. AEROSPACE EDUCATION _ The Civil Air Patrol hosts a national aerospace education conference. Highlights:
8:15 a.m. Astronaut Robert ``Hoot'' Gibson. 8:45 a.m. President Ken Hyde Wright Flight Experience. 4:30 p.m. Asatronaut Buzz Aldrin. Location: Marriott-Crystal Gateway, 1700 Jefferson Davis Hwy., Arlington, Va. Contacts: Jim Tynan, 334-398-3312

Oct. 19 - 21. NAVAL ORDER _ The Naval Order of the United States holds its 2006 Annual Congress Program, ``Honoring Our Navy at Normandy.'' Highlights: 12 p.m. Coast Guard Commandant Adm. Thad Allen. 7:30 p.m. Retired Navy CNO Adm. Vernon Clark receives the Distinguished Sea Service Award and makes remarks. Location: Holiday Inn Rosslyn, 1900 N. Fort Myer Dr., Arlington. Contacts: Eric Berryman, 757-270-7487

Oct. 19 - 22. EDUCATION-DRUG ABUSE _ The 20th Annual National Meeting on Alcohol and Other Drug Abuse and Violence Prevention in Higher Education will be held. Location: Hyatt Crystal City , 2799 Jefferson Davis Highway. Contacts: Jo Ann Webb, 202-401-1576.

Oct. 20 - 21. ITALIAN AMERICANS _ The National Italian American Foundation holds its 2006 Convention and 31st Anniversary Gala. showcase Italian products and services. On Saturday evening, actor Alan Alda, baseball greats Yogi Berra and Tommy Lasorda, director Mel Brooks, Supreme Court Justice Antonin Scalia, Chicago mayor Richard M. Daley, and singers Neil Sedaka and Jerry Vale will join more than 3,000 people from across the U.S. and Italy at the Foundations 31st Anniversary Awards Gala. Academy Award-winning actress Anne Bancroft will be posthumously inducted into the NIAF Italian American Hall of Fame. Her husband, Mel Brooks, will represent Bancroft. Gala honorees are Samuel Alito Jr., Supreme Court justice; Raffaello Follieri, chairman and CEO of Follieri Yucaipa Investments; Tom W. LaSorda, CEO and president of the Chrysler Group; Catherine B. Reynolds, chairman of the Catherine B. Reynolds Foundation, and singer Frankie Valli. Highlights: 9

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a.m. - 11 a.m. NIAF Council 2000/Youth Networking Continental Breakfast, featuring keynote speaker Tom Lasorda. 2:30 p.m. - 4:30 p.m. ``Judicial Independence, a panel discussion with Supreme Court Justices Samuel Alito Jr. and Antonin Scalia; Lynn Battaglia, judge, Court of Appeals of Maryland; William S. Sessions, partner, Holland & Knight. Note: Open to print media only. former FBI director and honorary co-chairman, ABA Commission on the 21st Century Judiciary. Location: Washington Hilton & Towers, 1919 Connecticut Ave. NW. Contacts: Elisa Ruffino, 202-939-3106.

Oct. 21 - 23. SWEDISH EMBASSY _ Cremonies marking the opening of the House of Sweden, the new Swedish Embassy.
Location: 2900 K St. NW. Contacts: Andres Ericson, 202-467-2655. Notes: All events RSVP. Press tent at 901 30th St. NW.

8:50 a.m. CHRISTIANS-ISRAEL _ The Holy Land Christian Ecumenical Foundation hyolds a panel discussion on the theology and practical implications of Christian Zionism during its 8th International Conference, with Rev. Gary Burge of Wheaton College and JoAnn Magnuson of Interfaith Relations for Bridges for Peace. Location: Stone Hall National Presbyteriaqn Church, 4101 Nebraska Ave. NW. Contacts: Jessica Rodgers, 301-951-9400 ext 219. 9 a.m.

WALK AGAINST AUTISM _ Cure Autism Now holds second annual WALK NOW, family-friendly 5K walk and community resource fair. Location: National Mall. Contacts: Cure Autism Now, 8888AUTISM

9:30 a.m. LEGAL ETHICS _ Georgetown University Law Center holds a symp 1/8osium on legal ethics over the past 20 years, with Judge George Miller of the U.S. Court of Federal Claims, others. Location: Hart Auditorium, McDonough Hall, 600 New Jersey Ave. NW. Contacts: Kara Tershel, 202-662-9500.

12 p.m. NIGHT COMMUTERS _ Rally and march in support with child ``night commuters" in northern Uganda and efforts to end the 20 year way in Uganda. Location: Rally and walk start at John Marshall Park, Pennsylvania Ave. and 4th St. NW. Contacts: Michael Poffenberger, 574-229-1301.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: SATURDAY, OCTOBER 21, 2006 7:45 AM EDT

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TERRORISM NEWS:

DOJ Says Courts Are No Longer Open To Detainees. The AP (10/21, Apuzzo) reports, "Hundreds of detainees received notice from the Justice Department this week that because of a new law signed by President Bush, the U.S. court system is no longer open to them. Now it will be up to a federal appeals court, and ultimately the Supreme Court, to decide the fate of prisoners who have spent years arguing the government is illegally holding them at overseas military bases." The "habeas corpus exemption has drawn criticism from lawyers, civil rights groups and even members of Bush's own party, such as Sen. Arlen Specter, R-Pa., the chairman of the Senate Judiciary Committee."

Opinions Vary On Legality Of Military Tribunals. McClatchy Newspapers (10/21, Rosen) reports, "The administration gave more ground on how the military commissions will work and how the trials will run, while the three senators yielded more on the controversial interrogation techniques, said John Radsan, who served as the CIA's assistant general counsel from 2002 to 2004 and now runs the National Security Forum at the William Mitchell College of Law in St. Paul, Minn." Several scholars' varying opinions on whether the Supreme Court will uphold the law are noted. Sen. Lindsey Graham (R-SC) predicts a 7-2 vote upholding it.

Many Highly-Publicized Terror Arrests End In Minor Convictions. In a story taking an overall negative tone toward the FBI, CNN's Paula Zahn Now (10/20) reported, "Since 9/11, hundreds of terror suspects have been arrested in the U.S., and just about every time you see the Justice Department and the FBI make an announcement with a lot of fanfare in front of a lot of TV cameras, but so many times we never hear about those the suspects again." CNN (Griffin) added, "In the FBI's war on terror, this man came close to being another Justice Department statistic." Detroit gas station attendant Abdul Berro is "about to be sentenced for credit card and bank fraud," but not "for terrorism, even though the FBI spent months and hundreds of thousands of dollars investigating him and others for plotting against America. The FBI had an informant who said there was more going on with Berro than just credit card fraud. … According to documents, the bureau paid that informant more than $200,000," but he "turned out to be a liar, a con man, now serving a 10-year sentence for his expensive misinformation." Griffin noted that "an independent research group at Syracuse University says half the sentences for these terrorism-related cases are for 28 days or less in prison. … The FBI's John Miller insists that even these lesser convictions are vital in the war on terror." Miller: "The idea is to neutralize these groups either before they are able to transmit money to a terrorist organization overseas, before they are able to put together an attack plan here." Griffin: Judge Richard Posner "says the U.S. needs a new domestic agency, one less concerned with making quick arrests and more willing to take the risk of sitting on a case to see if it leads to a bigger terror threat. The FBI's Miller disagrees." Miller: "This is not a game of chicken we're playing, where we can see whether we get within hours of them striking to get just that much more proof."

Juror Upset By Stewart's Sentence For Aiding Terrorists. The New York Times (10/21, Preston, 1.21M) reports, "He was known as Juror 8, for the jury box chair where he listened silently for more than six months as the convoluted evidence unfolded in the trial of Lynne F. Stewart, the radical defense lawyer accused of aiding Islamic terrorism. The jurors argued behind closed doors in Federal District Court in Manhattan for another month before they finally agreed to convict Ms. Stewart on all five charges she faced for smuggling messages out of prison from her terrorist client, Sheik Omar Abdel Rahman. … So on Monday, 20 months after the verdict, Juror 8 kept his eye on the television, waiting for news of her sentence. When he heard that Judge John G. Koeltl had reduced the 30 years sought by the government to 28 months in prison, Juror 8 said he was first disbelieving, then 'vastly disappointed.'"

Kurd Was Imprisoned By US And Taliban. The AP (10/21, Sniffen) reported that Abdul Rahim was arrested "by the Taliban in Afghanistan in January 2000, Rahim says al-Qaeda leaders burned him with cigarettes, smashed his right hand, deprived him of sleep, nearly drowned him and hanged him from the ceiling until he 'confessed' to spying for the United States. US forces took the young Kurd from Syria into custody in January 2002 after the Taliban fled his prison. Accusing him of being an al-Qaeda terrorist, US interrogators deprived him of sleep, threatened him with police dogs and kept him in stress positions for hours, he says. He's been held ever since as an enemy combatant." His story "is one of several emerging from" Gitmo "as defense lawyers make bids to free their clients while the Bush administration tries to use a new law to lock them out of federal courts."

Columnist Assails Hulon, FBI Over "Un-Intelligence." In a Toledo Blade (10/21) column titled "The FBI's Un-Intelligence," the Blade's Jack Kelly wrote, "A Few weeks ago, Jeff Stein, national security editor for Congressional Quarterly magazine, interviewed Willie Hulon, who recently was named chief of the FBI's national security

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branch." When "Mr. Stein asked Mr. Hulon to explain the difference" between Sunnis and Shiites, "He couldn't." Kelly added, "Mr. Hulon is continuing a long tradition of abysmal and inexcusable ignorance in high places at FBI," and Kelly goes on to discuss intelligence shortcomings on North Korea, Iraq and the 1993 WTC attack. "As far as we know, no one in the FBI or the CIA has been held accountable for intelligence failures. And when no one is held accountable, you get people like Mr. Hulon in jobs they obviously are unqualified to do. This is President Bush's greatest failure."

HOMELAND RESPONSE:

DHS Aid Disbursement Formula Said To Favor Less Populous States. The CBS Evening News (10/20, story 5, 3:40, Couric, 7.66M) reported, "This year, the Federal government gave the states nearly $2 billion in homeland security money, but you might be surprised how it got divvyed up. For instance, North Dakota -- hardly considered a major terror target -- got nearly $17 per resident. But New York, which has been attacked twice, got only about $9.50 per person. Montana received nearly as much money per resident as New York did." CBS continued, "Tom Kean, Chairman of the 9/11 Commission, says Congress should refigure the formula that now gives some homeland security dollars to every state." Kean: "An area that has the greatest threat is the first priority, and the money. And so on down the list." According to CBS, "Since 9/11, Montana has received about $70 million in Federal homeland security dollars, raising questions as to how wisely that money is being spent. State officials point to the need to protect projects like this hydroelectric dam and dozens of other potential targets for terrorism. Like power grids, missile sites, and 545 miles of largely unprotected border with Canada."

Man Arrested For Football Stadium Bomb Hoax. NBC Nightly News (10/20, story 5, :30, Williams, 9.87M) reported, "Tonight there is an arrest in connection with what turned out to be a phony threat on the internet to attack seven NFL stadiums this weekend with radioactive so-called dirty bombs. A 20-year-old Wisconsin grocery store clerk is accused of orchestrating this hoax. He told prosecutors he had posted the same phony threat 40 different times on various websites."

The New York Times (10/21, Smothers, 1.21M) reports, "Federal officials labeled the threat a hoax on Thursday, but at a news conference on Friday to announce the arrest, the United States attorney in Newark, Christopher J. Christie, called it the 'Internet version of yelling 'Fire!' in a crowded theater in this post-9/11 era.' Law enforcement officials said that the message posted by the man, Jake J. Brahm…explained that the timing of the threatened explosions coincided with the end of the Muslim holy month of Ramadan and that Al Qaeda would take credit for what members would call 'America's Hiroshima.'" The Washington Times (10/21, Seper, 88K) also reports on this story.

FBI Removes Dead Man From Terrorist List. The AP (10/21) reports, "The FBI removed an al-Qaida explosives expert linked to the 1998 U.S. Embassy bombings in Africa from the most wanted terrorists list Friday after learning he was killed six months ago. Muhsin Musa Matwali Atwah was killed in an April 12 gunfight with Pakistani authorities ... Twenty-six suspected terrorists remain on the FBI's list, including al-Qaida leader Osama bin Laden."

9/11 Victims' Remains Found Near WTC Site. NBC Nightly News (10/20, story 4, 2:00, Williams, 9.87M) reported, "This week here in New York, over five years now since 9/11, more human remains were found dating back to that attack." The New York Times (10/21, Dunlap, 1.21M) reports, "New York City's chief medical examiner will station a team at ground zero to look for human remains from 9/11, the Bloomberg administration said yesterday, after dozens of bones were found Thursday by workers excavating two manholes that had been covered since 2002."

NYTimes Faults Coast Guard For Live-Fire Drills On Great Lakes. The New York Times (10/21, 1.21M) editorializes, "When the Coast Guard decided it wanted to practice firing its new machine guns on the Great Lakes, it posted an item in the Federal Register -- not exactly household reading. Now that the public has caught up, there is an uproar all around the lakes ... Few are disputing that the United States needs to do more to protect its borders against terrorists. But we face far more plausible threats than terrorists cutting across Lake Michigan in small boats. ... Turning the Great Lakes -- even on occasion -- into a live-fire zone is the kind of decision that says little to terrorists but speaks volumes to the rest of us."

Louisiana Pays FEMA $319 Million, Sues Over $61 Million Bill. The New York Times/AP (10/21) reports the state of Louisiana "wired $319 million to the Federal Emergency Management Agency on Friday, a large part of what the agency billed the state for hurricane recovery for Hurricanes Katrina and Rita, and filed a lawsuit in federal court disputing the remaining $61 million bill. The state's actions were based on the advice of the legislative auditor. The commissioner of administration, Jerry Luke LeBlanc, who is the governor's top financial adviser, said that the state attorney general's office filed the lawsuit Friday afternoon and that the disputed dollars would be deposited into a registry of the court until the case was resolved.

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Activists Encourage Lawmakers To Visit The Gulf Coast. The Los Angeles Times (10/21, Simmons, 918K) reports, "The Women of the Storm, as this ad hoc group calls itself, were about to land in Washington and embark on a one-day mission in the nation's halls of power. The goal: to persuade members of Congress to help save the state's fast-disappearing coastline. The powerful folks in Washington ignore this eclectic group at their peril. The Women are quickly becoming a recognized power among the activist groups that have sprouted from the rubble of Katrina, many fueled by frustration with the slow pace of government assistance. Their first objective has been to bring Washington to New Orleans. The group's premise is simple: When lawmakers see how devastated the Gulf Coast looks, they will be roused to help. So far, the group has helped convince 55 of the nation's 100 senators and at least 106 of its 435 representatives to visit Louisiana."

WAR NEWS:

Administration Open To Changing Iraq Tactics, But Not Strategy. The possibility of the president changing his approach the war in Iraq received heavy coverage, leading the three network newscasts and appearing on the front-page of major newspapers. ABC World News (10/20, lead story, 2:30, Gibson, 8.78M) reported, "President Bush has gathered his top Iraq advisers for discussions on strategy." Bush "met today with the top commander for the Middle East, to talk about a possible change in tactics." President Bush: "My message to them is, 'whatever you need, we'll give you. And whatever tactics you think work on the ground, you put in place.'" Raddatz added, "A senior military official tells ABC News that for now, the changes will be only minor adjustments in how the battle is fought. There are no large scale changes in the plan." In the face of calls to adjust its policies, one "senior official said that the pressure will continue on Iraqi Prime Minister Nouri al Maliki to crack down on the militias." One "senior official said today Maliki will be given until the end of the year and then commanders and Administration officials, Charlie, will reassess the situation to see if it's working."

The CBS Evening News (10/20, lead story, 3:00, Couric, 7.66M) reported, "Pressure is building on President Bush to find a way out of Iraq where the US death toll is now approaching 2,800." CBS (Axelrod): "In a not-so-subtle dig at 'cut-and-run,' his former number two at the State Department Richard Armitage now says the US should 'notify and walk.' Notify Iraqis we're going to be drawing down our troops over a reasonable interval of months. 'We can't win this militarily.'" CBS states that the President "is now in a delicate dance, showing resolve on the campaign trail but hinting at flexibility when he describe what is he tells his generals." Bush: "Whatever you need, we'll give you and whatever you tactics you think work on the ground, you put in place." CBS correspondent David Axelrod described Bush as "showing no flexibility on a phased withdrawal. It's called a non-starter, the idea of dividing Iraq into three separate regions, that's being ruled out, too."

NBC Nightly News (10/20, lead story, 3:30, Williams, 9.87M) reported, "It has been a week of setbacks in Iraq and there have been some rare admissions from the Bush administration regarding U.S. policy there. Tonight there is further evidence that some sort of review of the Iraq war is underway." NBC (Gregory) added, "There's also a greater sense of urgency within the White House about the war. A flurry of meetings today focused on two key questions. 'What should the U.S. do next in Iraq?' And 'what realistically can it do?' With just weeks to go before Iraq's political impact is felt at the polls, the President today conceded setbacks."

The Washington Post (10/21, A1, Tyson, Fletcher, 748K) reports that Defense Secretary Donald Rumsfeld and Bush "said military commanders are constantly adjusting their tactics to meet enemy challenges." However, the Post emphasizes that Bush and Rumsfeld also "defended the U.S. strategy in Iraq, saying the ultimate goals remain unchanged despite escalating violence and increasingly somber assessments from military leaders on the ground."

The New York Times (10/21, A1, Semple, 1.21M) in an article focused mainly on militia violence in Iraq notes, "Reviews of the American strategy in Iraq took on more urgency on Friday."

The Los Angeles Times (10/21, Richter, McManus, 918K) in an article titled "Bush Open To Shift In Iraq War 'Tactics'" says Bush's remarks Friday "appeared to signal that he was open to at least a limited change in his approach, and that he was not wedded to a 'stay-the-course' doctrine, as critics say. At the same time, Bush pledged to secure victory and said he would not change his administration's strategy or overall goals, even if it shifted tactics." With continuing violence in Iraq and "an increasing number of Republicans" questioning "the wisdom of Bush's policies" some "administration officials said Friday that in the face of Iraq's deepening troubles, they were weighing major changes in direction and expected a new course -- though not a withdrawal -- to be announced within months."

Under the headline "Pressure Builds For Policy Shift, But Bush Shows No Signs Of Budging," McClatchy Newspapers (10/21, Hutcheson, Youssef) report, "American officials are grasping for new ways to keep the conflict from spinning out of control." Yet, "Bush has given no indication that he's ready to make dramatic changes in his Iraq policy" and his "public comments and those of his senior aides suggest that he's more determined than ever to stay the course." White House spokesman Tony Snow Friday "said that Bush is open to changes in tactics that could help

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achieve his goals, but won't consider any deviation from his core strategy." McClatchy notes, "That leaves senior American officials and commanders in Iraq in a tough place. They've acknowledged that the current approach isn't working, and that they're looking for an alternative."

The AP (10/20, Riechmann, Freking) portrays Bush as adamant in his resolve regarding Iraq, reporting that he "conceded Friday that 'right now it's tough' for American forces in Iraq, but the White House said he would not change U.S. strategy in the face of pre-election polls." The AP notes "fresh signs of Republican doubts," including the statement of Sen. Kay Bailey Hutchison. Secretary Rumsfeld "said the Iraqi government must become less reliant on the United States to handle security. He also said U.S. officials are working with the Iraqis to develop projections on when that might happen."

The Financial Times (10/21, Luce, Sevastopulo) agrees that "Bush conceded yesterday that he was increasingly flexible about America's military strategy" and "has abandoned talk of achieving 'victory.'" On the issue of dividing Iraq along ethnic lines, Bloomberg (10/21, Mathewson, Williams) quotes White House spokesman Tony Snow saying, "You don't want to create the Balkans." Bloomberg adds, "The U.S. will continue urging Iraqis to identify themselves as one people, recalling how 12 million citizens turned out a year ago for the first democratic election in decades, Snow said."

Speculation Abounds Concerning Iraq Study Group's Recommendations. The New York Times (10/21, Weisman, 1.21M) reports, "Bush has opened himself to the new ideas when the war is presenting some of the problems the elder Mr. Bush and his aides, in their own memoirs, have said they worried about in 1991." James A. Baker III, co-chairman of the Iraq Study Group, says "Bush has an unwarranted reputation for not listening to dissenting views," adding, "this project demonstrates one heck of a lot of flexibility." The group "has set off fevered talk in Washington, ranging from the political to the psychological, especially now that Mr. Baker has declared that neither Mr. Bush's 'stay the course' message nor what the White House calls the 'cut and run' approach of critics offers a way out," and "Speculation has centered on the possibility of a phased military withdrawal from Iraq; a possible separation of Sunni, Shiite and Kurdish areas; some kind of international protectorate to secure Baghdad; and greater involvement in Iraq and the region by Iran and other neighbors." While the group may not recommend personnel changes, "many doubt that those associated with the current approach could carry out a new one," and "it is well known that Mr. Baker is not a great fan of Defense Secretary Donald H. Rumsfeld."

Bush Links Democrats' Position On Iraq To Stance During Cold War. In contrast to other newspapers which focus on speculation about a shift in Administration Iraq policy, the Washington Times (10/21, A1, Dinan, 88K) in a front page story leads with Bush's campaign message reporting, "President Bush yesterday said Democrats became the party of 'doubt and defeat' during the fight against communism in the Cold War, and said it shows today in their calls for withdrawal from Iraq." Bush "said that shift began in 1972, with the nomination of George McGovern to run for president, continued into President Jimmy Carter's administration and characterized Democrats during Republican President Ronald Reagan's administration."

Administration Seen As Under "Pressure" To Shift Strategy. Continuing a theme found in many news reports ABC World News (10/20, story 3, 2:00, Gibson, 8.78M) focused on the Iraq War's impact on the congressional elections, reporting, "Karl Rove, the top White House political adviser, earlier on, was saying the Republican candidates ought to embrace the war and accuse Democrats of wanting to cut and run." ABC chief Washington correspondent, George Stephanopoulos: "And those words, cut and run, were the magic words for Republicans all year long. Even when the Iraq headlines were bad, if they could accuse Democrats of cutting and running, they felt they were in good shape. That slogan is losing its potency right now. And there's some evidence the Democratic charge of staying the course is gaining power. If you look at the tight Senate races, Democrats are on the offense, advertising on Iraq in seven of the tight Senate races. We see Republicans starting to break ranks."

GOP Candidates Begin To Waver On War. The AP (10/20, Gamboa) reports, "Sen. Kay Bailey Hutchison, one of President Bush's most ardent loyalists on the war in Iraq, voiced her strongest criticism yet of the administration's reasons for going to war. In a debate with her challenger in the Nov. 7 election, Hutchison, R-Texas, said she would not have voted for war had she known there were no weapons of mass destruction in Iraq. But she also made it clear she does not support troop withdrawal." Her words "come as a small but growing number of Republicans are suggesting a change in the Iraq strategy may be necessary."

The AP (10/20, Lewis) reports, "Republican Sen. George Allen…called for 'changes in tactics' in how the U.S. is fighting the Iraq war on Friday as he continued to face questions about his morphing position on the war." Allen "has yet to reject or criticize the hard line on Iraq that he had touted for months and that President Bush repeated Thursday at an Allen fundraiser," but he "began shifting his public position on the unpopular war two weeks ago after fellow Virginia Sen. John Warner" said Iraq was "drifting sideways."

Rumsfeld Says Iraq Must Take Over Security. The AP (10/20, Burns) says that Rumsfeld argued that "the biggest mistake would be to not continue turning regions of the country over to the Iraqis, even if that means the U.S. has

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to go back and retake control because the Iraqis are overwhelmed." While he has made such remarks before about handing over responsibility, these comments "came less than three weeks before elections in which Democrats are threatening to recapture control of Congress."

UPI (10/20) also reports his declaration, saying that Rumsfeld "is scheduled to confer Saturday with President George W. Bush, Vice President Dick Cheney and Gen. John Abizaid, head of Central Command. Gen. George Casey, the head of U.S. forces in Iraq, is to join the discussion from Baghdad by video."

Soldiers Feel Frustration In Iraq. The CBS Evening News (10/20, story 2, 3:40, Logan, 7.66M) reported, "Some senior American commanders in Baghdad now describe their mission here as treading water, trying to buy time for an Iraqi government and political system that so far is failing. Also failing is the US mission to reduce bloodshed in the Iraqi capital, something military commanders finally admitted as the death toll for American troops surged with over 70 dead already this month. While leaders in Washington work on a new strategy, American soldiers are forced to keep on with the operation in Baghdad."

Clarence Page Sees Bush Preparing To "Declare Victory And Go Home." In the Washington Times (10/21, 88K), syndicated columnist Clarence Page predicts, "Iraq has sunk deeper into what looks like a civil war and the Bush administration has sunk deeper into denial. But recent events indicate that, despite Mr. Bush's mantra about 'staying the course' in Iraq, he's looking for an exit strategy." Bush's consultation of the Baker-led Iraq Study Group "could offer cover for the younger Mr. Bush to do something he is loath to do in public: change his mind. ... In fact, Iraq's best direction may come through a partitioning of the country between its dominant Sunni, Shi'ite and Kurdish factions. ... But, whether in war or in peace, Iraq's future ultimately must be decided by Iraqis."

Militias Clash In Amarah. ABC World News (10/20, story 2, 1:50, Gibson, 8.78M) reported, "There may be a desire to crack down on the militias. But it wouldn't seem to be work working from what happened today. One of the things the US fears most in Iraq is militias seizing power at will, and dimming hopes for unification in the future. It happened today in Amarah, a city in the south. Population 750,000. The Mehdi army led by a cleric in Baghdad took over the city." ABC (McCarthy): "By nightfall, mediators sent by prime minister Maliki had arranged an uneasy truce in the city. But the damage had already been done to the government's authority." University of Michigan professor Juan Cole: "The guerillas typically have better firepower than the Iraqi military and the security forces. I am not sure anyone can do what Maliki has been called upon to do." McCarthy: "Iraq is increasingly becoming a battlefield for private armies, outside any central control. If that isn't stopped, many are afraid the country is truly heading into darkness."

NBC Nightly News (10/20, story 2, 2:30, Williams, 9.87M) called the violence in Amarah "the latest example of this unraveling security situation on the ground." NBC (Engel): "This is an example of an exit strategy gone wrong. The Mahdi army invaded the city of Amarah and briefly seized control. This is the second city here this week where Iraqi security forces have been unable to stand up to militias. It was Shi'ites killing Shi'ites. " The attack on Amarah is Sadr's "boldest challenge yet to the central government." The Brookings Institution's Michael O'Hanlon: "Sadr may be getting ready for war and he may be getting ready to try to control as much of Baghdad and surrounding areas as possible in the belief that ultimately who rules Iraq will be settled on the battlefield, not at the ballot box." Loren Thompson, Lexington Institute military analyst: "If U.S. troops can't count on the Iraqi security forces to maintain control then we basically got two choices. Stick around or accept defeat." Engel: "Tonight after negotiations with Sadr's forces, the Iraqi army did regain control of Amarah, but Sadr's brazen takeover put both the Iraqi government and the U.S. military on notice of what could be an emerging pattern."

The New York Times (10/21, A1, Semple, 1.21M) reports, "Hundreds of militiamen linked to the Shiite cleric Moktada al-Sadr battled local police and members of a rival Shiite militia in the southeastern city of Amara," but "after a day of negotiations involving representatives of the warring militias, and delegates from the Baghdad offices of Prime Minister Nuri Kamal al-Maliki, Mahdi Army gunmen withdrew from their positions, and by nightfall the city was under the control of an Iraqi Army battalion that had been dispatched from Basra." The fighting "exposed the deep fissures in the country's Shiite leadership and cast doubt on the ability of the ruling Shiite coalition to hold itself together. It also underscored the weaknesses of the Iraqi security forces and the potency of the Mahdi Army," and "raised fresh questions, too, about the ability of the Iraqi government and security forces to maintain order once allied troops are withdrawn."

The Washington Post (10/21, A13, Anderson, 748K) adds, "Each side blamed the other in a cycle of retaliatory clashes with tribal overtones," and "a spokesman for the Interior Ministry, Brig. Abdul Karim Khalaf Kinany, said the clashes were not driven by intra-Shiite conflict, but by tribal differences." However, the "bloody feud…illustrated deepening rifts within Iraq's largest sect and the growing turmoil in the south," proving "a stark illustration of the deepening tension among Shiite leaders."

The Los Angeles Times (10/21, Roug, 918K) reports that Secretary Rumsfeld "said in Washington that he believed Iraqi security forces had regained control of the area. But the two-day offensive by the Al Mahdi army highlighted how

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difficult it has become for the central government and its security forces to rein in Shiite Muslim militias, both in the capital and in the south. ... Handing over control to the Iraqi army and police is key to the strategy of U.S.-led military forces, but the Iraqis often have proved inadequate, especially when facing Shiite militias."

McClatchy Newspapers (10/21, Obeid, Youssef) calls the fighting "another sign that Iraqi government forces are unable or unwilling to subdue rogue elements." McClatchy speculates, "It's unclear how much control Sadr has over some members of his militia, which has expanded and splintered since he founded it in 2003. During Friday's fighting, some militiamen appeared to defy the firebrand cleric's orders for calm."

The Financial Times (10/21, Negus) headlines its coverage, "Amara Unrest Strains Plans For Unified Iraq" and reports from the British point of view, "The fighting threatens to disrupt British plans to complete the handover of the four Shia-majority provinces in their area of responsibility to local authorities. British and other coalition forces had already pulled out of two of the four provinces in their zone in June and September and withdrew from Amara in August."

The AP (10/20, Hurst) reports, "The Amarah showdown between the two virtual private armies highlighted the potential for an all-out conflict between them and their political sponsors, both with large blocs in parliament and important to the survival of Prime Minister Nouri al-Maliki's shaky 4-month-old government." Secretary Rumsfeld is quoted as saying that it "was not a strategic error for the British to turn over control of the city to the Iraqis in August."

Many Iraqis Consider Militia Gunmen As Protectors. The New York Times (10/21, Tavernise, 1.21M) reports that "the Mahdi Army, and a growing criminal breakaway element, have grown into one of the government's biggest problems and are a major obstacle to the success of the American enterprise here. Despite its new rogue fringe, Iraqi Shiites see the Mahdi militia as their most effective protector against the hostile Sunni groups that have slaughtered Shiites and driven them from their homes. Shiites say that as long as the government cannot keep them safe, they cannot support the disarming of militias. ... It is a broadly held view among Shiites that the American military has unfairly focused on Shiite militias and has largely forgotten the Sunni militias that they say launched the sectarian war." The Times asks rhetorically, "How is it possible to control a militia when trust among Iraqis has vanished and the government is incapable of containing the spiraling violence?"

Iraqi Religious Leaders Issue Edicts Against Violence. The AP (10/20) reports, "In a bid to stop sectarian bloodshed, Shiite and Sunni religious figures met in Mecca, Islam's holiest city, and issued a series of edicts Friday forbidding violence between Iraq's two Muslim sects. It is uncertain, however, whether the edicts, or fatwas, will find resonance among the country's Sunni and Shiite militants whose tit-for-tat attacks have created a deadly cycle of violence that gains momentum and brutality daily." The ongoing violence "is largely perpetuated by militants who abide only by the strict interpretations of the Quran, Islam's holy book, and Hadith, sayings of Islam's prophet Muhammad, that are offered by radical clerics outside Islam's mainstream."

The Washington Times (10/21, 88K) in a front page article reports on this meeting and its edict as well, stating, "It was not clear what impact the document signed by the dozens of clerics would have on militias that appear to be outside the control of both Shi'ite and Sunni religious authorities, and others that are affiliated with al Qaeda. Nevertheless, it marked an unprecedented effort by Iraqi religious leaders -- who gathered in the Saudi Arabian city where Islam was born -- to speak out against the bloodshed that has increased daily throughout the holy month of Ramadan."

UN Says 914,000 Have Fled Iraq. The AP (10/20, Jordans) reports, "At least 914,000 Iraqis have fled their homes since the U.S.-led invasion in 2003, more than a third since an increase in sectarian bloodshed at the start of this year, the U.N. refugee agency said Friday. ... The agency has concluded that 754,000 displaced Iraqis remain in the country." The Los Angeles Times (10/21, 918K) carries an abbreviated version of this article.

UN Complains Of Iraqi Sealing Of Civilian Death Toll Data. The New York Times (10/21, Hoge, 1.21M) reports, "The United Nations office in Baghdad says that Nuri Kamal al-Maliki, the Iraqi prime minister, has ordered the country's medical authorities to stop providing the organization with monthly figures on the number of civilians killed and wounded in the conflict there, according to a confidential cable. ... Ashraf Qazi, the United Nations envoy to Iraq, says the prohibition may hinder the ability of his office to give accurate accounts in its bimonthly human rights reports on the levels of violence and the effect on Iraqi society."

GOP Criticizes CNN For Airing "Sniper Tape." The Los Angeles Times (10/21, Perry, 918K) reports, "CNN cable news has become 'the publicist for an enemy propaganda film' by broadcasting a tape showing an insurgent sniper apparently killing an American soldier" according to House Armed Services Committee Chairman Duncan Hunter. Hunter "called for the Pentagon to oust

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immediately any CNN reporter embedded with U.S. troops in Iraq." Reps. Brian Bilbray and Darrell Issa joined Hunter in "sending a letter to Defense Secretary Donald H. Rumsfeld." The Pentagon, though, "had no official reaction to the CNN video. Though embedded reporters are made to sign pledges not to show the faces of dead Americans until their families are notified, nothing prohibits the use of pictures where identities are not discernible."

Plea Is Reported In Iraq Murder Case. The AP (10/20, Watkins) reports, "A Camp Pendleton Marine will plead guilty next week for his role in the killing of an Iraqi civilian last April, his attorney said Friday. Pfc. John J. Jodka, 20, of Encinitas, would be the first Marine to plead guilty in the case, in which six other Marines and one Navy corpsman were also charged with murder." His attorney "said Jodka would testify at his court-martial and that sentencing was not expected until Nov. 15."

The Los Angeles Times (10/21, Perry, 918K) reports that Jodka "was the youngest and lowest-ranking" of the Marine defendants and that he "was moved from the brig at Camp Pendleton to the Miramar Marine Corps Air Station brig two weeks ago to separate him from other defendants."

Officer Awaits Ruling In Abu Ghraib Case. The AP (10/20, Dishneau) reports, "An Army colonel began deliberating Friday whether to recommend a court-martial for an officer accused of abusing Abu Ghraib prisoners by ignoring their mistreatment and then lying to investigators about it. A decision is expected by early November on whether Lt. Col. Steven L. Jordan, an Army reservist from Fredericksburg, Va., will stand trial for any of the 12 charges against him." He "is the highest-ranking U.S. soldier, and the first officer, charged with crimes stemming from the physical abuse and sexual humiliation of Abu Ghraib detainees."

Colonel Takes Care Of 18,000 Troops' Families. ABC World News (10/20, story 10, 3:10, Gibson, 8.78M) reported, "Finally from us, our 'person of the week' we are awed, time and again, by the bravery and sacrifice exhibited on the battlefields of Iraq. And humbled when we hear of the sacrifices that families at home also make. Tonight, the man who takes care of the families when their loved ones are in the thick of war." Col. Larry Phelps: "I think the perception is, when a unit deploys, it sweeps the building out, locks the door and walks away. But with a division the size of this one, we have over 18,000 soldiers. And every one of those soldiers has a family. And every one of those families has to be taken care of in the absence of the soldier." Gibson: "Colonel Larry Phelps is the commander of the Army's 1st Cavalry Rear Detachment. The 1st Cav is presently deploying 18,000 soldiers to Iraq. And in simple terms, Colonel Phelps is in charge of taking care of the 18,000 families left behind. Taking care of one family is hard enough for most of us. Think about 18,000."

Gunmen Murder 8 Afghan Laborers. The Los Angeles Times/AP (10/21) reports, "Gunmen ambushed a carload of Afghan laborers heading home from a remote U.S. military base in eastern Afghanistan and executed eight of them ... The killings occurred as a statement purportedly issued by fugitive Taliban leader Mullah Mohammed Omar called for stepped-up attacks on Afghan and foreign troops." The victims "worked for the U.S. military in the mountainous Korangal area of Kunar province."

Total Says Interrogated Executive Is Innocent In Oil For Food Probe. The New York Times (10/21, Kanter, 1.21M) reports, "The French oil company Total rallied on Friday to the defense of its second in command and designated chief executive, Christophe de Margerie, after he was taken into custody and questioned about possible illegal payments for Iraqi oil. Mr. de Margerie, 55, and a former Total executive, Bernard de Combret, 63, were released on bail on Thursday after being held for 48 hours." A spokeswoman said, "The judge has to prove that he is or is not guilty, and we think he's not guilty."

The Financial Times (10/21, Arnold) reports, "The surprise move cast a shadow over plans for Mr Margerie to replace Thierry Desmarest as chief executive when the latter steps up to non-executive chairman after the group's annual results in February. ... The charges add to growing discomfort in Paris political and business circles about the damage being done to France's prestige by the inquiry. ... Politicians and executives in countries from Germany to India have been snared by the scandal. But France's strong ties to Saddam Hussein's regime seemed to mean it was more involved than most."

Columnist King Sees Violent New Iraq. In his Washington Post (10/21, 748K) column, Colbert King writes, "Some of us can't forget the prewar talk about weapons of mass destruction and Saddam Hussein's partnership with al-Qaeda, and how wrong the foreign policy elite were about that. Then there was the rosy post-Hussein world portrayed by the Bush administration, in which Iraqis, liberated from the grip of fear and imbued with a deep and abiding respect for human rights and freedom, would be busy building a better future for themselves. ... There is a new Iraq emerging before our eyes. It is an Iraq that torments Christians, that indulges in unrelenting sectarian bloodbaths, that cheers for Hezbollah, that is no more a friend to Israel than is Iran, all despite the lies sold to the White House and Pentagon by self-serving, power-hungry Iraqi expatriates."

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Cynthia Tucker Says Bush "Exploited" Americans' Fears. In a column scheduled to appear Sunday in the Atlanta Journal Constitution (10/22), Cynthia Tucker writes, "Bush had a major advantage in persuading Americans to support his Iraqi misadventure: Voters wanted to believe that ousting Saddam would take care of terrorists. ... But 3 1/2 years after the invasion, with bloodshed escalating, the spell has worn off…we are less secure than we were five years ago. Terrorists are using our invasion of Iraq as a recruiting tool. While Saddam had no weapons of mass destruction, North Korea apparently now has nukes. Iran is on its way to nuclear capabilities. And we have few soldiers left to handle a conflict anywhere else." She also charges that Secretary Rumsfeld "was eager to attack Iraq because it presented better targets for our advanced weaponry than primitive Afghanistan, according to several White House insider accounts."

DOJ:

DOJ Honors Five Maryland Prosecutors With Director's Awards. The Baltimore Sun (10/21) reported, "The US Justice Department honored five federal prosecutors in Maryland yesterday with 2006 Director's Awards from the department's executive office for United States attorneys. Roann Nichols was recognized for her work in negotiating the civil settlement of fraud charges against Serono Laboratories Inc. in connection with illegal schemes to promote, market and sell its AIDS drug, Serostim. A. David Copperthite and Charles J. Peters, who serve in the U.S. attorney's narcotics and organized crime section, were recognized for their work on the prosecution of Baltimore police detectives William King and Antonio Murray. Stuart A. Berman and Barbara S. Skalla received Director's Awards for their work on the prosecution of international drug dealers from Pakistan, a trial handled in the U.S. District Court in Greenbelt."

CORPORATE SCANDALS:

Ouster Of UnitedHealth CEO Could Make Other CEOs Vulnerable. The AP (10/21) reported, "Chief executives caught in the stock-options scandal may find it harder to keep their jobs now that a CEO as mighty as UnitedHealth's William McGuire has fallen. The scandal rattling corporate America has claimed more than three dozen executives and board directors at 19 public companies so far. McGuire, whose retirement was announced Sunday, is arguably the most prominent. … The fall of a big domino like McGuire - the man who engineered UnitedHealth's rise from a regional health insurer into the nation's second-largest - can spark the descent of others like him." The AP adds, "A sort of guillotine for corporate executives has been set out in the public square. With more than 100 companies under options investigations by the Justice Department and the Securities and Exchange Commission, many likely are eager to show their cooperation with the authorities and willingness to take remedial action - like firing executives believed to be implicated or responsible and possibly recouping some of their options money."

Fifth Circuit Ruling Could Aid Skilling Effort To Have Convictions Thrown Out. Bloomberg (10/21) reported, "A federal appeals court has refused to consider reinstating the convictions of four former Merrill Lynch executives found guilty of helping engineer Enron's sale of mobile power plants to the brokerage in 1999 to help Enron appear to have met earnings targets. The United States Court of Appeals for the Fifth Circuit denied a government request for a hearing before all its 15 judges, the online court docket said yesterday. … The decision may help Enron's former chief executive, Jeffrey K. Skilling, in his bid to have his guilty verdicts thrown out. Mr. Skilling, 52, had cited the ruling in asking the judge in his case to cancel his fraud convictions. His sentencing begins Monday."

The New York Post (10/21, Tharp) reported that Skilling "faces 20 years behind bars at his sentencing Monday - while his lawyers face an unpaid legal tab of $30 million." Skilling is "already nearly broke, say his lawyers. But prosecutors say he's got many millions left from his ill-gotten gains, and must fork over $182.9 million in penalties and restitution to his victims."

Feinstein Urges DOJ To Appeal Ruling On Lay Convictions. The Fresno Bee (10/21) reports, "Sen. Dianne Feinstein is urging the Justice Department to appeal a ruling this week vacating the fraud and conspiracy conviction of Enron founder Kenneth Lay." In a letter to Attorney General Alberto Gonzales. Feinstein criticized "the decision to erase the conviction. U.S. District Judge Sim Lake in Houston made the ruling because Lay died before getting to pursue appeals. 'I urge the Justice Department to seek an appeal of Judge Lakes' decision, so that the government can fight to preserve Enron victims' hard-fought right to obtain restitution,' Feinstein wrote."

The Houston Chronicle (10/21, Ivanovich) reports, "Feinstein argued the 5th Circuit's ruling went beyond a doctrine in common law that does away with punishments after a defendant's death. 'The Supreme Court has never held that it also must wipe out a victim's right to compensatory relief such as restitution,' Feinstein wrote."

Grasso Vows To Continue Fighting Over Paychecks. The Wall Street Journal (10/21, B1, Lucchetti,

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Davies) reported, "The fight over one of Wall Street's biggest paychecks -- the $187.5 million compensation package amassed by former New York Stock Exchange chief Dick Grasso -- is headed for yet another round of nasty court battles. A judge's decision on Thursday that Mr. Grasso needs to give back as much as $100 million significantly changes the landscape of the battle, handing Mr. Grasso's enemies a key victory. Mr. Grasso vowed to keep pressing his case. 'I believe it was right when I started, and nothing has changed my mind,' Mr. Grasso said Friday in an interview."

CRIMINAL LAW:

Ethics Panel May Release Interim Report On Foley Case Before Election. The Washington Post (10/21, A8, Eilperin, 748K) reports, "Despite an uncharacteristic spurt of activity, the House ethics committee is unlikely to complete its investigation of the Mark Foley page scandal before the election, but it may issue an interim report on Foley's activities and how the GOP leadership responded to warnings." In addition to key members of House Speaker Dennis Hastert's staff they may depose Hastert as well. Rep. Howard Berman and the panel's chairman, Rep. Doc Hastings "have managed to resuscitate the panel to some extent in recent months, doling out private advice to lawmakers behind closed doors and taking on the politically sensitive task of probing whether Hastert and his deputies failed to act quickly enough to stop Foley."

Priest Suspended After Abuse Of Foley Revealed. The CBS Evening News (10/20, story 4, 2:00, Couric, 7.66M) profiles Father Anthony Mercieca, "the priest at the center of the Mark Foley scandal. Today we got our first look at him and the church is now taking action." The New York Times (10/21, Goodnough, 1.21M) reports, "The Archdiocese of Miami on Friday barred the Rev. Anthony Mercieca from functioning as a priest anywhere in the world after confirming that he was the clergyman who Mark Foley said molested him in the 1960's."

The New York Times (10/21, Fisher, 1.21M) adds, "The sketchiest of portraits emerged from neighbors and church officials: Father Mercieca retired here a few years ago, having spent his career mostly in Brazil and the United States, and has not been officially active here as a priest. But he said Mass at 9 every morning for several dozen worshipers at the main church here."

US Will Not Seek Fourth Trial Of Gotti. The New York Times (10/21, Feuer) reported, "John A. Gotti, who three times in just over a year has escaped conviction on federal racketeering charges, will finally be able to pursue what he claims he has long desired: an ordinary life. After three trials in Manhattan, each ending in a hung jury, federal prosecutors have announced that they will not seek a fourth trial on those charges for Mr. Gotti, a decision federal officials had indicated was likely. It enshrines him as a defendant even trickier to convict than his father." The Times noted, "This decision does not preclude the F.B.I. or other authorities from developing new evidence for a different case some day." In a widely-distributed story, the AP (10/21, McShane) called it "one huge victory for second-generation mobster" Gotti. "But more legal problems could lie ahead: Radio talk show host Curtis Sliwa promised a civil suit against Mr. Gotti over his near-fatal June 1992 kidnapping allegedly ordered by the mob scion."

The New York Daily News (10/21, Marzulli) reported, "Though Gotti insists he left the Mafia behind in 1999, one law enforcement source said it's 'pretty impossible' to believe he's going to move away and go straight. 'He sitting on a ton of money which is all ill-gotten gains,' the source said. 'He knows one life and it's called organized crime. Plus he has to look over his shoulder with the Gambino family because he really upset a lot of people.' But mob expert Jerry Capeci said he doesn't think anyone is gunning for Gotti for speaking to prosecutors." Capeci noted, "He never hurt anyone, never became a cooperating witness." Newsday (10/21, DeStefano) added that US Attorney Michael Garcia said in a statement Friday that US District Judge Shira Scheindlin "signed papers that ended the prosecution of Gotti. 'It was just wise to stop,' said one federal law enforcement official who asked not to be named." The New York Post (10/21, Cornell) reported on the decision, under the headline "Giddy Gotti Jr. Defeats The Feds." The Staten Island Advance (10/21, Harrell) and Bloomberg (10/21, Glovin, Hurtado) also reported the story.

DOJ Examining Harman's Relationship With AIPAC. Time (10/22, Burger) reported on its web site, "Did a Democratic member of Congress improperly enlist the support of a major pro-Israel lobbying group to try to win a top committee assignment? That's the question at the heart of an ongoing investigation by the FBI and Justice Department prosecutors, who are examining whether Rep. Jane Harman of California and the American Israel Public Affairs Committee (AIPAC) may have violated the law in a scheme to get Harman reappointed as the top Democrat on the House intelligence committee, according to knowledgeable sources in and out of the US government." A spokesman for AIPAC "denied any wrongdoing by the group and stressed that it is not taking sides in regards to the committee assignment. Spokespersons for Justice and the FBI declined to comment."

The Washington Times (10/21) reported, "Time Magazine reports she may have received a boost from the

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American Israel Public Affairs Committee when Minority Leader Nancy Pelosi wanted to remove her from the committee. Harman left a voice mail for the magazine calling any suggestions of improper conduct 'irresponsible, laughable and scurrilous.' She has retained Ted Olson, the lawyer who formerly served as President George W. Bush's solicitor general. Olson told Time Harman did not know of any investigation but decided to retain him after news reports of a probe."

Abramoff To Serve Time In Cumberland, Maryland. NBC News (10/21, Seidman) reported, "Disgraced lobbyist Jack Abramoff will report Nov. 15 to a federal prison in Cumberland, Md., to serve a 70-month sentence for fraud and conspiracy charges in connection with the purchase of Florida-based SunCruz Casinos. U.S. District Judge Paul Huck granted a request by prosecutors and Abramoff's lawyer, Abbe Lowell, that Abramoff serve his time at the Cumberland facility because it is within driving distance of Washington. They said in a court filing that Abramoff was cooperating in the Justice Department's Washington influence peddling investigation and would continue to assist prosecutors while in prison."

Alaska Lawmaker's Relationship With Developer Is One Focus Of FBI Probe. The Anchorage Daily News (10/21, Demer) reported, "Last year, state Rep. Vic Kohring sat down with the mayor of the Fairbanks North Star Borough, Jim Whitaker, to talk about changing a state law to increase a tax break for an Anchorage-based developer." Kohring "was on the payroll of the developer, Marc Marlow, for whom he had been working since November 2004. To Whitaker, himself a former legislator, Kohring was acting like a lobbyist, not a lawmaker." The Daily News added, "Kohring has worked on a half-dozen projects for Marlow," and "now their relationship is coming under new scrutiny as part of an FBI investigation into legislators, influence peddling and the oil field service and construction company Veco Corp. Kohring is one of six Alaska legislators whose offices were searched by the FBI," and "agents took a folder of information on Marlow along with other items, according to a copy of the receipt for property provided by Kohring's attorney."

FBI Investigating Former New Jersey Township Planning Board Member. The Asbury Park Press (10/21, Brown) reported from Tinton Falls, N.J., "The FBI served a subpoena at borough hall late Friday afternoon requesting all records relating to a former Planning Board member's activities while a borough official, a source said. The source…said the FBI is investigating the activities of Paul J. Abrams and his relationship with the developer of the proposed Heather Glen development, intended for the Tinton Avenue site of the former Communications-Electronic Command building." The Press noted, "News of the subpoena apparently had not reached Abrams on Friday. 'I have no idea what you're talking about,' he said."

FBI Subpoenas Records On Rhode Island Senate President's Land Deals. WJAR-TV Providence (10/20) reported on its Web site from a story broadcast Friday, "NBC 10 has learned that the FBI has subpoenaed records from the West Warwick Town Hall and confirmed that the records taken involve land deals that Senate President Joseph Montalbano conducted for the town. … The state Ethics Commission is still looking into a complaint accusing Montalbano of failing to disclose legal work he did for West Warwick before a vote on a constitutional amendment that would allow a casino to be built in the town. The complaint, filed by Operation Clean Government…accused Montalbano of failing to disclose more than $86,000 that his law firm received for work done for West Warwick town authorities." The Pawtucket Times (10/21, Scudder) noted, "The FBI would not confirm or deny if or what documents were subpoenaed from the town. 'We can only speak to what is public record. I have nothing in my records that indicates any activity that is of public record,' said FBI spokesperson Gail Marcinkevich. Television news reports, however, said that Bauer confirmed it was the FBI that subpoenaed records from town hall."

Informant Taped Friends, Associates, Girlfriend In Effort To Reduce His Sentence. A front page story in the Wall Street Journal (10/21, A1, Richardson) reported, "To secure a lighter sentence, Garland Hardeman taped friends, associates and a lover Surviving a .22 caliber shot to the head. … Mr. Hardeman, a Los Angeles cop-turned-lobbyist, was 'working off a beef,' as prosecutors say -- hoping to reduce his own jail time by acting as a government witness. Earlier, he had been busted for attempted bribery in a Los Angeles garbage-hauling scandal. He continued to work as a lobbyist, using the job as cover to trick friends and business associates into admitting their part in one of the most widespread cases of public malfeasance in the U.S., spanning nine cities and five states." Hardeman "wore a wire to record 17 people, many of whom were subsequently convicted. That included his girlfriend. He testified in four grand juries and three trials and accounted for a 'substantial' part of the evidence used in 'the most pervasive corruption case this district has ever seen,' says Tom McConville, a federal prosecutor in the Central District of California. Many of the cases involved paying bribes and kickbacks in return for municipal contracts."

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Williams Settles Education Department Case. The AP (10/21) reported, "Columnist Armstrong Williams has reached a settlement with prosecutors regarding payments he received by the Education Department to promote President Bush's agenda. Under the settlement, Williams admits no wrongdoing but will have to pay $34,000. The deal was reached last week by Williams, the Education Department and its subcontractor, Ketchum Communications." The settlement "brings to a close a yearlong investigation into the case after reports emerged that the Education Department contracted with several radio, television and print commentators to promote the No Child Left Behind Act." The AP adds, "In the settlement, the Justice Department examined whether Williams actually performed the work that was promised in his $240,000 contract signed in late 2003 and cited in his monthly reports to the Education Department. Ultimately, prosecutors determined he was overpaid $34,000."

Man Wanted In Poland For 1998 Police Killing Arrested In US. The Chicago Tribune (10/21, Coen, Bush, Zajac, Wischnowsky) reported that Edward Mazur, a Glenview businessman who is wanted in Poland for soliciting the murder of a former national police chief, ""was taken into custody Friday morning at his home, an arrest billed as a breakthrough in a case of enormous significance in that country." Mazur "appeared in federal court in Chicago on Friday afternoon, and was ordered held pending an identification and extradition hearing Wednesday. The arrest came on the heels of a high-level meeting in Washington this month between Atty. Gen. Alberto Gonzales and Polish Justice Minister Zbigniew Ziobro."

The AP (10/21, Robinson) reports that US Magistrate Judge Arlander Keys "warned the defendant that if he proved to be the Edward Mazur named in an arrest warrant issued by a court in Warsaw, 'the officials from Poland will come to Chicago and take you in custody to Poland.'"

YouTube Turned Over User Data To Media Lawyers In Response To Subpoena. Market Watch (10/21, Charny) reported, "YouTube's actions in response to a subpoena it received in May show that it has been keeping tabs on users who post copyrighted material to its site -- and in one case shared the name of a user with lawyers from a Hollywood film studio. On May 24, lawyers for Viacom Inc.'s Paramount Pictures convinced a federal judge in San Francisco to issue a subpoena requiring YouTube to turn over details about a user who uploaded dialog from the movie studio's 'Twin Towers,' according to a copy of the document. YouTube promptly handed over the data to Paramount, which on June 16 sued the creator of the 12-minute clip, New York City-based filmmaker Chris Moukarbel, for copyright infringement, in federal court in Washington."

Church Youth Pastor Indicted On Child Porn Charges. The St. Louis Post-Dispatch (10/21, Villarreal) reported, "A former youth leader at Grace Baptist Church in St. Charles was indicted Thursday on federal child pornography charges. According to the indictment, Michael Gulley…had seven files of child pornography on his computer. Terri Dougherty, assistant to U.S. Attorney Catherine Hanaway, said the files were sent from Gulley's work computer to his home computer. Capt. Gerry Pollard, spokesman for the St. Charles Police Department, said the investigation began in November 2005. 'A person involved with the church became alarmed at what was going on,' he said." Gulley "was indicted on one felony count of possession of child pornography. If he is convicted, he could face a maximum of 10 years in prison, fines up to $250,000 and supervised release for life."

NYPD To Receive Grant To Buy Bulletproof Vests. The Staten Island Advance (NY) (10/21, Hart) reported, "The NYPD is finally on course to receive a federal grant of more than $538,000 to purchase about 1,000 bulletproof vests, under a funding stream approved yesterday by the Department of Justice. The money comes from the Justice Department's Bulletproof Vest Partnership Grant Program, funded at $30 million in the Fiscal Year 2006 Science, State, Justice, and Commerce Appropriations bill."

Scios Under Investigation For "Off Label" Marketing Of Heart Drug. The San Jose Mercury News (10/21, Johnson) reports, "The heart-failure drug Natrecor seemed sure to become a blockbuster after Scios of Fremont put it on the market in 2001. Besides its use in hospitalized patients, many clinics began giving it to walk-in patients in weekly sessions dubbed 'tuneups.' … There was only one problem: Some medical experts contend Natrecor was never approved for such tuneups. Some also say it may not be as safe as initially thought. Scios says studies show the drug is safe. And it has launched a campaign to clarify to doctors that the drug is not recommended for repeated use in patients in a clinic setting. Nevertheless, the drug's sales have sagged and the company is under investigation by the US attorney in San Francisco for allegedly engaging in 'off-label' marketing, promoting drugs for uses not approved by the government."

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CIVIL LAW:

Illinois Firm Settles Naval Shipyard Kickback Accusations. The Newport News (VA) Daily Press (10/21) reports, "An Illinois transportation firm has agreed to pay $4.2 million to settle US Justice Department accusations that it deliberately overcharged Norfolk Naval Shipyard for delivering cargo. The original whistle-blower -- who runs a competing freight forwarding firm in Newport News -- is sharing the winnings." AIT Worldwide Logistics of Itasca, Ill., "had been accused of scheming with its agent in Hampton Roads and a transportation officer at Norfolk Naval Shipyard to bilk the government in exchange for giving kickbacks to the transportation officer. Paul Watkins runs the Oyster Point division of Target Logistic Services, a Baltimore-based company that competes with AIT for freight forwarding contracts. He was the original whistle-blower, gathering evidence of the scheme three years ago and reporting it to the Naval Criminal Investigative Service. Under the terms of the federal whistle-blower act, Watkins and his lawyer will split 18 percent of the amount of the Justice Department winnings."

Government Reaches Settlement Over Jet Noise Claims. The Navy Times (10/21, McMichael) reports, "The US government has reached a tentative settlement with more than 3,000 southern Virginia homeowners over their claims that excessive Navy jet noise reduced the value of their properties beginning in 1999, according to a court order filed Tuesday. The published order cancels the trial that was scheduled to start Thursday in Chesapeake, Va., under the auspices of the US Court of Federal Claims. Judge Victor J. Wolski also halted all proceedings in all the matters and ordered that the parties file a joint status report on the settlement process within 90 days. Settlement details or proposals for same have not been released. Justice Department spokeswoman Cynthia Magnuson cautioned that 'nothing has been finalized.'"

DOJ Cracking Down On Bankruptcy Fraud. The Salt Lake Tribune (10/21, Oberbeck) reports that the Justice Department is cracking down on bankruptcy fraud. According to the Tribune, prosecutors "have filed criminal charges against 78 people in 36 judicial districts nationwide. Three of them were in Utah. … Among those charged as a result of the nationwide sweep were nine attorneys, two bankruptcy petition preparers and a former law enforcement officer. The Justice Department estimates fraud is involved in approximately 10 percent of all bankruptcy petitions. Collectively, the charges alleged defendants concealed more than $3 million in assets, used false Social Security numbers and identities, submitted fraudulent documents and fraudulently received government loans and benefits, the Justice Department said. In many states such bankruptcy fraud prosecutions are rare, but that's not the case in Utah.

The Federal Times (10/21, Curl) reports, "Agencies are improving the way they disseminate information to the public thanks to a presidential directive that requires them to review and revamp how they respond to Freedom of Information Act requests. The executive order 'has had an immediate and widespread positive effect on the operations of the federal agencies that administer the FOIA,' Attorney General Alberto Gonzales wrote in a report issued Oct. 16. However, he noted that a large backlog at many agencies 'still remains an area of concern.'" The Presidential order, issued in December 2005, "requires agencies to name chief FOIA officers at the assistant secretary level and create improvement plans to streamline the processing of requests. The order also directs agencies to establish one or more service centers and designate one or more public liaisons to this effort. Gonzales said agencies, in their FOIA improvement plans, have embraced a number of critical elements — expanded use of technology, active disclosure of information, improved customer service and backlog reduction."

CIVIL RIGHTS:

California Congressional Candidate's Office Raided. The AP (10/21, Prengaman) reports that the home of California congressional candidate Tan Nguyen was raided by 10 uniformed California Department of Justice police officers Friday. Agents "spent two hours sifting through cabinets, boxes and computers" and "left carrying several boxes and plastic bags of evidence." Nguyen has acknowledged his campaign sent a letter, "which wrongly said immigrants could be jailed if they voted. He blamed an unidentified staffer whom he said he has fired. Nguyen has resisted calls from leaders in his own party to quit the race, saying he did not approve the letter and did not know about it."

The Orange County (CA) Register (10/21, Santana) reports, "Agents also searched Nguyen's Santa Ana home and a campaign worker's Anaheim home."

The McClatchy Newspapers (10/21, Santana) reports, "Despite burgeoning state and federal probes into the flier, Nguyen's attorney said Nguyen has no plans to withdraw as the Republican nominee for the 47th Congressional District race against incumbent Democrat Loretta Sanchez. Dave Wiechert, an attorney representing Nguyen, said that 'Mr. Nguyen has indicated that he did not authorize or approve the mailing' yet declined to discuss specifics because of the

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ongoing investigation. Wiechert added that misinformation was fueling what he called 'a political firestorm.'"

The Los Angeles Times (10/21, Delson, Goffard, Tran) reported, "Even as he prepared to step before the cameras Friday in an effort to mend his tattered candidacy for Congress, the worst week of Tan Nguyen's political life got bleaker still, as state agents raided his Garden Grove campaign headquarters and Santa Ana home, hauling off computers and bags of evidence." Nguyen "maintains that he neither wrote nor authorized the instantly infamous letter, claiming it was the work of a campaign manager he refused to name. According to the head of the Orange County Republican Party, however, the mailing house that sent the letter said Nguyen had a direct hand in it." Nguyen lawyer David Wiechert "said agents from the state attorney general's office had questioned Nguyen for two hours Thursday and that he was cooperating fully with their investigation." The New York Times (10/21, Chang, 1.21M) also briefly reported on the search of Nguyen's home and office.

Local Television. Many California television networks reported that federal authorities raided the campaign office and home of Republican congressional candidate Tan Nguyen in an effort to find evidence regarding who sent a letter threatening illegal immigrants with arrest if they vote. Some examples: KNSD-TV San Diego, (10/20, 6:14 p.m.) broadcasted, "Authorities came looking for answers and for evidence. Investigators with the state Department of Justice spent nearly two hours inside the campaign office of Tan Nguyen. Authorities searched through files, computers and documents. They would not say what they found."

KPSP-TV Palm Springs, (10/20, 5:00 p.m.) broadcasted, "State authorities are searching the campaign office of Orange County Republican congressional candidate Tan Nguyen. … Tonight about ten uniformed agents from the state Department of Justice arrived at the campaign office today with a search warrant."

KSBY-TV Santa Barbara, (10/20, 6:15 p.m.) broadcasted, "State agents search the campaign office of a Republican congressional candidate whose campaign mailed thousands of intimidating letters to Hispanic immigrant voters. Half-dozen agents could be seen opening cabinets and scouring desks in the storefront campaign office of Tan Nguyen."

KFMB-TV San Diego, (10/20, 11:07 p.m.) broadcasted, "Department of Justice agents also searched Tan Nguyen's home. The republican maintains he's innocent, saying he fired the staffer responsible for the controversial letter."

KPSP-TV Palm Springs, (10/21, 11:30 p.m.) broadcasted, "Schwarzenegger said if candidate Tan Nguyen knew about the letter, he should resign. 'I think those kind of tactics are illegal, this is hate crime, and I think that anyone that knew, and if he knew, has to resign immediately. I think there should be no tolerance for this kind of behavior, and I think that it is good that attorney general Bill Lockyer is investigating the whole thing."

Discrimination Claim Could Hurt Cracker Barrel's Ability To Draw Minority Customers. The State (SC) (10/21, Duplessis) reported, "Experts say Cracker Barrel gained one more business risk when the mother of comedian Chris Rock accused Cracker Barrel of racial discrimination for her treatment at a restaurant Tuesday. … The real risk is that it will set back the company's ability to lure one of the most lucrative sources of increasing its business: drawing more minority customers." Lawsuits "led Cracker Barrel to reach a consent decree in 2004. The Justice Department cited widespread discrimination within the chain. In some restaurants, black diners routinely were given tables apart from whites, were seated after white customers who arrived later and were given inferior service. The decree led Cracker Barrel to establish a discrimination policy."

Court Strikes Down Las Vegas Ordinance Barring Street Solicitation. The New York Times (10/21, Marshall) reported, "A federal appeals court in San Francisco struck down a Las Vegas ordinance barring solicitation on city streets, calling it unconstitutional. The decision, by the United States Court of Appeals for the Ninth Circuit, stems from a 1997 case brought by the American Civil Liberties Union and several religious and political groups challenging Las Vegas ordinances that barred certain groups from distributing leaflets or using vendor tables along a five-block pedestrian promenade. The court also ruled that the city violated the ACLU's constitutional right to free speech when it forbid it to set up a vendor table."

Alabama Reported Zero Hate Crimes In 2005. The Mobile Press-Register (AL) (10/21, Daker) reported, "No hate crimes were recorded in Alabama in 2005, according to statistics released this week by the FBI, but law enforcement agencies representing about 10 percent of the state's population were the only ones providing information for the survey. Alabama and Mississippi were the only states in the nation that reported zero hate crimes, according to the FBI. Hawaii did not participate in the study, which included 49 states and the District of Columbia." The FBI "reported that nationally more than 7,000 criminal incidents recorded in 2005 occurred as a result of bias toward a particular race, religion, sexual orientation, ethnicity/national origin, or physical or mental disability. In 2005, California reported the most hate crimes, recording 1,379. New Jersey reported the second most with 738, according to the FBI."

ACLU Asks Justice Department To Monitor Chesterfield County Voting. The Richmond Times-

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Dispatch (10/21, Whitley) reported, "The American Civil Liberties Union of Virginia asked the U.S. Justice Department yesterday to send election observers to Chesterfield County on Election Day. The ACLU claims the county's actions could discourage minority voters. Kent Willis, director of the ACLU, cited four incidents over the past two years, including a new allegation that the registrar, Lawrence C. Haake III, refused to issue an absentee ballot to a registered voter because the prospective voter would not give his Social Security number. Cynthia Magnuson, a spokeswoman for the Justice Department, said the department has received the letter from Willis. It does not disclose which localities it will monitor until 24 hours before an election, she said."

The AP (10/21) reported, "Willis cited several actions since 2004: --In October 2004, the county's general registrar, Lawrence Haake III, announced plans for security reasons to place armed guards at every polling precinct, a tactic Willis said was used in the past to intimidate black voters. --In November 2004, ACLU officials received complaints that county poll workers were restricting voters lacking identification. Willis said Virginia law allows voters to cast ballots without identification, provided they sign an affirmation of identity. --Requiring absentee voters to provide Social Security numbers. The State Board of Elections has said registrars can ask for Social Security numbers, but they cannot deny a ballot. --Refusing to count provisional ballots of voters who registered through the state Department of Motor Vehicles prior to registration deadlines, but whose applications had not been forwarded to the registrar."

SCOTUS Overturns Injunction On Arizona Voter ID Law. The Washington Post (10/21, A3, Lane, 748K) reports the Supreme Court "ruled yesterday that Arizona may enforce a new state law requiring voters to show a photo identification card at the polls on Election Day this year, despite a pending lawsuit by opponents who say the measure will disenfranchise the poor, minorities and the elderly. In its unanimous five-page ruling, the court did not decide whether the Arizona law was constitutional. Rather, it overturned a federal appeals court in San Francisco that would have blocked enforcement of the law until the opponents' suit could be decided." The law "requires voters not only to present proof of citizenship when they register but also to present a photo ID when they go to the polls. Those without a photo ID may cast a provisional ballot, but their votes do not count unless they can produce a valid identification card within five days."

The New York Times (10/21, Greenhouse, 1.21M) reports, "In an unsigned opinion, the court granted Arizona's request to overturn an injunction issued this month by a two-judge federal appeals panel. The judges, A. Wallace Tashima and William A. Fletcher of the United States Court of Appeals for the Ninth Circuit, had acted at the request of a group of Arizona Indian tribes, the League of Women Voters and other groups who have joined to challenge the constitutionality of the rules." The AP (10/21, Sherman) reports, "Courts in Georgia and Missouri have blocked similar laws. Justice John Paul Stevens, in a brief concurring opinion, said the high court's action makes it more likely that the constitutional issues 'will be resolved correctly on the basis of historical facts rather than speculation.'"

The Los Angeles Times (10/21, Savage, 918K) reports, "Friday's order is likely to be seen as a benefit for Republican candidates and a setback for Democrats. In recent years, Republicans in Congress and in many state capitals have pressed for voter-identification requirements at the ballot box. They say these rules are needed to combat fraudulent voting."

ANTITRUST:

Consumer Groups Want More Concessions From AT&T For BellSouth Buyout. The AP (10/21, Dunbar) reported, "Consumer groups say concessions offered by AT&T Inc. as it seeks government approval of its buyout of BellSouth Corp. fall far short of what's needed for the deal to be in the public interest. The Justice Department has signed off on the deal, but the Federal Communications Commission has not voted on it. AT&T contends it has offered a full range of accommodations, including $10-a-month Internet access, free modems, promises to temporarily freeze prices for competitors that use the company's networks and even a program to return to the United States some jobs that were shipped overseas." The AP Adds, "Opponents of the deal, whose views often closely track those of the commission's two Democrats who managed to delay a planned FCC vote, would like to see AT&T beef up its offer in three main areas: Stronger assurances by the company that it will not discriminate against certain kinds of Internet traffic, a concept known as 'network neutrality.' Offer 'naked DSL,' or stand-alone digital subscriber line service, that is priced competitively. Lower prices for 'special access' customers -- service offered to capacity-hungry customers, such as large businesses and Internet service providers, that guarantee a dedicated high-capacity link to distribute voice and data."

Bloomberg (10/21) reported, "AT&T Inc. will fight calls by opponents of its $81 billion purchase of BellSouth Corp. to divest airwaves intended for wireless high-speed Internet service, a company lobbyist said. AT&T, the biggest U.S. telephone company, plans to use the airwaves for emerging 'WiMax' broadband services, Senior Vice President Robert Quinn said Friday. 'Mobility is a feature that people are going

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to want to have,' Quinn said. 'We have every incentive in the world to utilize that spectrum.'"

Judge Rules Petco Vote Can Proceed. The San Diego Union-Tribune (10/21, Green) reported, "A judge declined yesterday to block a Monday meeting at which Petco shareholders will vote on the proposed sale of the company to two private investment firms. Attorneys representing dissident shareholders had wanted a temporary injunction halting the meeting so that shareholders could, among other remedies, be provided with additional information on how the company's board chose Leonard Green & Partners and Texas Pacific's $1.8 billion bid over a higher offer from PetSmart. In turning down the injunction request, San Diego Superior Court Judge John S. Meyer said there was not enough time 'to add some discrete information to the proxy' with Monday's meeting looming. He added that he was not sure whether an injunction was appropriate. He voiced concern during the hearing about possible damage to Petco's stock price if there should be a delay in the vote."

Federal Reserve Approves Regions, AmSouth Merger. The Huntsville Times (AL) (10/21, Smith) reports, "Regions Financial Corp. and AmSouth Bancorp. said late Friday that the Federal Reserve Board has approved their planned merger. The announcement came one day after AmSouth said it had reached an agreement with federal regulators to sell 52 branches in Alabama, Mississippi and Tennessee. That agreement resolved antitrust concerns raised by the Department of Justice after the two Birmingham-based banks said last spring they planned to merge. … The combined bank will keep the Regions name."

Ripplewood Mulling Bid For Delphi. The Wall Street Journal (10/21, A3, Dugan) reported, "Ripplewood Holdings LLC, a large New York-based buyout firm, is preparing a likely bid for Delphi Corp., the auto-parts giant that filed for bankruptcy protection last year, according to people familiar with the matter. Ripplewood has examined the possibility of taking over the entire auto-parts maker, but a bid for just part of Delphi also is possible, these people said." The Journal adds, "A bid for all of Delphi likely would far surpass $10 billion, people involved in the discussions said. Delphi's enterprise value -- the value of all its stocks and bonds combined -- is estimated to total between $13 billion and $14 billion when it emerges from bankruptcy protection, according to stakeholders and officials who have been negotiating a restructuring for several months."

Tops Exec Says There Was No Viable Offer To Buy Ohio Stores. The Cleveland Plain Dealer (10/21, Cho) reported, "Tops Markets LLC insists there was never a financially viable offer to buy all 46 of its grocery stores in Northeast Ohio. John Barrett, a senior vice president for Tops Markets in Williamsville, N.Y., said if Tops had received what it considered a legitimate proposal to keep all its stores open and hire all 4,000-plus employees, it would have taken it." Barrett's remarks "came at a meeting Friday with U.S. Rep. Dennis Kucinich, who is raising antitrust questions about Tops' decision to sell 18 of the stores to its principal competitor, Giant Eagle Inc."

High Court To Hear Weyerhaeuser Argument On Illegal Monopoly Ruling. The Oregonian (10/21, Rivera) reported, "The US Supreme Court will hear arguments next month about a ruling that Oregon and seven other states say is critical in stopping big companies from getting away with illegal monopolies in forest products, agriculture and high-tech goods. Attorneys general from Oregon, California, Arizona, Iowa, Louisiana, Montana, West Virginia and Wisconsin recently submitted a court brief that comes down against an argument by Weyerhaeuser Co., the timber giant. The case led to a $79 million judgment against Weyerhaeuser, prompting settlements and judgments totaling about another $50 million. The states did not explicitly support a 2003 Portland federal jury verdict that found Weyerhaeuser had created an illegal monopoly in the market for alder sawlogs. But they wrote stridently against a tough new legal standard for antitrust plaintiffs that Weyerhaeuser is seeking. Rejection of Weyerhaeuser's argument and adoption of a more lenient one, the states wrote, could bar a single firm from dominating government timber auctions, protect small businesses and ensure competition for government contracts."

Avaya Faces Federal Antitrust Suit. The AP (10/21, Johnson) reported, "Business communications systems provider Avaya is accused in a federal antitrust lawsuit of illegally blocking competitors from providing maintenance and repairs to telephone equipment and software sold by Avaya. Continuant of Fife, Wash., which operates a telephone system maintenance business throughout North America, said Wednesday that it countersued Bernards-based Avaya after the AT&T spinoff sued Continuant this summer. The two parties are scheduled to appear in federal court in Trenton, where the two lawsuits were filed, for a hearing Nov. 14."

Technical Glitch Mars Meeting On Vista Operating System. The IDG News Service (10/21, McMillan) reported, "Security vendors looking to gain insight into Microsoft's plans for opening up the Vista operating system kernel were frustrated Thursday morning when a technical glitch kept many from joining the first online discussion of this issue. … Microsoft set up the meeting to talk about how it plans to give security vendors access to

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Vista's kernel on 64-bit systems. This has been a contentious issue, as Microsoft had initially planned to lock software vendors such as Symantec and McAfee out of the kernel, claiming that this would make Vista more secure. The security vendors said this would harm their products, and Microsoft finally capitulated, after first being warned by European Union regulators. Microsoft rescheduled its Thursday morning Web conference after it realized it had sent out a bad LiveMeeting link to participants, but in the end some security vendors were shut out of the meeting."

Vista Fight Pits Microsoft Against Vendors. The AP (10/21, Robertson) reports that the fight over Microsoft's Vista operating system pits the company "against an unlikely adversary: the security software vendors who are some of its most intimate partners in protecting its notoriously vulnerable systems from attacks. As Vista's planned release nears, the company is facing a backlash from such vendors as Symantec Corp. and McAfee Inc., which argue that even the concessions Microsoft recently made to appease European antitrust regulators won't do enough to help them best protect their customers."

Gartner Analyst Says Antitrust Changes To Vista Will Take Years To Complete. CNET News (10/21, Evers) reported, "Antitrust related changes to security in Windows Vista 64-bit will take years to complete and will cause compatibility trouble in the interim," according to Gartner analyst Neil MacDonald. CNET added, "Users of security technologies such as host intrusion-prevention systems, or HIPS, should postpone buying 64-bit versions of Vista, Gartner analyst Neil MacDonald wrote in a research note published on Wednesday. MacDonald also noted that many integrated security products today include HIPS functionality."

ENVIRONMENT/INDIAN AFFAIRS:

Solar Services Companies Provide Cleaner Energy To Corporations. The New York Times (10/21, Deutsch, 1.21M) reports that one solution "a small but growing number of other companies and municipalities" have adopted to avoid high investment costs in solar power is to get "solar energy from systems installed by others. Even though the installations are right on their own roofs, they buy the electricity much as they would from a utility's grid. And because the companies that paid for the systems will get a steady income, they can provide power from the sun at competitive electricity rates." One example is a G.M.'s parts warehouse in Cucamonga, Calif., which "has been host to a photovoltaic array with the ability to generate as much as 1.5 million kilowatt hours of electricity a year." The Times notes, "A solar developer called Developing Energy Efficient Roof Systems…bought the equipment with money it raised from private financiers. Deers and its investors own the cells; G.M. signed a long-term contract to purchase the solar-generated electricity from them, at a discount to the prevailing rate for electricity in the region."

Homeowner Touts Benefits Of Personal Solar-Hydrogen Energy System. ABC World News (10/20, story 9, 2:00, Gibson, 8.78M) reported, "While the ups and downs of energy prices make a big difference to millions of families, what if you didn't care because your energy bills were zero? Today, one man in New Jersey, unhooked from the power grid forever." ABC describes how Mike Strizki has installed a "homemade, pollution-free power plant. And it will run his home using only sunlight and water." Strizki also has a fuel cell car, "also powered with homemade hydrogen. As a working prototype, the system was not cheap. $150,000 paid for with a utility grant. But Mike is quick to point out that early computers were also big and expensive."

Study Warns Of Extreme Weather Caused By Global Warming. The Washington Post/AP (10/21, A2, Borenstein) reports, "The world -- especially the Western United States, the Mediterranean region and Brazil -- is likely to suffer more extended droughts, heavy rainfalls and longer heat waves over the next century because of global warming, a new study" of nine computer models by the National Center for Atmospheric Research forecasts. Yet, "the prediction of a future of nasty extreme weather also includes fewer freezes and a longer growing season."

WSJ Dismisses Concerns Over Growing Population's Strain On Resources. The Wall Street Journal (10/21, A8, 2.03M) editorializes, "At bottom, the debate over population revolves around a single question: Are human beings a burden, or a resource?" The world has escaped pessimistic prognostications because of "prosperity" as "economic growth has easily outstripped population growth, giving the U.S., and much of the rest of the world, both more people and more prosperity, something presumed to be impossible by the Malthusians. Meanwhile, the slowdown in population growth brings a whole new set of challenges. To meet them, America and the world will need more minds generating new ideas. Four hundred million, here we come."

Court Limits Feds' Authority At Indian Casinos. The AP (10/21, Werner) reports, "The federal government can't make rules for the ways Las Vegas-style games are played at Indian casinos, an appeals court ruled Friday in a blow to efforts to regulate the booming, $22 billion tribal gambling industry. The decision by a three-judge panel of the U.S. Court of Appeals for the District of Columbia Circuit arises from a dispute in Arizona between the Colorado River Indian Tribes and the National Indian Gaming Commission, the federal agency that oversees Indian casinos. The

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commission tried in 2001 to audit the tribe's casino in Parker, Ariz., to ensure compliance with recently enacted federal standards for how games like blackjack and slot machines are run. The tribe objected, contending the commission was overstepping its authority under the National Indian Gaming Regulatory Act. A federal district court sided with the tribe, and the appeals court agreed in an 11-page ruling. While federal law gives the gaming commission some authority over games like lotto and bingo on Indian land, the big moneymakers like blackjack and slots…are outside the commission's jurisdiction, said the ruling written by Judge A. Raymond Randolph."

FBI/DEA/ATF/USMS:

Two Face Sentencing In January On Gun Trafficking Charges. The Knoxville News Sentinel (TN) (10/21, Satterfield) reported that George Manus and Timothy Cobb pleaded guilty in US District Court to gun trafficking charges and face sentencing in January. The Sentinel reported, "In paperwork prepared as part of their pleas, Assistant U.S. Attorney Tracee Plowell described a profitable gun peddling business where the only thing that mattered was cash. … Manus and Cobb were nabbed as part of a US Bureau of Alcohol, Tobacco, Firearms & Explosives probe. It isn't the first time the ATF has gone after flea market gun dealers. The agency headed a roundup of more than a dozen unlicensed dealers in 2002."

CONGRESS-ADMINISTRATION:

Democrats Back Aide Suspended Over Suspicion Of NIE Leak. The New York Times (10/21, Shane, 1.21M) reports, "The senior Democrat on the House Intelligence Committee yesterday sharply protested the chairman's decision to suspend a Democratic staff member's access to classified information in a leak inquiry. The congresswoman, Jane Harman of California, called the action a groundless act of political retaliation." She "said [Chairman Peter] Hoekstra had admitted to her that his action against [Larry] Hanauer was payback for her release on Tuesday of a report on actions by former Representative Randy Cunningham while he was on the Intelligence Committee."

The Washington Post (10/21, A4, Pincus, 748K) reports that Hoekstra's act, "which has drawn sharp criticism from Democratic panel members, was described by legislators of both parties as another example of the increased partisan infighting that has damaged the workings of the intelligence panel during this election year." Attorney Jonathan Turley represents Hanauer and "said there was 'not a single scintilla of evidence suggesting that Mr. Hanauer had any role in the leaking of the NIE.'"

The Los Angeles Times (10/21, Miller, 918K) reports that the dispute "reflects a major deterioration in relations on a committee that traditionally has sought to avoid partisan clashes. One congressional official said the committee was in 'meltdown.'" Hoekstra "was angered earlier this week when Harman publicly released an unclassified summary of an internal committee investigation into abuses by former Rep. Randy 'Duke' Cunningham." The Washington Times/AP (10/21) reports that Hoekstra "said the step was the least aggressive he could take while the committee investigates."

Bush Urges Republicans To Tout Medicare Drug Benefit. The AP (10/21, Freking) reports President Bush "said Friday that Republicans are missing an opportunity if they're not talking up the Medicare drug benefit while campaigning this election season. 'I think this is a fantastic program, but more importantly, so do the seniors,' he said in an interview with The Associated Press. The drug program was rife with problems at the outset, but reports indicate that in recent months it has been operating smoothly. The administration estimates that the average elderly or disabled person will save about $1,100 annually on medicine. Polls indicate that most participants are satisfied. 'My own view is our candidates and the people who voted for this ought to be out there traveling to senior centers all over their districts and their state saying, "Look what we did,"' Bush said."

Gerson Defends Bush's "Compassionate Conservatism." The Wall Street Journal's Naomi Schaefer Riley (10/21, A8) writes, "two questions have frothed up within the recesses of the GOP… : Has compassionate conservatism worked? And should Republicans try it again? … Perhaps the best person to sort out this business is" President Bush's former speechwriter Michael Gerson. Gerson "is plotting a book about the future of conservatism. He has been giving a lot of thought to its history. Known around the White House as 'Mr. Compassionate Conservatism,' Mr. Gerson tells me: 'I think it's a political truth that one reason we won the 2000 election was that Republicans finally had a message on education and welfare. In 2008, they will have to have something other than a simplistic antigovernment message.'" Gerson "asserts that the president has been nothing if not honest about where he comes down in that argument. 'It should not have surprised anyone that President Bush was going to sign on to the Medicare prescription-drug benefit because he campaigned on it in 1999. And it should not have surprised anyone that he was going to define a federal role in education

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to raise standards because it was one of his main promises as a candidate."

Pelosi's Refusal To Negotiate With GOP Credited With Boosting Democrats. Three prominent US newspapers publish reports on the possibility that House Minority Leader could become Speaker. The Washington Post (10/21, A1, Romano, 748K), in a front-page article titled, "The Woman Who Would Be Speaker," reports, "On election night 2004, Nancy Pelosi faced a painful reality: Her party was again a big loser. … Pundits were suggesting Pelosi should accept her fate as the leader of a permanent House minority." But Pelosi "had a different idea. Instead, she reached out to advertising executives, Internet moguls and language specialists to ask how Democrats could rise from the ashes and challenge President Bush and the Republicans. The advice that came back was unabashed: 'You must take him down' and then hammer away at the differences between the two parties, Pelosi recalled. Today the Democrats appear capable of taking back leadership of the House…for reasons largely beyond Pelosi's control. … Nevertheless, if the Democrats win, experts say, much credit is due this 66-year-old woman, whose notable fundraising abilities (she raised $50 million this election cycle) and scorched-earth strategy of refusing to negotiate with the GOP have put her on track to become the first woman to be speaker of the House."

The Los Angeles Times (10/21, Fiore, 918K) reports Democrats "need to gain 15 seats to take control, and Pelosi falls asleep at night crunching the numbers. It is her single burning obsession to lead her party to victory, and she devotes nearly every waking minute to it, coaching candidates, raising money and calculating in which districts to spend it. In three years as minority leader she has raised record amounts of cash and preached party unity that has helped bring 201 unruly Democrats to the brink of power."

Blue Dogs Claim They Will Exert Moderating Influence Over Democratic Majority. The Washington Post (10/21, A6, Weisman, 748K) reports, "If Democrats win control in November…Pelosi has decided to award committee chairmanships based almost entirely on seniority, ensuring that the House would feature far more minority faces, and some liberal firebrands, in key posts. But, mindful of the growing power of an expanding band of Democratic moderates and conservatives," Pelosi "has assured conservative Democrats that she would personally temper the legislative impulses of her most liberal chairmen while keeping close tabs on the investigations that could dominate the final two years of the Bush presidency." Rep. Dennis Cardoza, Blue Dog coalition co-chairman, "promised that the group would be 'a moderating influence on any excesses that might be brought forth by other wings of the party.'" The Post goes on to report, "The intelligence committee remains the biggest problem. The senior Democrat, Rep. Jane Harman (Calif.), wants the chairmanship and has the strong backing of the Blue Dogs. But personal friction between Harman and Pelosi virtually ensures that Harman will not remain on the committee, according to lawmakers and aides close to Pelosi."

Congress Urged To Overhaul Medical Records System. ABC World News (10/20, story 7, 2:20,Gibson, 8.78M) reported, "Today, ABC is wrapping up a week of reports exploring ways to improve health care in America. How to make it better, more affordable, more available. Our medical editor, Dr. Timothy Johnson, has been a guiding force behind this series. … Is there one thing that we could do right now that would improve care and bring down costs?" Dr. Timothy Johnson: "Absolutely. That would be introducing an electronic, computerized record-keeping system to replace the sloppy, wasteful paperwork system we have right now. Not only could that lower cost. But it would more importantly improve quality. The best systems in this country already do it. The government has to take the lead on this. They have the clout. They could pass legislation. It's bipartisan. Leaders in both parties say they want to do it. They need to stop talking and do it."

White House Aides Among Members Of Prominent Young Republican Group. The New York Times (10/21, Schaefer, 1.21M) describes how the "Swine on the Vine, of the Capital Club, a Washington group of 100 politically connected young men," use parties to release stress from working in the Capitol. The Times notes, "Among the club members and their guests, most in their 20's and 30's, were White House staff members. … Barbara and Jenna Bush have been known to show up at some of the parties." They "in some cases are wired right into the brain trust at the White House: the Republican lobbying firm DCI Group, which has strong ties to the Republican Party chairman Ken Mehlman and the White House senior adviser Karl Rove, has sponsored its parties. But club members insist their gatherings are not about networking or advancing anyone's career or political agenda." Among other former notable members is "Billy Bush, President Bush's cousin and a host of 'Access Hollywood.'"

Paulson Sells Manhattan Condo For Almost $8 Million. Bloomberg (10/21, Crenson) reports, "U.S. Treasury Secretary Henry Paulson…sold his 50th floor condominium near Manhattan's Lincoln Center for almost $8 million, according to public records." Bloomberg adds, "The median price for four-bedroom Manhattan apartments like Paulson's was just under $7 million in the third quarter,

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according to Miller Samuel Inc., the borough's largest appraiser."

NYT Criticizes Administration's Space Policy. The New York Times (10/21, 1.21M) editorializes, "The Bush administration has adopted a jingoistic and downright belligerent tone toward space operations. In a new 'national space policy' posted without fanfare on an obscure government Web site, and in recent speeches, it has signaled its determination to be pre-eminent in space…while opposing any treaties that might curtail any American action there." It "is being portrayed as a modest extension of the Clinton administration's space policy issued a decade ago." Yet "the more aggressive tone of the Bush policy may undercut international cooperation on civilian space projects -- a goal to which the new policy subscribes -- or set off an eventual arms race in space." And it "reflects the worst tendencies of the Bush administration -- a unilateral drive for supremacy and a rejection of treaties."

WPost Decries Wasteful Federal Farm Subsidies. The Washington Post (10/21, A18, 748K), in an editorial, states that a Post investigation of farm subsidies reveals "billions of federal dollars" are "wasted in unfair and uncompetitive handouts, many of which go to farmers working land that would be left fallow in a freer market." In response, "North Dakota farmer Terry Aronson unpretentiously defended the system to Post reporters. 'Taxpayers are funding something good, the rural life.' Yet most Americans -- removed from 'the rural life' in urban and suburban communities -- pay not only the opportunity cost of funneling money to farmers but also the incalculable costs of failed trade talks, which hurt the American consumer. America has a sentimental attachment to its farmlands. But preserving the rural life of a few, unproductive farmers is not worth the price it pays to do it."

OTHER NEWS:

Stocks Down Slightly After Record-Setting Week. The Washington Post/AP (10/21, D1, Paradis) reports, "Wall Street ended a record-setting week narrowly mixed Friday, with the Dow Jones industrial average falling to close at slightly more than 12,000 after a lackluster profit report and forecast from Caterpillar Inc. prompted many investors to retreat." Ryan Beck & Co. chief investment officer Joe Battipaglia "contends that while earnings reports have been sound over all companies are coming in with more guarded forecasts. He also is concerned that falling oil prices could indicate the economy is slowing too quickly."

The Wall Street Journal (10/21, B1, Hudson, 2.03M) says, "After 10 upward moves in the last 14 trading sessions, some market watchers think the Dow industrials are poised to take a breather, at least for the short term." The Journal notes, "The stock market is 'still nervous and jittery and will likely be so for the next week or so, until we're done with earnings season,' said Brian Reynolds, chief market strategist for M.S. Howells, a Scottsdale, Ariz., brokerage firm. 'Eventually we'll work through that and start moving up again.'"

Bloomberg (10/21, Baker) reports, "U.S. stocks preserved their fourth straight weekly gain as earnings at Google Inc. and 3M Co. beat analysts' estimates and oil dropped below $57 a barrel, lifting companies that depend on consumer spending." The Dow Jones Industrial Average "slid 9.36, or 0.1 percent, to 12,002.37" and the S&P 500 Index "rose 1.64, or 0.1 percent, to 1368.60. The Nasdaq Composite Index gained 1.36, or 0.1 percent, to 2342.30." Bloomberg adds, "For the week, the S&P 500 increased 0.2 percent, while the Dow average gained 0.4 percent and the Nasdaq fell 0.6 percent."

OPEC Seeks To Cut Supply As Oil Prices Continue To Fall. ABC World News (10/20, story 8, 0:10, Gibson, 8.78M) reported, "As oil prices keep falling, OPEC, today, vowed to cut supply. But prices just fell some more. At an emergency meeting, OPEC announced plans to cut production by 1.2 million barrels a day, about 4%. But with traders skeptical that OPEC members will actually stick to the deal, oil closed down almost $2 a barrel to under $57."

Bloomberg (10/21, Shenk) reports, "OPEC's cutback was larger than the reduction that ministers had been talking about for the past two weeks and was endorsed by OPEC's biggest producer, Saudi Arabia, which will trim output by 380,000 barrels a day." Energy Security Analysis Inc. analyst Rick Mueller said, "A cut of 1 million barrels was factored in so it looks like they decided to cut more to get the market's attention. … I doubt there will be a dramatic up-tick in prices because inventories are so high and uncertainty about what the members will actually cut."

The Washington Post (10/21, D1, Mufson, 748K) says, "If yesterday was a test of the power of the Organization of the Petroleum Exporting Countries, the cartel flunked." The Post notes, "Oil traders and analysts said they remained unconvinced that OPEC members would have enough discipline to trim production by more than half the amount announced. And it remained unclear whether that smaller amount would be enough to stabilize prices as OPEC hopes." Meanwhile, decreasing oil prices "continued to provide a boost to the U.S. economy, especially for companies sensitive to fuel prices."

Texas Judge Avoids Reprimand For Support Of Miers. The New York Times (10/21, Blumenthal, 1.21M)

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reports Texas Supreme Court judge Nathan. Hecht, "who championed a longtime friend and fellow Republican, Harriet E. Miers, for the United States Supreme Court last year was cleared Friday of charges that his efforts had violated state rules of judicial ethics." He "had received a public admonition, the mildest form of sanction, from the State Commission on Judicial Conduct. It said he had discredited the judiciary by giving about 120 interviews that amounted to an endorsement of another candidate and a lending of judicial prestige to a private interest." Yet "three appellate justices appointed as a Special Court of Review to hear Justice Hecht's appeal overturned the reprimand, which had carried no civil or criminal penalty." The AP (10/21, Brown) reports similar details.

Bush Makes Surprise Appearance At Italian-American Event. The AP (10/21, Riechmann) reports President Bush "made a surprise appearance Friday night at a National Italian American Foundation dinner show featuring Frankie Valli and the Four Seasons." Bush "recognized famous faces in the audience, including Justices Samuel Alito Jr. and Antonin Scalia," but "then his remarks turned serious. Bush recognized one prominent Italian American, Gen. Peter Pace, chairman of the Joint Chiefs of Staff, who was missing from the annual gathering that attracted more than 1,000 people to a Washington hotel." Bush said, "We're in a titanic struggle between extremists and radicals who cannot stand the way of life of America. … They don't like the thought that people from different backgrounds are able to live under a nation and work together and achieve greatness. They can't stand the thought of free societies flourishing in their midst."

RNC Ad References LBJ's "Daisy Ad." NBC Nightly News (10/20, story 7, 1:00, Williams, 9.87M) reported, "The Republican National Committee is out with a new campaign ad and when some political veterans first saw it, it reminded them of something. The ad, which shows a series of images and threats from al Qaeda contains the following wording on the screen. At the end of the ad, 'these are the stakes.' Well, when some politicos laid eyes on the ad it reminded them of something from a few decades ago. That there, the voice of President Lyndon Johnson, and the famous 'daisy ad' designed to scare people away from Goldwater in 1964. … The R.N.C. has only purchased about $20,000 in airtime. They're hoping for news media exposure to provide free airtime."

GOP Airs Ads Claiming Democrats Endanger Children In Response To Foley Scandal. The AP (10/21, Kuhnhenn) reports "in this political ad, the message is in the faceless voices of cheerful children engaged in mayhem. 'Hit the hooker with the tire iron!' 'Steal the old lady's car.' 'Shoot her first!' The ad accuses a Democratic candidate of voting against banning the sale of violent and sexually explicit video games to children. Another ad, in Connecticut, says a Democrat voted to permit convicted sex offenders in public housing. Yet another, in Arizona, linked a candidate's work as a lawyer for the American Civil Liberties Union to the ACLU's defense of a pedophile's group. In the fallout from former Rep. Mark Foley's electronic sex scandal, Republicans are turning the tables on Democrats, airing ads and leveling public accusations claiming their opponents have failed to protect children against sexual imagery, sexual violence or sexual predators." The AP adds, "The ad featuring children playing a violent video game is aimed at Rep. Baron Hill, a Democrat and former House member who is trying to recapture his seat from Republican Rep. Mike Sodrel. It cites Hill's vote in 1999 against an amendment to a juvenile crime bill that would have prohibited the sale of violent and sexually explicit movies and video games to teenagers."

Democrats' Religious Outreach More Focused Than In Years Past. The Washington Post (10/21, B9, Burke, 748K) reports on a meeting of the House Democrats' Faith Working Group. According to the Post, "As Democrats seek to reframe America's debate over moral values and close their 'God gap' with religious communities, conversations such as these are blowing like a mighty wind through party circles. Gone are the days when 'faith outreach' meant visiting African-American churches two weeks before an election, party leaders say. Instead, Democrats are seeking -- and getting -- regular meetings with megachurch pastors T.D. Jakes, Joel Osteen and Rick Warren. Rather than cede red states to Republicans, the party is buying airtime on Christian radio stations, with the message that Democrats are indeed a party with deep moral convictions."

Polls Said To Indicate Candidates Can Gain Votes By Moving To The Center. The Wall Street Journal's John Harwood (10/21, A2) writes, "Prevailing political wisdom holds that the only things that matter are each party's 'base' -- that there is no center anymore, and no more swing voters worth chasing. But look at what has happened among independent voters in the latest Wall Street Journal/NBC Poll1, taken this past week: Support for Republicans has collapsed. Just 24% of them say they want President Bush's party to control Congress after Election Day. Independents disapprove of Mr. Bush's job performance by 2 to 1. That's a big change from 2004, when Mr. Bush and John Kerry split the votes of independents." This year "Just 5% of Republicans want Democrats to take over Capitol Hill. Just 2% of Democrats want Republicans to win." Harwood notes that Sen. Conrad Burns will try to close Jon Tester's

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lead "by accusing his opponent of favoring tax increases. He won't rail against 'earmarks' the way some Republicans are doing to court their disaffected right wing. In a classic appeal toward centrists, Sen. Burns will invoke his clout as an appropriations subcommittee chairman."

McCain Aiding GOP Candidates While Laying Groundwork For 2008. The Wall Street Journal (10/21, A4, Hitt, Conkey, 2.03M) reports Sen. John McCain "has capitalized in an aggressive and systematic way by using the 2006 fight for control of Congress to lay the groundwork for a probable run for the presidency in 2008. Mr. McCain is crisscrossing the country on behalf of beleaguered Republicans, tapping his position as one of his party's most popular figures at a time when the image of President Bush and other administration officials is slumping. The senator has steered $1.2 million of campaign funds so far to Republican candidates and political committees. He is enlisting influential grass-roots supporters in Iowa and New Hampshire, pivotal early battlegrounds in the presidential-nomination fight. And he is firing up the party's conservative foot soldiers, picking a fight with New York Sen. Hillary Clinton…over whether her husband's administration took adequate steps to contain North Korea's nuclear ambitions." McCain "has plans to campaign almost daily through Nov. 7. … Embattled Republican candidates campaigning with Mr. McCain…are benefiting from his carefully cultivated image as an iconoclast who nonetheless remains loyal to the party."

Clinton Faces Questions Concerning Her Presidential Ambitions During Debate. The New York Times (10/21, Kornblut, 1.21M) reports, "Facing a barrage of questions about her national ambitions during the first Senate debate on Friday night, Senator Hillary Rodham Clinton firmly maintained that she was focused on her work in Congress and had made no decisions about running for president. But her Republican opponent [John Spencer] seized on her aspirations at every opening, accusing her of already abdicating her responsibilities to New York." The AP (10/20, Humbert) reports Clinton "acknowledged that she has thought about running for the presidency in 2008, but said she is committed to running for Senate re-election. 'As you might guess, I've been asked that a few times before,' she said of her possible White House aspirations. 'I am focused on this election. I am focused on my work in the Senate. Obviously, people are talking about whether I will or should be running for president, and I'm flattered by that.'" The New York Times (10/21, Pérez-peña, 1.21M) reports, "on the question hanging over the race, and the first to arise in the debate — will Mrs. Clinton, a Democrat, run for president in 2008? — there is no provable answer, though it would be hard to find a politically minded American without an opinion."

Edwards' Wife Apologizes To Clinton. The AP (10/21, Elliott) reports Elizabeth Edwards, wife of former Senator John Edwards, "apologized to Sen. Hillary Clinton after saying her choices in life have made her happier than the senator, a Clinton aide said Friday. Clinton adviser Howard Wolfson said Elizabeth Edwards called the New York Democrat on Friday night. … 'Elizabeth Edwards called her and apologized,' Wolfson said. 'They had a good conversation.' Wolfson said the two spoke only for a couple of minutes. 'The senator thanked her for the call and wished her well on her book tour,' Wolfson said. The apology followed remarks by Elizabeth Edwards on Thursday at a luncheon sponsored by Ladies' Home Journal. 'She and I are from the same generation,' she said of the senator and former first lady. 'We both went to law school and married other lawyers, but after that we made other choices. I think my choices have made me happier. I think I'm more joyful than she is.'"

Lieberman Has 17 Point Lead In New Poll. The New York Times (10/21, Medina, 1.21M) reports Sen. Joseph Lieberman "won the backing of a top Republican in the Senate on Friday as Howard Dean traveled here to rally Democrats behind Ned Lamont's effort to unseat Mr. Lieberman." Lieberman "appeared at the New London City Pier with Senator Susan M. Collins, a Republican from Maine, to highlight the need for port security — and to campaign together." Dean "appeared at a sports bar in the state capital to rally support for Mr. Lamont and other Democratic candidates, including John DeStefano, the mayor of New Haven, who is running for governor, and Christopher S. Murphy, who is trying to unseat Congresswoman Nancy L. Johnson, a Republican." The Times notes yesterday's "release of a Quinnipiac University poll that showed Mr. Lamont trailing Mr. Lieberman by 17 percentage points, widening a 10-point lead he held in a Quinnipiac poll last month. The poll showed a 52 to 35 lead among likely voters and was conducted from Tuesday through Thursday. It had a margin of error of plus or minus 3.5 percentage points. The Republican candidate for the Senate, Alan Schlesinger, trailed with 6 percent of the vote. Another 7 percent said they were undecided."

Ford Disrupts Corker News Conference. The AP (10/21, Rucker) reports Rep. Harold Ford Jr. "turned up at a news conference Friday in Memphis called by his opponent, Republican Bob Corker, leading to a confrontation about Ford's large, politically active family." Corker "has questioned the work of Ford's father, former U.S. Rep. Harold Ford Sr., as a lobbyist for Fannie Mae while Ford Jr. sat on the House committee overseeing the mortgage giant's activities. Ford Jr. said that no one in his family has ever lobbied him on congressional issues and that he would refuse them if they

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did. Corker had scheduled the Friday morning news conference at a Memphis airport to discuss a proposal to prohibit relatives of senators and representatives from lobbying their family members." Ford "told Corker that he wanted to debate him on the Iraq war, then mentioned Ford's plan to partition Iraq into three regions. But then Corker stopped him and said he had come to talk about ethics. Corker called Ford's visit to the news conference 'a true sign of desperation.'"

NRSC's Ad Tying Ford To Playboy Party Described. The Financial Times (10/21, Daniel) reports, "The Republican attack advertisement starts with a clip from the rival candidate's campaign. It shows Harold Ford, sitting in church, saying he will not be painted as someone he is not. 'Fair enough,' intones the announcer. 'So what kind of man parties with Playboy playmates in lingerie, then films political ads from a church pew?' Cue: images of Mr Ford, the Democrat candidate for a Tennessee Senate seat, with James Bond-style silhouettes of Playboy bunnies, to highlight his hypocrisy. … The national Republican senatorial committee paid for the Ford ad. When Bob Corker, the candidate, was asked, he demurred: 'I haven't seen the ad.'"

Allen And Webb Seen As Avoiding Immigration Debate. The Washington Post (10/21, B5, Brulliard, 748K) reports Allen and James Webb "have stark differences on" immigration. Allen "brooks no sympathy for illegal immigrants and favors guest-worker plans." Webb "supports legalization for some immigrants and opposes broad programs for temporary foreign labor. Analysts say the relative absence of immigration in the race reflects the increasingly tricky proposition of campaigning on polarizing topics, especially in a traditionally conservative state with a changing political landscape. In recent elections, Northern Virginia voters' allegiance has shifted toward Democrats. Studies show that Virginia's illegal immigrant population has swelled in recent years and that growth has been densest in Northern Virginia. Herndon voters this spring ousted Town Council members who backed a hiring site for immigrant day laborers, but Republican Jerry W. Kilgore lost the Northern Virginia suburbs -- and the governor's race -- after a campaign in which he vowed, among other things, to crack down on illegal immigrants."

Wilder Offer Webb Advice. The Washington Times (10/21, A1, Bellantoni, 88K) reports Richmond Mayor Douglas Wilder, "a former governor and one of the state's leading Democrats, has some advice for" Webb – "let voters know what you stand for. 'The question is, what reasons will Jim Webb give people to vote for him,' Mr. Wilder, 75, told The Washington Times. 'There are so many people in the middle that want to have a reason to lean this way or that.' Mr. Wilder has yet to endorse anyone in Virginia's U.S. Senate contest."

Talent Handicapped By National GOP's Difficulties. NBC Nightly News (10/20, story 6, 3:30, Williams, 9.87M) reported, "Missouri -- always a political bellwether state and the Senate race there is no exception. … Unhappiness with the war in Iraq and Washington in general making things difficult for the Republican incumbent" Sen. Jim Talent, who is "in the political fight of his life. … His challenger, Democrat Claire McCaskill, now making serious headway by highlighting talent support for president Bush and the war in Iraq." Talent "doesn't dispute that the souring mood toward republicans nationally may hurt. … But his opponent McCaskill is also benefiting from a local initiative on the ballot to allow stem cell research. Polls show most in Missouri support it. So does McCaskill, but Talent is opposed."

Democrats' Find Success Targeting Open Seats. The New York Times (10/21, Hulse, 1.21M) reports, "Ed Perlmutter, a former Democratic state senator, has had other opportunities to run for the House seat representing the district around Denver, but he waited until this year, when the Republican incumbent decided to run for governor rather than seek re-election. … In the age of gerrymander, the open seat — one where incumbents step aside because of age, ambition, scandal or other considerations — is a rare but sometimes golden opportunity for one party to wrest control from the other. This year, Democrats like Mr. Perlmutter are taking full advantage, giving their party a potentially vital edge in the battle for control of the House." The Times continues, "This year, there are 33 open House seats, including three that are vacant at the moment but had been held steadily by one party, and polls suggest that Democrats have a good chance to capture enough Republican-held districts to put them well on their way to tilting the balance of power in Washington. Surveys show Mr. Perlmutter in command of his race against his Republican opponent, Rick O'Donnell, in the contest to succeed Representative Bob Beauprez, a Republican who is running for governor. In races for 20 other Republican open seats, recent polls show the Democrat leading in at least 8, putting the party more than halfway to the 15 seats needed to capture the House. Just one of 12 Democratic open seats appears at risk, and even that is considered a long shot."

Tight House Races In Indiana Feature Vulnerable GOP Incumbents. The New York Times (10/21, Purnick, 1.21M) reports Indiana "has become an unexpected battleground in this year's Congressional elections. Three of the state's seven Republican members of

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Congress are locked in tough races, with the campaigns drawing big money and big names from both parties." Rep. Chris Chocola "and the Democrat, Joe Donnelly, a lawyer and businessman, are in a race that was never supposed to be so close, though the district has elected Democrats in the past. The economy and immigration loom as large as Iraq in this blue-collar district. Many auto-parts plants have closed or been cut back. Workers are nervous, and some say that Mr. Chocola does not understand their predicament because he is independently wealthy." Rep. John Hostettler "is invariably described an unorthodox public official who does as he likes, from voting against the Iraq war to taking a loaded gun into the Louisville airport two years ago. … Political analysts say Mr. Hostettler has been more unorthodox than usual, campaigning and fund-raising less aggressively than might be expected, given his opposition — the telegenic sheriff of Vanderburgh County, Brad Ellsworth." In IN9 "the race is a rubber match, an unusually personal fight between two candidates with distinctly different styles — Representative Mike Sodrel, a Republican who two years ago beat the same Democratic opponent, Baron Hill, a former two-term congressman."

Working Families Party Campaigns For Three Democratic House Candidates. The New York Times (10/21, Confessore, 1.21M) reports, "Even by the Lilliputian standards of minor political parties, the Working Families Party has typically played the part of feisty underdog. Only four states list the party on their ballots, and even in New York, where it is based and most active, Working Families usually draws far fewer voters than rivals like the Conservative Party or the Independence Party. … The party is focusing on unaffiliated voters in New York's 24th and 29th Congressional Districts and Connecticut's 5th Congressional District, which all have a Democratic candidate cross-endorsed by the Working Families Party."

GOP House Candidate Investigated Over Immigrant Threats. The New York Times (10/21, Chang, 1.21M) reports California state investigators "searched the offices of a Republican Congressional candidate, a day after he acknowledged that a campaign worker was responsible for a letter sent to as many as 14,000 Latino residents in an effort to keep them from the polls. The candidate, Tan Nguyen, left, will stay in the race against the incumbent, Loretta Sanchez, even though the Republican Party has urged him to withdraw, said his lawyer, David Wiechert. Mr. Nguyen has denied having any knowledge of the letter, which stated that immigrants could be jailed if they voted." The Los Angeles Times' Dana Parsons (10/21) writes, "It is truly a new day in Orange County, where a generation ago the previous Republican Party leadership would have tabbed Nguyen as an up-and-comer with a good head on his shoulders."

Ehrlich And O'Malley Concentrate On GOTV Efforts. The Washington Post (10/21, A1, Mosk, Barnes, 748K) reports that in 2002 Maryland Democrats "headed into the final stretch of a heated governor's race without much of a message to get their supporters to the polls, and there was a pointed lack of enthusiasm from black voters, the party's most loyal supporters. The Democrats got clobbered. … Democrats are determined to make this year different, said" top Democrats supporting Baltimore Mayor Martin O'Malley's "bid to retake the governor's office from Republican Robert L. Ehrlich Jr. This time, both Ehrlich and O'Malley have elaborate plans, in the works for more than a year, to maximize turnout that are the centerpiece of a two-week sprint to Election Day." The Post notes, "For Republicans, the task is more complicated. Because Democrats hold a nearly 2 to 1 edge on voter rolls, Ehrlich can't afford to merely try to drive more people to the polls. He needs to motivate his supporters to show up Nov. 7 while doing nothing to energize those backing his opponent."

Republican Governors Association Targets O'Malley's Record In Baltimore. The Washington Post (10/21, B4, Rich, 748K) reports O'Malley "may be the target but Baltimore also takes a beating in a television ad launched yesterday by the Republican Governors Association, a 30-second tableau of urban decay that declares Maryland's largest municipality 'the most dangerous city in America.' The ad, the first the group has aired in the state, features footage of a cemetery and a crime scene. The camera bounces erratically as the images lose and regain focus. The schools are in shambles, a female voice says, and the homicide rate is six times higher than New York City's. 'Baltimore,' the voice says, 'Martin O'Malley's legacy of mismanagement. And now he wants a promotion so he can do for the entire state of Maryland what he did for Baltimore.'"

Maryland Legislator Receives Stolen Voting Machine Software. The Washington Post (10/21, B1, Barr, 748K) reports, "A Maryland election official said yesterday that possibly stolen computer disks believed to be electronic voting software were 'apparently produced' for use by a testing firm hired by the Maryland legislature in November 2003. … Documents indicate that the disks were sent to Maryland so Raba Technologies Inc. could assess the security of the state's electronic voting system, which is provided by Diebold Election Systems. … Labels on the disks indicate that they contain the versions of two Diebold programs that powered electronic voting machines in Maryland in 2004, Goldstein said Thursday. Diebold said one version of one program is still in use in some jurisdictions elsewhere in the United States. Cheryl C. Kagan, a former Maryland delegate who has questioned the security of

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electronic voting systems, said the disks were delivered anonymously to her office in Olney on Tuesday."

Angelides Urges Schwarzenegger To Release Controversial Recordings. The Los Angeles Times (10/21, Nicholas, 918K) reports, "In private conversations in the governor's office earlier this year, Arnold Schwarzenegger spoke with aides about the 'failure of Mexican American immigrants to assimilate into American culture' and made 'ad hominem remarks about a variety of legislators,' Phil Angelides' gubernatorial campaign said Friday. An attorney for Angelides sent a 10-page letter to Schwarzenegger aides urging them to release recordings of the governor's conversations before the Nov. 7 election. … Angelides aides know what the recordings contain because they downloaded them from the governor's website in late August. But the campaign has declined to release the tapes on its own, calling on Schwarzenegger to take that step." Schwarzenegger aides "indicated that the governor would not release the recordings, saying they are not a matter of public record."

Schwarzenegger's Reaction To Special Election Defeats Spurred His Comeback. The Los Angeles Times (10/21, Nicholas, 918K) reports, "Maybe the make-or-break moment of Arnold Schwarzenegger's governorship was the morning of Nov. 10, 2005, in his hotel suite across the street from the Capitol building. He had just been walloped in the special election that he had thrust before voters, capping a year when he had fought to put in place a distinctly conservative agenda. Prepping the Republican governor for a news conference, one of his aides urged a tough stance: Don't apologize, don't give ground. Schwarzenegger did the opposite. He appeared before the cameras and conceded that he had screwed up and promised to start listening to the Democrat-dominated Legislature. So began his political resurrection. From a nadir at which he was being compared with Jesse Ventura, the pro wrestler who flamed out as governor of Minnesota after one term, Schwarzenegger rose to be the front-runner in the Nov. 7 election."

History Of "October Surprise" Described. The Washington Post (10/21, C1, Weeks, 748K) reports on the history of the "October surprise." According to the Post, two developments that have been described as this year's "surprise" are a spate of books critical of President Bush and the Johns Hopkins study released last week that purported to find that as many as 600,000 Iraqis have been killed since the beginning of the war in 2003.

Columnist Dowd Questions Obama's Desire For Presidency. Maureen Dowd in her column in the New York Times (10/21, 1.21M) writes, "So the question before us is, should Barack Obama stop lounging around in fashion magazines and do some honest work, like running for president?" Obama's "appeal combines the political ability — alien to the Bush administration — to see something from your opponent's point of view with the cool detachment of a J.F.K." Obama's "been told by Democratic leaders to think about whether he really wants to be president, or whether he's just getting swept away by people who want him to do it." Dowd ponders whether Obama wants "to be a celebrity or a man of history — or is there no longer any difference?"

LATimes Notes California Democrats Disadvantaged By Redistricting. The Los Angeles Times (10/21, 918K), in an editorial, writes, "In an election year in which grumpy voters from coast to coast are gunning for the scalps of doddering Republicans, Rep. Gary Miller (R-Diamond Bar) would seem a vulnerable target." He "has earmarked road repairs near housing developments he co-owns, declined to pay taxes on three land sales and -- in a congressional district one-quarter Latino -- wrote legislation denying citizenship to the children of illegal immigrants. But Democrats have a competitive disadvantage in unseating the four-term congressman: Miller is running for reelection unopposed. This scene is playing out throughout Southern California and the rest of the state as competitive races and even challengers are becoming endangered species. Because of a cynical bipartisan agreement after the 2000 census, Democrats and Republicans represent frequently convoluted geographical footprints meticulously designed, it would seem, to ensure that no incumbent party will ever lose another election, no matter which way the political winds are blowing."

Chinese Leaders Assure Rice They Will Enforce North Korea Sanctions. ABC World News (10/20, story 4, 1:40, Gibson, 8.78M) reported, "The Secretary of State, Condoleezza Rice has wrapped up her Asian tour to rally support for United Nations sanctions. Today, she was in Beijing meeting China's leaders. We reported yesterday a Chinese delegation was in North Korea. And it appears the Chinese say they will enforce the sanctions against North Korea." ABC correspondent Karl added that "there were signs today that the effort to isolate North Korea is gaining momentum. Chinese leaders assured Secretary of State Rice, they'll help enforce sanctions. And China's four biggest banks said they would suspend transfers to North Korea. A move that potentially goes further than U.N. sanctions."

In a brief story The CBS Evening News (10/20, story 3, 0:20, Couric, 7.66M) noted, "Kim Jong Il reportedly told Chinese envoys that he is sorry for conducting a nuclear test nearly two weeks ago and promised he won't do it again. Just the same, he held a huge rally today to celebrate that

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test. While that was happening, Secretary of State Rice was in Beijing hoping to persuade the Chinese to vigorously enforce U.N. sanctions against North Korea."

NBC Nightly News (10/20, story 3, 1:00, Williams, 9.87M) reported, "Secretary of State Condoleezza Rice made the most important stop on her Asia trip today to press for tougher action against North Korea for conducting a nuclear test." NBC (Mitchell) added, "She was in China and met with China's president but also with a top Chinese envoy who had just returned from North Korea where he personally delivered a tough message to Kim Jong-Il. Rice says that the Chinese official told Kim he needs to return to regional talks and should not even think about exploding a second nuclear test. Rice says that China agreed to inspect North Korean cargo but that she won few hard commitments from them and contrary to earlier reports out of South Korea, Kim did not tell the Chinese he is ready to return to talks or end the nuclear showdown."

The New York Times (10/21, Shanker, Kahn, 1.21M) reports, "The United States and China spoke in a unified voice on Friday to call for the resumption of six-party talks on North Korea's nuclear program, but they did not announce concrete steps to increase pressure on the North Korean government." Secretary of State Condoleezza Rice "expressed confidence that China was committed to enforcing new United Nations military sanctions on North Korea, and that a number of economic and trade measures were under review." She "also said the Beijing leadership pledged to be 'scrupulous' about ensuring that North Korea does not ship prohibited materials across its lengthy border with China." Rice added "she had been told by the Chinese government that a special envoy sent by Beijing to North Korea had delivered 'a strong message.'" He "returned from Pyongyang, where he had met with Kim Jong-il, the North Korean leader. Chinese officials described the meeting as 'positive' and 'greatly significant,' but declined to provide details of what Mr. Kim had said. Accounts that "Kim had offered to resume nuclear talks under certain conditions, and said he gave assurances that he had no plans to conduct a second nuclear test," weren't "confirmed by either Chinese or American officials." Rice did stress "that North Korea should return to those talks 'without condition,' and that the financial restrictions the United States has imposed to crack down on North Korean counterfeiting would not be lifted just to entice the North back to the negotiations." Still, she added "that halting North Korea's trade in nuclear bomb-making materials and missiles would take time."

The Washington Post (10/21, A11, Kessler, 748K) adds, "China and the United States on Friday appeared to close ranks on North Korea." Rice also said, "Let's just watch and see what China will do." McClatchy Newspapers (10/21, Strobel) reports that rice showed "unusual harmony with China on a key security issue." However, "senior Chinese leaders privately have expressed frustration with North Korean leader Kim Jong Il and questioned his judgment with unusual candor" and according to senior Rice aide "there's been a 'sea change' in China's attitude toward North Korea." The AP (10/21, Gearan) adds, "An exasperated China took a newly tough approach to communist ally North Korea on Friday, siding with the United States."

In contrast to the articles affirming China's cooperation with the US, the Wall Street Journal (10/21, A4, King, Fairclough, Hayashi, 2.03M) reports that "the U.S. is finding its allies are reluctant to enforce even the minimal sanctions imposed by the United Nations -- and that its own, tougher approach has serious gaps as well." The "immediate challenge" for Rice is getting "real cooperation from North Korea's neighbors. Yet she appeared to make little progress on that front during her Asia trip." South Korea is "reluctant to sign on, and members of Seoul's ruling liberal party argue that it shouldn't." The Chinese, "who are otherwise taking tough steps to crack down on North Korea, have said they may draw the line at interdicting shipments at sea," and "Japan, while more eager to crack down on Pyongyang, is severely limited by its pacifist constitution." Additionally, "getting sound intelligence on shipments is tough, especially when it is easy to disguise a vessel's identification and registration," and some U.S. officials "are wary of the consequences of stopping or seizing North Korean vessels or their cargoes at sea. One U.S. official said the military, currently fighting two wars, is short of the resources to effectively police shipping."

In the same vein, the Los Angeles Times (10/21, Magnier, 918K) adds that as "Rice left China today for Russia, her goal of uniting Northeast Asia in a strong, unambiguous punitive stance against North Korea remained elusive." So, "with no easy answers, a wily adversary in Pyongyang, the North's capital, and limited options, Rice sought Friday to lower expectations, even as she praised China's willingness to consider tougher measures."

The Washington Times (10/21, A1, Kralev, 88K) reports that Rice said "China has been brought into the process in a way that China never was before." The paper takes a different tone from the New York Times on the claims that China "won a pledge from North Korean leader Kim Jong-il not to conduct another nuclear test and at the same time blocked bank transfers to the isolated state," reporting that "U.S. and Chinese officials stopped short of confirming the reports, saying only that Mr. Kim pledged not to escalate the situation further."

Experts Said To Worry About North Korean Nuclear Sales. The Los Angeles Times (10/21, Miller, 918K) reports, "U.S. intelligence officials and weapons proliferation experts say they are concerned that North Korea could add plutonium to the extensive inventory of arms components and technologies it already has sold to such nations as Syria,

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Pakistan and Libya," and "some experts are more worried about the government in Pyongyang spreading nuclear technology to other 'rogue' nations than about the possibility of it launching a nuclear attack." However, they agree that such a sale "would be an extreme and dangerous step even for one of the world's most defiant regimes."

South Korea's Sunshine Policy Said To Be Ending. McClatchy Newspapers (10/21, Johnson) reports, "North Korea's entry into the global nuclear club may be a coda for the sunshine policy. Some South Koreans say engagement has failed to encourage significant reform in North Korea. Others view it as appeasement, saying their nation has served as a virtual ATM for North Korea." Recent "polls show that an increasing number of South Koreans think that Seoul should stand up more firmly to Pyongyang, even as their fear of North Korea has diminished."

ABC Profiles North Korean Culture. ABC World News (10/20, story 5, 1:30, Gibson, 8.78M) reported, "North Korea, of course, is the most-isolated nation in the world. The hermit kingdom it's called. It's nearly impossible for reporters to get inside. But this week, ABC's Diane Sawyer has been the only Western journalist there. So we asked her tonight, to share some of her impressions with us." Sawyer, added that there are signs of a nation with no money. Dark halls. Few lightbulbs. Rundown buildings. But inside, people proud of their three rooms, carpeted and pictures of Kim il-Sung and Kim Jong-il. We notice that traveling through the streets, we never once saw an obese person. We never once saw a dog or cat, either, for that matter. We are looking at two worlds, very different views and few bridges between."

UN Report Says North Korea Imprisons "Those Deemed Subnormal." The Washington Times (10/21, Mcelroy, 88K) reports that a U.N. report released yesterday says "North Korea operates a rigorous system of eugenics that locks up those deemed subnormal, ranging from the disabled to dwarfs," and are "designed to ensure that those who do not conform to the state's designation of normal do not pass on their genes by having children." Base on evidence gathered from defectors to South Korea, the report says "the afflicted are subjected to harsh and subhuman conditions. Food is scarce and of poor quality and beatings are commonplace."

US Trade Rep To Discuss Trade Disputes With China. The AP (10/21, Crutsinger) reports that Deputy U.S. Trade Representative Karan Bhatia said "China has made progress in resolving long-standing trade disputes with the United States," such as an agreement to load legal software on all new computers sold in China, "but more needs to be done in a number of areas." He added that "when he holds talks next week with Chinese trade officials in Beijing, he would review a number of commitments China made last spring," including "ways it planned to crack down on the sale of illegal, pirated computer software and expanding the opportunity for U.S. and other foreign firms to compete for Chinese government contracts."

NYTimes Argues Bush's Excessive Borrowing Creates Vulnerabilities To China. The New York Times (10/21, 1.21M) editorializes, "America's indebtedness to China…is staggeringly high." While the Administration "seems unfazed," China's holdings' "size and growth…mean increasing vulnerability for the United States." If their lending "dried up quickly…the result could be a sharp financial crisis," but even a gradual change "could mean a long downward trend in American living standards as a higher cost of living took its toll." Also, "administration officials are concerned that developing nations, unhappy with conditions on loans from the International Monetary Fund, may decide to borrow directly from China. That would give Beijing more influence over emerging markets and their governments. To its credit, the Bush administration has repeatedly stressed that the rise of China is not to be feared or begrudged. But excessive borrowing during the Bush years has made the United States unnecessarily vulnerable."

Iran Dismisses UN Sanctions Possibility, Warns Europe Against Support For Israel. The New York Times (10/21, Fathi, 1.21M) reports that as "the United Nations Security Council is expected to begin public deliberations next week on whether to impose sanctions on Iran for defying a United Nations demand to suspend uranium-enrichment activities by the end of August," Iran's Foreign Ministry, with "its first official response to the threat of United Nations action…said in a statement that Iran would not 'remain idle if sanctions are imposed.'" At the same time, Iranian President Mahmoud Ahmadinejad "warned Europe…that continued support for Israel could lead to an act of revenge by those in the Middle East angry about the Palestinians' plight," although "He did not describe what revenge could entail in his speech." He also "repeated…that Iran would not give in to international demands to suspend its uranium-enrichment program and dismissed United Nations efforts to impose sanctions on Iran as illegitimate."

Israel Says Iran Bribed Hamas To Block Soldier's Release. The AP (10/21, Lederer) reports, "Israel's U.N. Ambassador Dan Gillerman told the Security Council on Thursday that 'we heard news' earlier in the day that Tehran bribed Hamas leader Khaled Mashaal 'to sabotage the negotiations on the release of Cpl. Gilad Shalit and prevent his release.'" Shalit is the Israeli soldier captured by Hamas-linked militants on June 25. "Gillerman later refused to divulge the basis of the allegation or provide details." Ianian diplomat Mansour Sadeghi responded that "his government 'categorically rejected' all allegations against his country made by Israel, dismissing Gillerman's allegations as 'baseless and absurd,'" and Osama Hamdan, Hamas'

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representative in Lebanon, called the report 'an obvious Israeli lie.'"

Israel Said To Have Begun Hezbollah Conflict Without Strategy For Ending It. The Washington Post (10/21, A1, Wilson, 748K) reports, "An examination of the first days of the war" between Israel and Hezbollah "shows that leaders of Israel's newly elected government launched a broad military campaign without a clear strategy for how it was to end. It also reveals that while Israeli military officials anticipated an entrenched guerrilla force, front-line officers were surprised by just how well prepared Hezbollah was." Senior Israeli officers admitted "the extent of the tunnel networks, the size of the arsenal and some of the more sophisticated weapons in it were not anticipated." Two days after the counterattack began, "Israeli military and diplomatic officials were deeply split over war strategy." Their "internal consensus, trumpeted in public by Israel's leaders, crumbled" after "the research unit of Israel's military intelligence branch presented a report to senior Israeli officials that questioned the war plan's ability to achieve the government's goals."

Citing Security Concerns, Israel Restricts Muslims Entering Jerusalem To Pray At Holy Site. The New York Times (10/21, Myre, 1.21M) reports, "With Israel imposing tight restrictions on Palestinian movements, the holy month of Ramadan marks a rare occasion when large numbers of Palestinians from the West Bank can enter Jerusalem to worship at the Aksa Mosque compound, one of the most sacred sites in Islam." Although an estimated 180,000 Muslims prayed at the compound, "thousands of West Bank men who were turned back at the city's edge, some in scuffles with Israeli security forces," as "Israel, citing security concerns, only permitted West Bank men over age 45 to enter Jerusalem and the mosque compound." It "says that the huge crowds show its commitment to the freedom of worship, but insists that the restrictions are necessary to guard against possible violence at the site."

Israel's Revised Visa Policy Prevents Palestinian-Americans From Returning To West Bank. The Los Angeles Times (10/21, Ellingwood, 918K) reports, "Activists say scores of Palestinians who carry foreign passports, mostly American, have been denied entry this year since Israel moved to close a loophole that once allowed residents to enter repeatedly on renewable Israeli tourist visas," and this "has created a quandary for the Palestinian Americans who remain: If they leave to get a new three-month stamp, they may not be allowed back. If they stay, their current Israeli visas will expire." U.S. Secretary of State Condoleezza Rice had "raised the visa issue in meetings with Israeli officials in Jerusalem this month," and "American diplomats say they have asked Israel to explain the policy." Mark Regev, a spokesman for the Israeli Foreign Ministry, "said the change was an attempt to curb misuse of tourist visas," which "were not meant to serve as documents for Palestinian residency or work in the West Bank and Gaza Strip." However, he admits that the changed policy "is having 'unintended consequences' that officials are now trying to correct."

US Said To Be Turning From Abbas To Rival Fatah Leader. The Washington Times (10/21, De Quetteville, 88K) reports, "Secular and tough -- some say brutal" - Mohammed Dahlan, "a member of the rival Fatah party, is being courted by U.S. diplomats eager to counter Hamas' burgeoning influence in the occupied territories." U.S. officials describe him "as a man who can 'get things done' in a violent climate. In less diplomatic terms, that means having the clout, if needed, to summon armed Palestinians into battle with Hamas." An official admits, "He can be viewed as a thug…but he is one of the very few people who has authority and can impose some order on the ground who is not from Hamas." While US officials are "outwardly backing" Palestinian Authority President Mahmoud Abbas, "they privately condemn Mr. Abbas as hesitant and timid in taking on Hamas."

Brother Of Muslim Brotherhood Founder Advocates Liberal Islam. The New York Times (10/21, Slackman, 1.21M) reports that Gamal al-Banna, the brother of Sheik Hassan al-Banna, the founder of the Muslim Brotherhood, "is no friend of the establishment," because he "is a liberal thinker, a man who would like to see Islamic values and practices interpreted in the context of modern times." He advocates women's rights, for example. He remains free because "he has been careful not to become involved in political movements," and his sister left him enough to live well on. He feels "Egypt, often looked to as a center of moderate Islam, is, like the rest of the Arab world, becoming more conservative and less tolerant of opposing religious views."

Administration Launches Effort To Extend Latin American Trade Deals. The Los Angeles Times (10/21, Kraul, 918K) reports, "The Bush administration has a prescription for fighting coca growing, sidelining Venezuelan President Hugo Chavez and saving thousands of jobs in Latin America: extending free trade for Andean nations." One "senior Bush administration official said this week that the White House would push Congress to pass a bill continuing trade benefits for Colombia, Ecuador, Peru and Bolivia under a little-known law. It wants the bill passed during the 'lame-duck session' after the November elections and before the new Congress is sworn in in January -- while free-trade-friendly Republicans are still in control." So it "has mounted an 11th-hour campaign to preserve the trade perks, which

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have generated thousands of jobs, given birth to entire export industries and provided alternatives to drug trafficking."

EU Leaders Confront Putin On Oil Contracts. The Financial Times (10/21, Parker) reports, "European leaders on Friday night pressed Vladimir Putin, Russia's president, to honour contracts with western oil companies." At the "strained summit dinner," the "EU leaders also chided Mr Putin on questions of human rights, press freedom and Moscow's tough treatment of the former Soviet republic of Georgia." However, it only served as a reminder that "their attempt to build a more equal energy partnership with Russia has so far yielded few positive results." Putin was "implacable," and responded "that he had no intention of bowing to European demands that Russia should open Gazprom's pipelines to other companies, as required under the energy charter treaty, which Russia has signed but has not ratified." He "also issued an uncompromising warning to Georgia."

The AP (10/21, Brand) agrees that Putin "sidestepped European appeals for moderation on Georgia" and for energy security. Estonian Prime Minister Andrus Ansip said, "The European Union was speaking in one voice — one single voice — and of course, Russia wasn't speaking in the same voice."

WPost Criticize Putin, Western Leaders On Handling Of Russian Journalist's Murder. The Washington Post (10/21, A18, 748K) editorializes that "it's revealing to examine how Mr. Putin and his regime have behaved" in response to the murder of Russian journalist Anna Politkovskaya. "The president's first reaction was a strange silence." Then, when "compelled to speak…Putin offered a rote condemnation of the attack. He then disparaged Ms. Politkovskaya" and "made the ugly suggestion that foreign-based enemies of his government were somehow behind the killing." If true, "Putin's enemies also must have found a way to manipulate his own security forces," as "interior ministry operatives…who violently broke up a peaceful vigil in Ms. Politkovskaya's memory." The "other part of this story has played out with depressing predictability: the absence of any serious follow-up by Western leaders. … Sadly, Mr. Putin has been given no reason to think" that should Ms. Politkovskaya's murder remain unsolved, it will "be an obstacle to 'partnership' between Russia and Europe."

Journalist Says Russian Treatment Of Georgia Encourages Future Ethnic Hatread, Loss Of Life. Masha Lipman, editor of the Carnegie Moscow Center's Pro et Contra journal and a columnist for The Post, writes in an op-ed in the Washington Post (10/21, A19, 748K), "In recent years intolerance and even violent ethnic and racial crime have become increasingly common in Russia." Recently "the political conflict between Russia and Georgia has led to an ugly outburst of political xenophobia" which "s different, in a scary way. Until now, if government authorities contributed to public xenophobia it was through inaction, incompetence or irresponsibility. Now ethnic hostility is being incited by government figures -- legislators and executive officials alike" and "the message was unambiguous: Georgia and Georgians were the enemies of Russia." While "the authorities seemed to realize that things had gone too far" and "have begun to backpedal," Russia's "desire to punish Georgia has broken the fragile taboo on ethnic hostility in official language. In the xenophobic atmosphere of today's Russia, this threatens to further encourage ethnic hatred and lead to more loss of life."

Kremlin Defends Putin's Remarks About Katsav Scandal. ABC World News (10/20, story 6, 0:30, Gibson, 8.78M) reported, "The Kremlin is defending Vladimir Putin after the Russian President joked about rape and assault allegations against the Israeli President, Moshe Katsav. Meeting the Israeli prime minister, he said say hello to your President. He didn't look like a guy who would handle ten women. A Russian newspaper is conveying a more graphic version, quoting Putin saying of Katsa, 'we all envy him.' As many as ten women have complained about Katsav. The Kremlin says the meaning of Putin's remarks were lost in translation."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Schwarzenegger Story Gets Another Rewrite."
"Words They've Lived By."
"Driver Guilty of Felony in Markey Crash."
"A Champion of Black History."
"Madam Speaker? Pelosi Likes the Sound."
"Bush Open to Shift in Iraq War 'Tactics'."

New York Times:
"Militias Battle for Iraqi City as Shiite Rivalry Escalates."
"As Trust Vanishes, Many Iraqis Look to Gunmen as Protection."
"Open Seats Lift Democratic Hopes in the House."
"Anger Festering in French Areas Scarred in Riots."
"Entrees Break the $40 Barrier, and, Sorry, the Sides Cost Extra."
"Doctors Rethink Widespread Use of Heart Stents."

Washington Post:
"Bush, Rumsfeld Defend Strategy."
"The Woman Who Would Be Speaker."
"Israeli War Plan Had No Exit Strategy."

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"Veil Debate in Britain is Also Divisive for Muslims."
Ehrlich O'Malley Focus on Turnout As Election Nears."
"Used Cellphones Hold Trove of Secrets That Can Be Hard to Erase."

Washington Times:
"China Wrest N. Korean Pledge."
"World Series Lifts Detroit's Morale."
"Bush Pins Label of "Defeat" Party on Democrats."
"Screen Horror Gives Guys, Girls Roles."
"Wilder Advises Webb to Make Stance Clear."
"Doing Deals on the Green."

Detroit Free Press:
"Bachynski wails over guilty verdict."
"It's time to get your Halloween costume."
"Detroiters look for equality."

Atlanta Journal-Constitution:
"One Crash Every 2.8 Minutes."
"'I said 1, 2, 3, 4, Mommy, wake up!'"
"Shiites Seize a City in Iraq."
"Karr's Arrival in Sandy Springs Met with Unease."

Dallas Morning News:
"TXU Identified as Target of State's Energy Inquiry."
"U.S. Struggling to Curb Clout of Iraqi Militias."
"DA Scoffs at Test."
"Panel Clears Justice on Ethics Charges."

Houston Chronicle:
"Homicide Rate on Track to be Worst in a Decade."
"Rival Shiite Factions Battle for Iraqi City."
Clinic is World's 1st to Target a Rare Killer."
"The Force of Humanity"
"Elders Greet Festival of Lights, Wishing Hindus a Happy Diwali."
"Drug Plan May Fill Some Gaps."

Story Lineup From Last Night's Network News:
ABC: Administration Iraq Strategy; Iraqi Militia Threat; GOP Pressure On Administration; US-China North Korea Sanctions; North Korean Culture; Putin Israeli Remarks; Universal Health Care Reform; OPEC, Oil Prices Down; Solar Power Alternative; Caring For US Troops' Families.
CBS: Administration Iraq Pressure; US Soldiers Frustrated; US-China North Korea Sanctions; Church Response To Foley Abuser; DHS Fund Distribution Questions; Campaign Ad Preview; Elderly Driving Dangers; Cassini Saturn Pictures; Sad Message In Bottle.
NBC: Bush Iraq Policy; Maghdi Siege Of Amarrah; Rice And North Korea; Ground Zero Remains Found; Football Stadium Hoax; Missouri Senate Race; RNC Terrorism Ad; Detroit Tigers; Ballet Charity.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — Unavailable.
VICE PRESIDENT CHENEY -- Unavailable.

US Senate: No scheduled events.

US House: No scheduled events.

Other: Oct. 14 - 23. PSYCHIATRIC SERVICES _ The Americam Psychiatric Association hosts its 2006 Institute on Psychiatric Services. Location: Marriott Wardman Park Hotel, 2660 Woodley Road NW.

Oct. 16 - 21. SAFE KIDS _ Safe Kids Worldwide holds its 18th annual Leadership Conference. Location: Hyatt Regency on Capitol Hill, 400 New Jersey Ave. NW. Contacts: n/a, 202-662-0600

Oct. 19 - 21. AEROSPACE EDUCATION _ The Civil Air Patrol hosts a national aerospace education conference. Highlights:
8:15 a.m. Astronaut Robert ``Hoot'' Gibson. 8:45 a.m. President Ken Hyde Wright Flight Experience. 4:30 p.m. Asatronaut Buzz Aldrin. Location: Marriott-Crystal Gateway, 1700 Jefferson Davis Hwy., Arlington, Va. Contacts: Jim Tynan, 334-398-3312

Oct. 19 - 21. NAVAL ORDER _ The Naval Order of the United States holds its 2006 Annual Congress Program, ``Honoring Our Navy at Normandy.'' Highlights: 12 p.m. Coast Guard Commandant Adm. Thad Allen. 7:30 p.m. Retired Navy CNO Adm. Vernon Clark receives the Distinguished Sea Service Award and makes remarks. Location: Holiday Inn Rosslyn, 1900 N. Fort Myer Dr., Arlington. Contacts: Eric Berryman, 757-270-7487

Oct. 19 - 22. EDUCATION-DRUG ABUSE _ The 20th Annual National Meeting on Alcohol and Other Drug Abuse and Violence Prevention in Higher Education will be held. Location: Hyatt Crystal City , 2799 Jefferson Davis Highway. Contacts: Jo Ann Webb, 202-401-1576.

Oct. 20 - 21. ITALIAN AMERICANS _ The National Italian American Foundation holds its 2006 Convention and 31st Anniversary Gala. showcase Italian products and services. On Saturday evening, actor Alan Alda, baseball greats Yogi Berra and Tommy Lasorda, director Mel Brooks, Supreme Court Justice Antonin Scalia, Chicago mayor Richard M. Daley, and singers Neil Sedaka and Jerry Vale will join more than 3,000 people from across the U.S. and Italy at the Foundations 31st Anniversary Awards Gala. Academy Award-winning actress Anne Bancroft will be posthumously inducted into the NIAF Italian American Hall of Fame. Her husband, Mel Brooks, will represent Bancroft. Gala honorees are Samuel Alito Jr., Supreme Court justice; Raffaello Follieri, chairman and CEO of Follieri Yucaipa

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Investments; Tom W. LaSorda, CEO and president of the Chrysler Group; Catherine B. Reynolds, chairman of the Catherine B. Reynolds Foundation, and singer Frankie Valli. Highlights: 9 a.m. - 11 a.m. NIAF Council 2000/Youth Networking Continental Breakfast, featuring keynote speaker Tom Lasorda. 2:30 p.m. - 4:30 p.m. ``Judicial Independence, a panel discussion with Supreme Court Justices Samuel Alito Jr. and Antonin Scalia; Lynn Battaglia, judge, Court of Appeals of Maryland; William S. Sessions, partner, Holland & Knight. Note: Open to print media only. former FBI director and honorary co-chairman, ABA Commission on the 21st Century Judiciary. Location: Washington Hilton & Towers, 1919 Connecticut Ave. NW. Contacts: Elisa Ruffino, 202-939-3106.

Oct. 21 - 23. SWEDISH EMBASSY _ Cremonies marking the opening of the House of Sweden, the new Swedish Embassy.
Location: 2900 K St. NW. Contacts: Andres Ericson, 202-467-2655. Notes: All events RSVP. Press tent at 901 30th St. NW.

8:50 a.m. CHRISTIANS-ISRAEL _ The Holy Land Christian Ecumenical Foundation hyolds a panel discussion on the theology and practical implications of Christian Zionism during its 8th International Conference, with Rev. Gary Burge of Wheaton College and JoAnn Magnuson of Interfaith Relations for Bridges for Peace. Location: Stone Hall National Presbyteriaqn Church, 4101 Nebraska Ave. NW. Contacts: Jessica Rodgers, 301-951-9400 ext 219. 9 a.m.

WALK AGAINST AUTISM _ Cure Autism Now holds second annual WALK NOW, family-friendly 5K walk and community resource fair. Location: National Mall. Contacts: Cure Autism Now, 8888AUTISM

9:30 a.m. LEGAL ETHICS _ Georgetown University Law Center holds a symp 1/8osium on legal ethics over the past 20 years, with Judge George Miller of the U.S. Court of Federal Claims, others. Location: Hart Auditorium, McDonough Hall, 600 New Jersey Ave. NW. Contacts: Kara Tershel, 202-662-9500.

12 p.m. NIGHT COMMUTERS _ Rally and march in support with child ``night commuters" in northern Uganda and efforts to end the 20 year way in Uganda. Location: Rally and walk start at John Marshall Park, Pennsylvania Ave. and 4th St. NW. Contacts: Michael Poffenberger, 574-229-1301.

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DEPARTMENT OF JUSTICE *NEWS CLIPS*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, US DEPARTMENT OF JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: SUNDAY, OCTOBER 22, 2006 7:45 AM EDT

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HOMELAND RESPONSE:

Muslim Scholar Denied Entry To U.S. (AP)

AP, October 22, 2006

An Islamic scholar from South Africa has been denied entry into the United States, prompting questions from Bay Area Muslims who had invited him to participate in activities marking the end of the holy month of Ramadan.

Fazlur Rahman Azmi was detained by officials from U.S. Customs and Border Protection when he arrived at San Francisco International Airport from London on Friday afternoon, according to the Council on American-Islamic Relations, a civil liberties group.

Azmi, who made previous visits to the country as recently as April without problems, was questioned for hours before being denied entry and sent on a plane out of the country Saturday, the group said.

Michael Fleming, a Customs and Border Protection spokesman, confirmed Saturday that Azmi was forced to leave the country after a brief detainment. He refused to give any details of the case.

"His application for entry into the U.S. was determined to be inadmissible," he said.

The Islamic Society of East Bay had invited Azmi to lead prayers at mosques around the Bay Area and speak at a celebration in Fremont on Saturday night marking the end of the holy month of Ramadan.

"There's nothing suspicious about him," said Nawaz Khan, a member of the East Bay group. "He is not involved in any political groups. All he does is teach at the mosque and pray."

About 1,000 people are denied entry into the United States daily for reasons that include inadequate travel documents or because their names appear on a U.S. government watch list.

Islamic Scholar From South Africa Is Denied Entry Into United States (LAT/AP)

The Los Angeles Times/AP, October 22, 2006

SAN FRANCISCO — An Islamic scholar from South Africa was denied entry into the United States, prompting questions from Bay Area Muslims who had invited him to participate in activities marking the end of the holy month of Ramadan.

Fazlur Rahman Azmi was detained by U.S. Customs and Border Protection officials and then denied entry after he arrived at San Francisco International Airport from London on Friday afternoon, according to the Council on American-Islamic Relations, a civil liberties group.

Michael Fleming, a Customs and Border Protection spokesman, refused to give any details of the case other than to say, "His application for entry into the U.S. was determined to be inadmissible."

BYU Scholar, Sept. 11 Theorist, Resigns (AP)

AP, October 22, 2006

A Brigham Young University physics professor who suggested the World Trade Center was brought down by explosives has resigned, six weeks after the school placed him on leave.

"I am electing to retire so that I can spend more time speaking and conducting research of my choosing," physics professor Steven Jones said in a statement released by the school.

His retirement is effective Jan. 1, 2007.

Jones recently published theories about U.S. government involvement in the events of Sept. 11, including one suggesting that explosives inside the World Trade Center — not airplanes striking the twin towers — brought the complex down.

BYU stripped Jones of two classes and put him on leave in early September. It also began investigating his research.

The school abandoned its review Friday after reaching a retirement agreement with Jones, BYU spokeswoman Carri Jenkins said.

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Jenkins said the school did not pressure Jones to retire.

Jones, who helped found a group called Scholars for 9/11 Truth in 2005, said he plans to continue researching and speaking about his Sept. 11 theories. That includes completing an analysis of soils and metals from the towers that led him to the conclusions in his paper "Why Indeed Did the World Trade Center Collapse?"

Jenkins said Jones, not BYU, owns the materials.

Jones has not apologized for his remarks and declined comment on whether he regretted his disagreement with the school.

"I have a stewardship for my research and my teaching and my work, and I'm doing my best on that," he said.

Jones began teaching at BYU, which is owned by The Church of Jesus Christ of Latter-day Saints, in 1985.

More Human Remains Found At Ground Zero (AP)

AP, October 22, 2006

Workers recovered more human remains Saturday from several manholes as the city began a new search for Sept. 11 victims.

The search was ordered after the surprise discovery of dozens of bones in an abandoned manhole this week.

Utility and city officials on Saturday hand-removed material from other manholes after tearing into the pavement on a service road along the site's western edge. It was then sifted onsite by forensic officials for fragments of human remains, said deputy mayor Edward Skyler.

City officials said that about 15 more pieces of remains had been recovered, bringing the total to nearly 100 this week.

Upset relatives of some Sept. 11 victims called for a federally led new search for remains in and around ground zero after construction workers discovered bones in one manhole excavated as part of work on a transit hub, officials said.

The 80 bones and fragments found earlier this week ranged from a little less than an inch to 12 inches long, said Ellen Borakove, spokeswoman for the city medical examiner's office. The bones possibly include ribs, arms, legs and vertebra, she said.

The active search for the dead ended at the site in 2002 after a massive cleanup of 1.5 million tons of debris. About 20,000 pieces of human remains were found, but the DNA in thousands of those pieces was too damaged by heat, humidity and time to yield matches in the many tests forensic scientists have tried over the years.

More than 40 percent of the 2,749 Sept. 11 victims in New York have never been identified.

WAR NEWS:

U.S. To Hand Iraq A New Timetable On Security Role (NYT)

By David S. Cloud

The New York Times, October 22, 2006

WASHINGTON, Oct. 21 — The Bush administration is drafting a timetable for the Iraqi government to address sectarian divisions and assume a larger role in securing the country, senior American officials said.

Details of the blueprint, which is to be presented to Prime Minister Nuri Kamal al-Maliki before the end of the year and would be carried out over the next year and beyond, are still being devised. But the officials said that for the first time Iraq was likely to be asked to agree to a schedule of specific milestones, like disarming sectarian militias, and to a broad set of other political, economic and military benchmarks intended to stabilize the country.

Although the plan would not threaten Mr. Maliki with a withdrawal of American troops, several officials said the Bush administration would consider changes in military strategy and other penalties if Iraq balked at adopting it or failed to meet critical benchmarks within it.

A senior Pentagon official involved in drafting the blueprint said Iraqi officials were being consulted as the plan evolved and would be invited to sign off on the milestones before the end of the year. But he added, “If the Iraqis fail to come back to us on this, we would have to conduct a reassessment” of the American strategy in Iraq.

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The plan is being formulated by General George W. Casey Jr. and Ambassador Zalmay Khalilzad, the top military and civilian officials in Iraq, as well as by Pentagon officials.

General Casey has been in close consultations with the White House as the debate over the way forward in Iraq has intensified in recent weeks. And he and Mr. Khalilzad took part by videoconference on Saturday in a strategy meeting with President Bush and senior administration officials, including Vice President Dick Cheney, Defense Secretary Donald H. Rumsfeld, Gen. John P. Abizaid, the top American commander in the Middle East, and Gen. Peter Pace, the chairman of the Joint Chiefs of Staff.

"We're trying to come up with ways to get the Iraqis to step up to the plate, to push them along, because the time is coming," a senior administration official said. "We can't be there forever."

Until now, the Bush administration has avoided using threats of deadlines for progress, saying conditions on the ground would determine how quickly Iraq took on greater responsibility for governing the country and how soon American troops could withdraw. CBS News has reported that the Pentagon was studying these questions, but the broad scope of the steps under consideration and the benchmarks that are being contemplated have not been disclosed.

The idea of devising specific steps that Mr. Maliki would have to take was described by senior officials who support the plan but would speak only on condition of anonymity. Their willingness to discuss a plan that has not been fully drafted appeared intended at least in part to signal renewed flexibility on the part of the administration, and perhaps also to pre-empt the recommendations of the bipartisan Iraq Study Group, a commission led by James A. Baker III and charged with formulating a new strategy in Iraq. It is expected to issue recommendations late this year or early next year.

The plan also moves the administration closer to an idea advocated by many Democrats, who have called for setting a date for beginning phased withdrawals of American troops from Iraq as a way to compel Iraq's government to resolve its internal divisions and take on more responsibility.

In a statement issued Saturday, a White House spokeswoman, Nicole Guillemard, said the Times's account was "not accurate," but did not specify what officials found to be inaccurate. "We've been coordinating with the Iraqis for months on a series of measures they can take to assume more control of their country," the statement said, "and to form the basis for a national compact between all communities in Iraq on the way forward."

Frustration is growing among senior American military officers and civilian officials in Iraq and at the Pentagon with Mr. Maliki for his failure to move decisively against Shiite militias and on a wide range of other fronts. Even the implied threat that the administration would reassess its presence in Iraq may not be enough, senior officials said.

In Baghdad, Iraqi leaders have been watching the discussions carefully and expressing uneasiness over the growing political pressure in the United States for a troop pullout.

Tensions between Washington and Baghdad reached a new point on Monday when Mr. Maliki, who took office in May, used a telephone call with Mr. Bush to seek assurances that the United States did not intend to oust him. The White House said after the call that Mr. Bush had pledged full support for the Iraqi.

Mr. Rumsfeld alluded to discussions about benchmarks on Friday at a Pentagon news conference, noting that Mr. Khalilzad and General Casey "are currently working with the Iraqi government to develop a set of projections as to when they think they can pass off various pieces of responsibility."

He emphasized the urgency of transferring more security and governing responsibilities to the Iraqis. "It's their country," he said. "They're going to have to govern it, they're going to have to provide security for it, and they're going to have to do it sooner rather than later."

But Mr. Rumsfeld was quick to play down expectations: "There's no doubt in my mind but that some of those projections we won't make; it will be later, or even earlier in some instances. And in some cases, once we meet the projection, we may have to go back and do it again."

Mr. Maliki's government has already announced its own set of benchmarks, including the establishment of a mechanism to disarm private militias. This week, the government removed commanders of the special police commandos and the public order brigade, both widely criticized as being heavily infiltrated by Shiite militias, in the first broad move against the top leadership of Iraq's unruly special police forces.

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But the surge in violence in Baghdad and other places recently has prompted consideration of even more far-reaching steps. An American official said that one proposed plan was to give the Iraqi Army the lead role in domestic security, downgrading the role of police units.

The Bush administration has emphasized building up the police this year so that they can take on the main role in providing security in many cities. The move would be another acknowledgment that the increase in sectarian violence in Baghdad and elsewhere has exposed deep problems with some police units, which have been blamed by Sunnis for carrying out sectarian attacks.

The American strategy in Iraq was thrown into disarray this week by attacks carried out by a Shiite militia in Amara, a town south of Baghdad, and by the acknowledgment from an American military spokesman that the latest plan to secure Baghdad was faltering.

In his radio address on Saturday, Mr. Bush emphasized that the administration was staying flexible in its planning and would "make every necessary change to prevail."

Saying the goal of victory was "unchanging,"" he added: "What is changing are the tactics we use to achieve that goal. Our commanders on the ground are constantly adjusting their approach to stay ahead of the enemy, particularly in Baghdad."

Officials said they were still debating which benchmarks to include and how long the Iraqis should be given to achieve them. The plan is likely to cover a number of Iraqi ministries, including Finance, Interior and Defense, which have struggled to varying degrees with corruption and with delivering even the most basic services, officials said.

General Casey said this month that he hoped by the end of the year to have six or seven provinces under Iraqi administrative control. Currently, there are only two. But the plan is also likely to include timelines for turning over American-run military bases, an official said.

The decision about how far-reaching to make the blueprint is likely to be influenced by what Mr. Maliki and his ministers say they can reasonably accomplish. But American officials are discussing if they should specify whether Iraqi officials deemed incompetent or corrupt should be replaced, one official said. Officials are also considering a timetable for the Iraqi Defense Ministry to have in place systems for paying, feeding and equipping its units, jobs that are still overseen to a large degree by American advisers and by contractors, some of whom have not performed well, officials said.

U.S. Encourages Iraqi Government To Take More Responsibility (MCT)

By John Walcott

McClatchy Newspapers, October 22, 2006

WASHINGTON - The Bush administration will intensify its efforts to prod the government of Iraqi Prime Minister Nouri al Maliki to take greater responsibility for governing and pacifying the country, senior U.S. officials said Saturday.

The new plan, which is still being developed, calls for Maliki and other Iraqi leaders to agree to a series of milestones in 2007 for disarming Iraq's sectarian militias, restoring its economic infrastructure, rooting out official corruption, expanding government services and strengthening local governments, the officials said.

President Bush discussed the plan, as well as broader strategic and tactical issues in Iraq, with his top military commanders on Saturday, and the officials stressed that any effort to step up the pressure on the Iraqi government would be consistent with the president's longtime strategy.

Defense Secretary Donald H. Rumsfeld alluded to the evolving plan on Friday, when he said of the Iraqis: "It's their country. They're going to have to govern it, they're going to have to provide security for it, and they're going to have to do it sooner rather than later."

The U.S. officials, all of whom agreed to speak only on the condition of anonymity because the negotiations with the Iraqi government are sensitive, said the plan is likely to be backed by an explicit economic carrot and an implicit military stick.

They said that if the Iraqi government agrees to what one official called "reasonable and measurable benchmarks", the administration would be prepared to ask Congress to approve millions of dollars in additional aid to Iraq, much of it earmarked for economic and political purposes.

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If Maliki and other officials balk or continue to drag their feet, one of the officials said, the administration would be forced to "reconsider all its options." Asked what that meant, the official said that one option might be to announce plans to begin a gradual withdrawal of American troops from Iraq. That, he said, would give Maliki both time and an added incentive to reconsider his own options.

The new tactic could take some pressure off Republican candidates in next month's elections at a time when many are finding it increasingly difficult to defend the administration's "stay the course" rhetoric. It also could blunt Democratic calls for a new direction in Iraq or for a phased withdrawal of American forces.

However, U.S. military officers, diplomats and intelligence officials acknowledged that applying pressure to the Maliki government would carry some risks. They said that those include:

-While their intention is to work cooperatively with the Iraqis, the officials said, overt U.S. pressure could reinforce the impression among Iraqis and other Muslims that the Iraqi government is a U.S. puppet. That could undermine Maliki's legitimacy and aid recruiting by foreign terrorist groups and sectarian militias.

-The administration could ask the Maliki government to do more than it's capable of doing. For example, said one military officer who's served in Iraq, an effort to disarm the country's increasingly powerful Shiite militias could trigger even more violence and invite what the officer called "even more meddling by the Iranians".

Iran backs two major Shiite militias, the Badr Organization, which is allied with a major Shiite political party, the Supreme Council for the Islamic Revolution in Iraq, and the Mahdi Army of firebrand Shiite cleric Moqtada al Sadr.

But with many Iraqi Sunnis long since convinced that much of the Iraqi military and security force is allied with Shiite militias and death squads, Maliki would have no hope of dismantling the largely Sunni insurgency or defeating foreign terrorists, most of whom also are Sunnis, without confronting the Shiite militias.

"It's not clear whether al Maliki and his government could survive a campaign against the militias," said one senior official. That could drag American troops even deeper into Iraq's sectarian violence.

-The plan may not be enough to stem rising U.S. casualty rate in Iraq or the erosion of public support for the administration's Iraq policies. Democrats now appear poised to win control of the House of Representatives in the Nov. 7 congressional elections, and with it power over the federal budget.

A new Newsweek poll released on Saturday found that 65 percent of Americans think the U.S. is losing ground in Iraq, an all-time low in the Newsweek Poll, and that 54 percent think it was a mistake to take military action against Iraq, compared to 39 percent who think it was the right thing to do. The poll of 1,000 adults has a margin or error of plus or minus four percentage points.

The Pentagon Saturday reported the deaths of three more Marines in Iraq's violent Anbar province, making this the costliest month for U.S. troops in Iraq in two years, with 78 Americans killed so far.

In his weekly radio address on Saturday, the president acknowledged that "the last few weeks have been rough for our troops in Iraq, and for the Iraqi people" but likened the conflict to World War II and the Cold War. "The fighting is difficult, but our nation has seen difficult fights before," Bush said. "In World War II and the Cold War, earlier generations of Americans sacrificed so that we can live in freedom. This generation will do its duty as well."

However, said one senior administration official on Saturday, the Iraqi government must do its duty, too.

At White House Meeting, No Big Changes On Iraq (WP)

By Michael A. Fletcher

The Washington Post, October 22, 2006

President Bush met with his top advisers and military commanders on Iraq yesterday in a White House session that, senior officials said, weighed options for forging a way forward amid the surging violence but did not contemplate any major shifts in strategy.

The participants in the 90-minute video conference -- who included Vice President Cheney, Defense Secretary Donald H. Rumsfeld, U.S. Ambassador to Iraq Zalmay Khalilzad and Gen. George W. Casey Jr., the military commander in Iraq -- talked about tactical changes that could overcome the severe challenges posed by the war, officials said.

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"The participants focused on the nature of the enemy, the challenges in Iraq, how to better pursue our strategy, and the stakes of succeeding for the region and the security of the American people," said White House spokeswoman Nicole Guillemard.

The meeting, which the White House called the third in a series Bush has held with this group to consult on the war, did not consider any significant policy changes, a senior official said, speaking on the condition of anonymity because he was not authorized to discuss private meetings. And in his Saturday radio address, Bush offered no indications on any major shift, even as he acknowledged the increasing violence in Iraq.

"Our goal is clear and unchanging: Our goal is victory," he said. "What is changing are the tactics we use to achieve that goal. Our commanders on the ground are constantly adjusting their approach to stay ahead of the enemy, particularly in Baghdad."

The high-level meeting came amid growing U.S. frustration with the deteriorating state of affairs in Iraq, where both civilian and U.S. military casualties have sharply increased in recent weeks. The surge in violence, coupled with the growing antipathy among the American public toward the war, is feeding a sense that the Bush administration will be forced to retreat from its open-ended support of the war.

In a news conference Friday, Rumsfeld emphasized that U.S. officials are pressing the Iraqi government to offer projections about when it will be able to take over a greater share of the responsibility for securing the country and making economic and political progress.

"The biggest mistake would be not to pass things over to the Iraqis," Rumsfeld said. "It's their country. They're going to have to govern it. They're going to have to provide security for it. And they're going to have to do it sooner rather than later."

White House officials denied a New York Times report, posted yesterday afternoon on the newspaper's Web site, that said the administration is drafting a timetable for the Iraqi government to take on that greater role in securing the country.

If the Iraqis fail to meet the timetable, the Times quoted an unnamed senior Pentagon official as saying, the Bush administration would consider an abrupt shift in policy short of troop withdrawals. It would mark the first time that the administration has used deadline threats to pressure the Iraqi government to more aggressively pursue progress.

"The story is not accurate," said Frederick L. Jones II, a spokesman for the National Security Council.

White House officials said the matter was not discussed at yesterday's meeting. Still, administration officials acknowledge that they have been pressing for months for the Iraqis to take greater responsibility for disarming warring militias and to take other steps to stabilize their country.

Benchmarks have been part of the U.S. policy in Iraq for months, said Dan Bartlett, a top aide to Bush.

"Implicit in that is that if they are not achieving the benchmarks, we are going to have to make changes accordingly," Bartlett said, adding that troop withdrawals or other dramatic changes in U.S. policy are not being contemplated.

Casey has been working on a series of benchmarks for handing over to the Iraqi government control of both military bases and entire areas of the country. At a recent news conference, Casey said he expects six or seven more provinces in Iraq to come under full control of the government by the end of the year, although Rumsfeld said Friday that "there's no doubt" some of Casey's projections will not be met.

Currently, the Iraqi government has control of two of the country's 18 provinces, meaning that local police can keep order without routine help from the U.S.-led military coalition.

"We are constantly developing new tactics to achieve our goal," Jones said. "We've been coordinating with the Iraqis for months on a series of measures they can take to assume more control of their country."

Diane Farrell, a Democratic candidate for Congress, gave her party's national radio response to Bush, saying: "To be blunt, the president and the Republican Congress have been wrong on Iraq and wrong to keep their failed strategy. . . . An arbitrary departure date could be dangerous, but real goals for the new Iraqi government and its army are necessary."

Farrell, who is running against Rep. Christopher Shays in Connecticut, said Democrats will hold Bush accountable for the war in Iraq if they gain control of either the Senate or House in midterm elections next month.

Yesterday's meeting took place amid a significant increase in violence around Iraq. At least 78 U.S. troops have been killed so far in Iraq this month -- the highest daily rate since January 2005. Attacks in Baghdad have surged 43 percent since

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midsummer, despite the presence of thousands of U.S. troops, while nationally more than 100 Iraqis a day are being killed, according to the United Nations.

U.S. commanders are trying to decide whether to send more troops to Iraq.

Bush said in his radio address that the increase in violence is attributable in part to a more aggressive posture being taken by U.S. troops. Still, he said, Americans have faced tough battles before.

"In World War II and the Cold War, earlier generations of Americans sacrificed so that we can live in freedom," he said. "This generation will do its duty as well."

Staff writer Ann Scott Tyson contributed to this report.

Bush Holds Strategy Session On Iraq (AP)

By Jennifer Loven

AP, October 22, 2006

President Bush on Saturday reviewed Iraq strategy with top war commanders and national security advisers, but indicated little inclination for major changes to an increasingly divisive policy.

"Our goal in Iraq is clear and unchanging: Our goal is victory," Bush said in his weekly radio address. "What is changing are the tactics we use to achieve that goal."

Under bipartisan, pre-election pressure for a significant re-examination of the president's war plan, the White House is walking a fine line.

It made sure to publicize the president's high-level meeting on the deteriorating conditions in Iraq — October already is the deadliest month this year for U.S. troops. At the same time, officials characterized the session as routine and part of a continuing discussion that seeks merely tactical adjustments to — not a radical overhaul of — war policy.

"I wouldn't read into this somehow that there is a full-scale push for a major re-evaluation," Secretary of State Condoleezza Rice said about the White House meeting. Rice, traveling from Asia to Moscow, stressed to reporters that Bush talks often with his generals in Iraq, and did so recently at Camp David.

On Friday, Defense Secretary Donald H. Rumsfeld said U.S. officials — Gen. George Casey, head of the U.S.-led Multinational Forces in Iraq, and U.S. ambassador to Iraq Zalmay Khalilzad among them — are working with the Iraqi government to develop projections as to when they think they can pass off various pieces of responsibility for security and governing.

The New York Times, in an article posted on its Web page Saturday, said a plan being formulated by Casey and Khalilzad would likely for the first time outline to Iraq milestones for disarming sectarian militias and meeting other political and economic goals. But it said the blueprint, to be presented to Iraqi Prime Minister Nouri al-Maliki by the end of this year, would not threaten Iraq with a withdrawal of U.S. troops.

In a candid assessment of the situation in Iraq, Alberto Fernandez, director of public diplomacy in the Bureau of Near Eastern Affairs at the State Department, said in an interview aired Saturday on al-Jazeera television that the United States had shown "arrogance" and "stupidity" in Iraq but was now willing to talk to any group, outside of al-Qaida, to further reconciliation in the country.

A senior Bush administration official questioned whether the remarks had been translated correctly. "Those comments obviously don't reflect our position," said the official, who asked not to be identified because a transcript had not been available for review.

The 90-minute White House session Saturday brought together Gen. John Abizaid, the top U.S. commander in the Middle East; Gen. Peter Pace, chairman of the Joint Chiefs of Staff; Bush's national security adviser, Stephen Hadley; and Rumsfeld and other officials. Participating by videoconference were Vice President Dick Cheney, Casey and Khalilzad.

The meeting followed up on Bush's half-hour talk on Friday with Abizaid.

The White House did not allow reporters to cover either and provided few details after each, but did release an official photo of Saturday's meeting.

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Recent developments in Iraq and at home have put Bush in a delicate political position ahead of the Nov. 7 elections. With GOP control of Congress at stake, voters are expected to be influenced greatly by the nearly four-year-old war.

The discussion of new approaches comes as public pessimism about the war rises. Almost two-thirds in a Newsweek poll released Saturday said the U.S. is losing ground in its efforts to establish security and democracy in Iraq. An AP-Ipsos poll this month found that just over one-third of Americans surveyed say they approve of Bush's handling of Iraq overall.

Last week, the U.S. military spokesman in Iraq acknowledged a stepped-up operation to secure Baghdad was failing after two months and that it needed to be refocused.

Though Bush and his aides publicly voice the utmost confidence in Maliki, frustration is growing with his lack of progress in reining in militias. On Friday, gunmen loyal to an anti-American Shiite cleric briefly seized a major southern city, an embarrassment for the local Iraqi security forces.

An independent commission led by former secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton of Indiana is not expected to make its recommendations for a new strategy until December or January. But Bush and his aides have rejected the most drastic ideas that some have floated, such as partitioning Iraq into semiautonomous Shiite, Sunni and Kurd regions or setting a timetable for a phased withdrawal of troops.

Bush Sticks To Mission: U.S. Victory (WT)

By Joseph Curl

The Washington Times, October 22, 2006

President Bush yesterday acknowledged that U.S. commanders are changing tactics in Iraq nearly every day but declared that the mission "is clear and unchanging."

"Our goal," he said, "is victory."

The president's remarks aired in his weekly radio address as he met to discuss the situation in Iraq with top generals and other advisers at the White House.

Later, a senior State Department official said in an interview with an Arab television network that the United States had shown "arrogance" and "stupidity" in Iraq.

Alberto Fernandez, director of public diplomacy in the Bureau of Near Eastern Affairs at the State Department, told Al Jazeera that Washington was ready to talk with any group except al Qaeda in Iraq to bring about national reconciliation.

"We are open to dialogue, because we all know that, at the end of the day, the solution to the hell and the killings in Iraq is linked to an effective Iraqi national reconciliation," Mr. Fernandez said, speaking in Arabic from Washington.

But Mr. Bush indicated little intention to make major changes, although the number of U.S. troops killed in Iraq so far this month climbed to 78 -- the highest monthly tally this year -- and despite reports that the White House is nearing a dramatic shift in war strategy.

"What is changing are the tactics we use to achieve that goal," the president said in his radio address. "Our commanders on the ground are constantly adjusting their approach to stay ahead of the enemy, particularly in Baghdad."

Mr. Bush vehemently rejected pulling U.S. troops out of Iraq.

"There is one thing we will not do: We will not pull our troops off the battlefield before the mission is complete," he said. "There are some in Washington who argue that retreating from Iraq would make us safer. I disagree."

Mr. Fernandez, in the Al Jazeera interview, said there was room for criticism of the war "because, undoubtedly, there was arrogance and there was stupidity from the United States in Iraq."

Political pressure is growing for the president to make a decisive change to his war strategy, and Democratic candidates nationwide have campaigned on a theme of change.

Democratic congressional candidate Diane Farrell, of Connecticut, yesterday said Mr. Bush should fire Defense Secretary Donald H. Rumsfeld. She said Congress should set clear benchmarks for Iraqis that, when met, would allow U.S. troops to leave the country.

"We need a new direction in Iraq," said Mrs. Farrell, who delivered her party's weekly radio address. "To be blunt, the president and the Republican Congress have been wrong on Iraq and wrong to keep their failed strategy."

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Meanwhile in Iraq, a dozen mortar rounds rained down yesterday on an outdoor market in Mahmoudiyah crowded with shoppers, killing at least 18.

Earlier, gunfights broke out in Hamza al Gharbi, about 60 miles south of Baghdad, after a bomb exploded near the offices of the Supreme Council for the Islamic Revolution in Iraq, a leading Shi'ite political party. At least two persons were killed and four injured.

As the violence continued in Iraq -- including the deaths yesterday of three U.S. Marines -- the president met with top commanders and national security advisers.

The 90-minute meeting brought together Mr. Rumsfeld; Joint Chiefs Chairman Gen. Peter Pace; Gen. John Abizaid, the top U.S. commander in the Middle East; National Security Adviser Stephen J. Hadley and others. Participating by videoconference were Vice President Dick Cheney; Gen. George Casey, who heads the U.S.-led forces in Iraq; and Zalmay Khalilzad, U.S. ambassador to Iraq.

Polls nationwide indicate Republicans are in jeopardy in the Nov. 7 elections of losing their majority in Congress, which they have held since 1994. Democrats need to net 15 seats to win control of the House, and six seats to take the Senate.

With leaks from the independent Iraq Study Group (ISG), headed by former Secretary of State James A. Baker III, swirling around Washington, the White House has rejected a few trial balloons floated in recent weeks. Those include partitioning Iraq into three sections based on ethnicity and religion and withdrawing 5 percent of U.S. troops every two months.

Under a partition plan, Iraq would be divided into Sunni, Shi'ite and Kurdish regions, each enjoying near-autonomy, with a central government handling defense, foreign policy and oil production.

Mr. Bush sounded more open to alternative tactics. He said the Iraqi prime minister recently met with tribal leaders from Anbar province, "who told him they are ready to stand up and fight the terrorists."

Fellow Republicans are beginning to criticize Mr. Bush's policy.

Senate Armed Services Committee Chairman John W. Warner of Virginia said after a recent visit to Iraq that U.S. efforts are "drifting sideways." Other Senate leaders, including Sens. Chuck Hagel of Nebraska, Susan Collins and Olympia J. Snowe of Maine and Kay Bailey Hutchison of Texas, have been critical of Mr. Bush's "stay the course" policy.

Almost two-thirds of respondents in a Newsweek poll released yesterday said the United States is losing ground in efforts to establish security and democracy in Iraq.

White House spokesman Tony Snow said Friday that while Mr. Bush might change tactics, he would not change his overall strategy.

"He's not somebody who gets jumpy at polls," Mr. Snow said.

Bush Reviews Iraq War Strategy As Violence Mounts (BLOOM)

By Richard Keil And Tony Capaccio

Bloomberg, October 22, 2006

Oct. 21 (Bloomberg) -- President George W. Bush conferred with his top Iraq commanders over strategy as stepped-up operations by U.S. and Iraqi troops in Baghdad have been met with a surge in sectarian violence.

The meeting occurred as the New York Times reported today that the administration is working on a timetable for Iraq's government to take over security responsibilities in the country. The plan would require the government to meet milestones over the next year including disbanding sectarian militias, the Times said, citing unidentified U.S. officials.

The Times said the plan wouldn't threaten a withdrawal of U.S. troops, though officials cited by the paper said the Bush administration would consider changes in military strategy and other penalties if it isn't adopted by Iraqi Prime Minister Nuri al-Maliki or the milestones aren't met.

Colonel Nelson McCouch, a spokesman for General George Casey, the top U.S. commander in Iraq, said the approach described in the Times article wasn't new. ``We've been doing this all along," he said. The U.S., McCouch said, has already established milestones that are adjusted according to conditions in Iraq and aren't hard deadlines.

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The meeting at the White House today included Bush, General John Abizaid, the top U.S. commander in the Middle East, and General Peter Pace, chairman of the Joint Chiefs of Staff; Casey participated by videoconference, White House spokeswoman Nicole Guillemard said.

Focus on Strategy

The 90-minute meeting focused on ``the nature of the enemy, the challenges in Iraq, how to better pursue our strategy, and the stakes of succeeding for the region and the security of the American people," Guillemard said. ``The president expects to meet with this group again in a similar forum within the next weeks."

Earlier, Bush acknowledged that the situation in Iraq remains difficult. ``As we engage our enemies in their stronghold, these enemies are putting up a tough fight," he said in his weekly radio address.

Attacks on U.S. and Iraqi forces in Baghdad rose 22 percent this month, even as extra U.S. troops moved into the Iraqi capital in an effort to restore stability, Major General William Caldwell, a U.S. military spokesman, said this week. At least 70 U.S. military personnel have been killed so far this month compared with 61 killed in combat in September and 58 in August.

Challenge From Democrats

A dozen Democratic leaders in the House and Senate wrote to Bush yesterday urging a change in course in Iraq, the third such letter Democratic leaders have sent. White House spokesman Tony Snow, announcing the meeting with the generals yesterday, said Bush was planning to review, not change, strategy.

The U.S. strategy in Iraq allows military leaders to ``be flexible and adapt to changing circumstances, Bush said in his radio address. ``Our commanders on the ground are constantly adjusting their approach to stay ahead of the enemy," he said.

Republicans are struggling to retain their congressional majorities in the Nov. 7 elections as the increased bloodshed in Iraq has fueled voter skepticism about the war. Democrats will ``hold the president accountable," Diane Farrell, who's running against Representative Chris Shays, a Connecticut Republican, said in the Democrats' weekly radio address.

``Our troops deserve from their leaders in Washington, nothing short of a commitment equal to the dedication the troops bring to their duty every day," Farrell said. ``Instead they get a flat denial of the horrible reality."

Optimism about the outlook for the Iraq war fell to 20 percent, compared with 45 percent in June, according to a Wall Street Journal/NBC News Poll of 1,006 registered voters. The survey, published this week, has a margin of error of 3.1 percentage points.

`Media War'

In his speech today, Bush said the recent increase in attacks in Iraq also were the result of a ``media war" that terrorists are trying to wage by influencing public opinion.

``They have a sophisticated propaganda strategy," Bush said. ``They know they cannot defeat us in the battle, so they conduct high-profile attacks, hoping the images of violence will demoralize our country and force us to retreat."

Bush cited a recent message from the Global Islamic Media Front that said their goal is to ``carry out a media war that is parallel to the military war."

``The terrorists are trying to divide America and break our will, and we must not allow them to succeed," Bush said.

Democrats such as Senator Barack Obama of Illinois say the U.S. needs to press the Iraqis to take charge of their security. ``We need to be phasing down our troop levels," Obama said in an interview. The U.S. also should tell regional powers such as Iran and Syria to ``get involved" in preventing a failure in Iraq, Obama said.

No Retreat

An independent bipartisan commission established by Congress and headed by former Secretary of State James Baker and former Representative Lee Hamilton plans to make recommendations on U.S. policy in Iraq by year's end. Baker served in the administration of Bush's father, ex-President George H.W. Bush.

The president said today that the U.S. won't withdraw troops from Iraq ``before the mission is complete."

``Retreating from Iraq would dishonor the men and women who have given their lives in that country and mean their sacrifice has been in vain," he said. ``We will defeat the terrorists everywhere they make their stand."

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Also participating in today's talks with Bush were Defense Secretary Donald Rumsfeld, National Security Adviser Stephen Hadley and his deputy, J.D. Crouch, as well as Vice President Dick Cheney and U.S. Ambassador to Iraq Zalmay Khalilzad by video, Guillemard said.

Diplomat Cites U.S. 'Stupidity' In Iraq (AP)

By Hamza Hendawi

AP, October 22, 2006

A senior U.S. diplomat said the United States had shown "arrogance" and "stupidity" in Iraq but was now ready to talk with any group except Al-Qaida in Iraq to facilitate national reconciliation.

In an interview with Al-Jazeera television aired late Saturday, Alberto Fernandez, director of public diplomacy in the Bureau of Near Eastern Affairs at the State Department offered an unusually candid assessment of America's war in Iraq.

"We tried to do our best but I think there is much room for criticism because, undoubtedly, there was arrogance and there was stupidity from the United States in Iraq," he said.

"We are open to dialogue because we all know that, at the end of the day, the solution to the hell and the killings in Iraq is linked to an effective Iraqi national reconciliation," he said, speaking in Arabic from Washington. "The Iraqi government is convinced of this."

The question of negotiations between the United States and insurgency factions has repeatedly surfaced over the past two years, but details have been sketchy. One issue that was often raised in connection with such negotiations was the extent of amnesty the United States and its Iraqi allies were willing to offer to the insurgents if they disarmed and joined the political process.

Fernandez spoke to the Qatar-based Al-Jazeera after a man claiming to speak for Saddam Hussein's outlawed Baath Party told the network the United States was seeking a face-saving exodus from Iraq and that insurgents were ready to negotiate but won't lay down arms.

"Abu Mohammed", a pseudonym for the man, appeared to set near impossible conditions for the start of any talks with the Americans, including the return to service of Saddam's armed forces, the annulment of every law adopted since Saddam's ouster, the recognition of insurgent groups as the sole representatives of the Iraqi people and a timetable for a gradual, unconditional withdrawal of U.S. and other foreign troops in Iraq.

"The occupier has started to search for a face-saving way out. The resistance, with all its factions, is determined to continue fighting until the enemy is brought down to his knees and sits on the negotiating table or is dealt, with God's help, a humiliating defeat," he said. The man wore a suit and appeared to be in his 40s but his face was concealed.

"There is an element of the farcical in that statement," Fernandez said of Abu Mohammed's comments. "They are very removed from reality."

Still Fernandez warned that failure to pacify the widening sectarian strife in Iraq as well as an enduring insurgency would damage the entire Middle East.

"We are witnessing failure in Iraq and that's not the failure of the United States alone but it is a disaster for the region. Failure in Iraq will be a failure for the United States but a disaster for the region."

Although the actual identity of Abu Mohammed remains unknown, the interview adds to growing indications that Iraq's Sunni insurgents sense the tide may be turning against the United States and the Iraqi government it backs.

Fernandez's comments, on the other hand, join a series of sobering remarks by President Bush and the U.S. military in recent days.

Bush this week conceded that "right now it's tough" for U.S. forces in Iraq and on Saturday met with his top military and security advisers to study new tactics to curb the staggering violence in Iraq. Three U.S. Marines were killed also Saturday, making October the deadliest month for American forces in Iraq this year.

U.S. military spokesman Maj. Gen. William B. Caldwell said attacks in Baghdad were up 22 percent in the first three weeks of the holy Muslim month of Ramadan despite a two-month old U.S.-Iraqi drive to crush violence in the Iraqi capital.

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On Wednesday, and again on Friday, Sunni insurgents believed to belong to al-Qaida in Iraq, staged military-like parades in the heart of five towns in the vast and mainly desert province of Anbar, including the provincial capital Ramadi. Some of these parades, in which hooded gunmen paraded with their weapons, took place within striking distance of U.S. forces stationed in nearby bases.

The parades proved to be a propaganda success, with TV footage of Wednesday's parade shown in many parts of the world, a likely embarrassment for the U.S. military as well as the embattled Iraqi government.

Bush Holds Strategy Session On Iraq (AP)

By Jennifer Loven

AP, October 22, 2006

President Bush on Saturday reviewed Iraq strategy with top war commanders and national security advisers, but indicated little inclination for major changes to an increasingly divisive policy.

"Our goal in Iraq is clear and unchanging: Our goal is victory," Bush said in his weekly radio address. "What is changing are the tactics we use to achieve that goal."

Under bipartisan, pre-election pressure for a significant re-examination of the president's war plan, the White House is walking a fine line.

It made sure to publicize the president's high-level meeting on the deteriorating conditions in Iraq — October already is the deadliest month this year for U.S. troops. At the same time, officials characterized the session as routine and part of a continuing discussion that seeks merely tactical adjustments to — not a radical overhaul of — war policy.

"I wouldn't read into this somehow that there is a full-scale push for a major re-evaluation," Secretary of State Condoleezza Rice said about the White House meeting. Rice, traveling from Asia to Moscow, stressed to reporters that Bush talks often with his generals in Iraq, and did so recently at Camp David.

On Friday, Defense Secretary Donald H. Rumsfeld said U.S. officials — Gen. George Casey, head of the U.S.-led Multinational Forces in Iraq, and U.S. ambassador to Iraq Zalmay Khalilzad among them — are working with the Iraqi government to develop projections as to when they think they can pass off various pieces of responsibility for security and governing.

The New York Times, in an article posted on its Web page Saturday, said a plan being formulated by Casey and Khalilzad would likely for the first time outline to Iraq milestones for disarming sectarian militias and meeting other political and economic goals. But it said the blueprint, to be presented to Iraqi Prime Minister Nouri al-Maliki by the end of this year, would not threaten Iraq with a withdrawal of U.S. troops.

In a candid assessment of the situation in Iraq, Alberto Fernandez, director of public diplomacy in the Bureau of Near Eastern Affairs at the State Department, said in an interview aired Saturday on al-Jazeera television that the United States had shown "arrogance" and "stupidity" in Iraq but was now willing to talk to any group, outside of al-Qaida, to further reconciliation in the country.

State Department spokesman Sean McCormack, in Moscow with Secretary of State Condoleezza Rice, said that Fernandez disputes the description of his comments, which were in Arabic.

"What he says is, that is not an accurate reflection of what he said," McCormack said. Asked whether the Bush administration believes that history will show a record of arrogance or stupidity in Iraq, McCormack replied "No."

A senior Bush administration official questioned whether the remarks had been translated correctly. "Those comments obviously don't reflect our position," said the official, who asked not to be identified because a transcript had not been available for review.

The 90-minute White House session Saturday brought together Gen. John Abizaid, the top U.S. commander in the Middle East; Gen. Peter Pace, chairman of the Joint Chiefs of Staff; Bush's national security adviser, Stephen Hadley; and Rumsfeld and other officials. Participating by videoconference were Vice President Dick Cheney, Casey and Khalilzad.

The meeting followed up on Bush's half-hour talk on Friday with Abizaid.

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The White House did not allow reporters to cover either and provided few details after each, but did release an official photo of Saturday's meeting.

Recent developments in Iraq and at home have put Bush in a delicate political position ahead of the Nov. 7 elections. With GOP control of Congress at stake, voters are expected to be influenced greatly by the nearly four-year-old war.

The discussion of new approaches comes as public pessimism about the war rises. Almost two-thirds in a Newsweek poll released Saturday said the U.S. is losing ground in its efforts to establish security and democracy in Iraq. An AP-Ipsos poll this month found that just over one-third of Americans surveyed say they approve of Bush's handling of Iraq overall.

Last week, the U.S. military spokesman in Iraq acknowledged a stepped-up operation to secure Baghdad was failing after two months and that it needed to be refocused.

Though Bush and his aides publicly voice the utmost confidence in Maliki, frustration is growing with his lack of progress in reining in militias. On Friday, gunmen loyal to an anti-American Shiite cleric briefly seized a major southern city, an embarrassment for the local Iraqi security forces.

An independent commission led by former secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton of Indiana is not expected to make its recommendations for a new strategy until December or January. But Bush and his aides have rejected the most drastic ideas that some have floated, such as partitioning Iraq into semiautonomous Shiite, Sunni and Kurd regions or setting a timetable for a phased withdrawal of troops.

Questions To Guide An Exit Policy (WP)

By George F. Will

The Washington Post, October 22, 2006

A realist with a wintry smile, James A. Baker III, who helped make George W. Bush's presidency possible, is seeking ways to salvage it. After the 2000 election, Baker orchestrated the Bush campaign's lawyering against the Gore campaign's lawyering that tried to overturn Bush's 537-vote Florida margin. Today Baker is co-chairman -- with former congressman Lee Hamilton, the Indiana Democrat -- of the Iraq Study Group, which will issue recommendations after Thanksgiving.

International crises rarely conform tidily to electoral cycles. Too bad. America's electoral cycles are constitutional facts: Every two years elections take the nation's temperature; every four years the nation selects the occupant of the office responsible for formulating foreign policy.

Today the policy of "staying the course" means Americans dying to prevent Shiites and Sunnis from killing each other. If in January 2009 more than 100,000 U.S. forces remain in Iraq, there might be 100 fewer Republicans in Congress. So "stay the course" is a policy stamped with an expiration date. Here, then, are four questions the Iraq Study Group might address:

Â· What are 140,000 U.S. forces achieving in Iraq that could not be achieved by 40,000?

Â· If the answer to the first question is "creating Iraqi security forces," a second question is: Is there an Iraqi government? In "State of Denial," Bob Woodward quotes Colin Powell, after leaving the administration, telling the president that strengthening Iraq's military and police forces is crucial but that "if you don't have a government that you can connect these forces to, then, Mr. President, you're not building up forces, you're building up militias." And making matters worse.

Â· Third, what limits on U.S. aims are set by the character of the Iraqi people, as we now understand that? Bing West, a former Marine who frequently visits and writes about Iraq, wrote in the October issue of the Atlantic Monthly about accompanying coalition forces that seized an oil pumping station near Basra in March 2003:

"The engineers were appalled to find open cesspools, rusted valves, sputtering turbines, and other vital equipment deteriorating into junk. Heaps of garbage lay outside the walls of nearby houses. Yet inside the courtyards, tiny patches of grass were as well tended as putting greens. That defined Iraq: a generation of tyrannical greed had taught Iraqis to look out for their own, to enrich their families, and to avoid any communal activity that attracted attention."

Â· Hence, a fourth question: In a perhaps intentionally opaque statement on "The Charlie Rose Show" on Oct. 6, Baker said: "If we are able to promote representative -- representative government, not necessarily democracy, in a number of nations in the Middle East and bring more freedom to the people of that part of the world, [Iraq] will have been a success." Can President

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Bush's "freedom agenda," which Iraq has shredded, be recast by the Study Group's showing that there is more than semantic sleight of hand in the distinction between democracy and representation?

Perhaps the Iraq Study Group will function as did the Tower Commission, which provided a pivot point for the last two years of a troubled presidency. Chaired by former senator John Tower, the Texas Republican, it analyzed the Reagan administration's failings that produced the Iran-contra fiasco. This story is told in the book "Saving the Reagan Presidency" by David Abshire, to whom Reagan gave extraordinary powers to examine his administration's dysfunctions and recommend remedial measures.

Abshire, a seasoned diplomat now advising the Study Group, told Reagan that his presidency could not be revived without the removal of Don Regan as White House chief of staff. Regan was removed. The Study Group almost certainly will, like the Tower Commission, refrain from making personnel recommendations. But is it plausible that the Bush presidency can pivot without changing senior Defense Department personnel?

In September 1942 the U.S. government purchased 58,575 acres of wilderness in eastern Tennessee. Soon there was a town, Oak Ridge, and amazing scientific facilities. Thirty-four months after the purchase, an atomic blast lit the New Mexico desert. After 43 months in Iraq, U.S. forces still struggle to cope with improvised explosive devices.

On Sept. 19 Hamilton said that "the next three months are critical." On Oct. 5 Sen. John Warner, chairman of the Armed Services Committee, said that the next "two or three months" are critical. If only the worsening insurgency were, as the president suggested Wednesday, akin to North Vietnam's 1968 Tet Offensive. The insurgency is worse: Tet was a military defeat for North Vietnam. The president says the war in Iraq will be "just a comma" in history books, but by Nov. 26, the Sunday after Thanksgiving, with the Study Group's recommendations due, the comma will have lasted as long as U.S. involvement in World War II.

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After Elections, A Democratic Push (WP)

By David S. Broder

The Washington Post, October 22, 2006

No one speaks more authoritatively for the Democrats on defense and national security issues than Sens. Carl Levin of Michigan and Jack Reed of Rhode Island, both longtime members of the Armed Services Committee. If you want to know what Democratic gains in this midterm election would mean for national security policy, Levin and Reed can provide the answers.

In a conference call with reporters the other day, the two senators outlined the changes in U.S. policy toward North Korea and Iraq that they and their fellow Democrats would like to see. They signal to voters the kind of change a Democratic victory would mean.

In the case of North Korea, Levin called for doing something that President Bush has refused for six years to do -- engage directly in talks with representatives of the communist regime.

But he put a condition on it, saying such talks should take place only "providing our allies and partners want us to do it" and only as part of an agreed-upon strategy supported by Japan, South Korea, China and Russia.

Reed, who endorsed the idea, said any direct U.S.-North Korea talks would "most likely" take place in the context of the six-power talks, now stalled over Pyongyang's defiance of the United Nations and the regime's testing of a nuclear weapon.

Levin said he believes the other nations in those six-power talks -- Russia, China, Japan and South Korea -- all wish the United States would talk directly with the North Koreans. Our willingness to do so would not be a sign of weakness, he said, but a way of removing an excuse the North Koreans have used to explain their obduracy.

On Iraq, the two Democrats harked back to the amendment that 39 senators supported during a debate earlier this year -- an amendment that called for a start on U.S. troop withdrawals within six months but set no numbers and specified no target date for ending the U.S. military presence.

Reed, who has made many trips to Iraq and returned just weeks ago from his most recent visit, described the "very, very difficult situation" he found there. "We have to begin to work toward redeployment without setting a timetable," he said. "We have to start laying out some red lines for the Iraqis . . . give them some clear goals we want them to achieve." They need to set plans

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for disarming militias, conducting elections at the provincial level and spending some of the funds being hoarded in Baghdad on better services for the people, he said.

Implicit in their comments is a belief, based on their firsthand observations, that the current rulers in Baghdad have a different agenda for themselves than the Bush administration's bland assurances suggest. As Levin put it, "Our only leverage for change is to force the politicians in Iraq to realize we're not there as their security blanket. When they recognize that reality, they're more likely to make the necessary compromises on sharing of oil revenues and sharing power. The prospect of losing us as their personal security blanket will focus their minds."

Reed agreed that unless something is done to change course, three separate violent struggles going on in Iraq (Sunnis vs. Shiites; Shiite factions fighting each other; Sunni insurgents fighting Americans) will probably merge into one massive calamity.

When the senators were asked if a Democratic majority in the House or Senate would force the issue in Iraq by threatening to cut off funds for the war, they quickly ruled out any such action. Levin said that a simple resolution recommending to the president that he set a date to begin redeployment might do the trick.

Other forces could nudge Bush in that direction, he said: the growing concern among senior uniformed officers about the impact of the lengthy Iraq deployment on troop morale and unit readiness; and the post-election report of the special Iraq Study Group, headed by James A. Baker III and Lee Hamilton.

But after all the debate on Iraq this year, a change in control of even one house of Congress "would have a major impact, a huge motivating force on the president to change course," Levin said. "More and more Republicans would join with Democrats in trying to get the administration to change course."

Those words will be -- and should be -- taken seriously.

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Stark Lessons From Iraq (WP)

By Jim Hoagland

The Washington Post, October 22, 2006

The bloody chaos of Iraq under U.S. occupation is shaking Western governments into sobering reassessments of that conflict and of war itself. More urgently, some of these governments have launched tightly held contingency planning for the consequences of a possible American failure in Iraq.

"There will be no papers or staff meetings on that subject in our main ministries," one European senior official told me recently. "It would leak, and that would be disastrous. But our intelligence agencies have begun to work on where the terrorists would go post-Iraq. That is a threat we cannot ignore now."

The deepening doubts about America's commitment and strategy in Iraq that dominate polling for U.S. midterm elections have spread across the Atlantic in recent months as insurgency has metastasized into sectarian warfare between Sunnis and Shiites.

Those doubts have reached even into the office of Iraqi Prime Minister Nouri al-Maliki, who needed to be reassured by a telephone call from President Bush last week that Maliki's faltering "national unity" government still has U.S. support. The commitment had been called into question by on-the-record and anonymous comments by members of the Iraq Study Group headed by former secretary of state Jim Baker.

But Bush's reassurances to the beleaguered Maliki do not dispel the gathering sense at home and abroad that the administration is belatedly engaged in a search for a political-economic exit strategy. Such a strategy would quickly reduce the role of U.S. combat troops in Iraq and gradually increase the economic involvement of other countries, including Iraq's neighbors.

The Baker group's political recommendations in late autumn will roughly coincide with the rollout of a U.N.-sponsored International Compact for Iraq that would offer new reconstruction aid and debt relief if Maliki undertakes substantial economic reforms. In the view of international officials, new laws on oil exploration, production and revenue sharing are urgent and central to the reforms and to national reconciliation efforts.

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But military leaders and diplomats in Western capitals are not waiting for the Baker and U.N.-sponsored efforts to conclude before they assess the mistakes, poor strategy and changing conditions of warfare that have brought U.S. forces face to face with the bitter prospect of having to withdraw, mission unaccomplished.

The glaring contrast between the lightning victory over Iraq's conventional army in 2003 and the failure of U.S. forces to stabilize postwar Iraq is Topic A in these circles. It has become the subject of official planning exercises, classified Pentagon briefings, and public calls for retraining and reequipping Western forces to fight new forms of insurgency and terrorism fueled by extremist Islamic ideology.

The need for changes in practice and doctrine was reinforced by Israel's inconclusive July-August war in Lebanon against Hezbollah, a classic guerrilla force that also possesses a strategic missile arsenal capable of damaging and shutting down entire Israeli cities.

"Insurgency is here to stay," Jeb Nadaner, deputy assistant defense secretary for stability operations, said at a recent U.S.-British conference in Washington on reorganizing governments to fight irregular warfare.

Other speakers -- including conference organizer John Hillen, the State Department's top political-military expert -- spoke bluntly to the group about the continuing failure of the U.S. military and civilian bureaucracies to adapt to an era in which armor and infantry battles occupy only a small space on the overall battlefield and are in any event too costly to be carried on for very long.

Across the Atlantic, similar thinking is underway in defense ministries and force headquarters. "Classical warfare is probably dead. It is no longer a cost-effective tool to achieve political or economic goals," Gen. Vincent Desportes, the head of France's Doctrine Center for Forces Employment, wrote in a recent study of conflict in a post-Iraq-invasion world.

Instead, conventional wars "mutate very quickly into asymmetrical clashes, which do last," Desportes continued. "The decisive phase is no longer the initial short phase of intervention, but clearly the phase of long stabilization which follows it."

Mao Zedong made famous the idea that civilian populations are the sea in which guerrillas swim. But today's insurgencies use civilian populations as their most important weapon. Britain's Gen. Rupert Smith made the point in a recent book that military forces must be prepared to fight within and for populations, which previously have been seen by generals as little more than impediments to battle.

The extent to which U.S. forces were unprepared for insurgency and sectarian warfare in Iraq has become painfully apparent. The lessons they are learning -- which have become prohibitively costly for Americans and Iraqis -- must never again be forgotten.

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Change Course In Iraq (WP)

The Washington Post, October 22, 2006

President Bush must revise the U.S. strategy for stabilizing the country.

PRESIDENT BUSH said this month that he was willing to "change tactics" in Iraq if U.S strategy was not working. We believe the time has come for such a change. The Iraqi coalition government that Mr. Bush has been counting on to forge political compromises and disarm sectarian militias doesn't seem to have the strength to carry out either mission. A U.S.-led attempt to pacify Baghdad by concentrating forces in the capital has failed, while contributing to a grievous spike in American casualties. Support for the war is rapidly slipping, in the country and in Congress; a congressionally mandated commission is likely to recommend a new course sometime after next month's election. Mr. Bush would be wise to act sooner than that: The rapidly deteriorating situation in Iraq needs to be addressed urgently.

The United States cannot afford to abandon Iraq or the government of Nouri al-Maliki, which was elected last January with millions of votes from Iraqis who did not choose civil war, partition or al-Qaeda. But U.S. policy must account for the fact that Mr. Maliki's administration has not been able to stop the acceleration of sectarian warfare, in many cases waged by militias linked to parties in the government. Nor has it taken the bold steps that might pave the way for a political settlement, such as an amnesty for insurgents and concessions by majority Shiites to minority Sunnis on the distribution of oil revenue or limitations on federalism.

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A revised U.S. strategy must aim to jump-start political accord and militia disarmament. But it must also provide for the possibility that decisive progress will not be achievable soon. It should position the United States to defend its interests during a protracted conflict, with levels of troops and other resources that will be sustainable. It should reach out to Iraq's neighbors and other governments with an interest in stabilizing the country. This calls for diplomacy far more deft and aggressive than the administration thus far has engaged in.

What could be done to foster a political settlement? The best option that has not yet been tried is a peace conference attended by all the Iraqi parties, as well as Iraq's neighbors, the United Nations and other powers, such as the European Union and the Arab League. Similar conferences brokered the end of civil wars in Lebanon, Bosnia and Congo. The United States and other outside powers cannot impose a solution, but they can press the Sunnis, Shiites and Kurds to make the deals they know are needed: on oil revenue; on an amnesty for insurgents and former Baathists; on the terms by which Iraq may be divided into federal regions.

The United States, Europe and Arab states could offer incentives for accord such as reconstruction funds linked to progress in implementing constitutional and economic reforms. At the same time, the Bush administration should help to create a contact group of all of Iraq's neighbors to discuss common interests in stabilizing the country and preventing the escalation and spread of civil war. Those common interests do exist, even between the United States and Iran and Syria; dialogue about them is long overdue.

Political progress, or the absence of it, should shape the future deployment of U.S forces. If there are breakthroughs toward Iraqi reconciliation in the coming months, American forces could help to consolidate them.

But if, as appears more likely, Iraq's civil war deepens and spreads, the United States should abandon attempts to pacify Baghdad or other areas with its own forces. It should adopt a strategy of supporting the Iraqi government and army in a long-term effort to win the war. The elements of such a strategy might include substantially upgrading the training, advising and support missions -- which have been woefully undersupported so far. U.S. airpower could back Iraqi troops, and U.S. money and equipment could flow to the Iraqi army, conditioned on government steps to demobilize Shiite militias and respect the constitution. Meanwhile, the U.S. and Iraqi governments should formally agree on a plan for turning the fighting over to Iraqi troops, province by province; Mr. Maliki himself has said he wants that transition to occur by the end of next year. A reserve force of U.S. troops could remain as a guarantor against a military victory by insurgents and as a rapid reaction force that could strike al-Qaeda targets.

A change of course won't necessarily rescue the U.S mission in Iraq. The government, political system and army that Americans and Iraqis have sacrificed so much to create could collapse without the prop of 140,000 U.S. troops or even with it. But there remains a chance the government could gain control over the country. As long as that prospect exists, the United States has a moral obligation and a practical interest to remain in Iraq.

Blowing In The Wind (NYT)

The New York Times, October 22, 2006

The generals who told President Bush before the war that Donald Rumsfeld's shock-and-awe fantasy would not work were not enough to persuade him to change his strategy in Iraq. The rise of the insurgency did not do the trick. Nor did month after month of mounting military and civilian casualties on all sides, the emergence of a near civil war, the collapse of reconstruction efforts or the seeming inability of either Iraqi or American forces to secure contested parts of Iraq, including Baghdad, for any significant period.

So what finally, after all this time, caused Mr. Bush to very publicly consult with his generals to consider a change in tactics in Iraq? The president, who says he never reads political polls, is worried that his party could lose some of its iron grip on power in the Congressional elections next month.

It is not necessarily a bad thing when a politician takes stock of his positions in the teeth of an election. Our elected leaders are expected to heed the will of the American people. And this page has been part of a chorus of pleas for Mr. Bush to come up with a more realistic approach to Iraq.

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But the way this sudden change of heart has come about, after months in which Mr. Bush has brushed off all criticism of his policies as either misguided, politically motivated or downright disloyal to America, is maddening. For far too long, the White House has looked upon the war as a tactical puzzle for campaign strategists. The early notion of combining Iraq and the war on terror as an argument for re-electing Republicans robbed the nation of any serious chance for a bipartisan discussion of these life-and-death issues. More recently, the administration seems to have been working under the assumption that its only obligations were to hang on, talk tough and pass the problem on to the next president.

The Iraqi government, which has had a hard time adopting most aspects of American democracy, seems to have eagerly embraced this administration's lessons on how to deny politically unpleasant realities. Just the other day, The Times reported that the Pentagon had decided there was nothing wrong with a program in which phony "positive news" was planted in Iraqi newspapers. And news reports said that the Iraqi government had decided to stop reporting civilian casualties to the United Nations so there would be no record of the war's increasing toll on ordinary Iraqis.

The way the Bush team is stage-managing the president's supposed change of heart about "staying the course" is unfair to the Americans who have taken him at his word that real progress is being made in Iraq — a dwindling but still significant number of people, some of whom have sons and daughters serving in the conflict. It is a disservice to the troops, who were never sent to Iraq in sufficient numbers to protect themselves or the Iraqi people. And it is a disservice to all Americans, who have waited so long for Mr. Bush to act that all that is left are a series of unpleasant choices.

And it is happening in the midst of a particularly ugly, and especially vacuous, election season. There is probably no worse time to begin a serious discussion about Iraq policy than two weeks before a close, bitter election. But now that the discussion has begun, it must continue, as honestly and openly as possible. It is time for the American people to confront all the things that the president never had the guts to tell them about for three and a half years.

On Baghdad Streets, A Police Partnership Falters (NYT)

By Michael R. Gordon

The New York Times, October 22, 2006

BAGHDAD, Oct. 21 — When Lt. Col. John Norris led his Stryker battalion to the Baya district of Baghdad last month he planned to work hand in glove with the Iraqi police. But no sooner did he venture onto the streets than he discovered that the police who were to be his partners were part of the problem.

As his Stryker command vehicle drove along a crowded avenue Colonel Norris spied several Shiite women in black abayas wailing over a body sprawled near a mosque as distraught relatives smeared the dead man's blood on their faces. The American officer tried to wave down an Iraqi National Police truck for help, but the driver gave him an icy stare and kept going.

"I was disgusted by that," Colonel Norris recalled.

An investigation by the American battalion later determined that the murder victim was a Sunni army captain visiting his family while on leave.

He had been shot in the head and neck by two men armed with 9-millimeter pistols who escaped in a white van that drove unchallenged through a National Police checkpoint less than 200 yards away.

On Thursday, the American command acknowledged that the Baghdad security plan had yet to stem the escalating bloodshed in the city. A week spent with American units demonstrated a major reason: After spending billions on building up Iraqi forces, and making withdrawal contingent on that buildup, the Americans have discovered that many of the Iraqi security forces are still not ready to handle security on their own. Throughout much of the city many Iraqis do not trust their own police forces.

The American military operation to reduce the sectarian killings in Baghdad and avert a full-fledged civil war has focused on about a dozen neighborhoods where the bodies of tortured victims have been found in sewage-filled lots, civilians have been killed in drive-by shootings and sectarian-inspired kidnappings have soared.

The strategy is to use American and Iraqi forces to clear neighborhoods of violent militias, insurgent groups and arms caches, then hold them with security forces so that essential services can be restored and reconstruction can eventually begin. Two months into the operation, it is the "hold" phase that has run into trouble, partly because it depends on the Iraqi security forces to win the trust of the population and establish the rule of law.

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The Iraqi Army only provided two of the six battalions of additional troops that the Americans had requested to carry out the operation, known as Together Forward II, which means that with 15,600 Americans and 9,600 Iraqis, there are more American soldiers involved in the operation than Iraqi troops.

More than 30,000 National Police and regular police officers are also involved, but they are of uneven quality and some units have been infiltrated by the very militiamen they are supposed to control. American troops have been sorting the good policemen from the bad the hard way: on the streets of Baghdad, as they try to stop the spiraling sectarian killings.

An Extended Mission

Before Colonel Norris's unit arrived in Baghdad, his mechanized infantry battalion, the Fourth Battalion of the 23rd Infantry, was no stranger to Iraq. Its troops had secured Mosul, Tal Afar and Rawa before its yearlong tour of duty was extended by commanders eager to bring reinforcements to Baghdad.

Of his 644 soldiers, 200 had already returned to their home base in Alaska and another 100 were in Kuwait waiting to go home when they were ordered back to Iraq. The extension of the mission entailed hardship and sacrifice. Only one soldier in the battalion has been killed in the line of duty, by a sniper in Baghdad.

After conducting clearing operations in Ghazaliya, Adhamiya and other neighborhoods, the battalion was dispatched to the Baya district. They had worked well with Iraqi security forces and hoped for more of the same in their new sector.

The murder scene Colonel Norris stumbled upon on Oct. 1, the unit's first day in Baya, was a rude introduction to much tougher problems ahead. Although the battalion did not know it at the time, that same day 22 Iraqis were accosted at a Sunni-owned meat-packing plant. According to some witnesses, the assailants wore woodlawn-pattern camouflage uniforms and carried Glock pistols, which are customarily used by the National Police. They checked identity documents to separate the Sunnis from the Shiites. The Sunnis were blindfolded, thrown into meat trucks and driven off. Seven were shot and six of them died.

American military officers suspect the attack was instigated by the Shiite militia the Mahdi Army of Moktada al-Sadr, with the active or tacit support of the Second Battalion of the Eighth Brigade of the National Police. "The statistics indicate that they were doing nothing to support security," Colonel Norris said, referring to the police unit. "They were either responsible for the murders or were allowing them to happen."

The assault set off an uproar in the neighborhood. The next day a group of Sunnis lobbed four mortar shells and fired machine guns at a National Police checkpoint. That was followed by an angry demonstration. The very policemen who were supposed to help the Americans keep the lid on the sectarian strife in Baya had stoked old animosities.

Faced with a deteriorating security situation, Maj. Gen. J. D. Thurman, the commander of the Fourth Infantry Division and the senior American commander in Baghdad, recommended that the National Police unit be withdrawn and retrained. On his second day in his new sector, Colonel Norris had the delicate task of informing the unit that it was relieved of its duties.

He said he expected that the police would be replaced by an Iraq Army unit, a move he hoped would be more acceptable to residents. But Iraqi soldiers were in short supply. He was informed that the new force would be another unit of the National Police. That posed a huge challenge, since the National Police had lost the trust of the Sunnis in the Baya area.

A Web of Police Forces

The Americans finally received some good news when they learned that the new National Police unit they would be working with was led by Col. Ali Ibrahim Daboun, a commander they knew from Ghazaliya. He impressed them when he provided a tip about two teenagers involved in transporting triggering devices for bombs, setting up a joint American and Iraqi raid in which they were apprehended.

But in the balkanized network of Iraqi law enforcement Colonel Ali was in charge of one of three police units in the area. The key was to weld the disparate police forces in the neighborhood into an effective force and rebuild public confidence in their work. This was no small problem because Sunni residents had continued to shoot at the National Police, killing one of Colonel Ali's officers and wounding several others.

To encourage cooperation, Colonel Norris organized a meeting of tribal sheiks and neighborhood leaders. He did not tell the local officials that the police would be there for fear that would scare them away. At the meeting, Sunni representatives railed

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against the police for failing to stop Shiite militia attacks or protect residents when notices were posted on their door warning them to flee or be killed.

Colonel Norris told the officials their complaints were justified. But he added that there was a new team in town and it wanted to make a fresh start. The neighborhood representatives were stunned. They did not know that the old police unit had been replaced.

Seeking to win over the representatives, Colonel Ali took the floor. He declared boldly that he was not a Shiite or a Sunni but an Iraqi and would enforce the law in an evenhanded way. With so many men running around in uniforms and renegade militias running rife, one participant asked how the citizens could tell the good policemen from the ones that meant them harm.

Colonel Ali offered advice that said a great deal about the long road ahead before Iraq's forces can assume the main burden of protecting the country. If an Iraqi policeman comes to your door, he advised, you should not open it unless he is accompanied by an American soldier.

An Act of Charity

Colonel Norris said more local people had offered tips to the Americans and their Iraqi partners because residents had come to believe that the Americans wanted to help. New threats to the police from local militias, who used to count on their cooperation, are another indication of progress, he said.

But the American officials say it is clear that the Iraqi forces vitally depend on the Americans for backup. "They are extremely vulnerable," Colonel Norris said of the Iraqi police. "The majority of force protection is provided by coalition forces."

None of the improvements helped Latif Abdul Kathum Hilal Janabi, the owner of a cellphone shop and a member of a prominent Sunni tribe, who was killed by assailants when he resisted a kidnapping.

One of the assailants was killed and the other wounded by a guard from a nearby mosque. The wounded gunman was taken to a hospital but disappeared in the medical system. One policeman said he had heard that the assailant had been moved by his confederates to a hospital in Sadr City so he would be beyond the reach of the American-led coalition forces.

Capt. Matthew Albertus, the 30-year-old commander of Company A, was able to perform an act of charity. As he was leaving a police station, he spied the distressed wife of the murder victim who was waiting at the gate, the very picture of frustration. She had come to plead for help in getting the necessary paperwork to secure the release of her husband's body from the morgue for burial, and it was not clear when she was going to get it.

Captain Albertus took matters into his own hands. He told the local police chief to get the documents, drove with him to the hospital in his armored vehicle and then insisted that the morgue take action. The murdered man's wife sobbed as the body was placed in a simple plywood coffin. His father tried to choke back his tears. Then the coffin was tied to the roof of a Chevrolet Caprice.

Even hospitals can be dangerous places these days because militias know they are gathering places for relatives. So Captain Albertus formed a convoy around the car and then drove through Baghdad so the grieving relatives could make their way through the city streets and checkpoints. Nobody could stop the men who took Mr. Janabi's life, but the Americans provided the final escort.

U.K. Official: Iraqi Army 'Coming Along' (AP)

By Jill Lawless

AP, October 22, 2006

Iraqi police and military should be ready to take on much of the work being done by U.S.-led forces within a year, a British government minister said Saturday.

Another governing-party lawmaker, however, warned it was unlikely Iraq could remain a single, united country once U.S. and British troops pull out.

"The Iraqi army is coming along very well," Foreign Office Minister Kim Howells told British Broadcasting Corp. radio. "I would have thought that certainly in a year or so there will be adequately trained Iraqi soldiers and security forces — policemen and women and so on — in order to do the job," Howells added.

"I would be very surprised if there was not that kind of capacity taking on a lot of the work done by the coalition forces."

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However, Howells warned "it's going to take a lot of blood yet" before Iraq becomes a stable democracy.

British officials have spoken in recent months of cutting their troop levels in Iraq from 7,000 to between 3,000 and 4,000 by mid-2007, but no firm date for withdrawal has been set.

Prime Minister Tony Blair has been under growing pressure to set a timetable for a pullout. Last week, the country's top soldier Gen. Richard Dannatt called for British troops to be withdrawn "sometime soon" and said their presence was provoking rather than preventing violence.

Blair said this week that it would be a "gross dereliction of our duty" to withdraw before Iraqi forces were able to take responsibility for security.

Labour Party lawmaker Doug Henderson, a former defense minister, said in comments reported Saturday that Iraq would probably break into at least three countries — Sunni, Shiite and Kurdish — once allied troops have withdrawn.

"I doubt if Iraq can be retained as one nation in the future," Henderson told GMTV television in an interview to be broadcast Sunday. "I hope it can be, but I think it's very unlikely that that will be the case."

Excerpts from the interview were released late Saturday by the broadcaster.

Bush Sticks To Mission: U.S. Victory (WT)

By Joseph Curl, The Washington Times

The Washington Times, October 22, 2006

President Bush yesterday acknowledged that U.S. commanders are changing tactics in Iraq nearly every day but declared that the mission "is clear and unchanging."

"Our goal," he said, "is victory."

The president's remarks aired in his weekly radio address as he met to discuss the situation in Iraq with top generals and other advisers at the White House.

Later, a senior State Department official said in an interview with an Arab television network that the United States had shown "arrogance" and "stupidity" in Iraq.

Alberto Fernandez, director of public diplomacy in the Bureau of Near Eastern Affairs at the State Department, told Al Jazeera that Washington was ready to talk with any group except al Qaeda in Iraq to bring about national reconciliation.

"We are open to dialogue, because we all know that, at the end of the day, the solution to the hell and the killings in Iraq is linked to an effective Iraqi national reconciliation," Mr. Fernandez said, speaking in Arabic from Washington.

But Mr. Bush indicated little intention to make major changes, although the number of U.S. troops killed in Iraq so far this month climbed to 78 -- the highest monthly tally this year -- and despite reports that the White House is nearing a dramatic shift in war strategy.

"What is changing are the tactics we use to achieve that goal," the president said in his radio address. "Our commanders on the ground are constantly adjusting their approach to stay ahead of the enemy, particularly in Baghdad."

Mr. Bush vehemently rejected pulling U.S. troops out of Iraq.

"There is one thing we will not do: We will not pull our troops off the battlefield before the mission is complete," he said. "There are some in Washington who argue that retreating from Iraq would make us safer. I disagree."

Mr. Fernandez, in the Al Jazeera interview, said there was room for criticism of the war "because, undoubtedly, there was arrogance and there was stupidity from the United States in Iraq."

Political pressure is growing for the president to make a decisive change to his war strategy, and Democratic candidates nationwide have campaigned on a theme of change.

Democratic congressional candidate Diane Farrell, of Connecticut, yesterday said Mr. Bush should fire Defense Secretary Donald H. Rumsfeld. She said Congress should set clear benchmarks for Iraqis that, when met, would allow U.S. troops to leave the country.

"We need a new direction in Iraq," said Mrs. Farrell, who delivered her party's weekly radio address. "To be blunt, the president and the Republican Congress have been wrong on Iraq and wrong to keep their failed strategy."

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Meanwhile in Iraq, a dozen mortar rounds rained down yesterday on an outdoor market in Mahmoudiyah crowded with shoppers, killing at least 18.

Earlier, gunfights broke out in Hamza al Gharbi, about 60 miles south of Baghdad, after a bomb exploded near the offices of the Supreme Council for the Islamic Revolution in Iraq, a leading Shi'ite political party. At least two persons were killed and four injured.

As the violence continued in Iraq -- including the deaths yesterday of three U.S. Marines -- the president met with top commanders and national security advisers.

The 90-minute meeting brought together Mr. Rumsfeld; Joint Chiefs Chairman Gen. Peter Pace; Gen. John Abizaid, the top U.S. commander in the Middle East; National Security Adviser Stephen J. Hadley and others. Participating by videoconference were Vice President Dick Cheney; Gen. George Casey, who heads the U.S.-led forces in Iraq; and Zalmay Khalilzad, U.S. ambassador to Iraq.

Polls nationwide indicate Republicans are in jeopardy in the Nov. 7 elections of losing their majority in Congress, which they have held since 1994. Democrats need to net 15 seats to win control of the House, and six seats to take the Senate.

With leaks from the independent Iraq Study Group (ISG), headed by former Secretary of State James A. Baker III, swirling around Washington, the White House has rejected a few trial balloons floated in recent weeks. Those include partitioning Iraq into three sections based on ethnicity and religion and withdrawing 5 percent of U.S. troops every two months.

Under a partition plan, Iraq would be divided into Sunni, Shi'ite and Kurdish regions, each enjoying near-autonomy, with a central government handling defense, foreign policy and oil production.

Mr. Bush sounded more open to alternative tactics. He said the Iraqi prime minister recently met with tribal leaders from Anbar province, "who told him they are ready to stand up and fight the terrorists."

Fellow Republicans are beginning to criticize Mr. Bush's policy.

Senate Armed Services Committee Chairman John W. Warner of Virginia said after a recent visit to Iraq that U.S. efforts are "drifting sideways." Other Senate leaders, including Sens. Chuck Hagel of Nebraska, Susan Collins and Olympia J. Snowe of Maine and Kay Bailey Hutchison of Texas, have been critical of Mr. Bush's "stay the course" policy.

Almost two-thirds of respondents in a Newsweek poll released yesterday said the United States is losing ground in efforts to establish security and democracy in Iraq.

White House spokesman Tony Snow said Friday that while Mr. Bush might change tactics, he would not change his overall strategy.

"He's not somebody who gets jumpy at polls," Mr. Snow said.

Precarious Cease-Fire In Amara Holds (NYT)

By John F. Burns

The New York Times, October 22, 2006

BAGHDAD, Oct. 21 — Iraqi troops patrolled a tense cease-fire in the southeastern city of Amara on Saturday, but scattered clashes between rival Shiite militias farther north raised new concerns about the potential for a widening of the chaos that shook the city the day before.

With 2,300 Iraqi troops rushed to Amara from Baghdad and the southern oil hub of Basra, the government of Prime Minister Nuri Kamal al-Maliki appeared to have regained control of the city from the gangs of militiamen who ruled the streets there for most of Friday. Local officials said that at least 25 people had been killed, including militiamen and police officers, and more than 160 others wounded.

A government spokesman said senior officials dispatched from Baghdad were investigating the Friday upheaval and were working with tribal leaders and representatives of the rival militia groups on ways of reinforcing the truce, including steps to address the grievances that had caused the clashes.

“All the shops are open, and there are traffic jams in the streets,” said Muhannad al-Gharawi, a government spokesman in the city.

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He said government troops were being helped by police commandos, also drafted into the city after the local police headquarters and two other police stations were destroyed Friday by bombs set by fighters from the Mahdi Army, the pervasive militia force led by Moktada al-Sadr, a volatile cleric with a mass following among impoverished Shiites.

Government officials said Saturday that Mr. Sadr played a crucial role in calming Friday's violence, and that Mr. Sadr's representatives in the city were cooperating in talks aimed at avoiding a resumption.

But there were other indications that the Amara crisis was far from over, and that the Maliki government, led by Shiite groups that include both Mr. Sadr's political faction and the political leaders who control the Badr Organization, the other militia group involved in the Friday clashes, was concerned that the violence could resume and spread elsewhere in the Shiite homeland in southern Iraq.

The concern appeared to be shared by coalition military commanders, who moved a 600-man British battle group to the outskirts of Amara, 230 miles southeast of Baghdad, and ordered the group to stand ready to move into the city if Iraqi commanders requested reinforcements.

"The situation is calm, but it's very tense," Maj. Charlie Burbridge, a spokesman for the British forces in Basra, told Agence France-Presse.

British troops had maintained a garrison at a major base on Amara's western outskirts until August, when they were withdrawn as part of a wider handover to Iraqi forces across the south.

Major Burbridge added, "We suspect there is a capacity for it to brew up again without any warning."

The first signs that the violence between the Mahdi Army and the Badr Organization had spread beyond Amara came in reports of clashes in two other southern towns. The police in Suweira, a mainly Shiite town 35 miles southeast of Baghdad, said two Mahdi Army fighters and one civilian had been killed in clashes between the militias in the town on Saturday.

In Hamza al-Sharqi, a town about 80 miles south of Baghdad, the police said American troops had intervened to restore calm after the Mahdi Army was accused of planting a bomb on Friday night in the offices of the Supreme Council for the Islamic Revolution in Iraq, the political group that controls the Badr Organization. Local officials said two people were killed in a gunfight between American troops and militiamen that followed the bombing.

A senior official of the Maliki government in Baghdad sought to play down the wider significance of the Amara clashes, saying the violence, involving two militia groups whose political masters are important partners in the ruling coalition, had local causes and posed no threat to the government's survival.

Accounts given by local leaders and others in Amara said that the violence began after a Mahdi Army bombing that killed a top Badr official serving in the local police, and that the Badr group retaliated by kidnapping the brother of the top Mahdi Army commander in Amara. The police in Amara, the accounts said, ware under Badr control, and became the target of Mahdi Army reprisals.

"It was a case of a local commander taking the law into his own hands," the official said, insisting that he not be quoted by name because of the political sensitivities involved and because of his own involvement in talks with Mr. Sadr. He said Mr. Sadr, based in the Shiite holy city of Najaf, had "behaved very responsibly" by sending a representative to Amara to help quell the violence.

The Amara upheaval erupted less than 48 hours after Mr. Maliki flew to Najaf from Baghdad to see Mr. Sadr and Grand Ayatollah Ali al-Sistani, Iraq's most powerful Shiite cleric, and urged both men to rein in the Mahdi Army, which American commanders have identified as having been responsible for much of the sectarian killing in recent months.

American commanders have been pressing the Maliki government for clearance for a broad crackdown on the Mahdi Army and other sectarian militias, but Mr. Maliki, dependent on the Sadr faction in Parliament for his government's survival, has insisted that the problem of the militias be solved politically. The senior official who discussed the Amara developments said Mr. Maliki, on his Najaf trip, had been assured by Mr. Sadr that the Mahdi Army was not involved in killings.

"The prime minister asked him to disband and disarm" the Mahdi Army, the official said, and Mr. Sadr had responded by offering assurances that the militia, which challenged American troops in two uprisings in 2004, had been transformed into "a political army that was not allowed to take any violent actions against Sunnis." The official, speaking of the Sadr militiamen, said, "I think they are tamable."

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The American military command said that three marines were killed in action on Saturday in Anbar Province, bringing to 78 the number of Americans who have died in October. The toll for the first three weeks of the month, if sustained at similar levels for the last 10 days, would make October the third worst month of the war for American troops.

Elsewhere in Iraq on Saturday, the sectarian violence that has wracked the country continued. In Baghdad, a suicide bomber detonated his device aboard a minibus packed with shoppers who had been to the Shorja market in northern section of the city to buy food and other gifts for the Muslim festival of Id al-Fitr, celebrating the end of the holy month of Ramadan. An Interior Ministry official said four people had been killed and 15 wounded; the victims were mostly Shiites, and women and children were among the casualties.

Witnesses described children's toys scattered beside the wreckage of the bus, which was crossing the Sharafiya bridge over the Tigris River when the bomb exploded.

At dusk on Saturday, bombs left on five motorcycles parked at the main market in Mahmudiya, 15 miles south of Baghdad, exploded while the area was packed with shoppers.

Officials at one of Baghdad's main hospitals said that a total of 16 people were killed and 60 wounded. Police officials in the town said some of the casualties were caused when the market was hit by mortar fire as rescue teams moved in to help the bombing victims.

In the northern oil city of Kirkuk, the police said a policeman had been killed when gunmen attacked his vehicle, and said a similar attack had taken place at Hawija, 40 miles south of Kirkuk, killing two Iraqi soldiers. In Mosul, a roadside bomb wounded two police officers and a woman in a market, police officials there said. Kirkuk and Mosul have been the scenes of suicide bombings in recent days, some of the worst violence there in months.

The United States military command said American-led forces had killed a senior leader of Al Qaeda during a raid early on Saturday in the insurgent stronghold of Ramadi in Anbar Province, 80 miles west of Baghdad. A command statement said that the raid also resulted in the detention of seven others, including a man that the statement said was believed to be responsible for coordinating the supply of weapons and finances for foreign-born insurgents infiltrating Iraq, as well as "facilitating the movement of explosives and participating in multiple operations against Iraqi and coalition forces."

In Baghdad, the American ambassador, Zalmay Khalilzad, issued a statement hailing a meeting on Friday in Mecca where 29 Iraqi religious leaders representing different sects, including figures from the Sunni and Shiite communities, signed a pact urging Iraqis to end sectarian killing and "join ranks with a view to the independence of Iraq and its territorial integrity."

Mortar Attack Kills 32 In Mostly Shiite Iraqi City (WP)

By Ellen Knickmeyer

The Washington Post, October 22, 2006

U.S. Toll for Month Is Highest in a Year

BAGHDAD, Oct. 21 -- Mortar rounds fired by suspected Sunni Arab insurgents rained on a market crowded with shoppers Saturday, killing 32 Iraqis in a predominantly Shiite city south of Baghdad, hospital officials said.

Three Marines were killed in attacks in the western province of Anbar, making October the deadliest month for U.S. forces in a year. Seventy-eight American troops have died this month in Iraq, the highest monthly toll since 84 U.S. troops were killed in November 2005.

The deaths are part of rising violence that has pushed attacks on Iraqi civilians and troops to wartime highs. The U.S. military said this week that attacks on American forces had increased 22 percent this month.

The attack on the market in Mahmudiyah, about 15 miles south of Baghdad, came days before the Islamic holiday of Eid al-Fitr. The market was crowded with families buying food for the holiday, said Farhan Ali, a member of Mahmudiyah's City Council.

Members of the Mahdi Army, the powerful militia of Shiite cleric Moqtada al-Sadr, also were in the open-air market when the attack occurred, said Salih Mohammed, 33, who owns a food stand there. Several of the militiamen were among the dead, Mohammed said.

At least 53 people were wounded, said Abdul Abdul Rahman Khalid al Maadihi, a doctor.

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A previously unknown Sunni insurgent group in Mahmudiyah, calling itself the Jihadist Soldiers, asserted responsibility for the assault, saying in a statement posted in a mosque in the center of the city that Shiite families and the Mahdi Army militia had a week to leave the city.

Sunni families hid in their homes after the attack, fearing retaliation, Mohammed said.

At least 21 other Iraqis died Saturday in attacks across the country, including seven people killed in a bus bombing in Baghdad.

The unrelenting bloodshed came despite the signing of an accord by Sunni and Shiite religious leaders late Friday in Mecca, Islam's holiest city. Organizers of the meeting described it as an effort to stop sectarian killings. U.S. Ambassador Zalmay Khalilzad issued a statement welcoming the accord and urging Iraqis to do "everything possible to stop the killing of the innocent."

Meanwhile, a senior State Department official said the United States had shown "arrogance" and "stupidity" in Iraq. Alberto Fernandez, director of public diplomacy in the Bureau of Near Eastern Affairs at the State Department, also said the United States would talk with any group except al-Qaeda in Iraq to facilitate national reconciliation.

"We tried to do our best, but I think there is much room for criticism because, undoubtedly, there was arrogance and there was stupidity from the United States in Iraq," he said in an interview with al-Jazeera television aired late Saturday.

Other Washington Post staff in Iraq contributed to this report.

Mortar Rounds Hit Iraqi Market; 18 Dead (SFC/AP)

By Sinan Salaheddin

San Francisco Chronicle/AP, October 22, 2006

(10-21) 10:38 PDT BAGHDAD, Iraq (AP) --

A bomb rigged to a bicycle followed by a dozen mortars tore through a crowded outdoor market south of Baghdad on Saturday, killing at least 18 people, police said.

After the bicycle exploded, at least a dozen mortars rained down on the market in Mahmoudiyah, which was crowded with shoppers ahead of the upcoming Eid al-Fitr holiday, said army Capt. Oday Abdul Ridha. Such dual attacks are frequently employed by armed groups to inflict additional damage on crowds that form after the initial bombing.

Lt. Hayder Satar of the Mahmoudiyah police said 18 people were confirmed dead and 52 injured in the attack on the city about 20 miles south of Baghdad.

Earlier in the day, gunfights broke out in Hamza al-Gharbi, about 60 miles south of Baghdad, after a bomb exploded near the offices of the Supreme Council for the Islamic Revolution in Iraq, a leading Shiite political party that sponsors the Badr Brigades militia.

The party's supporters accused members of the Madhi Army headed by the radical anti-American cleric Muqtada al-Sadr of being behind the blast, Police Capt. Muthana Khalid Ali said. He said Iraqi army and police called for reinforcements and backup from American forces, who imposed a curfew. There was no immediate confirmation of U.S. involvement from a military spokesmen.

Father south in the city of Amarah, where the Mahdi Army briefly took control on Friday, shops and government offices reopened and Iraqi army units manned checkpoints, keeping the militia fighters off the streets.

The fighting in both cities underscored alarm about the growing influence of the Shiite militias, who are linked to political blocs wielding strong influence over the shaky four-month-old government of Prime Minister Nouri al-Maliki.

At least two people were killed in Hamza al-Gharbi and 25 in Amarah, a city of 750,000 people at the head of Iraq's famous marshlands.

Haider Ali Abdullah said he rushed to reopen his tiny restaurant after hearing that fighting had ended in Amarah.

"We were terrified," Abdullah said by phone. "The last two days had a major effect on our lives since we depend on this business to make a living."

U.S. forces said they killed a key coordinator of foreign fighters under al-Qaida in Iraq in an early morning raid in Ramadi, on a booby-trapped building in the heartland of the Sunni insurgency west of Baghdad.

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It said the man, who was not identified by name, had been a senior leader of al-Qaida in Iraq responsible for providing weapons and financing to foreign fighters in the country, as well as producing and distributing video clips and other propaganda.

Iraq's main Sunni Arab party on Saturday strongly backed the accord signed between Sunni and Shiite religious figures in Islam's holiest city, Mecca, on Friday evening.

Organizers of the Mecca meeting say they aim only to stop sectarian killings between rival Sunnis and Shiites, rather than impose a truce to halt attacks against U.S. forces in the country.

"We praise this step and call upon all Iraqis and the government to respond to this blessed event and support it," said Adnan al-Dulaimi, the head of the Iraqi Accordance Front, whose party holds 44 seats in the 275-member parliament.

He also called for a cease-fire between American forces and insurgent groups during the upcoming Eid al-Fitr holiday that marks the end of the fasting month of Ramadan.

Al-Dulaimi's endorsement was echoed by U.S. Ambassador Zalmay Khalilzad, who issued a statement urging Iraqis to do "everything possible to stop the killing of the innocent."

The Shiite Fadhila party, a member of al-Maliki's ruling alliance, also organized a rally in support of the agreement, attended by about 2,000 people who chanted "no to terrorism, yes to the Mecca edict," and "stop the bloodshed."

Sectarian differences were exacerbated when parliament adopted a Shiite-backed law this week allowing provinces in the Shiite and oil-rich south to establish an autonomous region like the Kurdish one in the north.

Sunni Arabs and some Shiites opposed the law, arguing that federalism would lead to the eventual breakup of Iraq.

President Bush was meeting Saturday with top military officials over refining tactics after commanders said the two-month-old campaign to stabilize Baghdad had largely failed.

"The last few weeks have been rough for our troops in Iraq, and for the Iraqi people," Bush said Saturday in his weekly radio address. "The fighting is difficult, but our nation has seen difficult fights before."

In addition to the market bombing, at least 21 people were killed in violence around the country, including seven who died in a suicide bombing on a Baghdad bus and four killed in clashes Friday between Shiite and Sunni tribes just south of Baghdad. Five tortured bodies were found dumped along roads or in the Tigris River.

Insurgents Kill 3 U.S. Troops In Iraq (LAT)

By Borzou Daragahi

The Los Angeles Times, October 22, 2006

So far this month, 78 have died, the most in nearly a year.

An insurgent attack in western Iraq killed three Marines on Saturday, the U.S. military said in a news release, disclosing no further details about the incident.

The latest deaths bring to 78 the number of U.S. military personnel killed in Iraq so far this month, making it the deadliest month for Americans in nearly a year.

Anti-American insurgents have launched a bombing and shooting campaign that has in part coincided with Ramadan, the Muslim holy month of fasting and atonement, as well as the midterm U.S. election and a more active American military presence in Baghdad and other areas.

On Friday, a roadside bomb near the southern city of Diwaniya killed a Salvadoran army captain and injured four of his fellow soldiers, according to news agencies.

At least five Salvadoran soldiers have been killed in Iraq since the conflict started.

Three soldiers from El Salvador, Denmark and Britain have died in Iraq this month.

At least 2,791 American military personnel, 119 British troops and 119 soldiers from other countries have died in Iraq since the March 2003 U.S.-led invasion.

In addition to an increase in deaths, more than 1,300 U.S. military personnel have been wounded in action since Sept. 1.

This total compares with about 1,100 for July and August, according to Pentagon figures compiled by icasualties.org, a website that tracks coalition casualty figures in Iraq and Afghanistan.

In A Land Without Order, Punishment Is Power (WP)

DOJ_NMG_0084460

By Anthony Shadid, Washington Post Foreign Service

The Washington Post, October 22, 2006

Conflicts Among Shiites Challenge a Village Sheik in Southern Iraq

YUSUFAN, Iraq -- A year or so ago, just one poster adorned Sheik Adnan Aidani's wall. It was a portrait of Grand Ayatollah Ali Sistani, Iraq's faded but still preeminent cleric, whose stern visage glared down on visitors to the tribal sheik's house along a forest of date palms in the southern Iraqi countryside. Today, there are perhaps a dozen posters with new faces. The names blur, but together they represent the power, beyond appeal, of men with guns.

Aidani smiled, a little sheepishly, as he surveyed the posters. Gifts, he called them, the kind you don't return.

"Everyone's on his own," he explained.

Far from the killing fields of the capital, Baghdad, and a half-hour drive from the southern city of Basra, which has been racked by thousands of assassinations, Aidani has an unenviable task in his warren of mud brick, cinder block and concrete: keeping order in a land without it, where society is fracturing, crumbling, even disintegrating.

The brutality of today's Iraq has washed over his largely Shiite village of 4,000: In the past few months, 10 people have been killed in Yusufan. Among them were a mother and child. "Who knows?" he said when asked the reason. In Basra, and even more in Baghdad, governments are sources of gossip rather than confidence. The police, who he said never set foot here, are best at taking bribes.

There is a saying in southern Iraq today, "No one pays respect to the saint who won't mete out punishment." Violence is the cadence of the country. To navigate the chaos, Aidani tries to draw on centuries-old traditions honed by Bedouins in the desert, rules built on honor, respect and reciprocity. He relies on the intimacy of a village where every neighbor knows the other. But in the end, the threat of punishment secures respect for Aidani. That same threat gives power to militias, gangs and criminals who now hold sway even in the streets of a village like Yusufan.

A division of Iraq is sometimes offered as a way to end the country's sectarian strife, but that glosses over the bitter and bloody fights that torment Basra and other predominantly Shiite regions in the south. With fewer sectarian fault lines, there is less killing in Basra than in Baghdad; residents, a little bitterly, insist it is just more organized, as the various Shiite factions battle for money and power. And the sheik, now more than ever, finds himself buffeted by the building squall.

"Who knows?" he asked again, almost rhetorically.

"These days, life is like a jungle. A rabbit doesn't survive in a jungle. Only a lion does."

He turned more literal. Anarchy, the sheik said. "Actually, it's a little worse than anarchy."A Judge of the Streets

It was Ramadan, the sacred month when Muslims fast from sunrise to sunset. Forgoing tea, cigarettes and food had darkened the sheik's mood. So had the news he received that morning. Four days earlier, gunmen had attacked six Shiite Muslims from his village at a bakery on the outskirts of Baghdad. Sitar Yusuf Zaalan, his three sons and two nephews survived the initial assault, only to be killed when the gunmen returned a little later and, from their car, tossed a bomb inside the bakery.

They weren't even that devout, he said. "They were just Shiites by name, just by their identity card."

He shook his head. "No one asks any questions about the crimes."

Aidani is 52, father of 12 children born to two wives, and sheik for two years with a genealogy that traces back 33 generations. He still sometimes carries the bearing of his days as an employee at the South Oil Co. in Basra: an understated delivery and a bureaucrat's weary patience. Other times, his voice thunders. His writ stretches, with varying influence, through the village, which sits along the confluence of the Tigris and Euphrates known as the Shatt al Arab, in a region famed for poets and dates.

On this morning, as on others, the sheik negotiated disputes he estimates have increased 200 percent over the past year, from the frivolous to the serious. There was the story of the mouse. It scurried into a neighbor's home, frightening a girl. Her family demanded arbitration and, to keep the peace, the other family agreed to pay compensation. Days later, her family saw the neighbor's mouse again. They killed it. "That mouse was ours," the sheik recalled the neighbors arguing. And, this time, they demanded compensation.

"I have one even funnier than that," the sheik said.

A driver killed a chicken on the road. Without making excuses, he said he was willing to pay the price of the chicken.

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"It's not the chicken that's the problem," the sheik recalled its owner arguing. "The problem is with its orphans."

"And what about the rooster?" he recalled another person asking.

That dispute was settled with $20.

"People around Basra are not afraid of anything," said Sayyid Suleiman al-Musawi, another tribal leader who was visiting the sheik. Tall, with a black head scarf, he had a sense of irony. "If there's a problem, they go straight to their house and get the gun."

The week before, he recalled, there was an argument at a fruit stand near Yusufan. A customer insisted the vendor cut open the watermelon before he bought it. It was still white inside, and he declared that it was not yet ripe. No, it's red, the vendor insisted. They argued, the customer left and then returned with 30 men. Musawi said a gunfight erupted. Unbelievably, no one was killed.

"Thirty guns because a watermelon wasn't ripe," Musawi said ruefully.

"In Iraq, our blood is very hot," he added. "No one speaks slowly here."

The sheik and Musawi lamented the chaos, each complaint growing in exasperation. Their anger was directed everywhere -- at Shiite militias whose men often wear police uniforms, at a national government beholden to Americans and sharing power with Sunni politicians "building car bombs in their houses," at their own people, who they maintained don't understand the word hesitation, and at Sunnis who, the sheik insisted with wide eyes, cannot sleep with their wives as long as Shiites are in power.

"You cannot rule people without a big stick," Musawi insisted. "No one cares anymore, because no one is punished."

Still gloomy, the sheik shrugged his shoulders. Optimistic?

"With all this killing in the streets?" he asked. "Every day is worse than the day before."Fragmented Authority

The posters on the sheik's wall represent the forces in Basra and his region -- the Supreme Council for the Islamic Revolution in Iraq, the splintered Dawa party and the Mahdi Army of Moqtada al-Sadr, whose followers regularly attack British troops patrolling Basra. As it has for years now, often still functioning as a clandestine force, the Supreme Council focuses on the instruments of government power -- the police, provincial council and intelligence service in Basra. Sadr and his unruly force have the streets.

But even the Sadrists are divided. The Mahdi Army is perhaps the most powerful in places like Basra and Nasiriyah. But it contends with breakaway factions -- Fadhila, whose representative serves as Basra's governor; followers loyal to Mahmoud Hassani; and another group known as the Movement of Rebels of the Intifada. They sometimes cooperate, more often not.

In all, residents estimate there are about 19 Islamic parties in the region around Basra, each with armed followers.

"Each head of the militia is his own dictator. This is the reality," said Sayyid Abdel-Aal al-Musawi, a 46-year-old cleric whose father heads an influential but apolitical Shiite sect known as the Shaikhiya. "They don't adhere to any limits."

In Basra, anywhere from a few to two dozen people are killed on most days -- clerics, former Baathists, Sunni Muslims, rivals and many for reasons no one quite understands. The same goes for Yusufan. The sheik listed those killed: an official with the Ministry of Health who was kidnapped and whose body was found in a Sadrist stronghold; a fruit vendor; a cattle salesman suspected of being a Baathist. A little while ago, a lawyer was shot in the leg from a passing car. The gunmen got out and then shot him in the head.

"People are cheap," the sheik said. "After they kill, they walk with their weapons back to the police station."

"No one will ask anything," he added.

There is no real government in Yusufan, bisected by a canal overgrown with weeds and overrun with trash.

The sheik has his authority, backed by what he says are the hundreds of armed men he can cull from the tribe's 12,000 members. But in a sign of his curtailed reach, he twice failed to get elected to parliament, and villagers sometimes treat him as just another player.

Militiamen rarely roam with their weapons through the narrow dirt roads bordered by dried palm fronds, cattails, bougainvillea and fields of clover. But everyone knows who they are, and their graffiti clutter the walls. "Long live Moqtada," one slogan reads. "All of us will sacrifice to defend Sadr," another declares. In green is written, "Yes, yes to Islam." Next to it in blue, a little out of place, is scrawled, "Long live Real," a show of support for the Spanish soccer team Real Madrid.

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Authority, in a way, has atomized. Few go out after dark, when many feel militias are most active. Police never enter, so to protect religious celebrations at the Hajji Ahmed Husseiniya, a local worship hall, neighbors gather a dozen youths with their guns and post them at each end of the street.

When trouble arises, villagers say, they try to settle it themselves, then go the sheik, representatives of the Islamic parties or the town's part-time cleric. (Another alternative: "I'd run away," said Jalal Abdel-Amir, a 27-year-old villager.) Usually, they keep to themselves. With violence endemic, it is often heard that if it's not your neighbor, friend or family killed, you keep quiet.

"You can say that the people protect themselves," said Shihab Ahmed Allawi, a 35-year-old construction worker.

Down the street, a little way from the trash-strewn banks of the eddying Shatt al Arab, Kifah Mahmoud, a 47-year-old grocer, stood in a store adorned with portraits of Shiite clerics and named after the sword of a Shiite saint, Dhu al-Fiqar. It takes faith these days, he said. "You can't be sure you'll go somewhere and come back safely. You can't reassure yourself about that."Serial Strife

In his tribal reception hall, near a television hooked to a satellite dish, the drone of the generator outside, Aidani bellowed into his cellphone. "He must bring the gun to us!" he shouted, flashing his more temperamental side.

The dispute had begun simply. The day before, Mahmoud Shaker, a 16-year-old from Aidani's tribe, was riding his bicycle laden with pots for iftar , the traditional meal that breaks the Ramadan fast. Someone cleaning part of a sidewalk sprayed water on him as he rode by. Shaker protested, and the man pulled a gun and pistol-whipped him. The sheik wanted a sit-down with the assailant's tribe.

"They have to be in our place within five days," he told the mediator.

He hung up the phone, his third call in 15 minutes. Each time, the tribe had refused to meet.

"They better come," the sheik said. "If they don't, I'll have something else to hold against them."

He leaned back on a cushion resting against a grimy wall, three fans overhead churning the hot air.

"Problems create problems, one becomes two," he said. "These kinds of things should be dealt with by the law."

A little later, Sheik Fawzi Kaabi entered. Everyone in the room stood. "Take your rest," Aidani said afterward.

Kaabi, a stout man in a head scarf checkered white and black, is 46, but said he should be 460: "Every year has become 10 years because of the problems." Kaabi, called "the judge" by a friend, had come to mediate another dispute.

Men from Aidani's tribe had killed three people from the Abadi, a neighboring tribe, although the circumstances were in dispute. A death these days costs between 20 million and 25 million Iraqi dinars, or $13,300 to $16,600. Each person in the tribe is expected to contribute, effectively an insurance policy. But Aidani was resisting, pleading his case that the neighboring tribe had refused to pay blood money earlier.

"We're on standby," the sheik warned, with the mildest bluster.

He said no more. Everyone understood it meant sending his armed men to settle it another way.

"It's like a serial," the sheik said after Kaabi left. "It never has an ending."

As he spoke, there was a hint of hesitation, even doubt in his voice. He ran through the conflicts he had to arbitrate: murder, theft, kidnapping, rape, broken contracts, land disputes and on and on. "There's nothing that's not present in Iraq anymore," he said. "Anything you can imagine in your head is here." In each, he had to negotiate, cajole and, more often than not, threaten.

Each time, the stakes seemed to be raised; each refusal drew a bigger warning.

"It wears me out," he admitted.

As he often does, the sheik spoke in proverbs. He uses one frequently these days. It is as much imperative as reality.

" Lil qawi ," he said. "To the strong."

The Selfless And The Dead (LAT)

By Raheem Salman And Doug Smith

The Los Angeles Times, October 22, 2006

An Iraqi burial society pays its respects to unclaimed war victims.

Twice a week, the large delivery truck from Baghdad rolls into the vast cemetery in this holy Shiite Muslim city. A bus follows, bearing wooden caskets on its roof.

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Half a mile beyond the cemetery gates, at the edge of the desert, the passengers get out of the bus and set to work unloading the truck's grim cargo. On an average trip, there will be 70 to 100 bodies, victims of the sectarian bloodletting that has gripped Iraq.

The men belong to a word-of-mouth burial society for the unclaimed dead, formed during the 1980s war with Iran, starting small and growing with the need. Today, about 500 men — laborers, professionals, clerics and tribal leaders — are members of the legation of the dead in this country where deep piety and terrible brutality have repeatedly intertwined.

The society has no name and no officers. It adheres to no religious sect or political agenda. Thirty to 60 men make each trip. Some go every time; those who have to take time off from work may go only once every few weeks. They pay their own expenses and have rejected government compensation.

"We told them that if there will be money for this work we withdraw, as an act cannot be evaluated with money," said taxi driver Hashim Saadi, 53. "We want the blessing of God only."

Many who belong were drawn to it by their own experiences.

"When I look at them, I feel deeply sad," Saadi said. "Each one of them I see as my son, who was kidnapped five months ago. He was in his last year in the college of economy and administration at Baghdad University. I expect to see his body any time with any group we are bringing."

Mohammed Sabbar, an official with the Iraq Board of Tourism, said he joined the society after his brother disappeared about a year ago and later turned up in the morgue. The family suffered for weeks not knowing his fate.

"I did not go to my work today, preferring to join this act, which is filled with human feelings," Sabbar said. "We feel sad for them. Sometimes I weep. Repeatedly doing this has elicited a sort of acceptance of the sight, but feelings of sadness are still there."

The depth of his commitment is astonishing.

Each two-day trip begins at 4 a.m. after morning prayers. Sabbar walks three-quarters of a mile from the Ur neighborhood of Baghdad to a mosque in Sadr City, where several of the men converge. At the mosque, they pick up two or three caskets, which they tie to the roof of the bus.

The bus drives to the Baghdad morgue, an impersonal building of yellow brick, where other men arrive in their cars.

They load the truck with bodies that have been unclaimed for two weeks — at that point, the morgue has to clear them out to make room new ones.

Leaving Baghdad at 7 a.m., they must traverse Latifiya, an insurgent stronghold and one of the most dangerous places in Iraq. Kidnappings, shootings and roadside bomb attacks occur there almost daily.

The caskets on the bus could be a liability in the Sunni Arab city, giving the impression that the men are Shiites on the road to Najaf. But they also ensure speedier passage through the many checkpoints on the 110-mile highway. Mourning parties are less likely to be stopped for identity checks.

About noon, the bus arrives at the cemetery. The men say their midday prayers before they unload the bodies on stretchers into the desert heat, loudly chanting, "There is no God but God, and Muhammad is the prophet of God." They remove the bodies from black nylon sacks. To each they attach a tag bearing all that is known about the deceased.

Some are headless, some bloated and purple. If the body is too decomposed to wash, the men perform what is called the tayamum, rubbing the face and hands with clean sand, in accordance with Islamic tradition.

They return the body to a sack sprinkled with camphor and pungent leaves. Then they wrap the body with a white cloth. They lower bodies into double graves according to their morgue numbers, odd on one side, even on the other. The graves are marked with flat stones that say "Unclaimed."

"When I look at any one of these victims, we feel that he is my brother or father," said Abu Muntadhar, 44, who receives a government salary to drive one of the delivery trucks but has volunteered for this job. "We cry as if they are our relatives. I imagine how their wives will behave if they see them, or their children."

Caring for the unclaimed began as a charity supported by wealthy residents of Baghdad to provide proper burials for the indigent, said Sheik Mehdi Abdul Zahara, one of about 100 burial brokers who work out of tiny offices at the cemetery. Paid by families of the dead, they acquire plots, hire gravediggers and maintain monuments.

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The numbers of dead have grown with each traumatic turn in Iraq's course.

During Saddam Hussein's brutal repression after the failed 1991 Shiite uprising, 30 to 40 bodies arrived each month. After the overthrow of Hussein, the number jumped to 30 a week and kept climbing.

Now, a truck carrying 70 to 100 bodies comes twice a week, and a separate truck carries as many to Karbala, another holy city.

Traditionally, charitable donations paid for burials of the unclaimed. With the increasing numbers, the Health Ministry recently took over. Zahara and his gravediggers do the work for reduced pay.

Bodies go unclaimed mostly because the morgue can't identify them. Relatives may check with police and hospitals or wait for a ransom note, hoping for any information that their loved one is alive. Even when family members go to the morgue, the deteriorated condition of some bodies may give them reason to delay positive identification in the hope that it is someone else.

Zahara does a little detective work of his own, hoping to relieve families of the pain of not knowing.

Once, he received a beheaded man and found an address book in his shoe. He telephoned someone who turned out to be a brother.

"He was afraid, thinking that I was a terrorist or a kidnapper," Zahara said.

The brother called back several times before deciding to trust Zahara. The sibling came at night, accompanied by three carloads of family and friends, who were there to provide support, but also protection in the event of a trap.

"They were too sad for the killing of their son, but at least this put an end to their suffering and searching," Zahara said.

The unofficial leader of the group, Sheik Jamal Soodani, has been going on the burial trips since their outset. He is responsible for the roster of volunteers and attends every journey.

Although he has been accused of having political or sectarian motives, he and other members of the group have no aim but getting closer to God, Soodani said.

"We bury the Sunni, Shiite, Christian, Muslim and non-Iraqi," he said. "We deal with the human being as a human being, regardless of considerations like color and religion."

At the end of each day's work, the men are tired and it is too late to return to Baghdad. They retire instead to a rented two-room house at the edge of the cemetery.

They sleep on mattresses spread across the floor like gravestones. Others sleep on the porch outside — they prefer the fresh air.

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Times special correspondent Saad Fakhrildeen in Najaf contributed to this report.

An Early Calculation Of Iraq's Cost Of War (NYT)

By Anna Bernasek

The New York Times, October 22, 2006

HERE'S a basic question: What has been the cost of the Iraq war for Iraq? As it turns out, it's not easy to find an economist who can provide an answer. Although several studies have dealt with the war's cost to Americans, there has been no comparable work addressing the cost to Iraqis.

Of course, the loss of human life has always been evident. Recently, the United Nations estimated that 100 Iraqis were dying each day, on average, as a result of the war. Others have put the number much higher. A recent study in The Lancet, the British medical journal, placed the average daily figure at about 500, amounting to the loss of 2 percent of Iraq's population since the invasion in March 2003.

The economic cost has been less visible. Published information on the subject is very limited, although one economist, Colin Rowat, has made some preliminary calculations using the best sources available. Professor Rowat, a specialist on the Iraqi economy at the University of Birmingham in Britain, relied mainly on data from the International Monetary Fund to estimate the war's overall effect on the Iraqi economy. His calculations are a work in progress, but what he has found so far is sobering: the cost amounts to a cut of at least 40 percent in Iraq's national income.

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Professor Rowat looked at the six-year stretch from 2000 to 2005 and divided it into thirds. During the first period, 2000-2001, United Nations trade sanctions against Iraq were beginning to crumble; the Security Council lifted the cap on Iraqi oil sales to the rest of the world, and the Iraqi government was becoming adept at getting around the remaining trade restrictions. The second period, 2002 -2003, covers the buildup to war and the invasion itself. The last period, 2004-2005, covers post-invasion years when sanctions were removed.

Professor Rowat made several kinds of calculations. First, he estimated the actual change in the size of Iraq's economy. Then he considered the economic effects of foreign aid in 2005, much of it from the United States. (Because foreign aid is regarded as temporary and is expected to taper off, he said, excluding it reveals Iraq's underlying economic performance.)

Finally, he estimated how the economy might have performed had the war never happened. This last estimate, of course, depends on a host of assumptions, as Professor Rowat would be the first to say. He assumed, for example, that in the absence of war, Iraq's economy would have been driven by the price of oil. Oil prices are, in fact, crucial to Iraq; according to the World Bank, oil revenue represents 60 percent of the total economy. Professor Rowat also assumed that the economy would have grown from 2002 to 2005 as it did from 2000 to 2001 — at a pace equal to 71 percent of the rate of increase in world oil prices. Of course, some of the oil-price increase in recent years must be attributed to the Iraq war itself; Professor Rowat acknowledged this but did not attempt to remove that factor from these rough calculations.

He readily acknowledged the difficulty of coming up with an undisputed set of figures; nevertheless, his analysis is at least a starting point.

Looking first at the actual Iraqi economy, he calculated that it may have grown 3.1 percent a year, on average and after adjusting for inflation, from 2000 through 2005. When he subtracted foreign aid from that total, however, he found that the economy actually contracted 0.2 percent a year over the same period. He said aid was especially crucial in 2005, when it kept the economy afloat.

Finally, based on the steep rise in oil prices, he estimated that without a war and with steady oil production, Iraq would have grown 12 percent a year after adjusting for inflation. That rate would have made Iraq one of the fastest-growing economies in the world, albeit one that was expanding from a very small economic base.

How realistic is this projection? It's hard to say, because so much of it depends on oil economics. Still, the I.M.F. has concluded that the Iraqi economy has the capacity to grow very quickly — under the right conditions. It now forecasts Iraq's real growth over the next five years at an annual rate averaging better than 10 percent.

Using Professor Rowat's calculations, what might the economic cost of the war be for Iraq? If there had been no war, Iraq's economy in 2005 might have amounted to $61 billion in today's dollars, compared with the actual $37 billion, he estimates. That works out to a loss of $24 billion because of the war. Excluding foreign aid from the calculations, the loss estimate is around $30 billion.

Consider the more conservative figure, $24 billion. It amounts to a 40 percent cut in gross domestic product per capita — an average loss of around $900 for each Iraqi in 2005.

Straightforward comparisons with the United States aren't possible, but rough estimates of the war's overall cost to Americans are in the neighborhood of $1 trillion over a 10-year period. That works out to around 1 percent of the nation's income during that period.

FOR Iraq, there is no doubt that continuing violence and turmoil are hurting the economy. The I.M.F. stated in a report in August that Iraq's growth was coming from the non-oil economy and that oil production was expected to remain flat this year. Iraq's oil production has not yet returned to prewar levels. The I.M.F. attributed the lack of progress in the oil sector to the violence, which is preventing much-needed investment, and to infrastructure problems.

While Professor Rowat's calculations represent just one economist's efforts to wrestle with extremely limited data, his work may encourage others to follow. Assessing the war's economic cost for Iraq, of course, doesn't provide an answer to whether the war is worthwhile in the long run. But it does provide a clue.

Poll: Iraqi Youth Want U.S. To Leave (WT/AP)

By Katherine Shrader

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The Washington Times/AP, October 22, 2006

WASHINGTON (AP) -- Majorities of Iraqi youth in Arab regions of the country believe security would improve and violence decrease if the U.S.-led forces left immediately, according to a State Department poll that provides a window into the grim warnings provided to policymakers.

The survey - unclassified, but marked "For Official Government Use Only" - also finds that Iraqi leaders may face particular difficulty recruiting young Sunni Arabs to join the stumbling security forces. Strong majorities of 15- to 29-year-olds in two Arab Sunni areas - Mosul and Tikrit-Baquba - would oppose joining the Iraqi army or police.

The poll has its shortcomings; regional samples are small and the results do not say how many people refused to respond to questions. The private polling firm hired by the State Department also was not able to interview residents of al-Anbar, a Sunni-dominated province and an insurgent stronghold.

But the findings of the summer survey - circulated to policymakers last month and obtained by The Associated Press last week - nevertheless provide a solemn reminder of the difficulty that the U.S.-backed Iraqi government faces as it tries to add ethnic diversity to its security institutions.

In The Land Of The Taliban (NYT)

By Elizabeth Rubin

The New York Times, October 22, 2006

One afternoon this past summer, I shared a picnic of fresh mangos and plums with Abdul Baqi, an Afghan Taliban fighter in his 20's fresh from the front in Helmand Province in southern Afghanistan. We spent hours on a grassy slope under the tall pines of Murree, a former colonial hill station that is now a popular resort just outside Pakistan's capital, Islamabad. All around us was a Pakistani rendition of Georges Seurat's "Sunday on La Grande Jatte" — middle-class families setting up grills for barbecue, a girl and two boys chasing their errant cow with a stick, two men hunting fowl, boys flying a kite. Much of the time, Abdul Baqi was engrossed in the flight pattern of a Himalayan bird. It must have been a welcome distraction. He had just lost five friends fighting British troops and had seen many others killed or wounded by bombs as they sheltered inside a mosque.

He was now looking forward to taking a logic course at a madrasa, or religious school, near Peshawar during his holiday. Pakistan's religious parties, he told me through an interpreter, would lodge him, as they did other Afghan Taliban fighters, and keep him safe. With us was Abdul Baqi's mentor, Mullah Sadiq, a diabetic Helmandi who was shuttling between Pakistan and Afghanistan auditing Taliban finances and arranging logistics. He had just dispatched nine fighters to Afghanistan and had taken wounded men to a hospital in Islamabad. "I just tell the border guards that they were wounded in a tribal dispute and need treatment," he told me.

And though Mullah Sadiq said they had lost many commanders in battles around Kandahar, he and Abdul Baqi appeared to be in good spirits, laughing and chatting loudly on a cellphone to Taliban friends in Pakistan and Afghanistan. After all, they never imagined that the Taliban would be back so soon or in such force or that they would be giving such trouble to the Afghan government of Hamid Karzai and some 40,000 NATO and U.S. troops in the country. For the first time since the fall of 2001, when the Taliban were overthrown, they were beginning to taste the possibility of victory.

As I traveled through Pakistan and particularly the Pashtun lands bordering Afghanistan, I felt as if I were moving through a Taliban spa for rehabilitation and inspiration. Since 2002, the American and Pakistani militaries have focused on North Waziristan and South Waziristan, two of the seven districts making up Pakistan's semiautonomous tribal areas, which are between the North-West Frontier Province and, to the south, Baluchistan Province; in the days since the 9/11 attacks, some tribes there had sheltered members of Al Qaeda and spawned their own Taliban movement. Meanwhile, in the deserts of Baluchistan, whose capital, Quetta, is just a few hours' drive from the Afghan city of Kandahar, the Afghan Taliban were openly reassembling themselves under Mullah Omar and his leadership council. Quetta had become a kind of free zone where strategies could be formed, funds picked up, interviews given and victories relished.

In June, I was in Quetta as the Taliban fighters celebrated an attack against Dad Mohammad Khan, an Afghan legislator locally known as Amir Dado. Until recently he was the intelligence chief of Helmand Province. He had worked closely with U.S. Special Forces and was despised by Abdul Baqi — and, to be frank, by most Afghans in the south. Mullah Razayar Nurzai (a nom

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de guerre), a commander of 300 Taliban fighters who frequently meets with the leadership council and Mullah Omar, took credit for the ambush. Because Pakistan's intelligence services are fickle — sometimes supporting the Taliban, sometimes arresting its members — I had to meet Nurzai at night, down a dark lane in a village outside Quetta.

My guide was a Pakistani Pashtun sympathetic to the Taliban; we slipped into a courtyard and behind a curtain into a small room with mattresses and a gas lamp. In hobbled a rough, wild-looking graybeard with green eyes and a prosthetic limb fitted into a permanent 1980's-era shoe. More than a quarter-century of warring had taken its toll on Nurzai's 46-year-old body but not on his spirit. It was 10 at night, yet he was bounding with energy and bombast about his recent exploits in Kandahar and Helmand. A few days earlier, Nurzai and his men had attacked Amir Dado's extended family. First, he told me, they shot dead his brother — a former district leader. Then the next day, as members of Dado's family were driving to the site of the first attack, Nurzai's men ambushed their convoy. Boys, cousins, uncles: all were killed. Dado himself was safe elsewhere. Nurzai was mildly disappointed and said that they had received bad information. He had no regrets about the killings, however. Abdul Baqi was also delighted by the attack. He would tell me that Dado used to burn rocket casings and pour the melted plastic onto the stomachs of onetime Taliban fighters he and his men had captured. Abdul Baqi also recalled that during the civil war that ended with the Taliban's seizure of Kabul, Dado and his men had a checkpoint where they "grabbed young boys and robbed people."

Mullah Omar and his followers formed the Taliban in 1994 to, among other things, bring some justice to Afghanistan and to expel predatory commanders like Dado. But in the early days of Karzai's government, these regional warlords re-established themselves, with American financing, to fill the power vacuum that the coalition forces were unwilling to fill themselves. The warlords freely labeled their many enemies Al Qaeda or Taliban in order to push the Americans to eradicate them. Some of these men were indeed Taliban. Most, like Abdul Baqi, had accepted their loss of power, but they rejoined the Taliban as a result of harassment. Amir Dado's own abuses had eventually led to his removal from the Helmand government at United Nations insistence. As one Western diplomat, who requested anonymity out of personal safety concerns, put it: "Amir Dado kept his own prison, authorized the use of serious torture, had very little respect for human life and made security worse." Yet when I later met Amir Dado in Kabul, he pulled out a letter that an officer in the U.S. Special Forces had written requesting that the Afghan Ministry of Defense install him as Helmand's police chief and claiming that in his absence "the quality of security in the Helmand Province has dramatically declined."

One Place, Two Stories

I went to Afghanistan and Pakistan this summer to understand how and why the Taliban were making a comeback five years after American and Afghan forces drove them from power. What kind of experience would lead Afghans to reject what seemed to be an emerging democratic government? Had we missed something that made Taliban rule appealing? Were they the only opposition the aggrieved could turn to? Or, as many Afghans were saying, was this Pakistan up to its old tricks — cooperating with the Americans and Karzai while conspiring to bring back the Taliban, who had been valued "assets" before 9/11?

And why has the Bush administration's message remained that Afghanistan is a success, Iraq a challenge? "In Afghanistan, the trajectory is a hopeful and promising one," Secretary of Defense Donald Rumsfeld wrote on the op-ed page of The Washington Post earlier this month. Afghanistan's rise from the ashes of the anti-Taliban war would mean that the Bush administration was prevailing in replacing terror with democracy and human rights.

Meanwhile, a counternarrative was emerging, and it belonged to the Taliban, or the A.C.M., as NATO officers call them — the Anti-Coalition Militia. In Kabul, Kandahar and Pakistan, I found their video discs and tapes in the markets. They invoke a nostalgia for the jihad against the Russians and inspire their viewers to rise up again. One begins with clattering Chinooks disgorging American soldiers into the desert. Then we see the new Afghan government onstage, focusing in on the Northern Alliance warlords — Abdul Rashid Dostum, Burhanuddin Rabbani, Karim Khalili, Muhammad Fahim, Ismail Khan, Abdul Sayyaf. It cuts to American soldiers doing push-ups and pinpointing targets on maps; next it shows bombs the size of bathtubs dropping from planes and missiles emblazoned with "Royal Navy" rocketing through the sky; then it moves to hospital beds and wounded children. Message: America and Britain brought back the warlords and bombed your children. In the next clip, there are metal cages under floodlights and men in orange jumpsuits, bowed and crouching. It cuts back to the wild eyes of

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John Walker Lindh and shows trucks hauling containers crammed with young Afghan and Pakistani prisoners — Taliban, hundreds of whom would suffocate to death in those containers, supposedly at the command of the warlord and current army chief of staff, General Dostum. Then back to American guards wheeling hunger-striking Guantánamo prisoners on gurneys. Interspliced are older images, a bit fuzzy, of young Afghan men, hands tied behind their backs, heads bowed, hauled off by Communist guards. The message: Foreigners have invaded our lands again; Americans, Russians — no difference.

During the period from 1994 to 2001, the Taliban were a cloistered clique with little interest in global affairs. Today they are far more sophisticated and outward-looking. "The Taliban of the 90's were concerned with their district or province," says Waheed Muzhda, a senior aide at the Supreme Court in Kabul, who before the Taliban fell worked in their Foreign Ministry. "Now they have links with other networks. Before, only two Internet connections existed — one was with Mullah Omar's office and the other at the Foreign Ministry here in Kabul. Now they are connected to the world." Though this is still very much an Afghan insurgency, fueled by complex local grievances and power struggles, the films sold in the markets of Pakistan and Afghanistan merge the Taliban story with that of the larger struggle of the Muslim umma, the global community of Islam: images of U.S. soldiers in Iraq and Israelis dragging off young Palestinian men and throwing off Palestinian mothers clinging to their sons. Humiliation. Oppression. Followed by the same on Afghan soil: Northern Alliance fighters perching their guns atop the bodies of dead Taliban. In the Taliban story, Special Forces soldiers desecrate the bodies of Taliban fighters by burning them, the Koran is desecrated in Guantánamo toilets, the Prophet Muhammad is desecrated in Danish cartoons and finally an apostate, Abdul Rahman, the Afghan who was arrested earlier this year for converting to Christianity, desecrates Islam and is not only not punished but is released and flown off to Italy.

It is not at all clear that Afghans want the return of a Taliban government. But even sophisticated Kabulis told me that they are fed up with the corruption. And in the Pashtun regions, which make up about half the country, Afghans are fed up with five years of having their homes searched and the young men of their villages rounded up in the name of counterinsurgency. Earlier this month in Kabul, Gen. David Richards, the British commander of NATO's Afghanistan force, imagined what Afghans are thinking: "They will say, 'We do not want the Taliban, but then we would rather have that austere and unpleasant life that that might involve than another five years of fighting.'" He estimated that if NATO didn't succeed in bringing substantial economic development to Afghanistan soon, some 70 percent of Afghans would shift their loyalty to the Taliban.

Nation-Building, Again

In the middle of Lashkar Gah, the capital of Helmand Province, a metal sign tilts into the road advertising the New York English Language Center. It is a relic of the last American nation-building scheme. Half a century ago, this town, built at the confluence of the Arghandab and Helmand Rivers, was the headquarters for an ambitious dam project partly financed by the United States and contracted out to Morrison-Knudsen, an engineering company that helped build Cape Canaveral and the Golden Gate Bridge.

Lashkar Gah (literally, "the place of soldiers") was to be a model American town. Irrigation from the project would create farms out of the desert. Today you can still see the suburban-style homes with gardens open to the streets, although the typical Afghan home is a fort with walls guarding the family's privacy. Those modernizing dreams of America and Afghanistan were eventually defeated by nature, culture and the war to drive the Russians out of Afghanistan in the 1980's. What remains is an intense nostalgia among the engineers, cooks and farmers of Lashkar Gah, who remember that time as one of employment and peace. Today, Lashkar Gah is home to a NATO base.

Down the road from the base stands a lovely new building erected by an N.G.O. for the local Ministry of Women's Affairs. It is big, white and, on the day I visited, was empty except for three women getting ready to leave. "It's so close to the foreigners, and the women are afraid of getting killed by car bombs," the ministry's deputy told me. She was a school headmistress and landowner, dressed elegantly in a lime-colored blouse falling below the knees and worn over matching trousers. She weighed the Taliban regime against this new one in terms of pragmatic choices, not terror or ideology. She said that she had just wrapped up the case of a girl who had been kidnapped and raped by Kandahari police officers, something that would not have happened under the Taliban. "Their security was outstanding," she said.

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Under the Taliban, she said, a poppy ban was enforced. "Now the governors tell the people, 'Just cultivate a little bit,'" she said. "So people take this opportunity and grow a lot." The farmers lease land to grow poppies. The British and the police eradicate it. The farmer can't pay back the landowner. "So instead of paying, he gives the landowner his daughter."

A few weeks before I arrived in Helmand, John Walters, the director of the White House Office of National Drug Control Policy, told reporters that Afghan authorities were succeeding in reducing opium-poppy cultivation. Yet despite hundreds of millions of dollars being allocated by Congress to stop the trade, a United Nations report in September estimated that this year's crop was breaking all records — 6,100 metric tons compared with 4,100 last year. When I visited Helmand, schools in Lashkar Gah were closed in part because teachers and students were busy harvesting the crop. A prosecutor from the Crimes Department laughed as he told me that his clerk, driver and bodyguard hadn't made it to work. They were all harvesting. It requires a lot of workers, and you can earn $12 a day compared with the $2 you get for wheat. Hence the hundreds of young, poor Talibs from Pakistan's madrasas who had flocked to earn that cash and who made easy converts for the coming jihad.

Walters had singled out Helmand for special praise. Yet just a short drive from the provincial capital, I was surrounded by poppy farmers — 12-year-old boys, 75-year-old men — hard at work, their hands caked in opium paste as they scooped figlike pulp off the bulbs into a sack tied around their waists. One little boy was dragging a long poppy stem attached to a car he had made out of bulbs. Haji Abdul, a 73-year-old Moses of a man, was the owner of the farm and one of those nostalgic for the heyday of the Helmand Valley project. He had worked with Americans for 15 years as a welder and manager. He was the first to bring electricity to his district. Now there was none.

"Why do you think people put mines out for the British and Italians doing eradication when they came here to save us?" He answered his own question: "Thousands of lands ready for harvest were destroyed. How difficult will it be for our people to tolerate that! You are taking the food of my children, cutting my feet and disabling me. With one bullet, I will kill you." Fortunately he didn't have to kill anyone. He had paid 2,000 afghanis per jerib (about a half acre) of land to the police, he told me, adding that they would then share the spoils with the district administrator and all the other Interior Ministry officials so that only a small percentage of the poppy would be eradicated.

When I asked Manan Farahi, the director of counterterrorism efforts for Karzai's government, why the Taliban were so strong in Helmand, he said that Helmandis had, in fact, hated the Taliban because of Mullah Omar's ban on poppy cultivation. "The elders were happy this government was coming and they could plant again," Farahi told me. "But then the warlords came back and let their militias roam freely. They were settling old scores — killing people, stealing their opium. And because they belonged to the government, the people couldn't look to the government for protection. And because they had the ear of the Americans, the people couldn't look to the Americans. Into this need stepped the Taliban." And this time the Taliban, far from suppressing the drug trade, agreed to protect it.

A Dealer's Life

The Continental Guest House in Kandahar, with its lovely gardens, potted geraniums and Internet access in every room, was mostly empty when I arrived, a remnant of the city's recently stalled economic resurgence.

To find out how the opium trade works and how it's related to the Taliban's rise, I spent the afternoon with an Afghan who told me his name was Razzaq. He is a medium-level smuggler in his late 20's who learned his trade as a refugee in Iran. He was wearing a traditional Kandahari bejeweled skull cap, a dark blazer and a white shalwar kameez, a traditional outfit consisting of loose pants covered by a tunic. He moved and spoke with the confident ease of a well-protected man. "The whole country is in our services," he told me, "all the way to Turkey." This wasn't bravado. From Mazar-i-Sharif, in northern Afghanistan, he brings opium in the form of a gooey paste, packaged in bricks. From Badakhshan in the northeast, he brings crystal — a sugary substance made from heroin. And from Jalalabad, in the east on the road to Peshawar, he brings pure heroin. All of this goes through Baramcha, an unmanned border town in Helmand near Pakistan. Sometimes he pays off the national soldiers to use their vehicles, he said. Sometimes the national policemen. Or he hides it well, and if there is a tough checkpoint, he calls ahead and pays them off. "The soldiers get 2,000 afghanis a month, and I give them 100,000," he explained with an angelic smile. "So even if I had a human head in my car, they'd let me go." It's not hard to see why Razzaq is so successful. He has a certain charm and looks like the modest tailor he once was, not a man steeped in illegal business.

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Razzaq's smuggling career began in Zahedan, a remote and unruly Iranian town near the border with Afghanistan and Pakistan. It is filled with Afghan refugees who, like Razzaq and his family, fled after the Russian invasion in 1979. Razzaq apprenticed as a tailor under his father and eventually opened his own shop, which the Iranians promptly shut down. They said he had no right as a refugee to own a shop. He began painting buildings, but that, too, proved a bureaucratic challenge. He was paid in checks, and the bank refused to cash them without a bank account, which he could not get.

Razzaq was newly married with dreams of a good life for his family. So one day he took a chance. "I had gotten to know smugglers at my tailoring shop," he told me over a meal of mutton and rice on the floor of my hotel room. "One of them was an old man, so no one ever suspected him. The smugglers asked me to go with him to Gerdi Jangel" — an Afghan refugee town in Pakistan — "and bring back 750 grams of heroin to Zahedan. The security searched us on the bus, but I'd hidden it in the heels of my shoes, and of course they didn't search the old man. I was so happy when we made it back. I thought I was born for the first time into this world."

So he took another chance and managed to fly to Tehran carrying four kilos in his bag. Each time he overcame another obstacle, he became more addicted to the easy cash. When the Iranian authorities imported sniffing dogs to catch heroin smugglers, Razzaq and his friends filled hypodermic needles with some heroin dissolved in water and sprayed the liquid on cars at the bus station that would be continuing on to Tehran, Isfahan and Shiraz. "The dogs at the checkpoint went mad. They had to search 50 cars. They decided the dogs were defective and sent them back, and that saved us for a while." Eventually, he said, they concocted a substance to conceal the heroin smell from the new pack of dogs.

After the fall of the Taliban, Razzaq moved back to Helmand, built a comfortable house and began supporting his extended family with his expanding trafficking business. Razzaq's main challenge today is Iran. While the Americans have turned more or less a blind eye to the drug-trade spree of their warlord allies, Iran has steadily cranked up its drug war. (Some 3,000 Iranian lawmen have been killed in the last three decades battling traffickers.) To cross the desert borders, Razzaq moves in convoys of 18 S.U.V.'s. Some contain drugs. The rest are loaded with food supplies, antiaircraft guns, rocket launchers, antitank missiles and militiamen, often on loan from the Taliban. The fighters are Baluch from Iran and Afghanistan. The commanders are Afghans.

Razzaq's run, as he described it, was a scene out of <object.title class="Movie" idsrc="nyt_ttl" value="30657">"Mad Max." Three days were spent dodging and battling Iranian forces in the deserts around the earthquake-stricken city of Bam. Once they made it to Isfahan, however, in central Iran, they were home free. They released the militiamen, transferred the stuff to ordinary cars and drove to Tehran, where other smugglers picked up the drugs and passed them on to ethnic Turks in Tabriz. The Turks would bring them home, and from there they went to the markets of Europe. </object.title>

Should he ever run into a problem in Afghanistan, he told me, "I simply make a phone call. And my voice is known to ministers, of course. They are in my network. Every network has a big man supporting them in the government." The Interior Ministry's director of counternarcotics in Kabul had told me the same thing. Anyway, if the smugglers have problems on the ground, they say, they just pay the Taliban to destroy the enemy commanders.

Razzaq has at times contemplated getting out of the smuggling trade, he said, but the easy money is too alluring. Depending on the market, he can earn from $1,500 to $7,500 a month. Most Afghans can't make that in a year. Besides, he said, "all the governors are doing this, so why shouldn't we?"

Losers Become Winners

In December 2001, not long after the Taliban were routed, I visited the Shah Wali Kot district, several hours' drive on unpaved roads from Kandahar, a Mordor land of rock mountains shaped like sagging crescents and mud-baked houses melting into the dunes. The Taliban leaders had fled, mostly to Pakistan. Gul Agha Shirzai, formerly a local warlord and soon-to-be new governor, and his soldiers had swarmed into power while the Americans set up their operations base in Mullah Omar's Xanadu-like residence. I was with a large group of Populzai, the clan of the Afghan president, Hamid Karzai.

We were in a big guest room with more than a dozen men gathered in a circle, all wearing the kind of turbans that look like gargantuan ice-cream swirls. The ones in black turban swirls were giggling, chatting and slapping one another on the back. The ones in white turban swirls were sulking, grumbling or mute. In this group, the miserable white turbans were Taliban men. They had just lost their pickup trucks, weapons, money, prestige and jobs, all of which had gone to the gleeful black turbans.

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Today those miserable white turbans have taken to the mountains to fight. The gleeful black turbans are under siege. I saw one of the black turbans this summer, the Shah Wali Kot district leader, in the garden of the Kandahar governor's palace. He was a mess. He chuckled loudly when I asked him how it was back in Shah Wali Kot. "Frankly, we are just defending ourselves from the Taliban," he said. "Our head is on the pillow at night, but we do not sleep."

That small division among the Populzai in Shah Wali Kot echoes the larger division of the Pashtun into two main branches: the Durrani and the Ghilzai. The Durrani, Karzai's tribe, have dominated for the last two centuries in Afghanistan and regard themselves as the ruling elite. In the south, the Ghilzai were often treated as the nomadic, scrappy cousins. With the exception of Mullah Omar, who had been a poor Ghilzai farmer, the leaders of the Taliban tended to be Durrani. These days, the perception among the southern Ghilzai is that they are persecuted, that the jails are filled with their people, while the Durrani in the south received all the Japanese, U.S. and British contracts and jobs. From what I could gather during my weeks in Afghanistan, these perceptions were mostly true. But even if they were exaggerated, such perceptions, in an illiterate society, have a way of quickly morphing into reality.

Take Panjwai, a district just outside Kandahar, where hundreds of Taliban massed this summer, taking advantage of the changeover from American soldiers to a NATO force of Canadian troops. One afternoon I met a red-haired propagandist and writer for the Taliban in a Kandahar office building. With his slight lisp, chain-smoking habit and eclectic reading — French novelists and Arabic philosophers — he seemed more a tormented graduate student than the landless villager from Panjwai he was. Panjwai is a mishmash of tribes, and the Taliban were exploiting the grievances of the Nurzai, a tribe that has felt persecuted and unfairly targeted for poppy eradication. Traders in Kandahar, he said, were donating money to the Taliban. Landowners were paying them to fight off eradicators. The Taliban were paying poor, unemployed men to fight. And religious scholars were delivering the message that it was time for jihad because the Americans were no different from the Russians. Just a few weeks earlier, the Taliban went on a killing spree in Panjwai. They beheaded a tribal leader in his home, shot another in the bazaar and hanged a man near a shrine with a note tacked on his body: <object.title class="Movie" idsrc="nyt_ttl" value="290327;46304;111485">"SPY."</object.title>

The Taliban were feeling bold enough that one afternoon Mullah Ibrahim, a Taliban intelligence agent, dropped by my hotel for lunch. He was a Ghilzai, from Helmand, and told me he had tried to lead a normal life under the official amnesty program. Instead, he was locked up, beaten and so harassed by Helmandi intelligence and police officers that his tribal elders told him to leave for Pakistan and join the Taliban there. Then, about a year ago, he decided that he was tired of fighting and living as a fugitive and accepted a reconciliation offer from an Afghan general. Pakistani intelligence got wind of this and imprisoned him; upon his release, the Pakistanis gave him money and a motorbike and pressured him to go back to war. He is still tired of war, but the Pakistanis won't let him live in peace, and now if he tries to reconcile with the Kabul government, he told me, the Taliban will kill him.

When fighting broke out on the main highway near Kandahar, I saw that the police had tied up a group of villagers — but the Taliban had all escaped. One of those village men, his hands bound behind his back, told me that he had peeped out from his house earlier that day and saw some 200 Taliban with new guns and rocket launchers. They wanted food and threatened him and other villagers. "But I am not afraid of them," he said loudly. "I am only afraid of this government." Why? "Look at what they do. They can't get the Taliban, so they arrest us. We have no hope from them anymore. And when we call and tell them Taliban are here, no one comes." As an engineer from Panjwai who had been an Afghan senator during the Communist era told me: "We are now like camels. In Islam, a camel can be slaughtered in two different ways.

"The Taliban are using rivalries and enmities between people to get soldiers, the same tactics as the mujahedeen used against the Russians," the engineer continued. "Just like in Russian times they come and say, 'We are defending the country from the infidels.' They start asking for food. Then they ask the people for soldiers and say, 'We will give you weapons.' And that's how it starts. And the emotions are rising in the people now. They are saying, 'Kaffirs have invaded our land.'"

Qayum Karzai, the president's older brother and a legislator from Kandahar, seemed utterly depressed when I met him. "For the last four years, the Taliban were saying that the Americans will leave here," he said. "We were stupid and didn't believe it. Now they think it's a victory that the Americans left."

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With the Americans on their way out and the NATO force not yet in control, the Kandahar Police were left on the front line: underfinanced, underequipped, untrained — and often stoned. Which is perhaps what made them so brave. One afternoon I ran into a group who said their friends had just been killed when a Talib posing as a policeman served them poisoned tea. A shaggy-haired officer in a black tunic was standing by his pickup, freshly ripped up by a barrage of bullets, and staring at my feet. "I envy your shoes," he said, looking back at his own torn rubber sandals. "I envy your Toyota," he said and laughed. And then looking at my pen and notebook, he said, "I envy you can read and write." It's not too late, I offered feebly, but he tapped his temple and shook his head. "It doesn't work anymore," he said. "I smoke hash. I smoke opium. I'm drinking because we're always thinking and nervous." He was 35. He had been fighting for 20 years. Four of his friends had been killed in the fighting the other night. He had to support children, a wife and parents on a salary of about $100 a month. And, he said, "we haven't been paid in four months." No wonder, then, that the population complained that the police were all thieves.

At Kandahar's hospital I met a 17-year-old policeman (who had been with the police since he was 14) tending to his wounded friend. He was in a jovial mood, amazed he wasn't dead. He said they had been given an order to cut the Taliban's escape route. Instead they were ambushed by the Taliban, ran out of bullets and had no phones to call for backup. "We ran away," he said with a nervous giggle. "The Taliban chased us, shouting: 'Hey, sons of Bush! Where are you going? We want to kill you.'"

Last month, NATO forces struck back around Panjwai with artillery and aerial bombardments, killing an estimated 500 Taliban fighters and destroying homes and schools. But unless NATO can stay for years, create a trustworthy police force and spend the millions necessary to regenerate the district, the Taliban will be back.

Deciding to Fight

Inside the old city walls of Peshawar, Pakistan, a half-hour drive from the Afghan border, in a bazaar named after the storytellers who enthralled Central Asian gold and silk merchants with their tales of war and tragic love, sits the 17th-century Mohabat Khan Mosque. It is a place of cool, marble calm amid the dense market streets. Yousaf Qureshi is the prayer leader there and director of the Jamia Ashrafia, a Deobandi madrasa. He had recently announced a pledge by the jewelers' association to pay $1 million to anyone who would kill a Danish cartoonist who caricatured the Prophet Muhammad. Qureshi himself offered $25,000 and a car. I found Qureshi seated on a cushion behind a low glass desk covered with papers and business cards — ambassadors, N.G.O. workers, Islamic scholars, mujahedeen commanders: he has conversed with them all. His office resembles an antiques shop, the walls displaying oversize prayer beads, knives inlaid with ivory and astrakhan caps. It was day's end, and Qureshi was checking the proofs for his 51st book, called "The Benefits of Koran."

Qureshi told me that he meets with Pakistan's president, Pervez Musharraf, about twice a year. Qureshi understands Musharraf's predicament: "The heart of this government is with the Taliban. The tongue is not." He didn't claim total insider knowledge, but he said, "I think they want a weak government and want to support the Taliban without letting them win." Why? "We are asking Musharraf, 'What are you doing,' and he says: 'I'm moving in both ways. I want to support the Taliban, but I can't afford to displease America. I am caught between the devil and the deep sea.'"

Not long ago, Qureshi said, he received three emissaries from Mullah Omar who wanted Qureshi to warn another religious leader to stop preaching against the Taliban. "I refused," he said. Later Sheikh Yassin, one of the messengers, was arrested by the I.S.I., Pakistan's military intelligence service. So why, I asked, does Qureshi say the I.S.I. is supporting the Taliban? "That is the double policy of the government," he replied. Even in the 1990's, he said, Prime Minister Nawaz Sharif was supporting the official Afghan government of Burhanuddin Rabbani while the I.S.I. was supporting his opponent, Gulbuddin Hekmatyar, as he rained thousands of rockets upon Rabbani's government and the citizens of Kabul. Qureshi told me that if he and local traders didn't want Al Qaeda or the Taliban to flourish, then they wouldn't. "We are supporting them to give the Americans a tough time," he said. "Leave Afghanistan, and the Taliban and foreign fighters will not give Karzai problems. All the administrators of madrasas know what our students are doing, but we won't tell them not to fight in Afghanistan."

The new Taliban fighters in Afghanistan are of three basic types. There are the old war-addicted jihadis who were left out of the 2001 Bonn conference, which determined the postwar shape of Afghan politics and the carve-up of the country. There are the "second generation" Afghan refugees: poor, educated in Pakistan's madrasas and easily recruited by their elders. And then

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there are the young men who had jobs and prestige in the former Taliban regime and were unable to find a place for themselves in the new Afghanistan.

Coincidentally, there are also now three fronts. One is led by Mullah Omar's council in Quetta. The second is led by Jalaluddin Haqqani, a hero of the jihad against the Soviets who joined the Taliban. Although well into his 80's, he orchestrates insurgent attacks through his sons in Paktia, Khost and Paktika, the Afghan provinces close to Waziristan, where he is based. Finally, there is Gulbuddin Hekmatyar, the former leader of Hezb-i-Islami, the anti-Soviet fighters entrusted with the most money and arms by the U.S. and Pakistan. He had opposed the Taliban, living in uneasy exile in Iran until the U.S. persuaded Tehran to boot him out; he sneaked into the mountainous eastern borderlands. Since the early days of Karzai's government, he has promised to organize Mullah Omar's followers with his educated cadres and finance their jihad against Karzai and the American invaders. Old competitors are coming together in much the way the mujahedeen factions cooperated to fight the Russians. Hekmatyar adds a lethal ingredient to this stew: his ties and his followers extend all through Afghanistan, including the north and the west, where he is exploiting factional grievances that have nothing to do with the Pashtun discontent in the south.

An Afghan I met outside Peshawar — for his safety he asked me not to use his full name — was typical of the 20-something Talibs who had flourished under the Taliban regime. He was from Day Chopan, a mountainous region in Zabul Province, northeast of Kandahar. When the Northern Alliance and the Americans took Afghanistan, he escaped through the hills on an old smuggling route to the North-West Frontier Province.

It was familiar terrain. A.'s father had been a religious teacher who studied in Sami ul-Haq's famous Haqqaniya madrasa near the Khyber Pass and preached jihad for Harakat, one of the southern mujahedeen parties whose members filled Mullah Omar's ranks. Those old ties still bind and have provided a network for recruiting. A. grew up in madrasas in the tribal Pashtun lands of Waziristan, where he learned to fire guns as a child in the American-financed mujahedeen camps. As a teenage religious student in Wana, the capital of South Waziristan, he would go door to door collecting bread for his fellow Talibs. Behind one of those doors, he saw a girl and fell in love. When his father wouldn't let him marry the girl, he threatened to go fight in Afghanistan. His father would not relent, and A. signed up at the local Taliban office in Peshawar. "We got good food, free service, everything was Islamic," he told me. "It was the best life, rather than staying in that poor madrasa." His father soon did relent, and A. became engaged, but he was only 15 and had no money. So he went back to the Taliban and was soon working beside the deputy defense minister. "Of course, then there were bags of money," he said.

A., now 28, was living in an Afghan refugee village that used to belong to Hekmatyar's group. Weak with malaria, he was nevertheless plump and jovial, even funny at times. Only when the Pakistani intelligence services came up did his already sallow hues pale to old bone.

After fleeing the American bombardment in 2001, he told me, the Taliban arrived in Pakistan tattered, dispersed and demoralized. But in the months after the collapse, senior Taliban leaders told their comrades to stay at home, keep in touch and wait for the call. Some Taliban told me that they actually waited to see if there was a chance to work with Karzai's government.

"Our emir," as A. referred to Mullah Omar, slowly contacted the commanders and told them to find out who was dead and who was alive. Those commanders appointed group commanders to collect the underlings like A. Weapons stashed away in Afghanistan's mountains were excavated. Funds were raised through the wide and varied Islamic network — Karachi businessmen, Peshawar goldsmiths, Saudi oil men, Kuwaiti traders and jihadi sympathizers within the Pakistani military and intelligence ranks.

Mullah Omar named a 10-man leadership council, A. explained. Smaller councils were created for every province and district. Most of this was done from the safety of Pakistan, and in 2003 Mullah Omar dispatched Mullah Dadullah to the madrasas of Baluchistan and Karachi to gather the dispersed Talibs and find fresh recruits. Pakistani authorities were reportedly seen with him. Still, neither Musharraf nor his military men in Baluchistan did anything to arrest him.

It was a perfect job for Dadullah, whose reputation for bravery was matched by his savagery and his many war wounds, collected in more than 25 years of fighting. In 1998, his fighters slaughtered hundreds of Hazaras (Shiites of Mongol descent) in Bamiyan Province, an act so brutal it was even too much for Mullah Omar, who had him disarmed at the time. Dadullah's very savagery, filmed and now often circulated on videotape, coupled with his promotional flair, were just the ingredients Omar needed to put the Taliban back on the map.

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Today, Quetta has assumed the character of Peshawar in the 1980's, a suspicious place of spies and counterspies and double agents. It is not just the hundreds of men in typical Afghan Pashtun clothing — the roughly wound turbans, dark shalwar kameez, eyes inked with kohl — who squat on Thursday afternoons outside the Kandahari mosque in the center of town, comparing notes on the latest fighting in Helmand or the best religious teachers. Rather, as I wandered the narrow alleyways of the Afghan neighborhoods, my local guides would say, "That's where Mullah Dadullah was living" or "That's where Mullah Amir Khan Haqqani is living." (Haqqani is the Taliban's governor in exile for Zabul Province.) Mullah Dadullah is now a folk hero for young Talibs like A. And all the Taliban I met told me that every time Dadullah gives another interview or appears on the battlefield, it serves as an instant injection of inspiration.

By 2004, A. said, he was meeting a lot of Arabs — Saudis, Iraqis, Palestinians — who taught the Afghans about I.E.D.'s (improvised explosive devices) and suicide bombings. "They taught us how to put explosives in plastic," he told me. "They taught us wiring and triggers. The Arabs are the best instructors in that." But now the Afghans are doing fine on their own. Pakistani jihadis in Afghanistan received their training, they told me, from Pakistani officers in Kashmir.

The southerners have also forged ties with the Pakistani Taliban in Waziristan. There is a free flow of arms and men between Waziristan and the Afghan provinces across the border. According to A., even Uzbeks from the Islamic Movement of Uzbekistan have joined some of the fighters now in A.'s home mountains in Day Chopan.

It was disheartening to hear A. describe his first encounter with Americans, who were trying to set up a base in a remote region of Zabul. Though they were building a road where no roads had gone before, he could perceive that asphalt only as a means for the Americans to transport their armored vehicles and occupy Muslim lands. A friend of his joined us as we were talking. He had just arrived in Pakistan from the Day Chopan region and said that the Americans were like a cyclone of evil, stealing their almonds and violating their Pashtunwali (the Pashtun tribal laws). In this instance, he meant the law by which even a cousin will not enter your house without knocking first.

A. is now a media man in Pakistan, coordinating the editing of films for discs, censoring them in case there are commanders who don't want their faces seen and distributing them. He proudly offered me the latest disc of Mullah Dadullah beheading some "spies for the Americans." He said he had sold 25,000 CD's about the fighting in Waziristan.

He was full of contradictions. He said that if he didn't have a house in Day Chopan, he would never spend a single night there because there was no education, no electricity, no power, nothing, just a heap of stones. Yet he did not want America to change all that. "We don't like progress by Americans," he declared. "We don't like roads by Americans. We would rather walk on tired feet as long as we are walking in an Islamic state."

Was it all just bravado speaking? Was an opportunity to build bridges to young men like A. somehow lost or just neglected? It was hard to tell. But when the I.S.I. subject came up again, his tone changed. "They are snakes," he told me. He said that they were trying to create a new, obedient leader and oust the independent-minded Mullah Omar, and for that, the real Taliban hated them. Then he said: "I told you that we burn schools because they're teaching Christianity, but actually most of the Taliban don't like this burning of schools or destroying roads and bridges, because the Taliban, too, could use them. Those acts were being done under I.S.I. orders. They don't want progress in Afghanistan." An Indian engineer was beheaded in Zabul in April, he said, and that was also ordered by Pakistan, which, from fear of the influence of its enemy, India, was encouraging attacks on Indian companies. "People are not telling the story, because no one can trust anyone, and if I.S.I. knows I told you," he said, he would be dead.

Pakistan's Assets

There are many theories for why Pakistan might have wanted to help the Taliban reconstitute themselves. Afghan-Pakistani relations have always been fraught. One among the many disputes has to do with the Durand Line, the boundary drawn up by the British in 1893 partly to divide the Pashtun tribes, who were constantly revolting against the British. The Afghan government has never recognized this line, which winds its way from the Hindu Kush mountains of North-West Frontier Province 1,500 miles down to the deserts of Baluchistan, as its border. Nor have the Pashtun tribes. The Pakistanis may hope to force Karzai to recognize the Durand line in exchange for stability.

Another theory is that Musharraf must appease the religious parties whom he needs to extend his power past the end of his term next year. Musharraf bought them off, gave them control of the North-West Frontier Province and Baluchistan and let them

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use the Taliban. And finally, the Pakistanis see Afghanistan as their rightful client. They want an accommodating regime, not Karzai, whose main backers are the U.S. and India, Pakistan's nemesis.

Pakistan's well-established secular Pashtun nationalist political leaders remain distraught that their lands have again become sanctuaries for the Afghan Taliban and the Pakistani religious parties, which, since elections in 2002, rule these provinces and are completing a Talibanization of the region. The secular leaders point to another layer in Pakistan's games: keeping the tribal areas autonomous enables Pakistan's intelligence services to ward off the gaze of Westerners and keep their jihadis safely tucked away.

One thing you notice if you visit the homes of retired generals in Pakistan is that they live in a lavish fashion typical of South America's dictatorship-era military elite. They control most of the country's economy and real estate, and like President Musharraf, himself a former general, they do not want to relinquish power.

Although there is a secularist strain in the Pakistani military, it has been aligned with religious hard-liners since the army's inception in 1947. Many officers still see their duty as defending the Muslim world, but their raison d'être has been undermined by the fact that though Pakistan was founded as a refuge for South Asia's Muslims, more Muslims today live in India. They seem to envy the jihadis' clarity. The militants had no identity crises. According to Najim Sethi, a prominent Pakistani journalist, military officers often have "a degree of self-disgust for selling themselves" to the Americans, and they still bear a grudge against the United States for abandoning them after the Afghan jihad and, more recently, for sanctioning Pakistan over its nuclear program. The standard army phrase about the Americans was, he said, "They used us like a condom."

Officers spoke to me as if they were simply translating the feelings of the jihadis for a tone-deaf audience, but they sounded more like ventriloquists. One retired colonel I spoke to was a relative of a Taliban leader from Waziristan, Abdullah Massoud, who had earned both sympathy and reverence for his time in Guantánamo Bay. Massoud was captured fighting the Americans and the Northern Alliance and spent two years there, claiming to be a simple Afghan Talib. Upon his release, he made it home to Waziristan and resumed his war against the U.S. With his long hair, his prosthetic limb and impassioned speeches, he quickly became a charismatic inspiration to Waziristan's youth.

Since 2001, some of Waziristan's tribes have refused to hand over Qaeda members living among them. Under intense American pressure, Pakistan agreed for the first time in its history to invade the tribal areas. Hundreds of civilians and soldiers were killed. American helicopters were seen in the region, as were American spies. The militants (with some army accomplices) retaliated with two assassination attempts against Musharraf late in 2003. He struck back, but as the civilian casualties mounted and the military began to balk at killing Pakistanis, Musharraf agreed to a deal in the spring of 2004 whereby the militants would give up their guests in return for cash. Pakistani officers and the militants hugged and shed tears during a public reconciliation. But the militants did not relinquish their Al Qaeda guests, and they took advantage of the amnesty to execute tribal elders they said had helped the Pakistani military. The tribal structure in Waziristan was devastated, and the Taliban took to the streets to declare the Islamic emirate of Waziristan. Since Musharraf signed a truce with the militants last month, attacks launched from Waziristan into Afghanistan, according to NATO, have risen by 300 percent.

"Muslim governments are not able to face the Americans," the retired colonel from Waziristan said, explaining the mujahedeen mind-set. "If Muslim governments should stand up against duplicity and foreign hegemonic designs, and they don't, who will? Someone has to stand up to defend the Muslim countries, and it's this that gives the jihadis the courage and zeal to stand up to the worst atrocities. This is the core issue of the mujahedeen movement. You call it the war on terror. The mujahedeen call it jihad." And so, essentially, did he.

One afternoon, in the midst of a monsoon, I sought out one of the founders of the pro-jihadi strategy, the retired general Mirza Aslam Beg. He lived in Rawalpindi, the military capital half an hour from Islamabad, in a brick and tile-roofed mansion with a basketball hoop, flowing greenery and Judy, his one-eyed cocker spaniel. The house was immaculate, with marble floors, rugs, fine china and porcelain on display behind glass and an amusing portrait of Aslam Beg as a young, Ray-Banned, pommaded officer. His mansion sits across the street from Musharraf's.

Aslam Beg played a leading role in the military's creation of "asymmetrical assets," jargon for the jihadis who have long been used by the military as proxies in Kashmir and Afghanistan. He was chief of the army staff from 1988 to 1991, while the

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Pakistani nuclear scientist A.Q. Khan was selling the country's nuclear technology to Iran, Libya and North Korea. Beg held talks with the Iranians about exchanging Iranian oil for Pakistani nuclear skill.

Aslam Beg likes to remind visitors that he was one of a group of army officers trained by the C.I.A. in the 1950's as a "stay-behind organization" that would melt into the population if ever the Soviet Union overran Pakistan. Those brigadiers and lieutenant colonels then trained and directed the Afghan jihadis.

In the 1980's, "the C.I.A. set up the largest support and administrative bases in Mohmand agency, Waziristan and Baluchistan," Aslam Beg told me. "These were the logistics bases for eight long years, and you can imagine the relations that developed. And then Chechens, Uzbeks, Tajiks, Saudis developed family relations with the local people." The Taliban, he said, fell back after 2001 to these baselines. "In 2003, when the U.S. attacked Iraq, a whole new dimension was added to the conflict. The foreign mujahedeen who'd fought in Afghanistan started moving back to Afghanistan and Iraq." And the old Afghan jihadi leaders stopped by the mansion of their mentor, Aslam Beg, to tell him they were planning to wage war against the American occupiers.

As the rain outside turned to hail, banging against the windows, Aslam Beg ate some English sandwiches that had been wheeled in by a servant. "As a believer," he went on, "I'll tell you how I understand it. In the Holy Book there's an injunction that the believer must reach out to defend the tyrannized. The words of God are, 'What restrains you from fighting for those helpless men, women and children who due to their weakness are being brutalized and are calling you to free them from atrocities being perpetuated on them.' This is a direct message, and it may not impact the hearts and minds of all believers. Maybe one in 10,000 will leave their home and go to the conflicts where Muslims are engaged in liberation movements, such as Chechnya, Palestine, Iraq, Afghanistan and Kashmir. Now it's a global deterrent force."

The Authentic Jihad

The old city of Lahore, with its broad boulevards and banyan-tree canopies, remains the cultural and intellectual heart of Pakistan. It is home to a small elite of journalists, editors, authors, painters, artists and businessmen. Najam Sethi, editor in chief of The Friday Times, and his wife, Jugnu Mohsin, the publisher, are popular fixtures among this crowd. Like so many of Pakistan's intellectuals, they have had their share of run-ins with government security agents. For pushing the bounds of press freedom, Sethi was dragged from his bedroom during Nawaz Sharif's reign, beaten, gagged and detained without charge. Musharraf, in his new autobiography, claims that Nawaz Sharif wanted him to court-martial Sethi for treason, an act that seemed ludicrous to him, and he refused.

I met him one afternoon at the newspaper's offices as he was preparing his weekly editorial. He is a tall, affable man with smiling eyes and large glasses. And he got right down to business, providing an analysis of why Pakistan had decided to bring its "assets" — by which he meant the Taliban and Kashmiri jihadis — off the shelf.

In the days following 9/11, when Musharraf gathered together major editors to tell them that he had no choice but to withdraw his support for the Taliban, Sethi raised the touchy issue of the other jihadis. He said that if Musharraf was abandoning the Taliban, he would have to abandon the sectarian jihadis (fighting the Shiites), the Kashmir jihadis, all of the jihadis, because they were all trained in mind by the same religious leaders and in body by the same Pakistani forces.

In January 2002, Musharraf gave an unusually long televised speech to the nation. He reminded the people that his campaign against extremism was initiated years before and not under American pressure. He vowed that Pakistan would no longer export jihadis to Kashmir, that he was again placing a ban on several jihadi organizations, that camps would be closed and that while the madrasas were mostly educating the poor, some were centers of extremist teaching and would be reformed. A month later, Musharraf was at the White House next to President Bush, who praised him for standing against terrorism.

Sethi characterized Pakistani authorities as believing that the U.S. in Iraq "will be a Vietnam." He said: "Afghanistan will be neither here nor there. So we cannot wrap up our assets. We must protect them." The I.S.I. realized it could help deliver Al Qaeda to the U.S. while keeping the Taliban and the jihadis on the back burner. At the same time, Musharraf's moderate advisers were telling him that holding on to those assets would eventually boomerang. And soon enough, the assets began to come after Musharraf — while the people of Pakistan were turning against him for being pro-American. "So going after jihadis who were protecting the Taliban came to a halt," Sethi said.

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Meanwhile the landscape next door in Afghanistan was changing. The warlords were back in action. The drug economy was surging. By 2003 and 2004, Musharraf's men were becoming hysterical about what they saw as a growing Indian presence in Afghanistan, particularly the Indian consulates in Kandahar and Jalalabad, the Pashtun strongholds that Pakistan considered its own turf. Karzai was doing business with Indians and Americans and was no longer a Pashtun whom Pakistanis would want to do business with.

As Sethi spoke, I recalled a meeting I had with one of Kandahar's prominent tribal leaders. He recounted a visit from a former Pakistani general who had been active in the I.S.I. The general invited Kandahar's leaders to lunch and warned them not to let the Indians put a consulate in Kandahar and to remember who their real benefactors were. Today there is a consulate there, and Indian films and music are sweeping through the Pashtun lands. What is more, many Pakistanis believe India is backing the Baluch insurgency in Pakistan's far south, clouding the prospects for the new, Chinese-built port in Gwadar. The port is Pakistan's single largest investment in its economic future and has been attacked by Baluch rebels.

In many ways, Pakistani policy is already looking beyond both Karzai and the Americans; they believe it is prudent to imagine a future with neither. That future will be shaped by the past: the past with India, the past with the Soviet Union, the past with America. For Pakistan's hard-liners, at least, the obvious choice was to take their assets off the shelf and restart the jihad.

A Difficult Choice

On the wall outside the Eid Ga madrasa, in Kuchlak, a parched town near Quetta, Afghan students and teachers were debating the merits of jihad. One boy had just fled an American assault on Day Chopan in Zabul Province. He had never been to Pakistan before. He was frenzied, in shock. As a student from Kandahar led the others in dusk prayer, a young boy whispered to me, "I like America." They were hardly a unified group. One young Helmandi told me, "We want our traditions of Islam and Sharia, not your democracy," while another argued for peace. Then the Helmandi asked, with genuine confusion: "Why are Muslims being tortured everywhere in the world, and no one is there to stand up for them? But if you touch one Westerner, the sky is on your head?"

Most madrasas in Pakistan are run by the Jamiat Ulema-e-Islam, the religious-party alliance that has joined with Musharraf to keep the popular parties of Benazir Bhutto and Nawaz Sharif from regaining power. The J.U.I. madrasas usually endorse jihad, although even here I met madrasa students who were against the war. They subscribed to a vision of jihad as a struggle for self-improvement and the improvement of society. Mawlawi Mohammadin, a cleric from Helmand, went so far as to tell me that these are the true roots of jihad, though he confessed that his is a lonely voice. He was afraid of everyone — Taliban, Pakistani intelligence, even his pupils. "If we start openly supporting Karzai, we could be killed by our own students," he told me with nervous laughter. Only a month earlier, a Taliban official from Helmand who had reconciled with Karzai's government was gunned down by assassins on a motorbike in Quetta.

Mohammadin said that it is now open season for jihad in Afghanistan under J.U.I. guidance. Government ministers were even attending funerals to praise Pakistani Pashtuns who had died fighting in Kandahar. He estimates that there are some 10,000 Taliban fighters in Baluchistan. Despite the intimidation, he says he feels that his mission is to steer his students away from war.

One of these was Mohamed Nader, who had just attended a cousin's funeral and was wondering what it all meant. His cousin's family was poor, and without their knowledge, he had gone to earn money first by harvesting poppies in Helmand and then by fighting for the Taliban. Finally he was killed. Among the biggest problems, Nader told me, was that the cohesion of the Afghan family has been shredded by decades of poverty and refugee life in Pakistan. In a typically strong Afghan family, young adults obey their parents, even asking for permission to go fight. But here, boys just run off.

Rahmatullah was one of those who had run off and returned. He was skinny and disheveled, having just faced heavy fighting in Kandahar. Though an Afghan, he had grown up in Baluchistan, near the border, in an area where he said 200 fighters were now living. The mullah at his madrasa told all the students that it was time for jihad. And the I.S.I. was paying cash. But his father was old and against the war; he pleaded with him to abandon fighting. So he sent Rahmatullah to his friend Mohammadin, hoping he might open another path for his son. Rahmatullah told me that he wasn't sure yet which mullah he would listen to.

(Next week, Part 2: How U.S. and NATO forces have been battling the Taliban and fighting for hearts and minds.)

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After The Hugs, Reality Sets In -- Another Iraq Tour Looms (LAT)

By Tony Perry

The Los Angeles Times, October 22, 2006

Several hundred family members, after months of worrying and praying, turn out at Miramar air station to greet returning Marines.

SAN DIEGO — By their nature, military families tend to be respectful of authority.

But no rope line was going to restrain family members Saturday from sprinting onto the tarmac at Miramar Marine Corps Air Station to embrace loved ones returning from a seven-month deployment to Iraq.

Sgt. Garland Joyner, as the bearer of the squadron guidon, or pennant, had the honor of being the first Marine to deplane from the chartered United Airlines 747. His children — Malik, 8, Imanie, 9, Kasey, 13, and Jasmine, 14 — were the first to run for their welcome-home hug.

"Daddy!" screamed Malik as he raced toward his father, who has now done three tours in Iraq.

But amid the kisses and tears of relief there was the reality that Joyner and other members of the 3rd Marine Aircraft Wing will probably return to Iraq, maybe next year.

For families, another deployment means another prolonged period of constant worry in which every knock on the door carries the potential of the worst possible news.

Jamie Macdonald of Carmel knows all about the anxiety. She was waiting for her son, Sgt. Colin Macdonald, 25, who was returning after his fourth tour.

"It's horrible," she said. "You don't take a deep breath the whole time they're gone. It's like playing Russian roulette. You know that if you play often enough, something bad is going to happen."

Several hundred family members displaying small American flags, handmade banners and commemorative T-shirts awaited the arrival of the plane after its 11-hour flight from Germany.

Twenty-one members of Sgt. Tony Portillo's family turned out wearing red T-shirts with his name and picture. He was returning from his third deployment to Iraq.

"It gets harder each time," said his mother, Angie Portillo, of Los Angeles. "You just get numb, because you know what to expect. You're afraid the whole time."

Different family members have different strategies to cope with anxiety. Some won't watch television news.

Some put in extra hours at work. Others busy themselves with volunteer work or join groups of other family members of deployed Marines.

"You pray. Every night and every morning, you pray," said Hilda Lopez of Fresno, waiting with her daughter Rosa Kong for the return of her husband, Cpl. Phirak Kong, 21.

Cyndi DeBoer of Boulder City, Nev., followed a mantra she found in a book during the second tour of her stepson Cpl. Nathan DeBoer, 22.

"I read that you can either have faith or you can have fear," she said. "Every time I started to have fear, I prayed."

Cynthia Drake, who came to San Diego from her home in Fritch, Texas, for the homecoming, wore a T-shirt with a picture of her son, Cpl. Tanner Drake, 26, and the slogan, "A Piece of My Heart Served in Iraq."

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As Part Of Military's Ground Force, Navy Firms Up Support Services (NVP)

By Louis Hansen

Norfolk Virginian Pilot, October 22, 2006

VIRGINIA BEACH - The military calls them "IAs," shorthand for individual augmentees.

They're the 46,000 men and women who have been picked from Navy units to serve, often facing danger, with soldiers and Marines in Afghanistan and Iraq.

Once considered a short-term program, the Navy and defense experts acknowledge these sailors are now a permanent part of today's ground force.

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The Navy this month created the Expeditionary Combat Readiness Center at Little Creek to track and assist those sailors uprooted from their ships and shore commands. About 150 people are assigned to the center and at bases in battle zones.

At any given time, about 8,500 Navy personnel are deployed for fill-in roles in the two wars. Their jobs include logistical support, civil affairs and military police. Deployments have grown, and now typically last 12 months.

The readiness center aims to ease the stresses on sailors, many stationed in combat areas without their shipmates to rely on.

"They don't have embedded unit support with them," said Capt. Jeffrey

McKenzie, the center's commander. "They're a unit of one."

Sailors at forward bases in Iraq, Afghanistan, Guantanamo Bay and other stations can meet with staff advisers. They will help sailors manage their career and advancement exams, and smooth out payroll problems and health-care issues, he added.

McKenzie said he begins every morning by answering e-mails from sailors in Baghdad who need help.

McKenzie said his new command can also help families - something as simple as contacting a sailor at a forward base. Augmentee families have a disadvantage: They lack the ready community support as when a 300-crew warship deploys for six months.

The Navy handles an average 1,000 IAs each month, he said. The new command can handle twice that number.

Early in the Iraq war, sailors sometimes received bare-bones combat training and makeshift equipment, McKenzie said. Combat skills training has since been bolstered and standardized at Fort Jackson, S.C.

Dan Goure, a senior researcher with the Lexington Institute, said the Navy should expect to fill its support role for a long time.

Army and Marine units have been overstretched, deploying three and four times since the Iraq war began.

The IAs will continue being used more widely, he said, because the military became smaller after the Cold War and conflicts have become longer, straining manpower.

"The global war on terrorism has shown us we can't do our business the old-fashioned way," said Goure, who studies military personnel issues for the Northern Virginia-based think tank.

The military needs active-duty and reserve troops from all branches to boost Army and Marine Corps missions, he said. "These are the new realities."

Capt. Ed Burdick, a personnel and manpower administrator for surface fleet headquarters in Norfolk, said the combat experience often creates better, battle-tested sailors for the Navy.

The migration of sailors to ground-combat roles have not diminished the fleet's readiness, he said, because less than 3 percent of any ship's crew has been selected for ground duty.

Sailors usually volunteer, although some are ordered.

Cmdr. Jim Lowther, a supply and financial officer for the surface fleet, requested a six-month tour in Iraq in 2005. He said he wanted to directly contribute to the war and gain experience.

He spent a week training at Fort Bliss, Texas, then joined a command in Iraq. "It was pretty quick," Lowther said.

Among other duties, he managed contracts for military and civilian construction in Iraq.

The deployment "makes you appreciate what you have here," he said during an interview at Norfolk Naval Station.

Capt. Robert Irelan left a staff job with the surface fleet for Baghdad, where he served as a liaison between the U.S. military and the Iraqi Navy. It was one of the most rewarding duties of his 22-year career, he said.

Irelan said a combat deployment can be much easier and safer aboard a warship patrolling the Persian Gulf.

But, he said, "it's not really my idea of war."

Debt Is Keeping Troops From Overseas Duty, Study Finds (NYT/AP)

By The Associated Press

The New York Times, October 22, 2006

SAN DIEGO, Oct. 21 (AP) — Thousands of American troops are being barred from overseas duty because they are so deep in debt that they are considered security risks, according to a review of military records by The Associated Press.

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The number of troops held back has climbed sharply in the past few years. And while it appears to represent a small percentage of all military personnel, the increase is occurring at a time when the armed forces are stretched thin by wars in Iraq and Afghanistan.

"We are seeing an alarming trend in degrading financial health," said Capt. Mark D. Patton, commander of Naval Base Point Loma in San Diego.

The Pentagon contends that financial problems can distract troops from their duties or make them vulnerable to bribery and treason. As a result, those who fall heavily into debt can be stripped of the security clearances they need to go overseas.

The number of revoked clearances has surged since the beginning of the Iraq war, but military officials say there is no evidence that troops are deliberately running up debts to stay out of harm's way.

The problem is attributed to several factors, including a lack of financial acumen among young recruits; reckless spending among those exhilarated to make it home from a tour of duty; and the profusion of so-called payday lenders, businesses that allow military personnel to borrow against paychecks at extremely high interest rates.

The debt problems have persisted despite financial counseling offered to the troops by the Pentagon and crackdowns on payday lenders.

Data supplied by the Air Force, the Marines and the Navy show that the number of clearances revoked for financial reasons rose every year from 2002 to 2005, climbing to 2,654 last year from 284 at the start of the period. Partial numbers from this year suggest the trend is continuing.

About 6,300 troops in the three branches lost their clearances in that four-year period. Roughly 900,000 people are serving in the three branches, though not all need clearances.

The figures represent just a piece of the problem, because the Army — which employs an additional 500,000 people and accounts for the majority of the 160,000 troops in Iraq and Afghanistan — rejected requests to supply its data, saying such information was confidential.

Security clearances are revoked when service members' debt payments total 30 to 40 percent of their salary. The exact amount depends on the military branch.

Not all military jobs require security clearances. Marine infantryman does not, but some Marine specialties do. So do many jobs in the Navy and Air Force.

Financial problems are the overwhelming reason security clearances are revoked. Other reasons include criminal activity, questionable allegiance and ill health.

A primary reason the military revokes clearances on financial grounds is the fear that soldiers in debt may be tempted to sell secrets or equipment to the enemy.

In addition, "when they are over there fighting, we like them to have their heads in the game," said Maj. Gen. Michael Lehnert, commander of Marine bases in the Western United States.

Military officials also blame high interest rates at payday lending businesses, many of which are clustered outside bases around the country. Several states have cracked down on the lending practices. On Tuesday, President Bush signed legislation limiting how much these businesses could charge military personnel.

Quietly Accepting Another Iraq Death (LAT)

By Steve Lopez

The Los Angeles Times, October 22, 2006

I knock on the house with the flag out front. A cousin comes to the door, then asks me to wait on the porch while she checks to see if Kenny Stanton's parents are strong enough to greet a visitor.

"OK," she says a few minutes later, swinging open the screen door. "Come on in."

Gloria Stanton, Kenny's mother, sinks into the sofa, crushed by grief. She manages a gracious smile, her eyes red-rimmed and weary. Daughters Terry and Brandie are with her, and before long Kenny's dad, Kenny Sr., joins us along with brother Mario, 17.

"I'm sorry," I say, and the words feel ridiculously inadequate.

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Cpl. Kenny F. Stanton Jr., 20, was killed in Baghdad on Oct. 13, when a bomb exploded near his vehicle. He was the third graduate of Hemet High School killed in Iraq, and his death came in one of the bloodiest months since the war began.

"The Plague that Hit Hemet," one of Stanton's acquaintances called it in an entry on the fallen soldier's MySpace website.

Stanton's family has erected a memorial in the living room, with flickering candles and photos of Kenny, a nice-looking kid with a sweet smile. He loved words, say his parents. He worked for the school newspaper and wanted to be a writer, a poet and teacher. But he chose to join the Army first.

His family can't say exactly why, although a close cousin, Michael Islas, says Kenny was fascinated by weaponry and wanted to see the world, if not necessarily Iraq. His parents tell me Kenny's grandfather, a Vietnam vet, tried to talk him out of it.

"He wanted to pay him not to go," says Mr. Stanton, a pressman for a label company. "He was ready to write him a check for $40,000 to go to college."

"I said, 'Sweetheart, I don't want you to go,' " Gloria Stanton says. "He said, 'But Mom, I could do some good.' "

In the end, they supported him. How could they argue with a young man who just wanted to do something for his country and make his parents proud?

The whole family drove to LAX when Kenny shipped out.

"We couldn't cry," Mr. Stanton says. "We didn't want him to see us cry. But when he left and we turned to leave, we all had tears in our eyes."

Mr. Stanton says he didn't support the war but supported his son's decision.

"I support our troops. That's all I want to say."

Hemet is a town east of Lake Elsinore with just under 70,000 residents, and Mayor Robin Lowe has been struck by the sacrifice it has made. Another local high school, West Valley, also lost a former student to the war, she says, bringing the local body count to four.

Lowe ordered the City Hall flag to fly at half staff for Stanton, just as she did in June when Marine Cpl. Michael Estrella, also 20, was killed.

"Hemet has many retired military living here, and has always been a center of patriotic pride," Lowe says. "I think our core beliefs are very firm and concrete when it comes to the United States and what it stands for."

Stanton's parents had suggested I get in touch with Aracely Colmenares, one of Kenny's closest friends at Hemet High. I give her a call, and we meet in Mary Henley Park, where she and Kenny used to sit under a tree, look up at the mountains and talk about everything.

They weren't a couple, just friends, but he was the one she called if she needed someone to talk to. She recalls how upset he was by the Sept. 11 attack. Although she wouldn't have pegged him a military man, she says he wanted to do something, someday. Something to make his family proud.

The Armed Forces Career Center, where Stanton enlisted, is not far from the park. It's on the main drag, Florida Avenue, conveniently if not ironically located in the same shopping center as Target, with its big bull's-eye out front.

There's a Taco Bell, a Carl's Jr. and a 99-cent Store. A See's Candy store is two doors from the Jenny Craig weight loss center. The Army, Navy and Marine recruiting stations neatly complete this blending of American commerce and culture.

Army Sgt. 1st Class Ronnie V. Sarmiento tells me the nationwide goal of 80,000 annual recruits has just been topped, but he's not at liberty to disclose the numbers in Hemet. I notice three youngsters in the office, though.

One tells me he might sign up but doesn't want to talk about it. Another guy who's thinking about it, 18-year-old Brent, is just out of Hemet High and says he hasn't heard the news that three former students have been killed.

The third, 18-year-old Jessica Katrow, heard about Stanton's death but is enlisting anyway to serve her country and experience something new.

"It's sad, but it happened," she says. "There's nothing I can do."

I ask if she wants to go to Iraq.

"I don't want to," she says, but she'll take whatever comes her way.

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When I walk into the office at Hemet High the first thing I notice is a young female in an Air Force ROTC uniform. She's wandering behind the counter in crisp blue threads. Prominently displayed in the waiting area are brochures for the Navy ("accelerate your life"), Marines ("the few, the proud") and Army ("who you become will be better than who you were").

An assistant principal tells me no one can speak to me without permission from the district superintendent. Before leaving campus, I ask the assistant principal if it seems appropriate to display military recruiting brochures so prominently at a school that has lost three former students to war.

He politely tells me he thinks it's a government requirement, and refers me again to the superintendent, who does not return my calls.

When the school bell rings, I talk to about 10 students as they leave.

Julian, a freshman wearing an ROTC uniform, hasn't heard about the deaths of former Hemet grads, and he seems alarmed by the news. But he tells me he intends to follow the men in his family into the military.

Kyle, 16, says he heard about Stanton, but he's still considering enlisting after high school.

"It happens," he says, holding a binder on which he's drawn a U.S. flag. "People die."

He tells me none of his teachers have discussed Stanton or the war in class.

"In history? We're studying the Puritans."

Driving away, I find that I'm disturbed by the quiet acceptance of sacrifice to what has been a dubious mission from the beginning. I can't help but remind myself that the architects of the war have risked no personal loss, staying the course with someone else's children.

I ask Mayor Lowe if too many young people in Hemet, if not elsewhere, fall in line before they're equipped to challenge the seduction of war, as well as the definitions of valor and patriotism.

"I don't think anyone in this town — anyone — is promoting war," she says, telling me she'll never forget that 14 students from her own school, Inglewood High, died in Vietnam.

"None of us, especially those of us who lived through Vietnam, are promoting any war of any kind by this country, and I say that emphatically. I don't think any teachers are promoting the war and I don't think the recruiters are promoting war. What I do see is … kids who are not really sure what to do with the rest of their life."

And so they join, with patriotic intentions and hope for a better future.

Kenny F. Stanton will be laid to rest this week in Hemet.

Doonesbury's War (WP)

By Gene Weingarten

The Washington Post, October 22, 2006

Revealing more about himself than he ever has, Garry Trudeau gives us tantalizing clues about what's behind his venerable comic strip's recent burst of genius, and pain.

IN THE BANQUET ROOM WERE MEN WHO WERE BLIND, men with burns, men with gouges, men missing an arm, men missing a leg, men missing an arm and a leg, men missing an arm and both legs, men missing parts of their faces, and a cartoonist from the funny pages.

We were just a few blocks from the White House, at Fran O'Brien's Steak House. Fran's was hosting a night out for casualties of the current war, visiting from their hospital wards.

It's hard to know what to say to a grievously injured person, and it's easy to be wrong . You could do what I did, for example. Scrounging for the positive, I cheerfully informed a young man who had lost both legs and his left forearm that at least he's lucky he's a righty. Then he wordlessly showed me his right hand, which is missing fingertips and has limited motion -- an articulated claw. That shut things right up, for both of us, and it would have stayed that way, except the cartoonist showed up.

Garry Trudeau, the creator of "Doonesbury," hunkered right down in front of the soldier, eye to eye, introduced himself and proceeded to ignore every single diplomatic nicety.

"So, when were you hit?" he asked.

"October 23."

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Trudeau pivoted his body. "So you took the blast on, what . . . this side?"

"Yeah."

Brian Anderson, 25, was in shorts, a look favored by most of the amputees, who tend to wear their new prostheses like combat medals. His legs are metal and plastic, blue and knobby at the knee, shin poles culminating abruptly in sneakers.

Trudeau surveyed Brian's intact arm. "You've got dots."

"Yeah." Dots are soldier-speak for little beads of shrapnel buried under the skin. Sometimes they take a lifetime to work their way back to the surface. At this, Brian became fully engaged and animated, smiling and talking about the improvised explosive device that took his vehicle out; about his rescue; his recovery; his plans for the future. Trudeau, it turned out, had given him what he needed.

("In these soldiers' minds," Trudeau will explain afterward, "their whole identity, who they are right now, is what happened to them. They want to tell the story, they want to be asked about it, and you're honoring them by listening. The more they revisit it, the less power it has over them.")

Trudeau has been talking to injured vets for a couple of years now. It's partly compassionate support for people he has a genuine regard for, and it's part journalism -- the damnedest sort of reporting, for a professional cartoonist.

This was April 25. On the comics pages that day, Dagwood fixed himself an absolutely ENORMOUS sandwich; Garfield kicked Odie off the table again; and in Beetle Bailey, the only military-themed comic strip, Lt. Fuzz accidentally dropped a glass of water and cussed in funny cartoon hieroglyphics.

In Doonesbury, this was the story: B.D., the football coach and Vietnam vet who went to Iraq with the National Guard and lost a leg in a rocket-grenade attack near Fallujah, has been shamed into entering therapy for post-traumatic stress disorder because he overheard his little girl, Sam, tell a friend that she'd become afraid of her daddy. On this day, B.D. will begin to relive the battlefield event he has repressed, the one that made him a moody, alcoholic paranoiac and that torments him with guilt and shame that he does not understand. Through the rest of the week, B.D. will retell what happened when his armored vehicle came under attack from insurgents and -- desperate to escape and save himself and his men -- he gave the order to flee through a crowded marketplace, mowing down civilians.

Not many of the injured vets in Fran O'Brien's were where B.D. was yet. Their deepest wounds, like the dots, had not yet surfaced. On that day they were jovial, mostly, and indomitable, all of them, stolid and impervious, more so than the moms, wives and girlfriends who hovered at their elbows, lovingly kneading shoulders, patting thighs, holding on, looking bravely upbeat and just a little overwhelmed.

Trudeau bellied up to another vet.

"So, when were you hit?"

IF YOU DON'T KNOW MUCH ABOUT GARRY TRUDEAU, AND YOU PROBABLY DON'T, it's because he has done his best to keep it that way. With the exception of the time in 1980 when his island wedding to America's sweetheart, TV personality Jane Pauley, turned him into a sullen bridegroom hounded by paparazzi in boats and helicopters, Trudeau, now 58, has managed to remain comfortably obscure. Aside from a couple of semi-recent TV interviews, he's had almost no public presence for three decades. Considering the extraordinary reach of his comic strip, and the role it has had over the years in analyzing, reflecting and even helping shape American culture, he may be the most famous unknown person.

It's an odd type of fame, one that attaches hungrily to what you do but not at all to who you are. Take this woman here, at a lunch counter in the Dallas/Fort Worth airport. Her name is Connie Dubois. A candle maker, Connie lives in Ethel, La., pop. 2,000, a fleck on the map of East Feliciana Parish, which itself contains only two traffic lights. Connie, who is 50, has just flown on a plane for the first time in her life, heading to a trade show for candle makers.

"Do you know what 'Doonesbury' is? I ask her.

"Sure," she says, putting down her sandwich. "It's a cartoon. In the paper. Been around a long time. It's a little off-center and radical, and I like that."

"Do you know the name of the guy who draws it?"

Dubois scrunches up her face, thinking.

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"Nope. No idea."

Dubois says she wouldn't know the cartoonist if she saw him, which is undeniable, since at the moment Trudeau is sitting four feet away. He is head-down, digging into his Caesar salad, doing his best to disappear. He hates things like this. Trudeau is so viscerally averse to self-promotion that he once threw up before a scheduled interview for a Time magazine cover story, then canceled it. (Time wrote the story anyway.)

I'm at Trudeau's elbow on a trip out West because I'm doing the first extensive profile of him in the 36 years since he began the comic strip that became an American icon. That's reason enough, but the fact is, something astonishing has happened to "Doonesbury" in the last 2 1/2 years, after the United States invaded Iraq and Trudeau made the startling, un-cartoonish decision to mutilate one of his characters.

It was not just any character. B.D. had been a Doonesbury fixture since Day One. Literally. On the day the strip debuted in 28 newspapers nationwide -- October 26, 1970 -- B.D. was alone in the opening panel, sitting in his dorm room on the first day of school, football helmet inexplicably on his head, wondering what kind of roommate he'd get. To his everlasting annoyance, it turned out to be Michael Doonesbury.

That was so many years ago -- a generation and a half, really -- that the strip has outlasted even its original cultural references. Does anyone remember that "B.D." were the initials of Brian Dowling, the hotshot quarterback at Yale when Trudeau was there in the late '60s? Or that in Eastern prep-school lexicon of the time, a "doone" was something of a doofus?

It's "Doonesbury" that survived and metamorphosed over the years into what is essentially an episodic comic novel, with so many active characters that Trudeau himself has been known to confuse them. "Doonesbury" has always remained topical, often controversial. Unapologetically liberal and almost religiously anti-establishment, Trudeau has been denounced by presidents and potentates and condemned on the floor of the U.S. Senate. He's also been described as America's greatest living satirist, mentioned in the same breath as Mark Twain and Ambrose Bierce.

But for simple dramatic impact and deft complexity of humor, nothing else in "Doonesbury" has ever approached the storyline of B.D's injury and convalescence. It hasn't been political at all, really, unless you contend that acknowledging the suffering of a war is a political statement. What it has been is remarkably poignant and surprisingly funny at the same time. In what Trudeau calls a "rolling experiment in naturalism," he has managed every few weeks to spoon out a story of war, loss and psychological turmoil in four-panel episodes, each with a crisp punch line.

Here's one :

It is a cliche, and it is also true, that humor springs from existential pain -- from a need to blunt the awareness that life is essentially a fatal disease of unpredictable symptoms and unknown duration. Usually, though, the laughter comes through indirection -- acknowledging that death awaits us all, for example, by joking about memory loss as we age. But there's been nothing comfortably oblique in these episodes of "Doonesbury," no comic exaggeration, no use of metaphor. There is no distance whatever between the pain and the humor.

Over the years, "Doonesbury" has been remarkably consistent in its quality, if not universally beloved. Republicans can make a reasonable case that Trudeau's lefty politics sometimes make him seem a water boy for Democrats. He is not above the occasional cheap shot, such as when he devoted an entire week in 1991 to a felon's unsubstantiated charges that Vice President Quayle had been a pothead. At times, he has seemed to lapse unattractively from political satire to political advocacy -- lending his characters' support to John Anderson in 1980 and Howard Dean in 2004. Some feel he has occasionally been tone-deaf to popular culture -- buying too readily, for example, into the notion of a slacker Generation Y. Undeniably, the strip's edge dulled a little in the mid-1990s, when a Democratic ascendancy left him without a meaty political issue to lampoon.

But there aren't many people -- especially among experts who read and critique comics for a living -- who are calling the continuing saga of B.D. anything other than genius.

"What it is," says comics historian R.C. Harvey, "is breathtaking. Just a stunning body of work."

SO, WHO IS TRUDEAU, REALLY?

It turns out he's not afraid of publicity so much as he's horrified at being perceived as the kind of person who wants publicity. He treasures his literary license to kill but feels a twinge of guilt that it isn't really a fair fight. He's a genuinely humble know-it-all.

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His regard for injured soldiers is sincere, his knowledge of their lingo profound, almost as if he's one of them; watching this, you can't help but hear faint, soul-rattling echoes of Vietnam, which he escaped, like many sons of privilege, by gaming the system. He's got the greatest job on Earth -- no boss, his own hours, enormous clout, public adulation, a seven-figure income, absolute creative freedom -- but he speaks with longing about a different career altogether, one that the huge success of "Doonesbury" ensured he'd never have.

Also, he's a smartass.

But you knew that.

IT'S MONDAY NIGHT OUT FOR THE MEATHEADS, as they call themselves. These are Trudeau and some of his best friends, who assemble irregularly on weeknights in Manhattan to attend excellently terrible movies their wives won't see with them. Today's choice is "Poseidon." They're pumped for a real stinker.

"A lot of research goes into this," Trudeau explains, "so we don't make many mistakes. We get these movies when they're dying, so we have the theater to ourselves. We like to talk to the screen."

"And throw popcorn."

This is David Levinthal, 57, who looks like the manager of a Jiffy Lube but is an acclaimed modern artist. Levinthal's medium is plastic toys: He arranges them in unusual ways, photographs them in intriguing lighting and sells the pictures for thousands of dollars. Not long ago he had a show entirely of made-in-Japan erotic dolls.

Levinthal is not the most unusual guy here. That would probably be Fred Newman, 53, who is, at this very moment, barking like a dog. It's the best imitation bark you'll ever hear. Newman's a professional sound-effects man, author of a popular how-to book called MouthSounds and is a regular whistle, boing and honk man for Garrison Keillor's "A Prairie Home Companion." When you're doing a woof, Newman is saying, the rookie error is to blow out. You've got to suck in.

We're sitting outdoors at an East Side Manhattan burrito joint, so Newman is entertaining more than just our table. He once taught Meryl Streep how to convince a radio audience that she was lighting a cigarette and blowing out the match, which isn't as easy as it sounds.

The guy with the graying ponytail is David Stanford, who handles the elaborate Doonesbury.com Web site and edits Trudeau's Doonesbury books.

Trudeau is the normal one. He "travels incognito," as Levinthal says. It's true. The guy could blend into a room of waiters. He dresses with an elaborate lack of vanity. He is a millionaire many times over, but Jane cuts his hair.

Dinner over, the meatheads assemble in the second row of a mostly empty downtown Manhattan theater, as the credits for "Poseidon" are beginning to roll. The meatheads are hoping this one will be a lot worse than the last film they saw, "Good Night, and Good Luck," which turned out to have some disappointingly redeeming qualities. The best worst recent choice was a Lou Diamond Phillips flick where a car exploded and then, in a later scene, the same car drove off a cliff.

In the opening minutes of "Poseidon," as the characters are being introduced, Trudeau and his friends start to loudly handicap who will live and who will drown. "You think Kurt Russell will live?"

"No, he'll die, because the kids are the future."

"Okay, right, he'll die, but he'll die saving people."

Popcorn is definitely being flung.

"The nasty guy's gonna die in a really bad way."

Fred is making excellent glub-glub noises.

"Richard Dreyfuss is suicidal? If he wants to die, then he won't die."

"Right, he needs to learn that life is a gift."

If you've seen the movie, you know the meatheads were right about everything.

LIKE ANY SATIRIST WHOSE WORK ENDURES, Trudeau has been right about a lot of things. From the moment that hippie college deejay Mark Slackmeyer looked at the reader and gleefully declared that an as-yet-unindicted Attorney General John Mitchell was "Guilty! Guilty! Guilty!" Trudeau has shown a world-class instinct for piercing a babble of crosstalk and nailing

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the truth. He was right about Vietnam (When a conservative columnist said that he saw a "a light at the end of a tunnel," Mic hael asked him: "When you've dug yourself into a hole, why do you always insist on calling it a tunnel?"). Trudeau was right about the greed of '80s big business, about the cynicism of the marketing industry, about Bill Clinton's flippy-flop, polls-based approach to governance ("Doonesbury" regularly portrayed Clinton as a greasy waffle).

At times his prescience seemed more clairvoyant than calculated: During the waning years of the Reagan administration, Trudeau sent his trench-coated TV newsman, Roland Hedley, into the president's brain, where he confronted a desolate, soupy wasteland of fizzling synapses. It seemed funny then, if mean-spirited; if you look at those strips now, they're chilling.

Most recently, Trudeau was right about Iraq. As the invasion began amid optimistic forecasts of a quick and decisive victory, before mandatory re-ups became routine, National Guardsman B.D. matter-of-factly informed his stunned wife, Boopsie, that he'd see her again "in five to seven years."

Surely, after three decades of being right, the man is bound to be a little smug. I went searching for signs of this in his studio, an airy fourth-floor walkup in the East Seventies. Though the walls are covered with original classic comic art -- Saul Steinberg, Jeff MacNelly, George Herriman's "Krazy Kat" and Winsor McCay's "Little Nemo in Slumberland" -- there is no "Doonesbury" visible anywhere. Just . . . nothing.

"Why would I have my own art up?" Trudeau asks. "I want to show the work of people I admire."

The quality of Trudeau's drawing has been a matter of some debate in the cartooning world since the strip's debut. Back then, a common joke was that Trudeau had "made the comics pages safe for bad art," which was, in a sense, true. Before there were Dilbert" and "Pearls Before Swine" and other strips drawn with meticulous infantilism, there was "Doonesbury," which resembled, in its early years, the sort of thing someone's moderately talented kid brother scribbled into the flyleaf of his textbook.

There was nothing meticulous about it. Trudeau was consciously trying to imitate Jules Feiffer's sparsely sophisticated style, but he didn't progress much past sparse. Sometimes he just didn't bother giving his characters mouths. They never had feet -- their legs would just flutter off the page in mid-calf. Heads would swivel in physiologically irreproducible ways.

Over time -- particularly after Trudeau's famed 20-month hiatus in 1983 and 1984, when he allowed his characters to ripen into reluctant adulthood off the page -- he seemed to learn the fundamentals of cartooning, and then some. The art in "Doonesbury" became far more professional, with inventive angles, cinematic shading, even intimations of an occasional foot. This led to a widespread suspicion that Trudeau was getting major help from the man who ostensibly just did his inking -- a suspicion nudged into an assumption a few years ago when Entertainment Weekly stated flatly that Trudeau wasn't drawing it himself.

"For years," he says, laughing, "I was blamed for my art, and then I couldn't get credit for it."

For the record, the art is his. I'm looking right now at Trudeau's pencil drawings of a recent week of "Doonesburys" before they were sent to the inker. They are rich in detail, identical to the finished version, and every line is Trudeau's, even the lettering.

"It's serviceable, is the best I can say about it," Trudeau demurs. "I will say this: It's a signature style. It doesn't look like anyone else's." Even this modest bit of immodesty does not go immediately unpunished.

"But my stuff's amateur hour compared to this."

Trudeau is pulling open a drawer. Inside are a few originals drawn by the great Walt Kelly, whose "Pogo" strips of the 1940s and '50s were among the first to mine politics for humor. Kelly was a masterful artist. "Look at this -- this one's pure motion," Trudeau says. "And look at this detail; look at the bugs." It was a single-panel Sunday strip of the Pogo characters poling a raft through their swamp. Even the tiniest characters -- insects a few millimeters high -- had expressive faces.

Eventually, I did find some Doonesiana displayed in Trudeau's studio. There were nine framed covers of major magazines -- Time, Newsweek, Rolling Stone, Mother Jones, etc., spanning 30 years, all either drawn by Trudeau or about him. And yes, Trudeau's got 'em right up there, framed, on a wall, plain as day, inside a closet where he stores pushpins and computer paper.

ON THE MORNING OF April 19, 2004, newspaper readers were served something startling with their morning coffee. The first panel of "Doonesbury" was completely black, except for the word "Hey." Then, framed by the smoke of war, a soldier's face. It's Ray Hightower, B.D.'s buddy. He's sweating, looking scared. He calls for a medic. Then, black again, as though someone is drifting in and out of consciousness. The gut-punch line comes at the end, with a shouted name. "B.D.?"

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And here is the image people saw two days later:

It was shocking for obvious reasons, but in another way, as well: B.D. had never been seen without his helmet. It was as if Trudeau was declaring that something fundamentally and forever had changed.

Ask creative people where they get their ideas, and they will roll their eyes. It's the most common question, but it's also a bad one because the answer is inevitably disappointing. From the inside, creativity seems like an arduous task, often involving plebeian, imperfect choices, driven less by inspiration than by deadline. And Trudeau is a deadline junkie, always pushing it to the limit. ("Once a week," he says, "I am a very desperate man.")

So when you ask him why he decided to take B.D.'s leg, the answer isn't very satisfying. Trudeau doesn't regard his characters in romanticized terms, or even as people; "Doonesbury" has always been more about ideas than personalities, so Trudeau thinks of Mike and B.D. and Zonker and Joanie as puppets. He pulls the appropriate ones out of the closet when he has a point he wants to make. In this case, he says, he wanted to make a statement about the suffering in this war.

Originally, he was going to kill Ray, but Ray got spared when Trudeau decided that a death would not leave much of a storyline to pursue. So, with a bit of sang-froid, he amputated B.D.'s left leg, on the theory that he'd . . . think of something.

What happened next was unusual, to say the least. Within a day or two of B.D. lying broken on that stretcher, Garry Trudeau, bane of every presidential administration since Nixon's (particularly the current one, which he has absolutely lacerated), got a call from the Pentagon. The brass was offering to help him figure out where to go next.

THE TYPICAL DAILY NEWSPAPER COMIC STRIP HAS A DEGENERATIVE ARC. The cartoonist's best years come early, when the ideas are fresh, the gimmick is still a novelty and the grind of daily deadlines has not yet taken its toll on creativity. Three years of excellence is a pretty good run before the inevitable decline, as the cartoonist runs out of new things to say and becomes content to imitate himself. It's easy to forget, but many of today's formulaic, intellectually listless strips, such as "B.C.," "Cathy" and "Dennis the Menace," were once lively and daring and different. They're still around because their bland familiarity becomes a sort of comfort food, and newspaper editors are loath to drop them.

"Having a successful daily comic strip," Trudeau says wryly, "is the closest thing to tenure that popular culture offers. But it doesn't seem to have freed up creativity any more than tenure for professors has. It's been an open invitation for complacency."

"Doonesbury" has never become complacent, partly because Trudeau is no ordinary creative talent but also because the strip feeds continually off the culture it lampoons. Trudeau is very much a reporter -- what Newsweek's Jonathan Alter once called "an investigative cartoonist." When two of his principal characters were homeless, Trudeau spent time working in shelters. When "Doonesbury" accompanied President Ford to China, so did Trudeau. When B.D. served in the Persian Gulf War, Trudeau briefly went to Kuwait. So when the new invitation came from the Pentagon -- essentially, carte blanche to visit injured vets -- the investigative cartoonist leapt at it, not sure what he would find.

The very first person he spoke to was a 27-year-old MP named Danielle Green. She had been a college basketball star, a left-handed point guard at Notre Dame. Green had just lost that hand in Iraq. She'd been on the roof of a police station, behind sandbags, trying to defend it from enemy fire, when she took a direct hit from a rocket-propelled grenade.

"This was an elite athlete, and she'd lost her whole professional identity," Trudeau said, "but that's not what she wanted to talk about. What she wanted to talk about was how her buddies carried her down, put her on the hood of a Humvee, where they stopped the bleeding, then went back up to the roof, against orders, and found her hand buried under sandbags. They took off her wedding ring and gave it to her. She's telling me this with a million-dollar smile. This was not about bitterness or loss. It was about gratitude."

And so Trudeau started taking notes.

"DOONESBURY" HAS DEALT WITH EMOTIONAL SUBJECTS BEFORE, most notably when gay lawyer Andy Lippincott died of AIDS in 1989, wisecracking to the end. Trudeau was never entirely satisfied with that sequence, because Andy was two-dimensional -- literally and figuratively. He became a bravely noble funny man dying with bravely noble humor. "Andy handled it with more grace and humility than any human would," Trudeau says. The problem was, Trudeau hadn't known people with AIDS.

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The access he has had to injured vets has given him a sure-handedness he didn't have then; the B.D. storyline has shown extraordinary emotional complexity.

At a VA program for post-traumatic stress disorder in Menlo Park, Calif., Trudeau was allowed to sit in on the treatment of a 40-year-old military truck driver who had been delivering a weapons system to Baghdad airport when his convoy came under fire. He to flee through a crowd -- just as Trudeau would later have B.D. do.

"The guy was back home, living with his parents, isolated with his TV, his PC and his alcohol," Trudeau says, consulting his notes. "He hated public places and would only go shopping at night at 24-hour stores, when no one was around. He told us he was late for a job interview, but he had an hour, and it wasn't an hour away. It turned out he had to go by back roads, because he would not drive under an overpass. Overpasses freaked him out." Overpasses could give snipers cover.

"He was a computer expert, but he decided to take a $10-an-hour job over a $25-an-hour job," Trudeau said, "because he wanted to work at a nursery, with plants. It was only when he talked about working with plants that his face softened."

HE'S GARRY, NOT GARY, BECAUSE HIS GIVEN NAME IS GARRETSON. Trudeau is a blueblood, albeit one of a strange sort. The boring summary is that he's the end-of-the-line son of four generations of physicians. But to leave it there would be a grave disservice to the narrative arts.

Trudeau's great-great- grandfather, James de Berty Trudeau, was a friend of John James Audubon, for whom he shot birds. He lived in the wilds with the Osage Indians in the Louisiana territories. Oh, and he was a medical doctor in 19th-century New York City who ran afoul of his peers over his hobby of sculpting amusing figurines of the most dignified medical men of his era. To this they did not take kindly, drumming him out of polite society and down to New Orleans.

During the Civil War, he was made a brigadier general in the Confederate Army, apparently more for his status as a gentleman than for his military prowess. In short order, he assisted in the mismanagement of not one but two enormous Confederate defeats -- Shiloh, which was the turning point of the war, and the battle of Island No. 10, which left the Mississippi undefended clear to Vicksburg. Who knows how many more miserable, crushing losses he would have helped midwife, had he not been captured, held under house arrest and released to continue his medical practice?

Meanwhile, the general's wife had left him and headed for Paris, where their son -- Trudeau's great-grandfather, a lad of just 10 or so -- distinguished himself by whapping the Confederate ambassador in the back with a pellet from a slingshot. ("Actually, I see a lot of myself in him," Trudeau laughs.)

Tuberculosis ravaged the family, which brought the next generations of Trudeau doctors to the fresh air of Saranac Lake, N.Y., in the Adirondacks, where they set up the nation's first TB research sanitorium. Garry's father, Francis Trudeau, was the town's family physician, a man with grave responsibilities and appropriately sober mien. He once informed his son: "Life is not something to be enjoyed, so just get on with it," a statement so splendid and outrageous it would eventually find its way into "Doonesbury."

Francis Trudeau was dignified and reserved, and a father figure to an entire city. "I would hear him leave the house at 4 a.m., sometimes in snowshoes. I knew even then that the sense of mission was too big for me to take on."

Eleven years ago, Francis called his son into his den, handed him a medical book and asked him to read an entry on a relatively rare illness called amyloidosis. "Now," Francis said, "as you can see from the prognosis at the bottom of the page . . ." That is the way Garry learned his father was dying.

We're sitting on the roof deck of Trudeau's studio, talking about the cartoonist's famous aversion to publicity. The conversation goes right to his father.

"Late in his career, he was sued by a patient. He didn't share it with me for three years. It was nothing, just a nuisance suit that was thrown out, but it shattered him to have his integrity challenged in a public forum. I grew up in a household where reputation was placed above all else."

So?

"So it helped me when fame was introduced into the mix."

There's a difference between reputation and image, Trudeau explains. "These get confused in people's minds," he says, but one involves character, the other public relations.

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"I just refused to get entangled by issues of image maintenance that fame implied. I made a deliberate retreat from a publicly visible life."

What resulted was an unusual guy with a wall between his public and private selves, a guy who is intellectually fearless but so personally unassuming, Jane Pauley says, "that's he's afraid to return a shirt that's the wrong size."

"Inside Garry, there's a little boy and a man," Pauley says. "And the little boy is secretive and vulnerable, and the man isn't. It would hurt him if I made a joke at his expense, but if the president of the United States says something negative about him, he puts it on the cover of his book."

"SUFFICE IT TO SAY THAT I HOLD HIM IN UTTER CONTEMPT."

This is John McCain, the former prisoner of war, speaking about Trudeau on the floor of the U.S. Senate in 1995. He was angered by a "Doonesbury" strip suggesting that presidential candidate Bob Dole was exploiting his war injury for political gain. That was then. This past year, it was McCain who wrote the introduction to Trudeau's The Long Road Home , a for-charity book compiling the strips about B.D.'s injury and recovery.

A curious thing has happened to Trudeau's image as a result of the B.D. subplot -- nothing the cartoonist could have predicted. The predictable, in fact, happened almost immediately: Calling Trudeau a "committed leftist," Fox News Channel host Bill O'Reilly wrote in an online column that "a case can be made that Trudeau is attempting to sap the morale of Americans vis-à-vis Iraq by using a long-running, somewhat beloved cartoon character to create pathos."

O'Reilly doesn't talk about Trudeau anymore. He can't, really.

We're in Tucson, at the National Leadership Conference of the Vietnam Veterans of America, where Trudeau is about to take the stage to receive the group's award for excellence in the arts. These are fifty- and sixtysomething guys, many with ponytails, tattoos, ample guts and an attitude. They weren't treated right; they want better for new vets, returning home scarred.

This is a potentially tricky audience for Trudeau's acceptance speech. As they've aged, their politics have moved rightward, and many of them have a lingering distaste for antiwar talk, particularly from people they might consider draft dodgers. (Back in 1970, Trudeau pulled a disastrously low draft-lottery number -- 27, which he later bestowed on his slacker surfer-dude character, Zonker, in the strip. Trudeau wound up getting a medical deferment because of old stomach ulcers that hadn't given him trouble for years, and haven't since. His dad the doctor suggested he try that.)

As apolitical as the B.D. story is, elsewhere in the strip Trudeau regularly unleashes his disgust for the Iraq war and the man who is waging it. Trudeau's time at Yale overlapped with George W. Bush's -- he knew him slightly and disliked him even then, largely for what he saw as a sense of smug entitlement ("all noblesse and no oblige.") In the strip, often on Sundays, with maximum readership, Trudeau just kills Bush. One Sunday this year, Michael Doonesbury and his old friend Bernie were discussing the Iraq war and wondering whether it keeps the president awake at night because of its enormous, heartbreaking human toll. In the final panel, Trudeau cuts to a signature exterior nighttime view of the White House. From inside come two dialogue balloons: "What's wrong, dear?" And: "It's the stem cells. I hear their cries."

So is Trudeau going to play it safe in this speech and stay away from politics? I'm apparently not the only one wondering. The instant the cartoonist rises to take the mike, a large American flag behind him suddenly and inexplicably crashes to the ground. From a group of organizers near me comes a whisper, "Oh [expletive], not a good sign."

The speech starts benignly, praising the courage of the soldiers he had met, but here's how Trudeau wraps it up:

"When I talk to wounded veterans, I usually don't ask them what they think the mission was. I don't presume, because their lives are wrenching enough without the suggestion that their sacrifices may have been without meaning. Moreover, if that is so, it will become apparent to them soon enough . . . The young men and women who we've repeatedly put in harm's way are paying the price for this misbegotten mission, and as long as it continues, I, like so many of our countrymen, must walk this strange line between hating the war but honoring the warrior. I don't know how long we can keep it up. . ."

He finishes to a standing ovation.

If there had been any lingering antipathy to Trudeau in this crowd, the story of B.D. appears to have wiped it out. It's as though he's been in the jungle with these guys.

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IT IS A BALMY 90 DEGREES AT NIGHT IN TUCSON. In a patio outside the convention hotel, Vietnam veterans are slow-dancing with their wives, in a mournful shuffle, to a live band's version of "A Whiter Shade of Pale."

"She said, There is no reason, and the truth is plain to see . . ."

If there is one thing this convention has made plain, it's that plenty of Vietnam vets still live with the madness of that war, still suffer from PTSD. You can hear it in their stories, read it in their eyes. It won't be different in this war. B.D.'s story is fiction, but it is true.

Inside at the bar, Trudeau and I have taken shelter from the heat. We're discussing whether he believes in God ("Why should I? Is there anything in the last five years in particular that suggests to you a divine purpose to life?") and whether he thinks Bush is evil or just stupid. ("I think he is smart but willfully ignorant, and he uses his ignorance for strategic advantage, which is appalling. He substitutes belief for thought. It protects you from self-doubt.") The only fact marring the sepulchral seriousness of this conversation is that it is occurring as we sit side by side on full-size Western saddles, mounted on poles, facing the bar. There's an enthusiastic cowboy theme here.

You can take only so much of that, so we grab our drinks, dismount and mosey on over to a table.

Trudeau claims that he never thinks about "Doonesbury" unless he is actually drawing it; it may be true, but it's misleading. He's a born listener, and, in a sense, he is always thinking about "Doonesbury" and filing things away.

At the table is a filmmaker named Chuck Lacy, who just produced a documentary called "The War Tapes," which followed three National Guardsmen to Iraq and back home. Lacy is saying there is something about this war unlike any other in history. The Internet has made it possible for soldiers to be in country, in a theater of war, but still communicate daily with their families, in real time, sometimes with video.

Is that good or bad? Trudeau asks.

Both, says Lacy: The soldiers say it's their lifeline, but it's also a terrible drain on their emotions; they're dealing not only with their own anxieties but also with the anxieties of their families 6,000 miles away. It can be surreal. They'll come back from a firefight and then try to resolve a mortgage problem.

A few weeks after returning from Tucson, I opened the newspaper to "Doonesbury" and saw this.

It was Day One of what would be a very funny, oddly disturbing week of the strip, in which Ray tries to stay alive while placating his wife and stepson back at the home front. I immediately e-mailed Trudeau. Until I told him, he said, he hadn't remembered exactly where the idea came from.

"CLINTON MADE A MISTAKE in letting 'Don't ask, don't tell' be the defining issue of his first month in office, to be followed by the health-care disaster. He should have gone directly to welfare reform. It was intellectually dishonest to say the existing system was working. If welfare had been his biggest priority . . ."

We are on the plane heading back to New York , and Trudeau is in his geek-drone mode. He is a highly opinionated public policy wonk, and this sort of thing just happens from time to time. When he reads a book, he edits in the margins, correcting errors of grammar, syntax or cloudy thinking.

Bingo. Trudeau's a nerd! It's no big deal, but I'll take it. Negative assessments are important when you write profiles, but with this guy they've been hard to come by. He's generous with his time, gracious to everyone and shrewd with me. I tried to bait him, asking where a dillweed like him gets off having the nerve to date Candice Bergen (he did, way back when) and then marry America's Sweetheart? I was hoping for an unattractive defense of his virility, but Trudeau wouldn't bite.

Finally, in desperation, I decided to get help from America's greatest living satirist. What would Trudeau ridicule, if the subject were himself?

Basically, he says, though not in so many words -- he's a bully.

"Occasionally, people accuse me of courage," he says. "And that's wrong. I'm sitting on a perch of safety. Cartoonists have a tar-baby immunity. The more people react to us, and the more angrily they react, the better it is for us. So we're invulnerable. It just doesn't seem fair."

The first George Bush learned that the hard way. When "Doonesbury" accused him of having "put his manhood in a blind trust" after becoming vice president and changing his politics to match Reagan's, Bush repeatedly lashed out at the cartoonist --

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at least five times between 1984 and 1988. ("Garry Trudeau is coming out of deep left field. The American people are going to be speaking out, and we are going to see whether they side with 'Doonesbury' or the Reagan-Bush message." "He speaks for a bunch of brie-tasting, Chardonnay-sipping elitists.") This blowback further elevated Trudeau's stature and made Bush seem like a petulant, humorless old fud.

As the plane begins its descent to LaGuardia, Trudeau remembers something interesting, something from his teens, when he had a summer job working at Time magazine.

"As I was walking out the building one day on my lunch break, two-thirds of a block away this spectacularly beautiful young woman in a very short miniskirt was walking toward me . . ."

Not sure where this is going, but I'm taking notes as fast as I can.

"She was in her early twenties. I was 16 and looked all of 12. You could feel it in the air, her coming at you. Her presence was destabilizing the street for a one-block radius. Guys were gawking, cars were slowing. This woman was a menace. She was walking in a confident way, with a swing to her hips. I was geeky and shy, too shy to make eye contact. I wouldn't even have known what to DO with eye contact. My discomfort must have been obvious because, as she passes me, she leans over, her breath is warm, and she softly . . . growls in my ear."

Wow.

"I thought to myself: I've just been handed the most extraordinary gift. She showed such wisdom, with such a generous use of power. She just changed the life of a young boy. I thought , Anything is possible."

Trudeau sits back in his seat, smiles. "So I guess you could connect the dots to Jane, actually."

Or you could extrapolate it to the entirety of his life, the whole improbable arc of it, the combination of a fundamental humility and humanity empowered by an otherwise inexplicable, blazing self-confidence. You could find, in one moment from a man's teens, the entire key to who he is and the unlikely, monumental achievement of his professional life.

I vocalize some of this. Trudeau just looks at me.

Okay, we'll just stick with connecting the dots to Jane.

TRUDEAU IS A YANKEES FAN, so we're catching a Sunday afternoon game at Yankee Stadium against the White Sox. Some people's lives just seem to be charmed, and so it's not surprising that this afternoon turns out to be historic -- Yankees great Mariano Rivera comes in with a 6-4 lead and closes out the last two innings for the 400th save of his career.

At one point, Trudeau's attentions turn to the ballpark itself -- specifically, the facing of the mezzanine deck, a long, narrow strip that, as in many modern stadiums, is used as an electronic crowd-hooching display board. "The dimensions are about 1 to 20," Trudeau says, "but see how much they get out of it, how much they say with just a suggestion? That's great use of design."

Trudeau's got a master's degree in graphic design. It was his first career choice until "Doonesbury" -- a success right from his college newspaper days -- made everything else moot. Design remains, to this day, the thing Trudeau longs to be doing. In all the time we'd spent together, the only artwork of his that he'd shown me with any particular pride were "Doonesbury"-themed coasters, cups, T-shirts and figurines that he had designed for free. They wound up raising $1 million for a Starbucks-sponsored reading charity. It was a subtle piece of work, marrying the Starbucks corporate logos and design with the Doonesbury characters.

"I had more flow as a designer," Trudeau explains. "I could just drop down into the zone and stay there for hours. With cartooning, I'm constantly coming up for air, procrastinating, looking for reasons not to be doing it. I spend all day granting myself special dispensation, with 'creative process' as my cover story. Carpenters and deli countermen can't do that, so I think they may feel better about themselves at the end of the day."

Midway through the game, Trudeau's younger son shows up. Tommy, 20, a student at Brown, has a summer job in the Yankees' front office. He gets to fraternize with the players and play pickup softball games with co-workers in the outfield, from which he's hit balls into the upper deck. Not bad, for a summer job.

Pauley and Trudeau's two other children, twins Ross and Rickie, are both 22. Ross graduated from Brown and is heading off on a teaching career; his sister, a Yalie, wants to be a pop singer, which worries Trudeau more than a little.

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He played me an audio file of Rickie singing Alicia Keys's "I Ain't Got You." Kid's definitely got the voice. It's all personality. Trudeau knows this but also knows the odds against success in that business. "I want her to follow her passion," he says, "but I just hope she's sturdy enough."

It's an interesting worry for a guy who could easily have been a doctor in a long-established family practice, but chose cartooning despite certain initial practical obstacles, such as a basic inability to draw. Being a father inspires a completely different risk-aversion calculus.

As we leave the stadium, the three of us are joined at the subway by Ross, who was sitting elsewhere with friends. The camaraderie between father and sons is effortless and unencumbered. The whole family thing seems almost comic-strippy perfect, like Dagwood and Blondie and Cookie and Alexander. Only this is real family, not to mention a "Doonesbury" family, so you know you're going to have some complexity, somewhere.

AT 55, JANE PAULEY IS STILL BEAUTIFUL, and she still projects frank vulnerability, or vulnerable frankness, or whatever is that subtle combination of qualities that made her America's preeminent morning-show host in the 1980s. We're meeting for breakfast because there is something Trudeau wouldn't really talk about, and Pauley will.

In 2001, Pauley nearly lost her mind. After receiving steroids to control a case of the hives, she began doing oddly intense things. How intense? She bought a house one day, for no good reason, on impulse, from an ad on the Web. Misdiagnosed with depression, she was hospitalized under an assumed name, to protect her privacy. Eventually, she was found to have a bipolar disorder -- triggered but not caused by the steroids -- for which she is still undergoing treatment. Pauley chronicled her struggle in a 2004 memoir, Skywriting .

Trudeau was largely absent from Skywriting , and he had been guarded with me about the effect of Pauley's illness on him and the family. He volunteered only two things: "I was told by a doctor that 40 percent of marriages just don't survive it, so from the beginning I knew we were up against something really significant"; and, "The disease subverts your basic survival instinct in the sense that the people who you need to help you survive are the same people you are attacking."

So that's what I ask Pauley about.

"Yes," she says, dryly, "there is a free-floating anger that needs a target and will find one."

For a year or so, Pauley says, before her symptoms were under control, Trudeau and the family lived with her irrational rages. The twins were hunting for colleges, Trudeau was pressed by deadline after deadline, and Mom was a fulminating piece of work -- demanding, histrionic, impossible. "It was just incredible torment for them," Pauley says. "Garry was keeping the house together. It has to have been the most painful part of his life."

Pauley has recovered with the help of lithium, a drug she says she will be on for the rest of her life. Things are mostly fine, she says, except for some side effects, such as a persistent tremor to the hands. She looks murderously at her coffee cup, which the waiter has overfilled, almost to the brim.

"For example, I can't risk trying to pick that up."

Pauley thinks the story of B.D. has been something special, the best work Trudeau has ever done. And then she says:

"I don't think he's consciously aware that it has anything to do with me."

With . . . her?

Pauley smiles. "Garry's mind is very compartmentalized. The department doing the strip in his brain is not directly connected to the husband part, but . . ."

Pauley takes a forkful of scrambled eggs.

". . . it defies credulity that on some level it is not present in his work. What is he writing about, really? He's writing about mental illness, and how it's possible to find a way out of it, with help. It's very hopeful."

I start to say that Trudeau has never made that connection to me, in fact denies that his private life ever intrudes into the strip. But Pauley is ahead of me.

"He'll want to say no, but it's hard to argue with. Isn't it?"

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TRUDEAU'S GREATEST WORK is coming at a time when "Doonesbury" is fading a bit from the national consciousness. He's still in 600 newspapers, but that number has been higher; there simply aren't as many newspapers as there once were, and their readership is dwindling. Young adults who know "Doonesbury" today are mostly picking it up haphazardly from the Web. The "Doonesbury" compilation books are not selling the way they used to.

Trudeau is considering experimenting with sophisticated animation, for "Doonesbury" online. He's just finished a screenplay, a comedy about a teenager who is elected mayor of a small town. His newest "Doonesbury" compilation -- The War Within , about B.D. dealing with his mental health issues -- has just hit the bookstores, and a second compilation, Heckuva Job, Bushie , is due out this month.

Since I last saw him, the investigative cartoonist traveled to New Orleans to see the hurricane desolation firsthand. This past September 11, as politicians on both sides sought political traction in a battle of coordinated outrage and strategic shows of grief, the meatheads took in pro wrestling at Madison Square Garden. (In the main event, Vince McMahon defeated Triple H with the help of a folding chair.)

And week after week in the newspapers, the quite remarkable story of B.D. continues. Check out this one.

Let's see what's going on here. B.D. appears to be considering cheating on Boopsie, which hasn't happened to our knowledge in 20-plus years of an eccentric but strong marriage. It's surprising, but maybe not that surprising. From the swiftness and specificity of Celeste's reaction, it's clear that she -- the secretary at the vets' clinic -- has seen this sort of behavior before. Can it be that many vets who've lost a limb might well be tempted to assert their manhood in unwise ways? But see how nimbly Celeste deals with it, in what one might call a generous use of power? She redirects B.D.'s attention to what's really important, reproaching him for hitting on her, but in a way that leaves his vulnerable dignity intact.

There are many types of therapy, and it's not all dispensed by licensed professionals.

Four panels. Forty-eight words. Funny, too.

Meanwhile, the same day, in "Blondie," Dagwood and Herb go fishing, but Dagwood is so hungry he eats the bait!

CORPORATE SCANDALS:

Burden Of Enron's Collapse On Skilling (AP)

By JUAN A. LOZANO, The Associated Press

AP, October 22, 2006

HOUSTON - Ken Lay's death wiped away his convictions. Andrew Fastow got a reduced six-year sentence. That leaves former CEO Jeffrey Skilling as the sole top Enron Corp. executive who could be given at least 20 years in prison when he is sentenced Monday for helping orchestrate the biggest corporate scandal in U.S. history.

In addition to the legal consequences of his actions, the burden of lost jobs, worthless pension plans and ruined lives that resulted from Enron's 2001 collapse has now shifted solely onto Skilling's shoulders.

Lay's death and the lighter than expected sentence handed last month to Fastow, Enron's former chief financial officer, will work against Skilling when he faces sentencing, former federal prosecutor Robert Mintz said.

Skilling was convicted in May of 19 counts of fraud, conspiracy, insider trading and lying to auditors. Lay, Enron's founder, was convicted of 10 counts of fraud, conspiracy and lying to banks in two separate cases. His death in July vacated those convictions.

Both men repeatedly lied about Enron's financial health when they knew an illusion of success was propped up by accounting maneuvers that hid debt and inflated profits.

"In theory, the death of Ken Lay should have no impact on the sentence that Mr. Skilling receives. But it's hard to ignore the reality that Jeff Skilling is now standing alone as the figurehead who orchestrated Enron's demise," Mintz said. "There will certainly be pressure to make an example of Jeff Skilling and send a message with his sentence."

Skilling has had two brushes with the law since his indictment on Enron charges. Last month, Skilling pleaded no contest and paid a fine to settle his arrest in Dallas for public intoxication. In April 2004, he was involved in a scuffle with patrons of a cigar

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bar in New York City. He wasn't arrested, but he and his wife, Rebecca, who was hurt in the incident, were taken to a hospital where a blood test showed Skilling's blood-alcohol level to be 0.19.

Under federal sentencing guidelines, which U.S. District Judge Sim Lake has said he will rely on, Skilling faces more than 20 years in prison if investor loss tied to his actions exceeds $80 million. Skilling also faces more than $18 million in fines for his crimes.

Prosecutors and Skilling's attorneys have agreed on an investor loss figure, but it is in sealed court documents and none of the lawyers would discuss it.

"The government and we have agreed on a loss number to avoid a protracted hearing on the subject," Skilling's attorney Daniel Petrocelli said. "Any sentence is a meaningful sentence. I don't want to talk about or speculate on the length of it."

Kirby Behre, a former federal prosecutor in Washington and an expert on federal sentencing guidelines, said Skilling will probably get more than 20 years in prison but an exact figure is hard to determine without knowing the final calculation of investor loss.

Charles Prestwood, a former pipeline operator for Enron who lost $1.3 million in retirement savings with Enron's bankruptcy, said if it was up to him, Skilling would get 100 years in prison.

"I think about all the families that man helped destroy and all the hard working people that believed the top executives," he said. "He knows he broke the law. He knows he's done us wrong. I'll always believe until I go to my grave that man knew exactly what he was doing."

Prestwood said he is not surprised Skilling, who professed his innocence before and after his trial, has asked that his convictions be dismissed.

"He'll go down to the wire trying to say he is innocent," he said.

The 68-year-old Prestwood, who has heart problems, said he's been saving his strength to speak at Skilling's sentencing.

Lake is allowing Enron's victims to speak about how the company's financial implosion hurt them. Ten to 12 people who signed up in advance are expected to speak at the sentencing, as well as some who will talk on Skilling's behalf. A list of speakers was not available.

The collapse wiped out thousands of jobs, more than $60 billion in market value and more than $2 billion in pension plans.

Rod Jordan, chairman of the Severed Enron Employee Coalition, said it is easier for ex-workers to focus their anger and frustration on Skilling now that Lay is gone. Many, he said, always believed Skilling was guilty while they had doubts about Lay.

"It was more due to their personalities," he said. "Lay was more of a people oriented person. Skilling was more behind the scenes. He came across as more arrogant and self centered and not the cheery, 'hi-how-are-you' kind of guy that Lay was."

Lake has allowed attorneys representing ex-Enron workers who took part in the company's savings plan and its employee stock ownership plan to speak on their request for restitution from Skilling.

Robin Harrison, one of the attorneys representing about 20,000 such people, put his clients' losses at an estimated $1.3 billion.

Petrocelli said Enron's former workers will probably talk about their losses, but that shouldn't affect the sentence Skilling gets.

"While that is undoubtedly true, it doesn't assist in the determination of Mr. Skilling's sentence, at least in our view," he said. "Mr. Skilling is not criminally responsible for the demise of Enron."

Prosecutors want Skilling to turn over nearly $183 million, which they allege he pocketed while participating in fraud. The U.S. government had divided that amount between Skilling and Lay. But Lay's death has left that amount solely on Skilling.

The government contends about $60 million in Skilling's cash and property that has been frozen since his indictment could be applied to the total amount they are seeking.

Petrocelli has said Skilling owes his legal defense team more than $30 million beyond the $23 million that the Justice Department allowed Skilling to set aside for legal fees before it froze his assets.

Brian Durbin, a small-time Enron investor who spoke at Fastow's sentencing last month, encouraged people affected by Enron's collapse to attend Skilling's sentencing.

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"It might help them get a little bit of closure and help the rest of the country see there was a human face to this," he said. "Greed drove the actions of a few to make really bad decisions. What they did had such a wide reaching impact for so many people."

Pressure In The Boardroom (MINNST)

By David Phelps, Star Tribune

Minneapolis Star Tribune, October 22, 2006

Richard Burke faces the difficult task of rebuilding UnitedHealth's reputation and righting a board perceived as having strayed from its oversight role.

To fix a board gone bad, UnitedHealth Group Inc. turned to the guy who started the company's big push for profits 30 years ago.

Richard Burke, the new chairman of UnitedHealth Group, has a long history in Minnesota health care. In the 1980s, Burke ran a small company, then called UnitedHealthcare, that managed one of Minnesota's first HMOs, Physicians Health Plan (PHP). PHP eventually became Medica while UnitedHealth grew under William McGuire into the country's second-biggest health insurer.

Now, after McGuire's ouster a week ago in a stock-option scandal, Burke, 62, is presiding over a company with a badly wounded reputation and a board whose future is in doubt.

More than a dozen shareholder lawsuits await the company in federal court. The Internal Revenue Service, Securities and Exchange Commission, Justice Department and the Minnesota attorney general's office are sifting through corporate documents looking for legal violations.

"This is a board scrambling to catch up on something they let get out of control," said Patrick McGurn, executive vice president of Institutional Shareholder Services, an influentional research firm that advises large shareholders on merger proposals and corporate governance matters. "They allowed so much to happen on their watch."I'd be surprised if in three years any of those board members are still around," he said.

Fred Zimmerman, a recently retired professor of manufacturing at the University of St. Thomas who also has served on the board of directors at 14 corporations, described the board as woefully weak in its response to the options scandal.

"The entire compensation committee should have stepped down, also some of the lead directors," Zimmerman said.

Backdating for profit

To some, Burke was a visionary who opened the closed walls of traditional HMOs and gave patients a greater choice of care. But to the doctors who worked for PHP, Burke was too profit-oriented, an assertion that still lingers with UnitedHealth.

"He was years ahead of the rest of the world," said Doug Leatherdale, retired CEO of the St. Paul Companies Inc. and a board member of UnitedHealth since its beginning.

"He's a very smart guy who really innovated a lot in the industry," said Minneapolis attorney Tim Thornton, who represented PHP in the mid-1980s.

Burke returned to the chairmanship of UnitedHealth Group last week, the result of the Sunday-night reshuffle that cost McGuire his role as chairman and CEO of the Minnetonka-based health care giant.

The company's general counsel, David Lubben, and 15-year board member William Spears also were gone when the dust settled from a stock-option backdating scandal that had been percolating since March.

A report conducted at the board's request by the Washington law firm of Wilmer Cutler Pickering Hale and Dorr questioned the propriety of a 1999 employment agreement with McGuire and concluded that options "were likely backdated," to allow top executives to maximize their profits when they exercised those options.

The report also raised red flags about the private business relationship between McGuire and Spears, who was head of the board's compensation committee when the employment contract was negotiated. McGuire gave Spears personal amounts ranging from $15 million to $55 million to manage professionally and also invested in Spears' financial management company.

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In addition to the personnel changes, the company pledged to strengthen internal management and accounting procedures, create a new executive position of chief legal officer and replace five board seats with new independent directors in the next three years.

McGurn called the board's actions "a day late and a lot of dollars short."

Business as usual?

On Thursday, Burke, as a nonexecutive chairman, took the unusual step of participating in the company's conference call with Wall Street analysts to discuss third-quarter financial results. Burke's presence showed the board's support for Stephen Hemsley, the new CEO.

"Steve is a very easy drill on contracts that involve him," Burke joked with the analysts. "It'll be very easy to take advantage of him."

Burke also went out of his way to minimize industry rumors that Executive Vice President Richard Anderson was the board's first choice for CEO. "There was nobody else considered," Burke said.

Stephen Parente, an associate professor at the University of Minnesota's Carlson School of Management who studies the managed care industry, said Burke is a vote for continuity, because he's been there since the company's inception in 1977.

"In some respects, this is a guy who can bookend McGuire's beginning and end," Parente said. "This move is perceived as the board saying, 'We want to bring in someone with no strikes against them and someone who has a solid history of the place.' "

Burke, who grew up in Georgia and North Carolina, started UnitedHealthcare in the mid-1970s and built it into one of the largest HMO managers in the country. But there were dark days in the 1980s as managed care struggled to gain favor in the medical community.

"For the first few years we were not on the strongest financial footing," Leatherdale recalled. "But we survived."

Burke left daily management in 1988 as it began its financial recovery. McGuire assumed Burke's leadership role, becoming president in 1989 and chairman and CEO in 1991.

Burke dabbled in professional sports in the mid-1990s, buying the National Hockey League's Winnipeg Jets, which became the Phoenix Coyotes after an unsuccessful attempt to bring them to Minnesota. He sold his interest in 2000.

But he didn't step down from the UnitedHealth board. Among executives and other board members, Burke is the third-largest shareholder behind McGuire and Hemsley.

To most analysts and outside observers, UnitedHealth remains fundamentally sound.

"This is no Enron," McGurn said. "There is real value in UnitedHealth. This [management] team created that value. They just got greedy."

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S.E.C. Inquiry On Hedge Fund Draws Scrutiny (NYT)

By Walt Bogdanich And Gretchen Morgenson

The New York Times, October 22, 2006

By the evening of June 20, 2005, the government's investigation of possible insider trading by Pequot Capital Management, a prominent hedge fund, had reached a critical stage.

Throughout the day, Robert Hanson, a branch chief in the Washington office of the Securities and Exchange Commission, had been questioning his lead investigator in the case about taking the testimony of John J. Mack, an influential Wall Street executive.

The investigator, Gary J. Aguirre, was trying to find out if Mr. Mack had obtained inside information about a merger and passed it to his friend, Pequot's founder, Arthur J. Samberg.

Finally at 8:25 p.m., Mr. Hanson sent Mr. Aguirre a message from his BlackBerry expressing enthusiasm about the inquiry. "Okay Gary you've given me the bug," he wrote, according to confidential S.E.C. documents. "I'm starting to think about the case during my non work hours."

But three days later, the investigation abruptly changed course. Mr. Aguirre later told a Senate committee that after news broke that Mr. Mack was being considered to run Morgan Stanley, his supervisor said he could not interview the executive

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because of his political power. Mr. Aguirre protested and was eventually fired in September 2005, just days after receiving a two-step merit pay increase.

Mr. Mack and Mr. Samberg have both repeatedly denied any improper conduct. Earlier this month, the S.E.C. informed them that it would not bring any charges.

Now, it is the S.E.C. that is under scrutiny. Two Senate committees — Finance and Judiciary — are investigating how diligently the S.E.C. pursued its Pequot inquiry, whether Mr. Aguirre's firing was an attempt to silence him, and whether senior S.E.C. officials gave special treatment to Mr. Mack by not taking his testimony when Mr. Aguirre wanted to. Mr. Mack, a major fund-raiser for President Bush's 2004 campaign, was eventually interviewed last August, after Congress began asking questions.

The congressional inquiry centers on dozens of pages of internal S.E.C. documents that Mr. Aguirre turned over to Congress and were obtained by The New York Times. The documents, including e-mail messages from Mr. Samberg and his associates, as well as contemporaneous e-mails from investigators, provide the first inside look at the case, and shed light on why the two Senate panels are interested in the matter.

The primary focus of the congressional inquiry is the S.E.C.'s investigation into Pequot's purchase of stock in Heller Financial, a financial services firm, and the dispute over taking Mr. Mack's testimony. The documents say that Pequot became the nation's biggest purchaser of Heller stock in the four weeks before the company was acquired by GE Capital in July 2001. Mr. Samberg bet $44 million on Heller and wanted to invest even more, according to the documents, but his trader could not fill all the orders.

The file shows that after Mr. Aguirre was blocked from questioning Mr. Mack about the Heller deal, Mr. Hanson, the S.E.C. branch chief, acknowledged in e-mail messages that he had discussed Mr. Mack's "political clout" and the "juice" of his lawyers with officials at the commission.

In an exchange of e-mails in the summer of 2005, Mr. Hanson said that he had merely been trying to "alert folks above me," and that politics did not influence S.E.C. decisions. Mr. Aguirre replied: "Bob, this is spin. You told me it would be tough to take Mack's testimony because he has political clout."

In the documents, S.E.C. officials argued that Mr. Aguirre was not justified in taking Mr. Mack's testimony because he could not show that Mr. Mack had inside information or a clear motive for giving it to Mr. Samberg. But Mr. Aguirre said he was only asking for permission to interview Mr. Mack, not bring charges.

The file portrays the S.E.C. as a place where stock exchange referrals of suspected insider trading can languish for years without serious investigation.

In the Pequot case, senators are examining how the S.E.C. handled a total of 18 referrals. In addition to the Heller deal, they include an investigation involving federal prosecutors into whether the hedge fund bought Microsoft options based on inside information. E-mails show that Mr. Samberg solicited information about the software company's financial performance from a Microsoft manager he was recruiting shortly before Pequot invested in the company.

"I shouldn't say this, but you have probably paid for yourself already!" Mr. Samberg wrote to the former Microsoft manager as he was preparing to join Pequot in 2001.

None of the 18 referrals, including the one involving Microsoft, led to an enforcement action, according to people briefed on the matter.

Mr. Aguirre's documents have surfaced amid rising concern on Capitol Hill about the lightly regulated world of hedge funds. The chairman of the finance committee, Senator Charles E. Grassley, Republican of Iowa, said last week that after questioning S.E.C. officials about the Pequot investigation, "my initial concerns haven't been put to rest by what I've learned so far."

The file is not a full record of Mr. Aguirre's investigation, and it is silent about what happened in the inquiry after he left the commission. In the papers, Mr. Aguirre acknowledged before his firing that he had not proved that Pequot had engaged in insider trading, or that Mr. Mack ever had inside information about Heller.

Since The New York Times first reported Mr. Aguirre's allegations last June, the inspector general for the S.E.C. reopened his investigation into the firing after it was disclosed that he had not interviewed Mr. Aguirre. The inspector general, whose conduct is also being examined by the Senate, declined to comment.

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Mr. Aguirre declined to be interviewed for this article, but in an Aug. 21 letter, he told the banking committee, which oversees the S.E.C., that he had little faith in either investigation. "The same I.G. who did the first whitewash would do the new one," he wrote. "The senior enforcement attorneys who pretended no grounds existed to take Mack's testimony will now pretend to take Mack's testimony."

In a statement, Jeanmarie McFadden, a spokeswoman for Morgan Stanley, said: "Mr. Aguirre's allegations against John Mack are irresponsible and without any evidence whatsoever to support them. John Mack had nothing to do with the S.E.C.'s decision if or when it would seek his testimony. As soon as he was asked, John Mack immediately agreed to provide his testimony and was subsequently advised that the S.E.C. would take no action regarding him in this matter."

Jonathan Gasthalter, a Pequot spokesman, said in a statement: "The S.E.C. staff conducted an extensive, two-year investigation of Pequot's trading and that investigation is over. During the course of the S.E.C.'s investigation, the U.S. attorney for the Southern District of New York reviewed the firm's 2001 trades in Microsoft and concluded that no action was warranted."

Officials at the S.E.C. declined to comment on the Pequot investigation and its outcome. But Walter G. Ricciardi, deputy director of enforcement, said that if investigators uncovered evidence that supported an insider trading case, they would pursue it vigorously. He denied Mr. Aguirre's contention that referrals from the stock exchanges languish, saying that the commission's staff follows up on three-quarters of the 350 to 450 referrals received each year.

"Insider trading is a very big priority for us," Mr. Ricciardi said. "We recognize that the integrity of the marketplace is at stake."

Focusing on the Heller Deal

The following account is largely based on the investigative files and letters Mr. Aguirre sent to Senate investigators in August.

According to these records, two days after joining the commission in September 2004, Mr. Aguirre was assigned to look into suspicious trading by Pequot in an information management company shortly before it was acquired in 2003.

In a matter of months, Mr. Aguirre said he discovered 13 referrals involving Pequot that had not been fully investigated by the S.E.C. Eventually, he would look into 18 referrals, including one older one where Pequot suddenly began buying the stock of Heller Financial.

That referral soon became the focus of the S.E.C.'s Pequot investigation.

What intrigued federal investigators, Mr. Aguirre said, was that before buying Heller stock, Mr. Samberg apparently did not follow the financial services industry or Heller. Mr. Samberg's bet had paid off: On July 30, 2001, the GE Capital Corporation announced that it was buying Heller, sending Heller's stock up 50 percent. Pequot made $18 million on the deal, primarily by investing in Heller, but also by short-selling GE Capital's parent, General Electric, which dropped on news of the buyout.

After the deal was announced Mr. Samberg sent an e-mail containing six "smiley" faces, Mr. Aguirre said.

According to Mr. Aguirre, Mr. Samberg told the S.E.C. in May 2005 that he had six reasons for buying Heller stock, including the company's strong financial model, analysts' reports and speculation that Heller might be a takeover candidate.

But Mr. Aguirre says that when Mr. Samberg testified a second time in June, he was less certain, saying he had "no recollection specifically of how I started the Heller investment other than to know that I had been doing this for many years and recognized these opportunities when they come up."

Mr. Samberg said he could not recall seeing any newspaper articles about Heller or point to any specific analysts' reports he had read about the company, according to an e-mail Mr. Aguirre sent to his supervisor, Mr. Hanson, on June 27, 2005. Nor did Mr. Samberg remember speaking with others at Pequot about the deal, Mr. Aguirre wrote. After Mr. Aguirre was fired, the S.E.C. interviewed Mr. Samberg a third time, but the files do not reflect what he said.

Microsoft Trading Raises Concern

Beyond Mr. Samberg's testimony, Mr. Aguirre said his suspicions were fueled by Pequot's trading in Microsoft.

In early 2001, Mr. Samberg sought financial information on Microsoft from a product manager at the company, David Zilkha, whom he was trying to recruit, according to Mr. Aguirre.

"Might as well pick your brain before you go on the payroll," Mr. Samberg wrote in an e-mail message to Mr. Zilkha on Feb. 28, 2001. After expressing unhappiness with Pequot's research on Microsoft, Mr. Samberg asked: "Do you have any current views that could be helpful?"

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On April 6, 2001, Mr. Samberg pressed Mr. Zilkha about Microsoft's upcoming earnings report. "Any tidbits you might care to lob in," Mr. Samberg asked in an e-mail, after noting "the recurring indications from knowledgeable people" that Microsoft's earnings might fall short.

Mr. Zilkha responded the next day, saying he would get back to him "ASAP."

There is no record of Mr. Zilkha's response or evidence that he passed information to Mr. Samberg.

Mr. Aguirre told the banking committee that between April 9 and 11, 2001, Mr. Samberg bought 30,000 options contracts, apparently believing Microsoft "would beat its earnings, the reverse of his belief stated in his e-mail."

A little more than a week later, on April 19, Microsoft reported better-than-expected earnings, sending its stock sharply higher the next day. Mr. Samberg made a $12 million profit on his Microsoft options, Mr. Aguirre said. The next day Mr. Samberg sent Mr. Zilkha, still three days away from joining Pequot, the gushing e-mail that said, "you have probably paid for yourself already." On Mr. Zilkha's first day on the job, Mr. Samberg alerted others to the new employee's "great p.& l." — or profit and loss — based on his Microsoft "input."

Mr. Aguirre told the banking committee that "critical gaps in the evidence" prevented the S.E.C. from charging anyone with insider trading in connection with the Microsoft investigation. The Justice Department also took no action.

Mr. Zilkha, who no longer works for Pequot, declined to comment. But his lawyer, Henry Putzel III, issued a statement: "David Zilkha worked in a nonfinancial capacity, primarily in marketing for the MSN division of Microsoft. For approximately five months before his employment at Pequot, Mr. Zilkha was on family leave from Microsoft. David Zilkha never obtained and did not communicate any material, nonpublic information, nor did he attempt to do so."

A Dispute Over Testimony

The Zilkha e-mail messages fed Mr. Aguirre's belief that Mr. Samberg might have had nonpublic information when, around the same time, he invested in Heller Financial. His suspicion fell on Mr. Mack, a longtime friend of Mr. Samberg's who was Pequot's chairman for several weeks in June 2005. "There are hundreds of Pequot e-mails referring to Mack, including a dozen in July 2001," Mr. Aguirre wrote in a June 2005 e-mail message to S.E.C. officials.

None of those e-mails show Mr. Mack passing on any tips about the Heller deal. Nor do they prove that he even knew about the deal before Pequot started buying Heller stock on July 2, 2001.

But what the e-mails and trading records do show, Mr. Aguirre believed, was enough circumstantial evidence to warrant taking Mr. Mack's testimony — a standard procedure in such a situation, he said — and to issue more subpoenas to Credit Suisse First Boston, the investment bank that advised Heller during its talks with G.E. Mr. Mack became chief executive of Credit Suisse in July 2001.

In e-mails to S.E.C. officials in the summer of 2005, Mr. Aguirre made his case, noting that Mr. Samberg and Mr. Mack were close and trusted each other, and that Mr. Mack was allowed to invest in hot Pequot funds and financings. In addition, Mr. Aguirre speculated that Mr. Mack might have learned about the upcoming Heller-GE Capital deal while negotiating his job with Credit Suisse. Mr. Mack began at Credit Suisse on July 12, 2001, a little more than a week after Pequot began buying Heller stock. Pequot continued to buy Heller stock in the following weeks.

"Samberg's aggressive buying of Heller suggests he received the tip shortly before July 2," Mr. Aguirre said in an e-mail to Mr. Hanson, his S.E.C. supervisor. And Pequot's e-mails show that Mr. Samberg and Mr. Mack spoke after the market closed on Friday, June 29, according to Mr. Aguirre. "That matched perfectly with Samberg's decision to begin buying Heller with a vengeance the next trading day after he spoke with Mack," Mr. Aguirre said in his letter to the banking committee.

The committee files show that until late June of last year, S.E.C. officials appeared to support Mr. Aguirre's investigation. Around that time, Mr. Aguirre said, his supervisors authorized him to contact the Federal Bureau of Investigation and a federal prosecutor about the investigation.

But when Morgan Stanley was considering hiring Mr. Mack as chief executive, Mr. Aguirre said, a regulatory official at the investment bank called to ask if Mr. Mack was a serious target in the Pequot investigation. The official "explained that the prospect of such an action against Mack could affect Morgan Stanley's decision whether to rehire him as its C.E.O.," Mr. Aguirre told the banking committee.

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Before answering, Mr. Aguirre said, he consulted with his two supervisors, Mr. Hanson and Mark Kreitman, an assistant director of enforcement at the agency. According to Mr. Aguirre, Mr. Kreitman favored telling Morgan Stanley that Mr. Mack was indeed a target, but first he informed his boss, Paul R. Berger, an associate director of enforcement, by speakerphone.

With Mr. Aguirre listening in, Mr. Berger quickly overruled Mr. Kreitman, saying in effect that the S.E.C. would most likely not file charges against Mr. Mack and that nothing should be said to Morgan Stanley, Mr. Aguirre said.

Mr. Aguirre was stunned. He told the banking committee that after the call, "The usual routines and protocols went out the window." Suddenly, Mr. Aguirre said, he was excluded from senior staff meetings about the Pequot investigation. And subpoenaed records that ordinarily would go directly to him were instead directed to Linda Thomsen, the agency's chief of enforcement, he said.

Mr. Berger, now a lawyer at Debevoise & Plimpton, declined to comment.

For the next two months, Mr. Aguirre pressed his superiors for permission to take Mr. Mack's testimony. He failed to change their minds.

"I need greater specificity than the information provided here," Mr. Kreitman wrote in a July 25, 2005, e-mail to Mr. Aguirre. Mr. Kreitman said the evidence of motive "may have substance but it's too vague." And while contacts between Mr. Mack and Mr. Samberg "were potentially significant," they were not "aberrational."

"I have indicated repeatedly that concrete evidence of when Mack obtained access to material nonpublic information re the G.E./Heller deal is the sine qua non for focused investigation of Mack," Mr. Kreitman wrote.

To Mr. Aguirre, this standard had not been applied to other executives he had subpoenaed. Just as troubling, he said, were references by Mr. Hanson to the power of Mr. Mack and his lawyers, who included former S.E.C. officials.

"Mack's counsel will have 'juice,' as I described last night — meaning that they may reach out to Paul and Linda (and possibly others)," Mr. Hanson told Mr. Aguirre in an e-mail on Aug. 4, 2005. The reference apparently was to Mr. Berger and Ms. Thomsen.

Three weeks later, on Aug. 24, Mr. Hanson again acknowledged Mr. Mack's status. "Most importantly the political clout I mentioned to you was a reason to keep Paul and possibly Linda in the loop on the testimony," Mr. Hanson wrote. But he added: "As far as I know politics are never involved in determining whether to take someone's testimony. I've not seen it done at this agency."

Mr. Aguirre disputed Mr. Hanson's account, calling it "spin," and added: "An artificially high barrier has been set for his exam. I do not think this is proper."

Mr. Ricciardi of the S.E.C., speaking generally, said, "Every day enforcement deals with powerful people and we treat them equally with an appropriate level of fairness for the people being investigated and fierceness for the investors we protect." He also said that lawyers representing possible targets often approach top enforcement officials. "They don't have to be a famous lawyer, and they don't have to have a famous client," he said.

An S.E.C. spokesman declined to provide comments from Mr. Kreitman, Mr. Hanson or Ms. Thomsen.

By the end of August, Mr. Aguirre was complaining that the Heller investigation "has slowed to a snail's pace." He was fired about a week later while on vacation.

In late August of this year, Senator Grassley, the finance committee chairman, wrote to the S.E.C. chairman, Christopher Cox, raising questions about how the agency handled the investigation. He wrote that congressional investigators had found that the S.E.C.'s Heller inquiry had stopped, and had resumed only after Congress began looking at the matter.

Senator Grassley also took the inspector general's office to task, saying it had shown little interest in Mr. Aguirre's contention that Mr. Mack's political clout was a factor in not taking his testimony last year.

The inspector general "closed its inquiry, claiming it found no evidence that S.E.C. officials had referenced Mack's political clout," Mr. Grassley wrote, adding, "Contrary to the I.G. report, however, documentary evidence exists and corroborates" that assertion.

A Test For The SEC's Chief (LAT)

By Jonathan Peterson

The Los Angeles Times, October 22, 2006

Christopher Cox is being forced out of his comfort zone to tackle a shareholder rights issue.

WASHINGTON — In his first year as chairman of the Securities and Exchange Commission, Christopher Cox is widely credited with bringing accord to a panel that was bitterly divided over how aggressive it should be in policing corporate wrongdoing in the wake of Enron and other scandals.

The former Republican congressman from Newport Beach has shepherded a handful of reform-oriented measures without controversy, steering clear of proposals on which the odds of finding common ground appeared slim.

Now, however, a federal appeals court decision has tossed a grenade-like issue into the SEC's chambers — putting Cox's diplomatic and leadership skills to their toughest test.

The court decision is forcing the agency to again confront demands to give shareholders a bigger say in the nomination of corporate directors. Former SEC Chairman William H. Donaldson unveiled a plan to do so in 2003, but it fizzled after triggering a partisan split on the commission and generating business opposition so fierce that many believe it contributed to Donaldson's departure.

Although the panel's makeup has changed, it is not clear that the group of three Republicans and two Democrats can take more than a cautious step to open up elections before exposing its own ideological differences. Nor is it clear that Cox is prepared to follow his predecessor in bringing up matters that force him to cast contentious, tie-breaking votes.

"Having a unanimous commission is ideal, and Chairman Cox has done an excellent job of building consensus," said Harvey J. Goldschmid, who left the SEC last year and is now a professor at Columbia University School of Law. "But on issues of this significance, doing the right thing is of far greater consequence than having a dissenting vote."

Goldschmid, a Democrat, believes regulators should make it easier for shareholders to nominate candidates for corporate boards and to have these nominees included in a company's official election materials.

For years, the SEC has allowed companies to reject such requests. In September, however, the U.S. Court of Appeals for the 2nd Circuit ruled that the agency was wrong when it allowed insurer American International Group Inc. to block such a resolution by the pension plan for the American Federation of State, County and Municipal Employees.

The court found that despite the SEC staff's routine rejection of such requests, the agency's policy statements on the matter had been contradictory.

Within hours of the ruling, the SEC said it would address the issue at an October meeting to make sure its rules were applied consistently.

But soon before the meeting last week, the SEC postponed the public airing until December.

"It's simply not soup yet," one official said.

Regulators now hope that in December they will be able to offer companies guidance on the issue.

More broadly, they are trying to write a rule that would give shareholders greater rights to place independent board candidates on the corporate ballot card.

In an interview, Cox expressed support for the basic principle that shareholders deserve a say in the corporate nomination process.

"The right of the owners of the company to choose the directors who represent them is fundamental," he said. "The Securities and Exchange Commission has among its significant responsibilities protecting that right."

The matter of moving beyond principle to a specific proposal is where the issue gets thorny and emotions get hot, and Cox declined to elaborate on his views.

For investor activists, including unions and public pension funds, the goal of nominating board members goes to the heart of shareholder democracy. Inside the executive suite, however, that same goal may be seen as an unwelcome effort by special interests to meddle in running the company.

Currently, shareholders who wish to oppose nominees that are handpicked by the company have little choice other than to withhold their votes or shoulder postage costs for a write-in revolt — limits that place a heavy burden on all challenges.

In 2004, for example, the full-bore assault on Michael Eisner as chairman of Walt Disney Co. was deemed a big success when about 45% of shareholders withheld their support.

Cox, who as chairman of the House Committee on Homeland Security tried to smooth over differences between its Republican and Democratic members, has tried to keep schisms out of the five-member SEC, which was deeply divided before he took the helm in 2005.

Among the most divisive issues was the matter of shareholder rights to nominate directors. That measure prompted the biggest barrage of public comments, pro and con, in the agency's history.

Donaldson, a former Wall Street investment banker, was unable to win support among fellow Republicans, and business groups complained angrily about his proposal to the White House, which accepted his resignation.

Republican Commissioners Paul S. Atkins, a leading opponent of the 2003 proposal, and newcomer Kathleen L. Casey did not respond to requests for comment. Democratic Commissioners Roel C. Campos and Annette L. Nazareth are known to sympathize with the shareholders' goal, although Nazareth has publicly supported a cautious, go-slow approach this time around.

"I don't think the commission wants to go back to that experience" of 2003, said Fred R. Buenrostro Jr., chief executive of the California Public Employees' Retirement System. He recently led a delegation to meet with each commissioner on the matter.

A technology enthusiast, Cox would like to defuse the shareholder voting issue, at least in part, through the Internet's potential to give investors an easy and cheap way to make their feelings known. He called it a "happy coincidence" that a separate proposed rule allowing companies to deliver their election materials on the Internet is also scheduled for the December meeting.

"In the future the Internet will help alleviate a great deal of the expense that has made it difficult for shareholders to participate in the process," he said.

Activists, however, generally don't view access to the Web as the full answer to their goal of democratizing board elections, and they want to be able to place the names of independent candidates directly on corporate ballot cards.

When a company continually ignores shareholder resolutions, or when executives or board members engage in misconduct, such efforts may be necessary, they contend. Revelations that Hewlett-Packard Co. detectives spied on board members and journalists, for example, recently prompted a group of pension funds to propose that the company alter its rules so that shareholders could nominate members of the board.

Activists say the goal is no less than democracy: "If it's good enough in Afghanistan and Iraq, why not in corporate boardrooms?" asked CalPERS' Buenrostro.

On the other side, however, business lobbyists are making the case that a rule change could do more harm than good. Corporate America, they contend, is still absorbing the Sarbanes-Oxley reforms that were passed after the Enron debacle. Further, they say that other changes, such as growing acceptance of a majority-vote requirement to win board seats, have improved governance and made directors more vigilant than ever.

They oppose a broader role for shareholders in board elections.

"This would be tremendously disruptive and could require expenditure of significant corporate resources and discourage directors from serving on corporate boards," cautioned Steve Odland, CEO of Office Depot Inc., in a letter to the SEC on behalf of the Business Roundtable, which represents large U.S. corporations.

Since taking the helm in August 2005, Cox has helped impose stricter disclosure rules for executive compensation and new restrictions on "soft dollar" arrangements that reward stockbrokers with higher commissions in return for research and other services.

Shareholder voting, however, goes directly to the balance of power between management and shareholders, making a pain-free compromise harder to reach. Moreover, establishing a rule could require difficult decisions on how large a bloc of shareholders is required to merit a say in nominations and how long they should own their shares.

The proposal from the American Federation of State, County and Municipal Employees, for example, would apply to shareholders owning 3% of a company's stock for a year or more. These and other details are grist for the emerging SEC debate.

"Chairman Cox has worked hard and successfully to keep commissioners on the same page," said Amy Borrus, deputy director of the Council of Institutional Investors, which represents public, labor and corporate pension funds whose combined assets exceed $3 trillion. "Proxy access, though, will be a tough test of his consensus-building skills."

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CRIMINAL LAW:

Pundit Settles Case On Education Laws (WT)

By Brian Debose

The Washington Times, October 22, 2006

The Justice Department has reached a settlement with conservative commentator Armstrong Williams, closing a yearlong investigation into his promotion of Bush administration education reforms.

The final eight-page agreement among Mr. Williams, the Education Department and its subcontractor, Ketchum Communications, was reached Thursday.

The carefully worded settlement papers, a copy of which was obtained by The Washington Times, state that Mr. Williams is not guilty of any criminal violations, but must repay a portion of his fee to the federal government. According to the documents, Mr. Williams will have to pay $34,000 to settle the case.

"It's a complete and absolute vindication for me as far as my involvement in this. I did not break the law," Mr. Williams said.

He became the central figure last year in a brouhaha in which the Education Department contracted with several radio, television and print commentators to promote the No Child Left Behind Act.

House Democrats and Republicans denounced the public relations deal as an illegal propaganda campaign using taxpayers' dollars.

Mr. Williams' contract with Ketchum required that he create two television and two radio advertisements regarding the effectiveness of No Child Left Behind, which settlement papers state he performed.

It also called for Mr. Williams to "actively promote" the law to minorities as part of a six-month outreach program, but he said he refused to honor that portion of the contract.

"If I had done that, it would have been unethical and illegal," he said. "So basically, I have to pay them $34,000 back for not breaking the law."

The incident damaged the reputations of many journalists because the public viewed many of the people used to promote the education law as journalists, not as opinion writers and pundits on television and radio talk shows.

"The one thing I do regret, and I have always said this, is not disclosing this contract and my duties to my media clients who run my columns and broadcast commentaries," Mr. Williams said.

Bush's Family Profits From 'No Child' Act (LAT)

By Walter F. Roche Jr., Times Staff Writer

The Los Angeles Times, October 22, 2006

A company headed by President Bush's brother and partly owned by his parents is benefiting from Republican connections and federal dollars targeted for economically disadvantaged students under the No Child Left Behind Act.

With investments from his parents, George H.W. and Barbara Bush, and other backers, Neil Bush's company, Ignite! Learning, has placed its products in 40 U.S. school districts and now plans to market internationally.

At least 13 U.S. school districts have used federal funds available through the president's signature education reform, the No Child Left Behind Act of 2001, to buy Ignite's portable learning centers at $3,800 apiece.

The law provides federal funds to help school districts better serve disadvantaged students and improve their performance, especially in reading and math.

But Ignite does not offer reading instruction, and its math program will not be available until next year.

The federal Department of Education does not monitor individual school district expenditures under the No Child program, but sets guidelines that the states are expected to enforce, spokesman Chad Colby said.

Ignite executive Tom Deliganis said that "some districts seem to feel OK" about using No Child money for the Ignite purchases, "and others do not."

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Neil Bush said in an e-mail to The Times that Ignite's program had demonstrated success in improving the test scores of economically disadvantaged children. He also said political influence had not played a role in Ignite's rapid growth.

"As our business matures in the USA we have plans to expand overseas and to work with many distinguished individuals in Asia, Europe, the Middle East and Africa," he wrote. "Not one of these associates by the way has ever asked for any access to either of my political brothers, not one White House tour, not one autographed photo, and not one Lincoln bedroom overnight stay."

Funding laws unclear

Interviews and a review of school district documents obtained under the Freedom of Information Act found that educators and legal experts were sharply divided over whether Ignite's products were worth their cost or qualified under the No Child law.

The federal law requires schools to show they are meeting educational standards, or risk losing critical funding. If students fail to meet annual performance goals in reading and math tests, schools must supplement their educational offerings with tutoring and other special programs.

Leigh Manasevit, a Washington attorney who specializes in federal education funding, said that districts using the No Child funds to buy products like Ignite's would have to meet "very strict" student eligibility requirements and ensure that the Ignite services were supplemental to existing programs.

Known as COW, for Curriculum on Wheels (the portable learning centers resemble cows on wheels), Ignite's product line is geared toward middle school social studies, history and science. The company says it has developed a social studies program that meets curriculum requirements in seven states. Its science program meets requirements in six states.

Most of Ignite's business has been obtained through sole-source contracts without competitive bidding. Neil Bush has been directly involved in marketing the product.

In addition to federal or state funds, foundations and corporations have helped buy Ignite products. The Washington Times Foundation, backed by the Rev. Sun Myung Moon, head of the South Korea-based Unification Church, has peppered classrooms throughout Virginia with Ignite's COWs under a $1-million grant.

Oil companies and Middle East interests with long political ties to the Bush family have made similar bequests. Aramco Services Co., an arm of the Saudi-owned oil company, has donated COWs to schools, as have Apache Corp., BP and Shell Oil Co.

Neil Bush said he is a businessman who does not attempt to exert political influence, and he called The Times' inquiries about his venture — made just before the election — "entirely political."

Big supporters

Bush's parents joined Neil as Ignite investors in 1999, according to U.S. Securities and Exchange Commission documents. By 2003, the records show, Neil Bush had raised about $23 million from more than a dozen outside investors, including Mohammed Al Saddah, the head of a Kuwaiti company, and Winston Wong, the head of a Chinese computer firm.

Most recently he signed up Russian fugitive business tycoon Boris A. Berezovsky and Berezovsky's partner Badri Patarkatsishvili.

Barbara Bush has enthusiastically supported Ignite. In January 2004, she and Neil Bush were guests of honor at a $1,000-atable fundraiser in Oklahoma City organized by a foundation supporting the Western Heights School District. Proceeds were earmarked for the purchase of Ignite products.

Organizer Mary Blankenship Pointer said she planned the event because district students were "utilizing Ignite courseware and experiencing great results. Our students were thriving."

However, Western Heights school Supt. Joe Kitchens said the district eventually dropped its use of Ignite because it disagreed with changes Ignite had made in its products. "Our interest waned in it," he said.

The former first lady spurred controversy recently when she contributed to a Hurricane Katrina relief foundation for storm victims who had relocated to Texas. Her donation carried one stipulation: It had to be used by local schools for purchases of COWs.

Texas accounts for 75% of Ignite's business, which is expanding rapidly in other states, Deliganis said.

The company also has COWs deployed in North Carolina, Virginia, Nevada, California, the District of Columbia, Georgia and Florida, he said.

COWs recently showed up at Hill Classical Middle School in California's Long Beach Unified School District. A San Jose middle school also bought Ignite's products but has since closed.

Neil Bush said Ignite has more than 1,700 COWs in classrooms.

Shift in strategy

But Ignite's educational strategy has changed dramatically, and some are critical of its new approach. Shortly after Ignite was formed in Austin, Texas, in 1999, it bought the software developed by another small Austin firm, Adaptive Learning Technology.

Adaptive Learning founder Mary Schenck-Ross said the software's interactive lessons allowed teachers "to get away from the mass-treatment approach" to education. When a student typed in a response to a question, the software was designed to react and provide a customized learning path.

"The original concept was to avoid 'one size fits all.' That was the point," said Catherine Malloy, who worked on the software development.

Two years ago, however, Ignite dropped the individualized learning approach. Working with artists and illustrators, it created a large purple COW that could be wheeled from classroom to classroom and plugged in, offering lessons that could be played to a roomful of students.

The COWs enticed students with catchy jingles and videos featuring cartoon characters like Mr. Bighead and Norman Einstein. On Ignite's website, a collection of teachers endorsed the COW, saying that it eliminated the need for lesson planning. The COW does it for them.

The developers of Adaptive Learning's software complain that Ignite replaced individualized instruction with a gimmick.

"It breaks my heart what they have done. The concept was totally perverted," Schenck-Ross said.

Nevertheless, Ignite found many receptive school districts. In Texas, 30 districts use COWs.

In Houston, where Neil Bush and his parents live, the district has used various funding sources to acquire $400,000 in Ignite products. An additional $240,000 in purchases has been authorized in the last six months.

Correspondence obtained by The Times shows that Neil Bush met with top Houston officials, sent e-mails and left voice mail messages urging bigger and faster allocations. An e-mail from a school procurement official to colleagues said Bush had made it clear that he had a "good working relationship" with a school board member.

Another Ignite official asked a Texas state education official to endorse the company. In an e-mail, Neil Bush's partner Ken Leonard asked Michelle Ungurait, state director of social studies programs, to tell Houston officials her "positive impressions of our content, system and approach."

Ungurait, identified in another Leonard e-mail as "our good friend" at the state office, told her superiors in response to The Times' inquiry that she never acted on Leonard's request.

Leonard said he did not ask Ungurait to do anything that would be improper.

Houston school officials gave Ignite's products "high" ratings in eight categories and recommended approval.

Some in Houston's schools question the expenditures, however. Jon Dansby was teaching at Houston's Fleming Middle School when Ignite products arrived.

"You can't even get basics like paper and scissors, and we went out and bought them. I just see red," he said.

In Las Vegas, the schools have approved more than $300,000 in Ignite purchases. Records show the board recommended spending $150,000 in No Child funding on Ignite products.

Sources familiar with the Las Vegas purchases said pressure to buy Ignite products came from Sig Rogich, an influential local figure and prominent Republican whose fundraising of more than $200,000 for President Bush's 2004 reelection campaign qualified him as a "Bush Ranger."

Rogich, who chairs a foundation that supports local schools, said he applied no pressure but became interested in COWs after Neil Bush contacted him. Rogich donated $6,000 to purchase two COWs for a middle school named after him.

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Christy Falba, the former Clark County school official who oversaw the contracts, said she and her husband attended a dinner with Neil Bush to discuss the products. She said Rogich encouraged the district "to look at the Ignite program" but applied no pressure.

Mixed reviews

Few independent studies have been done to assess the effectiveness of Ignite's teaching strategies. Neil Bush said the company had gotten "great feedback" from educators and planned to conduct a "major scientifically valid study" to assess the COW's impact. The results should be in by next summer, he said.

Though Ignite's products get generally rave reviews from Texas educators, the opinion is not universal.

The Tornillo, Texas, Independent School District no longer uses the Ignite programs it purchased several years ago for $43,000.

"I wouldn't advise anyone else to use it," said Supt. Paul Vranish. "Nobody wanted to use it, and the principal who bought it is no longer here."

Ignite's website features glowing videotaped testimonials from teachers, administrators, students and parents.

Many of the videos were shot at Del Valle Junior High School near Austin, where school district officials allowed Ignite to film facilities and students.

In the video, a student named India says: "I was feeling bad about my grades. I didn't know what my teacher was talking about." The COW changed everything, the girl's father says on the video.

Lori, a woman identified as India's teacher, says the child was not paying attention until the COW was brought in.

The woman, however, is not India's teacher, but Lori Anderson, a former teacher and now Ignite's marketing director. Ignite says Anderson was simply role-playing.

In return for use of its students and facilities, a district spokeswoman said Ignite donated a free COW. Five others were purchased with district funds.

District spokeswoman Celina Bley acknowledged that regulations bar school officials from endorsing products. But she said that restriction did not apply to the videos.

"It is illegal for individuals to make an endorsement, but this was a districtwide endorsement," Bley said in an e-mail.

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Exclusive: Feds Probe A Top Democrat's Relationship With AIPAC (TIME)

By Timothy J. Burger, Washington

Time, October 22, 2006

The Department of Justice is investigating whether Rep. Jane Harman and the pro-Israel group worked together to get her reappointed as the top Democrat on the House Intelligence Committee

Did a Democratic member of Congress improperly enlist the support of a major pro-Israel lobbying group to try to win a top committee assignment? That's the question at the heart of an ongoing investigation by the FBI and Justice Department prosecutors, who are examining whether Rep. Jane Harman of California and the American Israel Public Affairs Committee (AIPAC) may have violated the law in a scheme to get Harman reappointed as the top Democrat on the House intelligence committee, according to knowledgeable sources in and out of the U.S. government.

The sources tell TIME that the investigation by Justice and the Federal Bureau of Investigation, which has simmered out of sight since about the middle of last year, is examining whether Harman and AIPAC arranged for wealthy supporters to lobby House Democratic leader Nancy Pelosi on Harman's behalf. Harman said Thursday in a voicemail message that any investigation of — or allegation of improper conduct by — her would be "irresponsible, laughable and scurrilous." On Friday, Washington GOP super lawyer Ted Olson left voicemail messages underscoring that Harman has no knowledge of any investigation. "Congresswoman Harman has asked me to follow up on calls you've had," Olson said. "She is not aware of any such investigation, does not believe that it is occurring, and wanted to make sure that you and your editors knew that as far as she knows, that's not true... . No one from the Justice Department has contacted her." It is not, however, a given that Harman would know that she is under investigation. In a follow-up phone call from California, Olson said Harman hired him this morning

because she takes seriously the possibility of a media report about an investigation of her, even though she does not believe it herself.

A spokesman for AIPAC, a powerful Washington-based organization with more than 100,000 members across the U.S., denied any wrongdoing by the group and stressed that it is not taking sides in regards to the committee assignment. Spokespersons for Justice and the FBI declined to comment. The case is a spin-off of a probe that has already led to charges under the Espionage Act against two AIPAC lobbyists, whose case is still pending, and to a 12-and-a-half-year prison sentence for former Defense Intelligence Agency official Lawrence A. Franklin. Franklin pleaded guilty a year ago to three felony counts involving improper disclosure and handling of classified information about the Middle East and terrorism to the two lobbyists, who in turn are accused of passing it on to a journalist and a foreign government, widely believed to be Israel. The two lobbyists, who have denied any wrongdoing but were dismissed by AIPAC in April of 2005, were indicted on felony counts of conspiring with government officials to receive classified information they were not authorized to have access to and providing national defense information to people not entitled to receive it.

Around mid-2005, the investigation expanded to cover aspects of Harman's quiet but aggressive campaign to persuade House Minority Leader Nancy Pelosi to reappoint her to the prestigious position on the House intel panel. The alleged campaign to support Harman for the leadership post came amid media reports that Pelosi had soured on her California colleague and might name Rep. Alcee Hastings of Florida, himself a major supporter of Israel, to succeed Harman.

The sources say the probe also involves whether, in exchange for the help from AIPAC, Harman agreed to help try to persuade the Administration to go lighter on the AIPAC officials caught up in the ongoing investigation. If that happened, it might be construed as an illegal quid pro quo, depending on the context of the situation. But the sources caution that there has been no decision to charge anyone and that it is unclear whether Harman and AIPAC acted on the idea.

AIPAC spokesman Patrick Dorton denies that the organization has engaged in any improper conduct. "Both Congressman Hastings and Congresswoman Harman are strong leaders on issues of importance to the pro-Israel community and would be exemplary Democratic leaders for the House intelligence committee," Dorton said. "AIPAC would never engage in a quid pro quo in relation to a federal investigation or any federal matter and the notion that it would do so is preposterous. AIPAC is not aware that the Justice Department is looking into issues involving the intelligence committee, and has not been asked any questions or contacted by the government on this matter, but certainly would cooperate with any inquiry." Dorton added that AIPAC has previously been assured that the organization and its current employees are not being investigated. In this same investigation, the Justice Department has previously suggested that AIPAC had questionable motives in trying to help a valued government contact remain in a sensitive national security post. The Justice Department alleges in its indictment of Franklin that he asked one of the two AIPAC lobbyists to "put in a good word" for him in seeking assignment to the National Security Council. The document says the AIPAC official noted that such a job would put Franklin "by the elbow of the President" and said he would "do what I can."

AIPAC lists praise from Pelosi among a series of quotes from world leaders on its website: "The special relationship between the United States and Israel is as strong as it is because of your [AIPAC's] fidelity to that partnership..." But congressional sources say Pelosi has been infuriated by pressure from some major donors lobbying on behalf of Harman. In a story touching on tensions between Pelosi and Harman, an alternative California publication, LA Weekly, reported in May that Harman "had some major contributors call Pelosi to impress upon her the importance of keeping Jane in place. According to these members, this tactic, too, hasn't endeared Harman to Pelosi."

A congressional source tells TIME that the lobbbying for Harman has included a phone call several months ago from entertainment industry billionaire and major Democratic party contributor Haim Saban. A Saban spokeswoman said he could not be reached for comment. A phone call pushing for a particular member's committee assignment might be unwelcome, but it would not normally be illegal on its own. And it is unclear whether Saban — who made much of his fortune with the Mighty Morphin Power Rangers children's franchise — knew that lobbying Pelosi might be viewed by others as part of a larger alleged plan.

Saban has donated at least $3,000 to Harman's campaign, according to Federal Election Commission records, and the Saban Center for Middle East Policy, which he sponsors at the prestigious Brookings Institution, boasts Harman among its biggest fans. "When the Saban Center talks, I listen," Harman said at a Saban Center briefing in February on U.S. strategy in Iraq.

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Harman quipped that, in order to attend the session at Brookings, she had to "blow off" a senior intelligence official's appearance before a House committee.

Houston Homicides Spike; Evacuees Cited (AP)

AP, October 22, 2006

Evacuees from Hurricane Katrina have contributed to an increase in Houston's annual murder rate, which could climb this year to its highest level in more than a decade, police said.

Houston had 316 homicides as of Oct. 16. That's an increase of 25 percent from the 252 slayings tallied at this time last year, putting the city on pace to record nearly 400 killings before the end of 2006.

"We recognize that the homicide rate is up as far as raw numbers and as well as percentages relative to the population," Capt. Dwayne Ready said. "We also recognize that Katrina evacuees continue to have an impact on the murder rate."

When Katrina swamped New Orleans last year, 250,000 people fled to Houston. As many as 150,000 evacuees remain in the city.

Houston's homicide rate has been much higher in the past, especially 1981, when the city was dubbed the nation's murder capital with 701 slayings. Even if the city reaches 400 homicides, Ready said, "it's not a bleak picture."

At least 65 slayings in 2006 have been classified as Katrina-related, meaning either the victim, suspect or both evacuated to Houston after Katrina. Police have not kept records of how evacuees have affected crime rates other than homicide.

The murder rate began to rise at the end of last year, when the city recorded 334 homicides. During the previous 10 years, Houston never exceeded the 316 slayings counted in 1995.

U.S. Summit Considered Some Options On School Safety (NYJN)

By Leah Rae, THE JOURNAL NEWS

New York Journal News, October 22, 2006

President Bush's school security conference this month considered a long list of safety strategies, including emergency planning, metal detectors, student counseling and even God.

"We call this in education a 'teachable moment,' " U.S. Education Secretary Margaret Spellings said during the Oct. 10 conference in Maryland, which was organized after the shooting deaths of five Amish girls in Pennsylvania on Oct. 2 and two other deadly attacks in Colorado and Wisconsin.

The emphasis was on the need for communication and planning. Panelists stressed that most school attacks carried out by students followed some form of warning. They reviewed danger signs, such as a student's sudden changes in behavior, depression and suicidal thoughts.

Cathy Paine, a school psychologist who witnessed a 1998 shooting in Springfield, Ore., said schools there were forming "care teams" of teachers who discussed concerns about students and connected them to mental health services.

Craig Scott, whose sister was killed at Columbine, called for more moral guidance, and education "that touches and teaches the heart and helps form the character."

Security precautions like metal detectors were another strategy under discussion, but Attorney General Alberto Gonzales pointed out that one in five school shootings occurred outside a school building.

The conference was criticized for not exploring another angle: the prevalence of guns, a common denominator in the recent attacks.

"Let's make sure that gun owners are responsible," state Assemblywoman Amy Paulin, D-Scarsdale, said last week. "I really believe that that's the more important angle. I don't know that we want to have barriers to our local schools."

An Unwelcome Discovery (NYT)

By Jeneen Interlandi

The New York Times, October 22, 2006

On a rainy afternoon in June, Eric Poehlman stood before a federal judge in the United States District Court in downtown Burlington, Vt. His sentencing hearing had dragged on for more than four hours, and Poehlman, dressed in a black suit,

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remained silent while the lawyers argued over the appropriate sentence for his transgressions. Now was his chance to speak. A year earlier, in the same courthouse, Poehlman pleaded guilty to lying on a federal grant application and admitted to fabricating more than a decade's worth of scientific data on obesity, menopause and aging, much of it while conducting clinical research as a tenured faculty member at the University of Vermont. He presented fraudulent data in lectures and in published papers, and he used this data to obtain millions of dollars in federal grants from the National Institutes of Health — a crime subject to as many as five years in federal prison. Poehlman's admission of guilt came after more than five years during which he denied the charges against him, lied under oath and tried to discredit his accusers. By the time Poehlman came clean, his case had grown into one of the most expansive cases of scientific fraud in U.S. history.

"I need to start out by apologizing," Poehlman said now, standing at the lectern before the judge. Speaking quickly and stammering occasionally, he apologized to friends and former colleagues, some of whom were listening in the back of the courtroom. He apologized to his mother, who sat in the front row, crying. And he apologized to Walter DeNino, the former protégé who turned him in, who was also sitting in the courtroom, several rows back on the prosecution's side.

"I have wanted to say I'm sorry for five years," Poehlman said, without turning around to face DeNino. "I want to make it very clear I am remorseful. I accept the responsibility. There's no way that I can turn back the clock. And I'm not that individual that I was years ago."

Before his fall from grace, Poehlman oversaw a lab where nearly a dozen students and postdoctoral researchers carried out his projects. His research earned him recognition among his peers and invitations to speak at conferences around the world. And he made nearly $140,000, one of the top salaries at the University of Vermont. All of that began to change six years ago, when DeNino took his concerns about anomalies in Poehlman's data to university officials. The subsequent investigation — a collaboration among the University of Vermont, the Office of Research Integrity (which is within the Department of Health and Human Services) and the United States Department of Justice — uncovered fraudulent research that stretched back through almost half of Poehlman's career. The revelations led to the retraction or correction of 10 scientific papers, and Poehlman was banned forever from receiving public research money. He was only the second scientist in the United States to face criminal prosecution for falsifying research data.

At 50, with his career in ruins and his reputation destroyed, Poehlman could only hope to avoid one final humiliation: becoming the first researcher sentenced to prison for scientific misconduct. Citing the nearly $200,000 Poehlman had paid in restitution, his attorneys had asked the judge to sentence him to supervised probation. "I am hoping that you can consider this sentence fair and just to me, as well as the community," Poehlman pleaded, without "a sentence of incarceration or imprisonment."

In the fall of 2000, Walter DeNino was comparing measurements in some data Poehlman had given him when he found something odd. DeNino, who was then 24, had started working in Poehlman's lab during his senior year at UVM. The young man admired the senior researcher and enjoyed the camaraderie of his peers. Poehlman pushed his team hard, but he was also charming and energetic, and he attracted people who were active athletes like himself. Lab members regularly went to the campus gym during lunch breaks and often competed in marathons together. Poehlman ran daily with students and colleagues alike.

DeNino fit in right away. A driven athlete, he ran so much in high school that he suffered dozens of tiny stress fractures in both legs. When a doctor suggested he run less, DeNino responded by riding his bike more. During college, after finishing in the top three in three triathlons, he was invited to join the U.S.A. Triathlon Olympic Resident Team to train in California and Colorado.

Professionally ambitious, DeNino graduated with a double major in nutritional sciences and dietetics at UVM and won several awards for the research he completed under Poehlman's tutelage. When Poehlman invited him back to the lab as a paid technician — allowing him to continue to train for the Olympics part time — DeNino saw it as the ideal way to strengthen his candidacy for medical school. Although technicians are usually at the bottom of the lab hierarchy, carrying out the more mundane aspects of their principal investigator's work, a generous scientist will give them credit on publications. DeNino figured that getting his name on one of Poehlman's papers could make the difference on a med-school application.

The fall that DeNino returned to the lab, Poehlman was looking into how fat levels in the blood change with age. DeNino's task was to compare the levels of lipids, or fats, in two sets of blood samples taken several years apart from a large group of

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patients. As the patients aged, Poehlman expected, the data would show an increase in low-density lipoprotein (LDL), which deposits cholesterol in arteries, and a decrease in high-density lipoprotein (HDL), which carries it to the liver, where it can be broken down. Poehlman's hypothesis was not controversial; the idea that lipid levels worsen with age was supported by decades of circumstantial evidence. Poehlman expected to contribute to this body of work by demonstrating the change unequivocally in a clinical study of actual patients over time. But when DeNino ran his first analysis, the data did not support the premise.

When Poehlman saw the unexpected results, he took the electronic file home with him. The following week, Poehlman returned the database to DeNino, explained that he had corrected some mistaken entries and asked DeNino to re-run the statistical analysis. Now the trend was clear: HDL appeared to decrease markedly over time, while LDL increased, exactly as they had hypothesized.

Although DeNino trusted his boss implicitly, the change was too great to be explained by a handful of improperly entered numbers, which was all Poehlman claimed to have fixed. DeNino pulled up the original figures and compared them with the ones Poehlman had just given him. In the initial spreadsheet, many patients showed an increase in HDL from the first visit to the second. In the revised sheet, all patients showed a decrease. Astonished, DeNino read through the data again. Sure enough, the only numbers that hadn't been changed were the ones that supported his hypothesis.

Confused by the discrepancy between the data sets, DeNino went back to Poehlman and asked to see the patient files. When Poehlman brushed him off, a disquieting feeling came over DeNino. Seeking advice, he e-mailed Andre Tchernof, a former postdoctoral fellow of Poehlman's who had recently left to head his own lab in Quebec City. Tchernof confided to DeNino that something similar had happened before to another lab member.

"He confronted him with the fact that it did not add up," Tchernof wrote in an e-mail message to DeNino. "The response was a job-loss threat, more or less." Tchernof warned DeNino to proceed cautiously. Being associated with either falsified data or a frivolous allegation against a scientist as prominent as Poehlman could end DeNino's career before it even began. Poehlman also had a reputation for playing favorites in the lab. While DeNino had always been on Poehlman's good side, both he and Tchernof had seen Poehlman reduce other subordinates to tears for relatively minor infractions. If Poehlman's career was on the line, there was no telling what he would do to protect himself.

DeNino shared his concerns over the data with a handful of graduate students and postdocs and discovered that others had questions, too. Emboldened, he approached Dwight Matthews, a faculty member who shared lab space with Poehlman. Matthews and Poehlman had written a number of papers and grants together over the years, and DeNino worried that Matthews might alert Poehlman to his suspicions. But DeNino could not shake the feeling that Poehlman was hiding something, and he wanted guidance from a faculty member.

"First, understand that no matter how you proceed, everyone loses," Matthews told DeNino when they met to discuss Poehlman. "Your career will be ruined because no one is going to protect you." Matthews was brutally frank. "The university will come out bad," he continued, "and Eric's reputation will be destroyed." He told DeNino that he would have to decide for himself what to do. As an afterthought, Matthews told me in a recent interview, he offered one suggestion: "If you're going to do something, make sure you really have the evidence."

DeNino spent the next several evenings combing through hundreds of patients' records in the lab and university hospital, trying to verify the data contained in Poehlman's spreadsheets. Each night was worse than the one before. He discovered not only reversed data points, but also figures for measurements that had never been taken and even patients who appeared not to exist at all. In the mornings he would return to the lab and continue working as Poehlman's technician, waiting for the right moment to confront the principal investigator.

The scientific process is meant to be self-correcting. Peer review of scientific journals and the ability of scientists to replicate one another's results are supposed to weed out erroneous conclusions and preserve the integrity of the scientific record over time. But the Poehlman case shows how a committed cheater can elude detection for years by playing on the trust — and the self-interest — of his or her junior colleagues.

The principal investigator in a lab has the power to jump-start careers. By writing papers with graduate students and postdocs and using connections to help obtain fellowships and appointments, senior scientists can help their lab workers secure coveted tenure-track jobs. They can also do damage by withholding this support.

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A less self-assured person than DeNino might never have questioned Poehlman's revised data in the first place — and not just because it might have meant risking future job prospects. The principal investigator is not just a boss; he is also a teacher with knowledge and experience. "Trust is an essential component in any relationship, but especially between a student and mentor, especially in a research environment," Tchernof told me in a telephone conversation last spring, before Poehlman's sentencing hearing. "If you didn't trust the person you were working with, you'd have to check every single raw data point. It simply would not work. But then it takes a substantial amount of doubt to overcome that established trust."

Once that trust has been breached, the aftershocks can be far-reaching. Not only does any research touched by tainted data have to be re-examined, but high-profile cases of misconduct can also shake public confidence. "We already have a large subculture in society of people who don't trust science to begin with," says John Dahlberg, one of the Office of Research Integrity investigators who oversaw Poehlman's case. "This doesn't help at all."

Most people involved in Poehlman's case say that fraud as extensive as his represents an uncommon pathology, similar to what drove the South Korean scientist who claimed to have cloned human stem cells or the Lucent Technologies physicist who falsified extensive amounts of nanotechnology data. More frequent, according to a study published in Nature in June 2005, are smaller lapses in ethical judgment, like failing to present data that contradicts your previous research or inappropriately assigning author credit. Brian Martinson, who conducted that study with colleagues from the University of Minnesota, suggests that those gray areas, which many scientists inhabit at one time or another during their careers, portend a greater ailment for the scientific process. Minor transgressions, largely undetected and easily rationalized, can build up like plaque, compromising scientific integrity over time.

In late October 2000, as DeNino's suspicions festered, Poehlman was presented with the Lilly Scientific Achievement Award at the annual conference of the North American Association for the Study of Obesity. The weeklong event took place in Long Beach, Calif., and Poehlman and his entire lab flew out to celebrate. More than 100 scientists attended Poehlman's 40-minute lecture, in which he summarized the research he had conducted over the past decade. Much of the work he discussed focused on energy dysregulation — an imbalance between the energy a person consumes and what he expends. This imbalance grows more pronounced as a person ages, or when a woman reaches menopause, and it can lead to a loss of muscle mass and an increase in total body fat, which, in turn, may predispose older people to obesity and cardiovascular disease.

Because most studies that examine the physiology of aging look at only one point in time, researchers can't tell whether the differences measured are because of age, menopause or individual variation. Poehlman's longitudinal study on menopause collected the same measurements from each person twice over a six-year period. This enabled him to show, for the first time, that some metabolic changes were from menopause, not aging. Published in 1995 in the Annals of Internal Medicine, the study confirmed a long-held assumption and helped establish Poehlman's reputation.

As he summarized this and other work for his colleagues, Poehlman exuded grace and confidence, mixing scientific slides with pictures of his lab team and waxing philosophical about the themes that had shaped his career. He mentioned the outstanding work of his assistants and concluded with the following advice: "Work with people who are smarter than you."

Andre Tchernof left Poehlman's lab two months before the Long Beach meeting but attended the Lilly Award lecture with his former labmates. The facet of Poehlman's research that most interested Tchernof involved whether hormone-replacement therapy — providing menopausal patients with supplemental estrogen — could help them lose weight. When he was still in Poehlman's lab, Tchernof had analyzed H.R.T. data from what was apparently the same group of patients Poehlman was discussing in his talk and had found no significant difference in abdominal-fat loss between women who took estrogen and women who didn't. But the slides Poehlman presented at the meeting showed a big difference: women who had received estrogen lost twice as much abdominal fat as those not taking supplements.

"I have no idea where those numbers came from," Tchernof whispered to DeNino, who was sitting next to him in the front row. "That's not what we found, at all."

After the presentation, Tchernof and Poehlman went running along the beach outside their hotel. The two enjoyed a warm relationship during Tchernof's time as a postdoc. Now Tchernof found himself questioning Poehlman on the H.R.T. data he'd presented. Poehlman assured him that the data were fine and brushed off Tchernof's suggestion to double-check the numbers.

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As he stretched his muscles under the waning Pacific sunlight, Tchernof could not shake the feeling that something was very wrong.

By December, DeNino's relationship with Poehlman had deteriorated badly. When Poehlman learned that DeNino was raising questions about data integrity with other people in the lab, they all but stopped talking to each other. Late in the month, following a series of letters, e-mail and confrontations between Poehlman and DeNino, none of which laid the technician's concerns to rest, DeNino went to Thomas Mercurio, the university's general counsel, to lodge a formal, written accusation of scientific misconduct against his former mentor. The process he set in motion would take almost six years to conclude.

All universities that receive public money to conduct research are required to have an integrity officer who ensures compliance with federal guidelines. But policing its scientists can be a heavy burden for a university. "It's your own faculty, and there's this idea of supporting and nurturing them," says Ellen Hyman-Browne, a research-compliance officer at the Children's Hospital of Philadelphia, a teaching hospital. Moreover, investigations cost time and money, and no institution wants to discover something that could cast a shadow on its reputation.

"There are conflicting influences on a university where they are the co-grantor and responsible to other investigators," says Stephen Kelly, the Justice Department attorney who prosecuted Poehlman. "For the system to work, the university has to be very ethical."

Dr. Burton Sobel, the chairman of Poehlman's department, was determined to do everything by the book. After meeting with DeNino, whom he later described as "forthright, composed, clearly troubled," he contacted Poehlman, saying he needed to discuss something unpleasant with him. Sobel was astonished by Poehlman's response. The accused scientist gave him the impression that nothing was wrong and seemed mostly annoyed by all the fuss. In his written response to the allegations, Poehlman suggested that the data had gotten out of hand, accumulating numerous errors because of handling by multiple technicians and postdocs over the years.

"I found that noncredible, really, for an investigator of Eric's experience," Sobel later told the investigative panel.

"There had to be a backup copy that was pure," Sobel reasoned before the panel. "You would not have postdocs and lab techs in charge of discrepant data sets." But Poehlman told Sobel that there was no master copy. Once the formal inquiry got under way, Poehlman called Sobel at home and asked him to stop the proceedings, telling him there was nothing to it. Sobel refused, assuring Poehlman that it was in everyone's best interest to proceed. He sensed that Poehlman's facade of indifference was beginning to crack.

Two days after DeNino filed his formal accusation, Richard Galbraith, the program director of the university's General Clinical Research Center, escorted the campus police chief to Poehlman's office. It was the week between Christmas and New Year's Day, and only a handful of researchers continued to hunch over their lab benches. Galbraith had the task of impounding the evidence necessary for an investigation into DeNino's claim.

Galbraith had personally recruited Poehlman to UVM. Poehlman started his career at the university in 1988 but left during a mass exodus of clinical researchers. When Galbraith came to the university in 1995, he figured the best way to revive the ailing clinical-research center was to hire prominent scientists with the potential to secure grants. Poehlman, who had just published his menopause study, seemed an ideal candidate to bring both prestige and grant money to the institution.

Some faculty members had expressed misgivings about Poehlman. Galbraith never quite got the full story about why he left in the first place, but during the recruitment, rumblings surfaced about Poehlman's tactics and data. When he met with the investigative panel, five years later, Galbraith recalled questioning everybody he could think of. Poehlman had definitely stepped on some toes and made a name as an aggressive self-promoter, but this was nothing remarkable for a successful researcher. And no one had any evidence of misconduct. Not wanting to disqualify such a promising candidate based on rumors, the university decided to hire Poehlman in 1996. And Poehlman delivered for the university, securing $2.9 million in N.I.H. grants out of the $11 million he had applied for.

The inquiry itself fell to five faculty members picked by the dean of the medical school. One of them, Charles Irvin, had just joined UVM's College of Medicine from a research institute affiliated with the University of Colorado. Irvin had only one experience with a misconduct investigation, and he remembered it as an insignificant case. "What we'd been told at U.C. Denver

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was that most of these cases are alike — they tend to be trivial or they tend to be 'he said, she said,' " he told me. "You just don't know because there tends to be insufficient data to do anything."

When the panel investigating Poehlman began to meet in January 2001, however, Irvin realized that this case was different. The panel's search quickly expanded beyond DeNino's initial accusation, and the body of evidence it accumulated — through a careful review of Poehlman's computer hard-drive and interviews with DeNino and others — revealed a disturbing pattern of blame-shifting and backpedaling.

"It was clear after a very short period of time that this was not trite, it was not trivial, but the allegations were in all likelihood some substantive thing," Irvin explained. "And then once you get a little further down, after you come across a couple of things, well, for me, it was like, Oh, boy."

On Feb. 9, 2001, Poehlman appeared before the panel to address the charges against him. Irvin was appalled by his responses. Poehlman's entire defense seemed to hinge on a series of flimsy notions. First, he attributed his mistakes to his own self-proclaimed ineptitude with Excel files. Then, when pressed on how fictitious numbers found their way into the spreadsheet he'd given DeNino, Poehlman laid out his most elaborate explanation yet. He had imputed data — that is, he had derived predicted values for measurements using a complicated statistical model. His intention, he said, was to look at hypothetical outcomes that he would later compare to the actual results. He insisted that he never meant for DeNino to analyze the imputed values and had given him the spreadsheet by mistake. Although data can be imputed legitimately in some disciplines, it is generally frowned upon in clinical research, and this explanation came across as hollow and suspicious, especially since Poehlman appeared to have no idea how imputation was done.

"Why did Walter . . . say all these things and go to this length?" Irvin asked Poehlman, according to the hearing transcript. "I mean, to me that is the crux of it, is the motivation" for the allegations.

Poehlman responded that DeNino was very popular in the lab and had influenced others to follow his lead.

"I feel like they were plotting during this time," Poehlman told Irvin. "I am as shocked as you are."

When the university decided to proceed from an inquiry to a formal investigation, Poehlman fought back, seeking an injunction from Judge William K. Sessions against UVM and stalling the proceedings for several months. During this time, Poehlman tried to undermine DeNino's credibility as a whistle-blower by suggesting that the technician was homophobic — Poehlman is gay — among other things. Eventually, DeNino hired his own attorney, Philip Michael of the New York firm Troutman Sanders.

"A lot of whistle-blowers are retired," Michael, who specializes in such cases, said recently. "For Walter, this is something that will follow him for the rest of his life."

Poehlman's desperate defense, however, eventually unraveled. After the injunction was dropped, a two-year investigation by UVM led to further review of Poehlman's work by the integrity office. By March 2005, his case had expanded to include a rare criminal prosecution by the United States Department of Justice. By then Poehlman had left UVM for the University of Montreal. But with the threat of prison looming, Poehlman changed his mind and offered his full cooperation.

He waived his right to an indictment and pleaded guilty to falsifying information on a federal grant application. He also agreed to pay $180,000 to settle a civil complaint filed by the University of Vermont plus $16,000 in attorneys' fees for DeNino. The plea came with an especially devastating admission: he acknowledged that his most noted research, the longitudinal study on menopause, was almost entirely fabricated. Poehlman had tested only 2 women, not 35.

The length of time that Poehlman perpetrated his fraud — 10 years — and its scope make his case unique, even among the most egregious examples of scientific misconduct. Some scientists believe that his ability to beat the system for so long had as much to do with the research topics he chose as with his aggressive tactics. His work was prominent, but none of his studies broke new scientific ground. (This may also be why no other scientists working in the field have retracted papers as a result of Poehlman's fraud.) By testing undisputed assumptions on popular topics, Poehlman attracted enough attention to maintain his status but not enough to invite suspicion. Moreover, replicating his longitudinal data would be expensive and difficult to do.

"Eric excelled at telling us what we wanted to hear," Matthews, Poehlman's former colleague, told me. "He published results that confirmed our predisposed hypotheses." Steven Heymsfield, an obesity researcher at Merck Pharmaceuticals in New

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Jersey, echoed Matthews's sentiments and added that Poehlman's success owed more to his business sense and charisma than to his aptitude as a scientist.

"In effect, he was a successful entrepreneur and not a brilliant thinker with revolutionary ideas," Heymsfield wrote me via e-mail. "But deans love people who bring in money and recognition to universities, so there is Eric."

At his sentencing hearing, Poehlman took responsibility for his actions, but between the lines, he seemed to be placing some blame on the system that requires principal investigators to raise money for their research through government grants.

"I had placed myself, in all honesty, in a situation, in an academic position which the amount of grants that you held basically determined one's self-worth," he told the court in June. "Everything flowed from that." With a lab full of people dependent on him for salaries, Poehlman said he convinced himself that altering some data was acceptable, even laudable. "With that grant I could pay people's salaries, which I was always very, very concerned about."

He continued: "I take full responsibility for the type of position that I had that was so grant-dependent. But it created a maladaptive behavior pattern. I was on a treadmill, and I couldn't get off."

Having all those people to pay, of course, was not just a burden; it was proof of his success. Poehlman wasn't after the grant money for his own material benefit. He was seduced by a different kind of status. "Certainly there is this point of having a grant because it raises your esteem and raises your standing vis-à-vis your colleagues," he told the court. The big publications, the National Institutes of Health grants, the invitations to speak, all gave him a feeling of importance. He was a man of prestige in his community.

Had Poehlman done the hard work in the menopause study, had he followed through on the unexpected data on lipids, he might have eventually achieved the same status. That is the tragic twist. "Much is revealed when studies don't go the way you expect them to," says Sally Jean Rockey of the N.I.H. "Because Poehlman was working in critical areas for lots of people, what he learned would have been important either way."

On that day in the courthouse just a few miles from the university where he had so enjoyed playing the role of prominent scientist, Poehlman cast himself as a changed man, one with a new, humbler vision for his future. He implored the judge to spare him a prison sentence so that he could spend time with his ailing father and continue teaching science to elementary-school children, which he had been doing for the past year. He also outlined a plan for community service that included talking to other students and scientists about the error of his ways.

Federal sentencing guidelines called for five years in prison based on the amount of grant money Poehlman had obtained using fraudulent data. But no scientist had ever spent time in prison for fabricating data. (One did spend 60 days in a halfway house.)

Rockey, who delivered a statement to the court on behalf of the N.I.H., said that lost grant money was not the only, or even the most significant, cost incurred. "Science is incremental," she said, explaining that most scientific advances build on what came before. "When there's a break in the chain, all the links that follow that break can be compromised." Moreover, she said, fraud as extensive as Poehlman's would inevitably lead to further erosion of the public's trust in science. Poehlman's sentence, she said, should send a clear message to the scientific community and the public at large that fraud would not be tolerated.

The sentencing judge was William Sessions, the same judge to whom Poehlman denied all allegations of misconduct at the injunction hearings four years earlier. He told Poehlman to stand and receive his sentence: one year and one day in federal prison, followed by two years of probation.

"When scientists use their skill and their intelligence and their sophistication and their position of trust to do something which puts people at risk, that is extraordinarily serious," the judge said. "In one way, this is a final lesson that you are offering."

DeNino, who wore a dark suit and tie to the hearing, betrayed no emotion as the sentence was read. When I asked him about it later, he said that Poehlman "deserves every single day he serves in prison." Nothing Poehlman had said, not the least his personal apology to DeNino, changed the young man's opinion about his former mentor. "I don't believe for a second that any of what he said was sincere," he told me. "Of course he's going to say those things now that he's facing a prison sentence."

After the hearing, Poehlman walked through downtown Burlington with his mother and a group of young colleagues from Montreal who had come to show their support. The rain had stopped and the sun cast a bright shimmer over the wet cobblestone streets. When I approached Poehlman on Church Street, he was warm and gracious. We talked briefly about his

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time teaching at the American University in Tehran, his plans to continue teaching elementary school — anything but his impending prison sentence. We agreed to have that discussion in the near future. But there were just 60 days standing between Poehlman and a year in federal prison, and he wanted to sort out his affairs and prepare himself for what lay ahead.

"I just need some time," he said apologetically. "We can sit down one day soon." But as the summer progressed and 60 days became 30 and then 20, Poehlman did not respond to repeated e-mail messages, telephone calls and letters. Finally, two weeks before his sentence was set to begin, I reached his mother. Eric had decided to start his sentence early, she explained, and he wouldn't be talking about what happened anymore.

CIVIL RIGHTS:

A Fight To Keep Schools Integrated (LAT)

By Jenny Jarvie, Times Staff Writer

The Los Angeles Times, October 22, 2006

In Birmingham, Ala., a group of residents and activists opposes a bid to end a court's school desegregation order.

For 35 years under court order, the yellow buses have picked up black children from the city's Oxmoor Valley and carried them up the hill and across city limits to affluent, mostly white suburban public schools.

Rita Jones Turner was one of the first children to be bused to Vestavia Hills after a 1970 federal court order required the district to enroll African Americans from her neighborhood. The bus, which was often late and sometimes never came, took her to a middle school where teachers tried to put her in remedial classes and white classmates tore her barrettes from her hair.

Today, her youngest son, a ninth-grader at Vestavia Hills High School, makes the same journey up the hill into a friendlier environment.

But last month, he came home with a letter informing her that the Vestavia Hills school board had filed a motion to end the desegregation order. The district is among a growing number across the nation seeking to have the decades-old orders overturned; this year, dozens have succeeded.

Now, Jones Turner, a 45-year-old consumer debt counselor, finds herself struggling against the idea that the personal hardships she endured during the 1970s would just be part of a failed social experiment.

"We were used, mistreated, downtrodden and discriminated against," she said, her firm voice swelling as she retraced her old bus route one recent afternoon. "I have no problem with being a sacrificial lamb for the good of the community, but to have the system back out now is not fair. They made a commitment to educate black children."

Home of civil rights history

Those fighting to keep the order in place are particularly disappointed that the issue would be revisited in Birmingham, where so much of the civil rights movement's history was made. In the last 15 years, city leaders have built museums and monuments to commemorate the four schoolgirls who died in the 1963 bombing of a black church, and the demonstrators who were met with attack dogs in a march led by the Rev. Martin Luther King Jr. the same year.

But the district says its request is a matter of economics, not race — that absorbing the children of Oxmoor Valley is an unfair burden on its budget.

Vestavia Hills' desegregation order was to be in place until 25% of the school system's population was African American. Today, 7% of its students are black, with about a quarter of those coming from Oxmoor Valley. Some vestiges of the old South remain: The Vestavia Hills High School mascot is the Rebel, depicted as a white-haired man in Confederate-era garb; although the practice is now discouraged by the school, some students still display Confederate flags at football games.

After the U.S. Supreme Court's landmark 1954 Brown vs. Board of Education decision found school segregation to be unconstitutional, and a follow-up ruling in 1968, many school systems were ordered to bus children from other districts to achieve integration.

This fall, the justices will hear appeals from parents in Seattle and in Louisville, Ky., who say it is unconstitutional for officials to consider race when deciding what school a student will attend. Meanwhile, over the last 15 years, courts have lifted desegregation orders in more than 100 school districts from Alabama to California — often after districts showed they were

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making a good faith effort, successful or not, to achieve racial integration. This year, federal courts have sided 36 times with districts seeking to overturn desegregation orders involving the Justice Department.

Only a few requests to end the orders have been rejected. In June, for example, a federal appeals court upheld a lower court decision to keep the school district of Little Rock, Ark., under its desegregation order, arguing it did not sufficiently appraise how its academic programs helped black students.

Opponents come together

In Birmingham, a well-connected group of civil rights activists, lawmakers, attorneys, pastors and residents has come together over the last month to oppose Vestavia Hills' request to end the desegregation order.

"They are saying to Martin Luther King, 'To hell with your dream: This is 2006 and it's business as usual in Vestavia Hills,' " said the Rev. Jonathan McPherson, who was jailed with King in 1963 and is board chairman of the Southern Christian Leadership Conference's Birmingham chapter.

The Vestavia Hills desegregation order was issued after the affluent southeastern suburb established its own school system to avoid sending its children to integrated Birmingham city schools. A federal judge ruled that the 99% white system had to accept children from a designated portion of the neighboring Oxmoor Valley.

Now, Vestavia Hills is asking a federal judge to grant it unitary status, freeing it from court supervision and further desegregation obligations.

"It feels like we're back in the '60s again," said Theodore Lawson, a Jefferson County attorney who lives in Oxmoor Valley and opposes lifting the order. "If this is not racism, what is it?"

Vestavia Hills Supt. Jamie Blair said the issue was one of funding and capacity. In the last four years, he said, the number of Oxmoor students in the district has risen from 75 to 132.

"Simply put, it's an overcrowding issue," he said. "Our city has no control over the amount of housing built in that area. We're providing schooling to all the folk in Oxmoor, but their tax dollars go to the city of Birmingham."

Oxmoor Valley, which at the time of the court order was home to a small community of mostly poor blacks, is a nearly 8,000-acre pine forest south of downtown Birmingham. An increasing number of real estate developers are now eyeing the valley, attracted in part by its school zoning. Two upscale subdivisions have been built in the last decade, and hundreds more homes and apartments are planned.

The valley's new residents — mostly African American professionals — bristle at the notion that Vestavia Hills schools are overcrowded. Not all of the new homes in Oxmoor Valley, they note, are zoned to the Vestavia Hills school district. Furthermore, Vestavia Hills recently annexed two predominantly white communities.

"The only effort to relieve overcrowding has been to remove 132 black students from the school system," said Lawson, who is president of the Ridgeview Estates subdivision association.

According to Vestavia Hills' request, which is now before a federal judge, the school system would continue educating the 132 students now enrolled from Oxmoor Valley and offer enrollment to their younger siblings. Other students would attend Birmingham city schools. A U.S. district judge has scheduled a status conference on the case for Wednesday.

Since the board publicized its request, supporters of the 1970 court order have scrutinized Vestavia Hills' progress on racial desegregation.

Although a small number of African Americans have moved to Vestavia Hills in recent years, it remains one of most exclusively white areas of Jefferson County. According to the 2000 census, Vestavia Hills has a 94% white population and a median household income of $70,000. In contrast, Birmingham has a 24% white population and a median household income of $26,000. Only 5% of Birmingham public school students are white.

In a legal strategy meeting last month at the Oxmoor Valley home of Birmingham City Councilor Miriam Witherspoon, residents noted the Vestavia Hills school district's low number of black administrators (1 out of 16), the relatively high number of black special-education students (60 out of 546), and that just 3% of the district's teachers are black.

"The schools are as segregated in 2006 as they were in 1966," said Ronald Jackson, executive director of Citizens for Better Schools, a watchdog group in Birmingham.

Vestavia Hills viewpoints

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On a recent day in Vestavia Hills, many of the parents picking up their children from football at Louis Pizitz Middle School were reluctant to talk about the court order.

Waiting for her ninth-grade son in a navy-blue Lexus, Kim Tortorice, who is white, said she did not believe race was an issue.

"Our school really is a melting pot," she said. "We have Chinese, Mexican, Russian."

Vestavia, she thought, was handling the situation fairly.

"I just think everyone should pay the same property tax, that's all," she said. "I work hard. Those people across town don't pay our property taxes."

But Darryl Dancey, 40, an African American truck driver who moved to Vestavia Hills last year for the benefit of his children's education, said he hoped the court order would stay in place.

"The original decision was for integration," he said with a shrug. "I don't think integration has truly happened yet."

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A.C.L.U. Allies Start Web Site To Rebut Critics Of Leadership (NYT)

By Stephanie Strom

The New York Times, October 22, 2006

Supporters of the leadership of the American Civil Liberties Union have created a Web site in response to one started last month by critics of that leadership.

"This Web site came about because those of us who know the A.C.L.U. very well were very disturbed that a few unhappy people were attacking the organization at a time when the A.C.L.U. is doing such a great job — and is greatly needed," said Laura W. Murphy, a former director of the organization's Washington office and a leader behind the new Web site, voicesfortheaclu.org.

Ms. Murphy said the critics were "simply dead wrong, and we are saying enough is enough."

Ira Glasser, a former executive director of the civil liberties union and a founder of savetheaclu.org, the Web site calling for a change in the organization's leadership, said his group had no complaint about the A.C.L.U.'s work or the growth of its membership and financing.

"The disagreement," Mr. Glasser said, "is over whether those achievements excuse or justify the betrayal of fundamental principles we're complaining about on the Web site. About those complaints, they have said not a single word."

That site was started last month by more than 30 longtime supporters of the A.C.L.U. who say that actions taken by the executive director, Anthony D. Romero, and supported by the board have violated the organization's principles. For example, they questioned the extent of the organization's use of data mining to collect information on donors, a proposal to monitor employees' e-mail messages and efforts to control board members' access to staff members and information.

Voices for the A.C.L.U. has statements of support signed by, among others, the executive directors of 18 of the organization's state-level affiliates, senior A.C.L.U. staff members and leaders of nonprofit groups that work on some of the same issues, including Human Rights Watch and the Feminist Majority Foundation.

A spokeswoman for the civil liberties union, Emily Whitfield, said, "I think this Web site demonstrates that there is widespread support for the A.C.L.U.'s leadership and strong appreciation for the tremendous battle the A.C.L.U. is waging to defend our civil liberties at a time when they are under attack as never before."

The site is not affiliated with the A.C.L.U. Ms. Murphy said she and other former leaders had paid a firm less than $1,500 to set it up.

Janet Murguia, president and chief executive of the National Council of La Raza, the country's largest Hispanic advocacy group, said she had signed a statement of support for the A.C.L.U.'s leadership because she thought it was doing a good job.

"I understand that there are some issues among the board there," she said, "but I think the way we can weigh in is to express our confidence, particularly in Anthony Romero."

Ms. Murguia said she had not seen the site criticizing the leadership. "My understanding is, a lot of stuff on the Web site is a lot of insider-baseball-type stuff," she said, "and is really just a distraction from the good work the organization is doing."

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ANTITRUST:

Smithfield Deal Reviewed (SFAL)

By Kevin Dobbs

Sioux Falls (SD) Argus Leader, October 22, 2006

Senate plans hearings after consolidation fears raised

The U.S. Justice Department has begun an antitrust investigation of Smithfield Foods' plan to buy rival Premium Standard Farms of Missouri, a deal that would combine the nation's two largest hog producers.

Additionally, at the behest of Midwest lawmakers and farmers who worry the deal would hasten the consolidation of livestock markets and allow the merged company to inflate pork prices for consumers, a Senate antitrust committee is planning hearings on the matter. At such hearings, lawmakers often hear testimony from company executives and their critics.

"This merger takes place in an industry already witnessing the decline of independent family farmers and rapid consolidation in meat production and packing. If this merger goes through, farmers will have even fewer choices for selling their hogs, and consumers will certainly be affected by the deal," said Sen. Mike DeWine, R-Ohio.

DeWine chairs the Senate subcommittee that oversees antitrust concerns. He said in a recent statement that he plans to hold hearings on the Smithfield deal in the near future, and lawmakers "will need to scrutinize this deal very carefully."

A Justice Department spokeswoman would not confirm the deadline to complete the investigation. Nor has a date been set for the Senate committee hearings, according to Andrew Langworthy, a spokesman for DeWine.

But both could happen before the end of the year because Virginia-based Smithfield, which owns the John Morrell & Co. meatpacking plant in Sioux Falls, plans to finalize the acquisition in the first quarter of 2007. The company announced in September it would buy its rival for about $650 million in cash and stock.

Dennis Treacy, Smithfield vice president of government affairs, said shortly after the deal was announced that the merged companies will continue to work closely with independent producers and that he expects the Justice Department will approve the deal.

A national coalition of agriculture and consumer groups - including Dakota Rural Action and Dakota Resource Council - earlier this month lined up behind Sens. Tim Johnson and John Thune, both of South Dakota, and lawmakers from Iowa and Nebraska who called for the antitrust investigation.

If Smithfield completes the buy, it will own about 20 percent of the nation's hogs. That could limit independent hog producers' options and ability to get good prices for their meat, Johnson and Thune have said.

They worry that a mammoth Smithfield will have the power to stifle its competition, limit producers' options when it comes to selling their hogs and eventually inflate pork prices for consumers.

That, critics contend, should raise antitrust concerns for federal investigators.

Tom Buis, National Farmers Union president, said the livestock industry already is heavily concentrated, and allowing the acquisition "is only going to make the situation worse."

Smithfield's move for Premium Standard Farms is among a string of acquisitions and expensive projects the company has made this year. Last week, Smithfield announced a joint agreement with ContiGroup Cos. to build a $200 million beef processing facility in Oklahoma.

Smithfield had planned a $100 million update and expansion of its aging Morrell plant in Sioux Falls. Work was supposed to start earlier this year. But then the company launched into other projects, including the $571 million acquisition of ConAgra Foods' refrigerated meats business earlier this year.

The company since has put the Sioux Falls project on hold, and company officials have refused to provide any information on when or if the work ever will get under way.

But Ron Bell, the chief building official in Sioux Falls, said in a recent interview that, with winter around the corner, crews would have broken ground by now if they intended to start on the 232,000-square-foot expansion yet this year.

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ENVIRONMENT:

Federal Prosecutions Of Area Polluters Drop (HC)

By Harvey Rice

Houston Chronicle, October 22, 2006

Critics say U.S. Attorney's Office isn't doing enough to pick up where state has failed

After illegally using a pesticide to kill feral hogs — and in the process killing raccoons, mourning doves and crows — two Fayette County farmers were fined $500 in 2004.

That was the most recent conviction Houston's federal prosecutors have obtained on their own for an environmental crime. The lack of new environmental prosecutions by the U.S. Attorney's Office is remarkable for a city that has vied with Los Angeles for the title of the nation's smog capital, say environmentalists and some current and former officials.

"We've got more (pollution) than anyone else in the country and, therefore, we should have a lot of prosecutions," said Neil Carman, clean-air program director for the Sierra Club.

Carman, who worked for 12 years for the Texas Commission on Environmental Quality, noted that the Houston Ship Channel has the largest concentration of petrochemical plants in the nation and that Harris and Brazoria counties rank among the nation's most polluted.

Data from the Transactional Records Access Clearing House show, however, that the number of new environmental prosecutions by the U.S. Attorney's Office for the Southern District of Texas dwindled from 20 in fiscal 1998 to zero in 2005, the last year for which figures are available.

Bigger federal roleU.S. Attorney Don DeGabrielle, who took office in March, said the figures collected by TRAC, a research group associated with Syracuse University, don't show that his office is involved in 17 cases under investigation or before a grand jury. The only two new prosecutions in fiscal 2006, which ended Sept. 30, were led by a special unit based in Washington, D.C., he said.

The sharp decline worries Sabrina Strawn, executive director of the Galveston-Houston Association for Smog Prevention, which has asked the federal government to take a stronger role.

Although TCEQ has primary responsibility for enforcing environmental laws, many environmentalists say the state agency has been ineffective and that federal prosecutors have a duty to fill the void. Roger Haseman, who heads the Harris County district attorney's environmental unit, said TCEQ rarely brings pollution cases to his office.

"Many violations were handled informally, but you would come back a year later and (violators) would be doing it again," Carman said.

Rebecca Rentz, TCEQ's regional air-quality director, disagreed, saying the agency works hard to reduce pollution.

No specialized staffJustice Department figures collected by TRAC show Houston's federal prosecutors ranked 78th among 94 offices across the nation in the percentage of environmental referrals prosecuted in 2000-05. DeGabrielle said, however, that his office prosecutes such cases whenever it has the evidence.

The Southern District consists of 43 counties stretching from Huntsville to Laredo and has the largest concentration of petrochemical operations in the country, according to U.S. Coast Guard and Environmental Protection Agency data.

Despite environmental groups' complaints about pollution, 2005 was the first fiscal year since 1992 without at least one new federal environmental prosecution here.

Such cases ranked last among 11 types of cases prosecuted, according to TRAC data for 2000-05. Nationally, environmental prosecutions by all federal judicial districts ranked eighth.

The only other U.S. attorney's office in Texas with a port and a heavy petrochemical presence, the Beaumont-based Eastern District, filed two environmental prosecutions in fiscal 2005.

Unlike some U.S. attorneys' offices in cities with serious environmental problems, such as Los Angeles, New Orleans and Miami, Houston's has no full-time prosecutor or team of prosecutors specializing in such cases. Eric Schaeffer, a former EPA

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official who now leads the Environmental Integrity Project in Washington, D.C., says this region has a greater need than anyplace else.

EPA resources criticizedBut DeGabrielle said he doesn't have the staff or budget to spare someone for that role.

The only other office that can prosecute environmental crimes in Houston is the Harris County District Attorney's Office, whose environmental unit opened 203 cases last year, said Haseman, who has led the unit since 1991. Most cases were brought to him by a special Houston police unit.

The EPA brought at least three cases to his office last year, he said. TRAC data show the EPA took none to the U.S. Attorney's Office in fiscal 2005.

Shortly before his death in July, former U.S. Attorney Michael Shelby said he had never been satisfied with the number of environmental prosecutions by his office.

"This is one of the largest cities and ports in the world, and we can't generate one clean-air case? A city the size of ours deserves to have an aggressive environmental team," said Shelby, who was U.S. attorney here from December 2001 to June 2005.

He blamed the EPA, saying it has not provided enough investigators. Four EPA investigators here and one special agent in charge are responsible for all of the Southern District.

EPA denies understaffing

Via e-mail, the EPA denied being understaffed and said the TRAC data differ from its own. Officials refused to comment further.

Shelby said his office received so few EPA cases that his criminal enforcement chief urged him to have all environmental cases prosecuted by the Justice Department's environmental crimes section in Washington.

Although the advice was not followed, DeGabrielle said that unit is involved in three current environmental cases here, two of which led to the filing of charges.

Heavy workloadAmong the reasons for the scarcity of federal environmental prosecutions here is the U.S. Attorney's Office caseload, the heaviest in the nation. There also are budget constraints, priorities set in Washington and the complexity of environmental cases, prosecutors and environmental groups say.

TRAC figures show the local office prosecuted 20,758 cases of all types in fiscal 2005 — about 13,000 more than were handled by the Arizona office, the next-busiest.

"The immigration and narcotics cases that come in are overwhelming," DeGabrielle said. "All this at a time that I am down 13 prosecutors that I cannot hire because of our budget."

He said environmental crimes are not among the top priorities set by Attorney General Alberto Gonzales, but they will be prosecuted.

Environmental cases, especially violations of the Clean Air Act, are among the most difficult to prosecute, said Eric Reed, who handled such cases as an assistant U.S. attorney under Shelby.

The criminal cases are so hard to prove that many jurisdictions file lawsuits instead. Criminal cases require proof that someone meant to break the law, but civil cases often require only proof that a violation occurred.

Jim Tarr, a consultant who sat on the Texas Air Control Board in the 1970s, says it boils down to a political problem.

"And until those political problems get solved, the people of Houston will suffer," he said.

Power Execs Foresee Carbon Emission Caps (AP)

By Brad Foss

AP, October 22, 2006

When Duke Energy Corp. CEO James E. Rogers considers global warming, he sees more than a costly quagmire for the U.S. power industry; he sees grand monuments. Notre Dame in Paris, St. Peter's Basilica in Rome.

Rogers has adopted what he calls "cathedral thinking," a view that tackling climate change is a chance for the industry to leave a proud environmental legacy for future generations.

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This philosophy may not deliver results as quickly as environmentalists would like, or sit well with all his counterparts, but it does aptly describe an approach toward reducing greenhouse gases that a small but growing number of power executives are embracing.

"The science says we need to act," said Rogers. Of course, shifting political winds are an equally persuasive force in an industry that accounts for almost 40 percent of U.S. carbon dioxide emissions.

Rogers and many other executives are convinced the United States is likely to join Europe in placing limits on carbon dioxide emissions — believed by scientists to cause global warming — perhaps as early as next decade. This rising expectation of mandatory carbon caps is reviving interest in nuclear power, accelerating the use cleaner coal-burning technologies and spurring investment in alternative fuels such as wind and biomass.

Some of the country's biggest power producers are even setting voluntary greenhouse-gas reduction goals now in hopes of gaining a competitive edge down the road.

"The first movers now kind of realize... there will be a carbon regime in this country," said Peter Fusaro, chairman of Global Change Associates and a longtime proponent of clean energy. "This is not just talk," he added.

Despite good intentions, however, it will likely be several decades before any meaningful progress is made on reducing carbon emissions, according to experts on energy and the environment. That is because half the country's electricity comes from burning coal — by far the largest industrial source of carbon dioxide — and the most promising technology for capturing these emissions and sequestering them underground is still in the experimental phase.

Meantime, the Edison Electric Institute, the industry's main trade association, is lobbying to prevent mandatory carbon caps, calling them an unnecessary financial burden at a time when the power industry needs to invest billions just to meet anticipated demand.

Rogers, who is the chairman of EEI through next June and welcomes economy-wide carbon caps, is at odds with the association's official position: it favors voluntary measures, a stance also advocated by the Bush administration.

U.S. electricity demand is expected to rise by about 1.5 percent a year, resulting in a 50 percent increase from current levels by 2030. Factor in the anticipated industrialization of China, India and other developing nations, and the global rate of growth for electricity demand is even higher.

The Electric Power Research Institute forecasts that, with today's technology, global carbon dioxide emissions will more than double by 2050 to 80 billion metric tons a year. The U.S. already accounts for more than 7 billion tons a year.

Increasing energy efficiency standards and deploying "improved versions" of today's power plants would substantially slow the rate of growth, according to EPRI, a non-profit that provides scientific and technical research on electricity. But in order to actually reduce annual global carbon dioxide emissions by 2050, EPRI estimates that nearly half of the world's electricity would need to come from carbon-free fuels, such as nuclear, wind and solar. Today, carbon-free fuels account for a third of global power generation.

This is one reason why some U.S. power executives vow to fight carbon limits unless the constraints are carried out worldwide.

"The issue is global warming, not U.S. warming," said Mike Morris, the chief executive of American Electric Power of Columbus, Ohio, the largest coal-burning utility in the country. Unless China, India and other developing nations also are forced to adopt costly alternatives to traditional fossil fuels, U.S. manufacturers — a major customer for AEP — will be at an unfair competitive disadvantage, Morris said.

But Morris has a pragmatic side as well, which is why AEP is part of a small group of companies that has voluntarily agreed to cap their carbon emissions in the United States as part of an experimental market that is based in Chicago.

Indeed, there is enough momentum at the state level that a critical mass of pragmatists say it would be foolish to ignore the writing on the wall in terms of eventual federal legislation.

• In California, Gov. Arnold Schwarzenegger last month signed legislation aimed at reducing greenhouse gas emissions from utilities, refineries and manufacturing plants to 1990 levels by 2020.

• In the Northeast, a regional "cap and trade" system of buying and selling emissions allowances is being developed to cut greenhouse gases from Maine to Delaware.

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• And more than 20 states require utilities to buy a share of their electricity from renewables such as wind, solar and geothermal energy.

Some opponents of mandatory carbon caps say the power industry would be better off with one federal standard than a hodgepodge of state regulations with which to comply. But, either way, the basic principle of putting a price on carbon is gaining traction: the Congressional Budget Office said last month that any cost-effective U.S. policy on global warming will require emissions taxes or a cap and trade system similar to Europe's.

It is against this backdrop of legislative activity at the state level — and with help from federal tax breaks included in last year's energy bill — that some utilities are tweaking their long-term strategies.

David Crane, the head of Princeton, N.J.-based NRG Energy, said at a recent conference that the industry's long-standing attitude of "see no carbon, hear no carbon, speak no carbon" is increasingly out of touch with mainstream American values.

Crane, who oversaw NRG's July acquisition of wind-farm developer Padoma Wind Power, predicted that "companies and industries which deny the issue will be marginalized."

The growing long-term appeal of carbon-free power in the U.S. is exemplified by the phenomenal growth of wind power, which has quadrupled since 2000 to more than 10,000 megawatts nationwide. That said, wind still represents less than 1 percent of all U.S. power capacity.

Perhaps more telling is the resurgence of interest in the U.S. for nuclear power, whose image was battered by the Three Mile Island accident in 1979 and bruised by the Chernobyl accident in 1986. Concerns about nuclear waste also run high.

But sensing that public resistance to nuclear will wane as concerns about global warming rise, more than a dozen companies, including Duke, NRG, Entergy Corp. and Exelon Corp., have notified the federal Nuclear Regulatory Commission that they plan to apply for licenses to build new reactors.

Notifications began pouring in after Congress passed an energy bill last summer that included tax credits and other perks to encourage nuclear power, which is also seen as a way to become less reliant on high and volatile natural-gas prices.

Constellation Energy Group Inc. of Baltimore, in a partnership with France's Areva called UniStar Nuclear, is considering building five new reactors, including one each at existing nuclear facilities in Maryland and New York.

For Constellation, nuclear is "the most preferred energy supply of the future," said Mike Wallace, head of the company's power-generation division.

If all goes smoothly, the first new reactor in the U.S. since the mid-1970s could be completed within ten years, analysts and industry officials said.

While nuclear presents a significant opportunity in the fight against carbon emissions, the country's unbridled dependence on traditional coal is a major obstacle.

More than 150 new coal plants have been proposed in the U.S., which has the world's largest coal reserves. And while there is much optimism about the long-term potential for "clean coal" technology, it will only be used in about 10 percent of the plants currently on the drawing board.

Even these so-called coal gasification plants will not solve global warming overnight. While they are far more efficient than older coal plants, the real promise rests in their compatibility with emissions-capture equipment. Unfortunately, "a laundry list of technical challenges" could take a decade or more to resolve, according to Revis James, director of EPRI's technology assessment division.

The dearth of simple carbon-free solutions leaves an executive like Duke's Rogers in a difficult position. Sure, he is making plans to add nuclear and coal-gasification power plants, but an important aspect of "cathedral thinking" is a recognition that addressing global warming requires immediate action.

For that reason, Rogers is promoting the need for greater energy efficiency whenever he can.

But in order for that to succeed, Rogers said elected officials and regulators will have to come up with financial incentives that will encourage utilities to sell less electricity.

"Hope," he said, "is not a plan."

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FBI/DEA/ATF/USMS:

Feds Set Sights On Gun Buys (ABH)

By Joe Johnson

Athens (GA) Banner-Herald, October 22, 2006

More investigations to target illegal sales

The owner of a Madison County gun shop told a convicted felon that silencers were "illegal as hell," but that he had a contact in Florida who could make one.

Within nine months, the felon bought two silencers from 46-year-old Michael Curtis Oakley of Athens, in addition to a revolver, three semi-automatic pistols, an assault rifle and boxes of ammunition - all without a background check or filling out the required paperwork.

That's the allegation in a complaint filed this week in U.S. District Court in Athens. An agent with the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives said that a felon wore a hidden camera and microphone to capture each illegal transaction, as he helped make a case against the owner of Oakley Outdoor Sports in downtown Colbert.

The complaint convinced a U.S. magistrate on Monday to authorize police and ATF agents to arrest Oakley for violating federal firearms regulations. The magistrate also signed warrants that led authorities to seize dozens of weapons from Oakley's gun shop and search his house at 356 Oak Meadows Drive, where officials confiscated documents and other evidence.

The agent's complaint purports to show how guns are winding up on the streets and in the wrong hands, even when the source is a federally licensed firearms dealer.

In a similar ATF sting last month, authorities arrested another Athens man and four others for allegedly trafficking in guns at the J&J Flea Market in Jackson County. According to indictments filed in U.S. District Court in Gainesville, the men weren't licensed firearms dealers, but they sold guns to convicted felons, illegal immigrants and an undercover ATF agent posing as an out-of state resident.

Agents seized 130 firearms in that case.

Firearms trafficking is not necessarily on the rise, but the number of investigations to find the source of illegal guns is, according to Special Agent Marc Jackson of the ATF's Atlanta field division.

"Part of our mission is to reduce violent crime and protect the public by disrupting the source (of illegal guns), and that source could be the dealers themselves," Jackson said.

Federal, state and local law enforcement agencies are working more closely in the wake of Project Safe Neighborhoods, according to Jackson. The 2001 initiative has tripled the number of suspects police and ATF agents forward to the U.S. Justice Department for prosecution, he said.

Backed by $1.5 billion in federal money, Project Safe Neighborhoods also has allowed the ATF to hire more agents to help state and local police to decide whether cases should be prosecuted on the federal level and train licensed dealers to spot "straw buyers" who buy guns in their own names for people who cannot.

"It's a collaborative effort which seeks to combat the problem of gun violence through more aggressive prosecutions," Jackson said.

Athens-Clarke police Lt. Mike Hunsinger, who heads the Western Judicial Circuit Drug Task Force, says his unit's investigations are the main way local police find illegal weapons, because guns and drugs go hand in hand.

"Any time we recover a firearm associated with a drug-related crime, we pursue federal prosecution if needed," Hunsinger said. "We're working more closely with the ATF than ever to conduct these investigations."

In Oakley's case, it took a criminal to catch another alleged criminal.

According to the ATF agent's complaint, an informant who pleaded guilty to unspecified drug charges, but hadn't yet been sentenced, told Athens-Clarke police last December that Oakley had sold guns to another convicted felon and known drug trafficker.

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The informant was not given or promised anything in return for the information, according to the ATF agent, and had helped Athens-Clarke police in at least seven previous investigations that landed two other people in federal custody on drug and firearms charges.

Oakley allegedly violated several federal laws when he sold guns to the informant, including failing to note transactions in an "acquisition and disposition" ledger that licensed dealers are required to maintain.

Oakley's gun shop also held weapons that weren't registered under the National Firearms Act, according to the ATF complaint. Under the law, licensed dealers must register and pay taxes on certain firearms and accessories, like machine-guns and silencers.

Since it's illegal for a dealer to sell guns to certain people - convicted felons, illegal aliens, dishonorably discharged soldiers and people convicted of misdemeanor domestic violence - gun sellers must conduct background checks on customers.

And each time he sells a gun, the dealer must file a form with the ATF that has the buyer's information on it.

Dealers must keep records for each transaction for 20 years, according to Jackson, and those records help investigators trace the history of a gun used in a crime from the time it was made to the last time it was sold.

Joseph Thornton Jr., who manages Thornton's Pawn Center for his father, is a federally licensed gun dealer who says some dealers don't keep proper records because they are too lazy.

"There is a lot of paperwork you've got to do, but either you want to do the right thing or not," Thornton said. "We've been in business 27 years and I'd like to stay in business another 27 years, and if I abide by the law, I will be in business."

Some people sell guns without licenses because the black market is lucrative, according to Thornton, who said he saw an assault-style rifle sold at J&J Flea Market before last month's sting, and recognized the black market price was twice the legitimate value.

"There's so much money that can be made and people allow the fruit to become so tasty," he said.

TAX:

5 (WP)

By Jeffrey H. Birnbaum

The Washington Post, October 22, 2006

Taxing Lessons, 20 Years In the Making

Twenty years ago today, President Ronald Reagan signed into law the broadest revision of the federal income tax in history. The Tax Reform Act of 1986 -- the biggest and most controversial legislative story of its time -- had lawmakers, lobbyists and journalists in Washington in an uproar for two years. Despite nearly dying several times, the measure eventually passed, producing a simpler code with fewer tax breaks and significantly lower rates. The changes affected every family and business in the nation.

In the years since, however, rates have gradually risen and Congress has passed nearly 15,000 changes to the tax law. Many of the loopholes that disappeared two decades ago are back. Now, as then, politicians (including President Bush) are branding the income tax unfair and calling for reform. And now, as then, few expect it to happen.

But what lessons from the tax revisions of 1986 might apply to a similar effort today?

1 Fair or simple -- take your pick. Politicians claim to desire a tax system that is both fair and simple, but one goal precludes the other. The tax code can be fair -- meaning that the government offers taxpayers incentives to do meritorious deeds such as buy houses and give to charity. Or it can be simple -- devoid of those exceptions and complications. But it can't be both. In '86, Congress bought off state and local governments by keeping their pet tax breaks alive, clearing the way for the elimination of hundreds of less resilient benefits and the creation of a much simpler code.

2 Divide and conquer. Divided government is a boon to reform, not an obstacle. In 1986, Republicans controlled the White House and the Senate while Democrats held the House. Neither party wanted the blame for killing a bill that the public favored, so the measure kept moving forward. If the Democrats take back the House, Senate or both in next month's elections, that could be good news for advocates of Tax Reform II.

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3 Block K Street. Any tax-reform effort will be doomed if lobbying groups are united against it. In 1986, light industries such as wholesalers and consumer-products companies supported reform because they wanted lower tax rates, whereas heavy industries such as steel makers and oil refiners wanted to hold on to their tax breaks and thus tried to squash the bill. (In fact, the bill spurred so much lobbying on both sides that pundits dubbed it the Lobbying Relief Act of 1986.) A new tax reform would have to create -- or hope for -- a similar rift. However, K Street has grown much more powerful since then. Having learned the hard way 20 years ago, lobbyists are wise to that game

now.

4 Stick it in neutral. Tax reform passed 20 years ago in part because its drafters decided early on that the measure should be "revenue neutral," that is, neither raise nor lower overall taxes. However, today's already stressed system doesn't raise enough money to fund the federal government and will soon be deeper in the hole thanks to the exploding costs of Social Security and Medicare. Any future reform probably would have to increase tax revenue, whether through rejiggering the code or by introducing new taxes -- making reform efforts that much more difficult and unlikely.

5 Don't lose those hedge clippers. The tax code is like shrubbery. The more severely it's pruned, the bigger and stronger it will grow back. Whatever changes a new bout of tax reform might bring, interest groups will almost certainly persuade Congress to clutter the code once again. If a second tax reform act comes to pass, rest assured that a third one will be needed a couple of decades later.

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CONGRESS-ADMINISTRATION:

Newest Vets Fed Up With VA Care (CHIST)

By Shamus Toomey

Chicago Sun-Times, October 22, 2006

As an Army combat medic in Iraq, Sgt. Bob Stead was proud to wear the uniform and proud to help wounded soldiers.

But after getting his right leg blown apart and becoming a wounded soldier himself in 2003, Stead says he often doesn't see the same level of pride from the Veterans Affairs Department workers who help treat him.

"If you've got a job taking care of veterans, you should be proud to come to work," said Stead, 34, of Addison.

So Stead went to Rosemont this weekend to try to do something about it. He was part of a national conference sponsored by Amvets that aims to improve the lives of young veterans by using their experiences to reshape the VA.

The first National Symposium for the Needs of Young Veterans drew hundreds of vets to the Hyatt Regency O'Hare during its four-day run, which ended Saturday. They listened to speakers like retired Gen. Tommy Franks and Democratic congressional nominee Tammy Duckworth, and broke into small groups to come up with answers.

VA holds off on commenting "The goal is to develop an update of the veterans' benefits system," said Thomas C. McGriff, national commander of Amvets. "The system really hasn't been looked at since World War II -- and we now have a new set of young veterans coming from Iraq and Afghanistan."

Amvets plans to compress what it learned from the vets into a report to be released Nov. 9 in Washington, D.C.

The VA had nearly a dozen senior benefits officials at the conference but will wait to see what recommendations Amvets develops before commenting, VA spokesman Ryan Steinback said.

For Stead, he wants to see more accountability for VA workers who deal directly with the veterans. He was injured outside of Fallujah three years ago and is still in constant pain from his leg injury.

He recognizes that, with his severe post traumatic stress disorder, he is not always the easiest patient to deal with. But he still fumes at "being treated like crap" at some VA facilities during his recovery. "The bottom line is, the vets are the customers," he said.

'No magic pill' Steinback said "we certainly hope that is not the average experience at our medical centers," and noted that VA centers nationwide have better customer satisfaction records than non-military hospitals.

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At the Jesse Brown VA Medical Center on the Near West Side, a program named CREW -- Civility, Respect and Engagement in the Workplace -- was implemented in August. An outside consultant is on site, assessing the customer service environment, Steinback said. A goal is to make sure workers know that "only their best efforts are good enough for veterans," he said.

Stead knows there's "no magic pill" but hopes the Amvets efforts lead to something positive.

"I'm hoping that with a louder voice, if a mass of people come together with some ideas and say, 'This is what we want,' some measure of change can come," he said.

OTHER NEWS:

U.S. Stocks' Three-Week Rally Slows After Dow Reaches Record (BLOOM)

By Michael Tsang

Bloomberg, October 22, 2006

Oct. 21 (Bloomberg) -- A three-week rally in U.S. stocks, which lifted the Dow Jones Industrial Average past 12,000 for the first time, slowed this week as earnings from Caterpillar Inc. and JPMorgan Chase & Co. underscored concern that profit growth has peaked.

Technology shares such as Applied Materials Inc. dropped after semiconductor-equipment orders slowed and Intel Corp., the world's largest chipmaker, said it plans to spend less this year.

``While the growth continues, it continues at a diminishing rate," said Cummins Catherwood, who helps manage $750 million at Walnut Asset Management LLC in Philadelphia. ``It gives you a little bit of pause in terms of your euphoria."

The Dow industrials added 0.4 percent to 12,002.37 after rising to a record three times this week. The Standard & Poor's 500 Index gained 0.2 percent to 1368.60. The Nasdaq Composite Index declined 0.6 percent to 2342.30.

For the Dow and the S&P 500, the gains were the smallest since the week ended in Aug. 4, while the Nasdaq's loss snapped a three-week winning stretch. Heightened concern that profit growth will deteriorate in coming quarters amid a slowing economy held back the market.

Earnings of S&P 500 companies will climb 8.8 percent in the first three months of 2007, according to Thomson Financial on Oct. 20. That would snap a string of 14 straight quarters of at least 10 percent growth, the longest such streak in five decades.

Economic Reports

Reports this week also cast more doubt on the economy's strength. Industrial production in September fell the most in a year, while manufacturing in the Philadelphia area unexpectedly contracted this month. The Conference Board's index of leading indicators, which points to the direction of the economy in the next three to six months, rose less than expected in September.

Industrial stocks, which include Caterpillar, led declines among the 10 industry groups in the S&P 500 this week, falling 1 percent.

Caterpillar, whose fourfold gain has led the Dow's rally from the average's trough in October 2002, slumped more than 14 percent to $59.

The world's largest maker of earth-moving equipment said sales growth next year will be flat to 5 percent, citing a slowdown in the U.S. economy triggered by the housing slump. Its third-quarter profit also rose less than analysts' forecasts.

JPMorgan, the third-largest U.S. bank, paced declines among financial shares. The stock declined 2.2 percent to $47.12 after touching an all-time high last week.

`Some Apprehension'

Revenue from consumer banking declined after demand for mortgages slumped, JPMorgan said, while lower fees and interest income led to a drop in credit-card revenue.

``The rate of earnings growth is slowing and that is causing some apprehension in the market," said Joel Binder, who oversees about $1 billion as chief investment officer at Aurora, Illinois- based Old Second Wealth Management.

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Technology-related shares posted some of the market's biggest declines. The Philadelphia Semiconductor Index, which tracks 19 chip-related companies, fell 5.1 percent for the week, the biggest such drop since July.

Chip-equipment companies reported September orders that indicate chipmakers may be slowing their capacity expansion for a third straight month, according to a report by Semiconductor Equipment & Materials International.

Meanwhile, Intel lowered its spending budget on new plants and equipment to a maximum of $5.9 billion from a forecast of about $6.2 billion.

Applied Materials, the world's biggest maker of semiconductor-production equipment, slid 9.3 percent to $17.25.

Good and Bad

Novellus Systems Inc., which also makes semiconductor- production equipment, slumped 7.7 percent to $26.81. The company forecast revenue that missed analysts' estimates.

SanDisk Corp., the world's largest maker of flash-memory cards, plunged almost 17 percent to $49.15 after price cuts eroded its third-quarter profit. SanDisk expects prices to decline 15 percent to 20 percent in the fourth quarter from the previous three months.

Disappointing results from industrial, financial and technology companies were mixed with earnings from health-care companies that exceeded expectations.

Johnson & Johnson advanced 6.3 percent to $68.62 in the week. The maker of health products from Band-aids to schizophrenia pills said third-quarter earnings rose, led by sales of prescription drugs. Profit excluding certain costs beat the average analysts' estimate, and J&J raised its 2006 forecast.

Merck & Co. rallied 5.7 percent to $45.64. The drugmaker raised its full-year profit forecast for the third time this year to a range of $2.18 to $2.25 a share from an earlier range of $2.10 to $2.24.

UnitedHealth Group Inc. gained 4 percent to $50.70. The largest U.S. provider of health insurance reported third-quarter net income jumped 38 percent after acquisitions raised the number of policyholders. The profit beat analysts' estimates by 3 cents, and UnitedHealth increased its forecast for next year.

Newsweek Says 55% Of U.S. Public Plans To Vote For Democrats (BLOOM)

By Neil Roland

Bloomberg, October 22, 2006

By a 55-to-37 percent margin, Americans who say they are likely to vote in the Nov. 7 elections plan to cast their ballots for Democratic candidates, according to a new Newsweek poll.

The Democrats have gained among both white Catholics and white evangelicals in the last two years, the poll released today showed. Among independents, 44 percent favor the Democrat in their district while 34 percent prefer the Republican candidate.

Democrats need a net gain of 15 seats to win control of the House and six to gain control of the Senate. While President George W. Bush has predicted that the Republicans will keep their congressional majorities, former House Majority Leader Richard Armey, a Texas Republican, said yesterday that Democrats may gain a majority of 10 seats in the House.

In the Newsweek poll, Bush's approval rating is at 35 percent, with 57 percent of Americans saying they disapprove of his performance. In an all-time low in the survey, 65 percent of Americans said the U.S. is losing ground in efforts to build security and democracy in Iraq.

A majority of respondents -- 56 percent, including 23 percent of Republicans -- said they believe Bush won't be able to achieve much for the rest of his second term.

The poll showed that 60 percent of white evangelicals plan to vote for a Republican candidate, and 31 percent for a Democrat. Exit polls after the 2004 elections found that 74 percent of white evangelicals voted for Republicans, while 25 percent voted for Democrats, Newsweek said.

In today's poll, Democrats received the support of 44 percent of white Catholics, while 42 percent said the planned to vote for Republicans. Catholics overwhelmingly supported Bush in the 2004 presidential election.

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Asked to name the issue that is most important to their vote, 31 percent of respondents cited Iraq, 18 percent said the economy and 16 percent said health care.

Princeton Survey Research Associates International, which conducted the survey, interviewed 1,000 adults aged 18 and older on Oct. 19-20. The margin of error is plus or minus 4 percentage points.

A Possibly Fatal Flaw In GOP Formula For Success (LAT)

Ronald Brownstein Washington Outlook

The Los Angeles Times, October 22, 2006

The great risk in President Bush's political strategy has always been that it leaves him very little margin for error.

From the outset of his presidency, Bush has accepted division as the price of mobilization.

With a few exceptions, such as education and immigration policy, he has targeted his central initiatives — tax cuts, judicial appointments, the unilateral projection of U.S. power abroad — primarily at the priorities of conservatives while conceding little to interests outside his coalition.

In Congress and across the country, that ideologically polarizing agenda has helped Bush unify and excite Republicans. But it has come at the cost of antagonizing Democrats and straining his relations with independent voters.

This strategy has rested on the calculation that if Bush generates enough turnout on election day from Republicans and conservative-leaning independents, he can survive unease among moderate independents and intense opposition from Democrats.

On balance, that equation worked for Bush in his first term. Bolstered by his post-9/11 glow, Bush inspired an enormous Republican turnout that spurred GOP congressional gains in 2002. In 2004, another Republican surge powered gains in Congress and Bush's reelection over Democrat John F. Kerry. For Karl Rove and other top GOP strategists, those victories were evidence that Bush was building a narrow but stable electoral majority.

But even amid success, the limitations of the strategy were evident. Although Bush inspired passionate commitment from his supporters, he did not generate anywhere near the breadth of support that other two-term presidents, such as Dwight D. Eisenhower or Ronald Reagan, achieved at their apogee.

Bush's margin of victory over Kerry, measured as a share of the popular vote, was the smallest ever for a reelected president. Even in the usual post-election honeymoon period, Bush's approval rating never exceeded 55% in Gallup surveys, below the high point for every other reelected president since World War II. Bush's support fell back beneath 50% even before his second inauguration.

All of this meant that even on Bush's best days, nearly half the country opposed him and his direction. That didn't leave him with much of a cushion for bad days, which have come in bunches during his second term.

A combination of missteps (the faltering federal response to Hurricane Katrina) and miscalculations (the Terri Schiavo case, the crash of the Social Security restructuring plan) topped by the relentless, grinding violence and disorder in Iraq, have kept Bush on the defensive almost constantly since early 2005.

Because Bush started with backing from only about half the country, these reversals have lowered him, and his party, to dangerous depths. His approval rating since mid-2005 has rarely reached 45%, and he is now limping into the midterm election with support in most surveys below 40%.

That discontent over Bush's performance and decisions, especially concerning Iraq, is the largest factor threatening the GOP hold on the House and Senate.

One measure of Bush's impact on the election comes from the Majority Watch project conducted by the polling firms RT Strategies and Constituent Dynamics. Since the summer, the project has conducted nearly 75,000 automated phone surveys in congressional districts around the country. And it has found a close correlation between attitudes about Bush and preferences in November.

Tom Riehle, a partner at RT Strategies, recently cumulated the results of the project's interviews. He found that 80% of voters who approve of Bush's performance say they intend to vote Republican for Congress next month. But 77% of those who disapprove intend to vote Democratic.

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That result partly reflects the intense partisanship of our time. But even among independents, attitudes toward Bush are a clear dividing line. Fully 71% of independents who approve of him say they will vote Republican. But 73% of independents who disapprove are voting Democratic.

The obvious danger for Republicans is that far more voters in the surveys disapprove (53%) than approve of Bush's performance (39%). Among independents, those who disapprove outnumber supporters by 2 to 1.

Bush's decline is exposing Republican candidates to different risks in different places. In Democratic-leaning states, Republicans who have survived as moderates are facing more resistance from center-left voters reluctant to help Bush advance his agenda by providing the GOP another vote in Congress.

"He's a really good and decent man, but he empowers the Bush administration," Anne Crofts of Providence said at a recent local Democratic rally to explain why she would vote against moderate Sen. Lincoln Chafee (R-R.I.).

In states that are more conservative, Republicans confront two risks. The lesser threat is that Bush's assorted second-term disputes with conservative leaders and the congressional sex scandal may somewhat depress turnout by the GOP base. The bigger danger is a powerful desire for change even among many voters who philosophically tilt more toward Republicans than Democrats. Voters "are overlooking a lot of things about the Democrats that would normally bother them because they want change," said one senior GOP strategist.

Bush is once again stressing sharp-edged ideological differences with Democrats on taxes and national security; maybe that will rally enough conservatives to the polls to avoid a deluge on Nov. 7. But if a deluge comes, more of the Republicans looking to succeed Bush in 2008 may ask whether a political strategy that provokes so much opposition, even on its strongest days, can be sustained. They may also question whether the White House vision of a narrow but stable electoral majority is a contradiction in terms.

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brownstein.

Voter Ire May Tip Scale In House (BOS)

The Boston Globe, October 22, 2006

Democrats seize on scandals, war

The following story was reported and written by Susan Milligan, Rick Klein, and Bryan Bender of the Globe staff.

DELHI, Ohio -- As Democratic House candidate John Cranley works the bingo halls and street festivals of Cincinnati, he hands out blue plastic cups that he hopes will help knock Representative Steve Chabot out of office -- and House Republicans out of the majority.

"Had enough?" the cups said.

To the distress of a Republican Party that has held control of the House for the past dozen years, many voters across the country seem to be nodding in angry agreement with Cranley's assertion, according to interviews with voters in four states and new polls showing a double-digit preference for Democratic control of the House.

But no single issue is motivating voters' disaffection with the GOP -- and some issues, such as the Iraq war, are hurting the Republicans differently in various parts of the country.

Those in the Northeast want a quick withdrawal from Iraq, while more conservative, traditionally pro military districts in Pennsylvania are hopeful that Democrats will manage the war more competently than Republicans.

Voters from New York to California are questioning their representatives' commitment to ethics, and those in post industrial pockets of the Midwest are nervous about their economic security.

Voters' anger over such a disparate collection of issues is threatening the political lives of even seasoned Republicans, and Democratic challengers with little or no experience are registering strong support in polls.

"This election is about change versus the status quo," said Cranley, a 32-year-old Cincinnati city councilor, at a debate in Delhi on Wednesday night. "It is a do-nothing Congress at best. It's a corrupt Congress at worst."

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As Democrats have risen in polls over the past three weeks, a growing number of seats -- perhaps as many as 58 -- are now considered in play by the national parties and independent analysts. Democrats need to pick up 15 Republican-held seats to retake the majority.

An unusual bipartisan poll released last week showed that 51 percent of voters in 50 of the most competitive districts want the Democrats running the House, compared with 40 percent who want Republicans in charge. When voters were asked about their own districts, Democrats were favored 50 percent to 43 percent, according to the poll conducted by Democrat Stan Greenberg and Republican Glen Bolger .

John Zogby , an independent pollster, said his data shows the Democrats poised to pick up 25 to 30 seats, even though the party has not offered a detailed agenda; rather, a confluence of events has turned voters against Republicans.

"If the Democrats win, it will be a Forrest Gump victory, with things swirling around them over which they had very little control," Zogby said.

GOP candidates still have more than two weeks to turn things around, and a major event, such as a terrorist attack, or a massive infusion of cash from Republican donors, could help the GOP eke out critical victories.

And it remains to be seen whether voters will opt for untested Democrats like Cranley over Republicans like Chabot, a six-term incumbent who rang up 60 percent of the vote in 2004.

But the fact that Chabot's district is considered in play points to the extent of voter anger against incumbents.

"I look at Congress now, and I wonder if they have lost touch with your average person," said Terri Rolfes , an administrative assistant at a Cincinnati-area Christian publishing company who is considering switching her vote to Democratic. "Maybe it's time for a change."

In upstate New York and beyond, corruption puts GOP seats in play Gasport, N.Y., is friendly territory for a moderate, antiabortion Republican like Representative Thomas Reynolds, who has held the Buffalo-area seat for a decade. Some of the district's rural churches plant rows of tiny crosses in their yards to mark abortions, while affluent suburbanites applaud Reynolds's commitment to lower taxes.

But the news last month that Representative Mark Foley, Republican of Florida, had written sexually explicit e-mails to teenage House pages, put the spotlight on GOP leaders like Reynolds, the chairman of the committee charged with getting other Republicans elected to Congress.

Reynolds was contending with local frustration over the war and the economy. But the revelation that Reynolds had known of Foley's overly friendly e-mails to one page when he encouraged the Florida representative to seek reelection earlier this year has turned more voters against him.

"I certainly won't be voting for him," said Elizabeth Shabala, a 40-year-old speech pathologist, as she visited a local pumpkin farm. "This isn't an issue of Republicans versus Democrats. It's about protection of children."

Democratic challengers have used the Foley scandal to portray Republicans as more concerned with their political futures than the safety of teenagers. Democratic contenders in Indiana, New York, Minnesota, and New Mexico have used the Foley scandal in ads, while numerous others have done so in debates.

Democrats had sought to make the "culture of corruption" a major campaign theme last year, after several GOP lawmakers were linked to lobbyist Jack Abramoff; former Representative Randy "Duke" Cunningham, Republican of California, was sent to prison for taking bribes; and former House majority leader Tom DeLay of Texas stepped down amid charges he misused campaign funds.

But the corruption theme didn't resonate until the Foley scandal, which undermined the "family values" the GOP has been trumpeting for years. While Republicans have sought to draw attention to Democratic corruption as well, the issue has hit Republicans harder.

At a minimum, formerly safe Republican seats held by Foley, who resigned after the scandal broke, Cunningham, DeLay, and Bob Ney of Ohio, who resigned after admitting to accepting bribes from Abramoff's clients, are now considered potential Democratic pickups.

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In addition, senior Republicans such as Reynolds and Representative Deborah Pryce of Ohio, the GOP's conference chair, are under fire for failing to take action against Foley. And some analysts think the ethics cases have combined to fuel voters' desire to clean house.

"The whole is bigger than the sum of its parts," said Lee Miringoff , director of the independent Marist Institute for Public Opinion. Voters were "already grumpy about the performance of Congress," and the accumulation of scandals could tip the scales in close races, he said.

In conservative sections of Pennsylvania, voters reassess the war in Iraq Mizanur Rahman , perched behind the cash register of Halal Meat and Grocery in Upper Darby, Pa., nearly shouted when asked about his views on the Iraq war.

"We have made more enemies," he bellowed last Sunday, causing the butchers in the back of the store to look up from their carving table. "When our soldier kills their kid they are going to kill us. How many more enemies are we going to make?"

Most of Pennsylvania is not antiwar country, but many voters -- including Rahman -- have lost patience with the way the Iraq war is being run in Washington. Many who supported the invasion now say the war has been mishandled, and some are gravitating toward Democrats who are calling for new leadership -- but not an immediate pullout.

"More and more people -- I think a majority -- believe there must be a deliberate way out," said Joe Sestak , a former Navy admiral who is the Democratic nominee against 10-term incumbent Representative Curt Weldon . "They don't want to leave a mess, but they have come to the conclusion there is no military solution to this."

Sestak's message seems to be resonating. In a race that analysts earlier this year thought was safe for the GOP, Sestak has recently been running even with Weldon in most polls. Sestak's chances may have improved this week when the FBI raided the home of Weldon's daughter as part of an investigation into whether the representative assisted her public-relations firm.

Weldon denied any wrongdoing, and voters still seem more focused on the war than on last Monday's FBI raid.

Even in the so-called "T" of solidly Republican central and northern Pennsylvania, outside the urban orbits of Philadelphia and Pittsburgh, concern about the war is helping Democrats.

The voter frustration has given a boost to Chris Carney, a college professor and intelligence officer in the Navy Reserve who hopes to be the first Democrat since 1960 to win the state's northeastern 10th district.

Carney is ahead of four-term Republican incumbent Representative Don Sherwood by double digits in some polls, and analysts attribute much of his gains to the unpopularity of the war in a district heavy with military families. At least 21 soldiers from the district have died in Iraq and Afghanistan.

Sherwood is also dogged by alleged improprieties: A woman with whom he was having an extramarital affair told authorities that he tried to strangle her. He acknowledged the affair but denied the abuse. A recent poll showed that the top issue for voters is Iraq, not Sherwood's personal conduct, said analyst Jonathan Williamson of Lycoming College in Williamsport.

"Among those [citing Iraq], most broke for Carney," Williamson said.

Carney has not called for a pullout; rather, he's pledged to stand up for the soldiers and help bring the war to an honorable end.

"I haven't called for a timeline -- I haven't pulled that trigger yet," Carney said in an interview last week in Clarks Summit, north of Scranton. "But I am starting to think seriously about it."

In the Northeast, no more patience for a war many feel shouldn't have started There is little such hesitation in the Northeast, where President Bush is deeply unpopular and some voters seem willing to toss out even highly respected moderate Republicans just because of their party affiliation.

Democrats ruefully note there is some precedent for a cleansing of the moderates: In 1994, when the Republicans took over the House, Southern voters ousted numerous long-serving moderate Democrats largely because of their affiliation with President Clinton.

"The war has pushed a lot of people over to thinking there ought to be a change in Washington," said Howard Reiter, the chairman of the political science department at the University of Connecticut, referring to the frustration with Republican moderates. "For the past 40 or 50 years, there's been a trend away from the Republican Party in New England and the greater Northeast. It's been a long time brewing."

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As a result, moderate Republican House members across the region are seeking to emphasize their ties to their districts, while distancing themselves from Bush.

In Connecticut, where anti war fervor helped political neophyte Ned Lamont defeat incumbent Senator Joseph I. Lieberman in the August Democratic primary, three Republicans are locked in down-to-the-wire House races.

Perhaps the most vulnerable is Representative Christopher Shays, a centrist from Connecticut's New York suburbs who has made 14 trips to Iraq to assess the progress of a war he enthusiastically supported. But he recently called for a timeline for troop withdrawal -- opening him up to charges of election-year pandering.

Democrat Diane Farrell, who came close to defeating Shays two years ago and is leading in some polls this year, is blasting Shays for supporting the war -- and mocking him for being an ineffectual opposition voice.

"When Chris Shays has agreed with the president, have the results been good?" Farrell said during a recent debate. "When he's disagreed with the Republican leadership, has it made any difference?"

Similar dynamics are playing out in New Hampshire, where Democrats are hoping to break into the all-Republican congressional delegation in the only state that flipped from President Bush in 2000 to his election rival, Senator John F. Kerry, in 2004.

In one district, antiwar activist Carol Shea-Porter beat the Democratic establishment's favored candidate to win the right to face Representative Jeb Bradley. And in another district, Democrat Paul Hodes is casting Representative Charles Bass's backing of the war as emblematic of his support for the Bush administration's "failed ideas."

Both Shea-Porter and Hodes trail in most polls, but Democratic strategists believe they are in striking distance.

"The larger context really is that Congress isn't working for us," Hodes said in an interview. "The administration and guys like Bass are in a state of denial."

In Ohio, Indiana, and Kentucky, concerns about a loss of jobs The economy should be a selling point for Republicans, who have presided over growth in the gross domestic product, relatively low unemployment, and steady job creation. But in parts of the Midwest, voters who have lost jobs to overseas competitors don't want to hear about it.

In the traditional GOP strongholds of Indiana, Kentucky, and Ohio, the party is in danger of losing critical congressional seats because voters are uneasy about their personal finances. In Ohio, which has lost 200,000 manufacturing jobs in the past five years, two-thirds of residents believe the state's economy is worsening, according to a poll by the University of Cincinnati.

"[Representative Steve] Chabot continues to take money from oil companies, and I can't afford the price of gas," said Lee Valerio, a single mother from the Cincinnati suburb of Anderson. "We've lost jobs in Cincinnati, and people are always moving out of the city. We need a fresh face."

While Americans commonly list jobs and the economy as major concerns, the Republican Congress's solid performance on job growth and economic expansion over the past two years has not helped them in most places. Even the recent drop in gas prices has been met with skepticism: 42 percent of voters in a September Gallup poll said they thought gas prices were being manipulated by the Bush administration to influence the elections.

Brad Ellsworth, a Democratic candidate in Indiana, slammed GOP incumbent John Hostettler in a television ad for failing to get "tough" on gas "price-gouging," and bemoaned the high cost for parents driving children to soccer practice.

In Indiana and Iowa, the Democratic Congressional Campaign Committee has run radio ads on the failure of the GOP-run House to raise the minimum wage. In a parody of a game show, an announcer says, "Let's play who deserves a pay raise!" The ad compares a hotel clerk who earns $5.15 an hour to Republican representatives who blocked minimum-wage increases, but voted a pay increase for themselves.

The Bush administration and some members of Congress frequently tout the good performance of the overall economy, but that's not likely to make a difference in critical districts, analysts say.

"It doesn't even make sense to talk about the national economy right now," said Jared Bernstein, an economist with the Economic Policy Institute. "The way the economy is playing out is very much local."

And that, like the war and corruption, is hurting the GOP.

Thinning The Herd (NYT)

DOJ_NMG_0084533

By David Brooks

The New York Times, October 22, 2006

"Tell us, why, again, Republicans need 55 senators?" Rush Limbaugh asked not long ago. "Why do we need 55 senators when we have so many malcontents and traitors in the bunch? And they all happen to be from the Northeast, and they all happen to be moderates, they all happen to be liberals."

In that spirit, the National Federation of Republican Assemblies set out to rid the party of this threat. It set up a "RINO Hunters Club" to "root out and hunt down" the squishy centrists who are Republicans in Name Only. The Club for Growth ran candidates to defeat them. Last week on his radio show, Sean Hannity blasted the RINO's again, saying they were costing good conservatives their jobs.

Well, this is one problem the Republican Party is solving. When the next Congress convenes, there will be many fewer RINO's in town. You look at the vulnerable Republicans and it's like a moderate Republican graveyard: Deborah Pryce, a bright and effective member from Ohio; Christopher Shays from Connecticut; Sweeney from New York; Gerlach from Pennsylvania; Reichert from Washington; DeWine from Ohio.

Why have 55 Republican senators? Why not 25? Why not 15 brave and true? Throw in a few dozen pure-minded Republican House members and you could hold the next Republican convention in a living room.

For the past several years, Republican elites have treated the moderates, upon whom their majority depended, as the deformed cousins of their movement. Congressmen from rock-ribbed Republican districts who've never had to confront a dissenting view applaud themselves for their manly courage while scorning the effete wispiness of Northeastern Republicans who go home and battle derision every weekend. The centrists themselves are so beaten down, they learned they can't even utter the word "moderate" in the halls of Congress. Instead, they unveiled what they called their "Suburban" agenda.

But the suburbs happen to be where this election is being fought — around Philadelphia, New York, Denver, Minneapolis and Columbus. The general rule is that Democrats win in the more densely populated suburbs close to the cities and the Republicans win the more sparsely populated ones farther out. The central fight in American politics now is over where the line is demarking the two zones, and the central Republican problem is that every time the party mobilizes its exurban base it further alienates the marginal voters in traditional suburbs where Congressional elections are won or lost.

The Republican moderates come from Lands' End and Eddie Bauer-rich tipping zones. The people in the office parks in these places may not be zillionaires, but they run the meeting planning firms that help HR executives facilitate sales force enrichment retreats.

They are looking for orderly places to raise their children. They are what you might call antiparty empiricists. They distrust partisans and can't imagine why anyone would be sick enough to base an identity on a political organization. They don't expect much from government but a few competently delivered services, and they don't like public officials who unnerve them.

The Republicans used to do well in these areas, but now it's as if they are purposely trying to antagonize the married moms at the pseudo-New Urbanist outdoor cafes. The deficits alarm them. Tom DeLay was a perfectly designed Northeastern alienation machine. As insular Democrats know little about what life is like in flyover country, so insular Republicans know little about how people think in the suburban Northeast, where blue New York Times delivery bags dot the driveways each morn.

The big issue is Iraq, but the core problem with suburban voters is not the decision to go to war; it's the White House's reaction to the mess afterward. As Robert Lang, the superlative suburban specialist at Virginia Tech, notes, when people mess up a project in an office park, there are consequences. But Donald Rumsfeld never gets fired. Jerry Bremer and Tommy Franks get medals.

This is not how engineers and empirically minded managers behave. The people in these offices manage information for a living, and when they see Republicans denying obvious trends, or shutting out relevant data, they say to themselves, "Those people are not like me."

So there goes your majority. In the years ahead, Republicans can either reintroduce themselves to the blue-state suburbs or they can ask themselves the dittohead question: Tell us, why, again, do we need to be a governing party anyway?

The Mere Midterms (NYT)

DOJ_NMG_0084534

By Noah Feldman

The New York Times, October 22, 2006

When we go to the polls, we are doing two things at once. Pragmatically speaking, we are hoping to influence government policies and alter the behavior of the legislators and officials who design and implement them. Symbolically speaking, however, we're doing something more profound and less practical: expressing our collective verdict on the state of the nation. The people's voice is supposed to replace divine judgment as the ultimate yea or nay on the government in power: vox populi, vox dei.

Presidential elections still fulfill both of these functions. In the modern era, though, midterm elections have come to serve mainly as expressions of the public mood. Putting aside especially popular or unpopular local candidates, they offer a snapshot judgment on the president's performance — more like a midterm exam than a final that really counts. Voter turnout reflects these diminished stakes. Even though control of both the House and the Senate could change, and the late Bush years are politically charged times by any measure, we'll be lucky if more than 40 percent of the American electorate bothers to vote — as opposed to 60 percent in 2004.

Under the right circumstances, of course, a strong midterm result can directly influence policy making. The 1994 elections that brought Newt Gingrich to power in the House decisively shaped the remaining years of

Bill Clinton's presidency, pushing him further to the right and bringing out his latent tendency to govern every day as if an election were being held the next. And even a lame-duck president can be affected by a clear midterm message if he wants to see his vice president elected and preserve his historical legacy.

This year, though, it is doubtful that the midterm elections will significantly alter the Bush administration's way of governing. For one thing, we're faced with the anomaly of the first vice president in recent times who has no intention of running for president himself. With the presidential election two years off, the Bush administration (read: Karl Rove) is very far from anointing a successor, if indeed it ever will. Of course, the Republican Party wants to win the White House in 2008, but the day he leaves office,

George W. Bush will no longer be the leader of that party. His own incentives are not necessarily aligned with those of the G.O.P. faithful.

Whether by coincidence or not, Bush is also a president who has been doggedly consistent in staying the course, come what may. Tax-cutting in the face of mounting deficits is one case in point, Iraq another. To his supporters, the continuity is a sign of his steadfast faith in his principles. To his critics, the intransigence reveals a president closed to new information, locked into dogmatic ideals and unable to accommodate reality. Both sides, though, agree that the president is no flip-flopper. That means he is particularly unlikely to change his policies as a result of a midterm message that the American people aren't satisfied with the job he's doing.

So what kind of a message will we the people send to Washington? Polls show that roughly 40 percent of Americans identify themselves as conservative and that their support for the president remains strong. On some issues, like immigration, the president has alienated parts of his right-wing base. (Of course, his views match not only those of globalist liberals but also of corporate America with its unceasing need for cheap labor.) But their frustration notwithstanding, true-red conservatives have nowhere else to go.

Another 20 percent of the electorate describe themselves as liberal, and it is safe to assume that few of them intend to vote Republican this year. That leaves the 40 percent of voters who consider themselves moderates. Those who voted for John Kerry are almost certainly going to vote Democratic again. (Do you know anybody who voted for Kerry in 2004 and wishes he hadn't?)

The people whose votes are in play this time are '04 Bush voters who are now disaffected by the president's performance. Any message in 2006 is going to have to come from them, and it will necessarily take the form of regret: I wish I'd voted for the other guy.

President Bush's low approval ratings seem to be owed to two main factors: the progressively worsening situation in Iraq and the perception, strengthened by the nonresponse to Hurricane Katrina, that the president is either incompetent himself or appoints incompetent people to important jobs. (The Foley sex scandal has been much in the news, but its impact may fade by Election Day.) It is notable, however, that neither of these serious problems — Iraq and the competence of the executive branch

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— can be readily affected through a midterm election. Even if the Democrats win big, they will not be able to effect substantial changes in either Bush's war policy or his ability to govern better.

When it comes to making foreign policy, Congress has few if any prerogatives. It may have the power of the purse, but no Congress, and especially not a Democratic one, can afford to deny a president's requests for military spending to support troops on the ground. Our armed forces in Iraq will almost certainly remain there through the next two years — and they have to be financed until they come home. In a less partisan time, the Senate Foreign Relations Committee could function as an active player in the day-to-day shaping of foreign policy. Yet a glance at how the Bush administration has sidelined the moderate Republican leadership of that committee — Senators Richard Lugar and Chuck Hagel — suggests that a Democratically controlled committee would be even further out in the cold.

If the Democrats have little prospect of influencing Iraq policy, it is also because they have chosen not to adopt any policy of their own, except for occasionally calling for a nominal withdrawal deadline. This careful positioning reflects both the recognition that there's little they can do to change the president's mind and the political judgment that, for the most part, the public has not demanded more from them. Democrats do not want to be the first to declare that the war in Iraq has been lost. Although Americans overwhelmingly believe we are not doing well in Iraq, the Democrats cannot take the risk that the public will blame the messenger, equating those who acknowledge defeat with those who are responsible for defeat.

Nor can a Democratic Congress do much to make the Bush administration more competent. The Senate can block the most egregious nominees, helping to ensure that we will have no more appointments like the hapless Michael Brown, the man at the heart of the FEMA disaster. It can also keep at least some ideologues and nonentities off the federal courts — including the Supreme Court, should another spot open. But many of the most incompetent political hacks in any administration are below the radar of confirmation processes, and besides, someone has to fill the jobs that empty out late in an administration when the first-round draft picks head back to the private sector. If the Democrats do take the House, the Senate or both, many Republican Congressional aides will want to leave their now-minority staff positions for the prestige and power of the executive branch — and even if they can, Hill Democrats will be loath to block their former staff colleagues' nominations, knowing that some day in a Democratic administration, they too could be looking to make a similar move.

What that leaves the Democrats is oversight — an idea that right now gets their hearts racing but whose limits will eventually become apparent. With Democrats at the helm, Congress can certainly act in particular realms. It can try to limit secret wiretaps, assuming it can find them, and it can call cabinet secretaries and generals on the carpet to explain just why we are doing so badly in Iraq. There are old scandals to reopen, and no doubt plenty of new ones just waiting to be uncovered. What Congressional Democrats cannot do, however, is change the basic direction of the country. The president has not presided as a flexible man, and many of the problems Congress will confront are at present intractable. Government in the sunshine is a good thing — but a brightly lit Washington will still, mostly, be George W. Bush's Washington.

Dept. Of Advice (WP)

The Washington Post, October 22, 2006

The clock is running out for Republicans hoping to keep control of Congress. Coaches and jocks step up to the plate with advice on what to do when it's fourth and long in the bottom of the ninth -- with the other team set to retake your House.

I would tell the GOP it's never over till it's over. Now, if you're down two touchdowns with 30 seconds left, yeah, it's over. But as far as the election goes, it's not even halftime. You've got to believe that people will come to their senses and rally around the team. Remember, the other team has never been in many winning situations. They don't know how to win. You're looking for them to be the Arizona Cardinals [who lost a two-touchdown lead in the final minutes] of last Monday night. They don't know what they're doing when the game is in the fourth quarter. You do.

-- Mark Rypien , former Super Bowl-winning quarterback
for the Washington Redskins

* * *

Pundits, predictions and polls -- they don't mean anything. The only thing that matters is the final score. Think about how hard you've worked to get to this point. All those hours traveling to rallies, putting up signs, blogging, debating and ruining

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relationships with friends and family, kissing babies and shaking hands. There's a reason you play the game, guys. It's because you love your country. You have to trust the process. And when Election Day is over, no matter what happens, you need to be able to look each other in the eye and know that you left everything you have on the trail.

-- Brenda Frese, coach of the University of Maryland
2005 NCAA championship women's basketball team

* * *

I remember one time when I was coaching football at Georgia Tech. We were behind 28-0 at halftime, and I had promised ABC I'd talk to them. The only thing you can talk about in a situation like that is that you've got to do everything you can to make the other team earn every yard -- or every vote. You can't give in to the score. The score is what you have at the end of the game, but after all is said and done, what you have to know is you made them fight and earn every yard. I'd approach the election the same way. We went out and had a magnificent second half, scored 27 points. We didn't win, but we made the other team realize they were in a fight. That's what politicians have to do, too. They can't listen to people booing them, they can't listen to the skeptics.

-- Pepper Rodgers , former football coach
for Kansas, UCLA and Georgia Tech

In football, the focus should never be on the play that just happened but on the one about to take place. The past is gone and the future is all that matters. Same thing in campaigns. In these final weeks, voters are tuning in with a fine ear and candidates have the best opportunity to passionately articulate a plan for the future. So focus, show intensity and vividly describe how a voter's family, friends, loved ones and neighbors will be better off when your vision for America is implemented.

-- Steve Largent , former Republican congressman
from Oklahoma and NFL Hall of Famer

* * *

As I would say to my players, it's not over till it's over! Never, ever give up! Fight with all your might. Pull every trick play you have out of your playbook and show them you're still the champions. Think about what it will be like if you should lose. That should be enough to ignite a fire in the weakest of the bunch. Remind the world what happened in Vietnam while Lyndon Johnson, a Democrat, was in office. Champions never quit. They fight to the bitter end through blood, sweat and tears! Life is tough. Life is football without a helmet.

-- John McKissick , head football coach,
Summerville (S.C.) High School, the winningest football coach in history

* * *

My advice to the Republicans is: Let it go. Let it go and wait for tomorrow. Sometimes you're down by 20 with three minutes left, you don't play hard anymore. You just finish up and wait for tomorrow. Tell them to concentrate on 2008, but not too hard.

Did I tell you I'm a Democrat?

-- Dikembe Mutombo , former Georgetown Hoya center,
now with the NBA's Houston Rockets

* * *

Never give up. You've got to impress upon your opponent that one thing, that you haven't given up. And you have to regain the momentum in any way you can. If you have 5 or 10 minutes left in the fourth quarter and you're behind, you've gotta gain the momentum, make the other team make a mistake and capitalize on it. Right now, maybe the Democrats have the mental edge. So the Republicans have to recapture it. If you're at fourth and long, that's your last play, that sucks. But if you're in the fourth quarter and you still have 5 or 10 minutes to go, you have time to regain the momentum.

-- Ray Schoenke , former Redskins offensive lineman and candidate
for the Democratic nomination in the 1998 Maryland gubernatorial race

* * *

I would tell Republicans that it's time to pull out a trick play or two to catch their opponent off guard and regain momentum . Time for a double-reverse pass or an onside kick, anything you can do to startle your opponent and put him on the defensive. And they have to stay positive. In a game two weeks ago, we were down 28-7 with one minute to go in the third quarter, but we stayed

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positive, even though we were getting our brains beat out. And we went on to win, 35-28. You never know how the outcome can change.

-- Dave Mencarini , head football coach,

Quince Orchard High School, Gaithersburg

When you fall behind, you can't start thinking that it's a lost cause; you must truly believe that you can win. I know as a coach that my players tend to believe what I believe of them. You have to have your party pulling for you, and that stems from the leaders believing that you can still accomplish your goals. Once people have lost hope, they won't campaign as hard as they should. You've gotta have that work ethic. You keep playing to the end. People can be persuaded up until the last minute.

-- Dan Harwood , boys' basketball coach, Magruder High School, Rockville

* * *

When you're facing down the clock and you're behind, you call a timeout and you talk to your team and you say things like, "You know what got you here. Are you going to let these guys take it away from you?" Basically, you tell them, "Hey, don't panic. You're in a race." You've got to be strategic, you've gotta start putting all your pluses on one side and minuses on the other, your opponent's pluses on one side, his minuses on the other. It's about finding the weakness and hitting them.

-- Red Auerbach, Basketball Hall of Fame coach,

former president and coach of the Boston Celtics

* * *

In sports you basically beg your team to just be as aggressive as possible. Because if you are behind, what do you have to lose? I always say, leave it all on the floor. Bring any trick that you have. You might as well see if it works. It's amazing what can happen in sports when the team that's winning thinks it's going to win for sure and begins to relax. A lot of crazy things happen when the momentum changes. The bottom line is you play until the final buzzer, and in an election you're going to campaign until the votes are in. No other way to play a sport or live your life -- you go until you can't go anymore.

-- Mike Jones, head basketball coach at

DeMatha Catholic High School in Hyattsville

* * *

When you're behind, the main thing you focus on is never giving up. Even when things look kind of grim, if you keep battling and working hard you never know what can happen. Have a lot of confidence in yourself and believe in what you're doing. When you're in a tough game or tough race, you see not only the quality player you have but the quality person you have. When it gets close to winning -- don't do something or not do something that you're going to regret later. Leave everything on the field. When you go to bed after the last game or the election, you'll be able to say "I did everything I could."

-- Randy S. Morris, manager of the 2006 Little League

World Series Champions, Northern Little League, Columbus, Ga.

* * *

People pride themselves on getting under your skin. Don't let them. Don't take no for an answer, that's what I would tell the Republican Party. It's the fourth quarter and you need to knock down a jump shot or get a rebound in traffic. Stay positive, no matter what. Eliminate the negativity. I knew I wasn't holding up my end of the bargain for a while last year and all of the negativity was just seeping in. You have to develop thick skin and stay positive. Eventually the outcome you want will work out.

Trust me.

-- Antawn Jamison , Washington Wizards forward

* * *

Right now, if I knew I had no shot, I would shut down all advertising, grab what's left of the campaign money and get the hell out of town. I mean, if it's evident you're going nowhere. . . . Now, what have you got to do from a realistic standpoint? Refuse to believe what everybody else is saying. You've got to count on somebody on the other side screwing up before the election. You've got to pretend you're the emperor with no clothes or pretend you're Alfred E. Neuman. One or the other.

Does that make sense?

-- John Riggins, Hall of Fame Redskins running back

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Democrats Strengthen Chances For Senate (WP)

By Charles Babington And Dan Balz

The Washington Post, October 22, 2006

Va., Mo. and Tenn. May Tip the Balance

Democrats in the past two weeks have significantly improved their chances of taking control of the Senate, according to polls and independent analysts, with the battle now focused intensely on three states in the Midwest and upper South: Missouri, Tennessee and Virginia.

Democratic challengers are in strong positions against GOP incumbents in four states -- Pennsylvania, Montana, Ohio and Rhode Island -- a trend that leaves the party looking for just two more seats to reclaim the majority. The main targets are states where Republicans in recent years have dominated but this year find themselves in hotly competitive races.

Except for a brief period in 2001 and 2002, Republicans have held power in the Senate continuously since the 1994 elections and now hold 55 of 100 seats. Only last year, Senate Democratic Leader Harry M. Reid (Nev.) said it would take "a miracle" for his party to win control. But the same issues that are leading many pollsters and strategists to predict a Democratic takeover of the House -- including the unpopularity of President Bush and the Iraq war -- have made a turnover in the Senate more plausible.

Democrats are gleeful about the prospect of reversing years-long political trends against them in such places as Montana and Ohio, as well as Southern states such as Tennessee and Virginia. But recent history highlights how difficult it is for Democrats to compete in places where Republicans usually win at the presidential and congressional levels. Two years ago, as Bush was winning reelection, Democrats lost Senate seats in North Carolina, South Carolina, Georgia, Florida, Louisiana and South Dakota.

Analysts say, however, that this year's political environment is much more toxic for the GOP.

"The Democrats are going to gain somewhere between four and seven seats," said Stuart Rothenberg, author of an independent newsletter that tracks campaigns nationwide. Of the battlegrounds of Tennessee, Virginia and Missouri, he said, "They need two of the three, and they have a pretty good chance" of winning them.

In four other states, Republican incumbents -- Conrad Burns (Mont.), Lincoln D. Chafee (R.I.), Mike DeWine (Ohio) and Rick Santorum (Pa.) -- are all running behind in the latest public polls. Assuming that Democrats hold New Jersey, where Sen. Robert Menendez (D) hopes the state's traditional Democratic tilt will carry him past hard-charging Tom Kean Jr. (R), they would need to grab two more Republican-held seats to gain a 51 to 49 edge. (An evenly split Senate would remain under GOP control because Vice President Cheney would break the tie).

In Virginia, Sen. George Allen (R) was cruising toward reelection until he referred to a Democratic worker of Indian descent as "macaca" at a campaign event, clumsily handled revelations of his Jewish heritage and seemingly lost his once-easy touch with Old Dominion voters. Democratic nominee James Webb is not a natural campaigner, Capitol Hill Democratic operatives acknowledge, but he has surged within striking distance of Allen in polls.

With two weeks to go, supporters hope Allen makes no more gaffes and can coax state voters to return to their habit of backing Republicans in federal elections.

"I think Allen has moved into a small but statistically valid lead," said Rep. Thomas M. Davis III (R-Va.), a close student of campaigns. "Allen needs to get his [conservative] base voters out, and he needs to not take another hit." A Virginia ballot initiative to ban same-sex marriage may bring social conservatives to the polls, Davis said, but it will do little for moderate Republicans who also are crucial to Allen's success.

In the race for an open seat in Tennessee, Republicans believe Bob Corker, the former mayor of Chattanooga, has turned his campaign around after replacing his campaign manager and is now more focused and aggressive. Democrats concede that Corker has cut into the lead of Rep. Harold E. Ford Jr. (D) but are counting on Ford's campaign skills to carry him through the final weeks.

Eight-term Rep. Jim Cooper (D-Tenn.), who lost a 1994 Senate bid and whose father was a Tennessee governor, said he has never seen anything to match the enthusiasm surrounding Ford, an African American from Memphis. A sold-out Oct. 19

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prayer breakfast in Nashville that featured Ford "was the most exciting and successful political event I've ever been to in Tennessee," Cooper said.

Strategists see Missouri as perhaps the purest test of whether Republicans can overcome a strong Democratic headwind this year because there are few state-related factors or scandals affecting the contest. Neither Sen. James M. Talent (R) nor the challenger, state auditor Claire McCaskill (D), has been able to gain a clear advantage, and strategists on both sides anticipate a photo finish.

If Talent loses, "it will be because of the environment," one senior GOP strategist said. "If Corker loses [in Tennessee], you can point to some big strategic mistakes."

Until recently, almost no one on Capitol Hill was talking seriously of a possible Democratic Senate takeover, for several reasons. Open seats generally are easier for the opposition party to win, but this year, just one Republican incumbent, Majority Leader Bill Frist (Tenn.), is retiring. Geography is even more challenging. Democrats must win several races in Red America, where through most of Bush's presidency, Republicans have deepened their hold on elective offices, most notably in the South. This year, only two of the seven most vulnerable Republican Senate seats are in states carried by Sen. John F. Kerry in 2004: Rhode Island and Pennsylvania. The others -- Ohio, Montana, Missouri, Tennessee and Virginia -- were Bush states in 2000 and 2004.

"I don't think it was ever a map for taking back the majority," said one Democratic strategist, who declined to be identified in order to provide candid information about the campaigns. "But the very fact of it is, we get closer to winning the majority every single week."

Republicans depend in particular on the South for their Senate majority. They now hold 18 of the 22 Senate seats in the former Confederate states, a 14-seat advantage in that region alone. Republicans remain entrenched in the Deep South, but their advantages in upper South states are less strong, says Merle Black, a political science professor at Emory University and the co-author with his brother Earl Black of a series of books about Southern politics.

"What we see across the Deep South is a lot of Republican strength," he said. "Those upper South states are where Democrats can campaign effectively against Republicans. I wouldn't make them favorites, but if trends break in their favor, they could win both of those seats."

Santorum, seeking a third term, and Burns, trying for a fourth, have been in trouble for months. Chafee, who is such a maverick Republican that he did not support Bush for reelection in 2004, survived a difficult primary, but only with late help from the Republican National Committee and the National Republican Senatorial Committee. He now trails former state attorney general Sheldon Whitehouse (D) in a state that is overwhelmingly Democratic and strongly anti-Bush. His biggest hope lies in the unusually large number of undecided voters in a state where the Chafee name is well-regarded, said Jennifer Duffy, who tracks Senate races for the nonpartisan Cook Political Report.

DeWine always expected a tough reelection race because of the sour national mood and scandals in Ohio that have left Gov. Bob Taft (R) with an approval rating barely in double digits and Rep. Robert W. Ney (R) on his way to prison for his involvement in the scandal involving lobbyist Jack Abramoff. Ohio voters appear ready to take out their anger on the party that has controlled state politics since the early 1990s.

But DeWine's race has turned from a toss-up to one favoring his rival, Rep. Sherrod Brown, in a matter of weeks. Recent polls show Brown leading by seven to 14 percentage points. Republicans blame the Mark Foley scandal.

"The Foley thing had a more corrosive effect there than in other places," said one pessimistic GOP strategist. "Voters were softened to scandal."

Democrats: More Seats Coming Into Play (AP)

By David Espo

AP, October 22, 2006

Democrats hold solid leads for four of the six Republican seats they need to capture the Senate and about 10 of 15 required to win the House, according to officials in both parties. Numerous additional races remain highly competitive.

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After two weeks of adverse publicity linked to the Mark Foley scandal, public and private polling suggested partial recovery for some endangered Republican incumbents, and senior party officials made a concerted effort to project confidence.

"By many measures, there are strong indications of a right-of-center base that is engaged and committed," party chairman Ken Mehlman said Friday in a memo written for public consumption.

The assertion was a response to independent polls that show disapproval of President Bush's policies, including on the Iraq war, and discontent with Congress have made Democrats more eager to vote on Nov. 7 than Republicans.

At the same time, Democrats said unexpected opportunities for gains keep coming their way — including House races in Minnesota, Idaho and Nevada — and they have the money needed to battle Republicans to the end.

"We have enough to play defense in the blue states and offense in the red states," said Sen. Chuck Schumer of New York, who heads the Democratic senatorial committee.

After months of stockpiling their millions, candidates and the parties are spending freely in the final days before Election Day.

The National Republican Congressional Committee has spent more than $3 million to hold the seat of Ohio Rep. Bob Ney. Ney, who recently pleaded guilty to corruption charges, has yet to resign, but is not seeking a new term.

The GOP has invested more than $8 million into the Philadelphia suburbs and a northeast Pennsylvania district, where Republican Reps. Michael Fitzpatrick, Curt Weldon, Jim Gerlach and Don Sherwood face strong challenges. Democrats have put in nearly $7 million.

In Connecticut, GOP Reps. Chris Shays, Nancy Johnson and Rob Simmons face difficult challenges, although Republicans hope that Sen. Joseph Lieberman's independent candidacy will help them.

By contrast, Republicans have few opportunities to take away House or Senate seats belonging to Democrats. Georgia, where the GOP is aiming at two House seats, is one such case.

In the battle for the Senate, public and private polling shows Democratic challengers leading incumbents in Pennsylvania, Montana and Rhode Island as well as in Ohio, where the entire GOP ticket is struggling.

Officials who discussed the private surveys did so on condition of anonymity, saying they were not authorized to speak publicly.

Eager to offset likely losses, the National Republican Senatorial Committee has aired television commercials in New Jersey, hoping that Tom Kean Jr. can defeat Sen. Bob Menendez. Democrats countered quickly, with four times as much money.

Republicans apparently have not abandoned all hope in Michigan, either. President Bush is scheduled to campaign for challenger Mike Bouchard on Thursday. A party-financed television advertising campaign is possible, as well, aimed at toppling Democratic Sen. Debbie Stabenow.

Increasingly, though, officials in both parties said the battle for Senate control probably will come down to close races in Missouri, Tennessee and Virginia. All three are Republican-held seats where Democratic challengers have exceeded precampaign expectations.

Under most scenarios, Democrats would have to win two of the three to gain a majority.

In Tennessee, Republicans concede that Rep. Harold Ford has proved to be the most adept of the Democratic challengers this year. Democrats say Republican Bob Corker's campaign has been sharper and more effective since a staff shake-up this month.

Democrats in Missouri hope challenger Claire McCaskill will benefit from support for statewide initiatives on stem cell research and a higher minimum wage. She is running against Sen. Jim Talent.

The closeness of the Virginia race, where Jim Webb is taking on Sen. George Allen, is the biggest surprise of the campaign season. Like other Republicans, Allen has begun edging away from Bush's war policy. "The situation there is one that needs adjustments, that needs changes in tactics," he said Friday.

Many Republicans turned pessimistic about their party's chances of holding the House when the Foley scandal broke. The Florida congressman abruptly resigned on Sept. 29 after he was confronted with sexually explicit Internet messages he had written teenage male pages.

The House ethics committee is investigating, and Republicans are working to shift the campaign spotlight elsewhere.

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"National security, border security, and the economy: these are the issues that matter most to the American people as we confront challenges domestically and abroad," House Majority Leader John Boehner, R-Ohio, advised fellow Republicans.

Despite Mehlman's efforts at reassurance, some candidates remain concerned. "The Republicans are a bit disillusioned," said Rep. Chris Chocola, struggling in his bid for a third term in Indiana.

The House Republicans in greatest danger of defeat include Reps. Charles Taylor of North Carolina and John Hostettler of Indiana, and Sherwood and Weldon of Pennsylvania, according to private polls. Of those incumbents, only Hostettler is not campaigning against a backdrop of scandal, either personal or political.

In addition, Democrats lead for open seats currently in Republican hands in Arizona, Colorado, Florida, Ohio and Texas.

The situation in Foley's former district is unpredictable. Foley's name is staying on the ballot and votes for him will be counted for replacement candidate Joe Negron.

Two members of the Republican leadership, Reps. Deborah Pryce of Ohio and Tom Reynolds of New York, have fought back from earlier deficits and made their races competitive, according to strategists.

Many other races remain competitive, judging from public polls and party spending.

Republicans in that category include Reps. Fitzpatrick, Gerlach and Melissa Hart in Pennsylvania; Clay Shaw in Florida; Mike Sodrel and Chocola in Indiana; Geoff Davis in Kentucky; Heather Wilson in New Mexico; Marilyn Musgrave in Colorado, Dave Reichert in Washington; Thelma Drake in Virginia; Steve Chabot in Ohio; and Gil Gutnecht in Minnesota.

Democrats also are mounting strong challenges for Republican-held open seats in Idaho, Illinois, Iowa, Minnesota and Wisconsin.

Relatively few Democratic-held seats appear in jeopardy.

Republicans have scaled back their initial target list, and continued to advertise against Reps. Jim Marshall and John Barrow in Georgia; Melissa Bean in Illinois; Leonard Boswell in Iowa; and in an open-seat race in Vermont.

Three States Could Swing Senate Control (LAT)

By Ronald Brownstein

The Los Angeles Times, October 22, 2006

In Tennessee and two other closely contested races, candidates court disaffected GOP voters.

In his paint-splattered sweatshirt and battered baseball cap, Chris Foust stopped by on his lunch break last week to listen to Rep. Harold E. Ford Jr., the Democratic Senate nominee, at a downtown rally.

Foust, a soft-spoken regular churchgoer who worries about illegal immigration and opposes gay marriage, usually votes Republican and backed President Bush in 2004. But he's grown disillusioned with Bush, especially over the Iraq war. And after Ford finished his energetic speech at the noon rally, Foust decided to support him in next month's election.

"He seems like he's an honest guy," said Foust, who works for a commercial painting company. "He seems like he has a genuine concern for people."

Disenchanted, usually Republican-leaning voters like Foust may decide not only the tight Tennessee contest between Ford and Republican Bob Corker, but the battle for control of the Senate as well.

Two weeks before election day, odds are increasing that the Senate could turn on the results of close contests in Tennessee, Virginia and Missouri, three states along the border between the solidly Republican Deep South and Democratic terrain in the Northeast and industrial Midwest.

Each of these states presents a distinct political puzzle. But Democrats face the common challenge of attracting right-of-center voters like Foust who helped Bush carry all three states two years ago but have soured on the nation's direction since.

"No one is going to say these aren't tough states," said Democratic pollster Peter Brodnitz, who is advising Ford in Tennessee and Democratic Senate nominee Jim Webb in Virginia. "But voters are very hungry for change."

Still, finding enough disenchanted voters remains difficult for Democrats in the three states, largely because of enduring Republican strength in socially conservative small-town and rural communities. If Democrats fall short in their bid to recapture the Senate, these three states may be their Heartbreak Hill.

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Trends across the Senate battlefield are moving the three states into their potentially pivotal role. Recent polls show Democrats consistently leading incumbent Republican senators in Pennsylvania, Ohio and Montana, and maintaining a more marginal edge in Rhode Island. In New Jersey, where Republicans have their best opportunity to capture a Democratic-held seat, most recent surveys show Sen. Robert Menendez reestablishing a narrow lead over his Republican challenger.

But even if all those states break for the Democrats, the party still would capture the Senate only if it won two of the three Republican seats in Tennessee, Missouri and Virginia. In a measure of the Democratic challenge, Republicans now hold all six of the three states' Senate seats.

This year, in Virginia, public polls generally show Republican Sen. George Allen narrowly leading Webb, who was Navy secretary under President Reagan; in Missouri, Republican Sen. Jim Talent and Democratic state Auditor Claire McCaskill trading the lead; and here, Ford, who represents a district in Memphis, edging Corker, the mayor of Chattanooga, for the seat of retiring Senate Majority Leader Bill Frist.

Of the three contests, Tennessee may combine the most fascinating ingredients. Ford is running against not only the recent history of Republican ascendancy across the South but the weight of history with a capital H: He is seeking to become the first African American senator from the South since Reconstruction.

Ford, who has served since age 26 in the House seat once held by his father, Harold E. Ford Sr., is also challenging liberal orthodoxy on more issues than probably any other major Democratic contender this year.

He embraces several familiar Democratic priorities, including raising the minimum wage and allowing Medicare to negotiate directly with pharmaceutical companies for lower drug prices. But he supports constitutional amendments to ban same-sex marriage and flag burning and to require a balanced budget, and says he would have voted against the bipartisan Senate immigration bill because he opposes any form of legalization for illegal immigrants.

And though he is bitingly critical of Bush's management of the Iraq war, Ford opposes any effort to legislate a timetable for withdrawing American troops. Instead, he urges the U.S. to push Iraqi leaders to divide the country into semi-autonomous Shiite, Sunni and Kurd regions.

More striking is Ford's unabashed emphasis on his religious faith. In his speeches, he quotes Scripture as frequently as other candidates quote government reports.

Last week he delivered remarks that sounded more like a sermon than a political speech before 700 people who overflowed a downtown Knoxville hotel ballroom for an interdenominational prayer breakfast, one in a series of such events he's hosting. He has even filmed a television ad in which he testifies to his religious conviction from inside a church.

Just 36 and imperially slim, Ford is a charismatic presence who attracts large, integrated crowds that cluster around him for photographs after his speeches.

He maintains punishing hours on the campaign trail, but it is still tempting to view Corker as the tortoise to Ford's hare.

Corker, slight and 54, doesn't turn heads when he enters a room or attract such large audiences. But he projects an approachable competence and sincerity. "He seems a little more like a hometown kind of guy," said Aubrey Powers, a social worker, after attending a Corker appearance in Maryville, Tenn.

After shaking up his campaign staff this month, Corker is intensifying his effort to present himself as a bipartisan problem-solver.

But Corker also needs to consolidate the Republican base after defeating two more-conservative opponents in a bitter GOP primary this summer, and must stamp Ford as too liberal for the state.

The social issues that typically help Republicans in that effort have not cut as sharply for Corker. Though he now supports a ban on abortion, he did not earlier in his career; whereas the National Right to Life Committee has endorsed him, the Tennessee affiliate has not.

And though the National Rifle Assn., a potent political force here, has endorsed Corker and plans to tout him to its members, the group will not criticize Ford, who received a B grade from the organization, said Andrew Arulanandam, the NRA's public affairs director. That could amount to a major bullet-dodge for Ford.

In his ads and stump speeches, Corker stresses his Tennessee roots and his business experience. Meanwhile, his campaign and the National Republican Senatorial Committee have barraged Ford with personal attacks, portraying him as a

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slick career politician, condemning the "Ford Political Machine" and spotlighting his connections to Washington, where he spent most of his youth while his father served in Congress.

The attacks have reached a point where even Corker, in a rare move, on Friday publicly urged the Republican National Committee to withdraw a new ad that features a blond white woman — presumably an actress — cooing into the camera that she met Ford at a party sponsored by Playboy magazine.

Race is the great wild card in the contest. In Washington, many analysts believe Ford will draw fewer votes than polls suggest because of voters' unspoken reluctance to back an African American. In Tennessee, that assumption isn't as widely shared.

"I don't think his race is going to be a factor," Frank Griffith, a lifelong Republican, said after a Corker rally in the small southeast Tennessee town of Madisonville. "I've lived here my whole life and I see the same people supporting the Democratic candidate with bumper stickers just like any other candidate."

Griffith, a retired teacher, said Ford's greatest problem would be convincing conservatives in his rural community that he was not too liberal.

The same might be said for Jim Webb in Virginia and Claire McCaskill in Missouri. In the end, the challenges facing Ford revolve less around the issues unique to him because of his race than those he shares with the Democratic nominees in each of the three states that could determine which party controls the Senate next year.

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Guardedly, Democrats Are Daring To Believe (NYT)

By Adam Nagourney And Robin Toner

The New York Times, October 22, 2006

WASHINGTON, Oct. 21 — There is something unusual bubbling in Democratic political waters these days: optimism.

With each new delivery of bad news for Republicans — another Republican congressman under investigation, another Republican district conceded, another poll showing support for the Republican-controlled Congress collapsing — a party that has become so used to losing is considering, disbelievingly and with the requisite worry, the possibility that it could actually win in November.

“I’ve moved from optimistic to giddy,” said Gordon R. Fischer, a former chairman of the Iowa Democratic Party. “I really have.”

Representative Barney Frank, Democrat of Massachusetts, who is in line to become chairman of the Financial Services Committee in a Democratic House, offered wry evidence of the changing perception of the race. His office, Mr. Frank said, has been contacted by a portrait-painting firm offering to talk about possibilities for the traditional committee chairman’s painting, one of those perks of power long absent from the lives of House Democrats.

“I’ve acquired a lot of new friends this year,” Mr. Frank said. “And I haven’t gotten any nicer.”

For Democrats these days, life is one measure glee, one measure dread and one measure hubris. If they are as confident as they have been in a decade about regaining at least one house of Congress — and they are — it is a confidence tempered by the searing memories of being outmaneuvered, for three elections straight, by superior Republican organizing and financial strength, and by continued wariness about the political skills of President Bush’s senior adviser, Karl Rove.

Mr. Rove has made it clear that he considers Democratic optimism unjustified, predicting that his party’s cash advantage and get-out-the-vote expertise will dash Democratic dreams yet again. And Democrats say they welcome every passing dawn with relief, fearful that the next one will bring a development that could fundamentally alter the nature of the race, like the re-emergence of Osama bin Laden on election eve, which is what happened in 2004.

“I know a lot of people are in somersault land,” Representative Rahm Emanuel, Democrat of Illinois and chairman of the Democratic Congressional Campaign Committee, said reproachfully of fellow Democrats. “I just don’t have the liberty and freedom to do that.”

Still, Democratic ebullience could be found in all corners of Washington over the past few days. It was palpable at social and work gatherings, where Democrats traded gossip about how big a Democratic majority in the House could be; in Capitol Hill

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conference rooms, where Democrats were preparing transition plans (under orders to keep them quiet); and in offices of Democratic strategists and pollsters, who were drawing up growing lists of Republicans who might be vulnerable.

"I feel better than I ever have," said Representative Louise M. Slaughter, a Democrat from upstate New York. "I think we have the best chance to take over simply because of the pileup of disasters."

Stanley B. Greenberg, who was the White House pollster for President Bill Clinton in 1994 when Republicans shocked Democrats by capturing the House, commissioned a poll recently and e-mailed it around town with a single-word headline: "Meltdown." In an interview, Mr. Greenberg said, "I don't see how we can lose the House; I don't think it's even close."

Ellen R. Malcolm, president of Emily's List, a Democratic women's network, and a longtime Democratic fund-raiser, said Democratic trepidations were beginning to melt away with each passing news cycle. "People are getting more encouraged by the day," Ms. Malcolm said. "Every poll that comes in seems to be better than the one before."

Representative Nancy Pelosi, Democrat of California, who is in line to become speaker if her party wins the House, has put out the word that no one should be talking with too much certainty or detail about the days after Nov. 7. But even Ms. Pelosi has slipped on occasion. In a recent interview with The Associated Press, when asked which suite of offices she would use as speaker, she said with a laugh, "I'll have any suite I want."

The change in mood, and evidence of Democratic strength in the polls and in fund-raising, is feeding some crucial deliberations by Democratic leaders as the discussion in some quarters goes from whether Democrats can win to how large a margin the party can gain.

Democratic candidates in districts that had been considered long shots are now pleading with Mr. Emanuel's committee to send money their way. And some leading Democrats, among them Mr. Greenberg, are urging Mr. Emanuel to seize the moment by expanding the field in which Democrats are competing, saying the party has a chance to cement a big lead in the House in November.

This argument has worried some Democratic strategists, who warn that overconfidence could press party leaders into making decisions that may siphon resources from closely fought races and risk the Democrats' advantage. "On the House side, it makes sense to be focusing on 25 seats to win 14, not 50," said Steve Rosenthal, a political and labor consultant with close ties to the party, who described many Democrats as "overenthused."

"If we had unlimited resources it would be different," Mr. Rosenthal said. "But we have to be careful."

Mr. Emanuel said he was polling to see where the party might move next. But he said that barring some last-minute infusion of money, he was considering a relatively limited increase in the number of seats where Democrats would spend. In the past week, Democrats have expanded their field to just over 40 races from about 35, running advertisements against Republicans they consider newly vulnerable in Florida, Minnesota, Nevada, upstate New York and Washington State.

Some Democrats have expressed apprehension that this exuberance may be irrational, or at least premature, and are counseling restraint. Part of that is tactical: Democrats are trying not to help the Republican Party as it works to turn out its conservative base by presenting apocalyptic visions of a Congress led by liberals like Mr. Frank, Ms. Pelosi and Representative Charles B. Rangel of New York.

Part of the Democrats' queasiness stems from painful familiarity with Mr. Rove's record of success, and from their own recognition that they hold only slim leads in many races and could yet fall victim to an assertive and sophisticated Republican turnout operation.

"I'm a little concerned that we are spending all our time talking about what our agenda will be in January rather than how we are going to get our votes out in early November," said Chris Redfern, chairman of the Ohio Democratic Party.

Some of that concern is about the long-term psychic damage the party's rank-and-file may suffer if Democrats collapse at the finish line again. "We've all had these disappointments that contain our enthusiasm as we look to the last few weeks of this race," said Tom Daschle, the Senate Democratic leader defeated in 2004.

Steve Elmendorf, a Democratic strategist who advised the presidential campaign of Senator John Kerry of Massachusetts, said: "We all sat around in 2004 and looked at exit polls that said John Kerry was going to be president. And that was wrong. We've been up this hill before."

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To win the House, Democrats must capture 15 seats. Of the 40 or so they see in play, at most 5 are held by Democrats, strategists for both sides say.

The prospects for a Democratic takeover in the Senate, where the party needs six seats, are tougher. Republicans say four of their incumbents are in serious danger of losing — in Montana, Ohio, Pennsylvania and Rhode Island — and are trying to build a firewall by pouring most of their resources into Senate races in Missouri, Tennessee and Virginia, where polls show the contests even.

Senator Charles E. Schumer of New York, chairman of the Democratic Senatorial Campaign Committee, said his committee, which has consistently out-raised its Republican counterpart this year, had more than enough money to compete with the Republicans in those states. Mr. Schumer said he was holding back some resources in case Republicans made an unexpected move in the final days of the campaign.

"They keep trying to pull rabbits out of the hat, but none of them come out," he said. "But we are holding some money in abeyance for some kind of October surprise."

While there may be a price to overconfidence, in a sense of complacency at some campaign headquarters, there are advantages at the grass-roots level, where it can fuel the excitement that Democrats hope will result in significant gains on Nov. 7. Republicans face the flip side of this problem, with the prospect that their voters, discouraged by the party's travails, will stay home.

All this has put Democrats in an unfamiliar place, but one they seem to be enjoying. "I'm a congenital pessimist," said Howard Wolfson, a consultant advising Democrats in several competitive contests in upstate New York. "But I'm as bullish on our chances as I have been at any time over the last 12 years."

Fighting For The Spoils (WP)

By Steve Hendrix

The Washington Post, October 22, 2006

Lawmaker and Rainmaker Rahm Emanuel Wants a Nov. 7 Victory For the Democrats So Bad He Can Almost Taste It. If Only He Had Time to Eat.

CHICAGO

This must be how Machiavelli ate his corned beef sandwiches.

Sitting in a South Side deli, Rahm Emanuel doesn't so much eat his lunch as overwhelm it with two hands and a hard stare. It's a combat glower familiar to the political opponents, reluctant donors and more than a few allies who have encountered the White House fixer-turned-Democratic-congressman in his still-young career. By most accounts, they usually didn't fare much better than the sandwich.

"There's no clean way to do this," Emanuel says, not quite clearly, through a garble of onion roll.

They heap the plates high at Manny's, an old-guard cafeteria popular with cops and pols. But within minutes, the football-size loaf of sliced meat and mustard is gone. Emanuel wipes his hands and picks up the BlackBerry that has been buzzing every 40 seconds or so on the Formica tabletop.

"God, I always eat it too fast," he mutters as he checks an e-mail. What follows is either a soft belch or a pfitz of surprise at some new poll results from Ohio.

Charging toward the biggest election day of his career, Emanuel, the 47-year-old chairman of the Democratic Congressional Campaign Committee, doesn't have much time for niceties.

Or, sometimes, even food. He's lost 14 pounds as the whirl of wheedling donors and lashing candidates to meet their fundraising targets has reached hurricane status in recent weeks. (It had been at least a year since he'd indulged his taste for Manny's corned beef.) He's always been slight, but his collar now gaps a bit at the neck; his cheeks, always lean, are now almost skeletal under the graying runner's buzz cut and the basset-hound eyes. He rubs his jaw (and you notice that he's missing a finger; he lost one to a boyhood infection). He admits he's not sleeping well.

"He's driving himself to exhaustion," says Paul Begala, a friend and political compatriot since they both served on Bill Clinton's first presidential campaign and afterward in the White House. "He's like Lyndon Johnson, who finished almost every

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campaign in a hospital bed. As someone from Texas, I don't make that comparison lightly, but Rahm just may be our skinny, nine-fingered, Jewish, Chicago version of LBJ."

Whether that's a fair comparison may be clear soon. If, as historians say, Johnson began his conquest of Capitol Hill with the political chits he collected as a young and triumphant chairman of the Senate campaign committee, what does next month promise for Rahm Emanuel? As the member of Congress responsible for recruiting candidates for House races, raising money and vetting strategy for dozens of districts, he's received raves from campaign connoisseurs in Washington for running a taut committee. Notably, he's nearly closed the perennial cash-on-hand gap between his team -- with $36 million in the bank at the end of September -- and its GOP counterpart. He's fielded credible candidates in districts no one had expected to be in play a year ago. And he's generally been flogging the party like a never-satisfied CEO.

"He has been an amazing success any way you look at it," says congressional scholar Thomas Mann of the Brookings Institution. "I think it's the best operation of any chairman of either party in several years."

If Democrats do take the House -- they need to gain 15 seats to do so -- Emanuel, in only his second term in Congress, stands to claim considerable credit for ending a 12-year electoral drought. That's the kind of triumph Johnson rode to the top of the Senate.

But if they don't . . .

"If they don't win, it will be seen as a colossal failure," says Mann. "Rahm will be devastated."Expectations Are High

In fact, Emanuel may have already fumbled the game of expectations -- they are wickedly high. With President Bush's approval ratings lodged at car-salesman levels, scandals going off like cluster bombs within the Republican caucus, and a general throw-the-bums-out restiveness in the land, even a near-miss by House Democrats will be seen as the greatest electoral choke since Dewey Didn't Defeat Truman after all. Commentators from George F. Will to James Carville have already laid down rhetorical markers: An opposition party unable to capture the House in this environment should find a purpose other than electoral politics. Selling Herbalife, maybe.

And Emanuel knows that some Democrats would find time during their grief for a small smile at his expense. Such is the "Rahmbo" style that his sizzling passage through the campaign has left scorch marks on some colleagues. Among the singed: Democratic National Committee Chairman Howard Dean, with whom Emanuel has tangled over spending priorities; several liberal would-be candidates who say they were steamrollered by Emanuel in favor of more centrist challengers; and some members of the Congressional Black Caucus who went to House Minority Leader Nancy Pelosi this year with complaints about Emanuel's abrasive style and his increasing demands for them to raise money for the DCCC.

"Well, I never said Rahm was a diplomat who spends a lot of time schmoozing," says Pelosi, who picked Emanuel last year to run the campaign. She tapped him over more senior lawmakers, she says, because she knew he'd be "coldblooded enough" to push the party relentlessly. And to those who came to have their feathers unruffled, she says she made it clear that Emanuel has her full support. "I said to them: 'We're here to win this election. What is this conversation about?' I don't think we can be better served than by having Rahm at the DCCC."

"He's abrupt with me all the time," she adds with a laugh. "I call him the Field Marshal."A Man for Changing Times

But to some observers of Chicago politics, Emanuel is less field marshal than Marshall Field (recalling the upscale department store that catered to the city's affluent classes). Emanuel was born in Chicago in 1959, the son of a doctor, and grew up in the decidedly non-working-class northern suburb of Wilmette. He's a graduate of the tony New Trier High School and a onetime ballet prodigy who was offered a scholarship with the Joffrey. A triathlete with a degree from Sarah Lawrence College, a master's in communications from Northwestern and a love of taking his children to modern dance concerts, Emanuel doesn't easily fit the stogie-gnawing stereotype of the old Chicago pol.

Nor did he serve the usual ward apprenticeships in the vaunted Democratic machine. Rather, after working as a fundraiser in various campaigns, Emanuel came fully of age politically with Clinton in Washington. He had never sought elected office before running for the House of Representatives in 2002. In particular, Emanuel knew he would be an odd successor for the working-class Polish and Catholic precincts of District 5, which stretches from the lakefront to the Cook County line. "The previous congressmen from my district were named Rostenkowski, Annunzio and Blagojevich," he says. "Then along comes Rahm Israel Emanuel? C'mon, how does that fit?"

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But this is a changing Chicago. In front of Manny's, a police Segway is chained to a street sign as the officer eats his pastrami inside. The warehouse across the street is being converted into a Best Buy. And politics, too, has gotten a makeover.

"Rahm is part of the young breed that people call the new Chicago machine," says Don Rose, a longtime liberal activist who worked for Mayors Jane Byrne and Harold Washington. "They're not 'dem' and 'dose' politicians. They know the difference between red wine and white wine. They're not driven by ideology, and they play to win."

They all play to win, those Emanuel boys. Rahm is the middle son of three. His big brother, Ezekiel, is a Harvard oncologist and bioethicist. Younger brother Ari is a high-flying agent in Los Angeles. He made news recently as the only major agent to publicly call for an industrywide shunning of Mel Gibson following the actor's drunken, anti-Semitic tirade. Their baby sister, Shoshana, is a student.

Yes, the folks are mighty proud, Rahm says. How many mothers have two children who have partly inspired TV characters (Josh Lyman on "The West Wing" for Rahm, Ari Gold on "Entourage" for Ari)?

"People ask me what my mother put in the soup," says Ari, who talks with Rahm two or three times a day. "I wish I knew. I have three boys of my own."

Their father is a Jerusalem-born pediatrician who came to the United States after working for the pre-independence Israeli underground. In Chicago, he met Emanuel's mother, an X-ray technician and daughter of a local union organizer who ended up in more than one paddy wagon as a protester in the 1960s. "Politics and the civil rights movement were very much a part of our family life," says Ezekiel. "We went on Martin Luther King's march on Cicero with my mom."

When Rahm was 17, he cut his finger on a meat slicer at Arby's, where he worked a summer job. It became infected, the infection spread to the bone, and a cut grew into a potentially life-threatening condition. Doctors eventually amputated the finger, and Emanuel spent eight weeks in the hospital. He says the experience made him more focused for college and beyond.

"He blames me for ending up at Sarah Lawrence," says Ezekiel, who thought a small Eastern college would suit his brother better than a big school. "But he loved it. He loved being around all those women."

The young Rahm wasn't particularly political. That passion emerged during college when he starting working with the advocacy group Common Cause. Later, he landed on a few campaigns, including Paul Simon's successful first Senate race in 1984. Almost immediately Emanuel proved a peerless fundraiser. Richard M. Daley hired him to dial up dollars for his successful mayoral run in 1989. Two years later, Emanuel got a job in the soon-to-be-legendary "War Room" of Clinton's upstart presidential campaign in Little Rock.

"With the exception of the candidate and his wife, Rahm may have been the only indispensable person in that campaign," says Begala, who credits Emanuel with keeping the money flowing during the Gennifer Flowers unpleasantness. "He was a force of nature."

He stayed with Clinton through most of two terms. Early on, though, his hard-charging style riled as many allies -- in both the White House and the Capitol -- as opponents. In 1993, he was fired as political director, reportedly at the urging of first lady Hillary Rodham Clinton. But he stayed on as a senior adviser to redeem himself, with both Clintons, by successfully spearheading some of their diciest legislative ambitions, including NAFTA and the assault weapons ban.

Those initiatives passed, and along the way Emanuel's wonkier self bloomed like a thousand white papers. He talks fluidly about 401(k) regulations and dependent health coverage and universal college tuition. With fellow Clinton alum Bruce Reed, he recently wrote a book, "The Plan," an election-year wish list of New Democrat policy proposals.

"He's a great strategist, but I actually think he cares more about the policy side of it," says Illinois Sen. Barack Obama, who is close to Emanuel and is campaigning with him for several DCCC candidates in the final weeks. "He likes to talk tough, but deep under that crusty exterior is someone who believes that government can make a difference in people's lives."

But Emanuel's devotion to, say, tax reform may never overtake his rep for grenade-launcher etiquette. His spat with Howard Dean, for example, went publicly profane.

"Rahm and I have certainly had our disagreements," Dean says by e-mail. "But the bottom line is we both want to win."

Even within the White House, few were safe from his instinct for showstopping vulgarity. He once marched up to the newly elected Tony Blair in the Oval Office, where he and Clinton were preparing to go out for their first joint appearance. "This is important," Emanuel said to the British prime minister. "Don't [foul] it up."

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"Blair looked pretty shocked before he started laughing," says Begala, who was there. "They are a little more formal in Britain than they are in Chicago."Back in the Game

Toward the end of Clinton's second term, Emanuel and his wife, Amy Rule, a Wharton MBA, and the first of their three children moved back to Chicago with the express purpose of making some serious money. In 1999, without any previous experience, Emanuel joined the investment bank of Democratic donor Bruce Wasserstein. Within two years, thanks in part to the bank's being sold, Emanuel had made about $18 million, enough to get back into the game without worrying about his family's finances.

"Rahm was always going to go back into politics," says Ezekiel. "That was the whole point of going into investment banking, to earn a nest egg."

It was Da Mayor himself who first suggested that Emanuel run for the open North Side congressional seat in 2002.

"I told him he was crazy," Emanuel says. "But then I did a poll, and it actually looked like I had a shot."

With the Daley cogs turning on his behalf, Emanuel edged out a Polish American state legislator in the primary and went on to win the general election. It's a safe seat now -- he's not even running ads this year -- but he speaks with pride of the street-level fight he waged the first time.

"I walked a hundred precincts during that campaign," he says. "I stood in front of every grocery in my district seven times."

Emanuel keeps in regular contact with his City Hall patron. And some say he has brought LaSalle Street sensibilities to his House job, particularly those who have been on the wrong side of his DCCC machine. He hasn't hesitated to muscle aside liberal candidates in favor of ones he thought could go toe-to-toe with Republicans on security and social issues. He recruited several Iraq war veterans and found sheriffs to run in both Washington state and Indiana. He persuaded Heath Shuler, a former Redskins quarterback and an antiabortion Democrat, to run in North Carolina. (Shuler has said Emanuel's five-calls-a-day pushiness was worse than any college recruiter's.)

In one move that Rose calls a "classic Chicago power play," Emanuel pushed Tammy Duckworth, a political newcomer who lost both legs as an Army helicopter pilot in Iraq, to run in the congressional district of retiring Illinois Republican Henry Hyde. That didn't sit well with supporters of Christine Cegelis, a technology consultant who had scored a surprise 44 percent against Hyde in 2002. Her supporters say the DCCC effectively starved the antiwar Cegelis of money and support in favor of Duckworth, who calls the war "a mistake" but calls for more aggressive training of Iraqi forces before pulling out U.S. troops.

"There was a lot of frustration on the ground, trying to figure why the national Democratic Party was trying to squash a strong local movement like this," says Kevin Spidel, a founder of Progressive Democrats of America who managed the Cegelis campaign. "It generated a lot of volunteers for us. We were outspent 4 to 1 and came close to beating Rahm Emanuel and his Washington machine."Out of the Wilderness

Asked if he ever has regrets about his hardball habits, Emanuel stares into his glass of tea for a long moment.

"Look, you're never as tough as they say you are," he says finally.

But the self-reflection lasts only as long as it takes for him to remember the tactics of the other side.

"They call Tammy Duckworth a cut-and-runner when she left two legs in Iraq?" he shouts, jabbing a finger in the air, drawing stares from around the deli. "How dare they! I'm going to give them the medicine that they've been giving out. That's what shocks them."

If Duckworth wins, along with enough of Emanuel's other candidates to deliver the House into Democratic hands, it's easy to predict that all the hard feelings within the party will be quickly swept away by the shouts of hallelujah. And Rahm Emanuel, with a month to go before his 48th birthday and less than five years of seniority on the Hill, will be basking in acclaim for helping to lead his long-suffering party from the backbencher wilderness to the Promised Land of majority.

Just what is the proper reward for an electoral Moses? Plum committee assignments? (He already has a coveted seat on the Ways and Means Committee.) A leadership post? Leapfrogging to a chairmanship?

"How about the great honor of serving as the chairman of the DCCC?" says Pelosi. "Honestly, we've never even had a conversation about that."

Emanuel refuses to muse, publicly at least, on how a good Nov. 7 could boost his career. Or whether that career is likely to be on Capitol Hill, in Springfield or up at City Hall. For now, he's consumed only with the race.

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"I don't even want to talk about that," he says, tapping his BlackBerry on Manny's Formica. "Call me on November 8th. We'll talk about it then."

GOP Seeks To Get Back On Message (WT)

By Amy Fagan

The Washington Times, October 22, 2006

Republican House candidates still feel some heat from the revelation that Rep. Mark Foley sent inappropriate and sometimes lurid Internet messages to teenage boys, but party leaders insist they are starting to get their message out again to voters.

"The Foley matter has become absolutely quiet in the vast majority of House races, as voters have been able to separate the actions of one member from his party," said Jonathan Collegio of the National Republican Congressional Committee (NRCC). "In most races, voters say it will have no impact on their decision."

The Foley scandal and the ensuing criticism of how Republicans responded or failed to prevent it dominated campaign coverage. The unfolding story buried the party's message and damaged some incumbents' re-election chances Nov. 7, when Democrats seek to eke out control of the House or Senate.

"This is just one more in a chain of scandals that are convincing people that the Republicans' power should not be continued," Democratic pollster Mark Mellman said.

"The impact that this had sort of sucked the oxygen out of our ability to talk about the message. That's not where you want to be a month to three weeks out," one Republican operative said, referring to the press blitz after the story broke Sept. 28.

Mr. Foley, Florida Republican, resigned from Congress the following day, after sexually explicit computer messages he sent to current and former congressional pages, all teenage males, became public.

The Republican operative, who asked not to be identified, said the negative fallout faded in recent days. Last week, even as the House ethics panel continued investigating the matter, Republican leaders touted tax, energy and anti-terrorism policies.

House Majority Leader John A. Boehner, Ohio Republican, said in an Oct. 16 memo that the party is "back on offense" after it was sidetracked addressing Mr. Foley's "despicable conduct."

However, the damage may have been done.

House Republicans already were in a tough battle to retain their majority, with voters expressing frustration over the Iraq war, the Bush administration's response to Hurricane Katrina and other party members who left Congress this year under ethical clouds.

"What the Foley scandal did, wrapped up all in one, was it took the Republicans off message, hurt the leadership, dominated the news and certainly tipped the balance in favor of Democrats," independent pollster John Zogby said.

An NBC/Wall Street Journal poll last week found that 75 percent of those surveyed disapprove of the job Congress is doing, a 10 percent increase from mid-September. It also found that 47 percent are less favorable of Republican control after the events of recent weeks.

The scandal had a real effect in some races, including those of Rep. Thomas M. Reynolds of New York, who is chairman of the NRCC, and Rep. Deborah Pryce of Ohio.

Mr. Reynolds faced sagging polls and ran an ad apologizing for the scandal. He said he first learned of complaints about Mr. Foley last year from Rep. Rodney Alexander, Louisiana Republican and the sponsor of a page who received e-mails from Mr. Foley.

But Mr. Reynolds has been criticized for not doing more than telling House Speaker J. Dennis Hastert, Illinois Republican, about the complaints.

Survey USA showed Mr. Reynolds trailing by five points in the days after the scandal broke, but showed him up by three points in a poll taken Oct. 16-18.

Mrs. Pryce, chairwoman of the House Republican Conference and a friend of Mr. Foley's, lagged well behind her Democratic opponent in a poll taken Oct. 8-10. However, Pryce campaign spokesman George Rasley said it was "a temporary blip in the polls" and "we're back to where we were before," with a neck-and-neck race.

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Democratic National Committee spokeswoman Stacey Paxton said the fact that a leader such as Mr. Reynolds is "fighting for his political life" proves that the Foley scandal is having an affect nationwide. Republican pollster Jon McHenry, though, said Democrats failed to nationalize the Foley issue by explaining how they would provide better leadership.

"Once again, Democrats seem to have not taken advantage of some clear momentum," Mr. McHenry said.

How Foley Skirted Rules To Pursue Relationships (WP)

By Amy Goldstein And Elizabeth Williamson

The Washington Post, October 22, 2006

Former Pages Describe Lawmaker's Advances

They met on the House floor. He was a 16-year-old political junkie, dressed in the drab navy blazer and gray slacks of a congressional page, rushing phone messages to the members he served. Rep. Mark Foley was tanned and charismatic, a successful politician in his mid-40s willing to joke with him between votes.

They talked perhaps a dozen times. Then at his page graduation ceremony that June, in 2002, he was excited when Foley appeared, uninvited, and dictated his personal e-mail address for the boy to jot in his memory book. "I started contacting him right away," the young man recalled. "I knew a congressman that I . . . talked to online. That was pretty cool."

The messages were innocent at first. But after the young man moved home, he recalled, Foley started asking about "my roommates, if I ever saw them naked." Within months, the congressman was dangling a job offer, "because I was a hot boy," he said. Two years later, when he contacted Foley for advice on D.C. hotels, the congressman wrote back: "You could always stay at my place. I'm always here, I'm always lonely, and I'm always up for oral sex."

The experience of the young man, now 22, who agreed to recount his interactions with Foley on the condition of anonymity, was characteristic of the way the six-term House member pursued the online relationships that, once revealed, forced him to resign from Congress late last month. No one interviewed for this article could cite any instance in which Foley had sex with a former page. Foley's lawyer, David Roth, declined to comment for this story.

Interviews with nearly three dozen former pages suggest that the Florida Republican befriended a wide circle of teenagers during their stints as House pages. Then, shortly before they left or soon afterward, he singled out certain boys to write to -- including four newly confirmed by The Washington Post, in addition to former page Jordan Edmund and one other whose illicit online conversations with Foley ended the congressman's career. Some of the correspondence was brief and casual. But over months or years, if a boy seemed willing to go along, some conversations grew more sexual.

The FBI and Florida officials are conducting criminal investigations into Foley's dealings with former pages.

Foley was able to operate unimpeded for years -- forming the friendships with pages that would be the seeds of online relationships later on -- in spite of rigorous supervision of the teenagers in the congressional page program and a "zero-tolerance" policy for pages and adults who broke its rules.

Based on the interviews with pages, who spanned most of Foley's dozen years in the House -- and interviews with parents and former program employees -- the congressman's behavior went unchecked because he operated within accepted norms of the program's culture.

Although many pages regarded Foley as the House's friendliest member, his interactions with boys before they graduated often did not stray far beyond those of several other members of Congress each year who were known by the pages to take a caring interest in this corps of teenagers, most living away from home for the first time.

Foley also operated in an atmosphere in which male pages were able more easily than females to develop mentoring relationships with the male members of Congress, who account for nearly 9 in 10 members of the House.

Most of all, his interest in the boys coincided with the ambitions of many of the teenagers, who craved contact with members in hopes of fostering political careers of their own.

"I didn't want to piss off a member of an institution that I really revered," said a former Republican page from 2002, who said that, shortly after he finished the program, he exchanged a handful of messages with Foley over two months and that they gradually became sexual. He played along, then slowed his responses until Foley took the hint and stopped. He never

considered reporting Foley to authorities. "I figured maybe someday I will want to be involved in Congress," he said. "I didn't want to make an enemy."

Besides, he said, "it was embarrassing."Overly Friendly

One evening early in the spring of 2000, a half-dozen pages -- three girls and three boys -- went to supper at Hawk 'n' Dove, a Capitol Hill pub. One boy had mentioned to Foley that they would be there, but no one expected that a congressman would show up.

Between House votes that night, Foley walked in. "It was the craziest thing. He ate wings off everybody's plate," recalled Rebecca Hoffman, a Democratic page who was there. He shot billiards with them, another page recalled.

"We were just absolutely shocked," said Hoffman, now 23. "We went back and told all our friends, 'You won't believe what happened.' "

Though Foley's willingness to socialize with pages stood out, their world granted them rare proximity to political power.

The page program is as old as the republic. Today, pages are all high school juniors and must be at least 16, and they typically work on Capitol Hill and take classes for an entire school year. They are the only people other than House members allowed entree to certain corridors, rooms and chambers in the Capitol, including the floor of the House.

Pages are taught to speak to a member only when spoken to. But those with plum assignments, in the Republican and Democratic cloakrooms or on the floor itself, find opportunities to talk with a few members who are particularly receptive.

"There's something that really feels good about getting to hang out with people who are powerful and well known," said Michael Buck, who was a Republican-sponsored page from Maryland's Eastern Shore in 1999-2000 and now is a teacher in the Mississippi Delta.

"You have your select group of people you become certain friends with," said Ray Lahoud, a law student who was a page in 1999-2000, referring to members of Congress. "They were sort of your mentors. They replaced your parents. . . . Mark Foley was one of those people who was always . . . talking to us. He knew us all by name."

Jacob Kosoff, a cloakroom page in 1997-98, remembers looking out a Capitol doorway one warm spring day and noticing Foley arriving on his bicycle below. He sprinted down a marble staircase, zipped through a metal detector and arrived on the House floor in time to catch the congressman. "Oh wow, you cycle to votes. That's cool," Kosoff recalls telling him.

Foley liked the attention. "He could not only tell you every time he was in a picture in the New York Times, but where he was in the photo," said one man who worked with him in Congress. "He thrived on the adoration of the people in the room. And here was a group of people who gave it unhesitatingly."

"I remember him riding by in his Bimmer and talking about all the cars he got and going down to Florida to take out his yacht," said Kristopher Hart, a page in 1999-2000 who went on to George Washington University and now runs a day spa near the campus. "He was like a little bit of a showman, but he was a great guy."

Shortly before the end of his page year, Hart said, he somehow obtained the online name Foley used for instant messages, MAF54. "We talked on IM just a couple of times. . . . It would be pretty cool to write and say, 'Are you in Congress or are you in Florida?' " They wrote sporadically through Hart's freshman year of college. "He never crossed the line."

At times, Foley seemed to speak suggestively to boys before they left the program. A female former page remembers becoming uneasy one day in 2000 as she watched him talk "a little too much" on the House floor to a boy she knew. Right afterward, she asked what Foley had said. The boy, she recalled, told her Foley had admired the page's "very big hands" and boasted about his "glorious" home in Florida. The boy added: "Eighteen. Eighteen's that magic number." The girl was appalled at what seemed to her to be a come-on that the boy did not fully understand.

After their graduation a few months later, she said, another male page told her that he and Foley were exchanging e-mails and that the congressman had asked him to mail a picture of himself to Foley's Washington house.

The Republican page from 2002, who exchanged instant messages with Foley for two months, said the first one arrived just before the start of his senior year of high school. He found the message when he logged on to his family's computer after dinner one night. At first, he assumed it was a prank by another page pretending to be the congressman. "It was a friendly conversation that got strange," said the young man, now 21. In one, Foley asked whether his roommates had worn "no boxers or briefs to bed."

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The young man said he did not immediately realize that the messages might be a solicitation. Catholic, conservative and from a small town, the former page said he had never known anyone who was gay. By early fall, Foley offered to write a college recommendation. By then, the young man said, "I just wanted the association with him not to be there."

Foley never asked to meet him, he said. "I think in my case, it was him just fantasizing," he said.

The self-described political junkie who received Foley's message about oral sex said his parents were standing next to him at graduation in 2002 when the congressman offered his address. Foley's online overtures "put the ball always in the page's court," he said. "I would have had to make the move."

Although he was only 17 at the time, he said, "if we actually would have met in person, I think he would have tried something. There's no doubt in my mind."Selective Vigilance

The dormitory where the pages live, for the past few years a renovated convent three blocks southeast of the Capitol, has bulletproof glass in the entryway, a metal detector and two armed Capitol Police officers around the clock. Pages must sign out with at least one other page every time they leave the building.

The stringent rules are the legacy of a sex scandal in 1983, when two male members of Congress were censured for having sexual relations with pages, a girl and a boy, in 1980 and 1973.

The weekend new pages arrive, they gather Sunday afternoon on the House floor to learn their duties and the rules. "This is a different world of important adults, important people making important decisions," Donnald K. Anderson, a former House clerk and an emeritus member of the Page Board, said he always tells the teenagers that day. "If something or somebody is bothering you, don't suffer in silence."

There is to be no smoking, no drinking or drugs, no sex. Students who are one minute late on their lights-out curfew get demerits that lead to being grounded.

Most students follow the rules. Pages who violate any of the major rules are ordered to leave.

In 2001-02, nearly a dozen pages were sent home, including four who had written a song with homophobic lyrics that mocked a gay staff member of the page dormitory.

"You were on the next plane home," said Matthew J. Frattali, who worked as a tutor in the page school for two years until he, too, was ordered to leave for having falsely recorded that a group of students was in study hall when he actually had let them go out to celebrate a birthday.

However, Frattali and former pages said the rules were looser when members of Congress were involved.

And the program's staff, even if they had known of a problem involving Foley or any other member, could not have simply invoked their zero-tolerance policy.

"One is sort of a page transgression," Frattali said. "One is a member transgression. You can't put a member on a plane and send him home."

Since the 1983 page scandal, the program has put an emphasis on discouraging interaction between female pages and male lawmakers and staff, without similar sensitivities about male lawmakers and male pages.

One female page remembers that she was chastised several years ago -- and a Republican House leadership aide was threatened with firing -- after she met with the aide after work one day in his office, with the door open, to talk about the Bible.

It struck her as unfair. She was one of many girls who watched enviously as Foley surrounded himself with male pages on the House floor.

On June 10, 2000, the last night in Washington for the page class that year, Foley parked his BMW at the edge of the park across from the old page dorm, since torn down.

A few pages noticed him, Michael Buck remembers, and ran to see him. "He was outside in his convertible, hanging out and telling us goodbye."

Research editor Alice Crites, staff researcher Madonna Lebling and staff writer James V. Grimaldi contributed to this report.

Democrats Play Up Candidates' Service (NYT)

By Monica Davey

The New York Times, October 22, 2006

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GLEN ELLYN, Ill. — As she campaigns for Congress in the suburbs of Chicago, Tammy Duckworth, a Democrat and an Iraq veteran, speaks with chilling conviction about the war.

Iraq was a big mistake, Ms. Duckworth says as she walks among voters on two artificial legs. Millions of dollars have been wasted there. Soldiers were being served costly steak and lobster on Sunday nights even as they were not given body armor they needed.

Though Ms. Duckworth is a political novice, her service and sacrifice (she lost her legs when a grenade hit her helicopter) have allowed her to speak her mind in a district once seen as downright hostile toward Democrats, having sent a Republican to Congress for 32 years.

Around the nation, a handful of military veterans like Ms. Duckworth have emerged as competitive Democratic candidates for Congress. For a party that has struggled against a perception that Republicans are stronger on matters of terrorism and national security, the veterans have been a powerful antidote: a group that inherently carries credibility with voters on issues like Iraq.

With only about a quarter of the members of Congress having served in the military, the fewest in recent decades, many voters say such experience matters.

"She was there," said Barb Bauler, who recently met Ms. Duckworth as the candidate served fruit salad at a retirees' club. "That is the bravest thing of all."

Tears creeping up in her eyes, Ms. Bauler pulled out a photograph of her daughter Kathleen to show Ms. Duckworth, telling her that Kathleen, a doctor in the Army, was to be deployed soon.

"Tell her to wear her gear," said Ms. Duckworth, who then reached over for a hug.

Some 60 former service members are challengers for the House or the Senate as Democrats, including a half-dozen who served in Iraq. The Democrats are not shy about military résumés. Among their promotions is a "Fighting Dems" Web site bearing the subtitle, "Back from the front lines, headed to Congress."

Polls show Ms. Duckworth and her Republican opponent, Peter J. Roskam, locked in a competitive contest. About half a dozen other races with veterans running as Democrats in places like Kentucky, Pennsylvania and Virginia are also seen as competitive, meaning the veterans could help tip the balance of power in Congress if they do well.

Many of the other veterans running as Democrats, though, are unlikely to be headed to Congress this season, analysts say, and a few complain that the party remembers them for promotions, but forgets them when it comes to money.

The Republicans have 41 challengers with military experience making bids for the House or the Senate, two of them Iraq veterans, but the party has not publicly focused as much on that group's service.

"A candidate's biography is hardly the sole indicator as to how people choose to vote," said Tracey Schmitt, a Republican National Committee spokeswoman. "Americans are going to take a long, hard look at where each individual stands on the issues that matter to them, whether it's national security or the economy."

Here, the war credentials of Ms. Duckworth have become particularly potent in part because of the visible wounds she received in Iraq two years ago. Her prosthetic legs leave her limping noticeably, and she sometimes cheerily props one of them up on a chair or pushes back her sleeve to display a web of scars on her right arm, which doctors feared might also be lost.

Encouraged to run by Democratic Party leaders, she faces Mr. Roskam, a longtime state legislator, for the Sixth District seat in the western suburbs now held by Representative Henry J. Hyde, who is retiring.

The battle has been relatively well financed, fierce and, some voters complain, overwhelming in its rush of commercials, mailings and countermailings. Each candidate suggests that the other will be in lock step with party leaders, unwilling or unable to offer independent opinions.

Mr. Roskam, a lawyer, criticizes Ms. Duckworth as a "recruited candidate" who is getting her help and financial support from everywhere other than here.

"I'm not the Rosie O'Donnell candidate, the Barbra Streisand candidate, the Al Franken candidate who is also all tied up with the Chicago Democratic machine," Mr. Roskam, who has longstanding roots in these parts, said in an interview after speaking at his former grade school.

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In turn, Ms. Duckworth portrays Mr. Roskam as an unwavering supporter of President Bush and Speaker J. Dennis Hastert, both of whom have appeared recently in Chicago, in part to help raise more than a half-million dollars for Mr. Roskam.

The district, much of which includes parts of DuPage County — where Mr. Bush's father won by 124,000 votes in 1988 but where Mr. Bush's victory margin was far narrower in 2000 (48,400 votes) and narrower still in 2004 (38,800 votes) — has shifted some. Republicans are still popular, but the Latino population is also growing, which Democrats say could help make the region more hospitable for them.

Ms. Duckworth talks about Iraq at nearly every stop. As she entered the room for one recent appearance, a screen lit up with a video of Bob Kerrey, the former senator, retelling Ms. Duckworth's harrowing story.

But Mr. Roskam, whose campaign has the unusual task of facing an opponent whose story has drawn notice from People magazine and scores of international publications, said most voters here were more focused on taxes and immigration than on Iraq.

On those points, Mr. Roskam said he would make Mr. Bush's tax cuts permanent and would support strictly securing the nation's borders without ensuring amnesty for illegal immigrants.

As for the war, Mr. Roskam said he agreed with Ms. Duckworth in certain ways. Difficult questions, he said, should be posed about why the nation "did not go in with overwhelming force." But he also said he would be "very judicious" in deciding when to withdraw American troops.

"There will be a point when Iraq gets as stable as it can get," he said. Ms. Duckworth, meanwhile, said Iraq was among the top issues, along with the budget and energy independence, for most voters.

Before them, she pounds away at the ways she says the war has been mishandled, saying that the job in Afghanistan should have been finished first; that contractors are getting rich as soldiers die; and that soldiers should begin coming home as Iraqis successfully take charge of security.

The war, Ms. Duckworth said, is why she finds herself running for office.

"I was there in the hospital looking at more and more bad decisions, more and more bad policy," she said.

Ms. Duckworth has raised more than $2 million (as has Mr. Roskam) and has also benefited from spending by the Democratic Congressional Campaign Committee. Some other veterans, particularly those in races considered long shots, have received less or no support; a few say they feel abandoned by the party.

"They want us when we're of value to them, and then they want us to sit down and shut up when we're not," said Bill Winter, a veteran. Mr. Winter said Democratic Party leaders in Colorado urged him to run for that state's Sixth District, then seemed to disappear, writing off his race against Tom Tancredo, a Republican incumbent, as not winnable.

Bill Burton, a spokesman for the Democratic Congressional Campaign Committee, said the party remained proud of all its veterans. "We would love to fund all of our candidates out around the country," Mr. Burton said, "but there's a harsh political reality — the finite nature of our funds."

Immigrants Flocking To GOP Districts (AP)

By Stephen Ohlemacher

AP, October 22, 2006

It's a slice of Americana: children playing soccer on a sunny Saturday morning, their parents cheering them on. But at these soccer fields, the dominant language is Spanish, the food truck sells authentic Mexican and few of the adults are eligible to vote.

Along the sidelines, America Gruner lugs a plastic tub filled with blank voter registration forms. Gruner has worked for months to register Latinos, inspired by an immigration debate that has become shrill to many Hispanics. Most politicians in this Republican stronghold in north Georgia offer little sympathy.

"They haven't, at least openly, supported us when we needed it," said Gruner, a legal immigrant who has registered about 100 voters so far.

Republican congressional districts are becoming magnets for immigrants — legal and illegal — but GOP lawmakers are not exactly embracing their new constituents.

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Of the 50 House districts nationwide with the fastest-growing immigrant communities, 45 are represented by Republicans. All but three of those lawmakers voted for a bill that would make illegal immigrants felons.

Overall, GOP districts added about 3 million immigrants from 2000 to 2005, nearly twice the number that settled in districts represented by Democrats, according to an Associated Press analysis of census data.

The numbers help explain why illegal immigration is such a big issue in rural Georgia, eastern Pennsylvania and in suburbs throughout the United States.

They also help explain why House Republicans passed five bills on border security in the weeks before Congress recessed for the Nov. 7 elections. Only one measure, calling for a border fence, has become law.

Max Burns, a Republican congressional candidate in eastern Georgia, typifies the hard line.

"No citizenship, no federal benefits, no guaranteed access to this country because they broke the law to come here," Burns says.

His tight race against Democratic Rep. John Barrow illustrates the GOP strategy in many congressional campaigns.

Barrow has voted for nearly every Republican immigration bill approved by the House in the past year. He voted to make illegal immigrants felons and to erect the border fence. He said he "opposes amnesty in any form."

Yet Burns' campaign ran a television ad attacking Barrow after the congressman was quoted in a newspaper as saying the U.S. should not let in any more immigrants until it assimilates the illegal ones already here. "He's for assimilating illegal immigrants," the ad intones. "That's amnesty!"

Barrow's campaign responded with a television ad boasting that "John Barrow voted to make it a crime to be in the United States illegally."

Barrow narrowly defeated Burns in 2004. The district was redrawn for the upcoming election to include several areas that have attracted new immigrants, including Vidalia, famous for its onions.

Shackled with an unpopular president and the war in Iraq, many Republican candidates are determined to focus on local issues as they fight to maintain control of Congress. Illegal immigration, it turns out, can be a potent local issue in communities unaccustomed to a lot of newcomers.

"It's a law-and-order issue to the people in my district," said Rep. Jim Gerlach, a Republican from southeast Pennsylvania.

Gerlach's district added 16,000 immigrants from 2000 to 2005, a 49 percent increase. He has aired a television ad calling President Bush "wrong" for proposing a guest worker program "that may lead to amnesty for illegal immigrants."

Gerlach is in a tight rematch with Democrat Lois Murphy, who barely lost the election two years ago. Murphy is appalled that Republicans are trying to make illegal immigration a campaign issue, saying the problem mushroomed on their watch.

"It's their failure and they shouldn't get any points for it," Murphy said.

There are nearly 36 million immigrants living in the U.S., according to the Census Bureau. An estimated 11 million to 12 million are in the country illegally.

For generations, most immigrants settled in big cities, attracted by fellow countrymen and by social service networks that catered to them. But immigrants increasingly are chasing jobs to fast-growing suburban and rural communities in Middle America — areas that have elected a lot of Republicans to Congress.

North Georgia has attracted thousands of Latino immigrants — legal and illegal — to work in carpet mills in Dalton, in poultry plants in Gainesville and on farms that dot the landscape in between.

The region exemplifies the struggle — and promise — of Latinos yearning for political power. Hispanics make up about 12.5 percent of the district represented by GOP Rep. Nathan Deal, but less than 2 percent of registered voters.

The district added 28,000 immigrants from 2000 to 2005, a 57 percent increase. But more than three-fourths of the immigrants are noncitizens, giving Barrow little incentive to reach out to them.

"It's difficult to know who's legal and who's illegal, but you know for sure that we haven't let that many legal immigrants in," said Deal, a seven-term incumbent from Gainesville.

Deal has proposed legislation that would deny citizenship to the U.S.-born children of illegal immigrants. It is unclear whether the bill would be constitutional and it is unlikely to pass this year. But it has attracted 87 co-sponsors in the House.

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Deal's opponent in November, Democrat John Bradbury, said Republicans offer slogans rather than solutions to illegal immigration. "We're dealing with people who are perfectly willing to accept catch phrases instead of thought," said Bradbury, a political newcomer who faces long odds on Election Day.

Gruner, the volunteer voter recruiter, moved from Mexico to Dalton five years ago to work as an interpreter in the schools. She is in the country legally, but empathizes with those who are not.

"We feel like this is a political game and the politicians are playing with us," Gruner said. "They don't see the faces. They just see a political outcome."

It takes Gruner two hands to carry the tub filled with voter registration forms as she strolls through the crowd at the soccer game.

She approaches two men sitting under a small tree next to the soccer fields. They wave her away, saying they are not U.S. citizens. The men are brothers, Raul and Juan Perez. Both were born in Mexico; only Juan is in the U.S. legally.

Raul Perez, 53, said he has entered the U.S. many times and now works as a stone mason on homes. He fetches an envelope stuffed with photographs of his work, pictures of ornate fireplaces and stone-sided houses. One features an elaborate stone wall alongside a backyard swimming pool, a waterfall cascading into the pool.

"You show them what an illegal can do," he says through an interpreter, offering the photo to a visitor.

Neither man has much use for politicians. They do not think Republicans or Democrats represent their interests. But they are hopeful.

"We have children who are citizens and they are getting ready to vote in a few years," says Juan Perez, 43. "We will be a majority someday."

About 40 miles to the south, in Rome, Michael Morton has joined a group that videotapes workers entering factories, asking them if they are in the country legally.

"Most of them will say no," said the retired marketing executive, who believes that illegal immigrants strain social services and take jobs from Americans.

Morton said he joined the Minuteman Civil Defense Corps because he felt his community was being overrun. The Arizona-based group patrols the Mexico border looking for illegal immigrants. Morton was planning a three-week trip to the border this fall.

"We have a great deal of respect for the work ethic they bring, but they are breaking the law to do it," Morton said. "They are a segregated culture and their culture seems to be in opposition to our American culture."

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On the Net:

Downloadable file showing immigration changes in all congressional districts: http://wid.ap.org/documents/immigration_census.pdf

Webb Struggles Against Stiff Style (WT)

By Seth Mclaughlin

The Washington Times, October 22, 2006

Since the first day of his U.S. Senate campaign in Virginia, Democrat James H. Webb Jr. has described himself as a nonpolitician.

And the self-description rings true in his performance on the hustings.

The decorated Vietnam War veteran's stiff and stern style of retail politics has been on display since his announcement in February that he would try to unseat Sen. George Allen, one of the state's most polished politicians.

"The idea that you have to go out and touch people and shake hands and warm up to total strangers, that was a bit of a shock to him at first, but he has warmed up to it," Mr. Webb's longtime friend Nelson Jones told The Washington Times. "People who know Jim know he is a shy guy."

On the campaign trail, the former Navy secretary is a far cry from former Gov. Mark Warner, a Democrat who is arguably the state's most personable public figure.

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With his toothy smile, Mr. Warner runs to the crowd and shakes hands, often sweats through shirts and hardly ever passes up a chance to kiss a baby.

Mr. Webb gives firm handshakes, but at times needs a reminder to smile in photographs. He has a catchy belly laugh, but it rarely is heard in public. He thrives on foreign-policy issues, but sometimes loses people accustomed to candidates rattling off sound bites.

"With politics, [Mr. Webb] is more of a policy guy, an intellectual, rather than a politician," state Sen. Robert Creigh Deeds, Bath Democrat, told The Times.

At a Memorial Day parade in Falls Church, Mr. Webb, 60, appeared uncomfortable walking before a crowd of supporters chanting "Jim Webb for Senate."

Following the lead of former Delegate J. Chapman Petersen, a Democrat, Mr. Webb gradually found a stride more fitting of a politician. He sporadically shook hands and said, "Hello, I'm Jim Webb."

"Sometimes you think if he was more of a glad-hander that might help him in some situations, but that is just not his personality," Mr. Petersen said.

Though Mr. Webb touts Andrew Jackson's philosophy of "measuring the health of a society at its base, not at its top," he sometimes struggles to direct his message toward the working-class voters he targets.

For example, while former President Bill Clinton describes what he calls Republican fear-mongering as a "mangy old dog" that won't hunt, Mr. Webb dubs it "classic Rovian strategy." The latter is a reference to White House adviser Karl Rove.

And at a recent banquet in Norfolk benefiting the National Association for the Advancement of Colored People, some in the audience thought Mr. Webb's speech was geared more toward Capital Beltway insiders than those in southeastern Virginia.

At the Oct. 9 debate, Mr. Allen efficiently answered questions about such issues as the war in Iraq, while Mr. Webb rarely smiled, made little eye contact with the camera and often scanned his notes.

However, while Mr. Webb answered reporters' questions after the debate, Mr. Allen hurriedly left the room with his wife, Susan, who barely kept up with his pace.

Democrats say Mr. Webb's public persona is a double-edged sword: It hurts his ability to connect with people who see him as being too distant, while it helps him with those who see him as the antithesis of Mr. Allen's "good old boy" image.

That image and Mr. Allen's missteps have made the race a tossup.

"Whether [Mr. Webb's public persona] translates into a win, we will see," Mr. Petersen said.

•Christina Bellantoni contributed to this report.

In Md. Race, Groups Court 'Values Voters' (WP)

By Ann E. Marimow

The Washington Post, October 22, 2006

Abortion Becomes a Defining Issue

Religious leaders and abortion foes are pumping more than $140,000 into the final two weeks of the Maryland U.S. Senate contest to motivate "values voters" by elevating such issues as abortion and same-sex marriage in a campaign that has largely been fought over the Iraq war, the future of Social Security and the candidates' disparate styles.

The issue of abortion, though, offers one of the starkest contrasts in the race: Republican Michael S. Steele, a former Catholic seminarian, strongly opposes the practice. Democrat Benjamin L. Cardin, a Baltimore congressman, was the keynote speaker at NARAL Pro-Choice Maryland's annual gala last night in Rockville.

Although the two major candidates rarely bring up the subject unprompted on the campaign trail, independent groups plan to highlight the issue in radio and television ads, direct mail and fundraising appeals leading up to Nov. 7.

National Right to Life's political action committee plans to run radio commercials on Steele's behalf in Western Maryland and the Eastern Shore in the week before the election and has spent more than $72,000 supporting the lieutenant governor's candidacy with ads and mail, according to the Federal Election Commission.

A coalition of religious leaders last week released a series of ads aimed at energizing churchgoing African American voters in Prince George's County and Baltimore to "vote for candidates who defend life." The 30-second spots do not mention Steele by

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name, but Bishop Harry R. Jackson Jr., the organizer, said voters will get the message when they review the candidates' records in guides distributed in 150 churches.

"We're promoting values voting, and in this case it means Steele is our big choice," said Jackson, the senior pastor of Hope Christian Church in Lanham.

NARAL's national affiliate, meanwhile, has appealed to thousands of abortion rights supporters throughout Maryland to contribute to Cardin's campaign. The message delivered through e-mail last week was titled "Don't let Bush 'Steele' Your Choice in Maryland." And women's rights leaders, including National Organization for Women President Kim Gandy, gathered yesterday in Bethesda to take issue with Steele's recent assertion that his opinion on the 1973 Supreme Court decision to legalize abortion is "moot."

"Maybe he slept through ninth-grade civics class," Gandy said. "The last time I looked at the Constitution, the Senate has to consent to every federal court nominee."

Independent candidate Kevin Zeese -- who has the backing of the Green, Populist and Libertarian parties -- supports abortion rights but called the issue a "diversion from the major issues of our militaristic foreign policy and an economy that favors the wealthiest while the middle class struggles."

In the governor's race, the issue has not arisen because both candidates generally support abortion rights. Although Republican Gov. Robert L. Ehrlich Jr. favors some limitations, he has done nothing to press them in his tenure.

Of the candidates, political pollsters and professors say Steele has the most to gain -- and lose -- from the attention as he tries to secure his GOP base, attract black Democrats and appeal to independents with a message of moderation.

Steele's challenge, they said, is to attract so-called values voters without turning off a broader audience in a state where the majority consistently tell pollsters that they believe abortion should be legal.

"The winning political tactic is to be all things to all people, but that tends to get shredded in the competitive environment," said political science professor Herb Smith of McDaniel College in Westminster, Md.

Smith said the effort to sway conservative Democrats could be successful if the communications are targeted through church congregation lists as the national GOP did in 2004 in states such as Ohio. But if the message is dispersed through mass media, he said, it could erode support for Steele among a larger segment of voters.

In a Washington Post poll in June, 63 percent of Maryland voters surveyed said abortion should be legal, compared with 56 percent nationally. In 1992, voters overwhelmingly supported an abortion measure on the statewide ballot that ensures access to legal early-term abortions in Maryland even if Roe v. Wade is overturned.

"If you're Michael Steele, the last thing you want is the campaign to be determined based on a set of social issues," said pollster Keith Haller of Potomac Inc., who is not working for either candidate.

The $70,000 ad campaign by the Maryland Values Coalition is part of a multi-front effort that includes handing out 60,000 voters' guides from the Association of Maryland Families mostly to evangelical and Catholic churches, registering voters and educating religious leaders.

In private meetings with pastors, Jackson said Steele is "clear that he's for life, a good Roman Catholic." In the final weeks of the campaign, he said, "these real differences need to be pointed out."

Steele raised the ire of abortion rights advocates last week after MSNBC reported his comments on the Roe v. Wade decision: "It's in the Supreme Court. What piece of legislation in the Senate is dealing with abortion?"

Cardin, joined by NARAL Pro-Choice America President Nancy Keenan, strenuously disagreed, pointing to 75 votes in the past decade on abortion-related questions. "It is a fundamental issue, and there are significant matters before Congress," Cardin said, from judicial nominations to family planning.

Steele later said that when it comes to such social issues as abortion, "I'm not saying that they're not relevant. I just don't want them to be the center and the primary focus when we have people starving in our neighborhoods, when we have kids who are not being educated in our classrooms."

Staff writer Ernesto LondoÃ±o contributed to this report.

Steele's Aura Of Independence Needs Substance (WP)

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By Marc Fisher

The Washington Post, October 22, 2006

Michael Steele looks like the most innovative and refreshing candidate in this fall's campaign. All puppies aside, his TV ads have been the talk of the town, not only for their striking style and the lieutenant governor's good humor, but because Steele is bold enough to take some shots at his party's orthodoxy.

Steele clearly relishes breaking the mold. Even if his early steps away from the Republican line on the war in Iraq were tentative and clumsily anonymous, Steele has managed to portray himself as someone who understands the average Marylander's frustration with both parties and with all the tired tropes of American politics.

So when Steele is asked whether Defense Secretary Donald Rumsfeld should resign, his response is neither to parrot the party line nor to obfuscate with standard-issue blather about how Cabinet members serve at the pleasure of the president. No, Steele declares the question to be "irrelevant. It's more political Washington stuff. Demagoguing. If I call for his resignation, what does that do? 'Oooh, Michael Steele says I should resign?' "

But while Steele's casual, backyard rhetoric is alluringly accessible, his reply is also a voter-friendly way of saying he's not going to answer the question. Similarly, when Steele is asked whether the Supreme Court's Roe v. Wade ruling on abortion was properly decided, he says, "I'm a Senate candidate. My opinion on that is moot." Another deflection, despite the effort to appear disdainful of the usual political rhetoric.

Like many voters who look at Democratic candidate Ben Cardin and his large contributions from big oil, pharmaceutical and insurance companies, I roll my eyes over his easy acceptance of politics-as-usual. But although Steele's TV ads present him as a different kind of politician, he also has taken plenty of moola from big industry.

The problem with Steele's enticing campaign is that, as lieutenant governor, the mantle of independence that he claimed turned out to be only a decorative cloak. For years, he touted his religious objections to the death penalty as a symbol of his ability to stand up for his principles even when they put him on the wrong side of Republican policy. But Steele couldn't deliver the goods: When he finally came up with his long-promised recommendation to Gov. Bob Ehrlich on Maryland's use of capital punishment, all Steele could muster was a confidential memo suggesting more study of the issue. If that's his idea of an independent stand, then those TV ads indeed are all bluster.

Still, the promise portrayed by Steele's campaign has more than a few Prince George's County residents thinking about jumping over to cast one Republican vote. I've spoken to dozens of black voters who are attracted by the prospect of a black senator, by Steele's pledge to break with his party and by his background as a native Washingtonian.

In Maryland politics, where Baltimore still reigns supreme, the possibility of having a senator who knows and cares about D.C. suburbs is almost enough for many voters to overcome their dismay with the Bush administration and Republicans.

Cardin, who has represented Baltimore his entire adult life, seems to have little interest in Washington area issues. When I asked him what the next move should be now that Virginia's legislature has failed to join Maryland, the District and the federal government in providing a dedicated source of funding for Metro, Cardin replied that he was "not familiar with that issue." The man who wants to represent all of Maryland was clueless about a $1.5 billion federal funding source that is the No. 1 priority for the transit system serving the state's largest bloc of voters.

But while Steele would give D.C. suburbs a voice in the Senate for the first time since Montgomery and Prince George's counties ballooned into major population centers, his campaign has become its own worst enemy. Surrounding himself with a staff that sports a deep antagonism toward Democrats and the federal government -- that is, toward significant chunks of the voter base he needs to win over -- Steele has run a stealth campaign, keeping the candidate's whereabouts a closely held secret and venturing out primarily on friendly, conservative talk radio.

And now, when you'd think Steele would be trying to prove his independence with a strong emphasis on policy and ideas, what does he do to drum up publicity? Import Don King, the clownish boxing showman who served time for manslaughter. "I must have an indictments list longer than his awards list," King joked while touring the state with Steele. Har, har.

Michael Steele had a choice in this campaign: Add substance to the aura of independence generated by his TV ads, or hide behind that aura, spending his energy instead on pumping up the imagery. Sadly, he stuck with the sizzle, leaving voters still hungry for meat.

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Lamont Gives $2M To Flagging Campaign (AP)

By Andrew Miga

AP, October 22, 2006

Democratic candidate Ned Lamont, trailing Sen. Joe Lieberman by a double-digit margin, dropped another $2 million into his Senate bid in Connecticut on Saturday.

The wealthy cable television executive has tapped his personal fortune for $12.7 million to fund his campaign.

Lamont has about two weeks to catch Lieberman, a three-term incumbent who has pulled to a 17-point lead, according to a recent poll. Lieberman lost the Democratic primary to Lamont and then launched an independent campaign.

The third and final televised debate of the race was scheduled for Monday. Unlike their second debate, which featured all five candidates, only Lieberman, Lamont and Republican Alan Schlesinger will share the stage. That could make it easier for Lamont to engage Lieberman directly.

"People have a real opportunity to see three candidates stand up, enunciate real differences about where this country should go," Lamont said Friday while campaigning in Hartford. "That's the best way to get our message out, through debates."

Lieberman spokeswoman Tammy Sun said, "We expect Ned Lamont may stoop to new lows in misrepresenting Joe Lieberman's record in a desperate last-minute ploy."

Schlesinger, considered a long shot, was at 6 percent in the latest Quinnipiac University survey. He and Lieberman are vying for Republican support, so any Schlesinger gains could come at Lieberman's expense.

Lieberman drew much of the criticism that came from his rivals in the first two debates. He has widened his lead from 10 points last month, according to the latest Quinnipiac poll. The senator gained an edge with independent voters, the state's largest voting bloc, and with men, the survey showed.

"It's a steep uphill battle for Lamont to erase this substantial gap," said Quinnipiac poll director Doug Schwartz. "He's got to do something different, because what he's been doing up to this point hasn't been working. In fact, his numbers have been getting lower."

Lamont is flooding the airwaves with a new ad campaign in the coming days to try to close the gap. Lieberman, who enjoys a fundraising advantage, has accused Lamont of trying to buy the election with a $1 million barrage of TV commercials assailing him.

Sen. John Kerry, D-Mass., the Democratic 2004 presidential nominee, hopes to give Lamont a boost when he campaigns with Lamont on Wednesday. Lieberman will stump with former Nebraska Sen. Bob Kerrey, a Democrat, on the same day.

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Associated Press writer Susan Haigh contributed to this story.

Democrat, Republican Decry GOP TV Ad (AP)

AP, October 22, 2006

Both major-party candidates for a congressional seat are decrying an ad sponsored by a national Republican committee that accuses the Democrat of billing taxpayers for a call to a phone-sex line.

The ad, which began airing Friday, shows Michael Arcuri leering at the silhouette of a dancing woman who says, "Hi, sexy. You've reached the live, one-on-one fantasy line."

Arcuri's campaign said an associate mistakenly dialed an 800-number sex line two years ago from Arcuri's New York City hotel room, and released records supporting the claim. The number shares the same last seven digits with the number for the state Department of Criminal Justice Services, which was dialed the minute after the first call was made.

Arcuri, the district attorney in Oneida County, said the ad was "clearly libelous" and threatened to file a lawsuit. His GOP opponent, state Sen. Ray Meier, described it as "way over the line."

At least seven television stations in Syracuse, Utica and Binghamton refused to run the ad, Arcuri said.

The ad's sponsor, the National Republican Congressional Committee, stood by the 30-second message. Spokesman Ed Patru insisted it was "totally true" and said Meier was not consulted.

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The two candidates, who say they are friends, are running to fill the seat left open by the retirement of Republican Rep. Sherwood Boehlert. Political analysts have said the race is among the nation's most competitive.

Arcuri said he had "never seen such an unfair commercial. I have a 12-year-old daughter. She's going to have to go to school and hear other kids talk about this."

Robert Thompson, professor of television and popular culture at Syracuse University, called the ad "an egregiously stupid accusation."

Earlier in the week, both candidates said they were disappointed by the attack ads produced and funded by their national party committees. They said campaign-finance laws prevent them from screening the commercials.

One voter, Rosemarie Paladino of Utica, said she found such negative advertising so distasteful that she was tempted to avoid voting.

"But then I said, 'Wait a minute. I've got to exercise my right.'"

Peace Now? A Stark Choice Between The Perception Of A Noble Effort And Of A Mistake (NYT)

By Peter Applebome

The New York Times, October 22, 2006

NORWALK, CONN.

In the 11th, count 'em, 11th, debate between Representative Christopher R. Shays, the incumbent Republican, and his Democratic challenger, Diane Farrell, Ms. Farrell began, as she usually does, with a brilliantly concise formulation of why people should oust Mr. Shays after 19 years in Congress.

"Where Chris Shays agrees with President Bush and the Republican majority has it been good for our country? Think Iraq and fiscal policies. Where Congressman Shays disagrees with President Bush and the Republican majority has it made a difference? Think the environment and energy. And can we afford another two years without checks and balances in Washington?"

Republicans are supposed to be the ones framing issues with bumper-sticker clarity, and Democrats are supposed to be the ones depicted as lost in meandering self-reflection.

But there are few more vivid glimpses of the ways that Republicans are trying to drive the wrong way against traffic than the eloquent, spirited, even admirable race in Connecticut's affluent New York suburbs. It is one of three Connecticut races in which incumbent Republican Representatives are fighting to survive.

Mr. Shays has an artfully articulated maverick image and is one of the more respected members of the House. Candidates like him lose about as often as Roger Federer loses first-round matches. But in a race starkly defined by the war, both camps say the election, a repeat of the one two years ago that Mr. Shays won with 52 percent of the vote, is close to dead even.

Ms. Farrell says that the war is a mistake that should be ended as quickly as possible. Mr. Shays says it is a noble effort, terribly botched, that must be salvaged and can be if we make a commitment to do it. If that's not a choice, nothing is.

"I've talked to people who have voted for Chris Shays all their lives and they are thinking of voting for Diane Farrell to send a message," said John M. Orman, professor of politics at Fairfield University. "People still want to be loyal to him, but even Republicans are deciding if they want to vote against a friend and send a message."

If the war is issue one, two and three, Mr. Shays is issue four. He hasn't always helped himself in the slog from debate to debate.

He said what happened at Abu Ghraib wasn't torture, then backtracked. Asked to defend taking campaign funds from House Speaker J. Dennis Hastert, who is under fire for his handling of the Congressional-page controversy, he noted that Senator Edward M. Kennedy was campaigning for Ms. Farrell. "I know the speaker didn't go over a bridge and leave a young person in the water and then have a press conference the next day," he told The Hartford Courant. "Dennis Hastert didn't kill anybody."

He said last week that the United States should have invaded Iraq sooner than it did, but not over weapons of mass destruction.

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He has tried to defend both the war and what some have seen as his new urgency about coming up with a way to end it. That is a balancing act so tenuous that David Broder of The Washington Post wrote that the war had reduced him "to a complete head case — consumed by the convoluted efforts to square the circle of his own conflicting interests."

STILL, if Mr. Shays wears his anguish like a beacon, his supporters say he has come by it honestly. A conscientious objector during Vietnam, he has made 14 trips to Iraq, putting himself in harm's way outside the confines of the secure Green Zone. He has been consistently second-guessing the conduct of the war, if not the case for it, since 2004.

And rather than Rove-ian sound bites ("cut-and-run Democrats"), he seems willing in debate after debate, forum after forum, to make his case for the war and how it can be redeemed in four steps: a series of timelines for replacing United States forces with Iraqi forces, based on an accurate assessment of combat readiness; an agreement among Shiite, Sunni and Kurdish leaders on power sharing; a conference of Iraq's neighbors on Iraqi security; and a plebiscite on the plan for American disengagement that would require a two-thirds majority for approval.

Many voters in his district have long since lost patience with the war and want a candidate whose first commitment is to ending it. The grim headlines and continuing carnage won't help a hawk, no matter how reflective, in an antiwar district. But if the voters want an honest debate on the war, 11 in fact, they've got it here.

"I'm not afraid to lose," said Mr. Shays. "Losing does not cause me angst. Will it be fun to call Diane Farrell on election night to say congratulations? No, that will not be fun. But I've lost before. I know what it's like. What I agonize over is sending men and women to war, and some of them are coming back in body bags. That to me is something to agonize about."

Unbowed Jefferson Keeps Up The Fight (WP)

By Allan Lengel

The Washington Post, October 22, 2006

NEW ORLEANS -- At a barbershop in the Third Ward, in an area still woozy from Hurricane Katrina's knockout punch, the chatter was about what to do with Rep. William J. Jefferson (D-La.).

"He's got my vote. I like Jefferson," shop owner Charles Harris said as he finished up a haircut. "They haven't indicted him, number one. Whenever they come up with some concrete evidence, that might change things."

"I ain't voting for him 'cause of the $100,000 in the freezer," retorted one of Harris's customers, a former Jefferson supporter who declined to give his name. "You find $100,000 in your freezer, I ain't voting for you."

Jefferson has represented this part of New Orleans in the House for the better part of two decades, becoming the first black lawmaker elected to the United States Congress from Louisiana since Reconstruction. He has held seats on the Budget and Ways and Means committees. But in the Third Ward and elsewhere, some voters are no longer deciding on Jefferson based on his rÃ©sumÃ© or his legislative record, but on the $100,000 the FBI allegedly videotaped him accepting from an FBI informant.

FBI agents later found $90,000 in marked bills in Jefferson's freezer, wrapped in foil. The other $10,000 was missing but accounted for.

As Jefferson campaigns for a ninth term, the Harvard Law School graduate has shed little light on the federal investigation of bribery allegations, other than to insist on his innocence. In a TV ad, he talks about "the presumption of innocence afforded every person" and says, "For over 18 months, the federal government has investigated me and has yet to bring a single charge against me."

That message appears to be resonating among voters like Harris, and so, despite the constant threat of a federal indictment that sources familiar with the probe say is a foregone conclusion, the 59-year-old congressman is confidently campaigning.

Jefferson is showing up at public events, ready to work the crowd and touting a record of passing key legislation and getting funds to help post-Katrina New Orleans. Recently he went on the offensive, publicly accusing two of his 12 opponents of being "ethically challenged."

"He's a formidable candidate," says Danny Ford, executive director of the Louisiana Democratic Party, which endorsed another candidate. "He's not been indicted or convicted. He's got a lot of support."

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Twelve challengers -- eight Democrats, three Republicans and one Libertarian -- are running against Jefferson in the Nov. 7 election. Unless the winner gets more than 50 percent of the vote, there will be a runoff in December. Political observers said they expect Jefferson to be in a runoff and possibly win, unless he's indicted.

Some in Jefferson's district say the absence of an indictment, after such a lengthy investigation, settles the matter for them.

"I think to the common person, this has gone on so long, if the feds had something they would have indicted by now," says Michael M. Davis, a member of the Jefferson Parish Democratic Executive Committee, which has endorsed Jefferson.

But other voters have little doubt about the ultimate outcome.

"There will be a special election when he's convicted," predicted Jim Monaghan Jr., who owns Molly's at the Market, a popular watering hole on Decatur Street. "How can he not be with 90,000 frozen dollars?"

State Rep. Karen Carter, Jefferson's most formidable challenger, adds: "It's not about innocence or guilt. The Justice Department will take care of that. There's a cloud of suspicion that hinders the incumbent's ability to be effective."

Carter has the endorsement of the state Democratic Party, which for the first time in decades turned its back on an incumbent. And his own party earlier this year kicked him off the powerful Ways and Means Committee.

Jefferson "is not the underdog, but he's certainly playing that card to supporters," said Brian Brox, a political science professor at Tulane University in New Orleans.

At a recent afternoon's campaign stop at the William Guste high-rise apartments in the Third Ward, a tieless Jefferson took off his suit coat, rolled up his sleeves and began shaking hands and exchanging hugs with a sea of smiling, receptive voters. Many of them were African American and middle-aged. Some wore "Don't Mess With Jeff" buttons.

Among those in attendance was Joshua Travis, 64, who said: "You're innocent until proven guilty. Ain't that the American way?"

Another attendee, a 58-year-old man who declined to give his name, said the FBI probe makes no difference.

"All of them are stealing. He just got caught. Since he's been in office, he's one of the few black officials who has been able to get in office and do something for the people," the man said.

After giving a spirited stump speech, Jefferson got personal.

"People ask me, 'Jefferson, how you keep on going with all that's going on . . . and people saying things about you?' I tell them how to do it. You know how to do it. I just turn it over to God.

"When you see me going around the campaign, when you see me with my head up at work, that's how it gets done. . . . Keep working and keep praying and keep praying."

In Two New Mexico Towns, Voices Of Concern About The Party In Power (NYT)

By Lizette Alvarez

The New York Times, October 22, 2006

PLACITAS, N.M., Oct. 19 — Jerry Eller, a Republican engineer who built his own house in this small town with big mountain views, voted twice for President Bush.

But his disenchantment with the Republican Party cuts so deeply that if the 2004 presidential election were being held this year, Mr. Bush would not get his vote. “If Kerry was running this time,” said Mr. Eller, 53, referring to Senator John Kerry, the Democratic nominee in 2004, “I would vote for him.”

A Vietnam veteran with three sons of military age, Mr. Eller frets over the war in Iraq and a possible draft, an idea he calls far from improbable. But there are other disturbing issues, too, he said: the erosion of civil liberties, runaway spending, and the religious right’s squeeze on the party.

Next month, Mr. Eller said, he plans to vote for the Democratic candidate in the tight House race here. “You get one party in power and they become corrupt,” he said.

In interviews with nearly two dozen people in Bernalillo, a small, mostly Hispanic town on Route 66, and its neighbor, Placitas, which is more affluent and increasingly more Republican, voters expressed their concerns about the state of the nation. Asked what issues will sway their votes in the House race here, almost everyone interviewed said, “The war and ...” (fill in the blank).

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For some Republicans here, this one-two punch — the war and the federal deficit, the war and corruption, the war and the House page scandal — is enough to catapult some to the other side. Or at least to get them thinking of voting for the other party, something few of them imagined two years ago, they said.

In Placitas, a tranquil town of modern adobe houses, Republicans mostly describe themselves as moderate, the kind who disapprove of partisan politics. Some are New Mexico natives. Others come from elsewhere: Texas (to escape the humidity), Michigan (to flee the cold) and California (to stretch their money).

They live in a swing state. New Mexico went to Al Gore in 2000 and to Mr. Bush in 2004, both times by a sliver. In the First Congressional District here, which includes neighboring Albuquerque, voters opted for Mr. Kerry in 2004, although Sandoval County, Placitas' home, went for Mr. Bush. Yet voters in this district have sent a Republican to the House for nearly four decades. The state has a Democratic governor but a senator from each party.

Representative Heather A. Wilson, who was first elected in this district in 1998, has won each election with a boost from Democrats. Now, though, she is in a dead heat with Patricia Madrid, the Democratic attorney general, according to recent polls.

The rancorous campaign has generated debate, and considerable anger, among most voters, who expressed distaste for today's political culture, namely the partisan bickering and negative campaigning. But it has also prompted reflection. And while some Republicans here are steadfastly loyal, others said disenchantment had crept in.

A Republican newcomer to the area, Stan Nivault, 52, a married contractor and father of four from Austin, Tex., said he had never voted for a Democrat. But this year, Mr. Nivault, who calls himself a staunch Catholic, said he actually might, mostly because of the revelation that former Representative Mark Foley, Republican of Florida, had sent explicit electronic messages to underage male Congressional pages.

"It's a bad thing," Mr. Nivault said. "I'm upset that the guy was there to begin with and that Republicans did not handle it correctly. Democrats have made a big issue of it, but they have a right to."

"Normally I vote straight Republican, but this year I may not vote that way because I'm a little upset," Mr. Nivault said. "Every time you open the paper or listen to television, it gets worse and worse."

As Bert Miller, a retired chemical engineer, hauled groceries to his car, he said that he would still vote Republican even though he had soured on the party.

Mr. Miller, 67, a fiscal conservative who moved here with his wife in 1998, said he was concerned about the war. But he is no less concerned about Republican spending gone amok.

"Republicans have been a disappointment," Mr. Miller said. "This president hasn't vetoed anything except one bill, on a social issue, stem cell research."

Mr. Miller said he yearned for old-fashioned Republican principles: tighter budgets and smaller government. "Things have gotten crazy," he said. "Let's get to work on the deficit and not same-sex marriage."

Russ Fisher-Ives, 51, a self-described liberal Republican, pulled up a chair at a restaurant on Route 66 in Bernalillo and said he was also disillusioned with the party. Mr. Fisher-Ives, who owns four acres nearby and moved here 31 years ago, said he did not know how he would vote. But the war in Iraq, once a more distant concern, has hit him hard, as has his distress over public education.

"This is another Vietnam; it's far bigger than Vietnam," said Mr. Fisher-Ives, an educator whose father once served as the Republican minority leader in the Connecticut Senate and as state treasurer.

Despite his Republican lineage, Mr. Fisher-Ives has contemplated switching parties, but then reconsidered. "I feel like they still have to answer to me as a registered Republican," he said. "I am not them. I am us."

For other Republicans, patriotism and safety remain a rallying cry; they would never think of straying, they said.

Croft Edwards, 37, has lived in New Mexico most of his life. An Army reservist and family man, Mr. Edwards said that he was "disappointed" in the system, but that he strongly believed Republicans were better suited to handle Iraq.

"Like George Bush or not, he likes to take action," Mr. Edwards said.

A Texas native, Beverly Maxie, 58, who fervently opposes abortion, agreed. As long as the war is being fought in Iraq — not here — Republicans are doing their job, Ms. Maxie said. "I am confident that Republicans will stay in power," she added.

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For most Democrats, even those not always so keen on their party, the war and its repercussions are paramount. And there are other concerns: political scandals, health care, the environment, the economy.

Molly Perez, 52, who is raising her grandchild, earns $10 an hour as a cashier at a supermarket and pays $800 a month in rent. She is barely making ends meet, Ms. Perez said, and high gasoline prices set her back considerably. She said she sometimes prayed that her beat-up Chevy Cavalier would remain road-worthy.

"My life has gotten harder since the last election," Ms. Perez said.

She said she was so disheartened with the process, though, that she did not know whether she would vote in the House race. If she does, it will be unenthusiastically for Ms. Madrid.

Ophelia Rinaldi, 73, a retired social worker, said she took the war in Iraq in stride until recently. Now, she said, "it's pie in the sky," adding that it was "drawing away all our resources." Ms. Rinaldi said she worried about health care and prescription drugs.

Leslie Elgood, 51, a Democrat who works for New Mexico Community Capital, a community development fund in Bernalillo, said she usually tried to vote outside the box. But this year (she voted early), Ms. Elgood supported her party down the line to send a message. Her anger, she said, began with the war and has swelled with each new scandal.

"The Democrats don't have a sense of my voice," she said, "but I want to give them power now. Maybe they feel more chastened."

Pa. Congress Candidates Spar Over War (LAT/AP)

By Patrick Walters, Associated Press Writer

The Los Angeles Times, October 22, 2006

MALVERN, Pa. — Republican Congressman Jim Gerlach accused Democratic challenger Lois Murphy in a debate Saturday of being inconsistent in her support for U.S. troops in Iraq, while Murphy countered that the war has made the nation less safe.

The two-term congressman and Murphy are in battling to gain an edge in a race for a seat from the Philadelphia suburbs that could help determine whether Democrats gain control of Congress.

The race, one of the most competitive House races in the country, is a rematch of 2004, when Gerlach narrowly defeated Murphy. Recent polls have shown the two in a virtual tie.

Gerlach, a moderate Republican, charged in the AARP-sponsored debate that Murphy was not prepared to give U.S. troops the funding they need to help a new government succeed in Iraq.

"She apparently doesn't want to withdraw them and she's not sure she wants to fund them, either," he said at the Desmond Hotel, attended by about 200 people and moderated by KYW-TV news anchor Larry Mendte.

Murphy, a lawyer, denied the assertion that she would not fully support the troops. She condemned the war and called for more accountability.

"The war in Iraq has made us less safe, not safer," Murphy said. "He is satisfied with the progress we are making in Iraq and I am not."

The two also discussed the economy and health care. On the economy, Gerlach said tax cuts in 2001 and 2003 have helped turn it around. "This is a very strong economy that hopefully Congress won't screw up," he said.

Murphy argued that the cuts were not helping the middle class. More than 50 percent of the money went to the top 10 percent of income-earners, Murphy said.

"If he thinks that's a middle-class tax cut, I think he needs to go back to math class," she said.

On health care, Gerlach called for giving small-business owners more opportunity to purchase health coverage through a national cooperative and said he supports medical-liability reform to help cut medical costs. Murphy said she supported allowing Medicare to negotiate for lower drug prices.

GOP Candidate Seeking Bush's Home District Is Hurting (SA)

By Guillermo X. Garcia

San Antonio Express News, October 22, 2006

DOJ_NMG_0084566

WACO — On paper, young and oil-wealthy Van Taylor, a Harvard University graduate who enlisted in the Marines and saw combat in Iraq, seems like the perfect Republican candidate for Congress.

A staunch conservative, he is independently wealthy, thanks to his family's involvement in Humble Oil Co. Taylor, 34, is worth more than $27 million, mostly from the Exxon-Mobil Corp. and pharmaceutical industry stock he owns.

When the campaign for Texas' 17th Congressional District began, Republicans hoped a decorated combat veteran would be able to do what redistricting failed to do in 2004: end the embarrassment of having a Democrat representing President Bush — his Crawford ranch is in the district — by knocking off entrenched incumbent Chet Edwards, the hometown congressman since 1991.

"It is an embarrassment," said M.A. Taylor, McClennan County GOP chairman, who's not related to the candidate. "This area overwhelmingly supports the president and is overwhelmingly Republican, and yet we have a congressman from the opposition who supposedly represents our interests.

"It is nothing short of personally humiliating."

But hopes of ending that embarrassment may be waning.

Last week, the National Republican Campaign Committee cancelled $1.5 million in television ads it had planned to run starting this week.

Republican officials "pulled the plug, and that's devastating for the Taylor campaign," said Edwards' spokeswoman Jessica Shaefer. "And the fact that their decision came just days after they ran a poll indicates that they clearly saw what our poll shows, a 21-point lead among likely voters."

A growing number of signs nationally suggest a Democratic wave may be in the offing Nov. 7. And while that wave may not have a dramatic effect in Texas, where the GOP has re-drawn districts to its advantage, it's likely to be strong enough to keep Edwards in Congress.

So while the president remains popular in his home state, one of the most dramatic demonstrations of his declining influence may unfold in the congressional district where he votes.

All along, Taylor's challenge of an entrenched "blue-dog Democrat" was viewed as a test of Bush's coattails. National Republican officials said it was a "high-level test," calling it the nation's most Republican congressional district not represented by the GOP.

Taylor says the president and first lady Laura Bush have personally promised they'll vote for him. That appears to be the extent of White House involvement in the race.

Supports the war

Ironically, an Edwards victory would not look like wins by Democrats elsewhere.

Nationally, Democrats are critical of Bush's prosecution of the Iraq war while Republicans lambaste what they call Democrats' "cut-and-run" strategy.

But here, in the literal heart of Texas, the dynamic runs counter to that: Edwards won't run against the president's record. Both candidates support the war and oppose pulling troops out of Iraq.

The 17th is a military-rich district, home to tens of thousands of retired soldiers and a Veterans Affairs hospital that last year treated some 17,000 veterans. In his 16 years in Congress, Edwards has a strong record of backing issues involving veterans.

"This is a red-state district, a God-and-country sort of place, and military issues play big here," said Ashely Cruise Turner, a history professor at McClennan Community College.

While Democrats nationally roast Bush, Edwards carefully walks a centrist line, refusing to attack his policies.

"If I believe the president's proposals are right for the district and for the country, then I work with him," he said.

It is a plan that his constituents apparently approve.

In 2004, Bush won almost seven of every 10 votes in the district. Edwards won every precinct in the county, including Crawford. Edwards notes that 50,000 voters in the Waco area who voted for the president crossed political lines to vote for him.

Taylor, meanwhile, launched a series of blistering attack ads portraying illegal immigration from Mexico as a major problem and faulting Edwards for votes he has cast on social issues that Taylor said make him too liberal for the district.

Like most political newcomers, Taylor's problem is getting his name before the voters.

Still, his military record is featured prominently in his campaign.

He saw combat during two tours as a captain with the 4th Marines, 3rd Recon Battalion, and he comes from a line of soldiers who saw action in the Civil War, the Spanish-American War, both world wars, Korea and Vietnam.

In an apparent effort to counter, Edwards received endorsements from a host of retired military brass: one four-star general and three three-star generals, including two who commanded at Fort Hood.

"I voted for Bush twice, I voted for his daddy, and while I probably vote Republican more than Democrat, I am voting for Chet," said retired Lt. Gen. Randy House from his ranch outside College Station. "It is important that people realize what Congressman Edwards has done for the military and their families at a time when his opponent is touting his military service," said House, former commanding general of the Big Red One, the legendary 1st Infantry Division.

In the crosshairs

Despite being in GOP crosshairs for years, Edwards has represented the 17th Congressional District for eight two-year terms.

He was one of six Democrats targeted for extinction via redistricting by the Republican-controlled Texas Legislature in 2003, and the only one to survive in a competitive district. At the top of the hit list, along with Martin Frost of Dallas and Lloyd Doggett of Austin, the conservative Edwards had his district redrawn. In the process, he lost a power base — Fort Hood.

In 2004, he withstood the redrawing of his district and a strong challenge from former state Rep. Arlene Wohlgemuth.

Taylor moved last summer to rural McClennan County, the largest of the 12 counties in the district, which stretches from the Dallas-Fort Worth suburbs south to Waco and east to College Station. It is a solidly conservative, mostly rural stretch of North-Central Texas that now is nearly 65 percent Republican.

That had national GOP leaders salivating at the chance to take Edwards out, at least until last week.

Taylor's campaign would not confirm the cancelled ad buys in the Dallas area.

But Democrats say the president's lack of involvement, coupled with the small party contribution to Taylor's campaign, is a sign the GOP does not believe Edwards is beatable.

Republican officials shrug that off.

"A decorated military veteran like Van Taylor means the war will play a larger role than any other race in the country. In that district, there is no better candidate," said Jonathan Collegio, an RNCC Washington spokesman.

McClennan GOP chairman Taylor assessed candidate Taylor's chance of victory as "even money."

Taylor, however, was left on his own. So far he has pumped $575,000 of his own money, including a $250,000 loan, into the campaign, according to Federal Election Commission records.

"The Republicans in D.C. made a fundamental miscalculation," said Matt Engle, a Democratic strategist who was Frost's longtime chief of staff.

The GOP, he said, "thought using Taylor's military record and his lack of (political) baggage would be a good wedge to hit Edwards with. But without national Republican money and Bush not getting involved, Taylor is in the ditch."

A Jeopardy Question For The Nov. 7 Crowd (NYT)

By Mark Leibovich

The New York Times, October 22, 2006

Washington

POLITICAL reporters love asking hypothetical questions, almost as much as politicians hate answering them.

But it has become a settled expectation of political life that any candidate who supported the Iraq war resolution in 2002 must now answer the dreaded, “If you knew then what you know now” question.

That is, of course, some variant on the “If you knew then that Saddam Hussein did not have weapons of mass destruction, would you still have authorized President Bush to use force in Iraq?”

The question has inspired some great rhetorical gymnastics. It has also sparked impressive finesse jobs across the political spectrum.

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In one sparkling turn last week, Senator Rick Santorum, Republican of Pennsylvania, said that he would rather be fighting terrorists in Iraq than in the United States. Only he put it this way: "As the hobbits are going up Mount Doom, the Eye of Mordor is being drawn somewhere else. It's being drawn to Iraq."

As is clear to fans of J. R. R. Tolkien, Mr. Santorum was comparing the rationale for combat in Iraq to the plan to distract the evil Lord Sauron in "The Lord of the Rings." Sauron was seeking the magical ring that would secure his power over Middle Earth. (Mr. Santorum merely wants to secure his Senate seat.)

At the very least, give Mr. Santorum points for appealing to an untapped constituency of potential supporters, "Lord of the Rings" lovers, a few of whom might even be old enough to vote.

Otherwise, the variety of responses to the "If you knew then what you know now?" question can be distilled into a few predictable categories. Herein, a primer:

The 'No, but' Response

This is by far the most common refrain among Democrats who supported the use-of-force resolution but who now wish they hadn't. The optimal answer should include a quick "no," followed by a swift indictment of the Bush administration's incompetence, dishonesty, stubbornness or some such unpleasant thing. And it never hurts to tack on an homage to the troops.

Representative Harold E. Ford Jr., a Democrat of Tennessee who is running for Senate, achieved this in three tidy sentences. "Had I known then what I know now, I would have voted no," Mr. Ford told The Memphis Commercial Appeal last week. "The president and his team have pursued a flawed strategy. Thankfully, America has the best and the bravest war fighters in the world."

Second-Guessing Is for Weenies

Early supporters of the war — particularly Republicans — often dispatch with the question in favor of a general lament about typical Washington nay-saying, second-guessing and defeatism (as practiced by "Defeatocrats"). The implication is that criticizing the administration's Iraq policy is tantamount to whining, not to mention emblematic of all that is wrong with the hideous swamp they've all chosen to live and work in (or want to live and work in).

While systematically criticizing the administration's Iraq policy, the Senate candidate Claire McCaskill, Democrat of Missouri, has nonetheless voiced an aversion to "Monday morning quarterbacking." Senator George Allen, Republican of Virginia and a prodigious practitioner of the football analogy, is also fond of the phrase.

"You can all second-guess and Monday morning quarterback," Mr. Allen said in a debate in July against his Democratic opponent, Jim Webb.

"We made decisions," Mr. Allen added on "Meet the Press" on NBC. "You can't say, 'Gosh,' five years later."

But of course, Mr. Webb is saying a lot of "Gosh."

"And this is what my opponent's campaign's about," Mr. Allen said, "is the second-guessing."

Sorry, Folks

Increasingly popular among Democrats, the tool has been wielded deftly by the Democratic ticket of 2004, Senator John Kerry of Massachusetts and former Senator John Edwards, of North Carolina. The runners-up have thrown themselves into a virtual mea-culpa-palooza in recent months.

"It is essential to acknowledge that the war itself was a mistake, to say the simple words that contain more truth than pride," Mr. Kerry said in a speech to liberal activists in June. "It was wrong and I was wrong to vote for that Iraqi war resolution."

Mr. Edwards, the earnest former running mate, has been impressively prolific in his use of the "M-word."

"It was a mistake to vote for the war in 2002," Mr. Edwards wrote for the Washington Post op-ed page last November. "I take responsibility for that mistake." He concluded that "America's leaders — all of us — need to accept the responsibility we each carry for how we got to this place."

Incidentally there are wild rumors flying around that these guys might be running for president again.

C'mon, Everybody's Doing It

Also known as the "Hey, We All Saw the Same Intelligence" defense, candidates who supported the war (usually Republicans) are fond of cataloging all the others (usually Democrats) who supported it, too, based on the same intelligence. Extra credit for Republicans who drop Bill Clinton's name.

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"Look, Chris Dodd, Joe Lieberman and I voted to go to war," Representative Christopher Shays, Republican of Connecticut, told The Hartford Courant. "I consulted with a lot of people, including Bill Clinton."

It never hurts to throw in a few foreign countries, too. "Every intelligence agency in the world, including the Russians, including the French, including the Israelis, had reached the same conclusion," Senator John McCain, Republican of Arizona, said on "Face the Nation" on CBS.

Hypothetical Meets Hypothetical

Instead of admitting he would have voted differently, the candidate maintains that there would not have even been a vote in light of "what we know now."

In other words, the hypothetical question has been rendered moot by hypothetical non-events.

When asked on "Meet the Press" if he regretted his vote, Senator Mike DeWine, Republican of Ohio, said, "It would never have been presented by the president," the "it" referring to the use-of-force resolution.

In a corollary strategy, the candidate does not answer the question directly, but instead channels the view of a singular "They," or whatever it is "The American People" supposedly believe.

"Based upon the information that we have now," said the Pennsylvania Democrat Bob Casey, Mr. Santorum's opponent, "I think a lot of Americans would have serious doubts."

The 'Only Authorization' Vote

Democrats who supported the Iraq resolution in 2002 are often quick to point out that they didn't actually vote for the war. Rather, they only voted to give the president the option to go to war, and they never expected him to rush to war as he did.

"In retrospect, it's clear to me they had no intention of doing anything other than going to war in Iraq," said Senator Joseph R. Biden Jr., Democrat of Delaware, told The Manchester Union Leader.

And, of course, Mr. Biden and others who supported the Iraq resolution had also assumed that President Bush had a plan for "winning the peace."

"We know now that they had no plan for winning the peace," said Harry Reid, the Democrats' leader in the Senate, in a news conference. "But we didn't know it at the time."

Remember, Saddam Was Evil

Perhaps the most popular rationale among candidates who supported the Iraq resolution is that the current predicament is still better than having Saddam Hussein in charge. It also carries the implicit message that anyone who opposes the war believes the world is not better off without Mr. Hussein in charge.

"His regime was an organic threat to world peace," Senator Jim Talent, Republican of Missouri, told The Associated Press. "He had twice invaded his neighbors and violated the commitments he made after Desert Storm. He harbored and trained terrorists and was a tyrant who wanted weapons of mass destruction and was obstructing the war on terror."

Mr. Talent did not specify whether the world is any better off without Lord Sauron.

Times Endorses Spitzer And Other Democrats For Election (NYT)

By Nicholas Confessore

The New York Times, October 22, 2006

The editorial board of The New York Times today endorsed Democrat Eliot Spitzer, the current attorney general, for governor.

The board also endorsed Andrew M. Cuomo in his bid to become the next attorney general of New York, nearly two months after endorsing one of his opponents during the Democratic primary, which Mr. Cuomo later won.

In its endorsement of Mr. Spitzer over his Republican opponent, former state assemblyman John Faso, the board said Mr. Spitzer "has been fearless and dogged in his pursuit of justice. We are eager to see what happens when he applies those attributes to Albany's immobile Legislature, which has a long, sad history in wearing would-be reformers down, waiting them out."

The board's endorsement of Mr. Cuomo was lukewarm, reflecting many of the same reservations it cited in declining to endorse Mr. Cuomo during the primary campaign, when the endorsement went to Mark Green, the former New York City public advocate.

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The general election campaign, the editorial says, "has come down to a riveting if uninspiring brawl between two flawed candidates" — Mr. Cuomo and Jeanine F. Pirro, the Republican and a former district attorney of Westchester County — who each "seem an uncomfortable fit for the state's top law enforcement job."

Ms. Pirro's campaign has been dogged by her husband's conviction for tax fraud and more recent revelations that she is under federal investigation over whether she tried to illegally wiretap her husband's conversations. But the editorial says that Mr. Cuomo's record as housing secretary under President Bill Clinton "is not very reassuring, either."

The editorial says Mr. Cuomo spent "too much time on public relations" while secretary to bolster his political ambitions. But Mr. Cuomo's managerial experience, and the understanding of state government he accrued while working for his father, former Gov. Mario M. Cuomo, were reason enough to endorse him over Mr. Pirro, the editorial says.

The editorial board today also endorsed a string of congressional candidates, all of them Democrats challenging Republican incumbents.

In New York's 19th Congressional District, the board endorsed the Democratic candidate John Hall over the incumbent, Republican Sue W. Kelly. It also endorsed Linda Stender over Representative Mike Ferguson in New Jersey's Seventh Congressional District, Chris Murphy over Representative Nancy L. Johnson in Connecticut's Fifth Congressional District, and Joseph Courtney over Representative Rob Simmons in the state's Second Congressional District.

In New York's Third Congressional District, the editorial board endorsed David Mejias, a Democratic member of the Nassau County Legislature, against Republican incumbent Peter T. King, who this summer said the decision of The New York Times to publish articles about a secret terrorist-surveillance program was "treasonous."

"We do not support Mr. King, but not because he wants us in jail," the editorial states. "Our decision has to do with temperament, effectiveness and differences on issues ranging from taxes and Iraq to abortion and immigration."

Schwarzenegger Ramps Up Pressure Over Orange County Mailing (LAT)

By Scott Martelle And Susannah Rosenblatt

The Los Angeles Times, October 22, 2006

He says GOP candidate Nguyen should quit House race if he knew of his office's threatening letter to immigrants.

Gov. Arnold Schwarzenegger stepped up the pressure Saturday on an Orange County Republican congressional candidate, telling reporters that Tan Nguyen should withdraw if he knew about his campaign's mailing of letters intended to threaten immigrant voters.

Schwarzenegger denounced the mailings traced to Nguyen's campaign to unseat Democratic incumbent Loretta Sanchez in the 47th District and said that "anyone that knew … has to resign immediately."

Speaking during a campaign appearance in Santa Ana, the governor said the mailings "were illegal; it's a hate crime…. There should be no tolerance for this kind of behavior."

Democratic gubernatorial challenger Phil Angelides had earlier denounced Nguyen's campaign, which sent mailers to 14,000 registered voters. Written in Spanish, they warned that immigrants who cast a ballot could face jail time or deportation.

Nguyen, himself a Vietnamese immigrant, said Thursday that he had fired his campaign office manager because of the letter but that he had no prior knowledge of it. However, the chairman of Orange County's Republican Party has said that he was told by the mailing company that sent the letter that Nguyen was personally involved.

The Nguyen controversy — and key Republicans' quick action to distance the party from the mailings — pointed to a sharp contrast between the two major parties' approaches to the elections, just over two weeks away. As the Democrats seek to promote themselves as a unified slate, the Republicans are largely running as individuals.

Schwarzenegger made two Orange County campaign stops Saturday unaccompanied by other Republican candidates for statewide office, while the Democratic statewide candidates crisscrossed Southern California and stressed the need for unity.

Angelides began his day at a UC Berkeley football game tailgate party, then traveled to three Los Angeles-area labor rallies, which also drew such statewide Democratic candidates as John Garamendi, running for lieutenant governor; Cruz Bustamante, running for insurance commissioner; John Chiang, running for controller; and Debra Bowen, running for secretary of state; and local candidates.

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"No matter where you go in this state, you see Democrats campaigning together," Angelides told about 200 supporters during an afternoon barbecue at a Gardena union hall. "These Republicans this year — in the year of George Bush's Republican Congress — they're all treating each other like they got the bird flu."

Despite Saturday's show of solidarity, the Democrats have their own fissures. Ray Cordova, chairman of the South Bay County Labor Council, told the Gardena crowd that he was "sick and tired" of seeing Senate President Don Perata and Assembly Speaker Fabian Nuñez "ride around the state" with Schwarzenegger rallying votes for Propositions 1A through 1E, which would spend $37 billion on state construction projects.

Schwarzenegger and the legislative leaders worked together to get the measures on the ballot and have since campaigned for them together.

But the theme of the day was unity, and the need to propel California voters to the polls by building on what recent surveys have shown could be a nationwide Democratic surge on election day. Angelides for the last two days has cited polls that he says have shown his campaign rallying from 17 to 7 points behind — though the polls were, in fact, sponsored by different polling organizations and do not necessarily demonstrate a trend.

"We are rocking and rolling," Angelides said in Gardena. "Those guys are slipping and sliding."

Schwarzenegger's campaign day was more low key. In Santa Ana, he admired cowboy apparel and browsed ranchera albums on 4th Street, chatting with store owners and pausing for photos, handshakes and autographs before a private meeting with the Hispanic 100 civic group, which has endorsed him.

Speaking to reporters, Schwarzenegger reiterated his support for immigration reform, advocating a guest worker program and, under specific conditions, driver's licenses for illegal immigrants.

"Right now we have this policy where everyone looks the other way and everyone does things illegally," he said. "This is not the right way to go."

He moved on to Cook's Corner, a biker roadhouse in Trabuco Canyon, arriving on his maroon Indian Chief motorcycle. Nearly a thousand Harley-Davidsons and other choppers gleamed in the sun as part of the "California Dream Ride" to raise money for an organization that supports military families.

"I could have gone anywhere else in the world; I would not have remotely achieved the things that I have achieved, and it is all because of California," Schwarzenegger told the crowd.

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For exclusive Web features, including the new Political Muscle blog, go to latimes.com/californiapolitics.

No More Immigrant-Bashing In The O.C. (LAT)

The Los Angeles Times, October 22, 2006

Republicans rightfully denounced a candidate who sent an intimidating letter to Latino voters, saving face in a district they were bound to lose anyway.

THE DESPICABLE INCIDENT was, sad to say, not new to Orange County: Republicans trying to scare immigrants away from the polls. But the GOP's reaction this time — calling on its candidate to withdraw — was miles away from previous behavior. Nativist immigrant bashing may be alive in the O.C., but it's not well.

To be sure, the party's reaction to its candidate for the 47th Congressional District was a no-brainer. Tan Nguyen — himself an immigrant who seems to have forgotten the virulent racism that greeted many Vietnamese refugees when they arrived in Orange County — never had much of a chance against incumbent Democrat Loretta Sanchez. That alone is an extraordinary change for a seat that used to be solidly Republican. Nguyen had received little GOP backing from the start, so there was no loss in cutting him loose and plenty to gain in good PR.

If the county GOP wanted to come completely clean, it would apologize for its unconscionable actions in a 1988 state Assembly election, when it hired uniformed poll guards to carry signs in Latino neighborhoods stating "Noncitizens Can't Vote." That was thuggish and intimidating, but at least it was accurate.

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The Spanish-language letter that Nguyen's campaign sent last week to 14,000 registered Latino voters in Anaheim, Garden Grove and Santa Ana was incorrect, as well as threatening and not a little un-American. It claimed immigrants cannot vote (which would bar Nguyen himself from the polls) and ominously invoked the threat of jail time, deportation and Big Brother computer systems that would track down any would-be voters. It then announced that unlike in Mexico (the country Nguyen's campaign apparently assumes all Latinos are from), there is "no incentive" in the United States to vote. Guess democracy isn't a good enough reason.

It's possible that if this race were as near and dear to Republican strategy as the 1988 campaign, the GOP would make lighter of the deed. But there's a better chance modern-day Republicans would distance themselves from the odious stunt. The GOP has learned, through a series of political gaffes and electoral defeats, that Latinos are a potent constituency in this country who have not seen the Republican Party as their ally.

Call it enlightened self-interest on the GOP's part; it's still good to see Latino-targeted Jim Crow election chicanery getting the thrashing it deserves behind the Orange Curtain.

Ehrlich Woos Anti-O'Malley Democrats (WT)

By Jon Ward

The Washington Times, October 22, 2006

BALTIMORE -- Maryland Gov. Robert L. Ehrlich Jr. yesterday rallied in Baltimore County with Democratic lawmakers and officials who endorse the Republican's re-election bid, as Democratic leaders urged voters in the city to defeat the governor even if they "don't care for" the party's candidate to replace him.

"I have represented majority-Democratic districts for all of my entire career," Mr. Ehrlich said, standing on a truck bed in a Dundalk parking lot before about 100 supporters.

"Many, many Democrats are stepping up ... not leaving their party, just voting for the person they believe will lead the state," the governor and former congressman from Baltimore County said.

An hour earlier, in the city's Remington area, black Democratic leaders attacked Mr. Ehrlich while denigrating his Democratic challenger, Baltimore Mayor Martin O'Malley.

"Having spent four years in Annapolis with Governor Ehrlich, the boy's gotta go," state Sen. Lisa A. Gladden, Baltimore Democrat, told the crowd of about 100 at a meeting called to organize volunteers to go door to door with information on voters' rights.

Mrs. Gladden said she supports Mr. O'Malley's bid for governor only because it would help his fellow Democrats regain power.

"I have never voted for Martin O'Malley, never in my life, because I don't care for him," she said. "But you know what, I'm wearing his shirt, got his sign on the lawn, and quite frankly, I hope to God and I pray every day that O'Malley becomes our next governor."

Democrats control the Maryland legislature, and Mr. Ehrlich, who faces voters again two weeks from Tuesday, won election four years ago as the first Republican governor in more than 30 years.

Cheryl D. Glenn and Shawn Tarrant -- Democrats who won primary races for state delegate and are likely to be elected Nov. 7 -- also urged the crowd to vote for Mr. O'Malley, despite objections or reservations about his record in Baltimore.

"I know politics better than you do. Support O'Malley," Mrs. Glenn, a candidate in District 45, told the audience packed into a storefront room.

Mr. Tarrant, a community activist and regional manager for a pharmaceutical company, instructed the crowd not to "focus on the man," meaning Mr. O'Malley.

"Focus on the seat," said Mr. Tarrant, who likely will represent District 40. "We need the right Democrat in the seat. He can make the right selections."

Rep. Elijah E. Cummings, Baltimore Democrat, organized the voter-education drive because, he said, many voters are confused and discouraged by officials' concerns about organization and security for the election.

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Mr. Ehrlich echoed those concerns yesterday during a radio interview, predicting "a lot of challenges" and "a lot of lawyers" after the election.

The governor again will have to win over Democratic and independent voters in Maryland, where Democrats outnumber Republicans 2 to 1 and where blacks made up about 40 percent of Democratic voters in the primary.

The Ehrlich campaign released a list of 26 Democratic supporters, most of them former officeholders and some of whom previously had endorsed his re-election. Most of the Democrats for Mr. Ehrlich endorsed him four years ago.

"I am a Democrat, and I support the whole Democratic team except for one individual ... that guy they call mayor," Baltimore City Council member Nicholas D'Adamo Jr. said. "Are the streets in better shape? Is the murder rate better? Is education any better?"

The crowd that heard Mr. Ehrlich in Dundalk was made up mostly of older, white voters. The crowd at the anti-Ehrlich rally in the city was mostly black voters.

Mr. Ehrlich, who said polls show he is doing well among black voters, cited his support for Coppin State University, a predominantly black college in Baltimore.

Calvin Burnett, the former president of Coppin whom Mr. Ehrlich appointed as education secretary in 2004, stood with the governor at the rally.

O'Malley spokesman Rick Abbruzzese predicted that Mr. Ehrlich will not attract enough Democrats.

"Democrats believe that government can work to improve the quality of life for all people, which does not mean siding with special corporate interests over working families, as Governor Ehrlich has done time and again," he said.

Mr. O'Malley leads Mr. Ehrlich in almost every poll in the race by an average of about seven points.

Kinky Friedman A 'Lone Ranger' On Trail (AP-)

By Pauline Arrillaga

AP, October 22, 2006

Richard Kinky Friedman is standing, sans cowboy boots, in his suite at the Hilton as a third day of election stumping ends, remote control in hand and Fox News on the tube. His campaign manager, heavy-lidded as the clock nears midnight, is doing his sleep-deprived best to reassure Texas' most unlikely gubernatorial candidate that he might just win.

"We could still lose," Dean Barkley tells The Kinkster. "But we're not gonna."

Friedman frets on. "It's possible that I'm a little pop star, everybody just wants a picture."

Eyes roll, and Barkley retorts: "I'll get you a little security blanket."

Friedman's attention returns to Fox. A segment about the race is on, and Friedman's delivering one of his oft-recycled cracks about the definition of politics — "Poly means more than one, and ticks are bloodsucking parasites." (The line was originated by "some guy in Corpus," explains Friedman, king of the one-liners. "It's not that great.")

Now Gov. Rick Perry, the man whose job Friedman fancies, appears on screen delivering a crack of his own. "He's not running for class clown. He's running for the governor of a very important state."

Barkley chuckles, but the barefoot clown gripping the remote isn't smiling — for once in his rather hysterical life.

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Day 1. San Antonio. A question: Who is Kinky Friedman?

"He's a trip," says Ron, the driver of a Dollar Rent A Car shuttle. "Some people say he's a racist, but he's just being himself. That's what I think. I like his style — a `Lone Ranger' type. They do their own thing. I like that."

An hour later, Friedman — the songwriter, satirist, mystery novelist and now independent political candidate — is with Jesse Ventura and a gaggle of reporters at the University of Texas at San Antonio, starting a college campus swing with the former pro wrestler and governor of Minnesota.

Ventura, taking a break from surfing in Baja, Mexico, and sporting a very surfer-like braided goatee, is offering some unsolicited advice about curtailing the sharp sense of humor that Friedman built a career on and molded him into The Kinkster.

"You have to learn that political correctness unfortunately rules in the public sector," Ventura tells him.

Friedman, in his signature black hat and boots, signature cigar in hand, is firmly resisting.

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"Political correctness is a real devil," he says. "It insinuates into our lives more than we think."

With that, Friedman rams the cigar in his mouth and gives "The Body," as Ventura used to be called, a friendly pat on the back.

Quintessential Kinky. Being himself. Doing his own thing. Sort of like ... a Lone Ranger. Just like Ron said. Ron, a black man with two diamond studs in one ear, big sunglasses and a bigger smile, who supported Perry in 2002. Ron, who has never in his life met Friedman, who when asked if he might vote for him smiled even bigger and said, "Nah."

Ron, who nevertheless gets The Kinkster — who's not all that easy to get.

What Kinky Friedman is: Hilarious. Crude. Biting. Unapologetic. Blunt.

What he also is: Intellectual. Sensitive. Giving. Philosophical. Loyal.

What he really is when you add it all up: Unconventional at every turn.

So why would someone like this want a job as conventional as governor? One response is now a popular Friedman bumper sticker: "Why the hell not?" The real answer's more complex, kind of like the man himself.

Friedman's books — from essay collections such as "'Scuse Me While I Whip This Out: Reflections on Country Singers, Presidents, and Other Troublemakers" to his mystery novels in which real-life rebels Willie Nelson and Hank Williams are characters — reveal someone who reveres the outlaw. That is, anyone with the cojones to thumb his or her nose at the system.

Perhaps, in part, that's because Friedman grew up on the outside — a Jew raised by socially conscious, freethinking parents in Christian-conservative, 1950s-traditional Texas.

He played chess, studied the classics at the University of Texas (where a friend bestowed upon him the nickname that stuck, reflecting Friedman's obsession with taming his untamable, kinky hair), and spent summers at the rural camp his parents started for children.

His mother, Minnie, was a public school speech therapist, once named "Outstanding Texas Citizen" by an exchange-clubs organization. His father, Tom, flew an Air Force bomber during World War II and later was a psychology professor.

Father Friedman liked to say, "Leave the world a better place than you found it," and his three children took that to heart. Daughter Marcie went to work for the American Red Cross, and son Roger eventually took over the kids' camp.

Kinky, the eldest, simply put his own twist on the mantra.

After a short stint with the Peace Corps in Borneo, he returned to the States with some songs in his pocket and an idea in his head.

The result was career No. 1 as leader of the band, "Kinky Friedman and the Texas Jewboys." He penned songs that at times drew more boos than cheers, satirical ditties about the issues of the day: racism, feminism, even the 1966 massacre at UT when student Charles Whitman climbed an observation tower and fatally shot 16 people.

One of Friedman's better-known songs, "They Ain't Makin' Jews Like Jesus Anymore," includes the n-word and a slew of other racially offensive terms but is a tune about one guy confronting another over his racist remarks.

"We had something to offend everybody," Friedman says. "That was the idea — to puncture this pompous, morality kind of a thing."

"We've always made fun, but underneath all of that it's about intellectualizing things and making people think," says original "Texas Jewboy" Jeff "Little Jewford" Shelby. Shelby, who met Friedman as a kid at the summer camp, is now chief of staff of the gubernatorial campaign (and also Friedman's announcer at each campaign stop.)

"We like pushing the envelope," Shelby says, "but it's not just for the sake of pushing it."

When the musical career floundered, Friedman managed to make a name for himself in career No. 2 — as a mystery writer and, later, a columnist at Texas Monthly magazine. The latter, in particular, gave him a new platform for skewering or championing whatever, or whomever, he wanted.

Cigar-smokers: championed. Hunters: skewered. Bob Dylan: championed. Dell, Starbucks, the strip-mall sameness of America: skewered.

The governor's thing, as the Friedman gang calls it, is not only a stab at career No. 3, it is yet another stage from which The Kinkster can take on the untouchable. The two-party system. The — his words now — "rusty cage of bureaucracy and corruption" that is democracy in the 21st century. The "wussification" of politics, and of Texas.

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"I love Texas," says Friedman. "I don't like what's happened to her. I don't like being last in all the good things and first in all the bad. The very least we can do is bring truth to the people. We're already bringing hope. The truth? Well, that's a little harder."

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Day 2. On the road from San Antonio to Houston. A thought: How does political incorrectness play in politics?

"Please welcome the man who's breathing life into Texas independence, the next governor of the great state of Texas ... Kinky Friedmaaaaaaaaaaan!"

The man with the cigar takes the podium at Trinity University in San Antonio, firing off warm-up lines like a Texafied Jerry Seinfeld.

"I was showing my old friend around Austin recently. He said, `Boy, that's a beautiful statue of Rick Perry.' And I said, `That IS Rick Perry.'"

Applause. Laughs.

The jokes are expected; they vary little from stop to stop. What's not is how seriously some Texans are taking the guy who delivers them.

Taylor Collier is 18, a freshman with shaggy hair and ear buds around his neck, clad in a T-shirt that reads, "TELL THE TRUTH." He's outside the auditorium at Trinity, reciting a story about the time Perry showed up at an event Collier attended a while back.

"I couldn't even get up to him. I couldn't even talk to him. You know? But Kinky walks in here and I walk up to him just like, `How you doing? Nice to meet you.' You know? To me, Kinky strikes me as more of a Texan."

Needless to say, Collier's first vote in his first gubernatorial election is going to The Kinkster.

So is that of 49-year-old Elva Romero, who works at a convenience store at Texas State University in San Marcos.

"I'm for him," she says, "because I'm outspoken myself. Whatever comes to my mind is gonna come out, and that's it. If it's gonna hurt other people, well sorry. He's unique. He's different, and I think he can make a change ..."

A Republican calling a Houston radio show apparently thinks so, too. Host Dan Patrick is musing over the Friedman phenomenon. Friedman is fourth among the four major gubernatorial candidates in money and support, and he's polling at about 14 percent. But that's almost equal with the Republican Perry's Democratic challenger, Chris Bell.

"The public was really waiting for someone like him," Patrick surmises.

"I agree," says the caller, who's especially fond of Friedman's pitch for more National Guard troops on the Texas border.

When Friedman launched his campaign last year in front of the Alamo, calling for the "unconditional surrender" of Perry with a country swing band by his side, he was far more Jon Stewart than John Kennedy. Then he hired on Barkley, who directed Ventura's successful campaign and later replaced the late Paul Wellstone in the U.S. Senate.

Friedman's 60-40 ratio of style-to-substance is now 40-60, says Barkley. The joke-laden speeches are sprinkled with Friedman's stance on legalizing casino gambling to help pay for education, decriminalizing marijuana to free up prison space, developing a taxpayer ID card for illegal immigrants to work.

"We've packaged things a little differently," says Barkley. "But him telling what he really believes? No, that hasn't changed."

No matter the consequences.

The Texas NAACP asked Friedman to apologize after he remarked that "crackheads and thugs have decided they want to stay in Houston" in a speech lambasting rising crime that police in the city attribute to Hurricane Katrina evacuees. Friedman refused, responding: "I am not a racist, I am a realist."

The group excluded Friedman from speaking at its convention this month, while inviting Perry, Bell and independent Carole Keeton Strayhorn.

Then a television interview resurfaced in which Friedman was asked what to do about sexual predators, and he said, "Throw them in prison and throw away the key and make them listen to a Negro talking to himself."

His political opponents jumped on the anti-Friedman bandwagon, also calling for an apology — exactly the kind of politics-as-usual stuff that gets Friedman, and his longtime friends, fired up.

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"I definitely know he's not a racist, because I know Kinky," says Ada Beverly, the 77-year-old daughter of Friedman's childhood caretaker, a black woman named Lottie Cotton, whom Friedman adored. "Kinky is just a wonderful, folk-loving person. He's not gonna whup it around and pretend he's one thing if he's another.

"But once you get Kinky into your heart," Beverly says, "you have a most lovable person."

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Day 3. Texas A&M University, Perry's alma mater. A revelation: There really is another side to Kinky Friedman.

It's the last stop of a long day, and 61-year-old Friedman is exhausted. He's munching on peanut butter crackers, having gone without nourishment for 10 hours. But the line for autographs stretches on, and Friedman won't leave until the last picture is snapped and T-shirt is signed (or cell phone, or empty Marlboro pack).

"He doesn't want to disappoint anybody," Sandy Wolfmueller later explains. She's known Friedman for 30 years, owns a bookstore where he does signing events. She recalls a time when the two of them had some falling out. Then her son died of a degenerative brain disease. "Don't ask me how he found out," she says, "but Kinky was one of the first to call."

Another fan: "He's got the biggest heart. All he does is save people and animals." That's Nancy Parker-Simons, who was tapped by Friedman to run an animal rescue ranch adjacent to his parents' summer camp outside of Kerrville. Friedman's own five dogs are watched over while he's on the road by a Katrina evacuee Friedman's putting up at his house.

Parker-Simons admits emitting a snicker or two when Friedman first broached the subject of running for governor.

Now she realizes, "He really is serious about it." Besides, "Texans would love it. We like to brag and all of that. And, boy, we would have a blast with him!"

It's at the Hilton, at the end of Day 3, with Fox News on the tube and the unsmiling clown staring at the set, that the punch line finally becomes clear: The funnyman's run for governor ain't no joke. Neither is Richard Kinky Friedman.

Edwards Takes Heat Over Quotations About Hillary (WP)

By Zachary A. Goldfarb

The Washington Post, October 22, 2006

Comments attributed last week to the wife of former North Carolina senator John Edwards (D) provided a faint foreshadowing of the intraparty battle that could arise when Democrats choose their presidential nominee in two years.

Elizabeth Edwards said last Thursday that her life has been a happier one than that of Sen. Hillary Rodham Clinton (D-N.Y.), according to the magazine Ladies' Home Journal. Both Clinton and John Edwards, the Democrats' 2004 vice presidential nominee, are prospective 2008 candidates for the presidency.

Clinton "and I are from the same generation," Elizabeth Edwards said at a luncheon sponsored by the magazine. "We both went to law school and married other lawyers, but after that we made other choices. I think my choices have made me happier. I think I'm more joyful than she is." Ladies' Home Journal provided a transcript of the luncheon comments to the Associated Press.

On Friday, Edwards released a statement accusing the magazine of misquoting and misrepresenting her. "This is particularly true with respect to my comments about Sen. Clinton, who holds a serious and demanding public office while I am largely home, joyfully I must admit, with two lovely children," Edwards said in the statement.

Ladies' Home Journal said the quotes were accurate.

Edwards called the former first lady on Friday to apologize, a Clinton aide told the AP.

"They had a good conversation," Howard Wolfson said. "The senator thanked her for the call and wished her well on her book tour."

Edwards is promoting a memoir, "Saving Graces," that examines her experience with breast cancer.

Obama Is Not A Miracle Elixir (NYT)

By Frank Rich

The New York Times, October 22, 2006

THE Democrats are so brilliant at yanking defeat from the jaws of victory that it still seems unimaginable that they might win on Nov. 7. But even the most congenital skeptic has to face that possibility now. Things have gotten so bad for the Republicans

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that were President Bush to unveil Osama bin Laden's corpse in the Rose Garden, some reporter would instantly check to see if his last meal had been on Jack Abramoff's tab.

With an approval rating of 16 percent — 16! — in the new NBC News/Wall Street Journal poll, Congress has matched the Democrats of 1994 or, for that matter, Michael Jackson during his own version of Foleygate. As for Mr. Bush, he is once more hiding behind children in an elementary school, as he did last week when the monthly death toll for Americans in Iraq approached a nearly two-year high. And where else could he go? Some top Republican Congressional candidates in the red state he was visiting, North Carolina, would not appear with him. When the president did find a grateful campaign mate at his next stop, Pennsylvania, it was the married congressman who paid $5.5 million to settle a lawsuit by a mistress who accused him of throttling her.

Maybe the Democrats can blow 2006 as they did 2004, but not without herculean effort. As George Will memorably wrote, if they can't at least win back the House under these conditions, "they should go into another line of work."

The tough question is not whether the Democrats can win, but what will happen if they do win. The party's message in this campaign has offered no vision beyond bashing Mr. Bush and pledging to revisit the scandals and the disastrous legislation that went down on his watch. Last spring Nancy Pelosi did promote a "New Direction for America" full of golden oldies — raising the minimum wage, enacting lobbying reform, cutting Medicare drug costs, etc. She promised that Democrats would "own August" by staging 250 campaign events to publicize it. But this rollout caused so few ripples that its participants might as well have been in the witness protection program. Meanwhile, it was up to John Murtha, a congressman with no presidential ambitions, to goad his peers to start focusing on a specific Iraq exit strategy.

Enter Barack Obama. To understand the hysteria about a Democratic senator who has not yet served two years and is mainly known for a single speech at the 2004 convention, you have to appreciate just how desperate the Democrats are for a panacea for all their ills. In the many glossy cover articles about Obamamania, the only real suspense is whether a Jack or Bobby Kennedy analogy will be made in the second paragraph or the fifth. Men's Vogue (cover by Annie Leibovitz) went so far as to say that the Illinois senator "alone has the potential to one day be mentioned in the same breath" as Richard Wright, Ralph Ellison, Abraham Lincoln and Martin Luther King. Why not throw in Mark Twain and Sammy Davis Jr.?

This is a lot to put on the shoulders of anyone, even someone as impressive as Mr. Obama. Though he remains a modest and self-effacing guy from all appearances, he is encouraging the speculation about seeking higher office — and not as a coy Colin Powell-style maneuver to sell his new book, "The Audacity of Hope." Mr. Obama hasn't been turning up in Iowa for the corn dogs. He consistently concedes he's entertaining the prospect of a presidential run.

There's no reason to rush that decision now, but it's a no-brainer. Of course he should run, assuming his family is on the same page. He's 45, not 30, and his slender résumé in public office (which also includes seven years as a state senator) should be no more of an impediment to him than it was to the White House's current occupant. As his Illinois colleague Dick Durbin told The Chicago Tribune last week, "I said to him, 'Do you really think sticking around the Senate for four more years and casting a thousand more votes will make you more qualified for president?' " Instead, such added experience is more likely to transform an unusually eloquent writer, speaker and public servant into another windbag like Joe Biden.

The more important issue is not whether Mr. Obama will seek the presidency, but what kind of candidate he would be. If the Democratic Party is to be more than a throw-out-Bush party, it can't settle for yet again repackaging its well-worn ideas, however worthy, with a new slogan containing the word "New." It needs a major infusion of steadfast leadership. That's the one lesson it should learn from George Bush. Call him arrogant or misguided or foolish, this president has been a leader. He had a controversial agenda — enacting big tax cuts, privatizing Social Security, waging "pre-emptive" war, packing the courts with judges who support his elisions of constitutional rights — and he didn't fudge it. He didn't care if half the country despised him along the way.

The interminable Iraq fiasco has branded the Democrats as the party of fecklessness. The failure of its leaders to challenge the administration's blatant propaganda to gin up the war is a failure of historic proportions (as it was for much of the press and liberal punditry). When Tom Daschle, then the Senate leader, presided over the rushed passing of the war resolution before the 2002 midterms, he explained that the "bottom line" was for Democrats "to move on"; they couldn't wait to campaign on

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the economy. The party's subsequent loss of the Senate did not prevent it two years later from nominating a candidate who voted for the war's funding before he voted against it.

What makes the liberal establishment's crush on Mr. Obama disconcerting is that it too often sees him as a love child of a pollster's focus group: a one-man Benetton ad who can be all things to all people. He's black and he's white. He's both of immigrant stock (Kenya) and the American heartland (Kansas, yet). He speaks openly about his faith without disowning evolution. He has both gravitas and unpretentious humor. He was the editor of The Harvard Law Review and also won a Grammy (for the audiobook of his touching memoir, "Dreams From My Father"). He exudes perfection but has owned up to youthful indiscretions with drugs. He is post-boomer and post-civil-rights-movement. He is Bill Clinton without the baggage, a fail-safe 21st-century bridge from "A Place Called Hope" to "The Audacity of Hope."

Mr. Obama has offended no one (a silly tiff with John McCain excepted). Search right-wing blogs and you'll find none of the invective showered on other liberal Democrats in general and black liberal leaders in particular. What little criticism Mr. Obama has received is from those in his own camp who find him cautious to a fault, especially on issues that might cause controversy. The sum of all his terrific parts, this theory goes, may be less than the whole: another Democrat who won't tell you what day it is before calling a consultant, another human weather vane who waits to see which way the wind is blowing before taking a stand.

That has been the Democrats' fatal malady, but it's way too early and there's too little evidence to say Mr. Obama has been infected by it. If he is conciliatory by nature and eager to entertain adversaries' views in good faith, that's not necessarily a fault, particularly in these poisonous times. The question is whether Mr. Obama will stick up for core principles when tested and get others to follow him.

That's why it's important to remember that on one true test for his party, Iraq, he was consistent from the start. On the long trail to a hotly competitive senatorial primary in Illinois, he repeatedly questioned the rationale for the war before it began, finally to protest it at a large rally in Chicago on the eve of the invasion. He judged Saddam to pose no immediate threat to America and argued for containment over a war he would soon label "dumb" and "political-driven." He hasn't changed. In his new book, he gives a specific date (the end of this year) for beginning "a phased withdrawal of U.S. troops" and doesn't seem to care who calls it "cut and run."

Contrast this with Hillary Clinton, the presumptive Democratic presidential candidate, who last week said that failed American policy in Iraq should be revisited if there's no improvement in "maybe 60 to 90 days." This might qualify as leadership, even at this late date, if only John Warner, the Republican chairman of the Senate Armed Services Committee, hadn't proposed exactly the same time frame for a re-evaluation of the war almost a week before she did.

The Democrats may well win on Election Day this year. But one of their best hopes for long-term viability in the post-Bush era is that Barack Obama steps up and changes the party before the party of terminal timidity and equivocation changes him.

Growing Absentee Voting Is Reshaping Campaigns (NYT)

By John M. Broder

The New York Times, October 22, 2006

WASHINGTON, Oct. 21 — For millions of Americans, Election Day is already over.

Thirty states now allow no-excuse absentee voting, and most of them also allow voters to cast early ballots in person at county clerks' offices or satellite polling places.

In Montana, absentee ballots were mailed Sept. 22. As many as 40 percent of Florida's voters will cast their ballots before Election Day, Nov. 7. Oregon's elections are conducted entirely by mail, and Washington is moving that way. California sent out 3.8 million absentee ballots the week of Oct. 8.

Candidates are maneuvering to adapt to a changed political calendar, accelerating their advertising, their mailings and their get-out-the-vote calls. They are figuring out exactly who votes early and are trying to get to them before they cast their ballots. They are raising more money and spending it faster.

"Love it or hate it, it's the wave of the future," said Art Torres, chairman of the California Democratic Party. "Election Day started here on Oct. 10 and lasts 29 days. It's tremendously burdensome on our fund-raising and the people we have out in the field."

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Phil Angelides, the Democrat trying to unseat Gov. Arnold Schwarzenegger of California, spent $250,000 to mail 725,000 brochures last week, timed to drop into mailboxes the same day the absentee ballots arrived.

Mike McGavick, the Republican candidate for the Senate seat from Washington, pushed up his television advertising schedule to run spots that an aide called his "closing argument" three weeks before Election Day. More than half of the state's voters will cast ballots by mail before Nov. 7.

In the Denver suburbs, Rick O'Donnell, a Republican candidate for Congress, said he had been emphasizing his hard line on illegal immigration in recent speeches and advertisements to motivate loyal Republicans who he believed were more likely to vote early. Mr. O'Donnell is now pivoting to a message on taxes to try to appeal to independents and undecided voters who are waiting until Election Day.

"It is a different message when it is a different group of people," Mr. O'Donnell said.

"Every day we get a list of additional people who just in the last 24 hours have applied for ballots," he said. "The amazing thing is they are voting tonight at home on the kitchen counter. They come up to me and say, 'I voted for you.' "

Experts estimate that more than 20 percent of voters nationwide will cast their ballots before Election Day by mail or at early-voting locations, a proportion of the electorate that is rising with each election. Some states and counties open the ballots before Election Day and keep the results secret; others count them with regular ballots.

Analysts and party officials who study early voting trends say that a decade ago those who took advantage of absentee ballots tended to be relatively well off and highly educated, with Republicans outnumbering Democrats by almost two to one. But as the ease of early voting has spread, the ratio is slipping and some analysts say that nearly as many Democrats as Republicans now vote early.

Those who favor the practice say it is convenient for voters and increases turnout. Most elections officials welcome the trend because it reduces the strain on polling places and poll workers on Election Day.

But some experts say there is no proof that early voting increases turnout and may well have the opposite effect because some voters request absentee ballots and then neglect to send them in. They are also concerned that absentee ballots are more open to fraud than votes cast at established polling places.

Candidates and political parties are ambivalent. They can get partisans to vote early and then use them as volunteers to help turn out other voters. They can be sure their voters will not be discouraged or turned away at crowded polling places on Election Day.

But for candidates, the trend toward early voting vastly complicates campaigning, as Mr. Torres said. With voting spread over 29 or even 45 days, candidates have to budget their time and money carefully to make sure they are reaching all potential voters before they cast their ballots. They cannot rely solely on a late blitz of advertising, mail and phone calls to motivate voters. They cannot pray for a piece of late-breaking news to alter the outcome.

Nationwide in 2004, an estimated 25 million votes were cast early, roughly 20 percent of the 122 million total. In 2000, about 14 percent of the electorate voted early. There are no reliable national figures for 1996 and earlier, said Paul Gronke, director of the Early Voting Information Center at Reed College in Oregon.

Absentee voting offers an opportunity for political parties to refine and use increasingly sophisticated methods of identifying supporters known as microtargeting. Starting with lists of voters requesting absentee ballots and then researching how they voted in past elections, parties can identify loyalists.

The parties also use magazine subscription lists, catalog mailings and even cable television choices to further identify potential supporters. Both parties use the techniques, but Republicans started earlier and claim an advantage over Democrats in identifying and turning out their voters.

Critics of early voting, however, say that extending the balloting period can discourage voters and distort results. Curtis Gans, director of the Committee for the Study of the American Electorate, said his research showed that no-excuse absentee voting hurt turnout, although 2004 was an exception.

Mr. Gans said that many voters, concerned about fraud and chaos at polling places after the contested 2000 election, took advantage of the new, more liberal rules for absentee and early voting. But he also said there were more cases of fraud in

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absentee balloting than in Election Day voting, citing recent cases of absentee vote-buying in Illinois, Florida and Georgia and a concern about overseas ballots in Florida in 2000.

The Georgia case, from 1996, involved two candidates for county commissioner in Dodge County, who set up tables at opposite ends of the hall in the county courthouse offering $20 cash payments for absentee votes. Both candidates were convicted of vote fraud.

Mr. Gans also said that early voting could minimize the impact of events that occurred close to Election Day, leading to what he called a "differential of information" among voters.

"What if on the Friday before the election Osama bin Laden is captured?" he asked. "Or we had a terrorist act or the stock market tanked, or we learned of a major issue of moral turpitude involving a major candidate?"

The weekend before the 2003 election to recall Gray Davis, the California governor, The Los Angeles Times reported that several women had said that Mr. Schwarzenegger, the winning candidate, had groped them. At that point, more than 2 million of the 9.4 million votes cast in the election had already been mailed.

In giving voters more flexibility in casting their ballots, there are those who say that something intangible is lost. Election Day is a civic ritual, they say, the one occasion every two or four years when millions of citizens show up in a public place to exercise their right to choose their representatives.

"Absentee voting erodes that sense of community," Professor Gronke said. "It is voting alone."

Californians Face Decisions, Decisions (WP/AP)

By Rachel Konrad, Associated Press

The Washington Post, October 22, 2006

Election Officials Concerned That Bulky Voter Guides Will Overwhelm Residents

SAN FRANCISCO -- Voter guides are landing with a thud on doorsteps across California as residents are facing an unusually large number of ballot measures and candidates in next month's election.

Election officials worry that the state's largest guides -- 192-page books sent to 12 million homes -- will overwhelm and discourage would-be voters.

The array of complicated issues on the ballot might also lead to long lines and delays at polling sites if people haven't done their homework.

"The state guide is pretty overwhelming. I haven't gotten through it myself," Shasta County Clerk Cathy Darling said. "My absentee ballot is sitting here in my desk drawer because I haven't read it all yet."

A majority of voters are expected to vote by mail. But the ballots are so big that election officials fear some might be returned for insufficient postage.

California Secretary of State Bruce McPherson said that 24 counties have mail-in ballots exceeding one ounce and therefore requiring 63 cents of postage. He is working with the post office to help ensure that ballots with only one 39-cent stamp will be delivered by Election Day.

The November sample ballot in San Joaquin County is the largest ever -- 100 to 124 pages, depending on the district, or triple the normal size. Many pages are devoted to a proposed tax increase to pay for road and rail projects.

San Joaquin County Registrar Debby Hench said printing costs in a typical election are about $300,000, but the cost this time could be double.

"We know they're big and intimidating-looking, so we're telling voters they need to pre-mark the sample ballot and be prepared when they go into the booth so they don't have to read everything in the polling place -- they will never be able to do that in a timely way," Hench said.

California guides have been swelling since the 1970s, when candidates, voters and interest groups increasingly turned to state propositions to enact legislation.

The October 2003 special election, in which Gov. Gray Davis (D) was recalled from office and replaced by Arnold Schwarzenegger (R) from a field of 135 candidates, required supersize ballots and guides. But at least it was light reading, with

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quips from candidates such as Hustler magazine publisher Larry Flynt, former sitcom star Gary Coleman and melon-smashing comedian Leo Gallagher.

By contrast, the November ballot lists candidates for eight statewide offices, 13 propositions and local ballot measures in nearly all 58 counties.

"Voting in this state can sometimes feel like doing your taxes," said Kim Alexander, president of the California Voter Foundation.

Wealthy Coal Executive Hopes To Turn Democratic West Virginia Republican (NYT)

By Ian Urbina

The New York Times, October 22, 2006

CHARLESTON, W.Va. — Don L. Blankenship is not the governor of West Virginia. But here in coal country some say he may as well be, considering the power he wields.

Mr. Blankenship, the chief executive of the state's largest coal producer, Massey Energy, has promised to spend "whatever it takes" to help win a majority in the State Legislature for the long-beleaguered Republican Party in a state that is a Democratic and labor stronghold.

In a state where candidates who win typically spend less than $20,000, Mr. Blankenship has poured more than $6 million into political initiatives and local races over the past three years. Mr. Blankenship has spent at least $700,000 in his current effort to oust Democrats, and the state is awash with lawn signs, highway billboards, radio advertisements and field organizers paid for by him.

"Don Blankenship would actually be less powerful if he were in elected office," said United States Representative Nick J. Rahall II, a Democrat whose district includes a majority of Massey's coal mines. "He would be twice as accountable and half as feared."

Rather than bankroll his own political ambitions, as have businessmen like Gov. Jon S. Corzine of New Jersey and Mayor Michael R. Bloomberg of New York, Mr. Blankenship has exerted his financial clout in the mold of Warren Buffett and George Soros, choosing issues and candidates in line with his partisan philosophy.

Union leaders say Mr. Blankenship, 56, is the main reason that less than a quarter of the state's coal miners are now organized, down from about 95 percent just three decades ago. And environmentalists describe him as the biggest force behind a highly destructive form of mining called mountaintop removal that involves using explosives to blow off the tops of mountains to reach coal seams.

Local Republicans admiringly say that Mr. Blankenship combines the strategic savvy of Karl Rove, the White House adviser, and the fund-raising skill of Richard Mellon Scaife, the conservative financier. Mr. Blankenship personally oversees his media campaigns; he writes advertisements and designs polls, and speaks on talk radio more than the chairman of the state Republican Party.

"This has never been an easy state for Republicans," said the party chairman, Doug McKinney, seated in his party's headquarters, a dank cinder-block building in Charleston bought in 2002, half of it paid for with a $100,000 donation from Massey Energy. "But finally this state is at a tipping point, and Don is a big reason for that."

In 2004, Mr. Blankenship financed a $3.5 million campaign that catapulted a little-known lawyer, Brent D. Benjamin, who barely won the Republican primary, onto the public stage as the first Republican to serve on the state's Supreme Court.

In 2005, Mr. Blankenship spent $650,000 to deal Gov. Joe Manchin III, a Democrat, the most significant defeat of his tenure by blocking a plan to use bonds to shore up the state's under-financed employee pension plan.

George W. Bush won West Virginia in 2000, the first time since 1928 that voters backed a nonincumbent Republican for president. Mr. Bush won the state again in 2004, and in the past several years, a large number of Republicans have moved into the state's eastern panhandle, mostly from Virginia.

In 2002, Republicans picked up 11 seats in the House of Delegates (but are still in the minority), and local political analysts say it is possible, though a long shot, that the Republicans will pick up the additional 18 House seats they need to control the Legislature in November. The Democrats retain a strong majority in the Senate.

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"Don is really the linchpin of it all," said Gary Abernathy, a consultant for the state Republican Party.

Mr. Blankenship, who declined to be interviewed for this article, told a gathering of Republicans last year in his famously blunt and monotone delivery that it "doesn't take clairvoyance to know what we need to do" in West Virginia.

"If you go down to Virginia and copy the law book and write 'West' in front of it, you would clearly have a more prosperous economy, a better education system and you'd have a better state. It's that simple," he said, referring to Virginia, which is deeply Republican and has more pro-business laws than West Virginia.

The first step in that mission, said Cecil E. Roberts, president of the United Mine Workers of America, has been to oppose unions fervently in the state. "From the first day he could, Don began busting unions," Mr. Roberts said. "He was pretty effective at that, so now Don is trying to extend his reach across the state in politics."

Raised just up the road from Matewan, the scene of an epic 1921 strike, Mr. Blankenship keeps a reminder of his anti-union beliefs in the back of his office. In 1985, Massey broke from the industry and insisted that miners at each site negotiate separately with the company. During the 11-month strike that resulted, someone shot through Mr. Blankenship's office window. The old Zenith television whose screen was shattered by the bullet still sits not far from his desk.

After graduating with an accounting degree from Marshall University in Huntington, Mr. Blankenship worked at several companies before becoming a manager in 1982 at Massey, the fourth largest coal producer in the United States. Eight years later, he became the first non-Massey family member to serve as president of the company.

Mr. Blankenship, who received about $34 million in compensation last year (roughly four times the industry standard) runs the company from a double-wide trailer just across the state line in Belfry, Ky. In April, Mr. Blankenship's personal housekeeper filed a lawsuit seeking unemployment benefits in which she accused him of responding with angry fits to infractions like getting the wrong McDonald's order or stocking the freezer with the wrong ice cream. After the disasters at the Aracoma Alma Mine, which Massey owns, and the Sago Mine, in which a total of 14 miners were killed, Mr. Blankenship drew sharp criticism after he told The Herald-Mail of Hagerstown, Md., that such accidents were rare and statistically insignificant.

E. Morgan Massey, the company's former chief executive and an admirer of Mr. Blankenship's, said that while the criticism he faced as C.E.O. was that he was "too paternalistic," Mr. Blankenship had been viewed differently.

"Let's just say Don is the other way entirely," Mr. Massey said. Mr. Blankenship has also been faulted for his company's environmental record. Massey has had more toxic spills of coal waste than any other company in the state, and from January 2000 to December 2005, it received 4,268 citations from state regulators. The next closest company received fewer than 800. A Massey spokeswoman responded by pointing out that Massey is the largest coal producer in the state.

One of Mr. Blankenship's biggest concerns, especially after Massey lost a $50 million jury verdict in August 2002 for having forced a smaller company out of business, has been "plaintiff-friendly courts" that he says have made West Virginia an expensive place to do business.

At the same time, Mr. Blankenship has not been shy about using the courts to deal with his adversaries. In the past several years he has sued the governor, the United Mine Workers union, the state Supreme Court, and The Charleston Gazette, the state's largest newspaper.

Governor Manchin said he tried not to pay Mr. Blankenship any mind.

"I know Don writes a lot of checks," Mr. Manchin said. "At this point, I'm just sticking with the issues and reminding voters of the successes we've had with help from the Legislature. I'm not paying attention to Don."

The state Democratic Party, however, is taking the opposite approach. It is distributing bumper stickers saying, "Don, WV is not for sale," and has set up a Web site listing controversial comments from Mr. Blankenship. The party has sent letters to Republican candidates pressing them to give back Mr. Blankenship's contributions; so far, two candidates have done so.

The Democratic-controlled Legislature has also tried to rein in Mr. Blankenship's influence.

Last year in response to Mr. Blankenship's impact on the Supreme Court race in 2004, lawmakers passed a campaign-finance law capping at $1,000 how much an individual can give to so-called 527 groups like the one Mr. Blankenship used to influence that race.

However, individuals still can spend unlimited sums of their own money on campaign advertisements, and that is just what Mr. Blankenship has said he plans to do.

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Party Of Jesse Ventura Vies To Be More (WP)

By Conrad Defiebre, Minneapolis Star Tribune

The Washington Post, October 22, 2006

The Big Two Dwarf Minnesota's Independence Party, but It Refuses to Fade

In 12 years as a major political party in Minnesota, the Independence Party has produced one larger-than-life governor, an appointed U.S. senator for 7 1/2 weeks and a smattering of local officials.

Now the party of Jesse Ventura is pinning its hopes on eight statewide and federal candidates, none of whom has ever stood for election before, plus a collection of 17 seekers of lesser offices.

Is this really a major party?

Officially it is, by virtue of attaining 5 percent or more of the vote in at least one statewide race in every Minnesota general election since 1994. And polls show that string is likely to continue with veteran public policy wonk Peter Hutchinson's long-shot gubernatorial run this year.

In some ways, the Independence Party is a serious political force while in others it's still a struggling newcomer.

"They are definitely a player, at the moment probably the most successful third-party movement in America," said Larry Jacobs, director of the Center for the Study of Politics and Governance at the University of Minnesota. "But they're not yet an organization, and their support can be unstable."

Not surprisingly, the two dominant parties -- with more than 200 nominees apiece on the Nov. 7 ballots -- scoff at the IP's thin candidate slates, threadbare finances, middle-of-the-road politics and recent election failures.

"It's hard to talk about the future of a party that hit its high-water mark eight years ago," said Democratic-Farmer-Labor Party spokeswoman Jess McIntosh, referring to Ventura's election. "They had their shot, they showed us what independent leadership looks like, and I don't imagine voters will give them another chance anytime soon."

Added state Republican Party spokesman Mark Drake: "They've been losing a lot of influence in the post-Ventura years."

But state IP Chairman Jim Moore shot back: "The last time the state worked was with a former wrestler who wore a feather boa."

Since Ventura "shocked the world" in 1998 by winning a three-way gubernatorial race with 37 percent of the vote, Tim Penny, the IP's choice in 2002, saw his support fall from the mid-20 percent range in an early poll to 16 percent on Election Day. Hutchinson is languishing in single digits.

Moore says that's about where Ventura was at this stage eight years ago -- he registered 10 percent in a Sept. 23, 1998, poll. But while Hutchinson, a former state finance commissioner and Minneapolis schools superintendent, has impressed debate audiences with his articulate grasp of issues, he has not matched Ventura's name recognition, florid personality and ability to connect with alienated voters.

The party does seem to be trying to re-create something of the offbeat Ventura style. It has produced satirical radio ads featuring the former governor and started an interactive Web site where the party mascot, Indie the Buffalo, answers visitors' questions. A recent "speed candi-dating" event offered happy-hour bar patrons in downtown Minneapolis brief one-on-one conversations with IP candidates.

With its support of rail transit, aggressive environmental initiatives, and abortion and gay rights, the IP is often seen as draining support from the DFL. "They're true liberals," the GOP's Drake said of Hutchinson and other IP candidates who have backgrounds in the DFL. But Jacobs said his public-opinion research shows that Hutchinson draws his current 9 percent support equally from Gov. Tim Pawlenty (R) and DFL Attorney General Mike Hatch.

Tim Anderson, 40, a Minnetonka software consultant, said he will vote the IP ticket now after a lifetime as a dedicated Republican. Anderson said he responds to Hutchinson's calls to simplify the government and get it out of "the hot-button moral issues" that he said have preoccupied the GOP for the past 10 years.

"I don't think they're going to win," he said of the IP slate, "but I like them anyway."

In addition to Hutchinson and his "Team Minnesota" statewide slate of experienced but little-known public policy hands, the IP is focusing resources on a "Team Washington" of U.S. Senate hopeful Robert Fitzgerald and U.S. House candidates Tammy Lee and John Binkowski.

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They are young, likable and well-positioned between DFL and Republican rivals who are "on the edges of their parties," Moore said. But none of them has broken out of single digits in polls.

In the view of IP founder Dean Barkley, "Tammy Lee has an excellent chance of doing well" against Keith Ellison (DFL) and Alan Fine (R) in the Minneapolis-area 5th District. "She might be able to pull that one off."

Binkowski is running against Michele Bachmann (R) and Patty Wetterling (DFL) in the 6th District, north of the Twin Cities.

The IP has fielded only two winners of state offices -- Ventura and state Sen. Sheila Kiscaden, a moderate Republican legislator who was snubbed by her party, won reelection in 2002 under the IP banner and soon thereafter switched to the DFL.

There's little indication that this year's crop of 16 IP legislative hopefuls will repeat Kiscaden's success.

"The problem with the Independence Party is that their only message is 'none of the above,' " said the DFL's McIntosh. "It's not positive, it's not progressive and it's not a message you can actually govern on."

Barkley, who masterminded Ventura's election and later was appointed by him to fill out the final weeks of the late Democratic Sen. Paul Wellstone's term, takes a more positive view.

"They may not be doing as well as they'd like," he said last week from Austin, where he is managing the independent gubernatorial campaign of singer-writer Kinky Friedman. "But we're patient. It's not going to happen overnight. The party is larger than ever. In '94, there were about 12 of us. It gets a little bigger every year."

Running For Office? Better Run From Colbert (LAT)

By Jim Puzzanghera

The Los Angeles Times, October 22, 2006

Lawmakers are wary of his Comedy Central show, which often gives them enough cable to hang themselves.

WASHINGTON — Most politicians are as likely to pass up free TV face time before an election as they would be to refuse a campaign check.

Then again, there's a price to be paid for looking stupid.

That's what members of Congress have learned recently about "Better Know a District," a sarcastic weekly skit that is part of "The Colbert Report," a nightly half-hour on Viacom Inc.'s Comedy Central network.

Hosted by comedian Stephen Colbert, the year-old program is a spinoff of the cable channel's wildly popular "The Daily Show Starring Jon Stewart" and one of an increasing number of political humor shows on cable that are drawing the young viewers whom advertisers covet.

Politicians covet them too for their votes. So, many lawmakers initially played along with the segments in which Colbert interviews a member of the House of Representatives, with few checks and balances on his proclivity to make fools of them.

But after a couple of House members stumbled badly on the show, some incumbents decided that the dumbest thing to do with Colbert's offer of free TV exposure was to take it.

"I watch it all the time," said House Minority Leader Nancy Pelosi (D-San Francisco), "and I think, 'Why would anybody go on there?' "

With polls showing that the balance of power in Congress could shift from Republican to Democrat in next month's elections, few incumbents are in the mood to take chances. Indeed, it's been two months since a current member has appeared.

One who did appear, Rep. Lynn Westmoreland (R-Ga.), discovered the pitfalls when Colbert asked him about a bill he co-sponsored requiring that the Ten Commandments be displayed in the U.S. Capitol.

"What are the Ten Commandments?" Colbert asked matter-of-factly.

"What are all of them?" Westmoreland said, taken aback. "You want me to name them all?"

The June segment showed Westmoreland struggling to name just three. Westmoreland actually named seven, said his press secretary, Brian Robinson. And the remaining ones, he added, were somewhat obscure.

A Bible Belt conservative, the embarrassed Westmoreland has been trying to live down his Commandments performance. No Republican has appeared since.

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Negative phone calls from around the country poured in to Westmoreland's office, mostly from liberals charging hypocrisy, Robinson said. Several clips of the segment are posted on the YouTube website, and Westmoreland's Democratic opponent, Mike McGraw, put the video on his campaign website.

"It's a great thing to do if all Americans had a sense of humor," Robinson said of a Colbert appearance. "Unfortunately, some don't get the joke."

What really got the attention of House members was the experience of Rep. Robert Wexler (D-Fla.). Colbert told him he was free to make even the most outrageous statements because he was running for reelection unopposed. Then Colbert coaxed Wexler into a spoof declaration that he enjoyed cocaine and prostitutes because "it's a fun thing to do."

Several media outlets trumpeted Wexler's comments without making it clear that he was only answering Colbert's fill-in-the-blank questions.

"I'm going to try to keep my day job and not go into comedy," Wexler said, although he noted that the reaction from his constituents was overwhelmingly positive.

Wexler's gaffe, following Westmoreland's trouble, has made some legislators gun-shy about facing Colbert with elections approaching. Colbert and the show's staff have declined media interviews about the segments since the Wexler episode.

But ignoring Colbert has its own perils.

When Rep. Sue W. Kelly (R-N.Y.) declined to appear for the segment that aired Thursday night, Colbert invited her Democratic opponent, John Hall.

"I oppose everything that you stand for," Colbert said, "but you were willing to talk to me. So let's move your numbers right here. Let's smear your opponent."

Hall picked from a deck of "smear cards" fanned by Colbert.

"My opponent smokes marijuana," Hall said blankly.

"That's a bold accusation," the host responded. "It's out there now that Sue Kelly smokes pot."

Ever since Richard Nixon delivered the "Sock it to me" punch line on "Rowan & Martin's Laugh-In" during the 1968 presidential campaign, politicians have sought to use comedy shows to prove they aren't the stiffs they seem to be. Gerald Ford taped two brief lines from the White House for a 1976 episode of "Saturday Night Live."

Bill Clinton defused criticism over a painfully long speech at the 1988 Democratic convention by letting "Tonight Show" host Johnny Carson place an hourglass in front of him during an interview. Four years later, Clinton scored points in his 1992 presidential campaign by playing the saxophone on comic Arsenio Hall's talk show.

But Colbert's series is different.

Instead of high-profile presidential wannabes, it features relatively anonymous House members. The interviews are taped in the lawmaker's office, so there's no studio audience to chastise a hostile questioner. And the approximately five-minute segments are culled from sessions as long as 2 1/2 hours — plenty of time for even an experienced politician to say or do something to make a press secretary cringe.

Over the last year, "Better Know a District" has become the comedic buzz of Capitol Hill. Colbert bills it as a "434-part series" — he's banned the San Diego-area district represented by his "friend," convicted felon Randy "Duke" Cunningham, because constituents didn't notice his "cry for help."

Congressional staffers e-mail video clips, critiquing each performance. Speculating about who will appear next — and how foolish they'll look — has become nearly as popular as handicapping which party will control the House after November's election.

Looking foolish is usually a good bet.

Each segment begins with a short send-up of the representative's district. Colbert introduced the district of Rep. Xavier Becerra (D-Los Angeles) "Entertainment Tonight"-style. He plugged the pastrami sandwiches at Langer's deli with numerous references to Tom Cruise movies and asked in a quiz which hunk — George Clooney, Antonio Banderas or Becerra — was the district's congressman.

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Colbert's shtick lampoons blustery conservative cable TV commentators such as Fox's Bill O'Reilly. He remains in character when he sits down with members of Congress, firing off provocative or just plain stupid questions. Politicians often are flummoxed.

"Is it safe to say you're an America-hating terrorist lover hiding behind a stupid bow tie?" he asked Rep. Earl Blumenauer (D-Ore.).

"Do you have to take your toupee off when you go through security?" Colbert asked Rep. John L. Mica (R-Fla.).

"Have you ever seen a naked woman?" he asked Rep. Brad Sherman (D-Sherman Oaks).

Paul Lewis, a Boston College professor who has studied humor and politics, said the series was just "a trap" for politicians.

"When they go on the show," he said, "they often seem like buffoons."

But for the 30 House members who have appeared over the last year, the risk of facing down Colbert has a potential reward — demonstrating a sense of humor and appealing to young people, who make up a large chunk of the 2 million people who watch each episode.

Many like to play along. Rep. Lynn C. Woolsey (D-Petaluma) arm-wrestled Colbert. Rep. Stephanie Tubbs Jones (D-Ohio) portrayed "Judge Tubbs" in a parody of TV court shows. Rep. Eliot L. Engel (D-N.Y.) let Colbert comb his mustache.

"We don't want to be stuffed shirts only doing dry subjects in a dull format," said Rep. Jack Kingston (R-Ga.), who was the first House member Colbert profiled and had urged colleagues to appear. "We need to make politics interesting and fun to people any chance we get."

Becerra, who is running unopposed, decided Colbert was a risk worth taking. Appearing in August, Becerra was the last incumbent to make that calculation. But it was worth it, Becerra said, noting that it brought attention to his bill to create a national museum for American Latino culture and history.

Well, attention of a sort.

"Why would you want to take America's great art and translate it into Spanish?" Colbert asked Becerra in his Capitol Hill office. "Is this what you want to see?"

Colbert held up a series of pictures. In "Washington Crossing the Delaware," the Father of Our Country wore a sombrero, and a pinata replaced the American flag. "Whistler's Mother" rocked under a fruit-basket hat a la Carmen Miranda. Colombian coffee pitchman Juan Valdez and his trusty mule were seen nosing into "American Gothic."

"That's very clever," Becerra responded, trying not to laugh.

He and others said the key to avoiding political damage was knowing when to stop playing along. "In our business, we're allowed to be funny," Kingston said, "but not real funny."

Sherman participated in a PG-rated spoof of a pornographic movie involving Colbert and a pizza deliveryman, a nod to his district being in the San Fernando Valley, home to the nation's adult film industry. But Sherman said he turned down several requests from Colbert to do potentially embarrassing things in the spoof, titled "Fresh Hot Slice."

In the end, Sherman was shown simply watching Colbert and the deliveryman indulge in some sexually suggestive pizza eating.

"I ate no pizza," Sherman said. "That's not because Colbert didn't want me to eat some pizza."

Democratic consultant Jenny Backus said Colbert offered lawmakers an excellent opportunity to broaden their appeal, just not in the home stretch of the campaign.

"There will always be people in the House trying to stick out of the crowd … but right now is not the season to be doing that," she said, noting that a series of congressional scandals have many voters in a less-than-jovial mood. "In this climate, it's must-not-do TV."

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The GOP Victory (BAR)

By Jim McTague

Barrons, October 22, 2006

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JUBILANT DEMOCRATS SHOULD RECONSIDER their order for confetti and noisemakers. The Democrats, as widely reported, are expecting GOP-weary voters to flock to the polls in two weeks and hand them control of the House for the first time in 12 years -- and perhaps the Senate, as well. Even some Republicans privately confess that they are anticipating the election-day equivalent of Little Big Horn. Pardon our hubris, but we just don't see it.

Our analysis -- based on a race-by-race examination of campaign-finance data -- suggests that the GOP will hang on to both chambers, at least nominally. We expect the Republican majority in the House to fall by eight seats, to 224 of the chamber's 435. At the very worst, our analysis suggests, the party's loss could be as large as 14 seats, leaving a one-seat majority. But that is still a far cry from the 20-seat loss some are predicting. In the Senate, with 100 seats, we see the GOP winding up with 52, down three

We studied every single race -- all 435 House seats and 33 in the Senate -- and based our predictions about the outcome in almost every race on which candidate had the largest campaign war chest, a sign of superior grass-roots support. We ignore the polls. Thus, our conclusions about individual races often differ from the conventional wisdom. Pollsters, for instance, have upstate New York Republican Rep. Tom Reynolds trailing Democratic challenger Jack Davis, who owns a manufacturing plant. But Reynolds raised $3.3 million in campaign contributions versus $1.6 million for Davis, so we score him the winner.

Likewise, we disagree with pollsters of both parties who see Indiana Republican Rep. Chris Chocola getting whomped by Democratic challenger Joe Donnelly, a lawyer and business owner from South Bend. Chocola has raised $2.7 million, versus $1.1 million for Donnelly. Ditto in North Carolina, where we see Republican Rep. Charles Taylor beating Democrat Heath Shuler, a former NFL quarterback, because of better financing. Analysts from both parties predict a Shuler upset.

Is our method reliable? It certainly has been in the past. Using it in the 2002 and 2004 congressional races, we bucked conventional wisdom and correctly predicted GOP gains both years. Look at House races back to 1972 and you'll find the candidate with the most money has won about 93% of the time. And that's closer to 98% in more recent years, according to the Center for Responsive Politics. Polls can be far less reliable. Remember, they all but declared John Kerry president on Election Day 2004.

Our method isn't quite as accurate in Senate races: The cash advantage has spelled victory about 89% of the time since 1996. The reason appears to be that with more money spent on Senate races, you need a multi-million-dollar advantage to really dominate in advertising, and that's hard to come by.

But even 89% accuracy is high compared with other gauges. Tracking each candidate's funding is "exceptionally valuable because it tells you who has support," says William Morgan, executive director of the renowned Mid-West Political Science Association in Bloomington, Ind. The cognoscenti, he says, give the most money to the candidate they believe has a good chance of winning.

WE FOUND NO SHORTAGE of people to challenge us. They argue that money doesn't make a difference when the electorate is as worked up emotionally, as it is this year. John Aldrich, a professor of political science at Duke University who writes extensively about elections, says that a candidate really doesn't need the most money to win; he merely requires enough cash to get his message across. Aldrich believes Democrats will win this year with less money because they won't have to spend so much to persuade voters to switch horses.

"The support for the president, the Congress and incumbents is relatively low by historical standards," he says. In fact, a new Wall Street Journal/NBC News Poll says voter disgust with Congress is the lowest in the survey's 17-year history.

It's true that our formula isn't foolproof. In 1958, 1974 and 1994, the wave of anti-incumbent sentiment was so strong that money didn't trump voter outrage. We appreciate that voters in 2006 are hopping mad at the GOP because of the war and because of scandal. We just don't agree that the outrage has reached the level of those earlier times. The reason is that the economy in 2006 is healthier. And the economy is the only other factor that figures in our analysis.

In 1958, in sharp contrast to now, the country was in a deep recession. Though the Democrats controlled the House, voters blamed their pain on Republican President Dwight David Eisenhower, and it cost the GOP 48 seats. In 1974, a Watergate year, inflation and an Arab oil embargo pinched household budgets and helped fuel voter anger at Republicans. In 1994, though the economy was improving, unemployment was above 6% and personal income began to fall in the quarter prior to the election,

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souring the mood of the electorate. People blamed their pain on high taxes, which they associated with Democrats, and ushered in Newt Gingrich & Co.

Take a look at how Jim McTague did with his picks in 2004. (Part 1 | Part 2)

Though the current economy is slowing, unemployment remains relatively low, at 4.6%, and disposable-income growth is positive. While GDP figures will be revised downward in coming weeks and unemployment figures could edge up, it may not matter. Those numbers are "interesting stuff for economists, but voters will continue to focus on pocketbook issues like the price of gas and the value of their 401(k)s," says GOP insider Rick Hohlt. Pump prices have been falling and the Dow Jones Industrial Average has been on a tear, reaching 12,000 last week.

Hohlt and analyst John Morgan say Republicans will have unusually tough election-day challenges from Democrats in more than 50 races -- a high number. They recall no more than 20 highly competitive races in 2004. All but 10 of this year's contested seats are held by incumbents, and Hohlt and Morgan aren't predicting an outcome.

IF WE'RE EVEN HALF right, and the GOP retains control of the Senate but loses the House, then there would be important ramifications for the stock market. Since traders often have disdain for Democrats, there could well be a relief rally, at least in the short term. "It would force investors to rethink some overzealous discounting of stocks," says Chuck Gabriel, chief political analyst for Prudential Equity Group.

Fear of Democrats, he suggests, may be playing a role in the weakness in energy and pharmaceutical stocks, with investors bracing for a populist backlash against profits. "Elections may or may not be a driver, but it would not hurt to remove that headwind," says Gabriel.

Shares of student lender Sallie Mae also may also be feeling the weight of the presumed Democrat victory. The theory is that Democrats would reduce student-loan rates if they control both ends of the Capitol, hurting profit margins for parent SLM (ticker: SLM). It's unlikely Democrats could succeed with the Senate in GOP hands.

Gabriel adds that shares of mortgage giants Fannie Mae (FNM) and Freddie Mac (FRE), which have gained since Mark Foley resigned on Sept. 29 amid a sex scandal, might decline with even a partial GOP victory. Republicans are considered less friendly to the quasi-governmental agencies than pro-housing Democrats.

President Bush certainly would have to rethink his approach to Congress if our scenario plays out either in full or in part. The GOP majority in Congress would be so slim that the president would have to live up fully to a promise he made during his first election campaign to be a "uniter," not a "divider." He'd have a monstrously difficult time getting Congress to make his tax cuts permanent. His desire to reform Social Security with private investment accounts likely would remain unfulfilled.

The scandals and the unpopular war are not all that are propelling Democrats this year. The party has fielded candidates who are more attractive and better financed than in many past campaigns.

There are nine House races where the GOP's funding advantage is minimal, allowing for upsets. However, we don't think the Democratic pockets are deep enough to bring about a rout in these contests. There are nine other races where Democrats have very narrow funding advantages -- but the Republican Party has ready money to pour into such contests. Sara Taylor, director of the White House Office of Political Affairs, says the Republican Party has a $56 million cash advantage over Democrats going into the final weeks of the campaign. That's a lot of TV ads.

MANY ON WALL STREET believe the Democrats will triumph this year, too. "I'm not a big believer in generic polls, but the 23-point lead that Democrats have over the GOP in the recent USA TODAY/Gallup Poll is about as wide as it gets," says Greg Valliere, chief political strategist for the Stanford Washington Research Group, a leading adviser to the Street. The poll Valliere cites showed 59% of respondents favoring Democratic candidates, 36% favoring Republicans and 5% undecided. "I threw in the towel for the Republicans a day or two after the Foley scandal broke," he says.

Even the "investors" who buy contracts on the Iowa Electronics Market are down on the Republicans for the first time in memory. Contracts that will be worth $1 if Hastert & Co. end up retaining control of the House on Nov. 7 are trading for around 30 cents -- hardly a vote of confidence.

You hardly can blame Democrats for feeling giddy as the mid-term contest approaches. The GOP Congress has proved more adept at producing scandal than legislative reforms, and the unrelenting bloodbath in Iraq doesn't instill strong public confidence in our commander-in-chief. Maryland Democratic Rep. Chris Van Hollen contends the GOP's old trump card,

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terrorism, no longer has an effect on voters because they perceive America's pacification effort in Iraq "is a mess and in chaos because of gross incompetence by the Bush administration."

There's no denying that the Democrats have fielded stronger candidates this time around. The effects of that will be on display throughout Election Day in close races around the country. Here's a rundown on some of the tightest.

In Connecticut's fourth congressional district, Republican Rep. Chris Shays is in a bruising rematch against Diane Goss Farrell, whom he narrowly beat in 2004. He's raised $3.2 million to her $2.5 million. That puts her within reach of an upset, but we reckon Shays' funding advantage will help him keep his seat, even though the district voted against Bush in the past two presidential elections.

In New Hampshire's second district, incumbent Republican Rep. Charlie Bass, who was elected in 1994, has raised a total of $918,789. The challenger, lawyer Paul Hodes, whom Bass beat handily in 2004, has raised about $1.1 million. Although Bass is the incumbent and within striking distance, it looks as though he's going to be knocked off, based on the money.

In Indiana's 9th district, in the southeastern part of that state, Republican incumbent Mike Sodrel looks as if he will survive a spirited challenge by Baron Hill. Sodrel unseated Hill in 2004 after losing to him in 2002. Sodrel has raised $2 million versus $1.2 million for Hill, a comfortable funding advantage.

When Barron's visited the 9th district in July, we wrote that Sodrel would face an uphill fight because Republicans there were angry at Bush for running up the deficit and for mismanaging the Iraq war. Not only is Bush unpopular in the district; so is GOP Gov. Mitch Daniels. The fundraising numbers tell us that the GOP base might have had second thoughts about voting for a Democrat. Still, we expect Democrats to unseat Republicans in two other Indiana congressional districts.

In Pennsylvania, pundits have written off Republican Sen. Rick Santorum, who has raised $17.3 million. His Democratic challenger, Bob Casey, who has raised $15 million, has a large lead in the polls. This is the first serious challenge for Santorum since he was elected in 1994. We see him defying the pollsters on Nov. 7 and hanging on to his seat, with voters from the Western part of the state riding to his rescue.

Take a look at how Jim McTague did with his picks in 2004. (Part 1 | Part 2)In Rhode Island, we predict Republican Lincoln Chafee will lose to democratic challenger Sheldon Whitehouse, a former U.S. attorney. Whitehouse has raised more than $4 million versus about $3.5 million for Chafee. According to the Center for Responsive politics, nearly 80% of the challenger's money comes from individuals as opposed to political committees. Chafee has raised about 50% from individuals. Clearly Whitehouse has a better organization.

With only two weeks to go, a barrage of contradictory poll findings is apt to confuse the oddsmakers, not to mention voters. But we're sticking with our numbers, and they say one thing: The Democrats don't have quite enough heft to push aside the elephant.

The End Of An Era? (WP)

By Darryl Fears And Hamil R. Harris

The Washington Post, October 22, 2006

With Farrakhan Ill, the Nation of Islam Prepares for Change

Nearly 30 years after Louis Farrakhan seized control of the Nation of Islam, the organization is preparing for a change at the top. The controversial minister is battling what he has described as a "life-threatening" illness -- painful swelling of the prostate that has left him more than 30 pounds underweight, dehydrated, anemic and unwilling to eat.

Farrakhan, 73, recently relinquished his duties and turned control over to an executive panel of trusted lieutenants, exhorting them to move the Nation of Islam forward and prove that it is more than the charisma and influence of one man.

"The minister has good days. He has bad days," said Ishmael Muhammad, who leads the organization's flagship Mosque Maryam in Chicago and sits on the executive board. "The doctors are meeting to talk about what steps they can take to help him . . . so that he does not have to suffer through the pain he's constantly in."

Muhammad said the board runs the Nation of Islam's day-to-day responsibilities. It includes Abdul-Alim Muhammad, Farrakhan's medical adviser; Leonard Muhammad, the chief of staff; and Mustafa Farrakhan, one of the leader's sons.

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Although they are considered equals, each board member is poised to take over the organization if Louis Farrakhan fails to fully recover.

Power struggles are nothing new within the deeply insular Nation of Islam. After leader Elijah Muhammad died in 1975, Farrakhan split with Wallace D. Mohammed, the son who replaced him, and started his own following.

Wallace Mohammed angered some members by renouncing his father's unorthodox teachings and seeking to convert the Nation to orthodox Sunni Islam. But Farrakhan, a former calypso singer, followed Elijah Muhammad's doctrine almost to the letter, mesmerizing black audiences with messages of social liberation and empowerment that culminated with the Million Man March in 1995, one of the largest African American gatherings in history.

"Minister Farrakhan has been one of the strongest voices in our community in terms of his critique against racism in the black community, and that voice has been important," said Ronald Walters, a University of Maryland professor of political science who teaches a course in black leadership.

But Farrakhan failed to follow through on his promises to unify black men, create jobs and make black communities self-sufficient, Walters said.

"It didn't go anywhere," he said. "He didn't lend himself to implementation. He went off into the desert, and we couldn't get the implementation and administration started."

A change in leadership could allow the Nation to move away from a controversial mythology. Followers are taught that the group's founder, Wallace Fard, was an incarnation of God and that a scientist named Yacub created white people, notions that are dismissed by orthodox Muslims.

Eight years ago, as he fought prostate cancer, Farrakhan softened his tone and sought to burnish an image that had been improving since the Million Man March. He said reports that he had called Judaism a "gutter religion" misquoted him, and he said he did not mean to offend.

But recently, Farrakhan returned to anti-Semitic statements. During a speech at the group's Savior's Day ceremony in February, he was quoted as saying that "false Jews promote the filth of Hollywood," including homosexuality. "You may not like me," he said, "but I don't give a damn. I'm throwing down the gauntlet today."

Such comments by the Nation of Islam leader are "offensive not only to Jews, but it hurts their credibility as an organization trying to lift up blacks," said Deborah Lauter, director of civil rights for the Anti-Defamation League, a Jewish organization. "Promoting hatred of Jews and whites diminishes the positive messages they're trying to send. The Jewish people will not sit at the table with hate groups, whether they are black or white."

Earlier this year, Farrakhan began experiencing pain that he says was a result of the radiation treatment he received for his bout with prostate cancer in 1998.

"As you know, I have been suffering from the after-effects of an extremely high dose of radiated seed," Farrakhan wrote in a statement last month. "Over time, these seeds have done severe internal damage."

He continued, "I am postponing indefinitely all engagements, meetings and appointments so that I can concentrate, with Allah's (God's) Help, to bring myself back to a state where I may be able to continue to serve the rise of our people."

Speaking more directly to his followers, he wrote, "I know that you (the Believers) will accept the challenge to move our Nation forward, being ever watchful for any smart, crooked deceiver and hypocrite who would create confusion over my present condition."

In Washington, Abdul-Alim Muhammad said the Nation of Islam will thrive with or without Farrakhan. "As we go forward, it will not be wise to think that we are going to produce someone like him," he said.

Although Farrakhan vowed to come back strong, "so that I can continue to serve because I do not believe that my earthly work is done," some followers, in private conversations, seemed uncertain about his future.

Benjamin Muhammad, who once ran the NAACP under the name Benjamin F. Chavis Jr., wished Farrakhan well and said he is in his prayers. But he said the illness is a difficult challenge to overcome.

Ishmael Muhammad said speculation about life without Farrakhan "is premature when the man is still yet present among us." He said the Nation of Islam would continue to fight oppression through its members worldwide.

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"We never discuss actual membership," he said. Critics have said the number of Nation of Islam followers has fallen greatly as black Americans convert to orthodox Islam.

Others outside the organization wondered whether it could last without Farrakhan's charismatic influence.

"My guess is that the NOI will be around in some form for the indefinite future," said Ibrahim Abdil-Mu'id Ramey, director of human and civil rights for the Muslim American Society's Freedom Foundation.

"It will not in my opinion be as large or vital as it is now. I think an analogy that might be appropriate is the analogy of the Garvey Movement."

When Marcus Garvey died in 1940, his Universal Negro Improvement Association faded almost to nothing. There are people today who keep its memory alive, Ramey said, "but it is no longer an organization at the forefront of the African American struggle."

Rice Criticizes Russia's Limits On News Media (NYT)

By Thom Shanker

The New York Times, October 22, 2006

MOSCOW, Oct. 21 — Secretary of State Condoleezza Rice criticized shrinking Russian press freedoms, questioned the enforcement of a restrictive new law on foreign private groups here and called for eased tensions between Russia and neighboring Georgia when she arrived here Saturday to discuss the North Korean nuclear crisis.

Ms. Rice's remarks raised the possibility of a testy atmosphere for the discussions in Moscow, the last stop of her pan-Asia trip aimed at urging tough enforcement of the Security Council sanctions imposed on North Korea a week ago in response to its Oct. 9 underground nuclear test.

In a symbolic decision that no doubt will be scrutinized by the Kremlin leadership, Ms. Rice invited senior editors of Novaya Gazeta, a leading independent journal, to a meeting at her hotel. The session, which included the son of the assassinated journalist Anna Politkovskaya, came just before she headed into official government meetings.

Earlier, Ms. Rice said that the future of a free Russian press and electronic media "is a major concern" of the United States government.

"There is still an independent print press," she said. "Unfortunately, there is not much left of independent television in Russia."

Ms. Politkovskaya, shot to death this month in what appeared to be a professional killing, had made a name for herself with tough reporting on the war in Chechnya, and was a fierce critic of the administration of President Vladimir V. Putin.

Mr. Putin, who was to meet with Ms. Rice not long after her session with Ms. Politkovskaya's colleagues and the journalist's son, Ilya Politkovsky, has described the killing as "a crime of loathsome brutality," but also said that "her influence on political life was extremely insignificant in scale."

Ms. Rice told correspondents traveling aboard her plane that she also would ask Russian leaders to explain the enforcement of a new law that requires foreign nongovernmental organizations to register with the government. The deadline for registration was last Thursday, and dozens of the groups, many of them highly critical of the Kremlin, were told to cease operations until their registration applications had been processed. How long that will take is unclear.

"In some cases it is being implemented in ways that are making it difficult for NGO's to operate, and so I think we have to go over that," Ms. Rice said.

A senior State Department official, speaking on condition of anonymity in accordance with diplomatic protocol, said later Saturday that three organizations at the center of the debate — the National Democratic Institute, the International Republican Institute and the Carnegie Endowment for International Peace — had successfully registered. Even so, the official said, the United States still sees no guarantee that "Russia will not abuse this law and this process."

As she began a day of meetings that was to include lunch with Foreign Minister Sergey Lavrov and a dinner with Defense Minister Sergei B. Ivanov, Ms. Rice said she planned to urge Moscow to reduce any chance for increasing conflict with neighboring Georgia. Simmering Russia-Georgia animosity escalated this month after Georgia detained four Russian military personnel for suspected espionage.

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The senior State Department official described Ms. Rice's discussions with Mr. Lavrov on Georgia as "constructive." The official added: "I'm not here to tell you that all will be well. I'm here to tell you we had a good conversation" on potential steps to help ease tensions between the two countries.

On North Korea, Ms. Rice cast doubts on South Korean press reports that the North's leader, Kim Jong-il, had expressed regret to a visiting Chinese envoy for ordering the nuclear test and had pledged not to detonate another nuclear device.

Ms. Rice said she was given no information to confirm those press reports during her talks in Beijing on Friday and said she believed that the North Koreans "would like to see an escalation of the tension."

During her talks in Moscow, Ms. Rice said, she also intended to discuss efforts to halt not only North Korea's nuclear program, but Iran's. Before her arrival, Mr. Lavrov, the foreign minister, told a Kuwaiti news service that his government would not allow the Security Council to be a vehicle for pressuring Iran over its nuclear program.

Moscow Meeting Highlights Concerns On Press Freedom (WP)

By Glenn Kessler

The Washington Post, October 22, 2006

MOSCOW, Oct. 21 -- Secretary of State Condoleezza Rice on Saturday interrupted her diplomacy on the North Korean nuclear crisis to meet with the son of a slain Russian journalist and top editors of her newspaper, saying that "the fate of journalists in Russia is a major concern."

Rice's high-profile meeting, scheduled at the request of the State Department, came shortly before she met with Russian President Vladimir Putin, primarily to discuss Russia's implementation of sanctions on North Korea for testing a nuclear device.

Rice arrived here Saturday after stops in Japan, South Korea and China, and her decision to highlight her concern about eroding press freedoms in Russia indicated the delicate balance the Bush administration is trying to strike with Russia. One of Rice's aides said the meeting was intended to express condolences and offer support for independent journalism. "It was not a poke in the eye but the right thing to do," he said.

Anna Politkovskaya, a veteran journalist who had sharply criticized the Kremlin and its proxies in the conflict in Chechnya, was shot four times on Oct. 7, presumably for her reporting. No senior Russian officials attended her funeral, which attracted thousands of mourners.

"Anna Politkovskaya was a particularly well-known and well-respected journalist, so I think it's important to note that," Rice told reporters traveling with her from Beijing to Moscow, previewing the comments she made to the editors of Novaya Gazeta, the newspaper where Politkovskaya had worked.

Novaya Gazeta is "one of the best independent voices in Russia," Rice said, noting that the country still has independent print media and some independent radio. "Unfortunately, there is not much left of independent television in Russia," she said.

When Rice entered the meeting with the journalists, she introduced herself and made brief opening remarks in Russian before reverting to using an interpreter.

Dmitry Muratov, editor-in-chief of Novaya Gazeta, gave Rice some books and copies of the newspaper dedicated to Politkovskaya. The slain journalist's son, Ilya, 28, a public relations specialist, said he agreed with Rice's comments about his mother's courage and the tragedy of her loss, but he declined to comment on Rice's statements on press freedoms. He said that was not his area of expertise.

Rice on Saturday also cast doubt on a widely publicized report that North Korean leader Kim Jong Il had assured Chinese officials he would not conduct a second nuclear test. The Chinese envoy who met with Kim "did not tell me that Kim Jong Il either apologized for the test or that he would not ever test again," she said.

Rice Takes Time Out From North Korea To Push Russia On Rights (AFP)

By David Millikin

AFP, October 22, 2006

US Secretary of State Condoleezza Rice broke away from her North Korea crisis mission to send some pointed messages to President Vladimir Putin's government over human rights and other sore points in US-Russian relations.

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Rice arrived from Beijing at midday for a flurry of meetings with Putin, Foreign Minister Sergei Lavrov and Defense Minister Sergei Ivanov that were to focus primarily on implementing UN Security Council resolution 1718 imposing sanctions on North Korea over its recent nuclear test.

But she found time to meet at her request with editors of Novaya Gazeta, the independent newspaper of slain investigative journalist Anna Politkovskaya, and also questioned the Russian leaders over human rights issues.

Rice requested the encounter, which took place in a Moscow hotel, a State Department official said.

Politkovskaya's son, Ilya Politkovsky, 28, was also present.

The journalist, a prominent Kremlin critic who investigated corruption and human rights abuses, was gunned down this month outside her Moscow apartment in what police said was a contract killing.

No arrests have been made in the case, the 13th apparently deliberate killing of a journalist since Putin came to power in 2000.

Independent media have dwindled significantly under Putin's rule, with virtually all television networks now under state control and many radios and newspapers held by interests close to the Kremlin, US officials said.

Two days after Politkovskaya's October 7 murder, Rice warned the Russian government "that everybody is watching, that an investigation of this event is absolutely necessary."

In an emotional encounter, Rice, a Russia scholar and expert in the history of the former Soviet Union, briefly addressed the group in Russian before making a few remarks in English on the purpose of her one-day Moscow visit.

A senior State Department official said Rice wanted to hold the meeting "as part condolences... and part support for what is left of a free media in Russia."

He denied the meeting was intended as a slight to Putin.

"We certainly didn't plan it as a poke in the eye, but the right thing to do," he said.

In addition to concerns about press freedom under Putin, Rice said she and her aides would ask about a new law requiring foreign non-governmental organisations (NGOs) to register with authorities.

The NGOs, including Amnesty International and Human Rights Watch, have complained that the law is a bid by Putin to monitor and restrict their work, which often involves investigating alleged human rights abuses in the country.

A deadline for registration passed on Thursday and a number of NGOs that did not submit their documents in time were forced temporarily to suspend their operations, though Russian officials said most did comply on time and promptly received new registration.

The State Department's point man for Europe, Dan Fried, discussed the issue Saturday with Russia's Human Rights ombudsman, Vladimir Lukin, a senior official said.

While the Americans welcomed the fact that some major US NGOs had received their registration, there were still concerns the law could be misused in future, the official said.

"I can't say with confidence that the Russians will not abuse this law," he said.

Rice and her delegation also raised the flare-up in tensions between Russia and the pro-US government of the former Soviet republic of Georgia and reports of harrassment of Georgians living in Russia.

Relations between the two states soured dramatically after Georgia arrested four Russian military officers accused of spying last month.

The four were quickly released, but the two governments remain locked in confrontation over two breakaway Georgian regions, Abkhazia and South Ossetia, which have received support from Moscow.

Georgia has threatened to use military force against the rogue regions, a move that could spark a conflict with Russia.

"Cooler heads need to prevail here... because that is the kind of problem that can get out of control," Rice said before meeting with the Russians.

The senior official said the two sides held constructive talks on the crisis and "the Russians acknowledged that they don't want to go over the cliff, to have some terrible blowup with the Georgians that destabilizes the South Caucasus."

Rice Prods Moscow On Press Freedom, Iran (AP)

DOJ_NMG_0084594

By Anne Gearan

AP, October 22, 2006

Secretary of State Condoleezza Rice on Saturday delivered a symbolic rebuke to Russia over shrinking press freedoms even as she courted President Vladimir Putin for help punishing Iran over its nuclear program.

Rice made a point of scheduling an interview with Novaya Gazeta, the newspaper where a reporter critical of Russian policy in neighboring Chechnya had worked before her murder this month. Rice also met with the reporter's son.

Rice's one-day trip to Moscow followed talks in Asia last week over North Korea's nuclear test on Oct. 9. Russia voted for U.N. penalties against North Korea after the test, and the United States is seeking Russian cooperation for an upcoming vote on sanctions against Iran.

Yet even before Rice arrived in the Russian capital, her Russian counterpart said Moscow will not allow the Security Council to be used for punitive measures against Iran. Russia, however, was ready to discuss ways to pressure Iran into accepting broader international oversight of its nuclear program, Foreign Minister Sergey Lavrov said.

"Any measures of influence should encourage creating conditions for talks," Lavrov said in an interview with the Kuwaiti News Agency KUNA that was posted on the Russian Foreign Ministry Web site Saturday.

"We won't be able to support and will oppose any attempts to use the Security Council to punish Iran or use Iran's program in order to promote the ideas of regime change there," according to the interview Friday.

A draft resolution is expected to be introduced in the Security Council early this week, and diplomats have said they would seek limited penalties for Tehran's refusal to suspend uranium enrichment.

Rice's decision to meet with Novaya Gazeta editors and reporters was a reminder to Putin of the widening rift between Russia and the U.S. over what the Bush administration sees as a rollback of democratic gains under the Russian president.

She met privately with Putin later Saturday.

Previewing her message to the newspaper editors, Rice told reporters traveling with her that she wanted to speak to one of a shrinking number of "independent voices" in Russian media.

"The fate of journalists in Russia is a major concern," Rice said. "Anna Politkovskaya was a particularly well-known and well-respected journalist so I think it's important to note that."

Politkovskaya repeatedly had accused Chechen Prime Minister Ramzan Kadyrov's security forces of abducting, torturing and killing innocent people. Her newspaper posthumously published her last story that described alleged torture by the Kremlin-backed Chechen security services.

Politkovskaya, a sharp critic of Putin and the conduct of the Kremlin and of Russia's war in Chechnya, was found shot dead at her Moscow apartment building.

Since Putin's election more than six years ago, he has presided over what critics have called a steady rollback in press freedoms won since the Soviet Union's collapse. Top independent television stations have been shut down and print media are under growing pressure from officials.

Putin said the killers had done the Russian government no favor. The killing "inflicts much greater damage to the government than any of her writing," he said after the killing.

The media rights group Reporters Without Borders has called Putin one of the world's press freedom "predators."

Rice's last Asian stop was in Beijing, North Korea's traditional ally, where she met with a Chinese government envoy just back from a hastily arranged visit with North Korean leader Kim Jong Il.

Rice said the envoy, State Councilor Tang Jiaxuan, told her nothing that confirmed news reports about conciliatory moves from the North.

"Councilor Tang did not tell me that Kim Jong Il either apologized for the test or said that he would never test again," Rice said, adding that she does not know the source of widely circulated South Korean media reports to the contrary.

"I don't know whether or not Kim Jong Il said any such thing. But the Chinese ... in a fairly thorough briefing to me about the talks, said nothing," that confirms it, Rice said.

Lavrov, in the Kuwaiti interview, urged the U.S. and North Korea to settle issues such as U.S.-imposed financial restrictions in order to clear the way for international talks to resume on the North's nuclear program.

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"Both sides should show flexibility," he said.

Rice's Visit To Newspaper Seen As Rebuke To Putin (WT/AP)

By Anne Gearan, Associated Press

The Washington Times, October 22, 2006

MOSCOW -- Secretary of State Condoleezza Rice delivered a symbolic rebuke yesterday to Russia over shrinking press freedoms even as she courted President Vladimir Putin for help punishing Iran over its nuclear program.

Miss Rice made a point of scheduling an interview with Novaya Gazeta, the newspaper where a reporter critical of Russian policy in neighboring Chechnya had worked before her slaying this month. Miss Rice also met with the reporter's son.

Miss Rice's one-day trip to Moscow followed talks in Asia last week over North Korea's nuclear test on Oct. 9.

Russia voted for U.N. penalties against North Korea after the test, and the United States is seeking Russian cooperation for an upcoming vote on sanctions against Iran.

Yet even before Miss Rice arrived in the Russian capital, her Russian counterpart said Moscow will not allow the Security Council to be used for punitive measures against Iran.

Russia, however, was ready to discuss ways to pressure Iran into accepting broader international oversight of its nuclear program, Foreign Minister Sergey Lavrov said.

"Any measures of influence should encourage creating conditions for talks," Mr. Lavrov said in an interview with the Kuwaiti News Agency KUNA that was posted on the Russian Foreign Ministry Web site yesterday.

"We won't be able to support and will oppose any attempts to use the Security Council to punish Iran or use Iran's program in order to promote the ideas of regime change there," according to the interview yesterday.

A draft resolution is expected to be introduced in the Security Council early this week, and diplomats have said they would seek limited penalties for Tehran's refusal to suspend uranium enrichment.

Miss Rice's decision to meet with Novaya Gazeta editors and reporters was a reminder to Mr. Putin of the widening rift between Russia and the United States over what the Bush administration sees as a rollback of democratic gains under the Russian president.

She met privately with Mr. Putin later yesterday.

Previewing her message to the newspaper editors, Miss Rice told reporters traveling with her that she wanted to speak to one of a shrinking number of "independent voices" in Russian media.

"The fate of journalists in Russia is a major concern," Miss Rice said. "Anna Polikovskaya was a particularly well-known and well-respected journalist, so I think it's important to note that."

Mrs. Polikovskaya repeatedly had accused Chechen Prime Minister Ramzan Kadyrov's security forces of abducting, torturing and killing innocent people. Her newspaper posthumously published her last story, which described reputed torture by the Kremlin-backed Chechen security services.

Mrs. Polikovskaya, a sharp critic of Mr. Putin's and the conduct of the Kremlin and of Russia's war in Chechnya, was found fatally shot at her Moscow apartment building. It appeared to be a professional hit.

Since Mr. Putin's election more than six years ago, he has presided over what critics have called a steady rollback in press freedoms won since the Soviet Union's collapse. Top independent television stations have been shut down and newspapers are under growing pressure from officials.

Mr. Putin said the killers had done the Russian government no favor. The killing "inflicts much greater damage to the government than any of her writing," he said after the killing.

The media rights group Reporters Without Borders has called Mr. Putin one of the world's press freedom "predators."

Diplomatic Juggling Act In Russia (LAT)

By David Holley

The Los Angeles Times, October 22, 2006

Rice discusses nuclear issues with Putin and officials, and shows support for press freedom.

DOJ_NMG_0084596

Secretary of State Condoleezza Rice pressed Russia for a tougher stance against nuclear proliferation Saturday while fitting into her schedule a gesture of support for press freedom here.

In a diplomatic juggling act, Rice met with President Vladimir V. Putin and other officials, but also risked the Kremlin's ire by meeting with editors of the newspaper Novaya Gazeta.

Anna Politkovskaya, a prominent reporter for the newspaper who had been a fierce critic of Putin, was gunned down outside her home Oct. 7. The apparent assassination has not been solved.

Rice squeezed an afternoon meeting with Politkovskaya's colleagues between sessions with Foreign Minister Sergei V. Lavrov and with Putin. She was also scheduled to have a late dinner with Defense Minister Sergei B. Ivanov.

Few details emerged on the results of Rice's meetings, which culminated a four-nation tour that began in Asia and focused on North Korea's nuclear program. U.S. officials had no immediate comment on the talk with Putin.

A senior State Department official said that in her meeting with Lavrov "there was a discussion of next steps" to be taken in regard to Iran's nuclear research. "This was a decent exchange, a good exchange, and I think we're making progress," he said. "But I don't want to predict next steps."

This week, the U.N. Security Council is scheduled to consider a draft resolution on Iran that is expected to call for penalties over Tehran's refusal to suspend uranium enrichment.

Russian presidential spokesman Alexei Gromov told reporters that Rice had briefed Putin on her visits to Tokyo, Seoul and Beijing.

"The president and the secretary of State shared perspectives on issues relating to North Korea as well as on more general issues of nuclear non-proliferation," Gromov said, according to the Russian news agency RIA Novosti.

Speaking on her airplane with reporters traveling with her, Rice said that in her meetings with Russian officials she would discuss steps to implement the recent U.N. resolution imposing sanctions on North Korea in response to its Oct. 9 nuclear test.

She mentioned possible U.S.-Russian cooperation in enforcing sanctions against North Korea under the 2003 U.S.-led Proliferation Security Initiative, which involves a group of 16 countries that have agreed to take steps to stop the flow of weapons of mass destruction, including boarding ships for inspections.

Rice also said, according to a State Department transcript, that she would discuss relations between Russia and Georgia, a former Soviet republic. The relationship has withered in recent months over several issues, including Russian support for separatists in Georgia.

"I think we've been clear with both sides that cooler heads need to prevail here," she said.

The State Department official said that in the meeting with Novaya Gazeta, Rice wanted to show support for Politkovskaya's family, the newspaper and the remaining independent media in Russia.

There was no intent to insult Putin, he added.

"We certainly didn't plan it as a poke in the eye, but an absolutely necessary and human step," he said. Politkovskaya was born in the United States when her father was a Soviet diplomat at the United Nations, and she held dual Russian and American citizenship. She made her career in Russia, achieving prominence for her coverage of human rights abuses in war-torn Chechnya.

The journalist's son, Ilya Politkovsky, 28, was present at the meeting.

"I was touched to the soul to see how Condoleezza Rice, both as a person and a politician, found precise, delicate and tactful words to express her deep sorrow and sympathy in front of the slain journalist's son," said Dmitry Muratov, editor of Novaya Gazeta. He declined to comment further on what Rice said about political issues or press freedoms, or to allow the release of a transcript before the next edition of his newspaper, which comes out Monday.

In her comments to reporters en route to Moscow, Rice cast doubt on reports in South Korean and Japanese media claiming that North Korean leader Kim Jong Il had told a Chinese envoy, State Councilor Tang Jiaxuan, that Pyongyang was contrite about the test and had no plan to explode a second nuclear device.

"Councilor Tang did not tell me that Kim Jong Il either apologized for the test or said that he would not ever test again," Rice said.

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Rice said that China's vote in the Security Council in favor of sanctions against North Korea marked a "very unusual and quite significant" step by Beijing.

"I don't think that there is any doubt that Chinese attitudes about North Korea are evolving," Rice said. "I cannot conceive of even a short time ago China agreeing to call North Korea's behavior a threat to international peace and security."

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Thugs Pillage Moscow Art Gallery, Beating Its Activist Owner (NYT)

By Sophia Kishkovsky

The New York Times, October 22, 2006

MOSCOW, Oct. 21 — A group of men burst into a contemporary art gallery here Saturday, destroying work by an ethnic Georgian artist and beating up the owner, Marat Guelman. Mr. Guelman is well known both for his display of politically inspired and irreverent art and, most recently, his public attacks on neofascists for their dislike of non-Russians and of Western influence on Russian society.

Mr. Guelman said the attack was carried out by 10 men who looked like skinheads. The attack was the latest incident to raise troubling questions about xenophobia and freedom of expression in Russia.

On Friday, Russian officials seized 11 pieces of art that Mr. Guelman had exhibited. The art was on consignment to a London gallery owner, Matthew Bown, who was taking the pieces out of the country when he was detained at Sheremetyevo-2 airport on Friday.

The photo collages that were seized included one depicting President Vladimir Putin, President Bush and Osama bin Laden lounging in boxer shorts and another of a veiled suicide bomber with her skirt held up to reveal racy lingerie.

Mr. Bown was allowed to leave for London, but the artwork was not released.

It is unclear whether the seizure of the artwork on Friday and the attack on the gallery were related, coincidence or driven by news about the airport seizure on the radio and the Internet. Mr. Guelman has made a fair number of enemies this year because of his public criticism of neofascists and nationalists.

He is now on a list of “enemies of Russia” that is being circulated on the Internet by Russian neofascists.

Anna Politkovskaya, the journalist who was gunned down in her apartment building on Oct. 7, was also on the list, as are many prominent human rights advocates. Ms. Politkovskaya made her name as a searing critic of the Kremlin and its policies in Chechnya.

Mr. Guelman has also angered Russian Orthodox fundamentalists with his criticism of their influence on politics and for displaying artwork they consider antireligious. Although he has long cultivated connections with the Kremlin, he has been increasingly critical of Mr. Putin.

It was also unclear whether the attack on the gallery and the Georgian art was related to anti-Georgian sentiment that has surged this fall.

Tensions between the Kremlin and President Mikheil Saakashvili of Georgia led to a crackdown on Georgians in Russia this month. The government has accused some Georgian-owned businesses of violating health or other regulatory standards and has deported hundreds of ethnic Georgians deemed to be in Russia illegally.

In a telephone interview on Saturday evening after he was released from the hospital, Mr. Guelman said he had been treated for a broken nose and other injuries.

He said 10 men dressed in dark blue and wearing hats and heavy boots charged into the gallery at around noon, forced the employees against a wall, seized their phones and then proceeded to vandalize the artwork and attack him.

“They started to beat me with their shoes, with chairs,” he said. “Then they threw a computer at me. It was awful.”

He said pieces of graphic art by Alexander Djikia, a Moscow-based ethnic Georgian artist who has lived in the United States, were destroyed and paintings by him were damaged. Mr. Djikia could not be reached for comment.

The official RIA Novosti news agency said Saturday that the Moscow prosecutor’s office had opened a criminal investigation into the gallery attack.

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Aleksandr Brod, the director of the Moscow Bureau of Human Rights, which tracks xenophobia and hate crimes in Russia, said the attack on Saturday highlighted troubling currents. Mr. Brod is also on the list of "enemies of Russia."

"Such demonstrative attacks on famous people are becoming the norm," he said. "This is a big misfortune and serious grounds for the authorities to stop and think," he said.

In Anti-Immigrant Mood, Russia Heeds Gadfly's Cry (NYT)

By Steven Lee Myers

The New York Times, October 22, 2006

MOSCOW, Oct. 21 — Aleksandr A. Belov found wide publicity last year when the organization he created gave a cash award to a Russian woman accused of stabbing an Armenian taxi driver to death. During her trial, covered with lurid relish by the news media, she testified that the driver had tried to rape her.

"She rid Moscow of a rapist," Mr. Belov told a radio station at the time. Not just a rapist, however: a rapist from abroad. He went on to assert that half of all serious crimes were committed by immigrants, the issue at the heart of his personal mission and, by all appearances, his growing public prominence.

A court convicted the woman, Aleksandra Ivannikova. But the verdict was later overturned after a public outcry amplified in no small part by Mr. Belov and the group he started four years ago, the Movement Against Illegal Immigration.

Now after years on the fringes of polite conversation, Mr. Belov's views — unabashedly hostile to foreigners, at times unflinchingly racial in character — are no longer just tapping a nativistic undercurrent, but moving into the mainstream of the political debate. Or perhaps the mainstream is moving toward them.

"The president has made statements in the last couple of weeks that are practically identical to what we were calling for a year ago," Mr. Belov said in a lengthy interview on Wednesday, referring to President Vladimir V. Putin. "I cannot say that our group directly influenced the president, but we identified this problem earlier."

The problem, in his view, is immigrants, almost all of them former comrades of the Soviet Union, divided now not only by new borders but also by religion and ethnicity.

Like immigrants everywhere, they have come in search of work. And as elsewhere, their presence has fueled resentment, cultural clashes and, especially here in Russia, a wave of racial violence that has included at least 39 racially motivated killings this year, according to Sova, an organization that monitors hate crimes.

On Oct. 5, Mr. Putin gave such simmering feelings a public endorsement, denouncing the "semi-gangs, some of them ethnic" that control Russia's wholesale and retail markets, where many migrants work. He said markets should be regulated "with a view to protect the interests of Russian producers and population, the native Russian population."

Mr. Putin's remarks echoed complaints voiced widely last month in Kondopoga, a small mill town in northern Russia. A bar fight there ended with the deaths of two ethnic Russians and led to mass protests and ultimately a violent rampage on Oct. 2 that destroyed markets and other businesses owned by Chechens and other immigrants, who fled the town in fear. A common grievance heard afterward was that the newcomers had criminally cornered the city's markets.

"Criminal groups play a major role in markets," Mr. Putin said a month later. "And all of this results in our citizens being rightly indignant."

In Kondopoga that day, standing and holding a microphone, was Mr. Belov. His exact remarks — whether he called for the expulsion of the migrants or not — remain a matter of dispute, but he is unapologetic about what unfolded there.

"Russians are a sufficiently tolerant people," he said during the interview, conducted in a Japanese restaurant in southern Moscow. "We have lived a long time with a huge number of people. We are like a family. And one day the mother-in-law comes to visit, and everything is fine. But then the mother-in-law brings her brother, her mother, uncles, aunts. Then they decide to live forever in your apartment. And you have to say, 'Mother-in-law, you cannot come to visit anymore.' "

Mr. Belov is 30, part of the first post-Soviet generation in Russia, a country that is still struggling, in a way, to define itself and its ideology. The Soviet Union endeavored to erase ethnic and racial boundaries, at least officially. And its collapse gave rise to a new Russian nationalism, founded on the language, culture and history of the Russian Empire, on the Orthodox Church and on an abiding preoccupation with ethnic identity.

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He said Russia, despite its ethnic diversity, was never a country open to immigration or assimilation, but rather an empire that conquered others, who then had to adapt to the majority's values. "Russia is not, like the United States, a country that was founded by immigrants," he said. "It was founded as a nationalist state."

Post-Soviet Russia has produced other nationalists. Some are blatant racists operating in the shadows. Some are members of religious or social organizations. Still others are politicians, most notably the leader of the Liberal Democratic Party, Vladimir V. Zhirinovsky, a former presidential candidate known for his clownish antics and expressions of xenophobia.

Mr. Belov is far less flamboyant and, he said, uninterested in politics — or at least becoming a politician. "Elections in Russia," he said, "are just a formality." Instead, he vows to throw his support to any party that "subscribes to our views."

He grew up in Moscow, the son of parents who worked in science. He has spent his working life in civic groups. He was a member of Pamyat, an ultranationalist organization that emerged in the chaos of the Soviet collapse but has since faded from public view, with many of its leaders jailed for anti-Semitic statements and acts. His family name was originally Potkin, but he changed it, he said, to disassociate himself from his previous position at Pamyat. (Belov is derived from the Russian word for white.)

Mr. Belov argues that his cause is not based on race, but solely on the issue of immigration, and the illegal sort above all. He created the Movement Against Illegal Immigration in 2002 in response to racially charged incidents in small cities near Moscow: a gang rape in Khimki blamed on immigrants; and a fight between immigrants and local residents in Krasnoarmeisk.

For a time, the group, known here by its initials in Russian as D.N.P.I., existed largely in cyberspace. Its members railed against immigrants and their crimes, but also against citizens of Russia, especially those from Chechnya and the Northern Caucasus, a predominately Muslim region. ("In the Caucasus, people live on a different civilizational level of development," Mr. Belov said.)

Raising money online and gathering political support among like-minded politicians, the group has become more organized. It now claims thousands of members in branches across all of Russia. Last November, at the time of Ms. Ivannikova's acquittal, Mr. Belov's group joined others in a mass demonstration in Moscow on a newly created holiday known as Day of National Unity.

Rights organizations denounced the march as an ugly expression of hate and a mockery of the holiday, which replaced the old one commemorating the Bolshevik Revolution.

The authorities also appeared shocked by the crowd and the message, though they had granted a permit for the rally.

A year later, at Mr. Putin's directive, the authorities have begun the most aggressive campaign against immigrants to date.

The arrests of four Russian military officers for spying in Georgia last month precipitated a wave of harassment against Georgians living here.

The authorities have closed casinos, restaurants and markets where Georgians worked and deported hundreds of Georgians, including more this week, saying they were here illegally.

The anti-Georgian campaign has roots in the Kremlin's hostility to Georgia's politics and its president, Mikheil Saakashvili, of course. Its results, however, fit seamlessly with Mr. Belov's prescription for what ails Russia.

Mr. Belov and the movement have not been fully embraced by the authorities.

Dozens of the movement's members have been arrested for holding unsanctioned protests; Mr. Belov himself was detained briefly in July.

The group has applied for a permit to hold another Day of National Unity march, but has not yet received one.

Mr. Belov said the Kremlin feared all public protests, wary of what he called "this mythical orange revolution," referring to the mass protests in Ukraine in 2004 that overturned a fraudulent election.

"The government," he said, "should not be afraid of its own people."

Georgia Denies Military Plan (LAT/AP)

From The Associated Press

The Los Angeles Times, October 22, 2006

DOJ_NMG_0084600

Georgian President Mikhail Saakashvili on Saturday ruled out the use of force to establish control over two pro-Russian separatist regions.

He also said Tbilisi remained open to dialogue with Moscow to reduce tension that has escalated since the former Soviet republic temporarily detained four purported Russian spies last month.

"We certainly, absolutely, categorically are not starting any military confrontation," Saakashvili said.

His comments were a rebuttal to Russian President Vladimir V. Putin's assertion Friday at a summit with European Union leaders that Georgia was planning to take back South Ossetia and Abkhazia by military means.

Abkhazia and South Ossetia, which broke away from Georgia's control during bloody wars in the early 1990s, receive strong Russian backing. Many residents in both regions hold Russian passports. Fears are strong that the escalating tensions between Moscow and Tbilisi could trigger an outbreak of violence that could draw in the entire volatile Caucasus.

Putin sidestepped European appeals for moderation on Georgia. "The situation is developing in the direction of possible bloodshed," he told reporters Friday. He accused Georgia of trying to take back the two regions "by military means."

Russia Warns Against Iran 'Regime Change' Through UN (AFP)

AFP, October 22, 2006

Russia would oppose any effort to use the UN Security Council to promote a change of regime in Iran, Foreign Minister Sergei Lavrov has said in an interview.

"We cannot support and will actively oppose any attempt to use the Security Council to punish Iran or to use Iran's nuclear program in order to promote the idea of regime change" in Tehran, Lavrov said in the transcript of an interview with the Kuwaiti news agency KUNA, released by the Russian foreign ministry on Saturday.

Lavrov added that Russia regarded the threat of nuclear weapons proliferation as an "extremely serious" problem and called on Iran to respect international demands aimed at ensuring that its nuclear program posed no threat in this regard.

"We believe that the Iranian side must finally bow to the constructive proposals that have been made and fully cooperate with the IAEA to answer all currently outstanding questions" about its nuclear ambitions, Lavrov said.

The interview with Lavrov was conducted on Friday and the transcript was released by the foreign ministry as he held talks in Moscow with US Secretary of State Condoleezza Rice, who arrived in the Russian capital Saturday on the final stop of a trip focusing on the North Korea crisis.

The United States has accused Iran of seeking to develop nuclear weapons under cover of a nuclear power program that is being developed with Russia's help. Tehran has consistently denied this charge, maintaining that the program is strictly for energy production, and therefore allowed by treaty.

Lavrov said that the International Atomic Energy Agency (IAEA), the UN nuclear watchdog agency, at present had no way of telling whether or not there was a military component to Iran's fledgling nuclear program.

At the same time however, IAEA experts still had several "serious questions" about Tehran's nuclear program, based on their own inspections of Iranian nuclear facilities, that Iranian nuclear negotiators had promised to answer fully.

"We firmly call on our Iranian colleagues to provide these answers as soon as possible," Lavrov said, stressing that it was Iranian nuclear negotiators themselves who had pledged to provide detailed clarifications on a number of points.

"But all this does not mean that the presence of a threat to peace and security can be confirmed. And it is only such a threat that can provide a basis for sanctions," he said.

Lavrov reiterated Russia's position that only IAEA nuclear inspectors had the expertise and the access to determine whether or not Iran's nuclear program did indeed pose a threat, and insisted this idea was at the core of the UN resolution on Iran adopted in July.

Rice Gets Russia Assurances On North Korea Sanctions (AFP)

By David Millikin

AFP, October 22, 2006

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Russia has indicated it would strictly enforce sanctions on North Korea as US Secretary of State Condoleezza Rice met top leaders in Moscow at the end of a tour to push for full implementation of the UN penalties in response to Pyongyang's nuclear test.

"It seems clear that the Russians take 1718 seriously," a senior State Department official said Saturday after Rice held talks with Russian Foreign Minister Sergei Lavrov, referring to the UN Security Council resolution imposing sanctions on North Korea.

"They talked about tightening some of their controls on the border," the official said, adding: "They are interested in working with us" on the sanctions.

There was no immediate comment from Russian officials on Lavrov's talks with Rice.

Rice was due to hold separate meetings with President Vladimir Putin and Defense Minister Sergei Ivanov, though all of her meetings in Moscow were closed to media.

She arrived in the Russian capital Saturday from China and was scheduled to depart Sunday.

Speaking to reporters aboard her plane en route to Russia, Rice said the purpose of her stop in Russia at the end of a five-day swing that included visits to Japan, South Korea and China was to coordinate tactics to counter the threat posed by North Korea's recent nuclear bomb test.

"The purpose of this visit is to continue the discussions about the North Korean nuclear test and adherence to resolution 1718," Rice said.

"Since Russia is part of the six-party framework, we can talk as we have in other places about the path back to diplomacy should North Korea choose that path. The trip to Moscow really is a continuation of the work with the members of the five parties on the North Korean file."

Rice queried reports that North Korean leader Kim Jong-Il had apologized for the nuclear bomb test his country carried out on October 9 and, according to South Korea's Yonhap news agency, had promised that the country would not conduct a second test.

"I don't know whether or not Kim Jong-Il said any such thing," Rice said.

She said she had heard nothing of the kind in her discussions in Beijing with Tang Jiaxuan, China's special envoy on North Korea who on Thursday became the first foreign official to meet Kim face to face since the October 9 test.

"Tang did not tell me that Kim Jong-il either apologized for the test or said that he would not ever test again."

Lavrov said prior to his meeting with Rice that both the United States and North Korea needed to be flexible in resolving their differences.

"Both sides need to show flexibility," Lavrov said in an interview with the Kuwaiti news agency KUNA, the transcript of which was published on the Russian foreign ministry's website.

Rice's visits to Japan, South Korea and China this week focused on how to implement UN sanctions, which include international inspections of North Korean cargo.

Her talks in Seoul and Tokyo were inconclusive in terms of securing specific promises on implementation of these cargo inspections.

The United States says it wants to prevent the North, which US President George W. Bush has described as part of an "axis of evil," from transferring weapons of mass destruction and nuclear know-how to groups and governments hostile to the United States.

In addition to withdrawing from the Nuclear Non-Proliferation Treaty in 2003, North Korea is also on the list of nations that have not joined an international treaty banning chemical weapons.

Rice has been urging nations to vigorously enforce the sanctions and take a hard line on Pyongyang.

Prior to Rice's arrival in Moscow, North Korea said that US joint war games with South Korea, coming in the wake of the recent imposition of fresh UN sanctions, were pushing the region to the edge of war.

The statement, carried by the official Korean Central News Agency, said North Korea possessed a "tremendous war deterrent" and also warned Japan against taking part in any future joint exercises.

"The US is ceaselessly staging DPRK-targeted war exercises in the sky, on the ground and in the sea of the Korean Peninsula and its vicinity," it said, using the initials of the Democratic People's Republic of Korea.

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"This is a grave provocation driving the situation on the peninsula to the brink of war and a dangerous play with fire aimed at igniting a war against the DPRK," it said, citing one ongoing operation and another war game planned for next week in South Korea.

Although Rice and other US officials insisted that the Moscow visit was about North Korea, Rice also said that she would raise a variety of other issues with her Russian hosts, including controversial regulations for non-governmental organizations (NGOs) and the crisis with Georgia.

Rice Sees Bright Spot In China's New Role Since N. Korean Test (WP)

By Glenn Kessler

The Washington Post, October 22, 2006

MOSCOW, Oct. 21 -- President Bush came into office six years ago deeply skeptical of Chinese intentions, casting doubt on the idea advanced by the Clinton administration that there could be a "strategic partnership" between China and the United States.

Now, Secretary of State Condoleezza Rice and other U.S. officials have begun to depict China's increasingly central role in the administration's myriad foreign policy problems as a significant achievement.

Rice, who arrived here Saturday on the last leg of her mission to galvanize action against North Korea, said she saw "some data points" that suggest China is becoming more of a partner on issues of importance to the United States, though the shift will not "happen in one fell swoop."

There is some evidence of China's shift, but the argument also has the virtue of finding a silver lining in the dark strategic cloud posed by North Korea's test of a nuclear weapon.

Many experts regard North Korea's test as a failure of Bush's nonproliferation policy. Critics have charged that Bush, distracted by Iraq, allowed North Korea to bolt from a Clinton-era agreement on freezing its nuclear programs, build a stockpile of weapons-grade plutonium and finally test a weapon. Bush, unlike President Bill Clinton in an earlier crisis, refused to conduct sustained bilateral negotiations with North Korea and instead set up a somewhat cumbersome six-party negotiating framework hosted by China.

At many points, the United States found itself at odds with other partners in the six-party process, such as China and South Korea, which repeatedly urged the Bush administration to show more flexibility in its tactics. Meanwhile, administration officials were often divided on North Korea policy, with some wanting to engage the country and others wanting to isolate it.

Before North Korea announced it had detonated a nuclear device, some senior officials even said they were quietly rooting for a test, believing that would finally clarify the debate within the administration.

On her trip to Asia this week, Rice has come close to saying the test was a net plus for the United States. She has tried to deflect criticism by saying the test was an affirmation, rather than a failure, of the Bush administration's policy of trying to draw China deeper into negotiations on North Korea.

Noting that North Korea has spent three decades developing a nuclear weapon, Rice said it was "very unusual and quite significant" that China, which has traditionally considered sanctions to be a violation of national sovereignty, supported a tough U.N. Security Council resolution punishing North Korea. The resolution is under Chapter 7 of the U.N. charter, which calls for mandatory sanctions for issues affecting international security.

"I don't care how many times you visited Pyongyang," Rice said, referring to a trip made by then-Secretary of State Madeleine K. Albright to the North Korean capital in 2000. "China had to be part of this regime to deal with the North Korea nuclear problem, and you're seeing it. Thirty years ago, you wouldn't have been able to get a Security Council resolution on North Korea, and when you get one it's Chapter 7, it's 15-0 and China's at the center of it. Not bad for a couple years' work."

Rice acknowledged that it was still unclear how hard the Chinese government would push North Korea, although she said China's views on the issue were "evolving." She said China had concerns about North Korea's stability and the prospect of a mass influx of refugees if the government collapses. And though China has always valued the status quo, Rice said: "I don't think that they are making a lot of assumptions about the status quo."

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China is very concerned, for example, that Japan might decide to build a nuclear arsenal in response to North Korea's test. The Japanese government has ruled that out for now. But when Rice visited Tokyo on her first stop, officials there wanted to focus almost exclusively on receiving firm assurances that Japan is still protected by the U.S. nuclear umbrella. The test "had set off a lot of questions that the Japanese were asking about their own security posture," Rice said.

In addition to the North Korea discussions, China is an important participant in the drive to roll back Iran's nuclear program. China also has extensive oil investments in Sudan, which has adamantly rebuffed a U.S.-led push to bring U.N. peacekeepers to Sudan's troubled Darfur region.

In 2005, when China abstained from a U.N. resolution launching a war crimes investigation into atrocities in Darfur, U.S. officials reported that China's state-owned petroleum company immediately erected billboards in Khartoum, the Sudanese capital, attesting to China's friendship with Sudan. But in Rice's talks with Chinese officials Friday, she said she was able to have "more concrete discussions" about how to deal with Sudan, including strategizing on an upcoming meeting of African leaders in Beijing.

U.S. Reaffirms Promise To Defend S.Korea (AP)

By William C. Mann

AP, October 22, 2006

The U.S. is pledging "immediate support" of South Korea as part of a "firm" commitment to defend its ally under America's nuclear umbrella, stronger language than in last year's version of their long-standing policy statement.

Noting North Korea's nuclear test Oct. 9, Defense Secretary Donald H. Rumsfeld and South Korean Defense Minister Yoon Kwang-ung "demanded that North Korea refrain from any further action that might aggravate tensions," according to the joint communique made public Saturday.

Both sides agreed that North Korea's "continued development" of weapons of mass destruction and long-range missiles, and the threat of proliferation were "a challenge" to the alliance between the United States and the Republic of Korea, the defense chiefs said in the statement.

It said Rumsfeld "offered assurances of firm U.S. commitment and immediate support" to South Korea, including continuation of the extended deterrence offered by the protective umbrella of the U.S. nuclear arsenal.

By comparison, last year's statement said Rumsfeld "reaffirmed the U.S. commitment to the security" of South Korea and "to the continued provision of a nuclear umbrella" for the U.S. ally.

At their meeting Friday, Rumsfeld and Yoon disagreed over how explicitly the U.S. should say that South Korea is under that umbrella.

The recent North Korean nuclear test has raised South Koreans' concerns about the future of their defense relationship with the United States. Already, there are significant changes in the works as the U.S. reduces the number of its ground troops in South Korea and pulls troops farther from the North Korean border area.

The South Korean delegation sought to persuade Pentagon officials to issue a public statement saying that if the North attacked the South with nuclear weapons, the U.S. would retaliate as if American territory itself had been attacked by nuclear weapons.

U.S. officials resisted, saying that would go beyond what the U.S. normally says publicly about how it would respond with regard to nuclear weapons. For decades, U.S. policy has been deliberately designed to include some ambiguity about the circumstances under which it would use nuclear arms.

Japan is covered by a similar U.S. "umbrella" promise.

The new joint statement said Yoon "expressed appreciation for the close cooperation and steadfast support of the U.S. in the face of North Korean intransigence."

Rumsfeld, at a news conference Friday with Yoon, noted that a public statement is issued each year following the U.S.-South Korean defense talks and that it always reaffirms the provision of a nuclear umbrella for South Korea, consistent with the 1954 U.S.-South Korean defense treaty.

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Rumsfeld said he was unaware of any proposal to change the language, "nor can I imagine how it could be improved upon."

Yoon responded by saying the matter had been discussed extensively in a series of meetings this past week and that he hoped the language on U.S. nuclear protection for South Korea would be different than in years past.

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On the Net:

Joint statement: http://www.defenselink.mil/news/Oct2006/d20061020uskorea.pdf

Seoul Hesitant To End N. Korea Projects (AP)

By Burt Herman

AP, October 22, 2006

South Korea is still sending tourists to a mountain resort in the North and maintaining a joint economic zone, despite pressure to cancel the projects after Pyongyang's nuclear test.

The country has its reasons for refusing to shutter key projects that help keep Kim Jong Il's regime afloat, including competition with China for influence over the impoverished nation.

South Korea and China together account for two-thirds of overseas trade for the communist North, and South Korea hopes to one day reunite the two Koreas.

The U.S. has scoffed at the tourism venture at the North's majestic Diamond Mountain resort, saying the project simply hands money to the North Korean government. Washington also has questioned labor practices in a joint economic zone where North Korean workers provide cheap labor for South Korean firms.

But Seoul has been reluctant to inflame North Korea as it pursues its policy of reconciliation that has led to unprecedented cooperation between the two countries that share a peninsula.

Totally cutting off the joint projects also would mean Seoul would lose influence in the North, leaving the isolated nation wide open for China — the North's No. 1 trade partner and a key source of aid.

Secretary of State Condoleezza Rice has said she will not presume to tell South Korea or China how to enforce U.N. sanctions imposed against North Korea after the Oct. 9 underground blast.

But she has called on all nations to cooperate and pointedly noted in a South Korean TV interview Friday that the North "set off a nuclear weapons test right here in South Korea's backyard."

"It is important to use whatever leverage a country feels that it can use to get the North Koreans to make the right choice" to rejoin arms talks and disarm, Rice told KBS in Seoul.

South Korea is keen to maintain stability and not let its unpredictable neighbor spoil its hard-won prosperity built from the ruins of the 1950-53 Korean War. Today's South Korea is a high-technology mecca and cultural trendsetter for Asia, proudly proclaiming itself as "Dynamic Korea" in its main tourism slogan.

The inter-Korean projects are part of Seoul's strategy to use trade and exchanges to ensure that success is not wiped out by a war or a chaotic collapse of North Korea. The North has needed foreign assistance to feed its 23 million people since the mid-1990s, when its state-run farm system collapsed after the loss of Soviet subsidies.

But in the wake of the North's first-ever nuclear test, Seoul has faced new calls to cancel the landmark reconciliation projects in line with the U.N. sanctions.

On Tuesday, the U.S. envoy on North Korean human rights, Jay Lefkowitz, warned that unmonitored assistance to the North could prop up a "criminal regime."

China has made increasing economic inroads in the North in recent years, and South Korea has expressed concern that North Korea could become a de-facto Chinese province.

Chinese goods are the dominant products in what passes for "markets" in North Korea, and Chinese tourists visit regularly.

A state-supported Chinese think tank has claimed that two ancient Korean kingdoms were actually Chinese, including the Koguryo dynasty that reigned from 37 B.C. to A.D. 668 in an area that stretched from the Korean peninsula to Manchuria in northeast China. Koguryo is viewed by Koreans as the origin of their nation, and its name forms the root of today's "Korea."

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China had its fingers in Korean politics going back centuries, under the tributary system in place across east Asia.

The idea that China is staging a shadow campaign to maneuver for position after a North Korean collapse rattles intensely nationalistic Koreans, who have seen their tiny peninsula survive as a nation despite being surrounded by massive powers. They also keenly remember decades of Japanese occupation in the early 20th century, which ended with the heart-rending division of the peninsula.

Despite appearing to vacillate in the face of U.S. demands to comply with U.N. sanctions, Seoul's reluctance to back out of its projects with North Korea could be a way of signaling strength — and ensuring that Koreans will have a land to call their own for centuries more.

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Burt Herman is chief of bureau in Korea for The Associated Press.

Envoy's Tirades Elicit Chuckles At U.N. (WT)

By Damien Mcelroy, London Daily Telegraph

The Washington Times, October 22, 2006

NEW YORK -- Diplomats at the United Nations dread the arrival of North Korean Ambassador Pak Gil-yon at the microphone.

Known sarcastically as Dr. Chuckles for his highly-strung manner, he is a master of florid tirades.

"He just comes in and tells us how Pyongyang is defending itself from terrible aggression and then flounces off," a diplomat said. "We never get anything worthwhile out of him."

The United States and North Korea do not have diplomatic relations, but Pyongyang has posted officials to New York to represent it at the United Nations.

As negotiations drag on over sanctions after its nuclear test, Mr. Pak has scurried around the corridors of the U.N. building, condemning moves to adopt sanctions, claiming instead that the world should congratulate North Korea's scientists.

In exchanges notable for their harsh tone, Mr. Pak has threatened more nuclear tests.

Cornered by Korean reporters, he screamed: "Do I have to repeat the same story again and again? We will do everything."

The ambassador's performance has done nothing to salvage the already low reputation of North Korean diplomacy.

North Korean embassies, outposts of the ruling Workers' Party, are notorious as linchpins of lucrative drug-running and money-laundering activities.

In a decade, there have been 50 criminal cases involving North Korean diplomats uncovered by law-enforcement authorities worldwide. Diplomats have been arrested in or thrown out of Egypt, China, Russia, Germany and Bulgaria.

David Asher, a former State Department adviser, said Pyongyang expected its embassies to funnel funds back to the ruling party.

"North Korea is perhaps the only country in the world whose embassies and overseas personnel are expected to contribute income to the party center, not rely on central government funds for their operations," Mr. Asher said.

Even in the depths of its stiffest challenge, the country's unending taste for intrigue has been on display.

Until earlier this month, Mr. Pak's deputy, Han Song-ryol, was the mission's spokesman. But he has been silenced and recalled to Pyongyang.

In contrast to his ebullient leader, Mr. Han morosely refused to comment.

"I do not have the right to talk because I will soon leave this position," he said prior to his departure.

Tension, Desperation: The China-North Korean Border (NYT)

By Norimitsu Onishi

The New York Times, October 22, 2006

NORTH KOREA'S porous 880-mile border with China is its lifeline to the outside world. About 39 percent of its trade last year was with China, which, critically, supplies it with 80 to 90 percent of its oil. Trafficking in money transfers and human beings also flourishes.

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By contrast, North Korea's border with Russia is 11 miles and heavily guarded; the 150-mile-long demilitarized zone with South Korea has hundreds of thousands of soldiers on each side. Until now, the North's ships have regularly visited Japan, from which relatives sent cash and goods, but North Korea's nuclear test is expected to end that trade.

For China, the bottom line is to erect the right number of fences, as it did along the border city of Dandong recently. Build too few and you invite instability in China. Build too many and North Korea collapses.

A collapse is clearly something Beijing doesn't want, and why it is lukewarm toward harsh sanctions. A collapse might send more North Koreans into China than the 100,000 to 300,000 estimated to have flooded the border during the North's great famine in the mid- to late-1990's. (Paradoxically, the famine also opened trade links when local North Korean groups formed to barter raw materials for Chinese grain.)

The end of the North Korean state could also bring reunification of the Korean Peninsula under America's ally South Korea, another development Beijing does not want. Also, the border itself could be put into question. South Korea has, in recent years, challenged China over the legacy of Koguryo, an ancient Korean kingdom whose rule extended into present-day China. The region is home to hundreds of thousands of ethnic Korean-Chinese, who face discrimination in China and might be sympathetic toward a reunified Korea making territorial claims.

Send In The Fat Guys (NYT)

By Nicholas D. Kristof

The New York Times, October 22, 2006

A North Korean visiting South Korea once sniffed that all the cars must have been brought in from around the country just to make a good impression for his visit. His South Korean host added dryly that it had been even more difficult to bring in all the tall buildings.

Such interactions with the outside world are the best hope to chip away at North Korean totalitarianism, but we've missed the opportunity because for decades we've conspired with Kim Jong-il to isolate his people.

Lately Americans have been quarreling over who is more to blame for North Korea's nuclear test, Bill Clinton or George W. Bush.

Well, Mr. Clinton inherited a situation that, if it had continued, would have resulted in North Korea having hundreds of nuclear weapons by now, and producing an additional 50 each year. Instead, Mr. Clinton negotiated a deal with North Korea that resulted in it producing not a single ounce of new plutonium in his eight years in office.

In contrast, President Bush inherited that North Korean nuclear freeze and, if he had just left it alone, North Korea wouldn't have produced any new plutonium. But Mr. Bush overruled Colin Powell's efforts to continue the engagement — and so North Korea has churned out enough plutonium on Mr. Bush's watch for perhaps eight nuclear weapons.

But in a larger sense, the North Korean nuclear test — and the fact that Kim Jong-il is still in power — represent a failure not so much of either Mr. Bush or Mr. Clinton, but of decades of bipartisan American policy that aimed to isolate the North.

Look around the world at the regimes we despise: North Korea, Cuba, Burma and Iran. Those are among the world's most long-lived regimes, and that's partly because the sanctions and isolation we have imposed on them have actually propped them up — by giving those countries' leaders an excuse for their economic failures and a chance to cloak themselves in nationalism.

Kim Jong-il sees that the best way to preserve North Korean totalitarianism is in the formaldehyde of its own isolation. In effect, Mr. Kim has placed sanctions on his own country, and we're abetting him.

In the 1970's, North Korea poked its head out of its shell, negotiating with South Korea, seeking foreign investors and sending letters to Jimmy Carter seeking talks. Mr. Carter considered inviting the leaders of North and South Korea to a summit meeting at a place like Camp David — but dropped the idea when his own aides reacted with horror.

Yet if we had held such a meeting, and gradually encouraged trade and other contacts, North Korea's regime might well have collapsed by now. At least, it would have moderated enough that the country would look like China or Vietnam.

I lived in China in the 1980's and 1990's when Communist ideology was collapsing there, and I'm convinced that the best way to undermine North Korea's government would be to send in business executives — overweight ones, if possible. In a

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country like North Korea, where the government responded to famine by broadcasting a cautionary "documentary" about a man who exploded after eating too much rice, nothing would be more subversive than tubby foreigners.

Mr. Bush is right that we have to punish North Korea for its brazen nuclear test, and the administration has been sensible and prudent in the last few weeks in devising a series of penalties. But after North Korea drags itself back to six-party talks, we should begin to move away from our long, failed strategy of trying to isolate the world's most isolated country.

In particular, it's a mistake for us to reproach the South Koreans — who have more of a stake than anybody, and who understand the North Koreans better than we do — for operating factories in the Kaesong industrial zone in North Korea.

It's true that those North Korean workers have no rights, and that North Korea will use the hard currency to bolster its military. But those South Korean factories are expected to employ 700,000 workers by 2012.

While North Korea can survive punitive sanctions, I don't think the regime can survive the shock of having 700,000 of its citizens working for South Korean capitalists — and realizing that the southerners are so rich and spoiled that they refuse to eat rice with gravel in it.

The biggest threat to North Korea's regime isn't from American warships, but from the sight of other Koreans dieting, or listening on iPods to love songs, or watching decadent television comedies.

So let's stop helping the Dear Leader isolate his own people.

Radioactive Nationalism (NYT)

By Peter Maass

The New York Times, October 22, 2006

In a classic Mexican standoff, two men point guns at each other's heads. Neither wants to shoot, but each knows the downside of not pulling the trigger first. It is an inherently gripping situation, and Quentin Tarantino's "Reservoir Dogs" offers one of the most memorable examples: in a climactic scene that takes place in a warehouse, three men aim guns at one another, with catastrophe (for macabre laughs) just a twitch away.

We can now thank North Korea's leader, Kim Jong Il, who is credited with directing several movies, for creating a Mexican standoff that outdoes Tarantino but is no postmodern parody; it takes place in the real world. Earlier this month, North Korea announced that it had exploded an atomic bomb, thus becoming the newest and scariest nuclear power in the world. This set off alarms in South Korea, Japan, China, Russia and the United States; all have good reasons to fear North Korea and one another. We now have a Mexican standoff that involves a) as many as six participants, including b) countries that are threatening one another with c) nuclear weapons. Tarantino couldn't invent it.

Yet something — someone — is missing from this semi-apocalyptic drama. Warming his hands over a fire in north Waziristan or wherever, Osama bin Laden, the embodiment of evil in our times, is no more a factor than John Dillinger. True, there are fears that North Korea might try to sell a nuke to Al Qaeda or other terrorist groups. But diplomats are just as concerned that Japan might choose to build a nuclear weapon or two, that South Korea would be tempted to do the same, that China, Russia and the United States will shove against one another and that in the Middle East, Iran will accelerate its nuclear program, leading Saudi Arabia and Egypt to Google "how to build the bomb."

What's happening, in other words, is an old-fashioned clash of nations and national interests, exacerbated, as often happens, by the imperatives of regime survival. The suspicions and alliances date back a century or more, though the weaponry, instead of muskets and catapults, is nuclear. After 9/11, we came to believe that the menace that mattered most was the wrath of religious terror, and our geopolitical lingua franca embraced a new vocabulary to define it — jihad, suicide bombers, asymmetric warfare, nonstate actors. Whatever happened to nationalism and the risky maneuverings of states? Nothing, actually. Kim Jong Il, entering from stage far-left, reminds us that new threats, like Islamic extremism, do not replace old ones.

The Korean peninsula is an ancient hothouse for nationalism and its offshoots; it is also a brilliant example of the uses, abuses and durability of national esteem. The peninsula is sandwiched between China and Japan, which are two of the great powers of modern and not-so-modern history; without their pride and willingness to sacrifice for a common goal, Koreans would speak Japanese or Chinese today. Defiantly, through a millennium or two of attack and occupation, they held on to their language and even their gene pool. When I lived in Seoul in the 1980's, intermarriage, to a Japanese or an American or

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whomever, was rare and an occasion for scorn or, at best, pity. The taboos are lessening — earlier this year, the government lifted a ban against mixed-race Koreans serving in the military — but as a recent article in The Asia Times noted, "A foreigner, even another Asian, stands out." More so on the other side of the DMZ: not long ago, a North Korean general chastised South Korea for even allowing intermarriage.

The Korean peninsula was divided into American and Russian zones after World War II — Japan had ruled Korea brutally for nearly a half-century — and was then reduced to cinders by the Korean War. The resurrection of North and South was stunning because they started from utter scratch and without a blueprint or Marshall Plan. Both governments drummed into their people that unless they worked hard and prepared to fight hard, they would be overrun and subjugated by their brother enemies. Each side wanted to prove itself as the true carrier of the Korean torch. The peninsula's division and war was akin to the splitting of a highly charged nationalist atom that unleashed an explosion of directed energy.

The cross-border rivalry provided material not just for political experts but also for Freudian analysts. In addition to postwar spasms of violence — like several attempts by northern assassins to kill South Korea's leaders — the one-upmanship reached the absurd. American soldiers at Panmunjom, the truce village, entertain visitors with a story of how, at the outset of armistice talks in the 1950's, delegations from North and South brought in larger and larger national flags — each side wanted its totem to be the biggest. Eventually, the flags were too large to fit through the doors; physics rather than good sense forced them to agree to modest and identically sized flags.

My three-year sojourn in South Korea was punctuated with iterations of nationalist fervor, some of them charming. There was, in those days, a club that supported Koreans training for stunts that would get them into The Guinness Book of World Records; if memory serves, one hopeful was a man who walked up mountains on his hands. The club's aim wasn't just to help zealous citizens get into the holy book, but to have South Korea itself inscribed as the country with the most world records. This wasn't entirely removed, in its linking of nationalist glory and athletic achievement, from East Germany's effort to legitimize itself, and trump its brother state, by becoming an Olympic power, even if that required doping a generation of athletes (which it did).

Today, even though it has a highly advanced economy — more than 80 percent of South Koreans have broadband Internet access at home, the highest rate in the world — the country has a nearly provincial relationship to its local heroes, like Ban Ki-moon, the foreign minister who will be the next U.N. secretary general. The most famous South Korean of recent times was Hwang Woo Suk, a scientist who in 2004 and 2005 announced breakthroughs in cloning. At home, he was worshiped, a hybrid of Einstein and Madonna. The government awarded him the title Supreme Scientist and gave him millions of dollars. The embrace was so intense that when a television news program reported on unethical conduct in Hwang's lab, the program's sponsors withdrew their ads and the show was temporarily taken off the air. The reporting was accurate — Hwang faked his research. The awards were withdrawn, prosecutors charged him with embezzlement — yet even so, supporters staged rallies, and a Web site in his honor pleads, "Please come back, Dr. Hwang."

In North Korea, nationalism has taken a different course and been put to different uses by a tyranny that exports counterfeit dollars and has been described, with amusing accuracy, as a "Soprano state," after the Mafia family in the HBO series. But until the 1970's, when it began to be hollowed out because of the inherent contradictions of command economics, North Korea was more industrialized and prosperous than South Korea. It has always, and proudly, had the upper hand in a key nationalistic category — foreign troops are not based on its soil. When I visited Pyongyang in 1989 (a long time ago, but North Korea's cryonic rhetoric has changed little in half a century), officials I met were obsessed by two things: the threat posed by American troops on their doorstep and South Korea's cowardly acceptance of these foreigners. It was not unlike, I now realize, the religious fervor with which Islamic conservatives criticized the presence of American troops in Saudi Arabia and the cowardly royal family that welcomed them (when Iraq invaded Kuwait in 1990).

The decades-long rotting of North Korea's economy, and thus the erosion of its military power, was a key reason to develop nuclear weapons: nukes are a poor man's defense, cheaper to build and maintain than an army, and a guarantee that you will not be invaded because the stakes are cataclysmic. North Korea's million-man army is poorly equipped and poorly trained, and no match for the smaller but more sophisticated South Korean military, which is augmented by 28,000 G.I.'s on the ground and additional U.S. forces that would come to South Korea's aid if attacked. Nukes are also a great way, if you lead a small, hopelessly poor and violently repressed nation, to get the attention of the rest of the world; rather than being treated like Albania,

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North Korea will be treated like Albania with nukes. The government's English-language announcement boasted that its test came "at a stirring time when all the people of the country are making a great leap forward in the building of a great prosperous powerful socialist nation." This nationalist, and deluded, phrase was in the first sentence.

Because nationalism is more of a collective belief than a particular policy, the positions adopted in its name can evolve, even rotate. Inter-Korean hostility subsided as a result of the "sunshine policy" initiated by former President Kim Dae-jung, who dropped the stance of utter hostility taken by the conservative generals who ruled South Korea from the 1960's until the 1990's. The same national pride that set North and South against each other can also create common ties. Now, instead of regarding the North as a violently psychotic regime, the southern attitude is more along the indulgent yet exasperated lines of "Oh, no, what's our nutty brother done today?" Particularly among South Koreans with no memories of the Korean War — that's now most of the country — yearnings for peace and good relations, as well as anti-Americanism, are stronger than the hostile anti-Communist intent of their fathers and grandfathers. And in the wake of Germany's costly unification, policy makers in Seoul realize that the collapse of the North, which an older generation wished for, would create a high degree of political instability and an enormous financial burden that should perhaps be avoided. This helps explain why Seoul has limited its antinuclear criticism of the North, and why South Koreans aren't rushing for bomb shelters quite yet.

One factor bringing the Koreas together is their shared enmity for Japan. North Korea's tirades against Tokyo are nearly unprintable; the South Koreans are more polite but fervently resolute whenever their prestige is challenged by Japan. In the mid-1990's, when FIFA, the international soccer organization, decided to hold the 2002 World Cup in Asia for the first time, the host-country finalists were South Korea and Japan. The competition was intense beyond belief; among other extravagances, Buddhist monks in Seoul prayed three times a day that their homeland would get the nod. In the end, recognizing that the humiliation of losing to an ancient rival would be too much for either side to bear, FIFA took the unusual step of splitting hosting duties between the two countries. Even then, naming the event was problematic; FIFA called it "World Cup 2002 KoreaJapan," but when Japan printed its tickets, the geographic reference was deleted because Korea came first.

More than any other country, Japan feels threatened by North Korea's nuclear capacities. The brutality of the Japanese occupation of parts of China and all of Korea has not been forgotten in the region nor fully apologized for. The sexual slavery of Korean women during World War II remains an issue the Japanese avoid rather than accept full responsibility for. Of course Japan is linked to China and South Korea in good ways — they are major trading partners, and Japan has been an important source of loans and investment. None want to go to war, and one triumph of the nation-state system is that it is not a suicide pact, though neither is it a foolproof way to keep the peace.

If this sounds familiar — history shaped by the rivalries, interests and missteps of nations rather than terrorists dashing from hideout to hideout — it should. It's the way the world has been ordered and disordered since the emergence of the nation-state and even before, and it did not vanish on Sept. 11, 2001. If anything, traditional powers that kept to themselves in past years are asserting themselves in new ways. Because of an influx of funds for its oil and gas, the Russia of Vladimir Putin is far more aggressive than the shipwreck presided over by Boris Yeltsin. The fast growth of China's economy has increased its appetites for not just greater political clout but also for resources with which to feed its bustling industries. And of course there is Iran, which has not forgotten its Persian history and would not mind recapturing, by becoming a nuclear state, the influence it once had.

In the 19th century, Britain and Russia struggled for control of Central Asia in what was called "the Great Game." In the 21st century, the great game is far more complex, taking place across the globe between an expanding number of actors with a multiplicity of interests and a variety of weapons. Yet certain basic facts — war is an extension of politics, politics are often driven by a need for resources as well as collective feelings of pride or shame — remain much the same in the wake of Sept. 11. We are obliged to focus on Islamism and the terrorist threat it has produced, to study Arabic and the work of Sayyid Qutb, but we should not fail to consult Kennan, Clausewitz or Thucydides either.

The Chinese Go After Corruption, Corruptly (NYT)

By Jim Yardley

The New York Times, October 22, 2006

BEIJING

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THE corruption scandal in Shanghai that had already taken down one of China's most powerful officials claimed two smaller scalps last week: the chief of the national statistics bureau was fired, and an official with the Formula One racing circuit was hauled in for questioning. The contrast between the statistician and the racing executive may have been incidental, but it underscored the perception, fair or not, that official corruption is everywhere in China.

To some extent, the ruling Communist Party does not disagree.

In an economic boom gilded with excess and profiteering, official corruption is so widespread, and increasingly so brazen, that it is almost taken for granted. The latest World Bank governance survey found that China had seriously backslid in the category of "containing corruption" when much of the rest of the world, if not improving, was basically unchanged on the issue.

President Hu Jintao and Prime Minister Wen Jiabao have warned that corruption threatens the credibility and legitimacy of Communist Party rule and have vowed to stamp it out. But many experts say that truly stamping out corruption would involve the type of broad political reform and a full embrace of the rule of law that the party has long resisted. The current corruption sweep authorized by Mr. Hu in Shanghai and other cities is widely viewed as more of a purge of allies linked to his predecessor, President Jiang Zemin, than an unfettered crackdown.

"The problem with China today is that if you want to pursue corruption, so many people are tainted," said Minxin Pei, a scholar at the Carnegie Endowment for International Peace in Washington. As a result, Mr. Pei noted, Mr. Hu could never investigate corruption solely on its merits because it would topple so many of his own political allies.

No one truly knows the depth of corruption in China because so much malfeasance goes undiscovered or is covered up by the party. Even so, the information that does reach the public domain is stunning. Last year, the party committee responsible for internal discipline investigated more than 147,000 corruption cases, most handled outside the legal system. The People's Supreme Court reported that more than 10,000 officials were convicted of corruption charges in the first six months of this year. Chinese newspapers regularly carry stories about the latest arrests or executions with details about officials using government money to pay for prostitutes, luxury homes, extravagant meals and vacations.

Some accounts seem out of Dickens: a cadre with the Chinese Federation of Cripples is sentenced to prison for stealing about $12,000 that was to have been used to organize the Congress of Chinese Cripples. An accountant with a nursery school run by the state-owned China Northern airline is caught stealing roughly $15,000, including the children's lunch money.

The Communist Party is trying to send a signal to rank-and-file members that corruption must be reined in, partly because of rising public anger over abuses like officials' illegally seizing land from farmers or razing blocks of apartments to clear land for developers. In these cases, officials typically pay meager compensation to farmers and tenants but then reap enormous profits by selling to the developers.

"There is a long tradition of corruption," said Andrew H. Wedeman, a China specialist at the University of Nebraska who is researching a book on the link between corruption and development in China. "But in this transitional period, the stakes have gone way up."

The transitional period is China's shift to a market economy, in which party officials at all levels, operating under minimal oversight, often control whether someone can get land, or a needed license or purchase order. The Ministry of Commerce has estimated that 4,000 officials have fled overseas in recent years with roughly $50 billion in embezzled money. In 2005 alone, an expert in the National Audit Office found, $35 billion in state funds was misappropriated.

Mr. Wedeman said higher amounts of money at stake have corresponded to corruption seeping into higher levels of government. He noted that the number of officials at the county level or higher prosecuted for corruption had tripled in the last decade, to almost 3,000. By one count, 20 officials at the ministry level of the central government have been arrested since 2002.

Official corruption also has contributed to the deepening moral vacuum and cynicism felt by many ordinary Chinese when making money is paramount. Petty corruption is commonplace. Peddlers sell fake expense-account receipts outside train stations. Doctors demand "red envelope" payments from patients. Graduate students bribe scholarly journals to publish their work.

"The problem is that ordinary people don't believe there is anything in place to control the power that officials have," said Zhang Jiansheng, 53, a retired soldier who owns a small teahouse in the provincial capital of Yinchuan. He added: "People are in search of material comforts now. That spirit of helping each other is not as strong."

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The government responds largely with propaganda campaigns, like the recent "Eight Honors and Shames" theme promoted by Mr. Hu to encourage upright behavior and discourage deceit. Some older people like Mr. Zhang appreciate the effort. But many people, particularly the young, regard such campaigns as cynical efforts to avoid meaningful changes — like political reform.

To some extent, the corruption problem is not atypical for the country's stage of development, some analysts say. In ratings by Transparency International, the global civil society organization fighting corruption, China ranks in the bottom half of the world, though not the very bottom. Daniel Kaufmann, an author of the World Bank governance survey, said that China had steadily declined in the bank's corruption ranking.

"It is pertinent to ask the question of whether the measures and approaches being implemented are the most effective ones," he said.

Mr. Kaufmann is one of many experts who contend that any country trying to curb corruption inevitably benefits from a freer press and greater government transparency. Corruption is hardly a secret in China, and cases are reported and investigated in some newspapers. But the lines are clearly drawn. No newspaper would dare independently investigate a high official in the central government. At the local level, officials commonly censor corruption reports. The scrutiny is so great that a minor government official in southwest China was arrested for writing a satirical poem about corruption and sending it to friends by e-mail and text message.

China's legal system also is curtailed. The overwhelming majority of corruption cases are never presented to prosecutors but are instead handled by party investigators. And when cases are handed over to the courts, analysts say, the party often recommends the punishment.

The Shanghai investigation is a case in point. Under Mr. Hu's orders, the powerful party boss Chen Liangyu, also a member of the ruling Politburo, was arrested last month on allegations that he misused city pension funds for speculative real estate deals and other ventures. Notably, he was detained not by the local police or prosecutors but by an investigative team sent down from Beijing by the party's Central Inspection Discipline Commission. It is a reminder that often the Communist Party opts to address corruption outside the law.

Egypt, Under Stress, Sees U.S. As Pain And Remedy (NYT)

By Michael Slackman

The New York Times, October 22, 2006

CAIRO, Oct. 20 — Faced with twin political threats — a rising Islamic movement at home and diminished influence throughout the region — Egypt is pressing the United States for an aggressive promotion of Palestinian statehood as a means of strengthening itself and other Arab governments allied with Washington, senior officials say.

Egyptian officials told Secretary of State Condoleezza Rice on her recent visit here that the United States should move straight "to the endgame," with a major policy initiative tackling the most contentious Palestinian issues: borders of a future state, the site of the capital, and the so-called right of return for Palestinian refugees.

Whether Washington agrees — a senior Egyptian official with first-hand knowledge of the conversation said Ms. Rice seemed to be listening — Egypt's request is evidence of growing concern and frustration here. The leadership is showing signs of vulnerability, and in large measure it has blamed American actions in the Middle East for many of its problems, from the rise of Iran as a regional power to the growing popularity of political Islam.

Egyptians and other Arab leaders who are friendly with the United States see a major regional peace initiative by Washington as the first necessary step toward stealing momentum from Islamic groups, officials here said. In Egypt, however, optimism is limited that Washington will put the stated interests of its Arab allies ahead of the perceived interests of Israel.

"There is a realization that strategic estrangement in the post-Iraq period has been harmful to both sides," said Abdel Moneim Said, the director of Egypt's premier research center, the Ahram Center for Political and Strategic Studies, and a member of the governing National Democratic Party. "Both are going through a series of reassessments of their positions."

Egypt itself is in a moment of political twilight, so the regional and domestic challenges it faces appear magnified. The situation is delicate, and officials interviewed spoke only on condition of anonymity.

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While its critics say the government's own failure to combat poverty, corruption and political oppression is to blame for its weakened state, officials say the United States has undermined them. The invasion of Iraq has put Baghdad into Iran's orbit; the insistence on democratic elections allowed Hamas to gain power in the Palestinian areas; and, more recently, the refusal to press for a speedy end to Israel's bombardment of Lebanon helped lionize Sheik Hassan Nasrallah, the leader of the militant group Hezbollah.

Add to the mix the fact that President Hosni Mubarak is 78 and has ruled Egypt for 25 years. Increasingly, it appears he is trying to pave the way for his son Gamal to inherit the presidency. But there is no consensus among the ruling elite. Some are concerned that the son would lack legitimacy unless selected through a free and democratic process, which Egypt has shown no hint of supporting.

And there is no certainty that the military would go along with the president's son, who would be the first president from outside the armed forces since the monarchy was overthrown in 1952.

For all the hand-wringing, experts agree that a sudden political crisis is unlikely in Egypt, or at least not the kind that would lead to an Islamist-led revolution. But the confluence of internal uncertainty and external pressures has affected Egypt's policies, and its regional influence.

For example, despite repeated efforts, Egypt has been powerless to stabilize the conflict between the main Palestinian factions, Hamas and Fatah. In the past, Egypt's security services were influential, and effective, in the Palestinian areas.

On the domestic front, Egyptian officials have stepped up repression as a means to blunt the rising popularity of the Muslim Brotherhood, locking up its leaders without charge. There also is talk of amending the Constitution to avoid the embarrassing prospect of only one candidate for president, but in such a way as to prohibit any independent candidates aligned with the Brotherhood. The group has been the only credible opposition.

In its foreign relations, for the first time in nearly three decades Egypt is trying to improve business ties with Russia, and President Mubarak plans to visit China next month. Top government and party officials have also made aggressive public statements aimed at embarrassing, or challenging, the United States. In one notable scene when Ms. Rice was in Cairo, she and the Egyptian foreign minister, Ahmed Aboul Gheit, appeared together at a news conference beamed live around the world.

"I've spoken about Ayman Nour each time that I meet with my Egyptian counterpart," Ms. Rice replied when asked by a reporter if she was still pushing for the release of Mr. Nour, the imprisoned opposition political leader.

"You didn't raise it today," Mr. Aboul Gheit interjected without hesitation.

But these efforts, the moves toward Russia and China, and the aggressive public remarks from officials mask a reality that is driving the government to press the United States to become more engaged in the Arab-Israeli peace effort.

"You can't have a deal in the Middle East without the Americans, regardless of the judgment we carry," one government official said.

Many people, inside and outside government, say the roots of the government's problems lie more in its domestic failures than in outside pressure. Although Egypt's government has moved to improve macroeconomic policies, for example, a vast majority of this nation of 70 million live in deep poverty.

While they talk about moving toward democracy, Egyptian authorities have canceled elections, prohibited the creation of new parties and locked up political opponents. "The state is failing to meet its most basic responsibilities, starting with providing clear drinking water," said Mustapha Kamel, a political science professor at American University in Cairo. "There is a feeling the ruling team does not have a good vision for dealing with the problems of the country."

The popularity of political Islam in Egypt, many political analysts said, is not a result of the Palestinian crisis. "It is not because the Brotherhood is religious, but because the public is fed up with the ruling party and their promises," said Abdallah al-Ashaal, a former assistant to the foreign minister who now teaches international law and relations at Cairo University.

But Dr. Ashaal did say Egypt — and the United States — would benefit greatly if the Palestinian issue were addressed. "If you find a fair solution to the Palestinian problem, you pave the way for talks with all parties," he said, referring to Syria and Lebanon as well.

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So in an atmosphere of distrust of the United States, officials here are still hoping that Washington will heed their call. “You can’t achieve peace without the United States,” said Hesham Youssef, chief of staff at the Arab League, “but we can’t continue business as usual.”

Abbas Seeks To Curb Hamas In West Bank (AP)

By Josef Federman

AP, October 22, 2006

The Palestinian president brought a security commander out of retirement Saturday to block Hamas from building up its forces in the West Bank, the latest sign that the standoff between the Islamic militant group and Fatah could erupt into widespread violence.

The commander, Ismail Jaber, has been tainted by corruption but is respected by thousands of gunmen loyal to Mahmoud Abbas' Fatah movement and holds sway over key West Bank commanders.

Abbas has been locked in a power struggle with Hamas since the Islamic group trounced Fatah in parliamentary elections early this year, with control over Palestinian security forces a key aspect of the dispute.

Most of the forces are loyal to Abbas, but Hamas formed its own militia of 6,000 men and deployed it throughout the Gaza Strip, a move that has sometimes led to violent clashes.

Jaber's appointment came a day after Palestinian Foreign Minister Mahmoud Zahar, a top Hamas leader, said the Islamic group would beef up its militia in Fatah's West Bank stronghold. A Hamas official said they planned to recruit about 1,500 members there.

Under Abbas' new plan, Jaber will take command of all West Bank security forces, except for three branches that fall under control of the Hamas-run Interior Ministry.

Abbas hopes Jaber will help him curb Hamas' plans in the West Bank, an official close to the Palestinian leader said, speaking on condition of anonymity because he was not authorized to discuss the issue with the media.

Adding to Fatah's concerns, Hamas officials said Iran has promised to help train their security forces.

Jaber's appointment marks a turnaround for Abbas. In April 2005, Abbas forced Jaber and other senior officials into retirement as part of his efforts to root out corruption. Jaber was suspected of putting thousands of fictitious names on his payrolls and pocketing the money.

However, Jaber has years of experience and is seen as one of the few people who can unify the pro-Fatah forces in the West Bank, which have been riven by infighting and rivalries.

Jaber, who is in his 60s, was a top commander for the Palestine Liberation Organization in Lebanon during the 1980s, and later followed the late Yasser Arafat to the West Bank after the interim peace deals with Israel in the early 1990s. He served as Arafat's national security adviser and police chief in the West Bank.

Jaber also has influence over parts of the Al Aqsa Martyrs' Brigades, a violent but decentralized group of gunmen loosely linked to Fatah.

On Friday, Al Aqsa leaders from four large refugee camps in the West Bank met in the city of Nablus to discuss the threat posed by Hamas.

"We decided there will be no Hamas force in the West Bank. We won't let them do what they did in Gaza," said one of the commanders, Nasser Abu Aziz. "Every Hamas policeman will be in our sights."

Both Hamas and Jaber face difficult tasks. Hamas' power base in the West Bank is much smaller than in Gaza. The Fatah-dominated security forces, meanwhile, are largely in disarray, and it is unclear whether Jaber will have the funds or organizational abilities to impose order.

Jaber did not return a message seeking comment. In Gaza, Hamas officials declined comment on the appointment.

But the appointment was likely to add to growing tensions. Some 17 people have died in Palestinian infighting in recent weeks, and on Friday, Fatah-aligned gunmen opened fire on Prime Minister Ismail Haniyeh's convoy, causing no injuries.

The violence stems from a political standoff between Abbas and Hamas over international calls for the Islamic group to renounce violence and recognize Israel.

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Abbas, a moderate who was elected separately last year, has urged Hamas to accept the demands in order to get international sanctions lifted. Hamas refuses to give in, despite widespread hardship caused by the sanctions.

In new violence Saturday, members of the Palestinian security forces fired in the air in Gaza City's main shopping district and burned tires near Abbas' home to press demands for the payment of salaries on the eve of a major Muslim holiday. The three-day Eid el-Fitr holiday begins early next week, and children are traditionally given new clothes and toys.

A similar protest by unpaid security men near the Nusseirat and Bureij refugee camps in central Gaza erupted into an armed battle with Hamas gunmen early Sunday. Witnesses and hospital officials said a well-known Fatah activist was killed, and three people were wounded.

Because of the sanctions, the Hamas-led Palestinian Authority has been largely unable to pay the salaries of 165,000 civil servants, including 80,000 members of the security forces, since it came to power in March.

Russian Foreign Minister Sergey Lavrov said Hamas should be given more time to meet international demands to renounce violence and recognize Israel.

"Demanding now that Hamas fully accept the Quartet's conditions, such as the recognition of Israel, the denunciation of violence against Israel, and the acceptance of all existing agreements is unrealistic at the present stage," Lavrov told the Kuwaiti news agency KUNA on Friday.

For Multiculturalist Britain, Uncomfortable New Clothes (NYT)

By Alan Cowell

The New York Times, October 22, 2006

LONDON

RARELY has Britain's struggle to define its relationship with a disaffected and diverse Muslim minority seemed so fraught as it was last week, with the debate fixated on where a woman can wear a flimsy, kerchief-size item of Islamic dress called the niqab, the full-face veil.

The discussion, intensified by Prime Minister Tony Blair's calling the veil "a mark of separation,'' is not simply about dress. It seems to signal a broader shift as non-Muslim Britons set new limits of tolerance, not just for recent immigrants but for a younger, home-grown generation of more assertive British Muslims.

Among some of those who have long favored tolerance for individual choice, there is a ginger step toward the notion that the right of the group might trump the right of the individual under more circumstances, even as they are hard-pressed to say exactly why they are drawing the line at the niqab, beyond its being a matter of "communication."

For 40 years, Britain has nurtured a policy of multiculturalism celebrating ethnic diversity and its emblems. That policy evolved in the 1960's, at a time when Muslim immigrants, largely from Pakistan, arrived to take menial jobs. Now, Britons are confronted with the sometimes alienated descendants of that first generation — like three of the four Londoners last year — people born in the country, raised in its schools and newly drawn to a re-examination of their ancestors' faith.

A blame-game question is emerging: Who is responsible for the widening gulf between majority and minority?

Along with Mr. Blair's comment, a Conservative opposition figure, David Davis, said some British Muslims had set themselves on a course of "voluntary apartheid," leading parallel lives outside the mainstream. The inference was that multiculturalism had failed.

The counterargument emerged at a labor tribunal in Yorkshire where Aishah Azmi, 24, a teaching assistant, challenged a school board's decision to suspend her from teaching because she wore the full veil.

"Muslim women who wear the veil are not aliens," Mrs. Azmi said at a news conference after the tribunal found that she had not been discriminated against or harassed, though it concluded that she had been made to feel like a victim. This split ruling left her ultimate return to the school, veiled or not, uncertain. "Integration requires people like me to be in the workplace so that people can see that we are not to be feared or mistrusted," she said.

But those who have opposed the wearing of the niqab, like Jack Straw, the Labor Party veteran who is leader of the House of Commons, argue that it prevents communication. They point out that, while the Muslim head-scarf — the hijab — allows the

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face to be seen, the niqab reveals only the eyes. In school, opponents of the niqab argue, particularly in language lessons, students cannot see the face of the teacher to follow what she is saying.

Of course, the niqab is not the only item of clothing used to express a distinctive notion of piety. There's the Sikh turban, the nun's wimple, the Hasidic Jewish man's black hat and side curls. None of those — not since the battle of Sikhs to wear their turbans at work in the 1970's — has been so singled out.

But the niqab is the only item that completely masks its wearer. In much of the Muslim world, it is part of a pervasive culture dictating that women show their faces only to other women, or to men in their families. In Britain, it has come to offer an emblem by which Islamic separation may be criticized without challenging the right of 1.6 millions Muslims — fully 3 percent of the population — to practice their faith.

The debate opened this month when Mr. Straw complained that in his constituency office in Blackburn, he felt unable to communicate with women wearing the niqab. "There is a wider issue here," he said. "Communities are bound together partly by informal chance relations between strangers, people being able to acknowledge each other in the street or being able to pass the time of day. That's made more difficult if people are wearing a veil."

His remarks drew broad support among non-Muslims, prompting suggestions that he had used the issue to raise his profile as Labor Party figures maneuver for position after Mr. Blair steps down. Only 22 percent of Britons surveyed in an opinion poll taken afterward said they thought Muslims had done enough to integrate, while 57 percent said Muslims should do more to fit it.

For some it is an uneven debate.

"It's not a neutral conversation," said Salma Yaqoob, a Muslim city councilor in Birmingham. Non-Muslims start from a perception that " 'we have all been victimized as a majority by this awkward minority'; they start from a hostile stance and the Muslims start from a defensive stance."

The full veil, she said, is worn by a "tiny, tiny minority" of Muslim women, some of whom have taken to it after concluding that Islam provides "a sense of identity that gives a framework for their lives." Indeed, it is the very intensity of the debate about Islam, Ms. Yaqoob said, that propels their embrace of it.

"As the context now is so highly politicized, and the Muslims are so much in the headlines, people ask, 'What is this thing we are being demonized for?' " she said in a telephone interview.

Shahid Malik, a Muslim Labor legislator from the same area of Yorkshire as Mrs. Azmi, said he welcomed the debate over the full veil. "If we don't talk about these things, they are stored up for the future," he told reporters in Yorkshire.

"As individuals, all women have the right and freedom to wear what they wish, and rightly so," he said. "However, in certain occupations there are dress codes which employees are expected to adhere to while at work. All right-minded people — Muslim and non-Muslim alike — will agree that in asking a classroom assistant not to wear a veil while in contact with children because it hinders their learning is perfectly acceptable and just common sense. But when your style of dress limits your ability to carry out your role, then the welfare and education of the children must come first."

The paradox is, of course, that Muslims born and raised in Britain are an integral part of the society that seems to reject them. To be accepted, they need to assert their presence, yet in doing so, they fall afoul of pressures to conform to the standards of the non-Muslim majority.

The debate may also exact a toll on that majority. In an interview, David Edgar, a British playwright, said Britain risked losing the "Voltaire principle, which is: I disagree with what you say but I defend to the death your right to say it."

"We are slipping very quickly from saying something I agree with — that the veil is a separatist gesture — to something I profoundly disagree with, which is that it should be banned," he said.

Yasmin Alibhai-Brown, a Muslim who is a columnist for The Independent, sees it a little differently. "What any of us does in our own lives is a private matter — a precious and inalienable right," she wrote. "But once we enter the job market or national and local authority domains, or tread into places where there is interaction with different citizens, privacy and individual choice become contested — quite rightly, for there is such a thing as British society."

Europe's Immigration Quagmire (LAT)

By Ayaan Hirsi Ali, Ayaan Hirsi Ali, A Former Dutch Legislator From Somalia, Now Lives In The U.s., Where She Is A Fello

DOJ_NMG_0084616

The Los Angeles Times, October 22, 2006

The continent needs more realistic policies that recognize both immigration's economic benefit and the dangers of Islamism.

IN AFRICA, we sometimes used animals to say things on sensitive issues to avoid discussing the messenger instead of the message. So I shall use the ostrich and the owl to sketch the two most important positions on immigration and pluralism in Europe.

The view of things in Europe today, as the ostrich sees them, is bright. He sees an open market of 450 million people with an amazing potential. He sees a thriving economy and the free movement of people, goods, money and services. Immigration, to the ostrich, can only be viewed as an opportunity for an aging native population. Borders are better open than closed. Islam is a faith like Christianity, and Muslims shall adapt their religion to life in Europe.

According to the ostrich, very soon there shall be a European Islam, signs of which are already visible in the young women in tight jeans; high heels; black, sleeveless, tight tops and matching head scarves, all designed by Prada. This Prada Islam will replace the old rural one and function as a vaccine against the Wahhabi Islam of the Saudis.

The overrepresentation of migrants in all the wrong statistics — such as unemployment, unfinished education and crime — is to the ostrich merely a temporary affair. It's a phase that all groups from underprivileged backgrounds go through, and it will be short, as long as there is economic growth.

According to the ostrich, the wealthy natives should stop whining about the backwardness of immigrants and concentrate on the benefits. The ostrich points to the nurses, nannies, construction workers, grocers, bag carriers, cleaners, factory workers and a host of other jobs natives won't do but are necessary to keep the economy going.

The ostrich is not worried about the flow of migrants transforming the culture and society of Europe in any negative way. He sees only one thing as a setback: the xenophobia of native Europeans. If only the inherently racist white society could overcome its fear of what is alien, it would notice how migrants have improved the cuisine, the music, the arts and the economy of Europe.

Then there's the owl, which is a night bird and gets, more often, a glimpse of the dark side of things. Europe is healthy and wealthy, but the owl worries that it may not be so wise.

The shadow side of the free movement of people, for instance, is the trade in women and children for the ruthless sex industry. Also, weapons go unnoticed from hand to hand, from country to country. Some of these weapons could be biological, chemical or worse.

The old owl sees how poor migrants are exploited by cruel employers who provide little or no pay and hire and fire the migrants at will. The owl can't help but notice that even after the recent amnesty, Spain has an estimated 1 million illegal immigrants. Britain has roughly half a million. France, 200,000 to 400,000, if you trust the French. I think there are more. Germany has about 1 million.

The owl acknowledges unreservedly Europe's aging populations, its decreasing population growth and its need for migrants — but also sees that selection of migrants is not always based on who is useful for the economy.

The owl sees that Islam is not Christianity and that not all Muslims understand or want to share in any European future based on European values of freedom, tolerance and an attitude of live and let live.

The owl sadly looks on as poor kids are taught to view themselves as victims, and the society in which they live as the enemy. He can't help but notice that Muslim migrants are receptive to the seduction of the Islamist movement. Even worse, there are now natives converting to this brand of totalitarianism.

Nor can the owl ignore the growth of the extreme right-wing movements and parties. He fears that the debate on pluralism in Europe will be hijacked by two uncompromising extremes: whites' power fascism and Islamic fascism.

The owl thinks that the ostrich is right: We should always look on the bright side of life. But he also thinks we should be careful not to get delusional.

Foretelling the future can be fun for astrologists and crystal-ball gazers. For academics, it is not. If you get it right, you're damned like Samuel Huntington. If you get it wrong, you're called a certified idiot. So instead of predictions, we draw rough sketches of a best-case scenario and a worse-case scenario.

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In a worst-case scenario, the warnings of the owl will not be heeded. The optimism of the ostrich will be abandoned. The monopoly of force that is now exclusive to states will be challenged by armed subgroups. European societies will be divided along ethnic and religious lines. The education system will not succeed in grooming the youth to believe in a shared past, let alone a shared future.

The European states will find themselves limiting civil liberties. Europeans will come to accept the de facto implementation of Sharia law in certain neighborhoods and even cities. The exploitation of the weak, women and children will be commonplace. Those who can afford to emigrate will do so.

Instead of an ever-growing union in Europe, future generations may witness an ever-disintegrating one.

In a best-case scenario, Europeans will heed the caution of the owl without losing the liveliness of the ostrich. This approach will be translated into a three-dimensional, comprehensive policy.

First, controlled or planned immigration. The European Union will introduce quotas such as those in the U.S., based on the selection of migrants who are beneficial to the economy. The current system in most European countries is designed to attract the highest number of people with truly heartbreaking stories, not the highest number of people who are willing and able to adapt to the European society.

Second, an intervention, sometimes proactive, in Europe's neighboring states or in failed states with conditions that force people to migrate in large numbers. This plan will consist of aid, trade, diplomatic pressure and military intervention, if necessary. That's taboo in Europe at the moment. Right now, the EU selects the countries it wants to aid based on lists provided by the World Bank or the United Nations. The criteria for aid are based on such vague notions as the 100 poorest countries or countries with good governance or some other goody-goody sounding reason. That should change.

Finally, in a best-case scenario, the EU will implement an assimilation program guided by the lessons learned from our failed attempts at multiculturalism. It will acknowledge that the basic tenets of Islam are a major obstacle to integration. In practice, Muslims will continue to enjoy religious freedom, as long as exercising that precious right does not infringe upon the freedoms of others, including daughters and wives.

In a best-case scenario, EU policymakers will invest in girls and women, protect them from violence and punish those who try to limit their freedoms. Those policymakers will reform the welfare state; regulations pertaining to the hiring and firing of employees will be made more flexible, making it easier for migrants to enter the labor market.

The combined vision of the ostrich and the owl is indeed possible in Europe, but it requires a great deal of willpower, leadership and, above all, the recognition that tolerating oppressive cultures and encouraging more mass migration from Islamic countries often hurts precisely the people we seek to help.

A misguided vision brought Europe to its current predicament; an idealistic vision convinced of the inherent superiority of enlightened values over the values of oppressive cultures, a vision steeped in individual rights, the rule of law and the equality of men and women can help guide Europe out of it.

Schroeder: Bush's Faith Raised Suspicion (AP)

By Melissa Eddy

AP, October 22, 2006

Ex-Chancellor Gerhard Schroeder, whose second term was marked by vehement opposition to the war in Iraq, described in an advance copy of his memoirs how he was suspicious of President Bush's constant references to his Christian faith.

In an excerpt of his book, "Decisions: My Life in Politics" published in the German weekly Der Spiegel Saturday, Schroeder discusses the key political choices that marked his seven-year term in office, including the decision to call early elections and his split with Bush over the Iraq war.

"I am anything but anti-American," Schroeder told Spiegel in an interview to accompany the excerpt of the more than 500-page book that goes on sale Thursday.

In it Schroeder, who led the Social Democrats to power in 1998, recalls the tears in his eyes as he watched television footage of people jumping from the burning World Trade Center on Sept. 11.

He knew Germany would have to react.

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"It was important to me that Germany fulfill its requirements as an ally" of the U.S., he wrote. "It was also fully clear to me that this could also mean the German army's participation in an American military mission."

Several months later, during Bush's 2002 visit to Berlin, Schroeder wrote he was surprised at what he described as Bush's "exceptionally mild" speech to the German parliament.

While meetings with Bush at that time were friendly, Schroeder said he could not reconcile himself with the feeling that religion was the driving force behind many of Bush's political decisions.

"What bothered me, and in a certain way made me suspicious despite the relaxed atmosphere, was again and again in our discussions how much this president described himself as 'God-fearing,'" Schroeder wrote, adding he is a firm believer in the separation of church and state.

Schroeder accused some elements in U.S. as being hypocritical when it comes to secularism in government.

"We rightly criticize that in most Islamic states, the role of religion for society and the character of the rule of law are not clearly separated," Schroeder wrote. "But we fail to recognize that in the USA, the Christian fundamentalists and their interpretation of the Bible have similar tendencies."

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Associated Press Writer Claus-Peter Tiemann contributed to this report from Hamburg, Germany.

Schroeder Airs His Bush Reservations (LAT/AP)

From The Associated Press

The Los Angeles Times, October 22, 2006

Former Chancellor Gerhard Schroeder, whose second term was marked by vehement opposition to the war in Iraq, described in his memoirs how he was suspicious of President Bush's constant references to his Christian faith.

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Panama Steams Ahead On Vote To Expand Canal (LAT)

By Chris Kraul

The Los Angeles Times, October 22, 2006

The $5.2-billion project is expected to pass. Critics find their voices drowned out by the government campaign.

Voters are likely to approve a $5.2-billion project to expand the Panama Canal today, according to polls, despite warnings of an accumulation of debt, competition, technical miscalculations and possible environmental damage.

Only scattered opposition has developed to the proposal to expand the 92-year-old canal to allow transit of a new generation of larger container ships. If voters approve, construction will begin next year, with completion expected in 2014, in time for the 100th anniversary of the canal's opening.

Opponents, who include a former Panamanian president, a onetime canal administrator and a number of engineers and financiers, say the expansion amounts to fixing something that isn't broken, and that the nation is risking its most important asset on dubious engineering and financial assumptions. Revenue from the canal accounts for 8% of the national budget.

The contrarian views have been obscured by the well-oiled campaign by the government of President Martin Torrijos to sell the expansion as a competitive necessity. Polls indicate that support for expansion has grown and that the referendum could pass by a as much as a 2-1 margin.

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Canal administrators and many shipping experts argue that the canal could become irrelevant unless it is modernized, because of the enormous increase in container cargo traffic bound to and from the U.S. East Coast since the emergence of China as a world trader.

The growth in volume has lengthened the waiting time for ships at either end of the canal. Alternative projects, including a waterway in neighboring Nicaragua, have been proposed to handle the extra traffic. An expansion of the Suez Canal is also being considered, as are several projects to hurry freight across North America from new Canadian and Mexican ports.

If the referendum passes, the canal expansion will involve digging a third shipping lane and construction of a parallel set of locks for ships 50% larger than those that currently travel the 51-mile canal.

The project would be entirely self-financed by doubling tolls over the next 20 years, said Francisco Miguez, master plan coordinator at the Panama Canal Authority, the quasi-independent body that has run the canal since the United States turned it over at the end of 1999. The authority would manage the expansion as well.

But skeptics say that cost overruns are inevitable and that they will be shouldered by taxpayers. Walter Molano, an analyst with BCP Securities in Connecticut, said Panama was already burdened with high debt and poverty and was underestimating the pressure from competition to keep prices down in coming years.

"This is an extensive project with limited payoff for all but a small group of people involved in the construction," said Molano, a specialist in Latin American bonds.

Carlos Guevara-Mann, a Panamanian who is a political science professor at the University of Nevada in Reno, said the project still lacked a thorough economic impact study or final construction plans.

"I was a credit manager at an international bank before I became a professor, and if someone sent me a proposal like this for a loan, I'd have turned it down," Guevara-Mann said. "The whole plan is sloppily done, poorly prepared."

Several experts doubt that the expansion can be done for $5.2 billion. A previous plan for expansion developed in the early 1990s envisioned the construction of new reservoirs west of the canal. The current plan, however, avoids those reservoirs, and the displacement of about 8,000 people, by recycling 60% of the water needed to fill the new locks. The plan also foresees raising the level of Gatun Lake, the main water source for the canal's locks, by a foot and a half.

Paul Labonte, a Tustin civil engineer who helped develop an alternative canal water recycling plan financed by the Inter-American Development Bank, said the final plan badly underestimated the amount of water the new locks would require.

The canal authority vigorously disputes the criticism, saying technical and financial assumptions were given three rounds of independent scrutiny and that the $5.2-billion cost estimate includes a margin for "everything going wrong," in Miguez's words.

The canal authority talked to all the operators who use the 114 shipping routes that pass through the canal and came away convinced that its competitive position was strong and would remain so, Miguez said.

Fare increases totaling 60% since Panama took over the canal operation have failed to dent market demand, he said.

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In Cuba, 'On The Left' Means A Flourishing Black Market (WP)

By Manuel Roig-franzia

The Washington Post, October 22, 2006

Guile and Caution Employed to Counter Chronic Shortages

HAVANA -- Most mornings a woman with darting brown eyes lingers here in the sticky hot corner of an open-air vegetable market.

She effects a casual stance, elbow propped nonchalantly against a cigar stand, waiting for the regulars. If she nods, her customers follow her to a side street.

A few quick, nervous glances and the woman reaches inside her blouse. From her bra, she removes her contraband -- neatly folded plastic grocery sacks, illegal except in state-run stores.

Five for one cent.

The transaction, like countless others each day in Havana and throughout this island nation, takes place " por la izquierda ," or "on the left." Cubans use the phrase to describe back-alley deals both large and small. They scheme on the left to cope with

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chronic shortages and to skirt myriad rules that prohibit most forms of private enterprise and govern the minutiae of their daily lives.

Cubans go to the left for almost anything: for staples, such as rice and beans; for quotidian items, such as the plastic grocery sacks; and for forbidden delights, such as lobster or scarce beef. On the left, Cubans risk fines or jail sentences to watch soap operas captured by illegal satellite dishes, to prowl restricted Internet sites and to boil "secret potatoes" bought after reaching limits on the ration cards that dictate the buying habits of everyone in the country. Mothers of children under the age of 7 -- the only Cubans allowed to buy discounted milk at state stores -- even sell their allotments at inflated prices to collect money for extra food.

The thriving underground economy functions as a pocket of capitalism, prescribed by supply and demand, within the Western Hemisphere's only communist state. Observers say it may be the precursor of a push for a market economy, one that could accelerate after President Fidel Castro dies; on the other hand, they say, the black market may simply be the byproduct of a system that rewards the wily and well-connected.

"They're very entrepreneurial," Wayne Smith, a former chief of the U.S. Interests Section in Havana, said in an interview. "When I go down to Cuba, I've had the impression that everyone is waiting for something to happen. There's a sense that changes are going to come."

While the world wonders what a post-Castro Cuba might look like, the resiliency of the island's black-market culture demonstrates how far Cubans are willing to go to circumvent Castro's dictums. But it also exposes a certain elasticity in government control of the island.

Some of the deals made on the left, though illegal, are clearly tolerated. They sometimes take place in plain sight of uniformed police, or in view of the less obvious, but equally pervasive, network of neighborhood informers.

The sense of tolerance, however, can vanish abruptly. In August, shortly after Castro underwent stomach surgery and relinquished power during his recovery, government authorities swept through neighborhoods in a crackdown on illegal satellite dishes. The agents were presumably bent on blocking outside news broadcasts -- rife with rumors that Castro was dead or suffering from terminal cancer -- that might cast doubt on the rosier official accounts.

As word spread, Cubans scrambled to dismantle satellite dishes that had been open secrets, squirreling them under floorboards and in attics.

"There used to be dishes there, there, there," a man who lives in a Havana suburb said recently, pointing at his neighbor's homes.

"The funny thing is that they think we want to watch the news from Miami," said the man, a government port worker who, like dozens of others interviewed, spoke on condition of anonymity. "But all my wife wants to see are the soaps."

The Castro government says the restrictions that push so many Cubans to the left are, in some cases, necessitated by the U.S. trade embargo and, in others, a counteroffensive in the nearly half-decade propaganda war between the countries.

Satellite dishes are banned in order to block the U.S. government's TV Marti, which broadcasts programming critical of Castro, National Assembly President Ricardo AlarcÃ³n said in an interview. Internet use is restricted, he said, because the embargo prevents Cuba from tapping high-speed cables in international waters.

When the subject of food rationing comes up, AlarcÃ³n invariably points again to the U.S. embargo and to a declassified U.S. State Department memo written shortly before the trade embargo was enacted in the early 1960s. "The only foreseeable means of alienating internal support," the memo states, "is through disenchantment and disaffection based on economic dissatisfaction and hardship." The memo proposes "a line of action which makes the greatest inroads in denying money and supplies to Cuba, to decrease monetary and real wages, to bring about hunger, desperation and overthrow of government."

"It's equivalent to genocide," AlarcÃ³n said of the memo and of the subsequent embargo.

Even Cubans who are critical of the Castro government tend to have similarly heated reactions to the embargo. Their trips into the black market unspool as quiet acts of rebellion against both U.S. policy and the restrictions imposed by Castro.

Entire networks have developed to feed the black market system. There are suppliers, who skim materials from state-run enterprises. And there are middlemen, who buy the stolen goods and resell them.

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One recent afternoon in Cojimar, a town outside Havana famed as a hangout of Ernest Hemingway's, a middleman sat shirtless in his living room, flashing signals at passersby. He gave a thumbs-up to a man looking for chicken; he shook his head at a woman looking for milk.

"Here, everything is on the left," he said, sweeping his arm across his modest home and shouting to be heard over a Steven Seagal movie that he'd picked up from an illegal DVD vendor.

The house, once half its current size, had grown wider and longer because of several dozen bags of cement that he had collected one at a time from "some guys" over more than a year. His guys would stuff their pockets with cement at the end of each workday until they had accumulated enough to fill a bag. The family's freezer bulged with chicken waiting to be resold, and the refrigerator held three large flans, because the middleman had come into a windfall of eggs.

"This is an art," he said, sagging back into a recliner. "Not everyone can sell like me."

That same afternoon, in another town near Havana, a 30-something Cuban went out in search of videos to rent. He walked down a street lined by homes with peeling facades, then stopped at an entrance that stood out because of its fresh paint job.

A gaunt man cracked the door open a few inches, and tersely asked: "What do you want?"

After poking his head out and looking each way down the street, the man ushered his customer inside. The floor was brand-new faux marble, the recliners plush velvet -- more signs of prosperity amid the street's decay.

"I've got some Julia Roberts, I've got some Al Pacino," he said.

But he had no intention of handing them over. Instead, he would relay a message to a courier, who would inform "the old man." The customer would have to wait six hours, then go to the old man's house to retrieve the movies.

"Things are tight now," the movie dealer said, explaining that police had been more vigilant since Castro's illness.

A few days later, back at the market where izquierda culture might be strongest, a customer was on the lookout for lobsters. A man stepped up to him and whispered, "Meet me two blocks down the street."

Lobsters, abundant in Cuban waters, are illegal in all but a few of the most expensive state-run restaurants. The rest of the catch is exported.

The lobster vendor hopped in the customer's car and directed him through a labyrinth of city streets to a colonial-era home. A man on the rooftop flashed a caution signal, and the vendor instructed the customer not to move.

The vendor slipped out of the car and disappeared through a door, reappearing 10 minutes later to wave the customer inside. At the top of the stairs, a woman appeared with a dozen beautiful lobster tails.

The customer handed over six dollars, grabbed the lobsters and dashed down the stairs. He wheeled his car back toward the market. Three blocks away, the vendor yelled, "Stop!"

He jumped out of the car, and in a moment, he was gone.

Mexican Gangs Displaying Severed Heads (AP)

By Will Weissert

AP, October 22, 2006

The drug lords at war in central Mexico are no longer content with simply killing their enemies. They are putting their severed heads on public display.

In Michoacan, the home state of President-elect Felipe Calderon, 17 heads have turned up this year, many with bloodstained notes like the one found in the highlands town of Tepalcatepec in August: "See. Hear. Shut Up. If you want to stay alive."

Many in Michoacan's mountains and colonial cities are doing just that: They are tightlipped, their newspapers are censoring themselves and in one town, 18 out of 32 police officers quit saying they had received death threats from drug smugglers.

In the most gruesome case, gunmen burst into a nightclub and rolled five heads onto the dance floor. In another, a pair of heads were planted in front of a car dealership in Zitacuaro, a town best known until now as a nesting ground for monarch butterflies.

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By a highway outside Tepalcatepec, suspected drug smuggler Hector Eduardo Bautista's tortured body was dumped on July 10. Near a black metal cross put up by his family at the spot, killers apparently avenging his death have been leaving severed heads — five so far — each with a threatening message.

Beheadings and accompanying notes in sometimes cryptic and misspelled Spanish are becoming a ghoulish vogue among the gangs that grow marijuana, cook methamphetamine and run cocaine in Michoacan. There have been 420 homicides in the state this year, including 19 police chiefs and commanders, and Juan Antonio Magana, the state's attorney general, says well over half the killings were drug-related — the work of smuggling gangs reorganizing after authorities captured some of their top leaders.

"These are groups that are very big, very strong and are out to dominate territory," Magana said in an interview.

Drug smuggling in Michoacan has traditionally been controlled by a syndicate known as Los Valencia. Police arrested its leader, Armando Valencia, in August 2003 and one of his lieutenants, Carlos Alberto Rosales Mendoza, a year later.

Now, anti-narcotics investigators say, the Gulf cartel based in northern Mexico is battling its way into Los Valencia territory, relying on "Los Zetas," ex-Mexican army operatives-turned hit men. Los Valencia loyalists have fought back fiercely.

Many notes attached to slaying victims are signed "The Family," a possible reference to Los Valencia. Some mention "La Chata," a known alias for a top reputed Gulf cartel hit man.

"They don't need to leave written messages. The mere fact that they are using such high levels of violence is sending messages of intimidation, causing fear," Magana said. "But doing it shows other gangs they can act in even more gruesome and violent ways than their rivals."

With a vast and sparsely populated Pacific coast and the rugged Sierra Madre del Sur Mountains, Michoacan is good territory for producing and smuggling drugs.

Many farmers have abandoned avocado, coffee and corn in favor of marijuana in the highlands, where roads are few and police can't easily penetrate. Smuggling gangs have cleared forests for airstrips. Small planes crammed with Colombian cocaine streak in, leaving loads that are ferried to the coast and stowed on fast boats that speed north toward the U.S. border.

Michoacan also has become a den for hidden meth labs.

Journalists statewide have covered the murders but some have avoided digging further after receiving death threats. On Oct. 13, police recovered the body of an unidentified man who had been shot 38 times and dumped outside the town of Tacambaro. An attached note in fluorescent yellow marker appeared to directly threaten the media: "The family and the ZZs are the same thing. Media outlets, don't sell out."

Calderon, who will be sworn in as president on Dec. 1, wants a new, better trained federal police force to investigate drug smuggling, longer prison terms for drug convicts and more extraditions of kingpins wanted in the U.S.

He says Mexico also needs more help from U.S. law enforcement, since Mexican smugglers are serving American drug users.

Attorney General Magana denies Calderon's contention that Mexican law enforcement is overwhelmed. But in Villa Madero, a logging town of crowing roosters and stray dogs asleep on cracked asphalt streets, the abrupt mass departure of police officers suggests a different picture.

"There's an enormous pressure here," said former officer Reyes Alberto Gamino, now retired at 21. "It's very dangerous."

Mayor Alberto Villasenor has said the police were fired for failing to show up to guard a municipal dance Sept. 16. The former officers claim they quit because gunmen were waiting to kill them for arresting a reputed drug boss.

One of the officers who resigned is Gildardo Villa. Interviewed in front of his home, Villa seemed nervous, looking over his shoulder constantly and answering questions in hushed tones.

"The threats had been coming for a long time," he said. "That's why we left."

Inside his cramped City Hall office, Justice of the Peace Apolinar Yanez acknowledged that police are afraid of the gangs, whom he described as "very well armed and very dangerous."

"I'm not going to tell you who they are, not going to give you names or tell you what kinds of activities they are involved in. I don't want problems," Yanez said. "But they were threatening the police."

Since the police officers quit, many in Villa Madero say they are afraid to leave their homes.

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"There's a fear that affects everyone," said Enrique Acerra, 70, who runs a used-clothing store. "It's hard to feel safe."

Torrent Of Mud Swamps Indonesia (WP/AP)

By Chris Brummitt, Associated Press

The Washington Post, October 22, 2006

Sludge Unleashed By Rig Accident Displaces 10,000

PORONG, Indonesia Factories that once produced watches and shoes lie under a sea of thick, stinking mud. Villagers stand on hastily constructed dams and gaze at the thousands of homes swallowed by brown sludge.

Four months ago, a torrent of hot mud from deep beneath the surface of Indonesia's seismically charged Java island began surging from a natural gas exploration site following a drilling accident.

The "mud volcano" pours out about 165,000 cubic yards of mud every day -- enough to cover a football field about 75 feet deep. Often spewing out in geyser-like eruptions, the mud has left about 665 acres swamped or abandoned as unsafe, forcing more than 10,000 people from their homes.

Experts say the mud volcano is one of the largest ever recorded on land. Geologists fear the technology may not exist to stop the eruption, saying mud could flow for years or even centuries -- or stop on its own at any time.

The mud is believed to come from a reservoir 3 1/2 miles below the surface that has been pressurized by shifts in the crust or by the accumulation of hydrocarbon gases.

The calamity has underscored the patchy safety record of mining companies exploiting the natural resources of this Southeast Asian nation made up of thousands of islands.

Police seized the drilling rig involved in the accident and are investigating whether to bring criminal charges against the principal well owner, PT Lapindo Brantas.

Lapindo, which is linked to the wealthy family of Indonesia's welfare minister, is paying for an ever expanding network of earthen dams to contain the mud, but many people fear the resulting slimy ponds will overflow during the approaching rainy season.

"The volume of mud that is coming out of the hole is not just large, it's enormous," Earl Hunt Jr., an engineer from Woodward, Okla., said while supervising dredging operations.

"We are running out of room up here, period," he said. "If they don't pump it to sea or something soon, then there will be more villages lost."

The government recently gave permission to dump the mud into the sea via a local river. But experts question whether that will get rid of the sludge faster than it gushes from the hole, and environmentalists are opposing the plan as a threat to the marine ecosystem.

The mud, which stands as deep as 16 feet in places, has submerged or washed into houses in four villages. At least 20 factories and many acres of rice fields and prawn farms have been destroyed.

The sludge has repeatedly washed over a major road, closing it for weeks at a time, and now it is threatening a rail line in the industrial area just outside Surabaya, Indonesia's second-largest city.

The mud, which is not toxic, first appeared several days after a blowout deep in Lapindo's well shaft May 29.

Police claim the company mishandled the accident by failing to cap the hole properly, allowing the mud to surge to the surface from several cracks close to the well.

Independent analysts also have said the company's activities were a factor in the torrent.

"This is a natural disaster induced by drilling activity," said Andang Bactiar, a consultant for the oil and gas industry who is working with authorities investigating the case. "Somehow, or somewhere, several mistakes occurred that caused the mud to come from the hole."

The company declined to give its version of what happened or the steps it took to stem the mud, citing possible legal liability. But spokeswoman Yuniwati Teryana said drilling activity had not been proven to be linked to the eruption.

The well is 50 percent owned by Lapindo. Another Indonesian firm, PT Medco E&P Brantas, has a 32 percent stake and Santos Ltd. of Australia holds the remaining 18 percent.

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Lapindo has made emergency payments to those who have lost homes and promises to compensate their losses.

But in a country where mistrust of government runs high after decades of dictatorship that ended only in 1998, many people fear the company will try to dodge its responsibilities. The involvement of Welfare Minister Aburizal Bakrie's family in Lapindo has only added to worries.

"We are just poor people, our rights will be torn up as usual," one resident, Sukararji, said as he stood on a dam gazing at mud that reaches the second-floor windows of his house. "We are being stepped on like ants."

After two unsuccessful attempts to stop the flow, Lapindo is digging three shafts alongside the hole, hoping to kill the eruption by pumping in concrete.

Experts are skeptical that will work.

"If they manage to stop it, it will be the first time in the world that it has been done," said geologist Arif Munsyawar.

A New Tack On Darfur (WP)

By Morton Abramowitz

The Washington Post, October 22, 2006

Instead of saving Darfur's people, their advocates may be prolonging their agony. They need to consider whether a different message is required to get urgent action from the Bush administration on ending the violence. Specifically: Is it not time to go beyond urging greater pressure on Sudan and using force in the region to seek immediately an effective negotiated peace settlement between Sudan's leader and the rebel groups in Darfur? That is a necessity in any event.

For three years nongovernmental organizations and the media have pursued a relentless campaign to persuade Western governments to stop the killing in Darfur, protect and feed its people, and get millions of refugees out of camps and back home. The recent renewed military carnage in Darfur has prompted continuing ads in major newspapers and on television imploring President Bush to get a United Nations force into Darfur to "stop the genocide."

This advocacy has rested on two assumptions: First, that only outside pressure will persuade Sudan's government to reverse course; the country's leader, Omar al-Bashir, will do nothing without a gun to his head. Second, if his government resists, Western governments can ultimately be persuaded to do the right thing -- to take aggressive measures to force Khartoum to capitulate. Such measures include a no-fly zone in Darfur, a blockade of Sudan's ports, NATO intervention and sending a U.N. force (whether or not Khartoum accepts it).

What have advocacy efforts accomplished so far? They have caught the attention of Sudan's government, brought in money to keep people alive and made it difficult for governments to avert their gaze. But they have not stopped Sudan's marauding or gotten Western governments to change the situation decisively. International officials say violence is worsening again. Meanwhile, 2 million displaced people remain warehoused.

What is the problem? While public pressure for aggressive military measures has sometimes worked in persuading Western democracies to take actions they prefer not to take, as in the Balkans, those governments interested in Darfur -- in Africa, Arab countries and NATO -- are divided. Robust military measures are, unfortunately, simply not acceptable to governments, whatever they may say about "never again." The United States, which could catalyze strong action, is hampered by its involvement in Iraq.

Indeed at times the advocates for Darfur have accepted half-hearted measures. Sending in an ill-equipped, understaffed and underfunded African Union force, however useful, did not end the killing, but it made the world believe that the problem was heading toward resolution.

When pressure is applied to the Sudanese government, there is always the perceived sense, much as there was in Vietnam, that just a little more and Khartoum will cave. Perhaps. But Bashir, admittedly no Ho Chi Minh, is sitting on growing oil revenue, and he can see that the international community is divided and that the demands for more aggressive action are going nowhere.

Moreover, many measures the advocates demand for bringing pressure on Bashir, such as targeted sanctions, an investigation of Sudan's business holdings or a threat of action by the International Criminal Court, hardly meet the standard of urgency, however much these things may be worth doing.

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So how do we change course if the situation is so dire? Clearly regime change would be the best approach, though it's hard to believe we know how to do this without force. Failing that, we must accept that the Darfur Peace Agreement, reached in May, has collapsed and it is time to talk once again to Bashir about a more effective peace agreement.

To begin, the five foreign ministers of the permanent U.N. Security Council members and the head of the African Union should visit Khartoum immediately and tell Bashir that they intend to work with him to correct the flaws in the agreement and strenuously seek to get rebel groups on board. They will put trusted representatives at the negotiating site until a revised agreement is reached.

Bashir, in turn, must immediately stand down his forces, confine the Janjaweed militias and allow outside aid to flow to the displaced. China's government, no great humanitarian institution and a financier of Sudan, should be more willing to do this, since countries would be trying to work with Bashir, not pummel him.

This sort of effort is no easy matter. The diplomats might not like it, and it might not thrill the Sudanese government, even though Sudanese forces are performing badly in the Darfur area. Numerous practical problems would have to be worked out between the government and the fractious rebels, who are hard to corral. There is an unhappy history with the perfidious Bashir on negotiations. And even if an agreement can be forged, its durability is uncertain.

But this would constitute a serious and uncontentious effort to end immediately what we are told is a rapidly deteriorating situation. If it's not in the cards or doesn't work, Darfur advocates can again raise the decibel level, and perhaps part of the international community will finally get angry enough to match words with deeds.

The writer is a senior fellow at the Century Foundation and a former assistant secretary of state.

Speaking To Syria (LAT)

The Los Angeles Times, October 22, 2006

The isolated country could hold the key to Middle East peace, if only the U.S. would start talks.

'KEEP YOUR FRIENDS CLOSE, and your enemies closer." It's an adage the Bush administration surely knows, yet it continues to insist that merely talking to nasty regimes legitimizes and empowers them. This stance is impeding progress on Middle East peace. The U.S. should sit down and talk to Syria — and encourage Israel to do the same.

For years, the Syrians refused even to recognize, let alone negotiate with, Israel, or they set impossible preconditions. But lately Syrian President Bashar Assad keeps saying he wants peace talks.

Israel is internally divided on the wisdom of taking Assad up on the offer, knowing that Syria is weak and that the price of peace would almost certainly be the return of the Golan Heights. Prime Minister Ehud Olmert has ruled out peace talks, but Public Security Minister Avi Dichter, Defense Minister Amir Peretz and Foreign Minister Tzipi Livni are in favor of finding out what kind of a deal Assad might have in mind — or of calling his bluff. The White House, however, is reportedly pressuring Israel not to negotiate with Damascus, arguing that to do so would undermine U.S. efforts to isolate and punish Syria.

Assad is certainly no democrat, and the U.S. relationship with Syria is unquestionably difficult. Syria has a strategic partnership with Iran, supports the terrorist group Hezbollah, was gleeful over Israel's setbacks during last summer's war in Lebanon and has not been helpful to the U.S. in Iraq — though its record on that score is improving.

But productive diplomacy is not simply talking to your like-minded friends. The need now is for the U.S. to press for peace in the Middle East rather than dwell on the undeniable faults of the Assad regime. For more than 30 years, the U.S. has endeavored to coax, cajole and browbeat Arabs and Israelis into forging a durable Middle East agreement. But with a global Islamist revival and a terrorist challenge — and with anti-Western sentiment raging in Arab nations — could the White House pick a worse moment to back away from its commitment to bring all parties to the negotiating table? Isn't it worth at least exploring whether Syria might be persuaded to recognize Israel or to stop supporting Hezbollah? The administration should realize that the mere act of talking to your adversaries is not a sign of weakness.

Talking to Assad does not require the United States to lift economic sanctions against Damascus. It doesn't prejudice the U.N. investigation of the assassination of former Lebanese Prime Minister Rafik Hariri, for which Syrian officials, if implicated, should be brought to justice.

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President Bush should send former Secretary of State James A. Baker III to Damascus. Baker, a veteran of many rounds of bruising negotiations with Assad's father, has said he favors talking to Damascus. An Israeli-Syrian breakthrough is attainable, and it could jump-start the Israeli-Palestinian peace process. Baker also appears to believe that a peaceful future for Iraq will require the negotiation of regional security arrangements among Iraq's neighbors, including Syria and Iran. He'd best get started.

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DEPARTMENT OF JUSTICE *NEWS CLIPS*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, US DEPARTMENT OF JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: SUNDAY, OCTOBER 22, 2006 7:45 AM EDT

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HOMELAND RESPONSE:

Muslim Scholar Denied Entry To U.S. (AP)

AP, October 22, 2006

An Islamic scholar from South Africa has been denied entry into the United States, prompting questions from Bay Area Muslims who had invited him to participate in activities marking the end of the holy month of Ramadan.

Fazlur Rahman Azmi was detained by officials from U.S. Customs and Border Protection when he arrived at San Francisco International Airport from London on Friday afternoon, according to the Council on American-Islamic Relations, a civil liberties group.

Azmi, who made previous visits to the country as recently as April without problems, was questioned for hours before being denied entry and sent on a plane out of the country Saturday, the group said.

Michael Fleming, a Customs and Border Protection spokesman, confirmed Saturday that Azmi was forced to leave the country after a brief detainment. He refused to give any details of the case.

"His application for entry into the U.S. was determined to be inadmissible," he said.

The Islamic Society of East Bay had invited Azmi to lead prayers at mosques around the Bay Area and speak at a celebration in Fremont on Saturday night marking the end of the holy month of Ramadan.

"There's nothing suspicious about him," said Nawaz Khan, a member of the East Bay group. "He is not involved in any political groups. All he does is teach at the mosque and pray."

About 1,000 people are denied entry into the United States daily for reasons that include inadequate travel documents or because their names appear on a U.S. government watch list.

Islamic Scholar From South Africa Is Denied Entry Into United States (LAT/AP)

The Los Angeles Times/AP, October 22, 2006

SAN FRANCISCO — An Islamic scholar from South Africa was denied entry into the United States, prompting questions from Bay Area Muslims who had invited him to participate in activities marking the end of the holy month of Ramadan.

Fazlur Rahman Azmi was detained by U.S. Customs and Border Protection officials and then denied entry after he arrived at San Francisco International Airport from London on Friday afternoon, according to the Council on American-Islamic Relations, a civil liberties group.

Michael Fleming, a Customs and Border Protection spokesman, refused to give any details of the case other than to say, "His application for entry into the U.S. was determined to be inadmissible."

BYU Scholar, Sept. 11 Theorist, Resigns (AP)

AP, October 22, 2006

A Brigham Young University physics professor who suggested the World Trade Center was brought down by explosives has resigned, six weeks after the school placed him on leave.

"I am electing to retire so that I can spend more time speaking and conducting research of my choosing," physics professor Steven Jones said in a statement released by the school.

His retirement is effective Jan. 1, 2007.

Jones recently published theories about U.S. government involvement in the events of Sept. 11, including one suggesting that explosives inside the World Trade Center — not airplanes striking the twin towers — brought the complex down.

BYU stripped Jones of two classes and put him on leave in early September. It also began investigating his research.

The school abandoned its review Friday after reaching a retirement agreement with Jones, BYU spokeswoman Carri Jenkins said.

Jenkins said the school did not pressure Jones to retire.

Jones, who helped found a group called Scholars for 9/11 Truth in 2005, said he plans to continue researching and speaking about his Sept. 11 theories. That includes completing an analysis of soils and metals from the towers that led him to the conclusions in his paper "Why Indeed Did the World Trade Center Collapse?"

Jenkins said Jones, not BYU, owns the materials.

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Jones has not apologized for his remarks and declined comment on whether he regretted his disagreement with the school.

"I have a stewardship for my research and my teaching and my work, and I'm doing my best on that," he said.

Jones began teaching at BYU, which is owned by The Church of Jesus Christ of Latter-day Saints, in 1985.

More Human Remains Found At Ground Zero (AP)

AP, October 22, 2006

Workers recovered more human remains Saturday from several manholes as the city began a new search for Sept. 11 victims.

The search was ordered after the surprise discovery of dozens of bones in an abandoned manhole this week.

Utility and city officials on Saturday hand-removed material from other manholes after tearing into the pavement on a service road along the site's western edge. It was then sifted onsite by forensic officials for fragments of human remains, said deputy mayor Edward Skyler.

City officials said that about 15 more pieces of remains had been recovered, bringing the total to nearly 100 this week.

Upset relatives of some Sept. 11 victims called for a federally led new search for remains in and around ground zero after construction workers discovered bones in one manhole excavated as part of work on a transit hub, officials said.

The 80 bones and fragments found earlier this week ranged from a little less than an inch to 12 inches long, said Ellen Borakove, spokeswoman for the city medical examiner's office. The bones possibly include ribs, arms, legs and vertebra, she said.

The active search for the dead ended at the site in 2002 after a massive cleanup of 1.5 million tons of debris. About 20,000 pieces of human remains were found, but the DNA in thousands of those pieces was too damaged by heat, humidity and time to yield matches in the many tests forensic scientists have tried over the years.

More than 40 percent of the 2,749 Sept. 11 victims in New York have never been identified.

WAR NEWS:

U.S. To Hand Iraq A New Timetable On Security Role (NYT)

By David S. Cloud

The New York Times, October 22, 2006

WASHINGTON, Oct. 21 — The Bush administration is drafting a timetable for the Iraqi government to address sectarian divisions and assume a larger role in securing the country, senior American officials said.

Details of the blueprint, which is to be presented to Prime Minister Nuri Kamal al-Maliki before the end of the year and would be carried out over the next year and beyond, are still being devised. But the officials said that for the first time Iraq was likely to be asked to agree to a schedule of specific milestones, like disarming sectarian militias, and to a broad set of other political, economic and military benchmarks intended to stabilize the country.

Although the plan would not threaten Mr. Maliki with a withdrawal of American troops, several officials said the Bush administration would consider changes in military strategy and other penalties if Iraq balked at adopting it or failed to meet critical benchmarks within it.

A senior Pentagon official involved in drafting the blueprint said Iraqi officials were being consulted as the plan evolved and would be invited to sign off on the milestones before the end of the year. But he added, “If the Iraqis fail to come back to us on this, we would have to conduct a reassessment” of the American strategy in Iraq.

The plan is being formulated by General George W. Casey Jr. and Ambassador Zalmay Khalilzad, the top military and civilian officials in Iraq, as well as by Pentagon officials.

General Casey has been in close consultations with the White House as the debate over the way forward in Iraq has intensified in recent weeks. And he and Mr. Khalilzad took part by videoconference on Saturday in a strategy meeting with President Bush and senior administration officials, including Vice President Dick Cheney, Defense Secretary Donald H. Rumsfeld, Gen. John P. Abizaid, the top American commander in the Middle East, and Gen. Peter Pace, the chairman of the Joint Chiefs of Staff.

“We’re trying to come up with ways to get the Iraqis to step up to the plate, to push them along, because the time is coming,” a senior administration official said. “We can’t be there forever.”

Until now, the Bush administration has avoided using threats of deadlines for progress, saying conditions on the ground would determine how quickly Iraq took on greater responsibility for governing the country and how soon American troops could

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withdraw. CBS News has reported that the Pentagon was studying these questions, but the broad scope of the steps under consideration and the benchmarks that are being contemplated have not been disclosed.

The idea of devising specific steps that Mr. Maliki would have to take was described by senior officials who support the plan but would speak only on condition of anonymity. Their willingness to discuss a plan that has not been fully drafted appeared intended at least in part to signal renewed flexibility on the part of the administration, and perhaps also to pre-empt the recommendations of the bipartisan Iraq Study Group, a commission led by James A. Baker III and charged with formulating a new strategy in Iraq. It is expected to issue recommendations late this year or early next year.

The plan also moves the administration closer to an idea advocated by many Democrats, who have called for setting a date for beginning phased withdrawals of American troops from Iraq as a way to compel Iraq's government to resolve its internal divisions and take on more responsibility.

In a statement issued Saturday, a White House spokeswoman, Nicole Guillemard, said the Times's account was "not accurate," but did not specify what officials found to be inaccurate. "We've been coordinating with the Iraqis for months on a series of measures they can take to assume more control of their country," the statement said, "and to form the basis for a national compact between all communities in Iraq on the way forward."

Frustration is growing among senior American military officers and civilian officials in Iraq and at the Pentagon with Mr. Maliki for his failure to move decisively against Shiite militias and on a wide range of other fronts. Even the implied threat that the administration would reassess its presence in Iraq may not be enough, senior officials said.

In Baghdad, Iraqi leaders have been watching the discussions carefully and expressing uneasiness over the growing political pressure in the United States for a troop pullout.

Tensions between Washington and Baghdad reached a new point on Monday when Mr. Maliki, who took office in May, used a telephone call with Mr. Bush to seek assurances that the United States did not intend to oust him. The White House said after the call that Mr. Bush had pledged full support for the Iraqi.

Mr. Rumsfeld alluded to discussions about benchmarks on Friday at a Pentagon news conference, noting that Mr. Khalilzad and General Casey "are currently working with the Iraqi government to develop a set of projections as to when they think they can pass off various pieces of responsibility."

He emphasized the urgency of transferring more security and governing responsibilities to the Iraqis. "It's their country," he said. "They're going to have to govern it, they're going to have to provide security for it, and they're going to have to do it sooner rather than later."

But Mr. Rumsfeld was quick to play down expectations: "There's no doubt in my mind but that some of those projections we won't make; it will be later, or even earlier in some instances. And in some cases, once we meet the projection, we may have to go back and do it again."

Mr. Maliki's government has already announced its own set of benchmarks, including the establishment of a mechanism to disarm private militias. This week, the government removed commanders of the special police commandos and the public order brigade, both widely criticized as being heavily infiltrated by Shiite militias, in the first broad move against the top leadership of Iraq's unruly special police forces.

But the surge in violence in Baghdad and other places recently has prompted consideration of even more far-reaching steps. An American official said that one proposed plan was to give the Iraqi Army the lead role in domestic security, downgrading the role of police units.

The Bush administration has emphasized building up the police this year so that they can take on the main role in providing security in many cities. The move would be another acknowledgment that the increase in sectarian violence in Baghdad and elsewhere has exposed deep problems with some police units, which have been blamed by Sunnis for carrying out sectarian attacks.

The American strategy in Iraq was thrown into disarray this week by attacks carried out by a Shiite militia in Amara, a town south of Baghdad, and by the acknowledgment from an American military spokesman that the latest plan to secure Baghdad was faltering.

In his radio address on Saturday, Mr. Bush emphasized that the administration was staying flexible in its planning and would "make every necessary change to prevail."

Saying the goal of victory was "unchanging,"" he added: "What is changing are the tactics we use to achieve that goal. Our commanders on the ground are constantly adjusting their approach to stay ahead of the enemy, particularly in Baghdad."

Officials said they were still debating which benchmarks to include and how long the Iraqis should be given to achieve them. The plan is likely to cover a number of Iraqi ministries, including Finance, Interior and Defense, which have struggled to varying degrees with corruption and with delivering even the most basic services, officials said.

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General Casey said this month that he hoped by the end of the year to have six or seven provinces under Iraqi administrative control. Currently, there are only two. But the plan is also likely to include timelines for turning over American-run military bases, an official said.

The decision about how far-reaching to make the blueprint is likely to be influenced by what Mr. Maliki and his ministers say they can reasonably accomplish. But American officials are discussing if they should specify whether Iraqi officials deemed incompetent or corrupt should be replaced, one official said. Officials are also considering a timetable for the Iraqi Defense Ministry to have in place systems for paying, feeding and equipping its units, jobs that are still overseen to a large degree by American advisers and by contractors, some of whom have not performed well, officials said.

U.S. Encourages Iraqi Government To Take More Responsibility (MCT)

By John Walcott

McClatchy Newspapers, October 22, 2006

WASHINGTON - The Bush administration will intensify its efforts to prod the government of Iraqi Prime Minister Nouri al Maliki to take greater responsibility for governing and pacifying the country, senior U.S. officials said Saturday.

The new plan, which is still being developed, calls for Maliki and other Iraqi leaders to agree to a series of milestones in 2007 for disarming Iraq's sectarian militias, restoring its economic infrastructure, rooting out official corruption, expanding government services and strengthening local governments, the officials said.

President Bush discussed the plan, as well as broader strategic and tactical issues in Iraq, with his top military commanders on Saturday, and the officials stressed that any effort to step up the pressure on the Iraqi government would be consistent with the president's longtime strategy.

Defense Secretary Donald H. Rumsfeld alluded to the evolving plan on Friday, when he said of the Iraqis: "It's their country. They're going to have to govern it, they're going to have to provide security for it, and they're going to have to do it sooner rather than later."

The U.S. officials, all of whom agreed to speak only on the condition of anonymity because the negotiations with the Iraqi government are sensitive, said the plan is likely to be backed by an explicit economic carrot and an implicit military stick.

They said that if the Iraqi government agrees to what one official called "reasonable and measurable benchmarks", the administration would be prepared to ask Congress to approve millions of dollars in additional aid to Iraq, much of it earmarked for economic and political purposes.

If Maliki and other officials balk or continue to drag their feet, one of the officials said, the administration would be forced to "reconsider all its options." Asked what that meant, the official said that one option might be to announce plans to begin a gradual withdrawal of American troops from Iraq. That, he said, would give Maliki both time and an added incentive to reconsider his own options.

The new tactic could take some pressure off Republican candidates in next month's elections at a time when many are finding it increasingly difficult to defend the administration's "stay the course" rhetoric. It also could blunt Democratic calls for a new direction in Iraq or for a phased withdrawal of American forces.

However, U.S. military officers, diplomats and intelligence officials acknowledged that applying pressure to the Maliki government would carry some risks. They said that those include:

-While their intention is to work cooperatively with the Iraqis, the officials said, overt U.S. pressure could reinforce the impression among Iraqis and other Muslims that the Iraqi government is a U.S. puppet. That could undermine Maliki's legitimacy and aid recruiting by foreign terrorist groups and sectarian militias.

-The administration could ask the Maliki government to do more than it's capable of doing. For example, said one military officer who's served in Iraq, an effort to disarm the country's increasingly powerful Shiite militias could trigger even more violence and invite what the officer called "even more meddling by the Iranians".

Iran backs two major Shiite militias, the Badr Organization, which is allied with a major Shiite political party, the Supreme Council for the Islamic Revolution in Iraq, and the Mahdi Army of firebrand Shiite cleric Moqtada al Sadr.

But with many Iraqi Sunnis long since convinced that much of the Iraqi military and security force is allied with Shiite militias and death squads, Maliki would have no hope of dismantling the largely Sunni insurgency or defeating foreign terrorists, most of whom also are Sunnis, without confronting the Shiite militias.

"It's not clear whether al Maliki and his government could survive a campaign against the militias," said one senior official. That could drag American troops even deeper into Iraq's sectarian violence.

-The plan may not be enough to stem rising U.S. casualty rate in Iraq or the erosion of public support for the administration's Iraq policies. Democrats now appear poised to win control of the House of Representatives in the Nov. 7 congressional elections, and with it power over the federal budget.

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A new Newsweek poll released on Saturday found that 65 percent of Americans think the U.S. is losing ground in Iraq, an all-time low in the Newsweek Poll, and that 54 percent think it was a mistake to take military action against Iraq, compared to 39 percent who think it was the right thing to do. The poll of 1,000 adults has a margin or error of plus or minus four percentage points.

The Pentagon Saturday reported the deaths of three more Marines in Iraq's violent Anbar province, making this the costliest month for U.S. troops in Iraq in two years, with 78 Americans killed so far.

In his weekly radio address on Saturday, the president acknowledged that "the last few weeks have been rough for our troops in Iraq, and for the Iraqi people" but likened the conflict to World War II and the Cold War. "The fighting is difficult, but our nation has seen difficult fights before," Bush said. "In World War II and the Cold War, earlier generations of Americans sacrificed so that we can live in freedom. This generation will do its duty as well."

However, said one senior administration official on Saturday, the Iraqi government must do its duty, too.

At White House Meeting, No Big Changes On Iraq (WP)

By Michael A. Fletcher

The Washington Post, October 22, 2006

President Bush met with his top advisers and military commanders on Iraq yesterday in a White House session that, senior officials said, weighed options for forging a way forward amid the surging violence but did not contemplate any major shifts in strategy.

The participants in the 90-minute video conference -- who included Vice President Cheney, Defense Secretary Donald H. Rumsfeld, U.S. Ambassador to Iraq Zalmay Khalilzad and Gen. George W. Casey Jr., the military commander in Iraq -- talked about tactical changes that could overcome the severe challenges posed by the war, officials said.

"The participants focused on the nature of the enemy, the challenges in Iraq, how to better pursue our strategy, and the stakes of succeeding for the region and the security of the American people," said White House spokeswoman Nicole Guillemard.

The meeting, which the White House called the third in a series Bush has held with this group to consult on the war, did not consider any significant policy changes, a senior official said, speaking on the condition of anonymity because he was not authorized to discuss private meetings. And in his Saturday radio address, Bush offered no indications on any major shift, even as he acknowledged the increasing violence in Iraq.

"Our goal is clear and unchanging: Our goal is victory," he said. "What is changing are the tactics we use to achieve that goal. Our commanders on the ground are constantly adjusting their approach to stay ahead of the enemy, particularly in Baghdad."

The high-level meeting came amid growing U.S. frustration with the deteriorating state of affairs in Iraq, where both civilian and U.S. military casualties have sharply increased in recent weeks. The surge in violence, coupled with the growing antipathy among the American public toward the war, is feeding a sense that the Bush administration will be forced to retreat from its open-ended support of the war.

In a news conference Friday, Rumsfeld emphasized that U.S. officials are pressing the Iraqi government to offer projections about when it will be able to take over a greater share of the responsibility for securing the country and making economic and political progress.

"The biggest mistake would be not to pass things over to the Iraqis," Rumsfeld said. "It's their country. They're going to have to govern it. They're going to have to provide security for it. And they're going to have to do it sooner rather than later."

White House officials denied a New York Times report, posted yesterday afternoon on the newspaper's Web site, that said the administration is drafting a timetable for the Iraqi government to take on that greater role in securing the country.

If the Iraqis fail to meet the timetable, the Times quoted an unnamed senior Pentagon official as saying, the Bush administration would consider an abrupt shift in policy short of troop withdrawals. It would mark the first time that the administration has used deadline threats to pressure the Iraqi government to more aggressively pursue progress.

"The story is not accurate," said Frederick L. Jones II, a spokesman for the National Security Council.

White House officials said the matter was not discussed at yesterday's meeting. Still, administration officials acknowledge that they have been pressing for months for the Iraqis to take greater responsibility for disarming warring militias and to take other steps to stabilize their country.

Benchmarks have been part of the U.S. policy in Iraq for months, said Dan Bartlett, a top aide to Bush.

"Implicit in that is that if they are not achieving the benchmarks, we are going to have to make changes accordingly," Bartlett said, adding that troop withdrawals or other dramatic changes in U.S. policy are not being contemplated.

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Casey has been working on a series of benchmarks for handing over to the Iraqi government control of both military bases and entire areas of the country. At a recent news conference, Casey said he expects six or seven more provinces in Iraq to come under full control of the government by the end of the year, although Rumsfeld said Friday that "there's no doubt" some of Casey's projections will not be met.

Currently, the Iraqi government has control of two of the country's 18 provinces, meaning that local police can keep order without routine help from the U.S.-led military coalition.

"We are constantly developing new tactics to achieve our goal," Jones said. "We've been coordinating with the Iraqis for months on a series of measures they can take to assume more control of their country."

Diane Farrell, a Democratic candidate for Congress, gave her party's national radio response to Bush, saying: "To be blunt, the president and the Republican Congress have been wrong on Iraq and wrong to keep their failed strategy. . . . An arbitrary departure date could be dangerous, but real goals for the new Iraqi government and its army are necessary."

Farrell, who is running against Rep. Christopher Shays in Connecticut, said Democrats will hold Bush accountable for the war in Iraq if they gain control of either the Senate or House in midterm elections next month.

Yesterday's meeting took place amid a significant increase in violence around Iraq. At least 78 U.S. troops have been killed so far in Iraq this month -- the highest daily rate since January 2005. Attacks in Baghdad have surged 43 percent since midsummer, despite the presence of thousands of U.S. troops, while nationally more than 100 Iraqis a day are being killed, according to the United Nations.

U.S. commanders are trying to decide whether to send more troops to Iraq.

Bush said in his radio address that the increase in violence is attributable in part to a more aggressive posture being taken by U.S. troops. Still, he said, Americans have faced tough battles before.

"In World War II and the Cold War, earlier generations of Americans sacrificed so that we can live in freedom," he said. "This generation will do its duty as well."

Staff writer Ann Scott Tyson contributed to this report.

Bush Holds Strategy Session On Iraq (AP)

By Jennifer Loven

AP, October 22, 2006

President Bush on Saturday reviewed Iraq strategy with top war commanders and national security advisers, but indicated little inclination for major changes to an increasingly divisive policy.

"Our goal in Iraq is clear and unchanging: Our goal is victory," Bush said in his weekly radio address. "What is changing are the tactics we use to achieve that goal."

Under bipartisan, pre-election pressure for a significant re-examination of the president's war plan, the White House is walking a fine line.

It made sure to publicize the president's high-level meeting on the deteriorating conditions in Iraq — October already is the deadliest month this year for U.S. troops. At the same time, officials characterized the session as routine and part of a continuing discussion that seeks merely tactical adjustments to — not a radical overhaul of — war policy.

"I wouldn't read into this somehow that there is a full-scale push for a major re-evaluation," Secretary of State Condoleezza Rice said about the White House meeting. Rice, traveling from Asia to Moscow, stressed to reporters that Bush talks often with his generals in Iraq, and did so recently at Camp David.

On Friday, Defense Secretary Donald H. Rumsfeld said U.S. officials — Gen. George Casey, head of the U.S.-led Multinational Forces in Iraq, and U.S. ambassador to Iraq Zalmay Khalilzad among them — are working with the Iraqi government to develop projections as to when they think they can pass off various pieces of responsibility for security and governing.

The New York Times, in an article posted on its Web page Saturday, said a plan being formulated by Casey and Khalilzad would likely for the first time outline to Iraq milestones for disarming sectarian militias and meeting other political and economic goals. But it said the blueprint, to be presented to Iraqi Prime Minister Nouri al-Maliki by the end of this year, would not threaten Iraq with a withdrawal of U.S. troops.

In a candid assessment of the situation in Iraq, Alberto Fernandez, director of public diplomacy in the Bureau of Near Eastern Affairs at the State Department, said in an interview aired Saturday on al-Jazeera television that the United States had shown "arrogance" and "stupidity" in Iraq but was now willing to talk to any group, outside of al-Qaida, to further reconciliation in the country.

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A senior Bush administration official questioned whether the remarks had been translated correctly. "Those comments obviously don't reflect our position," said the official, who asked not to be identified because a transcript had not been available for review.

The 90-minute White House session Saturday brought together Gen. John Abizaid, the top U.S. commander in the Middle East; Gen. Peter Pace, chairman of the Joint Chiefs of Staff; Bush's national security adviser, Stephen Hadley; and Rumsfeld and other officials. Participating by videoconference were Vice President Dick Cheney, Casey and Khalilzad.

The meeting followed up on Bush's half-hour talk on Friday with Abizaid.

The White House did not allow reporters to cover either and provided few details after each, but did release an official photo of Saturday's meeting.

Recent developments in Iraq and at home have put Bush in a delicate political position ahead of the Nov. 7 elections. With GOP control of Congress at stake, voters are expected to be influenced greatly by the nearly four-year-old war.

The discussion of new approaches comes as public pessimism about the war rises. Almost two-thirds in a Newsweek poll released Saturday said the U.S. is losing ground in its efforts to establish security and democracy in Iraq. An AP-Ipsos poll this month found that just over one-third of Americans surveyed say they approve of Bush's handling of Iraq overall.

Last week, the U.S. military spokesman in Iraq acknowledged a stepped-up operation to secure Baghdad was failing after two months and that it needed to be refocused.

Though Bush and his aides publicly voice the utmost confidence in Maliki, frustration is growing with his lack of progress in reining in militias. On Friday, gunmen loyal to an anti-American Shiite cleric briefly seized a major southern city, an embarrassment for the local Iraqi security forces.

An independent commission led by former secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton of Indiana is not expected to make its recommendations for a new strategy until December or January. But Bush and his aides have rejected the most drastic ideas that some have floated, such as partitioning Iraq into semiautonomous Shiite, Sunni and Kurd regions or setting a timetable for a phased withdrawal of troops.

Bush Sticks To Mission: U.S. Victory (WT)

By Joseph Curl

The Washington Times, October 22, 2006

President Bush yesterday acknowledged that U.S. commanders are changing tactics in Iraq nearly every day but declared that the mission "is clear and unchanging."

"Our goal," he said, "is victory."

The president's remarks aired in his weekly radio address as he met to discuss the situation in Iraq with top generals and other advisers at the White House.

Later, a senior State Department official said in an interview with an Arab television network that the United States had shown "arrogance" and "stupidity" in Iraq.

Alberto Fernandez, director of public diplomacy in the Bureau of Near Eastern Affairs at the State Department, told Al Jazeera that Washington was ready to talk with any group except al Qaeda in Iraq to bring about national reconciliation.

"We are open to dialogue, because we all know that, at the end of the day, the solution to the hell and the killings in Iraq is linked to an effective Iraqi national reconciliation," Mr. Fernandez said, speaking in Arabic from Washington.

But Mr. Bush indicated little intention to make major changes, although the number of U.S. troops killed in Iraq so far this month climbed to 78 -- the highest monthly tally this year -- and despite reports that the White House is nearing a dramatic shift in war strategy.

"What is changing are the tactics we use to achieve that goal," the president said in his radio address. "Our commanders on the ground are constantly adjusting their approach to stay ahead of the enemy, particularly in Baghdad."

Mr. Bush vehemently rejected pulling U.S. troops out of Iraq.

"There is one thing we will not do: We will not pull our troops off the battlefield before the mission is complete," he said. "There are some in Washington who argue that retreating from Iraq would make us safer. I disagree."

Mr. Fernandez, in the Al Jazeera interview, said there was room for criticism of the war "because, undoubtedly, there was arrogance and there was stupidity from the United States in Iraq."

Political pressure is growing for the president to make a decisive change to his war strategy, and Democratic candidates nationwide have campaigned on a theme of change.

Democratic congressional candidate Diane Farrell, of Connecticut, yesterday said Mr. Bush should fire Defense Secretary Donald H. Rumsfeld. She said Congress should set clear benchmarks for Iraqis that, when met, would allow U.S. troops to leave the country.

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"We need a new direction in Iraq," said Mrs. Farrell, who delivered her party's weekly radio address. "To be blunt, the president and the Republican Congress have been wrong on Iraq and wrong to keep their failed strategy."

Meanwhile in Iraq, a dozen mortar rounds rained down yesterday on an outdoor market in Mahmoudiyah crowded with shoppers, killing at least 18.

Earlier, gunfights broke out in Hamza al Gharbi, about 60 miles south of Baghdad, after a bomb exploded near the offices of the Supreme Council for the Islamic Revolution in Iraq, a leading Shi'ite political party. At least two persons were killed and four injured.

As the violence continued in Iraq -- including the deaths yesterday of three U.S. Marines -- the president met with top commanders and national security advisers.

The 90-minute meeting brought together Mr. Rumsfeld; Joint Chiefs Chairman Gen. Peter Pace; Gen. John Abizaid, the top U.S. commander in the Middle East; National Security Adviser Stephen J. Hadley and others. Participating by videoconference were Vice President Dick Cheney; Gen. George Casey, who heads the U.S.-led forces in Iraq; and Zalmay Khalilzad, U.S. ambassador to Iraq.

Polls nationwide indicate Republicans are in jeopardy in the Nov. 7 elections of losing their majority in Congress, which they have held since 1994. Democrats need to net 15 seats to win control of the House, and six seats to take the Senate.

With leaks from the independent Iraq Study Group (ISG), headed by former Secretary of State James A. Baker III, swirling around Washington, the White House has rejected a few trial balloons floated in recent weeks. Those include partitioning Iraq into three sections based on ethnicity and religion and withdrawing 5 percent of U.S. troops every two months.

Under a partition plan, Iraq would be divided into Sunni, Shi'ite and Kurdish regions, each enjoying near-autonomy, with a central government handling defense, foreign policy and oil production.

Mr. Bush sounded more open to alternative tactics. He said the Iraqi prime minister recently met with tribal leaders from Anbar province, "who told him they are ready to stand up and fight the terrorists."

Fellow Republicans are beginning to criticize Mr. Bush's policy.

Senate Armed Services Committee Chairman John W. Warner of Virginia said after a recent visit to Iraq that U.S. efforts are "drifting sideways." Other Senate leaders, including Sens. Chuck Hagel of Nebraska, Susan Collins and Olympia J. Snowe of Maine and Kay Bailey Hutchison of Texas, have been critical of Mr. Bush's "stay the course" policy.

Almost two-thirds of respondents in a Newsweek poll released yesterday said the United States is losing ground in efforts to establish security and democracy in Iraq.

White House spokesman Tony Snow said Friday that while Mr. Bush might change tactics, he would not change his overall strategy.

"He's not somebody who gets jumpy at polls," Mr. Snow said.

Bush Reviews Iraq War Strategy As Violence Mounts (BLOOM)

By Richard Keil And Tony Capaccio

Bloomberg, October 22, 2006

Oct. 21 (Bloomberg) -- President George W. Bush conferred with his top Iraq commanders over strategy as stepped-up operations by U.S. and Iraqi troops in Baghdad have been met with a surge in sectarian violence.

The meeting occurred as the New York Times reported today that the administration is working on a timetable for Iraq's government to take over security responsibilities in the country. The plan would require the government to meet milestones over the next year including disbanding sectarian militias, the Times said, citing unidentified U.S. officials.

The Times said the plan wouldn't threaten a withdrawal of U.S. troops, though officials cited by the paper said the Bush administration would consider changes in military strategy and other penalties if it isn't adopted by Iraqi Prime Minister Nuri al-Maliki or the milestones aren't met.

Colonel Nelson McCouch, a spokesman for General George Casey, the top U.S. commander in Iraq, said the approach described in the Times article wasn't new. ``We've been doing this all along," he said. The U.S., McCouch said, has already established milestones that are adjusted according to conditions in Iraq and aren't hard deadlines.

The meeting at the White House today included Bush, General John Abizaid, the top U.S. commander in the Middle East, and General Peter Pace, chairman of the Joint Chiefs of Staff; Casey participated by videoconference, White House spokeswoman Nicole Guillemard said.

Focus on Strategy

The 90-minute meeting focused on ``the nature of the enemy, the challenges in Iraq, how to better pursue our strategy, and the stakes of succeeding for the region and the security of the American people," Guillemard said. ``The president expects to meet with this group again in a similar forum within the next weeks."

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Earlier, Bush acknowledged that the situation in Iraq remains difficult. ``As we engage our enemies in their stronghold, these enemies are putting up a tough fight," he said in his weekly radio address.

Attacks on U.S. and Iraqi forces in Baghdad rose 22 percent this month, even as extra U.S. troops moved into the Iraqi capital in an effort to restore stability, Major General William Caldwell, a U.S. military spokesman, said this week. At least 70 U.S. military personnel have been killed so far this month compared with 61 killed in combat in September and 58 in August.

Challenge From Democrats

A dozen Democratic leaders in the House and Senate wrote to Bush yesterday urging a change in course in Iraq, the third such letter Democratic leaders have sent. White House spokesman Tony Snow, announcing the meeting with the generals yesterday, said Bush was planning to review, not change, strategy.

The U.S. strategy in Iraq allows military leaders to ``be flexible and adapt to changing circumstances, Bush said in his radio address. ``Our commanders on the ground are constantly adjusting their approach to stay ahead of the enemy," he said.

Republicans are struggling to retain their congressional majorities in the Nov. 7 elections as the increased bloodshed in Iraq has fueled voter skepticism about the war. Democrats will ``hold the president accountable," Diane Farrell, who's running against Representative Chris Shays, a Connecticut Republican, said in the Democrats' weekly radio address.

``Our troops deserve from their leaders in Washington, nothing short of a commitment equal to the dedication the troops bring to their duty every day," Farrell said. ``Instead they get a flat denial of the horrible reality."

Optimism about the outlook for the Iraq war fell to 20 percent, compared with 45 percent in June, according to a Wall Street Journal/NBC News Poll of 1,006 registered voters. The survey, published this week, has a margin of error of 3.1 percentage points.

`Media War'

In his speech today, Bush said the recent increase in attacks in Iraq also were the result of a ``media war" that terrorists are trying to wage by influencing public opinion.

``They have a sophisticated propaganda strategy," Bush said. ``They know they cannot defeat us in the battle, so they conduct high-profile attacks, hoping the images of violence will demoralize our country and force us to retreat."

Bush cited a recent message from the Global Islamic Media Front that said their goal is to ``carry out a media war that is parallel to the military war."

``The terrorists are trying to divide America and break our will, and we must not allow them to succeed," Bush said.

Democrats such as Senator Barack Obama of Illinois say the U.S. needs to press the Iraqis to take charge of their security. ``We need to be phasing down our troop levels," Obama said in an interview. The U.S. also should tell regional powers such as Iran and Syria to ``get involved" in preventing a failure in Iraq, Obama said.

No Retreat

An independent bipartisan commission established by Congress and headed by former Secretary of State James Baker and former Representative Lee Hamilton plans to make recommendations on U.S. policy in Iraq by year's end. Baker served in the administration of Bush's father, ex-President George H.W. Bush.

The president said today that the U.S. won't withdraw troops from Iraq ``before the mission is complete."

``Retreating from Iraq would dishonor the men and women who have given their lives in that country and mean their sacrifice has been in vain," he said. ``We will defeat the terrorists everywhere they make their stand."

Also participating in today's talks with Bush were Defense Secretary Donald Rumsfeld, National Security Adviser Stephen Hadley and his deputy, J.D. Crouch, as well as Vice President Dick Cheney and U.S. Ambassador to Iraq Zalmay Khalilzad by video, Guillemard said.

Diplomat Cites U.S. 'Stupidity' In Iraq (AP)

By Hamza Hendawi

AP, October 22, 2006

A senior U.S. diplomat said the United States had shown "arrogance" and "stupidity" in Iraq but was now ready to talk with any group except Al-Qaida in Iraq to facilitate national reconciliation.

In an interview with Al-Jazeera television aired late Saturday, Alberto Fernandez, director of public diplomacy in the Bureau of Near Eastern Affairs at the State Department offered an unusually candid assessment of America's war in Iraq.

"We tried to do our best but I think there is much room for criticism because, undoubtedly, there was arrogance and there was stupidity from the United States in Iraq," he said.

"We are open to dialogue because we all know that, at the end of the day, the solution to the hell and the killings in Iraq is linked to an effective Iraqi national reconciliation," he said, speaking in Arabic from Washington. "The Iraqi government is convinced of this."

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The question of negotiations between the United States and insurgency factions has repeatedly surfaced over the past two years, but details have been sketchy. One issue that was often raised in connection with such negotiations was the extent of amnesty the United States and its Iraqi allies were willing to offer to the insurgents if they disarmed and joined the political process.

Fernandez spoke to the Qatar-based Al-Jazeera after a man claiming to speak for Saddam Hussein's outlawed Baath Party told the network the United States was seeking a face-saving exodus from Iraq and that insurgents were ready to negotiate but won't lay down arms.

"Abu Mohammed", a pseudonym for the man, appeared to set near impossible conditions for the start of any talks with the Americans, including the return to service of Saddam's armed forces, the annulment of every law adopted since Saddam's ouster, the recognition of insurgent groups as the sole representatives of the Iraqi people and a timetable for a gradual, unconditional withdrawal of U.S. and other foreign troops in Iraq.

"The occupier has started to search for a face-saving way out. The resistance, with all its factions, is determined to continue fighting until the enemy is brought down to his knees and sits on the negotiating table or is dealt, with God's help, a humiliating defeat," he said. The man wore a suit and appeared to be in his 40s but his face was concealed.

"There is an element of the farcical in that statement," Fernandez said of Abu Mohammed's comments. "They are very removed from reality."

Still Fernandez warned that failure to pacify the widening sectarian strife in Iraq as well as an enduring insurgency would damage the entire Middle East.

"We are witnessing failure in Iraq and that's not the failure of the United States alone but it is a disaster for the region. Failure in Iraq will be a failure for the United States but a disaster for the region."

Although the actual identity of Abu Mohammed remains unknown, the interview adds to growing indications that Iraq's Sunni insurgents sense the tide may be turning against the United States and the Iraqi government it backs.

Fernandez's comments, on the other hand, join a series of sobering remarks by President Bush and the U.S. military in recent days.

Bush this week conceded that "right now it's tough" for U.S. forces in Iraq and on Saturday met with his top military and security advisers to study new tactics to curb the staggering violence in Iraq. Three U.S. Marines were killed also Saturday, making October the deadliest month for American forces in Iraq this year.

U.S. military spokesman Maj. Gen. William B. Caldwell said attacks in Baghdad were up 22 percent in the first three weeks of the holy Muslim month of Ramadan despite a two-month old U.S.-Iraqi drive to crush violence in the Iraqi capital.

On Wednesday, and again on Friday, Sunni insurgents believed to belong to al-Qaida in Iraq, staged military-like parades in the heart of five towns in the vast and mainly desert province of Anbar, including the provincial capital Ramadi. Some of these parades, in which hooded gunmen paraded with their weapons, took place within striking distance of U.S. forces stationed in nearby bases.

The parades proved to be a propaganda success, with TV footage of Wednesday's parade shown in many parts of the world, a likely embarrassment for the U.S. military as well as the embattled Iraqi government.

Bush Holds Strategy Session On Iraq (AP)

By Jennifer Loven

AP, October 22, 2006

President Bush on Saturday reviewed Iraq strategy with top war commanders and national security advisers, but indicated little inclination for major changes to an increasingly divisive policy.

"Our goal in Iraq is clear and unchanging: Our goal is victory," Bush said in his weekly radio address. "What is changing are the tactics we use to achieve that goal."

Under bipartisan, pre-election pressure for a significant re-examination of the president's war plan, the White House is walking a fine line.

It made sure to publicize the president's high-level meeting on the deteriorating conditions in Iraq — October already is the deadliest month this year for U.S. troops. At the same time, officials characterized the session as routine and part of a continuing discussion that seeks merely tactical adjustments to — not a radical overhaul of — war policy.

"I wouldn't read into this somehow that there is a full-scale push for a major re-evaluation," Secretary of State Condoleezza Rice said about the White House meeting. Rice, traveling from Asia to Moscow, stressed to reporters that Bush talks often with his generals in Iraq, and did so recently at Camp David.

On Friday, Defense Secretary Donald H. Rumsfeld said U.S. officials — Gen. George Casey, head of the U.S.-led Multinational Forces in Iraq, and U.S. ambassador to Iraq Zalmay Khalilzad among them — are working with the Iraqi

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government to develop projections as to when they think they can pass off various pieces of responsibility for security and governing.

The New York Times, in an article posted on its Web page Saturday, said a plan being formulated by Casey and Khalilzad would likely for the first time outline to Iraq milestones for disarming sectarian militias and meeting other political and economic goals. But it said the blueprint, to be presented to Iraqi Prime Minister Nouri al-Maliki by the end of this year, would not threaten Iraq with a withdrawal of U.S. troops.

In a candid assessment of the situation in Iraq, Alberto Fernandez, director of public diplomacy in the Bureau of Near Eastern Affairs at the State Department, said in an interview aired Saturday on al-Jazeera television that the United States had shown "arrogance" and "stupidity" in Iraq but was now willing to talk to any group, outside of al-Qaida, to further reconciliation in the country.

State Department spokesman Sean McCormack, in Moscow with Secretary of State Condoleezza Rice, said that Fernandez disputes the description of his comments, which were in Arabic.

"What he says is, that is not an accurate reflection of what he said," McCormack said. Asked whether the Bush administration believes that history will show a record of arrogance or stupidity in Iraq, McCormack replied "No."

A senior Bush administration official questioned whether the remarks had been translated correctly. "Those comments obviously don't reflect our position," said the official, who asked not to be identified because a transcript had not been available for review.

The 90-minute White House session Saturday brought together Gen. John Abizaid, the top U.S. commander in the Middle East; Gen. Peter Pace, chairman of the Joint Chiefs of Staff; Bush's national security adviser, Stephen Hadley; and Rumsfeld and other officials. Participating by videoconference were Vice President Dick Cheney, Casey and Khalilzad.

The meeting followed up on Bush's half-hour talk on Friday with Abizaid.

The White House did not allow reporters to cover either and provided few details after each, but did release an official photo of Saturday's meeting.

Recent developments in Iraq and at home have put Bush in a delicate political position ahead of the Nov. 7 elections. With GOP control of Congress at stake, voters are expected to be influenced greatly by the nearly four-year-old war.

The discussion of new approaches comes as public pessimism about the war rises. Almost two-thirds in a Newsweek poll released Saturday said the U.S. is losing ground in its efforts to establish security and democracy in Iraq. An AP-Ipsos poll this month found that just over one-third of Americans surveyed say they approve of Bush's handling of Iraq overall.

Last week, the U.S. military spokesman in Iraq acknowledged a stepped-up operation to secure Baghdad was failing after two months and that it needed to be refocused.

Though Bush and his aides publicly voice the utmost confidence in Maliki, frustration is growing with his lack of progress in reining in militias. On Friday, gunmen loyal to an anti-American Shiite cleric briefly seized a major southern city, an embarrassment for the local Iraqi security forces.

An independent commission led by former secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton of Indiana is not expected to make its recommendations for a new strategy until December or January. But Bush and his aides have rejected the most drastic ideas that some have floated, such as partitioning Iraq into semiautonomous Shiite, Sunni and Kurd regions or setting a timetable for a phased withdrawal of troops.

Questions To Guide An Exit Policy (WP)

By George F. Will

The Washington Post, October 22, 2006

A realist with a wintry smile, James A. Baker III, who helped make George W. Bush's presidency possible, is seeking ways to salvage it. After the 2000 election, Baker orchestrated the Bush campaign's lawyering against the Gore campaign's lawyering that tried to overturn Bush's 537-vote Florida margin. Today Baker is co-chairman -- with former congressman Lee Hamilton, the Indiana Democrat -- of the Iraq Study Group, which will issue recommendations after Thanksgiving.

International crises rarely conform tidily to electoral cycles. Too bad. America's electoral cycles are constitutional facts: Every two years elections take the nation's temperature; every four years the nation selects the occupant of the office responsible for formulating foreign policy.

Today the policy of "staying the course" means Americans dying to prevent Shiites and Sunnis from killing each other. If in January 2009 more than 100,000 U.S. forces remain in Iraq, there might be 100 fewer Republicans in Congress. So "stay the course" is a policy stamped with an expiration date. Here, then, are four questions the Iraq Study Group might address:

Â· What are 140,000 U.S. forces achieving in Iraq that could not be achieved by 40,000?

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Â· If the answer to the first question is "creating Iraqi security forces," a second question is: Is there an Iraqi government? In "State of Denial," Bob Woodward quotes Colin Powell, after leaving the administration, telling the president that strengthening Iraq's military and police forces is crucial but that "if you don't have a government that you can connect these forces to, then, Mr. President, you're not building up forces, you're building up militias." And making matters worse.

Â· Third, what limits on U.S. aims are set by the character of the Iraqi people, as we now understand that? Bing West, a former Marine who frequently visits and writes about Iraq, wrote in the October issue of the Atlantic Monthly about accompanying coalition forces that seized an oil pumping station near Basra in March 2003:

"The engineers were appalled to find open cesspools, rusted valves, sputtering turbines, and other vital equipment deteriorating into junk. Heaps of garbage lay outside the walls of nearby houses. Yet inside the courtyards, tiny patches of grass were as well tended as putting greens. That defined Iraq: a generation of tyrannical greed had taught Iraqis to look out for their own, to enrich their families, and to avoid any communal activity that attracted attention."

Â· Hence, a fourth question: In a perhaps intentionally opaque statement on "The Charlie Rose Show" on Oct. 6, Baker said: "If we are able to promote representative -- representative government, not necessarily democracy, in a number of nations in the Middle East and bring more freedom to the people of that part of the world, [Iraq] will have been a success." Can President Bush's "freedom agenda," which Iraq has shredded, be recast by the Study Group's showing that there is more than semantic sleight of hand in the distinction between democracy and representation?

Perhaps the Iraq Study Group will function as did the Tower Commission, which provided a pivot point for the last two years of a troubled presidency. Chaired by former senator John Tower, the Texas Republican, it analyzed the Reagan administration's failings that produced the Iran-contra fiasco. This story is told in the book "Saving the Reagan Presidency" by David Abshire, to whom Reagan gave extraordinary powers to examine his administration's dysfunctions and recommend remedial measures.

Abshire, a seasoned diplomat now advising the Study Group, told Reagan that his presidency could not be revived without the removal of Don Regan as White House chief of staff. Regan was removed. The Study Group almost certainly will, like the Tower Commission, refrain from making personnel recommendations. But is it plausible that the Bush presidency can pivot without changing senior Defense Department personnel?

In September 1942 the U.S. government purchased 58,575 acres of wilderness in eastern Tennessee. Soon there was a town, Oak Ridge, and amazing scientific facilities. Thirty-four months after the purchase, an atomic blast lit the New Mexico desert. After 43 months in Iraq, U.S. forces still struggle to cope with improvised explosive devices.

On Sept. 19 Hamilton said that "the next three months are critical." On Oct. 5 Sen. John Warner, chairman of the Armed Services Committee, said that the next "two or three months" are critical. If only the worsening insurgency were, as the president suggested Wednesday, akin to North Vietnam's 1968 Tet Offensive. The insurgency is worse: Tet was a military defeat for North Vietnam. The president says the war in Iraq will be "just a comma" in history books, but by Nov. 26, the Sunday after Thanksgiving, with the Study Group's recommendations due, the comma will have lasted as long as U.S. involvement in World War II.

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After Elections, A Democratic Push (WP)

By David S. Broder

The Washington Post, October 22, 2006

No one speaks more authoritatively for the Democrats on defense and national security issues than Sens. Carl Levin of Michigan and Jack Reed of Rhode Island, both longtime members of the Armed Services Committee. If you want to know what Democratic gains in this midterm election would mean for national security policy, Levin and Reed can provide the answers.

In a conference call with reporters the other day, the two senators outlined the changes in U.S. policy toward North Korea and Iraq that they and their fellow Democrats would like to see. They signal to voters the kind of change a Democratic victory would mean.

In the case of North Korea, Levin called for doing something that President Bush has refused for six years to do -- engage directly in talks with representatives of the communist regime.

But he put a condition on it, saying such talks should take place only "providing our allies and partners want us to do it" and only as part of an agreed-upon strategy supported by Japan, South Korea, China and Russia.

Reed, who endorsed the idea, said any direct U.S.-North Korea talks would "most likely" take place in the context of the six-power talks, now stalled over Pyongyang's defiance of the United Nations and the regime's testing of a nuclear weapon.

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Levin said he believes the other nations in those six-power talks -- Russia, China, Japan and South Korea -- all wish the United States would talk directly with the North Koreans. Our willingness to do so would not be a sign of weakness, he said, but a way of removing an excuse the North Koreans have used to explain their obduracy.

On Iraq, the two Democrats harked back to the amendment that 39 senators supported during a debate earlier this year -- an amendment that called for a start on U.S. troop withdrawals within six months but set no numbers and specified no target date for ending the U.S. military presence.

Reed, who has made many trips to Iraq and returned just weeks ago from his most recent visit, described the "very, very difficult situation" he found there. "We have to begin to work toward redeployment without setting a timetable," he said. "We have to start laying out some red lines for the Iraqis . . . give them some clear goals we want them to achieve." They need to set plans for disarming militias, conducting elections at the provincial level and spending some of the funds being hoarded in Baghdad on better services for the people, he said.

Implicit in their comments is a belief, based on their firsthand observations, that the current rulers in Baghdad have a different agenda for themselves than the Bush administration's bland assurances suggest. As Levin put it, "Our only leverage for change is to force the politicians in Iraq to realize we're not there as their security blanket. When they recognize that reality, they're more likely to make the necessary compromises on sharing of oil revenues and sharing power. The prospect of losing us as their personal security blanket will focus their minds."

Reed agreed that unless something is done to change course, three separate violent struggles going on in Iraq (Sunnis vs. Shiites; Shiite factions fighting each other; Sunni insurgents fighting Americans) will probably merge into one massive calamity.

When the senators were asked if a Democratic majority in the House or Senate would force the issue in Iraq by threatening to cut off funds for the war, they quickly ruled out any such action. Levin said that a simple resolution recommending to the president that he set a date to begin redeployment might do the trick.

Other forces could nudge Bush in that direction, he said: the growing concern among senior uniformed officers about the impact of the lengthy Iraq deployment on troop morale and unit readiness; and the post-election report of the special Iraq Study Group, headed by James A. Baker III and Lee Hamilton.

But after all the debate on Iraq this year, a change in control of even one house of Congress "would have a major impact, a huge motivating force on the president to change course," Levin said. "More and more Republicans would join with Democrats in trying to get the administration to change course."

Those words will be -- and should be -- taken seriously.

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Stark Lessons From Iraq (WP)

By Jim Hoagland

The Washington Post, October 22, 2006

The bloody chaos of Iraq under U.S. occupation is shaking Western governments into sobering reassessments of that conflict and of war itself. More urgently, some of these governments have launched tightly held contingency planning for the consequences of a possible American failure in Iraq.

"There will be no papers or staff meetings on that subject in our main ministries," one European senior official told me recently. "It would leak, and that would be disastrous. But our intelligence agencies have begun to work on where the terrorists would go post-Iraq. That is a threat we cannot ignore now."

The deepening doubts about America's commitment and strategy in Iraq that dominate polling for U.S. midterm elections have spread across the Atlantic in recent months as insurgency has metastasized into sectarian warfare between Sunnis and Shiites.

Those doubts have reached even into the office of Iraqi Prime Minister Nouri al-Maliki, who needed to be reassured by a telephone call from President Bush last week that Maliki's faltering "national unity" government still has U.S. support. The commitment had been called into question by on-the-record and anonymous comments by members of the Iraq Study Group headed by former secretary of state Jim Baker.

But Bush's reassurances to the beleaguered Maliki do not dispel the gathering sense at home and abroad that the administration is belatedly engaged in a search for a political-economic exit strategy. Such a strategy would quickly reduce the role of U.S. combat troops in Iraq and gradually increase the economic involvement of other countries, including Iraq's neighbors.

The Baker group's political recommendations in late autumn will roughly coincide with the rollout of a U.N.-sponsored International Compact for Iraq that would offer new reconstruction aid and debt relief if Maliki undertakes substantial economic reforms. In the view of international officials, new laws on oil exploration, production and revenue sharing are urgent and central to the reforms and to national reconciliation efforts.

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But military leaders and diplomats in Western capitals are not waiting for the Baker and U.N.-sponsored efforts to conclude before they assess the mistakes, poor strategy and changing conditions of warfare that have brought U.S. forces face to face with the bitter prospect of having to withdraw, mission unaccomplished.

The glaring contrast between the lightning victory over Iraq's conventional army in 2003 and the failure of U.S. forces to stabilize postwar Iraq is Topic A in these circles. It has become the subject of official planning exercises, classified Pentagon briefings, and public calls for retraining and reequipping Western forces to fight new forms of insurgency and terrorism fueled by extremist Islamic ideology.

The need for changes in practice and doctrine was reinforced by Israel's inconclusive July-August war in Lebanon against Hezbollah, a classic guerrilla force that also possesses a strategic missile arsenal capable of damaging and shutting down entire Israeli cities.

"Insurgency is here to stay," Jeb Nadaner, deputy assistant defense secretary for stability operations, said at a recent U.S.-British conference in Washington on reorganizing governments to fight irregular warfare.

Other speakers -- including conference organizer John Hillen, the State Department's top political-military expert -- spoke bluntly to the group about the continuing failure of the U.S. military and civilian bureaucracies to adapt to an era in which armor and infantry battles occupy only a small space on the overall battlefield and are in any event too costly to be carried on for very long.

Across the Atlantic, similar thinking is underway in defense ministries and force headquarters. "Classical warfare is probably dead. It is no longer a cost-effective tool to achieve political or economic goals," Gen. Vincent Desportes, the head of France's Doctrine Center for Forces Employment, wrote in a recent study of conflict in a post-Iraq-invasion world.

Instead, conventional wars "mutate very quickly into asymmetrical clashes, which do last," Desportes continued. "The decisive phase is no longer the initial short phase of intervention, but clearly the phase of long stabilization which follows it."

Mao Zedong made famous the idea that civilian populations are the sea in which guerrillas swim. But today's insurgencies use civilian populations as their most important weapon. Britain's Gen. Rupert Smith made the point in a recent book that military forces must be prepared to fight within and for populations, which previously have been seen by generals as little more than impediments to battle.

The extent to which U.S. forces were unprepared for insurgency and sectarian warfare in Iraq has become painfully apparent. The lessons they are learning -- which have become prohibitively costly for Americans and Iraqis -- must never again be forgotten.

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Change Course In Iraq (WP)

The Washington Post, October 22, 2006

President Bush must revise the U.S. strategy for stabilizing the country.

PRESIDENT BUSH said this month that he was willing to "change tactics" in Iraq if U.S strategy was not working. We believe the time has come for such a change. The Iraqi coalition government that Mr. Bush has been counting on to forge political compromises and disarm sectarian militias doesn't seem to have the strength to carry out either mission. A U.S.-led attempt to pacify Baghdad by concentrating forces in the capital has failed, while contributing to a grievous spike in American casualties. Support for the war is rapidly slipping, in the country and in Congress; a congressionally mandated commission is likely to recommend a new course sometime after next month's election. Mr. Bush would be wise to act sooner than that: The rapidly deteriorating situation in Iraq needs to be addressed urgently.

The United States cannot afford to abandon Iraq or the government of Nouri al-Maliki, which was elected last January with millions of votes from Iraqis who did not choose civil war, partition or al-Qaeda. But U.S. policy must account for the fact that Mr. Maliki's administration has not been able to stop the acceleration of sectarian warfare, in many cases waged by militias linked to parties in the government. Nor has it taken the bold steps that might pave the way for a political settlement, such as an amnesty for insurgents and concessions by majority Shiites to minority Sunnis on the distribution of oil revenue or limitations on federalism.

A revised U.S. strategy must aim to jump-start political accord and militia disarmament. But it must also provide for the possibility that decisive progress will not be achievable soon. It should position the United States to defend its interests during a protracted conflict, with levels of troops and other resources that will be sustainable. It should reach out to Iraq's neighbors and other governments with an interest in stabilizing the country. This calls for diplomacy far more deft and aggressive than the administration thus far has engaged in.

What could be done to foster a political settlement? The best option that has not yet been tried is a peace conference attended by all the Iraqi parties, as well as Iraq's neighbors, the United Nations and other powers, such as the European Union

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and the Arab League. Similar conferences brokered the end of civil wars in Lebanon, Bosnia and Congo. The United States and other outside powers cannot impose a solution, but they can press the Sunnis, Shiites and Kurds to make the deals they know are needed: on oil revenue; on an amnesty for insurgents and former Baathists; on the terms by which Iraq may be divided into federal regions.

The United States, Europe and Arab states could offer incentives for accord such as reconstruction funds linked to progress in implementing constitutional and economic reforms. At the same time, the Bush administration should help to create a contact group of all of Iraq's neighbors to discuss common interests in stabilizing the country and preventing the escalation and spread of civil war. Those common interests do exist, even between the United States and Iran and Syria; dialogue about them is long overdue.

Political progress, or the absence of it, should shape the future deployment of U.S forces. If there are breakthroughs toward Iraqi reconciliation in the coming months, American forces could help to consolidate them.

But if, as appears more likely, Iraq's civil war deepens and spreads, the United States should abandon attempts to pacify Baghdad or other areas with its own forces. It should adopt a strategy of supporting the Iraqi government and army in a long-term effort to win the war. The elements of such a strategy might include substantially upgrading the training, advising and support missions -- which have been woefully undersupported so far. U.S. airpower could back Iraqi troops, and U.S. money and equipment could flow to the Iraqi army, conditioned on government steps to demobilize Shiite militias and respect the constitution. Meanwhile, the U.S. and Iraqi governments should formally agree on a plan for turning the fighting over to Iraqi troops, province by province; Mr. Maliki himself has said he wants that transition to occur by the end of next year. A reserve force of U.S. troops could remain as a guarantor against a military victory by insurgents and as a rapid reaction force that could strike al-Qaeda targets.

A change of course won't necessarily rescue the U.S mission in Iraq. The government, political system and army that Americans and Iraqis have sacrificed so much to create could collapse without the prop of 140,000 U.S. troops or even with it. But there remains a chance the government could gain control over the country. As long as that prospect exists, the United States has a moral obligation and a practical interest to remain in Iraq.

Blowing In The Wind (NYT)

The New York Times, October 22, 2006

The generals who told President Bush before the war that Donald Rumsfeld's shock-and-awe fantasy would not work were not enough to persuade him to change his strategy in Iraq. The rise of the insurgency did not do the trick. Nor did month after month of mounting military and civilian casualties on all sides, the emergence of a near civil war, the collapse of reconstruction efforts or the seeming inability of either Iraqi or American forces to secure contested parts of Iraq, including Baghdad, for any significant period.

So what finally, after all this time, caused Mr. Bush to very publicly consult with his generals to consider a change in tactics in Iraq? The president, who says he never reads political polls, is worried that his party could lose some of its iron grip on power in the Congressional elections next month.

It is not necessarily a bad thing when a politician takes stock of his positions in the teeth of an election. Our elected leaders are expected to heed the will of the American people. And this page has been part of a chorus of pleas for Mr. Bush to come up with a more realistic approach to Iraq.

But the way this sudden change of heart has come about, after months in which Mr. Bush has brushed off all criticism of his policies as either misguided, politically motivated or downright disloyal to America, is maddening. For far too long, the White House has looked upon the war as a tactical puzzle for campaign strategists. The early notion of combining Iraq and the war on terror as an argument for re-electing Republicans robbed the nation of any serious chance for a bipartisan discussion of these life-and-death issues. More recently, the administration seems to have been working under the assumption that its only obligations were to hang on, talk tough and pass the problem on to the next president.

The Iraqi government, which has had a hard time adopting most aspects of American democracy, seems to have eagerly embraced this administration's lessons on how to deny politically unpleasant realities. Just the other day, The Times reported that the Pentagon had decided there was nothing wrong with a program in which phony "positive news" was planted in Iraqi newspapers. And news reports said that the Iraqi government had decided to stop reporting civilian casualties to the United Nations so there would be no record of the war's increasing toll on ordinary Iraqis.

The way the Bush team is stage-managing the president's supposed change of heart about "staying the course" is unfair to the Americans who have taken him at his word that real progress is being made in Iraq — a dwindling but still significant number of people, some of whom have sons and daughters serving in the conflict. It is a disservice to the troops, who were never sent to

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Iraq in sufficient numbers to protect themselves or the Iraqi people. And it is a disservice to all Americans, who have waited so long for Mr. Bush to act that all that is left are a series of unpleasant choices.

And it is happening in the midst of a particularly ugly, and especially vacuous, election season. There is probably no worse time to begin a serious discussion about Iraq policy than two weeks before a close, bitter election. But now that the discussion has begun, it must continue, as honestly and openly as possible. It is time for the American people to confront all the things that the president never had the guts to tell them about for three and a half years.

On Baghdad Streets, A Police Partnership Falters (NYT)

By Michael R. Gordon

The New York Times, October 22, 2006

BAGHDAD, Oct. 21 — When Lt. Col. John Norris led his Stryker battalion to the Baya district of Baghdad last month he planned to work hand in glove with the Iraqi police. But no sooner did he venture onto the streets than he discovered that the police who were to be his partners were part of the problem.

As his Stryker command vehicle drove along a crowded avenue Colonel Norris spied several Shiite women in black abayas wailing over a body sprawled near a mosque as distraught relatives smeared the dead man's blood on their faces. The American officer tried to wave down an Iraqi National Police truck for help, but the driver gave him an icy stare and kept going.

"I was disgusted by that," Colonel Norris recalled.

An investigation by the American battalion later determined that the murder victim was a Sunni army captain visiting his family while on leave.

He had been shot in the head and neck by two men armed with 9-millimeter pistols who escaped in a white van that drove unchallenged through a National Police checkpoint less than 200 yards away.

On Thursday, the American command acknowledged that the Baghdad security plan had yet to stem the escalating bloodshed in the city. A week spent with American units demonstrated a major reason: After spending billions on building up Iraqi forces, and making withdrawal contingent on that buildup, the Americans have discovered that many of the Iraqi security forces are still not ready to handle security on their own. Throughout much of the city many Iraqis do not trust their own police forces.

The American military operation to reduce the sectarian killings in Baghdad and avert a full-fledged civil war has focused on about a dozen neighborhoods where the bodies of tortured victims have been found in sewage-filled lots, civilians have been killed in drive-by shootings and sectarian-inspired kidnappings have soared.

The strategy is to use American and Iraqi forces to clear neighborhoods of violent militias, insurgent groups and arms caches, then hold them with security forces so that essential services can be restored and reconstruction can eventually begin. Two months into the operation, it is the "hold" phase that has run into trouble, partly because it depends on the Iraqi security forces to win the trust of the population and establish the rule of law.

The Iraqi Army only provided two of the six battalions of additional troops that the Americans had requested to carry out the operation, known as Together Forward II, which means that with 15,600 Americans and 9,600 Iraqis, there are more American soldiers involved in the operation than Iraqi troops.

More than 30,000 National Police and regular police officers are also involved, but they are of uneven quality and some units have been infiltrated by the very militiamen they are supposed to control. American troops have been sorting the good policemen from the bad the hard way: on the streets of Baghdad, as they try to stop the spiraling sectarian killings.

An Extended Mission

Before Colonel Norris's unit arrived in Baghdad, his mechanized infantry battalion, the Fourth Battalion of the 23rd Infantry, was no stranger to Iraq. Its troops had secured Mosul, Tal Afar and Rawa before its yearlong tour of duty was extended by commanders eager to bring reinforcements to Baghdad.

Of his 644 soldiers, 200 had already returned to their home base in Alaska and another 100 were in Kuwait waiting to go home when they were ordered back to Iraq. The extension of the mission entailed hardship and sacrifice. Only one soldier in the battalion has been killed in the line of duty, by a sniper in Baghdad.

After conducting clearing operations in Ghazaliya, Adhamiya and other neighborhoods, the battalion was dispatched to the Baya district. They had worked well with Iraqi security forces and hoped for more of the same in their new sector.

The murder scene Colonel Norris stumbled upon on Oct. 1, the unit's first day in Baya, was a rude introduction to much tougher problems ahead. Although the battalion did not know it at the time, that same day 22 Iraqis were accosted at a Sunni-owned meat-packing plant. According to some witnesses, the assailants wore woodlawn-pattern camouflage uniforms and carried Glock pistols, which are customarily used by the National Police. They checked identity documents to separate the Sunnis from the Shiites. The Sunnis were blindfolded, thrown into meat trucks and driven off. Seven were shot and six of them died.

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American military officers suspect the attack was instigated by the Shiite militia the Mahdi Army of Moktada al-Sadr, with the active or tacit support of the Second Battalion of the Eighth Brigade of the National Police. “The statistics indicate that they were doing nothing to support security,” Colonel Norris said, referring to the police unit. “They were either responsible for the murders or were allowing them to happen.”

The assault set off an uproar in the neighborhood. The next day a group of Sunnis lobbed four mortar shells and fired machine guns at a National Police checkpoint. That was followed by an angry demonstration. The very policemen who were supposed to help the Americans keep the lid on the sectarian strife in Baya had stoked old animosities.

Faced with a deteriorating security situation, Maj. Gen. J. D. Thurman, the commander of the Fourth Infantry Division and the senior American commander in Baghdad, recommended that the National Police unit be withdrawn and retrained. On his second day in his new sector, Colonel Norris had the delicate task of informing the unit that it was relieved of its duties.

He said he expected that the police would be replaced by an Iraq Army unit, a move he hoped would be more acceptable to residents. But Iraqi soldiers were in short supply. He was informed that the new force would be another unit of the National Police. That posed a huge challenge, since the National Police had lost the trust of the Sunnis in the Baya area.

A Web of Police Forces

The Americans finally received some good news when they learned that the new National Police unit they would be working with was led by Col. Ali Ibrahim Daboun, a commander they knew from Ghazaliya. He impressed them when he provided a tip about two teenagers involved in transporting triggering devices for bombs, setting up a joint American and Iraqi raid in which they were apprehended.

But in the balkanized network of Iraqi law enforcement Colonel Ali was in charge of one of three police units in the area. The key was to weld the disparate police forces in the neighborhood into an effective force and rebuild public confidence in their work. This was no small problem because Sunni residents had continued to shoot at the National Police, killing one of Colonel Ali’s officers and wounding several others.

To encourage cooperation, Colonel Norris organized a meeting of tribal sheiks and neighborhood leaders. He did not tell the local officials that the police would be there for fear that would scare them away. At the meeting, Sunni representatives railed against the police for failing to stop Shiite militia attacks or protect residents when notices were posted on their door warning them to flee or be killed.

Colonel Norris told the officials their complaints were justified. But he added that there was a new team in town and it wanted to make a fresh start. The neighborhood representatives were stunned. They did not know that the old police unit had been replaced.

Seeking to win over the representatives, Colonel Ali took the floor. He declared boldly that he was not a Shiite or a Sunni but an Iraqi and would enforce the law in an evenhanded way. With so many men running around in uniforms and renegade militias running rife, one participant asked how the citizens could tell the good policemen from the ones that meant them harm.

Colonel Ali offered advice that said a great deal about the long road ahead before Iraq’s forces can assume the main burden of protecting the country. If an Iraqi policeman comes to your door, he advised, you should not open it unless he is accompanied by an American soldier.

An Act of Charity

Colonel Norris said more local people had offered tips to the Americans and their Iraqi partners because residents had come to believe that the Americans wanted to help. New threats to the police from local militias, who used to count on their cooperation, are another indication of progress, he said.

But the American officials say it is clear that the Iraqi forces vitally depend on the Americans for backup. “They are extremely vulnerable,” Colonel Norris said of the Iraqi police. “The majority of force protection is provided by coalition forces.”

None of the improvements helped Latif Abdul Kathum Hilal Janabi, the owner of a cellphone shop and a member of a prominent Sunni tribe, who was killed by assailants when he resisted a kidnapping.

One of the assailants was killed and the other wounded by a guard from a nearby mosque. The wounded gunman was taken to a hospital but disappeared in the medical system. One policeman said he had heard that the assailant had been moved by his confederates to a hospital in Sadr City so he would be beyond the reach of the American-led coalition forces.

Capt. Matthew Albertus, the 30-year-old commander of Company A, was able to perform an act of charity. As he was leaving a police station, he spied the distressed wife of the murder victim who was waiting at the gate, the very picture of frustration. She had come to plead for help in getting the necessary paperwork to secure the release of her husband’s body from the morgue for burial, and it was not clear when she was going to get it.

Captain Albertus took matters into his own hands. He told the local police chief to get the documents, drove with him to the hospital in his armored vehicle and then insisted that the morgue take action. The murdered man’s wife sobbed as the body was

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placed in a simple plywood coffin. His father tried to choke back his tears. Then the coffin was tied to the roof of a Chevrolet Caprice.

Even hospitals can be dangerous places these days because militias know they are gathering places for relatives. So Captain Albertus formed a convoy around the car and then drove through Baghdad so the grieving relatives could make their way through the city streets and checkpoints. Nobody could stop the men who took Mr. Janabi's life, but the Americans provided the final escort.

U.K. Official: Iraqi Army 'Coming Along' (AP)

By Jill Lawless

AP, October 22, 2006

Iraqi police and military should be ready to take on much of the work being done by U.S.-led forces within a year, a British government minister said Saturday.

Another governing-party lawmaker, however, warned it was unlikely Iraq could remain a single, united country once U.S. and British troops pull out.

"The Iraqi army is coming along very well," Foreign Office Minister Kim Howells told British Broadcasting Corp. radio. "I would have thought that certainly in a year or so there will be adequately trained Iraqi soldiers and security forces — policemen and women and so on — in order to do the job," Howells added.

"I would be very surprised if there was not that kind of capacity taking on a lot of the work done by the coalition forces."

However, Howells warned "it's going to take a lot of blood yet" before Iraq becomes a stable democracy.

British officials have spoken in recent months of cutting their troop levels in Iraq from 7,000 to between 3,000 and 4,000 by mid-2007, but no firm date for withdrawal has been set.

Prime Minister Tony Blair has been under growing pressure to set a timetable for a pullout. Last week, the country's top soldier Gen. Richard Dannatt called for British troops to be withdrawn "sometime soon" and said their presence was provoking rather than preventing violence.

Blair said this week that it would be a "gross dereliction of our duty" to withdraw before Iraqi forces were able to take responsibility for security.

Labour Party lawmaker Doug Henderson, a former defense minister, said in comments reported Saturday that Iraq would probably break into at least three countries — Sunni, Shiite and Kurdish — once allied troops have withdrawn.

"I doubt if Iraq can be retained as one nation in the future," Henderson told GMTV television in an interview to be broadcast Sunday. "I hope it can be, but I think it's very unlikely that that will be the case."

Excerpts from the interview were released late Saturday by the broadcaster.

Bush Sticks To Mission: U.S. Victory (WT)

By Joseph Curl, The Washington Times

The Washington Times, October 22, 2006

President Bush yesterday acknowledged that U.S. commanders are changing tactics in Iraq nearly every day but declared that the mission "is clear and unchanging."

"Our goal," he said, "is victory."

The president's remarks aired in his weekly radio address as he met to discuss the situation in Iraq with top generals and other advisers at the White House.

Later, a senior State Department official said in an interview with an Arab television network that the United States had shown "arrogance" and "stupidity" in Iraq.

Alberto Fernandez, director of public diplomacy in the Bureau of Near Eastern Affairs at the State Department, told Al Jazeera that Washington was ready to talk with any group except al Qaeda in Iraq to bring about national reconciliation.

"We are open to dialogue, because we all know that, at the end of the day, the solution to the hell and the killings in Iraq is linked to an effective Iraqi national reconciliation," Mr. Fernandez said, speaking in Arabic from Washington.

But Mr. Bush indicated little intention to make major changes, although the number of U.S. troops killed in Iraq so far this month climbed to 78 -- the highest monthly tally this year -- and despite reports that the White House is nearing a dramatic shift in war strategy.

"What is changing are the tactics we use to achieve that goal," the president said in his radio address. "Our commanders on the ground are constantly adjusting their approach to stay ahead of the enemy, particularly in Baghdad."

Mr. Bush vehemently rejected pulling U.S. troops out of Iraq.

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"There is one thing we will not do: We will not pull our troops off the battlefield before the mission is complete," he said. "There are some in Washington who argue that retreating from Iraq would make us safer. I disagree."

Mr. Fernandez, in the Al Jazeera interview, said there was room for criticism of the war "because, undoubtedly, there was arrogance and there was stupidity from the United States in Iraq."

Political pressure is growing for the president to make a decisive change to his war strategy, and Democratic candidates nationwide have campaigned on a theme of change.

Democratic congressional candidate Diane Farrell, of Connecticut, yesterday said Mr. Bush should fire Defense Secretary Donald H. Rumsfeld. She said Congress should set clear benchmarks for Iraqis that, when met, would allow U.S. troops to leave the country.

"We need a new direction in Iraq," said Mrs. Farrell, who delivered her party's weekly radio address. "To be blunt, the president and the Republican Congress have been wrong on Iraq and wrong to keep their failed strategy."

Meanwhile in Iraq, a dozen mortar rounds rained down yesterday on an outdoor market in Mahmoudiyah crowded with shoppers, killing at least 18.

Earlier, gunfights broke out in Hamza al Gharbi, about 60 miles south of Baghdad, after a bomb exploded near the offices of the Supreme Council for the Islamic Revolution in Iraq, a leading Shi'ite political party. At least two persons were killed and four injured.

As the violence continued in Iraq -- including the deaths yesterday of three U.S. Marines -- the president met with top commanders and national security advisers.

The 90-minute meeting brought together Mr. Rumsfeld; Joint Chiefs Chairman Gen. Peter Pace; Gen. John Abizaid, the top U.S. commander in the Middle East; National Security Adviser Stephen J. Hadley and others. Participating by videoconference were Vice President Dick Cheney; Gen. George Casey, who heads the U.S.-led forces in Iraq; and Zalmay Khalilzad, U.S. ambassador to Iraq.

Polls nationwide indicate Republicans are in jeopardy in the Nov. 7 elections of losing their majority in Congress, which they have held since 1994. Democrats need to net 15 seats to win control of the House, and six seats to take the Senate.

With leaks from the independent Iraq Study Group (ISG), headed by former Secretary of State James A. Baker III, swirling around Washington, the White House has rejected a few trial balloons floated in recent weeks. Those include partitioning Iraq into three sections based on ethnicity and religion and withdrawing 5 percent of U.S. troops every two months.

Under a partition plan, Iraq would be divided into Sunni, Shi'ite and Kurdish regions, each enjoying near-autonomy, with a central government handling defense, foreign policy and oil production.

Mr. Bush sounded more open to alternative tactics. He said the Iraqi prime minister recently met with tribal leaders from Anbar province, "who told him they are ready to stand up and fight the terrorists."

Fellow Republicans are beginning to criticize Mr. Bush's policy.

Senate Armed Services Committee Chairman John W. Warner of Virginia said after a recent visit to Iraq that U.S. efforts are "drifting sideways." Other Senate leaders, including Sens. Chuck Hagel of Nebraska, Susan Collins and Olympia J. Snowe of Maine and Kay Bailey Hutchison of Texas, have been critical of Mr. Bush's "stay the course" policy.

Almost two-thirds of respondents in a Newsweek poll released yesterday said the United States is losing ground in efforts to establish security and democracy in Iraq.

White House spokesman Tony Snow said Friday that while Mr. Bush might change tactics, he would not change his overall strategy.

"He's not somebody who gets jumpy at polls," Mr. Snow said.

Precarious Cease-Fire In Amara Holds (NYT)

By John F. Burns

The New York Times, October 22, 2006

BAGHDAD, Oct. 21 — Iraqi troops patrolled a tense cease-fire in the southeastern city of Amara on Saturday, but scattered clashes between rival Shiite militias farther north raised new concerns about the potential for a widening of the chaos that shook the city the day before.

With 2,300 Iraqi troops rushed to Amara from Baghdad and the southern oil hub of Basra, the government of Prime Minister Nuri Kamal al-Maliki appeared to have regained control of the city from the gangs of militiamen who ruled the streets there for most of Friday. Local officials said that at least 25 people had been killed, including militiamen and police officers, and more than 160 others wounded.

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A government spokesman said senior officials dispatched from Baghdad were investigating the Friday upheaval and were working with tribal leaders and representatives of the rival militia groups on ways of reinforcing the truce, including steps to address the grievances that had caused the clashes.

"All the shops are open, and there are traffic jams in the streets," said Muhannad al-Gharawi, a government spokesman in the city.

He said government troops were being helped by police commandos, also drafted into the city after the local police headquarters and two other police stations were destroyed Friday by bombs set by fighters from the Mahdi Army, the pervasive militia force led by Moktada al-Sadr, a volatile cleric with a mass following among impoverished Shiites.

Government officials said Saturday that Mr. Sadr played a crucial role in calming Friday's violence, and that Mr. Sadr's representatives in the city were cooperating in talks aimed at avoiding a resumption.

But there were other indications that the Amara crisis was far from over, and that the Maliki government, led by Shiite groups that include both Mr. Sadr's political faction and the political leaders who control the Badr Organization, the other militia group involved in the Friday clashes, was concerned that the violence could resume and spread elsewhere in the Shiite homeland in southern Iraq.

The concern appeared to be shared by coalition military commanders, who moved a 600-man British battle group to the outskirts of Amara, 230 miles southeast of Baghdad, and ordered the group to stand ready to move into the city if Iraqi commanders requested reinforcements.

"The situation is calm, but it's very tense," Maj. Charlie Burbridge, a spokesman for the British forces in Basra, told Agence France-Presse.

British troops had maintained a garrison at a major base on Amara's western outskirts until August, when they were withdrawn as part of a wider handover to Iraqi forces across the south.

Major Burbridge added, "We suspect there is a capacity for it to brew up again without any warning."

The first signs that the violence between the Mahdi Army and the Badr Organization had spread beyond Amara came in reports of clashes in two other southern towns. The police in Suweira, a mainly Shiite town 35 miles southeast of Baghdad, said two Mahdi Army fighters and one civilian had been killed in clashes between the militias in the town on Saturday.

In Hamza al-Sharqi, a town about 80 miles south of Baghdad, the police said American troops had intervened to restore calm after the Mahdi Army was accused of planting a bomb on Friday night in the offices of the Supreme Council for the Islamic Revolution in Iraq, the political group that controls the Badr Organization. Local officials said two people were killed in a gunfight between American troops and militiamen that followed the bombing.

A senior official of the Maliki government in Baghdad sought to play down the wider significance of the Amara clashes, saying the violence, involving two militia groups whose political masters are important partners in the ruling coalition, had local causes and posed no threat to the government's survival.

Accounts given by local leaders and others in Amara said that the violence began after a Mahdi Army bombing that killed a top Badr official serving in the local police, and that the Badr group retaliated by kidnapping the brother of the top Mahdi Army commander in Amara. The police in Amara, the accounts said, ware under Badr control, and became the target of Mahdi Army reprisals.

"It was a case of a local commander taking the law into his own hands," the official said, insisting that he not be quoted by name because of the political sensitivities involved and because of his own involvement in talks with Mr. Sadr. He said Mr. Sadr, based in the Shiite holy city of Najaf, had "behaved very responsibly" by sending a representative to Amara to help quell the violence.

The Amara upheaval erupted less than 48 hours after Mr. Maliki flew to Najaf from Baghdad to see Mr. Sadr and Grand Ayatollah Ali al-Sistani, Iraq's most powerful Shiite cleric, and urged both men to rein in the Mahdi Army, which American commanders have identified as having been responsible for much of the sectarian killing in recent months.

American commanders have been pressing the Maliki government for clearance for a broad crackdown on the Mahdi Army and other sectarian militias, but Mr. Maliki, dependent on the Sadr faction in Parliament for his government's survival, has insisted that the problem of the militias be solved politically. The senior official who discussed the Amara developments said Mr. Maliki, on his Najaf trip, had been assured by Mr. Sadr that the Mahdi Army was not involved in killings.

"The prime minister asked him to disband and disarm" the Mahdi Army, the official said, and Mr. Sadr had responded by offering assurances that the militia, which challenged American troops in two uprisings in 2004, had been transformed into "a political army that was not allowed to take any violent actions against Sunnis." The official, speaking of the Sadr militiamen, said, "I think they are tamable."

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The American military command said that three marines were killed in action on Saturday in Anbar Province, bringing to 78 the number of Americans who have died in October. The toll for the first three weeks of the month, if sustained at similar levels for the last 10 days, would make October the third worst month of the war for American troops.

Elsewhere in Iraq on Saturday, the sectarian violence that has wracked the country continued. In Baghdad, a suicide bomber detonated his device aboard a minibus packed with shoppers who had been to the Shorja market in northern section of the city to buy food and other gifts for the Muslim festival of Id al-Fitr, celebrating the end of the holy month of Ramadan. An Interior Ministry official said four people had been killed and 15 wounded; the victims were mostly Shiites, and women and children were among the casualties.

Witnesses described children's toys scattered beside the wreckage of the bus, which was crossing the Sharafiya bridge over the Tigris River when the bomb exploded.

At dusk on Saturday, bombs left on five motorcycles parked at the main market in Mahmudiya, 15 miles south of Baghdad, exploded while the area was packed with shoppers.

Officials at one of Baghdad's main hospitals said that a total of 16 people were killed and 60 wounded. Police officials in the town said some of the casualties were caused when the market was hit by mortar fire as rescue teams moved in to help the bombing victims.

In the northern oil city of Kirkuk, the police said a policeman had been killed when gunmen attacked his vehicle, and said a similar attack had taken place at Hawija, 40 miles south of Kirkuk, killing two Iraqi soldiers. In Mosul, a roadside bomb wounded two police officers and a woman in a market, police officials there said. Kirkuk and Mosul have been the scenes of suicide bombings in recent days, some of the worst violence there in months.

The United States military command said American-led forces had killed a senior leader of Al Qaeda during a raid early on Saturday in the insurgent stronghold of Ramadi in Anbar Province, 80 miles west of Baghdad. A command statement said that the raid also resulted in the detention of seven others, including a man that the statement said was believed to be responsible for coordinating the supply of weapons and finances for foreign-born insurgents infiltrating Iraq, as well as "facilitating the movement of explosives and participating in multiple operations against Iraqi and coalition forces."

In Baghdad, the American ambassador, Zalmay Khalilzad, issued a statement hailing a meeting on Friday in Mecca where 29 Iraqi religious leaders representing different sects, including figures from the Sunni and Shiite communities, signed a pact urging Iraqis to end sectarian killing and "join ranks with a view to the independence of Iraq and its territorial integrity."

Mortar Attack Kills 32 In Mostly Shiite Iraqi City (WP)

By Ellen Knickmeyer

The Washington Post, October 22, 2006

U.S. Toll for Month Is Highest in a Year

BAGHDAD, Oct. 21 -- Mortar rounds fired by suspected Sunni Arab insurgents rained on a market crowded with shoppers Saturday, killing 32 Iraqis in a predominantly Shiite city south of Baghdad, hospital officials said.

Three Marines were killed in attacks in the western province of Anbar, making October the deadliest month for U.S. forces in a year. Seventy-eight American troops have died this month in Iraq, the highest monthly toll since 84 U.S. troops were killed in November 2005.

The deaths are part of rising violence that has pushed attacks on Iraqi civilians and troops to wartime highs. The U.S. military said this week that attacks on American forces had increased 22 percent this month.

The attack on the market in Mahmudiyah, about 15 miles south of Baghdad, came days before the Islamic holiday of Eid al-Fitr. The market was crowded with families buying food for the holiday, said Farhan Ali, a member of Mahmudiyah's City Council.

Members of the Mahdi Army, the powerful militia of Shiite cleric Moqtada al-Sadr, also were in the open-air market when the attack occurred, said Salih Mohammed, 33, who owns a food stand there. Several of the militiamen were among the dead, Mohammed said.

At least 53 people were wounded, said Abdul Abdul Rahman Khalid al Maadihi, a doctor.

A previously unknown Sunni insurgent group in Mahmudiyah, calling itself the Jihadist Soldiers, asserted responsibility for the assault, saying in a statement posted in a mosque in the center of the city that Shiite families and the Mahdi Army militia had a week to leave the city.

Sunni families hid in their homes after the attack, fearing retaliation, Mohammed said.

At least 21 other Iraqis died Saturday in attacks across the country, including seven people killed in a bus bombing in Baghdad.

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The unrelenting bloodshed came despite the signing of an accord by Sunni and Shiite religious leaders late Friday in Mecca, Islam's holiest city. Organizers of the meeting described it as an effort to stop sectarian killings. U.S. Ambassador Zalmay Khalilzad issued a statement welcoming the accord and urging Iraqis to do "everything possible to stop the killing of the innocent."

Meanwhile, a senior State Department official said the United States had shown "arrogance" and "stupidity" in Iraq. Alberto Fernandez, director of public diplomacy in the Bureau of Near Eastern Affairs at the State Department, also said the United States would talk with any group except al-Qaeda in Iraq to facilitate national reconciliation.

"We tried to do our best, but I think there is much room for criticism because, undoubtedly, there was arrogance and there was stupidity from the United States in Iraq," he said in an interview with al-Jazeera television aired late Saturday.

Other Washington Post staff in Iraq contributed to this report.

Mortar Rounds Hit Iraqi Market; 18 Dead (SFC/AP)

By Sinan Salaheddin

San Francisco Chronicle/AP, October 22, 2006

(10-21) 10:38 PDT BAGHDAD, Iraq (AP) --

A bomb rigged to a bicycle followed by a dozen mortars tore through a crowded outdoor market south of Baghdad on Saturday, killing at least 18 people, police said.

After the bicycle exploded, at least a dozen mortars rained down on the market in Mahmoudiyah, which was crowded with shoppers ahead of the upcoming Eid al-Fitr holiday, said army Capt. Oday Abdul Ridha. Such dual attacks are frequently employed by armed groups to inflict additional damage on crowds that form after the initial bombing.

Lt. Hayder Satar of the Mahmoudiyah police said 18 people were confirmed dead and 52 injured in the attack on the city about 20 miles south of Baghdad.

Earlier in the day, gunfights broke out in Hamza al-Gharbi, about 60 miles south of Baghdad, after a bomb exploded near the offices of the Supreme Council for the Islamic Revolution in Iraq, a leading Shiite political party that sponsors the Badr Brigades militia.

The party's supporters accused members of the Madhi Army headed by the radical anti-American cleric Muqtada al-Sadr of being behind the blast, Police Capt. Muthana Khalid Ali said. He said Iraqi army and police called for reinforcements and backup from American forces, who imposed a curfew. There was no immediate confirmation of U.S. involvement from a military spokesmen.

Father south in the city of Amarah, where the Mahdi Army briefly took control on Friday, shops and government offices reopened and Iraqi army units manned checkpoints, keeping the militia fighters off the streets.

The fighting in both cities underscored alarm about the growing influence of the Shiite militias, who are linked to political blocs wielding strong influence over the shaky four-month-old government of Prime Minister Nouri al-Maliki.

At least two people were killed in Hamza al-Gharbi and 25 in Amarah, a city of 750,000 people at the head of Iraq's famous marshlands.

Haider Ali Abdullah said he rushed to reopen his tiny restaurant after hearing that fighting had ended in Amarah.

"We were terrified," Abdullah said by phone. "The last two days had a major effect on our lives since we depend on this business to make a living."

U.S. forces said they killed a key coordinator of foreign fighters under al-Qaida in Iraq in an early morning raid in Ramadi, on a booby-trapped building in the heartland of the Sunni insurgency west of Baghdad.

It said the man, who was not identified by name, had been a senior leader of al-Qaida in Iraq responsible for providing weapons and financing to foreign fighters in the country, as well as producing and distributing video clips and other propaganda.

Iraq's main Sunni Arab party on Saturday strongly backed the accord signed between Sunni and Shiite religious figures in Islam's holiest city, Mecca, on Friday evening.

Organizers of the Mecca meeting say they aim only to stop sectarian killings between rival Sunnis and Shiites, rather than impose a truce to halt attacks against U.S. forces in the country.

"We praise this step and call upon all Iraqis and the government to respond to this blessed event and support it," said Adnan al-Dulaimi, the head of the Iraqi Accordance Front, whose party holds 44 seats in the 275-member parliament.

He also called for a cease-fire between American forces and insurgent groups during the upcoming Eid al-Fitr holiday that marks the end of the fasting month of Ramadan.

Al-Dulaimi's endorsement was echoed by U.S. Ambassador Zalmay Khalilzad, who issued a statement urging Iraqis to do "everything possible to stop the killing of the innocent."

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The Shiite Fadhila party, a member of al-Maliki's ruling alliance, also organized a rally in support of the agreement, attended by about 2,000 people who chanted "no to terrorism, yes to the Mecca edict," and "stop the bloodshed."

Sectarian differences were exacerbated when parliament adopted a Shiite-backed law this week allowing provinces in the Shiite and oil-rich south to establish an autonomous region like the Kurdish one in the north.

Sunni Arabs and some Shiites opposed the law, arguing that federalism would lead to the eventual breakup of Iraq.

President Bush was meeting Saturday with top military officials over refining tactics after commanders said the two-month-old campaign to stabilize Baghdad had largely failed.

"The last few weeks have been rough for our troops in Iraq, and for the Iraqi people," Bush said Saturday in his weekly radio address. "The fighting is difficult, but our nation has seen difficult fights before."

In addition to the market bombing, at least 21 people were killed in violence around the country, including seven who died in a suicide bombing on a Baghdad bus and four killed in clashes Friday between Shiite and Sunni tribes just south of Baghdad. Five tortured bodies were found dumped along roads or in the Tigris River.

Insurgents Kill 3 U.S. Troops In Iraq (LAT)

By Borzou Daragahi

The Los Angeles Times, October 22, 2006

So far this month, 78 have died, the most in nearly a year.

An insurgent attack in western Iraq killed three Marines on Saturday, the U.S. military said in a news release, disclosing no further details about the incident.

The latest deaths bring to 78 the number of U.S. military personnel killed in Iraq so far this month, making it the deadliest month for Americans in nearly a year.

Anti-American insurgents have launched a bombing and shooting campaign that has in part coincided with Ramadan, the Muslim holy month of fasting and atonement, as well as the midterm U.S. election and a more active American military presence in Baghdad and other areas.

On Friday, a roadside bomb near the southern city of Diwaniya killed a Salvadoran army captain and injured four of his fellow soldiers, according to news agencies.

At least five Salvadoran soldiers have been killed in Iraq since the conflict started.

Three soldiers from El Salvador, Denmark and Britain have died in Iraq this month.

At least 2,791 American military personnel, 119 British troops and 119 soldiers from other countries have died in Iraq since the March 2003 U.S.-led invasion.

In addition to an increase in deaths, more than 1,300 U.S. military personnel have been wounded in action since Sept. 1.

This total compares with about 1,100 for July and August, according to Pentagon figures compiled by icasualties.org, a website that tracks coalition casualty figures in Iraq and Afghanistan.

In A Land Without Order, Punishment Is Power (WP)

By Anthony Shadid, Washington Post Foreign Service

The Washington Post, October 22, 2006

Conflicts Among Shiites Challenge a Village Sheik in Southern Iraq

YUSUFAN, Iraq -- A year or so ago, just one poster adorned Sheik Adnan Aidani's wall. It was a portrait of Grand Ayatollah Ali Sistani, Iraq's faded but still preeminent cleric, whose stern visage glared down on visitors to the tribal sheik's house along a forest of date palms in the southern Iraqi countryside. Today, there are perhaps a dozen posters with new faces. The names blur, but together they represent the power, beyond appeal, of men with guns.

Aidani smiled, a little sheepishly, as he surveyed the posters. Gifts, he called them, the kind you don't return.

"Everyone's on his own," he explained.

Far from the killing fields of the capital, Baghdad, and a half-hour drive from the southern city of Basra, which has been racked by thousands of assassinations, Aidani has an unenviable task in his warren of mud brick, cinder block and concrete: keeping order in a land without it, where society is fracturing, crumbling, even disintegrating.

The brutality of today's Iraq has washed over his largely Shiite village of 4,000: In the past few months, 10 people have been killed in Yusufan. Among them were a mother and child. "Who knows?" he said when asked the reason. In Basra, and even more in Baghdad, governments are sources of gossip rather than confidence. The police, who he said never set foot here, are best at taking bribes.

There is a saying in southern Iraq today, "No one pays respect to the saint who won't mete out punishment." Violence is the cadence of the country. To navigate the chaos, Aidani tries to draw on centuries-old traditions honed by Bedouins in the

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desert, rules built on honor, respect and reciprocity. He relies on the intimacy of a village where every neighbor knows the other. But in the end, the threat of punishment secures respect for Aidani. That same threat gives power to militias, gangs and criminals who now hold sway even in the streets of a village like Yusufan.

A division of Iraq is sometimes offered as a way to end the country's sectarian strife, but that glosses over the bitter and bloody fights that torment Basra and other predominantly Shiite regions in the south. With fewer sectarian fault lines, there is less killing in Basra than in Baghdad; residents, a little bitterly, insist it is just more organized, as the various Shiite factions battle for money and power. And the sheik, now more than ever, finds himself buffeted by the building squall.

"Who knows?" he asked again, almost rhetorically.

"These days, life is like a jungle. A rabbit doesn't survive in a jungle. Only a lion does."

He turned more literal. Anarchy, the sheik said. "Actually, it's a little worse than anarchy."A Judge of the Streets

It was Ramadan, the sacred month when Muslims fast from sunrise to sunset. Forgoing tea, cigarettes and food had darkened the sheik's mood. So had the news he received that morning. Four days earlier, gunmen had attacked six Shiite Muslims from his village at a bakery on the outskirts of Baghdad. Sitar Yusuf Zaalan, his three sons and two nephews survived the initial assault, only to be killed when the gunmen returned a little later and, from their car, tossed a bomb inside the bakery.

They weren't even that devout, he said. "They were just Shiites by name, just by their identity card."

He shook his head. "No one asks any questions about the crimes."

Aidani is 52, father of 12 children born to two wives, and sheik for two years with a genealogy that traces back 33 generations. He still sometimes carries the bearing of his days as an employee at the South Oil Co. in Basra: an understated delivery and a bureaucrat's weary patience. Other times, his voice thunders. His writ stretches, with varying influence, through the village, which sits along the confluence of the Tigris and Euphrates known as the Shatt al Arab, in a region famed for poets and dates.

On this morning, as on others, the sheik negotiated disputes he estimates have increased 200 percent over the past year, from the frivolous to the serious. There was the story of the mouse. It scurried into a neighbor's home, frightening a girl. Her family demanded arbitration and, to keep the peace, the other family agreed to pay compensation. Days later, her family saw the neighbor's mouse again. They killed it. "That mouse was ours," the sheik recalled the neighbors arguing. And, this time, they demanded compensation.

"I have one even funnier than that," the sheik said.

A driver killed a chicken on the road. Without making excuses, he said he was willing to pay the price of the chicken.

"It's not the chicken that's the problem," the sheik recalled its owner arguing. "The problem is with its orphans."

"And what about the rooster?" he recalled another person asking.

That dispute was settled with $20.

"People around Basra are not afraid of anything," said Sayyid Suleiman al-Musawi, another tribal leader who was visiting the sheik. Tall, with a black head scarf, he had a sense of irony. "If there's a problem, they go straight to their house and get the gun."

The week before, he recalled, there was an argument at a fruit stand near Yusufan. A customer insisted the vendor cut open the watermelon before he bought it. It was still white inside, and he declared that it was not yet ripe. No, it's red, the vendor insisted. They argued, the customer left and then returned with 30 men. Musawi said a gunfight erupted. Unbelievably, no one was killed.

"Thirty guns because a watermelon wasn't ripe," Musawi said ruefully.

"In Iraq, our blood is very hot," he added. "No one speaks slowly here."

The sheik and Musawi lamented the chaos, each complaint growing in exasperation. Their anger was directed everywhere -- at Shiite militias whose men often wear police uniforms, at a national government beholden to Americans and sharing power with Sunni politicians "building car bombs in their houses," at their own people, who they maintained don't understand the word hesitation, and at Sunnis who, the sheik insisted with wide eyes, cannot sleep with their wives as long as Shiites are in power.

"You cannot rule people without a big stick," Musawi insisted. "No one cares anymore, because no one is punished."

Still gloomy, the sheik shrugged his shoulders. Optimistic?

"With all this killing in the streets?" he asked. "Every day is worse than the day before."Fragmented Authority

The posters on the sheik's wall represent the forces in Basra and his region -- the Supreme Council for the Islamic Revolution in Iraq, the splintered Dawa party and the Mahdi Army of Moqtada al-Sadr, whose followers regularly attack British troops patrolling Basra. As it has for years now, often still functioning as a clandestine force, the Supreme Council focuses on the instruments of government power -- the police, provincial council and intelligence service in Basra. Sadr and his unruly force have the streets.

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But even the Sadrists are divided. The Mahdi Army is perhaps the most powerful in places like Basra and Nasiriyah. But it contends with breakaway factions -- Fadhila, whose representative serves as Basra's governor; followers loyal to Mahmoud Hassani; and another group known as the Movement of Rebels of the Intifada. They sometimes cooperate, more often not.

In all, residents estimate there are about 19 Islamic parties in the region around Basra, each with armed followers.

"Each head of the militia is his own dictator. This is the reality," said Sayyid Abdel-Aal al-Musawi, a 46-year-old cleric whose father heads an influential but apolitical Shiite sect known as the Shaikhiya. "They don't adhere to any limits."

In Basra, anywhere from a few to two dozen people are killed on most days -- clerics, former Baathists, Sunni Muslims, rivals and many for reasons no one quite understands. The same goes for Yusufan. The sheik listed those killed: an official with the Ministry of Health who was kidnapped and whose body was found in a Sadrist stronghold; a fruit vendor; a cattle salesman suspected of being a Baathist. A little while ago, a lawyer was shot in the leg from a passing car. The gunmen got out and then shot him in the head.

"People are cheap," the sheik said. "After they kill, they walk with their weapons back to the police station."

"No one will ask anything," he added.

There is no real government in Yusufan, bisected by a canal overgrown with weeds and overrun with trash.

The sheik has his authority, backed by what he says are the hundreds of armed men he can cull from the tribe's 12,000 members. But in a sign of his curtailed reach, he twice failed to get elected to parliament, and villagers sometimes treat him as just another player.

Militiamen rarely roam with their weapons through the narrow dirt roads bordered by dried palm fronds, cattails, bougainvillea and fields of clover. But everyone knows who they are, and their graffiti clutter the walls. "Long live Moqtada," one slogan reads. "All of us will sacrifice to defend Sadr," another declares. In green is written, "Yes, yes to Islam." Next to it in blue, a little out of place, is scrawled, "Long live Real," a show of support for the Spanish soccer team Real Madrid.

Authority, in a way, has atomized. Few go out after dark, when many feel militias are most active. Police never enter, so to protect religious celebrations at the Hajji Ahmed Husseiniya, a local worship hall, neighbors gather a dozen youths with their guns and post them at each end of the street.

When trouble arises, villagers say, they try to settle it themselves, then go the sheik, representatives of the Islamic parties or the town's part-time cleric. (Another alternative: "I'd run away," said Jalal Abdel-Amir, a 27-year-old villager.) Usually, they keep to themselves. With violence endemic, it is often heard that if it's not your neighbor, friend or family killed, you keep quiet.

"You can say that the people protect themselves," said Shihab Ahmed Allawi, a 35-year-old construction worker.

Down the street, a little way from the trash-strewn banks of the eddying Shatt al Arab, Kifah Mahmoud, a 47-year-old grocer, stood in a store adorned with portraits of Shiite clerics and named after the sword of a Shiite saint, Dhu al-Fiqar. It takes faith these days, he said. "You can't be sure you'll go somewhere and come back safely. You can't reassure yourself about that."Serial Strife

In his tribal reception hall, near a television hooked to a satellite dish, the drone of the generator outside, Aidani bellowed into his cellphone. "He must bring the gun to us!" he shouted, flashing his more temperamental side.

The dispute had begun simply. The day before, Mahmoud Shaker, a 16-year-old from Aidani's tribe, was riding his bicycle laden with pots for iftar , the traditional meal that breaks the Ramadan fast. Someone cleaning part of a sidewalk sprayed water on him as he rode by. Shaker protested, and the man pulled a gun and pistol-whipped him. The sheik wanted a sit-down with the assailant's tribe.

"They have to be in our place within five days," he told the mediator.

He hung up the phone, his third call in 15 minutes. Each time, the tribe had refused to meet.

"They better come," the sheik said. "If they don't, I'll have something else to hold against them."

He leaned back on a cushion resting against a grimy wall, three fans overhead churning the hot air.

"Problems create problems, one becomes two," he said. "These kinds of things should be dealt with by the law."

A little later, Sheik Fawzi Kaabi entered. Everyone in the room stood. "Take your rest," Aidani said afterward.

Kaabi, a stout man in a head scarf checkered white and black, is 46, but said he should be 460: "Every year has become 10 years because of the problems." Kaabi, called "the judge" by a friend, had come to mediate another dispute.

Men from Aidani's tribe had killed three people from the Abadi, a neighboring tribe, although the circumstances were in dispute. A death these days costs between 20 million and 25 million Iraqi dinars, or $13,300 to $16,600. Each person in the tribe is expected to contribute, effectively an insurance policy. But Aidani was resisting, pleading his case that the neighboring tribe had refused to pay blood money earlier.

"We're on standby," the sheik warned, with the mildest bluster.

He said no more. Everyone understood it meant sending his armed men to settle it another way.

"It's like a serial," the sheik said after Kaabi left. "It never has an ending."

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As he spoke, there was a hint of hesitation, even doubt in his voice. He ran through the conflicts he had to arbitrate: murder, theft, kidnapping, rape, broken contracts, land disputes and on and on. "There's nothing that's not present in Iraq anymore," he said. "Anything you can imagine in your head is here." In each, he had to negotiate, cajole and, more often than not, threaten.

Each time, the stakes seemed to be raised; each refusal drew a bigger warning.

"It wears me out," he admitted.

As he often does, the sheik spoke in proverbs. He uses one frequently these days. It is as much imperative as reality.

" Lil qawi ," he said. "To the strong."

The Selfless And The Dead (LAT)

By Raheem Salman And Doug Smith

The Los Angeles Times, October 22, 2006

An Iraqi burial society pays its respects to unclaimed war victims.

Twice a week, the large delivery truck from Baghdad rolls into the vast cemetery in this holy Shiite Muslim city. A bus follows, bearing wooden caskets on its roof.

Half a mile beyond the cemetery gates, at the edge of the desert, the passengers get out of the bus and set to work unloading the truck's grim cargo. On an average trip, there will be 70 to 100 bodies, victims of the sectarian bloodletting that has gripped Iraq.

The men belong to a word-of-mouth burial society for the unclaimed dead, formed during the 1980s war with Iran, starting small and growing with the need. Today, about 500 men — laborers, professionals, clerics and tribal leaders — are members of the legation of the dead in this country where deep piety and terrible brutality have repeatedly intertwined.

The society has no name and no officers. It adheres to no religious sect or political agenda. Thirty to 60 men make each trip. Some go every time; those who have to take time off from work may go only once every few weeks. They pay their own expenses and have rejected government compensation.

"We told them that if there will be money for this work we withdraw, as an act cannot be evaluated with money," said taxi driver Hashim Saadi, 53. "We want the blessing of God only."

Many who belong were drawn to it by their own experiences.

"When I look at them, I feel deeply sad," Saadi said. "Each one of them I see as my son, who was kidnapped five months ago. He was in his last year in the college of economy and administration at Baghdad University. I expect to see his body any time with any group we are bringing."

Mohammed Sabbar, an official with the Iraq Board of Tourism, said he joined the society after his brother disappeared about a year ago and later turned up in the morgue. The family suffered for weeks not knowing his fate.

"I did not go to my work today, preferring to join this act, which is filled with human feelings," Sabbar said. "We feel sad for them. Sometimes I weep. Repeatedly doing this has elicited a sort of acceptance of the sight, but feelings of sadness are still there."

The depth of his commitment is astonishing.

Each two-day trip begins at 4 a.m. after morning prayers. Sabbar walks three-quarters of a mile from the Ur neighborhood of Baghdad to a mosque in Sadr City, where several of the men converge. At the mosque, they pick up two or three caskets, which they tie to the roof of the bus.

The bus drives to the Baghdad morgue, an impersonal building of yellow brick, where other men arrive in their cars.

They load the truck with bodies that have been unclaimed for two weeks — at that point, the morgue has to clear them out to make room new ones.

Leaving Baghdad at 7 a.m., they must traverse Latifiya, an insurgent stronghold and one of the most dangerous places in Iraq. Kidnappings, shootings and roadside bomb attacks occur there almost daily.

The caskets on the bus could be a liability in the Sunni Arab city, giving the impression that the men are Shiites on the road to Najaf. But they also ensure speedier passage through the many checkpoints on the 110-mile highway. Mourning parties are less likely to be stopped for identity checks.

About noon, the bus arrives at the cemetery. The men say their midday prayers before they unload the bodies on stretchers into the desert heat, loudly chanting, "There is no God but God, and Muhammad is the prophet of God." They remove the bodies from black nylon sacks. To each they attach a tag bearing all that is known about the deceased.

Some are headless, some bloated and purple. If the body is too decomposed to wash, the men perform what is called the tayamum, rubbing the face and hands with clean sand, in accordance with Islamic tradition.

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They return the body to a sack sprinkled with camphor and pungent leaves. Then they wrap the body with a white cloth. They lower bodies into double graves according to their morgue numbers, odd on one side, even on the other. The graves are marked with flat stones that say "Unclaimed."

"When I look at any one of these victims, we feel that he is my brother or father," said Abu Muntadhar, 44, who receives a government salary to drive one of the delivery trucks but has volunteered for this job. "We cry as if they are our relatives. I imagine how their wives will behave if they see them, or their children."

Caring for the unclaimed began as a charity supported by wealthy residents of Baghdad to provide proper burials for the indigent, said Sheik Mehdi Abdul Zahara, one of about 100 burial brokers who work out of tiny offices at the cemetery. Paid by families of the dead, they acquire plots, hire gravediggers and maintain monuments.

The numbers of dead have grown with each traumatic turn in Iraq's course.

During Saddam Hussein's brutal repression after the failed 1991 Shiite uprising, 30 to 40 bodies arrived each month. After the overthrow of Hussein, the number jumped to 30 a week and kept climbing.

Now, a truck carrying 70 to 100 bodies comes twice a week, and a separate truck carries as many to Karbala, another holy city.

Traditionally, charitable donations paid for burials of the unclaimed. With the increasing numbers, the Health Ministry recently took over. Zahara and his gravediggers do the work for reduced pay.

Bodies go unclaimed mostly because the morgue can't identify them. Relatives may check with police and hospitals or wait for a ransom note, hoping for any information that their loved one is alive. Even when family members go to the morgue, the deteriorated condition of some bodies may give them reason to delay positive identification in the hope that it is someone else.

Zahara does a little detective work of his own, hoping to relieve families of the pain of not knowing.

Once, he received a beheaded man and found an address book in his shoe. He telephoned someone who turned out to be a brother.

"He was afraid, thinking that I was a terrorist or a kidnapper," Zahara said.

The brother called back several times before deciding to trust Zahara. The sibling came at night, accompanied by three carloads of family and friends, who were there to provide support, but also protection in the event of a trap.

"They were too sad for the killing of their son, but at least this put an end to their suffering and searching," Zahara said.

The unofficial leader of the group, Sheik Jamal Soodani, has been going on the burial trips since their outset. He is responsible for the roster of volunteers and attends every journey.

Although he has been accused of having political or sectarian motives, he and other members of the group have no aim but getting closer to God, Soodani said.

"We bury the Sunni, Shiite, Christian, Muslim and non-Iraqi," he said. "We deal with the human being as a human being, regardless of considerations like color and religion."

At the end of each day's work, the men are tired and it is too late to return to Baghdad. They retire instead to a rented two-room house at the edge of the cemetery.

They sleep on mattresses spread across the floor like gravestones. Others sleep on the porch outside — they prefer the fresh air.

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Times special correspondent Saad Fakhrildeen in Najaf contributed to this report.

An Early Calculation Of Iraq's Cost Of War (NYT)

By Anna Bernasek

The New York Times, October 22, 2006

HERE'S a basic question: What has been the cost of the Iraq war for Iraq? As it turns out, it's not easy to find an economist who can provide an answer. Although several studies have dealt with the war's cost to Americans, there has been no comparable work addressing the cost to Iraqis.

Of course, the loss of human life has always been evident. Recently, the United Nations estimated that 100 Iraqis were dying each day, on average, as a result of the war. Others have put the number much higher. A recent study in The Lancet, the British medical journal, placed the average daily figure at about 500, amounting to the loss of 2 percent of Iraq's population since the invasion in March 2003.

The economic cost has been less visible. Published information on the subject is very limited, although one economist, Colin Rowat, has made some preliminary calculations using the best sources available. Professor Rowat, a specialist on the Iraqi economy at the University of Birmingham in Britain, relied mainly on data from the International Monetary Fund to estimate the

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war's overall effect on the Iraqi economy. His calculations are a work in progress, but what he has found so far is sobering: the cost amounts to a cut of at least 40 percent in Iraq's national income.

Professor Rowat looked at the six-year stretch from 2000 to 2005 and divided it into thirds. During the first period, 2000-2001, United Nations trade sanctions against Iraq were beginning to crumble; the Security Council lifted the cap on Iraqi oil sales to the rest of the world, and the Iraqi government was becoming adept at getting around the remaining trade restrictions. The second period, 2002 -2003, covers the buildup to war and the invasion itself. The last period, 2004-2005, covers post-invasion years when sanctions were removed.

Professor Rowat made several kinds of calculations. First, he estimated the actual change in the size of Iraq's economy. Then he considered the economic effects of foreign aid in 2005, much of it from the United States. (Because foreign aid is regarded as temporary and is expected to taper off, he said, excluding it reveals Iraq's underlying economic performance.)

Finally, he estimated how the economy might have performed had the war never happened. This last estimate, of course, depends on a host of assumptions, as Professor Rowat would be the first to say. He assumed, for example, that in the absence of war, Iraq's economy would have been driven by the price of oil. Oil prices are, in fact, crucial to Iraq; according to the World Bank, oil revenue represents 60 percent of the total economy. Professor Rowat also assumed that the economy would have grown from 2002 to 2005 as it did from 2000 to 2001 — at a pace equal to 71 percent of the rate of increase in world oil prices. Of course, some of the oil-price increase in recent years must be attributed to the Iraq war itself; Professor Rowat acknowledged this but did not attempt to remove that factor from these rough calculations.

He readily acknowledged the difficulty of coming up with an undisputed set of figures; nevertheless, his analysis is at least a starting point.

Looking first at the actual Iraqi economy, he calculated that it may have grown 3.1 percent a year, on average and after adjusting for inflation, from 2000 through 2005. When he subtracted foreign aid from that total, however, he found that the economy actually contracted 0.2 percent a year over the same period. He said aid was especially crucial in 2005, when it kept the economy afloat.

Finally, based on the steep rise in oil prices, he estimated that without a war and with steady oil production, Iraq would have grown 12 percent a year after adjusting for inflation. That rate would have made Iraq one of the fastest-growing economies in the world, albeit one that was expanding from a very small economic base.

How realistic is this projection? It's hard to say, because so much of it depends on oil economics. Still, the I.M.F. has concluded that the Iraqi economy has the capacity to grow very quickly — under the right conditions. It now forecasts Iraq's real growth over the next five years at an annual rate averaging better than 10 percent.

Using Professor Rowat's calculations, what might the economic cost of the war be for Iraq? If there had been no war, Iraq's economy in 2005 might have amounted to $61 billion in today's dollars, compared with the actual $37 billion, he estimates. That works out to a loss of $24 billion because of the war. Excluding foreign aid from the calculations, the loss estimate is around $30 billion.

Consider the more conservative figure, $24 billion. It amounts to a 40 percent cut in gross domestic product per capita — an average loss of around $900 for each Iraqi in 2005.

Straightforward comparisons with the United States aren't possible, but rough estimates of the war's overall cost to Americans are in the neighborhood of $1 trillion over a 10-year period. That works out to around 1 percent of the nation's income during that period.

FOR Iraq, there is no doubt that continuing violence and turmoil are hurting the economy. The I.M.F. stated in a report in August that Iraq's growth was coming from the non-oil economy and that oil production was expected to remain flat this year. Iraq's oil production has not yet returned to prewar levels. The I.M.F. attributed the lack of progress in the oil sector to the violence, which is preventing much-needed investment, and to infrastructure problems.

While Professor Rowat's calculations represent just one economist's efforts to wrestle with extremely limited data, his work may encourage others to follow. Assessing the war's economic cost for Iraq, of course, doesn't provide an answer to whether the war is worthwhile in the long run. But it does provide a clue.

Poll: Iraqi Youth Want U.S. To Leave (WT/AP)

By Katherine Shrader

The Washington Times/AP, October 22, 2006

WASHINGTON (AP) -- Majorities of Iraqi youth in Arab regions of the country believe security would improve and violence decrease if the U.S.-led forces left immediately, according to a State Department poll that provides a window into the grim warnings provided to policymakers.

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The survey - unclassified, but marked "For Official Government Use Only" - also finds that Iraqi leaders may face particular difficulty recruiting young Sunni Arabs to join the stumbling security forces. Strong majorities of 15- to 29-year-olds in two Arab Sunni areas - Mosul and Tikrit-Baquba - would oppose joining the Iraqi army or police.

The poll has its shortcomings; regional samples are small and the results do not say how many people refused to respond to questions. The private polling firm hired by the State Department also was not able to interview residents of al-Anbar, a Sunni-dominated province and an insurgent stronghold.

But the findings of the summer survey - circulated to policymakers last month and obtained by The Associated Press last week - nevertheless provide a solemn reminder of the difficulty that the U.S.-backed Iraqi government faces as it tries to add ethnic diversity to its security institutions.

In The Land Of The Taliban (NYT)

By Elizabeth Rubin

The New York Times, October 22, 2006

One afternoon this past summer, I shared a picnic of fresh mangos and plums with Abdul Baqi, an Afghan Taliban fighter in his 20's fresh from the front in Helmand Province in southern Afghanistan. We spent hours on a grassy slope under the tall pines of Murree, a former colonial hill station that is now a popular resort just outside Pakistan's capital, Islamabad. All around us was a Pakistani rendition of Georges Seurat's "Sunday on La Grande Jatte" — middle-class families setting up grills for barbecue, a girl and two boys chasing their errant cow with a stick, two men hunting fowl, boys flying a kite. Much of the time, Abdul Baqi was engrossed in the flight pattern of a Himalayan bird. It must have been a welcome distraction. He had just lost five friends fighting British troops and had seen many others killed or wounded by bombs as they sheltered inside a mosque.

He was now looking forward to taking a logic course at a madrasa, or religious school, near Peshawar during his holiday. Pakistan's religious parties, he told me through an interpreter, would lodge him, as they did other Afghan Taliban fighters, and keep him safe. With us was Abdul Baqi's mentor, Mullah Sadiq, a diabetic Helmandi who was shuttling between Pakistan and Afghanistan auditing Taliban finances and arranging logistics. He had just dispatched nine fighters to Afghanistan and had taken wounded men to a hospital in Islamabad. "I just tell the border guards that they were wounded in a tribal dispute and need treatment," he told me.

And though Mullah Sadiq said they had lost many commanders in battles around Kandahar, he and Abdul Baqi appeared to be in good spirits, laughing and chatting loudly on a cellphone to Taliban friends in Pakistan and Afghanistan. After all, they never imagined that the Taliban would be back so soon or in such force or that they would be giving such trouble to the Afghan government of Hamid Karzai and some 40,000 NATO and U.S. troops in the country. For the first time since the fall of 2001, when the Taliban were overthrown, they were beginning to taste the possibility of victory.

As I traveled through Pakistan and particularly the Pashtun lands bordering Afghanistan, I felt as if I were moving through a Taliban spa for rehabilitation and inspiration. Since 2002, the American and Pakistani militaries have focused on North Waziristan and South Waziristan, two of the seven districts making up Pakistan's semiautonomous tribal areas, which are between the North-West Frontier Province and, to the south, Baluchistan Province; in the days since the 9/11 attacks, some tribes there had sheltered members of Al Qaeda and spawned their own Taliban movement. Meanwhile, in the deserts of Baluchistan, whose capital, Quetta, is just a few hours' drive from the Afghan city of Kandahar, the Afghan Taliban were openly reassembling themselves under Mullah Omar and his leadership council. Quetta had become a kind of free zone where strategies could be formed, funds picked up, interviews given and victories relished.

In June, I was in Quetta as the Taliban fighters celebrated an attack against Dad Mohammad Khan, an Afghan legislator locally known as Amir Dado. Until recently he was the intelligence chief of Helmand Province. He had worked closely with U.S. Special Forces and was despised by Abdul Baqi — and, to be frank, by most Afghans in the south. Mullah Razayar Nurzai (a nom de guerre), a commander of 300 Taliban fighters who frequently meets with the leadership council and Mullah Omar, took credit for the ambush. Because Pakistan's intelligence services are fickle — sometimes supporting the Taliban, sometimes arresting its members — I had to meet Nurzai at night, down a dark lane in a village outside Quetta.

My guide was a Pakistani Pashtun sympathetic to the Taliban; we slipped into a courtyard and behind a curtain into a small room with mattresses and a gas lamp. In hobbled a rough, wild-looking graybeard with green eyes and a prosthetic limb fitted into a permanent 1980's-era shoe. More than a quarter-century of warring had taken its toll on Nurzai's 46-year-old body but not on his spirit. It was 10 at night, yet he was bounding with energy and bombast about his recent exploits in Kandahar and Helmand. A few days earlier, Nurzai and his men had attacked Amir Dado's extended family. First, he told me, they shot dead his brother — a former district leader. Then the next day, as members of Dado's family were driving to the site of the first attack, Nurzai's men ambushed their convoy. Boys, cousins, uncles: all were killed. Dado himself was safe elsewhere. Nurzai was mildly disappointed and said that they had received bad information. He had no regrets about the killings, however. Abdul Baqi was

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also delighted by the attack. He would tell me that Dado used to burn rocket casings and pour the melted plastic onto the stomachs of onetime Taliban fighters he and his men had captured. Abdul Baqi also recalled that during the civil war that ended with the Taliban's seizure of Kabul, Dado and his men had a checkpoint where they "grabbed young boys and robbed people."

Mullah Omar and his followers formed the Taliban in 1994 to, among other things, bring some justice to Afghanistan and to expel predatory commanders like Dado. But in the early days of Karzai's government, these regional warlords re-established themselves, with American financing, to fill the power vacuum that the coalition forces were unwilling to fill themselves. The warlords freely labeled their many enemies Al Qaeda or Taliban in order to push the Americans to eradicate them. Some of these men were indeed Taliban. Most, like Abdul Baqi, had accepted their loss of power, but they rejoined the Taliban as a result of harassment. Amir Dado's own abuses had eventually led to his removal from the Helmand government at United Nations insistence. As one Western diplomat, who requested anonymity out of personal safety concerns, put it: "Amir Dado kept his own prison, authorized the use of serious torture, had very little respect for human life and made security worse." Yet when I later met Amir Dado in Kabul, he pulled out a letter that an officer in the U.S. Special Forces had written requesting that the Afghan Ministry of Defense install him as Helmand's police chief and claiming that in his absence "the quality of security in the Helmand Province has dramatically declined."

One Place, Two Stories

I went to Afghanistan and Pakistan this summer to understand how and why the Taliban were making a comeback five years after American and Afghan forces drove them from power. What kind of experience would lead Afghans to reject what seemed to be an emerging democratic government? Had we missed something that made Taliban rule appealing? Were they the only opposition the aggrieved could turn to? Or, as many Afghans were saying, was this Pakistan up to its old tricks — cooperating with the Americans and Karzai while conspiring to bring back the Taliban, who had been valued "assets" before 9/11?

And why has the Bush administration's message remained that Afghanistan is a success, Iraq a challenge? "In Afghanistan, the trajectory is a hopeful and promising one," Secretary of Defense Donald Rumsfeld wrote on the op-ed page of The Washington Post earlier this month. Afghanistan's rise from the ashes of the anti-Taliban war would mean that the Bush administration was prevailing in replacing terror with democracy and human rights.

Meanwhile, a counternarrative was emerging, and it belonged to the Taliban, or the A.C.M., as NATO officers call them — the Anti-Coalition Militia. In Kabul, Kandahar and Pakistan, I found their video discs and tapes in the markets. They invoke a nostalgia for the jihad against the Russians and inspire their viewers to rise up again. One begins with clattering Chinooks disgorging American soldiers into the desert. Then we see the new Afghan government onstage, focusing in on the Northern Alliance warlords — Abdul Rashid Dostum, Burhanuddin Rabbani, Karim Khalili, Muhammad Fahim, Ismail Khan, Abdul Sayyaf. It cuts to American soldiers doing push-ups and pinpointing targets on maps; next it shows bombs the size of bathtubs dropping from planes and missiles emblazoned with "Royal Navy" rocketing through the sky; then it moves to hospital beds and wounded children. Message: America and Britain brought back the warlords and bombed your children. In the next clip, there are metal cages under floodlights and men in orange jumpsuits, bowed and crouching. It cuts back to the wild eyes of

John Walker Lindh and shows trucks hauling containers crammed with young Afghan and Pakistani prisoners — Taliban, hundreds of whom would suffocate to death in those containers, supposedly at the command of the warlord and current army chief of staff, General Dostum. Then back to American guards wheeling hunger-striking Guantánamo prisoners on gurneys. Interspliced are older images, a bit fuzzy, of young Afghan men, hands tied behind their backs, heads bowed, hauled off by Communist guards. The message: Foreigners have invaded our lands again; Americans, Russians — no difference.

During the period from 1994 to 2001, the Taliban were a cloistered clique with little interest in global affairs. Today they are far more sophisticated and outward-looking. "The Taliban of the 90's were concerned with their district or province," says Waheed Muzhda, a senior aide at the Supreme Court in Kabul, who before the Taliban fell worked in their Foreign Ministry. "Now they have links with other networks. Before, only two Internet connections existed — one was with Mullah Omar's office and the other at the Foreign Ministry here in Kabul. Now they are connected to the world." Though this is still very much an Afghan insurgency, fueled by complex local grievances and power struggles, the films sold in the markets of Pakistan and Afghanistan merge the Taliban story with that of the larger struggle of the Muslim umma, the global community of Islam: images of U.S. soldiers in Iraq and Israelis dragging off young Palestinian men and throwing off Palestinian mothers clinging to their sons. Humiliation. Oppression. Followed by the same on Afghan soil: Northern Alliance fighters perching their guns atop the bodies of dead Taliban. In the Taliban story, Special Forces soldiers desecrate the bodies of Taliban fighters by burning them, the Koran is desecrated in Guantánamo toilets, the Prophet Muhammad is desecrated in Danish cartoons and finally an apostate, Abdul Rahman, the Afghan who was arrested earlier this year for converting to Christianity, desecrates Islam and is not only not punished but is released and flown off to Italy.

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It is not at all clear that Afghans want the return of a Taliban government. But even sophisticated Kabulis told me that they are fed up with the corruption. And in the Pashtun regions, which make up about half the country, Afghans are fed up with five years of having their homes searched and the young men of their villages rounded up in the name of counterinsurgency. Earlier this month in Kabul, Gen. David Richards, the British commander of NATO's Afghanistan force, imagined what Afghans are thinking: "They will say, 'We do not want the Taliban, but then we would rather have that austere and unpleasant life that that might involve than another five years of fighting.'" He estimated that if NATO didn't succeed in bringing substantial economic development to Afghanistan soon, some 70 percent of Afghans would shift their loyalty to the Taliban.

Nation-Building, Again

In the middle of Lashkar Gah, the capital of Helmand Province, a metal sign tilts into the road advertising the New York English Language Center. It is a relic of the last American nation-building scheme. Half a century ago, this town, built at the confluence of the Arghandab and Helmand Rivers, was the headquarters for an ambitious dam project partly financed by the United States and contracted out to Morrison-Knudsen, an engineering company that helped build Cape Canaveral and the Golden Gate Bridge.

Lashkar Gah (literally, "the place of soldiers") was to be a model American town. Irrigation from the project would create farms out of the desert. Today you can still see the suburban-style homes with gardens open to the streets, although the typical Afghan home is a fort with walls guarding the family's privacy. Those modernizing dreams of America and Afghanistan were eventually defeated by nature, culture and the war to drive the Russians out of Afghanistan in the 1980's. What remains is an intense nostalgia among the engineers, cooks and farmers of Lashkar Gah, who remember that time as one of employment and peace. Today, Lashkar Gah is home to a NATO base.

Down the road from the base stands a lovely new building erected by an N.G.O. for the local Ministry of Women's Affairs. It is big, white and, on the day I visited, was empty except for three women getting ready to leave. "It's so close to the foreigners, and the women are afraid of getting killed by car bombs," the ministry's deputy told me. She was a school headmistress and landowner, dressed elegantly in a lime-colored blouse falling below the knees and worn over matching trousers. She weighed the Taliban regime against this new one in terms of pragmatic choices, not terror or ideology. She said that she had just wrapped up the case of a girl who had been kidnapped and raped by Kandahari police officers, something that would not have happened under the Taliban. "Their security was outstanding," she said.

Under the Taliban, she said, a poppy ban was enforced. "Now the governors tell the people, 'Just cultivate a little bit,'" she said. "So people take this opportunity and grow a lot." The farmers lease land to grow poppies. The British and the police eradicate it. The farmer can't pay back the landowner. "So instead of paying, he gives the landowner his daughter."

A few weeks before I arrived in Helmand, John Walters, the director of the White House Office of National Drug Control Policy, told reporters that Afghan authorities were succeeding in reducing opium-poppy cultivation. Yet despite hundreds of millions of dollars being allocated by Congress to stop the trade, a United Nations report in September estimated that this year's crop was breaking all records — 6,100 metric tons compared with 4,100 last year. When I visited Helmand, schools in Lashkar Gah were closed in part because teachers and students were busy harvesting the crop. A prosecutor from the Crimes Department laughed as he told me that his clerk, driver and bodyguard hadn't made it to work. They were all harvesting. It requires a lot of workers, and you can earn $12 a day compared with the $2 you get for wheat. Hence the hundreds of young, poor Talibs from Pakistan's madrasas who had flocked to earn that cash and who made easy converts for the coming jihad.

Walters had singled out Helmand for special praise. Yet just a short drive from the provincial capital, I was surrounded by poppy farmers — 12-year-old boys, 75-year-old men — hard at work, their hands caked in opium paste as they scooped figlike pulp off the bulbs into a sack tied around their waists. One little boy was dragging a long poppy stem attached to a car he had made out of bulbs. Haji Abdul, a 73-year-old Moses of a man, was the owner of the farm and one of those nostalgic for the heyday of the Helmand Valley project. He had worked with Americans for 15 years as a welder and manager. He was the first to bring electricity to his district. Now there was none.

"Why do you think people put mines out for the British and Italians doing eradication when they came here to save us?" He answered his own question: "Thousands of lands ready for harvest were destroyed. How difficult will it be for our people to tolerate that! You are taking the food of my children, cutting my feet and disabling me. With one bullet, I will kill you." Fortunately he didn't have to kill anyone. He had paid 2,000 afghanis per jerib (about a half acre) of land to the police, he told me, adding that they would then share the spoils with the district administrator and all the other Interior Ministry officials so that only a small percentage of the poppy would be eradicated.

When I asked Manan Farahi, the director of counterterrorism efforts for Karzai's government, why the Taliban were so strong in Helmand, he said that Helmandis had, in fact, hated the Taliban because of Mullah Omar's ban on poppy cultivation. "The elders were happy this government was coming and they could plant again," Farahi told me. "But then the warlords came back and let their militias roam freely. They were settling old scores — killing people, stealing their opium. And because they

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belonged to the government, the people couldn't look to the government for protection. And because they had the ear of the Americans, the people couldn't look to the Americans. Into this need stepped the Taliban." And this time the Taliban, far from suppressing the drug trade, agreed to protect it.

A Dealer's Life

The Continental Guest House in Kandahar, with its lovely gardens, potted geraniums and Internet access in every room, was mostly empty when I arrived, a remnant of the city's recently stalled economic resurgence.

To find out how the opium trade works and how it's related to the Taliban's rise, I spent the afternoon with an Afghan who told me his name was Razzaq. He is a medium-level smuggler in his late 20's who learned his trade as a refugee in Iran. He was wearing a traditional Kandahari bejeweled skull cap, a dark blazer and a white shalwar kameez, a traditional outfit consisting of loose pants covered by a tunic. He moved and spoke with the confident ease of a well-protected man. "The whole country is in our services," he told me, "all the way to Turkey." This wasn't bravado. From Mazar-i-Sharif, in northern Afghanistan, he brings opium in the form of a gooey paste, packaged in bricks. From Badakhshan in the northeast, he brings crystal — a sugary substance made from heroin. And from Jalalabad, in the east on the road to Peshawar, he brings pure heroin. All of this goes through Baramcha, an unmanned border town in Helmand near Pakistan. Sometimes he pays off the national soldiers to use their vehicles, he said. Sometimes the national policemen. Or he hides it well, and if there is a tough checkpoint, he calls ahead and pays them off. "The soldiers get 2,000 afghanis a month, and I give them 100,000," he explained with an angelic smile. "So even if I had a human head in my car, they'd let me go." It's not hard to see why Razzaq is so successful. He has a certain charm and looks like the modest tailor he once was, not a man steeped in illegal business.

Razzaq's smuggling career began in Zahedan, a remote and unruly Iranian town near the border with Afghanistan and Pakistan. It is filled with Afghan refugees who, like Razzaq and his family, fled after the Russian invasion in 1979. Razzaq apprenticed as a tailor under his father and eventually opened his own shop, which the Iranians promptly shut down. They said he had no right as a refugee to own a shop. He began painting buildings, but that, too, proved a bureaucratic challenge. He was paid in checks, and the bank refused to cash them without a bank account, which he could not get.

Razzaq was newly married with dreams of a good life for his family. So one day he took a chance. "I had gotten to know smugglers at my tailoring shop," he told me over a meal of mutton and rice on the floor of my hotel room. "One of them was an old man, so no one ever suspected him. The smugglers asked me to go with him to Gerdi Jangel" — an Afghan refugee town in Pakistan — "and bring back 750 grams of heroin to Zahedan. The security searched us on the bus, but I'd hidden it in the heels of my shoes, and of course they didn't search the old man. I was so happy when we made it back. I thought I was born for the first time into this world."

So he took another chance and managed to fly to Tehran carrying four kilos in his bag. Each time he overcame another obstacle, he became more addicted to the easy cash. When the Iranian authorities imported sniffing dogs to catch heroin smugglers, Razzaq and his friends filled hypodermic needles with some heroin dissolved in water and sprayed the liquid on cars at the bus station that would be continuing on to Tehran, Isfahan and Shiraz. "The dogs at the checkpoint went mad. They had to search 50 cars. They decided the dogs were defective and sent them back, and that saved us for a while." Eventually, he said, they concocted a substance to conceal the heroin smell from the new pack of dogs.

After the fall of the Taliban, Razzaq moved back to Helmand, built a comfortable house and began supporting his extended family with his expanding trafficking business. Razzaq's main challenge today is Iran. While the Americans have turned more or less a blind eye to the drug-trade spree of their warlord allies, Iran has steadily cranked up its drug war. (Some 3,000 Iranian lawmen have been killed in the last three decades battling traffickers.) To cross the desert borders, Razzaq moves in convoys of 18 S.U.V.'s. Some contain drugs. The rest are loaded with food supplies, antiaircraft guns, rocket launchers, antitank missiles and militiamen, often on loan from the Taliban. The fighters are Baluch from Iran and Afghanistan. The commanders are Afghans.

Razzaq's run, as he described it, was a scene out of <object.title class="Movie" idsrc="nyt_ttl" value="30657">"Mad Max." Three days were spent dodging and battling Iranian forces in the deserts around the earthquake-stricken city of Bam. Once they made it to Isfahan, however, in central Iran, they were home free. They released the militiamen, transferred the stuff to ordinary cars and drove to Tehran, where other smugglers picked up the drugs and passed them on to ethnic Turks in Tabriz. The Turks would bring them home, and from there they went to the markets of Europe. </object.title>

Should he ever run into a problem in Afghanistan, he told me, "I simply make a phone call. And my voice is known to ministers, of course. They are in my network. Every network has a big man supporting them in the government." The Interior Ministry's director of counternarcotics in Kabul had told me the same thing. Anyway, if the smugglers have problems on the ground, they say, they just pay the Taliban to destroy the enemy commanders.

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Razzaq has at times contemplated getting out of the smuggling trade, he said, but the easy money is too alluring. Depending on the market, he can earn from $1,500 to $7,500 a month. Most Afghans can't make that in a year. Besides, he said, "all the governors are doing this, so why shouldn't we?"

Losers Become Winners

In December 2001, not long after the Taliban were routed, I visited the Shah Wali Kot district, several hours' drive on unpaved roads from Kandahar, a Mordor land of rock mountains shaped like sagging crescents and mud-baked houses melting into the dunes. The Taliban leaders had fled, mostly to Pakistan. Gul Agha Shirzai, formerly a local warlord and soon-to-be new governor, and his soldiers had swarmed into power while the Americans set up their operations base in Mullah Omar's Xanadu-like residence. I was with a large group of Populzai, the clan of the Afghan president, Hamid Karzai.

We were in a big guest room with more than a dozen men gathered in a circle, all wearing the kind of turbans that look like gargantuan ice-cream swirls. The ones in black turban swirls were giggling, chatting and slapping one another on the back. The ones in white turban swirls were sulking, grumbling or mute. In this group, the miserable white turbans were Taliban men. They had just lost their pickup trucks, weapons, money, prestige and jobs, all of which had gone to the gleeful black turbans.

Today those miserable white turbans have taken to the mountains to fight. The gleeful black turbans are under siege. I saw one of the black turbans this summer, the Shah Wali Kot district leader, in the garden of the Kandahar governor's palace. He was a mess. He chuckled loudly when I asked him how it was back in Shah Wali Kot. "Frankly, we are just defending ourselves from the Taliban," he said. "Our head is on the pillow at night, but we do not sleep."

That small division among the Populzai in Shah Wali Kot echoes the larger division of the Pashtun into two main branches: the Durrani and the Ghilzai. The Durrani, Karzai's tribe, have dominated for the last two centuries in Afghanistan and regard themselves as the ruling elite. In the south, the Ghilzai were often treated as the nomadic, scrappy cousins. With the exception of Mullah Omar, who had been a poor Ghilzai farmer, the leaders of the Taliban tended to be Durrani. These days, the perception among the southern Ghilzai is that they are persecuted, that the jails are filled with their people, while the Durrani in the south received all the Japanese, U.S. and British contracts and jobs. From what I could gather during my weeks in Afghanistan, these perceptions were mostly true. But even if they were exaggerated, such perceptions, in an illiterate society, have a way of quickly morphing into reality.

Take Panjwai, a district just outside Kandahar, where hundreds of Taliban massed this summer, taking advantage of the changeover from American soldiers to a NATO force of Canadian troops. One afternoon I met a red-haired propagandist and writer for the Taliban in a Kandahar office building. With his slight lisp, chain-smoking habit and eclectic reading — French novelists and Arabic philosophers — he seemed more a tormented graduate student than the landless villager from Panjwai he was. Panjwai is a mishmash of tribes, and the Taliban were exploiting the grievances of the Nurzai, a tribe that has felt persecuted and unfairly targeted for poppy eradication. Traders in Kandahar, he said, were donating money to the Taliban. Landowners were paying them to fight off eradicators. The Taliban were paying poor, unemployed men to fight. And religious scholars were delivering the message that it was time for jihad because the Americans were no different from the Russians. Just a few weeks earlier, the Taliban went on a killing spree in Panjwai. They beheaded a tribal leader in his home, shot another in the bazaar and hanged a man near a shrine with a note tacked on his body: <object.title class="Movie" idsrc="nyt_ttl" value="290327;46304;111485">"SPY."</object.title>

The Taliban were feeling bold enough that one afternoon Mullah Ibrahim, a Taliban intelligence agent, dropped by my hotel for lunch. He was a Ghilzai, from Helmand, and told me he had tried to lead a normal life under the official amnesty program. Instead, he was locked up, beaten and so harassed by Helmandi intelligence and police officers that his tribal elders told him to leave for Pakistan and join the Taliban there. Then, about a year ago, he decided that he was tired of fighting and living as a fugitive and accepted a reconciliation offer from an Afghan general. Pakistani intelligence got wind of this and imprisoned him; upon his release, the Pakistanis gave him money and a motorbike and pressured him to go back to war. He is still tired of war, but the Pakistanis won't let him live in peace, and now if he tries to reconcile with the Kabul government, he told me, the Taliban will kill him.

When fighting broke out on the main highway near Kandahar, I saw that the police had tied up a group of villagers — but the Taliban had all escaped. One of those village men, his hands bound behind his back, told me that he had peeped out from his house earlier that day and saw some 200 Taliban with new guns and rocket launchers. They wanted food and threatened him and other villagers. "But I am not afraid of them," he said loudly. "I am only afraid of this government." Why? "Look at what they do. They can't get the Taliban, so they arrest us. We have no hope from them anymore. And when we call and tell them Taliban are here, no one comes." As an engineer from Panjwai who had been an Afghan senator during the Communist era told me: "We are now like camels. In Islam, a camel can be slaughtered in two different ways.

"The Taliban are using rivalries and enmities between people to get soldiers, the same tactics as the mujahedeen used against the Russians," the engineer continued. "Just like in Russian times they come and say, 'We are defending the country

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from the infidels.' They start asking for food. Then they ask the people for soldiers and say, 'We will give you weapons.' And that's how it starts. And the emotions are rising in the people now. They are saying, 'Kaffirs have invaded our land.'"

Qayum Karzai, the president's older brother and a legislator from Kandahar, seemed utterly depressed when I met him. "For the last four years, the Taliban were saying that the Americans will leave here," he said. "We were stupid and didn't believe it. Now they think it's a victory that the Americans left."

With the Americans on their way out and the NATO force not yet in control, the Kandahar Police were left on the front line: underfinanced, underequipped, untrained — and often stoned. Which is perhaps what made them so brave. One afternoon I ran into a group who said their friends had just been killed when a Talib posing as a policeman served them poisoned tea. A shaggy-haired officer in a black tunic was standing by his pickup, freshly ripped up by a barrage of bullets, and staring at my feet. "I envy your shoes," he said, looking back at his own torn rubber sandals. "I envy your Toyota," he said and laughed. And then looking at my pen and notebook, he said, "I envy you can read and write." It's not too late, I offered feebly, but he tapped his temple and shook his head. "It doesn't work anymore," he said. "I smoke hash. I smoke opium. I'm drinking because we're always thinking and nervous." He was 35. He had been fighting for 20 years. Four of his friends had been killed in the fighting the other night. He had to support children, a wife and parents on a salary of about $100 a month. And, he said, "we haven't been paid in four months." No wonder, then, that the population complained that the police were all thieves.

At Kandahar's hospital I met a 17-year-old policeman (who had been with the police since he was 14) tending to his wounded friend. He was in a jovial mood, amazed he wasn't dead. He said they had been given an order to cut the Taliban's escape route. Instead they were ambushed by the Taliban, ran out of bullets and had no phones to call for backup. "We ran away," he said with a nervous giggle. "The Taliban chased us, shouting: 'Hey, sons of Bush! Where are you going? We want to kill you.'"

Last month, NATO forces struck back around Panjwai with artillery and aerial bombardments, killing an estimated 500 Taliban fighters and destroying homes and schools. But unless NATO can stay for years, create a trustworthy police force and spend the millions necessary to regenerate the district, the Taliban will be back.

Deciding to Fight

Inside the old city walls of Peshawar, Pakistan, a half-hour drive from the Afghan border, in a bazaar named after the storytellers who enthralled Central Asian gold and silk merchants with their tales of war and tragic love, sits the 17th-century Mohabat Khan Mosque. It is a place of cool, marble calm amid the dense market streets. Yousaf Qureshi is the prayer leader there and director of the Jamia Ashrafia, a Deobandi madrasa. He had recently announced a pledge by the jewelers' association to pay $1 million to anyone who would kill a Danish cartoonist who caricatured the Prophet Muhammad. Qureshi himself offered $25,000 and a car. I found Qureshi seated on a cushion behind a low glass desk covered with papers and business cards — ambassadors, N.G.O. workers, Islamic scholars, mujahedeen commanders: he has conversed with them all. His office resembles an antiques shop, the walls displaying oversize prayer beads, knives inlaid with ivory and astrakhan caps. It was day's end, and Qureshi was checking the proofs for his 51st book, called "The Benefits of Koran."

Qureshi told me that he meets with Pakistan's president, Pervez Musharraf, about twice a year. Qureshi understands Musharraf's predicament: "The heart of this government is with the Taliban. The tongue is not." He didn't claim total insider knowledge, but he said, "I think they want a weak government and want to support the Taliban without letting them win." Why? "We are asking Musharraf, 'What are you doing,' and he says: 'I'm moving in both ways. I want to support the Taliban, but I can't afford to displease America. I am caught between the devil and the deep sea.'"

Not long ago, Qureshi said, he received three emissaries from Mullah Omar who wanted Qureshi to warn another religious leader to stop preaching against the Taliban. "I refused," he said. Later Sheikh Yassin, one of the messengers, was arrested by the I.S.I., Pakistan's military intelligence service. So why, I asked, does Qureshi say the I.S.I. is supporting the Taliban? "That is the double policy of the government," he replied. Even in the 1990's, he said, Prime Minister Nawaz Sharif was supporting the official Afghan government of Burhanuddin Rabbani while the I.S.I. was supporting his opponent, Gulbuddin Hekmatyar, as he rained thousands of rockets upon Rabbani's government and the citizens of Kabul. Qureshi told me that if he and local traders didn't want Al Qaeda or the Taliban to flourish, then they wouldn't. "We are supporting them to give the Americans a tough time," he said. "Leave Afghanistan, and the Taliban and foreign fighters will not give Karzai problems. All the administrators of madrasas know what our students are doing, but we won't tell them not to fight in Afghanistan."

The new Taliban fighters in Afghanistan are of three basic types. There are the old war-addicted jihadis who were left out of the 2001 Bonn conference, which determined the postwar shape of Afghan politics and the carve-up of the country. There are the "second generation" Afghan refugees: poor, educated in Pakistan's madrasas and easily recruited by their elders. And then there are the young men who had jobs and prestige in the former Taliban regime and were unable to find a place for themselves in the new Afghanistan.

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Coincidentally, there are also now three fronts. One is led by Mullah Omar's council in Quetta. The second is led by Jalaluddin Haqqani, a hero of the jihad against the Soviets who joined the Taliban. Although well into his 80's, he orchestrates insurgent attacks through his sons in Paktia, Khost and Paktika, the Afghan provinces close to Waziristan, where he is based. Finally, there is Gulbuddin Hekmatyar, the former leader of Hezb-i-Islami, the anti-Soviet fighters entrusted with the most money and arms by the U.S. and Pakistan. He had opposed the Taliban, living in uneasy exile in Iran until the U.S. persuaded Tehran to boot him out; he sneaked into the mountainous eastern borderlands. Since the early days of Karzai's government, he has promised to organize Mullah Omar's followers with his educated cadres and finance their jihad against Karzai and the American invaders. Old competitors are coming together in much the way the mujahedeen factions cooperated to fight the Russians. Hekmatyar adds a lethal ingredient to this stew: his ties and his followers extend all through Afghanistan, including the north and the west, where he is exploiting factional grievances that have nothing to do with the Pashtun discontent in the south.

An Afghan I met outside Peshawar — for his safety he asked me not to use his full name — was typical of the 20-something Talibs who had flourished under the Taliban regime. He was from Day Chopan, a mountainous region in Zabul Province, northeast of Kandahar. When the Northern Alliance and the Americans took Afghanistan, he escaped through the hills on an old smuggling route to the North-West Frontier Province.

It was familiar terrain. A.'s father had been a religious teacher who studied in Sami ul-Haq's famous Haqqaniya madrasa near the Khyber Pass and preached jihad for Harakat, one of the southern mujahedeen parties whose members filled Mullah Omar's ranks. Those old ties still bind and have provided a network for recruiting. A. grew up in madrasas in the tribal Pashtun lands of Waziristan, where he learned to fire guns as a child in the American-financed mujahedeen camps. As a teenage religious student in Wana, the capital of South Waziristan, he would go door to door collecting bread for his fellow Talibs. Behind one of those doors, he saw a girl and fell in love. When his father wouldn't let him marry the girl, he threatened to go fight in Afghanistan. His father would not relent, and A. signed up at the local Taliban office in Peshawar. "We got good food, free service, everything was Islamic," he told me. "It was the best life, rather than staying in that poor madrasa." His father soon did relent, and A. became engaged, but he was only 15 and had no money. So he went back to the Taliban and was soon working beside the deputy defense minister. "Of course, then there were bags of money," he said.

A., now 28, was living in an Afghan refugee village that used to belong to Hekmatyar's group. Weak with malaria, he was nevertheless plump and jovial, even funny at times. Only when the Pakistani intelligence services came up did his already sallow hues pale to old bone.

After fleeing the American bombardment in 2001, he told me, the Taliban arrived in Pakistan tattered, dispersed and demoralized. But in the months after the collapse, senior Taliban leaders told their comrades to stay at home, keep in touch and wait for the call. Some Taliban told me that they actually waited to see if there was a chance to work with Karzai's government.

"Our emir," as A. referred to Mullah Omar, slowly contacted the commanders and told them to find out who was dead and who was alive. Those commanders appointed group commanders to collect the underlings like A. Weapons stashed away in Afghanistan's mountains were excavated. Funds were raised through the wide and varied Islamic network — Karachi businessmen, Peshawar goldsmiths, Saudi oil men, Kuwaiti traders and jihadi sympathizers within the Pakistani military and intelligence ranks.

Mullah Omar named a 10-man leadership council, A. explained. Smaller councils were created for every province and district. Most of this was done from the safety of Pakistan, and in 2003 Mullah Omar dispatched Mullah Dadullah to the madrasas of Baluchistan and Karachi to gather the dispersed Talibs and find fresh recruits. Pakistani authorities were reportedly seen with him. Still, neither Musharraf nor his military men in Baluchistan did anything to arrest him.

It was a perfect job for Dadullah, whose reputation for bravery was matched by his savagery and his many war wounds, collected in more than 25 years of fighting. In 1998, his fighters slaughtered hundreds of Hazaras (Shiites of Mongol descent) in Bamiyan Province, an act so brutal it was even too much for Mullah Omar, who had him disarmed at the time. Dadullah's very savagery, filmed and now often circulated on videotape, coupled with his promotional flair, were just the ingredients Omar needed to put the Taliban back on the map.

Today, Quetta has assumed the character of Peshawar in the 1980's, a suspicious place of spies and counterspies and double agents. It is not just the hundreds of men in typical Afghan Pashtun clothing — the roughly wound turbans, dark shalwar kameez, eyes inked with kohl — who squat on Thursday afternoons outside the Kandahari mosque in the center of town, comparing notes on the latest fighting in Helmand or the best religious teachers. Rather, as I wandered the narrow alleyways of the Afghan neighborhoods, my local guides would say, "That's where Mullah Dadullah was living" or "That's where Mullah Amir Khan Haqqani is living." (Haqqani is the Taliban's governor in exile for Zabul Province.) Mullah Dadullah is now a folk hero for young Talibs like A. And all the Taliban I met told me that every time Dadullah gives another interview or appears on the battlefield, it serves as an instant injection of inspiration.

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By 2004, A. said, he was meeting a lot of Arabs — Saudis, Iraqis, Palestinians — who taught the Afghans about I.E.D.'s (improvised explosive devices) and suicide bombings. "They taught us how to put explosives in plastic," he told me. "They taught us wiring and triggers. The Arabs are the best instructors in that." But now the Afghans are doing fine on their own. Pakistani jihadis in Afghanistan received their training, they told me, from Pakistani officers in Kashmir.

The southerners have also forged ties with the Pakistani Taliban in Waziristan. There is a free flow of arms and men between Waziristan and the Afghan provinces across the border. According to A., even Uzbeks from the Islamic Movement of Uzbekistan have joined some of the fighters now in A.'s home mountains in Day Chopan.

It was disheartening to hear A. describe his first encounter with Americans, who were trying to set up a base in a remote region of Zabul. Though they were building a road where no roads had gone before, he could perceive that asphalt only as a means for the Americans to transport their armored vehicles and occupy Muslim lands. A friend of his joined us as we were talking. He had just arrived in Pakistan from the Day Chopan region and said that the Americans were like a cyclone of evil, stealing their almonds and violating their Pashtunwali (the Pashtun tribal laws). In this instance, he meant the law by which even a cousin will not enter your house without knocking first.

A. is now a media man in Pakistan, coordinating the editing of films for discs, censoring them in case there are commanders who don't want their faces seen and distributing them. He proudly offered me the latest disc of Mullah Dadullah beheading some "spies for the Americans." He said he had sold 25,000 CD's about the fighting in Waziristan.

He was full of contradictions. He said that if he didn't have a house in Day Chopan, he would never spend a single night there because there was no education, no electricity, no power, nothing, just a heap of stones. Yet he did not want America to change all that. "We don't like progress by Americans," he declared. "We don't like roads by Americans. We would rather walk on tired feet as long as we are walking in an Islamic state."

Was it all just bravado speaking? Was an opportunity to build bridges to young men like A. somehow lost or just neglected? It was hard to tell. But when the I.S.I. subject came up again, his tone changed. "They are snakes," he told me. He said that they were trying to create a new, obedient leader and oust the independent-minded Mullah Omar, and for that, the real Taliban hated them. Then he said: "I told you that we burn schools because they're teaching Christianity, but actually most of the Taliban don't like this burning of schools or destroying roads and bridges, because the Taliban, too, could use them. Those acts were being done under I.S.I. orders. They don't want progress in Afghanistan." An Indian engineer was beheaded in Zabul in April, he said, and that was also ordered by Pakistan, which, from fear of the influence of its enemy, India, was encouraging attacks on Indian companies. "People are not telling the story, because no one can trust anyone, and if I.S.I. knows I told you," he said, he would be dead.

Pakistan's Assets

There are many theories for why Pakistan might have wanted to help the Taliban reconstitute themselves. Afghan-Pakistani relations have always been fraught. One among the many disputes has to do with the Durand Line, the boundary drawn up by the British in 1893 partly to divide the Pashtun tribes, who were constantly revolting against the British. The Afghan government has never recognized this line, which winds its way from the Hindu Kush mountains of North-West Frontier Province 1,500 miles down to the deserts of Baluchistan, as its border. Nor have the Pashtun tribes. The Pakistanis may hope to force Karzai to recognize the Durand line in exchange for stability.

Another theory is that Musharraf must appease the religious parties whom he needs to extend his power past the end of his term next year. Musharraf bought them off, gave them control of the North-West Frontier Province and Baluchistan and let them use the Taliban. And finally, the Pakistanis see Afghanistan as their rightful client. They want an accommodating regime, not Karzai, whose main backers are the U.S. and India, Pakistan's nemesis.

Pakistan's well-established secular Pashtun nationalist political leaders remain distraught that their lands have again become sanctuaries for the Afghan Taliban and the Pakistani religious parties, which, since elections in 2002, rule these provinces and are completing a Talibanization of the region. The secular leaders point to another layer in Pakistan's games: keeping the tribal areas autonomous enables Pakistan's intelligence services to ward off the gaze of Westerners and keep their jihadis safely tucked away.

One thing you notice if you visit the homes of retired generals in Pakistan is that they live in a lavish fashion typical of South America's dictatorship-era military elite. They control most of the country's economy and real estate, and like President Musharraf, himself a former general, they do not want to relinquish power.

Although there is a secularist strain in the Pakistani military, it has been aligned with religious hard-liners since the army's inception in 1947. Many officers still see their duty as defending the Muslim world, but their raison d'être has been undermined by the fact that though Pakistan was founded as a refuge for South Asia's Muslims, more Muslims today live in India. They seem to envy the jihadis' clarity. The militants had no identity crises. According to Najim Sethi, a prominent Pakistani journalist, military officers often have "a degree of self-disgust for selling themselves" to the Americans, and they still bear a grudge against the

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United States for abandoning them after the Afghan jihad and, more recently, for sanctioning Pakistan over its nuclear program. The standard army phrase about the Americans was, he said, "They used us like a condom."

Officers spoke to me as if they were simply translating the feelings of the jihadis for a tone-deaf audience, but they sounded more like ventriloquists. One retired colonel I spoke to was a relative of a Taliban leader from Waziristan, Abdullah Massoud, who had earned both sympathy and reverence for his time in Guantánamo Bay. Massoud was captured fighting the Americans and the Northern Alliance and spent two years there, claiming to be a simple Afghan Talib. Upon his release, he made it home to Waziristan and resumed his war against the U.S. With his long hair, his prosthetic limb and impassioned speeches, he quickly became a charismatic inspiration to Waziristan's youth.

Since 2001, some of Waziristan's tribes have refused to hand over Qaeda members living among them. Under intense American pressure, Pakistan agreed for the first time in its history to invade the tribal areas. Hundreds of civilians and soldiers were killed. American helicopters were seen in the region, as were American spies. The militants (with some army accomplices) retaliated with two assassination attempts against Musharraf late in 2003. He struck back, but as the civilian casualties mounted and the military began to balk at killing Pakistanis, Musharraf agreed to a deal in the spring of 2004 whereby the militants would give up their guests in return for cash. Pakistani officers and the militants hugged and shed tears during a public reconciliation. But the militants did not relinquish their Al Qaeda guests, and they took advantage of the amnesty to execute tribal elders they said had helped the Pakistani military. The tribal structure in Waziristan was devastated, and the Taliban took to the streets to declare the Islamic emirate of Waziristan. Since Musharraf signed a truce with the militants last month, attacks launched from Waziristan into Afghanistan, according to NATO, have risen by 300 percent.

"Muslim governments are not able to face the Americans," the retired colonel from Waziristan said, explaining the mujahedeen mind-set. "If Muslim governments should stand up against duplicity and foreign hegemonic designs, and they don't, who will? Someone has to stand up to defend the Muslim countries, and it's this that gives the jihadis the courage and zeal to stand up to the worst atrocities. This is the core issue of the mujahedeen movement. You call it the war on terror. The mujahedeen call it jihad." And so, essentially, did he.

One afternoon, in the midst of a monsoon, I sought out one of the founders of the pro-jihadi strategy, the retired general Mirza Aslam Beg. He lived in Rawalpindi, the military capital half an hour from Islamabad, in a brick and tile-roofed mansion with a basketball hoop, flowing greenery and Judy, his one-eyed cocker spaniel. The house was immaculate, with marble floors, rugs, fine china and porcelain on display behind glass and an amusing portrait of Aslam Beg as a young, Ray-Banned, pommaded officer. His mansion sits across the street from Musharraf's.

Aslam Beg played a leading role in the military's creation of "asymmetrical assets," jargon for the jihadis who have long been used by the military as proxies in Kashmir and Afghanistan. He was chief of the army staff from 1988 to 1991, while the Pakistani nuclear scientist A.Q. Khan was selling the country's nuclear technology to Iran, Libya and North Korea. Beg held talks with the Iranians about exchanging Iranian oil for Pakistani nuclear skill.

Aslam Beg likes to remind visitors that he was one of a group of army officers trained by the C.I.A. in the 1950's as a "stay-behind organization" that would melt into the population if ever the Soviet Union overran Pakistan. Those brigadiers and lieutenant colonels then trained and directed the Afghan jihadis.

In the 1980's, "the C.I.A. set up the largest support and administrative bases in Mohmand agency, Waziristan and Baluchistan," Aslam Beg told me. "These were the logistics bases for eight long years, and you can imagine the relations that developed. And then Chechens, Uzbeks, Tajiks, Saudis developed family relations with the local people." The Taliban, he said, fell back after 2001 to these baselines. "In 2003, when the U.S. attacked Iraq, a whole new dimension was added to the conflict. The foreign mujahedeen who'd fought in Afghanistan started moving back to Afghanistan and Iraq." And the old Afghan jihadi leaders stopped by the mansion of their mentor, Aslam Beg, to tell him they were planning to wage war against the American occupiers.

As the rain outside turned to hail, banging against the windows, Aslam Beg ate some English sandwiches that had been wheeled in by a servant. "As a believer," he went on, "I'll tell you how I understand it. In the Holy Book there's an injunction that the believer must reach out to defend the tyrannized. The words of God are, 'What restrains you from fighting for those helpless men, women and children who due to their weakness are being brutalized and are calling you to free them from atrocities being perpetuated on them.' This is a direct message, and it may not impact the hearts and minds of all believers. Maybe one in 10,000 will leave their home and go to the conflicts where Muslims are engaged in liberation movements, such as Chechnya, Palestine, Iraq, Afghanistan and Kashmir. Now it's a global deterrent force."

The Authentic Jihad

The old city of Lahore, with its broad boulevards and banyan-tree canopies, remains the cultural and intellectual heart of Pakistan. It is home to a small elite of journalists, editors, authors, painters, artists and businessmen. Najam Sethi, editor in chief of The Friday Times, and his wife, Jugnu Mohsin, the publisher, are popular fixtures among this crowd. Like so many of

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Pakistan's intellectuals, they have had their share of run-ins with government security agents. For pushing the bounds of press freedom, Sethi was dragged from his bedroom during Nawaz Sharif's reign, beaten, gagged and detained without charge. Musharraf, in his new autobiography, claims that Nawaz Sharif wanted him to court-martial Sethi for treason, an act that seemed ludicrous to him, and he refused.

I met him one afternoon at the newspaper's offices as he was preparing his weekly editorial. He is a tall, affable man with smiling eyes and large glasses. And he got right down to business, providing an analysis of why Pakistan had decided to bring its "assets" — by which he meant the Taliban and Kashmiri jihadis — off the shelf.

In the days following 9/11, when Musharraf gathered together major editors to tell them that he had no choice but to withdraw his support for the Taliban, Sethi raised the touchy issue of the other jihadis. He said that if Musharraf was abandoning the Taliban, he would have to abandon the sectarian jihadis (fighting the Shiites), the Kashmir jihadis, all of the jihadis, because they were all trained in mind by the same religious leaders and in body by the same Pakistani forces.

In January 2002, Musharraf gave an unusually long televised speech to the nation. He reminded the people that his campaign against extremism was initiated years before and not under American pressure. He vowed that Pakistan would no longer export jihadis to Kashmir, that he was again placing a ban on several jihadi organizations, that camps would be closed and that while the madrasas were mostly educating the poor, some were centers of extremist teaching and would be reformed. A month later, Musharraf was at the White House next to President Bush, who praised him for standing against terrorism.

Sethi characterized Pakistani authorities as believing that the U.S. in Iraq "will be a Vietnam." He said: "Afghanistan will be neither here nor there. So we cannot wrap up our assets. We must protect them." The I.S.I. realized it could help deliver Al Qaeda to the U.S. while keeping the Taliban and the jihadis on the back burner. At the same time, Musharraf's moderate advisers were telling him that holding on to those assets would eventually boomerang. And soon enough, the assets began to come after Musharraf — while the people of Pakistan were turning against him for being pro-American. "So going after jihadis who were protecting the Taliban came to a halt," Sethi said.

Meanwhile the landscape next door in Afghanistan was changing. The warlords were back in action. The drug economy was surging. By 2003 and 2004, Musharraf's men were becoming hysterical about what they saw as a growing Indian presence in Afghanistan, particularly the Indian consulates in Kandahar and Jalalabad, the Pashtun strongholds that Pakistan considered its own turf. Karzai was doing business with Indians and Americans and was no longer a Pashtun whom Pakistanis would want to do business with.

As Sethi spoke, I recalled a meeting I had with one of Kandahar's prominent tribal leaders. He recounted a visit from a former Pakistani general who had been active in the I.S.I. The general invited Kandahar's leaders to lunch and warned them not to let the Indians put a consulate in Kandahar and to remember who their real benefactors were. Today there is a consulate there, and Indian films and music are sweeping through the Pashtun lands. What is more, many Pakistanis believe India is backing the Baluch insurgency in Pakistan's far south, clouding the prospects for the new, Chinese-built port in Gwadar. The port is Pakistan's single largest investment in its economic future and has been attacked by Baluch rebels.

In many ways, Pakistani policy is already looking beyond both Karzai and the Americans; they believe it is prudent to imagine a future with neither. That future will be shaped by the past: the past with India, the past with the Soviet Union, the past with America. For Pakistan's hard-liners, at least, the obvious choice was to take their assets off the shelf and restart the jihad.

A Difficult Choice

On the wall outside the Eid Ga madrasa, in Kuchlak, a parched town near Quetta, Afghan students and teachers were debating the merits of jihad. One boy had just fled an American assault on Day Chopan in Zabul Province. He had never been to Pakistan before. He was frenzied, in shock. As a student from Kandahar led the others in dusk prayer, a young boy whispered to me, "I like America." They were hardly a unified group. One young Helmandi told me, "We want our traditions of Islam and Sharia, not your democracy," while another argued for peace. Then the Helmandi asked, with genuine confusion: "Why are Muslims being tortured everywhere in the world, and no one is there to stand up for them? But if you touch one Westerner, the sky is on your head?"

Most madrasas in Pakistan are run by the Jamiat Ulema-e-Islam, the religious-party alliance that has joined with Musharraf to keep the popular parties of Benazir Bhutto and Nawaz Sharif from regaining power. The J.U.I. madrasas usually endorse jihad, although even here I met madrasa students who were against the war. They subscribed to a vision of jihad as a struggle for self-improvement and the improvement of society. Mawlawi Mohammadin, a cleric from Helmand, went so far as to tell me that these are the true roots of jihad, though he confessed that his is a lonely voice. He was afraid of everyone — Taliban, Pakistani intelligence, even his pupils. "If we start openly supporting Karzai, we could be killed by our own students," he told me with nervous laughter. Only a month earlier, a Taliban official from Helmand who had reconciled with Karzai's government was gunned down by assassins on a motorbike in Quetta.

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Mohammadin said that it is now open season for jihad in Afghanistan under J.U.I. guidance. Government ministers were even attending funerals to praise Pakistani Pashtuns who had died fighting in Kandahar. He estimates that there are some 10,000 Taliban fighters in Baluchistan. Despite the intimidation, he says he feels that his mission is to steer his students away from war.

One of these was Mohamed Nader, who had just attended a cousin's funeral and was wondering what it all meant. His cousin's family was poor, and without their knowledge, he had gone to earn money first by harvesting poppies in Helmand and then by fighting for the Taliban. Finally he was killed. Among the biggest problems, Nader told me, was that the cohesion of the Afghan family has been shredded by decades of poverty and refugee life in Pakistan. In a typically strong Afghan family, young adults obey their parents, even asking for permission to go fight. But here, boys just run off.

Rahmatullah was one of those who had run off and returned. He was skinny and disheveled, having just faced heavy fighting in Kandahar. Though an Afghan, he had grown up in Baluchistan, near the border, in an area where he said 200 fighters were now living. The mullah at his madrasa told all the students that it was time for jihad. And the I.S.I. was paying cash. But his father was old and against the war; he pleaded with him to abandon fighting. So he sent Rahmatullah to his friend Mohammadin, hoping he might open another path for his son. Rahmatullah told me that he wasn't sure yet which mullah he would listen to.

(Next week, Part 2: How U.S. and NATO forces have been battling the Taliban and fighting for hearts and minds.)

After The Hugs, Reality Sets In -- Another Iraq Tour Looms (LAT)

By Tony Perry

The Los Angeles Times, October 22, 2006

Several hundred family members, after months of worrying and praying, turn out at Miramar air station to greet returning Marines.

SAN DIEGO — By their nature, military families tend to be respectful of authority.

But no rope line was going to restrain family members Saturday from sprinting onto the tarmac at Miramar Marine Corps Air Station to embrace loved ones returning from a seven-month deployment to Iraq.

Sgt. Garland Joyner, as the bearer of the squadron guidon, or pennant, had the honor of being the first Marine to deplane from the chartered United Airlines 747. His children — Malik, 8, Imanie, 9, Kasey, 13, and Jasmine, 14 — were the first to run for their welcome-home hug.

"Daddy!" screamed Malik as he raced toward his father, who has now done three tours in Iraq.

But amid the kisses and tears of relief there was the reality that Joyner and other members of the 3rd Marine Aircraft Wing will probably return to Iraq, maybe next year.

For families, another deployment means another prolonged period of constant worry in which every knock on the door carries the potential of the worst possible news.

Jamie Macdonald of Carmel knows all about the anxiety. She was waiting for her son, Sgt. Colin Macdonald, 25, who was returning after his fourth tour.

"It's horrible," she said. "You don't take a deep breath the whole time they're gone. It's like playing Russian roulette. You know that if you play often enough, something bad is going to happen."

Several hundred family members displaying small American flags, handmade banners and commemorative T-shirts awaited the arrival of the plane after its 11-hour flight from Germany.

Twenty-one members of Sgt. Tony Portillo's family turned out wearing red T-shirts with his name and picture. He was returning from his third deployment to Iraq.

"It gets harder each time," said his mother, Angie Portillo, of Los Angeles. "You just get numb, because you know what to expect. You're afraid the whole time."

Different family members have different strategies to cope with anxiety. Some won't watch television news.

Some put in extra hours at work. Others busy themselves with volunteer work or join groups of other family members of deployed Marines.

"You pray. Every night and every morning, you pray," said Hilda Lopez of Fresno, waiting with her daughter Rosa Kong for the return of her husband, Cpl. Phirak Kong, 21.

Cyndi DeBoer of Boulder City, Nev., followed a mantra she found in a book during the second tour of her stepson Cpl. Nathan DeBoer, 22.

"I read that you can either have faith or you can have fear," she said. "Every time I started to have fear, I prayed."

Cynthia Drake, who came to San Diego from her home in Fritch, Texas, for the homecoming, wore a T-shirt with a picture of her son, Cpl. Tanner Drake, 26, and the slogan, "A Piece of My Heart Served in Iraq."

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As Part Of Military's Ground Force, Navy Firms Up Support Services (NVP)

By Louis Hansen

Norfolk Virginian Pilot, October 22, 2006

VIRGINIA BEACH - The military calls them "IAs," shorthand for individual augmentees.

They're the 46,000 men and women who have been picked from Navy units to serve, often facing danger, with soldiers and Marines in Afghanistan and Iraq.

Once considered a short-term program, the Navy and defense experts acknowledge these sailors are now a permanent part of today's ground force.

The Navy this month created the Expeditionary Combat Readiness Center at Little Creek to track and assist those sailors uprooted from their ships and shore commands. About 150 people are assigned to the center and at bases in battle zones.

At any given time, about 8,500 Navy personnel are deployed for fill-in roles in the two wars. Their jobs include logistical support, civil affairs and military police. Deployments have grown, and now typically last 12 months.

The readiness center aims to ease the stresses on sailors, many stationed in combat areas without their shipmates to rely on.

"They don't have embedded unit support with them," said Capt. Jeffrey

McKenzie, the center's commander. "They're a unit of one."

Sailors at forward bases in Iraq, Afghanistan, Guantanamo Bay and other stations can meet with staff advisers. They will help sailors manage their career and advancement exams, and smooth out payroll problems and health-care issues, he added.

McKenzie said he begins every morning by answering e-mails from sailors in Baghdad who need help.

McKenzie said his new command can also help families - something as simple as contacting a sailor at a forward base. Augmentee families have a disadvantage: They lack the ready community support as when a 300-crew warship deploys for six months.

The Navy handles an average 1,000 IAs each month, he said. The new command can handle twice that number.

Early in the Iraq war, sailors sometimes received bare-bones combat training and makeshift equipment, McKenzie said. Combat skills training has since been bolstered and standardized at Fort Jackson, S.C.

Dan Goure, a senior researcher with the Lexington Institute, said the Navy should expect to fill its support role for a long time.

Army and Marine units have been overstretched, deploying three and four times since the Iraq war began.

The IAs will continue being used more widely, he said, because the military became smaller after the Cold War and conflicts have become longer, straining manpower.

"The global war on terrorism has shown us we can't do our business the old-fashioned way," said Goure, who studies military personnel issues for the Northern Virginia-based think tank.

The military needs active-duty and reserve troops from all branches to boost Army and Marine Corps missions, he said. "These are the new realities."

Capt. Ed Burdick, a personnel and manpower administrator for surface fleet headquarters in Norfolk, said the combat experience often creates better, battle-tested sailors for the Navy.

The migration of sailors to ground-combat roles have not diminished the fleet's readiness, he said, because less than 3 percent of any ship's crew has been selected for ground duty.

Sailors usually volunteer, although some are ordered.

Cmdr. Jim Lowther, a supply and financial officer for the surface fleet, requested a six-month tour in Iraq in 2005. He said he wanted to directly contribute to the war and gain experience.

He spent a week training at Fort Bliss, Texas, then joined a command in Iraq. "It was pretty quick," Lowther said.

Among other duties, he managed contracts for military and civilian construction in Iraq.

The deployment "makes you appreciate what you have here," he said during an interview at Norfolk Naval Station.

Capt. Robert Irelan left a staff job with the surface fleet for Baghdad, where he served as a liaison between the U.S. military and the Iraqi Navy. It was one of the most rewarding duties of his 22-year career, he said.

Irelan said a combat deployment can be much easier and safer aboard a warship patrolling the Persian Gulf.

But, he said, "it's not really my idea of war."

Debt Is Keeping Troops From Overseas Duty, Study Finds (NYT/AP)

By The Associated Press

The New York Times, October 22, 2006

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SAN DIEGO, Oct. 21 (AP) — Thousands of American troops are being barred from overseas duty because they are so deep in debt that they are considered security risks, according to a review of military records by The Associated Press.

The number of troops held back has climbed sharply in the past few years. And while it appears to represent a small percentage of all military personnel, the increase is occurring at a time when the armed forces are stretched thin by wars in Iraq and Afghanistan.

"We are seeing an alarming trend in degrading financial health," said Capt. Mark D. Patton, commander of Naval Base Point Loma in San Diego.

The Pentagon contends that financial problems can distract troops from their duties or make them vulnerable to bribery and treason. As a result, those who fall heavily into debt can be stripped of the security clearances they need to go overseas.

The number of revoked clearances has surged since the beginning of the Iraq war, but military officials say there is no evidence that troops are deliberately running up debts to stay out of harm's way.

The problem is attributed to several factors, including a lack of financial acumen among young recruits; reckless spending among those exhilarated to make it home from a tour of duty; and the profusion of so-called payday lenders, businesses that allow military personnel to borrow against paychecks at extremely high interest rates.

The debt problems have persisted despite financial counseling offered to the troops by the Pentagon and crackdowns on payday lenders.

Data supplied by the Air Force, the Marines and the Navy show that the number of clearances revoked for financial reasons rose every year from 2002 to 2005, climbing to 2,654 last year from 284 at the start of the period. Partial numbers from this year suggest the trend is continuing.

About 6,300 troops in the three branches lost their clearances in that four-year period. Roughly 900,000 people are serving in the three branches, though not all need clearances.

The figures represent just a piece of the problem, because the Army — which employs an additional 500,000 people and accounts for the majority of the 160,000 troops in Iraq and Afghanistan — rejected requests to supply its data, saying such information was confidential.

Security clearances are revoked when service members' debt payments total 30 to 40 percent of their salary. The exact amount depends on the military branch.

Not all military jobs require security clearances. Marine infantryman does not, but some Marine specialties do. So do many jobs in the Navy and Air Force.

Financial problems are the overwhelming reason security clearances are revoked. Other reasons include criminal activity, questionable allegiance and ill health.

A primary reason the military revokes clearances on financial grounds is the fear that soldiers in debt may be tempted to sell secrets or equipment to the enemy.

In addition, "when they are over there fighting, we like them to have their heads in the game," said Maj. Gen. Michael Lehnert, commander of Marine bases in the Western United States.

Military officials also blame high interest rates at payday lending businesses, many of which are clustered outside bases around the country. Several states have cracked down on the lending practices. On Tuesday, President Bush signed legislation limiting how much these businesses could charge military personnel.

Quietly Accepting Another Iraq Death (LAT)

By Steve Lopez

The Los Angeles Times, October 22, 2006

I knock on the house with the flag out front. A cousin comes to the door, then asks me to wait on the porch while she checks to see if Kenny Stanton's parents are strong enough to greet a visitor.

"OK," she says a few minutes later, swinging open the screen door. "Come on in."

Gloria Stanton, Kenny's mother, sinks into the sofa, crushed by grief. She manages a gracious smile, her eyes red-rimmed and weary. Daughters Terry and Brandie are with her, and before long Kenny's dad, Kenny Sr., joins us along with brother Mario, 17.

"I'm sorry," I say, and the words feel ridiculously inadequate.

Cpl. Kenny F. Stanton Jr., 20, was killed in Baghdad on Oct. 13, when a bomb exploded near his vehicle. He was the third graduate of Hemet High School killed in Iraq, and his death came in one of the bloodiest months since the war began.

"The Plague that Hit Hemet," one of Stanton's acquaintances called it in an entry on the fallen soldier's MySpace website.

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Stanton's family has erected a memorial in the living room, with flickering candles and photos of Kenny, a nice-looking kid with a sweet smile. He loved words, say his parents. He worked for the school newspaper and wanted to be a writer, a poet and teacher. But he chose to join the Army first.

His family can't say exactly why, although a close cousin, Michael Islas, says Kenny was fascinated by weaponry and wanted to see the world, if not necessarily Iraq. His parents tell me Kenny's grandfather, a Vietnam vet, tried to talk him out of it.

"He wanted to pay him not to go," says Mr. Stanton, a pressman for a label company. "He was ready to write him a check for $40,000 to go to college."

"I said, 'Sweetheart, I don't want you to go,' " Gloria Stanton says. "He said, 'But Mom, I could do some good.' "

In the end, they supported him. How could they argue with a young man who just wanted to do something for his country and make his parents proud?

The whole family drove to LAX when Kenny shipped out.

"We couldn't cry," Mr. Stanton says. "We didn't want him to see us cry. But when he left and we turned to leave, we all had tears in our eyes."

Mr. Stanton says he didn't support the war but supported his son's decision.

"I support our troops. That's all I want to say."

Hemet is a town east of Lake Elsinore with just under 70,000 residents, and Mayor Robin Lowe has been struck by the sacrifice it has made. Another local high school, West Valley, also lost a former student to the war, she says, bringing the local body count to four.

Lowe ordered the City Hall flag to fly at half staff for Stanton, just as she did in June when Marine Cpl. Michael Estrella, also 20, was killed.

"Hemet has many retired military living here, and has always been a center of patriotic pride," Lowe says. "I think our core beliefs are very firm and concrete when it comes to the United States and what it stands for."

Stanton's parents had suggested I get in touch with Aracely Colmenares, one of Kenny's closest friends at Hemet High. I give her a call, and we meet in Mary Henley Park, where she and Kenny used to sit under a tree, look up at the mountains and talk about everything.

They weren't a couple, just friends, but he was the one she called if she needed someone to talk to. She recalls how upset he was by the Sept. 11 attack. Although she wouldn't have pegged him a military man, she says he wanted to do something, someday. Something to make his family proud.

The Armed Forces Career Center, where Stanton enlisted, is not far from the park. It's on the main drag, Florida Avenue, conveniently if not ironically located in the same shopping center as Target, with its big bull's-eye out front.

There's a Taco Bell, a Carl's Jr. and a 99-cent Store. A See's Candy store is two doors from the Jenny Craig weight loss center. The Army, Navy and Marine recruiting stations neatly complete this blending of American commerce and culture.

Army Sgt. 1st Class Ronnie V. Sarmiento tells me the nationwide goal of 80,000 annual recruits has just been topped, but he's not at liberty to disclose the numbers in Hemet. I notice three youngsters in the office, though.

One tells me he might sign up but doesn't want to talk about it. Another guy who's thinking about it, 18-year-old Brent, is just out of Hemet High and says he hasn't heard the news that three former students have been killed.

The third, 18-year-old Jessica Katrow, heard about Stanton's death but is enlisting anyway to serve her country and experience something new.

"It's sad, but it happened," she says. "There's nothing I can do."

I ask if she wants to go to Iraq.

"I don't want to," she says, but she'll take whatever comes her way.

When I walk into the office at Hemet High the first thing I notice is a young female in an Air Force ROTC uniform. She's wandering behind the counter in crisp blue threads. Prominently displayed in the waiting area are brochures for the Navy ("accelerate your life"), Marines ("the few, the proud") and Army ("who you become will be better than who you were").

An assistant principal tells me no one can speak to me without permission from the district superintendent. Before leaving campus, I ask the assistant principal if it seems appropriate to display military recruiting brochures so prominently at a school that has lost three former students to war.

He politely tells me he thinks it's a government requirement, and refers me again to the superintendent, who does not return my calls.

When the school bell rings, I talk to about 10 students as they leave.

Julian, a freshman wearing an ROTC uniform, hasn't heard about the deaths of former Hemet grads, and he seems alarmed by the news. But he tells me he intends to follow the men in his family into the military.

Kyle, 16, says he heard about Stanton, but he's still considering enlisting after high school.

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"It happens," he says, holding a binder on which he's drawn a U.S. flag. "People die."

He tells me none of his teachers have discussed Stanton or the war in class.

"In history? We're studying the Puritans."

Driving away, I find that I'm disturbed by the quiet acceptance of sacrifice to what has been a dubious mission from the beginning. I can't help but remind myself that the architects of the war have risked no personal loss, staying the course with someone else's children.

I ask Mayor Lowe if too many young people in Hemet, if not elsewhere, fall in line before they're equipped to challenge the seduction of war, as well as the definitions of valor and patriotism.

"I don't think anyone in this town — anyone — is promoting war," she says, telling me she'll never forget that 14 students from her own school, Inglewood High, died in Vietnam.

"None of us, especially those of us who lived through Vietnam, are promoting any war of any kind by this country, and I say that emphatically. I don't think any teachers are promoting the war and I don't think the recruiters are promoting war. What I do see is … kids who are not really sure what to do with the rest of their life."

And so they join, with patriotic intentions and hope for a better future.

Kenny F. Stanton will be laid to rest this week in Hemet.

Doonesbury's War (WP)

By Gene Weingarten

The Washington Post, October 22, 2006

Revealing more about himself than he ever has, Garry Trudeau gives us tantalizing clues about what's behind his venerable comic strip's recent burst of genius, and pain.

IN THE BANQUET ROOM WERE MEN WHO WERE BLIND, men with burns, men with gouges, men missing an arm, men missing a leg, men missing an arm and a leg, men missing an arm and both legs, men missing parts of their faces, and a cartoonist from the funny pages.

We were just a few blocks from the White House, at Fran O'Brien's Steak House. Fran's was hosting a night out for casualties of the current war, visiting from their hospital wards.

It's hard to know what to say to a grievously injured person, and it's easy to be wrong . You could do what I did, for example. Scrounging for the positive, I cheerfully informed a young man who had lost both legs and his left forearm that at least he's lucky he's a righty. Then he wordlessly showed me his right hand, which is missing fingertips and has limited motion -- an articulated claw. That shut things right up, for both of us, and it would have stayed that way, except the cartoonist showed up.

Garry Trudeau, the creator of "Doonesbury," hunkered right down in front of the soldier, eye to eye, introduced himself and proceeded to ignore every single diplomatic nicety.

"So, when were you hit?" he asked.

"October 23."

Trudeau pivoted his body. "So you took the blast on, what . . . this side?"

"Yeah."

Brian Anderson, 25, was in shorts, a look favored by most of the amputees, who tend to wear their new prostheses like combat medals. His legs are metal and plastic, blue and knobby at the knee, shin poles culminating abruptly in sneakers.

Trudeau surveyed Brian's intact arm. "You've got dots."

"Yeah." Dots are soldier-speak for little beads of shrapnel buried under the skin. Sometimes they take a lifetime to work their way back to the surface. At this, Brian became fully engaged and animated, smiling and talking about the improvised explosive device that took his vehicle out; about his rescue; his recovery; his plans for the future. Trudeau, it turned out, had given him what he needed.

("In these soldiers' minds," Trudeau will explain afterward, "their whole identity, who they are right now, is what happened to them. They want to tell the story, they want to be asked about it, and you're honoring them by listening. The more they revisit it, the less power it has over them.")

Trudeau has been talking to injured vets for a couple of years now. It's partly compassionate support for people he has a genuine regard for, and it's part journalism -- the damnedest sort of reporting, for a professional cartoonist.

This was April 25. On the comics pages that day, Dagwood fixed himself an absolutely ENORMOUS sandwich; Garfield kicked Odie off the table again; and in Beetle Bailey, the only military-themed comic strip, Lt. Fuzz accidentally dropped a glass of water and cussed in funny cartoon hieroglyphics.

In Doonesbury, this was the story: B.D., the football coach and Vietnam vet who went to Iraq with the National Guard and lost a leg in a rocket-grenade attack near Fallujah, has been shamed into entering therapy for post-traumatic stress disorder

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because he overheard his little girl, Sam, tell a friend that she'd become afraid of her daddy. On this day, B.D. will begin to relive the battlefield event he has repressed, the one that made him a moody, alcoholic paranoiac and that torments him with guilt and shame that he does not understand. Through the rest of the week, B.D. will retell what happened when his armored vehicle came under attack from insurgents and -- desperate to escape and save himself and his men -- he gave the order to flee through a crowded marketplace, mowing down civilians.

Not many of the injured vets in Fran O'Brien's were where B.D. was yet. Their deepest wounds, like the dots, had not yet surfaced. On that day they were jovial, mostly, and indomitable, all of them, stolid and impervious, more so than the moms, wives and girlfriends who hovered at their elbows, lovingly kneading shoulders, patting thighs, holding on, looking bravely upbeat and just a little overwhelmed.

Trudeau bellied up to another vet.

"So, when were you hit?"

IF YOU DON'T KNOW MUCH ABOUT GARRY TRUDEAU, AND YOU PROBABLY DON'T, it's because he has done his best to keep it that way. With the exception of the time in 1980 when his island wedding to America's sweetheart, TV personality Jane Pauley, turned him into a sullen bridegroom hounded by paparazzi in boats and helicopters, Trudeau, now 58, has managed to remain comfortably obscure. Aside from a couple of semi-recent TV interviews, he's had almost no public presence for three decades. Considering the extraordinary reach of his comic strip, and the role it has had over the years in analyzing, reflecting and even helping shape American culture, he may be the most famous unknown person.

It's an odd type of fame, one that attaches hungrily to what you do but not at all to who you are. Take this woman here, at a lunch counter in the Dallas/Fort Worth airport. Her name is Connie Dubois. A candle maker, Connie lives in Ethel, La., pop. 2,000, a fleck on the map of East Feliciana Parish, which itself contains only two traffic lights. Connie, who is 50, has just flown on a plane for the first time in her life, heading to a trade show for candle makers.

"Do you know what 'Doonesbury' is? I ask her.

"Sure," she says, putting down her sandwich. "It's a cartoon. In the paper. Been around a long time. It's a little off-center and radical, and I like that."

"Do you know the name of the guy who draws it?"

Dubois scrunches up her face, thinking.

"Nope. No idea."

Dubois says she wouldn't know the cartoonist if she saw him, which is undeniable, since at the moment Trudeau is sitting four feet away. He is head-down, digging into his Caesar salad, doing his best to disappear. He hates things like this. Trudeau is so viscerally averse to self-promotion that he once threw up before a scheduled interview for a Time magazine cover story, then canceled it. (Time wrote the story anyway.)

I'm at Trudeau's elbow on a trip out West because I'm doing the first extensive profile of him in the 36 years since he began the comic strip that became an American icon. That's reason enough, but the fact is, something astonishing has happened to "Doonesbury" in the last 2 1/2 years, after the United States invaded Iraq and Trudeau made the startling, un-cartoonish decision to mutilate one of his characters.

It was not just any character. B.D. had been a Doonesbury fixture since Day One. Literally. On the day the strip debuted in 28 newspapers nationwide -- October 26, 1970 -- B.D. was alone in the opening panel, sitting in his dorm room on the first day of school, football helmet inexplicably on his head, wondering what kind of roommate he'd get. To his everlasting annoyance, it turned out to be Michael Doonesbury.

That was so many years ago -- a generation and a half, really -- that the strip has outlasted even its original cultural references. Does anyone remember that "B.D." were the initials of Brian Dowling, the hotshot quarterback at Yale when Trudeau was there in the late '60s? Or that in Eastern prep-school lexicon of the time, a "doone" was something of a doofus?

It's "Doonesbury" that survived and metamorphosed over the years into what is essentially an episodic comic novel, with so many active characters that Trudeau himself has been known to confuse them. "Doonesbury" has always remained topical, often controversial. Unapologetically liberal and almost religiously anti-establishment, Trudeau has been denounced by presidents and potentates and condemned on the floor of the U.S. Senate. He's also been described as America's greatest living satirist, mentioned in the same breath as Mark Twain and Ambrose Bierce.

But for simple dramatic impact and deft complexity of humor, nothing else in "Doonesbury" has ever approached the storyline of B.D's injury and convalescence. It hasn't been political at all, really, unless you contend that acknowledging the suffering of a war is a political statement. What it has been is remarkably poignant and surprisingly funny at the same time. In what Trudeau calls a "rolling experiment in naturalism," he has managed every few weeks to spoon out a story of war, loss and psychological turmoil in four-panel episodes, each with a crisp punch line.

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Here's one :

It is a cliche, and it is also true, that humor springs from existential pain -- from a need to blunt the awareness that life is essentially a fatal disease of unpredictable symptoms and unknown duration. Usually, though, the laughter comes through indirection -- acknowledging that death awaits us all, for example, by joking about memory loss as we age. But there's been nothing comfortably oblique in these episodes of "Doonesbury," no comic exaggeration, no use of metaphor. There is no distance whatever between the pain and the humor.

Over the years, "Doonesbury" has been remarkably consistent in its quality, if not universally beloved. Republicans can make a reasonable case that Trudeau's lefty politics sometimes make him seem a water boy for Democrats. He is not above the occasional cheap shot, such as when he devoted an entire week in 1991 to a felon's unsubstantiated charges that Vice President Quayle had been a pothead. At times, he has seemed to lapse unattractively from political satire to political advocacy -- lending his characters' support to John Anderson in 1980 and Howard Dean in 2004. Some feel he has occasionally been tone-deaf to popular culture -- buying too readily, for example, into the notion of a slacker Generation Y. Undeniably, the strip's edge dulled a little in the mid-1990s, when a Democratic ascendancy left him without a meaty political issue to lampoon.

But there aren't many people -- especially among experts who read and critique comics for a living -- who are calling the continuing saga of B.D. anything other than genius.

"What it is," says comics historian R.C. Harvey, "is breathtaking. Just a stunning body of work."

SO, WHO IS TRUDEAU, REALLY?

It turns out he's not afraid of publicity so much as he's horrified at being perceived as the kind of person who wants publicity. He treasures his literary license to kill but feels a twinge of guilt that it isn't really a fair fight. He's a genuinely humble know-it-all. His regard for injured soldiers is sincere, his knowledge of their lingo profound, almost as if he's one of them; watching this, you can't help but hear faint, soul-rattling echoes of Vietnam, which he escaped, like many sons of privilege, by gaming the system. He's got the greatest job on Earth -- no boss, his own hours, enormous clout, public adulation, a seven-figure income, absolute creative freedom -- but he speaks with longing about a different career altogether, one that the huge success of "Doonesbury" ensured he'd never have.

Also, he's a smartass.

But you knew that.

IT'S MONDAY NIGHT OUT FOR THE MEATHEADS, as they call themselves. These are Trudeau and some of his best friends, who assemble irregularly on weeknights in Manhattan to attend excellently terrible movies their wives won't see with them. Today's choice is "Poseidon." They're pumped for a real stinker.

"A lot of research goes into this," Trudeau explains, "so we don't make many mistakes. We get these movies when they're dying, so we have the theater to ourselves. We like to talk to the screen."

"And throw popcorn."

This is David Levinthal, 57, who looks like the manager of a Jiffy Lube but is an acclaimed modern artist. Levinthal's medium is plastic toys: He arranges them in unusual ways, photographs them in intriguing lighting and sells the pictures for thousands of dollars. Not long ago he had a show entirely of made-in-Japan erotic dolls.

Levinthal is not the most unusual guy here. That would probably be Fred Newman, 53, who is, at this very moment, barking like a dog. It's the best imitation bark you'll ever hear. Newman's a professional sound-effects man, author of a popular how-to book called MouthSounds and is a regular whistle, boing and honk man for Garrison Keillor's "A Prairie Home Companion." When you're doing a woof, Newman is saying, the rookie error is to blow out. You've got to suck in.

We're sitting outdoors at an East Side Manhattan burrito joint, so Newman is entertaining more than just our table. He once taught Meryl Streep how to convince a radio audience that she was lighting a cigarette and blowing out the match, which isn't as easy as it sounds.

The guy with the graying ponytail is David Stanford, who handles the elaborate Doonesbury.com Web site and edits Trudeau's Doonesbury books.

Trudeau is the normal one. He "travels incognito," as Levinthal says. It's true. The guy could blend into a room of waiters. He dresses with an elaborate lack of vanity. He is a millionaire many times over, but Jane cuts his hair.

Dinner over, the meatheads assemble in the second row of a mostly empty downtown Manhattan theater, as the credits for "Poseidon" are beginning to roll. The meatheads are hoping this one will be a lot worse than the last film they saw, "Good Night, and Good Luck," which turned out to have some disappointingly redeeming qualities. The best worst recent choice was a Lou Diamond Phillips flick where a car exploded and then, in a later scene, the same car drove off a cliff.

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In the opening minutes of "Poseidon," as the characters are being introduced, Trudeau and his friends start to loudly handicap who will live and who will drown. "You think Kurt Russell will live?"

"No, he'll die, because the kids are the future."

"Okay, right, he'll die, but he'll die saving people."

Popcorn is definitely being flung.

"The nasty guy's gonna die in a really bad way."

Fred is making excellent glub-glub noises.

"Richard Dreyfuss is suicidal? If he wants to die, then he won't die."

"Right, he needs to learn that life is a gift ."

If you've seen the movie, you know the meatheads were right about everything.

LIKE ANY SATIRIST WHOSE WORK ENDURES, Trudeau has been right about a lot of things. From the moment that hippie college deejay Mark Slackmeyer looked at the reader and gleefully declared that an as-yet-unindicted Attorney General John Mitchell was "Guilty! Guilty! Guilty!" Trudeau has shown a world-class instinct for piercing a babble of crosstalk and nailing the truth. He was right about Vietnam (When a conservative columnist said that he saw a "a light at the end of a tunnel," Michael asked him: "When you've dug yourself into a hole, why do you always insist on calling it a tunnel?"). Trudeau was right about the greed of '80s big business, about the cynicism of the marketing industry, about Bill Clinton's flippy-flop, polls-based approach to governance ("Doonesbury" regularly portrayed Clinton as a greasy waffle).

At times his prescience seemed more clairvoyant than calculated: During the waning years of the Reagan administration, Trudeau sent his trench-coated TV newsman, Roland Hedley, into the president's brain, where he confronted a desolate, soupy wasteland of fizzling synapses. It seemed funny then, if mean-spirited; if you look at those strips now, they're chilling.

Most recently, Trudeau was right about Iraq. As the invasion began amid optimistic forecasts of a quick and decisive victory, before mandatory re-ups became routine, National Guardsman B.D. matter-of-factly informed his stunned wife, Boopsie, that he'd see her again "in five to seven years."

Surely, after three decades of being right, the man is bound to be a little smug. I went searching for signs of this in his studio, an airy fourth-floor walkup in the East Seventies. Though the walls are covered with original classic comic art -- Saul Steinberg, Jeff MacNelly, George Herriman's "Krazy Kat" and Winsor McCay's "Little Nemo in Slumberland" -- there is no "Doonesbury" visible anywhere. Just . . . nothing.

"Why would I have my own art up?" Trudeau asks. "I want to show the work of people I admire."

The quality of Trudeau's drawing has been a matter of some debate in the cartooning world since the strip's debut. Back then, a common joke was that Trudeau had "made the comics pages safe for bad art," which was, in a sense, true. Before there were Dilbert" and "Pearls Before Swine" and other strips drawn with meticulous infantilism, there was "Doonesbury," which resembled, in its early years, the sort of thing someone's moderately talented kid brother scribbled into the flyleaf of his textbook.

There was nothing meticulous about it. Trudeau was consciously trying to imitate Jules Feiffer's sparsely sophisticated style, but he didn't progress much past sparse. Sometimes he just didn't bother giving his characters mouths. They never had feet -- their legs would just flutter off the page in mid-calf. Heads would swivel in physiologically irreproducible ways.

Over time -- particularly after Trudeau's famed 20-month hiatus in 1983 and 1984, when he allowed his characters to ripen into reluctant adulthood off the page -- he seemed to learn the fundamentals of cartooning, and then some. The art in "Doonesbury" became far more professional, with inventive angles, cinematic shading, even intimations of an occasional foot. This led to a widespread suspicion that Trudeau was getting major help from the man who ostensibly just did his inking -- a suspicion nudged into an assumption a few years ago when Entertainment Weekly stated flatly that Trudeau wasn't drawing it himself.

"For years," he says, laughing, "I was blamed for my art, and then I couldn't get credit for it."

For the record, the art is his. I'm looking right now at Trudeau's pencil drawings of a recent week of "Doonesburys" before they were sent to the inker. They are rich in detail, identical to the finished version, and every line is Trudeau's, even the lettering.

"It's serviceable, is the best I can say about it," Trudeau demurs. "I will say this: It's a signature style. It doesn't look like anyone else's." Even this modest bit of immodesty does not go immediately unpunished.

"But my stuff's amateur hour compared to this."

Trudeau is pulling open a drawer. Inside are a few originals drawn by the great Walt Kelly, whose "Pogo" strips of the 1940s and '50s were among the first to mine politics for humor. Kelly was a masterful artist. "Look at this -- this one's pure motion," Trudeau says. "And look at this detail; look at the bugs." It was a single-panel Sunday strip of the Pogo characters poling a raft through their swamp. Even the tiniest characters -- insects a few millimeters high -- had expressive faces.

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Eventually, I did find some Doonesiana displayed in Trudeau's studio. There were nine framed covers of major magazines -- Time, Newsweek, Rolling Stone, Mother Jones, etc., spanning 30 years, all either drawn by Trudeau or about him. And yes, Trudeau's got 'em right up there, framed, on a wall, plain as day, inside a closet where he stores pushpins and computer paper.

ON THE MORNING OF April 19, 2004, newspaper readers were served something startling with their morning coffee. The first panel of "Doonesbury" was completely black, except for the word "Hey." Then, framed by the smoke of war, a soldier's face. It's Ray Hightower, B.D.'s buddy. He's sweating, looking scared. He calls for a medic. Then, black again, as though someone is drifting in and out of consciousness. The gut-punch line comes at the end, with a shouted name. "B.D.?"

And here is the image people saw two days later:

It was shocking for obvious reasons, but in another way, as well: B.D. had never been seen without his helmet. It was as if Trudeau was declaring that something fundamentally and forever had changed.

Ask creative people where they get their ideas, and they will roll their eyes. It's the most common question, but it's also a bad one because the answer is inevitably disappointing. From the inside, creativity seems like an arduous task, often involving plebeian, imperfect choices, driven less by inspiration than by deadline. And Trudeau is a deadline junkie, always pushing it to the limit. ("Once a week," he says, "I am a very desperate man.")

So when you ask him why he decided to take B.D.'s leg, the answer isn't very satisfying. Trudeau doesn't regard his characters in romanticized terms, or even as people; "Doonesbury" has always been more about ideas than personalities, so Trudeau thinks of Mike and B.D. and Zonker and Joanie as puppets. He pulls the appropriate ones out of the closet when he has a point he wants to make. In this case, he says, he wanted to make a statement about the suffering in this war.

Originally, he was going to kill Ray, but Ray got spared when Trudeau decided that a death would not leave much of a storyline to pursue. So, with a bit of sang-froid, he amputated B.D.'s left leg, on the theory that he'd . . . think of something.

What happened next was unusual, to say the least. Within a day or two of B.D. lying broken on that stretcher, Garry Trudeau, bane of every presidential administration since Nixon's (particularly the current one, which he has absolutely lacerated), got a call from the Pentagon. The brass was offering to help him figure out where to go next.

THE TYPICAL DAILY NEWSPAPER COMIC STRIP HAS A DEGENERATIVE ARC. The cartoonist's best years come early, when the ideas are fresh, the gimmick is still a novelty and the grind of daily deadlines has not yet taken its toll on creativity. Three years of excellence is a pretty good run before the inevitable decline, as the cartoonist runs out of new things to say and becomes content to imitate himself. It's easy to forget, but many of today's formulaic, intellectually listless strips, such as "B.C.," "Cathy" and "Dennis the Menace," were once lively and daring and different. They're still around because their bland familiarity becomes a sort of comfort food, and newspaper editors are loath to drop them.

"Having a successful daily comic strip," Trudeau says wryly, "is the closest thing to tenure that popular culture offers. But it doesn't seem to have freed up creativity any more than tenure for professors has. It's been an open invitation for complacency."

"Doonesbury" has never become complacent, partly because Trudeau is no ordinary creative talent but also because the strip feeds continually off the culture it lampoons. Trudeau is very much a reporter -- what Newsweek's Jonathan Alter once called "an investigative cartoonist." When two of his principal characters were homeless, Trudeau spent time working in shelters. When "Doonesbury" accompanied President Ford to China, so did Trudeau. When B.D. served in the Persian Gulf War, Trudeau briefly went to Kuwait. So when the new invitation came from the Pentagon -- essentially, carte blanche to visit injured vets -- the investigative cartoonist leapt at it, not sure what he would find.

The very first person he spoke to was a 27-year-old MP named Danielle Green. She had been a college basketball star, a left-handed point guard at Notre Dame. Green had just lost that hand in Iraq. She'd been on the roof of a police station, behind sandbags, trying to defend it from enemy fire, when she took a direct hit from a rocket-propelled grenade.

"This was an elite athlete, and she'd lost her whole professional identity," Trudeau said, "but that's not what she wanted to talk about. What she wanted to talk about was how her buddies carried her down, put her on the hood of a Humvee, where they stopped the bleeding, then went back up to the roof, against orders, and found her hand buried under sandbags. They took off her wedding ring and gave it to her. She's telling me this with a million-dollar smile. This was not about bitterness or loss. It was about gratitude."

And so Trudeau started taking notes.

"DOONESBURY" HAS DEALT WITH EMOTIONAL SUBJECTS BEFORE, most notably when gay lawyer Andy Lippincott died of AIDS in 1989, wisecracking to the end. Trudeau was never entirely satisfied with that sequence, because Andy was two-dimensional -- literally and figuratively. He became a bravely noble funny man dying with bravely noble humor. "Andy handled it with more grace and humility than any human would," Trudeau says. The problem was, Trudeau hadn't known people with AIDS.

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The access he has had to injured vets has given him a sure-handedness he didn't have then; the B.D. storyline has shown extraordinary emotional complexity.

At a VA program for post-traumatic stress disorder in Menlo Park, Calif., Trudeau was allowed to sit in on the treatment of a 40-year-old military truck driver who had been delivering a weapons system to Baghdad airport when his convoy came under fire. He to flee through a crowd -- just as Trudeau would later have B.D. do.

"The guy was back home, living with his parents, isolated with his TV, his PC and his alcohol," Trudeau says, consulting his notes. "He hated public places and would only go shopping at night at 24-hour stores, when no one was around. He told us he was late for a job interview, but he had an hour, and it wasn't an hour away. It turned out he had to go by back roads, because he would not drive under an overpass. Overpasses freaked him out." Overpasses could give snipers cover.

"He was a computer expert, but he decided to take a $10-an-hour job over a $25-an-hour job," Trudeau said, "because he wanted to work at a nursery, with plants. It was only when he talked about working with plants that his face softened."

HE'S GARRY, NOT GARY, BECAUSE HIS GIVEN NAME IS GARRETSON. Trudeau is a blueblood, albeit one of a strange sort. The boring summary is that he's the end-of-the-line son of four generations of physicians. But to leave it there would be a grave disservice to the narrative arts.

Trudeau's great-great- grandfather, James de Berty Trudeau, was a friend of John James Audubon, for whom he shot birds. He lived in the wilds with the Osage Indians in the Louisiana territories. Oh, and he was a medical doctor in 19th-century New York City who ran afoul of his peers over his hobby of sculpting amusing figurines of the most dignified medical men of his era. To this they did not take kindly, drumming him out of polite society and down to New Orleans.

During the Civil War, he was made a brigadier general in the Confederate Army, apparently more for his status as a gentleman than for his military prowess. In short order, he assisted in the mismanagement of not one but two enormous Confederate defeats -- Shiloh, which was the turning point of the war, and the battle of Island No. 10, which left the Mississippi undefended clear to Vicksburg. Who knows how many more miserable, crushing losses he would have helped midwife, had he not been captured, held under house arrest and released to continue his medical practice?

Meanwhile, the general's wife had left him and headed for Paris, where their son -- Trudeau's great-grandfather, a lad of just 10 or so -- distinguished himself by whapping the Confederate ambassador in the back with a pellet from a slingshot. ("Actually, I see a lot of myself in him," Trudeau laughs.)

Tuberculosis ravaged the family, which brought the next generations of Trudeau doctors to the fresh air of Saranac Lake, N.Y., in the Adirondacks, where they set up the nation's first TB research sanitorium. Garry's father, Francis Trudeau, was the town's family physician, a man with grave responsibilities and appropriately sober mien. He once informed his son: "Life is not something to be enjoyed, so just get on with it," a statement so splendid and outrageous it would eventually find its way into "Doonesbury."

Francis Trudeau was dignified and reserved, and a father figure to an entire city. "I would hear him leave the house at 4 a.m., sometimes in snowshoes. I knew even then that the sense of mission was too big for me to take on."

Eleven years ago, Francis called his son into his den, handed him a medical book and asked him to read an entry on a relatively rare illness called amyloidosis. "Now," Francis said, "as you can see from the prognosis at the bottom of the page. . ." That is the way Garry learned his father was dying.

We're sitting on the roof deck of Trudeau's studio, talking about the cartoonist's famous aversion to publicity. The conversation goes right to his father.

"Late in his career, he was sued by a patient. He didn't share it with me for three years. It was nothing, just a nuisance suit that was thrown out, but it shattered him to have his integrity challenged in a public forum. I grew up in a household where reputation was placed above all else."

So?

"So it helped me when fame was introduced into the mix."

There's a difference between reputation and image, Trudeau explains. "These get confused in people's minds," he says, but one involves character, the other public relations.

"I just refused to get entangled by issues of image maintenance that fame implied. I made a deliberate retreat from a publicly visible life."

What resulted was an unusual guy with a wall between his public and private selves, a guy who is intellectually fearless but so personally unassuming, Jane Pauley says, "that's he's afraid to return a shirt that's the wrong size."

"Inside Garry, there's a little boy and a man," Pauley says. "And the little boy is secretive and vulnerable, and the man isn't. It would hurt him if I made a joke at his expense, but if the president of the United States says something negative about him, he puts it on the cover of his book."

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"SUFFICE IT TO SAY THAT I HOLD HIM IN UTTER CONTEMPT."

This is John McCain, the former prisoner of war, speaking about Trudeau on the floor of the U.S. Senate in 1995. He was angered by a "Doonesbury" strip suggesting that presidential candidate Bob Dole was exploiting his war injury for political gain. That was then. This past year, it was McCain who wrote the introduction to Trudeau's The Long Road Home , a for-charity book compiling the strips about B.D.'s injury and recovery.

A curious thing has happened to Trudeau's image as a result of the B.D. subplot -- nothing the cartoonist could have predicted. The predictable, in fact, happened almost immediately: Calling Trudeau a "committed leftist," Fox News Channel host Bill O'Reilly wrote in an online column that "a case can be made that Trudeau is attempting to sap the morale of Americans vis-à-vis Iraq by using a long-running, somewhat beloved cartoon character to create pathos."

O'Reilly doesn't talk about Trudeau anymore. He can't, really.

We're in Tucson, at the National Leadership Conference of the Vietnam Veterans of America, where Trudeau is about to take the stage to receive the group's award for excellence in the arts. These are fifty- and sixtysomething guys, many with ponytails, tattoos, ample guts and an attitude. They weren't treated right; they want better for new vets, returning home scarred.

This is a potentially tricky audience for Trudeau's acceptance speech. As they've aged, their politics have moved rightward, and many of them have a lingering distaste for antiwar talk, particularly from people they might consider draft dodgers. (Back in 1970, Trudeau pulled a disastrously low draft-lottery number -- 27, which he later bestowed on his slacker surfer-dude character, Zonker, in the strip. Trudeau wound up getting a medical deferment because of old stomach ulcers that hadn't given him trouble for years, and haven't since. His dad the doctor suggested he try that.)

As apolitical as the B.D. story is, elsewhere in the strip Trudeau regularly unleashes his disgust for the Iraq war and the man who is waging it. Trudeau's time at Yale overlapped with George W. Bush's -- he knew him slightly and disliked him even then, largely for what he saw as a sense of smug entitlement ("all noblesse and no oblige.") In the strip, often on Sundays, with maximum readership, Trudeau just kills Bush. One Sunday this year, Michael Doonesbury and his old friend Bernie were discussing the Iraq war and wondering whether it keeps the president awake at night because of its enormous, heartbreaking human toll. In the final panel, Trudeau cuts to a signature exterior nighttime view of the White House. From inside come two dialogue balloons: "What's wrong, dear?" And: "It's the stem cells. I hear their cries."

So is Trudeau going to play it safe in this speech and stay away from politics? I'm apparently not the only one wondering. The instant the cartoonist rises to take the mike, a large American flag behind him suddenly and inexplicably crashes to the ground. From a group of organizers near me comes a whisper, "Oh [expletive], not a good sign."

The speech starts benignly, praising the courage of the soldiers he had met, but here's how Trudeau wraps it up:

"When I talk to wounded veterans, I usually don't ask them what they think the mission was. I don't presume, because their lives are wrenching enough without the suggestion that their sacrifices may have been without meaning. Moreover, if that is so, it will become apparent to them soon enough . . . The young men and women who we've repeatedly put in harm's way are paying the price for this misbegotten mission, and as long as it continues, I, like so many of our countrymen, must walk this strange line between hating the war but honoring the warrior. I don't know how long we can keep it up. . ."

He finishes to a standing ovation.

If there had been any lingering antipathy to Trudeau in this crowd, the story of B.D. appears to have wiped it out. It's as though he's been in the jungle with these guys.

IT IS A BALMY 90 DEGREES AT NIGHT IN TUCSON. In a patio outside the convention hotel, Vietnam veterans are slow-dancing with their wives, in a mournful shuffle, to a live band's version of "A Whiter Shade of Pale."

"She said, There is no reason, and the truth is plain to see . . ."

If there is one thing this convention has made plain, it's that plenty of Vietnam vets still live with the madness of that war, still suffer from PTSD. You can hear it in their stories, read it in their eyes. It won't be different in this war. B.D.'s story is fiction, but it is true.

Inside at the bar, Trudeau and I have taken shelter from the heat. We're discussing whether he believes in God ("Why should I? Is there anything in the last five years in particular that suggests to you a divine purpose to life?") and whether he thinks Bush is evil or just stupid. ("I think he is smart but willfully ignorant, and he uses his ignorance for strategic advantage, which is appalling. He substitutes belief for thought. It protects you from self-doubt.") The only fact marring the sepulchral seriousness of this conversation is that it is occurring as we sit side by side on full-size Western saddles, mounted on poles, facing the bar. There's an enthusiastic cowboy theme here.

You can take only so much of that, so we grab our drinks, dismount and mosey on over to a table.

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Trudeau claims that he never thinks about "Doonesbury" unless he is actually drawing it; it may be true, but it's misleading. He's a born listener, and, in a sense, he is always thinking about "Doonesbury" and filing things away.

At the table is a filmmaker named Chuck Lacy, who just produced a documentary called "The War Tapes," which followed three National Guardsmen to Iraq and back home. Lacy is saying there is something about this war unlike any other in history. The Internet has made it possible for soldiers to be in country, in a theater of war, but still communicate daily with their families, in real time, sometimes with video.

Is that good or bad? Trudeau asks.

Both, says Lacy: The soldiers say it's their lifeline, but it's also a terrible drain on their emotions; they're dealing not only with their own anxieties but also with the anxieties of their families 6,000 miles away. It can be surreal. They'll come back from a firefight and then try to resolve a mortgage problem.

A few weeks after returning from Tucson, I opened the newspaper to "Doonesbury" and saw this.

It was Day One of what would be a very funny, oddly disturbing week of the strip, in which Ray tries to stay alive while placating his wife and stepson back at the home front. I immediately e-mailed Trudeau. Until I told him, he said, he hadn't remembered exactly where the idea came from.

"CLINTON MADE A MISTAKE in letting 'Don't ask, don't tell' be the defining issue of his first month in office, to be followed by the health-care disaster. He should have gone directly to welfare reform. It was intellectually dishonest to say the existing system was working. If welfare had been his biggest priority . . ."

We are on the plane heading back to New York , and Trudeau is in his geek-drone mode. He is a highly opinionated public policy wonk, and this sort of thing just happens from time to time. When he reads a book, he edits in the margins, correcting errors of grammar, syntax or cloudy thinking.

Bingo. Trudeau's a nerd! It's no big deal, but I'll take it. Negative assessments are important when you write profiles, but with this guy they've been hard to come by. He's generous with his time, gracious to everyone and shrewd with me. I tried to bait him, asking where a dillweed like him gets off having the nerve to date Candice Bergen (he did, way back when) and then marry America's Sweetheart? I was hoping for an unattractive defense of his virility, but Trudeau wouldn't bite.

Finally, in desperation, I decided to get help from America's greatest living satirist. What would Trudeau ridicule, if the subject were himself?

Basically, he says, though not in so many words -- he's a bully.

"Occasionally, people accuse me of courage," he says. "And that's wrong. I'm sitting on a perch of safety. Cartoonists have a tar-baby immunity. The more people react to us, and the more angrily they react, the better it is for us. So we're invulnerable. It just doesn't seem fair."

The first George Bush learned that the hard way. When "Doonesbury" accused him of having "put his manhood in a blind trust" after becoming vice president and changing his politics to match Reagan's, Bush repeatedly lashed out at the cartoonist -- at least five times between 1984 and 1988. ("Garry Trudeau is coming out of deep left field. The American people are going to be speaking out, and we are going to see whether they side with 'Doonesbury' or the Reagan-Bush message." "He speaks for a bunch of brie-tasting, Chardonnay-sipping elitists.") This blowback further elevated Trudeau's stature and made Bush seem like a petulant, humorless old fud.

As the plane begins its descent to LaGuardia, Trudeau remembers something interesting, something from his teens, when he had a summer job working at Time magazine.

"As I was walking out the building one day on my lunch break, two-thirds of a block away this spectacularly beautiful young woman in a very short miniskirt was walking toward me . . ."

Not sure where this is going, but I'm taking notes as fast as I can.

"She was in her early twenties. I was 16 and looked all of 12. You could feel it in the air, her coming at you. Her presence was destabilizing the street for a one-block radius. Guys were gawking, cars were slowing. This woman was a menace. She was walking in a confident way, with a swing to her hips. I was geeky and shy, too shy to make eye contact. I wouldn't even have known what to DO with eye contact. My discomfort must have been obvious because, as she passes me, she leans over, her breath is warm, and she softly . . . growls in my ear."

Wow.

"I thought to myself: I've just been handed the most extraordinary gift. She showed such wisdom, with such a generous use of power. She just changed the life of a young boy. I thought , Anything is possible."

Trudeau sits back in his seat, smiles. "So I guess you could connect the dots to Jane, actually."

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Or you could extrapolate it to the entirety of his life, the whole improbable arc of it, the combination of a fundamental humility and humanity empowered by an otherwise inexplicable, blazing self-confidence. You could find, in one moment from a man's teens, the entire key to who he is and the unlikely, monumental achievement of his professional life.

I vocalize some of this. Trudeau just looks at me.

Okay, we'll just stick with connecting the dots to Jane.

TRUDEAU IS A YANKEES FAN, so we're catching a Sunday afternoon game at Yankee Stadium against the White Sox. Some people's lives just seem to be charmed, and so it's not surprising that this afternoon turns out to be historic -- Yankees great Mariano Rivera comes in with a 6-4 lead and closes out the last two innings for the 400th save of his career.

At one point, Trudeau's attentions turn to the ballpark itself -- specifically, the facing of the mezzanine deck, a long, narrow strip that, as in many modern stadiums, is used as an electronic crowd-hooching display board. "The dimensions are about 1 to 20," Trudeau says, "but see how much they get out of it, how much they say with just a suggestion? That's great use of design."

Trudeau's got a master's degree in graphic design. It was his first career choice until "Doonesbury" -- a success right from his college newspaper days -- made everything else moot. Design remains, to this day, the thing Trudeau longs to be doing. In all the time we'd spent together, the only artwork of his that he'd shown me with any particular pride were "Doonesbury"-themed coasters, cups, T-shirts and figurines that he had designed for free. They wound up raising $1 million for a Starbucks-sponsored reading charity. It was a subtle piece of work, marrying the Starbucks corporate logos and design with the Doonesbury characters.

"I had more flow as a designer," Trudeau explains. "I could just drop down into the zone and stay there for hours. With cartooning, I'm constantly coming up for air, procrastinating, looking for reasons not to be doing it. I spend all day granting myself special dispensation, with 'creative process' as my cover story. Carpenters and deli countermen can't do that, so I think they may feel better about themselves at the end of the day."

Midway through the game, Trudeau's younger son shows up. Tommy, 20, a student at Brown, has a summer job in the Yankees' front office. He gets to fraternize with the players and play pickup softball games with co-workers in the outfield, from which he's hit balls into the upper deck. Not bad, for a summer job.

Pauley and Trudeau's two other children, twins Ross and Rickie, are both 22. Ross graduated from Brown and is heading off on a teaching career; his sister, a Yalie, wants to be a pop singer, which worries Trudeau more than a little.

He played me an audio file of Rickie singing Alicia Keys's "I Ain't Got You." Kid's definitely got the voice. It's all personality. Trudeau knows this but also knows the odds against success in that business. "I want her to follow her passion," he says, "but I just hope she's sturdy enough."

It's an interesting worry for a guy who could easily have been a doctor in a long-established family practice, but chose cartooning despite certain initial practical obstacles, such as a basic inability to draw. Being a father inspires a completely different risk-aversion calculus.

As we leave the stadium, the three of us are joined at the subway by Ross, who was sitting elsewhere with friends. The camaraderie between father and sons is effortless and unencumbered. The whole family thing seems almost comic-strippy perfect, like Dagwood and Blondie and Cookie and Alexander. Only this is real family, not to mention a "Doonesbury" family, so you know you're going to have some complexity, somewhere.

AT 55, JANE PAULEY IS STILL BEAUTIFUL, and she still projects frank vulnerability, or vulnerable frankness, or whatever is that subtle combination of qualities that made her America's preeminent morning-show host in the 1980s. We're meeting for breakfast because there is something Trudeau wouldn't really talk about, and Pauley will.

In 2001, Pauley nearly lost her mind. After receiving steroids to control a case of the hives, she began doing oddly intense things. How intense? She bought a house one day, for no good reason, on impulse, from an ad on the Web. Misdiagnosed with depression, she was hospitalized under an assumed name, to protect her privacy. Eventually, she was found to have a bipolar disorder -- triggered but not caused by the steroids -- for which she is still undergoing treatment. Pauley chronicled her struggle in a 2004 memoir, Skywriting .

Trudeau was largely absent from Skywriting , and he had been guarded with me about the effect of Pauley's illness on him and the family. He volunteered only two things: "I was told by a doctor that 40 percent of marriages just don't survive it, so from the beginning I knew we were up against something really significant"; and, "The disease subverts your basic survival instinct in the sense that the people who you need to help you survive are the same people you are attacking."

So that's what I ask Pauley about.

"Yes," she says, dryly, "there is a free-floating anger that needs a target and will find one."

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For a year or so, Pauley says, before her symptoms were under control, Trudeau and the family lived with her irrational rages. The twins were hunting for colleges, Trudeau was pressed by deadline after deadline, and Mom was a fulminating piece of work -- demanding, histrionic, impossible. "It was just incredible torment for them," Pauley says. "Garry was keeping the house together. It has to have been the most painful part of his life."

Pauley has recovered with the help of lithium, a drug she says she will be on for the rest of her life. Things are mostly fine, she says, except for some side effects, such as a persistent tremor to the hands. She looks murderously at her coffee cup, which the waiter has overfilled, almost to the brim.

"For example, I can't risk trying to pick that up."

Pauley thinks the story of B.D. has been something special, the best work Trudeau has ever done. And then she says:

"I don't think he's consciously aware that it has anything to do with me."

With . . . her?

Pauley smiles. "Garry's mind is very compartmentalized. The department doing the strip in his brain is not directly connected to the husband part, but . . ."

Pauley takes a forkful of scrambled eggs.

". . . it defies credulity that on some level it is not present in his work. What is he writing about, really? He's writing about mental illness, and how it's possible to find a way out of it, with help. It's very hopeful."

I start to say that Trudeau has never made that connection to me, in fact denies that his private life ever intrudes into the strip. But Pauley is ahead of me.

"He'll want to say no, but it's hard to argue with. Isn't it?"

TRUDEAU'S GREATEST WORK is coming at a time when "Doonesbury" is fading a bit from the national consciousness. He's still in 600 newspapers, but that number has been higher; there simply aren't as many newspapers as there once were, and their readership is dwindling. Young adults who know "Doonesbury" today are mostly picking it up haphazardly from the Web. The "Doonesbury" compilation books are not selling the way they used to.

Trudeau is considering experimenting with sophisticated animation, for "Doonesbury" online. He's just finished a screenplay, a comedy about a teenager who is elected mayor of a small town. His newest "Doonesbury" compilation -- The War Within , about B.D. dealing with his mental health issues -- has just hit the bookstores, and a second compilation, Heckuva Job, Bushie , is due out this month.

Since I last saw him, the investigative cartoonist traveled to New Orleans to see the hurricane desolation firsthand. This past September 11, as politicians on both sides sought political traction in a battle of coordinated outrage and strategic shows of grief, the meatheads took in pro wrestling at Madison Square Garden. (In the main event, Vince McMahon defeated Triple H with the help of a folding chair.)

And week after week in the newspapers, the quite remarkable story of B.D. continues. Check out this one.

Let's see what's going on here. B.D. appears to be considering cheating on Boopsie, which hasn't happened to our knowledge in 20-plus years of an eccentric but strong marriage. It's surprising, but maybe not that surprising. From the swiftness and specificity of Celeste's reaction, it's clear that she -- the secretary at the vets' clinic -- has seen this sort of behavior before. Can it be that many vets who've lost a limb might well be tempted to assert their manhood in unwise ways? But see how nimbly Celeste deals with it, in what one might call a generous use of power? She redirects B.D.'s attention to what's really important, reproaching him for hitting on her, but in a way that leaves his vulnerable dignity intact.

There are many types of therapy, and it's not all dispensed by licensed professionals.

Four panels. Forty-eight words. Funny, too.

Meanwhile, the same day, in "Blondie," Dagwood and Herb go fishing, but Dagwood is so hungry he eats the bait!

CORPORATE SCANDALS:

Burden Of Enron's Collapse On Skilling (AP)

By JUAN A. LOZANO, The Associated Press

AP, October 22, 2006

HOUSTON - Ken Lay's death wiped away his convictions. Andrew Fastow got a reduced six-year sentence. That leaves former CEO Jeffrey Skilling as the sole top Enron Corp. executive who could be given at least 20 years in prison when he is sentenced Monday for helping orchestrate the biggest corporate scandal in U.S. history.

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In addition to the legal consequences of his actions, the burden of lost jobs, worthless pension plans and ruined lives that resulted from Enron's 2001 collapse has now shifted solely onto Skilling's shoulders.

Lay's death and the lighter than expected sentence handed last month to Fastow, Enron's former chief financial officer, will work against Skilling when he faces sentencing, former federal prosecutor Robert Mintz said.

Skilling was convicted in May of 19 counts of fraud, conspiracy, insider trading and lying to auditors. Lay, Enron's founder, was convicted of 10 counts of fraud, conspiracy and lying to banks in two separate cases. His death in July vacated those convictions.

Both men repeatedly lied about Enron's financial health when they knew an illusion of success was propped up by accounting maneuvers that hid debt and inflated profits.

"In theory, the death of Ken Lay should have no impact on the sentence that Mr. Skilling receives. But it's hard to ignore the reality that Jeff Skilling is now standing alone as the figurehead who orchestrated Enron's demise," Mintz said. "There will certainly be pressure to make an example of Jeff Skilling and send a message with his sentence."

Skilling has had two brushes with the law since his indictment on Enron charges. Last month, Skilling pleaded no contest and paid a fine to settle his arrest in Dallas for public intoxication. In April 2004, he was involved in a scuffle with patrons of a cigar bar in New York City. He wasn't arrested, but he and his wife, Rebecca, who was hurt in the incident, were taken to a hospital where a blood test showed Skilling's blood-alcohol level to be 0.19.

Under federal sentencing guidelines, which U.S. District Judge Sim Lake has said he will rely on, Skilling faces more than 20 years in prison if investor loss tied to his actions exceeds $80 million. Skilling also faces more than $18 million in fines for his crimes.

Prosecutors and Skilling's attorneys have agreed on an investor loss figure, but it is in sealed court documents and none of the lawyers would discuss it.

"The government and we have agreed on a loss number to avoid a protracted hearing on the subject," Skilling's attorney Daniel Petrocelli said. "Any sentence is a meaningful sentence. I don't want to talk about or speculate on the length of it."

Kirby Behre, a former federal prosecutor in Washington and an expert on federal sentencing guidelines, said Skilling will probably get more than 20 years in prison but an exact figure is hard to determine without knowing the final calculation of investor loss.

Charles Prestwood, a former pipeline operator for Enron who lost $1.3 million in retirement savings with Enron's bankruptcy, said if it was up to him, Skilling would get 100 years in prison.

"I think about all the families that man helped destroy and all the hard working people that believed the top executives," he said. "He knows he broke the law. He knows he's done us wrong. I'll always believe until I go to my grave that man knew exactly what he was doing."

Prestwood said he is not surprised Skilling, who professed his innocence before and after his trial, has asked that his convictions be dismissed.

"He'll go down to the wire trying to say he is innocent," he said.

The 68-year-old Prestwood, who has heart problems, said he's been saving his strength to speak at Skilling's sentencing.

Lake is allowing Enron's victims to speak about how the company's financial implosion hurt them. Ten to 12 people who signed up in advance are expected to speak at the sentencing, as well as some who will talk on Skilling's behalf. A list of speakers was not available.

The collapse wiped out thousands of jobs, more than $60 billion in market value and more than $2 billion in pension plans.

Rod Jordan, chairman of the Severed Enron Employee Coalition, said it is easier for ex-workers to focus their anger and frustration on Skilling now that Lay is gone. Many, he said, always believed Skilling was guilty while they had doubts about Lay.

"It was more due to their personalities," he said. "Lay was more of a people oriented person. Skilling was more behind the scenes. He came across as more arrogant and self centered and not the cheery, 'hi-how-are-you' kind of guy that Lay was."

Lake has allowed attorneys representing ex-Enron workers who took part in the company's savings plan and its employee stock ownership plan to speak on their request for restitution from Skilling.

Robin Harrison, one of the attorneys representing about 20,000 such people, put his clients' losses at an estimated $1.3 billion.

Petrocelli said Enron's former workers will probably talk about their losses, but that shouldn't affect the sentence Skilling gets.

"While that is undoubtedly true, it doesn't assist in the determination of Mr. Skilling's sentence, at least in our view," he said. "Mr. Skilling is not criminally responsible for the demise of Enron."

Prosecutors want Skilling to turn over nearly $183 million, which they allege he pocketed while participating in fraud. The U.S. government had divided that amount between Skilling and Lay. But Lay's death has left that amount solely on Skilling.

The government contends about $60 million in Skilling's cash and property that has been frozen since his indictment could be applied to the total amount they are seeking.

Petrocelli has said Skilling owes his legal defense team more than $30 million beyond the $23 million that the Justice Department allowed Skilling to set aside for legal fees before it froze his assets.

Brian Durbin, a small-time Enron investor who spoke at Fastow's sentencing last month, encouraged people affected by Enron's collapse to attend Skilling's sentencing.

"It might help them get a little bit of closure and help the rest of the country see there was a human face to this," he said. "Greed drove the actions of a few to make really bad decisions. What they did had such a wide reaching impact for so many people."

Pressure In The Boardroom (MINNST)

By David Phelps, Star Tribune

Minneapolis Star Tribune, October 22, 2006

Richard Burke faces the difficult task of rebuilding UnitedHealth's reputation and righting a board perceived as having strayed from its oversight role.

To fix a board gone bad, UnitedHealth Group Inc. turned to the guy who started the company's big push for profits 30 years ago.

Richard Burke, the new chairman of UnitedHealth Group, has a long history in Minnesota health care. In the 1980s, Burke ran a small company, then called UnitedHealthcare, that managed one of Minnesota's first HMOs, Physicians Health Plan (PHP). PHP eventually became Medica while UnitedHealth grew under William McGuire into the country's second-biggest health insurer.

Now, after McGuire's ouster a week ago in a stock-option scandal, Burke, 62, is presiding over a company with a badly wounded reputation and a board whose future is in doubt.

More than a dozen shareholder lawsuits await the company in federal court. The Internal Revenue Service, Securities and Exchange Commission, Justice Department and the Minnesota attorney general's office are sifting through corporate documents looking for legal violations.

"This is a board scrambling to catch up on something they let get out of control," said Patrick McGurn, executive vice president of Institutional Shareholder Services, an influentional research firm that advises large shareholders on merger proposals and corporate governance matters. "They allowed so much to happen on their watch."I'd be surprised if in three years any of those board members are still around," he said.

Fred Zimmerman, a recently retired professor of manufacturing at the University of St. Thomas who also has served on the board of directors at 14 corporations, described the board as woefully weak in its response to the options scandal.

"The entire compensation committee should have stepped down, also some of the lead directors," Zimmerman said.

Backdating for profit

To some, Burke was a visionary who opened the closed walls of traditional HMOs and gave patients a greater choice of care. But to the doctors who worked for PHP, Burke was too profit-oriented, an assertion that still lingers with UnitedHealth.

"He was years ahead of the rest of the world," said Doug Leatherdale, retired CEO of the St. Paul Companies Inc. and a board member of UnitedHealth since its beginning.

"He's a very smart guy who really innovated a lot in the industry," said Minneapolis attorney Tim Thornton, who represented PHP in the mid-1980s.

Burke returned to the chairmanship of UnitedHealth Group last week, the result of the Sunday-night reshuffle that cost McGuire his role as chairman and CEO of the Minnetonka-based health care giant.

The company's general counsel, David Lubben, and 15-year board member William Spears also were gone when the dust settled from a stock-option backdating scandal that had been percolating since March.

A report conducted at the board's request by the Washington law firm of Wilmer Cutler Pickering Hale and Dorr questioned the propriety of a 1999 employment agreement with McGuire and concluded that options "were likely backdated," to allow top executives to maximize their profits when they exercised those options.

The report also raised red flags about the private business relationship between McGuire and Spears, who was head of the board's compensation committee when the employment contract was negotiated. McGuire gave Spears personal amounts ranging from $15 million to $55 million to manage professionally and also invested in Spears' financial management company.

In addition to the personnel changes, the company pledged to strengthen internal management and accounting procedures, create a new executive position of chief legal officer and replace five board seats with new independent directors in the next three years.

McGurn called the board's actions "a day late and a lot of dollars short."

Business as usual?

On Thursday, Burke, as a nonexecutive chairman, took the unusual step of participating in the company's conference call with Wall Street analysts to discuss third-quarter financial results. Burke's presence showed the board's support for Stephen Hemsley, the new CEO.

"Steve is a very easy drill on contracts that involve him," Burke joked with the analysts. "It'll be very easy to take advantage of him."

Burke also went out of his way to minimize industry rumors that Executive Vice President Richard Anderson was the board's first choice for CEO. "There was nobody else considered," Burke said.

Stephen Parente, an associate professor at the University of Minnesota's Carlson School of Management who studies the managed care industry, said Burke is a vote for continuity, because he's been there since the company's inception in 1977.

"In some respects, this is a guy who can bookend McGuire's beginning and end," Parente said. "This move is perceived as the board saying, 'We want to bring in someone with no strikes against them and someone who has a solid history of the place.' "

Burke, who grew up in Georgia and North Carolina, started UnitedHealthcare in the mid-1970s and built it into one of the largest HMO managers in the country. But there were dark days in the 1980s as managed care struggled to gain favor in the medical community.

"For the first few years we were not on the strongest financial footing," Leatherdale recalled. "But we survived."

Burke left daily management in 1988 as it began its financial recovery. McGuire assumed Burke's leadership role, becoming president in 1989 and chairman and CEO in 1991.

Burke dabbled in professional sports in the mid-1990s, buying the National Hockey League's Winnipeg Jets, which became the Phoenix Coyotes after an unsuccessful attempt to bring them to Minnesota. He sold his interest in 2000.

But he didn't step down from the UnitedHealth board. Among executives and other board members, Burke is the third-largest shareholder behind McGuire and Hemsley.

To most analysts and outside observers, UnitedHealth remains fundamentally sound.

"This is no Enron," McGurn said. "There is real value in UnitedHealth. This [management] team created that value. They just got greedy."

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S.E.C. Inquiry On Hedge Fund Draws Scrutiny (NYT)

By Walt Bogdanich And Gretchen Morgenson

The New York Times, October 22, 2006

By the evening of June 20, 2005, the government's investigation of possible insider trading by Pequot Capital Management, a prominent hedge fund, had reached a critical stage.

Throughout the day, Robert Hanson, a branch chief in the Washington office of the Securities and Exchange Commission, had been questioning his lead investigator in the case about taking the testimony of John J. Mack, an influential Wall Street executive.

The investigator, Gary J. Aguirre, was trying to find out if Mr. Mack had obtained inside information about a merger and passed it to his friend, Pequot's founder, Arthur J. Samberg.

Finally at 8:25 p.m., Mr. Hanson sent Mr. Aguirre a message from his BlackBerry expressing enthusiasm about the inquiry. "Okay Gary you've given me the bug," he wrote, according to confidential S.E.C. documents. "I'm starting to think about the case during my non work hours."

But three days later, the investigation abruptly changed course. Mr. Aguirre later told a Senate committee that after news broke that Mr. Mack was being considered to run Morgan Stanley, his supervisor said he could not interview the executive because of his political power. Mr. Aguirre protested and was eventually fired in September 2005, just days after receiving a two-step merit pay increase.

Mr. Mack and Mr. Samberg have both repeatedly denied any improper conduct. Earlier this month, the S.E.C. informed them that it would not bring any charges.

Now, it is the S.E.C. that is under scrutiny. Two Senate committees — Finance and Judiciary — are investigating how diligently the S.E.C. pursued its Pequot inquiry, whether Mr. Aguirre's firing was an attempt to silence him, and whether senior S.E.C. officials gave special treatment to Mr. Mack by not taking his testimony when Mr. Aguirre wanted to. Mr. Mack, a major fund-raiser for President Bush's 2004 campaign, was eventually interviewed last August, after Congress began asking questions.

The congressional inquiry centers on dozens of pages of internal S.E.C. documents that Mr. Aguirre turned over to Congress and were obtained by The New York Times. The documents, including e-mail messages from Mr. Samberg and his

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associates, as well as contemporaneous e-mails from investigators, provide the first inside look at the case, and shed light on why the two Senate panels are interested in the matter.

The primary focus of the congressional inquiry is the S.E.C.'s investigation into Pequot's purchase of stock in Heller Financial, a financial services firm, and the dispute over taking Mr. Mack's testimony. The documents say that Pequot became the nation's biggest purchaser of Heller stock in the four weeks before the company was acquired by GE Capital in July 2001. Mr. Samberg bet $44 million on Heller and wanted to invest even more, according to the documents, but his trader could not fill all the orders.

The file shows that after Mr. Aguirre was blocked from questioning Mr. Mack about the Heller deal, Mr. Hanson, the S.E.C. branch chief, acknowledged in e-mail messages that he had discussed Mr. Mack's "political clout" and the "juice" of his lawyers with officials at the commission.

In an exchange of e-mails in the summer of 2005, Mr. Hanson said that he had merely been trying to "alert folks above me," and that politics did not influence S.E.C. decisions. Mr. Aguirre replied: "Bob, this is spin. You told me it would be tough to take Mack's testimony because he has political clout."

In the documents, S.E.C. officials argued that Mr. Aguirre was not justified in taking Mr. Mack's testimony because he could not show that Mr. Mack had inside information or a clear motive for giving it to Mr. Samberg. But Mr. Aguirre said he was only asking for permission to interview Mr. Mack, not bring charges.

The file portrays the S.E.C. as a place where stock exchange referrals of suspected insider trading can languish for years without serious investigation.

In the Pequot case, senators are examining how the S.E.C. handled a total of 18 referrals. In addition to the Heller deal, they include an investigation involving federal prosecutors into whether the hedge fund bought Microsoft options based on inside information. E-mails show that Mr. Samberg solicited information about the software company's financial performance from a Microsoft manager he was recruiting shortly before Pequot invested in the company.

"I shouldn't say this, but you have probably paid for yourself already!" Mr. Samberg wrote to the former Microsoft manager as he was preparing to join Pequot in 2001.

None of the 18 referrals, including the one involving Microsoft, led to an enforcement action, according to people briefed on the matter.

Mr. Aguirre's documents have surfaced amid rising concern on Capitol Hill about the lightly regulated world of hedge funds. The chairman of the finance committee, Senator Charles E. Grassley, Republican of Iowa, said last week that after questioning S.E.C. officials about the Pequot investigation, "my initial concerns haven't been put to rest by what I've learned so far."

The file is not a full record of Mr. Aguirre's investigation, and it is silent about what happened in the inquiry after he left the commission. In the papers, Mr. Aguirre acknowledged before his firing that he had not proved that Pequot had engaged in insider trading, or that Mr. Mack ever had inside information about Heller.

Since The New York Times first reported Mr. Aguirre's allegations last June, the inspector general for the S.E.C. reopened his investigation into the firing after it was disclosed that he had not interviewed Mr. Aguirre. The inspector general, whose conduct is also being examined by the Senate, declined to comment.

Mr. Aguirre declined to be interviewed for this article, but in an Aug. 21 letter, he told the banking committee, which oversees the S.E.C., that he had little faith in either investigation. "The same I.G. who did the first whitewash would do the new one," he wrote. "The senior enforcement attorneys who pretended no grounds existed to take Mack's testimony will now pretend to take Mack's testimony."

In a statement, Jeanmarie McFadden, a spokeswoman for Morgan Stanley, said: "Mr. Aguirre's allegations against John Mack are irresponsible and without any evidence whatsoever to support them. John Mack had nothing to do with the S.E.C.'s decision if or when it would seek his testimony. As soon as he was asked, John Mack immediately agreed to provide his testimony and was subsequently advised that the S.E.C. would take no action regarding him in this matter."

Jonathan Gasthalter, a Pequot spokesman, said in a statement: "The S.E.C. staff conducted an extensive, two-year investigation of Pequot's trading and that investigation is over. During the course of the S.E.C.'s investigation, the U.S. attorney for the Southern District of New York reviewed the firm's 2001 trades in Microsoft and concluded that no action was warranted."

Officials at the S.E.C. declined to comment on the Pequot investigation and its outcome. But Walter G. Ricciardi, deputy director of enforcement, said that if investigators uncovered evidence that supported an insider trading case, they would pursue it vigorously. He denied Mr. Aguirre's contention that referrals from the stock exchanges languish, saying that the commission's staff follows up on three-quarters of the 350 to 450 referrals received each year.

"Insider trading is a very big priority for us," Mr. Ricciardi said. "We recognize that the integrity of the marketplace is at stake."

Focusing on the Heller Deal

The following account is largely based on the investigative files and letters Mr. Aguirre sent to Senate investigators in August.

According to these records, two days after joining the commission in September 2004, Mr. Aguirre was assigned to look into suspicious trading by Pequot in an information management company shortly before it was acquired in 2003.

In a matter of months, Mr. Aguirre said he discovered 13 referrals involving Pequot that had not been fully investigated by the S.E.C. Eventually, he would look into 18 referrals, including one older one where Pequot suddenly began buying the stock of Heller Financial.

That referral soon became the focus of the S.E.C.'s Pequot investigation.

What intrigued federal investigators, Mr. Aguirre said, was that before buying Heller stock, Mr. Samberg apparently did not follow the financial services industry or Heller. Mr. Samberg's bet had paid off: On July 30, 2001, the GE Capital Corporation announced that it was buying Heller, sending Heller's stock up 50 percent. Pequot made $18 million on the deal, primarily by investing in Heller, but also by short-selling GE Capital's parent, General Electric, which dropped on news of the buyout.

After the deal was announced Mr. Samberg sent an e-mail containing six "smiley" faces, Mr. Aguirre said.

According to Mr. Aguirre, Mr. Samberg told the S.E.C. in May 2005 that he had six reasons for buying Heller stock, including the company's strong financial model, analysts' reports and speculation that Heller might be a takeover candidate.

But Mr. Aguirre says that when Mr. Samberg testified a second time in June, he was less certain, saying he had "no recollection specifically of how I started the Heller investment other than to know that I had been doing this for many years and recognized these opportunities when they come up."

Mr. Samberg said he could not recall seeing any newspaper articles about Heller or point to any specific analysts' reports he had read about the company, according to an e-mail Mr. Aguirre sent to his supervisor, Mr. Hanson, on June 27, 2005. Nor did Mr. Samberg remember speaking with others at Pequot about the deal, Mr. Aguirre wrote. After Mr. Aguirre was fired, the S.E.C. interviewed Mr. Samberg a third time, but the files do not reflect what he said.

Microsoft Trading Raises Concern

Beyond Mr. Samberg's testimony, Mr. Aguirre said his suspicions were fueled by Pequot's trading in Microsoft.

In early 2001, Mr. Samberg sought financial information on Microsoft from a product manager at the company, David Zilkha, whom he was trying to recruit, according to Mr. Aguirre.

"Might as well pick your brain before you go on the payroll," Mr. Samberg wrote in an e-mail message to Mr. Zilkha on Feb. 28, 2001. After expressing unhappiness with Pequot's research on Microsoft, Mr. Samberg asked: "Do you have any current views that could be helpful?"

On April 6, 2001, Mr. Samberg pressed Mr. Zilkha about Microsoft's upcoming earnings report. "Any tidbits you might care to lob in," Mr. Samberg asked in an e-mail, after noting "the recurring indications from knowledgeable people" that Microsoft's earnings might fall short.

Mr. Zilkha responded the next day, saying he would get back to him "ASAP."

There is no record of Mr. Zilkha's response or evidence that he passed information to Mr. Samberg.

Mr. Aguirre told the banking committee that between April 9 and 11, 2001, Mr. Samberg bought 30,000 options contracts, apparently believing Microsoft "would beat its earnings, the reverse of his belief stated in his e-mail."

A little more than a week later, on April 19, Microsoft reported better-than-expected earnings, sending its stock sharply higher the next day. Mr. Samberg made a $12 million profit on his Microsoft options, Mr. Aguirre said. The next day Mr. Samberg sent Mr. Zilkha, still three days away from joining Pequot, the gushing e-mail that said, "you have probably paid for yourself already." On Mr. Zilkha's first day on the job, Mr. Samberg alerted others to the new employee's "great p.& l." — or profit and loss — based on his Microsoft "input."

Mr. Aguirre told the banking committee that "critical gaps in the evidence" prevented the S.E.C. from charging anyone with insider trading in connection with the Microsoft investigation. The Justice Department also took no action.

Mr. Zilkha, who no longer works for Pequot, declined to comment. But his lawyer, Henry Putzel III, issued a statement: "David Zilkha worked in a nonfinancial capacity, primarily in marketing for the MSN division of Microsoft. For approximately five months before his employment at Pequot, Mr. Zilkha was on family leave from Microsoft. David Zilkha never obtained and did not communicate any material, nonpublic information, nor did he attempt to do so."

A Dispute Over Testimony

The Zilkha e-mail messages fed Mr. Aguirre's belief that Mr. Samberg might have had nonpublic information when, around the same time, he invested in Heller Financial. His suspicion fell on Mr. Mack, a longtime friend of Mr. Samberg's who was Pequot's chairman for several weeks in June 2005. "There are hundreds of Pequot e-mails referring to Mack, including a dozen in July 2001," Mr. Aguirre wrote in a June 2005 e-mail message to S.E.C. officials.

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None of those e-mails show Mr. Mack passing on any tips about the Heller deal. Nor do they prove that he even knew about the deal before Pequot started buying Heller stock on July 2, 2001.

But what the e-mails and trading records do show, Mr. Aguirre believed, was enough circumstantial evidence to warrant taking Mr. Mack's testimony — a standard procedure in such a situation, he said — and to issue more subpoenas to Credit Suisse First Boston, the investment bank that advised Heller during its talks with G.E. Mr. Mack became chief executive of Credit Suisse in July 2001.

In e-mails to S.E.C. officials in the summer of 2005, Mr. Aguirre made his case, noting that Mr. Samberg and Mr. Mack were close and trusted each other, and that Mr. Mack was allowed to invest in hot Pequot funds and financings. In addition, Mr. Aguirre speculated that Mr. Mack might have learned about the upcoming Heller-GE Capital deal while negotiating his job with Credit Suisse. Mr. Mack began at Credit Suisse on July 12, 2001, a little more than a week after Pequot began buying Heller stock. Pequot continued to buy Heller stock in the following weeks.

"Samberg's aggressive buying of Heller suggests he received the tip shortly before July 2," Mr. Aguirre said in an e-mail to Mr. Hanson, his S.E.C. supervisor. And Pequot's e-mails show that Mr. Samberg and Mr. Mack spoke after the market closed on Friday, June 29, according to Mr. Aguirre. "That matched perfectly with Samberg's decision to begin buying Heller with a vengeance the next trading day after he spoke with Mack," Mr. Aguirre said in his letter to the banking committee.

The committee files show that until late June of last year, S.E.C. officials appeared to support Mr. Aguirre's investigation. Around that time, Mr. Aguirre said, his supervisors authorized him to contact the Federal Bureau of Investigation and a federal prosecutor about the investigation.

But when Morgan Stanley was considering hiring Mr. Mack as chief executive, Mr. Aguirre said, a regulatory official at the investment bank called to ask if Mr. Mack was a serious target in the Pequot investigation. The official "explained that the prospect of such an action against Mack could affect Morgan Stanley's decision whether to rehire him as its C.E.O.," Mr. Aguirre told the banking committee.

Before answering, Mr. Aguirre said, he consulted with his two supervisors, Mr. Hanson and Mark Kreitman, an assistant director of enforcement at the agency. According to Mr. Aguirre, Mr. Kreitman favored telling Morgan Stanley that Mr. Mack was indeed a target, but first he informed his boss, Paul R. Berger, an associate director of enforcement, by speakerphone.

With Mr. Aguirre listening in, Mr. Berger quickly overruled Mr. Kreitman, saying in effect that the S.E.C. would most likely not file charges against Mr. Mack and that nothing should be said to Morgan Stanley, Mr. Aguirre said.

Mr. Aguirre was stunned. He told the banking committee that after the call, "The usual routines and protocols went out the window." Suddenly, Mr. Aguirre said, he was excluded from senior staff meetings about the Pequot investigation. And subpoenaed records that ordinarily would go directly to him were instead directed to Linda Thomsen, the agency's chief of enforcement, he said.

Mr. Berger, now a lawyer at Debevoise & Plimpton, declined to comment.

For the next two months, Mr. Aguirre pressed his superiors for permission to take Mr. Mack's testimony. He failed to change their minds.

"I need greater specificity than the information provided here," Mr. Kreitman wrote in a July 25, 2005, e-mail to Mr. Aguirre. Mr. Kreitman said the evidence of motive "may have substance but it's too vague." And while contacts between Mr. Mack and Mr. Samberg "were potentially significant," they were not "aberrational."

"I have indicated repeatedly that concrete evidence of when Mack obtained access to material nonpublic information re the G.E./Heller deal is the sine qua non for focused investigation of Mack," Mr. Kreitman wrote.

To Mr. Aguirre, this standard had not been applied to other executives he had subpoenaed. Just as troubling, he said, were references by Mr. Hanson to the power of Mr. Mack and his lawyers, who included former S.E.C. officials.

"Mack's counsel will have 'juice,' as I described last night — meaning that they may reach out to Paul and Linda (and possibly others)," Mr. Hanson told Mr. Aguirre in an e-mail on Aug. 4, 2005. The reference apparently was to Mr. Berger and Ms. Thomsen.

Three weeks later, on Aug. 24, Mr. Hanson again acknowledged Mr. Mack's status. "Most importantly the political clout I mentioned to you was a reason to keep Paul and possibly Linda in the loop on the testimony," Mr. Hanson wrote. But he added: "As far as I know politics are never involved in determining whether to take someone's testimony. I've not seen it done at this agency."

Mr. Aguirre disputed Mr. Hanson's account, calling it "spin," and added: "An artificially high barrier has been set for his exam. I do not think this is proper."

Mr. Ricciardi of the S.E.C., speaking generally, said, "Every day enforcement deals with powerful people and we treat them equally with an appropriate level of fairness for the people being investigated and fierceness for the investors we protect." He

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also said that lawyers representing possible targets often approach top enforcement officials. “They don’t have to be a famous lawyer, and they don’t have to have a famous client,” he said.

An S.E.C. spokesman declined to provide comments from Mr. Kreitman, Mr. Hanson or Ms. Thomsen.

By the end of August, Mr. Aguirre was complaining that the Heller investigation “has slowed to a snail’s pace.” He was fired about a week later while on vacation.

In late August of this year, Senator Grassley, the finance committee chairman, wrote to the S.E.C. chairman, Christopher Cox, raising questions about how the agency handled the investigation. He wrote that congressional investigators had found that the S.E.C.’s Heller inquiry had stopped, and had resumed only after Congress began looking at the matter.

Senator Grassley also took the inspector general’s office to task, saying it had shown little interest in Mr. Aguirre’s contention that Mr. Mack’s political clout was a factor in not taking his testimony last year.

The inspector general “closed its inquiry, claiming it found no evidence that S.E.C. officials had referenced Mack’s political clout,” Mr. Grassley wrote, adding, “Contrary to the I.G. report, however, documentary evidence exists and corroborates” that assertion.

A Test For The SEC's Chief (LAT)

By Jonathan Peterson

The Los Angeles Times, October 22, 2006

Christopher Cox is being forced out of his comfort zone to tackle a shareholder rights issue.

WASHINGTON — In his first year as chairman of the Securities and Exchange Commission, Christopher Cox is widely credited with bringing accord to a panel that was bitterly divided over how aggressive it should be in policing corporate wrongdoing in the wake of Enron and other scandals.

The former Republican congressman from Newport Beach has shepherded a handful of reform-oriented measures without controversy, steering clear of proposals on which the odds of finding common ground appeared slim.

Now, however, a federal appeals court decision has tossed a grenade-like issue into the SEC's chambers — putting Cox's diplomatic and leadership skills to their toughest test.

The court decision is forcing the agency to again confront demands to give shareholders a bigger say in the nomination of corporate directors. Former SEC Chairman William H. Donaldson unveiled a plan to do so in 2003, but it fizzled after triggering a partisan split on the commission and generating business opposition so fierce that many believe it contributed to Donaldson's departure.

Although the panel's makeup has changed, it is not clear that the group of three Republicans and two Democrats can take more than a cautious step to open up elections before exposing its own ideological differences. Nor is it clear that Cox is prepared to follow his predecessor in bringing up matters that force him to cast contentious, tie-breaking votes.

"Having a unanimous commission is ideal, and Chairman Cox has done an excellent job of building consensus," said Harvey J. Goldschmid, who left the SEC last year and is now a professor at Columbia University School of Law. "But on issues of this significance, doing the right thing is of far greater consequence than having a dissenting vote."

Goldschmid, a Democrat, believes regulators should make it easier for shareholders to nominate candidates for corporate boards and to have these nominees included in a company's official election materials.

For years, the SEC has allowed companies to reject such requests. In September, however, the U.S. Court of Appeals for the 2nd Circuit ruled that the agency was wrong when it allowed insurer American International Group Inc. to block such a resolution by the pension plan for the American Federation of State, County and Municipal Employees.

The court found that despite the SEC staff's routine rejection of such requests, the agency's policy statements on the matter had been contradictory.

Within hours of the ruling, the SEC said it would address the issue at an October meeting to make sure its rules were applied consistently.

But soon before the meeting last week, the SEC postponed the public airing until December.

"It's simply not soup yet," one official said.

Regulators now hope that in December they will be able to offer companies guidance on the issue.

More broadly, they are trying to write a rule that would give shareholders greater rights to place independent board candidates on the corporate ballot card.

In an interview, Cox expressed support for the basic principle that shareholders deserve a say in the corporate nomination process.

"The right of the owners of the company to choose the directors who represent them is fundamental," he said. "The Securities and Exchange Commission has among its significant responsibilities protecting that right."

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The matter of moving beyond principle to a specific proposal is where the issue gets thorny and emotions get hot, and Cox declined to elaborate on his views.

For investor activists, including unions and public pension funds, the goal of nominating board members goes to the heart of shareholder democracy. Inside the executive suite, however, that same goal may be seen as an unwelcome effort by special interests to meddle in running the company.

Currently, shareholders who wish to oppose nominees that are handpicked by the company have little choice other than to withhold their votes or shoulder postage costs for a write-in revolt — limits that place a heavy burden on all challenges.

In 2004, for example, the full-bore assault on Michael Eisner as chairman of Walt Disney Co. was deemed a big success when about 45% of shareholders withheld their support.

Cox, who as chairman of the House Committee on Homeland Security tried to smooth over differences between its Republican and Democratic members, has tried to keep schisms out of the five-member SEC, which was deeply divided before he took the helm in 2005.

Among the most divisive issues was the matter of shareholder rights to nominate directors. That measure prompted the biggest barrage of public comments, pro and con, in the agency's history.

Donaldson, a former Wall Street investment banker, was unable to win support among fellow Republicans, and business groups complained angrily about his proposal to the White House, which accepted his resignation.

Republican Commissioners Paul S. Atkins, a leading opponent of the 2003 proposal, and newcomer Kathleen L. Casey did not respond to requests for comment. Democratic Commissioners Roel C. Campos and Annette L. Nazareth are known to sympathize with the shareholders' goal, although Nazareth has publicly supported a cautious, go-slow approach this time around.

"I don't think the commission wants to go back to that experience" of 2003, said Fred R. Buenrostro Jr., chief executive of the California Public Employees' Retirement System. He recently led a delegation to meet with each commissioner on the matter.

A technology enthusiast, Cox would like to defuse the shareholder voting issue, at least in part, through the Internet's potential to give investors an easy and cheap way to make their feelings known. He called it a "happy coincidence" that a separate proposed rule allowing companies to deliver their election materials on the Internet is also scheduled for the December meeting.

"In the future the Internet will help alleviate a great deal of the expense that has made it difficult for shareholders to participate in the process," he said.

Activists, however, generally don't view access to the Web as the full answer to their goal of democratizing board elections, and they want to be able to place the names of independent candidates directly on corporate ballot cards.

When a company continually ignores shareholder resolutions, or when executives or board members engage in misconduct, such efforts may be necessary, they contend. Revelations that Hewlett-Packard Co. detectives spied on board members and journalists, for example, recently prompted a group of pension funds to propose that the company alter its rules so that shareholders could nominate members of the board.

Activists say the goal is no less than democracy: "If it's good enough in Afghanistan and Iraq, why not in corporate boardrooms?" asked CalPERS' Buenrostro.

On the other side, however, business lobbyists are making the case that a rule change could do more harm than good. Corporate America, they contend, is still absorbing the Sarbanes-Oxley reforms that were passed after the Enron debacle. Further, they say that other changes, such as growing acceptance of a majority-vote requirement to win board seats, have improved governance and made directors more vigilant than ever.

They oppose a broader role for shareholders in board elections.

"This would be tremendously disruptive and could require expenditure of significant corporate resources and discourage directors from serving on corporate boards," cautioned Steve Odland, CEO of Office Depot Inc., in a letter to the SEC on behalf of the Business Roundtable, which represents large U.S. corporations.

Since taking the helm in August 2005, Cox has helped impose stricter disclosure rules for executive compensation and new restrictions on "soft dollar" arrangements that reward stockbrokers with higher commissions in return for research and other services.

Shareholder voting, however, goes directly to the balance of power between management and shareholders, making a pain-free compromise harder to reach. Moreover, establishing a rule could require difficult decisions on how large a bloc of shareholders is required to merit a say in nominations and how long they should own their shares.

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The proposal from the American Federation of State, County and Municipal Employees, for example, would apply to shareholders owning 3% of a company's stock for a year or more. These and other details are grist for the emerging SEC debate.

"Chairman Cox has worked hard and successfully to keep commissioners on the same page," said Amy Borrus, deputy director of the Council of Institutional Investors, which represents public, labor and corporate pension funds whose combined assets exceed $3 trillion. "Proxy access, though, will be a tough test of his consensus-building skills."

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CRIMINAL LAW:

Pundit Settles Case On Education Laws (WT)

By Brian Debose

The Washington Times, October 22, 2006

The Justice Department has reached a settlement with conservative commentator Armstrong Williams, closing a yearlong investigation into his promotion of Bush administration education reforms.

The final eight-page agreement among Mr. Williams, the Education Department and its subcontractor, Ketchum Communications, was reached Thursday.

The carefully worded settlement papers, a copy of which was obtained by The Washington Times, state that Mr. Williams is not guilty of any criminal violations, but must repay a portion of his fee to the federal government. According to the documents, Mr. Williams will have to pay $34,000 to settle the case.

"It's a complete and absolute vindication for me as far as my involvement in this. I did not break the law," Mr. Williams said.

He became the central figure last year in a brouhaha in which the Education Department contracted with several radio, television and print commentators to promote the No Child Left Behind Act.

House Democrats and Republicans denounced the public relations deal as an illegal propaganda campaign using taxpayers' dollars.

Mr. Williams' contract with Ketchum required that he create two television and two radio advertisements regarding the effectiveness of No Child Left Behind, which settlement papers state he performed.

It also called for Mr. Williams to "actively promote" the law to minorities as part of a six-month outreach program, but he said he refused to honor that portion of the contract.

"If I had done that, it would have been unethical and illegal," he said. "So basically, I have to pay them $34,000 back for not breaking the law."

The incident damaged the reputations of many journalists because the public viewed many of the people used to promote the education law as journalists, not as opinion writers and pundits on television and radio talk shows.

"The one thing I do regret, and I have always said this, is not disclosing this contract and my duties to my media clients who run my columns and broadcast commentaries," Mr. Williams said.

Bush's Family Profits From 'No Child' Act (LAT)

By Walter F. Roche Jr., Times Staff Writer

The Los Angeles Times, October 22, 2006

A company headed by President Bush's brother and partly owned by his parents is benefiting from Republican connections and federal dollars targeted for economically disadvantaged students under the No Child Left Behind Act.

With investments from his parents, George H.W. and Barbara Bush, and other backers, Neil Bush's company, Ignite! Learning, has placed its products in 40 U.S. school districts and now plans to market internationally.

At least 13 U.S. school districts have used federal funds available through the president's signature education reform, the No Child Left Behind Act of 2001, to buy Ignite's portable learning centers at $3,800 apiece.

The law provides federal funds to help school districts better serve disadvantaged students and improve their performance, especially in reading and math.

But Ignite does not offer reading instruction, and its math program will not be available until next year.

The federal Department of Education does not monitor individual school district expenditures under the No Child program, but sets guidelines that the states are expected to enforce, spokesman Chad Colby said.

Ignite executive Tom Deliganis said that "some districts seem to feel OK" about using No Child money for the Ignite purchases, "and others do not."

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Neil Bush said in an e-mail to The Times that Ignite's program had demonstrated success in improving the test scores of economically disadvantaged children. He also said political influence had not played a role in Ignite's rapid growth.

"As our business matures in the USA we have plans to expand overseas and to work with many distinguished individuals in Asia, Europe, the Middle East and Africa," he wrote. "Not one of these associates by the way has ever asked for any access to either of my political brothers, not one White House tour, not one autographed photo, and not one Lincoln bedroom overnight stay."

Funding laws unclear

Interviews and a review of school district documents obtained under the Freedom of Information Act found that educators and legal experts were sharply divided over whether Ignite's products were worth their cost or qualified under the No Child law.

The federal law requires schools to show they are meeting educational standards, or risk losing critical funding. If students fail to meet annual performance goals in reading and math tests, schools must supplement their educational offerings with tutoring and other special programs.

Leigh Manasevit, a Washington attorney who specializes in federal education funding, said that districts using the No Child funds to buy products like Ignite's would have to meet "very strict" student eligibility requirements and ensure that the Ignite services were supplemental to existing programs.

Known as COW, for Curriculum on Wheels (the portable learning centers resemble cows on wheels), Ignite's product line is geared toward middle school social studies, history and science. The company says it has developed a social studies program that meets curriculum requirements in seven states. Its science program meets requirements in six states.

Most of Ignite's business has been obtained through sole-source contracts without competitive bidding. Neil Bush has been directly involved in marketing the product.

In addition to federal or state funds, foundations and corporations have helped buy Ignite products. The Washington Times Foundation, backed by the Rev. Sun Myung Moon, head of the South Korea-based Unification Church, has peppered classrooms throughout Virginia with Ignite's COWs under a $1-million grant.

Oil companies and Middle East interests with long political ties to the Bush family have made similar bequests. Aramco Services Co., an arm of the Saudi-owned oil company, has donated COWs to schools, as have Apache Corp., BP and Shell Oil Co.

Neil Bush said he is a businessman who does not attempt to exert political influence, and he called The Times' inquiries about his venture — made just before the election — "entirely political."

Big supporters

Bush's parents joined Neil as Ignite investors in 1999, according to U.S. Securities and Exchange Commission documents. By 2003, the records show, Neil Bush had raised about $23 million from more than a dozen outside investors, including Mohammed Al Saddah, the head of a Kuwaiti company, and Winston Wong, the head of a Chinese computer firm.

Most recently he signed up Russian fugitive business tycoon Boris A. Berezovsky and Berezovsky's partner Badri Patarkatsishvili.

Barbara Bush has enthusiastically supported Ignite. In January 2004, she and Neil Bush were guests of honor at a $1,000-atable fundraiser in Oklahoma City organized by a foundation supporting the Western Heights School District. Proceeds were earmarked for the purchase of Ignite products.

Organizer Mary Blankenship Pointer said she planned the event because district students were "utilizing Ignite courseware and experiencing great results. Our students were thriving."

However, Western Heights school Supt. Joe Kitchens said the district eventually dropped its use of Ignite because it disagreed with changes Ignite had made in its products. "Our interest waned in it," he said.

The former first lady spurred controversy recently when she contributed to a Hurricane Katrina relief foundation for storm victims who had relocated to Texas. Her donation carried one stipulation: It had to be used by local schools for purchases of COWs.

Texas accounts for 75% of Ignite's business, which is expanding rapidly in other states, Deliganis said.

The company also has COWs deployed in North Carolina, Virginia, Nevada, California, the District of Columbia, Georgia and Florida, he said.

COWs recently showed up at Hill Classical Middle School in California's Long Beach Unified School District. A San Jose middle school also bought Ignite's products but has since closed.

Neil Bush said Ignite has more than 1,700 COWs in classrooms.

Shift in strategy

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But Ignite's educational strategy has changed dramatically, and some are critical of its new approach. Shortly after Ignite was formed in Austin, Texas, in 1999, it bought the software developed by another small Austin firm, Adaptive Learning Technology.

Adaptive Learning founder Mary Schenck-Ross said the software's interactive lessons allowed teachers "to get away from the mass-treatment approach" to education. When a student typed in a response to a question, the software was designed to react and provide a customized learning path.

"The original concept was to avoid 'one size fits all.' That was the point," said Catherine Malloy, who worked on the software development.

Two years ago, however, Ignite dropped the individualized learning approach. Working with artists and illustrators, it created a large purple COW that could be wheeled from classroom to classroom and plugged in, offering lessons that could be played to a roomful of students.

The COWs enticed students with catchy jingles and videos featuring cartoon characters like Mr. Bighead and Norman Einstein. On Ignite's website, a collection of teachers endorsed the COW, saying that it eliminated the need for lesson planning. The COW does it for them.

The developers of Adaptive Learning's software complain that Ignite replaced individualized instruction with a gimmick.

"It breaks my heart what they have done. The concept was totally perverted," Schenck-Ross said.

Nevertheless, Ignite found many receptive school districts. In Texas, 30 districts use COWs.

In Houston, where Neil Bush and his parents live, the district has used various funding sources to acquire $400,000 in Ignite products. An additional $240,000 in purchases has been authorized in the last six months.

Correspondence obtained by The Times shows that Neil Bush met with top Houston officials, sent e-mails and left voice mail messages urging bigger and faster allocations. An e-mail from a school procurement official to colleagues said Bush had made it clear that he had a "good working relationship" with a school board member.

Another Ignite official asked a Texas state education official to endorse the company. In an e-mail, Neil Bush's partner Ken Leonard asked Michelle Ungurait, state director of social studies programs, to tell Houston officials her "positive impressions of our content, system and approach."

Ungurait, identified in another Leonard e-mail as "our good friend" at the state office, told her superiors in response to The Times' inquiry that she never acted on Leonard's request.

Leonard said he did not ask Ungurait to do anything that would be improper.

Houston school officials gave Ignite's products "high" ratings in eight categories and recommended approval.

Some in Houston's schools question the expenditures, however. Jon Dansby was teaching at Houston's Fleming Middle School when Ignite products arrived.

"You can't even get basics like paper and scissors, and we went out and bought them. I just see red," he said.

In Las Vegas, the schools have approved more than $300,000 in Ignite purchases. Records show the board recommended spending $150,000 in No Child funding on Ignite products.

Sources familiar with the Las Vegas purchases said pressure to buy Ignite products came from Sig Rogich, an influential local figure and prominent Republican whose fundraising of more than $200,000 for President Bush's 2004 reelection campaign qualified him as a "Bush Ranger."

Rogich, who chairs a foundation that supports local schools, said he applied no pressure but became interested in COWs after Neil Bush contacted him. Rogich donated $6,000 to purchase two COWs for a middle school named after him.

Christy Falba, the former Clark County school official who oversaw the contracts, said she and her husband attended a dinner with Neil Bush to discuss the products. She said Rogich encouraged the district "to look at the Ignite program" but applied no pressure.

Mixed reviews

Few independent studies have been done to assess the effectiveness of Ignite's teaching strategies. Neil Bush said the company had gotten "great feedback" from educators and planned to conduct a "major scientifically valid study" to assess the COW's impact. The results should be in by next summer, he said.

Though Ignite's products get generally rave reviews from Texas educators, the opinion is not universal.

The Tornillo, Texas, Independent School District no longer uses the Ignite programs it purchased several years ago for $43,000.

"I wouldn't advise anyone else to use it," said Supt. Paul Vranish. "Nobody wanted to use it, and the principal who bought it is no longer here."

Ignite's website features glowing videotaped testimonials from teachers, administrators, students and parents.

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Many of the videos were shot at Del Valle Junior High School near Austin, where school district officials allowed Ignite to film facilities and students.

In the video, a student named India says: "I was feeling bad about my grades. I didn't know what my teacher was talking about." The COW changed everything, the girl's father says on the video.

Lori, a woman identified as India's teacher, says the child was not paying attention until the COW was brought in.

The woman, however, is not India's teacher, but Lori Anderson, a former teacher and now Ignite's marketing director. Ignite says Anderson was simply role-playing.

In return for use of its students and facilities, a district spokeswoman said Ignite donated a free COW. Five others were purchased with district funds.

District spokeswoman Celina Bley acknowledged that regulations bar school officials from endorsing products. But she said that restriction did not apply to the videos.

"It is illegal for individuals to make an endorsement, but this was a districtwide endorsement," Bley said in an e-mail.

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Exclusive: Feds Probe A Top Democrat's Relationship With AIPAC (TIME)

By Timothy J. Burger, Washington

Time, October 22, 2006

The Department of Justice is investigating whether Rep. Jane Harman and the pro-Israel group worked together to get her reappointed as the top Democrat on the House Intelligence Committee

Did a Democratic member of Congress improperly enlist the support of a major pro-Israel lobbying group to try to win a top committee assignment? That's the question at the heart of an ongoing investigation by the FBI and Justice Department prosecutors, who are examining whether Rep. Jane Harman of California and the American Israel Public Affairs Committee (AIPAC) may have violated the law in a scheme to get Harman reappointed as the top Democrat on the House intelligence committee, according to knowledgeable sources in and out of the U.S. government.

The sources tell TIME that the investigation by Justice and the Federal Bureau of Investigation, which has simmered out of sight since about the middle of last year, is examining whether Harman and AIPAC arranged for wealthy supporters to lobby House Democratic leader Nancy Pelosi on Harman's behalf. Harman said Thursday in a voicemail message that any investigation of — or allegation of improper conduct by — her would be "irresponsible, laughable and scurrilous." On Friday, Washington GOP super lawyer Ted Olson left voicemail messages underscoring that Harman has no knowledge of any investigation. "Congresswoman Harman has asked me to follow up on calls you've had," Olson said. "She is not aware of any such investigation, does not believe that it is occurring, and wanted to make sure that you and your editors knew that as far as she knows, that's not true... . No one from the Justice Department has contacted her." It is not, however, a given that Harman would know that she is under investigation. In a follow-up phone call from California, Olson said Harman hired him this morning because she takes seriously the possibility of a media report about an investigation of her, even though she does not believe it herself.

A spokesman for AIPAC, a powerful Washington-based organization with more than 100,000 members across the U.S., denied any wrongdoing by the group and stressed that it is not taking sides in regards to the committee assignment. Spokespersons for Justice and the FBI declined to comment. The case is a spin-off of a probe that has already led to charges under the Espionage Act against two AIPAC lobbyists, whose case is still pending, and to a 12-and-a-half-year prison sentence for former Defense Intelligence Agency official Lawrence A. Franklin. Franklin pleaded guilty a year ago to three felony counts involving improper disclosure and handling of classified information about the Middle East and terrorism to the two lobbyists, who in turn are accused of passing it on to a journalist and a foreign government, widely believed to be Israel. The two lobbyists, who have denied any wrongdoing but were dismissed by AIPAC in April of 2005, were indicted on felony counts of conspiring with government officials to receive classified information they were not authorized to have access to and providing national defense information to people not entitled to receive it.

Around mid-2005, the investigation expanded to cover aspects of Harman's quiet but aggressive campaign to persuade House Minority Leader Nancy Pelosi to reappoint her to the prestigious position on the House intel panel. The alleged campaign to support Harman for the leadership post came amid media reports that Pelosi had soured on her California colleague and might name Rep. Alcee Hastings of Florida, himself a major supporter of Israel, to succeed Harman.

The sources say the probe also involves whether, in exchange for the help from AIPAC, Harman agreed to help try to persuade the Administration to go lighter on the AIPAC officials caught up in the ongoing investigation. If that happened, it might be construed as an illegal quid pro quo, depending on the context of the situation. But the sources caution that there has been no decision to charge anyone and that it is unclear whether Harman and AIPAC acted on the idea.

AIPAC spokesman Patrick Dorton denies that the organization has engaged in any improper conduct. "Both Congressman Hastings and Congresswoman Harman are strong leaders on issues of importance to the pro-Israel community and would be exemplary Democratic leaders for the House intelligence committee," Dorton said. "AIPAC would never engage in a quid pro quo in relation to a federal investigation or any federal matter and the notion that it would do so is preposterous. AIPAC is not aware that the Justice Department is looking into issues involving the intelligence committee, and has not been asked any questions or contacted by the government on this matter, but certainly would cooperate with any inquiry." Dorton added that AIPAC has previously been assured that the organization and its current employees are not being investigated. In this same investigation, the Justice Department has previously suggested that AIPAC had questionable motives in trying to help a valued government contact remain in a sensitive national security post. The Justice Department alleges in its indictment of Franklin that he asked one of the two AIPAC lobbyists to "put in a good word" for him in seeking assignment to the National Security Council. The document says the AIPAC official noted that such a job would put Franklin "by the elbow of the President" and said he would "do what I can."

AIPAC lists praise from Pelosi among a series of quotes from world leaders on its website: "The special relationship between the United States and Israel is as strong as it is because of your [AIPAC's] fidelity to that partnership..." But congressional sources say Pelosi has been infuriated by pressure from some major donors lobbying on behalf of Harman. In a story touching on tensions between Pelosi and Harman, an alternative California publication, LA Weekly, reported in May that Harman "had some major contributors call Pelosi to impress upon her the importance of keeping Jane in place. According to these members, this tactic, too, hasn't endeared Harman to Pelosi."

A congressional source tells TIME that the lobbbying for Harman has included a phone call several months ago from entertainment industry billionaire and major Democratic party contributor Haim Saban. A Saban spokeswoman said he could not be reached for comment. A phone call pushing for a particular member's committee assignment might be unwelcome, but it would not normally be illegal on its own. And it is unclear whether Saban — who made much of his fortune with the Mighty Morphin Power Rangers children's franchise — knew that lobbying Pelosi might be viewed by others as part of a larger alleged plan.

Saban has donated at least $3,000 to Harman's campaign, according to Federal Election Commission records, and the Saban Center for Middle East Policy, which he sponsors at the prestigious Brookings Institution, boasts Harman among its biggest fans. "When the Saban Center talks, I listen," Harman said at a Saban Center briefing in February on U.S. strategy in Iraq. Harman quipped that, in order to attend the session at Brookings, she had to "blow off" a senior intelligence official's appearance before a House committee.

Houston Homicides Spike; Evacuees Cited (AP)

AP, October 22, 2006

Evacuees from Hurricane Katrina have contributed to an increase in Houston's annual murder rate, which could climb this year to its highest level in more than a decade, police said.

Houston had 316 homicides as of Oct. 16. That's an increase of 25 percent from the 252 slayings tallied at this time last year, putting the city on pace to record nearly 400 killings before the end of 2006.

"We recognize that the homicide rate is up as far as raw numbers and as well as percentages relative to the population," Capt. Dwayne Ready said. "We also recognize that Katrina evacuees continue to have an impact on the murder rate."

When Katrina swamped New Orleans last year, 250,000 people fled to Houston. As many as 150,000 evacuees remain in the city.

Houston's homicide rate has been much higher in the past, especially 1981, when the city was dubbed the nation's murder capital with 701 slayings. Even if the city reaches 400 homicides, Ready said, "it's not a bleak picture."

At least 65 slayings in 2006 have been classified as Katrina-related, meaning either the victim, suspect or both evacuated to Houston after Katrina. Police have not kept records of how evacuees have affected crime rates other than homicide.

The murder rate began to rise at the end of last year, when the city recorded 334 homicides. During the previous 10 years, Houston never exceeded the 316 slayings counted in 1995.

U.S. Summit Considered Some Options On School Safety (NYJN)

By Leah Rae, THE JOURNAL NEWS

New York Journal News, October 22, 2006

President Bush's school security conference this month considered a long list of safety strategies, including emergency planning, metal detectors, student counseling and even God.

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"We call this in education a 'teachable moment,' " U.S. Education Secretary Margaret Spellings said during the Oct. 10 conference in Maryland, which was organized after the shooting deaths of five Amish girls in Pennsylvania on Oct. 2 and two other deadly attacks in Colorado and Wisconsin.

The emphasis was on the need for communication and planning. Panelists stressed that most school attacks carried out by students followed some form of warning. They reviewed danger signs, such as a student's sudden changes in behavior, depression and suicidal thoughts.

Cathy Paine, a school psychologist who witnessed a 1998 shooting in Springfield, Ore., said schools there were forming "care teams" of teachers who discussed concerns about students and connected them to mental health services.

Craig Scott, whose sister was killed at Columbine, called for more moral guidance, and education "that touches and teaches the heart and helps form the character."

Security precautions like metal detectors were another strategy under discussion, but Attorney General Alberto Gonzales pointed out that one in five school shootings occurred outside a school building.

The conference was criticized for not exploring another angle: the prevalence of guns, a common denominator in the recent attacks.

"Let's make sure that gun owners are responsible," state Assemblywoman Amy Paulin, D-Scarsdale, said last week. "I really believe that that's the more important angle. I don't know that we want to have barriers to our local schools."

An Unwelcome Discovery (NYT)

By Jeneen Interlandi

The New York Times, October 22, 2006

On a rainy afternoon in June, Eric Poehlman stood before a federal judge in the United States District Court in downtown Burlington, Vt. His sentencing hearing had dragged on for more than four hours, and Poehlman, dressed in a black suit, remained silent while the lawyers argued over the appropriate sentence for his transgressions. Now was his chance to speak. A year earlier, in the same courthouse, Poehlman pleaded guilty to lying on a federal grant application and admitted to fabricating more than a decade's worth of scientific data on obesity, menopause and aging, much of it while conducting clinical research as a tenured faculty member at the University of Vermont. He presented fraudulent data in lectures and in published papers, and he used this data to obtain millions of dollars in federal grants from the National Institutes of Health — a crime subject to as many as five years in federal prison. Poehlman's admission of guilt came after more than five years during which he denied the charges against him, lied under oath and tried to discredit his accusers. By the time Poehlman came clean, his case had grown into one of the most expansive cases of scientific fraud in U.S. history.

"I need to start out by apologizing," Poehlman said now, standing at the lectern before the judge. Speaking quickly and stammering occasionally, he apologized to friends and former colleagues, some of whom were listening in the back of the courtroom. He apologized to his mother, who sat in the front row, crying. And he apologized to Walter DeNino, the former protégé who turned him in, who was also sitting in the courtroom, several rows back on the prosecution's side.

"I have wanted to say I'm sorry for five years," Poehlman said, without turning around to face DeNino. "I want to make it very clear I am remorseful. I accept the responsibility. There's no way that I can turn back the clock. And I'm not that individual that I was years ago."

Before his fall from grace, Poehlman oversaw a lab where nearly a dozen students and postdoctoral researchers carried out his projects. His research earned him recognition among his peers and invitations to speak at conferences around the world. And he made nearly $140,000, one of the top salaries at the University of Vermont. All of that began to change six years ago, when DeNino took his concerns about anomalies in Poehlman's data to university officials. The subsequent investigation — a collaboration among the University of Vermont, the Office of Research Integrity (which is within the Department of Health and Human Services) and the United States Department of Justice — uncovered fraudulent research that stretched back through almost half of Poehlman's career. The revelations led to the retraction or correction of 10 scientific papers, and Poehlman was banned forever from receiving public research money. He was only the second scientist in the United States to face criminal prosecution for falsifying research data.

At 50, with his career in ruins and his reputation destroyed, Poehlman could only hope to avoid one final humiliation: becoming the first researcher sentenced to prison for scientific misconduct. Citing the nearly $200,000 Poehlman had paid in restitution, his attorneys had asked the judge to sentence him to supervised probation. "I am hoping that you can consider this sentence fair and just to me, as well as the community," Poehlman pleaded, without "a sentence of incarceration or imprisonment."

In the fall of 2000, Walter DeNino was comparing measurements in some data Poehlman had given him when he found something odd. DeNino, who was then 24, had started working in Poehlman's lab during his senior year at UVM. The young man

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admired the senior researcher and enjoyed the camaraderie of his peers. Poehlman pushed his team hard, but he was also charming and energetic, and he attracted people who were active athletes like himself. Lab members regularly went to the campus gym during lunch breaks and often competed in marathons together. Poehlman ran daily with students and colleagues alike.

DeNino fit in right away. A driven athlete, he ran so much in high school that he suffered dozens of tiny stress fractures in both legs. When a doctor suggested he run less, DeNino responded by riding his bike more. During college, after finishing in the top three in three triathlons, he was invited to join the U.S.A. Triathlon Olympic Resident Team to train in California and Colorado.

Professionally ambitious, DeNino graduated with a double major in nutritional sciences and dietetics at UVM and won several awards for the research he completed under Poehlman's tutelage. When Poehlman invited him back to the lab as a paid technician — allowing him to continue to train for the Olympics part time — DeNino saw it as the ideal way to strengthen his candidacy for medical school. Although technicians are usually at the bottom of the lab hierarchy, carrying out the more mundane aspects of their principal investigator's work, a generous scientist will give them credit on publications. DeNino figured that getting his name on one of Poehlman's papers could make the difference on a med-school application.

The fall that DeNino returned to the lab, Poehlman was looking into how fat levels in the blood change with age. DeNino's task was to compare the levels of lipids, or fats, in two sets of blood samples taken several years apart from a large group of patients. As the patients aged, Poehlman expected, the data would show an increase in low-density lipoprotein (LDL), which deposits cholesterol in arteries, and a decrease in high-density lipoprotein (HDL), which carries it to the liver, where it can be broken down. Poehlman's hypothesis was not controversial; the idea that lipid levels worsen with age was supported by decades of circumstantial evidence. Poehlman expected to contribute to this body of work by demonstrating the change unequivocally in a clinical study of actual patients over time. But when DeNino ran his first analysis, the data did not support the premise.

When Poehlman saw the unexpected results, he took the electronic file home with him. The following week, Poehlman returned the database to DeNino, explained that he had corrected some mistaken entries and asked DeNino to re-run the statistical analysis. Now the trend was clear: HDL appeared to decrease markedly over time, while LDL increased, exactly as they had hypothesized.

Although DeNino trusted his boss implicitly, the change was too great to be explained by a handful of improperly entered numbers, which was all Poehlman claimed to have fixed. DeNino pulled up the original figures and compared them with the ones Poehlman had just given him. In the initial spreadsheet, many patients showed an increase in HDL from the first visit to the second. In the revised sheet, all patients showed a decrease. Astonished, DeNino read through the data again. Sure enough, the only numbers that hadn't been changed were the ones that supported his hypothesis.

Confused by the discrepancy between the data sets, DeNino went back to Poehlman and asked to see the patient files. When Poehlman brushed him off, a disquieting feeling came over DeNino. Seeking advice, he e-mailed Andre Tchernof, a former postdoctoral fellow of Poehlman's who had recently left to head his own lab in Quebec City. Tchernof confided to DeNino that something similar had happened before to another lab member.

"He confronted him with the fact that it did not add up," Tchernof wrote in an e-mail message to DeNino. "The response was a job-loss threat, more or less." Tchernof warned DeNino to proceed cautiously. Being associated with either falsified data or a frivolous allegation against a scientist as prominent as Poehlman could end DeNino's career before it even began. Poehlman also had a reputation for playing favorites in the lab. While DeNino had always been on Poehlman's good side, both he and Tchernof had seen Poehlman reduce other subordinates to tears for relatively minor infractions. If Poehlman's career was on the line, there was no telling what he would do to protect himself.

DeNino shared his concerns over the data with a handful of graduate students and postdocs and discovered that others had questions, too. Emboldened, he approached Dwight Matthews, a faculty member who shared lab space with Poehlman. Matthews and Poehlman had written a number of papers and grants together over the years, and DeNino worried that Matthews might alert Poehlman to his suspicions. But DeNino could not shake the feeling that Poehlman was hiding something, and he wanted guidance from a faculty member.

"First, understand that no matter how you proceed, everyone loses," Matthews told DeNino when they met to discuss Poehlman. "Your career will be ruined because no one is going to protect you." Matthews was brutally frank. "The university will come out bad," he continued, "and Eric's reputation will be destroyed." He told DeNino that he would have to decide for himself what to do. As an afterthought, Matthews told me in a recent interview, he offered one suggestion: "If you're going to do something, make sure you really have the evidence."

DeNino spent the next several evenings combing through hundreds of patients' records in the lab and university hospital, trying to verify the data contained in Poehlman's spreadsheets. Each night was worse than the one before. He discovered not only reversed data points, but also figures for measurements that had never been taken and even patients who appeared not to

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exist at all. In the mornings he would return to the lab and continue working as Poehlman's technician, waiting for the right moment to confront the principal investigator.

The scientific process is meant to be self-correcting. Peer review of scientific journals and the ability of scientists to replicate one another's results are supposed to weed out erroneous conclusions and preserve the integrity of the scientific record over time. But the Poehlman case shows how a committed cheater can elude detection for years by playing on the trust — and the self-interest — of his or her junior colleagues.

The principal investigator in a lab has the power to jump-start careers. By writing papers with graduate students and postdocs and using connections to help obtain fellowships and appointments, senior scientists can help their lab workers secure coveted tenure-track jobs. They can also do damage by withholding this support.

A less self-assured person than DeNino might never have questioned Poehlman's revised data in the first place — and not just because it might have meant risking future job prospects. The principal investigator is not just a boss; he is also a teacher with knowledge and experience. "Trust is an essential component in any relationship, but especially between a student and mentor, especially in a research environment," Tchernof told me in a telephone conversation last spring, before Poehlman's sentencing hearing. "If you didn't trust the person you were working with, you'd have to check every single raw data point. It simply would not work. But then it takes a substantial amount of doubt to overcome that established trust."

Once that trust has been breached, the aftershocks can be far-reaching. Not only does any research touched by tainted data have to be re-examined, but high-profile cases of misconduct can also shake public confidence. "We already have a large subculture in society of people who don't trust science to begin with," says John Dahlberg, one of the Office of Research Integrity investigators who oversaw Poehlman's case. "This doesn't help at all."

Most people involved in Poehlman's case say that fraud as extensive as his represents an uncommon pathology, similar to what drove the South Korean scientist who claimed to have cloned human stem cells or the Lucent Technologies physicist who falsified extensive amounts of nanotechnology data. More frequent, according to a study published in Nature in June 2005, are smaller lapses in ethical judgment, like failing to present data that contradicts your previous research or inappropriately assigning author credit. Brian Martinson, who conducted that study with colleagues from the University of Minnesota, suggests that those gray areas, which many scientists inhabit at one time or another during their careers, portend a greater ailment for the scientific process. Minor transgressions, largely undetected and easily rationalized, can build up like plaque, compromising scientific integrity over time.

In late October 2000, as DeNino's suspicions festered, Poehlman was presented with the Lilly Scientific Achievement Award at the annual conference of the North American Association for the Study of Obesity. The weeklong event took place in Long Beach, Calif., and Poehlman and his entire lab flew out to celebrate. More than 100 scientists attended Poehlman's 40-minute lecture, in which he summarized the research he had conducted over the past decade. Much of the work he discussed focused on energy dysregulation — an imbalance between the energy a person consumes and what he expends. This imbalance grows more pronounced as a person ages, or when a woman reaches menopause, and it can lead to a loss of muscle mass and an increase in total body fat, which, in turn, may predispose older people to obesity and cardiovascular disease.

Because most studies that examine the physiology of aging look at only one point in time, researchers can't tell whether the differences measured are because of age, menopause or individual variation. Poehlman's longitudinal study on menopause collected the same measurements from each person twice over a six-year period. This enabled him to show, for the first time, that some metabolic changes were from menopause, not aging. Published in 1995 in the Annals of Internal Medicine, the study confirmed a long-held assumption and helped establish Poehlman's reputation.

As he summarized this and other work for his colleagues, Poehlman exuded grace and confidence, mixing scientific slides with pictures of his lab team and waxing philosophical about the themes that had shaped his career. He mentioned the outstanding work of his assistants and concluded with the following advice: "Work with people who are smarter than you."

Andre Tchernof left Poehlman's lab two months before the Long Beach meeting but attended the Lilly Award lecture with his former labmates. The facet of Poehlman's research that most interested Tchernof involved whether hormone-replacement therapy — providing menopausal patients with supplemental estrogen — could help them lose weight. When he was still in Poehlman's lab, Tchernof had analyzed H.R.T. data from what was apparently the same group of patients Poehlman was discussing in his talk and had found no significant difference in abdominal-fat loss between women who took estrogen and women who didn't. But the slides Poehlman presented at the meeting showed a big difference: women who had received estrogen lost twice as much abdominal fat as those not taking supplements.

"I have no idea where those numbers came from," Tchernof whispered to DeNino, who was sitting next to him in the front row. "That's not what we found, at all."

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After the presentation, Tchernof and Poehlman went running along the beach outside their hotel. The two enjoyed a warm relationship during Tchernof's time as a postdoc. Now Tchernof found himself questioning Poehlman on the H.R.T. data he'd presented. Poehlman assured him that the data were fine and brushed off Tchernof's suggestion to double-check the numbers. As he stretched his muscles under the waning Pacific sunlight, Tchernof could not shake the feeling that something was very wrong.

By December, DeNino's relationship with Poehlman had deteriorated badly. When Poehlman learned that DeNino was raising questions about data integrity with other people in the lab, they all but stopped talking to each other. Late in the month, following a series of letters, e-mail and confrontations between Poehlman and DeNino, none of which laid the technician's concerns to rest, DeNino went to Thomas Mercurio, the university's general counsel, to lodge a formal, written accusation of scientific misconduct against his former mentor. The process he set in motion would take almost six years to conclude.

All universities that receive public money to conduct research are required to have an integrity officer who ensures compliance with federal guidelines. But policing its scientists can be a heavy burden for a university. "It's your own faculty, and there's this idea of supporting and nurturing them," says Ellen Hyman-Browne, a research-compliance officer at the Children's Hospital of Philadelphia, a teaching hospital. Moreover, investigations cost time and money, and no institution wants to discover something that could cast a shadow on its reputation.

"There are conflicting influences on a university where they are the co-grantor and responsible to other investigators," says Stephen Kelly, the Justice Department attorney who prosecuted Poehlman. "For the system to work, the university has to be very ethical."

Dr. Burton Sobel, the chairman of Poehlman's department, was determined to do everything by the book. After meeting with DeNino, whom he later described as "forthright, composed, clearly troubled," he contacted Poehlman, saying he needed to discuss something unpleasant with him. Sobel was astonished by Poehlman's response. The accused scientist gave him the impression that nothing was wrong and seemed mostly annoyed by all the fuss. In his written response to the allegations, Poehlman suggested that the data had gotten out of hand, accumulating numerous errors because of handling by multiple technicians and postdocs over the years.

"I found that noncredible, really, for an investigator of Eric's experience," Sobel later told the investigative panel.

"There had to be a backup copy that was pure," Sobel reasoned before the panel. "You would not have postdocs and lab techs in charge of discrepant data sets." But Poehlman told Sobel that there was no master copy. Once the formal inquiry got under way, Poehlman called Sobel at home and asked him to stop the proceedings, telling him there was nothing to it. Sobel refused, assuring Poehlman that it was in everyone's best interest to proceed. He sensed that Poehlman's facade of indifference was beginning to crack.

Two days after DeNino filed his formal accusation, Richard Galbraith, the program director of the university's General Clinical Research Center, escorted the campus police chief to Poehlman's office. It was the week between Christmas and New Year's Day, and only a handful of researchers continued to hunch over their lab benches. Galbraith had the task of impounding the evidence necessary for an investigation into DeNino's claim.

Galbraith had personally recruited Poehlman to UVM. Poehlman started his career at the university in 1988 but left during a mass exodus of clinical researchers. When Galbraith came to the university in 1995, he figured the best way to revive the ailing clinical-research center was to hire prominent scientists with the potential to secure grants. Poehlman, who had just published his menopause study, seemed an ideal candidate to bring both prestige and grant money to the institution.

Some faculty members had expressed misgivings about Poehlman. Galbraith never quite got the full story about why he left in the first place, but during the recruitment, rumblings surfaced about Poehlman's tactics and data. When he met with the investigative panel, five years later, Galbraith recalled questioning everybody he could think of. Poehlman had definitely stepped on some toes and made a name as an aggressive self-promoter, but this was nothing remarkable for a successful researcher. And no one had any evidence of misconduct. Not wanting to disqualify such a promising candidate based on rumors, the university decided to hire Poehlman in 1996. And Poehlman delivered for the university, securing $2.9 million in N.I.H. grants out of the $11 million he had applied for.

The inquiry itself fell to five faculty members picked by the dean of the medical school. One of them, Charles Irvin, had just joined UVM's College of Medicine from a research institute affiliated with the University of Colorado. Irvin had only one experience with a misconduct investigation, and he remembered it as an insignificant case. "What we'd been told at U.C. Denver was that most of these cases are alike — they tend to be trivial or they tend to be 'he said, she said,' " he told me. "You just don't know because there tends to be insufficient data to do anything."

When the panel investigating Poehlman began to meet in January 2001, however, Irvin realized that this case was different. The panel's search quickly expanded beyond DeNino's initial accusation, and the body of evidence it accumulated —

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through a careful review of Poehlman's computer hard-drive and interviews with DeNino and others — revealed a disturbing pattern of blame-shifting and backpedaling.

"It was clear after a very short period of time that this was not trite, it was not trivial, but the allegations were in all likelihood some substantive thing," Irvin explained. "And then once you get a little further down, after you come across a couple of things, well, for me, it was like, Oh, boy."

On Feb. 9, 2001, Poehlman appeared before the panel to address the charges against him. Irvin was appalled by his responses. Poehlman's entire defense seemed to hinge on a series of flimsy notions. First, he attributed his mistakes to his own self-proclaimed ineptitude with Excel files. Then, when pressed on how fictitious numbers found their way into the spreadsheet he'd given DeNino, Poehlman laid out his most elaborate explanation yet. He had imputed data — that is, he had derived predicted values for measurements using a complicated statistical model. His intention, he said, was to look at hypothetical outcomes that he would later compare to the actual results. He insisted that he never meant for DeNino to analyze the imputed values and had given him the spreadsheet by mistake. Although data can be imputed legitimately in some disciplines, it is generally frowned upon in clinical research, and this explanation came across as hollow and suspicious, especially since Poehlman appeared to have no idea how imputation was done.

"Why did Walter . . . say all these things and go to this length?" Irvin asked Poehlman, according to the hearing transcript. "I mean, to me that is the crux of it, is the motivation" for the allegations.

Poehlman responded that DeNino was very popular in the lab and had influenced others to follow his lead.

"I feel like they were plotting during this time," Poehlman told Irvin. "I am as shocked as you are."

When the university decided to proceed from an inquiry to a formal investigation, Poehlman fought back, seeking an injunction from Judge William K. Sessions against UVM and stalling the proceedings for several months. During this time, Poehlman tried to undermine DeNino's credibility as a whistle-blower by suggesting that the technician was homophobic — Poehlman is gay — among other things. Eventually, DeNino hired his own attorney, Philip Michael of the New York firm Troutman Sanders.

"A lot of whistle-blowers are retired," Michael, who specializes in such cases, said recently. "For Walter, this is something that will follow him for the rest of his life."

Poehlman's desperate defense, however, eventually unraveled. After the injunction was dropped, a two-year investigation by UVM led to further review of Poehlman's work by the integrity office. By March 2005, his case had expanded to include a rare criminal prosecution by the United States Department of Justice. By then Poehlman had left UVM for the University of Montreal. But with the threat of prison looming, Poehlman changed his mind and offered his full cooperation.

He waived his right to an indictment and pleaded guilty to falsifying information on a federal grant application. He also agreed to pay $180,000 to settle a civil complaint filed by the University of Vermont plus $16,000 in attorneys' fees for DeNino. The plea came with an especially devastating admission: he acknowledged that his most noted research, the longitudinal study on menopause, was almost entirely fabricated. Poehlman had tested only 2 women, not 35.

The length of time that Poehlman perpetrated his fraud — 10 years — and its scope make his case unique, even among the most egregious examples of scientific misconduct. Some scientists believe that his ability to beat the system for so long had as much to do with the research topics he chose as with his aggressive tactics. His work was prominent, but none of his studies broke new scientific ground. (This may also be why no other scientists working in the field have retracted papers as a result of Poehlman's fraud.) By testing undisputed assumptions on popular topics, Poehlman attracted enough attention to maintain his status but not enough to invite suspicion. Moreover, replicating his longitudinal data would be expensive and difficult to do.

"Eric excelled at telling us what we wanted to hear," Matthews, Poehlman's former colleague, told me. "He published results that confirmed our predisposed hypotheses." Steven Heymsfield, an obesity researcher at Merck Pharmaceuticals in New Jersey, echoed Matthews's sentiments and added that Poehlman's success owed more to his business sense and charisma than to his aptitude as a scientist.

"In effect, he was a successful entrepreneur and not a brilliant thinker with revolutionary ideas," Heymsfield wrote me via e-mail. "But deans love people who bring in money and recognition to universities, so there is Eric."

At his sentencing hearing, Poehlman took responsibility for his actions, but between the lines, he seemed to be placing some blame on the system that requires principal investigators to raise money for their research through government grants.

"I had placed myself, in all honesty, in a situation, in an academic position which the amount of grants that you held basically determined one's self-worth," he told the court in June. "Everything flowed from that." With a lab full of people dependent on him for salaries, Poehlman said he convinced himself that altering some data was acceptable, even laudable. "With that grant I could pay people's salaries, which I was always very, very concerned about."

He continued: "I take full responsibility for the type of position that I had that was so grant-dependent. But it created a maladaptive behavior pattern. I was on a treadmill, and I couldn't get off."

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Having all those people to pay, of course, was not just a burden; it was proof of his success. Poehlman wasn't after the grant money for his own material benefit. He was seduced by a different kind of status. "Certainly there is this point of having a grant because it raises your esteem and raises your standing vis-à-vis your colleagues," he told the court. The big publications, the National Institutes of Health grants, the invitations to speak, all gave him a feeling of importance. He was a man of prestige in his community.

Had Poehlman done the hard work in the menopause study, had he followed through on the unexpected data on lipids, he might have eventually achieved the same status. That is the tragic twist. "Much is revealed when studies don't go the way you expect them to," says Sally Jean Rockey of the N.I.H. "Because Poehlman was working in critical areas for lots of people, what he learned would have been important either way."

On that day in the courthouse just a few miles from the university where he had so enjoyed playing the role of prominent scientist, Poehlman cast himself as a changed man, one with a new, humbler vision for his future. He implored the judge to spare him a prison sentence so that he could spend time with his ailing father and continue teaching science to elementary-school children, which he had been doing for the past year. He also outlined a plan for community service that included talking to other students and scientists about the error of his ways.

Federal sentencing guidelines called for five years in prison based on the amount of grant money Poehlman had obtained using fraudulent data. But no scientist had ever spent time in prison for fabricating data. (One did spend 60 days in a halfway house.)

Rockey, who delivered a statement to the court on behalf of the N.I.H., said that lost grant money was not the only, or even the most significant, cost incurred. "Science is incremental," she said, explaining that most scientific advances build on what came before. "When there's a break in the chain, all the links that follow that break can be compromised." Moreover, she said, fraud as extensive as Poehlman's would inevitably lead to further erosion of the public's trust in science. Poehlman's sentence, she said, should send a clear message to the scientific community and the public at large that fraud would not be tolerated.

The sentencing judge was William Sessions, the same judge to whom Poehlman denied all allegations of misconduct at the injunction hearings four years earlier. He told Poehlman to stand and receive his sentence: one year and one day in federal prison, followed by two years of probation.

"When scientists use their skill and their intelligence and their sophistication and their position of trust to do something which puts people at risk, that is extraordinarily serious," the judge said. "In one way, this is a final lesson that you are offering."

DeNino, who wore a dark suit and tie to the hearing, betrayed no emotion as the sentence was read. When I asked him about it later, he said that Poehlman "deserves every single day he serves in prison." Nothing Poehlman had said, not the least his personal apology to DeNino, changed the young man's opinion about his former mentor. "I don't believe for a second that any of what he said was sincere," he told me. "Of course he's going to say those things now that he's facing a prison sentence."

After the hearing, Poehlman walked through downtown Burlington with his mother and a group of young colleagues from Montreal who had come to show their support. The rain had stopped and the sun cast a bright shimmer over the wet cobblestone streets. When I approached Poehlman on Church Street, he was warm and gracious. We talked briefly about his time teaching at the American University in Tehran, his plans to continue teaching elementary school — anything but his impending prison sentence. We agreed to have that discussion in the near future. But there were just 60 days standing between Poehlman and a year in federal prison, and he wanted to sort out his affairs and prepare himself for what lay ahead.

"I just need some time," he said apologetically. "We can sit down one day soon." But as the summer progressed and 60 days became 30 and then 20, Poehlman did not respond to repeated e-mail messages, telephone calls and letters. Finally, two weeks before his sentence was set to begin, I reached his mother. Eric had decided to start his sentence early, she explained, and he wouldn't be talking about what happened anymore.

CIVIL RIGHTS:

A Fight To Keep Schools Integrated (LAT)

By Jenny Jarvie, Times Staff Writer

The Los Angeles Times, October 22, 2006

In Birmingham, Ala., a group of residents and activists opposes a bid to end a court's school desegregation order.

For 35 years under court order, the yellow buses have picked up black children from the city's Oxmoor Valley and carried them up the hill and across city limits to affluent, mostly white suburban public schools.

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Rita Jones Turner was one of the first children to be bused to Vestavia Hills after a 1970 federal court order required the district to enroll African Americans from her neighborhood. The bus, which was often late and sometimes never came, took her to a middle school where teachers tried to put her in remedial classes and white classmates tore her barrettes from her hair.

Today, her youngest son, a ninth-grader at Vestavia Hills High School, makes the same journey up the hill into a friendlier environment.

But last month, he came home with a letter informing her that the Vestavia Hills school board had filed a motion to end the desegregation order. The district is among a growing number across the nation seeking to have the decades-old orders overturned; this year, dozens have succeeded.

Now, Jones Turner, a 45-year-old consumer debt counselor, finds herself struggling against the idea that the personal hardships she endured during the 1970s would just be part of a failed social experiment.

"We were used, mistreated, downtrodden and discriminated against," she said, her firm voice swelling as she retraced her old bus route one recent afternoon. "I have no problem with being a sacrificial lamb for the good of the community, but to have the system back out now is not fair. They made a commitment to educate black children."

Home of civil rights history

Those fighting to keep the order in place are particularly disappointed that the issue would be revisited in Birmingham, where so much of the civil rights movement's history was made. In the last 15 years, city leaders have built museums and monuments to commemorate the four schoolgirls who died in the 1963 bombing of a black church, and the demonstrators who were met with attack dogs in a march led by the Rev. Martin Luther King Jr. the same year.

But the district says its request is a matter of economics, not race — that absorbing the children of Oxmoor Valley is an unfair burden on its budget.

Vestavia Hills' desegregation order was to be in place until 25% of the school system's population was African American. Today, 7% of its students are black, with about a quarter of those coming from Oxmoor Valley. Some vestiges of the old South remain: The Vestavia Hills High School mascot is the Rebel, depicted as a white-haired man in Confederate-era garb; although the practice is now discouraged by the school, some students still display Confederate flags at football games.

After the U.S. Supreme Court's landmark 1954 Brown vs. Board of Education decision found school segregation to be unconstitutional, and a follow-up ruling in 1968, many school systems were ordered to bus children from other districts to achieve integration.

This fall, the justices will hear appeals from parents in Seattle and in Louisville, Ky., who say it is unconstitutional for officials to consider race when deciding what school a student will attend. Meanwhile, over the last 15 years, courts have lifted desegregation orders in more than 100 school districts from Alabama to California — often after districts showed they were making a good faith effort, successful or not, to achieve racial integration. This year, federal courts have sided 36 times with districts seeking to overturn desegregation orders involving the Justice Department.

Only a few requests to end the orders have been rejected. In June, for example, a federal appeals court upheld a lower court decision to keep the school district of Little Rock, Ark., under its desegregation order, arguing it did not sufficiently appraise how its academic programs helped black students.

Opponents come together

In Birmingham, a well-connected group of civil rights activists, lawmakers, attorneys, pastors and residents has come together over the last month to oppose Vestavia Hills' request to end the desegregation order.

"They are saying to Martin Luther King, 'To hell with your dream: This is 2006 and it's business as usual in Vestavia Hills,' " said the Rev. Jonathan McPherson, who was jailed with King in 1963 and is board chairman of the Southern Christian Leadership Conference's Birmingham chapter.

The Vestavia Hills desegregation order was issued after the affluent southeastern suburb established its own school system to avoid sending its children to integrated Birmingham city schools. A federal judge ruled that the 99% white system had to accept children from a designated portion of the neighboring Oxmoor Valley.

Now, Vestavia Hills is asking a federal judge to grant it unitary status, freeing it from court supervision and further desegregation obligations.

"It feels like we're back in the '60s again," said Theodore Lawson, a Jefferson County attorney who lives in Oxmoor Valley and opposes lifting the order. "If this is not racism, what is it?"

Vestavia Hills Supt. Jamie Blair said the issue was one of funding and capacity. In the last four years, he said, the number of Oxmoor students in the district has risen from 75 to 132.

"Simply put, it's an overcrowding issue," he said. "Our city has no control over the amount of housing built in that area. We're providing schooling to all the folk in Oxmoor, but their tax dollars go to the city of Birmingham."

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Oxmoor Valley, which at the time of the court order was home to a small community of mostly poor blacks, is a nearly 8,000-acre pine forest south of downtown Birmingham. An increasing number of real estate developers are now eyeing the valley, attracted in part by its school zoning. Two upscale subdivisions have been built in the last decade, and hundreds more homes and apartments are planned.

The valley's new residents — mostly African American professionals — bristle at the notion that Vestavia Hills schools are overcrowded. Not all of the new homes in Oxmoor Valley, they note, are zoned to the Vestavia Hills school district. Furthermore, Vestavia Hills recently annexed two predominantly white communities.

"The only effort to relieve overcrowding has been to remove 132 black students from the school system," said Lawson, who is president of the Ridgeview Estates subdivision association.

According to Vestavia Hills' request, which is now before a federal judge, the school system would continue educating the 132 students now enrolled from Oxmoor Valley and offer enrollment to their younger siblings. Other students would attend Birmingham city schools. A U.S. district judge has scheduled a status conference on the case for Wednesday.

Since the board publicized its request, supporters of the 1970 court order have scrutinized Vestavia Hills' progress on racial desegregation.

Although a small number of African Americans have moved to Vestavia Hills in recent years, it remains one of most exclusively white areas of Jefferson County. According to the 2000 census, Vestavia Hills has a 94% white population and a median household income of $70,000. In contrast, Birmingham has a 24% white population and a median household income of $26,000. Only 5% of Birmingham public school students are white.

In a legal strategy meeting last month at the Oxmoor Valley home of Birmingham City Councilor Miriam Witherspoon, residents noted the Vestavia Hills school district's low number of black administrators (1 out of 16), the relatively high number of black special-education students (60 out of 546), and that just 3% of the district's teachers are black.

"The schools are as segregated in 2006 as they were in 1966," said Ronald Jackson, executive director of Citizens for Better Schools, a watchdog group in Birmingham.

Vestavia Hills viewpoints

On a recent day in Vestavia Hills, many of the parents picking up their children from football at Louis Pizitz Middle School were reluctant to talk about the court order.

Waiting for her ninth-grade son in a navy-blue Lexus, Kim Tortorice, who is white, said she did not believe race was an issue.

"Our school really is a melting pot," she said. "We have Chinese, Mexican, Russian."

Vestavia, she thought, was handling the situation fairly.

"I just think everyone should pay the same property tax, that's all," she said. "I work hard. Those people across town don't pay our property taxes."

But Darryl Dancey, 40, an African American truck driver who moved to Vestavia Hills last year for the benefit of his children's education, said he hoped the court order would stay in place.

"The original decision was for integration," he said with a shrug. "I don't think integration has truly happened yet."

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A.C.L.U. Allies Start Web Site To Rebut Critics Of Leadership (NYT)

By Stephanie Strom

The New York Times, October 22, 2006

Supporters of the leadership of the American Civil Liberties Union have created a Web site in response to one started last month by critics of that leadership.

“This Web site came about because those of us who know the A.C.L.U. very well were very disturbed that a few unhappy people were attacking the organization at a time when the A.C.L.U. is doing such a great job — and is greatly needed,” said Laura W. Murphy, a former director of the organization’s Washington office and a leader behind the new Web site, voicesfortheaclu.org.

Ms. Murphy said the critics were “simply dead wrong, and we are saying enough is enough.”

Ira Glasser, a former executive director of the civil liberties union and a founder of savetheaclu.org, the Web site calling for a change in the organization’s leadership, said his group had no complaint about the A.C.L.U.’s work or the growth of its membership and financing.

“The disagreement,” Mr. Glasser said, “is over whether those achievements excuse or justify the betrayal of fundamental principles we’re complaining about on the Web site. About those complaints, they have said not a single word.”

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That site was started last month by more than 30 longtime supporters of the A.C.L.U. who say that actions taken by the executive director, Anthony D. Romero, and supported by the board have violated the organization's principles. For example, they questioned the extent of the organization's use of data mining to collect information on donors, a proposal to monitor employees' e-mail messages and efforts to control board members' access to staff members and information.

Voices for the A.C.L.U. has statements of support signed by, among others, the executive directors of 18 of the organization's state-level affiliates, senior A.C.L.U. staff members and leaders of nonprofit groups that work on some of the same issues, including Human Rights Watch and the Feminist Majority Foundation.

A spokeswoman for the civil liberties union, Emily Whitfield, said, "I think this Web site demonstrates that there is widespread support for the A.C.L.U.'s leadership and strong appreciation for the tremendous battle the A.C.L.U. is waging to defend our civil liberties at a time when they are under attack as never before."

The site is not affiliated with the A.C.L.U. Ms. Murphy said she and other former leaders had paid a firm less than $1,500 to set it up.

Janet Murguia, president and chief executive of the National Council of La Raza, the country's largest Hispanic advocacy group, said she had signed a statement of support for the A.C.L.U.'s leadership because she thought it was doing a good job.

"I understand that there are some issues among the board there," she said, "but I think the way we can weigh in is to express our confidence, particularly in Anthony Romero."

Ms. Murguia said she had not seen the site criticizing the leadership. "My understanding is, a lot of stuff on the Web site is a lot of insider-baseball-type stuff," she said, "and is really just a distraction from the good work the organization is doing."

ANTITRUST:

Smithfield Deal Reviewed (SFAL)

By Kevin Dobbs

Sioux Falls (SD) Argus Leader, October 22, 2006

Senate plans hearings after consolidation fears raised

The U.S. Justice Department has begun an antitrust investigation of Smithfield Foods' plan to buy rival Premium Standard Farms of Missouri, a deal that would combine the nation's two largest hog producers.

Additionally, at the behest of Midwest lawmakers and farmers who worry the deal would hasten the consolidation of livestock markets and allow the merged company to inflate pork prices for consumers, a Senate antitrust committee is planning hearings on the matter. At such hearings, lawmakers often hear testimony from company executives and their critics.

"This merger takes place in an industry already witnessing the decline of independent family farmers and rapid consolidation in meat production and packing. If this merger goes through, farmers will have even fewer choices for selling their hogs, and consumers will certainly be affected by the deal," said Sen. Mike DeWine, R-Ohio.

DeWine chairs the Senate subcommittee that oversees antitrust concerns. He said in a recent statement that he plans to hold hearings on the Smithfield deal in the near future, and lawmakers "will need to scrutinize this deal very carefully."

A Justice Department spokeswoman would not confirm the deadline to complete the investigation. Nor has a date been set for the Senate committee hearings, according to Andrew Langworthy, a spokesman for DeWine.

But both could happen before the end of the year because Virginia-based Smithfield, which owns the John Morrell & Co. meatpacking plant in Sioux Falls, plans to finalize the acquisition in the first quarter of 2007. The company announced in September it would buy its rival for about $650 million in cash and stock.

Dennis Treacy, Smithfield vice president of government affairs, said shortly after the deal was announced that the merged companies will continue to work closely with independent producers and that he expects the Justice Department will approve the deal.

A national coalition of agriculture and consumer groups - including Dakota Rural Action and Dakota Resource Council - earlier this month lined up behind Sens. Tim Johnson and John Thune, both of South Dakota, and lawmakers from Iowa and Nebraska who called for the antitrust investigation.

If Smithfield completes the buy, it will own about 20 percent of the nation's hogs. That could limit independent hog producers' options and ability to get good prices for their meat, Johnson and Thune have said.

They worry that a mammoth Smithfield will have the power to stifle its competition, limit producers' options when it comes to selling their hogs and eventually inflate pork prices for consumers.

That, critics contend, should raise antitrust concerns for federal investigators.

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Tom Buis, National Farmers Union president, said the livestock industry already is heavily concentrated, and allowing the acquisition "is only going to make the situation worse."

Smithfield's move for Premium Standard Farms is among a string of acquisitions and expensive projects the company has made this year. Last week, Smithfield announced a joint agreement with ContiGroup Cos. to build a $200 million beef processing facility in Oklahoma.

Smithfield had planned a $100 million update and expansion of its aging Morrell plant in Sioux Falls. Work was supposed to start earlier this year. But then the company launched into other projects, including the $571 million acquisition of ConAgra Foods' refrigerated meats business earlier this year.

The company since has put the Sioux Falls project on hold, and company officials have refused to provide any information on when or if the work ever will get under way.

But Ron Bell, the chief building official in Sioux Falls, said in a recent interview that, with winter around the corner, crews would have broken ground by now if they intended to start on the 232,000-square-foot expansion yet this year.

ENVIRONMENT:

Federal Prosecutions Of Area Polluters Drop (HC)

By Harvey Rice

Houston Chronicle, October 22, 2006

Critics say U.S. Attorney's Office isn't doing enough to pick up where state has failed

After illegally using a pesticide to kill feral hogs — and in the process killing raccoons, mourning doves and crows — two Fayette County farmers were fined $500 in 2004.

That was the most recent conviction Houston's federal prosecutors have obtained on their own for an environmental crime. The lack of new environmental prosecutions by the U.S. Attorney's Office is remarkable for a city that has vied with Los Angeles for the title of the nation's smog capital, say environmentalists and some current and former officials.

"We've got more (pollution) than anyone else in the country and, therefore, we should have a lot of prosecutions," said Neil Carman, clean-air program director for the Sierra Club.

Carman, who worked for 12 years for the Texas Commission on Environmental Quality, noted that the Houston Ship Channel has the largest concentration of petrochemical plants in the nation and that Harris and Brazoria counties rank among the nation's most polluted.

Data from the Transactional Records Access Clearing House show, however, that the number of new environmental prosecutions by the U.S. Attorney's Office for the Southern District of Texas dwindled from 20 in fiscal 1998 to zero in 2005, the last year for which figures are available.

Bigger federal roleU.S. Attorney Don DeGabrielle, who took office in March, said the figures collected by TRAC, a research group associated with Syracuse University, don't show that his office is involved in 17 cases under investigation or before a grand jury. The only two new prosecutions in fiscal 2006, which ended Sept. 30, were led by a special unit based in Washington, D.C., he said.

The sharp decline worries Sabrina Strawn, executive director of the Galveston-Houston Association for Smog Prevention, which has asked the federal government to take a stronger role.

Although TCEQ has primary responsibility for enforcing environmental laws, many environmentalists say the state agency has been ineffective and that federal prosecutors have a duty to fill the void. Roger Haseman, who heads the Harris County district attorney's environmental unit, said TCEQ rarely brings pollution cases to his office.

"Many violations were handled informally, but you would come back a year later and (violators) would be doing it again," Carman said.

Rebecca Rentz, TCEQ's regional air-quality director, disagreed, saying the agency works hard to reduce pollution.

No specialized staffJustice Department figures collected by TRAC show Houston's federal prosecutors ranked 78th among 94 offices across the nation in the percentage of environmental referrals prosecuted in 2000-05. DeGabrielle said, however, that his office prosecutes such cases whenever it has the evidence.

The Southern District consists of 43 counties stretching from Huntsville to Laredo and has the largest concentration of petrochemical operations in the country, according to U.S. Coast Guard and Environmental Protection Agency data.

Despite environmental groups' complaints about pollution, 2005 was the first fiscal year since 1992 without at least one new federal environmental prosecution here.

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Such cases ranked last among 11 types of cases prosecuted, according to TRAC data for 2000-05. Nationally, environmental prosecutions by all federal judicial districts ranked eighth.

The only other U.S. attorney's office in Texas with a port and a heavy petrochemical presence, the Beaumont-based Eastern District, filed two environmental prosecutions in fiscal 2005.

Unlike some U.S. attorneys' offices in cities with serious environmental problems, such as Los Angeles, New Orleans and Miami, Houston's has no full-time prosecutor or team of prosecutors specializing in such cases. Eric Schaeffer, a former EPA official who now leads the Environmental Integrity Project in Washington, D.C., says this region has a greater need than anyplace else.

EPA resources criticizedBut DeGabrielle said he doesn't have the staff or budget to spare someone for that role.

The only other office that can prosecute environmental crimes in Houston is the Harris County District Attorney's Office, whose environmental unit opened 203 cases last year, said Haseman, who has led the unit since 1991. Most cases were brought to him by a special Houston police unit.

The EPA brought at least three cases to his office last year, he said. TRAC data show the EPA took none to the U.S. Attorney's Office in fiscal 2005.

Shortly before his death in July, former U.S. Attorney Michael Shelby said he had never been satisfied with the number of environmental prosecutions by his office.

"This is one of the largest cities and ports in the world, and we can't generate one clean-air case? A city the size of ours deserves to have an aggressive environmental team," said Shelby, who was U.S. attorney here from December 2001 to June 2005.

He blamed the EPA, saying it has not provided enough investigators. Four EPA investigators here and one special agent in charge are responsible for all of the Southern District.

EPA denies understaffing

Via e-mail, the EPA denied being understaffed and said the TRAC data differ from its own. Officials refused to comment further.

Shelby said his office received so few EPA cases that his criminal enforcement chief urged him to have all environmental cases prosecuted by the Justice Department's environmental crimes section in Washington.

Although the advice was not followed, DeGabrielle said that unit is involved in three current environmental cases here, two of which led to the filing of charges.

Heavy workloadAmong the reasons for the scarcity of federal environmental prosecutions here is the U.S. Attorney's Office caseload, the heaviest in the nation. There also are budget constraints, priorities set in Washington and the complexity of environmental cases, prosecutors and environmental groups say.

TRAC figures show the local office prosecuted 20,758 cases of all types in fiscal 2005 — about 13,000 more than were handled by the Arizona office, the next-busiest.

"The immigration and narcotics cases that come in are overwhelming," DeGabrielle said. "All this at a time that I am down 13 prosecutors that I cannot hire because of our budget."

He said environmental crimes are not among the top priorities set by Attorney General Alberto Gonzales, but they will be prosecuted.

Environmental cases, especially violations of the Clean Air Act, are among the most difficult to prosecute, said Eric Reed, who handled such cases as an assistant U.S. attorney under Shelby.

The criminal cases are so hard to prove that many jurisdictions file lawsuits instead. Criminal cases require proof that someone meant to break the law, but civil cases often require only proof that a violation occurred.

Jim Tarr, a consultant who sat on the Texas Air Control Board in the 1970s, says it boils down to a political problem.

"And until those political problems get solved, the people of Houston will suffer," he said.

Power Execs Foresee Carbon Emission Caps (AP)

By Brad Foss

AP, October 22, 2006

When Duke Energy Corp. CEO James E. Rogers considers global warming, he sees more than a costly quagmire for the U.S. power industry; he sees grand monuments. Notre Dame in Paris, St. Peter's Basilica in Rome.

Rogers has adopted what he calls "cathedral thinking," a view that tackling climate change is a chance for the industry to leave a proud environmental legacy for future generations.

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This philosophy may not deliver results as quickly as environmentalists would like, or sit well with all his counterparts, but it does aptly describe an approach toward reducing greenhouse gases that a small but growing number of power executives are embracing.

"The science says we need to act," said Rogers. Of course, shifting political winds are an equally persuasive force in an industry that accounts for almost 40 percent of U.S. carbon dioxide emissions.

Rogers and many other executives are convinced the United States is likely to join Europe in placing limits on carbon dioxide emissions — believed by scientists to cause global warming — perhaps as early as next decade. This rising expectation of mandatory carbon caps is reviving interest in nuclear power, accelerating the use cleaner coal-burning technologies and spurring investment in alternative fuels such as wind and biomass.

Some of the country's biggest power producers are even setting voluntary greenhouse-gas reduction goals now in hopes of gaining a competitive edge down the road.

"The first movers now kind of realize... there will be a carbon regime in this country," said Peter Fusaro, chairman of Global Change Associates and a longtime proponent of clean energy. "This is not just talk," he added.

Despite good intentions, however, it will likely be several decades before any meaningful progress is made on reducing carbon emissions, according to experts on energy and the environment. That is because half the country's electricity comes from burning coal — by far the largest industrial source of carbon dioxide — and the most promising technology for capturing these emissions and sequestering them underground is still in the experimental phase.

Meantime, the Edison Electric Institute, the industry's main trade association, is lobbying to prevent mandatory carbon caps, calling them an unnecessary financial burden at a time when the power industry needs to invest billions just to meet anticipated demand.

Rogers, who is the chairman of EEI through next June and welcomes economy-wide carbon caps, is at odds with the association's official position: it favors voluntary measures, a stance also advocated by the Bush administration.

U.S. electricity demand is expected to rise by about 1.5 percent a year, resulting in a 50 percent increase from current levels by 2030. Factor in the anticipated industrialization of China, India and other developing nations, and the global rate of growth for electricity demand is even higher.

The Electric Power Research Institute forecasts that, with today's technology, global carbon dioxide emissions will more than double by 2050 to 80 billion metric tons a year. The U.S. already accounts for more than 7 billion tons a year.

Increasing energy efficiency standards and deploying "improved versions" of today's power plants would substantially slow the rate of growth, according to EPRI, a non-profit that provides scientific and technical research on electricity. But in order to actually reduce annual global carbon dioxide emissions by 2050, EPRI estimates that nearly half of the world's electricity would need to come from carbon-free fuels, such as nuclear, wind and solar. Today, carbon-free fuels account for a third of global power generation.

This is one reason why some U.S. power executives vow to fight carbon limits unless the constraints are carried out worldwide.

"The issue is global warming, not U.S. warming," said Mike Morris, the chief executive of American Electric Power of Columbus, Ohio, the largest coal-burning utility in the country. Unless China, India and other developing nations also are forced to adopt costly alternatives to traditional fossil fuels, U.S. manufacturers — a major customer for AEP — will be at an unfair competitive disadvantage, Morris said.

But Morris has a pragmatic side as well, which is why AEP is part of a small group of companies that has voluntarily agreed to cap their carbon emissions in the United States as part of an experimental market that is based in Chicago.

Indeed, there is enough momentum at the state level that a critical mass of pragmatists say it would be foolish to ignore the writing on the wall in terms of eventual federal legislation.

· In California, Gov. Arnold Schwarzenegger last month signed legislation aimed at reducing greenhouse gas emissions from utilities, refineries and manufacturing plants to 1990 levels by 2020.

· In the Northeast, a regional "cap and trade" system of buying and selling emissions allowances is being developed to cut greenhouse gases from Maine to Delaware.

· And more than 20 states require utilities to buy a share of their electricity from renewables such as wind, solar and geothermal energy.

Some opponents of mandatory carbon caps say the power industry would be better off with one federal standard than a hodgepodge of state regulations with which to comply. But, either way, the basic principle of putting a price on carbon is gaining traction: the Congressional Budget Office said last month that any cost-effective U.S. policy on global warming will require emissions taxes or a cap and trade system similar to Europe's.

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It is against this backdrop of legislative activity at the state level — and with help from federal tax breaks included in last year's energy bill — that some utilities are tweaking their long-term strategies.

David Crane, the head of Princeton, N.J.-based NRG Energy, said at a recent conference that the industry's long-standing attitude of "see no carbon, hear no carbon, speak no carbon" is increasingly out of touch with mainstream American values.

Crane, who oversaw NRG's July acquisition of wind-farm developer Padoma Wind Power, predicted that "companies and industries which deny the issue will be marginalized."

The growing long-term appeal of carbon-free power in the U.S. is exemplified by the phenomenal growth of wind power, which has quadrupled since 2000 to more than 10,000 megawatts nationwide. That said, wind still represents less than 1 percent of all U.S. power capacity.

Perhaps more telling is the resurgence of interest in the U.S. for nuclear power, whose image was battered by the Three Mile Island accident in 1979 and bruised by the Chernobyl accident in 1986. Concerns about nuclear waste also run high.

But sensing that public resistance to nuclear will wane as concerns about global warming rise, more than a dozen companies, including Duke, NRG, Entergy Corp. and Exelon Corp., have notified the federal Nuclear Regulatory Commission that they plan to apply for licenses to build new reactors.

Notifications began pouring in after Congress passed an energy bill last summer that included tax credits and other perks to encourage nuclear power, which is also seen as a way to become less reliant on high and volatile natural-gas prices.

Constellation Energy Group Inc. of Baltimore, in a partnership with France's Areva called UniStar Nuclear, is considering building five new reactors, including one each at existing nuclear facilities in Maryland and New York.

For Constellation, nuclear is "the most preferred energy supply of the future," said Mike Wallace, head of the company's power-generation division.

If all goes smoothly, the first new reactor in the U.S. since the mid-1970s could be completed within ten years, analysts and industry officials said.

While nuclear presents a significant opportunity in the fight against carbon emissions, the country's unbridled dependence on traditional coal is a major obstacle.

More than 150 new coal plants have been proposed in the U.S., which has the world's largest coal reserves. And while there is much optimism about the long-term potential for "clean coal" technology, it will only be used in about 10 percent of the plants currently on the drawing board.

Even these so-called coal gasification plants will not solve global warming overnight. While they are far more efficient than older coal plants, the real promise rests in their compatibility with emissions-capture equipment. Unfortunately, "a laundry list of technical challenges" could take a decade or more to resolve, according to Revis James, director of EPRI's technology assessment division.

The dearth of simple carbon-free solutions leaves an executive like Duke's Rogers in a difficult position. Sure, he is making plans to add nuclear and coal-gasification power plants, but an important aspect of "cathedral thinking" is a recognition that addressing global warming requires immediate action.

For that reason, Rogers is promoting the need for greater energy efficiency whenever he can.

But in order for that to succeed, Rogers said elected officials and regulators will have to come up with financial incentives that will encourage utilities to sell less electricity.

"Hope," he said, "is not a plan."

FBI/DEA/ATF/USMS:

Feds Set Sights On Gun Buys (ABH)

By Joe Johnson

Athens (GA) Banner-Herald, October 22, 2006

More investigations to target illegal sales

The owner of a Madison County gun shop told a convicted felon that silencers were "illegal as hell," but that he had a contact in Florida who could make one.

Within nine months, the felon bought two silencers from 46-year-old Michael Curtis Oakley of Athens, in addition to a revolver, three semi-automatic pistols, an assault rifle and boxes of ammunition - all without a background check or filling out the required paperwork.

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That's the allegation in a complaint filed this week in U.S. District Court in Athens. An agent with the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives said that a felon wore a hidden camera and microphone to capture each illegal transaction, as he helped make a case against the owner of Oakley Outdoor Sports in downtown Colbert.

The complaint convinced a U.S. magistrate on Monday to authorize police and ATF agents to arrest Oakley for violating federal firearms regulations. The magistrate also signed warrants that led authorities to seize dozens of weapons from Oakley's gun shop and search his house at 356 Oak Meadows Drive, where officials confiscated documents and other evidence.

The agent's complaint purports to show how guns are winding up on the streets and in the wrong hands, even when the source is a federally licensed firearms dealer.

In a similar ATF sting last month, authorities arrested another Athens man and four others for allegedly trafficking in guns at the J&J Flea Market in Jackson County. According to indictments filed in U.S. District Court in Gainesville, the men weren't licensed firearms dealers, but they sold guns to convicted felons, illegal immigrants and an undercover ATF agent posing as an out-of state resident.

Agents seized 130 firearms in that case.

Firearms trafficking is not necessarily on the rise, but the number of investigations to find the source of illegal guns is, according to Special Agent Marc Jackson of the ATF's Atlanta field division.

"Part of our mission is to reduce violent crime and protect the public by disrupting the source (of illegal guns), and that source could be the dealers themselves," Jackson said.

Federal, state and local law enforcement agencies are working more closely in the wake of Project Safe Neighborhoods, according to Jackson. The 2001 initiative has tripled the number of suspects police and ATF agents forward to the U.S. Justice Department for prosecution, he said.

Backed by $1.5 billion in federal money, Project Safe Neighborhoods also has allowed the ATF to hire more agents to help state and local police to decide whether cases should be prosecuted on the federal level and train licensed dealers to spot "straw buyers" who buy guns in their own names for people who cannot.

"It's a collaborative effort which seeks to combat the problem of gun violence through more aggressive prosecutions," Jackson said.

Athens-Clarke police Lt. Mike Hunsinger, who heads the Western Judicial Circuit Drug Task Force, says his unit's investigations are the main way local police find illegal weapons, because guns and drugs go hand in hand.

"Any time we recover a firearm associated with a drug-related crime, we pursue federal prosecution if needed," Hunsinger said. "We're working more closely with the ATF than ever to conduct these investigations."

In Oakley's case, it took a criminal to catch another alleged criminal.

According to the ATF agent's complaint, an informant who pleaded guilty to unspecified drug charges, but hadn't yet been sentenced, told Athens-Clarke police last December that Oakley had sold guns to another convicted felon and known drug trafficker.

The informant was not given or promised anything in return for the information, according to the ATF agent, and had helped Athens-Clarke police in at least seven previous investigations that landed two other people in federal custody on drug and firearms charges.

Oakley allegedly violated several federal laws when he sold guns to the informant, including failing to note transactions in an "acquisition and disposition" ledger that licensed dealers are required to maintain.

Oakley's gun shop also held weapons that weren't registered under the National Firearms Act, according to the ATF complaint. Under the law, licensed dealers must register and pay taxes on certain firearms and accessories, like machine-guns and silencers.

Since it's illegal for a dealer to sell guns to certain people - convicted felons, illegal aliens, dishonorably discharged soldiers and people convicted of misdemeanor domestic violence - gun sellers must conduct background checks on customers.

And each time he sells a gun, the dealer must file a form with the ATF that has the buyer's information on it.

Dealers must keep records for each transaction for 20 years, according to Jackson, and those records help investigators trace the history of a gun used in a crime from the time it was made to the last time it was sold.

Joseph Thornton Jr., who manages Thornton's Pawn Center for his father, is a federally licensed gun dealer who says some dealers don't keep proper records because they are too lazy.

"There is a lot of paperwork you've got to do, but either you want to do the right thing or not," Thornton said. "We've been in business 27 years and I'd like to stay in business another 27 years, and if I abide by the law, I will be in business."

Some people sell guns without licenses because the black market is lucrative, according to Thornton, who said he saw an assault-style rifle sold at J&J Flea Market before last month's sting, and recognized the black market price was twice the legitimate value.

"There's so much money that can be made and people allow the fruit to become so tasty," he said.

TAX:

5 (WP)

By Jeffrey H. Birnbaum

The Washington Post, October 22, 2006

Taxing Lessons, 20 Years In the Making

T wenty years ago today, President Ronald Reagan signed into law the broadest revision of the federal income tax in history. The Tax Reform Act of 1986 -- the biggest and most controversial legislative story of its time -- had lawmakers, lobbyists and journalists in Washington in an uproar for two years. Despite nearly dying several times, the measure eventually passed, producing a simpler code with fewer tax breaks and significantly lower rates. The changes affected every family and business in the nation.

In the years since, however, rates have gradually risen and Congress has passed nearly 15,000 changes to the tax law. Many of the loopholes that disappeared two decades ago are back. Now, as then, politicians (including President Bush) are branding the income tax unfair and calling for reform. And now, as then, few expect it to happen.

But what lessons from the tax revisions of 1986 might apply to a similar effort today?

1 Fair or simple -- take your pick. Politicians claim to desire a tax system that is both fair and simple, but one goal precludes the other. The tax code can be fair -- meaning that the government offers taxpayers incentives to do meritorious deeds such as buy houses and give to charity. Or it can be simple -- devoid of those exceptions and complications. But it can't be both. In '86, Congress bought off state and local governments by keeping their pet tax breaks alive, clearing the way for the elimination of hundreds of less resilient benefits and the creation of a much simpler code.

2 Divide and conquer. Divided government is a boon to reform, not an obstacle. In 1986, Republicans controlled the White House and the Senate while Democrats held the House. Neither party wanted the blame for killing a bill that the public favored, so the measure kept moving forward. If the Democrats take back the House, Senate or both in next month's elections, that could be good news for advocates of Tax Reform II.

3 Block K Street. Any tax-reform effort will be doomed if lobbying groups are united against it. In 1986, light industries such as wholesalers and consumer-products companies supported reform because they wanted lower tax rates, whereas heavy industries such as steel makers and oil refiners wanted to hold on to their tax breaks and thus tried to squash the bill. (In fact, the bill spurred so much lobbying on both sides that pundits dubbed it the Lobbying Relief Act of 1986.) A new tax reform would have to create -- or hope for -- a similar rift. However, K Street has grown much more powerful since then. Having learned the hard way 20 years ago, lobbyists are wise to that game

now.

4 Stick it in neutral. Tax reform passed 20 years ago in part because its drafters decided early on that the measure should be "revenue neutral," that is, neither raise nor lower overall taxes. However, today's already stressed system doesn't raise enough money to fund the federal government and will soon be deeper in the hole thanks to the exploding costs of Social Security and Medicare. Any future reform probably would have to increase tax revenue, whether through rejiggering the code or by introducing new taxes -- making reform efforts that much more difficult and unlikely.

5 Don't lose those hedge clippers. The tax code is like shrubbery. The more severely it's pruned, the bigger and stronger it will grow back. Whatever changes a new bout of tax reform might bring, interest groups will almost certainly persuade Congress to clutter the code once again. If a second tax reform act comes to pass, rest assured that a third one will be needed a couple of decades later.

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CONGRESS-ADMINISTRATION:

Newest Vets Fed Up With VA Care (CHIST)

By Shamus Toomey

Chicago Sun-Times, October 22, 2006

As an Army combat medic in Iraq, Sgt. Bob Stead was proud to wear the uniform and proud to help wounded soldiers.

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But after getting his right leg blown apart and becoming a wounded soldier himself in 2003, Stead says he often doesn't see the same level of pride from the Veterans Affairs Department workers who help treat him.

"If you've got a job taking care of veterans, you should be proud to come to work," said Stead, 34, of Addison.

So Stead went to Rosemont this weekend to try to do something about it. He was part of a national conference sponsored by Amvets that aims to improve the lives of young veterans by using their experiences to reshape the VA.

The first National Symposium for the Needs of Young Veterans drew hundreds of vets to the Hyatt Regency O'Hare during its four-day run, which ended Saturday. They listened to speakers like retired Gen. Tommy Franks and Democratic congressional nominee Tammy Duckworth, and broke into small groups to come up with answers.

VA holds off on commenting "The goal is to develop an update of the veterans' benefits system," said Thomas C. McGriff, national commander of Amvets. "The system really hasn't been looked at since World War II -- and we now have a new set of young veterans coming from Iraq and Afghanistan."

Amvets plans to compress what it learned from the vets into a report to be released Nov. 9 in Washington, D.C.

The VA had nearly a dozen senior benefits officials at the conference but will wait to see what recommendations Amvets develops before commenting, VA spokesman Ryan Steinback said.

For Stead, he wants to see more accountability for VA workers who deal directly with the veterans. He was injured outside of Fallujah three years ago and is still in constant pain from his leg injury.

He recognizes that, with his severe post traumatic stress disorder, he is not always the easiest patient to deal with. But he still fumes at "being treated like crap" at some VA facilities during his recovery. "The bottom line is, the vets are the customers," he said.

'No magic pill' Steinback said "we certainly hope that is not the average experience at our medical centers," and noted that VA centers nationwide have better customer satisfaction records than non-military hospitals.

At the Jesse Brown VA Medical Center on the Near West Side, a program named CREW -- Civility, Respect and Engagement in the Workplace -- was implemented in August. An outside consultant is on site, assessing the customer service environment, Steinback said. A goal is to make sure workers know that "only their best efforts are good enough for veterans," he said.

Stead knows there's "no magic pill" but hopes the Amvets efforts lead to something positive.

"I'm hoping that with a louder voice, if a mass of people come together with some ideas and say, 'This is what we want,' some measure of change can come," he said.

OTHER NEWS:

U.S. Stocks' Three-Week Rally Slows After Dow Reaches Record (BLOOM)

By Michael Tsang

Bloomberg, October 22, 2006

Oct. 21 (Bloomberg) -- A three-week rally in U.S. stocks, which lifted the Dow Jones Industrial Average past 12,000 for the first time, slowed this week as earnings from Caterpillar Inc. and JPMorgan Chase & Co. underscored concern that profit growth has peaked.

Technology shares such as Applied Materials Inc. dropped after semiconductor-equipment orders slowed and Intel Corp., the world's largest chipmaker, said it plans to spend less this year.

``While the growth continues, it continues at a diminishing rate," said Cummins Catherwood, who helps manage $750 million at Walnut Asset Management LLC in Philadelphia. ``It gives you a little bit of pause in terms of your euphoria."

The Dow industrials added 0.4 percent to 12,002.37 after rising to a record three times this week. The Standard & Poor's 500 Index gained 0.2 percent to 1368.60. The Nasdaq Composite Index declined 0.6 percent to 2342.30.

For the Dow and the S&P 500, the gains were the smallest since the week ended in Aug. 4, while the Nasdaq's loss snapped a three-week winning stretch. Heightened concern that profit growth will deteriorate in coming quarters amid a slowing economy held back the market.

Earnings of S&P 500 companies will climb 8.8 percent in the first three months of 2007, according to Thomson Financial on Oct. 20. That would snap a string of 14 straight quarters of at least 10 percent growth, the longest such streak in five decades.

Economic Reports

Reports this week also cast more doubt on the economy's strength. Industrial production in September fell the most in a year, while manufacturing in the Philadelphia area unexpectedly contracted this month. The Conference Board's index of leading indicators, which points to the direction of the economy in the next three to six months, rose less than expected in September.

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Industrial stocks, which include Caterpillar, led declines among the 10 industry groups in the S&P 500 this week, falling 1 percent.

Caterpillar, whose fourfold gain has led the Dow's rally from the average's trough in October 2002, slumped more than 14 percent to $59.

The world's largest maker of earth-moving equipment said sales growth next year will be flat to 5 percent, citing a slowdown in the U.S. economy triggered by the housing slump. Its third-quarter profit also rose less than analysts' forecasts.

JPMorgan, the third-largest U.S. bank, paced declines among financial shares. The stock declined 2.2 percent to $47.12 after touching an all-time high last week.

`Some Apprehension'

Revenue from consumer banking declined after demand for mortgages slumped, JPMorgan said, while lower fees and interest income led to a drop in credit-card revenue.

``The rate of earnings growth is slowing and that is causing some apprehension in the market,'' said Joel Binder, who oversees about $1 billion as chief investment officer at Aurora, Illinois- based Old Second Wealth Management.

Technology-related shares posted some of the market's biggest declines. The Philadelphia Semiconductor Index, which tracks 19 chip-related companies, fell 5.1 percent for the week, the biggest such drop since July.

Chip-equipment companies reported September orders that indicate chipmakers may be slowing their capacity expansion for a third straight month, according to a report by Semiconductor Equipment & Materials International.

Meanwhile, Intel lowered its spending budget on new plants and equipment to a maximum of $5.9 billion from a forecast of about $6.2 billion.

Applied Materials, the world's biggest maker of semiconductor-production equipment, slid 9.3 percent to $17.25.

Good and Bad

Novellus Systems Inc., which also makes semiconductor- production equipment, slumped 7.7 percent to $26.81. The company forecast revenue that missed analysts' estimates.

SanDisk Corp., the world's largest maker of flash-memory cards, plunged almost 17 percent to $49.15 after price cuts eroded its third-quarter profit. SanDisk expects prices to decline 15 percent to 20 percent in the fourth quarter from the previous three months.

Disappointing results from industrial, financial and technology companies were mixed with earnings from health-care companies that exceeded expectations.

Johnson & Johnson advanced 6.3 percent to $68.62 in the week. The maker of health products from Band-aids to schizophrenia pills said third-quarter earnings rose, led by sales of prescription drugs. Profit excluding certain costs beat the average analysts' estimate, and J&J raised its 2006 forecast.

Merck & Co. rallied 5.7 percent to $45.64. The drugmaker raised its full-year profit forecast for the third time this year to a range of $2.18 to $2.25 a share from an earlier range of $2.10 to $2.24.

UnitedHealth Group Inc. gained 4 percent to $50.70. The largest U.S. provider of health insurance reported third-quarter net income jumped 38 percent after acquisitions raised the number of policyholders. The profit beat analysts' estimates by 3 cents, and UnitedHealth increased its forecast for next year.

Newsweek Says 55% Of U.S. Public Plans To Vote For Democrats (BLOOM)

By Neil Roland

Bloomberg, October 22, 2006

By a 55-to-37 percent margin, Americans who say they are likely to vote in the Nov. 7 elections plan to cast their ballots for Democratic candidates, according to a new Newsweek poll.

The Democrats have gained among both white Catholics and white evangelicals in the last two years, the poll released today showed. Among independents, 44 percent favor the Democrat in their district while 34 percent prefer the Republican candidate.

Democrats need a net gain of 15 seats to win control of the House and six to gain control of the Senate. While President George W. Bush has predicted that the Republicans will keep their congressional majorities, former House Majority Leader Richard Armey, a Texas Republican, said yesterday that Democrats may gain a majority of 10 seats in the House.

In the Newsweek poll, Bush's approval rating is at 35 percent, with 57 percent of Americans saying they disapprove of his performance. In an all-time low in the survey, 65 percent of Americans said the U.S. is losing ground in efforts to build security and democracy in Iraq.

A majority of respondents -- 56 percent, including 23 percent of Republicans -- said they believe Bush won't be able to achieve much for the rest of his second term.

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The poll showed that 60 percent of white evangelicals plan to vote for a Republican candidate, and 31 percent for a Democrat. Exit polls after the 2004 elections found that 74 percent of white evangelicals voted for Republicans, while 25 percent voted for Democrats, Newsweek said.

In today's poll, Democrats received the support of 44 percent of white Catholics, while 42 percent said the planned to vote for Republicans. Catholics overwhelmingly supported Bush in the 2004 presidential election.

Asked to name the issue that is most important to their vote, 31 percent of respondents cited Iraq, 18 percent said the economy and 16 percent said health care.

Princeton Survey Research Associates International, which conducted the survey, interviewed 1,000 adults aged 18 and older on Oct. 19-20. The margin of error is plus or minus 4 percentage points.

A Possibly Fatal Flaw In GOP Formula For Success (LAT)

Ronald Brownstein Washington Outlook

The Los Angeles Times, October 22, 2006

The great risk in President Bush's political strategy has always been that it leaves him very little margin for error.

From the outset of his presidency, Bush has accepted division as the price of mobilization.

With a few exceptions, such as education and immigration policy, he has targeted his central initiatives — tax cuts, judicial appointments, the unilateral projection of U.S. power abroad — primarily at the priorities of conservatives while conceding little to interests outside his coalition.

In Congress and across the country, that ideologically polarizing agenda has helped Bush unify and excite Republicans. But it has come at the cost of antagonizing Democrats and straining his relations with independent voters.

This strategy has rested on the calculation that if Bush generates enough turnout on election day from Republicans and conservative-leaning independents, he can survive unease among moderate independents and intense opposition from Democrats.

On balance, that equation worked for Bush in his first term. Bolstered by his post-9/11 glow, Bush inspired an enormous Republican turnout that spurred GOP congressional gains in 2002. In 2004, another Republican surge powered gains in Congress and Bush's reelection over Democrat John F. Kerry. For Karl Rove and other top GOP strategists, those victories were evidence that Bush was building a narrow but stable electoral majority.

But even amid success, the limitations of the strategy were evident. Although Bush inspired passionate commitment from his supporters, he did not generate anywhere near the breadth of support that other two-term presidents, such as Dwight D. Eisenhower or Ronald Reagan, achieved at their apogee.

Bush's margin of victory over Kerry, measured as a share of the popular vote, was the smallest ever for a reelected president. Even in the usual post-election honeymoon period, Bush's approval rating never exceeded 55% in Gallup surveys, below the high point for every other reelected president since World War II. Bush's support fell back beneath 50% even before his second inauguration.

All of this meant that even on Bush's best days, nearly half the country opposed him and his direction. That didn't leave him with much of a cushion for bad days, which have come in bunches during his second term.

A combination of missteps (the faltering federal response to Hurricane Katrina) and miscalculations (the Terri Schiavo case, the crash of the Social Security restructuring plan) topped by the relentless, grinding violence and disorder in Iraq, have kept Bush on the defensive almost constantly since early 2005.

Because Bush started with backing from only about half the country, these reversals have lowered him, and his party, to dangerous depths. His approval rating since mid-2005 has rarely reached 45%, and he is now limping into the midterm election with support in most surveys below 40%.

That discontent over Bush's performance and decisions, especially concerning Iraq, is the largest factor threatening the GOP hold on the House and Senate.

One measure of Bush's impact on the election comes from the Majority Watch project conducted by the polling firms RT Strategies and Constituent Dynamics. Since the summer, the project has conducted nearly 75,000 automated phone surveys in congressional districts around the country. And it has found a close correlation between attitudes about Bush and preferences in November.

Tom Riehle, a partner at RT Strategies, recently cumulated the results of the project's interviews. He found that 80% of voters who approve of Bush's performance say they intend to vote Republican for Congress next month. But 77% of those who disapprove intend to vote Democratic.

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That result partly reflects the intense partisanship of our time. But even among independents, attitudes toward Bush are a clear dividing line. Fully 71% of independents who approve of him say they will vote Republican. But 73% of independents who disapprove are voting Democratic.

The obvious danger for Republicans is that far more voters in the surveys disapprove (53%) than approve of Bush's performance (39%). Among independents, those who disapprove outnumber supporters by 2 to 1.

Bush's decline is exposing Republican candidates to different risks in different places. In Democratic-leaning states, Republicans who have survived as moderates are facing more resistance from center-left voters reluctant to help Bush advance his agenda by providing the GOP another vote in Congress.

"He's a really good and decent man, but he empowers the Bush administration," Anne Crofts of Providence said at a recent local Democratic rally to explain why she would vote against moderate Sen. Lincoln Chafee (R-R.I.).

In states that are more conservative, Republicans confront two risks. The lesser threat is that Bush's assorted second-term disputes with conservative leaders and the congressional sex scandal may somewhat depress turnout by the GOP base. The bigger danger is a powerful desire for change even among many voters who philosophically tilt more toward Republicans than Democrats. Voters "are overlooking a lot of things about the Democrats that would normally bother them because they want change," said one senior GOP strategist.

Bush is once again stressing sharp-edged ideological differences with Democrats on taxes and national security; maybe that will rally enough conservatives to the polls to avoid a deluge on Nov. 7. But if a deluge comes, more of the Republicans looking to succeed Bush in 2008 may ask whether a political strategy that provokes so much opposition, even on its strongest days, can be sustained. They may also question whether the White House vision of a narrow but stable electoral majority is a contradiction in terms.

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brownstein.

Voter Ire May Tip Scale In House (BOS)

The Boston Globe, October 22, 2006

Democrats seize on scandals, war

The following story was reported and written by Susan Milligan, Rick Klein, and Bryan Bender of the Globe staff.

DELHI, Ohio -- As Democratic House candidate John Cranley works the bingo halls and street festivals of Cincinnati, he hands out blue plastic cups that he hopes will help knock Representative Steve Chabot out of office -- and House Republicans out of the majority.

"Had enough?" the cups said.

To the distress of a Republican Party that has held control of the House for the past dozen years, many voters across the country seem to be nodding in angry agreement with Cranley's assertion, according to interviews with voters in four states and new polls showing a double-digit preference for Democratic control of the House.

But no single issue is motivating voters' disaffection with the GOP -- and some issues, such as the Iraq war, are hurting the Republicans differently in various parts of the country.

Those in the Northeast want a quick withdrawal from Iraq, while more conservative, traditionally pro military districts in Pennsylvania are hopeful that Democrats will manage the war more competently than Republicans.

Voters from New York to California are questioning their representatives' commitment to ethics, and those in post industrial pockets of the Midwest are nervous about their economic security.

Voters' anger over such a disparate collection of issues is threatening the political lives of even seasoned Republicans, and Democratic challengers with little or no experience are registering strong support in polls.

"This election is about change versus the status quo," said Cranley, a 32-year-old Cincinnati city councilor, at a debate in Delhi on Wednesday night. "It is a do-nothing Congress at best. It's a corrupt Congress at worst."

As Democrats have risen in polls over the past three weeks, a growing number of seats -- perhaps as many as 58 -- are now considered in play by the national parties and independent analysts. Democrats need to pick up 15 Republican-held seats to retake the majority.

An unusual bipartisan poll released last week showed that 51 percent of voters in 50 of the most competitive districts want the Democrats running the House, compared with 40 percent who want Republicans in charge. When voters were asked about their own districts, Democrats were favored 50 percent to 43 percent, according to the poll conducted by Democrat Stan Greenberg and Republican Glen Bolger .

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John Zogby , an independent pollster, said his data shows the Democrats poised to pick up 25 to 30 seats, even though the party has not offered a detailed agenda; rather, a confluence of events has turned voters against Republicans.

"If the Democrats win, it will be a Forrest Gump victory, with things swirling around them over which they had very little control," Zogby said.

GOP candidates still have more than two weeks to turn things around, and a major event, such as a terrorist attack, or a massive infusion of cash from Republican donors, could help the GOP eke out critical victories.

And it remains to be seen whether voters will opt for untested Democrats like Cranley over Republicans like Chabot, a six-term incumbent who rang up 60 percent of the vote in 2004.

But the fact that Chabot's district is considered in play points to the extent of voter anger against incumbents.

"I look at Congress now, and I wonder if they have lost touch with your average person," said Terri Rolfes , an administrative assistant at a Cincinnati-area Christian publishing company who is considering switching her vote to Democratic. "Maybe it's time for a change."

In upstate New York and beyond, corruption puts GOP seats in play Gasport, N.Y., is friendly territory for a moderate, antiabortion Republican like Representative Thomas Reynolds, who has held the Buffalo-area seat for a decade. Some of the district's rural churches plant rows of tiny crosses in their yards to mark abortions, while affluent suburbanites applaud Reynolds's commitment to lower taxes.

But the news last month that Representative Mark Foley, Republican of Florida, had written sexually explicit e-mails to teenage House pages, put the spotlight on GOP leaders like Reynolds, the chairman of the committee charged with getting other Republicans elected to Congress.

Reynolds was contending with local frustration over the war and the economy. But the revelation that Reynolds had known of Foley's overly friendly e-mails to one page when he encouraged the Florida representative to seek reelection earlier this year has turned more voters against him.

"I certainly won't be voting for him," said Elizabeth Shabala, a 40-year-old speech pathologist, as she visited a local pumpkin farm. "This isn't an issue of Republicans versus Democrats. It's about protection of children."

Democratic challengers have used the Foley scandal to portray Republicans as more concerned with their political futures than the safety of teenagers. Democratic contenders in Indiana, New York, Minnesota, and New Mexico have used the Foley scandal in ads, while numerous others have done so in debates.

Democrats had sought to make the "culture of corruption" a major campaign theme last year, after several GOP lawmakers were linked to lobbyist Jack Abramoff; former Representative Randy "Duke" Cunningham, Republican of California, was sent to prison for taking bribes; and former House majority leader Tom DeLay of Texas stepped down amid charges he misused campaign funds.

But the corruption theme didn't resonate until the Foley scandal, which undermined the "family values" the GOP has been trumpeting for years. While Republicans have sought to draw attention to Democratic corruption as well, the issue has hit Republicans harder.

At a minimum, formerly safe Republican seats held by Foley, who resigned after the scandal broke, Cunningham, DeLay, and Bob Ney of Ohio, who resigned after admitting to accepting bribes from Abramoff's clients, are now considered potential Democratic pickups.

In addition, senior Republicans such as Reynolds and Representative Deborah Pryce of Ohio, the GOP's conference chair, are under fire for failing to take action against Foley. And some analysts think the ethics cases have combined to fuel voters' desire to clean house.

"The whole is bigger than the sum of its parts," said Lee Miringoff , director of the independent Marist Institute for Public Opinion. Voters were "already grumpy about the performance of Congress," and the accumulation of scandals could tip the scales in close races, he said.

In conservative sections of Pennsylvania, voters reassess the war in Iraq Mizanur Rahman , perched behind the cash register of Halal Meat and Grocery in Upper Darby, Pa., nearly shouted when asked about his views on the Iraq war.

"We have made more enemies," he bellowed last Sunday, causing the butchers in the back of the store to look up from their carving table. "When our soldier kills their kid they are going to kill us. How many more enemies are we going to make?"

Most of Pennsylvania is not antiwar country, but many voters -- including Rahman -- have lost patience with the way the Iraq war is being run in Washington. Many who supported the invasion now say the war has been mishandled, and some are gravitating toward Democrats who are calling for new leadership -- but not an immediate pullout.

"More and more people -- I think a majority -- believe there must be a deliberate way out," said Joe Sestak , a former Navy admiral who is the Democratic nominee against 10-term incumbent Representative Curt Weldon . "They don't want to leave a mess, but they have come to the conclusion there is no military solution to this."

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Sestak's message seems to be resonating. In a race that analysts earlier this year thought was safe for the GOP, Sestak has recently been running even with Weldon in most polls. Sestak's chances may have improved this week when the FBI raided the home of Weldon's daughter as part of an investigation into whether the representative assisted her public-relations firm.

Weldon denied any wrongdoing, and voters still seem more focused on the war than on last Monday's FBI raid.

Even in the so-called "T" of solidly Republican central and northern Pennsylvania, outside the urban orbits of Philadelphia and Pittsburgh, concern about the war is helping Democrats.

The voter frustration has given a boost to Chris Carney, a college professor and intelligence officer in the Navy Reserve who hopes to be the first Democrat since 1960 to win the state's northeastern 10th district.

Carney is ahead of four-term Republican incumbent Representative Don Sherwood by double digits in some polls, and analysts attribute much of his gains to the unpopularity of the war in a district heavy with military families. At least 21 soldiers from the district have died in Iraq and Afghanistan.

Sherwood is also dogged by alleged improprieties: A woman with whom he was having an extramarital affair told authorities that he tried to strangle her. He acknowledged the affair but denied the abuse. A recent poll showed that the top issue for voters is Iraq, not Sherwood's personal conduct, said analyst Jonathan Williamson of Lycoming College in Williamsport.

"Among those [citing Iraq], most broke for Carney," Williamson said.

Carney has not called for a pullout; rather, he's pledged to stand up for the soldiers and help bring the war to an honorable end.

"I haven't called for a timeline -- I haven't pulled that trigger yet," Carney said in an interview last week in Clarks Summit, north of Scranton. "But I am starting to think seriously about it."

In the Northeast, no more patience for a war many feel shouldn't have started There is little such hesitation in the Northeast, where President Bush is deeply unpopular and some voters seem willing to toss out even highly respected moderate Republicans just because of their party affiliation.

Democrats ruefully note there is some precedent for a cleansing of the moderates: In 1994, when the Republicans took over the House, Southern voters ousted numerous long-serving moderate Democrats largely because of their affiliation with President Clinton.

"The war has pushed a lot of people over to thinking there ought to be a change in Washington," said Howard Reiter, the chairman of the political science department at the University of Connecticut, referring to the frustration with Republican moderates. "For the past 40 or 50 years, there's been a trend away from the Republican Party in New England and the greater Northeast. It's been a long time brewing."

As a result, moderate Republican House members across the region are seeking to emphasize their ties to their districts, while distancing themselves from Bush.

In Connecticut, where anti war fervor helped political neophyte Ned Lamont defeat incumbent Senator Joseph I. Lieberman in the August Democratic primary, three Republicans are locked in down-to-the-wire House races.

Perhaps the most vulnerable is Representative Christopher Shays, a centrist from Connecticut's New York suburbs who has made 14 trips to Iraq to assess the progress of a war he enthusiastically supported. But he recently called for a timeline for troop withdrawal -- opening him up to charges of election-year pandering.

Democrat Diane Farrell, who came close to defeating Shays two years ago and is leading in some polls this year, is blasting Shays for supporting the war -- and mocking him for being an ineffectual opposition voice.

"When Chris Shays has agreed with the president, have the results been good?" Farrell said during a recent debate. "When he's disagreed with the Republican leadership, has it made any difference?"

Similar dynamics are playing out in New Hampshire, where Democrats are hoping to break into the all-Republican congressional delegation in the only state that flipped from President Bush in 2000 to his election rival, Senator John F. Kerry, in 2004.

In one district, antiwar activist Carol Shea-Porter beat the Democratic establishment's favored candidate to win the right to face Representative Jeb Bradley. And in another district, Democrat Paul Hodes is casting Representative Charles Bass's backing of the war as emblematic of his support for the Bush administration's "failed ideas."

Both Shea-Porter and Hodes trail in most polls, but Democratic strategists believe they are in striking distance.

"The larger context really is that Congress isn't working for us," Hodes said in an interview. "The administration and guys like Bass are in a state of denial."

In Ohio, Indiana, and Kentucky, concerns about a loss of jobs The economy should be a selling point for Republicans, who have presided over growth in the gross domestic product, relatively low unemployment, and steady job creation. But in parts of the Midwest, voters who have lost jobs to overseas competitors don't want to hear about it.

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In the traditional GOP strongholds of Indiana, Kentucky, and Ohio, the party is in danger of losing critical congressional seats because voters are uneasy about their personal finances. In Ohio, which has lost 200,000 manufacturing jobs in the past five years, two-thirds of residents believe the state's economy is worsening, according to a poll by the University of Cincinnati.

"[Representative Steve] Chabot continues to take money from oil companies, and I can't afford the price of gas," said Lee Valerio, a single mother from the Cincinnati suburb of Anderson. "We've lost jobs in Cincinnati, and people are always moving out of the city. We need a fresh face."

While Americans commonly list jobs and the economy as major concerns, the Republican Congress's solid performance on job growth and economic expansion over the past two years has not helped them in most places. Even the recent drop in gas prices has been met with skepticism: 42 percent of voters in a September Gallup poll said they thought gas prices were being manipulated by the Bush administration to influence the elections.

Brad Ellsworth, a Democratic candidate in Indiana, slammed GOP incumbent John Hostettler in a television ad for failing to get "tough" on gas "price-gouging," and bemoaned the high cost for parents driving children to soccer practice.

In Indiana and Iowa, the Democratic Congressional Campaign Committee has run radio ads on the failure of the GOP-run House to raise the minimum wage. In a parody of a game show, an announcer says, "Let's play who deserves a pay raise!" The ad compares a hotel clerk who earns $5.15 an hour to Republican representatives who blocked minimum-wage increases, but voted a pay increase for themselves.

The Bush administration and some members of Congress frequently tout the good performance of the overall economy, but that's not likely to make a difference in critical districts, analysts say.

"It doesn't even make sense to talk about the national economy right now," said Jared Bernstein, an economist with the Economic Policy Institute. "The way the economy is playing out is very much local."

And that, like the war and corruption, is hurting the GOP.

Thinning The Herd (NYT)

By David Brooks

The New York Times, October 22, 2006

"Tell us, why, again, Republicans need 55 senators?" Rush Limbaugh asked not long ago. "Why do we need 55 senators when we have so many malcontents and traitors in the bunch? And they all happen to be from the Northeast, and they all happen to be moderates, they all happen to be liberals."

In that spirit, the National Federation of Republican Assemblies set out to rid the party of this threat. It set up a "RINO Hunters Club" to "root out and hunt down" the squishy centrists who are Republicans in Name Only. The Club for Growth ran candidates to defeat them. Last week on his radio show, Sean Hannity blasted the RINO's again, saying they were costing good conservatives their jobs.

Well, this is one problem the Republican Party is solving. When the next Congress convenes, there will be many fewer RINO's in town. You look at the vulnerable Republicans and it's like a moderate Republican graveyard: Deborah Pryce, a bright and effective member from Ohio; Christopher Shays from Connecticut; Sweeney from New York; Gerlach from Pennsylvania; Reichert from Washington; DeWine from Ohio.

Why have 55 Republican senators? Why not 25? Why not 15 brave and true? Throw in a few dozen pure-minded Republican House members and you could hold the next Republican convention in a living room.

For the past several years, Republican elites have treated the moderates, upon whom their majority depended, as the deformed cousins of their movement. Congressmen from rock-ribbed Republican districts who've never had to confront a dissenting view applaud themselves for their manly courage while scorning the effete wispiness of Northeastern Republicans who go home and battle derision every weekend. The centrists themselves are so beaten down, they learned they can't even utter the word "moderate" in the halls of Congress. Instead, they unveiled what they called their "Suburban" agenda.

But the suburbs happen to be where this election is being fought — around Philadelphia, New York, Denver, Minneapolis and Columbus. The general rule is that Democrats win in the more densely populated suburbs close to the cities and the Republicans win the more sparsely populated ones farther out. The central fight in American politics now is over where the line is demarking the two zones, and the central Republican problem is that every time the party mobilizes its exurban base it further alienates the marginal voters in traditional suburbs where Congressional elections are won or lost.

The Republican moderates come from Lands' End and Eddie Bauer-rich tipping zones. The people in the office parks in these places may not be zillionaires, but they run the meeting planning firms that help HR executives facilitate sales force enrichment retreats.

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They are looking for orderly places to raise their children. They are what you might call antiparty empiricists. They distrust partisans and can't imagine why anyone would be sick enough to base an identity on a political organization. They don't expect much from government but a few competently delivered services, and they don't like public officials who unnerve them.

The Republicans used to do well in these areas, but now it's as if they are purposely trying to antagonize the married moms at the pseudo-New Urbanist outdoor cafes. The deficits alarm them. Tom DeLay was a perfectly designed Northeastern alienation machine. As insular Democrats know little about what life is like in flyover country, so insular Republicans know little about how people think in the suburban Northeast, where blue New York Times delivery bags dot the driveways each morn.

The big issue is Iraq, but the core problem with suburban voters is not the decision to go to war; it's the White House's reaction to the mess afterward. As Robert Lang, the superlative suburban specialist at Virginia Tech, notes, when people mess up a project in an office park, there are consequences. But Donald Rumsfeld never gets fired. Jerry Bremer and Tommy Franks get medals.

This is not how engineers and empirically minded managers behave. The people in these offices manage information for a living, and when they see Republicans denying obvious trends, or shutting out relevant data, they say to themselves, "Those people are not like me."

So there goes your majority. In the years ahead, Republicans can either reintroduce themselves to the blue-state suburbs or they can ask themselves the dittohead question: Tell us, why, again, do we need to be a governing party anyway?

The Mere Midterms (NYT)

By Noah Feldman

The New York Times, October 22, 2006

When we go to the polls, we are doing two things at once. Pragmatically speaking, we are hoping to influence government policies and alter the behavior of the legislators and officials who design and implement them. Symbolically speaking, however, we're doing something more profound and less practical: expressing our collective verdict on the state of the nation. The people's voice is supposed to replace divine judgment as the ultimate yea or nay on the government in power: vox populi, vox dei.

Presidential elections still fulfill both of these functions. In the modern era, though, midterm elections have come to serve mainly as expressions of the public mood. Putting aside especially popular or unpopular local candidates, they offer a snapshot judgment on the president's performance — more like a midterm exam than a final that really counts. Voter turnout reflects these diminished stakes. Even though control of both the House and the Senate could change, and the late Bush years are politically charged times by any measure, we'll be lucky if more than 40 percent of the American electorate bothers to vote — as opposed to 60 percent in 2004.

Under the right circumstances, of course, a strong midterm result can directly influence policy making. The 1994 elections that brought Newt Gingrich to power in the House decisively shaped the remaining years of

Bill Clinton's presidency, pushing him further to the right and bringing out his latent tendency to govern every day as if an election were being held the next. And even a lame-duck president can be affected by a clear midterm message if he wants to see his vice president elected and preserve his historical legacy.

This year, though, it is doubtful that the midterm elections will significantly alter the Bush administration's way of governing. For one thing, we're faced with the anomaly of the first vice president in recent times who has no intention of running for president himself. With the presidential election two years off, the Bush administration (read: Karl Rove) is very far from anointing a successor, if indeed it ever will. Of course, the Republican Party wants to win the White House in 2008, but the day he leaves office,

George W. Bush will no longer be the leader of that party. His own incentives are not necessarily aligned with those of the G.O.P. faithful.

Whether by coincidence or not, Bush is also a president who has been doggedly consistent in staying the course, come what may. Tax-cutting in the face of mounting deficits is one case in point, Iraq another. To his supporters, the continuity is a sign of his steadfast faith in his principles. To his critics, the intransigence reveals a president closed to new information, locked into dogmatic ideals and unable to accommodate reality. Both sides, though, agree that the president is no flip-flopper. That means he is particularly unlikely to change his policies as a result of a midterm message that the American people aren't satisfied with the job he's doing.

So what kind of a message will we the people send to Washington? Polls show that roughly 40 percent of Americans identify themselves as conservative and that their support for the president remains strong. On some issues, like immigration, the president has alienated parts of his right-wing base. (Of course, his views match not only those of globalist liberals but also of

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corporate America with its unceasing need for cheap labor.) But their frustration notwithstanding, true-red conservatives have nowhere else to go.

Another 20 percent of the electorate describe themselves as liberal, and it is safe to assume that few of them intend to vote Republican this year. That leaves the 40 percent of voters who consider themselves moderates. Those who voted for John Kerry are almost certainly going to vote Democratic again. (Do you know anybody who voted for Kerry in 2004 and wishes he hadn't?)

The people whose votes are in play this time are '04 Bush voters who are now disaffected by the president's performance. Any message in 2006 is going to have to come from them, and it will necessarily take the form of regret: I wish I'd voted for the other guy.

President Bush's low approval ratings seem to be owed to two main factors: the progressively worsening situation in Iraq and the perception, strengthened by the nonresponse to Hurricane Katrina, that the president is either incompetent himself or appoints incompetent people to important jobs. (The Foley sex scandal has been much in the news, but its impact may fade by Election Day.) It is notable, however, that neither of these serious problems — Iraq and the competence of the executive branch — can be readily affected through a midterm election. Even if the Democrats win big, they will not be able to effect substantial changes in either Bush's war policy or his ability to govern better.

When it comes to making foreign policy, Congress has few if any prerogatives. It may have the power of the purse, but no Congress, and especially not a Democratic one, can afford to deny a president's requests for military spending to support troops on the ground. Our armed forces in Iraq will almost certainly remain there through the next two years — and they have to be financed until they come home. In a less partisan time, the Senate Foreign Relations Committee could function as an active player in the day-to-day shaping of foreign policy. Yet a glance at how the Bush administration has sidelined the moderate Republican leadership of that committee — Senators Richard Lugar and Chuck Hagel — suggests that a Democratically controlled committee would be even further out in the cold.

If the Democrats have little prospect of influencing Iraq policy, it is also because they have chosen not to adopt any policy of their own, except for occasionally calling for a nominal withdrawal deadline. This careful positioning reflects both the recognition that there's little they can do to change the president's mind and the political judgment that, for the most part, the public has not demanded more from them. Democrats do not want to be the first to declare that the war in Iraq has been lost. Although Americans overwhelmingly believe we are not doing well in Iraq, the Democrats cannot take the risk that the public will blame the messenger, equating those who acknowledge defeat with those who are responsible for defeat.

Nor can a Democratic Congress do much to make the Bush administration more competent. The Senate can block the most egregious nominees, helping to ensure that we will have no more appointments like the hapless Michael Brown, the man at the heart of the FEMA disaster. It can also keep at least some ideologues and nonentities off the federal courts — including the Supreme Court, should another spot open. But many of the most incompetent political hacks in any administration are below the radar of confirmation processes, and besides, someone has to fill the jobs that empty out late in an administration when the first-round draft picks head back to the private sector. If the Democrats do take the House, the Senate or both, many Republican Congressional aides will want to leave their now-minority staff positions for the prestige and power of the executive branch — and even if they can, Hill Democrats will be loath to block their former staff colleagues' nominations, knowing that some day in a Democratic administration, they too could be looking to make a similar move.

What that leaves the Democrats is oversight — an idea that right now gets their hearts racing but whose limits will eventually become apparent. With Democrats at the helm, Congress can certainly act in particular realms. It can try to limit secret wiretaps, assuming it can find them, and it can call cabinet secretaries and generals on the carpet to explain just why we are doing so badly in Iraq. There are old scandals to reopen, and no doubt plenty of new ones just waiting to be uncovered. What Congressional Democrats cannot do, however, is change the basic direction of the country. The president has not presided as a flexible man, and many of the problems Congress will confront are at present intractable. Government in the sunshine is a good thing — but a brightly lit Washington will still, mostly, be George W. Bush's Washington.

Dept. Of Advice (WP)

The Washington Post, October 22, 2006

The clock is running out for Republicans hoping to keep control of Congress. Coaches and jocks step up to the plate with advice on what to do when it's fourth and long in the bottom of the ninth -- with the other team set to retake your House.

I would tell the GOP it's never over till it's over. Now, if you're down two touchdowns with 30 seconds left, yeah, it's over. But as far as the election goes, it's not even halftime. You've got to believe that people will come to their senses and rally around the team. Remember, the other team has never been in many winning situations. They don't know how to win. You're looking for them to be the Arizona Cardinals [who lost a two-touchdown lead in the final minutes] of last Monday night. They don't know what they're doing when the game is in the fourth quarter. You do.

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-- Mark Rypien , former Super Bowl-winning quarterback
for the Washington Redskins
* * *

Pundits, predictions and polls -- they don't mean anything. The only thing that matters is the final score. Think about how hard you've worked to get to this point. All those hours traveling to rallies, putting up signs, blogging, debating and ruining relationships with friends and family, kissing babies and shaking hands. There's a reason you play the game, guys. It's because you love your country. You have to trust the process. And when Election Day is over, no matter what happens, you need to be able to look each other in the eye and know that you left everything you have on the trail.

-- Brenda Frese, coach of the University of Maryland
2005 NCAA championship women's basketball team
* * *

I remember one time when I was coaching football at Georgia Tech. We were behind 28-0 at halftime, and I had promised ABC I'd talk to them. The only thing you can talk about in a situation like that is that you've got to do everything you can to make the other team earn every yard -- or every vote. You can't give in to the score. The score is what you have at the end of the game, but after all is said and done, what you have to know is you made them fight and earn every yard. I'd approach the election the same way. We went out and had a magnificent second half, scored 27 points. We didn't win, but we made the other team realize they were in a fight. That's what politicians have to do, too. They can't listen to people booing them, they can't listen to the skeptics.

-- Pepper Rodgers , former football coach
for Kansas, UCLA and Georgia Tech

In football, the focus should never be on the play that just happened but on the one about to take place. The past is gone and the future is all that matters. Same thing in campaigns. In these final weeks, voters are tuning in with a fine ear and candidates have the best opportunity to passionately articulate a plan for the future. So focus, show intensity and vividly describe how a voter's family, friends, loved ones and neighbors will be better off when your vision for America is implemented.

-- Steve Largent , former Republican congressman
from Oklahoma and NFL Hall of Famer
* * *

As I would say to my players, it's not over till it's over! Never, ever give up! Fight with all your might. Pull every trick play you have out of your playbook and show them you're still the champions. Think about what it will be like if you should lose. That should be enough to ignite a fire in the weakest of the bunch. Remind the world what happened in Vietnam while Lyndon Johnson, a Democrat, was in office. Champions never quit. They fight to the bitter end through blood, sweat and tears! Life is tough. Life is football without a helmet.

-- John McKissick , head football coach,
Summerville (S.C.) High School, the winningest football coach in history
* * *

My advice to the Republicans is: Let it go. Let it go and wait for tomorrow. Sometimes you're down by 20 with three minutes left, you don't play hard anymore. You just finish up and wait for tomorrow. Tell them to concentrate on 2008, but not too hard.

Did I tell you I'm a Democrat?

-- Dikembe Mutombo , former Georgetown Hoya center,
now with the NBA's Houston Rockets
* * *

Never give up. You've got to impress upon your opponent that one thing, that you haven't given up. And you have to regain the momentum in any way you can. If you have 5 or 10 minutes left in the fourth quarter and you're behind, you've gotta gain the momentum, make the other team make a mistake and capitalize on it. Right now, maybe the Democrats have the mental edge. So the Republicans have to recapture it. If you're at fourth and long, that's your last play, that sucks. But if you're in the fourth quarter and you still have 5 or 10 minutes to go, you have time to regain the momentum.

-- Ray Schoenke , former Redskins offensive lineman and candidate
for the Democratic nomination in the 1998 Maryland gubernatorial race
* * *

I would tell Republicans that it's time to pull out a trick play or two to catch their opponent off guard and regain momentum. Time for a double-reverse pass or an onside kick, anything you can do to startle your opponent and put him on the defensive. And they have to stay positive. In a game two weeks ago, we were down 28-7 with one minute to go in the third quarter, but we

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stayed positive, even though we were getting our brains beat out. And we went on to win, 35-28. You never know how the outcome can change.

-- Dave Mencarini , head football coach,
Quince Orchard High School, Gaithersburg

When you fall behind, you can't start thinking that it's a lost cause; you must truly believe that you can win. I know as a coach that my players tend to believe what I believe of them. You have to have your party pulling for you, and that stems from the leaders believing that you can still accomplish your goals. Once people have lost hope, they won't campaign as hard as they should. You've gotta have that work ethic. You keep playing to the end. People can be persuaded up until the last minute.

-- Dan Harwood , boys' basketball coach, Magruder High School, Rockville

* * *

When you're facing down the clock and you're behind, you call a timeout and you talk to your team and you say things like, "You know what got you here. Are you going to let these guys take it away from you?" Basically, you tell them, "Hey, don't panic. You're in a race." You've got to be strategic, you've gotta start putting all your pluses on one side and minuses on the other, your opponent's pluses on one side, his minuses on the other. It's about finding the weakness and hitting them.

-- Red Auerbach, Basketball Hall of Fame coach,
former president and coach of the Boston Celtics

* * *

In sports you basically beg your team to just be as aggressive as possible. Because if you are behind, what do you have to lose? I always say, leave it all on the floor. Bring any trick that you have. You might as well see if it works. It's amazing what can happen in sports when the team that's winning thinks it's going to win for sure and begins to relax. A lot of crazy things happen when the momentum changes. The bottom line is you play until the final buzzer, and in an election you're going to campaign until the votes are in. No other way to play a sport or live your life -- you go until you can't go anymore.

-- Mike Jones, head basketball coach at
DeMatha Catholic High School in Hyattsville

* * *

When you're behind, the main thing you focus on is never giving up. Even when things look kind of grim, if you keep battling and working hard you never know what can happen. Have a lot of confidence in yourself and believe in what you're doing. When you're in a tough game or tough race, you see not only the quality player you have but the quality person you have. When it gets close to winning -- don't do something or not do something that you're going to regret later. Leave everything on the field. When you go to bed after the last game or the election, you'll be able to say "I did everything I could."

-- Randy S. Morris, manager of the 2006 Little League
World Series Champions, Northern Little League, Columbus, Ga.

* * *

People pride themselves on getting under your skin. Don't let them. Don't take no for an answer, that's what I would tell the Republican Party. It's the fourth quarter and you need to knock down a jump shot or get a rebound in traffic. Stay positive, no matter what. Eliminate the negativity. I knew I wasn't holding up my end of the bargain for a while last year and all of the negativity was just seeping in. You have to develop thick skin and stay positive. Eventually the outcome you want will work out.

Trust me.

-- Antawn Jamison , Washington Wizards forward

* * *

Right now, if I knew I had no shot, I would shut down all advertising, grab what's left of the campaign money and get the hell out of town. I mean, if it's evident you're going nowhere. . . . Now, what have you got to do from a realistic standpoint? Refuse to believe what everybody else is saying. You've got to count on somebody on the other side screwing up before the election. You've got to pretend you're the emperor with no clothes or pretend you're Alfred E. Neuman. One or the other.

Does that make sense?

-- John Riggins, Hall of Fame Redskins running back

Democrats Strengthen Chances For Senate (WP)

By Charles Babington And Dan Balz
The Washington Post, October 22, 2006
Va., Mo. and Tenn. May Tip the Balance

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Democrats in the past two weeks have significantly improved their chances of taking control of the Senate, according to polls and independent analysts, with the battle now focused intensely on three states in the Midwest and upper South: Missouri, Tennessee and Virginia.

Democratic challengers are in strong positions against GOP incumbents in four states -- Pennsylvania, Montana, Ohio and Rhode Island -- a trend that leaves the party looking for just two more seats to reclaim the majority. The main targets are states where Republicans in recent years have dominated but this year find themselves in hotly competitive races.

Except for a brief period in 2001 and 2002, Republicans have held power in the Senate continuously since the 1994 elections and now hold 55 of 100 seats. Only last year, Senate Democratic Leader Harry M. Reid (Nev.) said it would take "a miracle" for his party to win control. But the same issues that are leading many pollsters and strategists to predict a Democratic takeover of the House -- including the unpopularity of President Bush and the Iraq war -- have made a turnover in the Senate more plausible.

Democrats are gleeful about the prospect of reversing years-long political trends against them in such places as Montana and Ohio, as well as Southern states such as Tennessee and Virginia. But recent history highlights how difficult it is for Democrats to compete in places where Republicans usually win at the presidential and congressional levels. Two years ago, as Bush was winning reelection, Democrats lost Senate seats in North Carolina, South Carolina, Georgia, Florida, Louisiana and South Dakota.

Analysts say, however, that this year's political environment is much more toxic for the GOP.

"The Democrats are going to gain somewhere between four and seven seats," said Stuart Rothenberg, author of an independent newsletter that tracks campaigns nationwide. Of the battlegrounds of Tennessee, Virginia and Missouri, he said, "They need two of the three, and they have a pretty good chance" of winning them.

In four other states, Republican incumbents -- Conrad Burns (Mont.), Lincoln D. Chafee (R.I.), Mike DeWine (Ohio) and Rick Santorum (Pa.) -- are all running behind in the latest public polls. Assuming that Democrats hold New Jersey, where Sen. Robert Menendez (D) hopes the state's traditional Democratic tilt will carry him past hard-charging Tom Kean Jr. (R), they would need to grab two more Republican-held seats to gain a 51 to 49 edge. (An evenly split Senate would remain under GOP control because Vice President Cheney would break the tie).

In Virginia, Sen. George Allen (R) was cruising toward reelection until he referred to a Democratic worker of Indian descent as "macaca" at a campaign event, clumsily handled revelations of his Jewish heritage and seemingly lost his once-easy touch with Old Dominion voters. Democratic nominee James Webb is not a natural campaigner, Capitol Hill Democratic operatives acknowledge, but he has surged within striking distance of Allen in polls.

With two weeks to go, supporters hope Allen makes no more gaffes and can coax state voters to return to their habit of backing Republicans in federal elections.

"I think Allen has moved into a small but statistically valid lead," said Rep. Thomas M. Davis III (R-Va.), a close student of campaigns. "Allen needs to get his [conservative] base voters out, and he needs to not take another hit." A Virginia ballot initiative to ban same-sex marriage may bring social conservatives to the polls, Davis said, but it will do little for moderate Republicans who also are crucial to Allen's success.

In the race for an open seat in Tennessee, Republicans believe Bob Corker, the former mayor of Chattanooga, has turned his campaign around after replacing his campaign manager and is now more focused and aggressive. Democrats concede that Corker has cut into the lead of Rep. Harold E. Ford Jr. (D) but are counting on Ford's campaign skills to carry him through the final weeks.

Eight-term Rep. Jim Cooper (D-Tenn.), who lost a 1994 Senate bid and whose father was a Tennessee governor, said he has never seen anything to match the enthusiasm surrounding Ford, an African American from Memphis. A sold-out Oct. 19 prayer breakfast in Nashville that featured Ford "was the most exciting and successful political event I've ever been to in Tennessee," Cooper said.

Strategists see Missouri as perhaps the purest test of whether Republicans can overcome a strong Democratic headwind this year because there are few state-related factors or scandals affecting the contest. Neither Sen. James M. Talent (R) nor the challenger, state auditor Claire McCaskill (D), has been able to gain a clear advantage, and strategists on both sides anticipate a photo finish.

If Talent loses, "it will be because of the environment," one senior GOP strategist said. "If Corker loses [in Tennessee], you can point to some big strategic mistakes."

Until recently, almost no one on Capitol Hill was talking seriously of a possible Democratic Senate takeover, for several reasons. Open seats generally are easier for the opposition party to win, but this year, just one Republican incumbent, Majority Leader Bill Frist (Tenn.), is retiring. Geography is even more challenging. Democrats must win several races in Red America, where through most of Bush's presidency, Republicans have deepened their hold on elective offices, most notably in the South.

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This year, only two of the seven most vulnerable Republican Senate seats are in states carried by Sen. John F. Kerry in 2004: Rhode Island and Pennsylvania. The others -- Ohio, Montana, Missouri, Tennessee and Virginia -- were Bush states in 2000 and 2004.

"I don't think it was ever a map for taking back the majority," said one Democratic strategist, who declined to be identified in order to provide candid information about the campaigns. "But the very fact of it is, we get closer to winning the majority every single week."

Republicans depend in particular on the South for their Senate majority. They now hold 18 of the 22 Senate seats in the former Confederate states, a 14-seat advantage in that region alone. Republicans remain entrenched in the Deep South, but their advantages in upper South states are less strong, says Merle Black, a political science professor at Emory University and the co-author with his brother Earl Black of a series of books about Southern politics.

"What we see across the Deep South is a lot of Republican strength," he said. "Those upper South states are where Democrats can campaign effectively against Republicans. I wouldn't make them favorites, but if trends break in their favor, they could win both of those seats."

Santorum, seeking a third term, and Burns, trying for a fourth, have been in trouble for months. Chafee, who is such a maverick Republican that he did not support Bush for reelection in 2004, survived a difficult primary, but only with late help from the Republican National Committee and the National Republican Senatorial Committee. He now trails former state attorney general Sheldon Whitehouse (D) in a state that is overwhelmingly Democratic and strongly anti-Bush. His biggest hope lies in the unusually large number of undecided voters in a state where the Chafee name is well-regarded, said Jennifer Duffy, who tracks Senate races for the nonpartisan Cook Political Report.

DeWine always expected a tough reelection race because of the sour national mood and scandals in Ohio that have left Gov. Bob Taft (R) with an approval rating barely in double digits and Rep. Robert W. Ney (R) on his way to prison for his involvement in the scandal involving lobbyist Jack Abramoff. Ohio voters appear ready to take out their anger on the party that has controlled state politics since the early 1990s.

But DeWine's race has turned from a toss-up to one favoring his rival, Rep. Sherrod Brown, in a matter of weeks. Recent polls show Brown leading by seven to 14 percentage points. Republicans blame the Mark Foley scandal.

"The Foley thing had a more corrosive effect there than in other places," said one pessimistic GOP strategist. "Voters were softened to scandal."

Democrats: More Seats Coming Into Play (AP)

By David Espo

AP, October 22, 2006

Democrats hold solid leads for four of the six Republican seats they need to capture the Senate and about 10 of 15 required to win the House, according to officials in both parties. Numerous additional races remain highly competitive.

After two weeks of adverse publicity linked to the Mark Foley scandal, public and private polling suggested partial recovery for some endangered Republican incumbents, and senior party officials made a concerted effort to project confidence.

"By many measures, there are strong indications of a right-of-center base that is engaged and committed," party chairman Ken Mehlman said Friday in a memo written for public consumption.

The assertion was a response to independent polls that show disapproval of President Bush's policies, including on the Iraq war, and discontent with Congress have made Democrats more eager to vote on Nov. 7 than Republicans.

At the same time, Democrats said unexpected opportunities for gains keep coming their way — including House races in Minnesota, Idaho and Nevada — and they have the money needed to battle Republicans to the end.

"We have enough to play defense in the blue states and offense in the red states," said Sen. Chuck Schumer of New York, who heads the Democratic senatorial committee.

After months of stockpiling their millions, candidates and the parties are spending freely in the final days before Election Day.

The National Republican Congressional Committee has spent more than $3 million to hold the seat of Ohio Rep. Bob Ney. Ney, who recently pleaded guilty to corruption charges, has yet to resign, but is not seeking a new term.

The GOP has invested more than $8 million into the Philadelphia suburbs and a northeast Pennsylvania district, where Republican Reps. Michael Fitzpatrick, Curt Weldon, Jim Gerlach and Don Sherwood face strong challenges. Democrats have put in nearly $7 million.

In Connecticut, GOP Reps. Chris Shays, Nancy Johnson and Rob Simmons face difficult challenges, although Republicans hope that Sen. Joseph Lieberman's independent candidacy will help them.

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By contrast, Republicans have few opportunities to take away House or Senate seats belonging to Democrats. Georgia, where the GOP is aiming at two House seats, is one such case.

In the battle for the Senate, public and private polling shows Democratic challengers leading incumbents in Pennsylvania, Montana and Rhode Island as well as in Ohio, where the entire GOP ticket is struggling.

Officials who discussed the private surveys did so on condition of anonymity, saying they were not authorized to speak publicly.

Eager to offset likely losses, the National Republican Senatorial Committee has aired television commercials in New Jersey, hoping that Tom Kean Jr. can defeat Sen. Bob Menendez. Democrats countered quickly, with four times as much money.

Republicans apparently have not abandoned all hope in Michigan, either. President Bush is scheduled to campaign for challenger Mike Bouchard on Thursday. A party-financed television advertising campaign is possible, as well, aimed at toppling Democratic Sen. Debbie Stabenow.

Increasingly, though, officials in both parties said the battle for Senate control probably will come down to close races in Missouri, Tennessee and Virginia. All three are Republican-held seats where Democratic challengers have exceeded precampaign expectations.

Under most scenarios, Democrats would have to win two of the three to gain a majority.

In Tennessee, Republicans concede that Rep. Harold Ford has proved to be the most adept of the Democratic challengers this year. Democrats say Republican Bob Corker's campaign has been sharper and more effective since a staff shake-up this month.

Democrats in Missouri hope challenger Claire McCaskill will benefit from support for statewide initiatives on stem cell research and a higher minimum wage. She is running against Sen. Jim Talent.

The closeness of the Virginia race, where Jim Webb is taking on Sen. George Allen, is the biggest surprise of the campaign season. Like other Republicans, Allen has begun edging away from Bush's war policy. "The situation there is one that needs adjustments, that needs changes in tactics," he said Friday.

Many Republicans turned pessimistic about their party's chances of holding the House when the Foley scandal broke. The Florida congressman abruptly resigned on Sept. 29 after he was confronted with sexually explicit Internet messages he had written teenage male pages.

The House ethics committee is investigating, and Republicans are working to shift the campaign spotlight elsewhere.

"National security, border security, and the economy: these are the issues that matter most to the American people as we confront challenges domestically and abroad," House Majority Leader John Boehner, R-Ohio, advised fellow Republicans.

Despite Mehlman's efforts at reassurance, some candidates remain concerned. "The Republicans are a bit disillusioned," said Rep. Chris Chocola, struggling in his bid for a third term in Indiana.

The House Republicans in greatest danger of defeat include Reps. Charles Taylor of North Carolina and John Hostettler of Indiana, and Sherwood and Weldon of Pennsylvania, according to private polls. Of those incumbents, only Hostettler is not campaigning against a backdrop of scandal, either personal or political.

In addition, Democrats lead for open seats currently in Republican hands in Arizona, Colorado, Florida, Ohio and Texas.

The situation in Foley's former district is unpredictable. Foley's name is staying on the ballot and votes for him will be counted for replacement candidate Joe Negron.

Two members of the Republican leadership, Reps. Deborah Pryce of Ohio and Tom Reynolds of New York, have fought back from earlier deficits and made their races competitive, according to strategists.

Many other races remain competitive, judging from public polls and party spending.

Republicans in that category include Reps. Fitzpatrick, Gerlach and Melissa Hart in Pennsylvania; Clay Shaw in Florida; Mike Sodrel and Chocola in Indiana; Geoff Davis in Kentucky; Heather Wilson in New Mexico; Marilyn Musgrave in Colorado, Dave Reichert in Washington; Thelma Drake in Virginia; Steve Chabot in Ohio; and Gil Gutnecht in Minnesota.

Democrats also are mounting strong challenges for Republican-held open seats in Idaho, Illinois, Iowa, Minnesota and Wisconsin.

Relatively few Democratic-held seats appear in jeopardy.

Republicans have scaled back their initial target list, and continued to advertise against Reps. Jim Marshall and John Barrow in Georgia; Melissa Bean in Illinois; Leonard Boswell in Iowa; and in an open-seat race in Vermont.

Three States Could Swing Senate Control (LAT)

By Ronald Brownstein

The Los Angeles Times, October 22, 2006

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In Tennessee and two other closely contested races, candidates court disaffected GOP voters.

In his paint-splattered sweatshirt and battered baseball cap, Chris Foust stopped by on his lunch break last week to listen to Rep. Harold E. Ford Jr., the Democratic Senate nominee, at a downtown rally.

Foust, a soft-spoken regular churchgoer who worries about illegal immigration and opposes gay marriage, usually votes Republican and backed President Bush in 2004. But he's grown disillusioned with Bush, especially over the Iraq war. And after Ford finished his energetic speech at the noon rally, Foust decided to support him in next month's election.

"He seems like he's an honest guy," said Foust, who works for a commercial painting company. "He seems like he has a genuine concern for people."

Disenchanted, usually Republican-leaning voters like Foust may decide not only the tight Tennessee contest between Ford and Republican Bob Corker, but the battle for control of the Senate as well.

Two weeks before election day, odds are increasing that the Senate could turn on the results of close contests in Tennessee, Virginia and Missouri, three states along the border between the solidly Republican Deep South and Democratic terrain in the Northeast and industrial Midwest.

Each of these states presents a distinct political puzzle. But Democrats face the common challenge of attracting right-of-center voters like Foust who helped Bush carry all three states two years ago but have soured on the nation's direction since.

"No one is going to say these aren't tough states," said Democratic pollster Peter Brodnitz, who is advising Ford in Tennessee and Democratic Senate nominee Jim Webb in Virginia. "But voters are very hungry for change."

Still, finding enough disenchanted voters remains difficult for Democrats in the three states, largely because of enduring Republican strength in socially conservative small-town and rural communities. If Democrats fall short in their bid to recapture the Senate, these three states may be their Heartbreak Hill.

Trends across the Senate battlefield are moving the three states into their potentially pivotal role. Recent polls show Democrats consistently leading incumbent Republican senators in Pennsylvania, Ohio and Montana, and maintaining a more marginal edge in Rhode Island. In New Jersey, where Republicans have their best opportunity to capture a Democratic-held seat, most recent surveys show Sen. Robert Menendez reestablishing a narrow lead over his Republican challenger.

But even if all those states break for the Democrats, the party still would capture the Senate only if it won two of the three Republican seats in Tennessee, Missouri and Virginia. In a measure of the Democratic challenge, Republicans now hold all six of the three states' Senate seats.

This year, in Virginia, public polls generally show Republican Sen. George Allen narrowly leading Webb, who was Navy secretary under President Reagan; in Missouri, Republican Sen. Jim Talent and Democratic state Auditor Claire McCaskill trading the lead; and here, Ford, who represents a district in Memphis, edging Corker, the mayor of Chattanooga, for the seat of retiring Senate Majority Leader Bill Frist.

Of the three contests, Tennessee may combine the most fascinating ingredients. Ford is running against not only the recent history of Republican ascendancy across the South but the weight of history with a capital H: He is seeking to become the first African American senator from the South since Reconstruction.

Ford, who has served since age 26 in the House seat once held by his father, Harold E. Ford Sr., is also challenging liberal orthodoxy on more issues than probably any other major Democratic contender this year.

He embraces several familiar Democratic priorities, including raising the minimum wage and allowing Medicare to negotiate directly with pharmaceutical companies for lower drug prices. But he supports constitutional amendments to ban same-sex marriage and flag burning and to require a balanced budget, and says he would have voted against the bipartisan Senate immigration bill because he opposes any form of legalization for illegal immigrants.

And though he is bitingly critical of Bush's management of the Iraq war, Ford opposes any effort to legislate a timetable for withdrawing American troops. Instead, he urges the U.S. to push Iraqi leaders to divide the country into semi-autonomous Shiite, Sunni and Kurd regions.

More striking is Ford's unabashed emphasis on his religious faith. In his speeches, he quotes Scripture as frequently as other candidates quote government reports.

Last week he delivered remarks that sounded more like a sermon than a political speech before 700 people who overflowed a downtown Knoxville hotel ballroom for an interdenominational prayer breakfast, one in a series of such events he's hosting. He has even filmed a television ad in which he testifies to his religious conviction from inside a church.

Just 36 and imperially slim, Ford is a charismatic presence who attracts large, integrated crowds that cluster around him for photographs after his speeches.

He maintains punishing hours on the campaign trail, but it is still tempting to view Corker as the tortoise to Ford's hare.

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Corker, slight and 54, doesn't turn heads when he enters a room or attract such large audiences. But he projects an approachable competence and sincerity. "He seems a little more like a hometown kind of guy," said Aubrey Powers, a social worker, after attending a Corker appearance in Maryville, Tenn.

After shaking up his campaign staff this month, Corker is intensifying his effort to present himself as a bipartisan problem-solver.

But Corker also needs to consolidate the Republican base after defeating two more-conservative opponents in a bitter GOP primary this summer, and must stamp Ford as too liberal for the state.

The social issues that typically help Republicans in that effort have not cut as sharply for Corker. Though he now supports a ban on abortion, he did not earlier in his career; whereas the National Right to Life Committee has endorsed him, the Tennessee affiliate has not.

And though the National Rifle Assn., a potent political force here, has endorsed Corker and plans to tout him to its members, the group will not criticize Ford, who received a B grade from the organization, said Andrew Arulanandam, the NRA's public affairs director. That could amount to a major bullet-dodge for Ford.

In his ads and stump speeches, Corker stresses his Tennessee roots and his business experience. Meanwhile, his campaign and the National Republican Senatorial Committee have barraged Ford with personal attacks, portraying him as a slick career politician, condemning the "Ford Political Machine" and spotlighting his connections to Washington, where he spent most of his youth while his father served in Congress.

The attacks have reached a point where even Corker, in a rare move, on Friday publicly urged the Republican National Committee to withdraw a new ad that features a blond white woman — presumably an actress — cooing into the camera that she met Ford at a party sponsored by Playboy magazine.

Race is the great wild card in the contest. In Washington, many analysts believe Ford will draw fewer votes than polls suggest because of voters' unspoken reluctance to back an African American. In Tennessee, that assumption isn't as widely shared.

"I don't think his race is going to be a factor," Frank Griffith, a lifelong Republican, said after a Corker rally in the small southeast Tennessee town of Madisonville. "I've lived here my whole life and I see the same people supporting the Democratic candidate with bumper stickers just like any other candidate."

Griffith, a retired teacher, said Ford's greatest problem would be convincing conservatives in his rural community that he was not too liberal.

The same might be said for Jim Webb in Virginia and Claire McCaskill in Missouri. In the end, the challenges facing Ford revolve less around the issues unique to him because of his race than those he shares with the Democratic nominees in each of the three states that could determine which party controls the Senate next year.

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Guardedly, Democrats Are Daring To Believe (NYT)

By Adam Nagourney And Robin Toner

The New York Times, October 22, 2006

WASHINGTON, Oct. 21 — There is something unusual bubbling in Democratic political waters these days: optimism.

With each new delivery of bad news for Republicans — another Republican congressman under investigation, another Republican district conceded, another poll showing support for the Republican-controlled Congress collapsing — a party that has become so used to losing is considering, disbelievingly and with the requisite worry, the possibility that it could actually win in November.

“I’ve moved from optimistic to giddy,” said Gordon R. Fischer, a former chairman of the Iowa Democratic Party. “I really have.”

Representative Barney Frank, Democrat of Massachusetts, who is in line to become chairman of the Financial Services Committee in a Democratic House, offered wry evidence of the changing perception of the race. His office, Mr. Frank said, has been contacted by a portrait-painting firm offering to talk about possibilities for the traditional committee chairman’s painting, one of those perks of power long absent from the lives of House Democrats.

“I’ve acquired a lot of new friends this year,” Mr. Frank said. “And I haven’t gotten any nicer.”

For Democrats these days, life is one measure glee, one measure dread and one measure hubris. If they are as confident as they have been in a decade about regaining at least one house of Congress — and they are — it is a confidence tempered by the searing memories of being outmaneuvered, for three elections straight, by superior Republican organizing and financial strength, and by continued wariness about the political skills of President Bush’s senior adviser, Karl Rove.

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Mr. Rove has made it clear that he considers Democratic optimism unjustified, predicting that his party's cash advantage and get-out-the-vote expertise will dash Democratic dreams yet again. And Democrats say they welcome every passing dawn with relief, fearful that the next one will bring a development that could fundamentally alter the nature of the race, like the re-emergence of Osama bin Laden on election eve, which is what happened in 2004.

"I know a lot of people are in somersault land," Representative Rahm Emanuel, Democrat of Illinois and chairman of the Democratic Congressional Campaign Committee, said reproachfully of fellow Democrats. "I just don't have the liberty and freedom to do that."

Still, Democratic ebullience could be found in all corners of Washington over the past few days. It was palpable at social and work gatherings, where Democrats traded gossip about how big a Democratic majority in the House could be; in Capitol Hill conference rooms, where Democrats were preparing transition plans (under orders to keep them quiet); and in offices of Democratic strategists and pollsters, who were drawing up growing lists of Republicans who might be vulnerable.

"I feel better than I ever have," said Representative Louise M. Slaughter, a Democrat from upstate New York. "I think we have the best chance to take over simply because of the pileup of disasters."

Stanley B. Greenberg, who was the White House pollster for President Bill Clinton in 1994 when Republicans shocked Democrats by capturing the House, commissioned a poll recently and e-mailed it around town with a single-word headline: "Meltdown." In an interview, Mr. Greenberg said, "I don't see how we can lose the House; I don't think it's even close."

Ellen R. Malcolm, president of Emily's List, a Democratic women's network, and a longtime Democratic fund-raiser, said Democratic trepidations were beginning to melt away with each passing news cycle. "People are getting more encouraged by the day," Ms. Malcolm said. "Every poll that comes in seems to be better than the one before."

Representative Nancy Pelosi, Democrat of California, who is in line to become speaker if her party wins the House, has put out the word that no one should be talking with too much certainty or detail about the days after Nov. 7. But even Ms. Pelosi has slipped on occasion. In a recent interview with The Associated Press, when asked which suite of offices she would use as speaker, she said with a laugh, "I'll have any suite I want."

The change in mood, and evidence of Democratic strength in the polls and in fund-raising, is feeding some crucial deliberations by Democratic leaders as the discussion in some quarters goes from whether Democrats can win to how large a margin the party can gain.

Democratic candidates in districts that had been considered long shots are now pleading with Mr. Emanuel's committee to send money their way. And some leading Democrats, among them Mr. Greenberg, are urging Mr. Emanuel to seize the moment by expanding the field in which Democrats are competing, saying the party has a chance to cement a big lead in the House in November.

This argument has worried some Democratic strategists, who warn that overconfidence could press party leaders into making decisions that may siphon resources from closely fought races and risk the Democrats' advantage. "On the House side, it makes sense to be focusing on 25 seats to win 14, not 50," said Steve Rosenthal, a political and labor consultant with close ties to the party, who described many Democrats as "overenthused."

"If we had unlimited resources it would be different," Mr. Rosenthal said. "But we have to be careful."

Mr. Emanuel said he was polling to see where the party might move next. But he said that barring some last-minute infusion of money, he was considering a relatively limited increase in the number of seats where Democrats would spend. In the past week, Democrats have expanded their field to just over 40 races from about 35, running advertisements against Republicans they consider newly vulnerable in Florida, Minnesota, Nevada, upstate New York and Washington State.

Some Democrats have expressed apprehension that this exuberance may be irrational, or at least premature, and are counseling restraint. Part of that is tactical: Democrats are trying not to help the Republican Party as it works to turn out its conservative base by presenting apocalyptic visions of a Congress led by liberals like Mr. Frank, Ms. Pelosi and Representative Charles B. Rangel of New York.

Part of the Democrats' queasiness stems from painful familiarity with Mr. Rove's record of success, and from their own recognition that they hold only slim leads in many races and could yet fall victim to an assertive and sophisticated Republican turnout operation.

"I'm a little concerned that we are spending all our time talking about what our agenda will be in January rather than how we are going to get our votes out in early November," said Chris Redfern, chairman of the Ohio Democratic Party.

Some of that concern is about the long-term psychic damage the party's rank-and-file may suffer if Democrats collapse at the finish line again. "We've all had these disappointments that contain our enthusiasm as we look to the last few weeks of this race," said Tom Daschle, the Senate Democratic leader defeated in 2004.

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Steve Elmendorf, a Democratic strategist who advised the presidential campaign of Senator John Kerry of Massachusetts, said: “We all sat around in 2004 and looked at exit polls that said John Kerry was going to be president. And that was wrong. We’ve been up this hill before.”

To win the House, Democrats must capture 15 seats. Of the 40 or so they see in play, at most 5 are held by Democrats, strategists for both sides say.

The prospects for a Democratic takeover in the Senate, where the party needs six seats, are tougher. Republicans say four of their incumbents are in serious danger of losing — in Montana, Ohio, Pennsylvania and Rhode Island — and are trying to build a firewall by pouring most of their resources into Senate races in Missouri, Tennessee and Virginia, where polls show the contests even.

Senator Charles E. Schumer of New York, chairman of the Democratic Senatorial Campaign Committee, said his committee, which has consistently out-raised its Republican counterpart this year, had more than enough money to compete with the Republicans in those states. Mr. Schumer said he was holding back some resources in case Republicans made an unexpected move in the final days of the campaign.

“They keep trying to pull rabbits out of the hat, but none of them come out,” he said. “But we are holding some money in abeyance for some kind of October surprise.”

While there may be a price to overconfidence, in a sense of complacency at some campaign headquarters, there are advantages at the grass-roots level, where it can fuel the excitement that Democrats hope will result in significant gains on Nov. 7. Republicans face the flip side of this problem, with the prospect that their voters, discouraged by the party’s travails, will stay home.

All this has put Democrats in an unfamiliar place, but one they seem to be enjoying. “I’m a congenital pessimist,” said Howard Wolfson, a consultant advising Democrats in several competitive contests in upstate New York. “But I’m as bullish on our chances as I have been at any time over the last 12 years.”

Fighting For The Spoils (WP)

By Steve Hendrix

The Washington Post, October 22, 2006

Lawmaker and Rainmaker Rahm Emanuel Wants a Nov. 7 Victory For the Democrats So Bad He Can Almost Taste It. If Only He Had Time to Eat.

CHICAGO

This must be how Machiavelli ate his corned beef sandwiches.

Sitting in a South Side deli, Rahm Emanuel doesn't so much eat his lunch as overwhelm it with two hands and a hard stare. It's a combat glower familiar to the political opponents, reluctant donors and more than a few allies who have encountered the White House fixer-turned-Democratic-congressman in his still-young career. By most accounts, they usually didn't fare much better than the sandwich.

"There's no clean way to do this," Emanuel says, not quite clearly, through a garble of onion roll.

They heap the plates high at Manny's, an old-guard cafeteria popular with cops and pols. But within minutes, the football-size loaf of sliced meat and mustard is gone. Emanuel wipes his hands and picks up the BlackBerry that has been buzzing every 40 seconds or so on the Formica tabletop.

"God, I always eat it too fast," he mutters as he checks an e-mail. What follows is either a soft belch or a pfitz of surprise at some new poll results from Ohio.

Charging toward the biggest election day of his career, Emanuel, the 47-year-old chairman of the Democratic Congressional Campaign Committee, doesn't have much time for niceties.

Or, sometimes, even food. He's lost 14 pounds as the whirl of wheedling donors and lashing candidates to meet their fundraising targets has reached hurricane status in recent weeks. (It had been at least a year since he'd indulged his taste for Manny's corned beef.) He's always been slight, but his collar now gaps a bit at the neck; his cheeks, always lean, are now almost skeletal under the graying runner's buzz cut and the basset-hound eyes. He rubs his jaw (and you notice that he's missing a finger; he lost one to a boyhood infection). He admits he's not sleeping well.

"He's driving himself to exhaustion," says Paul Begala, a friend and political compatriot since they both served on Bill Clinton's first presidential campaign and afterward in the White House. "He's like Lyndon Johnson, who finished almost every campaign in a hospital bed. As someone from Texas, I don't make that comparison lightly, but Rahm just may be our skinny, nine-fingered, Jewish, Chicago version of LBJ."

Whether that's a fair comparison may be clear soon. If, as historians say, Johnson began his conquest of Capitol Hill with the political chits he collected as a young and triumphant chairman of the Senate campaign committee, what does next month

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promise for Rahm Emanuel? As the member of Congress responsible for recruiting candidates for House races, raising money and vetting strategy for dozens of districts, he's received raves from campaign connoisseurs in Washington for running a taut committee. Notably, he's nearly closed the perennial cash-on-hand gap between his team -- with $36 million in the bank at the end of September -- and its GOP counterpart. He's fielded credible candidates in districts no one had expected to be in play a year ago. And he's generally been flogging the party like a never-satisfied CEO.

"He has been an amazing success any way you look at it," says congressional scholar Thomas Mann of the Brookings Institution. "I think it's the best operation of any chairman of either party in several years."

If Democrats do take the House -- they need to gain 15 seats to do so -- Emanuel, in only his second term in Congress, stands to claim considerable credit for ending a 12-year electoral drought. That's the kind of triumph Johnson rode to the top of the Senate.

But if they don't . . .

"If they don't win, it will be seen as a colossal failure," says Mann. "Rahm will be devastated."Expectations Are High

In fact, Emanuel may have already fumbled the game of expectations -- they are wickedly high. With President Bush's approval ratings lodged at car-salesman levels, scandals going off like cluster bombs within the Republican caucus, and a general throw-the-bums-out restiveness in the land, even a near-miss by House Democrats will be seen as the greatest electoral choke since Dewey Didn't Defeat Truman after all. Commentators from George F. Will to James Carville have already laid down rhetorical markers: An opposition party unable to capture the House in this environment should find a purpose other than electoral politics. Selling Herbalife, maybe.

And Emanuel knows that some Democrats would find time during their grief for a small smile at his expense. Such is the "Rahmbo" style that his sizzling passage through the campaign has left scorch marks on some colleagues. Among the singed: Democratic National Committee Chairman Howard Dean, with whom Emanuel has tangled over spending priorities; several liberal would-be candidates who say they were steamrollered by Emanuel in favor of more centrist challengers; and some members of the Congressional Black Caucus who went to House Minority Leader Nancy Pelosi this year with complaints about Emanuel's abrasive style and his increasing demands for them to raise money for the DCCC.

"Well, I never said Rahm was a diplomat who spends a lot of time schmoozing," says Pelosi, who picked Emanuel last year to run the campaign. She tapped him over more senior lawmakers, she says, because she knew he'd be "coldblooded enough" to push the party relentlessly. And to those who came to have their feathers unruffled, she says she made it clear that Emanuel has her full support. "I said to them: 'We're here to win this election. What is this conversation about?' I don't think we can be better served than by having Rahm at the DCCC."

"He's abrupt with me all the time," she adds with a laugh. "I call him the Field Marshal."A Man for Changing Times

But to some observers of Chicago politics, Emanuel is less field marshal than Marshall Field (recalling the upscale department store that catered to the city's affluent classes). Emanuel was born in Chicago in 1959, the son of a doctor, and grew up in the decidedly non-working-class northern suburb of Wilmette. He's a graduate of the tony New Trier High School and a onetime ballet prodigy who was offered a scholarship with the Joffrey. A triathlete with a degree from Sarah Lawrence College, a master's in communications from Northwestern and a love of taking his children to modern dance concerts, Emanuel doesn't easily fit the stogie-gnawing stereotype of the old Chicago pol.

Nor did he serve the usual ward apprenticeships in the vaunted Democratic machine. Rather, after working as a fundraiser in various campaigns, Emanuel came fully of age politically with Clinton in Washington. He had never sought elected office before running for the House of Representatives in 2002. In particular, Emanuel knew he would be an odd successor for the working-class Polish and Catholic precincts of District 5, which stretches from the lakefront to the Cook County line. "The previous congressmen from my district were named Rostenkowski, Annunzio and Blagojevich," he says. "Then along comes Rahm Israel Emanuel? C'mon, how does that fit?"

But this is a changing Chicago. In front of Manny's, a police Segway is chained to a street sign as the officer eats his pastrami inside. The warehouse across the street is being converted into a Best Buy. And politics, too, has gotten a makeover.

"Rahm is part of the young breed that people call the new Chicago machine," says Don Rose, a longtime liberal activist who worked for Mayors Jane Byrne and Harold Washington. "They're not 'dem' and 'dose' politicians. They know the difference between red wine and white wine. They're not driven by ideology, and they play to win."

They all play to win, those Emanuel boys. Rahm is the middle son of three. His big brother, Ezekiel, is a Harvard oncologist and bioethicist. Younger brother Ari is a high-flying agent in Los Angeles. He made news recently as the only major agent to publicly call for an industrywide shunning of Mel Gibson following the actor's drunken, anti-Semitic tirade. Their baby sister, Shoshana, is a student.

Yes, the folks are mighty proud, Rahm says. How many mothers have two children who have partly inspired TV characters (Josh Lyman on "The West Wing" for Rahm, Ari Gold on "Entourage" for Ari)?

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"People ask me what my mother put in the soup," says Ari, who talks with Rahm two or three times a day. "I wish I knew. I have three boys of my own."

Their father is a Jerusalem-born pediatrician who came to the United States after working for the pre-independence Israeli underground. In Chicago, he met Emanuel's mother, an X-ray technician and daughter of a local union organizer who ended up in more than one paddy wagon as a protester in the 1960s. "Politics and the civil rights movement were very much a part of our family life," says Ezekiel. "We went on Martin Luther King's march on Cicero with my mom."

When Rahm was 17, he cut his finger on a meat slicer at Arby's, where he worked a summer job. It became infected, the infection spread to the bone, and a cut grew into a potentially life-threatening condition. Doctors eventually amputated the finger, and Emanuel spent eight weeks in the hospital. He says the experience made him more focused for college and beyond.

"He blames me for ending up at Sarah Lawrence," says Ezekiel, who thought a small Eastern college would suit his brother better than a big school. "But he loved it. He loved being around all those women."

The young Rahm wasn't particularly political. That passion emerged during college when he starting working with the advocacy group Common Cause. Later, he landed on a few campaigns, including Paul Simon's successful first Senate race in 1984. Almost immediately Emanuel proved a peerless fundraiser. Richard M. Daley hired him to dial up dollars for his successful mayoral run in 1989. Two years later, Emanuel got a job in the soon-to-be-legendary "War Room" of Clinton's upstart presidential campaign in Little Rock.

"With the exception of the candidate and his wife, Rahm may have been the only indispensable person in that campaign," says Begala, who credits Emanuel with keeping the money flowing during the Gennifer Flowers unpleasantness. "He was a force of nature."

He stayed with Clinton through most of two terms. Early on, though, his hard-charging style riled as many allies -- in both the White House and the Capitol -- as opponents. In 1993, he was fired as political director, reportedly at the urging of first lady Hillary Rodham Clinton. But he stayed on as a senior adviser to redeem himself, with both Clintons, by successfully spearheading some of their diciest legislative ambitions, including NAFTA and the assault weapons ban.

Those initiatives passed, and along the way Emanuel's wonkier self bloomed like a thousand white papers. He talks fluidly about 401(k) regulations and dependent health coverage and universal college tuition. With fellow Clinton alum Bruce Reed, he recently wrote a book, "The Plan," an election-year wish list of New Democrat policy proposals.

"He's a great strategist, but I actually think he cares more about the policy side of it," says Illinois Sen. Barack Obama, who is close to Emanuel and is campaigning with him for several DCCC candidates in the final weeks. "He likes to talk tough, but deep under that crusty exterior is someone who believes that government can make a difference in people's lives."

But Emanuel's devotion to, say, tax reform may never overtake his rep for grenade-launcher etiquette. His spat with Howard Dean, for example, went publicly profane.

"Rahm and I have certainly had our disagreements," Dean says by e-mail. "But the bottom line is we both want to win."

Even within the White House, few were safe from his instinct for showstopping vulgarity. He once marched up to the newly elected Tony Blair in the Oval Office, where he and Clinton were preparing to go out for their first joint appearance. "This is important," Emanuel said to the British prime minister. "Don't [foul] it up."

"Blair looked pretty shocked before he started laughing," says Begala, who was there. "They are a little more formal in Britain than they are in Chicago."Back in the Game

Toward the end of Clinton's second term, Emanuel and his wife, Amy Rule, a Wharton MBA, and the first of their three children moved back to Chicago with the express purpose of making some serious money. In 1999, without any previous experience, Emanuel joined the investment bank of Democratic donor Bruce Wasserstein. Within two years, thanks in part to the bank's being sold, Emanuel had made about $18 million, enough to get back into the game without worrying about his family's finances.

"Rahm was always going to go back into politics," says Ezekiel. "That was the whole point of going into investment banking, to earn a nest egg."

It was Da Mayor himself who first suggested that Emanuel run for the open North Side congressional seat in 2002.

"I told him he was crazy," Emanuel says. "But then I did a poll, and it actually looked like I had a shot."

With the Daley cogs turning on his behalf, Emanuel edged out a Polish American state legislator in the primary and went on to win the general election. It's a safe seat now -- he's not even running ads this year -- but he speaks with pride of the street-level fight he waged the first time.

"I walked a hundred precincts during that campaign," he says. "I stood in front of every grocery in my district seven times."

Emanuel keeps in regular contact with his City Hall patron. And some say he has brought LaSalle Street sensibilities to his House job, particularly those who have been on the wrong side of his DCCC machine. He hasn't hesitated to muscle aside liberal candidates in favor of ones he thought could go toe-to-toe with Republicans on security and social issues. He recruited several

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Iraq war veterans and found sheriffs to run in both Washington state and Indiana. He persuaded Heath Shuler, a former Redskins quarterback and an antiabortion Democrat, to run in North Carolina. (Shuler has said Emanuel's five-calls-a-day pushiness was worse than any college recruiter's.)

In one move that Rose calls a "classic Chicago power play," Emanuel pushed Tammy Duckworth, a political newcomer who lost both legs as an Army helicopter pilot in Iraq, to run in the congressional district of retiring Illinois Republican Henry Hyde. That didn't sit well with supporters of Christine Cegelis, a technology consultant who had scored a surprise 44 percent against Hyde in 2002. Her supporters say the DCCC effectively starved the antiwar Cegelis of money and support in favor of Duckworth, who calls the war "a mistake" but calls for more aggressive training of Iraqi forces before pulling out U.S. troops.

"There was a lot of frustration on the ground, trying to figure why the national Democratic Party was trying to squash a strong local movement like this," says Kevin Spidel, a founder of Progressive Democrats of America who managed the Cegelis campaign. "It generated a lot of volunteers for us. We were outspent 4 to 1 and came close to beating Rahm Emanuel and his Washington machine."Out of the Wilderness

Asked if he ever has regrets about his hardball habits, Emanuel stares into his glass of tea for a long moment.

"Look, you're never as tough as they say you are," he says finally.

But the self-reflection lasts only as long as it takes for him to remember the tactics of the other side.

"They call Tammy Duckworth a cut-and-runner when she left two legs in Iraq?" he shouts, jabbing a finger in the air, drawing stares from around the deli. "How dare they! I'm going to give them the medicine that they've been giving out. That's what shocks them."

If Duckworth wins, along with enough of Emanuel's other candidates to deliver the House into Democratic hands, it's easy to predict that all the hard feelings within the party will be quickly swept away by the shouts of hallelujah. And Rahm Emanuel, with a month to go before his 48th birthday and less than five years of seniority on the Hill, will be basking in acclaim for helping to lead his long-suffering party from the backbencher wilderness to the Promised Land of majority.

Just what is the proper reward for an electoral Moses? Plum committee assignments? (He already has a coveted seat on the Ways and Means Committee.) A leadership post? Leapfrogging to a chairmanship?

"How about the great honor of serving as the chairman of the DCCC?" says Pelosi. "Honestly, we've never even had a conversation about that."

Emanuel refuses to muse, publicly at least, on how a good Nov. 7 could boost his career. Or whether that career is likely to be on Capitol Hill, in Springfield or up at City Hall. For now, he's consumed only with the race.

"I don't even want to talk about that," he says, tapping his BlackBerry on Manny's Formica. "Call me on November 8th. We'll talk about it then."

GOP Seeks To Get Back On Message (WT)

By Amy Fagan

The Washington Times, October 22, 2006

Republican House candidates still feel some heat from the revelation that Rep. Mark Foley sent inappropriate and sometimes lurid Internet messages to teenage boys, but party leaders insist they are starting to get their message out again to voters.

"The Foley matter has become absolutely quiet in the vast majority of House races, as voters have been able to separate the actions of one member from his party," said Jonathan Collegio of the National Republican Congressional Committee (NRCC). "In most races, voters say it will have no impact on their decision."

The Foley scandal and the ensuing criticism of how Republicans responded or failed to prevent it dominated campaign coverage. The unfolding story buried the party's message and damaged some incumbents' re-election chances Nov. 7, when Democrats seek to eke out control of the House or Senate.

"This is just one more in a chain of scandals that are convincing people that the Republicans' power should not be continued," Democratic pollster Mark Mellman said.

"The impact that this had sort of sucked the oxygen out of our ability to talk about the message. That's not where you want to be a month to three weeks out," one Republican operative said, referring to the press blitz after the story broke Sept. 28.

Mr. Foley, Florida Republican, resigned from Congress the following day, after sexually explicit computer messages he sent to current and former congressional pages, all teenage males, became public.

The Republican operative, who asked not to be identified, said the negative fallout faded in recent days. Last week, even as the House ethics panel continued investigating the matter, Republican leaders touted tax, energy and anti-terrorism policies.

House Majority Leader John A. Boehner, Ohio Republican, said in an Oct. 16 memo that the party is "back on offense" after it was sidetracked addressing Mr. Foley's "despicable conduct."

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However, the damage may have been done.

House Republicans already were in a tough battle to retain their majority, with voters expressing frustration over the Iraq war, the Bush administration's response to Hurricane Katrina and other party members who left Congress this year under ethical clouds.

"What the Foley scandal did, wrapped up all in one, was it took the Republicans off message, hurt the leadership, dominated the news and certainly tipped the balance in favor of Democrats," independent pollster John Zogby said.

An NBC/Wall Street Journal poll last week found that 75 percent of those surveyed disapprove of the job Congress is doing, a 10 percent increase from mid-September. It also found that 47 percent are less favorable of Republican control after the events of recent weeks.

The scandal had a real effect in some races, including those of Rep. Thomas M. Reynolds of New York, who is chairman of the NRCC, and Rep. Deborah Pryce of Ohio.

Mr. Reynolds faced sagging polls and ran an ad apologizing for the scandal. He said he first learned of complaints about Mr. Foley last year from Rep. Rodney Alexander, Louisiana Republican and the sponsor of a page who received e-mails from Mr. Foley.

But Mr. Reynolds has been criticized for not doing more than telling House Speaker J. Dennis Hastert, Illinois Republican, about the complaints.

Survey USA showed Mr. Reynolds trailing by five points in the days after the scandal broke, but showed him up by three points in a poll taken Oct. 16-18.

Mrs. Pryce, chairwoman of the House Republican Conference and a friend of Mr. Foley's, lagged well behind her Democratic opponent in a poll taken Oct. 8-10. However, Pryce campaign spokesman George Rasley said it was "a temporary blip in the polls" and "we're back to where we were before," with a neck-and-neck race.

Democratic National Committee spokeswoman Stacey Paxton said the fact that a leader such as Mr. Reynolds is "fighting for his political life" proves that the Foley scandal is having an affect nationwide. Republican pollster Jon McHenry, though, said Democrats failed to nationalize the Foley issue by explaining how they would provide better leadership.

"Once again, Democrats seem to have not taken advantage of some clear momentum," Mr. McHenry said.

How Foley Skirted Rules To Pursue Relationships (WP)

By Amy Goldstein And Elizabeth Williamson

The Washington Post, October 22, 2006

Former Pages Describe Lawmaker's Advances

They met on the House floor. He was a 16-year-old political junkie, dressed in the drab navy blazer and gray slacks of a congressional page, rushing phone messages to the members he served. Rep. Mark Foley was tanned and charismatic, a successful politician in his mid-40s willing to joke with him between votes.

They talked perhaps a dozen times. Then at his page graduation ceremony that June, in 2002, he was excited when Foley appeared, uninvited, and dictated his personal e-mail address for the boy to jot in his memory book. "I started contacting him right away," the young man recalled. "I knew a congressman that I . . . talked to online. That was pretty cool."

The messages were innocent at first. But after the young man moved home, he recalled, Foley started asking about "my roommates, if I ever saw them naked." Within months, the congressman was dangling a job offer, "because I was a hot boy," he said. Two years later, when he contacted Foley for advice on D.C. hotels, the congressman wrote back: "You could always stay at my place. I'm always here, I'm always lonely, and I'm always up for oral sex."

The experience of the young man, now 22, who agreed to recount his interactions with Foley on the condition of anonymity, was characteristic of the way the six-term House member pursued the online relationships that, once revealed, forced him to resign from Congress late last month. No one interviewed for this article could cite any instance in which Foley had sex with a former page. Foley's lawyer, David Roth, declined to comment for this story.

Interviews with nearly three dozen former pages suggest that the Florida Republican befriended a wide circle of teenagers during their stints as House pages. Then, shortly before they left or soon afterward, he singled out certain boys to write to -- including four newly confirmed by The Washington Post, in addition to former page Jordan Edmund and one other whose illicit online conversations with Foley ended the congressman's career. Some of the correspondence was brief and casual. But over months or years, if a boy seemed willing to go along, some conversations grew more sexual.

The FBI and Florida officials are conducting criminal investigations into Foley's dealings with former pages.

Foley was able to operate unimpeded for years -- forming the friendships with pages that would be the seeds of online relationships later on -- in spite of rigorous supervision of the teenagers in the congressional page program and a "zero-tolerance" policy for pages and adults who broke its rules.

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Based on the interviews with pages, who spanned most of Foley's dozen years in the House -- and interviews with parents and former program employees -- the congressman's behavior went unchecked because he operated within accepted norms of the program's culture.

Although many pages regarded Foley as the House's friendliest member, his interactions with boys before they graduated often did not stray far beyond those of several other members of Congress each year who were known by the pages to take a caring interest in this corps of teenagers, most living away from home for the first time.

Foley also operated in an atmosphere in which male pages were able more easily than females to develop mentoring relationships with the male members of Congress, who account for nearly 9 in 10 members of the House.

Most of all, his interest in the boys coincided with the ambitions of many of the teenagers, who craved contact with members in hopes of fostering political careers of their own.

"I didn't want to piss off a member of an institution that I really revered," said a former Republican page from 2002, who said that, shortly after he finished the program, he exchanged a handful of messages with Foley over two months and that they gradually became sexual. He played along, then slowed his responses until Foley took the hint and stopped. He never considered reporting Foley to authorities. "I figured maybe someday I will want to be involved in Congress," he said. "I didn't want to make an enemy."

Besides, he said, "it was embarrassing."Overly Friendly

One evening early in the spring of 2000, a half-dozen pages -- three girls and three boys -- went to supper at Hawk 'n' Dove, a Capitol Hill pub. One boy had mentioned to Foley that they would be there, but no one expected that a congressman would show up.

Between House votes that night, Foley walked in. "It was the craziest thing. He ate wings off everybody's plate," recalled Rebecca Hoffman, a Democratic page who was there. He shot billiards with them, another page recalled.

"We were just absolutely shocked," said Hoffman, now 23. "We went back and told all our friends, 'You won't believe what happened.' "

Though Foley's willingness to socialize with pages stood out, their world granted them rare proximity to political power.

The page program is as old as the republic. Today, pages are all high school juniors and must be at least 16, and they typically work on Capitol Hill and take classes for an entire school year. They are the only people other than House members allowed entree to certain corridors, rooms and chambers in the Capitol, including the floor of the House.

Pages are taught to speak to a member only when spoken to. But those with plum assignments, in the Republican and Democratic cloakrooms or on the floor itself, find opportunities to talk with a few members who are particularly receptive.

"There's something that really feels good about getting to hang out with people who are powerful and well known," said Michael Buck, who was a Republican-sponsored page from Maryland's Eastern Shore in 1999-2000 and now is a teacher in the Mississippi Delta.

"You have your select group of people you become certain friends with," said Ray Lahoud, a law student who was a page in 1999-2000, referring to members of Congress. "They were sort of your mentors. They replaced your parents. . . . Mark Foley was one of those people who was always . . . talking to us. He knew us all by name."

Jacob Kosoff, a cloakroom page in 1997-98, remembers looking out a Capitol doorway one warm spring day and noticing Foley arriving on his bicycle below. He sprinted down a marble staircase, zipped through a metal detector and arrived on the House floor in time to catch the congressman. "Oh wow, you cycle to votes. That's cool," Kosoff recalls telling him.

Foley liked the attention. "He could not only tell you every time he was in a picture in the New York Times, but where he was in the photo," said one man who worked with him in Congress. "He thrived on the adoration of the people in the room. And here was a group of people who gave it unhesitatingly."

"I remember him riding by in his Bimmer and talking about all the cars he got and going down to Florida to take out his yacht," said Kristopher Hart, a page in 1999-2000 who went on to George Washington University and now runs a day spa near the campus. "He was like a little bit of a showman, but he was a great guy."

Shortly before the end of his page year, Hart said, he somehow obtained the online name Foley used for instant messages, MAF54. "We talked on IM just a couple of times. . . . It would be pretty cool to write and say, 'Are you in Congress or are you in Florida?' " They wrote sporadically through Hart's freshman year of college. "He never crossed the line."

At times, Foley seemed to speak suggestively to boys before they left the program. A female former page remembers becoming uneasy one day in 2000 as she watched him talk "a little too much" on the House floor to a boy she knew. Right afterward, she asked what Foley had said. The boy, she recalled, told her Foley had admired the page's "very big hands" and boasted about his "glorious" home in Florida. The boy added: "Eighteen. Eighteen's that magic number." The girl was appalled at what seemed to her to be a come-on that the boy did not fully understand.

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After their graduation a few months later, she said, another male page told her that he and Foley were exchanging e-mails and that the congressman had asked him to mail a picture of himself to Foley's Washington house.

The Republican page from 2002, who exchanged instant messages with Foley for two months, said the first one arrived just before the start of his senior year of high school. He found the message when he logged on to his family's computer after dinner one night. At first, he assumed it was a prank by another page pretending to be the congressman. "It was a friendly conversation that got strange," said the young man, now 21. In one, Foley asked whether his roommates had worn "no boxers or briefs to bed."

The young man said he did not immediately realize that the messages might be a solicitation. Catholic, conservative and from a small town, the former page said he had never known anyone who was gay. By early fall, Foley offered to write a college recommendation. By then, the young man said, "I just wanted the association with him not to be there."

Foley never asked to meet him, he said. "I think in my case, it was him just fantasizing," he said.

The self-described political junkie who received Foley's message about oral sex said his parents were standing next to him at graduation in 2002 when the congressman offered his address. Foley's online overtures "put the ball always in the page's court," he said. "I would have had to make the move."

Although he was only 17 at the time, he said, "if we actually would have met in person, I think he would have tried something. There's no doubt in my mind."Selective Vigilance

The dormitory where the pages live, for the past few years a renovated convent three blocks southeast of the Capitol, has bulletproof glass in the entryway, a metal detector and two armed Capitol Police officers around the clock. Pages must sign out with at least one other page every time they leave the building.

The stringent rules are the legacy of a sex scandal in 1983, when two male members of Congress were censured for having sexual relations with pages, a girl and a boy, in 1980 and 1973.

The weekend new pages arrive, they gather Sunday afternoon on the House floor to learn their duties and the rules. "This is a different world of important adults, important people making important decisions," Donnald K. Anderson, a former House clerk and an emeritus member of the Page Board, said he always tells the teenagers that day. "If something or somebody is bothering you, don't suffer in silence."

There is to be no smoking, no drinking or drugs, no sex. Students who are one minute late on their lights-out curfew get demerits that lead to being grounded.

Most students follow the rules. Pages who violate any of the major rules are ordered to leave.

In 2001-02, nearly a dozen pages were sent home, including four who had written a song with homophobic lyrics that mocked a gay staff member of the page dormitory.

"You were on the next plane home," said Matthew J. Frattali, who worked as a tutor in the page school for two years until he, too, was ordered to leave for having falsely recorded that a group of students was in study hall when he actually had let them go out to celebrate a birthday.

However, Frattali and former pages said the rules were looser when members of Congress were involved.

And the program's staff, even if they had known of a problem involving Foley or any other member, could not have simply invoked their zero-tolerance policy.

"One is sort of a page transgression," Frattali said. "One is a member transgression. You can't put a member on a plane and send him home."

Since the 1983 page scandal, the program has put an emphasis on discouraging interaction between female pages and male lawmakers and staff, without similar sensitivities about male lawmakers and male pages.

One female page remembers that she was chastised several years ago -- and a Republican House leadership aide was threatened with firing -- after she met with the aide after work one day in his office, with the door open, to talk about the Bible.

It struck her as unfair. She was one of many girls who watched enviously as Foley surrounded himself with male pages on the House floor.

On June 10, 2000, the last night in Washington for the page class that year, Foley parked his BMW at the edge of the park across from the old page dorm, since torn down.

A few pages noticed him, Michael Buck remembers, and ran to see him. "He was outside in his convertible, hanging out and telling us goodbye."

Research editor Alice Crites, staff researcher Madonna Lebling and staff writer James V. Grimaldi contributed to this report.

Democrats Play Up Candidates' Service (NYT)

By Monica Davey

The New York Times, October 22, 2006

DOJ_NMG_0084733

GLEN ELLYN, Ill. — As she campaigns for Congress in the suburbs of Chicago, Tammy Duckworth, a Democrat and an Iraq veteran, speaks with chilling conviction about the war.

Iraq was a big mistake, Ms. Duckworth says as she walks among voters on two artificial legs. Millions of dollars have been wasted there. Soldiers were being served costly steak and lobster on Sunday nights even as they were not given body armor they needed.

Though Ms. Duckworth is a political novice, her service and sacrifice (she lost her legs when a grenade hit her helicopter) have allowed her to speak her mind in a district once seen as downright hostile toward Democrats, having sent a Republican to Congress for 32 years.

Around the nation, a handful of military veterans like Ms. Duckworth have emerged as competitive Democratic candidates for Congress. For a party that has struggled against a perception that Republicans are stronger on matters of terrorism and national security, the veterans have been a powerful antidote: a group that inherently carries credibility with voters on issues like Iraq.

With only about a quarter of the members of Congress having served in the military, the fewest in recent decades, many voters say such experience matters.

"She was there," said Barb Bauler, who recently met Ms. Duckworth as the candidate served fruit salad at a retirees' club. "That is the bravest thing of all."

Tears creeping up in her eyes, Ms. Bauler pulled out a photograph of her daughter Kathleen to show Ms. Duckworth, telling her that Kathleen, a doctor in the Army, was to be deployed soon.

"Tell her to wear her gear," said Ms. Duckworth, who then reached over for a hug.

Some 60 former service members are challengers for the House or the Senate as Democrats, including a half-dozen who served in Iraq. The Democrats are not shy about military résumés. Among their promotions is a "Fighting Dems" Web site bearing the subtitle, "Back from the front lines, headed to Congress."

Polls show Ms. Duckworth and her Republican opponent, Peter J. Roskam, locked in a competitive contest. About half a dozen other races with veterans running as Democrats in places like Kentucky, Pennsylvania and Virginia are also seen as competitive, meaning the veterans could help tip the balance of power in Congress if they do well.

Many of the other veterans running as Democrats, though, are unlikely to be headed to Congress this season, analysts say, and a few complain that the party remembers them for promotions, but forgets them when it comes to money.

The Republicans have 41 challengers with military experience making bids for the House or the Senate, two of them Iraq veterans, but the party has not publicly focused as much on that group's service.

"A candidate's biography is hardly the sole indicator as to how people choose to vote," said Tracey Schmitt, a Republican National Committee spokeswoman. "Americans are going to take a long, hard look at where each individual stands on the issues that matter to them, whether it's national security or the economy."

Here, the war credentials of Ms. Duckworth have become particularly potent in part because of the visible wounds she received in Iraq two years ago. Her prosthetic legs leave her limping noticeably, and she sometimes cheerily props one of them up on a chair or pushes back her sleeve to display a web of scars on her right arm, which doctors feared might also be lost.

Encouraged to run by Democratic Party leaders, she faces Mr. Roskam, a longtime state legislator, for the Sixth District seat in the western suburbs now held by Representative Henry J. Hyde, who is retiring.

The battle has been relatively well financed, fierce and, some voters complain, overwhelming in its rush of commercials, mailings and countermailings. Each candidate suggests that the other will be in lock step with party leaders, unwilling or unable to offer independent opinions.

Mr. Roskam, a lawyer, criticizes Ms. Duckworth as a "recruited candidate" who is getting her help and financial support from everywhere other than here.

"I'm not the Rosie O'Donnell candidate, the Barbra Streisand candidate, the Al Franken candidate who is also all tied up with the Chicago Democratic machine," Mr. Roskam, who has longstanding roots in these parts, said in an interview after speaking at his former grade school.

In turn, Ms. Duckworth portrays Mr. Roskam as an unwavering supporter of President Bush and Speaker J. Dennis Hastert, both of whom have appeared recently in Chicago, in part to help raise more than a half-million dollars for Mr. Roskam.

The district, much of which includes parts of DuPage County — where Mr. Bush's father won by 124,000 votes in 1988 but where Mr. Bush's victory margin was far narrower in 2000 (48,400 votes) and narrower still in 2004 (38,800 votes) — has shifted some. Republicans are still popular, but the Latino population is also growing, which Democrats say could help make the region more hospitable for them.

Ms. Duckworth talks about Iraq at nearly every stop. As she entered the room for one recent appearance, a screen lit up with a video of Bob Kerrey, the former senator, retelling Ms. Duckworth's harrowing story.

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But Mr. Roskam, whose campaign has the unusual task of facing an opponent whose story has drawn notice from People magazine and scores of international publications, said most voters here were more focused on taxes and immigration than on Iraq.

On those points, Mr. Roskam said he would make Mr. Bush's tax cuts permanent and would support strictly securing the nation's borders without ensuring amnesty for illegal immigrants.

As for the war, Mr. Roskam said he agreed with Ms. Duckworth in certain ways. Difficult questions, he said, should be posed about why the nation "did not go in with overwhelming force." But he also said he would be "very judicious" in deciding when to withdraw American troops.

"There will be a point when Iraq gets as stable as it can get," he said. Ms. Duckworth, meanwhile, said Iraq was among the top issues, along with the budget and energy independence, for most voters.

Before them, she pounds away at the ways she says the war has been mishandled, saying that the job in Afghanistan should have been finished first; that contractors are getting rich as soldiers die; and that soldiers should begin coming home as Iraqis successfully take charge of security.

The war, Ms. Duckworth said, is why she finds herself running for office.

"I was there in the hospital looking at more and more bad decisions, more and more bad policy," she said.

Ms. Duckworth has raised more than $2 million (as has Mr. Roskam) and has also benefited from spending by the Democratic Congressional Campaign Committee. Some other veterans, particularly those in races considered long shots, have received less or no support; a few say they feel abandoned by the party.

"They want us when we're of value to them, and then they want us to sit down and shut up when we're not," said Bill Winter, a veteran. Mr. Winter said Democratic Party leaders in Colorado urged him to run for that state's Sixth District, then seemed to disappear, writing off his race against Tom Tancredo, a Republican incumbent, as not winnable.

Bill Burton, a spokesman for the Democratic Congressional Campaign Committee, said the party remained proud of all its veterans. "We would love to fund all of our candidates out around the country," Mr. Burton said, "but there's a harsh political reality — the finite nature of our funds."

Immigrants Flocking To GOP Districts (AP)

By Stephen Ohlemacher

AP, October 22, 2006

It's a slice of Americana: children playing soccer on a sunny Saturday morning, their parents cheering them on. But at these soccer fields, the dominant language is Spanish, the food truck sells authentic Mexican and few of the adults are eligible to vote.

Along the sidelines, America Gruner lugs a plastic tub filled with blank voter registration forms. Gruner has worked for months to register Latinos, inspired by an immigration debate that has become shrill to many Hispanics. Most politicians in this Republican stronghold in north Georgia offer little sympathy.

"They haven't, at least openly, supported us when we needed it," said Gruner, a legal immigrant who has registered about 100 voters so far.

Republican congressional districts are becoming magnets for immigrants — legal and illegal — but GOP lawmakers are not exactly embracing their new constituents.

Of the 50 House districts nationwide with the fastest-growing immigrant communities, 45 are represented by Republicans. All but three of those lawmakers voted for a bill that would make illegal immigrants felons.

Overall, GOP districts added about 3 million immigrants from 2000 to 2005, nearly twice the number that settled in districts represented by Democrats, according to an Associated Press analysis of census data.

The numbers help explain why illegal immigration is such a big issue in rural Georgia, eastern Pennsylvania and in suburbs throughout the United States.

They also help explain why House Republicans passed five bills on border security in the weeks before Congress recessed for the Nov. 7 elections. Only one measure, calling for a border fence, has become law.

Max Burns, a Republican congressional candidate in eastern Georgia, typifies the hard line.

"No citizenship, no federal benefits, no guaranteed access to this country because they broke the law to come here," Burns says.

His tight race against Democratic Rep. John Barrow illustrates the GOP strategy in many congressional campaigns.

Barrow has voted for nearly every Republican immigration bill approved by the House in the past year. He voted to make illegal immigrants felons and to erect the border fence. He said he "opposes amnesty in any form."

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Yet Burns' campaign ran a television ad attacking Barrow after the congressman was quoted in a newspaper as saying the U.S. should not let in any more immigrants until it assimilates the illegal ones already here. "He's for assimilating illegal immigrants," the ad intones. "That's amnesty!"

Barrow's campaign responded with a television ad boasting that "John Barrow voted to make it a crime to be in the United States illegally."

Barrow narrowly defeated Burns in 2004. The district was redrawn for the upcoming election to include several areas that have attracted new immigrants, including Vidalia, famous for its onions.

Shackled with an unpopular president and the war in Iraq, many Republican candidates are determined to focus on local issues as they fight to maintain control of Congress. Illegal immigration, it turns out, can be a potent local issue in communities unaccustomed to a lot of newcomers.

"It's a law-and-order issue to the people in my district," said Rep. Jim Gerlach, a Republican from southeast Pennsylvania.

Gerlach's district added 16,000 immigrants from 2000 to 2005, a 49 percent increase. He has aired a television ad calling President Bush "wrong" for proposing a guest worker program "that may lead to amnesty for illegal immigrants."

Gerlach is in a tight rematch with Democrat Lois Murphy, who barely lost the election two years ago. Murphy is appalled that Republicans are trying to make illegal immigration a campaign issue, saying the problem mushroomed on their watch.

"It's their failure and they shouldn't get any points for it," Murphy said.

There are nearly 36 million immigrants living in the U.S., according to the Census Bureau. An estimated 11 million to 12 million are in the country illegally.

For generations, most immigrants settled in big cities, attracted by fellow countrymen and by social service networks that catered to them. But immigrants increasingly are chasing jobs to fast-growing suburban and rural communities in Middle America — areas that have elected a lot of Republicans to Congress.

North Georgia has attracted thousands of Latino immigrants — legal and illegal — to work in carpet mills in Dalton, in poultry plants in Gainesville and on farms that dot the landscape in between.

The region exemplifies the struggle — and promise — of Latinos yearning for political power. Hispanics make up about 12.5 percent of the district represented by GOP Rep. Nathan Deal, but less than 2 percent of registered voters.

The district added 28,000 immigrants from 2000 to 2005, a 57 percent increase. But more than three-fourths of the immigrants are noncitizens, giving Barrow little incentive to reach out to them.

"It's difficult to know who's legal and who's illegal, but you know for sure that we haven't let that many legal immigrants in," said Deal, a seven-term incumbent from Gainesville.

Deal has proposed legislation that would deny citizenship to the U.S.-born children of illegal immigrants. It is unclear whether the bill would be constitutional and it is unlikely to pass this year. But it has attracted 87 co-sponsors in the House.

Deal's opponent in November, Democrat John Bradbury, said Republicans offer slogans rather than solutions to illegal immigration. "We're dealing with people who are perfectly willing to accept catch phrases instead of thought," said Bradbury, a political newcomer who faces long odds on Election Day.

Gruner, the volunteer voter recruiter, moved from Mexico to Dalton five years ago to work as an interpreter in the schools. She is in the country legally, but empathizes with those who are not.

"We feel like this is a political game and the politicians are playing with us," Gruner said. "They don't see the faces. They just see a political outcome."

It takes Gruner two hands to carry the tub filled with voter registration forms as she strolls through the crowd at the soccer game.

She approaches two men sitting under a small tree next to the soccer fields. They wave her away, saying they are not U.S. citizens. The men are brothers, Raul and Juan Perez. Both were born in Mexico; only Juan is in the U.S. legally.

Raul Perez, 53, said he has entered the U.S. many times and now works as a stone mason on homes. He fetches an envelope stuffed with photographs of his work, pictures of ornate fireplaces and stone-sided houses. One features an elaborate stone wall alongside a backyard swimming pool, a waterfall cascading into the pool.

"You show them what an illegal can do," he says through an interpreter, offering the photo to a visitor.

Neither man has much use for politicians. They do not think Republicans or Democrats represent their interests. But they are hopeful.

"We have children who are citizens and they are getting ready to vote in a few years," says Juan Perez, 43. "We will be a majority someday."

About 40 miles to the south, in Rome, Michael Morton has joined a group that videotapes workers entering factories, asking them if they are in the country legally.

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"Most of them will say no," said the retired marketing executive, who believes that illegal immigrants strain social services and take jobs from Americans.

Morton said he joined the Minuteman Civil Defense Corps because he felt his community was being overrun. The Arizona-based group patrols the Mexico border looking for illegal immigrants. Morton was planning a three-week trip to the border this fall.

"We have a great deal of respect for the work ethic they bring, but they are breaking the law to do it," Morton said. "They are a segregated culture and their culture seems to be in opposition to our American culture."

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On the Net:

Downloadable file showing immigration changes in all congressional districts: http://wid.ap.org/documents/immigration_census.pdf

Webb Struggles Against Stiff Style (WT)

By Seth Mclaughlin

The Washington Times, October 22, 2006

Since the first day of his U.S. Senate campaign in Virginia, Democrat James H. Webb Jr. has described himself as a nonpolitician.

And the self-description rings true in his performance on the hustings.

The decorated Vietnam War veteran's stiff and stern style of retail politics has been on display since his announcement in February that he would try to unseat Sen. George Allen, one of the state's most polished politicians.

"The idea that you have to go out and touch people and shake hands and warm up to total strangers, that was a bit of a shock to him at first, but he has warmed up to it," Mr. Webb's longtime friend Nelson Jones told The Washington Times. "People who know Jim know he is a shy guy."

On the campaign trail, the former Navy secretary is a far cry from former Gov. Mark Warner, a Democrat who is arguably the state's most personable public figure.

With his toothy smile, Mr. Warner runs to the crowd and shakes hands, often sweats through shirts and hardly ever passes up a chance to kiss a baby.

Mr. Webb gives firm handshakes, but at times needs a reminder to smile in photographs. He has a catchy belly laugh, but it rarely is heard in public. He thrives on foreign-policy issues, but sometimes loses people accustomed to candidates rattling off sound bites.

"With politics, [Mr. Webb] is more of a policy guy, an intellectual, rather than a politician," state Sen. Robert Creigh Deeds, Bath Democrat, told The Times.

At a Memorial Day parade in Falls Church, Mr. Webb, 60, appeared uncomfortable walking before a crowd of supporters chanting "Jim Webb for Senate."

Following the lead of former Delegate J. Chapman Petersen, a Democrat, Mr. Webb gradually found a stride more fitting of a politician. He sporadically shook hands and said, "Hello, I'm Jim Webb."

"Sometimes you think if he was more of a glad-hander that might help him in some situations, but that is just not his personality," Mr. Petersen said.

Though Mr. Webb touts Andrew Jackson's philosophy of "measuring the health of a society at its base, not at its top," he sometimes struggles to direct his message toward the working-class voters he targets.

For example, while former President Bill Clinton describes what he calls Republican fear-mongering as a "mangy old dog" that won't hunt, Mr. Webb dubs it "classic Rovian strategy." The latter is a reference to White House adviser Karl Rove.

And at a recent banquet in Norfolk benefiting the National Association for the Advancement of Colored People, some in the audience thought Mr. Webb's speech was geared more toward Capital Beltway insiders than those in southeastern Virginia.

At the Oct. 9 debate, Mr. Allen efficiently answered questions about such issues as the war in Iraq, while Mr. Webb rarely smiled, made little eye contact with the camera and often scanned his notes.

However, while Mr. Webb answered reporters' questions after the debate, Mr. Allen hurriedly left the room with his wife, Susan, who barely kept up with his pace.

Democrats say Mr. Webb's public persona is a double-edged sword: It hurts his ability to connect with people who see him as being too distant, while it helps him with those who see him as the antithesis of Mr. Allen's "good old boy" image.

That image and Mr. Allen's missteps have made the race a tossup.

"Whether [Mr. Webb's public persona] translates into a win, we will see," Mr. Petersen said.

·Christina Bellantoni contributed to this report.

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In Md. Race, Groups Court 'Values Voters' (WP)

By Ann E. Marimow

The Washington Post, October 22, 2006

Abortion Becomes a Defining Issue

Religious leaders and abortion foes are pumping more than $140,000 into the final two weeks of the Maryland U.S. Senate contest to motivate "values voters" by elevating such issues as abortion and same-sex marriage in a campaign that has largely been fought over the Iraq war, the future of Social Security and the candidates' disparate styles.

The issue of abortion, though, offers one of the starkest contrasts in the race: Republican Michael S. Steele, a former Catholic seminarian, strongly opposes the practice. Democrat Benjamin L. Cardin, a Baltimore congressman, was the keynote speaker at NARAL Pro-Choice Maryland's annual gala last night in Rockville.

Although the two major candidates rarely bring up the subject unprompted on the campaign trail, independent groups plan to highlight the issue in radio and television ads, direct mail and fundraising appeals leading up to Nov. 7.

National Right to Life's political action committee plans to run radio commercials on Steele's behalf in Western Maryland and the Eastern Shore in the week before the election and has spent more than $72,000 supporting the lieutenant governor's candidacy with ads and mail, according to the Federal Election Commission.

A coalition of religious leaders last week released a series of ads aimed at energizing churchgoing African American voters in Prince George's County and Baltimore to "vote for candidates who defend life." The 30-second spots do not mention Steele by name, but Bishop Harry R. Jackson Jr., the organizer, said voters will get the message when they review the candidates' records in guides distributed in 150 churches.

"We're promoting values voting, and in this case it means Steele is our big choice," said Jackson, the senior pastor of Hope Christian Church in Lanham.

NARAL's national affiliate, meanwhile, has appealed to thousands of abortion rights supporters throughout Maryland to contribute to Cardin's campaign. The message delivered through e-mail last week was titled "Don't let Bush 'Steele' Your Choice in Maryland." And women's rights leaders, including National Organization for Women President Kim Gandy, gathered yesterday in Bethesda to take issue with Steele's recent assertion that his opinion on the 1973 Supreme Court decision to legalize abortion is "moot."

"Maybe he slept through ninth-grade civics class," Gandy said. "The last time I looked at the Constitution, the Senate has to consent to every federal court nominee."

Independent candidate Kevin Zeese -- who has the backing of the Green, Populist and Libertarian parties -- supports abortion rights but called the issue a "diversion from the major issues of our militaristic foreign policy and an economy that favors the wealthiest while the middle class struggles."

In the governor's race, the issue has not arisen because both candidates generally support abortion rights. Although Republican Gov. Robert L. Ehrlich Jr. favors some limitations, he has done nothing to press them in his tenure.

Of the candidates, political pollsters and professors say Steele has the most to gain -- and lose -- from the attention as he tries to secure his GOP base, attract black Democrats and appeal to independents with a message of moderation.

Steele's challenge, they said, is to attract so-called values voters without turning off a broader audience in a state where the majority consistently tell pollsters that they believe abortion should be legal.

"The winning political tactic is to be all things to all people, but that tends to get shredded in the competitive environment," said political science professor Herb Smith of McDaniel College in Westminster, Md.

Smith said the effort to sway conservative Democrats could be successful if the communications are targeted through church congregation lists as the national GOP did in 2004 in states such as Ohio. But if the message is dispersed through mass media, he said, it could erode support for Steele among a larger segment of voters.

In a Washington Post poll in June, 63 percent of Maryland voters surveyed said abortion should be legal, compared with 56 percent nationally. In 1992, voters overwhelmingly supported an abortion measure on the statewide ballot that ensures access to legal early-term abortions in Maryland even if Roe v. Wade is overturned.

"If you're Michael Steele, the last thing you want is the campaign to be determined based on a set of social issues," said pollster Keith Haller of Potomac Inc., who is not working for either candidate.

The $70,000 ad campaign by the Maryland Values Coalition is part of a multi-front effort that includes handing out 60,000 voters' guides from the Association of Maryland Families mostly to evangelical and Catholic churches, registering voters and educating religious leaders.

In private meetings with pastors, Jackson said Steele is "clear that he's for life, a good Roman Catholic." In the final weeks of the campaign, he said, "these real differences need to be pointed out."

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Steele raised the ire of abortion rights advocates last week after MSNBC reported his comments on the Roe v. Wade decision: "It's in the Supreme Court. What piece of legislation in the Senate is dealing with abortion?"

Cardin, joined by NARAL Pro-Choice America President Nancy Keenan, strenuously disagreed, pointing to 75 votes in the past decade on abortion-related questions. "It is a fundamental issue, and there are significant matters before Congress," Cardin said, from judicial nominations to family planning.

Steele later said that when it comes to such social issues as abortion, "I'm not saying that they're not relevant. I just don't want them to be the center and the primary focus when we have people starving in our neighborhoods, when we have kids who are not being educated in our classrooms."

Staff writer Ernesto LondoÃ±o contributed to this report.

Steele's Aura Of Independence Needs Substance (WP)

By Marc Fisher

The Washington Post, October 22, 2006

Michael Steele looks like the most innovative and refreshing candidate in this fall's campaign. All puppies aside, his TV ads have been the talk of the town, not only for their striking style and the lieutenant governor's good humor, but because Steele is bold enough to take some shots at his party's orthodoxy.

Steele clearly relishes breaking the mold. Even if his early steps away from the Republican line on the war in Iraq were tentative and clumsily anonymous, Steele has managed to portray himself as someone who understands the average Marylander's frustration with both parties and with all the tired tropes of American politics.

So when Steele is asked whether Defense Secretary Donald Rumsfeld should resign, his response is neither to parrot the party line nor to obfuscate with standard-issue blather about how Cabinet members serve at the pleasure of the president. No, Steele declares the question to be "irrelevant. It's more political Washington stuff. Demagoguing. If I call for his resignation, what does that do? 'Oooh, Michael Steele says I should resign?' "

But while Steele's casual, backyard rhetoric is alluringly accessible, his reply is also a voter-friendly way of saying he's not going to answer the question. Similarly, when Steele is asked whether the Supreme Court's Roe v. Wade ruling on abortion was properly decided, he says, "I'm a Senate candidate. My opinion on that is moot." Another deflection, despite the effort to appear disdainful of the usual political rhetoric.

Like many voters who look at Democratic candidate Ben Cardin and his large contributions from big oil, pharmaceutical and insurance companies, I roll my eyes over his easy acceptance of politics-as-usual. But although Steele's TV ads present him as a different kind of politician, he also has taken plenty of moola from big industry.

The problem with Steele's enticing campaign is that, as lieutenant governor, the mantle of independence that he claimed turned out to be only a decorative cloak. For years, he touted his religious objections to the death penalty as a symbol of his ability to stand up for his principles even when they put him on the wrong side of Republican policy. But Steele couldn't deliver the goods: When he finally came up with his long-promised recommendation to Gov. Bob Ehrlich on Maryland's use of capital punishment, all Steele could muster was a confidential memo suggesting more study of the issue. If that's his idea of an independent stand, then those TV ads indeed are all bluster.

Still, the promise portrayed by Steele's campaign has more than a few Prince George's County residents thinking about jumping over to cast one Republican vote. I've spoken to dozens of black voters who are attracted by the prospect of a black senator, by Steele's pledge to break with his party and by his background as a native Washingtonian.

In Maryland politics, where Baltimore still reigns supreme, the possibility of having a senator who knows and cares about D.C. suburbs is almost enough for many voters to overcome their dismay with the Bush administration and Republicans.

Cardin, who has represented Baltimore his entire adult life, seems to have little interest in Washington area issues. When I asked him what the next move should be now that Virginia's legislature has failed to join Maryland, the District and the federal government in providing a dedicated source of funding for Metro, Cardin replied that he was "not familiar with that issue." The man who wants to represent all of Maryland was clueless about a $1.5 billion federal funding source that is the No. 1 priority for the transit system serving the state's largest bloc of voters.

But while Steele would give D.C. suburbs a voice in the Senate for the first time since Montgomery and Prince George's counties ballooned into major population centers, his campaign has become its own worst enemy. Surrounding himself with a staff that sports a deep antagonism toward Democrats and the federal government -- that is, toward significant chunks of the voter base he needs to win over -- Steele has run a stealth campaign, keeping the candidate's whereabouts a closely held secret and venturing out primarily on friendly, conservative talk radio.

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And now, when you'd think Steele would be trying to prove his independence with a strong emphasis on policy and ideas, what does he do to drum up publicity? Import Don King, the clownish boxing showman who served time for manslaughter. "I must have an indictments list longer than his awards list," King joked while touring the state with Steele. Har, har.

Michael Steele had a choice in this campaign: Add substance to the aura of independence generated by his TV ads, or hide behind that aura, spending his energy instead on pumping up the imagery. Sadly, he stuck with the sizzle, leaving voters still hungry for meat.

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Lamont Gives $2M To Flagging Campaign (AP)

By Andrew Miga

AP, October 22, 2006

Democratic candidate Ned Lamont, trailing Sen. Joe Lieberman by a double-digit margin, dropped another $2 million into his Senate bid in Connecticut on Saturday.

The wealthy cable television executive has tapped his personal fortune for $12.7 million to fund his campaign.

Lamont has about two weeks to catch Lieberman, a three-term incumbent who has pulled to a 17-point lead, according to a recent poll. Lieberman lost the Democratic primary to Lamont and then launched an independent campaign.

The third and final televised debate of the race was scheduled for Monday. Unlike their second debate, which featured all five candidates, only Lieberman, Lamont and Republican Alan Schlesinger will share the stage. That could make it easier for Lamont to engage Lieberman directly.

"People have a real opportunity to see three candidates stand up, enunciate real differences about where this country should go," Lamont said Friday while campaigning in Hartford. "That's the best way to get our message out, through debates."

Lieberman spokeswoman Tammy Sun said, "We expect Ned Lamont may stoop to new lows in misrepresenting Joe Lieberman's record in a desperate last-minute ploy."

Schlesinger, considered a long shot, was at 6 percent in the latest Quinnipiac University survey. He and Lieberman are vying for Republican support, so any Schlesinger gains could come at Lieberman's expense.

Lieberman drew much of the criticism that came from his rivals in the first two debates. He has widened his lead from 10 points last month, according to the latest Quinnipiac poll. The senator gained an edge with independent voters, the state's largest voting bloc, and with men, the survey showed.

"It's a steep uphill battle for Lamont to erase this substantial gap," said Quinnipiac poll director Doug Schwartz. "He's got to do something different, because what he's been doing up to this point hasn't been working. In fact, his numbers have been getting lower."

Lamont is flooding the airwaves with a new ad campaign in the coming days to try to close the gap. Lieberman, who enjoys a fundraising advantage, has accused Lamont of trying to buy the election with a $1 million barrage of TV commercials assailing him.

Sen. John Kerry, D-Mass., the Democratic 2004 presidential nominee, hopes to give Lamont a boost when he campaigns with Lamont on Wednesday. Lieberman will stump with former Nebraska Sen. Bob Kerrey, a Democrat, on the same day.

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Associated Press writer Susan Haigh contributed to this story.

Democrat, Republican Decry GOP TV Ad (AP)

AP, October 22, 2006

Both major-party candidates for a congressional seat are decrying an ad sponsored by a national Republican committee that accuses the Democrat of billing taxpayers for a call to a phone-sex line.

The ad, which began airing Friday, shows Michael Arcuri leering at the silhouette of a dancing woman who says, "Hi, sexy. You've reached the live, one-on-one fantasy line."

Arcuri's campaign said an associate mistakenly dialed an 800-number sex line two years ago from Arcuri's New York City hotel room, and released records supporting the claim. The number shares the same last seven digits with the number for the state Department of Criminal Justice Services, which was dialed the minute after the first call was made.

Arcuri, the district attorney in Oneida County, said the ad was "clearly libelous" and threatened to file a lawsuit. His GOP opponent, state Sen. Ray Meier, described it as "way over the line."

At least seven television stations in Syracuse, Utica and Binghamton refused to run the ad, Arcuri said.

The ad's sponsor, the National Republican Congressional Committee, stood by the 30-second message. Spokesman Ed Patru insisted it was "totally true" and said Meier was not consulted.

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The two candidates, who say they are friends, are running to fill the seat left open by the retirement of Republican Rep. Sherwood Boehlert. Political analysts have said the race is among the nation's most competitive.

Arcuri said he had "never seen such an unfair commercial. I have a 12-year-old daughter. She's going to have to go to school and hear other kids talk about this."

Robert Thompson, professor of television and popular culture at Syracuse University, called the ad "an egregiously stupid accusation."

Earlier in the week, both candidates said they were disappointed by the attack ads produced and funded by their national party committees. They said campaign-finance laws prevent them from screening the commercials.

One voter, Rosemarie Paladino of Utica, said she found such negative advertising so distasteful that she was tempted to avoid voting.

"But then I said, 'Wait a minute. I've got to exercise my right.'"

Peace Now? A Stark Choice Between The Perception Of A Noble Effort And Of A Mistake (NYT)

By Peter Applebome

The New York Times, October 22, 2006

NORWALK, CONN.

In the 11th, count 'em, 11th, debate between Representative Christopher R. Shays, the incumbent Republican, and his Democratic challenger, Diane Farrell, Ms. Farrell began, as she usually does, with a brilliantly concise formulation of why people should oust Mr. Shays after 19 years in Congress.

"Where Chris Shays agrees with President Bush and the Republican majority has it been good for our country? Think Iraq and fiscal policies. Where Congressman Shays disagrees with President Bush and the Republican majority has it made a difference? Think the environment and energy. And can we afford another two years without checks and balances in Washington?"

Republicans are supposed to be the ones framing issues with bumper-sticker clarity, and Democrats are supposed to be the ones depicted as lost in meandering self-reflection.

But there are few more vivid glimpses of the ways that Republicans are trying to drive the wrong way against traffic than the eloquent, spirited, even admirable race in Connecticut's affluent New York suburbs. It is one of three Connecticut races in which incumbent Republican Representatives are fighting to survive.

Mr. Shays has an artfully articulated maverick image and is one of the more respected members of the House. Candidates like him lose about as often as Roger Federer loses first-round matches. But in a race starkly defined by the war, both camps say the election, a repeat of the one two years ago that Mr. Shays won with 52 percent of the vote, is close to dead even.

Ms. Farrell says that the war is a mistake that should be ended as quickly as possible. Mr. Shays says it is a noble effort, terribly botched, that must be salvaged and can be if we make a commitment to do it. If that's not a choice, nothing is.

"I've talked to people who have voted for Chris Shays all their lives and they are thinking of voting for Diane Farrell to send a message," said John M. Orman, professor of politics at Fairfield University. "People still want to be loyal to him, but even Republicans are deciding if they want to vote against a friend and send a message."

If the war is issue one, two and three, Mr. Shays is issue four. He hasn't always helped himself in the slog from debate to debate.

He said what happened at Abu Ghraib wasn't torture, then backtracked. Asked to defend taking campaign funds from House Speaker J. Dennis Hastert, who is under fire for his handling of the Congressional-page controversy, he noted that Senator Edward M. Kennedy was campaigning for Ms. Farrell. "I know the speaker didn't go over a bridge and leave a young person in the water and then have a press conference the next day," he told The Hartford Courant. "Dennis Hastert didn't kill anybody."

He said last week that the United States should have invaded Iraq sooner than it did, but not over weapons of mass destruction.

He has tried to defend both the war and what some have seen as his new urgency about coming up with a way to end it. That is a balancing act so tenuous that David Broder of The Washington Post wrote that the war had reduced him "to a complete head case — consumed by the convoluted efforts to square the circle of his own conflicting interests."

STILL, if Mr. Shays wears his anguish like a beacon, his supporters say he has come by it honestly. A conscientious objector during Vietnam, he has made 14 trips to Iraq, putting himself in harm's way outside the confines of the secure Green Zone. He has been consistently second-guessing the conduct of the war, if not the case for it, since 2004.

And rather than Rove-ian sound bites ("cut-and-run Democrats"), he seems willing in debate after debate, forum after forum, to make his case for the war and how it can be redeemed in four steps: a series of timelines for replacing United States

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forces with Iraqi forces, based on an accurate assessment of combat readiness; an agreement among Shiite, Sunni and Kurdish leaders on power sharing; a conference of Iraq's neighbors on Iraqi security; and a plebiscite on the plan for American disengagement that would require a two-thirds majority for approval.

Many voters in his district have long since lost patience with the war and want a candidate whose first commitment is to ending it. The grim headlines and continuing carnage won't help a hawk, no matter how reflective, in an antiwar district. But if the voters want an honest debate on the war, 11 in fact, they've got it here.

"I'm not afraid to lose," said Mr. Shays. "Losing does not cause me angst. Will it be fun to call Diane Farrell on election night to say congratulations? No, that will not be fun. But I've lost before. I know what it's like. What I agonize over is sending men and women to war, and some of them are coming back in body bags. That to me is something to agonize about."

Unbowed Jefferson Keeps Up The Fight (WP)

By Allan Lengel

The Washington Post, October 22, 2006

NEW ORLEANS -- At a barbershop in the Third Ward, in an area still woozy from Hurricane Katrina's knockout punch, the chatter was about what to do with Rep. William J. Jefferson (D-La.).

"He's got my vote. I like Jefferson," shop owner Charles Harris said as he finished up a haircut. "They haven't indicted him, number one. Whenever they come up with some concrete evidence, that might change things."

"I ain't voting for him 'cause of the $100,000 in the freezer," retorted one of Harris's customers, a former Jefferson supporter who declined to give his name. "You find $100,000 in your freezer, I ain't voting for you."

Jefferson has represented this part of New Orleans in the House for the better part of two decades, becoming the first black lawmaker elected to the United States Congress from Louisiana since Reconstruction. He has held seats on the Budget and Ways and Means committees. But in the Third Ward and elsewhere, some voters are no longer deciding on Jefferson based on his rÃ©sumÃ© or his legislative record, but on the $100,000 the FBI allegedly videotaped him accepting from an FBI informant.

FBI agents later found $90,000 in marked bills in Jefferson's freezer, wrapped in foil. The other $10,000 was missing but accounted for.

As Jefferson campaigns for a ninth term, the Harvard Law School graduate has shed little light on the federal investigation of bribery allegations, other than to insist on his innocence. In a TV ad, he talks about "the presumption of innocence afforded every person" and says, "For over 18 months, the federal government has investigated me and has yet to bring a single charge against me."

That message appears to be resonating among voters like Harris, and so, despite the constant threat of a federal indictment that sources familiar with the probe say is a foregone conclusion, the 59-year-old congressman is confidently campaigning.

Jefferson is showing up at public events, ready to work the crowd and touting a record of passing key legislation and getting funds to help post-Katrina New Orleans. Recently he went on the offensive, publicly accusing two of his 12 opponents of being "ethically challenged."

"He's a formidable candidate," says Danny Ford, executive director of the Louisiana Democratic Party, which endorsed another candidate. "He's not been indicted or convicted. He's got a lot of support."

Twelve challengers -- eight Democrats, three Republicans and one Libertarian -- are running against Jefferson in the Nov. 7 election. Unless the winner gets more than 50 percent of the vote, there will be a runoff in December. Political observers said they expect Jefferson to be in a runoff and possibly win, unless he's indicted.

Some in Jefferson's district say the absence of an indictment, after such a lengthy investigation, settles the matter for them.

"I think to the common person, this has gone on so long, if the feds had something they would have indicted by now," says Michael M. Davis, a member of the Jefferson Parish Democratic Executive Committee, which has endorsed Jefferson.

But other voters have little doubt about the ultimate outcome.

"There will be a special election when he's convicted," predicted Jim Monaghan Jr., who owns Molly's at the Market, a popular watering hole on Decatur Street. "How can he not be with 90,000 frozen dollars?"

State Rep. Karen Carter, Jefferson's most formidable challenger, adds: "It's not about innocence or guilt. The Justice Department will take care of that. There's a cloud of suspicion that hinders the incumbent's ability to be effective."

Carter has the endorsement of the state Democratic Party, which for the first time in decades turned its back on an incumbent. And his own party earlier this year kicked him off the powerful Ways and Means Committee.

Jefferson "is not the underdog, but he's certainly playing that card to supporters," said Brian Brox, a political science professor at Tulane University in New Orleans.

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At a recent afternoon's campaign stop at the William Guste high-rise apartments in the Third Ward, a tieless Jefferson took off his suit coat, rolled up his sleeves and began shaking hands and exchanging hugs with a sea of smiling, receptive voters. Many of them were African American and middle-aged. Some wore "Don't Mess With Jeff" buttons.

Among those in attendance was Joshua Travis, 64, who said: "You're innocent until proven guilty. Ain't that the American way?"

Another attendee, a 58-year-old man who declined to give his name, said the FBI probe makes no difference.

"All of them are stealing. He just got caught. Since he's been in office, he's one of the few black officials who has been able to get in office and do something for the people," the man said.

After giving a spirited stump speech, Jefferson got personal.

"People ask me, 'Jefferson, how you keep on going with all that's going on . . . and people saying things about you?' I tell them how to do it. You know how to do it. I just turn it over to God.

"When you see me going around the campaign, when you see me with my head up at work, that's how it gets done. . . . Keep working and keep praying and keep praying."

In Two New Mexico Towns, Voices Of Concern About The Party In Power (NYT)

By Lizette Alvarez

The New York Times, October 22, 2006

PLACITAS, N.M., Oct. 19 — Jerry Eller, a Republican engineer who built his own house in this small town with big mountain views, voted twice for President Bush.

But his disenchantment with the Republican Party cuts so deeply that if the 2004 presidential election were being held this year, Mr. Bush would not get his vote. “If Kerry was running this time,” said Mr. Eller, 53, referring to Senator John Kerry, the Democratic nominee in 2004, “I would vote for him.”

A Vietnam veteran with three sons of military age, Mr. Eller frets over the war in Iraq and a possible draft, an idea he calls far from improbable. But there are other disturbing issues, too, he said: the erosion of civil liberties, runaway spending, and the religious right’s squeeze on the party.

Next month, Mr. Eller said, he plans to vote for the Democratic candidate in the tight House race here. “You get one party in power and they become corrupt,” he said.

In interviews with nearly two dozen people in Bernalillo, a small, mostly Hispanic town on Route 66, and its neighbor, Placitas, which is more affluent and increasingly more Republican, voters expressed their concerns about the state of the nation. Asked what issues will sway their votes in the House race here, almost everyone interviewed said, “The war and ...” (fill in the blank).

For some Republicans here, this one-two punch — the war and the federal deficit, the war and corruption, the war and the House page scandal — is enough to catapult some to the other side. Or at least to get them thinking of voting for the other party, something few of them imagined two years ago, they said.

In Placitas, a tranquil town of modern adobe houses, Republicans mostly describe themselves as moderate, the kind who disapprove of partisan politics. Some are New Mexico natives. Others come from elsewhere: Texas (to escape the humidity), Michigan (to flee the cold) and California (to stretch their money).

They live in a swing state. New Mexico went to Al Gore in 2000 and to Mr. Bush in 2004, both times by a sliver. In the First Congressional District here, which includes neighboring Albuquerque, voters opted for Mr. Kerry in 2004, although Sandoval County, Placitas’ home, went for Mr. Bush. Yet voters in this district have sent a Republican to the House for nearly four decades. The state has a Democratic governor but a senator from each party.

Representative Heather A. Wilson, who was first elected in this district in 1998, has won each election with a boost from Democrats. Now, though, she is in a dead heat with Patricia Madrid, the Democratic attorney general, according to recent polls.

The rancorous campaign has generated debate, and considerable anger, among most voters, who expressed distaste for today’s political culture, namely the partisan bickering and negative campaigning. But it has also prompted reflection. And while some Republicans here are steadfastly loyal, others said disenchantment had crept in.

A Republican newcomer to the area, Stan Nivault, 52, a married contractor and father of four from Austin, Tex., said he had never voted for a Democrat. But this year, Mr. Nivault, who calls himself a staunch Catholic, said he actually might, mostly because of the revelation that former Representative Mark Foley, Republican of Florida, had sent explicit electronic messages to underage male Congressional pages.

“It’s a bad thing,” Mr. Nivault said. “I’m upset that the guy was there to begin with and that Republicans did not handle it correctly. Democrats have made a big issue of it, but they have a right to.”

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"Normally I vote straight Republican, but this year I may not vote that way because I'm a little upset," Mr. Nivault said. "Every time you open the paper or listen to television, it gets worse and worse."

As Bert Miller, a retired chemical engineer, hauled groceries to his car, he said that he would still vote Republican even though he had soured on the party.

Mr. Miller, 67, a fiscal conservative who moved here with his wife in 1998, said he was concerned about the war. But he is no less concerned about Republican spending gone amok.

"Republicans have been a disappointment," Mr. Miller said. "This president hasn't vetoed anything except one bill, on a social issue, stem cell research."

Mr. Miller said he yearned for old-fashioned Republican principles: tighter budgets and smaller government. "Things have gotten crazy," he said. "Let's get to work on the deficit and not same-sex marriage."

Russ Fisher-Ives, 51, a self-described liberal Republican, pulled up a chair at a restaurant on Route 66 in Bernalillo and said he was also disillusioned with the party. Mr. Fisher-Ives, who owns four acres nearby and moved here 31 years ago, said he did not know how he would vote. But the war in Iraq, once a more distant concern, has hit him hard, as has his distress over public education.

"This is another Vietnam; it's far bigger than Vietnam," said Mr. Fisher-Ives, an educator whose father once served as the Republican minority leader in the Connecticut Senate and as state treasurer.

Despite his Republican lineage, Mr. Fisher-Ives has contemplated switching parties, but then reconsidered. "I feel like they still have to answer to me as a registered Republican," he said. "I am not them. I am us."

For other Republicans, patriotism and safety remain a rallying cry; they would never think of straying, they said.

Croft Edwards, 37, has lived in New Mexico most of his life. An Army reservist and family man, Mr. Edwards said that he was "disappointed" in the system, but that he strongly believed Republicans were better suited to handle Iraq.

"Like George Bush or not, he likes to take action," Mr. Edwards said.

A Texas native, Beverly Maxie, 58, who fervently opposes abortion, agreed. As long as the war is being fought in Iraq — not here — Republicans are doing their job, Ms. Maxie said. "I am confident that Republicans will stay in power," she added.

For most Democrats, even those not always so keen on their party, the war and its repercussions are paramount. And there are other concerns: political scandals, health care, the environment, the economy.

Molly Perez, 52, who is raising her grandchild, earns $10 an hour as a cashier at a supermarket and pays $800 a month in rent. She is barely making ends meet, Ms. Perez said, and high gasoline prices set her back considerably. She said she sometimes prayed that her beat-up Chevy Cavalier would remain road-worthy.

"My life has gotten harder since the last election," Ms. Perez said.

She said she was so disheartened with the process, though, that she did not know whether she would vote in the House race. If she does, it will be unenthusiastically for Ms. Madrid.

Ophelia Rinaldi, 73, a retired social worker, said she took the war in Iraq in stride until recently. Now, she said, "it's pie in the sky," adding that it was "drawing away all our resources." Ms. Rinaldi said she worried about health care and prescription drugs.

Leslie Elgood, 51, a Democrat who works for New Mexico Community Capital, a community development fund in Bernalillo, said she usually tried to vote outside the box. But this year (she voted early), Ms. Elgood supported her party down the line to send a message. Her anger, she said, began with the war and has swelled with each new scandal.

"The Democrats don't have a sense of my voice," she said, "but I want to give them power now. Maybe they feel more chastened."

Pa. Congress Candidates Spar Over War (LAT/AP)

By Patrick Walters, Associated Press Writer

The Los Angeles Times, October 22, 2006

MALVERN, Pa. — Republican Congressman Jim Gerlach accused Democratic challenger Lois Murphy in a debate Saturday of being inconsistent in her support for U.S. troops in Iraq, while Murphy countered that the war has made the nation less safe.

The two-term congressman and Murphy are in battling to gain an edge in a race for a seat from the Philadelphia suburbs that could help determine whether Democrats gain control of Congress.

The race, one of the most competitive House races in the country, is a rematch of 2004, when Gerlach narrowly defeated Murphy. Recent polls have shown the two in a virtual tie.

Gerlach, a moderate Republican, charged in the AARP-sponsored debate that Murphy was not prepared to give U.S. troops the funding they need to help a new government succeed in Iraq.

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"She apparently doesn't want to withdraw them and she's not sure she wants to fund them, either," he said at the Desmond Hotel, attended by about 200 people and moderated by KYW-TV news anchor Larry Mendte.

Murphy, a lawyer, denied the assertion that she would not fully support the troops. She condemned the war and called for more accountability.

"The war in Iraq has made us less safe, not safer," Murphy said. "He is satisfied with the progress we are making in Iraq and I am not."

The two also discussed the economy and health care. On the economy, Gerlach said tax cuts in 2001 and 2003 have helped turn it around. "This is a very strong economy that hopefully Congress won't screw up," he said.

Murphy argued that the cuts were not helping the middle class. More than 50 percent of the money went to the top 10 percent of income-earners, Murphy said.

"If he thinks that's a middle-class tax cut, I think he needs to go back to math class," she said.

On health care, Gerlach called for giving small-business owners more opportunity to purchase health coverage through a national cooperative and said he supports medical-liability reform to help cut medical costs. Murphy said she supported allowing Medicare to negotiate for lower drug prices.

GOP Candidate Seeking Bush's Home District Is Hurting (SA)

By Guillermo X. Garcia

San Antonio Express News, October 22, 2006

WACO — On paper, young and oil-wealthy Van Taylor, a Harvard University graduate who enlisted in the Marines and saw combat in Iraq, seems like the perfect Republican candidate for Congress.

A staunch conservative, he is independently wealthy, thanks to his family's involvement in Humble Oil Co. Taylor, 34, is worth more than $27 million, mostly from the Exxon-Mobil Corp. and pharmaceutical industry stock he owns.

When the campaign for Texas' 17th Congressional District began, Republicans hoped a decorated combat veteran would be able to do what redistricting failed to do in 2004: end the embarrassment of having a Democrat representing President Bush — his Crawford ranch is in the district — by knocking off entrenched incumbent Chet Edwards, the hometown congressman since 1991.

"It is an embarrassment," said M.A. Taylor, McClennan County GOP chairman, who's not related to the candidate. "This area overwhelmingly supports the president and is overwhelmingly Republican, and yet we have a congressman from the opposition who supposedly represents our interests.

"It is nothing short of personally humiliating."

But hopes of ending that embarrassment may be waning.

Last week, the National Republican Campaign Committee cancelled $1.5 million in television ads it had planned to run starting this week.

Republican officials "pulled the plug, and that's devastating for the Taylor campaign," said Edwards' spokeswoman Jessica Shaefer. "And the fact that their decision came just days after they ran a poll indicates that they clearly saw what our poll shows, a 21-point lead among likely voters."

A growing number of signs nationally suggest a Democratic wave may be in the offing Nov. 7. And while that wave may not have a dramatic effect in Texas, where the GOP has re-drawn districts to its advantage, it's likely to be strong enough to keep Edwards in Congress.

So while the president remains popular in his home state, one of the most dramatic demonstrations of his declining influence may unfold in the congressional district where he votes.

All along, Taylor's challenge of an entrenched "blue-dog Democrat" was viewed as a test of Bush's coattails. National Republican officials said it was a "high-level test," calling it the nation's most Republican congressional district not represented by the GOP.

Taylor says the president and first lady Laura Bush have personally promised they'll vote for him. That appears to be the extent of White House involvement in the race.

Supports the war

Ironically, an Edwards victory would not look like wins by Democrats elsewhere.

Nationally, Democrats are critical of Bush's prosecution of the Iraq war while Republicans lambaste what they call Democrats' "cut-and-run" strategy.

But here, in the literal heart of Texas, the dynamic runs counter to that: Edwards won't run against the president's record. Both candidates support the war and oppose pulling troops out of Iraq.

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The 17th is a military-rich district, home to tens of thousands of retired soldiers and a Veterans Affairs hospital that last year treated some 17,000 veterans. In his 16 years in Congress, Edwards has a strong record of backing issues involving veterans.

"This is a red-state district, a God-and-country sort of place, and military issues play big here," said Ashely Cruise Turner, a history professor at McClennan Community College.

While Democrats nationally roast Bush, Edwards carefully walks a centrist line, refusing to attack his policies.

"If I believe the president's proposals are right for the district and for the country, then I work with him," he said.

It is a plan that his constituents apparently approve.

In 2004, Bush won almost seven of every 10 votes in the district. Edwards won every precinct in the county, including Crawford. Edwards notes that 50,000 voters in the Waco area who voted for the president crossed political lines to vote for him.

Taylor, meanwhile, launched a series of blistering attack ads portraying illegal immigration from Mexico as a major problem and faulting Edwards for votes he has cast on social issues that Taylor said make him too liberal for the district.

Like most political newcomers, Taylor's problem is getting his name before the voters.

Still, his military record is featured prominently in his campaign.

He saw combat during two tours as a captain with the 4th Marines, 3rd Recon Battalion, and he comes from a line of soldiers who saw action in the Civil War, the Spanish-American War, both world wars, Korea and Vietnam.

In an apparent effort to counter, Edwards received endorsements from a host of retired military brass: one four-star general and three three-star generals, including two who commanded at Fort Hood.

"I voted for Bush twice, I voted for his daddy, and while I probably vote Republican more than Democrat, I am voting for Chet," said retired Lt. Gen. Randy House from his ranch outside College Station. "It is important that people realize what Congressman Edwards has done for the military and their families at a time when his opponent is touting his military service," said House, former commanding general of the Big Red One, the legendary 1st Infantry Division.

In the crosshairs

Despite being in GOP crosshairs for years, Edwards has represented the 17th Congressional District for eight two-year terms.

He was one of six Democrats targeted for extinction via redistricting by the Republican-controlled Texas Legislature in 2003, and the only one to survive in a competitive district. At the top of the hit list, along with Martin Frost of Dallas and Lloyd Doggett of Austin, the conservative Edwards had his district redrawn. In the process, he lost a power base — Fort Hood.

In 2004, he withstood the redrawing of his district and a strong challenge from former state Rep. Arlene Wohlgemuth.

Taylor moved last summer to rural McClennan County, the largest of the 12 counties in the district, which stretches from the Dallas-Fort Worth suburbs south to Waco and east to College Station. It is a solidly conservative, mostly rural stretch of North-Central Texas that now is nearly 65 percent Republican.

That had national GOP leaders salivating at the chance to take Edwards out, at least until last week.

Taylor's campaign would not confirm the cancelled ad buys in the Dallas area.

But Democrats say the president's lack of involvement, coupled with the small party contribution to Taylor's campaign, is a sign the GOP does not believe Edwards is beatable.

Republican officials shrug that off.

"A decorated military veteran like Van Taylor means the war will play a larger role than any other race in the country. In that district, there is no better candidate," said Jonathan Collegio, an RNCC Washington spokesman.

McClennan GOP chairman Taylor assessed candidate Taylor's chance of victory as "even money."

Taylor, however, was left on his own. So far he has pumped $575,000 of his own money, including a $250,000 loan, into the campaign, according to Federal Election Commission records.

"The Republicans in D.C. made a fundamental miscalculation," said Matt Engle, a Democratic strategist who was Frost's longtime chief of staff.

The GOP, he said, "thought using Taylor's military record and his lack of (political) baggage would be a good wedge to hit Edwards with. But without national Republican money and Bush not getting involved, Taylor is in the ditch."

A Jeopardy Question For The Nov. 7 Crowd (NYT)

By Mark Leibovich

The New York Times, October 22, 2006

Washington

POLITICAL reporters love asking hypothetical questions, almost as much as politicians hate answering them.

But it has become a settled expectation of political life that any candidate who supported the Iraq war resolution in 2002 must now answer the dreaded, “If you knew then what you know now” question.

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That is, of course, some variant on the "If you knew then that Saddam Hussein did not have weapons of mass destruction, would you still have authorized President Bush to use force in Iraq?"

The question has inspired some great rhetorical gymnastics. It has also sparked impressive finesse jobs across the political spectrum.

In one sparkling turn last week, Senator Rick Santorum, Republican of Pennsylvania, said that he would rather be fighting terrorists in Iraq than in the United States. Only he put it this way: "As the hobbits are going up Mount Doom, the Eye of Mordor is being drawn somewhere else. It's being drawn to Iraq."

As is clear to fans of J. R. R. Tolkien, Mr. Santorum was comparing the rationale for combat in Iraq to the plan to distract the evil Lord Sauron in "The Lord of the Rings." Sauron was seeking the magical ring that would secure his power over Middle Earth. (Mr. Santorum merely wants to secure his Senate seat.)

At the very least, give Mr. Santorum points for appealing to an untapped constituency of potential supporters, "Lord of the Rings" lovers, a few of whom might even be old enough to vote.

Otherwise, the variety of responses to the "If you knew then what you know now?" question can be distilled into a few predictable categories. Herein, a primer:

The 'No, but' Response

This is by far the most common refrain among Democrats who supported the use-of-force resolution but who now wish they hadn't. The optimal answer should include a quick "no," followed by a swift indictment of the Bush administration's incompetence, dishonesty, stubbornness or some such unpleasant thing. And it never hurts to tack on an homage to the troops.

Representative Harold E. Ford Jr., a Democrat of Tennessee who is running for Senate, achieved this in three tidy sentences. "Had I known then what I know now, I would have voted no," Mr. Ford told The Memphis Commercial Appeal last week. "The president and his team have pursued a flawed strategy. Thankfully, America has the best and the bravest war fighters in the world."

Second-Guessing Is for Weenies

Early supporters of the war — particularly Republicans — often dispatch with the question in favor of a general lament about typical Washington nay-saying, second-guessing and defeatism (as practiced by "Defeatocrats"). The implication is that criticizing the administration's Iraq policy is tantamount to whining, not to mention emblematic of all that is wrong with the hideous swamp they've all chosen to live and work in (or want to live and work in).

While systematically criticizing the administration's Iraq policy, the Senate candidate Claire McCaskill, Democrat of Missouri, has nonetheless voiced an aversion to "Monday morning quarterbacking." Senator George Allen, Republican of Virginia and a prodigious practitioner of the football analogy, is also fond of the phrase.

"You can all second-guess and Monday morning quarterback," Mr. Allen said in a debate in July against his Democratic opponent, Jim Webb.

"We made decisions," Mr. Allen added on "Meet the Press" on NBC. "You can't say, 'Gosh,' five years later."

But of course, Mr. Webb is saying a lot of "Gosh."

"And this is what my opponent's campaign's about," Mr. Allen said, "is the second-guessing."

Sorry, Folks

Increasingly popular among Democrats, the tool has been wielded deftly by the Democratic ticket of 2004, Senator John Kerry of Massachusetts and former Senator John Edwards, of North Carolina. The runners-up have thrown themselves into a virtual mea-culpa-palooza in recent months.

"It is essential to acknowledge that the war itself was a mistake, to say the simple words that contain more truth than pride," Mr. Kerry said in a speech to liberal activists in June. "It was wrong and I was wrong to vote for that Iraqi war resolution."

Mr. Edwards, the earnest former running mate, has been impressively prolific in his use of the "M-word."

"It was a mistake to vote for the war in 2002," Mr. Edwards wrote for the Washington Post op-ed page last November. "I take responsibility for that mistake." He concluded that "America's leaders — all of us — need to accept the responsibility we each carry for how we got to this place."

Incidentally there are wild rumors flying around that these guys might be running for president again.

C'mon, Everybody's Doing It

Also known as the "Hey, We All Saw the Same Intelligence" defense, candidates who supported the war (usually Republicans) are fond of cataloging all the others (usually Democrats) who supported it, too, based on the same intelligence. Extra credit for Republicans who drop Bill Clinton's name.

"Look, Chris Dodd, Joe Lieberman and I voted to go to war," Representative Christopher Shays, Republican of Connecticut, told The Hartford Courant. "I consulted with a lot of people, including Bill Clinton."

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It never hurts to throw in a few foreign countries, too. "Every intelligence agency in the world, including the Russians, including the French, including the Israelis, had reached the same conclusion," Senator John McCain, Republican of Arizona, said on "Face the Nation" on CBS.

Hypothetical Meets Hypothetical

Instead of admitting he would have voted differently, the candidate maintains that there would not have even been a vote in light of "what we know now."

In other words, the hypothetical question has been rendered moot by hypothetical non-events.

When asked on "Meet the Press" if he regretted his vote, Senator Mike DeWine, Republican of Ohio, said, "It would never have been presented by the president," the "it" referring to the use-of-force resolution.

In a corollary strategy, the candidate does not answer the question directly, but instead channels the view of a singular "They," or whatever it is "The American People" supposedly believe.

"Based upon the information that we have now," said the Pennsylvania Democrat Bob Casey, Mr. Santorum's opponent, "I think a lot of Americans would have serious doubts."

The 'Only Authorization' Vote

Democrats who supported the Iraq resolution in 2002 are often quick to point out that they didn't actually vote for the war. Rather, they only voted to give the president the option to go to war, and they never expected him to rush to war as he did.

"In retrospect, it's clear to me they had no intention of doing anything other than going to war in Iraq," said Senator Joseph R. Biden Jr., Democrat of Delaware, told The Manchester Union Leader.

And, of course, Mr. Biden and others who supported the Iraq resolution had also assumed that President Bush had a plan for "winning the peace."

"We know now that they had no plan for winning the peace," said Harry Reid, the Democrats' leader in the Senate, in a news conference. "But we didn't know it at the time."

Remember, Saddam Was Evil

Perhaps the most popular rationale among candidates who supported the Iraq resolution is that the current predicament is still better than having Saddam Hussein in charge. It also carries the implicit message that anyone who opposes the war believes the world is not better off without Mr. Hussein in charge.

"His regime was an organic threat to world peace," Senator Jim Talent, Republican of Missouri, told The Associated Press. "He had twice invaded his neighbors and violated the commitments he made after Desert Storm. He harbored and trained terrorists and was a tyrant who wanted weapons of mass destruction and was obstructing the war on terror."

Mr. Talent did not specify whether the world is any better off without Lord Sauron.

Times Endorses Spitzer And Other Democrats For Election (NYT)

By Nicholas Confessore

The New York Times, October 22, 2006

The editorial board of The New York Times today endorsed Democrat Eliot Spitzer, the current attorney general, for governor.

The board also endorsed Andrew M. Cuomo in his bid to become the next attorney general of New York, nearly two months after endorsing one of his opponents during the Democratic primary, which Mr. Cuomo later won.

In its endorsement of Mr. Spitzer over his Republican opponent, former state assemblyman John Faso, the board said Mr. Spitzer "has been fearless and dogged in his pursuit of justice. We are eager to see what happens when he applies those attributes to Albany's immobile Legislature, which has a long, sad history in wearing would-be reformers down, waiting them out."

The board's endorsement of Mr. Cuomo was lukewarm, reflecting many of the same reservations it cited in declining to endorse Mr. Cuomo during the primary campaign, when the endorsement went to Mark Green, the former New York City public advocate.

The general election campaign, the editorial says, "has come down to a riveting if uninspiring brawl between two flawed candidates" — Mr. Cuomo and Jeanine F. Pirro, the Republican and a former district attorney of Westchester County — who each "seem an uncomfortable fit for the state's top law enforcement job."

Ms. Pirro's campaign has been dogged by her husband's conviction for tax fraud and more recent revelations that she is under federal investigation over whether she tried to illegally wiretap her husband's conversations. But the editorial says that Mr. Cuomo's record as housing secretary under President Bill Clinton "is not very reassuring, either."

The editorial says Mr. Cuomo spent "too much time on public relations" while secretary to bolster his political ambitions. But Mr. Cuomo's managerial experience, and the understanding of state government he accrued while working for his father, former Gov. Mario M. Cuomo, were reason enough to endorse him over Mr. Pirro, the editorial says.

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The editorial board today also endorsed a string of congressional candidates, all of them Democrats challenging Republican incumbents.

In New York's 19th Congressional District, the board endorsed the Democratic candidate John Hall over the incumbent, Republican Sue W. Kelly. It also endorsed Linda Stender over Representative Mike Ferguson in New Jersey's Seventh Congressional District, Chris Murphy over Representative Nancy L. Johnson in Connecticut's Fifth Congressional District, and Joseph Courtney over Representative Rob Simmons in the state's Second Congressional District.

In New York's Third Congressional District, the editorial board endorsed David Mejias, a Democratic member of the Nassau County Legislature, against Republican incumbent Peter T. King, who this summer said the decision of The New York Times to publish articles about a secret terrorist-surveillance program was "treasonous."

"We do not support Mr. King, but not because he wants us in jail," the editorial states. "Our decision has to do with temperament, effectiveness and differences on issues ranging from taxes and Iraq to abortion and immigration."

Schwarzenegger Ramps Up Pressure Over Orange County Mailing (LAT)

By Scott Martelle And Susannah Rosenblatt

The Los Angeles Times, October 22, 2006

He says GOP candidate Nguyen should quit House race if he knew of his office's threatening letter to immigrants.

Gov. Arnold Schwarzenegger stepped up the pressure Saturday on an Orange County Republican congressional candidate, telling reporters that Tan Nguyen should withdraw if he knew about his campaign's mailing of letters intended to threaten immigrant voters.

Schwarzenegger denounced the mailings traced to Nguyen's campaign to unseat Democratic incumbent Loretta Sanchez in the 47th District and said that "anyone that knew … has to resign immediately."

Speaking during a campaign appearance in Santa Ana, the governor said the mailings "were illegal; it's a hate crime…. There should be no tolerance for this kind of behavior."

Democratic gubernatorial challenger Phil Angelides had earlier denounced Nguyen's campaign, which sent mailers to 14,000 registered voters. Written in Spanish, they warned that immigrants who cast a ballot could face jail time or deportation.

Nguyen, himself a Vietnamese immigrant, said Thursday that he had fired his campaign office manager because of the letter but that he had no prior knowledge of it. However, the chairman of Orange County's Republican Party has said that he was told by the mailing company that sent the letter that Nguyen was personally involved.

The Nguyen controversy — and key Republicans' quick action to distance the party from the mailings — pointed to a sharp contrast between the two major parties' approaches to the elections, just over two weeks away. As the Democrats seek to promote themselves as a unified slate, the Republicans are largely running as individuals.

Schwarzenegger made two Orange County campaign stops Saturday unaccompanied by other Republican candidates for statewide office, while the Democratic statewide candidates crisscrossed Southern California and stressed the need for unity.

Angelides began his day at a UC Berkeley football game tailgate party, then traveled to three Los Angeles-area labor rallies, which also drew such statewide Democratic candidates as John Garamendi, running for lieutenant governor; Cruz Bustamante, running for insurance commissioner; John Chiang, running for controller; and Debra Bowen, running for secretary of state; and local candidates.

"No matter where you go in this state, you see Democrats campaigning together," Angelides told about 200 supporters during an afternoon barbecue at a Gardena union hall. "These Republicans this year — in the year of George Bush's Republican Congress — they're all treating each other like they got the bird flu."

Despite Saturday's show of solidarity, the Democrats have their own fissures. Ray Cordova, chairman of the South Bay County Labor Council, told the Gardena crowd that he was "sick and tired" of seeing Senate President Don Perata and Assembly Speaker Fabian Nuñez "ride around the state" with Schwarzenegger rallying votes for Propositions 1A through 1E, which would spend $37 billion on state construction projects.

Schwarzenegger and the legislative leaders worked together to get the measures on the ballot and have since campaigned for them together.

But the theme of the day was unity, and the need to propel California voters to the polls by building on what recent surveys have shown could be a nationwide Democratic surge on election day. Angelides for the last two days has cited polls that he says have shown his campaign rallying from 17 to 7 points behind — though the polls were, in fact, sponsored by different polling organizations and do not necessarily demonstrate a trend.

"We are rocking and rolling," Angelides said in Gardena. "Those guys are slipping and sliding."

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Schwarzenegger's campaign day was more low key. In Santa Ana, he admired cowboy apparel and browsed ranchera albums on 4th Street, chatting with store owners and pausing for photos, handshakes and autographs before a private meeting with the Hispanic 100 civic group, which has endorsed him.

Speaking to reporters, Schwarzenegger reiterated his support for immigration reform, advocating a guest worker program and, under specific conditions, driver's licenses for illegal immigrants.

"Right now we have this policy where everyone looks the other way and everyone does things illegally," he said. "This is not the right way to go."

He moved on to Cook's Corner, a biker roadhouse in Trabuco Canyon, arriving on his maroon Indian Chief motorcycle. Nearly a thousand Harley-Davidsons and other choppers gleamed in the sun as part of the "California Dream Ride" to raise money for an organization that supports military families.

"I could have gone anywhere else in the world; I would not have remotely achieved the things that I have achieved, and it is all because of California," Schwarzenegger told the crowd.

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For exclusive Web features, including the new Political Muscle blog, go to latimes.com/californiapolitics.

No More Immigrant-Bashing In The O.C. (LAT)

The Los Angeles Times, October 22, 2006

Republicans rightfully denounced a candidate who sent an intimidating letter to Latino voters, saving face in a district they were bound to lose anyway.

THE DESPICABLE INCIDENT was, sad to say, not new to Orange County: Republicans trying to scare immigrants away from the polls. But the GOP's reaction this time — calling on its candidate to withdraw — was miles away from previous behavior. Nativist immigrant bashing may be alive in the O.C., but it's not well.

To be sure, the party's reaction to its candidate for the 47th Congressional District was a no-brainer. Tan Nguyen — himself an immigrant who seems to have forgotten the virulent racism that greeted many Vietnamese refugees when they arrived in Orange County — never had much of a chance against incumbent Democrat Loretta Sanchez. That alone is an extraordinary change for a seat that used to be solidly Republican. Nguyen had received little GOP backing from the start, so there was no loss in cutting him loose and plenty to gain in good PR.

If the county GOP wanted to come completely clean, it would apologize for its unconscionable actions in a 1988 state Assembly election, when it hired uniformed poll guards to carry signs in Latino neighborhoods stating "Noncitizens Can't Vote." That was thuggish and intimidating, but at least it was accurate.

The Spanish-language letter that Nguyen's campaign sent last week to 14,000 registered Latino voters in Anaheim, Garden Grove and Santa Ana was incorrect, as well as threatening and not a little un-American. It claimed immigrants cannot vote (which would bar Nguyen himself from the polls) and ominously invoked the threat of jail time, deportation and Big Brother computer systems that would track down any would-be voters. It then announced that unlike in Mexico (the country Nguyen's campaign apparently assumes all Latinos are from), there is "no incentive" in the United States to vote. Guess democracy isn't a good enough reason.

It's possible that if this race were as near and dear to Republican strategy as the 1988 campaign, the GOP would make lighter of the deed. But there's a better chance modern-day Republicans would distance themselves from the odious stunt. The GOP has learned, through a series of political gaffes and electoral defeats, that Latinos are a potent constituency in this country who have not seen the Republican Party as their ally.

Call it enlightened self-interest on the GOP's part; it's still good to see Latino-targeted Jim Crow election chicanery getting the thrashing it deserves behind the Orange Curtain.

Ehrlich Woos Anti-O'Malley Democrats (WT)

By Jon Ward

The Washington Times, October 22, 2006

BALTIMORE -- Maryland Gov. Robert L. Ehrlich Jr. yesterday rallied in Baltimore County with Democratic lawmakers and officials who endorse the Republican's re-election bid, as Democratic leaders urged voters in the city to defeat the governor even if they "don't care for" the party's candidate to replace him.

"I have represented majority-Democratic districts for all of my entire career," Mr. Ehrlich said, standing on a truck bed in a Dundalk parking lot before about 100 supporters.

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"Many, many Democrats are stepping up ... not leaving their party, just voting for the person they believe will lead the state," the governor and former congressman from Baltimore County said.

An hour earlier, in the city's Remington area, black Democratic leaders attacked Mr. Ehrlich while denigrating his Democratic challenger, Baltimore Mayor Martin O'Malley.

"Having spent four years in Annapolis with Governor Ehrlich, the boy's gotta go," state Sen. Lisa A. Gladden, Baltimore Democrat, told the crowd of about 100 at a meeting called to organize volunteers to go door to door with information on voters' rights.

Mrs. Gladden said she supports Mr. O'Malley's bid for governor only because it would help his fellow Democrats regain power.

"I have never voted for Martin O'Malley, never in my life, because I don't care for him," she said. "But you know what, I'm wearing his shirt, got his sign on the lawn, and quite frankly, I hope to God and I pray every day that O'Malley becomes our next governor."

Democrats control the Maryland legislature, and Mr. Ehrlich, who faces voters again two weeks from Tuesday, won election four years ago as the first Republican governor in more than 30 years.

Cheryl D. Glenn and Shawn Tarrant -- Democrats who won primary races for state delegate and are likely to be elected Nov. 7 -- also urged the crowd to vote for Mr. O'Malley, despite objections or reservations about his record in Baltimore.

"I know politics better than you do. Support O'Malley," Mrs. Glenn, a candidate in District 45, told the audience packed into a storefront room.

Mr. Tarrant, a community activist and regional manager for a pharmaceutical company, instructed the crowd not to "focus on the man," meaning Mr. O'Malley.

"Focus on the seat," said Mr. Tarrant, who likely will represent District 40. "We need the right Democrat in the seat. He can make the right selections."

Rep. Elijah E. Cummings, Baltimore Democrat, organized the voter-education drive because, he said, many voters are confused and discouraged by officials' concerns about organization and security for the election.

Mr. Ehrlich echoed those concerns yesterday during a radio interview, predicting "a lot of challenges" and "a lot of lawyers" after the election.

The governor again will have to win over Democratic and independent voters in Maryland, where Democrats outnumber Republicans 2 to 1 and where blacks made up about 40 percent of Democratic voters in the primary.

The Ehrlich campaign released a list of 26 Democratic supporters, most of them former officeholders and some of whom previously had endorsed his re-election. Most of the Democrats for Mr. Ehrlich endorsed him four years ago.

"I am a Democrat, and I support the whole Democratic team except for one individual ... that guy they call mayor," Baltimore City Council member Nicholas D'Adamo Jr. said. "Are the streets in better shape? Is the murder rate better? Is education any better?"

The crowd that heard Mr. Ehrlich in Dundalk was made up mostly of older, white voters. The crowd at the anti-Ehrlich rally in the city was mostly black voters.

Mr. Ehrlich, who said polls show he is doing well among black voters, cited his support for Coppin State University, a predominantly black college in Baltimore.

Calvin Burnett, the former president of Coppin whom Mr. Ehrlich appointed as education secretary in 2004, stood with the governor at the rally.

O'Malley spokesman Rick Abbruzzese predicted that Mr. Ehrlich will not attract enough Democrats.

"Democrats believe that government can work to improve the quality of life for all people, which does not mean siding with special corporate interests over working families, as Governor Ehrlich has done time and again," he said.

Mr. O'Malley leads Mr. Ehrlich in almost every poll in the race by an average of about seven points.

Kinky Friedman A 'Lone Ranger' On Trail (AP-)

By Pauline Arrillaga

AP, October 22, 2006

Richard Kinky Friedman is standing, sans cowboy boots, in his suite at the Hilton as a third day of election stumping ends, remote control in hand and Fox News on the tube. His campaign manager, heavy-lidded as the clock nears midnight, is doing his sleep-deprived best to reassure Texas' most unlikely gubernatorial candidate that he might just win.

"We could still lose," Dean Barkley tells The Kinkster. "But we're not gonna."

Friedman frets on. "It's possible that I'm a little pop star, everybody just wants a picture."

Eyes roll, and Barkley retorts: "I'll get you a little security blanket."

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Friedman's attention returns to Fox. A segment about the race is on, and Friedman's delivering one of his oft-recycled cracks about the definition of politics — "Poly means more than one, and ticks are bloodsucking parasites." (The line was originated by "some guy in Corpus," explains Friedman, king of the one-liners. "It's not that great.")

Now Gov. Rick Perry, the man whose job Friedman fancies, appears on screen delivering a crack of his own. "He's not running for class clown. He's running for the governor of a very important state."

Barkley chuckles, but the barefoot clown gripping the remote isn't smiling — for once in his rather hysterical life.

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Day 1. San Antonio. A question: Who is Kinky Friedman?

"He's a trip," says Ron, the driver of a Dollar Rent A Car shuttle. "Some people say he's a racist, but he's just being himself. That's what I think. I like his style — a `Lone Ranger' type. They do their own thing. I like that."

An hour later, Friedman — the songwriter, satirist, mystery novelist and now independent political candidate — is with Jesse Ventura and a gaggle of reporters at the University of Texas at San Antonio, starting a college campus swing with the former pro wrestler and governor of Minnesota.

Ventura, taking a break from surfing in Baja, Mexico, and sporting a very surfer-like braided goatee, is offering some unsolicited advice about curtailing the sharp sense of humor that Friedman built a career on and molded him into The Kinkster.

"You have to learn that political correctness unfortunately rules in the public sector," Ventura tells him.

Friedman, in his signature black hat and boots, signature cigar in hand, is firmly resisting.

"Political correctness is a real devil," he says. "It insinuates into our lives more than we think."

With that, Friedman rams the cigar in his mouth and gives "The Body," as Ventura used to be called, a friendly pat on the back.

Quintessential Kinky. Being himself. Doing his own thing. Sort of like ... a Lone Ranger. Just like Ron said. Ron, a black man with two diamond studs in one ear, big sunglasses and a bigger smile, who supported Perry in 2002. Ron, who has never in his life met Friedman, who when asked if he might vote for him smiled even bigger and said, "Nah."

Ron, who nevertheless gets The Kinkster — who's not all that easy to get.

What Kinky Friedman is: Hilarious. Crude. Biting. Unapologetic. Blunt.

What he also is: Intellectual. Sensitive. Giving. Philosophical. Loyal.

What he really is when you add it all up: Unconventional at every turn.

So why would someone like this want a job as conventional as governor? One response is now a popular Friedman bumper sticker: "Why the hell not?" The real answer's more complex, kind of like the man himself.

Friedman's books — from essay collections such as "'Scuse Me While I Whip This Out: Reflections on Country Singers, Presidents, and Other Troublemakers" to his mystery novels in which real-life rebels Willie Nelson and Hank Williams are characters — reveal someone who reveres the outlaw. That is, anyone with the cojones to thumb his or her nose at the system.

Perhaps, in part, that's because Friedman grew up on the outside — a Jew raised by socially conscious, freethinking parents in Christian-conservative, 1950s-traditional Texas.

He played chess, studied the classics at the University of Texas (where a friend bestowed upon him the nickname that stuck, reflecting Friedman's obsession with taming his untamable, kinky hair), and spent summers at the rural camp his parents started for children.

His mother, Minnie, was a public school speech therapist, once named "Outstanding Texas Citizen" by an exchange-clubs organization. His father, Tom, flew an Air Force bomber during World War II and later was a psychology professor.

Father Friedman liked to say, "Leave the world a better place than you found it," and his three children took that to heart. Daughter Marcie went to work for the American Red Cross, and son Roger eventually took over the kids' camp.

Kinky, the eldest, simply put his own twist on the mantra.

After a short stint with the Peace Corps in Borneo, he returned to the States with some songs in his pocket and an idea in his head.

The result was career No. 1 as leader of the band, "Kinky Friedman and the Texas Jewboys." He penned songs that at times drew more boos than cheers, satirical ditties about the issues of the day: racism, feminism, even the 1966 massacre at UT when student Charles Whitman climbed an observation tower and fatally shot 16 people.

One of Friedman's better-known songs, "They Ain't Makin' Jews Like Jesus Anymore," includes the n-word and a slew of other racially offensive terms but is a tune about one guy confronting another over his racist remarks.

"We had something to offend everybody," Friedman says. "That was the idea — to puncture this pompous, morality kind of a thing."

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"We've always made fun, but underneath all of that it's about intellectualizing things and making people think," says original "Texas Jewboy" Jeff "Little Jewford" Shelby. Shelby, who met Friedman as a kid at the summer camp, is now chief of staff of the gubernatorial campaign (and also Friedman's announcer at each campaign stop.)

"We like pushing the envelope," Shelby says, "but it's not just for the sake of pushing it."

When the musical career floundered, Friedman managed to make a name for himself in career No. 2 — as a mystery writer and, later, a columnist at Texas Monthly magazine. The latter, in particular, gave him a new platform for skewering or championing whatever, or whomever, he wanted.

Cigar-smokers: championed. Hunters: skewered. Bob Dylan: championed. Dell, Starbucks, the strip-mall sameness of America: skewered.

The governor's thing, as the Friedman gang calls it, is not only a stab at career No. 3, it is yet another stage from which The Kinkster can take on the untouchable. The two-party system. The — his words now — "rusty cage of bureaucracy and corruption" that is democracy in the 21st century. The "wussification" of politics, and of Texas.

"I love Texas," says Friedman. "I don't like what's happened to her. I don't like being last in all the good things and first in all the bad. The very least we can do is bring truth to the people. We're already bringing hope. The truth? Well, that's a little harder."

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Day 2. On the road from San Antonio to Houston. A thought: How does political incorrectness play in politics?

"Please welcome the man who's breathing life into Texas independence, the next governor of the great state of Texas ... Kinky Friedmaaaaaaaaaaan!"

The man with the cigar takes the podium at Trinity University in San Antonio, firing off warm-up lines like a Texafied Jerry Seinfeld.

"I was showing my old friend around Austin recently. He said, `Boy, that's a beautiful statue of Rick Perry.' And I said, `That IS Rick Perry.'"

Applause. Laughs.

The jokes are expected; they vary little from stop to stop. What's not is how seriously some Texans are taking the guy who delivers them.

Taylor Collier is 18, a freshman with shaggy hair and ear buds around his neck, clad in a T-shirt that reads, "TELL THE TRUTH." He's outside the auditorium at Trinity, reciting a story about the time Perry showed up at an event Collier attended a while back.

"I couldn't even get up to him. I couldn't even talk to him. You know? But Kinky walks in here and I walk up to him just like, `How you doing? Nice to meet you.' You know? To me, Kinky strikes me as more of a Texan."

Needless to say, Collier's first vote in his first gubernatorial election is going to The Kinkster.

So is that of 49-year-old Elva Romero, who works at a convenience store at Texas State University in San Marcos.

"I'm for him," she says, "because I'm outspoken myself. Whatever comes to my mind is gonna come out, and that's it. If it's gonna hurt other people, well sorry. He's unique. He's different, and I think he can make a change ..."

A Republican calling a Houston radio show apparently thinks so, too. Host Dan Patrick is musing over the Friedman phenomenon. Friedman is fourth among the four major gubernatorial candidates in money and support, and he's polling at about 14 percent. But that's almost equal with the Republican Perry's Democratic challenger, Chris Bell.

"The public was really waiting for someone like him," Patrick surmises.

"I agree," says the caller, who's especially fond of Friedman's pitch for more National Guard troops on the Texas border.

When Friedman launched his campaign last year in front of the Alamo, calling for the "unconditional surrender" of Perry with a country swing band by his side, he was far more Jon Stewart than John Kennedy. Then he hired on Barkley, who directed Ventura's successful campaign and later replaced the late Paul Wellstone in the U.S. Senate.

Friedman's 60-40 ratio of style-to-substance is now 40-60, says Barkley. The joke-laden speeches are sprinkled with Friedman's stance on legalizing casino gambling to help pay for education, decriminalizing marijuana to free up prison space, developing a taxpayer ID card for illegal immigrants to work.

"We've packaged things a little differently," says Barkley. "But him telling what he really believes? No, that hasn't changed."

No matter the consequences.

The Texas NAACP asked Friedman to apologize after he remarked that "crackheads and thugs have decided they want to stay in Houston" in a speech lambasting rising crime that police in the city attribute to Hurricane Katrina evacuees. Friedman refused, responding: "I am not a racist, I am a realist."

The group excluded Friedman from speaking at its convention this month, while inviting Perry, Bell and independent Carole Keeton Strayhorn.

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Then a television interview resurfaced in which Friedman was asked what to do about sexual predators, and he said, "Throw them in prison and throw away the key and make them listen to a Negro talking to himself."

His political opponents jumped on the anti-Friedman bandwagon, also calling for an apology — exactly the kind of politics-as-usual stuff that gets Friedman, and his longtime friends, fired up.

"I definitely know he's not a racist, because I know Kinky," says Ada Beverly, the 77-year-old daughter of Friedman's childhood caretaker, a black woman named Lottie Cotton, whom Friedman adored. "Kinky is just a wonderful, folk-loving person. He's not gonna whup it around and pretend he's one thing if he's another.

"But once you get Kinky into your heart," Beverly says, "you have a most lovable person."

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Day 3. Texas A&M University, Perry's alma mater. A revelation: There really is another side to Kinky Friedman.

It's the last stop of a long day, and 61-year-old Friedman is exhausted. He's munching on peanut butter crackers, having gone without nourishment for 10 hours. But the line for autographs stretches on, and Friedman won't leave until the last picture is snapped and T-shirt is signed (or cell phone, or empty Marlboro pack).

"He doesn't want to disappoint anybody," Sandy Wolfmueller later explains. She's known Friedman for 30 years, owns a bookstore where he does signing events. She recalls a time when the two of them had some falling out. Then her son died of a degenerative brain disease. "Don't ask me how he found out," she says, "but Kinky was one of the first to call."

Another fan: "He's got the biggest heart. All he does is save people and animals." That's Nancy Parker-Simons, who was tapped by Friedman to run an animal rescue ranch adjacent to his parents' summer camp outside of Kerrville. Friedman's own five dogs are watched over while he's on the road by a Katrina evacuee Friedman's putting up at his house.

Parker-Simons admits emitting a snicker or two when Friedman first broached the subject of running for governor.

Now she realizes, "He really is serious about it." Besides, "Texans would love it. We like to brag and all of that. And, boy, we would have a blast with him!"

It's at the Hilton, at the end of Day 3, with Fox News on the tube and the unsmiling clown staring at the set, that the punch line finally becomes clear: The funnyman's run for governor ain't no joke. Neither is Richard Kinky Friedman.

Edwards Takes Heat Over Quotations About Hillary (WP)

By Zachary A. Goldfarb

The Washington Post, October 22, 2006

Comments attributed last week to the wife of former North Carolina senator John Edwards (D) provided a faint foreshadowing of the intraparty battle that could arise when Democrats choose their presidential nominee in two years.

Elizabeth Edwards said last Thursday that her life has been a happier one than that of Sen. Hillary Rodham Clinton (D-N.Y.), according to the magazine Ladies' Home Journal. Both Clinton and John Edwards, the Democrats' 2004 vice presidential nominee, are prospective 2008 candidates for the presidency.

Clinton "and I are from the same generation," Elizabeth Edwards said at a luncheon sponsored by the magazine. "We both went to law school and married other lawyers, but after that we made other choices. I think my choices have made me happier. I think I'm more joyful than she is." Ladies' Home Journal provided a transcript of the luncheon comments to the Associated Press.

On Friday, Edwards released a statement accusing the magazine of misquoting and misrepresenting her. "This is particularly true with respect to my comments about Sen. Clinton, who holds a serious and demanding public office while I am largely home, joyfully I must admit, with two lovely children," Edwards said in the statement.

Ladies' Home Journal said the quotes were accurate.

Edwards called the former first lady on Friday to apologize, a Clinton aide told the AP.

"They had a good conversation," Howard Wolfson said. "The senator thanked her for the call and wished her well on her book tour."

Edwards is promoting a memoir, "Saving Graces," that examines her experience with breast cancer.

Obama Is Not A Miracle Elixir (NYT)

By Frank Rich

The New York Times, October 22, 2006

THE Democrats are so brilliant at yanking defeat from the jaws of victory that it still seems unimaginable that they might win on Nov. 7. But even the most congenital skeptic has to face that possibility now. Things have gotten so bad for the Republicans that were President Bush to unveil Osama bin Laden's corpse in the Rose Garden, some reporter would instantly check to see if his last meal had been on Jack Abramoff's tab.

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With an approval rating of 16 percent — 16! — in the new NBC News/Wall Street Journal poll, Congress has matched the Democrats of 1994 or, for that matter, Michael Jackson during his own version of Foleygate. As for Mr. Bush, he is once more hiding behind children in an elementary school, as he did last week when the monthly death toll for Americans in Iraq approached a nearly two-year high. And where else could he go? Some top Republican Congressional candidates in the red state he was visiting, North Carolina, would not appear with him. When the president did find a grateful campaign mate at his next stop, Pennsylvania, it was the married congressman who paid $5.5 million to settle a lawsuit by a mistress who accused him of throttling her.

Maybe the Democrats can blow 2006 as they did 2004, but not without herculean effort. As George Will memorably wrote, if they can't at least win back the House under these conditions, "they should go into another line of work."

The tough question is not whether the Democrats can win, but what will happen if they do win. The party's message in this campaign has offered no vision beyond bashing Mr. Bush and pledging to revisit the scandals and the disastrous legislation that went down on his watch. Last spring Nancy Pelosi did promote a "New Direction for America" full of golden oldies — raising the minimum wage, enacting lobbying reform, cutting Medicare drug costs, etc. She promised that Democrats would "own August" by staging 250 campaign events to publicize it. But this rollout caused so few ripples that its participants might as well have been in the witness protection program. Meanwhile, it was up to John Murtha, a congressman with no presidential ambitions, to goad his peers to start focusing on a specific Iraq exit strategy.

Enter Barack Obama. To understand the hysteria about a Democratic senator who has not yet served two years and is mainly known for a single speech at the 2004 convention, you have to appreciate just how desperate the Democrats are for a panacea for all their ills. In the many glossy cover articles about Obamamania, the only real suspense is whether a Jack or Bobby Kennedy analogy will be made in the second paragraph or the fifth. Men's Vogue (cover by Annie Leibovitz) went so far as to say that the Illinois senator "alone has the potential to one day be mentioned in the same breath" as Richard Wright, Ralph Ellison, Abraham Lincoln and Martin Luther King. Why not throw in Mark Twain and Sammy Davis Jr.?

This is a lot to put on the shoulders of anyone, even someone as impressive as Mr. Obama. Though he remains a modest and self-effacing guy from all appearances, he is encouraging the speculation about seeking higher office — and not as a coy Colin Powell-style maneuver to sell his new book, "The Audacity of Hope." Mr. Obama hasn't been turning up in Iowa for the corn dogs. He consistently concedes he's entertaining the prospect of a presidential run.

There's no reason to rush that decision now, but it's a no-brainer. Of course he should run, assuming his family is on the same page. He's 45, not 30, and his slender résumé in public office (which also includes seven years as a state senator) should be no more of an impediment to him than it was to the White House's current occupant. As his Illinois colleague Dick Durbin told The Chicago Tribune last week, "I said to him, 'Do you really think sticking around the Senate for four more years and casting a thousand more votes will make you more qualified for president?' " Instead, such added experience is more likely to transform an unusually eloquent writer, speaker and public servant into another windbag like Joe Biden.

The more important issue is not whether Mr. Obama will seek the presidency, but what kind of candidate he would be. If the Democratic Party is to be more than a throw-out-Bush party, it can't settle for yet again repackaging its well-worn ideas, however worthy, with a new slogan containing the word "New." It needs a major infusion of steadfast leadership. That's the one lesson it should learn from George Bush. Call him arrogant or misguided or foolish, this president has been a leader. He had a controversial agenda — enacting big tax cuts, privatizing Social Security, waging "pre-emptive" war, packing the courts with judges who support his elisions of constitutional rights — and he didn't fudge it. He didn't care if half the country despised him along the way.

The interminable Iraq fiasco has branded the Democrats as the party of fecklessness. The failure of its leaders to challenge the administration's blatant propaganda to gin up the war is a failure of historic proportions (as it was for much of the press and liberal punditry). When Tom Daschle, then the Senate leader, presided over the rushed passing of the war resolution before the 2002 midterms, he explained that the "bottom line" was for Democrats "to move on"; they couldn't wait to campaign on the economy. The party's subsequent loss of the Senate did not prevent it two years later from nominating a candidate who voted for the war's funding before he voted against it.

What makes the liberal establishment's crush on Mr. Obama disconcerting is that it too often sees him as a love child of a pollster's focus group: a one-man Benetton ad who can be all things to all people. He's black and he's white. He's both of immigrant stock (Kenya) and the American heartland (Kansas, yet). He speaks openly about his faith without disowning evolution. He has both gravitas and unpretentious humor. He was the editor of The Harvard Law Review and also won a Grammy (for the audiobook of his touching memoir, "Dreams From My Father"). He exudes perfection but has owned up to youthful indiscretions with drugs. He is post-boomer and post-civil-rights-movement. He is Bill Clinton without the baggage, a fail-safe 21st-century bridge from "A Place Called Hope" to "The Audacity of Hope."

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Mr. Obama has offended no one (a silly tiff with John McCain excepted). Search right-wing blogs and you'll find none of the invective showered on other liberal Democrats in general and black liberal leaders in particular. What little criticism Mr. Obama has received is from those in his own camp who find him cautious to a fault, especially on issues that might cause controversy. The sum of all his terrific parts, this theory goes, may be less than the whole: another Democrat who won't tell you what day it is before calling a consultant, another human weather vane who waits to see which way the wind is blowing before taking a stand.

That has been the Democrats' fatal malady, but it's way too early and there's too little evidence to say Mr. Obama has been infected by it. If he is conciliatory by nature and eager to entertain adversaries' views in good faith, that's not necessarily a fault, particularly in these poisonous times. The question is whether Mr. Obama will stick up for core principles when tested and get others to follow him.

That's why it's important to remember that on one true test for his party, Iraq, he was consistent from the start. On the long trail to a hotly competitive senatorial primary in Illinois, he repeatedly questioned the rationale for the war before it began, finally to protest it at a large rally in Chicago on the eve of the invasion. He judged Saddam to pose no immediate threat to America and argued for containment over a war he would soon label "dumb" and "political-driven." He hasn't changed. In his new book, he gives a specific date (the end of this year) for beginning "a phased withdrawal of U.S. troops" and doesn't seem to care who calls it "cut and run."

Contrast this with Hillary Clinton, the presumptive Democratic presidential candidate, who last week said that failed American policy in Iraq should be revisited if there's no improvement in "maybe 60 to 90 days." This might qualify as leadership, even at this late date, if only John Warner, the Republican chairman of the Senate Armed Services Committee, hadn't proposed exactly the same time frame for a re-evaluation of the war almost a week before she did.

The Democrats may well win on Election Day this year. But one of their best hopes for long-term viability in the post-Bush era is that Barack Obama steps up and changes the party before the party of terminal timidity and equivocation changes him.

Growing Absentee Voting Is Reshaping Campaigns (NYT)

By John M. Broder

The New York Times, October 22, 2006

WASHINGTON, Oct. 21 — For millions of Americans, Election Day is already over.

Thirty states now allow no-excuse absentee voting, and most of them also allow voters to cast early ballots in person at county clerks' offices or satellite polling places.

In Montana, absentee ballots were mailed Sept. 22. As many as 40 percent of Florida's voters will cast their ballots before Election Day, Nov. 7. Oregon's elections are conducted entirely by mail, and Washington is moving that way. California sent out 3.8 million absentee ballots the week of Oct. 8.

Candidates are maneuvering to adapt to a changed political calendar, accelerating their advertising, their mailings and their get-out-the-vote calls. They are figuring out exactly who votes early and are trying to get to them before they cast their ballots. They are raising more money and spending it faster.

"Love it or hate it, it's the wave of the future," said Art Torres, chairman of the California Democratic Party. "Election Day started here on Oct. 10 and lasts 29 days. It's tremendously burdensome on our fund-raising and the people we have out in the field."

Phil Angelides, the Democrat trying to unseat Gov. Arnold Schwarzenegger of California, spent $250,000 to mail 725,000 brochures last week, timed to drop into mailboxes the same day the absentee ballots arrived.

Mike McGavick, the Republican candidate for the Senate seat from Washington, pushed up his television advertising schedule to run spots that an aide called his "closing argument" three weeks before Election Day. More than half of the state's voters will cast ballots by mail before Nov. 7.

In the Denver suburbs, Rick O'Donnell, a Republican candidate for Congress, said he had been emphasizing his hard line on illegal immigration in recent speeches and advertisements to motivate loyal Republicans who he believed were more likely to vote early. Mr. O'Donnell is now pivoting to a message on taxes to try to appeal to independents and undecided voters who are waiting until Election Day.

"It is a different message when it is a different group of people," Mr. O'Donnell said.

"Every day we get a list of additional people who just in the last 24 hours have applied for ballots," he said. "The amazing thing is they are voting tonight at home on the kitchen counter. They come up to me and say, 'I voted for you.' "

Experts estimate that more than 20 percent of voters nationwide will cast their ballots before Election Day by mail or at early-voting locations, a proportion of the electorate that is rising with each election. Some states and counties open the ballots before Election Day and keep the results secret; others count them with regular ballots.

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Analysts and party officials who study early voting trends say that a decade ago those who took advantage of absentee ballots tended to be relatively well off and highly educated, with Republicans outnumbering Democrats by almost two to one. But as the ease of early voting has spread, the ratio is slipping and some analysts say that nearly as many Democrats as Republicans now vote early.

Those who favor the practice say it is convenient for voters and increases turnout. Most elections officials welcome the trend because it reduces the strain on polling places and poll workers on Election Day.

But some experts say there is no proof that early voting increases turnout and may well have the opposite effect because some voters request absentee ballots and then neglect to send them in. They are also concerned that absentee ballots are more open to fraud than votes cast at established polling places.

Candidates and political parties are ambivalent. They can get partisans to vote early and then use them as volunteers to help turn out other voters. They can be sure their voters will not be discouraged or turned away at crowded polling places on Election Day.

But for candidates, the trend toward early voting vastly complicates campaigning, as Mr. Torres said. With voting spread over 29 or even 45 days, candidates have to budget their time and money carefully to make sure they are reaching all potential voters before they cast their ballots. They cannot rely solely on a late blitz of advertising, mail and phone calls to motivate voters. They cannot pray for a piece of late-breaking news to alter the outcome.

Nationwide in 2004, an estimated 25 million votes were cast early, roughly 20 percent of the 122 million total. In 2000, about 14 percent of the electorate voted early. There are no reliable national figures for 1996 and earlier, said Paul Gronke, director of the Early Voting Information Center at Reed College in Oregon.

Absentee voting offers an opportunity for political parties to refine and use increasingly sophisticated methods of identifying supporters known as microtargeting. Starting with lists of voters requesting absentee ballots and then researching how they voted in past elections, parties can identify loyalists.

The parties also use magazine subscription lists, catalog mailings and even cable television choices to further identify potential supporters. Both parties use the techniques, but Republicans started earlier and claim an advantage over Democrats in identifying and turning out their voters.

Critics of early voting, however, say that extending the balloting period can discourage voters and distort results. Curtis Gans, director of the Committee for the Study of the American Electorate, said his research showed that no-excuse absentee voting hurt turnout, although 2004 was an exception.

Mr. Gans said that many voters, concerned about fraud and chaos at polling places after the contested 2000 election, took advantage of the new, more liberal rules for absentee and early voting. But he also said there were more cases of fraud in absentee balloting than in Election Day voting, citing recent cases of absentee vote-buying in Illinois, Florida and Georgia and a concern about overseas ballots in Florida in 2000.

The Georgia case, from 1996, involved two candidates for county commissioner in Dodge County, who set up tables at opposite ends of the hall in the county courthouse offering $20 cash payments for absentee votes. Both candidates were convicted of vote fraud.

Mr. Gans also said that early voting could minimize the impact of events that occurred close to Election Day, leading to what he called a “differential of information” among voters.

“What if on the Friday before the election Osama bin Laden is captured?” he asked. “Or we had a terrorist act or the stock market tanked, or we learned of a major issue of moral turpitude involving a major candidate?”

The weekend before the 2003 election to recall Gray Davis, the California governor, The Los Angeles Times reported that several women had said that Mr. Schwarzenegger, the winning candidate, had groped them. At that point, more than 2 million of the 9.4 million votes cast in the election had already been mailed.

In giving voters more flexibility in casting their ballots, there are those who say that something intangible is lost. Election Day is a civic ritual, they say, the one occasion every two or four years when millions of citizens show up in a public place to exercise their right to choose their representatives.

“Absentee voting erodes that sense of community,” Professor Gronke said. “It is voting alone.”

Californians Face Decisions, Decisions (WP/AP)

By Rachel Konrad, Associated Press

The Washington Post, October 22, 2006

Election Officials Concerned That Bulky Voter Guides Will Overwhelm Residents

SAN FRANCISCO -- Voter guides are landing with a thud on doorsteps across California as residents are facing an unusually large number of ballot measures and candidates in next month's election.

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Election officials worry that the state's largest guides -- 192-page books sent to 12 million homes -- will overwhelm and discourage would-be voters.

The array of complicated issues on the ballot might also lead to long lines and delays at polling sites if people haven't done their homework.

"The state guide is pretty overwhelming. I haven't gotten through it myself," Shasta County Clerk Cathy Darling said. "My absentee ballot is sitting here in my desk drawer because I haven't read it all yet."

A majority of voters are expected to vote by mail. But the ballots are so big that election officials fear some might be returned for insufficient postage.

California Secretary of State Bruce McPherson said that 24 counties have mail-in ballots exceeding one ounce and therefore requiring 63 cents of postage. He is working with the post office to help ensure that ballots with only one 39-cent stamp will be delivered by Election Day.

The November sample ballot in San Joaquin County is the largest ever -- 100 to 124 pages, depending on the district, or triple the normal size. Many pages are devoted to a proposed tax increase to pay for road and rail projects.

San Joaquin County Registrar Debby Hench said printing costs in a typical election are about $300,000, but the cost this time could be double.

"We know they're big and intimidating-looking, so we're telling voters they need to pre-mark the sample ballot and be prepared when they go into the booth so they don't have to read everything in the polling place -- they will never be able to do that in a timely way," Hench said.

California guides have been swelling since the 1970s, when candidates, voters and interest groups increasingly turned to state propositions to enact legislation.

The October 2003 special election, in which Gov. Gray Davis (D) was recalled from office and replaced by Arnold Schwarzenegger (R) from a field of 135 candidates, required supersize ballots and guides. But at least it was light reading, with quips from candidates such as Hustler magazine publisher Larry Flynt, former sitcom star Gary Coleman and melon-smashing comedian Leo Gallagher.

By contrast, the November ballot lists candidates for eight statewide offices, 13 propositions and local ballot measures in nearly all 58 counties.

"Voting in this state can sometimes feel like doing your taxes," said Kim Alexander, president of the California Voter Foundation.

Wealthy Coal Executive Hopes To Turn Democratic West Virginia Republican (NYT)

By Ian Urbina

The New York Times, October 22, 2006

CHARLESTON, W.Va. — Don L. Blankenship is not the governor of West Virginia. But here in coal country some say he may as well be, considering the power he wields.

Mr. Blankenship, the chief executive of the state's largest coal producer, Massey Energy, has promised to spend "whatever it takes" to help win a majority in the State Legislature for the long-beleaguered Republican Party in a state that is a Democratic and labor stronghold.

In a state where candidates who win typically spend less than $20,000, Mr. Blankenship has poured more than $6 million into political initiatives and local races over the past three years. Mr. Blankenship has spent at least $700,000 in his current effort to oust Democrats, and the state is awash with lawn signs, highway billboards, radio advertisements and field organizers paid for by him.

"Don Blankenship would actually be less powerful if he were in elected office," said United States Representative Nick J. Rahall II, a Democrat whose district includes a majority of Massey's coal mines. "He would be twice as accountable and half as feared."

Rather than bankroll his own political ambitions, as have businessmen like Gov. Jon S. Corzine of New Jersey and Mayor Michael R. Bloomberg of New York, Mr. Blankenship has exerted his financial clout in the mold of Warren Buffett and George Soros, choosing issues and candidates in line with his partisan philosophy.

Union leaders say Mr. Blankenship, 56, is the main reason that less than a quarter of the state's coal miners are now organized, down from about 95 percent just three decades ago. And environmentalists describe him as the biggest force behind a highly destructive form of mining called mountaintop removal that involves using explosives to blow off the tops of mountains to reach coal seams.

Local Republicans admiringly say that Mr. Blankenship combines the strategic savvy of Karl Rove, the White House adviser, and the fund-raising skill of Richard Mellon Scaife, the conservative financier. Mr. Blankenship personally oversees his

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media campaigns; he writes advertisements and designs polls, and speaks on talk radio more than the chairman of the state Republican Party.

"This has never been an easy state for Republicans," said the party chairman, Doug McKinney, seated in his party's headquarters, a dank cinder-block building in Charleston bought in 2002, half of it paid for with a $100,000 donation from Massey Energy. "But finally this state is at a tipping point, and Don is a big reason for that."

In 2004, Mr. Blankenship financed a $3.5 million campaign that catapulted a little-known lawyer, Brent D. Benjamin, who barely won the Republican primary, onto the public stage as the first Republican to serve on the state's Supreme Court.

In 2005, Mr. Blankenship spent $650,000 to deal Gov. Joe Manchin III, a Democrat, the most significant defeat of his tenure by blocking a plan to use bonds to shore up the state's under-financed employee pension plan.

George W. Bush won West Virginia in 2000, the first time since 1928 that voters backed a nonincumbent Republican for president. Mr. Bush won the state again in 2004, and in the past several years, a large number of Republicans have moved into the state's eastern panhandle, mostly from Virginia.

In 2002, Republicans picked up 11 seats in the House of Delegates (but are still in the minority), and local political analysts say it is possible, though a long shot, that the Republicans will pick up the additional 18 House seats they need to control the Legislature in November. The Democrats retain a strong majority in the Senate.

"Don is really the linchpin of it all," said Gary Abernathy, a consultant for the state Republican Party.

Mr. Blankenship, who declined to be interviewed for this article, told a gathering of Republicans last year in his famously blunt and monotone delivery that it "doesn't take clairvoyance to know what we need to do" in West Virginia.

"If you go down to Virginia and copy the law book and write 'West' in front of it, you would clearly have a more prosperous economy, a better education system and you'd have a better state. It's that simple," he said, referring to Virginia, which is deeply Republican and has more pro-business laws than West Virginia.

The first step in that mission, said Cecil E. Roberts, president of the United Mine Workers of America, has been to oppose unions fervently in the state. "From the first day he could, Don began busting unions," Mr. Roberts said. "He was pretty effective at that, so now Don is trying to extend his reach across the state in politics."

Raised just up the road from Matewan, the scene of an epic 1921 strike, Mr. Blankenship keeps a reminder of his anti-union beliefs in the back of his office. In 1985, Massey broke from the industry and insisted that miners at each site negotiate separately with the company. During the 11-month strike that resulted, someone shot through Mr. Blankenship's office window. The old Zenith television whose screen was shattered by the bullet still sits not far from his desk.

After graduating with an accounting degree from Marshall University in Huntington, Mr. Blankenship worked at several companies before becoming a manager in 1982 at Massey, the fourth largest coal producer in the United States. Eight years later, he became the first non-Massey family member to serve as president of the company.

Mr. Blankenship, who received about $34 million in compensation last year (roughly four times the industry standard) runs the company from a double-wide trailer just across the state line in Belfry, Ky. In April, Mr. Blankenship's personal housekeeper filed a lawsuit seeking unemployment benefits in which she accused him of responding with angry fits to infractions like getting the wrong McDonald's order or stocking the freezer with the wrong ice cream. After the disasters at the Aracoma Alma Mine, which Massey owns, and the Sago Mine, in which a total of 14 miners were killed, Mr. Blankenship drew sharp criticism after he told The Herald-Mail of Hagerstown, Md., that such accidents were rare and statistically insignificant.

E. Morgan Massey, the company's former chief executive and an admirer of Mr. Blankenship's, said that while the criticism he faced as C.E.O. was that he was "too paternalistic," Mr. Blankenship had been viewed differently.

"Let's just say Don is the other way entirely," Mr. Massey said. Mr. Blankenship has also been faulted for his company's environmental record. Massey has had more toxic spills of coal waste than any other company in the state, and from January 2000 to December 2005, it received 4,268 citations from state regulators. The next closest company received fewer than 800. A Massey spokeswoman responded by pointing out that Massey is the largest coal producer in the state.

One of Mr. Blankenship's biggest concerns, especially after Massey lost a $50 million jury verdict in August 2002 for having forced a smaller company out of business, has been "plaintiff-friendly courts" that he says have made West Virginia an expensive place to do business.

At the same time, Mr. Blankenship has not been shy about using the courts to deal with his adversaries. In the past several years he has sued the governor, the United Mine Workers union, the state Supreme Court, and The Charleston Gazette, the state's largest newspaper.

Governor Manchin said he tried not to pay Mr. Blankenship any mind.

"I know Don writes a lot of checks," Mr. Manchin said. "At this point, I'm just sticking with the issues and reminding voters of the successes we've had with help from the Legislature. I'm not paying attention to Don."

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The state Democratic Party, however, is taking the opposite approach. It is distributing bumper stickers saying, “Don, WV is not for sale,” and has set up a Web site listing controversial comments from Mr. Blankenship. The party has sent letters to Republican candidates pressing them to give back Mr. Blankenship’s contributions; so far, two candidates have done so.

The Democratic-controlled Legislature has also tried to rein in Mr. Blankenship’s influence.

Last year in response to Mr. Blankenship’s impact on the Supreme Court race in 2004, lawmakers passed a campaign-finance law capping at $1,000 how much an individual can give to so-called 527 groups like the one Mr. Blankenship used to influence that race.

However, individuals still can spend unlimited sums of their own money on campaign advertisements, and that is just what Mr. Blankenship has said he plans to do.

Party Of Jesse Ventura Vies To Be More (WP)

By Conrad Defiebre, Minneapolis Star Tribune

The Washington Post, October 22, 2006

The Big Two Dwarf Minnesota's Independence Party, but It Refuses to Fade

In 12 years as a major political party in Minnesota, the Independence Party has produced one larger-than-life governor, an appointed U.S. senator for 7 1/2 weeks and a smattering of local officials.

Now the party of Jesse Ventura is pinning its hopes on eight statewide and federal candidates, none of whom has ever stood for election before, plus a collection of 17 seekers of lesser offices.

Is this really a major party?

Officially it is, by virtue of attaining 5 percent or more of the vote in at least one statewide race in every Minnesota general election since 1994. And polls show that string is likely to continue with veteran public policy wonk Peter Hutchinson's long-shot gubernatorial run this year.

In some ways, the Independence Party is a serious political force while in others it's still a struggling newcomer.

"They are definitely a player, at the moment probably the most successful third-party movement in America," said Larry Jacobs, director of the Center for the Study of Politics and Governance at the University of Minnesota. "But they're not yet an organization, and their support can be unstable."

Not surprisingly, the two dominant parties -- with more than 200 nominees apiece on the Nov. 7 ballots -- scoff at the IP's thin candidate slates, threadbare finances, middle-of-the-road politics and recent election failures.

"It's hard to talk about the future of a party that hit its high-water mark eight years ago," said Democratic-Farmer-Labor Party spokeswoman Jess McIntosh, referring to Ventura's election. "They had their shot, they showed us what independent leadership looks like, and I don't imagine voters will give them another chance anytime soon."

Added state Republican Party spokesman Mark Drake: "They've been losing a lot of influence in the post-Ventura years."

But state IP Chairman Jim Moore shot back: "The last time the state worked was with a former wrestler who wore a feather boa."

Since Ventura "shocked the world" in 1998 by winning a three-way gubernatorial race with 37 percent of the vote, Tim Penny, the IP's choice in 2002, saw his support fall from the mid-20 percent range in an early poll to 16 percent on Election Day. Hutchinson is languishing in single digits.

Moore says that's about where Ventura was at this stage eight years ago -- he registered 10 percent in a Sept. 23, 1998, poll. But while Hutchinson, a former state finance commissioner and Minneapolis schools superintendent, has impressed debate audiences with his articulate grasp of issues, he has not matched Ventura's name recognition, florid personality and ability to connect with alienated voters.

The party does seem to be trying to re-create something of the offbeat Ventura style. It has produced satirical radio ads featuring the former governor and started an interactive Web site where the party mascot, Indie the Buffalo, answers visitors' questions. A recent "speed candi-dating" event offered happy-hour bar patrons in downtown Minneapolis brief one-on-one conversations with IP candidates.

With its support of rail transit, aggressive environmental initiatives, and abortion and gay rights, the IP is often seen as draining support from the DFL. "They're true liberals," the GOP's Drake said of Hutchinson and other IP candidates who have backgrounds in the DFL. But Jacobs said his public-opinion research shows that Hutchinson draws his current 9 percent support equally from Gov. Tim Pawlenty (R) and DFL Attorney General Mike Hatch.

Tim Anderson, 40, a Minnetonka software consultant, said he will vote the IP ticket now after a lifetime as a dedicated Republican. Anderson said he responds to Hutchinson's calls to simplify the government and get it out of "the hot-button moral issues" that he said have preoccupied the GOP for the past 10 years.

"I don't think they're going to win," he said of the IP slate, "but I like them anyway."

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In addition to Hutchinson and his "Team Minnesota" statewide slate of experienced but little-known public policy hands, the IP is focusing resources on a "Team Washington" of U.S. Senate hopeful Robert Fitzgerald and U.S. House candidates Tammy Lee and John Binkowski.

They are young, likable and well-positioned between DFL and Republican rivals who are "on the edges of their parties," Moore said. But none of them has broken out of single digits in polls.

In the view of IP founder Dean Barkley, "Tammy Lee has an excellent chance of doing well" against Keith Ellison (DFL) and Alan Fine (R) in the Minneapolis-area 5th District. "She might be able to pull that one off."

Binkowski is running against Michele Bachmann (R) and Patty Wetterling (DFL) in the 6th District, north of the Twin Cities.

The IP has fielded only two winners of state offices -- Ventura and state Sen. Sheila Kiscaden, a moderate Republican legislator who was snubbed by her party, won reelection in 2002 under the IP banner and soon thereafter switched to the DFL.

There's little indication that this year's crop of 16 IP legislative hopefuls will repeat Kiscaden's success.

"The problem with the Independence Party is that their only message is 'none of the above,' " said the DFL's McIntosh. "It's not positive, it's not progressive and it's not a message you can actually govern on."

Barkley, who masterminded Ventura's election and later was appointed by him to fill out the final weeks of the late Democratic Sen. Paul Wellstone's term, takes a more positive view.

"They may not be doing as well as they'd like," he said last week from Austin, where he is managing the independent gubernatorial campaign of singer-writer Kinky Friedman. "But we're patient. It's not going to happen overnight. The party is larger than ever. In '94, there were about 12 of us. It gets a little bigger every year."

Running For Office? Better Run From Colbert (LAT)

By Jim Puzzanghera

The Los Angeles Times, October 22, 2006

Lawmakers are wary of his Comedy Central show, which often gives them enough cable to hang themselves.

WASHINGTON — Most politicians are as likely to pass up free TV face time before an election as they would be to refuse a campaign check.

Then again, there's a price to be paid for looking stupid.

That's what members of Congress have learned recently about "Better Know a District," a sarcastic weekly skit that is part of "The Colbert Report," a nightly half-hour on Viacom Inc.'s Comedy Central network.

Hosted by comedian Stephen Colbert, the year-old program is a spinoff of the cable channel's wildly popular "The Daily Show Starring Jon Stewart" and one of an increasing number of political humor shows on cable that are drawing the young viewers whom advertisers covet.

Politicians covet them too for their votes. So, many lawmakers initially played along with the segments in which Colbert interviews a member of the House of Representatives, with few checks and balances on his proclivity to make fools of them.

But after a couple of House members stumbled badly on the show, some incumbents decided that the dumbest thing to do with Colbert's offer of free TV exposure was to take it.

"I watch it all the time," said House Minority Leader Nancy Pelosi (D-San Francisco), "and I think, 'Why would anybody go on there?' "

With polls showing that the balance of power in Congress could shift from Republican to Democrat in next month's elections, few incumbents are in the mood to take chances. Indeed, it's been two months since a current member has appeared.

One who did appear, Rep. Lynn Westmoreland (R-Ga.), discovered the pitfalls when Colbert asked him about a bill he co-sponsored requiring that the Ten Commandments be displayed in the U.S. Capitol.

"What are the Ten Commandments?" Colbert asked matter-of-factly.

"What are all of them?" Westmoreland said, taken aback. "You want me to name them all?"

The June segment showed Westmoreland struggling to name just three. Westmoreland actually named seven, said his press secretary, Brian Robinson. And the remaining ones, he added, were somewhat obscure.

A Bible Belt conservative, the embarrassed Westmoreland has been trying to live down his Commandments performance. No Republican has appeared since.

Negative phone calls from around the country poured in to Westmoreland's office, mostly from liberals charging hypocrisy, Robinson said. Several clips of the segment are posted on the YouTube website, and Westmoreland's Democratic opponent, Mike McGraw, put the video on his campaign website.

"It's a great thing to do if all Americans had a sense of humor," Robinson said of a Colbert appearance. "Unfortunately, some don't get the joke."

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What really got the attention of House members was the experience of Rep. Robert Wexler (D-Fla.). Colbert told him he was free to make even the most outrageous statements because he was running for reelection unopposed. Then Colbert coaxed Wexler into a spoof declaration that he enjoyed cocaine and prostitutes because "it's a fun thing to do."

Several media outlets trumpeted Wexler's comments without making it clear that he was only answering Colbert's fill-in-the-blank questions.

"I'm going to try to keep my day job and not go into comedy," Wexler said, although he noted that the reaction from his constituents was overwhelmingly positive.

Wexler's gaffe, following Westmoreland's trouble, has made some legislators gun-shy about facing Colbert with elections approaching. Colbert and the show's staff have declined media interviews about the segments since the Wexler episode.

But ignoring Colbert has its own perils.

When Rep. Sue W. Kelly (R-N.Y.) declined to appear for the segment that aired Thursday night, Colbert invited her Democratic opponent, John Hall.

"I oppose everything that you stand for," Colbert said, "but you were willing to talk to me. So let's move your numbers right here. Let's smear your opponent."

Hall picked from a deck of "smear cards" fanned by Colbert.

"My opponent smokes marijuana," Hall said blankly.

"That's a bold accusation," the host responded. "It's out there now that Sue Kelly smokes pot."

Ever since Richard Nixon delivered the "Sock it to me" punch line on "Rowan & Martin's Laugh-In" during the 1968 presidential campaign, politicians have sought to use comedy shows to prove they aren't the stiffs they seem to be. Gerald Ford taped two brief lines from the White House for a 1976 episode of "Saturday Night Live."

Bill Clinton defused criticism over a painfully long speech at the 1988 Democratic convention by letting "Tonight Show" host Johnny Carson place an hourglass in front of him during an interview. Four years later, Clinton scored points in his 1992 presidential campaign by playing the saxophone on comic Arsenio Hall's talk show.

But Colbert's series is different.

Instead of high-profile presidential wannabes, it features relatively anonymous House members. The interviews are taped in the lawmaker's office, so there's no studio audience to chastise a hostile questioner. And the approximately five-minute segments are culled from sessions as long as 2 1/2 hours — plenty of time for even an experienced politician to say or do something to make a press secretary cringe.

Over the last year, "Better Know a District" has become the comedic buzz of Capitol Hill. Colbert bills it as a "434-part series" — he's banned the San Diego-area district represented by his "friend," convicted felon Randy "Duke" Cunningham, because constituents didn't notice his "cry for help."

Congressional staffers e-mail video clips, critiquing each performance. Speculating about who will appear next — and how foolish they'll look — has become nearly as popular as handicapping which party will control the House after November's election.

Looking foolish is usually a good bet.

Each segment begins with a short send-up of the representative's district. Colbert introduced the district of Rep. Xavier Becerra (D-Los Angeles) "Entertainment Tonight"-style. He plugged the pastrami sandwiches at Langer's deli with numerous references to Tom Cruise movies and asked in a quiz which hunk — George Clooney, Antonio Banderas or Becerra — was the district's congressman.

Colbert's shtick lampoons blustery conservative cable TV commentators such as Fox's Bill O'Reilly. He remains in character when he sits down with members of Congress, firing off provocative or just plain stupid questions. Politicians often are flummoxed.

"Is it safe to say you're an America-hating terrorist lover hiding behind a stupid bow tie?" he asked Rep. Earl Blumenauer (D-Ore.).

"Do you have to take your toupee off when you go through security?" Colbert asked Rep. John L. Mica (R-Fla.).

"Have you ever seen a naked woman?" he asked Rep. Brad Sherman (D-Sherman Oaks).

Paul Lewis, a Boston College professor who has studied humor and politics, said the series was just "a trap" for politicians.

"When they go on the show," he said, "they often seem like buffoons."

But for the 30 House members who have appeared over the last year, the risk of facing down Colbert has a potential reward — demonstrating a sense of humor and appealing to young people, who make up a large chunk of the 2 million people who watch each episode.

Many like to play along. Rep. Lynn C. Woolsey (D-Petaluma) arm-wrestled Colbert. Rep. Stephanie Tubbs Jones (D-Ohio) portrayed "Judge Tubbs" in a parody of TV court shows. Rep. Eliot L. Engel (D-N.Y.) let Colbert comb his mustache.

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"We don't want to be stuffed shirts only doing dry subjects in a dull format," said Rep. Jack Kingston (R-Ga.), who was the first House member Colbert profiled and had urged colleagues to appear. "We need to make politics interesting and fun to people any chance we get."

Becerra, who is running unopposed, decided Colbert was a risk worth taking. Appearing in August, Becerra was the last incumbent to make that calculation. But it was worth it, Becerra said, noting that it brought attention to his bill to create a national museum for American Latino culture and history.

Well, attention of a sort.

"Why would you want to take America's great art and translate it into Spanish?" Colbert asked Becerra in his Capitol Hill office. "Is this what you want to see?"

Colbert held up a series of pictures. In "Washington Crossing the Delaware," the Father of Our Country wore a sombrero, and a pinata replaced the American flag. "Whistler's Mother" rocked under a fruit-basket hat a la Carmen Miranda. Colombian coffee pitchman Juan Valdez and his trusty mule were seen nosing into "American Gothic."

"That's very clever," Becerra responded, trying not to laugh.

He and others said the key to avoiding political damage was knowing when to stop playing along. "In our business, we're allowed to be funny," Kingston said, "but not real funny."

Sherman participated in a PG-rated spoof of a pornographic movie involving Colbert and a pizza deliveryman, a nod to his district being in the San Fernando Valley, home to the nation's adult film industry. But Sherman said he turned down several requests from Colbert to do potentially embarrassing things in the spoof, titled "Fresh Hot Slice."

In the end, Sherman was shown simply watching Colbert and the deliveryman indulge in some sexually suggestive pizza eating.

"I ate no pizza," Sherman said. "That's not because Colbert didn't want me to eat some pizza."

Democratic consultant Jenny Backus said Colbert offered lawmakers an excellent opportunity to broaden their appeal, just not in the home stretch of the campaign.

"There will always be people in the House trying to stick out of the crowd … but right now is not the season to be doing that," she said, noting that a series of congressional scandals have many voters in a less-than-jovial mood. "In this climate, it's must-not-do TV."

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The GOP Victory (BAR)

By Jim McTague

Barrons, October 22, 2006

JUBILANT DEMOCRATS SHOULD RECONSIDER their order for confetti and noisemakers. The Democrats, as widely reported, are expecting GOP-weary voters to flock to the polls in two weeks and hand them control of the House for the first time in 12 years -- and perhaps the Senate, as well. Even some Republicans privately confess that they are anticipating the election-day equivalent of Little Big Horn. Pardon our hubris, but we just don't see it.

Our analysis -- based on a race-by-race examination of campaign-finance data -- suggests that the GOP will hang on to both chambers, at least nominally. We expect the Republican majority in the House to fall by eight seats, to 224 of the chamber's 435. At the very worst, our analysis suggests, the party's loss could be as large as 14 seats, leaving a one-seat majority. But that is still a far cry from the 20-seat loss some are predicting. In the Senate, with 100 seats, we see the GOP winding up with 52, down three

We studied every single race -- all 435 House seats and 33 in the Senate -- and based our predictions about the outcome in almost every race on which candidate had the largest campaign war chest, a sign of superior grass-roots support. We ignore the polls. Thus, our conclusions about individual races often differ from the conventional wisdom. Pollsters, for instance, have upstate New York Republican Rep. Tom Reynolds trailing Democratic challenger Jack Davis, who owns a manufacturing plant. But Reynolds raised $3.3 million in campaign contributions versus $1.6 million for Davis, so we score him the winner.

Likewise, we disagree with pollsters of both parties who see Indiana Republican Rep. Chris Chocola getting whomped by Democratic challenger Joe Donnelly, a lawyer and business owner from South Bend. Chocola has raised $2.7 million, versus $1.1 million for Donnelly. Ditto in North Carolina, where we see Republican Rep. Charles Taylor beating Democrat Heath Shuler, a former NFL quarterback, because of better financing. Analysts from both parties predict a Shuler upset.

Is our method reliable? It certainly has been in the past. Using it in the 2002 and 2004 congressional races, we bucked conventional wisdom and correctly predicted GOP gains both years. Look at House races back to 1972 and you'll find the candidate with the most money has won about 93% of the time. And that's closer to 98% in more recent years, according to the

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Center for Responsive Politics. Polls can be far less reliable. Remember, they all but declared John Kerry president on Election Day 2004.

Our method isn't quite as accurate in Senate races: The cash advantage has spelled victory about 89% of the time since 1996. The reason appears to be that with more money spent on Senate races, you need a multi-million-dollar advantage to really dominate in advertising, and that's hard to come by.

But even 89% accuracy is high compared with other gauges. Tracking each candidate's funding is "exceptionally valuable because it tells you who has support," says William Morgan, executive director of the renowned Mid-West Political Science Association in Bloomington, Ind. The cognoscenti, he says, give the most money to the candidate they believe has a good chance of winning.

WE FOUND NO SHORTAGE of people to challenge us. They argue that money doesn't make a difference when the electorate is as worked up emotionally, as it is this year. John Aldrich, a professor of political science at Duke University who writes extensively about elections, says that a candidate really doesn't need the most money to win; he merely requires enough cash to get his message across. Aldrich believes Democrats will win this year with less money because they won't have to spend so much to persuade voters to switch horses.

"The support for the president, the Congress and incumbents is relatively low by historical standards," he says. In fact, a new Wall Street Journal/NBC News Poll says voter disgust with Congress is the lowest in the survey's 17-year history.

It's true that our formula isn't foolproof. In 1958, 1974 and 1994, the wave of anti-incumbent sentiment was so strong that money didn't trump voter outrage. We appreciate that voters in 2006 are hopping mad at the GOP because of the war and because of scandal. We just don't agree that the outrage has reached the level of those earlier times. The reason is that the economy in 2006 is healthier. And the economy is the only other factor that figures in our analysis.

In 1958, in sharp contrast to now, the country was in a deep recession. Though the Democrats controlled the House, voters blamed their pain on Republican President Dwight David Eisenhower, and it cost the GOP 48 seats. In 1974, a Watergate year, inflation and an Arab oil embargo pinched household budgets and helped fuel voter anger at Republicans. In 1994, though the economy was improving, unemployment was above 6% and personal income began to fall in the quarter prior to the election, souring the mood of the electorate. People blamed their pain on high taxes, which they associated with Democrats, and ushered in Newt Gingrich & Co.

Take a look at how Jim McTague did with his picks in 2004. (Part 1 | Part 2)

Though the current economy is slowing, unemployment remains relatively low, at 4.6%, and disposable-income growth is positive. While GDP figures will be revised downward in coming weeks and unemployment figures could edge up, it may not matter. Those numbers are "interesting stuff for economists, but voters will continue to focus on pocketbook issues like the price of gas and the value of their 401(k)s," says GOP insider Rick Hohlt. Pump prices have been falling and the Dow Jones Industrial Average has been on a tear, reaching 12,000 last week.

Hohlt and analyst John Morgan say Republicans will have unusually tough election-day challenges from Democrats in more than 50 races -- a high number. They recall no more than 20 highly competitive races in 2004. All but 10 of this year's contested seats are held by incumbents, and Hohlt and Morgan aren't predicting an outcome.

IF WE'RE EVEN HALF right, and the GOP retains control of the Senate but loses the House, then there would be important ramifications for the stock market. Since traders often have disdain for Democrats, there could well be a relief rally, at least in the short term. "It would force investors to rethink some overzealous discounting of stocks," says Chuck Gabriel, chief political analyst for Prudential Equity Group.

Fear of Democrats, he suggests, may be playing a role in the weakness in energy and pharmaceutical stocks, with investors bracing for a populist backlash against profits. "Elections may or may not be a driver, but it would not hurt to remove that headwind," says Gabriel.

Shares of student lender Sallie Mae also may also be feeling the weight of the presumed Democrat victory. The theory is that Democrats would reduce student-loan rates if they control both ends of the Capitol, hurting profit margins for parent SLM (ticker: SLM). It's unlikely Democrats could succeed with the Senate in GOP hands.

Gabriel adds that shares of mortgage giants Fannie Mae (FNM) and Freddie Mac (FRE), which have gained since Mark Foley resigned on Sept. 29 amid a sex scandal, might decline with even a partial GOP victory. Republicans are considered less friendly to the quasi-governmental agencies than pro-housing Democrats.

President Bush certainly would have to rethink his approach to Congress if our scenario plays out either in full or in part. The GOP majority in Congress would be so slim that the president would have to live up fully to a promise he made during his first election campaign to be a "uniter," not a "divider." He'd have a monstrously difficult time getting Congress to make his tax cuts permanent. His desire to reform Social Security with private investment accounts likely would remain unfulfilled.

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The scandals and the unpopular war are not all that are propelling Democrats this year. The party has fielded candidates who are more attractive and better financed than in many past campaigns.

There are nine House races where the GOP's funding advantage is minimal, allowing for upsets. However, we don't think the Democratic pockets are deep enough to bring about a rout in these contests. There are nine other races where Democrats have very narrow funding advantages -- but the Republican Party has ready money to pour into such contests. Sara Taylor, director of the White House Office of Political Affairs, says the Republican Party has a $56 million cash advantage over Democrats going into the final weeks of the campaign. That's a lot of TV ads.

MANY ON WALL STREET believe the Democrats will triumph this year, too. "I'm not a big believer in generic polls, but the 23-point lead that Democrats have over the GOP in the recent USA TODAY/Gallup Poll is about as wide as it gets," says Greg Valliere, chief political strategist for the Stanford Washington Research Group, a leading adviser to the Street. The poll Valliere cites showed 59% of respondents favoring Democratic candidates, 36% favoring Republicans and 5% undecided. "I threw in the towel for the Republicans a day or two after the Foley scandal broke," he says.

Even the "investors" who buy contracts on the Iowa Electronics Market are down on the Republicans for the first time in memory. Contracts that will be worth $1 if Hastert & Co. end up retaining control of the House on Nov. 7 are trading for around 30 cents -- hardly a vote of confidence.

You hardly can blame Democrats for feeling giddy as the mid-term contest approaches. The GOP Congress has proved more adept at producing scandal than legislative reforms, and the unrelenting bloodbath in Iraq doesn't instill strong public confidence in our commander-in-chief. Maryland Democratic Rep. Chris Van Hollen contends the GOP's old trump card, terrorism, no longer has an effect on voters because they perceive America's pacification effort in Iraq "is a mess and in chaos because of gross incompetence by the Bush administration."

There's no denying that the Democrats have fielded stronger candidates this time around. The effects of that will be on display throughout Election Day in close races around the country. Here's a rundown on some of the tightest.

In Connecticut's fourth congressional district, Republican Rep. Chris Shays is in a bruising rematch against Diane Goss Farrell, whom he narrowly beat in 2004. He's raised $3.2 million to her $2.5 million. That puts her within reach of an upset, but we reckon Shays' funding advantage will help him keep his seat, even though the district voted against Bush in the past two presidential elections.

In New Hampshire's second district, incumbent Republican Rep. Charlie Bass, who was elected in 1994, has raised a total of $918,789. The challenger, lawyer Paul Hodes, whom Bass beat handily in 2004, has raised about $1.1 million. Although Bass is the incumbent and within striking distance, it looks as though he's going to be knocked off, based on the money.

In Indiana's 9th district, in the southeastern part of that state, Republican incumbent Mike Sodrel looks as if he will survive a spirited challenge by Baron Hill. Sodrel unseated Hill in 2004 after losing to him in 2002. Sodrel has raised $2 million versus $1.2 million for Hill, a comfortable funding advantage.

When Barron's visited the 9th district in July, we wrote that Sodrel would face an uphill fight because Republicans there were angry at Bush for running up the deficit and for mismanaging the Iraq war. Not only is Bush unpopular in the district; so is GOP Gov. Mitch Daniels. The fundraising numbers tell us that the GOP base might have had second thoughts about voting for a Democrat. Still, we expect Democrats to unseat Republicans in two other Indiana congressional districts.

In Pennsylvania, pundits have written off Republican Sen. Rick Santorum, who has raised $17.3 million. His Democratic challenger, Bob Casey, who has raised $15 million, has a large lead in the polls. This is the first serious challenge for Santorum since he was elected in 1994. We see him defying the pollsters on Nov. 7 and hanging on to his seat, with voters from the Western part of the state riding to his rescue.

Take a look at how Jim McTague did with his picks in 2004. (Part 1 | Part 2)In Rhode Island, we predict Republican Lincoln Chafee will lose to democratic challenger Sheldon Whitehouse, a former U.S. attorney. Whitehouse has raised more than $4 million versus about $3.5 million for Chafee. According to the Center for Responsive politics, nearly 80% of the challenger's money comes from individuals as opposed to political committees. Chafee has raised about 50% from individuals. Clearly Whitehouse has a better organization.

With only two weeks to go, a barrage of contradictory poll findings is apt to confuse the oddsmakers, not to mention voters. But we're sticking with our numbers, and they say one thing: The Democrats don't have quite enough heft to push aside the elephant.

The End Of An Era? (WP)

By Darryl Fears And Hamil R. Harris

The Washington Post, October 22, 2006

With Farrakhan Ill, the Nation of Islam Prepares for Change

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Nearly 30 years after Louis Farrakhan seized control of the Nation of Islam, the organization is preparing for a change at the top. The controversial minister is battling what he has described as a "life-threatening" illness -- painful swelling of the prostate that has left him more than 30 pounds underweight, dehydrated, anemic and unwilling to eat.

Farrakhan, 73, recently relinquished his duties and turned control over to an executive panel of trusted lieutenants, exhorting them to move the Nation of Islam forward and prove that it is more than the charisma and influence of one man.

"The minister has good days. He has bad days," said Ishmael Muhammad, who leads the organization's flagship Mosque Maryam in Chicago and sits on the executive board. "The doctors are meeting to talk about what steps they can take to help him . . . so that he does not have to suffer through the pain he's constantly in."

Muhammad said the board runs the Nation of Islam's day-to-day responsibilities. It includes Abdul-Alim Muhammad, Farrakhan's medical adviser; Leonard Muhammad, the chief of staff; and Mustafa Farrakhan, one of the leader's sons.

Although they are considered equals, each board member is poised to take over the organization if Louis Farrakhan fails to fully recover.

Power struggles are nothing new within the deeply insular Nation of Islam. After leader Elijah Muhammad died in 1975, Farrakhan split with Wallace D. Mohammed, the son who replaced him, and started his own following.

Wallace Mohammed angered some members by renouncing his father's unorthodox teachings and seeking to convert the Nation to orthodox Sunni Islam. But Farrakhan, a former calypso singer, followed Elijah Muhammad's doctrine almost to the letter, mesmerizing black audiences with messages of social liberation and empowerment that culminated with the Million Man March in 1995, one of the largest African American gatherings in history.

"Minister Farrakhan has been one of the strongest voices in our community in terms of his critique against racism in the black community, and that voice has been important," said Ronald Walters, a University of Maryland professor of political science who teaches a course in black leadership.

But Farrakhan failed to follow through on his promises to unify black men, create jobs and make black communities self-sufficient, Walters said.

"It didn't go anywhere," he said. "He didn't lend himself to implementation. He went off into the desert, and we couldn't get the implementation and administration started."

A change in leadership could allow the Nation to move away from a controversial mythology. Followers are taught that the group's founder, Wallace Fard, was an incarnation of God and that a scientist named Yacub created white people, notions that are dismissed by orthodox Muslims.

Eight years ago, as he fought prostate cancer, Farrakhan softened his tone and sought to burnish an image that had been improving since the Million Man March. He said reports that he had called Judaism a "gutter religion" misquoted him, and he said he did not mean to offend.

But recently, Farrakhan returned to anti-Semitic statements. During a speech at the group's Savior's Day ceremony in February, he was quoted as saying that "false Jews promote the filth of Hollywood," including homosexuality. "You may not like me," he said, "but I don't give a damn. I'm throwing down the gauntlet today."

Such comments by the Nation of Islam leader are "offensive not only to Jews, but it hurts their credibility as an organization trying to lift up blacks," said Deborah Lauter, director of civil rights for the Anti-Defamation League, a Jewish organization. "Promoting hatred of Jews and whites diminishes the positive messages they're trying to send. The Jewish people will not sit at the table with hate groups, whether they are black or white."

Earlier this year, Farrakhan began experiencing pain that he says was a result of the radiation treatment he received for his bout with prostate cancer in 1998.

"As you know, I have been suffering from the after-effects of an extremely high dose of radiated seed," Farrakhan wrote in a statement last month. "Over time, these seeds have done severe internal damage."

He continued, "I am postponing indefinitely all engagements, meetings and appointments so that I can concentrate, with Allah's (God's) Help, to bring myself back to a state where I may be able to continue to serve the rise of our people."

Speaking more directly to his followers, he wrote, "I know that you (the Believers) will accept the challenge to move our Nation forward, being ever watchful for any smart, crooked deceiver and hypocrite who would create confusion over my present condition."

In Washington, Abdul-Alim Muhammad said the Nation of Islam will thrive with or without Farrakhan. "As we go forward, it will not be wise to think that we are going to produce someone like him," he said.

Although Farrakhan vowed to come back strong, "so that I can continue to serve because I do not believe that my earthly work is done," some followers, in private conversations, seemed uncertain about his future.

Benjamin Muhammad, who once ran the NAACP under the name Benjamin F. Chavis Jr., wished Farrakhan well and said he is in his prayers. But he said the illness is a difficult challenge to overcome.

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Ishmael Muhammad said speculation about life without Farrakhan "is premature when the man is still yet present among us." He said the Nation of Islam would continue to fight oppression through its members worldwide.

"We never discuss actual membership," he said. Critics have said the number of Nation of Islam followers has fallen greatly as black Americans convert to orthodox Islam.

Others outside the organization wondered whether it could last without Farrakhan's charismatic influence.

"My guess is that the NOI will be around in some form for the indefinite future," said Ibrahim Abdil-Mu'id Ramey, director of human and civil rights for the Muslim American Society's Freedom Foundation.

"It will not in my opinion be as large or vital as it is now. I think an analogy that might be appropriate is the analogy of the Garvey Movement."

When Marcus Garvey died in 1940, his Universal Negro Improvement Association faded almost to nothing. There are people today who keep its memory alive, Ramey said, "but it is no longer an organization at the forefront of the African American struggle."

Rice Criticizes Russia's Limits On News Media (NYT)

By Thom Shanker

The New York Times, October 22, 2006

MOSCOW, Oct. 21 — Secretary of State Condoleezza Rice criticized shrinking Russian press freedoms, questioned the enforcement of a restrictive new law on foreign private groups here and called for eased tensions between Russia and neighboring Georgia when she arrived here Saturday to discuss the North Korean nuclear crisis.

Ms. Rice's remarks raised the possibility of a testy atmosphere for the discussions in Moscow, the last stop of her pan-Asia trip aimed at urging tough enforcement of the Security Council sanctions imposed on North Korea a week ago in response to its Oct. 9 underground nuclear test.

In a symbolic decision that no doubt will be scrutinized by the Kremlin leadership, Ms. Rice invited senior editors of Novaya Gazeta, a leading independent journal, to a meeting at her hotel. The session, which included the son of the assassinated journalist Anna Politkovskaya, came just before she headed into official government meetings.

Earlier, Ms. Rice said that the future of a free Russian press and electronic media "is a major concern" of the United States government.

"There is still an independent print press," she said. "Unfortunately, there is not much left of independent television in Russia."

Ms. Politkovskaya, shot to death this month in what appeared to be a professional killing, had made a name for herself with tough reporting on the war in Chechnya, and was a fierce critic of the administration of President Vladimir V. Putin.

Mr. Putin, who was to meet with Ms. Rice not long after her session with Ms. Politkovskaya's colleagues and the journalist's son, Ilya Politkovsky, has described the killing as "a crime of loathsome brutality," but also said that "her influence on political life was extremely insignificant in scale."

Ms. Rice told correspondents traveling aboard her plane that she also would ask Russian leaders to explain the enforcement of a new law that requires foreign nongovernmental organizations to register with the government. The deadline for registration was last Thursday, and dozens of the groups, many of them highly critical of the Kremlin, were told to cease operations until their registration applications had been processed. How long that will take is unclear.

"In some cases it is being implemented in ways that are making it difficult for NGO's to operate, and so I think we have to go over that," Ms. Rice said.

A senior State Department official, speaking on condition of anonymity in accordance with diplomatic protocol, said later Saturday that three organizations at the center of the debate — the National Democratic Institute, the International Republican Institute and the Carnegie Endowment for International Peace — had successfully registered. Even so, the official said, the United States still sees no guarantee that "Russia will not abuse this law and this process."

As she began a day of meetings that was to include lunch with Foreign Minister Sergey Lavrov and a dinner with Defense Minister Sergei B. Ivanov, Ms. Rice said she planned to urge Moscow to reduce any chance for increasing conflict with neighboring Georgia. Simmering Russia-Georgia animosity escalated this month after Georgia detained four Russian military personnel for suspected espionage.

The senior State Department official described Ms. Rice's discussions with Mr. Lavrov on Georgia as "constructive." The official added: "I'm not here to tell you that all will be well. I'm here to tell you we had a good conversation" on potential steps to help ease tensions between the two countries.

On North Korea, Ms. Rice cast doubts on South Korean press reports that the North's leader, Kim Jong-il, had expressed regret to a visiting Chinese envoy for ordering the nuclear test and had pledged not to detonate another nuclear device.

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Ms. Rice said she was given no information to confirm those press reports during her talks in Beijing on Friday and said she believed that the North Koreans "would like to see an escalation of the tension."

During her talks in Moscow, Ms. Rice said, she also intended to discuss efforts to halt not only North Korea's nuclear program, but Iran's. Before her arrival, Mr. Lavrov, the foreign minister, told a Kuwaiti news service that his government would not allow the Security Council to be a vehicle for pressuring Iran over its nuclear program.

Moscow Meeting Highlights Concerns On Press Freedom (WP)

By Glenn Kessler

The Washington Post, October 22, 2006

MOSCOW, Oct. 21 -- Secretary of State Condoleezza Rice on Saturday interrupted her diplomacy on the North Korean nuclear crisis to meet with the son of a slain Russian journalist and top editors of her newspaper, saying that "the fate of journalists in Russia is a major concern."

Rice's high-profile meeting, scheduled at the request of the State Department, came shortly before she met with Russian President Vladimir Putin, primarily to discuss Russia's implementation of sanctions on North Korea for testing a nuclear device.

Rice arrived here Saturday after stops in Japan, South Korea and China, and her decision to highlight her concern about eroding press freedoms in Russia indicated the delicate balance the Bush administration is trying to strike with Russia. One of Rice's aides said the meeting was intended to express condolences and offer support for independent journalism. "It was not a poke in the eye but the right thing to do," he said.

Anna Politkovskaya, a veteran journalist who had sharply criticized the Kremlin and its proxies in the conflict in Chechnya, was shot four times on Oct. 7, presumably for her reporting. No senior Russian officials attended her funeral, which attracted thousands of mourners.

"Anna Politkovskaya was a particularly well-known and well-respected journalist, so I think it's important to note that," Rice told reporters traveling with her from Beijing to Moscow, previewing the comments she made to the editors of Novaya Gazeta, the newspaper where Politkovskaya had worked.

Novaya Gazeta is "one of the best independent voices in Russia," Rice said, noting that the country still has independent print media and some independent radio. "Unfortunately, there is not much left of independent television in Russia," she said.

When Rice entered the meeting with the journalists, she introduced herself and made brief opening remarks in Russian before reverting to using an interpreter.

Dmitry Muratov, editor-in-chief of Novaya Gazeta, gave Rice some books and copies of the newspaper dedicated to Politkovskaya. The slain journalist's son, Ilya, 28, a public relations specialist, said he agreed with Rice's comments about his mother's courage and the tragedy of her loss, but he declined to comment on Rice's statements on press freedoms. He said that was not his area of expertise.

Rice on Saturday also cast doubt on a widely publicized report that North Korean leader Kim Jong Il had assured Chinese officials he would not conduct a second nuclear test. The Chinese envoy who met with Kim "did not tell me that Kim Jong Il either apologized for the test or that he would not ever test again," she said.

Rice Takes Time Out From North Korea To Push Russia On Rights (AFP)

By David Millikin

AFP, October 22, 2006

US Secretary of State Condoleezza Rice broke away from her North Korea crisis mission to send some pointed messages to President Vladimir Putin's government over human rights and other sore points in US-Russian relations.

Rice arrived from Beijing at midday for a flurry of meetings with Putin, Foreign Minister Sergei Lavrov and Defense Minister Sergei Ivanov that were to focus primarily on implementing UN Security Council resolution 1718 imposing sanctions on North Korea over its recent nuclear test.

But she found time to meet at her request with editors of Novaya Gazeta, the independent newspaper of slain investigative journalist Anna Politkovskaya, and also questioned the Russian leaders over human rights issues.

Rice requested the encounter, which took place in a Moscow hotel, a State Department official said.

Politkovskaya's son, Ilya Politkovsky, 28, was also present.

The journalist, a prominent Kremlin critic who investigated corruption and human rights abuses, was gunned down this month outside her Moscow apartment in what police said was a contract killing.

No arrests have been made in the case, the 13th apparently deliberate killing of a journalist since Putin came to power in 2000.

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Independent media have dwindled significantly under Putin's rule, with virtually all television networks now under state control and many radios and newspapers held by interests close to the Kremlin, US officials said.

Two days after Politkovskaya's October 7 murder, Rice warned the Russian government "that everybody is watching, that an investigation of this event is absolutely necessary."

In an emotional encounter, Rice, a Russia scholar and expert in the history of the former Soviet Union, briefly addressed the group in Russian before making a few remarks in English on the purpose of her one-day Moscow visit.

A senior State Department official said Rice wanted to hold the meeting "as part condolences... and part support for what is left of a free media in Russia."

He denied the meeting was intended as a slight to Putin.

"We certainly didn't plan it as a poke in the eye, but the right thing to do," he said.

In addition to concerns about press freedom under Putin, Rice said she and her aides would ask about a new law requiring foreign non-governmental organisations (NGOs) to register with authorities.

The NGOs, including Amnesty International and Human Rights Watch, have complained that the law is a bid by Putin to monitor and restrict their work, which often involves investigating alleged human rights abuses in the country.

A deadline for registration passed on Thursday and a number of NGOs that did not submit their documents in time were forced temporarily to suspend their operations, though Russian officials said most did comply on time and promptly received new registration.

The State Department's point man for Europe, Dan Fried, discussed the issue Saturday with Russia's Human Rights ombudsman, Vladimir Lukin, a senior official said.

While the Americans welcomed the fact that some major US NGOs had received their registration, there were still concerns the law could be misused in future, the official said.

"I can't say with confidence that the Russians will not abuse this law," he said.

Rice and her delegation also raised the flare-up in tensions between Russia and the pro-US government of the former Soviet republic of Georgia and reports of harrassment of Georgians living in Russia.

Relations between the two states soured dramatically after Georgia arrested four Russian military officers accused of spying last month.

The four were quickly released, but the two governments remain locked in confrontation over two breakaway Georgian regions, Abkhazia and South Ossetia, which have received support from Moscow.

Georgia has threatened to use military force against the rogue regions, a move that could spark a conflict with Russia.

"Cooler heads need to prevail here... because that is the kind of problem that can get out of control," Rice said before meeting with the Russians.

The senior official said the two sides held constructive talks on the crisis and "the Russians acknowledged that they don't want to go over the cliff, to have some terrible blowup with the Georgians that destabilizes the South Caucasus."

Rice Prods Moscow On Press Freedom, Iran (AP)

By Anne Gearan

AP, October 22, 2006

Secretary of State Condoleezza Rice on Saturday delivered a symbolic rebuke to Russia over shrinking press freedoms even as she courted President Vladimir Putin for help punishing Iran over its nuclear program.

Rice made a point of scheduling an interview with Novaya Gazeta, the newspaper where a reporter critical of Russian policy in neighboring Chechnya had worked before her murder this month. Rice also met with the reporter's son.

Rice's one-day trip to Moscow followed talks in Asia last week over North Korea's nuclear test on Oct. 9. Russia voted for U.N. penalties against North Korea after the test, and the United States is seeking Russian cooperation for an upcoming vote on sanctions against Iran.

Yet even before Rice arrived in the Russian capital, her Russian counterpart said Moscow will not allow the Security Council to be used for punitive measures against Iran. Russia, however, was ready to discuss ways to pressure Iran into accepting broader international oversight of its nuclear program, Foreign Minister Sergey Lavrov said.

"Any measures of influence should encourage creating conditions for talks," Lavrov said in an interview with the Kuwaiti News Agency KUNA that was posted on the Russian Foreign Ministry Web site Saturday.

"We won't be able to support and will oppose any attempts to use the Security Council to punish Iran or use Iran's program in order to promote the ideas of regime change there," according to the interview Friday.

A draft resolution is expected to be introduced in the Security Council early this week, and diplomats have said they would seek limited penalties for Tehran's refusal to suspend uranium enrichment.

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Rice's decision to meet with Novaya Gazeta editors and reporters was a reminder to Putin of the widening rift between Russia and the U.S. over what the Bush administration sees as a rollback of democratic gains under the Russian president.

She met privately with Putin later Saturday.

Previewing her message to the newspaper editors, Rice told reporters traveling with her that she wanted to speak to one of a shrinking number of "independent voices" in Russian media.

"The fate of journalists in Russia is a major concern," Rice said. "Anna Politkovskaya was a particularly well-known and well-respected journalist so I think it's important to note that."

Politkovskaya repeatedly had accused Chechen Prime Minister Ramzan Kadyrov's security forces of abducting, torturing and killing innocent people. Her newspaper posthumously published her last story that described alleged torture by the Kremlin-backed Chechen security services.

Politkovskaya, a sharp critic of Putin and the conduct of the Kremlin and of Russia's war in Chechnya, was found shot dead at her Moscow apartment building.

Since Putin's election more than six years ago, he has presided over what critics have called a steady rollback in press freedoms won since the Soviet Union's collapse. Top independent television stations have been shut down and print media are under growing pressure from officials.

Putin said the killers had done the Russian government no favor. The killing "inflicts much greater damage to the government than any of her writing," he said after the killing.

The media rights group Reporters Without Borders has called Putin one of the world's press freedom "predators."

Rice's last Asian stop was in Beijing, North Korea's traditional ally, where she met with a Chinese government envoy just back from a hastily arranged visit with North Korean leader Kim Jong Il.

Rice said the envoy, State Councilor Tang Jiaxuan, told her nothing that confirmed news reports about conciliatory moves from the North.

"Councilor Tang did not tell me that Kim Jong Il either apologized for the test or said that he would never test again," Rice said, adding that she does not know the source of widely circulated South Korean media reports to the contrary.

"I don't know whether or not Kim Jong Il said any such thing. But the Chinese ... in a fairly thorough briefing to me about the talks, said nothing," that confirms it, Rice said.

Lavrov, in the Kuwaiti interview, urged the U.S. and North Korea to settle issues such as U.S.-imposed financial restrictions in order to clear the way for international talks to resume on the North's nuclear program.

"Both sides should show flexibility," he said.

Rice's Visit To Newspaper Seen As Rebuke To Putin (WT/AP)

By Anne Gearan, Associated Press

The Washington Times, October 22, 2006

MOSCOW -- Secretary of State Condoleezza Rice delivered a symbolic rebuke yesterday to Russia over shrinking press freedoms even as she courted President Vladimir Putin for help punishing Iran over its nuclear program.

Miss Rice made a point of scheduling an interview with Novaya Gazeta, the newspaper where a reporter critical of Russian policy in neighboring Chechnya had worked before her slaying this month. Miss Rice also met with the reporter's son.

Miss Rice's one-day trip to Moscow followed talks in Asia last week over North Korea's nuclear test on Oct. 9.

Russia voted for U.N. penalties against North Korea after the test, and the United States is seeking Russian cooperation for an upcoming vote on sanctions against Iran.

Yet even before Miss Rice arrived in the Russian capital, her Russian counterpart said Moscow will not allow the Security Council to be used for punitive measures against Iran.

Russia, however, was ready to discuss ways to pressure Iran into accepting broader international oversight of its nuclear program, Foreign Minister Sergey Lavrov said.

"Any measures of influence should encourage creating conditions for talks," Mr. Lavrov said in an interview with the Kuwaiti News Agency KUNA that was posted on the Russian Foreign Ministry Web site yesterday.

"We won't be able to support and will oppose any attempts to use the Security Council to punish Iran or use Iran's program in order to promote the ideas of regime change there," according to the interview yesterday.

A draft resolution is expected to be introduced in the Security Council early this week, and diplomats have said they would seek limited penalties for Tehran's refusal to suspend uranium enrichment.

Miss Rice's decision to meet with Novaya Gazeta editors and reporters was a reminder to Mr. Putin of the widening rift between Russia and the United States over what the Bush administration sees as a rollback of democratic gains under the Russian president.

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She met privately with Mr. Putin later yesterday.

Previewing her message to the newspaper editors, Miss Rice told reporters traveling with her that she wanted to speak to one of a shrinking number of "independent voices" in Russian media.

"The fate of journalists in Russia is a major concern," Miss Rice said. "Anna Polikovskaya was a particularly well-known and well-respected journalist, so I think it's important to note that."

Mrs. Polikovskaya repeatedly had accused Chechen Prime Minister Ramzan Kadyrov's security forces of abducting, torturing and killing innocent people. Her newspaper posthumously published her last story, which described reputed torture by the Kremlin-backed Chechen security services.

Mrs. Polikovskaya, a sharp critic of Mr. Putin's and the conduct of the Kremlin and of Russia's war in Chechnya, was found fatally shot at her Moscow apartment building. It appeared to be a professional hit.

Since Mr. Putin's election more than six years ago, he has presided over what critics have called a steady rollback in press freedoms won since the Soviet Union's collapse. Top independent television stations have been shut down and newspapers are under growing pressure from officials.

Mr. Putin said the killers had done the Russian government no favor. The killing "inflicts much greater damage to the government than any of her writing," he said after the killing.

The media rights group Reporters Without Borders has called Mr. Putin one of the world's press freedom "predators."

Diplomatic Juggling Act In Russia (LAT)

By David Holley

The Los Angeles Times, October 22, 2006

Rice discusses nuclear issues with Putin and officials, and shows support for press freedom.

Secretary of State Condoleezza Rice pressed Russia for a tougher stance against nuclear proliferation Saturday while fitting into her schedule a gesture of support for press freedom here.

In a diplomatic juggling act, Rice met with President Vladimir V. Putin and other officials, but also risked the Kremlin's ire by meeting with editors of the newspaper Novaya Gazeta.

Anna Politkovskaya, a prominent reporter for the newspaper who had been a fierce critic of Putin, was gunned down outside her home Oct. 7. The apparent assassination has not been solved.

Rice squeezed an afternoon meeting with Politkovskaya's colleagues between sessions with Foreign Minister Sergei V. Lavrov and with Putin. She was also scheduled to have a late dinner with Defense Minister Sergei B. Ivanov.

Few details emerged on the results of Rice's meetings, which culminated a four-nation tour that began in Asia and focused on North Korea's nuclear program. U.S. officials had no immediate comment on the talk with Putin.

A senior State Department official said that in her meeting with Lavrov "there was a discussion of next steps" to be taken in regard to Iran's nuclear research. "This was a decent exchange, a good exchange, and I think we're making progress," he said. "But I don't want to predict next steps."

This week, the U.N. Security Council is scheduled to consider a draft resolution on Iran that is expected to call for penalties over Tehran's refusal to suspend uranium enrichment.

Russian presidential spokesman Alexei Gromov told reporters that Rice had briefed Putin on her visits to Tokyo, Seoul and Beijing.

"The president and the secretary of State shared perspectives on issues relating to North Korea as well as on more general issues of nuclear non-proliferation," Gromov said, according to the Russian news agency RIA Novosti.

Speaking on her airplane with reporters traveling with her, Rice said that in her meetings with Russian officials she would discuss steps to implement the recent U.N. resolution imposing sanctions on North Korea in response to its Oct. 9 nuclear test.

She mentioned possible U.S.-Russian cooperation in enforcing sanctions against North Korea under the 2003 U.S.-led Proliferation Security Initiative, which involves a group of 16 countries that have agreed to take steps to stop the flow of weapons of mass destruction, including boarding ships for inspections.

Rice also said, according to a State Department transcript, that she would discuss relations between Russia and Georgia, a former Soviet republic. The relationship has withered in recent months over several issues, including Russian support for separatists in Georgia.

"I think we've been clear with both sides that cooler heads need to prevail here," she said.

The State Department official said that in the meeting with Novaya Gazeta, Rice wanted to show support for Politkovskaya's family, the newspaper and the remaining independent media in Russia.

There was no intent to insult Putin, he added.

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"We certainly didn't plan it as a poke in the eye, but an absolutely necessary and human step," he said. Politkovskaya was born in the United States when her father was a Soviet diplomat at the United Nations, and she held dual Russian and American citizenship. She made her career in Russia, achieving prominence for her coverage of human rights abuses in war-torn Chechnya.

The journalist's son, Ilya Politkovsky, 28, was present at the meeting.

"I was touched to the soul to see how Condoleezza Rice, both as a person and a politician, found precise, delicate and tactful words to express her deep sorrow and sympathy in front of the slain journalist's son," said Dmitry Muratov, editor of Novaya Gazeta. He declined to comment further on what Rice said about political issues or press freedoms, or to allow the release of a transcript before the next edition of his newspaper, which comes out Monday.

In her comments to reporters en route to Moscow, Rice cast doubt on reports in South Korean and Japanese media claiming that North Korean leader Kim Jong Il had told a Chinese envoy, State Councilor Tang Jiaxuan, that Pyongyang was contrite about the test and had no plan to explode a second nuclear device.

"Councilor Tang did not tell me that Kim Jong Il either apologized for the test or said that he would not ever test again," Rice said.

Rice said that China's vote in the Security Council in favor of sanctions against North Korea marked a "very unusual and quite significant" step by Beijing.

"I don't think that there is any doubt that Chinese attitudes about North Korea are evolving," Rice said. "I cannot conceive of even a short time ago China agreeing to call North Korea's behavior a threat to international peace and security."

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Thugs Pillage Moscow Art Gallery, Beating Its Activist Owner (NYT)

By Sophia Kishkovsky

The New York Times, October 22, 2006

MOSCOW, Oct. 21 — A group of men burst into a contemporary art gallery here Saturday, destroying work by an ethnic Georgian artist and beating up the owner, Marat Guelman. Mr. Guelman is well known both for his display of politically inspired and irreverent art and, most recently, his public attacks on neofascists for their dislike of non-Russians and of Western influence on Russian society.

Mr. Guelman said the attack was carried out by 10 men who looked like skinheads. The attack was the latest incident to raise troubling questions about xenophobia and freedom of expression in Russia.

On Friday, Russian officials seized 11 pieces of art that Mr. Guelman had exhibited. The art was on consignment to a London gallery owner, Matthew Bown, who was taking the pieces out of the country when he was detained at Sheremetyevo-2 airport on Friday.

The photo collages that were seized included one depicting President Vladimir Putin, President Bush and Osama bin Laden lounging in boxer shorts and another of a veiled suicide bomber with her skirt held up to reveal racy lingerie.

Mr. Bown was allowed to leave for London, but the artwork was not released.

It is unclear whether the seizure of the artwork on Friday and the attack on the gallery were related, coincidence or driven by news about the airport seizure on the radio and the Internet. Mr. Guelman has made a fair number of enemies this year because of his public criticism of neofascists and nationalists.

He is now on a list of “enemies of Russia” that is being circulated on the Internet by Russian neofascists.

Anna Politkovskaya, the journalist who was gunned down in her apartment building on Oct. 7, was also on the list, as are many prominent human rights advocates. Ms. Politkovskaya made her name as a searing critic of the Kremlin and its policies in Chechnya.

Mr. Guelman has also angered Russian Orthodox fundamentalists with his criticism of their influence on politics and for displaying artwork they consider antireligious. Although he has long cultivated connections with the Kremlin, he has been increasingly critical of Mr. Putin.

It was also unclear whether the attack on the gallery and the Georgian art was related to anti-Georgian sentiment that has surged this fall.

Tensions between the Kremlin and President Mikheil Saakashvili of Georgia led to a crackdown on Georgians in Russia this month. The government has accused some Georgian-owned businesses of violating health or other regulatory standards and has deported hundreds of ethnic Georgians deemed to be in Russia illegally.

In a telephone interview on Saturday evening after he was released from the hospital, Mr. Guelman said he had been treated for a broken nose and other injuries.

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He said 10 men dressed in dark blue and wearing hats and heavy boots charged into the gallery at around noon, forced the employees against a wall, seized their phones and then proceeded to vandalize the artwork and attack him.

"They started to beat me with their shoes, with chairs," he said. "Then they threw a computer at me. It was awful."

He said pieces of graphic art by Alexander Djikia, a Moscow-based ethnic Georgian artist who has lived in the United States, were destroyed and paintings by him were damaged. Mr. Djikia could not be reached for comment.

The official RIA Novosti news agency said Saturday that the Moscow prosecutor's office had opened a criminal investigation into the gallery attack.

Aleksandr Brod, the director of the Moscow Bureau of Human Rights, which tracks xenophobia and hate crimes in Russia, said the attack on Saturday highlighted troubling currents. Mr. Brod is also on the list of "enemies of Russia."

"Such demonstrative attacks on famous people are becoming the norm," he said. "This is a big misfortune and serious grounds for the authorities to stop and think," he said.

In Anti-Immigrant Mood, Russia Heeds Gadfly's Cry (NYT)

By Steven Lee Myers

The New York Times, October 22, 2006

MOSCOW, Oct. 21 — Aleksandr A. Belov found wide publicity last year when the organization he created gave a cash award to a Russian woman accused of stabbing an Armenian taxi driver to death. During her trial, covered with lurid relish by the news media, she testified that the driver had tried to rape her.

"She rid Moscow of a rapist," Mr. Belov told a radio station at the time. Not just a rapist, however: a rapist from abroad. He went on to assert that half of all serious crimes were committed by immigrants, the issue at the heart of his personal mission and, by all appearances, his growing public prominence.

A court convicted the woman, Aleksandra Ivannikova. But the verdict was later overturned after a public outcry amplified in no small part by Mr. Belov and the group he started four years ago, the Movement Against Illegal Immigration.

Now after years on the fringes of polite conversation, Mr. Belov's views — unabashedly hostile to foreigners, at times unflinchingly racial in character — are no longer just tapping a nativistic undercurrent, but moving into the mainstream of the political debate. Or perhaps the mainstream is moving toward them.

"The president has made statements in the last couple of weeks that are practically identical to what we were calling for a year ago," Mr. Belov said in a lengthy interview on Wednesday, referring to President Vladimir V. Putin. "I cannot say that our group directly influenced the president, but we identified this problem earlier."

The problem, in his view, is immigrants, almost all of them former comrades of the Soviet Union, divided now not only by new borders but also by religion and ethnicity.

Like immigrants everywhere, they have come in search of work. And as elsewhere, their presence has fueled resentment, cultural clashes and, especially here in Russia, a wave of racial violence that has included at least 39 racially motivated killings this year, according to Sova, an organization that monitors hate crimes.

On Oct. 5, Mr. Putin gave such simmering feelings a public endorsement, denouncing the "semi-gangs, some of them ethnic" that control Russia's wholesale and retail markets, where many migrants work. He said markets should be regulated "with a view to protect the interests of Russian producers and population, the native Russian population."

Mr. Putin's remarks echoed complaints voiced widely last month in Kondopoga, a small mill town in northern Russia. A bar fight there ended with the deaths of two ethnic Russians and led to mass protests and ultimately a violent rampage on Oct. 2 that destroyed markets and other businesses owned by Chechens and other immigrants, who fled the town in fear. A common grievance heard afterward was that the newcomers had criminally cornered the city's markets.

"Criminal groups play a major role in markets," Mr. Putin said a month later. "And all of this results in our citizens being rightly indignant."

In Kondopoga that day, standing and holding a microphone, was Mr. Belov. His exact remarks — whether he called for the expulsion of the migrants or not — remain a matter of dispute, but he is unapologetic about what unfolded there.

"Russians are a sufficiently tolerant people," he said during the interview, conducted in a Japanese restaurant in southern Moscow. "We have lived a long time with a huge number of people. We are like a family. And one day the mother-in-law comes to visit, and everything is fine. But then the mother-in-law brings her brother, her mother, uncles, aunts. Then they decide to live forever in your apartment. And you have to say, 'Mother-in-law, you cannot come to visit anymore.' "

Mr. Belov is 30, part of the first post-Soviet generation in Russia, a country that is still struggling, in a way, to define itself and its ideology. The Soviet Union endeavored to erase ethnic and racial boundaries, at least officially. And its collapse gave rise to a new Russian nationalism, founded on the language, culture and history of the Russian Empire, on the Orthodox Church and on an abiding preoccupation with ethnic identity.

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He said Russia, despite its ethnic diversity, was never a country open to immigration or assimilation, but rather an empire that conquered others, who then had to adapt to the majority's values. "Russia is not, like the United States, a country that was founded by immigrants," he said. "It was founded as a nationalist state."

Post-Soviet Russia has produced other nationalists. Some are blatant racists operating in the shadows. Some are members of religious or social organizations. Still others are politicians, most notably the leader of the Liberal Democratic Party, Vladimir V. Zhirinovsky, a former presidential candidate known for his clownish antics and expressions of xenophobia.

Mr. Belov is far less flamboyant and, he said, uninterested in politics — or at least becoming a politician. "Elections in Russia," he said, "are just a formality." Instead, he vows to throw his support to any party that "subscribes to our views."

He grew up in Moscow, the son of parents who worked in science. He has spent his working life in civic groups. He was a member of Pamyat, an ultranationalist organization that emerged in the chaos of the Soviet collapse but has since faded from public view, with many of its leaders jailed for anti-Semitic statements and acts. His family name was originally Potkin, but he changed it, he said, to disassociate himself from his previous position at Pamyat. (Belov is derived from the Russian word for white.)

Mr. Belov argues that his cause is not based on race, but solely on the issue of immigration, and the illegal sort above all. He created the Movement Against Illegal Immigration in 2002 in response to racially charged incidents in small cities near Moscow: a gang rape in Khimki blamed on immigrants; and a fight between immigrants and local residents in Krasnoarmeisk.

For a time, the group, known here by its initials in Russian as D.N.P.I., existed largely in cyberspace. Its members railed against immigrants and their crimes, but also against citizens of Russia, especially those from Chechnya and the Northern Caucasus, a predominately Muslim region. ("In the Caucasus, people live on a different civilizational level of development," Mr. Belov said.)

Raising money online and gathering political support among like-minded politicians, the group has become more organized. It now claims thousands of members in branches across all of Russia. Last November, at the time of Ms. Ivannikova's acquittal, Mr. Belov's group joined others in a mass demonstration in Moscow on a newly created holiday known as Day of National Unity.

Rights organizations denounced the march as an ugly expression of hate and a mockery of the holiday, which replaced the old one commemorating the Bolshevik Revolution.

The authorities also appeared shocked by the crowd and the message, though they had granted a permit for the rally.

A year later, at Mr. Putin's directive, the authorities have begun the most aggressive campaign against immigrants to date.

The arrests of four Russian military officers for spying in Georgia last month precipitated a wave of harassment against Georgians living here.

The authorities have closed casinos, restaurants and markets where Georgians worked and deported hundreds of Georgians, including more this week, saying they were here illegally.

The anti-Georgian campaign has roots in the Kremlin's hostility to Georgia's politics and its president, Mikheil Saakashvili, of course. Its results, however, fit seamlessly with Mr. Belov's prescription for what ails Russia.

Mr. Belov and the movement have not been fully embraced by the authorities.

Dozens of the movement's members have been arrested for holding unsanctioned protests; Mr. Belov himself was detained briefly in July.

The group has applied for a permit to hold another Day of National Unity march, but has not yet received one.

Mr. Belov said the Kremlin feared all public protests, wary of what he called "this mythical orange revolution," referring to the mass protests in Ukraine in 2004 that overturned a fraudulent election.

"The government," he said, "should not be afraid of its own people."

Georgia Denies Military Plan (LAT/AP)

From The Associated Press

The Los Angeles Times, October 22, 2006

Georgian President Mikhail Saakashvili on Saturday ruled out the use of force to establish control over two pro-Russian separatist regions.

He also said Tbilisi remained open to dialogue with Moscow to reduce tension that has escalated since the former Soviet republic temporarily detained four purported Russian spies last month.

"We certainly, absolutely, categorically are not starting any military confrontation," Saakashvili said.

His comments were a rebuttal to Russian President Vladimir V. Putin's assertion Friday at a summit with European Union leaders that Georgia was planning to take back South Ossetia and Abkhazia by military means.

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Abkhazia and South Ossetia, which broke away from Georgia's control during bloody wars in the early 1990s, receive strong Russian backing. Many residents in both regions hold Russian passports. Fears are strong that the escalating tensions between Moscow and Tbilisi could trigger an outbreak of violence that could draw in the entire volatile Caucasus.

Putin sidestepped European appeals for moderation on Georgia. "The situation is developing in the direction of possible bloodshed," he told reporters Friday. He accused Georgia of trying to take back the two regions "by military means."

Russia Warns Against Iran 'Regime Change' Through UN (AFP)

AFP, October 22, 2006

Russia would oppose any effort to use the UN Security Council to promote a change of regime in Iran, Foreign Minister Sergei Lavrov has said in an interview.

"We cannot support and will actively oppose any attempt to use the Security Council to punish Iran or to use Iran's nuclear program in order to promote the idea of regime change" in Tehran, Lavrov said in the transcript of an interview with the Kuwaiti news agency KUNA, released by the Russian foreign ministry on Saturday.

Lavrov added that Russia regarded the threat of nuclear weapons proliferation as an "extremely serious" problem and called on Iran to respect international demands aimed at ensuring that its nuclear program posed no threat in this regard.

"We believe that the Iranian side must finally bow to the constructive proposals that have been made and fully cooperate with the IAEA to answer all currently outstanding questions" about its nuclear ambitions, Lavrov said.

The interview with Lavrov was conducted on Friday and the transcript was released by the foreign ministry as he held talks in Moscow with US Secretary of State Condoleezza Rice, who arrived in the Russian capital Saturday on the final stop of a trip focusing on the North Korea crisis.

The United States has accused Iran of seeking to develop nuclear weapons under cover of a nuclear power program that is being developed with Russia's help. Tehran has consistently denied this charge, maintaining that the program is strictly for energy production, and therefore allowed by treaty.

Lavrov said that the International Atomic Energy Agency (IAEA), the UN nuclear watchdog agency, at present had no way of telling whether or not there was a military component to Iran's fledgling nuclear program.

At the same time however, IAEA experts still had several "serious questions" about Tehran's nuclear program, based on their own inspections of Iranian nuclear facilities, that Iranian nuclear negotiators had promised to answer fully.

"We firmly call on our Iranian colleagues to provide these answers as soon as possible," Lavrov said, stressing that it was Iranian nuclear negotiators themselves who had pledged to provide detailed clarifications on a number of points.

"But all this does not mean that the presence of a threat to peace and security can be confirmed. And it is only such a threat that can provide a basis for sanctions," he said.

Lavrov reiterated Russia's position that only IAEA nuclear inspectors had the expertise and the access to determine whether or not Iran's nuclear program did indeed pose a threat, and insisted this idea was at the core of the UN resolution on Iran adopted in July.

Rice Gets Russia Assurances On North Korea Sanctions (AFP)

By David Millikin

AFP, October 22, 2006

Russia has indicated it would strictly enforce sanctions on North Korea as US Secretary of State Condoleezza Rice met top leaders in Moscow at the end of a tour to push for full implementation of the UN penalties in response to Pyongyang's nuclear test.

"It seems clear that the Russians take 1718 seriously," a senior State Department official said Saturday after Rice held talks with Russian Foreign Minister Sergei Lavrov, referring to the UN Security Council resolution imposing sanctions on North Korea.

"They talked about tightening some of their controls on the border," the official said, adding: "They are interested in working with us" on the sanctions.

There was no immediate comment from Russian officials on Lavrov's talks with Rice.

Rice was due to hold separate meetings with President Vladimir Putin and Defense Minister Sergei Ivanov, though all of her meetings in Moscow were closed to media.

She arrived in the Russian capital Saturday from China and was scheduled to depart Sunday.

Speaking to reporters aboard her plane en route to Russia, Rice said the purpose of her stop in Russia at the end of a five-day swing that included visits to Japan, South Korea and China was to coordinate tactics to counter the threat posed by North Korea's recent nuclear bomb test.

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"The purpose of this visit is to continue the discussions about the North Korean nuclear test and adherence to resolution 1718," Rice said.

"Since Russia is part of the six-party framework, we can talk as we have in other places about the path back to diplomacy should North Korea choose that path. The trip to Moscow really is a continuation of the work with the members of the five parties on the North Korean file."

Rice queried reports that North Korean leader Kim Jong-Il had apologized for the nuclear bomb test his country carried out on October 9 and, according to South Korea's Yonhap news agency, had promised that the country would not conduct a second test.

"I don't know whether or not Kim Jong-Il said any such thing," Rice said.

She said she had heard nothing of the kind in her discussions in Beijing with Tang Jiaxuan, China's special envoy on North Korea who on Thursday became the first foreign official to meet Kim face to face since the October 9 test.

"Tang did not tell me that Kim Jong-il either apologized for the test or said that he would not ever test again."

Lavrov said prior to his meeting with Rice that both the United States and North Korea needed to be flexible in resolving their differences.

"Both sides need to show flexibility," Lavrov said in an interview with the Kuwaiti news agency KUNA, the transcript of which was published on the Russian foreign ministry's website.

Rice's visits to Japan, South Korea and China this week focused on how to implement UN sanctions, which include international inspections of North Korean cargo.

Her talks in Seoul and Tokyo were inconclusive in terms of securing specific promises on implementation of these cargo inspections.

The United States says it wants to prevent the North, which US President George W. Bush has described as part of an "axis of evil," from transferring weapons of mass destruction and nuclear know-how to groups and governments hostile to the United States.

In addition to withdrawing from the Nuclear Non-Proliferation Treaty in 2003, North Korea is also on the list of nations that have not joined an international treaty banning chemical weapons.

Rice has been urging nations to vigorously enforce the sanctions and take a hard line on Pyongyang.

Prior to Rice's arrival in Moscow, North Korea said that US joint war games with South Korea, coming in the wake of the recent imposition of fresh UN sanctions, were pushing the region to the edge of war.

The statement, carried by the official Korean Central News Agency, said North Korea possessed a "tremendous war deterrent" and also warned Japan against taking part in any future joint exercises.

"The US is ceaselessly staging DPRK-targeted war exercises in the sky, on the ground and in the sea of the Korean Peninsula and its vicinity," it said, using the initials of the Democratic People's Republic of Korea.

"This is a grave provocation driving the situation on the peninsula to the brink of war and a dangerous play with fire aimed at igniting a war against the DPRK," it said, citing one ongoing operation and another war game planned for next week in South Korea.

Although Rice and other US officials insisted that the Moscow visit was about North Korea, Rice also said that she would raise a variety of other issues with her Russian hosts, including controversial regulations for non-governmental organizations (NGOs) and the crisis with Georgia.

Rice Sees Bright Spot In China's New Role Since N. Korean Test (WP)

By Glenn Kessler

The Washington Post, October 22, 2006

MOSCOW, Oct. 21 -- President Bush came into office six years ago deeply skeptical of Chinese intentions, casting doubt on the idea advanced by the Clinton administration that there could be a "strategic partnership" between China and the United States.

Now, Secretary of State Condoleezza Rice and other U.S. officials have begun to depict China's increasingly central role in the administration's myriad foreign policy problems as a significant achievement.

Rice, who arrived here Saturday on the last leg of her mission to galvanize action against North Korea, said she saw "some data points" that suggest China is becoming more of a partner on issues of importance to the United States, though the shift will not "happen in one fell swoop."

There is some evidence of China's shift, but the argument also has the virtue of finding a silver lining in the dark strategic cloud posed by North Korea's test of a nuclear weapon.

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Many experts regard North Korea's test as a failure of Bush's nonproliferation policy. Critics have charged that Bush, distracted by Iraq, allowed North Korea to bolt from a Clinton-era agreement on freezing its nuclear programs, build a stockpile of weapons-grade plutonium and finally test a weapon. Bush, unlike President Bill Clinton in an earlier crisis, refused to conduct sustained bilateral negotiations with North Korea and instead set up a somewhat cumbersome six-party negotiating framework hosted by China.

At many points, the United States found itself at odds with other partners in the six-party process, such as China and South Korea, which repeatedly urged the Bush administration to show more flexibility in its tactics. Meanwhile, administration officials were often divided on North Korea policy, with some wanting to engage the country and others wanting to isolate it.

Before North Korea announced it had detonated a nuclear device, some senior officials even said they were quietly rooting for a test, believing that would finally clarify the debate within the administration.

On her trip to Asia this week, Rice has come close to saying the test was a net plus for the United States. She has tried to deflect criticism by saying the test was an affirmation, rather than a failure, of the Bush administration's policy of trying to draw China deeper into negotiations on North Korea.

Noting that North Korea has spent three decades developing a nuclear weapon, Rice said it was "very unusual and quite significant" that China, which has traditionally considered sanctions to be a violation of national sovereignty, supported a tough U.N. Security Council resolution punishing North Korea. The resolution is under Chapter 7 of the U.N. charter, which calls for mandatory sanctions for issues affecting international security.

"I don't care how many times you visited Pyongyang," Rice said, referring to a trip made by then-Secretary of State Madeleine K. Albright to the North Korean capital in 2000. "China had to be part of this regime to deal with the North Korea nuclear problem, and you're seeing it. Thirty years ago, you wouldn't have been able to get a Security Council resolution on North Korea, and when you get one it's Chapter 7, it's 15-0 and China's at the center of it. Not bad for a couple years' work."

Rice acknowledged that it was still unclear how hard the Chinese government would push North Korea, although she said China's views on the issue were "evolving." She said China had concerns about North Korea's stability and the prospect of a mass influx of refugees if the government collapses. And though China has always valued the status quo, Rice said: "I don't think that they are making a lot of assumptions about the status quo."

China is very concerned, for example, that Japan might decide to build a nuclear arsenal in response to North Korea's test. The Japanese government has ruled that out for now. But when Rice visited Tokyo on her first stop, officials there wanted to focus almost exclusively on receiving firm assurances that Japan is still protected by the U.S. nuclear umbrella. The test "had set off a lot of questions that the Japanese were asking about their own security posture," Rice said.

In addition to the North Korea discussions, China is an important participant in the drive to roll back Iran's nuclear program. China also has extensive oil investments in Sudan, which has adamantly rebuffed a U.S.-led push to bring U.N. peacekeepers to Sudan's troubled Darfur region.

In 2005, when China abstained from a U.N. resolution launching a war crimes investigation into atrocities in Darfur, U.S. officials reported that China's state-owned petroleum company immediately erected billboards in Khartoum, the Sudanese capital, attesting to China's friendship with Sudan. But in Rice's talks with Chinese officials Friday, she said she was able to have "more concrete discussions" about how to deal with Sudan, including strategizing on an upcoming meeting of African leaders in Beijing.

U.S. Reaffirms Promise To Defend S.Korea (AP)

By William C. Mann

AP, October 22, 2006

The U.S. is pledging "immediate support" of South Korea as part of a "firm" commitment to defend its ally under America's nuclear umbrella, stronger language than in last year's version of their long-standing policy statement.

Noting North Korea's nuclear test Oct. 9, Defense Secretary Donald H. Rumsfeld and South Korean Defense Minister Yoon Kwang-ung "demanded that North Korea refrain from any further action that might aggravate tensions," according to the joint communique made public Saturday.

Both sides agreed that North Korea's "continued development" of weapons of mass destruction and long-range missiles, and the threat of proliferation were "a challenge" to the alliance between the United States and the Republic of Korea, the defense chiefs said in the statement.

It said Rumsfeld "offered assurances of firm U.S. commitment and immediate support" to South Korea, including continuation of the extended deterrence offered by the protective umbrella of the U.S. nuclear arsenal.

By comparison, last year's statement said Rumsfeld "reaffirmed the U.S. commitment to the security" of South Korea and "to the continued provision of a nuclear umbrella" for the U.S. ally.

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At their meeting Friday, Rumsfeld and Yoon disagreed over how explicitly the U.S. should say that South Korea is under that umbrella.

The recent North Korean nuclear test has raised South Koreans' concerns about the future of their defense relationship with the United States. Already, there are significant changes in the works as the U.S. reduces the number of its ground troops in South Korea and pulls troops farther from the North Korean border area.

The South Korean delegation sought to persuade Pentagon officials to issue a public statement saying that if the North attacked the South with nuclear weapons, the U.S. would retaliate as if American territory itself had been attacked by nuclear weapons.

U.S. officials resisted, saying that would go beyond what the U.S. normally says publicly about how it would respond with regard to nuclear weapons. For decades, U.S. policy has been deliberately designed to include some ambiguity about the circumstances under which it would use nuclear arms.

Japan is covered by a similar U.S. "umbrella" promise.

The new joint statement said Yoon "expressed appreciation for the close cooperation and steadfast support of the U.S. in the face of North Korean intransigence."

Rumsfeld, at a news conference Friday with Yoon, noted that a public statement is issued each year following the U.S.-South Korean defense talks and that it always reaffirms the provision of a nuclear umbrella for South Korea, consistent with the 1954 U.S.-South Korean defense treaty.

Rumsfeld said he was unaware of any proposal to change the language, "nor can I imagine how it could be improved upon."

Yoon responded by saying the matter had been discussed extensively in a series of meetings this past week and that he hoped the language on U.S. nuclear protection for South Korea would be different than in years past.

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On the Net:

Joint statement: http://www.defenselink.mil/news/Oct2006/d20061020uskorea.pdf

Seoul Hesitant To End N. Korea Projects (AP)

By Burt Herman

AP, October 22, 2006

South Korea is still sending tourists to a mountain resort in the North and maintaining a joint economic zone, despite pressure to cancel the projects after Pyongyang's nuclear test.

The country has its reasons for refusing to shutter key projects that help keep Kim Jong Il's regime afloat, including competition with China for influence over the impoverished nation.

South Korea and China together account for two-thirds of overseas trade for the communist North, and South Korea hopes to one day reunite the two Koreas.

The U.S. has scoffed at the tourism venture at the North's majestic Diamond Mountain resort, saying the project simply hands money to the North Korean government. Washington also has questioned labor practices in a joint economic zone where North Korean workers provide cheap labor for South Korean firms.

But Seoul has been reluctant to inflame North Korea as it pursues its policy of reconciliation that has led to unprecedented cooperation between the two countries that share a peninsula.

Totally cutting off the joint projects also would mean Seoul would lose influence in the North, leaving the isolated nation wide open for China — the North's No. 1 trade partner and a key source of aid.

Secretary of State Condoleezza Rice has said she will not presume to tell South Korea or China how to enforce U.N. sanctions imposed against North Korea after the Oct. 9 underground blast.

But she has called on all nations to cooperate and pointedly noted in a South Korean TV interview Friday that the North "set off a nuclear weapons test right here in South Korea's backyard."

"It is important to use whatever leverage a country feels that it can use to get the North Koreans to make the right choice" to rejoin arms talks and disarm, Rice told KBS in Seoul.

South Korea is keen to maintain stability and not let its unpredictable neighbor spoil its hard-won prosperity built from the ruins of the 1950-53 Korean War. Today's South Korea is a high-technology mecca and cultural trendsetter for Asia, proudly proclaiming itself as "Dynamic Korea" in its main tourism slogan.

The inter-Korean projects are part of Seoul's strategy to use trade and exchanges to ensure that success is not wiped out by a war or a chaotic collapse of North Korea. The North has needed foreign assistance to feed its 23 million people since the mid-1990s, when its state-run farm system collapsed after the loss of Soviet subsidies.

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But in the wake of the North's first-ever nuclear test, Seoul has faced new calls to cancel the landmark reconciliation projects in line with the U.N. sanctions.

On Tuesday, the U.S. envoy on North Korean human rights, Jay Lefkowitz, warned that unmonitored assistance to the North could prop up a "criminal regime."

China has made increasing economic inroads in the North in recent years, and South Korea has expressed concern that North Korea could become a de-facto Chinese province.

Chinese goods are the dominant products in what passes for "markets" in North Korea, and Chinese tourists visit regularly.

A state-supported Chinese think tank has claimed that two ancient Korean kingdoms were actually Chinese, including the Koguryo dynasty that reigned from 37 B.C. to A.D. 668 in an area that stretched from the Korean peninsula to Manchuria in northeast China. Koguryo is viewed by Koreans as the origin of their nation, and its name forms the root of today's "Korea."

China had its fingers in Korean politics going back centuries, under the tributary system in place across east Asia.

The idea that China is staging a shadow campaign to maneuver for position after a North Korean collapse rattles intensely nationalistic Koreans, who have seen their tiny peninsula survive as a nation despite being surrounded by massive powers. They also keenly remember decades of Japanese occupation in the early 20th century, which ended with the heart-rending division of the peninsula.

Despite appearing to vacillate in the face of U.S. demands to comply with U.N. sanctions, Seoul's reluctance to back out of its projects with North Korea could be a way of signaling strength — and ensuring that Koreans will have a land to call their own for centuries more.

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Burt Herman is chief of bureau in Korea for The Associated Press.

Envoy's Tirades Elicit Chuckles At U.N. (WT)

By Damien Mcelroy, London Daily Telegraph

The Washington Times, October 22, 2006

NEW YORK -- Diplomats at the United Nations dread the arrival of North Korean Ambassador Pak Gil-yon at the microphone.

Known sarcastically as Dr. Chuckles for his highly-strung manner, he is a master of florid tirades.

"He just comes in and tells us how Pyongyang is defending itself from terrible aggression and then flounces off," a diplomat said. "We never get anything worthwhile out of him."

The United States and North Korea do not have diplomatic relations, but Pyongyang has posted officials to New York to represent it at the United Nations.

As negotiations drag on over sanctions after its nuclear test, Mr. Pak has scurried around the corridors of the U.N. building, condemning moves to adopt sanctions, claiming instead that the world should congratulate North Korea's scientists.

In exchanges notable for their harsh tone, Mr. Pak has threatened more nuclear tests.

Cornered by Korean reporters, he screamed: "Do I have to repeat the same story again and again? We will do everything."

The ambassador's performance has done nothing to salvage the already low reputation of North Korean diplomacy.

North Korean embassies, outposts of the ruling Workers' Party, are notorious as linchpins of lucrative drug-running and money-laundering activities.

In a decade, there have been 50 criminal cases involving North Korean diplomats uncovered by law-enforcement authorities worldwide. Diplomats have been arrested in or thrown out of Egypt, China, Russia, Germany and Bulgaria.

David Asher, a former State Department adviser, said Pyongyang expected its embassies to funnel funds back to the ruling party.

"North Korea is perhaps the only country in the world whose embassies and overseas personnel are expected to contribute income to the party center, not rely on central government funds for their operations," Mr. Asher said.

Even in the depths of its stiffest challenge, the country's unending taste for intrigue has been on display.

Until earlier this month, Mr. Pak's deputy, Han Song-ryol, was the mission's spokesman. But he has been silenced and recalled to Pyongyang.

In contrast to his ebullient leader, Mr. Han morosely refused to comment.

"I do not have the right to talk because I will soon leave this position," he said prior to his departure.

Tension, Desperation: The China-North Korean Border (NYT)

By Norimitsu Onishi

The New York Times, October 22, 2006

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NORTH KOREA'S porous 880-mile border with China is its lifeline to the outside world. About 39 percent of its trade last year was with China, which, critically, supplies it with 80 to 90 percent of its oil. Trafficking in money transfers and human beings also flourishes.

By contrast, North Korea's border with Russia is 11 miles and heavily guarded; the 150-mile-long demilitarized zone with South Korea has hundreds of thousands of soldiers on each side. Until now, the North's ships have regularly visited Japan, from which relatives sent cash and goods, but North Korea's nuclear test is expected to end that trade.

For China, the bottom line is to erect the right number of fences, as it did along the border city of Dandong recently. Build too few and you invite instability in China. Build too many and North Korea collapses.

A collapse is clearly something Beijing doesn't want, and why it is lukewarm toward harsh sanctions. A collapse might send more North Koreans into China than the 100,000 to 300,000 estimated to have flooded the border during the North's great famine in the mid- to late-1990's. (Paradoxically, the famine also opened trade links when local North Korean groups formed to barter raw materials for Chinese grain.)

The end of the North Korean state could also bring reunification of the Korean Peninsula under America's ally South Korea, another development Beijing does not want. Also, the border itself could be put into question. South Korea has, in recent years, challenged China over the legacy of Koguryo, an ancient Korean kingdom whose rule extended into present-day China. The region is home to hundreds of thousands of ethnic Korean-Chinese, who face discrimination in China and might be sympathetic toward a reunified Korea making territorial claims.

Send In The Fat Guys (NYT)

By Nicholas D. Kristof

The New York Times, October 22, 2006

A North Korean visiting South Korea once sniffed that all the cars must have been brought in from around the country just to make a good impression for his visit. His South Korean host added dryly that it had been even more difficult to bring in all the tall buildings.

Such interactions with the outside world are the best hope to chip away at North Korean totalitarianism, but we've missed the opportunity because for decades we've conspired with Kim Jong-il to isolate his people.

Lately Americans have been quarreling over who is more to blame for North Korea's nuclear test, Bill Clinton or George W. Bush.

Well, Mr. Clinton inherited a situation that, if it had continued, would have resulted in North Korea having hundreds of nuclear weapons by now, and producing an additional 50 each year. Instead, Mr. Clinton negotiated a deal with North Korea that resulted in it producing not a single ounce of new plutonium in his eight years in office.

In contrast, President Bush inherited that North Korean nuclear freeze and, if he had just left it alone, North Korea wouldn't have produced any new plutonium. But Mr. Bush overruled Colin Powell's efforts to continue the engagement — and so North Korea has churned out enough plutonium on Mr. Bush's watch for perhaps eight nuclear weapons.

But in a larger sense, the North Korean nuclear test — and the fact that Kim Jong-il is still in power — represent a failure not so much of either Mr. Bush or Mr. Clinton, but of decades of bipartisan American policy that aimed to isolate the North.

Look around the world at the regimes we despise: North Korea, Cuba, Burma and Iran. Those are among the world's most long-lived regimes, and that's partly because the sanctions and isolation we have imposed on them have actually propped them up — by giving those countries' leaders an excuse for their economic failures and a chance to cloak themselves in nationalism.

Kim Jong-il sees that the best way to preserve North Korean totalitarianism is in the formaldehyde of its own isolation. In effect, Mr. Kim has placed sanctions on his own country, and we're abetting him.

In the 1970's, North Korea poked its head out of its shell, negotiating with South Korea, seeking foreign investors and sending letters to Jimmy Carter seeking talks. Mr. Carter considered inviting the leaders of North and South Korea to a summit meeting at a place like Camp David — but dropped the idea when his own aides reacted with horror.

Yet if we had held such a meeting, and gradually encouraged trade and other contacts, North Korea's regime might well have collapsed by now. At least, it would have moderated enough that the country would look like China or Vietnam.

I lived in China in the 1980's and 1990's when Communist ideology was collapsing there, and I'm convinced that the best way to undermine North Korea's government would be to send in business executives — overweight ones, if possible. In a country like North Korea, where the government responded to famine by broadcasting a cautionary "documentary" about a man who exploded after eating too much rice, nothing would be more subversive than tubby foreigners.

Mr. Bush is right that we have to punish North Korea for its brazen nuclear test, and the administration has been sensible and prudent in the last few weeks in devising a series of penalties. But after North Korea drags itself back to six-party talks, we should begin to move away from our long, failed strategy of trying to isolate the world's most isolated country.

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In particular, it's a mistake for us to reproach the South Koreans — who have more of a stake than anybody, and who understand the North Koreans better than we do — for operating factories in the Kaesong industrial zone in North Korea.

It's true that those North Korean workers have no rights, and that North Korea will use the hard currency to bolster its military. But those South Korean factories are expected to employ 700,000 workers by 2012.

While North Korea can survive punitive sanctions, I don't think the regime can survive the shock of having 700,000 of its citizens working for South Korean capitalists — and realizing that the southerners are so rich and spoiled that they refuse to eat rice with gravel in it.

The biggest threat to North Korea's regime isn't from American warships, but from the sight of other Koreans dieting, or listening on iPods to love songs, or watching decadent television comedies.

So let's stop helping the Dear Leader isolate his own people.

Radioactive Nationalism (NYT)

By Peter Maass

The New York Times, October 22, 2006

In a classic Mexican standoff, two men point guns at each other's heads. Neither wants to shoot, but each knows the downside of not pulling the trigger first. It is an inherently gripping situation, and Quentin Tarantino's "Reservoir Dogs" offers one of the most memorable examples: in a climactic scene that takes place in a warehouse, three men aim guns at one another, with catastrophe (for macabre laughs) just a twitch away.

We can now thank North Korea's leader, Kim Jong Il, who is credited with directing several movies, for creating a Mexican standoff that outdoes Tarantino but is no postmodern parody; it takes place in the real world. Earlier this month, North Korea announced that it had exploded an atomic bomb, thus becoming the newest and scariest nuclear power in the world. This set off alarms in South Korea, Japan, China, Russia and the United States; all have good reasons to fear North Korea and one another. We now have a Mexican standoff that involves a) as many as six participants, including b) countries that are threatening one another with c) nuclear weapons. Tarantino couldn't invent it.

Yet something — someone — is missing from this semi-apocalyptic drama. Warming his hands over a fire in north Waziristan or wherever, Osama bin Laden, the embodiment of evil in our times, is no more a factor than John Dillinger. True, there are fears that North Korea might try to sell a nuke to Al Qaeda or other terrorist groups. But diplomats are just as concerned that Japan might choose to build a nuclear weapon or two, that South Korea would be tempted to do the same, that China, Russia and the United States will shove against one another and that in the Middle East, Iran will accelerate its nuclear program, leading Saudi Arabia and Egypt to Google "how to build the bomb."

What's happening, in other words, is an old-fashioned clash of nations and national interests, exacerbated, as often happens, by the imperatives of regime survival. The suspicions and alliances date back a century or more, though the weaponry, instead of muskets and catapults, is nuclear. After 9/11, we came to believe that the menace that mattered most was the wrath of religious terror, and our geopolitical lingua franca embraced a new vocabulary to define it — jihad, suicide bombers, asymmetric warfare, nonstate actors. Whatever happened to nationalism and the risky maneuverings of states? Nothing, actually. Kim Jong Il, entering from stage far-left, reminds us that new threats, like Islamic extremism, do not replace old ones.

The Korean peninsula is an ancient hothouse for nationalism and its offshoots; it is also a brilliant example of the uses, abuses and durability of national esteem. The peninsula is sandwiched between China and Japan, which are two of the great powers of modern and not-so-modern history; without their pride and willingness to sacrifice for a common goal, Koreans would speak Japanese or Chinese today. Defiantly, through a millennium or two of attack and occupation, they held on to their language and even their gene pool. When I lived in Seoul in the 1980's, intermarriage, to a Japanese or an American or whomever, was rare and an occasion for scorn or, at best, pity. The taboos are lessening — earlier this year, the government lifted a ban against mixed-race Koreans serving in the military — but as a recent article in The Asia Times noted, "A foreigner, even another Asian, stands out." More so on the other side of the DMZ: not long ago, a North Korean general chastised South Korea for even allowing intermarriage.

The Korean peninsula was divided into American and Russian zones after World War II — Japan had ruled Korea brutally for nearly a half-century — and was then reduced to cinders by the Korean War. The resurrection of North and South was stunning because they started from utter scratch and without a blueprint or Marshall Plan. Both governments drummed into their people that unless they worked hard and prepared to fight hard, they would be overrun and subjugated by their brother enemies. Each side wanted to prove itself as the true carrier of the Korean torch. The peninsula's division and war was akin to the splitting of a highly charged nationalist atom that unleashed an explosion of directed energy.

The cross-border rivalry provided material not just for political experts but also for Freudian analysts. In addition to postwar spasms of violence — like several attempts by northern assassins to kill South Korea's leaders — the one-upmanship reached

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the absurd. American soldiers at Panmunjom, the truce village, entertain visitors with a story of how, at the outset of armistice talks in the 1950's, delegations from North and South brought in larger and larger national flags — each side wanted its totem to be the biggest. Eventually, the flags were too large to fit through the doors; physics rather than good sense forced them to agree to modest and identically sized flags.

My three-year sojourn in South Korea was punctuated with iterations of nationalist fervor, some of them charming. There was, in those days, a club that supported Koreans training for stunts that would get them into The Guinness Book of World Records; if memory serves, one hopeful was a man who walked up mountains on his hands. The club's aim wasn't just to help zealous citizens get into the holy book, but to have South Korea itself inscribed as the country with the most world records. This wasn't entirely removed, in its linking of nationalist glory and athletic achievement, from East Germany's effort to legitimize itself, and trump its brother state, by becoming an Olympic power, even if that required doping a generation of athletes (which it did).

Today, even though it has a highly advanced economy — more than 80 percent of South Koreans have broadband Internet access at home, the highest rate in the world — the country has a nearly provincial relationship to its local heroes, like Ban Ki-moon, the foreign minister who will be the next U.N. secretary general. The most famous South Korean of recent times was Hwang Woo Suk, a scientist who in 2004 and 2005 announced breakthroughs in cloning. At home, he was worshiped, a hybrid of Einstein and Madonna. The government awarded him the title Supreme Scientist and gave him millions of dollars. The embrace was so intense that when a television news program reported on unethical conduct in Hwang's lab, the program's sponsors withdrew their ads and the show was temporarily taken off the air. The reporting was accurate — Hwang faked his research. The awards were withdrawn, prosecutors charged him with embezzlement — yet even so, supporters staged rallies, and a Web site in his honor pleads, "Please come back, Dr. Hwang."

In North Korea, nationalism has taken a different course and been put to different uses by a tyranny that exports counterfeit dollars and has been described, with amusing accuracy, as a "Soprano state," after the Mafia family in the HBO series. But until the 1970's, when it began to be hollowed out because of the inherent contradictions of command economics, North Korea was more industrialized and prosperous than South Korea. It has always, and proudly, had the upper hand in a key nationalistic category — foreign troops are not based on its soil. When I visited Pyongyang in 1989 (a long time ago, but North Korea's cryonic rhetoric has changed little in half a century), officials I met were obsessed by two things: the threat posed by American troops on their doorstep and South Korea's cowardly acceptance of these foreigners. It was not unlike, I now realize, the religious fervor with which Islamic conservatives criticized the presence of American troops in Saudi Arabia and the cowardly royal family that welcomed them (when Iraq invaded Kuwait in 1990).

The decades-long rotting of North Korea's economy, and thus the erosion of its military power, was a key reason to develop nuclear weapons: nukes are a poor man's defense, cheaper to build and maintain than an army, and a guarantee that you will not be invaded because the stakes are cataclysmic. North Korea's million-man army is poorly equipped and poorly trained, and no match for the smaller but more sophisticated South Korean military, which is augmented by 28,000 G.I.'s on the ground and additional U.S. forces that would come to South Korea's aid if attacked. Nukes are also a great way, if you lead a small, hopelessly poor and violently repressed nation, to get the attention of the rest of the world; rather than being treated like Albania, North Korea will be treated like Albania with nukes. The government's English-language announcement boasted that its test came "at a stirring time when all the people of the country are making a great leap forward in the building of a great prosperous powerful socialist nation." This nationalist, and deluded, phrase was in the first sentence.

Because nationalism is more of a collective belief than a particular policy, the positions adopted in its name can evolve, even rotate. Inter-Korean hostility subsided as a result of the "sunshine policy" initiated by former President Kim Dae-jung, who dropped the stance of utter hostility taken by the conservative generals who ruled South Korea from the 1960's until the 1990's. The same national pride that set North and South against each other can also create common ties. Now, instead of regarding the North as a violently psychotic regime, the southern attitude is more along the indulgent yet exasperated lines of "Oh, no, what's our nutty brother done today?" Particularly among South Koreans with no memories of the Korean War — that's now most of the country — yearnings for peace and good relations, as well as anti-Americanism, are stronger than the hostile anti-Communist intent of their fathers and grandfathers. And in the wake of Germany's costly unification, policy makers in Seoul realize that the collapse of the North, which an older generation wished for, would create a high degree of political instability and an enormous financial burden that should perhaps be avoided. This helps explain why Seoul has limited its antinuclear criticism of the North, and why South Koreans aren't rushing for bomb shelters quite yet.

One factor bringing the Koreas together is their shared enmity for Japan. North Korea's tirades against Tokyo are nearly unprintable; the South Koreans are more polite but fervently resolute whenever their prestige is challenged by Japan. In the mid-1990's, when FIFA, the international soccer organization, decided to hold the 2002 World Cup in Asia for the first time, the host-country finalists were South Korea and Japan. The competition was intense beyond belief; among other extravagances, Buddhist monks in Seoul prayed three times a day that their homeland would get the nod. In the end, recognizing that the humiliation of

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losing to an ancient rival would be too much for either side to bear, FIFA took the unusual step of splitting hosting duties between the two countries. Even then, naming the event was problematic; FIFA called it "World Cup 2002 KoreaJapan," but when Japan printed its tickets, the geographic reference was deleted because Korea came first.

More than any other country, Japan feels threatened by North Korea's nuclear capacities. The brutality of the Japanese occupation of parts of China and all of Korea has not been forgotten in the region nor fully apologized for. The sexual slavery of Korean women during World War II remains an issue the Japanese avoid rather than accept full responsibility for. Of course Japan is linked to China and South Korea in good ways — they are major trading partners, and Japan has been an important source of loans and investment. None want to go to war, and one triumph of the nation-state system is that it is not a suicide pact, though neither is it a foolproof way to keep the peace.

If this sounds familiar — history shaped by the rivalries, interests and missteps of nations rather than terrorists dashing from hideout to hideout — it should. It's the way the world has been ordered and disordered since the emergence of the nation-state and even before, and it did not vanish on Sept. 11, 2001. If anything, traditional powers that kept to themselves in past years are asserting themselves in new ways. Because of an influx of funds for its oil and gas, the Russia of Vladimir Putin is far more aggressive than the shipwreck presided over by Boris Yeltsin. The fast growth of China's economy has increased its appetites for not just greater political clout but also for resources with which to feed its bustling industries. And of course there is Iran, which has not forgotten its Persian history and would not mind recapturing, by becoming a nuclear state, the influence it once had.

In the 19th century, Britain and Russia struggled for control of Central Asia in what was called "the Great Game." In the 21st century, the great game is far more complex, taking place across the globe between an expanding number of actors with a multiplicity of interests and a variety of weapons. Yet certain basic facts — war is an extension of politics, politics are often driven by a need for resources as well as collective feelings of pride or shame — remain much the same in the wake of Sept. 11. We are obliged to focus on Islamism and the terrorist threat it has produced, to study Arabic and the work of Sayyid Qutb, but we should not fail to consult Kennan, Clausewitz or Thucydides either.

The Chinese Go After Corruption, Corruptly (NYT)

By Jim Yardley

The New York Times, October 22, 2006

BEIJING

THE corruption scandal in Shanghai that had already taken down one of China's most powerful officials claimed two smaller scalps last week: the chief of the national statistics bureau was fired, and an official with the Formula One racing circuit was hauled in for questioning. The contrast between the statistician and the racing executive may have been incidental, but it underscored the perception, fair or not, that official corruption is everywhere in China.

To some extent, the ruling Communist Party does not disagree.

In an economic boom gilded with excess and profiteering, official corruption is so widespread, and increasingly so brazen, that it is almost taken for granted. The latest World Bank governance survey found that China had seriously backslid in the category of "containing corruption" when much of the rest of the world, if not improving, was basically unchanged on the issue.

President Hu Jintao and Prime Minister Wen Jiabao have warned that corruption threatens the credibility and legitimacy of Communist Party rule and have vowed to stamp it out. But many experts say that truly stamping out corruption would involve the type of broad political reform and a full embrace of the rule of law that the party has long resisted. The current corruption sweep authorized by Mr. Hu in Shanghai and other cities is widely viewed as more of a purge of allies linked to his predecessor, President Jiang Zemin, than an unfettered crackdown.

"The problem with China today is that if you want to pursue corruption, so many people are tainted," said Minxin Pei, a scholar at the Carnegie Endowment for International Peace in Washington. As a result, Mr. Pei noted, Mr. Hu could never investigate corruption solely on its merits because it would topple so many of his own political allies.

No one truly knows the depth of corruption in China because so much malfeasance goes undiscovered or is covered up by the party. Even so, the information that does reach the public domain is stunning. Last year, the party committee responsible for internal discipline investigated more than 147,000 corruption cases, most handled outside the legal system. The People's Supreme Court reported that more than 10,000 officials were convicted of corruption charges in the first six months of this year. Chinese newspapers regularly carry stories about the latest arrests or executions with details about officials using government money to pay for prostitutes, luxury homes, extravagant meals and vacations.

Some accounts seem out of Dickens: a cadre with the Chinese Federation of Cripples is sentenced to prison for stealing about $12,000 that was to have been used to organize the Congress of Chinese Cripples. An accountant with a nursery school run by the state-owned China Northern airline is caught stealing roughly $15,000, including the children's lunch money.

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The Communist Party is trying to send a signal to rank-and-file members that corruption must be reined in, partly because of rising public anger over abuses like officials' illegally seizing land from farmers or razing blocks of apartments to clear land for developers. In these cases, officials typically pay meager compensation to farmers and tenants but then reap enormous profits by selling to the developers.

"There is a long tradition of corruption," said Andrew H. Wedeman, a China specialist at the University of Nebraska who is researching a book on the link between corruption and development in China. "But in this transitional period, the stakes have gone way up."

The transitional period is China's shift to a market economy, in which party officials at all levels, operating under minimal oversight, often control whether someone can get land, or a needed license or purchase order. The Ministry of Commerce has estimated that 4,000 officials have fled overseas in recent years with roughly $50 billion in embezzled money. In 2005 alone, an expert in the National Audit Office found, $35 billion in state funds was misappropriated.

Mr. Wedeman said higher amounts of money at stake have corresponded to corruption seeping into higher levels of government. He noted that the number of officials at the county level or higher prosecuted for corruption had tripled in the last decade, to almost 3,000. By one count, 20 officials at the ministry level of the central government have been arrested since 2002.

Official corruption also has contributed to the deepening moral vacuum and cynicism felt by many ordinary Chinese when making money is paramount. Petty corruption is commonplace. Peddlers sell fake expense-account receipts outside train stations. Doctors demand "red envelope" payments from patients. Graduate students bribe scholarly journals to publish their work.

"The problem is that ordinary people don't believe there is anything in place to control the power that officials have," said Zhang Jiansheng, 53, a retired soldier who owns a small teahouse in the provincial capital of Yinchuan. He added: "People are in search of material comforts now. That spirit of helping each other is not as strong."

The government responds largely with propaganda campaigns, like the recent "Eight Honors and Shames" theme promoted by Mr. Hu to encourage upright behavior and discourage deceit. Some older people like Mr. Zhang appreciate the effort. But many people, particularly the young, regard such campaigns as cynical efforts to avoid meaningful changes — like political reform.

To some extent, the corruption problem is not atypical for the country's stage of development, some analysts say. In ratings by Transparency International, the global civil society organization fighting corruption, China ranks in the bottom half of the world, though not the very bottom. Daniel Kaufmann, an author of the World Bank governance survey, said that China had steadily declined in the bank's corruption ranking.

"It is pertinent to ask the question of whether the measures and approaches being implemented are the most effective ones," he said.

Mr. Kaufmann is one of many experts who contend that any country trying to curb corruption inevitably benefits from a freer press and greater government transparency. Corruption is hardly a secret in China, and cases are reported and investigated in some newspapers. But the lines are clearly drawn. No newspaper would dare independently investigate a high official in the central government. At the local level, officials commonly censor corruption reports. The scrutiny is so great that a minor government official in southwest China was arrested for writing a satirical poem about corruption and sending it to friends by e-mail and text message.

China's legal system also is curtailed. The overwhelming majority of corruption cases are never presented to prosecutors but are instead handled by party investigators. And when cases are handed over to the courts, analysts say, the party often recommends the punishment.

The Shanghai investigation is a case in point. Under Mr. Hu's orders, the powerful party boss Chen Liangyu, also a member of the ruling Politburo, was arrested last month on allegations that he misused city pension funds for speculative real estate deals and other ventures. Notably, he was detained not by the local police or prosecutors but by an investigative team sent down from Beijing by the party's Central Inspection Discipline Commission. It is a reminder that often the Communist Party opts to address corruption outside the law.

Egypt, Under Stress, Sees U.S. As Pain And Remedy (NYT)

By Michael Slackman

The New York Times, October 22, 2006

CAIRO, Oct. 20 — Faced with twin political threats — a rising Islamic movement at home and diminished influence throughout the region — Egypt is pressing the United States for an aggressive promotion of Palestinian statehood as a means of strengthening itself and other Arab governments allied with Washington, senior officials say.

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Egyptian officials told Secretary of State Condoleezza Rice on her recent visit here that the United States should move straight "to the endgame," with a major policy initiative tackling the most contentious Palestinian issues: borders of a future state, the site of the capital, and the so-called right of return for Palestinian refugees.

Whether Washington agrees — a senior Egyptian official with first-hand knowledge of the conversation said Ms. Rice seemed to be listening — Egypt's request is evidence of growing concern and frustration here. The leadership is showing signs of vulnerability, and in large measure it has blamed American actions in the Middle East for many of its problems, from the rise of Iran as a regional power to the growing popularity of political Islam.

Egyptians and other Arab leaders who are friendly with the United States see a major regional peace initiative by Washington as the first necessary step toward stealing momentum from Islamic groups, officials here said. In Egypt, however, optimism is limited that Washington will put the stated interests of its Arab allies ahead of the perceived interests of Israel.

"There is a realization that strategic estrangement in the post-Iraq period has been harmful to both sides," said Abdel Moneim Said, the director of Egypt's premier research center, the Ahram Center for Political and Strategic Studies, and a member of the governing National Democratic Party. "Both are going through a series of reassessments of their positions."

Egypt itself is in a moment of political twilight, so the regional and domestic challenges it faces appear magnified. The situation is delicate, and officials interviewed spoke only on condition of anonymity.

While its critics say the government's own failure to combat poverty, corruption and political oppression is to blame for its weakened state, officials say the United States has undermined them. The invasion of Iraq has put Baghdad into Iran's orbit; the insistence on democratic elections allowed Hamas to gain power in the Palestinian areas; and, more recently, the refusal to press for a speedy end to Israel's bombardment of Lebanon helped lionize Sheik Hassan Nasrallah, the leader of the militant group Hezbollah.

Add to the mix the fact that President Hosni Mubarak is 78 and has ruled Egypt for 25 years. Increasingly, it appears he is trying to pave the way for his son Gamal to inherit the presidency. But there is no consensus among the ruling elite. Some are concerned that the son would lack legitimacy unless selected through a free and democratic process, which Egypt has shown no hint of supporting.

And there is no certainty that the military would go along with the president's son, who would be the first president from outside the armed forces since the monarchy was overthrown in 1952.

For all the hand-wringing, experts agree that a sudden political crisis is unlikely in Egypt, or at least not the kind that would lead to an Islamist-led revolution. But the confluence of internal uncertainty and external pressures has affected Egypt's policies, and its regional influence.

For example, despite repeated efforts, Egypt has been powerless to stabilize the conflict between the main Palestinian factions, Hamas and Fatah. In the past, Egypt's security services were influential, and effective, in the Palestinian areas.

On the domestic front, Egyptian officials have stepped up repression as a means to blunt the rising popularity of the Muslim Brotherhood, locking up its leaders without charge. There also is talk of amending the Constitution to avoid the embarrassing prospect of only one candidate for president, but in such a way as to prohibit any independent candidates aligned with the Brotherhood. The group has been the only credible opposition.

In its foreign relations, for the first time in nearly three decades Egypt is trying to improve business ties with Russia, and President Mubarak plans to visit China next month. Top government and party officials have also made aggressive public statements aimed at embarrassing, or challenging, the United States. In one notable scene when Ms. Rice was in Cairo, she and the Egyptian foreign minister, Ahmed Aboul Gheit, appeared together at a news conference beamed live around the world.

"I've spoken about Ayman Nour each time that I meet with my Egyptian counterpart," Ms. Rice replied when asked by a reporter if she was still pushing for the release of Mr. Nour, the imprisoned opposition political leader.

"You didn't raise it today," Mr. Aboul Gheit interjected without hesitation.

But these efforts, the moves toward Russia and China, and the aggressive public remarks from officials mask a reality that is driving the government to press the United States to become more engaged in the Arab-Israeli peace effort.

"You can't have a deal in the Middle East without the Americans, regardless of the judgment we carry," one government official said.

Many people, inside and outside government, say the roots of the government's problems lie more in its domestic failures than in outside pressure. Although Egypt's government has moved to improve macroeconomic policies, for example, a vast majority of this nation of 70 million live in deep poverty.

While they talk about moving toward democracy, Egyptian authorities have canceled elections, prohibited the creation of new parties and locked up political opponents. "The state is failing to meet its most basic responsibilities, starting with providing clear drinking water," said Mustapha Kamel, a political science professor at American University in Cairo. "There is a feeling the ruling team does not have a good vision for dealing with the problems of the country."

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The popularity of political Islam in Egypt, many political analysts said, is not a result of the Palestinian crisis. “It is not because the Brotherhood is religious, but because the public is fed up with the ruling party and their promises,” said Abdallah al-Ashaal, a former assistant to the foreign minister who now teaches international law and relations at Cairo University.

But Dr. Ashaal did say Egypt — and the United States — would benefit greatly if the Palestinian issue were addressed. “If you find a fair solution to the Palestinian problem, you pave the way for talks with all parties,” he said, referring to Syria and Lebanon as well.

So in an atmosphere of distrust of the United States, officials here are still hoping that Washington will heed their call. “You can’t achieve peace without the United States,” said Hesham Youssef, chief of staff at the Arab League, “but we can’t continue business as usual.”

Abbas Seeks To Curb Hamas In West Bank (AP)

By Josef Federman

AP, October 22, 2006

The Palestinian president brought a security commander out of retirement Saturday to block Hamas from building up its forces in the West Bank, the latest sign that the standoff between the Islamic militant group and Fatah could erupt into widespread violence.

The commander, Ismail Jaber, has been tainted by corruption but is respected by thousands of gunmen loyal to Mahmoud Abbas' Fatah movement and holds sway over key West Bank commanders.

Abbas has been locked in a power struggle with Hamas since the Islamic group trounced Fatah in parliamentary elections early this year, with control over Palestinian security forces a key aspect of the dispute.

Most of the forces are loyal to Abbas, but Hamas formed its own militia of 6,000 men and deployed it throughout the Gaza Strip, a move that has sometimes led to violent clashes.

Jaber's appointment came a day after Palestinian Foreign Minister Mahmoud Zahar, a top Hamas leader, said the Islamic group would beef up its militia in Fatah's West Bank stronghold. A Hamas official said they planned to recruit about 1,500 members there.

Under Abbas' new plan, Jaber will take command of all West Bank security forces, except for three branches that fall under control of the Hamas-run Interior Ministry.

Abbas hopes Jaber will help him curb Hamas' plans in the West Bank, an official close to the Palestinian leader said, speaking on condition of anonymity because he was not authorized to discuss the issue with the media.

Adding to Fatah's concerns, Hamas officials said Iran has promised to help train their security forces.

Jaber's appointment marks a turnaround for Abbas. In April 2005, Abbas forced Jaber and other senior officials into retirement as part of his efforts to root out corruption. Jaber was suspected of putting thousands of fictitious names on his payrolls and pocketing the money.

However, Jaber has years of experience and is seen as one of the few people who can unify the pro-Fatah forces in the West Bank, which have been riven by infighting and rivalries.

Jaber, who is in his 60s, was a top commander for the Palestine Liberation Organization in Lebanon during the 1980s, and later followed the late Yasser Arafat to the West Bank after the interim peace deals with Israel in the early 1990s. He served as Arafat's national security adviser and police chief in the West Bank.

Jaber also has influence over parts of the Al Aqsa Martyrs' Brigades, a violent but decentralized group of gunmen loosely linked to Fatah.

On Friday, Al Aqsa leaders from four large refugee camps in the West Bank met in the city of Nablus to discuss the threat posed by Hamas.

"We decided there will be no Hamas force in the West Bank. We won't let them do what they did in Gaza," said one of the commanders, Nasser Abu Aziz. "Every Hamas policeman will be in our sights."

Both Hamas and Jaber face difficult tasks. Hamas' power base in the West Bank is much smaller than in Gaza. The Fatah-dominated security forces, meanwhile, are largely in disarray, and it is unclear whether Jaber will have the funds or organizational abilities to impose order.

Jaber did not return a message seeking comment. In Gaza, Hamas officials declined comment on the appointment.

But the appointment was likely to add to growing tensions. Some 17 people have died in Palestinian infighting in recent weeks, and on Friday, Fatah-aligned gunmen opened fire on Prime Minister Ismail Haniyeh's convoy, causing no injuries.

The violence stems from a political standoff between Abbas and Hamas over international calls for the Islamic group to renounce violence and recognize Israel.

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Abbas, a moderate who was elected separately last year, has urged Hamas to accept the demands in order to get international sanctions lifted. Hamas refuses to give in, despite widespread hardship caused by the sanctions.

In new violence Saturday, members of the Palestinian security forces fired in the air in Gaza City's main shopping district and burned tires near Abbas' home to press demands for the payment of salaries on the eve of a major Muslim holiday. The three-day Eid el-Fitr holiday begins early next week, and children are traditionally given new clothes and toys.

A similar protest by unpaid security men near the Nusseirat and Bureij refugee camps in central Gaza erupted into an armed battle with Hamas gunmen early Sunday. Witnesses and hospital officials said a well-known Fatah activist was killed, and three people were wounded.

Because of the sanctions, the Hamas-led Palestinian Authority has been largely unable to pay the salaries of 165,000 civil servants, including 80,000 members of the security forces, since it came to power in March.

Russian Foreign Minister Sergey Lavrov said Hamas should be given more time to meet international demands to renounce violence and recognize Israel.

"Demanding now that Hamas fully accept the Quartet's conditions, such as the recognition of Israel, the denunciation of violence against Israel, and the acceptance of all existing agreements is unrealistic at the present stage," Lavrov told the Kuwaiti news agency KUNA on Friday.

For Multiculturalist Britain, Uncomfortable New Clothes (NYT)

By Alan Cowell

The New York Times, October 22, 2006

LONDON

RARELY has Britain's struggle to define its relationship with a disaffected and diverse Muslim minority seemed so fraught as it was last week, with the debate fixated on where a woman can wear a flimsy, kerchief-size item of Islamic dress called the niqab, the full-face veil.

The discussion, intensified by Prime Minister Tony Blair's calling the veil "a mark of separation,'' is not simply about dress. It seems to signal a broader shift as non-Muslim Britons set new limits of tolerance, not just for recent immigrants but for a younger, home-grown generation of more assertive British Muslims.

Among some of those who have long favored tolerance for individual choice, there is a ginger step toward the notion that the right of the group might trump the right of the individual under more circumstances, even as they are hard-pressed to say exactly why they are drawing the line at the niqab, beyond its being a matter of "communication."

For 40 years, Britain has nurtured a policy of multiculturalism celebrating ethnic diversity and its emblems. That policy evolved in the 1960's, at a time when Muslim immigrants, largely from Pakistan, arrived to take menial jobs. Now, Britons are confronted with the sometimes alienated descendants of that first generation — like three of the four London ers last year — people born in the country, raised in its schools and newly drawn to a re-examination of their ancestors' faith.

A blame-game question is emerging: Who is responsible for the widening gulf between majority and minority?

Along with Mr. Blair's comment, a Conservative opposition figure, David Davis, said some British Muslims had set themselves on a course of "voluntary apartheid," leading parallel lives outside the mainstream. The inference was that multiculturalism had failed.

The counterargument emerged at a labor tribunal in Yorkshire where Aishah Azmi, 24, a teaching assistant, challenged a school board's decision to suspend her from teaching because she wore the full veil.

"Muslim women who wear the veil are not aliens," Mrs. Azmi said at a news conference after the tribunal found that she had not been discriminated against or harassed, though it concluded that she had been made to feel like a victim. This split ruling left her ultimate return to the school, veiled or not, uncertain. "Integration requires people like me to be in the workplace so that people can see that we are not to be feared or mistrusted," she said.

But those who have opposed the wearing of the niqab, like Jack Straw, the Labor Party veteran who is leader of the House of Commons, argue that it prevents communication. They point out that, while the Muslim head-scarf — the hijab — allows the face to be seen, the niqab reveals only the eyes. In school, opponents of the niqab argue, particularly in language lessons, students cannot see the face of the teacher to follow what she is saying.

Of course, the niqab is not the only item of clothing used to express a distinctive notion of piety. There's the Sikh turban, the nun's wimple, the Hasidic Jewish man's black hat and side curls. None of those — not since the battle of Sikhs to wear their turbans at work in the 1970's — has been so singled out.

But the niqab is the only item that completely masks its wearer. In much of the Muslim world, it is part of a pervasive culture dictating that women show their faces only to other women, or to men in their families. In Britain, it has come to offer an emblem

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by which Islamic separation may be criticized without challenging the right of 1.6 millions Muslims — fully 3 percent of the population — to practice their faith.

The debate opened this month when Mr. Straw complained that in his constituency office in Blackburn, he felt unable to communicate with women wearing the niqab. "There is a wider issue here," he said. "Communities are bound together partly by informal chance relations between strangers, people being able to acknowledge each other in the street or being able to pass the time of day. That's made more difficult if people are wearing a veil."

His remarks drew broad support among non-Muslims, prompting suggestions that he had used the issue to raise his profile as Labor Party figures maneuver for position after Mr. Blair steps down. Only 22 percent of Britons surveyed in an opinion poll taken afterward said they thought Muslims had done enough to integrate, while 57 percent said Muslims should do more to fit it.

For some it is an uneven debate.

"It's not a neutral conversation," said Salma Yaqoob, a Muslim city councilor in Birmingham. Non-Muslims start from a perception that " 'we have all been victimized as a majority by this awkward minority'; they start from a hostile stance and the Muslims start from a defensive stance."

The full veil, she said, is worn by a "tiny, tiny minority" of Muslim women, some of whom have taken to it after concluding that Islam provides "a sense of identity that gives a framework for their lives." Indeed, it is the very intensity of the debate about Islam, Ms. Yaqoob said, that propels their embrace of it.

"As the context now is so highly politicized, and the Muslims are so much in the headlines, people ask, 'What is this thing we are being demonized for?' " she said in a telephone interview.

Shahid Malik, a Muslim Labor legislator from the same area of Yorkshire as Mrs. Azmi, said he welcomed the debate over the full veil. "If we don't talk about these things, they are stored up for the future," he told reporters in Yorkshire.

"As individuals, all women have the right and freedom to wear what they wish, and rightly so," he said. "However, in certain occupations there are dress codes which employees are expected to adhere to while at work. All right-minded people — Muslim and non-Muslim alike — will agree that in asking a classroom assistant not to wear a veil while in contact with children because it hinders their learning is perfectly acceptable and just common sense. But when your style of dress limits your ability to carry out your role, then the welfare and education of the children must come first."

The paradox is, of course, that Muslims born and raised in Britain are an integral part of the society that seems to reject them. To be accepted, they need to assert their presence, yet in doing so, they fall afoul of pressures to conform to the standards of the non-Muslim majority.

The debate may also exact a toll on that majority. In an interview, David Edgar, a British playwright, said Britain risked losing the "Voltaire principle, which is: I disagree with what you say but I defend to the death your right to say it."

"We are slipping very quickly from saying something I agree with — that the veil is a separatist gesture — to something I profoundly disagree with, which is that it should be banned," he said.

Yasmin Alibhai-Brown, a Muslim who is a columnist for The Independent, sees it a little differently. "What any of us does in our own lives is a private matter — a precious and inalienable right," she wrote. "But once we enter the job market or national and local authority domains, or tread into places where there is interaction with different citizens, privacy and individual choice become contested — quite rightly, for there is such a thing as British society."

Europe's Immigration Quagmire (LAT)

By Ayaan Hirsi Ali, Ayaan Hirsi Ali, A Former Dutch Legislator From Somalia, Now Lives In The U.s., Where She Is A Fello

The Los Angeles Times, October 22, 2006

The continent needs more realistic policies that recognize both immigration's economic benefit and the dangers of Islamism.

IN AFRICA, we sometimes used animals to say things on sensitive issues to avoid discussing the messenger instead of the message. So I shall use the ostrich and the owl to sketch the two most important positions on immigration and pluralism in Europe.

The view of things in Europe today, as the ostrich sees them, is bright. He sees an open market of 450 million people with an amazing potential. He sees a thriving economy and the free movement of people, goods, money and services. Immigration, to the ostrich, can only be viewed as an opportunity for an aging native population. Borders are better open than closed. Islam is a faith like Christianity, and Muslims shall adapt their religion to life in Europe.

According to the ostrich, very soon there shall be a European Islam, signs of which are already visible in the young women in tight jeans; high heels; black, sleeveless, tight tops and matching head scarves, all designed by Prada. This Prada Islam will replace the old rural one and function as a vaccine against the Wahhabi Islam of the Saudis.

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The overrepresentation of migrants in all the wrong statistics — such as unemployment, unfinished education and crime — is to the ostrich merely a temporary affair. It's a phase that all groups from underprivileged backgrounds go through, and it will be short, as long as there is economic growth.

According to the ostrich, the wealthy natives should stop whining about the backwardness of immigrants and concentrate on the benefits. The ostrich points to the nurses, nannies, construction workers, grocers, bag carriers, cleaners, factory workers and a host of other jobs natives won't do but are necessary to keep the economy going.

The ostrich is not worried about the flow of migrants transforming the culture and society of Europe in any negative way. He sees only one thing as a setback: the xenophobia of native Europeans. If only the inherently racist white society could overcome its fear of what is alien, it would notice how migrants have improved the cuisine, the music, the arts and the economy of Europe.

Then there's the owl, which is a night bird and gets, more often, a glimpse of the dark side of things. Europe is healthy and wealthy, but the owl worries that it may not be so wise.

The shadow side of the free movement of people, for instance, is the trade in women and children for the ruthless sex industry. Also, weapons go unnoticed from hand to hand, from country to country. Some of these weapons could be biological, chemical or worse.

The old owl sees how poor migrants are exploited by cruel employers who provide little or no pay and hire and fire the migrants at will. The owl can't help but notice that even after the recent amnesty, Spain has an estimated 1 million illegal immigrants. Britain has roughly half a million. France, 200,000 to 400,000, if you trust the French. I think there are more. Germany has about 1 million.

The owl acknowledges unreservedly Europe's aging populations, its decreasing population growth and its need for migrants — but also sees that selection of migrants is not always based on who is useful for the economy.

The owl sees that Islam is not Christianity and that not all Muslims understand or want to share in any European future based on European values of freedom, tolerance and an attitude of live and let live.

The owl sadly looks on as poor kids are taught to view themselves as victims, and the society in which they live as the enemy. He can't help but notice that Muslim migrants are receptive to the seduction of the Islamist movement. Even worse, there are now natives converting to this brand of totalitarianism.

Nor can the owl ignore the growth of the extreme right-wing movements and parties. He fears that the debate on pluralism in Europe will be hijacked by two uncompromising extremes: whites' power fascism and Islamic fascism.

The owl thinks that the ostrich is right: We should always look on the bright side of life. But he also thinks we should be careful not to get delusional.

Foretelling the future can be fun for astrologists and crystal-ball gazers. For academics, it is not. If you get it right, you're damned like Samuel Huntington. If you get it wrong, you're called a certified idiot. So instead of predictions, we draw rough sketches of a best-case scenario and a worse-case scenario.

In a worst-case scenario, the warnings of the owl will not be heeded. The optimism of the ostrich will be abandoned. The monopoly of force that is now exclusive to states will be challenged by armed subgroups. European societies will be divided along ethnic and religious lines. The education system will not succeed in grooming the youth to believe in a shared past, let alone a shared future.

The European states will find themselves limiting civil liberties. Europeans will come to accept the de facto implementation of Sharia law in certain neighborhoods and even cities. The exploitation of the weak, women and children will be commonplace. Those who can afford to emigrate will do so.

Instead of an ever-growing union in Europe, future generations may witness an ever-disintegrating one.

In a best-case scenario, Europeans will heed the caution of the owl without losing the liveliness of the ostrich. This approach will be translated into a three-dimensional, comprehensive policy.

First, controlled or planned immigration. The European Union will introduce quotas such as those in the U.S., based on the selection of migrants who are beneficial to the economy. The current system in most European countries is designed to attract the highest number of people with truly heartbreaking stories, not the highest number of people who are willing and able to adapt to the European society.

Second, an intervention, sometimes proactive, in Europe's neighboring states or in failed states with conditions that force people to migrate in large numbers. This plan will consist of aid, trade, diplomatic pressure and military intervention, if necessary. That's taboo in Europe at the moment. Right now, the EU selects the countries it wants to aid based on lists provided by the World Bank or the United Nations. The criteria for aid are based on such vague notions as the 100 poorest countries or countries with good governance or some other goody-goody sounding reason. That should change.

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Finally, in a best-case scenario, the EU will implement an assimilation program guided by the lessons learned from our failed attempts at multiculturalism. It will acknowledge that the basic tenets of Islam are a major obstacle to integration. In practice, Muslims will continue to enjoy religious freedom, as long as exercising that precious right does not infringe upon the freedoms of others, including daughters and wives.

In a best-case scenario, EU policymakers will invest in girls and women, protect them from violence and punish those who try to limit their freedoms. Those policymakers will reform the welfare state; regulations pertaining to the hiring and firing of employees will be made more flexible, making it easier for migrants to enter the labor market.

The combined vision of the ostrich and the owl is indeed possible in Europe, but it requires a great deal of willpower, leadership and, above all, the recognition that tolerating oppressive cultures and encouraging more mass migration from Islamic countries often hurts precisely the people we seek to help.

A misguided vision brought Europe to its current predicament; an idealistic vision convinced of the inherent superiority of enlightened values over the values of oppressive cultures, a vision steeped in individual rights, the rule of law and the equality of men and women can help guide Europe out of it.

Schroeder: Bush's Faith Raised Suspicion (AP)

By Melissa Eddy

AP, October 22, 2006

Ex-Chancellor Gerhard Schroeder, whose second term was marked by vehement opposition to the war in Iraq, described in an advance copy of his memoirs how he was suspicious of President Bush's constant references to his Christian faith.

In an excerpt of his book, "Decisions: My Life in Politics" published in the German weekly Der Spiegel Saturday, Schroeder discusses the key political choices that marked his seven-year term in office, including the decision to call early elections and his split with Bush over the Iraq war.

"I am anything but anti-American," Schroeder told Spiegel in an interview to accompany the excerpt of the more than 500-page book that goes on sale Thursday.

In it Schroeder, who led the Social Democrats to power in 1998, recalls the tears in his eyes as he watched television footage of people jumping from the burning World Trade Center on Sept. 11.

He knew Germany would have to react.

"It was important to me that Germany fulfill its requirements as an ally" of the U.S., he wrote. "It was also fully clear to me that this could also mean the German army's participation in an American military mission."

Several months later, during Bush's 2002 visit to Berlin, Schroeder wrote he was surprised at what he described as Bush's "exceptionally mild" speech to the German parliament.

While meetings with Bush at that time were friendly, Schroeder said he could not reconcile himself with the feeling that religion was the driving force behind many of Bush's political decisions.

"What bothered me, and in a certain way made me suspicious despite the relaxed atmosphere, was again and again in our discussions how much this president described himself as 'God-fearing,'" Schroeder wrote, adding he is a firm believer in the separation of church and state.

Schroeder accused some elements in U.S. as being hypocritical when it comes to secularism in government.

"We rightly criticize that in most Islamic states, the role of religion for society and the character of the rule of law are not clearly separated," Schroeder wrote. "But we fail to recognize that in the USA, the Christian fundamentalists and their interpretation of the Bible have similar tendencies."

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Associated Press Writer Claus-Peter Tiemann contributed to this report from Hamburg, Germany.

Schroeder Airs His Bush Reservations (LAT/AP)

From The Associated Press

The Los Angeles Times, October 22, 2006

Former Chancellor Gerhard Schroeder, whose second term was marked by vehement opposition to the war in Iraq, described in his memoirs how he was suspicious of President Bush's constant references to his Christian faith.

In an excerpt of his upcoming book, "Decisions: My Life in Politics," published Saturday in the German weekly Der Spiegel, Schroeder recalls the tears in his eyes as he watched television video of people jumping from the burning World Trade Center on Sept. 11, 2001.

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Panama Steams Ahead On Vote To Expand Canal (LAT)

By Chris Kraul

The Los Angeles Times, October 22, 2006

The $5.2-billion project is expected to pass. Critics find their voices drowned out by the government campaign.

Voters are likely to approve a $5.2-billion project to expand the Panama Canal today, according to polls, despite warnings of an accumulation of debt, competition, technical miscalculations and possible environmental damage.

Only scattered opposition has developed to the proposal to expand the 92-year-old canal to allow transit of a new generation of larger container ships. If voters approve, construction will begin next year, with completion expected in 2014, in time for the 100th anniversary of the canal's opening.

Opponents, who include a former Panamanian president, a onetime canal administrator and a number of engineers and financiers, say the expansion amounts to fixing something that isn't broken, and that the nation is risking its most important asset on dubious engineering and financial assumptions. Revenue from the canal accounts for 8% of the national budget.

The contrarian views have been obscured by the well-oiled campaign by the government of President Martin Torrijos to sell the expansion as a competitive necessity. Polls indicate that support for expansion has grown and that the referendum could pass by a as much as a 2-1 margin.

Canal administrators and many shipping experts argue that the canal could become irrelevant unless it is modernized, because of the enormous increase in container cargo traffic bound to and from the U.S. East Coast since the emergence of China as a world trader.

The growth in volume has lengthened the waiting time for ships at either end of the canal. Alternative projects, including a waterway in neighboring Nicaragua, have been proposed to handle the extra traffic. An expansion of the Suez Canal is also being considered, as are several projects to hurry freight across North America from new Canadian and Mexican ports.

If the referendum passes, the canal expansion will involve digging a third shipping lane and construction of a parallel set of locks for ships 50% larger than those that currently travel the 51-mile canal.

The project would be entirely self-financed by doubling tolls over the next 20 years, said Francisco Miguez, master plan coordinator at the Panama Canal Authority, the quasi-independent body that has run the canal since the United States turned it over at the end of 1999. The authority would manage the expansion as well.

But skeptics say that cost overruns are inevitable and that they will be shouldered by taxpayers. Walter Molano, an analyst with BCP Securities in Connecticut, said Panama was already burdened with high debt and poverty and was underestimating the pressure from competition to keep prices down in coming years.

"This is an extensive project with limited payoff for all but a small group of people involved in the construction," said Molano, a specialist in Latin American bonds.

Carlos Guevara-Mann, a Panamanian who is a political science professor at the University of Nevada in Reno, said the project still lacked a thorough economic impact study or final construction plans.

"I was a credit manager at an international bank before I became a professor, and if someone sent me a proposal like this for a loan, I'd have turned it down," Guevara-Mann said. "The whole plan is sloppily done, poorly prepared."

Several experts doubt that the expansion can be done for $5.2 billion. A previous plan for expansion developed in the early 1990s envisioned the construction of new reservoirs west of the canal. The current plan, however, avoids those reservoirs, and the displacement of about 8,000 people, by recycling 60% of the water needed to fill the new locks. The plan also foresees raising the level of Gatun Lake, the main water source for the canal's locks, by a foot and a half.

Paul Labonte, a Tustin civil engineer who helped develop an alternative canal water recycling plan financed by the Inter-American Development Bank, said the final plan badly underestimated the amount of water the new locks would require.

The canal authority vigorously disputes the criticism, saying technical and financial assumptions were given three rounds of independent scrutiny and that the $5.2-billion cost estimate includes a margin for "everything going wrong," in Miguez's words.

The canal authority talked to all the operators who use the 114 shipping routes that pass through the canal and came away convinced that its competitive position was strong and would remain so, Miguez said.

Fare increases totaling 60% since Panama took over the canal operation have failed to dent market demand, he said.

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In Cuba, 'On The Left' Means A Flourishing Black Market (WP)

By Manuel Roig-franzia

The Washington Post, October 22, 2006

Guile and Caution Employed to Counter Chronic Shortages

HAVANA -- Most mornings a woman with darting brown eyes lingers here in the sticky hot corner of an open-air vegetable market.

She effects a casual stance, elbow propped nonchalantly against a cigar stand, waiting for the regulars. If she nods, her customers follow her to a side street.

A few quick, nervous glances and the woman reaches inside her blouse. From her bra, she removes her contraband -- neatly folded plastic grocery sacks, illegal except in state-run stores.

Five for one cent.

The transaction, like countless others each day in Havana and throughout this island nation, takes place " por la izquierda ," or "on the left." Cubans use the phrase to describe back-alley deals both large and small. They scheme on the left to cope with chronic shortages and to skirt myriad rules that prohibit most forms of private enterprise and govern the minutiae of their daily lives.

Cubans go to the left for almost anything: for staples, such as rice and beans; for quotidian items, such as the plastic grocery sacks; and for forbidden delights, such as lobster or scarce beef. On the left, Cubans risk fines or jail sentences to watch soap operas captured by illegal satellite dishes, to prowl restricted Internet sites and to boil "secret potatoes" bought after reaching limits on the ration cards that dictate the buying habits of everyone in the country. Mothers of children under the age of 7 -- the only Cubans allowed to buy discounted milk at state stores -- even sell their allotments at inflated prices to collect money for extra food.

The thriving underground economy functions as a pocket of capitalism, prescribed by supply and demand, within the Western Hemisphere's only communist state. Observers say it may be the precursor of a push for a market economy, one that could accelerate after President Fidel Castro dies; on the other hand, they say, the black market may simply be the byproduct of a system that rewards the wily and well-connected.

"They're very entrepreneurial," Wayne Smith, a former chief of the U.S. Interests Section in Havana, said in an interview. "When I go down to Cuba, I've had the impression that everyone is waiting for something to happen. There's a sense that changes are going to come."

While the world wonders what a post-Castro Cuba might look like, the resiliency of the island's black-market culture demonstrates how far Cubans are willing to go to circumvent Castro's dictums. But it also exposes a certain elasticity in government control of the island.

Some of the deals made on the left, though illegal, are clearly tolerated. They sometimes take place in plain sight of uniformed police, or in view of the less obvious, but equally pervasive, network of neighborhood informers.

The sense of tolerance, however, can vanish abruptly. In August, shortly after Castro underwent stomach surgery and relinquished power during his recovery, government authorities swept through neighborhoods in a crackdown on illegal satellite dishes. The agents were presumably bent on blocking outside news broadcasts -- rife with rumors that Castro was dead or suffering from terminal cancer -- that might cast doubt on the rosier official accounts.

As word spread, Cubans scrambled to dismantle satellite dishes that had been open secrets, squirreling them under floorboards and in attics.

"There used to be dishes there, there, there," a man who lives in a Havana suburb said recently, pointing at his neighbor's homes.

"The funny thing is that they think we want to watch the news from Miami," said the man, a government port worker who, like dozens of others interviewed, spoke on condition of anonymity. "But all my wife wants to see are the soaps."

The Castro government says the restrictions that push so many Cubans to the left are, in some cases, necessitated by the U.S. trade embargo and, in others, a counteroffensive in the nearly half-decade propaganda war between the countries.

Satellite dishes are banned in order to block the U.S. government's TV Marti, which broadcasts programming critical of Castro, National Assembly President Ricardo AlarcÃ³n said in an interview. Internet use is restricted, he said, because the embargo prevents Cuba from tapping high-speed cables in international waters.

When the subject of food rationing comes up, AlarcÃ³n invariably points again to the U.S. embargo and to a declassified U.S. State Department memo written shortly before the trade embargo was enacted in the early 1960s. "The only foreseeable means of alienating internal support," the memo states, "is through disenchantment and disaffection based on economic

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dissatisfaction and hardship." The memo proposes "a line of action which makes the greatest inroads in denying money and supplies to Cuba, to decrease monetary and real wages, to bring about hunger, desperation and overthrow of government."

"It's equivalent to genocide," AlarcÃ³n said of the memo and of the subsequent embargo.

Even Cubans who are critical of the Castro government tend to have similarly heated reactions to the embargo. Their trips into the black market unspool as quiet acts of rebellion against both U.S. policy and the restrictions imposed by Castro.

Entire networks have developed to feed the black market system. There are suppliers, who skim materials from state-run enterprises. And there are middlemen, who buy the stolen goods and resell them.

One recent afternoon in Cojimar, a town outside Havana famed as a hangout of Ernest Hemingway's, a middleman sat shirtless in his living room, flashing signals at passersby. He gave a thumbs-up to a man looking for chicken; he shook his head at a woman looking for milk.

"Here, everything is on the left," he said, sweeping his arm across his modest home and shouting to be heard over a Steven Seagal movie that he'd picked up from an illegal DVD vendor.

The house, once half its current size, had grown wider and longer because of several dozen bags of cement that he had collected one at a time from "some guys" over more than a year. His guys would stuff their pockets with cement at the end of each workday until they had accumulated enough to fill a bag. The family's freezer bulged with chicken waiting to be resold, and the refrigerator held three large flans, because the middleman had come into a windfall of eggs.

"This is an art," he said, sagging back into a recliner. "Not everyone can sell like me."

That same afternoon, in another town near Havana, a 30-something Cuban went out in search of videos to rent. He walked down a street lined by homes with peeling facades, then stopped at an entrance that stood out because of its fresh paint job.

A gaunt man cracked the door open a few inches, and tersely asked: "What do you want?"

After poking his head out and looking each way down the street, the man ushered his customer inside. The floor was brand-new faux marble, the recliners plush velvet -- more signs of prosperity amid the street's decay.

"I've got some Julia Roberts, I've got some Al Pacino," he said.

But he had no intention of handing them over. Instead, he would relay a message to a courier, who would inform "the old man." The customer would have to wait six hours, then go to the old man's house to retrieve the movies.

"Things are tight now," the movie dealer said, explaining that police had been more vigilant since Castro's illness.

A few days later, back at the market where izquierda culture might be strongest, a customer was on the lookout for lobsters. A man stepped up to him and whispered, "Meet me two blocks down the street."

Lobsters, abundant in Cuban waters, are illegal in all but a few of the most expensive state-run restaurants. The rest of the catch is exported.

The lobster vendor hopped in the customer's car and directed him through a labyrinth of city streets to a colonial-era home. A man on the rooftop flashed a caution signal, and the vendor instructed the customer not to move.

The vendor slipped out of the car and disappeared through a door, reappearing 10 minutes later to wave the customer inside. At the top of the stairs, a woman appeared with a dozen beautiful lobster tails.

The customer handed over six dollars, grabbed the lobsters and dashed down the stairs. He wheeled his car back toward the market. Three blocks away, the vendor yelled, "Stop!"

He jumped out of the car, and in a moment, he was gone.

Mexican Gangs Displaying Severed Heads (AP)

By Will Weissert

AP, October 22, 2006

The drug lords at war in central Mexico are no longer content with simply killing their enemies. They are putting their severed heads on public display.

In Michoacan, the home state of President-elect Felipe Calderon, 17 heads have turned up this year, many with bloodstained notes like the one found in the highlands town of Tepalcatepec in August: "See. Hear. Shut Up. If you want to stay alive."

Many in Michoacan's mountains and colonial cities are doing just that: They are tightlipped, their newspapers are censoring themselves and in one town, 18 out of 32 police officers quit saying they had received death threats from drug smugglers.

In the most gruesome case, gunmen burst into a nightclub and rolled five heads onto the dance floor. In another, a pair of heads were planted in front of a car dealership in Zitacuaro, a town best known until now as a nesting ground for monarch butterflies.

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By a highway outside Tepalcatepec, suspected drug smuggler Hector Eduardo Bautista's tortured body was dumped on July 10. Near a black metal cross put up by his family at the spot, killers apparently avenging his death have been leaving severed heads — five so far — each with a threatening message.

Beheadings and accompanying notes in sometimes cryptic and misspelled Spanish are becoming a ghoulish vogue among the gangs that grow marijuana, cook methamphetamine and run cocaine in Michoacan. There have been 420 homicides in the state this year, including 19 police chiefs and commanders, and Juan Antonio Magana, the state's attorney general, says well over half the killings were drug-related — the work of smuggling gangs reorganizing after authorities captured some of their top leaders.

"These are groups that are very big, very strong and are out to dominate territory," Magana said in an interview.

Drug smuggling in Michoacan has traditionally been controlled by a syndicate known as Los Valencia. Police arrested its leader, Armando Valencia, in August 2003 and one of his lieutenants, Carlos Alberto Rosales Mendoza, a year later.

Now, anti-narcotics investigators say, the Gulf cartel based in northern Mexico is battling its way into Los Valencia territory, relying on "Los Zetas," ex-Mexican army operatives-turned hit men. Los Valencia loyalists have fought back fiercely.

Many notes attached to slaying victims are signed "The Family," a possible reference to Los Valencia. Some mention "La Chata," a known alias for a top reputed Gulf cartel hit man.

"They don't need to leave written messages. The mere fact that they are using such high levels of violence is sending messages of intimidation, causing fear," Magana said. "But doing it shows other gangs they can act in even more gruesome and violent ways than their rivals."

With a vast and sparsely populated Pacific coast and the rugged Sierra Madre del Sur Mountains, Michoacan is good territory for producing and smuggling drugs.

Many farmers have abandoned avocado, coffee and corn in favor of marijuana in the highlands, where roads are few and police can't easily penetrate. Smuggling gangs have cleared forests for airstrips. Small planes crammed with Colombian cocaine streak in, leaving loads that are ferried to the coast and stowed on fast boats that speed north toward the U.S. border.

Michoacan also has become a den for hidden meth labs.

Journalists statewide have covered the murders but some have avoided digging further after receiving death threats. On Oct. 13, police recovered the body of an unidentified man who had been shot 38 times and dumped outside the town of Tacambaro. An attached note in fluorescent yellow marker appeared to directly threaten the media: "The family and the ZZs are the same thing. Media outlets, don't sell out."

Calderon, who will be sworn in as president on Dec. 1, wants a new, better trained federal police force to investigate drug smuggling, longer prison terms for drug convicts and more extraditions of kingpins wanted in the U.S.

He says Mexico also needs more help from U.S. law enforcement, since Mexican smugglers are serving American drug users.

Attorney General Magana denies Calderon's contention that Mexican law enforcement is overwhelmed. But in Villa Madero, a logging town of crowing roosters and stray dogs asleep on cracked asphalt streets, the abrupt mass departure of police officers suggests a different picture.

"There's an enormous pressure here," said former officer Reyes Alberto Gamino, now retired at 21. "It's very dangerous."

Mayor Alberto Villasenor has said the police were fired for failing to show up to guard a municipal dance Sept. 16. The former officers claim they quit because gunmen were waiting to kill them for arresting a reputed drug boss.

One of the officers who resigned is Gildardo Villa. Interviewed in front of his home, Villa seemed nervous, looking over his shoulder constantly and answering questions in hushed tones.

"The threats had been coming for a long time," he said. "That's why we left."

Inside his cramped City Hall office, Justice of the Peace Apolinar Yanez acknowledged that police are afraid of the gangs, whom he described as "very well armed and very dangerous."

"I'm not going to tell you who they are, not going to give you names or tell you what kinds of activities they are involved in. I don't want problems," Yanez said. "But they were threatening the police."

Since the police officers quit, many in Villa Madero say they are afraid to leave their homes.

"There's a fear that affects everyone," said Enrique Acerra, 70, who runs a used-clothing store. "It's hard to feel safe."

Torrent Of Mud Swamps Indonesia (WP/AP)

By Chris Brummitt, Associated Press

The Washington Post, October 22, 2006

Sludge Unleashed By Rig Accident Displaces 10,000

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PORONG, Indonesia Factories that once produced watches and shoes lie under a sea of thick, stinking mud. Villagers stand on hastily constructed dams and gaze at the thousands of homes swallowed by brown sludge.

Four months ago, a torrent of hot mud from deep beneath the surface of Indonesia's seismically charged Java island began surging from a natural gas exploration site following a drilling accident.

The "mud volcano" pours out about 165,000 cubic yards of mud every day -- enough to cover a football field about 75 feet deep. Often spewing out in geyser-like eruptions, the mud has left about 665 acres swamped or abandoned as unsafe, forcing more than 10,000 people from their homes.

Experts say the mud volcano is one of the largest ever recorded on land. Geologists fear the technology may not exist to stop the eruption, saying mud could flow for years or even centuries -- or stop on its own at any time.

The mud is believed to come from a reservoir 3 1/2 miles below the surface that has been pressurized by shifts in the crust or by the accumulation of hydrocarbon gases.

The calamity has underscored the patchy safety record of mining companies exploiting the natural resources of this Southeast Asian nation made up of thousands of islands.

Police seized the drilling rig involved in the accident and are investigating whether to bring criminal charges against the principal well owner, PT Lapindo Brantas.

Lapindo, which is linked to the wealthy family of Indonesia's welfare minister, is paying for an ever expanding network of earthen dams to contain the mud, but many people fear the resulting slimy ponds will overflow during the approaching rainy season.

"The volume of mud that is coming out of the hole is not just large, it's enormous," Earl Hunt Jr., an engineer from Woodward, Okla., said while supervising dredging operations.

"We are running out of room up here, period," he said. "If they don't pump it to sea or something soon, then there will be more villages lost."

The government recently gave permission to dump the mud into the sea via a local river. But experts question whether that will get rid of the sludge faster than it gushes from the hole, and environmentalists are opposing the plan as a threat to the marine ecosystem.

The mud, which stands as deep as 16 feet in places, has submerged or washed into houses in four villages. At least 20 factories and many acres of rice fields and prawn farms have been destroyed.

The sludge has repeatedly washed over a major road, closing it for weeks at a time, and now it is threatening a rail line in the industrial area just outside Surabaya, Indonesia's second-largest city.

The mud, which is not toxic, first appeared several days after a blowout deep in Lapindo's well shaft May 29.

Police claim the company mishandled the accident by failing to cap the hole properly, allowing the mud to surge to the surface from several cracks close to the well.

Independent analysts also have said the company's activities were a factor in the torrent.

"This is a natural disaster induced by drilling activity," said Andang Bactiar, a consultant for the oil and gas industry who is working with authorities investigating the case. "Somehow, or somewhere, several mistakes occurred that caused the mud to come from the hole."

The company declined to give its version of what happened or the steps it took to stem the mud, citing possible legal liability. But spokeswoman Yuniwati Teryana said drilling activity had not been proven to be linked to the eruption.

The well is 50 percent owned by Lapindo. Another Indonesian firm, PT Medco E&P Brantas, has a 32 percent stake and Santos Ltd. of Australia holds the remaining 18 percent.

Lapindo has made emergency payments to those who have lost homes and promises to compensate their losses.

But in a country where mistrust of government runs high after decades of dictatorship that ended only in 1998, many people fear the company will try to dodge its responsibilities. The involvement of Welfare Minister Aburizal Bakrie's family in Lapindo has only added to worries.

"We are just poor people, our rights will be torn up as usual," one resident, Sukararji, said as he stood on a dam gazing at mud that reaches the second-floor windows of his house. "We are being stepped on like ants."

After two unsuccessful attempts to stop the flow, Lapindo is digging three shafts alongside the hole, hoping to kill the eruption by pumping in concrete.

Experts are skeptical that will work.

"If they manage to stop it, it will be the first time in the world that it has been done," said geologist Arif Munsyawar.

A New Tack On Darfur (WP)

By Morton Abramowitz

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The Washington Post, October 22, 2006

Instead of saving Darfur's people, their advocates may be prolonging their agony. They need to consider whether a different message is required to get urgent action from the Bush administration on ending the violence. Specifically: Is it not time to go beyond urging greater pressure on Sudan and using force in the region to seek immediately an effective negotiated peace settlement between Sudan's leader and the rebel groups in Darfur? That is a necessity in any event.

For three years nongovernmental organizations and the media have pursued a relentless campaign to persuade Western governments to stop the killing in Darfur, protect and feed its people, and get millions of refugees out of camps and back home. The recent renewed military carnage in Darfur has prompted continuing ads in major newspapers and on television imploring President Bush to get a United Nations force into Darfur to "stop the genocide."

This advocacy has rested on two assumptions: First, that only outside pressure will persuade Sudan's government to reverse course; the country's leader, Omar al-Bashir, will do nothing without a gun to his head. Second, if his government resists, Western governments can ultimately be persuaded to do the right thing -- to take aggressive measures to force Khartoum to capitulate. Such measures include a no-fly zone in Darfur, a blockade of Sudan's ports, NATO intervention and sending a U.N. force (whether or not Khartoum accepts it).

What have advocacy efforts accomplished so far? They have caught the attention of Sudan's government, brought in money to keep people alive and made it difficult for governments to avert their gaze. But they have not stopped Sudan's marauding or gotten Western governments to change the situation decisively. International officials say violence is worsening again. Meanwhile, 2 million displaced people remain warehoused.

What is the problem? While public pressure for aggressive military measures has sometimes worked in persuading Western democracies to take actions they prefer not to take, as in the Balkans, those governments interested in Darfur -- in Africa, Arab countries and NATO -- are divided. Robust military measures are, unfortunately, simply not acceptable to governments, whatever they may say about "never again." The United States, which could catalyze strong action, is hampered by its involvement in Iraq.

Indeed at times the advocates for Darfur have accepted half-hearted measures. Sending in an ill-equipped, understaffed and underfunded African Union force, however useful, did not end the killing, but it made the world believe that the problem was heading toward resolution.

When pressure is applied to the Sudanese government, there is always the perceived sense, much as there was in Vietnam, that just a little more and Khartoum will cave. Perhaps. But Bashir, admittedly no Ho Chi Minh, is sitting on growing oil revenue, and he can see that the international community is divided and that the demands for more aggressive action are going nowhere.

Moreover, many measures the advocates demand for bringing pressure on Bashir, such as targeted sanctions, an investigation of Sudan's business holdings or a threat of action by the International Criminal Court, hardly meet the standard of urgency, however much these things may be worth doing.

So how do we change course if the situation is so dire? Clearly regime change would be the best approach, though it's hard to believe we know how to do this without force. Failing that, we must accept that the Darfur Peace Agreement, reached in May, has collapsed and it is time to talk once again to Bashir about a more effective peace agreement.

To begin, the five foreign ministers of the permanent U.N. Security Council members and the head of the African Union should visit Khartoum immediately and tell Bashir that they intend to work with him to correct the flaws in the agreement and strenuously seek to get rebel groups on board. They will put trusted representatives at the negotiating site until a revised agreement is reached.

Bashir, in turn, must immediately stand down his forces, confine the Janjaweed militias and allow outside aid to flow to the displaced. China's government, no great humanitarian institution and a financier of Sudan, should be more willing to do this, since countries would be trying to work with Bashir, not pummel him.

This sort of effort is no easy matter. The diplomats might not like it, and it might not thrill the Sudanese government, even though Sudanese forces are performing badly in the Darfur area. Numerous practical problems would have to be worked out between the government and the fractious rebels, who are hard to corral. There is an unhappy history with the perfidious Bashir on negotiations. And even if an agreement can be forged, its durability is uncertain.

But this would constitute a serious and uncontentious effort to end immediately what we are told is a rapidly deteriorating situation. If it's not in the cards or doesn't work, Darfur advocates can again raise the decibel level, and perhaps part of the international community will finally get angry enough to match words with deeds.

The writer is a senior fellow at the Century Foundation and a former assistant secretary of state.

Speaking To Syria (LAT)

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The Los Angeles Times, October 22, 2006

The isolated country could hold the key to Middle East peace, if only the U.S. would start talks.

'KEEP YOUR FRIENDS CLOSE, and your enemies closer." It's an adage the Bush administration surely knows, yet it continues to insist that merely talking to nasty regimes legitimizes and empowers them. This stance is impeding progress on Middle East peace. The U.S. should sit down and talk to Syria — and encourage Israel to do the same.

For years, the Syrians refused even to recognize, let alone negotiate with, Israel, or they set impossible preconditions. But lately Syrian President Bashar Assad keeps saying he wants peace talks.

Israel is internally divided on the wisdom of taking Assad up on the offer, knowing that Syria is weak and that the price of peace would almost certainly be the return of the Golan Heights. Prime Minister Ehud Olmert has ruled out peace talks, but Public Security Minister Avi Dichter, Defense Minister Amir Peretz and Foreign Minister Tzipi Livni are in favor of finding out what kind of a deal Assad might have in mind — or of calling his bluff. The White House, however, is reportedly pressuring Israel not to negotiate with Damascus, arguing that to do so would undermine U.S. efforts to isolate and punish Syria.

Assad is certainly no democrat, and the U.S. relationship with Syria is unquestionably difficult. Syria has a strategic partnership with Iran, supports the terrorist group Hezbollah, was gleeful over Israel's setbacks during last summer's war in Lebanon and has not been helpful to the U.S. in Iraq — though its record on that score is improving.

But productive diplomacy is not simply talking to your like-minded friends. The need now is for the U.S. to press for peace in the Middle East rather than dwell on the undeniable faults of the Assad regime. For more than 30 years, the U.S. has endeavored to coax, cajole and browbeat Arabs and Israelis into forging a durable Middle East agreement. But with a global Islamist revival and a terrorist challenge — and with anti-Western sentiment raging in Arab nations — could the White House pick a worse moment to back away from its commitment to bring all parties to the negotiating table? Isn't it worth at least exploring whether Syria might be persuaded to recognize Israel or to stop supporting Hezbollah? The administration should realize that the mere act of talking to your adversaries is not a sign of weakness.

Talking to Assad does not require the United States to lift economic sanctions against Damascus. It doesn't prejudice the U.N. investigation of the assassination of former Lebanese Prime Minister Rafik Hariri, for which Syrian officials, if implicated, should be brought to justice.

President Bush should send former Secretary of State James A. Baker III to Damascus. Baker, a veteran of many rounds of bruising negotiations with Assad's father, has said he favors talking to Damascus. An Israeli-Syrian breakthrough is attainable, and it could jump-start the Israeli-Palestinian peace process. Baker also appears to believe that a peaceful future for Iraq will require the negotiation of regional security arrangements among Iraq's neighbors, including Syria and Iran. He'd best get started.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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HOMELAND RESPONSE:

US Denies Entry To Muslim Scholar. The AP (10/22) reports, "An Islamic scholar from South Africa has been denied entry into the United States, prompting questions from Bay Area Muslims who had invited him to participate in activities marking the end of the holy month of Ramadan. Fazlur Rahman Azmi was detained by officials from U.S. Customs and Border Protection when he arrived at San Francisco International Airport from London on Friday afternoon, according to" CAIR. The scholar, "who made previous visits to the country as recently as April without problems, was questioned for hours before being denied entry and sent on a plane out of the country Saturday, the group said." The AP adds, "About 1,000 people are denied entry into the United States daily." The Los Angeles Times (10/22, 918K) carries an abbreviated version of this story.

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Conspiracy Theorist Quits BYU. The AP (10/22) reports, "A Brigham Young University physics professor who suggested the World Trade Center was brought down by explosives has resigned, six weeks after the school placed him on leave." Steven Jones's retirement is effective Jan. 1, 2007." He "recently published theories about U.S. government involvement in the events of Sept. 11, including one suggesting that explosives inside the World Trade Center -- not airplanes striking the twin towers -- brought the complex down." BYU, which had begun investigating his research, "abandoned its review Friday after reaching a retirement agreement with Jones."

More Remains Found At Ground Zero. The AP (10/22) reports, "Workers recovered more human remains Saturday from several manholes as the city began a new search for Sept. 11 victims. The search was ordered after the surprise discovery of dozens of bones in an abandoned manhole this week. ... The active search for the dead ended at the site in 2002 after a massive cleanup of 1.5 million tons of debris." Bereaved relatives "of some Sept. 11 victims called for a federally led new search for remains."

WAR NEWS:

White House Denies Reports That It Is Drafting Iraq Timetable. In a front page story, the New York Times (10/22, A1, Cloud, 1.21M) reports that according to senior American officials, General George Casey and Ambassador Zalmay Khalilzad are "drafting a timetable for the Iraqi government to address sectarian divisions and assume a larger role in securing the country," which "is to be presented to Prime Minister Nuri Kamal al-Maliki before the end of the year" when, "for the first time" Iraq likely will be "asked to agree to a schedule of specific milestones." Senior officials' "willingness to discuss a plan that has not been fully drafted appeared intended at least in part to signal renewed flexibility on the part of the administration, and perhaps also to pre-empt the recommendations of" James Baker's bipartisan Iraq Study Group. It also "moves the administration closer to an idea advocated by many Democrats, who have called for setting a date for beginning phased withdrawals of American troops." Bush also "emphasized that the administration was staying flexible in its planning and would 'make every necessary change to prevail'" in his Saturday radio address. While "White House spokeswoman, Nicole Guillemard, said the Times's account was 'not accurate,'" she "did not specify what officials found to be inaccurate."

And McClatchy Newspapers (10/22, Walcott) report Bush "discussed the plan" for establishing milestones in disarming Iraqi militias "as well as broader strategic and tactical issues in Iraq, with his top military commanders on Saturday, and the officials stressed that any effort to step up the pressure on the Iraqi government would be consistent with the president's longtime strategy." The plan "could take some pressure off Republican candidates in next month's elections at a time when many are finding it increasingly difficult to defend the administration's 'stay the course' rhetoric. It also could blunt Democratic calls for a new direction in Iraq or for a phased withdrawal of American forces."

In contrast, the Washington Post (10/20, A8, Fletcher, 748K) reports, "Bush met with his top advisers and military commanders on Iraq," including Vice President Cheney, Defense Secretary Donald Rumsfeld, Khalilzad and Casey, "in a White House session that, senior officials said, weighed options for forging a way forward amid the surging violence but did not contemplate any major shifts in strategy." The Post also disagrees with the Times in saying "in his Saturday radio address, Bush offered no indications on any major shift." The Post notes the Times story on a timetable, as well as the White House's denial of it. NSC spokesman Frederick Jones said, "The story is not accurate." Still, there is "growing U.S. frustration with the deteriorating state of affairs in Iraq," and "administration officials acknowledge that they have been pressing for months for the Iraqis to take greater responsibility for disarming warring militias and to take other steps to stabilize their country." Dan Bartlett, a top aide to Bush, also said "Benchmarks have been part of the U.S. policy in Iraq for months."

The AP (10/22, Loven) follows the same track as the Washington Post, saying the meeting "indicated little inclination for major changes to an increasingly divisive policy." Secretary of State Condoleezza Rice said, "I wouldn't read into this somehow that there is a full-scale push for a major re-evaluation." The AP also acknowledges the New York Times story.

Similarly, the Washington Times (10/22, Curl, 88K) reports, "With leaks from the independent Iraq Study Group (ISG)…swirling around Washington, the White House has rejected a few trial balloons floated in recent weeks. Those

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include partitioning Iraq into three sections based on ethnicity and religion and withdrawing 5 percent of U.S. troops every two months." The President "sounded more open to alternative tactics. He said the Iraqi prime minister recently met with tribal leaders from Anbar province, 'who told him they are ready to stand up and fight the terrorists.'"

Bloomberg (10/22, Keil, Capaccio) notes, "Colonel Nelson McCouch, a spokesman for General George Casey…said the approach described in the Times article wasn't new. 'We've been doing this all along,' he said. The U.S., McCouch said, has already established milestones that are adjusted according to conditions in Iraq and aren't hard deadlines."

US Diplomat Said To Admit "Arrogance" And "Stupidity" In Handling Iraq. The AP (10/20, Hendawi) reports that "In an interview with Al-Jazeera television aired late Saturday, Alberto Fernandez, director of public diplomacy in the Bureau of Near Eastern Affairs at the State Department offered an unusually candid assessment of America's war in Iraq," saying "the United States had shown 'arrogance' and 'stupidity' in Iraq but was now ready to talk with any group except Al-Qaida in Iraq to facilitate national reconciliation." He spoke to Al-Jazeera "after a man claiming to speak for Saddam Hussein's outlawed Baath Party told the network the United States was seeking a face-saving exodus from Iraq and that insurgents were ready to negotiate but won't lay down arms." Fernandez called the comments "very removed from reality."

However, a separate AP (10/22, Loven) article notes, "A senior Bush administration official questioned whether the remarks had been translated correctly," saying, "Those comments obviously don't reflect our position." Fernandez "disputes the description of his comments." State Department spokesman Sean McCormack said "he says…that is not an accurate reflection of what he said," and when asked if "the Bush administration believes that history will show a record of arrogance or stupidity in Iraq, McCormack replied, 'No.'"

Three Washington Post Columnists Criticize Administration Iraq Policy. The Washington Post op-ed section has several pieces devoted to Iraq. In the Washington Post (10/22, 748K), George Will writes critically of the administration's conduct of the war, "Today the policy of 'staying the course' means Americans dying to prevent Shiites and Sunnis from killing each other." In 1986 Reagan was advised "that his presidency could not be revived without the removal of Don Regan as White House chief of staff. Regan was removed. The Study Group almost certainly will, like the Tower Commission, refrain from making personnel recommendations. But is it plausible that the Bush presidency can pivot without changing senior Defense Department personnel?"

David Broder, in his column in the Washington Post (10/22, 748K), describes what Sens. Carl Levin and Jack Reed would do if Democrats regained the Senate. Both Levin and Reed would, with conditions, favor "engag[ing] directly in talks with representatives of" North Korea. Concerning Iraq, "the two Democrats harked back to the amendment that 39 senators supported during a debate earlier this year -- an amendment that called for a start on U.S. troop withdrawals within six months but set no numbers and specified no target date for ending the U.S. military presence." They argue that the US needs "to force the politicians in Iraq to realize we're not there as their security blanket," in Levin's words. However, they "quickly ruled out" cutting off "funds for the war," saying that change in control of even one chamber of Congress "would have a major impact, a huge motivating force on the president to change course," according to Levin.

James Hoagland, in his column in the Washington Post (10/22, 748K), criticizes the administration's conduct of the war, writing, "The bloody chaos of Iraq under U.S. occupation is shaking Western governments into sobering reassessments of that conflict and of war itself. More urgently, some of these governments have launched tightly held contingency planning for the consequences of a possible American failure in Iraq." Hoagland concludes, "The extent to which U.S. forces were unprepared for insurgency and sectarian warfare in Iraq has become painfully apparent. The lessons they are learning -- which have become prohibitively costly for Americans and Iraqis -- must never again be forgotten."

WPost Calls For Bush To Change Iraq Strategy. The Washington Post (10/22, B6, 748K), in an editorial titled "Change Course In Iraq," writes, "A revised U.S. strategy must aim to jump-start political accord and militia disarmament. But it must also provide for the possibility that decisive progress will not be achievable soon. It should position the United States to defend its interests during a protracted conflict, with levels of troops and other resources that will be sustainable. It should reach out to Iraq's neighbors and other governments with an interest in stabilizing the country. This calls for diplomacy far more deft and aggressive than the

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administration thus far has engaged in." The US "should abandon attempts to pacify Baghdad or other areas with its own forces. It should adopt a strategy of supporting the Iraqi government and army in a long-term effort to win the war. … Meanwhile, the U.S. and Iraqi governments should formally agree on a plan for turning the fighting over to Iraqi troops, province by province; Mr. Maliki himself has said he wants that transition to occur by the end of next year."

NYTimes Accuses Bush Of Using Iraq War For Political Gain. The New York Times (10/22, 1.21M), in an editorial, accuses President Bush of "finally" consulting with "his generals to consider a change in tactics in Iraq" because of the upcoming elections." The Times states, "For far too long, the White House has looked upon the war as a tactical puzzle for campaign strategists. The early notion of combining Iraq and the war on terror as an argument for re-electing Republicans robbed the nation of any serious chance for a bipartisan discussion of these life-and-death issues." The Times concludes, "There is probably no worse time to begin a serious discussion about Iraq policy than two weeks before a close, bitter election. But now that the discussion has begun, it must continue, as honestly and openly as possible. It is time for the American people to confront all the things that the president never had the guts to tell them about for three and a half years."

Iraqi Policemen Found To Be Part Of The Problem Of Baghdad Violence. In a front page article, the New York Times (10/22, Gordon, 1.21M) reports that "the American command acknowledged that the Baghdad security plan had yet to stem the escalating bloodshed in the city," and a "major reason" is that "After spending billions on building up Iraqi forces, and making withdrawal contingent on that buildup, the Americans have discovered that many of the Iraqi security forces are still not ready to handle security on their own. Throughout much of the city many Iraqis do not trust their own police forces." Iraqi forces "who were supposed to help the Americans keep the lid on the sectarian strife in Baya had stoked old animosities." Furthermore, "American officials say it is clear that the Iraqi forces vitally depend on the Americans for backup." Now "American troops have been sorting the good policemen from the bad the hard way: on the streets of Baghdad, as they try to stop the spiraling sectarian killings."

UK Minister Says Iraqi Army Is "Coming Along." The AP (10/21, Lawless) reports that Foreign Office Minister Kim Howells said that "Iraqi police and military should be ready to take on much of the work being done by U.S.-led forces within a year." Labour Party member Doug Henderson, a former defense minister, though, "said ... that Iraq would probably break into at least three countries -- Sunni, Shiite and Kurdish -- once allied troops have withdrawn." The Washington Times (10/22, Curl, 88K) cites his remarks in passing.

Despite Amara Cease-Fire, Worries Continue About Spread Of Violence. The New York Times (10/22, A14, Burns, 1.21M) reports, "Iraqi troops patrolled a tense cease-fire in the southeastern city of Amara on Saturday, but scattered clashes between rival Shiite militias farther north raised new concerns about the potential for a widening of the chaos that shook the city the day before," and "there were other indications that the Amara crisis was far from over." This "concern appeared to be shared by coalition military commanders, who moved a 600-man British battle group to the outskirts of Amara." However, according to government officials Moktada al-Sadr, the political master of one of the militias, "played a crucial role in calming Friday's violence, and that Mr. Sadr's representatives in the city were cooperating in talks aimed at avoiding a resumption." Also, "a government spokesman said senior officials dispatched from Baghdad were investigating the Friday upheaval and were working with tribal leaders and representatives of the rival militia groups on ways of reinforcing the truce, including steps to address the grievances that had caused the clashes."

Mortar Attack Kills 32. The Washington Post (10/22, Knickmeyer, 748K) reports, "Mortar rounds fired by suspected Sunni Arab insurgents rained on a market crowded with shoppers Saturday, killing 32 Iraqis in a predominantly Shiite city south of Baghdad, hospital officials said. Three Marines were killed in attacks in the western province of Anbar, making October the deadliest month for U.S. forces in a year. Seventy-eight American troops have died this month in Iraq, the highest monthly toll since 84 U.S. troops were killed in November 2005." "Several" Mahdi Army members were among the dead in the market; "Sunni families hid in their homes after the attack, fearing retaliation."

October Becomes Deadliest Month Of 2006 In Iraq For US. The AP (10/22, Bodeen) reports the death toll in the market as 18 but repeats the Post's statement that October had become "the deadliest month for American forces this year." The UN "has said at least 100 Iraqis are now killed

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daily." The San Francisco Chronicle/AP (10/21, Salaheddin) also gives the toll of the marketplace bombing as a "confirmed" 18 dead. The Los Angeles Times (10/22, Daragahi, 918K) reports, "Anti-American insurgents have launched a bombing and shooting campaign that has in part coincided with Ramadan, the Muslim holy month of fasting and atonement, as well as the midterm U.S. election and a more active American military presence in Baghdad and other areas."

Village Sheik Mediates Conflicts In Southern Iraq. In a front page, 2,226-word article, the Washington Post (10/22, Shadid, 748K) reports on Sheik Adnan Aidani of Yusufan who "has an unenviable task in his warren of mud brick, cinder block and concrete: keeping order in a land without it, where society is fracturing, crumbling, even disintegrating. The brutality of today's Iraq has washed over his largely Shiite village of 4,000: In the past few months, 10 people have been killed in Yusufan." The sheik "tries to draw on centuries-old traditions honed by Bedouins in the desert, rules built on honor, respect and reciprocity. ... But in the end, the threat of punishment secures respect for Aidani. That same threat gives power to militias, gangs and criminals who now hold sway even in the streets of a village like Yusufan." The Post relates several instances of conflict mediation by the sheik. Residents "estimate there are about 19 Islamic parties in the region around Basra, each with armed followers."

Iraqi Group Buries Unclaimed Dead. The Los Angeles Times (10/22, Salman, Smith, 918K) reports on "a word-of-mouth burial society for the unclaimed dead, formed during the 1980s war with Iran, starting small and growing with the need. Today, about 500 men -- laborers, professionals, clerics and tribal leaders -- are members of the legation of the dead in this country where deep piety and terrible brutality have repeatedly intertwined." The group has a heavy workload as on "an average trip [to the cemetery], there will be 70 to 100 bodies, victims of the sectarian bloodletting that has gripped Iraq."

Professor Calculates War Has Cost Iraqis 40% Of National Income. The New York Times (10/22, Bernasek, 1.21M) in an "Economic View" article in its business section asks "What has been the cost of the Iraq war for Iraq? As it turns out, it's not easy to find an economist who can provide an answer. … Colin Rowat, has made some preliminary calculations using the best sources available. ... His calculations are a work in progress, but what he has found so far is sobering: the cost amounts to a cut of at least 40 percent in Iraq's national income."

State Department Poll Shows Iraqi Youth Want US To Leave. The AP (10/22, Shrader) reports, "Majorities of Iraqi youth in Arab regions of the country believe security would improve and violence decrease if the U.S.-led forces left immediately, according to a State Department poll that provides a window into the grim warnings provided to policymakers." The poll is "unclassified, but marked 'For Official Government Use Only.'" In it, "strong majorities of 15-to 29-year-olds in two Arab Sunni areas - Mosul and Tikrit-Baquba -- would oppose joining the Iraqi army or police," bespeaking "the difficulty that the U.S.-backed Iraqi government faces as it tries to add ethnic diversity to its security institutions."

Some Afghanis Upset With Government Turn To Taliban. In a 10,052-word article for the New York Times Magazine (10/22), contributing writer Elisabeth Rubin writes part I of her two-part article about the Taliban, in which she explains its resurgence and the reasons that the Pakistani ISI may have had for wanting a Taliban revival: "It is not at all clear that Afghans want the return of a Taliban government. But even sophisticated Kabulis told me that they are fed up with the corruption. And in the Pashtun regions, which make up about half the country, Afghans are fed up with five years of having their homes searched and the young men of their villages rounded up in the name of counterinsurgency." In Helmand province, where the Taliban had once suppressed opium, it now "agreed to protect it"; in addition, the US-backed warlords lost support because of their abuses.

Returnees And Families Brace For Next Tour In Iraq. The Los Angeles Times (10/22, Perry, 918K) reports on the stress of families waiting for troops to return from Iraq: "But amid the kisses and tears of relief there was the reality that Joyner and other members of the 3rd Marine Aircraft Wing will probably return to Iraq, maybe next year. For families, another deployment means another prolonged period of constant worry in which every knock on the door carries the potential of the worst possible news." Relatives of several troops who have had three or four tours of duty are quoted.

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Seamen Increasingly Become Part Of Ground Force. The Norfolk Virginian Pilot (10/22, Hansen) reports, "The military calls them 'IAs,' shorthand for individual augmentees. They're the 46,000 men and women who have been picked from Navy units to serve, often facing danger, with soldiers and Marines in Afghanistan and Iraq. Once considered a short-term program, the Navy and defense experts acknowledge these sailors are now a permanent part of today's ground force." To reflect the permanence of the change, "The Navy this month created the Expeditionary Combat Readiness Center at Little Creek to track and assist those sailors uprooted from their ships and shore commands." Lexington Institute researcher Dan Goure "said the Navy should expect to fill its support role for a long time. Army and Marine units have been overstretched, deploying three and four times since the Iraq war began."

Debt Keeps Some Troops From Overseas Deployment. The New York Times/AP (10/22) reports, "Thousands of American troops are being barred from overseas duty because they are so deep in debt that they are considered security risks, according to a review of military records by The Associated Press. The number of troops held back has climbed sharply in the past few years. And while it appears to represent a small percentage of all military personnel, the increase is occurring at a time when the armed forces are stretched thin by wars in Iraq and Afghanistan. ... The problem is attributed to several factors, including a lack of financial acumen among young recruits; reckless spending among those exhilarated to make it home from a tour of duty; and the profusion of so-called payday lenders."

Hemet High School Loses Three To Iraq War. In the Los Angeles Times (10/22, 918K), columnist Steve Lopez visits Hemet, California, whose high school has had three graduates die in the war. Lopez visits the school, the Army recruiting office, and the family of "Cpl. Kenny F. Stanton Jr., 20, [who] was killed in Baghdad on Oct. 13." He observes, "Driving away, I find that I'm disturbed by the quiet acceptance of sacrifice to what has been a dubious mission from the beginning. I can't help but remind myself that the architects of the war have risked no personal loss, staying the course with someone else's children."

Doonesbury Creator Incorporates Iraq War Into Strip. In an 8,437-word article for the Washington Post Magazine (10/22, 748K), staff writer Gene Weingarten writes about Garry Trudeau's incorporation of the Iraq war into the Doonesbury comic strip. Weingarten reports, "Trudeau has been talking to injured vets for a couple of years now. It's partly compassionate support for people he has a genuine regard for, and it's part journalism -- the damnedest sort of reporting, for a professional cartoonist....you can't help but hear faint, soul-rattling echoes of Vietnam, which he escaped, like many sons of privilege, by gaming the system." When Trudeau decided to have a character injured in Iraq, he "got a call from the Pentagon. The brass was offering to help him figure out where to go next." Trudeau has won acceptance from former critic Sen. John McCain and a "standing ovation" from a Vietnam veterans' convention, at which he said, "I, like so many of our countrymen, must walk this strange line between hating the war but honoring the warrior."

CORPORATE SCANDALS:

Skilling Bears Burden Of Enron Collapse In Monday Sentencing. The AP (10/22, Lozano) reports, "Ken Lay's death wiped away his convictions. Andrew Fastow got a reduced six-year sentence. That leaves former CEO Jeffrey Skilling as the sole top Enron Corp. executive who could be given at least 20 years in prison when he is sentenced Monday for helping orchestrate the biggest corporate scandal in U.S. history." The AP continues, "In addition to the legal consequences of his actions, the burden of lost jobs, worthless pension plans and ruined lives that resulted from Enron's 2001 collapse has now shifted solely onto Skilling's shoulders. … Lay's death and the lighter than expected sentence handed last month to Fastow, Enron's former chief financial officer, will work against Skilling when he faces sentencing, former federal prosecutor Robert Mintz said." The AP adds, "Skilling was convicted in May of 19 counts of fraud, conspiracy, insider trading and lying to auditors. Lay, Enron's founder, was convicted of 10 counts of fraud, conspiracy and lying to banks in two separate cases. His death in July vacated those convictions. … Both men repeatedly lied about Enron's financial health when they knew an illusion of success was propped up by accounting maneuvers that hid debt and inflated profits. … 'In theory, the

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death of Ken Lay should have no impact on the sentence that Mr. Skilling receives. But it's hard to ignore the reality that Jeff Skilling is now standing alone as the figurehead who orchestrated Enron's demise,' Mintz said. 'There will certainly be pressure to make an example of Jeff Skilling and send a message with his sentence.'"

New UnitedHealth Board Chair Faces Difficult Rebuilding Task. The Minneapolis Star Tribune (10/22, Phelps) reports, "To fix a board gone bad, UnitedHealth Group Inc. turned to the guy who started the company's big push for profits 30 years ago." The Tribune continues, "Richard Burke, the new chairman of UnitedHealth Group, has a long history in Minnesota health care. In the 1980s, Burke ran a small company, then called UnitedHealthcare, that managed one of Minnesota's first HMOs, Physicians Health Plan (PHP). PHP eventually became Medica while UnitedHealth grew under William McGuire into the country's second-biggest health insurer. … Now, after McGuire's ouster a week ago in a stock-option scandal, Burke, 62, is presiding over a company with a badly wounded reputation and a board whose future is in doubt." The Tribune adds, "More than a dozen shareholder lawsuits await the company in federal court. The Internal Revenue Service, Securities and Exchange Commission, Justice Department and the Minnesota attorney general's office are sifting through corporate documents looking for legal violations."

Senate Probes SEC's Handling Of Allegations Against "Major" Bush Fund-Raiser. The New York Times (10/22, Bogdanich, Morgenson, 1.21M) reports, "By the evening of June 20, 2005, the government's investigation of possible insider trading by Pequot Capital Management, a prominent hedge fund, had reached a critical stage. Throughout the day, Robert Hanson, a branch chief in the Washington office of the Securities and Exchange Commission, had been questioning his lead investigator in the case about taking the testimony of John J. Mack, an influential Wall Street executive. The investigator, Gary J. Aguirre, was trying to find out if Mr. Mack had obtained inside information about a merger and passed it to his friend, Pequot's founder, Arthur J. Samberg. … But three days later, the investigation abruptly changed course. Mr. Aguirre later told a Senate committee that after news broke that Mr. Mack was being considered to run Morgan Stanley, his supervisor said he could not interview the executive because of his political power. Mr. Aguirre protested and was eventually fired." The Times adds, "Now, it is the S.E.C. that is under scrutiny. Two Senate committees — Finance and Judiciary — are investigating how diligently the S.E.C. pursued its Pequot inquiry, whether Mr. Aguirre's firing was an attempt to silence him, and whether senior S.E.C. officials gave special treatment to Mr. Mack by not taking his testimony when Mr. Aguirre wanted to. Mr. Mack, a major fund-raiser for President Bush's 2004 campaign, was eventually interviewed last August, after Congress began asking questions."

Ruling On Election Of Directors Puts Pressure On SEC Chairman. The Los Angeles Times (10/22, Peterson, 918K) reports, "In his first year as chairman of the Securities and Exchange Commission, Christopher Cox is widely credited with bringing accord to a panel that was bitterly divided over how aggressive it should be in policing corporate wrongdoing in the wake of Enron and other scandals." Cox "has shepherded a handful of reform-oriented measures without controversy, steering clear of proposals on which the odds of finding common ground appeared slim. Now, however, a federal appeals court decision has tossed a grenade-like issue into the SEC's chambers — putting Cox's diplomatic and leadership skills to their toughest test. The court decision is forcing the agency to again confront demands to give shareholders a bigger say in the nomination of corporate directors. … Although the panel's makeup has changed, it is not clear that the group of three Republicans and two Democrats can take more than a cautious step to open up elections before exposing its own ideological differences. Nor is it clear that Cox is prepared to follow his predecessor in bringing up matters that force him to cast contentious, tie-breaking votes."

CRIMINAL LAW:

DOJ Reaches Settlement With Columnist Over NCLB Promotion. The Washington Times (10/22, Debose, 88K) reports, "The Justice Department has reached a settlement with conservative commentator Armstrong Williams, closing a yearlong investigation into his promotion of Bush administration education reforms. The final eight-page agreement among Mr. Williams, the Education Department and its subcontractor, Ketchum

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Communications, was reached Thursday. The carefully worded settlement papers…state that Mr. Williams is not guilty of any criminal violations, but must repay a portion of his fee to the federal government. According to the documents, Mr. Williams will have to pay $34,000 to settle the case."

Districts Use NCLB Funds To Purchase Products From Neil Bush's Company. The Los Angeles Times (10/22, Roche, 918K) in a story titled "Bush's Family Profits From 'No Child' Act" reports, "A company headed by President Bush's brother and partly owned by his parents is benefiting from Republican connections and federal dollars targeted for economically disadvantaged students under the No Child Left Behind Act. With investments from his parents, George H.W. and Barbara Bush, and other backers, Neil Bush's company, Ignite! Learning, has placed its products in 40 U.S. school districts and now plans to market internationally. At least 13 U.S. school districts have used federal funds available through the president's signature education reform, the No Child Left Behind Act of 2001, to buy Ignite's portable learning centers at $3,800 apiece." The Times adds that although NCLB "provides federal funds to help school districts better serve disadvantaged students and improve their performance, especially in reading and math" Ignite "does not offer reading instruction, and its math program will not be available until next year." Neil Bush "said in an e-mail to The Times that Ignite's program had demonstrated success in improving the test scores of economically disadvantaged children. He also said political influence had not played a role in Ignite's rapid growth."

DOJ And FBI Reportedly Investigating AIPAC Lobbying On Behalf Of Harman. Time (10/20, Burger, 4.03M) reported on "an ongoing investigation" by the FBI and DOJ into whether Rep. Jane Harman and the American Israel Public Affairs Committee "may have violated the law in a scheme to get Harman reappointed as the top Democrat on the House intelligence committee. … The sources tell TIME that the investigation…which has simmered out of sight since about the middle of last year, is examining whether Harman and AIPAC arranged for wealthy supporters to lobby House Democratic leader Nancy Pelosi on Harman's behalf." In response, Harman has "said that any investigation of — or allegation of improper conduct by — her would be 'irresponsible, laughable and scurrilous.' On Friday, Washington GOP super lawyer Ted Olson left voicemail messages underscoring that Harman has no knowledge of any investigation." According to Time, "The case is a spin-off of a probe that has already led to charges under the Espionage Act against two AIPAC lobbyists, whose case is still pending, and to a 12-and-a-half-year prison sentence for former Defense Intelligence Agency official Lawrence A. Franklin."

Katrina Evacuees Blamed For Spike In Houston Homicides. The AP (10/22) reports that, "Evacuees from Hurricane Katrina have contributed to an increase in Houston's annual murder rate, which could climb this year to its highest level in more than a decade" according to police. The AP notes, "Houston had 316 homicides as of Oct. 16. … an increase of 25 percent from the 252 slayings tallied at this time last year, putting the city on pace to record nearly 400 killings before the end of 2006." According to Capt. Dwayne Ready, "We … recognize that Katrina evacuees continue to have an impact on the murder rate."

School Violence Summit Considered Safety Options. The New York Journal News (10/22, Rae) reports, "President Bush's school security conference this month considered a long list of safety strategies, including emergency planning, metal detectors, student counseling and even God. … 'We call this in education a "teachable moment,"' U.S. Education Secretary Margaret Spellings said during the Oct. 10 conference in Maryland, which was organized after the shooting deaths of five Amish girls in Pennsylvania on Oct. 2 and two other deadly attacks in Colorado and Wisconsin." The News continues, "The emphasis was on the need for communication and planning. Panelists stressed that most school attacks carried out by students followed some form of warning. They reviewed danger signs, such as a student's sudden changes in behavior, depression and suicidal thoughts. … Security precautions like metal detectors were another strategy under discussion, but Attorney General Alberto Gonzales pointed out that one in five school shootings occurred outside a school building. … The conference was criticized for not exploring another angle: the prevalence of guns, a common denominator in the recent attacks."

University Researcher Pleads Guilty To Scientific Misconduct. The New York Times magazine (10/22, Interlandi) reports, "On a rainy afternoon in June, Eric Poehlman stood before a federal judge in the

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United States District Court in downtown Burlington, Vt. His sentencing hearing had dragged on for more than four hours, and Poehlman…remained silent while the lawyers argued over the appropriate sentence for his transgressions. Now was his chance to speak. A year earlier, in the same courthouse, Poehlman pleaded guilty to lying on a federal grant application and admitted to fabricating more than a decade's worth of scientific data on obesity, menopause and aging, much of it while conducting clinical research as a tenured faculty member at the University of Vermont. He presented fraudulent data in lectures and in published papers, and he used this data to obtain millions of dollars in federal grants from the National Institutes of Health — a crime subject to as many as five years in federal prison. Poehlman's admission of guilt came after more than five years during which he denied the charges against him, lied under oath and tried to discredit his accusers. By the time Poehlman came clean, his case had grown into one of the most expansive cases of scientific fraud in U.S. history." The Times continues, "Before his fall from grace, Poehlman oversaw a lab where nearly a dozen students and postdoctoral researchers carried out his projects. His research earned him recognition among his peers and invitations to speak at conferences around the world. And he made nearly $140,000, one of the top salaries at the University of Vermont. All of that began to change six years ago, when (a colleague) took his concerns about anomalies in Poehlman's data to university officials. The subsequent investigation — a collaboration among the University of Vermont, the Office of Research Integrity (which is within the Department of Health and Human Services) and the United States Department of Justice — uncovered fraudulent research that stretched back through almost half of Poehlman's career. The revelations led to the retraction or correction of 10 scientific papers, and Poehlman was banned forever from receiving public research money. He was only the second scientist in the United States to face criminal prosecution for falsifying research data. … At 50, with his career in ruins and his reputation destroyed, Poehlman could only hope to avoid one final humiliation: becoming the first researcher sentenced to prison for scientific misconduct. … Citing the nearly $200,000 Poehlman had paid in restitution, his attorneys had asked the judge to sentence him to supervised probation."

CIVIL RIGHTS:

Birmingham, AL, Involved In School Integration Dispute. The Los Angeles Times (10/22, Jarvie) reports, "In Birmingham, Ala., a group of residents and activists opposes a bid to end a court's school desegregation order." The Times continues, "For 35 years under court order, the yellow buses have picked up black children from the city's Oxmoor Valley and carried them up the hill and across city limits to affluent, mostly white suburban public schools. … Rita Jones Turner was one of the first children to be bused to Vestavia Hills after a 1970 federal court order required the district to enroll African Americans from her neighborhood. … Today, her youngest son, a ninth-grader at Vestavia Hills High School, makes the same journey up the hill into a friendlier environment. … But last month, he came home with a letter informing her that the Vestavia Hills school board had filed a motion to end the desegregation order. The district is among a growing number across the nation seeking to have the decades-old orders overturned; this year, dozens have succeeded." The Times adds, "Those fighting to keep the order in place are particularly disappointed that the issue would be revisited in Birmingham, where so much of the civil rights movement's history was made. In the last 15 years, city leaders have built museums and monuments to commemorate the four schoolgirls who died in the 1963 bombing of a black church, and the demonstrators who were met with attack dogs in a march led by the Rev. Martin Luther King Jr. the same year. … But the district says its request is a matter of economics, not race — that absorbing the children of Oxmoor Valley is an unfair burden on its budget."

ACLU Web Site Defends Attacks On Organizational Leadership. The New York Times (10/22, Strom, 1.21M) reports, "Supporters of the leadership of the American Civil Liberties Union have created a Web site in response to one started last month by critics of that leadership." The critics' "site was started last month by more than 30 longtime supporters of the A.C.L.U. who say that actions taken by the executive director, Anthony D. Romero, and supported by the board have violated the organization's principles." Actions such as "the organization's use of data mining to collect information on donors, a proposal to monitor employees' e-mail messages and efforts to control board members' access to staff members and information."

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ANTITRUST:

Smithfield's Premium Standard Buy Faces Antitrust Scrutiny. The Sioux Falls (SD) Argus Leader (10/22, Dobbs) reports, "The U.S. Justice Department has begun an antitrust investigation of Smithfield Foods' plan to buy rival Premium Standard Farms of Missouri, a deal that would combine the nation's two largest hog producers. … Additionally, at the behest of Midwest lawmakers and farmers who worry the deal would hasten the consolidation of livestock markets and allow the merged company to inflate pork prices for consumers, a Senate antitrust committee is planning hearings on the matter. At such hearings, lawmakers often hear testimony from company executives and their critics. .. 'This merger takes place in an industry already witnessing the decline of independent family farmers and rapid consolidation in meat production and packing. If this merger goes through, farmers will have even fewer choices for selling their hogs, and consumers will certainly be affected by the deal,' said Sen. Mike DeWine, R-Ohio." The Argus Leader continues, "DeWine chairs the Senate subcommittee that oversees antitrust concerns. He said in a recent statement that he plans to hold hearings on the Smithfield deal in the near future, and lawmakers 'will need to scrutinize this deal very carefully.' … A Justice Department spokeswoman would not confirm the deadline to complete the investigation. Nor has a date been set for the Senate committee hearings, according to Andrew Langworthy, a spokesman for DeWine. … But both could happen before the end of the year because Virginia-based Smithfield, which owns the John Morrell & Co. meatpacking plant in Sioux Falls, plans to finalize the acquisition in the first quarter of 2007. The company announced in September it would buy its rival for about $650 million in cash and stock." The Argus Leader notes, "Dennis Treacy, Smithfield vice president of government affairs, said shortly after the deal was announced that the merged companies will continue to work closely with independent producers and that he expects the Justice Department will approve the deal. … A national coalition of agriculture and consumer groups - including Dakota Rural Action and Dakota Resource Council - earlier this month lined up behind Sens. Tim Johnson and John Thune, both of South Dakota, and lawmakers from Iowa and Nebraska who called for the antitrust investigation."

ENVIRONMENT:

Critics Say Federal Prosecutors Lax In Pursuing Texas Polluters. The Houston Chronicle (10/22, Rice) reports, "After illegally using a pesticide to kill feral hogs — and in the process killing raccoons, mourning doves and crows — two Fayette County farmers were fined $500 in 2004. … That was the most recent conviction Houston's federal prosecutors have obtained on their own for an environmental crime. The lack of new environmental prosecutions by the U.S. Attorney's Office is remarkable for a city that has vied with Los Angeles for the title of the nation's smog capital, say environmentalists and some current and former officials. … 'We've got more (pollution) than anyone else in the country and, therefore, we should have a lot of prosecutions,' said Neil Carman, clean-air program director for the Sierra Club." The Chronicle continues, "Carman, who worked for 12 years for the Texas Commission on Environmental Quality, noted that the Houston Ship Channel has the largest concentration of petrochemical plants in the nation and that Harris and Brazoria counties rank among the nation's most polluted. … Data from the Transactional Records Access Clearing House show, however, that the number of new environmental prosecutions by the U.S. Attorney's Office for the Southern District of Texas dwindled from 20 in fiscal 1998 to zero in 2005, the last year for which figures are available." The Chronicle adds, "U.S. Attorney Don DeGabrielle, who took office in March, said the figures collected by TRAC, a research group associated with Syracuse University, don't show that his office is involved in 17 cases under investigation or before a grand jury. The only two new prosecutions in fiscal 2006, which ended Sept. 30, were led by a special unit based in Washington, D.C., he said. … The sharp decline worries Sabrina Strawn, executive director of the Galveston-Houston Association for Smog Prevention, which has asked the federal government to take a stronger role."

Energy Industry Considers Caps On Carbon Emissions. The AP (10/22, Foss) reports that many "executives are convinced the United States is likely to join Europe in placing limits on carbon dioxide emissions" which is blamed for causing global warming "perhaps as early as next decade. This rising expectation of mandatory carbon caps is reviving interest in nuclear power, accelerating the

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use cleaner coal-burning technologies and spurring investment in alternative fuels such as wind and biomass." Some of the US' "biggest power producers are even setting voluntary greenhouse-gas reduction goals now in hopes of gaining a competitive edge down the road." Fearing "an unfair competitive advantage," many U.S. energy executives "vow to fight carbon limits unless the constraints are carried out worldwide." State legislative activity as well as federal tax breaks from last year's energy bill have motivated some utility companies to reduce emissions and has also brought about a renewed interest in nuclear power.

FBI/DEA/ATF/USMS:

ATF Cracking Down On Illegal Georgia Gun Sales. The Athens (GA) Banner-Herald (10/22, Johnson) reports, "The owner of a Madison County gun shop told a convicted felon that silencers were 'illegal as hell,' but that he had a contact in Florida who could make one." The Banner-Herald continues, "Within nine months, the felon bought two silencers from 46-year-old Michael Curtis Oakley of Athens, in addition to a revolver, three semi-automatic pistols, an assault rifle and boxes of ammunition - all without a background check or filling out the required paperwork. … That's the allegation in a complaint filed this week in U.S. District Court in Athens. An agent with the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives said that a felon wore a hidden camera and microphone to capture each illegal transaction, as he helped make a case against the owner of Oakley Outdoor Sports in downtown Colbert." The Banner-Herald adds, "The complaint convinced a U.S. magistrate on Monday to authorize police and ATF agents to arrest Oakley for violating federal firearms regulations. The magistrate also signed warrants that led authorities to seize dozens of weapons from Oakley's gun shop and search his house at 356 Oak Meadows Drive, where officials confiscated documents and other evidence. … The agent's complaint purports to show how guns are winding up on the streets and in the wrong hands, even when the source is a federally licensed firearms dealer. … In a similar ATF sting last month, authorities arrested another Athens man and four others for allegedly trafficking in guns at the J&J Flea Market in Jackson County. According to indictments filed in U.S. District Court in Gainesville, the men weren't licensed firearms dealers, but they sold guns to convicted felons, illegal immigrants and an undercover ATF agent posing as an out-of state resident."

TAX:

Hurdles For Advancing Tax Reform Examined. Senior Washington Post reporter Jeffrey Birnbaum, in an article in the Washington Post (10/22, B2, 748K) "Outlook" section, examines how the tax code has become more complex since Congress passed the Tax Reform Act of 1986. Since then "Congress has passed nearly 15,000 changes to the tax law. Many of the loopholes that disappeared two decades ago are back. Now, as then, politicians (including President Bush) are branding the income tax unfair and calling for reform. And now, as then, few expect it to happen." Birnbaum offers five lessons for tax reformers. The first is to choose between making the tax code more fair or more simple as "one goal precludes the other." Birnbaum advises that "Divided government is a boon to reform, not an obstacle" as neither party will want the blame for not passing reform. And he warns tax-reform efforts "will be doomed if lobbying groups are united against it." While the 1986 tax bill was "revenue neutral," today it will "have to increase tax revenue, whether through rejiggering the code or by introducing new taxes -- making reform efforts that much more difficult and unlikely."

CONGRESS-ADMINISTRATION:

Former President Bush Denies Comments Critical Of Rice In Woodward Book. Former President George H. W. Bush, on CNN's Larry King Live (10/21, 9:10 p.m.), was asked about quotes attributed to him that were critical of Secretary of State Condoleezza Rice. Former President Bush said, "If that's a quote, it is a lie. Can't make it any more clearer than that. I couldn't -- I like Condoleezza Rice. She worked for me. I have great respect for Condoleezza Rice. I can't believe Woodward -- I haven't read the book, that he actually said I said that." Larry King responded, "I think someone says you said it. I don't have it in front of me now. But it is quoted saying you didn't think she was equal to the task." Bush replied, "Well, that's crazy. I talked to her yesterday. I guess there were some hurt feelings or day before she went to this trip." He added, "She called me and said there is something in this book," and continued, "She said there is some remarks in there attributed to you, I don't believe it. I said 'well don't. I don't know what they are.'"

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Amvets Conference Explores Ideas For Update Of Veterans Benefits System. Under the headline "Newest Vets Fed Up With VA Care," the Chicago Sun-Times (10/22, Toomey) reports, "The first National Symposium for the Needs of Young Veterans drew hundreds of vets to the Hyatt Regency O'Hare during its four-day run, which ended Saturday. They listened to speakers like retired Gen. Tommy Franks and Democratic congressional nominee Tammy Duckworth, and broke into small groups to come up with answers." Thomas C. McGriff, national commander of Amvets: "The goal is to develop an update of the veterans' benefits system. … The system really hasn't been looked at since World War II -- and we now have a new set of young veterans coming from Iraq and Afghanistan." The Sun-Times notes, "The VA had nearly a dozen senior benefits officials at the conference but will wait to see what recommendations Amvets develops before commenting, VA spokesman Ryan Steinback said."

OTHER NEWS:

Stalled Stock Market, Recent Reports Spur Concern Over US Economy. Bloomberg (10/22, Tsang) reports, "A three-week rally in U.S. stocks, which lifted the Dow Jones Industrial Average past 12,000 for the first time, slowed this week as earnings from Caterpillar Inc. and JPMorgan Chase & Co. underscored concern that profit growth has peaked." And recent economic reports "also cast more doubt on the economy's strength. Industrial production in September fell the most in a year, while manufacturing in the Philadelphia area unexpectedly contracted this month. The Conference Board's index of leading indicators…rose less than expected in September."

Newsweek Poll Shows Voters Favor Democrats Over GOP 55% To 32%. Newsweek (10/22, Mabry, 3.12M), in a web exclusive, reports that because of an erosion of support from evangelicals "the Republican base may be cracking." While Democrats have led in other opinion polls, Newsweek's new poll of 1,000 adults conducted October 19-20 (+/-4%) suggests "that a possible Republican loss could turn into a rout." Respondents had "more faith in the Democrats to handle almost every major issue presented in the poll." Yet the poll shows Republicans "seem to be closing the issues gap" after losing support because of the Rep. Foley scandal. And "if Republicans can turn voters' attention to national security, they could hold off, or at least hold down, a Democratic blitz come Nov. 7." But, "Republicans have a lot of work to do" as "a solid majority of Americans want the Democrats to take over Capital Hill, 55 percent, versus 32 percent who want the GOP to retain control -- a 23-point margin." And they "can't count on their biggest name, George W. Bush, to help much. While the new poll shows the president with a two-point bump in his approval rating -- from an all-time low of 33 percent two weeks ago to 35 percent today -- most Americans think Bush is already a lame duck. Fifty-six percent said he won't be able to get much done in his last two years in office. Only 33 percent believe he can be effective."

Bloomberg (10/22, Roland) notes the Newsweek poll shows Democrats lead 55% to 37% among likely voters and former House Majority Leader Richard Armey "said yesterday that Democrats may gain a majority of 10 seats in the House."

Brownstein Contends Bush's Record Is GOP's Top Liability. The Los Angeles Times' Ronald Brownstein (10/22) writes, "That discontent over Bush's performance and decisions, especially concerning Iraq, is the largest factor threatening the GOP hold on the House and Senate. One measure of Bush's impact on the election comes from the Majority Watch project conducted by the polling firms RT Strategies and Constituent Dynamics. Since the summer, the project has conducted nearly 75,000 automated phone surveys in congressional districts around the country. And it has found a close correlation between attitudes about Bush and preferences in November."

Variety Of Issues Across US Hurting GOP Candidates. The Boston Globe (10/22, Milligan, Klein, Bender, 425K) in a 2,423 word article reports, "To the distress of a Republican Party that has held control of the House for the past dozen years, many voters across the country seem to be nodding in angry agreement with" the Democratic slogan "Had enough," according "to interviews with voters in four states and new polls showing a double-digit preference for Democratic control of the House." And "no single issue is motivating voters' disaffection with the GOP -- and some issues, such as the Iraq war, are hurting the Republicans differently in various parts of the country."

Brooks Accuses Conservatives Of Abetting Moderate Republicans' Losses. The New York Times' David Brooks (10/22) writes, "When the next Congress convenes, there will be many fewer RINO's in town. You look

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at the vulnerable Republicans and it's like a moderate Republican graveyard: Deborah Pryce, a bright and effective member from Ohio; Christopher Shays from Connecticut; Sweeney from New York; Gerlach from Pennsylvania; Reichert from Washington; DeWine from Ohio. … For the past several years, Republican elites have treated the moderates, upon whom their majority depended, as the deformed cousins of their movement. Congressmen from rock-ribbed Republican districts who've never had to confront a dissenting view applaud themselves for their manly courage while scorning the effete wispiness of Northeastern Republicans who go home and battle derision every weekend."

Potential Democratic Control Of Congress Not Seen As Effecting Bush Style. Noah Feldman, adjunct senior fellow at the Council on Foreign Relations, in an article in the New York Times Magazine (10/22) writes that "it is doubtful that the midterm elections will significantly alter the Bush administration's way of governing. For one thing," Vice President Cheney "has no intention of running for president himself. With the presidential election two years off, the Bush administration (read: Karl Rove) is very far from anointing a successor, if indeed it ever will." And "the day he leaves office…Bush will no longer be the leader of that party. His own incentives are not necessarily aligned with those of the G.O.P. faithful." Even if Democrats win control of Congress they will be left with congressional oversight, "an idea that right now gets their hearts racing but whose limits will eventually become apparent. … What Congressional Democrats cannot do, however, is change the basic direction of the country. The president has not presided as a flexible man, and many of the problems Congress will confront are at present intractable. Government in the sunshine is a good thing -- but a brightly lit Washington will still, mostly, be George W. Bush's Washington."

Sports Figures Offer Advice To GOP. The Washington Post (10/22, B3, 748K), in a special Outlook feature, asked several sports figures to offer advice to GOP candidates "on what to do when it's fourth and long in the bottom of the ninth -- with the other team set to retake your House. In one example former Redskins quarterback Mark Rypien says, "as far as the election goes, it's not even halftime. You've got to believe that people will come to their senses and rally around the team. Remember, the other team has never been in many winning situations. They don't know how to win. … They don't know what they're doing when the game is in the fourth quarter. You do."

Democrats Said To Have Shifted Focus To Just Three Senate Races. The Washington Post (10/22, A1, Babington, Balz, 748K) reports, "Democrats in the past two weeks have significantly improved their chances of taking control of the Senate, according to polls and independent analysts, with the battle now focused intensely on…Missouri, Tennessee and Virginia." According to the Post, "Strategists see Missouri as perhaps the purest test of whether Republicans can overcome a strong Democratic headwind this year because there are few state-related factors or scandals affecting the contest. Neither Sen. James M. Talent (R) nor the challenger, state auditor Claire McCaskill (D), has been able to gain a clear advantage, and strategists on both sides anticipate a photo finish."

The AP (10/22, Espo) reports the NRSC "has aired television commercials in New Jersey, hoping that Tom Kean Jr. can defeat Sen. Bob Menendez. Democrats countered quickly, with four times as much money. Republicans apparently have not abandoned all hope in Michigan, either. President Bush is scheduled to campaign for challenger Mike Bouchard on Thursday. A party-financed television advertising campaign is possible, as well, aimed at toppling Democratic Sen. Debbie Stabenow. Increasingly, though, officials in both parties said the battle for Senate control probably will come down to close races in Missouri, Tennessee and Virginia."

The Los Angeles Times (10/22, Brownstein, 918K) reports, "Two weeks before election day, odds are increasing that the Senate could turn on the results of close contests in Tennessee, Virginia and Missouri, three states along the border between the solidly Republican Deep South and Democratic terrain in the Northeast and industrial Midwest. Each of these states presents a distinct political puzzle. But Democrats face the common challenge of attracting right-of-center voters like Foust who helped Bush carry all three states two years ago but have soured on the nation's direction since. … Still, finding enough disenchanted voters remains difficult for Democrats in the three states, largely because of enduring Republican strength in socially conservative small-town and rural communities. If Democrats fall short in their bid to recapture the Senate, these three states may be their Heartbreak Hill."

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House Democrats Portrayed As Cautiously Optimistic. The New York Times (10/22, Nagourney, Toner, 1.21M) reports, "There is something unusual bubbling in Democratic political waters these days: optimism. With each new delivery of bad news for Republicans…a party that has become so used to losing is considering, disbelievingly and with the requisite worry, the possibility that it could actually win in November. … For Democrats these days, life is one measure glee, one measure dread and one measure hubris. If they are as confident as they have been in a decade about regaining at least one house of Congress — and they are — it is a confidence tempered by the searing memories of being outmaneuvered, for three elections straight, by superior Republican organizing and financial strength, and by continued wariness about the political skills of President Bush's senior adviser, Karl Rove." The Times adds, "Democratic candidates in districts that had been considered long shots are now pleading with" Rep. Rahm Emanuel, chairman of the Democratic Congressional Campaign Committee, "to send money their way. And some leading Democrats…are urging Mr. Emanuel to seize the moment by expanding the field in which Democrats are competing, saying the party has a chance to cement a big lead in the House in November."

Emanuel Given Credit For Making DCCC More Professional. The Washington Post (10/22, D1, Hendrix, 748K) reports, "As the member of Congress responsible for recruiting candidates for House races, raising money and vetting strategy for dozens of districts," Emanuel has "received raves from campaign connoisseurs in Washington for running a taut committee. Notably, he's nearly closed the perennial cash-on-hand gap between his team -- with $36 million in the bank at the end of September -- and its GOP counterpart. He's fielded credible candidates in districts no one had expected to be in play a year ago. And he's generally been flogging the party like a never-satisfied CEO. … If Democrats do take the House -- they need to gain 15 seats to do so -- Emanuel, in only his second term in Congress, stands to claim considerable credit for ending a 12-year electoral drought."

NRCC Said To Believe Foley Scandal Has Faded From Voters' Minds. The Washington Times (10/22, Fagan, 88K) reports, "Republican House candidates still feel some heat from the revelation that Rep. Mark Foley sent inappropriate and sometimes lurid Internet messages to teenage boys, but party leaders insist they are starting to get their message out again to voters. 'The Foley matter has become absolutely quiet in the vast majority of House races, as voters have been able to separate the actions of one member from his party,' said Jonathan Collegio of the National Republican Congressional Committee (NRCC). 'In most races, voters say it will have no impact on their decision.'" The AP (10/22, Espo) reports, "After two weeks of adverse publicity linked to the Mark Foley scandal, public and private polling suggested partial recovery for some endangered Republican incumbents, and senior party officials made a concerted effort to project confidence. 'By many measures, there are strong indications of a right-of-center base that is engaged and committed,' party chairman Ken Mehlman said Friday in a memo written for public consumption."

Foley's Contact With Former Pages Detailed. The Washington Post (10/22, A1, Goldstein, Williamson, 748K) reports on former Rep. Mark Foley's relationships with congressional pages. According to the Post, although "No one interviewed for this article could cite any instance in which Foley had sex with a former page. … Interviews with nearly three dozen former pages suggest that" Foley "befriended a wide circle of teenagers during their stints as House pages. Then, shortly before they left or soon afterward, he singled out certain boys to write to -- including four newly confirmed by The Washington Post, in addition to former page Jordan Edmund and one other whose illicit online conversations with Foley ended the congressman's career. Some of the correspondence was brief and casual. But over months or years, if a boy seemed willing to go along, some conversations grew more sexual."

Military Veteran Candidates Said To Give Democrats Credibility On Iraq. The New York Times (10/22, Davey, 1.21M) reports, "As she campaigns for Congress in the suburbs of Chicago, Tammy Duckworth, a Democrat and an Iraq veteran, speaks with chilling conviction about the war. Iraq was a big mistake, Ms. Duckworth says as she walks among voters on two artificial legs. Millions of dollars have been wasted there. … Though Ms. Duckworth is a political novice, her service and sacrifice (she lost her legs when a grenade hit her helicopter) have allowed her to speak her mind in a district once seen as downright hostile toward Democrats, having sent a Republican to Congress for 32 years. Around the nation, a handful of military veterans like

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Ms. Duckworth have emerged as competitive Democratic candidates for Congress. For a party that has struggled against a perception that Republicans are stronger on matters of terrorism and national security, the veterans have been a powerful antidote: a group that inherently carries credibility with voters on issues like Iraq." According to the Times, "Some 60 former service members are challengers for the House or the Senate as Democrats, including a half-dozen who served in Iraq. The Democrats are not shy about military résumés. Among their promotions is a 'Fighting Dems' Web site bearing the subtitle, 'Back from the front lines, headed to Congress.'"

Duckworth Described As "Struggling" In Bid To Succeed Hyde. The Los Angeles Times (10/22, Huffstutter, 918K) reports Duckworth, "has spent $2.5 million on her fierce campaign in a GOP stronghold. … In the highly competitive and closely watched race…it's a Democrat who is doing the struggling. As of the end of September…Duckworth had spent all but $206,000 of the nearly $2.8 million she raised for her campaign in the Republican stronghold of DuPage County. One of the reasons? Trying to one-up her opponent, state Sen. Peter Roskam, in a race that heated up early." Roskam, "backed heavily by the National Republican Campaign Committee, rolled out ads questioning Duckworth's positions on the Iraq war and the military, and slamming her stances on taxes and immigration."

Many GOP House Districts Are Home To Growing Immigrant Communities. The AP (10/22, Ohlemacher) reports, "Of the 50 House districts nationwide with the fastest-growing immigrant communities, 45 are represented by Republicans. All but three of those lawmakers voted for a bill that would make illegal immigrants felons. Overall, GOP districts added about 3 million immigrants from 2000 to 2005, nearly twice the number that settled in districts represented by Democrats, according to an Associated Press analysis of census data. The numbers help explain why illegal immigration is such a big issue in rural Georgia, eastern Pennsylvania and in suburbs throughout the United States." The AP goes on to focus on several Georgia districts, noting, "North Georgia has attracted thousands of Latino immigrants — legal and illegal — to work in carpet mills in Dalton, in poultry plants in Gainesville and on farms that dot the landscape in between. The region exemplifies the struggle — and promise — of Latinos yearning for political power. Hispanics make up about 12.5 percent of the district represented by GOP Rep. Nathan Deal, but less than 2 percent of registered voters."

Webb Said To Have Yet To Master Retail Politics. The Washington Times (10/22, McLaughlin, 88K) reports, "Since the first day of his U.S. Senate campaign in Virginia, Democrat James H. Webb Jr. has described himself as a nonpolitician. And the self-description rings true in his performance on the hustings. The decorated Vietnam War veteran's stiff and stern style of retail politics has been on display since his announcement in February that he would try to unseat Sen. George Allen, one of the state's most polished politicians. … On the campaign trail, the former Navy secretary is a far cry from former Gov. Mark Warner, a Democrat who is arguably the state's most personable public figure." Webb "gives firm handshakes, but at times needs a reminder to smile in photographs. He has a catchy belly laugh, but it rarely is heard in public. He thrives on foreign-policy issues, but sometimes loses people accustomed to candidates rattling off sound bites."

Outside Groups' Ads Highlight Steele And Cardin's Positions On Abortion. The Washington Post (10/22, C5, Marimow, 748K) reports, "Religious leaders and abortion foes are pumping more than $140,000 into the final two weeks of the Maryland U.S. Senate contest to motivate 'values voters' by elevating such issues as abortion and same-sex marriage in a campaign that has largely been fought over the Iraq war, the future of Social Security and the candidates' disparate styles. The issue of abortion, though, offers one of the starkest contrasts in the race: Republican Michael S. Steele, a former Catholic seminarian, strongly opposes the practice. Democrat Benjamin L. Cardin, a Baltimore congressman, was the keynote speaker at NARAL Pro-Choice Maryland's annual gala last night in Rockville. Although the two major candidates rarely bring up the subject unprompted on the campaign trail, independent groups plan to highlight the issue in radio and television ads, direct mail and fundraising appeals."

Steele Said To Missed Opportunities To Establish His Independence. The Washington Post's Marc Fisher (10/22, C1) writes that Steele's "TV ads have been the talk of the town, not only for their striking style and the lieutenant governor's good humor, but because Steele is bold enough to take some shots at his party's orthodoxy. … Steele has

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managed to portray himself as someone who understands the average Marylander's frustration with both parties and with all the tired tropes of American politics." However, Fisher concludes, "Steele had a choice in this campaign: Add substance to the aura of independence generated by his TV ads, or hide behind that aura, spending his energy instead on pumping up the imagery. Sadly, he stuck with the sizzle, leaving voters still hungry for meat."

Lamont Gives His Campaign An Additional $2 Million. The AP (10/22, Miga) reports Ned Lamont, "trailing Sen. Joe Lieberman by a double-digit margin, dropped another $2 million into his Senate bid in Connecticut on Saturday." Lamont "has tapped his personal fortune for $12.7 million to fund his campaign. Lamont has about two weeks to catch Lieberman, a three-term incumbent who has pulled to a 17-point lead, according to a recent poll. … The third and final televised debate of the race was scheduled for Monday. Unlike their second debate, which featured all five candidates, only Lieberman, Lamont and Republican Alan Schlesinger will share the stage. That could make it easier for Lamont to engage Lieberman directly."

GOP Candidate Distances Himself From Potentially Libelous NRCC Spot. The AP (10/22) reports, "Both major-party candidates for a congressional seat are decrying an ad sponsored by a national Republican committee that accuses the Democrat of billing taxpayers for a call to a phone-sex line. … Arcuri's campaign said an associate mistakenly dialed an 800-number sex line two years ago from Arcuri's New York City hotel room, and released records supporting the claim. The number shares the same last seven digits with the number for the state Department of Criminal Justice Services, which was dialed the minute after the first call was made. Arcuri, the district attorney in Oneida County, said the ad was 'clearly libelous' and threatened to file a lawsuit. His GOP opponent, state Sen. Ray Meier, described it as 'way over the line.' … The ad's sponsor, the National Republican Congressional Committee, stood by the 30-second message. Spokesman Ed Patru insisted it was 'totally true' and said Meier was not consulted."

Shays Vulnerability Attributed To National GOP's Unpopularity. The New York Times' Peter Applebome (10/22) reports, "In the 11th, count 'em, 11th, debate between Representative Christopher R. Shays, the incumbent Republican, and his Democratic challenger, Diane Farrell, Ms. Farrell began, as she usually does, with a brilliantly concise formulation of why people should oust Mr. Shays after 19 years in Congress. … Shays has an artfully articulated maverick image and is one of the more respected members of the House. Candidates like him lose about as often as Roger Federer loses first-round matches. But in a race starkly defined by the war, both camps say the election, a repeat of the one two years ago that Mr. Shays won with 52 percent of the vote, is close to dead even."

Jefferson Faring Well Despite Looming Federal Indictment. The Washington Post (10/22, A5, Lengel, 748K) reports that as Rep. William Jefferson "campaigns for a ninth term," he "has shed little light on the federal investigation of bribery allegations, other than to insist on his innocence. In a TV ad, he talks about 'the presumption of innocence afforded every person' and says, 'For over 18 months, the federal government has investigated me and has yet to bring a single charge against me.' That message appears to be resonating among voters…and so, despite the constant threat of a federal indictment that sources familiar with the probe say is a foregone conclusion, the 59-year-old congressman is confidently campaigning. Jefferson is showing up at public events, ready to work the crowd and touting a record of passing key legislation and getting funds to help post-Katrina New Orleans. Recently he went on the offensive, publicly accusing two of his 12 opponents of being 'ethically challenged.'"

Wilson Dragged Down By Voters' Opposition To Iraq War. The New York Times (10/22, Alvarez, 1.21M) reports, "In interviews with nearly two dozen people in Bernalillo [NM], a small, mostly Hispanic town on Route 66, and its neighbor, Placitas, which is more affluent and increasingly more Republican, voters expressed their concerns about the state of the nation. Asked what issues will sway their votes in the House race here, almost everyone interviewed said, 'The war and ...' (fill in the blank). For some Republicans here, this one-two punch — the war and the federal deficit, the war and corruption, the war and the House page scandal — is enough to catapult some to the other side. Or at least to get them thinking of voting for the other party, something few of them imagined two years ago, they said. … Representative Heather A. Wilson, who was first

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elected in this district in 1998, has won each election with a boost from Democrats. Now, though, she is in a dead heat with Patricia Madrid, the Democratic attorney general, according to recent polls."

Iraq War Is Main Topic Of Gerlach-Murphy Debate. The Los Angeles Times/AP (10/22, Walters) reports Rep. Jim Gerlach "accused Democratic challenger Lois Murphy in a debate Saturday of being inconsistent in her support for U.S. troops in Iraq, while Murphy countered that the war has made the nation less safe. The two-term congressman and Murphy are in battling to gain an edge in a race for a seat from the Philadelphia suburbs that could help determine whether Democrats gain control of Congress." Gerlach "charged in the AARP-sponsored debate that Murphy was not prepared to give U.S. troops the funding they need to help a new government succeed in Iraq."

Edwards Expected To Survive Challenge In Bush's Home District. The San Antonio Express News (10/22, Garcia) reports that GOP House candidate Van Taylor, "a Harvard University graduate who enlisted in the Marines and saw combat in Iraq, seems like the perfect Republican candidate for Congress." However, the GOP increasingly thinks him unable to "end the embarrassment of having a Democrat representing President Bush -- his Crawford ranch is in the district -- by knocking off entrenched incumbent Chet Edwards, the hometown congressman since 1991." The Express News writes, "A growing number of signs nationally suggest a Democratic wave may be in the offing Nov. 7," which may be strong enough to protect Edwards.

Candidates Offer Predictable Responses To Iraq WMD Questions. The New York Times' Mark Leibovich (10/22), in a "Week in Review" piece, writes that "it has become a settled expectation of political life that any candidate who supported the Iraq war resolution in 2002 must now answer the dreaded, 'If you knew then what you know now' question. That is, of course, some variant on the 'If you knew then that Saddam Hussein did not have weapons of mass destruction, would you still have authorized President Bush to use force in Iraq?' … The variety of responses…can be distilled into a few predictable categories. Herein, a primer." According to Leibovich the "'No, but' Response…is by far the most common refrain among Democrats who supported the use-of-force resolution but who now wish they hadn't. The optimal answer should include a quick 'no,' followed by a swift indictment of the Bush administration's incompetence, dishonesty, stubbornness or some such unpleasant thing. And it never hurts to tack on an homage to the troops." Leibovich notes, "Early supporters of the war -- particularly Republicans -- often dispatch with the question in favor of a general lament about typical Washington nay-saying, second-guessing and defeatism (as practiced by 'Defeatocrats')."

NYTimes Endorses Five Democratic Congressional Candidates. The New York Times (10/22, 1.21M), in its New York Region Opinion section, "endorsed a string of congressional candidates, all of them Democrats challenging Republican incumbents. In New York's 19th Congressional District, the board endorsed the Democratic candidate John Hall over the incumbent, Republican Sue W. Kelly. It also endorsed Linda Stender over Representative Mike Ferguson in New Jersey's Seventh Congressional District, Chris Murphy over Representative Nancy L. Johnson in Connecticut's Fifth Congressional District, and Joseph Courtney over Representative Rob Simmons in the state's Second Congressional District.", It also "endorsed David Mejias, a Democratic member of the Nassau County Legislature, against Republican incumbent Peter T. King, who this summer said the decision of The New York Times to publish articles about a secret terrorist-surveillance program was treasonous.'"

Schwarzenegger Blasts GOP Candidate Over "Hate Crime" Mailing. The Los Angeles Times (10/22, Martelle, Rosenblatt, 918K) reports Gov. Arnold Schwarzenegger "stepped up the pressure Saturday on an Orange County Republican congressional candidate, telling reporters that Tan Nguyen should withdraw if he knew about his campaign's mailing of letters intended to threaten immigrant voters. Schwarzenegger denounced the mailings traced to Nguyen's campaign to unseat Democratic incumbent Loretta Sanchez in the 47th District and said that 'anyone that knew…has to resign immediately.'" Schwarzenegger "said the mailings 'were illegal; it's a hate crime….There should be no tolerance for this kind of behavior.'"

The Los Angeles Times (10/22, 918K) editorializes, "the despicable incident was, sad to say, not new to Orange County: Republicans trying to scare immigrants away from

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the polls. But the GOP's reaction this time — calling on its candidate to withdraw — was miles away from previous behavior. Nativist immigrant bashing may be alive in the O.C., but it's not well."

Ehrlich Works To Attract To Democratic Voters. The Washington Times (10/22, Ward, 88K) reports Gov. Robert Ehrlich "rallied in Baltimore County with Democratic lawmakers and officials who endorse the Republican's re-election bid, as Democratic leaders urged voters in the city to defeat the governor even if they 'don't care for' the party's candidate to replace him. 'I have represented majority-Democratic districts for all of my entire career,' Mr. Ehrlich said, standing on a truck bed in a Dundalk parking lot before about 100 supporters. 'Many, many Democrats are stepping up ... not leaving their party, just voting for the person they believe will lead the state,' the governor and former congressman from Baltimore County said. An hour earlier, in the city's Remington area, black Democratic leaders attacked Mr. Ehrlich while denigrating his Democratic challenger, Baltimore Mayor Martin O'Malley."

Friedman's Campaign Said To Have Become Somewhat More Serious. The AP (10/22, Arrillaga) describes three days of Richard "Kinky" Friedman's longshot Texas gubernatorial bid. The AP notes, "When Friedman launched his campaign last year in front of the Alamo, calling for the 'unconditional surrender' of [Gov. Rick] Perry with a country swing band by his side, he was far more Jon Stewart than John Kennedy. Then he hired on [Dean] Barkley, who directed [Jesse] Ventura's successful campaign and later replaced the late Paul Wellstone in the U.S. Senate. Friedman's 60-40 ratio of style-to-substance is now 40-60, says Barkley. The joke-laden speeches are sprinkled with Friedman's stance on legalizing casino gambling to help pay for education, decriminalizing marijuana to free up prison space, developing a taxpayer ID card for illegal immigrants to work."

Edwards Comments Regarding Clinton Regarded As "Foreshadowing" 2008 Primary. The Washington Post (10/22, A7, Goldfarb, 748K) reports, "Comments attributed last week to the wife of former North Carolina senator John Edwards (D) provided a faint foreshadowing of the intraparty battle that could arise when Democrats choose their presidential nominee in two years. Elizabeth Edwards said last Thursday that her life has been a happier one than that of Sen. Hillary Rodham Clinton (D-N.Y.), according to the magazine Ladies' Home Journal."

Columnist Says Democrats Need Strong Leadership From Obama. Frank Rich, in his column in the New York Times (10/22, 1.21M), writes that the important question for Democrats "is not whether" Sen. Barack Obama "will seek the presidency, but what kind of candidate he would be." The Democratic Party "needs a major infusion of steadfast leadership. That's the one lesson it should learn from George Bush. Call him arrogant or misguided or foolish, this president has been a leader. He had a controversial agenda -- enacting big tax cuts, privatizing Social Security, waging 'pre-emptive' war, packing the courts with judges who support his elisions of constitutional rights -- and he didn't fudge it. He didn't care if half the country despised him along the way." Rich contrasts Obama's "consistent" opposition to the Iraq War with Sen. Hillary Clinton and says that for Democrats, "one of their best hopes for long-term viability in the post-Bush era is that Barack Obama steps up and changes the party before the party of terminal timidity and equivocation changes him."

Candidates Shift Campaign Strategies To Account For Absentee Voters. The New York Times (10/22, Broder, 1.21M) reports, "For millions of Americans, Election Day is already over. Thirty states now allow no-excuse absentee voting, and most of them also allow voters to cast early ballots in person at county clerks' offices or satellite polling places. In Montana, absentee ballots were mailed Sept. 22. As many as 40 percent of Florida's voters will cast their ballots before Election Day, Nov. 7. Oregon's elections are conducted entirely by mail, and Washington is moving that way. California sent out 3.8 million absentee ballots the week of Oct. 8. Candidates are maneuvering to adapt to a changed political calendar, accelerating their advertising, their mailings and their get-out-the-vote calls. They are figuring out exactly who votes early and are trying to get to them before they cast their ballots. They are raising more money and spending it faster. … Experts estimate that more than 20 percent of voters nationwide will cast their ballots before Election Day by mail or at early-voting locations, a proportion of the electorate that is rising with each election."

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California Voters Faced With Ballots As Long As 124 Pages. The Washington Post/AP (10/22, A4, Konrad) reports, "Voter guides are landing with a thud on doorsteps across California as residents are facing an unusually large number of ballot measures and candidates in next month's election. Election officials worry that the state's largest guides -- 192-page books sent to 12 million homes -- will overwhelm and discourage would-be voters. The array of complicated issues on the ballot might also lead to long lines and delays at polling sites if people haven't done their homework. A majority of voters are expected to vote by mail. But the ballots are so big that election officials fear some might be returned for insufficient postage. … The November sample ballot in San Joaquin County is the largest ever -- 100 to 124 pages, depending on the district, or triple the normal size. Many pages are devoted to a proposed tax increase to pay for road and rail projects."

Mining Executive Financing West Virginia GOP Candidates. The New York Times (10/22, Urbina, 1.21M) reports, "Don L. Blankenship is not the governor of West Virginia. But here in coal country some say he may as well be, considering the power he wields. Mr. Blankenship, the chief executive of the state's largest coal producer, Massey Energy, has promised to spend 'whatever it takes' to help win a majority in the State Legislature for the long-beleaguered Republican Party in a state that is a Democratic and labor stronghold. In a state where candidates who win typically spend less than $20,000, Mr. Blankenship has poured more than $6 million into political initiatives and local races over the past three years. Mr. Blankenship has spent at least $700,000 in his current effort to oust Democrats, and the state is awash with lawn signs, highway billboards, radio advertisements and field organizers paid for by him."

Minnesota's Independence Party Works To Broaden Its Reach. The Washington Post (10/22, A8, Defiebre, 748K) reports, "In 12 years as a major political party in Minnesota, the Independence Party has produced one larger-than-life governor, an appointed U.S. senator for 7 1/2 weeks and a smattering of local officials. Now the party of Jesse Ventura is pinning its hopes on eight statewide and federal candidates, none of whom has ever stood for election before, plus a collection of 17 seekers of lesser offices. … In some ways, the Independence Party is a serious political force while in others it's still a struggling newcomer."

Members Of Congress Now Wary Of Appearing On Colbert Report. The Los Angeles Times (10/22, Puzzanghera, 918K) reports, "Most politicians are as likely to pass up free TV face time before an election as they would be to refuse a campaign check. Then again, there's a price to be paid for looking stupid. That's what members of Congress have learned recently about 'Better Know a District,' a sarcastic weekly skit that is part of 'The Colbert Report,' a nightly half-hour on Viacom Inc.'s Comedy Central network. … Many lawmakers initially played along with the segments in which Colbert interviews a member of the House of Representatives, with few checks and balances on his proclivity to make fools of them. But after a couple of House members stumbled badly on the show, some incumbents decided that the dumbest thing to do with Colbert's offer of free TV exposure was to take it."

Campaign Funding Analysis Suggests GOP Will Retain Control Of Congress. Barrons (10/22, McTague) reports that its analysis of candidates' finance data suggests that, contrary to conventional wisdom, "the GOP will hang on to both chambers, at least nominally. We expect the Republican majority in the House to fall by eight seats, to 224 of the chamber's 435. At the very worst, our analysis suggests, the party's loss could be as large as 14 seats, leaving a one-seat majority. But that is still a far cry from the 20-seat loss some are predicting. In the Senate, with 100 seats, we see the GOP winding up with 52, down three." The prediction is based "in almost every race on which candidate had the largest campaign war chest, a sign of superior grass-roots support. We ignore the polls." According to Barron's, using campaign funding as an indicator is close to 98% accurate in recent years for House races and 89% accurate for Senate races.

Nation Of Islam Prepares For New Leadership. The Washington Post (10/22, A3, Fears, Harris, 748K) reports that as Louis Farrakhan battles a "life-threatening" illness members of the Nation of Islam's board are "poised to take over the organization." The Post adds, "A change in leadership could allow the Nation to move away from a controversial mythology. Followers are taught that the group's founder, Wallace Fard, was an incarnation of God and that a scientist named Yacub created white people, notions that are dismissed by orthodox Muslims."

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Rice Prods Russia On Freedoms, Georgia.

Secretary Rice's trip to Russia received coverage in major newspapers, but the stories focused mainly upon her criticism of Russian domestic freedoms and Georgia policy, devoting little space to North Korea. The New York Times (10/22, Shanker, 1.21M) reports that upon arriving in Russia to discuss the North Korean nuclear crisis, "Secretary of State Condoleezza Rice criticized shrinking Russian press freedoms, questioned the enforcement of a restrictive new law on foreign private groups here and called for eased tensions between Russia and neighboring Georgia." All this "raised the possibility of a testy atmosphere for the discussions in Moscow." With "a symbolic decision that no doubt will be scrutinized by the Kremlin leadership, Ms. Rice invited senior editors of Novaya Gazeta, a leading independent journal, to a meeting at her hotel" that "included the son of the assassinated journalist Anna Politkovskaya," and "Rice said that the future of a free Russian press and electronic media 'is a major concern' of the United States government.." She also said she "would ask Russian leaders to explain the enforcement of a new law that requires foreign nongovernmental organizations to register with the government," and "planned to urge Moscow to reduce any chance for increasing conflict with neighboring Georgia." She met with Foreign Minister Sergey Lavrov and a dinner with Defense Minister Sergei B. Ivanov, and a senior State Department official "described Ms. Rice's discussions with Mr. Lavrov on Georgia as 'constructive.'" Rice "also intended to discuss efforts to halt not only North Korea's nuclear program, but Iran's."

The Washington Post (10/22, A21, Kessler, 748K) adds, "Rice's high-profile meeting" with the journalists was "scheduled at the request of the State Department," and "her decision to highlight her concern about eroding press freedoms in Russia indicated the delicate balance the Bush administration is trying to strike with Russia." One of Rice's aides said "it was not a poke in the eye but the right thing to do." AFP (10/22, Milikin) describes Rice as delivering "some pointed messages," and the AP (10/22, Gearan) labels it "a symbolic rebuke." The Washington Times/AP (10/22, Gearan) publishes a version of the AP article.

The Los Angeles Times (10/22, Holley, 918K) focuses equally on the North Korea issue and Rice's other activities. It quotes Dmitry Muratov, editor of Novaya Gazeta, as saying "I was touched to the soul to see how Condoleezza Rice, both as a person and a politician, found precise, delicate and tactful words to express her deep sorrow and sympathy in front of the slain journalist's son."

In Latest Anti-Expression Incident, Thugs Beat Activist Moscow Art Gallery Owner. The New York Times (10/22, Kishkovsky, 1.21M) reports that in "the latest incident to raise troubling questions about xenophobia and freedom of expression in Russia," a group of men burst into Marat Guelman's contemporary art gallery, "destroying work by an ethnic Georgian artist and beating up the owner." Guelman is "well known both for his display of politically inspired and irreverent art and, most recently, his public attacks on neofascists for their dislike of non-Russians and of Western influence on Russian society." It was not clear if the attack was motivated by his criticism of the Kremlin, his displaying art considered antireligious by Russian Orthodox fundamentalists, his criticism of neofascists and nationalists, or the "anti-Georgian sentiment that has surged this fall."

Anti-Immigrant Mood Intensifies In Russia. The New York Times (10/22, Myers, 1.21M) profiles Aleksandr Belovm, the founder of the Movement Against Illegal Immigration, which "now claims thousands of members in branches across all of Russia." His "views -- unabashedly hostile to foreigners, at times unflinchingly racial in character -- are no longer just tapping a nativistic undercurrent, but moving into the mainstream of the political debate" amidst "a wave of racial violence." President Putin "gave such simmering feelings a public endorsement," on Oct. 5, "denouncing the 'semi-gangs, some of them ethnic' that control Russia's wholesale and retail markets."

Georgia Rules Out Force Against Separatist Regions. The Los Angeles Times/AP (10/22) reports that in "a rebuttal to Russian President Vladimir V. Putin's assertion Friday at a summit with European Union leaders that Georgia was planning to take back South Ossetia and Abkhazia by military means," Georgian President Mikhail Saakashvili "ruled out the use of force to establish control over two pro-Russian separatist regions" and "said Tbilisi remained open to dialogue with Moscow to reduce tension that has escalated since the former Soviet republic temporarily detained four purported Russian spies last month."

Russia Opposes Punitive Measures For Iran.

The AP (10/22, Gearan) reports that "even before" Secretary of State Condoleezza Rice "arrived in the Russian capital, her Russian counterpart said Moscow will not allow the Security Council to be used for punitive measures against Iran."

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Foreign Minister Sergey Lavrov did say that "Russia…was ready to discuss ways to pressure Iran into accepting broader international oversight of its nuclear program." AFP (10/22) adds that Lavrov said "Russia would oppose any effort to use the UN Security Council to promote a change of regime in Iran." However, he added that "the Iranian side must finally bow to the constructive proposals that have been made and fully cooperate with the IAEA."

Russia Gives Rice Assurances On North Korea Sanctions. The Los Angeles Times (10/22, Holley, 918K) reports, "Rice pressed Russia for a tougher stance against nuclear proliferation." She "mentioned possible U.S.-Russian cooperation in enforcing sanctions against North Korea under the 2003 U.S.-led Proliferation Security Initiative."

AFP (10/22, Milikin) adds, "Russia has indicated it would strictly enforce sanctions on North Korea as US Secretary of State Condoleezza Rice met top leaders in Moscow." A senior State Department official said, "'It seems clear that the Russians take 1718 seriously'…referring to the UN Security Council resolution imposing sanctions on North Korea."

Rice Said To Be Deflecting North Korea Criticism With Optimism On China. In an analysis piece, the Washington Post (10/22, A21, Kessler, 748K) reports, "Many experts regard North Korea's test as a failure of Bush's nonproliferation policy." However, with "her trip to Asia this week," Secretary of State Condoleezza Rice "has come close to saying the test was a net plus for the United States. She has tried to deflect criticism by saying the test was an affirmation, rather than a failure, of the Bush administration's policy of trying to draw China deeper into negotiations on North Korea." Other U.S. officials also "have begun to depict China's increasingly central role in the administration's myriad foreign policy problems as a significant achievement." However, Rice acknowledged that "the shift will not 'happen in one fell swoop,'" and "that it was still unclear how hard the Chinese government would push North Korea."

US Reiterates Nuclear Protection Of South Korea, Using Stronger Language. The AP (10/22, Mann) reports, "The U.S. is pledging 'immediate support' of South Korea as part of a 'firm' commitment to defend its ally under America's nuclear umbrella, stronger language than in last year's version of their long-standing policy statement." At their meeting Friday, Defense Secretary Donald Rumsfeld and South Korean Defense Minister Yoon Kwang-ung "disagreed over how explicitly the U.S. should say that South Korea is under that umbrella," as "the South Korean delegation sought to persuade Pentagon officials to issue a public statement saying that if the North attacked the South with nuclear weapons, the U.S. would retaliate as if American territory itself had been attacked by nuclear weapons." However, "U.S. officials resisted, saying that would go beyond what the U.S. normally says publicly about how it would respond with regard to nuclear weapons. For decades, U.S. policy has been deliberately designed to include some ambiguity about the circumstances under which it would use nuclear arms."

South Korea Continues Projects In The North, Which Is Said To "Signal Strength." The AP (10/22, Herman) reports, "South Korea is still sending tourists to a mountain resort in the North and maintaining a joint economic zone, despite pressure to cancel the projects after Pyongyang's nuclear test," as "cutting off the joint projects…would mean Seoul would lose influence in the North, leaving the isolated nation wide open for China — the North's No. 1 trade partner and a key source of aid." However, "the U.S. has scoffed at the tourism venture…saying the project simply hands money to the North Korean government," and "has questioned labor practices in a joint economic zone where North Korean workers provide cheap labor for South Korean firms." Still, "China has made increasing economic inroads in the North in recent years, and South Korea has expressed concern that North Korea could become a de-facto Chinese province." Intensely nationalistic Koreans worry "that China is staging a shadow campaign to maneuver for position after a North Korean collapse." The AP concludes, "Seoul's reluctance to back out of its projects with North Korea could be a way of signaling strength — and ensuring that Koreans will have a land to call their own for centuries more."

UN Diplomats Said To Dread North Korean Ambassador's "Tirades." The Washington Times (10/22, McElroy, 88K), in an article titled, "Envoy's Tirades Elicit Chuckles At U.N.," reports, "Diplomats at the United Nations dread the arrival of North Korean Ambassador Pak Gil-yon at the microphone. Known sarcastically as Dr. Chuckles for his highly-strung manner, he is a master of florid tirades," and

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one a diplomat said, "We never get anything worthwhile out of him." Pak's "performance has done nothing to salvage the already low reputation of North Korean diplomacy."

In Stopping Trade, China Must Balance Instability Against North Korean Collapse. The New York Times (10/22, Onishi, 1.21M) reports, "North Korea's porous 880-mile border with China is its lifeline to the outside world," and "For China, the bottom line is to erect the right number of fences, as it did along the border city of Dandong recently. Build too few and you invite instability in China. Build too many and North Korea collapses," which "is clearly something Beijing doesn't want," as it "might send more North Koreans into China" or "could also bring reunification of the Korean Peninsula under America's ally South Korea."

Kristof Blames North Korea Nuclear Weapons On Bush Policies, Calls For Engagement. Nicholas D. Kristof writes in his column in the New York Times (10/22, 1.21M) that Bill Clinton "inherited a situation that, if it had continued, would have resulted in North Korea having hundreds of nuclear weapons by now, and producing an additional 50 each year. Instead, Mr. Clinton negotiated a deal with North Korea that resulted in it producing not a single ounce of new plutonium in his eight years in office. In contrast, President Bush inherited that North Korean nuclear freeze and, if he had just left it alone, North Korea wouldn't have produced any new plutonium. But Mr. Bush overruled Colin Powell's efforts to continue the engagement — and so North Korea has churned out enough plutonium on Mr. Bush's watch for perhaps eight nuclear weapons."

Journalist Notes North Korea Situation Involves "Old-Fashioned Clash Of Nations." Peter Maass, a contributing writer and former reported from South Korea for The Washington Post, in the New York Times Magazine (10/22) writes, "We can now thank North Korea's leader, Kim Jong Il, who is credited with directing several movies, for creating a Mexican standoff," one "that involves a) as many as six participants, including b) countries that are threatening one another with c) nuclear weapons." Still, it is the "old-fashioned clash of nations and national interests, exacerbated, as often happens, by the imperatives of regime survival," demonstrating that "new threats, like Islamic extremism, do not replace old ones." This situation, "history shaped by the rivalries, interests and missteps of nations rather than terrorists dashing from hideout to hideout," is "the way the world has been ordered and disordered since the emergence of the nation-state and even before, and it did not vanish on Sept. 11, 2001," just as "certain basic facts — war is an extension of politics, politics are often driven by a need for resources as well as collective feelings of pride or shame — remain much the same in the wake of Sept. 11."

Corruption Said To Be Rampant In China. In a week in review article, the New York Times (10/22, Yardley, 1.21M) reports that "there is the perception, fair or not, that official corruption is everywhere in China," and "To some extent, the ruling Communist Party does not disagree." With "an economic boom gilded with excess and profiteering, official corruption is so widespread, and increasingly so brazen, that it is almost taken for granted." While much malfeasance goes undiscovered or is covered up by the party," that "information that does reach the public domain is stunning." Although "President Hu Jintao and Prime Minister Wen Jiabao have warned that corruption threatens the credibility and legitimacy of Communist Party rule and have vowed to stamp it out," many experts warn "that truly stamping out corruption would involve the type of broad political reform and a full embrace of the rule of law that the party has long resisted," and "would topple…many of his own political allies." Instead, "the government responds largely with propaganda campaigns." Still according to some experts, "to some extent, the corruption problem is not atypical for the country's stage of development,"

Facing Domestic Stress, Egypt Presses US To Resolve Palestine. The New York Times (10/22, Slackman, 1.21M) reports that senior officials say, "Faced with twin political threats — a rising Islamic movement at home and diminished influence throughout the region — Egypt is pressing the United States for an aggressive promotion of Palestinian statehood as a means of strengthening itself and other Arab governments allied with Washington." They "see a major regional peace initiative by Washington as the first necessary step toward stealing momentum from Islamic groups," although "optimism is limited that Washington will put the stated interests of its Arab allies ahead of the perceived interests of Israel." In "evidence of growing concern and frustration here," during her recent visit "Egyptian officials told Secretary of State Condoleezza Rice…that the United States should move straight 'to the endgame'" in Palestine.

Abbas Calls On Retired Commander To Curb Hamas In West Bank. The AP (10/22, Federman) reports

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that "a day after Palestinian Foreign Minister Mahmoud Zahar, a top Hamas leader, said the Islamic group would beef up its militia in Fatah's West Bank stronghold, Palestinian president Mahmoud Abbas brought security commander Ismail Jaber "out of retirement Saturday to block Hamas from building up its forces in the West Bank, the latest sign that the standoff between the Islamic militant group and Fatah could erupt into widespread violence." He "has been tainted by corruption but is respected by thousands of gunmen loyal to Mahmoud Abbas' Fatah movement." Previously Abbas had "forced Jaber and other senior officials into retirement as part of his efforts to root out corruption." Now, an official close to the Palestinian leader said that he "hopes Jaber will help him curb Hamas' plans in the West Bank."

Veil Debate Said To Represent Shift In Britons' Limits Of Tolerance. The New York Times (10/22, Cowell, 1.21M) reports, "Rarely has Britain's struggle to define its relationship with a disaffected and diverse Muslim minority seemed so fraught as it was last week, with the debate fixated on where a woman can wear…the niqab, the full-face veil," which, for Britons, "has come to offer an emblem by which Islamic separation may be criticized without challenging the right of 1.6 millions Muslims — fully 3 percent of the population — to practice their faith." The debate "seems to signal a broader shift as non-Muslim Britons set new limits of tolerance, not just for recent immigrants but for a younger, home-grown generation of more assertive British Muslims," and "there is a ginger step toward the notion that the right of the group might trump the right of the individual under more circumstances." Concurrently, "A blame-game question is emerging: Who is responsible for the widening gulf between majority and minority?" For Muslims born and raised in Britain, the "paradox" is that they "are an integral part of the society that seems to reject them. To be accepted, they need to assert their presence, yet in doing so, they fall afoul of pressures to conform to the standards of the non-Muslim majority.

Former Dutch Lawmaker Calls For Reform, Moderate Approach To European Muslims, Immigraiton. Ayaan Hirsi Ali, a former Dutch legislator from Somalia who now lives in the U.S. where she is a fellow at the American Enterprise Institute, writes in the Los Angeles Times (10/22, 918K) that the worst-case scenario for Europe will be if "the warnings of the" pessimists about immigration are "not be heeded" and the "optimism" immigration's proponents is "abandoned." Then, "the monopoly of force that is now exclusive to states will be challenged by armed subgroups. European societies will be divided along ethnic and religious lines," and "Europeans will come to accept the de facto implementation of Sharia law in certain neighborhoods and even cities." However, if Europeans are cautious but lively, they can create the best case scenario. It begins with "controlled or planned immigration," as the "current system in most European countries is designed to attract the highest number of people with truly heartbreaking stories, not the highest number of people who are willing and able to adapt to the European society."

Schroeder Says Bush's Religiosity Created Reservations. The AP (10/22, Eddy) reports, "Ex-Chancellor Gerhard Schroeder, whose second term was marked by vehement opposition to the war in Iraq, described in an advance copy of his memoirs how he was suspicious of President Bush's constant references to his Christian faith." He "said he could not reconcile himself with the feeling that religion was the driving force behind many of Bush's political decisions," writing, "What bothered me, and in a certain way made me suspicious…was again and again in our discussions how much this president described himself as 'God-fearing.'" Schroeder also "accused some elements in U.S. as being hypocritical when it comes to secularism in government. 'We rightly criticize that in most Islamic states, the role of religion for society and the character of the rule of law are not clearly separated,' Schroeder wrote. 'But we fail to recognize that in the USA, the Christian fundamentalists and their interpretation of the Bible have similar tendencies.'" The Los Angeles Times/AP (10/22) runs a shortened versions of the AP story.

Panama Expected To Vote To Expand Canal. The Los Angeles Times (10/22, Kraul, 918K) reports, "Voters are likely to approve a $5.2-billion project to expand the Panama Canal today, according to polls, despite warnings of an accumulation of debt, competition, technical miscalculations and possible environmental damage. Only scattered opposition has developed," and they "have been obscured by the well-oiled campaign by the government of President Martin Torrijos to sell the expansion as a competitive necessity." Still the opposition says "the expansion amounts to fixing something that isn't broken, and

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that the nation is risking its most important asset on dubious engineering and financial assumptions." Also, "skeptics say that cost overruns are inevitable and that they will be shouldered by taxpayers."

US Embargo Blamed For Cuban Market Restrictions. The Washington Post (10/22, A14, Roig-franzia, 748K) reports, "'Por la izquierda ,' or 'on the left;' Cubans use the phrase to describe back-alley deals both large and small. They scheme on the left to cope with chronic shortages and to skirt myriad rules that prohibit most forms of private enterprise and govern the minutiae of their daily lives." The Cuban government says "the restrictions that push so many Cubans to the left are, in some cases, necessitated by the U.S. trade embargo and, in others, a counteroffensive in the nearly half-decade propaganda war between the countries." A Cuban official said, "It's equivalent to genocide." The Post added that "even Cubans who are critical of the Castro government tend to have similarly heated reactions to the embargo. Their trips into the black market unspool as quiet acts of rebellion against both U.S. policy and the restrictions imposed by Castro."

Mexican President-Elect Seeks Help From US In Fighting Drug Lords. The AP (10/22, Weissert) reports, "The drug lords at war in central Mexico are no longer content with simply killing their enemies. They are putting their severed heads on public display." Mexican president-elect Felipe Calderon "wants a new, better trained federal police force to investigate drug smuggling, longer prison terms for drug convicts and more extraditions of kingpins wanted in the U.S. He says Mexico also needs more help from U.S. law enforcement, since Mexican smugglers are serving American drug users. Attorney General Magana denies Calderon's contention that Mexican law enforcement is overwhelmed. But in Villa Madero…the abrupt mass departure of police officers suggests a different picture." A local official said that the local police are afraid of these gangs he described as "very well armed and very dangerous." Subsequently, "since the police officers quit, many in Villa Madero say they are afraid to leave their homes."

Over 10,000 Homeless After Indonesian Mudslide. The Washington Post /AP (10/22, A20, Brummitt) reports, "Four months ago, a torrent of hot mud from deep beneath the surface of Indonesia's seismically charged Java island began surging from a natural gas exploration site following a drilling accident. The 'mud volcano' pours out about 165,000 cubic yards of mud every day -- enough to cover a football field about 75 feet deep. Often spewing out in geyser-like eruptions, the mud has left about 665 acres swamped or abandoned as unsafe, forcing more than 10,000 people from their homes."

New Perspectives Needed In Darfur. Morton Abramowitz, a senior fellow at the Century Foundation and a former assistant secretary of state, in an op-ed in The Washington Post (10/22, B7, 748K) writes that perhaps we "need to consider whether a different message is required to get urgent action from the Bush administration on ending the violence. Specifically: Is it not time to go beyond urging greater pressure on Sudan and using force in the region to seek immediately an effective negotiated peace settlement between Sudan's leader and the rebel groups in Darfur?" Abramowitz criticizes the media's "relentless campaign to persuade Western governments to stop the killing in Darfur, protect and feed its people, and get millions of refugees out of camps and back home." Abramowitz cites the problem of "public pressure for aggressive military measures has sometimes worked in persuading Western democracies to take actions they prefer not to take ... Robust military measures are, unfortunately, simply not acceptable to governments, whatever they may say about 'never again.'"

LATimes Urges Administration To Talk With Syria. The Los Angeles Times (10/22, 918K) editorializes that the Bush administration "continues to insist that merely talking to nasty regimes legitimizes and empowers them. This stance is impeding progress on Middle East peace. The U.S. should sit down and talk to Syria -- and encourage Israel to do the same." Instead, the White House "is reportedly pressuring Israel not to negotiate with Damascus, arguing that to do so would undermine U.S. efforts to isolate and punish Syria." The Times adds, "The administration should realize that the mere act of talking to your adversaries is not a sign of weakness." Therefore, "Bush should send former Secretary of State James A. Baker III to Damascus. Baker, a veteran of many rounds of bruising negotiations with Assad's father, has said he favors talking to Damascus. An Israeli-Syrian breakthrough is attainable, and it could jump-start the Israeli-Palestinian peace process."

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THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Bush's Family Profits from 'No Child' Act."
"Alaska Villagers Living in Bird Flu's Flight Path."
"The Selfless and the Dead."
"Transplant Monitor Lax in Oversight."

New York Times:
"Living With Love, Chaos and Haley."
"S.E.C. Inquiry on Hedge Fund Draws Scrutiny."
"U.S. to Hand Iraq a New Timetable on Security Role."
"With Guarded Cheer, Democrats Dare to Believe this is Their Time."
"On Baghdad Streets, a Police Partnership Falters."
"That Squish Behind the Jet Seat May Be an Open Ketchup Pack."

Washington Post:
"In a Land Without Order, Punishment is Power."
"How Foley Skirted Rules to Pursue Relationships."
"Democrats Strengthen Chances for Senate."
"'Click Fraud' Threatens Foundation of Web Ads."
"Gunshot Sensors are Giving D.C. Police Jump on Suspects."

Washington Times:
"Bush Sticks to Mission: U.S. Victory."
"Retail Goliath Casts Shadow."
"GOP Seeks to get back on Message."
"Ehrlich Woos Anti-O'Malley Democrats."
"P.S. I Don't Love You."

Detroit Free Press:
"For the Birds- Mitch Albom: Victory Not in the Cards."

Atlanta Journal-Constitution:
"World's Largest Cocktail Feud."
"Candidates' Mouthpieces have Teeth."
"Stem Cell Impasse Isakson Believes he has a Solution."
"A Tale of Remorse and Reconciliation in Americus."
"Was Jesus Rich?"

Dallas Morning News:
"U.S. Shifts Gears on Iraq."
"A Life Rebuilt."
"Diocese Say No, for Now, to Episcopal Split."
"Perry, Strayhorn Hunt for Voting Mother Lode."

Houston Chronicle:
"It's Perry's to Lose, But Turnout is Key."
"The New Face of Appalachia."
""Panama Vote Today Affects Port Here."
"Skilling's Case Stands Apart in Corporate Crime."

Story Lineup From Last Night's Network News:
ABC: Preempted By College Football
CBS: Preempted By College Football
NBC: Did not broadcast national news program.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH —Unavailable.
VICE PRESIDENT CHENEY -- Unavailable.

US Senate: No scheduled events.

US House: No scheduled events.

Other: Oct. 14 - 23. PSYCHIATRIC SERVICES _ The Americam Psychiatric Association hosts its 2006 Institute on Psychiatric Services. Location: Marriott Wardman Park Hotel, 2660 Woodley Road NW.

Oct. 19 - 22. EDUCATION-DRUG ABUSE _ The 20th Annual National Meeting on Alcohol and Other Drug Abuse and Violence Prevention in Higher Education will be held. Location: Hyatt Crystal City , 2799 Jefferson Davis Highway. Contacts: Jo Ann Webb, 202-401-1576

Oct. 21 - 23. SWEDISH EMBASSY _ Cremonies marking the opening of the House of Sweden, the new Swedish Embassy.
Location: 2900 K St. NW. Contacts: Andres Ericson, 202-467-2655

Oct. 22 - 27. CARDIOVASCULAR CATHETERIZATION _ Transcatheter Cardiovascular Therapeutics holds its annual meeting. Location: Washington Convention Center. Contacts: Susan Rood (Press room phone), 202-279-4534

11 a.m. - 4 p.m. YOUNG SCIENTISTS _ The 40 middle school students who are finalists in the Discovery Channel will present their projects to the public. Location: Smithsonian's National Museum of Natural History. Contacts: Katie McCormick Lelyveld, 202-295-0174

12 p.m. BEIRUT BOMBING _ The White House Commission on Remembrance holds a ceremony honoring the 242 Americans killed by a terrorist bombing in Beirut in October, 1983. Participants include Fannie Mae CEO Daniel

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Mudd, bombing survivors, others. Location: Section 59, Arlington National Cemetery. Contacts: Steven Schwark, 202-783-4665

1 p.m. LIBRARIANS _ The Public Printer of the U.S., Bruce James, addresses the Fall Federal Depository Library Conference and Depository Library Council meeting. Location: Hyatt Regency on Capitol Hill, 400 New Jersey Ave. NW. Contacts: Veronica ilMeter, 202-512-1957

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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HOMELAND RESPONSE:

US Denies Entry To Muslim Scholar. The AP (10/22) reports, "An Islamic scholar from South Africa has been denied entry into the United States, prompting questions from Bay Area Muslims who had invited him to participate in activities marking the end of the holy month of Ramadan. Fazlur Rahman Azmi was detained by officials from U.S. Customs and Border Protection when he arrived at San Francisco International Airport from London on Friday afternoon, according to" CAIR. The scholar, "who made previous visits to the country as recently as April without problems, was questioned for hours before being denied entry and sent on a plane out of the country Saturday, the group said." The AP adds, "About 1,000 people are denied entry into the United States daily." The Los Angeles Times (10/22, 918K) carries an abbreviated version of this story.

Conspiracy Theorist Quits BYU. The AP (10/22) reports, "A Brigham Young University physics professor who suggested the World Trade Center was brought down by explosives has resigned, six weeks after the school placed him on leave." Steven Jones's retirement is effective Jan. 1, 2007." He "recently published theories about U.S. government involvement in the events of Sept. 11, including one suggesting that explosives inside the World Trade Center -- not airplanes striking the twin towers -- brought the complex down." BYU, which had begun investigating his research, "abandoned its review Friday after reaching a retirement agreement with Jones."

More Remains Found At Ground Zero. The AP (10/22) reports, "Workers recovered more human remains Saturday from several manholes as the city began a new search for Sept. 11 victims. The search was ordered after the surprise discovery of dozens of bones in an abandoned manhole this week. ... The active search for the dead ended at the site in 2002 after a massive cleanup of 1.5 million tons of debris." Bereaved relatives "of some Sept. 11 victims called for a federally led new search for remains."

WAR NEWS:

White House Denies Reports That It Is Drafting Iraq Timetable. In a front page story, the New York Times (10/22, A1, Cloud, 1.21M) reports that according to senior American officials, General George Casey and Ambassador Zalmay Khalilzad are "drafting a timetable for the Iraqi government to address sectarian divisions and assume a larger role in securing the country," which "is to be presented to Prime Minister Nuri Kamal al-Maliki before the end of the year" when, "for the first time" Iraq likely will be

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"asked to agree to a schedule of specific milestones." Senior officials' "willingness to discuss a plan that has not been fully drafted appeared intended at least in part to signal renewed flexibility on the part of the administration, and perhaps also to pre-empt the recommendations of" James Baker's bipartisan Iraq Study Group. It also "moves the administration closer to an idea advocated by many Democrats, who have called for setting a date for beginning phased withdrawals of American troops." Bush also "emphasized that the administration was staying flexible in its planning and would 'make every necessary change to prevail'" in his Saturday radio address. While "White House spokeswoman, Nicole Guillemard, said the Times's account was 'not accurate,'" she "did not specify what officials found to be inaccurate."

And McClatchy Newspapers (10/22, Walcott) report Bush "discussed the plan" for establishing milestones in disarming Iraqi militias "as well as broader strategic and tactical issues in Iraq, with his top military commanders on Saturday, and the officials stressed that any effort to step up the pressure on the Iraqi government would be consistent with the president's longtime strategy." The plan "could take some pressure off Republican candidates in next month's elections at a time when many are finding it increasingly difficult to defend the administration's 'stay the course' rhetoric. It also could blunt Democratic calls for a new direction in Iraq or for a phased withdrawal of American forces."

In contrast, the Washington Post (10/20, A8, Fletcher, 748K) reports, "Bush met with his top advisers and military commanders on Iraq," including Vice President Cheney, Defense Secretary Donald Rumsfeld, Khalilzad and Casey, "in a White House session that, senior officials said, weighed options for forging a way forward amid the surging violence but did not contemplate any major shifts in strategy." The Post also disagrees with the Times in saying "in his Saturday radio address, Bush offered no indications on any major shift." The Post notes the Times story on a timetable, as well as the White House's denial of it. NSC spokesman Frederick Jones said, "The story is not accurate." Still, there is "growing U.S. frustration with the deteriorating state of affairs in Iraq," and "administration officials acknowledge that they have been pressing for months for the Iraqis to take greater responsibility for disarming warring militias and to take other steps to stabilize their country." Dan Bartlett, a top aide to Bush, also said "Benchmarks have been part of the U.S. policy in Iraq for months."

The AP (10/22, Loven) follows the same track as the Washington Post, saying the meeting "indicated little inclination for major changes to an increasingly divisive policy." Secretary of State Condoleezza Rice said, "I wouldn't read into this somehow that there is a full-scale push for a major re-evaluation." The AP also acknowledges the New York Times story.

Similarly, the Washington Times (10/22, Curl, 88K) reports, "With leaks from the independent Iraq Study Group (ISG)…swirling around Washington, the White House has rejected a few trial balloons floated in recent weeks. Those include partitioning Iraq into three sections based on ethnicity and religion and withdrawing 5 percent of U.S. troops every two months." The President "sounded more open to alternative tactics. He said the Iraqi prime minister recently met with tribal leaders from Anbar province, 'who told him they are ready to stand up and fight the terrorists.'"

Bloomberg (10/22, Keil, Capaccio) notes, "Colonel Nelson McCouch, a spokesman for General George Casey…said the approach described in the Times article wasn't new. 'We've been doing this all along,' he said. The U.S., McCouch said, has already established milestones that are adjusted according to conditions in Iraq and aren't hard deadlines."

US Diplomat Said To Admit "Arrogance" And "Stupidity" In Handling Iraq. The AP (10/20, Hendawi) reports that "In an interview with Al-Jazeera television aired late Saturday, Alberto Fernandez, director of public diplomacy in the Bureau of Near Eastern Affairs at the State Department offered an unusually candid assessment of America's war in Iraq," saying "the United States had shown 'arrogance' and 'stupidity' in Iraq but was now ready to talk with any group except Al-Qaida in Iraq to facilitate national reconciliation." He spoke to Al-Jazeera "after a man claiming to speak for Saddam Hussein's outlawed Baath Party told the network the United States was seeking a face-saving exodus from Iraq and that insurgents were ready to negotiate but won't lay down arms." Fernandez called the comments "very removed from reality."

However, a separate AP (10/22, Loven) article notes, "A senior Bush administration official questioned whether the remarks had been translated correctly," saying, "Those comments obviously don't reflect our position." Fernandez "disputes the description of his comments." State Department spokesman Sean McCormack said "he says…that is not an accurate reflection of what he said," and when asked if "the Bush administration believes that history will show a record of arrogance or stupidity in Iraq, McCormack replied, 'No.'"

Three Washington Post Columnists Criticize Administration Iraq Policy. The Washington Post op-ed section has several pieces devoted to Iraq. In the Washington Post (10/22, 748K), George Will writes critically of the administration's conduct of the war, "Today the policy of 'staying the course' means Americans dying to prevent Shiites and Sunnis from killing each other." In 1986 Reagan was advised "that his presidency could not be revived without the removal of Don Regan as White House chief of staff.

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Regan was removed. The Study Group almost certainly will, like the Tower Commission, refrain from making personnel recommendations. But is it plausible that the Bush presidency can pivot without changing senior Defense Department personnel?"

David Broder, in his column in the Washington Post (10/22, 748K), describes what Sens. Carl Levin and Jack Reed would do if Democrats regained the Senate. Both Levin and Reed would, with conditions, favor "engag[ing] directly in talks with representatives of" North Korea. Concerning Iraq, "the two Democrats harked back to the amendment that 39 senators supported during a debate earlier this year -- an amendment that called for a start on U.S. troop withdrawals within six months but set no numbers and specified no target date for ending the U.S. military presence." They argue that the US needs "to force the politicians in Iraq to realize we're not there as their security blanket," in Levin's words. However, they "quickly ruled out" cutting off "funds for the war," saying that change in control of even one chamber of Congress "would have a major impact, a huge motivating force on the president to change course," according to Levin.

James Hoagland, in his column in the Washington Post (10/22, 748K), criticizes the administration's conduct of the war, writing, "The bloody chaos of Iraq under U.S. occupation is shaking Western governments into sobering reassessments of that conflict and of war itself. More urgently, some of these governments have launched tightly held contingency planning for the consequences of a possible American failure in Iraq." Hoagland concludes, "The extent to which U.S. forces were unprepared for insurgency and sectarian warfare in Iraq has become painfully apparent. The lessons they are learning -- which have become prohibitively costly for Americans and Iraqis -- must never again be forgotten."

WPost Calls For Bush To Change Iraq Strategy. The Washington Post (10/22, B6, 748K), in an editorial titled "Change Course In Iraq," writes, "A revised U.S. strategy must aim to jump-start political accord and militia disarmament. But it must also provide for the possibility that decisive progress will not be achievable soon. It should position the United States to defend its interests during a protracted conflict, with levels of troops and other resources that will be sustainable. It should reach out to Iraq's neighbors and other governments with an interest in stabilizing the country. This calls for diplomacy far more deft and aggressive than the administration thus far has engaged in." The US "should abandon attempts to pacify Baghdad or other areas with its own forces. It should adopt a strategy of supporting the Iraqi government and army in a long-term effort to win the war. … Meanwhile, the U.S. and Iraqi governments should formally agree on a plan for turning the fighting over to Iraqi troops, province by province; Mr. Maliki himself has said he wants that transition to occur by the end of next year."

NYTimes Accuses Bush Of Using Iraq War For Political Gain. The New York Times (10/22, 1.21M), in an editorial, accuses President Bush of "finally" consulting with "his generals to consider a change in tactics in Iraq" because of the upcoming elections." The Times states, "For far too long, the White House has looked upon the war as a tactical puzzle for campaign strategists. The early notion of combining Iraq and the war on terror as an argument for re-electing Republicans robbed the nation of any serious chance for a bipartisan discussion of these life-and-death issues." The Times concludes, "There is probably no worse time to begin a serious discussion about Iraq policy than two weeks before a close, bitter election. But now that the discussion has begun, it must continue, as honestly and openly as possible. It is time for the American people to confront all the things that the president never had the guts to tell them about for three and a half years."

Iraqi Policemen Found To Be Part Of The Problem Of Baghdad Violence. In a front page article, the New York Times (10/22, Gordon, 1.21M) reports that "the American command acknowledged that the Baghdad security plan had yet to stem the escalating bloodshed in the city," and a "major reason" is that "After spending billions on building up Iraqi forces, and making withdrawal contingent on that buildup, the Americans have discovered that many of the Iraqi security forces are still not ready to handle security on their own. Throughout much of the city many Iraqis do not trust their own police forces." Iraqi forces "who were supposed to help the Americans keep the lid on the sectarian strife in Baya had stoked old animosities." Furthermore, "American officials say it is clear that the Iraqi forces vitally depend on the Americans for backup." Now "American troops have been sorting the good policemen from the bad the hard way: on the streets of Baghdad, as they try to stop the spiraling sectarian killings."

UK Minister Says Iraqi Army Is "Coming Along." The AP (10/21, Lawless) reports that Foreign Office Minister Kim Howells said that "Iraqi police and military should be ready to take on much of the work being done by U.S.-led forces within a year." Labour Party member Doug Henderson, a former defense minister, though, "said ... that Iraq would probably break into at least three countries -- Sunni, Shiite and Kurdish -- once allied troops have withdrawn." The Washington Times (10/22, Curl, 88K) cites his remarks in passing.

Despite Amara Cease-Fire, Worries Continue About Spread Of Violence. The New York Times (10/22, A14, Burns, 1.21M) reports, "Iraqi troops patrolled a

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tense cease-fire in the southeastern city of Amara on Saturday, but scattered clashes between rival Shiite militias farther north raised new concerns about the potential for a widening of the chaos that shook the city the day before," and "there were other indications that the Amara crisis was far from over." This "concern appeared to be shared by coalition military commanders, who moved a 600-man British battle group to the outskirts of Amara." However, according to government officials Moktada al-Sadr, the political master of one of the militias, "played a crucial role in calming Friday's violence, and that Mr. Sadr's representatives in the city were cooperating in talks aimed at avoiding a resumption." Also, "a government spokesman said senior officials dispatched from Baghdad were investigating the Friday upheaval and were working with tribal leaders and representatives of the rival militia groups on ways of reinforcing the truce, including steps to address the grievances that had caused the clashes."

Mortar Attack Kills 32. The Washington Post (10/22, Knickmeyer, 748K) reports, "Mortar rounds fired by suspected Sunni Arab insurgents rained on a market crowded with shoppers Saturday, killing 32 Iraqis in a predominantly Shiite city south of Baghdad, hospital officials said. Three Marines were killed in attacks in the western province of Anbar, making October the deadliest month for U.S. forces in a year. Seventy-eight American troops have died this month in Iraq, the highest monthly toll since 84 U.S. troops were killed in November 2005." "Several" Mahdi Army members were among the dead in the market; "Sunni families hid in their homes after the attack, fearing retaliation."

October Becomes Deadliest Month Of 2006 In Iraq For US. The AP (10/22, Bodeen) reports the death toll in the market as 18 but repeats the Post's statement that October had become "the deadliest month for American forces this year." The UN "has said at least 100 Iraqis are now killed daily." The San Francisco Chronicle/AP (10/21, Salaheddin) also gives the toll of the marketplace bombing as a "confirmed" 18 dead. The Los Angeles Times (10/22, Daragahi, 918K) reports, "Anti-American insurgents have launched a bombing and shooting campaign that has in part coincided with Ramadan, the Muslim holy month of fasting and atonement, as well as the midterm U.S. election and a more active American military presence in Baghdad and other areas."

Village Sheik Mediates Conflicts In Southern Iraq. In a front page, 2,226-word article, the Washington Post (10/22, Shadid, 748K) reports on Sheik Adnan Aidani of Yusufan who "has an unenviable task in his warren of mud brick, cinder block and concrete: keeping order in a land without it, where society is fracturing, crumbling, even disintegrating. The brutality of today's Iraq has washed over his largely Shiite village of 4,000: In the past few months, 10 people have been killed in Yusufan." The sheik "tries to draw on centuries-old traditions honed by Bedouins in the desert, rules built on honor, respect and reciprocity. ... But in the end, the threat of punishment secures respect for Aidani. That same threat gives power to militias, gangs and criminals who now hold sway even in the streets of a village like Yusufan." The Post relates several instances of conflict mediation by the sheik. Residents "estimate there are about 19 Islamic parties in the region around Basra, each with armed followers."

Iraqi Group Buries Unclaimed Dead. The Los Angeles Times (10/22, Salman, Smith, 918K) reports on "a word-of-mouth burial society for the unclaimed dead, formed during the 1980s war with Iran, starting small and growing with the need. Today, about 500 men -- laborers, professionals, clerics and tribal leaders -- are members of the legation of the dead in this country where deep piety and terrible brutality have repeatedly intertwined." The group has a heavy workload as on "an average trip [to the cemetery], there will be 70 to 100 bodies, victims of the sectarian bloodletting that has gripped Iraq."

Professor Calculates War Has Cost Iraqis 40% Of National Income. The New York Times (10/22, Bernasek, 1.21M) in an "Economic View" article in its business section asks "What has been the cost of the Iraq war for Iraq? As it turns out, it's not easy to find an economist who can provide an answer. … Colin Rowat, has made some preliminary calculations using the best sources available. ... His calculations are a work in progress, but what he has found so far is sobering: the cost amounts to a cut of at least 40 percent in Iraq's national income."

State Department Poll Shows Iraqi Youth Want US To Leave. The AP (10/22, Shrader) reports, "Majorities of Iraqi youth in Arab regions of the country believe security would improve and violence decrease if the U.S.-led forces left immediately, according to a State Department poll that provides a window into the grim warnings provided to policymakers." The poll is "unclassified, but marked 'For Official Government Use Only.'" In it, "strong majorities of 15- to 29-year-olds in two Arab Sunni areas - Mosul and Tikrit-Baquba -- would oppose joining the Iraqi army or police," bespeaking "the difficulty that the U.S.-backed Iraqi government faces as it tries to add ethnic diversity to its security institutions."

Some Afghanis Upset With Government Turn To Taliban. In a 10,052-word article for the New York Times Magazine (10/22), contributing writer Elisabeth Rubin writes part I of her two-part article about the Taliban, in which she explains its resurgence and the reasons that the Pakistani ISI may have had for wanting a Taliban revival: "It is not at all clear that Afghans want the return of a Taliban

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government. But even sophisticated Kabulis told me that they are fed up with the corruption. And in the Pashtun regions, which make up about half the country, Afghans are fed up with five years of having their homes searched and the young men of their villages rounded up in the name of counterinsurgency." In Helmand province, where the Taliban had once suppressed opium, it now "agreed to protect it"; in addition, the US-backed warlords lost support because of their abuses.

Returnees And Families Brace For Next Tour In Iraq. The Los Angeles Times (10/22, Perry, 918K) reports on the stress of families waiting for troops to return from Iraq: "But amid the kisses and tears of relief there was the reality that Joyner and other members of the 3rd Marine Aircraft Wing will probably return to Iraq, maybe next year. For families, another deployment means another prolonged period of constant worry in which every knock on the door carries the potential of the worst possible news." Relatives of several troops who have had three or four tours of duty are quoted.

Seamen Increasingly Become Part Of Ground Force. The Norfolk Virginian Pilot (10/22, Hansen) reports, "The military calls them 'IAs,' shorthand for individual augmentees. They're the 46,000 men and women who have been picked from Navy units to serve, often facing danger, with soldiers and Marines in Afghanistan and Iraq. Once considered a short-term program, the Navy and defense experts acknowledge these sailors are now a permanent part of today's ground force." To reflect the permanence of the change, "The Navy this month created the Expeditionary Combat Readiness Center at Little Creek to track and assist those sailors uprooted from their ships and shore commands." Lexington Institute researcher Dan Goure "said the Navy should expect to fill its support role for a long time. Army and Marine units have been overstretched, deploying three and four times since the Iraq war began."

Debt Keeps Some Troops From Overseas Deployment. The New York Times/AP (10/22) reports, "Thousands of American troops are being barred from overseas duty because they are so deep in debt that they are considered security risks, according to a review of military records by The Associated Press. The number of troops held back has climbed sharply in the past few years. And while it appears to represent a small percentage of all military personnel, the increase is occurring at a time when the armed forces are stretched thin by wars in Iraq and Afghanistan. ... The problem is attributed to several factors, including a lack of financial acumen among young recruits; reckless spending among those exhilarated to make it home from a tour of duty; and the profusion of so-called payday lenders."

Hemet High School Loses Three To Iraq War. In the Los Angeles Times (10/22, 918K), columnist Steve Lopez visits Hemet, California, whose high school has had three graduates die in the war. Lopez visits the school, the Army recruiting office, and the family of "Cpl. Kenny F. Stanton Jr., 20, [who] was killed in Baghdad on Oct. 13." He observes, "Driving away, I find that I'm disturbed by the quiet acceptance of sacrifice to what has been a dubious mission from the beginning. I can't help but remind myself that the architects of the war have risked no personal loss, staying the course with someone else's children."

Doonesbury Creator Incorporates Iraq War Into Strip. In an 8,437-word article for the Washington Post Magazine (10/22, 748K), staff writer Gene Weingarten writes about Garry Trudeau's incorporation of the Iraq war into the Doonesbury comic strip. Weingarten reports, "Trudeau has been talking to injured vets for a couple of years now. It's partly compassionate support for people he has a genuine regard for, and it's part journalism -- the damnedest sort of reporting, for a professional cartoonist....you can't help but hear faint, soul-rattling echoes of Vietnam, which he escaped, like many sons of privilege, by gaming the system." When Trudeau decided to have a character injured in Iraq, he "got a call from the Pentagon. The brass was offering to help him figure out where to go next." Trudeau has won acceptance from former critic Sen. John McCain and a "standing ovation" from a Vietnam veterans' convention, at which he said, "I, like so many of our countrymen, must walk this strange line between hating the war but honoring the warrior."

CORPORATE SCANDALS:

Skilling Bears Burden Of Enron Collapse In Monday Sentencing. The AP (10/22, Lozano) reports, "Ken Lay's death wiped away his convictions. Andrew Fastow got a reduced six-year sentence. That leaves former CEO Jeffrey Skilling as the sole top Enron Corp. executive who could be given at least 20 years in prison when he is sentenced Monday for helping orchestrate the biggest corporate scandal in U.S. history." The AP continues, "In addition to the legal consequences of his actions, the burden of lost jobs, worthless pension plans and ruined lives that resulted from Enron's 2001 collapse has now shifted solely onto Skilling's shoulders. … Lay's death and the lighter than expected sentence handed last month to Fastow, Enron's former chief financial officer, will work against Skilling when he faces sentencing, former federal prosecutor Robert Mintz said." The AP adds, "Skilling was convicted in May of 19

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counts of fraud, conspiracy, insider trading and lying to auditors. Lay, Enron's founder, was convicted of 10 counts of fraud, conspiracy and lying to banks in two separate cases. His death in July vacated those convictions. … Both men repeatedly lied about Enron's financial health when they knew an illusion of success was propped up by accounting maneuvers that hid debt and inflated profits. … 'In theory, the death of Ken Lay should have no impact on the sentence that Mr. Skilling receives. But it's hard to ignore the reality that Jeff Skilling is now standing alone as the figurehead who orchestrated Enron's demise,' Mintz said. 'There will certainly be pressure to make an example of Jeff Skilling and send a message with his sentence.'"

New UnitedHealth Board Chair Faces Difficult Rebuilding Task. The Minneapolis Star Tribune (10/22, Phelps) reports, "To fix a board gone bad, UnitedHealth Group Inc. turned to the guy who started the company's big push for profits 30 years ago." The Tribune continues, "Richard Burke, the new chairman of UnitedHealth Group, has a long history in Minnesota health care. In the 1980s, Burke ran a small company, then called UnitedHealthcare, that managed one of Minnesota's first HMOs, Physicians Health Plan (PHP). PHP eventually became Medica while UnitedHealth grew under William McGuire into the country's second-biggest health insurer. … Now, after McGuire's ouster a week ago in a stock-option scandal, Burke, 62, is presiding over a company with a badly wounded reputation and a board whose future is in doubt." The Tribune adds, "More than a dozen shareholder lawsuits await the company in federal court. The Internal Revenue Service, Securities and Exchange Commission, Justice Department and the Minnesota attorney general's office are sifting through corporate documents looking for legal violations."

Senate Probes SEC's Handling Of Allegations Against "Major" Bush Fund-Raiser. The New York Times (10/22, Bogdanich, Morgenson, 1.21M) reports, "By the evening of June 20, 2005, the government's investigation of possible insider trading by Pequot Capital Management, a prominent hedge fund, had reached a critical stage. Throughout the day, Robert Hanson, a branch chief in the Washington office of the Securities and Exchange Commission, had been questioning his lead investigator in the case about taking the testimony of John J. Mack, an influential Wall Street executive. The investigator, Gary J. Aguirre, was trying to find out if Mr. Mack had obtained inside information about a merger and passed it to his friend, Pequot's founder, Arthur J. Samberg. … But three days later, the investigation abruptly changed course. Mr. Aguirre later told a Senate committee that after news broke that Mr. Mack was being considered to run Morgan Stanley, his supervisor said he could not interview the executive because of his political power. Mr. Aguirre protested and was eventually fired." The Times adds, "Now, it is the S.E.C. that is under scrutiny. Two Senate committees — Finance and Judiciary — are investigating how diligently the S.E.C. pursued its Pequot inquiry, whether Mr. Aguirre's firing was an attempt to silence him, and whether senior S.E.C. officials gave special treatment to Mr. Mack by not taking his testimony when Mr. Aguirre wanted to. Mr. Mack, a major fund-raiser for President Bush's 2004 campaign, was eventually interviewed last August, after Congress began asking questions."

Ruling On Election Of Directors Puts Pressure On SEC Chairman. The Los Angeles Times (10/22, Peterson, 918K) reports, "In his first year as chairman of the Securities and Exchange Commission, Christopher Cox is widely credited with bringing accord to a panel that was bitterly divided over how aggressive it should be in policing corporate wrongdoing in the wake of Enron and other scandals." Cox "has shepherded a handful of reform-oriented measures without controversy, steering clear of proposals on which the odds of finding common ground appeared slim. Now, however, a federal appeals court decision has tossed a grenade-like issue into the SEC's chambers — putting Cox's diplomatic and leadership skills to their toughest test. The court decision is forcing the agency to again confront demands to give shareholders a bigger say in the nomination of corporate directors. … Although the panel's makeup has changed, it is not clear that the group of three Republicans and two Democrats can take more than a cautious step to open up elections before exposing its own ideological differences. Nor is it clear that Cox is prepared to follow his predecessor in bringing up matters that force him to cast contentious, tie-breaking votes."

CRIMINAL LAW:

DOJ Reaches Settlement With Columnist Over NCLB Promotion. The Washington Times (10/22, Debose, 88K) reports, "The Justice Department has reached a settlement with conservative commentator Armstrong Williams, closing a yearlong investigation into his promotion of Bush administration education reforms. The final eight-page agreement among Mr. Williams, the Education Department and its subcontractor, Ketchum Communications, was reached Thursday. The carefully worded settlement papers…state that Mr. Williams is not guilty of any criminal violations, but must repay a portion of his fee to the federal government. According to the documents, Mr. Williams will have to pay $34,000 to settle the case."

Districts Use NCLB Funds To Purchase Products From Neil Bush's Company. The Los Angeles Times

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(10/22, Roche, 918K) in a story titled "Bush's Family Profits From 'No Child' Act" reports, "A company headed by President Bush's brother and partly owned by his parents is benefiting from Republican connections and federal dollars targeted for economically disadvantaged students under the No Child Left Behind Act. With investments from his parents, George H.W. and Barbara Bush, and other backers, Neil Bush's company, Ignite! Learning, has placed its products in 40 U.S. school districts and now plans to market internationally. At least 13 U.S. school districts have used federal funds available through the president's signature education reform, the No Child Left Behind Act of 2001, to buy Ignite's portable learning centers at $3,800 apiece." The Times adds that although NCLB "provides federal funds to help school districts better serve disadvantaged students and improve their performance, especially in reading and math" Ignite "does not offer reading instruction, and its math program will not be available until next year." Neil Bush "said in an e-mail to The Times that Ignite's program had demonstrated success in improving the test scores of economically disadvantaged children. He also said political influence had not played a role in Ignite's rapid growth."

DOJ And FBI Reportedly Investigating AIPAC Lobbying On Behalf Of Harman. Time (10/20, Burger, 4.03M) reported on "an ongoing investigation" by the FBI and DOJ into whether Rep. Jane Harman and the American Israel Public Affairs Committee "may have violated the law in a scheme to get Harman reappointed as the top Democrat on the House intelligence committee. … The sources tell TIME that the investigation…which has simmered out of sight since about the middle of last year, is examining whether Harman and AIPAC arranged for wealthy supporters to lobby House Democratic leader Nancy Pelosi on Harman's behalf." In response, Harman has "said that any investigation of — or allegation of improper conduct by — her would be 'irresponsible, laughable and scurrilous.' On Friday, Washington GOP super lawyer Ted Olson left voicemail messages underscoring that Harman has no knowledge of any investigation." According to Time, "The case is a spin-off of a probe that has already led to charges under the Espionage Act against two AIPAC lobbyists, whose case is still pending, and to a 12-and-a-half-year prison sentence for former Defense Intelligence Agency official Lawrence A. Franklin."

Katrina Evacuees Blamed For Spike In Houston Homicides. The AP (10/22) reports that, "Evacuees from Hurricane Katrina have contributed to an increase in Houston's annual murder rate, which could climb this year to its highest level in more than a decade" according to police. The AP notes, "Houston had 316 homicides as of Oct. 16. … an increase of 25 percent from the 252 slayings tallied at this time last year, putting the city on pace to record nearly 400 killings before the end of 2006." According to Capt. Dwayne Ready, "We … recognize that Katrina evacuees continue to have an impact on the murder rate."

School Violence Summit Considered Safety Options. The New York Journal News (10/22, Rae) reports, "President Bush's school security conference this month considered a long list of safety strategies, including emergency planning, metal detectors, student counseling and even God. … 'We call this in education a "teachable moment,"' U.S. Education Secretary Margaret Spellings said during the Oct. 10 conference in Maryland, which was organized after the shooting deaths of five Amish girls in Pennsylvania on Oct. 2 and two other deadly attacks in Colorado and Wisconsin." The News continues, "The emphasis was on the need for communication and planning. Panelists stressed that most school attacks carried out by students followed some form of warning. They reviewed danger signs, such as a student's sudden changes in behavior, depression and suicidal thoughts. … Security precautions like metal detectors were another strategy under discussion, but Attorney General Alberto Gonzales pointed out that one in five school shootings occurred outside a school building. … The conference was criticized for not exploring another angle: the prevalence of guns, a common denominator in the recent attacks."

University Researcher Pleads Guilty To Scientific Misconduct. The New York Times magazine (10/22, Interlandi) reports, "On a rainy afternoon in June, Eric Poehlman stood before a federal judge in the United States District Court in downtown Burlington, Vt. His sentencing hearing had dragged on for more than four hours, and Poehlman…remained silent while the lawyers argued over the appropriate sentence for his transgressions. Now was his chance to speak. A year earlier, in the same courthouse, Poehlman pleaded guilty to lying on a federal grant application and admitted to fabricating more than a decade's worth of scientific data on obesity, menopause and aging, much of it while conducting clinical research as a tenured faculty member at the University of Vermont. He presented fraudulent data in lectures and in published papers, and he used this data to obtain millions of dollars in federal grants from the National Institutes of Health — a crime subject to as many as five years in federal prison. Poehlman's admission of guilt came after more than five years during which he denied the charges against him, lied under oath and tried to discredit his accusers. By the time Poehlman came clean, his case had grown into one of the most expansive cases of scientific fraud in U.S. history." The Times continues, "Before

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his fall from grace, Poehlman oversaw a lab where nearly a dozen students and postdoctoral researchers carried out his projects. His research earned him recognition among his peers and invitations to speak at conferences around the world. And he made nearly $140,000, one of the top salaries at the University of Vermont. All of that began to change six years ago, when (a colleague) took his concerns about anomalies in Poehlman's data to university officials. The subsequent investigation — a collaboration among the University of Vermont, the Office of Research Integrity (which is within the Department of Health and Human Services) and the United States Department of Justice — uncovered fraudulent research that stretched back through almost half of Poehlman's career. The revelations led to the retraction or correction of 10 scientific papers, and Poehlman was banned forever from receiving public research money. He was only the second scientist in the United States to face criminal prosecution for falsifying research data. … At 50, with his career in ruins and his reputation destroyed, Poehlman could only hope to avoid one final humiliation: becoming the first researcher sentenced to prison for scientific misconduct. … Citing the nearly $200,000 Poehlman had paid in restitution, his attorneys had asked the judge to sentence him to supervised probation."

CIVIL RIGHTS:

Birmingham, AL, Involved In School Integration Dispute. The Los Angeles Times (10/22, Jarvie) reports, "In Birmingham, Ala., a group of residents and activists opposes a bid to end a court's school desegregation order." The Times continues, "For 35 years under court order, the yellow buses have picked up black children from the city's Oxmoor Valley and carried them up the hill and across city limits to affluent, mostly white suburban public schools. … Rita Jones Turner was one of the first children to be bused to Vestavia Hills after a 1970 federal court order required the district to enroll African Americans from her neighborhood. … Today, her youngest son, a ninth-grader at Vestavia Hills High School, makes the same journey up the hill into a friendlier environment. … But last month, he came home with a letter informing her that the Vestavia Hills school board had filed a motion to end the desegregation order. The district is among a growing number across the nation seeking to have the decades-old orders overturned; this year, dozens have succeeded." The Times adds, "Those fighting to keep the order in place are particularly disappointed that the issue would be revisited in Birmingham, where so much of the civil rights movement's history was made. In the last 15 years, city leaders have built museums and monuments to commemorate the four schoolgirls who died in the 1963 bombing of a black church, and the demonstrators who were met with attack dogs in a march led by the Rev. Martin Luther King Jr. the same year. … But the district says its request is a matter of economics, not race — that absorbing the children of Oxmoor Valley is an unfair burden on its budget."

ACLU Web Site Defends Attacks On Organizational Leadership. The New York Times (10/22, Strom, 1.21M) reports, "Supporters of the leadership of the American Civil Liberties Union have created a Web site in response to one started last month by critics of that leadership." The critics' "site was started last month by more than 30 longtime supporters of the A.C.L.U. who say that actions taken by the executive director, Anthony D. Romero, and supported by the board have violated the organization's principles." Actions such as "the organization's use of data mining to collect information on donors, a proposal to monitor employees' e-mail messages and efforts to control board members' access to staff members and information."

ANTITRUST:

Smithfield's Premium Standard Buy Faces Antitrust Scrutiny. The Sioux Falls (SD) Argus Leader (10/22, Dobbs) reports, "The U.S. Justice Department has begun an antitrust investigation of Smithfield Foods' plan to buy rival Premium Standard Farms of Missouri, a deal that would combine the nation's two largest hog producers. … Additionally, at the behest of Midwest lawmakers and farmers who worry the deal would hasten the consolidation of livestock markets and allow the merged company to inflate pork prices for consumers, a Senate antitrust committee is planning hearings on the matter. At such hearings, lawmakers often hear testimony from company executives and their critics. .. 'This merger takes place in an industry already witnessing the decline of independent family farmers and rapid consolidation in meat production and packing. If this merger goes through, farmers will have even fewer choices for selling their hogs, and consumers will certainly be affected by the deal,' said Sen. Mike DeWine, R-Ohio." The Argus Leader continues, "DeWine chairs the Senate subcommittee that oversees antitrust concerns. He said in a recent statement that he plans to hold hearings on the Smithfield deal in the near future, and lawmakers 'will need to scrutinize this deal very carefully.' … A Justice Department spokeswoman would not confirm the deadline to complete the investigation. Nor has a date been set for the Senate committee hearings, according to Andrew Langworthy, a spokesman for DeWine. … But both could happen before the end of the year because Virginia-based Smithfield, which owns the John Morrell & Co. meatpacking plant in Sioux Falls, plans to finalize the acquisition in the first quarter of 2007. The company announced in September it would buy its

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rival for about $650 million in cash and stock." The Argus Leader notes, "Dennis Treacy, Smithfield vice president of government affairs, said shortly after the deal was announced that the merged companies will continue to work closely with independent producers and that he expects the Justice Department will approve the deal. … A national coalition of agriculture and consumer groups - including Dakota Rural Action and Dakota Resource Council - earlier this month lined up behind Sens. Tim Johnson and John Thune, both of South Dakota, and lawmakers from Iowa and Nebraska who called for the antitrust investigation."

ENVIRONMENT:

Critics Say Federal Prosecutors Lax In Pursuing Texas Polluters. The Houston Chronicle (10/22, Rice) reports, "After illegally using a pesticide to kill feral hogs — and in the process killing raccoons, mourning doves and crows — two Fayette County farmers were fined $500 in 2004. … That was the most recent conviction Houston's federal prosecutors have obtained on their own for an environmental crime. The lack of new environmental prosecutions by the U.S. Attorney's Office is remarkable for a city that has vied with Los Angeles for the title of the nation's smog capital, say environmentalists and some current and former officials. … 'We've got more (pollution) than anyone else in the country and, therefore, we should have a lot of prosecutions,' said Neil Carman, clean-air program director for the Sierra Club." The Chronicle continues, "Carman, who worked for 12 years for the Texas Commission on Environmental Quality, noted that the Houston Ship Channel has the largest concentration of petrochemical plants in the nation and that Harris and Brazoria counties rank among the nation's most polluted. … Data from the Transactional Records Access Clearing House show, however, that the number of new environmental prosecutions by the U.S. Attorney's Office for the Southern District of Texas dwindled from 20 in fiscal 1998 to zero in 2005, the last year for which figures are available." The Chronicle adds, "U.S. Attorney Don DeGabrielle, who took office in March, said the figures collected by TRAC, a research group associated with Syracuse University, don't show that his office is involved in 17 cases under investigation or before a grand jury. The only two new prosecutions in fiscal 2006, which ended Sept. 30, were led by a special unit based in Washington, D.C., he said. … The sharp decline worries Sabrina Strawn, executive director of the Galveston-Houston Association for Smog Prevention, which has asked the federal government to take a stronger role."

Energy Industry Considers Caps On Carbon Emissions. The AP (10/22, Foss) reports that many "executives are convinced the United States is likely to join Europe in placing limits on carbon dioxide emissions" which is blamed for causing global warming "perhaps as early as next decade. This rising expectation of mandatory carbon caps is reviving interest in nuclear power, accelerating the use cleaner coal-burning technologies and spurring investment in alternative fuels such as wind and biomass." Some of the US' "biggest power producers are even setting voluntary greenhouse-gas reduction goals now in hopes of gaining a competitive edge down the road." Fearing "an unfair competitive advantage," many U.S. energy executives "vow to fight carbon limits unless the constraints are carried out worldwide." State legislative activity as well as federal tax breaks from last year's energy bill have motivated some utility companies to reduce emissions and has also brought about a renewed interest in nuclear power.

FBI/DEA/ATF/USMS:

ATF Cracking Down On Illegal Georgia Gun Sales. The Athens (GA) Banner-Herald (10/22, Johnson) reports, "The owner of a Madison County gun shop told a convicted felon that silencers were 'illegal as hell,' but that he had a contact in Florida who could make one." The Banner-Herald continues, "Within nine months, the felon bought two silencers from 46-year-old Michael Curtis Oakley of Athens, in addition to a revolver, three semi-automatic pistols, an assault rifle and boxes of ammunition - all without a background check or filling out the required paperwork. … That's the allegation in a complaint filed this week in U.S. District Court in Athens. An agent with the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives said that a felon wore a hidden camera and microphone to capture each illegal transaction, as he helped make a case against the owner of Oakley Outdoor Sports in downtown Colbert." The Banner-Herald adds, "The complaint convinced a U.S. magistrate on Monday to authorize police and ATF agents to arrest Oakley for violating federal firearms regulations. The magistrate also signed warrants that led authorities to seize dozens of weapons from Oakley's gun shop and search his house at 356 Oak Meadows Drive, where officials confiscated documents and other evidence. … The agent's complaint purports to show how guns are winding up on the streets and in the wrong hands, even when the source is a federally licensed firearms dealer. … In a similar ATF sting last month, authorities arrested another Athens man and four others for allegedly trafficking in guns at the J&J Flea Market in Jackson County. According to indictments filed in U.S. District Court in Gainesville, the men weren't licensed firearms dealers, but they sold guns to convicted felons, illegal immigrants and an undercover ATF agent posing as an out-of state resident."

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TAX:

Hurdles For Advancing Tax Reform Examined. Senior Washington Post reporter Jeffrey Birnbaum, in an article in the Washington Post (10/22, B2, 748K) "Outlook" section, examines how the tax code has become more complex since Congress passed the Tax Reform Act of 1986. Since then "Congress has passed nearly 15,000 changes to the tax law. Many of the loopholes that disappeared two decades ago are back. Now, as then, politicians (including President Bush) are branding the income tax unfair and calling for reform. And now, as then, few expect it to happen." Birnbaum offers five lessons for tax reformers. The first is to choose between making the tax code more fair or more simple as "one goal precludes the other." Birnbaum advises that "Divided government is a boon to reform, not an obstacle" as neither party will want the blame for not passing reform. And he warns tax-reform efforts "will be doomed if lobbying groups are united against it." While the 1986 tax bill was "revenue neutral," today it will "have to increase tax revenue, whether through rejiggering the code or by introducing new taxes -- making reform efforts that much more difficult and unlikely."

CONGRESS-ADMINISTRATION:

Former President Bush Denies Comments Critical Of Rice In Woodward Book. Former President George H. W. Bush, on CNN's Larry King Live (10/21, 9:10 p.m.), was asked about quotes attributed to him that were critical of Secretary of State Condoleezza Rice. Former President Bush said, "If that's a quote, it is a lie. Can't make it any more clearer than that. I couldn't -- I like Condoleezza Rice. She worked for me. I have great respect for Condoleezza Rice. I can't believe Woodward -- I haven't read the book, that he actually said I said that." Larry King responded, "I think someone says you said it. I don't have it in front of me now. But it is quoted saying you didn't think she was equal to the task." Bush replied, "Well, that's crazy. I talked to her yesterday. I guess there were some hurt feelings or day before she went to this trip." He added, "She called me and said there is something in this book," and continued, "She said there is some remarks in there attributed to you, I don't believe it. I said 'well don't. I don't know what they are.'"

Amvets Conference Explores Ideas For Update Of Veterans Benefits System. Under the headline "Newest Vets Fed Up With VA Care," the Chicago Sun-Times (10/22, Toomey) reports, "The first National Symposium for the Needs of Young Veterans drew hundreds of vets to the Hyatt Regency O'Hare during its four-day run, which ended Saturday. They listened to speakers like retired Gen. Tommy Franks and Democratic congressional nominee Tammy Duckworth, and broke into small groups to come up with answers." Thomas C. McGriff, national commander of Amvets: "The goal is to develop an update of the veterans' benefits system. … The system really hasn't been looked at since World War II -- and we now have a new set of young veterans coming from Iraq and Afghanistan." The Sun-Times notes, "The VA had nearly a dozen senior benefits officials at the conference but will wait to see what recommendations Amvets develops before commenting, VA spokesman Ryan Steinback said."

OTHER NEWS:

Stalled Stock Market, Recent Reports Spur Concern Over US Economy. Bloomberg (10/22, Tsang) reports, "A three-week rally in U.S. stocks, which lifted the Dow Jones Industrial Average past 12,000 for the first time, slowed this week as earnings from Caterpillar Inc. and JPMorgan Chase & Co. underscored concern that profit growth has peaked." And recent economic reports "also cast more doubt on the economy's strength. Industrial production in September fell the most in a year, while manufacturing in the Philadelphia area unexpectedly contracted this month. The Conference Board's index of leading indicators…rose less than expected in September."

Newsweek Poll Shows Voters Favor Democrats Over GOP 55% To 32%. Newsweek (10/22, Mabry, 3.12M), in a web exclusive, reports that because of an erosion of support from evangelicals "the Republican base may be cracking." While Democrats have led in other opinion polls, Newsweek's new poll of 1,000 adults conducted October 19-20 (+/-4%) suggests "that a possible Republican loss could turn into a rout." Respondents had "more faith in the Democrats to handle almost every major issue presented in the poll." Yet the poll shows Republicans "seem to be closing the issues gap" after losing support because of the Rep. Foley scandal. And "if Republicans can turn voters' attention to national security, they could hold off, or at least hold down, a Democratic blitz come Nov. 7." But, "Republicans have a lot of work to do" as "a solid majority of Americans want the Democrats to take over Capital Hill, 55 percent, versus 32 percent who want the GOP to retain control -- a 23-point margin." And they "can't count on their biggest name, George W. Bush, to help much. While the new poll shows the president with a two-point bump in his approval rating -- from an all-time low of 33 percent two weeks ago to 35 percent today -- most Americans think Bush is already a lame duck. Fifty-six percent said he won't be

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able to get much done in his last two years in office. Only 33 percent believe he can be effective."

Bloomberg (10/22, Roland) notes the Newsweek poll shows Democrats lead 55% to 37% among likely voters and former House Majority Leader Richard Armey "said yesterday that Democrats may gain a majority of 10 seats in the House."

Brownstein Contends Bush's Record Is GOP's Top Liability. The Los Angeles Times' Ronald Brownstein (10/22) writes, "That discontent over Bush's performance and decisions, especially concerning Iraq, is the largest factor threatening the GOP hold on the House and Senate. One measure of Bush's impact on the election comes from the Majority Watch project conducted by the polling firms RT Strategies and Constituent Dynamics. Since the summer, the project has conducted nearly 75,000 automated phone surveys in congressional districts around the country. And it has found a close correlation between attitudes about Bush and preferences in November."

Variety Of Issues Across US Hurting GOP Candidates. The Boston Globe (10/22, Milligan, Klein, Bender, 425K) in a 2,423 word article reports, "To the distress of a Republican Party that has held control of the House for the past dozen years, many voters across the country seem to be nodding in angry agreement with" the Democratic slogan "Had enough," according "to interviews with voters in four states and new polls showing a double-digit preference for Democratic control of the House." And "no single issue is motivating voters' disaffection with the GOP -- and some issues, such as the Iraq war, are hurting the Republicans differently in various parts of the country."

Brooks Accuses Conservatives Of Abetting Moderate Republicans' Losses. The New York Times' David Brooks (10/22) writes, "When the next Congress convenes, there will be many fewer RINO's in town. You look at the vulnerable Republicans and it's like a moderate Republican graveyard: Deborah Pryce, a bright and effective member from Ohio; Christopher Shays from Connecticut; Sweeney from New York; Gerlach from Pennsylvania; Reichert from Washington; DeWine from Ohio. … For the past several years, Republican elites have treated the moderates, upon whom their majority depended, as the deformed cousins of their movement. Congressmen from rock-ribbed Republican districts who've never had to confront a dissenting view applaud themselves for their manly courage while scorning the effete wispiness of Northeastern Republicans who go home and battle derision every weekend."

Potential Democratic Control Of Congress Not Seen As Effecting Bush Style. Noah Feldman, adjunct senior fellow at the Council on Foreign Relations, in an article in the New York Times Magazine (10/22) writes that "it is doubtful that the midterm elections will significantly alter the Bush administration's way of governing. For one thing," Vice President Cheney "has no intention of running for president himself. With the presidential election two years off, the Bush administration (read: Karl Rove) is very far from anointing a successor, if indeed it ever will." And "the day he leaves office…Bush will no longer be the leader of that party. His own incentives are not necessarily aligned with those of the G.O.P. faithful." Even if Democrats win control of Congress they will be left with congressional oversight, "an idea that right now gets their hearts racing but whose limits will eventually become apparent. … What Congressional Democrats cannot do, however, is change the basic direction of the country. The president has not presided as a flexible man, and many of the problems Congress will confront are at present intractable. Government in the sunshine is a good thing -- but a brightly lit Washington will still, mostly, be George W. Bush's Washington."

Sports Figures Offer Advice To GOP. The Washington Post (10/22, B3, 748K), in a special Outlook feature, asked several sports figures to offer advice to GOP candidates "on what to do when it's fourth and long in the bottom of the ninth -- with the other team set to retake your House. In one example former Redskins quarterback Mark Rypien says, "as far as the election goes, it's not even halftime. You've got to believe that people will come to their senses and rally around the team. Remember, the other team has never been in many winning situations. They don't know how to win. … They don't know what they're doing when the game is in the fourth quarter. You do."

Democrats Said To Have Shifted Focus To Just Three Senate Races. The Washington Post (10/22, A1, Babington, Balz, 748K) reports, "Democrats in the past two weeks have significantly improved their chances of taking control of the Senate, according to polls and independent analysts, with the battle now focused intensely on…Missouri, Tennessee and Virginia." According to the Post, "Strategists see Missouri as perhaps the purest test of whether Republicans can overcome a strong Democratic headwind this year because there are few state-related factors or scandals affecting the contest. Neither Sen. James M. Talent (R) nor the challenger, state auditor Claire McCaskill (D), has been able to gain a clear advantage, and strategists on both sides anticipate a photo finish."

The AP (10/22, Espo) reports the NRSC "has aired television commercials in New Jersey, hoping that Tom Kean Jr. can defeat Sen. Bob Menendez. Democrats countered quickly, with four times as much money. Republicans apparently have not abandoned all hope in Michigan, either. President Bush is scheduled to campaign for challenger Mike Bouchard on Thursday. A party-financed television advertising campaign is possible, as well, aimed at toppling

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Democratic Sen. Debbie Stabenow. Increasingly, though, officials in both parties said the battle for Senate control probably will come down to close races in Missouri, Tennessee and Virginia."

The Los Angeles Times (10/22, Brownstein, 918K) reports, "Two weeks before election day, odds are increasing that the Senate could turn on the results of close contests in Tennessee, Virginia and Missouri, three states along the border between the solidly Republican Deep South and Democratic terrain in the Northeast and industrial Midwest. Each of these states presents a distinct political puzzle. But Democrats face the common challenge of attracting right-of-center voters like Foust who helped Bush carry all three states two years ago but have soured on the nation's direction since. … Still, finding enough disenchanted voters remains difficult for Democrats in the three states, largely because of enduring Republican strength in socially conservative small-town and rural communities. If Democrats fall short in their bid to recapture the Senate, these three states may be their Heartbreak Hill."

House Democrats Portrayed As Cautiously Optimistic. The New York Times (10/22, Nagourney, Toner, 1.21M) reports, "There is something unusual bubbling in Democratic political waters these days: optimism. With each new delivery of bad news for Republicans…a party that has become so used to losing is considering, disbelievingly and with the requisite worry, the possibility that it could actually win in November. … For Democrats these days, life is one measure glee, one measure dread and one measure hubris. If they are as confident as they have been in a decade about regaining at least one house of Congress — and they are — it is a confidence tempered by the searing memories of being outmaneuvered, for three elections straight, by superior Republican organizing and financial strength, and by continued wariness about the political skills of President Bush's senior adviser, Karl Rove." The Times adds, "Democratic candidates in districts that had been considered long shots are now pleading with" Rep. Rahm Emanuel, chairman of the Democratic Congressional Campaign Committee, "to send money their way. And some leading Democrats…are urging Mr. Emanuel to seize the moment by expanding the field in which Democrats are competing, saying the party has a chance to cement a big lead in the House in November."

Emanuel Given Credit For Making DCCC More Professional. The Washington Post (10/22, D1, Hendrix, 748K) reports, "As the member of Congress responsible for recruiting candidates for House races, raising money and vetting strategy for dozens of districts," Emanuel has "received raves from campaign connoisseurs in Washington for running a taut committee. Notably, he's nearly closed the perennial cash-on-hand gap between his team -- with $36 million in the bank at the end of September -- and its GOP counterpart. He's fielded credible candidates in districts no one had expected to be in play a year ago. And he's generally been flogging the party like a never-satisfied CEO. … If Democrats do take the House -- they need to gain 15 seats to do so -- Emanuel, in only his second term in Congress, stands to claim considerable credit for ending a 12-year electoral drought."

NRCC Said To Believe Foley Scandal Has Faded From Voters' Minds. The Washington Times (10/22, Fagan, 88K) reports, "Republican House candidates still feel some heat from the revelation that Rep. Mark Foley sent inappropriate and sometimes lurid Internet messages to teenage boys, but party leaders insist they are starting to get their message out again to voters. 'The Foley matter has become absolutely quiet in the vast majority of House races, as voters have been able to separate the actions of one member from his party,' said Jonathan Collegio of the National Republican Congressional Committee (NRCC). 'In most races, voters say it will have no impact on their decision.'" The AP (10/22, Espo) reports, "After two weeks of adverse publicity linked to the Mark Foley scandal, public and private polling suggested partial recovery for some endangered Republican incumbents, and senior party officials made a concerted effort to project confidence. 'By many measures, there are strong indications of a right-of-center base that is engaged and committed,' party chairman Ken Mehlman said Friday in a memo written for public consumption."

Foley's Contact With Former Pages Detailed. The Washington Post (10/22, A1, Goldstein, Williamson, 748K) reports on former Rep. Mark Foley's relationships with congressional pages. According to the Post, although "No one interviewed for this article could cite any instance in which Foley had sex with a former page. … Interviews with nearly three dozen former pages suggest that" Foley "befriended a wide circle of teenagers during their stints as House pages. Then, shortly before they left or soon afterward, he singled out certain boys to write to -- including four newly confirmed by The Washington Post, in addition to former page Jordan Edmund and one other whose illicit online conversations with Foley ended the congressman's career. Some of the correspondence was brief and casual. But over months or years, if a boy seemed willing to go along, some conversations grew more sexual."

Military Veteran Candidates Said To Give Democrats Credibility On Iraq. The New York Times (10/22, Davey, 1.21M) reports, "As she campaigns for Congress in the suburbs of Chicago, Tammy Duckworth, a

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Democrat and an Iraq veteran, speaks with chilling conviction about the war. Iraq was a big mistake, Ms. Duckworth says as she walks among voters on two artificial legs. Millions of dollars have been wasted there. … Though Ms. Duckworth is a political novice, her service and sacrifice (she lost her legs when a grenade hit her helicopter) have allowed her to speak her mind in a district once seen as downright hostile toward Democrats, having sent a Republican to Congress for 32 years. Around the nation, a handful of military veterans like Ms. Duckworth have emerged as competitive Democratic candidates for Congress. For a party that has struggled against a perception that Republicans are stronger on matters of terrorism and national security, the veterans have been a powerful antidote: a group that inherently carries credibility with voters on issues like Iraq." According to the Times, "Some 60 former service members are challengers for the House or the Senate as Democrats, including a half-dozen who served in Iraq. The Democrats are not shy about military résumés. Among their promotions is a 'Fighting Dems' Web site bearing the subtitle, 'Back from the front lines, headed to Congress.'"

Duckworth Described As "Struggling" In Bid To Succeed Hyde. The Los Angeles Times (10/22, Huffstutter, 918K) reports Duckworth, "has spent $2.5 million on her fierce campaign in a GOP stronghold. … In the highly competitive and closely watched race…it's a Democrat who is doing the struggling. As of the end of September…Duckworth had spent all but $206,000 of the nearly $2.8 million she raised for her campaign in the Republican stronghold of DuPage County. One of the reasons? Trying to one-up her opponent, state Sen. Peter Roskam, in a race that heated up early." Roskam, "backed heavily by the National Republican Campaign Committee, rolled out ads questioning Duckworth's positions on the Iraq war and the military, and slamming her stances on taxes and immigration."

Many GOP House Districts Are Home To Growing Immigrant Communities. The AP (10/22, Ohlemacher) reports, "Of the 50 House districts nationwide with the fastest-growing immigrant communities, 45 are represented by Republicans. All but three of those lawmakers voted for a bill that would make illegal immigrants felons. Overall, GOP districts added about 3 million immigrants from 2000 to 2005, nearly twice the number that settled in districts represented by Democrats, according to an Associated Press analysis of census data. The numbers help explain why illegal immigration is such a big issue in rural Georgia, eastern Pennsylvania and in suburbs throughout the United States." The AP goes on to focus on several Georgia districts, noting, "North Georgia has attracted thousands of Latino immigrants — legal and illegal — to work in carpet mills in Dalton, in poultry plants in Gainesville and on farms that dot the landscape in between. The region exemplifies the struggle — and promise — of Latinos yearning for political power. Hispanics make up about 12.5 percent of the district represented by GOP Rep. Nathan Deal, but less than 2 percent of registered voters."

Webb Said To Have Yet To Master Retail Politics. The Washington Times (10/22, McLaughlin, 88K) reports, "Since the first day of his U.S. Senate campaign in Virginia, Democrat James H. Webb Jr. has described himself as a nonpolitician. And the self-description rings true in his performance on the hustings. The decorated Vietnam War veteran's stiff and stern style of retail politics has been on display since his announcement in February that he would try to unseat Sen. George Allen, one of the state's most polished politicians. … On the campaign trail, the former Navy secretary is a far cry from former Gov. Mark Warner, a Democrat who is arguably the state's most personable public figure." Webb "gives firm handshakes, but at times needs a reminder to smile in photographs. He has a catchy belly laugh, but it rarely is heard in public. He thrives on foreign-policy issues, but sometimes loses people accustomed to candidates rattling off sound bites."

Outside Groups' Ads Highlight Steele And Cardin's Positions On Abortion. The Washington Post (10/22, C5, Marimow, 748K) reports, "Religious leaders and abortion foes are pumping more than $140,000 into the final two weeks of the Maryland U.S. Senate contest to motivate 'values voters' by elevating such issues as abortion and same-sex marriage in a campaign that has largely been fought over the Iraq war, the future of Social Security and the candidates' disparate styles. The issue of abortion, though, offers one of the starkest contrasts in the race: Republican Michael S. Steele, a former Catholic seminarian, strongly opposes the practice. Democrat Benjamin L. Cardin, a Baltimore congressman, was the keynote speaker at NARAL Pro-Choice Maryland's annual gala last night in Rockville. Although the two major candidates rarely bring up the subject unprompted on the campaign trail, independent groups plan to highlight the issue in radio and television ads, direct mail and fundraising appeals."

Steele Said To Missed Opportunities To Establish His Independence. The Washington Post's Marc Fisher (10/22, C1) writes that Steele's "TV ads have been the talk of the town, not only for their striking style and the lieutenant governor's good humor, but because Steele is bold enough to take some shots at his party's orthodoxy. … Steele has managed to portray himself as someone who understands the average Marylander's frustration with both parties and with all the tired tropes of American politics." However, Fisher

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concludes, "Steele had a choice in this campaign: Add substance to the aura of independence generated by his TV ads, or hide behind that aura, spending his energy instead on pumping up the imagery. Sadly, he stuck with the sizzle, leaving voters still hungry for meat."

Lamont Gives His Campaign An Additional $2 Million. The AP (10/22, Miga) reports Ned Lamont, "trailing Sen. Joe Lieberman by a double-digit margin, dropped another $2 million into his Senate bid in Connecticut on Saturday." Lamont "has tapped his personal fortune for $12.7 million to fund his campaign. Lamont has about two weeks to catch Lieberman, a three-term incumbent who has pulled to a 17-point lead, according to a recent poll. … The third and final televised debate of the race was scheduled for Monday. Unlike their second debate, which featured all five candidates, only Lieberman, Lamont and Republican Alan Schlesinger will share the stage. That could make it easier for Lamont to engage Lieberman directly."

GOP Candidate Distances Himself From Potentially Libelous NRCC Spot. The AP (10/22) reports, "Both major-party candidates for a congressional seat are decrying an ad sponsored by a national Republican committee that accuses the Democrat of billing taxpayers for a call to a phone-sex line. … Arcuri's campaign said an associate mistakenly dialed an 800-number sex line two years ago from Arcuri's New York City hotel room, and released records supporting the claim. The number shares the same last seven digits with the number for the state Department of Criminal Justice Services, which was dialed the minute after the first call was made. Arcuri, the district attorney in Oneida County, said the ad was 'clearly libelous' and threatened to file a lawsuit. His GOP opponent, state Sen. Ray Meier, described it as 'way over the line.' … The ad's sponsor, the National Republican Congressional Committee, stood by the 30-second message. Spokesman Ed Patru insisted it was 'totally true' and said Meier was not consulted."

Shays Vulnerability Attributed To National GOP's Unpopularity. The New York Times' Peter Applebome (10/22) reports, "In the 11th, count 'em, 11th, debate between Representative Christopher R. Shays, the incumbent Republican, and his Democratic challenger, Diane Farrell, Ms. Farrell began, as she usually does, with a brilliantly concise formulation of why people should oust Mr. Shays after 19 years in Congress. … Shays has an artfully articulated maverick image and is one of the more respected members of the House. Candidates like him lose about as often as Roger Federer loses first-round matches. But in a race starkly defined by the war, both camps say the election, a repeat of the one two years ago that Mr. Shays won with 52 percent of the vote, is close to dead even."

Jefferson Faring Well Despite Looming Federal Indictment. The Washington Post (10/22, A5, Lengel, 748K) reports that as Rep. William Jefferson "campaigns for a ninth term," he "has shed little light on the federal investigation of bribery allegations, other than to insist on his innocence. In a TV ad, he talks about 'the presumption of innocence afforded every person' and says, 'For over 18 months, the federal government has investigated me and has yet to bring a single charge against me.' That message appears to be resonating among voters…and so, despite the constant threat of a federal indictment that sources familiar with the probe say is a foregone conclusion, the 59-year-old congressman is confidently campaigning. Jefferson is showing up at public events, ready to work the crowd and touting a record of passing key legislation and getting funds to help post-Katrina New Orleans. Recently he went on the offensive, publicly accusing two of his 12 opponents of being 'ethically challenged.'"

Wilson Dragged Down By Voters' Opposition To Iraq War. The New York Times (10/22, Alvarez, 1.21M) reports, "In interviews with nearly two dozen people in Bernalillo [NM], a small, mostly Hispanic town on Route 66, and its neighbor, Placitas, which is more affluent and increasingly more Republican, voters expressed their concerns about the state of the nation. Asked what issues will sway their votes in the House race here, almost everyone interviewed said, 'The war and ...' (fill in the blank). For some Republicans here, this one-two punch — the war and the federal deficit, the war and corruption, the war and the House page scandal — is enough to catapult some to the other side. Or at least to get them thinking of voting for the other party, something few of them imagined two years ago, they said. … Representative Heather A. Wilson, who was first elected in this district in 1998, has won each election with a boost from Democrats. Now, though, she is in a dead heat with Patricia Madrid, the Democratic attorney general, according to recent polls."

Iraq War Is Main Topic Of Gerlach-Murphy Debate. The Los Angeles Times/AP (10/22, Walters) reports Rep. Jim Gerlach "accused Democratic challenger Lois Murphy in a debate Saturday of being inconsistent in her support for U.S. troops in Iraq, while Murphy countered that the war has made the nation less safe. The two-term congressman and Murphy are in battling to gain an edge in a race for a seat from the Philadelphia suburbs that could help determine whether Democrats gain control of Congress." Gerlach "charged in the AARP-sponsored debate that

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Murphy was not prepared to give U.S. troops the funding they need to help a new government succeed in Iraq."

Edwards Expected To Survive Challenge In Bush's Home District. The San Antonio Express News (10/22, Garcia) reports that GOP House candidate Van Taylor, "a Harvard University graduate who enlisted in the Marines and saw combat in Iraq, seems like the perfect Republican candidate for Congress." However, the GOP increasingly thinks him unable to "end the embarrassment of having a Democrat representing President Bush -- his Crawford ranch is in the district -- by knocking off entrenched incumbent Chet Edwards, the hometown congressman since 1991." The Express News writes, "A growing number of signs nationally suggest a Democratic wave may be in the offing Nov. 7," which may be strong enough to protect Edwards.

Candidates Offer Predictable Responses To Iraq WMD Questions. The New York Times' Mark Leibovich (10/22), in a "Week in Review" piece, writes that "it has become a settled expectation of political life that any candidate who supported the Iraq war resolution in 2002 must now answer the dreaded, 'If you knew then what you know now' question. That is, of course, some variant on the 'If you knew then that Saddam Hussein did not have weapons of mass destruction, would you still have authorized President Bush to use force in Iraq?' … The variety of responses…can be distilled into a few predictable categories. Herein, a primer." According to Leibovich the "'No, but' Response…is by far the most common refrain among Democrats who supported the use-of-force resolution but who now wish they hadn't. The optimal answer should include a quick 'no,' followed by a swift indictment of the Bush administration's incompetence, dishonesty, stubbornness or some such unpleasant thing. And it never hurts to tack on an homage to the troops." Leibovich notes, "Early supporters of the war -- particularly Republicans -- often dispatch with the question in favor of a general lament about typical Washington nay-saying, second-guessing and defeatism (as practiced by 'Defeatocrats')."

NYTimes Endorses Five Democratic Congressional Candidates. The New York Times (10/22, 1.21M), in its New York Region Opinion section, "endorsed a string of congressional candidates, all of them Democrats challenging Republican incumbents. In New York's 19th Congressional District, the board endorsed the Democratic candidate John Hall over the incumbent, Republican Sue W. Kelly. It also endorsed Linda Stender over Representative Mike Ferguson in New Jersey's Seventh Congressional District, Chris Murphy over Representative Nancy L. Johnson in Connecticut's Fifth Congressional District, and Joseph Courtney over Representative Rob Simmons in the state's Second Congressional District.", It also "endorsed David Mejias, a Democratic member of the Nassau County Legislature, against Republican incumbent Peter T. King, who this summer said the decision of The New York Times to publish articles about a secret terrorist-surveillance program was treasonous.'"

Schwarzenegger Blasts GOP Candidate Over "Hate Crime" Mailing. The Los Angeles Times (10/22, Martelle, Rosenblatt, 918K) reports Gov. Arnold Schwarzenegger "stepped up the pressure Saturday on an Orange County Republican congressional candidate, telling reporters that Tan Nguyen should withdraw if he knew about his campaign's mailing of letters intended to threaten immigrant voters. Schwarzenegger denounced the mailings traced to Nguyen's campaign to unseat Democratic incumbent Loretta Sanchez in the 47th District and said that 'anyone that knew…has to resign immediately.'" Schwarzenegger "said the mailings 'were illegal; it's a hate crime….There should be no tolerance for this kind of behavior.'"

The Los Angeles Times (10/22, 918K) editorializes, "the despicable incident was, sad to say, not new to Orange County: Republicans trying to scare immigrants away from the polls. But the GOP's reaction this time — calling on its candidate to withdraw — was miles away from previous behavior. Nativist immigrant bashing may be alive in the O.C., but it's not well."

Ehrlich Works To Attract To Democratic Voters. The Washington Times (10/22, Ward, 88K) reports Gov. Robert Ehrlich "rallied in Baltimore County with Democratic lawmakers and officials who endorse the Republican's re-election bid, as Democratic leaders urged voters in the city to defeat the governor even if they 'don't care for' the party's candidate to replace him. 'I have represented majority-Democratic districts for all of my entire career,' Mr. Ehrlich said, standing on a truck bed in a Dundalk parking lot before about 100 supporters. 'Many, many Democrats are stepping up ... not leaving their party, just voting for the person they believe will lead the state,' the governor and former congressman from Baltimore County said. An hour earlier, in the city's Remington area, black Democratic leaders attacked Mr. Ehrlich while denigrating his Democratic challenger, Baltimore Mayor Martin O'Malley."

Friedman's Campaign Said To Have Become Somewhat More Serious. The AP (10/22, Arrillaga) describes three days of Richard "Kinky" Friedman's longshot Texas gubernatorial bid. The AP notes, "When Friedman launched his campaign last year in front of the Alamo, calling

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for the 'unconditional surrender' of [Gov. Rick] Perry with a country swing band by his side, he was far more Jon Stewart than John Kennedy. Then he hired on [Dean] Barkley, who directed [Jesse] Ventura's successful campaign and later replaced the late Paul Wellstone in the U.S. Senate. Friedman's 60-40 ratio of style-to-substance is now 40-60, says Barkley. The joke-laden speeches are sprinkled with Friedman's stance on legalizing casino gambling to help pay for education, decriminalizing marijuana to free up prison space, developing a taxpayer ID card for illegal immigrants to work."

Edwards Comments Regarding Clinton Regarded As "Foreshadowing" 2008 Primary. The Washington Post (10/22, A7, Goldfarb, 748K) reports, "Comments attributed last week to the wife of former North Carolina senator John Edwards (D) provided a faint foreshadowing of the intraparty battle that could arise when Democrats choose their presidential nominee in two years. Elizabeth Edwards said last Thursday that her life has been a happier one than that of Sen. Hillary Rodham Clinton (D-N.Y.), according to the magazine Ladies' Home Journal."

Columnist Says Democrats Need Strong Leadership From Obama. Frank Rich, in his column in the New York Times (10/22, 1.21M), writes that the important question for Democrats "is not whether" Sen. Barack Obama "will seek the presidency, but what kind of candidate he would be." The Democratic Party "needs a major infusion of steadfast leadership. That's the one lesson it should learn from George Bush. Call him arrogant or misguided or foolish, this president has been a leader. He had a controversial agenda -- enacting big tax cuts, privatizing Social Security, waging 'pre-emptive' war, packing the courts with judges who support his elisions of constitutional rights -- and he didn't fudge it. He didn't care if half the country despised him along the way." Rich contrasts Obama's "consistent" opposition to the Iraq War with Sen. Hillary Clinton and says that for Democrats, "one of their best hopes for long-term viability in the post-Bush era is that Barack Obama steps up and changes the party before the party of terminal timidity and equivocation changes him."

Candidates Shift Campaign Strategies To Account For Absentee Voters. The New York Times (10/22, Broder, 1.21M) reports, "For millions of Americans, Election Day is already over. Thirty states now allow no-excuse absentee voting, and most of them also allow voters to cast early ballots in person at county clerks' offices or satellite polling places. In Montana, absentee ballots were mailed Sept. 22. As many as 40 percent of Florida's voters will cast their ballots before Election Day, Nov. 7. Oregon's elections are conducted entirely by mail, and Washington is moving that way. California sent out 3.8 million absentee ballots the week of Oct. 8. Candidates are maneuvering to adapt to a changed political calendar, accelerating their advertising, their mailings and their get-out-the-vote calls. They are figuring out exactly who votes early and are trying to get to them before they cast their ballots. They are raising more money and spending it faster. … Experts estimate that more than 20 percent of voters nationwide will cast their ballots before Election Day by mail or at early-voting locations, a proportion of the electorate that is rising with each election."

California Voters Faced With Ballots As Long As 124 Pages. The Washington Post/AP (10/22, A4, Konrad) reports, "Voter guides are landing with a thud on doorsteps across California as residents are facing an unusually large number of ballot measures and candidates in next month's election. Election officials worry that the state's largest guides -- 192-page books sent to 12 million homes -- will overwhelm and discourage would-be voters. The array of complicated issues on the ballot might also lead to long lines and delays at polling sites if people haven't done their homework. A majority of voters are expected to vote by mail. But the ballots are so big that election officials fear some might be returned for insufficient postage. … The November sample ballot in San Joaquin County is the largest ever -- 100 to 124 pages, depending on the district, or triple the normal size. Many pages are devoted to a proposed tax increase to pay for road and rail projects."

Mining Executive Financing West Virginia GOP Candidates. The New York Times (10/22, Urbina, 1.21M) reports, "Don L. Blankenship is not the governor of West Virginia. But here in coal country some say he may as well be, considering the power he wields. Mr. Blankenship, the chief executive of the state's largest coal producer, Massey Energy, has promised to spend 'whatever it takes' to help win a majority in the State Legislature for the long-beleaguered Republican Party in a state that is a Democratic and labor stronghold. In a state where candidates who win typically spend less than $20,000, Mr. Blankenship has poured more than $6 million into political initiatives and local races over the past three years. Mr. Blankenship has spent at least $700,000 in his current effort to oust Democrats, and the state is awash with lawn signs, highway billboards, radio advertisements and field organizers paid for by him."

Minnesota's Independence Party Works To Broaden Its Reach. The Washington Post (10/22, A8, Defiebre, 748K) reports, "In 12 years as a major political party in Minnesota, the Independence Party has produced one

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larger-than-life governor, an appointed U.S. senator for 7 1/2 weeks and a smattering of local officials. Now the party of Jesse Ventura is pinning its hopes on eight statewide and federal candidates, none of whom has ever stood for election before, plus a collection of 17 seekers of lesser offices. … In some ways, the Independence Party is a serious political force while in others it's still a struggling newcomer."

Members Of Congress Now Wary Of Appearing On Colbert Report. The Los Angeles Times (10/22, Puzzanghera, 918K) reports, "Most politicians are as likely to pass up free TV face time before an election as they would be to refuse a campaign check. Then again, there's a price to be paid for looking stupid. That's what members of Congress have learned recently about 'Better Know a District,' a sarcastic weekly skit that is part of 'The Colbert Report,' a nightly half-hour on Viacom Inc.'s Comedy Central network. … Many lawmakers initially played along with the segments in which Colbert interviews a member of the House of Representatives, with few checks and balances on his proclivity to make fools of them. But after a couple of House members stumbled badly on the show, some incumbents decided that the dumbest thing to do with Colbert's offer of free TV exposure was to take it."

Campaign Funding Analysis Suggests GOP Will Retain Control Of Congress. Barrons (10/22, McTague) reports that its analysis of candidates' finance data suggests that, contrary to conventional wisdom, "the GOP will hang on to both chambers, at least nominally. We expect the Republican majority in the House to fall by eight seats, to 224 of the chamber's 435. At the very worst, our analysis suggests, the party's loss could be as large as 14 seats, leaving a one-seat majority. But that is still a far cry from the 20-seat loss some are predicting. In the Senate, with 100 seats, we see the GOP winding up with 52, down three." The prediction is based "in almost every race on which candidate had the largest campaign war chest, a sign of superior grass-roots support. We ignore the polls." According to Barron's, using campaign funding as an indicator is close to 98% accurate in recent years for House races and 89% accurate for Senate races.

Nation Of Islam Prepares For New Leadership. The Washington Post (10/22, A3, Fears, Harris, 748K) reports that as Louis Farrakhan battles a "life-threatening" illness members of the Nation of Islam's board are "poised to take over the organization." The Post adds, "A change in leadership could allow the Nation to move away from a controversial mythology. Followers are taught that the group's founder, Wallace Fard, was an incarnation of God and that a scientist named Yacub created white people, notions that are dismissed by orthodox Muslims."

Rice Prods Russia On Freedoms, Georgia. Secretary Rice's trip to Russia received coverage in major newspapers, but the stories focused mainly upon her criticism of Russian domestic freedoms and Georgia policy, devoting little space to North Korea. The New York Times (10/22, Shanker, 1.21M) reports that upon arriving in Russia to discuss the North Korean nuclear crisis, "Secretary of State Condoleezza Rice criticized shrinking Russian press freedoms, questioned the enforcement of a restrictive new law on foreign private groups here and called for eased tensions between Russia and neighboring Georgia." All this "raised the possibility of a testy atmosphere for the discussions in Moscow." With "a symbolic decision that no doubt will be scrutinized by the Kremlin leadership, Ms. Rice invited senior editors of Novaya Gazeta, a leading independent journal, to a meeting at her hotel" that "included the son of the assassinated journalist Anna Politkovskaya," and "Rice said that the future of a free Russian press and electronic media 'is a major concern' of the United States government.." She also said she "would ask Russian leaders to explain the enforcement of a new law that requires foreign nongovernmental organizations to register with the government," and "planned to urge Moscow to reduce any chance for increasing conflict with neighboring Georgia." She met with Foreign Minister Sergey Lavrov and a dinner with Defense Minister Sergei B. Ivanov, and a senior State Department official "described Ms. Rice's discussions with Mr. Lavrov on Georgia as 'constructive.'" Rice "also intended to discuss efforts to halt not only North Korea's nuclear program, but Iran's."

The Washington Post (10/22, A21, Kessler, 748K) adds, "Rice's high-profile meeting" with the journalists was "scheduled at the request of the State Department," and "her decision to highlight her concern about eroding press freedoms in Russia indicated the delicate balance the Bush administration is trying to strike with Russia." One of Rice's aides said "it was not a poke in the eye but the right thing to do." AFP (10/22, Milikin) describes Rice as delivering "some pointed messages," and the AP (10/22, Gearan) labels it "a symbolic rebuke." The Washington Times/AP (10/22, Gearan) publishes a version of the AP article.

The Los Angeles Times (10/22, Holley, 918K) focuses equally on the North Korea issue and Rice's other activities. It quotes Dmitry Muratov, editor of Novaya Gazeta, as saying "I was touched to the soul to see how Condoleezza Rice, both as a person and a politician, found precise, delicate and tactful words to express her deep sorrow and sympathy in front of the slain journalist's son."

In Latest Anti-Expression Incident, Thugs Beat Activist Moscow Art Gallery Owner. The New York Times (10/22, Kishkovsky, 1.21M) reports that in "the latest incident to raise troubling questions about xenophobia and freedom of

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expression in Russia," a group of men burst into Marat Guelman's contemporary art gallery, "destroying work by an ethnic Georgian artist and beating up the owner." Guelman is "well known both for his display of politically inspired and irreverent art and, most recently, his public attacks on neofascists for their dislike of non-Russians and of Western influence on Russian society." It was not clear if the attack was motivated by his criticism of the Kremlin, his displaying art considered antireligious by Russian Orthodox fundamentalists, his criticism of neofascists and nationalists, or the "anti-Georgian sentiment that has surged this fall."

Anti-Immigrant Mood Intensifies In Russia. The New York Times (10/22, Myers, 1.21M) profiles Aleksandr Belovm, the founder of the Movement Against Illegal Immigration, which "now claims thousands of members in branches across all of Russia." His "views -- unabashedly hostile to foreigners, at times unflinchingly racial in character -- are no longer just tapping a nativistic undercurrent, but moving into the mainstream of the political debate" amidst "a wave of racial violence." President Putin "gave such simmering feelings a public endorsement," on Oct. 5, "denouncing the 'semi-gangs, some of them ethnic' that control Russia's wholesale and retail markets."

Georgia Rules Out Force Against Separatist Regions. The Los Angeles Times/AP (10/22) reports that in "a rebuttal to Russian President Vladimir V. Putin's assertion Friday at a summit with European Union leaders that Georgia was planning to take back South Ossetia and Abkhazia by military means," Georgian President Mikhail Saakashvili "ruled out the use of force to establish control over two pro-Russian separatist regions" and "said Tbilisi remained open to dialogue with Moscow to reduce tension that has escalated since the former Soviet republic temporarily detained four purported Russian spies last month."

Russia Opposes Punitive Measures For Iran. The AP (10/22, Gearan) reports that "even before" Secretary of State Condoleezza Rice "arrived in the Russian capital, her Russian counterpart said Moscow will not allow the Security Council to be used for punitive measures against Iran." Foreign Minister Sergey Lavrov did say that "Russia…was ready to discuss ways to pressure Iran into accepting broader international oversight of its nuclear program." AFP (10/22) adds that Lavrov said "Russia would oppose any effort to use the UN Security Council to promote a change of regime in Iran." However, he added that "the Iranian side must finally bow to the constructive proposals that have been made and fully cooperate with the IAEA."

Russia Gives Rice Assurances On North Korea Sanctions. The Los Angeles Times (10/22, Holley, 918K) reports, "Rice pressed Russia for a tougher stance against nuclear proliferation." She "mentioned possible U.S.-Russian cooperation in enforcing sanctions against North Korea under the 2003 U.S.-led Proliferation Security Initiative."

AFP (10/22, Milikin) adds, "Russia has indicated it would strictly enforce sanctions on North Korea as US Secretary of State Condoleezza Rice met top leaders in Moscow." A senior State Department official said, "'It seems clear that the Russians take 1718 seriously'…referring to the UN Security Council resolution imposing sanctions on North Korea."

Rice Said To Be Deflecting North Korea Criticism With Optimism On China. In an analysis piece, the Washington Post (10/22, A21, Kessler, 748K) reports, "Many experts regard North Korea's test as a failure of Bush's nonproliferation policy." However, with "her trip to Asia this week," Secretary of State Condoleezza Rice "has come close to saying the test was a net plus for the United States. She has tried to deflect criticism by saying the test was an affirmation, rather than a failure, of the Bush administration's policy of trying to draw China deeper into negotiations on North Korea." Other U.S. officials also "have begun to depict China's increasingly central role in the administration's myriad foreign policy problems as a significant achievement." However, Rice acknowledged that "the shift will not 'happen in one fell swoop,'" and "that it was still unclear how hard the Chinese government would push North Korea."

US Reiterates Nuclear Protection Of South Korea, Using Stronger Language. The AP (10/22, Mann) reports, "The U.S. is pledging 'immediate support' of South Korea as part of a 'firm' commitment to defend its ally under America's nuclear umbrella, stronger language than in last year's version of their long-standing policy statement." At their meeting Friday, Defense Secretary Donald Rumsfeld and South Korean Defense Minister Yoon Kwang-ung "disagreed over how explicitly the U.S. should say that South Korea is under that umbrella," as "the South Korean delegation sought to persuade Pentagon officials to issue a public statement saying that if the North attacked the South with nuclear weapons, the U.S. would retaliate as if American territory itself had been attacked by nuclear weapons." However, "U.S. officials resisted, saying that would go beyond what the U.S. normally says publicly about how it would respond with regard to nuclear weapons. For decades, U.S. policy has been deliberately designed to include some ambiguity about the circumstances under which it would use nuclear arms."

South Korea Continues Projects In The North, Which Is Said To "Signal Strength." The AP (10/22, Herman) reports, "South Korea is still sending tourists to a mountain resort in the North and maintaining a joint economic

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zone, despite pressure to cancel the projects after Pyongyang's nuclear test," as "cutting off the joint projects…would mean Seoul would lose influence in the North, leaving the isolated nation wide open for China — the North's No. 1 trade partner and a key source of aid." However, "the U.S. has scoffed at the tourism venture…saying the project simply hands money to the North Korean government," and "has questioned labor practices in a joint economic zone where North Korean workers provide cheap labor for South Korean firms." Still, "China has made increasing economic inroads in the North in recent years, and South Korea has expressed concern that North Korea could become a de-facto Chinese province." Intensely nationalistic Koreans worry "that China is staging a shadow campaign to maneuver for position after a North Korean collapse." The AP concludes, "Seoul's reluctance to back out of its projects with North Korea could be a way of signaling strength — and ensuring that Koreans will have a land to call their own for centuries more."

UN Diplomats Said To Dread North Korean Ambassador's "Tirades." The Washington Times (10/22, McElroy, 88K), in an article titled, "Envoy's Tirades Elicit Chuckles At U.N.," reports, "Diplomats at the United Nations dread the arrival of North Korean Ambassador Pak Gil-yon at the microphone. Known sarcastically as Dr. Chuckles for his highly-strung manner, he is a master of florid tirades," and one a diplomat said, "We never get anything worthwhile out of him." Pak's "performance has done nothing to salvage the already low reputation of North Korean diplomacy."

In Stopping Trade, China Must Balance Instability Against North Korean Collapse. The New York Times (10/22, Onishi, 1.21M) reports, "North Korea's porous 880-mile border with China is its lifeline to the outside world," and "For China, the bottom line is to erect the right number of fences, as it did along the border city of Dandong recently. Build too few and you invite instability in China. Build too many and North Korea collapses," which "is clearly something Beijing doesn't want," as it "might send more North Koreans into China" or "could also bring reunification of the Korean Peninsula under America's ally South Korea."

Kristof Blames North Korea Nuclear Weapons On Bush Policies, Calls For Engagement. Nicholas D. Kristof writes in his column in the New York Times (10/22, 1.21M) that Bill Clinton "inherited a situation that, if it had continued, would have resulted in North Korea having hundreds of nuclear weapons by now, and producing an additional 50 each year. Instead, Mr. Clinton negotiated a deal with North Korea that resulted in it producing not a single ounce of new plutonium in his eight years in office. In contrast, President Bush inherited that North Korean nuclear freeze and, if he had just left it alone, North Korea wouldn't have produced any new plutonium. But Mr. Bush overruled Colin Powell's efforts to continue the engagement — and so North Korea has churned out enough plutonium on Mr. Bush's watch for perhaps eight nuclear weapons."

Journalist Notes North Korea Situation Involves "Old-Fashioned Clash Of Nations." Peter Maass, a contributing writer and former reported from South Korea for The Washington Post, in the New York Times Magazine (10/22) writes, "We can now thank North Korea's leader, Kim Jong Il, who is credited with directing several movies, for creating a Mexican standoff," one "that involves a) as many as six participants, including b) countries that are threatening one another with c) nuclear weapons." Still, it is the "old-fashioned clash of nations and national interests, exacerbated, as often happens, by the imperatives of regime survival," demonstrating that "new threats, like Islamic extremism, do not replace old ones." This situation, "history shaped by the rivalries, interests and missteps of nations rather than terrorists dashing from hideout to hideout," is "the way the world has been ordered and disordered since the emergence of the nation-state and even before, and it did not vanish on Sept. 11, 2001," just as "certain basic facts — war is an extension of politics, politics are often driven by a need for resources as well as collective feelings of pride or shame — remain much the same in the wake of Sept. 11."

Corruption Said To Be Rampant In China. In a week in review article, the New York Times (10/22, Yardley, 1.21M) reports that "there is the perception, fair or not, that official corruption is everywhere in China," and "To some extent, the ruling Communist Party does not disagree." With "an economic boom gilded with excess and profiteering, official corruption is so widespread, and increasingly so brazen, that it is almost taken for granted." While much malfeasance goes undiscovered or is covered up by the party," that "information that does reach the public domain is stunning." Although "President Hu Jintao and Prime Minister Wen Jiabao have warned that corruption threatens the credibility and legitimacy of Communist Party rule and have vowed to stamp it out," many experts warn "that truly stamping out corruption would involve the type of broad political reform and a full embrace of the rule of law that the party has long resisted," and "would topple…many of his own political allies." Instead, "the government responds largely with propaganda campaigns." Still according to some experts, "to some extent, the corruption problem is not atypical for the country's stage of development,"

Facing Domestic Stress, Egypt Presses US To Resolve Palestine. The New York Times (10/22, Slackman, 1.21M) reports that senior officials say, "Faced with twin political threats — a rising Islamic movement at home and diminished influence throughout the region — Egypt is pressing the United States for an aggressive promotion of Palestinian statehood as a means of

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strengthening itself and other Arab governments allied with Washington." They "see a major regional peace initiative by Washington as the first necessary step toward stealing momentum from Islamic groups," although "optimism is limited that Washington will put the stated interests of its Arab allies ahead of the perceived interests of Israel." In "evidence of growing concern and frustration here," during her recent visit "Egyptian officials told Secretary of State Condoleezza Rice…that the United States should move straight 'to the endgame'" in Palestine.

Abbas Calls On Retired Commander To Curb Hamas In West Bank. The AP (10/22, Federman) reports that "a day after Palestinian Foreign Minister Mahmoud Zahar, a top Hamas leader, said the Islamic group would beef up its militia in Fatah's West Bank stronghold, Palestinian president Mahmoud Abbas brought security commander Ismail Jaber "out of retirement Saturday to block Hamas from building up its forces in the West Bank, the latest sign that the standoff between the Islamic militant group and Fatah could erupt into widespread violence." He "has been tainted by corruption but is respected by thousands of gunmen loyal to Mahmoud Abbas' Fatah movement." Previously Abbas had "forced Jaber and other senior officials into retirement as part of his efforts to root out corruption." Now, an official close to the Palestinian leader said that he "hopes Jaber will help him curb Hamas' plans in the West Bank."

Veil Debate Said To Represent Shift In Britons' Limits Of Tolerance. The New York Times (10/22, Cowell, 1.21M) reports, "Rarely has Britain's struggle to define its relationship with a disaffected and diverse Muslim minority seemed so fraught as it was last week, with the debate fixated on where a woman can wear…the niqab, the full-face veil," which, for Britons, "has come to offer an emblem by which Islamic separation may be criticized without challenging the right of 1.6 millions Muslims — fully 3 percent of the population — to practice their faith." The debate "seems to signal a broader shift as non-Muslim Britons set new limits of tolerance, not just for recent immigrants but for a younger, home-grown generation of more assertive British Muslims," and "there is a ginger step toward the notion that the right of the group might trump the right of the individual under more circumstances." Concurrently, "A blame-game question is emerging: Who is responsible for the widening gulf between majority and minority?" For Muslims born and raised in Britain, the "paradox" is that they "are an integral part of the society that seems to reject them. To be accepted, they need to assert their presence, yet in doing so, they fall afoul of pressures to conform to the standards of the non-Muslim majority.

Former Dutch Lawmaker Calls For Reform, Moderate Approach To European Muslims, Immigraiton. Ayaan Hirsi Ali, a former Dutch legislator from Somalia who now lives in the U.S. where she is a fellow at the American Enterprise Institute, writes in the Los Angeles Times (10/22, 918K) that the worst-case scenario for Europe will be if "the warnings of the" pessimists about immigration are "not be heeded" and the "optimism" immigration's proponents is "abandoned." Then, "the monopoly of force that is now exclusive to states will be challenged by armed subgroups. European societies will be divided along ethnic and religious lines," and "Europeans will come to accept the de facto implementation of Sharia law in certain neighborhoods and even cities." However, if Europeans are cautious but lively, they can create the best case scenario. It begins with "controlled or planned immigration," as the "current system in most European countries is designed to attract the highest number of people with truly heartbreaking stories, not the highest number of people who are willing and able to adapt to the European society."

Schroeder Says Bush's Religiosity Created Reservations. The AP (10/22, Eddy) reports, "Ex-Chancellor Gerhard Schroeder, whose second term was marked by vehement opposition to the war in Iraq, described in an advance copy of his memoirs how he was suspicious of President Bush's constant references to his Christian faith." He "said he could not reconcile himself with the feeling that religion was the driving force behind many of Bush's political decisions," writing, "What bothered me, and in a certain way made me suspicious…was again and again in our discussions how much this president described himself as 'God-fearing.'" Schroeder also "accused some elements in U.S. as being hypocritical when it comes to secularism in government. 'We rightly criticize that in most Islamic states, the role of religion for society and the character of the rule of law are not clearly separated,' Schroeder wrote. 'But we fail to recognize that in the USA, the Christian fundamentalists and their interpretation of the Bible have similar tendencies.'" The Los Angeles Times/AP (10/22) runs a shortened versions of the AP story.

Panama Expected To Vote To Expand Canal. The Los Angeles Times (10/22, Kraul, 918K) reports, "Voters are likely to approve a $5.2-billion project to expand the Panama Canal today, according to polls, despite warnings of an accumulation of debt, competition, technical miscalculations and possible environmental damage. Only scattered opposition has developed," and they "have been obscured by the well-oiled campaign by the government of President Martin Torrijos to sell the expansion as a competitive necessity." Still the opposition says "the expansion amounts to fixing something that isn't broken, and that the nation is risking its most important asset on dubious engineering and financial assumptions." Also, "skeptics say

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that cost overruns are inevitable and that they will be shouldered by taxpayers."

US Embargo Blamed For Cuban Market Restrictions. The Washington Post (10/22, A14, Roig-franzia, 748K) reports, "'Por la izquierda ,' or 'on the left;' Cubans use the phrase to describe back-alley deals both large and small. They scheme on the left to cope with chronic shortages and to skirt myriad rules that prohibit most forms of private enterprise and govern the minutiae of their daily lives." The Cuban government says "the restrictions that push so many Cubans to the left are, in some cases, necessitated by the U.S. trade embargo and, in others, a counteroffensive in the nearly half-decade propaganda war between the countries." A Cuban official said, "It's equivalent to genocide." The Post added that "even Cubans who are critical of the Castro government tend to have similarly heated reactions to the embargo. Their trips into the black market unspool as quiet acts of rebellion against both U.S. policy and the restrictions imposed by Castro."

Mexican President-Elect Seeks Help From US In Fighting Drug Lords. The AP (10/22, Weissert) reports, "The drug lords at war in central Mexico are no longer content with simply killing their enemies. They are putting their severed heads on public display." Mexican president-elect Felipe Calderon "wants a new, better trained federal police force to investigate drug smuggling, longer prison terms for drug convicts and more extraditions of kingpins wanted in the U.S. He says Mexico also needs more help from U.S. law enforcement, since Mexican smugglers are serving American drug users. Attorney General Magana denies Calderon's contention that Mexican law enforcement is overwhelmed. But in Villa Madero…the abrupt mass departure of police officers suggests a different picture." A local official said that the local police are afraid of these gangs he described as "very well armed and very dangerous." Subsequently, "since the police officers quit, many in Villa Madero say they are afraid to leave their homes."

Over 10,000 Homeless After Indonesian Mudslide. The Washington Post /AP (10/22, A20, Brummitt) reports, "Four months ago, a torrent of hot mud from deep beneath the surface of Indonesia's seismically charged Java island began surging from a natural gas exploration site following a drilling accident. The 'mud volcano' pours out about 165,000 cubic yards of mud every day -- enough to cover a football field about 75 feet deep. Often spewing out in geyser-like eruptions, the mud has left about 665 acres swamped or abandoned as unsafe, forcing more than 10,000 people from their homes."

New Perspectives Needed In Darfur. Morton Abramowitz, a senior fellow at the Century Foundation and a former assistant secretary of state, in an op-ed in The Washington Post (10/22, B7, 748K) writes that perhaps we "need to consider whether a different message is required to get urgent action from the Bush administration on ending the violence. Specifically: Is it not time to go beyond urging greater pressure on Sudan and using force in the region to seek immediately an effective negotiated peace settlement between Sudan's leader and the rebel groups in Darfur?" Abramowitz criticizes the media's "relentless campaign to persuade Western governments to stop the killing in Darfur, protect and feed its people, and get millions of refugees out of camps and back home." Abramowitz cites the problem of "public pressure for aggressive military measures has sometimes worked in persuading Western democracies to take actions they prefer not to take ... Robust military measures are, unfortunately, simply not acceptable to governments, whatever they may say about 'never again.'"

LATimes Urges Administration To Talk With Syria. The Los Angeles Times (10/22, 918K) editorializes that the Bush administration "continues to insist that merely talking to nasty regimes legitimizes and empowers them. This stance is impeding progress on Middle East peace. The U.S. should sit down and talk to Syria -- and encourage Israel to do the same." Instead, the White House "is reportedly pressuring Israel not to negotiate with Damascus, arguing that to do so would undermine U.S. efforts to isolate and punish Syria." The Times adds, "The administration should realize that the mere act of talking to your adversaries is not a sign of weakness." Therefore, "Bush should send former Secretary of State James A. Baker III to Damascus. Baker, a veteran of many rounds of bruising negotiations with Assad's father, has said he favors talking to Damascus. An Israeli-Syrian breakthrough is attainable, and it could jump-start the Israeli-Palestinian peace process."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Bush's Family Profits from 'No Child' Act."
"Alaska Villagers Living in Bird Flu's Flight Path."
"The Selfless and the Dead."
"Transplant Monitor Lax in Oversight."

New York Times:

"Living With Love, Chaos and Haley."
"S.E.C. Inquiry on Hedge Fund Draws Scrutiny."
"U.S. to Hand Iraq a New Timetable on Security Role."

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"With Guarded Cheer, Democrats Dare to Believe this is Their Time."
"On Baghdad Streets, a Police Partnership Falters."
"That Squish Behind the Jet Seat May Be an Open Ketchup Pack."

Washington Post:
"In a Land Without Order, Punishment is Power."
"How Foley Skirted Rules to Pursue Relationships."
"Democrats Strengthen Chances for Senate."
"'Click Fraud' Threatens Foundation of Web Ads."
"Gunshot Sensors are Giving D.C. Police Jump on Suspects."

Washington Times:
"Bush Sticks to Mission: U.S. Victory."
"Retail Goliath Casts Shadow."
"GOP Seeks to get back on Message."
"Ehrlich Woos Anti-O'Malley Democrats."
"P.S. I Don't Love You."

Detroit Free Press:
"For the Birds- Mitch Albom: Victory Not in the Cards."

Atlanta Journal-Constitution:
"World's Largest Cocktail Feud."
"Candidates' Mouthpieces have Teeth."
"Stem Cell Impasse Isakson Believes he has a Solution."
"A Tale of Remorse and Reconciliation in Americus."
"Was Jesus Rich?"

Dallas Morning News:
"U.S. Shifts Gears on Iraq."
"A Life Rebuilt."
"Diocese Say No, for Now, to Episcopal Split."
"Perry, Strayhorn Hunt for Voting Mother Lode."

Houston Chronicle:
"It's Perry's to Lose, But Turnout is Key."
"The New Face of Appalachia."
""Panama Vote Today Affects Port Here."
"Skilling's Case Stands Apart in Corporate Crime."

Story Lineup From Last Night's Network News:
ABC: Preempted By College Football
CBS: Preempted By College Football
NBC: Did not broadcast national news program.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH —Unavailable.
VICE PRESIDENT CHENEY -- Unavailable.

US Senate: No scheduled events.

US House: No scheduled events.

Other: Oct. 14 - 23. PSYCHIATRIC SERVICES _ The Americam Psychiatric Association hosts its 2006 Institute on Psychiatric Services. Location: Marriott Wardman Park Hotel, 2660 Woodley Road NW.

Oct. 19 - 22. EDUCATION-DRUG ABUSE _ The 20th Annual National Meeting on Alcohol and Other Drug Abuse and Violence Prevention in Higher Education will be held. Location: Hyatt Crystal City , 2799 Jefferson Davis Highway. Contacts: Jo Ann Webb, 202-401-1576

Oct. 21 - 23. SWEDISH EMBASSY _ Cremonies marking the opening of the House of Sweden, the new Swedish Embassy.
Location: 2900 K St. NW. Contacts: Andres Ericson, 202-467-2655

Oct. 22 - 27. CARDIOVASCULAR CATHETERIZATION _ Transcatheter Cardiovascular Therapeutics holds its annual meeting. Location: Washington Convention Center. Contacts: Susan Rood (Press room phone), 202-279-4534

11 a.m. - 4 p.m. YOUNG SCIENTISTS _ The 40 middle school students who are finalists in the Discovery Channel will present their projects to the public. Location: Smithsonian's National Museum of Natural History. Contacts: Katie McCormick Lelyveld, 202-295-0174

12 p.m. BEIRUT BOMBING _ The White House Commission on Remembrance holds a ceremony honoring the 242 Americans killed by a terrorist bombing in Beirut in October, 1983. Participants include Fannie Mae CEO Daniel Mudd, bombing survivors, others. Location: Section 59, Arlington National Cemetery. Contacts: Steven Schwark, 202-783-4665

1 p.m. LIBRARIANS _ The Public Printer of the U.S., Bruce James, addresses the Fall Federal Depository Library Conference and Depository Library Council meeting. Location: Hyatt Regency on Capitol Hill, 400 New Jersey Ave. NW. Contacts: Veronica ilMeter, 202-512-1957

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DEPARTMENT OF JUSTICE *NEWS CLIPS*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, US DEPARTMENT OF JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: MONDAY, OCTOBER 23, 2006 7:45 AM EDT

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TERRORISM NEWS:

Radical Islam Finds US 'Sterile Ground' (CSM)

By Alexandra Marks

The Christian Science Monitor, October 23, 2006

NEW YORK

The Islamist radicalism that inspired young Muslims to attack their own countries - in London, Madrid, and Bali - has not yielded similar incidents in the United States, at least so far.

"Home-grown" terror cells remain a concern of US law officers, who cite several disrupted plots since 9/11. But the suspects' unsophisticated planning and tiny numbers have led some security analysts to conclude that America, for all its imperfections, is not fertile ground for producing jihadist terrorists.

To understand why, experts point to people like Omar Jaber, an AmeriCorps volunteer; Tarek Radwan, a human rights advocate; and Hala Kotb, a consultant on Middle East affairs. They are the face of young Muslim-Americans today - educated, motivated, and integrated into society - and their voices help explain how the nation's history of inclusion has helped to defuse sparks of Islamist extremism.

"American society is more into the whole assimilation aspect of it," says New York-born Mr. Jaber. "In America, it's a lot easier to practice our religion without complications."

In a nation where mosques have sprung up alongside churches and synagogues, where Muslim women are free to wear the hijab (or not), and where education and job opportunities range from decent to good, the resentments that can breed extremism do not seem very evident in the Muslim community. Since 9/11, however, concern is rising among Muslim-Americans that they are becoming targets of bias and suspicion - by law enforcement as well as fellow citizens. It's a disquieting trend, say the young Muslims - one that might eventually help radicalism to grow.

It's impossible to pinpoint the factors that produce home-grown terrorists, analysts say. But it's also impossible to ignore the stark contrast between the lives of Muslims in European countries where bombings have occurred and those of Muslims in America.

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"What we have here among Muslim-Americans is a very conservative success ethic," says John Zogby, president of Zogby International in Utica, N.Y., whose polling firm has surveyed the Muslim-American community. "People come to this country and they like it. They don't view it as the belly of the beast. With very few exceptions, you don't see the bitter enclaves that you have in Europe." Life in America vs. life in Europe

Part of what so shocked Spain about the Madrid train bombers, and then Britain after the London subway and bus bombings in July 2005, was that most of the perpetrators were native sons. In each case, the young men, allegedly inspired by Al Qaeda ideology, came from poorer neighborhoods heavy on immigrants. (By contrast, a plot foiled in August to blow up airplanes over the Atlantic involved suspects from leafy, middle- and upper-middle-class neighborhoods in Britain.)

America, too, has poorer neighborhoods with large Muslim concentrations, but they tend to be interspersed with other ethnic groups and better assimilated into society. Another difference, some suggest, is the general profile of Muslims who have come to the US and raised their families here.

Most Muslim immigrants came to America for educational or business opportunities and from educated, middle-class families in their home countries, according to an analysis by Peter Skerry of Boston College and the Brookings Institution. In Europe, the majority came to work in factory jobs and often from poorer areas at home.

European Muslims today live primarily in isolated, low-income enclaves where opportunities for good jobs and a good education are limited. In the US, 95 percent of Muslim-Americans are high school graduates, according to "Muslims in the Public Square," a Zogby International survey in 2004. Almost 60 percent are college graduates, and Muslims are thriving economically around the country. Sixty-nine percent of adults make more than $35,000 a year, and one-third earn more than $75,000, the survey showed.

In Britain, by contrast, two-thirds of Muslims live in low-income households, according to British census data. Three-quarters of those households are overcrowded. British Muslims' jobless rate is 15 percent - three times higher than in the general population. For young Muslims between 16 and 24, the jobless rate is higher: 17.5 percent.

"The culture is qualitatively different [in the American Muslim community] from what we've seen from public information from Europe, and that actually says very positive things about our society," says Jonathan Winer, a terrorism expert in Washington. "We don't have large populations of immigrants with a generation sitting around semi-employed and deeply frustrated. That's a gigantic difference."

Jaber, the AmeriCorps volunteer, who is studying to become a medical doctor, says he has not experienced anti-Muslim bias. In part, he says, that may be because he doesn't have an accent or look particularly Middle Eastern - his father is Palestinian and his mother Filipino. But he also credits America's melting-pot mentality, as does Ms. Kotb, the Middle East consultant.

"We weren't isolated growing up. We were part of the culture," says Kotb, who grew up outside Washington in a family that inculcated a success ethic. "Religion was important, but not so much that you'd have to cover your head or if you don't pray five times a day, that's it - nothing like that. There were a lot more progressive attitudes" within her local Muslim community.

In mosques in America, it's fairly common for imams to preach assimilation, says Mr. Zogby. That's not as true in Europe, particularly in poorer neighborhoods where sermons can be laced with extremism.

"The success of ... Saudi-inspired religious zealotry in Europe was in large part because the Saudis put up the money to build mosques and pay for imams," says Ian Cuthbertson, a counterterrorism expert at the World Policy Institute at the New School for Social Research. "The American Muslim community was rich enough not to require Saudi money to build its mosques."

In Europe, it's estimated that millions of second- and third-generation Muslims have not been well assimilated in their adopted countries, so have little or no fealty to either the European country they live in or the one their parents were born in. "They are much more susceptible to the Internet, returning jihadist fighters, and extremist imams," says Thomas Sanderson of the Center for Strategic and International Studies in Washington. "There's no doubt that Europe has an incubator environment and we have a somewhat sterile environment for radicalism."

To be sure, the United States has brought charges in several terrorism-related cases involving American Muslims. Some have resulted in convictions, notably the 2002 case of six Yemeni-Americans from Lackawanna, N.Y. Other cases are pending. (See chart on Page 2.)

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Identifying and tracking home-grown terrorists is a complicated task - one that risks alienating or even infuriating the general Muslim-American citizenry if tactics are seen as unfair. Feeling a chill

The young Muslims interviewed for this story chose their words carefully, but their inference is clear: They worry that suspicion toward Muslims has been building since 9/11, and they suggest that US intervention in Iraq and its support for Israel cause angst among many Arab-Americans.

US foreign policies "in the long term are going to hurt the US," says Mr. Radwan, the human rights activist, who works in Washington. "They, along with the crackdown on Muslim-Americans [by law enforcement], feed a feeling of resentment and the perception that the US acts on the basis of a double standard."

Indeed, America's Muslim community would wage the war on terror differently. According to the 2004 Zogby survey, three-quarters say the best way is for the US to change its foreign policy in the Middle East by recognizing a Palestinian state and being less supportive of Israel.

A newer concern for America's Muslims is their standing in post-9/11 society. Many sense that the ground under their feet is shifting - and young people like Florida-born Radwan, in particular, feel it. A 2001 graduate of Texas A&M University, Radwan wanted to become a doctor and began working as a medical researcher. One month after the 9/11 attacks, he was let go - at the end of a three-month probationary period. Afterward, he says, he couldn't get even an interview for a job that used his biochemistry degree or research skills. Eventually he abandoned his hopes of a medical career and shifted to human rights work.

That experience leads him to suggest another reason the US hasn't seen European-style homegrown terror cells: the intense scrutiny the FBI has focused on Muslim-Americans. "That is good in the short term, but bad in the long term," he says. "The Bush administration policies feed resentment that ... will stay in the Arab- American psyche for a long time."

The FBI says it doesn't target any community, neighborhood, or religion. Agents simply go where the leads take them, says John Miller, the FBI's assistant director of public affairs. But he adds: "We have put a growing effort into community outreach because we understand the discomfort the amount of pressure our attention can bring to a community." The 'home-grown' threat: Is it overstated?

A small but growing number of analysts believe that some US officials have overstated the threat of homegrown Islamist radicalism in the United States. While Al Qaeda and foreign terrorists remain determined to attack in America, they say, the focus on potential American cells may be leading the US to misdirect its antiterror efforts.

"My theory as to why we haven't found any [homegrown Islamist terrorist cells] is because there aren't very many of them.... They aren't the diabolical, capable, and inventive people envisioned by most politicians and people in the terrorism industry," says John Mueller, a political scientist at Ohio State University. "The danger is that we've wasted an enormous amount of money with all of the wiretaps [and] investigations, and diverted two-thirds of the FBI from criminal work to terrorism work."

The FBI calls such conclusions "uninformed," citing alleged plots by radicalized US citizens. The most notable was the case of the Lackawanna Six, so named for the six Yemeni-Americans from Lackawanna, N.Y., who went to Al Qaeda training camps in the spring of 2001.

"The people who make these claims [about threats being exaggerated] are never the ones responsible for preventing these attacks," says John Miller, the FBI's assistant director of public affairs. "The point is that if you're the dead guy, or you're a family member of one of those guys, all you know is that you wanted someone to develop the intelligence and take the actions to prevent it."

Still, a lack of public evidence pointing to extensive Islamist extremism in the US is leading a small but growing number of experts to agree with Professor Meuller's assessment. Like Meuller, though, they add a cautionary note.

"There's not zero threat in any community, but it is good news and we have to hope that reflects an underlying reality that [homegrown extremist cells] don't exist here," says Jonathan Winer, a terrorism expert in Washington. "You've always got lone nuts in every imaginable ethnic group grabbing every imaginable ideology to justify terrorism."

Singing For Your Sleep (NSWK)

By Dan Ephron

Newsweek, October 23, 2006

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Sgt. Ben Allbright knows something about sleep deprivation. During the first six months of the Iraq war, his job was to guard prisoners in Al Qaim, a makeshift base near the Syrian border where U.S. troops conducted aggressive hunts for Saddam Hussein's weapons of mass destruction. Every day, soldiers hauled in about 20 new detainees for questioning by military interrogators or CIA operatives. To "get them out of their comfort zone" before the interrogation, Allbright told NEWSWEEK recently, the drill was to keep the Iraqis awake for 24 hours or longer. The guards would stand the prisoners up in old shipping containers, their hands tied behind their backs and their faces blindfolded and facing the wall. "After a while you'd see their knees buckling, or you'd see one of them lean forward and put his forehead against the wall to try to sleep." When that happened, Allbright would holler into the container or bang on the metal side with a stone or a club.

Is that inhumane? Is it legal? President George W. Bush signed the Military Commissions Act into law last week, laying down guidelines for Guantánamo prisoner tribunals and addressing the issue of interrogation tactics. Before the law was passed, the president had stressed the need to give CIA interrogators clear guidelines for questioning suspects. Most legal experts believe the new law criminalizes the harshest techniques used by the CIA since the attacks of September 11, including the mock drowning measure known as waterboarding. But the bill also creates a broad gray area in which some of the less dramatic methods—sleep deprivation, along with forced standing, hooding and stress positions—might still be part of the interrogation package. Neither the Pentagon nor the CIA would comment on their techniques, but the wiggle room bothers critics. "It seems pretty clear that they want to keep a gray area so that tactics can continue to be used that fall into that area," says Lt. Cmdr. Charles Swift, a prominent military defense lawyer.

Many experts question whether such methods are even effective. Sleep deprivation in particular has been used as an interrogation tool in different places around the globe throughout the past century, with questionable results. In America's Prohibition era, cops in the Chicago Police Department were known to sleep-deprive suspected criminals to extract confessions, many of which turned out to be false. In Northern Ireland, British troops used it in crackdowns on the IRA until a European court ruled in a minority opinion that it constitutes torture. When the CIA studied the utility of various interrogation methods in a broad 1960s survey known as Kubark, the agency concluded sleep deprivation made suspects more apathetic under questioning, not necessarily more compliant. Yet by 2001, the measure was being used on Afghan guerrillas in secret CIA detention centers, according to the testimony of both prisoners and soldiers.

Part of the problem is that sleeplessness inhibits clear thinking and can trigger hallucinations. "It's a little like getting drunk," says Mark Mahowald, a neurologist who heads the Minnesota Regional Sleep Disorder Center. While little is known about why humans need sleep, Mahowald says, the effects of deprivation have been widely studied. Within 24 hours, parts of the brain that control higher-level tasks—judgment, reasoning, self-monitoring—become impaired. Beyond a day, the subject actually slips into a state of semiconsciousness—something akin to a sleepwalker who can perform physical activities but has limited cognitive power. "Those kinds of changes might help an interrogator get someone to talk," Mahowald said. "But the things he says should not be counted on as reliable." What happens when sleep is deprived for longer stretches? Researchers have never subjected humans to more than a few days of sleeplessness. But when the University of Chicago deprived rats of sleep in a seminal study in the 1990s, the rodents survived three weeks without a wink, then died.

In CIA prisons, the record for sleep deprivation is shorter—but apparently not by much. Human Rights Watch, which interviewed the lawyers of 20 detainees held in a secret prison in Afghanistan as late as 2004, says some of them were sleep-deprived for up to two weeks, though sometimes allowed short naps. The facility, known among detainees as "the dark prison," was among the harshest run by the United States since the start of the war on terror.

Not everyone dismisses the effectiveness of sleep deprivation. The Israelis think it can help to pry valuable information from reluctant captives. Though Israel's Supreme Court banned torture in a 1999 ruling, interrogators regularly use sleep deprivation against Palestinians. Avi Dichter, Israel's minister of Public Security and the former head of Shabak, Israel's FBI, defends the technique: "When you're tired, is it easier to question you? I think yes. And I think we're all built the same, including terrorists."

Allbright, the sergeant who served in Afghanistan, has doubts. By the time questioning of sleep-deprived prisoners began, he recalls, they were so desperate to nod off they'd provide whatever answers the interrogators wanted to hear. Confessions included details about WMD that didn't exist. Allbright, a reservist who now studies law at the University of Arkansas, Little Rock, also believes sleep deprivation leads to a slippery slope. In sessions he says he witnessed, when interrogators couldn't wrench

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information from tired suspects, they'd resort to threats and in some cases to physical abuse. Allbright had read the Geneva accords on his breaks from guard duty, and complained to superiors about the breach of conduct. "They'd either laugh it off or they'd tell me it's above my pay grade," he says. (The Pentagon had no comment on Allbright's allegations.) Eventually, he was transferred to another base and given a different job. That was in late 2003, when the war in Iraq was still fresh and the procedures often vague. With a new law now in place, only some of them are clearer.

WAR NEWS:

Lawmakers To Bush: Push Iraq On Militias (AP-Y)

By Deb Riechmann

AP, October 23, 2006

Republicans and Democrats urged the White House on Sunday to increase the pressure on Iraq's prime minister to crush militias blamed for the rising bloodshed.

President Bush expressed unwavering confidence in Nouri al-Maliki's ability to come to grips with the sectarian violence. Yet continued instability and rising casualties have led to calls, growing louder as the Nov. 7 elections near, for Bush to overhaul his war plan.

"I don't believe that a shift in tactics ought to wait until after the election," said Sen. Arlen Specter, R-Pa., the chairman of the Senate Judiciary Committee. "There are too many casualties there. If we have a better course, we ought to adopt it sooner rather than later."

Two U.S. troops were killed in fighting, the military said Sunday, raising the death toll in October to 80, the highest of any month this year. The overall U.S. death toll has surpassed 2,780

Sen. Jack Reed, a member of the Senate Armed Services Committee, said the Bush administration's Iraq policy was failure. "What we have is a situation where this government over the last few months is deteriorating," said Reed, D-R.I.

While agreeing al-Maliki is the best leader to support in Iraq right now, lawmakers from both parties said he must do more to find a political solution between warring Shiite and Sunni sects, or peace will remain out of reach.

Bush said in his judgment, "Maliki has got what it takes to lead a unity government." But the president noted the urgency the new government faces to stop the killing. "I'm patient. I'm not patient forever, and I'm not patient with dawdling," Bush said. "But I recognize the degree of difficulty of the task, and therefore, say to the American people, we won't cut and run."

He added it would be a sign of surrender "if you pull the troops out before the job is done. Absolutely."

Sen. John Kerry, Bush's opponent in the 2004 presidential race, said a political rather than military solution is needed.

"Either they resolve the political differences within this year because they want to or they don't want to. If they don't want to, there's nothing American troops can do," said Kerry, D-Mass.

Sen. John Warner, chairman of the Senate Armed Services Committee, said setting a withdrawal timetable could leave a security vacuum that terrorists would fill. But Warner, R-Va., has said a change in course may be necessary if the security situation does not improve soon.

He urged the Iraqi prime minister to give the Iraqi army more authority to improve security. "It is their job, not the U.S. coalition forces' to subdue and get rid of these private militias," Warner said.

Sen. Carl Levin of Michigan, the leading Democrat on the Senate Armed Services Committee, said the administration must pressure the Iraqis to make political compromises on power and oil resources.

"If they don't want to do that, if they're going to have a civil war, we have to tell them, `You're going to do that without us,'" said Levin, who wants to see U.S. troops begin to leave Iraq by the end of the year.

The White House took issue with a report in Sunday's New York Times that said the head of the U.S.-led Multinational Forces in Iraq and the U.S. ambassador to Iraq were working on a plan that probably would — for the first time — outline milestones for disarming sectarian militias and meeting other political and economic goals. The newspaper said the blueprint to be presented to al-Maliki by the end of this year would not threaten Iraq with a withdrawal of U.S. troops.

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The White House said the article was not accurate. It said the administration was constantly developing new tactics to help the new Iraqi government sustain, defend and govern itself.

Defense Secretary Donald H. Rumsfeld said Friday that U.S. officials are working with the Iraqi government to develop projections as to when they can take over various areas of responsibility so the Iraqis do not grow dependent on U.S. troops.

Democrats say it's past time for a change. Sen. Edward Kennedy, D-Mass., said the administration was hinting at doing so because Democrats were threatening to capture control of Congress in the upcoming election.

"Let's hope that at long last we'll have a true change of policy by the administration and not just a political feint to get by in a tight election," Kennedy said.

To Kerry, a decorated Vietnam veteran, "It's immoral to have the lives of young Americans being put on the line, waiting for an election day event or strategy. If you've got a better strategy, Mr. President, we deserve to have it now."

Bush and Kerry appeared on ABC's "This Week." Reed and Specter were on CNN's "Late Edition," while Warner and Levin spoke on "Fox News Sunday."

Troops To Remain In Iraq, Bush Says (WT)

By Eric Pfeiffer

The Washington Times, October 23, 2006

President Bush implicitly acknowledged yesterday that the war in Iraq will continue for several years, saying he could not see any way that U.S. forces could be withdrawn from the country while he is president.

In a taped interview with ABC's "This Week," moderator George Stephanopoulos asked Mr. Bush, "Can you imagine any circumstances where U.S. troops are going to leave Iraq before you leave the presidency?"

"No. I cannot," Mr. Bush said. "You mean every single troop out? No."

The president's interview aired in the wake of widespread reports last week, based on leaks from a U.S. task force headed by former Secretary of State James A. Baker III, that the Bush administration is preparing for a "course correction" in Iraq in the coming months, with some of the options being the partition of Iraq and a military coup against Iraqi Prime Minister Nouri al-Maliki.

Administration spokesmen already had played down those reports, but Mr. Bush yesterday noted that Mr. al-Maliki has only been in office four months and expressed his support, while noting that it wouldn't last forever.

"I'm patient. I'm not patient forever. And I'm not patient with dawdling. But I recognize the degree of difficulty of the task, and therefore say to the American people: We won't cut and run."

In an appearance yesterday on "Fox News Sunday," Sen. John W. Warner, Virginia Republican, said the Iraqi military needed to crack down harder on the private militias that have fought a low-grade civil war, with daily body counts in the dozens. Yesterday, the militias killed more than 40 Iraqis, with the bloodiest attacks coming against police recruits and holiday shoppers. The U.S. military also announced the deaths of a Marine and two soldiers, raising the October death toll to 81.

"It is their job, not the U.S. coalition forces' to subdue and get rid of these private militias," said Mr. Warner, chairman of the Senate Armed Services Committee, adding that a change in course may be necessary if the security situation does not improve soon and that "I think the administration is constantly revising and looking forward."

For his part, Sen. Richard G. Lugar, chairman of the Senate Foreign Relations Committee, told Fox News that criticism of Mr. al-Maliki is not the solution.

"We're talking about putting pressure on Maliki, but he doesn't have much clout," the Indiana Republican said. "Now, we probably need to think through how we, the United States, can give this prime minister more clout."

However, in his own "Fox News Sunday" appearance, Sen. Joseph R. Biden Jr., Delaware Democrat, said a more drastic approach is necessary.

"The truth of the matter is, there's a need for radical change in policy. There's a need for a political solution in Iraq and a bipartisan solution here at home," the ranking Democrat on the Foreign Relations Committee said. "Without those two things happening, there is no possibility, in my view, we succeed in Iraq."

Mr. Bush rejected the notion that he has been unwilling to adjust U.S. strategy in Iraq.

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"Well, listen, we've never been 'Stay the course.' We have been -- 'We will complete the mission, we will do our job and help achieve the goal.' But we're constantly adjusting the tactics, constantly."

In recent campaign appearances, Mr. Bush has described the Democrats as wanting to "wave the white flag of surrender" in the war on terror. When asked whether he could name any Democrats who have uttered such a phrase, Mr. Bush referenced Sen. John Kerry, Massachusetts Democrat, his opponent in the 2004 presidential election.

"I can name a Democrat who said there ought to be a date certain from which to withdraw from Iraq, whether or not we've achieved a victory or not," Mr. Bush said.

"That's reprehensible. It's a lie," Mr. Kerry said during his own appearance on "This Week," when asked about Mr. Bush's surrender comments. "The administration has lied in the walkup to the war. They've lied in the conduct of the war. And they have made America less safe. And the president just misled America again in that interview."

When asked whether Iraqi insurgents are trying to affect the midterm elections, Mr. Bush said, "My gut tells me that they have all along been trying to inflict enough damage that we'd leave. And the leaders of al Qaeda have made that very clear. ... They believe that if they can create enough chaos, the American people will grow sick and tired of the Iraqi effort and will cause [the U.S.] government to withdraw."

Deepening Disarray Over US Policy In Iraq (FT)

By Guy Dinmore

Financial Times, October 23, 2006

Leading Republicans and the Bush administration on Sunday projected a deepening sense of disarray over Iraq, as they argued with each other over the current state of affairs and the way forward.

Several senators took issue with the administration's policies in Iraq, distancing themselves from the White House in the run-up to next month's mid-term elections to Congress.

Spokesmen scrambled to deny media reports that ran contrary to the official line.

Senator John Warner, chairman of the armed services committee, who had described Iraq as "slipping sideways", on Fox News declared the situation to be worsening as Shia turned on Shia, Sunni on Sunni and al-Qaeda moved into the western Anbar province.

Mr Warner congratulated US military commanders for acknowledging that the Baghdad security plan was not working. But he did stand by the administration in rejecting calls for a timetable of withdrawal.

Senator Arlen Specter, head of the judiciary committee, said a New York Times report on Sunday – denied by the White House – had all the hallmarks of accuracy. According to the report, the administration is preparing a timetable for the Iraqi government to address sectarian divisions and take on a larger security role.

Mr Specter said that was the right approach and the government of Nouri al-Maliki had to be told the US would not be there for ever.

"We have to face the facts," he said, declaring Iraq to be in a civil war, at odds with official pronouncements.

Senator Richard Lugar, who chairs the foreign affairs committee, said Mr Maliki lacked "clout" but was "probably the best horse to ride on in the situation".

A Nadir Of U.S. Power (WP)

By Sebastian Mallaby

The Washington Post, October 23, 2006

It's not exactly morning in America.

In Iraq, things get ever uglier, and the old remedy of extra troops now seems tragically futile. The Bush team has recently tried putting thousands of additional soldiers into Baghdad, and the result after two months is that violence there has increased.

Iraq is often seen as a special Rumsfeldian screw-up. But in Afghanistan, the Bush team quickly handed off to a model pro-Western leader backed by a broad NATO coalition. And what are the results there? The government is wobbling, warlords run drugs and the pro-al-Qaeda Taliban have 4,000 to 5,000 active fighters in the country.

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It's not just military efforts that are faltering. Five years ago, President Bush launched an experiment in tough-talk diplomacy, warning foreign leaders that they must be with us or against us in the war on terrorism. At first this yielded at least one achievement: Pakistan sent troops for the first time into its wild border regions to root out Taliban and al-Qaeda fighters. But that success has now gone into reverse. Pakistan recently withdrew its soldiers, in effect ceding the border territory to the radicals.

It would be nice if this merely proved that tough talk can backfire. But traditional diplomacy is faring no better. In North Korea and Iran, the United States has tried every diplomatic trick to prevent nuclear proliferation, making common cause with Western Europe, Russia, China and Japan, and wielding both sticks and carrots. The result is failure: North Korea has tested a nuke and Iran still presses on with its enrichment program.

A few years ago, the collapse of Russia's currency triggered a furious debate in Washington over who lost Russia. Now Russia's pro-Western voices are being snuffed out, and Americans are so inured to the limits of their power that they don't even pose that question. A crusading journalist has been killed, and on Thursday Vladimir Putin silenced Human Rights, Amnesty International and more than 90 other foreign organizations. Everyone accepts that there's not much the West can do about this.

In Somalia, a Taliban-style group of Islamic militants has seized part of the country. One of its commanders is said to be sheltering terrorists who blew up the U.S. embassies in Kenya and Tanzania: A brand-new terrorist haven may be emerging. Again, it is assumed that the world's sole superpower can't do much but watch.

Three long years ago, the Bush administration described the killing in Darfur as genocide. You might think that an impoverished African state that can't control its own territory would be a pushover. But the Bush administration has tried sanctions, peace talks and United Nations resolutions. Sudan's tin-pot dictator thumbs his nose at Uncle Sam and dispatches more death squads.

When historians analyze the decline of empires, they tend to point to economic frailties that undercut military vigor. Well, the United States has several economic frailties and can't seem to address any of them.

Every honest politician knows that entitlement spending on retirees is going to bust the budget. But since the failure of Bush's proposed Social Security overhaul last year, nobody is doing anything about it.

Every honest politician knows that we need to quit gobbling carbon. But higher gas taxes are seen as a political non-starter on both sides of the political spectrum.

Every honest politician knows that support for globalization is fraying because of rising inequality at home. But how many of them stand up for policies that could reduce inequality without harming growth -- most obviously, tax reform? You don't hear anybody on the left or right denouncing the absurdity that more than half the tax breaks for homeownership flow to the richest 12 percent of households.

In fact, it's hard to name a single creative policy that has political legs in Washington. Is anyone serious about tackling the crazy tort system, which consumes more than a dollar in administrative and legal costs for every dollar it transfers to the victims of malpractice? Nope. Is there any prospect of allowing the millions of immigrants who come here to do so legally? To be honest, not much.

Instead, the right and left are pushing policies that are marginal to the country's problems. The right wants to make its tax cuts "permanent," even though the boomers' retirement ensures that taxes will have to go up. The left wants to raise the minimum wage, even though this can only help a minority of workers.

I'm not predicting the end of the American era, not by a long shot. The U.S. business culture is as pragmatic and effective as its political culture is dysfunctional. But has there been a worse moment for American power since Ronald Reagan celebrated morning in America almost a quarter of a century ago? I can't think of one.

To Stand Or Fall In Baghdad: Capital Is Key To Mission (NYT)

By Michael R. Gordon

The New York Times, October 23, 2006

BAGHDAD, Oct. 22 — After three years of trying to thwart a potent insurgency and tamp down the deadly violence in Iraq, the American military is playing its last hand: the Baghdad security plan.

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The plan will be tweaked, adjusted and modified in the weeks ahead, as American commanders try to reverse the dismaying increase in murders, drive-by shootings and bombings.

But military commanders here see no plausible alternative to their bedrock strategy to clear violence-ridden neighborhoods of militias, insurgents and arms caches, hold them with Iraqi and American security forces, and then try to win over the population with reconstruction projects, underwritten mainly by the Iraqi government. There is no fall-back plan that the generals are holding in their hip pocket. This is it.

The Iraqi capital, as the generals like to say, is the center of gravity for the larger American mission in Iraq. Their assessment is that if Baghdad is overwhelmed by sectarian strife, the cause of fostering a more stable Iraq will be lost. Conversely, if Baghdad can be improved, the effects will eventually be felt elsewhere in Iraq. In invading Iraq, American forces started from outside the country and fought their way in. The current strategy is essentially to work from the inside out.

"As Baghdad goes, so goes Iraq," observed Lt. Gen. Peter W. Chiarelli, who commands American forces throughout Iraq.

Many ideas — new and not so new — are being discussed in Washington, like a sectarian division of Iraq (which the current government and many Iraqis oppose); and starting talks with Iraq's neighbor, Iran (which the Iraqi government is already doing, but the United States is not). Some of these ideas look appealing simply because they have not been put to the test.

However the broader strategy may be amended, nothing can work if Baghdad becomes a war-torn Beirut. Baghdad security may not be a sufficient condition for a more stable Iraq, but it is a necessary condition for any alternative plan that does not simply abandon the Iraqis to their fate.

It is hard to see how any Iraq plan can work if the capital's citizens cannot be protected.

The current operation is called Together Forward II, the second phase of an effort begun in July to reduce violence in Baghdad. The name reflects the core assumption that the Iraqi government is to be an equal partner in regaining control of its capital. Necessarily, the security plan requires an integrated political and military approach, since its goal is not to vanquish an enemy on a foreign battlefield but to bring order to a militia-and-insurgent-plagued city.

But the early returns have raised searching questions as to whether the government of Prime Minister Nuri Kamal al-Maliki is truly prepared to tackle the mission.

"It is a decisive period," said Maj. Gen. J. D. Thurman, the commander of the Fourth Infantry Division and the senior commander of the American forces in Baghdad.

"They either seize the opportunity or they don't," he said. "If they don't, then our government is going to have to readjust what we are going to do, and that is not my call."

Since it would take several months to secure and begin reconstruction in the dozen or so strife-ridden neighborhoods that are the focus of the plan, American commanders said the viability of the strategy could not be properly assessed before the year's end. So far, however, the plan has been short on resources as well as results. The Iraqi Defense Ministry has supplied only two of the six Iraqi Army battalions that General Thurman has requested.

That is not just a question of numbers. Some American military officers say they believe the Iraqi Army may be more effective than the Iraq police, and more trusted by local citizens. Yet several Iraqi battalions have deserted rather than follow orders to go to Baghdad, according to American military officials. In the case of these units, summoning them to the Iraqi capital was tantamount to demobilizing them.

Some of the Iraqi police forces the Americans must work with have been infiltrated by militias. One Iraqi National Police unit has already been withdrawn from the streets and a training program has been instituted to improve the others. The Americans are carefully monitoring a number of police stations that they say have made common cause with some of the militias and intend to report them to the Iraqi government.

The original concept behind the plan was that American forces were to hold cleared areas for 60 to 90 days, during which the process of economic reconstruction would begin. Then American forces would turn the sectors over to Iraqi police and army units, freeing up American troops to tackle security challenges elsewhere in the city. Without sufficient Iraqi forces, however, this process has been hampered and it has been more difficult to prevent militias and insurgents from sneaking back into cleared areas.

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"What takes the combat power is the holding piece," said General Thurman. "We can do the clearing. But once you clear if you don't leave somebody in there and build civil capacity in there then it is the old mud-hole approach. You know the water runs out of the mud hole when you drive through the mud hole and then it runs back in it."

Delays in Iraqi government programs to improve electrical, sewage, water and health facilities has also hampered the effort. It had been expected that such Iraqi programs would begin before Ramadan, the monthlong holiday that is about to end. But the programs are now projected to start in November. In the absence of large-scale Iraqi programs, the Americans have sponsored some smaller efforts to improve sanitation and repair services, programs that have generated jobs and helped lower the unemployment rate in the city.

While the sectarian violence would be far worse if not for the American efforts, the number of murders in the Baghdad area has not decreased as hoped. Fifty-two bodies were found in General Thurman's sector, which includes Baghdad and large swaths of territory north and south of the city, during the first week of August, when the security operations began. During the week that ended Oct. 14, the body count was 176. For the week that ended Oct. 21, the body count was 143, a noteworthy decline but still more than at the start of the operation.

There are a number of ideas being discussed in private to fix the plan. Americans still hope to receive additional Iraqi Army forces next month. They also hope to persuade the Iraqi government to purge police stations infiltrated by militias. Iraqi deployment areas may also be realigned.

American forces have already shifted some forces to new high-violence sectors and may make further adjustments. Shrinking the military zone controlled by the American Baghdad-based division, which now extends south to the cities of Najaf and Karbala, has also been discussed as a way to increase the density of American troops in the capital.

Erecting more barricades to section off parts of the city has been proposed by some officers. So has legitimizing some neighborhood watch organizations. That idea cuts against the policy to abolish militias but has been advocated by some military officials as a useful expedient.

Keeping the Army's Fourth Division in place in Baghdad instead of rotating it home when it is to be replaced by the First Cavalry Division would substantially increase the number of American troops in the city. But there have been no indications that such an idea is under serious consideration.

In the final analysis, American officers say, much is in Iraqi hands. The American military is looking toward the Maliki government to finally disband the militias and reintegrate them into Iraqi society. It is not clear if the Iraqi government will follow through on such a step since some senior Iraqi officials have said the militias cannot be broken up until the Sunni-based insurgency is brought to heel.

American officials also say that the Iraqi government needs to more strictly enforce bans on the possession of illicit weapons and accelerate its reconstruction and job creation programs.

"Part of our problem is that we want this more than they do," General Thurman said, alluding to the effort to get the Iraqis to put aside sectarian differences and build a unified Iraq. "We need to get people to stop worrying about self and start worrying about Iraq. And that is going to take national unity."

"Until we get that settled I think we are going to struggle," he added.

U.S. Forces Caught In Crossfire On Streets Of 'capital Of Death' (USAT)

By Rick Jervis And Jim Michaels

USA Today, October 23, 2006

BAGHDAD — Before the U.S.-led invasion in 2003, it was one of the nightmare scenarios: a slugfest in Iraq's capital, a sprawl of narrow streets, markets and blind alleys that is home to 6 million people.

More than three years later, the close-quarters fight the United States wanted to avoid is a reality. Rather than fighting Saddam Hussein's army, however, U.S. troops are caught in the crossfire alongside Iraqi forces as both try to take back the city from religion-based militias and death squads, as well as insurgents.

"This is the toughest thing I hope I ever do: fighting a counterinsurgency atop a sectarian conflict," said Col. James Pasquarette, commander of the Army's 1st Brigade Combat Team, positioned northwest of Baghdad.

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The raging battle for Baghdad is looking more like a civil war, even if the U.S. and Iraqi governments avoid using the term. And it is prompting tough questions: Is the Iraqi government up to the job of restoring order? Does the U.S. military need to fundamentally change course to prevail?

President Bush held a videoconference over the weekend with key advisers, including Gen. John Abizaid, head of Central Command; Defense Secretary Donald Rumsfeld; and Vice President Cheney. The president characterized the meeting as part of an ongoing process.

Bush said the United States is constantly reassessing tactics but won't alter its objective of remaining in Iraq until the country has a stable government capable of maintaining its own security. "Our goal is victory," he said Saturday in his weekly radio address. "What is changing are the tactics we use to achieve that goal."

The administration is being urged to crank up pressure on the government of Prime Minister Nouri al-Maliki, which has been unable to reach political agreements with warring factions.

Sen. John Warner of Virginia, chairman of the Armed Services Committee, said Sunday that the Iraqi government should support its military in defeating militias. "It is their job — not the U.S. coalition forces' — to subdue and get rid of these private militias," he said on Fox News Sunday. Warner had earlier urged a change in course if Iraq's government can't restore order soon.

The joint U.S.-Iraqi security operation in Baghdad, underway since June, has brought a recent spike in U.S. casualties. On Sunday, the military announced the deaths of four U.S. soldiers, bringing the October total to 83, on pace to be one of the deadliest months of the war. Last week, Maj. Gen. William Caldwell, the top U.S. military spokesman in Iraq, acknowledged that the Baghdad offensive was not meeting its objectives of a sustained reduction in violence.

The administration calls the battle for Baghdad the key to Iraq's future. The main obstacles to progress in that fight, according to experts and U.S. officers:

•The lack of a political deal to disarm militias has allowed religious violence to grow.

•Urban warfare neutralizes the American military's edge in technology and firepower.

•Iraqi security forces vary in quality and loyalty and may not be ready for a battle of this intensity.

The battle for the capital is a fight the United States cannot afford to lose. "If you don't win in Baghdad, you can't win in the rest of the country," said Thomas X. Hammes, author of The Sling and the Stone: On War in the 21st Century.

The U.S. government has pushed al-Maliki, a Shiite Muslim, to strike political agreements to disarm the militias, many of which are Shiite forces with ties to him and others in government. That would reduce the amount of violence American soldiers face and isolate any remaining militants.

"You will never have enough troops to secure a city this big" without reaching a political deal, said Anthony Cordesman, an analyst with the Washington-based Center for Strategic and International Studies.

Al-Maliki told USA TODAY in a recent interview that he needs more time to reach agreement with militia groups. Some Iraqi commanders, however, say the government has interfered with security operations to protect its friends.

Maj. Hussein al-Qaisi, a battalion commander with the 1st Brigade, 6th Iraqi Army Division, says he often gets phone calls from government officials when he arrests suspected high-ranking militia leaders, both Sunni and Shiite.

"Sometimes they'll back them up no matter what," said al-Qaisi, whose unit is in northwest Baghdad. "We have to let them go."

Military action has stopped the violence in some pockets but won't bring a sustained peace, said U.S. Army Lt. Col. David Thompson, a commander based near Baghdad. "We have a political situation that needs decisive action."

U.S.-led raids often must be approved in advance by Iraqi leaders. This month, a unit in Baghdad got a tip about a torture chamber for Shiite death squads, but a planned raid needed clearance from the Iraqi side, said Capt. Kevin Salge, a company commander whose unit received the tip.

Several days passed before approval came through. By the time U.S. troops conducted a nighttime raid on the two-story building, it was largely abandoned, he said.

The absence of a political settlement between Shiites and Sunnis forces U.S. officers to negotiate with the warring factions.

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Thompson spends much of his time traveling in armored convoys from one tribal sheik to the next, urging them to put a stop to the sectarian killings.

One recent morning, he met with leaders of the Sunni Marawi tribe, whose members he believes are lobbing mortars into Shiite areas. Later that afternoon, he met with a leader of the Tamimi tribe, which he suspects has members in Shiite death squads.

Brig. Gen. David Halverson, deputy commander of U.S. forces in and around Baghdad, said there are signs of progress. In the week ending Oct. 19, there were 519 attacks in the city, down from 624 the previous week.

This month, Iraqi and U.S. forces detained 600 suspects and killed or wounded 100 in fighting with insurgents or militias.

"We're taking these people down," Halverson said.

There are nearly 60,000 U.S. and allied forces in Baghdad. That includes 15,400 American troops, 9,500 Iraqi soldiers and 34,600 national and local police.

The loyalty and skills of the Iraqi forces in Baghdad vary. Some army units are dependable, but police, who often live in the areas they patrol, can be reluctant to take on local militias.

Getting local police to respond aggressively against militias has been a challenge, Pasquarette said. He has ordered that letters, in Arabic, be sent to every police officer and official in his area, warning: If you don't combat militias, you'll be fired. If you're found to be supporting them, you'll be detained.

"To fight these extrajudicial killings effectively, we need to be embedded, almost one to one, with the Iraqi security forces," said Sgt. 1st Class Jeff Nelson, an intelligence analyst with the U.S. Army's 1st Battalion, 23rd Infantry Regiment, based in Baghdad. "We need to watch their every move."

In Hurriyah, a neighborhood in northwestern Baghdad, sectarian violence has been hard to fight because the area is controlled by the Mahdi Army, a Shiite militia loyal to anti-American cleric Muqtada al-Sadr.

Members of al-Sadr's militia have targeted prominent families — Sunnis and Shiites — and taken over their businesses and offices, Nelson said. Mahdi Army members have also infiltrated the local police.

"They've infiltrated every branch of public service and every political office they could get their hands on," Nelson said. "As soon as the U.S. leaves, they'll be able to dominate the area with key citizens, key positions, key offices. They'll pretty much have the lay of the land."

The Mahdi Army is brutal in pursuit of its goals, Nelson said. Large red X's are painted on the sides of houses the militia wants vacated, he said. Residents know they have a few days to leave before their houses are firebombed.

The Mahdi Army has used the tactic to clear entire clans from neighborhoods and to empty the neighborhoods of rivals, he said.

Riyad al-Nouri, a member of al-Sadr's political organization, denied involvement by al-Sadr loyalists in such strong-arm tactics and said the cleric has denounced religious killings. "These accusations are false and aimed at ruining this great movement," he said.

Shiite attacks are countered by Sunni groups. The mutilated bodies of their victims are usually discovered in the area's trash-strewn soccer field, Nelson said.

The bodies often show signs of torture, he said. Some bodies are booby-trapped. Few have ID.

Without the ability to identify victims, it's difficult for investigators to piece crimes together. When U.S. forces get intelligence on a death squad or killing, plans for raids are often shared with Iraq's security forces, leading to leaks and blown operations, Nelson said.

Nelson said his battalion investigated 40 sectarian killings and collected 57 bodies in a recent week. None led to an arrest, he said. "Sometimes we have a feeling of complete hopelessness," he said.

Capt. Alan Renazco, a fire support officer for another unit, said troops are often asked to hunt down death squads and insurgents — but avoid being overly aggressive — to gather evidence to later a convict a suspect. "We're not trained in this. We're not cops," he said. "We just want them to settle down long enough to get out of here."

City fighting is among the toughest combat. "The urban environment gives (insurgents) an advantage," said Conrad Crane, co-author of the Army's new counterinsurgency manual. "It negates some of our technological advantages."

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"You can go out to some of these neighborhoods, and there will be kids out there running around, there will be hundreds of people on the street, there will be shops open," said Col. Michael Beech, commander of the 4th Brigade Combat Team in Baghdad. "Then you'll turn the corner, and a IED will go off," he said, referring to an improvised explosive device, or roadside bomb.

It's difficult to target an enemy mixed in with civilians. "We are very concerned about collateral damage," said Lt. Col. Steve Stover, spokesman for U.S. forces in Baghdad. "That could turn the mood of the city against us.... We're in the enemy's backyard."

It's a close-combat fight in which American and Iraqi forces can rarely rely on artillery or air attacks. Over the weekend, coalition forces captured a sniper operating with a high-powered scope. He had a hole in the trunk of his car so he could target U.S. and Iraqi troops without being spotted. He had a video camera mounted in the back window of the vehicle, Halverson said.

Halverson said coalition forces have recently deployed counter-sniper teams. They are trained to search for enemy marksmen who have their pick of hiding places in neighborhoods they know well.

Civilians caught in the middle say violence has been brought closer to them than anytime since the collapse of Saddam's regime.

Farah al-Beady, a 32-year-old government employee, said he and his family go out only when necessary and stay close to home. "I have not seen my 69-year-old mother in months," he said.

"The civil war that everyone was afraid of is getting started," said Hammes, a retired Marine colonel.

Hussein Kari, 36, said he spends much of his free time in front of the computer. "The Internet keeps me connected with the outside world," he said. "Baghdad has become the capital of death."

On Duty At The Alamo (NSWK)

By Christian Caryl

Newsweek, October 23, 2006

Officially its name is Forward Operating Base Hope, but the 25 Americans who are stationed there call it something else: "the Alamo." Just south of their fortress is Sadr City, the immense Baghdad slum controlled by Moqtada al-Sadr and his private Mahdi Army. Although the firebrand Shiite cleric has denied any involvement in violence against the Sunnis, his stronghold has become a sanctuary for sectarian death squads. If the neighborhood boils over—as it has twice before, in 2004—millions of furious Iraqis will be standing between the Alamo's residents and the nearest U.S. reinforcements, five miles across town. The base's U.S. commander, Capt. David Baer, says he's not worried. "The militants in Sadr City don't want to fight," he says. "They'd get wiped out."

Even if he's right, how long can the truce last? In an effort to stop the death squads, American units have been struggling to assert control over key Shiite neighborhoods around Baghdad. U.S. casualties have jumped accordingly. In the past few weeks, Americans throughout Iraq have been dying at rates not seen since the battles of Najaf and Fallujah in 2004. Meanwhile the sectarian carnage keeps deepening in and around the capital. "We're obviously very concerned about what we're seeing in the city," Maj. Gen. William Caldwell, the senior U.S. military spokesman in Iraq, acknowledged last week. "We're taking a lot of time to go back and look at the whole Baghdad security plan."

The review may prove useless. Even as they create new study groups and ask what has gone wrong, senior officers at the Pentagon say privately that they have already tried every possible strategy. Two years ago, when there were 150,000 U.S. troops in Iraq and effectively zero Iraqi forces, the expectation was that once the Iraqis were trained up, security would improve. Now there are 140,000 Americans and 130,000 Iraqi troops, and parts of the country—Baghdad among them—are worse off than ever. No one knows what to do about it. "There is no plan B," says one senior Pentagon official, not wanting his name on such a gloomy assessment. U.S. military leaders are increasingly worried that their troops' sacrifices are only enabling Iraq's politicians to duck the tough calls necessary to save Iraq from civil war.

U.S. forces at the Alamo share that frustration. They're supposed to be training a group of 750 Iraqi Army recruits and their officers, but Americans throughout the training system are forced to devote much of their energy and attention to weeding out the bad ones rather than grooming the good ones. About three quarters of the Alamo's Iraqi recruits and officers are natives of Sadr

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City—meaning they're closely tied, through family and friendship, to the same Shiite militias that are spreading terror and death across much of the capital. A few weeks ago the Americans discovered that someone with a mobile phone had placed a direct call from inside the base to al-Sadr's headquarters. Now the Americans are collecting the Iraqis' phones at the Alamo's gates.

Unauthorized calls are the least of it. Two weeks ago U.S. and Iraqi troops detained one of the Alamo trainees' senior Iraqi officers for an apparent case of ethnic cleansing in Baghdad's upscale Mansour district. The officer had allegedly "borrowed" two Humvees and seven U.S.-trained Iraqi troops for the task, which he claimed had been ordered by a senior government official. "Everything we've worked for to give people freedoms is being rolled back by the militias," says Lt. Zeroy Lawson, the Alamo's intelligence officer.

The Americans' problems would be bad enough if the militias' tentacles stopped there. Last week U.S. troops captured Sheik Mazen al-Saedi, a senior member of al-Sadr's political organization, on suspicion of fomenting sectarian killings. They freed him the next day on the direct orders of Prime Minister Nuri al-Maliki. Al-Sadr and his organization are among the pillars of Maliki's government—the government U.S. troops are trying to protect. "We're operating as guests in this country," General Caldwell explained. "Any kind of ... limits that the prime minister wants to impose upon us, we need to abide by. I mean, this is his nation, after all. It's not ours."

Another core U.S. mission—winning Iraqi hearts and minds—is imperiled by a new threat: snipers. Some of the deadliest of the bunch are operating in the Shiite-dominated areas east of the Tigris River, where the Mahdi Army has been broadening its control. Since late August, American forces have repeatedly found themselves under sudden attack from unseen gunmen armed with high-powered Russian-made sniper rifles. The shooters fire a single shot at long range and melt away into the cityscape before they can be caught. In at least one incident, the sniper used a silencer. "Now it's on everyone's mind," says Capt. Jason Meisel, an intel officer with a unit patrolling directly adjacent to Sadr City. "It's on my mind when I leave the wire. Snipers create fear. That's the whole point of snipers. It's about stopping us from talking to the people."

The tactic is showing results. U.S. units in Baghdad have begun patrolling in heavily armored Bradley fighting vehicles instead of Humvees, and soldiers have learned to jog, not walk, in open areas, constantly scanning the rooftops. It's no way to inspire confidence among the locals, who are desperate for protection. If the Americans can't promise them security, the militias are glad to step in. Iraq's security forces are just as fearful. "My cousins, my neighbors, they're in the militia," says an Iraqi soldier at FOB Hope, declining to be named. "If they find out I'm working here, they'll kill me." If this is hope, God save us from despair.

With John Barry in Washington and Scott Johnson in Baghdad

5 Ways To Prevent Iraq From Getting Even Worse (TIME)

By Aparisim Ghosh

Time, October 23, 2006

It's a grim signÂ of the chaosÂ engulfing Iraq today that trying to save your family can put them in even more danger. That's what happened to Ammar Jawad, a Shi'ite in Baghdad, who this month moved his wife and two children to Balad, an hour's drive north of the violence-racked capital. He figured his family would be safer in Balad, a Shi'ite-majority town--until the war went there too. A week after Jawad's family arrived in Balad, a couple of Sunnis were killed in a suburb. Sunnis in a neighboring town retaliated by killing a dozen Shi'ite laborers. The Shi'ites then called in militias from Baghdad, and they went on a rampage in and around Balad. By the time U.S. troops finally stanched the bloodbath last week, nearly 100 people had died. Now Iraqis like Jawad, whose real name has been changed to protect his identity, are wondering if there's anywhere to go. "Even if I can get them out of Balad, where can I hope to send them next?" he asks. "What is the use in making any plans?"

There are no good options left in Iraq. To those who have lived through the daily carnage wrought by organized criminals, sectarian militias and jihadist terrorists, the idea that the U.S. can prevent a full-scale civil war--let alone transform Iraq into a stable democracy--has been dead for months. The main question is, How long will it take for military officials in Iraq and policymakers in Washington to concede that the whole enterprise is closer to failure than success? Midway through what is already one of the deadliest months this year, the U.S. military's spokesman in Baghdad, Major General William B. Caldwell IV, last week called the persistence of sectarian violence in Baghdad "disheartening" and acknowledged that the three-month-old U.S. campaign to take back the city has gone nowhere. That verdict added to rising clamor for an overhaul of the U.S.'s strategy

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in Iraq. In recent weeks, senior Republicans, like Virginia Senator John Warner, chairman of the Armed Services Committee, have said the Bush Administration should insist that the Iraqi government demonstrate progress by the end of the year or face a change of course by the U.S. Foreign policy hands in both parties are hoping that the Iraq Study Group, co-chaired by former Secretary of State James A. Baker III and Lee H. Hamilton, a former Democratic Representative from Indiana, will provide the White House with the political cover to abandon its now quixotic goals of creating democracy in Iraq in favor of a more limited focus on establishing enough stability to allow U.S. troops to leave without catastrophic consequences. "You can't sugarcoat that. The Iraq situation's not winnable in any meaningful sense of the word. What the U.S. needs to do now is look for a way to limit the losses and the costs," Richard Haass, president of the Council on Foreign Relations and a former member of the Administration's foreign policy team, said last week. The question, Haass added, is "how poorly it's going to end up."

It's not just the politicians who are reassessing the U.S.'s options in Iraq. General Peter Pace, Chairman of the Joint Chiefs of Staff, has ordered a group of young officers to review the military's strategy in Iraq and ask tough questions. Pace is pursuing the underlying riddle: Why are there almost as many U.S. troops in Iraq now as there were two years ago when, in the interim, more than 300,000 Iraqi security forces have been recruited and trained? Pace, according to an officer familiar with the process, wants to know, What's wrong with this picture?

So what can still be done? Despite the consensus of gloom--Bush told ABC News last week that the violence in Baghdad "could be" compared to the Tet offensive in Vietnam in 1968-69, which helped turn many Americans against that war--few Iraqi or U.S. officials believe an immediate withdrawal is wise or likely. But paralysis could be worse. So the focus is on finding ways to bring violence down to a sustainable level, after which the U.S. can begin to extricate itself from the mess. At this late date, there's nothing the U.S. or the Iraqi government can do to stop the bleeding altogether. Iraq's most pressing problems may still take years to resolve. But quick and decisive action in a few key areas could at least help slow the inexorable descent into anarchy. Here are five of them:

I

CLEAN OUT THE ROGUES

The Bush Administration's strategy has hinged on standing up credible Iraqi security forces to take over responsibility for the country's security. So far there are 311,000 U.S.-trained Iraqi soldiers and police, of varying capabilities. While that's close to the goal of 325,000, the real problem is less about quantity than loyalty. To anybody paying attention, it's clear that the security forces, broadly divided between the police under the Interior Ministry and the army under the Defense Ministry, are the main vectors of the widening civil war. The bureaucracies and the fighters have been infiltrated by militias, notably the Mahdi Army of Shi'ite radical cleric Muqtada al-Sadr and the Iran-backed Badr Organization, affiliated with the dominant party in the Shi'ite coalition that controls parliament. Many policemen and soldiers are more loyal to their sect leaders and militia bosses than to the Iraqi government. In Baghdad, for instance, many police vehicles and Interior Ministry offices bear stickers and posters of al-Sadr. Sunni victims of sectarian violence routinely accuse the police and army of looking the other way when the militias unleash havoc--or worse, joining in the killing.

Until recently, the government has ignored such allegations, suggesting that the victims were deceived by insurgents masquerading as cops or soldiers. But in the past few weeks, Prime Minister Nouri al-Maliki's government has acknowledged that some elements of the security forces have gone rogue. An entire police brigade was suspended this month on grounds that officers were indulging in sectarian or criminal activities, and the Interior Ministry claimed it fired some 3,000 employees and removed from their posts two top police generals.

But that doesn't go far enough. Al-Maliki says the security forces will continue to recruit from the ranks of the militias--leaving ordinary Iraqis feeling that one set of bad cops and soldiers will simply be replaced by another. The only option is for the U.S. to press al-Maliki to abandon his plans to absorb the militias into the security forces, slow down recruitment and set up a screening process to prevent militiamen from infiltrating the ranks. And cops suspected of abuses can't merely be fired. "If these officers and policemen have been guilty of sectarian crimes, they should be in jail and not in the street where they can commit more crimes," says political analyst Tahseen al-Shekhli. "Otherwise, the message al-Maliki sends to every policeman is, 'There is no punishment for killing Sunnis.'"

2

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DEAL WITH AL-SADR

Since the Feb. 22 destruction of a majorÂ Shi'ite shrine in Samarra, the Mahdi Army, al-Sadr's black-clad private militia, has been on the warpath against Sunnis, especially in and around Baghdad. Once driven by anti-Americanism--the Mahdi Army fought pitched battles against U.S. troops in 2004--the militias are fired by a determination to avenge centuries of Sunni oppression. Often with the connivance of the Iraqi security forces, marauding gangs professing loyalty to al-Sadr have killed or kidnapped thousands--not only Sunnis but also Shi'ites who don't subscribe to their radical version of the faith. Al-Sadr's truculence has become increasingly destabilizing. Last week, just days after he met with al-Maliki to discuss an end to sectarian killings, al-Sadr's men battled police and a rival Shi'ite militia and briefly seized control of the southern city of Amarah.

In public, the U.S. military says al-Sadr--who controls a sizable block of parliament--is a major political figure and must be treated accordingly; in media briefings, even al-Sadr's name and that of his militia are studiously avoided. Privately, however, American commanders say they would like the shackles taken off just long enough to deliver some blows against the Mahdi Army. It wouldn't be simple: a full-frontal assault on heavily populated Sadr City isn't a smart option, and a senior U.S. intelligence officer says that "Sadr himself has a diminished ability to command and control his forces." But the U.S. may still be able to do some good by hacking away at those elements of the Mahdi Army responsible for the worst sectarian atrocities and criminal activities. Doing so, however, would require more steel from the al-Maliki government. After the U.S. arrested a top al-Sadr operative in Baghdad last week, a man they described as "the alleged leader of a murder and kidnapping cell" in east Baghdad, the Prime Minister emerged from a meeting with al-Sadr in Najaf to order the man's release.

3

BRING THE SUNNIS BACK

Yes, that's beenÂ tried, but much of theÂ hard slog U.S. Ambassador Zalmay Khalilzad put in last winter to bring the Sunnis into the political process was undone last month when Shi'ite and Kurdish parties forced through legislation that brings Iraq closer to a partitioned state, which Sunnis fear would leave them without access to the country's main resource, oil. "The Shi'ites and Kurds used their combined parliamentary majority to bully the Sunnis," says a Western diplomat in Baghdad. "They need to understand that a big part of democracy is about reassuring the minority that its worst fears won't be realized."

Sunni parties boycotted the vote on the federalism bill and are threatening to withdraw from the all-party government. The risk is that more Sunnis will join the insurgency, which is being driven by extremist jihadis who have taken over parts of western Iraq. The Mujahedin Shura Council, an umbrella of jihadist groups that includes al-Qaeda's Iraqi wing, last week announced the formation of an Islamic state in "the Sunni provinces of Iraq." Scores of white-clad jihadis staged a brazen show of force in several towns in Anbar province. Although the majority of Sunnis want no part of an Islamic state run by jihadis, they may feel they have no option if the political process seems rigged against them.

One option, says the Western diplomat, is to use U.S. leverage with the Kurds to "get them to stop pushing the Sunnis into a corner." That would isolate the Shi'ites, who won't have a large enough majority in parliament to pass legislation. Khalilzad can draw on the fact that the Kurds, although committed to their own autonomy, owe their very existence to American arms. And the growing number of jihadist attacks on Kirkuk, a northern city coveted by the Kurds for its rich oil deposits, shows that they too stand to lose by radicalizing the Sunnis.

4

WAKE UP THE NEIGHBORS

Since Syria and Iran areÂ a big part ofÂ Iraq's problems--Damascus shelters and funds Sunni insurgents; Tehran arms and trains Shi'ite militias--they will have to be a big part of any solution. That has always been clear in Baghdad, where leaders like President Jalal Talabani maintain that the U.S. needs to engage Iraq's neighbors in some sort of dialogue, through unofficial channels if no other options exist. Talabani told the BBC last week that "if Iran and Syria were involved, it will be the beginning of the end of terrorism and securing Iraq within months."

But talks with either country remain anathema to the Bush Administration, which has consistently accused Syria of harboring terrorists and is currently engaged in a war of words with Iran over its nuclear program. "We'd be very happy for them not to foment terror," White House spokesman Tony Snow said last week. "But it certainly doesn't change our diplomatic stance toward either." Given the U.S.'s predicament, the Administration needs all the help it can get in Iraq. "Dialogue is what everybody

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does--enemies and friends," says former Marine General Anthony Zinni, a former chief of the U.S. Central Command. "It's neither good nor bad."

Haass, who served both President Bushes, says that despite the Administration's current reluctance, the U.S. will eventually find itself in such dire straits that it won't have much choice but to engage Syria and Iran. "We don't have the luxury of not talking with Iran about Iraq simply because we disagree with Iran about other things," Haass says flatly. "I believe that as a rule of thumb we make a mistake when we set preconditions for negotiations. What matters in a negotiation is not where you begin, but where you end up."

5

GET TOUGH. THEN GET OUT

Given the breakdown ofÂ security inÂ much of Baghdad and western Iraq, military commanders won't contemplate an imminent reduction in the number of U.S. troops in Iraq--which is holding steady at 140,000. And although some hawks, like Arizona Senator John McCain, advocate sending more troops in the short term, the Bush Administration--and the public--hasn't signaled any inclination to do so.

Even at current troop levels, U.S. forces may be able to bring the violence down to a more tolerable level. As the insurgency has intensified, many U.S. units have gone into "force protection" mode: going outside the wire only when a situation has reached crisis proportions and there's little they can do to set things right. That's the scenario that unfolded in Balad last week, when U.S. forces stood on the sidelines despite calls by Sunni leaders for them to intervene against the Shi'ite death squads. Some top commanders would instead like to see the U.S. military adopt more aggressive counterinsurgency tactics. For instance, rather than confine most troops to a few large bases on the outskirts of urban centers, the commanders advocate setting up smaller "patrol bases" near volatile neighborhoods. Those would give U.S. troops a higher profile--which is in itself a deterrent against violence--and allow them to respond more swiftly to trouble.

In Baghdad, the Americans have increased their patrolling in the city, but they are rarely on hand to prevent Shi'ite militias or Sunni insurgents from strafing a neighborhood or snatching people from the streets. Setting up more patrol bases in Baghdad could allow for surprise swoops and a more rapid response to crises.

But the corollary to a more aggressive posture is that as U.S. troops grow more visible, the insurgents will have greater incentive to keep fighting, which would inevitably lead to higher U.S. casualties. Although the military says it can withstand even the heavy toll it has suffered this month, many officers, as well as lawmakers from both parties, acknowledge that the unabated sacrifice of American life will eventually exhaust what public support remains for the war. At the Pentagon, officers are discussing withdrawal schemes. The question at this point may simply come down to how rapidly it's done. "We're all waiting for Nov. 7," says a senior officer, referring to Election Day in the U.S. "We know things have to change, but it needs to be reasonable. They can't just want us to bail out immediately. That would be ugly."

If all of theseÂ prescriptions were applied, would they make a difference? It's possible, but only if taken together. The Iraqi security forces can't be cleaned up unless the U.S. is prepared to face down al-Sadr--and it can accomplish neither of these tasks unless American commanders are allowed to be more aggressive on the ground. And no political solution is possible unless the Sunnis stay in the tent and the Iranians and Syrians agree to stay out of it.

Equally plausible, however, is the prospect that none of these steps will work, taken separately or together. Among independent analysts in Iraq and Washington, there is a growing skepticism about prescriptions of any kind. "No mix of options for U.S. action can provide a convincing plan for victory in Iraq," wrote Anthony Cordesman of the Center for Strategic and International Studies in a recent paper. "The initiative has passed into Iraqi hands. There are no 'silver bullets' that can quickly rescue this situation." Saving Iraq, if it's still possible, won't happen without more blood and heartbreak--among Americans as well as Iraqis like Ammar Jawad. His family survived the bloodletting in Balad, and Jawad is leaning toward leaving his family there. He says he has "given up believing things will be better anywhere in Iraq." It will be a long time before Iraqis like him will be persuaded otherwise--no matter when the U.S. goes. With reporting by With reporting by Sally B. Donnelly, MICHAEL DUFFY, Mark Thompson/Washington, M. Ezzat/Baghdad, Scott MacLeod/Cairo

"We're Not Looking For An Exit Strategy. We're Looking For Victory." (TIME)

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By Mike Allen, James Carney

Time, October 30, 2006

In the sitting room of his official residence last Wednesday, Vice President Dick Cheney sat down with TIME's Mike Allen and James Carney for a rare print interview. Excerpts:

â€¢What do you think a Democratic Congress would be like?

I don't expect that to happen. I'm optimistic that we're going to hold both the House and the Senate. One of the things I talk about on the campaign trail is the importance of what we've been able to do with tax policy. How our changes in tax policy--especially in '03--stimulated a recovery that's generated 6.6 million new jobs. Just today, the Dow broke through the 12,000 mark, first time ever for the Dow Jones industrial. I think a lot of that goes back to what we were able to do with cutting taxes on investments, on dividends and cap gains and so forth. All of that is at risk if there were to be a Democratic Congress.

â€¢How badly do you think the Mark Foley scandal has hurt Republican candidates?

I don't think it's hurt our candidates generally. Obviously, it's a terrible situation. I think appropriate action has been taken. Investigations are under way to find out what happened. The place where it's likely to have an impact, clearly, would be in Foley's district. But beyond that, I don't sense that it's the kind of issue that has an impact on Wyoming or California or Texas.

â€¢How long do you think it will be before the average American sees going to Iraq as a good idea?

I think that will all depend upon the final outcome. It's difficult for people to judge week to week. I think we've done the right thing. I think we're doing the right thing now. I firmly believe that. The President firmly believes it. I think the world is better off with Saddam Hussein in jail, on trial, than in power. Right next door today in Iran you've got Mr. Ahmadinejad off and running trying to develop nuclear weapons. The only thing that would be more volatile is if you also had Saddam Hussein trying to develop nuclear weapons in Baghdad. Establishing a democratic government, getting rid of the old regime, closing down a major state sponsor of terror, shutting off Saddam Hussein's practice of making payments to the families of suicide bombers--we've done good work to get this far. We've got more to do. It's going to be tough to finish the task, but I think it's very important that we complete the task.

â€¢Do you think that in your lifetime going to Iraq will be widely seen as visionary?

I do. I don't see any way you can argue, for example, that what happens in Iraq isn't going to have an impact on Musharraf in Pakistan or Karzai in Afghanistan. The key to a workable strategy in that part of the world against al-Qaeda, and the Islamic radicals that we're at war with, is to get the locals into the fight. They've got to take responsibility for their own governments, for their own security. That's what's happened in Afghanistan and in Pakistan, where having them working with us in the intelligence arena to capture and kill al-Qaeda has been absolutely essential. Same thing in Saudi Arabia.

If we were to do what some of the Democrats want, withdraw from Iraq, you could imagine what happens to a man like Karzai or Musharraf, who in effect puts his life on the line every day when he goes to work; the hundreds of thousands of men in Afghanistan and Iraq who signed on for the security forces to fight on our side, in effect, against the evil ones; the overall attitude of the millions of people in Afghanistan and Iraq who have gone to the polls and risked their own lives in order to vote and participate in newly created democracies, and suddenly the United States says, Well, gee, it's too tough in Iraq, we're going home. You cannot separate out Iraq from that broader global war on terror. Bin Laden has made the point repeatedly that Iraq is now the central front in the war on terror.

â€¢But hasn't he made that point because we're there? If we weren't there, would he be making that point?

The fact of the matter is we are there, and it is the central struggle at this point. The terrorists' only strategy is to break our will. They can't beat us in a stand-up fight. They never have. They go back, and they cite evidence of Beirut in 1983 and Somalia in 1993, when they killed Americans and then Americans withdrew. They think we don't have the stomach for the fight. For us to do what the Democrats--some Democrats--have suggested in Iraq would simply validate that strategy, would simply say to al-Qaeda, You're right. And all it would do is encourage more of the same.

â€¢Isn't what's happening in Iraq, though, not about al-Qaeda principally but about sectarian war?

There's no question that there is sectarian violence now, but remember how we got to sectarian violence: al-Qaeda. That was their strategy: to kill Shia until they could generate some kind of a response. And the lesson we should have learned with 9/11 is that there may have been a time in our history when we could withdraw behind our borders and be safe and secure here at home. That day passed on 9/11. When we saw the damage that a handful of men could do--trained in the remote training camps

of Afghanistan, aided and abetted by a planning cell in Hamburg, Germany, and ending up here killing 3,000 Americans that morning--and when we think of the ultimate threat of deadlier weapons than they had that day, the idea that we can turn our back on the Middle East and walk away from a state that could conceivably become a safe haven for terrorists or another area where they can train and plot and plan, that went out the window on 9/11.

â€¢There's a lot of talk that the Iraq Study Group led by James Baker will provide the Administration after the election with an exit strategy from Iraq.

I know what the President thinks. I know what I think. And we're not looking for an exit strategy. We're looking for victory. And victory will be the day when the Iraqis solve their political problems and are up and running with respect to their own government, and when they're able to provide for their own security. How we get to that objective is what we need to keep in mind. Our strategy hasn't changed. Our tactics change from time to time, and they have to adapt and adjust. We're eager to have thoughts and ideas from experienced people in terms of how we can move forward, in having the Baker-Hamilton group go put fresh eyes on the problem and take a look at it.

â€¢If you had to take back any one thing you've said about Iraq, what would it be?

I thought that the elections that we went through in '05 would have had a bigger impact on the level of violence than they have, I guess. I expressed the sentiment some time ago that I thought we were over the hump in terms of violence. I think that was premature.

â€¢Do you think we'll have a military draft in your lifetime?

I don't believe so. I'm a great believer in the all-volunteer force. It produces a very, very high-caliber military. People are serving because they want to serve. We preserve the Selective Service system in the event there were to be some catastrophic conflict that would require putting [nearly] 20 million people in uniform like we did in World War II, but I don't foresee at this stage the likelihood of that.

â€¢Now that you're a wartime Vice President, do you regret not having served in the military?

No. I don't go back and look at those decisions. I've spent a lot of time over the years on these issues. But I'm 65. I'd like to go back and do it all over again, but I made the choices I made.

â€¢In light of the North Korean tests, is the Nuclear Nonproliferation Treaty [NPT] system in trouble?

So far, I would say I've been generally pleased with the way in which the international community has come together in the last week or two after the test by North Korea. The Chinese have been vital in that process, and I think they've undergone a significant transformation in terms of how they look at the problem. The ultimate test, though, will be whether or not we can complete the task of the denuclearization, if you will, of the Korean peninsula and also get the Iranians to come into compliance with their obligations under the NPT and give up their aspirations to build nuclear weapons.

â€¢Why not run for President? You're younger than John McCain.

I've got a lot of miles on me. [Laughs.]

â€¢What do you think you and Mrs. Cheney will do after you leave office?

I don't have any idea. I'll be 68. I still have a few good years left, and I expect we'll spend time with family. Still got a lot of rivers I haven't fished.

To read the full interview with the Vice President, go to time.com/cheney

Intel: What The Brits Said (NSWK)

By Mark Hosenball

Newsweek, October 23, 2006

The CIA won't say so, but the U.K. initially opposed war in Iraq. A new book by Tyler Drumheller, former chief of the CIA's European ops, describes how, the day after 9/11, a "powerful delegation from a very close European ally" visited CIA Director George Tenet at HQ. In his book "On the Brink," Drumheller says the foreign-team leader said "his government stood by us ... and that we could count on it for any and all support." But the foreign rep cautioned, "I hope we can all agree that we should concentrate on Afghanistan and not be tempted to launch any attacks on Iraq." In Drumheller's account, Tenet replied, "Absolutely, we all agree on that."

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Who was this "close European ally"? That's classified, says the CIA. According to a footnote in Drumheller's book: "The nationality of the visiting delegation in this chapter and other details of what the author witnessed of that event have been masked under CIA secrecy requirements." But two former intel officials tell NEWSWEEK the foreign delegation was British, led by spy chief Richard Dearlove and David Manning, the national-security adviser. A U.K. source, who, like the former intel officials, requested anonymity due to diplomatic sensitivities, acknowledged that the delegation did visit Tenet on Sept. 12, 2001, and confirmed it was the U.K.'s position at the time that the U.S. should not attack Iraq. One of the other officials acknowledged the meeting but said Iraq was not discussed. CIA spokesman Paul Gimigliano said, "The agency does not publicly discuss its relations with foreign intelligence organizations."

State Dept. Official Apologizes For Criticism Of Iraq Policy (NYT)

By Neela Banerjee

The New York Times, October 23, 2006

WASHINGTON, Oct. 22 — A senior State Department official apologized Sunday night for saying that the United States had acted with “arrogance” and “stupidity” in its campaign in Iraq.

The apology from Alberto Fernandez, director of the office of press and public diplomacy in the Bureau of Near Eastern Affairs in Washington, involved a comment that he had made during an interview conducted in Arabic and broadcast Saturday on Al Jazeera, the Arab television network.

In the 35-minute interview, Mr. Fernandez, who speaks Arabic fluently, said, “History will decide what role the United States played.” According to a translation by CNN, he said that while the United States had tried its best, its role might be criticized by future historians “because undoubtedly there was arrogance and stupidity from the United States in Iraq.” Other news sources have translated the remarks in a similar way.

After news of the remarks spread Sunday, American officials said they did not reflect the administration’s views. “I can only assume his remarks must have been mistranslated,” said a senior administration official, who was not authorized to speak for attribution. “Those comments obviously don’t reflect our position.”

In a statement released Sunday night by the State Department, Mr. Fernandez said:

“Upon reading the transcript of my appearance on Al Jazeera, I realized that I seriously misspoke by using the phrase ‘There has been arrogance and stupidity by the U.S. in Iraq.’ This represents neither my views, or those of the State Department. I apologize.”

Mr. Fernandez has a reputation for outspokenness that predates his comments to Al Jazeera. Though he is responsible for getting top State Department officials into the Arab news media, he has given dozens of interviews himself, he told Newsweek in a profile published in August. His popularity in the Arab news media has been bolstered by his command of Arabic and his willingness to speak passionately about issues.

Mr. Fernandez’s interview on Al Jazeera came at the end of a week when the American military command conceded that it had failed to quell violence in Baghdad, despite a two-month offensive, and fighting between and within religious sects rocked several Iraqi cities. His opinions may open him to criticism from supporters of the Bush administration’s policies in Iraq. But some Iraqi lawmakers welcomed the remarks.

Mahmoud Othman, a Kurdish lawmaker, said more American officials should be willing to be self-critical about missteps in Iraq. “I have been expecting American officials, someday, last year, this year, to say something about this, that this policy has not worked,” Mr. Othman said. “It has been a failure. They should admit it before it is too late.”

Envoy Sorry For Iraq 'Stupidity' Comment (AP)

AP, October 23, 2006

A senior U.S. diplomat apologized Sunday night for saying U.S. policy in Iraq displayed "arrogance" and "stupidity."

A day after his remarks in an interview were broadcast by the pan-Arab satellite channel Al-Jazeera, Alberto Fernandez issued a written apology through the State Department press office.

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"Upon reading the transcript of my appearance on Al-Jazeera, I realized that I seriously misspoke by using the phrase 'there has been arrogance and stupidity' by the U.S. in Iraq," said Fernandez, director of public diplomacy in State's Bureau of Near Eastern Affairs.

"This represents neither my views nor those of the State Department," Fernandez added. "I apologize."

U.S. officials had sought to play down Fernandez' assessment of the security situation in Iraq.

State Department spokesman Sean McCormack told reporters Saturday that Fernandez said after the broadcast he didn't think reports of his comments were an "accurate reflection of what he said." Asked whether the Bush administration believed that history will show a record of arrogance or stupidity in Iraq, McCormack replied, "No."

Fernandez spoke in fluent Arabic in the interview, which Al-Jazeera said was taped in Washington on Friday. His remarks were translated into English by The Associated Press.

Fernandez also said Washington was ready to talk with any Iraqi group except al-Qaida in Iraq to facilitate national reconciliation.

15 Police Recruits Killed In Iraq; U.S. Death Toll For October Hits 83 (WP)

By John Ward Anderson

The Washington Post, October 23, 2006

BAGHDAD, Oct. 22 -- At least 15 Iraqi police recruits were killed Sunday when two buses taking them to Baghdad were ambushed by insurgents north of the capital, a local police official said. Twenty-five recruits were injured in the attack, and 20 others were kidnapped, he said.

The U.S. military on Sunday announced the deaths of four soldiers and a Marine, bringing the number of U.S. troops killed in Iraq this month to 83 -- the highest monthly toll since 84 U.S. troops were killed in November 2005. Attacks against U.S. and Iraqi forces in Baghdad have increased 43 percent since midsummer, U.S. military officials say.

Three of the soldiers were killed Sunday, two by small-arms fire west of Baghdad and one by a roadside bomb in the eastern part of the capital, the military said. The Marine was killed in Anbar province on Saturday, the same day that another soldier died, in Salahuddin province, the Associated Press reported.

Meanwhile, at least 10 Iraqis were killed and dozens more injured in violence in Baghdad. A U.S. military official said recently that violence in the capital had risen 22 percent this month, prompting U.S. and Iraqi officials to revisit their security plan.

The attack on the Iraqi police recruits occurred about noon near al-Muradiyah, a town north of Baghdad and south of Baqubah in the restive province of Diyala, provincial Capt. Muhannad al-Bawi said.

[A] news service reported that the recruits were traveling to the capital from a training base that had been attacked Saturday in an incident that was not publicly reported. It quoted a Baqubah official as saying that "many" people were killed and 80 injured in that assault.

Separately, Alberto Fernandez, a senior U.S. diplomat, apologized for criticizing U.S. policy in Iraq in an interview broadcast by the pan-Arab satellite channel al-Jazeera, the Associated Press reported.

"Upon reading the transcript of my appearance on al-Jazeera, I realized that I seriously misspoke by using the phrase 'there has been arrogance and stupidity' by the U.S. in Iraq," said Fernandez, director of public diplomacy in the State Department's Bureau of Near Eastern Affairs.

A Post staff member in Baqubah contributed to this report.

13 Police Recruits Among 18 Iraqis Killed In Violence (NYT)

By Michael Luo

The New York Times, October 23, 2006

BAGHDAD, Oct. 22 — A deadly ambush of police recruits north of Baghdad on Sunday and several bombings aimed at shoppers in the city put a violent stamp on preparations for the celebration of the end of the Muslim holy month of Ramadan.

The latest violence left at least 18 Iraqis dead overall, officials said, adding to what had already been one of the bloodiest stretches here since the American-led invasion in 2003.

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In addition, about 50 bodies were collected Sunday around Baghdad, the capital, a figure considered high weeks ago but now routine. An Interior Ministry official said many of the victims had apparently been shot at close range and bore signs of torture.

The American military reported five more combat deaths as well. A marine in Anbar Province and a soldier in Salahuddin Province died from "enemy action" on Saturday, the military said. Another soldier in Baghdad was killed Sunday by a roadside bomb, and two others were killed Sunday by small-arms fire in the capital when their patrol came under attack, the military said.

The deaths brought the month's total of lost American lives in Iraq to at least 83.

With more than a week remaining, October's death toll was already the highest for American troops since November 2005, according to Iraq Coalition Casualty Count, an independent Web site that keeps track of such figures.

The ambush of the police recruits, by gunmen with assault rifles and rocket-propelled grenade launchers, occurred near the town of Muradiya, north of Baghdad, and left 13 recruits dead, an Interior Ministry official said.

It began with a roadside bomb that halted a police convoy, the official said. It bore the signs of the kind of sectarian violence that has plagued Iraq, particularly since the bombing of a sacred Shiite shrine in Samarra in February.

The recruits may have been members of the Mahdi Army, the biggest of the Shiite militias in the country, the Interior Ministry official said, but an American military official in nearby Baquba could not confirm that. Several of the recruits were missing and were believed to have been kidnapped.

Attacks have spiked in Baghdad since the beginning of Ramadan, the Muslim period of fasting and repentance that will come to an end this week with the three-day holiday of Id al-Fitr, when Muslims traditionally gather with their families to celebrate the end of the fasting period.

The violence in Baghdad during Ramadan has persisted despite the presence of thousands of additional American troops as part of a new security plan for the city that military officials had hoped would help stop the bloodshed. An American military spokesman in Baghdad conceded last week that the plan had faltered and that commanders were working to "refocus" their efforts.

On Sunday, shopping areas in Baghdad were crowded as residents stopped by bakeries to purchase sweets and picked through racks to buy new clothes for the coming holiday.

During Ramadan, hundreds of people were killed in sectarian attacks in Baghdad, and clashes broke out last week between rival Shiite militias in the southern city of Amara, threatening to extend the spiraling violence to the Shiite south.

The mayhem on Sunday included a bomb that exploded under an unattended car in the Shorja market, an area filled with wholesale stores that is Baghdad's largest and oldest shopping bazaar. At least two people were killed and five wounded from the explosion at about 11:30 a.m., an Interior Ministry official said.

About the same time, the official said, a bomb exploded and wounded four people near the al-Farasha bakery in eastern Baghdad, where shoppers were lined up to buy holiday sweets.

Several hours later, a suicide bomber wearing an explosive belt detonated it on Palestine Street, a busy commercial area in the eastern part of the city, killing himself and three others and wounding 20, the official said.

The bombings in Baghdad on Sunday were similar to an attack the day before in Mahmudiya, a volatile predominantly Sunni town 15 miles south of the city, when bombs left on five motorcycles exploded as shoppers packed the main market, killing at least 16 people and wounding 60.

The Iraqi Islamic Party, the country's largest Sunni party, issued a strongly worded statement on Sunday that blamed Shiite militias for the attack in Mahmudiya. The statement said that the militias had killed 1,000 residents in the town since January and that American and Iraqi forces had been allowing the attacks.

The party urged that the leadership of the Iraqi Army brigade in the area be replaced.

In Balad, Age-Old Ties Were 'Destroyed In A Second' (WP)

By Ellen Knickmeyer

The Washington Post, October 23, 2006

DOJ_NMG_0084873

OUTSIDE BALAD, Iraq -- At midweek, Shiite Interior Ministry commandos and their Shiite militia allies cruised the four-lane hardtop outside the besieged city of Balad, trying to stave off retaliation for a deadly four-day rampage in which they had all but emptied Balad of Sunnis.

Sunni insurgents pouring in to take that revenge patrolled the same highway, driving battered white pickups and minivans, their guns stashed out of sight. Affecting casualness, more Sunni men gathered on rooftops or clustered on the reed-lined edge of the highway, keeping an eye on the Shiite forces and the few frightened civilians who dared to travel the highway past Balad.

What brought this Tigris River city north of Baghdad to this state of siege was a series of events that have displayed in miniature the factors drawing the entire country into a sectarian bloodbath: Retaliatory violence between Sunnis and Shiites has soared to its highest level of the war, increasingly forcing moderates on both sides to look to armed extremists for protection.

The Shiite-led government's security forces, trained by the United States, proved immediately incapable of dealing with the sectarian violence in Balad, or, in many cases, abetted it, residents and police said.

More than 20,000 U.S. troops are based within 15 miles of Balad, but, uncertain how to respond, they hesitated, waiting for Iraqi government forces to step up, according to residents, police and U.S. military officials.

And all that was left holding Balad, and Iraq, together -- the desire for peace and normality still held by the great majority of Iraqis, and the generations of intermarriage and neighborliness between ordinary Shiite and Sunni Muslims -- was ripping apart.

"The people of Balad should not kill the Sunnis who are among them," said one slightly built Shiite man, fleeing his home on the outskirts of Balad. He and 13 women and children of his family were crammed into a single, battered Toyota sedan, stranded by a flat tire near the highway turnoff to the city. "Our relations are not of months or years. It's since the beginning of time," he said. "This relationship has been destroyed in a second."

The principals involved give a straightforward timeline of how that happened.

The trigger event, U.S. and Iraqi officials said, was the killing of two or three Sunni men from the area earlier this month. One of the men had been a local leader of the insurgent group al-Qaeda in Iraq, according to Maj. Gen. William B. Caldwell, a U.S. military spokesman.

On Oct. 13, Sunni insurgents took their revenge. In Duluiyah, a Sunni hamlet four miles and across the river from Balad, insurgents kidnapped and beheaded 17 Shiite laborers who had come to work in the date palm groves there. The U.S. military later arrested two Sunni police officers from the town for alleged involvement in the deaths.

Al-Qaeda in Iraq fighters instigated the killings, then stood by as innocent Sunnis were killed in the retaliation that followed, said police Maj. Hussein Alwan in Duluiyah.

Hours after the beheadings, outraged and frightened Shiite elders of Balad telephoned an office of Shiite cleric Moqtada al-Sadr in Kadhimiyah, a Shiite neighborhood of Baghdad. Sadr leads the Mahdi Army, the most feared Shiite militia in Iraq.

Balad's Shiite leaders asked for protection by the Mahdi Army, and for the militia to exact revenge, Taysser Musawi, a Shiite cleric in Balad, later recounted.

The Kadhimiyah branch of the Madhi Army responded, Ammar Joda al-Musawi, a spokesman for the militia brigade, said at his office in Baghdad.

"It was like an SOS call," Musawi recalled. "To protect them from being killed by the Salafis who are killing followers of the prophet" Muhammad, he added, referring respectively to the Sunni insurgents and the Shiites.

Mahdi Army fighters in plain clothes crowded into two buses and headed to Balad, Musawi said. More Mahdi Army fighters followed in army uniforms and army vehicles, Musawi said. Others wore the blue-and-white camouflage pants that Iraq's Interior Ministry commandos wear, but with black T-shirts to distinguish them from the real commandos.

By early in the day on Oct. 14, a Saturday, the Shiite forces had assembled to rid Balad of Sunnis.

Mosque loudspeakers blared warnings for all Sunnis to leave the city within 48 hours, residents recalled. Gunmen in uniforms and civilian clothes took control of Balad's streets and outlying roads, police and residents said.

The Shiite gunmen set up checkpoints, quizzing occupants of each passing vehicle about whether they were Shiite or Sunni.

Um Mustafa, 37, a dentist from Balad, lost her husband at one such checkpoint. The Sunni couple and their two young children had tried to flee the city at 7 a.m. that Sunday. But armed men in black were waiting at one checkpoint.

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A hooded man among them pointed to Um Mustafa's husband, she recounted later. This man is a Sunni, the hooded man told the Shiite gunmen, and he served as a colonel in Saddam Hussein's army. The Shiite gunmen bashed her husband in the face with the butts of their rifles, Um Mustafa recalled.

"My husband was screaming, 'God! God!' " she said. "And they were saying, 'Do not mention God, you infidel.' "

Gunmen put her bloodied husband in a white sport-utility vehicle and drove away. Um Mustafa, now sheltered with strangers outside Balad with her 11-year-old son and 7-year-old daughter, found her husband's body the next day in Balad's morgue.

By the end of Saturday, the U.S. forces had learned about the mass killings underway in Balad, Caldwell, the military spokesman, said in Baghdad. A platoon-size quick-reaction force was dispatched that same day, he said.

The U.S. soldiers asked the Balad officials whether they wanted help, Caldwell said, but the officials declined the offer. The Iraqi government made no request for assistance, he said.

Caldwell described Shiite officials in the town as seemingly interested only in receiving local intelligence from the Americans.

The U.S. military spokesman said he did not know whether U.S. forces intervened. By Sunday, American forces had received reports of at least 57 people slain.

The Balad morgue had received about 80 bodies by Tuesday, hospital officials said. Most were Sunnis, and all had been shot; some bore the holes of electric drills.

The Iraqi government ordered in national police commandos, whose forces often have been accused of working with the militias to kill Sunnis.

Forty-eight hours after the attacks on Sunnis started, the Iraqi government ordered in the Iraqi army's 3rd Regiment, 4th Division from outside Balad, Iraqi army officials said.

Residents credited the Iraqi army forces, many of them Sunni Arabs and Kurds, with finally quelling the violence.

By then, however, very few Sunnis were left in Balad.

Munthir Lattif, 27, who stayed in the city, called around and found only five or six other Sunni families still in Balad, he said Thursday.

"We are living in a very difficult situation," he said in an interview at his home. He, his wife and their four children slept on the roof of their home at night, ready to jump to neighboring rooftops if the Shiite gunmen came to their door.

Lattif said his family had only rice and mandarin oranges to eat. The siege of the city by the Sunni insurgents had cut off most food deliveries into Balad.

With no customers and no food left to sell at his falafel shop, Hussein Abid Ali, a Shiite, nonetheless went to work. He had left home to escape looking into the eyes of his eight hungry children, he said.

Balad's Shiites had been living alongside Sunnis for hundreds of years, Ali said, staring bleakly at the road outside. He had a Sunni son-in-law and Sunni friends, he said. It took the American occupation, he said, to change all that.

"What do you want to know?" Ali demanded bitterly. "How we reached this level? How we started to kill people according to their identity? How this sectarian strife was brought to us?"

The Shiite militiamen from Baghdad remained in Balad at week's end but had melded into newly formed armed bands called civilian defense groups. Shiite militiamen manned the first checkpoint into the city, off the highway. They blocked all people with outside accents.

Real police officers sat meekly in their vehicles down the road closer to Balad, ceding control of the road to the militias.

Three miles outside the city, at the intersection of the highway and the turnoff into Balad, Sunni men had poured in from Samarra, Tikrit and other Sunni communities to the north and south. Scores loitered at a gritty strip of shops, shuttered since the crisis began, staking out the turnoff. Scores more pretended to line up in their vehicles at a gas station that on closer inspection proved to be long closed.

Balad was only starting to pay for the rampage, the Sunni insurgents said. "We kill the guys who go into Balad," an older insurgent said. "And we kill the guys who come out of Balad."

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In the midst of it all, the slightly built Shiite man tried to change his flat tire. Seven female relatives in black robes, cradling babies or gripping children by the hand, gathered anxiously around him as he struggled. Strangers in cars slowed each time they passed the family's car, craning their necks to stare.

Exasperated, the Shiite man clutched a crowbar and began to pace. He damned all sides in the conflict, and all of their fighters.

"I am a Shiite, but I condemn what the Shiites did," he said, snorting his refusal later when asked to give his name. "It's the government who's behind the sectarian feelings. Doing that, they are creating the sectarian killing."

Special correspondent Muhanned Saif Aldin in Balad and special correspondent Salih Dehema in Baghdad and outside Balad contributed to this report.

Britain Cites Progress In Iraq Troop Training (NYT/AP)

The New York Times, October 23, 2006

LONDON, Oct. 22 — Britain has gone "quite far" toward handing over control of southern Iraq to local forces, Defense Secretary Des Browne said Sunday.

But Mr. Browne did not say whether he agreed with Foreign Minister Kim Howells, who said Saturday that "in a year or so there will be adequately trained Iraqi soldiers and security forces" to take over most duties from American-led troops.

Mr. Browne told Sky News during a visit to Afghanistan on Sunday: "We are quite far down the process of transferring responsibility to the Iraqis. In any event, we have handed over two of four provinces."

He said British troops would leave "when the job is done. This is a process and not an event."

British officials have spoken in recent months of cutting troop levels in Iraq from the current 7,000 to between 3,000 and 4,000 by mid-2007, but no firm date has been set.

Last week the country's top soldier, Gen. Sir Richard Dannatt, called for British troops to be withdrawn "sometime soon," and said their presence was provoking rather than preventing violence.

60 Minutes' Steve Kroft Reports On Disappearance Of More Than $500 Million To Equip Iraqi Army (CBS)

CBS News, October 23, 2006

(CBS) More than half a billion dollars earmarked to fight the insurgency in Iraq was stolen by people the U.S. had entrusted to run the country's Ministry of Defense before the 2005 elections, according to Iraqi investigators.

Iraq's former minister of finance says coalition members like the U.S. and Britain are doing little to help recover the money or catch suspects, most of whom fled the country. The 60 Minutes investigation also turned up audio recordings of a suspect who seems to be discussing the transfer of $45 million to the account of a top political adviser to the interim defense minister.

Correspondent Steve Kroft reports on this mother of all heists.

"We have not been given any serious, official support from either the United States or the U.K. or any of the surrounding Arab countries,"" says Ali Allawi, who was confronted with the missing funds when he took over as Iraq's finance minister last year.

He thinks he knows why Iraqi investigators have gotten little help. "The only explanation I can come up with is that too many people in positions of power and authority in the new Iraq have been, in one way or another, found with their hands inside the cookie jar," says Allawi, who left his post when a new Iraqi government was formed earlier this year. "And if they are brought to trial, it will cast a very disparaging light on those people who had supported them and brought them to this position of power and authority," he tells Kroft.

One of the people praised in former U.S. Ambassador L. Paul Bremer's memoirs is a major suspect in the case. Ziad Cattan was in charge of military procurement at a time when the ministry of defense went on a $1.2 billion buying spree. Allawi estimates that $750 to $800 million of that money was stolen. Judge Radhi al-Radhi, head of Iraq's Commission on Public Integrity, which investigates official corruption, tells Kroft that a lot of the money that wasn't stolen was spent on outdated, useless equipment.

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"It isn't true," says Cattan, whom 60 Minutes found in Paris and who was recently convicted in absentia in Iraq for squandering public funds. He showed Kroft documents and pictures of equipment that he says is now in Iraq. An official from Jane's, one of the world's foremost experts in military hardware, says the documents Cattan provided were too vague to prove anything.

Audio recordings obtained by 60 Minutes reveal Cattan talking to an associate in Amman, Jordan, in 2004 about the distribution of Iraqi funds. According to two independent translations, he is discussing payoffs to Iraqi officials.

One possible payoff the recordings allude to is the transfer of $45 million to the account of a top political adviser to the defense minister, a man who is also identified on the recordings as a representative of the president and the prime minister of the interim government. Cattan acknowledged his own voice was on the recordings. Three translators say he specifically mentions "45 million dollars," but he disputes the translation. "I don't say dollars," he tells Kroft. "I don't remember what the matter was."

Cattan maintains that U.S. and coalition advisors at the Iraqi Ministry of Defense approved everything he did and says the recordings have been doctored. Audio experts consulted by 60 Minutes could not find any evidence of that. Judge Radhi also has a copy of the recordings and says a former employee of the ministry of defense confessed after hearing them.

60 Minutes has learned that Cattan is building himself a villa in Poland. Another suspect, Naer Jumaili, principal in a middle-man company that handled much of the $1.2 billion in Iraqi military contracts, is said to be buying real estate in Amman, Jordan, and building himself a large villa, even though he is wanted by Interpol. Judge Rahdi believes the fugitive suspects are bribing their way to freedom and says countries like Jordan and Poland have been "no help at all" in apprehending the suspects or recovering the money.

The case is one of 2,000 Iraqi government corruption cases the judge's commission is handling that, all told, involve $7.5 billion.

No one in the U.S. government would speak on camera about the case. But U.S. officials say this was Iraqi money spent by a sovereign Iraqi government and therefore is the Iraqis' business.

At War: The Military's Fight Against Friendly Fire (NSWK)

By Dan Ephron, Newsweek

Newsweek, October 23, 2006

The Pentagon plans to complete by late November its fourth investigation into the friendly-fire killing of former NFL player Pat Tillman in Afghanistan, says the congressman from Tillman's district. Launched in March under pressure from the family, the probe will determine if members of Tillman's Army Rangers unit should be tried for criminal negligence and whether there was a cover-up. The inquiry was to have been completed last month, but Army investigators had trouble tracking down soldiers, most of whom are no longer in uniform, says Congressman Michael Honda, who represents California's San Jose area. He was briefed on the investigation recently by top Defense Department officials. Honda says more than 50 people had been questioned and many of them had hired lawyers. "It's been frustrating for them," he says of Tillman's parents. "They want to get to the bottom line." Tillman was killed by fellow Rangers during a 2004 fire fight with Afghan guerrillas. Army officers initially told his family that he was shot by guerrillas and died a hero. An autopsy weeks later revealed the truth about the means of his death. But three investigations failed to answer key questions: why, for example, Rangers burned his uniform and body armor. Honda says the cover-up investigation is being conducted separately, but the Pentagon will announce the results of both probes simultaneously.

Some top Army officers worry that the findings will overshadow the military's broader success in reducing friendly fire. Less than 1 percent of soldiers killed so far in Iraq and Afghanistan were victims of fratricide, the official military term for it, compared with 17 percent in Operation Desert Storm, and about 10 percent in Vietnam. Military analysts say part of that success is circumstantial: ambushes and roadside bombings are less complicated than large war maneuvers and cause fewer mistakes. But technology has also been a factor. Many of the Army's Stryker vehicles, for instance, have onboard computer systems where friendly troops appear as thin blue circles superimposed on a Baghdad satellite map. A NEWSWEEK reporter riding with troops in a Stryker vehicle on a dark night in Baghdad last week could see clusters of U.S. forces on nearby streets. "It tells you where you are, where your friends are and where the enemy is," Col. Peter Fuller, the project manager for the Stryker Brigade Combat Team, said by phone from ground-combat-systems HQ in Detroit.

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Lower-tech gizmos are also helping. New uniforms issued last year include a patch the size of a postage stamp with a unique infrared signature. Troops who shine a light on the patch from across a hill or from a chopper above can tell the soldiers are friendly—the kind of thing that might have saved Pat Tillman.

Pat Tillman's Brother Blasts Iraq War, Bush (WP/AP)

The Washington Post/AP, October 23, 2006

PHOENIX -- The brother of an NFL player who was killed by friendly fire in Afghanistan after quitting his team to join the Army Rangers has spoken out.

Kevin Tillman, a former Army Ranger who served in Iraq and Afghanistan with his older brother, Pat, has been silent since his brother died in 2004. But last week, he wrote a scathing indictment of the war in Iraq, the Bush administration and American apathy.

"Somehow, the more soldiers that die, the more legitimate the illegal invasion becomes," Kevin wrote on Truthdig.com, an online magazine that bought his work.

The brothers, Arizona State University graduates, joined the Army in response to the Sept. 11, 2001, terrorist attacks. They served as Rangers with the 2nd Battalion of the 75th Ranger Regiment.

Pat Tillman, who played defensive back for the Arizona Cardinals, was killed near the Pakistan-Afghanistan border in April 2004. The Defense Department is investigating allegations of a coverup, including failure by the Army to tell Tillman's family for several weeks that he had been killed by gunfire from his fellow Army Rangers.

Kevin Tillman has not spoken publicly about the war or his brother's death since his discharge from the Army. But on Truthdig.com, he wrote openly about the war and America's response to it.

"Somehow, the same incompetent, narcissistic, virtueless, vacuous, malicious criminals are still in charge of this country. Somehow, this is tolerated. Somehow, nobody is accountable for this."

After playing for the ASU Sun Devils, Pat Tillman was drafted by the Arizona Cardinals in 1998. He played with the team for four years.

On Sept. 12, 2001, he gave an interview in which he talked about how "stupid" football seemed relative to world events.

"At times like this, you stop and think about not only how good we have it but what kind of system we live under," he said. "My great-grandfather was at Pearl Harbor. And a lot of my family has gone and fought in wars. And I really haven't done a . . . thing as far as laying myself on the line like that."

Pat Tillman was about to sign another contract with the Cardinals in spring 2002 when he decided to join the Army instead.

The Tillmans were sent to Iraq as part of Operation Iraqi Freedom. In 2003, the brothers returned to the United States for training to become Army Rangers. After that, they were sent to Afghanistan.

Tillman's Brother Breaks Silence (AZ)

By John Faherty

Arizona Republic, October 21, 2006

Kevin Tillman has finally spoken.

The former Army Ranger served in Iraq and Afghanistan along with his older brother, Pat Tillman, who was celebrated as a paradigm of American patriotism when he quit the Arizona Cardinals to join the Army.

Kevin has remained silent since his brother's 2004 death. But, this week, he wrote what can only be described as a scathing indictment of the war in Iraq, the Bush administration and American apathy.

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The brothers, both Arizona State University graduates, joined the Army in response to the Sept. 11 terrorist attacks.

The brothers served together as Rangers with the 2nd Battalion of the 75th Ranger Regiment.

They were in Afghanistan when Pat, 27, was killed by friendly fire in eastern Afghanistan near the Pakistani border.

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"My great-grandfather was at Pearl Harbor. And a lot of my family has gone and fought in wars. And I really haven't done a damn thing as far as laying myself on the line like that."

In the spring of 2002, Pat was on the verge of signing another contract with the team when he decided to join the Army, instead.

Kevin, who played minor-league baseball after playing at ASU, joined the Army with his brother.

The Tillmans were initially sent to Iraq as part of Operation Iraqi Freedom.

In 2003, the brothers returned to the U.S. for training to become Army Rangers.

After that, they were sent to Afghanistan.

Kevin stayed in the Army until his discharge last year.

In the aftermath of Pat's death, his family would come to vehemently criticize the Army's investigation of the events that led to Pat's death and the Army's actions after he was killed.

Planted Propaganda (WP)

The Washington Post, October 23, 2006

THE DEFENSE Department inspector general has concluded that having a Pentagon contractor secretly pay Iraqi journalists and news organizations to run positive news stories about the war doesn't violate any laws or regulations. It's almost impossible to tell whether that conclusion is correct: The scanty, two-page summary released by the Pentagon provides no details about the activities of the contractor, the Lincoln Group, the contract under which it was operating or the applicable rules.

We won't dwell too long, though, on the irony that an assessment of the military's secret propaganda operations is itself -- except for the largely exculpatory conclusion -- secret. The more important point is that, assuming the inspector general's legal assessment is right, it only makes the problem worse. The U.S. government has a legitimate interest in conveying its point of view. The problem is when it does so in secret. The government shouldn't be in the business of covertly peddling propaganda -- especially in a war based on the notion of seeking to export democratic values such as, say, a free press.

But don't just take it from us. Take it from, among others, the chairman of the Joint Chiefs of Staff, Gen. Peter Pace, who criticized the program in comments to the Los Angeles Times in March. "I think there are ways to get your message out, but get it out in a form that people understand how the message got there," Gen. Pace said. "They need to know that, so they can make their own judgment about what they believe and don't believe in the article. The worst thing you can have is people feeling like somehow they've been snookered."

Or take it from Defense Secretary Donald M. Rumsfeld, who told PBS's Charlie Rose in February, "When we heard about it, we said, 'Gee, that's not what we ought to be doing.' " Or take it from Mr. Rumsfeld's former chief spokesman, Lawrence Di Rita, who said in December of the inspector general's investigation, "If somebody comes back to me and says there's nothing wrong with the Department of Defense paying journalists, I'll say, 'Even if there's nothing wrong, does it make sense?' "

No, it doesn't. But when we called the Pentagon to determine its policy position, the response we received -- even after citing the statements of Mr. Rumsfeld and Gen. Pace -- reflected no understanding of that bedrock principle. "The current situation in Iraq necessitates that the coalition maintain the capability to communicate with the Iraqi people via the Iraqi media," the statement said. "A thorough investigation concluded that the U.S. followed established doctrine by paying to place truthful articles and advertisements in Iraqi newspapers. The IG report made no recommendations to the contrary." But making recommendations wasn't the inspector general's job. If this is "established doctrine," it needs swift reexamination.

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CORPORATE SCANDALS:

The Guidelines Now Tougher, Skilling To Face Sentence Today (NYT)

By Alexei Barrionuevo

The New York Times, October 23, 2006

HOUSTON, Oct. 22 — For Jeffrey K. Skilling, it was a last summer of freedom before the bars close behind him.

Mr. Skilling, 52, a former Enron chief executive, will stand in federal court here on Monday and receive a sentence that many expect will keep him in prison for the rest of his life. Most legal experts are betting that United States District Judge Simeon T. Lake III will give Mr. Skilling a sentence of at least 25 years for his role in heading a conspiracy to defraud Enron investors. Should it exceed that, it would be the longest sentence ever handed down for a white-collar criminal.

Until now, the record has been held by Bernard J. Ebbers, the former chief executive of WorldCom, who was sentenced to 25 years for being head of an $11 billion fraud that led to the bankruptcy of his long-distance telephone company. Mr. Ebbers's sentence was less than the 30 years to life imprisonment called for in the sentencing guidelines.

Mr. Skilling's prospects reflect how tough the federal guidelines have become for those convicted of white-collar crimes in the wake of the huge-scale frauds at companies including Enron, WorldCom and Adelphia.

Some legal experts have begun to question the sentences that federal judges are handing down in these cases.

"You can certainly make the case that things have gotten too harsh," said Samuel W. Buell, a former Enron prosecutor who now teaches law at Washington University in St. Louis. "But the reason why things have gotten so harsh is we went through these years when sentences were too light. Maybe we need a correction in the other direction to get a happy medium."

Enron was the company that first imploded in the years of corporate scandal, leading to a wave of investigations and calls for tougher regulations and accountability. The sentence to be handed down Monday is likely to underscore that message of deterrence, legal specialists said.

"Enron still stands alone as a brand name of corporate fraud," said Robert Mintz, a white-collar criminal defense lawyer and former federal prosecutor, "and this judge is not going to hesitate to hand down a lengthy sentence in this case."

Mr. Skilling will be facing the judge alone, without Kenneth L. Lay, Enron's founder and Mr. Skilling's co-defendant in his criminal trial, who died of heart problems in July. His guilty verdict was vacated last week.

Missing, too, will be Andrew S. Fastow, the former chief financial officer who pleaded guilty to fraud and stealing from the company. He was sentenced last month to 6 years in prison, less than the 10 years he could have received as part of his deal to cooperate with prosecutors.

All of that leaves Mr. Skilling as the only top executive through whom Enron's ultimate punishment will be remembered, Mr. Mintz said.

Judge Lake is likely to be careful not to impose a sentence that could be regarded as overly harsh and invite scrutiny from an appeals court, said Joel M. Androphy, a Houston criminal defense lawyer.

For Mr. Skilling, this summer was about coping. After the verdict in May, he spent significant time with his three children, traveling to California with his daughter and to a dude ranch with his youngest son, said friends, family members and his lead lawyer, Daniel Petrocelli. Neighbors in Houston said they saw little of Mr. Skilling, although he occasionally rented videos from a store near his home.

Virtually all Mr. Skilling's net worth, around $55 million, is frozen by the government. He owes O'Melveny & Myers, the law firm that handled his defense, more than $30 million, Mr. Petrocelli said.

Mr. Skilling seemed to stay out of Houston as much as possible, spending time at a condominium he owns in Dallas, where his daughter had been a student at Southern Methodist University. But Mr. Skilling's coping also meant drinking again, despite a court order that forbade him to do so after a much-publicized night of drunkenness in April 2004 at a Manhattan cigar bar, when Mr. Skilling scuffled with some other patrons.

His summer travel ended after he was arrested in Dallas last month for public intoxication. He pleaded no contest and paid a fine. That night, he was out with his brother Mark and his daughter at a Mexican restaurant and had some margaritas, which

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did not mix well with his prescription medicine, Mr. Petrocelli said. He was walking home to the condo when he was stopped by a police officer; he spent a night in jail.

Mr. Skilling has said he took solace in the bottle to cope with depression. Not being allowed to have an occasional drink "is unreasonable, considering the stresses he is under," Mr. Petrocelli said.

But the incident is one more reason, outside lawyers say, why Judge Lake is likely to reject Mr. Skilling's request to remain free pending appeal, and instead order United States marshals to take him to jail after sentencing on Monday.

Supporters of Mr. Skilling have recently reached out, trying to help him. In August, two friends of the Skilling and Lay families, Beth Stier and Terrie James, sent a letter to supporters, urging them to pass along "a pleasant memory, a thoughtful wish or a fond goodbye" to Mr. Skilling and Mr. Lay's family, according to a person who reviewed a copy of the letter. The thoughts were to be collected into books to be given to Mr. Lay's family and to Mr. Skilling before his sentencing. Ms. Stier declined yesterday to say if the Lay and Skilling families had received the books.

Since the Dallas incident, Mr. Skilling has primarily spent time with his family in Houston. On Thursday afternoon, Mr. Skilling — wearing jeans, hiking boots and a small waist bag — walked with his brother near Mr. Skilling's home in the upscale River Oaks neighborhood of Houston.

"He has a clear head," Mr. Petrocelli said Friday. "He is very stoic about everything. He is prepared for all eventualities on Monday."

Mr. Petrocelli said he spent the weekend huddling with Mr. Skilling, discussing in part what his client will say to Judge Lake. With an appeal pending, an expression of guilt or remorse is not part of the planned remarks, the lawyer said.

"Jeff is sorry for the consequences of Enron's failure, but he doesn't believe he committed any crimes," Mr. Petrocelli said. "And our view is that many of the people that pleaded guilty to crimes at Enron were not guilty."

For some former Enron employees, that message will not make them feel any sympathy for Mr. Skilling.

"All we ever wanted was for him to take responsibility, and he never did that," said Deborah DeFforge, who worked at Enron for five years and said she lost about $100,000 in retirement savings. "Until he does that, I could never show him any mercy."

Judge Lake came under fire last year from a federal appeals court for sentencing Jamie Olis, a midlevel executive at the energy company Dynegy, to 24 years in prison for accounting fraud. The sentence, handed down in 2004, was within new federal guidelines that impose harsher penalties depending on the investor loss amount; in Dynegy's case, that was put at $105 million.

Last year, the Supreme Court gave more latitude to federal judges to consider sentencing guidelines as only advisory, paving the way for the judge to reduce the loss consideration to $79 million and drop Mr. Olis's sentence to six years.

The total loss related to the Enron fraud, which prosecutors and defense lawyers have agreed on, is under court seal. Losses totaling hundreds of millions of dollars would greatly magnify Mr. Skilling's sentence under the guidelines, which were made significantly tougher in 2001.

His lawyers are arguing that he should be sentenced under the 2000 guidelines because the 2001 guidelines did not take effect until Nov. 1, 2001 — three months after Mr. Skilling resigned his chief executive post and left the company. The jury in the Enron case, however, convicted Mr. Skilling of being part of a conspiracy the government defined as extending through December 2001. Under the 2000 guidelines, Mr. Skilling could receive a prison term closer to 12 or 13 years, sentencing experts said.

German Retrial Highlights Perils Of Importing U.S. Pay Practices (WSJ)

By Edward Taylor

The Wall Street Journal, October 23, 2006

The retrial later this week of Deutsche Bank AG Chief Executive Josef Ackermann on criminal charges that he abused his position as a director of another German company again brings to the fore the differences between U.S. and German practices on executive compensation.

It also likely will hamper Mr. Ackermann's ability to lead Germany's largest bank, although his position isn't under threat for now.

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Mr. Ackermann is being retried on charges of which he was acquitted in July 2004. That trial became a flashpoint for critics of Wall Street-style pay packages in a country that traditionally has sought to limit the gap between highly paid executives and lower-paid workers.

Judges at a court in Düsseldorf will seek to establish whether Mr. Ackermann and five other directors of former engineering company Mannesmann AG breached fiduciary trust, a potentially criminal offense known in German as "Untreue," when they approved €57 million ($71.9 million) in bonuses to Mannesmann executives in 2000 after the company was bought by Vodafone Group PLC of the U.K.

Mr. Ackermann was on Mannesmann's supervisory board at the time the bonuses were awarded. He has denied the criminal charges, which are unrelated to his work at Deutsche Bank.

The Federal Court of Justice in Karlsruhe in December 2005 overturned the Mannesmann verdict after it found flaws in the lower court's verdict and ordered a retrial.

The high court held that the lower court had a false understanding of what constitutes a criminal breach of fiduciary trust and that the fact-finding procedure in the original trial was incomplete.

It isn't clear how long the new trial will last, but it will be a distraction for Mr. Ackermann, who will continue as Deutsche Bank's chief executive during the retrial. The original trial cost Deutsche Bank at least €2 million in legal fees and forced Mr. Ackermann to spend about two days a week in court for six months.

Deutsche Bank's supervisory board has said it has "no doubt that Mr. Ackermann could successfully continue his work and supports him." A spokesman for the bank said Friday, "There is no need for a succession debate within the bank."

At the first trial, Mr. Ackermann and five other directors said they had wanted to reward Mannesmann executives for forcing Vodafone to improve its first offer, thereby creating more value for shareholders. The federal court that overturned the verdict said the way the bonuses were awarded could amount to a criminal breach of fiduciary trust. It said Mannesmann directors shouldn't have awarded managers extra compensation for creating shareholder value since that task was part of their "ordinary duties."

AOL Fraud Prosecutors Stop Short Of The Top (WP)

By Carrie Johnson

The Washington Post, October 23, 2006

One of the government's most highly touted accounting-fraud investigations -- into questionable advertising deals at America Online Inc. around the time it merged with Time Warner Inc. -- has apparently hit a dead end, running into the five-year statute of limitations before prosecutors could move as far as they had hoped up the company's corporate ladder.

Despite a lengthy investigation by the U.S. attorney's office for the Eastern District of Virginia, lawyers involved in the case now say the government will not be able to bring criminal charges against top AOL executives over transactions in which the Dulles Internet service provider and its business partners allegedly sought to artificially boost each other's revenue numbers as the dot-com bubble was bursting in 2000 and 2001.

Before the deadline passed, prosecutors filed securities fraud and related charges against two former mid-level AOL executives. They are on trial in a federal court in Alexandria with two former officials of PurchasePro.com Inc., a Las Vegas software maker.

PurchasePro was AOL's partner five years ago in what prosecutors call "round trip" accounting, where no money changed hands but each company claimed to have paid the other for advertising and other services. Such deals, if they are not properly disclosed, can violate accounting rules.

A review of the public record suggests that the leaders of PurchasePro and other AOL business partners paid a far steeper price for their roles in the questionable deals than their counterparts at AOL.

The only former AOL officials to be charged with crimes are Kent D. Wakeford, a former executive director at the company's since-disbanded business affairs unit in New York, and John P. Tuli, a former vice president in AOL's Netbusiness unit in Dulles. Both men, who operated far from the company's highest ranks, are contesting allegations that they struck sham deals with PurchasePro to mislead investors.

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Compare that with the top executives of companies that once competed to reach ad agreements with the Dulles company. Charles E. Johnson Jr., the founder of PurchasePro, is on trial on federal charges that he lied to auditors and shareholders about his company's financial health. A half-dozen former PurchasePro employees have already pleaded guilty and could testify against Johnson and a former subordinate, Christopher J. Benyo, in the case.

Meanwhile, earlier this month, Stuart H. Wolff, the former chief executive of Homestore.com, an online real estate venture based in California, was sentenced to 15 years in prison after a jury convicted him of conspiracy, insider trading, filing false reports and lying to auditors in connection with revenue-swapping deals with AOL.

Much of the investigators' interest had been focused on AOL's raucous, since-disbanded business affairs unit, run by David M. Colburn and Eric Keller. Attorneys for both men, who left AOL in 2002, declined to comment for this article.

Among the documents that prosecutors and FBI agents reviewed were internal AOL reports showing declines in the rate of AOL advertising deals before and after its 2001 merger with Time Warner, as well as e-mails and other documents indicating a last-minute race to sign more deals to enable AOL to reach quarterly earnings targets.

At one point in late 2000, Colburn gave an in-house award to Wakeford and a colleague for their work on the PurchasePro account, calling it "science fiction," according to "Stealing Time," a book by Washington Post reporter Alec Klein on the company's accounting practices. Colburn has said he did not recall using that term. Colleagues laughed as Wakeford accepted the award, thanking AOL for its help, Klein wrote.

Lawyers involved in the case, who spoke on condition of anonymity because they have not been authorized to talk about the case, cite many reasons for the apparent dead end.

They noted that the lengthy investigation was run by two different U.S. attorneys in the Eastern District of Virginia and several prosecutors who departed for other jobs. Moreover, while AOL ultimately paid more than $500 million and agreed to cooperate with the government two years ago, none of its high-ranking insiders pleaded guilty and testified against their supervisors. Such assistance was crucial to breaking open complex white-collar investigations of such companies as Enron Corp., WorldCom Inc. and Adelphia Communications Corp.

The trial that starts today is a subdued end to a scandal that prodded Time Warner to restate its financial results twice and agree to a deferred prosecution deal with the Justice Department nearly two years ago. Yet the company continues to experience aftershocks from accounting problems that date to its merger with AOL.

In August, Time Warner said it would restate previous financial reports by $582 million after an independent examiner scrutinized how the company handled advertising revenues in 2000 and 2001, uncovering problems in deals between Time Warner or its AOL unit and 15 business partners. The examiner's report, a condition of the company's settlement with the government, will not be made public, a Time Warner spokeswoman said.

During the investigation, AOL founder Steve Case, Time Warner chief executive Richard D. Parsons and former finance chief Wayne H. Pace gave depositions under oath to securities regulators. The SEC, which has the authority to file civil charges and seek financial penalties and court orders that bar executives from holding certain jobs at public companies, continues to scrutinize former AOL officials, according to interviews and a statement by the agency last year.

But prosecutors' focus now rests squarely on the PurchasePro trial, at which they must simplify scores of complex documents and accounting issues into an easily digestible case about lying to auditors and investors. Assistant U.S. Attorneys Charles F. Connolly and Timothy D. Belevetz, and senior trial counsel Adam A. Reeves declined to comment.

"Kent Wakeford never committed any crime, and that will become apparent during the course of this trial," said defense lawyer Henry W. Asbill. Mark J. Hulkower, a defense lawyer for John Tuli, declined to comment as jury selection proceeded late last week, as did Preston Burton, a lawyer representing PurchasePro's Johnson.

The defense teams received a measure of good news when U.S. District Judge Walter D. Kelley Jr. dropped several charges from the case Oct. 16. But the stakes for those who remain in the case are high. Under federal sentencing guidelines, which are taken under advisement by the judge, each of the former executives could go to prison for several years if convicted.

US Welfare System Faces Accounting Overhaul (FT)

By Krishna Guha In Washington

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Financial Times, October 23, 2006

A radical new approach to government accounting that would require the US administration to account for the cost of future social security payments year by year as people build up entitlements will be proposed on Monday.

The proposal by the federal accounting standards advisory board (FASAB) – which would also require the government to account for benefits accrued under Medicare and other social insurance programmes in the same way – is unprecedented internationally. It would radically change the presentation of US government finances, in effect bringing forward the cost of rapidly increasing social security and Medicare obligations and greatly increasing the reported fiscal deficit.

George W. Bush's administration is firmly opposed to the proposal, which officials believe wrongly implies that the government is contractually obliged to make future payments based on current benefit rules.

They fear this would make it more difficult to reform the big entitlement programmes and increase pressure on future governments to raise taxes to meet projected funding shortfalls.

The big increase in the reported fiscal deficit under the proposed rule could have an immediate political effect, making it more difficult to press for Bush tax cuts scheduled to expire in 2010 to be made permanent.

The result is a split in the FASAB board, with six independent members supporting the proposal and the three representing the Treasury, the White House office of management and budget, and the government account-ability office opposing.

The FT has obtained a copy of the FASAB preliminary views paper which will be released on Monday. In it, the independent board majority argues that "for social insurance programmes an expense is incurred and a liability arises when participants substantially meet eligibility requirements during their working lives".

By contrast, the government representatives argue that the liability arises only when the benefit amount is "due and payable" as under current accounting rules.

The majority independent directors want the government to start providing for the future cost of social security and other benefits when workers become fully insured after 10 years in covered employment.

They say the current arrangement is "flawed" because it "fails . . . to recognise the accruing cost of social insurance programmes in each reporting period".

Adopting the proposed new rule would bring the government more into line with the private sector, an approach that has considerable support within a section of the Republican party and may in this instance be of interest to Democrats too.

However, it would break with international public accounting practice, which essentially treats social insurance offered by sovereign governments as a political commitment to pay future benefits rather than a financial liability.

The Organisation for Economic Co-operation and Development has written to the FASAB saying it is "very concerned" about the proposed rule change.

The letter, signed by Barry Anderson, head of the OECD's budgeting and public expenditures division, says that "classifying these transactions the same as private sector liabilities is wrong" and could confuse the public.

The proposal will now be put to public consultation, with hearings scheduled for March. If the board votes to adopt it, the administration could still veto the proposal, but this would be unprecedented.

"We have never been prevented from adopting an accounting standard," a person familiar with the process said.

The Cut-My-Salary Standard (WSJ)

The Wall Street Journal, October 23, 2006

Former New York Stock Exchange CEO Dick Grasso had a bad day in court last week when a state judge ordered him to repay part of his generous retirement package. New York Attorney General Eliot Spitzer is claiming victory, albeit prematurely. The bigger news may be that the judiciary now feels entitled to set executive pay standards.

That was at the heart of last week's ruling from New York state Justice Charles E. Ramos, who has been overseeing the legal case over Mr. Grasso's $187.5 million compensation and ouster from the Big Board. The Grasso team had tried to have Judge Ramos removed from the case because he had sought a job on the NYSE board. The judge also refused Mr. Grasso's request for a jury trial on the main issue in the case -- whether his pay was "reasonable" under New York law for non-profits (which is what the NYSE then was). An appeals court is reviewing the jury question and has delayed that part of the trial.

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Challenging the judge hearing your case is always risky, and it clearly didn't pay off for Mr. Grasso. Rather than wait for an appellate ruling, Judge Ramos used the several technical questions still before him to issue a scathing "summary partial judgment." His sweeping opinion sets unusual new compensation standards, to say the least.

His oddest judgment is that the NYSE board hadn't been made aware of large amounts of Mr. Grasso's pay. This is directly contradicted by numerous depositions in which board members admitted they were well aware of the money Mr. Grasso was due. This disclosure issue is crucial to the case given the judge's further ruling that Mr. Grasso had a fiduciary duty to disclose that pay to the board.

Judge Ramos thus appears to be saying that Mr. Grasso had a duty to go, one by one, to the very people who crafted and authorized his pay package to ensure that they really knew what they were doing. This turns the normal compensation system on its head. Especially in the wake of this decade's corporate scandals, we have been told that boards are supposed to more closely supervise management pay. Whether Mr. Grasso was paid a dollar or $187.5 million, the decision was the NYSE board's. Yet Judge Ramos now scores Mr. Grasso for not asking NYSE directors whether they were paying him too much. If nothing else, this is an unhelpful judicial intrusion in private pay decisions.

Our main problem with Mr. Spitzer's lawsuit is that it seemed to be a politically opportunistic attempt to target the unsympathetic Mr. Grasso while sparing much of the NYSE board that was responsible for paying him. In the most egregious instance, Mr. Spitzer left out of his suit the influential Democrat and former head of the NYSE board's compensation committee, H. Carl McCall, whose support the AG wanted when he still thought he might have to run against Senator Chuck Schumer in the Democratic primary for Governor. Mr. Grasso deserves his chance to have his counsel question Mr. McCall and other board members under oath in public court.

A future hearing will determine how much Mr. Grasso would owe the NYSE under Judge Ramos's ruling. But the former CEO says he'll appeal and he arguably has a stronger case now that the judge has ruled so broadly even before the appeals court decided on the jury trial question. Appellate courts tend not to appreciate judges who pre-empt their discretion.

CRIMINAL LAW:

FED TROLLS FOR BIG FISH (NYPOST)

By Kati Cornell

The New York Post, October 23, 2006

October 23, 2006 -- The arrest of state Assemblyman Brian McLaughlin, along with recent high-profile public-corruption probes, are just the beginning for U.S. Attorney Michael Garcia, who is ramping up efforts to bust crooked politicians.

"It's shocking to see cases where people abuse their public-service office to enrich themselves illegally. If you're in this for the money, something's really wrong," Garcia told The Post.

Since becoming U.S. attorney for the Southern District of New York in 2005, Garcia has vowed to make ferreting out corruption a priority.

The office, where Garcia cut his teeth in the 1990s, has a strong reputation for taking on terrorism, white-collar and organized-crime cases. "You really don't think about public corruption - it's an area where I think this office should play a role," Garcia said.

But Garcia said that the FBI is increasingly devoting its resources to these difficult cases and he intends to do the same as he makes new hires.

The Southern District encompasses Manhattan, The Bronx, and counties to the north.

"There's just a lot of opportunity here, a lot of money in everything from zoning and those types of traditional areas where you see corruption - to bigger areas like the U.N.," Garcia said.

Last week the focus was local with McLaughlin's arrest for a slew of alleged scams targeting everyone from a Little League team to members of his union.

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Last month, Garcia confirmed a probe into former Westchester DA and state attorney general candidate Jeanine Pirro after she was allegedly recorded talking with former city Police Commissioner Bernard Kerik about suspicions that her husband was cheating and her desire to bug his boat.

In August, a veteran state senator, Efrain Gonzalez, was nabbed for allegedly siphoning $37,000 from a Bronx charity.

Last year, Naparjan Venkataram, a former top official for the city medical examiner, was charged with stealing millions in federal funds meant to help with identifying victims of the 9/11 attacks.

An assistant U.S. attorney for 81/2 years, Garcia worked on the 1993 World Trade Center bombing and other high-profile terrorism probes.

In 2001, he headed to Washington, eventually becoming assistant secretary for immigration and customs enforcement.

Garcia acknowledged the unique difficulties in pursuing corruption cases.

"You're dealing with people who know the system," he said.

With allegations against McLaughlin, a Democrat, and Pirro, a Republican, coming to light on the eve of elections, Garcia said "people on both sides of the aisle" have asked him about the timing.

"We are a law-enforcement agency," he said. "We don't charge, not charge, investigate, not investigate, for political reasons."

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A 'Traitor' Wants Name Cleared (SEAPI)

By Tracy Johnson, P-I REPORTER

Seattle Post-Intelligencer, October 23, 2006

Edwin Wilson began this quest from a solitary-confinement cell, where he wrote letters seeking top-secret documents to show that his own government betrayed him.

The notorious ex-spy once traveled the world, gathering intelligence while playing the role of global businessman. He later was tied to shipping a planeload of explosives to Libya, sending him to prison for decades.

He was hurtling into history as one of this nation's most infamous traitors until three years ago -- when a federal judge concluded he'd been buried with the help of government lies.

Now 78 and paroled, Wilson works in his Seattle office, a scrupulously tidy room in his attorney's high-rise building, to prove he didn't earn the spectacular fall from skilled CIA agent to despised federal prisoner.

He studies his documents over cup after cup of black coffee and charts his latest mission: a federal lawsuit against the high-ranking people who helped lock him away.

"The bottom line is I want to clear my name," Wilson said. "My situation hasn't been explained."

It could be the most difficult task of his movie-like life. In books about his downfall, he is the villain: a ruthless renegade who left the CIA and made himself rich by selling arms and training terrorists for Libyan leader Moammar Gadhafi.

And though he's made headway on new appeals, he remains convicted of some grim crimes, including shipping several guns to Libya and plotting to kill prosecutors and witnesses.

But three years ago, a federal judge in Texas threw out a major conviction -- that Wilson conspired to ship 20 tons of a powerful plastic explosive known as C-4 to Libya in 1977 -- and blasted the government for covering up the truth.

Wilson had finally gotten documents to help support the claim he had made all along: That despite his 1971 retirement, the CIA was still secretly using him to gather intelligence and knew about many of his activities in Libya.

The government had denied it for years. His attorney, Steve Berman, said the CIA didn't want to be publicly connected to anything it had authorized Wilson to do, so it simply "hung him out to dry."

The people Wilson is suing -- former officials in the U.S. Attorney's Office, the Justice Department and the CIA, including two men who are now federal judges -- contend they can't be held liable for doing their jobs, even if his rights were violated.

Wilson spent 22 years in prison. He was freed two years ago. Now the Edmonds man, once labeled a terrorist, "death merchant" and even "Great Gatsby of the spook world," is determined to reclaim his fortune and his name.

The CIA defense

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Although metal-rimmed glasses and arching creases now frame his eyes, the 6-foot-4 former espionage agent with Idaho farm-boy roots looks nearly the same as he did when he was locked away in 1982.

Lifting weights and walking a mile on the treadmill each morning at an Edmonds gym not far from the apartment he now rents from his brother keep him fit. When he heads to his office before dawn each morning, he usually puts on a tie.

Boxes of documents line his office walls. He spent months building an index so he could quickly reference any subject: 168 alphabetized files that start with "A-bomb" -- the one he tried to keep the Libyans from getting, he said.

They include CIA papers, U.S. Attorney memos, news articles and his hard-won lists of contacts he'd had with the agency after he officially retired. Many are carefully highlighted. More than one he calls "a smoking gun."

Wilson began his battle to get the documents while he was locked in a notoriously harsh federal prison in Marion, Ill. Clanking away at a rickety typewriter, he made formal requests to the CIA, Justice and other departments.

What he wanted to prove was simple: The government lied.

He has always maintained that the CIA knew about his profitable business dealings in Libya -- contracts to provide things such as parachutes, land-mine clearing and basic military training -- and had encouraged him to gain the trust of Libyan officials for intelligence purposes.

Wilson said the CIA even gave him a list of 30 Soviet weapons and other military gear and asked him to get samples from the Libyans.

As for the charges, Wilson admits he agreed to give several guns to Libyan intelligence officers. He denies knowing that a subcontractor he'd used occasionally was going to send the explosives.

"As soon as I found out they shipped that stuff in there, I notified the agency," he said.

And he's insistent that none of the C-4 has ever been traced to any terrorism; he said he understood it was for use in oil fields, not some nefarious purpose.

But in his 1983 trial on the explosives charges, prosecutors shot down his "CIA defense" with a sworn statement from Charles Briggs, then the agency's executive director. It said that apart from one exception, Wilson "was not asked or requested, directly or indirectly, to perform or provide any service" after he left the CIA.

The statement was apparently a key piece of evidence for jurors. They deliberated for a day, asked to have the statement read to them again -- then found Wilson guilty.

Richter scale of evil

Berman, a nationally known Seattle litigator who has taken on Big Tobacco and Enron, was initially skeptical of the case. It sounded like "a story out of some spy novel or something," he said.

He first heard about Wilson's situation from a law professor at the University of Washington, where someone spotted Wilson's classified ad seeking legal help.

Berman looked up the 2003 opinion overturning Wilson's conviction and had "never read a decision that was so condemning of the government," he said.

U.S. District Judge Lynn Hughes found that about two dozen government lawyers were involved in hiding information from Wilson's defense attorney, presenting Briggs' false statement and refusing to come clean about it later.

In his blistering opinion, Hughes noted that the CIA had more than 80 contacts with Wilson after he left the agency, which, among other things, had used him to "trade weapons or explosives for sophisticated Soviet military equipment -- like MiG-25 fighters, tanks, missiles and ocean mines -- with Libya."

At one point, a CIA agent had even discussed with Wilson that "sending tons -- yes, tons -- of explosives to a hostile power could be authorized" if the U.S. got good enough information for it, the judge wrote.

Berman said the documentation would have made a huge difference in Wilson's criminal trials. Instead, he said, the government hid the information and gave jurors a sworn statement that was a lie.

"What I'm concerned about is that our highest government officials would knowingly fabricate evidence to keep this guy put away," Berman said. "I think every citizen in the United States would be hugely concerned. ... It's off the Richter scale in terms of evil."

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Wilson said he's not bitter. But it hurts to be called a traitor, and he maintains that he was in Libya for one reason only: to serve his government by helping the CIA.

"God, I was risking my neck for these people, and they tried to shoot me while I was trying to survive," he said. "I was doing it for them. If they hadn't walked away from me, I wouldn't have ever been convicted."

Lawsuit a 'desperate move'

Lawrence Barcella, a former assistant U.S. Attorney, spent years investigating Wilson and helped put him away. He's the dedicated lawman in "Manhunt: The Incredible Pursuit of a CIA Agent Turned Terrorist" by Peter Maas, a best-selling author who dubbed Wilson the Great Gatsby of spies.

Now a target of Wilson's lawsuit, Barcella was reluctant to discuss the case but said, "Suffice it to say, a lot of his allegations have improved with age."

The Washington, D.C., lawyer -- one of the people Wilson was convicted of trying to have killed as he sat in prison in the early 1980s -- said he still worries about the explosives.

He said most were ruined because "thankfully, the Libyans didn't know much about storing them." But every time he hears about an explosion somewhere, he said, he still wonders.

Barcella's attorney, Melinda Sarafa, said Wilson's claims miss the heart of the matter because he has "never identified any witness or document showing he had authorization to make that shipment" of explosives to Libya.

Daniel Hedges, another former prosecutor whom Wilson is suing, acknowledged that "things have come to light" about Wilson's CIA connections, but he said he didn't know if it would have changed anything.

"I'm not going to second-guess what I did 20 years ago," he said. "We didn't find out about any exculpatory evidence until considerably after the trial."

Wilson's lawsuit names five other former assistant U.S. Attorneys -- Stephen Trott, now a judge on the Ninth U.S. Circuit Court of Appeals; D. Lowell Jensen, now a federal judge in California; James Powers, retired; Mark Richard, who still works for Justice; and Theodore Greenberg, now senior counsel for World Bank -- and ex-CIA official Briggs.

In court documents, Briggs' attorneys contend he believed the affidavit he signed was true "and would not have signed it otherwise."

Greenberg also believed the statement was accurate and still does, said his attorney, Robert Bennett. He said Greenberg had "an unblemished reputation" as a 29-year prosecutor and called Wilson's lawsuit "a desperate move."

"These allegations are frivolous and baseless," Bennett said. "This is a man who put a contract out to murder a United States attorney."

Long hit list alleged

The murder plot that Wilson was ultimately convicted of only reinforced what he had become in the public eye.

While he was behind bars in New York, another inmate told investigators Wilson had a list of people he wanted to have killed, including Barcella, another prosecutor and some witnesses.

In a sting, an undercover FBI agent posed as a "hit man" and later testified that Wilson's son gave him a $10,000 down payment for the crimes. Wilson's son also was indicted, but the charges were dismissed.

Wilson denies trying to kill anyone and said the money was part of a business deal involving the sale of three airplanes. He contends the government framed him to make sure he stayed in prison and didn't further sully the CIA.

Now there may be evidence that the FBI agent who helped build the case against Wilson is corrupt; he was charged in New York earlier this year for allegations that he helped the Mob commit murders.

Houston attorney David Adler, who got Wilson's explosives case vacated in Houston and is now fighting his Virginia gun-shipping conviction, suggested government misconduct may have factored into the murder-plot case, too.

"What are the odds that after violating his rights in Virginia and Houston, they decided to play by the rules in New York?" he asked.

Adler was appointed to help Wilson years ago. At first, he said, it was clear that Wilson didn't trust him -- he figured Adler, an ex-CIA officer himself, would just help the government continue covering the truth.

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"In the beginning, he was a very difficult character," Adler said. "But if you look at what he'd been through, it was sort of justifiable." He now considers Wilson "the most persevering person I've ever met."

Wilson's 71-year-old brother, Bob, said he believes Wilson was "really railroaded" after putting his life on the line for his country, although he's sure he'll eventually be exonerated.

"He's very outgoing and assertive, you might say. You wouldn't want to not do what he says," he said, chuckling. "He just doesn't take 'no' for an answer."

'Patriotic thing to do'

If Wilson ever thought he was invincible as a wheeler and dealer overseas, he evidently no longer does. He now talks about the toll of aging and arthritis.

He lost everything long ago: The lavish home on a 2,500-acre Virginia farm that he said he and his wife were able to buy after a series of successful real estate deals. The job that gave him the same rush a firefighter feels when the station bell sounds. His family.

His wife grew frustrated with the time he spent overseas and divorced him, he said. He keeps in touch with one son, but the one who was entangled in the murder-for-hire case hasn't spoken to him since.

These days, Wilson doesn't think much about the danger he later faced in Libya.

"They'll execute you just like that, sure, but that was the job," he said. "You get your job done."

He walked out of prison on Sept. 15, 2004. On each anniversary of his release, he's had dinner at Canlis.

The man who was once a master of pretending is certain that many still-classified documents further detail his CIA work. Much of it he won't talk about, but he insists he served his government honorably until the prison doors closed behind him.

"I can't think of one thing I did that I have any guilt about," he said. "I didn't hurt anybody. I didn't get anyone killed."

He said he did things he knows might seem absurd: Continuing to work for the CIA for free. Shelling out much of his own money, earned through his various business deals, to gather intelligence.

Once, he said, he agreed to sell 5,000 M-16 machine guns to Libya so that he could help the CIA find out which countries were selling them on the black market -- a contract he never intended to fulfill and didn't, costing him $1.1 million.

"In retrospect, it seems a little stupid," he said, a lopsided smile crossing his face. "It was a patriotic thing to do. But nobody believes that."

He has countless tales about his undercover work -- days helping guard the ultra-secret U-2 spy plane project, keeping tabs on foreign labor unions or running a CIA-created maritime business to conceal various agency operations abroad. He said he only retired from the CIA because he had to. His cover had been blown.

If given the chance, he'd still be handling covert operations in perilous locales on the other side of the world.

"It was a hell of a satisfaction," he said. "Assuming I'd get out of there alive."

THE SPY'S SAGA

Key moments:

1955-1971: Edwin Wilson works for CIA.

1971-1976: Wilson works for Naval intelligence task force.

1979: Grand jury convened to assess Wilson's business activities in Libya.

1982: Wilson convicted of illegally shipping guns to Libya; sent to prison.

1983: Convicted of conspiring to ship explosives to Libya, then of trying to have two prosecutors and six witnesses killed. Prison sentences total more than 50 years.

2003: Federal judge overturns explosives conviction.

2004: Wilson freed.

2005: Wilson files federal lawsuit against government officials who helped put him in prison. Trial date has not been set.

Sources: court documents; news reports.

P-I reporter Tracy Johnson can be reached at 206-467-5942 or tracyjohnson@seattlepi.com.

FBI Stats Show Many Colleges Understate Campus Crime (WSJ)

By ZACHARY M. SEWARD

Wall Street Journal, October 23, 2006

BOSTON -- Northeastern University tallied just five burglaries on and around its campus here in 2004, far below most other colleges in the area.

That stellar figure, reported to the U.S. Education Department and distributed in the school's literature for students and staff, helped tip some safety-minded applicants toward Northeastern, school officials say.

James Ferrier, a campus police officer who compiles the university's crime statistics, calls Northeastern an "oasis compared to crime in the rest of the city." But those statistics may be more like a mirage.

Northeastern may have recorded only five burglaries -- thefts that involve trespassing -- but the university also counted 345 instances of larcenies, which don't involve unlawful entry. These larcenies, included in a separate report to the Federal Bureau of Investigation, weren't reported to the campus community. Furthermore, federal regulators say that many larcenies at Northeastern and other schools should have been reported as burglaries and disclosed on campus.

Under a 1990 law known as the Clery Act, schools must report statistics on burglaries -- but not larcenies -- to the Education Department and to students and staff. Schools report larceny totals separately to the FBI for its annual report on crime in the U.S. But thefts, whether characterized as burglary or larceny, are only part of the problem of gauging campus security. Some schools have understated violent crimes such as robberies and sexual assaults.

Crime statistics are a sensitive matter for colleges, which initially resisted passage of the Clery Act. The law, named for a student murdered in 1986 at Lehigh University in Pennsylvania, is intended to provide accurate assessments of campus crime for applicants, students and their parents.

But a comparison of recent Clery reports to FBI data shows that colleges may be portraying themselves as safer than they really are. For instance, some schools, including Northeastern, acknowledge they exclude many unsolved thefts from burglary numbers submitted to the Education Department, despite federal guidance to the contrary.

Under pressure from Congress and Security on Campus Inc., a nonprofit group that lobbied for the Clery Act, about a dozen colleges have owned up to errors in their statistics and paid fines to the Education Department since 1998. Salem International University, a private school in West Virginia, agreed last year to pay a record $200,000 for understating sex offenses and robberies, among other violations.

In 2004, Security on Campus accused Yale University of underreporting sexual assaults on campus. The law requires schools to ask deans and other officials in charge of students for tallies of sex crimes reported to them each year, regardless of whether charges were pressed. Yale acknowledged that it had failed to do so but says it now fully complies with Clery's regulations.

"It's so easy to underreport sexual assaults because it's such a private crime, and schools are left with the responsibility of asking deans about sexual assaults reported to them by students," says S. Daniel Carter, senior vice president for Security on Campus. "If they don't ask, it doesn't get recorded."

The Education Department is investigating allegations of intentional crime misreporting at West Virginia University. In a lawsuit filed against the school in a state court, three WVU police officers said they faced retaliation from supervisors after they alleged that incident reports were changed to indicate larcenies had occurred when the proper classification was burglary. The court found the officers were retaliated against, but the university denies incident reports were changed and says it is cooperating with Education Department investigators.

The U.S. Education Department also recently told the University of Massachusetts at Boston to classify more property thefts as burglaries, says Philip M. O'Donnell Jr., the campus police chief. UMass-Boston reported three burglaries in 2004, while counting 99 larcenies in its report to the FBI.

The House of Representatives twice, in 1990 and 1998, voted to include larceny among the crimes that colleges would have to report. But the Senate version of the bill didn't include the requirement and prevailed both times. Staffers involved in negotiations over Clery in 1998 say the exclusion of larceny was urged by two higher education groups, the American Council on Education and the American Association of Community Colleges. Both groups declined to comment.

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With unsolved thefts, it is often impossible to determine who took the item and whether the thief was allowed to be in the area. The case of a laptop missing from a room on Northeastern's campus on May 19 is a good example. A staff member said the computer had been left in the room at 6 p.m. the day before and stolen overnight. Public-safety officers found no sign of forced entry, according to the university's crime log, so they assumed the door had been left unlocked.

Northeastern counted it as a larceny. Mr. Ferrier, the campus police officer, says, "If I have no indication that there's unlawful entry, I would tend to call that a larceny." But the FBI, which sets guidelines for Clery reporting, says the opposite. "If an item is missing from a structure and it is unknown who took the item, the proper classification would be burglary," says an FBI memorandum. The Education Department underscores that point with a large-type note on page 35 of a thick handbook on Cleary reporting issued last year. Schools can face a fine of $27,500 for each instance of misclassified theft.

Northeastern's Mr. Ferrier calls that guideline a "recommendation." He also contends that the school's tight security often precludes any possibility of burglary. "It's very unlikely that anybody in our residence halls is in there unlawfully," he says.

David Bergeron, director of policy for the Education Department's office of postsecondary education, says Mr. Ferrier's interpretation is incorrect. "One of the reasons that we did the handbook was to get everybody on the same page," he says.

According to the FBI, larcenies occurred three to four times more often than burglaries nationwide in 2004. But many colleges report a sharply lower burglary proportion to the FBI -- and repeat the low burglary numbers in the Clery data they must share with students. Rice University in Houston reported just one burglary in 2004 compared with 149 larcenies. The College of William and Mary, in Williamsburg, Va., reported three burglaries and 334 larcenies. And the University of Michigan's campus in Ann Arbor listed 25 burglaries and 908 larcenies. Statistics for last year aren't yet available from all schools.

Rice and William and Mary both declined to comment on their crime-reporting policies, as did other private schools with lopsided burglary and larceny statistics. At Michigan, a spokeswoman explained that in cases with no indication of which type of theft occurred, the campus police score the crime as larceny.

Harvard University says it adheres to the FBI's definition of burglary. As a result, Harvard reported 446 burglaries and 229 larcenies in 2004. That's 132 burglaries per 10,000 undergraduate and graduate students, the highest such rate in the Ivy League.

But Steven Catalano, who is in charge of Harvard's Clery reports, says a review of the theft figures "leads us to believe that the disparity is more the result of a difference of how thefts are classified than a difference in actual theft rates." When burglary and larceny figures are taken together, Harvard's total theft rate is sixth among the Ivy League's eight schools.

Weldon's World Of Influence (PHI)

By Chris Mondics

The Philadelphia Inquirer, October 22, 2006

WASHINGTON - Several times in recent years, U.S Rep. Curt Weldon (R., Pa.) has taken time from his busy schedule to help a foreign company, which turned around and hired a lobbying firm close to him.

In 2002, Weldon started aiding a large Russian energy firm just before his daughter Karen and longtime political ally Charles P. Sexton Jr. received a $500,000 contract to lobby for the company.

A year later, Weldon also aided the interests of a Russian helicopter plant as well as two brothers linked to a prominent Serbian war criminal. Both parties later hired the Weldon-Sexton lobbying firm, Solutions North America.

Weldon has denied he did anything wrong. And his actions have had little impact on the 10-term incumbent whose Delaware County seat had long been secure.

But everything changed this year. Last week, Weldon became publicly embroiled in a federal criminal probe that appears to focus on actions he took to help clients of his daughter's firm, Solutions North America.

On Monday, FBI agents carted away documents from Karen Weldon's Philadelphia home and Media office and Sexton's Springfield, Delaware County, home.

Agents also searched the offices of at least one of Karen Weldon's clients - the giant Russian energy firm Itera International, with U.S. offices in Jacksonville, Fla. - and the Philadelphia law office of Weldon friend John J. Gallagher, who had helped Weldon's daughter get business.

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Weldon, who combines a foreign-policy interest with considerable showmanship skills, predicted the probe would find nothing. He said he hadn't helped his daughter get anything, and he ascribed the raids' timing to a Democratic plot to ruin him. Sexton and Karen Weldon, whose firm is now called Solutions Worldwide, have not responded to requests for comment.

The revelations have roiled an already competitive race between Weldon and a well-funded Democrat, retired Vice Adm. Joe Sestak.

"Being accused of financial malfeasance in Pennsylvania, that is often the coup de grace for a struggling politician," said Michael Young, a former Pennsylvania State University political science professor who runs a polling firm.

Young said Weldon may have felt free because for years he faced little opposition. "The lack of real competition in primaries has created a whole class of politicians. I think he's the embodiment of [those] who seem to believe that they are invulnerable."

No evidence has surfaced that Weldon has personally benefited from his official actions. But there are many signs that those around him have reaped gains.

Weldon's clout as the second-highest-ranking Republican on the House Armed Services Committee gives him easy access to White House officials and foreign leaders. Companies that later became Solutions North America's clients and others close to Weldon benefited from that access, though the congressman's efforts were not always successful.

On July 15, 2003, Weldon rose to speak on the House floor. He wanted to help his friend and contributor, globe-trotting Philadelphia lawyer John Gallagher, to recoup a $2.5 million investment in a cognac factory seized by the government of Moldova. Weldon proposed to bar all U.S. aid from the former Soviet republic until Gallagher was repaid.

"The Moldovan government must remedy this matter," said Weldon, who later dropped his proposed amendment.

Federal investigators are reviewing Weldon's role in that attempt to help Gallagher.

These weren't the only times Weldon seemed to blur the line between politics and personal interest.

Earlier in his career, Weldon was accused of using a federal antipoverty program he had founded to pay for promotional materials from his congressional campaign. The Delaware County Partnership for Economic Development was closed after the government concluded it had misspent more than $5 million on travel and gifts for staff and on no-bid contracts to politically connected firms, including the accounting firm of Weldon's former campaign treasurer.

William Tancredi, the program's former executive director who pleaded guilty in 1992 to corruption charges, said he was pressed by Weldon to spend program money on campaign materials. He said a primary task of one agency worker was to run errands for Weldon.

Weldon was never charged. He denied the allegations at the time and insisted, as now, that he had been the victim of a smear campaign.

Gray-haired and bespectacled, Weldon has the look of the policy wonk he is.

From memory, he can spit out details of obscure trade agreements, bilateral defense treaties, and internal political matters on Russia and the former Soviet republics.

He also has a knack for drawing attention in ways that can backfire. For more than a year after the Sept. 11, 2001, attacks, Weldon maintained that a Pentagon data-mining unit had identified some of the hijackers before the attacks, suggesting the catastrophe could have been averted. A Pentagon inspector general's report could not substantiate Weldon's account.

The latest FBI probe may have been triggered by disclosures in 2004 that Weldon's daughter Karen and business partner Sexton won contracts totaling more than $1 million from foreign interests that the congressman had helped.

Among them was Itera International Energy Corp., a huge Russian firm that was seeking a grant from the U.S. Trade and Development Agency to develop a sprawling Siberian natural-gas field.

The agency gave preliminary approval for the $868,000 grant in 2002, but soon rescinded its decision after competing investors charged that Itera was composed of stolen assets and had never disclosed all its owners.

Shortly afterward, Weldon began urging the agency to approve the grant. He wrote at least two letters to agency officials and led a congressional delegation to Moscow, where it met with Itera officials, and he praised the company. He also contacted President Bush's top political adviser, Karl Rove, and Energy Secretary Spencer Abraham, to complain about Itera's treatment.

In September 2002, after Weldon began helping the firm, his daughter and Sexton signed a $500,000 contract with Itera.

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The following year, Karen Weldon and Sexton won two more lucrative contracts from clients who also seemed to benefit from her father's assistance. One was a Russian aircraft manufacturer, Saratov Aviation, that sought to sell equipment to the Pentagon.

Both Weldon and his daughter visited Saratov's Russian plant in 2003, around the time Karen Weldon began negotiating a $20,000-a-month contract with Saratov to provide promotion and help it find clients.

During this same period, Weldon also set out to help two Serbian brothers whose family foundation had hired Solutions North America. The brothers, Bogoljub and Dragomir Karic, had wanted to travel to the United States, but had been denied visas because of alleged links to accused Serbian war criminal Slobodan Milosevic. Weldon said then that the two had been unfairly maligned by U.S. intelligence agencies, and he tried to help polish their image.

Since Milosevic was ousted, the government has taken a series of actions against the Karic brothers. It suspended the license of the cell-phone corporation of Bogoljub Karic and issued a warrant for his arrest. He is believed to be living in Moscow. U.S. authorities, in addition to denying visas for the Karic brothers, have encouraged European countries to do the same.

Among other efforts, Weldon wrote the brothers on congressional stationery on Oct. 8, 2002, praising their business acumen and inviting them to the United States.

"We are interested in establishing a dialogue regarding future economic cooperation between our two nations," said the letter, signed by Weldon and 18 other members of Congress.

There was soon an uptick in economic activity between the United States and Serbia, however incremental.

In 2003, Solutions North America signed a $240,000 contract to promote the Karic Foundation in the United States.

Judge Rejects Request To Subpoena Reporter In China Spy Case (NYS)

By Josh Gerstein, Staff Reporter of the Sun

New York Sun, October 23, 2006

SAN FRANCISCO — A federal judge has refused to allow a reporter for the Washington Times to be subpoenaed by defense attorneys in a case stemming from allegations of Chinese espionage at American defense contractors.

Lawyers for one of the defendants in the case, Chi Mak, argued that the newspaper's top national security correspondent, William Gertz, should testify about leaks he allegedly received of classified information about the prosecution.

Judge Cormac Carney, who is based in Santa Ana, Calif., rejected the request, ruling that the legality of the government's wiretaps under the Foreign Intelligence Surveillance Act should be assessed solely on the basis of the paperwork the government filed to seek warrants for the surveillance.

"Any classified information Mr. Gertz may have received is irrelevant to the court's inquiry," Judge Carney wrote in an order dated October 16.

An attorney for Mr. Mak, Ronald Kaye, declined to discuss the motion to subpoena Mr. Gertz. A copy of the defense's legal filing was not available last week from the court. Mr. Gertz is renowned in Washington for obtaining and publishing classified reports. It is unclear precisely what prompted the interest of defense attorneys, but the case against Mr. Mak is discussed at length in Mr. Gertz's latest book, "Enemies."

Mr. Mak, a China-born naturalized American citizen is charged, along with four of his family members, with failing to register as an agent of the Chinese government. Prosecutors contend that he stole details about Navy-related propulsion technology from his employer, Power Paragon, and arranged to deliver them to Chinese agents. Judge Carney has ordered that Mr. Mak stand trial separately from the other defendants because of what the judge said was a "powerfully incriminating" confession by Mr. Mak. All of the defendants have pleaded not guilty. The judge did not rule on whether Mr. Gertz could be called as a witness at trial. There is no indication that the defense has made such a request.

The government opposed the subpoena to Mr. Gertz, but did not say in its filing whether any investigation into the alleged leaks is under way.

In a similar case, involving two pro-Israel lobbyists accused of obtaining classified documents, a federal judge in Virginia recently ordered a Justice Department probe into alleged leaks to CBS News.The results of that inquiry have not been made public.

DOJ_NMG_0084893

Washington Whispers (USNEWS)

By Paul Bedard

U.S. News and World Report, October 30, 2006

Like Grandpa, Like Granddaughters

Add a new name to the political dynasties of Bush and Clinton: Cheney. Recall that when Vice President Dick Cheney hit the campaign trail in 2004, he and his wife, Lynne, sometimes showed up with their grandkids in tow. Well, the kiddies got hooked. We know because earlier this month, when daughter Liz Cheney drove by the veep's residence at the U.S. Naval Observatory, one of her daughters urged Mom to turn in so they could see "Grandma" and "Grandpa." Liz sped on, explaining that the grandparents were out of town campaigning. "What?" barked one of her daughters in disappointment. "Without us?"

The Hill Monitor (TIME)

By Karen Tumulty

Time, October 23, 2006

When the FBI raided his daughter's home three weeks before Election Day, Pennsylvania Congressman Curt Weldon figured he knew exactly whom to blame. The agents were looking for evidence that he had used his influence to help Karen Weldon win lobbying and consulting contracts, but the 10-term Congressman wasn't mad at just them. "It's a woman who runs an organization called CREW," he complained to a blogger for the Daily Pennsylvanian. That woman is a tenacious 40-year-old former prosecutor named Melanie Sloan, whose targets have included Tom DeLay and Mark Foley. She is executive director of the liberal watchdog group Citizens for Responsibility and Ethics in Washington (CREW). Since its founding in 2003, CREW has worked through legal and regulatory channels to press allegations of impropriety almost exclusively against Republicans. Ironically, given CREW's new prominence as a favorite target of vast-left-wing-conspiracy theorists, its litigious approach borrows heavily from the conservative group Judicial Watch, which in the 1990s helped propel Paula Jones' sexual-harassment accusations against Bill Clinton into his impeachment.

Sloan, a former congressional staff member for such liberal lawmakers as Michigan's John Conyers and New York's Charles Schumer, was working as an assistant U.S. Attorney when two Democratic activists approached her with the idea of trying something like Judicial Watch from the left. For its first 18 months, CREW was a one-woman shop. An early target was the seemingly invincible DeLay. Sloan asked the Internal Revenue Service to investigate the House majority leader's fund raising and sued the Federal Election Commission to get more info about his dealings with a Kansas utility. But she was not getting much support from Democratic officials, particularly in the House, where the two parties had declared an "ethics truce" that effectively blocked either side from filing a complaint against the other.

Until, that is, DeLay redistricted Texas Congress- man Chris Bell--now the Democratic nominee for Texas Governor--out of a job. In Bell, Sloan finally had the in-house ally she needed, and under House rules formally filed a CREW-drafted com-plaint in June 2004. Eventually, the Ethics Committee unanimously admonished the majority leader--an early sign of the troubles that led to DeLay's resignation and an achieve- ment Sloan counts as "the thing I'm most proud of."

More recently, it was CREW that first alerted the FBI to the fact that Foley, a Florida Congressman, had been sending suspiciously friendly e-mails to a former House page. This was two months before the scandal broke publicly. The FBI declined then to investigate but opened a probe after ABC News reported on other, sexually suggestive e-mails Foley sent.

Representative Weldon has accused CREW of orchestrating last week's raids for maximum impact just before an election. But the FBI is part of the Bush Administration's Justice Department, and CREW's initial complaint against Weldon was filed more than two years ago.

For an organization dedicated to holding government accountable, CREW isn't transparent about its own operations. Organized as a 501(c)3 under federal tax laws, it does not have to reveal the names of all its donors. "I wouldn't have any donors if I revealed all my donors," says Sloan. However, CREW acknowledges that it has received $100,000 from the foundation of liberal financier George Soros and several annual donations of at least $10,000 from that of entertainer Barbra Streisand. With reporting by With reporting by Brian Bennett

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FBI Says It May Launch Probe Of Bishop State (MR AL)

By George R. Altman, Staff Reporter

Mobile Press-Register (AL), October 23, 2006

The FBI is considering an investigation into Bishop State Community College and has consulted other law enforcement agencies about the matter, a bureau spokesman said Thursday.

Meanwhile, Alabama's two candidates for attorney general -- incumbent Troy King and Mobile County District Attorney John Tyson Jr. -- have criticized each other's handling of matters regarding the Mobile college less than three weeks before the general election.

"We're conferring with other law enforcement authorities to determine what course of action, if any, we should take at this time" with regard to Bishop State, said Craig Dahle, spokesman for the Mobile office of the FBI.

Dahle declined to say what specific agencies the bureau has consulted with regard to the 4,000-plus student college. But Nicki Patterson, chief assistant district attorney for Mobile County, confirmed that she has talked with officials from the FBI about Bishop State.

Tyson said his office has also been in contact with the inspector general's office at the U.S. Department of Education about Bishop State. A spokeswoman for the office of inspector general said she could not comment.

The Department of Education earlier this year demanded Bishop State repay $150,000 in misspent aid money and now requires the school to demonstrate each student's eligibility before it can receive federal funds.

Tyson's office has charged six people, three of whom are Bishop State employees, in connection with the theft of more than $75,000 in financial aid money.

While all Bishop State-related arrests have come from Tyson's office, the state two-year system forwarded the findings of its internal review of the college to King more than a month ago.

The full report was not made public, but a summary of the report detailed both financial and academic problems at Bishop State, including mishandling of federal aid, poor oversight of academic functions, and employees giving money to family members.

The attorney general's office would not say Thursday whether King is investigating matters related to the school.

Tyson told the Press-Register this week that if he were in King's position, he would be "more active than they are" regarding Bishop State.

"I don't know what he's done," Tyson said. "I'm concerned that I don't know."

King shot back that Tyson "does not know what he's talking about."

"That is a reckless, irresponsible and inexperienced thing to say. That is not the way that the attorney general's office conducts investigations," King said.

King is a Republican appointed by Gov. Bob Riley to the attorney general seat vacated by Bill Pryor when the latter became a federal judge. Tyson is a longtime prosecutor who won the Democratic nomination in June to challenge King. The general election is Nov. 7.

Tyson said he has the summary of the two-year system report on Bishop State, but has not been given the full report that King received.

Tyson said he was investigating Bishop State before the two-year system report was released.

Tyson said that investigations into irregularities at the college need a "real sense of urgency" before the federal government stops sending aid money. About 80 percent of Bishop State students receive some type of financial aid.

"We should be moving this thing along as fast as we can," Tyson said. "I really think that the existence of the school is threatened."

King said that while his office would "find those who are responsible," he would not try cases in the media, as he said Tyson was doing.

"Just because he thinks it will get him a headline ... we are not going to allow him to compromise important investigations," King said.

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On Oct. 6, Tyson said that his office would benefit from federal assistance on the Bishop State case. This week, he said he preferred King's involvement to be limited.

"We could use help. As you know, our resources are always thin," Tyson said, "but if you're going to step in and take it over, I'm not interested in that. That's harmful."

Gangs Take Toll On Traveling Gem Sellers (USAT)

By Richard Willing, Usa Today

USA Today, October 23, 2006

Cunning criminals scare reps out of trade

FBI and local police are teaming up to combat a little noted but highly lucrative crime: robberies by gangs that target traveling jewelry and precious gem sales representatives.

Jewelry and gem salespersons reported 117 such robberies nationwide in the first nine months of this year, putting the industry on track for its lowest number of annual attacks since about 1990, according to a report by the industry group Jewelers' Security Alliance (JSA).

However, ripping off sales reps, who typically travel by car and carry hundreds of thousands of dollars worth of goods in small pieces of rolling luggage, remains a highly lucrative crime. The average theft this year has netted about $224,000. By contrast, the average bank robbery netted about $4,220 in 2004, the FBI estimated.

"It's a crime that's below the radar, and doesn't get nearly the attention of say, bank robbery," says John Kennedy, president of the JSA. "But in the past 10 years or so, it's become a fact of life for an industry where it had pretty much been unknown."

Interrogations of captured robbers have shown that most are illegal immigrants, usually Colombian or Ecuadorean, who have worked their way up in ethnic gangs by performing less serious robberies, says Daniel McCaffrey, an FBI agent in New York City who specializes in jewel theft.

After 1999, when sales reps endured a record 323 robberies and more than $76 million in losses, the FBI began to partner with local police task forces in New York City, Los Angeles, Houston, Miami and other jewel theft hot spots. Using stakeouts, stings and other methods, they've helped boost arrests and lower dollar losses each year since 2000. Figures kept by the Jewelers' Security Alliance show local, state and federal arrests increased 25%, from 456 in 2003 to 570 in 2004. Those included crimes against retailers as well as sales reps.

The targeting of traveling jewelry and gem sales people has taken a toll on the trade.

Joseph Menzie, a former traveling salesman who is now a gem wholesaler in New York City, estimates that sales reps, who once numbered in the thousands, now are down to about 600 to 800 full-time workers and declining each year. About 15% are women, he estimates.

"It used to be a great job for a young guy," Menzie says. "But now, forget it. Nobody young is coming in, and a lot of the old guys would get out if they could. … All of them have been hit (by robbers)."

When Menzie started in the mid-1970s, representing his grandfather's gem company out of New York City, going on the road to sell was a time-honored way of breaking into the jewelry business. The job featured travel, fellowship with other sales reps, and some prestige. Commissions of 4% to 15% afforded a decent living.

Because of the nature of their product, jewel and gem reps seemingly were impervious to changes that the Internet brought to the sales industry.

"The customer wants to hold the piece in her hand, so the retailer wants to see it and feel it, too," Menzie says. "That's where the salesman comes in."

Sales reps kept their product line of diamonds, watches, finished jewelry and gemstones such as emeralds and sapphires in small off-the-rack travel cases. They formed groups such as the Brotherhood of Traveling Salesmen, which collected annual dues and passed the hat when a sales rep died on the road to pay for return shipping of both the body and the product line.

Crime was an occasional problem. In more than 10 years on the road, Menzie remembers being followed once, on a freeway in Alabama. He eluded the chase car and found refuge at a small town police station.

For reasons that aren't clear, Ecuadorean and Colombian gangs began to target sales reps, FBI agent McCaffrey says.

They use Mapquest, Global Positioning System devices, cellphones, and telephone and property databases to identify and follow sales reps. It's not unusual for 20 or more crewmembers using several cars to follow prospective "scores" for days or weeks, McCaffrey says.

Some of the thieves' favorite methods, says McCaffrey, who has interviewed captured robbers, include:

•Cutting brake lines or spiking tires on a sales rep's car, then trailing him until he breaks down.

•Breaking into the parked car while the salesman is having coffee.

•Surprising the sales rep as he leaves his motel or home.

The robberies, which have netted nearly $600 million since 1995, according to the JSA, are forcing changes in the industry. Manufacturers and wholesalers, beset with rising insurance premiums, increasingly are using large trade shows to reach retailers. Reps who continue to travel carry more product, to compensate for higher gas and hotel costs.

In a sure sign of the times, the Brotherhood of Traveling Salesmen disbanded about a year ago, Menzie notes. The group, which dated from the 1930s, was down to about 100 members and had few new applicants. Those who remained, Menzie says, decided to cash out the group's account and get a check now rather than wait for each other to die off.

Fort Peck Couple Admits Fraud Scheme (BG MT)

By Clair Johnson

Billings Gazette (MT), October 20, 2006

A former Fort Peck tribal education official and her husband admitted Thursday that they took money from the federal government and used most of it to pay for their daughter's college tuition.

Desiree Dean Kirn Lambert, 50, and Bernard John Lambert Jr., 58, of Busby, pleaded guilty in federal court in Great Falls. An uncle of Desiree Lambert charged in a related scheme pleaded guilty earlier.

Desiree Lambert pleaded guilty to fraudulent claims, grant fraud and theft from a tribal organization; her husband pleaded guilty to conspiracy to defraud the government.

Assistant U.S. Attorney Carl Rostad said that from November 2001 to December 2002, Desiree Lambert, while director of the Fort Peck Tribes Department of Education, approved payments totaling $12,000 to her husband, who was superintendent of the Brockton School District, for writing 10 grants. The grants were from various corporations and the U.S. Department of Education. Investigators found that none of the grants Bernard Lambert was paid to write was ever received or funded.

The couple admitted that $8,500 of the $12,000 Desiree paid to Bernard was to pay tuition for their daughter, Kayla Lambert, at the University of Montana. Bernard Lambert contended that he wrote all the grants and repeatedly claimed he would provide records of the grant applications to the Department of Interior but has not done so, Rostad said in court records.

When Kayla Lambert applied for financial aid, she and her mother stated that Desiree Lambert was the sole source of family income. At the time, Desiree and Bernard were married and living together, and Bernard was making about $60,000 a year as Brockton superintendent. He resigned in July 2004.

"Finally, as Kayla went off to college, Desiree gave her a Department of Education cell phone. Kayla ran up about $900 worth of charges, which were paid for by the tribes," Rostad said.

In a related case, Desiree Lambert's uncle, Raymond A. Dolezilek, 53, of Sheridan, Wyo., pleaded guilty earlier this month to conspiring with his niece to submit false claims to the Department of Interior. Dolezilek admitted that he submitted eight vouchers for payment totaling $8,510 to Desiree Lambert for work he had not performed, Rostad said.

Dolezilek also paid $1,700 in kickbacks to his niece. Desiree Lambert told investigators she hired her uncle to provide her with expert assistance at the Education Department and denied getting kickbacks. Charges against Desiree Lambert in the case with her uncle were dismissed in exchange for her pleas in the tuition scheme indictment.

U.S. District Judge Sam Haddon set sentencing for the Lamberts for Feb. 7. Dolezilek is to be sentenced on Jan. 25.

The conspiracy charge carries a possible sentence of 10 years in prison and a $250,000 fine, while the false claims and fraud charges carry a possible sentence of five years and a $250,000 fine.

Computer Search Turned Back At The Border (LAW)

By Amanda Bronstad, The National Law Journal

DOJ_NMG_0084897

National Law Journal, October 23, 2006

Government officials must have reasonable suspicion under the Fourth Amendment to search someone's laptop at U.S. borders, according to a recent ruling in Los Angeles.

The decision by U.S. District Judge Dean D. Pregerson of the Central District of California is the first within the area of the 9th U.S. Circuit Court of Appeals to address whether searching a person's laptop is more than routine and therefore subject to the search and seizure protections of the Fourth Amendment. U.S. v. Arnold, No. 2:05-cr-00772 (C.D. Calif.).

The Oct. 2 ruling expands upon a previous decision by the 9th Circuit that permitted the search of temporary cache files in a man's laptop. U.S. v. Romm, 455 F. 3d 990 (9th Cir. 2006). The decision could lead to a potential circuit split, given a conflicting 4th Circuit ruling last year in a similar case.

Under existing law, border officials must have a reasonable suspicion to conduct a nonroutine or invasive search, such as a body cavity search or X-rays. In most cases, that standard of proof is relatively low given the nation's heightened security concerns at the borders.

Previously, the only other case that addressed whether a laptop search is intrusive was U.S. v. Ickes, 393 F.3d 501 (4th Cir. 2005.) In that case, the 4th Circuit upheld a man's conviction in ruling that a laptop search at the border did not violate his First Amendment right of expression.

In July, the 9th Circuit upheld the conviction of a man with a prior criminal record in ruling that border authorities could search the temporary cache files in a laptop. But the circuit declined in Romm to address the issue of whether searching a laptop was routine or intrusive.

The recent case involves Michael Timothy Arnold, a 43-year-old man with no previous criminal record who was indicted on child pornography charges after customs officers searched his laptop and other computer equipment at Los Angeles International Airport in July 2005.

The government contended that the search was routine and therefore not subject to Fourth Amendment protections against unreasonable searches.

"While not physically intrusive as in the case of a strip or body cavity search, the search of one's private and valuable personal information stored on a hard drive or other electronic storage device can be just as much, if not more, of an intrusion into the dignity and privacy interests of a person," Pregerson wrote. Given that conclusion, the government failed to prove reasonable suspicion.

Marilyn Bednarski of Pasadena, Calif.-based Kaye, McLane & Bednarski, who represents Arnold, hailed the ruling. "The search of a computer is different because it's like looking into somebody's mind," she said.

Assistant U.S. Attorney Elizabeth Carpenter said prosecutors are deliberating about whether to appeal.

Jury Expected To Get Rosenbaum Case Soon (WT)

By Arlo Wagner

The Washington Times, October 23, 2006

The jury in the trial of a man accused of killing a New York Times journalist could begin deliberations as early as today.

Prosecution and defense teams in the murder trial of Percey Jordan Jr. rested their cases Friday in a D.C. Superior Court.

Mr. Jordan, 42, is on trial for the killing of editor-reporter David E. Rosenbaum, who was severely beaten Jan. 6 as he walked in the 3800 block of Gramercy Street near his home in a usually peaceful Northwest community.

Closing arguments by Assistant U.S. Attorney Amanda Haines and defense attorney Michael Starr are expected to focus on the recorded testimony of Mr. Rosenbaum's wife, Virginia, who died of colon cancer six months after testifying to a grand jury.

The testimony, read to the murder trial jury by an intern in the U.S. Attorney's Office, described Mrs. Rosenbaum's panic and frustration when her husband did not return from a nighttime walk to get rid of hiccups. Mr. Rosenbaum was alive when found at 9:30 p.m. and transported to Howard University Hospital where he died Jan. 8.

An investigation into the incident found that first responders with the D.C. fire department were slow to arrive, didn't recognize Mr. Rosenbaum's injuries and, as a result of the misreading, took him to a hospital on the other side of town.

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Mr. Rosenbaum died of "blunt impact" to his head, Dr. Lois Goslinoski, the District's deputy medical examiner, testified Friday.

The trial last week included testimony from Mr. Jordan's cousin, Michael C. Hamlin, who said Mr. Jordan planned the robbery and hit Mr. Rosenbaum on the head with a hard plastic pipe. Hamlin has pleaded guilty to second-degree murder and robbery in the case.

Other testimony in the trial last week came from John Snowden, who said he has known Mr. Jordan for about 30 years. Snowden said Mr. Jordan talked about the murder-robbery as they walked together Jan. 11 in Southeast.

"One time he mumbled and said they got a cracker," Snowden said. "He said they 'caught a cracker sleeping.' "

Defense attorney Mr. Starr suggested that Snowden talked to police and testified to get a $25,000 reward.

He said that Snowden previously has been charged with prison break, breaking and entering and drug charges and that he is on parole until 2008. Mr. Starr also suggested that police led Hamlin to implicate his cousin.

Researchers See Privacy Pitfalls In No-Swipe Credit Cards (NYT)

By John Schwartz

The New York Times, October 23, 2006

AMHERST, Mass. — They call it the "Johnny Carson attack," for his comic pose as a psychic divining the contents of an envelope.

Tom Heydt-Benjamin tapped an envelope against a black plastic box connected to his computer. Within moments, the screen showed a garbled string of characters that included this: fu/kevine, along with some numbers.

Mr. Heydt-Benjamin then ripped open the envelope. Inside was a credit card, fresh from the issuing bank. The card bore the name of Kevin E. Fu, a computer science professor at the University of Massachusetts, Amherst, who was standing nearby. The card number and expiration date matched those numbers on the screen.

The demonstration revealed potential security and privacy holes in a new generation of credit cards — cards whose data is relayed by radio waves without need of a signature or physical swiping through a machine. Tens of millions of the cards have been issued, and equipment for their use is showing up at a growing number of locations, including CVS pharmacies, McDonald's restaurants and many movie theaters.

The card companies have implied through their marketing that the data is encrypted to make sure that a digital eavesdropper cannot get any intelligible information. American Express has said its cards incorporate "128-bit encryption," and J. P. Morgan Chase has said that its cards, which it calls Blink, use "the highest level of encryption allowed by the U.S. government."

But in tests on 20 cards from Visa, MasterCard and American Express, the researchers here found that the cardholder's name and other data was being transmitted without encryption and in plain text. They could skim and store the information from a card with a device the size of a couple of paperback books, which they cobbled together from readily available computer and radio components for $150.

They say they could probably make another one even smaller and cheaper: about the size of a pack of gum for less than $50.

And because the cards can be read even through a wallet or an item of clothing, the security of the information, the researchers say, is startlingly weak. "Would you be comfortable wearing your name, your credit card number and your card expiration date on your T-shirt?" Mr. Heydt-Benjamin, a graduate student, asked.

Companies that make and issue the cards argue that what looks shocking in the lab could not lead to widespread abuse in the real world, and that additional data protection and antifraud measures in the payment system protect consumers from end to end.

"This is an interesting technical exercise," said Brian Triplett, senior vice president for emerging-product development for Visa, "but as a real threat to a consumer — that threat really doesn't exist."

The finding comes at a time of strong suspicion among privacy advocates and consumer groups about the security of the underlying technology, called radio frequency identification, or RFID. Though the systems are designed to allow a card to be read only in close proximity, researchers have found that they can extend the distance.

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The actual distance is still a matter of debate, but the claims range from several inches to many feet. And even the shortest distance could allow a would-be card skimmer to mill about in a crowded place and pull data from the wallets of passersby, or to collect data from envelopes sitting in mailboxes.

"No one's going to look at me funny if I walk down the street and put a flier in everybody's mailbox," Mr. Heydt-Benjamin said.

The experiment was conducted by researchers here working with RSA Labs, a part of EMC, an information management and storage company. The resulting paper, which has been submitted to a computer security conference, is the first fruit of a new consortium of industry and academic researchers financed by the National Science Foundation to study RFID.

Security experts who were not involved in the research have praised the paper, and said that they were startled by the findings. Aviel D. Rubin, a professor of computer security at Johns Hopkins University, said, "There is a certain amount of privacy that consumers expect, and I believe that credit card companies have crossed the line."

The companies, however, argue that testing just 20 cards does not provide an accurate picture of the card market, which generally uses higher security standards than the cards that were tested. "It's a small sample," said Art Kranzley, an executive with MasterCard. "This is almost akin to somebody standing up in the theater and yelling, 'Fire!' because somebody lit a cigarette."

Chips like those used by the credit card companies can encrypt the data they send, but that can slow down transactions and make building and maintaining the payment networks more expensive. Other systems, including the Speedpass keychain device offered by Exxon Mobil, encrypt the transmission — though Exxon came under fire for using encryption that experts said was weak.

Though information on the cards may be transmitted in plain text, the company representatives argued, the process of making purchases with the cards involves verification procedures based on powerful encryption that make each transaction unique. Most cards, they said, actually transmit a dummy number that does not match the number embossed on the card, and that number can be used only in connection with the verification "token," or a small bit of code, that is encrypted before being sent.

"It's basically useless information," said David Bonalle, vice president and general manager for advanced payments at American Express. "You can't steal that data and just play it back and expect that transaction to work."

While the researchers found that these claims were true for some of the cards they tested, other cards gave up the actual credit card number and did not use a token or change data from one transaction to another. They also took data in from some cards and transmitted it to a card-reader in the lab and tricked it into accepting the transaction. Mr. Heydt-Benjamin, in fact, was able to purchase electronic equipment online using a number skimmed from a card he ordered for himself and which was sealed in an envelope.

(None of the cards transmits the additional number on the front or back, known as the card validation code, that some businesses require for online purchases; Mr. Heydt-Benjamin chose a store that does not require the code.)

Mr. Kranzley said the MasterCard-issuing banks decided how much security they wanted to implement, but said that with 10 million of the company's chip-bearing cards on the market, some 98 percent of them used the highest standards.

"Today, there's an extremely small percentage of cards that have the characteristics that RSA has looked at in this report," he said. Visa and American Express representatives said all their cards conformed to the highest security standard.

Beyond the security on the cards themselves, the companies said, they have deployed fraud detection and prevention measures that block suspect purchases. And each company stressed that cardholders were not liable for fraud.

Dr. Fu acknowledged that the research involved a small sample, and added, "We would be happy to examine cards that have better security so that we can verify these claims." He added, however, that all of the cards they tested were issued this year, and all were felled by at least one of the attacks that they attempted.

Tom O'Donnell, a senior vice president at Chase, the largest issuer of the new cards, said that the attacks described in the paper would be too cumbersome in the real world. And the researchers said that other kinds of fraud, like so-called phishing scams in which criminals trick people into revealing credit card information through misleading e-mail messages and Web sites, were currently more effective.

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Still, John Pescatore, vice president for Internet security at Gartner, a technology market research firm, said he was surprised by the lack of security in transmitting personal data. He said it was a mistake that companies often made in rolling out early versions of a technology.

"It's the classic 'Let's depend on security through obscurity — who's going to look?' " he said. "Then, whoops! As soon as somebody does look, you roll out the security."

All of the card companies said that they were in the process of deleting names from the stream of data transmitted to the card readers. "As a best practice, issuers are not including the cardholder name," Mr. Triplett of Visa said.

CIVIL LAW:

Less Means More: 3rd Circuit Fixes Congressional Typo (LAW)

By Shannon P. Duffy, The Legal Intelligencer

Legal Intelligencer, October 23, 2006

The Bauhaus school of architecture famously preached that "less is more," but the 3rd U.S. Circuit Court of Appeals has now taken that one step beyond, finding that in statutory construction, the word "less" sometimes actually means "more."

Following the lead of three other circuits, a unanimous panel of the 3rd Circuit held last week that a key provision of the Class Action Fairness Act includes a "typographical error" in which Congress accidentally used the word less when it meant to say more.

Under CAFA, a defendant named in a class action filed in the state courts may remove the suit to federal court.

The law also provides that if the federal court determines that the case should be sent back to the state courts, the defendant may file a discretionary appeal.

The glitch in the law, courts have discovered, is the wording of the time limit imposed on such appeals.

CAFA states that a federal appellate court "may accept an appeal" from a remand order "if application is made to the court of appeals not less than seven days after entry of the order."

Read literally, the law seems to impose not a time limit on the appeal, but a waiting period followed by an unlimited time to appeal.

Now, in Morgan v. Gay, the 3rd Circuit has joined a growing chorus of appellate courts in saying that Congress obviously meant the opposite of what it said.

"Because the uncontested legislative intent ... was to impose a seven-day deadline for appeals, we conclude that the statute as written contains a typographical error and should be read to mean 'not more than seven days,'" U.S. Circuit Judge D. Brooks Smith wrote.

Smith, in an opinion joined by Judges Maryanne Trump Barry and Richard L. Nygaard, noted that the 9th, 10th and 11th circuits have all reached the same conclusion.

In Pritchett v. Office Depot Inc., the 10th Circuit said, "Given Congress' stated intent to impose time limits on appeals of class action remand orders and the limited availability of appeals prior to the statute's enactment, we can think of no plausible reason why the text of the act would instead impose a seven-day waiting period followed by a limitless window for appeal."

Smith said he recognized that looking to legislative history is a controversial practice that has been described as "looking over a crowd and picking out your friends."

But in the case of CAFA, Smith said, "the crowd speaks with one voice."

As a result, Smith concluded that "this court does not need to step into a statutory interpretation debate over the role of legislative history and congressional intent to conclude that [the law] needs common sense revision that accurately reflects the uncontested intent of Congress."

The ruling clears the way for the defense to pursue an appeal of an order by U.S. District Judge Garrett E. Brown Jr. of the District of New Jersey that remanded a class action brought by purchasers of the skin cream Stri Vectin-SD alleging false advertising and other claims.

Garrett ruled that the federal courts lacked jurisdiction over the case and remanded it to the New Jersey Superior Court.

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Now the 3rd Circuit has agreed to hear an appeal of the ruling and will issue a second decision on the merits.

CIVIL RIGHTS:

O.C. Candidate Defends Letter Scaring Immigrants (LAT)

By Garrett Therolf

The Los Angeles Times, October 23, 2006

At a chaotic sidewalk news conference Sunday, Orange County congressional candidate Tan Nguyen defended a letter his campaign sent to 14,000 registered voters that warned in Spanish that immigrants could be jailed or deported for voting.

"There has been no crime committed, so why is there a criminal investigation three weeks prior to a very important election?" asked Nguyen outside his campaign office in Garden Grove. It was his first public appearance since the controversy erupted last week. "What is going on? Who is fueling this investigation?"

Nguyen, a Republican challenging Democratic Rep. Loretta Sanchez in the 47th District, said that he would stay in the race despite the national uproar over the letter and calls by Orange County Republican leaders for him to drop out.

"I am innocent, and there is no way in hell that I am going to withdraw," Nguyen said. "I am not going to quit this race, and I am going to win this race."

His speech was punctuated by outbursts from a crowd of roughly 50, who angrily demanded more information about the letter's authorship. Nguyen maintained that the letter was sent without his knowledge. But he added that, after firing the staffer he said was responsible for it, he was asking her to return because he believes the mailer was fair.

In the letter, registered voters with Latino surnames in Santa Ana, Garden Grove and Anaheim were warned "that if your residence in this country is illegal or you are an immigrant, voting in a federal election is a crime that could result in jail time...."

The mailer has sparked state and federal investigations over possible voting rights violations. On Friday, Nguyen's campaign headquarters, his home and a staffer's residence were searched by California Department of Justice investigators.

A spokesman for Atty. Gen. Bill Lockyer said Sunday that the investigators were continuing to review the evidence and movement in the case could come this week.

Orange County officials said they would decide this week whether to send a second letter to the affected voters making it clear that naturalized citizens have the right to vote.

Former U.S. Atty. William Braniff, a lawyer for Nguyen's campaign, said Sunday that the controversy was caused by the news media and others who inferred that the word emigrado, or immigrant, included U.S. citizens. In fact, Braniff said, emigrado in the letter merely referred to U.S. immigrants who have legal status but not citizenship — and thus do not have the right to vote.

Braniff declined, however, to say why the campaign had used letterhead closely resembling that of the California Coalition for Immigration Reform without the group's permission and why it was signed by a fictional "Sergio Ramirez."

"These are fair questions and could be answered if they were being asked if this was a purely political forum, but there is an investigation going on," Braniff said.

He also declined to comment on accounts by sources familiar with the investigation who said an LAPD officer had paid for the $4,000 mailing of the letter .

Nguyen lambasted his opponent, Sanchez, saying she was "fueling this hysteria," and said investigators were "terrorizing my family and volunteers" and violating his right to free speech.

The candidate said his campaign had been crippled by the government's seizure of his mailing lists and other material.

No representative of the Sanchez campaign was immediately available for comment.

Schwarzenegger Ramps Up Pressure Over Orange County Mailing (LAT)

By Scott Martelle And Susannah Rosenblatt, Times Staff Writers

The Los Angeles Times, October 22, 2006

He says GOP candidate Nguyen should quit House race if he knew of his office's threatening letter to immigrants.

DOJ_NMG_0084902

Gov. Arnold Schwarzenegger stepped up the pressure Saturday on an Orange County Republican congressional candidate, telling reporters that Tan Nguyen should withdraw if he knew about his campaign's mailing of letters intended to threaten immigrant voters.

Schwarzenegger denounced the mailings traced to Nguyen's campaign to unseat Democratic incumbent Loretta Sanchez in the 47th District and said that "anyone that knew … has to resign immediately."

Speaking during a campaign appearance in Santa Ana, the governor said the mailings "were illegal; it's a hate crime…. There should be no tolerance for this kind of behavior."

Democratic gubernatorial challenger Phil Angelides had earlier denounced Nguyen's campaign, which sent mailers to 14,000 registered voters. Written in Spanish, they warned that immigrants who cast a ballot could face jail time or deportation.

Nguyen, himself a Vietnamese immigrant, said Thursday that he had fired his campaign office manager because of the letter but that he had no prior knowledge of it. However, the chairman of Orange County's Republican Party has said that he was told by the mailing company that sent the letter that Nguyen was personally involved.

The Nguyen controversy — and key Republicans' quick action to distance the party from the mailings — pointed to a sharp contrast between the two major parties' approaches to the elections, just over two weeks away. As the Democrats seek to promote themselves as a unified slate, the Republicans are largely running as individuals.

Schwarzenegger made two Orange County campaign stops Saturday unaccompanied by other Republican candidates for statewide office, while the Democratic statewide candidates crisscrossed Southern California and stressed the need for unity.

Angelides began his day at a UC Berkeley football game tailgate party, then traveled to three Los Angeles-area labor rallies, which also drew such statewide Democratic candidates as John Garamendi, running for lieutenant governor; Cruz Bustamante, running for insurance commissioner; John Chiang, running for controller; and Debra Bowen, running for secretary of state; and local candidates.

"No matter where you go in this state, you see Democrats campaigning together," Angelides told about 200 supporters during an afternoon barbecue at a Gardena union hall. "These Republicans this year — in the year of George Bush's Republican Congress — they're all treating each other like they got the bird flu."

Despite Saturday's show of solidarity, the Democrats have their own fissures. Ray Cordova, chairman of the South Bay County Labor Council, told the Gardena crowd that he was "sick and tired" of seeing Senate President Don Perata and Assembly Speaker Fabian Nuñez "ride around the state" with Schwarzenegger rallying votes for Propositions 1A through 1E, which would spend $37 billion on state construction projects.

Schwarzenegger and the legislative leaders worked together to get the measures on the ballot and have since campaigned for them together.

But the theme of the day was unity, and the need to propel California voters to the polls by building on what recent surveys have shown could be a nationwide Democratic surge on election day. Angelides for the last two days has cited polls that he says have shown his campaign rallying from 17 to 7 points behind — though the polls were, in fact, sponsored by different polling organizations and do not necessarily demonstrate a trend.

"We are rocking and rolling," Angelides said in Gardena. "Those guys are slipping and sliding."

Schwarzenegger's campaign day was more low key. In Santa Ana, he admired cowboy apparel and browsed ranchera albums on 4th Street, chatting with store owners and pausing for photos, handshakes and autographs before a private meeting with the Hispanic 100 civic group, which has endorsed him.

Speaking to reporters, Schwarzenegger reiterated his support for immigration reform, advocating a guest worker program and, under specific conditions, driver's licenses for illegal immigrants.

"Right now we have this policy where everyone looks the other way and everyone does things illegally," he said. "This is not the right way to go."

He moved on to Cook's Corner, a biker roadhouse in Trabuco Canyon, arriving on his maroon Indian Chief motorcycle. Nearly a thousand Harley-Davidsons and other choppers gleamed in the sun as part of the "California Dream Ride" to raise money for an organization that supports military families.

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"I could have gone anywhere else in the world; I would not have remotely achieved the things that I have achieved, and it is all because of California," Schwarzenegger told the crowd.

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ANTITRUST:

We're Google. So Sue Us. (NYT)

By Katie Hafner

The New York Times, October 23, 2006

SAN FRANCISCO, Oct. 19 — Google attracts millions of Web users every day. And, increasingly, it's attracting the attention of plenty of lawyers, too.

As Google has grown into the world's most popular search engine and, arguably, the most powerful Internet company, it has become entangled in scores of lawsuits touching on a wide range of legal questions, including copyright violation, trademark infringement and its method of ranking Web sites.

Any company that is large and successful is going to attract lawsuits, and Google's deep pockets make it an especially big target. But as it rushes to create innovative new services, Google sometimes operates in a way that almost seems to invite legal scrutiny.

A group of authors and publishers is challenging the company's right to scan books that are still under copyright. A small Web site in California is suing Google because it was removed from the company's search results. And European news agencies have sued over Google's use of their headlines and photos in Google News.

In these cases and others, potential legal problems seem to give the company little pause before it plunges into new ventures.

"I think Google is wanting to push the boundaries," said Jonathan Zittrain, professor of Internet governance and regulation at Oxford University.

"The Internet ethos of the 90's, the expansionist ethos, was, 'Just do it, make it cool, make it great and we'll cut the rough edges off later,' " Professor Zittrain said. "They're really trying to preserve a culture that says, 'Just do it, and consult with the lawyers as you go so you don't do anything flagrantly ill-advised.' "

Now, with its planned $1.65 billion acquisition of the video site YouTube, which contains not just homemade videos but also copyrighted clips that users upload without permission, some observers say Google is exposing itself to a new spate of lawsuits.

Along with YouTube's 34 million viewers, Google will inherit a lawsuit filed last summer against the company. Robert Tur, who owns a video from the 1992 riots in Los Angeles that shows a trucker being beaten by rioters, is suing YouTube, accusing it of copyright infringement.

"Clearly, we investigated that whole issue," said David C. Drummond, Google's general counsel and senior vice president of corporate development. Mr. Drummond pointed to the "safe harbor" provision of the 1998 Digital Millennium Copyright Act. A number of courts have held that under this provision, Web sites are not liable for copyrighted content posted by users, as long as they promptly remove it when it is pointed out to them.

"We rely on the same safe harbor that YouTube relies on, so we're fairly familiar with the issues," Mr. Drummond said. "If you look at it, it's somewhat illustrative of the kinds of lawsuits we face."

Google has been known to settle, but for the most part it aggressively fights litigation — so far with a good deal of success.

Over the last few years, the company has spent millions in legal fees and hired a small army of bright young lawyers, many of them technically proficient and experts in the field of intellectual property.

The company's legal department has grown from one lawyer in 2001 to nearly 100 lawyers now, not just at its headquarters in Mountain View, Calif., but also overseas. The company has also retained counsel at many outside law firms.

Many of the lawsuits Google is facing carry little weight. Yet it has a vested interest in fighting all of them, even those of questionable merit, and seeing that they are resolved quickly. In part, this is because any lawsuit that reaches the discovery, the pretrial fact-finding phase, poses the danger of revealing too much about Google's proprietary technology. Google also has an interest in establishing a solid body of legal interpretation in its favor.

Many of the plaintiffs are asking for damages, but money is not always the issue. There are several cases, focusing on questions of intellectual property and trademark protection, that challenge Google's whole way of doing business. These plaintiffs are suing Google to protect their well-established practices; their interest is not so much in remuneration as it is in getting Google to change its approach.

Peter S. Menell, a professor at Boalt Hall School of Law at the University of California, Berkeley, said that although Google's well-established core search functions are not at risk, "there are a number of areas now in which new and exciting business models are being threatened."

Cases addressing trademark protection in Google's ad system could hurt its bottom line, as the company's revenue comes mainly from advertising sales, said Eric Goldman, director of the High Tech Law Institute at the Santa Clara University School of Law in California.

In one of the most important such cases to date, last year a federal judge in Alexandria, Va., dismissed a claim by Geico, the auto insurance company. Geico said that a Google policy of permitting Geico's competitors to buy advertisements tied to searches for the keywords "Geico" and "Geico Direct" confused Web surfers looking for the company's site. The two companies settled the case before the judge reached a full decision on the other issues involved.

"This is Google's cash cow," Professor Goldman said. "If they can't sell keywords freely, they're not worth their market valuation."

Michael Kwun, a senior litigation counsel at Google, agreed that "the Geico case was very important." Mr. Kwun said that establishing a body of precedent was a priority for Google, especially as legal interpretations continued to evolve. "If we don't at least litigate to the point where we get rulings on the issues that matter to us, we're left with less clarity in the law," he said.

Yet in the course of a long run of legal triumphs there have been a few bumps, and Google is facing some uncertain outcomes in the coming months.

Copyright challenges are at the center of the uncertainty. In one case that could have large ramifications, Perfect 10, a publisher of pornographic magazines and Web sites, sued Google for using thumbnail-sized reproductions of photos in its image search results, among other things.

Earlier this year, a Federal District Court judge in California said Google had violated copyright because it had undermined Perfect 10's ability to license those images for sale to mobile phone users, and he issued a preliminary injunction. Google appealed the decision, and oral arguments before the United States Court of Appeals for the Ninth Circuit are scheduled for next month.

Google's use of snippets of copyrighted works has also raised the ire of news outlets.

Last month, a Belgian court ordered Google to stop publishing headlines from Belgian newspapers without permission or payment of fees. And in a case pending in a Federal District Court in Washington, Agence France-Presse is suing Google, accusing it of violating its copyright by using its headlines, photographs and story fragments in Google News.

Google is arguing that news headlines and short phrases are not copyrightable.

"From our perspective, these are simple issues that were decided a long time ago," said Alex Macgillivray, 34, whose title at Google is senior product counsel.

The company is making the same argument in cases pending against its book search service. Representatives of publishers and authors are challenging the company's practice of scanning books that are still under copyright. They argue that because Google must copy an entire book to make it searchable, it is violating the copyright of the author or publisher if it does so without permission.

Google has offered to let publishers opt out of the book search program but has refused to ask permission to make the copies in advance.

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Google has been known to settle cases. But in general it mounts a vigorous defense, Mr. Goldman said. "If they get sued, they turn the tables on the plaintiff and file motions to get the upper hand in the case," he said.

Last spring, KinderStart, a small search engine in Southern California that focuses on information for parents of young children, sued Google after it noticed that its site had been removed from Google's search results — leading to a loss of traffic and revenue for the company.

Google said in court filings that an area of the site that permitted visitors to add links had been full of pointers to low-quality or pornographic sites, indicating that it was poorly maintained or was an effort to manipulate Google's search results. KinderStart said the removal was unfair and unjustified and that Google's guidelines on ways to avoid such punishment were too vague.

A federal judge in San Jose dismissed the first version of the complaint, in essence agreeing with Google that the company is free to shape its search results in any way it chooses. KinderStart has filed a second, amended complaint, which is scheduled to be heard by the same judge on Friday.

"We're not against innovation at all," said Gregory J. Yu, a lawyer for KinderStart. "But Google should not dictate what we should or should not see and find on the Web. They can knock off these small Web sites and there's nothing the small Web sites can do."

In the KinderStart case, Google was quick to take the offensive. Shortly after the lawsuit was filed last spring, Google responded with a motion that, if granted, would throw out several of KinderStart's claims and require KinderStart to cover Google's legal fees. The judge deferred consideration of the motion.

Professor Zittrain of Oxford said Google's corporate mantra — "to organize the world's information and make it universally accessible" — gives some insight into its approach.

"They actually see that as Promethean," Mr. Zittrain said. "They think of it as bringing fire to humankind. And it may even cause them to be bolder than other companies."

Google's legal muscle and shrewdness are not lost on those on the other side of the fights.

"We've got a formidable legal team, but obviously it's nowhere near the unlimited resources of Google," said David A. Milman, the chief executive of Rescuecom, a nationwide computer repair company that sued Google on trademark infringement grounds similar to Geico's — and quickly lost. The company said that it would appeal the decision.

"People say you can't fight the government," Mr. Milman said. "Google, in this case, is very similar to the government. They're the government of the Internet."

Icahn Ally Gets ImClone Seat (USAT/BLOOM)

By Lisa Rapaport And Angela Zimm

USA Today, October 23, 2006

Billionaire investor Carl Icahn moved closer to gaining control of ImClone Systems with the naming of an additional ally to the biotechnology company's board.

The new director, pediatric surgeon Peter Liebert, fills one of the vacancies created with the departure earlier this month of William Crouse and Chairman David Kies, ImClone said Friday in a statement.

The second opening won't be filled, reducing the number of seats to 11. Icahn and his associates now hold five.

Icahn, 70, said earlier this week he had two-thirds of the support needed to oust interim Chief Executive Officer Joseph Fischer and three other directors, which would cut the size of the board to seven. Since August, Icahn has been raising his ownership and pushing to install an experienced biotech CEO to expand sales of ImClone's only product, the cancer drug Erbitux.

"The stock hasn't responded much because the market is not putting much faith in Icahn's ability to operate here," said Les Funtleyder, an analyst with Miller Tabak in New York. "Either investors don't think Icahn can get the full board, or they think options for ImClone are limited even if he does get full control."

Shares of ImClone fell 17 cents to close at $29.74 in Nasdaq composite trading Friday. The stock has declined 13% this year.

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The New York-based company's second-biggest shareholder, with 14%, Icahn won election to the board Sept. 20. He had pushed for the resignation of Kies and Crouse. ImClone's biggest holder is Bristol-Myers Squibb, with 17%.

Icahn said earlier last week in a letter to shareholders that ImClone's management made several "missteps."

The company failed to push "an aggressive development program" for Erbitux, he said, and he criticized the board for hiring a "string of CEOs who failed to act."

The board includes two directors Icahn isn't trying to remove who aren't his associates: Andrew Bodnar, a senior vice president of New York-based Bristol-Myers, and David Sidransky, ImClone's vice chairman and a cancer doctor at the Johns Hopkins University medical school in Baltimore.

China Asserts Patent Rights In US Courts (FT)

By Patti Waldmeir

Financial Times, October 23, 2006

Chinese companies have begun to defend their patent rights increasingly aggressively in US courts, legal experts say.

"Within the past year or two, the Chinese have begun standing up for themselves and testing the limits of intellectual property rights that are asserted against them," says Mark Hogge, a patent attorney at the law firm Greenberg Traurig. "They are learning the rules of engagement in the US marketplace and that includes intellectual property litigation."

Some Chinese companies are even going on the offensive in the US for the first time, and filing their own patent lawsuits against US competitors.

This year, Netac, a manufacturer of computer flash memory products based in Shenzhen, China, brought a patent suit against a New Jersey rival in a federal court in Texas, in what is believed to be the first time that a mainland Chinese company has sued an American one for patent infringement.

"This could be a harbinger of things to come," says Tony Chen, a US-trained patent attorney in the Shanghai office of the US law firm, Jones Day. "Chinese companies are treating intellectual property lawsuits as an effective competition tool in the marketplace."

Tom Jarvis, a patent attorney at the US law firm Finnegan Henderson Farabow Garrett & Dunner, who practices before the US International Trade Commission (ITC), where many patent disputes involving China are heard, predicts that "within five years the number of patent litigations instigated by Chinese companies in the US will grow exponentially".

US companies can challenge the importation of Chinese products before the ITC, alleging that they infringe a US patent practiced by a US company. But Chinese companies can use the ITC too, he says, if they believe a US company is violating their patent rights in the US market.

He says China is increasingly the target of litigation at the ITC, with the number of claims against mainland Chinese companies multiplying rapidly since 2000.

Historically, Chinese companies did not aggressively defend themselves against such suits, usually agreeing to settle, design around the disputed patent, or fail to show up and lose by default.

"Over the past 10 years, patent owners have won in about half of ITC cases against Chinese companies, but in the other half, Chinese companies have either won, forced the patent owner to withdraw the complaint, or obtained an agreed-upon settlement," says Mr Jarvis.

"The Chinese are now at a place where they aren't taking the hit and are going to take a stand," says Mr Hogge. Like Japan, Korea and Taiwan before it, China is becoming more aggressive in protecting its intellectual property as Chinese industry becomes more sophisticated, moving away from copying foreign products and towards innovation.

The increasing importance of intellectual property to Chinese companies was demonstrated earlier this month by figures from the World Intellectual Property Organisation (WIPO), showing patent filings in China (half of them by Chinese) have increased sevenfold in the past 10 years.

Getting sued for patent infringement in the US is very costly, but it can have benefits, says Mr Chen. Chinese companies are increasingly realising "it may not be a bad thing to be a defendant in a lawsuit because we get free publicity".

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ENVIRONMENT:

Report: BP Knew Texas City Risk Before Blast (MRKTWTCH)

Market Watch, October 23, 2006

LONDON (MarketWatch) -- An internal BP PLC (BP) report two years ago acknowledged that to save money the company failed to tackle known risks at its Texas City refinery in the U.S., the U.S. Chemical Safety and Hazard Investigation Board may say in its report on a March 2005 explosion at the facility which killed 15 workers, British Broadcasting Corp. reported Sunday.

The BBC's File On Four investigative radio program to be broadcast Tuesday at 1900 GMT said the safety watchdog, which has yet to issue its final report on the explosion, "alleges BP failed to learn from a string of dangerous events at Texas City going back to the 1990s".

The program's reporter Julian O'Halloran said the board "cites an internal BP audit two years ago that to save money the company was failing to tackle known risks."

BP, he added, had declined to comment, saying the board had yet to issue its final report or consult the company on its finding.

BP has been under growing scrutiny from regulators and the press in the wake of a series of operational and governance problems in the U.S.

Texas City has been among its biggest headaches.

Company-generated reports on the 2005 accident pointed to poor management and a lack of hazard awareness. Regulators have been scathing in assessing the company's record at the plant; the Occupational Health and Safety Administration referred the case to the Justice Department for a criminal investigation.

Plaintiffs' attorneys are to argue in litigation that the explosion was caused by management lapses so egregious they trigger the penal code.

Faced with a burgeoning slate of operational and governance problems in the U.S., the U.K. oil giant is feverishly trying to settle remaining suits emanating from the explosion that killed 15 workers and injured as many as 170. The goal is to avert a bruising courtroom showdown, due in November, with victims and family members who lost loved ones in one of the worst industrial accidents in recent years.

BP recently appointed a new refinery manager at the 460,000 barrel-a-day capacity Texas City plant. BP has broadly accepted responsibility for the explosion, which occurred on March 23, 2005 during the botched restart of a processing unit used to produce octane for gasoline. The company cited weak management, murky communications and "a poor level of hazard awareness," according to a 192-page report released by BP in December 2005.

A Reason To Drill In The Gulf (opinion) (NYT)

The New York Times, October 23, 2006

It is time to make a serious effort to save the vanishing wetlands and barrier islands along the coast of Louisiana. The best chance is a bill passed by the Senate that would guarantee Louisiana and three other coastal states a share of oil and gas revenues from drilling in the Gulf of Mexico. The states would be expected to use the proceeds largely for coastal restoration and related projects. The House should adopt this measure in its present form during the coming lame-duck session, and President Bush should sign it.

Since the deluge of Hurricane Katrina anniversary coverage in August, there has been very little talk about the safety of New Orleans and the surrounding region. In fact, the city and the region are more vulnerable than ever.

Even before last year's storms, the wetlands and barrier islands that provide a protective buffer were eroding at a rate of 25 square miles a year — the result of a half-century of calamitous mismanagement of Mississippi River water flows. Katrina and Rita together snatched away another 217 square miles. Levees, of course, are necessary to protect New Orleans and other low-lying areas, but they are only the final line of defense. Healthy wetlands are essential to any long-term plan.

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The Senate bill — whose principal architect is Mary Landrieu, a Louisiana Democrat — would open up 8.3 million acres of the Gulf of Mexico to new oil and gas development. Half the royalties would go to the federal treasury, 37.5 percent would go to the four coastal states, and the rest would go into a fund to help other states purchase open space.

Our support for this bill should not be taken as a blanket endorsement of offshore drilling — nor as an endorsement of a mischievous bill sponsored by Representative Richard Pombo, Republican of California, and passed by the House last summer. The Pombo bill would end a longstanding federal moratorium on oil and gas drilling on the entire American coastline. The Landrieu bill would simply enlarge the drilling area in the gulf, where oil and gas exploration has been broadly accepted for years.

Mr. Pombo is hoping that the Senate will agree to a conference committee in which the two bills can be married. But his bill is so poorly thought out as to be unacceptable, even as a starting point for compromise. A conference committee would also leave the protection of America's coastal waters to the mercy of closed-door horse trading.

Ms. Landrieu opposes any such compromise and so, to his credit, does the Senate majority leader, Bill Frist. They are hoping to persuade the House to accept and approve Ms. Landrieu's narrower bill before the present Congress comes to an end.

Is this an impossible objective?

Not if sensible people in the House think carefully about it. The Landrieu bill targets an immediate need. The House should not see it as a rival to Mr. Pombo's bill — which has no chance of passing the Senate — or, for that matter, as primarily an energy bill. The House should instead see it as a way to restore the health of a battered ecosystem, as future protection for the livelihoods of hundreds of thousands of people, and as a way to deliver on unfulfilled promises.

FBI/DEA/ATF/USMS:

Merriman Suspended After Testing Positive For Steroids (SDUT)

By Kevin Acee, Union-tribune Staff Writer

The San Diego Union-Tribune, October 23, 2006

KANSAS CITY, Mo. – Chargers linebacker Shawne Merriman will be suspended for four games for violating the NFL substance abuse policy, sources close to Merriman said.

A source said the appeal process is ongoing and that there is "a reason behind this."

Said the source: "This is not the finality of it."

The positive test and suspension were first reported by ESPN.com while the team was flying home from its game in Kansas City last night. The Web site cited a source with knowledge of the test saying it was "definitely for steroids not one of those supplement deals."

ESPN later reported that both Merriman's "A" and "B" samples had come back positive.

The initial positive occurred more than a week ago.

Team officials did not return phone messages last night. Merriman did not return messages and is not expected to comment until he and his attorney have a chance to confer further.

According to ESPN.com, Merriman's suspension originally was to be announced last Tuesday when two other players – Atlanta Falcons guard Mark Lehr and Detroit Lions defensive tackle Shaun Rogers – were suspended for violating the policy. But Merriman appealed, so his suspension was not announced.

First-time offenders of the NFL's steroid policy receive a minimum four-game ban, the equivalent of one-fourth of the regular season. A second positive test fetches eight games, and a third positive gets a yearlong suspension.

In addition, according to the NFL's Policy on Anabolic Steroids, suspended players may not "participate in team activities, use the club's facilities or have contact with any club officials except to arrange off-site medical treatment."

Players also must test negative for all prohibited substances before they are reinstated.

By comparison, first-time offenders for anabolic steroids in Olympic sports face a two-year competition ban. A second offense results in a lifetime ban.

Merriman, listed at 6-foot-4, 272 pounds, was the NFL Defensive Rookie of the Year after making 10 sacks last season and was a Pro Bowl starter. His 5-½ sacks this season are second on the team.

When Merriman's suspension begins, the Chargers will be without several key players on defense.

Linebacker Shaun Phillips, who has a team-high six sacks, suffered a strained calf in yesterday's 30-27 loss to the Chiefs and is expected to miss four to six weeks.

The absence of those two could dramatically alter the approach of the Chargers' defense.

Carlos Polk and Marques Harris are expected to be the primary replacements for Phillips and Merriman. But defensive coordinator Wade Phillips could also make other changes.

Whoever steps in will not have the same pass rush ability and ability to dominate as Merriman and Phillips.

Additionally, defensive end Igor Olshansky had surgery last week to repair a torn meniscus and is out at least another two games.

Already, the team is playing this season without Steve Foley. Phillips was starting in his place after Foley was shot by an off-duty police officer the week before the season opener.

Safety Terrence Kiel missed a game earlier this season after he was arrested at the team's facility in late September and later admitted to shipping prescription codeine to Texas. Kiel earlier this month pleaded not guilty to five felony charges.

Chargers' Merriman Is Facing Suspension (WP)

By Mark Maske, Washington Post Staff Writer

The Washington Post, October 23, 2006

Star Reportedly Failed Steroid Test

San Diego Chargers defensive end-linebacker Shawne Merriman is facing a four-game suspension by the NFL for a positive result under the league's steroid-testing program, two sources familiar with the test result said last night.

Merriman and his representatives still are appealing the suspension, said the sources, who spoke on the condition of anonymity because results of players' drug tests are confidential.

ESPN first reported last night that Merriman had been informed of the positive test but the suspension had not been imposed because an appeal by Merriman was pending. The positive test was for steroids, not a related supplement, and was to be announced last week before Merriman appealed, ESPN reported.

Merriman and Chargers officials were not immediately available to comment as the team traveled back to San Diego after yesterday's loss at Kansas City.

Merriman, a Washington native and a graduate of Douglass High School in Upper Marlboro, is in his second NFL season after being selected in the first round of last year's draft from the University of Maryland. He has established himself as one of the league's top pass rushers. He had 10 sacks and was the NFL's defensive rookie of the year and a Pro Bowl starter last season and has 5 1/2 sacks in six games this season.

Under the NFL's policy on steroids and related substances, a player is suspended for four games without pay for a first positive test. Two other NFL players -- Atlanta Falcons guard Matt Lehr and Detroit Lions defensive tackle Shaun Rogers -- were suspended last week under the policy.

Sources: Chargers' Merriman Suspended For Steroids (KABC)

KABC-TV, October 23, 2006

Chargers linebacker Shawne Merriman has been notified he will be suspended for four games for violating the NFL's steroids and related substances policy, league and team sources told ESPN's Chris Mortensen.

Merriman's positive test was "definitely for steroids ... not one of those supplement deals," said a source with knowledge of Merriman's suspension.

Merriman, 22, was the NFL Defensive Rookie of the Year last season and started in the Pro Bowl after recording 54 tackles and 10 sacks. He also finished with five passes defended and two forced fumbles. Through six games this season, Merriman was second on the Chargers with 5.5 sacks.

The San Diego linebacker has acquired the nickname "Lights Out" for his hard hits and aggressive demeanor.

"Shawne, of course, he's something," Chargers coach Marty Schottenheimer said after Merriman won top honors for first-year players. "He's an extremely talented young man who brings it every snap. ... He's very, very competitive."

Merriman's suspension originally was to be announced last Tuesday when two other NFL players -- the Falcons' Matt Lehr and the Lions' Shaun Rogers -- were suspended for violating the policy. But Merriman reserved the right to appeal his suspension, so it was not announced.

"Per the collective bargaining agreement, the Chargers aren't allowed to comment on reports or results involving the league's substance abuse policy," Chargers spokesman Bill Johnston said Sunday night.

Merriman's suspension is the latest on a laundry list of on- and off-the-field issues Schottenheimer has had to deal with this season.

From a strictly football standpoint, Merriman's four-game absence decimates a San Diego defense already reeling from injuries.

Linebacker Steve Foley was shot in the leg by a off-duty police officer on Sept. 3 and was subsequently placed on injured reserve. Foley's replacement, Shaun Phillips, injured his right calf in Sunday's 30-27 loss to Kansas City and will be out four to six weeks.

In addition, defensive end Igor Olshansky is out after having arthroscopic knee surgery and is likely to miss a month.

Off the field, the situation has been at least as devastating.

Safety Terrence Kiel is currently facing five felony drug charges relating to the shipping and possession of large quantities of prescription cough syrup, which is a controlled substance. Although Drug Enforcement Administration investigators said Kiel admitted he shipped at least two packages and knew of the contents, Kiel pleaded not guilty at his arraignment earlier this month.

Foley, meanwhile, has been charged with two counts of misdemeanor DUI stemming from his confrontation with an off-duty Coronado, Calif., police officer.

Police said that Foley, who, according to his agent, David Levine, is currently unable to walk or stand without assistance, had been partying in downtown San Diego and registered a blood-alcohol level of .233 percent, nearly three times California's legal limit of .08 percent.

The charges carry enhancements that include being charged with DUI within 10 years of a prior conviction and having a blood-alcohol level exceeding .15.

Foley has been arrested at least five times since 1999, including cases that police say involved alcohol and confrontations with officers.

Information from The Associated Press was used in this report.

Report: Chargers' Merriman Suspended For Steroids (SN)

Sports Network, October 23, 2006

San Diego, CA (Sports Network) - San Diego Chargers standout linebacker Shawne Merriman will reportedly be suspended for four games for violating the NFL's substance abuse policy.

The San Diego Union-Tribune reported a source saying there "is a reason behind this."

ESPN first reported the suspension of Merriman, stating the linebacker's "A" and "B" samples came back positive.

Merriman, who was the NFL's Defensive Rookie of the Year, had 10 sacks last season. He started Sunday's 30-27 loss at Kansas City and finished with eight tackles, second-most on the club. He has 5 1/2 sacks this season.

If the suspension is announced this week, Merriman wouldn't be eligible to return to the Chargers until the November 26 home game against Oakland.

San Diego has a 4-2 record going into Sunday's home game against St. Louis.

The Union-Tribune also reported linebacker Shaun Phillips, who has a team-best six sacks, will be out the next 4-to-6 weeks due to a strained calf muscle he suffered in the game at Kansas City.

Records Detail Cocaine Scheme (HTRIB)

The Herald Tribune (Southwest Florida), October 21, 2006

DOJ_NMG_0084911

SARASOTA -- Three men met at the Ritz-Carlton in February to talk business -- the sale of several kilos of cocaine, and a way to launder drug money to leave no trace of the crime -- according to federal court records released Friday.

At the meeting, Luciano Angrilli, a manager of Khrome nightclub, bragged his boss could launder the drug sale proceeds because he is a "miracle worker" who owns all the Jackson Hewitt Tax Offices from Tampa to Venice, the records show.

Angrilli's boast was recorded by one of the men, a police informant wearing a wire, as part of a yearlong investigation that's still under way. It involves 10 kilograms of cocaine, $280,000 in cash and wire transfers, and a Sarasota businessman now charged with money laundering.

Angrilli was arrested on drug possession charges when he went to a commercial storage warehouse to load the cocaine into his trunk, the records say. The friend who drove him there, Michael Parsons, is also charged.

The same day, agents searched the office of Daniel Prewett, 56, of Sarasota, owner of a Jackson Hewitt accounting office. Prewett is accused of being the head of a local drug distribution ring, and faces charges that he laundered drug money through his accounting business.

Prewett, a felon who did time in a New York prison for a tax-fraud scheme, is involved in dozens of local businesses run from his Jackson Hewitt office at Clark and Beneva roads. He is also president of an investment company and another firm called J.H. Accounting, state records show.

The investigation into Prewett started with a tip that he provided money to buy large amounts of cocaine and ecstasy through Angrilli, a manager at his two nightclubs, Khrome and Ecstasy.

At the meeting at the Ritz, the two informants gave Angrilli a peek at $200,000 in cash, which earned them a meeting with Prewett, the court records show.

Prewett was recorded discussing different ways he could launder the money and transfer it to a bank account, explaining that he would have to be able to prove where the money came from, the records show.

There was talk of setting up a fake loan, then providing documentation that the loan had been paid off and then wiring the money to them a few days later.

Prewett agreed to launder the proceeds for a 10 percent commission, the complaint states.

An undercover DEA agent delivered $100,000 of supposed drug money to Prewett two times with the informants, and both times Prewett wired $90,000 to an undercover DEA account from an account belonging to J.H. Investment Services Inc., the records show.

On Oct. 10, an informant agreed to sell Angrilli 5 kilograms of cocaine for $80,000, and the next day the undercover account received a wire transfer for that amount from J.H. Investment Services.

Agents arranged the pickup at a commercial storage building on 17th Street on Monday and put the cocaine in 5-pound cardboard barrels. Michael Parsons was driving the car Angrilli arrived in.

Angrilli put one barrel in the trunk and Parsons put a second one in. Agents and detectives then arrested them, the records say.

Prewett agreed to answer questions when his office was searched that same day, and admitted to wiring the $80,000 to purchase the cocaine, the complaint states.

Doctor To Go To Prison On Drug Charges (JHN)

Joliet Herald News, October 21, 2006

A federal judge on Thursday sentenced a doctor who practiced in Dwight and Wilmington to six months in prison after he pled guilty to narcotics charges.

Dr. Parambaloth Edwin entered the guilty plea in August, about 10 days before he was to stand trial on 12 charges of distributing to patients the prescription painkiller hydrocodone, the generic name for Vicodin. He also faced five charges of failing to keep accurate records for 50,000 doses of hydrocodone, a controlled substance.

Judge Samuel Der-Yeghiayan imposed the maximum under federal sentencing guidelines though Edwin, sought probation. The judge also issued a $5,000 fine, said an assistant U.S. attorney in the Chicago office of the Northern Illinois district.

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Edwin pled guilty to the five record-keeping charges and prosecutors agreed to drop the 12 distribution charges, said Madeleine Murphy, who handled the case. Edwin, 66, lives in Dwight and had an office there, though the charges were made about his practice in Wilmington.

Edwin will surrender to federal prison officials Jan. 8, 2007, she said. After he serves the prison term, he will be on one-year of supervised release, which includes reporting to a probation officer, Murphy said.

The Illinois Department of Professional Regulations suspended Edwin's medical license in 2003. In the plea agreement, Edwin promised not to seek a new license until at least April, 2009, Murphy said.

The Drug Enforcement Administration audit of Edwin's practice for 16 months found he had purchased 350,000 hydrocodone tablets and could not account for 50,000 tablets, Murphy said. Vicodin is used after dental procedures and car accidents, with the intention of dealing with short-term pain, she said.

Officials in Will and Grundy counties became suspicious of Edwin after six of his patients died. Federal agents had raided Edwin's Wilmington office and seized records in 2003. Edwin was indicted in June 2005.

Slain Man's Fugitive Brother To Be Sought At Funeral (PALMBEACHP)

By Allyson Bird, Palm Beach Post Staff Writer

Palm Beach Post (FL), October 21, 2006

As family members say goodbye to Jose Luis Escobedo, his wife, Yessica, and their two toddler boys, Luis Damian and Luis Julian, in Brownsville, Texas, Monday, authorities will keep a close watch at the funeral for Escobedo's younger brother.

Jose Manuel Escobedo was sentenced to 10 years in federal prison for conspiracy to distribute cocaine in 2003. Labeled an escapee by the federal Bureau of Prisons, he disappeared on his way to a work camp seven months ago.

Family slain

Jose and Yessica Escobedo with sons Luis Damian and Luis Julian.

Husband, wife and two children from Greenacres found shot to death off Florida's Turnpike in northern Port St. Lucie. Puzzled police searching for clues.

The younger brother arrived at Oakdale Correctional Complex in Louisiana, a minimum security prison, in March 2005. Rolando Jimenez, an executive assistant at the facility, said Escobedo had no discipline problems and took public transportation to transfer to a work camp less than a year after arriving at Oakdale. But he never reported to the work camp.

The younger Escobedo was born one day short of exactly one year after his 29-year-old brother. His Oct. 13 birthday is the day his brother, his sister-in-law and his 3- and 4-year-old nephews were shot to death alongside Florida's Turnpike in Port St. Lucie.

A Drug Enforcement Administration spokesman from Houston would not comment on a possible connection between Jose Luis Escobedo's death and his brother's drug-trafficking past.

Rita Flores, the Escobedos' sister, said the family has not heard from Jose Manuel and does not know where he is. The family also didn't know about extra security planned for the funeral services.

Brownsville police Lt. James Paschall said officers will be on hand not only to provide traffic control and relief from the heat, but also to be on the lookout for Jose Manuel Escobedo.

While the younger brother has no arrest record in Brownsville, Paschall said his arrest on federal charges in 2003 was a "big story" in the border town.

"We are familiar with him," Paschall said. "We'll get real excited if he does show up."

Paschall had not heard of any sightings of the younger Escobedo since his escape.

Jose Manuel Escobedo's 2003 indictment shows that he and two other men planned to sell at least 5 kilograms of cocaine, worth as much as $150,000, between 2002 and 2003.

Robert Hobbs, assistant U.S. attorney for the eastern district of Texas, prosecuted Escobedo during the sentencing phase of his trial. He said Escobedo and the two other men were part of a second round of nearly 20 indictments.

Hobbs said Escobedo "was one of the suppliers selling large quantities of cocaine" in the Houston area.

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He said defendants from Brownsville, such as Escobedo, are often part of the notorious Gulf cocaine cartel, which has a hub directly across the border in Matamoros, Mexico. Hobbs did not know whether Escobedo was involved in the cartel.

Hobbs said Houston, where Escobedo was arrested, has replaced Miami as the country's drug capital.

"Houston is a source city," Hobbs said. "Along the Texas-Mexico border, it has supplanted (Miami)."

The St. Lucie County Sheriff's Office declined to comment on Friday.

The Jose Luis Escobedo family moved to Greenacres in June and rented a home. Three days after they were slain, their Jeep Cherokee was found in a warehouse district in West Palm Beach.

Police Want To Question Brother Of Murdered Man (MH)

The Miami Herald, October 23, 2006

The first hint of a possible clue in the killings of a family of four along Florida's Turnpike two weeks ago has emerged.

Police want to question the fugitive brother of the man killed along with his wife and their two young sons and left on a grassy knoll off the turnpike early Oct. 13 in Port St. Lucie, The Palm Beach Post has reported.

The paper said José Manuel Escobedo, a convicted drug dealer and younger brother of slain José Luis Escobedo, 28, has been at large since he disappeared on his way to a work camp in Louisiana seven months ago. He had been sentenced to 10 years in prison for conspiracy to distribute cocaine in 2003.

Federal and Florida investigators have not suggested a motive for the killings, and it's unknown if the brothers had been in contact.

Four months ago, José Luis Escobedo had moved his family to Greenacres in Palm Beach County from Brownsville, Texas.

A spokesman for the Drug Enforcement Administration in Houston declined to comment on a possible connection between the brother's past and the four killings, according to The Associated Press.

On Sunday at the viewing for the slain family in Brownsville, police were present and on the lookout for the fugitive brother. The services were attended primarily by relatives, who were concerned about intrusive photographers.

"They wanted it private, but there are a lot of reporters from Florida and San Antonio," said Roy Vento, director of the funeral home. ``They didn't want them inside the funeral homes, especially if that meant taking pictures of the caskets or the bodies in the caskets."

FUNERALS FOR FAMILY

Funerals are today for the young father, his wife, Yessica Guerrero Escobedo, 25, and the couple's sons, Luis Julián, 4, and Luis Damián, 3.

The Post said authorities in Brownsville will also keep a close watch at the service and burial for Escobedo's younger brother.

According to The Post, the younger brother arrived at Oakdale Correctional Complex in Louisiana, a minimum security prison, in March 2005.

Rolando Jimenez, an executive assistant at the facility, said Escobedo had no discipline problems and took public transportation to transfer to a work camp less than a year after arriving at Oakdale. But he never reported to the work camp, The Post said.

The slayings occurred on the fugitive brother's birthday -- Oct. 13.

Rita Flores, the Escobedos' sister, said the family has not heard from José Manuel and does not know where he is. The family also didn't know about extra security planned for the funeral services.

Brownsville police Lt. James Paschall said officers will be on hand not only to provide traffic control and relief from the heat, but also to be on the lookout for José Manuel.

While the younger brother has no arrest record in Brownsville, Paschall said his arrest on federal charges in 2003 was a "big story" in the border town. "We are familiar with him," Paschall said. ``We'll get real excited if he does show up."

Paschall had not heard of any sightings of the younger Escobedo since his escape.

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José Manuel Escobedo's 2003 indictment shows that he and two other men planned to sell at least five kilograms of cocaine, worth as much as $150,000, between 2002 and 2003.

Robert Hobbs, assistant U.S. attorney for the eastern district of Texas, who prosecuted Escobedo during the sentencing phase of his trial, said Escobedo and the two other men were part of a second round of nearly 20 indictments.

COCAINE DEALER

Hobbs said Escobedo "was one of the suppliers selling large quantities of cocaine" in the Houston area.

He said defendants from Brownsville, such as Escobedo, are often part of the notorious Gulf cocaine cartel, which has a hub directly across the border in Matamoros, Mexico. Hobbs did not know whether Escobedo was involved in the cartel.

"Houston is a source city," Hobbs said. ``Along the Texas-Mexico border, it has supplanted [Miami]."

Three days after they were slain and left on turnpike, the St. Lucie County Sheriff's Office announced the family's Jeep Cherokee was found in a warehouse district in West Palm Beach.

Visitation Held For Texas Family Found Dead In Fla. (AP)

AP, October 23, 2006

BROWNSVILLE - A visitation for four family members found shot to death along a Florida highway was attended primarily by relatives, who were concerned about intrusive photographers.

"They wanted it private, but there are a lot of reporters from Florida and San Antonio," said Roy Vento, director of the funeral home. "They didn't want them inside the funeral homes, especially if that meant taking pictures of the caskets or the bodies in the caskets."

Funeral services for Jose Luis Escobedo, 28, Yessica Guerrero Escobedo, 25, and the couple's sons, Luis Julian, 4, and Luis Damian, 3, were scheduled for Monday.

Their bodies were found Oct. 13 in a grassy area off the Florida Turnpike in Port St. Lucie.

Both parents graduated from high school in Brownsville. They had moved to Florida just four months ago.

Federal and Florida investigators have not suggested a motive for the killings.

The Palm Beach (Fla.) Post reported Saturday that police would watch Monday's funeral in search of Jose Manuel Escobedo, the fugitive brother of Jose Luis Escobedo. The paper said he was sentenced in 2003 to 10 years in prison for conspiracy to distribute cocaine, but he disappeared on his way to a work camp in Louisiana seven months ago.

A spokesman for the Drug Enforcement Administration in Houston declined to comment on a possible connection the brother's past and the four killings.

Police, Sheriff Get $260,937 In Drug Money (NA)

Goldsboro News Argus, October 22, 2006

Clutching a large white check for their share of $1.2 million seized from drug dealers, Goldsboro Police Chief Tim Bell and Wayne County Sheriff Carey Winders vowed to continue their fight to eliminate drugs.

Drug Enforcement Administration Assistant Special Agent in Charge John Emerson presented checks to Bell and Winders for $260,937.63. The checks were handed out on the second floor of City Hall at 11:30 a.m. Friday.

The checks distributed represented the departments share of money seized from drug traffickers, Emerson said. The money was seized in several states including Georgia and North Carolina and was part of an investigation conducted by the DEA and the Goldsboro-Wayne County Drug Squad, Emerson added.

"Drug traffickers sell their drugs here and then the money is brought back across the country into Mexico," Emerson said. "If we don't get the drugs and they've already sold the drugs then we are trying to intercept that money coming back, so they can't use that money to buy more drugs and bring it back to the states."

Emerson said a portion of the money was seized from local drug dealers.

"The bad guys were here, but they were connected with drug traffickers who were also in Atlanta," he said. "There were seizures in Atlanta and there were seizures here. We totaled those seizures up and then there's an asset-sharing percentage based on work hours and that resulted in the check distributions."

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Bell and Winders lauded the work of the drug squad who helped seize the $1.2 million. The drug squad is comprised of four officers from the city and four deputies from the county.

Bell said the money will be put to good use.

"The funds will be used to further our drug enforcement efforts," Bell said.

Winders said it took a collective effort from the Wayne County Sheriff's Office, the Goldsboro Police Department, the U.S. Marshals Service, DEA and U.S. Customs to make the outcome of the drug trafficking investigation a success.

Winders said the agencies targeted a major drug operation.

"This operation extended all the way to Mexico, Georgia, Texas and different areas," Winders said. "It was a big organization. In fact, it was one of the largest operations in eastern North Carolina and it was awarded as such."

Bell said working with the DEA gives the drug squad a larger advantage in the fight against drugs because it allows the drug squad to extend their jurisdiction outside of Wayne County.

Bell added that working with the DEA allows the drug squad to follow the flow of money and the drugs, and it allows the squad to target upper level drug dealers.

Winders said upper level dealers are one of their main targets.

"Everybody talks about the one that's very visible, the street dealer, but he's getting it from someone and that's what we want to find out," Winders said. "That's what we're targeting. Where the street dealer is getting it. Target that person. Because without the supplier, the street dealer won't be in business long."

The money awarded signified a major accomplishment for the drug squad, but Bell said their work is far from over.

"We're looking forward to putting more drug dealers in jail," he said.

Chronicle May Pay Fines In Steroid Case (SFBIZ)

San Francisco Business Times, October 23, 2006

The San Francisco Chronicle faces fines of up to a half-million dollars or more for refusing to reveal who leaked information to two Chronicle reporters regarding grand jury testimony on steroid use by Barry Bonds and other professional athletes, according to a court filing reported by the Associated Press.

The paper also agreed to be held in contempt of court. Prosecutors agreed to stay the fines pending the outcome of a an appeal in the case.

The newspaper, citing First Amendment protections, has refused to abide by a grand jury subpoena ordering it to release any information it has on the reporters' sources.

The two Chronicle reporters, Lance Williams and Mark Fainaru-Wada, wrote about Bonds' 2003 federal grand jury testimony. Williams and Fainaru-Wada also agreed to be held in contempt, pending appeal.

The grand jury was investigating the BALCO steroid ring.

The reporters could be jailed for as much as 18 months. A federal judge rejected their claim of First Amendment protection from orders to reveal sources.

If the deal is approved by U.S. District Judge Jeffrey White, the Chronicle could have to pay a fine of at least $1,000 per day, for up to 18 months -- around $540,000.

Authorities Say Over 15 Tons Of Drugs Seized In Afghanistan (AP)

AP, October 23, 2006

KABUL, Afghanistan Afghan authorities seized over 16 tons of drugs in the past 10 days in operations targeting smugglers in seven provinces, Afghanistan's top counter-narcotics official said Saturday.

Lt. Gen. Mohammed Daoud Daoud said the seizures included seven tons of opium, eight tons of marijuana and just over one ton of heroin.

The U.N.'s Office on Drugs and Crime said last month that cultivation of opium-producing poppies in Afghanistan rose 59 percent this year to produce a record 6,100 tons of opium — or about 92 percent of the world's supply and outstripping heroin demand by a third.

The U.N. agency said only six of Afghanistan's 34 provinces are poppy-free.

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It said some 2.9 million people were involved in growing opium, representing 12.6 percent of the total Afghan population, and that revenue from this year's harvest was predicted to hit over US$3 billion (€2.4 billion).

Daoud said that a renewed campaign with the help of local authorities is under way to convince the farmers not to grow the lucrative crop.

In The Land Of The Taliban (NYT)

By Elizabeth Rubin

The New York Times, October 22, 2006

One afternoon this past summer, I shared a picnic of fresh mangos and plums with Abdul Baqi, an Afghan Taliban fighter in his 20's fresh from the front in Helmand Province in southern Afghanistan. We spent hours on a grassy slope under the tall pines of Murree, a former colonial hill station that is now a popular resort just outside Pakistan's capital, Islamabad. All around us was a Pakistani rendition of Georges Seurat's "Sunday on La Grande Jatte" — middle-class families setting up grills for barbecue, a girl and two boys chasing their errant cow with a stick, two men hunting fowl, boys flying a kite. Much of the time, Abdul Baqi was engrossed in the flight pattern of a Himalayan bird. It must have been a welcome distraction. He had just lost five friends fighting British troops and had seen many others killed or wounded by bombs as they sheltered inside a mosque.

He was now looking forward to taking a logic course at a madrasa, or religious school, near Peshawar during his holiday. Pakistan's religious parties, he told me through an interpreter, would lodge him, as they did other Afghan Taliban fighters, and keep him safe. With us was Abdul Baqi's mentor, Mullah Sadiq, a diabetic Helmandi who was shuttling between Pakistan and Afghanistan auditing Taliban finances and arranging logistics. He had just dispatched nine fighters to Afghanistan and had taken wounded men to a hospital in Islamabad. "I just tell the border guards that they were wounded in a tribal dispute and need treatment," he told me.

And though Mullah Sadiq said they had lost many commanders in battles around Kandahar, he and Abdul Baqi appeared to be in good spirits, laughing and chatting loudly on a cellphone to Taliban friends in Pakistan and Afghanistan. After all, they never imagined that the Taliban would be back so soon or in such force or that they would be giving such trouble to the Afghan government of Hamid Karzai and some 40,000 NATO and U.S. troops in the country. For the first time since the fall of 2001, when the Taliban were overthrown, they were beginning to taste the possibility of victory.

As I traveled through Pakistan and particularly the Pashtun lands bordering Afghanistan, I felt as if I were moving through a Taliban spa for rehabilitation and inspiration. Since 2002, the American and Pakistani militaries have focused on North Waziristan and South Waziristan, two of the seven districts making up Pakistan's semiautonomous tribal areas, which are between the North-West Frontier Province and, to the south, Baluchistan Province; in the days since the 9/11 attacks, some tribes there had sheltered members of Al Qaeda and spawned their own Taliban movement. Meanwhile, in the deserts of Baluchistan, whose capital, Quetta, is just a few hours' drive from the Afghan city of Kandahar, the Afghan Taliban were openly reassembling themselves under Mullah Omar and his leadership council. Quetta had become a kind of free zone where strategies could be formed, funds picked up, interviews given and victories relished.

In June, I was in Quetta as the Taliban fighters celebrated an attack against Dad Mohammad Khan, an Afghan legislator locally known as Amir Dado. Until recently he was the intelligence chief of Helmand Province. He had worked closely with U.S. Special Forces and was despised by Abdul Baqi — and, to be frank, by most Afghans in the south. Mullah Razayar Nurzai (a nom de guerre), a commander of 300 Taliban fighters who frequently meets with the leadership council and Mullah Omar, took credit for the ambush. Because Pakistan's intelligence services are fickle — sometimes supporting the Taliban, sometimes arresting its members — I had to meet Nurzai at night, down a dark lane in a village outside Quetta.

My guide was a Pakistani Pashtun sympathetic to the Taliban; we slipped into a courtyard and behind a curtain into a small room with mattresses and a gas lamp. In hobbled a rough, wild-looking graybeard with green eyes and a prosthetic limb fitted into a permanent 1980's-era shoe. More than a quarter-century of warring had taken its toll on Nurzai's 46-year-old body but not on his spirit. It was 10 at night, yet he was bounding with energy and bombast about his recent exploits in Kandahar and Helmand. A few days earlier, Nurzai and his men had attacked Amir Dado's extended family. First, he told me, they shot dead his brother — a former district leader. Then the next day, as members of Dado's family were driving to the site of the first attack,

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Nurzai's men ambushed their convoy. Boys, cousins, uncles: all were killed. Dado himself was safe elsewhere. Nurzai was mildly disappointed and said that they had received bad information. He had no regrets about the killings, however. Abdul Baqi was also delighted by the attack. He would tell me that Dado used to burn rocket casings and pour the melted plastic onto the stomachs of onetime Taliban fighters he and his men had captured. Abdul Baqi also recalled that during the civil war that ended with the Taliban's seizure of Kabul, Dado and his men had a checkpoint where they "grabbed young boys and robbed people."

Mullah Omar and his followers formed the Taliban in 1994 to, among other things, bring some justice to Afghanistan and to expel predatory commanders like Dado. But in the early days of Karzai's government, these regional warlords re-established themselves, with American financing, to fill the power vacuum that the coalition forces were unwilling to fill themselves. The warlords freely labeled their many enemies Al Qaeda or Taliban in order to push the Americans to eradicate them. Some of these men were indeed Taliban. Most, like Abdul Baqi, had accepted their loss of power, but they rejoined the Taliban as a result of harassment. Amir Dado's own abuses had eventually led to his removal from the Helmand government at United Nations insistence. As one Western diplomat, who requested anonymity out of personal safety concerns, put it: "Amir Dado kept his own prison, authorized the use of serious torture, had very little respect for human life and made security worse." Yet when I later met Amir Dado in Kabul, he pulled out a letter that an officer in the U.S. Special Forces had written requesting that the Afghan Ministry of Defense install him as Helmand's police chief and claiming that in his absence "the quality of security in the Helmand Province has dramatically declined."

One Place, Two Stories

I went to Afghanistan and Pakistan this summer to understand how and why the Taliban were making a comeback five years after American and Afghan forces drove them from power. What kind of experience would lead Afghans to reject what seemed to be an emerging democratic government? Had we missed something that made Taliban rule appealing? Were they the only opposition the aggrieved could turn to? Or, as many Afghans were saying, was this Pakistan up to its old tricks — cooperating with the Americans and Karzai while conspiring to bring back the Taliban, who had been valued "assets" before 9/11?

And why has the Bush administration's message remained that Afghanistan is a success, Iraq a challenge? "In Afghanistan, the trajectory is a hopeful and promising one," Secretary of Defense Donald Rumsfeld wrote on the op-ed page of The Washington Post earlier this month. Afghanistan's rise from the ashes of the anti-Taliban war would mean that the Bush administration was prevailing in replacing terror with democracy and human rights.

Meanwhile, a counternarrative was emerging, and it belonged to the Taliban, or the A.C.M., as NATO officers call them — the Anti-Coalition Militia. In Kabul, Kandahar and Pakistan, I found their video discs and tapes in the markets. They invoke a nostalgia for the jihad against the Russians and inspire their viewers to rise up again. One begins with clattering Chinooks disgorging American soldiers into the desert. Then we see the new Afghan government onstage, focusing in on the Northern Alliance warlords — Abdul Rashid Dostum, Burhanuddin Rabbani, Karim Khalili, Muhammad Fahim, Ismail Khan, Abdul Sayyaf. It cuts to American soldiers doing push-ups and pinpointing targets on maps; next it shows bombs the size of bathtubs dropping from planes and missiles emblazoned with "Royal Navy" rocketing through the sky; then it moves to hospital beds and wounded children. Message: America and Britain brought back the warlords and bombed your children. In the next clip, there are metal cages under floodlights and men in orange jumpsuits, bowed and crouching. It cuts back to the wild eyes of

John Walker Lindh and shows trucks hauling containers crammed with young Afghan and Pakistani prisoners — Taliban, hundreds of whom would suffocate to death in those containers, supposedly at the command of the warlord and current army chief of staff, General Dostum. Then back to American guards wheeling hunger-striking Guantánamo prisoners on gurneys. Interspliced are older images, a bit fuzzy, of young Afghan men, hands tied behind their backs, heads bowed, hauled off by Communist guards. The message: Foreigners have invaded our lands again; Americans, Russians — no difference.

During the period from 1994 to 2001, the Taliban were a cloistered clique with little interest in global affairs. Today they are far more sophisticated and outward-looking. "The Taliban of the 90's were concerned with their district or province," says Waheed Muzhda, a senior aide at the Supreme Court in Kabul, who before the Taliban fell worked in their Foreign Ministry. "Now they have links with other networks. Before, only two Internet connections existed — one was with Mullah Omar's office and the other at the Foreign Ministry here in Kabul. Now they are connected to the world." Though this is still very much an Afghan

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insurgency, fueled by complex local grievances and power struggles, the films sold in the markets of Pakistan and Afghanistan merge the Taliban story with that of the larger struggle of the Muslim umma, the global community of Islam: images of U.S. soldiers in Iraq and Israelis dragging off young Palestinian men and throwing off Palestinian mothers clinging to their sons. Humiliation. Oppression. Followed by the same on Afghan soil: Northern Alliance fighters perching their guns atop the bodies of dead Taliban. In the Taliban story, Special Forces soldiers desecrate the bodies of Taliban fighters by burning them, the Koran is desecrated in Guantánamo toilets, the Prophet Muhammad is desecrated in Danish cartoons and finally an apostate, Abdul Rahman, the Afghan who was arrested earlier this year for converting to Christianity, desecrates Islam and is not only not punished but is released and flown off to Italy.

It is not at all clear that Afghans want the return of a Taliban government. But even sophisticated Kabulis told me that they are fed up with the corruption. And in the Pashtun regions, which make up about half the country, Afghans are fed up with five years of having their homes searched and the young men of their villages rounded up in the name of counterinsurgency. Earlier this month in Kabul, Gen. David Richards, the British commander of NATO's Afghanistan force, imagined what Afghans are thinking: "They will say, 'We do not want the Taliban, but then we would rather have that austere and unpleasant life that that might involve than another five years of fighting.'" He estimated that if NATO didn't succeed in bringing substantial economic development to Afghanistan soon, some 70 percent of Afghans would shift their loyalty to the Taliban.

Nation-Building, Again

In the middle of Lashkar Gah, the capital of Helmand Province, a metal sign tilts into the road advertising the New York English Language Center. It is a relic of the last American nation-building scheme. Half a century ago, this town, built at the confluence of the Arghandab and Helmand Rivers, was the headquarters for an ambitious dam project partly financed by the United States and contracted out to Morrison-Knudsen, an engineering company that helped build Cape Canaveral and the Golden Gate Bridge.

Lashkar Gah (literally, "the place of soldiers") was to be a model American town. Irrigation from the project would create farms out of the desert. Today you can still see the suburban-style homes with gardens open to the streets, although the typical Afghan home is a fort with walls guarding the family's privacy. Those modernizing dreams of America and Afghanistan were eventually defeated by nature, culture and the war to drive the Russians out of Afghanistan in the 1980's. What remains is an intense nostalgia among the engineers, cooks and farmers of Lashkar Gah, who remember that time as one of employment and peace. Today, Lashkar Gah is home to a NATO base.

Down the road from the base stands a lovely new building erected by an N.G.O. for the local Ministry of Women's Affairs. It is big, white and, on the day I visited, was empty except for three women getting ready to leave. "It's so close to the foreigners, and the women are afraid of getting killed by car bombs," the ministry's deputy told me. She was a school headmistress and landowner, dressed elegantly in a lime-colored blouse falling below the knees and worn over matching trousers. She weighed the Taliban regime against this new one in terms of pragmatic choices, not terror or ideology. She said that she had just wrapped up the case of a girl who had been kidnapped and raped by Kandahari police officers, something that would not have happened under the Taliban. "Their security was outstanding," she said.

Under the Taliban, she said, a poppy ban was enforced. "Now the governors tell the people, 'Just cultivate a little bit,'" she said. "So people take this opportunity and grow a lot." The farmers lease land to grow poppies. The British and the police eradicate it. The farmer can't pay back the landowner. "So instead of paying, he gives the landowner his daughter."

A few weeks before I arrived in Helmand, John Walters, the director of the White House Office of National Drug Control Policy, told reporters that Afghan authorities were succeeding in reducing opium-poppy cultivation. Yet despite hundreds of millions of dollars being allocated by Congress to stop the trade, a United Nations report in September estimated that this year's crop was breaking all records — 6,100 metric tons compared with 4,100 last year. When I visited Helmand, schools in Lashkar Gah were closed in part because teachers and students were busy harvesting the crop. A prosecutor from the Crimes Department laughed as he told me that his clerk, driver and bodyguard hadn't made it to work. They were all harvesting. It requires a lot of workers, and you can earn $12 a day compared with the $2 you get for wheat. Hence the hundreds of young, poor Talibs from Pakistan's madrasas who had flocked to earn that cash and who made easy converts for the coming jihad.

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Walters had singled out Helmand for special praise. Yet just a short drive from the provincial capital, I was surrounded by poppy farmers — 12-year-old boys, 75-year-old men — hard at work, their hands caked in opium paste as they scooped figlike pulp off the bulbs into a sack tied around their waists. One little boy was dragging a long poppy stem attached to a car he had made out of bulbs. Haji Abdul, a 73-year-old Moses of a man, was the owner of the farm and one of those nostalgic for the heyday of the Helmand Valley project. He had worked with Americans for 15 years as a welder and manager. He was the first to bring electricity to his district. Now there was none.

"Why do you think people put mines out for the British and Italians doing eradication when they came here to save us?" He answered his own question: "Thousands of lands ready for harvest were destroyed. How difficult will it be for our people to tolerate that! You are taking the food of my children, cutting my feet and disabling me. With one bullet, I will kill you." Fortunately he didn't have to kill anyone. He had paid 2,000 afghanis per jerib (about a half acre) of land to the police, he told me, adding that they would then share the spoils with the district administrator and all the other Interior Ministry officials so that only a small percentage of the poppy would be eradicated.

When I asked Manan Farahi, the director of counterterrorism efforts for Karzai's government, why the Taliban were so strong in Helmand, he said that Helmandis had, in fact, hated the Taliban because of Mullah Omar's ban on poppy cultivation. "The elders were happy this government was coming and they could plant again," Farahi told me. "But then the warlords came back and let their militias roam freely. They were settling old scores — killing people, stealing their opium. And because they belonged to the government, the people couldn't look to the government for protection. And because they had the ear of the Americans, the people couldn't look to the Americans. Into this need stepped the Taliban." And this time the Taliban, far from suppressing the drug trade, agreed to protect it.

A Dealer's Life

The Continental Guest House in Kandahar, with its lovely gardens, potted geraniums and Internet access in every room, was mostly empty when I arrived, a remnant of the city's recently stalled economic resurgence.

To find out how the opium trade works and how it's related to the Taliban's rise, I spent the afternoon with an Afghan who told me his name was Razzaq. He is a medium-level smuggler in his late 20's who learned his trade as a refugee in Iran. He was wearing a traditional Kandahari bejeweled skull cap, a dark blazer and a white shalwar kameez, a traditional outfit consisting of loose pants covered by a tunic. He moved and spoke with the confident ease of a well-protected man. "The whole country is in our services," he told me, "all the way to Turkey." This wasn't bravado. From Mazar-i-Sharif, in northern Afghanistan, he brings opium in the form of a gooey paste, packaged in bricks. From Badakhshan in the northeast, he brings crystal — a sugary substance made from heroin. And from Jalalabad, in the east on the road to Peshawar, he brings pure heroin. All of this goes through Baramcha, an unmanned border town in Helmand near Pakistan. Sometimes he pays off the national soldiers to use their vehicles, he said. Sometimes the national policemen. Or he hides it well, and if there is a tough checkpoint, he calls ahead and pays them off. "The soldiers get 2,000 afghanis a month, and I give them 100,000," he explained with an angelic smile. "So even if I had a human head in my car, they'd let me go." It's not hard to see why Razzaq is so successful. He has a certain charm and looks like the modest tailor he once was, not a man steeped in illegal business.

Razzaq's smuggling career began in Zahedan, a remote and unruly Iranian town near the border with Afghanistan and Pakistan. It is filled with Afghan refugees who, like Razzaq and his family, fled after the Russian invasion in 1979. Razzaq apprenticed as a tailor under his father and eventually opened his own shop, which the Iranians promptly shut down. They said he had no right as a refugee to own a shop. He began painting buildings, but that, too, proved a bureaucratic challenge. He was paid in checks, and the bank refused to cash them without a bank account, which he could not get.

Razzaq was newly married with dreams of a good life for his family. So one day he took a chance. "I had gotten to know smugglers at my tailoring shop," he told me over a meal of mutton and rice on the floor of my hotel room. "One of them was an old man, so no one ever suspected him. The smugglers asked me to go with him to Gerdi Jangel" — an Afghan refugee town in Pakistan — "and bring back 750 grams of heroin to Zahedan. The security searched us on the bus, but I'd hidden it in the heels of my shoes, and of course they didn't search the old man. I was so happy when we made it back. I thought I was born for the first time into this world."

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So he took another chance and managed to fly to Tehran carrying four kilos in his bag. Each time he overcame another obstacle, he became more addicted to the easy cash. When the Iranian authorities imported sniffing dogs to catch heroin smugglers, Razzaq and his friends filled hypodermic needles with some heroin dissolved in water and sprayed the liquid on cars at the bus station that would be continuing on to Tehran, Isfahan and Shiraz. "The dogs at the checkpoint went mad. They had to search 50 cars. They decided the dogs were defective and sent them back, and that saved us for a while." Eventually, he said, they concocted a substance to conceal the heroin smell from the new pack of dogs.

After the fall of the Taliban, Razzaq moved back to Helmand, built a comfortable house and began supporting his extended family with his expanding trafficking business. Razzaq's main challenge today is Iran. While the Americans have turned more or less a blind eye to the drug-trade spree of their warlord allies, Iran has steadily cranked up its drug war. (Some 3,000 Iranian lawmen have been killed in the last three decades battling traffickers.) To cross the desert borders, Razzaq moves in convoys of 18 S.U.V.'s. Some contain drugs. The rest are loaded with food supplies, antiaircraft guns, rocket launchers, antitank missiles and militiamen, often on loan from the Taliban. The fighters are Baluch from Iran and Afghanistan. The commanders are Afghans.

Razzaq's run, as he described it, was a scene out of <object.title class="Movie" idsrc="nyt_ttl" value="30657">"Mad Max." Three days were spent dodging and battling Iranian forces in the deserts around the earthquake-stricken city of Bam. Once they made it to Isfahan, however, in central Iran, they were home free. They released the militiamen, transferred the stuff to ordinary cars and drove to Tehran, where other smugglers picked up the drugs and passed them on to ethnic Turks in Tabriz. The Turks would bring them home, and from there they went to the markets of Europe. </object.title>

Should he ever run into a problem in Afghanistan, he told me, "I simply make a phone call. And my voice is known to ministers, of course. They are in my network. Every network has a big man supporting them in the government." The Interior Ministry's director of counternarcotics in Kabul had told me the same thing. Anyway, if the smugglers have problems on the ground, they say, they just pay the Taliban to destroy the enemy commanders.

Razzaq has at times contemplated getting out of the smuggling trade, he said, but the easy money is too alluring. Depending on the market, he can earn from $1,500 to $7,500 a month. Most Afghans can't make that in a year. Besides, he said, "all the governors are doing this, so why shouldn't we?"

Losers Become Winners

In December 2001, not long after the Taliban were routed, I visited the Shah Wali Kot district, several hours' drive on unpaved roads from Kandahar, a Mordor land of rock mountains shaped like sagging crescents and mud-baked houses melting into the dunes. The Taliban leaders had fled, mostly to Pakistan. Gul Agha Shirzai, formerly a local warlord and soon-to-be new governor, and his soldiers had swarmed into power while the Americans set up their operations base in Mullah Omar's Xanadu-like residence. I was with a large group of Populzai, the clan of the Afghan president, Hamid Karzai.

We were in a big guest room with more than a dozen men gathered in a circle, all wearing the kind of turbans that look like gargantuan ice-cream swirls. The ones in black turban swirls were giggling, chatting and slapping one another on the back. The ones in white turban swirls were sulking, grumbling or mute. In this group, the miserable white turbans were Taliban men. They had just lost their pickup trucks, weapons, money, prestige and jobs, all of which had gone to the gleeful black turbans.

Today those miserable white turbans have taken to the mountains to fight. The gleeful black turbans are under siege. I saw one of the black turbans this summer, the Shah Wali Kot district leader, in the garden of the Kandahar governor's palace. He was a mess. He chuckled loudly when I asked him how it was back in Shah Wali Kot. "Frankly, we are just defending ourselves from the Taliban," he said. "Our head is on the pillow at night, but we do not sleep."

That small division among the Populzai in Shah Wali Kot echoes the larger division of the Pashtun into two main branches: the Durrani and the Ghilzai. The Durrani, Karzai's tribe, have dominated for the last two centuries in Afghanistan and regard themselves as the ruling elite. In the south, the Ghilzai were often treated as the nomadic, scrappy cousins. With the exception of Mullah Omar, who had been a poor Ghilzai farmer, the leaders of the Taliban tended to be Durrani. These days, the perception among the southern Ghilzai is that they are persecuted, that the jails are filled with their people, while the Durrani in the south received all the Japanese, U.S. and British contracts and jobs. From what I could gather during my weeks in Afghanistan, these

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perceptions were mostly true. But even if they were exaggerated, such perceptions, in an illiterate society, have a way of quickly morphing into reality.

Take Panjwai, a district just outside Kandahar, where hundreds of Taliban massed this summer, taking advantage of the changeover from American soldiers to a NATO force of Canadian troops. One afternoon I met a red-haired propagandist and writer for the Taliban in a Kandahar office building. With his slight lisp, chain-smoking habit and eclectic reading — French novelists and Arabic philosophers — he seemed more a tormented graduate student than the landless villager from Panjwai he was. Panjwai is a mishmash of tribes, and the Taliban were exploiting the grievances of the Nurzai, a tribe that has felt persecuted and unfairly targeted for poppy eradication. Traders in Kandahar, he said, were donating money to the Taliban. Landowners were paying them to fight off eradicators. The Taliban were paying poor, unemployed men to fight. And religious scholars were delivering the message that it was time for jihad because the Americans were no different from the Russians. Just a few weeks earlier, the Taliban went on a killing spree in Panjwai. They beheaded a tribal leader in his home, shot another in the bazaar and hanged a man near a shrine with a note tacked on his body: <object.title class="Movie" idsrc="nyt_ttl" value="290327;46304;111485">“SPY.”</object.title>

The Taliban were feeling bold enough that one afternoon Mullah Ibrahim, a Taliban intelligence agent, dropped by my hotel for lunch. He was a Ghilzai, from Helmand, and told me he had tried to lead a normal life under the official amnesty program. Instead, he was locked up, beaten and so harassed by Helmandi intelligence and police officers that his tribal elders told him to leave for Pakistan and join the Taliban there. Then, about a year ago, he decided that he was tired of fighting and living as a fugitive and accepted a reconciliation offer from an Afghan general. Pakistani intelligence got wind of this and imprisoned him; upon his release, the Pakistanis gave him money and a motorbike and pressured him to go back to war. He is still tired of war, but the Pakistanis won’t let him live in peace, and now if he tries to reconcile with the Kabul government, he told me, the Taliban will kill him.

When fighting broke out on the main highway near Kandahar, I saw that the police had tied up a group of villagers — but the Taliban had all escaped. One of those village men, his hands bound behind his back, told me that he had peeped out from his house earlier that day and saw some 200 Taliban with new guns and rocket launchers. They wanted food and threatened him and other villagers. “But I am not afraid of them,” he said loudly. “I am only afraid of this government.” Why? “Look at what they do. They can’t get the Taliban, so they arrest us. We have no hope from them anymore. And when we call and tell them Taliban are here, no one comes.” As an engineer from Panjwai who had been an Afghan senator during the Communist era told me: “We are now like camels. In Islam, a camel can be slaughtered in two different ways.

“The Taliban are using rivalries and enmities between people to get soldiers, the same tactics as the mujahedeen used against the Russians,” the engineer continued. “Just like in Russian times they come and say, ‘We are defending the country from the infidels.’ They start asking for food. Then they ask the people for soldiers and say, ‘We will give you weapons.’ And that’s how it starts. And the emotions are rising in the people now. They are saying, ‘Kaffirs have invaded our land.’”

Qayum Karzai, the president’s older brother and a legislator from Kandahar, seemed utterly depressed when I met him. “For the last four years, the Taliban were saying that the Americans will leave here,” he said. “We were stupid and didn’t believe it. Now they think it’s a victory that the Americans left.”

With the Americans on their way out and the NATO force not yet in control, the Kandahar Police were left on the front line: underfinanced, underequipped, untrained — and often stoned. Which is perhaps what made them so brave. One afternoon I ran into a group who said their friends had just been killed when a Talib posing as a policeman served them poisoned tea. A shaggy-haired officer in a black tunic was standing by his pickup, freshly ripped up by a barrage of bullets, and staring at my feet. “I envy your shoes,” he said, looking back at his own torn rubber sandals. “I envy your Toyota,” he said and laughed. And then looking at my pen and notebook, he said, “I envy you can read and write.” It’s not too late, I offered feebly, but he tapped his temple and shook his head. “It doesn’t work anymore,” he said. “I smoke hash. I smoke opium. I’m drinking because we’re always thinking and nervous.” He was 35. He had been fighting for 20 years. Four of his friends had been killed in the fighting the other night. He had to support children, a wife and parents on a salary of about $100 a month. And, he said, “we haven’t been paid in four months.” No wonder, then, that the population complained that the police were all thieves.

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At Kandahar's hospital I met a 17-year-old policeman (who had been with the police since he was 14) tending to his wounded friend. He was in a jovial mood, amazed he wasn't dead. He said they had been given an order to cut the Taliban's escape route. Instead they were ambushed by the Taliban, ran out of bullets and had no phones to call for backup. "We ran away," he said with a nervous giggle. "The Taliban chased us, shouting: 'Hey, sons of Bush! Where are you going? We want to kill you.'"

Last month, NATO forces struck back around Panjwai with artillery and aerial bombardments, killing an estimated 500 Taliban fighters and destroying homes and schools. But unless NATO can stay for years, create a trustworthy police force and spend the millions necessary to regenerate the district, the Taliban will be back.

Deciding to Fight

Inside the old city walls of Peshawar, Pakistan, a half-hour drive from the Afghan border, in a bazaar named after the storytellers who enthralled Central Asian gold and silk merchants with their tales of war and tragic love, sits the 17th-century Mohabat Khan Mosque. It is a place of cool, marble calm amid the dense market streets. Yousaf Qureshi is the prayer leader there and director of the Jamia Ashrafia, a Deobandi madrasa. He had recently announced a pledge by the jewelers' association to pay $1 million to anyone who would kill a Danish cartoonist who caricatured the Prophet Muhammad. Qureshi himself offered $25,000 and a car. I found Qureshi seated on a cushion behind a low glass desk covered with papers and business cards — ambassadors, N.G.O. workers, Islamic scholars, mujahedeen commanders: he has conversed with them all. His office resembles an antiques shop, the walls displaying oversize prayer beads, knives inlaid with ivory and astrakhan caps. It was day's end, and Qureshi was checking the proofs for his 51st book, called "The Benefits of Koran."

Qureshi told me that he meets with Pakistan's president, Pervez Musharraf, about twice a year. Qureshi understands Musharraf's predicament: "The heart of this government is with the Taliban. The tongue is not." He didn't claim total insider knowledge, but he said, "I think they want a weak government and want to support the Taliban without letting them win." Why? "We are asking Musharraf, 'What are you doing,' and he says: 'I'm moving in both ways. I want to support the Taliban, but I can't afford to displease America. I am caught between the devil and the deep sea.'"

Not long ago, Qureshi said, he received three emissaries from Mullah Omar who wanted Qureshi to warn another religious leader to stop preaching against the Taliban. "I refused," he said. Later Sheikh Yassin, one of the messengers, was arrested by the I.S.I., Pakistan's military intelligence service. So why, I asked, does Qureshi say the I.S.I. is supporting the Taliban? "That is the double policy of the government," he replied. Even in the 1990's, he said, Prime Minister Nawaz Sharif was supporting the official Afghan government of Burhanuddin Rabbani while the I.S.I. was supporting his opponent, Gulbuddin Hekmatyar, as he rained thousands of rockets upon Rabbani's government and the citizens of Kabul. Qureshi told me that if he and local traders didn't want Al Qaeda or the Taliban to flourish, then they wouldn't. "We are supporting them to give the Americans a tough time," he said. "Leave Afghanistan, and the Taliban and foreign fighters will not give Karzai problems. All the administrators of madrasas know what our students are doing, but we won't tell them not to fight in Afghanistan."

The new Taliban fighters in Afghanistan are of three basic types. There are the old war-addicted jihadis who were left out of the 2001 Bonn conference, which determined the postwar shape of Afghan politics and the carve-up of the country. There are the "second generation" Afghan refugees: poor, educated in Pakistan's madrasas and easily recruited by their elders. And then there are the young men who had jobs and prestige in the former Taliban regime and were unable to find a place for themselves in the new Afghanistan.

Coincidentally, there are also now three fronts. One is led by Mullah Omar's council in Quetta. The second is led by Jalaluddin Haqqani, a hero of the jihad against the Soviets who joined the Taliban. Although well into his 80's, he orchestrates insurgent attacks through his sons in Paktia, Khost and Paktika, the Afghan provinces close to Waziristan, where he is based. Finally, there is Gulbuddin Hekmatyar, the former leader of Hezb-i-Islami, the anti-Soviet fighters entrusted with the most money and arms by the U.S. and Pakistan. He had opposed the Taliban, living in uneasy exile in Iran until the U.S. persuaded Tehran to boot him out; he sneaked into the mountainous eastern borderlands. Since the early days of Karzai's government, he has promised to organize Mullah Omar's followers with his educated cadres and finance their jihad against Karzai and the American invaders. Old competitors are coming together in much the way the mujahedeen factions cooperated to fight the Russians.

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Hekmatyar adds a lethal ingredient to this stew: his ties and his followers extend all through Afghanistan, including the north and the west, where he is exploiting factional grievances that have nothing to do with the Pashtun discontent in the south.

An Afghan I met outside Peshawar — for his safety he asked me not to use his full name — was typical of the 20-something Talibs who had flourished under the Taliban regime. He was from Day Chopan, a mountainous region in Zabul Province, northeast of Kandahar. When the Northern Alliance and the Americans took Afghanistan, he escaped through the hills on an old smuggling route to the North-West Frontier Province.

It was familiar terrain. A.'s father had been a religious teacher who studied in Sami ul-Haq's famous Haqqaniya madrasa near the Khyber Pass and preached jihad for Harakat, one of the southern mujahedeen parties whose members filled Mullah Omar's ranks. Those old ties still bind and have provided a network for recruiting. A. grew up in madrasas in the tribal Pashtun lands of Waziristan, where he learned to fire guns as a child in the American-financed mujahedeen camps. As a teenage religious student in Wana, the capital of South Waziristan, he would go door to door collecting bread for his fellow Talibs. Behind one of those doors, he saw a girl and fell in love. When his father wouldn't let him marry the girl, he threatened to go fight in Afghanistan. His father would not relent, and A. signed up at the local Taliban office in Peshawar. "We got good food, free service, everything was Islamic," he told me. "It was the best life, rather than staying in that poor madrasa." His father soon did relent, and A. became engaged, but he was only 15 and had no money. So he went back to the Taliban and was soon working beside the deputy defense minister. "Of course, then there were bags of money," he said.

A., now 28, was living in an Afghan refugee village that used to belong to Hekmatyar's group. Weak with malaria, he was nevertheless plump and jovial, even funny at times. Only when the Pakistani intelligence services came up did his already sallow hues pale to old bone.

After fleeing the American bombardment in 2001, he told me, the Taliban arrived in Pakistan tattered, dispersed and demoralized. But in the months after the collapse, senior Taliban leaders told their comrades to stay at home, keep in touch and wait for the call. Some Taliban told me that they actually waited to see if there was a chance to work with Karzai's government.

"Our emir," as A. referred to Mullah Omar, slowly contacted the commanders and told them to find out who was dead and who was alive. Those commanders appointed group commanders to collect the underlings like A. Weapons stashed away in Afghanistan's mountains were excavated. Funds were raised through the wide and varied Islamic network — Karachi businessmen, Peshawar goldsmiths, Saudi oil men, Kuwaiti traders and jihadi sympathizers within the Pakistani military and intelligence ranks.

Mullah Omar named a 10-man leadership council, A. explained. Smaller councils were created for every province and district. Most of this was done from the safety of Pakistan, and in 2003 Mullah Omar dispatched Mullah Dadullah to the madrasas of Baluchistan and Karachi to gather the dispersed Talibs and find fresh recruits. Pakistani authorities were reportedly seen with him. Still, neither Musharraf nor his military men in Baluchistan did anything to arrest him.

It was a perfect job for Dadullah, whose reputation for bravery was matched by his savagery and his many war wounds, collected in more than 25 years of fighting. In 1998, his fighters slaughtered hundreds of Hazaras (Shiites of Mongol descent) in Bamiyan Province, an act so brutal it was even too much for Mullah Omar, who had him disarmed at the time. Dadullah's very savagery, filmed and now often circulated on videotape, coupled with his promotional flair, were just the ingredients Omar needed to put the Taliban back on the map.

Today, Quetta has assumed the character of Peshawar in the 1980's, a suspicious place of spies and counterspies and double agents. It is not just the hundreds of men in typical Afghan Pashtun clothing — the roughly wound turbans, dark shalwar kameez, eyes inked with kohl — who squat on Thursday afternoons outside the Kandahari mosque in the center of town, comparing notes on the latest fighting in Helmand or the best religious teachers. Rather, as I wandered the narrow alleyways of the Afghan neighborhoods, my local guides would say, "That's where Mullah Dadullah was living" or "That's where Mullah Amir Khan Haqqani is living." (Haqqani is the Taliban's governor in exile for Zabul Province.) Mullah Dadullah is now a folk hero for young Talibs like A. And all the Taliban I met told me that every time Dadullah gives another interview or appears on the battlefield, it serves as an instant injection of inspiration.

By 2004, A. said, he was meeting a lot of Arabs — Saudis, Iraqis, Palestinians — who taught the Afghans about I.E.D.'s (improvised explosive devices) and suicide bombings. "They taught us how to put explosives in plastic," he told me. "They taught

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us wiring and triggers. The Arabs are the best instructors in that." But now the Afghans are doing fine on their own. Pakistani jihadis in Afghanistan received their training, they told me, from Pakistani officers in Kashmir.

The southerners have also forged ties with the Pakistani Taliban in Waziristan. There is a free flow of arms and men between Waziristan and the Afghan provinces across the border. According to A., even Uzbeks from the Islamic Movement of Uzbekistan have joined some of the fighters now in A.'s home mountains in Day Chopan.

It was disheartening to hear A. describe his first encounter with Americans, who were trying to set up a base in a remote region of Zabul. Though they were building a road where no roads had gone before, he could perceive that asphalt only as a means for the Americans to transport their armored vehicles and occupy Muslim lands. A friend of his joined us as we were talking. He had just arrived in Pakistan from the Day Chopan region and said that the Americans were like a cyclone of evil, stealing their almonds and violating their Pashtunwali (the Pashtun tribal laws). In this instance, he meant the law by which even a cousin will not enter your house without knocking first.

A. is now a media man in Pakistan, coordinating the editing of films for discs, censoring them in case there are commanders who don't want their faces seen and distributing them. He proudly offered me the latest disc of Mullah Dadullah beheading some "spies for the Americans." He said he had sold 25,000 CD's about the fighting in Waziristan.

He was full of contradictions. He said that if he didn't have a house in Day Chopan, he would never spend a single night there because there was no education, no electricity, no power, nothing, just a heap of stones. Yet he did not want America to change all that. "We don't like progress by Americans," he declared. "We don't like roads by Americans. We would rather walk on tired feet as long as we are walking in an Islamic state."

Was it all just bravado speaking? Was an opportunity to build bridges to young men like A. somehow lost or just neglected? It was hard to tell. But when the I.S.I. subject came up again, his tone changed. "They are snakes," he told me. He said that they were trying to create a new, obedient leader and oust the independent-minded Mullah Omar, and for that, the real Taliban hated them. Then he said: "I told you that we burn schools because they're teaching Christianity, but actually most of the Taliban don't like this burning of schools or destroying roads and bridges, because the Taliban, too, could use them. Those acts were being done under I.S.I. orders. They don't want progress in Afghanistan." An Indian engineer was beheaded in Zabul in April, he said, and that was also ordered by Pakistan, which, from fear of the influence of its enemy, India, was encouraging attacks on Indian companies. "People are not telling the story, because no one can trust anyone, and if I.S.I. knows I told you," he said, he would be dead.

Pakistan's Assets

There are many theories for why Pakistan might have wanted to help the Taliban reconstitute themselves. Afghan-Pakistani relations have always been fraught. One among the many disputes has to do with the Durand Line, the boundary drawn up by the British in 1893 partly to divide the Pashtun tribes, who were constantly revolting against the British. The Afghan government has never recognized this line, which winds its way from the Hindu Kush mountains of North-West Frontier Province 1,500 miles down to the deserts of Baluchistan, as its border. Nor have the Pashtun tribes. The Pakistanis may hope to force Karzai to recognize the Durand line in exchange for stability.

Another theory is that Musharraf must appease the religious parties whom he needs to extend his power past the end of his term next year. Musharraf bought them off, gave them control of the North-West Frontier Province and Baluchistan and let them use the Taliban. And finally, the Pakistanis see Afghanistan as their rightful client. They want an accommodating regime, not Karzai, whose main backers are the U.S. and India, Pakistan's nemesis.

Pakistan's well-established secular Pashtun nationalist political leaders remain distraught that their lands have again become sanctuaries for the Afghan Taliban and the Pakistani religious parties, which, since elections in 2002, rule these provinces and are completing a Talibanization of the region. The secular leaders point to another layer in Pakistan's games: keeping the tribal areas autonomous enables Pakistan's intelligence services to ward off the gaze of Westerners and keep their jihadis safely tucked away.

One thing you notice if you visit the homes of retired generals in Pakistan is that they live in a lavish fashion typical of South America's dictatorship-era military elite. They control most of the country's economy and real estate, and like President Musharraf, himself a former general, they do not want to relinquish power.

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Although there is a secularist strain in the Pakistani military, it has been aligned with religious hard-liners since the army's inception in 1947. Many officers still see their duty as defending the Muslim world, but their raison d'être has been undermined by the fact that though Pakistan was founded as a refuge for South Asia's Muslims, more Muslims today live in India. They seem to envy the jihadis' clarity. The militants had no identity crises. According to Najim Sethi, a prominent Pakistani journalist, military officers often have "a degree of self-disgust for selling themselves" to the Americans, and they still bear a grudge against the United States for abandoning them after the Afghan jihad and, more recently, for sanctioning Pakistan over its nuclear program. The standard army phrase about the Americans was, he said, "They used us like a condom."

Officers spoke to me as if they were simply translating the feelings of the jihadis for a tone-deaf audience, but they sounded more like ventriloquists. One retired colonel I spoke to was a relative of a Taliban leader from Waziristan, Abdullah Massoud, who had earned both sympathy and reverence for his time in Guantánamo Bay. Massoud was captured fighting the Americans and the Northern Alliance and spent two years there, claiming to be a simple Afghan Talib. Upon his release, he made it home to Waziristan and resumed his war against the U.S. With his long hair, his prosthetic limb and impassioned speeches, he quickly became a charismatic inspiration to Waziristan's youth.

Since 2001, some of Waziristan's tribes have refused to hand over Qaeda members living among them. Under intense American pressure, Pakistan agreed for the first time in its history to invade the tribal areas. Hundreds of civilians and soldiers were killed. American helicopters were seen in the region, as were American spies. The militants (with some army accomplices) retaliated with two assassination attempts against Musharraf late in 2003. He struck back, but as the civilian casualties mounted and the military began to balk at killing Pakistanis, Musharraf agreed to a deal in the spring of 2004 whereby the militants would give up their guests in return for cash. Pakistani officers and the militants hugged and shed tears during a public reconciliation. But the militants did not relinquish their Al Qaeda guests, and they took advantage of the amnesty to execute tribal elders they said had helped the Pakistani military. The tribal structure in Waziristan was devastated, and the Taliban took to the streets to declare the Islamic emirate of Waziristan. Since Musharraf signed a truce with the militants last month, attacks launched from Waziristan into Afghanistan, according to NATO, have risen by 300 percent.

"Muslim governments are not able to face the Americans," the retired colonel from Waziristan said, explaining the mujahedeen mind-set. "If Muslim governments should stand up against duplicity and foreign hegemonic designs, and they don't, who will? Someone has to stand up to defend the Muslim countries, and it's this that gives the jihadis the courage and zeal to stand up to the worst atrocities. This is the core issue of the mujahedeen movement. You call it the war on terror. The mujahedeen call it jihad." And so, essentially, did he.

One afternoon, in the midst of a monsoon, I sought out one of the founders of the pro-jihadi strategy, the retired general Mirza Aslam Beg. He lived in Rawalpindi, the military capital half an hour from Islamabad, in a brick and tile-roofed mansion with a basketball hoop, flowing greenery and Judy, his one-eyed cocker spaniel. The house was immaculate, with marble floors, rugs, fine china and porcelain on display behind glass and an amusing portrait of Aslam Beg as a young, Ray-Banned, pommaded officer. His mansion sits across the street from Musharraf's.

Aslam Beg played a leading role in the military's creation of "asymmetrical assets," jargon for the jihadis who have long been used by the military as proxies in Kashmir and Afghanistan. He was chief of the army staff from 1988 to 1991, while the Pakistani nuclear scientist A.Q. Khan was selling the country's nuclear technology to Iran, Libya and North Korea. Beg held talks with the Iranians about exchanging Iranian oil for Pakistani nuclear skill.

Aslam Beg likes to remind visitors that he was one of a group of army officers trained by the C.I.A. in the 1950's as a "stay-behind organization" that would melt into the population if ever the Soviet Union overran Pakistan. Those brigadiers and lieutenant colonels then trained and directed the Afghan jihadis.

In the 1980's, "the C.I.A. set up the largest support and administrative bases in Mohmand agency, Waziristan and Baluchistan," Aslam Beg told me. "These were the logistics bases for eight long years, and you can imagine the relations that developed. And then Chechens, Uzbeks, Tajiks, Saudis developed family relations with the local people." The Taliban, he said, fell back after 2001 to these baselines. "In 2003, when the U.S. attacked Iraq, a whole new dimension was added to the conflict. The foreign mujahedeen who'd fought in Afghanistan started moving back to Afghanistan and Iraq." And the old Afghan jihadi

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leaders stopped by the mansion of their mentor, Aslam Beg, to tell him they were planning to wage war against the American occupiers.

As the rain outside turned to hail, banging against the windows, Aslam Beg ate some English sandwiches that had been wheeled in by a servant. "As a believer," he went on, "I'll tell you how I understand it. In the Holy Book there's an injunction that the believer must reach out to defend the tyrannized. The words of God are, 'What restrains you from fighting for those helpless men, women and children who due to their weakness are being brutalized and are calling you to free them from atrocities being perpetuated on them.' This is a direct message, and it may not impact the hearts and minds of all believers. Maybe one in 10,000 will leave their home and go to the conflicts where Muslims are engaged in liberation movements, such as Chechnya, Palestine, Iraq, Afghanistan and Kashmir. Now it's a global deterrent force."

The Authentic Jihad

The old city of Lahore, with its broad boulevards and banyan-tree canopies, remains the cultural and intellectual heart of Pakistan. It is home to a small elite of journalists, editors, authors, painters, artists and businessmen. Najam Sethi, editor in chief of The Friday Times, and his wife, Jugnu Mohsin, the publisher, are popular fixtures among this crowd. Like so many of Pakistan's intellectuals, they have had their share of run-ins with government security agents. For pushing the bounds of press freedom, Sethi was dragged from his bedroom during Nawaz Sharif's reign, beaten, gagged and detained without charge. Musharraf, in his new autobiography, claims that Nawaz Sharif wanted him to court-martial Sethi for treason, an act that seemed ludicrous to him, and he refused.

I met him one afternoon at the newspaper's offices as he was preparing his weekly editorial. He is a tall, affable man with smiling eyes and large glasses. And he got right down to business, providing an analysis of why Pakistan had decided to bring its "assets" — by which he meant the Taliban and Kashmiri jihadis — off the shelf.

In the days following 9/11, when Musharraf gathered together major editors to tell them that he had no choice but to withdraw his support for the Taliban, Sethi raised the touchy issue of the other jihadis. He said that if Musharraf was abandoning the Taliban, he would have to abandon the sectarian jihadis (fighting the Shiites), the Kashmir jihadis, all of the jihadis, because they were all trained in mind by the same religious leaders and in body by the same Pakistani forces.

In January 2002, Musharraf gave an unusually long televised speech to the nation. He reminded the people that his campaign against extremism was initiated years before and not under American pressure. He vowed that Pakistan would no longer export jihadis to Kashmir, that he was again placing a ban on several jihadi organizations, that camps would be closed and that while the madrasas were mostly educating the poor, some were centers of extremist teaching and would be reformed. A month later, Musharraf was at the White House next to President Bush, who praised him for standing against terrorism.

Sethi characterized Pakistani authorities as believing that the U.S. in Iraq "will be a Vietnam." He said: "Afghanistan will be neither here nor there. So we cannot wrap up our assets. We must protect them." The I.S.I. realized it could help deliver Al Qaeda to the U.S. while keeping the Taliban and the jihadis on the back burner. At the same time, Musharraf's moderate advisers were telling him that holding on to those assets would eventually boomerang. And soon enough, the assets began to come after Musharraf — while the people of Pakistan were turning against him for being pro-American. "So going after jihadis who were protecting the Taliban came to a halt," Sethi said.

Meanwhile the landscape next door in Afghanistan was changing. The warlords were back in action. The drug economy was surging. By 2003 and 2004, Musharraf's men were becoming hysterical about what they saw as a growing Indian presence in Afghanistan, particularly the Indian consulates in Kandahar and Jalalabad, the Pashtun strongholds that Pakistan considered its own turf. Karzai was doing business with Indians and Americans and was no longer a Pashtun whom Pakistanis would want to do business with.

As Sethi spoke, I recalled a meeting I had with one of Kandahar's prominent tribal leaders. He recounted a visit from a former Pakistani general who had been active in the I.S.I. The general invited Kandahar's leaders to lunch and warned them not to let the Indians put a consulate in Kandahar and to remember who their real benefactors were. Today there is a consulate there, and Indian films and music are sweeping through the Pashtun lands. What is more, many Pakistanis believe India is backing the Baluch insurgency in Pakistan's far south, clouding the prospects for the new, Chinese-built port in Gwadar. The port is Pakistan's single largest investment in its economic future and has been attacked by Baluch rebels.

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In many ways, Pakistani policy is already looking beyond both Karzai and the Americans; they believe it is prudent to imagine a future with neither. That future will be shaped by the past: the past with India, the past with the Soviet Union, the past with America. For Pakistan's hard-liners, at least, the obvious choice was to take their assets off the shelf and restart the jihad.

A Difficult Choice

On the wall outside the Eid Ga madrasa, in Kuchlak, a parched town near Quetta, Afghan students and teachers were debating the merits of jihad. One boy had just fled an American assault on Day Chopan in Zabul Province. He had never been to Pakistan before. He was frenzied, in shock. As a student from Kandahar led the others in dusk prayer, a young boy whispered to me, "I like America." They were hardly a unified group. One young Helmandi told me, "We want our traditions of Islam and Sharia, not your democracy," while another argued for peace. Then the Helmandi asked, with genuine confusion: "Why are Muslims being tortured everywhere in the world, and no one is there to stand up for them? But if you touch one Westerner, the sky is on your head?"

Most madrasas in Pakistan are run by the Jamiat Ulema-e-Islam, the religious-party alliance that has joined with Musharraf to keep the popular parties of Benazir Bhutto and Nawaz Sharif from regaining power. The J.U.I. madrasas usually endorse jihad, although even here I met madrasa students who were against the war. They subscribed to a vision of jihad as a struggle for self-improvement and the improvement of society. Mawlawi Mohammadin, a cleric from Helmand, went so far as to tell me that these are the true roots of jihad, though he confessed that his is a lonely voice. He was afraid of everyone — Taliban, Pakistani intelligence, even his pupils. "If we start openly supporting Karzai, we could be killed by our own students," he told me with nervous laughter. Only a month earlier, a Taliban official from Helmand who had reconciled with Karzai's government was gunned down by assassins on a motorbike in Quetta.

Mohammadin said that it is now open season for jihad in Afghanistan under J.U.I. guidance. Government ministers were even attending funerals to praise Pakistani Pashtuns who had died fighting in Kandahar. He estimates that there are some 10,000 Taliban fighters in Baluchistan. Despite the intimidation, he says he feels that his mission is to steer his students away from war.

One of these was Mohamed Nader, who had just attended a cousin's funeral and was wondering what it all meant. His cousin's family was poor, and without their knowledge, he had gone to earn money first by harvesting poppies in Helmand and then by fighting for the Taliban. Finally he was killed. Among the biggest problems, Nader told me, was that the cohesion of the Afghan family has been shredded by decades of poverty and refugee life in Pakistan. In a typically strong Afghan family, young adults obey their parents, even asking for permission to go fight. But here, boys just run off.

Rahmatullah was one of those who had run off and returned. He was skinny and disheveled, having just faced heavy fighting in Kandahar. Though an Afghan, he had grown up in Baluchistan, near the border, in an area where he said 200 fighters were now living. The mullah at his madrasa told all the students that it was time for jihad. And the I.S.I. was paying cash. But his father was old and against the war; he pleaded with him to abandon fighting. So he sent Rahmatullah to his friend Mohammadin, hoping he might open another path for his son. Rahmatullah told me that he wasn't sure yet which mullah he would listen to.

(Next week, Part 2: How U.S. and NATO forces have been battling the Taliban and fighting for hearts and minds.)

St. Louis Public Schools Receive Grants To Prevent Violence (SLBJ MO)

St. Louis Business Journal, October 20, 2006

Twelve St. Louis public schools have received grants totaling $249,901 from the federal government to fund gang prevention classes, according to an October newsletter from Area Resources for Community & Human Services (ARCHS).

In June, U.S. Attorney General Alberto Gonzales announced the distribution of nearly $15 million in federal Gang Resistance Education and Training (GREAT) grants to school-based community programs. St. Louis was the only Missouri recipient of this year's grants.

The St. Louis Metropolitan Police Department (SLMPD), in partnership with ARCHS, received the $249,901 GREAT grants. Six full- and part-time SLMPD officers will staff the program, and ARCHS will serve as the fiscal and administrative agent of the grant, according to the newsletter.

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The GREAT program consists of a 13-week middle school curriculum, an elementary school curriculum, a summer program and family training.

The GREAT grant money will provide school-based, classroom curriculum led by law enforcement officers. The program's primary objective is prevention and is intended as an immunization against delinquency, youth violence and gang membership, according to the newsletter.

The GREAT program will begin this fall and plans to reach 3,190 students in 12 St. Louis public schools:

Long Middle CEC

Mel Carnahan Middle

Northwest Middle

Stevens Middle

Yeatman Middle CEC

ARCHS represents the St. Louis area as one of 21 community partnerships authorized by Missouri state statute. The community partnerships work with state government departments to improve the funding, management and delivery of human service programs.

IMMIGRATION:

RISE IN BRIBERY TESTS INTEGRITY OF U.S. BORDER (LAT)

By Ralph Vartabedian, Richard A. Serrano And Richard Marosi

The Los Angeles Times, October 23, 2006

EL PASO — Bribery of federal and local officials by Mexican smugglers is rising sharply, and with it the fear that a culture of corruption is taking hold along the 2,000-mile border from Brownsville, Texas, to San Diego.

At least 200 public employees have been charged with helping to move narcotics or illegal immigrants across the U.S.-Mexican border since 2004, at least double the illicit activity documented in prior years, a Times examination of public records has found. Thousands more are under investigation.

Criminal charges have been brought against Border Patrol agents, local police, a county sheriff, motor vehicle clerks, an FBI supervisor, immigration examiners, prison guards, school district officials and uniformed personnel of every branch of the U.S. military, among others. The vast majority have pleaded guilty or been convicted.

Officials in Washington and along the border worry about what lies below the surface. "It is the tip of the iceberg," said James "Chip" Burrus, assistant director of the criminal investigation division of the FBI. "There is a lot more down there. The problem is, you don't know what you don't know."

What is known — from court cases, other public records and dozens of interviews — is alarming enough. Some schemes have displayed considerable sophistication among Mexican drug lords, and their success shows a discouraging willingness by public employees to take tainted money.

Though America's southern border may evoke images of a poor backwater, it is alive with vast amounts of ill-gotten wealth, shadowy organizations that ply the waters of the Rio Grande, and brazen schemes that seem borrowed out of Cold War espionage.

Perhaps the most revealing example of smugglers' savvy was their cultivation of the highest-ranking FBI official in El Paso, Special Agent in Charge Hardrick Crawford.

FBI agents thought they had turned alleged drug kingpin Jose Maria Guardia into an informant, but Guardia was working as a double agent for the Mexican drug lords. He drew Crawford into a personal friendship, and provided a job for Crawford's wife, a country club membership for the couple and family trips to Las Vegas.

In August, after the chummy relationship became public, Crawford was convicted on federal charges of trying to conceal his friendship with Guardia. He could be sentenced to up to five years in prison and fined half a million dollars.

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Drug rings once planted a mole in a federal agency, and officials worry others are lurking. The rings have entangled U.S. agents in sexual relationships. And they have amassed files on individual U.S. agents, with details about their finances, families and habits — even the kind of bicycles their kids ride.

"They hire guys to watch the narcotics agents," says Lee Morgan II, who retired as the head of the Immigration and Customs Enforcement office in Douglas, Ariz., this year. "They know what time we get up in the morning. When we go to work. What kind of car your wife drives.

"We had an informant tell us he saw a film of us as we exited our office that was being shown in Mexico. They had our license plate numbers."

The Mexican criminal networks can afford lavish payoffs. Bribery payments have topped $1 million.

Paul K. Charlton, U.S. attorney for Arizona since 2001, is convinced border corruption is worsening — and jeopardizing the trust that U.S. communities place in their government.

"The concern for me is that we can very quickly develop a culture that would be more accepting of that kind of misconduct," Charlton said. "You only have to look south of the border to see what happens when a certain level of corruption is accepted."

Officials warn that the risk of public corruption will grow as Congress and the Bush administration respond to public demands to improve border security. Customs and Border Protection, a part of the Department of Homeland Security, wants to add 10,000 employees to its workforce of 42,000, most of whom are already stationed along the Mexican border.

"If you increase the number of people on the border, you are going to get more corruption," said the FBI's Burrus.

More security, more corruption

Stepped-up border security also makes corruption all the more necessary to smugglers.

"As we tighten up on the border, it will make it harder for the traffickers to get across," said Johnny Sutton, U.S. attorney for Texas' Western District. "You have to be creative about getting your poison into the U.S. Obviously, corrupting the officials is a part of it."

Critics blame sloppy hiring practices, inadequate training and weak internal controls. Agents are vulnerable because morale in the agency is "pathetic," stemming in part from illegal immigrants' phony allegations against agents that have unfairly ruined careers, said T.J. Bonner, head of the union for Border Patrol agents.

Border Patrol Chief David V. Aguilar rejects those claims, saying morale is good thanks to more staffing and better equipment. Wages for public employees in the poor border economies are respectable; Border Patrol agents start at about $35,000 a year and can exceed $65,000 with overtime.

Aguilar said the Border Patrol had increased ethics training at its academy and set up anticorruption programs in the field, and he said it conducted new background checks on its agents every five years. "We are doing everything we can to root out these agents, these criminals, within our organization," Aguilar said.

But such efforts sometimes stand little chance against the greed of weak agents and the power of smugglers with money to spread around.

"They are going to try to find ways to breach our enforcement efforts," said Aguilar. "They will try to flank us, tunnel us, fly over and to corrupt our efforts."

While corruption is growing, the number of internal investigators overseeing a vastly expanding workforce is stagnant or even shrinking.

Aguilar, who must rely on other agencies to investigate the Border Patrol, has demanded more prompt and thorough investigations. Others complain that infighting within the Department of Homeland Security has hobbled enforcement.

(All the major border agencies are part of Homeland Security: Customs and Border Protection includes the Border Patrol, which polices the entire border except for ports of entry themselves, handled by Field Operations; Immigration and Customs Enforcement, or ICE, which handles major border-related investigations including corruption cases; and Citizenship and Immigration Services, which handles routine immigration matters.)

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Michael Maxwell resigned this year as head of internal affairs for the Citizenship and Immigration Service after clashing repeatedly with Homeland Security over a shortage of resources. When he left, 3,000 allegations of misconduct, including 100 reports of bribery, were uninvestigated, he said.

"Nobody is seriously addressing corruption," Maxwell said. "The corruption is pervasive."

The Alvarez brothers

Though a tiny fraction of federal, state and local employees at the border have been corrupted, it takes only a few to help move large amounts of drugs or illegal immigrants.

Typical are the Alvarez brothers, Juan and Jose. Juan, a senior Border Patrol agent and canine handler at the station in Hebbronville, Texas, spearheaded an operation with his brother that allowed more than 30,000 kilos of marijuana into this country from 2003 to 2005. With Jose serving as an intermediary between his brother and a drug ring in Nuevo Laredo, Mexico, the two netted $1.5 million in bribes. They bragged that they offered a "100% passage guarantee."

Their "green-light" tactics were so well developed that smugglers could have moved "nuclear weapons" over the border, said Asst. U.S. Atty. Marina Marmolejo.

She said in court that they had planned their operations down "to the very last minute," checking who was on border duty each day and what checkpoint surveillance equipment was in use, and making sure that agent Alvarez "was the only one out there manning traffic." It was, she said, "perfectly planned."

Until red flags started popping up. The brothers took trips to Las Vegas. A $20,000 cash deposit was made on a home. One brother bought a $2,500 Tag Heuer watch. A wife making $8 an hour suddenly opened a bank account with $7,000.

Juan was sentenced in February to 20 years in prison, Jose to 17. U.S. District Judge George Kazen was unmoved by their expressions of remorse. Across the Rio Grande, Kazen said, police corruption was destroying the local Mexican community, making it "not much better than Iraq." He warned that the U.S. side was becoming equally dangerous because of cops gone bad.

"You hate to see that cancer come here," he said.

Government help

The narcotics networks sometimes get direct help from local Mexican governments. Last year, federal prosecutors in Arizona charged Police Chief Ramon Robles-Cota of Sonoyta, Mexico, a small town near the Lukeville border crossing, with drug trafficking and bribery.

His swings into Arizona were chauffeured by one of his officers, Julio Cesar Lozano-Lopez, who admitted in federal court that he drove his chief into Arizona twice in 2005 to meet with Border Patrol agents and spread bribe money around. The chief remains free in Mexico.

In a 2005 wake-up call about the scope of border corruption, a major FBI-led sting in Arizona netted 71 guilty pleas by National Guard members, state prison guards and a federal inspector. Known as Operation Lively Green, the sting demonstrated that large numbers of government employees at the border were willing to take a bribe.

But nobody in government has measured all the criminal cases across every jurisdiction, agency and state.

The Times examined case files, public announcements and other public records dating to 2004 and interviewed officials in every U.S. attorney's district along the border as well as local and federal law enforcement agents and key county prosecutors.

Nearly half of the cases were associated with Lively Green and another major FBI sting in Arizona, code-named Double Driver, which caught 26 Arizona Department of Transportation clerks in 2004 who were issuing fraudulent driver's licenses.

Even excluding those stings, the number of indicted individuals still shows a steady growth: 17 in 2004, 35 in 2005 and 52 so far in 2006.

The longer-term trend also appears troubling. One of the few historical benchmarks is a General Accounting Office report on border corruption that counted all the cases of corrupt immigration, customs and Border Patrol agents during the mid-1990s.

The GAO identified 28 such cases in five years. The Times review of the same job categories turned up 38 cases in just the last three years.

Not just drugs

In the past, border corruption was mainly associated with narcotics. But increasingly, immigrant smugglers — who command huge fees from people trying to cross illegally into the U.S. — are also making payoffs.

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The terrorist attacks of Sept. 11 called attention the risks posed by human smuggling: Though no terrorists are known to have slipped across the Mexican border yet, many law enforcement officials are deeply worried that corrupt inspectors might let it happen.

"Who's to say a potential terrorist can't get in that way?" asks Jack W. Hook, a special agent in charge of the Department of Homeland Security's inspector general's office in San Diego.

Mario Alvarez and Samuel McClaren, senior U.S. Border Patrol agents in El Centro, Calif., helped launch a program that jailed dozens of such human smugglers. In March, they were told to come to El Centro headquarters to receive an award. Instead, they were arrested in front of stunned fellow agents.

They eventually pleaded guilty to taking cash bribes to release immigrants from detention centers and then falsify reports that they had returned the individuals to Mexico. They were caught when another Border Patrol agent obtained a telephone call list from a captured smuggler and found their number on it.

For every criminal indictment, there are many more cases that never reach public attention.

ICE is investigating 2,097 criminal cases, the agency says, and operates a hotline that received 7,500 allegations of internal misconduct in fiscal year 2005.

Most corruption cases involve federal employees, but local officials, including police, are also on the take.

Jesus Lorenzo Meza was hired three years ago as a police officer in Edinburg, Texas, even though — unknown to the police chief — Meza and four of his brothers had been running an elaborate drug smuggling operation for years, according to an indictment. They used boats and other means to move more than 15,000 pounds of marijuana and 500 kilos of cocaine.

Federal agents, quietly tracking their movements, logged more than 2,000 telephone conversations. But the FBI and the U.S. Drug Enforcement Administration never told Police Chief Quirino Munoz about their ongoing probe or warned him against hiring Meza, the chief has complained.

The task of arresting Meza was left to his fellow officers, who confronted him in April at the end of his night shift at the jail, seized his badge and locked him in a cell. Now, the chief said, his 100 officers are demoralized. Meza awaits trial.

Criticism of screening

The escalating corruption among federal employees has drawn charges that Homeland Security's screening and training of new employees is sloppy.

Oscar Ortiz, praised in a job performance review as a "remarkable" Border Patrol agent, became a partner in a smuggling ring that trafficked dozens of illegal migrants through the rugged backcountry east of San Diego.

Ortiz turned out to be an illegal immigrant himself, and had been detained in 2001 on suspicion of smuggling illegal immigrants in his car.

Fernando Arango of Rio Rico, Ariz., was hired as a customs inspector even though he had fled a drug smuggling charge 15 years earlier. Last year, he was charged with taking $50,000 to wave through the border checkpoint a recreational vehicle that he believed contained 200 kilograms of cocaine.

Though federal officials voice outrage over corruption, a sharp debate exists below the surface over whether resources are sufficient to combat the problem.

Some trace the problem to the merger of several agencies to create Homeland Security. Before the merger, the Customs Service alone had about 180 internal investigators for its 22,000 employees, said former Customs Commissioner Robert Bonner.

They were reorganized into ICE, which now has 160 investigators to oversee about 72,000 employees across three border-related agencies.

"It diminished our ability to be as vigilant and on top of the corruption issue as we were in the past," said Bonner, who fought to keep internal investigators in the new agency. "The whole thing became more fragmented."

The FBI is rushing more agents to the border to address the problem, said Burrus, the assistant director. In most of its field offices, the FBI allocates 20% of its agents to public corruption cases. Along the border, it is 40% to 60%. In recent years, it has boosted public-corruption staffing by a third.

"We are doing the best we can with the resources we have," Burrus said. "There will never be enough resources."

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Even the most ambitious review of job applicants won't necessarily ferret out all of the problems. Many convicted agents have said financial pressures and other personal dilemmas drove them to cross the line. Smugglers often know how to push the right button.

A Border Patrol agent, part of a narcotics and immigrant network in El Paso, explained to a judge last year how smugglers sought to recruit him.

Agent Aldo Erives said the drug dealers knew that he hitchhiked to his classes at a local college.

"Come on," he said they told him, "you can buy a car if you pass a load through the checkpoint."

In the dryer

Sometimes, federal agents initiate the corruption.

In El Paso, Santiago Efrain, an ICE agent assigned to help guard a detention center, allegedly told the lawyer for a jailed Mexican smuggling suspect that for $20,000 he could get the charges dropped and the suspect safely back to Mexico. Efrain allegedly said he normally charged $30,000 for this kind of favor but was willing to cut a deal.

The Mexican lawyer alerted U.S. authorities, who sent an undercover agent to meet with Efrain at the local Starbucks. Efrain, wearing his duty uniform, allegedly accepted the $20,000 and was promptly arrested. He is awaiting trial.

Also yet to go to trial is David Duque Jr., a Border Patrol agent in Falfurrias, Texas, north of McAllen. He is charged with bribery for allegedly advising a government informant how to package cocaine in order to get it past the police dogs at the border checkpoints. He asked for $2,500 for every kilogram of cocaine that got through, authorities say.

According to the indictment, Duque instructed that payment should be left in his clothes dryer.

"Law enforcement officials have confirmed that Duque has a dryer located outside his residence on the porch," the indictment duly noted.

A Set Of Borders To Cross (WP)

By Sylvia Moreno

The Washington Post, October 23, 2006

NIXON, Tex. -- Seventeen-year-old Guillermo Antonio Iraheta Hernandez traveled thousands of miles from his native El Salvador only to land in limbo.

Left behind more than a decade ago by his parents, illegal immigrants living in Northern Virginia, Iraheta made part of his trek to the United States hidden in the baggage compartment of a Mexican bus. But soon after surreptitiously crossing the Rio Grande into Texas, he was picked up by the Border Patrol and brought here to a converted nursing home run by the federal government where 136 children from Honduras, El Salvador and Guatemala are temporarily housed.

Iraheta is but one drop in a new and fast-growing stream of illegal immigration to the United States, those under 18 who are sneaking into the country without their parents. Authorities say the phenomenon is growing and includes girls traveling alone and even toddlers being carried by older siblings or entrusted to smugglers.

Many of those who are apprehended by the Border Patrol end up in a burgeoning network of shelters set up by the U.S. Department of Health and Human Services. There they run up against Washington's paradoxical approach to the problem of children who entered the country illegally without their parents. The government agency that runs the shelters tries to reunite the children with relatives living here, regardless of their legal status. Another federal agency works to deport them -- as well as their parents. Iraheta's mother and father are reluctant to come forward to claim their son, fearing that would lead to being sent back to El Salvador. So are his sisters, who are also in the country illegally. Even uncles who are legal U.S. residents living in Texas have stayed away.

"They're afraid this might not be in their best interest," said Iraheta's sister, Dina. "Nobody wants to help him. Nobody wants to do anything, and that's the problem."

Iraheta, whose father paid a smuggler $6,000 to bring him into the county, said he would like to attend high school and college in the United States, perhaps to study literature.

"Every day I pray that someone in the family will come forward to help advance my case," the teenager said.The Path of Hope

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Last fiscal year, the Border Patrol apprehended 115,000 unaccompanied minors, up from 98,000 in 2001. Almost 7,800 children landed in the federally funded system of shelters last fiscal year, which ended Sept. 30, 2005 -- 25 percent of them girls, 20 percent under 15.

Fueling this immigration is the crackdown on border enforcement and illegal immigrants, authorities and immigration experts say. Adults in the United States without legal papers who used to risk trips to Central America to retrieve children and make the illegal trip back across the Mexican border are hiring smugglers instead. Documented immigrants waiting years for approval from immigration officials to bring their children to the United States legally are also turning to traffickers.

So the children come alone, undertaking arduous journeys, including treks across deserts and rivers, led by smugglers who will not hesitate to abandon those who are sick or weak or cannot keep up. Many of the girls are sexually abused along the way.

Robert Garza, director of operations of the shelter in Nixon, where Iraheta is living, said that when he started his job three years ago, he was taken aback by the young ages of the children brought in by immigration authorities and the youngsters' stories about their journeys.

"I thought, how can a parent send a child on that long journey, not knowing what's going to happen?" Garza said. "But it's the environment they come from. There is no hope, and the only way out of that environment is to come to America. That's how they see the United States -- as hope."

Most of the children in the shelters come from Central America. Children from Mexico who are caught at the border are immediately returned, though the ones who make it into the United States may end up in shelters if they are caught by immigration authorities. In the past two years, the shelter system across the Southwest has grown to 21 from five. Most are in Texas.

Some, like Texas Sheltered Care in Nixon, are plush worlds compared with the living conditions the juveniles left behind. The shelter in Nixon offers classes in English, math, carpentry and computer skills. The children get round - the - clock supervision, plus counseling, medical care and recreation -- even yoga classes and outings to bowling alleys or local football game pep rallies.

The shelter's walls are decorated with colorful posters depicting the seasons and inspirational sayings in English and Spanish. Large flags on the wall announce the residents' home countries: Honduras, El Salvador, Guatemala, Brazil. A courtyard garden, tended by the children, is dotted with wooden crosses they made to memorialize loved ones who died back home -- part of the grief counseling offered by one social worker. They get bused weekly to the local swimming pool, once a whites-only facility. Today it is an illegal-immigrants-only pool and is owned by Texas Sheltered Care.

Mostly, though, the children wait, hoping social workers can cajole their parents or other kin to claim them before Immigration and Customs Enforcement lawyers can persuade an immigration judge to deport them.

"We're a social service agency. We aren't law enforcement," said Maureen Dunn, director of HHS's Division of Unaccompanied Children's Services, which runs the shelters. "We want to make sure kids are safe and well cared for and that they are safely reunified."

Dunn's agency was created in 2004 as the result of a lawsuit settled on behalf of immigrant children. Before the ruling, children generally were sent to juvenile detention centers to await deportation. Now, the agency's goal is to reunite unaccompanied immigrant children with their parents or close relatives. If that occurs, the children are then ordered to appear in an immigration court for a hearing that might lead to their deportation. But no one knows how many keep that court date or how many just melt into the country's underground world of undocumented immigrants.

"It's kind of a gaping hole in the new wall that's supposedly going up against illegal immigration," said Don Barnett, a fellow with the Center for Immigration Studies, which favors tighter borders and immigration controls.

To get custody of their children, many of these parents must appear in person. While HHS will not turn them in, many fear capture at Border Patrol checkpoints on highways and in airports, or by the increasing number of local police agencies that have been given the power to enforce immigration laws. Some immigrants also just don't believe the assurances of social workers that they are not an arm of la migra .

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"I told them 'No, this is like a school, there are no police here,' " Iraheta said, describing how he tried to reassure his parents and persuade them to claim him. "But they're scared to come get me; they don't have the courage."

Many children languish in shelters for weeks, attending immigration court hearings periodically, until a judge issues a deadline for reunification or a deportation order.

"I feel sorry for any child that doesn't get reunified, especially if it's [with] the parents or siblings," said Jose Munoz, one of the Nixon caseworkers. "Some of it is due to being undocumented, and some of it is they're scared to travel. . . . What happens is that it becomes an emotional roller coaster for the child."

Nelvin Johac Lara Pineda, 17, left Honduras with one goal: Get to the United States, get a job, and send money home because his parents and five younger siblings are being threatened with eviction from their small home.

The boy's father, a field laborer, borrowed money last year from an acquaintance to tide the family over while he was ill and unable to work. Lara worked the fields, too, having left school after fifth grade to help his father support the family. But this year, with both of them working, they made enough to cover only the interest payments and none of the loan principal. The lender began threatening the family with eviction.

"I want to help my father, and I don't want my family to end up on the street," said the doe-eyed boy. "For me, it's no problem to be out on the street. But not for my parents or my brothers."

Lara left Honduras in early May, walking for six days through Guatemala and traveling through Mexico atop freight trains. He swam the Rio Grande into Texas one night in late May and was promptly apprehended by the Border Patrol. He was transferred to Nixon on June 6.

Lara gave his caseworker at Texas Sheltered Care the names of cousins and other distant relatives in the United States who were called to see if they would sponsor his release from the shelter. Undocumented also, they did not want to step forward for fear of being deported.

In mid-September, an immigration judge in San Antonio issued a deportation order for Lara, and the teenager cried and cried. "I don't know what we're going to do," he said later. "I've talked to Papi and he still fears that they will be evicted. I couldn't realize what I came to do. I guess that's it."

After the order, his clothing was restricted: Like other children with deportation orders, he had to wear red shorts, a white T-shirt, white socks and brown slippers at all times so the shelter could keep track of him and make sure he didn't try to run away.

Earlier this month, Lara was put on a plane by ICE agents and sent back to Honduras.

But not all stories end that way.A Bittersweet First Meeting

Last December, after years of telephone conversations, Yeni Patricia Castillo Medrano, a tall, soft-spoken 17-year-old from El Salvador, met her father for the first time. Having obtained legal papers to live in the United States and travel back home, her father, who lives in Northern Virginia, visited El Salvador for the first time in 17 years.

She was thrilled to meet him, yet Castillo admitted the visit didn't go well. "I treated him badly; I spoke to him badly," she said. This is a normal reaction, immigration experts say, from children whose parents leave home to make a better life for their families. But in late August, Castillo told her father in a telephone conversation that she wanted to join him. He paid almost $7,000 to a smuggling ring to bring her to him.

Castillo and four other teenagers from her village illegally entered Mexico from Guatemala aboard a makeshift raft, traveled in the baggage compartment of a bus through Mexico and floated on inner tubes across the Rio Grande.

By the time the Border Patrol apprehended Castillo in south Texas, the girl had been walking through desert and brush for almost four days. Dehydrated and ill from heat exhaustion, she was taken to a hospital for an overnight stay.

Twenty days after arriving at the Nixon shelter, Castillo flew from Houston to Reagan National Airport, where she was reunited with her father, Mardoqueo Castillo.

The girl and her father hugged tightly upon meeting, and she cried. She was sad, she said, to leave the girlfriends she had made at the Nixon shelter, but glad to be with her father.

"How would I not be happy to be here with my loved ones?" she said, before walking out of the airport terminal, her head on her father's shoulder, her hand in his.

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CONGRESS-ADMINISTRATION:

Paulson Pulls For U.S. Markets (WSJ)

By Deborah Solomon

The Wall Street Journal, October 23, 2006

WASHINGTON -- With just two years to make his mark, new Treasury Secretary Henry Paulson is focusing much of his attention on making American financial markets more competitive.

So far, his efforts have mainly involved meeting and jawboning. He is well-positioned to help tweak some rules, but his power could wane next year if Democrats make significant gains in the November elections.

Since taking the reins in July, the Wall Street veteran has reinvigorated the President's Working Group on Financial Markets, which had languished. He also has backed a private-sector effort to recommend changes to laws and rules that critics say handicap U.S. financial markets. And he raised business hopes that the government will ease a controversial rule created by the Sarbanes-Oxley law in response to corporate scandals.

Mr. Paulson is chairman of the Working Group, which coordinates government policy on financial markets and includes the heads of the Federal Reserve, Securities and Exchange Commission and Commodity Futures Trading Commission. Mr. Paulson has insisted that they meet about every six weeks. Before his arrival, the group met every few months and sometimes as infrequently as once a quarter.

"The issues that are natural for the President's Working Group to deal with are issues that he has thought a lot about while he was on Wall Street and to which he clearly has wanted to devote a lot of attention while he's here in Washington," said Randal Quarles, who recently stepped down as Treasury undersecretary for domestic finance.

The Working Group is a significant lever to influence policies outside the Treasury's bailiwick. The committee is "where he can have influence over the process and can shape the debate," said Rob Nichols, president of the Financial Services Forum, a group of chief executives from that industry that met with Mr. Paulson and President Bush last week. Mr. Nichols, a former Treasury spokesman, said Mr. Paulson talked about "what we can do to keep the U.S. economy competitive and keep the capital markets competitive."

Mr. Paulson's efforts are a response to a growing business concern that the regulatory and legal environment puts U.S. capital markets at a global disadvantage. Mr. Paulson often points out that more initial public offerings of stock are being issued on exchanges outside the U.S. Business leaders complain that the costs of doing business in the U.S. are increased by provisions of Sarbanes-Oxley, class-action lawsuits and a state and federal law-enforcement crackdown on corporate misbehavior.

The U.S. Chamber of Commerce on Friday held a public forum in Washington to publicize such issues. "If our capital markets become less competitive, the cost of capital rises, [stock] listings and investment opportunities go overseas," said David Chavern, the chamber's chief of staff.

Mr. Paulson is having the Working Group look at the systemic risk posed by hedge funds and derivatives, and the government's ability to respond to a financial crisis, officials said.

He has ordered his chief of staff, Jim Wilkinson, to oversee the creation of a Treasury command center to track markets world-wide and serve as an operations base in a crisis. The center would revive a market-monitoring room closed in a 2003 budget cut. Mr. Wilkinson has relevant experience: A former spokesman for the U.S. in Iraq, he was a White House aide during the Sept. 11, 2001, terrorist attacks.

Mr. Paulson, a former chief executive of Goldman Sachs who declined to comment for this article, has said the regulatory pendulum "may have swung too far" in response to corporate scandals. He is expected to sound the capital-markets-competitiveness theme in future speeches. He also has emphasized restraining the growth of federal spending, but that will require congressional cooperation, a particular challenge if Democrats take control of one or both houses of Congress.

The secretary doesn't need much congressional cooperation on other priorities, including persuading China to keep moving toward market capitalism and shoring up the competitiveness of U.S. capital markets through rule changes.

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Much depends on his persuasiveness. The Treasury's jurisdiction is limited. The controversial Sarbanes-Oxley rule -- which requires that companies assess their internal controls to ensure their financial reporting is accurate and reliable -- was crafted by the SEC and the Public Company Accounting Oversight Board. Both plan revisions before the end of the year.

Mr. Paulson, aware of the ticking clock on the Bush presidency, wants to move quickly. He told the organizers of the private Committee on Capital Markets that he wanted recommendations by next month.

"He explained what the political cycle was and that Treasury would be thinking about this issue come the new Congress in January, and if we were going to have an impact on that process, we would want to get this out by end of November," said Hal Scott, a Harvard Law School professor who heads up the panel.

The committee includes business leaders and academics but not consumer or shareholder-rights activists. It will draft a report looking at legal-liability issues, the Sarbanes-Oxley rule, shareholding rights and the regulatory process, including whether the SEC should weigh costs and benefits more explicitly before adopting rules. Mr. Paulson didn't help create the group, but he called it "important to the future of the American economy and a priority for me."

Gary Gensler, an assistant secretary for financial markets in the Clinton Treasury, said Mr. Paulson should be careful how he wields his power.

"I think that we have very competitive markets and have had for a very long time," Mr. Gensler said. "That's not to say it's not worth looking, but I think the hallmark of the U.S. markets is efficiency tied with a set of clear rules. ... There's always pressure that comes from groups to roll something back. What would be a mistake, though, is to think we need some wholesale changes."

The Third Battlefront: Money (USNEWS)

By Anna Mulrine

U.S. News and World Report, October 23, 2006

As fighting in Iraq and Afghanistan continues with brutal intensity, the Army is waging a high-stakes war on the home front as well. While President Bush signed the 2007 defense budget into law last week, Army officials were already pressing their case for 2008 funds in one of the more unusual and intrigue-filled budget battles in recent Pentagon history. It is a fight that highlights the deep stresses on a force tussling for more money and manpower while it struggles to protect expensive modern combat systems-systems that critics contend are overly ambitious in a time when war-worn equipment remains in need of critical repairs and posts across the country are struggling to pay their electric bills.

The Army fired the first salvo in its budget battle back in mid-August, when its leaders skipped a deadline for submitting their budget plan to the office of Secretary of Defense Donald Rumsfeld. Instead, with Rumsfeld's blessing and the backing of Secretary of the Army Francis Harvey, Army Chief of Staff Peter Schoomaker took his case directly to the White House Office of Management and Budget. Schoomaker is pressing for nearly $139 billion in fiscal 2008, some $25 billion more than the Army was offered-a budget gap that is, for example, double the government's annual spending for customs, immigration, and border protection combined.

Rumsfeld's decision to allow Schoomaker to go directly to OMB was "a shocker," says a senior Pentagon official. The move was regarded by some as a Rumsfeldian maneuver to mousetrap the White House and by others as an abdication of responsibility. "If the sec def isn't setting those spending priorities, then what the heck is going on?" the official adds. The bottom line, say Pentagon officials privately, is that the Army is on its own to fight this battle. Says Congressional Research Service analyst Stephen Daggett: "I don't think there's any precedent for it."

Rival services. The question now becomes how much money the Army will get-and who pays. The latter hinges on whether OMB will increase its $462 billion "top line" budget for defense spending or whether the Army's needs will force cuts for the other services. "We're taking bets," says one senior congressional staffer. But with OMB's pledges to reduce the deficit, the odds-on favorite is the latter. That prospect, predictably, does not sit well with the Navy and Air Force, which have each traditionally received 30 percent of the defense budget's pie, versus the Army's 25 percent. Air Force Chief of Staff Michael Moseley has noted that his force had to cut some $12 billion from the budget it submitted in mid-August and 40,000 jobs from its civilian and uniformed ranks.

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The Army, by contrast, is pushing to expand, backed by congressional calls last week to increase the force by as many as 50,000 new soldiers. But troops are increasingly hard to recruit, and they're expensive-a rule of thumb is that each one requires $100,000 to find, train, and equip. At the same time, the Army is trying to protect the centerpiece of its so-called transformation plan, the Future Combat System, a network of light armored vehicles as tough as tanks, connected by high-tech communications systems. "That really irritates other senior service members because they're giving up stuff right and left," says Loren Thompson, a defense analyst with the Lexington Institute, who adds that the Army will most likely get "a lot more money, but not everything it wants." In hard budget times, services have long traded troop strength for modernization, adds Steven Kosiak, analyst at the Center for Strategic and Budgetary Assessments. "The question is, do they really need this stuff? The FCS is a very ambitious plan that has a lot of problems. It's probably more ambitious than necessary."

Senate's Baucus Uses Treasury Pick To Press Tax Gap (WSJ)

By Robert Guy Matthews

The Wall Street Journal, October 23, 2006

WASHINGTON -- The Senate Finance Committee's top Democrat, Max Baucus, has since summer held up confirmation of the man nearly everyone, including Mr. Baucus, agrees is an excellent choice to be the Treasury Department's chief tax official.

The reason for Mr. Baucus's stance on Eric Solomon's confirmation: He wants Treasury to explain how it will solve the tax gap. The tax gap, or the difference between the estimated amount owed by all taxpayers and what they actually have paid, currently totals $290 billion, or about 16% of the money owed.

The tax gap, which has been surging since the 1990s, now averages about $2,200 per taxpayer. If the federal government were to close the gap completely, it would have a small surplus for the just-ended fiscal year instead of its reported $248.1 billion deficit.

According to the Internal Revenue Service's most recent analysis of the problem -- based on a sample of individual taxpayer data for 2001 -- 80% of individuals who failed to pay what they owed did so due to honest errors or misinterpretation of the tax code. The remaining 20% either knowingly paid less than they should or failed to file a return altogether. The IRS has yet to update its analysis of corporate taxpayers.

Numerous solutions have tried to address these problems, but none have proved effective so far in markedly decreasing the gap. Government officials don't even agree on its size. The Treasury Inspector General for Tax Administration, in an audit of IRS policies released this summer, said the agency likely has underestimated the amount that taxpayers owe by as much as 100%.

The IRS says it collects about 83% of the taxes owed to the government.

Efforts to narrow the tax gap have run into barriers. Last year, a presidential tax-overhaul panel proposed measures to simplify the tax code. It said many underpay taxes because they don't understand the complex rules. But its recommendations have yet to be implemented, in part because they could cost the Treasury money by reducing taxes owed.

Another approach is cracking down on those who underpay taxes on purpose. But the IRS would have to drastically increase the number of examiners and spend millions of dollars to upgrade computers so it could check a higher percentage of the 130 million individual and 25 million corporate returns filed each year.

Currently, the IRS examines fewer than 1% of returns, said Nina Olson, National Taxpayer Advocate, an independent office within the IRS that represents taxpayer concerns.

Nearly half the individuals who underreport their taxes on purpose have understated their net business income, said the IRS. Compliance among self-employed or contract workers runs as low as 30%, at least in part due to the IRS's difficulty in tracking their income.

Past get-tough policies have sparked complaints. In the late 1980s, the IRS sought to crack down on suspected tax dodgers with aggressive audits, increased property seizures and onerous regulatory procedures. The campaign triggered grumbling by taxpayers, and Congress held a series of hearings.

Lawmakers ordered the IRS to tone down its collection methods and focus on providing services to taxpayers. Congress also passed several laws limiting the IRS's autonomy.

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As a result, the IRS swung to the other extreme in the late 1990s, scaling back the number of its auditors and pursuing fewer court cases. Corporate taxpayers and high-wealth individuals took the opportunity to hatch complicated, and sometimes illegal, tax shelters that have deprived government coffers of billions of dollars, said IRS Commissioner Mark Everson.

The IRS recently started to pursue some of these cases, but that usually means long, complicated processes. Mr. Everson said he aims to strike a balance between tough enforcer and service-oriented agency but ultimately to collect as much money due the Treasury as possible.

Mr. Baucus has less-ambitious goals. The flap over Mr. Solomon's nomination to head Treasury's tax division is one of the few levers that the Democratic lawmaker has against the Bush administration.

Last week, he and Sen. Charles Grassley, chairman of the Senate Finance Committee, said they will study eight strategies to close the tax gap drafted by the Joint Committee on Taxation. The measures include strengthening requirements for reporting offshore income.

But Mr. Baucus also wants Treasury to articulate clear benchmarks in its tax-gap plan, he said, such as deadlines for shrinking the figure. "The Treasury Department's tax-gap plan isn't the complete and credible product I asked for," he said.

Scalia Sees Shift In Court's Role (WP/AP)

By John Heilprin

The Washington Post, October 23, 2006

Deeply controversial issues such as abortion and suicide rights have nothing to do with the Constitution, and unelected judges too often choose to find new rights at the expense of the democratic process, according to Supreme Court Justice Antonin Scalia.

Scalia, during a panel Saturday on the judiciary sponsored by the National Italian American Foundation, dismissed the idea of judicial independence as an absolute virtue. He noted that dozens of states, since the mid-1800s, have chosen to let citizens elect their judges.

"You talk about independence as though it is unquestionably and unqualifiably a good thing," Scalia said. "It may not be. It depends on what your courts are doing."

He added, "The more your courts become policymakers, the less sense it makes to have them entirely independent."

Scalia, a leading conservative voice after 20 years on the court, said people naturally get upset with the growing number of cases in which a federal court intrudes on social issues better handled by the political process.

"Take the abortion issue," he said. "Whichever side wins, in the courts, the other side feels cheated. I mean, you know, there's something to be said for both sides."

"The court could have said, 'No, thank you.' The court could have said, you know, 'There is nothing in the Constitution on the abortion issue for either side,' " Scalia said. "It could have said the same thing about suicide, it could have said the same thing about . . . all the social issues the courts are now taking."

Scalia said courts didn't use to decide social issues. "It is part of the new philosophy of the Constitution," he said. "And when you push the courts into that, and when they leap into it, they make themselves politically controversial. And that's what places their independence at risk."

Justice Samuel A. Alito Jr., the newest member of the Supreme Court, agreed that "the same thing exists, but to a lesser degree, with the lower courts."

About 400 people turned out at the Hilton Washington for the talk. William S. Sessions, a former FBI director and federal judge and Lynn A. Battaglia, a Maryland appeals court judge, also participated in the discussion.

Scalia expressed disdain for the news media and the general reading public, and suggested that together they condone inaccurate portrayals of federal judges and courts.

"The press is never going to report judicial opinions accurately," he said.

"They're just going to report, who is the plaintiff? Was that a nice little old lady? And who is the defendant? Was this, you know, some scuzzy guy? And who won? Was it the good guy that won or the bad guy? And that's all you're going to get in a press

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report, and you can't blame them, you can't blame them. Because nobody would read it if you went into the details of the law that the court has to resolve. So you can't judge your judges on the basis of what you read in the press."

Alito complained that people understand the courts through a news media that typically oversimplifies and sensationalizes. He said people's ability to amplify their comments globally about judges and their opinions on the Internet takes a toll on the judiciary.

"This is not just like somebody handing out a leaflet in the past, where a small number of people can see this," he said. "This is available to the world. . . . It changes what it means to be a judge. It certainly changes the attractiveness of a judicial career."

Scalia chimed in: "I think what Justice Alito says about being careful about, you know . . . be nice to your judge. Take a judge to lunch. No, you can't do that."

Later, Scalia observed, "It so happens that everything that is stupid is not unconstitutional."

Fostering A Facebook For The Feds (WP)

By Stephen Barr

The Washington Post, October 23, 2006

MySpace. Friendster. Facebook. YoungFeds?

A nonprofit public service group launches YoungFeds.org today -- featuring blogs, message boards, video clips and, yes, some old-fashioned career advice.

"The goal is to get people in the young feds community to provide content or give direction to the content," David Roberts , 26, a leader and organizer of the online clubhouse, said as he loaded material onto the new Web site from a laptop computer Friday.

Roberts and other organizers hope the Web site will connect under-35 professionals across government and, with the help of a little buzz, grow into an online networking place for the federal sector.

The organizers of YoungFeds envision the site becoming a destination for young government workers where they, not the organizers, will create a sense of community. Over time, organizers hope, the YoungFeds site will permit users to set up blogs, create profiles, link to friends, search out other young employees in their agency, and post events on a calendar so that users can meet one another in person at breakfast forums and evening receptions.

Roberts is a staff member at the nonprofit Council for Excellence in Government, which is sponsoring the YoungFeds project in partnership with Geico, the insurance company. The project is being guided by a group of some 35 young people, in and out of government, called "35 Under 35," or "35<35."

Antony DiGiovanni , 34, is part of the steering group, and he has written what the Web site calls an "UnCommentary" about working on temporary assignment at a Capitol Hill subcommittee as a "detailee" from his agency, the Energy Department. It's called "The Devil Shouldn't Be in the Details."

About 20 percent of federal employees are 35 or younger, and many work in offices where up to 60 percent of the staff will be eligible to retire in the next 10 years.

When DiGiovanni joined Energy in 2000, he said, "I got the sense that young people feel isolated in the federal government." A Web site for younger employees, he said, could be "a promising way to help people find each other."

In addition to "UnCommentary," the YoungFeds site will feature "ProFile," accounts of young people who are making a mark in government; "Sound Bytes," featuring user-produced podcasts, webcasts and YouTube videos; and "Brand U," a summary of a hot topic in government and what a young person would need to do to take advantage of the trend.

Like many other Web sites, YoungFeds will gather feedback for a poll, called "The Gauge," to see what, for example, viewers think of new pay-for-performance rules, their office's Friday casual dress code and food in government cafeterias.

More serious offerings will include "Big League Advice" from current or former federal officials on how they climbed the ladder to success, and "Working Points," a sort of been-there-done-that column that steers young employees to data and practices that they might find useful in their professional lives.

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The site's organizers do not want to be seen as competitors to associations and membership groups, such as Young Government Leaders, but as a place that welcomes them.

"Our hope is that individuals and organizations use the site and live activities as a like-minded community to improve government," said Tony Nicely, Geico's chairman and president.

Patricia McGinnis, president of the Council for Excellence in Government, said she expects "the infectious ingenuity of this network to multiply as word spreads about what it means to be a young fed."

DiGiovanni said he plans to send e-mails today informing colleagues of the YoungFeds launch in hopes of creating some buzz about the project. "It could be more than just a Web site, and bring people together for sharing ideas," he said.

Fantasy Sports? Child's Play. Here, Politics Is The Game. (NYT)

By Cindy Chang

The New York Times, October 23, 2006

When Ellen Montgomery's co-workers relive the latest Chicago Bears victory or commiserate over the hometown team's defeat, she has nothing to add to the conversation.

Ms. Montgomery, 27, a grass-roots organizer, says she has "zero" interest in sports and is even less equipped to engage in the statistics-laden talk of fantasy sports leagues that dominates at many water coolers in sports-crazy cities like Chicago. The hours sports fans spend tracking their favorite players are for Ms. Montgomery devoted to scouring the legislative agendas of members of Congress.

Now, she and fellow policy buffs have an outlet for their competitive urges. Fantasy Congress, a Web site created by four students at Claremont McKenna College in Southern California, made its debut three weeks ago. Through word of mouth and blog entries, it has attracted nearly 600 participants from states including Texas and Florida, from as far away as Denmark and, of course, from the Beltway.

For those who have no idea how many yards Peyton Manning threw for on Sunday but can cite every legislative amendment proposed by Senator Richard Durbin, Democrat of Illinois, the game could be an alternative to the prevailing fantasy sports culture.

Congress is in recess, and many Fantasy Congress leagues are still recruiting players or are waiting until after the Nov. 7 elections to get started. It remains to be seen how the game will play out over a long legislative session. But policy enthusiasts like Ms. Montgomery say they are thrilled that there is finally something for them.

"Especially this time of year, all you hear is people talking about fantasy football leagues," Ms. Montgomery said. "I couldn't care less if I tried, either about real football or fantasy football. But hey, I actually pay attention to what goes on in Congress."

Just as in fantasy football or baseball, each player picks a team — in this case, 4 senators and 12 House members of varying seniority levels — and competes with other players in a league typically managed by a friend or a co-worker. Members determine whether to play for money or the thrill of victory. But that is where the similarities end.

On the Fantasy Congress Web site, www.fantasycongress.us, leagues have names like "We the Peeps" and "Foley4Prez," in addition to the usual school and workplace affiliations.

Players accumulate points as the legislators they have chosen go about their business on Capitol Hill. A House member or senator earns five points for introducing a bill or an amendment, and more points for negotiating successfully each step in the legislative process.

Players can change their team members once a week, so if a scandal-plagued lawmaker resigns there is an opportunity to pick someone new. As of now, legislators can be on multiple teams within a league, but the site's creators plan to introduce an exclusivity rule that would limit a legislator to playing for only one team.

A list updated daily on the Web site shows the cumulative point rankings of each legislator. Representative Don Young, Republican of Alaska and chairman of the Transportation and Infrastructure Committee, is first in the House with 1,905 points. Senator John W. Warner, Republican of Virginia and chairman of the Armed Services Committee, leads the Senate with 1,991 points.

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"There's so much more that impacts how a member of Congress can push their agenda forward than just one simple metric," said Jeremy Cogan, press secretary for Representative Grace F. Napolitano, Democrat of California, offering an explanation for why his boss was tied for last in the House rankings with Representative Ike Skelton, Democrat of Missouri.

The Web site's creators say they plan to add other ways to earn points, like floor speeches and news media references, but for now, the bill-based system is the sole measure of legislative productivity, making for a range of team-picking strategies.

Ms. Montgomery selected her team based on a combination of hard calculation — politicians running for re-election are less likely to be active on the legislative front, she reasoned — and sentimentality. Representative Rodney Frelinghuysen, a Republican from the New Jersey district where she grew up, has netted her zero points so far.

She is in first place in her league, while a friend who could not bring himself to pick any Republicans — even though the majority party has an edge in this scoring system — is in last place.

"It's about majority and seniority," said John J. Pitney Jr., a professor of government at Claremont McKenna. "You look at who's been very active, whose issues are coming up. Sometimes it's appropriations, sometimes defense or international relations." Professor Pitney was an adviser to the creators of Fantasy Congress and plans to start a team.

Andrew Lee, the senior who came up with the idea for the game and then enlisted the help of three technically skilled classmates, has a wonky side, to be sure. Mr. Lee has been a devotee of water-rights policy since childhood and at 21 has had three Washington internships. On his four-day fall break, he flew home to Colorado to work on two Democratic campaigns.

Mr. Lee is also a Denver Broncos fan and has dabbled in fantasy baseball. In his dorm room, a poster of Jake Plummer, the Broncos' quarterback, hangs across from legislators-in-action photographs from Congressional Quarterly.

One day during his freshman year, Mr. Lee was watching CNN while his roommate exulted over the results of a fantasy football team. He thought, Why not devise a similar game that would pit government aficionados against one another?

He hopes that Fantasy Congress, in addition to being fun, will teach people about their representatives and the legislative process. Professor Pitney says he will make students in his class on Congress play next semester.

If the ins and outs of Congressional business are unlikely to have the hold on the imagination that E.R.A.'s and R.B.I. do, turning those maneuverings into a game may win a few converts to the geek side.

"Everyone knows about football, but more people need to know about Congress," Mr. Lee said. "If as many people knew about Congress as knew about football, baseball and basketball, we'd all be more educated."

OTHER NEWS:

Bush Touting Economy Ahead Of Election (AP-Y)

By Deb Riechmann, Associated Press Writer

AP, October 23, 2006

President Bush, who gets higher marks for handling the economy than running the Iraq war, is spending two days this week trying to convince voters Republicans are the best stewards of matters affecting the wallet.

White House advisers said Sunday that Bush is not trying to change the subject from a deteriorating situation in Iraq, and that he will continue to talk about Iraq and the war on terrorism as the Nov. 7 election nears. Bush advisers said they think the president should get more credit for recent positive economic news.

Overall, the economy grew at a 2.6 percent pace from April through June, compared with a 5.6 percent pace over the first three months of the year, which was the strongest spurt in 2 1/2 years. Still, voters remain uneasy even though gasoline prices have started dropping, the stock market is hitting record highs, and interest rates on credit cards and adjustable mortgages are leveling off.

White House spokesman Tony Fratto said Bush intends to mention how optimism about the economy and rising hopes for strong third-quarter earnings lifted the Dow Jones industrial average past 12,000 for the first time on Wednesday. The Conference Board's index of U.S. leading economic indicators rose last month, and the government reported last week that consumer prices fell in September by the largest amount in 10 months.

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America's voters care deeply about pocketbook issues. Eighty-eight percent of likely voters say the economy is an important issue — on par with the percentage of people who view the situation in Iraq and terrorism as crucial matters, according to an Associated Press-Ipsos poll.

The AP-Ipsos poll this month found that 37 percent of likely voters say they approve of Bush's handling of Iraq overall. Forty-two percent approve of his handling of the economy.

White House political director Sara Taylor said that the economy is a key issue in about two dozen House races, including campaigns in Pennsylvania, Minnesota, Ohio and Washington state. Democrats need a 15-seat pickup to regain the House and a gain of six seats to reclaim the Senate.

"It's going to have an important impact on certain races around the country," Taylor said. "I think it's an important issue that's not getting a ton of attention."

On Monday, Bush is participating in a small business round-table at Urban Trust Bank in Washington. The bank, set up to provide mortgages, student loans and investment opportunities mainly to minorities, was founded by Robert Louis Johnson, who started BET — formerly Black Entertainment Television. Later, Bush is doing an interview with CNBC anchor Maria Bartiromo.

On Tuesday, he is campaigning in Sarasota, Fla., for businessman Vern Buchanan, who is in a tight House race against Democrat Christine Jennings, a former bank executive. The prospect of losing Florida's conservative 13th District to Democrats brought high-profile Republicans — Gov. Jeb Bush, Sen. Mel Martinez and Massachusetts Gov. Mitt Romney — to the area last week.

Economists Expect Rate Cut Next Year (USAT)

By Barbara Hagenbaugh And Barbara Hansen

USA Today, October 23, 2006

WASHINGTON — A slowing economy and declining inflation mean Federal Reserve policymakers' next interest rate move will be a cut, not an increase, economists polled by USA TODAY say.

But such a cut won't come when the Fed meets this week, they say. And they don't expect a sharp decline in short-term interest rates, which influence borrowing costs across the economy, anytime soon.

More than half of the economists say the Fed will cut interest rates in the first half of 2007. Although their outlooks vary widely, economists on average expect the Fed will cut rates just once next year, then sit on the sidelines through the end of 2007. The 53 economists were surveyed Oct. 13-18.

One cut could help the slowing housing market. A small drop in interest rates “would cause the teaser (mortgage) rates to come down a little bit and widen the number of prospective home buyers,” Wachovia senior economist Mark Vitner says.

Putnam chief economist David Kelly says the Fed will cut rates once in the second quarter to bring them to a level that neither stimulates nor slows the economy. But, “so long as the economy sort of rounds this corner and reaccelerates, I don't think they have an excuse to cut more than once.”

Fed Chairman Ben Bernanke and his colleagues meet Tuesday and Wednesday to discuss interest rate policy. All but one of the economists expect the Fed policymakers will leave the target for short-term interest rates at 5.25%, the highest in nearly six years, for a third-consecutive meeting.

The Fed raised rates 17 times from June 2004 to June 2006.

The economists say leaving rates alone now is the correct move: Two-thirds say Fed policy is “just right.” The remaining third are evenly split between saying rates are too high and rates are too low.

“If I were on the Fed, I would have dropped (rates) already,” SunTrust Bank chief economist Gregory Miller says. He says the economy has slowed significantly and notes lower rates could help mitigate the “dramatic drop” in the housing sector.

Other survey details:

•Fifty-five percent of the economists say home prices will not decline in 2007, while 45% predicted a nationwide price drop next year. Economists listed the housing market as one of the biggest weaknesses currently in the economy.

•Economists expect the unemployment rate to gradually rise to 5% by the end of the third quarter, vs. 4.6% in September. The increase reflects an economy that is expected to grow below the pace seen in 2004 and 2005.

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•Three-quarters of the economists expect inflation to fall in the next six months.

Why Fed Might Keep Rates On Hold Longer Today Than It Did In 1995 (WSJ)

By Greg Ip

The Wall Street Journal, October 23, 2006

WASHINGTON -- Investors looking for a road map to the Federal Reserve's next moves on interest rates often look to 1995.

At the time, the Fed had raised interest rates steadily after a long period of unusually low rates. With the U.S. economy slowing, it paused for five months and then started cutting rates.

Many investors have been looking for that cycle to repeat itself and expect the Fed, which last raised interest rates in June, to begin cutting rates at some point in the next few months.

This year differs from 1995 in ways that suggest the Fed could stay on hold longer. One is that interest rates are lower now than back then. Another is that Fed officials' tolerance for inflation is quite different today.

"We have to watch carefully to make sure that [inflation] doesn't rise or even remain where it is," Fed Chairman Ben Bernanke said three weeks ago. In other words, it isn't enough that core inflation, which excludes food and energy, stops rising; the Fed wants to ensure it will be lower a year or so from now.

Mr. Bernanke's predecessor, Alan Greenspan, never laid down so explicit a marker. When Mr. Greenspan became Fed chairman in 1987, core inflation, at about 4%, was above most definitions of "price stability," (the Fed's statutory goal) including his.

However, Mr. Greenspan never put a number on what represented price stability. Transcripts of deliberations by the Fed's policy-setting Federal Open Market Committee in 1994-95, while showing plenty of concern about inflation pressure, show little discussion, especially by Mr. Greenspan, of whether the inflation rate at the time was acceptable. That frustrated some of his colleagues.

At one point, Robert Forrestal, then president of the Federal Reserve Bank of Atlanta, complained that, "We talk about price stability and lower inflation, and inflation being quiescent, and so on, but I don't know what our level of tolerance is."

An important reason Mr. Greenspan didn't put a number on price stability was that declining to do so made it easier to cut rates in the face of a weak economy even if inflation was above his long-term goal. He eventually achieved price stability by taking advantage of circumstances, an approach dubbed "opportunistic disinflation." Disinflation means declining inflation.

A recession and weak expansion in the early 1990s helped nudge inflation lower, and "pre-emptive" rate increases in 1994-95 kept it from rising again. Accelerating productivity growth in the late 1990s, which enabled the economy to grow rapidly with less strain on existing capital and labor, nudged inflation lower still. Mr. Greenspan later declared that price stability had been achieved by mid-2003, when core inflation was between 1% and 1.5%.

Core inflation has since risen to 2.9%, according to last week's report on September's consumer-price index; it's a bit lower using the Fed's preferred-price index. Though the Fed has no official target for inflation, Mr. Bernanke and many of his colleagues have often suggested a ceiling of about 2%, and all agree today's rate is too high. Still, most investors expect the Fed to leave short-term rates unchanged at 5.25% at its policy meeting tomorrow and Wednesday.

Having known price stability, and then lost it, today's Fed is under added pressure to regain it. But Mr. Bernanke doesn't intend to restore price stability immediately regardless of the cost in terms of jobs. His central forecast is that as energy prices retreat, so will their indirect impact on core inflation, bringing the core rate back to around 2% by 2008. Yet the Fed is still counting on some slowing in economic growth to bring that about. That is one reason it is not alarmed, and is indeed pleased, that since June, annualized growth has probably slipped below 2.5% and is expected to continue at that rate through mid-2007.

"The economy appears to have entered a period of below-trend growth," San Francisco Federal Reserve Bank President Janet Yellen said last week. As long as that continues, it will "gradually...reverse any underlying inflationary pressures." Rather than "opportunistic disinflation," the Fed's current strategy could be called "deliberate disinflation."

A steeper slowdown or looming recession would probably prompt the Fed to shift its attention to growth from inflation, and thus to cut rates. Fed officials are aware that 2006 has parallels not just to 1995 but to 2000. In 2000, as now, strong growth had been fueled by strong investment -- business then, residential now -- and related asset prices -- stocks then, home prices now.

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In 2000, Fed officials last raised rates in May, then maintained a public bias toward higher rates for seven months as, privately, their inflation worries receded and growth worries grew. In part, they feared a premature shift to easier monetary policy would reinflate the stock bubble. In retrospect, the Fed didn't realize how far tech investment would fall, undermining the entire economy. Though officials today believe housing isn't like the Nasdaq Stock Market was in 2000, they keep an open mind.

Uncertainty about housing is a major reason the Fed paused when it did in its rate-raising campaign, and that creates another distinction. Even adjusted for inflation, short-term interest rates, which the Fed controls directly, are lower now than at the same point in either the 1995 or 2000 cycles, and long-term rates are even lower.

Treasury-bond yields, minus consumers' long-term expected inflation rate, are just 1.7%, compared with 2.8% in September 2000 and 3.4% in May 1995. "Financial conditions remain quite supportive of borrowing and spending," Fed Vice Chairman Donald Kohn said three weeks ago. "Market interest rates are not high."

Fed officials still debate why long-term rates are so low. It may reflect pessimism about long-term economic growth and investment prospects world-wide, and so give the Fed a reason to worry less about inflation and more about growth. Nonetheless, moderate rates make it harder to argue monetary policy is especially tight right now -- and thus, make the case for rate cuts less compelling.

In Deregulation, Power Plants Turn Into Blue Chips (NYT)

By David Cay Johnston

The New York Times, October 23, 2006

Four big investment firms bought a group of Texas power plants in 2004 for $900 million and sold them the next year for $5.8 billion.

Sempra Energy, parent of the utility in San Diego, bought nine Texas power plants with two partners in 2004 for $430 million, selling two of them less than two years later for more than $1.6 billion.

Goldman Sachs and its partners bought power plants in upstate New York, Pennsylvania and Ohio starting in 1998 and sold them in 2001 at a profit of more than $1 billion.

These extraordinary profits have come during a decade-long effort in about half the states to overhaul the business of producing electricity — in the name of stimulating competition and lowering utility bills.

But even as some investors have profited handsomely by buying and sometimes quickly reselling power plants, electricity customers, who were supposed to be the biggest beneficiaries of the new system, have not fared so well. Not only have their electricity rates not fallen, in many cases they are rising even faster than the prices of the fuels used to make the electricity. Those increases stand in contrast to the significantly lower prices in other businesses in which competition was introduced, such as airlines and long-distance calling.

Some electricity customers are also being saddled with monthly surcharges to cover construction costs for plants that were sold at bargain prices and then resold at huge profits. Some of these surcharges will continue for years.

Analysts cite several reasons that the new system has not been as successful as hoped.

Regulators required some utilities to sell their power plants so that independent electricity producers could compete on equal footing with those plants. But not enough new competitors emerged.

And sometimes regulators allowed utility holding companies to transfer plants from their regulated utilities to unregulated wholly owned subsidiaries. When some of these unregulated sister companies still found it hard to turn a profit, regulators allowed the plants to become regulated companies again, so they were virtually guaranteed state-approved profit rates.

By last year, only 63 percent of the nation's electricity generating capacity was owned by utilities, down from almost 90 percent 10 years ago. Often customers did not come out ahead, critics of the new system say.

Take the case of the Texas power plants. After the Texas Legislature, urged by Enron and big industrial customers, voted to make electricity generation a competitive business, the utility serving the Houston area sold 60 power plants that generate most of the power for the area to four investment firms — the Texas Pacific Group, the Blackstone Group, Kohlberg Kravis Roberts and Hellman & Friedman — which soon resold the plants at the $5 billion profit.

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But state regulators have ordered electricity customers to pay an average of $4.75 monthly for 14 years to finish paying for the construction of the power plants, plus interest.

And the utility that sold the plants, Centerpoint, is suing for even higher payments from customers. Houston-area consumers now pay among the highest electricity rates, nearly double the national average.

Supporters of deregulation said customers would benefit from healthy competition among a growing number of electricity producers. But such competition has not developed. For one thing, many of the new power plants failed because, unlike many of the old plants, they almost all used natural gas to produce electricity. Demand for natural gas soared, and the price for that fuel tripled, making electricity from these plants too costly to be competitive.

The value of these plants collapsed, and some owners sought refuge in bankruptcy court. That is when investment firms, anticipating a much higher price for the plants' electricity, bought them for as little as 20 cents for each dollar spent to build them.

And in fact the investment firms calculated doubly right: By paying so little for the plants, they made the construction costs of new plants by competitors seem prohibitively expensive. Over the last five years, few new power plants have been built, although demand for electricity has risen.

The story has been different for electricity customers. Many of the power plants that were sold are still owned by the utilities' parent companies; they were simply transferred from the regulated utilities to unregulated sister companies. Some regulators allowed utilities to favor the sister companies with long-term contracts even if they did not offer the best price for electricity.

In fact, independent electricity producers argue that their modern generating plants often sit idle while older, inefficient plants owned by politically powerful utilities and their unregulated sister companies whir around the clock under long-term contracts. For example, Calpine, an independent generating company, and some big industrial customers have complained that Entergy, the Louisiana utility holding company, is favoring its own plants when Calpine's power would be cheaper. Congress has ordered studies of the issue.

Because utilities are still allowed to pass on the cost of the power they buy, they have little incentive to choose a cheaper supplier. Electricity customers therefore end up paying more than they would have to if electricity production were truly competitive.

After Baltimore Gas & Electric transferred its 12 power plants to an unregulated affiliate and became only a distribution company, it continued to buy 70 percent of its electricity from the plants because there were not enough independent generators to supply the area's needs. Baltimore Gas & Electric sought a 72 percent rate increase this year, causing such an outcry that Maryland regulators gave it only an immediate 15 percent, but with big additional increases virtually guaranteed over the next few years.

Paul Allen, a spokesman for the utility's parent company, Constellation Energy, said that Baltimore Gas & Electric rates had been frozen since 1993 and that the increase largely reflected the higher price of producing electricity, including the cost of fuel. He said a rate increase was inevitable regardless of the new system.

But Robert McCullough, a utility economist and consultant, disagreed and blamed the new system. He said that in places like Baltimore, where a utility's plants were sold to an unregulated sister company, "the same energy is generated by the same plants, owned by the same owners, and sold to the same customers, simply at a vastly higher price."

Ralph Nader, head of the watchdog group Public Citizen, said that many power plants were sold for artificially low prices and that state regulators often failed to protect customers. He said regulators should have required price protection to shield consumers from a "double header corporate gouge, where the defenseless customer is paying twice for the same power plants."

The American Electric Power Company, which owns utilities in 11 states, sold nine of its Texas power plants to SEMPRA, the parent of a San Diego utility company, and the Carlyle Group in 2004 for $430 million. SEMPRA and Carlyle quickly resold two of the plants for $1.6 billion.

American Electric wanted customers to pay an average of $9 a month for 14 years to cover the difference between the cost of building the plants and the lower price for which it sold them, plus interest. But because the resold plants went for 15 times as much per unit of generating capacity, state regulators questioned whether the utility should have sold the plants for higher prices. Still, regulators have required customers to pay on average $5 per month for 14 years, or more than $800 each.

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There are persistent allegations that many plants have become inordinately profitable for their new owners; in some cases, disputes have arisen over just how profitable the plants are. In Connecticut, three plants together earn at least $700 million in annual profits, money that is over and above the 10 percent profit they would earn if they were still in the regulated system, Attorney General Richard Blumenthal said. He wants the state to end the new system and return to a more regulated system or even have a state agency provide power.

The plant owners, P.S.E.& G. and Dominion, said that the profit estimates were "wildly exaggerated" and that most of the power was sold at fixed prices with profits not significantly different from what regulated plants would earn. They did not release precise profit figures.

In Ohio, the state's consumer advocate, Janine Migden-Ostrander, said the potential savings from a competitive electricity industry were undercut by favoritism that regulators showed to utility companies.

In effect, she said, Ohio regulators allowed an extremely favorable price when unregulated sister companies acquired power plants. The lower the price a sister company pays for a power plant, the more difficult it is for an independent power producer that must build an expensive new plant to compete. That "is how the utilities killed the market before it could be started," she said.

Lynn Hargis, a longtime utility regulation lawyer who now volunteers as counsel to Public Citizen, said the terms under which power plants were sold are "the equivalent of selling your grandmother's house for the price she paid 60 years ago, less depreciation. No one would do that."

The utilities say that no one knew at the time the plants were sold that they would later soar in value. Floyd Le Blanc, a spokesman for Centerpoint, the Texas company that sold the 60 Houston-area plants, said, "We complied with all legal and regulatory requirements." His remarks were echoed by other utilities.

But even after buying plants at low prices, some utilities have been unable to profit in a competitive setting after decades of operating in a regulated market, where profits are virtually guaranteed. State governments have provided a refuge.

Corporate parents with both regulated utilities and unregulated power plant companies have persuaded sometimes reluctant regulators to allow them to put failing plants into the hands of the regulated utilities, where they were almost certain to turn a profit, said Richard Stavros, executive editor of Public Utilities Fortnightly, a trade magazine. That has happened in Arizona, Missouri, Texas and other states.

Arizona Public Service, for example, brought five plants owned by its unregulated affiliate, Pinnacle Energy West, into the utility. The staff of the state board that regulates utilities at first opposed the deal, saying it was not in the best economic interests of customers. But the staff relented after Arizona Public Service promised it would not add any power plants to its regulated operations before 2015, which may encourage others to enter the market.

The Federal Energy Regulatory Commission recently approved a deal to move a Texas power plant back into a regulated utility, although it expressed concern that allowing utilities' parent companies to salvage their failed investments in the competitive market could be unfair to competing generating companies.

The sale back to utilities of power plants that are not making money is "a disturbing national trend," said Jan Smutny-Jones, executive director of Independent Energy Producers in Sacramento, Calif., a trade association for power plant owners.

"It's a great deal," he said, "having ratepayers cover your managerial mistakes."

Olden Days Seniors In Vermont Are Finding They Can Go Home Again (WSJ)

By Lucette Lagnado

The Wall Street Journal, October 23, 2006

BURLINGTON, Vt. -- While a patient at a nursing home here, Albert Blow picked up the phone one day in 2004 and called his ex-wife. "If I had a gun," he said, "I would shoot myself."

Mr. Blow, a former security guard felled by a heart attack and stroke, had gone to the nursing home for what he hoped would be a few months of rehabilitation. Paralyzed in an arm and a leg, his stay grew to more than a year. He feared he would never live independently again.

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Now Mr. Blow, 71 years old, is back in his own place, thanks to an unusual Vermont experiment that seeks to shift government money from nursing homes into private homes. The state pays for his ex-wife to care for him.

In an effort being watched around the nation, Vermont is trying to give elderly people a choice of where they want to be cared for: in an institution or at home. To create more home-care workers, the state has been paying for family members to care for aging relatives, at about $10 an hour. If Vermont's program works, it could influence a wider change in the multibillion-dollar industry that cares for the aged.

"We are never going to build another nursing home," says Patrick Flood, commissioner of Vermont's Department of Disabilities, Aging and Independent Living. "It is an outdated model."

As the number of older Americans -- and the cost of caring for them -- soars, the federal government is pushing efforts like the one in Vermont. Advocates say in-home care could improve the lives of many seniors, while saving the government money. But the idea faces huge hurdles, including opposition from the nursing-home industry and a culture of dispersed, busy families that has become accustomed to having others care for their loved ones.

In July, the federal Centers for Medicare & Medicaid Services announced grants totaling $1.75 billion to states to encourage them to do what Vermont is doing -- find alternatives to institutional care. Besides home care, Vermont is encouraging assisted-living facilities, privately run boarding homes for seniors and elder day-care centers. All this would be a big change from the last four decades, during which nursing homes became the dominant, and often only, option for a frail senior dependent on federal programs.

For more than 40 years, federal law has said that poor seniors are automatically entitled to nursing-home care. That has sent hundreds of billions of dollars to nursing homes. But in-home care hasn't been considered an entitlement equally eligible for government funds.

"It is a crazy situation," says Vermont's Commissioner Flood. "The service that people don't want and is more expensive" is guaranteed by the government, while "the service people prefer and is cheaper, isn't."

According to a 2002 Vermont study, it cost the state $122 a day for a senior to be institutionalized versus $80 a day to receive care at home.

Vermont is one of the first states to get federal approval to offer home care as an option equal to nursing-home care under Medicaid, the government program that subsidizes health care for the poor. The state is calling home care an "entitlement." Under Vermont's "Choices for Care" program, Medicaid sets a budget limit for the state to care for seniors and people with disabilities. Vermont then uses a combination of federal and state money to reimburse in-home caregivers.

Mr. Blow says he found nursing-home life regimented and monotonous -- "all the same stuff, morning, noon and night," he says. While he once had a passion for poker, he says he lost interest in cards and other activities. He says he couldn't afford to hold on to his apartment or his car.

Medicaid allows nursing homes to use the income of patients -- such as Social Security or pension payments -- to help pay for their care. But that can add to the finality of their stay, says John Barbour, executive director of the Champlain Valley Agency on Aging, the nonprofit group that helped Mr. Blow get his own place. "It makes it impossible for people to go back home because for the most part they don't have the ability to maintain another residence."

Karen Gissendanner, a social worker with the agency, met Mr. Blow by chance. Her father-in-law was Mr. Blow's roommate. She recalls being struck by how despondent he seemed. "I saw him wilting and withering," she says. At the nursing home, "all they saw was a man who needed a lot of care," she says, "They didn't see the possibilities."

Kindred Healthcare Inc., a Louisville, Ky.-based for-profit chain that, through a subsidiary, manages and is part-owner of the nursing home where Mr. Blow lived, wouldn't discuss his case in detail, citing privacy concerns. A spokesman for Burlington, Vt.-based Fletcher Allen Health Care, a not-for-profit academic medical center that owns 50% of the nursing home, noted the "stressful" circumstances Mr. Blow found himself in and said "it is understandable that he would feel very distressed about his situation and his future." The spokesman added: "I am pleased to learn this patient is now in an appropriate residential situation that is far more satisfactory to him."

In a statement, the nursing home itself, called Starr Farm Nursing Center, said it "is proud of the quality of care that was provided to Mr. Blow while a resident of our facility." Due to resident confidentiality, the facility said it can't comment on specifics

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of individual cases. It called the Choices for Care program a "forward-thinking initiative" and said it is "working with the state to find appropriate discharge options for our residents."

With help from the nonprofit agency, Mr. Blow moved out of the nursing home. His Social Security and pension money now go to pay for a one-bedroom apartment geared to the disabled. The state uses Medicaid funds, distributed through a home-health agency, to pay Charlene Anair, 56, his ex-wife, to care for him.

Their current arrangement, coming 16 years after their divorce, works better than their marriage did, both say. "I wasn't that good of a husband," Mr. Blow says. "I was never true to any woman."

"He put me through hell," says Ms. Anair, who was his third wife.

Yet, as a former licensed nurse, she was moved to see the man she had known as tough reduced to helplessness and despair. She now earns $9.27 an hour caring for him. Ms. Anair helps him dress, escorts him to cardiac therapy twice a week, shops for groceries, and even takes him to visit his parents' graves. Asked why she devotes herself to his recovery, she laughs: "I really don't know -- the nurse in me." She adds: "It is like this is where I am supposed to be."

Mr. Blow says he is making progress. Before, he could neither deal nor hold a hand of poker. Now he can at least hold the cards. He eats what he likes, when he likes. He recently took a bus trip to see the fall foliage. For his birthday last month, Ms. Anair got him a puppy named Odie.

On a sunny afternoon, Mr. Blow left his apartment in his motorized wheelchair, maneuvering streets on his way to his favorite destination: the Veterans of Foreign Wars hall. Inside a large dimly lit room with a bar, a pool table and a jukebox, friends gathered to play pinochle. Mr. Blow was greeted like a hero. "We deal for him," said Larry Clark, one of his buddies. "He's good -- very good."

Mr. Blow picked up his cards and began to play.

Shifting Balance

Nationwide, most of the billions in government money spent each year to care for the elderly go to nursing homes. In 2005, Medicaid spent $38 billion on institutional care for the elderly, or 82% of its long-term care budget. It spent $8 billion, or 18% of the total, for home or community-based care.

That balance has been slowly shifting, according to an analysis of the last five years by the Centers for Medicare & Medicaid Services. In 2002, 87% went to institutional care, while 13% went to home or community care.

The nursing-home industry has voiced opposition to Vermont's initiative, saying it will hurt its business and isn't in the best interests of all seniors.

"We knew that this was probably the death knell for some of our nursing homes," says Mary Shriver, executive director of the Vermont Health Care Association, which represents nursing homes.

She says home care may not be suitable for everyone. "Is the infrastructure there for the people who may need 24-hour, seven-day-a-week care?" she asks. In a letter to Medicaid, Ms. Shriver challenged whether home care is really more cost-effective than institutional care, as Vermont contends.

Under the Vermont program, elderly people typically receive 25 to 30 hours of care a week. If caretakers live with an elderly relative, they aren't compensated beyond a set number of hours. Seniors who live on their own may be unattended for significant stretches, including nights or weekends, because of limits on the number of hours of care they can receive or because of a shortage of available home-care workers.

The state says that not every elderly person needs 24-hour care. Officials contend that even in a nursing home, residents don't get around-the-clock attention. A state analysis found that nursing homes provide one-on-one care only a couple of hours day, if that, says Bard Hill, a state official who works closely with the Vermont commissioner.

"Someone may not be sitting by your side 24 hours a day," says Ms. Shriver, "but there is someone there at 3 in the morning, midnight, 2 in the afternoon, you name it." The industry also argues that private homes may not be as safe as nursing homes. In a letter to Mr. Flood, state legislators, and the governor, Ms. Shriver noted, for instance, that "all nursing homes in Vermont must have sprinkler systems," as well as fire drills.

Finally, the state's plan "is relying on families and I am not sure that is possible," she says. "This is a very mobile society."

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The American Health Care Association, which represents more than 10,000 nursing homes and care facilities around the U.S., has voiced "significant concerns" to Medicaid about Vermont's program, says Janice Zalen, senior director of special programs. The group is "concerned that people would not be getting the care that they needed -- both amount and quality," she says.

Vermont is a "laboratory" and what happens there has implications for the country, Ms. Zalen says. But other states may not be able copy Vermont's effort, she says, because it's a small, "homogeneous" state with a strong infrastructure for home and community care that other states lack.

The home-care option doesn't work for everyone. A nurse working on behalf of Vermont's program went to the bedside of 101-year-old Rose Cadieux in July. Ms. Cadieux had lived independently until a fall weeks earlier landed her in the hospital. As with many seniors, she was sent to a nursing home for rehabilitation.

"What do you think will be your next step?" the nurse asked.

Ms. Cadieux seemed flustered. "I don't know," she said. "At my age, you never know."

"As much as possible, we would like people to have a choice," said the nurse, Toni Morgan, handing her information about the new initiative.

"I was living on my own," said Ms. Cadieux. "I was happy."

The nurse told her that under the Choices for Care program, she could potentially obtain care in her own home. "Oh my God, I'd love it," she said.

But if the family isn't able to provide home care, it is difficult for the state to step in. Ms. Cadieux's son died years ago. The person who has looked after her is her daughter-in-law. "I am the only one she has," says Peggy Cadieux, her 72-year-old daughter-in-law. But she is frail herself, and says she can no longer handle the responsibility.

Weeks later, Rose Cadieux lost her apartment. She is now a permanent resident of the nursing home. Her daughter-in-law says she visits often.

For people who really need full-time care, "there are only two ways to get it," says Mr. Barbour, of the nonprofit agency on aging. "You pay privately -- which virtually no one can afford -- or you have a family or other support network that is able to provide it." Sometimes, he says, "nursing homes are the only choice."

Ready to Change

Some in the nursing-home industry say the business is ready to change. "There is an old proverb, if the horse on which you are riding has died, get off," says Larry Minnix, president of the American Association of Homes and Services for the Aging, which represents 5,600 not-for-profit long-term care providers. "Nobody has told any industry that they are guaranteed to exist in their current form."

At a summit in Baltimore this summer, a group of executives from 65 nursing homes and long-term care facilities around the nation discussed ways to deliver care at home. Traditional nursing homes may have to convert to assisted- or independent-living facilities, Mr. Minnix says. Some already are.

The Vermont program has also been funding other types of living arrangements, such as small boarding houses for the elderly. These privately run homes are an alternative that state officials often view as better and more cost-effective than large institutions.

To make housing alternatives work, advocates say there needs to be more community support available. Joanne Corbett runs Project Independence, a nonprofit elder day-care center in Middlebury. The center, open six days a week, 12 hours a day, offers classes, a putting green, concerts, movies and a glee club. It even cares for many seniors with Alzheimer's disease. Ms. Corbett hopes the center will soon be open Sundays too, providing seniors with activities and giving caretakers a break.

"We are not anti-nursing home," she says. "We simply try to stall it and in most cases we can prevent it."

Vermont's program is a model for other states, says Wendy Fox-Grage, senior policy adviser with the AARP's Public Policy Institute. "It is turning the ship around."

Still, America's system for caring for the aged is a very big ship, which for more than 40 years has sailed in the direction of subsidizing hospitals and nursing homes and the thousands of jobs they create.

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So far, Vermont has found it isn't easy to change the flow of dollars. One year into its "Choices for Care" program, Vermont has achieved incremental results: There are 2,131 residents in nursing homes, 155 fewer than in October 2005. There are 1,111 people receiving home care, or 123 more than last year at this time. Another 500 or so Medicaid patients -- who aren't quite eligible for nursing homes yet need help -- were able to get care at home under this program, according to the state.

Nursing homes have become such an intrinsic part of the way Americans care for the elderly that it may be exceedingly hard to go back to an older, family-based system of care. The advent of nursing homes coincided with a rise in two-income families, more women going to work and people living much longer.

Kathryn Lawler, who heads Aging Atlanta, a project focusing on ways to help the elderly live at home, says nursing homes fulfilled a need. "To be completely crass, you can send your mother there and all would be taken care of -- it is a one-stop shop. You would come, bring her flowers, but your responsibilities would be pretty limited."

The U.S. health-care system, she says, also fuels the use of nursing homes. Hospitals, under pressure to keep stays as short as possible, often discharge patients to nursing homes. Life-altering changes sometimes are made quickly. Family members, unsure of what to do with ailing, aged relatives may go along with the move to an institution, because the government will pay for the care. "Life is so busy, and at the moment where a decision is made, it seems easier to go to a nursing home," says Ms. Lawler.

"It is a direct chute from hospitals to the nursing homes," says Jackie Majoros, Vermont's nursing-home and long-term care ombudsman.

In Vermont, the government subsidies for home care have allowed some families to get closer to aging relatives.

Winona Greaves' children and grandchildren were pained to see what happened to the 96-year-old matriarch after her nursing-home admission. Unhappy and lonely, she stopped eating.

Fearing they were about to lose her, the family resolved to bring "Gram" home. Her granddaughter, Laurie Bailey, 49, left her job to look after her grandmother. Vermont's program has made it economically feasible by letting her earn $9.25 an hour, about what she earned part-time at the local Price Chopper grocery store, she says. The state approved about 40 hours of work a week for her, increasing her earnings.

"Gram took care of me," says Ms. Bailey, recalling a period years back when she was ill and her grandmother ministered to her. "When time came that Gram needed the help, I quit my job and here I am."

On Sept. 27, 2005, Mrs. Greaves came home, after being in the nursing home for several months. She made the trip to her daughter's home in East Montpelier lying on an ambulance gurney.

When she went to sleep that first night, her 69-year-old daughter, Pauline Coburn, recalls, "I was afraid my mother wasn't going to be alive in the morning."

Instead, Mrs. Greaves stunned everyone by staging a recovery. Within two days, she was alert and eating ice cream. "I'm so glad to be here," she said, according to her case manager's notes for Sept. 29. With her granddaughter helping her, she began taking steps with a walker. Home cooking helped restore her appetite. Sitting in the sunroom cheered her up.

By Thanksgiving, Mrs. Greaves was chipper enough to iron the napkins and mix the cookie dough.

"It is the love," says Ms. Bailey, who gives her grandmother medicines, bathes her, dresses her and files daily reports to the Central Vermont Home Health and Hospice agency, which supervises the care.

State officials believe there is an untapped pool of workers like Ms. Bailey who may want to care for a family member. Sheer necessity has forced Vermont to think creatively. In many states, home-attendant jobs are often held by minority or immigrant women who earn as little as $6 to $8 an hour. Vermont has an educated labor force and many people tend to leave the state for higher-paying jobs. There is a severe shortage of caregivers, so hiring relatives can be ideal. "Our system of long-term care has to find a way to support the natural caregiver," says Commissioner Flood. "The nursing homes broke that."

Next, state officials want Medicaid to pay spouses to be caregivers. That's not allowed under current Medicaid rules, although hiring an ex-spouse is permitted.

The idea of paying relatives is controversial. There is concern that family members may not be qualified to care for seniors, or that the caregivers are being overtaxed. Mrs. Coburn says that even with the support the family receives, it is still hard. There is constant pressure, and any holiday or weekend away must be coordinated so that someone is home to watch over her mother.

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Mrs. Greaves, elegantly dressed and coiffed, sat in an armchair in her small ground-floor bedroom. The former teacher, who once taught in a one-room schoolhouse, still devours a good novel. Her great-grandson, Cyrus, 8, who lives up the hill, is constantly over. She loves watching him play.

"I guess that I surprised everyone," Mrs. Greaves said with a smile. "I was a lot of trouble, wasn't I?"

Her daughter cautions: "Don't make it sound too wonderful. There are four generations in this house. I don't want people to think it is too easy."

As G.O.P. Mopes, Bush Adds The Duties Of Optimist In Chief (NYT)

By Sheryl Gay Stolberg And Jim Rutenberg

The New York Times, October 23, 2006

WASHINGTON, Oct. 22 — The capital is filled with Republicans convinced that they will lose the House and maybe the Senate. So last week, the White House and party leaders convened a "friends and allies" teleconference to dispute what Ken Mehlman, chairman of the Republican National Committee, considers flawed conventional wisdom.

For 20 minutes, Mr. Mehlman and the White House political director, Sara Taylor, tried to lift the cloak of gloom that has descended on the top ranks of Republican strategists, using what one of the dozens of lobbyists, donors, party aides and other supporters who listened in later called "happy talk."

President Bush and his political strategists may be the most outwardly optimistic Republicans in Washington these days, and perhaps the only ones. They are doing their best to fend off the sense of impending doom within their party that they fear will become a self-fulfilling prophecy on Nov. 7.

They are enlisting longtime allies for an all-hands-on-deck effort to change the mood for the final push to Election Day, and they are putting out the word for Republicans to keep a lid on any pessimistic talk. They are also planning a travel blitz for Mr. Bush during the final week to 10 days of the campaign.

And though they fully expect to lose seats, they are also keeping their fingers crossed. They are counting on a barrage of last-minute advertising and their 72-hour voter turnout operation to keep Democrats from taking over the House and Senate, even if it means they only eke out a victory.

But those the White House counts on to help raise party morale at such low moments say they are having a hard time of it, when so many polls augur ever-worsening election results and when so many things have gone wrong, including the Mark Foley scandal and grim news from Iraq.

"I'm trying to buck people up, but let's just say I'm hiding all the sharp objects in my office," said Rich Bond, a former Republican National Committee chairman who now runs a consulting firm.

Even Mary Matalin, the longtime Bush family aide and confidante, confessed, "I'm in my stoic mode now," though she said she believed that the party would prove the dire predictions wrong.

Mr. Bush has been saying for months that he believes Republicans will keep control of the House and the Senate, and he is not changing his tune now, even if it means taking the rare step of rebuking his own father.

In an interview shown Sunday on ABC News, Mr. Bush was asked about a comment by the first President Bush, who said this month that he hated to think about life for his son if Democrats took control of Congress. "He shouldn't be speculating like that, because he should have called me ahead of time," the president said, "and I'd tell him they're not going to."

The president's professed certainty, shared with outside friends and advisers, is a source of fascination among even his staunchest allies. In lobbying shops and strategy firms around town, the latest Republican parlor game is divining whether the White House optimism is staged, or whether Mr. Bush and his political team really believe what they are saying.

There are hints that the mood is not so upbeat or unremittingly confident in the West Wing. Mr. Bush and his inner circle, people in regular contact with them say, are well aware of the Democratic surge recorded by polls, and of the stakes for the final two years of an administration already burdened with troubles like the deteriorating situation in Iraq.

A strategist close to the White House said Mr. Bush's own political team had polling that showed as many as 14 House seats were probably already lost to Democrats, just one shy of the 15 seats they need to gain to win control.

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Though White House aides said that account was exaggerated, they acknowledged that polls have shown at least that many races with Democrats leading Republicans. "Their attitude is, 'We've got our backs against the wall, but we know how to fight our way out of this,' " said Charles Black, a Republican strategist who has been in regular contact with Karl Rove, Mr. Bush's senior adviser. "They're not unrealistic, but they're optimistic that we can still win."

Officials are telling their friends that they believe a final volley of intensive attacks by the White House will return the party to where it was before the Foley scandal, by casting the election as a choice between Democrats and Republicans over national security and taxes.

Mr. Bush and Mr. Rove are discounting predictions of Republican demise in part because they believe they have turned out wrong before. "I remember 2004," Mr. Bush said in the interview shown on "This Week." "I was history as far as the punditry was concerned."

Mr. Rove has told associates that the party's turnout machinery, through which the White House will continue to pump an unrelenting message against Democrats on taxes and terrorism, gives Republicans an advantage of four to seven percentage points in any given race. Though Democrats call that too generous, they acknowledge that it accounts for at least a few percentage points.

Mr. Rove and Ms. Taylor are said by associates to have spent hours going through data on volunteer efforts, voter registration tallies and financial matchups between candidates throughout the states, and they see a path to victory.

"You've got 452 races this year; many of them are already settled," Tony Snow, the White House spokesman, said in an interview on Sunday. "Our view is fight hard to win the ones you can win. And we think there are enough of those that we will win both houses."

For all the difficulties this year, Mr. Bush is said to have full confidence in Mr. Rove, Mr. Mehlman and Ms. Taylor.

Mr. Bush has always relished political combat. On the campaign trail, he can be seen slapping backs and clapping hands with coachlike enthusiasm, even as he embraces candidates whose campaigns seem like lost causes.

And far more than he lets on, Mr. Bush is a student of politics, up to speed on the nuances of races and tactics. Meeting with conservative talk radio hosts last month, Mr. Bush expressed optimism that Republicans would win. But he also lamented that victory would come in spite of "stupid moves" by some candidates, according to one host, Michael Medved, who participated in the meeting and wrote about it on his Web site.

Saulius Anuzis, the chairman of the Michigan Republican Party, said that on two recent occasions, Mr. Bush indicated that he understood the minutia of the state's electorate and how it would affect the Republican candidate for Senate there, Sheriff Michael J. Bouchard of Oakland County. "He knew more than the perfunctory," Mr. Anuzis said. "He said having the sheriff out of Oakland County, which is a swing county, ought to be a big help."

In some respects, Mr. Bush has been stuck in the stable this political season, with low approval ratings that have made him less of an asset on the campaign trail, unlike in 2002 when he blitzed through the states giving pep talks and rallies as a far more popular president. White House aides say it has been far more important to have the president helping to raise money, often at closed events, than to have him at rallies that cost money to organize.

His schedule has not seemed as packed as Mr. Snow and other aides predicted last month, when they said he was likely to be on the road almost constantly through October. The president's schedule for this week shows him campaigning on only two days, Tuesday and Thursday, in Florida, Iowa and Michigan.

But aides said rallies and fund-raisers in the final week of the campaign would keep him front and center, making an increasingly pointed argument against Democrats.

The president's stump speech is the only place where he publicly contemplates Democratic control, raising it only to motivate Republicans. Mr. Bush's aides say he has refused to let them even be seen planning for a possible Democratic takeover so as not to give volunteers or donors any reason to doubt that their efforts will pay off.

And he demonstrates annoyance with questions about what his administration is doing to plan for a potential Democratic takeover of the House.

"I don't buy into that premise," Mr. Bush told Bill O'Reilly of Fox News. Calling the query a "trick question," he added: "The minute I start answering your question, the word is 'Well, Bush anticipates losing.' I don't anticipate losing."

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GOP Losses Could Spark Partisan Warfare (AP-Y)

By Tom Raum, Associated Press Writer

AP, October 23, 2006

The White House is bracing for guerrilla warfare on the homefront politically if Republicans lose control of the House, the Senate or both — and with it, the president's ability to shape and dominate the national agenda.

Republicans are battling to keep control of Congress. But polls and analysts in both parties increasingly suggest Democrats will capture the House and possibly the Senate on Election Day Nov. 7.

Democrats need a 15-seat pickup to regain the House and a gain of six seats to claim the Senate.

Everything could change overnight for President Bush, who has governed for most of the past six years with a Republican Congress and with little support from Democrats.

"Every session you change the way you do business with the Congress. And you test the mood of the Congress, find out what their appetite will be. But it doesn't change your priorities," the president told ABC News.

Former President Clinton had to deal with the Democrats' loss of control of Congress in 1994. But Clinton had something Bush does not: six more years to regain his footing.

Bush has barely over two years left. The loss of either house in voting next month could hasten Bush's descent into a lame-duck presidency.

"If he loses one house here, President Bush will enter the last two years very wounded," said David Gergen, a former White House adviser who served in the administrations of Presidents Nixon, Ford, Reagan and Clinton.

"He will have the capacity to say no to Democratic legislation, but he won't have the capacity to say yes to his own legislation," said Gergen, who teaches at Harvard University's Kennedy School of Government.

Democratic victories essentially could block Bush's remaining agenda and usher in a period of intense partisan bickering over nearly every measure to come before Congress.

Loss of either chamber also could subject his administration to endless congressional inquiries and investigations.

The president and chief political strategist Karl Rove last week expressed renewed confidence of retaining both House and Senate; others are not so upbeat.

"All of our numbers look pretty bad and there's no question that there's a jet stream in our face," said House Majority Leader John Boehner, R-Ohio.

Furthermore, some of Bush's fighting in the trenches is likely to be with fellow Republicans as they seek to find a new standard bearer for 2008 — and distance themselves from an unpopular war, the unpopular president who waged it, and congressional scandals that include inappropriate e-mails to House pages from ex-Rep. Mark Foley, R-Fla.

"There's no question that the Republican coalition is stressed over the way Washington has been handling fiscal matters, the Foley affair, the Iraq war," said GOP consultant Scott Reed. "All of these are coming together at the same time."

Already, Republicans are showing divisions on Iraq policy. Fresh skepticism has come from Senate Armed Services Chairman John Warner of Virginia, Texas Sen. Kay Bailey Hutchison and former Secretary of State James A. Baker III, a longtime Bush family loyalist.

If Republicans lose their majorities, it will be that much harder for Bush to hold together already splintering GOP cohesion on Iraq.

Bush has been quoted by journalist Bob Woodward as saying, "I'll stay in Iraq even if the only support I have left is from my wife and my dog." A Democratic takeover and Republican defections could make that day seem closer.

While the Senate has been difficult for Bush, even with GOP control, the House for most of his presidency has delivered for him. That could be about to change.

The White House traditionally loses seats in midterm congressional races. The most recent exception was 2002, when Bush's party picked up seats.

Many Democrats see the upcoming elections as a mirror image of 1994, with the parties reversed.

Then, Republicans rallied behind firebrand Rep. Newt Gingrich of Georgia, announced a "Contract with America," and stormed to victory, seizing both House and Senate from Democrats.

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It was a huge blow to Clinton, made worse by the lavish and almost-presidential reception Gingrich received around Washington as he was inaugurated as House speaker.

Doug Schoen, Clinton's pollster then, said those times were bleak, including Clinton's baleful insistence to reporters in early 1995 that "the president is relevant."

But Clinton soon figured out how to enhance his relevance and influence, reaching out to Republicans on some of their own issues, such as welfare law overhaul and "talking about the common good," said Schoen. Clinton went on to easily win re-election in 1996.

But Schoen said he doubts Bush can do the same: "After 9-11, except for a brief period, he's governed from the right. There's so much bitterness and division, it's going to be tougher for him to do it than perhaps it was for Clinton."

Some of Bush's sharpest critics would rise to top positions with a Democratic takeover.

House Minority Leader Nancy Pelosi, D-Calif., probably would become speaker. Rep. Charles Rangel, D-N.Y., a foe of extending Bush tax cuts, would become chairman of the tax-writing House Ways and Means Committee.

Rep. John Conyers of Michigan, who has sponsored legislation calling for steps that could open the way to Bush's impeachment, would lead the Judiciary Committee.

If Democrats win the Senate, Democratic leader Harry Reid of Nevada — one of the most outspoken of all Bush critics — probably would ascend to majority leader.

The Republican Party chairman, Ken Mehlman, even raises the specter of a leadership troika of Pelosi, Reid and Democratic party chief Howard Dean, in GOP fundraising mailings to Republicans.

Bush, in his own get-out-the-vote appeal, told Republicans: "The consequences of not succeeding this fall are dire for our agenda for America."

Bush even suggested last week that insurgents in Iraq were stepping up their violence in a bid to influence the elections.

Polls in 2006 show a more dramatic tilt toward the Democrats than polling in 1994 showed a tilt toward Republicans. But redistricting has made far fewer congressional districts competitive.

A Democratic takeover of one or more chambers would all but guarantee that Bush would not get his Social Security overhaul or further tax cuts through Congress.

One Bush initiative that actually might see improved chances is his immigration proposal for a "guest worker" program. That actually has more Democratic than Republican support.

Stephen Wayne, a professor of government at Georgetown University, said a loss of House or Senate would cripple Bush domestically — but might actually give him more room to find a way out of Iraq.

"Were he to choose to moderate the course in Iraq, the Democrats would say, `I told you so' and the Republicans would say, `Thank you,'" said Wayne.

Parties Working To Win The Turnout Battle (WT)

By Donald Lambro

The Washington Times, October 23, 2006

The outcome of 2006 congressional midterm elections will be decided by one final, frantic battle -- who wins the voter turnout game.

Fifteen days before voters go to the polls to decide which party will control Congress, the turnout game already is being played out in more than a half-dozen battleground Senate races and 40 to 50 closely contested House elections.

Tens of thousands of volunteer party activists have been canvassing voters, identifying supporters and preparing for a 72-hour get-out-the-vote election blitz that will be far more extensive than in any previous campaign, officials in both parties say.

Both sides are playing to their strengths. Democrats are being helped by an anti-Republican climate because of the Iraq war, and Republicans are touting their record on the economy and keeping the country safe from another terrorist attack.

At this stage of the game, turnout specialists say the Republicans might have the edge in the sheer numbers of volunteers and a more sophisticated, computerized ground operation, which held off a fierce Democratic offensive in 2004.

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"It's a great, sustaining grass-roots operation with a large degree of centralized direction, and Democrats have not done that. It's very sophisticated," said Curtis Gans, a veteran voter turnout specialist who heads American University's Center for the Study of the American Electorate.

Mr. Gans' praise for the organization built by Republican National Committee (RNC) Chairman Ken Mehlman is privately echoed by some in the Democratic camp.

"We're not going to match the Republicans at their ground game," a senior Democrat involved in party turnout told The Washington Times, acknowledging that Democrats this year "started too late."

That's not the case with the Republican Party's turnout operation, which has built its voter lists and volunteer ground force since 2004 and has been sending weekly voter-contact reports from the precinct level up the political chain of command. Those reports eventually reach the RNC's "turnout war room."

"Republican volunteers have contacted more than 14 million voters this year and more than 7 million since Labor Day alone," Mr. Mehlman said. "We have made 1 million voter contacts every week for the past five weeks, and for six weeks, we have surpassed the number of contacts we made at comparable times in 2004, a presidential election year."

Democratic National Committee (DNC) Chairman Howard Dean, who sent paid DNC organizers to all 50 states, has been "playing catch-up," a Democratic campaign official said. But the party's turnout efforts -- which depend more heavily on paid workers, union members and other groups -- have been more extensive in recent months.

On Oct. 10, "Democrats kicked off the final month of the election with more than 600 voter-contact activities across the country," reaching 3 million voters in its third national organizing day, the DNC said.

In Ohio, a pivotal state where Democrats were expected to make sweeping gains in the state elections, organizers made 100,000 calls to people who did not vote in the last midterm election.

But Republican officials in the battleground states say they have been working on their turnout operation much longer.

In Tennessee, for example, volunteers have "been working on our get-out-the-vote effort for over a year now with the RNC," state party executive director Chris Devaney said. "It's an unprecedented, door-to-door effort based on the operation they had in Ohio in 2004, which won the state for President Bush."

Volunteers are given target numbers of voters who need to go to the polls, based on the Republican vote totals in previous elections.

"They file regular reports on the number of doors knocked on, the Republican voters they've identified," Mr. Devaney said.

Mr. Dean remains optimistic about his party's voter turnout operation.

"We've been laying the groundwork for over a year now, and those early investments are clearly paying off as we head into the final stretch," he said.

Ohio Is A Microcosm Of What's Plaguing GOP Nationwide (MCT)

By Margaret Talev

McClatchy Newspapers, October 23, 2006

BATAVIA, Ohio - Ohio is a microcosm of what's ailing the Republican Party.

If the state swings Democratic on Nov. 7, it could tip the balance of power in Washington, where Democrats would win control of the Senate if they gain six seats and take over the House of Representatives if they pick up 15 seats.

Ohio voters helped President Bush win in 2000 and 2004, but many say that life seems bleaker now, or that they feel betrayed by the party in power. This fall, Ohio is very much in play.

From Democratic Cleveland in the northeast to Republican Cincinnati in the southwest, Ohio communities are pained by the loss of their sons in Iraq.

Columbus, the capital, is in the center, divided politically and almost alone in doing well economically. The rest of the state is racked by economic pain as Detroit's "Big Three" automakers retrench and manufacturing jobs evaporate - another 34,000 in the past year, according to the Ohio Manufacturers Directory.

Corruption scandals are taking a toll on Republicans here, too. Voters say that Republicans at both the state and federal levels were too caught up in their own messes to serve their constituents.

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"Given what's happened here, I'll probably go Democrat," said Darrell Fowler, 48. Previously he voted for Bush and Republicans. He works at the soon-to-be-closed Ford transmission plant in Batavia, east of Cincinnati.

Among the plant's remaining 1,400 employees is Fowler's fiancee, Melissa Blankenship, 39, a Democrat who said she's very motivated to vote this year. The couple, both of whom have children, said they could be out of work by year's end.

In Cleveland, Paul Schroeder put his consulting business on hold to become a national activist for a troop withdrawal from Iraq after his 23-year-old son Augie was killed there in August 2005. Augie was one of 20 Marines from the same local battalion to die in a three-day span.

"I had been an independent. If there was a good Republican, I'd vote for a Republican," Schroeder said. "This year, my calculus is, who's got blood on their hands? This year, the entire Republican Party has blood on their hands."

Bob Derga, an engineering manager near Canton, whose 24-year-old son Dustin, also a Marine, was killed in Iraq last year, still supports the Republican Party and the war. He says that a Democratic takeover of Congress could make America more vulnerable to terrorism and make his son's death in vain.

And regardless of who's in power, he says, manufacturing probably will never bounce back. But Derga doesn't think his stance will prevail.

"The Democratic slate is going to win handily," Derga predicted. "There's such a strong sentiment that's anti-war, anti-Bush ... it's the herd mentality."

Less than three weeks from midterm elections, independent polls project that Democrats will win the open governor's race in Ohio, a seat Republicans have held for 16 years, and will topple incumbent Republican Sen. Mike DeWine.

While Republicans expect to win some statewide offices, they worry that Democrats could gain between three and five U.S. House seats. Republicans now hold 12 of Ohio's 18 House seats.

"There are several things going on in Ohio that transcend individual candidates," said Ohio State University political scientist Paul Beck. One of them is corruption.

Outgoing Gov. Bob Taft last year pleaded no contest to ethics charges. Rep. Bob Ney, who dropped his re-election bid, this month pleaded guilty in a bribery case involving Washington lobbyist Jack Abramoff.

A high-profile trial is now under way in Ohio for Tom Noe, a GOP fundraiser who's accused of illegally donating to Bush and stealing taxpayer money in a bungled rare-coin investment.

"Many voters are beginning to think there's a price to be paid for near-monopoly control," Beck said. "It's a blanket that's going to affect all of them. We still have three weeks, but right now the Democrats clearly have a decided edge."

These factors, combined with shifting demographics and well-funded Democratic challengers, are jeopardizing GOP House seats around Columbus and Cincinnati once considered safe.

The Republican seats thought to be most vulnerable - based on polling, fundraising, spending on negative advertising, and handicaps by independent analysts - are held by Reps. Deborah Pryce in Columbus and Steve Chabot in Cincinnati, as well as the district being vacated by Ney.

To a lesser degree, two other GOP seats also are considered in trouble: those held by freshman Rep. Jean Schmidt in and east of Cincinnati, and by Rep. Pat Tiberi in the Columbus area.

The nation's seventh-largest state doesn't track its roughly 8 million voters by party affiliation in general elections, the secretary of state's office said. But a University of Cincinnati Ohio Poll released early this month found that by 51 percent to 29 percent, voters think Democrats would do better than Republicans at job creation.

Ohio Republicans are counting on voters such as Peter Wagner, 37, a financial manager for the FBI. He thinks that America has done what it can in Iraq and he'd like to see the troops come home, but he still thinks that Republicans will do better for his state and his country.

Republicans also could get a last-minute boost from voters who worry that even if Democrats are saying the right things, they doubt they can do much better.

Rhonda Kokal, 43, a receptionist, said that her son, 22, is preparing to enlist in the military because he hasn't been able to find a job in two years. She wants the war to end. But she said: "It's not going to be, Democrats are in charge, everybody go home now."

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Bill Combs, a 43-year-old electrical technician and divorced father from Batavia, voted Republican for a decade and twice backed Bush. He said that he figured the GOP's commitment to keeping corporate America healthy would translate to job security at the paper company where he worked.

But Combs was laid off late last year when his company downsized at home and looked overseas. His new job at a plastics plant came with a $6-an-hour pay cut, no pension and a shaky future. He drives a Ford pickup, expensive to fuel, because he wanted to buy American, but the Ford plant is closing anyway, and Combs worries that that will hurt the local tax base, public schools and the housing market.

He plans to vote for Democrats this year. And once his daughter is grown, he plans to leave Ohio.

"I'm not gaining anything in this world," he said, filling his truck with gas. "I don't have a good outlook for ever doing anything but surviving."

Here's a thumbnail sketch of where several key races stand in Ohio less than three weeks before Election Day:

GOVERNOR - An Ohio Poll released by the University of Cincinnati found Democrat Ted Strickland, a white congressman and a minister, leading Republican Ken Blackwell, Ohio's secretary of state and a conservative African-American, 52 percent to 38 percent.

SENATE - The Ohio Poll found Republican incumbent Mike DeWine trailing his Democratic challenger, Rep. Sherrod Brown, 52 percent to 45 percent.

HOUSE OF REPRESENTATIVES - The first three GOP House races listed below are considered the most vulnerable to Democratic takeover, while analysts consider the last two, which ordinarily wouldn't be in play, somewhat vulnerable.

-Rep. Deborah Pryce's district in Columbus. A member of the House leadership, Pryce touted her friendship with Rep. Mark Foley of Florida just before Foley was forced to resign in a sex scandal involving former congressional pages. Her opponent, Mary Jo Kilroy, is county commissioner whom voters know and who has financial backing from national Democrats.

-Rep. Steve Chabot's district, from Cincinnati to the Indiana border. Chabot faces a challenge from a locally known and well-funded Democrat, city councilman John Cranley.

-Outgoing Rep. Bob Ney's eastern rural district. The GOP's choice for a successor, Joy Padgett, a state senator, is thought to have an edge over Democrat Zack Space, but Ney's guilty plea this month in a federal corruption case could work against Padgett in the final weeks.

-Rep. Jean Schmidt's district in and east of Cincinnati. Schmidt beat Democratic war veteran Paul Hackett last year in a special election to replace GOP Rep. Rob Portman, now Bush's budget director. She was booed for calling war veteran Rep. John Murtha, D-Pa., a coward last year in a House floor debate on Iraq troop withdrawal, and Murtha is now campaigning for her opponent, Victoria Wulsin.

-Rep. Pat Tiberi's Columbus area district. He faces a well-funded challenge from a former Democratic congressman, Bob Shamansky.

The Dems' Agenda (USNEWS)

By Danielle Knight

U.S. News and World Report, October 23, 2006

They are among the warhorses of the House of Representatives. John Dingell of Michigan has been in Congress for half a century and chaired the Energy and Commerce Committee for 14 years. Henry Waxman of California has been in the House for 32 years and ran a key subcommittee for 16 years. Charles Rangel has been Harlem's congressman since 1970; John Conyers has represented Detroit since 1965.

For a dozen years, these once powerful Democrats have been in virtual exile, pushed to the back bench while Republicans ruled. But now that may change. Experts say Democrats could pick up as many as 25 seats in November and take control of the House of Representatives.

If Democrats do take over, these veterans will most likely be back to shake things up by chairing powerful committees. Their ability to push through major legislation will be limited because their majority will probably be slim, and President Bush

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could wield the veto pen. But many Democrats intend to push an aggressive oversight agenda that would investigate the Bush administration's conduct on everything from the war in Iraq to Hurricane Katrina and homeland security. There would be no shortage of fireworks on Capitol Hill.

Republicans have been trying to rally their base by warning that House Minority Leader Nancy Pelosi, who would most likely become speaker of the House, is too liberal. They issue the same warning about possible Democratic committee chairs like Rangel, Conyers, and Barney Frank. Some doubt the tactic will work; Democratic lobbyist Thomas Hale Boggs Jr., for one, wonders if "anybody outside of Washington knows who Rangel and Conyers are." But Republicans are pressing ahead. If Democrats take the House, they say, expect a leftist agenda of more spending, higher taxes, and maybe even an attempt at impeaching President Bush. "It's just plain scary," insists House Majority Whip Roy Blunt, a Missouri Republican.

Fissures. While Democrats have lofty ambitions-some are calling for sweeping healthcare initiatives or withdrawal from Iraq-their actual legislative plans are more modest, because a slim majority will probably force them to work across the aisle. Otherwise, "we won't be able to get anything done," says Rangel. The Democrats also have fissures of their own to worry about-like what to do about Iraq. In addition, a bloc of some 37 fiscally conservative Democrats-known as the Blue Dog Coalition-could see its membership increase after the elections as a counterweight to more-liberal Democrats' efforts on spending and trade.

But Pelosi and Senate Democratic Leader Harry Reid are already trying to promote a vision of party unity. They say they will launch their consensus-based, six-part "New Direction for America" or "Six for '06" plan within days if they take control of the House in early January. The highlights include legislation initiatives that would increase the minimum wage, negotiate lower prices for Medicare prescription drugs, implement all the 9/11 commission recommendations, end tax breaks for oil companies, and increase federal funding for human embryonic stem cell research. "The hardest part, frankly, is limiting the priorities," says Pelosi, who would be the first female speaker.

John Zogby (CSM)

By David Cook

The Christian Science Monitor, October 23, 2006

Posted October 23, 2006 - http://www.csmonitor.com/2006/1023/p25s01-usmb.html John Zogby The pollster discussed possible GOP strategies to win back voters in the upcoming election.

By David Cook

If the 2006 election were held today, pollster John Zogby says that Democrats would pick up 25-30 seats in the House of Representatives, well above the 15-seat gain they need to take control. And the CEO of Zogby International says Democrats are "within striking distance" of picking up the six seats they need to win control of the Senate.

But at a Monitor-sponsored breakfast on Friday, Zogby cautioned that the election was still a little more than two weeks away and that the political dynamics could change in that time.

Zogby argues that Republicans could, at least theoretically, rebound and hold the House and the Senate. He says the combination of the House page scandal and revelations in Bob Woodward's latest book were, "a tipping point and it took the president who had been making gains and the party which had been making gains off message, way off message, and focused the problems on the Republican leadership."

He sees two messages that might work in winning back voters to the GOP. "If the Republicans can get it back on message, it will be about terrorism, it won't be about taxes," Zogby said. Another winning message, especially with the Republican base, "is that they will have to go after the Democratic leadership and say do you really want Harry Reid and Nancy Pelosi?" he says.

Zogby describes Senate Minority leader Reid and House Minority Leader Pelosi as "two very nice, very lovely people...who do not have a compelling national persona and are anathema to Republicans. That could be a winning message."

In Zogby's view, Minority Leader Pelosi, who represents San Francisco, is an especially appealing target for Republicans seeking to energize their political base. "She is a liberal and much more liberal than Hillary [Clinton] including on the war .... She is a lovely person and persona, [but] that doesn't project. There is a harshness that projects over the media that almost plays into the creation of Nancy Pelosi as a pariah...She is kind of the pariah from central casting."

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Polling by his Utica, New York-based firm finds voters confused about "What do you get when you elect a Democrat," Zogby says. "For the longest time, I wasn't seeing any significant shift towards Democrats at all until I polled during and after the Foley-Woodward weekend and then the shift became more a drop in support for Republicans than really a burst toward the Democrats."

Referring to the 1994 movie starring Tom Hanks, Zogby said that, "If the Democrats win, it will be a Forrest Gump victory - essentially things swirled around them over which they had very little control and they ended up scoring touchdowns, designing happy signs, and making money on shrimp."

In the 2006 elections, one of the Democratic Party's core constituencies, organized labor, does not appear to be playing a major role, Zogby said. "The term [organized labor] is becoming oxymoronic...Does that mean that organized labor has no impact? No, not at all. But the impact becomes smaller and smaller." Zogby said his polling shows for voters the key economic issues "are not

The Battlefield Widens For House GOP Seats (LAT)

By Ronald Brownstein, Molly Hennessy-fiske And Jenny Jarvie

The Los Angeles Times, October 23, 2006

LA CRESCENT, MINN. — The temperature is dropping, but six-term Rep. Gil Gutknecht (R-Minn.) is sweating more than usual for this time of year.

In his last two campaigns, Gutknecht breezed to reelection with at least 60% of the vote. But when he stopped at an American Legion hall in this small southern Minnesota town Friday, he faced several tough issues, including the House page scandal, North Korea, Iran and the war in Iraq.

"The body count in October [in Iraq] is so high — how do you feel about an exit strategy?" asked Shan Gruden, a retired teacher who supported Gutknecht in the past but remains undecided today.

Gruden's challenge to Gutknecht captures the dynamic that is widening the battlefield during the final weeks of the contest for control of the House of Representatives.

A growing number of GOP incumbents in seats once considered "safe" — including Melissa A. Hart in Pennsylvania, Ron Lewis in Kentucky, Richard W. Pombo in Tracy, Calif., and Gutknecht here — are struggling this month against a powerful current of discontent with the nation's direction, the performance of Congress and President Bush, and the war in Iraq.

Republican seats at risk have nearly tripled since January, according to the nonpartisan Cook Political Report. Then, 18 GOP seats were endangered; now, 48 are considered in play.

"The battleground is way broader than anyone thought was possible," said Eli Pariser, executive director of the political action committee associated with the liberal group MoveOn.org.

To take back the House, which they lost in 1994, Democrats need a net gain of 15 seats — something they could do, perhaps, without capturing any of these newly competitive seats. But Democratic strategists believe that if the party can break into this second tier of Republican-leaning districts, they could greatly increase their odds of building a majority large enough to survive for longer than two years.

In a measure of the party's growing optimism, the Democratic Congressional Campaign Committee plans to announce Tuesday that it will begin airing advertisements in 11 new districts, including eight the party had not considered competitive until recently, party sources say.

Though both sides agree that many of these districts are growing more competitive, in most cases Democrats still face an uphill climb to reach 50%.

"It's one thing to be close," said Scott Lasley, a political scientist at Western Kentucky University, who is tracking the contest between Lewis and Democrat Mike Weaver. "It's another to defeat an incumbent."

At various points this year, for instance, Democrats have been optimistic about upsetting GOP Rep. Marilyn N. Musgrave, whose eastern Colorado district Bush carried with nearly 60% of the vote in both 2000 and 2004.

Her Democratic opponent, state Rep. Angie Paccione, has pressed a spirited challenge, but Musgrave appears to have reestablished an advantage in polls after an advertising barrage from the national GOP that painted Paccione as an "out-of-touch

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… liberal." Paccione says the Democratic Congressional Campaign Committee has shifted to other races the money it had planned to spend on TV ads on her behalf.

Republican operatives cite that sort of triage as evidence that Democrats lack enough funds to capture many of the GOP-leaning seats that now appear vulnerable.

"In order for them to make any of these races potentially come true, they have to spend money there, and it's unclear how much money they have left or how much in debt they are willing to go," said Carl Forti, communications director for the National Republican Congressional Committee.

Still, in elections characterized by a strong desire for change, such as 1974 and 1994, the current of discontent was powerful enough to sweep in even underfunded challengers. And whatever happens Nov. 7, it is already clear that Democrats have generated intense pressure on many Republicans who have not needed to run full-scale campaigns for years — and did not expect to do so now.

Gutknecht appears to have legitimate competition," said Caledonia Township Chairman Kermit McRae, whose Minnesota town was one of Gutknecht's stops Friday. "Some years you get token competition, but this year the person is campaigning hard — and what I see is the congressman is campaigning hard back."

The race between Lewis and Weaver in Kentucky's 2nd District, which rolls through rural areas southwest of Louisville, is also more heated than usual. In May 1994, Lewis, a Baptist minister, won the seat in a special election that foreshadowed the GOP landslide six months later.

Since 1994, he has never won less than 58% of the vote. Two years ago, Bush won the district with nearly two-thirds of the vote.

But this year, for the first time in a decade, Lewis is concerned enough that he is airing television ads, and local Republicans are uneasy.

"We're going to lose seats, a sure thing," said Clifford Owen, a Republican farmer from Larue County who said he would continue to vote for Lewis.

Weaver, a 67-year-old Vietnam veteran and state legislator, pounds at the disillusionment in this socially conservative district over the page scandal involving former GOP Rep. Mark Foley.

"It's time for voters to do their duty," he said. "The Republican Party claimed they were the party of faith, family values and moral values. Now they have been exposed. It is time for the Democrats to reclaim these values."

Weaver opposes abortion and supports a constitutional amendment to ban same-sex marriage, and he distances himself from the national Democratic Party almost as aggressively as he criticizes his GOP opponent.

But Lewis is working hard to tie him to liberal Democrats like House Minority Leader Nancy Pelosi of San Francisco. "People here certainly don't want Nancy Pelosi as speaker of the House," Lewis said.

Though Gutknecht's southeastern Minnesota district isn't as reliably Republican as the Kentucky seat, he's also betting on an ideological contrast in his struggle against Democrat Tim Walz, a high school teacher, football coach and 24-year veteran of the Army National Guard. Last week the National Republican Congressional Committee spent about $100,000 on ads accusing Walz of weakness on illegal immigration.

"There are big differences between the two of us," Gutknecht said. "If that message gets out, then I win this election 55 to 45 [percent] at least."

The Democratic Congressional Campaign Committee fired back Friday with an ad criticizing Gutknecht for voting against increases in the minimum wage while accepting pay raises, a common argument in Democratic campaigns this year.

But Iraq looms as the greatest risk to the incumbent.

In a new ad scheduled to air Tuesday, Walz stands before empty bleachers and says: "When I coached football, these stands held about 3,000 people. That's a lot. It's also the number of American soldiers who have died fighting in Iraq."

His former students now in the military, he says, "deserve a plan for Iraq to govern itself so they can come home."

Gutknecht, who traveled to Iraq in the summer, said he initially endorsed the war based on imperfect information but believed now that the U.S. must continue the fight.

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"Let's be honest — a lot of people, both Republican and Democrat, voted to go in there," he said. "It may not have been involved with terrorism then, but it is now. It's like a light that's attracting all these bugs and moths."

Gutknecht's accessibility and candor impressed Gruden, the retired teacher, who came to question him at the American Legion hall here. "He seems approachable," she said.

But even after his answer, she said, she is still worried about the war and "all the graft, greed and corruption in Washington." She left for home the same way she had arrived — uncertain who would win her support.

2 Lawmakers With Abramoff Ties In Tight Races (USAT)

By Martin Kasindorf

USA Today, October 23, 2006

TRACY, Calif. — Rep. Richard Pombo's record as chairman of the House Resources Committee has environmental groups so riled that they're spending more than $1 million to beat the seven-term Republican on Nov. 7.

In a normally ironclad GOP district that Pombo won with a 61% majority two years ago, polls show that the environmentalists' TV spots and doorbell-ringing are helping to make him a candidate for the politically endangered list.

The Sierra Club calls Pombo, a Stetson-wearing cattle rancher, an "eco-thug." The League of Conservation Voters says he advances a "radical, anti-conservation agenda." The Defenders of Wildlife Action Fund voted him "wildlife villain of the year." Rolling Stone magazine dubs him "enemy of the earth."

Pombo, 45, entered politics to stop a nature trail from running through his 500-acre spread in Tracy, a San Joaquin Valley agricultural town that's turning into an affordable bedroom community for San Francisco Bay Area commuters. In Congress, Pombo has tried repeatedly to rewrite the Endangered Species Act to make it friendlier to landowners. He has proposed selling 15 national parks.

Brian Kennedy, a spokesman for Pombo, says the environmental groups "need a boogeyman to sell their message and raise money," and that Pombo disagrees with "the very left-leaning … organizations on the best approaches to protecting our environment."

Polls show races tightening for Pombo and Republican Rep. John Doolittle, worrying GOP leaders enough that President Bush flew out this month to raise $400,000 for Pombo and $600,000 for Doolittle in their districts.

As secretary of the House Republican Conference, Doolittle, 55, is the sixth-ranking House GOP leader. He and Pombo were protégés of Tom DeLay of Texas, the former House majority leader who was indicted last year on charges of violating state campaign-finance laws.

Two Democrat-commissioned polls show Pombo in a dead heat with Democrat Jerry McNerney, 55, a wind turbine engineer. An independent poll published Oct. 12 by Seattle-based Constituent Dynamics, a non-partisan group, shows Doolittle leading Democrat Charlie Brown 52%-44%. The poll of 1,000 likely voters has a margin of error of +/-3 percentage points. Brown, 57, is a retired Air Force lieutenant colonel.

After commissioning three private polls it won't release, the National Republican Congressional Committee has spent $625,000 on Pombo. "When a cadre of radical environmental groups is spending millions of dollars on vicious, negative advertising, the Republican Party had to level the playing field," says Jonathan Collegio, NRCC spokesman.

The group also spent $114,000 on Doolittle. "The national atmosphere for Republicans is not as good as it was two years ago," says Richard Robinson, Doolittle's campaign manager.

Pombo's district includes the upscale San Ramon Valley suburbs of San Francisco, including Dublin and Danville. There, "culturally moderate, suburban GOP women don't identify with ranchers as much as in the San Joaquin Valley," says Allen Hoffenblum, publisher of the California Target Book guide to congressional and Legislature races.

Both Republicans are under attack for links to GOP lobbyist Jack Abramoff, who has been convicted of conspiracy and fraud. Though national environmental organizations are angry at Pombo over his stands on conservation, they're zeroing in on Pombo's ties to Abramoff and on the campaign contributions to Pombo from oil and mining companies. "Our polls found his constituents of all parties thought he was way too close to the special interests," says Roger Schlickeisen, president of the Defenders of Wildlife Action Fund.

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In Doolittle's race for a ninth term — his district stretches from Sacramento's northeastern suburbs to the Nevada and Oregon borders — Abramoff and an alleged "Republican culture of corruption" have become key lines of attack by Brown. Doolittle is hitting back with ads stressing the Democrat's membership in the American Civil Liberties Union and alleging softness on illegal immigration.

Pombo's campaign committees received $54,500 from Abramoff, his associates and his Indian tribal clients from 1999-2005, according to the Washington-based Center for Responsive Politics, a non-partisan group. Abramoff's billing records, released by Senate Democratic staffers, show he billed the Northern Marianas Islands government for lobbying Pombo.

Doolittle, over five years, has accepted $140,000 from Abramoff, associates and clients, according to Federal Election Commission records. Grand-jury-subpoenaed records show that Abramoff's law firm paid Doolittle's wife, Julie, $66,700 for working for a personal charity of Abramoff's. A Senate committee concluded she was blameless in any bribery scheme because she didn't know the money came from a California Indian tribe.

Pombo has given Abramoff's personal $7,500 campaign contributions to charity. Doolittle has kept Abramoff's $14,000 in personal checks, along with $118,000 he received from California defense contractor Brent Wilkes and associates. Wilkes is under investigation in the bribery case of Rep. Randy (Duke) Cunningham, who pleaded guilty in November.

Interviews with voters show most intend to follow party lines, and that Republicans are reluctant to jettison the longtime incumbents because of Abramoff.

"I don't like what I hear (Doolittle) saying," says Steve Abeln, 42, a security-business owner in Rocklin, and a Republican. "But the fact is he's a Republican. I want to keep a majority in Congress."

October's Phony Surprise (WP)

By Robert D. Novak

The Washington Post, October 23, 2006

The latest in a series of October surprises leading up to the midterm elections targeted Ken Mehlman, chairman of the Republican National Committee. It depicted Mehlman as bowing to the wishes of disgraced lobbyist Jack Abramoff, the symbol of GOP corruption, in firing an innocent bureaucrat. The problem with the story is that this bureaucrat was a notorious political operative inside the Clinton administration.

At issue was the dismissal early in 2001, the first year of the Bush administration, of Allen Stayman from a State Department post. The accounts alleged that he was sacked because he advocated improved labor conditions in the U.S.-owned Northern Marianas in the Western Pacific, whose government was represented by Abramoff. Nowhere was it mentioned that Stayman left a long paper trail of partisan Democratic activity and hardly could be expected to survive in a Republican administration.

The attack on Mehlman typified the standard October surprise: information about an event years in the past distributed by a partisan operative as a campaign nears its close. The most successful recent example came in 2000, when Al Gore's campaign waited until the last week before the presidential election to release never-before-published information about a drunken driving conviction of young George W. Bush 24 years earlier. That throttled Bush's momentum and very nearly elected Gore.

October surprises have abounded this year. The revelation of Rep. Mark Foley's past improper advances to former congressional pages dominated the news for two weeks and stifled what had seemed to be a Republican upsurge. The subsequent disclosure of questionable land transactions and use of campaign funds by Senate Democratic Leader Harry Reid did not get nearly as much attention.

The reports about Reid did not begin to counter the Democratic national campaign theme of a climate of corruption under Republican rule in Washington. The Mehlman story, first reported in the Los Angeles Times Oct. 15, fits the image of Abramoff running rampant in the White House and winning governmental action for his clients with favors for presidential aides.

The not-so-hidden hand promoting this story is the fiercely partisan Rep. Henry Waxman, ranking Democrat on the House Government Reform Committee. Waxman had talked committee Chairman Tom Davis (R-Va.) into a pre-election release showing more than 400 contacts at the White House by Abramoff. E-mails by the Abramoff lobbying operation claimed credit for getting Mehlman, then White House political director, to sack Stayman. Waxman suggested that Mehlman has "violated fundamental ethics regulations and the law."

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The response by Mehlman that he does not remember getting rid of Stayman sounds, on its face, like a politician's typically bad memory. But that Mehlman really had no recollection of the case rings true because he did not immediately cite Stayman's political track record.

The reappearance of Stayman's name after a five-year absence rang alarm bells for Republican majority staffers on the House Natural Resources Committee, who battled Stayman when he ran the Interior Department's Office of Insular Affairs. Documents in the committee indicate Stayman's office was engaged in legally questionable political action against several Republican House members -- including the then-majority leader and majority whip, Dick Armey and Tom DeLay.

Supposedly isolated from all political affairs, Stayman's staff in 1997 asked the Democratic Congressional Campaign Committee how to contact opponents of Armey, DeLay and Rep. Dana Rohrabacher. Stayman wrote a Democratic National Committee draft press release that year (never consummated) attacking the then-governor of the Marianas.

Earl Devaney, the Interior Department's inspector general, testified to Congress in 2001 that the behavior of Stayman's office was the "most egregious" he had seen in 30 years because of its political activity. Republican Rep. Don Young, then Natural Resources chairman, said Stayman "failed to end a wide range of prohibited political activities" in his office and "may have engaged in them himself."

In the two years before he was fired as a civil servant, Stayman donated $1,400 to the Democratic National Committee and $500 to the Gore campaign. Not surprisingly, Stayman later went to Capitol Hill as a House Democratic staffer. Here is a hardened political infighter, not a hapless bureaucrat. In October surprises, the truth sometimes is the victim.

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The Path To Power (NSWK)

By Jonathan Darman

Newsweek, October 23, 2006

The sun is just rising over Chattanooga when Harold Ford Jr. begins to pray. A young African-American congressman from Memphis, Ford is running as the Democratic candidate for Senate in Tennessee. Here, in the shadow of Lookout Mountain, an audience of 300 has come out of the early-morning darkness into the historic Read House hotel to hear Ford praise the Lord and lecture man. Dressed in dark suits and hats fit for a Sunday service, they bow their heads and thank a God who "even now has dipped us in fresh, anointing oil." They shout Hallelujah as a soprano sings "Amazing Grace." And they cheer and clap when Ford welcomes them, and the spirit of Jesus, into the room. "I love Jesus, I can't help it," the congressman tells the crowd. "We serve such a big God," he shouts, and a chorus of Amens agrees.

It is a storied place to pray. "Let freedom ring from Lookout Mountain in Tennessee," Martin Luther King Jr. cried in his "I Have a Dream" speech, and four decades later, the diverse crowd that has gathered here suggests that in many ways, freedom has. Looking out at his audience, Ford offers political pronouncements in the cadence of Scripture. "The politics of destruction," he shouts, "the politics of those who define and malign people, that's all coming to an end." He asks the audience to "heal and make whole this great country of ours" with "a renewed sense of faith." Pointing to the sky, he tells them that "as long as your faith derives from up there, and not down there, we're going to be OK."

Ford's intertwining of the secular and the sacred would make many urban liberals squirm. So would much else that comes out of his mouth today. From the podium, he says he gets "in trouble with my party because I believe a government is only as good as its ability to defend itself and protect itself." (That stance wouldn't actually trouble most Democrats, but the implication that Democrats are weak on defense might.) Later, as he makes his way out of the room, he spots a Fox News Channel correspondent who's flown in from out of town. "Mr. Cameron!" he yells, throwing his arms around Carl Cameron, the network's political correspondent. "So good to see you again." Before the day is done, Ford will reiterate his opposition to same-sex marriage and late-term abortions.

Ford, 36, believes these conservative stands, coupled with an unrelenting attack on his Republican foe's positions on Iraq, homeland security and immigration, is the only way a Democrat can win in today's conservative Tennessee. "If I was doing the textbook thing that Democrats do," he tells NEWSWEEK, "I'd say, 'Republicans want to short Social Security, they want to rob poor

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children of their college education, they want to deny families the education system.' Don't get me wrong, there's some truth to that. But that's not me. Just let me be myself."

Democrats, even liberal ones, will let Ford be whoever he wants to be, for one simple reason: he may deliver them the Senate. Two weeks before the midterm elections, the Democrats' fate lies not in the hands of the party's much-dissected antiwar left but with a handful of careful, calculating centrists like Ford. Just a few months ago, Republicans were heralding Ned Lamont's defeat of Sen. Joseph Lieberman in Connecticut's senatorial primary as the end of the Democratic Party, its surrender to the angry extreme. But spend a few minutes with Sen. Charles Schumer, the strategic mastermind behind the Democrats' effort to win back the Senate, and Lamont's name barely comes up. (For the record: Lamont is trailing Lieberman, who is running as an independent, by as much as 17 points in the latest polls.) Instead, Schumer is talking up the "common sense" candidates running in states like Tennessee, Missouri and Virginia—candidates who don't sound much like Democrats even when they're assaulting Republican opponents over the war.

For two years the Democratic political establishment has been unabashedly applying one litmus test to candidates: their ability to win. In the Senate, Schumer took flak from activist groups when he backed candidates like Pennsylvania's Bob Casey, who is anti abortion rights. In the House, Demo-cratic Congressional Campaign Committee chair Rahm Emanuel corralled a group of Iraq and Afghanistan vets to run as "macho Democrats" against Republican incumbents. At Howard Dean's Democratic National Committee—well, who's even heard anything from Howard Dean? He's largely taken a back seat to Bill Clinton and Barack Obama in making the Democrats' prime-time case. "The days of Democrats' having to check 28 boxes before they run are over," Schumer says. "We want to win."

Just two years after George W. Bush defeated John Kerry, and four years after Bush defied expectations to prevail in the 2002 midterms, Democratic control of Congress may be within reach. For weeks, leaders of both parties have said Democrats would likely take the House of Representatives, but now the six seats the Democrats need to wrest control of the Senate may well be winnable. Republican strategists are privately bracing themselves for the loss of Senate seats in Rhode Island, Montana, Pennsylvania and Ohio. The GOP is hopeful that a cloud of corruption charges surrounding New Jersey's incumbent Democratic Sen. Bob Menendez could give Republicans a rare shot at picking up a Democratic seat, but Menendez's Republican challenger, Thomas Kean Jr., is struggling to separate himself from Bush and Iraq. The remaining Senate battles lie in border states like Tennessee, where Ford and the GOP nominee, businessman and former Chattanooga mayor Bob Corker, are polling neck and neck. Republicans know the race is a must-win to retain control of the Senate.

Ford's strength in the race springs in part from being that rare Democrat who is unencumbered by complexity and contradiction—with his party and with himself. As he journeyed to rural and conservative parts of his home state in the past year, he referred to "my friend President Bush"—and then proceeded to assail Bush's policy in Iraq. In a recent debate with Corker, Ford said his opponent's shifting stances on the war made him sound "a little like John Kerry"—forgetting momentarily, it seemed, that Ford himself had been one of Kerry's earliest supporters and served as national co-chair of his campaign. But it's one thing to campaign as a rebel willing to flout your party's orthodoxy when it helps attract voters. It's another thing to try to govern that way. If the Democrats take back the Senate in November, they will be hard pressed to maintain the sort of martial discipline they've managed during the campaign; they are, after all, the Democrats, a party with a rich history of disarray.

Ford himself has been running for the history books all his life. As a 4-year-old, he stood on a table to reach a microphone and record a radio ad for his congressman father; in law school his friends called him "Senator." He succeeded his dad in the House at the age of 26. A scion of one of black America's great political dynasties, Ford enjoyed universal name recognition and inherited a list of a thousand contacts when he ran his first campaign. But family is a two-edged sword: the Republicans are making much of the Ford clan's legal woes. (Ford's uncle is awaiting trial on extortion charges and his aunt was ejected from the state Senate after allegations of vote fraud.) Running attack ad after attack ad on "The Ford Family Political Machine," Corker and the Republicans have hinted that Sen. Harold Ford Jr. would engage in similar shenanigans.

But Ford, like so many political sons, is shaped as much by differences with his family as by his similarities. Coming of age in establishment Washington and the Republican South, he learned moderation as a matter of survival, and it carried him away from the fractured racial politics of his family's past. The story of his journey to the political center sheds light on why control of the

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Senate and the shape of the final years of Bush's presidency may rest on a thousand or so votes tucked in the lush planes and hills between the mud of the Mississippi and the rise of the Great Smoky Ridge.

Ford's political opponents have long called him "Junior," but in Memphis, he's always just been "Baby Harold." His grandfather rose to financial prominence as a funeral director but wanted his children and grandchildren to make their names in the world of politics—and do it fast. Ford's father, Harold Sr., was elected to Congress at the age of 29. Running against a white Republican incumbent, he won by only 400 votes. "It wasn't a Voting Rights district," Ford Sr. recalls. "I had to fight for every vote." With his father in Congress and an uncle, John, in the state Senate, Ford Jr. grew up in the family to see in west Tennessee. Democratic candidates for president, governor, senator and on down the list showed up for Sunday-night supper at their house. Baby Harold sat at the children's table, but he knew the path that had been chosen for him. "Harold's grandfather was an extremely powerful man," says Melvin Charles Smith, the Ford family pastor, "and his father is a very powerful man. So when you talk about a childhood or teenage rebellion, they wouldn't have tolerated anything like that."

Ford's father had 11 brothers and sisters, and young Harold had dozens of first cousins. Attention was hard to find in this environment; trouble was not. Ford's mother, Dorothy, was the enforcer, the one who made sure Harold did his homework, went to church, called his elders Sir and Ma'am. A family friend once encouraged Ford to drop the formalities. "You can call me what you want, son," the older gentleman said. "Yeah, baby, call him what you want to call him," Dorothy agreed, in a pleasant, encouraging tone. "If I dared say his name," Ford recalls, "as soon as the word was out of my mouth she would have come down on me."

After one term in congress, Harold Sr. moved his wife and kids to Washington, and young Harold caught a glimpse of life beyond the clan. Corker has attacked Ford as a creature more of Washington than of Tennessee, and while Ford is quick to note that as a child he was shipped home to Memphis "the day after school got out," he has not lived in Memphis full time since he was a small child. Growing up in Washington, Ford learned early lessons in bipartisanship as he vied for social position with the children of Republicans and Democrats alike. As just another congressman's kid in the capital, his place in the social pecking order would be earned rather than inherited. "It was the best thing they did for us," Ford recalls. "Had we grown up fully in Memphis, everything I did, everywhere I went, I would have been 'Harold Ford's son' ... I love my dad, but I needed to do things for myself, too."

In Washington, Ford attended the exclusive St. Albans school. Nestled beside the National Cathedral atop the city's highest hill, the Episcopal academy looks down on Washington—and on the secular world. Governed by the Anglican instinct to avoid extremes in search of a middle way, St. Albans educated the sons of the elite regardless of party—from Al Gore to two of George W. Bush's brothers. Harold entered in the mid-'80s, and his interests were eclectic, nonideological. "George Will was someone who really impressed him," Ford's father recalls. "His son went to St. Albans."

But as one of only a handful of black students, Ford wasn't just like everybody else at St. Albans. "For me, and for the other kids who were not white, it was a very heterogeneous place," Ford says. "I had to get along with everybody. That helped me later on when I was in situations where you had to say, 'Hey, let's all get together and try to figure this out'."

Life was more turbulent outside the congenial confines of St. Albans. Ford entered the University of Pennsylvania in 1988. It was a time of racial polarization, even at elite colleges. When things grew particularly sensitive after the beating of Rodney King in May 1991, Ford, who'd grown up around more white people than many black students on campus did, felt uniquely qualified to help sort things out. "Sheldon Hackney was the president of Penn at the time," Ford recalls. "He asked me to try to help bring everybody together. I had no problem saying, 'Hey, there's more common ground than difference here'." (Ford, says Hackney, "was unusually sophisticated and self-possessed about campus politics.")

While Ford was playing peacemaker at Penn, his family was coming under attack back home. In 1987, Harold Sr. was indicted, charged with taking nearly $1.5 million in political payoffs disguised as bank loans. He was eventually cleared, but to many in Tennessee, the case suggested there might be a corrupt underside to the Ford family. Most vivid was Harold's uncle John, the state senator, known for his larger-than-life persona in Memphis and for driving at high speeds along Highway 41 between Memphis and Nashville, the state capital.

The fraud charges drained Harold Sr.; by the early '90s, he was looking to pass things along to the next generation. His son, who'd worked on Bill Clinton's 1992 presidential campaign and was attracted to Clinton's centrist politics, wanted to defer law

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school and take a job in the White House. His father persuaded him to get his degree and plan on running for the Memphis congressional seat shortly thereafter.

Over dinner in his second year in law school, Junior learned his time had come. "I'm not running again," Harold Sr. told his son. "If you want to run, you need to get very serious about it."

Back in Memphis, news of Harold Jr.'s ascension was greeted as evidence of Ford-family arrogance. With a year left in law school, Ford Jr. didn't even have his own place in Memphis and had to commute to his parents' home on weekends to campaign. As the weeks wore on, however, Ford began to distinguish himself from the rest of the family. James Jalenak, an influential Memphis lawyer who helped manage Ford's congressional campaign, recalls preparing 30 rules for debate prep for young Ford. Well acquainted with Harold Sr., Jalenak's list had "Don't lose your temper" as every third rule. "But it wasn't necessary," he says. "Harold was calmer, smarter, more disciplined than anyone else I'd ever met in his family ... A lot of white people who loathed his family here really came to love him." Ford won the seat in November 1996.

Young, attractive and single, Ford was a sensation the moment he arrived on Capitol Hill. Newspapers in Washington and Memphis marveled over his sharp suits and breathlessly wondered about his dating life, even tracking his brief involvement with a Georgetown University student who wrote a sex column for her college newspaper. A relentless flirt, Ford is the perennial crush of young Hill staffers. Unmarried (though he says he hopes for marriage and children soon), he is known both for his active dating life and for respecting the large number of women he brings into his inner circle as colleagues. He became a fixture on cable talk shows and became a regular on the Fox News Channel and on Don Imus's radio program. After giving the keynote address at the 2000 Democratic National Convention, he'd become one of the most recognizable faces in the party.

In Washington, Ford was eager to prove his conservative bona fides. In his new job, he sought out the conservative Southern Blue Dog Democratic caucus and became one of only three African-American members. In his 10 years in Congress, he voted for the federal marriage amendment banning gay marriage, for the Patriot Act and for the war in Iraq. He named Ronald Reagan as one of his historical heroes. Ann Coulter called him "one of my favorite Democrats." Andrew Parmentier, a Republican consultant with the brokerage firm Friedman, Billings, Ramsey, and a former aide to Rep. Dick Armey, befriended Ford after repeatedly running into him in the Green Room at CNBC. "I wasn't quite prepared for how conservative he was on some of the social issues," Parmentier says. "I knew he was a business conservative, but it all [comes down to] the cultural issues. His faith is the No. 1 most important thing for him."

Though no one could ever mistake Ford for Ted Kennedy, he isn't always the off-the-reservation Democrat he makes himself out to be. According to Congressional Quarterly, Ford supported his party upwards of 85 percent of the time in most years since Bush took office. And while Ford is popular among his Democratic colleagues, he is not regarded as ranking among the most skilled bridge-builders in the House.

After all, it has always been clear to anyone who has spent five minutes with him that Ford's ambitions extended beyond just representing Memphis in the House. In November 2002, he launched a last-minute challenge to Nancy Pelosi to become the House Democratic leader.

It was a moment of great anxiety for the Democrats: the party had just felt the full brunt of Bush's post-9/11 power in bruising defeats in the 2002 midterm elections, failing once again to regain the majority it had lost in 1994. Ford argued that Pelosi, one of the party's most visible liberals, was the wrong public face if Democrats wanted to change their ways. "The party elders are 0 to 4," he told reporters, referring to the Democrats' comeback efforts from 1996 to 2002. "In the business world, that's not a good record." To many, Ford's move seemed liked a quixotic and presumptuous power grab. Pelosi had already secured commitments from a majority of her caucus. But establishing himself as a more conservative alternative to the party's leadership helped lay the groundwork for his current statewide run.

Shut out of the party leadership, Ford turned his gaze back toward home. He'd explored running for the Senate twice before. Ford thought he'd finally found his moment when Senate Majority Leader Bill Frist announced he would leave the Senate in 2006. Ford announced his candidacy for Frist's seat in May, in what seemed to many like a long shot: the home of Andrew Jackson, Estes Kefauver and the TVA was becoming solidly Republican—and no black candidate had been elected to the Senate from a Southern state since Reconstruction. Even Ford's father was worried. "My dad looked at it rationally and said, 'Do you really think this is the right thing to be doing?' " Ford recalls. "Everyone had doubts back then." But there were encouraging

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signs, too. In 2002, Democrat Phil Bredesen, a New Jersey-born businessman who had served as mayor of Nashville, won the state's governorship after framing himself as a cultural conservative and economic reformer.

Ford's Senate campaign did not begin well. The day after he announced, his uncle John was arrested in an FBI sting after allegedly asking for a bribe in exchange for favorable treatment for a company doing business with the state. John Ford denied any wrongdoing but was forced to resign his state Senate seat, and the scandal, known as Tennessee Waltz, gave reporters the opportunity to dredge up 30 years' worth of family lore. Further complicating matters, Ford's aunt Ophelia won a special election for John's vacated seat by only 13 votes; a special committee of the state Senate later charged her with vote fraud.

Ford sought to defuse the issue by incorporating his family into his campaign shtik. "I come from a big family—you may have read about them a few times," he'll tell audiences in white, conservative parts of the state. Earlier this month, at a campaign event in rural Grundy County, he took a question from an elderly white gentleman named John Ford. "I love your name," Ford joked, "but it's a hard name to have, I know."

Without serious opposition in the Democratic primary, Ford was freed to scour the rural reaches of his state. The encounters were sometimes awkward, but Ford seemed to thrive on them. He often tells the tale of his trip to the Little Rebel, a roadside bar with a large Confederate battle flag. Ford entered with trepidation only to be greeted with, "Baby, we've been waiting to see you."

The tale is believable only because Ford so often seeks out similarly strained exchanges. Earlier this year he traveled to Mule Day, an agricultural parade in rural Columbia, Tenn. Columbia's mostly white population seemed somewhat mystified by the energetic black congressman from Memphis. A group of motorcyclists seemed particularly put off by the candidate, but Ford approached them anyway. He smiled as he fondled a SATAN SUCKS button on one of the bikers' leather jackets. "I agree with you," Ford said. "Satan does suck."

Corker and the Republicans have slammed Ford as the "most liberal" member of Tennessee's congressional delegation. Highlighting Ford's votes against reauthorization of the Patriot Act, Corker argues that Ford wanted to weaken the nation's defenses at a time when America can ill afford it. Ford's response has been to hit back harder on Iraq, charging that Corker wanted to "stay the course" in war strategy, and then, when Corker denied this, hammered him for flip-flopping. (Ford favors dividing Iraq into three autonomous states.) Democrats in Washington say Ford has written a new template for swiftness in campaign counterattack. "If he wins, they are going to write textbooks on his campaign," says Phil Singer, spokesman for the Democratic Senatorial Campaign Committee.

The race is touch-and-go for both campaigns. After shaking up his own staff earlier this fall, Corker is now both attacking Ford's voting record and trying to draw attention to the extended Ford family. One variable no one in either campaign can accurately predict is race. Analysts say that to be competitive, Ford has to earn at least 40 percent of the white vote in Tennessee in a state where segregation is a persistent, if distant, memory (16.3 percent of voters in Tennessee are black). "He's got very solid support from white Democrats but he needs white independents and even some white Republicans to win," says Merle Black, a professor of political science at Emory University. While Ford is ahead by small margins in some polls, recent history (including races in Virginia in 1989 and North Carolina in 1990) suggests that white Southerners will sometimes say they're willing to vote for a black man in a poll but act differently in the privacy of the voting booth. "There could be some of that," says Black. "It's hard to know how much."

For all the baggage, Ford may now need his family more than ever. His advisers have long expected the race to come down to a one- or two-point margin. To win, Ford will have to have unprecedented turnout in heavily black parts of the state—chiefly Memphis and its surrounding areas. As even their enemies admit, no one is better at getting out the vote in Memphis than the Fords. In the final days of the campaign, Harold Sr. is in many ways his son's closest adviser. The two talk "five times a day," according to the younger Ford."I've never met anybody with a better strategic mind about the last 90 days of a campaign than my dad," Ford says.

Praying in Chattanooga two weeks ago, Ford's thoughts drifted to the days after the campaign. He told his audience that as a senator "you're not asked to judge and condemn, you're asked to listen and start bringing together." He vowed that if politicians can "unite around a common theme and a common goal, they can accomplish great things." Democrats this fall have united

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around the common goal of winning, a goal that expires, no matter what, on Nov. 7. If he carries the day, Ford and his colleagues in both parties must rally together—an elusive task, but a greater thing.

The Old Dominion's New Math (USNEWS)

By Dan Gilgoff

U.S. News and World Report, October 23, 2006

MANASSAS, VA.-When Sen. George Allen arrived at the tiny airport here last week to accept the endorsement of the National Vietnam and Gulf War Veterans Coalition, the group's chairman told him he hadn't cut his ponytail since the 9/11 attacks. The chairman, John Molloy, said it was a show of defiance against Islamic terrorists, inspired by the story of an American frontiersman who grew his hair in defiance of Indian scalpers. That's precisely why the United States can't pull out of Iraq, Allen told him. "If we leave," Allen said, "they'll strike us again."

But in his speech to the assembled crowd of veterans a few minutes later, Allen-whose calls for "staying the course" in Iraq have been playing across the state in TV ads for Democratic challenger Jim Webb-struck a different tone. "It's clear that mistakes were made [in Iraq] and that progress has been far too slow," he said. "We cannot continue to do the same things and expect different results." It's the kind of criticism that vulnerable Republican Senate incumbents, and even the White House, are suddenly adopting as Iraq continues to spiral downward. "If you are embracing the 'We're not going to change anything in Iraq' strategy, you are going to lose," says a top GOP adviser to Senate candidates. "We need smart strategy rather than slogans like 'stay the course.'"

Adjustments. For some Republican senators, though, it may be too late. In the past two weeks, party strategists have privately begun to cede seats in Ohio, Pennsylvania, and Montana and to refocus resources on protecting incumbents in red states like Missouri and Tennessee, where spending from the National Republican Senatorial Committee shot from zero to $2.5 million just since the beginning of the month. While Republicans-along with some Democrats and independent analysts-are still doubtful that they will lose the six seats that would change control of the Senate, the GOP's so-called firewall of protection may now be down to as few as two or three seats. Which means that Virginia could determine Senate control.

No Senate race in the nation has tightened as dramatically as the Old Dominion's. A former Virginia governor, Allen was thought a shoo-in for re-election and was mulling a 2008 White House bid until a video of him calling a Webb volunteer of Indian descent "macaca" was posted online in August, drawing national attention. "Macaca got Webb a lot more press and saved us at least a million dollars in ads," says Webb pollster Pete Brodnitz. Allen's fumbling response to revelations about his previously unacknowledged Jewish ancestry last month-"I still had a ham sandwich for lunch, and my mother made great pork chops"-further alarmed even many GOP officials. Such gaffes helped Webb out-fundraise Allen by $1 million in the past quarter and forced the NRSC to pony up nearly $1 million in response. Allen campaign manager Dick Wadhams blames the rhetorical missteps for recent polls showing the race to be in a dead heat: "It's competitive not because of anything Webb has done."

A GOP Balancing Act (NSWK)

By Richard Wolffe

Newsweek, October 23, 2006

Bob Corker needed to add some flair to his flagging campaign. The GOP candidate should have been running a simple Senate race in conservative Tennessee. But he was trailing by several points last month, so the White House and party leaders stepped in. Their solution: a new campaign manager in the form of a rumpled, martini-drinking, cigar-chewing veteran of Tennessee politics. Back in 1978, Tom Ingram helped transform a lackluster candidate for governor—Lamar Alexander—by dressing him in a folksy red plaid shirt. And it was Ingram who put Fred Thompson in a red pickup truck in his 1994 Senate race, turning the Hollywood actor and lawyer into a good ole boy.

What could Ingram change about Corker, the starchy former mayor of Chattanooga? Everything but his clothes, apparently. Speaking to a group of sheriffs last week, Corker was buttoned up in a charcoal pin-striped suit. ("We need to change that," Ingram later grumbled in a Nashville bar.) Still, Ingram has helped turn the Corker campaign around with new ads and a new message—that Corker is a self-made businessman from Tennessee, while his opponent, Harold Ford Jr., has never held a real job outside Washington politics. Ingram dropped ads attacking Ford as a liberal, replacing them with references to the Ford

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family machine—and by extension, the African-American politics of Memphis. "I'm the candidate of change," Corker told NEWSWEEK over a bowl of chili in a Jackson diner. "My opponent certainly hasn't shown much independence. He votes with his party 80 percent of the time."

Stuck with an unpopular president and an even less appealing party, Corker is distancing himself from the White House and the GOP-led Congress. Yet he also needs the conservative base to turn out to vote—and they are unsettled by his divided loyalties. When Corker stopped by conservative talk radio in Nashville, the questions were unusually hostile. "I know I'm not going to vote for Harold Ford," said one caller after Corker left the studio. "But it's like the lesser of two evils."

Many social conservatives have been wary of Corker since the primaries, when his rivals portrayed him as a pro-choice Democrat. (Tennessee Right to Life has not endorsed Corker because he once opposed limits on state funding for abortion.) More recently, Corker has moved to heal the rift with his primary foes. Former congressman Ed Bryant, who once campaigned as "the real conservative" against Corker, is stumping for him in rural west Tennessee. "Bob may not be as intense as I am," Bryant told NEWSWEEK, "but he's a solid conservative."

Solid may be the best Corker can do, and he's trying to make it his virtue. "I know I'm not the best-looking candidate in this race," he told the group of stony-faced sheriffs. "I know I'm not the most articulate." But he is still the most conservative, and that might just be enough.

Chief Concerns Who Heads Key Committees If Democrats Win The House? A Look At The Roles High-profile Reps. Barney Frank, Charles Rangel, David Obey And Others May Play. (WSJ)

The Wall Street Journal, October 23, 2006

With the midterm elections fast approaching, many polls and political strategists are predicting that the majority in the House of Representatives will switch to the Democrats. Republicans have begun appealing to their base of voters by raising the specter of a liberal takeover, starting with Rep. Nancy Pelosi of California. Pelosi, currently Democratic leader, is the first woman to lead a major party in Congress, and there's little doubt she would become the first woman speaker as well. At the same time, Republicans, in an attempt to get conservatives to vote on Election Day, warn of a raft of new, lefty committee chairmen. Those jobs are important because chairmen wield considerable clout, setting the agenda for legislation and oversight of executive branch agencies.

Here's how it could play out on some of the top House committees:

Appropriations Committee

The Appropriations Committee, responsible for funding federal programs and agencies, is currently under the chairmanship of Jerry Lewis1 of California, whose ties to lobbyists are being investigated by the U.S. Attorney's office in Los Angeles. He would likely be replaced by Rep. David Obey2 of Wisconsin, a harmonica player who chaired the commission to write the House's ethics code. Obey, who was briefly chairman of the committee once before when Democrats were in power, is an old-fashioned labor Democrat with strong interest in education and health-research funding. Among his priorities: smaller classes and better-trained teachers, more-affordable health care, and help for family dairy farmers rather than big agribusinesses. He is expected to strongly defend the Appropriations Committee's power from executive branch encroachment, and will likely step up oversight of executive-branch agencies that get their funding through the committee. He's also expected to crack down on the level of earmarks.

HOW THE PROCESS WORKS

So what happens to the leadership of the House if Democrats pick up the net 15 seats they need to take control?

After leaders of both parties negotiate the size of committees and decide how many majority and minority members will be on each, the House Democrats' Steering and Policy Committee nominates members for assignments to the various committees and designates who will be chairman or ranking member, a process that factors in seniority, members' own requests for committee seats or chairmanships as well as some geographic or ideological balance. After that, the Democratic caucus must approve the committee assignments and chairmen. That's where fights can break out over who gets to run what. One exception is the Rules Committee, where members are chosen by the House speaker and minority leader.

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Rep. Nancy Pelosi3 of California, currently minority leader, is expected to become speaker if Democrats return to power. In that role, Ms. Pelosi, who is loyal to rank and file members, would set the tone for the assignment process, likely trying to avoid interparty fights during the process of reorganizing leadership and committee chairmen.

Ways and Means Committee

The Ways and Means Committee4, where all tax bills originate, is currently headed by Rep. Bill Thomas5 of California, an irascible conservative and often divisive figure who played a major role in pushing through a series of tax cuts and the Medicare prescription drug benefit. In a Democratic takeover, Rep. Charles Rangel6 of New York, now the committee's ranking Democrat, would take the gavel and undoubtedly change the agenda. He vigorously opposed the Bush tax cuts for the wealthy, and doesn't want to pass legislation that would increase the deficit. Rangel, an influential politician and unabashed liberal, doesn't shy away from controversy but wants to mend fences on the divided committee. More from Dow Jones Marketwatch7.

Financial Services Committee

The Financial Services Committee8, now headed by Ohioan Michael Oxley9 of Sarbanes-Oxley fame, oversees the financial services sector including the securities, insurance, banking, and housing industries. It would be chaired by the Rep. Barney Frank10 of Massachusetts, who recently told11 Dow Jones Marketwatch that he's interested in expanding affordable housing (likely a joint venture with Rangel), giving shareholders more power to approve executive pay and looking closer at hedge funds. The committee tends to be more bipartisan than others, and that is likely to continue under Frank, a brainy lawmaker with a gay constituency that makes him less dependent on other liberal bases.

Energy and Commerce Committee

The Energy and Commerce Committee12's jurisdiction sprawls over far more than national and international commerce and overseeing energy matters. It also covers telecommunications, consumer protection, food and drug safety, public health, air quality and environmental health. The committee's current chairman is Rep. Joe Barton13 of Texas, pushed through the 2005 energy law, which provides tax incentives and loan guarantees to encourage energy production. If the House turns Democratic, Rep. John Dingell14 of Michigan, who has spent more than 50 years in the House and was chairman before the 1994 Republican sweep, is in line for the job. He's a strong advocate for organized labor and the auto industy, and has long pushed for national health insurance. (Read more15 from Marketwatch.) But Dingell could be challenged by another powerful Democrat, Rep. Henry Waxman16 of California, a former subcommittee chairman and current committee member. The two have frequently teamed up in opposition to the Bush administration's agenda. As ranking member of the Government Reform Committee, the House's main investigative committee, Waxman has proven to been the biggest watchdog in Congress. His staff of investigators and lawyers has turned out hundreds of reports ranging from high drug prices to the U.S.'s Iraq war strategy to waste and fraud in the Iraqi reconstruction effort.

Judiciary Committee

The Judiciary Committee has broad jurisdiction over federal courts and judicial proceedings, civil liberties, law enforcement, patents and trademark issues, and bankruptcy, mutiny, espionage, and counterfeiting. And that's not the whole list. The current chairman, James Sensenbrenner17 of Wisconsin, shepherded the House immigration bill, focusing on enforcement and bucking the White House, which has pushed for a more comprehensive approach that would establish a guest worker program. John Conyers18 of Michigan, the committee's ranking Democrat, is poised to take over, and with Democrats in control of the House, broader immigration legislation is likely to clear Congress. Conyers has advocated a national health insurance program and has pushed for legislation on civil liberties and voting rights.

Other Key Posts

Reps. John Murtha19 of Pennsylvania and Steny Hoyer20 of Maryland have both put up their hand for the majority leader's office. Hoyer, currently the minority whip and more centrist than Pelosi, has been stumping for other Democrats this election season, perhaps helping him lock up support in the caucus. Murtha, who is closer to Pelosi, revived his campaign for the post earlier this month after letting it slide in the face of criticism from other Democrats.

Also, there could be a contest for majority whip between Reps. James Clyburn21 of South Carolina and Rahm Emanuel22 of Illinois. Clyburn is the Democrat's popular caucus chairman, and Emanuel, who as head of the Democratic Congressional Campaign Committee, plays a major role in getting Democrats elected.

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Democrat Panels Would Shift Agenda (WT)

By Eric Pfeiffer

The Washington Times, October 23, 2006

If Democrats win control of Congress in the Nov. 7 elections, national priorities will be reshaped as liberals take the reins of congressional committees.

In the House, Minority Leader Nancy Pelosi, California Democrat, would be in line to replace House Speaker J. Dennis Hastert, Illinois Republican. The two lawmakers rarely agree on issues such as the war in Iraq, illegal immigration and congressional oversight.

"She would present a great number of problems for the Bush administration," said Craig Holman, legislative representative for Public Citizen, a government watchdog. "There would be a big change in the way things are done on Capitol Hill."

The 2006 Almanac of American Politics says Mrs. Pelosi voted with the liberal position on economic issues 93 percent of the time during the 2003-04 Congress. She voted with the left 88 percent of the time on social issues and had a 81 percent liberal rating on foreign policy votes. Mrs. Pelosi voted against a ban on partial-birth abortion, against the Bush tax cuts and against a ban on human cloning.

Although a leadership change would be significant, the real shift may occur in the committees.

"The Democratic leadership looks more like a left-wing activist club than a group representative of the American people," said National Republican Congressional Committee spokesman Jonathan Collegio. "A San Francisco liberal would head the House; an outspoken tax hiker would head Ways and Means; [and] a rabid impeachment seeker would head Judiciary."

Rep. Charles B. Rangel, New York Democrat, is in line to head the tax-writing Ways and Means Committee. Rep. John Conyers Jr. of Michigan is in the Democrats' top spot for the Judiciary panel, which has control over impeachments. Other Democrats looking for committee chairmanships are Rep. John D. Dingell of Michigan for Energy and Commerce, Rep. Henry A. Waxman of California for Government Reform, and Rep. Tom Lantos of California for International Relations.

The Democratic Congressional Campaign Committee did not return repeated requests for comment.

Mr. Holman said a Democrat-led Congress, or even a slimmed Republican majority, would be a positive change for reformers and those who favor greater congressional oversight. Mrs. Pelosi has announced that, as speaker, she would order investigations of the administration's response to Hurricane Katrina and the lead-up to the war in Iraq.

"One of Pelosi's first actions as speaker would be to bring up lobbying and ethics reform legislation," Mr. Holman said. "Even if the Republicans hold on, we're going to see serious ethics reform and a tremendously positive improvement in congressional oversight."

Democrats also are optimistic about winning control of the Senate, though most analysts say that is less likely. Democrats need to pick up 15 seats to win the House and six seats to win control of the Senate.

Speculation has risen that Democrats will try to keep Sen. Joe Lieberman, Connecticut Democrat, from heading the Homeland Security and Governmental Affairs Committee if he wins re-election. Mr. Lieberman is running as an independent, and some liberals fear he would not be forceful enough in countering White House policy on Iraq.

"By mid-November, they will have ironed out a lot of the details," said Betty Koed, an assistant historian with the Senate Historical Office.

If Democrats take a one-seat edge, Republicans could demand near-equal representation on Senate committees, Ms. Koed said.

Senate Minority Leader Harry Reid, Nevada Democrat, has a more moderate voting record than Mrs. Pelosi. During the past cycle, Mr. Reid voted with the liberal side on economic issues 64 percent of the time. He is more conservative on social issues, voting liberal 58 percent of the time. On foreign policy votes, however, Mr. Reid sided with liberals 86 percent of the time.

On the Senate side, the high-profile Appropriations, Armed Services and Foreign Relations committees under Democrats likely would be led by Sens. Robert C. Byrd of West Virginia, Carl Levin of Michigan and Joseph R. Biden of Delaware.

What The Dems Would Do (NSWK)

By Michael Isikoff And Holly Bailey

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Newsweek, October 30, 2006

John Dingell likes to reminisce about the days when Democrats ruled Capitol Hill. Back in the 1980s and early '90s, the irascible Michigan congressman was chairman of the House Energy and Commerce Committee, one of the most influential in the Capitol. Dingell oversaw huge swaths of the U.S. economy, as well as the environment and food and drug laws. At times the chairman seemed more prosecutor than politician. He used his gavel to call dozens of hearings. He'd subpoena high government officials—at the time, that often meant Republicans who worked for Ronald Reagan and George H.W. Bush—and grill them for hours under the hot television lights. Dingell always insisted that witnesses testify under oath, meaning anything less than honest answers could be met with perjury charges. It was Dingell's oversight subcommittee that uncovered the Pentagon's $600 toilet seats and exposed corruption in government agencies. "We emptied the top leadership of the EPA," Dingell recalls with obvious satisfaction. "We put a large number of FDA people in jail."

That was before Dingell was forced to surrender his gavel when the GOP won the House in 1994. If Democrats take it back next month, the party will once again be in charge of all the committees. Dingell—now 80 years old and more ornery than ever—is all but certain to return to his old job. After 12 long, frustrating years as the panel's ranking minority member, a title that left him little more than the power to complain, nothing animates Dingell more than the thought of making up for lost time.

Dingell is careful to say he is not out to get George W. Bush, or the Republicans, and insists he will extend his hand to his GOP colleagues and conduct "oversight thoughtfully and responsibly." He says "there's no list" of things he wants to investigate. But in the next breath, he quickly ticks off a list of things he wants to investigate: The Bush administration's handling of port security and the threat of nuclear smuggling; computer privacy; climate change; concentration of media ownership; the new Medicare Part D program, which he calls a "massive scandal," and the secret meetings of Vice President Dick Cheney's energy task force. "This is a hardheaded administration," Dingell says. "So we'll probably have lots of hearings."

The House of Representatives is full of John Dingell Democrats—exiled committee chairmen awaiting the day they can reclaim the center chair on the dais. All carry lists—if only in their heads—of issues and outrages they believe Republicans have failed to probe because such questions would be politically embarrassing to the president. Henry Waxman of California is another Democratic old-timer whose ire never dims. A tireless investigator, he's in line to head the Government Reform Committee, and plans to take aim at Halliburton and alleged rip-offs and contract abuse in Iraq. Then there's Charles Rangel, the New York congressman who's never met a cable show he didn't like. He is set to take over the Ways and Means Committee, and wants to take a hard look at the Bush tax cuts. John Conyers of Michigan has waited for years to head the Judiciary Committee. He's likely to convene hearings on the Patriot Act and domestic wiretapping. In the past, he has suggested the possibility of impeachment hearings for President Bush. "When the Clinton administration was in office, there was no accusation too small for the Republicans to rush out the subpoenas," Waxman says. "When Bush became president, there wasn't a scandal big enough for them to ignore."

Frothy rhetoric like that may appeal to those Democrats who relish the thought of spending the next two years in a state of C-Span-induced euphoria. But much as Democrats might like to see a thousand hearings bloom, there is one thing standing in their way: the Democratic leader herself. Nancy Pelosi, who would presumably become Speaker if the party wins the House, has made it clear that she does not want to turn the Capitol into a courthouse. There will be hearings, and plenty of them, but according to a top Democratic staff member familiar with Pelosi's plans—who, like all aides, wouldn't be named talking about strategy—the would-be speaker intends to keep tight control. The aide says Democratic leaders will have veto power over committee probes—something that in the past was the domain of the committee chairmen themselves.

Pelosi is concerned that too many flying subpoenas would make her party appear petty and revenge-hungry, obsessed with blaming Bush. She does not want anything to interfere with her most important goal: making the Democrats look like leaders instead of obstructionists.

Pelosi knows she probably won't have much success passing laws, not with Bush in the White House and a Senate that may well remain under Republican control. But in a way, that's the point: Pelosi's true focus for the next two years will be to position the Democrats for the 2008 presidential race. (She'll have help from rising star Rahm Emanuel of Illinois, the hard-edged former Bill Clinton aide who now runs the House Democrats' campaign committee.)

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The idea is to bring popular bills that the GOP has opposed to the floor of the House—a minimum-wage hike, prescription-drug reform—and dare Republicans to vote against them. It's part of a larger package the Dems are billing as Six for '06, their version of the "Contract With America," which the GOP used to win in '94. Demo-crats plan to enact the 9/11 Commission recommendations and screen all containers at U.S. ports, put more money into counterterror operations and increase benefits for veterans. At home, they say they'll vote for tax deductions for college tuition and cut student-loan rates while raising taxes on big oil companies and corporations that move overseas. They say they'll also put a popular stem-cell-research bill up for a vote.

Democratic leaders are largely sticking with domestic issues in part because they have yet to come up with a coherent plan for the biggest problem of all: articulating a clear way out of Iraq. On the campaign trail, Democrats have been content to bash Republican failures and say they'd do better. The Democrats' official line is to promise a "new direction," and to urge, vaguely, "redeployment." If they win, they'll be forced to say what, if anything, that means.

Pelosi began preparing for power early. Over the summer, when polls started tilting toward the Democrats, Pelosi made her first moves to get the control of the chairmen-in-waiting. She assigned 40 members the job of studying the Democratic House rules and let it be known that she might not always follow the tradition of awarding chairmanships based on seniority. It was a clear warning not to cross her. In July, when she noticed few members were bothering to show up for party caucus meetings, Pelosi quietly leaked another possible rule change: attendance at the meetings would be taken into account in her committee selections. The same went for fund-raising. Members who weren't writing checks to support Democratic candidates might hurt their chances of rising in the leadership.

Once she'd gotten their attention, Pelosi met privately with several senior House members and told them they would get their committees. But she wanted it understood that she was running the place. Pelosi was especially firm with Conyers. She told him she didn't want any "out-of-control investigations," a senior House aide says; not another word about impeachment, she warned. "The impeachment talk gave the other side exactly what they wanted, which was an opening to talk about 'those liberal Democrats'," says the senior House aide. "It couldn't keep happening. We were writing their campaign ads for them."

So far, Pelosi's strategy appears to be working. The closest Conyers now gets to slamming Bush is his promise to conduct "robust oversight" of the administration. But Pelosi's authority wouldn't be put to a meaningful test until after the election, once chairmen assume control of their new committees and are less susceptible to threats and pressure from the top. If an errant chairman disobeys Pelosi and goes off message—or if preapproved hearings just so happen to take a detour and end up as bitter Bush-flogging sessions—it won't be easy to pry him from his chair, if it were possible at all.

The Republicans are playing up just that scenario. In campaign speeches, GOP heavies have taken to spooking voters with a picture of liberals gone wild. At a Kansas fund-raiser, Dick Cheney conducted a roll call, naming Conyers, Waxman and Massachusetts Rep. Barney Frank, the outspoken liberal who stands to head the Financial Services Committee. As if Cheney's point weren't clear enough, he drove home the message: "I don't need to tell you what kind of legislation would come to us by way of committee chairmen like [them]," he said. On Nov. 7, Americans will decide which scares them more: the message, or the messengers.

Don't Make Nice (NYT)

By Paul Krugman

The New York Times, October 23, 2006

Now that the Democrats are strongly favored to capture at least one house of Congress, they're getting a lot of unsolicited advice, with many people urging them to walk and talk softly if they win.

I hope the Democrats don't follow this advice — because it's bad for their party and, more important, bad for the country. In the long run, it's even bad for the cause of bipartisanship.

There are those who say that a confrontational stance will backfire politically on the Democrats. These are by and large the same people who told Democrats that attacking the Bush administration over Iraq would backfire in the midterm elections. Enough said.

Political considerations aside, American voters deserve to have their views represented in Congress. And according to opinion polls, most Americans are actually to the left of Congressional Democrats on issues such as health care.

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In particular, the public wants politicians to stand up to corporate interests. This is clear from the latest Newsweek poll, which shows overwhelming public support for the agenda Nancy Pelosi has laid out for her first 100 hours if she becomes House speaker. The strongest support is for her plan to have Medicare negotiate with drug companies for lower prices, which is supported by 74 percent of Americans — and by 70 percent of Republicans!

What the make-nice crowd wants most of all is for the Democrats to forswear any investigations into the origins of the Iraq war and the cronyism and corruption that undermined it. But it's very much in the national interest to find out what led to the greatest strategic blunder in American history, so that it won't happen again.

What's more, the public wants to know. A large majority of Americans believe both that invading Iraq was a mistake, and that the Bush administration deliberately misled us into war. And according to the Newsweek poll, 58 percent of Americans believe that investigating contracting in Iraq isn't just a good idea, but a high priority; 52 percent believe the same about investigating the origins of the war.

Why, then, should the Democrats hold back? Because, we're told, the country needs less divisiveness. And I, too, would like to see a return to kinder, gentler politics. But that's not something Democrats can achieve with a group hug and a chorus of "Kumbaya."

The reason we have so much bitter partisanship these days is that that's the way the radicals who have taken over the Republican Party want it. People like Grover Norquist, who once declared that "bipartisanship is another name for date rape," push for a hard-right economic agenda; people like Karl Rove make that agenda politically feasible, even though it's against the interests of most voters, by fostering polarization, using religion and national security as wedge issues.

As long as polarization is integral to the G.O.P.'s strategy, Democrats can't do much, if anything, to narrow the partisan divide.

Even if they try to act in a bipartisan fashion, their opponents will find a way to divide the nation — which is what happened to the great surge of national unity after 9/11. One thing we might learn from investigations is the extent to which the Iraq war itself was motivated by the desire to have another wedge issue.

There are those who believe that the partisan gap can be bridged if the Democrats nominate an attractive presidential candidate who speaks in uplifting generalities. But they must have been living under a rock these past 15 or so years. Whoever the Democrats nominate will feel the full force of the Republican slime machine. And it doesn't matter if conservatives have nice things to say about a Democrat now. Once the campaign gets serious, they'll suddenly question his or her patriotism and discover previously unmentioned but grievous character flaws.

The truth is that we won't get a return to bipartisanship until or unless the G.O.P. decides that polarization doesn't work as a political strategy. The last great era of bipartisanship began after the 1948 election, when Republicans, shocked by Harry Truman's victory, decided to stop trying to undo the New Deal. And that example suggests that the best thing the Democrats can do, not just for their party and their country, but for the cause of bipartisanship, is what Truman did: stand up strongly for their principles.

Dean Leaves No State Behind (TIME)

By Perry Bacon Jr.

Time, October 30, 2006

Could it be that Howard Dean is really a savvy political strategist? For the past two years, the former Vermont Governor and 2004 presidential candidate has been flying off to Democrat-scarce zones like Mississippi, giving local party officials $8 million to carry out his controversial "50-state strategy." The Democratic National Committee chairman argues that if the Democrats want to win presidential elections, they need to spend to build strong state parties across the country rather than pump all their cash into swing states like Ohio. Other top officials, led by Illinois Representative Rahm Emanuel, the man in charge of electing Democrats to the House on Nov. 7, have fumed at what they consider Dean's boneheaded approach. They wonder why he is investing in a victory in 2020 in Alabama instead of pouring that money into closely contested districts that could help Democrats get the 15 seats they need to grab control of the House now.

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But following the Mark Foley scandal, Democrats are talking about not just winning the House but piling up as many as 40 new seats and also capturing the Senate. And some of the places where they are now competing lie in the blood-red states where Dean has been on his lonely crusade to find blue voters. In Idaho, where President Bush won 68.4% of the vote in 2004, Democrat Larry Grant is close enough to winning a House seat that Vice President Dick Cheney and Speaker of the House Dennis Hastert have made visits to campaign for Grant's opponent. In Kansas, G.O.P. incumbent Jim Ryun had Cheney in town to raise money in his race against Democrat Nancy Boyda. Democrats are holding out hope in two House districts in another Republican stronghold, Nebraska.

Victory in any of those races is still a long shot, but local officials say support from Dean could help put their candidates over the top. He has sent at least two organizers to most states to register voters and rebuild moribund state parties. With the help of Dean's staff, the Nebraska Democratic Party held conventions in 68 of the state's 93 counties this year, up from 36 in 2004; participants signed up to canvass and serve as precinct captains. Grant says staff members from the Democratic National Committee have worked to identify and contact potential voters in his district, a task congressional candidates in most states have to do themselves. Party officials in Idaho and Nebraska credit the communications directors they hired with Dean's funds--neither state had a full-time party flack--with helping coordinate their messages and successfully attack G.O.P. candidates. "If we win a House seat in Nebraska, Howard Dean will get more credit than Rahm Emanuel," says Barry Rubin, executive director of the Nebraska Democratic Party.

That Dean's project might pay dividends this year is surprising to everyone, including its creator. "I didn't expect much to come of this strategy for four or even six years," Dean told TIME. And if one of the red-state candidates wins, Dean may show he can scream even louder in vindication than he once did in defeat.

Courting The Devout (TIME)

By Mike Allen

Time, October 23, 2006

They stayed at home in large numbers instead of voting in the 2000 election, or so Karl Rove has always maintained. They came out for President Bush in 2004 and were key to his re-election, or so they like to claim. Now, just weeks before the Nov. 7 midterm congressional elections, one of the last unknowns of a wild and potentially historic campaign season is: What will Christian conservatives do this time?

With polls suggesting an increased likelihood that Republicans may lose one or both houses of Congress, G.O.P. strategists calculate that a calamitous Category 5 election might be tamed to a merely scary Category 4 if they can somehow conjure a solid turnout of evangelical voters, the white suburbanites who fill the megachurches and can usually be counted on even in light-turnout elections like midterms. Party operatives plan to devote the election's closing weeks to courting Christians more intensely than any other single stripe of the electorate, all but begging the parishioners to give them one more chance even after the Foley scandal.

Leaders of Christian-conservative lobbying organizations are going along with the G.O.P. push, despite their misgivings about Mark Foley, the now resigned Republican Florida Congressman caught sending lewd e-mails to teenage pages, and the lackadaisical response by the House leadership. James Dobson, founder of Focus on the Family, last week told listeners of his radio program, carried on 1,000 stations in the U.S., "Yes, what Mark Foley did was wrong, but it is still important to go to the polls and let our voices be heard ... Take about five people with you and vote. It would be a sin not to." The Family Research Council has been e-mailing "No Time to Be Complacent" bulletins and held a Liberty Sunday turnout rally at the base of Boston's Beacon Hill that was televised to hundreds of church-fellowship halls, evening services and small-group meetings. These leaders have calculated that remaining aloof would just diminish their power. "You only gain clout by activity," says Michael Farris, chairman of the Home School Legal Defense Association. His group plans to send hundreds of teenagers who are home schooled to 10 states in the election's closing week to make phone calls and knock on doors on behalf of conservative candidates.

Like many of his supporters, though, Farris has over time become a more reluctant warrior for the G.O.P. Polls of white evangelical Protestants show that their support for the Republican Party grew substantially from 1999 to 2004, then began a steady decline. An October poll by the Pew Research Center found that just 42% of Evangelicals thought that "governs in an

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honest and ethical way" described the Republican Party better than the Democratic Party. Also, 31% said they intended to vote for a Democrat, up from the 22% who voted for John Kerry in 2004.

The souring of churchgoers' feelings toward the party is largely the result of frustrated expectations. Before the 2004 election, Bush and other Republican candidates promised to work for a constitutional amendment banning gay marriage, then largely ignored the issue once elected. "There's little to show for all the effort," says Farris. Also, many conservative leaders argue that the Foley embarrassment has shown that the party has become too permissive. "The big tent has become a three-ring circus," says Tony Perkins, the president of the influential Family Research Council. The Administration got a fresh blast of animus from such groups last week after remarks by Secretary of State Condoleezza Rice at the swearing-in ceremony for the nation's global AIDS coordinator. She referred to the parents of his male partner as his "in-laws," which the Administration says was a mistake based on notes she had been handed and was not any sort of statement of policy. Meanwhile, David Kuo, who has just published an exposÃ© of his stint as deputy director of Bush's faith-based office, used a spate of television appearances to argue that the White House had politically exploited the devout.

Christian conservatives who are sticking by the G.O.P. point out that there have been victories, most notably the confirmation of two conservatives to the Supreme Court. And the President has restricted federal funding for stem-cell research. But recognizing that their followers are out of sorts, leaders like Dobson have expanded their pitch beyond the traditional social issues like abortion and are making the fear of terrorism--Focus on the Family calls it the issue of "national sovereignty"--a central argument for turning out for Republicans. At three Stand for the Family rallies, which drew smaller crowds than similar ones in 2004, Dobson said "World War III," a battle against violent Muslims, "has started, and no one seems to know it."

Republican campaign operatives, meanwhile, are working directly to stoke turnout of these cranky but vital religious voters. Senator Jim Talent of Missouri, battling in one of the nation's closest races, appointed a Conservative Coalition director who organizes volunteers specializing in reaching traditionalists with messages about everything from taxes to marriage. In Tennessee, Republican Senate candidate Bob Corker has organized ministers to reach out to their churches' members on his behalf. For those campaigns, such efforts could be the difference between winning and losing. But that could be true for Christian conservatives as well. Evangelical leaders often complain that Republican officials have not given them sufficient credit for their muscle in the past three elections. If Nov. 7 turns into a G.O.P. wipeout, those same officials can be counted on to blame Christian voters above others. With reporting by With reporting by Perry Bacon Jr.

Running On Experience, A Longtime Incumbent Finds Himself On The Defensive (NYT)

By Abby Goodnough

The New York Times, October 23, 2006

FORT LAUDERDALE, Fla., Oct. 17 — In this season of anti-incumbency, Representative E. Clay Shaw Jr. is gambling that voters will deem his seniority a virtue.

Mr. Shaw, a Republican, plays up his 26 years in the House, constantly reminding voters that he has “a darned good shot” at leading the powerful Ways and Means Committee. He likes to say that his opponent, Ron Klein, a Democratic Florida state senator, if elected now would not attain equivalent experience in Washington until he was of geriatric age.

But whether Mr. Shaw’s strategy will save him or sink him on Election Day is anyone’s guess.

Mr. Klein, 49, has painted his opponent’s seniority as a crippling flaw, and has put Mr. Shaw, 67, on the defensive about the Iraq war, the Medicare prescription drug program and Social Security, with the latter two being vital issues for the legions of retirees living here.

Mr. Klein has called Mr. Shaw a lackey of President Bush, prompting Mr. Shaw to emphasize his differences with the president, whose popularity four years ago helped Mr. Shaw beat back another tough challenger.

“I voted to override the veto on stem cell research,” Mr. Shaw said in a recent debate with Mr. Klein. “When the president was going to allow some of the foreign countries to take over our ports, I stood up to the plate and I said no.”

His struggle reflects the broader challenge Republicans face as they fight to keep control of Congress, but with some striking distinctions: Mr. Shaw is the most senior House incumbent whose seat is threatened, even though Republicans

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outnumber Democrats in his wealthy Atlantic Coast district, and Mr. Bush remains slightly more popular here than in other parts of the nation.

Mr. Klein, a lawyer and an artful networker who has represented Boca Raton in the Florida Legislature since 1992, has raised more money than almost any other Democratic challenger this year. He has forced the low-key Mr. Shaw, who has battled lung cancer in recent years but says he is now healthy, to run more aggressively than usual.

"Over the years he has actively tried to present himself as this grandfatherly, friendly congressman," Robert P. Watson, a political science professor at Florida Atlantic University, said of Mr. Shaw. "Now he's more feisty than I've ever, ever seen him."

Mr. Shaw's district, to his detriment, borders that of former Representative Mark Foley, a fellow Republican, in a news market that is especially saturated with reports of Mr. Foley's sexually explicit e-mail messages to Congressional pages.

But Mr. Shaw has a financial edge — he has raised $3.9 million compared with Mr. Klein's $3.2 million — and is benefiting from the relatively strong economy here.

"It's one thing to be in a poor farming town in Nebraska, really feeling the pinch," Mr. Watson said. "But here, everybody is driving around in a brand new Mercedes and going golfing all afternoon. It's hard to have the point of view that the country is going down the wrong path."

Florida's 22nd Congressional District runs up the oceanfront in Broward and Palm Beach Counties, through the condominium canyons of Fort Lauderdale and Boynton Beach and wealthy enclaves like Boca Raton, Palm Beach and Jupiter.

After Mr. Shaw won the 2000 election by only 600 votes, Republicans redrew the district to exclude several heavily Democratic sections, including a slice of Miami-Dade County.

Though 40 percent of voters here are Republican, 35 percent are Democrat and 22 percent are unaffiliated, the district still favored John Kerry in the 2004 presidential election, when he won 52 percent of the vote.

"All those unaffiliated voters down there seem to have a tendency to go Democratic when it comes to more national issues," said Aubrey Jewett, a political science professor at the University of Central Florida.

Perhaps for that reason, Mr. Shaw has emphasized a local issue: skyrocketing home insurance rates in the wake of hurricanes. He has proposed creating a national catastrophe fund as a backup insurer, spreading insurance risk for national disasters across the country.

Mr. Shaw has criticized Mr. Klein for taking contributions from sugar companies — which environmentalists blame for the decline of the Everglades — and for representing clients as a lobbyist before local governments. Mr. Klein's law firm opened a lobbying office in Tallahassee this year, but Mr. Klein said he had never lobbied the Legislature.

Like other Democratic challengers, Mr. Klein has hammered away at Mr. Bush's handling of the war, and he has tried to link Mr. Shaw to the president's policies. He says Mr. Shaw votes for bills supported by the president 90 percent of the time (83 percent, Mr. Shaw says), and attacks him for endorsing the administration's stay-the-course plan for Iraq.

Mr. Shaw responds like the exasperated parent of a sophomoric son.

"I've been in secret briefings; you have not," he told Mr. Shaw at a candidate forum in Coral Springs. "I've been in Iraq, you have not. I've talked to the generals, you have not."

Yet, Mr. Shaw also wants voters to know he worked well with a Democratic president, Bill Clinton.

"The greatest moments of the Clinton years came when Democrats and Republicans worked together," his latest advertisement says, pointing to welfare, Social Security and environmental bills that Mr. Shaw wrote and Mr. Clinton signed. "More than almost anyone in Congress, Clay Shaw solves problems across party lines."

Especially since the Foley scandal erupted, Mr. Klein has spoken constantly of ethical lapses among Republicans in Congress and called for an end to the status quo. But Mr. Shaw has not been accused of such lapses and was among the first Republicans to blast Mr. Foley after he resigned on Sept. 29.

"If Klein tries to hop on the Foley thing," Mr. Jewett said, "it might not gain him anything and people might think it's unfair to lump Clay Shaw in there."

Mr. Klein started campaigning early, in March 2005, and already had strong name recognition and support from having served in the Florida Legislature more than a decade, representing areas shared by the Congressional district. He is Jewish, which is potentially an advantage in a district where about 25 percent of the electorate shares his faith.

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But he is burning money faster than Mr. Shaw is, and the costs of the final campaign stretch could be considerable, as the district is split between two news markets. The final weeks are crucial for Mr. Klein, who must attract undecided voters and turn out his Democratic base.

"This is going to be one of those photo-finish things," said Rick Wilson, a Republican strategist in Tallahassee, "where it comes down to who works their base hardest and who puts their message out in front of voters in the last days in a way that resonates."

Both candidates face obstacles in getting out the vote. Mr. Klein could suffer from the lackluster support for Representative Jim Davis, the Democratic candidate for governor, whose name tops the ballot. At the same time, Republicans could stay home out of disgust for the recent Congressional scandals; confidence that Charlie Crist, the Republican candidate for governor and Florida attorney general, could win without their vote; or reluctance to vote for a slate that includes Representative Katherine Harris, the Republican who has run a disastrous campaign against Senator Bill Nelson.

Mr. Shaw discounts such prospects, saying voters here are more loyal to him than to his party. In past elections, he has won more votes in his district than even Gov. Jeb Bush, he said.

Clinton, McCain Stump For N.J. Hopefuls (AP-Y)

By Chris Newmarker

AP, October 23, 2006

Two heavy hitters from Washington came to New Jersey on Sunday to campaign in the tight race between Democratic Sen. Robert Menendez and Republican challenger Tom Kean Jr.

While the focus remained largely on the Senate race, appearances by Sens. John McCain and Hillary Rodham Clinton also looked like a potential preview of the 2008 presidential campaign.

McCain, R-Ariz., told roughly 250 donors at a Kean fundraiser that he believed the Garden State contest would determine which party controls the Senate. Democrats are seeking to pick up six seats to take control.

"The eyes of America will be upon this race, and I think they have a very clear choice," said McCain, who described Kean as a "reformer."

Later Sunday, during a speech in Paramus, Clinton, D-N.Y., touted the work Menendez has done — particularly his efforts to bolster homeland security — since Gov. Jon S. Corzine appointed him in January to complete his Senate term.

Noting that Menendez was a vocal critic of the Bush administration's plan to let a Dubai-owned company buy a stake in several U.S. ports earlier this year, Clinton told the crowd of about 700 people that "Bob wasn't intimidated, he didn't back down. He stood his ground and we finally beat them (Bush administration) back."

McCain and Clinton have both been the subject of rampant speculation over whether they will seek the White House in 2008. McCain said Sunday he would make a decision early next year. Clinton, speaking earlier during a debate in her own Senate race, refused to disclose her plans, saying she had not made up her mind.

Recent polls show the New Jersey race remains close.

A Monmouth University/Gannett New Jersey poll released Sunday showed 48 percent of likely voters favoring Menendez with 39 percent favoring Kean. The poll of 396 likely voters, conducted by telephone from Oct. 16-19, has a sampling error margin of plus or minus 4.9 percentage points.

Out To Show He's Not Just An Old New Jersey Name (NYT)

By David W. Chen

The New York Times, October 23, 2006

TRENTON, Oct. 22 — When Thomas H. Kean Jr. first ran for public office, in a crowded Republican primary for a House seat in 2000, he was blindsided by a campaign flier from one of his opponents that cribbed from Mr. Kean's own résumé.

Drawing attention to selected items via circles and bullet points, the leaflet belittled Mr. Kean's experience, arguing that he, the fortunate son of a popular former governor, had never demonstrated any leadership skills beyond organizing a canoe trip down the length of the Danube River after graduating from Dartmouth.

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As Mr. Kean, now a state senator, tries again to land a job in Congress — this time to fill a Senate seat formerly held by his great-grandfather and great-great-uncle — he must still persuade skeptics that he possesses more than just a revered political name. After all, he was appointed not once but twice to legislative posts, winning elections only when he already had the incumbent's advantage, and as a member of the minority party for most of his tenure, he has had few legislative victories.

To admirers, Mr. Kean, 38, has matured into a thoughtful and attentive lawmaker, distinguishing himself in ethics, environmental protection and health care. Hardly doctrinaire, he has espoused positions that are moderate, though clearly more conservative than those of his father, former Gov. Thomas H. Kean. And he has demonstrated political grit in a surprisingly ferocious campaign to unseat the incumbent, Robert Menendez, in what national Republican leaders believe is probably their best chance to capture a Democratic Senate seat.

"Here was the problem in 2000: There was a sense of entitlement that this should be his Congressional seat because his name was Kean," said Kevin Collins, a Republican political consultant. "But this guy is light years ahead of where he was."

Often described as one of the most affable people in New Jersey politics, Mr. Kean may well utter the honorific "sir" more frequently than any other legislator. But behind that toothy overbite of a grin is a man who even some Republicans say can be too accommodating and cautious, leaving the impression that he wants to avoid offending anyone for the sake of future political positioning.

Mr. Kean, asked during a debate last week about his biggest weakness, explained, "I simply want to include as many people as possible in the decision-making process."

But one politician's nuanced thinking can be a critic's flip-flopping.

Walking Fine Lines

Over five years in Trenton and while campaigning this year across the state, Mr. Kean has cast votes or staked out blurry positions on issues including raising the minimum wage, privatization of Social Security, public funding for stem-cell research and gay rights.

"He's trying to appeal to everyone, and at the end of the day he risks appealing to no one," said Mayor Steve Lonegan of Bogota, one of New Jersey's leading conservative Republicans. "You need to make clear, articulate decisions and let your base know where you stand on issues, and you should explain why. And when you disagree, you have to be credible, and I think that's one of his weaknesses."

Mr. Kean is now New Jersey's youngest full-time legislator in an institution whose members typically hold other jobs at the same time. One Democratic legislator who has often collaborated with Mr. Kean, State Senator John H. Adler, said he has seen only one other politician at a similarly early stage of his career who rivaled Mr. Kean in ambition and political calculation, "voting as a conservative when that's necessary, and voting as a moderate/liberal when that's necessary": former Governor James E. McGreevey.

Steven Goldstein, executive director of Garden State Equality, New Jersey's leading gay rights group, described his dealings with Mr. Kean as "the most disappointing I've ever had" over two decades in politics.

Mr. Goldstein, a Democrat who considers Republicans like Mr. Kean's father and former Gov. Christie Whitman to be gay-rights champions, said that when New Jersey was weighing legislation to provide domestic partners some legal benefits in late 2003, the newly appointed State Senator Kean was empathetic and supportive. But the night before a vote in January 2004, Mr. Kean called after midnight and, "I swear on a stack of Bibles," Mr. Goldstein recalled, said he could not vote for the bill because of a likely backlash from conservatives in a future primary.

"Dealing with Tom Kean Jr. is like playing chess with Casper the Friendly Ghost," Mr. Goldstein said. "He believes he can affable his way out of anything — and I'm using affable as a verb — and he does everything in his power not to let you see who he really is."

Mr. Kean explained, in an interview at his Mountainside campaign headquarters, that he voted against the bill because he was troubled by its specifics and "nobody would tell anybody what the cost was." Earlier this year, he voted to expand benefits for domestic partners.

"I think the responsibility of someone in elected office is to try pull people together, is to try to find common grounds," he said. "That's how I conduct my life."

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An Appointment to Trenton

Other than his stinging loss in 2000, the current battle for the United States Senate is Mr. Kean's first competitive election.

In 2001, Republican leaders appointed him to fill the seat of an assemblyman who was dying of cancer and represent a staunchly Republican swath of northern New Jersey.

"Everyone wanted to see Tom get this seat as a sort of consolation for losing the primary," recalled William J. Palatucci, a former finance chairman of the state party. "because he was such a hard worker, and because of who he was, and because he was the future of the party."

Though he was more familiar with federal issues (having worked for a few years in Washington for Representative Bob Franks and at the Environmental Protection Agency) and international topics (having studied Central Asia in graduate school at Tufts), Mr. Kean dived into state issues and was able, despite Democratic control of the Assembly, to push through legislation on the environment and campaign finance, including one measure that strengthened a state ethics commission.

An avid camper, hiker and hunter while growing up on the family estate in Livingston and working as a counselor at summer camps, Mr. Kean sponsored what became known as "Clean Car" legislation in New Jersey, which established rigorous new vehicle emission standards expected to reduce pollution from cars by 20 percent over 10 years.

Mr. Kean traces his zest for campaign finance reform, in part, to that first Congressional race in 2000, when he was attacked by one of the earliest so-called 527 groups, which can spend virtually unlimited sums as long as they do not coordinate with parties or candidates. He sued the Federal Election Commission after the race. He also said he traced his zest for clean government and campaign finance reform to what he saw during that three-month canoe trip along the Danube through Eastern Europe in 1990.

"I came away more fundamentally believing that there needs to be merit-based decision-making that creates economic opportunity," he explained, "because one of the things I saw was you didn't really have competition for contracts."

The political stars aligned again for Mr. Kean in January 2003, when he was tapped by Republican leaders to fill the seat of a retiring state senator. Before leaving the Assembly, he managed to defy the Democratic Speaker, Albio Sires, and advance a bill that would have limited campaign contributions from state contractors.

But on Mr. Kean's last day, Mr. Sires blocked the bill and essentially kicked him out of the chamber. "I have a letter of resignation here," Mr. Sires said, waving a piece of paper in the air as Republicans booed, according to a newspaper account at the time. "You're no longer a member of this body."

The legislation died, but the incident elevated Mr. Kean's profile, feeding speculation that he was considering a run for governor in 2005. He still frequently cites it as an example of his independence.

Questions on Stances

Yet on many issues, particularly polarizing social ones, Mr. Kean has acted much more tentatively.

Bryan Miller, executive director of Ceasefire New Jersey, said that he asked Mr. Kean — who received an F from the National Rifle Association in 2003 — twice to co-sponsor a bill designed to protect children by limiting the use of handguns to authorized adults because "his old man was always great on the issue."

"His answer was, 'Well, I got to talk to my leadership,' then he fell away and wouldn't do it," Mr. Miller recalled. "He showed a complete lack of leadership on it. I was frankly shocked."

Asked about this, Mr. Kean wondered if there was that much difference between supporting a bill and being its co-sponsor. He added, his voice rising in exasperation, that he was one of eight Republicans "to vote for the darn bill."

Another issue on which Mr. Kean has compiled an inconsistent record is stem-cell research. He has stated flatly that he supports embryonic research, and has criticized Mr. Bush's policies limiting federal financing on it. Yet he has voted against bills that would borrow money to build facilities for such research, saying that voters should first approve such projects.

He also voted against, then for, different versions of a bill that established the state's Civil Rights Act in 2004, which permits people to sue in state court when they believe their civil rights have been violated.

"It's like John Kerry: I voted for the $87 billion, then I voted against it," said the Rev. Reginald T. Jackson, executive director of the Black Ministers Council of New Jersey, referring to the explanation Mr. Kerry gave for votes on financing the Iraq war that became one of the most potent weapons against him in the 2004 presidential race.

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Mr. Jackson, who in the past supported moderate Republicans, including Governors Kean and Whitman, was among several African-American clergymen who said the younger Mr. Kean was vague and evasive in endorsement interviews earlier this year. "It's almost like he doesn't want to offend anyone," Mr. Jackson said.

For his part, Mr. Kean said it was not bad, sometimes, to react guardedly, especially on complex issues. And two of New Jersey's leading Republicans, Douglas R. Forrester and Leonard Lance, the Senate minority leader, both praised Mr. Kean's listening skills.

"Most people in the political arena are there because they like to offer their own opinions," said Mr. Forrester, who lost last year's race for governor. "Tom is a much better listener than any other politician of which I can think."

Getting Started

At Dartmouth College, Mr. Kean majored in history, rowed junior varsity heavyweight crew, and was treasurer and vice president of the Psi Upsilon fraternity, graduating in 1990. "Young Men, Old Money," screamed the headline on Playboy's profile of the Dartmouth chapter the spring before Mr. Kean arrived on campus. "They know that the only thing better than the fast track is the inside track."

After college, Mr. Kean's first job was at the Environmental Protection Agency in Washington, where he met his wife, Rhonda Lee Norton, an Ohio native. They live with their two daughters, ages 7 and 3, in a modest colonial style house in Westfield, but plan to move soon into a $1.3 million Tudor, now being renovated, a few blocks away.

While working in Washington, Mr. Kean was a volunteer firefighter and emergency medical technician in Hyattsville, Md., and some who served with him suggested that he run for office there. But Anthony P. Mangelli, a friend who is now a New Jersey state trooper, said Mr. Kean did not see a political future there because "it's a very Democratic area" and "he had a love for New Jersey."

Sure enough, after a few years at Tufts, where he received a master's degree and began work on a Ph.D, Mr. Kean moved to Westfield when his former boss, Mr. Franks, announced his bid for the United States Senate, leaving an open seat. Despite his deep family roots in the state, anonymous mailers from a 527 group attacked Mr. Kean as a liberal carpetbagger from Massachusetts and juxtaposed his picture with Boston figures like Senator Edward M. Kennedy and Larry Bird.

"Never worked in New Jersey," says one mailer from that campaign. "Never paid New Jersey property taxes. Tom Kean Jr. may be a nice young man -- and you may have liked his dad a lot — but he needs more experience dealing with local issues and concerns."

Mr. Kean says that his loss was, in retrospect, "a good thing" because it gave him the opportunity to serve in Trenton. In this year's race, he was so concerned about a primary challenge from a conservative, according to numerous Republicans, that he swerved to the right on some issues and hired top personnel who had worked for Bret D. Schundler, the Republican nominee for governor in 2001.

Should he win this year, Mr. Kean said, he would push to enact the recommendations of the 9/11 Commission, which his father chaired. He would try to make Mr. Bush's tax cuts permanent. And he said he would support efforts to increase the federal minimum wage, though he voted against a similar measure in New Jersey.

He says that he admires Senator Lamar Alexander of Tennessee, as well as Senator John McCain of Arizona. But when asked which Republicans he least admired, or did not look forward to working with in the Senate, he demurred.

"I'm an optimist," he said.

Kean On Politics (WP)

By David Segal

The Washington Post, October 23, 2006

HACKENSACK, N.J. If there were a drinking game whose rules required a swig each time Tom Kean Jr. asserted that his Senate race opponent is "under federal criminal investigation," you would be drooling drunk 10 minutes after meeting the guy.

Kean says "under federal criminal investigation" about once every 28 seconds, uttering the words as if they were tragic and beyond dispute. After a day in Kean's company you are prepared to think terrible things about Robert Menendez, the Democratic incumbent.

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So when Kean is asked over a recent lunch if he has unfairly benefited by sharing the name of his father -- the beloved ex-governor of New Jersey and 9/11 commission chairman, Tom Kean Sr. -- it is no surprise that he answers this way:

"Do people want me to change my name?"

Pause.

"My opponents will do anything they can to distract from their own flawed candidate. Bob Menendez is under federal criminal investigation. As far as I know, he is the only candidate for Senate under federal criminal investigation."

In a typical year, the vicious, pile-driving style of New Jersey politics is a dispiriting spectacle for the voters of the state and a kind of Ultimate Fighting amusement for everyone else. But this year is different. This year, the Democratic Party needs six seats to take control of the Senate, and just about any way you run the numbers, the party will fall short if it does not win in New Jersey. Victory here does not assure the Democrats the keys to the upper chamber, but the pros will tell you that without New Jersey, the party doesn't have a real chance.

That fact has handed 38-year-old Thomas H. Kean Jr. -- until now a semi-obscure state assemblyman and the scion of a multi-generational political dynasty -- a breakout role in the midterm drama. Not since 1972 has a GOP candidate won a Senate seat in New Jersey (although the state has put several Republicans in the governor's chair during those years).

But Kean has this race squarely in the "too close to call" category, thanks to name recognition, vigorous campaigning and dogged repetition of that "investigation" mantra. An Oct. 12 poll by Quinnipiac University gave Menendez a slight but statistically almost insignificant edge, 49 percent to Kean's 45 percent.

"He has a really powerful name," Clay Richards, a Quinnipiac pollster, says of Kean. "And whether or not these charges against Menendez are serious, they are hurting him."

The whole investigation matter, which we'll get to, is hardly as cut and dried as Kean indicates. But Kean, who looks like a Mountie and fights like a Crip, isn't selling honesty and integrity so much as a brand name that represents honesty and integrity. It's a pitch with resonance in this state, where politicians routinely scamper offstage chased by ethics charges and mortifying headlines.

Kean's political lineage includes a grandfather who served in Congress for 20 years, as well as a great-grandfather and a great-great-uncle who both served in the Senate. Theodore Roosevelt is a relative, too. And Tom Kean Sr. occupies a hallowed place in the state's history, widely viewed as a man of rectitude who, at least for a few years in the 1980s, restored pride to the state.

"The Kean name suggests a time when things were going pretty well for New Jersey," says Jennifer Duffy, a political analyst with the Cook Political Report. "And Menendez has for years been a powerful figure in Hudson County, and in New Jersey 'Hudson County' is a code word for corrupt, machine-driven politics."Name-Brand Offspring

Americans love a good up-from-nothing bootstrap bio, but when it comes to politics we tend to become shameless nepotists. This political season alone, Democrat Robert P. Casey Jr., the son of a former governor of Pennsylvania, is threatening to unseat Republican Sen. Rick Santorum. In Tennessee, Harold Ford Jr., the namesake of a long-serving congressman, might trade up his House seat for a Senate office. Frank Murkowski, the governor of Alaska, lost his bid for reelection in a September primary, but his daughter Lisa Murkowski still holds the Senate seat -- formerly his Senate seat -- to which he appointed her in 2002. And Jimmy Carter's son Jack, an investment banker who has never held political office, is running for Senate in Nevada.

To say nothing of the White House incumbent.

Kean is no neophyte, but it's unlikely we'd be talking about him were he born to a different family. (It's pronounced "Kane," by the way, which somehow makes it blue-bloodier.) Polls in the state earlier in the year found that as many as one in four voters had mistaken junior for senior, a confusion that after a few months of ads and debates has now all but vanished.

Kean shrugs off the impact of his name. "When my father ran for the state Assembly, the headline said, 'Kean's Son to Run for Assembly,' " he says, over lunch one recent day, reciting one of his favorite refrains. "When my grandfather first ran for Congress, it was 'Kean's son to run for Congress.' "

Kean is sitting at a diner, refueling between campaign events. He has ordered a salad -- "The wetter the better," he tells the waiter, which means heavy on the dressing -- and talks about his past, his family and his positions. He is tall, smart and so cautious that on a few occasions he stipulates as "off the record" thoughts that are almost laughably benign. He has a slight

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speech impediment that muddles his R's, so that when he laments corruption in the state it sounds a little like "cowwuption." When he pauses between points, his mouth freezes momentarily into a smile.

What you learn is that Kean, like his father, is a moderate, pro-choice Republican. He is against the Bush proposal to provide illegal immigrants with a path toward legal status and eventual citizenship, in favor of federal funding stem-cell research and against a timetable for troop withdrawal in Iraq. He denounces taxes and champions the environment. He has called for the resignations of both Defense Secretary Donald Rumsfeld and Speaker of the House Dennis Hastert, which is perhaps wise given that the president's approval ratings languish in the high 20s here, according to some polls. When Vice President Cheney came in March to stump on Kean's behalf, Kean didn't attend the event because, he said, he was stuck voting in the state Assembly.

So, would the candidate welcome a campaign visit from President Bush?

"He has an open invitation," Kean says.

Okay, but would you welcome that visit?

"He has an open invitation," Kean says, following up with that rictus of a grin. "The president's schedule is far above our pay grade."Lost in Translation?

Earlier in the day, Kean went to a Korean senior citizen home in Palisades Park, where he spoke before a crowd of a couple dozen who had gathered for their daily lunch. He was introduced in Korean, and when the applause faded he quipped, "Thank you for what I hope was an inspiring introduction." Then he started his stump speech, which drew only blank stares until he was interrupted by an elderly Korean woman who asked for the microphone and offered to translate.

"Last year, 57,000 more people left the state than moved in," he thundered. Then he handed off the microphone and nodded during the translation, which seemed to go on for a really long time.

"That is not the state that I grew up in or that you moved to," he declared.

More translating.

"We cannot afford the status quo. The status quo is making this state unaffordable."

"Status quo" baffled the lady with the mike, so Kean patiently searched for a different phrase. This was the very definition of a tough room -- a somewhat indifferent crowd, few of whom understand a word you're saying.

Kean smiled confidently through the whole experience. His strength is radiating intelligence and incorruptibility, and he appears to genuinely enjoy people. Like his father, part of his appeal is a reassuring lack of panache that veers to the stolid. He can also be dry to the point of humor-impaired. Driving away from the senior citizen event, this reporter joked that the Korean emcee had told the audience that Kean is fond of Kim Jong Il.

"Where did you learn Korean?" he wondered.

Asked during a recent radio debate to name his greatest weakness, Kean said, "I can't tell a good joke."

"Was that a joke?" the moderator asked.

Other times, he sounds like he's been body-snatched by his own sound bites, especially when there are cameras rolling. After lunch, he spoke at a forum organized by a real estate business group, and on his way out of the building, he was stopped and asked a question by a local TV reporter.

"Corruption is costing the people of the state of New Jersey too much money," he said, as if reading a cue card. "We can no longer afford a United States senator who is under federal criminal investigation. We can no longer afford a United States senator that steers hundreds of thousands of dollars of taxpayer monies into his own pocket."

Kean was referring to the $320,000 in rent that Menendez earned over nearly a decade, starting in the mid-'90s, by leasing a Union City property he once owned to a nonprofit that accepted federal grants. The allegation is that Menendez might have improperly benefited by steering money to the nonprofit, which was then able to pay its monthly rent.

Word of an investigation into this deal was published in September in the Star-Ledger of Newark, which reported that U.S. Attorney Christopher Christie had subpoenaed records related to the lease. In a subsequent TV interview, Menendez seemed to confirm the basic details when he told George Stephanopoulos on ABC News's "This Week" that he welcomed the investigation and looked forward to "its successful conclusion." Later, Menendez told reporters that he'd misspoken, noting that not every subpoena leads to an investigation.

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Whatever it's called, the timing of these news reports had Democrats, and even some impartial observers, grumbling about possible political motives, largely because Christie is a Bush appointee, and because in 1999 he gave money to Kean's unsuccessful campaign for Congress. A spokesman for Christie declined to discuss the investigation or even if there is one. It isn't clear whether Menendez broke any laws; he asserts that a House ethics attorney blessed the deal while Menendez was a congressman in the 1990s.

"It's just mindless negativity," says Matthew Miller, referring to Kean's "investigation" talk. "A few weeks ago, Kean had a slight lead and then he went into this mindless repetition and he's gone backward. Hopefully, [the Kean campaign] won't be smart enough to realize that voters want a candidate who'll tell them what he'll do as U.S. senator."

The Menendez campaign has been counter-slinging with allegations of campaign contribution improprieties and charging that a Kean benefactor is embroiled in an Iraq oil-for-food scandal. The point -- for each campaign, apparently -- is just to tag the other guy as a weasel, as often as possible.'No-Nonsense Guy'

At moments over lunch, Kean sounds like he's actually trying to seem dull. He says he never had a rebellious phase, and that "Field of Dreams" and other sentimental sports flicks are his favorite movies. Of his days as a fraternity brother at Dartmouth, Kean says, as blandly as possible, "I very much enjoyed it."

You'd think, at minimum, he might have grappled in some compelling way with the patrimony of his name. His grandfather, reputedly the first senator to denounce the Holocaust, dedicated a book he wrote called "Fourscore Years" to his descendants in the hopes that they would make their ancestors proud. No pressure there!

Or you might expect Kean would have some good yarns or funny anecdotes about growing up the son of a venerated politician, with a state trooper or two in the house all the time. Maybe that was . . . different?

Nope.

"They were as respectful as humanly possible," Kean says of the in-house cops. As for his treatment by peers in those days, no biggie. "Kids are kids. When I was in camp, I was in camp. When I was in school . . ." Kean went to Pingry, a private school in northern New Jersey. At Dartmouth, where he majored in history, he was considered a thoroughly decent and likable character who was not exactly a dynamo.

"I wouldn't say he's the most charismatic guy," says Tom Parker, the Psi Upsilon president the year Kean graduated and a friend who has helped with fundraising calls. "You don't meet him and say he's Ronald Reagan. But he's a straight, no-nonsense guy."

After graduation, Kean worked at the Environmental Protection Agency, where he met his wife, Rhonda. (The couple now have two daughters, ages 7 and 3.) He then went to work for Bob Franks, the Republican congressman in the district where Kean grew up, and later studied and taught foreign relations at the Fletcher School of Diplomacy at Tufts University.

"I was surprised when he said he wanted to get into politics," says Tom Kean Sr. on the phone, speaking in that Yankeefied accent he picked up attending boarding school and camp in New England. "He was more on the path of a scholar. I never encouraged my kids to get into politics at all. I sort of kept them away from it. I didn't take him to political events. I didn't move into the governor's mansion. I had a rule: no reporters in the house."

At the same time, Kean Jr. is one of those people who from an early age seem to have lived with a political future in mind. That's hardly a sin, and given that politics is the family business, hardly a surprise. But he doesn't quite buy it.

"I always knew that I would give back," he says. "My mother and my father both believe you have to work hard and give back. That's why I was a volunteer firefighter, that's why I worked in a homeless shelter. I always knew I'd give back, elective office or not."

For the moment, he is the principal beneficiary of his noblesse oblige. Last week, Kean announced that he had lent his campaign $400,000 -- money that will be used, among other things, to buy air time for his latest ads. One of those ads shows flickering video of Menendez projected on a concrete wall, as if it's cinema night at the local penitentiary. A voice-over accuses Menendez of helping mobsters and consorting with a cocaine trafficker and notes in bright bold letters that Menendez -- take a swig -- is under "federal criminal investigation."

Women's Vote Could Tip Close Contest (WP)

DOJ_NMG_0084985

By Lisa Rein

The Washington Post, October 23, 2006

Their biographies exude machismo: James Webb, the Marine firing his M50 antitank rifles in the jungles of Vietnam, and George Allen, the tobacco-chewing cowboy who as governor once stirred GOP delegates with this line about Democrats: "Let's enjoy knocking their soft teeth down their whining throats."

But Webb, the former Navy secretary, and Allen, the first-term Republican senator, are trying to soften their tough-guy personas as they appeal to the 1.9 million women who represent more than half of Virginia voters. The candidates are virtually tied among likely female voters, a recent Washington Post poll shows.

Allen put his Democratic challenger on the defensive early in the campaign over a magazine article Webb penned 27 years ago that questioned a woman's place at the U.S. Naval Academy and on the battlefield. Webb, who led a Marine rifle platoon in Vietnam, has tried to convince Virginia women that his controversial words reflected a turbulent era, not personal hostility.

Webb has hesitated to address Allen's record on women. But in Allen's 23 years in politics, some votes and policies have dogged him. As governor in the 1990s, Allen said he would accept an invitation to a males-only country club but changed his mind amid criticism. He also opposed coeducation at the Virginia Military Institute. In Congress, he opposed federal legislation giving women unpaid leave after the birth of a child.

Both candidates say their positions have evolved. Webb says that he opened up doors to women as President Ronald Reagan's Navy secretary in the 1980s and that his policies in that era have had a lasting -- and positive -- effect on women's role in the military. Allen argues that when the courts ordered that women be admitted to VMI, he ensured that women were welcomed at the state institution. He also says his policies on crime, education and other issues appeal to women and families.

Whoever can move female voters onto his side may very well win the race, which recent polls show is virtually even. Successful Virginia Democrats, such as Gov. Timothy M. Kaine and his predecessor Mark R. Warner, have held leads among women heading into Election Day, according to preelection polling. Webb might have to win over more women than recent polls suggest he has if he is to win his challenge against Allen.

In a race in which traditional women's issues such as abortion have been largely absent, controversy has instead centered on Webb's past writing and Allen's past votes and policies. Webb is trying to convince voters that he's changed. Allen is arguing that his emphasis on family values appeals to Virginia women.

Records and interviews show that Webb did increase opportunities for women as Navy secretary, but some critics argue that he did so under pressure from superiors.

Webb's article, "Women Can't Fight," appeared in Washingtonian magazine in 1979, three years after women entered the Naval Academy. He questioned their place at an institution whose primary function was to train men as combat leaders. "By attempting to sexually sterilize the Naval Academy environment in the name of equality, this country has sterilized the whole process of combat leadership training, and our military forces are doomed to suffer the consequences," he wrote.

The article has haunted his career. Navy women in the late 1970s were limited to traditional career fields of nursing, administration and communication. Few shipboard assignments were open to them. They were fighting for credibility in nontraditional roles. And many said Webb's words subjected them to hostility.

"It was the talk of the Navy," recalled Linda Postenrieder, a retired surface warfare officer who graduated in the third class to include women at Annapolis. "Even guys who were supportive were asking us why were we there."

Postenrieder denounced the article at an Allen news conference last month and asked Webb to apologize. He did, and she now supports him.

Webb's defenders say his words should be seen in the context of a generation of Vietnam veterans who had endured grueling combat conditions.

"The environment he saw was not one women belonged in," recalled Leon "Bud" Edney, who was chief of naval personnel under Webb. Edney said Webb "had a deep, visceral feeling" that if a man saw a wounded woman, it would be "completely destabilizing."

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Edney was commandant of midshipmen at Annapolis after the release of "Women Can't Fight." He would not let Webb speak there because of the furor. Nevertheless, he said, "It's difficult to take someone's actions coming out of a failed war in Vietnam and fast-forward 27 years to say he is hostile to women."

Webb called the article an "overreach" and said he is now comfortable with the combat roles of Navy women, who today are restricted only from submarines and service as Navy Seals.

Shortly after he began his stint under Reagan, Webb assembled a task force to report on how to increase women's presence on ships. In part, the goal was to grow the pool of recruits: The Reagan administration was pursuing a buildup of its Navy fleet ships with an all-volunteer force. And women were hitting barriers to promotion and complaining of harassment.

"We tried to create fairness, and we did it in the right way," Webb said.

Under threat of a lawsuit, Webb ordered that female civilian technicians be allowed on submarines for short sea trials to test new equipment. Then a bombshell hit.

A panel of senior Pentagon advisers on the status of women in the military issued a damning report on Navy women in the Pacific. Women faced demands for sexual favors and commanders who ignored their complaints, and they were being denied promotions.

Webb responded by opening thousands of new assignments for women, many of them closer to combat, allowing them to serve aboard logistics and ammunition ships, oilers and other vessels, according to records and interviews with former Navy officials. Women also could serve on reconnaissance aircraft based ashore. Webb also required naval officers to receive expanded training on sexual harassment.

Webb has said he opened as many as 18,000 assignments for women, the largest number in Navy history. Reports on Navy operations from the late 1980s put the number at 9,000 to 10,000. "The bottom line is it's in the thousands," Webb spokeswoman Kristian Denny Todd said.

Webb stresses that the changes during his 11-month tenure in the late 1980s were his initiative. But officials who served with him recalled that the pressure on top Pentagon officials to improve women's status was enormous.

"Webb came along at a time when the currents were moving faster than the leadership," said David Baker, a Navy special assistant under Webb. "He had the sense to realize which way the wind was blowing."

Today, five women hold top positions on Webb's campaign staff. He recently picked up endorsements from six high-ranking retired female Army and Navy officers. His wife, Hong Le Webb, is an accomplished securities lawyer, and his ex-wife, Jo Ann Krukar, is active in his campaign.

The Allen-Webb race has barely touched on concerns that dominated Virginia politics in the past: abortion, gun control and pay equity. Today, Webb, a Republican-turned-Democrat who supports abortion rights, cites the growth of inequality, pressures on the middle class and his support for stem cell research. Allen, an abortion opponent, stresses national security and his leadership in guiding women to pursue careers in science and math.

Allen once expressed doubts similar to Webb's on women in the military, calling the government "nannies and pests" on a mission to destroy VMI. It was only when the U.S. Supreme Court ruled in 1996 that single-sex education discriminated against women that he changed his position. Allen aides say that even though he didn't want women at VMI, once the court ruled, he accepted them and worked to make the process of integration go smoothly.

As governor, he pushed successfully for student testing, the abolition of parole and one of the country's toughest welfare-to-work rules, policies his aides say were welcomed by many women. Teenagers were required in 1997 to notify their parents before having an abortion, a law that opened the door to a slew of restrictions by the General Assembly. In the Senate, Allen has opposed Plan B, the emergency contraception pill, for over-the-counter sales.

"He's a genuinely very pleasant guy who's got magnetism," said Karen Raschke, president of the Virginia League for Planned Parenthood and the group's lobbyist when Allen was governor. "But he did terrific damage to women in the commonwealth. . . . He seems to believe in a very activist involvement of the government on the side of one-half of the population."

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As a congressman, Allen voted against the Family and Medical Leave Act, which gives workers 12 weeks of unpaid leave for the birth of a child or to care for a sick family member. He said the bill, signed into law by President Bill Clinton in 1993, was a burden on businesses.

These stands plagued Allen in his campaigns for governor and for Senate in 2000. But he fended them off. Loyalists say his record reflects the strong family values that matter to women in a traditional state. "Parental notification was a major piece of legislation that enjoyed large majority support," campaign manager Dick Wadhams said. He noted that welfare reform included a crackdown on absentee fathers to pay child support, a policy with appeal to women.

Women account for 14 of his 50 Senate staffers, payroll records show, although a majority answer mail and hold administrative jobs. Two women hold top jobs on his campaign staff. Betsy Beamer, Allen's former secretary of the commonwealth, explained, "It's not that he ever went out and said, 'Gosh, there are 10 people on this board, we've got to have this many women.' It was about getting the best one for the job."

Staff researchers Rena Kirsch, Meg Smith and Lucy Shackelford contributed to this report.

This is one in an occasional series about the issues in the Virginia Senate campaign.

National Parties Roil Tennessee Race (WT)

By Brian Debose

The Washington Times, October 23, 2006

NASHVILLE -- Both the Republican candidate, Bob Corker, and the Democratic candidate, Rep. Harold E. Ford Jr. complain that the national parties are slinging so much "mud" here that they can barely get their points across to voters.

The stakes are huge in Tennessee. Control of the U.S. Senate may hinge on the result here.

Mr. Corker, a former mayor of Chattanooga, asked the Republican National Committee (RNC) to take down an ad that first aired Friday accusing Mr. Ford of taking money from pornographers, and said it hinted at interracial dating -- the ending shows a scantily clad, white blonde winking and saying, "Hey, Harold call me."

"The new RNC ad we have just seen on our local broadcast outlets is tacky, over the top and is not reflective of the kind of campaign we are running," said Tom Ingram, Corker campaign chairman, adding that the campaign asked that a radio ad be pulled two weeks ago.

After viewing the ad, Mr. Ford lost his cool and confronted Mr. Corker, ambush style, just before a press conference at a Friday campaign stop at the Memphis airport. He got in Mr. Corker's face and asked him to stop talking about his family, then asked him to talk about Iraq.

"I really just wanted to ask him about this ad," Mr. Ford said.

Just days earlier, Mr. Corker was asked about other ads that had been aired.

"As you know, we can't talk directly with the [National Republican Senatorial Committee] or the RNC, so I don't know about 'em till I see them, but if we see an ad we don't like, we'll ask for it to be pulled," he said.

Not one of the polls that have come out this month shows either candidate gaining any momentum or building a solid lead. This campaign could be the most widely watched with reporters from Britain, South Korea and Canada following both men around the state.

Most voters and political analysts say that western Tennessee will heavily support Mr. Ford, while the eastern part of the state will go to Mr. Corker, leaving the battleground, where the attack ads are the heaviest, in the state's midlands around Nashville and to the south.

"This is where the battle is, right here. This is where the votes are," said Wendell C. Dawson, a lawyer in Nashville with the state Attorney General's Office, who said that he doesn't necessarily like Mr. Ford because "he's a little too far to the right for me and some of the stuff he says makes me wince."

"But I am like a lot of people in this state. I want change," Mr. Dawson said, adding that he hasn't had much chance to gauge Mr. Corker beyond "from the ads I've seen, he is toeing [President] Bush's line."

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Mr. Dawson represented a chorus of black voters here who are not that fond of Mr. Ford, but who will vote for him because he can bring change, not only change on Capitol Hill, but to the South, where no black person has won a popular election to the Senate.

The candidates couldn't be more different as people, as shown by their campaign styles.

Mr. Corker, a multimillionaire construction magnate who was state finance commissioner and Chattanooga mayor, arrives to speak to the state's 95 county sheriffs, in a black Chevrolet Tahoe with two staffers. He quietly surveys a room, shaking hands and talking with a few people before giving his speech, about how he moved to Tennessee at age 9 and graduated from the University of Tennessee before starting his business at 25 with $8,000 in savings.

He wants everyone to know he is not a professional politician, but a "down home" native shaped by other Tennesseans. Humble is an understatement for Mr. Corker, who concedes that he is "not the best looking, or the most articulate in this race."

Mr. Ford, 36, by contrast arrives in a white Tahoe with two staffers riding along, but it is preceded by two black sedans and followed by a huge red, white and blue bus with "Ford for Senate" etched across the side.

"Y'all are awake. You can be a little livelier than this," Mr. Ford said when he entered, pumping up the same room of county sheriffs to whom Mr. Corker spoke a day earlier.

He talks about moving with his parents to the District at age 9, where his father would serve 11 terms in the House. He went to high school in the District and to college at the University of Pennsylvania before heading to Michigan for law school. Mr. Ford's father retires and his son, 25, runs and wins in a shocking upset of his opponent, and he has been there ever since.

But as candidates for U.S. Senate, voters here wonder why or how two men of different races and backgrounds sound so similar on the issues.

"This is going to be one of the toughest decisions we have ever had to make," said Humphreys County Sheriff Chris Davis after hearing both men speak to the Tennessee Sheriffs' Association. "Both of these guys are effective at showing us their ideas, but we have a lot of research to do on their records and on how their ideas will work in our communities."

He wasn't convinced that either man is the right one, and the association is split. The group's president, Robertson County Sheriff Gene Bollinger, said he would support Mr. Ford because he liked his father. Another sheriff said he was supporting Mr. Corker because he liked what others lawmakers said about his work as finance commissioner 11 years ago.

Fight For Control Of State Capitals Heats Up (USAT)

By Kathy Kiely

USA Today, October 23, 2006

WASHINGTON — For the first time since 1994, Democrats are poised to surpass Republicans in the number of state capitals where one party enjoys complete political control — holding the governor's mansion and both chambers of the state legislature.

Having the political upper hand in state capitals has enabled Republicans to draw congressional districts that are more favorable to their party's candidates, notably in Texas and Georgia.

It has also helped the party develop strong candidates for higher office. According to the non-partisan National Conference of State Legislatures, 57% of members of Congress started out as state legislators.

Republicans hold the governorships and both chambers of the state legislatures in 12 states; Democrats, in eight. Republicans' control is in jeopardy in three of those states: Ohio, Alaska and Indiana.

Democrats face the possibility of losing dominance in only one state: Maine. Meanwhile, the party has a chance for control in eight other states: Arkansas, Colorado, Iowa, Maryland, Massachusetts, Minnesota, Montana and Tennessee.

In Arkansas, Maryland and Massachusetts, Democrats hold majorities in the state legislature and are hoping to take the governor's mansion. In other states, races for the state legislature will decide whether the one party can take control.

That has turned usually little-noticed races into heated contests.

The Democratic Legislative Campaign Committee hopes to spend $10 million on state House and Senate races this year, up from $7 million in the 2004 campaign cycle.

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The Republican State Leadership Committee, which also funds candidates for statewide offices other than governor, already has raised close to $13 million.

Groups from the National Rifle Association (NRA), which hopes to win backers for laws supporting gun owners, to the Human Rights Campaign, which hopes to win support for laws ending discrimination against gay men and lesbians, are working to elect state House and Senate candidates.

"It's no secret that state legislatures are more active than they have ever been," says Wayne LaPierre, NRA executive vice president and CEO.

Michael Davies, of the Democratic Legislative Campaign Committee, thinks the increased interest is in part due to the role states are taking in issues such as immigration, the minimum wage and embryonic stem cell research.

"More groups are seeing more issues decided in state legislatures," he says. "More groups are figuring out that if you do something in one state, it really does tend to have a bandwagon effect."

Republicans' Far North Hope (WSJ)

By Jim Carlton

The Wall Street Journal, October 23, 2006

ANCHORAGE, Alaska -- Sarah Palin is emerging as the giant-killer of the Last Frontier state.

The Republican candidate has defeated the sitting governor and is leading in polls against his predecessor, who is seeking a comeback. She is tapping into voter anger over corruption and dissatisfaction with incumbents -- factors working against fellow Republicans in much of the country this year.

Ms. Palin, a 42-year-old mother of four, trounced Gov. Frank Murkowski in the primary in August. On Nov. 7, she faces one of the state's best-known politicians, former two-term Democratic Gov. Tony Knowles. Ms. Palin leads by a margin of 47% to 40%, according to an Oct. 9 survey of likely voters by Rasmussen Reports, an independent pollster.

That is down from the 52%-to-38% margin she held in the same survey a month earlier, a drop pollsters attribute largely to loss of a postprimary bounce. But Ms. Palin's main campaign theme of taking a tough stance on ethics is clearly resonating with many voters.

Ms. Palin's only elected experience is six years as mayor of Wasilla, a fast-growing Anchorage suburb of about 8,500 residents. Ads for the 63-year-old Mr. Knowles call Ms. Palin an "untested former mayor of a small town." Ms. Palin says: "I think up here in Alaska, people are just tired of politics as usual."

Ms. Palin is one of the surprise bright spots for Republicans in what is shaping up as a bleak election year for the party. Scandal -- such as the handling of the Mark Foley page matter as well as allegations of corruption -- weighs on Republicans, and could cost them control of one or both houses of Congress. The party could also lose the Ohio governorship in part over guilty pleas by the retiring Republican involving ties to lobbyists. Republicans now hold 28 governorships, compared with Democrats' 22. Polls in various states suggest Democrats could take a majority in November. But Alaska -- a once-promising prospect for them -- may be slipping.

With about 660,000 residents, Alaska is one of the nation's most sparsely populated states, but its elections have national implications because of its abundant natural resources, such as oil and fish.

Beyond ethics, building a natural-gas pipeline is the biggest campaign issue for Ms. Palin and Mr. Knowles. An independent candidate, Andrew Halcro, is a distant third in the polls.

With oil reserves on Alaska's North Slope dwindling, many residents say their state's future lies in building another pipeline that can ship to the lower 48 states the natural gas in the oil fields. Federal officials estimate there may be as much as 100 trillion cubic feet of gas in the North Slope, enough to meet five years of the nation's natural-gas needs.

The industry didn't consider it economical to build a new Alaska gas pipeline to ship the gas thousands of miles to market -- until gas prices surged in the past few years. Now, state officials have made a pipeline contract a priority. "This is a boom-and-bust state, and this would give us the next big boom," says Carl Shepro, professor of political science at the University of Alaska in Anchorage.

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Mr. Knowles and Ms. Palin both claim to be the voters' best choice to carry out the pipeline task. Mr. Knowles says his experience negotiating with the oil industry gives him an edge. Ms. Palin has tried to turn Mr. Knowles' experience against him, suggesting that he failed to negotiate a deal for a gas pipeline during his 1994-2002 tenure as governor. "It's time for a new generation," an ad for Ms. Palin says.

The current governor, Mr. Murkowski, also has made the gas pipeline a priority. But criticism of how he has gone about it -- and run his office in general -- partly explains Ms. Palin's popularity. The governor negotiated for the pipeline to be built by the three big oil producers in Alaska -- BP PLC, ConocoPhillips and Exxon Mobil Corp. -- as part of a deal that critics say was tilted too much in favor of the companies. The state legislature narrowly rejected the deal earlier this year, but over the summer, the legislature passed a bill backed by the governor to refigure oil-tax rates in a way that critics also say favored the industry.

The Federal Bureau of Investigation, meanwhile, is looking into allegations of industry influence-peddling of Alaskan lawmakers.

Both Ms. Palin and Mr. Knowles talk of reform in the state capital of Juneau. "We are going to run a squeaky clean government," Mr. Knowles said in an Anchorage news conference. Ms. Palin said in an interview: "I would push [the legislature] for a package of ethics reforms."

Ms. Palin has some credibility on the issue in the minds of many residents, having resigned in 2004 as head of the Alaska Oil and Gas Conservation Commission over ethical grounds. Among her concerns: That the governor had appointed Randy Ruedrich, chairman of the Alaska Republican Party, to a seat on her commission while Mr. Ruedrich got to keep his partisan post. Mr. Ruedrich ended up resigning from the body after Ms. Palin, among others, disclosed he was conducting Republican business in his state job. Mr. Ruedrich said he had, and agreed to pay a $12,000 state fine.

But Ms. Palin's decision to seek Mr. Murkowski's job has put her at odds with some heavyweights in her own party. After she defeated Mr. Murkowski by a margin of 51% to 19% in the Aug. 22 primary, she called on Mr. Ruedrich to resign as chairman of the state Republican Party. Mr. Ruedrich declined, but says he supports her anyway. "She is a solid Republican candidate," Mr. Ruedrich says.

Rising Star Obama Weighs White House Run (AP-Y)

AP, October 23, 2006

Sen. Barack Obama acknowledged Sunday he was considering a run for president in 2008, backing off previous statements that he would not do so.

The Illinois Democrat said he could no longer stand by the statements he made after his 2004 election and earlier this year that he would serve a full six-year term in Congress. He said he would not make a decision until after the Nov. 7 elections.

"That was how I was thinking at that time," said Obama, when asked on NBC's "Meet the Press" about his previous statements.

"Given the responses that I've been getting over the last several months, I have thought about the possibility" although not with the seriousness or depth required, he said. "My main focus right now is in the '06. ... After November 7, I'll sit down, I'll sit down and consider, and if at some point I change my mind, I will make a public announcement and everybody will be able to go at me."

Obama was largely unknown outside Illinois when he burst onto the national scene with a widely acclaimed address at the 2004 Democratic National Convention.

In recent weeks, his political stock has been rising as a potentially viable centrist candidate for president in 2008 after former Virginia Gov. Mark Warner announced earlier this month that he was bowing out of the race.

In a recent issue of Time magazine, Obama's face fills the cover next to the headline, "Why Barack Obama Could Be The Next President." He is currently on a tour promoting his latest book, "The Audacity of Hope: Thoughts on Reclaiming the American Dream."

On Sunday, Obama dismissed notions that he might not be ready to run for president because of his limited experience in national politics. He agreed the job requires a "certain soberness and seriousness" and "can't be something you pursue on the basis of vanity and ambition."

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"I'm not sure anyone is ready to be president before they're president," Obama said. "I trust the judgment of the American people.

"We have a long and rigorous process. Should I decide to run, if I ever did decide to run, I'll be confident that I'll be run through the paces pretty good," Obama said.

Illinois' Obama Revisits Idea Of 2008 Run For White House (USAT)

By Richard Wolf, Usa Today

USA Today, October 23, 2006

WASHINGTON — Sen. Barack Obama, the Illinois Democrat who won instant celebrity after his keynote address to the 2004 Democratic national convention, said Sunday he might run for president in 2008.

"I don't want to be coy about this," Obama said on NBC's Meet the Press. "Given the responses that I've been getting over the last several months, I have thought about the possibility." After initially ruling it out, he said, the door has opened "a bit."

The 2008 presidential race is wide open, and Obama has been urged by many Democrats, such as fellow Illinois Sen. Dick Durbin, to run this time rather than wait to gain more political experience. He said Sunday he has listened to those entreaties.

His announcement follows a spate of publicity for the freshman senator, including a tour to promote his new book, The Audacity of Hope: Thoughts on Reclaiming the American Dream. His face was on the cover of the Oct. 23 Time magazine.

Obama's candidacy would shake up the field of prospective Democratic candidates, dominated by Sen. Hillary Rodham Clinton of New York and recently abandoned by former Virginia governor Mark Warner. By keeping the option open, he could freeze the flow of money to other Democrats.

"It hurts a lot of candidates not named Hillary Clinton," says Chuck Todd, editor of the National Journal's political newsletter, Hotline. "If he got in and she ran, there'd be no room for anybody else. There'd be no oxygen left in the room."

Despite his lack of national experience — he emerged from the Illinois state Senate in 2004 by beating a weak Republican candidate — Obama might never get a better chance to win the White House, some analysts say. His opportunity is likened to that of Colin Powell, who declined to run in 2000. "You can't create these moments," says Ronald Walters, a professor of government and politics at the University of Maryland. "They come, they're ripe, and you ought to take advantage of them."

Working in Obama's favor: He's telegenic and relatively young (45), and he has few enemies. In Congress, he has reached across the aisle to work with Republicans.

Rather than big government or small government, "my instinct is that the current generation is more interested in smart government," Obama said Sunday. "If the market solution works, let's go with the market solution. If a solution requires government intervention, let's do that."

Working against him could be his inexperience and the fact that the country has never elected a black president. Presidential scholars note a short résumé didn't hurt John Kennedy in 1960 or John Edwards in 2004. Kennedy won the White House; Edwards ran second in Democratic primaries and won a spot on the ticket.

"He would not be either the youngest or the most inexperienced person who has ever sought, or even won, the presidency," said Stephen Hess, professor of media and public affairs at George Washington University. "Lightning does strike in this game."

Obama Says He's Mulling A White House Run (LAT)

By Chuck Neubauer

The Los Angeles Times, October 23, 2006

WASHINGTON -- Sen. Barack Obama of Illinois said Sunday that he was considering a run for the Democratic presidential nomination in 2008, backing away from previous pledges to serve out his full six-year Senate term.

Obama, 45, told NBC's "Meet the Press" that he would not make any decision before the Nov. 7 midterm election.

"I am still at the point where I have not made a decision to -- to pursue higher office," he said, "but it is true that I have thought about it over the last several months."

As a candidate for the Senate, Obama entered the national spotlight as the keynote speaker at the 2004 Democratic National Convention. He won the Senate seat that November with 70 percent of the vote.

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Twice before on "Meet the Press" -- soon after that election and again this past January -- Obama stated flatly that he would serve his full Senate term. On Sunday, he attributed his possible change of heart to "the responses that I've been getting over the last several months" while campaigning for Democratic candidates across the country.

"He is the most in-demand speaker in the Democratic Party," said David Axelrod, a Chicago-based media consultant who advised Obama's Senate campaign. "He gets 300 invitations a week."

Time magazine recently featured a photo of Obama on its cover with the headline "Why Barack Obama could be the next president." The senator is promoting his new book, "The Audacity of Hope: Thoughts on Reclaiming the American Dream."

He told NBC that although the door to a potential candidacy had opened "a bit," he had not yet thought about a White House bid "with the seriousness and depth that I think is required."

"My main focus right now is in '06 and making sure that we retake the Congress," he said. "After Nov. 7, I'll sit down and consider -- and if, at some point, I change my mind, I will make a public announcement and everybody will be able to go at me."

Asked about his lack of executive experience -- his only previous elective office was state senator in Illinois -- Obama said: "Well, I'm not sure anybody is ready to be president before they're president. You know, ultimately, I trust the judgment of the American people that in any election, they sort it through."

According to Axelrod, Obama has "concluded that he should at least look at this ... It is certainly something that is on his radar screen."

But he has not taken any steps to hire staff or begin raising money for a national campaign, Axelrod said. "There is no active campaign going on."

A second Democratic strategist, who asked to remain anonymous for professional reasons, said it "may be difficult" for Obama to translate his popularity into a White House run after only two years in the Senate. "My guess is that he will consider (2008) too early," the strategist said. "He has a lot more presidential campaigns in him."

Still, said Joe Trippi, a veteran Democratic consultant who managed Howard Dean's 2004 campaign, "the reception he is getting and the energy he is creating has got to encourage him to go."

Last month Obama was the main speaker at Sen. Tom Harkin's Iowa steak fry, an annual political event that attracts thousands of Democrats in a state that plays a key role in presidential politics.

"He took it by storm, like a rock star hit the place," said Trippi, who has been working in campaigns in Iowa since 1979. "You felt it. It was not just his speech. It was the way the crowd surged around him ... You couldn't move if he was in the area."

Trippi said Obama "certainly has the skill, the talent and the star quality" -- and if he decides to run, "it changes the whole dynamic of the race."

The current crop of potential contenders for the nomination include Sen. Hillary Rodham Clinton of New York, who is widely considered the front-runner at this point; the 2004 nominee, Sen. John F. Kerry of Massachusetts, and his running mate, former Sen. John Edwards of North Carolina; Sens. Joseph R. Biden Jr. of Delaware, Russ Feingold of Wisconsin and Evan Bayh of Indiana, and Govs. Tom Vilsack of Iowa and Bill Richardson of New Mexico.

Obama Says He'll Consider A 2008 Bid For The Presidency (WP)

By Dan Balz

The Washington Post, October 23, 2006

Sen. Barack Obama (D-Ill.) opened the door to a 2008 presidential campaign yesterday, saying he has begun to weigh a possible candidacy and will make a decision after the November elections.

"Given the responses that I've been getting over the last several months, I have thought about the possibility, but I have not thought about it with the seriousness and depth that I think is required," Obama said on NBC's "Meet the Press." "After November 7th, I'll sit down and consider it, and if at some point, I change my mind, I will make a public announcement and everybody will be able to go at me."

Until yesterday, Obama, one of the brightest stars in the party since he electrified the 2004 Democratic National Convention with his keynote address, had said he planned to serve out the full six years of his Senate term, which would have ruled out a presidential or vice presidential campaign in 2008.

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But Democrats around the country have encouraged him to consider a campaign, and there has been fevered speculation inside the party about the possibility that he will do so. His own advisers have been forced to adjust timetables for a possible run in later elections and have begun to do the research that will help Obama make his decision.

New York Sen. Hillary Rodham Clinton is considered the early front-runner for the Democratic nomination, should she decide to run, but some Democratic strategists said yesterday that Obama immediately would become one of her principal challengers, if he decides to run.

"If he runs and Mrs. Clinton runs, I don't think there's a lot of room for anyone else," said Steve Elmendorf, who was a top adviser to former House minority leader Richard A. Gephardt (D-Mo.). "The two of them take up an enormous amount of political space."

Party strategists said that, if voters are looking for change in 2008, Obama would symbolize it better than many of the other possible candidates. But having served just two years in the Senate and seven in the Illinois state Senate, Obama has a thin rÃ©sumÃ© upon which to build a presidential candidacy. He was asked yesterday on "Meet the Press" whether he was ready to be president.

"I'm not sure anybody is ready to be president before they're president," he told moderator Tim Russert. "You know, ultimately, I trust the judgment of the American people that in any election they sort it through. We have a long and a rigorous process and, you know, should I decide to run, if I ever did decide to run, I'm confident that I'd be run through the paces pretty good."

Obama's statement that he is thinking seriously about running in 2008 represents a frank acknowledgement of how the strong reception he has received around the country this year has altered his personal political trajectory, one that did not envision a campaign for national office this soon. But his advisers stressed yesterday that he has not yet decided to make such a bid.

At this point, Obama is a political phenomenon but hardly a tested politician on the national stage. He has captured the imagination of Democrats and others mostly through a combination of glamour and intellect. He has no legislative record to speak of, given the short time he has been in the Senate and the fact that Democrats are in the minority.

Obama, 45, was elected to the Senate in 2004, and even before winning that election he became a nationally recognized politician with his keynote address at the Democratic convention in Boston. He is now one of the party's most sought-after speakers, and he has drawn sizable crowds at party events and at appearances on behalf of Democratic candidates.

He is currently on a nationwide tour promoting his new book, "The Audacity of Hope." An earlier book became a national best-seller after his address in 2004. He also has appeared on the covers of Time magazine and GQ.

Yesterday, Obama said pursuit of the presidency cannot be based on celebrity and conceit. "It can't be something that you pursue on the basis of vanity and ambition," he said. "I think there's a certain soberness and seriousness required when you think about that office that is unique."

Obama advisers said yesterday that there has been little formal analysis done in preparation for a possible campaign, and they agreed they will now accelerate that work. But they said they are confident Obama could raise the money to run and noted that he has many offers from people interested in working in a campaign.

"He understands it's a lot easier when you're the subject of speculation than when you're in the arena battling it out," said David Axelrod, one of Obama's advisers. "I think that there's evaluative work to be done, but there are a lot of encouraging signs."

Obama spokesman Robert Gibbs cautioned reading too much into the senator's comments yesterday. "It was simply the honest answer to the question. There isn't a formal process. He announced he was thinking about it. He didn't announce he was announcing."

Another adviser said the Obama team has not done a state-by-state analysis of fundraising potential, nor have they begun building organizations in early states like Iowa and New Hampshire. Several advisers denied that they had conducted focus groups about an Obama candidacy, as some other Democrats have suggested.

Personal factors may influence Obama's decision as much as political considerations, his advisers said. He has a young family and may not want to put them and himself through the rigors of a long campaign.

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A large field of prospective candidates awaits Obama, if he decides to run. It includes Massachusetts Sen. John F. Kerry, former North Carolina senator John Edwards, Delaware Sen. Joseph R. Biden Jr., Connecticut Sen. Christopher J. Dodd, Iowa Gov. Tom Vilsack, New Mexico Gov. Bill Richardson and Wisconsin Sen. Russell Feingold. Some Democrats hope former vice president Al Gore will jump in.

Former Virginia governor Mark R. Warner announced this month that he will not run.

Crowd-Pleaser From Illinois Considers White House Run (NYT)

By Adam Nagourney And Jeff Zeleny

The New York Times, October 23, 2006

WASHINGTON, Oct. 22 — Senator Barack Obama, the first-term Illinois Democrat who has emerged this year as one of the most popular figures in his party, said Sunday that he was considering a run for the White House in 2008, a shift in position that he said had come in response to many Democrats' pressing him to join the field.

"I don't want to be coy about this: given the responses that I've been getting over the last several months, I have thought about the possibility, but I have not thought about it with the seriousness and depth that I think is required," Mr. Obama said. "My main focus right now is in '06 and making sure that we retake the Congress. After Nov. 7, I'll sit down and consider it."

The remarks by Mr. Obama sent ripples through Democratic circles and were the latest indication of how wide open the 2008 presidential field is — and how confident Democrats are that they are on the ascendancy. Should he run, Democrats said, his decision would pose a major complication to Senator Hillary Rodham Clinton of New York, who is widely viewed as the dominant figure in the field of potential candidates.

Mr. Obama opposes the war in Iraq and thus could provide an alternative for Democrats who have expressed strong concern about Mrs. Clinton's support of the war effort. In addition, Mr. Obama, who is African-American, would almost surely cut deeply into Mrs. Clinton's own political base, black voters, which could be particularly significant because the Democratic Party has decided to move the South Carolina primary to the front of the 2008 presidential nominating process.

A spokesman for Mrs. Clinton, Howard Wolfson, declined comment on Mr. Obama's remarks on Sunday.

Mr. Obama made his remarks in an interview with Tim Russert on NBC's "Meet the Press" after being shown a videotape from an earlier appearance on the show in which he said he would serve out his six-year term in the Senate and not run for president before he had. Mr. Obama's aides said that, because they were familiar with Mr. Russert's interviewing techniques, they had expected him show the videotape, and that Mr. Obama was prepared to pivot off it to make his statement.

Mr. Obama, who has about four years left to serve in his first term, declined a request for an interview after his television appearance.

Until now, Mr. Obama and his associates have said that he would put off any run for the White House until after he had gained the experience in government that comes from six years in Washington. As it is, they said, if he ran for president he would have to overcome the questions about whether someone who had served just two years in the Senate, was 45 years old and had no experience in foreign policy was qualified to serve in the White House.

One of Mr. Obama's potential rivals, Senator John Kerry of Massachusetts, hinted at this potential problem when asked on "This Week" on ABC if he was prepared to run against Mr. Obama. "If he thinks he's ready to run for president and wants to run and I've made a decision to run, then we'll go out and have a great contest," Mr. Kerry said.

No major party has nominated an African-American — or, for that matter, a woman — to run for president, so a Democratic field that included Mrs. Clinton and Mr. Obama would be, at the least, historically notable. One Democratic strategist close to Mr. Obama who spoke on the condition of anonymity suggested that the senator would probably look to the results in Tennessee, where Representative Harold E. Ford Jr. is trying to become the state's first black senator, to measure the obstacles Mr. Obama might face in a national election.

Mr. Obama's colleagues said he intended to reach a decision by January.

In recent weeks, he has been the subject of high-profile and largely adulatory profiles in national magazines and newspapers and has packed halls across the country while campaigning for Democrats. For months, associates — notably

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Senator Richard J. Durbin, Democrat of Illinois — have urged him to seize the opportunity of the wide-open 2008 presidential race.

"Opportunities like this come along once in a political lifetime," Mr. Durbin said Sunday. "What is most intriguing about this is that he is just as welcome in red states as he is in blue states."

Mr. Obama's television appearance came as he embarked on a publicity campaign for his second book, "The Audacity of Hope." Although politicians have been known to suggest they might run for president as a way of spiking book sales, Mr. Obama's political adviser, David Axelrod, said that was not the case here.

"Absolutely not," he said. "The book is doing fine. We don't need to add any mustard to the hot dog."

Democrats suggested Sunday that Mr. Obama's open flirtation with a presidential race could have been designed to send a signal to major contributors, some of whom were recently left without a candidate when Mark Warner, a former Virginia governor, said he would not run.

Mr. Obama has already assembled a team of advisers with experience in presidential politics, including Mr. Axelrod, Anita Dunn, a longtime Democratic consultant, and Steve Hildebrand, who ran Al Gore's successful campaign in the 2000 Iowa caucuses.

Since taking office in January 2005, Mr. Obama has amassed a coast-to-coast list of Democratic contacts. This month alone, aides said, he is being scheduled to help Democratic candidates in 18 states.

Last month, Mr. Obama was the featured attraction of the biggest Democratic event of the year in Iowa, Senator Tom Harkin's steak fry. It was Mr. Obama's first trip to Iowa, which traditionally kicks off the presidential nominating contest.

Mr. Hildebrand said, "The reaction that Obama got in Iowa was like nothing I've ever seen before with another politician."

A Conversation With Sen. Obama (MCT)

By Margaret Talev

McClatchy Newspapers, October 23, 2006

WASHINGTON - A conversation with Sen. Barack Obama, whose book about his experiences on the campaign trail and as a freshman U.S. senator, "The Audacity of Hope" (Crown Publishers, $25), has just been released.

Q. Why did you decide to write this book? What is your writing routine?

A. I decided to write it partly on the heels of my (2004 Democratic National Convention) speech, which had gotten a good response. I thought it would be interesting to think about what I'd been saying in the campaign and subsequent to the campaign. Basically I didn't start writing until after I'd served about six months in the Senate because it was so overwhelming. I would typically work in the evenings after I got home from work or tucked my girls into bed, and on the weekends. I'm a night owl. I'd jot notes into my computer when I got home.

Q. How was writing this different from your first book? (A 1995 memoir, "Dreams From My Father: A Story of Race and Inheritance," which was reprinted in 2004.)

A. The first book was much more introspective. I was digging into sort of my past. It was more a book of self-discovery written by a young man. This book was more a rumination on the country and where we need to go.

Q. Do you use a ghostwriter?

A. No. I wrote it all myself.

Q. At what point will you decide whether to seek a spot on the 2008 presidential ticket?

A. I've said I'm not running. I haven't changed my mind. If I change my mind I'll let everybody know ... you don't run for vice president. ... I do think America is ready for a woman president or an African-American president or a Latino president if they are the best candidate.

Q. What will be the effect on Congress if Democrats recapture the House of Representatives or the Senate?

A. We would see greater oversight over the administration's actions. And I think we would start talking about the issues I hear most often on the campaign trail: health care, education and energy.

Q. Why did you pick legislation on government accountability, co-sponsored with one of the most conservative Republicans in Congress, Senator Tom Coburn of Oklahoma, as your first bill?

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A. There are all sorts of other bills I'd love to have passed (expanding college grants and health care) but when you're in the minority you have to be opportunistic and pass whatever bills you can get. Tom is the best kind of conservative because he's a sincere conservative. ... He's not just trying to score political points. We all have an interest in making sure our money is well spent.

Q. Which Republicans in Congress do you most respect and why?

A. Senate Foreign Relations Committee Chairman Dick Lugar (of Indiana). I think he's a model of bipartisanship when it comes to foreign policy. I think people like Senator George Voinovich (of Ohio) are sincere in their efforts to solve problems as opposed to scoring political points ... and Senator Tom Coburn.

Q. What's your greatest fear or self-doubt as a politician?

A. My greatest fear, I think, is that I lose track of that voice: who I am and what my values are and what I care most deeply about. Meeting ordinary Americans and listening to them goes a long way in terms of keeping me grounded, as do my wife and two kids.

Q. You write in your book about the guilt or self-doubt you have about being there enough as a husband and father. Do you feel this question is resolved for you or still in flux?

A. I don't think you ever resolve it entirely. This is a job that requires a lot of travel, and I miss my kids and I miss my wife all the time.

Q. What did you hope to get out of your Africa trip this summer?

A. To better inform myself about where we can make the most significant progress, both economically, in Africa and from a national security perspective.

Q. How long have you been a cigarette smoker? How much do you smoke and have you planned to quit?

A. I smoked for a long time and quit, and occasionally I lapse back into it. It's an ongoing struggle.

The Obama Bandwagon (NYT)

By Bob Herbert

The New York Times, October 23, 2006

Boston

The capacity crowd on a rainy night at the John F. Kennedy Library couldn't have been happier. The guest of honor had been born the same year that J.F.K. was inaugurated, and now he was generating the kind of political delirium we have tended to associate with the Kennedys.

I was the interviewer that night, and as I arrived in a cab outside the library, the driver said, "Who's on the program?" When I said, "Barack Obama," the driver replied, "Oh, our next president."

It's a measure of how starved the country is for a sensible, appealing, intelligent, trustworthy leader that a man who until just a couple of years ago was an obscure state senator in Illinois is now suddenly, in the view of an awful lot of voters, the person we should install in the White House.

At the Kennedy Library forum on Friday night, Mr. Obama declined to rule out a run for the White House in 2008. In an appearance on "Meet the Press" yesterday, he made it clear that he was considering such a run.

With all due respect to Senator Obama, this is disturbing. He may be capable of being a great president. Someday. But one quick look around at the state of the nation and the world tells us that we need to be more careful than we have been in selecting our leaders. There shouldn't be anything precipitous about the way we pick our presidents.

That said, the Barack Obama boom may well have legs. During the forum, every reference to the possibility of him running drew a roar from the audience. He's thoughtful, funny and charismatic. And there is not the slightest ripple of a doubt that he wants to run for president.

The reason he went into politics, he said, was to be able to influence events, to make a difference. "Obviously," he added, "the president has the most influence."

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I asked what thoughts run through his mind when he thinks about himself and the presidency. He said: "That office is so different from any other office on the planet, you have to understand that if you seek that office you have to be prepared to give your life to it. How I think about it is that you don't make that decision unless you are prepared to make that sacrifice, that trade-off.

"What's difficult and important for somebody like myself, who has a wonderful, forbearing wife and two gorgeous young children, is that they end up having to make some of those sacrifices with you. And that's a profound decision that we won't make lightly."

I asked if he could imagine himself, at some point, making the kind of commitment he described. He said that he could, and the crowd erupted.

I asked if he might run in 2008. He said he was focused on the coming Congressional elections.

"So you have not ruled it out," I said.

"We'll leave it there," he said.

The giddiness surrounding the Obama phenomenon seems to be an old-fashioned mixture of fun, excitement and a great deal of hope. His smile is electric, and when he laughs people tend to laugh with him. He's the kind of politician who makes people feel good.

But the giddiness is crying out for a reality check. There's a reason why so many Republicans are saying nice things about Mr. Obama, and urging him to run. They would like nothing more than for the Democrats to nominate a candidate in 2008 who has a very slender résumé, very little experience in national politics, hardly any in foreign policy — and who also happens to be black.

The Republicans may be in deep trouble, but they believe they could pretty easily put together a ticket that would chew up Barack Obama in 2008.

My feeling is that Senator Obama may well be the real deal. If I were advising him, I would tell him not to move too fast. With a few more years in the Senate, possibly with a powerful committee chairmanship if the Democrats take control, he could build a formidable record and develop the kind of toughness and savvy that are essential in the ugly and brutal combat of a presidential campaign.

After the interview at the Kennedy Library, hundreds of people lined up to have copies of Mr. Obama's book, "The Audacity of Hope," autographed. He signed as many as he could. Then he shook hands with everyone who remained and assured them that he would have their books delivered to his hotel, where he would sign them later that night.

He's 45. There's no hurry. He should take all the time he needs.

Washington Wire (WSJ)

Wall Street Journal, October 23, 2006

October 22, 2006, 3:53 pm Rice Asian Talk Promised

Fresh back from Japan, South Korea, China and Russia, Secretary of State Rice plans to flesh out — and defend — the administration's Asia policy in a speech Wednesday at the Heritage Foundation. Her aides say the address will be a "reflective" look at the administration approach on North Korea just after the country rattled the region by testing a nuclear bomb.

During her trip, Ms. Rice tried to rally countries to act on the new U.N. sanctions to squeeze North Korea. But she also touted as a real success of U.S. policy the fact that China stepped up to play a critical role in supporting the sanctions. Asked in Beijing if she regretted not continuing Clinton's bilateral approach toward North Korea, Rice got steamed. "China had to be part of this regime to deal with the North Korean problem," she said. And now, "China's at the center of it — not a bad couple of years' work."

Rice plans to be more measured in her Heritage speech, pointing to accomplishments in building a larger consensus to crackdown on Pyongyang but also to the need to build a new security architecture in Asia. The speech will express the US desire, in the wake of the nuclear test, to bulk up the APEC forum to make it more of a body for regional security talks. The big aim: bring China and Japan closer together while keeping Tokyo from pursuing its own nuke. –Neil King Jr.

Read more: Global, Foreign Policy

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October 22, 2006, 12:12 pm Looking Toward Election Day… 2008

Illinois Sen. Barack Obama, backing off a pledge to serve his full six-year term, said he's now considering a run for president in two years.

Obama

The freshman Democrat, largely unknown outside his state before he burst onto the national scene with a widely acclaimed speech at the 2004 Democratic convention, said on NBC's "Meet the Press" that while he is concentrating on helping his party's candidates win in this year's midterm elections, he's now open to a White House run in 2008.

"Given the response I've been getting the last several months, I have thought about the possibility" although not with any seriousness or depth, he said. "My focus is on '06. … After November 7, I'll sit down and consider it."

Asked if only two years in the Senate has prepared him to lead the nation, Obama said "I'm not sure anyone is ready to be president before they are president."

A more or less centrist Democrat, his political viability may have increased with fellow centrist and former Virginia Gov. Mark Warner's decision earlier this month to bow out of the race after months of spadework in New Hampshire, Iowa and other early primary states. – Winston Wood

Read more: Global, Campaign 2006

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October 22, 2006, 10:23 am Leadership Largesse

Arizona Sen. John McCain may be out in front when it comes to supporting Republican candidates and laying a grassroots foundation for a potential presidential run in 2008, but he certainly has competition.

McCain

A pair of Republican governors — Mitt Romney of Massachusetts and George Pataki of New York — along with Majority Leader Bill Frist of Tennessee and Sen. Sam Brownback of Kansas are among the prominent Republican leaders crisscrossing the country, paying special attention to Iowa, New Hampshire, South Carolina and other states that kick off the primary season.

In the current election cycle, McCain's Straight Talk America PAC has given $1.2 million to state and federal candidates, followed closely by the $1 million donated by Romney's Commonwealth PAC. Frist's Volpac has contributed roughly $600,000 so far, while Pataki's 21st Century Freedom PAC has doled out more than $300,000.

About a month ago, Pataki's PAC opened offices in Iowa and New Hampshire, and the governor will visit both states, as well as South Carolina and Michigan, as part of a six-state tour starting later this month. Frist is focusing on Iowa and South Carolina amid his jaunts to his homestate of Tennessee. On Monday and Tuesday, he'll squeeze in a trip to New Hampshire and take part in a meet-the-candidates spaghetti dinner hosted by the state Republican Party.

Romney's PAC has given $1,000 checks to every Republican candidate running this year for state senate in New Hampshire, where he owns a vacation home. The PAC has also given more than $368,000 to candidates in Iowa, and Romney has traveled to Iowa and Michigan eight times this year, and he's visited New Hampshire and South Carolina six times apiece.

Former House Speaker Newt Gingrich will campaign with Republican Rep. Jim Nussle in Iowa in early November and visit New Hampshire later in the month. Former New York City Mayor Rudolph Giuliani was in New Hampshire recently supporting a citizen group working to ensure New Hampshire retains its position as the nation's first primary state, after Iowa's caucuses. – Christopher Conkey

Conservatism Doesn't Need God (USAT)

By Heather MacDonald

USA Today, October 23, 2006

"Talk about your faith!"

That was the nearly universal advice to Democratic politicians after the publicly pious George W. Bush vanquished the more religiously reticent John Kerry in the 2004 presidential election. The largest plurality of voters — 22% — had told exit pollsters that "moral values" (left undefined in the poll) were their most salient concern. Add to this enigmatic survey finding the

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fact that 11 states passed amendments banning gay marriage, and the result, according to gleeful Republican pundits and not a few Democratic consultants, was the exposure of a Democratic God gap.

Ever since then, Democrats have been trying to show that they, too, have God in their hearts and in their caucus rooms.

Sen. Hillary Clinton, D-N.Y., has declared herself a "praying person." "I was lucky enough to be raised in a praying family, and learned to say my prayers as a very young child," she said at a benefit in Boston last year. The House's Democratic Faith Working Group, created in 2005, provides "members of strong and authentic faith" an organizing venue. The lengthy "My Faith as My Guide" section of Rep. Harold Ford's campaign website discloses that Tennessee's Democratic senatorial candidate went into politics to put his "faith and beliefs into action." Other Democratic hopefuls have testified to their religion as November draws near.

This surge of mediagenic piety is discouraging to one of the least heralded segments of the political spectrum: secular conservatives. The conservative movement has supposedly benefited from politicians who publicize their relationship to God. Non-believing conservatives, however, see this electoral gain as a Pyrrhic victory. Conservative principles, they say, are best grounded in reason and evidence, not revelation. The infusion of God talk into both parties' campaign discourse adds nothing to the public's ability to vote wisely.

What are we supposed to learn when a candidate talks about his faith: That he is a good person? The rich history of religious bounders and charlatans should give the lie to that hope. Nor has a sincere belief in God prevented behavior we now view as morally repugnant. There were few more religious Americans than antebellum slaveholders and their political representatives; their claim to a divine mandate for slavery was based in unimpeachable Scriptural authority.

Or perhaps a politician's discussion of his prayer habits should reassure the public he'll make the right decisions in office. But what if opposing candidates declare themselves supplicants of the divine will — how will a voter decide who is most likely to receive divine guidance?

If Connecticut senatorial candidate and Iraq war opponent Ned Lamont, say, were to invoke God's plan for humanity to justify withdrawing from Iraq, the Democrat would convince none of the war's supporters, who would be certain that he had misunderstood his divine prompter. Who would determine whether he had? Moreover, monumental decisions such as whether to enter or terminate a war should rest on reasons accessible to believer and non-believer alike.

President Bush says his belief that "God wants everybody to be free" informs his foreign policy. This declaration is disquieting, for it means that the president's war-making decisions are not wholly amenable to worldly evidence. Even if the Iraq adventure were to appear to human minds as patently counterproductive, reversing course would violate a higher mandate.

For the past six years, Republican pundits have declared that religious faith is what makes Republicans superior to Democrats. Secular conservatives beg to differ. It is a proven track record that makes conservative principles superior to liberalism, not the religious inclinations of their proponents.

Conservative atheists and agnostics vigorously support the two-parent family because the life chances of children raised by both their biological parents are demonstrably superior to children raised by single mothers. Moreover, when marriage disappears as a community norm, so do civilizing constraints on male behavior. It doesn't take Bible study to see this. Conservatives do not need God to prove the value of marriage; the sad state of the inner city is testament enough.

Likewise, secular conservatives look to the world as we know it to ground their support for the free market and the principles of limited government. Recent history alone shows that governments have little capacity to run an economy, produce widespread prosperity, or take over the functions of the family. The Founders crafted America's constitutional framework based on their knowledge of human nature and their commitment to Enlightenment ideals. They left God out of the Constitution. This omission horrified many of the drafters' contemporaries, who predicted that divine vengeance would follow. The Founders' faith in secularism proved wiser.

In the personal sphere, conservative atheists and agnostics lead lives as ethical as those of any believer. The Golden Rule and innate human empathy provide ample guidance for moral behavior. Indeed, it is doubtful that the fear of hell dissuades many people from, say, running a red light at 3 a.m.; rather, the innate appreciation for the fragility of the social order keeps the solitary driver waiting for the light to turn green.

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Most educated people instinctively understand that a law-abiding society can easily slide into anarchy without widespread obedience to the law. The greatest conservative triumph of late 20th century America — New York City's return to civility — was achieved by appeal to secular values alone.Mayor Rudy Giuliani spoke relentlessly about the need for personal responsibility and respect for social order; he based his policies on principles that non-believers and believers alike could test against their own experience.

Invoking God in the political realm is a conversation stopper, not an invitation to robust debate. America's rules of religious etiquette demand that we acquiesce silently in a believer's claim of revelation. But conservatism doesn't need such revelation; common sense and an openness to fact will do just fine as support. Conservative principles are available to people of all faiths or no faith at all.

Heather Mac Donald is a John M. Olin fellow at the Manhattan Institute for Policy Research and a contributing editor to City Journal. She is author of The Burden of Bad Ideas.

Reason And Faith At Harvard (WP)

By John I. Jenkins And Thomas Burish

The Washington Post, October 23, 2006

What should a properly educated college graduate of the early 21st century know?

A Harvard curriculum committee proposed an answer to that question this month, stating that, among other things, such a graduate should know "the role of religion in contemporary, historical, or future events -- personal, cultural, national, or international."

To that end, the committee recommended that every Harvard student be required, as part of his or her general education, to take one course in an area that the committee styled "Reason and Faith."

Whether that becomes policy remains to be seen, but the significance of the recommendation should not be understated. Harvard is the drum major of American higher education: Where it leads, others follow. And if Harvard says taking a course in religion is necessary to be an educated person, it's a good bet that many other colleges and universities will soon make the same discovery. We hope they will.

The Harvard committee rightly noted that students coming to college today struggle with an academy that is "profoundly secular." This was not always the case, at Harvard or at many other universities. For centuries scholars, scientists and artists agreed that convictions of faith were wholly compatible with the highest levels of reasoning, inquiry and creativity. But in recent centuries this assumption had been challenged and assertions of faith marginalized in, and even banished from, academic departments and university curricula. Requiring courses in "Reason and Faith" would be a welcome step toward reintroducing faith to the academy.

What should be the content of such courses? The Harvard committee hastens to explain that its proposal is not for "religious apologetics." Rather, the courses it envisions would offer an examination of "the interplay between religion and various aspects of national and/or international culture and society." They would deal not so much with the relationship between reason and faith as with reasoning about faith, religion and religious institutions and their impact in the world.

Such courses are unquestionably needed. We are in an era in which misunderstanding, conflict and turbulence characterize our interaction with the Islamic world. Debates continue about the teaching of evolution. And religious beliefs play an important role in disputes over stem cell research, abortion, euthanasia and same-sex marriage.

At the same time, religious communities in this country are important centers for personal and communal religious growth as well as for strengthening social cohesion and civic culture and for providing a variety of community services, particularly to the needy. Today's students must understand religious beliefs and institutions if they are to meet the challenges and seize the opportunities the future will present.

But universities can do more than just familiarize students with the world's religions in survey-course fashion. The rise of religious fanaticism stems in part from a failure of intellectuals within various religious traditions to engage the faithful of their traditions in serious and reasoned reflection, inquiry and dialogue. The marginalization of faith within universities contributes to this failure.

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A recent survey by UCLA's Higher Education Research Institute found that 79 percent of college freshmen believe in God, and 69 percent pray and find strength, support and guidance in their religious beliefs. Religion will remain a powerful force in the personal lives of these students long after they graduate. If faith is shunned by the institutions whose role it is to foster reason and the life of the mind, if universities do not equip students to integrate their faith with the knowledge and reasoning skills they acquire, we shouldn't be surprised if unreasonable or fanatical forces gain influence in communities of faith.

It's time for universities to explore the reasoning that is possible within a tradition of faith, and to help their students appreciate this possibility and the rich resources in great religious traditions. Such efforts would enhance the ability of those with faith to engage in thoughtful, reasoned and self-critical spiritual reflection.

At the University of Notre Dame and other academically rigorous religious colleges and universities, we strive to make room for such scholarly inquiry and discussion. We work to create classes that will convey the intellectual riches of a religious tradition and help students engage in reasoned reflection from within the perspective of faith.

This approach, too, has legitimacy within a core curriculum. Indeed, educating students on the reasoning inherent in particular faiths is critical if we want students to be able to understand and engage their own and other religious traditions in meaningful ways.

We hope that the report of Harvard's curriculum committee signals a more welcome atmosphere within the academic community for serious consideration of and engagement with issues of faith, religion and religious institutions. Our even greater hope is that some universities will join us in promoting a dialogue that truly explores the relationship between faith and reason.

The Rev. John I. Jenkins is president of the University of Notre Dame. Thomas Burish is the university's provost.

Biggest Charities Saw Giving Rise By 13% Last Year (WSJ)

By Sally Beatty

The Wall Street Journal, October 23, 2006

America's largest charities saw a surge in donations in 2005, as a strong economy and a string of major disasters boosted cash and in-kind gifts 13% to $62.7 billion, according to an annual survey of 400 charities.

The jump marked one of the largest percentage gains since the Chronicle of Philanthropy began the survey 16 years ago. The biggest increase came in 1999, when wealth fueled by the technology boom helped charities notch a 13.4% gain in donations, the publication says.

Donations to aid victims of the Asian tsunami in late December 2004 and Hurricane Katrina, which struck in August 2005, totaled $2.6 billion for the 400 charities surveyed. But even organizations not involved in disaster relief reported a healthy rise in donations. Excluding disaster-relief funds, giving rose 8.3%, after adjusting for inflation, the survey found.

Major gifts also lifted donations. The Salvation Army, for example, registered a more than doubling in giving to nearly $3.6 billion, largely reflecting the partial payment of a $1.5 billion gift made public in January 2004 from the late Joan Kroc, the widow of McDonald's Corp. founder Ray Kroc.

One of the nation's largest charities, the United Way, saw donations to it and its roughly 1,300 chapters rise 3.9% to $4.04 billion. Rick Belous, United Way's vice president of research, said the gain reflected rising donor interest in health and human services generally. The American Red Cross saw a more than doubling of donations to $1.28 billion, which it said was mostly a result of tsunami relief efforts. (Red Cross 2005 numbers are for the 12 months ended June 30, 2005; Katrina hit two months later.)

Not all charities had a good year in 2005, however. Feed the Children saw a 9.5% decline in donations to $803 million. Feed the Children President Larry Jones said the decrease reflected bankruptcies of two major food suppliers and a setback in plans to secure medical supplies.

She Remembers Father (WP)

By Lois Romano

The Washington Post, October 23, 2006

My Father, My President:

A Personal Account of the Life of George H.W. Bush

DOJ_NMG_0085002

By Doro Bush Koch

Warner Books, 586 pp. $29.99

George H.W. Bush has long said that he will never write a personal memoir but will instead let history speak for itself. He never promised his family would sit tight.

It may be that the next best thing to hearing from Bush is reading his story through the eyes of his sixth child and only surviving daughter, Doro Bush Koch. At her father's request, Koch, 47, pulled together a warm and, not surprisingly, favorable look at Bush's eventful life, as relayed to her by many of his friends and political associates, his diaries and letters, and conversations with Dad.

Indisputably told through the lens of an adoring daughter, "My Father, My President" breaks no new ground and presents no neutral judgments. But it does offer an intimate look into one of America's political dynasties, and subtly conveys the hope of an 82-year-old man to have some say in how the story is told -- even if he doesn't want to tell it himself.

For instance, Koch gives her father plenty of space to distance himself from the Watergate scandal, which he weathered from the unenviable perch of chairman of the Republican National Committee. As the government was unraveling around him, Bush -- ever loyal -- said nothing about President Richard M. Nixon publicly but found plenty to share with his family, and his diary, thoughts first published in this book.

"The gloom in the White House is unimaginable, difficult to describe," he wrote in 1974. "It is brought dramatically home that this president is a liar, a total liar and we cannot face up to it in fairness, in the nation's interest, in any other way. . . . "

Bush admits to his daughter: "I always felt Nixon thought I wasn't tough enough. I lacked the kind of bull-doze-'em approach that some of his lieutenants had. Nixon liked the tough guy. . . . "

Koch cast a wide net in researching the book, writing hundreds of letters to her father's friends and political adversaries, as well as to world leaders, asking for impressions and anecdotes. The book takes on the feel of an oral history when she prints long portions of interviews or e-mails about specific events. She also relies on thoughtful correspondences from her father to family members and friends that confirm what many already know about Bush: that he is a decent, gracious and sentimental man.

It is refreshing to learn that despite the power and the pedigree, the Bush clan faced the same comic mishaps of any other large family -- and didn't always do everything according to Emily Post. When Jeb Bush insisted on marrying his 19-year-old girlfriend in 1974, brother Marvin-- an amateur photographer -- offered to take the official pictures to save money. The high school student, who rolled his own film spools, discovered in the darkroom that he had shot the wedding over images of a Frank Zappa concert. "Every single photo of the Bush and Garnica families had either a photo of Frank Zappa and/or members of . . . the Mothers of Invention, superimposed onto their own images," Marvin recalls. Koch further tells us that her dad did not meet Jeb's fiancee (now wife), Columba, until the rehearsal dinner.

On a painful note, Koch looks at how her parents coped with the death of their firstborn daughter, Robin, who died before Koch was born. The Bushes have never liked to talk about Robin's death from leukemia, but Koch captures the devastation through others who witnessed it. One friend from Midland, Tex., recalled to Koch how Bush continued to teach Sunday school as his daughter was failing and how often "he arrived disheveled and unshaven, to teach his class."

"Having no time to prepare the lesson, he would share with these young people his feelings on life, death, war, faith, hope, and despair."

Koch tries to explain her family's distrust of the media, and how, despite a lifetime in the public eye, they often felt under siege.

She examines a damaging story from 1992 -- "the worst political year" of Bush's life -- when the New York Times reported that the president didn't understand how a basic grocery store scanner worked, which Bush has long refuted. "The trouble is, it gets stuck in the computer, and it's still there today," he tells Koch. "It's just manufactured news -- fake history -- but there's no question that it hurt me a lot."

She describes a scene of hurt and turmoil in the family when Newsweek published its infamous cover in 1987 referring to Bush as a "wimp." She says they all felt stunningly betrayed because they had cooperated with the magazine and the reporter.

While Bush's live shouting match with Dan Rather on the "CBS Evening News" has not gone underreported, Koch offers a new, colorful version of the story as told by Roger Ailes, then Bush's media adviser, who was in the room for the interview. At one

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point, Ailes relates that he could see the vice president was reluctant to hit back at Rather as the anchor shouted at him over the Iran-Contra scandal. Ailes frantically held up a sign urging Bush to bring up one of Rather's more embarrassing career moments -- when he had walked off the broadcast leaving dead airtime. Bush went for the jugular, which made for one of the best moments in TV news.

Koch brings up the rumor that Bush had an affair with a longtime aide -- which he always denied. She interviewed Bush's 1988 Democratic opponent, Michael S. Dukakis, on why he fired then-aide Donna Brazille after she talked about the rumor publicly. "To hell with all that. I just said 'Look, we're not going to have any part of that,' " the former Massachusetts governor told Koch. "When you decide you're going into this business, you've got to decide who you are. . . . If folks get out of line, you can't accept that."

Koch doesn't offer any new insights into the 2000 electoral drama between her brother, George W. Bush, and Al Gore. But she reveals one hilarious story about joining protesters in front of the vice president's mansion, disguising herself in dark glasses and scarf. She said her ex-husband met her at the site where she was "standing in the freezing cold, yelling very creative and very adult chants such as 'Get Out of Cheney's House!' and 'Sore Loserman!' "

In the end, Koch cannot help but give us an extra line of sight on history because she lived it. She offers up the book her father will probably never write. But now at least, we know what he might have said.

Ohio's Bad Proposition (WSJ)

The Wall Street Journal, October 23, 2006

Ohio's unemployment rate is more than a full percentage point above the national average at 5.7%, and the state has recorded a net job loss of 150,000 since 2001. So you might think the last thing any responsible public official would promote is an increase in the cost of doing business there. Well, think again.

Democratic Representative Ted Strickland, who's running for Governor, is backing a ballot initiative known as Issue 2 that would amend the state constitution to raise the minimum hourly wage to $6.85 from $5.15. It also mandates annual minimum-wage increases based on inflation and contains other sneaky provisions designed to aid union organizing.

The Cleveland Plain Dealer reports that in recent years, "nearly all of the state's job growth has been in lower-paying service jobs," which tend to be the first to go when the minimum wage is increased. Mr. Strickland, whose Appalachia district in eastern Ohio boasts one of the highest jobless rates in the nation, has decided to side with Big Labor over his constituents.

Issue 2 was initiated by the AFL-CIO and national anti-business activist groups like Acorn. It is polling well and expected to pass. Proponents appear to have convinced enough Buckeye State voters that such laws lift low-wage earners out of poverty, though study after study has shown that minimum-wage mandates reduce employment prospects, particularly for younger, less-experienced and less-skilled workers.

But voters should also know that Issue 2 is about a lot more than a higher minimum wage. It's also a Trojan horse for other items on Big Labor's wish list that will only make Ohio's business climate less attractive. For example, the proposal imposes onerous and expensive record-keeping requirements on employers and says, "Such information shall be provided without charge to an employee or person acting on behalf of an employee upon request."

Nowhere is it specified who's permitted to act on behalf of an employee, which is an open invitation to union officials to search personnel records to facilitate organizing. The same goes for disgruntled employees and others who would be permitted to run up compliance costs with repeated, frivolous requests. Issue 2 also stipulates that someone "acting on behalf of one or more employees and/or any other interested party may file a complaint with the state for a violation of any provision of this section or any law or regulation implementing its provisions." Such language is music to the ears of class-action attorneys.

Voters in five other states -- Arizona, Colorado, Missouri, Nevada, Montana -- will also decide on a minimum wage referendum in November. And it's no coincidence that nearly every one of these states features a competitive Congressional or gubernatorial race.

"Labor calls it their gay marriage amendment," says Michael Flynn of the Washington, D.C.-based Employment Policies Institute. "They believe it will turn out progressive voters." Maybe so. But it will also retard job creation, and that's something a state like Ohio can hardly afford.

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For Connecticut's Governor (NYT)

The New York Times, October 23, 2006

Gov. M. Jodi Rell of Connecticut, a Republican, was a political unknown when she took office in 2004 after a corruption scandal forced her predecessor to resign. Within months, she became the most popular governor in the state's history. Part of the explanation was undoubtedly relief. But residents also responded to her personal warmth and her emphasis on high ethical standards. She brought together reluctant members of both parties to pass a campaign finance law.

Now Governor Rell is running for election against Mayor John DeStefano of New Haven, a Democrat. Both Mrs. Rell and Mr. DeStefano are good candidates. But they have real differences.

Mrs. Rell has shown a good sense of priorities. She put billions of dollars into transportation, a pressing but long-ignored need. She put money into pilot programs to provide preschool to poor children and promises to expand them. She has kept state bonding in check and used a large budget surplus this year to reduce pension liabilities and state debt.

Mr. DeStefano, the underdog, has encouraged a real discussion of the state's many problems. He wants to provide health coverage for the uninsured by closing corporate tax loopholes, a priority for the leaders of the Democratic-controlled Legislature. He's talked about a windfall profits tax on energy and about lowering residential property taxes. These are good ideas. Voters will also undoubtedly notice that some of them are unnervingly expensive.

The biggest concern about Mr. DeStefano's candidacy is something that he has no control over — the enormous political imbalance created by the decline of the Connecticut Republican Party. If he is elected, Connecticut will have, in effect, one-party rule; the Democrats are two votes shy of a veto-proof majority in the Legislature.

It strikes us that Connecticut would be better off with a moderate Republican governor now. And Mrs. Rell has clinched the sale in her short time in office by showing the potential to be a great governor as well as a popular one. Her record has a few flaws. Mrs. Rell, for all her emphasis on high standards, adopted a see-no-evil approach to a lapse in ethics of her chief of staff. Her election campaign has been lackluster. She hasn't wanted to risk her lead by debating the big issues, and she hasn't appointed enough of her own people to top jobs.

When Mrs. Rell decides an issue is worth fighting for, like campaign finance reform, she's impressive. But so far her vision has been too modest. It would be a real tragedy if Mrs. Rell wasted her popularity by just tinkering with the state's big problems. She should not squander the opportunity to aim high. With that admonition, we endorse her for governor of Connecticut.

California's Bottomless Tax Well (WSJ)

The Wall Street Journal, October 23, 2006

California already ranks as one of America's five most taxing states, but if liberal activists have their way the Golden State will soon be competing for Number One. Having voted to raise the top income tax rate on the rich two years ago, Californians are this year being confronted with a slate of new ballot propositions to raise levies on motorists, smokers and property owners.

The jewel in this liberal crown is Proposition 87, which would raise taxes on oil extracted from California by 1.5% to 6%, depending on the price per barrel -- all in the name of reducing energy consumption and dependency on foreign oil. Let us run that by you again: The idea here is to tax California oil in order to get Californians to use less Saudi oil. Brilliant.

If approved, the law would raise costs on California's oil producers by as much as $4 billion over the next 10 years. California would overnight become the state with the highest tax on oil producers in the U.S. -- which makes as much sense as Vermont levying the highest tax on maple syrup. Not one penny, by the way, would go to close Sacramento's enormous government debt burden -- which may rise by another $40 billion if the multitude of bond initiatives for new public spending are also approved by voters this November.

Instead, the revenue would finance a new state agency, the Energy Alternatives Program Authority. The new energy authority would be responsible for passing out multi-million dollar checks to projects researching alternative energy. If you think corporate welfare is out of control in Washington, wait until Sacramento politicians start passing out these billions in subsidies.

A Law and Economic Consulting Group (LECG) analysis concludes the bill would in fact increase dependency on foreign oil because the tax increases the price only on domestic oil. Meanwhile, to make it seem as if the tax will be paid by "greedy" energy companies rather than voters, Proposition 87 would make it illegal for producers to pass on the tax costs to consumers.

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But wait. The "Yes on 87" lobby also claims that the law would reduce California oil consumption by 25%. How does a law that doesn't allow the retail price to rise reduce gasoline consumption? These are logical niceties that no one much cares about when fads are in season -- and taxing energy is the biggest fad of them all these days.

Former President Bill Clinton is starring in a pro-87 TV ad that began running last week. Al Gore is raising money for the initiative, alongside Hollywood economists Geena Davis and Julia Roberts. Its main financial supporter is Hollywood producer Stephen Bing, who is also rich enough not to care about any increase in energy prices; his $40 million contribution is believed to be the largest individual donation to a ballot initiative in history. One co-chairman of the initiative, Vinod Khosla, a venture capitalist, has contributed $1 million to the campaign. Mr. Khosla happens to own an ethanol plant outside of Fresno -- just the operation that, who knows, might be eligible for funding from this new energy welfare fund.

The biggest impact of Proposition 87 would be to make California oil relatively more expensive to produce than Saudi, or Venezuelan, or Canadian oil. So if 87 passes, Californians will be approving the equivalent of a tariff on their own oil. So the tax would actually make America slightly more, not less, dependent on foreign oil. This is an energy plan that only Venezuelan strongman Hugo Chavez could love.

Puerto Rico, An Island In Distress (NYT)

The New York Times, October 23, 2006

After decades of economic progress, Puerto Rico is struggling, and the mainland has both missed this horrific economic slide and contributed to it through benign neglect.

Poverty on the island is rampant. The per capita income is just about half that of the poorest state in the United States. Nearly one-third of the population was unemployed in 2000. And a good quarter of all employment is in government jobs. If the goal is more than survival, the bloated public payroll will need to be significantly pared back.

The bleak picture is set out in a long-overdue, exhaustive study — "The Economy of Puerto Rico: Restoring Growth" — from the Center for the New Economy, a nonpartisan Puerto Rican research group, and the Brookings Institution.

Much of the blame can be put on Washington, which has been tone deaf to the island's needs and has miscalculated where help was needed. Even a good idea, like the Section 936 program of tax incentives, was mismanaged. Before it was phased out last year, it had succeeded in bringing many pharmaceutical concerns to the island, but produced relatively few jobs and at so high a cost that a $40,000 position cost the government $70,000.

The study is spurring a debate over welfare and other social programs. Some of the economists' prescriptions are harsh, including curtailment of food stamps. But part of the mission seems to be shock therapy. That may work and might even help to get policy makers on the search for solutions. The key to the island's future will be charting a direction that includes capitalizing on the island's open economy to create jobs for home-grown talent.

North Korea: Help From Beijing (NSWK)

By John Barry

Newsweek, October 23, 2006

Beijing may have saved President Bush from a tough decision: whether to order a pre-emptive strike against North Korea's main missile-launch facility. In the wake of Kim Jong Il's nuclear test, the White House was alarmed at the prospect that Kim was planning to explode a second nuclear device while also firing off a second test flight of North Korea's Taepodong-2 missile. The first T-2 test fizzled in July. U.S. analysts, calculating from satellite pix of the T-2 on its launchpad then, reckon its stages are big enough to carry the fuel for intercontinental range: it could theoretically hit the West Coast. So successful tests of both North Korea's nuke and its ICBM would raise real fears that Pyongyang could directly threaten the United States—which would generate unstoppable political pressure for decisive U.S. action. To forestall this, one option under urgent debate inside the administration (according to senior officials, anonymous because of the sensitive situation) was a pre-emptive strike to destroy the next T-2 on its launchpad.

Meanwhile, Beijing was so angered by Kim's test—which China had publicly warned against—that it sent top national-security official Tang Jiaxuan to Pyongyang. The senior officials say Beijing threatened to cut off fuel and food supplies. How did Kim respond? Japan's Foreign Minister Taro Aso said: "Though it is not confirmed, we have obtained information that [Kim] told

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Mr. Tang the country won't conduct a second nuclear test." Diplomatic sources (anonymous due to the sensitive subject) say they believe Kim's pledge covers missile tests, too. But Condoleezza Rice, after her "thorough" briefing in Beijing, indicated Kim was far from conciliatory. Tang, though, seemed to feel he'd made some gain. Kim refused to see him after July's test. Last week, Tang commented: "Fortunately, this time my visit has not been in vain."

Staring At North Korea (TIME)

By Simon Elegant

Time, October 23, 2006

At first glance, the cityÂ of Dandong seems a peaceful, bustling symbol of Chinese prosperity. Brightly dressed townspeople stroll along the tree-lined promenade near the Yalu River, teenagers mixing with office workers and young families, many of them fresh from nearby malls, shopping bags at their sides. As the light fades, neon signs illuminate the city's numerous hotels and karaoke bars. Smaller lights also begin to blink on in the rows of brand-new apartment buildings that line the riverbank for miles. Behind one of the buildings, a fountain of noise and color erupts as firecrackers and exploding rockets mark a wedding banquet.

Look a little closer, however, and it becomes evident why Dandong (pop. 2.4 million) is anything but a normal Chinese city--and why it's a crucial front in the world's struggle to contain a nuclear North Korea. A few hundred yards across the river lie the dilapidated low-rise buildings of the North Korean city of Sinuiju, many of which seem deserted, their window frames empty of glass, their doors agape. A few peasants dressed in blue jackets and trousers can be seen laboring in the fields in front of the town, but otherwise an eerie stillness pervades. As evening advances, only a few feeble lights come on in Sinuiju, and the town's forlorn structures are soon swallowed up by the darkness. Only the incongruous shape of a long-unused Ferris wheel is visible in the dying light.

The proximity of such desolation goes to the heart of China's quandary about how to deal with North Korea and its leader, Kim Jong Il. Dandong is the main crossing point on China's 880-mile border with North Korea, making it the most active hub for the $1.6 billion in annual trade between the two countries. That trade is critical to the survival of Kim's regime: some 90% of Pyongyang's daily oil supply and just under half its food imports come from China. Although the U.S. believes that tightening the financial squeeze on Pyongyang is necessary to persuade Kim to abandon his newly tested nuclear arsenal, Beijing fears that a cutoff in aid would bring about the collapse of the North's economy, touch off civil unrest and lead to an influx of millions of poor, hungry refugees on its borders. In response to Kim's test on Oct. 9, the U.N. Security Council demanded that North Korea eliminate all its nuclear weapons and other weapons of mass destruction, as well as ballistic missiles. The U.N. also authorized inspection of cargo to and from North Korea.

Making those sanctions meaningful depends on China. China said last week that the country's four main banks will cease handling transactions from North Korea. It also says it had increased inspections of goods passing from China to North Korea by land, although there will be no inspections of seaborne cargo. Chinese newspapers reported last week that authorities had closed all border crossings with North Korea except for the most heavily trafficked one, at Dandong.

And so if China really intends to exert pressure on Pyongyang, Dandong will be the place where the hammer will drop. But there's reason to doubt China's readiness to take further steps toward squeezing North Korea. One reason is self-interest. Trade with the North is vital to border cities like Dandong, which has registered double-digit growth in recent years, according to local government statistics. Much of that is due to its trade with North Korea, which has more than quadrupled since 1999. Others have benefited from doing business with the North: energy and fuels constitute the bulk of China's exports to the North, accounting for nearly $300 million last year. Significantly, food was the second largest product, at about $150 million, followed by electrical and other machinery and plastics.

The importance of the North Korean market to the Chinese helps to explain why officials have been relatively slow to enforce the U.N. sanctions. At Dandong's three-story customs compound, a plump, middle-aged man who calls himself Li and says he is a truck driver gestures toward the 15 or so vehicles waiting to be inspected before driving onto the bridge over the Yalu. "The inspections are a little stricter, but it's really just for show. They poke around a bit and then let you go."

What scares Beijing most about sanctions is less what they would mean to China's economy than what damage they could do to North Korea's. In the mid-1990s, North Korea suffered a severe famine that lasted for several years and left perhaps

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hundreds of thousands dead. Although increased trade and relatively good harvests in the past couple of years mean the current situation is fairly stable (Pyongyang doesn't publish reliable economic statistics, but most estimates put GDP growth in recent years in the 1%-to-2% range), the North remains dependent on outside food aid. According to the Brussels-based International Crisis Group, conditions could deteriorate quickly. A forthcoming report warns that "a perfect storm may be brewing for a return of the famine." The report notes that Pyongyang last year reintroduced the same public food-distribution system that had collapsed in the 1990s, and rejected assistance from international aid groups. Those problems have been further exacerbated by summer floods that damaged crops and infrastructure.

The prospect of a humanitarian crisis is not lost on Chinese officials, who find themselves trying to engage North Korea while at the same time walling it off. Above Dandong sits a watchtower whose stone battlements are silhouetted by the dying rays. The tower is one of the first outposts of China's Great Wall, remnants of which wind up and down the hills leading to Dandong. Now China is building another wall, a fence along its entire border with North Korea. But even when that structure is complete, it seems unlikely that Beijing will pay much more than lip service to imposing the kind of severe sanctions that, while they would teach North Korea a lesson for its nuclear adventures, could also bring about renewed famine and the prospect of hundreds of thousands of refugees.

It's revealing that even in the wake of Kim's nuclear detonation, most Chinese in places like Dandong regard their neighbor with pity more than fear. On the highway leading out of the city, a farmer sits astride a brand-new bright blue motorbike and waits as a fruit seller packs up three large bundles of apples and pears. "I'll take this down to the river tonight, and the North Koreans will be there to trade as usual," he says. He says he swaps the fruit for sheets of copper, most probably stolen, usually one piece of fruit at a time because his buyers can't afford more. "These are the people who are allowed to live near the border. They have to pass loyalty tests," he says, shaking his head. "And still they are smuggling and crossing into China. Imagine what the rest of the country is like."

A Shadowy Nuclear Saga (NSWK)

By Mark Hosenball And Christopher Dickey

Newsweek, October 23, 2006

North Korean diplomats in Berlin are easy to spot: they wear badges with portraits of "Great Leader" Kim Il Sung. The bigger the official, the bigger the badge. But it's rarely so simple to track other agents suspected of shopping for nuclear components. The supply lines used by secret proliferators are almost as complicated as the weapons themselves, and neither the U.N. watchdog International Atomic Energy Agency nor the intelligence services of the United States and other powers—let alone the international legal system—is fully able to meet the challenge.

"We are still grappling with the clandestine network we discovered a few years back," IAEA Director General Mohamed ElBaradei said last week, referring to the web created by AQ Khan of Pakistan. "When we know now that on a CD-ROM you have designs for centrifuges [capable of enriching uranium to weapons-grade] and possibly even weapons designs, that makes you very worried." So does the record of even the most successful investigations so far.

Follow the trail of the Tinner family. The area around Haag, Switzerland, near the Liechtenstein border, holds a nest of precision-engineering firms known among investigators as Vacuum Tube Valley. Friedrich Tinner, owner or player in several of these companies and a longtime Khan acquaintance, denies ever intentionally helping produce components for clandestine nuclear programs. But one of his sons, Urs Tinner, allegedly had a pivotal role: first making vital parts for Libya's secret nuclear program, then, as a CIA informant, helping to expose it.

Urs Tinner's story began in the 1990s, according to U.S. and European officials who worked closely with the CIA's efforts to penetrate these operations. Those sources (asking not to be named because of the sensitive subject) say U.S. intelligence gained potential leverage over the Tinners in the 1990s, when Urs ran afoul of French authorities. One of the French security services tipped off the Americans.

In 2002, Urs went to work for Scomi Precision Engineering (SCOPE), a company set up in Malaysia by Khan associates to produce high-tech components, ostensibly for use in the oil industry. Urs supervised production of pieces for centrifuges, according to a detailed report issued by the Malaysian police in 2004. The components were loaded on the BBC China, a Libya-

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bound ship—which was intercepted in October 2003 by a team of U.S. and other agents. Within weeks, Libyan leader Muammar Kaddafi, his operations now exposed, ended his nuclear program and gave up a trove of intelligence about his suppliers. The incident remains the biggest counterproliferation coup on record.

The CIA kept its eye on Urs, along with his brother Marco and their father, the intelligence officials say. But a few months after the BBC China bust, German border police arrested and jailed Urs, apparently unaware of his CIA ties, and then extradited him to Switzerland, where Marco and Friedrich were later picked up. The old man was freed, but his sons remain in detention, pending possible charges under a Swiss law banning traffic in nuclear tech from Swiss soil.

Before the arrests, the brothers denied any wrongdoing. A family spokesman said Urs had worked for SCOPE but had no idea that parts were going to Libya. The CIA declines to comment on the case. What's clear is that the Tinners are now useless, either as moles or as surveillance targets, to investigators trying to discover where AQ Khan's seeds of destruction might still be sprouting.

Direct Talks Urged With N. Korea (WT)

By Eric Pfeiffer

The Washington Times, October 23, 2006

Two Republican senators, including the chairman of the Foreign Relations Committee, yesterday called for direct U.S.-North Korea talks over Pyongyang's nuclear program.

Meanwhile, the panel's top Democrat said the other four nations in the six-party negotiations -- China, Russia, South Korea and Japan -- have privately urged the same path on the United States, which has long rejected bilateral talks with North Korea.

"I believe that is going to happen," said Sen. Richard G. Lugar, Indiana Republican and Foreign Relations chairman, in an appearance on "Fox News Sunday."

"I hope it happens sooner rather than later. But I think it is inevitable, if this is to be resolved diplomatically," he said.

Sen. Arlen Specter, Pennsylvania Republican, also broke ranks to endorse bilateral talks with Pyongyang's reclusive communist regime.

"North Korea wants to pound its chest. Well, let's talk to them," he said during an appearance on CNN's "Late Edition." "The issue is serious enough with North Korea, with their having nuclear weapons and the capacity to deliver them, that I think we ought to use every alternative, including direct bilateral talks."

Mr. Lugar was joined in his appearance by the other three top-ranking senators on foreign-policy issues -- Sens. John W. Warner, Virginia Republican; Joseph R. Biden Jr., Delaware Democrat; and Carl Levin, Michigan Democrat.

Mr. Biden and Mr. Levin, the ranking members on the Foreign Relations and Armed Services committees, respectively, also support direct U.S. talks, with Mr. Biden saying that representatives from all the other nations involved in negotiations with North Korea have endorsed direct talks to resolve the standoff.

"Every single party we're working with, every one of them, from Japan to [South] Korea to Russia, has encouraged us privately to talk directly with North Korea," he said.

But the State Department would have to conduct the talks, and the White House has repeatedly rejected earlier calls, mostly from Democrats, for direct talks with North Korea.

Only Mr. Warner, the Armed Services chairman, had unequivocal praise for the administration's North Korea policy.

"The president was right: Negotiations must be left to the six-party talks. Conversations on the side take place, as all of us know, in diplomatic areas. That's fine, conversations," Mr. Warner said. "Negotiations, he's been right, leave it to the six. Because we do not want the other powers to point to us and say, 'You didn't handle this right, USA. It's your fault; now you take care of the problem.' "

But Mr. Levin added that a mix of direct and group negotiations was an alternative.

"That is not inconsistent with our having direct talks with the North Koreans," he said. "As a matter of fact, the Chinese and the South Koreans are allies, and South Korea wants us to have one-on-one, direct discussions with the North Koreans."

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Meanwhile, Assistant Secretary of State Christopher R. Hill, the top U.S. nuclear negotiator, arrived in Hong Kong yesterday for talks on freezing North Korean bank accounts in Macau, a special administrative region of China, according to a spokesman for the U.S. consulate-general. Mr. Hill's visit occurred on the heels of a regional visit by Secretary of State Condoleezza Rice.

The U.S. banned transactions between Macao-based Banco Delta Asia and American financial institutions in September 2005 after accusing Banco Delta Asia clients of engaging in smuggling and counterfeiting operations on behalf of North Korea. North Korea has denied the charge and has said it will not return to the six-party talks until the ban is removed.

Recent reports have indicated that North Korean leader Kim Jong-il told a Chinese envoy that he had no "immediate plans" to carry out further nuclear tests, but that those plans hedged on the level of U.S. pressure. The North Korean dictator has repeatedly stated concern that the U.S. intends to overthrow his regime through military force.

After her trip, Miss Rice said she doubts Pyongyang will honor such a promise and that Chinese officials had not informed her of any proffered deal.

This article was based in part on wire-service reports.

Lugar, Dems Urge U.S.-N. Korean Talks (AP-Y)

By Foster Klug, Associated Press Writer

AP, October 23, 2006

Two leading Republican senators joined Democrats on Sunday in calling for direct talks with North Korea aimed at easing a nuclear standoff.

Sen. Richard Lugar, chairman of the Senate Foreign Relations Committee, said direct talks, which the North long has coveted and which the Bush administration refuses, are "inevitable if this is to be resolved diplomatically."

Calls for such talks have grown louder following North Korea's nuclear test Oct. 9 and as diplomats worry about a second detonation.

The administration says it will only have such talks during six-nation negotiations meant to persuade North Korea to abandon its nuclear programs. Those talks have been stalled for nearly a year.

GOP Sen. Arlen Specter of Pennsylvania, chairman of the Senate Judiciary Committee, said the "issue is serious enough with North Korea, with their having nuclear weapons and the capacity to deliver them, that I think we ought to use every alternative, including direct bilateral talks."

One day, said Lugar, R-Ind., an American president will be talking directly to North Korean leader Kim Jong Il "and his people and saying, in essence, in terms they can understand, 'We are not going to overthrow you; we are not involved in regime change; you're going to stay.' ... I hope it happens sooner rather than later."

Secretary of State Condoleezza Rice on Sunday ended a weeklong trip to Asia and Russia to rally support for enforcing a U.N. Security Council resolution that punishes North Korea for the nuclear test.

A report Sunday said Kim told a Chinese envoy that future nuclear tests will hinge on U.S. policy toward his country. Kim also said he thinks Washington is trying to crush North Korea with its hostile policy and complained about U.S. financial penalties, the Kyodo News agency in Japan reported.

Sen. Joseph Biden, the top Democrat on the Foreign Relations Committee, said Japan, Russia, China and South Korea — the other members of the six-nation talks — have privately urged the United States to allow direct talks with the North.

Biden, D-Del., questioned what he said was the administration's policy of trying to persuade the North to give up its nuclear bombs while also pursuing a change in government.

"It's either you want regime change or conduct change," Biden said. "You don't say to somebody: 'By the way, put down the very thing that can keep us out of your hair militarily, and, by the way, after you put it down, we're going to take you out.'"

Lawmakers from both parties linked the crisis in North Korea to Iran, with whom the United States also is in a nuclear standoff with. Lugar and Specter joined Biden in calling for direct talks with Iran.

"Whether it's deserved or not, there's a big feeling around the world about ugly Americans," Specter said. "Iran wants to be part of the nuclear club; North Korea wants to pound its chest. Well, let's talk to them."

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Sen. John Warner, however, supported Bush's policy of keeping direct talks between North Korea and the United States within the framework of the deadlocked six-nation negotiations.

"He's been right: Leave it to the six. Because we do not want the other powers to point to us and say: 'You didn't handle this right, USA. It's your fault; now you take care of the problem,'" said Warner, R-Va., chairman of the Senate Armed Services Committee.

Warner, Lugar and Biden appeared on "Fox News Sunday," while Specter was on CNN's "Late Edition."

U.S. To Cede More Wartime Control To South Korea (WSJ)

By Evan Ramstad

The Wall Street Journal, October 23, 2006

SEOUL -- Even as North Korea challenges the military balance in northeast Asia, Seoul and Washington are moving ahead on a plan to pass more military responsibility to South Korea in the event of war.

Defense ministers from the two countries agreed over the weekend that South Korea will take wartime control of its military, which is part of a joint command office led by a U.S. general. The change is scheduled to take place between late 2009 and early 2012, but both sides deferred deciding the precise time until next year.

The change has been informally discussed for several years by the two countries but was put under formal review a year ago. U.S. Defense Secretary Donald Rumsfeld and South Korean Minister of Defense Yoon Kwang Ung signed off on the change at a meeting in Washington on Friday.

The U.S. fought alongside South Korea in the Korean War from 1950 to 1953 and has maintained a military presence in the country since. The two countries signed a mutual-defense treaty in 1954.

South Korea took charge of peacetime control of its 600,000-person military 12 years ago. Mr. Rumsfeld said he believed South Korea "has the ability to assume responsibility for wartime operational control roughly in the time frame of 2009."

For the U.S., a speedy transition will more quickly allow it to send personnel associated with Korean war planning and logistics to other places. The plan also allows current commanders in the region to take charge of the transition, rather than leaving it to others who, in normal duty rotations, would be brought in.

South Korean President Roh Moo Hyun has said his country is ready to take wartime control anytime, calling it "the core of a self-reliant national defense."

Many South Koreans worry the change is prelude to withdrawal by the U.S. military from the country and urged Mr. Roh not to let it happen.

"As soon as the control is passed, the U.S. will leave," Lee Soo Bong, a retired Korean naval officer, said at a protest over the issue last month.

The U.S. is near the end of a five-year reduction of its forces in South Korea, to 25,000 people by the end of next year from 37,500 in 2002. U.S. leaders have repeatedly said the country will live up to its promise to protect South Korea.

"The opinion of the Korean Ministry of Defense as well as the Korean public is that 2012 is the best year in terms of having perfect conditions for security on the Korean peninsula," the South Korean defense chief, Mr. Yoon, said at a news conference Friday.

North Korea's nuclear-weapons test didn't appear to affect the decision. The U.S. provides a so-called nuclear umbrella for South Korea, agreeing to use its nuclear weapons against anyone who attacks the South with such weapons. For years, the U.S. had nuclear-tipped missiles in South Korea, but removed them in the early 1990s.

A Test Of Wills Over Pyongyang's Nuclear Program (MCT)

By Warren P. Strobel

McClatchy Newspapers, October 23, 2006

SHANNON, Ireland - Now the test of wills begins.

North Korea has made itself an uninvited member of the nuclear club and dared the world to kick it out.

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The world's leading powers, divided over Iraq, Iran and much else, have responded with uncharacteristic speed and unanimity to bracket North Korea's Kim Jong-Il with some of the toughest sanctions imposed on any nation since the 1991 Persian Gulf War, at least on paper.

Secretary of State Condoleezza Rice on Sunday completed a four-nation trip to Japan, South Korea, China and Russia in an effort to cement the initial outrage at North Korea's October 9 nuclear test into a durable diplomatic wall. It remains to be seen, however, whether the U.S. and the other four nations, acting together, separately or both, can persuade the unpredictable Kim to curb his nuclear appetite.

A senior official accompanying Rice was privately skeptical. "He lives in a different world from us," the official said.

The stakes are enormous.

A nuclear-armed North Korea could prompt Japan, South Korea or even Taiwan to develop their own nuclear deterrents, triggering an East Asian arms race. It would shred global nonproliferation efforts. And the cash-starved North might sell nuclear technology, material or even a weapon to others.

Kim, whose country is the most isolated on the planet and has only the nuclear card to play, is unlikely to back down soon or to return to six-nation talks whose goal is to persuade North Korea to halt its pursuit of nuclear weapons in return for a host of rewards.

"I think we'll be at this for a long while," Rice told reporters after talks in Beijing. "I can't tell you how long."

That means that the sanctions will have to stay in place for a long time, too.

Kim appears to be calculating that he can ride out the backlash from his nuclear weapons test, as India and Pakistan did after their 1998 blasts.

The key, U.S. officials acknowledge, will be China, which has sustained and sheltered North Korea since the late 1940s, sacrificing thousands of soldiers on Pyongyang's behalf in the 1950-53 Korean War.

The relationship has cooled considerably in recent years, and there are signs that Beijing's leaders may be nearing the end of their rope with Kim, who ignored China's warnings not to conduct a nuclear test.

Chinese President Hu Jintao sent a top-level delegation to Pyongyang last week to tell Kim, in essence, cut it out.

Senior U.S. officials, briefed by the Chinese on those talks and speaking only on the condition of anonymity, said that Kim didn't, as widely reported, promise not to conduct more nuclear tests. Instead, they said, the North Korean leader said he'd refrain from more tests for now if the United States didn't do anything provocative - a much flimsier pledge.

China seems unlikely to abandon North Korea overnight, although Kim himself could be a different matter. As a rising world power, China has more important things to do than prop up a capricious dictator: maintain good relations with the United States, ensure stable trade and energy supplies; and, perhaps above all, ensure that rival Japan doesn't go nuclear.

Words are extremely important in China, and U.S. officials took note when Foreign Minister Li Zhaoxing said at an appearance with Rice that China, like the United States, is a "stakeholder" in global affairs.

"I don't think that there is any doubt that Chinese attitudes about North Korea are evolving," Rice told reporters en route from Beijing to Moscow, her last stop. But, she said, "I don't expect that overnight you're going to have a 180 degree turn in the China-North Korea relationship. ... China also seems to be trying to use that relationship to bring about more responsible North Korean behavior."

Rice's mission to Japan, South Korea, China and Russia was a high-wire act on an extremely thin wire.

She had two contradictory objectives: persuade North Korea's neighbors to hang tough and enforce the U.N. sanctions, and assuage their fears that the U.S. wants to squeeze Kim's regime until it implodes.

At every stop, Rice insisted that she wasn't bearing a list of American demands about how to enforce the sanctions. She also strove to dispel the notion that Washington wants a Cuban Missile Crisis-style naval quarantine around North Korea.

U.S. officials traveling with Rice said that North Korean ships would be stopped and searched in international waters only if there's a specific tip that they're carrying banned cargo. Other checks will be conducted at foreign ports and borders.

The sanctions ban Pyongyang from exporting or importing nuclear- and ballistic missile-related materials; other weapons such as tanks and artillery; and luxury goods for Kim and his cronies.

Still, Rice is trying to hold together a motley coalition that may not last.

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Japan is the most hawkish, seeing itself as a primary North Korean target. South Korea wants to maintain its "Sunshine Policy" of engagement with the North. China fears instability in North Korea, which could send thousands more refugees fleeing across its border. Russia seems willing to cooperate with Washington, at least on this issue.

N. Korean Economy Not Easily Gauged (USAT)

By Barbara Slavin

USA Today, October 23, 2006

SEOUL — At a kindergarten in Hyangsan, a small city near North Korea's capital, dozens of colorfully dressed children put on a calisthenics display this month for visitors from the U.N. World Food Program.

The children, full of corn porridge and high-protein biscuits provided daily by the aid agency, jumped, stretched briskly and looked healthy, said Jean-Pierre DeMargerie, the top program official in North Korea. Kids in the front rows looked especially good, he said. “Those 20-30 yards back were not as well groomed or dressed.”

“It's always difficult to get a clear picture,” DeMargerie said. “The North Koreans don't like to expose those that might be sick or weak. You build your assumptions on a relatively small sample.”

North Korea, one of the world's most isolated nations, is a hard society to fathom even for the few foreigners who visit regularly. Whether it is on the verge of economic collapse or resilient in the face of decades of adversity and deprivation remains a matter of conjecture.

The shroud that keeps North Korea hidden makes it virtually impossible to judge whether the limited sanctions the United Nations imposed after North Korea claimed to have conducted a nuclear weapons test Oct. 9 will have any effect on the regime of Kim Jong Il.

The Bush administration hopes the sanctions and international rebuke, particularly from China, North Korea's main source of trade and investment, will prompt Kim to halt his nuclear program and resume negotiations on a diplomatic solution. “I think (the North Koreans) were surprised by a 15-0” vote on sanctions by the U.N. Security Council, Secretary of State Condoleezza Rice said Saturday. “We'll see whether or not they are prepared.”

DeMargerie and a half-dozen others who visited North Korea recently say it is better off than a few years ago and may be able to withstand sanctions.

The sanctions could reduce the amount of hard currency North Korea receives, but market reforms in place since 2002 and stockpiling of excess cash, food aid and fuel may give Kim a cushion to defy the U.N.

In 2005, North Korea “received a surplus of a half-million to 600,000 tons of grain” from China and South Korea, said Kenneth Quinones, a former U.S. intelligence expert on North Korea who teaches at Akita International University in Japan. “It looks like most of that went into storage.” North Korea also had a decent harvest this year after two consecutive bumper crops, he said.

Marcus Noland, a Korea specialist at the Institute for International Economics in Washington, said millions of dollars in Chinese investment went into North Korea during the first half of 2006, more than the country could absorb.

Signs of progress are evident to Steve Linton, 56, who has made more than 50 trips to North Korea in the last 15 years. The son and grandson of Christian missionaries, Linton heads the Eugene Bell Foundation, which has delivered medical equipment to about 70 hospitals throughout the country.

“It used to be that people were visibly thinner in the spring,” when food from the previous year's harvest had run out and new crops were about to be planted, said Linton, who last visited North Korea in May. Now, he said, “that distinction has pretty much disappeared.”

Linton has noticed that North Koreans are better dressed and that there are more bicycles in a country where a decade ago, nearly everyone traveled on foot. “It's not lightning speed, but it's gradual change,” he said.

Pyongyang, a gloomy capital of bland concrete high-rises and little commerce a decade ago, has a few dozen shops and many sidewalk stalls selling ice cream, cookies, flowers, even videocassettes, said Simon Cockerell, manager for Beijing-based Koryo Tours, which organizes trips to North Korea.

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Cockerell said there are four or five billboards for cars, the first commercial advertising in the country. Electricity blackouts, once common, are rare in the capital, he said.

Other indicators of an economic cushion include:

•A resumption of a state-run rationing system that hands out about half a pound of grain daily to city residents, who make up 70% of North Korea's 22 million people. DeMargerie said North Korean officials told his organization that rationing, which collapsed during a famine in the 1990s, resumed last year. It provides corn or rice to make porridge, a mainstay of the North Korean diet.

•Diversification of oil suppliers. China provides about 80% of North Korean fuel, and Iran and Indonesia supply most of the rest, Quinones said. That gives supply alternatives should China carry out threats to restrict deliveries. Noland said North Korea also may have stockpiled diesel fuel that South Korea provided in 2004.

Noland, who spent several weeks in China last summer along the 880-mile border with North Korea, said economic progress is notable for one group of new entrepreneurs: managers of shuttered state-owned factories who are trading coke, coal and iron ore for cheap Chinese consumer goods and food, which they then sell to fellow North Koreans.

"A lot of small-scale activity in North Korea is done by state-owned enterprises," Noland said. "They have transformed themselves into retailers. I call it the 'Wal-Martization' of the North Korean economy."

On the negative side, trade with China, which totaled more than $1.5 billion last year, is down about 30% this year because of the difficulty of transferring funds to North Korean bank accounts, said Nam Sung Wook, head of North Korean Studies at Korea University in Seoul. The problem stems from U.S. action last year to freeze North Korean accounts in a bank in the Chinese enclave of Macau linked to counterfeiting and money laundering.

"There is some confusion among traders in Dandong," a Chinese city across the Yalu River from North Korea that has become a center of cross-border commerce, Nam said. He forecasts negative growth for the North Korean economy this year after 2.2% growth last year. Even so, new sanctions "will not collapse the North Korean economy," he said.

Those likely to suffer most are salaried urban professionals, said Nam, who visited Pyongyang in July. He said he heard grumbling from technocrats and professors, whose average monthly pay comes out to about $33 at the official exchange rate but only $5 on the black market.

North Korea also has massive infrastructure needs that make it difficult to sustain economic gains. DeMargerie said only 20%-25% of households have access to clean running water, and the sanitation system is becoming a serious health hazard.

Still, Noland predicted, "They can make it through the winter. They are hunkering down and believe they can survive until the world accepts them as a nuclear power."

Rice conceded that sanctions are no certain solution. "I think we'll be at this for a while," she said. "I can't tell you how long."

Rice Gets Cool Response In Russia For Iran Policy (WSJ)

By Neil King Jr.

The Wall Street Journal, October 23, 2006

MOSCOW -- Secretary of State Condoleezza Rice ended her round-the-world trip on a chilly note in Russia, finding limited support for her next big international challenge: imposing sanctions on Iran over its nuclear program.

Ms. Rice came here at the end of a trip -- focused mainly on North Korea -- in which she repeatedly praised China for its help in winning United Nations trade sanctions against Pyongyang. Ms. Rice said China's willingness to crack down on a longtime ally was just one example of how Beijing was beginning to work alongside the U.S. on a number of big issues.

"I cannot conceive of even a short time ago China agreeing to call North Korea's behavior a threat to international peace and security," she told reporters on her way to Moscow from Beijing.

Her stop in Moscow was more strained, indicative of pricklier ties between the U.S. and Russia that are coloring the debate over how to grapple with Tehran's nuclear ambitions. The U.N. Security Council this week plans to begin full debate over a sanctions package meant to pressure Iran to suspend its uranium enrichment and return to international talks.

But before Ms. Rice's arrival here, Russian Foreign Minister Sergei Lavrov told a Kuwaiti news agency that Russia "won't be able to support any attempts to use the Security Council to punish Iran...in order to promote the ideas of regime change there." A

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senior aide traveling with Ms. Rice expressed frustration over Russia's stance on Iran, saying Russian officials continue "to proceed at a measured pace, and our view is we want them to act."

Russian officials have told U.S. diplomats that they are willing to back a first set of very focused sanctions to limit Iran's access to certain nuclear and missile technologies. But the Bush administration is concerned that token steps against Iran will have little impact, and that a limited first resolution must be backed by clear resolve to follow up with tougher measures if Iran doesn't bend.

Ms. Rice said on her trip that the U.N. consensus to sanction North Korea for its Oct. 9 nuclear test should give an impetus to diplomacy on Iran. "No one is going to want to have a successful resolution against North Korea and no action against Iran," she said.

Yet Iran is a touchier subject than the deeply isolated and impoverished North Korea. Iran's role as a major oil supplier and significant market for European and Chinese goods -- along with its growing sway in the Middle East -- makes U.N. diplomacy over its nuclear program far more delicate. China and some countries in Europe are also leery of pushing Iran too hard.

Ms. Rice arrived in Moscow at a moment of tension over press and civic freedoms in Russia as well as a feud between Russia and Georgia. In an apparent poke at the Kremlin, she requested an audience with top editors of Novaya Gazeta, who came to see her Saturday at her hotel. The weekly newspaper is one of Russia's few independent media outlets and the employer of respected reporter Anna Politkovskaya, who was murdered outside her apartment earlier this month.

"Unfortunately, there is not much left of independent television in Russia," Ms. Rice told reporters before arriving in Moscow.

Ms. Rice, who made no public remarks while in Russia, met with Mr. Lavrov, President Vladimir Putin, and a gathering of Russia's top national-security officials.

A Different Tactic For Rice: Speaking Softly Without The Stick (NYT)

By Thom Shanker

The New York Times, October 23, 2006

SHANNON, Ireland, Oct. 22 — With North Korea's nuclear test presenting one of her greatest diplomatic challenges, Secretary of State Condoleezza Rice has taken an approach that allies say they have seen not often enough from the Bush administration: an effort to persuade and to build consensus, rather than to dictate terms or press for immediate agreement.

On Sunday the secretary concluded her around-the-world mission to urge American negotiating partners, some with complex relationships to North Korea or to the United States, to start strict enforcement of United Nations military sanctions on North Korea.

There had been widespread indications that some of the major players were unwilling to take the steps necessary to enforce the sanctions. But as she flew back to Washington, Ms. Rice tried to convey a sense that she had done what was necessary to preserve the required, if nominal, unity among Japan, South Korea, China, Russia and the United States, members of stalled six-party talks with North Korea over its nuclear program.

Ms. Rice and her foreign counterparts announced no concrete steps to fire up a new embargo machine that could press North Korea, although commitments to a set of initial goals emerged. Thus she was able to contend that important progress had been made toward a new "nonproliferation regime," whose core would be a vastly enhanced regional system of monitoring and inspecting cargo to and from North Korea.

"We could be — probably will be — in this regime for a long time," Ms. Rice said. While "it's quite important what happens on Day 1," she said, her public diplomacy tried to manage expectations about what was and was not possible from her first foreign lobbying campaign for the sanctions.

This was not a trip planned to culminate with agreements signed or even boxes checked off, she said. "An effective way to monitor and scrutinize and deal with North Korean transfers" of weapons material, nuclear bombs and missiles will "have to evolve over a period of time," she said.

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Her call for patience and perspective in carrying out sanctions to press North Korea to give up its weapons program and return to six-party talks — each is anything but inevitable — echoed a folk maxim about patience and perspective, and also about inevitability, that could be heard on Moscow streets as she met with Kremlin leaders on Saturday and Sunday.

Ms. Rice, a student of Russian language, history and politics, is familiar with the old saying Russians quote as the skies turn to slate and chilled rain hits a frosty earth: "Winter doesn't begin until the third snow."

As Ms. Rice enters the autumn months of the Bush administration's tenure in office, she dropped early administration mantras — like other nations are "either with us or against us" — on this trip, and instead repeated at each whistle-stop, "I did not come here, nor will I go anyplace else, to try and dictate to governments what they ought to do in response to Resolution 1718," the United Nations Security Council resolution on North Korea.

The Bush administration's struggle to rethink a faltering Iraq strategy hung over her entire trip like a shadow. Given that the Bush administration has been more reticent all along to take strong action toward North Korea, her more collegial approach was not entirely unexpected. And her approach may have been more necessity than virtue.

The administration may simply be in no position to press its partners in a tougher way over North Korea. To paraphrase a comment — not entirely well received — by Defense Secretary Donald H. Rumsfeld, Ms. Rice's cabinet colleague at the Pentagon, a nation goes off to diplomatic negotiations with the bargaining chips it has, not the ones it might like to have or will be able to have at a later date.

But Ms. Rice's tempered message played well across Asia, and extremely well in Japan, whose policies were already mostly in line with those of Washington.

Unexpectedly, the Chinese responded warmly, too, prompting fresh assessments from senior State Department officials that the North Korea crisis may, in the end, bring the United States and China into closer partnership on other issues.

In the three-dimensional chess of diplomacy, deterrence and sanctions, China's broad endorsement of the American position — at least as put in resolution form by the Security Council — was in no small measure encouraged by a clear statement from Ms. Rice reaffirming the United States' military commitment to the defense of Japan. That statement helped preclude, at least for now, any serious move by Japan to start its own nuclear weapons program, which China knows would jumble its security calculus in the region.

The United States and China are now on the same page on this issue in ways they have not been before, and any solution to the North Korea crisis leads through Beijing. But the United States and China still have stark differences over whether the ultimate goal is to peacefully manage a status quo relationship with a denuclearized North Korea, as China prefers, or whether to add pressure to the point where a change in its leadership may occur.

China fears that if North Korea came unglued, millions of refugees would flood across its border.

South Korea, not China, was the odd man out. America's military ally on the lower half of the tense Korean Peninsula was reluctant in its public endorsement of the positions urged by Washington. South Korea feels most threatened by North Korea's nuclear program, but also the most exposed politically, and a number of South Korean opinion leaders are doing all they can to rescue their policy of engaging, not isolating, North Korea.

Ms. Rice acknowledged during her journey that Iran, with its own nuclear ambitions, was watching her efforts. She left one senior adviser in Asia to continue discussions of sanctions, while another spent time at the working-group level to devise specific goals and rules for monitoring and inspecting North Korean cargo.

Administration officials say those initial steps forward may already be influencing North Korean decisions about whether to hold off on a second test, even as they acknowledge the absolute unpredictability of the leadership. Over time, they hope, a strict sanctions architecture can be erected to contain its nuclear ambitions and prevent the transfer of weapons to another state or to terrorists.

All that may be true, but only if winter does not begin until the third snow.

Europe's Long Legal Tether On Russia (WP)

By Peter Finn

The Washington Post, October 23, 2006

DOJ_NMG_0085016

MOSCOW -- For seven years, the Salvation Army battled a ruling by Moscow city authorities that the Christian charitable group, whose members wear uniforms and call their leader a general, was a foreign "paramilitary organization" that must cease operations in the capital.

Each step of the way in Russia's courts, the Salvation Army lost. In 2000, a Moscow court, noting the group's "barrack-room discipline," suggested it might involve itself in the violent overthrow of the state, court records show.

"The reasoning was unbelievable and sickening," said Vladimir Ryakhovsky, a lawyer at the Slavic Center for Law and Justice in Moscow who defended the Salvation Army.

This month, the European Court of Human Rights ruled that the city of Moscow had interfered with the group's freedom of religion and assembly. The Salvation Army's structure and norms were "particular ways of organizing the internal life of their religious community," the court said, and "it could not seriously be maintained that the applicant branch advocated a violent change of constitutional foundations."

Suddenly, the stance of Moscow officialdom changed. "Because of the ruling, we must register them, and we will," an official in Moscow's registration office said, speaking on condition of anonymity.

While President Vladimir Putin has been marginalizing Russia's parliament, opposition, media and human rights groups, this international court sitting 1,250 miles away in Strasbourg, France, has emerged as a powerful check on the excesses of the Russian bureaucracy and failures by the country's own investigative organs and courts to follow Russia's laws.

The European Court enforces the Convention for the Protection of Human Rights and Fundamental Freedoms, drawn up by the Council of Europe, an international body founded in the wake of World War II to defend human rights, parliamentary democracy and the rule of law. Russia ratified the convention in 1998, agreeing to accept the court's decisions as binding.

"Much of what you see in the Russian justice system harks back to Soviet days," said Carroll Bogert, associate director of Human Rights Watch. "If you're a human rights group, you can report on human rights excesses or publicize abuses in the press or meet with government officials, but it's hard to make a dent. One of the really effective tools now is the European Court, and it produces tangible and immediate results."

Bogert noted that in August Russia halted the deportation of 13 Uzbeks to their home country, where they faced a real risk of torture or execution, after the men appealed to the European Court. The former Soviet republic of Kyrgyzstan, which is not a member of the Council of Europe, ignored international appeals not to send Uzbeks home, and the fate of the men it deported remains unknown.

Following European Court decisions in recent years, Russia improved conditions in pretrial detention centers and trimmed the powers of federal or local authorities to reopen ostensibly completed cases that they have lost in domestic courts. Torture victims have been compensated, and in at least one case, police officers were jailed for abuse after the Strasbourg court took up the matter.

"The court represents the end of impunity," said Olga Shepeleva, a lawyer with Demos, a human rights research center in Moscow. "There's a growing recognition that the court is a place where justice will be done. The authorities may not always be happy, but they pay attention to the results."

The European Court has entered Russian popular consciousness as a port of last resort for those seeking justice because the Russian state does bow to its judgments -- albeit with some very public grumbling.

While Russia is quick to pay any compensation ordered by the court, the country has been criticized by the Council of Europe's parliamentary assembly for failing to carry out systemic and deep reforms as a result of court rulings. On Chechnya in particular, human rights activists say they would like to see a dramatic improvement in the pursuit of soldiers and officials responsible for atrocities.

"We consider some rulings of the European Court to be politicized," Russian Foreign Minister Sergei Lavrov told journalists in Strasbourg this month. Russia currently chairs the Council of Europe. "But I repeat that despite the fact that we do not agree with certain rulings of the court in principle, we do comply with them."

Russians now file more complaints with the court -- 10,583 in 2005 -- than people from any of the 46 countries that make up the Council of Europe, according to court statistics. The vast majority of these cases will never be heard because the court is overwhelmed with potential plaintiffs, receiving more than 45,000 petitions last year.

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Since 2002, the court has issued 362 judgments concerning Russia -- on issues ranging from environmental degradation to, most recently, abductions, disappearances and killings in Chechnya, the southern Russian republic that has been racked by two wars and a brutal, continuing insurgency. All but 10 judgments have gone against Russia, according to court statistics.

"The administration in Russia wants to be seen as being part of the good company of European law-abiding democratic countries," said Ole Solvang, executive director of the Russian Justice Initiative in Moscow, which helps Chechen plaintiffs bring cases before the court.

"The Russian authorities care about the Council of Europe and the court, and they take it seriously," Solvang said. "We see that in our cases. There is a complete change in attitude towards a case, a disappearance case, for example, when the government learns the case has been filed with the European Court."

For Alexei Mikheyev, redress came even before the court ruled. In 1998, he was subjected to nine days of torture, including electric shock, in a local police station after being picked up as a suspect in the disappearance of a 17-year-old girl in the central Russian city of Nizhniy Novgorod.

Mikheyev confessed to raping and killing the girl but retracted his statement after he was taken to the prosecutor's office. Returned to the police station and facing more torture, he threw himself out of a third-story window and was left partially paralyzed. The girl he had confessed to killing returned home the next day.

Prosecutors opened and then dropped 23 preliminary investigations into the police force's treatment of Mikheyev, in what human rights activists call an effort to stymie any trial. After the European Court agreed to hear Mikheyev's case in 2004, prosecutors reopened the case and finally secured the conviction of two police officers, who were given four-year sentences for abuse of power. In January, Mikheyev was awarded approximately $300,000 in compensation.

"I want this country to accept responsibility for the actions of its police," Mikheyev said in an interview last year. "And I don't want this to happen to anyone again."

Shepeleva, one of the lawyers who represented Mikheyev, said charges of police abuse in Nizhniy Novgorod reportedly declined after the ruling.

Russia lost its first case on Chechnya in early 2005. The court found that relatives of two plaintiffs, Magomed Khashiyev and Roza Akayeva, had been tortured and killed by Russian troops in 2000, and it called the investigation "seriously flawed and delayed." In two other cases, the court ruled that relatives of four Chechen plaintiffs had been killed by indiscriminate airstrikes.

The six plaintiffs were awarded compensation, which the Russian government paid promptly.

When it loses a case, the government is obliged to write an action plan laying out how it will rectify the failings identified by the court and prevent recurrences. In a submission to the Committee of Ministers of the Council of Europe, which monitors implementation of court decisions, Russian officials wrote that they had reopened investigations into all three Chechen cases, were educating troops on human rights law and were circulating the court's decisions to judges and prosecutors.

But lawyers for the plaintiffs, while welcoming the reopening of the cases, say they want to see particular officers, named by the court in its decision, brought to justice. They also want the Russian army to change its basic manual, which contains no concept of proportionality regarding the use of force when civilians are at risk.

Instead, the manual reads, "Shame on the commander who, fearing responsibility, fails to act and does not involve all forces, measures and possibilities for achieving victory in battle."

"No one has been punished," Tatyana Kasatkina, executive director of the leading Russian human rights group, Memorial, said of the Chechen cases. "Long-lasting and slow criminal cases have been opened, but I doubt those responsible will be given up."

Reports by the Council of Europe's parliamentary assembly have criticized countries from Ukraine to Britain for dragging their feet on reforms. Philip Leach, director of the European Human Rights Advocacy Center, which specializes in bringing Russian cases before the court, said the Council of Europe needs to be much tougher in forcing member states to implement court decisions.

But on balance, activists praise the leverage they get from the Strasbourg rulings. "Our authorities have started to move faster," Kasatkina said. "They understand that there is a body above our courts which can make real decisions and attract international attention to problems, so it will keep them tense and responsive."

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Tensions Rise Between Palestinian Factions (NYT)

By Dina Kraft

The New York Times, October 23, 2006

TEL AVIV, Oct. 22 — Tensions between rival Fatah and Hamas loyalists continued to smolder Sunday in the form of a deadly shooting, a kidnapping and tire-burning protests as an informal cease-fire quickly disintegrated.

In Jerusalem, some Israeli cabinet members, citing concerns about weapons smuggling, called for retaking control of Gaza's southern border with Egypt. The government is expected to meet midweek to discuss the possibility of expanding the military campaign in Gaza.

In Gaza City, stalls that would normally be crowded with shoppers buying sweets for Id al-Fitr, the holiday that marks the end of Ramadan, were shuttered. Outside, thick smoke rose in the air from tires set ablaze by Palestinian policemen aligned with the Fatah faction in protest of going unpaid by the Hamas-led government, which has been denied aid from the West and tax revenue and customs duties collected by Israel.

A meeting on Friday between Hamas and Fatah officials led to an agreement to stop the violence between the sides. But President Mahmoud Abbas left Gaza for the West Bank after a brief visit over the weekend without seeing Prime Minister Ismail Haniya of Hamas.

On Sunday, Mohammed Shahadeh, 27, who is a member of a Fatah-aligned militant group, was found shot to death in the Bureij refugee camp, and another Fatah member was kidnapped in the Jabaliya refugee camp. Hamas denied any role in either episode.

After the Israeli cabinet met, some officials called for more action in Gaza than the incursions the military has made since June, when Palestinian militants crossed into Israel and killed two soldiers and captured one who has yet to be freed. They said Israel should take over security along the Gaza-Egypt border, where Israel says the militants smuggle in weapons used against Israel.

"Action must be taken without hesitation," said Eli Yishai, the Israeli trade minister and member of the religious Shas Party. "Any hesitation is dangerous, and we must act immediately."

Along with Mr. Yishai, Rafi Eitan, the minister in charge of pensioners' affairs, also called for Israel to retake the passage along the Gaza-Egypt border. Isaac Herzog, the tourism minister, stopped short of such a call but did tell reporters that "precise and decisive" action was imperative in Gaza.

Yom-Tov Samea, a retired major general who is on assignment as deputy chief of Israel's southern command, advocated that Israel step up its military efforts in Gaza to both retake and widen the corridor. Israeli officials have said that smugglers, using tunnels as deep as 65 feet, have carried antitank rocket launchers, antitank rockets, explosives and, possibly, shoulder-fired antirocket missiles into Gaza since Israel's withdrawal last summer.

The weaponry is part of a "whole production line of ammunition later targeted toward Israel," said Capt. Noa Meir, an Israeli Army spokeswoman. Palestinian officials suggested that the Israeli warnings to take over the border area might be part of a plan to retake all of Gaza.

Shimon Peres, Israel's deputy prime minister, was among those who strongly advocated the pullout from Gaza, 38 years after Israel captured the territory during the 1967 war with Egypt.

Over a year after the withdrawal, things looked very different than he had imagined they would, and he blamed Hamas.

"The situation in Gaza looks very bad," Mr. Peres said after the cabinet meeting. "They cannot behave like this — to be wild, to fire, to shoot, to refuse to respect agreements."

In the West Bank, a Palestinian man was killed and two others were seriously wounded Sunday in the village of Tamun, near Nablus, during clashes with Israeli soldiers, Palestinian security and medical sources told Agence France-Presse.

An Israeli Army spokesman's office confirmed that soldiers did open fire on a group of Palestinians during an arrest operation in the village after the soldiers came under gunfire. They said the group also detonated explosives and hurled rocks and Molotov cocktails at the Israeli forces.

Also on Sunday, according to an official who briefed reporters, the Israeli defense minister, Amir Peretz, said Israeli jets would continue to fly over Lebanon despite calls to stop by the French and the Lebanese.

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The official said Mr. Peretz had told the cabinet that the flyovers would continue as long as attempts to smuggle weapons into Lebanon from Syria continued.

Yaakov Edri, the minister who serves as the liaison with Parliament, meanwhile confirmed reports that the army used phosphorous shells on some Hezbollah guerrilla targets during the war, the newspaper Haaretz reported.

Once it ignites, white phosphorous creates such a high level of heat and smoke that it has been banned in use against civilians or civilian areas by the Geneva Conventions.

Stricter Policy Splits West Bank Families (WP)

By Scott Wilson

The Washington Post, October 23, 2006

RAMALLAH, West Bank -- The last time Adel Samara saw his wife, Enayeh, was the morning in late May when she pulled away from their home in Beit Ur in a taxi bound for the border. Her trips to Jordan had become routine, never lasting more than a few days.

In order to renew her tourist visa, Enayeh, a U.S. citizen, had left the West Bank every three months during their three-decade marriage. For years, Israeli officials had denied her residency applications, so shuttling across the border to get a fresh visa in her U.S. passport was the only way Enayeh, 56, could live legally in the place she was born. This time, they refused to give her the tourist visa.

Since then she has moved in with a sister in Chicago, leaving Adel to shutter her beauty salon on a hectic street here. Their case highlights a change in Israeli policy that has left thousands of U.S. citizens of Palestinian descent locked out of the occupied territories where they work, invest and have families.

"At first she thought it was just a mistake," said Adel Samara, 62, a bespectacled former U.N. official and political activist who holds a doctorate in economics. "Then we realized it was not and that it was actually a very large problem. I never knew it before."

For decades, Palestinian foreign nationals have entered the West Bank and Gaza Strip on three-month tourist visas, renewing them regularly, because residency cards were difficult to obtain. But in recent months Israel's Interior Ministry has refused in many cases to grant new visas, separating thousands of family members from their relatives inside lands the Jewish state occupied in the 1967 Middle East war.

The tightening has coincided with the rise this year of Hamas, a radical Islamic movement, to head the Palestinian government, which most foreign donors have cut off from economic aid. Palestinian officials and Israeli human rights groups contend the shift will undermine private investment in the territories -- investment the Bush administration is seeking to encourage -- while potentially driving out the professional class most likely to have relatives abroad.

"It is a policy that can only be seen in the context of population control," said Nabeel Kassis, president of Bir Zeit University near this city, who along with 10 other Palestinian university presidents warned in an open letter this month that the policy is depleting faculties, student bodies and exchange programs. "They are taking away a segment of the population that could help most with state-building."

Secretary of State Condoleezza Rice, in a recent speech to the American Task Force on Palestine, pledged to guarantee that all "American travelers receive fair and equal treatment." The State Department raised the issue with Israel's government earlier this month, and a campaign by Palestinian Americans to reverse the policy has emerged here.

"The policy has not changed in the last years, but rather the implementation has," said Sabin Hadad, a spokeswoman for Israel's Interior Ministry. Hadad said visitors to the territories have always been required to secure a special permit from the civil administration, Israel's military government there. But she acknowledged that "this is a rule we did not follow with precision" until the Justice Ministry ordered them to do so earlier this year. Israeli human rights groups say an estimated 70,000 foreign nationals are awaiting visitor permits, which the military rarely issues.

"I know there have been problems," Hadad said. "Now anyone who arrives at the border without a visitor permit is prevented from entrance. It's not important where you come from."

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Demographics and refugee claims have played a central role in the Israeli-Palestinian conflict, and advocates of an independent Palestinian state in the territories watch for any changes in Israel's complex permit and immigration policy. Many of them see this shift as the most significant in years.

Throughout the occupation, Israel has controlled the registry of all Palestinians living in the territories and decided their residency status, even after the 1993 Oslo accords established the semiautonomous Palestinian Authority. Applying for and maintaining Palestinian residency has been a complicated, frequently changing process.

Palestinians counted in Israel's first census after the 1967 war were given residency cards that had to be renewed regularly. Relatives who were abroad at the time were allowed to apply for family unification, a process that gave as many as 50,000 Palestinians residency status in the first years after the war.

The number of those granted residency steadily declined until Israel established a quota system that, by 2000, granted 4,000 family-unification requests a year. When the Palestinian uprising broke out in September 2000, Israel stopped processing the applications, citing security concerns.

Since then, a backlog of 120,000 applications has accumulated, according to the Palestinian Interior Ministry, which passes them on to the Israeli government. But Israeli officials looked the other way when foreign nationals updated their tourist visas every three months with quick trips abroad.

Israeli officials now say the boycott of the Hamas-led government that took office in March makes collaboration on the pending applications impossible.

"This trouble all started after this business with Hamas," Najah Odeh, 75, said from her living room in Ramallah overlooking the Muqata, the Palestinian Authority presidential compound. "Why does everyone have to be punished because of this choice?"

Odeh's daughter, Aidah, was born in Toledo, Ohio, and moved here last year to help her mother recover from back surgery. When she attempted to renew her tourist visa in July, she was turned back at Ben-Gurion Airport, an entry point off-limits to Palestinian residents but not U.S. citizens.

Aidah and her husband spent the next two months in Amman, Jordan, trying to find a way to return. Earlier this month, their attempt to cross at the Allenby Bridge was denied, and the couple moved to Toronto. Her employer, IBM, had a job waiting for her there.

"She didn't do anything wrong," Najah Odeh said. "She's not a politician. She doesn't even like Hamas."

Sam Bahour, a business consultant born in Youngstown, Ohio, lived on his tourist visa for nearly 13 years until Israeli officials wrote "Last Permit" in his U.S. passport in late July. He took his case to the U.S. Consulate in Jerusalem, where he told officials that they were "allowing our strongest ally in the region to discriminate on its borders."

A broad man with a neatly trimmed mustache who calls himself "as American as the president," Bahour arrived here in 1994 to help the fledgling Palestinian Authority privatize the telecommunications system. He has since developed a $10 million shopping mall and opened a thriving business consultancy, gaining an MBA through a joint program run by Tel Aviv University and Northwestern University.

Bahour lives in the adjacent city of El Bireh with his wife, a Palestinian resident, and their two young daughters, who attend the Friends School, where the Australian who teaches seventh grade has been blocked from entering the territories.

A few months after receiving his last permit, Bahour challenged the Israeli decision by trying to cross again. Without explanation, he was given another three-month visa.

The uncertainty, Bahour said, makes it impossible to plan more than a few months ahead and will discourage private investment from Palestinians abroad. He is not sure he or others like him will be able to remain.

"This falls into a much larger scheme of unilateralism by Israel to force not a government collapse but a societal collapse," Bahour said. "We're not looking to end the occupation, we're not looking for the right of return. We are looking to do business here, to be with our families."

Plan For U.S.-style Rule Gains Currency In Israel (LAT)

By Richard Boudreaux

The Los Angeles Times, October 23, 2006

DOJ_NMG_0085021

JERUSALEM — Does Israel need a strongman?

Since the summertime war in Lebanon, Israel's leadership has been in turmoil. The government, widely blamed for mismanaging the conflict, is fracturing. Corruption and sex scandals are shaking people's faith in politicians. Israelis tell pollsters the system is broken.

On Sunday, the postwar angst pushed an idea with growing appeal onto the Cabinet's agenda: Israel should scrap its parliamentary system, which tends to produce shaky coalition governments and throw them out with dizzying speed, in favor of American-style presidential rule.

The Cabinet voted 12 to 11 to endorse the proposed overhaul and send it to the Knesset, the parliament.

But passage is far from certain, in part because the sponsor is a right-wing politician with extreme views, growing popularity and leadership ambition. If Avigdor Lieberman were to benefit from his own proposal, his critics say, he might turn Israel's democratic free-for-all into an autocracy.

An immediate consequence of the Cabinet's decision was to bring Lieberman and his Russian-immigrant-based party, Yisrael Beiteinu, or Israel Our Home, a step closer to joining the government. Prime Minister Ehud Olmert, elected in March, has been trying since the war ended Aug. 14 to shore up his beleaguered coalition.

One of Lieberman's conditions for joining was Cabinet backing for his bill, regardless of its fate in parliament.

Olmert lobbied hard for approval of the measure despite his misgivings. His centrist Kadima Party faces a possible revolt by its leftist coalition partner, the Labor Party; he needs a new ally to preserve his majority in parliament and avoid new elections that polls show he would lose.

Instability has always been a hallmark of politics in Israel, which theoretically elects its leaders for four years but has changed governments 31 times in its 58-year history.

Voters elect a parliament, and the parliament's 120 members elect the prime minister and Cabinet from among their ranks. Governing coalitions with a parliamentary majority are formed after painstaking negotiations among many parties but fall apart with chronic ease, allowing parliament to force new elections.

Israel's leaders, said Tel Aviv University's Gideon Doron, "have to spend 80% of their time investing in their survival." Those who survive the longest, he said, are those who risk doing the least.

As a result, Doron and other political scientists said, the system discourages decisive government action on a wide range of needs, such as modernizing the school system or the public transport network. In the postwar fallout, Israelis have blamed their leaders for failing over the years to upgrade the military and confront the armed might of the Hezbollah militia in southern Lebanon.

"A prime minister doesn't need an agenda," Olmert told Israeli reporters last month. "He just needs to run the country."

For Lieberman, that is exactly the problem.

Under his bill, the prime minister would be elected directly by voters and name a Cabinet from outside the ranks of parliament, with no need for parliamentary approval. Parliament would also be stripped of its power to call early elections. It could dismiss a prime minister only by a vote of 80 or more members; under that scenario, the deputy prime minister would take over.

The measure would give Israel's leader powers similar to those of the U.S. president, except that he would still be called prime minister. Israel's current presidency, a ceremonial post, would be abolished.

Lieberman's proposal has been around for years but gained currency after his party finished a strong fourth in the March election, taking 11 seats in parliament. A new book by Doron, the Tel Aviv political scientist, advocating a "presidential regime" made a splash in academic circles this summer, boosting the movement. Recent polls show that most Israelis want stronger leadership.

Some critics of the proposal call it a recipe for gridlock between a prime minister and an opposition-controlled parliament. Others reject it as a formula for dictatorship by an unfettered ruler in a country without a constitution or complex system of American-style checks and balances.

"In a country with a weak democratic culture like Israel, the president could govern by coercion and violence, without consent," said Tom Segev, a leading historian. "A presidential system is one of solitary decisions, not one of compromises, and is therefore harmful to minorities and exacerbates disputes and schisms. Everything will be personal."

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Such misgivings are reinforced by Lieberman's extreme nationalist views. A 48-year-old immigrant from Moldova, he proposes redrawing Israel's border in a way that would strip 150,000 Arabs of their Israeli citizenship and transferring the towns they live in to the Palestinian Authority. In return, he would annex the largest Jewish settlements in the West Bank.

Israeli liberals who might otherwise welcome more power for a prime minister say they are alarmed by such a proposal from Lieberman.

Speaking to reporters last week, Lieberman offered a rebuttal: "It is not scary. On the contrary, it is the lack of political stability that is scary.... Political instability in Israel is harming the very ability to make decisions and run things in a reasonable manner."

But his bill is unlikely to pass in its current form. To get the Cabinet's grudging approval Olmert promised that his own party's milder proposal — giving the prime minister less autonomy than Lieberman wants — would be submitted to parliament at the same time. Leaders of several parties said a compromise would be likely.

Khartoum Expels U.N. Envoy Who Has Been Outspoken On Darfur Atrocities (NYT)

By Warren Hoge

The New York Times, October 23, 2006

UNITED NATIONS, Oct. 22 — Sudan's government on Sunday ordered the chief United Nations envoy to leave, saying he was an enemy of the country and its armed forces.

Secretary General Kofi Annan said that he was reviewing the letter from the Khartoum government and had asked the envoy, Jan Pronk, to return to New York for "consultations."

The Sudanese order said Mr. Pronk had to leave by Wednesday. United Nations officials confirmed he would depart before then and said he would need the permission of the Sudanese government to return.

Mr. Pronk, a blunt-spoken former Dutch cabinet minister, has been outspoken in reporting on the killings, rapes and other atrocities in Darfur, the region in the western part of the country where at least 200,000 people have died and 2.5 million have been driven from their homes.

He has become increasingly pointed in his comments about the government, as violence in the region has increased despite a May peace accord between Khartoum and a major rebel group and as the government continues to refuse to allow United Nations peacekeepers into the country. The United Nations force would take over the duties from African Union troops, who have been mostly unable to stop the fighting.

Mr. Pronk is known as a forceful presence at the United Nations from his frequent appearances before the Security Council, where he often delivers unflinching accounts of the continuing mayhem and political breakdown in Sudan in a rhetorical style that includes finger jabbing and dramatic pauses for emphasis.

Sunday's action against him was apparently provoked by an entry he made in his blog (www.janpronk.nl) last weekend that said the armed forces had suffered two major defeats with extensive casualties against rebels in Darfur in the past six weeks. He also reported that generals had been cashiered, morale had sunk and the government had collaborated with the feared janjaweed Arab militias, which are held responsible for pillaging villages and killing and raping their residents.

The Sudanese armed forces on Thursday cited the blog entry in calling Mr. Pronk a threat to national security and asking that he be expelled.

The fact that one of its top officials has put delicate findings in a personal blog has embarrassed the United Nations. When the matter arose Friday, they resisted rebuking Mr. Pronk for the practice for fear that it would appear to be a vote of no confidence in the mission, rather than just a reprimand for his professional lapse.

Questioned Friday over whether the United Nations stood by the statements in Mr. Pronk's blog, Stéphane Dujarric, Mr. Annan's spokesman, said the opinions were Mr. Pronk's "personal views."

Mr. Dujarric indicated that this was not the first time the problem with Mr. Pronk's blog writing had come up. "There have been a number of discussions with Mr. Pronk regarding his blog and the expectation of all staff members to exercise proper judgment in what they write in their blogs," he said.

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The conflict in Darfur began when black African rebels took up arms in early 2003, accusing the government of neglect. Khartoum responded by arming and financing Arab militias who conducted a campaign of violence against civilians that the United Nations has called ethnic cleansing and the Bush administration has called genocide.

In a statement distributed Sunday by the official Sudanese news agency, the country's Foreign Ministry accused Mr. Pronk of demonstrating "enmity to the Sudanese government and the armed forces" and of involvement in activities "that are incompatible with his mission."

The activity in question was apparently a trip that Mr. Pronk made into Darfur to make direct contact with rebels.

In his Oct. 14 blog entry, Mr. Pronk wrote that losses suffered by Sudanese armed forces in two recent battles "seem to have been very high," adding, "Reports speak about hundreds of casualties in each of the two battles with many wounded and many taken prisoner."

"The morale in the government army in North Darfur has gone down," it continued. "Some generals have been sacked; soldiers have refused to fight. The government has responded by directing more troops and equipment from elsewhere to the region and by mobilizing Arab militia."

Victor Tanner, a professor at Johns Hopkins' School of Advanced International Studies who returned from Sudan a week ago, said the blog's references to defeats suffered by the Sudanese Army had caused a furor there.

"Comments on the disarray that seemed to be reigning within the Sudanese armed forces was an amazing thing to see in the blog of a U.N. official," he said. "Refreshing, but wild.

"That the armed forces had suffered these losses was something that everybody was talking about as a rumor swarming around Khartoum and Darfur, but it took on a new reality and became 'the truth' when it was uttered in print by Pronk."

In Washington, the State Department said it was withholding comment until it learned more from Khartoum about the incident.

In London, the Foreign Office also denounced the decision and called for it to be reversed. "This step is counterproductive and will contribute nothing to solving the problems of Sudan," said Lord Triesman, a foreign office minister for Africa.

In what has become a standoff with the United Nations, Sudan has adamantly refused to accept the deployment of 22,000 United Nations soldiers and police officers despite global public outcries over the increasing danger in Darfur.

The force, called for in a Security Council resolution on Aug. 31, would replace the 7,200-member African Union force. In light of Sudan's defiance, the African Union agreed a month ago to strengthen its force and extend its presence in Sudan until Dec. 31.

Omar Hassan al-Bashir, Sudan's president, has characterized the United Nations' plan as an American-inspired plot to recolonize his country and plunder its oil, and he has threatened to attack any United Nations soldiers sent to Darfur.

At the United Nations in September, Mr. Bashir said the reports of deaths and displacements in Darfur were "fictions" spread by international aid groups and Jewish organizations to raise money to benefit themselves.

And commenting on the international campaign that has arisen to try to end the violence in Darfur, he said, "Those who made the publicity, who mobilized the people, invariably are Jewish organizations."

Sudan Orders U.N. Envoy To Leave Country (AP)

By Mohamed Osman, Associated Press Writer

AP, October 23, 2006

The Sudanese government Sunday ordered the chief U.N. envoy out of the country after he wrote that Sudan's army had suffered major losses in recent fighting in Darfur.

Jan Pronk was given 72 hours to leave — an order that is likely to complicate international efforts to halt the killings, rapes and other atrocities in the strife-torn region of western Sudan.

"The presence of the United Nations is vital to hundreds of thousands of citizens of the Darfur region," said a European Union spokesman, Amadeu Altafaj Tardio, in Brussels.

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In a statement distributed by the official Sudan News Agency, the country's Foreign Ministry accused Pronk of demonstrating "enmity to the Sudanese government and the armed forces" and of involvement in unspecified activities "that are incompatible with his mission."

In New York, U.N. spokesman Stephane Dujarric said Secretary-General Kofi Annan had received a letter from the Sudanese government asking that Pronk be removed from the post.

"The secretary-general is studying the letter and has in the meantime requested that Mr. Pronk come to New York for consultations," Dujarric said.

Pronk, a blunt-speaking former Dutch Cabinet minister, drew sharp criticism from the Sudanese armed forces after he wrote this month in his blog, http://www.janpronk.nl, that Sudan's military had suffered heavy losses in recent fighting with rebels in northern Darfur.

"Reports speak about hundreds of casualties in each of the two battles, many wounded soldiers and many taken as prisoner," he said.

The Sudanese armed forces said Thursday that those remarks amounted to "psychological war against the Sudanese army" and declared that Pronk was "persona non-grata."

One day later the military demanded an official apology.

Even before the blog appeared, Sudan's government had been at odds with Pronk over Western efforts to get Sudan to allow a U.N. force of 20,000 troops to take over peacekeeping in Darfur from a 7,000-member African Union force.

Violence has risen dramatically in recent weeks in Darfur, where more than 200,000 people have been killed and 2.5 million displaced in three years of fighting.

U.N. officials have said the African Union force is too small and ill-equipped to cope with the violence and protest civilians from rape, murder and pillage.

But President Omar al-Bashir has rejected a U.N. peacekeeping force, branding it as simply a bid to restore colonial rule.

Despite the move against Pronk, the official news agency said Khartoum was "committed to cooperate" with the U.N. and would work with a new envoy "in accordance with signed treaties with the U.N. and the current principles of international law."

In Geneva, Switzerland, U.N. spokeswoman Marie Heuze noted that Pronk's comments were on his private blog and reflect "only his personal views."

Britain condemned the decision and urged the Sudanese to reconsider.

"This step is counterproductive and will contribute nothing to solving the problems of Sudan," Lord Triesman, the Foreign Office minister for African issues, said in a statement.

Last June, the Sudanese suspended the work of all U.N. missions in the Darfur except UNICEF and the World Food Program after claiming the U.N. had transported a rebel leader in violation of agreements.

The next day, the government reversed the decision following a meeting between a representative of the Sudanese Foreign Ministry and the United Nations.

Darfur, a largely arid plateau in western Sudan about three-quarters the size of Texas, has been in turmoil since February 2003, when ethnic African tribes rebelled after years of neglect by the Arab-dominated government in Khartoum.

The government responded with a military campaign in which pro-government Arab militia, the Janjaweed, are alleged to have committed widespread atrocities. Khartoum denies supporting the Janjaweed.

A peace deal this year was signed by the Sudanese government and the main rebel group, the Sudanese Liberation Movement.

But a breakaway faction and another rebel group rejected the deal and fighting has escalated, causing increasing numbers of aid workers to withdraw, leaving the refugees without food and medicine.

U.S. Sen. Barack Obama, D-Ill., said Sunday that the United States should do more to help stem violence in Darfur.

"When you have situations involving genocide, it is important for us as a world community — and the United States is the world's sole super power — for us to take that seriously, and to make commitments of resources to deal with it," Obama told NBC's "Meet the Press."

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Pronk, 66, served several terms in the Dutch parliament and served in the Dutch Cabinet under two prime ministers. He was appointed as U.N. special representative for Sudan in June 2004.

Grim New Turn May Harden Darfur Conflict (NYT)

By Lydia Polgreen

The New York Times, October 23, 2006

ON THE CHAD-SUDAN BORDER, Oct. 20 — Haroun Abdullah Kabir stepped from one bloodied corpse to another on the parched, rocky battlefield. He searched the soldiers' decomposing faces for an aquiline nose, fair complexion or fine, straight hair: telltale Arab features.

Instead Mr. Kabir, a field commander of the Darfur rebels fighting the Arab-dominated Sudanese government, found among the Sudanese soldiers his men had felled only the dark-skinned faces of southern Sudanese and Darfurians. He looked away in disgust.

"You see, they send black men to kill black men," he said. "We are waiting for them to send Arabs for a real fight."

This is the new battlefield in Darfur, a blood-soaked land in which at least 200,000 people have died since early 2003, many of hunger and disease, as a result of a campaign of violence the Bush administration and others have called genocide.

For the first time in more than two years, rebels fighting the government for more autonomy are making brazen, direct and successful attacks on soldiers, and are declaring that all previous cease-fires are no longer in effect.

The latest peace agreement, signed in May and heavily backed by the United States but approved by only one rebel faction and the Sudanese government, is in disarray.

The government vows to crush the rebellion, and as its military struggles to fend of attacks, it will likely turn again to Arab militias called janjaweed to wage its counterinsurgency campaign, analysts say.

A visit to the site of the newest fighting, the first by a journalist, revealed a hardening conflict that is increasingly taking place along porous borders among some of the least stable countries in Africa, threatening to ignite a wide conflagration in the heart of the continent.

The Darfur rebels are flush with arms taken from the Sudanese military in raids and bought through allies in Chad and Eritrea. They say that because Sudan has blocked a United Nations force from entering Darfur to protect the 2.5 million people forced from their homes there and in eastern Chad, they have a duty to stop attacks on non-Arab tribes.

"The international community will not do it," said Gen. Khatir Toor Khala, a rebel field commander based on the border. "So it is for us to protect the innocent civilians of Darfur."

With the two sides apparently bent on all-out war, and millions of displaced people and refugees caught in the middle, the people of Darfur and the aid workers who have been trying to help them await the next, seemingly inevitable onslaught.

"We don't know what will happen next, we only fear for our lives," said Kaltuma Ardy, who fled attacks by the janjaweed on her village in Darfur near the Chad border three years ago. She now lives in Oure Cassoni refugee camp, a few miles from the site of the battle between rebels and government soldiers. "We need the U.N. to come and help us so we can have peace and go back home."

The prospect of new talks to settle the crisis has dimmed, and the involvement of Chad and now the Central African Republic, where Sudan reportedly supports rebels hoping to topple Chad's government, is spawning a complex, connected set of conflicts.

Now that the rains have ended, and the rushing seasonal rivers have dried up, clearing the way for the truck-mounted guns that are at the heart of any African ground war, combat has started anew.

The rebel alliance, now known as the National Redemption Front, has inflicted at least two humiliating defeats on the Sudanese Army.

One of those battles took place on Oct. 7 in an army camp 13 miles northeast of Bahai, a sleepy border outpost in Chad that is home to one of the region's largest refugee camps. The camp was strewn with the bodies of dozens of Sudanese soldiers.

Some lay in contorted poses of flight, others were in jumbled heaps in trenches, apparently gunned down in their fighting positions — a still-ticking watch and shattered eyeglasses glinting in the sun. At least one soldier appeared to have been killed

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while still in bed, sprawled half on, half off a bed in a straw hut, his trousers unbuckled, swollen belly bursting forth. Another seemed to have been caught while playing cards, a jack of spades lay just beyond his extended index finger.

Rebel commanders led a reporter and a photographer to the spot of their triumph clearly wanting to trumpet their victory, but they also seemed disappointed that almost all of the dead soldiers appeared to be non-Arab recruits, mostly southerners and Darfurians. "All of them are Sudanese, they are black people, they are our brothers," Mr. Kabir said. "The government sent them here to kill us, but we pity them. The janjaweed don't like to die and make war with us. They are cowards attacking women and children."

The rebels had picked the camp clean of matériel, carrying off several senior Sudanese field commanders as prisoners, they said, as well as significant caches of heavy weapons, machine guns, fuel tankers and pickup trucks.

At a hide-out a few miles away, soldiers preened with their new weapons: Chinese-made rockets, grenade launchers and antitank guns.

"We took this from Sudan, and we will use it to kill them," boasted Salah Arjah Boush, a rebel fighter, cradling a small gray rocket like a baby in his arms.

Adam Shogar, a spokesman for the National Redemption Front based in Ndjamena, the capital of Chad, said that the new rebel alliance was not bound by any previous cease-fires and was ready to fight if the government refused to open new negotiations. The May agreement was not acceptable, he said.

"It is all-out war," Mr. Shogar said. "There are no agreements."

Exactly what shape the conflict will take is not clear, and the methods the government and rebels choose to attack each other will have grim consequences for the millions of Darfurians pushed from their homes.

The battle in Darfur has long been a proxy, fought with villages and towns as battlefields and civilians as its primary victims. Rebel groups — at least half a dozen factions and splinter groups have surfaced since the conflict began — occupy villages, which the government attacks by air with Antonov bombers and gunships. The rumble of the aircraft gives the fighters plenty of time to escape, but the less-mobile civilians bear the brunt of the aerial attacks.

Because Sudan's large army is mostly made up of non-Arab foot soldiers who are unwilling to carry out brutal counterinsurgency tactics on fellow non-Arabs, the government has used Arab militias as ground troops in Darfur, paying them in cash and loot from the villages they raid. But now the fighting appears to be entering a new phase, in which the rebel groups, somewhat unified militarily under the banner of the National Redemption Front, are making increasingly brazen direct attacks on government troops.

The government is likely to respond to this new boldness with familiar tactics, said Colin Thomas-Jensen, Africa advocacy and research manager at the International Crisis Group, an independent organization that seeks to resolve armed conflict.

"Clearly Khartoum is still intent on pursing a military solution, and just because the latest offensive seems to have hit a roadblock doesn't mean they are going to give up," Mr. Thomas-Jensen said. "The strategy in the past has always been to arm and train and support local militia groups. In all of this the consequences from a humanitarian standpoint are devastating. In Darfur it is ultimately among the civilians that there will be the greatest cost."

So far, in this part of Darfur, the response has been mostly aerial attacks. Bombers have flown incessantly over Bahai and other border towns, dropping bombs on areas suspected of being rebel hide-outs.

The rebellion is bracing for a new onslaught from the government and its allied militias, meeting in Birmaza, a town in North Darfur, to cement their alliance and discuss strategy, said Jar al-Nabi Abdul Karim, a commander of the National Redemption Front, in a satellite telephone interview from there. "We are united, and we are strong," he said. "We are ready to fight."

With the peace agreement signed in May moribund, and with those who declined to sign returning to the battlefield, finding a way out of Darfur's crisis seems harder than ever, Mr. Thomas-Jensen said.

"It is going to be difficult, and is going to require a great deal of diplomacy and pressure," he said. "For the rebels, a lot of cajoling, and for the government, they have got to be under pressure. And you need a strong mediator, someone who can knock heads if necessary. It is not going to be easy, but ultimately there is no way out of this conflict without a renewed political process."

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Chavez Claims Victory Of Sorts At U.N. (AP)

By Christopher Toothaker

AP, October 23, 2006

President Hugo Chavez said Sunday that Venezuela achieved its objective at the United Nations by preventing Washington's preferred candidate from winning a seat on the U.N. Security Council.

Venezuela is trailing Guatemala after 35 rounds of secret balloting in which both countries have failed to garner the two-thirds majority required to win the seat.

Despite falling behind Guatemala in the race for contested seat, Caracas has successfully challenged U.S. interests, Chavez said.

"We have taught the empire a lesson," Chavez told thousands of supporters in Valencia, an industrial city about 65 miles west of Caracas. Even if "Venezuela isn't able to enter the Security Council, we've done damage to the empire. That was our objective."

The U.N. General Assembly is slated to resume voting on Wednesday.

Guatemala has led Venezuela in 34 of 35 of the votes by the 192-nation General Assembly. Chavez says his country will not withdraw, vowing to continue confronting the U.S.

"Venezuela is not going to give up," Chavez said.

The nomination of a third candidate to break the stalemate has been informally discussed, but both candidates would have to step down. Guatemala has also pledged to remain in the race.

Chavez — a close ally of Cuban leader Fidel Castro — has promised to use a seat on the council as a platform to speak out against the U.S.

Chavez has claimed that the U.S. has tried to coerce nations into voting for Guatemala.

In recent months, Chavez collected pledges of support as he visited about a dozen countries including Russia, Belarus, Iran, Vietnam, Qatar, Mali, Benin, China, Malaysia and Syria. Top Guatemalan officials and U.S. diplomats also have been busy with their own international lobbying efforts.

Venezuelan opposition leaders accuse Chavez of squandering millions of dollars in an effort to garner international backing for Venezuela's bid, saying he has neglected domestic problems such as rampant crime and widespread poverty.

The critics accuse Chavez of offering cheap, subsidized oil to other countries to influence their U.N. vote, a charge that the Venezuelan leader has denied.

The 10 non-permanent seats on the council are filled by the regional groups for two-year stretches. The other five are occupied by the veto-wielding permanent members: Britain, China, France, Russia and the U.S.

The United States claims that Chavez, whose left-leaning government also has friendly ties with North Korea and Iran, would be a disruptive force on the Security Council.

Panamanians Vote To Expand Canal (NYT)

By Marc Lacey

The New York Times, October 23, 2006

GUATEMALA CITY, Oct. 22 — Panamanians on Sunday overwhelmingly endorsed a plan to modernize the country's aging canal, won over by government arguments that the $5.25 billion project would generate jobs and keep the canal relevant for future generations.

"Panama is betting on its future," said President Martín Torrijos, chief backer of the plan, after casting his ballot on Sunday morning in a nationwide referendum.

The overhaul, to begin next year, will double the canal's capacity by adding a third set of locks that are 40 percent longer and 60 percent wider than the current ones. Constructed by the United States in 1914, the canal these days is congested and too small to handle the world's largest container vessels and tankers.

Opposition to the project was vigorous as skeptics questioned the government's cost estimates and raised fears that corruption would doom the project.

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But the government's campaign for the expansion, the largest modernization of the canal in its history, was even more intense. Officials portrayed a "sí" vote as a vote for the children of Panama. Without an expanded canal, officials predicted, shipping traffic would find other routes and Panama's growing economy would dry up.

The canal, 50 miles long, employs 8,000 Panamanians and is a source of national pride, as well as foreign currency. But even as skyscrapers go up at a furious pace in a downtown Panama City that has hints of Miami, 40 percent of the country's three million residents live in poverty.

All the same, preliminary results gave the expansion plan just shy of 80 percent support, far more than the simple majority required. A referendum is required for major changes to the canal, a provision of the law meant to give the people ownership of a resource that had long been in the hands of foreigners. Still, most voters stayed away from the polls Sunday, with turnout estimated at about 40 percent.

The approval is a victory for the Torrijos administration, which staked its reputation on the project. The current president's father, Gen. Omar Torrijos, negotiated in the 1970's for the United States to hand over the canal to the Panamanians. The canal changed hands in 1999.

The government backed off an earlier overhaul plan that would have displaced thousands of Panamanians by expanding the lake used to raise and lower ships as they navigate between the Atlantic and Pacific Oceans. No residents will be displaced under the current proposal, officials said.

The expansion, which will be financed by loans and higher fees charged to shippers, is scheduled to be completed in 2014. Canal officials predict that a decade afterward the expanded canal will generate $6 billion a year, far more than the $1.4 billion expected this year.

"We've gotten a clear mandate," Jorge Quijano, the Canal Authority's maritime operations director, said in a telephone interview Sunday night. "We now have an opportunity to continue to grow."

Ferdinand de Lesseps, a Frenchman who was the builder of the Suez Canal, began work on the Panama Canal in 1880 but abandoned it after the project went bust. Leaders in Washington, eager to control the Americas, took over the project in 1904 and finished it within a decade. It cost $375 million, making it the most expensive project the government had ever undertaken.

American vessels remain the biggest users of the canal, followed by Chinese and Japanese ships, according to the Panama Canal Authority, the operator. The canal handles about 4 percent of global trade.

The expansion will not rely on the aid of foreign governments, an outgrowth of Panama's desire to go it alone after decades of standing by as the Americans operated the canal. Many foreigners and Panamanians alike doubted that the Panamanian government could handle operation of the canal. But profits have grown over the last seven years, and operations have continued smoothly.

Nicaragua announced last month that it was planning its own canal, although analysts doubt that its $18 billion public-private project, which would use the 60-mile-wide Lake Nicaragua, has much chance of success. Its chances might have improved had the Panama Canal expansion been rejected.

As they lined up around the countryside to weigh in on the canal's fate, most Panamanians seemed to have concluded that their futures and that of the canal were one.

"This country needs this project to join the first world," Joaquín Rodríguez, 48, a businessman wearing a green "yes" T-shirt, told [a news organization].

Faustino Ortega, 41, a mechanic, agreed. "If you've got a business, you've got to do what you can to improve it, make it more competitive," he told The Associated Press. "The canal is big business for all of Panama. Widening it will help the economy."

But concerns about the project remain, even among those who voted for it. "The expansion is necessary, but we all have to watch closely, make sure there isn't embezzlement and corruption," said Igor Meneses, 34, an advertising executive. "With that kind of money, there's a lot to steal."

Voters Approve Panama Canal Expansion (AP)

By Will Weissert, Associated Press Writer

AP, October 23, 2006

Voters overwhelmingly approved the largest modernization plan in the 92-year history of the Panama Canal on Sunday, backing a multi-billion dollar expansion that will allow the world's largest ships to squeeze through the shortcut between the seas.

More than 78 percent of Panamanians voted in favor of the expansion with 94 percent of polling stations counted by the country's electoral tribunal. Only about 22 percent opposed the plan. Almost 57 percent of the country's more than 2.1 million voters did not turn out.

Thousands of supporters in green "Yes" T-shirts cast ballots endorsing the $5.25 billion overhaul which would allow the canal to handle modern container ships, cruise liners and tankers that are too large for its current 108-foot-wide locks. The plan is to build a third set of locks on the Pacific and Atlantic ends by 2015.

The Panama Canal Authority, the autonomous government agency that runs the canal, says the project will double capacity of a waterway already on pace to generate about $1.4 billion this year. Expansion will be paid for by increasing tolls and take in more than $6 billion annually in revenue by 2025.

"We are going to serve the world better and that means we are going to serve Panama better," canal administrator Alberto Aleman Zubieta told The Associated Press. "Everyone's a winner. The shipping industry, the Panamanians and all of the countries that will benefit from international shipping commerce."

A large chunk of canal revenues go to education and other Panamanian social programs. Still, critics contend that as drawn up, the expansion plan benefits the canal's customers more than Panamanians, and worry that costs could balloon for this debt-ridden country.

"Voting 'no' is like closing the door on the canal. It's the top source of income for Panama and improving it means more money for the government and less poverty," said Leonardo Aspira, a boat salesman who sported a "Yes" shirt and baseball hat in Kuna Nega, a largely Indian town of dirt roads and banana trees on the outskirts of Panama City.

The canal employs 8,000 workers and the expansion is expected to generate as many as 40,000 construction jobs. Unemployment in Panama is 9.5 percent, and 40 percent of the country lives in poverty.

Critics contend the expansion will benefit the canal's customers more than Panamanians, and fear it will stoke corruption and uncontrolled debt if costs balloon.

"The expansion is necessary, but we all have to watch closely, make sure there isn't embezzlement and corruption," said Igor Meneses, a 34-year-old advertising executive who was waiting to vote in Panama City. "With that kind of money, there's a lot to steal."

President Martin Torrijos, an outspoken supporter of expansion, called the referendum "probably the most important decision of this generation," after voting.

Opponents of the expansion plan complained about electoral foul play.

On the sweltering streets of Panama City, some wore red shirts and smocks supporting a 'No' vote. But they were far outnumbered by those in shirts, bandanas, caps and vests supporting expansion. Cars and trucks with "Yes" bumper stickers and flags jammed streets.

Former President Guillermo Endara, who dressed in red from head to toe to show his opposition to expansion, complained that polling place workers wore "Yes" clothing and handed out cards with directions on where and how to vote with propaganda supporting the plan printed on the opposite side.

"That's vote-buying," Endara said.

School buses and vans with "yes" signs stuck to the side were also seen whisking voters from poor, crowded neighborhoods to polling places to vote.

But polling place and transportation workers showing which side of the referendum they were on apparently did not constitute a violation of Panama's electoral laws.

The United States arranged for Panamanian independence from Colombia to build the canal, and ran the canal from 1914 to 1999. Torrijos' father, strongman Omar Torrijos, signed a treaty with President Carter in 1977 to cede control of the waterway back to Panama, a decision that also was approved by Panamanians in a referendum.

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Panama Canal Widening Wins OK (WT/AP)

By Will Weissert

The Washington Times, October 23, 2006

PANAMA CITY -- Voters yesterday overwhelmingly approved the largest modernization project in the 92-year history of the Panama Canal, backing a multibillion dollar expansion that will allow the world's largest ships to squeeze through the shortcut between the seas.

About 78 percent of Panamanians voted in favor of expansion, with 90 percent of polling stations counted by the country's electoral tribunal. Only about 22 percent opposed the plan. Almost 57 percent of the country's more than 2.1 million voters did not turn out.

Thousands of supporters in green "Yes" T-shirts cast ballots endorsing the $5.25 billion overhaul, which would allow the canal to handle modern container ships, cruise liners and tankers that are too large for its current 108-foot-wide locks by building a third set of locks on the Pacific and Atlantic ends by 2015.

The Panama Canal Authority, the autonomous government agency that runs the canal, says the project will double capacity of a waterway already on pace to generate about $1.4 billion this year. Expansion will be paid for by increasing tolls to take in more than $6 billion annually by 2025.

"Voting 'no' is like closing the door on the canal. It's the top source of income for Panama, and improving it means more money for the government and less poverty," said Leonardo Aspira, a boat salesman who sported a "Yes" shirt and baseball hat in Kuna Nega, a largely Indian town of dirt roads and banana trees on the outskirts of Panama City.

The canal employs 8,000 workers, and the expansion is expected to generate as many as 40,000 construction jobs. Unemployment in Panama is 9.5 percent, and 40 percent of the country lives in poverty.

Critics contend the expansion will benefit the canal's customers more than Panamanians and fear it will stoke corruption and uncontrolled debt if costs balloon.

"The expansion is necessary, but we all have to watch closely -- make sure there isn't embezzlement and corruption," said Igor Meneses, a 34-year-old advertising executive who was waiting to vote in Panama City. "With that kind of money, there's a lot to steal."

Panamanian President Martin Torrijos, an outspoken supporter of expansion, said after voting that the referendum was "probably the most important decision of this generation."

International observers had predicted a low turnout among the country's voters, and opponents of the expansion plan complained about electoral foul play.

On the sweltering streets of Panama City, some wore red shirts and smocks supporting a 'No' vote. But they were far outnumbered by those in shirts, bandanas, caps and vests supporting expansion. Cars and trucks with "Yes" bumper stickers and flags jammed streets.

Former Panamanian President Guillermo Endara, who dressed in red from head to toe against the expansion, complained that polling-place workers wore "Yes" clothing and handed out cards with directions on where and how to vote with propaganda supporting the plan printed on the opposite side.

"That's vote buying," Mr. Endara said.

School buses and vans with "yes" signs stuck to the side were also seen whisking voters from poor, crowded neighborhoods to polling places.

The United States arranged for Panamanian independence from Colombia to build the canal and ran it from 1914 to 1999. Mr. Torrijos' father, strongman Omar Torrijos, signed a treaty with President Carter in 1977 that ceded control of the waterway to Panama.

Canal administrator Alberto Aleman Zubieta said a defeat for the plan could have grave consequences for Panama. "Shippers will have to look for other routes, because Panama won't have the capacity for them," he said.

Panamanian Voters Approve Canal Expansion (LAT)

By Chris Kraul

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The Los Angeles Times, October 23, 2006

PANAMA CITY, Panama — Panamanian voters on Sunday overwhelmingly approved a $5.2-billion proposal to expand the country's national treasure, the Panama Canal.

With 64 percent of votes counted, ballots in favor of the project led those opposed by 78.7 percent to 21.3 percent, prompting Panama's electoral tribunal to declare the yes vote victorious. That gave the green light to the first major modification to the 50-mile waterway since it opened in 1914.

President Martin Torrijos staked his considerable popularity on voters approving the proposal, which he described in a recent interview as the "chance of a lifetime" for Panama. In a telephoned response to the tribune's declaration Sunday evening broadcast over Panamanian television, Torrijos declared the vote a victory for Panamanian democracy and the nation's future.

Little construction is planned over the next several months, as the Panama Canal Authority, the quasi-independent administrative body, prepares an environmental impact report and final construction blueprints. But the project ultimately is expected to take eight years and create 7,000 jobs, with employment for thousands more people tied indirectly to the proposal.

By late next year, excavation will begin on the expansion's single largest component: a four-mile bypass of the southernmost locks of the canal to permit the passage of container ships capable of carrying 8,000 shipboard containers, or twice the cargo that fits through the existing waterway. On the Caribbean side, the new shipping lane will occupy a partially completed trench excavated from 1939 to 1942.

Later, two sets of parallel locks half again wider and longer than the existing sets will be built.

"Panamanians have taken a courageous vote, and the canal authority will use all its resources to meet their expectations," Ricaurte Vasquez, the canal authority's board chairman, said in an interview Sunday.

Torrijos' government has promised voters that the expanded canal and the added ship traffic would make Panama the "Singapore of South America."

Panamanian and international investors expect the project to stimulate economic growth. The vote is expected to touch off several private and public construction projects that have been in abeyance until the balloting.

Dozens of high-rise office and residential towers are planned for the capital, including three structures over 80 stories tall. The canal's sixth container port, west of the Pacific entrance, is also expected to go forward, at an estimated cost of $600 million.

The government is expected to ask Panama's congress to approve hundreds of millions of dollars to build a new sewage system to clean up highly polluted Panama Bay, which fronts the capital. The money also would fund a four-lane highway to connect Panama City, on the Pacific, with the city of Colon on the Caribbean side.

Fill dirt from the bypass excavation would be used to build a highway called the Coastal Strip, across Panama Bay.

But some analysts worry that expectations about the project's positive impact are unrealistically high, with too many Panamanians viewing the canal expansion as a cure-all for a country where an estimated 40 percent of the population is living below the poverty line.

The government faces daunting social problems, including unemployment, substandard education and a troubled health care system.

"The expansion will raise the stakes for Panama's democracy, because in a few years when the project is finished it will be unacceptable to say that the Panamanian state does not have the resources to improve the conditions of the people," said Jorge Giannareas, professor of constitutional law and consultant to UNICEF in Panama.

Interviews Sunday morning with a dozen voters at polling places around Panama City -- from upscale private schools to the poor barrio called Chorrillo -- reflected strong support and optimism for the measure.

"I voted `yes' for my grandchild. She will be one to fill the professional jobs that the expansion creates, not me," retired government worker Rosa Garcia said in Chorrillo. "I voted for globalization, for progress."

Said golf caddy Juan Renteria as he voted in the blue-collar Caledonia section of the capital: "This will help the poor of Panama, the peasants who come to the city and find no work. Panama has to do something for them,"

Although he thinks the canal should be expanded, accountant Samuel Godoy said he voted `no' because he had little confidence in the government's ability to manage the project honestly and efficiently.

"The leaders are just loading the nation with debt," he said. "All this propaganda of creating more jobs I don't believe."

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Muslim Veils Prompt Bans Across Europe (WT)

By Elizabeth Bryant

The Washington Times, October 23, 2006

PARIS -- When Nora Labrak arrived at a private employment agency in the summer near the French city of Lyon, the first question she was posed was not about her resume.

"I was asked to remove my head scarf at the lobby," Miss Labrak recalled in a telephone interview. When the 29-year-old refused, she was hustled to the door.

Long and short, sober black and brightly hued, the Muslim veil is drawing growing criticism in much of Europe. It has been chased from public schools in France and Belgium, and its strictest, face-concealing variation, the niqab, has been outlawed in a smattering of European towns.

Even in multicultural Britain, the niqab has sparked ferocious debate after the suspension of a Muslim teaching assistant and remarks by top government officials that the niqab encourages an unsettling social rift.

That debate began politely but has since grown ugly and rancorous, the chairman of Britain's Commission for Racial Equality said yesterday.

"We need to have this conversation, but there are rules by which we have the conversation which don't involve this kind of targeting and, frankly, bullying," said Trevor Phillips in a British Broadcasting Corp. interview.

Feeding the controversy are a series of incidents pitting Europe's Muslim population against its Christian majorities: Last year's riots in France, the Danish cartoons of the prophet Muhammad, the slaying of Dutch filmmaker Theo Van Gogh, honor killings in Germany, terrorist attacks in Britain and Spain, and Europe-wide concerns about illegal immigration.

"There's a rise in Islamo-skepticism," said Franck Fregosi, a specialist on Islam at France's National Center of Scientific Research. "There's a fear and tension that's installed in certain parts of the population, and I don't think it bodes well for the future."

In Brussels, 41-year-old Nicole Thill shares that foreboding.

"I haven't had problems until now, but things are changing," said Mrs. Thill, who converted to Islam and adopted the veil in 2001. "People's looks are increasingly hostile. And there's less and less respect. People don't mind jostling you on the street because, after all, you're only a veiled woman."

A July survey by the Pew Research Center found most European Muslims did not sense hostility from non-Muslims. But a significant chunk -- including 39 percent in France, 42 percent in Britain and 51 percent in Germany -- reported otherwise.

Perhaps more than any other symbol, the veil sets Muslims apart. Worn by a minority of Muslim women in Europe, it is an easy target for stereotypes.

In interviews with a halfdozen veiled women in Europe, all said they braced themselves going out in public. Several cited the veil as a barrier to employment.

"I have some friends who agreed to take their head scarves off or to wear a bandana to get a job, but not by choice," said Miss Labrak. She has filed charges against the job agency that expelled her from its premises, and is awaiting a court ruling.

European politicians critical of the veil cite the importance of integrating ethnic African, Arab and Turkish immigrant populations. That was the message behind French legislation two years ago banning the head scarf and other religious symbols in public schools.

And it was one reason why Jan Creemers, mayor of the city of Maaseik in Belgium, outlawed wearing the face-concealing niqab in public earlier this year. Several Belgian towns have followed suit, while a number of Belgium public schools have banned students from wearing any kind of veil to class.

"We have many old people, and they were very afraid when they saw these women wearing the veil," said Mr. Creemers. "It's very important in our town and in our Western culture that people see each other face to face."

Public wearing of the niqab is similarly banned in Italy under anti-terrorist laws, which make it an offense to hide the face in public. In Germany, four states have outlawed public school teachers from wearing head scarves -- a ban that applies to all civil servants in the German state of Hesse.

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Women employed in the public sector in France also are barred from wearing veils at work. The legislation has drawn widespread support, including from many Muslims.

"If you're in Europe, you need to live according to European customs. Either you adapt or, if you want to wear Middle Eastern clothing, you leave," said Khadija Khali, head of a French Muslim women's group. A practicing Muslim who has gone to Mecca five times, Mrs. Khali does not wear a veil.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Radical Islam Finds US 'Sterile Ground' (CSM)

By Alexandra Marks

The Christian Science Monitor, October 23, 2006

NEW YORK

The Islamist radicalism that inspired young Muslims to attack their own countries - in London, Madrid, and Bali - has not yielded similar incidents in the United States, at least so far.

"Home-grown" terror cells remain a concern of US law officers, who cite several disrupted plots since 9/11. But the suspects' unsophisticated planning and tiny numbers have led some security analysts to conclude that America, for all its imperfections, is not fertile ground for producing jihadist terrorists.

To understand why, experts point to people like Omar Jaber, an AmeriCorps volunteer; Tarek Radwan, a human rights advocate; and Hala Kotb, a consultant on Middle East affairs. They are the face of young Muslim-Americans today - educated, motivated, and integrated into society - and their voices help explain how the nation's history of inclusion has helped to defuse sparks of Islamist extremism.

"American society is more into the whole assimilation aspect of it," says New York-born Mr. Jaber. "In America, it's a lot easier to practice our religion without complications."

In a nation where mosques have sprung up alongside churches and synagogues, where Muslim women are free to wear the hijab (or not), and where education and job opportunities range from decent to good, the resentments that can breed extremism do not seem very evident in the Muslim community. Since 9/11, however, concern is rising among Muslim-Americans that they are becoming targets of bias and suspicion - by law enforcement as well as fellow citizens. It's a disquieting trend, say the young Muslims - one that might eventually help radicalism to grow.

It's impossible to pinpoint the factors that produce home-grown terrorists, analysts say. But it's also impossible to ignore the stark contrast between the lives of Muslims in European countries where bombings have occurred and those of Muslims in America.

"What we have here among Muslim-Americans is a very conservative success ethic," says John Zogby, president of Zogby International in Utica, N.Y., whose polling firm has surveyed the Muslim-American community. "People come to this country and they like it. They don't view it as the belly of the beast. With very few exceptions, you don't see the bitter enclaves that you have in Europe." Life in America vs. life in Europe

Part of what so shocked Spain about the Madrid train bombers, and then Britain after the London subway and bus bombings in July 2005, was that most of the perpetrators were native sons. In each case, the young men, allegedly inspired by Al Qaeda ideology, came from poorer neighborhoods heavy on immigrants. (By contrast, a plot foiled in August to blow up airplanes over the Atlantic involved suspects from leafy, middle- and upper-middle-class neighborhoods in Britain.)

America, too, has poorer neighborhoods with large Muslim concentrations, but they tend to be interspersed with other ethnic groups and better assimilated into society. Another difference, some suggest, is the general profile of Muslims who have come to the US and raised their families here.

Most Muslim immigrants came to America for educational or business opportunities and from educated, middle-class families in their home countries, according to an analysis by Peter Skerry of Boston College and the Brookings Institution. In Europe, the majority came to work in factory jobs and often from poorer areas at home.

European Muslims today live primarily in isolated, low-income enclaves where opportunities for good jobs and a good education are limited. In the US, 95 percent of Muslim-Americans are high school graduates, according to "Muslims in the Public Square," a Zogby International survey in 2004. Almost 60 percent are college graduates, and Muslims are thriving economically around the country. Sixty-nine percent of adults make more than $35,000 a year, and one-third earn more than $75,000, the survey showed.

In Britain, by contrast, two-thirds of Muslims live in low-income households, according to British census data. Three-quarters of those households are overcrowded. British Muslims' jobless rate is 15 percent - three times higher than in the general population. For young Muslims between 16 and 24, the jobless rate is higher: 17.5 percent.

"The culture is qualitatively different [in the American Muslim community] from what we've seen from public information from Europe, and that actually says very positive things about our society," says Jonathan Winer, a terrorism expert in Washington. "We don't have large populations of immigrants with a generation sitting around semi-employed and deeply frustrated. That's a gigantic difference."

Jaber, the AmeriCorps volunteer, who is studying to become a medical doctor, says he has not experienced anti-Muslim bias. In part, he says, that may be because he doesn't have an accent or look particularly Middle Eastern - his father is Palestinian and his mother Filipino. But he also credits America's melting-pot mentality, as does Ms. Kotb, the Middle East consultant.

"We weren't isolated growing up. We were part of the culture," says Kotb, who grew up outside Washington in a family that inculcated a success ethic. "Religion was important, but not so much that you'd have to cover your head or if you don't pray five times a day, that's it - nothing like that. There were a lot more progressive attitudes" within her local Muslim community.

In mosques in America, it's fairly common for imams to preach assimilation, says Mr. Zogby. That's not as true in Europe, particularly in poorer neighborhoods where sermons can be laced with extremism.

"The success of ... Saudi-inspired religious zealotry in Europe was in large part because the Saudis put up the money to build mosques and pay for imams," says Ian Cuthbertson, a counterterrorism expert at the World Policy Institute at the New School for Social Research. "The American Muslim community was rich enough not to require Saudi money to build its mosques."

In Europe, it's estimated that millions of second- and third-generation Muslims have not been well assimilated in their adopted countries, so have little or no fealty to either the European country they live in or the one their parents were born in. "They are much more susceptible to the Internet, returning jihadist fighters, and extremist imams," says Thomas Sanderson of the Center for Strategic and International Studies in Washington. "There's no doubt that Europe has an incubator environment and we have a somewhat sterile environment for radicalism."

To be sure, the United States has brought charges in several terrorism-related cases involving American Muslims. Some have resulted in convictions, notably the 2002 case of six Yemeni-Americans from Lackawanna, N.Y. Other cases are pending. (See chart on Page 2.)

Identifying and tracking home-grown terrorists is a complicated task - one that risks alienating or even infuriating the general Muslim-American citizenry if tactics are seen as unfair. Feeling a chill

The young Muslims interviewed for this story chose their words carefully, but their inference is clear: They worry that suspicion toward Muslims has been building since 9/11, and they suggest that US intervention in Iraq and its support for Israel cause angst among many Arab-Americans.

US foreign policies "in the long term are going to hurt the US," says Mr. Radwan, the human rights activist, who works in Washington. "They, along with the crackdown on Muslim-Americans [by law enforcement], feed a feeling of resentment and the perception that the US acts on the basis of a double standard."

Indeed, America's Muslim community would wage the war on terror differently. According to the 2004 Zogby survey, three-quarters say the best way is for the US to change its foreign policy in the Middle East by recognizing a Palestinian state and being less supportive of Israel.

A newer concern for America's Muslims is their standing in post-9/11 society. Many sense that the ground under their feet is shifting - and young people like Florida-born Radwan, in particular, feel it. A 2001 graduate of Texas A&M University, Radwan wanted to become a doctor and began working as a medical researcher. One month after the 9/11 attacks, he was let go - at the end of a three-month probationary period. Afterward, he says, he couldn't get even an interview for a job that used his biochemistry degree or research skills. Eventually he abandoned his hopes of a medical career and shifted to human rights work.

That experience leads him to suggest another reason the US hasn't seen European-style homegrown terror cells: the intense scrutiny the FBI has focused on Muslim-Americans. "That is good in the short term, but bad in the long term," he says. "The Bush administration policies feed resentment that ... will stay in the Arab- American psyche for a long time."

The FBI says it doesn't target any community, neighborhood, or religion. Agents simply go where the leads take them, says John Miller, the FBI's assistant director of public affairs. But he adds: "We have put a growing effort into community outreach because we understand the discomfort the amount of pressure our attention can bring to a community." The 'home-grown' threat: Is it overstated?

A small but growing number of analysts believe that some US officials have overstated the threat of homegrown Islamist radicalism in the United States. While Al Qaeda and foreign terrorists remain determined to attack in America, they say, the focus on potential American cells may be leading the US to misdirect its antiterror efforts.

"My theory as to why we haven't found any [homegrown Islamist terrorist cells] is because there aren't very many of them.... They aren't the diabolical, capable, and inventive people envisioned by most politicians and people in the terrorism industry," says John Mueller, a political scientist at Ohio State University. "The danger is that we've wasted an enormous amount of money with all of the wiretaps [and] investigations, and diverted two-thirds of the FBI from criminal work to terrorism work."

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The FBI calls such conclusions "uninformed," citing alleged plots by radicalized US citizens. The most notable was the case of the Lackawanna Six, so named for the six Yemeni-Americans from Lackawanna, N.Y., who went to Al Qaeda training camps in the spring of 2001.

"The people who make these claims [about threats being exaggerated] are never the ones responsible for preventing these attacks," says John Miller, the FBI's assistant director of public affairs. "The point is that if you're the dead guy, or you're a family member of one of those guys, all you know is that you wanted someone to develop the intelligence and take the actions to prevent it."

Still, a lack of public evidence pointing to extensive Islamist extremism in the US is leading a small but growing number of experts to agree with Professor Meuller's assessment. Like Meuller, though, they add a cautionary note.

"There's not zero threat in any community, but it is good news and we have to hope that reflects an underlying reality that [homegrown extremist cells] don't exist here," says Jonathan Winer, a terrorism expert in Washington. "You've always got lone nuts in every imaginable ethnic group grabbing every imaginable ideology to justify terrorism."

Singing For Your Sleep (NSWK)

By Dan Ephron

Newsweek, October 23, 2006

Sgt. Ben Allbright knows something about sleep deprivation. During the first six months of the Iraq war, his job was to guard prisoners in Al Qaim, a makeshift base near the Syrian border where U.S. troops conducted aggressive hunts for Saddam Hussein's weapons of mass destruction. Every day, soldiers hauled in about 20 new detainees for questioning by military interrogators or CIA operatives. To "get them out of their comfort zone" before the interrogation, Allbright told NEWSWEEK recently, the drill was to keep the Iraqis awake for 24 hours or longer. The guards would stand the prisoners up in old shipping containers, their hands tied behind their backs and their faces blindfolded and facing the wall. "After a while you'd see their knees buckling, or you'd see one of them lean forward and put his forehead against the wall to try to sleep." When that happened, Allbright would holler into the container or bang on the metal side with a stone or a club.

Is that inhumane? Is it legal? President George W. Bush signed the Military Commissions Act into law last week, laying down guidelines for Guantánamo prisoner tribunals and addressing the issue of interrogation tactics. Before the law was passed, the president had stressed the need to give CIA interrogators clear guidelines for questioning suspects. Most legal experts believe the new law criminalizes the harshest techniques used by the CIA since the attacks of September 11, including the mock drowning measure known as waterboarding. But the bill also creates a broad gray area in which some of the less dramatic methods—sleep deprivation, along with forced standing, hooding and stress positions—might still be part of the interrogation package. Neither the Pentagon nor the CIA would comment on their techniques, but the wiggle room bothers critics. "It seems pretty clear that they want to keep a gray area so that tactics can continue to be used that fall into that area," says Lt. Cmdr. Charles Swift, a prominent military defense lawyer.

Many experts question whether such methods are even effective. Sleep deprivation in particular has been used as an interrogation tool in different places around the globe throughout the past century, with questionable results. In America's Prohibition era, cops in the Chicago Police Department were known to sleep-deprive suspected criminals to extract confessions, many of which turned out to be false. In Northern Ireland, British troops used it in crackdowns on the IRA until a European court ruled in a minority opinion that it constitutes torture. When the CIA studied the utility of various interrogation methods in a broad 1960s survey known as Kubark, the agency concluded sleep deprivation made suspects more apathetic under questioning, not necessarily more compliant. Yet by 2001, the measure was being used on Afghan guerrillas in secret CIA detention centers, according to the testimony of both prisoners and soldiers.

Part of the problem is that sleeplessness inhibits clear thinking and can trigger hallucinations. "It's a little like getting drunk," says Mark Mahowald, a neurologist who heads the Minnesota Regional Sleep Disorder Center. While little is known about why humans need sleep, Mahowald says, the effects of deprivation have been widely studied. Within 24 hours, parts of the brain that control higher-level tasks—judgment, reasoning, self-monitoring—become impaired. Beyond a day, the subject actually slips into a state of semiconsciousness—something akin to a sleepwalker who can perform physical activities but has limited cognitive power. "Those kinds of changes might help an interrogator get someone to talk," Mahowald said. "But the things he says should not be counted on as reliable." What happens when sleep is deprived for longer stretches? Researchers have never subjected humans to more than a few days of sleeplessness. But when the University of Chicago deprived rats of sleep in a seminal study in the 1990s, the rodents survived three weeks without a wink, then died.

In CIA prisons, the record for sleep deprivation is shorter—but apparently not by much. Human Rights Watch, which interviewed the lawyers of 20 detainees held in a secret prison in Afghanistan as late as 2004, says some of them were sleep-

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deprived for up to two weeks, though sometimes allowed short naps. The facility, known among detainees as "the dark prison," was among the harshest run by the United States since the start of the war on terror.

Not everyone dismisses the effectiveness of sleep deprivation. The Israelis think it can help to pry valuable information from reluctant captives. Though Israel's Supreme Court banned torture in a 1999 ruling, interrogators regularly use sleep deprivation against Palestinians. Avi Dichter, Israel's minister of Public Security and the former head of Shabak, Israel's FBI, defends the technique: "When you're tired, is it easier to question you? I think yes. And I think we're all built the same, including terrorists."

Allbright, the sergeant who served in Afghanistan, has doubts. By the time questioning of sleep-deprived prisoners began, he recalls, they were so desperate to nod off they'd provide whatever answers the interrogators wanted to hear. Confessions included details about WMD that didn't exist. Allbright, a reservist who now studies law at the University of Arkansas, Little Rock, also believes sleep deprivation leads to a slippery slope. In sessions he says he witnessed, when interrogators couldn't wrench information from tired suspects, they'd resort to threats and in some cases to physical abuse. Allbright had read the Geneva accords on his breaks from guard duty, and complained to superiors about the breach of conduct. "They'd either laugh it off or they'd tell me it's above my pay grade," he says. (The Pentagon had no comment on Allbright's allegations.) Eventually, he was transferred to another base and given a different job. That was in late 2003, when the war in Iraq was still fresh and the procedures often vague. With a new law now in place, only some of them are clearer.

WAR NEWS:

Lawmakers To Bush: Push Iraq On Militias (AP-Y)

By Deb Riechmann

AP, October 23, 2006

Republicans and Democrats urged the White House on Sunday to increase the pressure on Iraq's prime minister to crush militias blamed for the rising bloodshed.

President Bush expressed unwavering confidence in Nouri al-Maliki's ability to come to grips with the sectarian violence. Yet continued instability and rising casualties have led to calls, growing louder as the Nov. 7 elections near, for Bush to overhaul his war plan.

"I don't believe that a shift in tactics ought to wait until after the election," said Sen. Arlen Specter, R-Pa., the chairman of the Senate Judiciary Committee. "There are too many casualties there. If we have a better course, we ought to adopt it sooner rather than later."

Two U.S. troops were killed in fighting, the military said Sunday, raising the death toll in October to 80, the highest of any month this year. The overall U.S. death toll has surpassed 2,780

Sen. Jack Reed, a member of the Senate Armed Services Committee, said the Bush administration's Iraq policy was failure. "What we have is a situation where this government over the last few months is deteriorating," said Reed, D-R.I.

While agreeing al-Maliki is the best leader to support in Iraq right now, lawmakers from both parties said he must do more to find a political solution between warring Shiite and Sunni sects, or peace will remain out of reach.

Bush said in his judgment, "Maliki has got what it takes to lead a unity government." But the president noted the urgency the new government faces to stop the killing. "I'm patient. I'm not patient forever, and I'm not patient with dawdling," Bush said. "But I recognize the degree of difficulty of the task, and therefore, say to the American people, we won't cut and run."

He added it would be a sign of surrender "if you pull the troops out before the job is done. Absolutely."

Sen. John Kerry, Bush's opponent in the 2004 presidential race, said a political rather than military solution is needed.

"Either they resolve the political differences within this year because they want to or they don't want to. If they don't want to, there's nothing American troops can do," said Kerry, D-Mass.

Sen. John Warner, chairman of the Senate Armed Services Committee, said setting a withdrawal timetable could leave a security vacuum that terrorists would fill. But Warner, R-Va., has said a change in course may be necessary if the security situation does not improve soon.

He urged the Iraqi prime minister to give the Iraqi army more authority to improve security. "It is their job, not the U.S. coalition forces' to subdue and get rid of these private militias," Warner said.

Sen. Carl Levin of Michigan, the leading Democrat on the Senate Armed Services Committee, said the administration must pressure the Iraqis to make political compromises on power and oil resources.

"If they don't want to do that, if they're going to have a civil war, we have to tell them, `You're going to do that without us,'" said Levin, who wants to see U.S. troops begin to leave Iraq by the end of the year.

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The White House took issue with a report in Sunday's New York Times that said the head of the U.S.-led Multinational Forces in Iraq and the U.S. ambassador to Iraq were working on a plan that probably would — for the first time — outline milestones for disarming sectarian militias and meeting other political and economic goals. The newspaper said the blueprint to be presented to al-Maliki by the end of this year would not threaten Iraq with a withdrawal of U.S. troops.

The White House said the article was not accurate. It said the administration was constantly developing new tactics to help the new Iraqi government sustain, defend and govern itself.

Defense Secretary Donald H. Rumsfeld said Friday that U.S. officials are working with the Iraqi government to develop projections as to when they can take over various areas of responsibility so the Iraqis do not grow dependent on U.S. troops.

Democrats say it's past time for a change. Sen. Edward Kennedy, D-Mass., said the administration was hinting at doing so because Democrats were threatening to capture control of Congress in the upcoming election.

"Let's hope that at long last we'll have a true change of policy by the administration and not just a political feint to get by in a tight election," Kennedy said.

To Kerry, a decorated Vietnam veteran, "It's immoral to have the lives of young Americans being put on the line, waiting for an election day event or strategy. If you've got a better strategy, Mr. President, we deserve to have it now."

Bush and Kerry appeared on ABC's "This Week." Reed and Specter were on CNN's "Late Edition," while Warner and Levin spoke on "Fox News Sunday."

Troops To Remain In Iraq, Bush Says (WT)

By Eric Pfeiffer

The Washington Times, October 23, 2006

President Bush implicitly acknowledged yesterday that the war in Iraq will continue for several years, saying he could not see any way that U.S. forces could be withdrawn from the country while he is president.

In a taped interview with ABC's "This Week," moderator George Stephanopoulos asked Mr. Bush, "Can you imagine any circumstances where U.S. troops are going to leave Iraq before you leave the presidency?"

"No. I cannot," Mr. Bush said. "You mean every single troop out? No."

The president's interview aired in the wake of widespread reports last week, based on leaks from a U.S. task force headed by former Secretary of State James A. Baker III, that the Bush administration is preparing for a "course correction" in Iraq in the coming months, with some of the options being the partition of Iraq and a military coup against Iraqi Prime Minister Nouri al-Maliki.

Administration spokesmen already had played down those reports, but Mr. Bush yesterday noted that Mr. al-Maliki has only been in office four months and expressed his support, while noting that it wouldn't last forever.

"I'm patient. I'm not patient forever. And I'm not patient with dawdling. But I recognize the degree of difficulty of the task, and therefore say to the American people: We won't cut and run."

In an appearance yesterday on "Fox News Sunday," Sen. John W. Warner, Virginia Republican, said the Iraqi military needed to crack down harder on the private militias that have fought a low-grade civil war, with daily body counts in the dozens. Yesterday, the militias killed more than 40 Iraqis, with the bloodiest attacks coming against police recruits and holiday shoppers. The U.S. military also announced the deaths of a Marine and two soldiers, raising the October death toll to 81.

"It is their job, not the U.S. coalition forces' to subdue and get rid of these private militias," said Mr. Warner, chairman of the Senate Armed Services Committee, adding that a change in course may be necessary if the security situation does not improve soon and that "I think the administration is constantly revising and looking forward."

For his part, Sen. Richard G. Lugar, chairman of the Senate Foreign Relations Committee, told Fox News that criticism of Mr. al-Maliki is not the solution.

"We're talking about putting pressure on Maliki, but he doesn't have much clout," the Indiana Republican said. "Now, we probably need to think through how we, the United States, can give this prime minister more clout."

However, in his own "Fox News Sunday" appearance, Sen. Joseph R. Biden Jr., Delaware Democrat, said a more drastic approach is necessary.

"The truth of the matter is, there's a need for radical change in policy. There's a need for a political solution in Iraq and a bipartisan solution here at home," the ranking Democrat on the Foreign Relations Committee said. "Without those two things happening, there is no possibility, in my view, we succeed in Iraq."

Mr. Bush rejected the notion that he has been unwilling to adjust U.S. strategy in Iraq.

"Well, listen, we've never been 'Stay the course.' We have been -- 'We will complete the mission, we will do our job and help achieve the goal.' But we're constantly adjusting the tactics, constantly."

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In recent campaign appearances, Mr. Bush has described the Democrats as wanting to "wave the white flag of surrender" in the war on terror. When asked whether he could name any Democrats who have uttered such a phrase, Mr. Bush referenced Sen. John Kerry, Massachusetts Democrat, his opponent in the 2004 presidential election.

"I can name a Democrat who said there ought to be a date certain from which to withdraw from Iraq, whether or not we've achieved a victory or not," Mr. Bush said.

"That's reprehensible. It's a lie," Mr. Kerry said during his own appearance on "This Week," when asked about Mr. Bush's surrender comments. "The administration has lied in the walkup to the war. They've lied in the conduct of the war. And they have made America less safe. And the president just misled America again in that interview."

When asked whether Iraqi insurgents are trying to affect the midterm elections, Mr. Bush said, "My gut tells me that they have all along been trying to inflict enough damage that we'd leave. And the leaders of al Qaeda have made that very clear. ... They believe that if they can create enough chaos, the American people will grow sick and tired of the Iraqi effort and will cause [the U.S.] government to withdraw."

Deepening Disarray Over US Policy In Iraq (FT)

By Guy Dinmore

Financial Times, October 23, 2006

Leading Republicans and the Bush administration on Sunday projected a deepening sense of disarray over Iraq, as they argued with each other over the current state of affairs and the way forward.

Several senators took issue with the administration's policies in Iraq, distancing themselves from the White House in the run-up to next month's mid-term elections to Congress.

Spokesmen scrambled to deny media reports that ran contrary to the official line.

Senator John Warner, chairman of the armed services committee, who had described Iraq as "slipping sideways", on Fox News declared the situation to be worsening as Shia turned on Shia, Sunni on Sunni and al-Qaeda moved into the western Anbar province.

Mr Warner congratulated US military commanders for acknowledging that the Baghdad security plan was not working. But he did stand by the administration in rejecting calls for a timetable of withdrawal.

Senator Arlen Specter, head of the judiciary committee, said a New York Times report on Sunday – denied by the White House – had all the hallmarks of accuracy. According to the report, the administration is preparing a timetable for the Iraqi government to address sectarian divisions and take on a larger security role.

Mr Specter said that was the right approach and the government of Nouri al-Maliki had to be told the US would not be there for ever.

"We have to face the facts," he said, declaring Iraq to be in a civil war, at odds with official pronouncements.

Senator Richard Lugar, who chairs the foreign affairs committee, said Mr Maliki lacked "clout" but was "probably the best horse to ride on in the situation".

A Nadir Of U.S. Power (WP)

By Sebastian Mallaby

The Washington Post, October 23, 2006

It's not exactly morning in America.

In Iraq, things get ever uglier, and the old remedy of extra troops now seems tragically futile. The Bush team has recently tried putting thousands of additional soldiers into Baghdad, and the result after two months is that violence there has increased.

Iraq is often seen as a special Rumsfeldian screw-up. But in Afghanistan, the Bush team quickly handed off to a model pro-Western leader backed by a broad NATO coalition. And what are the results there? The government is wobbling, warlords run drugs and the pro-al-Qaeda Taliban have 4,000 to 5,000 active fighters in the country.

It's not just military efforts that are faltering. Five years ago, President Bush launched an experiment in tough-talk diplomacy, warning foreign leaders that they must be with us or against us in the war on terrorism. At first this yielded at least one achievement: Pakistan sent troops for the first time into its wild border regions to root out Taliban and al-Qaeda fighters. But that success has now gone into reverse. Pakistan recently withdrew its soldiers, in effect ceding the border territory to the radicals.

It would be nice if this merely proved that tough talk can backfire. But traditional diplomacy is faring no better. In North Korea and Iran, the United States has tried every diplomatic trick to prevent nuclear proliferation, making common cause with Western Europe, Russia, China and Japan, and wielding both sticks and carrots. The result is failure: North Korea has tested a nuke and Iran still presses on with its enrichment program.

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A few years ago, the collapse of Russia's currency triggered a furious debate in Washington over who lost Russia. Now Russia's pro-Western voices are being snuffed out, and Americans are so inured to the limits of their power that they don't even pose that question. A crusading journalist has been killed, and on Thursday Vladimir Putin silenced Human Rights, Amnesty International and more than 90 other foreign organizations. Everyone accepts that there's not much the West can do about this.

In Somalia, a Taliban-style group of Islamic militants has seized part of the country. One of its commanders is said to be sheltering terrorists who blew up the U.S. embassies in Kenya and Tanzania: A brand-new terrorist haven may be emerging. Again, it is assumed that the world's sole superpower can't do much but watch.

Three long years ago, the Bush administration described the killing in Darfur as genocide. You might think that an impoverished African state that can't control its own territory would be a pushover. But the Bush administration has tried sanctions, peace talks and United Nations resolutions. Sudan's tin-pot dictator thumbs his nose at Uncle Sam and dispatches more death squads.

When historians analyze the decline of empires, they tend to point to economic frailties that undercut military vigor. Well, the United States has several economic frailties and can't seem to address any of them.

Every honest politician knows that entitlement spending on retirees is going to bust the budget. But since the failure of Bush's proposed Social Security overhaul last year, nobody is doing anything about it.

Every honest politician knows that we need to quit gobbling carbon. But higher gas taxes are seen as a political non-starter on both sides of the political spectrum.

Every honest politician knows that support for globalization is fraying because of rising inequality at home. But how many of them stand up for policies that could reduce inequality without harming growth -- most obviously, tax reform? You don't hear anybody on the left or right denouncing the absurdity that more than half the tax breaks for homeownership flow to the richest 12 percent of households.

In fact, it's hard to name a single creative policy that has political legs in Washington. Is anyone serious about tackling the crazy tort system, which consumes more than a dollar in administrative and legal costs for every dollar it transfers to the victims of malpractice? Nope. Is there any prospect of allowing the millions of immigrants who come here to do so legally? To be honest, not much.

Instead, the right and left are pushing policies that are marginal to the country's problems. The right wants to make its tax cuts "permanent," even though the boomers' retirement ensures that taxes will have to go up. The left wants to raise the minimum wage, even though this can only help a minority of workers.

I'm not predicting the end of the American era, not by a long shot. The U.S. business culture is as pragmatic and effective as its political culture is dysfunctional. But has there been a worse moment for American power since Ronald Reagan celebrated morning in America almost a quarter of a century ago? I can't think of one.

To Stand Or Fall In Baghdad: Capital Is Key To Mission (NYT)

By Michael R. Gordon

The New York Times, October 23, 2006

BAGHDAD, Oct. 22 — After three years of trying to thwart a potent insurgency and tamp down the deadly violence in Iraq, the American military is playing its last hand: the Baghdad security plan.

The plan will be tweaked, adjusted and modified in the weeks ahead, as American commanders try to reverse the dismaying increase in murders, drive-by shootings and bombings.

But military commanders here see no plausible alternative to their bedrock strategy to clear violence-ridden neighborhoods of militias, insurgents and arms caches, hold them with Iraqi and American security forces, and then try to win over the population with reconstruction projects, underwritten mainly by the Iraqi government. There is no fall-back plan that the generals are holding in their hip pocket. This is it.

The Iraqi capital, as the generals like to say, is the center of gravity for the larger American mission in Iraq. Their assessment is that if Baghdad is overwhelmed by sectarian strife, the cause of fostering a more stable Iraq will be lost. Conversely, if Baghdad can be improved, the effects will eventually be felt elsewhere in Iraq. In invading Iraq, American forces started from outside the country and fought their way in. The current strategy is essentially to work from the inside out.

“As Baghdad goes, so goes Iraq,” observed Lt. Gen. Peter W. Chiarelli, who commands American forces throughout Iraq.

Many ideas — new and not so new — are being discussed in Washington, like a sectarian division of Iraq (which the current government and many Iraqis oppose); and starting talks with Iraq’s neighbor, Iran (which the Iraqi government is already doing, but the United States is not). Some of these ideas look appealing simply because they have not been put to the test.

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However the broader strategy may be amended, nothing can work if Baghdad becomes a war-torn Beirut. Baghdad security may not be a sufficient condition for a more stable Iraq, but it is a necessary condition for any alternative plan that does not simply abandon the Iraqis to their fate.

It is hard to see how any Iraq plan can work if the capital's citizens cannot be protected.

The current operation is called Together Forward II, the second phase of an effort begun in July to reduce violence in Baghdad. The name reflects the core assumption that the Iraqi government is to be an equal partner in regaining control of its capital. Necessarily, the security plan requires an integrated political and military approach, since its goal is not to vanquish an enemy on a foreign battlefield but to bring order to a militia-and-insurgent-plagued city.

But the early returns have raised searching questions as to whether the government of Prime Minister Nuri Kamal al-Maliki is truly prepared to tackle the mission.

"It is a decisive period," said Maj. Gen. J. D. Thurman, the commander of the Fourth Infantry Division and the senior commander of the American forces in Baghdad.

"They either seize the opportunity or they don't," he said. "If they don't, then our government is going to have to readjust what we are going to do, and that is not my call."

Since it would take several months to secure and begin reconstruction in the dozen or so strife-ridden neighborhoods that are the focus of the plan, American commanders said the viability of the strategy could not be properly assessed before the year's end. So far, however, the plan has been short on resources as well as results. The Iraqi Defense Ministry has supplied only two of the six Iraqi Army battalions that General Thurman has requested.

That is not just a question of numbers. Some American military officers say they believe the Iraqi Army may be more effective than the Iraq police, and more trusted by local citizens. Yet several Iraqi battalions have deserted rather than follow orders to go to Baghdad, according to American military officials. In the case of these units, summoning them to the Iraqi capital was tantamount to demobilizing them.

Some of the Iraqi police forces the Americans must work with have been infiltrated by militias. One Iraqi National Police unit has already been withdrawn from the streets and a training program has been instituted to improve the others. The Americans are carefully monitoring a number of police stations that they say have made common cause with some of the militias and intend to report them to the Iraqi government.

The original concept behind the plan was that American forces were to hold cleared areas for 60 to 90 days, during which the process of economic reconstruction would begin. Then American forces would turn the sectors over to Iraqi police and army units, freeing up American troops to tackle security challenges elsewhere in the city. Without sufficient Iraqi forces, however, this process has been hampered and it has been more difficult to prevent militias and insurgents from sneaking back into cleared areas.

"What takes the combat power is the holding piece," said General Thurman. "We can do the clearing. But once you clear if you don't leave somebody in there and build civil capacity in there then it is the old mud-hole approach. You know the water runs out of the mud hole when you drive through the mud hole and then it runs back in it."

Delays in Iraqi government programs to improve electrical, sewage, water and health facilities has also hampered the effort. It had been expected that such Iraqi programs would begin before Ramadan, the monthlong holiday that is about to end. But the programs are now projected to start in November. In the absence of large-scale Iraqi programs, the Americans have sponsored some smaller efforts to improve sanitation and repair services, programs that have generated jobs and helped lower the unemployment rate in the city.

While the sectarian violence would be far worse if not for the American efforts, the number of murders in the Baghdad area has not decreased as hoped. Fifty-two bodies were found in General Thurman's sector, which includes Baghdad and large swaths of territory north and south of the city, during the first week of August, when the security operations began. During the week that ended Oct. 14, the body count was 176. For the week that ended Oct. 21, the body count was 143, a noteworthy decline but still more than at the start of the operation.

There are a number of ideas being discussed in private to fix the plan. Americans still hope to receive additional Iraqi Army forces next month. They also hope to persuade the Iraqi government to purge police stations infiltrated by militias. Iraqi deployment areas may also be realigned.

American forces have already shifted some forces to new high-violence sectors and may make further adjustments. Shrinking the military zone controlled by the American Baghdad-based division, which now extends south to the cities of Najaf and Karbala, has also been discussed as a way to increase the density of American troops in the capital.

Erecting more barricades to section off parts of the city has been proposed by some officers. So has legitimizing some neighborhood watch organizations. That idea cuts against the policy to abolish militias but has been advocated by some military officials as a useful expedient.

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Keeping the Army's Fourth Division in place in Baghdad instead of rotating it home when it is to be replaced by the First Cavalry Division would substantially increase the number of American troops in the city. But there have been no indications that such an idea is under serious consideration.

In the final analysis, American officers say, much is in Iraqi hands. The American military is looking toward the Maliki government to finally disband the militias and reintegrate them into Iraqi society. It is not clear if the Iraqi government will follow through on such a step since some senior Iraqi officials have said the militias cannot be broken up until the Sunni-based insurgency is brought to heel.

American officials also say that the Iraqi government needs to more strictly enforce bans on the possession of illicit weapons and accelerate its reconstruction and job creation programs.

"Part of our problem is that we want this more than they do," General Thurman said, alluding to the effort to get the Iraqis to put aside sectarian differences and build a unified Iraq. "We need to get people to stop worrying about self and start worrying about Iraq. And that is going to take national unity."

"Until we get that settled I think we are going to struggle," he added.

U.S. Forces Caught In Crossfire On Streets Of 'capital Of Death' (USAT)

By Rick Jervis And Jim Michaels

USA Today, October 23, 2006

BAGHDAD — Before the U.S.-led invasion in 2003, it was one of the nightmare scenarios: a slugfest in Iraq's capital, a sprawl of narrow streets, markets and blind alleys that is home to 6 million people.

More than three years later, the close-quarters fight the United States wanted to avoid is a reality. Rather than fighting Saddam Hussein's army, however, U.S. troops are caught in the crossfire alongside Iraqi forces as both try to take back the city from religion-based militias and death squads, as well as insurgents.

"This is the toughest thing I hope I ever do: fighting a counterinsurgency atop a sectarian conflict," said Col. James Pasquarette, commander of the Army's 1st Brigade Combat Team, positioned northwest of Baghdad.

The raging battle for Baghdad is looking more like a civil war, even if the U.S. and Iraqi governments avoid using the term. And it is prompting tough questions: Is the Iraqi government up to the job of restoring order? Does the U.S. military need to fundamentally change course to prevail?

President Bush held a videoconference over the weekend with key advisers, including Gen. John Abizaid, head of Central Command; Defense Secretary Donald Rumsfeld; and Vice President Cheney. The president characterized the meeting as part of an ongoing process.

Bush said the United States is constantly reassessing tactics but won't alter its objective of remaining in Iraq until the country has a stable government capable of maintaining its own security. "Our goal is victory," he said Saturday in his weekly radio address. "What is changing are the tactics we use to achieve that goal."

The administration is being urged to crank up pressure on the government of Prime Minister Nouri al-Maliki, which has been unable to reach political agreements with warring factions.

Sen. John Warner of Virginia, chairman of the Armed Services Committee, said Sunday that the Iraqi government should support its military in defeating militias. "It is their job — not the U.S. coalition forces' — to subdue and get rid of these private militias," he said on Fox News Sunday. Warner had earlier urged a change in course if Iraq's government can't restore order soon.

The joint U.S.-Iraqi security operation in Baghdad, underway since June, has brought a recent spike in U.S. casualties. On Sunday, the military announced the deaths of four U.S. soldiers, bringing the October total to 83, on pace to be one of the deadliest months of the war. Last week, Maj. Gen. William Caldwell, the top U.S. military spokesman in Iraq, acknowledged that the Baghdad offensive was not meeting its objectives of a sustained reduction in violence.

The administration calls the battle for Baghdad the key to Iraq's future. The main obstacles to progress in that fight, according to experts and U.S. officers:

·The lack of a political deal to disarm militias has allowed religious violence to grow.

·Urban warfare neutralizes the American military's edge in technology and firepower.

·Iraqi security forces vary in quality and loyalty and may not be ready for a battle of this intensity.

The battle for the capital is a fight the United States cannot afford to lose. "If you don't win in Baghdad, you can't win in the rest of the country," said Thomas X. Hammes, author of The Sling and the Stone: On War in the 21st Century.

The U.S. government has pushed al-Maliki, a Shiite Muslim, to strike political agreements to disarm the militias, many of which are Shiite forces with ties to him and others in government. That would reduce the amount of violence American soldiers face and isolate any remaining militants.

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"You will never have enough troops to secure a city this big" without reaching a political deal, said Anthony Cordesman, an analyst with the Washington-based Center for Strategic and International Studies.

Al-Maliki told USA TODAY in a recent interview that he needs more time to reach agreement with militia groups. Some Iraqi commanders, however, say the government has interfered with security operations to protect its friends.

Maj. Hussein al-Qaisi, a battalion commander with the 1st Brigade, 6th Iraqi Army Division, says he often gets phone calls from government officials when he arrests suspected high-ranking militia leaders, both Sunni and Shiite.

"Sometimes they'll back them up no matter what," said al-Qaisi, whose unit is in northwest Baghdad. "We have to let them go."

Military action has stopped the violence in some pockets but won't bring a sustained peace, said U.S. Army Lt. Col. David Thompson, a commander based near Baghdad. "We have a political situation that needs decisive action."

U.S.-led raids often must be approved in advance by Iraqi leaders. This month, a unit in Baghdad got a tip about a torture chamber for Shiite death squads, but a planned raid needed clearance from the Iraqi side, said Capt. Kevin Salge, a company commander whose unit received the tip.

Several days passed before approval came through. By the time U.S. troops conducted a nighttime raid on the two-story building, it was largely abandoned, he said.

The absence of a political settlement between Shiites and Sunnis forces U.S. officers to negotiate with the warring factions.

Thompson spends much of his time traveling in armored convoys from one tribal sheik to the next, urging them to put a stop to the sectarian killings.

One recent morning, he met with leaders of the Sunni Marawi tribe, whose members he believes are lobbing mortars into Shiite areas. Later that afternoon, he met with a leader of the Tamimi tribe, which he suspects has members in Shiite death squads.

Brig. Gen. David Halverson, deputy commander of U.S. forces in and around Baghdad, said there are signs of progress. In the week ending Oct. 19, there were 519 attacks in the city, down from 624 the previous week.

This month, Iraqi and U.S. forces detained 600 suspects and killed or wounded 100 in fighting with insurgents or militias.

"We're taking these people down," Halverson said.

There are nearly 60,000 U.S. and allied forces in Baghdad. That includes 15,400 American troops, 9,500 Iraqi soldiers and 34,600 national and local police.

The loyalty and skills of the Iraqi forces in Baghdad vary. Some army units are dependable, but police, who often live in the areas they patrol, can be reluctant to take on local militias.

Getting local police to respond aggressively against militias has been a challenge, Pasquarette said. He has ordered that letters, in Arabic, be sent to every police officer and official in his area, warning: If you don't combat militias, you'll be fired. If you're found to be supporting them, you'll be detained.

"To fight these extrajudicial killings effectively, we need to be embedded, almost one to one, with the Iraqi security forces," said Sgt. 1st Class Jeff Nelson, an intelligence analyst with the U.S. Army's 1st Battalion, 23rd Infantry Regiment, based in Baghdad. "We need to watch their every move."

In Hurriyah, a neighborhood in northwestern Baghdad, sectarian violence has been hard to fight because the area is controlled by the Mahdi Army, a Shiite militia loyal to anti-American cleric Muqtada al-Sadr.

Members of al-Sadr's militia have targeted prominent families — Sunnis and Shiites — and taken over their businesses and offices, Nelson said. Mahdi Army members have also infiltrated the local police.

"They've infiltrated every branch of public service and every political office they could get their hands on," Nelson said. "As soon as the U.S. leaves, they'll be able to dominate the area with key citizens, key positions, key offices. They'll pretty much have the lay of the land."

The Mahdi Army is brutal in pursuit of its goals, Nelson said. Large red X's are painted on the sides of houses the militia wants vacated, he said. Residents know they have a few days to leave before their houses are firebombed.

The Mahdi Army has used the tactic to clear entire clans from neighborhoods and to empty the neighborhoods of rivals, he said.

Riyad al-Nouri, a member of al-Sadr's political organization, denied involvement by al-Sadr loyalists in such strong-arm tactics and said the cleric has denounced religious killings. "These accusations are false and aimed at ruining this great movement," he said.

Shiite attacks are countered by Sunni groups. The mutilated bodies of their victims are usually discovered in the area's trash-strewn soccer field, Nelson said.

The bodies often show signs of torture, he said. Some bodies are booby-trapped. Few have ID.

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Without the ability to identify victims, it's difficult for investigators to piece crimes together. When U.S. forces get intelligence on a death squad or killing, plans for raids are often shared with Iraq's security forces, leading to leaks and blown operations, Nelson said.

Nelson said his battalion investigated 40 sectarian killings and collected 57 bodies in a recent week. None led to an arrest, he said. “Sometimes we have a feeling of complete hopelessness,” he said.

Capt. Alan Renazco, a fire support officer for another unit, said troops are often asked to hunt down death squads and insurgents — but avoid being overly aggressive — to gather evidence to later a convict a suspect. “We're not trained in this. We're not cops,” he said. “We just want them to settle down long enough to get out of here.”

City fighting is among the toughest combat. “The urban environment gives (insurgents) an advantage,” said Conrad Crane, co-author of the Army's new counterinsurgency manual. “It negates some of our technological advantages.”

“You can go out to some of these neighborhoods, and there will be kids out there running around, there will be hundreds of people on the street, there will be shops open,” said Col. Michael Beech, commander of the 4th Brigade Combat Team in Baghdad. “Then you'll turn the corner, and a IED will go off,” he said, referring to an improvised explosive device, or roadside bomb.

It's difficult to target an enemy mixed in with civilians. “We are very concerned about collateral damage,” said Lt. Col. Steve Stover, spokesman for U.S. forces in Baghdad. “That could turn the mood of the city against us.… We're in the enemy's backyard.”

It's a close-combat fight in which American and Iraqi forces can rarely rely on artillery or air attacks. Over the weekend, coalition forces captured a sniper operating with a high-powered scope. He had a hole in the trunk of his car so he could target U.S. and Iraqi troops without being spotted. He had a video camera mounted in the back window of the vehicle, Halverson said.

Halverson said coalition forces have recently deployed counter-sniper teams. They are trained to search for enemy marksmen who have their pick of hiding places in neighborhoods they know well.

Civilians caught in the middle say violence has been brought closer to them than anytime since the collapse of Saddam's regime.

Farah al-Beady, a 32-year-old government employee, said he and his family go out only when necessary and stay close to home. “I have not seen my 69-year-old mother in months,” he said.

“The civil war that everyone was afraid of is getting started,” said Hammes, a retired Marine colonel.

Hussein Kari, 36, said he spends much of his free time in front of the computer. “The Internet keeps me connected with the outside world,” he said. “Baghdad has become the capital of death.”

On Duty At The Alamo (NSWK)

By Christian Caryl

Newsweek, October 23, 2006

Officially its name is Forward Operating Base Hope, but the 25 Americans who are stationed there call it something else: "the Alamo." Just south of their fortress is Sadr City, the immense Baghdad slum controlled by Moqtada al-Sadr and his private Mahdi Army. Although the firebrand Shiite cleric has denied any involvement in violence against the Sunnis, his stronghold has become a sanctuary for sectarian death squads. If the neighborhood boils over—as it has twice before, in 2004—millions of furious Iraqis will be standing between the Alamo's residents and the nearest U.S. reinforcements, five miles across town. The base's U.S. commander, Capt. David Baer, says he's not worried. "The militants in Sadr City don't want to fight," he says. "They'd get wiped out."

Even if he's right, how long can the truce last? In an effort to stop the death squads, American units have been struggling to assert control over key Shiite neighborhoods around Baghdad. U.S. casualties have jumped accordingly. In the past few weeks, Americans throughout Iraq have been dying at rates not seen since the battles of Najaf and Fallujah in 2004. Meanwhile the sectarian carnage keeps deepening in and around the capital. "We're obviously very concerned about what we're seeing in the city," Maj. Gen. William Caldwell, the senior U.S. military spokesman in Iraq, acknowledged last week. "We're taking a lot of time to go back and look at the whole Baghdad security plan."

The review may prove useless. Even as they create new study groups and ask what has gone wrong, senior officers at the Pentagon say privately that they have already tried every possible strategy. Two years ago, when there were 150,000 U.S. troops in Iraq and effectively zero Iraqi forces, the expectation was that once the Iraqis were trained up, security would improve. Now there are 140,000 Americans and 130,000 Iraqi troops, and parts of the country—Baghdad among them—are worse off than ever. No one knows what to do about it. "There is no plan B," says one senior Pentagon official, not wanting his name on such a gloomy assessment. U.S. military leaders are increasingly worried that their troops' sacrifices are only enabling Iraq's politicians to duck the tough calls necessary to save Iraq from civil war.

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U.S. forces at the Alamo share that frustration. They're supposed to be training a group of 750 Iraqi Army recruits and their officers, but Americans throughout the training system are forced to devote much of their energy and attention to weeding out the bad ones rather than grooming the good ones. About three quarters of the Alamo's Iraqi recruits and officers are natives of Sadr City—meaning they're closely tied, through family and friendship, to the same Shiite militias that are spreading terror and death across much of the capital. A few weeks ago the Americans discovered that someone with a mobile phone had placed a direct call from inside the base to al-Sadr's headquarters. Now the Americans are collecting the Iraqis' phones at the Alamo's gates.

Unauthorized calls are the least of it. Two weeks ago U.S. and Iraqi troops detained one of the Alamo trainees' senior Iraqi officers for an apparent case of ethnic cleansing in Baghdad's upscale Mansour district. The officer had allegedly "borrowed" two Humvees and seven U.S.-trained Iraqi troops for the task, which he claimed had been ordered by a senior government official. "Everything we've worked for to give people freedoms is being rolled back by the militias," says Lt. Zeroy Lawson, the Alamo's intelligence officer.

The Americans' problems would be bad enough if the militias' tentacles stopped there. Last week U.S. troops captured Sheik Mazen al-Saedi, a senior member of al-Sadr's political organization, on suspicion of fomenting sectarian killings. They freed him the next day on the direct orders of Prime Minister Nuri al-Maliki. Al-Sadr and his organization are among the pillars of Maliki's government—the government U.S. troops are trying to protect. "We're operating as guests in this country," General Caldwell explained. "Any kind of ... limits that the prime minister wants to impose upon us, we need to abide by. I mean, this is his nation, after all. It's not ours."

Another core U.S. mission—winning Iraqi hearts and minds—is imperiled by a new threat: snipers. Some of the deadliest of the bunch are operating in the Shiite-dominated areas east of the Tigris River, where the Mahdi Army has been broadening its control. Since late August, American forces have repeatedly found themselves under sudden attack from unseen gunmen armed with high-powered Russian-made sniper rifles. The shooters fire a single shot at long range and melt away into the cityscape before they can be caught. In at least one incident, the sniper used a silencer. "Now it's on everyone's mind," says Capt. Jason Meisel, an intel officer with a unit patrolling directly adjacent to Sadr City. "It's on my mind when I leave the wire. Snipers create fear. That's the whole point of snipers. It's about stopping us from talking to the people."

The tactic is showing results. U.S. units in Baghdad have begun patrolling in heavily armored Bradley fighting vehicles instead of Humvees, and soldiers have learned to jog, not walk, in open areas, constantly scanning the rooftops. It's no way to inspire confidence among the locals, who are desperate for protection. If the Americans can't promise them security, the militias are glad to step in. Iraq's security forces are just as fearful. "My cousins, my neighbors, they're in the militia," says an Iraqi soldier at FOB Hope, declining to be named. "If they find out I'm working here, they'll kill me." If this is hope, God save us from despair.

With John Barry in Washington and Scott Johnson in Baghdad

5 Ways To Prevent Iraq From Getting Even Worse (TIME)

By Aparisim Ghosh

Time, October 23, 2006

It's a grim signÂ of the chaosÂ engulfing Iraq today that trying to save your family can put them in even more danger. That's what happened to Ammar Jawad, a Shi'ite in Baghdad, who this month moved his wife and two children to Balad, an hour's drive north of the violence-racked capital. He figured his family would be safer in Balad, a Shi'ite-majority town--until the war went there too. A week after Jawad's family arrived in Balad, a couple of Sunnis were killed in a suburb. Sunnis in a neighboring town retaliated by killing a dozen Shi'ite laborers. The Shi'ites then called in militias from Baghdad, and they went on a rampage in and around Balad. By the time U.S. troops finally stanched the bloodbath last week, nearly 100 people had died. Now Iraqis like Jawad, whose real name has been changed to protect his identity, are wondering if there's anywhere to go. "Even if I can get them out of Balad, where can I hope to send them next?" he asks. "What is the use in making any plans?"

There are no good options left in Iraq. To those who have lived through the daily carnage wrought by organized criminals, sectarian militias and jihadist terrorists, the idea that the U.S. can prevent a full-scale civil war--let alone transform Iraq into a stable democracy--has been dead for months. The main question is, How long will it take for military officials in Iraq and policymakers in Washington to concede that the whole enterprise is closer to failure than success? Midway through what is already one of the deadliest months this year, the U.S. military's spokesman in Baghdad, Major General William B. Caldwell IV, last week called the persistence of sectarian violence in Baghdad "disheartening" and acknowledged that the three-month-old U.S. campaign to take back the city has gone nowhere. That verdict added to rising clamor for an overhaul of the U.S.'s strategy in Iraq. In recent weeks, senior Republicans, like Virginia Senator John Warner, chairman of the Armed Services Committee, have said the Bush Administration should insist that the Iraqi government demonstrate progress by the end of the year or face a change of course by the U.S. Foreign policy hands in both parties are hoping that the Iraq Study Group, co-chaired by former Secretary of State James A. Baker III and Lee H. Hamilton, a former Democratic Representative from Indiana, will provide the

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White House with the political cover to abandon its now quixotic goals of creating democracy in Iraq in favor of a more limited focus on establishing enough stability to allow U.S. troops to leave without catastrophic consequences. "You can't sugarcoat that. The Iraq situation's not winnable in any meaningful sense of the word. What the U.S. needs to do now is look for a way to limit the losses and the costs," Richard Haass, president of the Council on Foreign Relations and a former member of the Administration's foreign policy team, said last week. The question, Haass added, is "how poorly it's going to end up."

It's not just the politicians who are reassessing the U.S.'s options in Iraq. General Peter Pace, Chairman of the Joint Chiefs of Staff, has ordered a group of young officers to review the military's strategy in Iraq and ask tough questions. Pace is pursuing the underlying riddle: Why are there almost as many U.S. troops in Iraq now as there were two years ago when, in the interim, more than 300,000 Iraqi security forces have been recruited and trained? Pace, according to an officer familiar with the process, wants to know, What's wrong with this picture?

So what can still be done? Despite the consensus of gloom--Bush told ABC News last week that the violence in Baghdad "could be" compared to the Tet offensive in Vietnam in 1968-69, which helped turn many Americans against that war--few Iraqi or U.S. officials believe an immediate withdrawal is wise or likely. But paralysis could be worse. So the focus is on finding ways to bring violence down to a sustainable level, after which the U.S. can begin to extricate itself from the mess. At this late date, there's nothing the U.S. or the Iraqi government can do to stop the bleeding altogether. Iraq's most pressing problems may still take years to resolve. But quick and decisive action in a few key areas could at least help slow the inexorable descent into anarchy. Here are five of them:

I

CLEAN OUT THE ROGUES

The Bush Administration's strategy has hinged on standing up credible Iraqi security forces to take over responsibility for the country's security. So far there are 311,000 U.S.-trained Iraqi soldiers and police, of varying capabilities. While that's close to the goal of 325,000, the real problem is less about quantity than loyalty. To anybody paying attention, it's clear that the security forces, broadly divided between the police under the Interior Ministry and the army under the Defense Ministry, are the main vectors of the widening civil war. The bureaucracies and the fighters have been infiltrated by militias, notably the Mahdi Army of Shi'ite radical cleric Muqtada al-Sadr and the Iran-backed Badr Organization, affiliated with the dominant party in the Shi'ite coalition that controls parliament. Many policemen and soldiers are more loyal to their sect leaders and militia bosses than to the Iraqi government. In Baghdad, for instance, many police vehicles and Interior Ministry offices bear stickers and posters of al-Sadr. Sunni victims of sectarian violence routinely accuse the police and army of looking the other way when the militias unleash havoc--or worse, joining in the killing.

Until recently, the government has ignored such allegations, suggesting that the victims were deceived by insurgents masquerading as cops or soldiers. But in the past few weeks, Prime Minister Nouri al-Maliki's government has acknowledged that some elements of the security forces have gone rogue. An entire police brigade was suspended this month on grounds that officers were indulging in sectarian or criminal activities, and the Interior Ministry claimed it fired some 3,000 employees and removed from their posts two top police generals.

But that doesn't go far enough. Al-Maliki says the security forces will continue to recruit from the ranks of the militias--leaving ordinary Iraqis feeling that one set of bad cops and soldiers will simply be replaced by another. The only option is for the U.S. to press al-Maliki to abandon his plans to absorb the militias into the security forces, slow down recruitment and set up a screening process to prevent militiamen from infiltrating the ranks. And cops suspected of abuses can't merely be fired. "If these officers and policemen have been guilty of sectarian crimes, they should be in jail and not in the street where they can commit more crimes," says political analyst Tahseen al-Shekhli. "Otherwise, the message al-Maliki sends to every policeman is, 'There is no punishment for killing Sunnis.'"

2

DEAL WITH AL-SADR

Since the Feb. 22 destruction of a majorÂ Shi'ite shrine in Samarra, the Mahdi Army, al-Sadr's black-clad private militia, has been on the warpath against Sunnis, especially in and around Baghdad. Once driven by anti-Americanism--the Mahdi Army fought pitched battles against U.S. troops in 2004--the militias are fired by a determination to avenge centuries of Sunni oppression. Often with the connivance of the Iraqi security forces, marauding gangs professing loyalty to al-Sadr have killed or kidnapped thousands--not only Sunnis but also Shi'ites who don't subscribe to their radical version of the faith. Al-Sadr's truculence has become increasingly destabilizing. Last week, just days after he met with al-Maliki to discuss an end to sectarian killings, al-Sadr's men battled police and a rival Shi'ite militia and briefly seized control of the southern city of Amarah.

In public, the U.S. military says al-Sadr--who controls a sizable block of parliament--is a major political figure and must be treated accordingly; in media briefings, even al-Sadr's name and that of his militia are studiously avoided. Privately, however, American commanders say they would like the shackles taken off just long enough to deliver some blows against the Mahdi

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Army. It wouldn't be simple: a full-frontal assault on heavily populated Sadr City isn't a smart option, and a senior U.S. intelligence officer says that "Sadr himself has a diminished ability to command and control his forces." But the U.S. may still be able to do some good by hacking away at those elements of the Mahdi Army responsible for the worst sectarian atrocities and criminal activities. Doing so, however, would require more steel from the al-Maliki government. After the U.S. arrested a top al-Sadr operative in Baghdad last week, a man they described as "the alleged leader of a murder and kidnapping cell" in east Baghdad, the Prime Minister emerged from a meeting with al-Sadr in Najaf to order the man's release.

3

BRING THE SUNNIS BACK

Yes, that's beenÂ tried, but much of theÂ hard slog U.S. Ambassador Zalmay Khalilzad put in last winter to bring the Sunnis into the political process was undone last month when Shi'ite and Kurdish parties forced through legislation that brings Iraq closer to a partitioned state, which Sunnis fear would leave them without access to the country's main resource, oil. "The Shi'ites and Kurds used their combined parliamentary majority to bully the Sunnis," says a Western diplomat in Baghdad. "They need to understand that a big part of democracy is about reassuring the minority that its worst fears won't be realized."

Sunni parties boycotted the vote on the federalism bill and are threatening to withdraw from the all-party government. The risk is that more Sunnis will join the insurgency, which is being driven by extremist jihadis who have taken over parts of western Iraq. The Mujahedin Shura Council, an umbrella of jihadist groups that includes al-Qaeda's Iraqi wing, last week announced the formation of an Islamic state in "the Sunni provinces of Iraq." Scores of white-clad jihadis staged a brazen show of force in several towns in Anbar province. Although the majority of Sunnis want no part of an Islamic state run by jihadis, they may feel they have no option if the political process seems rigged against them.

One option, says the Western diplomat, is to use U.S. leverage with the Kurds to "get them to stop pushing the Sunnis into a corner." That would isolate the Shi'ites, who won't have a large enough majority in parliament to pass legislation. Khalilzad can draw on the fact that the Kurds, although committed to their own autonomy, owe their very existence to American arms. And the growing number of jihadist attacks on Kirkuk, a northern city coveted by the Kurds for its rich oil deposits, shows that they too stand to lose by radicalizing the Sunnis.

4

WAKE UP THE NEIGHBORS

Since Syria and Iran areÂ a big part ofÂ Iraq's problems--Damascus shelters and funds Sunni insurgents; Tehran arms and trains Shi'ite militias--they will have to be a big part of any solution. That has always been clear in Baghdad, where leaders like President Jalal Talabani maintain that the U.S. needs to engage Iraq's neighbors in some sort of dialogue, through unofficial channels if no other options exist. Talabani told the BBC last week that "if Iran and Syria were involved, it will be the beginning of the end of terrorism and securing Iraq within months."

But talks with either country remain anathema to the Bush Administration, which has consistently accused Syria of harboring terrorists and is currently engaged in a war of words with Iran over its nuclear program. "We'd be very happy for them not to foment terror," White House spokesman Tony Snow said last week. "But it certainly doesn't change our diplomatic stance toward either." Given the U.S.'s predicament, the Administration needs all the help it can get in Iraq. "Dialogue is what everybody does--enemies and friends," says former Marine General Anthony Zinni, a former chief of the U.S. Central Command. "It's neither good nor bad."

Haass, who served both President Bushes, says that despite the Administration's current reluctance, the U.S. will eventually find itself in such dire straits that it won't have much choice but to engage Syria and Iran. "We don't have the luxury of not talking with Iran about Iraq simply because we disagree with Iran about other things," Haass says flatly. "I believe that as a rule of thumb we make a mistake when we set preconditions for negotiations. What matters in a negotiation is not where you begin, but where you end up."

5

GET TOUGH. THEN GET OUT

Given the breakdown ofÂ security inÂ much of Baghdad and western Iraq, military commanders won't contemplate an imminent reduction in the number of U.S. troops in Iraq--which is holding steady at 140,000. And although some hawks, like Arizona Senator John McCain, advocate sending more troops in the short term, the Bush Administration--and the public--hasn't signaled any inclination to do so.

Even at current troop levels, U.S. forces may be able to bring the violence down to a more tolerable level. As the insurgency has intensified, many U.S. units have gone into "force protection" mode: going outside the wire only when a situation has reached crisis proportions and there's little they can do to set things right. That's the scenario that unfolded in Balad last week, when U.S. forces stood on the sidelines despite calls by Sunni leaders for them to intervene against the Shi'ite death squads. Some top commanders would instead like to see the U.S. military adopt more aggressive counterinsurgency tactics. For

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instance, rather than confine most troops to a few large bases on the outskirts of urban centers, the commanders advocate setting up smaller "patrol bases" near volatile neighborhoods. Those would give U.S. troops a higher profile--which is in itself a deterrent against violence--and allow them to respond more swiftly to trouble.

In Baghdad, the Americans have increased their patrolling in the city, but they are rarely on hand to prevent Shi'ite militias or Sunni insurgents from strafing a neighborhood or snatching people from the streets. Setting up more patrol bases in Baghdad could allow for surprise swoops and a more rapid response to crises.

But the corollary to a more aggressive posture is that as U.S. troops grow more visible, the insurgents will have greater incentive to keep fighting, which would inevitably lead to higher U.S. casualties. Although the military says it can withstand even the heavy toll it has suffered this month, many officers, as well as lawmakers from both parties, acknowledge that the unabated sacrifice of American life will eventually exhaust what public support remains for the war. At the Pentagon, officers are discussing withdrawal schemes. The question at this point may simply come down to how rapidly it's done. "We're all waiting for Nov. 7," says a senior officer, referring to Election Day in the U.S. "We know things have to change, but it needs to be reasonable. They can't just want us to bail out immediately. That would be ugly."

If all of theseÂ prescriptions were applied, would they make a difference? It's possible, but only if taken together. The Iraqi security forces can't be cleaned up unless the U.S. is prepared to face down al-Sadr--and it can accomplish neither of these tasks unless American commanders are allowed to be more aggressive on the ground. And no political solution is possible unless the Sunnis stay in the tent and the Iranians and Syrians agree to stay out of it.

Equally plausible, however, is the prospect that none of these steps will work, taken separately or together. Among independent analysts in Iraq and Washington, there is a growing skepticism about prescriptions of any kind. "No mix of options for U.S. action can provide a convincing plan for victory in Iraq," wrote Anthony Cordesman of the Center for Strategic and International Studies in a recent paper. "The initiative has passed into Iraqi hands. There are no 'silver bullets' that can quickly rescue this situation." Saving Iraq, if it's still possible, won't happen without more blood and heartbreak--among Americans as well as Iraqis like Ammar Jawad. His family survived the bloodletting in Balad, and Jawad is leaning toward leaving his family there. He says he has "given up believing things will be better anywhere in Iraq." It will be a long time before Iraqis like him will be persuaded otherwise--no matter when the U.S. goes. With reporting by With reporting by Sally B. Donnelly, MICHAEL DUFFY, Mark Thompson/Washington, M. Ezzat/Baghdad, Scott MacLeod/Cairo

"We're Not Looking For An Exit Strategy. We're Looking For Victory." (TIME)

By Mike Allen, James Carney

Time, October 30, 2006

In the sitting room of his official residence last Wednesday, Vice President Dick Cheney sat down with TIME's Mike Allen and James Carney for a rare print interview. Excerpts:

â€¢What do you think a Democratic Congress would be like?

I don't expect that to happen. I'm optimistic that we're going to hold both the House and the Senate. One of the things I talk about on the campaign trail is the importance of what we've been able to do with tax policy. How our changes in tax policy--especially in '03--stimulated a recovery that's generated 6.6 million new jobs. Just today, the Dow broke through the 12,000 mark, first time ever for the Dow Jones industrial. I think a lot of that goes back to what we were able to do with cutting taxes on investments, on dividends and cap gains and so forth. All of that is at risk if there were to be a Democratic Congress.

â€¢How badly do you think the Mark Foley scandal has hurt Republican candidates?

I don't think it's hurt our candidates generally. Obviously, it's a terrible situation. I think appropriate action has been taken. Investigations are under way to find out what happened. The place where it's likely to have an impact, clearly, would be in Foley's district. But beyond that, I don't sense that it's the kind of issue that has an impact on Wyoming or California or Texas.

â€¢How long do you think it will be before the average American sees going to Iraq as a good idea?

I think that will all depend upon the final outcome. It's difficult for people to judge week to week. I think we've done the right thing. I think we're doing the right thing now. I firmly believe that. The President firmly believes it. I think the world is better off with Saddam Hussein in jail, on trial, than in power. Right next door today in Iran you've got Mr. Ahmadinejad off and running trying to develop nuclear weapons. The only thing that would be more volatile is if you also had Saddam Hussein trying to develop nuclear weapons in Baghdad. Establishing a democratic government, getting rid of the old regime, closing down a major state sponsor of terror, shutting off Saddam Hussein's practice of making payments to the families of suicide bombers--we've done good work to get this far. We've got more to do. It's going to be tough to finish the task, but I think it's very important that we complete the task.

â€¢Do you think that in your lifetime going to Iraq will be widely seen as visionary?

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I do. I don't see any way you can argue, for example, that what happens in Iraq isn't going to have an impact on Musharraf in Pakistan or Karzai in Afghanistan. The key to a workable strategy in that part of the world against al-Qaeda, and the Islamic radicals that we're at war with, is to get the locals into the fight. They've got to take responsibility for their own governments, for their own security. That's what's happened in Afghanistan and in Pakistan, where having them working with us in the intelligence arena to capture and kill al-Qaeda has been absolutely essential. Same thing in Saudi Arabia.

If we were to do what some of the Democrats want, withdraw from Iraq, you could imagine what happens to a man like Karzai or Musharraf, who in effect puts his life on the line every day when he goes to work; the hundreds of thousands of men in Afghanistan and Iraq who signed on for the security forces to fight on our side, in effect, against the evil ones; the overall attitude of the millions of people in Afghanistan and Iraq who have gone to the polls and risked their own lives in order to vote and participate in newly created democracies, and suddenly the United States says, Well, gee, it's too tough in Iraq, we're going home. You cannot separate out Iraq from that broader global war on terror. Bin Laden has made the point repeatedly that Iraq is now the central front in the war on terror.

â€¢But hasn't he made that point because we're there? If we weren't there, would he be making that point?

The fact of the matter is we are there, and it is the central struggle at this point. The terrorists' only strategy is to break our will. They can't beat us in a stand-up fight. They never have. They go back, and they cite evidence of Beirut in 1983 and Somalia in 1993, when they killed Americans and then Americans withdrew. They think we don't have the stomach for the fight. For us to do what the Democrats--some Democrats--have suggested in Iraq would simply validate that strategy, would simply say to al-Qaeda, You're right. And all it would do is encourage more of the same.

â€¢Isn't what's happening in Iraq, though, not about al-Qaeda principally but about sectarian war?

There's no question that there is sectarian violence now, but remember how we got to sectarian violence: al-Qaeda. That was their strategy: to kill Shia until they could generate some kind of a response. And the lesson we should have learned with 9/11 is that there may have been a time in our history when we could withdraw behind our borders and be safe and secure here at home. That day passed on 9/11. When we saw the damage that a handful of men could do--trained in the remote training camps of Afghanistan, aided and abetted by a planning cell in Hamburg, Germany, and ending up here killing 3,000 Americans that morning--and when we think of the ultimate threat of deadlier weapons than they had that day, the idea that we can turn our back on the Middle East and walk away from a state that could conceivably become a safe haven for terrorists or another area where they can train and plot and plan, that went out the window on 9/11.

â€¢There's a lot of talk that the Iraq Study Group led by James Baker will provide the Administration after the election with an exit strategy from Iraq.

I know what the President thinks. I know what I think. And we're not looking for an exit strategy. We're looking for victory. And victory will be the day when the Iraqis solve their political problems and are up and running with respect to their own government, and when they're able to provide for their own security. How we get to that objective is what we need to keep in mind. Our strategy hasn't changed. Our tactics change from time to time, and they have to adapt and adjust. We're eager to have thoughts and ideas from experienced people in terms of how we can move forward, in having the Baker-Hamilton group go put fresh eyes on the problem and take a look at it.

â€¢If you had to take back any one thing you've said about Iraq, what would it be?

I thought that the elections that we went through in '05 would have had a bigger impact on the level of violence than they have, I guess. I expressed the sentiment some time ago that I thought we were over the hump in terms of violence. I think that was premature.

â€¢Do you think we'll have a military draft in your lifetime?

I don't believe so. I'm a great believer in the all-volunteer force. It produces a very, very high-caliber military. People are serving because they want to serve. We preserve the Selective Service system in the event there were to be some catastrophic conflict that would require putting [nearly] 20 million people in uniform like we did in World War II, but I don't foresee at this stage the likelihood of that.

â€¢Now that you're a wartime Vice President, do you regret not having served in the military?

No. I don't go back and look at those decisions. I've spent a lot of time over the years on these issues. But I'm 65. I'd like to go back and do it all over again, but I made the choices I made.

â€¢In light of the North Korean tests, is the Nuclear Nonproliferation Treaty [NPT] system in trouble?

So far, I would say I've been generally pleased with the way in which the international community has come together in the last week or two after the test by North Korea. The Chinese have been vital in that process, and I think they've undergone a significant transformation in terms of how they look at the problem. The ultimate test, though, will be whether or not we can complete the task of the denuclearization, if you will, of the Korean peninsula and also get the Iranians to come into compliance with their obligations under the NPT and give up their aspirations to build nuclear weapons.

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â€¢Why not run for President? You're younger than John McCain.

I've got a lot of miles on me. [Laughs.]

â€¢What do you think you and Mrs. Cheney will do after you leave office?

I don't have any idea. I'll be 68. I still have a few good years left, and I expect we'll spend time with family. Still got a lot of rivers I haven't fished.

To read the full interview with the Vice President, go to time.com/cheney

Intel: What The Brits Said (NSWK)

By Mark Hosenball

Newsweek, October 23, 2006

The CIA won't say so, but the U.K. initially opposed war in Iraq. A new book by Tyler Drumheller, former chief of the CIA's European ops, describes how, the day after 9/11, a "powerful delegation from a very close European ally" visited CIA Director George Tenet at HQ. In his book "On the Brink," Drumheller says the foreign-team leader said "his government stood by us ... and that we could count on it for any and all support." But the foreign rep cautioned, "I hope we can all agree that we should concentrate on Afghanistan and not be tempted to launch any attacks on Iraq." In Drumheller's account, Tenet replied, "Absolutely, we all agree on that."

Who was this "close European ally"? That's classified, says the CIA. According to a footnote in Drumheller's book: "The nationality of the visiting delegation in this chapter and other details of what the author witnessed of that event have been masked under CIA secrecy requirements." But two former intel officials tell NEWSWEEK the foreign delegation was British, led by spy chief Richard Dearlove and David Manning, the national-security adviser. A U.K. source, who, like the former intel officials, requested anonymity due to diplomatic sensitivities, acknowledged that the delegation did visit Tenet on Sept. 12, 2001, and confirmed it was the U.K.'s position at the time that the U.S. should not attack Iraq. One of the other officials acknowledged the meeting but said Iraq was not discussed. CIA spokesman Paul Gimigliano said, "The agency does not publicly discuss its relations with foreign intelligence organizations."

State Dept. Official Apologizes For Criticism Of Iraq Policy (NYT)

By Neela Banerjee

The New York Times, October 23, 2006

WASHINGTON, Oct. 22 — A senior State Department official apologized Sunday night for saying that the United States had acted with “arrogance” and “stupidity” in its campaign in Iraq.

The apology from Alberto Fernandez, director of the office of press and public diplomacy in the Bureau of Near Eastern Affairs in Washington, involved a comment that he had made during an interview conducted in Arabic and broadcast Saturday on Al Jazeera, the Arab television network.

In the 35-minute interview, Mr. Fernandez, who speaks Arabic fluently, said, “History will decide what role the United States played.” According to a translation by CNN, he said that while the United States had tried its best, its role might be criticized by future historians “because undoubtedly there was arrogance and stupidity from the United States in Iraq.” Other news sources have translated the remarks in a similar way.

After news of the remarks spread Sunday, American officials said they did not reflect the administration’s views. “I can only assume his remarks must have been mistranslated,” said a senior administration official, who was not authorized to speak for attribution. “Those comments obviously don’t reflect our position.”

In a statement released Sunday night by the State Department, Mr. Fernandez said:

“Upon reading the transcript of my appearance on Al Jazeera, I realized that I seriously misspoke by using the phrase ‘There has been arrogance and stupidity by the U.S. in Iraq.’ This represents neither my views, or those of the State Department. I apologize.”

Mr. Fernandez has a reputation for outspokenness that predates his comments to Al Jazeera. Though he is responsible for getting top State Department officials into the Arab news media, he has given dozens of interviews himself, he told Newsweek in a profile published in August. His popularity in the Arab news media has been bolstered by his command of Arabic and his willingness to speak passionately about issues.

Mr. Fernandez’s interview on Al Jazeera came at the end of a week when the American military command conceded that it had failed to quell violence in Baghdad, despite a two-month offensive, and fighting between and within religious sects rocked several Iraqi cities. His opinions may open him to criticism from supporters of the Bush administration’s policies in Iraq. But some Iraqi lawmakers welcomed the remarks.

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Mahmoud Othman, a Kurdish lawmaker, said more American officials should be willing to be self-critical about missteps in Iraq. “I have been expecting American officials, someday, last year, this year, to say something about this, that this policy has not worked,” Mr. Othman said. “It has been a failure. They should admit it before it is too late.”

Envoy Sorry For Iraq 'Stupidity' Comment (AP)

AP, October 23, 2006

A senior U.S. diplomat apologized Sunday night for saying U.S. policy in Iraq displayed "arrogance" and "stupidity."

A day after his remarks in an interview were broadcast by the pan-Arab satellite channel Al-Jazeera, Alberto Fernandez issued a written apology through the State Department press office.

"Upon reading the transcript of my appearance on Al-Jazeera, I realized that I seriously misspoke by using the phrase 'there has been arrogance and stupidity' by the U.S. in Iraq," said Fernandez, director of public diplomacy in State's Bureau of Near Eastern Affairs.

"This represents neither my views nor those of the State Department," Fernandez added. "I apologize."

U.S. officials had sought to play down Fernandez' assessment of the security situation in Iraq.

State Department spokesman Sean McCormack told reporters Saturday that Fernandez said after the broadcast he didn't think reports of his comments were an "accurate reflection of what he said." Asked whether the Bush administration believed that history will show a record of arrogance or stupidity in Iraq, McCormack replied, "No."

Fernandez spoke in fluent Arabic in the interview, which Al-Jazeera said was taped in Washington on Friday. His remarks were translated into English by The Associated Press.

Fernandez also said Washington was ready to talk with any Iraqi group except al-Qaida in Iraq to facilitate national reconciliation.

15 Police Recruits Killed In Iraq; U.S. Death Toll For October Hits 83 (WP)

By John Ward Anderson

The Washington Post, October 23, 2006

BAGHDAD, Oct. 22 -- At least 15 Iraqi police recruits were killed Sunday when two buses taking them to Baghdad were ambushed by insurgents north of the capital, a local police official said. Twenty-five recruits were injured in the attack, and 20 others were kidnapped, he said.

The U.S. military on Sunday announced the deaths of four soldiers and a Marine, bringing the number of U.S. troops killed in Iraq this month to 83 -- the highest monthly toll since 84 U.S. troops were killed in November 2005. Attacks against U.S. and Iraqi forces in Baghdad have increased 43 percent since midsummer, U.S. military officials say.

Three of the soldiers were killed Sunday, two by small-arms fire west of Baghdad and one by a roadside bomb in the eastern part of the capital, the military said. The Marine was killed in Anbar province on Saturday, the same day that another soldier died, in Salahuddin province, the Associated Press reported.

Meanwhile, at least 10 Iraqis were killed and dozens more injured in violence in Baghdad. A U.S. military official said recently that violence in the capital had risen 22 percent this month, prompting U.S. and Iraqi officials to revisit their security plan.

The attack on the Iraqi police recruits occurred about noon near al-Muradiyah, a town north of Baghdad and south of Baqubah in the restive province of Diyala, provincial Capt. Muhannad al-Bawi said.

[A] news service reported that the recruits were traveling to the capital from a training base that had been attacked Saturday in an incident that was not publicly reported. It quoted a Baqubah official as saying that "many" people were killed and 80 injured in that assault.

Separately, Alberto Fernandez, a senior U.S. diplomat, apologized for criticizing U.S. policy in Iraq in an interview broadcast by the pan-Arab satellite channel al-Jazeera, the Associated Press reported.

"Upon reading the transcript of my appearance on al-Jazeera, I realized that I seriously misspoke by using the phrase 'there has been arrogance and stupidity' by the U.S. in Iraq," said Fernandez, director of public diplomacy in the State Department's Bureau of Near Eastern Affairs.

A Post staff member in Baqubah contributed to this report.

13 Police Recruits Among 18 Iraqis Killed In Violence (NYT)

By Michael Luo

The New York Times, October 23, 2006

BAGHDAD, Oct. 22 — A deadly ambush of police recruits north of Baghdad on Sunday and several bombings aimed at shoppers in the city put a violent stamp on preparations for the celebration of the end of the Muslim holy month of Ramadan.

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The latest violence left at least 18 Iraqis dead overall, officials said, adding to what had already been one of the bloodiest stretches here since the American-led invasion in 2003.

In addition, about 50 bodies were collected Sunday around Baghdad, the capital, a figure considered high weeks ago but now routine. An Interior Ministry official said many of the victims had apparently been shot at close range and bore signs of torture.

The American military reported five more combat deaths as well. A marine in Anbar Province and a soldier in Salahuddin Province died from "enemy action" on Saturday, the military said. Another soldier in Baghdad was killed Sunday by a roadside bomb, and two others were killed Sunday by small-arms fire in the capital when their patrol came under attack, the military said.

The deaths brought the month's total of lost American lives in Iraq to at least 83.

With more than a week remaining, October's death toll was already the highest for American troops since November 2005, according to Iraq Coalition Casualty Count, an independent Web site that keeps track of such figures.

The ambush of the police recruits, by gunmen with assault rifles and rocket-propelled grenade launchers, occurred near the town of Muradiya, north of Baghdad, and left 13 recruits dead, an Interior Ministry official said.

It began with a roadside bomb that halted a police convoy, the official said. It bore the signs of the kind of sectarian violence that has plagued Iraq, particularly since the bombing of a sacred Shiite shrine in Samarra in February.

The recruits may have been members of the Mahdi Army, the biggest of the Shiite militias in the country, the Interior Ministry official said, but an American military official in nearby Baquba could not confirm that. Several of the recruits were missing and were believed to have been kidnapped.

Attacks have spiked in Baghdad since the beginning of Ramadan, the Muslim period of fasting and repentance that will come to an end this week with the three-day holiday of Id al-Fitr, when Muslims traditionally gather with their families to celebrate the end of the fasting period.

The violence in Baghdad during Ramadan has persisted despite the presence of thousands of additional American troops as part of a new security plan for the city that military officials had hoped would help stop the bloodshed. An American military spokesman in Baghdad conceded last week that the plan had faltered and that commanders were working to "refocus" their efforts.

On Sunday, shopping areas in Baghdad were crowded as residents stopped by bakeries to purchase sweets and picked through racks to buy new clothes for the coming holiday.

During Ramadan, hundreds of people were killed in sectarian attacks in Baghdad, and clashes broke out last week between rival Shiite militias in the southern city of Amara, threatening to extend the spiraling violence to the Shiite south.

The mayhem on Sunday included a bomb that exploded under an unattended car in the Shorja market, an area filled with wholesale stores that is Baghdad's largest and oldest shopping bazaar. At least two people were killed and five wounded from the explosion at about 11:30 a.m., an Interior Ministry official said.

About the same time, the official said, a bomb exploded and wounded four people near the al-Farasha bakery in eastern Baghdad, where shoppers were lined up to buy holiday sweets.

Several hours later, a suicide bomber wearing an explosive belt detonated it on Palestine Street, a busy commercial area in the eastern part of the city, killing himself and three others and wounding 20, the official said.

The bombings in Baghdad on Sunday were similar to an attack the day before in Mahmudiya, a volatile predominantly Sunni town 15 miles south of the city, when bombs left on five motorcycles exploded as shoppers packed the main market, killing at least 16 people and wounding 60.

The Iraqi Islamic Party, the country's largest Sunni party, issued a strongly worded statement on Sunday that blamed Shiite militias for the attack in Mahmudiya. The statement said that the militias had killed 1,000 residents in the town since January and that American and Iraqi forces had been allowing the attacks.

The party urged that the leadership of the Iraqi Army brigade in the area be replaced.

In Balad, Age-Old Ties Were 'Destroyed In A Second' (WP)

By Ellen Knickmeyer

The Washington Post, October 23, 2006

OUTSIDE BALAD, Iraq -- At midweek, Shiite Interior Ministry commandos and their Shiite militia allies cruised the four-lane hardtop outside the besieged city of Balad, trying to stave off retaliation for a deadly four-day rampage in which they had all but emptied Balad of Sunnis.

Sunni insurgents pouring in to take that revenge patrolled the same highway, driving battered white pickups and minivans, their guns stashed out of sight. Affecting casualness, more Sunni men gathered on rooftops or clustered on the reed-lined edge of the highway, keeping an eye on the Shiite forces and the few frightened civilians who dared to travel the highway past Balad.

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What brought this Tigris River city north of Baghdad to this state of siege was a series of events that have displayed in miniature the factors drawing the entire country into a sectarian bloodbath: Retaliatory violence between Sunnis and Shiites has soared to its highest level of the war, increasingly forcing moderates on both sides to look to armed extremists for protection.

The Shiite-led government's security forces, trained by the United States, proved immediately incapable of dealing with the sectarian violence in Balad, or, in many cases, abetted it, residents and police said.

More than 20,000 U.S. troops are based within 15 miles of Balad, but, uncertain how to respond, they hesitated, waiting for Iraqi government forces to step up, according to residents, police and U.S. military officials.

And all that was left holding Balad, and Iraq, together -- the desire for peace and normality still held by the great majority of Iraqis, and the generations of intermarriage and neighborliness between ordinary Shiite and Sunni Muslims -- was ripping apart.

"The people of Balad should not kill the Sunnis who are among them," said one slightly built Shiite man, fleeing his home on the outskirts of Balad. He and 13 women and children of his family were crammed into a single, battered Toyota sedan, stranded by a flat tire near the highway turnoff to the city. "Our relations are not of months or years. It's since the beginning of time," he said. "This relationship has been destroyed in a second."

The principals involved give a straightforward timeline of how that happened.

The trigger event, U.S. and Iraqi officials said, was the killing of two or three Sunni men from the area earlier this month. One of the men had been a local leader of the insurgent group al-Qaeda in Iraq, according to Maj. Gen. William B. Caldwell, a U.S. military spokesman.

On Oct. 13, Sunni insurgents took their revenge. In Duluiyah, a Sunni hamlet four miles and across the river from Balad, insurgents kidnapped and beheaded 17 Shiite laborers who had come to work in the date palm groves there. The U.S. military later arrested two Sunni police officers from the town for alleged involvement in the deaths.

Al-Qaeda in Iraq fighters instigated the killings, then stood by as innocent Sunnis were killed in the retaliation that followed, said police Maj. Hussein Alwan in Duluiyah.

Hours after the beheadings, outraged and frightened Shiite elders of Balad telephoned an office of Shiite cleric Moqtada al-Sadr in Kadhimiyah, a Shiite neighborhood of Baghdad. Sadr leads the Mahdi Army, the most feared Shiite militia in Iraq.

Balad's Shiite leaders asked for protection by the Mahdi Army, and for the militia to exact revenge, Taysser Musawi, a Shiite cleric in Balad, later recounted.

The Kadhimiyah branch of the Madhi Army responded, Ammar Joda al-Musawi, a spokesman for the militia brigade, said at his office in Baghdad.

"It was like an SOS call," Musawi recalled. "To protect them from being killed by the Salafis who are killing followers of the prophet" Muhammad, he added, referring respectively to the Sunni insurgents and the Shiites.

Mahdi Army fighters in plain clothes crowded into two buses and headed to Balad, Musawi said. More Mahdi Army fighters followed in army uniforms and army vehicles, Musawi said. Others wore the blue-and-white camouflage pants that Iraq's Interior Ministry commandos wear, but with black T-shirts to distinguish them from the real commandos.

By early in the day on Oct. 14, a Saturday, the Shiite forces had assembled to rid Balad of Sunnis.

Mosque loudspeakers blared warnings for all Sunnis to leave the city within 48 hours, residents recalled. Gunmen in uniforms and civilian clothes took control of Balad's streets and outlying roads, police and residents said.

The Shiite gunmen set up checkpoints, quizzing occupants of each passing vehicle about whether they were Shiite or Sunni.

Um Mustafa, 37, a dentist from Balad, lost her husband at one such checkpoint. The Sunni couple and their two young children had tried to flee the city at 7 a.m. that Sunday. But armed men in black were waiting at one checkpoint.

A hooded man among them pointed to Um Mustafa's husband, she recounted later. This man is a Sunni, the hooded man told the Shiite gunmen, and he served as a colonel in Saddam Hussein's army. The Shiite gunmen bashed her husband in the face with the butts of their rifles, Um Mustafa recalled.

"My husband was screaming, 'God! God!' " she said. "And they were saying, 'Do not mention God, you infidel.' "

Gunmen put her bloodied husband in a white sport-utility vehicle and drove away. Um Mustafa, now sheltered with strangers outside Balad with her 11-year-old son and 7-year-old daughter, found her husband's body the next day in Balad's morgue.

By the end of Saturday, the U.S. forces had learned about the mass killings underway in Balad, Caldwell, the military spokesman, said in Baghdad. A platoon-size quick-reaction force was dispatched that same day, he said.

The U.S. soldiers asked the Balad officials whether they wanted help, Caldwell said, but the officials declined the offer. The Iraqi government made no request for assistance, he said.

Caldwell described Shiite officials in the town as seemingly interested only in receiving local intelligence from the Americans.

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The U.S. military spokesman said he did not know whether U.S. forces intervened. By Sunday, American forces had received reports of at least 57 people slain.

The Balad morgue had received about 80 bodies by Tuesday, hospital officials said. Most were Sunnis, and all had been shot; some bore the holes of electric drills.

The Iraqi government ordered in national police commandos, whose forces often have been accused of working with the militias to kill Sunnis.

Forty-eight hours after the attacks on Sunnis started, the Iraqi government ordered in the Iraqi army's 3rd Regiment, 4th Division from outside Balad, Iraqi army officials said.

Residents credited the Iraqi army forces, many of them Sunni Arabs and Kurds, with finally quelling the violence.

By then, however, very few Sunnis were left in Balad.

Munthir Lattif, 27, who stayed in the city, called around and found only five or six other Sunni families still in Balad, he said Thursday.

"We are living in a very difficult situation," he said in an interview at his home. He, his wife and their four children slept on the roof of their home at night, ready to jump to neighboring rooftops if the Shiite gunmen came to their door.

Lattif said his family had only rice and mandarin oranges to eat. The siege of the city by the Sunni insurgents had cut off most food deliveries into Balad.

With no customers and no food left to sell at his falafel shop, Hussein Abid Ali, a Shiite, nonetheless went to work. He had left home to escape looking into the eyes of his eight hungry children, he said.

Balad's Shiites had been living alongside Sunnis for hundreds of years, Ali said, staring bleakly at the road outside. He had a Sunni son-in-law and Sunni friends, he said. It took the American occupation, he said, to change all that.

"What do you want to know?" Ali demanded bitterly. "How we reached this level? How we started to kill people according to their identity? How this sectarian strife was brought to us?"

The Shiite militiamen from Baghdad remained in Balad at week's end but had melded into newly formed armed bands called civilian defense groups. Shiite militiamen manned the first checkpoint into the city, off the highway. They blocked all people with outside accents.

Real police officers sat meekly in their vehicles down the road closer to Balad, ceding control of the road to the militias.

Three miles outside the city, at the intersection of the highway and the turnoff into Balad, Sunni men had poured in from Samarra, Tikrit and other Sunni communities to the north and south. Scores loitered at a gritty strip of shops, shuttered since the crisis began, staking out the turnoff. Scores more pretended to line up in their vehicles at a gas station that on closer inspection proved to be long closed.

Balad was only starting to pay for the rampage, the Sunni insurgents said. "We kill the guys who go into Balad," an older insurgent said. "And we kill the guys who come out of Balad."

In the midst of it all, the slightly built Shiite man tried to change his flat tire. Seven female relatives in black robes, cradling babies or gripping children by the hand, gathered anxiously around him as he struggled. Strangers in cars slowed each time they passed the family's car, craning their necks to stare.

Exasperated, the Shiite man clutched a crowbar and began to pace. He damned all sides in the conflict, and all of their fighters.

"I am a Shiite, but I condemn what the Shiites did," he said, snorting his refusal later when asked to give his name. "It's the government who's behind the sectarian feelings. Doing that, they are creating the sectarian killing."

Special correspondent Muhanned Saif Aldin in Balad and special correspondent Salih Dehema in Baghdad and outside Balad contributed to this report.

Britain Cites Progress In Iraq Troop Training (NYT/AP)

The New York Times, October 23, 2006

LONDON, Oct. 22 — Britain has gone “quite far” toward handing over control of southern Iraq to local forces, Defense Secretary Des Browne said Sunday.

But Mr. Browne did not say whether he agreed with Foreign Minister Kim Howells, who said Saturday that “in a year or so there will be adequately trained Iraqi soldiers and security forces” to take over most duties from American-led troops.

Mr. Browne told Sky News during a visit to Afghanistan on Sunday: “We are quite far down the process of transferring responsibility to the Iraqis. In any event, we have handed over two of four provinces.”

He said British troops would leave “when the job is done. This is a process and not an event.”

British officials have spoken in recent months of cutting troop levels in Iraq from the current 7,000 to between 3,000 and 4,000 by mid-2007, but no firm date has been set.

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Last week the country's top soldier, Gen. Sir Richard Dannatt, called for British troops to be withdrawn "sometime soon," and said their presence was provoking rather than preventing violence.

60 Minutes' Steve Kroft Reports On Disappearance Of More Than $500 Million To Equip Iraqi Army (CBS)

CBS News, October 23, 2006

(CBS) More than half a billion dollars earmarked to fight the insurgency in Iraq was stolen by people the U.S. had entrusted to run the country's Ministry of Defense before the 2005 elections, according to Iraqi investigators.

Iraq's former minister of finance says coalition members like the U.S. and Britain are doing little to help recover the money or catch suspects, most of whom fled the country. The 60 Minutes investigation also turned up audio recordings of a suspect who seems to be discussing the transfer of $45 million to the account of a top political adviser to the interim defense minister.

Correspondent Steve Kroft reports on this mother of all heists.

"We have not been given any serious, official support from either the United States or the U.K. or any of the surrounding Arab countries,"" says Ali Allawi, who was confronted with the missing funds when he took over as Iraq's finance minister last year.

He thinks he knows why Iraqi investigators have gotten little help. "The only explanation I can come up with is that too many people in positions of power and authority in the new Iraq have been, in one way or another, found with their hands inside the cookie jar," says Allawi, who left his post when a new Iraqi government was formed earlier this year. "And if they are brought to trial, it will cast a very disparaging light on those people who had supported them and brought them to this position of power and authority," he tells Kroft.

One of the people praised in former U.S. Ambassador L. Paul Bremer's memoirs is a major suspect in the case. Ziad Cattan was in charge of military procurement at a time when the ministry of defense went on a $1.2 billion buying spree. Allawi estimates that $750 to $800 million of that money was stolen. Judge Radhi al-Radhi, head of Iraq's Commission on Public Integrity, which investigates official corruption, tells Kroft that a lot of the money that wasn't stolen was spent on outdated, useless equipment.

"It isn't true," says Cattan, whom 60 Minutes found in Paris and who was recently convicted in absentia in Iraq for squandering public funds. He showed Kroft documents and pictures of equipment that he says is now in Iraq. An official from Jane's, one of the world's foremost experts in military hardware, says the documents Cattan provided were too vague to prove anything.

Audio recordings obtained by 60 Minutes reveal Cattan talking to an associate in Amman, Jordan, in 2004 about the distribution of Iraqi funds. According to two independent translations, he is discussing payoffs to Iraqi officials.

One possible payoff the recordings allude to is the transfer of $45 million to the account of a top political adviser to the defense minister, a man who is also identified on the recordings as a representative of the president and the prime minister of the interim government. Cattan acknowledged his own voice was on the recordings. Three translators say he specifically mentions "45 million dollars," but he disputes the translation. "I don't say dollars," he tells Kroft. "I don't remember what the matter was."

Cattan maintains that U.S. and coalition advisors at the Iraqi Ministry of Defense approved everything he did and says the recordings have been doctored. Audio experts consulted by 60 Minutes could not find any evidence of that. Judge Radhi also has a copy of the recordings and says a former employee of the ministry of defense confessed after hearing them.

60 Minutes has learned that Cattan is building himself a villa in Poland. Another suspect, Naer Jumaili, principal in a middle-man company that handled much of the $1.2 billion in Iraqi military contracts, is said to be buying real estate in Amman, Jordan, and building himself a large villa, even though he is wanted by Interpol. Judge Rahdi believes the fugitive suspects are bribing their way to freedom and says countries like Jordan and Poland have been "no help at all" in apprehending the suspects or recovering the money.

The case is one of 2,000 Iraqi government corruption cases the judge's commission is handling that, all told, involve $7.5 billion.

No one in the U.S. government would speak on camera about the case. But U.S. officials say this was Iraqi money spent by a sovereign Iraqi government and therefore is the Iraqis' business.

At War: The Military's Fight Against Friendly Fire (NSWK)

By Dan Ephron, Newsweek

Newsweek, October 23, 2006

The Pentagon plans to complete by late November its fourth investigation into the friendly-fire killing of former NFL player Pat Tillman in Afghanistan, says the congressman from Tillman's district. Launched in March under pressure from the family, the

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probe will determine if members of Tillman's Army Rangers unit should be tried for criminal negligence and whether there was a cover-up. The inquiry was to have been completed last month, but Army investigators had trouble tracking down soldiers, most of whom are no longer in uniform, says Congressman Michael Honda, who represents California's San Jose area. He was briefed on the investigation recently by top Defense Department officials. Honda says more than 50 people had been questioned and many of them had hired lawyers. "It's been frustrating for them," he says of Tillman's parents. "They want to get to the bottom line." Tillman was killed by fellow Rangers during a 2004 fire fight with Afghan guerrillas. Army officers initially told his family that he was shot by guerrillas and died a hero. An autopsy weeks later revealed the truth about the means of his death. But three investigations failed to answer key questions: why, for example, Rangers burned his uniform and body armor. Honda says the cover-up investigation is being conducted separately, but the Pentagon will announce the results of both probes simultaneously.

Some top Army officers worry that the findings will overshadow the military's broader success in reducing friendly fire. Less than 1 percent of soldiers killed so far in Iraq and Afghanistan were victims of fratricide, the official military term for it, compared with 17 percent in Operation Desert Storm, and about 10 percent in Vietnam. Military analysts say part of that success is circumstantial: ambushes and roadside bombings are less complicated than large war maneuvers and cause fewer mistakes. But technology has also been a factor. Many of the Army's Stryker vehicles, for instance, have onboard computer systems where friendly troops appear as thin blue circles superimposed on a Baghdad satellite map. A NEWSWEEK reporter riding with troops in a Stryker vehicle on a dark night in Baghdad last week could see clusters of U.S. forces on nearby streets. "It tells you where you are, where your friends are and where the enemy is," Col. Peter Fuller, the project manager for the Stryker Brigade Combat Team, said by phone from ground-combat-systems HQ in Detroit.

Lower-tech gizmos are also helping. New uniforms issued last year include a patch the size of a postage stamp with a unique infrared signature. Troops who shine a light on the patch from across a hill or from a chopper above can tell the soldiers are friendly—the kind of thing that might have saved Pat Tillman.

Pat Tillman's Brother Blasts Iraq War, Bush (WP/AP)

The Washington Post/AP, October 23, 2006

PHOENIX -- The brother of an NFL player who was killed by friendly fire in Afghanistan after quitting his team to join the Army Rangers has spoken out.

Kevin Tillman, a former Army Ranger who served in Iraq and Afghanistan with his older brother, Pat, has been silent since his brother died in 2004. But last week, he wrote a scathing indictment of the war in Iraq, the Bush administration and American apathy.

"Somehow, the more soldiers that die, the more legitimate the illegal invasion becomes," Kevin wrote on Truthdig.com, an online magazine that bought his work.

The brothers, Arizona State University graduates, joined the Army in response to the Sept. 11, 2001, terrorist attacks. They served as Rangers with the 2nd Battalion of the 75th Ranger Regiment.

Pat Tillman, who played defensive back for the Arizona Cardinals, was killed near the Pakistan-Afghanistan border in April 2004. The Defense Department is investigating allegations of a coverup, including failure by the Army to tell Tillman's family for several weeks that he had been killed by gunfire from his fellow Army Rangers.

Kevin Tillman has not spoken publicly about the war or his brother's death since his discharge from the Army. But on Truthdig.com, he wrote openly about the war and America's response to it.

"Somehow, the same incompetent, narcissistic, virtueless, vacuous, malicious criminals are still in charge of this country. Somehow, this is tolerated. Somehow, nobody is accountable for this."

After playing for the ASU Sun Devils, Pat Tillman was drafted by the Arizona Cardinals in 1998. He played with the team for four years.

On Sept. 12, 2001, he gave an interview in which he talked about how "stupid" football seemed relative to world events.

"At times like this, you stop and think about not only how good we have it but what kind of system we live under," he said. "My great-grandfather was at Pearl Harbor. And a lot of my family has gone and fought in wars. And I really haven't done a . . . thing as far as laying myself on the line like that."

Pat Tillman was about to sign another contract with the Cardinals in spring 2002 when he decided to join the Army instead.

The Tillmans were sent to Iraq as part of Operation Iraqi Freedom. In 2003, the brothers returned to the United States for training to become Army Rangers. After that, they were sent to Afghanistan.

Tillman's Brother Breaks Silence (AZ)

By John Faherty

Arizona Republic, October 21, 2006

DOJ_NMG_0085059

Kevin Tillman has finally spoken.

The former Army Ranger served in Iraq and Afghanistan along with his older brother, Pat Tillman, who was celebrated as a paradigm of American patriotism when he quit the Arizona Cardinals to join the Army.

Kevin has remained silent since his brother's 2004 death. But, this week, he wrote what can only be described as a scathing indictment of the war in Iraq, the Bush administration and American apathy.

advertisement

"Somehow, the more soldiers that die, the more legitimate the illegal invasion becomes," Kevin wrote on Truthdig.com, which purchased his work.

The brothers, both Arizona State University graduates, joined the Army in response to the Sept. 11 terrorist attacks.

The brothers served together as Rangers with the 2nd Battalion of the 75th Ranger Regiment.

They were in Afghanistan when Pat, 27, was killed by friendly fire in eastern Afghanistan near the Pakistani border.

Since his discharge from the Army, Kevin has not spoken publicly about the war or his brother's death.

But in Truthdig.com, Kevin wrote openly about the war and America's response to it.

"Somehow, the same incompetent, narcissistic, virtueless, vacuous, malicious criminals are still in charge of this country.

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"At times like this, you stop and think about not only how good we have it but what kind of system we live under," Pat said.

"My great-grandfather was at Pearl Harbor. And a lot of my family has gone and fought in wars. And I really haven't done a damn thing as far as laying myself on the line like that."

In the spring of 2002, Pat was on the verge of signing another contract with the team when he decided to join the Army, instead.

Kevin, who played minor-league baseball after playing at ASU, joined the Army with his brother.

The Tillmans were initially sent to Iraq as part of Operation Iraqi Freedom.

In 2003, the brothers returned to the U.S. for training to become Army Rangers.

After that, they were sent to Afghanistan.

Kevin stayed in the Army until his discharge last year.

In the aftermath of Pat's death, his family would come to vehemently criticize the Army's investigation of the events that led to Pat's death and the Army's actions after he was killed.

Planted Propaganda (WP)

The Washington Post, October 23, 2006

THE DEFENSE Department inspector general has concluded that having a Pentagon contractor secretly pay Iraqi journalists and news organizations to run positive news stories about the war doesn't violate any laws or regulations. It's almost impossible to tell whether that conclusion is correct: The scanty, two-page summary released by the Pentagon provides no details about the activities of the contractor, the Lincoln Group, the contract under which it was operating or the applicable rules.

We won't dwell too long, though, on the irony that an assessment of the military's secret propaganda operations is itself -- except for the largely exculpatory conclusion -- secret. The more important point is that, assuming the inspector general's legal assessment is right, it only makes the problem worse. The U.S. government has a legitimate interest in conveying its point of view. The problem is when it does so in secret. The government shouldn't be in the business of covertly peddling propaganda -- especially in a war based on the notion of seeking to export democratic values such as, say, a free press.

But don't just take it from us. Take it from, among others, the chairman of the Joint Chiefs of Staff, Gen. Peter Pace, who criticized the program in comments to the Los Angeles Times in March. "I think there are ways to get your message out, but get it out in a form that people understand how the message got there," Gen. Pace said. "They need to know that, so they can make their own judgment about what they believe and don't believe in the article. The worst thing you can have is people feeling like somehow they've been snookered."

Or take it from Defense Secretary Donald M. Rumsfeld, who told PBS's Charlie Rose in February, "When we heard about it, we said, 'Gee, that's not what we ought to be doing.' " Or take it from Mr. Rumsfeld's former chief spokesman, Lawrence Di Rita, who said in December of the inspector general's investigation, "If somebody comes back to me and says there's nothing wrong with the Department of Defense paying journalists, I'll say, 'Even if there's nothing wrong, does it make sense?' "

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No, it doesn't. But when we called the Pentagon to determine its policy position, the response we received -- even after citing the statements of Mr. Rumsfeld and Gen. Pace -- reflected no understanding of that bedrock principle. "The current situation in Iraq necessitates that the coalition maintain the capability to communicate with the Iraqi people via the Iraqi media," the statement said. "A thorough investigation concluded that the U.S. followed established doctrine by paying to place truthful articles and advertisements in Iraqi newspapers. The IG report made no recommendations to the contrary." But making recommendations wasn't the inspector general's job. If this is "established doctrine," it needs swift reexamination.

CORPORATE SCANDALS:

The Guidelines Now Tougher, Skilling To Face Sentence Today (NYT)

By Alexei Barrionuevo

The New York Times, October 23, 2006

HOUSTON, Oct. 22 — For Jeffrey K. Skilling, it was a last summer of freedom before the bars close behind him.

Mr. Skilling, 52, a former Enron chief executive, will stand in federal court here on Monday and receive a sentence that many expect will keep him in prison for the rest of his life. Most legal experts are betting that United States District Judge Simeon T. Lake III will give Mr. Skilling a sentence of at least 25 years for his role in heading a conspiracy to defraud Enron investors. Should it exceed that, it would be the longest sentence ever handed down for a white-collar criminal.

Until now, the record has been held by Bernard J. Ebbers, the former chief executive of WorldCom, who was sentenced to 25 years for being head of an $11 billion fraud that led to the bankruptcy of his long-distance telephone company. Mr. Ebbers's sentence was less than the 30 years to life imprisonment called for in the sentencing guidelines.

Mr. Skilling's prospects reflect how tough the federal guidelines have become for those convicted of white-collar crimes in the wake of the huge-scale frauds at companies including Enron, WorldCom and Adelphia.

Some legal experts have begun to question the sentences that federal judges are handing down in these cases.

"You can certainly make the case that things have gotten too harsh," said Samuel W. Buell, a former Enron prosecutor who now teaches law at Washington University in St. Louis. "But the reason why things have gotten so harsh is we went through these years when sentences were too light. Maybe we need a correction in the other direction to get a happy medium."

Enron was the company that first imploded in the years of corporate scandal, leading to a wave of investigations and calls for tougher regulations and accountability. The sentence to be handed down Monday is likely to underscore that message of deterrence, legal specialists said.

"Enron still stands alone as a brand name of corporate fraud," said Robert Mintz, a white-collar criminal defense lawyer and former federal prosecutor, "and this judge is not going to hesitate to hand down a lengthy sentence in this case."

Mr. Skilling will be facing the judge alone, without Kenneth L. Lay, Enron's founder and Mr. Skilling's co-defendant in his criminal trial, who died of heart problems in July. His guilty verdict was vacated last week.

Missing, too, will be Andrew S. Fastow, the former chief financial officer who pleaded guilty to fraud and stealing from the company. He was sentenced last month to 6 years in prison, less than the 10 years he could have received as part of his deal to cooperate with prosecutors.

All of that leaves Mr. Skilling as the only top executive through whom Enron's ultimate punishment will be remembered, Mr. Mintz said.

Judge Lake is likely to be careful not to impose a sentence that could be regarded as overly harsh and invite scrutiny from an appeals court, said Joel M. Androphy, a Houston criminal defense lawyer.

For Mr. Skilling, this summer was about coping. After the verdict in May, he spent significant time with his three children, traveling to California with his daughter and to a dude ranch with his youngest son, said friends, family members and his lead lawyer, Daniel Petrocelli. Neighbors in Houston said they saw little of Mr. Skilling, although he occasionally rented videos from a store near his home.

Virtually all Mr. Skilling's net worth, around $55 million, is frozen by the government. He owes O'Melveny & Myers, the law firm that handled his defense, more than $30 million, Mr. Petrocelli said.

Mr. Skilling seemed to stay out of Houston as much as possible, spending time at a condominium he owns in Dallas, where his daughter had been a student at Southern Methodist University. But Mr. Skilling's coping also meant drinking again, despite a court order that forbade him to do so after a much-publicized night of drunkenness in April 2004 at a Manhattan cigar bar, when Mr. Skilling scuffled with some other patrons.

His summer travel ended after he was arrested in Dallas last month for public intoxication. He pleaded no contest and paid a fine. That night, he was out with his brother Mark and his daughter at a Mexican restaurant and had some margaritas, which

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did not mix well with his prescription medicine, Mr. Petrocelli said. He was walking home to the condo when he was stopped by a police officer; he spent a night in jail.

Mr. Skilling has said he took solace in the bottle to cope with depression. Not being allowed to have an occasional drink "is unreasonable, considering the stresses he is under," Mr. Petrocelli said.

But the incident is one more reason, outside lawyers say, why Judge Lake is likely to reject Mr. Skilling's request to remain free pending appeal, and instead order United States marshals to take him to jail after sentencing on Monday.

Supporters of Mr. Skilling have recently reached out, trying to help him. In August, two friends of the Skilling and Lay families, Beth Stier and Terrie James, sent a letter to supporters, urging them to pass along "a pleasant memory, a thoughtful wish or a fond goodbye" to Mr. Skilling and Mr. Lay's family, according to a person who reviewed a copy of the letter. The thoughts were to be collected into books to be given to Mr. Lay's family and to Mr. Skilling before his sentencing. Ms. Stier declined yesterday to say if the Lay and Skilling families had received the books.

Since the Dallas incident, Mr. Skilling has primarily spent time with his family in Houston. On Thursday afternoon, Mr. Skilling — wearing jeans, hiking boots and a small waist bag — walked with his brother near Mr. Skilling's home in the upscale River Oaks neighborhood of Houston.

"He has a clear head," Mr. Petrocelli said Friday. "He is very stoic about everything. He is prepared for all eventualities on Monday."

Mr. Petrocelli said he spent the weekend huddling with Mr. Skilling, discussing in part what his client will say to Judge Lake. With an appeal pending, an expression of guilt or remorse is not part of the planned remarks, the lawyer said.

"Jeff is sorry for the consequences of Enron's failure, but he doesn't believe he committed any crimes," Mr. Petrocelli said. "And our view is that many of the people that pleaded guilty to crimes at Enron were not guilty."

For some former Enron employees, that message will not make them feel any sympathy for Mr. Skilling.

"All we ever wanted was for him to take responsibility, and he never did that," said Deborah DeFforge, who worked at Enron for five years and said she lost about $100,000 in retirement savings. "Until he does that, I could never show him any mercy."

Judge Lake came under fire last year from a federal appeals court for sentencing Jamie Olis, a midlevel executive at the energy company Dynegy, to 24 years in prison for accounting fraud. The sentence, handed down in 2004, was within new federal guidelines that impose harsher penalties depending on the investor loss amount; in Dynegy's case, that was put at $105 million.

Last year, the Supreme Court gave more latitude to federal judges to consider sentencing guidelines as only advisory, paving the way for the judge to reduce the loss consideration to $79 million and drop Mr. Olis's sentence to six years.

The total loss related to the Enron fraud, which prosecutors and defense lawyers have agreed on, is under court seal. Losses totaling hundreds of millions of dollars would greatly magnify Mr. Skilling's sentence under the guidelines, which were made significantly tougher in 2001.

His lawyers are arguing that he should be sentenced under the 2000 guidelines because the 2001 guidelines did not take effect until Nov. 1, 2001 — three months after Mr. Skilling resigned his chief executive post and left the company. The jury in the Enron case, however, convicted Mr. Skilling of being part of a conspiracy the government defined as extending through December 2001. Under the 2000 guidelines, Mr. Skilling could receive a prison term closer to 12 or 13 years, sentencing experts said.

German Retrial Highlights Perils Of Importing U.S. Pay Practices (WSJ)

By Edward Taylor

The Wall Street Journal, October 23, 2006

The retrial later this week of Deutsche Bank AG Chief Executive Josef Ackermann on criminal charges that he abused his position as a director of another German company again brings to the fore the differences between U.S. and German practices on executive compensation.

It also likely will hamper Mr. Ackermann's ability to lead Germany's largest bank, although his position isn't under threat for now.

Mr. Ackermann is being retried on charges of which he was acquitted in July 2004. That trial became a flashpoint for critics of Wall Street-style pay packages in a country that traditionally has sought to limit the gap between highly paid executives and lower-paid workers.

Judges at a court in Düsseldorf will seek to establish whether Mr. Ackermann and five other directors of former engineering company Mannesmann AG breached fiduciary trust, a potentially criminal offense known in German as "Untreue," when they

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approved €57 million ($71.9 million) in bonuses to Mannesmann executives in 2000 after the company was bought by Vodafone Group PLC of the U.K.

Mr. Ackermann was on Mannesmann's supervisory board at the time the bonuses were awarded. He has denied the criminal charges, which are unrelated to his work at Deutsche Bank.

The Federal Court of Justice in Karlsruhe in December 2005 overturned the Mannesmann verdict after it found flaws in the lower court's verdict and ordered a retrial.

The high court held that the lower court had a false understanding of what constitutes a criminal breach of fiduciary trust and that the fact-finding procedure in the original trial was incomplete.

It isn't clear how long the new trial will last, but it will be a distraction for Mr. Ackermann, who will continue as Deutsche Bank's chief executive during the retrial. The original trial cost Deutsche Bank at least €2 million in legal fees and forced Mr. Ackermann to spend about two days a week in court for six months.

Deutsche Bank's supervisory board has said it has "no doubt that Mr. Ackermann could successfully continue his work and supports him." A spokesman for the bank said Friday, "There is no need for a succession debate within the bank."

At the first trial, Mr. Ackermann and five other directors said they had wanted to reward Mannesmann executives for forcing Vodafone to improve its first offer, thereby creating more value for shareholders. The federal court that overturned the verdict said the way the bonuses were awarded could amount to a criminal breach of fiduciary trust. It said Mannesmann directors shouldn't have awarded managers extra compensation for creating shareholder value since that task was part of their "ordinary duties."

AOL Fraud Prosecutors Stop Short Of The Top (WP)

By Carrie Johnson

The Washington Post, October 23, 2006

One of the government's most highly touted accounting-fraud investigations -- into questionable advertising deals at America Online Inc. around the time it merged with Time Warner Inc. -- has apparently hit a dead end, running into the five-year statute of limitations before prosecutors could move as far as they had hoped up the company's corporate ladder.

Despite a lengthy investigation by the U.S. attorney's office for the Eastern District of Virginia, lawyers involved in the case now say the government will not be able to bring criminal charges against top AOL executives over transactions in which the Dulles Internet service provider and its business partners allegedly sought to artificially boost each other's revenue numbers as the dot-com bubble was bursting in 2000 and 2001.

Before the deadline passed, prosecutors filed securities fraud and related charges against two former mid-level AOL executives. They are on trial in a federal court in Alexandria with two former officials of PurchasePro.com Inc., a Las Vegas software maker.

PurchasePro was AOL's partner five years ago in what prosecutors call "round trip" accounting, where no money changed hands but each company claimed to have paid the other for advertising and other services. Such deals, if they are not properly disclosed, can violate accounting rules.

A review of the public record suggests that the leaders of PurchasePro and other AOL business partners paid a far steeper price for their roles in the questionable deals than their counterparts at AOL.

The only former AOL officials to be charged with crimes are Kent D. Wakeford, a former executive director at the company's since-disbanded business affairs unit in New York, and John P. Tuli, a former vice president in AOL's Netbusiness unit in Dulles. Both men, who operated far from the company's highest ranks, are contesting allegations that they struck sham deals with PurchasePro to mislead investors.

Compare that with the top executives of companies that once competed to reach ad agreements with the Dulles company. Charles E. Johnson Jr., the founder of PurchasePro, is on trial on federal charges that he lied to auditors and shareholders about his company's financial health. A half-dozen former PurchasePro employees have already pleaded guilty and could testify against Johnson and a former subordinate, Christopher J. Benyo, in the case.

Meanwhile, earlier this month, Stuart H. Wolff, the former chief executive of Homestore.com, an online real estate venture based in California, was sentenced to 15 years in prison after a jury convicted him of conspiracy, insider trading, filing false reports and lying to auditors in connection with revenue-swapping deals with AOL.

Much of the investigators' interest had been focused on AOL's raucous, since-disbanded business affairs unit, run by David M. Colburn and Eric Keller. Attorneys for both men, who left AOL in 2002, declined to comment for this article.

Among the documents that prosecutors and FBI agents reviewed were internal AOL reports showing declines in the rate of AOL advertising deals before and after its 2001 merger with Time Warner, as well as e-mails and other documents indicating a last-minute race to sign more deals to enable AOL to reach quarterly earnings targets.

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At one point in late 2000, Colburn gave an in-house award to Wakeford and a colleague for their work on the PurchasePro account, calling it "science fiction," according to "Stealing Time," a book by Washington Post reporter Alec Klein on the company's accounting practices. Colburn has said he did not recall using that term. Colleagues laughed as Wakeford accepted the award, thanking AOL for its help, Klein wrote.

Lawyers involved in the case, who spoke on condition of anonymity because they have not been authorized to talk about the case, cite many reasons for the apparent dead end.

They noted that the lengthy investigation was run by two different U.S. attorneys in the Eastern District of Virginia and several prosecutors who departed for other jobs. Moreover, while AOL ultimately paid more than $500 million and agreed to cooperate with the government two years ago, none of its high-ranking insiders pleaded guilty and testified against their supervisors. Such assistance was crucial to breaking open complex white-collar investigations of such companies as Enron Corp., WorldCom Inc. and Adelphia Communications Corp.

The trial that starts today is a subdued end to a scandal that prodded Time Warner to restate its financial results twice and agree to a deferred prosecution deal with the Justice Department nearly two years ago. Yet the company continues to experience aftershocks from accounting problems that date to its merger with AOL.

In August, Time Warner said it would restate previous financial reports by $582 million after an independent examiner scrutinized how the company handled advertising revenues in 2000 and 2001, uncovering problems in deals between Time Warner or its AOL unit and 15 business partners. The examiner's report, a condition of the company's settlement with the government, will not be made public, a Time Warner spokeswoman said.

During the investigation, AOL founder Steve Case, Time Warner chief executive Richard D. Parsons and former finance chief Wayne H. Pace gave depositions under oath to securities regulators. The SEC, which has the authority to file civil charges and seek financial penalties and court orders that bar executives from holding certain jobs at public companies, continues to scrutinize former AOL officials, according to interviews and a statement by the agency last year.

But prosecutors' focus now rests squarely on the PurchasePro trial, at which they must simplify scores of complex documents and accounting issues into an easily digestible case about lying to auditors and investors. Assistant U.S. Attorneys Charles F. Connolly and Timothy D. Belevetz, and senior trial counsel Adam A. Reeves declined to comment.

"Kent Wakeford never committed any crime, and that will become apparent during the course of this trial," said defense lawyer Henry W. Asbill. Mark J. Hulkower, a defense lawyer for John Tuli, declined to comment as jury selection proceeded late last week, as did Preston Burton, a lawyer representing PurchasePro's Johnson.

The defense teams received a measure of good news when U.S. District Judge Walter D. Kelley Jr. dropped several charges from the case Oct. 16. But the stakes for those who remain in the case are high. Under federal sentencing guidelines, which are taken under advisement by the judge, each of the former executives could go to prison for several years if convicted.

US Welfare System Faces Accounting Overhaul (FT)

By Krishna Guha In Washington

Financial Times, October 23, 2006

A radical new approach to government accounting that would require the US administration to account for the cost of future social security payments year by year as people build up entitlements will be proposed on Monday.

The proposal by the federal accounting standards advisory board (FASAB) – which would also require the government to account for benefits accrued under Medicare and other social insurance programmes in the same way – is unprecedented internationally. It would radically change the presentation of US government finances, in effect bringing forward the cost of rapidly increasing social security and Medicare obligations and greatly increasing the reported fiscal deficit.

George W. Bush's administration is firmly opposed to the proposal, which officials believe wrongly implies that the government is contractually obliged to make future payments based on current benefit rules.

They fear this would make it more difficult to reform the big entitlement programmes and increase pressure on future governments to raise taxes to meet projected funding shortfalls.

The big increase in the reported fiscal deficit under the proposed rule could have an immediate political effect, making it more difficult to press for Bush tax cuts scheduled to expire in 2010 to be made permanent.

The result is a split in the FASAB board, with six independent members supporting the proposal and the three representing the Treasury, the White House office of management and budget, and the government account-ability office opposing.

The FT has obtained a copy of the FASAB preliminary views paper which will be released on Monday. In it, the independent board majority argues that "for social insurance programmes an expense is incurred and a liability arises when participants substantially meet eligibility requirements during their working lives".

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By contrast, the government representatives argue that the liability arises only when the benefit amount is “due and payable” as under current accounting rules.

The majority independent directors want the government to start providing for the future cost of social security and other benefits when workers become fully insured after 10 years in covered employment.

They say the current arrangement is “flawed” because it “fails . . . to recognise the accruing cost of social insurance programmes in each reporting period”.

Adopting the proposed new rule would bring the government more into line with the private sector, an approach that has considerable support within a section of the Republican party and may in this instance be of interest to Democrats too.

However, it would break with international public accounting practice, which essentially treats social insurance offered by sovereign governments as a political commitment to pay future benefits rather than a financial liability.

The Organisation for Economic Co-operation and Development has written to the FASAB saying it is “very concerned” about the proposed rule change.

The letter, signed by Barry Anderson, head of the OECD’s budgeting and public expenditures division, says that “classifying these transactions the same as private sector liabilities is wrong” and could confuse the public.

The proposal will now be put to public consultation, with hearings scheduled for March. If the board votes to adopt it, the administration could still veto the proposal, but this would be unprecedented.

“We have never been prevented from adopting an accounting standard,” a person familiar with the process said.

The Cut-My-Salary Standard (WSJ)

The Wall Street Journal, October 23, 2006

Former New York Stock Exchange CEO Dick Grasso had a bad day in court last week when a state judge ordered him to repay part of his generous retirement package. New York Attorney General Eliot Spitzer is claiming victory, albeit prematurely. The bigger news may be that the judiciary now feels entitled to set executive pay standards.

That was at the heart of last week's ruling from New York state Justice Charles E. Ramos, who has been overseeing the legal case over Mr. Grasso's $187.5 million compensation and ouster from the Big Board. The Grasso team had tried to have Judge Ramos removed from the case because he had sought a job on the NYSE board. The judge also refused Mr. Grasso's request for a jury trial on the main issue in the case -- whether his pay was "reasonable" under New York law for non-profits (which is what the NYSE then was). An appeals court is reviewing the jury question and has delayed that part of the trial.

Challenging the judge hearing your case is always risky, and it clearly didn't pay off for Mr. Grasso. Rather than wait for an appellate ruling, Judge Ramos used the several technical questions still before him to issue a scathing "summary partial judgment." His sweeping opinion sets unusual new compensation standards, to say the least.

His oddest judgment is that the NYSE board hadn't been made aware of large amounts of Mr. Grasso's pay. This is directly contradicted by numerous depositions in which board members admitted they were well aware of the money Mr. Grasso was due. This disclosure issue is crucial to the case given the judge's further ruling that Mr. Grasso had a fiduciary duty to disclose that pay to the board.

Judge Ramos thus appears to be saying that Mr. Grasso had a duty to go, one by one, to the very people who crafted and authorized his pay package to ensure that they really knew what they were doing. This turns the normal compensation system on its head. Especially in the wake of this decade's corporate scandals, we have been told that boards are supposed to more closely supervise management pay. Whether Mr. Grasso was paid a dollar or $187.5 million, the decision was the NYSE board's. Yet Judge Ramos now scores Mr. Grasso for not asking NYSE directors whether they were paying him too much. If nothing else, this is an unhelpful judicial intrusion in private pay decisions.

Our main problem with Mr. Spitzer's lawsuit is that it seemed to be a politically opportunistic attempt to target the unsympathetic Mr. Grasso while sparing much of the NYSE board that was responsible for paying him. In the most egregious instance, Mr. Spitzer left out of his suit the influential Democrat and former head of the NYSE board's compensation committee, H. Carl McCall, whose support the AG wanted when he still thought he might have to run against Senator Chuck Schumer in the Democratic primary for Governor. Mr. Grasso deserves his chance to have his counsel question Mr. McCall and other board members under oath in public court.

A future hearing will determine how much Mr. Grasso would owe the NYSE under Judge Ramos's ruling. But the former CEO says he'll appeal and he arguably has a stronger case now that the judge has ruled so broadly even before the appeals court decided on the jury trial question. Appellate courts tend not to appreciate judges who pre-empt their discretion.

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CRIMINAL LAW:

FED TROLLS FOR BIG FISH (NYPOST)

By Kati Cornell

The New York Post, October 23, 2006

October 23, 2006 -- The arrest of state Assemblyman Brian McLaughlin, along with recent high-profile public-corruption probes, are just the beginning for U.S. Attorney Michael Garcia, who is ramping up efforts to bust crooked politicians.

"It's shocking to see cases where people abuse their public-service office to enrich themselves illegally. If you're in this for the money, something's really wrong," Garcia told The Post.

Since becoming U.S. attorney for the Southern District of New York in 2005, Garcia has vowed to make ferreting out corruption a priority.

The office, where Garcia cut his teeth in the 1990s, has a strong reputation for taking on terrorism, white-collar and organized-crime cases. "You really don't think about public corruption - it's an area where I think this office should play a role," Garcia said.

But Garcia said that the FBI is increasingly devoting its resources to these difficult cases and he intends to do the same as he makes new hires.

The Southern District encompasses Manhattan, The Bronx, and counties to the north.

"There's just a lot of opportunity here, a lot of money in everything from zoning and those types of traditional areas where you see corruption - to bigger areas like the U.N.," Garcia said.

Last week the focus was local with McLaughlin's arrest for a slew of alleged scams targeting everyone from a Little League team to members of his union.

Last month, Garcia confirmed a probe into former Westchester DA and state attorney general candidate Jeanine Pirro after she was allegedly recorded talking with former city Police Commissioner Bernard Kerik about suspicions that her husband was cheating and her desire to bug his boat.

In August, a veteran state senator, Efrain Gonzalez, was nabbed for allegedly siphoning $37,000 from a Bronx charity.

Last year, Naparjan Venkataram, a former top official for the city medical examiner, was charged with stealing millions in federal funds meant to help with identifying victims of the 9/11 attacks.

An assistant U.S. attorney for 81/2 years, Garcia worked on the 1993 World Trade Center bombing and other high-profile terrorism probes.

In 2001, he headed to Washington, eventually becoming assistant secretary for immigration and customs enforcement.

Garcia acknowledged the unique difficulties in pursuing corruption cases.

"You're dealing with people who know the system," he said.

With allegations against McLaughlin, a Democrat, and Pirro, a Republican, coming to light on the eve of elections, Garcia said "people on both sides of the aisle" have asked him about the timing.

"We are a law-enforcement agency," he said. "We don't charge, not charge, investigate, not investigate, for political reasons."

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A 'Traitor' Wants Name Cleared (SEAPI)

By Tracy Johnson, P-I REPORTER

Seattle Post-Intelligencer, October 23, 2006

Edwin Wilson began this quest from a solitary-confinement cell, where he wrote letters seeking top-secret documents to show that his own government betrayed him.

The notorious ex-spy once traveled the world, gathering intelligence while playing the role of global businessman. He later was tied to shipping a planeload of explosives to Libya, sending him to prison for decades.

He was hurtling into history as one of this nation's most infamous traitors until three years ago -- when a federal judge concluded he'd been buried with the help of government lies.

Now 78 and paroled, Wilson works in his Seattle office, a scrupulously tidy room in his attorney's high-rise building, to prove he didn't earn the spectacular fall from skilled CIA agent to despised federal prisoner.

He studies his documents over cup after cup of black coffee and charts his latest mission: a federal lawsuit against the high-ranking people who helped lock him away.

"The bottom line is I want to clear my name," Wilson said. "My situation hasn't been explained."

It could be the most difficult task of his movie-like life. In books about his downfall, he is the villain: a ruthless renegade who left the CIA and made himself rich by selling arms and training terrorists for Libyan leader Moammar Gadhafi.

And though he's made headway on new appeals, he remains convicted of some grim crimes, including shipping several guns to Libya and plotting to kill prosecutors and witnesses.

But three years ago, a federal judge in Texas threw out a major conviction -- that Wilson conspired to ship 20 tons of a powerful plastic explosive known as C-4 to Libya in 1977 -- and blasted the government for covering up the truth.

Wilson had finally gotten documents to help support the claim he had made all along: That despite his 1971 retirement, the CIA was still secretly using him to gather intelligence and knew about many of his activities in Libya.

The government had denied it for years. His attorney, Steve Berman, said the CIA didn't want to be publicly connected to anything it had authorized Wilson to do, so it simply "hung him out to dry."

The people Wilson is suing -- former officials in the U.S. Attorney's Office, the Justice Department and the CIA, including two men who are now federal judges -- contend they can't be held liable for doing their jobs, even if his rights were violated.

Wilson spent 22 years in prison. He was freed two years ago. Now the Edmonds man, once labeled a terrorist, "death merchant" and even "Great Gatsby of the spook world," is determined to reclaim his fortune and his name.

The CIA defense

Although metal-rimmed glasses and arching creases now frame his eyes, the 6-foot-4 former espionage agent with Idaho farm-boy roots looks nearly the same as he did when he was locked away in 1982.

Lifting weights and walking a mile on the treadmill each morning at an Edmonds gym not far from the apartment he now rents from his brother keep him fit. When he heads to his office before dawn each morning, he usually puts on a tie.

Boxes of documents line his office walls. He spent months building an index so he could quickly reference any subject: 168 alphabetized files that start with "A-bomb" -- the one he tried to keep the Libyans from getting, he said.

They include CIA papers, U.S. Attorney memos, news articles and his hard-won lists of contacts he'd had with the agency after he officially retired. Many are carefully highlighted. More than one he calls "a smoking gun."

Wilson began his battle to get the documents while he was locked in a notoriously harsh federal prison in Marion, Ill. Clanking away at a rickety typewriter, he made formal requests to the CIA, Justice and other departments.

What he wanted to prove was simple: The government lied.

He has always maintained that the CIA knew about his profitable business dealings in Libya -- contracts to provide things such as parachutes, land-mine clearing and basic military training -- and had encouraged him to gain the trust of Libyan officials for intelligence purposes.

Wilson said the CIA even gave him a list of 30 Soviet weapons and other military gear and asked him to get samples from the Libyans.

As for the charges, Wilson admits he agreed to give several guns to Libyan intelligence officers. He denies knowing that a subcontractor he'd used occasionally was going to send the explosives.

"As soon as I found out they shipped that stuff in there, I notified the agency," he said.

And he's insistent that none of the C-4 has ever been traced to any terrorism; he said he understood it was for use in oil fields, not some nefarious purpose.

But in his 1983 trial on the explosives charges, prosecutors shot down his "CIA defense" with a sworn statement from Charles Briggs, then the agency's executive director. It said that apart from one exception, Wilson "was not asked or requested, directly or indirectly, to perform or provide any service" after he left the CIA.

The statement was apparently a key piece of evidence for jurors. They deliberated for a day, asked to have the statement read to them again -- then found Wilson guilty.

Richter scale of evil

Berman, a nationally known Seattle litigator who has taken on Big Tobacco and Enron, was initially skeptical of the case. It sounded like "a story out of some spy novel or something," he said.

He first heard about Wilson's situation from a law professor at the University of Washington, where someone spotted Wilson's classified ad seeking legal help.

Berman looked up the 2003 opinion overturning Wilson's conviction and had "never read a decision that was so condemning of the government," he said.

U.S. District Judge Lynn Hughes found that about two dozen government lawyers were involved in hiding information from Wilson's defense attorney, presenting Briggs' false statement and refusing to come clean about it later.

In his blistering opinion, Hughes noted that the CIA had more than 80 contacts with Wilson after he left the agency, which, among other things, had used him to "trade weapons or explosives for sophisticated Soviet military equipment -- like MiG-25 fighters, tanks, missiles and ocean mines -- with Libya."

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At one point, a CIA agent had even discussed with Wilson that "sending tons -- yes, tons -- of explosives to a hostile power could be authorized" if the U.S. got good enough information for it, the judge wrote.

Berman said the documentation would have made a huge difference in Wilson's criminal trials. Instead, he said, the government hid the information and gave jurors a sworn statement that was a lie.

"What I'm concerned about is that our highest government officials would knowingly fabricate evidence to keep this guy put away," Berman said. "I think every citizen in the United States would be hugely concerned. ... It's off the Richter scale in terms of evil."

Wilson said he's not bitter. But it hurts to be called a traitor, and he maintains that he was in Libya for one reason only: to serve his government by helping the CIA.

"God, I was risking my neck for these people, and they tried to shoot me while I was trying to survive," he said. "I was doing it for them. If they hadn't walked away from me, I wouldn't have ever been convicted."

Lawsuit a 'desperate move'

Lawrence Barcella, a former assistant U.S. Attorney, spent years investigating Wilson and helped put him away. He's the dedicated lawman in "Manhunt: The Incredible Pursuit of a CIA Agent Turned Terrorist" by Peter Maas, a best-selling author who dubbed Wilson the Great Gatsby of spies.

Now a target of Wilson's lawsuit, Barcella was reluctant to discuss the case but said, "Suffice it to say, a lot of his allegations have improved with age."

The Washington, D.C., lawyer -- one of the people Wilson was convicted of trying to have killed as he sat in prison in the early 1980s -- said he still worries about the explosives.

He said most were ruined because "thankfully, the Libyans didn't know much about storing them." But every time he hears about an explosion somewhere, he said, he still wonders.

Barcella's attorney, Melinda Sarafa, said Wilson's claims miss the heart of the matter because he has "never identified any witness or document showing he had authorization to make that shipment" of explosives to Libya.

Daniel Hedges, another former prosecutor whom Wilson is suing, acknowledged that "things have come to light" about Wilson's CIA connections, but he said he didn't know if it would have changed anything.

"I'm not going to second-guess what I did 20 years ago," he said. "We didn't find out about any exculpatory evidence until considerably after the trial."

Wilson's lawsuit names five other former assistant U.S. Attorneys -- Stephen Trott, now a judge on the Ninth U.S. Circuit Court of Appeals; D. Lowell Jensen, now a federal judge in California; James Powers, retired; Mark Richard, who still works for Justice; and Theodore Greenberg, now senior counsel for World Bank -- and ex-CIA official Briggs.

In court documents, Briggs' attorneys contend he believed the affidavit he signed was true "and would not have signed it otherwise."

Greenberg also believed the statement was accurate and still does, said his attorney, Robert Bennett. He said Greenberg had "an unblemished reputation" as a 29-year prosecutor and called Wilson's lawsuit "a desperate move."

"These allegations are frivolous and baseless," Bennett said. "This is a man who put a contract out to murder a United States attorney."

Long hit list alleged

The murder plot that Wilson was ultimately convicted of only reinforced what he had become in the public eye.

While he was behind bars in New York, another inmate told investigators Wilson had a list of people he wanted to have killed, including Barcella, another prosecutor and some witnesses.

In a sting, an undercover FBI agent posed as a "hit man" and later testified that Wilson's son gave him a $10,000 down payment for the crimes. Wilson's son also was indicted, but the charges were dismissed.

Wilson denies trying to kill anyone and said the money was part of a business deal involving the sale of three airplanes. He contends the government framed him to make sure he stayed in prison and didn't further sully the CIA.

Now there may be evidence that the FBI agent who helped build the case against Wilson is corrupt; he was charged in New York earlier this year for allegations that he helped the Mob commit murders.

Houston attorney David Adler, who got Wilson's explosives case vacated in Houston and is now fighting his Virginia gun-shipping conviction, suggested government misconduct may have factored into the murder-plot case, too.

"What are the odds that after violating his rights in Virginia and Houston, they decided to play by the rules in New York?" he asked.

Adler was appointed to help Wilson years ago. At first, he said, it was clear that Wilson didn't trust him -- he figured Adler, an ex-CIA officer himself, would just help the government continue covering the truth.

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"In the beginning, he was a very difficult character," Adler said. "But if you look at what he'd been through, it was sort of justifiable." He now considers Wilson "the most persevering person I've ever met."

Wilson's 71-year-old brother, Bob, said he believes Wilson was "really railroaded" after putting his life on the line for his country, although he's sure he'll eventually be exonerated.

"He's very outgoing and assertive, you might say. You wouldn't want to not do what he says," he said, chuckling. "He just doesn't take 'no' for an answer."

'Patriotic thing to do'

If Wilson ever thought he was invincible as a wheeler and dealer overseas, he evidently no longer does. He now talks about the toll of aging and arthritis.

He lost everything long ago: The lavish home on a 2,500-acre Virginia farm that he said he and his wife were able to buy after a series of successful real estate deals. The job that gave him the same rush a firefighter feels when the station bell sounds. His family.

His wife grew frustrated with the time he spent overseas and divorced him, he said. He keeps in touch with one son, but the one who was entangled in the murder-for-hire case hasn't spoken to him since.

These days, Wilson doesn't think much about the danger he later faced in Libya.

"They'll execute you just like that, sure, but that was the job," he said. "You get your job done."

He walked out of prison on Sept. 15, 2004. On each anniversary of his release, he's had dinner at Canlis.

The man who was once a master of pretending is certain that many still-classified documents further detail his CIA work. Much of it he won't talk about, but he insists he served his government honorably until the prison doors closed behind him.

"I can't think of one thing I did that I have any guilt about," he said. "I didn't hurt anybody. I didn't get anyone killed."

He said he did things he knows might seem absurd: Continuing to work for the CIA for free. Shelling out much of his own money, earned through his various business deals, to gather intelligence.

Once, he said, he agreed to sell 5,000 M-16 machine guns to Libya so that he could help the CIA find out which countries were selling them on the black market -- a contract he never intended to fulfill and didn't, costing him $1.1 million.

"In retrospect, it seems a little stupid," he said, a lopsided smile crossing his face. "It was a patriotic thing to do. But nobody believes that."

He has countless tales about his undercover work -- days helping guard the ultra-secret U-2 spy plane project, keeping tabs on foreign labor unions or running a CIA-created maritime business to conceal various agency operations abroad. He said he only retired from the CIA because he had to. His cover had been blown.

If given the chance, he'd still be handling covert operations in perilous locales on the other side of the world.

"It was a hell of a satisfaction," he said. "Assuming I'd get out of there alive."

THE SPY'S SAGA

Key moments:

1955-1971: Edwin Wilson works for CIA.

1971-1976: Wilson works for Naval intelligence task force.

1979: Grand jury convened to assess Wilson's business activities in Libya.

1982: Wilson convicted of illegally shipping guns to Libya; sent to prison.

1983: Convicted of conspiring to ship explosives to Libya, then of trying to have two prosecutors and six witnesses killed. Prison sentences total more than 50 years.

2003: Federal judge overturns explosives conviction.

2004: Wilson freed.

2005: Wilson files federal lawsuit against government officials who helped put him in prison. Trial date has not been set.

Sources: court documents; news reports.

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FBI Stats Show Many Colleges Understate Campus Crime (WSJ)

By ZACHARY M. SEWARD

Wall Street Journal, October 23, 2006

BOSTON -- Northeastern University tallied just five burglaries on and around its campus here in 2004, far below most other colleges in the area.

That stellar figure, reported to the U.S. Education Department and distributed in the school's literature for students and staff, helped tip some safety-minded applicants toward Northeastern, school officials say.

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James Ferrier, a campus police officer who compiles the university's crime statistics, calls Northeastern an "oasis compared to crime in the rest of the city." But those statistics may be more like a mirage.

Northeastern may have recorded only five burglaries -- thefts that involve trespassing -- but the university also counted 345 instances of larcenies, which don't involve unlawful entry. These larcenies, included in a separate report to the Federal Bureau of Investigation, weren't reported to the campus community. Furthermore, federal regulators say that many larcenies at Northeastern and other schools should have been reported as burglaries and disclosed on campus.

Under a 1990 law known as the Clery Act, schools must report statistics on burglaries -- but not larcenies -- to the Education Department and to students and staff. Schools report larceny totals separately to the FBI for its annual report on crime in the U.S. But thefts, whether characterized as burglary or larceny, are only part of the problem of gauging campus security. Some schools have understated violent crimes such as robberies and sexual assaults.

Crime statistics are a sensitive matter for colleges, which initially resisted passage of the Clery Act. The law, named for a student murdered in 1986 at Lehigh University in Pennsylvania, is intended to provide accurate assessments of campus crime for applicants, students and their parents.

But a comparison of recent Clery reports to FBI data shows that colleges may be portraying themselves as safer than they really are. For instance, some schools, including Northeastern, acknowledge they exclude many unsolved thefts from burglary numbers submitted to the Education Department, despite federal guidance to the contrary.

Under pressure from Congress and Security on Campus Inc., a nonprofit group that lobbied for the Clery Act, about a dozen colleges have owned up to errors in their statistics and paid fines to the Education Department since 1998. Salem International University, a private school in West Virginia, agreed last year to pay a record $200,000 for understating sex offenses and robberies, among other violations.

In 2004, Security on Campus accused Yale University of underreporting sexual assaults on campus. The law requires schools to ask deans and other officials in charge of students for tallies of sex crimes reported to them each year, regardless of whether charges were pressed. Yale acknowledged that it had failed to do so but says it now fully complies with Clery's regulations.

"It's so easy to underreport sexual assaults because it's such a private crime, and schools are left with the responsibility of asking deans about sexual assaults reported to them by students," says S. Daniel Carter, senior vice president for Security on Campus. "If they don't ask, it doesn't get recorded."

The Education Department is investigating allegations of intentional crime misreporting at West Virginia University. In a lawsuit filed against the school in a state court, three WVU police officers said they faced retaliation from supervisors after they alleged that incident reports were changed to indicate larcenies had occurred when the proper classification was burglary. The court found the officers were retaliated against, but the university denies incident reports were changed and says it is cooperating with Education Department investigators.

The U.S. Education Department also recently told the University of Massachusetts at Boston to classify more property thefts as burglaries, says Philip M. O'Donnell Jr., the campus police chief. UMass-Boston reported three burglaries in 2004, while counting 99 larcenies in its report to the FBI.

The House of Representatives twice, in 1990 and 1998, voted to include larceny among the crimes that colleges would have to report. But the Senate version of the bill didn't include the requirement and prevailed both times. Staffers involved in negotiations over Clery in 1998 say the exclusion of larceny was urged by two higher education groups, the American Council on Education and the American Association of Community Colleges. Both groups declined to comment.

With unsolved thefts, it is often impossible to determine who took the item and whether the thief was allowed to be in the area. The case of a laptop missing from a room on Northeastern's campus on May 19 is a good example. A staff member said the computer had been left in the room at 6 p.m. the day before and stolen overnight. Public-safety officers found no sign of forced entry, according to the university's crime log, so they assumed the door had been left unlocked.

Northeastern counted it as a larceny. Mr. Ferrier, the campus police officer, says, "If I have no indication that there's unlawful entry, I would tend to call that a larceny." But the FBI, which sets guidelines for Clery reporting, says the opposite. "If an item is missing from a structure and it is unknown who took the item, the proper classification would be burglary," says an FBI memorandum. The Education Department underscores that point with a large-type note on page 35 of a thick handbook on Cleary reporting issued last year. Schools can face a fine of $27,500 for each instance of misclassified theft.

Northeastern's Mr. Ferrier calls that guideline a "recommendation." He also contends that the school's tight security often precludes any possibility of burglary. "It's very unlikely that anybody in our residence halls is in there unlawfully," he says.

David Bergeron, director of policy for the Education Department's office of postsecondary education, says Mr. Ferrier's interpretation is incorrect. "One of the reasons that we did the handbook was to get everybody on the same page," he says.

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According to the FBI, larcenies occurred three to four times more often than burglaries nationwide in 2004. But many colleges report a sharply lower burglary proportion to the FBI -- and repeat the low burglary numbers in the Clery data they must share with students. Rice University in Houston reported just one burglary in 2004 compared with 149 larcenies. The College of William and Mary, in Williamsburg, Va., reported three burglaries and 334 larcenies. And the University of Michigan's campus in Ann Arbor listed 25 burglaries and 908 larcenies. Statistics for last year aren't yet available from all schools.

Rice and William and Mary both declined to comment on their crime-reporting policies, as did other private schools with lopsided burglary and larceny statistics. At Michigan, a spokeswoman explained that in cases with no indication of which type of theft occurred, the campus police score the crime as larceny.

Harvard University says it adheres to the FBI's definition of burglary. As a result, Harvard reported 446 burglaries and 229 larcenies in 2004. That's 132 burglaries per 10,000 undergraduate and graduate students, the highest such rate in the Ivy League.

But Steven Catalano, who is in charge of Harvard's Clery reports, says a review of the theft figures "leads us to believe that the disparity is more the result of a difference of how thefts are classified than a difference in actual theft rates." When burglary and larceny figures are taken together, Harvard's total theft rate is sixth among the Ivy League's eight schools.

Weldon's World Of Influence (PHI)

By Chris Mondics

The Philadelphia Inquirer, October 22, 2006

WASHINGTON - Several times in recent years, U.S Rep. Curt Weldon (R., Pa.) has taken time from his busy schedule to help a foreign company, which turned around and hired a lobbying firm close to him.

In 2002, Weldon started aiding a large Russian energy firm just before his daughter Karen and longtime political ally Charles P. Sexton Jr. received a $500,000 contract to lobby for the company.

A year later, Weldon also aided the interests of a Russian helicopter plant as well as two brothers linked to a prominent Serbian war criminal. Both parties later hired the Weldon-Sexton lobbying firm, Solutions North America.

Weldon has denied he did anything wrong. And his actions have had little impact on the 10-term incumbent whose Delaware County seat had long been secure.

But everything changed this year. Last week, Weldon became publicly embroiled in a federal criminal probe that appears to focus on actions he took to help clients of his daughter's firm, Solutions North America.

On Monday, FBI agents carted away documents from Karen Weldon's Philadelphia home and Media office and Sexton's Springfield, Delaware County, home.

Agents also searched the offices of at least one of Karen Weldon's clients - the giant Russian energy firm Itera International, with U.S. offices in Jacksonville, Fla. - and the Philadelphia law office of Weldon friend John J. Gallagher, who had helped Weldon's daughter get business.

Weldon, who combines a foreign-policy interest with considerable showmanship skills, predicted the probe would find nothing. He said he hadn't helped his daughter get anything, and he ascribed the raids' timing to a Democratic plot to ruin him. Sexton and Karen Weldon, whose firm is now called Solutions Worldwide, have not responded to requests for comment.

The revelations have roiled an already competitive race between Weldon and a well-funded Democrat, retired Vice Adm. Joe Sestak.

"Being accused of financial malfeasance in Pennsylvania, that is often the coup de grace for a struggling politician," said Michael Young, a former Pennsylvania State University political science professor who runs a polling firm.

Young said Weldon may have felt free because for years he faced little opposition. "The lack of real competition in primaries has created a whole class of politicians. I think he's the embodiment of [those] who seem to believe that they are invulnerable."

No evidence has surfaced that Weldon has personally benefited from his official actions. But there are many signs that those around him have reaped gains.

Weldon's clout as the second-highest-ranking Republican on the House Armed Services Committee gives him easy access to White House officials and foreign leaders. Companies that later became Solutions North America's clients and others close to Weldon benefited from that access, though the congressman's efforts were not always successful.

On July 15, 2003, Weldon rose to speak on the House floor. He wanted to help his friend and contributor, globe-trotting Philadelphia lawyer John Gallagher, to recoup a $2.5 million investment in a cognac factory seized by the government of Moldova. Weldon proposed to bar all U.S. aid from the former Soviet republic until Gallagher was repaid.

"The Moldovan government must remedy this matter," said Weldon, who later dropped his proposed amendment.

Federal investigators are reviewing Weldon's role in that attempt to help Gallagher.

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These weren't the only times Weldon seemed to blur the line between politics and personal interest.

Earlier in his career, Weldon was accused of using a federal antipoverty program he had founded to pay for promotional materials from his congressional campaign. The Delaware County Partnership for Economic Development was closed after the government concluded it had misspent more than $5 million on travel and gifts for staff and on no-bid contracts to politically connected firms, including the accounting firm of Weldon's former campaign treasurer.

William Tancredi, the program's former executive director who pleaded guilty in 1992 to corruption charges, said he was pressed by Weldon to spend program money on campaign materials. He said a primary task of one agency worker was to run errands for Weldon.

Weldon was never charged. He denied the allegations at the time and insisted, as now, that he had been the victim of a smear campaign.

Gray-haired and bespectacled, Weldon has the look of the policy wonk he is.

From memory, he can spit out details of obscure trade agreements, bilateral defense treaties, and internal political matters on Russia and the former Soviet republics.

He also has a knack for drawing attention in ways that can backfire. For more than a year after the Sept. 11, 2001, attacks, Weldon maintained that a Pentagon data-mining unit had identified some of the hijackers before the attacks, suggesting the catastrophe could have been averted. A Pentagon inspector general's report could not substantiate Weldon's account.

The latest FBI probe may have been triggered by disclosures in 2004 that Weldon's daughter Karen and business partner Sexton won contracts totaling more than $1 million from foreign interests that the congressman had helped.

Among them was Itera International Energy Corp., a huge Russian firm that was seeking a grant from the U.S. Trade and Development Agency to develop a sprawling Siberian natural-gas field.

The agency gave preliminary approval for the $868,000 grant in 2002, but soon rescinded its decision after competing investors charged that Itera was composed of stolen assets and had never disclosed all its owners.

Shortly afterward, Weldon began urging the agency to approve the grant. He wrote at least two letters to agency officials and led a congressional delegation to Moscow, where it met with Itera officials, and he praised the company. He also contacted President Bush's top political adviser, Karl Rove, and Energy Secretary Spencer Abraham, to complain about Itera's treatment.

In September 2002, after Weldon began helping the firm, his daughter and Sexton signed a $500,000 contract with Itera.

The following year, Karen Weldon and Sexton won two more lucrative contracts from clients who also seemed to benefit from her father's assistance. One was a Russian aircraft manufacturer, Saratov Aviation, that sought to sell equipment to the Pentagon.

Both Weldon and his daughter visited Saratov's Russian plant in 2003, around the time Karen Weldon began negotiating a $20,000-a-month contract with Saratov to provide promotion and help it find clients.

During this same period, Weldon also set out to help two Serbian brothers whose family foundation had hired Solutions North America. The brothers, Bogoljub and Dragomir Karic, had wanted to travel to the United States, but had been denied visas because of alleged links to accused Serbian war criminal Slobodan Milosevic. Weldon said then that the two had been unfairly maligned by U.S. intelligence agencies, and he tried to help polish their image.

Since Milosevic was ousted, the government has taken a series of actions against the Karic brothers. It suspended the license of the cell-phone corporation of Bogoljub Karic and issued a warrant for his arrest. He is believed to be living in Moscow. U.S. authorities, in addition to denying visas for the Karic brothers, have encouraged European countries to do the same.

Among other efforts, Weldon wrote the brothers on congressional stationery on Oct. 8, 2002, praising their business acumen and inviting them to the United States.

"We are interested in establishing a dialogue regarding future economic cooperation between our two nations," said the letter, signed by Weldon and 18 other members of Congress.

There was soon an uptick in economic activity between the United States and Serbia, however incremental.

In 2003, Solutions North America signed a $240,000 contract to promote the Karic Foundation in the United States.

Judge Rejects Request To Subpoena Reporter In China Spy Case (NYS)

By Josh Gerstein, Staff Reporter of the Sun

New York Sun, October 23, 2006

SAN FRANCISCO — A federal judge has refused to allow a reporter for the Washington Times to be subpoenaed by defense attorneys in a case stemming from allegations of Chinese espionage at American defense contractors.

Lawyers for one of the defendants in the case, Chi Mak, argued that the newspaper's top national security correspondent, William Gertz, should testify about leaks he allegedly received of classified information about the prosecution.

Judge Cormac Carney, who is based in Santa Ana, Calif., rejected the request, ruling that the legality of the government's wiretaps under the Foreign Intelligence Surveillance Act should be assessed solely on the basis of the paperwork the government filed to seek warrants for the surveillance.

"Any classified information Mr. Gertz may have received is irrelevant to the court's inquiry," Judge Carney wrote in an order dated October 16.

An attorney for Mr. Mak, Ronald Kaye, declined to discuss the motion to subpoena Mr. Gertz. A copy of the defense's legal filing was not available last week from the court. Mr. Gertz is renowned in Washington for obtaining and publishing classified reports. It is unclear precisely what prompted the interest of defense attorneys, but the case against Mr. Mak is discussed at length in Mr. Gertz's latest book, "Enemies."

Mr. Mak, a China-born naturalized American citizen is charged, along with four of his family members, with failing to register as an agent of the Chinese government. Prosecutors contend that he stole details about Navy-related propulsion technology from his employer, Power Paragon, and arranged to deliver them to Chinese agents. Judge Carney has ordered that Mr. Mak stand trial separately from the other defendants because of what the judge said was a "powerfully incriminating" confession by Mr. Mak. All of the defendants have pleaded not guilty. The judge did not rule on whether Mr. Gertz could be called as a witness at trial. There is no indication that the defense has made such a request.

The government opposed the subpoena to Mr. Gertz, but did not say in its filing whether any investigation into the alleged leaks is under way.

In a similar case, involving two pro-Israel lobbyists accused of obtaining classified documents, a federal judge in Virginia recently ordered a Justice Department probe into alleged leaks to CBS News.The results of that inquiry have not been made public.

Washington Whispers (USNEWS)

By Paul Bedard

U.S. News and World Report, October 30, 2006

Like Grandpa, Like Granddaughters

Add a new name to the political dynasties of Bush and Clinton: Cheney. Recall that when Vice President Dick Cheney hit the campaign trail in 2004, he and his wife, Lynne, sometimes showed up with their grandkids in tow. Well, the kiddies got hooked. We know because earlier this month, when daughter Liz Cheney drove by the veep's residence at the U.S. Naval Observatory, one of her daughters urged Mom to turn in so they could see "Grandma" and "Grandpa." Liz sped on, explaining that the grandparents were out of town campaigning. "What?" barked one of her daughters in disappointment. "Without us?"

The Hill Monitor (TIME)

By Karen Tumulty

Time, October 23, 2006

When the FBI raided his daughter's home three weeks before Election Day, Pennsylvania Congressman Curt Weldon figured he knew exactly whom to blame. The agents were looking for evidence that he had used his influence to help Karen Weldon win lobbying and consulting contracts, but the 10-term Congressman wasn't mad at just them. "It's a woman who runs an organization called CREW," he complained to a blogger for the Daily Pennsylvanian. That woman is a tenacious 40-year-old former prosecutor named Melanie Sloan, whose targets have included Tom DeLay and Mark Foley. She is executive director of the liberal watchdog group Citizens for Responsibility and Ethics in Washington (CREW). Since its founding in 2003, CREW has worked through legal and regulatory channels to press allegations of impropriety almost exclusively against Republicans. Ironically, given CREW's new prominence as a favorite target of vast-left-wing-conspiracy theorists, its litigious approach borrows heavily from the conservative group Judicial Watch, which in the 1990s helped propel Paula Jones' sexual-harassment accusations against Bill Clinton into his impeachment.

Sloan, a former congressional staff member for such liberal lawmakers as Michigan's John Conyers and New York's Charles Schumer, was working as an assistant U.S. Attorney when two Democratic activists approached her with the idea of trying something like Judicial Watch from the left. For its first 18 months, CREW was a one-woman shop. An early target was the seemingly invincible DeLay. Sloan asked the Internal Revenue Service to investigate the House majority leader's fund raising and sued the Federal Election Commission to get more info about his dealings with a Kansas utility. But she was not getting much support from Democratic officials, particularly in the House, where the two parties had declared an "ethics truce" that effectively blocked either side from filing a complaint against the other.

Until, that is, DeLay redistricted Texas Congress- man Chris Bell--now the Democratic nominee for Texas Governor--out of a job. In Bell, Sloan finally had the in-house ally she needed, and under House rules formally filed a CREW-drafted com-plaint in

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June 2004. Eventually, the Ethics Committee unanimously admonished the majority leader--an early sign of the troubles that led to DeLay's resignation and an achieve- ment Sloan counts as "the thing I'm most proud of."

More recently, it was CREW that first alerted the FBI to the fact that Foley, a Florida Congressman, had been sending suspiciously friendly e-mails to a former House page. This was two months before the scandal broke publicly. The FBI declined then to investigate but opened a probe after ABC News reported on other, sexually suggestive e-mails Foley sent.

Representative Weldon has accused CREW of orchestrating last week's raids for maximum impact just before an election. But the FBI is part of the Bush Administration's Justice Department, and CREW's initial complaint against Weldon was filed more than two years ago.

For an organization dedicated to holding government accountable, CREW isn't transparent about its own operations. Organized as a 501(c)3 under federal tax laws, it does not have to reveal the names of all its donors. "I wouldn't have any donors if I revealed all my donors," says Sloan. However, CREW acknowledges that it has received $100,000 from the foundation of liberal financier George Soros and several annual donations of at least $10,000 from that of entertainer Barbra Streisand. With reporting by With reporting by Brian Bennett

FBI Says It May Launch Probe Of Bishop State (MR AL)

By George R. Altman, Staff Reporter

Mobile Press-Register (AL), October 23, 2006

The FBI is considering an investigation into Bishop State Community College and has consulted other law enforcement agencies about the matter, a bureau spokesman said Thursday.

Meanwhile, Alabama's two candidates for attorney general -- incumbent Troy King and Mobile County District Attorney John Tyson Jr. -- have criticized each other's handling of matters regarding the Mobile college less than three weeks before the general election.

"We're conferring with other law enforcement authorities to determine what course of action, if any, we should take at this time" with regard to Bishop State, said Craig Dahle, spokesman for the Mobile office of the FBI.

Dahle declined to say what specific agencies the bureau has consulted with regard to the 4,000-plus student college. But Nicki Patterson, chief assistant district attorney for Mobile County, confirmed that she has talked with officials from the FBI about Bishop State.

Tyson said his office has also been in contact with the inspector general's office at the U.S. Department of Education about Bishop State. A spokeswoman for the office of inspector general said she could not comment.

The Department of Education earlier this year demanded Bishop State repay $150,000 in misspent aid money and now requires the school to demonstrate each student's eligibility before it can receive federal funds.

Tyson's office has charged six people, three of whom are Bishop State employees, in connection with the theft of more than $75,000 in financial aid money.

While all Bishop State-related arrests have come from Tyson's office, the state two-year system forwarded the findings of its internal review of the college to King more than a month ago.

The full report was not made public, but a summary of the report detailed both financial and academic problems at Bishop State, including mishandling of federal aid, poor oversight of academic functions, and employees giving money to family members.

The attorney general's office would not say Thursday whether King is investigating matters related to the school.

Tyson told the Press-Register this week that if he were in King's position, he would be "more active than they are" regarding Bishop State.

"I don't know what he's done," Tyson said. "I'm concerned that I don't know."

King shot back that Tyson "does not know what he's talking about."

"That is a reckless, irresponsible and inexperienced thing to say. That is not the way that the attorney general's office conducts investigations," King said.

King is a Republican appointed by Gov. Bob Riley to the attorney general seat vacated by Bill Pryor when the latter became a federal judge. Tyson is a longtime prosecutor who won the Democratic nomination in June to challenge King. The general election is Nov. 7.

Tyson said he has the summary of the two-year system report on Bishop State, but has not been given the full report that King received.

Tyson said he was investigating Bishop State before the two-year system report was released.

Tyson said that investigations into irregularities at the college need a "real sense of urgency" before the federal government stops sending aid money. About 80 percent of Bishop State students receive some type of financial aid.

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"We should be moving this thing along as fast as we can," Tyson said. "I really think that the existence of the school is threatened."

King said that while his office would "find those who are responsible," he would not try cases in the media, as he said Tyson was doing.

"Just because he thinks it will get him a headline ... we are not going to allow him to compromise important investigations," King said.

On Oct. 6, Tyson said that his office would benefit from federal assistance on the Bishop State case. This week, he said he preferred King's involvement to be limited.

"We could use help. As you know, our resources are always thin," Tyson said, "but if you're going to step in and take it over, I'm not interested in that. That's harmful."

Gangs Take Toll On Traveling Gem Sellers (USAT)

By Richard Willing, Usa Today

USA Today, October 23, 2006

Cunning criminals scare reps out of trade

FBI and local police are teaming up to combat a little noted but highly lucrative crime: robberies by gangs that target traveling jewelry and precious gem sales representatives.

Jewelry and gem salespersons reported 117 such robberies nationwide in the first nine months of this year, putting the industry on track for its lowest number of annual attacks since about 1990, according to a report by the industry group Jewelers' Security Alliance (JSA).

However, ripping off sales reps, who typically travel by car and carry hundreds of thousands of dollars worth of goods in small pieces of rolling luggage, remains a highly lucrative crime. The average theft this year has netted about $224,000. By contrast, the average bank robbery netted about $4,220 in 2004, the FBI estimated.

“It's a crime that's below the radar, and doesn't get nearly the attention of say, bank robbery,” says John Kennedy, president of the JSA. “But in the past 10 years or so, it's become a fact of life for an industry where it had pretty much been unknown.”

Interrogations of captured robbers have shown that most are illegal immigrants, usually Colombian or Ecuadorean, who have worked their way up in ethnic gangs by performing less serious robberies, says Daniel McCaffrey, an FBI agent in New York City who specializes in jewel theft.

After 1999, when sales reps endured a record 323 robberies and more than $76 million in losses, the FBI began to partner with local police task forces in New York City, Los Angeles, Houston, Miami and other jewel theft hot spots. Using stakeouts, stings and other methods, they've helped boost arrests and lower dollar losses each year since 2000. Figures kept by the Jewelers' Security Alliance show local, state and federal arrests increased 25%, from 456 in 2003 to 570 in 2004. Those included crimes against retailers as well as sales reps.

The targeting of traveling jewelry and gem sales people has taken a toll on the trade.

Joseph Menzie, a former traveling salesman who is now a gem wholesaler in New York City, estimates that sales reps, who once numbered in the thousands, now are down to about 600 to 800 full-time workers and declining each year. About 15% are women, he estimates.

“It used to be a great job for a young guy,” Menzie says. “But now, forget it. Nobody young is coming in, and a lot of the old guys would get out if they could. … All of them have been hit (by robbers).”

When Menzie started in the mid-1970s, representing his grandfather's gem company out of New York City, going on the road to sell was a time-honored way of breaking into the jewelry business. The job featured travel, fellowship with other sales reps, and some prestige. Commissions of 4% to 15% afforded a decent living.

Because of the nature of their product, jewel and gem reps seemingly were impervious to changes that the Internet brought to the sales industry.

“The customer wants to hold the piece in her hand, so the retailer wants to see it and feel it, too,” Menzie says. “That's where the salesman comes in.”

Sales reps kept their product line of diamonds, watches, finished jewelry and gemstones such as emeralds and sapphires in small off-the-rack travel cases. They formed groups such as the Brotherhood of Traveling Salesmen, which collected annual dues and passed the hat when a sales rep died on the road to pay for return shipping of both the body and the product line.

Crime was an occasional problem. In more than 10 years on the road, Menzie remembers being followed once, on a freeway in Alabama. He eluded the chase car and found refuge at a small town police station.

For reasons that aren't clear, Ecuadorean and Colombian gangs began to target sales reps, FBI agent McCaffrey says.

They use Mapquest, Global Positioning System devices, cellphones, and telephone and property databases to identify and follow sales reps. It's not unusual for 20 or more crewmembers using several cars to follow prospective "scores" for days or weeks, McCaffrey says.

Some of the thieves' favorite methods, says McCaffrey, who has interviewed captured robbers, include:

·Cutting brake lines or spiking tires on a sales rep's car, then trailing him until he breaks down.

·Breaking into the parked car while the salesman is having coffee.

·Surprising the sales rep as he leaves his motel or home.

The robberies, which have netted nearly $600 million since 1995, according to the JSA, are forcing changes in the industry. Manufacturers and wholesalers, beset with rising insurance premiums, increasingly are using large trade shows to reach retailers. Reps who continue to travel carry more product, to compensate for higher gas and hotel costs.

In a sure sign of the times, the Brotherhood of Traveling Salesmen disbanded about a year ago, Menzie notes. The group, which dated from the 1930s, was down to about 100 members and had few new applicants. Those who remained, Menzie says, decided to cash out the group's account and get a check now rather than wait for each other to die off.

Fort Peck Couple Admits Fraud Scheme (BG MT)

By Clair Johnson

Billings Gazette (MT), October 20, 2006

A former Fort Peck tribal education official and her husband admitted Thursday that they took money from the federal government and used most of it to pay for their daughter's college tuition.

Desiree Dean Kirn Lambert, 50, and Bernard John Lambert Jr., 58, of Busby, pleaded guilty in federal court in Great Falls. An uncle of Desiree Lambert charged in a related scheme pleaded guilty earlier.

Desiree Lambert pleaded guilty to fraudulent claims, grant fraud and theft from a tribal organization; her husband pleaded guilty to conspiracy to defraud the government.

Assistant U.S. Attorney Carl Rostad said that from November 2001 to December 2002, Desiree Lambert, while director of the Fort Peck Tribes Department of Education, approved payments totaling $12,000 to her husband, who was superintendent of the Brockton School District, for writing 10 grants. The grants were from various corporations and the U.S. Department of Education. Investigators found that none of the grants Bernard Lambert was paid to write was ever received or funded.

The couple admitted that $8,500 of the $12,000 Desiree paid to Bernard was to pay tuition for their daughter, Kayla Lambert, at the University of Montana. Bernard Lambert contended that he wrote all the grants and repeatedly claimed he would provide records of the grant applications to the Department of Interior but has not done so, Rostad said in court records.

When Kayla Lambert applied for financial aid, she and her mother stated that Desiree Lambert was the sole source of family income. At the time, Desiree and Bernard were married and living together, and Bernard was making about $60,000 a year as Brockton superintendent. He resigned in July 2004.

"Finally, as Kayla went off to college, Desiree gave her a Department of Education cell phone. Kayla ran up about $900 worth of charges, which were paid for by the tribes," Rostad said.

In a related case, Desiree Lambert's uncle, Raymond A. Dolezilek, 53, of Sheridan, Wyo., pleaded guilty earlier this month to conspiring with his niece to submit false claims to the Department of Interior. Dolezilek admitted that he submitted eight vouchers for payment totaling $8,510 to Desiree Lambert for work he had not performed, Rostad said.

Dolezilek also paid $1,700 in kickbacks to his niece. Desiree Lambert told investigators she hired her uncle to provide her with expert assistance at the Education Department and denied getting kickbacks. Charges against Desiree Lambert in the case with her uncle were dismissed in exchange for her pleas in the tuition scheme indictment.

U.S. District Judge Sam Haddon set sentencing for the Lamberts for Feb. 7. Dolezilek is to be sentenced on Jan. 25.

The conspiracy charge carries a possible sentence of 10 years in prison and a $250,000 fine, while the false claims and fraud charges carry a possible sentence of five years and a $250,000 fine.

Computer Search Turned Back At The Border (LAW)

By Amanda Bronstad, The National Law Journal

National Law Journal, October 23, 2006

Government officials must have reasonable suspicion under the Fourth Amendment to search someone's laptop at U.S. borders, according to a recent ruling in Los Angeles.

The decision by U.S. District Judge Dean D. Pregerson of the Central District of California is the first within the area of the 9th U.S. Circuit Court of Appeals to address whether searching a person's laptop is more than routine and therefore subject to the search and seizure protections of the Fourth Amendment. U.S. v. Arnold, No. 2:05-cr-00772 (C.D. Calif.).

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The Oct. 2 ruling expands upon a previous decision by the 9th Circuit that permitted the search of temporary cache files in a man's laptop. U.S. v. Romm, 455 F. 3d 990 (9th Cir. 2006). The decision could lead to a potential circuit split, given a conflicting 4th Circuit ruling last year in a similar case.

Under existing law, border officials must have a reasonable suspicion to conduct a nonroutine or invasive search, such as a body cavity search or X-rays. In most cases, that standard of proof is relatively low given the nation's heightened security concerns at the borders.

Previously, the only other case that addressed whether a laptop search is intrusive was U.S. v. Ickes, 393 F.3d 501 (4th Cir. 2005.) In that case, the 4th Circuit upheld a man's conviction in ruling that a laptop search at the border did not violate his First Amendment right of expression.

In July, the 9th Circuit upheld the conviction of a man with a prior criminal record in ruling that border authorities could search the temporary cache files in a laptop. But the circuit declined in Romm to address the issue of whether searching a laptop was routine or intrusive.

The recent case involves Michael Timothy Arnold, a 43-year-old man with no previous criminal record who was indicted on child pornography charges after customs officers searched his laptop and other computer equipment at Los Angeles International Airport in July 2005.

The government contended that the search was routine and therefore not subject to Fourth Amendment protections against unreasonable searches.

"While not physically intrusive as in the case of a strip or body cavity search, the search of one's private and valuable personal information stored on a hard drive or other electronic storage device can be just as much, if not more, of an intrusion into the dignity and privacy interests of a person," Pregerson wrote. Given that conclusion, the government failed to prove reasonable suspicion.

Marilyn Bednarski of Pasadena, Calif.-based Kaye, McLane & Bednarski, who represents Arnold, hailed the ruling. "The search of a computer is different because it's like looking into somebody's mind," she said.

Assistant U.S. Attorney Elizabeth Carpenter said prosecutors are deliberating about whether to appeal.

Jury Expected To Get Rosenbaum Case Soon (WT)

By Arlo Wagner

The Washington Times, October 23, 2006

The jury in the trial of a man accused of killing a New York Times journalist could begin deliberations as early as today.

Prosecution and defense teams in the murder trial of Percey Jordan Jr. rested their cases Friday in a D.C. Superior Court.

Mr. Jordan, 42, is on trial for the killing of editor-reporter David E. Rosenbaum, who was severely beaten Jan. 6 as he walked in the 3800 block of Gramercy Street near his home in a usually peaceful Northwest community.

Closing arguments by Assistant U.S. Attorney Amanda Haines and defense attorney Michael Starr are expected to focus on the recorded testimony of Mr. Rosenbaum's wife, Virginia, who died of colon cancer six months after testifying to a grand jury.

The testimony, read to the murder trial jury by an intern in the U.S. Attorney's Office, described Mrs. Rosenbaum's panic and frustration when her husband did not return from a nighttime walk to get rid of hiccups. Mr. Rosenbaum was alive when found at 9:30 p.m. and transported to Howard University Hospital where he died Jan. 8.

An investigation into the incident found that first responders with the D.C. fire department were slow to arrive, didn't recognize Mr. Rosenbaum's injuries and, as a result of the misreading, took him to a hospital on the other side of town.

Mr. Rosenbaum died of "blunt impact" to his head, Dr. Lois Goslinoski, the District's deputy medical examiner, testified Friday.

The trial last week included testimony from Mr. Jordan's cousin, Michael C. Hamlin, who said Mr. Jordan planned the robbery and hit Mr. Rosenbaum on the head with a hard plastic pipe. Hamlin has pleaded guilty to second-degree murder and robbery in the case.

Other testimony in the trial last week came from John Snowden, who said he has known Mr. Jordan for about 30 years. Snowden said Mr. Jordan talked about the murder-robbery as they walked together Jan. 11 in Southeast.

"One time he mumbled and said they got a cracker," Snowden said. "He said they 'caught a cracker sleeping.' "

Defense attorney Mr. Starr suggested that Snowden talked to police and testified to get a $25,000 reward.

He said that Snowden previously has been charged with prison break, breaking and entering and drug charges and that he is on parole until 2008. Mr. Starr also suggested that police led Hamlin to implicate his cousin.

Researchers See Privacy Pitfalls In No-Swipe Credit Cards (NYT)

By John Schwartz

The New York Times, October 23, 2006

AMHERST, Mass. — They call it the "Johnny Carson attack," for his comic pose as a psychic divining the contents of an envelope.

Tom Heydt-Benjamin tapped an envelope against a black plastic box connected to his computer. Within moments, the screen showed a garbled string of characters that included this: fu/kevine, along with some numbers.

Mr. Heydt-Benjamin then ripped open the envelope. Inside was a credit card, fresh from the issuing bank. The card bore the name of Kevin E. Fu, a computer science professor at the University of Massachusetts, Amherst, who was standing nearby. The card number and expiration date matched those numbers on the screen.

The demonstration revealed potential security and privacy holes in a new generation of credit cards — cards whose data is relayed by radio waves without need of a signature or physical swiping through a machine. Tens of millions of the cards have been issued, and equipment for their use is showing up at a growing number of locations, including CVS pharmacies, McDonald's restaurants and many movie theaters.

The card companies have implied through their marketing that the data is encrypted to make sure that a digital eavesdropper cannot get any intelligible information. American Express has said its cards incorporate "128-bit encryption," and J. P. Morgan Chase has said that its cards, which it calls Blink, use "the highest level of encryption allowed by the U.S. government."

But in tests on 20 cards from Visa, MasterCard and American Express, the researchers here found that the cardholder's name and other data was being transmitted without encryption and in plain text. They could skim and store the information from a card with a device the size of a couple of paperback books, which they cobbled together from readily available computer and radio components for $150.

They say they could probably make another one even smaller and cheaper: about the size of a pack of gum for less than $50.

And because the cards can be read even through a wallet or an item of clothing, the security of the information, the researchers say, is startlingly weak. "Would you be comfortable wearing your name, your credit card number and your card expiration date on your T-shirt?" Mr. Heydt-Benjamin, a graduate student, asked.

Companies that make and issue the cards argue that what looks shocking in the lab could not lead to widespread abuse in the real world, and that additional data protection and antifraud measures in the payment system protect consumers from end to end.

"This is an interesting technical exercise," said Brian Triplett, senior vice president for emerging-product development for Visa, "but as a real threat to a consumer — that threat really doesn't exist."

The finding comes at a time of strong suspicion among privacy advocates and consumer groups about the security of the underlying technology, called radio frequency identification, or RFID. Though the systems are designed to allow a card to be read only in close proximity, researchers have found that they can extend the distance.

The actual distance is still a matter of debate, but the claims range from several inches to many feet. And even the shortest distance could allow a would-be card skimmer to mill about in a crowded place and pull data from the wallets of passersby, or to collect data from envelopes sitting in mailboxes.

"No one's going to look at me funny if I walk down the street and put a flier in everybody's mailbox," Mr. Heydt-Benjamin said.

The experiment was conducted by researchers here working with RSA Labs, a part of EMC, an information management and storage company. The resulting paper, which has been submitted to a computer security conference, is the first fruit of a new consortium of industry and academic researchers financed by the National Science Foundation to study RFID.

Security experts who were not involved in the research have praised the paper, and said that they were startled by the findings. Aviel D. Rubin, a professor of computer security at Johns Hopkins University, said, "There is a certain amount of privacy that consumers expect, and I believe that credit card companies have crossed the line."

The companies, however, argue that testing just 20 cards does not provide an accurate picture of the card market, which generally uses higher security standards than the cards that were tested. "It's a small sample," said Art Kranzley, an executive with MasterCard. "This is almost akin to somebody standing up in the theater and yelling, 'Fire!' because somebody lit a cigarette."

Chips like those used by the credit card companies can encrypt the data they send, but that can slow down transactions and make building and maintaining the payment networks more expensive. Other systems, including the Speedpass keychain device offered by Exxon Mobil, encrypt the transmission — though Exxon came under fire for using encryption that experts said was weak.

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Though information on the cards may be transmitted in plain text, the company representatives argued, the process of making purchases with the cards involves verification procedures based on powerful encryption that make each transaction unique. Most cards, they said, actually transmit a dummy number that does not match the number embossed on the card, and that number can be used only in connection with the verification "token," or a small bit of code, that is encrypted before being sent.

"It's basically useless information," said David Bonalle, vice president and general manager for advanced payments at American Express. "You can't steal that data and just play it back and expect that transaction to work."

While the researchers found that these claims were true for some of the cards they tested, other cards gave up the actual credit card number and did not use a token or change data from one transaction to another. They also took data in from some cards and transmitted it to a card-reader in the lab and tricked it into accepting the transaction. Mr. Heydt-Benjamin, in fact, was able to purchase electronic equipment online using a number skimmed from a card he ordered for himself and which was sealed in an envelope.

(None of the cards transmits the additional number on the front or back, known as the card validation code, that some businesses require for online purchases; Mr. Heydt-Benjamin chose a store that does not require the code.)

Mr. Kranzley said the MasterCard-issuing banks decided how much security they wanted to implement, but said that with 10 million of the company's chip-bearing cards on the market, some 98 percent of them used the highest standards.

"Today, there's an extremely small percentage of cards that have the characteristics that RSA has looked at in this report," he said. Visa and American Express representatives said all their cards conformed to the highest security standard.

Beyond the security on the cards themselves, the companies said, they have deployed fraud detection and prevention measures that block suspect purchases. And each company stressed that cardholders were not liable for fraud.

Dr. Fu acknowledged that the research involved a small sample, and added, "We would be happy to examine cards that have better security so that we can verify these claims." He added, however, that all of the cards they tested were issued this year, and all were felled by at least one of the attacks that they attempted.

Tom O'Donnell, a senior vice president at Chase, the largest issuer of the new cards, said that the attacks described in the paper would be too cumbersome in the real world. And the researchers said that other kinds of fraud, like so-called phishing scams in which criminals trick people into revealing credit card information through misleading e-mail messages and Web sites, were currently more effective.

Still, John Pescatore, vice president for Internet security at Gartner, a technology market research firm, said he was surprised by the lack of security in transmitting personal data. He said it was a mistake that companies often made in rolling out early versions of a technology.

"It's the classic 'Let's depend on security through obscurity — who's going to look?' " he said. "Then, whoops! As soon as somebody does look, you roll out the security."

All of the card companies said that they were in the process of deleting names from the stream of data transmitted to the card readers. "As a best practice, issuers are not including the cardholder name," Mr. Triplett of Visa said.

CIVIL LAW:

Less Means More: 3rd Circuit Fixes Congressional Typo (LAW)

By Shannon P. Duffy, The Legal Intelligencer

Legal Intelligencer, October 23, 2006

The Bauhaus school of architecture famously preached that "less is more," but the 3rd U.S. Circuit Court of Appeals has now taken that one step beyond, finding that in statutory construction, the word "less" sometimes actually means "more."

Following the lead of three other circuits, a unanimous panel of the 3rd Circuit held last week that a key provision of the Class Action Fairness Act includes a "typographical error" in which Congress accidentally used the word less when it meant to say more.

Under CAFA, a defendant named in a class action filed in the state courts may remove the suit to federal court.

The law also provides that if the federal court determines that the case should be sent back to the state courts, the defendant may file a discretionary appeal.

The glitch in the law, courts have discovered, is the wording of the time limit imposed on such appeals.

CAFA states that a federal appellate court "may accept an appeal" from a remand order "if application is made to the court of appeals not less than seven days after entry of the order."

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Read literally, the law seems to impose not a time limit on the appeal, but a waiting period followed by an unlimited time to appeal.

Now, in Morgan v. Gay, the 3rd Circuit has joined a growing chorus of appellate courts in saying that Congress obviously meant the opposite of what it said.

"Because the uncontested legislative intent ... was to impose a seven-day deadline for appeals, we conclude that the statute as written contains a typographical error and should be read to mean 'not more than seven days,'" U.S. Circuit Judge D. Brooks Smith wrote.

Smith, in an opinion joined by Judges Maryanne Trump Barry and Richard L. Nygaard, noted that the 9th, 10th and 11th circuits have all reached the same conclusion.

In Pritchett v. Office Depot Inc., the 10th Circuit said, "Given Congress' stated intent to impose time limits on appeals of class action remand orders and the limited availability of appeals prior to the statute's enactment, we can think of no plausible reason why the text of the act would instead impose a seven-day waiting period followed by a limitless window for appeal."

Smith said he recognized that looking to legislative history is a controversial practice that has been described as "looking over a crowd and picking out your friends."

But in the case of CAFA, Smith said, "the crowd speaks with one voice."

As a result, Smith concluded that "this court does not need to step into a statutory interpretation debate over the role of legislative history and congressional intent to conclude that [the law] needs common sense revision that accurately reflects the uncontested intent of Congress."

The ruling clears the way for the defense to pursue an appeal of an order by U.S. District Judge Garrett E. Brown Jr. of the District of New Jersey that remanded a class action brought by purchasers of the skin cream Stri Vectin-SD alleging false advertising and other claims.

Garrett ruled that the federal courts lacked jurisdiction over the case and remanded it to the New Jersey Superior Court.

Now the 3rd Circuit has agreed to hear an appeal of the ruling and will issue a second decision on the merits.

CIVIL RIGHTS:

O.C. Candidate Defends Letter Scaring Immigrants (LAT)

By Garrett Therolf

The Los Angeles Times, October 23, 2006

At a chaotic sidewalk news conference Sunday, Orange County congressional candidate Tan Nguyen defended a letter his campaign sent to 14,000 registered voters that warned in Spanish that immigrants could be jailed or deported for voting.

"There has been no crime committed, so why is there a criminal investigation three weeks prior to a very important election?" asked Nguyen outside his campaign office in Garden Grove. It was his first public appearance since the controversy erupted last week. "What is going on? Who is fueling this investigation?"

Nguyen, a Republican challenging Democratic Rep. Loretta Sanchez in the 47th District, said that he would stay in the race despite the national uproar over the letter and calls by Orange County Republican leaders for him to drop out.

"I am innocent, and there is no way in hell that I am going to withdraw," Nguyen said. "I am not going to quit this race, and I am going to win this race."

His speech was punctuated by outbursts from a crowd of roughly 50, who angrily demanded more information about the letter's authorship. Nguyen maintained that the letter was sent without his knowledge. But he added that, after firing the staffer he said was responsible for it, he was asking her to return because he believes the mailer was fair.

In the letter, registered voters with Latino surnames in Santa Ana, Garden Grove and Anaheim were warned "that if your residence in this country is illegal or you are an immigrant, voting in a federal election is a crime that could result in jail time...."

The mailer has sparked state and federal investigations over possible voting rights violations. On Friday, Nguyen's campaign headquarters, his home and a staffer's residence were searched by California Department of Justice investigators.

A spokesman for Atty. Gen. Bill Lockyer said Sunday that the investigators were continuing to review the evidence and movement in the case could come this week.

Orange County officials said they would decide this week whether to send a second letter to the affected voters making it clear that naturalized citizens have the right to vote.

Former U.S. Atty. William Braniff, a lawyer for Nguyen's campaign, said Sunday that the controversy was caused by the news media and others who inferred that the word emigrado, or immigrant, included U.S. citizens. In fact, Braniff said, emigrado in the letter merely referred to U.S. immigrants who have legal status but not citizenship — and thus do not have the right to vote.

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Braniff declined, however, to say why the campaign had used letterhead closely resembling that of the California Coalition for Immigration Reform without the group's permission and why it was signed by a fictional "Sergio Ramirez."

"These are fair questions and could be answered if they were being asked if this was a purely political forum, but there is an investigation going on," Braniff said.

He also declined to comment on accounts by sources familiar with the investigation who said an LAPD officer had paid for the $4,000 mailing of the letter .

Nguyen lambasted his opponent, Sanchez, saying she was "fueling this hysteria," and said investigators were "terrorizing my family and volunteers" and violating his right to free speech.

The candidate said his campaign had been crippled by the government's seizure of his mailing lists and other material.

No representative of the Sanchez campaign was immediately available for comment.

Schwarzenegger Ramps Up Pressure Over Orange County Mailing (LAT)

By Scott Martelle And Susannah Rosenblatt, Times Staff Writers

The Los Angeles Times, October 22, 2006

He says GOP candidate Nguyen should quit House race if he knew of his office's threatening letter to immigrants.

Gov. Arnold Schwarzenegger stepped up the pressure Saturday on an Orange County Republican congressional candidate, telling reporters that Tan Nguyen should withdraw if he knew about his campaign's mailing of letters intended to threaten immigrant voters.

Schwarzenegger denounced the mailings traced to Nguyen's campaign to unseat Democratic incumbent Loretta Sanchez in the 47th District and said that "anyone that knew … has to resign immediately."

Speaking during a campaign appearance in Santa Ana, the governor said the mailings "were illegal; it's a hate crime…. There should be no tolerance for this kind of behavior."

Democratic gubernatorial challenger Phil Angelides had earlier denounced Nguyen's campaign, which sent mailers to 14,000 registered voters. Written in Spanish, they warned that immigrants who cast a ballot could face jail time or deportation.

Nguyen, himself a Vietnamese immigrant, said Thursday that he had fired his campaign office manager because of the letter but that he had no prior knowledge of it. However, the chairman of Orange County's Republican Party has said that he was told by the mailing company that sent the letter that Nguyen was personally involved.

The Nguyen controversy — and key Republicans' quick action to distance the party from the mailings — pointed to a sharp contrast between the two major parties' approaches to the elections, just over two weeks away. As the Democrats seek to promote themselves as a unified slate, the Republicans are largely running as individuals.

Schwarzenegger made two Orange County campaign stops Saturday unaccompanied by other Republican candidates for statewide office, while the Democratic statewide candidates crisscrossed Southern California and stressed the need for unity.

Angelides began his day at a UC Berkeley football game tailgate party, then traveled to three Los Angeles-area labor rallies, which also drew such statewide Democratic candidates as John Garamendi, running for lieutenant governor; Cruz Bustamante, running for insurance commissioner; John Chiang, running for controller; and Debra Bowen, running for secretary of state; and local candidates.

"No matter where you go in this state, you see Democrats campaigning together," Angelides told about 200 supporters during an afternoon barbecue at a Gardena union hall. "These Republicans this year — in the year of George Bush's Republican Congress — they're all treating each other like they got the bird flu."

Despite Saturday's show of solidarity, the Democrats have their own fissures. Ray Cordova, chairman of the South Bay County Labor Council, told the Gardena crowd that he was "sick and tired" of seeing Senate President Don Perata and Assembly Speaker Fabian Nuñez "ride around the state" with Schwarzenegger rallying votes for Propositions 1A through 1E, which would spend $37 billion on state construction projects.

Schwarzenegger and the legislative leaders worked together to get the measures on the ballot and have since campaigned for them together.

But the theme of the day was unity, and the need to propel California voters to the polls by building on what recent surveys have shown could be a nationwide Democratic surge on election day. Angelides for the last two days has cited polls that he says have shown his campaign rallying from 17 to 7 points behind — though the polls were, in fact, sponsored by different polling organizations and do not necessarily demonstrate a trend.

"We are rocking and rolling," Angelides said in Gardena. "Those guys are slipping and sliding."

Schwarzenegger's campaign day was more low key. In Santa Ana, he admired cowboy apparel and browsed ranchera albums on 4th Street, chatting with store owners and pausing for photos, handshakes and autographs before a private meeting with the Hispanic 100 civic group, which has endorsed him.

Speaking to reporters, Schwarzenegger reiterated his support for immigration reform, advocating a guest worker program and, under specific conditions, driver's licenses for illegal immigrants.

"Right now we have this policy where everyone looks the other way and everyone does things illegally," he said. "This is not the right way to go."

He moved on to Cook's Corner, a biker roadhouse in Trabuco Canyon, arriving on his maroon Indian Chief motorcycle. Nearly a thousand Harley-Davidsons and other choppers gleamed in the sun as part of the "California Dream Ride" to raise money for an organization that supports military families.

"I could have gone anywhere else in the world; I would not have remotely achieved the things that I have achieved, and it is all because of California," Schwarzenegger told the crowd.

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ANTITRUST:

We're Google. So Sue Us. (NYT)

By Katie Hafner

The New York Times, October 23, 2006

SAN FRANCISCO, Oct. 19 — Google attracts millions of Web users every day. And, increasingly, it's attracting the attention of plenty of lawyers, too.

As Google has grown into the world's most popular search engine and, arguably, the most powerful Internet company, it has become entangled in scores of lawsuits touching on a wide range of legal questions, including copyright violation, trademark infringement and its method of ranking Web sites.

Any company that is large and successful is going to attract lawsuits, and Google's deep pockets make it an especially big target. But as it rushes to create innovative new services, Google sometimes operates in a way that almost seems to invite legal scrutiny.

A group of authors and publishers is challenging the company's right to scan books that are still under copyright. A small Web site in California is suing Google because it was removed from the company's search results. And European news agencies have sued over Google's use of their headlines and photos in Google News.

In these cases and others, potential legal problems seem to give the company little pause before it plunges into new ventures.

"I think Google is wanting to push the boundaries," said Jonathan Zittrain, professor of Internet governance and regulation at Oxford University.

"The Internet ethos of the 90's, the expansionist ethos, was, 'Just do it, make it cool, make it great and we'll cut the rough edges off later,' " Professor Zittrain said. "They're really trying to preserve a culture that says, 'Just do it, and consult with the lawyers as you go so you don't do anything flagrantly ill-advised.' "

Now, with its planned $1.65 billion acquisition of the video site YouTube, which contains not just homemade videos but also copyrighted clips that users upload without permission, some observers say Google is exposing itself to a new spate of lawsuits.

Along with YouTube's 34 million viewers, Google will inherit a lawsuit filed last summer against the company. Robert Tur, who owns a video from the 1992 riots in Los Angeles that shows a trucker being beaten by rioters, is suing YouTube, accusing it of copyright infringement.

"Clearly, we investigated that whole issue," said David C. Drummond, Google's general counsel and senior vice president of corporate development. Mr. Drummond pointed to the "safe harbor" provision of the 1998 Digital Millennium Copyright Act. A number of courts have held that under this provision, Web sites are not liable for copyrighted content posted by users, as long as they promptly remove it when it is pointed out to them.

"We rely on the same safe harbor that YouTube relies on, so we're fairly familiar with the issues," Mr. Drummond said. "If you look at it, it's somewhat illustrative of the kinds of lawsuits we face."

Google has been known to settle, but for the most part it aggressively fights litigation — so far with a good deal of success.

Over the last few years, the company has spent millions in legal fees and hired a small army of bright young lawyers, many of them technically proficient and experts in the field of intellectual property.

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The company's legal department has grown from one lawyer in 2001 to nearly 100 lawyers now, not just at its headquarters in Mountain View, Calif., but also overseas. The company has also retained counsel at many outside law firms.

Many of the lawsuits Google is facing carry little weight. Yet it has a vested interest in fighting all of them, even those of questionable merit, and seeing that they are resolved quickly. In part, this is because any lawsuit that reaches the discovery, the pretrial fact-finding phase, poses the danger of revealing too much about Google's proprietary technology. Google also has an interest in establishing a solid body of legal interpretation in its favor.

Many of the plaintiffs are asking for damages, but money is not always the issue. There are several cases, focusing on questions of intellectual property and trademark protection, that challenge Google's whole way of doing business. These plaintiffs are suing Google to protect their well-established practices; their interest is not so much in remuneration as it is in getting Google to change its approach.

Peter S. Menell, a professor at Boalt Hall School of Law at the University of California, Berkeley, said that although Google's well-established core search functions are not at risk, "there are a number of areas now in which new and exciting business models are being threatened."

Cases addressing trademark protection in Google's ad system could hurt its bottom line, as the company's revenue comes mainly from advertising sales, said Eric Goldman, director of the High Tech Law Institute at the Santa Clara University School of Law in California.

In one of the most important such cases to date, last year a federal judge in Alexandria, Va., dismissed a claim by Geico, the auto insurance company. Geico said that a Google policy of permitting Geico's competitors to buy advertisements tied to searches for the keywords "Geico" and "Geico Direct" confused Web surfers looking for the company's site. The two companies settled the case before the judge reached a full decision on the other issues involved.

"This is Google's cash cow," Professor Goldman said. "If they can't sell keywords freely, they're not worth their market valuation."

Michael Kwun, a senior litigation counsel at Google, agreed that "the Geico case was very important." Mr. Kwun said that establishing a body of precedent was a priority for Google, especially as legal interpretations continued to evolve. "If we don't at least litigate to the point where we get rulings on the issues that matter to us, we're left with less clarity in the law," he said.

Yet in the course of a long run of legal triumphs there have been a few bumps, and Google is facing some uncertain outcomes in the coming months.

Copyright challenges are at the center of the uncertainty. In one case that could have large ramifications, Perfect 10, a publisher of pornographic magazines and Web sites, sued Google for using thumbnail-sized reproductions of photos in its image search results, among other things.

Earlier this year, a Federal District Court judge in California said Google had violated copyright because it had undermined Perfect 10's ability to license those images for sale to mobile phone users, and he issued a preliminary injunction. Google appealed the decision, and oral arguments before the United States Court of Appeals for the Ninth Circuit are scheduled for next month.

Google's use of snippets of copyrighted works has also raised the ire of news outlets.

Last month, a Belgian court ordered Google to stop publishing headlines from Belgian newspapers without permission or payment of fees. And in a case pending in a Federal District Court in Washington, Agence France-Presse is suing Google, accusing it of violating its copyright by using its headlines, photographs and story fragments in Google News.

Google is arguing that news headlines and short phrases are not copyrightable.

"From our perspective, these are simple issues that were decided a long time ago," said Alex Macgillivray, 34, whose title at Google is senior product counsel.

The company is making the same argument in cases pending against its book search service. Representatives of publishers and authors are challenging the company's practice of scanning books that are still under copyright. They argue that because Google must copy an entire book to make it searchable, it is violating the copyright of the author or publisher if it does so without permission.

Google has offered to let publishers opt out of the book search program but has refused to ask permission to make the copies in advance.

Google has been known to settle cases. But in general it mounts a vigorous defense, Mr. Goldman said. "If they get sued, they turn the tables on the plaintiff and file motions to get the upper hand in the case," he said.

Last spring, KinderStart, a small search engine in Southern California that focuses on information for parents of young children, sued Google after it noticed that its site had been removed from Google's search results — leading to a loss of traffic and revenue for the company.

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Google said in court filings that an area of the site that permitted visitors to add links had been full of pointers to low-quality or pornographic sites, indicating that it was poorly maintained or was an effort to manipulate Google's search results. KinderStart said the removal was unfair and unjustified and that Google's guidelines on ways to avoid such punishment were too vague.

A federal judge in San Jose dismissed the first version of the complaint, in essence agreeing with Google that the company is free to shape its search results in any way it chooses. KinderStart has filed a second, amended complaint, which is scheduled to be heard by the same judge on Friday.

"We're not against innovation at all," said Gregory J. Yu, a lawyer for KinderStart. "But Google should not dictate what we should or should not see and find on the Web. They can knock off these small Web sites and there's nothing the small Web sites can do."

In the KinderStart case, Google was quick to take the offensive. Shortly after the lawsuit was filed last spring, Google responded with a motion that, if granted, would throw out several of KinderStart's claims and require KinderStart to cover Google's legal fees. The judge deferred consideration of the motion.

Professor Zittrain of Oxford said Google's corporate mantra — "to organize the world's information and make it universally accessible" — gives some insight into its approach.

"They actually see that as Promethean," Mr. Zittrain said. "They think of it as bringing fire to humankind. And it may even cause them to be bolder than other companies."

Google's legal muscle and shrewdness are not lost on those on the other side of the fights.

"We've got a formidable legal team, but obviously it's nowhere near the unlimited resources of Google," said David A. Milman, the chief executive of Rescuecom, a nationwide computer repair company that sued Google on trademark infringement grounds similar to Geico's — and quickly lost. The company said that it would appeal the decision.

"People say you can't fight the government," Mr. Milman said. "Google, in this case, is very similar to the government. They're the government of the Internet."

Icahn Ally Gets ImClone Seat (USAT/BLOOM)

By Lisa Rapaport And Angela Zimm

USA Today, October 23, 2006

Billionaire investor Carl Icahn moved closer to gaining control of ImClone Systems with the naming of an additional ally to the biotechnology company's board.

The new director, pediatric surgeon Peter Liebert, fills one of the vacancies created with the departure earlier this month of William Crouse and Chairman David Kies, ImClone said Friday in a statement.

The second opening won't be filled, reducing the number of seats to 11. Icahn and his associates now hold five.

Icahn, 70, said earlier this week he had two-thirds of the support needed to oust interim Chief Executive Officer Joseph Fischer and three other directors, which would cut the size of the board to seven. Since August, Icahn has been raising his ownership and pushing to install an experienced biotech CEO to expand sales of ImClone's only product, the cancer drug Erbitux.

"The stock hasn't responded much because the market is not putting much faith in Icahn's ability to operate here," said Les Funtleyder, an analyst with Miller Tabak in New York. "Either investors don't think Icahn can get the full board, or they think options for ImClone are limited even if he does get full control."

Shares of ImClone fell 17 cents to close at $29.74 in Nasdaq composite trading Friday. The stock has declined 13% this year.

The New York-based company's second-biggest shareholder, with 14%, Icahn won election to the board Sept. 20. He had pushed for the resignation of Kies and Crouse. ImClone's biggest holder is Bristol-Myers Squibb, with 17%.

Icahn said earlier last week in a letter to shareholders that ImClone's management made several "missteps."

The company failed to push "an aggressive development program" for Erbitux, he said, and he criticized the board for hiring a "string of CEOs who failed to act."

The board includes two directors Icahn isn't trying to remove who aren't his associates: Andrew Bodnar, a senior vice president of New York-based Bristol-Myers, and David Sidransky, ImClone's vice chairman and a cancer doctor at the Johns Hopkins University medical school in Baltimore.

China Asserts Patent Rights In US Courts (FT)

By Patti Waldmeir

Financial Times, October 23, 2006

Chinese companies have begun to defend their patent rights increasingly aggressively in US courts, legal experts say.

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"Within the past year or two, the Chinese have begun standing up for themselves and testing the limits of intellectual property rights that are asserted against them," says Mark Hogge, a patent attorney at the law firm Greenberg Traurig. "They are learning the rules of engagement in the US marketplace and that includes intellectual property litigation."

Some Chinese companies are even going on the offensive in the US for the first time, and filing their own patent lawsuits against US competitors.

This year, Netac, a manufacturer of computer flash memory products based in Shenzhen, China, brought a patent suit against a New Jersey rival in a federal court in Texas, in what is believed to be the first time that a mainland Chinese company has sued an American one for patent infringement.

"This could be a harbinger of things to come," says Tony Chen, a US-trained patent attorney in the Shanghai office of the US law firm, Jones Day. "Chinese companies are treating intellectual property lawsuits as an effective competition tool in the marketplace."

Tom Jarvis, a patent attorney at the US law firm Finnegan Henderson Farabow Garrett & Dunner, who practices before the US International Trade Commission (ITC), where many patent disputes involving China are heard, predicts that "within five years the number of patent litigations instigated by Chinese companies in the US will grow exponentially".

US companies can challenge the importation of Chinese products before the ITC, alleging that they infringe a US patent practiced by a US company. But Chinese companies can use the ITC too, he says, if they believe a US company is violating their patent rights in the US market.

He says China is increasingly the target of litigation at the ITC, with the number of claims against mainland Chinese companies multiplying rapidly since 2000.

Historically, Chinese companies did not aggressively defend themselves against such suits, usually agreeing to settle, design around the disputed patent, or fail to show up and lose by default.

"Over the past 10 years, patent owners have won in about half of ITC cases against Chinese companies, but in the other half, Chinese companies have either won, forced the patent owner to withdraw the complaint, or obtained an agreed-upon settlement," says Mr Jarvis.

"The Chinese are now at a place where they aren't taking the hit and are going to take a stand," says Mr Hogge. Like Japan, Korea and Taiwan before it, China is becoming more aggressive in protecting its intellectual property as Chinese industry becomes more sophisticated, moving away from copying foreign products and towards innovation.

The increasing importance of intellectual property to Chinese companies was demonstrated earlier this month by figures from the World Intellectual Property Organisation (WIPO), showing patent filings in China (half of them by Chinese) have increased sevenfold in the past 10 years.

Getting sued for patent infringement in the US is very costly, but it can have benefits, says Mr Chen. Chinese companies are increasingly realising "it may not be a bad thing to be a defendant in a lawsuit because we get free publicity".

ENVIRONMENT:

Report: BP Knew Texas City Risk Before Blast (MRKTWTCH)

Market Watch, October 23, 2006

LONDON (MarketWatch) -- An internal BP PLC (BP) report two years ago acknowledged that to save money the company failed to tackle known risks at its Texas City refinery in the U.S., the U.S. Chemical Safety and Hazard Investigation Board may say in its report on a March 2005 explosion at the facility which killed 15 workers, British Broadcasting Corp. reported Sunday.

The BBC's File On Four investigative radio program to be broadcast Tuesday at 1900 GMT said the safety watchdog, which has yet to issue its final report on the explosion, "alleges BP failed to learn from a string of dangerous events at Texas City going back to the 1990s".

The program's reporter Julian O'Halloran said the board "cites an internal BP audit two years ago that to save money the company was failing to tackle known risks."

BP, he added, had declined to comment, saying the board had yet to issue its final report or consult the company on its finding.

BP has been under growing scrutiny from regulators and the press in the wake of a series of operational and governance problems in the U.S.

Texas City has been among its biggest headaches.

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Company-generated reports on the 2005 accident pointed to poor management and a lack of hazard awareness. Regulators have been scathing in assessing the company's record at the plant; the Occupational Health and Safety Administration referred the case to the Justice Department for a criminal investigation.

Plaintiffs' attorneys are to argue in litigation that the explosion was caused by management lapses so egregious they trigger the penal code.

Faced with a burgeoning slate of operational and governance problems in the U.S., the U.K. oil giant is feverishly trying to settle remaining suits emanating from the explosion that killed 15 workers and injured as many as 170. The goal is to avert a bruising courtroom showdown, due in November, with victims and family members who lost loved ones in one of the worst industrial accidents in recent years.

BP recently appointed a new refinery manager at the 460,000 barrel-a-day capacity Texas City plant. BP has broadly accepted responsibility for the explosion, which occurred on March 23, 2005 during the botched restart of a processing unit used to produce octane for gasoline. The company cited weak management, murky communications and "a poor level of hazard awareness," according to a 192-page report released by BP in December 2005.

A Reason To Drill In The Gulf (opinion) (NYT)

The New York Times, October 23, 2006

It is time to make a serious effort to save the vanishing wetlands and barrier islands along the coast of Louisiana. The best chance is a bill passed by the Senate that would guarantee Louisiana and three other coastal states a share of oil and gas revenues from drilling in the Gulf of Mexico. The states would be expected to use the proceeds largely for coastal restoration and related projects. The House should adopt this measure in its present form during the coming lame-duck session, and President Bush should sign it.

Since the deluge of Hurricane Katrina anniversary coverage in August, there has been very little talk about the safety of New Orleans and the surrounding region. In fact, the city and the region are more vulnerable than ever.

Even before last year's storms, the wetlands and barrier islands that provide a protective buffer were eroding at a rate of 25 square miles a year — the result of a half-century of calamitous mismanagement of Mississippi River water flows. Katrina and Rita together snatched away another 217 square miles. Levees, of course, are necessary to protect New Orleans and other low-lying areas, but they are only the final line of defense. Healthy wetlands are essential to any long-term plan.

The Senate bill — whose principal architect is Mary Landrieu, a Louisiana Democrat — would open up 8.3 million acres of the Gulf of Mexico to new oil and gas development. Half the royalties would go to the federal treasury, 37.5 percent would go to the four coastal states, and the rest would go into a fund to help other states purchase open space.

Our support for this bill should not be taken as a blanket endorsement of offshore drilling — nor as an endorsement of a mischievous bill sponsored by Representative Richard Pombo, Republican of California, and passed by the House last summer. The Pombo bill would end a longstanding federal moratorium on oil and gas drilling on the entire American coastline. The Landrieu bill would simply enlarge the drilling area in the gulf, where oil and gas exploration has been broadly accepted for years.

Mr. Pombo is hoping that the Senate will agree to a conference committee in which the two bills can be married. But his bill is so poorly thought out as to be unacceptable, even as a starting point for compromise. A conference committee would also leave the protection of America's coastal waters to the mercy of closed-door horse trading.

Ms. Landrieu opposes any such compromise and so, to his credit, does the Senate majority leader, Bill Frist. They are hoping to persuade the House to accept and approve Ms. Landrieu's narrower bill before the present Congress comes to an end.

Is this an impossible objective?

Not if sensible people in the House think carefully about it. The Landrieu bill targets an immediate need. The House should not see it as a rival to Mr. Pombo's bill — which has no chance of passing the Senate — or, for that matter, as primarily an energy bill. The House should instead see it as a way to restore the health of a battered ecosystem, as future protection for the livelihoods of hundreds of thousands of people, and as a way to deliver on unfulfilled promises.

FBI/DEA/ATF/USMS:

Merriman Suspended After Testing Positive For Steroids (SDUT)

By Kevin Acee, Union-tribune Staff Writer

The San Diego Union-Tribune, October 23, 2006

KANSAS CITY, Mo. – Chargers linebacker Shawne Merriman will be suspended for four games for violating the NFL substance abuse policy, sources close to Merriman said.

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A source said the appeal process is ongoing and that there is “a reason behind this.”

Said the source: “This is not the finality of it.”

The positive test and suspension were first reported by ESPN.com while the team was flying home from its game in Kansas City last night. The Web site cited a source with knowledge of the test saying it was “definitely for steroids not one of those supplement deals.”

ESPN later reported that both Merriman's “A” and “B” samples had come back positive.

The initial positive occurred more than a week ago.

Team officials did not return phone messages last night. Merriman did not return messages and is not expected to comment until he and his attorney have a chance to confer further.

According to ESPN.com, Merriman's suspension originally was to be announced last Tuesday when two other players – Atlanta Falcons guard Mark Lehr and Detroit Lions defensive tackle Shaun Rogers – were suspended for violating the policy. But Merriman appealed, so his suspension was not announced.

First-time offenders of the NFL's steroid policy receive a minimum four-game ban, the equivalent of one-fourth of the regular season. A second positive test fetches eight games, and a third positive gets a yearlong suspension.

In addition, according to the NFL's Policy on Anabolic Steroids, suspended players may not “participate in team activities, use the club's facilities or have contact with any club officials except to arrange off-site medical treatment.”

Players also must test negative for all prohibited substances before they are reinstated.

By comparison, first-time offenders for anabolic steroids in Olympic sports face a two-year competition ban. A second offense results in a lifetime ban.

Merriman, listed at 6-foot-4, 272 pounds, was the NFL Defensive Rookie of the Year after making 10 sacks last season and was a Pro Bowl starter. His 5-½ sacks this season are second on the team.

When Merriman's suspension begins, the Chargers will be without several key players on defense.

Linebacker Shaun Phillips, who has a team-high six sacks, suffered a strained calf in yesterday's 30-27 loss to the Chiefs and is expected to miss four to six weeks.

The absence of those two could dramatically alter the approach of the Chargers' defense.

Carlos Polk and Marques Harris are expected to be the primary replacements for Phillips and Merriman. But defensive coordinator Wade Phillips could also make other changes.

Whoever steps in will not have the same pass rush ability and ability to dominate as Merriman and Phillips.

Additionally, defensive end Igor Olshansky had surgery last week to repair a torn meniscus and is out at least another two games.

Already, the team is playing this season without Steve Foley. Phillips was starting in his place after Foley was shot by an off-duty police officer the week before the season opener.

Safety Terrence Kiel missed a game earlier this season after he was arrested at the team's facility in late September and later admitted to shipping prescription codeine to Texas. Kiel earlier this month pleaded not guilty to five felony charges.

Chargers' Merriman Is Facing Suspension (WP)

By Mark Maske, Washington Post Staff Writer

The Washington Post, October 23, 2006

Star Reportedly Failed Steroid Test

San Diego Chargers defensive end-linebacker Shawne Merriman is facing a four-game suspension by the NFL for a positive result under the league's steroid-testing program, two sources familiar with the test result said last night.

Merriman and his representatives still are appealing the suspension, said the sources, who spoke on the condition of anonymity because results of players' drug tests are confidential.

ESPN first reported last night that Merriman had been informed of the positive test but the suspension had not been imposed because an appeal by Merriman was pending. The positive test was for steroids, not a related supplement, and was to be announced last week before Merriman appealed, ESPN reported.

Merriman and Chargers officials were not immediately available to comment as the team traveled back to San Diego after yesterday's loss at Kansas City.

Merriman, a Washington native and a graduate of Douglass High School in Upper Marlboro, is in his second NFL season after being selected in the first round of last year's draft from the University of Maryland. He has established himself as one of the league's top pass rushers. He had 10 sacks and was the NFL's defensive rookie of the year and a Pro Bowl starter last season and has 5 1/2 sacks in six games this season.

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Under the NFL's policy on steroids and related substances, a player is suspended for four games without pay for a first positive test. Two other NFL players -- Atlanta Falcons guard Matt Lehr and Detroit Lions defensive tackle Shaun Rogers -- were suspended last week under the policy.

Sources: Chargers' Merriman Suspended For Steroids (KABC)

KABC-TV, October 23, 2006

Chargers linebacker Shawne Merriman has been notified he will be suspended for four games for violating the NFL's steroids and related substances policy, league and team sources told ESPN's Chris Mortensen.

Merriman's positive test was "definitely for steroids ... not one of those supplement deals," said a source with knowledge of Merriman's suspension.

Merriman, 22, was the NFL Defensive Rookie of the Year last season and started in the Pro Bowl after recording 54 tackles and 10 sacks. He also finished with five passes defended and two forced fumbles. Through six games this season, Merriman was second on the Chargers with 5.5 sacks.

The San Diego linebacker has acquired the nickname "Lights Out" for his hard hits and aggressive demeanor.

"Shawne, of course, he's something," Chargers coach Marty Schottenheimer said after Merriman won top honors for first-year players. "He's an extremely talented young man who brings it every snap. ... He's very, very competitive."

Merriman's suspension originally was to be announced last Tuesday when two other NFL players -- the Falcons' Matt Lehr and the Lions' Shaun Rogers -- were suspended for violating the policy. But Merriman reserved the right to appeal his suspension, so it was not announced.

"Per the collective bargaining agreement, the Chargers aren't allowed to comment on reports or results involving the league's substance abuse policy," Chargers spokesman Bill Johnston said Sunday night.

Merriman's suspension is the latest on a laundry list of on- and off-the-field issues Schottenheimer has had to deal with this season.

From a strictly football standpoint, Merriman's four-game absence decimates a San Diego defense already reeling from injuries.

Linebacker Steve Foley was shot in the leg by a off-duty police officer on Sept. 3 and was subsequently placed on injured reserve. Foley's replacement, Shaun Phillips, injured his right calf in Sunday's 30-27 loss to Kansas City and will be out four to six weeks.

In addition, defensive end Igor Olshansky is out after having arthroscopic knee surgery and is likely to miss a month.

Off the field, the situation has been at least as devastating.

Safety Terrence Kiel is currently facing five felony drug charges relating to the shipping and possession of large quantities of prescription cough syrup, which is a controlled substance. Although Drug Enforcement Administration investigators said Kiel admitted he shipped at least two packages and knew of the contents, Kiel pleaded not guilty at his arraignment earlier this month.

Foley, meanwhile, has been charged with two counts of misdemeanor DUI stemming from his confrontation with an off-duty Coronado, Calif., police officer.

Police said that Foley, who, according to his agent, David Levine, is currently unable to walk or stand without assistance, had been partying in downtown San Diego and registered a blood-alcohol level of .233 percent, nearly three times California's legal limit of .08 percent.

The charges carry enhancements that include being charged with DUI within 10 years of a prior conviction and having a blood-alcohol level exceeding .15.

Foley has been arrested at least five times since 1999, including cases that police say involved alcohol and confrontations with officers.

Information from The Associated Press was used in this report.

Report: Chargers' Merriman Suspended For Steroids (SN)

Sports Network, October 23, 2006

San Diego, CA (Sports Network) - San Diego Chargers standout linebacker Shawne Merriman will reportedly be suspended for four games for violating the NFL's substance abuse policy.

The San Diego Union-Tribune reported a source saying there "is a reason behind this."

ESPN first reported the suspension of Merriman, stating the linebacker's "A" and "B" samples came back positive.

Merriman, who was the NFL's Defensive Rookie of the Year, had 10 sacks last season. He started Sunday's 30-27 loss at Kansas City and finished with eight tackles, second-most on the club. He has 5 1/2 sacks this season.

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If the suspension is announced this week, Merriman wouldn't be eligible to return to the Chargers until the November 26 home game against Oakland.

San Diego has a 4-2 record going into Sunday's home game against St. Louis.

The Union-Tribune also reported linebacker Shaun Phillips, who has a team-best six sacks, will be out the next 4-to-6 weeks due to a strained calf muscle he suffered in the game at Kansas City.

Records Detail Cocaine Scheme (HTRIB)

The Herald Tribune (Southwest Florida), October 21, 2006

SARASOTA -- Three men met at the Ritz-Carlton in February to talk business -- the sale of several kilos of cocaine, and a way to launder drug money to leave no trace of the crime -- according to federal court records released Friday.

At the meeting, Luciano Angrilli, a manager of Khrome nightclub, bragged his boss could launder the drug sale proceeds because he is a "miracle worker" who owns all the Jackson Hewitt Tax Offices from Tampa to Venice, the records show.

Angrilli's boast was recorded by one of the men, a police informant wearing a wire, as part of a yearlong investigation that's still under way. It involves 10 kilograms of cocaine, $280,000 in cash and wire transfers, and a Sarasota businessman now charged with money laundering.

Angrilli was arrested on drug possession charges when he went to a commercial storage warehouse to load the cocaine into his trunk, the records say. The friend who drove him there, Michael Parsons, is also charged.

The same day, agents searched the office of Daniel Prewett, 56, of Sarasota, owner of a Jackson Hewitt accounting office. Prewett is accused of being the head of a local drug distribution ring, and faces charges that he laundered drug money through his accounting business.

Prewett, a felon who did time in a New York prison for a tax-fraud scheme, is involved in dozens of local businesses run from his Jackson Hewitt office at Clark and Beneva roads. He is also president of an investment company and another firm called J.H. Accounting, state records show.

The investigation into Prewett started with a tip that he provided money to buy large amounts of cocaine and ecstasy through Angrilli, a manager at his two nightclubs, Khrome and Ecstasy.

At the meeting at the Ritz, the two informants gave Angrilli a peek at $200,000 in cash, which earned them a meeting with Prewett, the court records show.

Prewett was recorded discussing different ways he could launder the money and transfer it to a bank account, explaining that he would have to be able to prove where the money came from, the records show.

There was talk of setting up a fake loan, then providing documentation that the loan had been paid off and then wiring the money to them a few days later.

Prewett agreed to launder the proceeds for a 10 percent commission, the complaint states.

An undercover DEA agent delivered $100,000 of supposed drug money to Prewett two times with the informants, and both times Prewett wired $90,000 to an undercover DEA account from an account belonging to J.H. Investment Services Inc., the records show.

On Oct. 10, an informant agreed to sell Angrilli 5 kilograms of cocaine for $80,000, and the next day the undercover account received a wire transfer for that amount from J.H. Investment Services.

Agents arranged the pickup at a commercial storage building on 17th Street on Monday and put the cocaine in 5-pound cardboard barrels. Michael Parsons was driving the car Angrilli arrived in.

Angrilli put one barrel in the trunk and Parsons put a second one in. Agents and detectives then arrested them, the records say.

Prewett agreed to answer questions when his office was searched that same day, and admitted to wiring the $80,000 to purchase the cocaine, the complaint states.

Doctor To Go To Prison On Drug Charges (JHN)

Joliet Herald News, October 21, 2006

A federal judge on Thursday sentenced a doctor who practiced in Dwight and Wilmington to six months in prison after he pled guilty to narcotics charges.

Dr. Parambaloth Edwin entered the guilty plea in August, about 10 days before he was to stand trial on 12 charges of distributing to patients the prescription painkiller hydrocodone, the generic name for Vicodin. He also faced five charges of failing to keep accurate records for 50,000 doses of hydrocodone, a controlled substance.

Judge Samuel Der-Yeghiayan imposed the maximum under federal sentencing guidelines though Edwin, sought probation. The judge also issued a $5,000 fine, said an assistant U.S. attorney in the Chicago office of the Northern Illinois district.

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Edwin pled guilty to the five record-keeping charges and prosecutors agreed to drop the 12 distribution charges, said Madeleine Murphy, who handled the case. Edwin, 66, lives in Dwight and had an office there, though the charges were made about his practice in Wilmington.

Edwin will surrender to federal prison officials Jan. 8, 2007, she said. After he serves the prison term, he will be on one-year of supervised release, which includes reporting to a probation officer, Murphy said.

The Illinois Department of Professional Regulations suspended Edwin's medical license in 2003. In the plea agreement, Edwin promised not to seek a new license until at least April, 2009, Murphy said.

The Drug Enforcement Administration audit of Edwin's practice for 16 months found he had purchased 350,000 hydrocodone tablets and could not account for 50,000 tablets, Murphy said. Vicodin is used after dental procedures and car accidents, with the intention of dealing with short-term pain, she said.

Officials in Will and Grundy counties became suspicious of Edwin after six of his patients died. Federal agents had raided Edwin's Wilmington office and seized records in 2003. Edwin was indicted in June 2005.

Slain Man's Fugitive Brother To Be Sought At Funeral (PALMBEACHP)

By Allyson Bird, Palm Beach Post Staff Writer

Palm Beach Post (FL), October 21, 2006

As family members say goodbye to Jose Luis Escobedo, his wife, Yessica, and their two toddler boys, Luis Damian and Luis Julian, in Brownsville, Texas, Monday, authorities will keep a close watch at the funeral for Escobedo's younger brother.

Jose Manuel Escobedo was sentenced to 10 years in federal prison for conspiracy to distribute cocaine in 2003. Labeled an escapee by the federal Bureau of Prisons, he disappeared on his way to a work camp seven months ago.

Family slain

Jose and Yessica Escobedo with sons Luis Damian and Luis Julian.

Husband, wife and two children from Greenacres found shot to death off Florida's Turnpike in northern Port St. Lucie. Puzzled police searching for clues.

The younger brother arrived at Oakdale Correctional Complex in Louisiana, a minimum security prison, in March 2005. Rolando Jimenez, an executive assistant at the facility, said Escobedo had no discipline problems and took public transportation to transfer to a work camp less than a year after arriving at Oakdale. But he never reported to the work camp.

The younger Escobedo was born one day short of exactly one year after his 29-year-old brother. His Oct. 13 birthday is the day his brother, his sister-in-law and his 3- and 4-year-old nephews were shot to death alongside Florida's Turnpike in Port St. Lucie.

A Drug Enforcement Administration spokesman from Houston would not comment on a possible connection between Jose Luis Escobedo's death and his brother's drug-trafficking past.

Rita Flores, the Escobedos' sister, said the family has not heard from Jose Manuel and does not know where he is. The family also didn't know about extra security planned for the funeral services.

Brownsville police Lt. James Paschall said officers will be on hand not only to provide traffic control and relief from the heat, but also to be on the lookout for Jose Manuel Escobedo.

While the younger brother has no arrest record in Brownsville, Paschall said his arrest on federal charges in 2003 was a "big story" in the border town.

"We are familiar with him," Paschall said. "We'll get real excited if he does show up."

Paschall had not heard of any sightings of the younger Escobedo since his escape.

Jose Manuel Escobedo's 2003 indictment shows that he and two other men planned to sell at least 5 kilograms of cocaine, worth as much as $150,000, between 2002 and 2003.

Robert Hobbs, assistant U.S. attorney for the eastern district of Texas, prosecuted Escobedo during the sentencing phase of his trial. He said Escobedo and the two other men were part of a second round of nearly 20 indictments.

Hobbs said Escobedo "was one of the suppliers selling large quantities of cocaine" in the Houston area.

He said defendants from Brownsville, such as Escobedo, are often part of the notorious Gulf cocaine cartel, which has a hub directly across the border in Matamoros, Mexico. Hobbs did not know whether Escobedo was involved in the cartel.

Hobbs said Houston, where Escobedo was arrested, has replaced Miami as the country's drug capital.

"Houston is a source city," Hobbs said. "Along the Texas-Mexico border, it has supplanted (Miami)."

The St. Lucie County Sheriff's Office declined to comment on Friday.

The Jose Luis Escobedo family moved to Greenacres in June and rented a home. Three days after they were slain, their Jeep Cherokee was found in a warehouse district in West Palm Beach.

DOJ_NMG_0085090

Police Want To Question Brother Of Murdered Man (MH)

The Miami Herald, October 23, 2006

The first hint of a possible clue in the killings of a family of four along Florida's Turnpike two weeks ago has emerged.

Police want to question the fugitive brother of the man killed along with his wife and their two young sons and left on a grassy knoll off the turnpike early Oct. 13 in Port St. Lucie, The Palm Beach Post has reported.

The paper said José Manuel Escobedo, a convicted drug dealer and younger brother of slain José Luis Escobedo, 28, has been at large since he disappeared on his way to a work camp in Louisiana seven months ago. He had been sentenced to 10 years in prison for conspiracy to distribute cocaine in 2003.

Federal and Florida investigators have not suggested a motive for the killings, and it's unknown if the brothers had been in contact.

Four months ago, José Luis Escobedo had moved his family to Greenacres in Palm Beach County from Brownsville, Texas.

A spokesman for the Drug Enforcement Administration in Houston declined to comment on a possible connection between the brother's past and the four killings, according to The Associated Press.

On Sunday at the viewing for the slain family in Brownsville, police were present and on the lookout for the fugitive brother. The services were attended primarily by relatives, who were concerned about intrusive photographers.

"They wanted it private, but there are a lot of reporters from Florida and San Antonio," said Roy Vento, director of the funeral home. ``They didn't want them inside the funeral homes, especially if that meant taking pictures of the caskets or the bodies in the caskets."

FUNERALS FOR FAMILY

Funerals are today for the young father, his wife, Yessica Guerrero Escobedo, 25, and the couple's sons, Luis Julián, 4, and Luis Damián, 3.

The Post said authorities in Brownsville will also keep a close watch at the service and burial for Escobedo's younger brother.

According to The Post, the younger brother arrived at Oakdale Correctional Complex in Louisiana, a minimum security prison, in March 2005.

Rolando Jimenez, an executive assistant at the facility, said Escobedo had no discipline problems and took public transportation to transfer to a work camp less than a year after arriving at Oakdale. But he never reported to the work camp, The Post said.

The slayings occurred on the fugitive brother's birthday -- Oct. 13.

Rita Flores, the Escobedos' sister, said the family has not heard from José Manuel and does not know where he is. The family also didn't know about extra security planned for the funeral services.

Brownsville police Lt. James Paschall said officers will be on hand not only to provide traffic control and relief from the heat, but also to be on the lookout for José Manuel.

While the younger brother has no arrest record in Brownsville, Paschall said his arrest on federal charges in 2003 was a "big story" in the border town. "We are familiar with him," Paschall said. ``We'll get real excited if he does show up."

Paschall had not heard of any sightings of the younger Escobedo since his escape.

José Manuel Escobedo's 2003 indictment shows that he and two other men planned to sell at least five kilograms of cocaine, worth as much as $150,000, between 2002 and 2003.

Robert Hobbs, assistant U.S. attorney for the eastern district of Texas, who prosecuted Escobedo during the sentencing phase of his trial, said Escobedo and the two other men were part of a second round of nearly 20 indictments.

COCAINE DEALER

Hobbs said Escobedo "was one of the suppliers selling large quantities of cocaine" in the Houston area.

He said defendants from Brownsville, such as Escobedo, are often part of the notorious Gulf cocaine cartel, which has a hub directly across the border in Matamoros, Mexico. Hobbs did not know whether Escobedo was involved in the cartel.

"Houston is a source city," Hobbs said. ``Along the Texas-Mexico border, it has supplanted [Miami]."

Three days after they were slain and left on turnpike, the St. Lucie County Sheriff's Office announced the family's Jeep Cherokee was found in a warehouse district in West Palm Beach.

Visitation Held For Texas Family Found Dead In Fla. (AP)

AP, October 23, 2006

DOJ_NMG_0085091

BROWNSVILLE - A visitation for four family members found shot to death along a Florida highway was attended primarily by relatives, who were concerned about intrusive photographers.

"They wanted it private, but there are a lot of reporters from Florida and San Antonio," said Roy Vento, director of the funeral home. "They didn't want them inside the funeral homes, especially if that meant taking pictures of the caskets or the bodies in the caskets."

Funeral services for Jose Luis Escobedo, 28, Yessica Guerrero Escobedo, 25, and the couple's sons, Luis Julian, 4, and Luis Damian, 3, were scheduled for Monday.

Their bodies were found Oct. 13 in a grassy area off the Florida Turnpike in Port St. Lucie.

Both parents graduated from high school in Brownsville. They had moved to Florida just four months ago.

Federal and Florida investigators have not suggested a motive for the killings.

The Palm Beach (Fla.) Post reported Saturday that police would watch Monday's funeral in search of Jose Manuel Escobedo, the fugitive brother of Jose Luis Escobedo. The paper said he was sentenced in 2003 to 10 years in prison for conspiracy to distribute cocaine, but he disappeared on his way to a work camp in Louisiana seven months ago.

A spokesman for the Drug Enforcement Administration in Houston declined to comment on a possible connection the brother's past and the four killings.

Police, Sheriff Get $260,937 In Drug Money (NA)

Goldsboro News Argus, October 22, 2006

Clutching a large white check for their share of $1.2 million seized from drug dealers, Goldsboro Police Chief Tim Bell and Wayne County Sheriff Carey Winders vowed to continue their fight to eliminate drugs.

Drug Enforcement Administration Assistant Special Agent in Charge John Emerson presented checks to Bell and Winders for $260,937.63. The checks were handed out on the second floor of City Hall at 11:30 a.m. Friday.

The checks distributed represented the departments share of money seized from drug traffickers, Emerson said. The money was seized in several states including Georgia and North Carolina and was part of an investigation conducted by the DEA and the Goldsboro-Wayne County Drug Squad, Emerson added.

"Drug traffickers sell their drugs here and then the money is brought back across the country into Mexico," Emerson said. "If we don't get the drugs and they've already sold the drugs then we are trying to intercept that money coming back, so they can't use that money to buy more drugs and bring it back to the states."

Emerson said a portion of the money was seized from local drug dealers.

"The bad guys were here, but they were connected with drug traffickers who were also in Atlanta," he said. "There were seizures in Atlanta and there were seizures here. We totaled those seizures up and then there's an asset-sharing percentage based on work hours and that resulted in the check distributions."

Bell and Winders lauded the work of the drug squad who helped seize the $1.2 million. The drug squad is comprised of four officers from the city and four deputies from the county.

Bell said the money will be put to good use.

"The funds will be used to further our drug enforcement efforts," Bell said.

Winders said it took a collective effort from the Wayne County Sheriff's Office, the Goldsboro Police Department, the U.S. Marshals Service, DEA and U.S. Customs to make the outcome of the drug trafficking investigation a success.

Winders said the agencies targeted a major drug operation.

"This operation extended all the way to Mexico, Georgia, Texas and different areas," Winders said. "It was a big organization. In fact, it was one of the largest operations in eastern North Carolina and it was awarded as such."

Bell said working with the DEA gives the drug squad a larger advantage in the fight against drugs because it allows the drug squad to extend their jurisdiction outside of Wayne County.

Bell added that working with the DEA allows the drug squad to follow the flow of money and the drugs, and it allows the squad to target upper level drug dealers.

Winders said upper level dealers are one of their main targets.

"Everybody talks about the one that's very visible, the street dealer, but he's getting it from someone and that's what we want to find out," Winders said. "That's what we're targeting. Where the street dealer is getting it. Target that person. Because without the supplier, the street dealer won't be in business long."

The money awarded signified a major accomplishment for the drug squad, but Bell said their work is far from over.

"We're looking forward to putting more drug dealers in jail," he said.

Chronicle May Pay Fines In Steroid Case (SFBIZ)

DOJ_NMG_0085092

San Francisco Business Times, October 23, 2006

The San Francisco Chronicle faces fines of up to a half-million dollars or more for refusing to reveal who leaked information to two Chronicle reporters regarding grand jury testimony on steroid use by Barry Bonds and other professional athletes, according to a court filing reported by the Associated Press.

The paper also agreed to be held in contempt of court. Prosecutors agreed to stay the fines pending the outcome of a an appeal in the case.

The newspaper, citing First Amendment protections, has refused to abide by a grand jury subpoena ordering it to release any information it has on the reporters' sources.

The two Chronicle reporters, Lance Williams and Mark Fainaru-Wada, wrote about Bonds' 2003 federal grand jury testimony. Williams and Fainaru-Wada also agreed to be held in contempt, pending appeal.

The grand jury was investigating the BALCO steroid ring.

The reporters could be jailed for as much as 18 months. A federal judge rejected their claim of First Amendment protection from orders to reveal sources.

If the deal is approved by U.S. District Judge Jeffrey White, the Chronicle could have to pay a fine of at least $1,000 per day, for up to 18 months -- around $540,000.

Authorities Say Over 15 Tons Of Drugs Seized In Afghanistan (AP)

AP, October 23, 2006

KABUL, Afghanistan Afghan authorities seized over 16 tons of drugs in the past 10 days in operations targeting smugglers in seven provinces, Afghanistan's top counter-narcotics official said Saturday.

Lt. Gen. Mohammed Daoud Daoud said the seizures included seven tons of opium, eight tons of marijuana and just over one ton of heroin.

The U.N.'s Office on Drugs and Crime said last month that cultivation of opium-producing poppies in Afghanistan rose 59 percent this year to produce a record 6,100 tons of opium — or about 92 percent of the world's supply and outstripping heroin demand by a third.

The U.N. agency said only six of Afghanistan's 34 provinces are poppy-free.

It said some 2.9 million people were involved in growing opium, representing 12.6 percent of the total Afghan population, and that revenue from this year's harvest was predicted to hit over US$3 billion (€2.4 billion).

Daoud said that a renewed campaign with the help of local authorities is under way to convince the farmers not to grow the lucrative crop.

In The Land Of The Taliban (NYT)

By Elizabeth Rubin

The New York Times, October 22, 2006

One afternoon this past summer, I shared a picnic of fresh mangos and plums with Abdul Baqi, an Afghan Taliban fighter in his 20's fresh from the front in Helmand Province in southern Afghanistan. We spent hours on a grassy slope under the tall pines of Murree, a former colonial hill station that is now a popular resort just outside Pakistan's capital, Islamabad. All around us was a Pakistani rendition of Georges Seurat's "Sunday on La Grande Jatte" — middle-class families setting up grills for barbecue, a girl and two boys chasing their errant cow with a stick, two men hunting fowl, boys flying a kite. Much of the time, Abdul Baqi was engrossed in the flight pattern of a Himalayan bird. It must have been a welcome distraction. He had just lost five friends fighting British troops and had seen many others killed or wounded by bombs as they sheltered inside a mosque.

He was now looking forward to taking a logic course at a madrasa, or religious school, near Peshawar during his holiday. Pakistan's religious parties, he told me through an interpreter, would lodge him, as they did other Afghan Taliban fighters, and keep him safe. With us was Abdul Baqi's mentor, Mullah Sadiq, a diabetic Helmandi who was shuttling between Pakistan and Afghanistan auditing Taliban finances and arranging logistics. He had just dispatched nine fighters to Afghanistan and had taken wounded men to a hospital in Islamabad. "I just tell the border guards that they were wounded in a tribal dispute and need treatment," he told me.

And though Mullah Sadiq said they had lost many commanders in battles around Kandahar, he and Abdul Baqi appeared to be in good spirits, laughing and chatting loudly on a cellphone to Taliban friends in Pakistan and Afghanistan. After all, they never imagined that the Taliban would be back so soon or in such force or that they would be giving such trouble to the Afghan government of Hamid Karzai and some 40,000 NATO and U.S. troops in the country. For the first time since the fall of 2001, when the Taliban were overthrown, they were beginning to taste the possibility of victory.

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As I traveled through Pakistan and particularly the Pashtun lands bordering Afghanistan, I felt as if I were moving through a Taliban spa for rehabilitation and inspiration. Since 2002, the American and Pakistani militaries have focused on North Waziristan and South Waziristan, two of the seven districts making up Pakistan's semiautonomous tribal areas, which are between the North-West Frontier Province and, to the south, Baluchistan Province; in the days since the 9/11 attacks, some tribes there had sheltered members of Al Qaeda and spawned their own Taliban movement. Meanwhile, in the deserts of Baluchistan, whose capital, Quetta, is just a few hours' drive from the Afghan city of Kandahar, the Afghan Taliban were openly reassembling themselves under Mullah Omar and his leadership council. Quetta had become a kind of free zone where strategies could be formed, funds picked up, interviews given and victories relished.

In June, I was in Quetta as the Taliban fighters celebrated an attack against Dad Mohammad Khan, an Afghan legislator locally known as Amir Dado. Until recently he was the intelligence chief of Helmand Province. He had worked closely with U.S. Special Forces and was despised by Abdul Baqi — and, to be frank, by most Afghans in the south. Mullah Razayar Nurzai (a nom de guerre), a commander of 300 Taliban fighters who frequently meets with the leadership council and Mullah Omar, took credit for the ambush. Because Pakistan's intelligence services are fickle — sometimes supporting the Taliban, sometimes arresting its members — I had to meet Nurzai at night, down a dark lane in a village outside Quetta.

My guide was a Pakistani Pashtun sympathetic to the Taliban; we slipped into a courtyard and behind a curtain into a small room with mattresses and a gas lamp. In hobbled a rough, wild-looking graybeard with green eyes and a prosthetic limb fitted into a permanent 1980's-era shoe. More than a quarter-century of warring had taken its toll on Nurzai's 46-year-old body but not on his spirit. It was 10 at night, yet he was bounding with energy and bombast about his recent exploits in Kandahar and Helmand. A few days earlier, Nurzai and his men had attacked Amir Dado's extended family. First, he told me, they shot dead his brother — a former district leader. Then the next day, as members of Dado's family were driving to the site of the first attack, Nurzai's men ambushed their convoy. Boys, cousins, uncles: all were killed. Dado himself was safe elsewhere. Nurzai was mildly disappointed and said that they had received bad information. He had no regrets about the killings, however. Abdul Baqi was also delighted by the attack. He would tell me that Dado used to burn rocket casings and pour the melted plastic onto the stomachs of onetime Taliban fighters he and his men had captured. Abdul Baqi also recalled that during the civil war that ended with the Taliban's seizure of Kabul, Dado and his men had a checkpoint where they "grabbed young boys and robbed people."

Mullah Omar and his followers formed the Taliban in 1994 to, among other things, bring some justice to Afghanistan and to expel predatory commanders like Dado. But in the early days of Karzai's government, these regional warlords re-established themselves, with American financing, to fill the power vacuum that the coalition forces were unwilling to fill themselves. The warlords freely labeled their many enemies Al Qaeda or Taliban in order to push the Americans to eradicate them. Some of these men were indeed Taliban. Most, like Abdul Baqi, had accepted their loss of power, but they rejoined the Taliban as a result of harassment. Amir Dado's own abuses had eventually led to his removal from the Helmand government at United Nations insistence. As one Western diplomat, who requested anonymity out of personal safety concerns, put it: "Amir Dado kept his own prison, authorized the use of serious torture, had very little respect for human life and made security worse." Yet when I later met Amir Dado in Kabul, he pulled out a letter that an officer in the U.S. Special Forces had written requesting that the Afghan Ministry of Defense install him as Helmand's police chief and claiming that in his absence "the quality of security in the Helmand Province has dramatically declined."

One Place, Two Stories

I went to Afghanistan and Pakistan this summer to understand how and why the Taliban were making a comeback five years after American and Afghan forces drove them from power. What kind of experience would lead Afghans to reject what seemed to be an emerging democratic government? Had we missed something that made Taliban rule appealing? Were they the only opposition the aggrieved could turn to? Or, as many Afghans were saying, was this Pakistan up to its old tricks — cooperating with the Americans and Karzai while conspiring to bring back the Taliban, who had been valued "assets" before 9/11?

And why has the Bush administration's message remained that Afghanistan is a success, Iraq a challenge? "In Afghanistan, the trajectory is a hopeful and promising one," Secretary of Defense Donald Rumsfeld wrote on the op-ed page of The Washington Post earlier this month. Afghanistan's rise from the ashes of the anti-Taliban war would mean that the Bush administration was prevailing in replacing terror with democracy and human rights.

Meanwhile, a counternarrative was emerging, and it belonged to the Taliban, or the A.C.M., as NATO officers call them — the Anti-Coalition Militia. In Kabul, Kandahar and Pakistan, I found their video discs and tapes in the markets. They invoke a nostalgia for the jihad against the Russians and inspire their viewers to rise up again. One begins with clattering Chinooks disgorging American soldiers into the desert. Then we see the new Afghan government onstage, focusing in on the Northern Alliance warlords — Abdul Rashid Dostum, Burhanuddin Rabbani, Karim Khalili, Muhammad Fahim, Ismail Khan, Abdul Sayyaf. It cuts to American soldiers doing push-ups and pinpointing targets on maps; next it shows bombs the size of bathtubs dropping

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from planes and missiles emblazoned with "Royal Navy" rocketing through the sky; then it moves to hospital beds and wounded children. Message: America and Britain brought back the warlords and bombed your children. In the next clip, there are metal cages under floodlights and men in orange jumpsuits, bowed and crouching. It cuts back to the wild eyes of

John Walker Lindh and shows trucks hauling containers crammed with young Afghan and Pakistani prisoners — Taliban, hundreds of whom would suffocate to death in those containers, supposedly at the command of the warlord and current army chief of staff, General Dostum. Then back to American guards wheeling hunger-striking Guantánamo prisoners on gurneys. Interspliced are older images, a bit fuzzy, of young Afghan men, hands tied behind their backs, heads bowed, hauled off by Communist guards. The message: Foreigners have invaded our lands again; Americans, Russians — no difference.

During the period from 1994 to 2001, the Taliban were a cloistered clique with little interest in global affairs. Today they are far more sophisticated and outward-looking. "The Taliban of the 90's were concerned with their district or province," says Waheed Muzhda, a senior aide at the Supreme Court in Kabul, who before the Taliban fell worked in their Foreign Ministry. "Now they have links with other networks. Before, only two Internet connections existed — one was with Mullah Omar's office and the other at the Foreign Ministry here in Kabul. Now they are connected to the world." Though this is still very much an Afghan insurgency, fueled by complex local grievances and power struggles, the films sold in the markets of Pakistan and Afghanistan merge the Taliban story with that of the larger struggle of the Muslim umma, the global community of Islam: images of U.S. soldiers in Iraq and Israelis dragging off young Palestinian men and throwing off Palestinian mothers clinging to their sons. Humiliation. Oppression. Followed by the same on Afghan soil: Northern Alliance fighters perching their guns atop the bodies of dead Taliban. In the Taliban story, Special Forces soldiers desecrate the bodies of Taliban fighters by burning them, the Koran is desecrated in Guantánamo toilets, the Prophet Muhammad is desecrated in Danish cartoons and finally an apostate, Abdul Rahman, the Afghan who was arrested earlier this year for converting to Christianity, desecrates Islam and is not only not punished but is released and flown off to Italy.

It is not at all clear that Afghans want the return of a Taliban government. But even sophisticated Kabulis told me that they are fed up with the corruption. And in the Pashtun regions, which make up about half the country, Afghans are fed up with five years of having their homes searched and the young men of their villages rounded up in the name of counterinsurgency. Earlier this month in Kabul, Gen. David Richards, the British commander of NATO's Afghanistan force, imagined what Afghans are thinking: "They will say, 'We do not want the Taliban, but then we would rather have that austere and unpleasant life that that might involve than another five years of fighting.'" He estimated that if NATO didn't succeed in bringing substantial economic development to Afghanistan soon, some 70 percent of Afghans would shift their loyalty to the Taliban.

Nation-Building, Again

In the middle of Lashkar Gah, the capital of Helmand Province, a metal sign tilts into the road advertising the New York English Language Center. It is a relic of the last American nation-building scheme. Half a century ago, this town, built at the confluence of the Arghandab and Helmand Rivers, was the headquarters for an ambitious dam project partly financed by the United States and contracted out to Morrison-Knudsen, an engineering company that helped build Cape Canaveral and the Golden Gate Bridge.

Lashkar Gah (literally, "the place of soldiers") was to be a model American town. Irrigation from the project would create farms out of the desert. Today you can still see the suburban-style homes with gardens open to the streets, although the typical Afghan home is a fort with walls guarding the family's privacy. Those modernizing dreams of America and Afghanistan were eventually defeated by nature, culture and the war to drive the Russians out of Afghanistan in the 1980's. What remains is an intense nostalgia among the engineers, cooks and farmers of Lashkar Gah, who remember that time as one of employment and peace. Today, Lashkar Gah is home to a NATO base.

Down the road from the base stands a lovely new building erected by an N.G.O. for the local Ministry of Women's Affairs. It is big, white and, on the day I visited, was empty except for three women getting ready to leave. "It's so close to the foreigners, and the women are afraid of getting killed by car bombs," the ministry's deputy told me. She was a school headmistress and landowner, dressed elegantly in a lime-colored blouse falling below the knees and worn over matching trousers. She weighed the Taliban regime against this new one in terms of pragmatic choices, not terror or ideology. She said that she had just wrapped up the case of a girl who had been kidnapped and raped by Kandahari police officers, something that would not have happened under the Taliban. "Their security was outstanding," she said.

Under the Taliban, she said, a poppy ban was enforced. "Now the governors tell the people, 'Just cultivate a little bit,'" she said. "So people take this opportunity and grow a lot." The farmers lease land to grow poppies. The British and the police eradicate it. The farmer can't pay back the landowner. "So instead of paying, he gives the landowner his daughter."

A few weeks before I arrived in Helmand, John Walters, the director of the White House Office of National Drug Control Policy, told reporters that Afghan authorities were succeeding in reducing opium-poppy cultivation. Yet despite hundreds of millions of dollars being allocated by Congress to stop the trade, a United Nations report in September estimated that this year's

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crop was breaking all records — 6,100 metric tons compared with 4,100 last year. When I visited Helmand, schools in Lashkar Gah were closed in part because teachers and students were busy harvesting the crop. A prosecutor from the Crimes Department laughed as he told me that his clerk, driver and bodyguard hadn't made it to work. They were all harvesting. It requires a lot of workers, and you can earn $12 a day compared with the $2 you get for wheat. Hence the hundreds of young, poor Talibs from Pakistan's madrasas who had flocked to earn that cash and who made easy converts for the coming jihad.

Walters had singled out Helmand for special praise. Yet just a short drive from the provincial capital, I was surrounded by poppy farmers — 12-year-old boys, 75-year-old men — hard at work, their hands caked in opium paste as they scooped figlike pulp off the bulbs into a sack tied around their waists. One little boy was dragging a long poppy stem attached to a car he had made out of bulbs. Haji Abdul, a 73-year-old Moses of a man, was the owner of the farm and one of those nostalgic for the heyday of the Helmand Valley project. He had worked with Americans for 15 years as a welder and manager. He was the first to bring electricity to his district. Now there was none.

"Why do you think people put mines out for the British and Italians doing eradication when they came here to save us?" He answered his own question: "Thousands of lands ready for harvest were destroyed. How difficult will it be for our people to tolerate that! You are taking the food of my children, cutting my feet and disabling me. With one bullet, I will kill you." Fortunately he didn't have to kill anyone. He had paid 2,000 afghanis per jerib (about a half acre) of land to the police, he told me, adding that they would then share the spoils with the district administrator and all the other Interior Ministry officials so that only a small percentage of the poppy would be eradicated.

When I asked Manan Farahi, the director of counterterrorism efforts for Karzai's government, why the Taliban were so strong in Helmand, he said that Helmandis had, in fact, hated the Taliban because of Mullah Omar's ban on poppy cultivation. "The elders were happy this government was coming and they could plant again," Farahi told me. "But then the warlords came back and let their militias roam freely. They were settling old scores — killing people, stealing their opium. And because they belonged to the government, the people couldn't look to the government for protection. And because they had the ear of the Americans, the people couldn't look to the Americans. Into this need stepped the Taliban." And this time the Taliban, far from suppressing the drug trade, agreed to protect it.

A Dealer's Life

The Continental Guest House in Kandahar, with its lovely gardens, potted geraniums and Internet access in every room, was mostly empty when I arrived, a remnant of the city's recently stalled economic resurgence.

To find out how the opium trade works and how it's related to the Taliban's rise, I spent the afternoon with an Afghan who told me his name was Razzaq. He is a medium-level smuggler in his late 20's who learned his trade as a refugee in Iran. He was wearing a traditional Kandahari bejeweled skull cap, a dark blazer and a white shalwar kameez, a traditional outfit consisting of loose pants covered by a tunic. He moved and spoke with the confident ease of a well-protected man. "The whole country is in our services," he told me, "all the way to Turkey." This wasn't bravado. From Mazar-i-Sharif, in northern Afghanistan, he brings opium in the form of a gooey paste, packaged in bricks. From Badakhshan in the northeast, he brings crystal — a sugary substance made from heroin. And from Jalalabad, in the east on the road to Peshawar, he brings pure heroin. All of this goes through Baramcha, an unmanned border town in Helmand near Pakistan. Sometimes he pays off the national soldiers to use their vehicles, he said. Sometimes the national policemen. Or he hides it well, and if there is a tough checkpoint, he calls ahead and pays them off. "The soldiers get 2,000 afghanis a month, and I give them 100,000," he explained with an angelic smile. "So even if I had a human head in my car, they'd let me go." It's not hard to see why Razzaq is so successful. He has a certain charm and looks like the modest tailor he once was, not a man steeped in illegal business.

Razzaq's smuggling career began in Zahedan, a remote and unruly Iranian town near the border with Afghanistan and Pakistan. It is filled with Afghan refugees who, like Razzaq and his family, fled after the Russian invasion in 1979. Razzaq apprenticed as a tailor under his father and eventually opened his own shop, which the Iranians promptly shut down. They said he had no right as a refugee to own a shop. He began painting buildings, but that, too, proved a bureaucratic challenge. He was paid in checks, and the bank refused to cash them without a bank account, which he could not get.

Razzaq was newly married with dreams of a good life for his family. So one day he took a chance. "I had gotten to know smugglers at my tailoring shop," he told me over a meal of mutton and rice on the floor of my hotel room. "One of them was an old man, so no one ever suspected him. The smugglers asked me to go with him to Gerdi Jangel" — an Afghan refugee town in Pakistan — "and bring back 750 grams of heroin to Zahedan. The security searched us on the bus, but I'd hidden it in the heels of my shoes, and of course they didn't search the old man. I was so happy when we made it back. I thought I was born for the first time into this world."

So he took another chance and managed to fly to Tehran carrying four kilos in his bag. Each time he overcame another obstacle, he became more addicted to the easy cash. When the Iranian authorities imported sniffing dogs to catch heroin smugglers, Razzaq and his friends filled hypodermic needles with some heroin dissolved in water and sprayed the liquid on cars

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at the bus station that would be continuing on to Tehran, Isfahan and Shiraz. “The dogs at the checkpoint went mad. They had to search 50 cars. They decided the dogs were defective and sent them back, and that saved us for a while.” Eventually, he said, they concocted a substance to conceal the heroin smell from the new pack of dogs.

After the fall of the Taliban, Razzaq moved back to Helmand, built a comfortable house and began supporting his extended family with his expanding trafficking business. Razzaq’s main challenge today is Iran. While the Americans have turned more or less a blind eye to the drug-trade spree of their warlord allies, Iran has steadily cranked up its drug war. (Some 3,000 Iranian lawmen have been killed in the last three decades battling traffickers.) To cross the desert borders, Razzaq moves in convoys of 18 S.U.V.’s. Some contain drugs. The rest are loaded with food supplies, antiaircraft guns, rocket launchers, antitank missiles and militiamen, often on loan from the Taliban. The fighters are Baluch from Iran and Afghanistan. The commanders are Afghans.

Razzaq’s run, as he described it, was a scene out of <object.title class="Movie" idsrc="nyt_ttl" value="30657">“Mad Max.” Three days were spent dodging and battling Iranian forces in the deserts around the earthquake-stricken city of Bam. Once they made it to Isfahan, however, in central Iran, they were home free. They released the militiamen, transferred the stuff to ordinary cars and drove to Tehran, where other smugglers picked up the drugs and passed them on to ethnic Turks in Tabriz. The Turks would bring them home, and from there they went to the markets of Europe. </object.title>

Should he ever run into a problem in Afghanistan, he told me, “I simply make a phone call. And my voice is known to ministers, of course. They are in my network. Every network has a big man supporting them in the government.” The Interior Ministry’s director of counternarcotics in Kabul had told me the same thing. Anyway, if the smugglers have problems on the ground, they say, they just pay the Taliban to destroy the enemy commanders.

Razzaq has at times contemplated getting out of the smuggling trade, he said, but the easy money is too alluring. Depending on the market, he can earn from $1,500 to $7,500 a month. Most Afghans can’t make that in a year. Besides, he said, “all the governors are doing this, so why shouldn’t we?”

Losers Become Winners

In December 2001, not long after the Taliban were routed, I visited the Shah Wali Kot district, several hours’ drive on unpaved roads from Kandahar, a Mordor land of rock mountains shaped like sagging crescents and mud-baked houses melting into the dunes. The Taliban leaders had fled, mostly to Pakistan. Gul Agha Shirzai, formerly a local warlord and soon-to-be new governor, and his soldiers had swarmed into power while the Americans set up their operations base in Mullah Omar’s Xanadu-like residence. I was with a large group of Populzai, the clan of the Afghan president, Hamid Karzai.

We were in a big guest room with more than a dozen men gathered in a circle, all wearing the kind of turbans that look like gargantuan ice-cream swirls. The ones in black turban swirls were giggling, chatting and slapping one another on the back. The ones in white turban swirls were sulking, grumbling or mute. In this group, the miserable white turbans were Taliban men. They had just lost their pickup trucks, weapons, money, prestige and jobs, all of which had gone to the gleeful black turbans.

Today those miserable white turbans have taken to the mountains to fight. The gleeful black turbans are under siege. I saw one of the black turbans this summer, the Shah Wali Kot district leader, in the garden of the Kandahar governor’s palace. He was a mess. He chuckled loudly when I asked him how it was back in Shah Wali Kot. “Frankly, we are just defending ourselves from the Taliban,” he said. “Our head is on the pillow at night, but we do not sleep.”

That small division among the Populzai in Shah Wali Kot echoes the larger division of the Pashtun into two main branches: the Durrani and the Ghilzai. The Durrani, Karzai’s tribe, have dominated for the last two centuries in Afghanistan and regard themselves as the ruling elite. In the south, the Ghilzai were often treated as the nomadic, scrappy cousins. With the exception of Mullah Omar, who had been a poor Ghilzai farmer, the leaders of the Taliban tended to be Durrani. These days, the perception among the southern Ghilzai is that they are persecuted, that the jails are filled with their people, while the Durrani in the south received all the Japanese, U.S. and British contracts and jobs. From what I could gather during my weeks in Afghanistan, these perceptions were mostly true. But even if they were exaggerated, such perceptions, in an illiterate society, have a way of quickly morphing into reality.

Take Panjwai, a district just outside Kandahar, where hundreds of Taliban massed this summer, taking advantage of the changeover from American soldiers to a NATO force of Canadian troops. One afternoon I met a red-haired propagandist and writer for the Taliban in a Kandahar office building. With his slight lisp, chain-smoking habit and eclectic reading — French novelists and Arabic philosophers — he seemed more a tormented graduate student than the landless villager from Panjwai he was. Panjwai is a mishmash of tribes, and the Taliban were exploiting the grievances of the Nurzai, a tribe that has felt persecuted and unfairly targeted for poppy eradication. Traders in Kandahar, he said, were donating money to the Taliban. Landowners were paying them to fight off eradicators. The Taliban were paying poor, unemployed men to fight. And religious scholars were delivering the message that it was time for jihad because the Americans were no different from the Russians. Just a few weeks earlier, the Taliban went on a killing spree in Panjwai. They beheaded a tribal leader in his home, shot another in

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the bazaar and hanged a man near a shrine with a note tacked on his body: <object.title class="Movie" idsrc="nyt_ttl" value="290327;46304;111485">“SPY.”</object.title>

The Taliban were feeling bold enough that one afternoon Mullah Ibrahim, a Taliban intelligence agent, dropped by my hotel for lunch. He was a Ghilzai, from Helmand, and told me he had tried to lead a normal life under the official amnesty program. Instead, he was locked up, beaten and so harassed by Helmandi intelligence and police officers that his tribal elders told him to leave for Pakistan and join the Taliban there. Then, about a year ago, he decided that he was tired of fighting and living as a fugitive and accepted a reconciliation offer from an Afghan general. Pakistani intelligence got wind of this and imprisoned him; upon his release, the Pakistanis gave him money and a motorbike and pressured him to go back to war. He is still tired of war, but the Pakistanis won’t let him live in peace, and now if he tries to reconcile with the Kabul government, he told me, the Taliban will kill him.

When fighting broke out on the main highway near Kandahar, I saw that the police had tied up a group of villagers — but the Taliban had all escaped. One of those village men, his hands bound behind his back, told me that he had peeped out from his house earlier that day and saw some 200 Taliban with new guns and rocket launchers. They wanted food and threatened him and other villagers. “But I am not afraid of them,” he said loudly. “I am only afraid of this government.” Why? “Look at what they do. They can’t get the Taliban, so they arrest us. We have no hope from them anymore. And when we call and tell them Taliban are here, no one comes.” As an engineer from Panjwai who had been an Afghan senator during the Communist era told me: “We are now like camels. In Islam, a camel can be slaughtered in two different ways.

“The Taliban are using rivalries and enmities between people to get soldiers, the same tactics as the mujahedeen used against the Russians,” the engineer continued. “Just like in Russian times they come and say, ‘We are defending the country from the infidels.’ They start asking for food. Then they ask the people for soldiers and say, ‘We will give you weapons.’ And that’s how it starts. And the emotions are rising in the people now. They are saying, ‘Kaffirs have invaded our land.’”

Qayum Karzai, the president’s older brother and a legislator from Kandahar, seemed utterly depressed when I met him. “For the last four years, the Taliban were saying that the Americans will leave here,” he said. “We were stupid and didn’t believe it. Now they think it’s a victory that the Americans left.”

With the Americans on their way out and the NATO force not yet in control, the Kandahar Police were left on the front line: underfinanced, underequipped, untrained — and often stoned. Which is perhaps what made them so brave. One afternoon I ran into a group who said their friends had just been killed when a Talib posing as a policeman served them poisoned tea. A shaggy-haired officer in a black tunic was standing by his pickup, freshly ripped up by a barrage of bullets, and staring at my feet. “I envy your shoes,” he said, looking back at his own torn rubber sandals. “I envy your Toyota,” he said and laughed. And then looking at my pen and notebook, he said, “I envy you can read and write.” It’s not too late, I offered feebly, but he tapped his temple and shook his head. “It doesn’t work anymore,” he said. “I smoke hash. I smoke opium. I’m drinking because we’re always thinking and nervous.” He was 35. He had been fighting for 20 years. Four of his friends had been killed in the fighting the other night. He had to support children, a wife and parents on a salary of about $100 a month. And, he said, “we haven’t been paid in four months.” No wonder, then, that the population complained that the police were all thieves.

At Kandahar’s hospital I met a 17-year-old policeman (who had been with the police since he was 14) tending to his wounded friend. He was in a jovial mood, amazed he wasn’t dead. He said they had been given an order to cut the Taliban’s escape route. Instead they were ambushed by the Taliban, ran out of bullets and had no phones to call for backup. “We ran away,” he said with a nervous giggle. “The Taliban chased us, shouting: ‘Hey, sons of Bush! Where are you going? We want to kill you.’”

Last month, NATO forces struck back around Panjwai with artillery and aerial bombardments, killing an estimated 500 Taliban fighters and destroying homes and schools. But unless NATO can stay for years, create a trustworthy police force and spend the millions necessary to regenerate the district, the Taliban will be back.

Deciding to Fight

Inside the old city walls of Peshawar, Pakistan, a half-hour drive from the Afghan border, in a bazaar named after the storytellers who enthralled Central Asian gold and silk merchants with their tales of war and tragic love, sits the 17th-century Mohabat Khan Mosque. It is a place of cool, marble calm amid the dense market streets. Yousaf Qureshi is the prayer leader there and director of the Jamia Ashrafia, a Deobandi madrasa. He had recently announced a pledge by the jewelers’ association to pay $1 million to anyone who would kill a Danish cartoonist who caricatured the Prophet Muhammad. Qureshi himself offered $25,000 and a car. I found Qureshi seated on a cushion behind a low glass desk covered with papers and business cards — ambassadors, N.G.O. workers, Islamic scholars, mujahedeen commanders: he has conversed with them all. His office resembles an antiques shop, the walls displaying oversize prayer beads, knives inlaid with ivory and astrakhan caps. It was day’s end, and Qureshi was checking the proofs for his 51st book, called “The Benefits of Koran.”

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Qureshi told me that he meets with Pakistan's president, Pervez Musharraf, about twice a year. Qureshi understands Musharraf's predicament: "The heart of this government is with the Taliban. The tongue is not." He didn't claim total insider knowledge, but he said, "I think they want a weak government and want to support the Taliban without letting them win." Why? "We are asking Musharraf, 'What are you doing,' and he says: 'I'm moving in both ways. I want to support the Taliban, but I can't afford to displease America. I am caught between the devil and the deep sea.'"

Not long ago, Qureshi said, he received three emissaries from Mullah Omar who wanted Qureshi to warn another religious leader to stop preaching against the Taliban. "I refused," he said. Later Sheikh Yassin, one of the messengers, was arrested by the I.S.I., Pakistan's military intelligence service. So why, I asked, does Qureshi say the I.S.I. is supporting the Taliban? "That is the double policy of the government," he replied. Even in the 1990's, he said, Prime Minister Nawaz Sharif was supporting the official Afghan government of Burhanuddin Rabbani while the I.S.I. was supporting his opponent, Gulbuddin Hekmatyar, as he rained thousands of rockets upon Rabbani's government and the citizens of Kabul. Qureshi told me that if he and local traders didn't want Al Qaeda or the Taliban to flourish, then they wouldn't. "We are supporting them to give the Americans a tough time," he said. "Leave Afghanistan, and the Taliban and foreign fighters will not give Karzai problems. All the administrators of madrasas know what our students are doing, but we won't tell them not to fight in Afghanistan."

The new Taliban fighters in Afghanistan are of three basic types. There are the old war-addicted jihadis who were left out of the 2001 Bonn conference, which determined the postwar shape of Afghan politics and the carve-up of the country. There are the "second generation" Afghan refugees: poor, educated in Pakistan's madrasas and easily recruited by their elders. And then there are the young men who had jobs and prestige in the former Taliban regime and were unable to find a place for themselves in the new Afghanistan.

Coincidentally, there are also now three fronts. One is led by Mullah Omar's council in Quetta. The second is led by Jalaluddin Haqqani, a hero of the jihad against the Soviets who joined the Taliban. Although well into his 80's, he orchestrates insurgent attacks through his sons in Paktia, Khost and Paktika, the Afghan provinces close to Waziristan, where he is based. Finally, there is Gulbuddin Hekmatyar, the former leader of Hezb-i-Islami, the anti-Soviet fighters entrusted with the most money and arms by the U.S. and Pakistan. He had opposed the Taliban, living in uneasy exile in Iran until the U.S. persuaded Tehran to boot him out; he sneaked into the mountainous eastern borderlands. Since the early days of Karzai's government, he has promised to organize Mullah Omar's followers with his educated cadres and finance their jihad against Karzai and the American invaders. Old competitors are coming together in much the way the mujahedeen factions cooperated to fight the Russians. Hekmatyar adds a lethal ingredient to this stew: his ties and his followers extend all through Afghanistan, including the north and the west, where he is exploiting factional grievances that have nothing to do with the Pashtun discontent in the south.

An Afghan I met outside Peshawar — for his safety he asked me not to use his full name — was typical of the 20-something Talibs who had flourished under the Taliban regime. He was from Day Chopan, a mountainous region in Zabul Province, northeast of Kandahar. When the Northern Alliance and the Americans took Afghanistan, he escaped through the hills on an old smuggling route to the North-West Frontier Province.

It was familiar terrain. A.'s father had been a religious teacher who studied in Sami ul-Haq's famous Haqqaniya madrasa near the Khyber Pass and preached jihad for Harakat, one of the southern mujahedeen parties whose members filled Mullah Omar's ranks. Those old ties still bind and have provided a network for recruiting. A. grew up in madrasas in the tribal Pashtun lands of Waziristan, where he learned to fire guns as a child in the American-financed mujahedeen camps. As a teenage religious student in Wana, the capital of South Waziristan, he would go door to door collecting bread for his fellow Talibs. Behind one of those doors, he saw a girl and fell in love. When his father wouldn't let him marry the girl, he threatened to go fight in Afghanistan. His father would not relent, and A. signed up at the local Taliban office in Peshawar. "We got good food, free service, everything was Islamic," he told me. "It was the best life, rather than staying in that poor madrasa." His father soon did relent, and A. became engaged, but he was only 15 and had no money. So he went back to the Taliban and was soon working beside the deputy defense minister. "Of course, then there were bags of money," he said.

A., now 28, was living in an Afghan refugee village that used to belong to Hekmatyar's group. Weak with malaria, he was nevertheless plump and jovial, even funny at times. Only when the Pakistani intelligence services came up did his already sallow hues pale to old bone.

After fleeing the American bombardment in 2001, he told me, the Taliban arrived in Pakistan tattered, dispersed and demoralized. But in the months after the collapse, senior Taliban leaders told their comrades to stay at home, keep in touch and wait for the call. Some Taliban told me that they actually waited to see if there was a chance to work with Karzai's government.

"Our emir," as A. referred to Mullah Omar, slowly contacted the commanders and told them to find out who was dead and who was alive. Those commanders appointed group commanders to collect the underlings like A. Weapons stashed away in Afghanistan's mountains were excavated. Funds were raised through the wide and varied Islamic network — Karachi

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businessmen, Peshawar goldsmiths, Saudi oil men, Kuwaiti traders and jihadi sympathizers within the Pakistani military and intelligence ranks.

Mullah Omar named a 10-man leadership council, A. explained. Smaller councils were created for every province and district. Most of this was done from the safety of Pakistan, and in 2003 Mullah Omar dispatched Mullah Dadullah to the madrasas of Baluchistan and Karachi to gather the dispersed Talibs and find fresh recruits. Pakistani authorities were reportedly seen with him. Still, neither Musharraf nor his military men in Baluchistan did anything to arrest him.

It was a perfect job for Dadullah, whose reputation for bravery was matched by his savagery and his many war wounds, collected in more than 25 years of fighting. In 1998, his fighters slaughtered hundreds of Hazaras (Shiites of Mongol descent) in Bamiyan Province, an act so brutal it was even too much for Mullah Omar, who had him disarmed at the time. Dadullah's very savagery, filmed and now often circulated on videotape, coupled with his promotional flair, were just the ingredients Omar needed to put the Taliban back on the map.

Today, Quetta has assumed the character of Peshawar in the 1980's, a suspicious place of spies and counterspies and double agents. It is not just the hundreds of men in typical Afghan Pashtun clothing — the roughly wound turbans, dark shalwar kameez, eyes inked with kohl — who squat on Thursday afternoons outside the Kandahari mosque in the center of town, comparing notes on the latest fighting in Helmand or the best religious teachers. Rather, as I wandered the narrow alleyways of the Afghan neighborhoods, my local guides would say, "That's where Mullah Dadullah was living" or "That's where Mullah Amir Khan Haqqani is living." (Haqqani is the Taliban's governor in exile for Zabul Province.) Mullah Dadullah is now a folk hero for young Talibs like A. And all the Taliban I met told me that every time Dadullah gives another interview or appears on the battlefield, it serves as an instant injection of inspiration.

By 2004, A. said, he was meeting a lot of Arabs — Saudis, Iraqis, Palestinians — who taught the Afghans about I.E.D.'s (improvised explosive devices) and suicide bombings. "They taught us how to put explosives in plastic," he told me. "They taught us wiring and triggers. The Arabs are the best instructors in that." But now the Afghans are doing fine on their own. Pakistani jihadis in Afghanistan received their training, they told me, from Pakistani officers in Kashmir.

The southerners have also forged ties with the Pakistani Taliban in Waziristan. There is a free flow of arms and men between Waziristan and the Afghan provinces across the border. According to A., even Uzbeks from the Islamic Movement of Uzbekistan have joined some of the fighters now in A.'s home mountains in Day Chopan.

It was disheartening to hear A. describe his first encounter with Americans, who were trying to set up a base in a remote region of Zabul. Though they were building a road where no roads had gone before, he could perceive that asphalt only as a means for the Americans to transport their armored vehicles and occupy Muslim lands. A friend of his joined us as we were talking. He had just arrived in Pakistan from the Day Chopan region and said that the Americans were like a cyclone of evil, stealing their almonds and violating their Pashtunwali (the Pashtun tribal laws). In this instance, he meant the law by which even a cousin will not enter your house without knocking first.

A. is now a media man in Pakistan, coordinating the editing of films for discs, censoring them in case there are commanders who don't want their faces seen and distributing them. He proudly offered me the latest disc of Mullah Dadullah beheading some "spies for the Americans." He said he had sold 25,000 CD's about the fighting in Waziristan.

He was full of contradictions. He said that if he didn't have a house in Day Chopan, he would never spend a single night there because there was no education, no electricity, no power, nothing, just a heap of stones. Yet he did not want America to change all that. "We don't like progress by Americans," he declared. "We don't like roads by Americans. We would rather walk on tired feet as long as we are walking in an Islamic state."

Was it all just bravado speaking? Was an opportunity to build bridges to young men like A. somehow lost or just neglected? It was hard to tell. But when the I.S.I. subject came up again, his tone changed. "They are snakes," he told me. He said that they were trying to create a new, obedient leader and oust the independent-minded Mullah Omar, and for that, the real Taliban hated them. Then he said: "I told you that we burn schools because they're teaching Christianity, but actually most of the Taliban don't like this burning of schools or destroying roads and bridges, because the Taliban, too, could use them. Those acts were being done under I.S.I. orders. They don't want progress in Afghanistan." An Indian engineer was beheaded in Zabul in April, he said, and that was also ordered by Pakistan, which, from fear of the influence of its enemy, India, was encouraging attacks on Indian companies. "People are not telling the story, because no one can trust anyone, and if I.S.I. knows I told you," he said, he would be dead.

Pakistan's Assets

There are many theories for why Pakistan might have wanted to help the Taliban reconstitute themselves. Afghan-Pakistani relations have always been fraught. One among the many disputes has to do with the Durand Line, the boundary drawn up by the British in 1893 partly to divide the Pashtun tribes, who were constantly revolting against the British. The Afghan government has never recognized this line, which winds its way from the Hindu Kush mountains of North-West Frontier Province

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1,500 miles down to the deserts of Baluchistan, as its border. Nor have the Pashtun tribes. The Pakistanis may hope to force Karzai to recognize the Durand line in exchange for stability.

Another theory is that Musharraf must appease the religious parties whom he needs to extend his power past the end of his term next year. Musharraf bought them off, gave them control of the North-West Frontier Province and Baluchistan and let them use the Taliban. And finally, the Pakistanis see Afghanistan as their rightful client. They want an accommodating regime, not Karzai, whose main backers are the U.S. and India, Pakistan's nemesis.

Pakistan's well-established secular Pashtun nationalist political leaders remain distraught that their lands have again become sanctuaries for the Afghan Taliban and the Pakistani religious parties, which, since elections in 2002, rule these provinces and are completing a Talibanization of the region. The secular leaders point to another layer in Pakistan's games: keeping the tribal areas autonomous enables Pakistan's intelligence services to ward off the gaze of Westerners and keep their jihadis safely tucked away.

One thing you notice if you visit the homes of retired generals in Pakistan is that they live in a lavish fashion typical of South America's dictatorship-era military elite. They control most of the country's economy and real estate, and like President Musharraf, himself a former general, they do not want to relinquish power.

Although there is a secularist strain in the Pakistani military, it has been aligned with religious hard-liners since the army's inception in 1947. Many officers still see their duty as defending the Muslim world, but their raison d'être has been undermined by the fact that though Pakistan was founded as a refuge for South Asia's Muslims, more Muslims today live in India. They seem to envy the jihadis' clarity. The militants had no identity crises. According to Najim Sethi, a prominent Pakistani journalist, military officers often have "a degree of self-disgust for selling themselves" to the Americans, and they still bear a grudge against the United States for abandoning them after the Afghan jihad and, more recently, for sanctioning Pakistan over its nuclear program. The standard army phrase about the Americans was, he said, "They used us like a condom."

Officers spoke to me as if they were simply translating the feelings of the jihadis for a tone-deaf audience, but they sounded more like ventriloquists. One retired colonel I spoke to was a relative of a Taliban leader from Waziristan, Abdullah Massoud, who had earned both sympathy and reverence for his time in Guantánamo Bay. Massoud was captured fighting the Americans and the Northern Alliance and spent two years there, claiming to be a simple Afghan Talib. Upon his release, he made it home to Waziristan and resumed his war against the U.S. With his long hair, his prosthetic limb and impassioned speeches, he quickly became a charismatic inspiration to Waziristan's youth.

Since 2001, some of Waziristan's tribes have refused to hand over Qaeda members living among them. Under intense American pressure, Pakistan agreed for the first time in its history to invade the tribal areas. Hundreds of civilians and soldiers were killed. American helicopters were seen in the region, as were American spies. The militants (with some army accomplices) retaliated with two assassination attempts against Musharraf late in 2003. He struck back, but as the civilian casualties mounted and the military began to balk at killing Pakistanis, Musharraf agreed to a deal in the spring of 2004 whereby the militants would give up their guests in return for cash. Pakistani officers and the militants hugged and shed tears during a public reconciliation. But the militants did not relinquish their Al Qaeda guests, and they took advantage of the amnesty to execute tribal elders they said had helped the Pakistani military. The tribal structure in Waziristan was devastated, and the Taliban took to the streets to declare the Islamic emirate of Waziristan. Since Musharraf signed a truce with the militants last month, attacks launched from Waziristan into Afghanistan, according to NATO, have risen by 300 percent.

"Muslim governments are not able to face the Americans," the retired colonel from Waziristan said, explaining the mujahedeen mind-set. "If Muslim governments should stand up against duplicity and foreign hegemonic designs, and they don't, who will? Someone has to stand up to defend the Muslim countries, and it's this that gives the jihadis the courage and zeal to stand up to the worst atrocities. This is the core issue of the mujahedeen movement. You call it the war on terror. The mujahedeen call it jihad." And so, essentially, did he.

One afternoon, in the midst of a monsoon, I sought out one of the founders of the pro-jihadi strategy, the retired general Mirza Aslam Beg. He lived in Rawalpindi, the military capital half an hour from Islamabad, in a brick and tile-roofed mansion with a basketball hoop, flowing greenery and Judy, his one-eyed cocker spaniel. The house was immaculate, with marble floors, rugs, fine china and porcelain on display behind glass and an amusing portrait of Aslam Beg as a young, Ray-Banned, pommaded officer. His mansion sits across the street from Musharraf's.

Aslam Beg played a leading role in the military's creation of "asymmetrical assets," jargon for the jihadis who have long been used by the military as proxies in Kashmir and Afghanistan. He was chief of the army staff from 1988 to 1991, while the Pakistani nuclear scientist A.Q. Khan was selling the country's nuclear technology to Iran, Libya and North Korea. Beg held talks with the Iranians about exchanging Iranian oil for Pakistani nuclear skill.

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Aslam Beg likes to remind visitors that he was one of a group of army officers trained by the C.I.A. in the 1950's as a "stay-behind organization" that would melt into the population if ever the Soviet Union overran Pakistan. Those brigadiers and lieutenant colonels then trained and directed the Afghan jihadis.

In the 1980's, "the C.I.A. set up the largest support and administrative bases in Mohmand agency, Waziristan and Baluchistan," Aslam Beg told me. "These were the logistics bases for eight long years, and you can imagine the relations that developed. And then Chechens, Uzbeks, Tajiks, Saudis developed family relations with the local people." The Taliban, he said, fell back after 2001 to these baselines. "In 2003, when the U.S. attacked Iraq, a whole new dimension was added to the conflict. The foreign mujahedeen who'd fought in Afghanistan started moving back to Afghanistan and Iraq." And the old Afghan jihadi leaders stopped by the mansion of their mentor, Aslam Beg, to tell him they were planning to wage war against the American occupiers.

As the rain outside turned to hail, banging against the windows, Aslam Beg ate some English sandwiches that had been wheeled in by a servant. "As a believer," he went on, "I'll tell you how I understand it. In the Holy Book there's an injunction that the believer must reach out to defend the tyrannized. The words of God are, 'What restrains you from fighting for those helpless men, women and children who due to their weakness are being brutalized and are calling you to free them from atrocities being perpetuated on them.' This is a direct message, and it may not impact the hearts and minds of all believers. Maybe one in 10,000 will leave their home and go to the conflicts where Muslims are engaged in liberation movements, such as Chechnya, Palestine, Iraq, Afghanistan and Kashmir. Now it's a global deterrent force."

The Authentic Jihad

The old city of Lahore, with its broad boulevards and banyan-tree canopies, remains the cultural and intellectual heart of Pakistan. It is home to a small elite of journalists, editors, authors, painters, artists and businessmen. Najam Sethi, editor in chief of The Friday Times, and his wife, Jugnu Mohsin, the publisher, are popular fixtures among this crowd. Like so many of Pakistan's intellectuals, they have had their share of run-ins with government security agents. For pushing the bounds of press freedom, Sethi was dragged from his bedroom during Nawaz Sharif's reign, beaten, gagged and detained without charge. Musharraf, in his new autobiography, claims that Nawaz Sharif wanted him to court-martial Sethi for treason, an act that seemed ludicrous to him, and he refused.

I met him one afternoon at the newspaper's offices as he was preparing his weekly editorial. He is a tall, affable man with smiling eyes and large glasses. And he got right down to business, providing an analysis of why Pakistan had decided to bring its "assets" — by which he meant the Taliban and Kashmiri jihadis — off the shelf.

In the days following 9/11, when Musharraf gathered together major editors to tell them that he had no choice but to withdraw his support for the Taliban, Sethi raised the touchy issue of the other jihadis. He said that if Musharraf was abandoning the Taliban, he would have to abandon the sectarian jihadis (fighting the Shiites), the Kashmir jihadis, all of the jihadis, because they were all trained in mind by the same religious leaders and in body by the same Pakistani forces.

In January 2002, Musharraf gave an unusually long televised speech to the nation. He reminded the people that his campaign against extremism was initiated years before and not under American pressure. He vowed that Pakistan would no longer export jihadis to Kashmir, that he was again placing a ban on several jihadi organizations, that camps would be closed and that while the madrasas were mostly educating the poor, some were centers of extremist teaching and would be reformed. A month later, Musharraf was at the White House next to President Bush, who praised him for standing against terrorism.

Sethi characterized Pakistani authorities as believing that the U.S. in Iraq "will be a Vietnam." He said: "Afghanistan will be neither here nor there. So we cannot wrap up our assets. We must protect them." The I.S.I. realized it could help deliver Al Qaeda to the U.S. while keeping the Taliban and the jihadis on the back burner. At the same time, Musharraf's moderate advisers were telling him that holding on to those assets would eventually boomerang. And soon enough, the assets began to come after Musharraf — while the people of Pakistan were turning against him for being pro-American. "So going after jihadis who were protecting the Taliban came to a halt," Sethi said.

Meanwhile the landscape next door in Afghanistan was changing. The warlords were back in action. The drug economy was surging. By 2003 and 2004, Musharraf's men were becoming hysterical about what they saw as a growing Indian presence in Afghanistan, particularly the Indian consulates in Kandahar and Jalalabad, the Pashtun strongholds that Pakistan considered its own turf. Karzai was doing business with Indians and Americans and was no longer a Pashtun whom Pakistanis would want to do business with.

As Sethi spoke, I recalled a meeting I had with one of Kandahar's prominent tribal leaders. He recounted a visit from a former Pakistani general who had been active in the I.S.I. The general invited Kandahar's leaders to lunch and warned them not to let the Indians put a consulate in Kandahar and to remember who their real benefactors were. Today there is a consulate there, and Indian films and music are sweeping through the Pashtun lands. What is more, many Pakistanis believe India is

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backing the Baluch insurgency in Pakistan's far south, clouding the prospects for the new, Chinese-built port in Gwadar. The port is Pakistan's single largest investment in its economic future and has been attacked by Baluch rebels.

In many ways, Pakistani policy is already looking beyond both Karzai and the Americans; they believe it is prudent to imagine a future with neither. That future will be shaped by the past: the past with India, the past with the Soviet Union, the past with America. For Pakistan's hard-liners, at least, the obvious choice was to take their assets off the shelf and restart the jihad.

A Difficult Choice

On the wall outside the Eid Ga madrasa, in Kuchlak, a parched town near Quetta, Afghan students and teachers were debating the merits of jihad. One boy had just fled an American assault on Day Chopan in Zabul Province. He had never been to Pakistan before. He was frenzied, in shock. As a student from Kandahar led the others in dusk prayer, a young boy whispered to me, "I like America." They were hardly a unified group. One young Helmandi told me, "We want our traditions of Islam and Sharia, not your democracy," while another argued for peace. Then the Helmandi asked, with genuine confusion: "Why are Muslims being tortured everywhere in the world, and no one is there to stand up for them? But if you touch one Westerner, the sky is on your head?"

Most madrasas in Pakistan are run by the Jamiat Ulema-e-Islam, the religious-party alliance that has joined with Musharraf to keep the popular parties of Benazir Bhutto and Nawaz Sharif from regaining power. The J.U.I. madrasas usually endorse jihad, although even here I met madrasa students who were against the war. They subscribed to a vision of jihad as a struggle for self-improvement and the improvement of society. Mawlawi Mohammadin, a cleric from Helmand, went so far as to tell me that these are the true roots of jihad, though he confessed that his is a lonely voice. He was afraid of everyone — Taliban, Pakistani intelligence, even his pupils. "If we start openly supporting Karzai, we could be killed by our own students," he told me with nervous laughter. Only a month earlier, a Taliban official from Helmand who had reconciled with Karzai's government was gunned down by assassins on a motorbike in Quetta.

Mohammadin said that it is now open season for jihad in Afghanistan under J.U.I. guidance. Government ministers were even attending funerals to praise Pakistani Pashtuns who had died fighting in Kandahar. He estimates that there are some 10,000 Taliban fighters in Baluchistan. Despite the intimidation, he says he feels that his mission is to steer his students away from war.

One of these was Mohamed Nader, who had just attended a cousin's funeral and was wondering what it all meant. His cousin's family was poor, and without their knowledge, he had gone to earn money first by harvesting poppies in Helmand and then by fighting for the Taliban. Finally he was killed. Among the biggest problems, Nader told me, was that the cohesion of the Afghan family has been shredded by decades of poverty and refugee life in Pakistan. In a typically strong Afghan family, young adults obey their parents, even asking for permission to go fight. But here, boys just run off.

Rahmatullah was one of those who had run off and returned. He was skinny and disheveled, having just faced heavy fighting in Kandahar. Though an Afghan, he had grown up in Baluchistan, near the border, in an area where he said 200 fighters were now living. The mullah at his madrasa told all the students that it was time for jihad. And the I.S.I. was paying cash. But his father was old and against the war; he pleaded with him to abandon fighting. So he sent Rahmatullah to his friend Mohammadin, hoping he might open another path for his son. Rahmatullah told me that he wasn't sure yet which mullah he would listen to.

(Next week, Part 2: How U.S. and NATO forces have been battling the Taliban and fighting for hearts and minds.)

St. Louis Public Schools Receive Grants To Prevent Violence (SLBJ MO)

St. Louis Business Journal, October 20, 2006

Twelve St. Louis public schools have received grants totaling $249,901 from the federal government to fund gang prevention classes, according to an October newsletter from Area Resources for Community & Human Services (ARCHS).

In June, U.S. Attorney General Alberto Gonzales announced the distribution of nearly $15 million in federal Gang Resistance Education and Training (GREAT) grants to school-based community programs. St. Louis was the only Missouri recipient of this year's grants.

The St. Louis Metropolitan Police Department (SLMPD), in partnership with ARCHS, received the $249,901 GREAT grants. Six full- and part-time SLMPD officers will staff the program, and ARCHS will serve as the fiscal and administrative agent of the grant, according to the newsletter.

The GREAT program consists of a 13-week middle school curriculum, an elementary school curriculum, a summer program and family training.

The GREAT grant money will provide school-based, classroom curriculum led by law enforcement officers. The program's primary objective is prevention and is intended as an immunization against delinquency, youth violence and gang membership, according to the newsletter.

The GREAT program will begin this fall and plans to reach 3,190 students in 12 St. Louis public schools:

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Long Middle CEC
Mel Carnahan Middle
Northwest Middle
Stevens Middle
Yeatman Middle CEC

ARCHS represents the St. Louis area as one of 21 community partnerships authorized by Missouri state statute. The community partnerships work with state government departments to improve the funding, management and delivery of human service programs.

IMMIGRATION:

RISE IN BRIBERY TESTS INTEGRITY OF U.S. BORDER (LAT)

By Ralph Vartabedian, Richard A. Serrano And Richard Marosi
The Los Angeles Times, October 23, 2006

EL PASO — Bribery of federal and local officials by Mexican smugglers is rising sharply, and with it the fear that a culture of corruption is taking hold along the 2,000-mile border from Brownsville, Texas, to San Diego.

At least 200 public employees have been charged with helping to move narcotics or illegal immigrants across the U.S.-Mexican border since 2004, at least double the illicit activity documented in prior years, a Times examination of public records has found. Thousands more are under investigation.

Criminal charges have been brought against Border Patrol agents, local police, a county sheriff, motor vehicle clerks, an FBI supervisor, immigration examiners, prison guards, school district officials and uniformed personnel of every branch of the U.S. military, among others. The vast majority have pleaded guilty or been convicted.

Officials in Washington and along the border worry about what lies below the surface. "It is the tip of the iceberg," said James "Chip" Burrus, assistant director of the criminal investigation division of the FBI. "There is a lot more down there. The problem is, you don't know what you don't know."

What is known — from court cases, other public records and dozens of interviews — is alarming enough. Some schemes have displayed considerable sophistication among Mexican drug lords, and their success shows a discouraging willingness by public employees to take tainted money.

Though America's southern border may evoke images of a poor backwater, it is alive with vast amounts of ill-gotten wealth, shadowy organizations that ply the waters of the Rio Grande, and brazen schemes that seem borrowed out of Cold War espionage.

Perhaps the most revealing example of smugglers' savvy was their cultivation of the highest-ranking FBI official in El Paso, Special Agent in Charge Hardrick Crawford.

FBI agents thought they had turned alleged drug kingpin Jose Maria Guardia into an informant, but Guardia was working as a double agent for the Mexican drug lords. He drew Crawford into a personal friendship, and provided a job for Crawford's wife, a country club membership for the couple and family trips to Las Vegas.

In August, after the chummy relationship became public, Crawford was convicted on federal charges of trying to conceal his friendship with Guardia. He could be sentenced to up to five years in prison and fined half a million dollars.

Drug rings once planted a mole in a federal agency, and officials worry others are lurking. The rings have entangled U.S. agents in sexual relationships. And they have amassed files on individual U.S. agents, with details about their finances, families and habits — even the kind of bicycles their kids ride.

"They hire guys to watch the narcotics agents," says Lee Morgan II, who retired as the head of the Immigration and Customs Enforcement office in Douglas, Ariz., this year. "They know what time we get up in the morning. When we go to work. What kind of car your wife drives.

"We had an informant tell us he saw a film of us as we exited our office that was being shown in Mexico. They had our license plate numbers."

The Mexican criminal networks can afford lavish payoffs. Bribery payments have topped $1 million.

Paul K. Charlton, U.S. attorney for Arizona since 2001, is convinced border corruption is worsening — and jeopardizing the trust that U.S. communities place in their government.

"The concern for me is that we can very quickly develop a culture that would be more accepting of that kind of misconduct," Charlton said. "You only have to look south of the border to see what happens when a certain level of corruption is accepted."

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Officials warn that the risk of public corruption will grow as Congress and the Bush administration respond to public demands to improve border security. Customs and Border Protection, a part of the Department of Homeland Security, wants to add 10,000 employees to its workforce of 42,000, most of whom are already stationed along the Mexican border.

"If you increase the number of people on the border, you are going to get more corruption," said the FBI's Burrus.

More security, more corruption

Stepped-up border security also makes corruption all the more necessary to smugglers.

"As we tighten up on the border, it will make it harder for the traffickers to get across," said Johnny Sutton, U.S. attorney for Texas' Western District. "You have to be creative about getting your poison into the U.S. Obviously, corrupting the officials is a part of it."

Critics blame sloppy hiring practices, inadequate training and weak internal controls. Agents are vulnerable because morale in the agency is "pathetic," stemming in part from illegal immigrants' phony allegations against agents that have unfairly ruined careers, said T.J. Bonner, head of the union for Border Patrol agents.

Border Patrol Chief David V. Aguilar rejects those claims, saying morale is good thanks to more staffing and better equipment. Wages for public employees in the poor border economies are respectable; Border Patrol agents start at about $35,000 a year and can exceed $65,000 with overtime.

Aguilar said the Border Patrol had increased ethics training at its academy and set up anticorruption programs in the field, and he said it conducted new background checks on its agents every five years. "We are doing everything we can to root out these agents, these criminals, within our organization," Aguilar said.

But such efforts sometimes stand little chance against the greed of weak agents and the power of smugglers with money to spread around.

"They are going to try to find ways to breach our enforcement efforts," said Aguilar. "They will try to flank us, tunnel us, fly over and to corrupt our efforts."

While corruption is growing, the number of internal investigators overseeing a vastly expanding workforce is stagnant or even shrinking.

Aguilar, who must rely on other agencies to investigate the Border Patrol, has demanded more prompt and thorough investigations. Others complain that infighting within the Department of Homeland Security has hobbled enforcement.

(All the major border agencies are part of Homeland Security: Customs and Border Protection includes the Border Patrol, which polices the entire border except for ports of entry themselves, handled by Field Operations; Immigration and Customs Enforcement, or ICE, which handles major border-related investigations including corruption cases; and Citizenship and Immigration Services, which handles routine immigration matters.)

Michael Maxwell resigned this year as head of internal affairs for the Citizenship and Immigration Service after clashing repeatedly with Homeland Security over a shortage of resources. When he left, 3,000 allegations of misconduct, including 100 reports of bribery, were uninvestigated, he said.

"Nobody is seriously addressing corruption," Maxwell said. "The corruption is pervasive."

The Alvarez brothers

Though a tiny fraction of federal, state and local employees at the border have been corrupted, it takes only a few to help move large amounts of drugs or illegal immigrants.

Typical are the Alvarez brothers, Juan and Jose. Juan, a senior Border Patrol agent and canine handler at the station in Hebbronville, Texas, spearheaded an operation with his brother that allowed more than 30,000 kilos of marijuana into this country from 2003 to 2005. With Jose serving as an intermediary between his brother and a drug ring in Nuevo Laredo, Mexico, the two netted $1.5 million in bribes. They bragged that they offered a "100% passage guarantee."

Their "green-light" tactics were so well developed that smugglers could have moved "nuclear weapons" over the border, said Asst. U.S. Atty. Marina Marmolejo.

She said in court that they had planned their operations down "to the very last minute," checking who was on border duty each day and what checkpoint surveillance equipment was in use, and making sure that agent Alvarez "was the only one out there manning traffic." It was, she said, "perfectly planned."

Until red flags started popping up. The brothers took trips to Las Vegas. A $20,000 cash deposit was made on a home. One brother bought a $2,500 Tag Heuer watch. A wife making $8 an hour suddenly opened a bank account with $7,000.

Juan was sentenced in February to 20 years in prison, Jose to 17. U.S. District Judge George Kazen was unmoved by their expressions of remorse. Across the Rio Grande, Kazen said, police corruption was destroying the local Mexican community, making it "not much better than Iraq." He warned that the U.S. side was becoming equally dangerous because of cops gone bad.

"You hate to see that cancer come here," he said.

Government help

The narcotics networks sometimes get direct help from local Mexican governments. Last year, federal prosecutors in Arizona charged Police Chief Ramon Robles-Cota of Sonoyta, Mexico, a small town near the Lukeville border crossing, with drug trafficking and bribery.

His swings into Arizona were chauffeured by one of his officers, Julio Cesar Lozano-Lopez, who admitted in federal court that he drove his chief into Arizona twice in 2005 to meet with Border Patrol agents and spread bribe money around. The chief remains free in Mexico.

In a 2005 wake-up call about the scope of border corruption, a major FBI-led sting in Arizona netted 71 guilty pleas by National Guard members, state prison guards and a federal inspector. Known as Operation Lively Green, the sting demonstrated that large numbers of government employees at the border were willing to take a bribe.

But nobody in government has measured all the criminal cases across every jurisdiction, agency and state.

The Times examined case files, public announcements and other public records dating to 2004 and interviewed officials in every U.S. attorney's district along the border as well as local and federal law enforcement agents and key county prosecutors.

Nearly half of the cases were associated with Lively Green and another major FBI sting in Arizona, code-named Double Driver, which caught 26 Arizona Department of Transportation clerks in 2004 who were issuing fraudulent driver's licenses.

Even excluding those stings, the number of indicted individuals still shows a steady growth: 17 in 2004, 35 in 2005 and 52 so far in 2006.

The longer-term trend also appears troubling. One of the few historical benchmarks is a General Accounting Office report on border corruption that counted all the cases of corrupt immigration, customs and Border Patrol agents during the mid-1990s.

The GAO identified 28 such cases in five years. The Times review of the same job categories turned up 38 cases in just the last three years.

Not just drugs

In the past, border corruption was mainly associated with narcotics. But increasingly, immigrant smugglers — who command huge fees from people trying to cross illegally into the U.S. — are also making payoffs.

The terrorist attacks of Sept. 11 called attention the risks posed by human smuggling: Though no terrorists are known to have slipped across the Mexican border yet, many law enforcement officials are deeply worried that corrupt inspectors might let it happen.

"Who's to say a potential terrorist can't get in that way?" asks Jack W. Hook, a special agent in charge of the Department of Homeland Security's inspector general's office in San Diego.

Mario Alvarez and Samuel McClaren, senior U.S. Border Patrol agents in El Centro, Calif., helped launch a program that jailed dozens of such human smugglers. In March, they were told to come to El Centro headquarters to receive an award. Instead, they were arrested in front of stunned fellow agents.

They eventually pleaded guilty to taking cash bribes to release immigrants from detention centers and then falsify reports that they had returned the individuals to Mexico. They were caught when another Border Patrol agent obtained a telephone call list from a captured smuggler and found their number on it.

For every criminal indictment, there are many more cases that never reach public attention.

ICE is investigating 2,097 criminal cases, the agency says, and operates a hotline that received 7,500 allegations of internal misconduct in fiscal year 2005.

Most corruption cases involve federal employees, but local officials, including police, are also on the take.

Jesus Lorenzo Meza was hired three years ago as a police officer in Edinburg, Texas, even though — unknown to the police chief — Meza and four of his brothers had been running an elaborate drug smuggling operation for years, according to an indictment. They used boats and other means to move more than 15,000 pounds of marijuana and 500 kilos of cocaine.

Federal agents, quietly tracking their movements, logged more than 2,000 telephone conversations. But the FBI and the U.S. Drug Enforcement Administration never told Police Chief Quirino Munoz about their ongoing probe or warned him against hiring Meza, the chief has complained.

The task of arresting Meza was left to his fellow officers, who confronted him in April at the end of his night shift at the jail, seized his badge and locked him in a cell. Now, the chief said, his 100 officers are demoralized. Meza awaits trial.

Criticism of screening

The escalating corruption among federal employees has drawn charges that Homeland Security's screening and training of new employees is sloppy.

Oscar Ortiz, praised in a job performance review as a "remarkable" Border Patrol agent, became a partner in a smuggling ring that trafficked dozens of illegal migrants through the rugged backcountry east of San Diego.

Ortiz turned out to be an illegal immigrant himself, and had been detained in 2001 on suspicion of smuggling illegal immigrants in his car.

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Fernando Arango of Rio Rico, Ariz., was hired as a customs inspector even though he had fled a drug smuggling charge 15 years earlier. Last year, he was charged with taking $50,000 to wave through the border checkpoint a recreational vehicle that he believed contained 200 kilograms of cocaine.

Though federal officials voice outrage over corruption, a sharp debate exists below the surface over whether resources are sufficient to combat the problem.

Some trace the problem to the merger of several agencies to create Homeland Security. Before the merger, the Customs Service alone had about 180 internal investigators for its 22,000 employees, said former Customs Commissioner Robert Bonner.

They were reorganized into ICE, which now has 160 investigators to oversee about 72,000 employees across three border-related agencies.

"It diminished our ability to be as vigilant and on top of the corruption issue as we were in the past," said Bonner, who fought to keep internal investigators in the new agency. "The whole thing became more fragmented."

The FBI is rushing more agents to the border to address the problem, said Burrus, the assistant director. In most of its field offices, the FBI allocates 20% of its agents to public corruption cases. Along the border, it is 40% to 60%. In recent years, it has boosted public-corruption staffing by a third.

"We are doing the best we can with the resources we have," Burrus said. "There will never be enough resources."

Even the most ambitious review of job applicants won't necessarily ferret out all of the problems. Many convicted agents have said financial pressures and other personal dilemmas drove them to cross the line. Smugglers often know how to push the right button.

A Border Patrol agent, part of a narcotics and immigrant network in El Paso, explained to a judge last year how smugglers sought to recruit him.

Agent Aldo Erives said the drug dealers knew that he hitchhiked to his classes at a local college.

"Come on," he said they told him, "you can buy a car if you pass a load through the checkpoint."

In the dryer

Sometimes, federal agents initiate the corruption.

In El Paso, Santiago Efrain, an ICE agent assigned to help guard a detention center, allegedly told the lawyer for a jailed Mexican smuggling suspect that for $20,000 he could get the charges dropped and the suspect safely back to Mexico. Efrain allegedly said he normally charged $30,000 for this kind of favor but was willing to cut a deal.

The Mexican lawyer alerted U.S. authorities, who sent an undercover agent to meet with Efrain at the local Starbucks. Efrain, wearing his duty uniform, allegedly accepted the $20,000 and was promptly arrested. He is awaiting trial.

Also yet to go to trial is David Duque Jr., a Border Patrol agent in Falfurrias, Texas, north of McAllen. He is charged with bribery for allegedly advising a government informant how to package cocaine in order to get it past the police dogs at the border checkpoints. He asked for $2,500 for every kilogram of cocaine that got through, authorities say.

According to the indictment, Duque instructed that payment should be left in his clothes dryer.

"Law enforcement officials have confirmed that Duque has a dryer located outside his residence on the porch," the indictment duly noted.

A Set Of Borders To Cross (WP)

By Sylvia Moreno

The Washington Post, October 23, 2006

NIXON, Tex. -- Seventeen-year-old Guillermo Antonio Iraheta Hernandez traveled thousands of miles from his native El Salvador only to land in limbo.

Left behind more than a decade ago by his parents, illegal immigrants living in Northern Virginia, Iraheta made part of his trek to the United States hidden in the baggage compartment of a Mexican bus. But soon after surreptitiously crossing the Rio Grande into Texas, he was picked up by the Border Patrol and brought here to a converted nursing home run by the federal government where 136 children from Honduras, El Salvador and Guatemala are temporarily housed.

Iraheta is but one drop in a new and fast-growing stream of illegal immigration to the United States, those under 18 who are sneaking into the country without their parents. Authorities say the phenomenon is growing and includes girls traveling alone and even toddlers being carried by older siblings or entrusted to smugglers.

Many of those who are apprehended by the Border Patrol end up in a burgeoning network of shelters set up by the U.S. Department of Health and Human Services. There they run up against Washington's paradoxical approach to the problem of children who entered the country illegally without their parents. The government agency that runs the shelters tries to reunite the children with relatives living here, regardless of their legal status. Another federal agency works to deport them -- as well as their parents. Iraheta's mother and father are reluctant to come forward to claim their son, fearing that would lead to being sent back

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to El Salvador. So are his sisters, who are also in the country illegally. Even uncles who are legal U.S. residents living in Texas have stayed away.

"They're afraid this might not be in their best interest," said Iraheta's sister, Dina. "Nobody wants to help him. Nobody wants to do anything, and that's the problem."

Iraheta, whose father paid a smuggler $6,000 to bring him into the county, said he would like to attend high school and college in the United States, perhaps to study literature.

"Every day I pray that someone in the family will come forward to help advance my case," the teenager said.The Path of Hope

Last fiscal year, the Border Patrol apprehended 115,000 unaccompanied minors, up from 98,000 in 2001. Almost 7,800 children landed in the federally funded system of shelters last fiscal year, which ended Sept. 30, 2005 -- 25 percent of them girls, 20 percent under 15.

Fueling this immigration is the crackdown on border enforcement and illegal immigrants, authorities and immigration experts say. Adults in the United States without legal papers who used to risk trips to Central America to retrieve children and make the illegal trip back across the Mexican border are hiring smugglers instead. Documented immigrants waiting years for approval from immigration officials to bring their children to the United States legally are also turning to traffickers.

So the children come alone, undertaking arduous journeys, including treks across deserts and rivers, led by smugglers who will not hesitate to abandon those who are sick or weak or cannot keep up. Many of the girls are sexually abused along the way.

Robert Garza, director of operations of the shelter in Nixon, where Iraheta is living, said that when he started his job three years ago, he was taken aback by the young ages of the children brought in by immigration authorities and the youngsters' stories about their journeys.

"I thought, how can a parent send a child on that long journey, not knowing what's going to happen?" Garza said. "But it's the environment they come from. There is no hope, and the only way out of that environment is to come to America. That's how they see the United States -- as hope."

Most of the children in the shelters come from Central America. Children from Mexico who are caught at the border are immediately returned, though the ones who make it into the United States may end up in shelters if they are caught by immigration authorities. In the past two years, the shelter system across the Southwest has grown to 21 from five. Most are in Texas.

Some, like Texas Sheltered Care in Nixon, are plush worlds compared with the living conditions the juveniles left behind. The shelter in Nixon offers classes in English, math, carpentry and computer skills. The children get round - the - clock supervision, plus counseling, medical care and recreation -- even yoga classes and outings to bowling alleys or local football game pep rallies.

The shelter's walls are decorated with colorful posters depicting the seasons and inspirational sayings in English and Spanish. Large flags on the wall announce the residents' home countries: Honduras, El Salvador, Guatemala, Brazil. A courtyard garden, tended by the children, is dotted with wooden crosses they made to memorialize loved ones who died back home -- part of the grief counseling offered by one social worker. They get bused weekly to the local swimming pool, once a whites-only facility. Today it is an illegal-immigrants-only pool and is owned by Texas Sheltered Care.

Mostly, though, the children wait, hoping social workers can cajole their parents or other kin to claim them before Immigration and Customs Enforcement lawyers can persuade an immigration judge to deport them.

"We're a social service agency. We aren't law enforcement," said Maureen Dunn, director of HHS's Division of Unaccompanied Children's Services, which runs the shelters. "We want to make sure kids are safe and well cared for and that they are safely reunified."

Dunn's agency was created in 2004 as the result of a lawsuit settled on behalf of immigrant children. Before the ruling, children generally were sent to juvenile detention centers to await deportation. Now, the agency's goal is to reunite unaccompanied immigrant children with their parents or close relatives. If that occurs, the children are then ordered to appear in an immigration court for a hearing that might lead to their deportation. But no one knows how many keep that court date or how many just melt into the country's underground world of undocumented immigrants.

"It's kind of a gaping hole in the new wall that's supposedly going up against illegal immigration," said Don Barnett, a fellow with the Center for Immigration Studies, which favors tighter borders and immigration controls.

To get custody of their children, many of these parents must appear in person. While HHS will not turn them in, many fear capture at Border Patrol checkpoints on highways and in airports, or by the increasing number of local police agencies that have been given the power to enforce immigration laws. Some immigrants also just don't believe the assurances of social workers that they are not an arm of la migra .

"I told them 'No, this is like a school, there are no police here,' " Iraheta said, describing how he tried to reassure his parents and persuade them to claim him. "But they're scared to come get me; they don't have the courage."

Many children languish in shelters for weeks, attending immigration court hearings periodically, until a judge issues a deadline for reunification or a deportation order.

"I feel sorry for any child that doesn't get reunified, especially if it's [with] the parents or siblings," said Jose Munoz, one of the Nixon caseworkers. "Some of it is due to being undocumented, and some of it is they're scared to travel. . . . What happens is that it becomes an emotional roller coaster for the child."

Nelvin Johac Lara Pineda, 17, left Honduras with one goal: Get to the United States, get a job, and send money home because his parents and five younger siblings are being threatened with eviction from their small home.

The boy's father, a field laborer, borrowed money last year from an acquaintance to tide the family over while he was ill and unable to work. Lara worked the fields, too, having left school after fifth grade to help his father support the family. But this year, with both of them working, they made enough to cover only the interest payments and none of the loan principal. The lender began threatening the family with eviction.

"I want to help my father, and I don't want my family to end up on the street," said the doe-eyed boy. "For me, it's no problem to be out on the street. But not for my parents or my brothers."

Lara left Honduras in early May, walking for six days through Guatemala and traveling through Mexico atop freight trains. He swam the Rio Grande into Texas one night in late May and was promptly apprehended by the Border Patrol. He was transferred to Nixon on June 6.

Lara gave his caseworker at Texas Sheltered Care the names of cousins and other distant relatives in the United States who were called to see if they would sponsor his release from the shelter. Undocumented also, they did not want to step forward for fear of being deported.

In mid-September, an immigration judge in San Antonio issued a deportation order for Lara, and the teenager cried and cried. "I don't know what we're going to do," he said later. "I've talked to Papi and he still fears that they will be evicted. I couldn't realize what I came to do. I guess that's it."

After the order, his clothing was restricted: Like other children with deportation orders, he had to wear red shorts, a white T-shirt, white socks and brown slippers at all times so the shelter could keep track of him and make sure he didn't try to run away.

Earlier this month, Lara was put on a plane by ICE agents and sent back to Honduras.

But not all stories end that way.A Bittersweet First Meeting

Last December, after years of telephone conversations, Yeni Patricia Castillo Medrano, a tall, soft-spoken 17-year-old from El Salvador, met her father for the first time. Having obtained legal papers to live in the United States and travel back home, her father, who lives in Northern Virginia, visited El Salvador for the first time in 17 years.

She was thrilled to meet him, yet Castillo admitted the visit didn't go well. "I treated him badly; I spoke to him badly," she said. This is a normal reaction, immigration experts say, from children whose parents leave home to make a better life for their families. But in late August, Castillo told her father in a telephone conversation that she wanted to join him. He paid almost $7,000 to a smuggling ring to bring her to him.

Castillo and four other teenagers from her village illegally entered Mexico from Guatemala aboard a makeshift raft, traveled in the baggage compartment of a bus through Mexico and floated on inner tubes across the Rio Grande.

By the time the Border Patrol apprehended Castillo in south Texas, the girl had been walking through desert and brush for almost four days. Dehydrated and ill from heat exhaustion, she was taken to a hospital for an overnight stay.

Twenty days after arriving at the Nixon shelter, Castillo flew from Houston to Reagan National Airport, where she was reunited with her father, Mardoqueo Castillo.

The girl and her father hugged tightly upon meeting, and she cried. She was sad, she said, to leave the girlfriends she had made at the Nixon shelter, but glad to be with her father.

"How would I not be happy to be here with my loved ones?" she said, before walking out of the airport terminal, her head on her father's shoulder, her hand in his.

CONGRESS-ADMINISTRATION:

Paulson Pulls For U.S. Markets (WSJ)

By Deborah Solomon

The Wall Street Journal, October 23, 2006

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WASHINGTON -- With just two years to make his mark, new Treasury Secretary Henry Paulson is focusing much of his attention on making American financial markets more competitive.

So far, his efforts have mainly involved meeting and jawboning. He is well-positioned to help tweak some rules, but his power could wane next year if Democrats make significant gains in the November elections.

Since taking the reins in July, the Wall Street veteran has reinvigorated the President's Working Group on Financial Markets, which had languished. He also has backed a private-sector effort to recommend changes to laws and rules that critics say handicap U.S. financial markets. And he raised business hopes that the government will ease a controversial rule created by the Sarbanes-Oxley law in response to corporate scandals.

Mr. Paulson is chairman of the Working Group, which coordinates government policy on financial markets and includes the heads of the Federal Reserve, Securities and Exchange Commission and Commodity Futures Trading Commission. Mr. Paulson has insisted that they meet about every six weeks. Before his arrival, the group met every few months and sometimes as infrequently as once a quarter.

"The issues that are natural for the President's Working Group to deal with are issues that he has thought a lot about while he was on Wall Street and to which he clearly has wanted to devote a lot of attention while he's here in Washington," said Randal Quarles, who recently stepped down as Treasury undersecretary for domestic finance.

The Working Group is a significant lever to influence policies outside the Treasury's bailiwick. The committee is "where he can have influence over the process and can shape the debate," said Rob Nichols, president of the Financial Services Forum, a group of chief executives from that industry that met with Mr. Paulson and President Bush last week. Mr. Nichols, a former Treasury spokesman, said Mr. Paulson talked about "what we can do to keep the U.S. economy competitive and keep the capital markets competitive."

Mr. Paulson's efforts are a response to a growing business concern that the regulatory and legal environment puts U.S. capital markets at a global disadvantage. Mr. Paulson often points out that more initial public offerings of stock are being issued on exchanges outside the U.S. Business leaders complain that the costs of doing business in the U.S. are increased by provisions of Sarbanes-Oxley, class-action lawsuits and a state and federal law-enforcement crackdown on corporate misbehavior.

The U.S. Chamber of Commerce on Friday held a public forum in Washington to publicize such issues. "If our capital markets become less competitive, the cost of capital rises, [stock] listings and investment opportunities go overseas," said David Chavern, the chamber's chief of staff.

Mr. Paulson is having the Working Group look at the systemic risk posed by hedge funds and derivatives, and the government's ability to respond to a financial crisis, officials said.

He has ordered his chief of staff, Jim Wilkinson, to oversee the creation of a Treasury command center to track markets world-wide and serve as an operations base in a crisis. The center would revive a market-monitoring room closed in a 2003 budget cut. Mr. Wilkinson has relevant experience: A former spokesman for the U.S. in Iraq, he was a White House aide during the Sept. 11, 2001, terrorist attacks.

Mr. Paulson, a former chief executive of Goldman Sachs who declined to comment for this article, has said the regulatory pendulum "may have swung too far" in response to corporate scandals. He is expected to sound the capital-markets-competitiveness theme in future speeches. He also has emphasized restraining the growth of federal spending, but that will require congressional cooperation, a particular challenge if Democrats take control of one or both houses of Congress.

The secretary doesn't need much congressional cooperation on other priorities, including persuading China to keep moving toward market capitalism and shoring up the competitiveness of U.S. capital markets through rule changes.

Much depends on his persuasiveness. The Treasury's jurisdiction is limited. The controversial Sarbanes-Oxley rule -- which requires that companies assess their internal controls to ensure their financial reporting is accurate and reliable -- was crafted by the SEC and the Public Company Accounting Oversight Board. Both plan revisions before the end of the year.

Mr. Paulson, aware of the ticking clock on the Bush presidency, wants to move quickly. He told the organizers of the private Committee on Capital Markets that he wanted recommendations by next month.

"He explained what the political cycle was and that Treasury would be thinking about this issue come the new Congress in January, and if we were going to have an impact on that process, we would want to get this out by end of November," said Hal Scott, a Harvard Law School professor who heads up the panel.

The committee includes business leaders and academics but not consumer or shareholder-rights activists. It will draft a report looking at legal-liability issues, the Sarbanes-Oxley rule, shareholding rights and the regulatory process, including whether the SEC should weigh costs and benefits more explicitly before adopting rules. Mr. Paulson didn't help create the group, but he called it "important to the future of the American economy and a priority for me."

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Gary Gensler, an assistant secretary for financial markets in the Clinton Treasury, said Mr. Paulson should be careful how he wields his power.

"I think that we have very competitive markets and have had for a very long time," Mr. Gensler said. "That's not to say it's not worth looking, but I think the hallmark of the U.S. markets is efficiency tied with a set of clear rules. ... There's always pressure that comes from groups to roll something back. What would be a mistake, though, is to think we need some wholesale changes."

The Third Battlefront: Money (USNEWS)

By Anna Mulrine

U.S. News and World Report, October 23, 2006

As fighting in Iraq and Afghanistan continues with brutal intensity, the Army is waging a high-stakes war on the home front as well. While President Bush signed the 2007 defense budget into law last week, Army officials were already pressing their case for 2008 funds in one of the more unusual and intrigue-filled budget battles in recent Pentagon history. It is a fight that highlights the deep stresses on a force tussling for more money and manpower while it struggles to protect expensive modern combat systems-systems that critics contend are overly ambitious in a time when war-worn equipment remains in need of critical repairs and posts across the country are struggling to pay their electric bills.

The Army fired the first salvo in its budget battle back in mid-August, when its leaders skipped a deadline for submitting their budget plan to the office of Secretary of Defense Donald Rumsfeld. Instead, with Rumsfeld's blessing and the backing of Secretary of the Army Francis Harvey, Army Chief of Staff Peter Schoomaker took his case directly to the White House Office of Management and Budget. Schoomaker is pressing for nearly $139 billion in fiscal 2008, some $25 billion more than the Army was offered-a budget gap that is, for example, double the government's annual spending for customs, immigration, and border protection combined.

Rumsfeld's decision to allow Schoomaker to go directly to OMB was "a shocker," says a senior Pentagon official. The move was regarded by some as a Rumsfeldian maneuver to mousetrap the White House and by others as an abdication of responsibility. "If the sec def isn't setting those spending priorities, then what the heck is going on?" the official adds. The bottom line, say Pentagon officials privately, is that the Army is on its own to fight this battle. Says Congressional Research Service analyst Stephen Daggett: "I don't think there's any precedent for it."

Rival services. The question now becomes how much money the Army will get-and who pays. The latter hinges on whether OMB will increase its $462 billion "top line" budget for defense spending or whether the Army's needs will force cuts for the other services. "We're taking bets," says one senior congressional staffer. But with OMB's pledges to reduce the deficit, the odds-on favorite is the latter. That prospect, predictably, does not sit well with the Navy and Air Force, which have each traditionally received 30 percent of the defense budget's pie, versus the Army's 25 percent. Air Force Chief of Staff Michael Moseley has noted that his force had to cut some $12 billion from the budget it submitted in mid-August and 40,000 jobs from its civilian and uniformed ranks.

The Army, by contrast, is pushing to expand, backed by congressional calls last week to increase the force by as many as 50,000 new soldiers. But troops are increasingly hard to recruit, and they're expensive-a rule of thumb is that each one requires $100,000 to find, train, and equip. At the same time, the Army is trying to protect the centerpiece of its so-called transformation plan, the Future Combat System, a network of light armored vehicles as tough as tanks, connected by high-tech communications systems. "That really irritates other senior service members because they're giving up stuff right and left," says Loren Thompson, a defense analyst with the Lexington Institute, who adds that the Army will most likely get "a lot more money, but not everything it wants." In hard budget times, services have long traded troop strength for modernization, adds Steven Kosiak, analyst at the Center for Strategic and Budgetary Assessments. "The question is, do they really need this stuff? The FCS is a very ambitious plan that has a lot of problems. It's probably more ambitious than necessary."

Senate's Baucus Uses Treasury Pick To Press Tax Gap (WSJ)

By Robert Guy Matthews

The Wall Street Journal, October 23, 2006

WASHINGTON -- The Senate Finance Committee's top Democrat, Max Baucus, has since summer held up confirmation of the man nearly everyone, including Mr. Baucus, agrees is an excellent choice to be the Treasury Department's chief tax official.

The reason for Mr. Baucus's stance on Eric Solomon's confirmation: He wants Treasury to explain how it will solve the tax gap. The tax gap, or the difference between the estimated amount owed by all taxpayers and what they actually have paid, currently totals $290 billion, or about 16% of the money owed.

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The tax gap, which has been surging since the 1990s, now averages about $2,200 per taxpayer. If the federal government were to close the gap completely, it would have a small surplus for the just-ended fiscal year instead of its reported $248.1 billion deficit.

According to the Internal Revenue Service's most recent analysis of the problem -- based on a sample of individual taxpayer data for 2001 -- 80% of individuals who failed to pay what they owed did so due to honest errors or misinterpretation of the tax code. The remaining 20% either knowingly paid less than they should or failed to file a return altogether. The IRS has yet to update its analysis of corporate taxpayers.

Numerous solutions have tried to address these problems, but none have proved effective so far in markedly decreasing the gap. Government officials don't even agree on its size. The Treasury Inspector General for Tax Administration, in an audit of IRS policies released this summer, said the agency likely has underestimated the amount that taxpayers owe by as much as 100%.

The IRS says it collects about 83% of the taxes owed to the government.

Efforts to narrow the tax gap have run into barriers. Last year, a presidential tax-overhaul panel proposed measures to simplify the tax code. It said many underpay taxes because they don't understand the complex rules. But its recommendations have yet to be implemented, in part because they could cost the Treasury money by reducing taxes owed.

Another approach is cracking down on those who underpay taxes on purpose. But the IRS would have to drastically increase the number of examiners and spend millions of dollars to upgrade computers so it could check a higher percentage of the 130 million individual and 25 million corporate returns filed each year.

Currently, the IRS examines fewer than 1% of returns, said Nina Olson, National Taxpayer Advocate, an independent office within the IRS that represents taxpayer concerns.

Nearly half the individuals who underreport their taxes on purpose have understated their net business income, said the IRS. Compliance among self-employed or contract workers runs as low as 30%, at least in part due to the IRS's difficulty in tracking their income.

Past get-tough policies have sparked complaints. In the late 1980s, the IRS sought to crack down on suspected tax dodgers with aggressive audits, increased property seizures and onerous regulatory procedures. The campaign triggered grumbling by taxpayers, and Congress held a series of hearings.

Lawmakers ordered the IRS to tone down its collection methods and focus on providing services to taxpayers. Congress also passed several laws limiting the IRS's autonomy.

As a result, the IRS swung to the other extreme in the late 1990s, scaling back the number of its auditors and pursuing fewer court cases. Corporate taxpayers and high-wealth individuals took the opportunity to hatch complicated, and sometimes illegal, tax shelters that have deprived government coffers of billions of dollars, said IRS Commissioner Mark Everson.

The IRS recently started to pursue some of these cases, but that usually means long, complicated processes. Mr. Everson said he aims to strike a balance between tough enforcer and service-oriented agency but ultimately to collect as much money due the Treasury as possible.

Mr. Baucus has less-ambitious goals. The flap over Mr. Solomon's nomination to head Treasury's tax division is one of the few levers that the Democratic lawmaker has against the Bush administration.

Last week, he and Sen. Charles Grassley, chairman of the Senate Finance Committee, said they will study eight strategies to close the tax gap drafted by the Joint Committee on Taxation. The measures include strengthening requirements for reporting offshore income.

But Mr. Baucus also wants Treasury to articulate clear benchmarks in its tax-gap plan, he said, such as deadlines for shrinking the figure. "The Treasury Department's tax-gap plan isn't the complete and credible product I asked for," he said.

Scalia Sees Shift In Court's Role (WP/AP)

By John Heilprin

The Washington Post, October 23, 2006

Deeply controversial issues such as abortion and suicide rights have nothing to do with the Constitution, and unelected judges too often choose to find new rights at the expense of the democratic process, according to Supreme Court Justice Antonin Scalia.

Scalia, during a panel Saturday on the judiciary sponsored by the National Italian American Foundation, dismissed the idea of judicial independence as an absolute virtue. He noted that dozens of states, since the mid-1800s, have chosen to let citizens elect their judges.

"You talk about independence as though it is unquestionably and unqualifiably a good thing," Scalia said. "It may not be. It depends on what your courts are doing."

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He added, "The more your courts become policymakers, the less sense it makes to have them entirely independent."

Scalia, a leading conservative voice after 20 years on the court, said people naturally get upset with the growing number of cases in which a federal court intrudes on social issues better handled by the political process.

"Take the abortion issue," he said. "Whichever side wins, in the courts, the other side feels cheated. I mean, you know, there's something to be said for both sides."

"The court could have said, 'No, thank you.' The court could have said, you know, 'There is nothing in the Constitution on the abortion issue for either side,' " Scalia said. "It could have said the same thing about suicide, it could have said the same thing about . . . all the social issues the courts are now taking."

Scalia said courts didn't use to decide social issues. "It is part of the new philosophy of the Constitution," he said. "And when you push the courts into that, and when they leap into it, they make themselves politically controversial. And that's what places their independence at risk."

Justice Samuel A. Alito Jr., the newest member of the Supreme Court, agreed that "the same thing exists, but to a lesser degree, with the lower courts."

About 400 people turned out at the Hilton Washington for the talk. William S. Sessions, a former FBI director and federal judge and Lynn A. Battaglia, a Maryland appeals court judge, also participated in the discussion.

Scalia expressed disdain for the news media and the general reading public, and suggested that together they condone inaccurate portrayals of federal judges and courts.

"The press is never going to report judicial opinions accurately," he said.

"They're just going to report, who is the plaintiff? Was that a nice little old lady? And who is the defendant? Was this, you know, some scuzzy guy? And who won? Was it the good guy that won or the bad guy? And that's all you're going to get in a press report, and you can't blame them, you can't blame them. Because nobody would read it if you went into the details of the law that the court has to resolve. So you can't judge your judges on the basis of what you read in the press."

Alito complained that people understand the courts through a news media that typically oversimplifies and sensationalizes. He said people's ability to amplify their comments globally about judges and their opinions on the Internet takes a toll on the judiciary.

"This is not just like somebody handing out a leaflet in the past, where a small number of people can see this," he said. "This is available to the world. . . . It changes what it means to be a judge. It certainly changes the attractiveness of a judicial career."

Scalia chimed in: "I think what Justice Alito says about being careful about, you know . . . be nice to your judge. Take a judge to lunch. No, you can't do that."

Later, Scalia observed, "It so happens that everything that is stupid is not unconstitutional."

Fostering A Facebook For The Feds (WP)

By Stephen Barr

The Washington Post, October 23, 2006

MySpace. Friendster. Facebook. YoungFeds?

A nonprofit public service group launches YoungFeds.org today -- featuring blogs, message boards, video clips and, yes, some old-fashioned career advice.

"The goal is to get people in the young feds community to provide content or give direction to the content," David Roberts , 26, a leader and organizer of the online clubhouse, said as he loaded material onto the new Web site from a laptop computer Friday.

Roberts and other organizers hope the Web site will connect under-35 professionals across government and, with the help of a little buzz, grow into an online networking place for the federal sector.

The organizers of YoungFeds envision the site becoming a destination for young government workers where they, not the organizers, will create a sense of community. Over time, organizers hope, the YoungFeds site will permit users to set up blogs, create profiles, link to friends, search out other young employees in their agency, and post events on a calendar so that users can meet one another in person at breakfast forums and evening receptions.

Roberts is a staff member at the nonprofit Council for Excellence in Government, which is sponsoring the YoungFeds project in partnership with Geico, the insurance company. The project is being guided by a group of some 35 young people, in and out of government, called "35 Under 35," or "35<35."

Antony DiGiovanni , 34, is part of the steering group, and he has written what the Web site calls an "UnCommentary" about working on temporary assignment at a Capitol Hill subcommittee as a "detailee" from his agency, the Energy Department. It's called "The Devil Shouldn't Be in the Details."

About 20 percent of federal employees are 35 or younger, and many work in offices where up to 60 percent of the staff will be eligible to retire in the next 10 years.

When DiGiovanni joined Energy in 2000, he said, "I got the sense that young people feel isolated in the federal government." A Web site for younger employees, he said, could be "a promising way to help people find each other."

In addition to "UnCommentary," the YoungFeds site will feature "ProFile," accounts of young people who are making a mark in government; "Sound Bytes," featuring user-produced podcasts, webcasts and YouTube videos; and "Brand U," a summary of a hot topic in government and what a young person would need to do to take advantage of the trend.

Like many other Web sites, YoungFeds will gather feedback for a poll, called "The Gauge," to see what, for example, viewers think of new pay-for-performance rules, their office's Friday casual dress code and food in government cafeterias.

More serious offerings will include "Big League Advice" from current or former federal officials on how they climbed the ladder to success, and "Working Points," a sort of been-there-done-that column that steers young employees to data and practices that they might find useful in their professional lives.

The site's organizers do not want to be seen as competitors to associations and membership groups, such as Young Government Leaders, but as a place that welcomes them.

"Our hope is that individuals and organizations use the site and live activities as a like-minded community to improve government," said Tony Nicely , Geico's chairman and president.

Patricia McGinnis , president of the Council for Excellence in Government, said she expects "the infectious ingenuity of this network to multiply as word spreads about what it means to be a young fed."

DiGiovanni said he plans to send e-mails today informing colleagues of the YoungFeds launch in hopes of creating some buzz about the project. "It could be more than just a Web site, and bring people together for sharing ideas," he said.

Fantasy Sports? Child's Play. Here, Politics Is The Game. (NYT)

By Cindy Chang

The New York Times, October 23, 2006

When Ellen Montgomery's co-workers relive the latest Chicago Bears victory or commiserate over the hometown team's defeat, she has nothing to add to the conversation.

Ms. Montgomery, 27, a grass-roots organizer, says she has "zero" interest in sports and is even less equipped to engage in the statistics-laden talk of fantasy sports leagues that dominates at many water coolers in sports-crazy cities like Chicago. The hours sports fans spend tracking their favorite players are for Ms. Montgomery devoted to scouring the legislative agendas of members of Congress.

Now, she and fellow policy buffs have an outlet for their competitive urges. Fantasy Congress, a Web site created by four students at Claremont McKenna College in Southern California, made its debut three weeks ago. Through word of mouth and blog entries, it has attracted nearly 600 participants from states including Texas and Florida, from as far away as Denmark and, of course, from the Beltway.

For those who have no idea how many yards Peyton Manning threw for on Sunday but can cite every legislative amendment proposed by Senator Richard Durbin, Democrat of Illinois, the game could be an alternative to the prevailing fantasy sports culture.

Congress is in recess, and many Fantasy Congress leagues are still recruiting players or are waiting until after the Nov. 7 elections to get started. It remains to be seen how the game will play out over a long legislative session. But policy enthusiasts like Ms. Montgomery say they are thrilled that there is finally something for them.

"Especially this time of year, all you hear is people talking about fantasy football leagues," Ms. Montgomery said. "I couldn't care less if I tried, either about real football or fantasy football. But hey, I actually pay attention to what goes on in Congress."

Just as in fantasy football or baseball, each player picks a team — in this case, 4 senators and 12 House members of varying seniority levels — and competes with other players in a league typically managed by a friend or a co-worker. Members determine whether to play for money or the thrill of victory. But that is where the similarities end.

On the Fantasy Congress Web site, www.fantasycongress.us, leagues have names like "We the Peeps" and "Foley4Prez," in addition to the usual school and workplace affiliations.

Players accumulate points as the legislators they have chosen go about their business on Capitol Hill. A House member or senator earns five points for introducing a bill or an amendment, and more points for negotiating successfully each step in the legislative process.

Players can change their team members once a week, so if a scandal-plagued lawmaker resigns there is an opportunity to pick someone new. As of now, legislators can be on multiple teams within a league, but the site's creators plan to introduce an exclusivity rule that would limit a legislator to playing for only one team.

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A list updated daily on the Web site shows the cumulative point rankings of each legislator. Representative Don Young, Republican of Alaska and chairman of the Transportation and Infrastructure Committee, is first in the House with 1,905 points. Senator John W. Warner, Republican of Virginia and chairman of the Armed Services Committee, leads the Senate with 1,991 points.

"There's so much more that impacts how a member of Congress can push their agenda forward than just one simple metric," said Jeremy Cogan, press secretary for Representative Grace F. Napolitano, Democrat of California, offering an explanation for why his boss was tied for last in the House rankings with Representative Ike Skelton, Democrat of Missouri.

The Web site's creators say they plan to add other ways to earn points, like floor speeches and news media references, but for now, the bill-based system is the sole measure of legislative productivity, making for a range of team-picking strategies.

Ms. Montgomery selected her team based on a combination of hard calculation — politicians running for re-election are less likely to be active on the legislative front, she reasoned — and sentimentality. Representative Rodney Frelinghuysen, a Republican from the New Jersey district where she grew up, has netted her zero points so far.

She is in first place in her league, while a friend who could not bring himself to pick any Republicans — even though the majority party has an edge in this scoring system — is in last place.

"It's about majority and seniority," said John J. Pitney Jr., a professor of government at Claremont McKenna. "You look at who's been very active, whose issues are coming up. Sometimes it's appropriations, sometimes defense or international relations." Professor Pitney was an adviser to the creators of Fantasy Congress and plans to start a team.

Andrew Lee, the senior who came up with the idea for the game and then enlisted the help of three technically skilled classmates, has a wonky side, to be sure. Mr. Lee has been a devotee of water-rights policy since childhood and at 21 has had three Washington internships. On his four-day fall break, he flew home to Colorado to work on two Democratic campaigns.

Mr. Lee is also a Denver Broncos fan and has dabbled in fantasy baseball. In his dorm room, a poster of Jake Plummer, the Broncos' quarterback, hangs across from legislators-in-action photographs from Congressional Quarterly.

One day during his freshman year, Mr. Lee was watching CNN while his roommate exulted over the results of a fantasy football team. He thought, Why not devise a similar game that would pit government aficionados against one another?

He hopes that Fantasy Congress, in addition to being fun, will teach people about their representatives and the legislative process. Professor Pitney says he will make students in his class on Congress play next semester.

If the ins and outs of Congressional business are unlikely to have the hold on the imagination that E.R.A.'s and R.B.I. do, turning those maneuverings into a game may win a few converts to the geek side.

"Everyone knows about football, but more people need to know about Congress," Mr. Lee said. "If as many people knew about Congress as knew about football, baseball and basketball, we'd all be more educated."

OTHER NEWS:

Bush Touting Economy Ahead Of Election (AP-Y)

By Deb Riechmann, Associated Press Writer

AP, October 23, 2006

President Bush, who gets higher marks for handling the economy than running the Iraq war, is spending two days this week trying to convince voters Republicans are the best stewards of matters affecting the wallet.

White House advisers said Sunday that Bush is not trying to change the subject from a deteriorating situation in Iraq, and that he will continue to talk about Iraq and the war on terrorism as the Nov. 7 election nears. Bush advisers said they think the president should get more credit for recent positive economic news.

Overall, the economy grew at a 2.6 percent pace from April through June, compared with a 5.6 percent pace over the first three months of the year, which was the strongest spurt in 2 1/2 years. Still, voters remain uneasy even though gasoline prices have started dropping, the stock market is hitting record highs, and interest rates on credit cards and adjustable mortgages are leveling off.

White House spokesman Tony Fratto said Bush intends to mention how optimism about the economy and rising hopes for strong third-quarter earnings lifted the Dow Jones industrial average past 12,000 for the first time on Wednesday. The Conference Board's index of U.S. leading economic indicators rose last month, and the government reported last week that consumer prices fell in September by the largest amount in 10 months.

America's voters care deeply about pocketbook issues. Eighty-eight percent of likely voters say the economy is an important issue — on par with the percentage of people who view the situation in Iraq and terrorism as crucial matters, according to an Associated Press-Ipsos poll.

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The AP-Ipsos poll this month found that 37 percent of likely voters say they approve of Bush's handling of Iraq overall. Forty-two percent approve of his handling of the economy.

White House political director Sara Taylor said that the economy is a key issue in about two dozen House races, including campaigns in Pennsylvania, Minnesota, Ohio and Washington state. Democrats need a 15-seat pickup to regain the House and a gain of six seats to reclaim the Senate.

"It's going to have an important impact on certain races around the country," Taylor said. "I think it's an important issue that's not getting a ton of attention."

On Monday, Bush is participating in a small business round-table at Urban Trust Bank in Washington. The bank, set up to provide mortgages, student loans and investment opportunities mainly to minorities, was founded by Robert Louis Johnson, who started BET — formerly Black Entertainment Television. Later, Bush is doing an interview with CNBC anchor Maria Bartiromo.

On Tuesday, he is campaigning in Sarasota, Fla., for businessman Vern Buchanan, who is in a tight House race against Democrat Christine Jennings, a former bank executive. The prospect of losing Florida's conservative 13th District to Democrats brought high-profile Republicans — Gov. Jeb Bush, Sen. Mel Martinez and Massachusetts Gov. Mitt Romney — to the area last week.

Economists Expect Rate Cut Next Year (USAT)

By Barbara Hagenbaugh And Barbara Hansen

USA Today, October 23, 2006

WASHINGTON — A slowing economy and declining inflation mean Federal Reserve policymakers' next interest rate move will be a cut, not an increase, economists polled by USA TODAY say.

But such a cut won't come when the Fed meets this week, they say. And they don't expect a sharp decline in short-term interest rates, which influence borrowing costs across the economy, anytime soon.

More than half of the economists say the Fed will cut interest rates in the first half of 2007. Although their outlooks vary widely, economists on average expect the Fed will cut rates just once next year, then sit on the sidelines through the end of 2007. The 53 economists were surveyed Oct. 13-18.

One cut could help the slowing housing market. A small drop in interest rates “would cause the teaser (mortgage) rates to come down a little bit and widen the number of prospective home buyers,” Wachovia senior economist Mark Vitner says.

Putnam chief economist David Kelly says the Fed will cut rates once in the second quarter to bring them to a level that neither stimulates nor slows the economy. But, “so long as the economy sort of rounds this corner and reaccelerates, I don't think they have an excuse to cut more than once.”

Fed Chairman Ben Bernanke and his colleagues meet Tuesday and Wednesday to discuss interest rate policy. All but one of the economists expect the Fed policymakers will leave the target for short-term interest rates at 5.25%, the highest in nearly six years, for a third-consecutive meeting.

The Fed raised rates 17 times from June 2004 to June 2006.

The economists say leaving rates alone now is the correct move: Two-thirds say Fed policy is “just right.” The remaining third are evenly split between saying rates are too high and rates are too low.

“If I were on the Fed, I would have dropped (rates) already,” SunTrust Bank chief economist Gregory Miller says. He says the economy has slowed significantly and notes lower rates could help mitigate the “dramatic drop” in the housing sector.

Other survey details:

·Fifty-five percent of the economists say home prices will not decline in 2007, while 45% predicted a nationwide price drop next year. Economists listed the housing market as one of the biggest weaknesses currently in the economy.

·Economists expect the unemployment rate to gradually rise to 5% by the end of the third quarter, vs. 4.6% in September. The increase reflects an economy that is expected to grow below the pace seen in 2004 and 2005.

·Three-quarters of the economists expect inflation to fall in the next six months.

Why Fed Might Keep Rates On Hold Longer Today Than It Did In 1995 (WSJ)

By Greg Ip

The Wall Street Journal, October 23, 2006

WASHINGTON -- Investors looking for a road map to the Federal Reserve's next moves on interest rates often look to 1995.

At the time, the Fed had raised interest rates steadily after a long period of unusually low rates. With the U.S. economy slowing, it paused for five months and then started cutting rates.

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Many investors have been looking for that cycle to repeat itself and expect the Fed, which last raised interest rates in June, to begin cutting rates at some point in the next few months.

This year differs from 1995 in ways that suggest the Fed could stay on hold longer. One is that interest rates are lower now than back then. Another is that Fed officials' tolerance for inflation is quite different today.

"We have to watch carefully to make sure that [inflation] doesn't rise or even remain where it is," Fed Chairman Ben Bernanke said three weeks ago. In other words, it isn't enough that core inflation, which excludes food and energy, stops rising; the Fed wants to ensure it will be lower a year or so from now.

Mr. Bernanke's predecessor, Alan Greenspan, never laid down so explicit a marker. When Mr. Greenspan became Fed chairman in 1987, core inflation, at about 4%, was above most definitions of "price stability," (the Fed's statutory goal) including his.

However, Mr. Greenspan never put a number on what represented price stability. Transcripts of deliberations by the Fed's policy-setting Federal Open Market Committee in 1994-95, while showing plenty of concern about inflation pressure, show little discussion, especially by Mr. Greenspan, of whether the inflation rate at the time was acceptable. That frustrated some of his colleagues.

At one point, Robert Forrestal, then president of the Federal Reserve Bank of Atlanta, complained that, "We talk about price stability and lower inflation, and inflation being quiescent, and so on, but I don't know what our level of tolerance is."

An important reason Mr. Greenspan didn't put a number on price stability was that declining to do so made it easier to cut rates in the face of a weak economy even if inflation was above his long-term goal. He eventually achieved price stability by taking advantage of circumstances, an approach dubbed "opportunistic disinflation." Disinflation means declining inflation.

A recession and weak expansion in the early 1990s helped nudge inflation lower, and "pre-emptive" rate increases in 1994-95 kept it from rising again. Accelerating productivity growth in the late 1990s, which enabled the economy to grow rapidly with less strain on existing capital and labor, nudged inflation lower still. Mr. Greenspan later declared that price stability had been achieved by mid-2003, when core inflation was between 1% and 1.5%.

Core inflation has since risen to 2.9%, according to last week's report on September's consumer-price index; it's a bit lower using the Fed's preferred-price index. Though the Fed has no official target for inflation, Mr. Bernanke and many of his colleagues have often suggested a ceiling of about 2%, and all agree today's rate is too high. Still, most investors expect the Fed to leave short-term rates unchanged at 5.25% at its policy meeting tomorrow and Wednesday.

Having known price stability, and then lost it, today's Fed is under added pressure to regain it. But Mr. Bernanke doesn't intend to restore price stability immediately regardless of the cost in terms of jobs. His central forecast is that as energy prices retreat, so will their indirect impact on core inflation, bringing the core rate back to around 2% by 2008. Yet the Fed is still counting on some slowing in economic growth to bring that about. That is one reason it is not alarmed, and is indeed pleased, that since June, annualized growth has probably slipped below 2.5% and is expected to continue at that rate through mid-2007.

"The economy appears to have entered a period of below-trend growth," San Francisco Federal Reserve Bank President Janet Yellen said last week. As long as that continues, it will "gradually...reverse any underlying inflationary pressures." Rather than "opportunistic disinflation," the Fed's current strategy could be called "deliberate disinflation."

A steeper slowdown or looming recession would probably prompt the Fed to shift its attention to growth from inflation, and thus to cut rates. Fed officials are aware that 2006 has parallels not just to 1995 but to 2000. In 2000, as now, strong growth had been fueled by strong investment -- business then, residential now -- and related asset prices -- stocks then, home prices now.

In 2000, Fed officials last raised rates in May, then maintained a public bias toward higher rates for seven months as, privately, their inflation worries receded and growth worries grew. In part, they feared a premature shift to easier monetary policy would reinflate the stock bubble. In retrospect, the Fed didn't realize how far tech investment would fall, undermining the entire economy. Though officials today believe housing isn't like the Nasdaq Stock Market was in 2000, they keep an open mind.

Uncertainty about housing is a major reason the Fed paused when it did in its rate-raising campaign, and that creates another distinction. Even adjusted for inflation, short-term interest rates, which the Fed controls directly, are lower now than at the same point in either the 1995 or 2000 cycles, and long-term rates are even lower.

Treasury-bond yields, minus consumers' long-term expected inflation rate, are just 1.7%, compared with 2.8% in September 2000 and 3.4% in May 1995. "Financial conditions remain quite supportive of borrowing and spending," Fed Vice Chairman Donald Kohn said three weeks ago. "Market interest rates are not high."

Fed officials still debate why long-term rates are so low. It may reflect pessimism about long-term economic growth and investment prospects world-wide, and so give the Fed a reason to worry less about inflation and more about growth. Nonetheless, moderate rates make it harder to argue monetary policy is especially tight right now -- and thus, make the case for rate cuts less compelling.

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In Deregulation, Power Plants Turn Into Blue Chips (NYT)

By David Cay Johnston

The New York Times, October 23, 2006

Four big investment firms bought a group of Texas power plants in 2004 for $900 million and sold them the next year for $5.8 billion.

Sempra Energy, parent of the utility in San Diego, bought nine Texas power plants with two partners in 2004 for $430 million, selling two of them less than two years later for more than $1.6 billion.

Goldman Sachs and its partners bought power plants in upstate New York, Pennsylvania and Ohio starting in 1998 and sold them in 2001 at a profit of more than $1 billion.

These extraordinary profits have come during a decade-long effort in about half the states to overhaul the business of producing electricity — in the name of stimulating competition and lowering utility bills.

But even as some investors have profited handsomely by buying and sometimes quickly reselling power plants, electricity customers, who were supposed to be the biggest beneficiaries of the new system, have not fared so well. Not only have their electricity rates not fallen, in many cases they are rising even faster than the prices of the fuels used to make the electricity. Those increases stand in contrast to the significantly lower prices in other businesses in which competition was introduced, such as airlines and long-distance calling.

Some electricity customers are also being saddled with monthly surcharges to cover construction costs for plants that were sold at bargain prices and then resold at huge profits. Some of these surcharges will continue for years.

Analysts cite several reasons that the new system has not been as successful as hoped.

Regulators required some utilities to sell their power plants so that independent electricity producers could compete on equal footing with those plants. But not enough new competitors emerged.

And sometimes regulators allowed utility holding companies to transfer plants from their regulated utilities to unregulated wholly owned subsidiaries. When some of these unregulated sister companies still found it hard to turn a profit, regulators allowed the plants to become regulated companies again, so they were virtually guaranteed state-approved profit rates.

By last year, only 63 percent of the nation's electricity generating capacity was owned by utilities, down from almost 90 percent 10 years ago. Often customers did not come out ahead, critics of the new system say.

Take the case of the Texas power plants. After the Texas Legislature, urged by Enron and big industrial customers, voted to make electricity generation a competitive business, the utility serving the Houston area sold 60 power plants that generate most of the power for the area to four investment firms — the Texas Pacific Group, the Blackstone Group, Kohlberg Kravis Roberts and Hellman & Friedman — which soon resold the plants at the $5 billion profit.

But state regulators have ordered electricity customers to pay an average of $4.75 monthly for 14 years to finish paying for the construction of the power plants, plus interest.

And the utility that sold the plants, Centerpoint, is suing for even higher payments from customers. Houston-area consumers now pay among the highest electricity rates, nearly double the national average.

Supporters of deregulation said customers would benefit from healthy competition among a growing number of electricity producers. But such competition has not developed. For one thing, many of the new power plants failed because, unlike many of the old plants, they almost all used natural gas to produce electricity. Demand for natural gas soared, and the price for that fuel tripled, making electricity from these plants too costly to be competitive.

The value of these plants collapsed, and some owners sought refuge in bankruptcy court. That is when investment firms, anticipating a much higher price for the plants' electricity, bought them for as little as 20 cents for each dollar spent to build them.

And in fact the investment firms calculated doubly right: By paying so little for the plants, they made the construction costs of new plants by competitors seem prohibitively expensive. Over the last five years, few new power plants have been built, although demand for electricity has risen.

The story has been different for electricity customers. Many of the power plants that were sold are still owned by the utilities' parent companies; they were simply transferred from the regulated utilities to unregulated sister companies. Some regulators allowed utilities to favor the sister companies with long-term contracts even if they did not offer the best price for electricity.

In fact, independent electricity producers argue that their modern generating plants often sit idle while older, inefficient plants owned by politically powerful utilities and their unregulated sister companies whir around the clock under long-term contracts. For example, Calpine, an independent generating company, and some big industrial customers have complained that Entergy, the Louisiana utility holding company, is favoring its own plants when Calpine's power would be cheaper. Congress has ordered studies of the issue.

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Because utilities are still allowed to pass on the cost of the power they buy, they have little incentive to choose a cheaper supplier. Electricity customers therefore end up paying more than they would have to if electricity production were truly competitive.

After Baltimore Gas & Electric transferred its 12 power plants to an unregulated affiliate and became only a distribution company, it continued to buy 70 percent of its electricity from the plants because there were not enough independent generators to supply the area's needs. Baltimore Gas & Electric sought a 72 percent rate increase this year, causing such an outcry that Maryland regulators gave it only an immediate 15 percent, but with big additional increases virtually guaranteed over the next few years.

Paul Allen, a spokesman for the utility's parent company, Constellation Energy, said that Baltimore Gas & Electric rates had been frozen since 1993 and that the increase largely reflected the higher price of producing electricity, including the cost of fuel. He said a rate increase was inevitable regardless of the new system.

But Robert McCullough, a utility economist and consultant, disagreed and blamed the new system. He said that in places like Baltimore, where a utility's plants were sold to an unregulated sister company, "the same energy is generated by the same plants, owned by the same owners, and sold to the same customers, simply at a vastly higher price."

Ralph Nader, head of the watchdog group Public Citizen, said that many power plants were sold for artificially low prices and that state regulators often failed to protect customers. He said regulators should have required price protection to shield consumers from a "double header corporate gouge, where the defenseless customer is paying twice for the same power plants."

The American Electric Power Company, which owns utilities in 11 states, sold nine of its Texas power plants to SEMPRA, the parent of a San Diego utility company, and the Carlyle Group in 2004 for $430 million. SEMPRA and Carlyle quickly resold two of the plants for $1.6 billion.

American Electric wanted customers to pay an average of $9 a month for 14 years to cover the difference between the cost of building the plants and the lower price for which it sold them, plus interest. But because the resold plants went for 15 times as much per unit of generating capacity, state regulators questioned whether the utility should have sold the plants for higher prices. Still, regulators have required customers to pay on average $5 per month for 14 years, or more than $800 each.

There are persistent allegations that many plants have become inordinately profitable for their new owners; in some cases, disputes have arisen over just how profitable the plants are. In Connecticut, three plants together earn at least $700 million in annual profits, money that is over and above the 10 percent profit they would earn if they were still in the regulated system, Attorney General Richard Blumenthal said. He wants the state to end the new system and return to a more regulated system or even have a state agency provide power.

The plant owners, P.S.E.& G. and Dominion, said that the profit estimates were "wildly exaggerated" and that most of the power was sold at fixed prices with profits not significantly different from what regulated plants would earn. They did not release precise profit figures.

In Ohio, the state's consumer advocate, Janine Migden-Ostrander, said the potential savings from a competitive electricity industry were undercut by favoritism that regulators showed to utility companies.

In effect, she said, Ohio regulators allowed an extremely favorable price when unregulated sister companies acquired power plants. The lower the price a sister company pays for a power plant, the more difficult it is for an independent power producer that must build an expensive new plant to compete. That "is how the utilities killed the market before it could be started," she said.

Lynn Hargis, a longtime utility regulation lawyer who now volunteers as counsel to Public Citizen, said the terms under which power plants were sold are "the equivalent of selling your grandmother's house for the price she paid 60 years ago, less depreciation. No one would do that."

The utilities say that no one knew at the time the plants were sold that they would later soar in value. Floyd Le Blanc, a spokesman for Centerpoint, the Texas company that sold the 60 Houston-area plants, said, "We complied with all legal and regulatory requirements." His remarks were echoed by other utilities.

But even after buying plants at low prices, some utilities have been unable to profit in a competitive setting after decades of operating in a regulated market, where profits are virtually guaranteed. State governments have provided a refuge.

Corporate parents with both regulated utilities and unregulated power plant companies have persuaded sometimes reluctant regulators to allow them to put failing plants into the hands of the regulated utilities, where they were almost certain to turn a profit, said Richard Stavros, executive editor of Public Utilities Fortnightly, a trade magazine. That has happened in Arizona, Missouri, Texas and other states.

Arizona Public Service, for example, brought five plants owned by its unregulated affiliate, Pinnacle Energy West, into the utility. The staff of the state board that regulates utilities at first opposed the deal, saying it was not in the best economic interests

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of customers. But the staff relented after Arizona Public Service promised it would not add any power plants to its regulated operations before 2015, which may encourage others to enter the market.

The Federal Energy Regulatory Commission recently approved a deal to move a Texas power plant back into a regulated utility, although it expressed concern that allowing utilities' parent companies to salvage their failed investments in the competitive market could be unfair to competing generating companies.

The sale back to utilities of power plants that are not making money is "a disturbing national trend," said Jan Smutny-Jones, executive director of Independent Energy Producers in Sacramento, Calif., a trade association for power plant owners.

"It's a great deal," he said, "having ratepayers cover your managerial mistakes."

Olden Days Seniors In Vermont Are Finding They Can Go Home Again (WSJ)

By Lucette Lagnado

The Wall Street Journal, October 23, 2006

BURLINGTON, Vt. -- While a patient at a nursing home here, Albert Blow picked up the phone one day in 2004 and called his ex-wife. "If I had a gun," he said, "I would shoot myself."

Mr. Blow, a former security guard felled by a heart attack and stroke, had gone to the nursing home for what he hoped would be a few months of rehabilitation. Paralyzed in an arm and a leg, his stay grew to more than a year. He feared he would never live independently again.

Now Mr. Blow, 71 years old, is back in his own place, thanks to an unusual Vermont experiment that seeks to shift government money from nursing homes into private homes. The state pays for his ex-wife to care for him.

In an effort being watched around the nation, Vermont is trying to give elderly people a choice of where they want to be cared for: in an institution or at home. To create more home-care workers, the state has been paying for family members to care for aging relatives, at about $10 an hour. If Vermont's program works, it could influence a wider change in the multibillion-dollar industry that cares for the aged.

"We are never going to build another nursing home," says Patrick Flood, commissioner of Vermont's Department of Disabilities, Aging and Independent Living. "It is an outdated model."

As the number of older Americans -- and the cost of caring for them -- soars, the federal government is pushing efforts like the one in Vermont. Advocates say in-home care could improve the lives of many seniors, while saving the government money. But the idea faces huge hurdles, including opposition from the nursing-home industry and a culture of dispersed, busy families that has become accustomed to having others care for their loved ones.

In July, the federal Centers for Medicare & Medicaid Services announced grants totaling $1.75 billion to states to encourage them to do what Vermont is doing -- find alternatives to institutional care. Besides home care, Vermont is encouraging assisted-living facilities, privately run boarding homes for seniors and elder day-care centers. All this would be a big change from the last four decades, during which nursing homes became the dominant, and often only, option for a frail senior dependent on federal programs.

For more than 40 years, federal law has said that poor seniors are automatically entitled to nursing-home care. That has sent hundreds of billions of dollars to nursing homes. But in-home care hasn't been considered an entitlement equally eligible for government funds.

"It is a crazy situation," says Vermont's Commissioner Flood. "The service that people don't want and is more expensive" is guaranteed by the government, while "the service people prefer and is cheaper, isn't."

According to a 2002 Vermont study, it cost the state $122 a day for a senior to be institutionalized versus $80 a day to receive care at home.

Vermont is one of the first states to get federal approval to offer home care as an option equal to nursing-home care under Medicaid, the government program that subsidizes health care for the poor. The state is calling home care an "entitlement." Under Vermont's "Choices for Care" program, Medicaid sets a budget limit for the state to care for seniors and people with disabilities. Vermont then uses a combination of federal and state money to reimburse in-home caregivers.

Mr. Blow says he found nursing-home life regimented and monotonous -- "all the same stuff, morning, noon and night," he says. While he once had a passion for poker, he says he lost interest in cards and other activities. He says he couldn't afford to hold on to his apartment or his car.

Medicaid allows nursing homes to use the income of patients -- such as Social Security or pension payments -- to help pay for their care. But that can add to the finality of their stay, says John Barbour, executive director of the Champlain Valley Agency on Aging, the nonprofit group that helped Mr. Blow get his own place. "It makes it impossible for people to go back home because for the most part they don't have the ability to maintain another residence."

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Karen Gissendanner, a social worker with the agency, met Mr. Blow by chance. Her father-in-law was Mr. Blow's roommate. She recalls being struck by how despondent he seemed. "I saw him wilting and withering," she says. At the nursing home, "all they saw was a man who needed a lot of care," she says, "They didn't see the possibilities."

Kindred Healthcare Inc., a Louisville, Ky.-based for-profit chain that, through a subsidiary, manages and is part-owner of the nursing home where Mr. Blow lived, wouldn't discuss his case in detail, citing privacy concerns. A spokesman for Burlington, Vt.-based Fletcher Allen Health Care, a not-for-profit academic medical center that owns 50% of the nursing home, noted the "stressful" circumstances Mr. Blow found himself in and said "it is understandable that he would feel very distressed about his situation and his future." The spokesman added: "I am pleased to learn this patient is now in an appropriate residential situation that is far more satisfactory to him."

In a statement, the nursing home itself, called Starr Farm Nursing Center, said it "is proud of the quality of care that was provided to Mr. Blow while a resident of our facility." Due to resident confidentiality, the facility said it can't comment on specifics of individual cases. It called the Choices for Care program a "forward-thinking initiative" and said it is "working with the state to find appropriate discharge options for our residents."

With help from the nonprofit agency, Mr. Blow moved out of the nursing home. His Social Security and pension money now go to pay for a one-bedroom apartment geared to the disabled. The state uses Medicaid funds, distributed through a home-health agency, to pay Charlene Anair, 56, his ex-wife, to care for him.

Their current arrangement, coming 16 years after their divorce, works better than their marriage did, both say. "I wasn't that good of a husband," Mr. Blow says. "I was never true to any woman."

"He put me through hell," says Ms. Anair, who was his third wife.

Yet, as a former licensed nurse, she was moved to see the man she had known as tough reduced to helplessness and despair. She now earns $9.27 an hour caring for him. Ms. Anair helps him dress, escorts him to cardiac therapy twice a week, shops for groceries, and even takes him to visit his parents' graves. Asked why she devotes herself to his recovery, she laughs: "I really don't know -- the nurse in me." She adds: "It is like this is where I am supposed to be."

Mr. Blow says he is making progress. Before, he could neither deal nor hold a hand of poker. Now he can at least hold the cards. He eats what he likes, when he likes. He recently took a bus trip to see the fall foliage. For his birthday last month, Ms. Anair got him a puppy named Odie.

On a sunny afternoon, Mr. Blow left his apartment in his motorized wheelchair, maneuvering streets on his way to his favorite destination: the Veterans of Foreign Wars hall. Inside a large dimly lit room with a bar, a pool table and a jukebox, friends gathered to play pinochle. Mr. Blow was greeted like a hero. "We deal for him," said Larry Clark, one of his buddies. "He's good -- very good."

Mr. Blow picked up his cards and began to play.

Shifting Balance

Nationwide, most of the billions in government money spent each year to care for the elderly go to nursing homes. In 2005, Medicaid spent $38 billion on institutional care for the elderly, or 82% of its long-term care budget. It spent $8 billion, or 18% of the total, for home or community-based care.

That balance has been slowly shifting, according to an analysis of the last five years by the Centers for Medicare & Medicaid Services. In 2002, 87% went to institutional care, while 13% went to home or community care.

The nursing-home industry has voiced opposition to Vermont's initiative, saying it will hurt its business and isn't in the best interests of all seniors.

"We knew that this was probably the death knell for some of our nursing homes," says Mary Shriver, executive director of the Vermont Health Care Association, which represents nursing homes.

She says home care may not be suitable for everyone. "Is the infrastructure there for the people who may need 24-hour, seven-day-a-week care?" she asks. In a letter to Medicaid, Ms. Shriver challenged whether home care is really more cost-effective than institutional care, as Vermont contends.

Under the Vermont program, elderly people typically receive 25 to 30 hours of care a week. If caretakers live with an elderly relative, they aren't compensated beyond a set number of hours. Seniors who live on their own may be unattended for significant stretches, including nights or weekends, because of limits on the number of hours of care they can receive or because of a shortage of available home-care workers.

The state says that not every elderly person needs 24-hour care. Officials contend that even in a nursing home, residents don't get around-the-clock attention. A state analysis found that nursing homes provide one-on-one care only a couple of hours day, if that, says Bard Hill, a state official who works closely with the Vermont commissioner.

"Someone may not be sitting by your side 24 hours a day," says Ms. Shriver, "but there is someone there at 3 in the morning, midnight, 2 in the afternoon, you name it." The industry also argues that private homes may not be as safe as nursing

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homes. In a letter to Mr. Flood, state legislators, and the governor, Ms. Shriver noted, for instance, that "all nursing homes in Vermont must have sprinkler systems," as well as fire drills.

Finally, the state's plan "is relying on families and I am not sure that is possible," she says. "This is a very mobile society."

The American Health Care Association, which represents more than 10,000 nursing homes and care facilities around the U.S., has voiced "significant concerns" to Medicaid about Vermont's program, says Janice Zalen, senior director of special programs. The group is "concerned that people would not be getting the care that they needed -- both amount and quality," she says.

Vermont is a "laboratory" and what happens there has implications for the country, Ms. Zalen says. But other states may not be able copy Vermont's effort, she says, because it's a small, "homogeneous" state with a strong infrastructure for home and community care that other states lack.

The home-care option doesn't work for everyone. A nurse working on behalf of Vermont's program went to the bedside of 101-year-old Rose Cadieux in July. Ms. Cadieux had lived independently until a fall weeks earlier landed her in the hospital. As with many seniors, she was sent to a nursing home for rehabilitation.

"What do you think will be your next step?" the nurse asked.

Ms. Cadieux seemed flustered. "I don't know," she said. "At my age, you never know."

"As much as possible, we would like people to have a choice," said the nurse, Toni Morgan, handing her information about the new initiative.

"I was living on my own," said Ms. Cadieux. "I was happy."

The nurse told her that under the Choices for Care program, she could potentially obtain care in her own home. "Oh my God, I'd love it," she said.

But if the family isn't able to provide home care, it is difficult for the state to step in. Ms. Cadieux's son died years ago. The person who has looked after her is her daughter-in-law. "I am the only one she has," says Peggy Cadieux, her 72-year-old daughter-in-law. But she is frail herself, and says she can no longer handle the responsibility.

Weeks later, Rose Cadieux lost her apartment. She is now a permanent resident of the nursing home. Her daughter-in-law says she visits often.

For people who really need full-time care, "there are only two ways to get it," says Mr. Barbour, of the nonprofit agency on aging. "You pay privately -- which virtually no one can afford -- or you have a family or other support network that is able to provide it." Sometimes, he says, "nursing homes are the only choice."

Ready to Change

Some in the nursing-home industry say the business is ready to change. "There is an old proverb, if the horse on which you are riding has died, get off," says Larry Minnix, president of the American Association of Homes and Services for the Aging, which represents 5,600 not-for-profit long-term care providers. "Nobody has told any industry that they are guaranteed to exist in their current form."

At a summit in Baltimore this summer, a group of executives from 65 nursing homes and long-term care facilities around the nation discussed ways to deliver care at home. Traditional nursing homes may have to convert to assisted- or independent-living facilities, Mr. Minnix says. Some already are.

The Vermont program has also been funding other types of living arrangements, such as small boarding houses for the elderly. These privately run homes are an alternative that state officials often view as better and more cost-effective than large institutions.

To make housing alternatives work, advocates say there needs to be more community support available. Joanne Corbett runs Project Independence, a nonprofit elder day-care center in Middlebury. The center, open six days a week, 12 hours a day, offers classes, a putting green, concerts, movies and a glee club. It even cares for many seniors with Alzheimer's disease. Ms. Corbett hopes the center will soon be open Sundays too, providing seniors with activities and giving caretakers a break.

"We are not anti-nursing home," she says. "We simply try to stall it and in most cases we can prevent it."

Vermont's program is a model for other states, says Wendy Fox-Grage, senior policy adviser with the AARP's Public Policy Institute. "It is turning the ship around."

Still, America's system for caring for the aged is a very big ship, which for more than 40 years has sailed in the direction of subsidizing hospitals and nursing homes and the thousands of jobs they create.

So far, Vermont has found it isn't easy to change the flow of dollars. One year into its "Choices for Care" program, Vermont has achieved incremental results: There are 2,131 residents in nursing homes, 155 fewer than in October 2005. There are 1,111 people receiving home care, or 123 more than last year at this time. Another 500 or so Medicaid patients -- who aren't quite eligible for nursing homes yet need help -- were able to get care at home under this program, according to the state.

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Nursing homes have become such an intrinsic part of the way Americans care for the elderly that it may be exceedingly hard to go back to an older, family-based system of care. The advent of nursing homes coincided with a rise in two-income families, more women going to work and people living much longer.

Kathryn Lawler, who heads Aging Atlanta, a project focusing on ways to help the elderly live at home, says nursing homes fulfilled a need. "To be completely crass, you can send your mother there and all would be taken care of -- it is a one-stop shop. You would come, bring her flowers, but your responsibilities would be pretty limited."

The U.S. health-care system, she says, also fuels the use of nursing homes. Hospitals, under pressure to keep stays as short as possible, often discharge patients to nursing homes. Life-altering changes sometimes are made quickly. Family members, unsure of what to do with ailing, aged relatives may go along with the move to an institution, because the government will pay for the care. "Life is so busy, and at the moment where a decision is made, it seems easier to go to a nursing home," says Ms. Lawler.

"It is a direct chute from hospitals to the nursing homes," says Jackie Majoros, Vermont's nursing-home and long-term care ombudsman.

In Vermont, the government subsidies for home care have allowed some families to get closer to aging relatives.

Winona Greaves' children and grandchildren were pained to see what happened to the 96-year-old matriarch after her nursing-home admission. Unhappy and lonely, she stopped eating.

Fearing they were about to lose her, the family resolved to bring "Gram" home. Her granddaughter, Laurie Bailey, 49, left her job to look after her grandmother. Vermont's program has made it economically feasible by letting her earn $9.25 an hour, about what she earned part-time at the local Price Chopper grocery store, she says. The state approved about 40 hours of work a week for her, increasing her earnings.

"Gram took care of me," says Ms. Bailey, recalling a period years back when she was ill and her grandmother ministered to her. "When time came that Gram needed the help, I quit my job and here I am."

On Sept. 27, 2005, Mrs. Greaves came home, after being in the nursing home for several months. She made the trip to her daughter's home in East Montpelier lying on an ambulance gurney.

When she went to sleep that first night, her 69-year-old daughter, Pauline Coburn, recalls, "I was afraid my mother wasn't going to be alive in the morning."

Instead, Mrs. Greaves stunned everyone by staging a recovery. Within two days, she was alert and eating ice cream. "I'm so glad to be here," she said, according to her case manager's notes for Sept. 29. With her granddaughter helping her, she began taking steps with a walker. Home cooking helped restore her appetite. Sitting in the sunroom cheered her up.

By Thanksgiving, Mrs. Greaves was chipper enough to iron the napkins and mix the cookie dough.

"It is the love," says Ms. Bailey, who gives her grandmother medicines, bathes her, dresses her and files daily reports to the Central Vermont Home Health and Hospice agency, which supervises the care.

State officials believe there is an untapped pool of workers like Ms. Bailey who may want to care for a family member. Sheer necessity has forced Vermont to think creatively. In many states, home-attendant jobs are often held by minority or immigrant women who earn as little as $6 to $8 an hour. Vermont has an educated labor force and many people tend to leave the state for higher-paying jobs. There is a severe shortage of caregivers, so hiring relatives can be ideal. "Our system of long-term care has to find a way to support the natural caregiver," says Commissioner Flood. "The nursing homes broke that."

Next, state officials want Medicaid to pay spouses to be caregivers. That's not allowed under current Medicaid rules, although hiring an ex-spouse is permitted.

The idea of paying relatives is controversial. There is concern that family members may not be qualified to care for seniors, or that the caregivers are being overtaxed. Mrs. Coburn says that even with the support the family receives, it is still hard. There is constant pressure, and any holiday or weekend away must be coordinated so that someone is home to watch over her mother.

Mrs. Greaves, elegantly dressed and coiffed, sat in an armchair in her small ground-floor bedroom. The former teacher, who once taught in a one-room schoolhouse, still devours a good novel. Her great-grandson, Cyrus, 8, who lives up the hill, is constantly over. She loves watching him play.

"I guess that I surprised everyone," Mrs. Greaves said with a smile. "I was a lot of trouble, wasn't I?"

Her daughter cautions: "Don't make it sound too wonderful. There are four generations in this house. I don't want people to think it is too easy."

As G.O.P. Mopes, Bush Adds The Duties Of Optimist In Chief (NYT)

By Sheryl Gay Stolberg And Jim Rutenberg

The New York Times, October 23, 2006

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WASHINGTON, Oct. 22 — The capital is filled with Republicans convinced that they will lose the House and maybe the Senate. So last week, the White House and party leaders convened a "friends and allies" teleconference to dispute what Ken Mehlman, chairman of the Republican National Committee, considers flawed conventional wisdom.

For 20 minutes, Mr. Mehlman and the White House political director, Sara Taylor, tried to lift the cloak of gloom that has descended on the top ranks of Republican strategists, using what one of the dozens of lobbyists, donors, party aides and other supporters who listened in later called "happy talk."

President Bush and his political strategists may be the most outwardly optimistic Republicans in Washington these days, and perhaps the only ones. They are doing their best to fend off the sense of impending doom within their party that they fear will become a self-fulfilling prophecy on Nov. 7.

They are enlisting longtime allies for an all-hands-on-deck effort to change the mood for the final push to Election Day, and they are putting out the word for Republicans to keep a lid on any pessimistic talk. They are also planning a travel blitz for Mr. Bush during the final week to 10 days of the campaign.

And though they fully expect to lose seats, they are also keeping their fingers crossed. They are counting on a barrage of last-minute advertising and their 72-hour voter turnout operation to keep Democrats from taking over the House and Senate, even if it means they only eke out a victory.

But those the White House counts on to help raise party morale at such low moments say they are having a hard time of it, when so many polls augur ever-worsening election results and when so many things have gone wrong, including the Mark Foley scandal and grim news from Iraq.

"I'm trying to buck people up, but let's just say I'm hiding all the sharp objects in my office," said Rich Bond, a former Republican National Committee chairman who now runs a consulting firm.

Even Mary Matalin, the longtime Bush family aide and confidante, confessed, "I'm in my stoic mode now," though she said she believed that the party would prove the dire predictions wrong.

Mr. Bush has been saying for months that he believes Republicans will keep control of the House and the Senate, and he is not changing his tune now, even if it means taking the rare step of rebuking his own father.

In an interview shown Sunday on ABC News, Mr. Bush was asked about a comment by the first President Bush, who said this month that he hated to think about life for his son if Democrats took control of Congress. "He shouldn't be speculating like that, because he should have called me ahead of time," the president said, "and I'd tell him they're not going to."

The president's professed certainty, shared with outside friends and advisers, is a source of fascination among even his staunchest allies. In lobbying shops and strategy firms around town, the latest Republican parlor game is divining whether the White House optimism is staged, or whether Mr. Bush and his political team really believe what they are saying.

There are hints that the mood is not so upbeat or unremittingly confident in the West Wing. Mr. Bush and his inner circle, people in regular contact with them say, are well aware of the Democratic surge recorded by polls, and of the stakes for the final two years of an administration already burdened with troubles like the deteriorating situation in Iraq.

A strategist close to the White House said Mr. Bush's own political team had polling that showed as many as 14 House seats were probably already lost to Democrats, just one shy of the 15 seats they need to gain to win control.

Though White House aides said that account was exaggerated, they acknowledged that polls have shown at least that many races with Democrats leading Republicans. "Their attitude is, 'We've got our backs against the wall, but we know how to fight our way out of this,' " said Charles Black, a Republican strategist who has been in regular contact with Karl Rove, Mr. Bush's senior adviser. "They're not unrealistic, but they're optimistic that we can still win."

Officials are telling their friends that they believe a final volley of intensive attacks by the White House will return the party to where it was before the Foley scandal, by casting the election as a choice between Democrats and Republicans over national security and taxes.

Mr. Bush and Mr. Rove are discounting predictions of Republican demise in part because they believe they have turned out wrong before. "I remember 2004," Mr. Bush said in the interview shown on "This Week." "I was history as far as the punditry was concerned."

Mr. Rove has told associates that the party's turnout machinery, through which the White House will continue to pump an unrelenting message against Democrats on taxes and terrorism, gives Republicans an advantage of four to seven percentage points in any given race. Though Democrats call that too generous, they acknowledge that it accounts for at least a few percentage points.

Mr. Rove and Ms. Taylor are said by associates to have spent hours going through data on volunteer efforts, voter registration tallies and financial matchups between candidates throughout the states, and they see a path to victory.

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"You've got 452 races this year; many of them are already settled," Tony Snow, the White House spokesman, said in an interview on Sunday. "Our view is fight hard to win the ones you can win. And we think there are enough of those that we will win both houses."

For all the difficulties this year, Mr. Bush is said to have full confidence in Mr. Rove, Mr. Mehlman and Ms. Taylor.

Mr. Bush has always relished political combat. On the campaign trail, he can be seen slapping backs and clapping hands with coachlike enthusiasm, even as he embraces candidates whose campaigns seem like lost causes.

And far more than he lets on, Mr. Bush is a student of politics, up to speed on the nuances of races and tactics. Meeting with conservative talk radio hosts last month, Mr. Bush expressed optimism that Republicans would win. But he also lamented that victory would come in spite of "stupid moves" by some candidates, according to one host, Michael Medved, who participated in the meeting and wrote about it on his Web site.

Saulius Anuzis, the chairman of the Michigan Republican Party, said that on two recent occasions, Mr. Bush indicated that he understood the minutia of the state's electorate and how it would affect the Republican candidate for Senate there, Sheriff Michael J. Bouchard of Oakland County. "He knew more than the perfunctory," Mr. Anuzis said. "He said having the sheriff out of Oakland County, which is a swing county, ought to be a big help."

In some respects, Mr. Bush has been stuck in the stable this political season, with low approval ratings that have made him less of an asset on the campaign trail, unlike in 2002 when he blitzed through the states giving pep talks and rallies as a far more popular president. White House aides say it has been far more important to have the president helping to raise money, often at closed events, than to have him at rallies that cost money to organize.

His schedule has not seemed as packed as Mr. Snow and other aides predicted last month, when they said he was likely to be on the road almost constantly through October. The president's schedule for this week shows him campaigning on only two days, Tuesday and Thursday, in Florida, Iowa and Michigan.

But aides said rallies and fund-raisers in the final week of the campaign would keep him front and center, making an increasingly pointed argument against Democrats.

The president's stump speech is the only place where he publicly contemplates Democratic control, raising it only to motivate Republicans. Mr. Bush's aides say he has refused to let them even be seen planning for a possible Democratic takeover so as not to give volunteers or donors any reason to doubt that their efforts will pay off.

And he demonstrates annoyance with questions about what his administration is doing to plan for a potential Democratic takeover of the House.

"I don't buy into that premise," Mr. Bush told Bill O'Reilly of Fox News. Calling the query a "trick question," he added: "The minute I start answering your question, the word is 'Well, Bush anticipates losing.' I don't anticipate losing."

GOP Losses Could Spark Partisan Warfare (AP-Y)

By Tom Raum, Associated Press Writer

AP, October 23, 2006

The White House is bracing for guerrilla warfare on the homefront politically if Republicans lose control of the House, the Senate or both — and with it, the president's ability to shape and dominate the national agenda.

Republicans are battling to keep control of Congress. But polls and analysts in both parties increasingly suggest Democrats will capture the House and possibly the Senate on Election Day Nov. 7.

Democrats need a 15-seat pickup to regain the House and a gain of six seats to claim the Senate.

Everything could change overnight for President Bush, who has governed for most of the past six years with a Republican Congress and with little support from Democrats.

"Every session you change the way you do business with the Congress. And you test the mood of the Congress, find out what their appetite will be. But it doesn't change your priorities," the president told ABC News.

Former President Clinton had to deal with the Democrats' loss of control of Congress in 1994. But Clinton had something Bush does not: six more years to regain his footing.

Bush has barely over two years left. The loss of either house in voting next month could hasten Bush's descent into a lame-duck presidency.

"If he loses one house here, President Bush will enter the last two years very wounded," said David Gergen, a former White House adviser who served in the administrations of Presidents Nixon, Ford, Reagan and Clinton.

"He will have the capacity to say no to Democratic legislation, but he won't have the capacity to say yes to his own legislation," said Gergen, who teaches at Harvard University's Kennedy School of Government.

Democratic victories essentially could block Bush's remaining agenda and usher in a period of intense partisan bickering over nearly every measure to come before Congress.

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Loss of either chamber also could subject his administration to endless congressional inquiries and investigations.

The president and chief political strategist Karl Rove last week expressed renewed confidence of retaining both House and Senate; others are not so upbeat.

"All of our numbers look pretty bad and there's no question that there's a jet stream in our face," said House Majority Leader John Boehner, R-Ohio.

Furthermore, some of Bush's fighting in the trenches is likely to be with fellow Republicans as they seek to find a new standard bearer for 2008 — and distance themselves from an unpopular war, the unpopular president who waged it, and congressional scandals that include inappropriate e-mails to House pages from ex-Rep. Mark Foley, R-Fla.

"There's no question that the Republican coalition is stressed over the way Washington has been handling fiscal matters, the Foley affair, the Iraq war," said GOP consultant Scott Reed. "All of these are coming together at the same time."

Already, Republicans are showing divisions on Iraq policy. Fresh skepticism has come from Senate Armed Services Chairman John Warner of Virginia, Texas Sen. Kay Bailey Hutchison and former Secretary of State James A. Baker III, a longtime Bush family loyalist.

If Republicans lose their majorities, it will be that much harder for Bush to hold together already splintering GOP cohesion on Iraq.

Bush has been quoted by journalist Bob Woodward as saying, "I'll stay in Iraq even if the only support I have left is from my wife and my dog." A Democratic takeover and Republican defections could make that day seem closer.

While the Senate has been difficult for Bush, even with GOP control, the House for most of his presidency has delivered for him. That could be about to change.

The White House traditionally loses seats in midterm congressional races. The most recent exception was 2002, when Bush's party picked up seats.

Many Democrats see the upcoming elections as a mirror image of 1994, with the parties reversed.

Then, Republicans rallied behind firebrand Rep. Newt Gingrich of Georgia, announced a "Contract with America," and stormed to victory, seizing both House and Senate from Democrats.

It was a huge blow to Clinton, made worse by the lavish and almost-presidential reception Gingrich received around Washington as he was inaugurated as House speaker.

Doug Schoen, Clinton's pollster then, said those times were bleak, including Clinton's baleful insistence to reporters in early 1995 that "the president is relevant."

But Clinton soon figured out how to enhance his relevance and influence, reaching out to Republicans on some of their own issues, such as welfare law overhaul and "talking about the common good," said Schoen. Clinton went on to easily win re-election in 1996.

But Schoen said he doubts Bush can do the same: "After 9-11, except for a brief period, he's governed from the right. There's so much bitterness and division, it's going to be tougher for him to do it than perhaps it was for Clinton."

Some of Bush's sharpest critics would rise to top positions with a Democratic takeover.

House Minority Leader Nancy Pelosi, D-Calif., probably would become speaker. Rep. Charles Rangel, D-N.Y., a foe of extending Bush tax cuts, would become chairman of the tax-writing House Ways and Means Committee.

Rep. John Conyers of Michigan, who has sponsored legislation calling for steps that could open the way to Bush's impeachment, would lead the Judiciary Committee.

If Democrats win the Senate, Democratic leader Harry Reid of Nevada — one of the most outspoken of all Bush critics — probably would ascend to majority leader.

The Republican Party chairman, Ken Mehlman, even raises the specter of a leadership troika of Pelosi, Reid and Democratic party chief Howard Dean, in GOP fundraising mailings to Republicans.

Bush, in his own get-out-the-vote appeal, told Republicans: "The consequences of not succeeding this fall are dire for our agenda for America."

Bush even suggested last week that insurgents in Iraq were stepping up their violence in a bid to influence the elections.

Polls in 2006 show a more dramatic tilt toward the Democrats than polling in 1994 showed a tilt toward Republicans. But redistricting has made far fewer congressional districts competitive.

A Democratic takeover of one or more chambers would all but guarantee that Bush would not get his Social Security overhaul or further tax cuts through Congress.

One Bush initiative that actually might see improved chances is his immigration proposal for a "guest worker" program. That actually has more Democratic than Republican support.

Stephen Wayne, a professor of government at Georgetown University, said a loss of House or Senate would cripple Bush domestically — but might actually give him more room to find a way out of Iraq.

"Were he to choose to moderate the course in Iraq, the Democrats would say, `I told you so' and the Republicans would say, `Thank you,'" said Wayne.

Parties Working To Win The Turnout Battle (WT)

By Donald Lambro

The Washington Times, October 23, 2006

The outcome of 2006 congressional midterm elections will be decided by one final, frantic battle -- who wins the voter turnout game.

Fifteen days before voters go to the polls to decide which party will control Congress, the turnout game already is being played out in more than a half-dozen battleground Senate races and 40 to 50 closely contested House elections.

Tens of thousands of volunteer party activists have been canvassing voters, identifying supporters and preparing for a 72-hour get-out-the-vote election blitz that will be far more extensive than in any previous campaign, officials in both parties say.

Both sides are playing to their strengths. Democrats are being helped by an anti-Republican climate because of the Iraq war, and Republicans are touting their record on the economy and keeping the country safe from another terrorist attack.

At this stage of the game, turnout specialists say the Republicans might have the edge in the sheer numbers of volunteers and a more sophisticated, computerized ground operation, which held off a fierce Democratic offensive in 2004.

"It's a great, sustaining grass-roots operation with a large degree of centralized direction, and Democrats have not done that. It's very sophisticated," said Curtis Gans, a veteran voter turnout specialist who heads American University's Center for the Study of the American Electorate.

Mr. Gans' praise for the organization built by Republican National Committee (RNC) Chairman Ken Mehlman is privately echoed by some in the Democratic camp.

"We're not going to match the Republicans at their ground game," a senior Democrat involved in party turnout told The Washington Times, acknowledging that Democrats this year "started too late."

That's not the case with the Republican Party's turnout operation, which has built its voter lists and volunteer ground force since 2004 and has been sending weekly voter-contact reports from the precinct level up the political chain of command. Those reports eventually reach the RNC's "turnout war room."

"Republican volunteers have contacted more than 14 million voters this year and more than 7 million since Labor Day alone," Mr. Mehlman said. "We have made 1 million voter contacts every week for the past five weeks, and for six weeks, we have surpassed the number of contacts we made at comparable times in 2004, a presidential election year."

Democratic National Committee (DNC) Chairman Howard Dean, who sent paid DNC organizers to all 50 states, has been "playing catch-up," a Democratic campaign official said. But the party's turnout efforts -- which depend more heavily on paid workers, union members and other groups -- have been more extensive in recent months.

On Oct. 10, "Democrats kicked off the final month of the election with more than 600 voter-contact activities across the country," reaching 3 million voters in its third national organizing day, the DNC said.

In Ohio, a pivotal state where Democrats were expected to make sweeping gains in the state elections, organizers made 100,000 calls to people who did not vote in the last midterm election.

But Republican officials in the battleground states say they have been working on their turnout operation much longer.

In Tennessee, for example, volunteers have "been working on our get-out-the-vote effort for over a year now with the RNC," state party executive director Chris Devaney said. "It's an unprecedented, door-to-door effort based on the operation they had in Ohio in 2004, which won the state for President Bush."

Volunteers are given target numbers of voters who need to go to the polls, based on the Republican vote totals in previous elections.

"They file regular reports on the number of doors knocked on, the Republican voters they've identified," Mr. Devaney said.

Mr. Dean remains optimistic about his party's voter turnout operation.

"We've been laying the groundwork for over a year now, and those early investments are clearly paying off as we head into the final stretch," he said.

Ohio Is A Microcosm Of What's Plaguing GOP Nationwide (MCT)

By Margaret Talev

McClatchy Newspapers, October 23, 2006

BATAVIA, Ohio - Ohio is a microcosm of what's ailing the Republican Party.

If the state swings Democratic on Nov. 7, it could tip the balance of power in Washington, where Democrats would win control of the Senate if they gain six seats and take over the House of Representatives if they pick up 15 seats.

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Ohio voters helped President Bush win in 2000 and 2004, but many say that life seems bleaker now, or that they feel betrayed by the party in power. This fall, Ohio is very much in play.

From Democratic Cleveland in the northeast to Republican Cincinnati in the southwest, Ohio communities are pained by the loss of their sons in Iraq.

Columbus, the capital, is in the center, divided politically and almost alone in doing well economically. The rest of the state is racked by economic pain as Detroit's "Big Three" automakers retrench and manufacturing jobs evaporate - another 34,000 in the past year, according to the Ohio Manufacturers Directory.

Corruption scandals are taking a toll on Republicans here, too. Voters say that Republicans at both the state and federal levels were too caught up in their own messes to serve their constituents.

"Given what's happened here, I'll probably go Democrat," said Darrell Fowler, 48. Previously he voted for Bush and Republicans. He works at the soon-to-be-closed Ford transmission plant in Batavia, east of Cincinnati.

Among the plant's remaining 1,400 employees is Fowler's fiancee, Melissa Blankenship, 39, a Democrat who said she's very motivated to vote this year. The couple, both of whom have children, said they could be out of work by year's end.

In Cleveland, Paul Schroeder put his consulting business on hold to become a national activist for a troop withdrawal from Iraq after his 23-year-old son Augie was killed there in August 2005. Augie was one of 20 Marines from the same local battalion to die in a three-day span.

"I had been an independent. If there was a good Republican, I'd vote for a Republican," Schroeder said. "This year, my calculus is, who's got blood on their hands? This year, the entire Republican Party has blood on their hands."

Bob Derga, an engineering manager near Canton, whose 24-year-old son Dustin, also a Marine, was killed in Iraq last year, still supports the Republican Party and the war. He says that a Democratic takeover of Congress could make America more vulnerable to terrorism and make his son's death in vain.

And regardless of who's in power, he says, manufacturing probably will never bounce back. But Derga doesn't think his stance will prevail.

"The Democratic slate is going to win handily," Derga predicted. "There's such a strong sentiment that's anti-war, anti-Bush ... it's the herd mentality."

Less than three weeks from midterm elections, independent polls project that Democrats will win the open governor's race in Ohio, a seat Republicans have held for 16 years, and will topple incumbent Republican Sen. Mike DeWine.

While Republicans expect to win some statewide offices, they worry that Democrats could gain between three and five U.S. House seats. Republicans now hold 12 of Ohio's 18 House seats.

"There are several things going on in Ohio that transcend individual candidates," said Ohio State University political scientist Paul Beck. One of them is corruption.

Outgoing Gov. Bob Taft last year pleaded no contest to ethics charges. Rep. Bob Ney, who dropped his re-election bid, this month pleaded guilty in a bribery case involving Washington lobbyist Jack Abramoff.

A high-profile trial is now under way in Ohio for Tom Noe, a GOP fundraiser who's accused of illegally donating to Bush and stealing taxpayer money in a bungled rare-coin investment.

"Many voters are beginning to think there's a price to be paid for near-monopoly control," Beck said. "It's a blanket that's going to affect all of them. We still have three weeks, but right now the Democrats clearly have a decided edge."

These factors, combined with shifting demographics and well-funded Democratic challengers, are jeopardizing GOP House seats around Columbus and Cincinnati once considered safe.

The Republican seats thought to be most vulnerable - based on polling, fundraising, spending on negative advertising, and handicaps by independent analysts - are held by Reps. Deborah Pryce in Columbus and Steve Chabot in Cincinnati, as well as the district being vacated by Ney.

To a lesser degree, two other GOP seats also are considered in trouble: those held by freshman Rep. Jean Schmidt in and east of Cincinnati, and by Rep. Pat Tiberi in the Columbus area.

The nation's seventh-largest state doesn't track its roughly 8 million voters by party affiliation in general elections, the secretary of state's office said. But a University of Cincinnati Ohio Poll released early this month found that by 51 percent to 29 percent, voters think Democrats would do better than Republicans at job creation.

Ohio Republicans are counting on voters such as Peter Wagner, 37, a financial manager for the FBI. He thinks that America has done what it can in Iraq and he'd like to see the troops come home, but he still thinks that Republicans will do better for his state and his country.

Republicans also could get a last-minute boost from voters who worry that even if Democrats are saying the right things, they doubt they can do much better.

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Rhonda Kokal, 43, a receptionist, said that her son, 22, is preparing to enlist in the military because he hasn't been able to find a job in two years. She wants the war to end. But she said: "It's not going to be, Democrats are in charge, everybody go home now."

Bill Combs, a 43-year-old electrical technician and divorced father from Batavia, voted Republican for a decade and twice backed Bush. He said that he figured the GOP's commitment to keeping corporate America healthy would translate to job security at the paper company where he worked.

But Combs was laid off late last year when his company downsized at home and looked overseas. His new job at a plastics plant came with a $6-an-hour pay cut, no pension and a shaky future. He drives a Ford pickup, expensive to fuel, because he wanted to buy American, but the Ford plant is closing anyway, and Combs worries that that will hurt the local tax base, public schools and the housing market.

He plans to vote for Democrats this year. And once his daughter is grown, he plans to leave Ohio.

"I'm not gaining anything in this world," he said, filling his truck with gas. "I don't have a good outlook for ever doing anything but surviving."

Here's a thumbnail sketch of where several key races stand in Ohio less than three weeks before Election Day:

GOVERNOR - An Ohio Poll released by the University of Cincinnati found Democrat Ted Strickland, a white congressman and a minister, leading Republican Ken Blackwell, Ohio's secretary of state and a conservative African-American, 52 percent to 38 percent.

SENATE - The Ohio Poll found Republican incumbent Mike DeWine trailing his Democratic challenger, Rep. Sherrod Brown, 52 percent to 45 percent.

HOUSE OF REPRESENTATIVES - The first three GOP House races listed below are considered the most vulnerable to Democratic takeover, while analysts consider the last two, which ordinarily wouldn't be in play, somewhat vulnerable.

-Rep. Deborah Pryce's district in Columbus. A member of the House leadership, Pryce touted her friendship with Rep. Mark Foley of Florida just before Foley was forced to resign in a sex scandal involving former congressional pages. Her opponent, Mary Jo Kilroy, is county commissioner whom voters know and who has financial backing from national Democrats.

-Rep. Steve Chabot's district, from Cincinnati to the Indiana border. Chabot faces a challenge from a locally known and well-funded Democrat, city councilman John Cranley.

-Outgoing Rep. Bob Ney's eastern rural district. The GOP's choice for a successor, Joy Padgett, a state senator, is thought to have an edge over Democrat Zack Space, but Ney's guilty plea this month in a federal corruption case could work against Padgett in the final weeks.

-Rep. Jean Schmidt's district in and east of Cincinnati. Schmidt beat Democratic war veteran Paul Hackett last year in a special election to replace GOP Rep. Rob Portman, now Bush's budget director. She was booed for calling war veteran Rep. John Murtha, D-Pa., a coward last year in a House floor debate on Iraq troop withdrawal, and Murtha is now campaigning for her opponent, Victoria Wulsin.

-Rep. Pat Tiberi's Columbus area district. He faces a well-funded challenge from a former Democratic congressman, Bob Shamansky.

The Dems' Agenda (USNEWS)

By Danielle Knight

U.S. News and World Report, October 23, 2006

They are among the warhorses of the House of Representatives. John Dingell of Michigan has been in Congress for half a century and chaired the Energy and Commerce Committee for 14 years. Henry Waxman of California has been in the House for 32 years and ran a key subcommittee for 16 years. Charles Rangel has been Harlem's congressman since 1970; John Conyers has represented Detroit since 1965.

For a dozen years, these once powerful Democrats have been in virtual exile, pushed to the back bench while Republicans ruled. But now that may change. Experts say Democrats could pick up as many as 25 seats in November and take control of the House of Representatives.

If Democrats do take over, these veterans will most likely be back to shake things up by chairing powerful committees. Their ability to push through major legislation will be limited because their majority will probably be slim, and President Bush could wield the veto pen. But many Democrats intend to push an aggressive oversight agenda that would investigate the Bush administration's conduct on everything from the war in Iraq to Hurricane Katrina and homeland security. There would be no shortage of fireworks on Capitol Hill.

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Republicans have been trying to rally their base by warning that House Minority Leader Nancy Pelosi, who would most likely become speaker of the House, is too liberal. They issue the same warning about possible Democratic committee chairs like Rangel, Conyers, and Barney Frank. Some doubt the tactic will work; Democratic lobbyist Thomas Hale Boggs Jr., for one, wonders if "anybody outside of Washington knows who Rangel and Conyers are." But Republicans are pressing ahead. If Democrats take the House, they say, expect a leftist agenda of more spending, higher taxes, and maybe even an attempt at impeaching President Bush. "It's just plain scary," insists House Majority Whip Roy Blunt, a Missouri Republican.

Fissures. While Democrats have lofty ambitions-some are calling for sweeping healthcare initiatives or withdrawal from Iraq-their actual legislative plans are more modest, because a slim majority will probably force them to work across the aisle. Otherwise, "we won't be able to get anything done," says Rangel. The Democrats also have fissures of their own to worry about-like what to do about Iraq. In addition, a bloc of some 37 fiscally conservative Democrats-known as the Blue Dog Coalition-could see its membership increase after the elections as a counterweight to more-liberal Democrats' efforts on spending and trade.

But Pelosi and Senate Democratic Leader Harry Reid are already trying to promote a vision of party unity. They say they will launch their consensus-based, six-part "New Direction for America" or "Six for '06" plan within days if they take control of the House in early January. The highlights include legislation initiatives that would increase the minimum wage, negotiate lower prices for Medicare prescription drugs, implement all the 9/11 commission recommendations, end tax breaks for oil companies, and increase federal funding for human embryonic stem cell research. "The hardest part, frankly, is limiting the priorities," says Pelosi, who would be the first female speaker.

John Zogby (CSM)

By David Cook

The Christian Science Monitor, October 23, 2006

Posted October 23, 2006 - http://www.csmonitor.com/2006/1023/p25s01-usmb.html John Zogby The pollster discussed possible GOP strategies to win back voters in the upcoming election.

By David Cook

If the 2006 election were held today, pollster John Zogby says that Democrats would pick up 25-30 seats in the House of Representatives, well above the 15-seat gain they need to take control. And the CEO of Zogby International says Democrats are "within striking distance" of picking up the six seats they need to win control of the Senate.

But at a Monitor-sponsored breakfast on Friday, Zogby cautioned that the election was still a little more than two weeks away and that the political dynamics could change in that time.

Zogby argues that Republicans could, at least theoretically, rebound and hold the House and the Senate. He says the combination of the House page scandal and revelations in Bob Woodward's latest book were, "a tipping point and it took the president who had been making gains and the party which had been making gains off message, way off message, and focused the problems on the Republican leadership."

He sees two messages that might work in winning back voters to the GOP. "If the Republicans can get it back on message, it will be about terrorism, it won't be about taxes," Zogby said. Another winning message, especially with the Republican base, "is that they will have to go after the Democratic leadership and say do you really want Harry Reid and Nancy Pelosi?" he says.

Zogby describes Senate Minority leader Reid and House Minority Leader Pelosi as "two very nice, very lovely people...who do not have a compelling national persona and are anathema to Republicans. That could be a winning message."

In Zogby's view, Minority Leader Pelosi, who represents San Francisco, is an especially appealing target for Republicans seeking to energize their political base. "She is a liberal and much more liberal than Hillary [Clinton] including on the war.... She is a lovely person and persona, [but] that doesn't project. There is a harshness that projects over the media that almost plays into the creation of Nancy Pelosi as a pariah...She is kind of the pariah from central casting."

Polling by his Utica, New York-based firm finds voters confused about "What do you get when you elect a Democrat," Zogby says. "For the longest time, I wasn't seeing any significant shift towards Democrats at all until I polled during and after the Foley-Woodward weekend and then the shift became more a drop in support for Republicans than really a burst toward the Democrats."

Referring to the 1994 movie starring Tom Hanks, Zogby said that, "If the Democrats win, it will be a Forrest Gump victory - essentially things swirled around them over which they had very little control and they ended up scoring touchdowns, designing happy signs, and making money on shrimp."

In the 2006 elections, one of the Democratic Party's core constituencies, organized labor, does not appear to be playing a major role, Zogby said. "The term [organized labor] is becoming oxymoronic...Does that mean that organized labor has no

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impact? No, not at all. But the impact becomes smaller and smaller." Zogby said his polling shows for voters the key economic issues "are not

The Battlefield Widens For House GOP Seats (LAT)

By Ronald Brownstein, Molly Hennessy-fiske And Jenny Jarvie

The Los Angeles Times, October 23, 2006

LA CRESCENT, MINN. — The temperature is dropping, but six-term Rep. Gil Gutknecht (R-Minn.) is sweating more than usual for this time of year.

In his last two campaigns, Gutknecht breezed to reelection with at least 60% of the vote. But when he stopped at an American Legion hall in this small southern Minnesota town Friday, he faced several tough issues, including the House page scandal, North Korea, Iran and the war in Iraq.

"The body count in October [in Iraq] is so high — how do you feel about an exit strategy?" asked Shan Gruden, a retired teacher who supported Gutknecht in the past but remains undecided today.

Gruden's challenge to Gutknecht captures the dynamic that is widening the battlefield during the final weeks of the contest for control of the House of Representatives.

A growing number of GOP incumbents in seats once considered "safe" — including Melissa A. Hart in Pennsylvania, Ron Lewis in Kentucky, Richard W. Pombo in Tracy, Calif., and Gutknecht here — are struggling this month against a powerful current of discontent with the nation's direction, the performance of Congress and President Bush, and the war in Iraq.

Republican seats at risk have nearly tripled since January, according to the nonpartisan Cook Political Report. Then, 18 GOP seats were endangered; now, 48 are considered in play.

"The battleground is way broader than anyone thought was possible," said Eli Pariser, executive director of the political action committee associated with the liberal group MoveOn.org.

To take back the House, which they lost in 1994, Democrats need a net gain of 15 seats — something they could do, perhaps, without capturing any of these newly competitive seats. But Democratic strategists believe that if the party can break into this second tier of Republican-leaning districts, they could greatly increase their odds of building a majority large enough to survive for longer than two years.

In a measure of the party's growing optimism, the Democratic Congressional Campaign Committee plans to announce Tuesday that it will begin airing advertisements in 11 new districts, including eight the party had not considered competitive until recently, party sources say.

Though both sides agree that many of these districts are growing more competitive, in most cases Democrats still face an uphill climb to reach 50%.

"It's one thing to be close," said Scott Lasley, a political scientist at Western Kentucky University, who is tracking the contest between Lewis and Democrat Mike Weaver. "It's another to defeat an incumbent."

At various points this year, for instance, Democrats have been optimistic about upsetting GOP Rep. Marilyn N. Musgrave, whose eastern Colorado district Bush carried with nearly 60% of the vote in both 2000 and 2004.

Her Democratic opponent, state Rep. Angie Paccione, has pressed a spirited challenge, but Musgrave appears to have reestablished an advantage in polls after an advertising barrage from the national GOP that painted Paccione as an "out-of-touch … liberal." Paccione says the Democratic Congressional Campaign Committee has shifted to other races the money it had planned to spend on TV ads on her behalf.

Republican operatives cite that sort of triage as evidence that Democrats lack enough funds to capture many of the GOP-leaning seats that now appear vulnerable.

"In order for them to make any of these races potentially come true, they have to spend money there, and it's unclear how much money they have left or how much in debt they are willing to go," said Carl Forti, communications director for the National Republican Congressional Committee.

Still, in elections characterized by a strong desire for change, such as 1974 and 1994, the current of discontent was powerful enough to sweep in even underfunded challengers. And whatever happens Nov. 7, it is already clear that Democrats have generated intense pressure on many Republicans who have not needed to run full-scale campaigns for years — and did not expect to do so now.

Gutknecht appears to have legitimate competition," said Caledonia Township Chairman Kermit McRae, whose Minnesota town was one of Gutknecht's stops Friday. "Some years you get token competition, but this year the person is campaigning hard — and what I see is the congressman is campaigning hard back."

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The race between Lewis and Weaver in Kentucky's 2nd District, which rolls through rural areas southwest of Louisville, is also more heated than usual. In May 1994, Lewis, a Baptist minister, won the seat in a special election that foreshadowed the GOP landslide six months later.

Since 1994, he has never won less than 58% of the vote. Two years ago, Bush won the district with nearly two-thirds of the vote.

But this year, for the first time in a decade, Lewis is concerned enough that he is airing television ads, and local Republicans are uneasy.

"We're going to lose seats, a sure thing," said Clifford Owen, a Republican farmer from Larue County who said he would continue to vote for Lewis.

Weaver, a 67-year-old Vietnam veteran and state legislator, pounds at the disillusionment in this socially conservative district over the page scandal involving former GOP Rep. Mark Foley.

"It's time for voters to do their duty," he said. "The Republican Party claimed they were the party of faith, family values and moral values. Now they have been exposed. It is time for the Democrats to reclaim these values."

Weaver opposes abortion and supports a constitutional amendment to ban same-sex marriage, and he distances himself from the national Democratic Party almost as aggressively as he criticizes his GOP opponent.

But Lewis is working hard to tie him to liberal Democrats like House Minority Leader Nancy Pelosi of San Francisco. "People here certainly don't want Nancy Pelosi as speaker of the House," Lewis said.

Though Gutknecht's southeastern Minnesota district isn't as reliably Republican as the Kentucky seat, he's also betting on an ideological contrast in his struggle against Democrat Tim Walz, a high school teacher, football coach and 24-year veteran of the Army National Guard. Last week the National Republican Congressional Committee spent about $100,000 on ads accusing Walz of weakness on illegal immigration.

"There are big differences between the two of us," Gutknecht said. "If that message gets out, then I win this election 55 to 45 [percent] at least."

The Democratic Congressional Campaign Committee fired back Friday with an ad criticizing Gutknecht for voting against increases in the minimum wage while accepting pay raises, a common argument in Democratic campaigns this year.

But Iraq looms as the greatest risk to the incumbent.

In a new ad scheduled to air Tuesday, Walz stands before empty bleachers and says: "When I coached football, these stands held about 3,000 people. That's a lot. It's also the number of American soldiers who have died fighting in Iraq."

His former students now in the military, he says, "deserve a plan for Iraq to govern itself so they can come home."

Gutknecht, who traveled to Iraq in the summer, said he initially endorsed the war based on imperfect information but believed now that the U.S. must continue the fight.

"Let's be honest — a lot of people, both Republican and Democrat, voted to go in there," he said. "It may not have been involved with terrorism then, but it is now. It's like a light that's attracting all these bugs and moths."

Gutknecht's accessibility and candor impressed Gruden, the retired teacher, who came to question him at the American Legion hall here. "He seems approachable," she said.

But even after his answer, she said, she is still worried about the war and "all the graft, greed and corruption in Washington." She left for home the same way she had arrived — uncertain who would win her support.

2 Lawmakers With Abramoff Ties In Tight Races (USAT)

By Martin Kasindorf

USA Today, October 23, 2006

TRACY, Calif. — Rep. Richard Pombo's record as chairman of the House Resources Committee has environmental groups so riled that they're spending more than $1 million to beat the seven-term Republican on Nov. 7.

In a normally ironclad GOP district that Pombo won with a 61% majority two years ago, polls show that the environmentalists' TV spots and doorbell-ringing are helping to make him a candidate for the politically endangered list.

The Sierra Club calls Pombo, a Stetson-wearing cattle rancher, an “eco-thug.” The League of Conservation Voters says he advances a “radical, anti-conservation agenda.” The Defenders of Wildlife Action Fund voted him “wildlife villain of the year.” Rolling Stone magazine dubs him “enemy of the earth.”

Pombo, 45, entered politics to stop a nature trail from running through his 500-acre spread in Tracy, a San Joaquin Valley agricultural town that's turning into an affordable bedroom community for San Francisco Bay Area commuters. In Congress, Pombo has tried repeatedly to rewrite the Endangered Species Act to make it friendlier to landowners. He has proposed selling 15 national parks.

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Brian Kennedy, a spokesman for Pombo, says the environmental groups "need a boogeyman to sell their message and raise money," and that Pombo disagrees with "the very left-leaning … organizations on the best approaches to protecting our environment."

Polls show races tightening for Pombo and Republican Rep. John Doolittle, worrying GOP leaders enough that President Bush flew out this month to raise $400,000 for Pombo and $600,000 for Doolittle in their districts.

As secretary of the House Republican Conference, Doolittle, 55, is the sixth-ranking House GOP leader. He and Pombo were protégés of Tom DeLay of Texas, the former House majority leader who was indicted last year on charges of violating state campaign-finance laws.

Two Democrat-commissioned polls show Pombo in a dead heat with Democrat Jerry McNerney, 55, a wind turbine engineer. An independent poll published Oct. 12 by Seattle-based Constituent Dynamics, a non-partisan group, shows Doolittle leading Democrat Charlie Brown 52%-44%. The poll of 1,000 likely voters has a margin of error of +/-3 percentage points. Brown, 57, is a retired Air Force lieutenant colonel.

After commissioning three private polls it won't release, the National Republican Congressional Committee has spent $625,000 on Pombo. "When a cadre of radical environmental groups is spending millions of dollars on vicious, negative advertising, the Republican Party had to level the playing field," says Jonathan Collegio, NRCC spokesman.

The group also spent $114,000 on Doolittle. "The national atmosphere for Republicans is not as good as it was two years ago," says Richard Robinson, Doolittle's campaign manager.

Pombo's district includes the upscale San Ramon Valley suburbs of San Francisco, including Dublin and Danville. There, "culturally moderate, suburban GOP women don't identify with ranchers as much as in the San Joaquin Valley," says Allen Hoffenblum, publisher of the California Target Book guide to congressional and Legislature races.

Both Republicans are under attack for links to GOP lobbyist Jack Abramoff, who has been convicted of conspiracy and fraud. Though national environmental organizations are angry at Pombo over his stands on conservation, they're zeroing in on Pombo's ties to Abramoff and on the campaign contributions to Pombo from oil and mining companies. "Our polls found his constituents of all parties thought he was way too close to the special interests," says Roger Schlickeisen, president of the Defenders of Wildlife Action Fund.

In Doolittle's race for a ninth term — his district stretches from Sacramento's northeastern suburbs to the Nevada and Oregon borders — Abramoff and an alleged "Republican culture of corruption" have become key lines of attack by Brown. Doolittle is hitting back with ads stressing the Democrat's membership in the American Civil Liberties Union and alleging softness on illegal immigration.

Pombo's campaign committees received $54,500 from Abramoff, his associates and his Indian tribal clients from 1999-2005, according to the Washington-based Center for Responsive Politics, a non-partisan group. Abramoff's billing records, released by Senate Democratic staffers, show he billed the Northern Marianas Islands government for lobbying Pombo.

Doolittle, over five years, has accepted $140,000 from Abramoff, associates and clients, according to Federal Election Commission records. Grand-jury-subpoenaed records show that Abramoff's law firm paid Doolittle's wife, Julie, $66,700 for working for a personal charity of Abramoff's. A Senate committee concluded she was blameless in any bribery scheme because she didn't know the money came from a California Indian tribe.

Pombo has given Abramoff's personal $7,500 campaign contributions to charity. Doolittle has kept Abramoff's $14,000 in personal checks, along with $118,000 he received from California defense contractor Brent Wilkes and associates. Wilkes is under investigation in the bribery case of Rep. Randy (Duke) Cunningham, who pleaded guilty in November.

Interviews with voters show most intend to follow party lines, and that Republicans are reluctant to jettison the longtime incumbents because of Abramoff.

"I don't like what I hear (Doolittle) saying," says Steve Abeln, 42, a security-business owner in Rocklin, and a Republican. "But the fact is he's a Republican. I want to keep a majority in Congress."

October's Phony Surprise (WP)

By Robert D. Novak

The Washington Post, October 23, 2006

The latest in a series of October surprises leading up to the midterm elections targeted Ken Mehlman, chairman of the Republican National Committee. It depicted Mehlman as bowing to the wishes of disgraced lobbyist Jack Abramoff, the symbol of GOP corruption, in firing an innocent bureaucrat. The problem with the story is that this bureaucrat was a notorious political operative inside the Clinton administration.

At issue was the dismissal early in 2001, the first year of the Bush administration, of Allen Stayman from a State Department post. The accounts alleged that he was sacked because he advocated improved labor conditions in the U.S.-owned

Northern Marianas in the Western Pacific, whose government was represented by Abramoff. Nowhere was it mentioned that Stayman left a long paper trail of partisan Democratic activity and hardly could be expected to survive in a Republican administration.

The attack on Mehlman typified the standard October surprise: information about an event years in the past distributed by a partisan operative as a campaign nears its close. The most successful recent example came in 2000, when Al Gore's campaign waited until the last week before the presidential election to release never-before-published information about a drunken driving conviction of young George W. Bush 24 years earlier. That throttled Bush's momentum and very nearly elected Gore.

October surprises have abounded this year. The revelation of Rep. Mark Foley's past improper advances to former congressional pages dominated the news for two weeks and stifled what had seemed to be a Republican upsurge. The subsequent disclosure of questionable land transactions and use of campaign funds by Senate Democratic Leader Harry Reid did not get nearly as much attention.

The reports about Reid did not begin to counter the Democratic national campaign theme of a climate of corruption under Republican rule in Washington. The Mehlman story, first reported in the Los Angeles Times Oct. 15, fits the image of Abramoff running rampant in the White House and winning governmental action for his clients with favors for presidential aides.

The not-so-hidden hand promoting this story is the fiercely partisan Rep. Henry Waxman, ranking Democrat on the House Government Reform Committee. Waxman had talked committee Chairman Tom Davis (R-Va.) into a pre-election release showing more than 400 contacts at the White House by Abramoff. E-mails by the Abramoff lobbying operation claimed credit for getting Mehlman, then White House political director, to sack Stayman. Waxman suggested that Mehlman has "violated fundamental ethics regulations and the law."

The response by Mehlman that he does not remember getting rid of Stayman sounds, on its face, like a politician's typically bad memory. But that Mehlman really had no recollection of the case rings true because he did not immediately cite Stayman's political track record.

The reappearance of Stayman's name after a five-year absence rang alarm bells for Republican majority staffers on the House Natural Resources Committee, who battled Stayman when he ran the Interior Department's Office of Insular Affairs. Documents in the committee indicate Stayman's office was engaged in legally questionable political action against several Republican House members -- including the then-majority leader and majority whip, Dick Armey and Tom DeLay.

Supposedly isolated from all political affairs, Stayman's staff in 1997 asked the Democratic Congressional Campaign Committee how to contact opponents of Armey, DeLay and Rep. Dana Rohrabacher. Stayman wrote a Democratic National Committee draft press release that year (never consummated) attacking the then-governor of the Marianas.

Earl Devaney, the Interior Department's inspector general, testified to Congress in 2001 that the behavior of Stayman's office was the "most egregious" he had seen in 30 years because of its political activity. Republican Rep. Don Young, then Natural Resources chairman, said Stayman "failed to end a wide range of prohibited political activities" in his office and "may have engaged in them himself."

In the two years before he was fired as a civil servant, Stayman donated $1,400 to the Democratic National Committee and $500 to the Gore campaign. Not surprisingly, Stayman later went to Capitol Hill as a House Democratic staffer. Here is a hardened political infighter, not a hapless bureaucrat. In October surprises, the truth sometimes is the victim.

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The Path To Power (NSWK)

By Jonathan Darman

Newsweek, October 23, 2006

The sun is just rising over Chattanooga when Harold Ford Jr. begins to pray. A young African-American congressman from Memphis, Ford is running as the Democratic candidate for Senate in Tennessee. Here, in the shadow of Lookout Mountain, an audience of 300 has come out of the early-morning darkness into the historic Read House hotel to hear Ford praise the Lord and lecture man. Dressed in dark suits and hats fit for a Sunday service, they bow their heads and thank a God who "even now has dipped us in fresh, anointing oil." They shout Hallelujah as a soprano sings "Amazing Grace." And they cheer and clap when Ford welcomes them, and the spirit of Jesus, into the room. "I love Jesus, I can't help it," the congressman tells the crowd. "We serve such a big God," he shouts, and a chorus of Amens agrees.

It is a storied place to pray. "Let freedom ring from Lookout Mountain in Tennessee," Martin Luther King Jr. cried in his "I Have a Dream" speech, and four decades later, the diverse crowd that has gathered here suggests that in many ways, freedom has. Looking out at his audience, Ford offers political pronouncements in the cadence of Scripture. "The politics of destruction," he shouts, "the politics of those who define and malign people, that's all coming to an end." He asks the audience to "heal and

make whole this great country of ours" with "a renewed sense of faith." Pointing to the sky, he tells them that "as long as your faith derives from up there, and not down there, we're going to be OK."

Ford's intertwining of the secular and the sacred would make many urban liberals squirm. So would much else that comes out of his mouth today. From the podium, he says he gets "in trouble with my party because I believe a government is only as good as its ability to defend itself and protect itself." (That stance wouldn't actually trouble most Democrats, but the implication that Democrats are weak on defense might.) Later, as he makes his way out of the room, he spots a Fox News Channel correspondent who's flown in from out of town. "Mr. Cameron!" he yells, throwing his arms around Carl Cameron, the network's political correspondent. "So good to see you again." Before the day is done, Ford will reiterate his opposition to same-sex marriage and late-term abortions.

Ford, 36, believes these conservative stands, coupled with an unrelenting attack on his Republican foe's positions on Iraq, homeland security and immigration, is the only way a Democrat can win in today's conservative Tennessee. "If I was doing the textbook thing that Democrats do," he tells NEWSWEEK, "I'd say, 'Republicans want to short Social Security, they want to rob poor children of their college education, they want to deny families the education system.' Don't get me wrong, there's some truth to that. But that's not me. Just let me be myself."

Democrats, even liberal ones, will let Ford be whoever he wants to be, for one simple reason: he may deliver them the Senate. Two weeks before the midterm elections, the Democrats' fate lies not in the hands of the party's much-dissected antiwar left but with a handful of careful, calculating centrists like Ford. Just a few months ago, Republicans were heralding Ned Lamont's defeat of Sen. Joseph Lieberman in Connecticut's senatorial primary as the end of the Democratic Party, its surrender to the angry extreme. But spend a few minutes with Sen. Charles Schumer, the strategic mastermind behind the Democrats' effort to win back the Senate, and Lamont's name barely comes up. (For the record: Lamont is trailing Lieberman, who is running as an independent, by as much as 17 points in the latest polls.) Instead, Schumer is talking up the "common sense" candidates running in states like Tennessee, Missouri and Virginia—candidates who don't sound much like Democrats even when they're assaulting Republican opponents over the war.

For two years the Democratic political establishment has been unabashedly applying one litmus test to candidates: their ability to win. In the Senate, Schumer took flak from activist groups when he backed candidates like Pennsylvania's Bob Casey, who is anti abortion rights. In the House, Demo-cratic Congressional Campaign Committee chair Rahm Emanuel corralled a group of Iraq and Afghanistan vets to run as "macho Democrats" against Republican incumbents. At Howard Dean's Democratic National Committee—well, who's even heard anything from Howard Dean? He's largely taken a back seat to Bill Clinton and Barack Obama in making the Democrats' prime-time case. "The days of Democrats' having to check 28 boxes before they run are over," Schumer says. "We want to win."

Just two years after George W. Bush defeated John Kerry, and four years after Bush defied expectations to prevail in the 2002 midterms, Democratic control of Congress may be within reach. For weeks, leaders of both parties have said Democrats would likely take the House of Representatives, but now the six seats the Democrats need to wrest control of the Senate may well be winnable. Republican strategists are privately bracing themselves for the loss of Senate seats in Rhode Island, Montana, Pennsylvania and Ohio. The GOP is hopeful that a cloud of corruption charges surrounding New Jersey's incumbent Democratic Sen. Bob Menendez could give Republicans a rare shot at picking up a Democratic seat, but Menendez's Republican challenger, Thomas Kean Jr., is struggling to separate himself from Bush and Iraq. The remaining Senate battles lie in border states like Tennessee, where Ford and the GOP nominee, businessman and former Chattanooga mayor Bob Corker, are polling neck and neck. Republicans know the race is a must-win to retain control of the Senate.

Ford's strength in the race springs in part from being that rare Democrat who is unencumbered by complexity and contradiction—with his party and with himself. As he journeyed to rural and conservative parts of his home state in the past year, he referred to "my friend President Bush"—and then proceeded to assail Bush's policy in Iraq. In a recent debate with Corker, Ford said his opponent's shifting stances on the war made him sound "a little like John Kerry"—forgetting momentarily, it seemed, that Ford himself had been one of Kerry's earliest supporters and served as national co-chair of his campaign. But it's one thing to campaign as a rebel willing to flout your party's orthodoxy when it helps attract voters. It's another thing to try to govern that way. If the Democrats take back the Senate in November, they will be hard pressed to maintain the sort of martial discipline they've managed during the campaign; they are, after all, the Democrats, a party with a rich history of disarray.

Ford himself has been running for the history books all his life. As a 4-year-old, he stood on a table to reach a microphone and record a radio ad for his congressman father; in law school his friends called him "Senator." He succeeded his dad in the House at the age of 26. A scion of one of black America's great political dynasties, Ford enjoyed universal name recognition and inherited a list of a thousand contacts when he ran his first campaign. But family is a two-edged sword: the Republicans are making much of the Ford clan's legal woes. (Ford's uncle is awaiting trial on extortion charges and his aunt was ejected from the

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state Senate after allegations of vote fraud.) Running attack ad after attack ad on "The Ford Family Political Machine," Corker and the Republicans have hinted that Sen. Harold Ford Jr. would engage in similar shenanigans.

But Ford, like so many political sons, is shaped as much by differences with his family as by his similarities. Coming of age in establishment Washington and the Republican South, he learned moderation as a matter of survival, and it carried him away from the fractured racial politics of his family's past. The story of his journey to the political center sheds light on why control of the Senate and the shape of the final years of Bush's presidency may rest on a thousand or so votes tucked in the lush planes and hills between the mud of the Mississippi and the rise of the Great Smoky Ridge.

Ford's political opponents have long called him "Junior," but in Memphis, he's always just been "Baby Harold." His grandfather rose to financial prominence as a funeral director but wanted his children and grandchildren to make their names in the world of politics—and do it fast. Ford's father, Harold Sr., was elected to Congress at the age of 29. Running against a white Republican incumbent, he won by only 400 votes. "It wasn't a Voting Rights district," Ford Sr. recalls. "I had to fight for every vote." With his father in Congress and an uncle, John, in the state Senate, Ford Jr. grew up in the family to see in west Tennessee. Democratic candidates for president, governor, senator and on down the list showed up for Sunday-night supper at their house. Baby Harold sat at the children's table, but he knew the path that had been chosen for him. "Harold's grandfather was an extremely powerful man," says Melvin Charles Smith, the Ford family pastor, "and his father is a very powerful man. So when you talk about a childhood or teenage rebellion, they wouldn't have tolerated anything like that."

Ford's father had 11 brothers and sisters, and young Harold had dozens of first cousins. Attention was hard to find in this environment; trouble was not. Ford's mother, Dorothy, was the enforcer, the one who made sure Harold did his homework, went to church, called his elders Sir and Ma'am. A family friend once encouraged Ford to drop the formalities. "You can call me what you want, son," the older gentleman said. "Yeah, baby, call him what you want to call him," Dorothy agreed, in a pleasant, encouraging tone. "If I dared say his name," Ford recalls, "as soon as the word was out of my mouth she would have come down on me."

After one term in congress, Harold Sr. moved his wife and kids to Washington, and young Harold caught a glimpse of life beyond the clan. Corker has attacked Ford as a creature more of Washington than of Tennessee, and while Ford is quick to note that as a child he was shipped home to Memphis "the day after school got out," he has not lived in Memphis full time since he was a small child. Growing up in Washington, Ford learned early lessons in bipartisanship as he vied for social position with the children of Republicans and Democrats alike. As just another congressman's kid in the capital, his place in the social pecking order would be earned rather than inherited. "It was the best thing they did for us," Ford recalls. "Had we grown up fully in Memphis, everything I did, everywhere I went, I would have been 'Harold Ford's son' ... I love my dad, but I needed to do things for myself, too."

In Washington, Ford attended the exclusive St. Albans school. Nestled beside the National Cathedral atop the city's highest hill, the Episcopal academy looks down on Washington—and on the secular world. Governed by the Anglican instinct to avoid extremes in search of a middle way, St. Albans educated the sons of the elite regardless of party—from Al Gore to two of George W. Bush's brothers. Harold entered in the mid-'80s, and his interests were eclectic, nonideological. "George Will was someone who really impressed him," Ford's father recalls. "His son went to St. Albans."

But as one of only a handful of black students, Ford wasn't just like everybody else at St. Albans. "For me, and for the other kids who were not white, it was a very heterogeneous place," Ford says. "I had to get along with everybody. That helped me later on when I was in situations where you had to say, 'Hey, let's all get together and try to figure this out'."

Life was more turbulent outside the congenial confines of St. Albans. Ford entered the University of Pennsylvania in 1988. It was a time of racial polarization, even at elite colleges. When things grew particularly sensitive after the beating of Rodney King in May 1991, Ford, who'd grown up around more white people than many black students on campus did, felt uniquely qualified to help sort things out. "Sheldon Hackney was the president of Penn at the time," Ford recalls. "He asked me to try to help bring everybody together. I had no problem saying, 'Hey, there's more common ground than difference here'." (Ford, says Hackney, "was unusually sophisticated and self-possessed about campus politics.")

While Ford was playing peacemaker at Penn, his family was coming under attack back home. In 1987, Harold Sr. was indicted, charged with taking nearly $1.5 million in political payoffs disguised as bank loans. He was eventually cleared, but to many in Tennessee, the case suggested there might be a corrupt underside to the Ford family. Most vivid was Harold's uncle John, the state senator, known for his larger-than-life persona in Memphis and for driving at high speeds along Highway 41 between Memphis and Nashville, the state capital.

The fraud charges drained Harold Sr.; by the early '90s, he was looking to pass things along to the next generation. His son, who'd worked on Bill Clinton's 1992 presidential campaign and was attracted to Clinton's centrist politics, wanted to defer law school and take a job in the White House. His father persuaded him to get his degree and plan on running for the Memphis congressional seat shortly thereafter.

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Over dinner in his second year in law school, Junior learned his time had come. "I'm not running again," Harold Sr. told his son. "If you want to run, you need to get very serious about it."

Back in Memphis, news of Harold Jr.'s ascension was greeted as evidence of Ford-family arrogance. With a year left in law school, Ford Jr. didn't even have his own place in Memphis and had to commute to his parents' home on weekends to campaign. As the weeks wore on, however, Ford began to distinguish himself from the rest of the family. James Jalenak, an influential Memphis lawyer who helped manage Ford's congressional campaign, recalls preparing 30 rules for debate prep for young Ford. Well acquainted with Harold Sr., Jalenak's list had "Don't lose your temper" as every third rule. "But it wasn't necessary," he says. "Harold was calmer, smarter, more disciplined than anyone else I'd ever met in his family ... A lot of white people who loathed his family here really came to love him." Ford won the seat in November 1996.

Young, attractive and single, Ford was a sensation the moment he arrived on Capitol Hill. Newspapers in Washington and Memphis marveled over his sharp suits and breathlessly wondered about his dating life, even tracking his brief involvement with a Georgetown University student who wrote a sex column for her college newspaper. A relentless flirt, Ford is the perennial crush of young Hill staffers. Unmarried (though he says he hopes for marriage and children soon), he is known both for his active dating life and for respecting the large number of women he brings into his inner circle as colleagues. He became a fixture on cable talk shows and became a regular on the Fox News Channel and on Don Imus's radio program. After giving the keynote address at the 2000 Democratic National Convention, he'd become one of the most recognizable faces in the party.

In Washington, Ford was eager to prove his conservative bona fides. In his new job, he sought out the conservative Southern Blue Dog Democratic caucus and became one of only three African-American members. In his 10 years in Congress, he voted for the federal marriage amendment banning gay marriage, for the Patriot Act and for the war in Iraq. He named Ronald Reagan as one of his historical heroes. Ann Coulter called him "one of my favorite Democrats." Andrew Parmentier, a Republican consultant with the brokerage firm Friedman, Billings, Ramsey, and a former aide to Rep. Dick Armey, befriended Ford after repeatedly running into him in the Green Room at CNBC. "I wasn't quite prepared for how conservative he was on some of the social issues," Parmentier says. "I knew he was a business conservative, but it all [comes down to] the cultural issues. His faith is the No. 1 most important thing for him."

Though no one could ever mistake Ford for Ted Kennedy, he isn't always the off-the-reservation Democrat he makes himself out to be. According to Congressional Quarterly, Ford supported his party upwards of 85 percent of the time in most years since Bush took office. And while Ford is popular among his Democratic colleagues, he is not regarded as ranking among the most skilled bridge-builders in the House.

After all, it has always been clear to anyone who has spent five minutes with him that Ford's ambitions extended beyond just representing Memphis in the House. In November 2002, he launched a last-minute challenge to Nancy Pelosi to become the House Democratic leader.

It was a moment of great anxiety for the Democrats: the party had just felt the full brunt of Bush's post-9/11 power in bruising defeats in the 2002 midterm elections, failing once again to regain the majority it had lost in 1994. Ford argued that Pelosi, one of the party's most visible liberals, was the wrong public face if Democrats wanted to change their ways. "The party elders are 0 to 4," he told reporters, referring to the Democrats' comeback efforts from 1996 to 2002. "In the business world, that's not a good record." To many, Ford's move seemed liked a quixotic and presumptuous power grab. Pelosi had already secured commitments from a majority of her caucus. But establishing himself as a more conservative alternative to the party's leadership helped lay the groundwork for his current statewide run.

Shut out of the party leadership, Ford turned his gaze back toward home. He'd explored running for the Senate twice before. Ford thought he'd finally found his moment when Senate Majority Leader Bill Frist announced he would leave the Senate in 2006. Ford announced his candidacy for Frist's seat in May, in what seemed to many like a long shot: the home of Andrew Jackson, Estes Kefauver and the TVA was becoming solidly Republican—and no black candidate had been elected to the Senate from a Southern state since Reconstruction. Even Ford's father was worried. "My dad looked at it rationally and said, 'Do you really think this is the right thing to be doing?' " Ford recalls. "Everyone had doubts back then." But there were encouraging signs, too. In 2002, Democrat Phil Bredesen, a New Jersey-born businessman who had served as mayor of Nashville, won the state's governorship after framing himself as a cultural conservative and economic reformer.

Ford's Senate campaign did not begin well. The day after he announced, his uncle John was arrested in an FBI sting after allegedly asking for a bribe in exchange for favorable treatment for a company doing business with the state. John Ford denied any wrongdoing but was forced to resign his state Senate seat, and the scandal, known as Tennessee Waltz, gave reporters the opportunity to dredge up 30 years' worth of family lore. Further complicating matters, Ford's aunt Ophelia won a special election for John's vacated seat by only 13 votes; a special committee of the state Senate later charged her with vote fraud.

Ford sought to defuse the issue by incorporating his family into his campaign shtik. "I come from a big family—you may have read about them a few times," he'll tell audiences in white, conservative parts of the state. Earlier this month, at a campaign

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event in rural Grundy County, he took a question from an elderly white gentleman named John Ford. "I love your name," Ford joked, "but it's a hard name to have, I know."

Without serious opposition in the Democratic primary, Ford was freed to scour the rural reaches of his state. The encounters were sometimes awkward, but Ford seemed to thrive on them. He often tells the tale of his trip to the Little Rebel, a roadside bar with a large Confederate battle flag. Ford entered with trepidation only to be greeted with, "Baby, we've been waiting to see you."

The tale is believable only because Ford so often seeks out similarly strained exchanges. Earlier this year he traveled to Mule Day, an agricultural parade in rural Columbia, Tenn. Columbia's mostly white population seemed somewhat mystified by the energetic black congressman from Memphis. A group of motorcyclists seemed particularly put off by the candidate, but Ford approached them anyway. He smiled as he fondled a SATAN SUCKS button on one of the bikers' leather jackets. "I agree with you," Ford said. "Satan does suck."

Corker and the Republicans have slammed Ford as the "most liberal" member of Tennessee's congressional delegation. Highlighting Ford's votes against reauthorization of the Patriot Act, Corker argues that Ford wanted to weaken the nation's defenses at a time when America can ill afford it. Ford's response has been to hit back harder on Iraq, charging that Corker wanted to "stay the course" in war strategy, and then, when Corker denied this, hammered him for flip-flopping. (Ford favors dividing Iraq into three autonomous states.) Democrats in Washington say Ford has written a new template for swiftness in campaign counterattack. "If he wins, they are going to write textbooks on his campaign," says Phil Singer, spokesman for the Democratic Senatorial Campaign Committee.

The race is touch-and-go for both campaigns. After shaking up his own staff earlier this fall, Corker is now both attacking Ford's voting record and trying to draw attention to the extended Ford family. One variable no one in either campaign can accurately predict is race. Analysts say that to be competitive, Ford has to earn at least 40 percent of the white vote in Tennessee in a state where segregation is a persistent, if distant, memory (16.3 percent of voters in Tennessee are black). "He's got very solid support from white Democrats but he needs white independents and even some white Republicans to win," says Merle Black, a professor of political science at Emory University. While Ford is ahead by small margins in some polls, recent history (including races in Virginia in 1989 and North Carolina in 1990) suggests that white Southerners will sometimes say they're willing to vote for a black man in a poll but act differently in the privacy of the voting booth. "There could be some of that," says Black. "It's hard to know how much."

For all the baggage, Ford may now need his family more than ever. His advisers have long expected the race to come down to a one- or two-point margin. To win, Ford will have to have unprecedented turnout in heavily black parts of the state—chiefly Memphis and its surrounding areas. As even their enemies admit, no one is better at getting out the vote in Memphis than the Fords. In the final days of the campaign, Harold Sr. is in many ways his son's closest adviser. The two talk "five times a day," according to the younger Ford."I've never met anybody with a better strategic mind about the last 90 days of a campaign than my dad," Ford says.

Praying in Chattanooga two weeks ago, Ford's thoughts drifted to the days after the campaign. He told his audience that as a senator "you're not asked to judge and condemn, you're asked to listen and start bringing together." He vowed that if politicians can "unite around a common theme and a common goal, they can accomplish great things." Democrats this fall have united around the common goal of winning, a goal that expires, no matter what, on Nov. 7. If he carries the day, Ford and his colleagues in both parties must rally together—an elusive task, but a greater thing.

The Old Dominion's New Math (USNEWS)

By Dan Gilgoff

U.S. News and World Report, October 23, 2006

MANASSAS, VA.-When Sen. George Allen arrived at the tiny airport here last week to accept the endorsement of the National Vietnam and Gulf War Veterans Coalition, the group's chairman told him he hadn't cut his ponytail since the 9/11 attacks. The chairman, John Molloy, said it was a show of defiance against Islamic terrorists, inspired by the story of an American frontiersman who grew his hair in defiance of Indian scalpers. That's precisely why the United States can't pull out of Iraq, Allen told him. "If we leave," Allen said, "they'll strike us again."

But in his speech to the assembled crowd of veterans a few minutes later, Allen-whose calls for "staying the course" in Iraq have been playing across the state in TV ads for Democratic challenger Jim Webb-struck a different tone. "It's clear that mistakes were made [in Iraq] and that progress has been far too slow," he said. "We cannot continue to do the same things and expect different results." It's the kind of criticism that vulnerable Republican Senate incumbents, and even the White House, are suddenly adopting as Iraq continues to spiral downward. "If you are embracing the 'We're not going to change anything in Iraq'

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strategy, you are going to lose," says a top GOP adviser to Senate candidates. "We need smart strategy rather than slogans like 'stay the course.'"

Adjustments. For some Republican senators, though, it may be too late. In the past two weeks, party strategists have privately begun to cede seats in Ohio, Pennsylvania, and Montana and to refocus resources on protecting incumbents in red states like Missouri and Tennessee, where spending from the National Republican Senatorial Committee shot from zero to $2.5 million just since the beginning of the month. While Republicans-along with some Democrats and independent analysts-are still doubtful that they will lose the six seats that would change control of the Senate, the GOP's so-called firewall of protection may now be down to as few as two or three seats. Which means that Virginia could determine Senate control.

No Senate race in the nation has tightened as dramatically as the Old Dominion's. A former Virginia governor, Allen was thought a shoo-in for re-election and was mulling a 2008 White House bid until a video of him calling a Webb volunteer of Indian descent "macaca" was posted online in August, drawing national attention. "Macaca got Webb a lot more press and saved us at least a million dollars in ads," says Webb pollster Pete Brodnitz. Allen's fumbling response to revelations about his previously unacknowledged Jewish ancestry last month-"I still had a ham sandwich for lunch, and my mother made great pork chops"-further alarmed even many GOP officials. Such gaffes helped Webb out-fundraise Allen by $1 million in the past quarter and forced the NRSC to pony up nearly $1 million in response. Allen campaign manager Dick Wadhams blames the rhetorical missteps for recent polls showing the race to be in a dead heat: "It's competitive not because of anything Webb has done."

A GOP Balancing Act (NSWK)

By Richard Wolffe

Newsweek, October 23, 2006

Bob Corker needed to add some flair to his flagging campaign. The GOP candidate should have been running a simple Senate race in conservative Tennessee. But he was trailing by several points last month, so the White House and party leaders stepped in. Their solution: a new campaign manager in the form of a rumpled, martini-drinking, cigar-chewing veteran of Tennessee politics. Back in 1978, Tom Ingram helped transform a lackluster candidate for governor—Lamar Alexander—by dressing him in a folksy red plaid shirt. And it was Ingram who put Fred Thompson in a red pickup truck in his 1994 Senate race, turning the Hollywood actor and lawyer into a good ole boy.

What could Ingram change about Corker, the starchy former mayor of Chattanooga? Everything but his clothes, apparently. Speaking to a group of sheriffs last week, Corker was buttoned up in a charcoal pin-striped suit. ("We need to change that," Ingram later grumbled in a Nashville bar.) Still, Ingram has helped turn the Corker campaign around with new ads and a new message—that Corker is a self-made businessman from Tennessee, while his opponent, Harold Ford Jr., has never held a real job outside Washington politics. Ingram dropped ads attacking Ford as a liberal, replacing them with references to the Ford family machine—and by extension, the African-American politics of Memphis. "I'm the candidate of change," Corker told NEWSWEEK over a bowl of chili in a Jackson diner. "My opponent certainly hasn't shown much independence. He votes with his party 80 percent of the time."

Stuck with an unpopular president and an even less appealing party, Corker is distancing himself from the White House and the GOP-led Congress. Yet he also needs the conservative base to turn out to vote—and they are unsettled by his divided loyalties. When Corker stopped by conservative talk radio in Nashville, the questions were unusually hostile. "I know I'm not going to vote for Harold Ford," said one caller after Corker left the studio. "But it's like the lesser of two evils."

Many social conservatives have been wary of Corker since the primaries, when his rivals portrayed him as a pro-choice Democrat. (Tennessee Right to Life has not endorsed Corker because he once opposed limits on state funding for abortion.) More recently, Corker has moved to heal the rift with his primary foes. Former congressman Ed Bryant, who once campaigned as "the real conservative" against Corker, is stumping for him in rural west Tennessee. "Bob may not be as intense as I am," Bryant told NEWSWEEK, "but he's a solid conservative."

Solid may be the best Corker can do, and he's trying to make it his virtue. "I know I'm not the best-looking candidate in this race," he told the group of stony-faced sheriffs. "I know I'm not the most articulate." But he is still the most conservative, and that might just be enough.

Chief Concerns Who Heads Key Committees If Democrats Win The House? A Look At The Roles High-profile Reps. Barney Frank, Charles Rangel, David Obey And Others May Play. (WSJ)

The Wall Street Journal, October 23, 2006

With the midterm elections fast approaching, many polls and political strategists are predicting that the majority in the House of Representatives will switch to the Democrats. Republicans have begun appealing to their base of voters by raising the specter of a liberal takeover, starting with Rep. Nancy Pelosi of California. Pelosi, currently Democratic leader, is the first woman

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to lead a major party in Congress, and there's little doubt she would become the first woman speaker as well. At the same time, Republicans, in an attempt to get conservatives to vote on Election Day, warn of a raft of new, lefty committee chairmen. Those jobs are important because chairmen wield considerable clout, setting the agenda for legislation and oversight of executive branch agencies.

Here's how it could play out on some of the top House committees:

Appropriations Committee

The Appropriations Committee, responsible for funding federal programs and agencies, is currently under the chairmanship of Jerry Lewis1 of California, whose ties to lobbyists are being investigated by the U.S. Attorney's office in Los Angeles. He would likely be replaced by Rep. David Obey2 of Wisconsin, a harmonica player who chaired the commission to write the House's ethics code. Obey, who was briefly chairman of the committee once before when Democrats were in power, is an old-fashioned labor Democrat with strong interest in education and health-research funding. Among his priorities: smaller classes and better-trained teachers, more-affordable health care, and help for family dairy farmers rather than big agribusinesses. He is expected to strongly defend the Appropriations Committee's power from executive branch encroachment, and will likely step up oversight of executive-branch agencies that get their funding through the committee. He's also expected to crack down on the level of earmarks.

HOW THE PROCESS WORKS

So what happens to the leadership of the House if Democrats pick up the net 15 seats they need to take control?

After leaders of both parties negotiate the size of committees and decide how many majority and minority members will be on each, the House Democrats' Steering and Policy Committee nominates members for assignments to the various committees and designates who will be chairman or ranking member, a process that factors in seniority, members' own requests for committee seats or chairmanships as well as some geographic or ideological balance. After that, the Democratic caucus must approve the committee assignments and chairmen. That's where fights can break out over who gets to run what. One exception is the Rules Committee, where members are chosen by the House speaker and minority leader.

Rep. Nancy Pelosi3 of California, currently minority leader, is expected to become speaker if Democrats return to power. In that role, Ms. Pelosi, who is loyal to rank and file members, would set the tone for the assignment process, likely trying to avoid interparty fights during the process of reorganizing leadership and committee chairmen.

Ways and Means Committee

The Ways and Means Committee4, where all tax bills originate, is currently headed by Rep. Bill Thomas5 of California, an irascible conservative and often divisive figure who played a major role in pushing through a series of tax cuts and the Medicare prescription drug benefit. In a Democratic takeover, Rep. Charles Rangel6 of New York, now the committee's ranking Democrat, would take the gavel and undoubtedly change the agenda. He vigorously opposed the Bush tax cuts for the wealthy, and doesn't want to pass legislation that would increase the deficit. Rangel, an influential politician and unabashed liberal, doesn't shy away from controversy but wants to mend fences on the divided committee. More from Dow Jones Marketwatch7.

Financial Services Committee

The Financial Services Committee8, now headed by Ohioan Michael Oxley9 of Sarbanes-Oxley fame, oversees the financial services sector including the securities, insurance, banking, and housing industries. It would be chaired by the Rep. Barney Frank10 of Massachusetts, who recently told11 Dow Jones Marketwatch that he's interested in expanding affordable housing (likely a joint venture with Rangel), giving shareholders more power to approve executive pay and looking closer at hedge funds. The committee tends to be more bipartisan than others, and that is likely to continue under Frank, a brainy lawmaker with a gay constituency that makes him less dependent on other liberal bases.

Energy and Commerce Committee

The Energy and Commerce Committee12's jurisdiction sprawls over far more than national and international commerce and overseeing energy matters. It also covers telecommunications, consumer protection, food and drug safety, public health, air quality and environmental health. The committee's current chairman is Rep. Joe Barton13 of Texas, pushed through the 2005 energy law, which provides tax incentives and loan guarantees to encourage energy production. If the House turns Democratic, Rep. John Dingell14 of Michigan, who has spent more than 50 years in the House and was chairman before the 1994 Republican sweep, is in line for the job. He's a strong advocate for organized labor and the auto industy, and has long pushed for national health insurance. (Read more15 from Marketwatch.) But Dingell could be challenged by another powerful Democrat, Rep. Henry Waxman16 of California, a former subcommittee chairman and current committee member. The two have frequently teamed up in opposition to the Bush administration's agenda. As ranking member of the Government Reform Committee, the House's main investigative committee, Waxman has proven to been the biggest watchdog in Congress. His staff of investigators and lawyers has turned out hundreds of reports ranging from high drug prices to the U.S.'s Iraq war strategy to waste and fraud in the Iraqi reconstruction effort.

Judiciary Committee

The Judiciary Committee has broad jurisdiction over federal courts and judicial proceedings, civil liberties, law enforcement, patents and trademark issues, and bankruptcy, mutiny, espionage, and counterfeiting. And that's not the whole list. The current chairman, James Sensenbrenner17 of Wisconsin, shepherded the House immigration bill, focusing on enforcement and bucking the White House, which has pushed for a more comprehensive approach that would establish a guest worker program. John Conyers18 of Michigan, the committee's ranking Democrat, is poised to take over, and with Democrats in control of the House, broader immigration legislation is likely to clear Congress. Conyers has advocated a national health insurance program and has pushed for legislation on civil liberties and voting rights.

Other Key Posts

Reps. John Murtha19 of Pennsylvania and Steny Hoyer20 of Maryland have both put up their hand for the majority leader's office. Hoyer, currently the minority whip and more centrist than Pelosi, has been stumping for other Democrats this election season, perhaps helping him lock up support in the caucus. Murtha, who is closer to Pelosi, revived his campaign for the post earlier this month after letting it slide in the face of criticism from other Democrats.

Also, there could be a contest for majority whip between Reps. James Clyburn21 of South Carolina and Rahm Emanuel22 of Illinois. Clyburn is the Democrat's popular caucus chairman, and Emanuel, who as head of the Democratic Congressional Campaign Committee, plays a major role in getting Democrats elected.

Democrat Panels Would Shift Agenda (WT)

By Eric Pfeiffer

The Washington Times, October 23, 2006

If Democrats win control of Congress in the Nov. 7 elections, national priorities will be reshaped as liberals take the reins of congressional committees.

In the House, Minority Leader Nancy Pelosi, California Democrat, would be in line to replace House Speaker J. Dennis Hastert, Illinois Republican. The two lawmakers rarely agree on issues such as the war in Iraq, illegal immigration and congressional oversight.

"She would present a great number of problems for the Bush administration," said Craig Holman, legislative representative for Public Citizen, a government watchdog. "There would be a big change in the way things are done on Capitol Hill."

The 2006 Almanac of American Politics says Mrs. Pelosi voted with the liberal position on economic issues 93 percent of the time during the 2003-04 Congress. She voted with the left 88 percent of the time on social issues and had a 81 percent liberal rating on foreign policy votes. Mrs. Pelosi voted against a ban on partial-birth abortion, against the Bush tax cuts and against a ban on human cloning.

Although a leadership change would be significant, the real shift may occur in the committees.

"The Democratic leadership looks more like a left-wing activist club than a group representative of the American people," said National Republican Congressional Committee spokesman Jonathan Collegio. "A San Francisco liberal would head the House; an outspoken tax hiker would head Ways and Means; [and] a rabid impeachment seeker would head Judiciary."

Rep. Charles B. Rangel, New York Democrat, is in line to head the tax-writing Ways and Means Committee. Rep. John Conyers Jr. of Michigan is in the Democrats' top spot for the Judiciary panel, which has control over impeachments. Other Democrats looking for committee chairmanships are Rep. John D. Dingell of Michigan for Energy and Commerce, Rep. Henry A. Waxman of California for Government Reform, and Rep. Tom Lantos of California for International Relations.

The Democratic Congressional Campaign Committee did not return repeated requests for comment.

Mr. Holman said a Democrat-led Congress, or even a slimmed Republican majority, would be a positive change for reformers and those who favor greater congressional oversight. Mrs. Pelosi has announced that, as speaker, she would order investigations of the administration's response to Hurricane Katrina and the lead-up to the war in Iraq.

"One of Pelosi's first actions as speaker would be to bring up lobbying and ethics reform legislation," Mr. Holman said. "Even if the Republicans hold on, we're going to see serious ethics reform and a tremendously positive improvement in congressional oversight."

Democrats also are optimistic about winning control of the Senate, though most analysts say that is less likely. Democrats need to pick up 15 seats to win the House and six seats to win control of the Senate.

Speculation has risen that Democrats will try to keep Sen. Joe Lieberman, Connecticut Democrat, from heading the Homeland Security and Governmental Affairs Committee if he wins re-election. Mr. Lieberman is running as an independent, and some liberals fear he would not be forceful enough in countering White House policy on Iraq.

"By mid-November, they will have ironed out a lot of the details," said Betty Koed, an assistant historian with the Senate Historical Office.

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If Democrats take a one-seat edge, Republicans could demand near-equal representation on Senate committees, Ms. Koed said.

Senate Minority Leader Harry Reid, Nevada Democrat, has a more moderate voting record than Mrs. Pelosi. During the past cycle, Mr. Reid voted with the liberal side on economic issues 64 percent of the time. He is more conservative on social issues, voting liberal 58 percent of the time. On foreign policy votes, however, Mr. Reid sided with liberals 86 percent of the time.

On the Senate side, the high-profile Appropriations, Armed Services and Foreign Relations committees under Democrats likely would be led by Sens. Robert C. Byrd of West Virginia, Carl Levin of Michigan and Joseph R. Biden of Delaware.

What The Dems Would Do (NSWK)

By Michael Isikoff And Holly Bailey

Newsweek, October 30, 2006

John Dingell likes to reminisce about the days when Democrats ruled Capitol Hill. Back in the 1980s and early '90s, the irascible Michigan congressman was chairman of the House Energy and Commerce Committee, one of the most influential in the Capitol. Dingell oversaw huge swaths of the U.S. economy, as well as the environment and food and drug laws. At times the chairman seemed more prosecutor than politician. He used his gavel to call dozens of hearings. He'd subpoena high government officials—at the time, that often meant Republicans who worked for Ronald Reagan and George H.W. Bush—and grill them for hours under the hot television lights. Dingell always insisted that witnesses testify under oath, meaning anything less than honest answers could be met with perjury charges. It was Dingell's oversight subcommittee that uncovered the Pentagon's $600 toilet seats and exposed corruption in government agencies. "We emptied the top leadership of the EPA," Dingell recalls with obvious satisfaction. "We put a large number of FDA people in jail."

That was before Dingell was forced to surrender his gavel when the GOP won the House in 1994. If Democrats take it back next month, the party will once again be in charge of all the committees. Dingell—now 80 years old and more ornery than ever—is all but certain to return to his old job. After 12 long, frustrating years as the panel's ranking minority member, a title that left him little more than the power to complain, nothing animates Dingell more than the thought of making up for lost time.

Dingell is careful to say he is not out to get George W. Bush, or the Republicans, and insists he will extend his hand to his GOP colleagues and conduct "oversight thoughtfully and responsibly." He says "there's no list" of things he wants to investigate. But in the next breath, he quickly ticks off a list of things he wants to investigate: The Bush administration's handling of port security and the threat of nuclear smuggling; computer privacy; climate change; concentration of media ownership; the new Medicare Part D program, which he calls a "massive scandal," and the secret meetings of Vice President Dick Cheney's energy task force. "This is a hardheaded administration," Dingell says. "So we'll probably have lots of hearings."

The House of Representatives is full of John Dingell Democrats—exiled committee chairmen awaiting the day they can reclaim the center chair on the dais. All carry lists—if only in their heads—of issues and outrages they believe Republicans have failed to probe because such questions would be politically embarrassing to the president. Henry Waxman of California is another Democratic old-timer whose ire never dims. A tireless investigator, he's in line to head the Government Reform Committee, and plans to take aim at Halliburton and alleged rip-offs and contract abuse in Iraq. Then there's Charles Rangel, the New York congressman who's never met a cable show he didn't like. He is set to take over the Ways and Means Committee, and wants to take a hard look at the Bush tax cuts. John Conyers of Michigan has waited for years to head the Judiciary Committee. He's likely to convene hearings on the Patriot Act and domestic wiretapping. In the past, he has suggested the possibility of impeachment hearings for President Bush. "When the Clinton administration was in office, there was no accusation too small for the Republicans to rush out the subpoenas," Waxman says. "When Bush became president, there wasn't a scandal big enough for them to ignore."

Frothy rhetoric like that may appeal to those Democrats who relish the thought of spending the next two years in a state of C-Span-induced euphoria. But much as Democrats might like to see a thousand hearings bloom, there is one thing standing in their way: the Democratic leader herself. Nancy Pelosi, who would presumably become Speaker if the party wins the House, has made it clear that she does not want to turn the Capitol into a courthouse. There will be hearings, and plenty of them, but according to a top Democratic staff member familiar with Pelosi's plans—who, like all aides, wouldn't be named talking about strategy—the would-be speaker intends to keep tight control. The aide says Democratic leaders will have veto power over committee probes—something that in the past was the domain of the committee chairmen themselves.

Pelosi is concerned that too many flying subpoenas would make her party appear petty and revenge-hungry, obsessed with blaming Bush. She does not want anything to interfere with her most important goal: making the Democrats look like leaders instead of obstructionists.

Pelosi knows she probably won't have much success passing laws, not with Bush in the White House and a Senate that may well remain under Republican control. But in a way, that's the point: Pelosi's true focus for the next two years will be to

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position the Democrats for the 2008 presidential race. (She'll have help from rising star Rahm Emanuel of Illinois, the hard-edged former Bill Clinton aide who now runs the House Democrats' campaign committee.)

The idea is to bring popular bills that the GOP has opposed to the floor of the House—a minimum-wage hike, prescription-drug reform—and dare Republicans to vote against them. It's part of a larger package the Dems are billing as Six for '06, their version of the "Contract With America," which the GOP used to win in '94. Demo-crats plan to enact the 9/11 Commission recommendations and screen all containers at U.S. ports, put more money into counterterror operations and increase benefits for veterans. At home, they say they'll vote for tax deductions for college tuition and cut student-loan rates while raising taxes on big oil companies and corporations that move overseas. They say they'll also put a popular stem-cell-research bill up for a vote.

Democratic leaders are largely sticking with domestic issues in part because they have yet to come up with a coherent plan for the biggest problem of all: articulating a clear way out of Iraq. On the campaign trail, Democrats have been content to bash Republican failures and say they'd do better. The Democrats' official line is to promise a "new direction," and to urge, vaguely, "redeployment." If they win, they'll be forced to say what, if anything, that means.

Pelosi began preparing for power early. Over the summer, when polls started tilting toward the Democrats, Pelosi made her first moves to get the control of the chairmen-in-waiting. She assigned 40 members the job of studying the Democratic House rules and let it be known that she might not always follow the tradition of awarding chairmanships based on seniority. It was a clear warning not to cross her. In July, when she noticed few members were bothering to show up for party caucus meetings, Pelosi quietly leaked another possible rule change: attendance at the meetings would be taken into account in her committee selections. The same went for fund-raising. Members who weren't writing checks to support Democratic candidates might hurt their chances of rising in the leadership.

Once she'd gotten their attention, Pelosi met privately with several senior House members and told them they would get their committees. But she wanted it understood that she was running the place. Pelosi was especially firm with Conyers. She told him she didn't want any "out-of-control investigations," a senior House aide says; not another word about impeachment, she warned. "The impeachment talk gave the other side exactly what they wanted, which was an opening to talk about 'those liberal Democrats'," says the senior House aide. "It couldn't keep happening. We were writing their campaign ads for them."

So far, Pelosi's strategy appears to be working. The closest Conyers now gets to slamming Bush is his promise to conduct "robust oversight" of the administration. But Pelosi's authority wouldn't be put to a meaningful test until after the election, once chairmen assume control of their new committees and are less susceptible to threats and pressure from the top. If an errant chairman disobeys Pelosi and goes off message—or if preapproved hearings just so happen to take a detour and end up as bitter Bush-flogging sessions—it won't be easy to pry him from his chair, if it were possible at all.

The Republicans are playing up just that scenario. In campaign speeches, GOP heavies have taken to spooking voters with a picture of liberals gone wild. At a Kansas fund-raiser, Dick Cheney conducted a roll call, naming Conyers, Waxman and Massachusetts Rep. Barney Frank, the outspoken liberal who stands to head the Financial Services Committee. As if Cheney's point weren't clear enough, he drove home the message: "I don't need to tell you what kind of legislation would come to us by way of committee chairmen like [them]," he said. On Nov. 7, Americans will decide which scares them more: the message, or the messengers.

Don't Make Nice (NYT)

By Paul Krugman

The New York Times, October 23, 2006

Now that the Democrats are strongly favored to capture at least one house of Congress, they're getting a lot of unsolicited advice, with many people urging them to walk and talk softly if they win.

I hope the Democrats don't follow this advice — because it's bad for their party and, more important, bad for the country. In the long run, it's even bad for the cause of bipartisanship.

There are those who say that a confrontational stance will backfire politically on the Democrats. These are by and large the same people who told Democrats that attacking the Bush administration over Iraq would backfire in the midterm elections. Enough said.

Political considerations aside, American voters deserve to have their views represented in Congress. And according to opinion polls, most Americans are actually to the left of Congressional Democrats on issues such as health care.

In particular, the public wants politicians to stand up to corporate interests. This is clear from the latest Newsweek poll, which shows overwhelming public support for the agenda Nancy Pelosi has laid out for her first 100 hours if she becomes House speaker. The strongest support is for her plan to have Medicare negotiate with drug companies for lower prices, which is supported by 74 percent of Americans — and by 70 percent of Republicans!

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What the make-nice crowd wants most of all is for the Democrats to forswear any investigations into the origins of the Iraq war and the cronyism and corruption that undermined it. But it's very much in the national interest to find out what led to the greatest strategic blunder in American history, so that it won't happen again.

What's more, the public wants to know. A large majority of Americans believe both that invading Iraq was a mistake, and that the Bush administration deliberately misled us into war. And according to the Newsweek poll, 58 percent of Americans believe that investigating contracting in Iraq isn't just a good idea, but a high priority; 52 percent believe the same about investigating the origins of the war.

Why, then, should the Democrats hold back? Because, we're told, the country needs less divisiveness. And I, too, would like to see a return to kinder, gentler politics. But that's not something Democrats can achieve with a group hug and a chorus of "Kumbaya."

The reason we have so much bitter partisanship these days is that that's the way the radicals who have taken over the Republican Party want it. People like Grover Norquist, who once declared that "bipartisanship is another name for date rape," push for a hard-right economic agenda; people like Karl Rove make that agenda politically feasible, even though it's against the interests of most voters, by fostering polarization, using religion and national security as wedge issues.

As long as polarization is integral to the G.O.P.'s strategy, Democrats can't do much, if anything, to narrow the partisan divide.

Even if they try to act in a bipartisan fashion, their opponents will find a way to divide the nation — which is what happened to the great surge of national unity after 9/11. One thing we might learn from investigations is the extent to which the Iraq war itself was motivated by the desire to have another wedge issue.

There are those who believe that the partisan gap can be bridged if the Democrats nominate an attractive presidential candidate who speaks in uplifting generalities. But they must have been living under a rock these past 15 or so years. Whoever the Democrats nominate will feel the full force of the Republican slime machine. And it doesn't matter if conservatives have nice things to say about a Democrat now. Once the campaign gets serious, they'll suddenly question his or her patriotism and discover previously unmentioned but grievous character flaws.

The truth is that we won't get a return to bipartisanship until or unless the G.O.P. decides that polarization doesn't work as a political strategy. The last great era of bipartisanship began after the 1948 election, when Republicans, shocked by Harry Truman's victory, decided to stop trying to undo the New Deal. And that example suggests that the best thing the Democrats can do, not just for their party and their country, but for the cause of bipartisanship, is what Truman did: stand up strongly for their principles.

Dean Leaves No State Behind (TIME)

By Perry Bacon Jr.

Time, October 30, 2006

Could it be that Howard Dean is really a savvy political strategist? For the past two years, the former Vermont Governor and 2004 presidential candidate has been flying off to Democrat-scarce zones like Mississippi, giving local party officials $8 million to carry out his controversial "50-state strategy." The Democratic National Committee chairman argues that if the Democrats want to win presidential elections, they need to spend to build strong state parties across the country rather than pump all their cash into swing states like Ohio. Other top officials, led by Illinois Representative Rahm Emanuel, the man in charge of electing Democrats to the House on Nov. 7, have fumed at what they consider Dean's boneheaded approach. They wonder why he is investing in a victory in 2020 in Alabama instead of pouring that money into closely contested districts that could help Democrats get the 15 seats they need to grab control of the House now.

But following the Mark Foley scandal, Democrats are talking about not just winning the House but piling up as many as 40 new seats and also capturing the Senate. And some of the places where they are now competing lie in the blood-red states where Dean has been on his lonely crusade to find blue voters. In Idaho, where President Bush won 68.4% of the vote in 2004, Democrat Larry Grant is close enough to winning a House seat that Vice President Dick Cheney and Speaker of the House Dennis Hastert have made visits to campaign for Grant's opponent. In Kansas, G.O.P. incumbent Jim Ryun had Cheney in town to raise money in his race against Democrat Nancy Boyda. Democrats are holding out hope in two House districts in another Republican stronghold, Nebraska.

Victory in any of those races is still a long shot, but local officials say support from Dean could help put their candidates over the top. He has sent at least two organizers to most states to register voters and rebuild moribund state parties. With the help of Dean's staff, the Nebraska Democratic Party held conventions in 68 of the state's 93 counties this year, up from 36 in 2004; participants signed up to canvass and serve as precinct captains. Grant says staff members from the Democratic National Committee have worked to identify and contact potential voters in his district, a task congressional candidates in most states

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have to do themselves. Party officials in Idaho and Nebraska credit the communications directors they hired with Dean's funds--neither state had a full-time party flack--with helping coordinate their messages and successfully attack G.O.P. candidates. "If we win a House seat in Nebraska, Howard Dean will get more credit than Rahm Emanuel," says Barry Rubin, executive director of the Nebraska Democratic Party.

That Dean's project might pay dividends this year is surprising to everyone, including its creator. "I didn't expect much to come of this strategy for four or even six years," Dean told TIME. And if one of the red-state candidates wins, Dean may show he can scream even louder in vindication than he once did in defeat.

Courting The Devout (TIME)

By Mike Allen

Time, October 23, 2006

They stayed at home in large numbers instead of voting in the 2000 election, or so Karl Rove has always maintained. They came out for President Bush in 2004 and were key to his re-election, or so they like to claim. Now, just weeks before the Nov. 7 midterm congressional elections, one of the last unknowns of a wild and potentially historic campaign season is: What will Christian conservatives do this time?

With polls suggesting an increased likelihood that Republicans may lose one or both houses of Congress, G.O.P. strategists calculate that a calamitous Category 5 election might be tamed to a merely scary Category 4 if they can somehow conjure a solid turnout of evangelical voters, the white suburbanites who fill the megachurches and can usually be counted on even in light-turnout elections like midterms. Party operatives plan to devote the election's closing weeks to courting Christians more intensely than any other single stripe of the electorate, all but begging the parishioners to give them one more chance even after the Foley scandal.

Leaders of Christian-conservative lobbying organizations are going along with the G.O.P. push, despite their misgivings about Mark Foley, the now resigned Republican Florida Congressman caught sending lewd e-mails to teenage pages, and the lackadaisical response by the House leadership. James Dobson, founder of Focus on the Family, last week told listeners of his radio program, carried on 1,000 stations in the U.S., "Yes, what Mark Foley did was wrong, but it is still important to go to the polls and let our voices be heard ... Take about five people with you and vote. It would be a sin not to." The Family Research Council has been e-mailing "No Time to Be Complacent" bulletins and held a Liberty Sunday turnout rally at the base of Boston's Beacon Hill that was televised to hundreds of church-fellowship halls, evening services and small-group meetings. These leaders have calculated that remaining aloof would just diminish their power. "You only gain clout by activity," says Michael Farris, chairman of the Home School Legal Defense Association. His group plans to send hundreds of teenagers who are home schooled to 10 states in the election's closing week to make phone calls and knock on doors on behalf of conservative candidates.

Like many of his supporters, though, Farris has over time become a more reluctant warrior for the G.O.P. Polls of white evangelical Protestants show that their support for the Republican Party grew substantially from 1999 to 2004, then began a steady decline. An October poll by the Pew Research Center found that just 42% of Evangelicals thought that "governs in an honest and ethical way" described the Republican Party better than the Democratic Party. Also, 31% said they intended to vote for a Democrat, up from the 22% who voted for John Kerry in 2004.

The souring of churchgoers' feelings toward the party is largely the result of frustrated expectations. Before the 2004 election, Bush and other Republican candidates promised to work for a constitutional amendment banning gay marriage, then largely ignored the issue once elected. "There's little to show for all the effort," says Farris. Also, many conservative leaders argue that the Foley embarrassment has shown that the party has become too permissive. "The big tent has become a three-ring circus," says Tony Perkins, the president of the influential Family Research Council. The Administration got a fresh blast of animus from such groups last week after remarks by Secretary of State Condoleezza Rice at the swearing-in ceremony for the nation's global AIDS coordinator. She referred to the parents of his male partner as his "in-laws," which the Administration says was a mistake based on notes she had been handed and was not any sort of statement of policy. Meanwhile, David Kuo, who has just published an exposÃ© of his stint as deputy director of Bush's faith-based office, used a spate of television appearances to argue that the White House had politically exploited the devout.

Christian conservatives who are sticking by the G.O.P. point out that there have been victories, most notably the confirmation of two conservatives to the Supreme Court. And the President has restricted federal funding for stem-cell research. But recognizing that their followers are out of sorts, leaders like Dobson have expanded their pitch beyond the traditional social issues like abortion and are making the fear of terrorism--Focus on the Family calls it the issue of "national sovereignty"--a central argument for turning out for Republicans. At three Stand for the Family rallies, which drew smaller crowds than similar ones in 2004, Dobson said "World War III," a battle against violent Muslims, "has started, and no one seems to know it."

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Republican campaign operatives, meanwhile, are working directly to stoke turnout of these cranky but vital religious voters. Senator Jim Talent of Missouri, battling in one of the nation's closest races, appointed a Conservative Coalition director who organizes volunteers specializing in reaching traditionalists with messages about everything from taxes to marriage. In Tennessee, Republican Senate candidate Bob Corker has organized ministers to reach out to their churches' members on his behalf. For those campaigns, such efforts could be the difference between winning and losing. But that could be true for Christian conservatives as well. Evangelical leaders often complain that Republican officials have not given them sufficient credit for their muscle in the past three elections. If Nov. 7 turns into a G.O.P. wipeout, those same officials can be counted on to blame Christian voters above others. With reporting by With reporting by Perry Bacon Jr.

Running On Experience, A Longtime Incumbent Finds Himself On The Defensive (NYT)

By Abby Goodnough

The New York Times, October 23, 2006

FORT LAUDERDALE, Fla., Oct. 17 — In this season of anti-incumbency, Representative E. Clay Shaw Jr. is gambling that voters will deem his seniority a virtue.

Mr. Shaw, a Republican, plays up his 26 years in the House, constantly reminding voters that he has "a darned good shot" at leading the powerful Ways and Means Committee. He likes to say that his opponent, Ron Klein, a Democratic Florida state senator, if elected now would not attain equivalent experience in Washington until he was of geriatric age.

But whether Mr. Shaw's strategy will save him or sink him on Election Day is anyone's guess.

Mr. Klein, 49, has painted his opponent's seniority as a crippling flaw, and has put Mr. Shaw, 67, on the defensive about the Iraq war, the Medicare prescription drug program and Social Security, with the latter two being vital issues for the legions of retirees living here.

Mr. Klein has called Mr. Shaw a lackey of President Bush, prompting Mr. Shaw to emphasize his differences with the president, whose popularity four years ago helped Mr. Shaw beat back another tough challenger.

"I voted to override the veto on stem cell research," Mr. Shaw said in a recent debate with Mr. Klein. "When the president was going to allow some of the foreign countries to take over our ports, I stood up to the plate and I said no."

His struggle reflects the broader challenge Republicans face as they fight to keep control of Congress, but with some striking distinctions: Mr. Shaw is the most senior House incumbent whose seat is threatened, even though Republicans outnumber Democrats in his wealthy Atlantic Coast district, and Mr. Bush remains slightly more popular here than in other parts of the nation.

Mr. Klein, a lawyer and an artful networker who has represented Boca Raton in the Florida Legislature since 1992, has raised more money than almost any other Democratic challenger this year. He has forced the low-key Mr. Shaw, who has battled lung cancer in recent years but says he is now healthy, to run more aggressively than usual.

"Over the years he has actively tried to present himself as this grandfatherly, friendly congressman," Robert P. Watson, a political science professor at Florida Atlantic University, said of Mr. Shaw. "Now he's more feisty than I've ever, ever seen him."

Mr. Shaw's district, to his detriment, borders that of former Representative Mark Foley, a fellow Republican, in a news market that is especially saturated with reports of Mr. Foley's sexually explicit e-mail messages to Congressional pages.

But Mr. Shaw has a financial edge — he has raised $3.9 million compared with Mr. Klein's $3.2 million — and is benefiting from the relatively strong economy here.

"It's one thing to be in a poor farming town in Nebraska, really feeling the pinch," Mr. Watson said. "But here, everybody is driving around in a brand new Mercedes and going golfing all afternoon. It's hard to have the point of view that the country is going down the wrong path."

Florida's 22nd Congressional District runs up the oceanfront in Broward and Palm Beach Counties, through the condominium canyons of Fort Lauderdale and Boynton Beach and wealthy enclaves like Boca Raton, Palm Beach and Jupiter.

After Mr. Shaw won the 2000 election by only 600 votes, Republicans redrew the district to exclude several heavily Democratic sections, including a slice of Miami-Dade County.

Though 40 percent of voters here are Republican, 35 percent are Democrat and 22 percent are unaffiliated, the district still favored John Kerry in the 2004 presidential election, when he won 52 percent of the vote.

"All those unaffiliated voters down there seem to have a tendency to go Democratic when it comes to more national issues," said Aubrey Jewett, a political science professor at the University of Central Florida.

Perhaps for that reason, Mr. Shaw has emphasized a local issue: skyrocketing home insurance rates in the wake of hurricanes. He has proposed creating a national catastrophe fund as a backup insurer, spreading insurance risk for national disasters across the country.

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Mr. Shaw has criticized Mr. Klein for taking contributions from sugar companies — which environmentalists blame for the decline of the Everglades — and for representing clients as a lobbyist before local governments. Mr. Klein's law firm opened a lobbying office in Tallahassee this year, but Mr. Klein said he had never lobbied the Legislature.

Like other Democratic challengers, Mr. Klein has hammered away at Mr. Bush's handling of the war, and he has tried to link Mr. Shaw to the president's policies. He says Mr. Shaw votes for bills supported by the president 90 percent of the time (83 percent, Mr. Shaw says), and attacks him for endorsing the administration's stay-the-course plan for Iraq.

Mr. Shaw responds like the exasperated parent of a sophomoric son.

"I've been in secret briefings; you have not," he told Mr. Shaw at a candidate forum in Coral Springs. "I've been in Iraq, you have not. I've talked to the generals, you have not."

Yet, Mr. Shaw also wants voters to know he worked well with a Democratic president, Bill Clinton.

"The greatest moments of the Clinton years came when Democrats and Republicans worked together," his latest advertisement says, pointing to welfare, Social Security and environmental bills that Mr. Shaw wrote and Mr. Clinton signed. "More than almost anyone in Congress, Clay Shaw solves problems across party lines."

Especially since the Foley scandal erupted, Mr. Klein has spoken constantly of ethical lapses among Republicans in Congress and called for an end to the status quo. But Mr. Shaw has not been accused of such lapses and was among the first Republicans to blast Mr. Foley after he resigned on Sept. 29.

"If Klein tries to hop on the Foley thing," Mr. Jewett said, "it might not gain him anything and people might think it's unfair to lump Clay Shaw in there."

Mr. Klein started campaigning early, in March 2005, and already had strong name recognition and support from having served in the Florida Legislature more than a decade, representing areas shared by the Congressional district. He is Jewish, which is potentially an advantage in a district where about 25 percent of the electorate shares his faith.

But he is burning money faster than Mr. Shaw is, and the costs of the final campaign stretch could be considerable, as the district is split between two news markets. The final weeks are crucial for Mr. Klein, who must attract undecided voters and turn out his Democratic base.

"This is going to be one of those photo-finish things," said Rick Wilson, a Republican strategist in Tallahassee, "where it comes down to who works their base hardest and who puts their message out in front of voters in the last days in a way that resonates."

Both candidates face obstacles in getting out the vote. Mr. Klein could suffer from the lackluster support for Representative Jim Davis, the Democratic candidate for governor, whose name tops the ballot. At the same time, Republicans could stay home out of disgust for the recent Congressional scandals; confidence that Charlie Crist, the Republican candidate for governor and Florida attorney general, could win without their vote; or reluctance to vote for a slate that includes Representative Katherine Harris, the Republican who has run a disastrous campaign against Senator Bill Nelson.

Mr. Shaw discounts such prospects, saying voters here are more loyal to him than to his party. In past elections, he has won more votes in his district than even Gov. Jeb Bush, he said.

Clinton, McCain Stump For N.J. Hopefuls (AP-Y)

By Chris Newmarker

AP, October 23, 2006

Two heavy hitters from Washington came to New Jersey on Sunday to campaign in the tight race between Democratic Sen. Robert Menendez and Republican challenger Tom Kean Jr.

While the focus remained largely on the Senate race, appearances by Sens. John McCain and Hillary Rodham Clinton also looked like a potential preview of the 2008 presidential campaign.

McCain, R-Ariz., told roughly 250 donors at a Kean fundraiser that he believed the Garden State contest would determine which party controls the Senate. Democrats are seeking to pick up six seats to take control.

"The eyes of America will be upon this race, and I think they have a very clear choice," said McCain, who described Kean as a "reformer."

Later Sunday, during a speech in Paramus, Clinton, D-N.Y., touted the work Menendez has done — particularly his efforts to bolster homeland security — since Gov. Jon S. Corzine appointed him in January to complete his Senate term.

Noting that Menendez was a vocal critic of the Bush administration's plan to let a Dubai-owned company buy a stake in several U.S. ports earlier this year, Clinton told the crowd of about 700 people that "Bob wasn't intimidated, he didn't back down. He stood his ground and we finally beat them (Bush administration) back."

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McCain and Clinton have both been the subject of rampant speculation over whether they will seek the White House in 2008. McCain said Sunday he would make a decision early next year. Clinton, speaking earlier during a debate in her own Senate race, refused to disclose her plans, saying she had not made up her mind.

Recent polls show the New Jersey race remains close.

A Monmouth University/Gannett New Jersey poll released Sunday showed 48 percent of likely voters favoring Menendez with 39 percent favoring Kean. The poll of 396 likely voters, conducted by telephone from Oct. 16-19, has a sampling error margin of plus or minus 4.9 percentage points.

Out To Show He's Not Just An Old New Jersey Name (NYT)

By David W. Chen

The New York Times, October 23, 2006

TRENTON, Oct. 22 — When Thomas H. Kean Jr. first ran for public office, in a crowded Republican primary for a House seat in 2000, he was blindsided by a campaign flier from one of his opponents that cribbed from Mr. Kean's own résumé.

Drawing attention to selected items via circles and bullet points, the leaflet belittled Mr. Kean's experience, arguing that he, the fortunate son of a popular former governor, had never demonstrated any leadership skills beyond organizing a canoe trip down the length of the Danube River after graduating from Dartmouth.

As Mr. Kean, now a state senator, tries again to land a job in Congress — this time to fill a Senate seat formerly held by his great-grandfather and great-great-uncle — he must still persuade skeptics that he possesses more than just a revered political name. After all, he was appointed not once but twice to legislative posts, winning elections only when he already had the incumbent's advantage, and as a member of the minority party for most of his tenure, he has had few legislative victories.

To admirers, Mr. Kean, 38, has matured into a thoughtful and attentive lawmaker, distinguishing himself in ethics, environmental protection and health care. Hardly doctrinaire, he has espoused positions that are moderate, though clearly more conservative than those of his father, former Gov. Thomas H. Kean. And he has demonstrated political grit in a surprisingly ferocious campaign to unseat the incumbent, Robert Menendez, in what national Republican leaders believe is probably their best chance to capture a Democratic Senate seat.

"Here was the problem in 2000: There was a sense of entitlement that this should be his Congressional seat because his name was Kean," said Kevin Collins, a Republican political consultant. "But this guy is light years ahead of where he was."

Often described as one of the most affable people in New Jersey politics, Mr. Kean may well utter the honorific "sir" more frequently than any other legislator. But behind that toothy overbite of a grin is a man who even some Republicans say can be too accommodating and cautious, leaving the impression that he wants to avoid offending anyone for the sake of future political positioning.

Mr. Kean, asked during a debate last week about his biggest weakness, explained, "I simply want to include as many people as possible in the decision-making process."

But one politician's nuanced thinking can be a critic's flip-flopping.

Walking Fine Lines

Over five years in Trenton and while campaigning this year across the state, Mr. Kean has cast votes or staked out blurry positions on issues including raising the minimum wage, privatization of Social Security, public funding for stem-cell research and gay rights.

"He's trying to appeal to everyone, and at the end of the day he risks appealing to no one," said Mayor Steve Lonegan of Bogota, one of New Jersey's leading conservative Republicans. "You need to make clear, articulate decisions and let your base know where you stand on issues, and you should explain why. And when you disagree, you have to be credible, and I think that's one of his weaknesses."

Mr. Kean is now New Jersey's youngest full-time legislator in an institution whose members typically hold other jobs at the same time. One Democratic legislator who has often collaborated with Mr. Kean, State Senator John H. Adler, said he has seen only one other politician at a similarly early stage of his career who rivaled Mr. Kean in ambition and political calculation, "voting as a conservative when that's necessary, and voting as a moderate/liberal when that's necessary": former Governor James E. McGreevey.

Steven Goldstein, executive director of Garden State Equality, New Jersey's leading gay rights group, described his dealings with Mr. Kean as "the most disappointing I've ever had" over two decades in politics.

Mr. Goldstein, a Democrat who considers Republicans like Mr. Kean's father and former Gov. Christie Whitman to be gay-rights champions, said that when New Jersey was weighing legislation to provide domestic partners some legal benefits in late 2003, the newly appointed State Senator Kean was empathetic and supportive. But the night before a vote in January 2004, Mr.

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Kean called after midnight and, "I swear on a stack of Bibles," Mr. Goldstein recalled, said he could not vote for the bill because of a likely backlash from conservatives in a future primary.

"Dealing with Tom Kean Jr. is like playing chess with Casper the Friendly Ghost," Mr. Goldstein said. "He believes he can affable his way out of anything — and I'm using affable as a verb — and he does everything in his power not to let you see who he really is."

Mr. Kean explained, in an interview at his Mountainside campaign headquarters, that he voted against the bill because he was troubled by its specifics and "nobody would tell anybody what the cost was." Earlier this year, he voted to expand benefits for domestic partners.

"I think the responsibility of someone in elected office is to try pull people together, is to try to find common grounds," he said. "That's how I conduct my life."

An Appointment to Trenton

Other than his stinging loss in 2000, the current battle for the United States Senate is Mr. Kean's first competitive election.

In 2001, Republican leaders appointed him to fill the seat of an assemblyman who was dying of cancer and represent a staunchly Republican swath of northern New Jersey.

"Everyone wanted to see Tom get this seat as a sort of consolation for losing the primary," recalled William J. Palatucci, a former finance chairman of the state party. "because he was such a hard worker, and because of who he was, and because he was the future of the party."

Though he was more familiar with federal issues (having worked for a few years in Washington for Representative Bob Franks and at the Environmental Protection Agency) and international topics (having studied Central Asia in graduate school at Tufts), Mr. Kean dived into state issues and was able, despite Democratic control of the Assembly, to push through legislation on the environment and campaign finance, including one measure that strengthened a state ethics commission.

An avid camper, hiker and hunter while growing up on the family estate in Livingston and working as a counselor at summer camps, Mr. Kean sponsored what became known as "Clean Car" legislation in New Jersey, which established rigorous new vehicle emission standards expected to reduce pollution from cars by 20 percent over 10 years.

Mr. Kean traces his zest for campaign finance reform, in part, to that first Congressional race in 2000, when he was attacked by one of the earliest so-called 527 groups, which can spend virtually unlimited sums as long as they do not coordinate with parties or candidates. He sued the Federal Election Commission after the race. He also said he traced his zest for clean government and campaign finance reform to what he saw during that three-month canoe trip along the Danube through Eastern Europe in 1990.

"I came away more fundamentally believing that there needs to be merit-based decision-making that creates economic opportunity," he explained, "because one of the things I saw was you didn't really have competition for contracts."

The political stars aligned again for Mr. Kean in January 2003, when he was tapped by Republican leaders to fill the seat of a retiring state senator. Before leaving the Assembly, he managed to defy the Democratic Speaker, Albio Sires, and advance a bill that would have limited campaign contributions from state contractors.

But on Mr. Kean's last day, Mr. Sires blocked the bill and essentially kicked him out of the chamber. "I have a letter of resignation here," Mr. Sires said, waving a piece of paper in the air as Republicans booed, according to a newspaper account at the time. "You're no longer a member of this body."

The legislation died, but the incident elevated Mr. Kean's profile, feeding speculation that he was considering a run for governor in 2005. He still frequently cites it as an example of his independence.

Questions on Stances

Yet on many issues, particularly polarizing social ones, Mr. Kean has acted much more tentatively.

Bryan Miller, executive director of Ceasefire New Jersey, said that he asked Mr. Kean — who received an F from the National Rifle Association in 2003 — twice to co-sponsor a bill designed to protect children by limiting the use of handguns to authorized adults because "his old man was always great on the issue."

"His answer was, 'Well, I got to talk to my leadership,' then he fell away and wouldn't do it," Mr. Miller recalled. "He showed a complete lack of leadership on it. I was frankly shocked."

Asked about this, Mr. Kean wondered if there was that much difference between supporting a bill and being its co-sponsor. He added, his voice rising in exasperation, that he was one of eight Republicans "to vote for the darn bill."

Another issue on which Mr. Kean has compiled an inconsistent record is stem-cell research. He has stated flatly that he supports embryonic research, and has criticized Mr. Bush's policies limiting federal financing on it. Yet he has voted against bills that would borrow money to build facilities for such research, saying that voters should first approve such projects.

He also voted against, then for, different versions of a bill that established the state's Civil Rights Act in 2004, which permits people to sue in state court when they believe their civil rights have been violated.

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"It's like John Kerry: I voted for the $87 billion, then I voted against it," said the Rev. Reginald T. Jackson, executive director of the Black Ministers Council of New Jersey, referring to the explanation Mr. Kerry gave for votes on financing the Iraq war that became one of the most potent weapons against him in the 2004 presidential race.

Mr. Jackson, who in the past supported moderate Republicans, including Governors Kean and Whitman, was among several African-American clergymen who said the younger Mr. Kean was vague and evasive in endorsement interviews earlier this year. "It's almost like he doesn't want to offend anyone," Mr. Jackson said.

For his part, Mr. Kean said it was not bad, sometimes, to react guardedly, especially on complex issues. And two of New Jersey's leading Republicans, Douglas R. Forrester and Leonard Lance, the Senate minority leader, both praised Mr. Kean's listening skills.

"Most people in the political arena are there because they like to offer their own opinions," said Mr. Forrester, who lost last year's race for governor. "Tom is a much better listener than any other politician of which I can think."

Getting Started

At Dartmouth College, Mr. Kean majored in history, rowed junior varsity heavyweight crew, and was treasurer and vice president of the Psi Upsilon fraternity, graduating in 1990. "Young Men, Old Money," screamed the headline on Playboy's profile of the Dartmouth chapter the spring before Mr. Kean arrived on campus. "They know that the only thing better than the fast track is the inside track."

After college, Mr. Kean's first job was at the Environmental Protection Agency in Washington, where he met his wife, Rhonda Lee Norton, an Ohio native. They live with their two daughters, ages 7 and 3, in a modest colonial style house in Westfield, but plan to move soon into a $1.3 million Tudor, now being renovated, a few blocks away.

While working in Washington, Mr. Kean was a volunteer firefighter and emergency medical technician in Hyattsville, Md., and some who served with him suggested that he run for office there. But Anthony P. Mangelli, a friend who is now a New Jersey state trooper, said Mr. Kean did not see a political future there because "it's a very Democratic area" and "he had a love for New Jersey."

Sure enough, after a few years at Tufts, where he received a master's degree and began work on a Ph.D, Mr. Kean moved to Westfield when his former boss, Mr. Franks, announced his bid for the United States Senate, leaving an open seat. Despite his deep family roots in the state, anonymous mailers from a 527 group attacked Mr. Kean as a liberal carpetbagger from Massachusetts and juxtaposed his picture with Boston figures like Senator Edward M. Kennedy and Larry Bird.

"Never worked in New Jersey," says one mailer from that campaign. "Never paid New Jersey property taxes. Tom Kean Jr. may be a nice young man -- and you may have liked his dad a lot — but he needs more experience dealing with local issues and concerns."

Mr. Kean says that his loss was, in retrospect, "a good thing" because it gave him the opportunity to serve in Trenton. In this year's race, he was so concerned about a primary challenge from a conservative, according to numerous Republicans, that he swerved to the right on some issues and hired top personnel who had worked for Bret D. Schundler, the Republican nominee for governor in 2001.

Should he win this year, Mr. Kean said, he would push to enact the recommendations of the 9/11 Commission, which his father chaired. He would try to make Mr. Bush's tax cuts permanent. And he said he would support efforts to increase the federal minimum wage, though he voted against a similar measure in New Jersey.

He says that he admires Senator Lamar Alexander of Tennessee, as well as Senator John McCain of Arizona. But when asked which Republicans he least admired, or did not look forward to working with in the Senate, he demurred.

"I'm an optimist," he said.

Kean On Politics (WP)

By David Segal

The Washington Post, October 23, 2006

HACKENSACK, N.J. If there were a drinking game whose rules required a swig each time Tom Kean Jr. asserted that his Senate race opponent is "under federal criminal investigation," you would be drooling drunk 10 minutes after meeting the guy.

Kean says "under federal criminal investigation" about once every 28 seconds, uttering the words as if they were tragic and beyond dispute. After a day in Kean's company you are prepared to think terrible things about Robert Menendez, the Democratic incumbent.

So when Kean is asked over a recent lunch if he has unfairly benefited by sharing the name of his father -- the beloved ex-governor of New Jersey and 9/11 commission chairman, Tom Kean Sr. -- it is no surprise that he answers this way:

"Do people want me to change my name?"

Pause.

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"My opponents will do anything they can to distract from their own flawed candidate. Bob Menendez is under federal criminal investigation. As far as I know, he is the only candidate for Senate under federal criminal investigation."

In a typical year, the vicious, pile-driving style of New Jersey politics is a dispiriting spectacle for the voters of the state and a kind of Ultimate Fighting amusement for everyone else. But this year is different. This year, the Democratic Party needs six seats to take control of the Senate, and just about any way you run the numbers, the party will fall short if it does not win in New Jersey. Victory here does not assure the Democrats the keys to the upper chamber, but the pros will tell you that without New Jersey, the party doesn't have a real chance.

That fact has handed 38-year-old Thomas H. Kean Jr. -- until now a semi-obscure state assemblyman and the scion of a multi-generational political dynasty -- a breakout role in the midterm drama. Not since 1972 has a GOP candidate won a Senate seat in New Jersey (although the state has put several Republicans in the governor's chair during those years).

But Kean has this race squarely in the "too close to call" category, thanks to name recognition, vigorous campaigning and dogged repetition of that "investigation" mantra. An Oct. 12 poll by Quinnipiac University gave Menendez a slight but statistically almost insignificant edge, 49 percent to Kean's 45 percent.

"He has a really powerful name," Clay Richards, a Quinnipiac pollster, says of Kean. "And whether or not these charges against Menendez are serious, they are hurting him."

The whole investigation matter, which we'll get to, is hardly as cut and dried as Kean indicates. But Kean, who looks like a Mountie and fights like a Crip, isn't selling honesty and integrity so much as a brand name that represents honesty and integrity. It's a pitch with resonance in this state, where politicians routinely scamper offstage chased by ethics charges and mortifying headlines.

Kean's political lineage includes a grandfather who served in Congress for 20 years, as well as a great-grandfather and a great-great-uncle who both served in the Senate. Theodore Roosevelt is a relative, too. And Tom Kean Sr. occupies a hallowed place in the state's history, widely viewed as a man of rectitude who, at least for a few years in the 1980s, restored pride to the state.

"The Kean name suggests a time when things were going pretty well for New Jersey," says Jennifer Duffy, a political analyst with the Cook Political Report. "And Menendez has for years been a powerful figure in Hudson County, and in New Jersey 'Hudson County' is a code word for corrupt, machine-driven politics."Name-Brand Offspring

Americans love a good up-from-nothing bootstrap bio, but when it comes to politics we tend to become shameless nepotists. This political season alone, Democrat Robert P. Casey Jr., the son of a former governor of Pennsylvania, is threatening to unseat Republican Sen. Rick Santorum. In Tennessee, Harold Ford Jr., the namesake of a long-serving congressman, might trade up his House seat for a Senate office. Frank Murkowski, the governor of Alaska, lost his bid for reelection in a September primary, but his daughter Lisa Murkowski still holds the Senate seat -- formerly his Senate seat -- to which he appointed her in 2002. And Jimmy Carter's son Jack, an investment banker who has never held political office, is running for Senate in Nevada.

To say nothing of the White House incumbent.

Kean is no neophyte, but it's unlikely we'd be talking about him were he born to a different family. (It's pronounced "Kane," by the way, which somehow makes it blue-bloodier.) Polls in the state earlier in the year found that as many as one in four voters had mistaken junior for senior, a confusion that after a few months of ads and debates has now all but vanished.

Kean shrugs off the impact of his name. "When my father ran for the state Assembly, the headline said, 'Kean's Son to Run for Assembly,' " he says, over lunch one recent day, reciting one of his favorite refrains. "When my grandfather first ran for Congress, it was 'Kean's son to run for Congress.' "

Kean is sitting at a diner, refueling between campaign events. He has ordered a salad -- "The wetter the better," he tells the waiter, which means heavy on the dressing -- and talks about his past, his family and his positions. He is tall, smart and so cautious that on a few occasions he stipulates as "off the record" thoughts that are almost laughably benign. He has a slight speech impediment that muddles his R's, so that when he laments corruption in the state it sounds a little like "cowwuption." When he pauses between points, his mouth freezes momentarily into a smile.

What you learn is that Kean, like his father, is a moderate, pro-choice Republican. He is against the Bush proposal to provide illegal immigrants with a path toward legal status and eventual citizenship, in favor of federal funding stem-cell research and against a timetable for troop withdrawal in Iraq. He denounces taxes and champions the environment. He has called for the resignations of both Defense Secretary Donald Rumsfeld and Speaker of the House Dennis Hastert, which is perhaps wise given that the president's approval ratings languish in the high 20s here, according to some polls. When Vice President Cheney came in March to stump on Kean's behalf, Kean didn't attend the event because, he said, he was stuck voting in the state Assembly.

So, would the candidate welcome a campaign visit from President Bush?

"He has an open invitation," Kean says.

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Okay, but would you welcome that visit?

"He has an open invitation," Kean says, following up with that rictus of a grin. "The president's schedule is far above our pay grade."Lost in Translation?

Earlier in the day, Kean went to a Korean senior citizen home in Palisades Park, where he spoke before a crowd of a couple dozen who had gathered for their daily lunch. He was introduced in Korean, and when the applause faded he quipped, "Thank you for what I hope was an inspiring introduction." Then he started his stump speech, which drew only blank stares until he was interrupted by an elderly Korean woman who asked for the microphone and offered to translate.

"Last year, 57,000 more people left the state than moved in," he thundered. Then he handed off the microphone and nodded during the translation, which seemed to go on for a really long time.

"That is not the state that I grew up in or that you moved to," he declared.

More translating.

"We cannot afford the status quo. The status quo is making this state unaffordable."

"Status quo" baffled the lady with the mike, so Kean patiently searched for a different phrase. This was the very definition of a tough room -- a somewhat indifferent crowd, few of whom understand a word you're saying.

Kean smiled confidently through the whole experience. His strength is radiating intelligence and incorruptibility, and he appears to genuinely enjoy people. Like his father, part of his appeal is a reassuring lack of panache that veers to the stolid. He can also be dry to the point of humor-impaired. Driving away from the senior citizen event, this reporter joked that the Korean emcee had told the audience that Kean is fond of Kim Jong Il.

"Where did you learn Korean?" he wondered.

Asked during a recent radio debate to name his greatest weakness, Kean said, "I can't tell a good joke."

"Was that a joke?" the moderator asked.

Other times, he sounds like he's been body-snatched by his own sound bites, especially when there are cameras rolling. After lunch, he spoke at a forum organized by a real estate business group, and on his way out of the building, he was stopped and asked a question by a local TV reporter.

"Corruption is costing the people of the state of New Jersey too much money," he said, as if reading a cue card. "We can no longer afford a United States senator who is under federal criminal investigation. We can no longer afford a United States senator that steers hundreds of thousands of dollars of taxpayer monies into his own pocket."

Kean was referring to the $320,000 in rent that Menendez earned over nearly a decade, starting in the mid-'90s, by leasing a Union City property he once owned to a nonprofit that accepted federal grants. The allegation is that Menendez might have improperly benefited by steering money to the nonprofit, which was then able to pay its monthly rent.

Word of an investigation into this deal was published in September in the Star-Ledger of Newark, which reported that U.S. Attorney Christopher Christie had subpoenaed records related to the lease. In a subsequent TV interview, Menendez seemed to confirm the basic details when he told George Stephanopoulos on ABC News's "This Week" that he welcomed the investigation and looked forward to "its successful conclusion." Later, Menendez told reporters that he'd misspoken, noting that not every subpoena leads to an investigation.

Whatever it's called, the timing of these news reports had Democrats, and even some impartial observers, grumbling about possible political motives, largely because Christie is a Bush appointee, and because in 1999 he gave money to Kean's unsuccessful campaign for Congress. A spokesman for Christie declined to discuss the investigation or even if there is one. It isn't clear whether Menendez broke any laws; he asserts that a House ethics attorney blessed the deal while Menendez was a congressman in the 1990s.

"It's just mindless negativity," says Matthew Miller, referring to Kean's "investigation" talk. "A few weeks ago, Kean had a slight lead and then he went into this mindless repetition and he's gone backward. Hopefully, [the Kean campaign] won't be smart enough to realize that voters want a candidate who'll tell them what he'll do as U.S. senator."

The Menendez campaign has been counter-slinging with allegations of campaign contribution improprieties and charging that a Kean benefactor is embroiled in an Iraq oil-for-food scandal. The point -- for each campaign, apparently -- is just to tag the other guy as a weasel, as often as possible.'No-Nonsense Guy'

At moments over lunch, Kean sounds like he's actually trying to seem dull. He says he never had a rebellious phase, and that "Field of Dreams" and other sentimental sports flicks are his favorite movies. Of his days as a fraternity brother at Dartmouth, Kean says, as blandly as possible, "I very much enjoyed it."

You'd think, at minimum, he might have grappled in some compelling way with the patrimony of his name. His grandfather, reputedly the first senator to denounce the Holocaust, dedicated a book he wrote called "Fourscore Years" to his descendants in the hopes that they would make their ancestors proud. No pressure there!

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Or you might expect Kean would have some good yarns or funny anecdotes about growing up the son of a venerated politician, with a state trooper or two in the house all the time. Maybe that was . . . different?

Nope.

"They were as respectful as humanly possible," Kean says of the in-house cops. As for his treatment by peers in those days, no biggie. "Kids are kids. When I was in camp, I was in camp. When I was in school . . ." Kean went to Pingry, a private school in northern New Jersey. At Dartmouth, where he majored in history, he was considered a thoroughly decent and likable character who was not exactly a dynamo.

"I wouldn't say he's the most charismatic guy," says Tom Parker, the Psi Upsilon president the year Kean graduated and a friend who has helped with fundraising calls. "You don't meet him and say he's Ronald Reagan. But he's a straight, no-nonsense guy."

After graduation, Kean worked at the Environmental Protection Agency, where he met his wife, Rhonda. (The couple now have two daughters, ages 7 and 3.) He then went to work for Bob Franks, the Republican congressman in the district where Kean grew up, and later studied and taught foreign relations at the Fletcher School of Diplomacy at Tufts University.

"I was surprised when he said he wanted to get into politics," says Tom Kean Sr. on the phone, speaking in that Yankeefied accent he picked up attending boarding school and camp in New England. "He was more on the path of a scholar. I never encouraged my kids to get into politics at all. I sort of kept them away from it. I didn't take him to political events. I didn't move into the governor's mansion. I had a rule: no reporters in the house."

At the same time, Kean Jr. is one of those people who from an early age seem to have lived with a political future in mind. That's hardly a sin, and given that politics is the family business, hardly a surprise. But he doesn't quite buy it.

"I always knew that I would give back," he says. "My mother and my father both believe you have to work hard and give back. That's why I was a volunteer firefighter, that's why I worked in a homeless shelter. I always knew I'd give back, elective office or not."

For the moment, he is the principal beneficiary of his noblesse oblige. Last week, Kean announced that he had lent his campaign $400,000 -- money that will be used, among other things, to buy air time for his latest ads. One of those ads shows flickering video of Menendez projected on a concrete wall, as if it's cinema night at the local penitentiary. A voice-over accuses Menendez of helping mobsters and consorting with a cocaine trafficker and notes in bright bold letters that Menendez -- take a swig -- is under "federal criminal investigation."

Women's Vote Could Tip Close Contest (WP)

By Lisa Rein

The Washington Post, October 23, 2006

Their biographies exude machismo: James Webb, the Marine firing his M50 antitank rifles in the jungles of Vietnam, and George Allen, the tobacco-chewing cowboy who as governor once stirred GOP delegates with this line about Democrats: "Let's enjoy knocking their soft teeth down their whining throats."

But Webb, the former Navy secretary, and Allen, the first-term Republican senator, are trying to soften their tough-guy personas as they appeal to the 1.9 million women who represent more than half of Virginia voters. The candidates are virtually tied among likely female voters, a recent Washington Post poll shows.

Allen put his Democratic challenger on the defensive early in the campaign over a magazine article Webb penned 27 years ago that questioned a woman's place at the U.S. Naval Academy and on the battlefield. Webb, who led a Marine rifle platoon in Vietnam, has tried to convince Virginia women that his controversial words reflected a turbulent era, not personal hostility.

Webb has hesitated to address Allen's record on women. But in Allen's 23 years in politics, some votes and policies have dogged him. As governor in the 1990s, Allen said he would accept an invitation to a males-only country club but changed his mind amid criticism. He also opposed coeducation at the Virginia Military Institute. In Congress, he opposed federal legislation giving women unpaid leave after the birth of a child.

Both candidates say their positions have evolved. Webb says that he opened up doors to women as President Ronald Reagan's Navy secretary in the 1980s and that his policies in that era have had a lasting -- and positive -- effect on women's role in the military. Allen argues that when the courts ordered that women be admitted to VMI, he ensured that women were welcomed at the state institution. He also says his policies on crime, education and other issues appeal to women and families.

Whoever can move female voters onto his side may very well win the race, which recent polls show is virtually even. Successful Virginia Democrats, such as Gov. Timothy M. Kaine and his predecessor Mark R. Warner, have held leads among women heading into Election Day, according to preelection polling. Webb might have to win over more women than recent polls suggest he has if he is to win his challenge against Allen.

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In a race in which traditional women's issues such as abortion have been largely absent, controversy has instead centered on Webb's past writing and Allen's past votes and policies. Webb is trying to convince voters that he's changed. Allen is arguing that his emphasis on family values appeals to Virginia women.

Records and interviews show that Webb did increase opportunities for women as Navy secretary, but some critics argue that he did so under pressure from superiors.

Webb's article, "Women Can't Fight," appeared in Washingtonian magazine in 1979, three years after women entered the Naval Academy. He questioned their place at an institution whose primary function was to train men as combat leaders. "By attempting to sexually sterilize the Naval Academy environment in the name of equality, this country has sterilized the whole process of combat leadership training, and our military forces are doomed to suffer the consequences," he wrote.

The article has haunted his career. Navy women in the late 1970s were limited to traditional career fields of nursing, administration and communication. Few shipboard assignments were open to them. They were fighting for credibility in nontraditional roles. And many said Webb's words subjected them to hostility.

"It was the talk of the Navy," recalled Linda Postenrieder, a retired surface warfare officer who graduated in the third class to include women at Annapolis. "Even guys who were supportive were asking us why were we there."

Postenrieder denounced the article at an Allen news conference last month and asked Webb to apologize. He did, and she now supports him.

Webb's defenders say his words should be seen in the context of a generation of Vietnam veterans who had endured grueling combat conditions.

"The environment he saw was not one women belonged in," recalled Leon "Bud" Edney, who was chief of naval personnel under Webb. Edney said Webb "had a deep, visceral feeling" that if a man saw a wounded woman, it would be "completely destabilizing."

Edney was commandant of midshipmen at Annapolis after the release of "Women Can't Fight." He would not let Webb speak there because of the furor. Nevertheless, he said, "It's difficult to take someone's actions coming out of a failed war in Vietnam and fast-forward 27 years to say he is hostile to women."

Webb called the article an "overreach" and said he is now comfortable with the combat roles of Navy women, who today are restricted only from submarines and service as Navy Seals.

Shortly after he began his stint under Reagan, Webb assembled a task force to report on how to increase women's presence on ships. In part, the goal was to grow the pool of recruits: The Reagan administration was pursuing a buildup of its Navy fleet ships with an all-volunteer force. And women were hitting barriers to promotion and complaining of harassment.

"We tried to create fairness, and we did it in the right way," Webb said.

Under threat of a lawsuit, Webb ordered that female civilian technicians be allowed on submarines for short sea trials to test new equipment. Then a bombshell hit.

A panel of senior Pentagon advisers on the status of women in the military issued a damning report on Navy women in the Pacific. Women faced demands for sexual favors and commanders who ignored their complaints, and they were being denied promotions.

Webb responded by opening thousands of new assignments for women, many of them closer to combat, allowing them to serve aboard logistics and ammunition ships, oilers and other vessels, according to records and interviews with former Navy officials. Women also could serve on reconnaissance aircraft based ashore. Webb also required naval officers to receive expanded training on sexual harassment.

Webb has said he opened as many as 18,000 assignments for women, the largest number in Navy history. Reports on Navy operations from the late 1980s put the number at 9,000 to 10,000. "The bottom line is it's in the thousands," Webb spokeswoman Kristian Denny Todd said.

Webb stresses that the changes during his 11-month tenure in the late 1980s were his initiative. But officials who served with him recalled that the pressure on top Pentagon officials to improve women's status was enormous.

"Webb came along at a time when the currents were moving faster than the leadership," said David Baker, a Navy special assistant under Webb. "He had the sense to realize which way the wind was blowing."

Today, five women hold top positions on Webb's campaign staff. He recently picked up endorsements from six high-ranking retired female Army and Navy officers. His wife, Hong Le Webb, is an accomplished securities lawyer, and his ex-wife, Jo Ann Krukar, is active in his campaign.

The Allen-Webb race has barely touched on concerns that dominated Virginia politics in the past: abortion, gun control and pay equity. Today, Webb, a Republican-turned-Democrat who supports abortion rights, cites the growth of inequality, pressures on the middle class and his support for stem cell research. Allen, an abortion opponent, stresses national security and his leadership in guiding women to pursue careers in science and math.

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Allen once expressed doubts similar to Webb's on women in the military, calling the government "nannies and pests" on a mission to destroy VMI. It was only when the U.S. Supreme Court ruled in 1996 that single-sex education discriminated against women that he changed his position. Allen aides say that even though he didn't want women at VMI, once the court ruled, he accepted them and worked to make the process of integration go smoothly.

As governor, he pushed successfully for student testing, the abolition of parole and one of the country's toughest welfare-to-work rules, policies his aides say were welcomed by many women. Teenagers were required in 1997 to notify their parents before having an abortion, a law that opened the door to a slew of restrictions by the General Assembly. In the Senate, Allen has opposed Plan B, the emergency contraception pill, for over-the-counter sales.

"He's a genuinely very pleasant guy who's got magnetism," said Karen Raschke, president of the Virginia League for Planned Parenthood and the group's lobbyist when Allen was governor. "But he did terrific damage to women in the commonwealth. . . . He seems to believe in a very activist involvement of the government on the side of one-half of the population."

As a congressman, Allen voted against the Family and Medical Leave Act, which gives workers 12 weeks of unpaid leave for the birth of a child or to care for a sick family member. He said the bill, signed into law by President Bill Clinton in 1993, was a burden on businesses.

These stands plagued Allen in his campaigns for governor and for Senate in 2000. But he fended them off. Loyalists say his record reflects the strong family values that matter to women in a traditional state. "Parental notification was a major piece of legislation that enjoyed large majority support," campaign manager Dick Wadhams said. He noted that welfare reform included a crackdown on absentee fathers to pay child support, a policy with appeal to women.

Women account for 14 of his 50 Senate staffers, payroll records show, although a majority answer mail and hold administrative jobs. Two women hold top jobs on his campaign staff. Betsy Beamer, Allen's former secretary of the commonwealth, explained, "It's not that he ever went out and said, 'Gosh, there are 10 people on this board, we've got to have this many women.' It was about getting the best one for the job."

Staff researchers Rena Kirsch, Meg Smith and Lucy Shackelford contributed to this report.

This is one in an occasional series about the issues in the Virginia Senate campaign.

National Parties Roil Tennessee Race (WT)

By Brian Debose

The Washington Times, October 23, 2006

NASHVILLE -- Both the Republican candidate, Bob Corker, and the Democratic candidate, Rep. Harold E. Ford Jr. complain that the national parties are slinging so much "mud" here that they can barely get their points across to voters.

The stakes are huge in Tennessee. Control of the U.S. Senate may hinge on the result here.

Mr. Corker, a former mayor of Chattanooga, asked the Republican National Committee (RNC) to take down an ad that first aired Friday accusing Mr. Ford of taking money from pornographers, and said it hinted at interracial dating -- the ending shows a scantily clad, white blonde winking and saying, "Hey, Harold call me."

"The new RNC ad we have just seen on our local broadcast outlets is tacky, over the top and is not reflective of the kind of campaign we are running," said Tom Ingram, Corker campaign chairman, adding that the campaign asked that a radio ad be pulled two weeks ago.

After viewing the ad, Mr. Ford lost his cool and confronted Mr. Corker, ambush style, just before a press conference at a Friday campaign stop at the Memphis airport. He got in Mr. Corker's face and asked him to stop talking about his family, then asked him to talk about Iraq.

"I really just wanted to ask him about this ad," Mr. Ford said.

Just days earlier, Mr. Corker was asked about other ads that had been aired.

"As you know, we can't talk directly with the [National Republican Senatorial Committee] or the RNC, so I don't know about 'em till I see them, but if we see an ad we don't like, we'll ask for it to be pulled," he said.

Not one of the polls that have come out this month shows either candidate gaining any momentum or building a solid lead. This campaign could be the most widely watched with reporters from Britain, South Korea and Canada following both men around the state.

Most voters and political analysts say that western Tennessee will heavily support Mr. Ford, while the eastern part of the state will go to Mr. Corker, leaving the battleground, where the attack ads are the heaviest, in the state's midlands around Nashville and to the south.

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"This is where the battle is, right here. This is where the votes are," said Wendell C. Dawson, a lawyer in Nashville with the state Attorney General's Office, who said that he doesn't necessarily like Mr. Ford because "he's a little too far to the right for me and some of the stuff he says makes me wince."

"But I am like a lot of people in this state. I want change," Mr. Dawson said, adding that he hasn't had much chance to gauge Mr. Corker beyond "from the ads I've seen, he is toeing [President] Bush's line."

Mr. Dawson represented a chorus of black voters here who are not that fond of Mr. Ford, but who will vote for him because he can bring change, not only change on Capitol Hill, but to the South, where no black person has won a popular election to the Senate.

The candidates couldn't be more different as people, as shown by their campaign styles.

Mr. Corker, a multimillionaire construction magnate who was state finance commissioner and Chattanooga mayor, arrives to speak to the state's 95 county sheriffs, in a black Chevrolet Tahoe with two staffers. He quietly surveys a room, shaking hands and talking with a few people before giving his speech, about how he moved to Tennessee at age 9 and graduated from the University of Tennessee before starting his business at 25 with $8,000 in savings.

He wants everyone to know he is not a professional politician, but a "down home" native shaped by other Tennesseans. Humble is an understatement for Mr. Corker, who concedes that he is "not the best looking, or the most articulate in this race."

Mr. Ford, 36, by contrast arrives in a white Tahoe with two staffers riding along, but it is preceded by two black sedans and followed by a huge red, white and blue bus with "Ford for Senate" etched across the side.

"Y'all are awake. You can be a little livelier than this," Mr. Ford said when he entered, pumping up the same room of county sheriffs to whom Mr. Corker spoke a day earlier.

He talks about moving with his parents to the District at age 9, where his father would serve 11 terms in the House. He went to high school in the District and to college at the University of Pennsylvania before heading to Michigan for law school. Mr. Ford's father retires and his son, 25, runs and wins in a shocking upset of his opponent, and he has been there ever since.

But as candidates for U.S. Senate, voters here wonder why or how two men of different races and backgrounds sound so similar on the issues.

"This is going to be one of the toughest decisions we have ever had to make," said Humphreys County Sheriff Chris Davis after hearing both men speak to the Tennessee Sheriffs' Association. "Both of these guys are effective at showing us their ideas, but we have a lot of research to do on their records and on how their ideas will work in our communities."

He wasn't convinced that either man is the right one, and the association is split. The group's president, Robertson County Sheriff Gene Bollinger, said he would support Mr. Ford because he liked his father. Another sheriff said he was supporting Mr. Corker because he liked what others lawmakers said about his work as finance commissioner 11 years ago.

Fight For Control Of State Capitals Heats Up (USAT)

By Kathy Kiely

USA Today, October 23, 2006

WASHINGTON — For the first time since 1994, Democrats are poised to surpass Republicans in the number of state capitals where one party enjoys complete political control — holding the governor's mansion and both chambers of the state legislature.

Having the political upper hand in state capitals has enabled Republicans to draw congressional districts that are more favorable to their party's candidates, notably in Texas and Georgia.

It has also helped the party develop strong candidates for higher office. According to the non-partisan National Conference of State Legislatures, 57% of members of Congress started out as state legislators.

Republicans hold the governorships and both chambers of the state legislatures in 12 states; Democrats, in eight. Republicans' control is in jeopardy in three of those states: Ohio, Alaska and Indiana.

Democrats face the possibility of losing dominance in only one state: Maine. Meanwhile, the party has a chance for control in eight other states: Arkansas, Colorado, Iowa, Maryland, Massachusetts, Minnesota, Montana and Tennessee.

In Arkansas, Maryland and Massachusetts, Democrats hold majorities in the state legislature and are hoping to take the governor's mansion. In other states, races for the state legislature will decide whether the one party can take control.

That has turned usually little-noticed races into heated contests.

The Democratic Legislative Campaign Committee hopes to spend $10 million on state House and Senate races this year, up from $7 million in the 2004 campaign cycle.

The Republican State Leadership Committee, which also funds candidates for statewide offices other than governor, already has raised close to $13 million.

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Groups from the National Rifle Association (NRA), which hopes to win backers for laws supporting gun owners, to the Human Rights Campaign, which hopes to win support for laws ending discrimination against gay men and lesbians, are working to elect state House and Senate candidates.

"It's no secret that state legislatures are more active than they have ever been," says Wayne LaPierre, NRA executive vice president and CEO.

Michael Davies, of the Democratic Legislative Campaign Committee, thinks the increased interest is in part due to the role states are taking in issues such as immigration, the minimum wage and embryonic stem cell research.

"More groups are seeing more issues decided in state legislatures," he says. "More groups are figuring out that if you do something in one state, it really does tend to have a bandwagon effect."

Republicans' Far North Hope (WSJ)

By Jim Carlton

The Wall Street Journal, October 23, 2006

ANCHORAGE, Alaska -- Sarah Palin is emerging as the giant-killer of the Last Frontier state.

The Republican candidate has defeated the sitting governor and is leading in polls against his predecessor, who is seeking a comeback. She is tapping into voter anger over corruption and dissatisfaction with incumbents -- factors working against fellow Republicans in much of the country this year.

Ms. Palin, a 42-year-old mother of four, trounced Gov. Frank Murkowski in the primary in August. On Nov. 7, she faces one of the state's best-known politicians, former two-term Democratic Gov. Tony Knowles. Ms. Palin leads by a margin of 47% to 40%, according to an Oct. 9 survey of likely voters by Rasmussen Reports, an independent pollster.

That is down from the 52%-to-38% margin she held in the same survey a month earlier, a drop pollsters attribute largely to loss of a postprimary bounce. But Ms. Palin's main campaign theme of taking a tough stance on ethics is clearly resonating with many voters.

Ms. Palin's only elected experience is six years as mayor of Wasilla, a fast-growing Anchorage suburb of about 8,500 residents. Ads for the 63-year-old Mr. Knowles call Ms. Palin an "untested former mayor of a small town." Ms. Palin says: "I think up here in Alaska, people are just tired of politics as usual."

Ms. Palin is one of the surprise bright spots for Republicans in what is shaping up as a bleak election year for the party. Scandal -- such as the handling of the Mark Foley page matter as well as allegations of corruption -- weighs on Republicans, and could cost them control of one or both houses of Congress. The party could also lose the Ohio governorship in part over guilty pleas by the retiring Republican involving ties to lobbyists. Republicans now hold 28 governorships, compared with Democrats' 22. Polls in various states suggest Democrats could take a majority in November. But Alaska -- a once-promising prospect for them -- may be slipping.

With about 660,000 residents, Alaska is one of the nation's most sparsely populated states, but its elections have national implications because of its abundant natural resources, such as oil and fish.

Beyond ethics, building a natural-gas pipeline is the biggest campaign issue for Ms. Palin and Mr. Knowles. An independent candidate, Andrew Halcro, is a distant third in the polls.

With oil reserves on Alaska's North Slope dwindling, many residents say their state's future lies in building another pipeline that can ship to the lower 48 states the natural gas in the oil fields. Federal officials estimate there may be as much as 100 trillion cubic feet of gas in the North Slope, enough to meet five years of the nation's natural-gas needs.

The industry didn't consider it economical to build a new Alaska gas pipeline to ship the gas thousands of miles to market -- until gas prices surged in the past few years. Now, state officials have made a pipeline contract a priority. "This is a boom-and-bust state, and this would give us the next big boom," says Carl Shepro, professor of political science at the University of Alaska in Anchorage.

Mr. Knowles and Ms. Palin both claim to be the voters' best choice to carry out the pipeline task. Mr. Knowles says his experience negotiating with the oil industry gives him an edge. Ms. Palin has tried to turn Mr. Knowles' experience against him, suggesting that he failed to negotiate a deal for a gas pipeline during his 1994-2002 tenure as governor. "It's time for a new generation," an ad for Ms. Palin says.

The current governor, Mr. Murkowski, also has made the gas pipeline a priority. But criticism of how he has gone about it -- and run his office in general -- partly explains Ms. Palin's popularity. The governor negotiated for the pipeline to be built by the three big oil producers in Alaska -- BP PLC, ConocoPhillips and Exxon Mobil Corp. -- as part of a deal that critics say was tilted too much in favor of the companies. The state legislature narrowly rejected the deal earlier this year, but over the summer, the legislature passed a bill backed by the governor to refigure oil-tax rates in a way that critics also say favored the industry.

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The Federal Bureau of Investigation, meanwhile, is looking into allegations of industry influence-peddling of Alaskan lawmakers.

Both Ms. Palin and Mr. Knowles talk of reform in the state capital of Juneau. "We are going to run a squeaky clean government," Mr. Knowles said in an Anchorage news conference. Ms. Palin said in an interview: "I would push [the legislature] for a package of ethics reforms."

Ms. Palin has some credibility on the issue in the minds of many residents, having resigned in 2004 as head of the Alaska Oil and Gas Conservation Commission over ethical grounds. Among her concerns: That the governor had appointed Randy Ruedrich, chairman of the Alaska Republican Party, to a seat on her commission while Mr. Ruedrich got to keep his partisan post. Mr. Ruedrich ended up resigning from the body after Ms. Palin, among others, disclosed he was conducting Republican business in his state job. Mr. Ruedrich said he had, and agreed to pay a $12,000 state fine.

But Ms. Palin's decision to seek Mr. Murkowski's job has put her at odds with some heavyweights in her own party. After she defeated Mr. Murkowski by a margin of 51% to 19% in the Aug. 22 primary, she called on Mr. Ruedrich to resign as chairman of the state Republican Party. Mr. Ruedrich declined, but says he supports her anyway. "She is a solid Republican candidate," Mr. Ruedrich says.

Rising Star Obama Weighs White House Run (AP-Y)

AP, October 23, 2006

Sen. Barack Obama acknowledged Sunday he was considering a run for president in 2008, backing off previous statements that he would not do so.

The Illinois Democrat said he could no longer stand by the statements he made after his 2004 election and earlier this year that he would serve a full six-year term in Congress. He said he would not make a decision until after the Nov. 7 elections.

"That was how I was thinking at that time," said Obama, when asked on NBC's "Meet the Press" about his previous statements.

"Given the responses that I've been getting over the last several months, I have thought about the possibility" although not with the seriousness or depth required, he said. "My main focus right now is in the '06. ... After November 7, I'll sit down, I'll sit down and consider, and if at some point I change my mind, I will make a public announcement and everybody will be able to go at me."

Obama was largely unknown outside Illinois when he burst onto the national scene with a widely acclaimed address at the 2004 Democratic National Convention.

In recent weeks, his political stock has been rising as a potentially viable centrist candidate for president in 2008 after former Virginia Gov. Mark Warner announced earlier this month that he was bowing out of the race.

In a recent issue of Time magazine, Obama's face fills the cover next to the headline, "Why Barack Obama Could Be The Next President." He is currently on a tour promoting his latest book, "The Audacity of Hope: Thoughts on Reclaiming the American Dream."

On Sunday, Obama dismissed notions that he might not be ready to run for president because of his limited experience in national politics. He agreed the job requires a "certain soberness and seriousness" and "can't be something you pursue on the basis of vanity and ambition."

"I'm not sure anyone is ready to be president before they're president," Obama said. "I trust the judgment of the American people.

"We have a long and rigorous process. Should I decide to run, if I ever did decide to run, I'll be confident that I'll be run through the paces pretty good," Obama said.

Illinois' Obama Revisits Idea Of 2008 Run For White House (USAT)

By Richard Wolf, Usa Today

USA Today, October 23, 2006

WASHINGTON — Sen. Barack Obama, the Illinois Democrat who won instant celebrity after his keynote address to the 2004 Democratic national convention, said Sunday he might run for president in 2008.

“I don't want to be coy about this,” Obama said on NBC's Meet the Press. “Given the responses that I've been getting over the last several months, I have thought about the possibility.” After initially ruling it out, he said, the door has opened “a bit.”

The 2008 presidential race is wide open, and Obama has been urged by many Democrats, such as fellow Illinois Sen. Dick Durbin, to run this time rather than wait to gain more political experience. He said Sunday he has listened to those entreaties.

His announcement follows a spate of publicity for the freshman senator, including a tour to promote his new book, The Audacity of Hope: Thoughts on Reclaiming the American Dream. His face was on the cover of the Oct. 23 Time magazine.

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Obama's candidacy would shake up the field of prospective Democratic candidates, dominated by Sen. Hillary Rodham Clinton of New York and recently abandoned by former Virginia governor Mark Warner. By keeping the option open, he could freeze the flow of money to other Democrats.

"It hurts a lot of candidates not named Hillary Clinton," says Chuck Todd, editor of the National Journal's political newsletter, Hotline. "If he got in and she ran, there'd be no room for anybody else. There'd be no oxygen left in the room."

Despite his lack of national experience — he emerged from the Illinois state Senate in 2004 by beating a weak Republican candidate — Obama might never get a better chance to win the White House, some analysts say. His opportunity is likened to that of Colin Powell, who declined to run in 2000. "You can't create these moments," says Ronald Walters, a professor of government and politics at the University of Maryland. "They come, they're ripe, and you ought to take advantage of them."

Working in Obama's favor: He's telegenic and relatively young (45), and he has few enemies. In Congress, he has reached across the aisle to work with Republicans.

Rather than big government or small government, "my instinct is that the current generation is more interested in smart government," Obama said Sunday. "If the market solution works, let's go with the market solution. If a solution requires government intervention, let's do that."

Working against him could be his inexperience and the fact that the country has never elected a black president. Presidential scholars note a short résumé didn't hurt John Kennedy in 1960 or John Edwards in 2004. Kennedy won the White House; Edwards ran second in Democratic primaries and won a spot on the ticket.

"He would not be either the youngest or the most inexperienced person who has ever sought, or even won, the presidency," said Stephen Hess, professor of media and public affairs at George Washington University. "Lightning does strike in this game."

Obama Says He's Mulling A White House Run (LAT)

By Chuck Neubauer

The Los Angeles Times, October 23, 2006

WASHINGTON -- Sen. Barack Obama of Illinois said Sunday that he was considering a run for the Democratic presidential nomination in 2008, backing away from previous pledges to serve out his full six-year Senate term.

Obama, 45, told NBC's "Meet the Press" that he would not make any decision before the Nov. 7 midterm election.

"I am still at the point where I have not made a decision to -- to pursue higher office," he said, "but it is true that I have thought about it over the last several months."

As a candidate for the Senate, Obama entered the national spotlight as the keynote speaker at the 2004 Democratic National Convention. He won the Senate seat that November with 70 percent of the vote.

Twice before on "Meet the Press" -- soon after that election and again this past January -- Obama stated flatly that he would serve his full Senate term. On Sunday, he attributed his possible change of heart to "the responses that I've been getting over the last several months" while campaigning for Democratic candidates across the country.

"He is the most in-demand speaker in the Democratic Party," said David Axelrod, a Chicago-based media consultant who advised Obama's Senate campaign. "He gets 300 invitations a week."

Time magazine recently featured a photo of Obama on its cover with the headline "Why Barack Obama could be the next president." The senator is promoting his new book, "The Audacity of Hope: Thoughts on Reclaiming the American Dream."

He told NBC that although the door to a potential candidacy had opened "a bit," he had not yet thought about a White House bid "with the seriousness and depth that I think is required."

"My main focus right now is in '06 and making sure that we retake the Congress," he said. "After Nov. 7, I'll sit down and consider -- and if, at some point, I change my mind, I will make a public announcement and everybody will be able to go at me."

Asked about his lack of executive experience -- his only previous elective office was state senator in Illinois -- Obama said: "Well, I'm not sure anybody is ready to be president before they're president. You know, ultimately, I trust the judgment of the American people that in any election, they sort it through."

According to Axelrod, Obama has "concluded that he should at least look at this ... It is certainly something that is on his radar screen."

But he has not taken any steps to hire staff or begin raising money for a national campaign, Axelrod said. "There is no active campaign going on."

A second Democratic strategist, who asked to remain anonymous for professional reasons, said it "may be difficult" for Obama to translate his popularity into a White House run after only two years in the Senate. "My guess is that he will consider (2008) too early," the strategist said. "He has a lot more presidential campaigns in him."

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Still, said Joe Trippi, a veteran Democratic consultant who managed Howard Dean's 2004 campaign, "the reception he is getting and the energy he is creating has got to encourage him to go."

Last month Obama was the main speaker at Sen. Tom Harkin's Iowa steak fry, an annual political event that attracts thousands of Democrats in a state that plays a key role in presidential politics.

"He took it by storm, like a rock star hit the place," said Trippi, who has been working in campaigns in Iowa since 1979. "You felt it. It was not just his speech. It was the way the crowd surged around him ... You couldn't move if he was in the area."

Trippi said Obama "certainly has the skill, the talent and the star quality" -- and if he decides to run, "it changes the whole dynamic of the race."

The current crop of potential contenders for the nomination include Sen. Hillary Rodham Clinton of New York, who is widely considered the front-runner at this point; the 2004 nominee, Sen. John F. Kerry of Massachusetts, and his running mate, former Sen. John Edwards of North Carolina; Sens. Joseph R. Biden Jr. of Delaware, Russ Feingold of Wisconsin and Evan Bayh of Indiana, and Govs. Tom Vilsack of Iowa and Bill Richardson of New Mexico.

Obama Says He'll Consider A 2008 Bid For The Presidency (WP)

By Dan Balz

The Washington Post, October 23, 2006

Sen. Barack Obama (D-Ill.) opened the door to a 2008 presidential campaign yesterday, saying he has begun to weigh a possible candidacy and will make a decision after the November elections.

"Given the responses that I've been getting over the last several months, I have thought about the possibility, but I have not thought about it with the seriousness and depth that I think is required," Obama said on NBC's "Meet the Press." "After November 7th, I'll sit down and consider it, and if at some point, I change my mind, I will make a public announcement and everybody will be able to go at me."

Until yesterday, Obama, one of the brightest stars in the party since he electrified the 2004 Democratic National Convention with his keynote address, had said he planned to serve out the full six years of his Senate term, which would have ruled out a presidential or vice presidential campaign in 2008.

But Democrats around the country have encouraged him to consider a campaign, and there has been fevered speculation inside the party about the possibility that he will do so. His own advisers have been forced to adjust timetables for a possible run in later elections and have begun to do the research that will help Obama make his decision.

New York Sen. Hillary Rodham Clinton is considered the early front-runner for the Democratic nomination, should she decide to run, but some Democratic strategists said yesterday that Obama immediately would become one of her principal challengers, if he decides to run.

"If he runs and Mrs. Clinton runs, I don't think there's a lot of room for anyone else," said Steve Elmendorf, who was a top adviser to former House minority leader Richard A. Gephardt (D-Mo.). "The two of them take up an enormous amount of political space."

Party strategists said that, if voters are looking for change in 2008, Obama would symbolize it better than many of the other possible candidates. But having served just two years in the Senate and seven in the Illinois state Senate, Obama has a thin rÃ©sumÃ© upon which to build a presidential candidacy. He was asked yesterday on "Meet the Press" whether he was ready to be president.

"I'm not sure anybody is ready to be president before they're president," he told moderator Tim Russert. "You know, ultimately, I trust the judgment of the American people that in any election they sort it through. We have a long and a rigorous process and, you know, should I decide to run, if I ever did decide to run, I'm confident that I'd be run through the paces pretty good."

Obama's statement that he is thinking seriously about running in 2008 represents a frank acknowledgement of how the strong reception he has received around the country this year has altered his personal political trajectory, one that did not envision a campaign for national office this soon. But his advisers stressed yesterday that he has not yet decided to make such a bid.

At this point, Obama is a political phenomenon but hardly a tested politician on the national stage. He has captured the imagination of Democrats and others mostly through a combination of glamour and intellect. He has no legislative record to speak of, given the short time he has been in the Senate and the fact that Democrats are in the minority.

Obama, 45, was elected to the Senate in 2004, and even before winning that election he became a nationally recognized politician with his keynote address at the Democratic convention in Boston. He is now one of the party's most sought-after speakers, and he has drawn sizable crowds at party events and at appearances on behalf of Democratic candidates.

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He is currently on a nationwide tour promoting his new book, "The Audacity of Hope." An earlier book became a national best-seller after his address in 2004. He also has appeared on the covers of Time magazine and GQ.

Yesterday, Obama said pursuit of the presidency cannot be based on celebrity and conceit. "It can't be something that you pursue on the basis of vanity and ambition," he said. "I think there's a certain soberness and seriousness required when you think about that office that is unique."

Obama advisers said yesterday that there has been little formal analysis done in preparation for a possible campaign, and they agreed they will now accelerate that work. But they said they are confident Obama could raise the money to run and noted that he has many offers from people interested in working in a campaign.

"He understands it's a lot easier when you're the subject of speculation than when you're in the arena battling it out," said David Axelrod, one of Obama's advisers. "I think that there's evaluative work to be done, but there are a lot of encouraging signs."

Obama spokesman Robert Gibbs cautioned reading too much into the senator's comments yesterday. "It was simply the honest answer to the question. There isn't a formal process. He announced he was thinking about it. He didn't announce he was announcing."

Another adviser said the Obama team has not done a state-by-state analysis of fundraising potential, nor have they begun building organizations in early states like Iowa and New Hampshire. Several advisers denied that they had conducted focus groups about an Obama candidacy, as some other Democrats have suggested.

Personal factors may influence Obama's decision as much as political considerations, his advisers said. He has a young family and may not want to put them and himself through the rigors of a long campaign.

A large field of prospective candidates awaits Obama, if he decides to run. It includes Massachusetts Sen. John F. Kerry, former North Carolina senator John Edwards, Delaware Sen. Joseph R. Biden Jr., Connecticut Sen. Christopher J. Dodd, Iowa Gov. Tom Vilsack, New Mexico Gov. Bill Richardson and Wisconsin Sen. Russell Feingold. Some Democrats hope former vice president Al Gore will jump in.

Former Virginia governor Mark R. Warner announced this month that he will not run.

Crowd-Pleaser From Illinois Considers White House Run (NYT)

By Adam Nagourney And Jeff Zeleny

The New York Times, October 23, 2006

WASHINGTON, Oct. 22 — Senator Barack Obama, the first-term Illinois Democrat who has emerged this year as one of the most popular figures in his party, said Sunday that he was considering a run for the White House in 2008, a shift in position that he said had come in response to many Democrats' pressing him to join the field.

"I don't want to be coy about this: given the responses that I've been getting over the last several months, I have thought about the possibility, but I have not thought about it with the seriousness and depth that I think is required," Mr. Obama said. "My main focus right now is in '06 and making sure that we retake the Congress. After Nov. 7, I'll sit down and consider it."

The remarks by Mr. Obama sent ripples through Democratic circles and were the latest indication of how wide open the 2008 presidential field is — and how confident Democrats are that they are on the ascendancy. Should he run, Democrats said, his decision would pose a major complication to Senator Hillary Rodham Clinton of New York, who is widely viewed as the dominant figure in the field of potential candidates.

Mr. Obama opposes the war in Iraq and thus could provide an alternative for Democrats who have expressed strong concern about Mrs. Clinton's support of the war effort. In addition, Mr. Obama, who is African-American, would almost surely cut deeply into Mrs. Clinton's own political base, black voters, which could be particularly significant because the Democratic Party has decided to move the South Carolina primary to the front of the 2008 presidential nominating process.

A spokesman for Mrs. Clinton, Howard Wolfson, declined comment on Mr. Obama's remarks on Sunday.

Mr. Obama made his remarks in an interview with Tim Russert on NBC's "Meet the Press" after being shown a videotape from an earlier appearance on the show in which he said he would serve out his six-year term in the Senate and not run for president before he had. Mr. Obama's aides said that, because they were familiar with Mr. Russert's interviewing techniques, they had expected him show the videotape, and that Mr. Obama was prepared to pivot off it to make his statement.

Mr. Obama, who has about four years left to serve in his first term, declined a request for an interview after his television appearance.

Until now, Mr. Obama and his associates have said that he would put off any run for the White House until after he had gained the experience in government that comes from six years in Washington. As it is, they said, if he ran for president he would have to overcome the questions about whether someone who had served just two years in the Senate, was 45 years old and had no experience in foreign policy was qualified to serve in the White House.

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One of Mr. Obama's potential rivals, Senator John Kerry of Massachusetts, hinted at this potential problem when asked on "This Week" on ABC if he was prepared to run against Mr. Obama. "If he thinks he's ready to run for president and wants to run and I've made a decision to run, then we'll go out and have a great contest," Mr. Kerry said.

No major party has nominated an African-American — or, for that matter, a woman — to run for president, so a Democratic field that included Mrs. Clinton and Mr. Obama would be, at the least, historically notable. One Democratic strategist close to Mr. Obama who spoke on the condition of anonymity suggested that the senator would probably look to the results in Tennessee, where Representative Harold E. Ford Jr. is trying to become the state's first black senator, to measure the obstacles Mr. Obama might face in a national election.

Mr. Obama's colleagues said he intended to reach a decision by January.

In recent weeks, he has been the subject of high-profile and largely adulatory profiles in national magazines and newspapers and has packed halls across the country while campaigning for Democrats. For months, associates — notably Senator Richard J. Durbin, Democrat of Illinois — have urged him to seize the opportunity of the wide-open 2008 presidential race.

"Opportunities like this come along once in a political lifetime," Mr. Durbin said Sunday. "What is most intriguing about this is that he is just as welcome in red states as he is in blue states."

Mr. Obama's television appearance came as he embarked on a publicity campaign for his second book, "The Audacity of Hope." Although politicians have been known to suggest they might run for president as a way of spiking book sales, Mr. Obama's political adviser, David Axelrod, said that was not the case here.

"Absolutely not," he said. "The book is doing fine. We don't need to add any mustard to the hot dog."

Democrats suggested Sunday that Mr. Obama's open flirtation with a presidential race could have been designed to send a signal to major contributors, some of whom were recently left without a candidate when Mark Warner, a former Virginia governor, said he would not run.

Mr. Obama has already assembled a team of advisers with experience in presidential politics, including Mr. Axelrod, Anita Dunn, a longtime Democratic consultant, and Steve Hildebrand, who ran Al Gore's successful campaign in the 2000 Iowa caucuses.

Since taking office in January 2005, Mr. Obama has amassed a coast-to-coast list of Democratic contacts. This month alone, aides said, he is being scheduled to help Democratic candidates in 18 states.

Last month, Mr. Obama was the featured attraction of the biggest Democratic event of the year in Iowa, Senator Tom Harkin's steak fry. It was Mr. Obama's first trip to Iowa, which traditionally kicks off the presidential nominating contest.

Mr. Hildebrand said, "The reaction that Obama got in Iowa was like nothing I've ever seen before with another politician."

A Conversation With Sen. Obama (MCT)

By Margaret Talev

McClatchy Newspapers, October 23, 2006

WASHINGTON - A conversation with Sen. Barack Obama, whose book about his experiences on the campaign trail and as a freshman U.S. senator, "The Audacity of Hope" (Crown Publishers, $25), has just been released.

Q. Why did you decide to write this book? What is your writing routine?

A. I decided to write it partly on the heels of my (2004 Democratic National Convention) speech, which had gotten a good response. I thought it would be interesting to think about what I'd been saying in the campaign and subsequent to the campaign. Basically I didn't start writing until after I'd served about six months in the Senate because it was so overwhelming. I would typically work in the evenings after I got home from work or tucked my girls into bed, and on the weekends. I'm a night owl. I'd jot notes into my computer when I got home.

Q. How was writing this different from your first book? (A 1995 memoir, "Dreams From My Father: A Story of Race and Inheritance," which was reprinted in 2004.)

A. The first book was much more introspective. I was digging into sort of my past. It was more a book of self-discovery written by a young man. This book was more a rumination on the country and where we need to go.

Q. Do you use a ghostwriter?

A. No. I wrote it all myself.

Q. At what point will you decide whether to seek a spot on the 2008 presidential ticket?

A. I've said I'm not running. I haven't changed my mind. If I change my mind I'll let everybody know ... you don't run for vice president. ... I do think America is ready for a woman president or an African-American president or a Latino president if they are the best candidate.

Q. What will be the effect on Congress if Democrats recapture the House of Representatives or the Senate?

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A. We would see greater oversight over the administration's actions. And I think we would start talking about the issues I hear most often on the campaign trail: health care, education and energy.

Q. Why did you pick legislation on government accountability, co-sponsored with one of the most conservative Republicans in Congress, Senator Tom Coburn of Oklahoma, as your first bill?

A. There are all sorts of other bills I'd love to have passed (expanding college grants and health care) but when you're in the minority you have to be opportunistic and pass whatever bills you can get. Tom is the best kind of conservative because he's a sincere conservative. ... He's not just trying to score political points. We all have an interest in making sure our money is well spent.

Q. Which Republicans in Congress do you most respect and why?

A. Senate Foreign Relations Committee Chairman Dick Lugar (of Indiana). I think he's a model of bipartisanship when it comes to foreign policy. I think people like Senator George Voinovich (of Ohio) are sincere in their efforts to solve problems as opposed to scoring political points ... and Senator Tom Coburn.

Q. What's your greatest fear or self-doubt as a politician?

A. My greatest fear, I think, is that I lose track of that voice: who I am and what my values are and what I care most deeply about. Meeting ordinary Americans and listening to them goes a long way in terms of keeping me grounded, as do my wife and two kids.

Q. You write in your book about the guilt or self-doubt you have about being there enough as a husband and father. Do you feel this question is resolved for you or still in flux?

A. I don't think you ever resolve it entirely. This is a job that requires a lot of travel, and I miss my kids and I miss my wife all the time.

Q. What did you hope to get out of your Africa trip this summer?

A. To better inform myself about where we can make the most significant progress, both economically, in Africa and from a national security perspective.

Q. How long have you been a cigarette smoker? How much do you smoke and have you planned to quit?

A. I smoked for a long time and quit, and occasionally I lapse back into it. It's an ongoing struggle.

The Obama Bandwagon (NYT)

By Bob Herbert

The New York Times, October 23, 2006

Boston

The capacity crowd on a rainy night at the John F. Kennedy Library couldn't have been happier. The guest of honor had been born the same year that J.F.K. was inaugurated, and now he was generating the kind of political delirium we have tended to associate with the Kennedys.

I was the interviewer that night, and as I arrived in a cab outside the library, the driver said, "Who's on the program?" When I said, "Barack Obama," the driver replied, "Oh, our next president."

It's a measure of how starved the country is for a sensible, appealing, intelligent, trustworthy leader that a man who until just a couple of years ago was an obscure state senator in Illinois is now suddenly, in the view of an awful lot of voters, the person we should install in the White House.

At the Kennedy Library forum on Friday night, Mr. Obama declined to rule out a run for the White House in 2008. In an appearance on "Meet the Press" yesterday, he made it clear that he was considering such a run.

With all due respect to Senator Obama, this is disturbing. He may be capable of being a great president. Someday. But one quick look around at the state of the nation and the world tells us that we need to be more careful than we have been in selecting our leaders. There shouldn't be anything precipitous about the way we pick our presidents.

That said, the Barack Obama boom may well have legs. During the forum, every reference to the possibility of him running drew a roar from the audience. He's thoughtful, funny and charismatic. And there is not the slightest ripple of a doubt that he wants to run for president.

The reason he went into politics, he said, was to be able to influence events, to make a difference. "Obviously," he added, "the president has the most influence."

I asked what thoughts run through his mind when he thinks about himself and the presidency. He said: "That office is so different from any other office on the planet, you have to understand that if you seek that office you have to be prepared to give your life to it. How I think about it is that you don't make that decision unless you are prepared to make that sacrifice, that trade-off.

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"What's difficult and important for somebody like myself, who has a wonderful, forbearing wife and two gorgeous young children, is that they end up having to make some of those sacrifices with you. And that's a profound decision that we won't make lightly."

I asked if he could imagine himself, at some point, making the kind of commitment he described. He said that he could, and the crowd erupted.

I asked if he might run in 2008. He said he was focused on the coming Congressional elections.

"So you have not ruled it out," I said.

"We'll leave it there," he said.

The giddiness surrounding the Obama phenomenon seems to be an old-fashioned mixture of fun, excitement and a great deal of hope. His smile is electric, and when he laughs people tend to laugh with him. He's the kind of politician who makes people feel good.

But the giddiness is crying out for a reality check. There's a reason why so many Republicans are saying nice things about Mr. Obama, and urging him to run. They would like nothing more than for the Democrats to nominate a candidate in 2008 who has a very slender résumé, very little experience in national politics, hardly any in foreign policy — and who also happens to be black.

The Republicans may be in deep trouble, but they believe they could pretty easily put together a ticket that would chew up Barack Obama in 2008.

My feeling is that Senator Obama may well be the real deal. If I were advising him, I would tell him not to move too fast. With a few more years in the Senate, possibly with a powerful committee chairmanship if the Democrats take control, he could build a formidable record and develop the kind of toughness and savvy that are essential in the ugly and brutal combat of a presidential campaign.

After the interview at the Kennedy Library, hundreds of people lined up to have copies of Mr. Obama's book, "The Audacity of Hope," autographed. He signed as many as he could. Then he shook hands with everyone who remained and assured them that he would have their books delivered to his hotel, where he would sign them later that night.

He's 45. There's no hurry. He should take all the time he needs.

Washington Wire (WSJ)

Wall Street Journal, October 23, 2006

October 22, 2006, 3:53 pm Rice Asian Talk Promised

Fresh back from Japan, South Korea, China and Russia, Secretary of State Rice plans to flesh out — and defend — the administration's Asia policy in a speech Wednesday at the Heritage Foundation. Her aides say the address will be a "reflective" look at the administration approach on North Korea just after the country rattled the region by testing a nuclear bomb.

During her trip, Ms. Rice tried to rally countries to act on the new U.N. sanctions to squeeze North Korea. But she also touted as a real success of U.S. policy the fact that China stepped up to play a critical role in supporting the sanctions. Asked in Beijing if she regretted not continuing Clinton's bilateral approach toward North Korea, Rice got steamed. "China had to be part of this regime to deal with the North Korean problem," she said. And now, "China's at the center of it — not a bad couple of years' work."

Rice plans to be more measured in her Heritage speech, pointing to accomplishments in building a larger consensus to crackdown on Pyongyang but also to the need to build a new security architecture in Asia. The speech will express the US desire, in the wake of the nuclear test, to bulk up the APEC forum to make it more of a body for regional security talks. The big aim: bring China and Japan closer together while keeping Tokyo from pursuing its own nuke. –Neil King Jr.

Read more: Global, Foreign Policy

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October 22, 2006, 12:12 pm Looking Toward Election Day… 2008

Illinois Sen. Barack Obama, backing off a pledge to serve his full six-year term, said he's now considering a run for president in two years.

Obama

The freshman Democrat, largely unknown outside his state before he burst onto the national scene with a widely acclaimed speech at the 2004 Democratic convention, said on NBC's "Meet the Press" that while he is concentrating on helping his party's candidates win in this year's midterm elections, he's now open to a White House run in 2008.

"Given the response I've been getting the last several months, I have thought about the possibility" although not with any seriousness or depth, he said. "My focus is on '06. … After November 7, I'll sit down and consider it."

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Asked if only two years in the Senate has prepared him to lead the nation, Obama said "I'm not sure anyone is ready to be president before they are president."

A more or less centrist Democrat, his political viability may have increased with fellow centrist and former Virginia Gov. Mark Warner's decision earlier this month to bow out of the race after months of spadework in New Hampshire, Iowa and other early primary states. – Winston Wood

Read more: Global, Campaign 2006

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October 22, 2006, 10:23 am Leadership Largesse

Arizona Sen. John McCain may be out in front when it comes to supporting Republican candidates and laying a grassroots foundation for a potential presidential run in 2008, but he certainly has competition.

McCain

A pair of Republican governors — Mitt Romney of Massachusetts and George Pataki of New York — along with Majority Leader Bill Frist of Tennessee and Sen. Sam Brownback of Kansas are among the prominent Republican leaders crisscrossing the country, paying special attention to Iowa, New Hampshire, South Carolina and other states that kick off the primary season.

In the current election cycle, McCain's Straight Talk America PAC has given $1.2 million to state and federal candidates, followed closely by the $1 million donated by Romney's Commonwealth PAC. Frist's Volpac has contributed roughly $600,000 so far, while Pataki's 21st Century Freedom PAC has doled out more than $300,000.

About a month ago, Pataki's PAC opened offices in Iowa and New Hampshire, and the governor will visit both states, as well as South Carolina and Michigan, as part of a six-state tour starting later this month. Frist is focusing on Iowa and South Carolina amid his jaunts to his homestate of Tennessee. On Monday and Tuesday, he'll squeeze in a trip to New Hampshire and take part in a meet-the-candidates spaghetti dinner hosted by the state Republican Party.

Romney's PAC has given $1,000 checks to every Republican candidate running this year for state senate in New Hampshire, where he owns a vacation home. The PAC has also given more than $368,000 to candidates in Iowa, and Romney has traveled to Iowa and Michigan eight times this year, and he's visited New Hampshire and South Carolina six times apiece.

Former House Speaker Newt Gingrich will campaign with Republican Rep. Jim Nussle in Iowa in early November and visit New Hampshire later in the month. Former New York City Mayor Rudolph Giuliani was in New Hampshire recently supporting a citizen group working to ensure New Hampshire retains its position as the nation's first primary state, after Iowa's caucuses. – Christopher Conkey

Conservatism Doesn't Need God (USAT)

By Heather MacDonald

USA Today, October 23, 2006

"T alk about your faith!"

That was the nearly universal advice to Democratic politicians after the publicly pious George W. Bush vanquished the more religiously reticent John Kerry in the 2004 presidential election. The largest plurality of voters — 22% — had told exit pollsters that "moral values" (left undefined in the poll) were their most salient concern. Add to this enigmatic survey finding the fact that 11 states passed amendments banning gay marriage, and the result, according to gleeful Republican pundits and not a few Democratic consultants, was the exposure of a Democratic God gap.

Ever since then, Democrats have been trying to show that they, too, have God in their hearts and in their caucus rooms.

Sen. Hillary Clinton, D-N.Y., has declared herself a "praying person." "I was lucky enough to be raised in a praying family, and learned to say my prayers as a very young child," she said at a benefit in Boston last year. The House's Democratic Faith Working Group, created in 2005, provides "members of strong and authentic faith" an organizing venue. The lengthy "My Faith as My Guide" section of Rep. Harold Ford's campaign website discloses that Tennessee's Democratic senatorial candidate went into politics to put his "faith and beliefs into action." Other Democratic hopefuls have testified to their religion as November draws near.

This surge of mediagenic piety is discouraging to one of the least heralded segments of the political spectrum: secular conservatives. The conservative movement has supposedly benefited from politicians who publicize their relationship to God. Non-believing conservatives, however, see this electoral gain as a Pyrrhic victory. Conservative principles, they say, are best grounded in reason and evidence, not revelation. The infusion of God talk into both parties' campaign discourse adds nothing to the public's ability to vote wisely.

What are we supposed to learn when a candidate talks about his faith: That he is a good person? The rich history of religious bounders and charlatans should give the lie to that hope. Nor has a sincere belief in God prevented behavior we now

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view as morally repugnant. There were few more religious Americans than antebellum slaveholders and their political representatives; their claim to a divine mandate for slavery was based in unimpeachable Scriptural authority.

Or perhaps a politician's discussion of his prayer habits should reassure the public he'll make the right decisions in office. But what if opposing candidates declare themselves supplicants of the divine will — how will a voter decide who is most likely to receive divine guidance?

If Connecticut senatorial candidate and Iraq war opponent Ned Lamont, say, were to invoke God's plan for humanity to justify withdrawing from Iraq, the Democrat would convince none of the war's supporters, who would be certain that he had misunderstood his divine prompter. Who would determine whether he had? Moreover, monumental decisions such as whether to enter or terminate a war should rest on reasons accessible to believer and non-believer alike.

President Bush says his belief that "God wants everybody to be free" informs his foreign policy. This declaration is disquieting, for it means that the president's war-making decisions are not wholly amenable to worldly evidence. Even if the Iraq adventure were to appear to human minds as patently counterproductive, reversing course would violate a higher mandate.

For the past six years, Republican pundits have declared that religious faith is what makes Republicans superior to Democrats. Secular conservatives beg to differ. It is a proven track record that makes conservative principles superior to liberalism, not the religious inclinations of their proponents.

Conservative atheists and agnostics vigorously support the two-parent family because the life chances of children raised by both their biological parents are demonstrably superior to children raised by single mothers. Moreover, when marriage disappears as a community norm, so do civilizing constraints on male behavior. It doesn't take Bible study to see this. Conservatives do not need God to prove the value of marriage; the sad state of the inner city is testament enough.

Likewise, secular conservatives look to the world as we know it to ground their support for the free market and the principles of limited government. Recent history alone shows that governments have little capacity to run an economy, produce widespread prosperity, or take over the functions of the family. The Founders crafted America's constitutional framework based on their knowledge of human nature and their commitment to Enlightenment ideals. They left God out of the Constitution. This omission horrified many of the drafters' contemporaries, who predicted that divine vengeance would follow. The Founders' faith in secularism proved wiser.

In the personal sphere, conservative atheists and agnostics lead lives as ethical as those of any believer. The Golden Rule and innate human empathy provide ample guidance for moral behavior. Indeed, it is doubtful that the fear of hell dissuades many people from, say, running a red light at 3 a.m.; rather, the innate appreciation for the fragility of the social order keeps the solitary driver waiting for the light to turn green.

Most educated people instinctively understand that a law-abiding society can easily slide into anarchy without widespread obedience to the law. The greatest conservative triumph of late 20th century America — New York City's return to civility — was achieved by appeal to secular values alone.Mayor Rudy Giuliani spoke relentlessly about the need for personal responsibility and respect for social order; he based his policies on principles that non-believers and believers alike could test against their own experience.

Invoking God in the political realm is a conversation stopper, not an invitation to robust debate. America's rules of religious etiquette demand that we acquiesce silently in a believer's claim of revelation. But conservatism doesn't need such revelation; common sense and an openness to fact will do just fine as support. Conservative principles are available to people of all faiths or no faith at all.

Heather Mac Donald is a John M. Olin fellow at the Manhattan Institute for Policy Research and a contributing editor to City Journal. She is author of The Burden of Bad Ideas.

Reason And Faith At Harvard (WP)

By John I. Jenkins And Thomas Burish

The Washington Post, October 23, 2006

What should a properly educated college graduate of the early 21st century know?

A Harvard curriculum committee proposed an answer to that question this month, stating that, among other things, such a graduate should know "the role of religion in contemporary, historical, or future events -- personal, cultural, national, or international."

To that end, the committee recommended that every Harvard student be required, as part of his or her general education, to take one course in an area that the committee styled "Reason and Faith."

Whether that becomes policy remains to be seen, but the significance of the recommendation should not be understated. Harvard is the drum major of American higher education: Where it leads, others follow. And if Harvard says taking a course in

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religion is necessary to be an educated person, it's a good bet that many other colleges and universities will soon make the same discovery. We hope they will.

The Harvard committee rightly noted that students coming to college today struggle with an academy that is "profoundly secular." This was not always the case, at Harvard or at many other universities. For centuries scholars, scientists and artists agreed that convictions of faith were wholly compatible with the highest levels of reasoning, inquiry and creativity. But in recent centuries this assumption had been challenged and assertions of faith marginalized in, and even banished from, academic departments and university curricula. Requiring courses in "Reason and Faith" would be a welcome step toward reintroducing faith to the academy.

What should be the content of such courses? The Harvard committee hastens to explain that its proposal is not for "religious apologetics." Rather, the courses it envisions would offer an examination of "the interplay between religion and various aspects of national and/or international culture and society." They would deal not so much with the relationship between reason and faith as with reasoning about faith, religion and religious institutions and their impact in the world.

Such courses are unquestionably needed. We are in an era in which misunderstanding, conflict and turbulence characterize our interaction with the Islamic world. Debates continue about the teaching of evolution. And religious beliefs play an important role in disputes over stem cell research, abortion, euthanasia and same-sex marriage.

At the same time, religious communities in this country are important centers for personal and communal religious growth as well as for strengthening social cohesion and civic culture and for providing a variety of community services, particularly to the needy. Today's students must understand religious beliefs and institutions if they are to meet the challenges and seize the opportunities the future will present.

But universities can do more than just familiarize students with the world's religions in survey-course fashion. The rise of religious fanaticism stems in part from a failure of intellectuals within various religious traditions to engage the faithful of their traditions in serious and reasoned reflection, inquiry and dialogue. The marginalization of faith within universities contributes to this failure.

A recent survey by UCLA's Higher Education Research Institute found that 79 percent of college freshmen believe in God, and 69 percent pray and find strength, support and guidance in their religious beliefs. Religion will remain a powerful force in the personal lives of these students long after they graduate. If faith is shunned by the institutions whose role it is to foster reason and the life of the mind, if universities do not equip students to integrate their faith with the knowledge and reasoning skills they acquire, we shouldn't be surprised if unreasonable or fanatical forces gain influence in communities of faith.

It's time for universities to explore the reasoning that is possible within a tradition of faith, and to help their students appreciate this possibility and the rich resources in great religious traditions. Such efforts would enhance the ability of those with faith to engage in thoughtful, reasoned and self-critical spiritual reflection.

At the University of Notre Dame and other academically rigorous religious colleges and universities, we strive to make room for such scholarly inquiry and discussion. We work to create classes that will convey the intellectual riches of a religious tradition and help students engage in reasoned reflection from within the perspective of faith.

This approach, too, has legitimacy within a core curriculum. Indeed, educating students on the reasoning inherent in particular faiths is critical if we want students to be able to understand and engage their own and other religious traditions in meaningful ways.

We hope that the report of Harvard's curriculum committee signals a more welcome atmosphere within the academic community for serious consideration of and engagement with issues of faith, religion and religious institutions. Our even greater hope is that some universities will join us in promoting a dialogue that truly explores the relationship between faith and reason.

The Rev. John I. Jenkins is president of the University of Notre Dame. Thomas Burish is the university's provost.

Biggest Charities Saw Giving Rise By 13% Last Year (WSJ)

By Sally Beatty

The Wall Street Journal, October 23, 2006

America's largest charities saw a surge in donations in 2005, as a strong economy and a string of major disasters boosted cash and in-kind gifts 13% to $62.7 billion, according to an annual survey of 400 charities.

The jump marked one of the largest percentage gains since the Chronicle of Philanthropy began the survey 16 years ago. The biggest increase came in 1999, when wealth fueled by the technology boom helped charities notch a 13.4% gain in donations, the publication says.

Donations to aid victims of the Asian tsunami in late December 2004 and Hurricane Katrina, which struck in August 2005, totaled $2.6 billion for the 400 charities surveyed. But even organizations not involved in disaster relief reported a healthy rise in donations. Excluding disaster-relief funds, giving rose 8.3%, after adjusting for inflation, the survey found.

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Major gifts also lifted donations. The Salvation Army, for example, registered a more than doubling in giving to nearly $3.6 billion, largely reflecting the partial payment of a $1.5 billion gift made public in January 2004 from the late Joan Kroc, the widow of McDonald's Corp. founder Ray Kroc.

One of the nation's largest charities, the United Way, saw donations to it and its roughly 1,300 chapters rise 3.9% to $4.04 billion. Rick Belous, United Way's vice president of research, said the gain reflected rising donor interest in health and human services generally. The American Red Cross saw a more than doubling of donations to $1.28 billion, which it said was mostly a result of tsunami relief efforts. (Red Cross 2005 numbers are for the 12 months ended June 30, 2005; Katrina hit two months later.)

Not all charities had a good year in 2005, however. Feed the Children saw a 9.5% decline in donations to $803 million. Feed the Children President Larry Jones said the decrease reflected bankruptcies of two major food suppliers and a setback in plans to secure medical supplies.

She Remembers Father (WP)

By Lois Romano

The Washington Post, October 23, 2006

My Father, My President:

A Personal Account of the Life of George H.W. Bush

By Doro Bush Koch

Warner Books, 586 pp. $29.99

George H.W. Bush has long said that he will never write a personal memoir but will instead let history speak for itself. He never promised his family would sit tight.

It may be that the next best thing to hearing from Bush is reading his story through the eyes of his sixth child and only surviving daughter, Doro Bush Koch. At her father's request, Koch, 47, pulled together a warm and, not surprisingly, favorable look at Bush's eventful life, as relayed to her by many of his friends and political associates, his diaries and letters, and conversations with Dad.

Indisputably told through the lens of an adoring daughter, "My Father, My President" breaks no new ground and presents no neutral judgments. But it does offer an intimate look into one of America's political dynasties, and subtly conveys the hope of an 82-year-old man to have some say in how the story is told -- even if he doesn't want to tell it himself.

For instance, Koch gives her father plenty of space to distance himself from the Watergate scandal, which he weathered from the unenviable perch of chairman of the Republican National Committee. As the government was unraveling around him, Bush -- ever loyal -- said nothing about President Richard M. Nixon publicly but found plenty to share with his family, and his diary, thoughts first published in this book.

"The gloom in the White House is unimaginable, difficult to describe," he wrote in 1974. "It is brought dramatically home that this president is a liar, a total liar and we cannot face up to it in fairness, in the nation's interest, in any other way. . . . "

Bush admits to his daughter: "I always felt Nixon thought I wasn't tough enough. I lacked the kind of bull-doze-'em approach that some of his lieutenants had. Nixon liked the tough guy. . . . "

Koch cast a wide net in researching the book, writing hundreds of letters to her father's friends and political adversaries, as well as to world leaders, asking for impressions and anecdotes. The book takes on the feel of an oral history when she prints long portions of interviews or e-mails about specific events. She also relies on thoughtful correspondences from her father to family members and friends that confirm what many already know about Bush: that he is a decent, gracious and sentimental man.

It is refreshing to learn that despite the power and the pedigree, the Bush clan faced the same comic mishaps of any other large family -- and didn't always do everything according to Emily Post. When Jeb Bush insisted on marrying his 19-year-old girlfriend in 1974, brother Marvin-- an amateur photographer -- offered to take the official pictures to save money. The high school student, who rolled his own film spools, discovered in the darkroom that he had shot the wedding over images of a Frank Zappa concert. "Every single photo of the Bush and Garnica families had either a photo of Frank Zappa and/or members of . . . the Mothers of Invention, superimposed onto their own images," Marvin recalls. Koch further tells us that her dad did not meet Jeb's fiancee (now wife), Columba, until the rehearsal dinner.

On a painful note, Koch looks at how her parents coped with the death of their firstborn daughter, Robin, who died before Koch was born. The Bushes have never liked to talk about Robin's death from leukemia, but Koch captures the devastation through others who witnessed it. One friend from Midland, Tex., recalled to Koch how Bush continued to teach Sunday school as his daughter was failing and how often "he arrived disheveled and unshaven, to teach his class."

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"Having no time to prepare the lesson, he would share with these young people his feelings on life, death, war, faith, hope, and despair."

Koch tries to explain her family's distrust of the media, and how, despite a lifetime in the public eye, they often felt under siege.

She examines a damaging story from 1992 -- "the worst political year" of Bush's life -- when the New York Times reported that the president didn't understand how a basic grocery store scanner worked, which Bush has long refuted. "The trouble is, it gets stuck in the computer, and it's still there today," he tells Koch. "It's just manufactured news -- fake history -- but there's no question that it hurt me a lot."

She describes a scene of hurt and turmoil in the family when Newsweek published its infamous cover in 1987 referring to Bush as a "wimp." She says they all felt stunningly betrayed because they had cooperated with the magazine and the reporter.

While Bush's live shouting match with Dan Rather on the "CBS Evening News" has not gone underreported, Koch offers a new, colorful version of the story as told by Roger Ailes, then Bush's media adviser, who was in the room for the interview. At one point, Ailes relates that he could see the vice president was reluctant to hit back at Rather as the anchor shouted at him over the Iran-Contra scandal. Ailes frantically held up a sign urging Bush to bring up one of Rather's more embarrassing career moments -- when he had walked off the broadcast leaving dead airtime. Bush went for the jugular, which made for one of the best moments in TV news.

Koch brings up the rumor that Bush had an affair with a longtime aide -- which he always denied. She interviewed Bush's 1988 Democratic opponent, Michael S. Dukakis, on why he fired then-aide Donna Brazille after she talked about the rumor publicly. "To hell with all that. I just said 'Look, we're not going to have any part of that,' " the former Massachusetts governor told Koch. "When you decide you're going into this business, you've got to decide who you are. . . . If folks get out of line, you can't accept that."

Koch doesn't offer any new insights into the 2000 electoral drama between her brother, George W. Bush, and Al Gore. But she reveals one hilarious story about joining protesters in front of the vice president's mansion, disguising herself in dark glasses and scarf. She said her ex-husband met her at the site where she was "standing in the freezing cold, yelling very creative and very adult chants such as 'Get Out of Cheney's House!' and 'Sore Loserman!' "

In the end, Koch cannot help but give us an extra line of sight on history because she lived it. She offers up the book her father will probably never write. But now at least, we know what he might have said.

Ohio's Bad Proposition (WSJ)

The Wall Street Journal, October 23, 2006

Ohio's unemployment rate is more than a full percentage point above the national average at 5.7%, and the state has recorded a net job loss of 150,000 since 2001. So you might think the last thing any responsible public official would promote is an increase in the cost of doing business there. Well, think again.

Democratic Representative Ted Strickland, who's running for Governor, is backing a ballot initiative known as Issue 2 that would amend the state constitution to raise the minimum hourly wage to $6.85 from $5.15. It also mandates annual minimum-wage increases based on inflation and contains other sneaky provisions designed to aid union organizing.

The Cleveland Plain Dealer reports that in recent years, "nearly all of the state's job growth has been in lower-paying service jobs," which tend to be the first to go when the minimum wage is increased. Mr. Strickland, whose Appalachia district in eastern Ohio boasts one of the highest jobless rates in the nation, has decided to side with Big Labor over his constituents.

Issue 2 was initiated by the AFL-CIO and national anti-business activist groups like Acorn. It is polling well and expected to pass. Proponents appear to have convinced enough Buckeye State voters that such laws lift low-wage earners out of poverty, though study after study has shown that minimum-wage mandates reduce employment prospects, particularly for younger, less-experienced and less-skilled workers.

But voters should also know that Issue 2 is about a lot more than a higher minimum wage. It's also a Trojan horse for other items on Big Labor's wish list that will only make Ohio's business climate less attractive. For example, the proposal imposes onerous and expensive record-keeping requirements on employers and says, "Such information shall be provided without charge to an employee or person acting on behalf of an employee upon request."

Nowhere is it specified who's permitted to act on behalf of an employee, which is an open invitation to union officials to search personnel records to facilitate organizing. The same goes for disgruntled employees and others who would be permitted to run up compliance costs with repeated, frivolous requests. Issue 2 also stipulates that someone "acting on behalf of one or more employees and/or any other interested party may file a complaint with the state for a violation of any provision of this section or any law or regulation implementing its provisions." Such language is music to the ears of class-action attorneys.

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Voters in five other states -- Arizona, Colorado, Missouri, Nevada, Montana -- will also decide on a minimum wage referendum in November. And it's no coincidence that nearly every one of these states features a competitive Congressional or gubernatorial race.

"Labor calls it their gay marriage amendment," says Michael Flynn of the Washington, D.C.-based Employment Policies Institute. "They believe it will turn out progressive voters." Maybe so. But it will also retard job creation, and that's something a state like Ohio can hardly afford.

For Connecticut's Governor (NYT)

The New York Times, October 23, 2006

Gov. M. Jodi Rell of Connecticut, a Republican, was a political unknown when she took office in 2004 after a corruption scandal forced her predecessor to resign. Within months, she became the most popular governor in the state's history. Part of the explanation was undoubtedly relief. But residents also responded to her personal warmth and her emphasis on high ethical standards. She brought together reluctant members of both parties to pass a campaign finance law.

Now Governor Rell is running for election against Mayor John DeStefano of New Haven, a Democrat. Both Mrs. Rell and Mr. DeStefano are good candidates. But they have real differences.

Mrs. Rell has shown a good sense of priorities. She put billions of dollars into transportation, a pressing but long-ignored need. She put money into pilot programs to provide preschool to poor children and promises to expand them. She has kept state bonding in check and used a large budget surplus this year to reduce pension liabilities and state debt.

Mr. DeStefano, the underdog, has encouraged a real discussion of the state's many problems. He wants to provide health coverage for the uninsured by closing corporate tax loopholes, a priority for the leaders of the Democratic-controlled Legislature. He's talked about a windfall profits tax on energy and about lowering residential property taxes. These are good ideas. Voters will also undoubtedly notice that some of them are unnervingly expensive.

The biggest concern about Mr. DeStefano's candidacy is something that he has no control over — the enormous political imbalance created by the decline of the Connecticut Republican Party. If he is elected, Connecticut will have, in effect, one-party rule; the Democrats are two votes shy of a veto-proof majority in the Legislature.

It strikes us that Connecticut would be better off with a moderate Republican governor now. And Mrs. Rell has clinched the sale in her short time in office by showing the potential to be a great governor as well as a popular one. Her record has a few flaws. Mrs. Rell, for all her emphasis on high standards, adopted a see-no-evil approach to a lapse in ethics of her chief of staff. Her election campaign has been lackluster. She hasn't wanted to risk her lead by debating the big issues, and she hasn't appointed enough of her own people to top jobs.

When Mrs. Rell decides an issue is worth fighting for, like campaign finance reform, she's impressive. But so far her vision has been too modest. It would be a real tragedy if Mrs. Rell wasted her popularity by just tinkering with the state's big problems. She should not squander the opportunity to aim high. With that admonition, we endorse her for governor of Connecticut.

California's Bottomless Tax Well (WSJ)

The Wall Street Journal, October 23, 2006

California already ranks as one of America's five most taxing states, but if liberal activists have their way the Golden State will soon be competing for Number One. Having voted to raise the top income tax rate on the rich two years ago, Californians are this year being confronted with a slate of new ballot propositions to raise levies on motorists, smokers and property owners.

The jewel in this liberal crown is Proposition 87, which would raise taxes on oil extracted from California by 1.5% to 6%, depending on the price per barrel -- all in the name of reducing energy consumption and dependency on foreign oil. Let us run that by you again: The idea here is to tax California oil in order to get Californians to use less Saudi oil. Brilliant.

If approved, the law would raise costs on California's oil producers by as much as $4 billion over the next 10 years. California would overnight become the state with the highest tax on oil producers in the U.S. -- which makes as much sense as Vermont levying the highest tax on maple syrup. Not one penny, by the way, would go to close Sacramento's enormous government debt burden -- which may rise by another $40 billion if the multitude of bond initiatives for new public spending are also approved by voters this November.

Instead, the revenue would finance a new state agency, the Energy Alternatives Program Authority. The new energy authority would be responsible for passing out multi-million dollar checks to projects researching alternative energy. If you think corporate welfare is out of control in Washington, wait until Sacramento politicians start passing out these billions in subsidies.

A Law and Economic Consulting Group (LECG) analysis concludes the bill would in fact increase dependency on foreign oil because the tax increases the price only on domestic oil. Meanwhile, to make it seem as if the tax will be paid by "greedy" energy companies rather than voters, Proposition 87 would make it illegal for producers to pass on the tax costs to consumers.

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But wait. The "Yes on 87" lobby also claims that the law would reduce California oil consumption by 25%. How does a law that doesn't allow the retail price to rise reduce gasoline consumption? These are logical niceties that no one much cares about when fads are in season -- and taxing energy is the biggest fad of them all these days.

Former President Bill Clinton is starring in a pro-87 TV ad that began running last week. Al Gore is raising money for the initiative, alongside Hollywood economists Geena Davis and Julia Roberts. Its main financial supporter is Hollywood producer Stephen Bing, who is also rich enough not to care about any increase in energy prices; his $40 million contribution is believed to be the largest individual donation to a ballot initiative in history. One co-chairman of the initiative, Vinod Khosla, a venture capitalist, has contributed $1 million to the campaign. Mr. Khosla happens to own an ethanol plant outside of Fresno -- just the operation that, who knows, might be eligible for funding from this new energy welfare fund.

The biggest impact of Proposition 87 would be to make California oil relatively more expensive to produce than Saudi, or Venezuelan, or Canadian oil. So if 87 passes, Californians will be approving the equivalent of a tariff on their own oil. So the tax would actually make America slightly more, not less, dependent on foreign oil. This is an energy plan that only Venezuelan strongman Hugo Chavez could love.

Puerto Rico, An Island In Distress (NYT)

The New York Times, October 23, 2006

After decades of economic progress, Puerto Rico is struggling, and the mainland has both missed this horrific economic slide and contributed to it through benign neglect.

Poverty on the island is rampant. The per capita income is just about half that of the poorest state in the United States. Nearly one-third of the population was unemployed in 2000. And a good quarter of all employment is in government jobs. If the goal is more than survival, the bloated public payroll will need to be significantly pared back.

The bleak picture is set out in a long-overdue, exhaustive study — “The Economy of Puerto Rico: Restoring Growth” — from the Center for the New Economy, a nonpartisan Puerto Rican research group, and the Brookings Institution.

Much of the blame can be put on Washington, which has been tone deaf to the island’s needs and has miscalculated where help was needed. Even a good idea, like the Section 936 program of tax incentives, was mismanaged. Before it was phased out last year, it had succeeded in bringing many pharmaceutical concerns to the island, but produced relatively few jobs and at so high a cost that a $40,000 position cost the government $70,000.

The study is spurring a debate over welfare and other social programs. Some of the economists’ prescriptions are harsh, including curtailment of food stamps. But part of the mission seems to be shock therapy. That may work and might even help to get policy makers on the search for solutions. The key to the island’s future will be charting a direction that includes capitalizing on the island’s open economy to create jobs for home-grown talent.

North Korea: Help From Beijing (NSWK)

By John Barry

Newsweek, October 23, 2006

Beijing may have saved President Bush from a tough decision: whether to order a pre-emptive strike against North Korea's main missile-launch facility. In the wake of Kim Jong Il's nuclear test, the White House was alarmed at the prospect that Kim was planning to explode a second nuclear device while also firing off a second test flight of North Korea's Taepodong-2 missile. The first T-2 test fizzled in July. U.S. analysts, calculating from satellite pix of the T-2 on its launchpad then, reckon its stages are big enough to carry the fuel for intercontinental range: it could theoretically hit the West Coast. So successful tests of both North Korea's nuke and its ICBM would raise real fears that Pyongyang could directly threaten the United States—which would generate unstoppable political pressure for decisive U.S. action. To forestall this, one option under urgent debate inside the administration (according to senior officials, anonymous because of the sensitive situation) was a pre-emptive strike to destroy the next T-2 on its launchpad.

Meanwhile, Beijing was so angered by Kim's test—which China had publicly warned against—that it sent top national-security official Tang Jiaxuan to Pyongyang. The senior officials say Beijing threatened to cut off fuel and food supplies. How did Kim respond? Japan's Foreign Minister Taro Aso said: "Though it is not confirmed, we have obtained information that [Kim] told Mr. Tang the country won't conduct a second nuclear test." Diplomatic sources (anonymous due to the sensitive subject) say they believe Kim's pledge covers missile tests, too. But Condoleezza Rice, after her "thorough" briefing in Beijing, indicated Kim was far from conciliatory. Tang, though, seemed to feel he'd made some gain. Kim refused to see him after July's test. Last week, Tang commented: "Fortunately, this time my visit has not been in vain."

Staring At North Korea (TIME)

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By Simon Elegant
Time, October 23, 2006

At first glance, the cityÂ of Dandong seems a peaceful, bustling symbol of Chinese prosperity. Brightly dressed townspeople stroll along the tree-lined promenade near the Yalu River, teenagers mixing with office workers and young families, many of them fresh from nearby malls, shopping bags at their sides. As the light fades, neon signs illuminate the city's numerous hotels and karaoke bars. Smaller lights also begin to blink on in the rows of brand-new apartment buildings that line the riverbank for miles. Behind one of the buildings, a fountain of noise and color erupts as firecrackers and exploding rockets mark a wedding banquet.

Look a little closer, however, and it becomes evident why Dandong (pop. 2.4 million) is anything but a normal Chinese city--and why it's a crucial front in the world's struggle to contain a nuclear North Korea. A few hundred yards across the river lie the dilapidated low-rise buildings of the North Korean city of Sinuiju, many of which seem deserted, their window frames empty of glass, their doors agape. A few peasants dressed in blue jackets and trousers can be seen laboring in the fields in front of the town, but otherwise an eerie stillness pervades. As evening advances, only a few feeble lights come on in Sinuiju, and the town's forlorn structures are soon swallowed up by the darkness. Only the incongruous shape of a long-unused Ferris wheel is visible in the dying light.

The proximity of such desolation goes to the heart of China's quandary about how to deal with North Korea and its leader, Kim Jong Il. Dandong is the main crossing point on China's 880-mile border with North Korea, making it the most active hub for the $1.6 billion in annual trade between the two countries. That trade is critical to the survival of Kim's regime: some 90% of Pyongyang's daily oil supply and just under half its food imports come from China. Although the U.S. believes that tightening the financial squeeze on Pyongyang is necessary to persuade Kim to abandon his newly tested nuclear arsenal, Beijing fears that a cutoff in aid would bring about the collapse of the North's economy, touch off civil unrest and lead to an influx of millions of poor, hungry refugees on its borders. In response to Kim's test on Oct. 9, the U.N. Security Council demanded that North Korea eliminate all its nuclear weapons and other weapons of mass destruction, as well as ballistic missiles. The U.N. also authorized inspection of cargo to and from North Korea.

Making those sanctions meaningful depends on China. China said last week that the country's four main banks will cease handling transactions from North Korea. It also says it had increased inspections of goods passing from China to North Korea by land, although there will be no inspections of seaborne cargo. Chinese newspapers reported last week that authorities had closed all border crossings with North Korea except for the most heavily trafficked one, at Dandong.

And so if China really intends to exert pressure on Pyongyang, Dandong will be the place where the hammer will drop. But there's reason to doubt China's readiness to take further steps toward squeezing North Korea. One reason is self-interest. Trade with the North is vital to border cities like Dandong, which has registered double-digit growth in recent years, according to local government statistics. Much of that is due to its trade with North Korea, which has more than quadrupled since 1999. Others have benefited from doing business with the North: energy and fuels constitute the bulk of China's exports to the North, accounting for nearly $300 million last year. Significantly, food was the second largest product, at about $150 million, followed by electrical and other machinery and plastics.

The importance of the North Korean market to the Chinese helps to explain why officials have been relatively slow to enforce the U.N. sanctions. At Dandong's three-story customs compound, a plump, middle-aged man who calls himself Li and says he is a truck driver gestures toward the 15 or so vehicles waiting to be inspected before driving onto the bridge over the Yalu. "The inspections are a little stricter, but it's really just for show. They poke around a bit and then let you go."

What scares Beijing most about sanctions is less what they would mean to China's economy than what damage they could do to North Korea's. In the mid-1990s, North Korea suffered a severe famine that lasted for several years and left perhaps hundreds of thousands dead. Although increased trade and relatively good harvests in the past couple of years mean the current situation is fairly stable (Pyongyang doesn't publish reliable economic statistics, but most estimates put GDP growth in recent years in the 1%-to-2% range), the North remains dependent on outside food aid. According to the Brussels-based International Crisis Group, conditions could deteriorate quickly. A forthcoming report warns that "a perfect storm may be brewing for a return of the famine." The report notes that Pyongyang last year reintroduced the same public food-distribution system that had collapsed in the 1990s, and rejected assistance from international aid groups. Those problems have been further exacerbated by summer floods that damaged crops and infrastructure.

The prospect of a humanitarian crisis is not lost on Chinese officials, who find themselves trying to engage North Korea while at the same time walling it off. Above Dandong sits a watchtower whose stone battlements are silhouetted by the dying rays. The tower is one of the first outposts of China's Great Wall, remnants of which wind up and down the hills leading to Dandong. Now China is building another wall, a fence along its entire border with North Korea. But even when that structure is complete, it seems unlikely that Beijing will pay much more than lip service to imposing the kind of severe sanctions that, while

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they would teach North Korea a lesson for its nuclear adventures, could also bring about renewed famine and the prospect of hundreds of thousands of refugees.

It's revealing that even in the wake of Kim's nuclear detonation, most Chinese in places like Dandong regard their neighbor with pity more than fear. On the highway leading out of the city, a farmer sits astride a brand-new bright blue motorbike and waits as a fruit seller packs up three large bundles of apples and pears. "I'll take this down to the river tonight, and the North Koreans will be there to trade as usual," he says. He says he swaps the fruit for sheets of copper, most probably stolen, usually one piece of fruit at a time because his buyers can't afford more. "These are the people who are allowed to live near the border. They have to pass loyalty tests," he says, shaking his head. "And still they are smuggling and crossing into China. Imagine what the rest of the country is like."

A Shadowy Nuclear Saga (NSWK)

By Mark Hosenball And Christopher Dickey

Newsweek, October 23, 2006

North Korean diplomats in Berlin are easy to spot: they wear badges with portraits of "Great Leader" Kim Il Sung. The bigger the official, the bigger the badge. But it's rarely so simple to track other agents suspected of shopping for nuclear components. The supply lines used by secret proliferators are almost as complicated as the weapons themselves, and neither the U.N. watchdog International Atomic Energy Agency nor the intelligence services of the United States and other powers—let alone the international legal system—is fully able to meet the challenge.

"We are still grappling with the clandestine network we discovered a few years back," IAEA Director General Mohamed ElBaradei said last week, referring to the web created by AQ Khan of Pakistan. "When we know now that on a CD-ROM you have designs for centrifuges [capable of enriching uranium to weapons-grade] and possibly even weapons designs, that makes you very worried." So does the record of even the most successful investigations so far.

Follow the trail of the Tinner family. The area around Haag, Switzerland, near the Liechtenstein border, holds a nest of precision-engineering firms known among investigators as Vacuum Tube Valley. Friedrich Tinner, owner or player in several of these companies and a longtime Khan acquaintance, denies ever intentionally helping produce components for clandestine nuclear programs. But one of his sons, Urs Tinner, allegedly had a pivotal role: first making vital parts for Libya's secret nuclear program, then, as a CIA informant, helping to expose it.

Urs Tinner's story began in the 1990s, according to U.S. and European officials who worked closely with the CIA's efforts to penetrate these operations. Those sources (asking not to be named because of the sensitive subject) say U.S. intelligence gained potential leverage over the Tinners in the 1990s, when Urs ran afoul of French authorities. One of the French security services tipped off the Americans.

In 2002, Urs went to work for Scomi Precision Engineering (SCOPE), a company set up in Malaysia by Khan associates to produce high-tech components, ostensibly for use in the oil industry. Urs supervised production of pieces for centrifuges, according to a detailed report issued by the Malaysian police in 2004. The components were loaded on the BBC China, a Libya-bound ship—which was intercepted in October 2003 by a team of U.S. and other agents. Within weeks, Libyan leader Muammar Kaddafi, his operations now exposed, ended his nuclear program and gave up a trove of intelligence about his suppliers. The incident remains the biggest counterproliferation coup on record.

The CIA kept its eye on Urs, along with his brother Marco and their father, the intelligence officials say. But a few months after the BBC China bust, German border police arrested and jailed Urs, apparently unaware of his CIA ties, and then extradited him to Switzerland, where Marco and Friedrich were later picked up. The old man was freed, but his sons remain in detention, pending possible charges under a Swiss law banning traffic in nuclear tech from Swiss soil.

Before the arrests, the brothers denied any wrongdoing. A family spokesman said Urs had worked for SCOPE but had no idea that parts were going to Libya. The CIA declines to comment on the case. What's clear is that the Tinners are now useless, either as moles or as surveillance targets, to investigators trying to discover where AQ Khan's seeds of destruction might still be sprouting.

Direct Talks Urged With N. Korea (WT)

By Eric Pfeiffer

The Washington Times, October 23, 2006

Two Republican senators, including the chairman of the Foreign Relations Committee, yesterday called for direct U.S.-North Korea talks over Pyongyang's nuclear program.

Meanwhile, the panel's top Democrat said the other four nations in the six-party negotiations -- China, Russia, South Korea and Japan -- have privately urged the same path on the United States, which has long rejected bilateral talks with North Korea.

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"I believe that is going to happen," said Sen. Richard G. Lugar, Indiana Republican and Foreign Relations chairman, in an appearance on "Fox News Sunday."

"I hope it happens sooner rather than later. But I think it is inevitable, if this is to be resolved diplomatically," he said.

Sen. Arlen Specter, Pennsylvania Republican, also broke ranks to endorse bilateral talks with Pyongyang's reclusive communist regime.

"North Korea wants to pound its chest. Well, let's talk to them," he said during an appearance on CNN's "Late Edition." "The issue is serious enough with North Korea, with their having nuclear weapons and the capacity to deliver them, that I think we ought to use every alternative, including direct bilateral talks."

Mr. Lugar was joined in his appearance by the other three top-ranking senators on foreign-policy issues -- Sens. John W. Warner, Virginia Republican; Joseph R. Biden Jr., Delaware Democrat; and Carl Levin, Michigan Democrat.

Mr. Biden and Mr. Levin, the ranking members on the Foreign Relations and Armed Services committees, respectively, also support direct U.S. talks, with Mr. Biden saying that representatives from all the other nations involved in negotiations with North Korea have endorsed direct talks to resolve the standoff.

"Every single party we're working with, every one of them, from Japan to [South] Korea to Russia, has encouraged us privately to talk directly with North Korea," he said.

But the State Department would have to conduct the talks, and the White House has repeatedly rejected earlier calls, mostly from Democrats, for direct talks with North Korea.

Only Mr. Warner, the Armed Services chairman, had unequivocal praise for the administration's North Korea policy.

"The president was right: Negotiations must be left to the six-party talks. Conversations on the side take place, as all of us know, in diplomatic areas. That's fine, conversations," Mr. Warner said. "Negotiations, he's been right, leave it to the six. Because we do not want the other powers to point to us and say, 'You didn't handle this right, USA. It's your fault; now you take care of the problem.' "

But Mr. Levin added that a mix of direct and group negotiations was an alternative.

"That is not inconsistent with our having direct talks with the North Koreans," he said. "As a matter of fact, the Chinese and the South Koreans are allies, and South Korea wants us to have one-on-one, direct discussions with the North Koreans."

Meanwhile, Assistant Secretary of State Christopher R. Hill, the top U.S. nuclear negotiator, arrived in Hong Kong yesterday for talks on freezing North Korean bank accounts in Macau, a special administrative region of China, according to a spokesman for the U.S. consulate-general. Mr. Hill's visit occurred on the heels of a regional visit by Secretary of State Condoleezza Rice.

The U.S. banned transactions between Macao-based Banco Delta Asia and American financial institutions in September 2005 after accusing Banco Delta Asia clients of engaging in smuggling and counterfeiting operations on behalf of North Korea. North Korea has denied the charge and has said it will not return to the six-party talks until the ban is removed.

Recent reports have indicated that North Korean leader Kim Jong-il told a Chinese envoy that he had no "immediate plans" to carry out further nuclear tests, but that those plans hedged on the level of U.S. pressure. The North Korean dictator has repeatedly stated concern that the U.S. intends to overthrow his regime through military force.

After her trip, Miss Rice said she doubts Pyongyang will honor such a promise and that Chinese officials had not informed her of any proffered deal.

This article was based in part on wire-service reports.

Lugar, Dems Urge U.S.-N. Korean Talks (AP-Y)

By Foster Klug, Associated Press Writer

AP, October 23, 2006

Two leading Republican senators joined Democrats on Sunday in calling for direct talks with North Korea aimed at easing a nuclear standoff.

Sen. Richard Lugar, chairman of the Senate Foreign Relations Committee, said direct talks, which the North long has coveted and which the Bush administration refuses, are "inevitable if this is to be resolved diplomatically."

Calls for such talks have grown louder following North Korea's nuclear test Oct. 9 and as diplomats worry about a second detonation.

The administration says it will only have such talks during six-nation negotiations meant to persuade North Korea to abandon its nuclear programs. Those talks have been stalled for nearly a year.

GOP Sen. Arlen Specter of Pennsylvania, chairman of the Senate Judiciary Committee, said the "issue is serious enough with North Korea, with their having nuclear weapons and the capacity to deliver them, that I think we ought to use every alternative, including direct bilateral talks."

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One day, said Lugar, R-Ind., an American president will be talking directly to North Korean leader Kim Jong Il "and his people and saying, in essence, in terms they can understand, 'We are not going to overthrow you; we are not involved in regime change; you're going to stay.' ... I hope it happens sooner rather than later."

Secretary of State Condoleezza Rice on Sunday ended a weeklong trip to Asia and Russia to rally support for enforcing a U.N. Security Council resolution that punishes North Korea for the nuclear test.

A report Sunday said Kim told a Chinese envoy that future nuclear tests will hinge on U.S. policy toward his country. Kim also said he thinks Washington is trying to crush North Korea with its hostile policy and complained about U.S. financial penalties, the Kyodo News agency in Japan reported.

Sen. Joseph Biden, the top Democrat on the Foreign Relations Committee, said Japan, Russia, China and South Korea — the other members of the six-nation talks — have privately urged the United States to allow direct talks with the North.

Biden, D-Del., questioned what he said was the administration's policy of trying to persuade the North to give up its nuclear bombs while also pursuing a change in government.

"It's either you want regime change or conduct change," Biden said. "You don't say to somebody: 'By the way, put down the very thing that can keep us out of your hair militarily, and, by the way, after you put it down, we're going to take you out.'"

Lawmakers from both parties linked the crisis in North Korea to Iran, with whom the United States also is in a nuclear standoff with. Lugar and Specter joined Biden in calling for direct talks with Iran.

"Whether it's deserved or not, there's a big feeling around the world about ugly Americans," Specter said. "Iran wants to be part of the nuclear club; North Korea wants to pound its chest. Well, let's talk to them."

Sen. John Warner, however, supported Bush's policy of keeping direct talks between North Korea and the United States within the framework of the deadlocked six-nation negotiations.

"He's been right: Leave it to the six. Because we do not want the other powers to point to us and say: 'You didn't handle this right, USA. It's your fault; now you take care of the problem,'" said Warner, R-Va., chairman of the Senate Armed Services Committee.

Warner, Lugar and Biden appeared on "Fox News Sunday," while Specter was on CNN's "Late Edition."

U.S. To Cede More Wartime Control To South Korea (WSJ)

By Evan Ramstad

The Wall Street Journal, October 23, 2006

SEOUL -- Even as North Korea challenges the military balance in northeast Asia, Seoul and Washington are moving ahead on a plan to pass more military responsibility to South Korea in the event of war.

Defense ministers from the two countries agreed over the weekend that South Korea will take wartime control of its military, which is part of a joint command office led by a U.S. general. The change is scheduled to take place between late 2009 and early 2012, but both sides deferred deciding the precise time until next year.

The change has been informally discussed for several years by the two countries but was put under formal review a year ago. U.S. Defense Secretary Donald Rumsfeld and South Korean Minister of Defense Yoon Kwang Ung signed off on the change at a meeting in Washington on Friday.

The U.S. fought alongside South Korea in the Korean War from 1950 to 1953 and has maintained a military presence in the country since. The two countries signed a mutual-defense treaty in 1954.

South Korea took charge of peacetime control of its 600,000-person military 12 years ago. Mr. Rumsfeld said he believed South Korea "has the ability to assume responsibility for wartime operational control roughly in the time frame of 2009."

For the U.S., a speedy transition will more quickly allow it to send personnel associated with Korean war planning and logistics to other places. The plan also allows current commanders in the region to take charge of the transition, rather than leaving it to others who, in normal duty rotations, would be brought in.

South Korean President Roh Moo Hyun has said his country is ready to take wartime control anytime, calling it "the core of a self-reliant national defense."

Many South Koreans worry the change is prelude to withdrawal by the U.S. military from the country and urged Mr. Roh not to let it happen.

"As soon as the control is passed, the U.S. will leave," Lee Soo Bong, a retired Korean naval officer, said at a protest over the issue last month.

The U.S. is near the end of a five-year reduction of its forces in South Korea, to 25,000 people by the end of next year from 37,500 in 2002. U.S. leaders have repeatedly said the country will live up to its promise to protect South Korea.

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"The opinion of the Korean Ministry of Defense as well as the Korean public is that 2012 is the best year in terms of having perfect conditions for security on the Korean peninsula," the South Korean defense chief, Mr. Yoon, said at a news conference Friday.

North Korea's nuclear-weapons test didn't appear to affect the decision. The U.S. provides a so-called nuclear umbrella for South Korea, agreeing to use its nuclear weapons against anyone who attacks the South with such weapons. For years, the U.S. had nuclear-tipped missiles in South Korea, but removed them in the early 1990s.

A Test Of Wills Over Pyongyang's Nuclear Program (MCT)

By Warren P. Strobel

McClatchy Newspapers, October 23, 2006

SHANNON, Ireland - Now the test of wills begins.

North Korea has made itself an uninvited member of the nuclear club and dared the world to kick it out.

The world's leading powers, divided over Iraq, Iran and much else, have responded with uncharacteristic speed and unanimity to bracket North Korea's Kim Jong-Il with some of the toughest sanctions imposed on any nation since the 1991 Persian Gulf War, at least on paper.

Secretary of State Condoleezza Rice on Sunday completed a four-nation trip to Japan, South Korea, China and Russia in an effort to cement the initial outrage at North Korea's October 9 nuclear test into a durable diplomatic wall. It remains to be seen, however, whether the U.S. and the other four nations, acting together, separately or both, can persuade the unpredictable Kim to curb his nuclear appetite.

A senior official accompanying Rice was privately skeptical. "He lives in a different world from us," the official said.

The stakes are enormous.

A nuclear-armed North Korea could prompt Japan, South Korea or even Taiwan to develop their own nuclear deterrents, triggering an East Asian arms race. It would shred global nonproliferation efforts. And the cash-starved North might sell nuclear technology, material or even a weapon to others.

Kim, whose country is the most isolated on the planet and has only the nuclear card to play, is unlikely to back down soon or to return to six-nation talks whose goal is to persuade North Korea to halt its pursuit of nuclear weapons in return for a host of rewards.

"I think we'll be at this for a long while," Rice told reporters after talks in Beijing. "I can't tell you how long."

That means that the sanctions will have to stay in place for a long time, too.

Kim appears to be calculating that he can ride out the backlash from his nuclear weapons test, as India and Pakistan did after their 1998 blasts.

The key, U.S. officials acknowledge, will be China, which has sustained and sheltered North Korea since the late 1940s, sacrificing thousands of soldiers on Pyongyang's behalf in the 1950-53 Korean War.

The relationship has cooled considerably in recent years, and there are signs that Beijing's leaders may be nearing the end of their rope with Kim, who ignored China's warnings not to conduct a nuclear test.

Chinese President Hu Jintao sent a top-level delegation to Pyongyang last week to tell Kim, in essence, cut it out.

Senior U.S. officials, briefed by the Chinese on those talks and speaking only on the condition of anonymity, said that Kim didn't, as widely reported, promise not to conduct more nuclear tests. Instead, they said, the North Korean leader said he'd refrain from more tests for now if the United States didn't do anything provocative - a much flimsier pledge.

China seems unlikely to abandon North Korea overnight, although Kim himself could be a different matter. As a rising world power, China has more important things to do than prop up a capricious dictator: maintain good relations with the United States, ensure stable trade and energy supplies; and, perhaps above all, ensure that rival Japan doesn't go nuclear.

Words are extremely important in China, and U.S. officials took note when Foreign Minister Li Zhaoxing said at an appearance with Rice that China, like the United States, is a "stakeholder" in global affairs.

"I don't think that there is any doubt that Chinese attitudes about North Korea are evolving," Rice told reporters en route from Beijing to Moscow, her last stop. But, she said, "I don't expect that overnight you're going to have a 180 degree turn in the China-North Korea relationship. ... China also seems to be trying to use that relationship to bring about more responsible North Korean behavior."

Rice's mission to Japan, South Korea, China and Russia was a high-wire act on an extremely thin wire.

She had two contradictory objectives: persuade North Korea's neighbors to hang tough and enforce the U.N. sanctions, and assuage their fears that the U.S. wants to squeeze Kim's regime until it implodes.

At every stop, Rice insisted that she wasn't bearing a list of American demands about how to enforce the sanctions. She also strove to dispel the notion that Washington wants a Cuban Missile Crisis-style naval quarantine around North Korea.

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U.S. officials traveling with Rice said that North Korean ships would be stopped and searched in international waters only if there's a specific tip that they're carrying banned cargo. Other checks will be conducted at foreign ports and borders.

The sanctions ban Pyongyang from exporting or importing nuclear- and ballistic missile-related materials; other weapons such as tanks and artillery; and luxury goods for Kim and his cronies.

Still, Rice is trying to hold together a motley coalition that may not last.

Japan is the most hawkish, seeing itself as a primary North Korean target. South Korea wants to maintain its "Sunshine Policy" of engagement with the North. China fears instability in North Korea, which could send thousands more refugees fleeing across its border. Russia seems willing to cooperate with Washington, at least on this issue.

N. Korean Economy Not Easily Gauged (USAT)

By Barbara Slavin

USA Today, October 23, 2006

SEOUL — At a kindergarten in Hyangsan, a small city near North Korea's capital, dozens of colorfully dressed children put on a calisthenics display this month for visitors from the U.N. World Food Program.

The children, full of corn porridge and high-protein biscuits provided daily by the aid agency, jumped, stretched briskly and looked healthy, said Jean-Pierre DeMargerie, the top program official in North Korea. Kids in the front rows looked especially good, he said. “Those 20-30 yards back were not as well groomed or dressed.”

“It's always difficult to get a clear picture,” DeMargerie said. “The North Koreans don't like to expose those that might be sick or weak. You build your assumptions on a relatively small sample.”

North Korea, one of the world's most isolated nations, is a hard society to fathom even for the few foreigners who visit regularly. Whether it is on the verge of economic collapse or resilient in the face of decades of adversity and deprivation remains a matter of conjecture.

The shroud that keeps North Korea hidden makes it virtually impossible to judge whether the limited sanctions the United Nations imposed after North Korea claimed to have conducted a nuclear weapons test Oct. 9 will have any effect on the regime of Kim Jong Il.

The Bush administration hopes the sanctions and international rebuke, particularly from China, North Korea's main source of trade and investment, will prompt Kim to halt his nuclear program and resume negotiations on a diplomatic solution. “I think (the North Koreans) were surprised by a 15-0” vote on sanctions by the U.N. Security Council, Secretary of State Condoleezza Rice said Saturday. “We'll see whether or not they are prepared.”

DeMargerie and a half-dozen others who visited North Korea recently say it is better off than a few years ago and may be able to withstand sanctions.

The sanctions could reduce the amount of hard currency North Korea receives, but market reforms in place since 2002 and stockpiling of excess cash, food aid and fuel may give Kim a cushion to defy the U.N.

In 2005, North Korea “received a surplus of a half-million to 600,000 tons of grain” from China and South Korea, said Kenneth Quinones, a former U.S. intelligence expert on North Korea who teaches at Akita International University in Japan. “It looks like most of that went into storage.” North Korea also had a decent harvest this year after two consecutive bumper crops, he said.

Marcus Noland, a Korea specialist at the Institute for International Economics in Washington, said millions of dollars in Chinese investment went into North Korea during the first half of 2006, more than the country could absorb.

Signs of progress are evident to Steve Linton, 56, who has made more than 50 trips to North Korea in the last 15 years. The son and grandson of Christian missionaries, Linton heads the Eugene Bell Foundation, which has delivered medical equipment to about 70 hospitals throughout the country.

“It used to be that people were visibly thinner in the spring,” when food from the previous year's harvest had run out and new crops were about to be planted, said Linton, who last visited North Korea in May. Now, he said, “that distinction has pretty much disappeared.”

Linton has noticed that North Koreans are better dressed and that there are more bicycles in a country where a decade ago, nearly everyone traveled on foot. “It's not lightning speed, but it's gradual change,” he said.

Pyongyang, a gloomy capital of bland concrete high-rises and little commerce a decade ago, has a few dozen shops and many sidewalk stalls selling ice cream, cookies, flowers, even videocassettes, said Simon Cockerell, manager for Beijing-based Koryo Tours, which organizes trips to North Korea.

Cockerell said there are four or five billboards for cars, the first commercial advertising in the country. Electricity blackouts, once common, are rare in the capital, he said.

Other indicators of an economic cushion include:

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·A resumption of a state-run rationing system that hands out about half a pound of grain daily to city residents, who make up 70% of North Korea's 22 million people. DeMargerie said North Korean officials told his organization that rationing, which collapsed during a famine in the 1990s, resumed last year. It provides corn or rice to make porridge, a mainstay of the North Korean diet.

·Diversification of oil suppliers. China provides about 80% of North Korean fuel, and Iran and Indonesia supply most of the rest, Quinones said. That gives supply alternatives should China carry out threats to restrict deliveries. Noland said North Korea also may have stockpiled diesel fuel that South Korea provided in 2004.

Noland, who spent several weeks in China last summer along the 880-mile border with North Korea, said economic progress is notable for one group of new entrepreneurs: managers of shuttered state-owned factories who are trading coke, coal and iron ore for cheap Chinese consumer goods and food, which they then sell to fellow North Koreans.

"A lot of small-scale activity in North Korea is done by state-owned enterprises," Noland said. "They have transformed themselves into retailers. I call it the 'Wal-Martization' of the North Korean economy."

On the negative side, trade with China, which totaled more than $1.5 billion last year, is down about 30% this year because of the difficulty of transferring funds to North Korean bank accounts, said Nam Sung Wook, head of North Korean Studies at Korea University in Seoul. The problem stems from U.S. action last year to freeze North Korean accounts in a bank in the Chinese enclave of Macau linked to counterfeiting and money laundering.

"There is some confusion among traders in Dandong," a Chinese city across the Yalu River from North Korea that has become a center of cross-border commerce, Nam said. He forecasts negative growth for the North Korean economy this year after 2.2% growth last year. Even so, new sanctions "will not collapse the North Korean economy," he said.

Those likely to suffer most are salaried urban professionals, said Nam, who visited Pyongyang in July. He said he heard grumbling from technocrats and professors, whose average monthly pay comes out to about $33 at the official exchange rate but only $5 on the black market.

North Korea also has massive infrastructure needs that make it difficult to sustain economic gains. DeMargerie said only 20%-25% of households have access to clean running water, and the sanitation system is becoming a serious health hazard.

Still, Noland predicted, "They can make it through the winter. They are hunkering down and believe they can survive until the world accepts them as a nuclear power."

Rice conceded that sanctions are no certain solution. "I think we'll be at this for a while," she said. "I can't tell you how long."

Rice Gets Cool Response In Russia For Iran Policy (WSJ)

By Neil King Jr.

The Wall Street Journal, October 23, 2006

MOSCOW -- Secretary of State Condoleezza Rice ended her round-the-world trip on a chilly note in Russia, finding limited support for her next big international challenge: imposing sanctions on Iran over its nuclear program.

Ms. Rice came here at the end of a trip -- focused mainly on North Korea -- in which she repeatedly praised China for its help in winning United Nations trade sanctions against Pyongyang. Ms. Rice said China's willingness to crack down on a longtime ally was just one example of how Beijing was beginning to work alongside the U.S. on a number of big issues.

"I cannot conceive of even a short time ago China agreeing to call North Korea's behavior a threat to international peace and security," she told reporters on her way to Moscow from Beijing.

Her stop in Moscow was more strained, indicative of pricklier ties between the U.S. and Russia that are coloring the debate over how to grapple with Tehran's nuclear ambitions. The U.N. Security Council this week plans to begin full debate over a sanctions package meant to pressure Iran to suspend its uranium enrichment and return to international talks.

But before Ms. Rice's arrival here, Russian Foreign Minister Sergei Lavrov told a Kuwaiti news agency that Russia "won't be able to support any attempts to use the Security Council to punish Iran...in order to promote the ideas of regime change there." A senior aide traveling with Ms. Rice expressed frustration over Russia's stance on Iran, saying Russian officials continue "to proceed at a measured pace, and our view is we want them to act."

Russian officials have told U.S. diplomats that they are willing to back a first set of very focused sanctions to limit Iran's access to certain nuclear and missile technologies. But the Bush administration is concerned that token steps against Iran will have little impact, and that a limited first resolution must be backed by clear resolve to follow up with tougher measures if Iran doesn't bend.

Ms. Rice said on her trip that the U.N. consensus to sanction North Korea for its Oct. 9 nuclear test should give an impetus to diplomacy on Iran. "No one is going to want to have a successful resolution against North Korea and no action against Iran," she said.

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Yet Iran is a touchier subject than the deeply isolated and impoverished North Korea. Iran's role as a major oil supplier and significant market for European and Chinese goods -- along with its growing sway in the Middle East -- makes U.N. diplomacy over its nuclear program far more delicate. China and some countries in Europe are also leery of pushing Iran too hard.

Ms. Rice arrived in Moscow at a moment of tension over press and civic freedoms in Russia as well as a feud between Russia and Georgia. In an apparent poke at the Kremlin, she requested an audience with top editors of Novaya Gazeta, who came to see her Saturday at her hotel. The weekly newspaper is one of Russia's few independent media outlets and the employer of respected reporter Anna Politkovskaya, who was murdered outside her apartment earlier this month.

"Unfortunately, there is not much left of independent television in Russia," Ms. Rice told reporters before arriving in Moscow.

Ms. Rice, who made no public remarks while in Russia, met with Mr. Lavrov, President Vladimir Putin, and a gathering of Russia's top national-security officials.

A Different Tactic For Rice: Speaking Softly Without The Stick (NYT)

By Thom Shanker

The New York Times, October 23, 2006

SHANNON, Ireland, Oct. 22 — With North Korea's nuclear test presenting one of her greatest diplomatic challenges, Secretary of State Condoleezza Rice has taken an approach that allies say they have seen not often enough from the Bush administration: an effort to persuade and to build consensus, rather than to dictate terms or press for immediate agreement.

On Sunday the secretary concluded her around-the-world mission to urge American negotiating partners, some with complex relationships to North Korea or to the United States, to start strict enforcement of United Nations military sanctions on North Korea.

There had been widespread indications that some of the major players were unwilling to take the steps necessary to enforce the sanctions. But as she flew back to Washington, Ms. Rice tried to convey a sense that she had done what was necessary to preserve the required, if nominal, unity among Japan, South Korea, China, Russia and the United States, members of stalled six-party talks with North Korea over its nuclear program.

Ms. Rice and her foreign counterparts announced no concrete steps to fire up a new embargo machine that could press North Korea, although commitments to a set of initial goals emerged. Thus she was able to contend that important progress had been made toward a new "nonproliferation regime," whose core would be a vastly enhanced regional system of monitoring and inspecting cargo to and from North Korea.

"We could be — probably will be — in this regime for a long time," Ms. Rice said. While "it's quite important what happens on Day 1," she said, her public diplomacy tried to manage expectations about what was and was not possible from her first foreign lobbying campaign for the sanctions.

This was not a trip planned to culminate with agreements signed or even boxes checked off, she said. "An effective way to monitor and scrutinize and deal with North Korean transfers" of weapons material, nuclear bombs and missiles will "have to evolve over a period of time," she said.

Her call for patience and perspective in carrying out sanctions to press North Korea to give up its weapons program and return to six-party talks — each is anything but inevitable — echoed a folk maxim about patience and perspective, and also about inevitability, that could be heard on Moscow streets as she met with Kremlin leaders on Saturday and Sunday.

Ms. Rice, a student of Russian language, history and politics, is familiar with the old saying Russians quote as the skies turn to slate and chilled rain hits a frosty earth: "Winter doesn't begin until the third snow."

As Ms. Rice enters the autumn months of the Bush administration's tenure in office, she dropped early administration mantras — like other nations are "either with us or against us" — on this trip, and instead repeated at each whistle-stop, "I did not come here, nor will I go anyplace else, to try and dictate to governments what they ought to do in response to Resolution 1718," the United Nations Security Council resolution on North Korea.

The Bush administration's struggle to rethink a faltering Iraq strategy hung over her entire trip like a shadow. Given that the Bush administration has been more reticent all along to take strong action toward North Korea, her more collegial approach was not entirely unexpected. And her approach may have been more necessity than virtue.

The administration may simply be in no position to press its partners in a tougher way over North Korea. To paraphrase a comment — not entirely well received — by Defense Secretary Donald H. Rumsfeld, Ms. Rice's cabinet colleague at the Pentagon, a nation goes off to diplomatic negotiations with the bargaining chips it has, not the ones it might like to have or will be able to have at a later date.

But Ms. Rice's tempered message played well across Asia, and extremely well in Japan, whose policies were already mostly in line with those of Washington.

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Unexpectedly, the Chinese responded warmly, too, prompting fresh assessments from senior State Department officials that the North Korea crisis may, in the end, bring the United States and China into closer partnership on other issues.

In the three-dimensional chess of diplomacy, deterrence and sanctions, China's broad endorsement of the American position — at least as put in resolution form by the Security Council — was in no small measure encouraged by a clear statement from Ms. Rice reaffirming the United States' military commitment to the defense of Japan. That statement helped preclude, at least for now, any serious move by Japan to start its own nuclear weapons program, which China knows would jumble its security calculus in the region.

The United States and China are now on the same page on this issue in ways they have not been before, and any solution to the North Korea crisis leads through Beijing. But the United States and China still have stark differences over whether the ultimate goal is to peacefully manage a status quo relationship with a denuclearized North Korea, as China prefers, or whether to add pressure to the point where a change in its leadership may occur.

China fears that if North Korea came unglued, millions of refugees would flood across its border.

South Korea, not China, was the odd man out. America's military ally on the lower half of the tense Korean Peninsula was reluctant in its public endorsement of the positions urged by Washington. South Korea feels most threatened by North Korea's nuclear program, but also the most exposed politically, and a number of South Korean opinion leaders are doing all they can to rescue their policy of engaging, not isolating, North Korea.

Ms. Rice acknowledged during her journey that Iran, with its own nuclear ambitions, was watching her efforts. She left one senior adviser in Asia to continue discussions of sanctions, while another spent time at the working-group level to devise specific goals and rules for monitoring and inspecting North Korean cargo.

Administration officials say those initial steps forward may already be influencing North Korean decisions about whether to hold off on a second test, even as they acknowledge the absolute unpredictability of the leadership. Over time, they hope, a strict sanctions architecture can be erected to contain its nuclear ambitions and prevent the transfer of weapons to another state or to terrorists.

All that may be true, but only if winter does not begin until the third snow.

Europe's Long Legal Tether On Russia (WP)

By Peter Finn

The Washington Post, October 23, 2006

MOSCOW -- For seven years, the Salvation Army battled a ruling by Moscow city authorities that the Christian charitable group, whose members wear uniforms and call their leader a general, was a foreign "paramilitary organization" that must cease operations in the capital.

Each step of the way in Russia's courts, the Salvation Army lost. In 2000, a Moscow court, noting the group's "barrack-room discipline," suggested it might involve itself in the violent overthrow of the state, court records show.

"The reasoning was unbelievable and sickening," said Vladimir Ryakhovsky, a lawyer at the Slavic Center for Law and Justice in Moscow who defended the Salvation Army.

This month, the European Court of Human Rights ruled that the city of Moscow had interfered with the group's freedom of religion and assembly. The Salvation Army's structure and norms were "particular ways of organizing the internal life of their religious community," the court said, and "it could not seriously be maintained that the applicant branch advocated a violent change of constitutional foundations."

Suddenly, the stance of Moscow officialdom changed. "Because of the ruling, we must register them, and we will," an official in Moscow's registration office said, speaking on condition of anonymity.

While President Vladimir Putin has been marginalizing Russia's parliament, opposition, media and human rights groups, this international court sitting 1,250 miles away in Strasbourg, France, has emerged as a powerful check on the excesses of the Russian bureaucracy and failures by the country's own investigative organs and courts to follow Russia's laws.

The European Court enforces the Convention for the Protection of Human Rights and Fundamental Freedoms, drawn up by the Council of Europe, an international body founded in the wake of World War II to defend human rights, parliamentary democracy and the rule of law. Russia ratified the convention in 1998, agreeing to accept the court's decisions as binding.

"Much of what you see in the Russian justice system harks back to Soviet days," said Carroll Bogert, associate director of Human Rights Watch. "If you're a human rights group, you can report on human rights excesses or publicize abuses in the press or meet with government officials, but it's hard to make a dent. One of the really effective tools now is the European Court, and it produces tangible and immediate results."

Bogert noted that in August Russia halted the deportation of 13 Uzbeks to their home country, where they faced a real risk of torture or execution, after the men appealed to the European Court. The former Soviet republic of Kyrgyzstan, which is not a

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member of the Council of Europe, ignored international appeals not to send Uzbeks home, and the fate of the men it deported remains unknown.

Following European Court decisions in recent years, Russia improved conditions in pretrial detention centers and trimmed the powers of federal or local authorities to reopen ostensibly completed cases that they have lost in domestic courts. Torture victims have been compensated, and in at least one case, police officers were jailed for abuse after the Strasbourg court took up the matter.

"The court represents the end of impunity," said Olga Shepeleva, a lawyer with Demos, a human rights research center in Moscow. "There's a growing recognition that the court is a place where justice will be done. The authorities may not always be happy, but they pay attention to the results."

The European Court has entered Russian popular consciousness as a port of last resort for those seeking justice because the Russian state does bow to its judgments -- albeit with some very public grumbling.

While Russia is quick to pay any compensation ordered by the court, the country has been criticized by the Council of Europe's parliamentary assembly for failing to carry out systemic and deep reforms as a result of court rulings. On Chechnya in particular, human rights activists say they would like to see a dramatic improvement in the pursuit of soldiers and officials responsible for atrocities.

"We consider some rulings of the European Court to be politicized," Russian Foreign Minister Sergei Lavrov told journalists in Strasbourg this month. Russia currently chairs the Council of Europe. "But I repeat that despite the fact that we do not agree with certain rulings of the court in principle, we do comply with them."

Russians now file more complaints with the court -- 10,583 in 2005 -- than people from any of the 46 countries that make up the Council of Europe, according to court statistics. The vast majority of these cases will never be heard because the court is overwhelmed with potential plaintiffs, receiving more than 45,000 petitions last year.

Since 2002, the court has issued 362 judgments concerning Russia -- on issues ranging from environmental degradation to, most recently, abductions, disappearances and killings in Chechnya, the southern Russian republic that has been racked by two wars and a brutal, continuing insurgency. All but 10 judgments have gone against Russia, according to court statistics.

"The administration in Russia wants to be seen as being part of the good company of European law-abiding democratic countries," said Ole Solvang, executive director of the Russian Justice Initiative in Moscow, which helps Chechen plaintiffs bring cases before the court.

"The Russian authorities care about the Council of Europe and the court, and they take it seriously," Solvang said. "We see that in our cases. There is a complete change in attitude towards a case, a disappearance case, for example, when the government learns the case has been filed with the European Court."

For Alexei Mikheyev, redress came even before the court ruled. In 1998, he was subjected to nine days of torture, including electric shock, in a local police station after being picked up as a suspect in the disappearance of a 17-year-old girl in the central Russian city of Nizhniy Novgorod.

Mikheyev confessed to raping and killing the girl but retracted his statement after he was taken to the prosecutor's office. Returned to the police station and facing more torture, he threw himself out of a third-story window and was left partially paralyzed. The girl he had confessed to killing returned home the next day.

Prosecutors opened and then dropped 23 preliminary investigations into the police force's treatment of Mikheyev, in what human rights activists call an effort to stymie any trial. After the European Court agreed to hear Mikheyev's case in 2004, prosecutors reopened the case and finally secured the conviction of two police officers, who were given four-year sentences for abuse of power. In January, Mikheyev was awarded approximately $300,000 in compensation.

"I want this country to accept responsibility for the actions of its police," Mikheyev said in an interview last year. "And I don't want this to happen to anyone again."

Shepeleva, one of the lawyers who represented Mikheyev, said charges of police abuse in Nizhniy Novgorod reportedly declined after the ruling.

Russia lost its first case on Chechnya in early 2005. The court found that relatives of two plaintiffs, Magomed Khashiyev and Roza Akayeva, had been tortured and killed by Russian troops in 2000, and it called the investigation "seriously flawed and delayed." In two other cases, the court ruled that relatives of four Chechen plaintiffs had been killed by indiscriminate airstrikes.

The six plaintiffs were awarded compensation, which the Russian government paid promptly.

When it loses a case, the government is obliged to write an action plan laying out how it will rectify the failings identified by the court and prevent recurrences. In a submission to the Committee of Ministers of the Council of Europe, which monitors implementation of court decisions, Russian officials wrote that they had reopened investigations into all three Chechen cases, were educating troops on human rights law and were circulating the court's decisions to judges and prosecutors.

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But lawyers for the plaintiffs, while welcoming the reopening of the cases, say they want to see particular officers, named by the court in its decision, brought to justice. They also want the Russian army to change its basic manual, which contains no concept of proportionality regarding the use of force when civilians are at risk.

Instead, the manual reads, "Shame on the commander who, fearing responsibility, fails to act and does not involve all forces, measures and possibilities for achieving victory in battle."

"No one has been punished," Tatyana Kasatkina, executive director of the leading Russian human rights group, Memorial, said of the Chechen cases. "Long-lasting and slow criminal cases have been opened, but I doubt those responsible will be given up."

Reports by the Council of Europe's parliamentary assembly have criticized countries from Ukraine to Britain for dragging their feet on reforms. Philip Leach, director of the European Human Rights Advocacy Center, which specializes in bringing Russian cases before the court, said the Council of Europe needs to be much tougher in forcing member states to implement court decisions.

But on balance, activists praise the leverage they get from the Strasbourg rulings. "Our authorities have started to move faster," Kasatkina said. "They understand that there is a body above our courts which can make real decisions and attract international attention to problems, so it will keep them tense and responsive."

Tensions Rise Between Palestinian Factions (NYT)

By Dina Kraft

The New York Times, October 23, 2006

TEL AVIV, Oct. 22 — Tensions between rival Fatah and Hamas loyalists continued to smolder Sunday in the form of a deadly shooting, a kidnapping and tire-burning protests as an informal cease-fire quickly disintegrated.

In Jerusalem, some Israeli cabinet members, citing concerns about weapons smuggling, called for retaking control of Gaza's southern border with Egypt. The government is expected to meet midweek to discuss the possibility of expanding the military campaign in Gaza.

In Gaza City, stalls that would normally be crowded with shoppers buying sweets for Id al-Fitr, the holiday that marks the end of Ramadan, were shuttered. Outside, thick smoke rose in the air from tires set ablaze by Palestinian policemen aligned with the Fatah faction in protest of going unpaid by the Hamas-led government, which has been denied aid from the West and tax revenue and customs duties collected by Israel.

A meeting on Friday between Hamas and Fatah officials led to an agreement to stop the violence between the sides. But President Mahmoud Abbas left Gaza for the West Bank after a brief visit over the weekend without seeing Prime Minister Ismail Haniya of Hamas.

On Sunday, Mohammed Shahadeh, 27, who is a member of a Fatah-aligned militant group, was found shot to death in the Bureij refugee camp, and another Fatah member was kidnapped in the Jabaliya refugee camp. Hamas denied any role in either episode.

After the Israeli cabinet met, some officials called for more action in Gaza than the incursions the military has made since June, when Palestinian militants crossed into Israel and killed two soldiers and captured one who has yet to be freed. They said Israel should take over security along the Gaza-Egypt border, where Israel says the militants smuggle in weapons used against Israel.

"Action must be taken without hesitation," said Eli Yishai, the Israeli trade minister and member of the religious Shas Party. "Any hesitation is dangerous, and we must act immediately."

Along with Mr. Yishai, Rafi Eitan, the minister in charge of pensioners' affairs, also called for Israel to retake the passage along the Gaza-Egypt border. Isaac Herzog, the tourism minister, stopped short of such a call but did tell reporters that "precise and decisive" action was imperative in Gaza.

Yom-Tov Samea, a retired major general who is on assignment as deputy chief of Israel's southern command, advocated that Israel step up its military efforts in Gaza to both retake and widen the corridor. Israeli officials have said that smugglers, using tunnels as deep as 65 feet, have carried antitank rocket launchers, antitank rockets, explosives and, possibly, shoulder-fired antirocket missiles into Gaza since Israel's withdrawal last summer.

The weaponry is part of a "whole production line of ammunition later targeted toward Israel," said Capt. Noa Meir, an Israeli Army spokeswoman. Palestinian officials suggested that the Israeli warnings to take over the border area might be part of a plan to retake all of Gaza.

Shimon Peres, Israel's deputy prime minister, was among those who strongly advocated the pullout from Gaza, 38 years after Israel captured the territory during the 1967 war with Egypt.

Over a year after the withdrawal, things looked very different than he had imagined they would, and he blamed Hamas.

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"The situation in Gaza looks very bad," Mr. Peres said after the cabinet meeting. "They cannot behave like this — to be wild, to fire, to shoot, to refuse to respect agreements."

In the West Bank, a Palestinian man was killed and two others were seriously wounded Sunday in the village of Tamun, near Nablus, during clashes with Israeli soldiers, Palestinian security and medical sources told Agence France-Presse.

An Israeli Army spokesman's office confirmed that soldiers did open fire on a group of Palestinians during an arrest operation in the village after the soldiers came under gunfire. They said the group also detonated explosives and hurled rocks and Molotov cocktails at the Israeli forces.

Also on Sunday, according to an official who briefed reporters, the Israeli defense minister, Amir Peretz, said Israeli jets would continue to fly over Lebanon despite calls to stop by the French and the Lebanese.

The official said Mr. Peretz had told the cabinet that the flyovers would continue as long as attempts to smuggle weapons into Lebanon from Syria continued.

Yaakov Edri, the minister who serves as the liaison with Parliament, meanwhile confirmed reports that the army used phosphorous shells on some Hezbollah guerrilla targets during the war, the newspaper Haaretz reported.

Once it ignites, white phosphorous creates such a high level of heat and smoke that it has been banned in use against civilians or civilian areas by the Geneva Conventions.

Stricter Policy Splits West Bank Families (WP)

By Scott Wilson

The Washington Post, October 23, 2006

RAMALLAH, West Bank -- The last time Adel Samara saw his wife, Enayeh, was the morning in late May when she pulled away from their home in Beit Ur in a taxi bound for the border. Her trips to Jordan had become routine, never lasting more than a few days.

In order to renew her tourist visa, Enayeh, a U.S. citizen, had left the West Bank every three months during their three-decade marriage. For years, Israeli officials had denied her residency applications, so shuttling across the border to get a fresh visa in her U.S. passport was the only way Enayeh, 56, could live legally in the place she was born. This time, they refused to give her the tourist visa.

Since then she has moved in with a sister in Chicago, leaving Adel to shutter her beauty salon on a hectic street here. Their case highlights a change in Israeli policy that has left thousands of U.S. citizens of Palestinian descent locked out of the occupied territories where they work, invest and have families.

"At first she thought it was just a mistake," said Adel Samara, 62, a bespectacled former U.N. official and political activist who holds a doctorate in economics. "Then we realized it was not and that it was actually a very large problem. I never knew it before."

For decades, Palestinian foreign nationals have entered the West Bank and Gaza Strip on three-month tourist visas, renewing them regularly, because residency cards were difficult to obtain. But in recent months Israel's Interior Ministry has refused in many cases to grant new visas, separating thousands of family members from their relatives inside lands the Jewish state occupied in the 1967 Middle East war.

The tightening has coincided with the rise this year of Hamas, a radical Islamic movement, to head the Palestinian government, which most foreign donors have cut off from economic aid. Palestinian officials and Israeli human rights groups contend the shift will undermine private investment in the territories -- investment the Bush administration is seeking to encourage -- while potentially driving out the professional class most likely to have relatives abroad.

"It is a policy that can only be seen in the context of population control," said Nabeel Kassis, president of Bir Zeit University near this city, who along with 10 other Palestinian university presidents warned in an open letter this month that the policy is depleting faculties, student bodies and exchange programs. "They are taking away a segment of the population that could help most with state-building."

Secretary of State Condoleezza Rice, in a recent speech to the American Task Force on Palestine, pledged to guarantee that all "American travelers receive fair and equal treatment." The State Department raised the issue with Israel's government earlier this month, and a campaign by Palestinian Americans to reverse the policy has emerged here.

"The policy has not changed in the last years, but rather the implementation has," said Sabin Hadad, a spokeswoman for Israel's Interior Ministry. Hadad said visitors to the territories have always been required to secure a special permit from the civil administration, Israel's military government there. But she acknowledged that "this is a rule we did not follow with precision" until the Justice Ministry ordered them to do so earlier this year. Israeli human rights groups say an estimated 70,000 foreign nationals are awaiting visitor permits, which the military rarely issues.

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"I know there have been problems," Hadad said. "Now anyone who arrives at the border without a visitor permit is prevented from entrance. It's not important where you come from."

Demographics and refugee claims have played a central role in the Israeli-Palestinian conflict, and advocates of an independent Palestinian state in the territories watch for any changes in Israel's complex permit and immigration policy. Many of them see this shift as the most significant in years.

Throughout the occupation, Israel has controlled the registry of all Palestinians living in the territories and decided their residency status, even after the 1993 Oslo accords established the semiautonomous Palestinian Authority. Applying for and maintaining Palestinian residency has been a complicated, frequently changing process.

Palestinians counted in Israel's first census after the 1967 war were given residency cards that had to be renewed regularly. Relatives who were abroad at the time were allowed to apply for family unification, a process that gave as many as 50,000 Palestinians residency status in the first years after the war.

The number of those granted residency steadily declined until Israel established a quota system that, by 2000, granted 4,000 family-unification requests a year. When the Palestinian uprising broke out in September 2000, Israel stopped processing the applications, citing security concerns.

Since then, a backlog of 120,000 applications has accumulated, according to the Palestinian Interior Ministry, which passes them on to the Israeli government. But Israeli officials looked the other way when foreign nationals updated their tourist visas every three months with quick trips abroad.

Israeli officials now say the boycott of the Hamas-led government that took office in March makes collaboration on the pending applications impossible.

"This trouble all started after this business with Hamas," Najah Odeh, 75, said from her living room in Ramallah overlooking the Muqata, the Palestinian Authority presidential compound. "Why does everyone have to be punished because of this choice?"

Odeh's daughter, Aidah, was born in Toledo, Ohio, and moved here last year to help her mother recover from back surgery. When she attempted to renew her tourist visa in July, she was turned back at Ben-Gurion Airport, an entry point off-limits to Palestinian residents but not U.S. citizens.

Aidah and her husband spent the next two months in Amman, Jordan, trying to find a way to return. Earlier this month, their attempt to cross at the Allenby Bridge was denied, and the couple moved to Toronto. Her employer, IBM, had a job waiting for her there.

"She didn't do anything wrong," Najah Odeh said. "She's not a politician. She doesn't even like Hamas."

Sam Bahour, a business consultant born in Youngstown, Ohio, lived on his tourist visa for nearly 13 years until Israeli officials wrote "Last Permit" in his U.S. passport in late July. He took his case to the U.S. Consulate in Jerusalem, where he told officials that they were "allowing our strongest ally in the region to discriminate on its borders."

A broad man with a neatly trimmed mustache who calls himself "as American as the president," Bahour arrived here in 1994 to help the fledgling Palestinian Authority privatize the telecommunications system. He has since developed a $10 million shopping mall and opened a thriving business consultancy, gaining an MBA through a joint program run by Tel Aviv University and Northwestern University.

Bahour lives in the adjacent city of El Bireh with his wife, a Palestinian resident, and their two young daughters, who attend the Friends School, where the Australian who teaches seventh grade has been blocked from entering the territories.

A few months after receiving his last permit, Bahour challenged the Israeli decision by trying to cross again. Without explanation, he was given another three-month visa.

The uncertainty, Bahour said, makes it impossible to plan more than a few months ahead and will discourage private investment from Palestinians abroad. He is not sure he or others like him will be able to remain.

"This falls into a much larger scheme of unilateralism by Israel to force not a government collapse but a societal collapse," Bahour said. "We're not looking to end the occupation, we're not looking for the right of return. We are looking to do business here, to be with our families."

Plan For U.S.-style Rule Gains Currency In Israel (LAT)

By Richard Boudreaux

The Los Angeles Times, October 23, 2006

JERUSALEM — Does Israel need a strongman?

Since the summertime war in Lebanon, Israel's leadership has been in turmoil. The government, widely blamed for mismanaging the conflict, is fracturing. Corruption and sex scandals are shaking people's faith in politicians. Israelis tell pollsters the system is broken.

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On Sunday, the postwar angst pushed an idea with growing appeal onto the Cabinet's agenda: Israel should scrap its parliamentary system, which tends to produce shaky coalition governments and throw them out with dizzying speed, in favor of American-style presidential rule.

The Cabinet voted 12 to 11 to endorse the proposed overhaul and send it to the Knesset, the parliament.

But passage is far from certain, in part because the sponsor is a right-wing politician with extreme views, growing popularity and leadership ambition. If Avigdor Lieberman were to benefit from his own proposal, his critics say, he might turn Israel's democratic free-for-all into an autocracy.

An immediate consequence of the Cabinet's decision was to bring Lieberman and his Russian-immigrant-based party, Yisrael Beiteinu, or Israel Our Home, a step closer to joining the government. Prime Minister Ehud Olmert, elected in March, has been trying since the war ended Aug. 14 to shore up his beleaguered coalition.

One of Lieberman's conditions for joining was Cabinet backing for his bill, regardless of its fate in parliament.

Olmert lobbied hard for approval of the measure despite his misgivings. His centrist Kadima Party faces a possible revolt by its leftist coalition partner, the Labor Party; he needs a new ally to preserve his majority in parliament and avoid new elections that polls show he would lose.

Instability has always been a hallmark of politics in Israel, which theoretically elects its leaders for four years but has changed governments 31 times in its 58-year history.

Voters elect a parliament, and the parliament's 120 members elect the prime minister and Cabinet from among their ranks. Governing coalitions with a parliamentary majority are formed after painstaking negotiations among many parties but fall apart with chronic ease, allowing parliament to force new elections.

Israel's leaders, said Tel Aviv University's Gideon Doron, "have to spend 80% of their time investing in their survival." Those who survive the longest, he said, are those who risk doing the least.

As a result, Doron and other political scientists said, the system discourages decisive government action on a wide range of needs, such as modernizing the school system or the public transport network. In the postwar fallout, Israelis have blamed their leaders for failing over the years to upgrade the military and confront the armed might of the Hezbollah militia in southern Lebanon.

"A prime minister doesn't need an agenda," Olmert told Israeli reporters last month. "He just needs to run the country."

For Lieberman, that is exactly the problem.

Under his bill, the prime minister would be elected directly by voters and name a Cabinet from outside the ranks of parliament, with no need for parliamentary approval. Parliament would also be stripped of its power to call early elections. It could dismiss a prime minister only by a vote of 80 or more members; under that scenario, the deputy prime minister would take over.

The measure would give Israel's leader powers similar to those of the U.S. president, except that he would still be called prime minister. Israel's current presidency, a ceremonial post, would be abolished.

Lieberman's proposal has been around for years but gained currency after his party finished a strong fourth in the March election, taking 11 seats in parliament. A new book by Doron, the Tel Aviv political scientist, advocating a "presidential regime" made a splash in academic circles this summer, boosting the movement. Recent polls show that most Israelis want stronger leadership.

Some critics of the proposal call it a recipe for gridlock between a prime minister and an opposition-controlled parliament. Others reject it as a formula for dictatorship by an unfettered ruler in a country without a constitution or complex system of American-style checks and balances.

"In a country with a weak democratic culture like Israel, the president could govern by coercion and violence, without consent," said Tom Segev, a leading historian. "A presidential system is one of solitary decisions, not one of compromises, and is therefore harmful to minorities and exacerbates disputes and schisms. Everything will be personal."

Such misgivings are reinforced by Lieberman's extreme nationalist views. A 48-year-old immigrant from Moldova, he proposes redrawing Israel's border in a way that would strip 150,000 Arabs of their Israeli citizenship and transferring the towns they live in to the Palestinian Authority. In return, he would annex the largest Jewish settlements in the West Bank.

Israeli liberals who might otherwise welcome more power for a prime minister say they are alarmed by such a proposal from Lieberman.

Speaking to reporters last week, Lieberman offered a rebuttal: "It is not scary. On the contrary, it is the lack of political stability that is scary…. Political instability in Israel is harming the very ability to make decisions and run things in a reasonable manner."

But his bill is unlikely to pass in its current form. To get the Cabinet's grudging approval Olmert promised that his own party's milder proposal — giving the prime minister less autonomy than Lieberman wants — would be submitted to parliament at the same time. Leaders of several parties said a compromise would be likely.

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Khartoum Expels U.N. Envoy Who Has Been Outspoken On Darfur Atrocities (NYT)

By Warren Hoge

The New York Times, October 23, 2006

UNITED NATIONS, Oct. 22 — Sudan's government on Sunday ordered the chief United Nations envoy to leave, saying he was an enemy of the country and its armed forces.

Secretary General Kofi Annan said that he was reviewing the letter from the Khartoum government and had asked the envoy, Jan Pronk, to return to New York for "consultations."

The Sudanese order said Mr. Pronk had to leave by Wednesday. United Nations officials confirmed he would depart before then and said he would need the permission of the Sudanese government to return.

Mr. Pronk, a blunt-spoken former Dutch cabinet minister, has been outspoken in reporting on the killings, rapes and other atrocities in Darfur, the region in the western part of the country where at least 200,000 people have died and 2.5 million have been driven from their homes.

He has become increasingly pointed in his comments about the government, as violence in the region has increased despite a May peace accord between Khartoum and a major rebel group and as the government continues to refuse to allow United Nations peacekeepers into the country. The United Nations force would take over the duties from African Union troops, who have been mostly unable to stop the fighting.

Mr. Pronk is known as a forceful presence at the United Nations from his frequent appearances before the Security Council, where he often delivers unflinching accounts of the continuing mayhem and political breakdown in Sudan in a rhetorical style that includes finger jabbing and dramatic pauses for emphasis.

Sunday's action against him was apparently provoked by an entry he made in his blog (www.janpronk.nl) last weekend that said the armed forces had suffered two major defeats with extensive casualties against rebels in Darfur in the past six weeks. He also reported that generals had been cashiered, morale had sunk and the government had collaborated with the feared janjaweed Arab militias, which are held responsible for pillaging villages and killing and raping their residents.

The Sudanese armed forces on Thursday cited the blog entry in calling Mr. Pronk a threat to national security and asking that he be expelled.

The fact that one of its top officials has put delicate findings in a personal blog has embarrassed the United Nations. When the matter arose Friday, they resisted rebuking Mr. Pronk for the practice for fear that it would appear to be a vote of no confidence in the mission, rather than just a reprimand for his professional lapse.

Questioned Friday over whether the United Nations stood by the statements in Mr. Pronk's blog, Stéphane Dujarric, Mr. Annan's spokesman, said the opinions were Mr. Pronk's "personal views."

Mr. Dujarric indicated that this was not the first time the problem with Mr. Pronk's blog writing had come up. "There have been a number of discussions with Mr. Pronk regarding his blog and the expectation of all staff members to exercise proper judgment in what they write in their blogs," he said.

The conflict in Darfur began when black African rebels took up arms in early 2003, accusing the government of neglect. Khartoum responded by arming and financing Arab militias who conducted a campaign of violence against civilians that the United Nations has called ethnic cleansing and the Bush administration has called genocide.

In a statement distributed Sunday by the official Sudanese news agency, the country's Foreign Ministry accused Mr. Pronk of demonstrating "enmity to the Sudanese government and the armed forces" and of involvement in activities "that are incompatible with his mission."

The activity in question was apparently a trip that Mr. Pronk made into Darfur to make direct contact with rebels.

In his Oct. 14 blog entry, Mr. Pronk wrote that losses suffered by Sudanese armed forces in two recent battles "seem to have been very high," adding, "Reports speak about hundreds of casualties in each of the two battles with many wounded and many taken prisoner."

"The morale in the government army in North Darfur has gone down," it continued. "Some generals have been sacked; soldiers have refused to fight. The government has responded by directing more troops and equipment from elsewhere to the region and by mobilizing Arab militia."

Victor Tanner, a professor at Johns Hopkins' School of Advanced International Studies who returned from Sudan a week ago, said the blog's references to defeats suffered by the Sudanese Army had caused a furor there.

"Comments on the disarray that seemed to be reigning within the Sudanese armed forces was an amazing thing to see in the blog of a U.N. official," he said. "Refreshing, but wild.

"That the armed forces had suffered these losses was something that everybody was talking about as a rumor swarming around Khartoum and Darfur, but it took on a new reality and became 'the truth' when it was uttered in print by Pronk."

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In Washington, the State Department said it was withholding comment until it learned more from Khartoum about the incident.

In London, the Foreign Office also denounced the decision and called for it to be reversed. “This step is counterproductive and will contribute nothing to solving the problems of Sudan,” said Lord Triesman, a foreign office minister for Africa.

In what has become a standoff with the United Nations, Sudan has adamantly refused to accept the deployment of 22,000 United Nations soldiers and police officers despite global public outcries over the increasing danger in Darfur.

The force, called for in a Security Council resolution on Aug. 31, would replace the 7,200-member African Union force. In light of Sudan’s defiance, the African Union agreed a month ago to strengthen its force and extend its presence in Sudan until Dec. 31.

Omar Hassan al-Bashir, Sudan’s president, has characterized the United Nations’ plan as an American-inspired plot to recolonize his country and plunder its oil, and he has threatened to attack any United Nations soldiers sent to Darfur.

At the United Nations in September, Mr. Bashir said the reports of deaths and displacements in Darfur were “fictions” spread by international aid groups and Jewish organizations to raise money to benefit themselves.

And commenting on the international campaign that has arisen to try to end the violence in Darfur, he said, “Those who made the publicity, who mobilized the people, invariably are Jewish organizations.”

Sudan Orders U.N. Envoy To Leave Country (AP)

By Mohamed Osman, Associated Press Writer

AP, October 23, 2006

The Sudanese government Sunday ordered the chief U.N. envoy out of the country after he wrote that Sudan's army had suffered major losses in recent fighting in Darfur.

Jan Pronk was given 72 hours to leave — an order that is likely to complicate international efforts to halt the killings, rapes and other atrocities in the strife-torn region of western Sudan.

"The presence of the United Nations is vital to hundreds of thousands of citizens of the Darfur region," said a European Union spokesman, Amadeu Altafaj Tardio, in Brussels.

In a statement distributed by the official Sudan News Agency, the country's Foreign Ministry accused Pronk of demonstrating "enmity to the Sudanese government and the armed forces" and of involvement in unspecified activities "that are incompatible with his mission."

In New York, U.N. spokesman Stephane Dujarric said Secretary-General Kofi Annan had received a letter from the Sudanese government asking that Pronk be removed from the post.

"The secretary-general is studying the letter and has in the meantime requested that Mr. Pronk come to New York for consultations," Dujarric said.

Pronk, a blunt-speaking former Dutch Cabinet minister, drew sharp criticism from the Sudanese armed forces after he wrote this month in his blog, http://www.janpronk.nl, that Sudan's military had suffered heavy losses in recent fighting with rebels in northern Darfur.

"Reports speak about hundreds of casualties in each of the two battles, many wounded soldiers and many taken as prisoner," he said.

The Sudanese armed forces said Thursday that those remarks amounted to "psychological war against the Sudanese army" and declared that Pronk was "persona non-grata."

One day later the military demanded an official apology.

Even before the blog appeared, Sudan's government had been at odds with Pronk over Western efforts to get Sudan to allow a U.N. force of 20,000 troops to take over peacekeeping in Darfur from a 7,000-member African Union force.

Violence has risen dramatically in recent weeks in Darfur, where more than 200,000 people have been killed and 2.5 million displaced in three years of fighting.

U.N. officials have said the African Union force is too small and ill-equipped to cope with the violence and protest civilians from rape, murder and pillage.

But President Omar al-Bashir has rejected a U.N. peacekeeping force, branding it as simply a bid to restore colonial rule.

Despite the move against Pronk, the official news agency said Khartoum was "committed to cooperate" with the U.N. and would work with a new envoy "in accordance with signed treaties with the U.N. and the current principles of international law."

In Geneva, Switzerland, U.N. spokeswoman Marie Heuze noted that Pronk's comments were on his private blog and reflect "only his personal views."

Britain condemned the decision and urged the Sudanese to reconsider.

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"This step is counterproductive and will contribute nothing to solving the problems of Sudan," Lord Triesman, the Foreign Office minister for African issues, said in a statement.

Last June, the Sudanese suspended the work of all U.N. missions in the Darfur except UNICEF and the World Food Program after claiming the U.N. had transported a rebel leader in violation of agreements.

The next day, the government reversed the decision following a meeting between a representative of the Sudanese Foreign Ministry and the United Nations.

Darfur, a largely arid plateau in western Sudan about three-quarters the size of Texas, has been in turmoil since February 2003, when ethnic African tribes rebelled after years of neglect by the Arab-dominated government in Khartoum.

The government responded with a military campaign in which pro-government Arab militia, the Janjaweed, are alleged to have committed widespread atrocities. Khartoum denies supporting the Janjaweed.

A peace deal this year was signed by the Sudanese government and the main rebel group, the Sudanese Liberation Movement.

But a breakaway faction and another rebel group rejected the deal and fighting has escalated, causing increasing numbers of aid workers to withdraw, leaving the refugees without food and medicine.

U.S. Sen. Barack Obama, D-Ill., said Sunday that the United States should do more to help stem violence in Darfur.

"When you have situations involving genocide, it is important for us as a world community — and the United States is the world's sole super power — for us to take that seriously, and to make commitments of resources to deal with it," Obama told NBC's "Meet the Press."

Pronk, 66, served several terms in the Dutch parliament and served in the Dutch Cabinet under two prime ministers. He was appointed as U.N. special representative for Sudan in June 2004.

Grim New Turn May Harden Darfur Conflict (NYT)

By Lydia Polgreen

The New York Times, October 23, 2006

ON THE CHAD-SUDAN BORDER, Oct. 20 — Haroun Abdullah Kabir stepped from one bloodied corpse to another on the parched, rocky battlefield. He searched the soldiers' decomposing faces for an aquiline nose, fair complexion or fine, straight hair: telltale Arab features.

Instead Mr. Kabir, a field commander of the Darfur rebels fighting the Arab-dominated Sudanese government, found among the Sudanese soldiers his men had felled only the dark-skinned faces of southern Sudanese and Darfurians. He looked away in disgust.

"You see, they send black men to kill black men," he said. "We are waiting for them to send Arabs for a real fight."

This is the new battlefield in Darfur, a blood-soaked land in which at least 200,000 people have died since early 2003, many of hunger and disease, as a result of a campaign of violence the Bush administration and others have called genocide.

For the first time in more than two years, rebels fighting the government for more autonomy are making brazen, direct and successful attacks on soldiers, and are declaring that all previous cease-fires are no longer in effect.

The latest peace agreement, signed in May and heavily backed by the United States but approved by only one rebel faction and the Sudanese government, is in disarray.

The government vows to crush the rebellion, and as its military struggles to fend of attacks, it will likely turn again to Arab militias called janjaweed to wage its counterinsurgency campaign, analysts say.

A visit to the site of the newest fighting, the first by a journalist, revealed a hardening conflict that is increasingly taking place along porous borders among some of the least stable countries in Africa, threatening to ignite a wide conflagration in the heart of the continent.

The Darfur rebels are flush with arms taken from the Sudanese military in raids and bought through allies in Chad and Eritrea. They say that because Sudan has blocked a United Nations force from entering Darfur to protect the 2.5 million people forced from their homes there and in eastern Chad, they have a duty to stop attacks on non-Arab tribes.

"The international community will not do it," said Gen. Khatir Toor Khala, a rebel field commander based on the border. "So it is for us to protect the innocent civilians of Darfur."

With the two sides apparently bent on all-out war, and millions of displaced people and refugees caught in the middle, the people of Darfur and the aid workers who have been trying to help them await the next, seemingly inevitable onslaught.

"We don't know what will happen next, we only fear for our lives," said Kaltuma Ardy, who fled attacks by the janjaweed on her village in Darfur near the Chad border three years ago. She now lives in Oure Cassoni refugee camp, a few miles from the site of the battle between rebels and government soldiers. "We need the U.N. to come and help us so we can have peace and go back home."

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The prospect of new talks to settle the crisis has dimmed, and the involvement of Chad and now the Central African Republic, where Sudan reportedly supports rebels hoping to topple Chad's government, is spawning a complex, connected set of conflicts.

Now that the rains have ended, and the rushing seasonal rivers have dried up, clearing the way for the truck-mounted guns that are at the heart of any African ground war, combat has started anew.

The rebel alliance, now known as the National Redemption Front, has inflicted at least two humiliating defeats on the Sudanese Army.

One of those battles took place on Oct. 7 in an army camp 13 miles northeast of Bahai, a sleepy border outpost in Chad that is home to one of the region's largest refugee camps. The camp was strewn with the bodies of dozens of Sudanese soldiers.

Some lay in contorted poses of flight, others were in jumbled heaps in trenches, apparently gunned down in their fighting positions — a still-ticking watch and shattered eyeglasses glinting in the sun. At least one soldier appeared to have been killed while still in bed, sprawled half on, half off a bed in a straw hut, his trousers unbuckled, swollen belly bursting forth. Another seemed to have been caught while playing cards, a jack of spades lay just beyond his extended index finger.

Rebel commanders led a reporter and a photographer to the spot of their triumph clearly wanting to trumpet their victory, but they also seemed disappointed that almost all of the dead soldiers appeared to be non-Arab recruits, mostly southerners and Darfurians. "All of them are Sudanese, they are black people, they are our brothers," Mr. Kabir said. "The government sent them here to kill us, but we pity them. The janjaweed don't like to die and make war with us. They are cowards attacking women and children."

The rebels had picked the camp clean of matériel, carrying off several senior Sudanese field commanders as prisoners, they said, as well as significant caches of heavy weapons, machine guns, fuel tankers and pickup trucks.

At a hide-out a few miles away, soldiers preened with their new weapons: Chinese-made rockets, grenade launchers and antitank guns.

"We took this from Sudan, and we will use it to kill them," boasted Salah Arjah Boush, a rebel fighter, cradling a small gray rocket like a baby in his arms.

Adam Shogar, a spokesman for the National Redemption Front based in Ndjamena, the capital of Chad, said that the new rebel alliance was not bound by any previous cease-fires and was ready to fight if the government refused to open new negotiations. The May agreement was not acceptable, he said.

"It is all-out war," Mr. Shogar said. "There are no agreements."

Exactly what shape the conflict will take is not clear, and the methods the government and rebels choose to attack each other will have grim consequences for the millions of Darfurians pushed from their homes.

The battle in Darfur has long been a proxy, fought with villages and towns as battlefields and civilians as its primary victims. Rebel groups — at least half a dozen factions and splinter groups have surfaced since the conflict began — occupy villages, which the government attacks by air with Antonov bombers and gunships. The rumble of the aircraft gives the fighters plenty of time to escape, but the less-mobile civilians bear the brunt of the aerial attacks.

Because Sudan's large army is mostly made up of non-Arab foot soldiers who are unwilling to carry out brutal counterinsurgency tactics on fellow non-Arabs, the government has used Arab militias as ground troops in Darfur, paying them in cash and loot from the villages they raid. But now the fighting appears to be entering a new phase, in which the rebel groups, somewhat unified militarily under the banner of the National Redemption Front, are making increasingly brazen direct attacks on government troops.

The government is likely to respond to this new boldness with familiar tactics, said Colin Thomas-Jensen, Africa advocacy and research manager at the International Crisis Group, an independent organization that seeks to resolve armed conflict.

"Clearly Khartoum is still intent on pursing a military solution, and just because the latest offensive seems to have hit a roadblock doesn't mean they are going to give up," Mr. Thomas-Jensen said. "The strategy in the past has always been to arm and train and support local militia groups. In all of this the consequences from a humanitarian standpoint are devastating. In Darfur it is ultimately among the civilians that there will be the greatest cost."

So far, in this part of Darfur, the response has been mostly aerial attacks. Bombers have flown incessantly over Bahai and other border towns, dropping bombs on areas suspected of being rebel hide-outs.

The rebellion is bracing for a new onslaught from the government and its allied militias, meeting in Birmaza, a town in North Darfur, to cement their alliance and discuss strategy, said Jar al-Nabi Abdul Karim, a commander of the National Redemption Front, in a satellite telephone interview from there. "We are united, and we are strong," he said. "We are ready to fight."

With the peace agreement signed in May moribund, and with those who declined to sign returning to the battlefield, finding a way out of Darfur's crisis seems harder than ever, Mr. Thomas-Jensen said.

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"It is going to be difficult, and is going to require a great deal of diplomacy and pressure," he said. "For the rebels, a lot of cajoling, and for the government, they have got to be under pressure. And you need a strong mediator, someone who can knock heads if necessary. It is not going to be easy, but ultimately there is no way out of this conflict without a renewed political process."

Chavez Claims Victory Of Sorts At U.N. (AP)

By Christopher Toothaker

AP, October 23, 2006

President Hugo Chavez said Sunday that Venezuela achieved its objective at the United Nations by preventing Washington's preferred candidate from winning a seat on the U.N. Security Council.

Venezuela is trailing Guatemala after 35 rounds of secret balloting in which both countries have failed to garner the two-thirds majority required to win the seat.

Despite falling behind Guatemala in the race for contested seat, Caracas has successfully challenged U.S. interests, Chavez said.

"We have taught the empire a lesson," Chavez told thousands of supporters in Valencia, an industrial city about 65 miles west of Caracas. Even if "Venezuela isn't able to enter the Security Council, we've done damage to the empire. That was our objective."

The U.N. General Assembly is slated to resume voting on Wednesday.

Guatemala has led Venezuela in 34 of 35 of the votes by the 192-nation General Assembly. Chavez says his country will not withdraw, vowing to continue confronting the U.S.

"Venezuela is not going to give up," Chavez said.

The nomination of a third candidate to break the stalemate has been informally discussed, but both candidates would have to step down. Guatemala has also pledged to remain in the race.

Chavez — a close ally of Cuban leader Fidel Castro — has promised to use a seat on the council as a platform to speak out against the U.S.

Chavez has claimed that the U.S. has tried to coerce nations into voting for Guatemala.

In recent months, Chavez collected pledges of support as he visited about a dozen countries including Russia, Belarus, Iran, Vietnam, Qatar, Mali, Benin, China, Malaysia and Syria. Top Guatemalan officials and U.S. diplomats also have been busy with their own international lobbying efforts.

Venezuelan opposition leaders accuse Chavez of squandering millions of dollars in an effort to garner international backing for Venezuela's bid, saying he has neglected domestic problems such as rampant crime and widespread poverty.

The critics accuse Chavez of offering cheap, subsidized oil to other countries to influence their U.N. vote, a charge that the Venezuelan leader has denied.

The 10 non-permanent seats on the council are filled by the regional groups for two-year stretches. The other five are occupied by the veto-wielding permanent members: Britain, China, France, Russia and the U.S.

The United States claims that Chavez, whose left-leaning government also has friendly ties with North Korea and Iran, would be a disruptive force on the Security Council.

Panamanians Vote To Expand Canal (NYT)

By Marc Lacey

The New York Times, October 23, 2006

GUATEMALA CITY, Oct. 22 — Panamanians on Sunday overwhelmingly endorsed a plan to modernize the country's aging canal, won over by government arguments that the $5.25 billion project would generate jobs and keep the canal relevant for future generations.

"Panama is betting on its future," said President Martín Torrijos, chief backer of the plan, after casting his ballot on Sunday morning in a nationwide referendum.

The overhaul, to begin next year, will double the canal's capacity by adding a third set of locks that are 40 percent longer and 60 percent wider than the current ones. Constructed by the United States in 1914, the canal these days is congested and too small to handle the world's largest container vessels and tankers.

Opposition to the project was vigorous as skeptics questioned the government's cost estimates and raised fears that corruption would doom the project.

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But the government's campaign for the expansion, the largest modernization of the canal in its history, was even more intense. Officials portrayed a "sí" vote as a vote for the children of Panama. Without an expanded canal, officials predicted, shipping traffic would find other routes and Panama's growing economy would dry up.

The canal, 50 miles long, employs 8,000 Panamanians and is a source of national pride, as well as foreign currency. But even as skyscrapers go up at a furious pace in a downtown Panama City that has hints of Miami, 40 percent of the country's three million residents live in poverty.

All the same, preliminary results gave the expansion plan just shy of 80 percent support, far more than the simple majority required. A referendum is required for major changes to the canal, a provision of the law meant to give the people ownership of a resource that had long been in the hands of foreigners. Still, most voters stayed away from the polls Sunday, with turnout estimated at about 40 percent.

The approval is a victory for the Torrijos administration, which staked its reputation on the project. The current president's father, Gen. Omar Torrijos, negotiated in the 1970's for the United States to hand over the canal to the Panamanians. The canal changed hands in 1999.

The government backed off an earlier overhaul plan that would have displaced thousands of Panamanians by expanding the lake used to raise and lower ships as they navigate between the Atlantic and Pacific Oceans. No residents will be displaced under the current proposal, officials said.

The expansion, which will be financed by loans and higher fees charged to shippers, is scheduled to be completed in 2014. Canal officials predict that a decade afterward the expanded canal will generate $6 billion a year, far more than the $1.4 billion expected this year.

"We've gotten a clear mandate," Jorge Quijano, the Canal Authority's maritime operations director, said in a telephone interview Sunday night. "We now have an opportunity to continue to grow."

Ferdinand de Lesseps, a Frenchman who was the builder of the Suez Canal, began work on the Panama Canal in 1880 but abandoned it after the project went bust. Leaders in Washington, eager to control the Americas, took over the project in 1904 and finished it within a decade. It cost $375 million, making it the most expensive project the government had ever undertaken.

American vessels remain the biggest users of the canal, followed by Chinese and Japanese ships, according to the Panama Canal Authority, the operator. The canal handles about 4 percent of global trade.

The expansion will not rely on the aid of foreign governments, an outgrowth of Panama's desire to go it alone after decades of standing by as the Americans operated the canal. Many foreigners and Panamanians alike doubted that the Panamanian government could handle operation of the canal. But profits have grown over the last seven years, and operations have continued smoothly.

Nicaragua announced last month that it was planning its own canal, although analysts doubt that its $18 billion public-private project, which would use the 60-mile-wide Lake Nicaragua, has much chance of success. Its chances might have improved had the Panama Canal expansion been rejected.

As they lined up around the countryside to weigh in on the canal's fate, most Panamanians seemed to have concluded that their futures and that of the canal were one.

"This country needs this project to join the first world," Joaquín Rodríguez, 48, a businessman wearing a green "yes" T-shirt, told [a news organization].

Faustino Ortega, 41, a mechanic, agreed. "If you've got a business, you've got to do what you can to improve it, make it more competitive," he told The Associated Press. "The canal is big business for all of Panama. Widening it will help the economy."

But concerns about the project remain, even among those who voted for it. "The expansion is necessary, but we all have to watch closely, make sure there isn't embezzlement and corruption," said Igor Meneses, 34, an advertising executive. "With that kind of money, there's a lot to steal."

Voters Approve Panama Canal Expansion (AP)

By Will Weissert, Associated Press Writer

AP, October 23, 2006

Voters overwhelmingly approved the largest modernization plan in the 92-year history of the Panama Canal on Sunday, backing a multi-billion dollar expansion that will allow the world's largest ships to squeeze through the shortcut between the seas.

More than 78 percent of Panamanians voted in favor of the expansion with 94 percent of polling stations counted by the country's electoral tribunal. Only about 22 percent opposed the plan. Almost 57 percent of the country's more than 2.1 million voters did not turn out.

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Thousands of supporters in green "Yes" T-shirts cast ballots endorsing the $5.25 billion overhaul which would allow the canal to handle modern container ships, cruise liners and tankers that are too large for its current 108-foot-wide locks. The plan is to build a third set of locks on the Pacific and Atlantic ends by 2015.

The Panama Canal Authority, the autonomous government agency that runs the canal, says the project will double capacity of a waterway already on pace to generate about $1.4 billion this year. Expansion will be paid for by increasing tolls and take in more than $6 billion annually in revenue by 2025.

"We are going to serve the world better and that means we are going to serve Panama better," canal administrator Alberto Aleman Zubieta told The Associated Press. "Everyone's a winner. The shipping industry, the Panamanians and all of the countries that will benefit from international shipping commerce."

A large chunk of canal revenues go to education and other Panamanian social programs. Still, critics contend that as drawn up, the expansion plan benefits the canal's customers more than Panamanians, and worry that costs could balloon for this debt-ridden country.

"Voting 'no' is like closing the door on the canal. It's the top source of income for Panama and improving it means more money for the government and less poverty," said Leonardo Aspira, a boat salesman who sported a "Yes" shirt and baseball hat in Kuna Nega, a largely Indian town of dirt roads and banana trees on the outskirts of Panama City.

The canal employs 8,000 workers and the expansion is expected to generate as many as 40,000 construction jobs. Unemployment in Panama is 9.5 percent, and 40 percent of the country lives in poverty.

Critics contend the expansion will benefit the canal's customers more than Panamanians, and fear it will stoke corruption and uncontrolled debt if costs balloon.

"The expansion is necessary, but we all have to watch closely, make sure there isn't embezzlement and corruption," said Igor Meneses, a 34-year-old advertising executive who was waiting to vote in Panama City. "With that kind of money, there's a lot to steal."

President Martin Torrijos, an outspoken supporter of expansion, called the referendum "probably the most important decision of this generation," after voting.

Opponents of the expansion plan complained about electoral foul play.

On the sweltering streets of Panama City, some wore red shirts and smocks supporting a 'No' vote. But they were far outnumbered by those in shirts, bandanas, caps and vests supporting expansion. Cars and trucks with "Yes" bumper stickers and flags jammed streets.

Former President Guillermo Endara, who dressed in red from head to toe to show his opposition to expansion, complained that polling place workers wore "Yes" clothing and handed out cards with directions on where and how to vote with propaganda supporting the plan printed on the opposite side.

"That's vote-buying," Endara said.

School buses and vans with "yes" signs stuck to the side were also seen whisking voters from poor, crowded neighborhoods to polling places to vote.

But polling place and transportation workers showing which side of the referendum they were on apparently did not constitute a violation of Panama's electoral laws.

The United States arranged for Panamanian independence from Colombia to build the canal, and ran the canal from 1914 to 1999. Torrijos' father, strongman Omar Torrijos, signed a treaty with President Carter in 1977 to cede control of the waterway back to Panama, a decision that also was approved by Panamanians in a referendum.

Panama Canal Widening Wins OK (WT/AP)

By Will Weissert

The Washington Times, October 23, 2006

PANAMA CITY -- Voters yesterday overwhelmingly approved the largest modernization project in the 92-year history of the Panama Canal, backing a multibillion dollar expansion that will allow the world's largest ships to squeeze through the shortcut between the seas.

About 78 percent of Panamanians voted in favor of expansion, with 90 percent of polling stations counted by the country's electoral tribunal. Only about 22 percent opposed the plan. Almost 57 percent of the country's more than 2.1 million voters did not turn out.

Thousands of supporters in green "Yes" T-shirts cast ballots endorsing the $5.25 billion overhaul, which would allow the canal to handle modern container ships, cruise liners and tankers that are too large for its current 108-foot-wide locks by building a third set of locks on the Pacific and Atlantic ends by 2015.

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The Panama Canal Authority, the autonomous government agency that runs the canal, says the project will double capacity of a waterway already on pace to generate about $1.4 billion this year. Expansion will be paid for by increasing tolls to take in more than $6 billion annually by 2025.

"Voting 'no' is like closing the door on the canal. It's the top source of income for Panama, and improving it means more money for the government and less poverty," said Leonardo Aspira, a boat salesman who sported a "Yes" shirt and baseball hat in Kuna Nega, a largely Indian town of dirt roads and banana trees on the outskirts of Panama City.

The canal employs 8,000 workers, and the expansion is expected to generate as many as 40,000 construction jobs. Unemployment in Panama is 9.5 percent, and 40 percent of the country lives in poverty.

Critics contend the expansion will benefit the canal's customers more than Panamanians and fear it will stoke corruption and uncontrolled debt if costs balloon.

"The expansion is necessary, but we all have to watch closely -- make sure there isn't embezzlement and corruption," said Igor Meneses, a 34-year-old advertising executive who was waiting to vote in Panama City. "With that kind of money, there's a lot to steal."

Panamanian President Martin Torrijos, an outspoken supporter of expansion, said after voting that the referendum was "probably the most important decision of this generation."

International observers had predicted a low turnout among the country's voters, and opponents of the expansion plan complained about electoral foul play.

On the sweltering streets of Panama City, some wore red shirts and smocks supporting a 'No' vote. But they were far outnumbered by those in shirts, bandanas, caps and vests supporting expansion. Cars and trucks with "Yes" bumper stickers and flags jammed streets.

Former Panamanian President Guillermo Endara, who dressed in red from head to toe against the expansion, complained that polling-place workers wore "Yes" clothing and handed out cards with directions on where and how to vote with propaganda supporting the plan printed on the opposite side.

"That's vote buying," Mr. Endara said.

School buses and vans with "yes" signs stuck to the side were also seen whisking voters from poor, crowded neighborhoods to polling places.

The United States arranged for Panamanian independence from Colombia to build the canal and ran it from 1914 to 1999. Mr. Torrijos' father, strongman Omar Torrijos, signed a treaty with President Carter in 1977 that ceded control of the waterway to Panama.

Canal administrator Alberto Aleman Zubieta said a defeat for the plan could have grave consequences for Panama. "Shippers will have to look for other routes, because Panama won't have the capacity for them," he said.

Panamanian Voters Approve Canal Expansion (LAT)

By Chris Kraul

The Los Angeles Times, October 23, 2006

PANAMA CITY, Panama — Panamanian voters on Sunday overwhelmingly approved a $5.2-billion proposal to expand the country's national treasure, the Panama Canal.

With 64 percent of votes counted, ballots in favor of the project led those opposed by 78.7 percent to 21.3 percent, prompting Panama's electoral tribunal to declare the yes vote victorious. That gave the green light to the first major modification to the 50-mile waterway since it opened in 1914.

President Martin Torrijos staked his considerable popularity on voters approving the proposal, which he described in a recent interview as the "chance of a lifetime" for Panama. In a telephoned response to the tribune's declaration Sunday evening broadcast over Panamanian television, Torrijos declared the vote a victory for Panamanian democracy and the nation's future.

Little construction is planned over the next several months, as the Panama Canal Authority, the quasi-independent administrative body, prepares an environmental impact report and final construction blueprints. But the project ultimately is expected to take eight years and create 7,000 jobs, with employment for thousands more people tied indirectly to the proposal.

By late next year, excavation will begin on the expansion's single largest component: a four-mile bypass of the southernmost locks of the canal to permit the passage of container ships capable of carrying 8,000 shipboard containers, or twice the cargo that fits through the existing waterway. On the Caribbean side, the new shipping lane will occupy a partially completed trench excavated from 1939 to 1942.

Later, two sets of parallel locks half again wider and longer than the existing sets will be built.

"Panamanians have taken a courageous vote, and the canal authority will use all its resources to meet their expectations," Ricaurte Vasquez, the canal authority's board chairman, said in an interview Sunday.

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Torrijos' government has promised voters that the expanded canal and the added ship traffic would make Panama the "Singapore of South America."

Panamanian and international investors expect the project to stimulate economic growth. The vote is expected to touch off several private and public construction projects that have been in abeyance until the balloting.

Dozens of high-rise office and residential towers are planned for the capital, including three structures over 80 stories tall. The canal's sixth container port, west of the Pacific entrance, is also expected to go forward, at an estimated cost of $600 million.

The government is expected to ask Panama's congress to approve hundreds of millions of dollars to build a new sewage system to clean up highly polluted Panama Bay, which fronts the capital. The money also would fund a four-lane highway to connect Panama City, on the Pacific, with the city of Colon on the Caribbean side.

Fill dirt from the bypass excavation would be used to build a highway called the Coastal Strip, across Panama Bay.

But some analysts worry that expectations about the project's positive impact are unrealistically high, with too many Panamanians viewing the canal expansion as a cure-all for a country where an estimated 40 percent of the population is living below the poverty line.

The government faces daunting social problems, including unemployment, substandard education and a troubled health care system.

"The expansion will raise the stakes for Panama's democracy, because in a few years when the project is finished it will be unacceptable to say that the Panamanian state does not have the resources to improve the conditions of the people," said Jorge Giannareas, professor of constitutional law and consultant to UNICEF in Panama.

Interviews Sunday morning with a dozen voters at polling places around Panama City -- from upscale private schools to the poor barrio called Chorrillo -- reflected strong support and optimism for the measure.

"I voted `yes' for my grandchild. She will be one to fill the professional jobs that the expansion creates, not me," retired government worker Rosa Garcia said in Chorrillo. "I voted for globalization, for progress."

Said golf caddy Juan Renteria as he voted in the blue-collar Caledonia section of the capital: "This will help the poor of Panama, the peasants who come to the city and find no work. Panama has to do something for them,"

Although he thinks the canal should be expanded, accountant Samuel Godoy said he voted `no' because he had little confidence in the government's ability to manage the project honestly and efficiently.

"The leaders are just loading the nation with debt," he said. "All this propaganda of creating more jobs I don't believe."

Muslim Veils Prompt Bans Across Europe (WT)

By Elizabeth Bryant

The Washington Times, October 23, 2006

PARIS -- When Nora Labrak arrived at a private employment agency in the summer near the French city of Lyon, the first question she was posed was not about her resume.

"I was asked to remove my head scarf at the lobby," Miss Labrak recalled in a telephone interview. When the 29-year-old refused, she was hustled to the door.

Long and short, sober black and brightly hued, the Muslim veil is drawing growing criticism in much of Europe. It has been chased from public schools in France and Belgium, and its strictest, face-concealing variation, the niqab, has been outlawed in a smattering of European towns.

Even in multicultural Britain, the niqab has sparked ferocious debate after the suspension of a Muslim teaching assistant and remarks by top government officials that the niqab encourages an unsettling social rift.

That debate began politely but has since grown ugly and rancorous, the chairman of Britain's Commission for Racial Equality said yesterday.

"We need to have this conversation, but there are rules by which we have the conversation which don't involve this kind of targeting and, frankly, bullying," said Trevor Phillips in a British Broadcasting Corp. interview.

Feeding the controversy are a series of incidents pitting Europe's Muslim population against its Christian majorities: Last year's riots in France, the Danish cartoons of the prophet Muhammad, the slaying of Dutch filmmaker Theo Van Gogh, honor killings in Germany, terrorist attacks in Britain and Spain, and Europe-wide concerns about illegal immigration.

"There's a rise in Islamo-skepticism," said Franck Fregosi, a specialist on Islam at France's National Center of Scientific Research. "There's a fear and tension that's installed in certain parts of the population, and I don't think it bodes well for the future."

In Brussels, 41-year-old Nicole Thill shares that foreboding.

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"I haven't had problems until now, but things are changing," said Mrs. Thill, who converted to Islam and adopted the veil in 2001. "People's looks are increasingly hostile. And there's less and less respect. People don't mind jostling you on the street because, after all, you're only a veiled woman."

A July survey by the Pew Research Center found most European Muslims did not sense hostility from non-Muslims. But a significant chunk -- including 39 percent in France, 42 percent in Britain and 51 percent in Germany -- reported otherwise.

Perhaps more than any other symbol, the veil sets Muslims apart. Worn by a minority of Muslim women in Europe, it is an easy target for stereotypes.

In interviews with a halfdozen veiled women in Europe, all said they braced themselves going out in public. Several cited the veil as a barrier to employment.

"I have some friends who agreed to take their head scarves off or to wear a bandana to get a job, but not by choice," said Miss Labrak. She has filed charges against the job agency that expelled her from its premises, and is awaiting a court ruling.

European politicians critical of the veil cite the importance of integrating ethnic African, Arab and Turkish immigrant populations. That was the message behind French legislation two years ago banning the head scarf and other religious symbols in public schools.

And it was one reason why Jan Creemers, mayor of the city of Maaseik in Belgium, outlawed wearing the face-concealing niqab in public earlier this year. Several Belgian towns have followed suit, while a number of Belgium public schools have banned students from wearing any kind of veil to class.

"We have many old people, and they were very afraid when they saw these women wearing the veil," said Mr. Creemers. "It's very important in our town and in our Western culture that people see each other face to face."

Public wearing of the niqab is similarly banned in Italy under anti-terrorist laws, which make it an offense to hide the face in public. In Germany, four states have outlawed public school teachers from wearing head scarves -- a ban that applies to all civil servants in the German state of Hesse.

Women employed in the public sector in France also are barred from wearing veils at work. The legislation has drawn widespread support, including from many Muslims.

"If you're in Europe, you need to live according to European customs. Either you adapt or, if you want to wear Middle Eastern clothing, you leave," said Khadija Khali, head of a French Muslim women's group. A practicing Muslim who has gone to Mecca five times, Mrs. Khali does not wear a veil.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TERRORISM NEWS:

Threat From "Home-Grown" Terrorists Considered Minor, Despite Warnings. The Christian Science Monitor (10/23, Marks, 58K) reports, "'Home-grown' terror cells remain a concern of US law officers, who cite several disrupted plots since 9/11. But the suspects' unsophisticated planning and tiny numbers have led some security analysts to conclude that America, for all its imperfections, is not fertile ground for producing jihadist terrorists." The Monitor adds, "In a nation where mosques have sprung up alongside churches and synagogues, where Muslim women are free to wear the hijab (or not), and where education and job opportunities range from decent to good, the resentments that can breed extremism do not seem very evident in the Muslim community. Since 9/11, however, concern is rising among Muslim-Americans that they are becoming targets of bias and suspicion," and "it's a disquieting trend, say the young Muslims -- one that might eventually help radicalism to grow."

Military Commissions Act Said To Create A "Broad Grey Area" On Interrogation Methods. Newsweek (10/30, Ephron, 3.12M) reports, "President George W. Bush signed the Military Commissions Act into law last week, laying down guidelines for Guantánamo prisoner tribunals and addressing the issue of interrogation tactics. … Most legal experts believe the new law criminalizes the harshest techniques used by the CIA since the attacks of September 11, including the mock drowning measure known as waterboarding. But the bill also creates a broad gray area in which some of the less dramatic methods…might still be part of the interrogation package. Neither the Pentagon nor the CIA would comment on their techniques, but the wiggle room bothers critics."

WAR NEWS:

Senators From Both Parties Urge Bush To Change Iraq Strategy. President Bush defended his Iraq policies yesterday, in an interview on ABC's This Week (10/22, Stephanopoulos). Asked whether US soldiers are "now dying to prevent Sunnis and Shiites from killing each other," Bush replied, "The fundamental question is: Are we on our way to achieving a goal, which is an Iraq that can defend itself, sustain itself and govern itself and be an ally in the war on terror in the heart of the Middle East?" Host George Stephanopoulos interjected -- "But it seems like every month we're going farther from that," to which Bush answered, "I don't know why you would say that." Bush added, "if…the definition of success or failure [is] the number of casualties, then you're right. But that's what the enemy knows. See, they try to define success or failure. I define success or failure as to whether or not the Iraqis will be able to defend themselves. I define success or failure as whether the unity government's making difficult -- the difficult decisions necessary to unite the country. The people voted for a government. And this government is going to have to perform to the will of the people. And that stands in stark contrast to the tyrant that preceded them and to other tyrannical -- and to the vision of those who would like to change the governments all throughout the Middle East."

In his interview with the President on ABC's This Week (10/22), George Stephanopoulos remarked, "You said this election's a choice between Republicans and Democrats who want to wave the white flag of surrender in the war on terror. … Can you name a Democrat who wants to wave the white flag of surrender." Bush responded, "I can name a Democrat who said there ought to be a date certain from which to withdraw from Iraq, whether or not we've achieved a victory or not." Questioned as to whether that constitutes "surrender," Bush replied, "Yes, it is, if you pull the troops out before the job is done." Asked if he "can imagine any circumstances where US troops are going to leave Iraq before you leave the presidency," Bush answered: "No. I cannot." Sen. John Kerry, given an opportunity to respond to the President's comment on ABC's This Week (10/22, Stephanopoulos), said, "That's reprehensible. It's a lie. The Administration has lied in the walkup to the war. They've lied in the conduct of the war. And they have made America less safe. And the President just misled America again in that interview. … This is a civil war." Kerry added, "Setting a date for a year from now is not waving a flag of surrender. And I resent the President of the United States suggesting that. It is, in fact, the best way to protect our troops. It's the best way to solve the problem. It's the best way to regain our moral

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authority in the region. It's the best way to be successful. It's the best way to protect America's security."

The AP (10/23, Riechmann) says Bush "expressed unwavering confidence in Nouri al-Maliki's ability to come to grips with the sectarian violence. Yet continued instability and rising casualties have led to calls, growing louder as the Nov. 7 elections near, for Bush to overhaul his war plan," while the CBS Evening News (10/22, lead story, 3:10, Andrews, 7.66M) reported the President "says he remains opposed to any announced withdrawal from Iraq. He still calls that surrender. But the question of how to leave gradually by forcing Iraq's government to take control is now firmly on the table." Bush: "I define success or failure as to whether or not the Iraqis will be able to defend themselves." Andrews: "And the Iraqi government, the President seemed to suggest, is running out of time." Bush: "I'm patient. I'm not patient forever. And I'm not patient with dawdling." Andrews: "How to end any dawdling by Iraq's government and what to do now were the subject of a top level council on Saturday. One idea according to the New York times is to give the Iraqis goals or milestones alike disarming the sectarian militias.

The Washington Times (10/23, Pfeiffer, 88K) reports, "The president's interview aired in the wake of widespread reports last week, based on leaks from a U.S. task force headed by former Secretary of State James A. Baker III, that the Bush administration is preparing for a "course correction" in Iraq in the coming months, with some of the options being the partition of Iraq and a military coup against Iraqi Prime Minister Nouri al-Maliki." Administration "spokesmen already had played down those reports, but Mr. Bush yesterday noted that Mr. al-Maliki has only been in office four months and expressed his support, while noting that it wouldn't last forever."

The situation in Iraq continued to dominate media coverage last night and this morning, with segments on the network newscasts and extensive discussion on the Sunday political shows. Much of the reporting casts US policy in a negative light, with GOP lawmakers appearing to seek distance from the White House on the issue, and pressuring Bush to change US tactics in Iraq. Typical of the coverage was the Financial Times (10/23, Dinmore), which in a story titled "Deepening Disarray Over US Policy In Iraq" reports that "leading Republicans and the Bush administration on Sunday projected a deepening sense of disarray over Iraq, as they argued with each other over the current state of affairs and the way forward. Several senators took issue with the administration's policies in Iraq, distancing themselves from the White House in the run-up to next month's mid-term elections to Congress."

NBC Nightly News (10/22, lead story, 2:55, Seigenthaler, 9.87M) says Bush "is under pressure from Democrats an even some Republicans tonight to change his war tactics. After meeting with his top military leaders this weekend, the President is reportedly considering several options. But there are still questions about what the President can do to bring stability and security to a country that appears to be out of control." NBC (Ohm) added, "The President met with top advisors for a series of meetings, how to turn things around in Iraq. Today lawmakers from both parties say it's time the Administration and the Iraqi government produce results. With the US death toll in Iraq at its highest point in year and public optimism for the war at an all-time low, there's increasing frustration about the course of the war, even from top Republicans." GOP Sen. Arlen Specter: "I don't believe a shift in tactics ought to wait until after the election. There are too many casualties there." GOP Sen. John Warner: "The whole thing is fracturing and it's a consequence of these private militias."

Asked if he believes Iraq is already in the midst of a civil war, Specter said on CNN's Late Edition (10/22, Blitzer), "Yes. … I think it's a matter of semantics, but when you have the insurgents as violent as they have been, and when you have the three major factions in Iraq killing each other, and you have the level of violence, I don't think there's any point…in hiding the facts. I think we have to face the facts." Specter also said he "was encouraged by a lead story in The New York Times today that the administration is considering some timetables. President Bush said yesterday in his Saturday address that he's going to be flexible and would make adjustments if necessary to be victorious. … I don't believe that a shift in tactics ought to wait until after the election. There are too many casualties there. If we have a better course, we ought to adopt it sooner rather than later."

Appearing on Fox News Sunday (10/22, Wallace), GOP Sen. Richard Lugar said "there's 40 to 60 percent unemployment in Iraq. The oil production is going down; there's corruption there. In essence, even if you had a military solution or stability, it's not really clear how people pay for their government, physically how it continues on. And therefore, as a part of the planning, we're going to have to rethink the reconstruction of the country in a way we haven't. We've sort of zeroed out in appropriations this reconstruction group at

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the State Department, even though the Defense Department is willing to give us some money. That's a critical element of this, because the stability of this is going to come about when people are employed, Iraqis are employed, reconstructing their country. Quite apart from the division of the oil money, if there isn't very much oil money, that becomes academic."

ABC World News (10/22, story 2, 3:10, Morrell, 8.78M) said, "Frustrated by the escalating violence in Iraq, the Bush Administration has decided to turn up the heat on Nouri al Maliki, pressuring the Iraqi Prime Minister to get a grip on the militias and death squads that are driving his nation to civil war. And he'll have a deadline to do so. It is part of a new plan to hold the Iraqi government to account by imposing a series of benchmarks. Today, lawmakers on both sides of the aisle say it's high time Maliki took charge of his country." Warner: "Maliki should get the strong message as stated by the President and the Secretary of Defense Rumsfeld in the last 48 hours. 'Let's get rid of the militias and do it now.'" Democratic Sen. Joe Biden: "He does not have an indefinite timetable for US troops to continue to be the apartheid cops." Morrell: "Mr. Bush has been reluctant to impose deadlines and timetables on Maliki, who took over in May. But in a recent interview with ABC's George Stephanopoulos, he hinted the Iraqi leader must make progress soon." Bush: "I'm patient. I'm not patient forever. And I'm not patient with dawdling. But I recognize the degree of difficulty of the task. And therefore say to the American people, we won't cut and run." Morrell: "Even with that commitment, several retired generals say Maliki does not have the resources to secure Iraq. And they are urging the Bush Administration to send over as many as 40,000 more US troops."

Biden, on Fox News Sunday (10/22, Wallace), said, "What the president is calling for, at least what appears to be the case, of consideration of benchmarks, the United States Congress voted on about a year and a half ago. … The truth of the matter is there's a need for radical change in policy. There's a need for a political solution in Iraq and a bipartisan solution here at home. Without those two things happening, there is no possibility, in my view, we succeed in Iraq."

Sen. Carl Levin, also on Fox News Sunday (10/22, Wallace), said, "the Administration has refused to consider changing course for the last couple years, although it's been obvious that the violence in Iraq has been increasing consistently. … Our leaders in Iraq tell us there is no military solution, there's only a political solution in Iraq, and the leaders in Iraq have got to work out those differences or else the killings will continue and the violence will continue."

Democratic Sen. Jack Reed, on CNN's Late Edition (10/22, Blitzer), said the fighting in Iraq "is a civil war. And we are being sucked slowly into a civil war with disastrous consequences."

On NBC's Meet the Press (10/22, Russert) Sen. Barack Obama said, "given the rapidly deteriorating situation down there, it is incumbent upon all the leadership in Washington to execute a serious change of course in Iraq. And I think that involves the beginnings of a phased withdrawal that would put more of the onus on the Iraqi government and the Iraqi people to make a decision about what kind of Iraq they want, and also to engage the regional powers -- whether it's Saudi Arabia, Iran and Syria -- to say, 'You can't sit on the sidelines. You have a stake in a stabilized Iraq.'"

The Washington Post's Sebastian Mallaby (10/23, A21), meanwhile, writes this morning, "In Iraq, things get ever uglier, and the old remedy of extra troops now seems tragically futile. The Bush team has recently tried putting thousands of additional soldiers into Baghdad, and the result after two months is that violence there has increased."

US Military Sees No Alternative To Pacifying Baghdad. The New York Times (10/23, Gordon, 1.21M) reports, "After three years of trying to thwart a potent insurgency and tamp down the deadly violence in Iraq, the American military is playing its last hand: the Baghdad security plan. The plan will be tweaked, adjusted and modified in the weeks ahead, as American commanders try to reverse the dismaying increase in murders, drive-by shootings and bombings." But "military commanders here see no plausible alternative to their bedrock strategy to clear violence-ridden neighborhoods of militias, insurgents and arms caches, hold them with Iraqi and American security forces, and then try to win over the population with reconstruction projects, underwritten mainly by the Iraqi government. There is no fall-back plan that the generals are holding in their hip pocket. This is it." Baghdad, "as the generals like to say, is the center of gravity for the larger American mission in Iraq. … However the broader strategy may be amended, nothing can work if Baghdad becomes a war-torn Beirut." USA Today (10/23, Jervis, Michaels, 2.27M), meanwhile, offers a dire assessment of the situation in Iraq's capital in a story titled "US Forces Caught In Crossfire On Streets Of 'Capital Of Death.'"

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Kristol Predicts Rumsfeld Will Resign After The Election. The Weekly Standard's Bill Kristol was asked on Fox News Sunday (10/22, Wallace) if "from all your contacts with the White House," he believes the President maintains confidence in Iraqi Prime Minister Nouri al-Maliki, Kristol responded, "I don't know. I mean, clearly Secretary Rumsfeld doesn't. He basically attacked the Iraqi government on Friday and said they've got to get their act together, it's up to them. … Maybe he doesn't have much confidence in Maliki." Kristol added that Rumsfeld "should have left after the last election, and we might actually be winning the war in Iraq now. But I think he will leave after this election."

Pentagon Officials Say They've Tried Every Possible Strategy In Iraq. Newsweek (10/30, Caryl, 3.12M) reports, "In the past few weeks, Americans throughout Iraq have been dying at rates not seen since the battles of Najaf and Fallujah in 2004. Meanwhile the sectarian carnage keeps deepening in and around the capital. … Even as they create new study groups and ask what has gone wrong, senior officers at the Pentagon say privately that they have already tried every possible strategy. Two years ago, when there were 150,000 US troops in Iraq and effectively zero Iraqi forces, the expectation was that once the Iraqis were trained up, security would improve. Now there are 140,000 Americans and 130,000 Iraqi troops, and parts of the country…are worse off than ever. No one knows what to do about it." US military leaders "are increasingly worried that their troops' sacrifices are only enabling Iraq's politicians to duck the tough calls necessary to save Iraq from civil war."

More Aggressive US Posture Suggested In Iraq. Time (10/30, Ghosh, 4.03M) reports, "Iraq's most pressing problems may still take years to resolve. But quick and decisive action in a few key areas could at least help slow the inexorable descent into anarchy. Here are five of them: clean out the rogues, deal with al-Sadr, bring the Sunnis back, wake up the neighbors, because since Syria and Iran "are a big part of Iraq's problems…they will have to be a big part of any solution. The final suggestion Times offers is get tough, then get out. Some top commanders "would instead like to see the US military adopt more aggressive counterinsurgency tactics. … But the corollary to a more aggressive posture is that as US troops grow more visible, the insurgents will have greater incentive to keep fighting, which would inevitably lead to higher US casualties." Time adds, "If all of these prescriptions were applied, would they make a difference? It's possible, but only if taken together. The Iraqi security forces can't be cleaned up unless the U.S. is prepared to face down al-Sadr -- and it can accomplish neither of these tasks unless American commanders are allowed to be more aggressive on the ground. And no political solution is possible unless the Sunnis stay in the tent and the Iranians and Syrians agree to stay out of it."

Cheney Says US Is Seeking Victory, Not An Exit Strategy In Iraq. Time (10/30, Allen, Carney, 4.03M) interviews Vice President Dick Cheney. Asked about speculation that the Iraq Study Group led by James Baker will provide the Administration after the election with an exit strategy from Iraq, Cheney said, "I know what the President thinks. I know what I think. And we're not looking for an exit strategy. We're looking for victory. And victory will be the day when the Iraqis solve their political problems and are up and running with respect to their own government, and when they're able to provide for their own security."

Book Says UK Officials Initially Opposed Iraq War. Newsweek (10/30, 3.12M) reports in its "Periscope" column that the UK "initially opposed war in Iraq. A new book by Tyler Drumheller, former chief of the CIA's European ops, describes how, the day after 9/11, a 'powerful delegation from a very close European ally' visited CIA Director George Tenet at HQ. In his book 'On the Brink,' Drumheller says the foreign-team leader said 'his government stood by us...and that we could count on it for any and all support.' But the foreign rep cautioned, 'I hope we can all agree that we should concentrate on Afghanistan and not be tempted to launch any attacks on Iraq.' In Drumheller's account, Tenet replied, 'Absolutely, we all agree on that.'" Newsweek adds that "two former intel officials tell NEWSWEEK the foreign delegation was British, led by spy chief Richard Dearlove and David Manning, the national-security adviser. A U.K. source, who, like the former intel officials, requested anonymity due to diplomatic sensitivities, acknowledged that the delegation did visit Tenet on Sept. 12, 2001, and confirmed it was the U.K.'s position at the time that the U.S. should not attack Iraq."

US Diplomat Apologizes For Comments About US Intervention In Iraq. The New York Times (10/23, Banerjee, 1.21M) reports NEA/PPD Director Alberto Fernandez "apologized Sunday night for saying that the United States had acted with 'arrogance' and 'stupidity' in its campaign in Iraq." Fernandez had told Al-Jazeera "that while the United States had tried its best, its role might be

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criticized by future historians 'because undoubtedly there was arrogance and stupidity from the United States in Iraq.'" Administration "officials said [those comments] did not reflect the administration's views. 'I can only assume his remarks must have been mistranslated,' said a senior administration official, who was not authorized to speak for attribution. 'Those comments obviously don't reflect our position.'" Fernandez's Sunday statement is quoted saying, "Upon reading the transcript of my appearance on Al Jazeera, I realized that I seriously misspoke by using the phrase 'There has been arrogance and stupidity by the U.S. in Iraq.' This represents neither my views, or those of the State Department. I apologize."

Under the headline, "Envoy Sorry For Iraq 'Stupidity' Comment," the AP (10/23) says Administration "officials had sought to play down Fernandez' assessment of the security situation in Iraq." Assistant Secretary McCormack "told reporters Saturday that Fernandez said after the broadcast he didn't think reports of his comments were an 'accurate reflection of what he said.' Asked whether the Bush administration believed that history will show a record of arrogance or stupidity in Iraq, McCormack replied, 'No.'"

At Least Fifteen Police Recruits Killed In Baghdad. The Washington Post (10/23, Anderson, 748K) reports, "At least 15 Iraqi police recruits were killed Sunday when two buses taking them to Baghdad were ambushed by insurgents north of the capital, a local police official said. Twenty-five recruits were injured in the attack, and 20 others were kidnapped, he said. ... Attacks against U.S. and Iraqi forces in Baghdad have increased 43 percent since midsummer, U.S. military officials say."

The New York Times (10/23, Luo, 1.21M) reports, "The latest violence left at least 18 Iraqis dead overall, officials said, adding to what had already been one of the bloodiest stretches here since the American-led invasion in 2003. In addition, about 50 bodies were collected Sunday around Baghdad, the capital, a figure considered high weeks ago but now routine." The attack on the police recruits bore "signs of the kind of sectarian violence that has plagued Iraq, particularly since the bombing of a sacred Shiite shrine in Samarra in February." Both the Times and Post mention the US death toll now reaching 83 for October.

"Age-Old" Ties In Balad Swiftly Destroyed. The Washington Post (10/23, Knickmeyer, 748K) reports in a 1,610-word article, "What brought this Tigris River city north of Baghdad to this state of siege was a series of events that have displayed in miniature the factors drawing the entire country into a sectarian bloodbath: Retaliatory violence between Sunnis and Shiites has soared to its highest level of the war, increasingly forcing moderates on both sides to look to armed extremists for protection. The Shiite-led government's security forces, trained by the United States, proved immediately incapable of dealing with the sectarian violence in Balad, or, in many cases, abetted it, residents and police said. ... Forty-eight hours after the attacks on Sunnis started, the Iraqi government ordered in the Iraqi army's 3rd Regiment, 4th Division from outside Balad, Iraqi army officials said. ... By then, however, very few Sunnis were left in Balad."

UK Makes Progress In Iraqi Troop Training. The New York Times/AP (10/23) reports, "Britain has gone 'quite far' toward handing over control of southern Iraq to local forces, Defense Secretary Des Browne said Sunday. But Mr. Browne did not say whether he agreed with Foreign Minister Kim Howells, who said Saturday that 'in a year or so there will be adequately trained Iraqi soldiers and security forces' to take over most duties from American-led troops. ... British officials have spoken in recent months of cutting troop levels in Iraq from the current 7,000 to between 3,000 and 4,000 by mid-2007, but no firm date has been set."

Iraqi Officials Allegedly Stole At Least $500 Million Meant For Fighting Insurgents. CBS's 60 Minutes reported last night, as summarized on the CBS News website (10/22), "More than half a billion dollars earmarked to fight the insurgency in Iraq was stolen by people the U.S. had entrusted to run the country's Ministry of Defense before the 2005 elections, according to Iraqi investigators. Iraq's former minister of finance [Ali Allawi] says coalition members like the U.S. and Britain are doing little to help recover the money or catch suspects, most of whom fled the country. ... One of the people praised in former U.S. Ambassador L. Paul Bremer's memoirs is a major suspect in the case. Ziad Cattan was in charge of military procurement at a time when the ministry of defense went on a $1.2 billion buying spree. Allawi estimates that $750 to $800 million of that money was stolen."

Pentagon Plans To Reopen Investigation Of Tillman's Death. Newsweek (10/30, 3.12M) reports in its "Periscope" column, "The Pentagon plans to complete by late November its fourth investigation into the friendly-fire

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killing of former NFL player Pat Tillman in Afghanistan, says the congressman from Tillman's district. Launched in March under pressure from the family, the probe will determine if members of Tillman's Army Rangers unit should be tried for criminal negligence and whether there was a cover-up. … Some top Army officers worry that the findings will overshadow the military's broader success in reducing friendly fire."

Tillman's Brother Slams Iraq War. The Washington Post/AP (10/23) picks up a story that was broken 2 days earlier by the Arizona Republic, describing how Kevin Tillman denounced the Iraq war on Truthdig.com. The Arizona Republic (10/21, Faherty) reported, "Kevin Tillman has finally spoken. ... this week, he wrote what can only be described as a scathing indictment of the war in Iraq, the Bush administration and American apathy." Tillman, who served with his late brother, charged online on Truthdig.com, "Somehow, the more soldiers that die, the more legitimate the illegal invasion becomes."

DOD Plan To Plant News Stories In Iraq Criticized. The Washington Post (10/23, 748K) editorializes, "The Defense Department inspector general has concluded that having a Pentagon contractor secretly pay Iraqi journalists and news organizations to run positive news stories about the war doesn't violate any laws or regulations. ... The U.S. government has a legitimate interest in conveying its point of view. The problem is when it does so in secret. The government shouldn't be in the business of covertly peddling propaganda -- especially in a war based on the notion of seeking to export democratic values such as, say, a free press."

CORPORATE SCANDALS:

Skilling Expected To Receive Sentence Of At Least 25 Years In Prison. The New York Times (10/23, Barrionuevo) reports Jeffrey Skilling, former Enron chief executive, "will stand in federal court…on Monday and receive a sentence that many expect will keep him in prison for the rest of his life. Most legal experts are betting that United States District Judge Simeon T. Lake III will give Mr. Skilling a sentence of at least 25 years for his role in heading a conspiracy to defraud Enron investors. Should it exceed that, it would be the longest sentence ever handed down for a white-collar criminal. Until now, the record has been held by Bernard J. Ebbers, the former chief executive of WorldCom, who was sentenced to 25 years for being head of an $11 billion fraud that led to the bankruptcy of his long-distance telephone company." The Times notes Skilling's "prospects reflect how tough the federal guidelines have become for those convicted of white-collar crimes in the wake of the huge-scale frauds at companies including Enron, WorldCom and Adelphia. Some legal experts have begun to question the sentences that federal judges are handing down in these cases."

Deutsche Bank CEO To Be Retried In Executive Compensation Case. The Wall Street Journal (10/23, A2, Taylor) reports, "The retrial later this week of Deutsche Bank AG Chief Executive Josef Ackermann on criminal charges that he abused his position as a director of another German company again brings to the fore the differences between U.S. and German practices on executive compensation. It also likely will hamper Mr. Ackermann's ability to lead Germany's largest bank, although his position isn't under threat for now." Ackermann "is being retried on charges of which he was acquitted in July 2004. … Judges at a court in Düsseldorf will seek to establish whether Mr. Ackermann and five other directors of former engineering company Mannesmann AG breached fiduciary trust, a potentially criminal offense known in German as 'Untreue,' when they approved €57 million ($71.9 million) in bonuses to Mannesmann executives in 2000 after the company was bought by Vodafone Group PLC of the U.K."

Statute Of Limitations Reportedly Undermines AOL Fraud Investigation. The Washington Post (10/23, D1, Johnson) reports, "One of the government's most highly touted accounting-fraud investigations -- into questionable advertising deals at America Online Inc. around the time it merged with Time Warner Inc. -- has apparently hit a dead end, running into the five-year statute of limitations before prosecutors could move as far as they had hoped up the company's corporate ladder. Despite a lengthy investigation by the U.S. attorney's office for the Eastern District of Virginia, lawyers involved in the case now say the government will not be able to bring criminal charges against top AOL executives over transactions in which the Dulles Internet service provider and its business partners allegedly sought to artificially boost each other's revenue numbers as the dot-com bubble was bursting in

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2000 and 2001." However, "Before the deadline passed, prosecutors filed securities fraud and related charges against two former mid-level AOL executives. They are on trial in a federal court in Alexandria with two former officials of PurchasePro.com Inc."

FASAB To Propose New Federal Accounting Standards. The Financial Times (10/23, Guha) reports, "A radical new approach to government accounting that would require the US administration to account for the cost of future social security payments year by year as people build up entitlements will be proposed on Monday. The proposal by the federal accounting standards advisory board (FASAB) – which would also require the government to account for benefits accrued under Medicare and other social insurance programmes in the same way – is unprecedented internationally. It would radically change the presentation of US government finances, in effect bringing forward the cost of rapidly increasing social security and Medicare obligations and greatly increasing the reported fiscal deficit. George W. Bush's administration is firmly opposed to the proposal, which officials believe wrongly implies that the government is contractually obliged to make future payments based on current benefit rules."

WSJournal Contends Spitzer Allowed Case Against Grasso To Be Politicized. The Wall Street Journal (10/23, A14, 2.03M), in an editorial, notes former New York Stock Exchange CEO Dick Grasso "had a bad day in court last week when a state judge ordered him to repay part of his generous retirement package. New York Attorney General Eliot Spitzer is claiming victory, albeit prematurely. The bigger news may be that the judiciary now feels entitled to set executive pay standards. … Our main problem with Mr. Spitzer's lawsuit is that it seemed to be a politically opportunistic attempt to target the unsympathetic Mr. Grasso while sparing much of the NYSE board that was responsible for paying him. In the most egregious instance, Mr. Spitzer left out of his suit the influential Democrat and former head of the NYSE board's compensation committee, H. Carl McCall, whose support the AG wanted when he still thought he might have to run against Senator Chuck Schumer in the Democratic primary for Governor."

CRIMINAL LAW:

New York US Attorney Chasing Corruption. The New York Post (10/23, Cornell) reports, "The arrest of state Assemblyman Brian McLaughlin, along with recent high-profile public-corruption probes, are just the beginning for U.S. Attorney Michael Garcia, who is ramping up efforts to bust crooked politicians. … 'It's shocking to see cases where people abuse their public-service office to enrich themselves illegally. If you're in this for the money, something's really wrong,' Garcia told The Post." The Post continues, "Since becoming U.S. attorney for the Southern District of New York in 2005, Garcia has vowed to make ferreting out corruption a priority. .. The office, where Garcia cut his teeth in the 1990s, has a strong reputation for taking on terrorism, white-collar and organized-crime cases. 'You really don't think about public corruption - it's an area where I think this office should play a role,' Garcia said. … But Garcia said that the FBI is increasingly devoting its resources to these difficult cases and he intends to do the same as he makes new hires. … 'There's just a lot of opportunity here, a lot of money in everything from zoning and those types of traditional areas where you see corruption - to bigger areas like the U.N.,' Garcia said." The Post notes, "Last week the focus was local with McLaughlin's arrest for a slew of alleged scams targeting everyone from a Little League team to members of his union. .. Last month, Garcia confirmed a probe into former Westchester DA and state attorney general candidate Jeanine Pirro after she was allegedly recorded talking with former city Police Commissioner Bernard Kerik about suspicions that her husband was cheating and her desire to bug his boat. … In August, a veteran state senator, Efrain Gonzalez, was nabbed for allegedly siphoning $37,000 from a Bronx charity."

Convicted Former Spy Sues To Clear His Name. The Seattle Post-Intelligencer (10/23, Johnson) reports, "Edwin Wilson began this quest from a solitary-confinement cell, where he wrote letters seeking top-secret documents to show that his own government betrayed him. … The notorious ex-spy once traveled the world, gathering intelligence while playing the role of global businessman. He later was tied to shipping a planeload of explosives to Libya, sending him to prison for decades." The P-I continues, "He was hurtling into history as one of this nation's most infamous traitors until three years ago -- when a federal judge concluded he'd been buried with the help of government lie

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… Now 78 and paroled, Wilson works in his Seattle office, a scrupulously tidy room in his attorney's high-rise building, to prove he didn't earn the spectacular fall from skilled CIA agent to despised federal prisoner." The P-I adds, "He studies his documents over cup after cup of black coffee and charts his latest mission: a federal lawsuit against the high-ranking people who helped lock him away. … It could be the most difficult task of his movie-like life. In books about his downfall, he is the villain: a ruthless renegade who left the CIA and made himself rich by selling arms and training terrorists for Libyan leader Moammar Gadhafi. … And though he's made headway on new appeals, he remains convicted of some grim crimes, including shipping several guns to Libya and plotting to kill prosecutors and witnesses. .. But three years ago, a federal judge in Texas threw out a major conviction -- that Wilson conspired to ship 20 tons of a powerful plastic explosive known as C-4 to Libya in 1977 -- and blasted the government for covering up the truth." The P-I notes, "Wilson had finally gotten documents to help support the claim he had made all along: That despite his 1971 retirement, the CIA was still secretly using him to gather intelligence and knew about many of his activities in Libya. … The government had denied it for years. His attorney, Steve Berman, said the CIA didn't want to be publicly connected to anything it had authorized Wilson to do, so it simply 'hung him out to dry.' … The people Wilson is suing -- former officials in the U.S. Attorney's Office, the Justice Department and the CIA, including two men who are now federal judges -- contend they can't be held liable for doing their jobs, even if his rights were violated."

Colleges Understating Crimes In FBI, Education Department Reports. Examining questions about Northeastern University's crime statistics as an example, the Wall Street Journal (10/23, Seward, 2.03M) reports, "Under a 1990 law known as the Clery Act, schools must report statistics on burglaries -- but not larcenies -- to the Education Department and to students and staff. Schools report larceny totals separately to the FBI for its annual report on crime in the U.S. But thefts, whether characterized as burglary or larceny, are only part of the problem of gauging campus security. Some schools have understated violent crimes such as robberies and sexual assaults." The Journal adds that "a comparison of recent Clery reports to FBI data shows that colleges may be portraying themselves as safer than they really are. For instance, some schools, including Northeastern, acknowledge they exclude many unsolved thefts from burglary numbers submitted to the Education Department, despite federal guidance to the contrary."

Ties To Weldon Have Benefited Lobbyists For International Companies. The Philadelphia Inquirer (10/22, Mondics, 399K) reported, "Several times in recent years, U.S Rep. Curt Weldon…has taken time from his busy schedule to help a foreign company, which turned around and hired a lobbying firm close to him. In 2002, Weldon started aiding a large Russian energy firm just before his daughter Karen and longtime political ally Charles P. Sexton Jr. received a $500,000 contract to lobby for the company. A year later, Weldon also aided the interests of a Russian helicopter plant as well as two brothers linked to a prominent Serbian war criminal. Both parties later hired the Weldon-Sexton lobbying firm, Solutions North America." The Inquirer notes that in the FBI investigation, "no evidence has surfaced that Weldon has personally benefited from his official actions. But there are many signs that those around him have reaped gains."

Judge Rejects Request To Subpoena WTimes Reporter In China Spy Case. The New York Sun (10/23, Gerstein) reports, "A federal judge has refused to allow a reporter for the Washington Times to be subpoenaed by defense attorneys in a case stemming from allegations of Chinese espionage at American defense contractors." The Sun continues, "Lawyers for one of the defendants in the case, Chi Mak, argued that the newspaper's top national security correspondent, William Gertz, should testify about leaks he allegedly received of classified information about the prosecution. … Judge Cormac Carney, who is based in Santa Ana, Calif., rejected the request, ruling that the legality of the government's wiretaps under the Foreign Intelligence Surveillance Act should be assessed solely on the basis of the paperwork the government filed to seek warrants for the surveillance. … 'Any classified information Mr. Gertz may have received is irrelevant to the court's inquiry,' Judge Carney wrote in an order dated October 16." The Sun adds, "An attorney for Mr. Mak, Ronald Kaye, declined to discuss the motion to subpoena Mr. Gertz. A copy of the defense's legal filing was not available last week from the court. Mr. Gertz is renowned in Washington for obtaining and publishing classified reports. It is unclear precisely what prompted the interest of defense attorneys, but the case against Mr. Mak is discussed at length in Mr. Gertz's

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latest book, 'Enemies.' … Mr. Mak, a China-born naturalized American citizen is charged, along with four of his family members, with failing to register as an agent of the Chinese government. Prosecutors contend that he stole details about Navy-related propulsion technology from his employer, Power Paragon, and arranged to deliver them to Chinese agents. Judge Carney has ordered that Mr. Mak stand trial separately from the other defendants because of what the judge said was a 'powerfully incriminating' confession by Mr. Mak. All of the defendants have pleaded not guilty. The judge did not rule on whether Mr. Gertz could be called as a witness at trial. There is no indication that the defense has made such a request."

"Chatty Rat" Abramoff Given Desk To Work From At FBI. U.S. News and World Report (10/30, Bedard, 2.03M) reports in its "Washington Whispers" column, "Jack Abramoff, the lobbying scandal figure, has become such a chatty rat that probe insiders say he's been given a desk to work at in the FBI. We're told he spends up to four hours a day detailing his shady business to agents eager to nail more congressmen in the scandal. … As a result of his help in the ever expanding investigation, we hear that the Feds hope to keep him in a nearby prison after he's sentenced on his conspiracy admission."

CREW Director Profiled. Time (10/30, Tumulty, 4.03M) reports on Melanie Sloan, executive director of the liberal watchdog group Citizens for Responsibility and Ethics in Washington (CREW). Since its founding in 2003, CREW has worked through legal and regulatory channels to press allegations of impropriety almost exclusively against Republicans. Ironically, given CREW's new prominence as a favorite target of vast-left-wing-conspiracy theorists, its litigious approach borrows heavily from the conservative group Judicial Watch." Time notes, "For an organization dedicated to holding government accountable, CREW isn't transparent about its own operations. Organized as a 501(c)3 under federal tax laws, it does not have to reveal the names of all its donors." CREW "acknowledges that it has received $100,000 from the foundation of liberal financier George Soros and several annual donations of at least $10,000 from that of entertainer Barbra Streisand."

FBI Considers Investigation Of Alabama's Bishop State Community College. The Mobile Press-Register (AL) (10/23, Altman) reports, "The FBI is considering an investigation into Bishop State Community College and has consulted other law enforcement agencies about the matter, a bureau spokesman said Thursday." The U.S. Department of Education "earlier this year demanded Bishop State repay $150,000 in misspent aid money and now requires the school to demonstrate each student's eligibility before it can receive federal funds."

FBI-Local Police Partnerships Reduce Traveling Jeweler Robberies. USA Today (10/23, 3A, Willing, 2.27M) reports, "FBI and local police are teaming up to combat a little noted but highly lucrative crime: robberies by gangs that target traveling jewelry and precious gem sales representatives," and the industry is "on track for its lowest number of annual attacks since about 1990, according to a report by the industry group Jewelers' Security Alliance (JSA). … Interrogations of captured robbers have shown that most are illegal immigrants, usually Colombian or Ecuadorean, who have worked their way up in ethnic gangs by performing less serious robberies, says Daniel McCaffrey, an FBI agent in New York City who specializes in jewel theft." USA notes, "After 1999, when sales reps endured a record 323 robberies and more than $76 million in losses, the FBI began to partner with local police task forces in New York City, Los Angeles, Houston, Miami and other jewel theft hot spots. Using stakeouts, stings and other methods, they've helped boost arrests and lower dollar losses each year since 2000. Figures kept by the Jewelers' Security Alliance show local, state and federal arrests increased 25%, from 456 in 2003 to 570 in 2004."

Montana Couple Pleaded Guilty To Defrauding Federal Government To Pay College Tuition. The Billings Gazette (MT) (10/20, Johnson) reports, "A former Fort Peck tribal education official and her husband admitted Thursday that they took money from the federal government and used most of it to pay for their daughter's college tuition. Desiree Dean Kirn Lambert, 50, and Bernard John Lambert Jr., 58, of Busby, pleaded guilty in federal court in Great Falls." Desiree Lambert "pleaded guilty to fraudulent claims, grant fraud and theft from a tribal organization; her husband pleaded guilty to conspiracy to defraud the government."

Judge Limits Border Laptop Searches. The National Law Journal (10/23, Bronstad) reports, "Government

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officials must have reasonable suspicion under the Fourth Amendment to search someone's laptop at U.S. borders, according to a recent ruling in Los Angeles." The Journal continues, 'The decision by U.S. District Judge Dean D. Pregerson of the Central District of California is the first within the area of the 9th U.S. Circuit Court of Appeals to address whether searching a person's laptop is more than routine and therefore subject to the search and seizure protections of the Fourth Amendment. U.S. v. Arnold, No. 2:05-cr-00772 (C.D. Calif.)." The Journal adds, "The Oct. 2 ruling expands upon a previous decision by the 9th Circuit that permitted the search of temporary cache files in a man's laptop. U.S. v. Romm, 455 F. 3d 990 (9th Cir. 2006). The decision could lead to a potential circuit split, given a conflicting 4th Circuit ruling last year in a similar case. … Under existing law, border officials must have a reasonable suspicion to conduct a nonroutine or invasive search, such as a body cavity search or X-rays. In most cases, that standard of proof is relatively low given the nation's heightened security concerns at the borders. … Previously, the only other case that addressed whether a laptop search is intrusive was U.S. v. Ickes, 393 F.3d 501 (4th Cir. 2005.) In that case, the 4th Circuit upheld a man's conviction in ruling that a laptop search at the border did not violate his First Amendment right of expression."

Jury In Trial Of NYTimes Journalist's Alleged Murderer Set To Begin Deliberations. The Washington Times (10/23, Wagner) reports, "The jury in the trial of a man accused of killing a New York Times journalist could begin deliberations as early as today. Prosecution and defense teams in the murder trial of Percey Jordan Jr. rested their cases Friday in a D.C. Superior Court. Mr. Jordan, 42, is on trial for the killing of editor-reporter David E. Rosenbaum, who was severely beaten Jan. 6 as he walked in the 3800 block of Gramercy Street near his home in a usually peaceful Northwest community. Closing arguments by Assistant U.S. Attorney Amanda Haines and defense attorney Michael Starr are expected to focus on the recorded testimony of Mr. Rosenbaum's wife, Virginia, who died of colon cancer six months after testifying to a grand jury."

New "No-Swipe" Credit Cards' Encryption Methods Considered Vulnerable. The New York Times (10/23, Schwartz) reports on "potential security and privacy holes in a new generation of credit cards — cards whose data is relayed by radio waves without need of a signature or physical swiping through a machine. Tens of millions of the cards have been issued, and equipment for their use is showing up at a growing number of locations, including CVS pharmacies, McDonald's restaurants and many movie theaters. The card companies have implied through their marketing that the data is encrypted to make sure that a digital eavesdropper cannot get any intelligible information. … But in tests on 20 cards from Visa, MasterCard and American Express, researchers…found that the cardholder's name and other data was being transmitted without encryption and in plain text.'

CIVIL LAW:

3rd Circuit Clarifies Typo On Class Action Law. The Legal Intelligencer (10/23, Duffy) reports, "The Bauhaus school of architecture famously preached that 'less is more,' but the 3rd U.S. Circuit Court of Appeals has now taken that one step beyond, finding that in statutory construction, the word 'less' sometimes actually means 'more.'" The Intelligencer continues, "Following the lead of three other circuits, a unanimous panel of the 3rd Circuit held last week that a key provision of the Class Action Fairness Act includes a 'typographical error' in which Congress accidentally used the word less when it meant to say more. … Under CAFA, a defendant named in a class action filed in the state courts may remove the suit to federal court. … The law also provides that if the federal court determines that the case should be sent back to the state courts, the defendant may file a discretionary appeal." The Intelligencer notes, "The glitch in the law, courts have discovered, is the wording of the time limit imposed on such appeals. … CAFA states that a federal appellate court 'may accept an appeal' from a remand order 'if application is made to the court of appeals not less than seven days after entry of the order.' … Read literally, the law seems to impose not a time limit on the appeal, but a waiting period followed by an unlimited time to appeal. … Now, in Morgan v. Gay, the 3rd Circuit has joined a growing chorus of appellate courts in saying that Congress obviously meant the opposite of what it said."

CIVIL RIGHTS:

California Candidate Defends Controversial Mailer On Immigrant Voting. The Los Angeles

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Times (10/23, Therolf, 918K) reports Republican Tan Nguyen, "seeking to unseat" Democratic Rep. Loretta Sanchez, "says he won't quit the race despite mounting pressure." At a "chaotic sidewalk news conference Sunday, Orange County congressional candidate Tan Nguyen defended a letter his campaign sent to 14,000 registered voters that warned in Spanish that immigrants could be jailed or deported for voting." Nguyen said, "There has been no crime committed, so why is there a criminal investigation three weeks prior to a very important election?" The Times adds Nguyen "said that he would stay in the race despite the national uproar over the letter and calls by Orange County Republican leaders for him to drop out." The Times adds his "speech was punctuated by outbursts from a crowd of roughly 50, who angrily demanded more information about the letter's authorship. Nguyen maintained that the letter was sent without his knowledge. But he added that, after firing the staffer he said was responsible for it, he was asking her to return because he believes the mailer was fair."

Schwarzenegger Says Nguyen Should Quit Race If He Knew Of Mailer. The Los Angeles Times (10/22, Martelle, Rosenblatt, 918K) reported, "Gov. Arnold Schwarzenegger stepped up the pressure Saturday on" Nguyen, saying that he "should withdraw if he knew about his campaign's mailing of letters intended to threaten immigrant voters. Schwarzenegger denounced the mailings traced to Nguyen's campaign to unseat Democratic incumbent Loretta Sanchez…and said that 'anyone that knew … has to resign immediately.' Speaking during a campaign appearance in Santa Ana, the governor said the mailings 'were illegal; it's a hate crime…. There should be no tolerance for this kind of behavior.'"

ANTITRUST:

Google's Business Practices, Deep Pockets Attract Lawsuits. The New York Times (10/23, Hafner) reports, "As Google has grown into the world's most popular search engine and, arguably, the most powerful Internet company, it has become entangled in scores of lawsuits touching on a wide range of legal questions, including copyright violation, trademark infringement and its method of ranking Web sites. … Google's deep pockets make it an especially big target. But as it rushes to create innovative new services, Google sometimes operates in a way that almost seems to invite legal scrutiny. A group of authors and publishers is challenging the company's right to scan books that are still under copyright. A small Web site in California is suing Google because it was removed from the company's search results. And European news agencies have sued over Google's use of their headlines and photos in Google News. In these cases and others, potential legal problems seem to give the company little pause before it plunges into new ventures."

New ImClone Director Is Icahn Ally. USA Today/Bloomberg (10/23) reports, "Billionaire investor Carl Icahn moved closer to gaining control of ImClone Systems with the naming of an additional ally to the biotechnology company's board. The new director, pediatric surgeon Peter Liebert, fills one of the vacancies created with the departure earlier this month of William Crouse and Chairman David Kies, ImClone said Friday in a statement. The second opening won't be filled, reducing the number of seats to 11. Icahn and his associates now hold five." Icahn "said earlier this week he had two-thirds of the support needed to oust interim Chief Executive Officer Joseph Fischer and three other directors, which would cut the size of the board to seven. Since August, Icahn has been raising his ownership and pushing to install an experienced biotech CEO to expand sales of ImClone's only product, the cancer drug Erbitux."

Chinese Firms Pursue Patent Infringements In US Courts. The Financial Times (10/23, Waldmeir) reports, "Chinese companies have begun to defend their patent rights increasingly aggressively in US courts, legal experts say. … Some Chinese companies are even going on the offensive in the US for the first time, and filing their own patent lawsuits against US competitors. This year, Netac, a manufacturer of computer flash memory products based in Shenzhen, China, brought a patent suit against a New Jersey rival in a federal court in Texas, in what is believed to be the first time that a mainland Chinese company has sued an American one for patent infringement."

ENVIRONMENT:

BP Reportedly Knew Texas City Refinery Risk Before Blast. Market Watch (10/23) reports, "An internal BP PLC (BP) report two years ago acknowledged that to save money the company failed to tackle known risks at its Texas City refinery in the U.S., the U.S. Chemical Safety and

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Hazard Investigation Board may say in its report on a March 2005 explosion at the facility which killed 15 workers, British Broadcasting Corp. reported Sunday." MarketWatch continues, 'The BBC's File On Four investigative radio program to be broadcast Tuesday at 1900 GMT said the safety watchdog, which has yet to issue its final report on the explosion, 'alleges BP failed to learn from a string of dangerous events at Texas City going back to the 1990s'. … The program's reporter Julian O'Halloran said the board 'cites an internal BP audit two years ago that to save money the company was failing to tackle known risks.' … BP, he added, had declined to comment, saying the board had yet to issue its final report or consult the company on its finding." MarketWatch adds, 'BP has been under growing scrutiny from regulators and the press in the wake of a series of operational and governance problems in the U.S. … Company-generated reports on the 2005 accident pointed to poor management and a lack of hazard awareness. Regulators have been scathing in assessing the company's record at the plant; the Occupational Health and Safety Administration referred the case to the Justice Department for a criminal investigation."

NYTimes Endorses Senate Bill To Expand Offshore Drilling. In an editorial, the New York Times (10/23, 1.21M) writes that the best chance to "save the vanishing wetlands and barrier islands along the coast of Louisiana" is "a bill passed by the Senate that would guarantee Louisiana and three other coastal states a share of oil and gas revenues from drilling in the Gulf of Mexico." The Times says, "Healthy wetlands are essential to any long-term plan" to protect New Orleans and other low-lying areas from storms." The Times writes, "Our support for this bill should not be taken as a blanket endorsement of offshore drilling — nor as an endorsement of a mischievous bill sponsored by [California Rep. Richard Pombo (R)], and passed by the House last summer." Pombo's "bill is so poorly thought out as to be unacceptable, even as a starting point for compromise." Louisiana Sen. Mary Landrieu (D), the Senate bill's chief sponsor, "opposes any such compromise and so, to his credit, does the Senate majority leader, Bill Frist. They are hoping to persuade the House to accept and approve Ms. Landrieu's narrower bill before the present Congress comes to an end." The House should see the Landrieu bill "as a way to restore the health of a battered ecosystem, as future protection for the livelihoods of hundreds of thousands of people, and as a way to deliver on unfulfilled promises."

FBI/DEA/ATF/USMS:

Report: San Diego Linebacker Faces Suspension By NFL For Steroid Use. The San Diego Union-Tribune (10/22, Acee) reports Chargers linebacker Shawne Merriman "will be suspended for four games for violating the NFL substance abuse policy, sources close to Merriman said. A source said the appeal process is ongoing and that there is 'a reason behind this.' … The positive test and suspension were first reported by ESPN.com while the team was flying home from its game in Kansas City. The Web site cited a source with knowledge of the test saying it was 'definitely for steroids not one of those supplement deals.' ESPN later reported that both Merriman's 'A' and 'B' samples had come back positive."

The Washington Post (10/23, E9, Maske) reports Merriman "is facing a four-game suspension by the NFL for a positive result under the league's steroid-testing program, two sources familiar with the test result said last night. Merriman and his representatives still are appealing the suspension, said the sources, who spoke on the condition of anonymity because results of players' drug tests are confidential."

On its Web site, KABC-TV, Los Angeles (10/23) reports Merriman "has been notified he will be suspended for four games for violating the NFL's steroids and related substances policy, league and team sources told ESPN's Chris Mortensen. Merriman's positive test was 'definitely for steroids ... not one of those supplement deals,' said a source with knowledge of Merriman's suspension. … Off the field, the situation has been at least as devastating. Safety Terrence Kiel is currently facing five felony drug charges relating to the shipping and possession of large quantities of prescription cough syrup. Although Drug Enforcement Administration investigators said Kiel admitted he shipped at least two packages and knew of the contents, Kiel pleaded not guilty at his arraignment earlier this month."

The Sports Network (10/23) also notes Merriman's possible suspension.

Cocaine Scheme Unfolds In Florida. In Sarasota, the Herald Tribune (10/21) reports on a cocaine plot and writes that three men "met at the Ritz-Carlton in February to talk business -- the sale of several kilos of

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cocaine, and a way to launder drug money to leave no trace of the crime -- according to federal court records released Friday. At the meeting, Luciano Angrilli, a manager of Khrome nightclub, bragged his boss could launder the drug sale proceeds because he is a 'miracle worker' who owns all the Jackson Hewitt Tax Offices from Tampa to Venice, the records show. … An undercover DEA agent delivered $100,000 of supposed drug money to Prewett two times with the informants, and both times Prewett wired $90,000 to an undercover DEA account from an account belonging to J.H. Investment Services Inc., the records show."

Illinois Doctor Sentenced To Prison Following Guilty Plea To Drug Charges. The Joliet (IL) Herald News (10/21) reports a federal judge on Thursday "sentenced a doctor who practiced in Dwight and Wilmington to six months in prison after he pled guilty to narcotics charges. Dr. Parambaloth Edwin entered the guilty plea in August, about 10 days before he was to stand trial on 12 charges of distributing to patients the prescription painkiller hydrocodone. … The Drug Enforcement Administration audit of Edwin's practice for 16 months found he had purchased 350,000 hydrocodone tablets and could not account for 50,000 tablets."

Fugitive Expected To Be Sought At Brother's Funeral In Texas. The Palm Beach (FL) Post (10/21) reports as family members "say goodbye to Jose Luis Escobedo [and his family]…in Brownsville, Texas, Monday, authorities will keep a close watch at the funeral for Escobedo's younger brother. Jose Manuel Escobedo was sentenced to 10 years in federal prison for conspiracy to distribute cocaine in 2003. Labeled an escapee by the federal Bureau of Prisons, he disappeared on his way to a work camp seven months ago. … A Drug Enforcement Administration spokesman from Houston would not comment on a possible connection between Jose Luis Escobedo's death and his brother's drug-trafficking past."

The Miami Herald (10/23) writes, "Police want to question the fugitive brother of the man killed along with his wife and their two young sons and left on a grassy knoll off the turnpike early Oct. 13 in Port St. Lucie, The Palm Beach Post has reported. … Federal and Florida investigators have not suggested a motive for the killings, and it's unknown if the brothers had been in contact."

The AP (10/23) cites the Palm Beach Post concerning surveillance of the funeral.

North Carolina Authorities Receive Share Of Seized Drug Money. The Goldsboro (NC) News Argus (10/22) reports on the distribution of $1.2 million seized from drug dealers, a portion of which was presented to Goldsboro Police Chief Tim Bell and Wayne County Sheriff Carey Winders. DEA Assistant Special Agent in Charge John Emerson "presented checks to Bell and Winders for $260,937.63. … 'Drug traffickers sell their drugs here and then the money is brought back across the country into Mexico,' Emerson said. 'If we don't get the drugs and they've already sold the drugs then we are trying to intercept that money coming back, so they can't use that money to buy more drugs and bring it back to the states.'"

San Francisco Chronicle Faces Fines For Disregarding Subpoena In Bonds Case. The San Francisco Business Times (10/20) reports the San Francisco Chronicle "faces fines of up to a half-million dollars or more for refusing to reveal who leaked information to two Chronicle reporters regarding grand jury testimony on steroid use by Barry Bonds and other professional athletes, according to a court filing reported by the Associated Press. The paper also agreed to be held in contempt of court. Prosecutors agreed to stay the fines pending the outcome of an appeal in the case. The newspaper, citing First Amendment protections, has refused to abide by a grand jury subpoena ordering it to release any information it has on the reporters' sources."

Tons Of Opium, Marijuana, Heroin Seized In Afghanistan. The AP (10/21) reports Afghan authorities "seized over 16 tons of drugs in the past 10 days in operations targeting smugglers in seven provinces, Afghanistan's top counter-narcotics official said Saturday. Lt. Gen. Mohammed Daoud Daoud said the seizures included seven tons of opium, eight tons of marijuana and just over one ton of heroin." The U.N.'s Office on Drugs and Crime "said some 2.9 million people were involved in growing opium. Daoud said that a renewed campaign with the help of local authorities is under way to convince the farmers not to grow the lucrative crop."

Afghanistan Opium-Poppy Crop Breaks Records, Students Said To Help Harvest

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Crop. In a story titled, "The Land of the Taliban" in the New York Times Magazine (10/22) Elizabeth Rubin writes, "One afternoon this past summer, I shared a picnic of fresh mangos and plums with Abdul Baqi, an Afghan Taliban fighter in his 20's fresh from the front in Helmand Province in southern Afghanistan. … A few weeks before I arrived in Helmand, John Walters, the director of the White House Office of National Drug Control Policy, told reporters that Afghan authorities were succeeding in reducing opium-poppy cultivation. Yet despite hundreds of millions of dollars being allocated by Congress to stop the trade, a United Nations report in September estimated that this year's crop was breaking all records — 6,100 metric tons compared with 4,100 last year. When I visited Helmand, schools in Lashkar Gah were closed in part because teachers and students were busy harvesting the crop."

St. Louis Schools Win Gang Prevention Funds. The St. Louis Business Journal (10/20) reports, "Twelve St. Louis public schools have received grants totaling $249,901 from the federal government to fund gang prevention classes, according to an October newsletter from Area Resources for Community & Human Services (ARCHS). In June, U.S. Attorney General Alberto Gonzales announced the distribution of nearly $15 million in federal Gang Resistance Education and Training (GREAT) grants to school-based community programs."

IMMIGRATION:

US Officials Fear "Culture Of Corruption Is Taking Hold" Along US-Mexico Border. The Los Angeles Times (10/23, Vartabedian, Serrano, Marosi, 918K) reports "a Times examination of public records has found" an increase in bribery of "federal and local officials by Mexican smugglers," prompting "fear that a culture of corruption is taking hold along the 2,000-mile border from Brownsville, Texas, to San Diego." Though officials "worry about what lies below the surface," the information revealed in "court cases, other public records and dozens of interviews…is alarming enough. Some schemes have displayed considerable sophistication among Mexican drug lords, and their success shows a discouraging willingness by public employees to take tainted money. Though America's southern border may evoke images of a poor backwater, it is alive with vast amounts of ill-gotten wealth, shadowy organizations that ply the waters of the Rio Grande, and brazen schemes that seem borrowed out of Cold War espionage."

More Children Entering US Illegally. The Washington Post (10/23, A1, Moreno, 748K) reports on the "new and fast-growing stream" of illegal immigrants under 18 who are entering the US without their parents. The Post says, "Many of those who are apprehended by the Border Patrol end up in a burgeoning network of shelters set up by the US Department of Health and Human Services. There they run up against Washington's paradoxical approach to the problem of children who entered the country illegally without their parents." Many "children wait, hoping social workers" with HHS "can cajole their parents or other kin to claim them before Immigration and Customs Enforcement lawyers can persuade an immigration judge to deport them."

CONGRESS-ADMINISTRATION:

Paulson Focuses On Making US Financial Markets More Competitive. The Wall Street Journal (10/23, C1, Solomon, 2.03M) reports that Treasury Secretary Henry Paulson "is focusing much of his attention on making American financial markets more competitive. So far, his efforts have mainly involved meeting and jawboning. He is well-positioned to help tweak some rules, but his power could wane next year if Democrats make significant gains in the November elections." The Journal adds, "Since taking the reins in July, the Wall Street veteran has reinvigorated the President's Working Group on Financial Markets, which had languished. He also has backed a private-sector effort to recommend changes to laws and rules that critics say handicap U.S. financial markets. And he raised business hopes that the government will ease a controversial rule created by the Sarbanes-Oxley law in response to corporate scandals."

Army Chief Of Staff Takes 2008 Budget Request Directly To OMB. U.S. News and World Report (10/30, Mulrine, 2.03M) reports, "While President Bush signed the 2007 defense budget into law last week, Army officials were already pressing their case for 2008 funds in one of the more unusual and intrigue-filled budget battles in recent Pentagon history." The Army "fired the first salvo in its budget battle back in mid-August, when its leaders skipped a deadline for submitting their budget plan to the office of

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Secretary of Defense Donald Rumsfeld. Instead, with Rumsfeld's blessing and the backing of Secretary of the Army Francis Harvey, Army Chief of Staff Peter Schoomaker took his case directly to the White House Office of Management and Budget. Schoomaker is pressing for nearly $139 billion in fiscal 2008, some $25 billion more than the Army was offered." US News adds, "The question now becomes how much money the Army will get-and who pays. The latter hinges on whether OMB will increase its $462 billion 'top line' budget for defense spending or whether the Army's needs will force cuts for the other services."

Baucus, Seeking Information On Tax Gap, Holds Up Treasury Nominee. The Wall Street Journal (10/23, A4, Matthews, 2.03M) reports that Sen. Max Baucus has been holding up the confirmation of Eric Solomon to be the Treasury Department's chief tax official in order to force Treasury "to explain how it will solve the tax gap. The tax gap, or the difference between the estimated amount owed by all taxpayers and what they actually have paid, currently totals $290 billion, or about 16% of the money owed. The tax gap, which has been surging since the 1990s, now averages about $2,200 per taxpayer. If the federal government were to close the gap completely, it would have a small surplus for the just-ended fiscal year instead of its reported $248.1 billion deficit." The Journal adds that Baucus "wants Treasury to articulate clear benchmarks in its tax-gap plan, he said, such as deadlines for shrinking the figure."

Scalia Says Many Social Issues Should Be Outside The Realm Of The Court. The Washington Post/AP (10/23, A19, Heilprin) reports that during a panel discussion sponsored by the National Italian American Foundation, Supreme Court Justice Antonin Scalia said issues "such as abortion and suicide rights have nothing to do with the Constitution, and unelected judges too often choose to find new rights at the expense of the democratic process." Scalia "said people naturally get upset with the growing number of cases in which a federal court intrudes on social issues better handled by the political process." Scalia "said courts didn't use to decide social issues. 'It is part of the new philosophy of the Constitution,' he said. 'And when you push the courts into that, and when they leap into it, they make themselves politically controversial. And that's what places their independence at risk.'"

Networking Site For Young Federal Employees Introduced. The Washington Post (10/23, D1, Barr, 748K) reports, "A nonprofit public service group launches YoungFeds.org today -- featuring blogs, message boards, video clips and, yes, some old-fashioned career advice. 'The goal is to get people in the young feds community to provide content or give direction to the content,' David Roberts , 26, a leader and organizer of the online clubhouse, said. … Roberts and other organizers hope the Web site will connect under-35 professionals across government and, with the help of a little buzz, grow into an online networking place for the federal sector."

"Fantasy Congress" Provides Outlet For Political Buffs. The New York Times (10/23, Chang, 1.21M) reports on Fantasy Congress, "a Web site created by four students at Claremont McKenna College. … Players accumulate points as the legislators they have chosen go about their business on Capitol Hill. A House member or senator earns five points for introducing a bill or an amendment, and more points for negotiating successfully each step in the legislative process."

OTHER NEWS:

Bush To Tout GOP Record On The Economy. The AP (10/23, Riechmann) reports that President Bush will spend two days this week "trying to convince voters Republicans are the best stewards of matters affecting the wallet. White House advisers said Sunday that Bush is not trying to change the subject from a deteriorating situation in Iraq, and that he will continue to talk about Iraq and the war on terrorism as the Nov. 7 election nears. Bush advisers said they think the president should get more credit for recent positive economic news." White House spokesman Tony Fratto "said Bush intends to mention how optimism about the economy and rising hopes for strong third-quarter earnings lifted the Dow Jones industrial average past 12,000 for the first time on Wednesday. The Conference Board's index of U.S. leading economic indicators rose last month, and the government reported last week that consumer prices fell in September by the largest amount in 10 months."

Economists Expect Fed To Cut Rates In First Half Of 2007. USA Today (10/23, Hagenbaugh, Hansen, 2.27M) reports that economists polled by USA Today expect that a

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"slowing economy and declining inflation mean Federal Reserve policymakers' next interest rate move will be a cut, not an increase." But "such a cut won't come when the Fed meets this week, they say. And they don't expect a sharp decline in short-term interest rates, which influence borrowing costs across the economy, anytime soon. More than half of the economists say the Fed will cut interest rates in the first half of 2007. Although their outlooks vary widely, economists on average expect the Fed will cut rates just once next year, then sit on the sidelines through the end of 2007. The 53 economists were surveyed Oct. 13-18."

Fed May Keep Rates On Hold Longer Than In 1995. The Wall Street Journal (10/23, lp, 2.03M) reports, "Investors looking for a road map to the Federal Reserve's next moves on interest rates often look to 1995" when the Fed "raised interest rates steadily after a long period of unusually low rates. With the U.S. economy slowing, it paused for five months and then started cutting rates. Many investors have been looking for that cycle to repeat itself and expect the Fed, which last raised interest rates in June, to begin cutting rates at some point in the next few months." But, this year "differs from 1995 in ways that suggest the Fed could stay on hold longer. One is that interest rates are lower now than back then. Another is that Fed officials' tolerance for inflation is quite different today."

State Electricity Deregulation Fails To Lower Bills. The New York Times (10/23, Johnston, 1.21M) reports that "during a decade-long effort in about half the states to overhaul the business of producing electricity," "some investors have profited handsomely by buying and sometimes quickly reselling power plants," but "electricity customers, who were supposed to be the biggest beneficiaries of the new system, have not fared so well. Not only have their electricity rates not fallen, in many cases they are rising even faster than the prices of the fuels used to make the electricity." The Times says, "Supporters of deregulation said customers would benefit from healthy competition among a growing number of electricity producers. But such competition has not developed."

Vermont Pays Family Members To Care For The Elderly. The Wall Street Journal (10/23, A1, Lagnado) reports, "In an effort being watched around the nation, Vermont is trying to give elderly people a choice of where they want to be cared for: in an institution or at home. To create more home-care workers, the state has been paying for family members to care for aging relatives, at about $10 an hour. If Vermont's program works, it could influence a wider change in the multibillion-dollar industry that cares for the aged. 'We are never going to build another nursing home,' says Patrick Flood, commissioner of Vermont's Department of Disabilities, Aging and Independent Living. 'It is an outdated model.' As the number of older Americans -- and the cost of caring for them -- soars, the federal government is pushing efforts like the one in Vermont. … But the idea faces huge hurdles, including opposition from the nursing-home industry and a culture of dispersed, busy families that has become accustomed to having others care for their loved ones."

Bush, White House Remain Optimistic About Midterm Elections. The New York Times (10/23, Stolberg, Rutenberg, 1.21M) reports that last week, the White House and GOP leaders "convened a 'friends and allies' teleconference to dispute" what Republican National Committee Chairman Ken Mehlman "considers flawed conventional wisdom." Mehlman and "the White House political director, Sara Taylor, tried to lift the cloak of gloom that has descended on the top ranks of Republican strategists, using what one of the dozens of lobbyists, donors, party aides and other supporters who listened in later called 'happy talk.'" The Times adds President Bush "and his political strategists may be the most outwardly optimistic Republicans in Washington these days, and perhaps the only ones. They are doing their best to fend off the sense of impending doom within their party that they fear will become a self-fulfilling prophecy on Nov. 7." They are "enlisting longtime allies for an all-hands-on-deck effort to change the mood for the final push to Election Day, and they are putting out the word for Republicans to keep a lid on any pessimistic talk. They are also planning a travel blitz for Mr. Bush during the final week to 10 days of the campaign." The GOP leaders are "counting on a barrage of last-minute advertising and their 72-hour voter turnout operation to keep Democrats from taking over the House and Senate, even if it means they only eke out a victory." But those "the White House counts on to help raise party morale at such low moments say they are having a hard time of it." Bush is "not changing his tune now, even if it means taking the rare step of rebuking his own father. In an interview shown Sunday on ABC News, Mr. Bush was asked about a comment by the first President Bush, who

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said this month that he hated to think about life for his son if Democrats took control of Congress." Bush said, "He shouldn't be speculating like that, because he should have called me ahead of time, and I'd tell him they're not going to."

Loss Of Congressional Control Could Spark GOP Infighting. The AP (10/23, Raum) reports the White House is "bracing for guerrilla warfare on the homefront politically if Republicans lose control of the House, the Senate or both — and with it, the president's ability to shape and dominate the national agenda." Everything "could change overnight for President Bush, who has governed for most of the past six years with a Republican Congress and with little support from Democrats." Democratic victories "essentially could block Bush's remaining agenda and usher in a period of intense partisan bickering over nearly every measure to come before Congress. Loss of either chamber also could subject his administration to endless congressional inquiries and investigations." In addition, "some of Bush's fighting in the trenches is likely to be with fellow Republicans as they seek to find a new standard bearer for 2008 — and distance themselves from an unpopular war, the unpopular president who waged it, and congressional scandals that include inappropriate e-mails to House pages from ex-Rep. Mark Foley, R-Fla."

Despite Unfavorable Environment, GOP May Have Edge In Turnout Battle. The Washington Times (10/23, Lambro, 88K) reports, "Fifteen days before voters go to the polls to decide which party will control Congress, the turnout game already is being played out in more than a half-dozen battleground Senate races and 40 to 50 closely contested House elections." Officials in both parties say "tens of thousands of volunteer party activists have been canvassing voters, identifying supporters and preparing for a 72-hour get-out-the-vote election blitz that will be far more extensive than in any previous campaign." Both sides "are playing to their strengths. Democrats are being helped by an anti-Republican climate because of the Iraq war, and Republicans are touting their record on the economy and keeping the country safe from another terrorist attack." At this "stage of the game, turnout specialists say the Republicans might have the edge in the sheer numbers of volunteers and a more sophisticated, computerized ground operation, which held off a fierce Democratic offensive in 2004."

Ohio Seen As A "Microcosm" Of GOP Woes. McClatchy (10/23, Talev) reports Ohio is "a microcosm of what's ailing the Republican Party. If the state swings Democratic on Nov. 7, it could tip the balance of power in Washington, where Democrats would win control of the Senate if they gain six seats and take over the House of Representatives if they pick up 15 seats." Independent polls "project that Democrats will win the open governor's race in Ohio, a seat Republicans have held for 16 years, and will topple incumbent Republican Sen. Mike DeWine. While Republicans expect to win some statewide offices, they worry that Democrats could gain between three and five U.S. House seats. Republicans now hold 12 of Ohio's 18 House seats."

The CBS Evening News (10/22, story 4, 3:05, Mitchell, 7.66M) reported, "In this year's elections, both parties are focusing on Ohio, where public attitudes often mirror those of the country. … A CBS News 'New York Times' poll suggests that support from values voters from for Republican candidates may be softening. In Ohio's tough Senate race only about half of white evangelicals back Republican candidate Mike DeWine, more than a third said they are voting for Democrat. 14% are still undecided. Something is different this election cycle. While voters here are talking values, the politicians are talking Iraq and the economy instead."

Democratic Prospects In Midterm Elections Seen As Improving. The CBS Evening News (10/22, story 2, 2:55, Mitchell, 7.66M) reported the new "'Newsweek' poll has more bad news for President Bush. According to the survey the President's approval rating remains low at 35% while 57% of those polled disapproved of the way Mr. Bush is doing his job. All this just 16 days from the midterm elections." CBS (Guida) added, "CBS News now identifies 48 House seats that are best bets for changing hands. That number grew just this weekend. 42 of those seats are held by Republicans. If Democrats gain 15 seats they'll control the House. Many experts expect them to do better." Amy Walter, senior editor, The Cook Political Report: "I think a 20 or 25 seat pickup is not out of the question." Guida: "But it is the Senate that has Democrats salivating." Sen. Chuck Schumer: "We are right on the edge of taking back the Senate." Guida: "You would expect the Democratic chieftan to say that but the numbers appear to back him up. Democrats now hold solid leads over Republican incumbents in Ohio, Pennsylvania, Rhode Island and Montana. It appears the battle for the senate will be decided in Missouri, Tennessee and Virginia. Three more Republican seats that have turned surprisingly vulnerable.

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Democrats immediate to gain six seats to take over the Senate." Walter: "It's a real toss-up right now." Guida: "A new study of the election by Barron's magazine might encourage Republicans, it concludes the GOP will retain control of both houses. That analysis based on which campaign has the most money. While money often is the plasma of politics this year, Democrats may not have to worry about being outspent that is how strong the anti-Bush, anti-Iraq sentiment seems to be."

NBC Nightly News (10/22, story 4, 2:35, Seigenthaler, 9.87M) spoke with Washington bureau chief Tim Russert. Asked to assess the race for the House, Russert said, "Talking to Democrats and Republicans, the Democrats need 15 seats to win. They feel comfortable that the Democrats have anywhere between 15 and 20. The Republicans say, go slow. This can swing back and drop it below that magical 15. Election held today Democrats happy, Republicans unhappy." Seigenthaler: "And what about the Senate?" Russert: "The Democrats need six. No one leading up to this election felt that was doable but in the seven seats that we've been polling very carefully, the Democrats are tied or ahead in all of them. They need the equivalent of an inside straight. Today they're close to getting it. Who knows?"

Experts Say Democrats Could Pick Up 25 House Seats In November. U.S. News and World Report (10/30, Knight, 2.03M) reports, "Experts say Democrats could pick up as many as 25 seats in November and take control of the House of Representatives." If that happens, veteran Democrats like Reps. John Dingell, Henry Waxman, Charles Rangel and John Conyers "will most likely be back to shake things up by chairing powerful committees. Their ability to push through major legislation will be limited because their majority will probably be slim, and President Bush could wield the veto pen. But many Democrats intend to push an aggressive oversight agenda that would investigate the Bush administration's conduct on everything from the war in Iraq to Hurricane Katrina and homeland security. There would be no shortage of fireworks on Capitol Hill."

Zogby Says Bush Should Join GOP Leaders In Bashing Democrats. U.S. News and World Report (10/30, Bedard, 2.03M) reports in its "Washington Whispers" column that pollster John Zogby says President Bush should take the advice of Congressional GOP leaders and "join in their pre-election bashing of Democratic leaders," because "warning voters about the changes a Senate Majority Leader Harry Reid or House Speaker Nancy Pelosi would institute could save the GOP." Since Bush "has a national megaphone, 'it's really going to have to be the president' who yells at the Democrats, says Zogby."

Zogby Says Democrats Poised To Win 25-30 House Seats. The Christian Science Monitor (10/23, Cook, 58K) reports on the Friday Monitor breakfast with pollster John Zogby, who said if "the 2006 election were held today," the Democrats "would pick up 25-30 seats in the House of Representatives, well above the 15-seat gain they need to take control. And the CEO of Zogby International says Democrats are 'within striking distance' of picking up the six seats they need to win control of the Senate." But Zogby "cautioned that the election was still a little more than two weeks away and that the political dynamics could change in that time. Zogby argues that Republicans could, at least theoretically, rebound and hold the House and the Senate." Zogby "sees two messages that might work in winning back voters to the GOP. 'If the Republicans can get it back on message, it will be about terrorism, it won't be about taxes,' Zogby said." Another "winning message, especially with the Republican base, 'is that they will have to go after the Democratic leadership and say do you really want Harry Reid and Nancy Pelosi?' he says."

Democrats Expanding Targeted Republican Seats To Include Second Tier. The Los Angeles Times (10/23, Brownstein, Hennessy-Fiske, Jarvie, 918K) reports a "growing number of GOP incumbents in seats once considered 'safe' — including Melissa A. Hart in Pennsylvania, Ron Lewis in Kentucky, Richard W. Pombo in Tracy, Calif., and" Rep. Gil Gutknecht in Minnesota "are struggling this month against a powerful current of discontent with the nation's direction, the performance of Congress and President Bush, and the war in Iraq." Republican seats "at risk have nearly tripled since January, according to the nonpartisan Cook Political Report. Then, 18 GOP seats were endangered; now, 48 are considered in play." To "take back the House, which they lost in 1994, Democrats need a net gain of 15 seats — something they could do, perhaps, without capturing any of these newly competitive seats. But Democratic strategists believe that if the party can break into this second tier of Republican-leaning districts, they could greatly increase their odds of building a majority large enough to survive for longer than two years." In a "measure of the party's growing optimism, the Democratic Congressional Campaign Committee plans to announce Tuesday that it will begin airing advertisements in

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11 new districts, including eight the party had not considered competitive until recently, party sources say."

Republicans Linked To Abramoff Face Unexpectedly Strong Challenges. USA Today (10/23, Kasindorf, 2.27M) reports on the closer-than-expected House races in California's 11th and 4th CDs, where Rep. Richard Pombo faces Democrat Jerry McNerny and Rep. John Doolittle faces Democrat Charlie Brown. Polls "show races tightening for" both Pombo and Doolittle, "worrying GOP leaders enough that President Bush flew out this month to raise $400,000 for Pombo and $600,000 for Doolittle in their districts." Doolittle and Pombo "were protégés of Tom DeLay of Texas, the former House majority leader who was indicted last year on charges of violating state campaign-finance laws." Two Democrat-commissioned polls "show Pombo in a dead heat with" McNerney, and "an independent poll published Oct. 12 by Seattle-based Constituent Dynamics, a non-partisan group, shows Doolittle leading Democrat Charlie Brown 52%-44%. The poll of 1,000 likely voters has a margin of error of +/-3 percentage points." After "commissioning three private polls it won't release, the National Republican Congressional Committee has spent $625,000 on Pombo," and the NRCC "also spent $114,000 on Doolittle." Both Republicans "are under attack for links to GOP lobbyist Jack Abramoff, who has been convicted of conspiracy and fraud. Though national environmental organizations are angry at Pombo over his stands on conservation, they're zeroing in on Pombo's ties to Abramoff and on the campaign contributions to Pombo from oil and mining companies." In Doolittle's "race for a ninth term — his district stretches from Sacramento's northeastern suburbs to the Nevada and Oregon borders — Abramoff and an alleged 'Republican culture of corruption' have become key lines of attack by Brown."

Mehlman Said To Be Target Of Waxman "October Surprise." In his syndicated column, which ran in the Washington Post (10/23, A21, 748K), Robert Novak says the "latest in a series of October surprises leading up to the midterm elections targeted Ken Mehlman, chairman of the Republican National Committee." The disclosure "depicted Mehlman as bowing to the wishes of disgraced lobbyist Jack Abramoff, the symbol of GOP corruption, in firing an innocent bureaucrat. The problem with the story is that this bureaucrat was a notorious political operative inside the Clinton administration." The issue concerned the "dismissal early in 2001, the first year of the Bush administration, of Allen Stayman from a State Department post. The accounts alleged that he was sacked because he advocated improved labor conditions in the U.S.-owned Northern Marianas in the Western Pacific, whose government was represented by Abramoff." But "nowhere was it mentioned that Stayman left a long paper trail of partisan Democratic activity and hardly could be expected to survive in a Republican administration." The "attack on Mehlman typified the standard October surprise: information about an event years in the past distributed by a partisan operative as a campaign nears its close." The "not-so-hidden hand promoting this story is the fiercely partisan Rep. Henry Waxman, ranking Democrat on the House Government Reform Committee."

Democratic Takeover Of Senate Seen As Less Likely Than House. U.S. News and World Report (10/30, Knight, 2.03M) reports that a Democratic takeover of the Senate is less likely than a Democratic House takeover, "but Democrats on that side of Capitol Hill are gearing up just in case. Sen. Barbara Boxer of California, who would probably chair the Senate Environment and Public Works Committee, is expected to push legislation that would drastically cut greenhouse gas emissions. And Sen. Patrick Leahy of Vermont would chair the Judiciary Committee -- which would put him in charge of confirmation hearings if a Supreme Court vacancy occurred. If Sen. Jay Rockefeller of West Virginia, the ranking Democrat on the Intelligence Committee, becomes chair, he is expected to investigate how the Bush administration used intelligence about Iraq's weapons."

Democrats' Senate Fate Lies With Group Of Centrists. In its cover story, Newsweek (10/30, Darman, 3.12M) reports, "Two weeks before the midterm elections, the Democrats' fate" in the Senate "lies not in the hands of the party's much-dissected antiwar left but with a handful of careful, calculating centrists like [Tennessee Democratic Senate candidate Rep. Harold] Ford." DSCC Chairman Sen. Charles Schumer "is talking up the 'common sense' candidates running in states like Tennessee, Missouri and Virginia -- candidates who don't sound much like Democrats even when they're assaulting Republican opponents over the war."

GOP Strategists Privately Ceding Ohio, Pennsylvania, Montana Senate Races. U.S. News and World Report (10/30, Gilgoff, 2.03M) reports, "In the past two weeks, [Republican] party strategists have privately begun to

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cede seats in Ohio, Pennsylvania, and Montana and to refocus resources on protecting incumbents in red states like Missouri and Tennessee, where spending from the National Republican Senatorial Committee shot from zero to $2.5 million just since the beginning of the month."

Virginia Race Could Determine Senate Control. U.S. News and World Report (10/30, Gilgoff, 2.03M) reports on the Virginia US Senate race noting, "While Republicans-along with some Democrats and independent analysts-are still doubtful that they will lose the six seats that would change control of the Senate, the GOP's so-called firewall of protection may now be down to as few as two or three seats. Which means that Virginia could determine Senate control." Allen ""was thought a shoo-in for re-election and was mulling a 2008 White House bid until a video of him calling a Webb volunteer of Indian descent 'macaca' was posted online in August, drawing national attention. … Allen's fumbling response to revelations about his previously unacknowledged Jewish ancestry last month…further alarmed even many GOP officials. Such gaffes helped [Democrat Jim] Webb out-fundraise Allen by $1 million in the past quarter and forced the NRSC to pony up nearly $1 million in response. Allen campaign manager Dick Wadhams blames the rhetorical missteps for recent polls showing the race to be in a dead heat."

Ford Believes Conservatives Stands Can Win Him Tennessee Senate Race. In its cover story, Newsweek (10/30, Darman, 3.12M) reports on the Tennessee US Senate race where Democratic Rep. Harold Ford Jr. believes his "conservative stands, coupled with an unrelenting attack on his Republican foe's positions on Iraq, homeland security and immigration, is the only way a Democrat can win in today's conservative Tennessee." Democrats, "even liberal ones, will let Ford be whoever he wants to be, for one simple reason: he may deliver them the Senate."

Newsweek (10/30, Wolffe, 3.12M) reports that Tennessee Republican Senate candidate Bob Corker was trailing Ford "by several points last month, so the White House and party leaders stepped in. Their solution: a new campaign manager in the form of a rumpled, martini-drinking, cigar-chewing veteran of Tennessee politics," Tom Ingram. Ingram "has helped turn the Corker campaign around with new ads and a new message -- that Corker is a self-made businessman from Tennessee, while his opponent, Harold Ford Jr., has never held a real job outside Washington politics. Ingram dropped ads attacking Ford as a liberal, replacing them with references to the Ford family machine -- and by extension, the African-American politics of Memphis." Newsweek adds that Corker "is distancing himself from the White House and the GOP-led Congress. Yet he also needs the conservative base to turn out to vote -- and they are unsettled by his divided loyalties. … Many social conservatives have been wary of Corker since the primaries, when his rivals portrayed him as a pro-choice Democrat."

Possible Democratic House Leadership, Agendas Considered. The Wall Street Journal (10/23, Carnevale, 2.03M) reports on the likely lineup of Democratic House chairmen, should their party win a majority, and their likely agenda. On Appropriations, Rep. David Obey "was briefly chairman of the committee once before when Democrats were in power" and is "an old-fashioned labor Democrat with strong interest in education and health-research funding. Among his priorities: smaller classes and better-trained teachers, more-affordable health care, and help for family dairy farmers rather than big agribusinesses." On Ways and Means, Rep. Charles Rangel "vigorously opposed the Bush tax cuts for the wealthy, and doesn't want to pass legislation that would increase the deficit. Rangel, an influential politician and unabashed liberal, doesn't shy away from controversy but wants to mend fences on the divided committee."

The Washington Times (10/23, Pfeiffer, 88K) reports that as Speaker, Rep. Nancy Pelosi "'would present a great number of problems for the Bush administration,' said Craig Holman, legislative representative for Public Citizen, a government watchdog. 'There would be a big change in the way things are done on Capitol Hill.'" The Times adds the 2006 Almanac of American Politics "says Mrs. Pelosi voted with the liberal position on economic issues 93 percent of the time during the 2003-04 Congress." The Times adds, "Although a leadership change would be significant, the real shift may occur in the committees." National Republican Congressional Committee spokesman Jonathan Collegio said, "The Democratic leadership looks more like a left-wing activist club than a group representative of the American people. A San Francisco liberal would head the House; an outspoken tax hiker would head Ways and Means; [and] a rabid impeachment seeker would head Judiciary."

Pelosi Plans To Keep Tight Control Of Hearings If Democrats Take House. Newsweek (10/30, Isikoff, Bailey, 3.12M) reports that as "much as Democrats might like to see

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a thousand hearings bloom, there is one thing standing in their way: the Democratic leader herself. Nancy Pelosi, who would presumably become Speaker if the party wins the House, has made it clear that she does not want to turn the Capitol into a courthouse. There will be hearings, and plenty of them, but according to a top Democratic staff member familiar with Pelosi's plans…the would-be speaker intends to keep tight control. … Pelosi is concerned that too many flying subpoenas would make her party appear petty and revenge-hungry, obsessed with blaming Bush. She does not want anything to interfere with her most important goal: making the Democrats look like leaders instead of obstructionists. The idea is to bring popular bills that the GOP has opposed to the floor of the House -- a minimum-wage hike, prescription-drug reform -- and dare Republicans to vote against them."

Newsweek (10/30, Isikoff, Bailey, 3.12M) reports that Pelosi "began preparing for power early. Over the summer, when polls started tilting toward the Democrats, Pelosi made her first moves to get the control of the chairmen-in-waiting." Pelosi "met privately with several senior House members and told them they would get their committees. But she wanted it understood that she was running the place. Pelosi was especially firm with Conyers. She told him she didn't want any 'out-of-control investigations,' a senior House aide says; not another word about impeachment, she warned."

Democrats Urged To Adopt Confrontational Strategy. In his New York Times column (10/23), Paul Krugman says, "Now that the Democrats are strongly favored to capture at least one house of Congress, they're getting a lot of unsolicited advice, with many people urging them to walk and talk softly if they win. I hope the Democrats don't follow this advice — because it's bad for their party and, more important, bad for the country. In the long run, it's even bad for the cause of bipartisanship." Political considerations "aside, American voters deserve to have their views represented in Congress. And according to opinion polls, most Americans are actually to the left of Congressional Democrats on issues such as health care." The "truth is that we won't get a return to bipartisanship until or unless the G.O.P. decides that polarization doesn't work as a political strategy."

Cheney Says Republicans Will Hold On To House And Senate. Time (10/30, Allen, Carney, 4.03M) interviews Vice President Dick Cheney. Asked about the possibility of a Democratic take over of Congress, Cheney said, "I don't expect that to happen. I'm optimistic that we're going to hold both the House and the Senate. One of the things I talk about on the campaign trail is the importance of what we've been able to do with tax policy. … All of that is at risk if there were to be a Democratic Congress."

Cheney Says Foley Scandal Has Not Hurt GOP Candidates. In his Time interview (10/30, Allen, Carney), Cheney was asked if the Mark Foley scandal has hurt Republican candidates, Cheney said, "I don't think it's hurt our candidates generally. Obviously, it's a terrible situation. I think appropriate action has been taken. Investigations are under way to find out what happened. The place where it's likely to have an impact, clearly, would be in Foley's district. But beyond that, I don't sense that it's the kind of issue that has an impact on Wyoming or California or Texas."

Dean's "50 State Strategy" Could Put Democrats Over The Top In Key Races. Time (10/30, Bacon, 4.03M) reports that " following the Mark Foley scandal, Democrats are talking about not just winning the House but piling up as many as 40 new seats and also capturing the Senate. And some of the places where they are now competing lie in the blood-red states where Dean has been on his lonely crusade to find blue voters" as part of his "50 state strategy." Time adds, "Victory in any of those races is still a long shot, but local officials say support from Dean could help put their candidates over the top. He has sent at least two organizers to most states to register voters and rebuild moribund state parties."

GOP Strategists Push For Solid Evangelical Turnout. Time (10/30, Allen, 4.03M) reports that "just weeks before the Nov. 7 midterm congressional elections, one of the last unknowns of a wild and potentially historic campaign season is: What will Christian conservatives do this time? With polls suggesting an increased likelihood that Republicans may lose one or both houses of Congress, G.O.P. strategists calculate that a calamitous Category 5 election might be tamed to a merely scary Category 4 if they can somehow conjure a solid turnout of evangelical voters, the white suburbanites who fill the megachurches and can usually be counted on even in light-turnout elections like midterms. Party operatives plan to devote the election's closing weeks to courting Christians more intensely than any other single stripe of the electorate, all but begging the

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parishioners to give them one more chance even after the Foley scandal."

Shaw Hopes Voters Will See His Seniority As An Asset. The New York Times (10/23, Goodnough, 1.21M) reports in "this season of anti-incumbency, Representative E. Clay Shaw Jr. is gambling that voters will deem his seniority a virtue." Shaw "plays up his 26 years in the House, constantly reminding voters that he has 'a darned good shot' at leading the powerful Ways and Means Committee. He likes to say that his opponent, Ron Klein, a Democratic Florida state senator, if elected now would not attain equivalent experience in Washington until he was of geriatric age." Klein "has painted his opponent's seniority as a crippling flaw, and has put Mr. Shaw, 67, on the defensive about the Iraq war, the Medicare prescription drug program and Social Security, with the latter two being vital issues for the legions of retirees living here." Shaw's "struggle reflects the broader challenge Republicans face as they fight to keep control of Congress, but with some striking distinctions: Mr. Shaw is the most senior House incumbent whose seat is threatened, even though Republicans outnumber Democrats in his wealthy Atlantic Coast district, and Mr. Bush remains slightly more popular here than in other parts of the nation."

McCain, Clinton Campaign For Opposing New Jersey Senate Candidates. The AP (10/23, Newmarker) reports, "Two heavy hitters from Washington came to New Jersey on Sunday to campaign in the tight race between Democratic Sen. Robert Menendez and Republican challenger Tom Kean Jr." While "the focus remained largely on the Senate race, appearances by Sens. John McCain and Hillary Rodham Clinton also looked like a potential preview of the 2008 presidential campaign." McCain "told roughly 250 donors at a Kean fundraiser that he believed the Garden State contest would determine which party controls the Senate." Later Sunday, "during a speech in Paramus, Clinton, D-N.Y., touted the work Menendez has done — particularly his efforts to bolster homeland security — since Gov. Jon S. Corzine appointed him in January to complete his Senate term."

Critics Question Depth Of Kean's Experience. The New York Times (10/23, Chen, 1.21M) reports that as Kean "tries again to land a job in Congress — this time to fill a Senate seat formerly held by his great-grandfather and great-great-uncle — he must still persuade skeptics that he possesses more than just a revered political name. After all, he was appointed not once but twice to legislative posts, winning elections only when he already had the incumbent's advantage, and as a member of the minority party for most of his tenure, he has had few legislative victories." To admirers, Kean "has matured into a thoughtful and attentive lawmaker, distinguishing himself in ethics, environmental protection and health care." Kean "has espoused positions that are moderate, though clearly more conservative than those of his father, former Gov. Thomas H. Kean. And he has demonstrated political grit in a surprisingly ferocious campaign to unseat the incumbent, Robert Menendez, in what national Republican leaders believe is probably their best chance to capture a Democratic Senate seat."

Kean's Focus On Menendez "Investigation" Examined. The Washington Post (10/23, C1, Segal, 748K) reports, "If there were a drinking game whose rules required a swig each time Tom Kean Jr. asserted that his Senate race opponent is 'under federal criminal investigation,' you would be drooling drunk 10 minutes after meeting the guy." Kean "says 'under federal criminal investigation' about once every 28 seconds, uttering the words as if they were tragic and beyond dispute. After a day in Kean's company you are prepared to think terrible things about Robert Menendez, the Democratic incumbent." The Post adds the "whole investigation matter, which we'll get to, is hardly as cut and dried as Kean indicates. But Kean, who looks like a Mountie and fights like a Crip, isn't selling honesty and integrity so much as a brand name that represents honesty and integrity. It's a pitch with resonance in this state, where politicians routinely scamper offstage chased by ethics charges and mortifying headlines."

Candidates' Appeal To Women Voters Seen As Key In Virginia Senate Race. The Washington Post (10/23, A1, Rein, 748K) reports in a front page story that the Virginia Senate candidates' "biographies exude machismo: James Webb, the Marine firing his M50 antitank rifles in the jungles of Vietnam, and George Allen, the tobacco-chewing cowboy who as governor once stirred GOP delegates with this line about Democrats: 'Let's enjoy knocking their soft teeth down their whining throats.'" But Webb and Allen "are trying to soften their tough-guy personas as they appeal to the 1.9 million women who represent more than half of Virginia voters. The candidates are virtually tied among likely female voters, a recent Washington Post poll shows." Whoever can "move female voters onto his side may

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very well win the race, which recent polls show is virtually even. Successful Virginia Democrats, such as Gov. Timothy M. Kaine and his predecessor Mark R. Warner, have held leads among women heading into Election Day, according to preelection polling. Webb might have to win over more women than recent polls suggest he has if he is to win his challenge against Allen." In a race "in which traditional women's issues such as abortion have been largely absent, controversy has instead centered on Webb's past writing and Allen's past votes and policies. Webb is trying to convince voters that he's changed. Allen is arguing that his emphasis on family values appeals to Virginia women."

Corker, Ford Complain About National Party's Attack Ads. The Washington Times (10/23, Debose, 88K) reports both Republican Bob Corker and Democratic Rep. Harold E. Ford Jr. "complain that the national parties are slinging so much 'mud'" in Tennessee "that they can barely get their points across to voters." Corker "asked the Republican National Committee (RNC) to take down an ad that first aired Friday accusing Mr. Ford of taking money from pornographers, and said it hinted at interracial dating -- the ending shows a scantily clad, white blonde winking and saying, 'Hey, Harold call me.'" After "viewing the ad, Mr. Ford lost his cool and confronted Mr. Corker, ambush style, just before a press conference at a Friday campaign stop at the Memphis airport. He got in Mr. Corker's face and asked him to stop talking about his family, then asked him to talk about Iraq." Ford said, "I really just wanted to ask him about this ad." The Times adds, "Not one of the polls that have come out this month shows either candidate gaining any momentum or building a solid lead."

Democrats Expected To Make Gains In State Legislatures, Add To Governorships. USA Today (10/23, Kiely, 2.27M) reports, "For the first time since 1994, Democrats are poised to surpass Republicans in the number of state capitals where one party enjoys complete political control — holding the governor's mansion and both chambers of the state legislature. … Republicans hold the governorships and both chambers of the state legislatures in 12 states; Democrats, in eight. Republicans' control is in jeopardy in three of those states: Ohio, Alaska and Indiana. Democrats face the possibility of losing dominance in only one state: Maine. Meanwhile, the party has a chance for control in eight other states: Arkansas, Colorado, Iowa, Maryland, Massachusetts, Minnesota, Montana and Tennessee." USA Today notes that the Democratic Legislative Campaign Committee "hopes to spend $10 million on state House and Senate races this year," while the Republican State Leadership Committee "already has raised close to $13 million."

Ethics A Key Issue For Alaska GOP Gubernatorial Candidate. The Wall Street Journal (10/23, A4, Carlton, 2.03M) profiles Alaska Republican gubernatorial candidate Sarah Palin, who is "emerging as the giant-killer of the Last Frontier state." Palin "has defeated the sitting governor and is leading in polls against his predecessor, who is seeking a comeback. She is tapping into voter anger over corruption and dissatisfaction with incumbents -- factors working against fellow Republicans in much of the country this year." Palin "trounced Gov. Frank Murkowski in the primary in August. On Nov. 7, she faces one of the state's best-known politicians, former two-term Democratic Gov. Tony Knowles. Ms. Palin leads by a margin of 47% to 40%, according to an Oct. 9 survey of likely voters by Rasmussen Reports, an independent pollster." That is "down from the 52%-to-38% margin she held in the same survey a month earlier, a drop pollsters attribute largely to loss of a postprimary bounce. But Ms. Palin's main campaign theme of taking a tough stance on ethics is clearly resonating with many voters."

Obama Considering 2008 Presidential Bid. Sen. Barack Obama said Sunday he is considering a bid for the presidency in 2008. The announcement received coverage in several major newspapers and on last night's network news broadcasts. Many reports said an Obama run would shake up the Democratic presidential race and could cause particular problems for Sen. Hillary Clinton, who is currently considered the Democratic frontrunner. Reminded on NBC's Meet the Press (10/22, Russert) that in January he said he definitely would not run for president in 2008, Sen. Barack Obama responded, "Well, that was how I was thinking at that time. And, you know, I don't want to be coy about this. Given the responses that I've been getting over the last several months, I have thought about the possibility. … After November 7, I'll sit down and consider it, and if at some point, I change my mind, I will make a public announcement, and everybody will be able to go at me."

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ABC World News (10/22, lead story, 2:40, Harris, 8.78M) reported, "Senator Barack Obama, who has been getting an extraordinary amount of attention for a freshman lawmaker, made a remarkable reversal. After long insisting that he would not run for president, he now says he's thinking about it. This is shaking up a wide-open presidential race, featuring some of the biggest names in politics."

The CBS Evening News (10/22, story 3, 0:40, Mitchell, 7.66M) reported that Obama "backed off an earlier pledge to stay on the sidelines in 2008. In an appearance on NBC the Illinois Democrat said he is now considering a run for the Presidency in two years."

NBC Nightly News (10/22, story 3, 2:40, Fratangelo, 9.87M) reported, "This morning on 'Meet the Press,' Senator Barak Obama opened the door for a possible White House run. Last January he ruled it out." NBC added, "In recent weeks, Obama has been everywhere. On the cover of 'Time,' talking to, promoting a new book on Larry King. On the 'Today' show. Even on the cover of men's 'Vogue.'"

The AP (10/23) reports, "Sen. Barack Obama acknowledged Sunday he was considering a run for president in 2008, backing off previous statements that he would not do so. The Illinois Democrat said he could no longer stand by the statements he made after his 2004 election and earlier this year that he would serve a full six-year term in Congress. He said he would not make a decision until after the Nov. 7 elections. 'That was how I was thinking at that time,' said Obama, when asked on NBC's 'Meet the Press' about his previous statements. 'Given the responses that I've been getting over the last several months, I have thought about the possibility' although not with the seriousness or depth required, he said. 'My main focus right now is in the '06. ... After November 7, I'll sit down, I'll sit down and consider, and if at some point I change my mind, I will make a public announcement and everybody will be able to go at me.'"

USA Today (10/23, Wolf, 2.27M) reports, "The 2008 presidential race is wide open, and Obama has been urged by many Democrats, such as fellow Illinois Sen. Dick Durbin, to run this time rather than wait to gain more political experience. He said Sunday he has listened to those entreaties." USA adds, "Obama's candidacy would shake up the field of prospective Democratic candidates, dominated by Sen. Hillary Rodham Clinton of New York and recently abandoned by former Virginia governor Mark Warner. By keeping the option open, he could freeze the flow of money to other Democrats."

The Los Angeles Times (10/23, Neubauer, 918K) reports, "Asked about his lack of executive experience -- his only previous elective office was state senator in Illinois -- Obama said: 'Well, I'm not sure anybody is ready to be president before they're president. You know, ultimately, I trust the judgment of the American people that in any election, they sort it through.'"

A front page story in the Washington Post (10/23, A1, Balz, 748K) reports, "New York Sen. Hillary Rodham Clinton is considered the early front-runner for the Democratic nomination, should she decide to run, but some Democratic strategists said yesterday that Obama immediately would become one of her principal challengers, if he decides to run." Party strategists "said that, if voters are looking for change in 2008, Obama would symbolize it better than many of the other possible candidates."

The New York Times (10/23, Nagourney, Zeleny, 1.21M) reports, "The remarks by Mr. Obama sent ripples through Democratic circles and were the latest indication of how wide open the 2008 presidential field is — and how confident Democrats are that they are on the ascendancy. Should he run, Democrats said, his decision would pose a major complication to Senator Hillary Rodham Clinton of New York, who is widely viewed as the dominant figure in the field of potential candidates." Obama "opposes the war in Iraq and thus could provide an alternative for Democrats who have expressed strong concern about Mrs. Clinton's support of the war effort. In addition, Mr. Obama, who is African-American, would almost surely cut deeply into Mrs. Clinton's own political base, black voters, which could be particularly significant because the Democratic Party has decided to move the South Carolina primary to the front of the 2008 presidential nominating process. A spokesman for Mrs. Clinton, Howard Wolfson, declined comment on Mr. Obama's remarks on Sunday."

Obama Says America Is Ready For A Woman Or African American President. McClatchy (10/23, Talev) interview Obama about his book "The Audacity of Hope," which has just been released. Asked why he decided to write this book, Obama said, "I decided to write it partly on the heels of my (2004 Democratic National Convention) speech, which had gotten a good response. I thought it would be interesting to think about what I'd been saying in the campaign and subsequent to the campaign. Basically I didn't start writing until after I'd served about six months in the Senate because it was so overwhelming." The interview was

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conducted before Sunday when Obama said he is mulling a 2008 presidential bid. But during the interview, he noted, "I do think America is ready for a woman president or an African-American president or a Latino president if they are the best candidate."

Russert Says Obama Is "Deadly Interested" In Seeking The Presidency. "Meet the Press" moderator Tim Russert was asked on NBC Nightly News (10/22, story 4, 2:35, Seigenthaler, 9.87M) if he was surprised by the way Obama opened the door to a race for president?" Russert said, "I didn't know what to expect, because…he had closed that door. He said, I will not run for President in 2008. And now it's open. He has been greeted like a rock star on the circuit for Democratic candidates. It's the first time that we'll have an open presidential race. Neither incumbent president or vice president seeking the office in 2008 in more than 50 years. He's decided to take a hard look at it. I think he is deadly interested in seeking the presidency. I also think it won't hurt his book sale to be somewhat considered as running for president."

Herbert Says Time May Not Be Right For Obama Presidential Candidacy. Bob Herbert writes in the New York Times (10/23, 1.21M), "It's a measure of how starved the country is for a sensible, appealing, intelligent, trustworthy leader that a man who until just a couple of years ago was an obscure state senator in Illinois is now suddenly, in the view of an awful lot of voters, the person we should install in the White House. … With all due respect to Senator Obama, this is disturbing. He may be capable of being a great president. Someday. But one quick look around at the state of the nation and the world tells us that we need to be more careful than we have been in selecting our leaders. There shouldn't be anything precipitous about the way we pick our presidents." Herbert adds, "The Republicans may be in deep trouble, but they believe they could pretty easily put together a ticket that would chew up Barack Obama in 2008. … He's 45. There's no hurry. He should take all the time he needs."

McCain, Romney PACs Have Given At Least $1 Million To GOP Candidates. The Wall Street Journal's web-exclusive "Washington Wire" column (10/23, Conkey) reports Sen. John McCain "may be out in front when it comes to supporting Republican candidates and laying a grassroots foundation for a potential presidential run in 2008, but he certainly has competition." Govs. Mitt Romney and George Pataki, Senate Majority Leader Bill Frist and Sen. Sam Brownback "are among the prominent Republican leaders crisscrossing the country, paying special attention to Iowa, New Hampshire, South Carolina and other states that kick off the primary season. In the current election cycle, McCain's Straight Talk America PAC has given $1.2 million to state and federal candidates, followed closely by the $1 million donated by Romney's Commonwealth PAC. Frist's Volpac has contributed roughly $600,000 so far, while Pataki's 21st Century Freedom PAC has doled out more than $300,000."

GOP Said To Have Alienated "Secular Conservatives." In an op-ed for USA Today (10/23, 2.27M) the Manhattan Institute's Heather Mac Donald writes, "The GOP has become the party of religion, and Democrats have been scrambling to play catch-up. The truth, though, is that piety doesn't belong in politics. … This surge of mediagenic piety is discouraging to one of the least heralded segments of the political spectrum: secular conservatives. The conservative movement has supposedly benefited from politicians who publicize their relationship to God. Non-believing conservatives, however, see this electoral gain as a Pyrrhic victory. Conservative principles, they say, are best grounded in reason and evidence, not revelation. The infusion of God talk into both parties' campaign discourse adds nothing to the public's ability to vote wisely."

Study Of Religion Regarded As Salutary For Undergrads. In an op-ed for the Washington Post (10/23, A21, 748K) Rev. John I. Jenkins, president of the University of Notre Dame and Thomas Burish, the university's provost, write that a Harvard curriculum committee "recommended that every Harvard student be required, as part of his or her general education, to take one course in an area that the committee styled 'Reason and Faith.' Whether that becomes policy remains to be seen, but the significance of the recommendation should not be understated. Harvard is the drum major of American higher education: Where it leads, others follow. And if Harvard says taking a course in religion is necessary to be an educated person, it's a good bet that many other colleges and universities will soon make the same discovery. We hope they will."

US Charitable Giving Rose 13% In 2005. The Wall Street Journal (10/23, B2, Beatty, 2.03M) reports, "America's largest charities saw a surge in donations in 2005, as a strong economy and a string of major disasters boosted

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cash and in-kind gifts 13% to $62.7 billion, according to an annual survey of 400 charities. The jump marked one of the largest percentage gains since the Chronicle of Philanthropy began the survey 16 years ago. … Donations to aid victims of the Asian tsunami in late December 2004 and Hurricane Katrina, which struck in August 2005, totaled $2.6 billion for the 400 charities surveyed. But even organizations not involved in disaster relief reported a healthy rise in donations. Excluding disaster-relief funds, giving rose 8.3%, after adjusting for inflation, the survey found."

Bush Koch's Book On Bush 41 Reviewed. The Washington Post's Lois Romano (10/23) reviews "My Father, My President: A Personal Account of the Life of George H.W. Bush," by President Bush's sister Doro Bush Koch. According to Romano, "At her father's request, Koch…pulled together a warm and, not surprisingly, favorable look at Bush's eventful life, as relayed to her by many of his friends and political associates, his diaries and letters, and conversations with Dad. Indisputably told through the lens of an adoring daughter, 'My Father, My President' breaks no new ground and presents no neutral judgments. But it does offer an intimate look into one of America's political dynasties, and subtly conveys the hope of an 82-year-old man to have some say in how the story is told -- even if he doesn't want to tell it himself."

WSJournal Notes Ohio Minimum Wage Initiative's Labor Backing. The Wall Street Journal (10/23, A14, 2.03M), in an editorial, writes, "Ohio's unemployment rate is more than a full percentage point above the national average at 5.7%, and the state has recorded a net job loss of 150,000 since 2001. So you might think the last thing any responsible public official would promote is an increase in the cost of doing business there. Well, think again. Democratic Representative Ted Strickland, who's running for Governor, is backing a ballot initiative known as Issue 2 that would amend the state constitution to raise the minimum hourly wage to $6.85 from $5.15." According to the Journal, Issue 2 is also "a Trojan horse for other items on Big Labor's wish list that will only make Ohio's business climate less attractive. For example, the proposal imposes onerous and expensive record-keeping requirements on employers and says, 'Such information shall be provided without charge to an employee or person acting on behalf of an employee upon request.' Nowhere is it specified who's permitted to act on behalf of an employee, which is an open invitation to union officials to search personnel records to facilitate organizing."

NYTimes Endorses Rell. The New York Times (10/23, 1.21M) endorses Connecticut Governor Jodi Rell over New Haven Mayor John DeStefano. According to the Times, "The biggest concern about Mr. DeStefano's candidacy is something that he has no control over — the enormous political imbalance created by the decline of the Connecticut Republican Party. If he is elected, Connecticut will have, in effect, one-party rule; the Democrats are two votes shy of a veto-proof majority in the Legislature. It strikes us that Connecticut would be better off with a moderate Republican governor now. And Mrs. Rell has clinched the sale in her short time in office by showing the potential to be a great governor as well as a popular one."

WSJournal Derides California's Proposition 87. The Wall Street Journal (10/23, A14, 2.03M) editorializes, "California already ranks as one of America's five most taxing states, but if liberal activists have their way the Golden State will soon be competing for Number One. … The jewel in this liberal crown is Proposition 87, which would raise taxes on oil extracted from California by 1.5% to 6%, depending on the price per barrel -- all in the name of reducing energy consumption and dependency on foreign oil. Let us run that by you again: The idea here is to tax California oil in order to get Californians to use less Saudi oil. Brilliant. … A Law and Economic Consulting Group (LECG) analysis concludes the bill would in fact increase dependency on foreign oil because the tax increases the price only on domestic oil."

NYTimes Blames US Government For Puerto Rico's Faltering Economy. The New York Times (10/23, 1.21M), in an editorial, writes, "After decades of economic progress, Puerto Rico is struggling, and the mainland has both missed this horrific economic slide and contributed to it through benign neglect. Poverty on the island is rampant. The per capita income is just about half that of the poorest state in the United States. Nearly one-third of the population was unemployed in 2000. And a good quarter of all employment is in government jobs. If the goal is more than survival, the bloated public payroll will need to be significantly pared back. … Much of the blame can be put on

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Washington, which has been tone deaf to the island's needs and has miscalculated where help was needed."

China "May Have Saved" Bush From Ordering Pre-Emptive Strike Against North Korea. Newsweek (10/30, 3.12M) reports in its "Periscope" column, "Beijing may have saved President Bush from a tough decision: whether to order a pre-emptive strike against North Korea's main missile-launch facility. In the wake of Kim Jong Il's nuclear test, the White House was alarmed at the prospect that Kim was planning to explode a second nuclear device while also firing off a second test flight of North Korea's Taepodong-2 missile." One option "under urgent debate inside the administration (according to senior officials, anonymous because of the sensitive situation) was a pre-emptive strike to destroy the next T-2 on its launchpad. Meanwhile, Beijing was so angered by Kim's test…that it sent top national-security official Tang Jiaxuan to Pyongyang. The senior officials say Beijing threatened to cut off fuel and food supplies. How did Kim respond? Japan's Foreign Minister Taro Aso said: 'Though it is not confirmed, we have obtained information that [Kim] told Mr. Tang the country won't conduct a second nuclear test.'"

Beijing Fears Cutoff Of Aid Would Destroy North Korea's Economy. Time (10/30, Elegant, 4.03M) reports, "Although the US believes that tightening the financial squeeze on Pyongyang is necessary to persuade Kim [Jong Il] to abandon his newly tested nuclear arsenal, Beijing fears that a cutoff in aid would bring about the collapse of the North's economy, touch off civil unrest and lead to an influx of millions of poor, hungry refugees on its borders." Making the UN sanctions imposed following north Korea's missile test meaningful "depends on China. China said last week that the country's four main banks will cease handling transactions from North Korea. It also says it had increased inspections of goods passing from China to North Korea by land, although there will be no inspections of seaborne cargo."

Secret Nuclear Proliferators Prove Difficult To Trace. Newsweek (10/30, Hosenball, Dickey, 3.12M) reports on efforts to track agents "suspected of shopping for nuclear components. The supply lines used by secret proliferators are almost as complicated as the weapons themselves, and neither the UN watchdog International Atomic Energy Agency nor the intelligence services of the United States and other powers…is fully able to meet the challenge." Newsweek adds, "The area around Haag, Switzerland, near the Liechtenstein border, holds a nest of precision-engineering firms known among investigators as Vacuum Tube Valley. Friedrich Tinner, owner or player in several of these companies and a longtime Khan acquaintance, denies ever intentionally helping produce components for clandestine nuclear programs. But one of his sons, Urs Tinner, allegedly had a pivotal role: first making vital parts for Libya's secret nuclear program, then, as a CIA informant, helping to expose it. .. The CIA declines to comment on the case. What's clear is that the Tinners are now useless, either as moles or as surveillance targets, to investigators trying to discover where AQ Khan's seeds of destruction might still be sprouting."

Lugar, Specter, Biden Back Direct Talks With Pyongyang. The Washington Times (10/23, Pfeiffer, 88K) reports Sen. Richard Lugar and Judiciary Chairman Arlen Specter "yesterday called for direct U.S.-North Korea talks over Pyongyang's nuclear program." Sen. Joe Biden "said the other four nations in the six-party negotiations -- China, Russia, South Korea and Japan -- have privately urged the same path on the United States, which has long rejected bilateral talks with North Korea." Sens. John Warner, Carl Levin and Biden appeared alongside Lugar. The Times notes, "The State Department would have to conduct the talks, and the White House has repeatedly rejected earlier calls, mostly from Democrats, for direct talks with North Korea. Only Mr. Warner, the Armed Services chairman, had unequivocal praise for the administration's North Korea policy."

The AP (10/23, Klug) adds, "Calls for such talks have grown louder following North Korea's nuclear test Oct. 9 and as diplomats worry about a second detonation. The administration says it will only have such talks during six-nation negotiations meant to persuade North Korea to abandon its nuclear programs. Those talks have been stalled for nearly a year."

Rumsfeld, South Korean Counterpart Agree South Korea Will Command Its Forces In Wartime. The Wall Street Journal (10/23, A6, Ramstad, 2.03M) reports, "Even as North Korea challenges the military balance in northeast Asia, Seoul and Washington are moving ahead on a plan to pass more military responsibility to South Korea in the event of war." Secretary Rumsfeld and South Korean Minister of Defense Yoon Kwang-ung "agreed over the weekend that South Korea will take wartime control of its military" beginning sometime between late 2009 and early 2012. Seoul "took charge of peacetime control of its 600,000-person military 12

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years ago. Mr. Rumsfeld said he believed South Korea 'has the ability to assume responsibility for wartime operational control roughly in the time frame of 2009.'" The Journal notes "a speedy transition will more quickly allow" the Pentagon "to send personnel associated with Korean war planning and logistics to other places. The plan also allows current commanders in the region to take charge of the transition, rather than leaving it to others who, in normal duty rotations, would be brought in." Some "South Koreans worry the change is prelude to withdrawal by the U.S. military from the country and urged [senior leaders] not to let it happen."

As Kim Bets Against International Unity, China May Prove The Key Player. In an analysis piece, McClatchy (10/23, Strobel) reports, "Now the test of wills begins. North Korea has made itself an uninvited member of the nuclear club and dared the world to kick it out." While "the stakes are enormous," McClatchy says "it remains to be seen whether the U.S., [Japan, South Korea, China and Russia], acting together, separately or both, can persuade the unpredictable [Kim Jong-il] to curb his nuclear appetite." The North Korean leader "appears to be calculating that he can ride out the backlash from his nuclear weapons test, as India and Pakistan did after their 1998 blasts." The "key, U.S. officials acknowledge, will be China," and the Beijing-Pyongyang "relationship has cooled considerably in recent years," with "signs that Beijing's leaders may be nearing the end of their rope with Kim, who ignored China's warnings not to conduct a nuclear test." Secretary of State Condoleezza Rice's recent "mission to Japan, South Korea, China and Russia was a high-wire act on an extremely thin wire. She had two contradictory objectives: persuade North Korea's neighbors to hang tough and enforce the U.N. sanctions, and assuage their fears that the U.S. wants to squeeze Kim's regime until it implodes." Rice "is trying to hold together a motley coalition that may not last."

North Korea's Stockpiling And Rationing System May Soften Sanction's Impact. USA Today (10/23, Slavin, 2.27M) reports on international aid agencies' difficulties in gauging poverty and malnutrition in North Korea. It "is a hard society to fathom even for the few foreigners who visit regularly. Whether it is on the verge of economic collapse or resilient in the face of decades of adversity and deprivation remains a matter of conjecture. The shroud that keeps North Korea hidden makes it virtually impossible to judge whether the limited sanctions…will have any effect on the regime of Kim Jong Il." Some frequent visitors claim "it is better off than a few years ago and may be able to withstand sanctions." The Eugene Bell Foundation's Steve Linton "has noticed that North Koreans are better dressed and that there are more bicycles in a country where a decade ago, nearly everyone traveled on foot. 'It's not lightning speed, but it's gradual change,' he said." A tour company manager said "Pyongyang, a gloomy capital of bland concrete high-rises and little commerce a decade ago, has a few dozen shops and many sidewalk stalls selling ice cream, cookies, flowers, even videocassettes… There are four or five billboards for cars, the first commercial advertising in the country. Electricity blackouts, once common, are rare in the capital, he said."

Rice Gets Scant Support From Moscow For Iran Sanctions. The Wall Street Journal (10/23, King, 2.03M) reports Secretary Rice "ended her round-the-world trip on a chilly note in Russia, finding limited support for her next big international challenge: imposing sanctions on Iran over its nuclear program." While she got cooperation commitments from Beijing on North Korea sanctions, Rice's "stop in Moscow was more strained, indicative of pricklier ties between the U.S. and Russia that are coloring the debate over how to grapple with Tehran's nuclear ambitions." Russian Foreign Minister Sergei Lavrov "told a Kuwaiti news agency that Russia 'won't be able to support any attempts to use the Security Council to punish Iran...in order to promote the ideas of regime change there.'" The Journal says "Iran is a touchier subject than the deeply isolated and impoverished North Korea. Iran's role as a major oil supplier and significant market for European and Chinese goods -- along with its growing sway in the Middle East -- makes U.N. diplomacy over its nuclear program far more delicate. China and some countries in Europe are also leery of pushing Iran too hard."

Rice's Push For Consensus During Asia Trip Examined. In a 1,059-word analysis of Secretary Rice's "different tactic" in diplomacy, the New York Times (10/23, Shanker, 1.21M) says, "With North Korea's nuclear test presenting one of her greatest diplomatic challenges, [Rice] has taken an approach that allies say they have seen not often enough from the Bush administration: an effort to persuade and to build consensus, rather than to dictate terms or press for immediate agreement." Saying that Rice's Asia tour last week "was not a trip planned to culminate with agreements signed or even boxes checked off," the Times adds, "As Ms. Rice enters the autumn months of the Bush administration's tenure in office, she dropped early administration mantras —

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like other nations are 'either with us or against us' — on this trip, and instead repeated at each whistle-stop, 'I did not come here, nor will I go anyplace else, to try and dictate to governments what they ought to do in response to Resolution 1718.'" The Administration's "struggle to rethink a faltering Iraq strategy hung over her entire trip like a shadow. Given that the Bush administration has been more reticent all along to take strong action toward North Korea, her more collegial approach was not entirely unexpected. And her approach may have been more necessity than virtue." That "tempered message played well across Asia, and extremely well in Japan, whose policies were already mostly in line with those of Washington. Unexpectedly, the Chinese responded warmly, too, prompting fresh assessments from senior State Department officials that the North Korea crisis may, in the end, bring the United States and China into closer partnership on other issues."

Lugar Endorses One-On-One Diplomacy With Iran. Sen. Richard Lugar was asked on Fox News Sunday (10/22, Wallace) if he "support[s] one-on-one, direct talks with Iran," Lugar said, "I think that would be useful, but I think even more useful right now would be, as a part of our negotiations with Iran, to bring together the members of the Security Council, Germany, the nations that surround Iraq, including Iran -- that is, bring in Iranians into a conversation about Iraq. Now, regardless of whether we have timetables for withdrawal, whether our troops come back as opposed to intensively going into neighborhoods in Baghdad, there's got to be some perimeter defense here of Iraq, some physical integrity. That's important to Iran. I would just change the subject a little bit. I would say, 'Iranians, we have something to talk to you about that's very important to you existentially.' And that may not get to the nuclear thing, but I think it does indirectly. After a while, you have at least some basis on which they have the integrity of their country."

European Court Said To Provide Rare Check On Putin's Russia. In a 1,522-word piece on its front page today, the Washington Post (10/23, A1, Finn, 748K) reports on the impact of the European Court of Human Rights on internal Russian policies. "While President Vladimir Putin has been marginalizing Russia's parliament, opposition, media and human rights groups, this international court sitting 1,250 miles away in Strasbourg, France, has emerged as a powerful check on the excesses of the Russian bureaucracy and failures by the country's own investigative organs and courts to follow Russia's laws." Moscow agreed in 1998 "to accept the court's decisions as binding," and the Post contrasts Russian actions to implement Court rulings with those of non-signatories including Kyrgyzstan. The Post continues, "The European Court has entered Russian popular consciousness as a port of last resort for those seeking justice because the Russian state does bow to its judgments -- albeit with some very public grumbling. While Russia is quick to pay any compensation ordered by the court, the country has been criticized by the Council of Europe's parliamentary assembly for failing to carry out systemic and deep reforms as a result of court rulings."

Fatah, Hamas Violence Ends Temporary Ceasefire. The New York Times (10/23, Kraft, 1.21M) reports, "Tensions between rival Fatah and Hamas loyalists continued to smolder Sunday in the form of a deadly shooting, a kidnapping and tire-burning protests as an informal cease-fire quickly disintegrated." In response, some Israeli leaders "called for retaking control of Gaza's southern border with Egypt. The government is expected to meet midweek to discuss the possibility of expanding the military campaign in Gaza." Despite a Fatah-Hamas agreement on Friday "to stop the violence," one Fatah militant was murdered and another kidnapped on Sunday. Of the calls to step up weapons interdiction along the Egyptian border, the Times notes, "Shimon Peres, Israel's deputy prime minister, was among those who strongly advocated the pullout from Gaza… Over a year after the withdrawal, things looked very different than he had imagined they would, and he blamed Hamas."

Israel Denying Tourist Visas To US Citizens Of Palestinian Decent. In a 1,265-word piece, the Washington Post (10/23, A16, Wilson, 748K) profiles "a change in Israeli policy that has left thousands of U.S. citizens of Palestinian descent locked out of the occupied territories where they work, invest and have families." The Post explains, "For decades, Palestinian foreign nationals have entered the West Bank and Gaza Strip on three-month tourist visas, renewing them regularly, because residency cards were difficult to obtain. But in recent months Israel's Interior Ministry has refused in many cases to grant new visas, separating thousands of family members from their relatives." That "tightening has coincided with the rise this year of Hamas," and "Palestinian officials and Israeli human rights groups contend the shift will undermine private investment in the territories -- investment the Bush administration is seeking to

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encourage -- while potentially driving out the professional class most likely to have relatives abroad." The Post adds, "Demographics and refugee claims have played a central role in the Israeli-Palestinian conflict, and advocates of an independent Palestinian state in the territories watch for any changes in Israel's complex permit and immigration policy."

Israelis Consider Strong Independent Executive. The Los Angeles Times (10/23, Boudreaux, 918K) reports, "Since the summertime war in Lebanon, Israel's leadership has been in turmoil," and that "angst" has "pushed an idea with growing appeal onto the Cabinet's agenda: Israel should scrap its parliamentary system, which tends to produce shaky coalition governments and throw them out with dizzying speed, in favor of American-style presidential rule. The Cabinet voted 12 to 11 to endorse the proposed overhaul and send it to the Knesset, the parliament." The Times notes that "passage is far from certain, in part because the sponsor is a right-wing politician with extreme views, growing popularity and leadership ambition. If Avigdor Lieberman were to benefit from his own proposal, his critics say, he might turn Israel's democratic free-for-all into an autocracy." Prime Minister Ehud Olmert "lobbied hard for approval of the measure despite his misgivings. His centrist Kadima Party faces a possible revolt by its leftist coalition partner, the Labor Party; he needs a new ally to preserve his majority in parliament and avoid new elections that polls show he would lose," and views Lieberman potentially as that ally. The Times adds, "The measure would give Israel's leader powers similar to those of the U.S. president, except that he would still be called prime minister. Israel's current presidency, a ceremonial post, would be abolished." Opponents of the plan "call it a recipe for gridlock between a prime minister and an opposition-controlled parliament. Others reject it as a formula for dictatorship by an unfettered ruler in a country without a constitution or complex system of American-style checks and balances."

Khartoum Expels Pronk Over Blog Entry About Military Losses. The New York Times (10/23, Hoge, 1.21M) reports Khartoum "ordered" UN chief envoy Jan Pronk "to leave, saying he was an enemy of the country and its armed forces." UNSYG Kofi Annan "said that he was reviewing the letter from the Khartoum government and had asked [Pronk] to return to New York for 'consultations.'" The Times says Pronk "has been outspoken in reporting on the killings, rapes and other atrocities in Darfur," and "has become increasingly pointed in his comments about the government." Pronk "is known as a forceful presence at the United Nations from his frequent appearances before the Security Council, where he often delivers unflinching accounts of the continuing mayhem and political breakdown in Sudan in a rhetorical style that includes finger jabbing and dramatic pauses for emphasis." The Times attributes his expulsion to "an entry he made in his blog (www.janpronk.nl) last weekend that said the armed forces had suffered two major defeats with extensive casualties against rebels in Darfur in the past six weeks. He also reported that generals had been cashiered, morale had sunk and the government had collaborated with the feared janjaweed Arab militias." The "State Department said it was withholding comment until it learned more from Khartoum about" Pronk's comments and his recent trip to Darfur.

The CBS Evening News (10/22, story 5, 0:15, Mitchell, 7.66M) reported, "Sudan today ordered UN Chief Envoy Jan Pronk to leave the country after he wrote that the Sudanese army took heavy losses in fighting with rebels in Darfur. The expulsion could complicate efforts to help Darfur refugees."

The AP (10/23, Osman) says Pronk was ordered to leave "after he wrote that Sudan's army had suffered major losses in recent fighting in Darfur." His expulsion "is likely to complicate international efforts to halt the killings, rapes and other atrocities in the strife-torn region of western Sudan." The British Foreign Office "condemned the decision and urged the Sudanese to reconsider."

Darfur Rebels, On The Offensive, Reject Any Ceasefire. A 1,457-word piece in today's New York Times (10/23, Polgreen, 1.21M) reports on "the new battlefield" in Darfur. "For the first time in more than two years, rebels fighting the government for more autonomy are making brazen, direct and successful attacks on soldiers, and are declaring that all previous cease-fires are no longer in effect. The latest peace agreement, signed in May and heavily backed by the United States but approved by only one rebel faction and the Sudanese government, is in disarray." The Times notes "a hardening conflict that is increasingly taking place along porous borders among some of the least stable countries in Africa, threatening to ignite a wide conflagration in the heart of the continent. … With the two sides apparently bent on all-out war, and millions of displaced people and refugees caught in the middle, the people of Darfur and the

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aid workers who have been trying to help them await the next, seemingly inevitable onslaught." The Times adds that "the battle in Darfur has long been a proxy, fought with villages and towns as battlefields and civilians as its primary victims," and notes rebel groups report most of their victims have been black African proxy soldiers from south and west Sudan, not Sudanese Arab forces.

Chavez Says Keeping Guatemala Off Security Council Is Victory Against US. The AP (10/23, Toothaker) notes President Hugo Chavez "said Sunday that Venezuela achieved its objective at the United Nations by preventing Washington's preferred candidate from winning a seat on the U.N. Security Council." Chavez claims that, while Caracas has consistently trailed Guatemala City throughout 35 rounds of balloting, he "has successfully challenged U.S. interests." He is quoted saying, "We have taught the empire a lesson. [Even if] Venezuela isn't able to enter the Security Council, we've done damage to the empire. That was our objective." Chavez "— a close ally of Cuban leader Fidel Castro — has promised to use a seat on the council as a platform to speak out against the U.S." Opposition politicians in Caracas "accuse Chavez of squandering millions of dollars in an effort to garner international backing for Venezuela's bid, saying he has neglected domestic problems such as rampant crime and widespread poverty." The AP notes, "The nomination of a third candidate to break the stalemate has been informally discussed, but both candidates would have to step down. Guatemala has also pledged to remain in the race."

Voters Approve Major Renovation Of Panama Canal. The New York Times (10/23, Lacey, 1.21M) notes Panamanian voters "on Sunday overwhelmingly endorsed a plan to modernize the country's aging canal, won over by government arguments that the $5.25 billion project would generate jobs and keep the canal relevant for future generations." Opponents wages a "vigorous" campaign "as skeptics questioned the government's cost estimates and raised fears that corruption would doom the project." Panama City "portrayed a 'sí' vote as a vote for the children of Panama. Without an expanded canal, officials predicted, shipping traffic would find other routes and Panama's growing economy would dry up." The refurbishment "will double the canal's capacity by adding a third set of locks that are 40 percent longer and 60 percent wider than the current ones."

The AP (10/23, Weissert) adds, "Voters overwhelmingly approved the largest modernization plan in the 92-year history of the Panama Canal on Sunday, backing a multi-billion dollar expansion that will allow the world's largest ships to squeeze through the shortcut between the seas." The Washington Times/AP (10/23, Weissert) runs the AP report.

The Los Angeles Times (10/23, Kraul, 918K) notes, "Panamanian voters on Sunday overwhelmingly approved a $5.2-billion proposal to expand the country's national treasure, the Panama Canal." President Martin Torrijos "staked his considerable popularity on voters approving the proposal, which he described in a recent interview as the 'chance of a lifetime' for Panama." The renovation "ultimately is expected to take eight years and create 7,000 jobs, with employment for thousands more people tied indirectly to the proposal. … Panamanian and international investors expect the project to stimulate economic growth. The vote is expected to touch off several private and public construction projects that have been in abeyance until the balloting."

European Nations, Municipalities Restrict Muslim Women's Veil-Wearing. The Washington Times (10/23, Bryant, 88K) reports, "Long and short, sober black and brightly hued, the Muslim veil is drawing growing criticism in much of Europe. It has been chased from public schools in France and Belgium, and its strictest, face-concealing variation, the niqab, has been outlawed in a smattering of European towns. Even in multicultural Britain, the niqab has sparked ferocious debate after the suspension of a Muslim teaching assistant and remarks by top government officials that the niqab encourages an unsettling social rift." The Times says the "controversy" has been furthered by "a series of incidents pitting Europe's Muslim population against its Christian majorities," and one expert is quoted saying, "There's a rise in Islamo-skepticism. There's a fear and tension that's installed in certain parts of the population, and I don't think it bodes well for the future." The Times adds, "Perhaps more than any other symbol, the veil sets Muslims apart. Worn by a minority of Muslim women in Europe, it is an easy target for stereotypes." Furthermore, "European politicians critical of the veil cite the importance of integrating ethnic African, Arab and Turkish immigrant populations."

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THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Rise In Bribery Tests Integrity Of U.S. Border."
"The Battlefield Widens For House GOP Seats."
"In Mexico, Young And Thin Are Often Job Requirements."
"Into The Abyss Of Baghdad."
"Study Revives Debate Over LAPD's 3-Day Workweek."
"A Legend Of Base Jumping Takes Leap Of Faith His Last."

USA Today:
"Fight For Control Of State Capitals Heats Up."
"U.S. Forces Caught In Crossfire On Streets Of 'Capital Of Death'."
"Airfare Climbs 15% For Holiday."

New York Times:
"Grim New Turn May Harden Darfur Conflict."
"To Stand Or Fall In Baghdad: Capital Is Key To Mission."
"In Deregulation, Power Plants Turn Into Blue Chips."
"As G.O.P. Mopes, Bush Adds The Duties Of Optimist In Chief."
"New York, Los Angeles, Olathe? Rent's Bite Is Big In Kansas, Too."
"Out To Show He's Not Just An Old New Jersey Name."

Washington Post:
"A Set Of Borders To Cross."
"Beltway Toll Plan May Need VA. Funds."
"Europe's Long Legal Tether On Russia."
"In Reversal, Obama Says He'll Consider Presidential Bid."
"Women's Vote Could Tip Close Contest."
"Clauses And Commas Back In Style."

Washington Times:
"Medicaid Drivers Take D.C. For Ride."
"Direct Talks Urged With N. Korea."
"National Parties Roil Tennessee Race."
"Muslim Veils Prompt Bans Across Europe."
"Panama Canals Widening Wins OK."

Atlanta Journal-Constitution:
"Iraq Policy Under Siege."
"Mom's Anguish Flares AS trial To Start In Tot's Death."
"Early Voting Is Wave OF The Future."
"Store Brands: Generics Out, Upscale In Garment Fare Stressed As Is Value."

Houston Chronicle:
"An Era Ends Today As Skilling Learns Fate."
"As Lights Dim, War Memories Replayed."
"Farm Boy Realizes A Tall Dream."
"More Arrivals, More Fears."

Story Lineup From Last Night's Network News:
ABC: Presidential Election 2008; Iraq Timeline-Changing Course; Human Remains Found-Ground Zero.
CBS: Iraq Timeline-Changing Course; Campaign 2006; Obama Possible Presidential Bid; The Values Voter; UN Envoy Asked To Leave Dafur; Chicago Marathon Winner; Ipods Birthday; Brothers Go Too War; Gyro Ball; New George Washington Exhibits.
NBC: Iraq Timeline-Changing Course; Iraq-Sectarian Violence; Obama Possible Presidential Bid; Campaign 2006; Man With Amnesia; Iraq School; Egg Salad Recall; Death On Ocean Floor; High School Play.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Iraq-US Death Toll; Fernandez Apologizes For Iraq Comments; World Series; Skilling Sentencing.
CBS: World Series; Iraq-US Death Toll; Bush-Iraq; Skilling Sentencing; Gas Prices.
NPR: Fernandez Apologizes For Iraq Comments; Iraq Violence; Republicans Criticize Bush Nuclear Non-Proliferation Policy; CA-Nguyen Pressured To Withdraw; WTC-Human Remains Found; World Series; Hurricane Paula.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Participates in a Photo Opportunity with Crew Members of the Space Shuttle Discovery (STS-121), Space Shuttle Atlantis (STS-115), and Space Station Expeditions 11, 12, and 13, East Room, The White House; President and Mrs. Bush participate in a Photo Opportunity with the King and Queen of Sweden, South Portico, The White House; participates in Visit to Urban Trust Bank, Urban Trust Bank, Washington, DC.

VICE PRESIDENT CHENEY — Delivers remarks at a reception for the Republican National Committee, private residence, Greenwich, Conn. Closed press.

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LAURA BUSH — Delivers remarks at a George Allen for Senate Reception. Private residence, McLean, Va. Closed.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: SAFE SCHOOLS _ The Safe and Drug-Free Schools and Communities Advisory Committee, appointed by U.S. Secretary Margaret Spellings, will host its fifth meeting. Location: U.S. Department of Education's Barnard Auditorium, 400 Maryland Ave. SW.

MILITARY COMMUNICATIONS _ Milcom 2006, the Military Communications Conference, will be held. Theme: ``Networking the Warfighter." The conference will include classified and unclassified sessions, discussion panels, and tutorials, focused on advanced technology in military communications. 12 p.m. - 1:30 p.m. Lunch and Dessert with Tom Brokaw, Former Anchor and Managing Editor, NBC News and Author, ``A Long Way from Home and The Greatest Generation." Location: Wardman Park Marriott, 2660 Woodley Road, NW, and Omni Shoreham Hotel, 2500 Calvert Street NW. The classified program will take place in the Ronald Reagan International Trade Center, 1300 Pennsylvania Ave. NW.

US-CHINA _ Five-day meeting of the US-China Economic and Security Review Commission. Location: Hall of the States, 444 N. Capitol St.

CANDIDATE SURVEY _ 9 a.m. Project Vote Smart President Richard Kimball announces the results of a ten-year study of every congressional, gubernatorial and state legislative candidate in the country. Location: National Press Club.

PAULSON-CURRENCY _ 9 a.m. Treasury Secretary Henry Paulson visits the Bureau of Engraving and Printing and unveils the first paper currency with the Secretary's signature. Location: Bureau of Engraving and Printing.

TAX REFORM _ 11:30 a.m. Sen. Ron Wyden and former Sen. Bill Bradley hold a news conference to urge President Bush to join Congress in enacting real tax reform. Location: Carnegie Endowment for International Peace, 1779 Massachusetts Ave. NW.

MINIMUM WAGE _ 12 p.m. Senator Edward Kennedy and former Senator John Edwards will host a press conference call with the organizers from the six states that have minimum wage initiatives on the ballot this year: Arizona, Colorado, Montana, Missouri, Nevada and Ohio. Contacts: Laura Capps, 202-224-2633.

NUCLEAR ISSUES _ 12 p.m. Mohamed ElBaradei, Director General of the International Atomic Energy Agency, holds a discussion with Robert L. Gallucci, Dean of the Edmund A. Walsh School of Foreign Service at Georgetown University, on nuclear issues. Location: Gaston Hall, 3rd floor, Healy Hall, Georgetown University.

HARKIN-HEALTH _ 12:45 p.m. Sen. Tom Harkin, D-Iowa, will address the World Congress about the need to give employers incentives to improve the health of their employees. Specifically, Harkin will discuss his legislation which he says would implement wellness tax credits for businesses to help promote prevention, fight chronic diseases and keep health care costs down. Location: L'Enfant Plaza Hotel, 480 L'Enfant Plaza SW.

ROEMER-NATIONAL SECURITY _ 4 p.m. Tim Roemer, a member of the 9/11 Commission and former U.S. congressman, delivers a lecture on national security in the United States in the 21st Century. Location: Edward J. Pryzyla University Center, Catholic University, 620 Michigan Ave. NE.

LEBANON _ 4:15 p.m. Jean-Marie Guihenno, United Nations undersecretary-general for Peacekeeping Operations, will speak at the Johns Hopkins University Paul H. Nitze School of Advanced International Studies about ``The U.N. Peacekeeping Mission in Lebanon. Location: Rome Building Auditorium, 1619 Massachusetts Ave. NW.

ENERGY OUTLOOK _ 7:30 p.m. Judith Batty, assistant chief attorney for ExxonMobil Corp., speaks at Montgomery College-Germantown as part of its 2006 Spectrun Lecture series. Topic: ``The Outlook for Energy." Location: Montgomery College-Germantown, Globe Hall, High Technology and Science Center, 20200 Observation Drive, Germantown, Md.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: MONDAY, OCTOBER 23, 2006 7:45 AM EDT

TODAY'S EDITION

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TERRORISM NEWS:

Threat From "Home-Grown" Terrorists Considered Minor, Despite Warnings. The Christian Science Monitor (10/23, Marks, 58K) reports, "'Home-grown' terror cells remain a concern of US law officers, who cite several disrupted plots since 9/11. But the suspects' unsophisticated planning and tiny numbers have led some security analysts to conclude that America, for all its imperfections, is not fertile ground for producing jihadist terrorists." The Monitor adds, "In a nation where mosques have sprung up alongside churches and synagogues, where Muslim women are free to wear the hijab (or not), and where education and job opportunities range from decent to good, the resentments that can breed extremism do not seem very evident in the Muslim community. Since 9/11, however, concern is rising among Muslim-Americans that they are becoming targets of bias and suspicion," and "it's a disquieting trend, say the young Muslims -- one that might eventually help radicalism to grow."

Military Commissions Act Said To Create A "Broad Grey Area" On Interrogation Methods. Newsweek (10/30, Ephron, 3.12M) reports, "President George W. Bush signed the Military Commissions Act into law last week, laying down guidelines for Guantánamo prisoner tribunals and addressing the issue of interrogation tactics. … Most legal experts believe the new law criminalizes the harshest techniques used by the CIA since the attacks of September 11, including the mock drowning measure known as waterboarding. But the bill also creates a broad gray area in which some of the less dramatic methods…might still be part of the interrogation package. Neither the Pentagon nor the CIA would comment on their techniques, but the wiggle room bothers critics."

WAR NEWS:

Senators From Both Parties Urge Bush To Change Iraq Strategy. President Bush defended his Iraq policies yesterday, in an interview on ABC's This Week (10/22, Stephanopoulos). Asked whether US soldiers are "now dying to prevent Sunnis and Shiites from killing each other," Bush replied, "The fundamental question is: Are we on our way to achieving a goal, which is an Iraq that can defend itself, sustain itself and govern itself and be an ally in the war on terror in the heart of the Middle East?" Host George Stephanopoulos interjected -- "But it seems like every month we're going farther from that," to which Bush answered, "I don't know why you would say that." Bush added, "if…the definition of success or failure [is] the number of casualties, then you're right. But that's what the enemy knows. See, they try to define success or failure. I define success or failure as to whether or not the Iraqis will be able to defend themselves. I define success or failure as whether the unity government's making difficult -- the difficult decisions necessary to unite the country. The people voted for a government. And this government is going to have to perform to the will of the people. And that stands in stark contrast to the tyrant that preceded them and to other tyrannical -- and to the vision of those who would like to change the governments all throughout the Middle East."

In his interview with the President on ABC's This Week (10/22), George Stephanopoulos remarked, "You said this election's a choice between Republicans and Democrats who want to wave the white flag of surrender in the war on terror. … Can you name a Democrat who wants to wave the white flag of surrender." Bush responded, "I can name a Democrat who said there ought to be a date certain from which to withdraw from Iraq, whether or not we've achieved a victory or not." Questioned as to whether that constitutes "surrender," Bush replied, "Yes, it is, if you pull the troops out before the job is done." Asked if he "can imagine any circumstances where US troops are going to leave Iraq before you leave the presidency," Bush answered: "No. I cannot." Sen. John Kerry, given an opportunity to respond to the President's comment on ABC's This Week (10/22, Stephanopoulos), said, "That's reprehensible. It's a lie. The Administration has lied in the walkup to the war. They've lied in the conduct of the war. And they have made America less safe. And the President just misled America again in that interview. … This is a civil war." Kerry added, "Setting a date for a year from now is not waving a flag of surrender. And I resent the President of the United States suggesting that. It is, in fact, the best way to protect our troops. It's the best way to solve the problem. It's the best way to regain our moral authority in the region. It's the best way to be successful. It's the best way to protect America's security."

The AP (10/23, Riechmann) says Bush "expressed unwavering confidence in Nouri al-Maliki's ability to come to grips with the sectarian violence. Yet continued instability and rising casualties have led to calls, growing louder as the Nov. 7 elections near, for Bush to overhaul his war plan," while the CBS Evening News (10/22, lead story, 3:10, Andrews, 7.66M) reported the President "says he remains opposed to any announced withdrawal from Iraq. He still calls that surrender. But the question of how to leave gradually by forcing Iraq's government to take control is now firmly on the table." Bush: "I define success or failure as to whether or not

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the Iraqis will be able to defend themselves." Andrews: "And the Iraqi government, the President seemed to suggest, is running out of time." Bush: "I'm patient. I'm not patient forever. And I'm not patient with dawdling." Andrews: "How to end any dawdling by Iraq's government and what to do now were the subject of a top level council on Saturday. One idea according to the New York times is to give the Iraqis goals or milestones alike disarming the sectarian militias.

The Washington Times (10/23, Pfeiffer, 88K) reports, "The president's interview aired in the wake of widespread reports last week, based on leaks from a U.S. task force headed by former Secretary of State James A. Baker III, that the Bush administration is preparing for a "course correction" in Iraq in the coming months, with some of the options being the partition of Iraq and a military coup against Iraqi Prime Minister Nouri al-Maliki." Administration "spokesmen already had played down those reports, but Mr. Bush yesterday noted that Mr. al-Maliki has only been in office four months and expressed his support, while noting that it wouldn't last forever."

The situation in Iraq continued to dominate media coverage last night and this morning, with segments on the network newscasts and extensive discussion on the Sunday political shows. Much of the reporting casts US policy in a negative light, with GOP lawmakers appearing to seek distance from the White House on the issue, and pressuring Bush to change US tactics in Iraq. Typical of the coverage was the Financial Times (10/23, Dinmore), which in a story titled "Deepening Disarray Over US Policy In Iraq" reports that "leading Republicans and the Bush administration on Sunday projected a deepening sense of disarray over Iraq, as they argued with each other over the current state of affairs and the way forward. Several senators took issue with the administration's policies in Iraq, distancing themselves from the White House in the run-up to next month's mid-term elections to Congress."

NBC Nightly News (10/22, lead story, 2:55, Seigenthaler, 9.87M) says Bush "is under pressure from Democrats an even some Republicans tonight to change his war tactics. After meeting with his top military leaders this weekend, the President is reportedly considering several options. But there are still questions about what the President can do to bring stability and security to a country that appears to be out of control." NBC (Ohm) added, "The President met with top advisors for a series of meetings, how to turn things around in Iraq. Today lawmakers from both parties say it's time the Administration and the Iraqi government produce results. With the US death toll in Iraq at its highest point in year and public optimism for the war at an all-time low, there's increasing frustration about the course of the war, even from top Republicans." GOP Sen. Arlen Specter: "I don't believe a shift in tactics ought to wait until after the election. There are too many casualties there." GOP Sen. John Warner: "The whole thing is fracturing and it's a consequence of these private militias."

Asked if he believes Iraq is already in the midst of a civil war, Specter said on CNN's Late Edition (10/22, Blitzer), "Yes. … I think it's a matter of semantics, but when you have the insurgents as violent as they have been, and when you have the three major factions in Iraq killing each other, and you have the level of violence, I don't think there's any point…in hiding the facts. I think we have to face the facts." Specter also said he "was encouraged by a lead story in The New York Times today that the administration is considering some timetables. President Bush said yesterday in his Saturday address that he's going to be flexible and would make adjustments if necessary to be victorious. … I don't believe that a shift in tactics ought to wait until after the election. There are too many casualties there. If we have a better course, we ought to adopt it sooner rather than later."

Appearing on Fox News Sunday (10/22, Wallace), GOP Sen. Richard Lugar said "there's 40 to 60 percent unemployment in Iraq. The oil production is going down; there's corruption there. In essence, even if you had a military solution or stability, it's not really clear how people pay for their government, physically how it continues on. And therefore, as a part of the planning, we're going to have to rethink the reconstruction of the country in a way we haven't. We've sort of zeroed out in appropriations this reconstruction group at the State Department, even though the Defense Department is willing to give us some money. That's a critical element of this, because the stability of this is going to come about when people are employed, Iraqis are employed, reconstructing their country. Quite apart from the division of the oil money, if there isn't very much oil money, that becomes academic."

ABC World News (10/22, story 2, 3:10, Morrell, 8.78M) said, "Frustrated by the escalating violence in Iraq, the Bush Administration has decided to turn up the heat on Nouri al Maliki, pressuring the Iraqi Prime Minister to get a grip on the militias and death squads that are driving his nation to civil war. And he'll have a deadline to do so. It is part of a new plan to hold the Iraqi government to account by imposing a series of benchmarks. Today, lawmakers on both sides of the aisle say it's high time Maliki took charge of his country." Warner: "Maliki should get the strong message as stated by the President and the Secretary of Defense Rumsfeld in the last 48 hours. 'Let's get rid of the militias and do it now.'" Democratic Sen. Joe Biden: "He does not have an indefinite timetable for US troops to continue to be the apartheid cops." Morrell: "Mr. Bush has been reluctant to impose deadlines and timetables on Maliki, who took over in May. But in a recent interview with ABC's George Stephanopoulos, he hinted the Iraqi leader must make progress soon." Bush: "I'm patient. I'm not patient forever. And I'm not patient with dawdling. But I recognize the degree of difficulty of the task.

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And therefore say to the American people, we won't cut and run." Morrell: "Even with that commitment, several retired generals say Maliki does not have the resources to secure Iraq. And they are urging the Bush Administration to send over as many as 40,000 more US troops."

Biden, on Fox News Sunday (10/22, Wallace), said, "What the president is calling for, at least what appears to be the case, of consideration of benchmarks, the United States Congress voted on about a year and a half ago. … The truth of the matter is there's a need for radical change in policy. There's a need for a political solution in Iraq and a bipartisan solution here at home. Without those two things happening, there is no possibility, in my view, we succeed in Iraq."

Sen. Carl Levin, also on Fox News Sunday (10/22, Wallace), said, "the Administration has refused to consider changing course for the last couple years, although it's been obvious that the violence in Iraq has been increasing consistently. … Our leaders in Iraq tell us there is no military solution, there's only a political solution in Iraq, and the leaders in Iraq have got to work out those differences or else the killings will continue and the violence will continue."

Democratic Sen. Jack Reed, on CNN's Late Edition (10/22, Blitzer), said the fighting in Iraq "is a civil war. And we are being sucked slowly into a civil war with disastrous consequences."

On NBC's Meet the Press (10/22, Russert) Sen. Barack Obama said, "given the rapidly deteriorating situation down there, it is incumbent upon all the leadership in Washington to execute a serious change of course in Iraq. And I think that involves the beginnings of a phased withdrawal that would put more of the onus on the Iraqi government and the Iraqi people to make a decision about what kind of Iraq they want, and also to engage the regional powers -- whether it's Saudi Arabia, Iran and Syria -- to say, 'You can't sit on the sidelines. You have a stake in a stabilized Iraq.'"

The Washington Post's Sebastian Mallaby (10/23, A21), meanwhile, writes this morning, "In Iraq, things get ever uglier, and the old remedy of extra troops now seems tragically futile. The Bush team has recently tried putting thousands of additional soldiers into Baghdad, and the result after two months is that violence there has increased."

US Military Sees No Alternative To Pacifying Baghdad. The New York Times (10/23, Gordon, 1.21M) reports, "After three years of trying to thwart a potent insurgency and tamp down the deadly violence in Iraq, the American military is playing its last hand: the Baghdad security plan. The plan will be tweaked, adjusted and modified in the weeks ahead, as American commanders try to reverse the dismaying increase in murders, drive-by shootings and bombings." But "military commanders here see no plausible alternative to their bedrock strategy to clear violence-ridden neighborhoods of militias, insurgents and arms caches, hold them with Iraqi and American security forces, and then try to win over the population with reconstruction projects, underwritten mainly by the Iraqi government. There is no fall-back plan that the generals are holding in their hip pocket. This is it." Baghdad, "as the generals like to say, is the center of gravity for the larger American mission in Iraq. … However the broader strategy may be amended, nothing can work if Baghdad becomes a war-torn Beirut." USA Today (10/23, Jervis, Michaels, 2.27M), meanwhile, offers a dire assessment of the situation in Iraq's capital in a story titled "US Forces Caught In Crossfire On Streets Of 'Capital Of Death.'"

Kristol Predicts Rumsfeld Will Resign After The Election. The Weekly Standard's Bill Kristol was asked on Fox News Sunday (10/22, Wallace) if "from all your contacts with the White House," he believes the President maintains confidence in Iraqi Prime Minister Nouri al-Maliki, Kristol responded, "I don't know. I mean, clearly Secretary Rumsfeld doesn't. He basically attacked the Iraqi government on Friday and said they've got to get their act together, it's up to them. … Maybe he doesn't have much confidence in Maliki." Kristol added that Rumsfeld "should have left after the last election, and we might actually be winning the war in Iraq now. But I think he will leave after this election."

Pentagon Officials Say They've Tried Every Possible Strategy In Iraq. Newsweek (10/30, Caryl, 3.12M) reports, "In the past few weeks, Americans throughout Iraq have been dying at rates not seen since the battles of Najaf and Fallujah in 2004. Meanwhile the sectarian carnage keeps deepening in and around the capital. … Even as they create new study groups and ask what has gone wrong, senior officers at the Pentagon say privately that they have already tried every possible strategy. Two years ago, when there were 150,000 US troops in Iraq and effectively zero Iraqi forces, the expectation was that once the Iraqis were trained up, security would improve. Now there are 140,000 Americans and 130,000 Iraqi troops, and parts of the country…are worse off than ever. No one knows what to do about it." US military leaders "are increasingly worried that their troops' sacrifices are only enabling Iraq's politicians to duck the tough calls necessary to save Iraq from civil war."

More Aggressive US Posture Suggested In Iraq. Time (10/30, Ghosh, 4.03M) reports, "Iraq's most pressing problems may still take years to resolve. But quick and decisive action in a few key areas could at least help slow the inexorable descent into anarchy. Here are five of them: clean out the rogues, deal with al-Sadr, bring the Sunnis back, wake up the neighbors, because since Syria and Iran "are a big part of Iraq's problems…they will have to be a big part of any solution. The final suggestion Times offers is get tough, then get out. Some top commanders "would instead like to see the US military adopt more aggressive counterinsurgency tactics. … But the corollary to a more aggressive posture is

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that as US troops grow more visible, the insurgents will have greater incentive to keep fighting, which would inevitably lead to higher US casualties." Time adds, "If all of these prescriptions were applied, would they make a difference? It's possible, but only if taken together. The Iraqi security forces can't be cleaned up unless the U.S. is prepared to face down al-Sadr -- and it can accomplish neither of these tasks unless American commanders are allowed to be more aggressive on the ground. And no political solution is possible unless the Sunnis stay in the tent and the Iranians and Syrians agree to stay out of it."

Cheney Says US Is Seeking Victory, Not An Exit Strategy In Iraq. Time (10/30, Allen, Carney, 4.03M) interviews Vice President Dick Cheney. Asked about speculation that the Iraq Study Group led by James Baker will provide the Administration after the election with an exit strategy from Iraq, Cheney said, "I know what the President thinks. I know what I think. And we're not looking for an exit strategy. We're looking for victory. And victory will be the day when the Iraqis solve their political problems and are up and running with respect to their own government, and when they're able to provide for their own security."

Book Says UK Officials Initially Opposed Iraq War. Newsweek (10/30, 3.12M) reports in its "Periscope" column that the UK "initially opposed war in Iraq. A new book by Tyler Drumheller, former chief of the CIA's European ops, describes how, the day after 9/11, a 'powerful delegation from a very close European ally' visited CIA Director George Tenet at HQ. In his book 'On the Brink,' Drumheller says the foreign-team leader said 'his government stood by us...and that we could count on it for any and all support.' But the foreign rep cautioned, 'I hope we can all agree that we should concentrate on Afghanistan and not be tempted to launch any attacks on Iraq.' In Drumheller's account, Tenet replied, 'Absolutely, we all agree on that.'" Newsweek adds that "two former intel officials tell NEWSWEEK the foreign delegation was British, led by spy chief Richard Dearlove and David Manning, the national-security adviser. A U.K. source, who, like the former intel officials, requested anonymity due to diplomatic sensitivities, acknowledged that the delegation did visit Tenet on Sept. 12, 2001, and confirmed it was the U.K.'s position at the time that the U.S. should not attack Iraq."

US Diplomat Apologizes For Comments About US Intervention In Iraq. The New York Times (10/23, Banerjee, 1.21M) reports NEA/PPD Director Alberto Fernandez "apologized Sunday night for saying that the United States had acted with 'arrogance' and 'stupidity' in its campaign in Iraq." Fernandez had told Al-Jazeera "that while the United States had tried its best, its role might be criticized by future historians 'because undoubtedly there was arrogance and stupidity from the United States in Iraq.'" Administration "officials said [those comments] did not reflect the administration's views. 'I can only assume his remarks must have been mistranslated,' said a senior administration official, who was not authorized to speak for attribution. 'Those comments obviously don't reflect our position.'" Fernandez's Sunday statement is quoted saying, "Upon reading the transcript of my appearance on Al Jazeera, I realized that I seriously misspoke by using the phrase 'There has been arrogance and stupidity by the U.S. in Iraq.' This represents neither my views, or those of the State Department. I apologize."

Under the headline, "Envoy Sorry For Iraq 'Stupidity' Comment," the AP (10/23) says Administration "officials had sought to play down Fernandez' assessment of the security situation in Iraq." Assistant Secretary McCormack "told reporters Saturday that Fernandez said after the broadcast he didn't think reports of his comments were an 'accurate reflection of what he said.' Asked whether the Bush administration believed that history will show a record of arrogance or stupidity in Iraq, McCormack replied, 'No.'"

At Least Fifteen Police Recruits Killed In Baghdad. The Washington Post (10/23, Anderson, 748K) reports, "At least 15 Iraqi police recruits were killed Sunday when two buses taking them to Baghdad were ambushed by insurgents north of the capital, a local police official said. Twenty-five recruits were injured in the attack, and 20 others were kidnapped, he said. ... Attacks against U.S. and Iraqi forces in Baghdad have increased 43 percent since midsummer, U.S. military officials say."

The New York Times (10/23, Luo, 1.21M) reports, "The latest violence left at least 18 Iraqis dead overall, officials said, adding to what had already been one of the bloodiest stretches here since the American-led invasion in 2003. In addition, about 50 bodies were collected Sunday around Baghdad, the capital, a figure considered high weeks ago but now routine." The attack on the police recruits bore "signs of the kind of sectarian violence that has plagued Iraq, particularly since the bombing of a sacred Shiite shrine in Samarra in February." Both the Times and Post mention the US death toll now reaching 83 for October.

"Age-Old" Ties In Balad Swiftly Destroyed. The Washington Post (10/23, Knickmeyer, 748K) reports in a 1,610-word article, "What brought this Tigris River city north of Baghdad to this state of siege was a series of events that have displayed in miniature the factors drawing the entire country into a sectarian bloodbath: Retaliatory violence between Sunnis and Shiites has soared to its highest level of the war, increasingly forcing moderates on both sides to look to armed extremists for protection. The Shiite-led government's security forces, trained by the United States, proved immediately incapable of dealing with the sectarian violence in Balad, or, in many cases, abetted it, residents and

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police said. ... Forty-eight hours after the attacks on Sunnis started, the Iraqi government ordered in the Iraqi army's 3rd Regiment, 4th Division from outside Balad, Iraqi army officials said. ... By then, however, very few Sunnis were left in Balad."

UK Makes Progress In Iraqi Troop Training. The New York Times/AP (10/23) reports, "Britain has gone 'quite far' toward handing over control of southern Iraq to local forces, Defense Secretary Des Browne said Sunday. But Mr. Browne did not say whether he agreed with Foreign Minister Kim Howells, who said Saturday that 'in a year or so there will be adequately trained Iraqi soldiers and security forces' to take over most duties from American-led troops. ... British officials have spoken in recent months of cutting troop levels in Iraq from the current 7,000 to between 3,000 and 4,000 by mid-2007, but no firm date has been set."

Iraqi Officials Allegedly Stole At Least $500 Million Meant For Fighting Insurgents. CBS's 60 Minutes reported last night, as summarized on the CBS News website (10/22), "More than half a billion dollars earmarked to fight the insurgency in Iraq was stolen by people the U.S. had entrusted to run the country's Ministry of Defense before the 2005 elections, according to Iraqi investigators. Iraq's former minister of finance [Ali Allawi] says coalition members like the U.S. and Britain are doing little to help recover the money or catch suspects, most of whom fled the country. ... One of the people praised in former U.S. Ambassador L. Paul Bremer's memoirs is a major suspect in the case. Ziad Cattan was in charge of military procurement at a time when the ministry of defense went on a $1.2 billion buying spree. Allawi estimates that $750 to $800 million of that money was stolen."

Pentagon Plans To Reopen Investigation Of Tillman's Death. Newsweek (10/30, 3.12M) reports in its "Periscope" column, "The Pentagon plans to complete by late November its fourth investigation into the friendly-fire killing of former NFL player Pat Tillman in Afghanistan, says the congressman from Tillman's district. Launched in March under pressure from the family, the probe will determine if members of Tillman's Army Rangers unit should be tried for criminal negligence and whether there was a cover-up. … Some top Army officers worry that the findings will overshadow the military's broader success in reducing friendly fire."

Tillman's Brother Slams Iraq War. The Washington Post/AP (10/23) picks up a story that was broken 2 days earlier by the Arizona Republic, describing how Kevin Tillman denounced the Iraq war on Truthdig.com. The Arizona Republic (10/21, Faherty) reported, "Kevin Tillman has finally spoken. ... this week, he wrote what can only be described as a scathing indictment of the war in Iraq, the Bush administration and American apathy." Tillman, who served with his late brother, charged online on Truthdig.com, "Somehow, the more soldiers that die, the more legitimate the illegal invasion becomes."

DOD Plan To Plant News Stories In Iraq Criticized. The Washington Post (10/23, 748K) editorializes, "The Defense Department inspector general has concluded that having a Pentagon contractor secretly pay Iraqi journalists and news organizations to run positive news stories about the war doesn't violate any laws or regulations. ... The U.S. government has a legitimate interest in conveying its point of view. The problem is when it does so in secret. The government shouldn't be in the business of covertly peddling propaganda -- especially in a war based on the notion of seeking to export democratic values such as, say, a free press."

CORPORATE SCANDALS:

Skilling Expected To Receive Sentence Of At Least 25 Years In Prison. The New York Times (10/23, Barrionuevo) reports Jeffrey Skilling, former Enron chief executive, "will stand in federal court…on Monday and receive a sentence that many expect will keep him in prison for the rest of his life. Most legal experts are betting that United States District Judge Simeon T. Lake III will give Mr. Skilling a sentence of at least 25 years for his role in heading a conspiracy to defraud Enron investors. Should it exceed that, it would be the longest sentence ever handed down for a white-collar criminal. Until now, the record has been held by Bernard J. Ebbers, the former chief executive of WorldCom, who was sentenced to 25 years for being head of an $11 billion fraud that led to the bankruptcy of his long-distance telephone company." The Times notes Skilling's "prospects reflect how tough the federal guidelines have become for those convicted of white-collar crimes in the wake of the huge-scale frauds at companies including Enron, WorldCom and Adelphia. Some legal experts have begun to question the sentences that federal judges are handing down in these cases."

Deutsche Bank CEO To Be Retried In Executive Compensation Case. The Wall Street Journal (10/23, A2, Taylor) reports, "The retrial later this week of Deutsche Bank AG Chief Executive Josef Ackermann on criminal charges that he abused his position as a director of another German company again brings to the fore the differences between U.S. and German practices on executive compensation. It also likely will hamper Mr. Ackermann's ability to lead Germany's largest bank, although his position

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isn't under threat for now." Ackermann "is being retried on charges of which he was acquitted in July 2004. … Judges at a court in Düsseldorf will seek to establish whether Mr. Ackermann and five other directors of former engineering company Mannesmann AG breached fiduciary trust, a potentially criminal offense known in German as 'Untreue,' when they approved €57 million ($71.9 million) in bonuses to Mannesmann executives in 2000 after the company was bought by Vodafone Group PLC of the U.K."

Statute Of Limitations Reportedly Undermines AOL Fraud Investigation. The Washington Post (10/23, D1, Johnson) reports, "One of the government's most highly touted accounting-fraud investigations -- into questionable advertising deals at America Online Inc. around the time it merged with Time Warner Inc. -- has apparently hit a dead end, running into the five-year statute of limitations before prosecutors could move as far as they had hoped up the company's corporate ladder. Despite a lengthy investigation by the U.S. attorney's office for the Eastern District of Virginia, lawyers involved in the case now say the government will not be able to bring criminal charges against top AOL executives over transactions in which the Dulles Internet service provider and its business partners allegedly sought to artificially boost each other's revenue numbers as the dot-com bubble was bursting in 2000 and 2001." However, "Before the deadline passed, prosecutors filed securities fraud and related charges against two former mid-level AOL executives. They are on trial in a federal court in Alexandria with two former officials of PurchasePro.com Inc."

FASAB To Propose New Federal Accounting Standards. The Financial Times (10/23, Guha) reports, "A radical new approach to government accounting that would require the US administration to account for the cost of future social security payments year by year as people build up entitlements will be proposed on Monday. The proposal by the federal accounting standards advisory board (FASAB) – which would also require the government to account for benefits accrued under Medicare and other social insurance programmes in the same way – is unprecedented internationally. It would radically change the presentation of US government finances, in effect bringing forward the cost of rapidly increasing social security and Medicare obligations and greatly increasing the reported fiscal deficit. George W. Bush's administration is firmly opposed to the proposal, which officials believe wrongly implies that the government is contractually obliged to make future payments based on current benefit rules."

WSJournal Contends Spitzer Allowed Case Against Grasso To Be Politicized. The Wall Street Journal (10/23, A14, 2.03M), in an editorial, notes former New York Stock Exchange CEO Dick Grasso "had a bad day in court last week when a state judge ordered him to repay part of his generous retirement package. New York Attorney General Eliot Spitzer is claiming victory, albeit prematurely. The bigger news may be that the judiciary now feels entitled to set executive pay standards. … Our main problem with Mr. Spitzer's lawsuit is that it seemed to be a politically opportunistic attempt to target the unsympathetic Mr. Grasso while sparing much of the NYSE board that was responsible for paying him. In the most egregious instance, Mr. Spitzer left out of his suit the influential Democrat and former head of the NYSE board's compensation committee, H. Carl McCall, whose support the AG wanted when he still thought he might have to run against Senator Chuck Schumer in the Democratic primary for Governor."

CRIMINAL LAW:

New York US Attorney Chasing Corruption. The New York Post (10/23, Cornell) reports, "The arrest of state Assemblyman Brian McLaughlin, along with recent high-profile public-corruption probes, are just the beginning for U.S. Attorney Michael Garcia, who is ramping up efforts to bust crooked politicians. … 'It's shocking to see cases where people abuse their public-service office to enrich themselves illegally. If you're in this for the money, something's really wrong,' Garcia told The Post." The Post continues, "Since becoming U.S. attorney for the Southern District of New York in 2005, Garcia has vowed to make ferreting out corruption a priority. .. The office, where Garcia cut his teeth in the 1990s, has a strong reputation for taking on terrorism, white-collar and organized-crime cases. 'You really don't think about public corruption - it's an area where I think this office should play a role,' Garcia said. … But Garcia said that the FBI is increasingly devoting its resources to these difficult cases and he intends to do the same as he makes new hires. … 'There's just a lot of opportunity here, a lot of money in everything from zoning and those types of traditional areas where you see corruption - to bigger areas like the U.N.,' Garcia said." The Post notes, "Last week the focus was local with McLaughlin's arrest for a slew of alleged scams targeting everyone from a Little League team to members of his union. .. Last month, Garcia confirmed a probe into former Westchester DA and state attorney general candidate Jeanine Pirro after she was allegedly recorded talking with former city Police Commissioner Bernard Kerik about suspicions that her husband was cheating and her desire to bug his boat. … In August, a veteran state senator, Efrain Gonzalez, was nabbed for allegedly siphoning $37,000 from a Bronx charity."

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Convicted Former Spy Sues To Clear His Name. The Seattle Post-Intelligencer (10/23, Johnson) reports, "Edwin Wilson began this quest from a solitary-confinement cell, where he wrote letters seeking top-secret documents to show that his own government betrayed him. … The notorious ex-spy once traveled the world, gathering intelligence while playing the role of global businessman. He later was tied to shipping a planeload of explosives to Libya, sending him to prison for decades." The P-I continues, "He was hurtling into history as one of this nation's most infamous traitors until three years ago -- when a federal judge concluded he'd been buried with the help of government lie … Now 78 and paroled, Wilson works in his Seattle office, a scrupulously tidy room in his attorney's high-rise building, to prove he didn't earn the spectacular fall from skilled CIA agent to despised federal prisoner." The P-I adds, "He studies his documents over cup after cup of black coffee and charts his latest mission: a federal lawsuit against the high-ranking people who helped lock him away. … It could be the most difficult task of his movie-like life. In books about his downfall, he is the villain: a ruthless renegade who left the CIA and made himself rich by selling arms and training terrorists for Libyan leader Moammar Gadhafi. … And though he's made headway on new appeals, he remains convicted of some grim crimes, including shipping several guns to Libya and plotting to kill prosecutors and witnesses. .. But three years ago, a federal judge in Texas threw out a major conviction -- that Wilson conspired to ship 20 tons of a powerful plastic explosive known as C-4 to Libya in 1977 -- and blasted the government for covering up the truth." The P-I notes, "Wilson had finally gotten documents to help support the claim he had made all along: That despite his 1971 retirement, the CIA was still secretly using him to gather intelligence and knew about many of his activities in Libya. … The government had denied it for years. His attorney, Steve Berman, said the CIA didn't want to be publicly connected to anything it had authorized Wilson to do, so it simply 'hung him out to dry.' … The people Wilson is suing -- former officials in the U.S. Attorney's Office, the Justice Department and the CIA, including two men who are now federal judges -- contend they can't be held liable for doing their jobs, even if his rights were violated."

Colleges Understating Crimes In FBI, Education Department Reports. Examining questions about Northeastern University's crime statistics as an example, the Wall Street Journal (10/23, Seward, 2.03M) reports, "Under a 1990 law known as the Clery Act, schools must report statistics on burglaries -- but not larcenies -- to the Education Department and to students and staff. Schools report larceny totals separately to the FBI for its annual report on crime in the U.S. But thefts, whether characterized as burglary or larceny, are only part of the problem of gauging campus security. Some schools have understated violent crimes such as robberies and sexual assaults." The Journal adds that "a comparison of recent Clery reports to FBI data shows that colleges may be portraying themselves as safer than they really are. For instance, some schools, including Northeastern, acknowledge they exclude many unsolved thefts from burglary numbers submitted to the Education Department, despite federal guidance to the contrary."

Ties To Weldon Have Benefited Lobbyists For International Companies. The Philadelphia Inquirer (10/22, Mondics, 399K) reported, "Several times in recent years, U.S Rep. Curt Weldon…has taken time from his busy schedule to help a foreign company, which turned around and hired a lobbying firm close to him. In 2002, Weldon started aiding a large Russian energy firm just before his daughter Karen and longtime political ally Charles P. Sexton Jr. received a $500,000 contract to lobby for the company. A year later, Weldon also aided the interests of a Russian helicopter plant as well as two brothers linked to a prominent Serbian war criminal. Both parties later hired the Weldon-Sexton lobbying firm, Solutions North America." The Inquirer notes that in the FBI investigation, "no evidence has surfaced that Weldon has personally benefited from his official actions. But there are many signs that those around him have reaped gains."

Judge Rejects Request To Subpoena WTimes Reporter In China Spy Case. The New York Sun (10/23, Gerstein) reports, "A federal judge has refused to allow a reporter for the Washington Times to be subpoenaed by defense attorneys in a case stemming from allegations of Chinese espionage at American defense contractors." The Sun continues, "Lawyers for one of the defendants in the case, Chi Mak, argued that the newspaper's top national security correspondent, William Gertz, should testify about leaks he allegedly received of classified information about the prosecution. … Judge Cormac Carney, who is based in Santa Ana, Calif., rejected the request, ruling that the legality of the government's wiretaps under the Foreign Intelligence Surveillance Act should be assessed solely on the basis of the paperwork the government filed to seek warrants for the surveillance. … 'Any classified information Mr. Gertz may have received is irrelevant to the court's inquiry,' Judge Carney wrote in an order dated October 16." The Sun adds, "An attorney for Mr. Mak, Ronald Kaye, declined to discuss the motion to subpoena Mr. Gertz. A copy of the defense's legal filing was not available last week from the court. Mr. Gertz is renowned in Washington for obtaining and publishing classified reports. It is unclear precisely what prompted the interest of defense attorneys, but the case against Mr. Mak is discussed at length in Mr. Gertz's latest book, 'Enemies.' …

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Mr. Mak, a China-born naturalized American citizen is charged, along with four of his family members, with failing to register as an agent of the Chinese government. Prosecutors contend that he stole details about Navy-related propulsion technology from his employer, Power Paragon, and arranged to deliver them to Chinese agents. Judge Carney has ordered that Mr. Mak stand trial separately from the other defendants because of what the judge said was a 'powerfully incriminating' confession by Mr. Mak. All of the defendants have pleaded not guilty. The judge did not rule on whether Mr. Gertz could be called as a witness at trial. There is no indication that the defense has made such a request."

"Chatty Rat" Abramoff Given Desk To Work From At FBI. U.S. News and World Report (10/30, Bedard, 2.03M) reports in its "Washington Whispers" column, "Jack Abramoff, the lobbying scandal figure, has become such a chatty rat that probe insiders say he's been given a desk to work at in the FBI. We're told he spends up to four hours a day detailing his shady business to agents eager to nail more congressmen in the scandal. … As a result of his help in the ever expanding investigation, we hear that the Feds hope to keep him in a nearby prison after he's sentenced on his conspiracy admission."

CREW Director Profiled. Time (10/30, Tumulty, 4.03M) reports on Melanie Sloan, executive director of the liberal watchdog group Citizens for Responsibility and Ethics in Washington (CREW). Since its founding in 2003, CREW has worked through legal and regulatory channels to press allegations of impropriety almost exclusively against Republicans. Ironically, given CREW's new prominence as a favorite target of vast-left-wing-conspiracy theorists, its litigious approach borrows heavily from the conservative group Judicial Watch." Time notes, "For an organization dedicated to holding government accountable, CREW isn't transparent about its own operations. Organized as a 501(c)3 under federal tax laws, it does not have to reveal the names of all its donors." CREW "acknowledges that it has received $100,000 from the foundation of liberal financier George Soros and several annual donations of at least $10,000 from that of entertainer Barbra Streisand."

FBI Considers Investigation Of Alabama's Bishop State Community College. The Mobile Press-Register (AL) (10/23, Altman) reports, "The FBI is considering an investigation into Bishop State Community College and has consulted other law enforcement agencies about the matter, a bureau spokesman said Thursday." The U.S. Department of Education "earlier this year demanded Bishop State repay $150,000 in misspent aid money and now requires the school to demonstrate each student's eligibility before it can receive federal funds."

FBI-Local Police Partnerships Reduce Traveling Jeweler Robberies. USA Today (10/23, 3A, Willing, 2.27M) reports, "FBI and local police are teaming up to combat a little noted but highly lucrative crime: robberies by gangs that target traveling jewelry and precious gem sales representatives," and the industry is "on track for its lowest number of annual attacks since about 1990, according to a report by the industry group Jewelers' Security Alliance (JSA). … Interrogations of captured robbers have shown that most are illegal immigrants, usually Colombian or Ecuadorean, who have worked their way up in ethnic gangs by performing less serious robberies, says Daniel McCaffrey, an FBI agent in New York City who specializes in jewel theft." USA notes, "After 1999, when sales reps endured a record 323 robberies and more than $76 million in losses, the FBI began to partner with local police task forces in New York City, Los Angeles, Houston, Miami and other jewel theft hot spots. Using stakeouts, stings and other methods, they've helped boost arrests and lower dollar losses each year since 2000. Figures kept by the Jewelers' Security Alliance show local, state and federal arrests increased 25%, from 456 in 2003 to 570 in 2004."

Montana Couple Pleaded Guilty To Defrauding Federal Government To Pay College Tuition. The Billings Gazette (MT) (10/20, Johnson) reports, "A former Fort Peck tribal education official and her husband admitted Thursday that they took money from the federal government and used most of it to pay for their daughter's college tuition. Desiree Dean Kirn Lambert, 50, and Bernard John Lambert Jr., 58, of Busby, pleaded guilty in federal court in Great Falls." Desiree Lambert "pleaded guilty to fraudulent claims, grant fraud and theft from a tribal organization; her husband pleaded guilty to conspiracy to defraud the government."

Judge Limits Border Laptop Searches. The National Law Journal (10/23, Bronstad) reports, "Government officials must have reasonable suspicion under the Fourth Amendment to search someone's laptop at U.S. borders, according to a recent ruling in Los Angeles." The Journal continues, 'The decision by U.S. District Judge Dean D. Pregerson of the Central District of California is the first within the area of the 9th U.S. Circuit Court of Appeals to address whether searching a person's laptop is more than routine and therefore subject to the search and seizure protections of the Fourth Amendment. U.S. v. Arnold, No. 2:05-cr-00772 (C.D. Calif.)." The Journal adds, "The Oct. 2 ruling expands upon a previous decision by the 9th Circuit that permitted the search of temporary cache files in a man's laptop. U.S. v. Romm, 455 F. 3d 990 (9th Cir. 2006). The decision could lead to a potential circuit split, given a conflicting 4th Circuit ruling last year in a similar case. … Under existing law, border officials

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must have a reasonable suspicion to conduct a nonroutine or invasive search, such as a body cavity search or X-rays. In most cases, that standard of proof is relatively low given the nation's heightened security concerns at the borders. … Previously, the only other case that addressed whether a laptop search is intrusive was U.S. v. Ickes, 393 F.3d 501 (4th Cir. 2005.) In that case, the 4th Circuit upheld a man's conviction in ruling that a laptop search at the border did not violate his First Amendment right of expression."

Jury In Trial Of NYTimes Journalist's Alleged Murderer Set To Begin Deliberations. The Washington Times (10/23, Wagner) reports, "The jury in the trial of a man accused of killing a New York Times journalist could begin deliberations as early as today. Prosecution and defense teams in the murder trial of Percey Jordan Jr. rested their cases Friday in a D.C. Superior Court. Mr. Jordan, 42, is on trial for the killing of editor-reporter David E. Rosenbaum, who was severely beaten Jan. 6 as he walked in the 3800 block of Gramercy Street near his home in a usually peaceful Northwest community. Closing arguments by Assistant U.S. Attorney Amanda Haines and defense attorney Michael Starr are expected to focus on the recorded testimony of Mr. Rosenbaum's wife, Virginia, who died of colon cancer six months after testifying to a grand jury."

New "No-Swipe" Credit Cards' Encryption Methods Considered Vulnerable. The New York Times (10/23, Schwartz) reports on "potential security and privacy holes in a new generation of credit cards — cards whose data is relayed by radio waves without need of a signature or physical swiping through a machine. Tens of millions of the cards have been issued, and equipment for their use is showing up at a growing number of locations, including CVS pharmacies, McDonald's restaurants and many movie theaters. The card companies have implied through their marketing that the data is encrypted to make sure that a digital eavesdropper cannot get any intelligible information. … But in tests on 20 cards from Visa, MasterCard and American Express, researchers…found that the cardholder's name and other data was being transmitted without encryption and in plain text.'

CIVIL LAW:

3rd Circuit Clarifies Typo On Class Action Law. The Legal Intelligencer (10/23, Duffy) reports, "The Bauhaus school of architecture famously preached that 'less is more,' but the 3rd U.S. Circuit Court of Appeals has now taken that one step beyond, finding that in statutory construction, the word 'less' sometimes actually means 'more.'" The Intelligencer continues, "Following the lead of three other circuits, a unanimous panel of the 3rd Circuit held last week that a key provision of the Class Action Fairness Act includes a 'typographical error' in which Congress accidentally used the word less when it meant to say more. … Under CAFA, a defendant named in a class action filed in the state courts may remove the suit to federal court. … The law also provides that if the federal court determines that the case should be sent back to the state courts, the defendant may file a discretionary appeal." The Intelligencer notes, "The glitch in the law, courts have discovered, is the wording of the time limit imposed on such appeals. … CAFA states that a federal appellate court 'may accept an appeal' from a remand order 'if application is made to the court of appeals not less than seven days after entry of the order.' … Read literally, the law seems to impose not a time limit on the appeal, but a waiting period followed by an unlimited time to appeal. … Now, in Morgan v. Gay, the 3rd Circuit has joined a growing chorus of appellate courts in saying that Congress obviously meant the opposite of what it said."

CIVIL RIGHTS:

California Candidate Defends Controversial Mailer On Immigrant Voting. The Los Angeles Times (10/23, Therolf, 918K) reports Republican Tan Nguyen, "seeking to unseat" Democratic Rep. Loretta Sanchez, "says he won't quit the race despite mounting pressure." At a "chaotic sidewalk news conference Sunday, Orange County congressional candidate Tan Nguyen defended a letter his campaign sent to 14,000 registered voters that warned in Spanish that immigrants could be jailed or deported for voting." Nguyen said, "There has been no crime committed, so why is there a criminal investigation three weeks prior to a very important election?" The Times adds Nguyen "said that he would stay in the race despite the national uproar over the letter and calls by Orange County Republican leaders for him to drop out." The Times adds his "speech was punctuated by outbursts from a crowd of roughly 50, who angrily demanded more information about the letter's authorship. Nguyen maintained that the letter was sent without his knowledge. But he added that, after firing the staffer he said was responsible for it, he was asking her to return because he believes the mailer was fair."

Schwarzenegger Says Nguyen Should Quit Race If He Knew Of Mailer. The Los Angeles Times (10/22, Martelle, Rosenblatt, 918K) reported, "Gov. Arnold Schwarzenegger stepped up the pressure Saturday on" Nguyen, saying that he "should withdraw if he knew about his campaign's mailing of letters intended to threaten immigrant voters. Schwarzenegger denounced the mailings traced to Nguyen's campaign to unseat Democratic incumbent Loretta Sanchez…and said that 'anyone that knew … has to resign

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immediately.' Speaking during a campaign appearance in Santa Ana, the governor said the mailings 'were illegal; it's a hate crime…. There should be no tolerance for this kind of behavior.'"

ANTITRUST:

Google's Business Practices, Deep Pockets Attract Lawsuits. The New York Times (10/23, Hafner) reports, "As Google has grown into the world's most popular search engine and, arguably, the most powerful Internet company, it has become entangled in scores of lawsuits touching on a wide range of legal questions, including copyright violation, trademark infringement and its method of ranking Web sites. … Google's deep pockets make it an especially big target. But as it rushes to create innovative new services, Google sometimes operates in a way that almost seems to invite legal scrutiny. A group of authors and publishers is challenging the company's right to scan books that are still under copyright. A small Web site in California is suing Google because it was removed from the company's search results. And European news agencies have sued over Google's use of their headlines and photos in Google News. In these cases and others, potential legal problems seem to give the company little pause before it plunges into new ventures."

New ImClone Director Is Icahn Ally. USA Today/Bloomberg (10/23) reports, "Billionaire investor Carl Icahn moved closer to gaining control of ImClone Systems with the naming of an additional ally to the biotechnology company's board. The new director, pediatric surgeon Peter Liebert, fills one of the vacancies created with the departure earlier this month of William Crouse and Chairman David Kies, ImClone said Friday in a statement. The second opening won't be filled, reducing the number of seats to 11. Icahn and his associates now hold five." Icahn "said earlier this week he had two-thirds of the support needed to oust interim Chief Executive Officer Joseph Fischer and three other directors, which would cut the size of the board to seven. Since August, Icahn has been raising his ownership and pushing to install an experienced biotech CEO to expand sales of ImClone's only product, the cancer drug Erbitux."

Chinese Firms Pursue Patent Infringements In US Courts. The Financial Times (10/23, Waldmeir) reports, "Chinese companies have begun to defend their patent rights increasingly aggressively in US courts, legal experts say. … Some Chinese companies are even going on the offensive in the US for the first time, and filing their own patent lawsuits against US competitors. This year, Netac, a manufacturer of computer flash memory products based in Shenzhen, China, brought a patent suit against a New Jersey rival in a federal court in Texas, in what is believed to be the first time that a mainland Chinese company has sued an American one for patent infringement."

ENVIRONMENT:

BP Reportedly Knew Texas City Refinery Risk Before Blast. Market Watch (10/23) reports, "An internal BP PLC (BP) report two years ago acknowledged that to save money the company failed to tackle known risks at its Texas City refinery in the U.S., the U.S. Chemical Safety and Hazard Investigation Board may say in its report on a March 2005 explosion at the facility which killed 15 workers, British Broadcasting Corp. reported Sunday." MarketWatch continues, 'The BBC's File On Four investigative radio program to be broadcast Tuesday at 1900 GMT said the safety watchdog, which has yet to issue its final report on the explosion, 'alleges BP failed to learn from a string of dangerous events at Texas City going back to the 1990s'. … The program's reporter Julian O'Halloran said the board 'cites an internal BP audit two years ago that to save money the company was failing to tackle known risks.' … BP, he added, had declined to comment, saying the board had yet to issue its final report or consult the company on its finding." MarketWatch adds, 'BP has been under growing scrutiny from regulators and the press in the wake of a series of operational and governance problems in the U.S. … Company-generated reports on the 2005 accident pointed to poor management and a lack of hazard awareness. Regulators have been scathing in assessing the company's record at the plant; the Occupational Health and Safety Administration referred the case to the Justice Department for a criminal investigation."

NYTimes Endorses Senate Bill To Expand Offshore Drilling. In an editorial, the New York Times (10/23, 1.21M) writes that the best chance to "save the vanishing wetlands and barrier islands along the coast of Louisiana" is "a bill passed by the Senate that would guarantee Louisiana and three other coastal states a share of oil and gas revenues from drilling in the Gulf of Mexico." The Times says, "Healthy wetlands are essential to any long-term plan" to protect New Orleans and other low-lying areas from storms." The Times writes, "Our support for this bill should not be taken as a blanket endorsement of offshore drilling — nor as an endorsement of a mischievous bill sponsored by [California Rep. Richard Pombo (R)], and passed by the House last summer." Pombo's "bill is so poorly thought out as to be unacceptable, even as a starting point for compromise." Louisiana Sen. Mary Landrieu (D), the Senate bill's chief sponsor, "opposes any such compromise and so,

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to his credit, does the Senate majority leader, Bill Frist. They are hoping to persuade the House to accept and approve Ms. Landrieu's narrower bill before the present Congress comes to an end." The House should see the Landrieu bill "as a way to restore the health of a battered ecosystem, as future protection for the livelihoods of hundreds of thousands of people, and as a way to deliver on unfulfilled promises."

FBI/DEA/ATF/USMS:

Report: San Diego Linebacker Faces Suspension By NFL For Steroid Use. The San Diego Union-Tribune (10/22, Acee) reports Chargers linebacker Shawne Merriman "will be suspended for four games for violating the NFL substance abuse policy, sources close to Merriman said. A source said the appeal process is ongoing and that there is 'a reason behind this.' … The positive test and suspension were first reported by ESPN.com while the team was flying home from its game in Kansas City. The Web site cited a source with knowledge of the test saying it was 'definitely for steroids not one of those supplement deals.' ESPN later reported that both Merriman's 'A' and 'B' samples had come back positive."

The Washington Post (10/23, E9, Maske) reports Merriman "is facing a four-game suspension by the NFL for a positive result under the league's steroid-testing program, two sources familiar with the test result said last night. Merriman and his representatives still are appealing the suspension, said the sources, who spoke on the condition of anonymity because results of players' drug tests are confidential."

On its Web site, KABC-TV, Los Angeles (10/23) reports Merriman "has been notified he will be suspended for four games for violating the NFL's steroids and related substances policy, league and team sources told ESPN's Chris Mortensen. Merriman's positive test was 'definitely for steroids ... not one of those supplement deals,' said a source with knowledge of Merriman's suspension. … Off the field, the situation has been at least as devastating. Safety Terrence Kiel is currently facing five felony drug charges relating to the shipping and possession of large quantities of prescription cough syrup. Although Drug Enforcement Administration investigators said Kiel admitted he shipped at least two packages and knew of the contents, Kiel pleaded not guilty at his arraignment earlier this month."

The Sports Network (10/23) also notes Merriman's possible suspension.

Cocaine Scheme Unfolds In Florida. In Sarasota, the Herald Tribune (10/21) reports on a cocaine plot and writes that three men "met at the Ritz-Carlton in February to talk business -- the sale of several kilos of cocaine, and a way to launder drug money to leave no trace of the crime -- according to federal court records released Friday. At the meeting, Luciano Angrilli, a manager of Khrome nightclub, bragged his boss could launder the drug sale proceeds because he is a 'miracle worker' who owns all the Jackson Hewitt Tax Offices from Tampa to Venice, the records show. … An undercover DEA agent delivered $100,000 of supposed drug money to Prewett two times with the informants, and both times Prewett wired $90,000 to an undercover DEA account from an account belonging to J.H. Investment Services Inc., the records show."

Illinois Doctor Sentenced To Prison Following Guilty Plea To Drug Charges. The Joliet (IL) Herald News (10/21) reports a federal judge on Thursday "sentenced a doctor who practiced in Dwight and Wilmington to six months in prison after he pled guilty to narcotics charges. Dr. Parambaloth Edwin entered the guilty plea in August, about 10 days before he was to stand trial on 12 charges of distributing to patients the prescription painkiller hydrocodone. … The Drug Enforcement Administration audit of Edwin's practice for 16 months found he had purchased 350,000 hydrocodone tablets and could not account for 50,000 tablets."

Fugitive Expected To Be Sought At Brother's Funeral In Texas. The Palm Beach (FL) Post (10/21) reports as family members "say goodbye to Jose Luis Escobedo [and his family]…in Brownsville, Texas, Monday, authorities will keep a close watch at the funeral for Escobedo's younger brother. Jose Manuel Escobedo was sentenced to 10 years in federal prison for conspiracy to distribute cocaine in 2003. Labeled an escapee by the federal Bureau of Prisons, he disappeared on his way to a work camp seven months ago. … A Drug Enforcement Administration spokesman from Houston would not comment on a possible connection between Jose Luis Escobedo's death and his brother's drug-trafficking past."

The Miami Herald (10/23) writes, "Police want to question the fugitive brother of the man killed along with his wife and their two young sons and left on a grassy knoll off the turnpike early Oct. 13 in Port St. Lucie, The Palm Beach Post has reported. … Federal and Florida investigators have not suggested a motive for the killings, and it's unknown if the brothers had been in contact."

The AP (10/23) cites the Palm Beach Post concerning surveillance of the funeral.

North Carolina Authorities Receive Share Of Seized Drug Money. The Goldsboro (NC) News Argus (10/22) reports on the distribution of $1.2 million seized from drug dealers, a portion of which was presented to Goldsboro Police Chief Tim Bell and Wayne County Sheriff Carey

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Winders. DEA Assistant Special Agent in Charge John Emerson "presented checks to Bell and Winders for $260,937.63. … 'Drug traffickers sell their drugs here and then the money is brought back across the country into Mexico,' Emerson said. 'If we don't get the drugs and they've already sold the drugs then we are trying to intercept that money coming back, so they can't use that money to buy more drugs and bring it back to the states.'"

San Francisco Chronicle Faces Fines For Disregarding Subpoena In Bonds Case. The San Francisco Business Times (10/20) reports the San Francisco Chronicle "faces fines of up to a half-million dollars or more for refusing to reveal who leaked information to two Chronicle reporters regarding grand jury testimony on steroid use by Barry Bonds and other professional athletes, according to a court filing reported by the Associated Press. The paper also agreed to be held in contempt of court. Prosecutors agreed to stay the fines pending the outcome of an appeal in the case. The newspaper, citing First Amendment protections, has refused to abide by a grand jury subpoena ordering it to release any information it has on the reporters' sources."

Tons Of Opium, Marijuana, Heroin Seized In Afghanistan. The AP (10/21) reports Afghan authorities "seized over 16 tons of drugs in the past 10 days in operations targeting smugglers in seven provinces, Afghanistan's top counter-narcotics official said Saturday. Lt. Gen. Mohammed Daoud Daoud said the seizures included seven tons of opium, eight tons of marijuana and just over one ton of heroin." The U.N.'s Office on Drugs and Crime "said some 2.9 million people were involved in growing opium. Daoud said that a renewed campaign with the help of local authorities is under way to convince the farmers not to grow the lucrative crop."

Afghanistan Opium-Poppy Crop Breaks Records, Students Said To Help Harvest Crop. In a story titled, "The Land of the Taliban" in the New York Times Magazine (10/22) Elizabeth Rubin writes, "One afternoon this past summer, I shared a picnic of fresh mangos and plums with Abdul Baqi, an Afghan Taliban fighter in his 20's fresh from the front in Helmand Province in southern Afghanistan. … A few weeks before I arrived in Helmand, John Walters, the director of the White House Office of National Drug Control Policy, told reporters that Afghan authorities were succeeding in reducing opium-poppy cultivation. Yet despite hundreds of millions of dollars being allocated by Congress to stop the trade, a United Nations report in September estimated that this year's crop was breaking all records — 6,100 metric tons compared with 4,100 last year. When I visited Helmand, schools in Lashkar Gah were closed in part because teachers and students were busy harvesting the crop."

St. Louis Schools Win Gang Prevention Funds. The St. Louis Business Journal (10/20) reports, "Twelve St. Louis public schools have received grants totaling $249,901 from the federal government to fund gang prevention classes, according to an October newsletter from Area Resources for Community & Human Services (ARCHS). In June, U.S. Attorney General Alberto Gonzales announced the distribution of nearly $15 million in federal Gang Resistance Education and Training (GREAT) grants to school-based community programs."

IMMIGRATION:

US Officials Fear "Culture Of Corruption Is Taking Hold" Along US-Mexico Border. The Los Angeles Times (10/23, Vartabedian, Serrano, Marosi, 918K) reports "a Times examination of public records has found" an increase in bribery of "federal and local officials by Mexican smugglers," prompting "fear that a culture of corruption is taking hold along the 2,000-mile border from Brownsville, Texas, to San Diego." Though officials "worry about what lies below the surface," the information revealed in "court cases, other public records and dozens of interviews…is alarming enough. Some schemes have displayed considerable sophistication among Mexican drug lords, and their success shows a discouraging willingness by public employees to take tainted money. Though America's southern border may evoke images of a poor backwater, it is alive with vast amounts of ill-gotten wealth, shadowy organizations that ply the waters of the Rio Grande, and brazen schemes that seem borrowed out of Cold War espionage."

More Children Entering US Illegally. The Washington Post (10/23, A1, Moreno, 748K) reports on the "new and fast-growing stream" of illegal immigrants under 18 who are entering the US without their parents. The Post says, "Many of those who are apprehended by the Border Patrol end up in a burgeoning network of shelters set up by the US Department of Health and Human Services. There they run up against Washington's paradoxical approach to the problem of children who entered the country illegally without their parents." Many "children wait, hoping social workers" with HHS "can cajole their parents or other kin to claim them before Immigration and Customs Enforcement lawyers can persuade an immigration judge to deport them."

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CONGRESS-ADMINISTRATION:

Paulson Focuses On Making US Financial Markets More Competitive. The Wall Street Journal (10/23, C1, Solomon, 2.03M) reports that Treasury Secretary Henry Paulson "is focusing much of his attention on making American financial markets more competitive. So far, his efforts have mainly involved meeting and jawboning. He is well-positioned to help tweak some rules, but his power could wane next year if Democrats make significant gains in the November elections." The Journal adds, "Since taking the reins in July, the Wall Street veteran has reinvigorated the President's Working Group on Financial Markets, which had languished. He also has backed a private-sector effort to recommend changes to laws and rules that critics say handicap U.S. financial markets. And he raised business hopes that the government will ease a controversial rule created by the Sarbanes-Oxley law in response to corporate scandals."

Army Chief Of Staff Takes 2008 Budget Request Directly To OMB. U.S. News and World Report (10/30, Mulrine, 2.03M) reports, "While President Bush signed the 2007 defense budget into law last week, Army officials were already pressing their case for 2008 funds in one of the more unusual and intrigue-filled budget battles in recent Pentagon history." The Army "fired the first salvo in its budget battle back in mid-August, when its leaders skipped a deadline for submitting their budget plan to the office of Secretary of Defense Donald Rumsfeld. Instead, with Rumsfeld's blessing and the backing of Secretary of the Army Francis Harvey, Army Chief of Staff Peter Schoomaker took his case directly to the White House Office of Management and Budget. Schoomaker is pressing for nearly $139 billion in fiscal 2008, some $25 billion more than the Army was offered." US News adds, "The question now becomes how much money the Army will get-and who pays. The latter hinges on whether OMB will increase its $462 billion 'top line' budget for defense spending or whether the Army's needs will force cuts for the other services."

Baucus, Seeking Information On Tax Gap, Holds Up Treasury Nominee. The Wall Street Journal (10/23, A4, Matthews, 2.03M) reports that Sen. Max Baucus has been holding up the confirmation of Eric Solomon to be the Treasury Department's chief tax official in order to force Treasury "to explain how it will solve the tax gap. The tax gap, or the difference between the estimated amount owed by all taxpayers and what they actually have paid, currently totals $290 billion, or about 16% of the money owed. The tax gap, which has been surging since the 1990s, now averages about $2,200 per taxpayer. If the federal government were to close the gap completely, it would have a small surplus for the just-ended fiscal year instead of its reported $248.1 billion deficit." The Journal adds that Baucus "wants Treasury to articulate clear benchmarks in its tax-gap plan, he said, such as deadlines for shrinking the figure."

Scalia Says Many Social Issues Should Be Outside The Realm Of The Court. The Washington Post/AP (10/23, A19, Heilprin) reports that during a panel discussion sponsored by the National Italian American Foundation, Supreme Court Justice Antonin Scalia said issues "such as abortion and suicide rights have nothing to do with the Constitution, and unelected judges too often choose to find new rights at the expense of the democratic process." Scalia "said people naturally get upset with the growing number of cases in which a federal court intrudes on social issues better handled by the political process." Scalia "said courts didn't use to decide social issues. 'It is part of the new philosophy of the Constitution,' he said. 'And when you push the courts into that, and when they leap into it, they make themselves politically controversial. And that's what places their independence at risk.'"

Networking Site For Young Federal Employees Introduced. The Washington Post (10/23, D1, Barr, 748K) reports, "A nonprofit public service group launches YoungFeds.org today -- featuring blogs, message boards, video clips and, yes, some old-fashioned career advice. 'The goal is to get people in the young feds community to provide content or give direction to the content,' David Roberts , 26, a leader and organizer of the online clubhouse, said. … Roberts and other organizers hope the Web site will connect under-35 professionals across government and, with the help of a little buzz, grow into an online networking place for the federal sector."

"Fantasy Congress" Provides Outlet For Political Buffs. The New York Times (10/23, Chang, 1.21M) reports on Fantasy Congress, "a Web site created by four students at Claremont McKenna College. … Players accumulate points as the legislators they have chosen go about their business on Capitol Hill. A House member or senator earns five points for introducing a bill or an amendment, and more points for negotiating successfully each step in the legislative process."

OTHER NEWS:

Bush To Tout GOP Record On The Economy. The AP (10/23, Riechmann) reports that President Bush will spend two days this week "trying to convince voters

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Republicans are the best stewards of matters affecting the wallet. White House advisers said Sunday that Bush is not trying to change the subject from a deteriorating situation in Iraq, and that he will continue to talk about Iraq and the war on terrorism as the Nov. 7 election nears. Bush advisers said they think the president should get more credit for recent positive economic news." White House spokesman Tony Fratto "said Bush intends to mention how optimism about the economy and rising hopes for strong third-quarter earnings lifted the Dow Jones industrial average past 12,000 for the first time on Wednesday. The Conference Board's index of U.S. leading economic indicators rose last month, and the government reported last week that consumer prices fell in September by the largest amount in 10 months."

Economists Expect Fed To Cut Rates In First Half Of 2007. USA Today (10/23, Hagenbaugh, Hansen, 2.27M) reports that economists polled by USA Today expect that a "slowing economy and declining inflation mean Federal Reserve policymakers' next interest rate move will be a cut, not an increase." But "such a cut won't come when the Fed meets this week, they say. And they don't expect a sharp decline in short-term interest rates, which influence borrowing costs across the economy, anytime soon. More than half of the economists say the Fed will cut interest rates in the first half of 2007. Although their outlooks vary widely, economists on average expect the Fed will cut rates just once next year, then sit on the sidelines through the end of 2007. The 53 economists were surveyed Oct. 13-18."

Fed May Keep Rates On Hold Longer Than In 1995. The Wall Street Journal (10/23, Ip, 2.03M) reports, "Investors looking for a road map to the Federal Reserve's next moves on interest rates often look to 1995" when the Fed "raised interest rates steadily after a long period of unusually low rates. With the U.S. economy slowing, it paused for five months and then started cutting rates. Many investors have been looking for that cycle to repeat itself and expect the Fed, which last raised interest rates in June, to begin cutting rates at some point in the next few months." But, this year "differs from 1995 in ways that suggest the Fed could stay on hold longer. One is that interest rates are lower now than back then. Another is that Fed officials' tolerance for inflation is quite different today."

State Electricity Deregulation Fails To Lower Bills. The New York Times (10/23, Johnston, 1.21M) reports that "during a decade-long effort in about half the states to overhaul the business of producing electricity," "some investors have profited handsomely by buying and sometimes quickly reselling power plants," but "electricity customers, who were supposed to be the biggest beneficiaries of the new system, have not fared so well. Not only have their electricity rates not fallen, in many cases they are rising even faster than the prices of the fuels used to make the electricity." The Times says, "Supporters of deregulation said customers would benefit from healthy competition among a growing number of electricity producers. But such competition has not developed."

Vermont Pays Family Members To Care For The Elderly. The Wall Street Journal (10/23, A1, Lagnado) reports, "In an effort being watched around the nation, Vermont is trying to give elderly people a choice of where they want to be cared for: in an institution or at home. To create more home-care workers, the state has been paying for family members to care for aging relatives, at about $10 an hour. If Vermont's program works, it could influence a wider change in the multibillion-dollar industry that cares for the aged. 'We are never going to build another nursing home,' says Patrick Flood, commissioner of Vermont's Department of Disabilities, Aging and Independent Living. 'It is an outdated model.' As the number of older Americans -- and the cost of caring for them -- soars, the federal government is pushing efforts like the one in Vermont. … But the idea faces huge hurdles, including opposition from the nursing-home industry and a culture of dispersed, busy families that has become accustomed to having others care for their loved ones."

Bush, White House Remain Optimistic About Midterm Elections. The New York Times (10/23, Stolberg, Rutenberg, 1.21M) reports that last week, the White House and GOP leaders "convened a 'friends and allies' teleconference to dispute" what Republican National Committee Chairman Ken Mehlman "considers flawed conventional wisdom." Mehlman and "the White House political director, Sara Taylor, tried to lift the cloak of gloom that has descended on the top ranks of Republican strategists, using what one of the dozens of lobbyists, donors, party aides and other supporters who listened in later called 'happy talk.'" The Times adds President Bush "and his political strategists may be the most outwardly optimistic Republicans in Washington these days, and perhaps the only ones. They are doing their best to fend off the sense of impending doom within their party that they fear will become a self-fulfilling prophecy on Nov. 7." They are "enlisting longtime allies for an all-hands-on-deck effort to change the mood for the final push to Election Day, and they are putting out the word for Republicans to keep a lid on any pessimistic talk. They are also planning a travel blitz for Mr. Bush during the final week to 10 days of the campaign." The GOP leaders are "counting on a barrage of last-minute advertising and their 72-hour voter turnout operation to keep Democrats from taking over the House and Senate, even if it means they only eke out a victory." But those "the White House counts on to help raise party morale at such low moments say they

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are having a hard time of it." Bush is "not changing his tune now, even if it means taking the rare step of rebuking his own father. In an interview shown Sunday on ABC News, Mr. Bush was asked about a comment by the first President Bush, who said this month that he hated to think about life for his son if Democrats took control of Congress." Bush said, "He shouldn't be speculating like that, because he should have called me ahead of time, and I'd tell him they're not going to."

Loss Of Congressional Control Could Spark GOP Infighting. The AP (10/23, Raum) reports the White House is "bracing for guerrilla warfare on the homefront politically if Republicans lose control of the House, the Senate or both — and with it, the president's ability to shape and dominate the national agenda." Everything "could change overnight for President Bush, who has governed for most of the past six years with a Republican Congress and with little support from Democrats." Democratic victories "essentially could block Bush's remaining agenda and usher in a period of intense partisan bickering over nearly every measure to come before Congress. Loss of either chamber also could subject his administration to endless congressional inquiries and investigations." In addition, "some of Bush's fighting in the trenches is likely to be with fellow Republicans as they seek to find a new standard bearer for 2008 — and distance themselves from an unpopular war, the unpopular president who waged it, and congressional scandals that include inappropriate e-mails to House pages from ex-Rep. Mark Foley, R-Fla."

Despite Unfavorable Environment, GOP May Have Edge In Turnout Battle. The Washington Times (10/23, Lambro, 88K) reports, "Fifteen days before voters go to the polls to decide which party will control Congress, the turnout game already is being played out in more than a half-dozen battleground Senate races and 40 to 50 closely contested House elections." Officials in both parties say "tens of thousands of volunteer party activists have been canvassing voters, identifying supporters and preparing for a 72-hour get-out-the-vote election blitz that will be far more extensive than in any previous campaign." Both sides "are playing to their strengths. Democrats are being helped by an anti-Republican climate because of the Iraq war, and Republicans are touting their record on the economy and keeping the country safe from another terrorist attack." At this "stage of the game, turnout specialists say the Republicans might have the edge in the sheer numbers of volunteers and a more sophisticated, computerized ground operation, which held off a fierce Democratic offensive in 2004."

Ohio Seen As A "Microcosm" Of GOP Woes. McClatchy (10/23, Talev) reports Ohio is "a microcosm of what's ailing the Republican Party. If the state swings Democratic on Nov. 7, it could tip the balance of power in Washington, where Democrats would win control of the Senate if they gain six seats and take over the House of Representatives if they pick up 15 seats." Independent polls "project that Democrats will win the open governor's race in Ohio, a seat Republicans have held for 16 years, and will topple incumbent Republican Sen. Mike DeWine. While Republicans expect to win some statewide offices, they worry that Democrats could gain between three and five U.S. House seats. Republicans now hold 12 of Ohio's 18 House seats."

The CBS Evening News (10/22, story 4, 3:05, Mitchell, 7.66M) reported, "In this year's elections, both parties are focusing on Ohio, where public attitudes often mirror those of the country. … A CBS News 'New York Times' poll suggests that support from values voters from for Republican candidates may be softening. In Ohio's tough Senate race only about half of white evangelicals back Republican candidate Mike DeWine, more than a third said they are voting for Democrat. 14% are still undecided. Something is different this election cycle. While voters here are talking values, the politicians are talking Iraq and the economy instead."

Democratic Prospects In Midterm Elections Seen As Improving. The CBS Evening News (10/22, story 2, 2:55, Mitchell, 7.66M) reported the new "'Newsweek' poll has more bad news for President Bush. According to the survey the President's approval rating remains low at 35% while 57% of those polled disapproved of the way Mr. Bush is doing his job. All this just 16 days from the midterm elections." CBS (Guida) added, "CBS News now identifies 48 House seats that are best bets for changing hands. That number grew just this weekend. 42 of those seats are held by Republicans. If Democrats gain 15 seats they'll control the House. Many experts expect them to do better." Amy Walter, senior editor, The Cook Political Report: "I think a 20 or 25 seat pickup is not out of the question." Guida: "But it is the Senate that has Democrats salivating." Sen. Chuck Schumer: "We are right on the edge of taking back the Senate." Guida: "You would expect the Democratic chieftan to say that but the numbers appear to back him up. Democrats now hold solid leads over Republican incumbents in Ohio, Pennsylvania, Rhode Island and Montana. It appears the battle for the senate will be decided in Missouri, Tennessee and Virginia. Three more Republican seats that have turned surprisingly vulnerable. Democrats immediate to gain six seats to take over the Senate." Walter: "It's a real toss-up right now." Guida: "A new study of the election by Barron's magazine might encourage Republicans, it concludes the GOP will retain control of both houses. That analysis based on which campaign has the most money. While money often is the plasma of politics this year,

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Democrats may not have to worry about being outspent that is how strong the anti-Bush, anti-Iraq sentiment seems to be."

NBC Nightly News (10/22, story 4, 2:35, Seigenthaler, 9.87M) spoke with Washington bureau chief Tim Russert. Asked to assess the race for the House, Russert said, "Talking to Democrats and Republicans, the Democrats need 15 seats to win. They feel comfortable that the Democrats have anywhere between 15 and 20. The Republicans say, go slow. This can swing back and drop it below that magical 15. Election held today Democrats happy, Republicans unhappy." Seigenthaler: "And what about the Senate?" Russert: "The Democrats need six. No one leading up to this election felt that was doable but in the seven seats that we've been polling very carefully, the Democrats are tied or ahead in all of them. They need the equivalent of an inside straight. Today they're close to getting it. Who knows?"

Experts Say Democrats Could Pick Up 25 House Seats In November. U.S. News and World Report (10/30, Knight, 2.03M) reports, "Experts say Democrats could pick up as many as 25 seats in November and take control of the House of Representatives." If that happens, veteran Democrats like Reps. John Dingell, Henry Waxman, Charles Rangel and John Conyers "will most likely be back to shake things up by chairing powerful committees. Their ability to push through major legislation will be limited because their majority will probably be slim, and President Bush could wield the veto pen. But many Democrats intend to push an aggressive oversight agenda that would investigate the Bush administration's conduct on everything from the war in Iraq to Hurricane Katrina and homeland security. There would be no shortage of fireworks on Capitol Hill."

Zogby Says Bush Should Join GOP Leaders In Bashing Democrats. U.S. News and World Report (10/30, Bedard, 2.03M) reports in its "Washington Whispers" column that pollster John Zogby says President Bush should take the advice of Congressional GOP leaders and "join in their pre-election bashing of Democratic leaders," because "warning voters about the changes a Senate Majority Leader Harry Reid or House Speaker Nancy Pelosi would institute could save the GOP." Since Bush "has a national megaphone, 'it's really going to have to be the president' who yells at the Democrats, says Zogby."

Zogby Says Democrats Poised To Win 25-30 House Seats. The Christian Science Monitor (10/23, Cook, 58K) reports on the Friday Monitor breakfast with pollster John Zogby, who said if "the 2006 election were held today," the Democrats "would pick up 25-30 seats in the House of Representatives, well above the 15-seat gain they need to take control. And the CEO of Zogby International says Democrats are 'within striking distance' of picking up the six seats they need to win control of the Senate." But Zogby "cautioned that the election was still a little more than two weeks away and that the political dynamics could change in that time. Zogby argues that Republicans could, at least theoretically, rebound and hold the House and the Senate." Zogby "sees two messages that might work in winning back voters to the GOP. 'If the Republicans can get it back on message, it will be about terrorism, it won't be about taxes,' Zogby said." Another "winning message, especially with the Republican base, 'is that they will have to go after the Democratic leadership and say do you really want Harry Reid and Nancy Pelosi?' he says."

Democrats Expanding Targeted Republican Seats To Include Second Tier. The Los Angeles Times (10/23, Brownstein, Hennessy-Fiske, Jarvie, 918K) reports a "growing number of GOP incumbents in seats once considered 'safe' — including Melissa A. Hart in Pennsylvania, Ron Lewis in Kentucky, Richard W. Pombo in Tracy, Calif., and" Rep. Gil Gutknecht in Minnesota "are struggling this month against a powerful current of discontent with the nation's direction, the performance of Congress and President Bush, and the war in Iraq." Republican seats "at risk have nearly tripled since January, according to the nonpartisan Cook Political Report. Then, 18 GOP seats were endangered; now, 48 are considered in play." To "take back the House, which they lost in 1994, Democrats need a net gain of 15 seats — something they could do, perhaps, without capturing any of these newly competitive seats. But Democratic strategists believe that if the party can break into this second tier of Republican-leaning districts, they could greatly increase their odds of building a majority large enough to survive for longer than two years." In a "measure of the party's growing optimism, the Democratic Congressional Campaign Committee plans to announce Tuesday that it will begin airing advertisements in 11 new districts, including eight the party had not considered competitive until recently, party sources say."

Republicans Linked To Abramoff Face Unexpectedly Strong Challenges. USA Today (10/23, Kasindorf, 2.27M) reports on the closer-than-expected House races in California's 11th and 4th CDs, where Rep. Richard Pombo faces Democrat Jerry McNerny and Rep. John Doolittle faces Democrat Charlie Brown. Polls "show races tightening for" both Pombo and Doolittle, "worrying GOP leaders enough that President Bush flew out this month to raise $400,000 for Pombo and $600,000 for Doolittle in their districts." Doolittle and Pombo "were protégés of Tom DeLay of Texas, the former House majority leader who was indicted last year on charges of violating state campaign-finance laws." Two Democrat-commissioned polls "show Pombo in a dead heat with" McNerney, and "an independent poll published Oct. 12 by Seattle-based Constituent Dynamics, a non-partisan group, shows Doolittle leading Democrat Charlie Brown 52%-44%. The poll of 1,000 likely voters has a margin of error of +/-3 percentage points." After "commissioning three private polls it won't release, the National Republican

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Congressional Committee has spent $625,000 on Pombo," and the NRCC "also spent $114,000 on Doolittle." Both Republicans "are under attack for links to GOP lobbyist Jack Abramoff, who has been convicted of conspiracy and fraud. Though national environmental organizations are angry at Pombo over his stands on conservation, they're zeroing in on Pombo's ties to Abramoff and on the campaign contributions to Pombo from oil and mining companies." In Doolittle's "race for a ninth term — his district stretches from Sacramento's northeastern suburbs to the Nevada and Oregon borders — Abramoff and an alleged 'Republican culture of corruption' have become key lines of attack by Brown."

Mehlman Said To Be Target Of Waxman "October Surprise." In his syndicated column, which ran in the Washington Post (10/23, A21, 748K), Robert Novak says the "latest in a series of October surprises leading up to the midterm elections targeted Ken Mehlman, chairman of the Republican National Committee." The disclosure "depicted Mehlman as bowing to the wishes of disgraced lobbyist Jack Abramoff, the symbol of GOP corruption, in firing an innocent bureaucrat. The problem with the story is that this bureaucrat was a notorious political operative inside the Clinton administration." The issue concerned the "dismissal early in 2001, the first year of the Bush administration, of Allen Stayman from a State Department post. The accounts alleged that he was sacked because he advocated improved labor conditions in the U.S.-owned Northern Marianas in the Western Pacific, whose government was represented by Abramoff." But "nowhere was it mentioned that Stayman left a long paper trail of partisan Democratic activity and hardly could be expected to survive in a Republican administration." The "attack on Mehlman typified the standard October surprise: information about an event years in the past distributed by a partisan operative as a campaign nears its close." The "not-so-hidden hand promoting this story is the fiercely partisan Rep. Henry Waxman, ranking Democrat on the House Government Reform Committee."

Democratic Takeover Of Senate Seen As Less Likely Than House. U.S. News and World Report (10/30, Knight, 2.03M) reports that a Democratic takeover of the Senate is less likely than a Democratic House takeover, "but Democrats on that side of Capitol Hill are gearing up just in case. Sen. Barbara Boxer of California, who would probably chair the Senate Environment and Public Works Committee, is expected to push legislation that would drastically cut greenhouse gas emissions. And Sen. Patrick Leahy of Vermont would chair the Judiciary Committee -- which would put him in charge of confirmation hearings if a Supreme Court vacancy occurred. If Sen. Jay Rockefeller of West Virginia, the ranking Democrat on the Intelligence Committee, becomes chair, he is expected to investigate how the Bush administration used intelligence about Iraq's weapons."

Democrats' Senate Fate Lies With Group Of Centrists. In its cover story, Newsweek (10/30, Darman, 3.12M) reports, "Two weeks before the midterm elections, the Democrats' fate" in the Senate "lies not in the hands of the party's much-dissected antiwar left but with a handful of careful, calculating centrists like [Tennessee Democratic Senate candidate Rep. Harold] Ford." DSCC Chairman Sen. Charles Schumer "is talking up the 'common sense' candidates running in states like Tennessee, Missouri and Virginia -- candidates who don't sound much like Democrats even when they're assaulting Republican opponents over the war."

GOP Strategists Privately Ceding Ohio, Pennsylvania, Montana Senate Races. U.S. News and World Report (10/30, Gilgoff, 2.03M) reports, "In the past two weeks, [Republican] party strategists have privately begun to cede seats in Ohio, Pennsylvania, and Montana and to refocus resources on protecting incumbents in red states like Missouri and Tennessee, where spending from the National Republican Senatorial Committee shot from zero to $2.5 million just since the beginning of the month."

Virginia Race Could Determine Senate Control. U.S. News and World Report (10/30, Gilgoff, 2.03M) reports on the Virginia US Senate race noting, "While Republicans-along with some Democrats and independent analysts-are still doubtful that they will lose the six seats that would change control of the Senate, the GOP's so-called firewall of protection may now be down to as few as two or three seats. Which means that Virginia could determine Senate control." Allen ""was thought a shoo-in for re-election and was mulling a 2008 White House bid until a video of him calling a Webb volunteer of Indian descent 'macaca' was posted online in August, drawing national attention. … Allen's fumbling response to revelations about his previously unacknowledged Jewish ancestry last month…further alarmed even many GOP officials. Such gaffes helped [Democrat Jim] Webb out-fundraise Allen by $1 million in the past quarter and forced the NRSC to pony up nearly $1 million in response. Allen campaign manager Dick Wadhams blames the rhetorical missteps for recent polls showing the race to be in a dead heat."

Ford Believes Conservatives Stands Can Win Him Tennessee Senate Race. In its cover story, Newsweek (10/30, Darman, 3.12M) reports on the Tennessee US Senate race where Democratic Rep. Harold Ford Jr. believes his "conservative stands, coupled with an unrelenting attack on his Republican foe's positions on Iraq, homeland security and immigration, is the only way a Democrat can win in today's conservative Tennessee." Democrats, "even liberal ones, will let Ford be whoever he wants to be, for one simple reason: he may deliver them the Senate."

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Newsweek (10/30, Wolffe, 3.12M) reports that Tennessee Republican Senate candidate Bob Corker was trailing Ford "by several points last month, so the White House and party leaders stepped in. Their solution: a new campaign manager in the form of a rumpled, martini-drinking, cigar-chewing veteran of Tennessee politics," Tom Ingram. Ingram "has helped turn the Corker campaign around with new ads and a new message -- that Corker is a self-made businessman from Tennessee, while his opponent, Harold Ford Jr., has never held a real job outside Washington politics. Ingram dropped ads attacking Ford as a liberal, replacing them with references to the Ford family machine -- and by extension, the African-American politics of Memphis." Newsweek adds that Corker "is distancing himself from the White House and the GOP-led Congress. Yet he also needs the conservative base to turn out to vote -- and they are unsettled by his divided loyalties. … Many social conservatives have been wary of Corker since the primaries, when his rivals portrayed him as a pro-choice Democrat."

Possible Democratic House Leadership, Agendas Considered. The Wall Street Journal (10/23, Carnevale, 2.03M) reports on the likely lineup of Democratic House chairmen, should their party win a majority, and their likely agenda. On Appropriations, Rep. David Obey "was briefly chairman of the committee once before when Democrats were in power" and is "an old-fashioned labor Democrat with strong interest in education and health-research funding. Among his priorities: smaller classes and better-trained teachers, more-affordable health care, and help for family dairy farmers rather than big agribusinesses." On Ways and Means, Rep. Charles Rangel "vigorously opposed the Bush tax cuts for the wealthy, and doesn't want to pass legislation that would increase the deficit. Rangel, an influential politician and unabashed liberal, doesn't shy away from controversy but wants to mend fences on the divided committee."

The Washington Times (10/23, Pfeiffer, 88K) reports that as Speaker, Rep. Nancy Pelosi "'would present a great number of problems for the Bush administration,' said Craig Holman, legislative representative for Public Citizen, a government watchdog. 'There would be a big change in the way things are done on Capitol Hill.'" The Times adds the 2006 Almanac of American Politics "says Mrs. Pelosi voted with the liberal position on economic issues 93 percent of the time during the 2003-04 Congress." The Times adds, "Although a leadership change would be significant, the real shift may occur in the committees." National Republican Congressional Committee spokesman Jonathan Collegio said, "The Democratic leadership looks more like a left-wing activist club than a group representative of the American people. A San Francisco liberal would head the House; an outspoken tax hiker would head Ways and Means; [and] a rabid impeachment seeker would head Judiciary."

Pelosi Plans To Keep Tight Control Of Hearings If Democrats Take House. Newsweek (10/30, Isikoff, Bailey, 3.12M) reports that as "much as Democrats might like to see a thousand hearings bloom, there is one thing standing in their way: the Democratic leader herself. Nancy Pelosi, who would presumably become Speaker if the party wins the House, has made it clear that she does not want to turn the Capitol into a courthouse. There will be hearings, and plenty of them, but according to a top Democratic staff member familiar with Pelosi's plans…the would-be speaker intends to keep tight control. … Pelosi is concerned that too many flying subpoenas would make her party appear petty and revenge-hungry, obsessed with blaming Bush. She does not want anything to interfere with her most important goal: making the Democrats look like leaders instead of obstructionists. The idea is to bring popular bills that the GOP has opposed to the floor of the House -- a minimum-wage hike, prescription-drug reform -- and dare Republicans to vote against them."

Newsweek (10/30, Isikoff, Bailey, 3.12M) reports that Pelosi "began preparing for power early. Over the summer, when polls started tilting toward the Democrats, Pelosi made her first moves to get the control of the chairmen-in-waiting." Pelosi "met privately with several senior House members and told them they would get their committees. But she wanted it understood that she was running the place. Pelosi was especially firm with Conyers. She told him she didn't want any 'out-of-control investigations,' a senior House aide says; not another word about impeachment, she warned."

Democrats Urged To Adopt Confrontational Strategy. In his New York Times column (10/23), Paul Krugman says, "Now that the Democrats are strongly favored to capture at least one house of Congress, they're getting a lot of unsolicited advice, with many people urging them to walk and talk softly if they win. I hope the Democrats don't follow this advice — because it's bad for their party and, more important, bad for the country. In the long run, it's even bad for the cause of bipartisanship." Political considerations "aside, American voters deserve to have their views represented in Congress. And according to opinion polls, most Americans are actually to the left of Congressional Democrats on issues such as health care." The "truth is that we won't get a return to bipartisanship until or unless the G.O.P. decides that polarization doesn't work as a political strategy."

Cheney Says Republicans Will Hold On To House And Senate. Time (10/30, Allen, Carney, 4.03M) interviews Vice President Dick Cheney. Asked about the possibility of a Democratic take over of Congress, Cheney said, "I don't expect that to happen. I'm optimistic that we're going to hold both the House and the Senate. One of the

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things I talk about on the campaign trail is the importance of what we've been able to do with tax policy. … All of that is at risk if there were to be a Democratic Congress."

Cheney Says Foley Scandal Has Not Hurt GOP Candidates. In his Time interview (10/30, Allen, Carney), Cheney was asked if the Mark Foley scandal has hurt Republican candidates, Cheney said, "I don't think it's hurt our candidates generally. Obviously, it's a terrible situation. I think appropriate action has been taken. Investigations are under way to find out what happened. The place where it's likely to have an impact, clearly, would be in Foley's district. But beyond that, I don't sense that it's the kind of issue that has an impact on Wyoming or California or Texas."

Dean's "50 State Strategy" Could Put Democrats Over The Top In Key Races. Time (10/30, Bacon, 4.03M) reports that " following the Mark Foley scandal, Democrats are talking about not just winning the House but piling up as many as 40 new seats and also capturing the Senate. And some of the places where they are now competing lie in the blood-red states where Dean has been on his lonely crusade to find blue voters" as part of his "50 state strategy." Time adds, "Victory in any of those races is still a long shot, but local officials say support from Dean could help put their candidates over the top. He has sent at least two organizers to most states to register voters and rebuild moribund state parties."

GOP Strategists Push For Solid Evangelical Turnout. Time (10/30, Allen, 4.03M) reports that "just weeks before the Nov. 7 midterm congressional elections, one of the last unknowns of a wild and potentially historic campaign season is: What will Christian conservatives do this time? With polls suggesting an increased likelihood that Republicans may lose one or both houses of Congress, G.O.P. strategists calculate that a calamitous Category 5 election might be tamed to a merely scary Category 4 if they can somehow conjure a solid turnout of evangelical voters, the white suburbanites who fill the megachurches and can usually be counted on even in light-turnout elections like midterms. Party operatives plan to devote the election's closing weeks to courting Christians more intensely than any other single stripe of the electorate, all but begging the parishioners to give them one more chance even after the Foley scandal."

Shaw Hopes Voters Will See His Seniority As An Asset. The New York Times (10/23, Goodnough, 1.21M) reports in "this season of anti-incumbency, Representative E. Clay Shaw Jr. is gambling that voters will deem his seniority a virtue." Shaw "plays up his 26 years in the House, constantly reminding voters that he has 'a darned good shot' at leading the powerful Ways and Means Committee. He likes to say that his opponent, Ron Klein, a Democratic Florida state senator, if elected now would not attain equivalent experience in Washington until he was of geriatric age." Klein "has painted his opponent's seniority as a crippling flaw, and has put Mr. Shaw, 67, on the defensive about the Iraq war, the Medicare prescription drug program and Social Security, with the latter two being vital issues for the legions of retirees living here." Shaw's "struggle reflects the broader challenge Republicans face as they fight to keep control of Congress, but with some striking distinctions: Mr. Shaw is the most senior House incumbent whose seat is threatened, even though Republicans outnumber Democrats in his wealthy Atlantic Coast district, and Mr. Bush remains slightly more popular here than in other parts of the nation."

McCain, Clinton Campaign For Opposing New Jersey Senate Candidates. The AP (10/23, Newmarker) reports, "Two heavy hitters from Washington came to New Jersey on Sunday to campaign in the tight race between Democratic Sen. Robert Menendez and Republican challenger Tom Kean Jr." While "the focus remained largely on the Senate race, appearances by Sens. John McCain and Hillary Rodham Clinton also looked like a potential preview of the 2008 presidential campaign." McCain "told roughly 250 donors at a Kean fundraiser that he believed the Garden State contest would determine which party controls the Senate." Later Sunday, "during a speech in Paramus, Clinton, D-N.Y., touted the work Menendez has done — particularly his efforts to bolster homeland security — since Gov. Jon S. Corzine appointed him in January to complete his Senate term."

Critics Question Depth Of Kean's Experience. The New York Times (10/23, Chen, 1.21M) reports that as Kean "tries again to land a job in Congress — this time to fill a Senate seat formerly held by his great-grandfather and great-great-uncle — he must still persuade skeptics that he possesses more than just a revered political name. After all, he was appointed not once but twice to legislative posts, winning elections only when he already had the incumbent's advantage, and as a member of the minority party for most of his tenure, he has had few legislative victories." To admirers, Kean "has matured into a thoughtful and attentive lawmaker, distinguishing himself in ethics, environmental protection and health care." Kean "has espoused positions that are moderate, though clearly more conservative than those of his father, former Gov. Thomas H. Kean. And he has demonstrated political grit in a surprisingly ferocious campaign to unseat the incumbent, Robert Menendez, in what national Republican leaders believe is probably their best chance to capture a Democratic Senate seat."

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Kean's Focus On Menendez "Investigation" Examined. The Washington Post (10/23, C1, Segal, 748K) reports, "If there were a drinking game whose rules required a swig each time Tom Kean Jr. asserted that his Senate race opponent is 'under federal criminal investigation,' you would be drooling drunk 10 minutes after meeting the guy." Kean "says 'under federal criminal investigation' about once every 28 seconds, uttering the words as if they were tragic and beyond dispute. After a day in Kean's company you are prepared to think terrible things about Robert Menendez, the Democratic incumbent." The Post adds the "whole investigation matter, which we'll get to, is hardly as cut and dried as Kean indicates. But Kean, who looks like a Mountie and fights like a Crip, isn't selling honesty and integrity so much as a brand name that represents honesty and integrity. It's a pitch with resonance in this state, where politicians routinely scamper offstage chased by ethics charges and mortifying headlines."

Candidates' Appeal To Women Voters Seen As Key In Virginia Senate Race. The Washington Post (10/23, A1, Rein, 748K) reports in a front page story that the Virginia Senate candidates' "biographies exude machismo: James Webb, the Marine firing his M50 antitank rifles in the jungles of Vietnam, and George Allen, the tobacco-chewing cowboy who as governor once stirred GOP delegates with this line about Democrats: 'Let's enjoy knocking their soft teeth down their whining throats.'" But Webb and Allen "are trying to soften their tough-guy personas as they appeal to the 1.9 million women who represent more than half of Virginia voters. The candidates are virtually tied among likely female voters, a recent Washington Post poll shows." Whoever can "move female voters onto his side may very well win the race, which recent polls show is virtually even. Successful Virginia Democrats, such as Gov. Timothy M. Kaine and his predecessor Mark R. Warner, have held leads among women heading into Election Day, according to preelection polling. Webb might have to win over more women than recent polls suggest he has if he is to win his challenge against Allen." In a race "in which traditional women's issues such as abortion have been largely absent, controversy has instead centered on Webb's past writing and Allen's past votes and policies. Webb is trying to convince voters that he's changed. Allen is arguing that his emphasis on family values appeals to Virginia women."

Corker, Ford Complain About National Party's Attack Ads. The Washington Times (10/23, Debose, 88K) reports both Republican Bob Corker and Democratic Rep. Harold E. Ford Jr. "complain that the national parties are slinging so much 'mud'" in Tennessee "that they can barely get their points across to voters." Corker "asked the Republican National Committee (RNC) to take down an ad that first aired Friday accusing Mr. Ford of taking money from pornographers, and said it hinted at interracial dating -- the ending shows a scantily clad, white blonde winking and saying, 'Hey, Harold call me.'" After "viewing the ad, Mr. Ford lost his cool and confronted Mr. Corker, ambush style, just before a press conference at a Friday campaign stop at the Memphis airport. He got in Mr. Corker's face and asked him to stop talking about his family, then asked him to talk about Iraq." Ford said, "I really just wanted to ask him about this ad." The Times adds, "Not one of the polls that have come out this month shows either candidate gaining any momentum or building a solid lead."

Democrats Expected To Make Gains In State Legislatures, Add To Governorships. USA Today (10/23, Kiely, 2.27M) reports, "For the first time since 1994, Democrats are poised to surpass Republicans in the number of state capitals where one party enjoys complete political control — holding the governor's mansion and both chambers of the state legislature. … Republicans hold the governorships and both chambers of the state legislatures in 12 states; Democrats, in eight. Republicans' control is in jeopardy in three of those states: Ohio, Alaska and Indiana. Democrats face the possibility of losing dominance in only one state: Maine. Meanwhile, the party has a chance for control in eight other states: Arkansas, Colorado, Iowa, Maryland, Massachusetts, Minnesota, Montana and Tennessee." USA Today notes that the Democratic Legislative Campaign Committee "hopes to spend $10 million on state House and Senate races this year," while the Republican State Leadership Committee "already has raised close to $13 million."

Ethics A Key Issue For Alaska GOP Gubernatorial Candidate. The Wall Street Journal (10/23, A4, Carlton, 2.03M) profiles Alaska Republican gubernatorial candidate Sarah Palin, who is "emerging as the giant-killer of the Last Frontier state." Palin "has defeated the sitting governor and is leading in polls against his predecessor, who is seeking a comeback. She is tapping into voter anger over corruption and dissatisfaction with incumbents -- factors working against fellow Republicans in much of the country this year." Palin "trounced Gov. Frank Murkowski in the primary in August. On Nov. 7, she faces one of the state's best-known politicians, former two-term Democratic Gov. Tony Knowles. Ms. Palin leads by a margin of 47% to 40%, according to an Oct. 9 survey of likely voters by Rasmussen Reports, an independent pollster." That is "down from the 52%-to-38% margin she held in the same survey a month earlier, a drop pollsters attribute largely to loss of a postprimary bounce. But Ms. Palin's main campaign

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theme of taking a tough stance on ethics is clearly resonating with many voters."

Obama Considering 2008 Presidential Bid. Sen. Barack Obama said Sunday he is considering a bid for the presidency in 2008. The announcement received coverage in several major newspapers and on last night's network news broadcasts. Many reports said an Obama run would shake up the Democratic presidential race and could cause particular problems for Sen. Hillary Clinton, who is currently considered the Democratic frontrunner. Reminded on NBC's Meet the Press (10/22, Russert) that in January he said he definitely would not run for president in 2008, Sen. Barack Obama responded, "Well, that was how I was thinking at that time. And, you know, I don't want to be coy about this. Given the responses that I've been getting over the last several months, I have thought about the possibility. … After November 7, I'll sit down and consider it, and if at some point, I change my mind, I will make a public announcement, and everybody will be able to go at me."

ABC World News (10/22, lead story, 2:40, Harris, 8.78M) reported, "Senator Barack Obama, who has been getting an extraordinary amount of attention for a freshman lawmaker, made a remarkable reversal. After long insisting that he would not run for president, he now says he's thinking about it. This is shaking up a wide-open presidential race, featuring some of the biggest names in politics."

The CBS Evening News (10/22, story 3, 0:40, Mitchell, 7.66M) reported that Obama "backed off an earlier pledge to stay on the sidelines in 2008. In an appearance on NBC the Illinois Democrat said he is now considering a run for the Presidency in two years."

NBC Nightly News (10/22, story 3, 2:40, Fratangelo, 9.87M) reported, "This morning on 'Meet the Press,' Senator Barak Obama opened the door for a possible White House run. Last January he ruled it out." NBC added, "In recent weeks, Obama has been everywhere. On the cover of 'Time,' talking to, promoting a new book on Larry King. On the 'Today' show. Even on the cover of men's 'Vogue.'"

The AP (10/23) reports, "Sen. Barack Obama acknowledged Sunday he was considering a run for president in 2008, backing off previous statements that he would not do so. The Illinois Democrat said he could no longer stand by the statements he made after his 2004 election and earlier this year that he would serve a full six-year term in Congress. He said he would not make a decision until after the Nov. 7 elections. 'That was how I was thinking at that time,' said Obama, when asked on NBC's 'Meet the Press' about his previous statements. 'Given the responses that I've been getting over the last several months, I have thought about the possibility' although not with the seriousness or depth required, he said. 'My main focus right now is in the '06. ... After November 7, I'll sit down, I'll sit down and consider, and if at some point I change my mind, I will make a public announcement and everybody will be able to go at me.'"

USA Today (10/23, Wolf, 2.27M) reports, "The 2008 presidential race is wide open, and Obama has been urged by many Democrats, such as fellow Illinois Sen. Dick Durbin, to run this time rather than wait to gain more political experience. He said Sunday he has listened to those entreaties." USA adds, "Obama's candidacy would shake up the field of prospective Democratic candidates, dominated by Sen. Hillary Rodham Clinton of New York and recently abandoned by former Virginia governor Mark Warner. By keeping the option open, he could freeze the flow of money to other Democrats."

The Los Angeles Times (10/23, Neubauer, 918K) reports, "Asked about his lack of executive experience -- his only previous elective office was state senator in Illinois -- Obama said: 'Well, I'm not sure anybody is ready to be president before they're president. You know, ultimately, I trust the judgment of the American people that in any election, they sort it through.'"

A front page story in the Washington Post (10/23, A1, Balz, 748K) reports, "New York Sen. Hillary Rodham Clinton is considered the early front-runner for the Democratic nomination, should she decide to run, but some Democratic strategists said yesterday that Obama immediately would become one of her principal challengers, if he decides to run." Party strategists "said that, if voters are looking for change in 2008, Obama would symbolize it better than many of the other possible candidates."

The New York Times (10/23, Nagourney, Zeleny, 1.21M) reports, "The remarks by Mr. Obama sent ripples through Democratic circles and were the latest indication of how wide open the 2008 presidential field is — and how confident Democrats are that they are on the ascendancy. Should he run, Democrats said, his decision would pose a major complication to Senator Hillary Rodham Clinton of New York, who is widely viewed as the dominant figure in the field of potential candidates." Obama "opposes the war in Iraq and thus could provide an alternative for Democrats who have expressed strong concern about Mrs. Clinton's support of the war effort. In addition, Mr. Obama, who is African-American, would almost surely cut deeply into Mrs. Clinton's own political base, black voters, which could be particularly significant because the Democratic Party has decided to move the South Carolina primary to the front of the 2008 presidential nominating process. A spokesman for Mrs. Clinton, Howard Wolfson, declined comment on Mr. Obama's remarks on Sunday."

Obama Says America Is Ready For A Woman Or African American President. McClatchy (10/23, Talev) interview Obama about his book "The Audacity of Hope," which has just been released. Asked why he decided to write this book, Obama said, "I decided to write it partly on the

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heels of my (2004 Democratic National Convention) speech, which had gotten a good response. I thought it would be interesting to think about what I'd been saying in the campaign and subsequent to the campaign. Basically I didn't start writing until after I'd served about six months in the Senate because it was so overwhelming." The interview was conducted before Sunday when Obama said he is mulling a 2008 presidential bid. But during the interview, he noted, "I do think America is ready for a woman president or an African-American president or a Latino president if they are the best candidate."

Russert Says Obama Is "Deadly Interested" In Seeking The Presidency. "Meet the Press" moderator Tim Russert was asked on NBC Nightly News (10/22, story 4, 2:35, Seigenthaler, 9.87M) if he was surprised by the way Obama opened the door to a race for president?" Russert said, "I didn't know what to expect, because…he had closed that door. He said, I will not run for President in 2008. And now it's open. He has been greeted like a rock star on the circuit for Democratic candidates. It's the first time that we'll have an open presidential race. Neither incumbent president or vice president seeking the office in 2008 in more than 50 years. He's decided to take a hard look at it. I think he is deadly interested in seeking the presidency. I also think it won't hurt his book sale to be somewhat considered as running for president."

Herbert Says Time May Not Be Right For Obama Presidential Candidacy. Bob Herbert writes in the New York Times (10/23, 1.21M), "It's a measure of how starved the country is for a sensible, appealing, intelligent, trustworthy leader that a man who until just a couple of years ago was an obscure state senator in Illinois is now suddenly, in the view of an awful lot of voters, the person we should install in the White House. … With all due respect to Senator Obama, this is disturbing. He may be capable of being a great president. Someday. But one quick look around at the state of the nation and the world tells us that we need to be more careful than we have been in selecting our leaders. There shouldn't be anything precipitous about the way we pick our presidents." Herbert adds, "The Republicans may be in deep trouble, but they believe they could pretty easily put together a ticket that would chew up Barack Obama in 2008. … He's 45. There's no hurry. He should take all the time he needs."

McCain, Romney PACs Have Given At Least $1 Million To GOP Candidates. The Wall Street Journal's web-exclusive "Washington Wire" column (10/23, Conkey) reports Sen. John McCain "may be out in front when it comes to supporting Republican candidates and laying a grassroots foundation for a potential presidential run in 2008, but he certainly has competition." Govs. Mitt Romney and George Pataki, Senate Majority Leader Bill Frist and Sen. Sam Brownback "are among the prominent Republican leaders crisscrossing the country, paying special attention to Iowa, New Hampshire, South Carolina and other states that kick off the primary season. In the current election cycle, McCain's Straight Talk America PAC has given $1.2 million to state and federal candidates, followed closely by the $1 million donated by Romney's Commonwealth PAC. Frist's Volpac has contributed roughly $600,000 so far, while Pataki's 21st Century Freedom PAC has doled out more than $300,000."

GOP Said To Have Alienated "Secular Conservatives." In an op-ed for USA Today (10/23, 2.27M) the Manhattan Institute's Heather Mac Donald writes, "The GOP has become the party of religion, and Democrats have been scrambling to play catch-up. The truth, though, is that piety doesn't belong in politics. … This surge of mediagenic piety is discouraging to one of the least heralded segments of the political spectrum: secular conservatives. The conservative movement has supposedly benefited from politicians who publicize their relationship to God. Non-believing conservatives, however, see this electoral gain as a Pyrrhic victory. Conservative principles, they say, are best grounded in reason and evidence, not revelation. The infusion of God talk into both parties' campaign discourse adds nothing to the public's ability to vote wisely."

Study Of Religion Regarded As Salutary For Undergrads. In an op-ed for the Washington Post (10/23, A21, 748K) Rev. John I. Jenkins, president of the University of Notre Dame and Thomas Burish, the university's provost, write that a Harvard curriculum committee "recommended that every Harvard student be required, as part of his or her general education, to take one course in an area that the committee styled 'Reason and Faith.' Whether that becomes policy remains to be seen, but the significance of the recommendation should not be understated. Harvard is the drum major of American higher education: Where it leads, others follow. And if Harvard says taking a course in religion is necessary to be an educated person, it's a good bet that many other colleges and universities will soon make the same discovery. We hope they will."

US Charitable Giving Rose 13% In 2005. The Wall Street Journal (10/23, B2, Beatty, 2.03M) reports, "America's largest charities saw a surge in donations in 2005, as a strong economy and a string of major disasters boosted cash and in-kind gifts 13% to $62.7 billion, according to an annual survey of 400 charities. The jump marked one of the largest percentage gains since the Chronicle of Philanthropy began the survey 16 years ago. … Donations to aid victims of the Asian tsunami in late December 2004 and Hurricane Katrina, which struck in August 2005, totaled $2.6 billion for the 400 charities surveyed. But even organizations not

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involved in disaster relief reported a healthy rise in donations. Excluding disaster-relief funds, giving rose 8.3%, after adjusting for inflation, the survey found."

Bush Koch's Book On Bush 41 Reviewed. The Washington Post's Lois Romano (10/23) reviews "My Father, My President: A Personal Account of the Life of George H.W. Bush," by President Bush's sister Doro Bush Koch. According to Romano, "At her father's request, Koch…pulled together a warm and, not surprisingly, favorable look at Bush's eventful life, as relayed to her by many of his friends and political associates, his diaries and letters, and conversations with Dad. Indisputably told through the lens of an adoring daughter, 'My Father, My President' breaks no new ground and presents no neutral judgments. But it does offer an intimate look into one of America's political dynasties, and subtly conveys the hope of an 82-year-old man to have some say in how the story is told -- even if he doesn't want to tell it himself."

WSJournal Notes Ohio Minimum Wage Initiative's Labor Backing. The Wall Street Journal (10/23, A14, 2.03M), in an editorial, writes, "Ohio's unemployment rate is more than a full percentage point above the national average at 5.7%, and the state has recorded a net job loss of 150,000 since 2001. So you might think the last thing any responsible public official would promote is an increase in the cost of doing business there. Well, think again. Democratic Representative Ted Strickland, who's running for Governor, is backing a ballot initiative known as Issue 2 that would amend the state constitution to raise the minimum hourly wage to $6.85 from $5.15." According to the Journal, Issue 2 is also "a Trojan horse for other items on Big Labor's wish list that will only make Ohio's business climate less attractive. For example, the proposal imposes onerous and expensive record-keeping requirements on employers and says, 'Such information shall be provided without charge to an employee or person acting on behalf of an employee upon request.' Nowhere is it specified who's permitted to act on behalf of an employee, which is an open invitation to union officials to search personnel records to facilitate organizing."

NYTimes Endorses Rell. The New York Times (10/23, 1.21M) endorses Connecticut Governor Jodi Rell over New Haven Mayor John DeStefano. According to the Times, "The biggest concern about Mr. DeStefano's candidacy is something that he has no control over — the enormous political imbalance created by the decline of the Connecticut Republican Party. If he is elected, Connecticut will have, in effect, one-party rule; the Democrats are two votes shy of a veto-proof majority in the Legislature. It strikes us that Connecticut would be better off with a moderate Republican governor now. And Mrs. Rell has clinched the sale in her short time in office by showing the potential to be a great governor as well as a popular one."

WSJournal Derides California's Proposition 87. The Wall Street Journal (10/23, A14, 2.03M) editorializes, "California already ranks as one of America's five most taxing states, but if liberal activists have their way the Golden State will soon be competing for Number One. … The jewel in this liberal crown is Proposition 87, which would raise taxes on oil extracted from California by 1.5% to 6%, depending on the price per barrel -- all in the name of reducing energy consumption and dependency on foreign oil. Let us run that by you again: The idea here is to tax California oil in order to get Californians to use less Saudi oil. Brilliant. … A Law and Economic Consulting Group (LECG) analysis concludes the bill would in fact increase dependency on foreign oil because the tax increases the price only on domestic oil."

NYTimes Blames US Government For Puerto Rico's Faltering Economy. The New York Times (10/23, 1.21M), in an editorial, writes, "After decades of economic progress, Puerto Rico is struggling, and the mainland has both missed this horrific economic slide and contributed to it through benign neglect. Poverty on the island is rampant. The per capita income is just about half that of the poorest state in the United States. Nearly one-third of the population was unemployed in 2000. And a good quarter of all employment is in government jobs. If the goal is more than survival, the bloated public payroll will need to be significantly pared back. … Much of the blame can be put on Washington, which has been tone deaf to the island's needs and has miscalculated where help was needed."

China "May Have Saved" Bush From Ordering Pre-Emptive Strike Against North Korea. Newsweek (10/30, 3.12M) reports in its "Periscope" column, "Beijing may have saved President Bush from a tough decision: whether to order a pre-emptive strike against North Korea's main missile-launch facility. In the wake of Kim Jong Il's nuclear test, the White House was alarmed at the prospect that Kim was planning to explode a second nuclear device while also firing off a second test flight of North Korea's Taepodong-2 missile." One option "under urgent debate inside the administration (according to senior officials, anonymous because of the sensitive situation) was a pre-emptive strike to destroy the next T-2 on its launchpad. Meanwhile, Beijing was so angered by Kim's test…that it sent top national-security official Tang Jiaxuan to Pyongyang. The senior officials say Beijing threatened to cut off fuel and food supplies. How did Kim respond? Japan's Foreign Minister Taro Aso said: 'Though it is not confirmed, we have obtained

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information that [Kim] told Mr. Tang the country won't conduct a second nuclear test.'"

Beijing Fears Cutoff Of Aid Would Destroy North Korea's Economy. Time (10/30, Elegant, 4.03M) reports, "Although the US believes that tightening the financial squeeze on Pyongyang is necessary to persuade Kim [Jong Il] to abandon his newly tested nuclear arsenal, Beijing fears that a cutoff in aid would bring about the collapse of the North's economy, touch off civil unrest and lead to an influx of millions of poor, hungry refugees on its borders." Making the UN sanctions imposed following north Korea's missile test meaningful "depends on China. China said last week that the country's four main banks will cease handling transactions from North Korea. It also says it had increased inspections of goods passing from China to North Korea by land, although there will be no inspections of seaborne cargo."

Secret Nuclear Proliferators Prove Difficult To Trace. Newsweek (10/30, Hosenball, Dickey, 3.12M) reports on efforts to track agents "suspected of shopping for nuclear components. The supply lines used by secret proliferators are almost as complicated as the weapons themselves, and neither the UN watchdog International Atomic Energy Agency nor the intelligence services of the United States and other powers…is fully able to meet the challenge." Newsweek adds, "The area around Haag, Switzerland, near the Liechtenstein border, holds a nest of precision-engineering firms known among investigators as Vacuum Tube Valley. Friedrich Tinner, owner or player in several of these companies and a longtime Khan acquaintance, denies ever intentionally helping produce components for clandestine nuclear programs. But one of his sons, Urs Tinner, allegedly had a pivotal role: first making vital parts for Libya's secret nuclear program, then, as a CIA informant, helping to expose it. .. The CIA declines to comment on the case. What's clear is that the Tinners are now useless, either as moles or as surveillance targets, to investigators trying to discover where AQ Khan's seeds of destruction might still be sprouting."

Lugar, Specter, Biden Back Direct Talks With Pyongyang. The Washington Times (10/23, Pfeiffer, 88K) reports Sen. Richard Lugar and Judiciary Chairman Arlen Specter "yesterday called for direct U.S.-North Korea talks over Pyongyang's nuclear program." Sen. Joe Biden "said the other four nations in the six-party negotiations -- China, Russia, South Korea and Japan -- have privately urged the same path on the United States, which has long rejected bilateral talks with North Korea." Sens. John Warner, Carl Levin and Biden appeared alongside Lugar. The Times notes, "The State Department would have to conduct the talks, and the White House has repeatedly rejected earlier calls, mostly from Democrats, for direct talks with North Korea. Only Mr. Warner, the Armed Services chairman, had unequivocal praise for the administration's North Korea policy."

The AP (10/23, Klug) adds, "Calls for such talks have grown louder following North Korea's nuclear test Oct. 9 and as diplomats worry about a second detonation. The administration says it will only have such talks during six-nation negotiations meant to persuade North Korea to abandon its nuclear programs. Those talks have been stalled for nearly a year."

Rumsfeld, South Korean Counterpart Agree South Korea Will Command Its Forces In Wartime. The Wall Street Journal (10/23, A6, Ramstad, 2.03M) reports, "Even as North Korea challenges the military balance in northeast Asia, Seoul and Washington are moving ahead on a plan to pass more military responsibility to South Korea in the event of war." Secretary Rumsfeld and South Korean Minister of Defense Yoon Kwang-ung "agreed over the weekend that South Korea will take wartime control of its military" beginning sometime between late 2009 and early 2012. Seoul "took charge of peacetime control of its 600,000-person military 12 years ago. Mr. Rumsfeld said he believed South Korea 'has the ability to assume responsibility for wartime operational control roughly in the time frame of 2009.'" The Journal notes "a speedy transition will more quickly allow" the Pentagon "to send personnel associated with Korean war planning and logistics to other places. The plan also allows current commanders in the region to take charge of the transition, rather than leaving it to others who, in normal duty rotations, would be brought in." Some "South Koreans worry the change is prelude to withdrawal by the U.S. military from the country and urged [senior leaders] not to let it happen."

As Kim Bets Against International Unity, China May Prove The Key Player. In an analysis piece, McClatchy (10/23, Strobel) reports, "Now the test of wills begins. North Korea has made itself an uninvited member of the nuclear club and dared the world to kick it out." While "the stakes are enormous," McClatchy says "it remains to be seen whether the U.S., [Japan, South Korea, China and Russia], acting together, separately or both, can persuade the unpredictable [Kim Jong-il] to curb his nuclear appetite." The North Korean leader "appears to be calculating that he can ride out the backlash from his nuclear weapons test, as India and Pakistan did after their 1998 blasts." The "key, U.S. officials acknowledge, will be China," and the Beijing-Pyongyang "relationship has cooled considerably in recent years," with "signs that Beijing's leaders may be nearing the end of their rope with Kim, who ignored China's warnings not to conduct a nuclear test." Secretary of State Condoleezza Rice's recent "mission to Japan, South Korea, China and Russia was a high-wire act on an extremely thin wire. She had two contradictory objectives: persuade North Korea's neighbors to hang tough and enforce the U.N. sanctions, and assuage their fears that the U.S. wants to squeeze Kim's regime until it implodes." Rice "is trying to hold together a motley coalition that may not last."

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North Korea's Stockpiling And Rationing System May Soften Sanction's Impact. USA Today (10/23, Slavin, 2.27M) reports on international aid agencies' difficulties in gauging poverty and malnutrition in North Korea. It "is a hard society to fathom even for the few foreigners who visit regularly. Whether it is on the verge of economic collapse or resilient in the face of decades of adversity and deprivation remains a matter of conjecture. The shroud that keeps North Korea hidden makes it virtually impossible to judge whether the limited sanctions…will have any effect on the regime of Kim Jong Il." Some frequent visitors claim "it is better off than a few years ago and may be able to withstand sanctions." The Eugene Bell Foundation's Steve Linton "has noticed that North Koreans are better dressed and that there are more bicycles in a country where a decade ago, nearly everyone traveled on foot. 'It's not lightning speed, but it's gradual change,' he said." A tour company manager said "Pyongyang, a gloomy capital of bland concrete high-rises and little commerce a decade ago, has a few dozen shops and many sidewalk stalls selling ice cream, cookies, flowers, even videocassettes… There are four or five billboards for cars, the first commercial advertising in the country. Electricity blackouts, once common, are rare in the capital, he said."

Rice Gets Scant Support From Moscow For Iran Sanctions. The Wall Street Journal (10/23, King, 2.03M) reports Secretary Rice "ended her round-the-world trip on a chilly note in Russia, finding limited support for her next big international challenge: imposing sanctions on Iran over its nuclear program." While she got cooperation commitments from Beijing on North Korea sanctions, Rice's "stop in Moscow was more strained, indicative of pricklier ties between the U.S. and Russia that are coloring the debate over how to grapple with Tehran's nuclear ambitions." Russian Foreign Minister Sergei Lavrov "told a Kuwaiti news agency that Russia 'won't be able to support any attempts to use the Security Council to punish Iran...in order to promote the ideas of regime change there.'" The Journal says "Iran is a touchier subject than the deeply isolated and impoverished North Korea. Iran's role as a major oil supplier and significant market for European and Chinese goods -- along with its growing sway in the Middle East -- makes U.N. diplomacy over its nuclear program far more delicate. China and some countries in Europe are also leery of pushing Iran too hard."

Rice's Push For Consensus During Asia Trip Examined. In a 1,059-word analysis of Secretary Rice's "different tactic" in diplomacy, the New York Times (10/23, Shanker, 1.21M) says, "With North Korea's nuclear test presenting one of her greatest diplomatic challenges, [Rice] has taken an approach that allies say they have seen not often enough from the Bush administration: an effort to persuade and to build consensus, rather than to dictate terms or press for immediate agreement." Saying that Rice's Asia tour last week "was not a trip planned to culminate with agreements signed or even boxes checked off," the Times adds, "As Ms. Rice enters the autumn months of the Bush administration's tenure in office, she dropped early administration mantras — like other nations are 'either with us or against us' — on this trip, and instead repeated at each whistle-stop, 'I did not come here, nor will I go anyplace else, to try and dictate to governments what they ought to do in response to Resolution 1718.'" The Administration's "struggle to rethink a faltering Iraq strategy hung over her entire trip like a shadow. Given that the Bush administration has been more reticent all along to take strong action toward North Korea, her more collegial approach was not entirely unexpected. And her approach may have been more necessity than virtue." That "tempered message played well across Asia, and extremely well in Japan, whose policies were already mostly in line with those of Washington. Unexpectedly, the Chinese responded warmly, too, prompting fresh assessments from senior State Department officials that the North Korea crisis may, in the end, bring the United States and China into closer partnership on other issues."

Lugar Endorses One-On-One Diplomacy With Iran. Sen. Richard Lugar was asked on Fox News Sunday (10/22, Wallace) if he "support[s] one-on-one, direct talks with Iran," Lugar said, "I think that would be useful, but I think even more useful right now would be, as a part of our negotiations with Iran, to bring together the members of the Security Council, Germany, the nations that surround Iraq, including Iran -- that is, bring in Iranians into a conversation about Iraq. Now, regardless of whether we have timetables for withdrawal, whether our troops come back as opposed to intensively going into neighborhoods in Baghdad, there's got to be some perimeter defense here of Iraq, some physical integrity. That's important to Iran. I would just change the subject a little bit. I would say, 'Iranians, we have something to talk to you about that's very important to you existentially.' And that may not get to the nuclear thing, but I think it does indirectly. After a while, you have at least some basis on which they have the integrity of their country."

European Court Said To Provide Rare Check On Putin's Russia. In a 1,522-word piece on its front page today, the Washington Post (10/23, A1, Finn, 748K) reports on the impact of the European Court of Human Rights on internal Russian policies. "While President Vladimir Putin has been marginalizing Russia's parliament, opposition, media and human rights groups, this international court sitting 1,250 miles away in Strasbourg, France, has emerged as a powerful check on the excesses of the Russian bureaucracy and failures by the country's own investigative organs and courts to follow Russia's laws." Moscow agreed in 1998 "to accept the court's decisions as binding," and the Post

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contrasts Russian actions to implement Court rulings with those of non-signatories including Kyrgyzstan. The Post continues, "The European Court has entered Russian popular consciousness as a port of last resort for those seeking justice because the Russian state does bow to its judgments -- albeit with some very public grumbling. While Russia is quick to pay any compensation ordered by the court, the country has been criticized by the Council of Europe's parliamentary assembly for failing to carry out systemic and deep reforms as a result of court rulings."

Fatah, Hamas Violence Ends Temporary Ceasefire. The New York Times (10/23, Kraft, 1.21M) reports, "Tensions between rival Fatah and Hamas loyalists continued to smolder Sunday in the form of a deadly shooting, a kidnapping and tire-burning protests as an informal cease-fire quickly disintegrated." In response, some Israeli leaders "called for retaking control of Gaza's southern border with Egypt. The government is expected to meet midweek to discuss the possibility of expanding the military campaign in Gaza." Despite a Fatah-Hamas agreement on Friday "to stop the violence," one Fatah militant was murdered and another kidnapped on Sunday. Of the calls to step up weapons interdiction along the Egyptian border, the Times notes, "Shimon Peres, Israel's deputy prime minister, was among those who strongly advocated the pullout from Gaza… Over a year after the withdrawal, things looked very different than he had imagined they would, and he blamed Hamas."

Israel Denying Tourist Visas To US Citizens Of Palestinian Decent. In a 1,265-word piece, the Washington Post (10/23, A16, Wilson, 748K) profiles "a change in Israeli policy that has left thousands of U.S. citizens of Palestinian descent locked out of the occupied territories where they work, invest and have families." The Post explains, "For decades, Palestinian foreign nationals have entered the West Bank and Gaza Strip on three-month tourist visas, renewing them regularly, because residency cards were difficult to obtain. But in recent months Israel's Interior Ministry has refused in many cases to grant new visas, separating thousands of family members from their relatives." That "tightening has coincided with the rise this year of Hamas," and "Palestinian officials and Israeli human rights groups contend the shift will undermine private investment in the territories -- investment the Bush administration is seeking to encourage -- while potentially driving out the professional class most likely to have relatives abroad." The Post adds, "Demographics and refugee claims have played a central role in the Israeli-Palestinian conflict, and advocates of an independent Palestinian state in the territories watch for any changes in Israel's complex permit and immigration policy."

Israelis Consider Strong Independent Executive. The Los Angeles Times (10/23, Boudreaux, 918K) reports, "Since the summertime war in Lebanon, Israel's leadership has been in turmoil," and that "angst" has "pushed an idea with growing appeal onto the Cabinet's agenda: Israel should scrap its parliamentary system, which tends to produce shaky coalition governments and throw them out with dizzying speed, in favor of American-style presidential rule. The Cabinet voted 12 to 11 to endorse the proposed overhaul and send it to the Knesset, the parliament." The Times notes that "passage is far from certain, in part because the sponsor is a right-wing politician with extreme views, growing popularity and leadership ambition. If Avigdor Lieberman were to benefit from his own proposal, his critics say, he might turn Israel's democratic free-for-all into an autocracy." Prime Minister Ehud Olmert "lobbied hard for approval of the measure despite his misgivings. His centrist Kadima Party faces a possible revolt by its leftist coalition partner, the Labor Party; he needs a new ally to preserve his majority in parliament and avoid new elections that polls show he would lose," and views Lieberman potentially as that ally. The Times adds, "The measure would give Israel's leader powers similar to those of the U.S. president, except that he would still be called prime minister. Israel's current presidency, a ceremonial post, would be abolished." Opponents of the plan "call it a recipe for gridlock between a prime minister and an opposition-controlled parliament. Others reject it as a formula for dictatorship by an unfettered ruler in a country without a constitution or complex system of American-style checks and balances."

Khartoum Expels Pronk Over Blog Entry About Military Losses. The New York Times (10/23, Hoge, 1.21M) reports Khartoum "ordered" UN chief envoy Jan Pronk "to leave, saying he was an enemy of the country and its armed forces." UNSYG Kofi Annan "said that he was reviewing the letter from the Khartoum government and had asked [Pronk] to return to New York for 'consultations.'" The Times says Pronk "has been outspoken in reporting on the killings, rapes and other atrocities in Darfur," and "has become increasingly pointed in his comments about the government." Pronk "is known as a forceful presence at the United Nations from his frequent appearances before the Security Council, where he often delivers unflinching accounts of the continuing mayhem and political breakdown in Sudan in a rhetorical style that includes finger jabbing and dramatic pauses for emphasis." The Times attributes his expulsion to "an entry he made in his blog (www.janpronk.nl) last weekend that said the armed forces had suffered two major defeats with extensive casualties against rebels in Darfur in the past six weeks. He also reported that generals

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had been cashiered, morale had sunk and the government had collaborated with the feared janjaweed Arab militias." The "State Department said it was withholding comment until it learned more from Khartoum about" Pronk's comments and his recent trip to Darfur.

The CBS Evening News (10/22, story 5, 0:15, Mitchell, 7.66M) reported, "Sudan today ordered UN Chief Envoy Jan Pronk to leave the country after he wrote that the Sudanese army took heavy losses in fighting with rebels in Darfur. The expulsion could complicate efforts to help Darfur refugees."

The AP (10/23, Osman) says Pronk was ordered to leave "after he wrote that Sudan's army had suffered major losses in recent fighting in Darfur." His expulsion "is likely to complicate international efforts to halt the killings, rapes and other atrocities in the strife-torn region of western Sudan." The British Foreign Office "condemned the decision and urged the Sudanese to reconsider."

Darfur Rebels, On The Offensive, Reject Any Ceasefire. A 1,457-word piece in today's New York Times (10/23, Polgreen, 1.21M) reports on "the new battlefield" in Darfur. "For the first time in more than two years, rebels fighting the government for more autonomy are making brazen, direct and successful attacks on soldiers, and are declaring that all previous cease-fires are no longer in effect. The latest peace agreement, signed in May and heavily backed by the United States but approved by only one rebel faction and the Sudanese government, is in disarray." The Times notes "a hardening conflict that is increasingly taking place along porous borders among some of the least stable countries in Africa, threatening to ignite a wide conflagration in the heart of the continent. … With the two sides apparently bent on all-out war, and millions of displaced people and refugees caught in the middle, the people of Darfur and the aid workers who have been trying to help them await the next, seemingly inevitable onslaught." The Times adds that "the battle in Darfur has long been a proxy, fought with villages and towns as battlefields and civilians as its primary victims," and notes rebel groups report most of their victims have been black African proxy soldiers from south and west Sudan, not Sudanese Arab forces.

Chavez Says Keeping Guatemala Off Security Council Is Victory Against US. The AP (10/23, Toothaker) notes President Hugo Chavez "said Sunday that Venezuela achieved its objective at the United Nations by preventing Washington's preferred candidate from winning a seat on the U.N. Security Council." Chavez claims that, while Caracas has consistently trailed Guatemala City throughout 35 rounds of balloting, he "has successfully challenged U.S. interests." He is quoted saying, "We have taught the empire a lesson. [Even if] Venezuela isn't able to enter the Security Council, we've done damage to the empire. That was our objective." Chavez "— a close ally of Cuban leader Fidel Castro — has promised to use a seat on the council as a platform to speak out against the U.S." Opposition politicians in Caracas "accuse Chavez of squandering millions of dollars in an effort to garner international backing for Venezuela's bid, saying he has neglected domestic problems such as rampant crime and widespread poverty." The AP notes, "The nomination of a third candidate to break the stalemate has been informally discussed, but both candidates would have to step down. Guatemala has also pledged to remain in the race."

Voters Approve Major Renovation Of Panama Canal. The New York Times (10/23, Lacey, 1.21M) notes Panamanian voters "on Sunday overwhelmingly endorsed a plan to modernize the country's aging canal, won over by government arguments that the $5.25 billion project would generate jobs and keep the canal relevant for future generations." Opponents wages a "vigorous" campaign "as skeptics questioned the government's cost estimates and raised fears that corruption would doom the project." Panama City "portrayed a 'sí' vote as a vote for the children of Panama. Without an expanded canal, officials predicted, shipping traffic would find other routes and Panama's growing economy would dry up." The refurbishment "will double the canal's capacity by adding a third set of locks that are 40 percent longer and 60 percent wider than the current ones."

The AP (10/23, Weissert) adds, "Voters overwhelmingly approved the largest modernization plan in the 92-year history of the Panama Canal on Sunday, backing a multi-billion dollar expansion that will allow the world's largest ships to squeeze through the shortcut between the seas." The Washington Times/AP (10/23, Weissert) runs the AP report.

The Los Angeles Times (10/23, Kraul, 918K) notes, "Panamanian voters on Sunday overwhelmingly approved a $5.2-billion proposal to expand the country's national treasure, the Panama Canal." President Martin Torrijos "staked his considerable popularity on voters approving the proposal, which he described in a recent interview as the 'chance of a lifetime' for Panama." The renovation "ultimately is expected to take eight years and create 7,000 jobs, with employment for thousands more people tied indirectly to the proposal. … Panamanian and international investors expect the project to stimulate economic growth. The vote is expected to touch off several private and public construction projects that have been in abeyance until the balloting."

European Nations, Municipalities Restrict Muslim Women's Veil-Wearing. The Washington Times (10/23, Bryant, 88K) reports, "Long and short, sober black and brightly hued, the Muslim veil is drawing growing criticism in much of Europe. It has been chased from public

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schools in France and Belgium, and its strictest, face-concealing variation, the niqab, has been outlawed in a smattering of European towns. Even in multicultural Britain, the niqab has sparked ferocious debate after the suspension of a Muslim teaching assistant and remarks by top government officials that the niqab encourages an unsettling social rift." The Times says the "controversy" has been furthered by "a series of incidents pitting Europe's Muslim population against its Christian majorities," and one expert is quoted saying, "There's a rise in Islamo-skepticism. There's a fear and tension that's installed in certain parts of the population, and I don't think it bodes well for the future." The Times adds, "Perhaps more than any other symbol, the veil sets Muslims apart. Worn by a minority of Muslim women in Europe, it is an easy target for stereotypes." Furthermore, "European politicians critical of the veil cite the importance of integrating ethnic African, Arab and Turkish immigrant populations."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Rise In Bribery Tests Integrity Of U.S. Border."
"The Battlefield Widens For House GOP Seats."
"In Mexico, Young And Thin Are Often Job Requirements."
"Into The Abyss Of Baghdad."
"Study Revives Debate Over LAPD's 3-Day Workweek."
"A Legend Of Base Jumping Takes Leap Of Faith His Last."

USA Today:
"Fight For Control Of State Capitals Heats Up."
"U.S. Forces Caught In Crossfire On Streets Of 'Capital Of Death'."
"Airfare Climbs 15% For Holiday."

New York Times:
"Grim New Turn May Harden Darfur Conflict."
"To Stand Or Fall In Baghdad: Capital Is Key To Mission."
"In Deregulation, Power Plants Turn Into Blue Chips."
"As G.O.P. Mopes, Bush Adds The Duties Of Optimist In Chief."
"New York, Los Angeles, Olathe? Rent's Bite Is Big In Kansas, Too."
"Out To Show He's Not Just An Old New Jersey Name."

Washington Post:
"A Set Of Borders To Cross."
"Beltway Toll Plan May Need VA. Funds."
"Europe's Long Legal Tether On Russia."
"In Reversal, Obama Says He'll Consider Presidential Bid."
"Women's Vote Could Tip Close Contest."
"Clauses And Commas Back In Style."

Washington Times:
"Medicaid Drivers Take D.C. For Ride."
"Direct Talks Urged With N. Korea."
"National Parties Roil Tennessee Race."
"Muslim Veils Prompt Bans Across Europe."
"Panama Canals Widening Wins OK."

Atlanta Journal-Constitution:
"Iraq Policy Under Siege."
"Mom's Anguish Flares AS trial To Start In Tot's Death."
"Early Voting Is Wave OF The Future."
"Store Brands: Generics Out, Upscale In Garment Fare Stressed As Is Value."

Houston Chronicle:
"An Era Ends Today As Skilling Learns Fate."
"As Lights Dim, War Memories Replayed."
"Farm Boy Realizes A Tall Dream."
"More Arrivals, More Fears."

Story Lineup From Last Night's Network News:
ABC: Presidential Election 2008; Iraq Timeline-Changing Course; Human Remains Found-Ground Zero.
CBS: Iraq Timeline-Changing Course; Campaign 2006; Obama Possible Presidential Bid; The Values Voter; UN Envoy Asked To Leave Dafur; Chicago Marathon Winner; Ipods Birthday; Brothers Go Too War; Gyro Ball; New George Washington Exhibits.
NBC: Iraq Timeline-Changing Course; Iraq-Sectarian Violence; Obama Possible Presidential Bid; Campaign 2006; Man With Amnesia; Iraq School; Egg Salad Recall; Death On Ocean Floor; High School Play.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Iraq-US Death Toll; Fernandez Apologizes For Iraq Comments; World Series; Skilling Sentencing.
CBS: World Series; Iraq-US Death Toll; Bush-Iraq; Skilling Sentencing; Gas Prices.
NPR: Fernandez Apologizes For Iraq Comments; Iraq Violence; Republicans Criticize Bush Nuclear Non-Proliferation Policy; CA-Nguyen Pressured To Withdraw; WTC-Human Remains Found; World Series; Hurricane Paula.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Participates in a Photo Opportunity with Crew Members of the Space Shuttle Discovery (STS-121), Space Shuttle Atlantis (STS-115), and Space Station Expeditions 11, 12, and 13, East Room, The

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White House; President and Mrs. Bush participate in a Photo Opportunity with the King and Queen of Sweden, South Portico, The White House; participates in Visit to Urban Trust Bank, Urban Trust Bank, Washington, DC.

VICE PRESIDENT CHENEY — Delivers remarks at a reception for the Republican National Committee, private residence, Greenwich, Conn. Closed press.

LAURA BUSH — Delivers remarks at a George Allen for Senate Reception. Private residence, McLean, Va. Closed.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: SAFE SCHOOLS _ The Safe and Drug-Free Schools and Communities Advisory Committee, appointed by U.S. Secretary Margaret Spellings, will host its fifth meeting. Location: U.S. Department of Education's Barnard Auditorium, 400 Maryland Ave. SW.

MILITARY COMMUNICATIONS _ Milcom 2006, the Military Communications Conference, will be held. Theme: ``Networking the Warfighter." The conference will include classified and unclassified sessions, discussion panels, and tutorials, focused on advanced technology in military communications. 12 p.m. - 1:30 p.m. Lunch and Dessert with Tom Brokaw, Former Anchor and Managing Editor, NBC News and Author, ``A Long Way from Home and The Greatest Generation." Location: Wardman Park Marriott, 2660 Woodley Road, NW, and Omni Shoreham Hotel, 2500 Calvert Street NW. The classified program will take place in the Ronald Reagan International Trade Center, 1300 Pennsylvania Ave. NW.

US-CHINA _ Five-day meeting of the US-China Economic and Security Review Commission. Location: Hall of the States, 444 N. Capitol St.

CANDIDATE SURVEY _ 9 a.m. Project Vote Smart President Richard Kimball announces the results of a ten-year study of every congressional, gubernatorial and state legislative candidate in the country. Location: National Press Club.

PAULSON-CURRENCY _ 9 a.m. Treasury Secretary Henry Paulson visits the Bureau of Engraving and Printing and unveils the first paper currency with the Secretary's signature. Location: Bureau of Engraving and Printing.

TAX REFORM _ 11:30 a.m. Sen. Ron Wyden and former Sen. Bill Bradley hold a news conference to urge President Bush to join Congress in enacting real tax reform. Location: Carnegie Endowment for International Peace, 1779 Massachusetts Ave. NW.

MINIMUM WAGE _ 12 p.m. Senator Edward Kennedy and former Senator John Edwards will host a press conference call with the organizers from the six states that have minimum wage initiatives on the ballot this year: Arizona, Colorado, Montana, Missouri, Nevada and Ohio. Contacts: Laura Capps, 202-224-2633.

NUCLEAR ISSUES _ 12 p.m. Mohamed ElBaradei, Director General of the International Atomic Energy Agency, holds a discussion with Robert L. Gallucci, Dean of the Edmund A. Walsh School of Foreign Service at Georgetown University, on nuclear issues. Location: Gaston Hall, 3rd floor, Healy Hall, Georgetown University.

HARKIN-HEALTH _ 12:45 p.m. Sen. Tom Harkin, D-Iowa, will address the World Congress about the need to give employers incentives to improve the health of their employees. Specifically, Harkin will discuss his legislation which he says would implement wellness tax credits for businesses to help promote prevention, fight chronic diseases and keep health care costs down. Location: L'Enfant Plaza Hotel, 480 L'Enfant Plaza SW.

ROEMER-NATIONAL SECURITY _ 4 p.m. Tim Roemer, a member of the 9/11 Commission and former U.S. congressman, delivers a lecture on national security in the United States in the 21st Century. Location: Edward J. Pryzyla University Center, Catholic University, 620 Michigan Ave. NE.

LEBANON _ 4:15 p.m. Jean-Marie Guihenno, United Nations undersecretary-general for Peacekeeping Operations, will speak at the Johns Hopkins University Paul H. Nitze School of Advanced International Studies about ``The U.N. Peacekeeping Mission in Lebanon. Location: Rome Building Auditorium, 1619 Massachusetts Ave. NW.

ENERGY OUTLOOK _ 7:30 p.m. Judith Batty, assistant chief attorney for ExxonMobil Corp., speaks at Montgomery College-Germantown as part of its 2006 Spectrun Lecture series. Topic: ``The Outlook for Energy." Location: Montgomery College-Germantown, Globe Hall, High Technology and Science Center, 20200 Observation Drive, Germantown, Md.

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From: USDOJ- Office of Public Affairs
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Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE JAG CORPS LEADERSHIP SUMMIT

Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 23, 2006
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PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES AT THE JAG CORPS LEADERSHIP SUMMIT

LAKE BUENA VISTA, FLORIDA

Thank you, General Rives. I would like to commend you for holding this Leadership Summit, and to thank you for inviting me to join you today.

As many of you know, my own experiences in the Air Force date back to when I was an 18-year-old Airman First Class stationed at Fort Yukon Air Station, Alaska. That experience, as well as my two years as a cadet at the Air Force Academy, left me with some appreciation for the work that you, and all of your colleagues in our armed services, do every day. And as a lawyer, I admire the work done by the JAG Corps in particular. Thank you for all you do to keep my family, and all of America, safe.

The theme of this conference, Teams Within Teams, is a fitting one for the work we do, and the way in which we do it. The Department of Justice and the Department of Defense are, of course, key players on the President's team in our global War on Terror. And in smaller teams every day we support and rely on each other.

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For example, we all know that the military cannot win this war without the service of the Guard and Reserves. More than a thousand DOJ employees took military leave last year, a number of whom are in the audience today, and I am extremely proud and supportive of their sacrifice. And as Attorney General I am also responsible for enforcing the Uniformed Services Employment and Reemployment Rights Act, or USERRA. DOJ investigates, mediates, and, if necessary, litigates on behalf of citizen soldiers to preserve their employment rights.

In one recent USERRA case, the Department won a consent decree from an employer who terminated a service man named Richard White on the very same day he told his boss he was being called to active duty and deployed to Iraq. The consent decree requires the employer to pay back wages to Mr. White.

What leads an employer to treat a soldier like an inconvenience is something for a higher power to judge. But here on earth, we have USERRA, and we'll use it for Richard White, and for soldiers like him, as often as is necessary.

There are many other ways in which the Department of Justice directly supports the Department of Defense. Our new National Security Division works closely with DOD on counterterrorism and counterintelligence investigations and prosecutions including those held at Guantanamo and subject to military commissions. Our civil litigators are defending more than 200 cases pending in federal courts related to detainees, including habeas petitions, FOIA lawsuits, and tort claims.

The Solicitor General's office represents DOD in a wide range of matters before the Supreme Court. The Office of Legal Counsel helps interpret statutes and Executive Orders for DOD. The FBI is helping to investigate and disrupt potential attacks on military personnel around the world, and to make use of valuable intelligence the military collects on the battlefield. These are but a few examples.

I have also had the opportunity as Attorney General to travel around the world to see Justice, Defense, and other U.S. Government personnel in action. In August I was able to travel to Doha, Qatar, and see firsthand at Al Udeid Air Base the invaluable support the JAG Corps is providing to our men and women on the battlefield. I spoke with the CENTAF Commander, Lieutenant General North, and he told me, "My lawyers are <u>indispensable</u>. They help us fight and win wars."

I was particularly impressed by the role the JAGs played in the Combined Air Operations Center. There I witnessed real-world examples of how JAGs are involved in the targeting process; providing advice to the

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commander on the legality of planned operations under the law of armed conflict and the applicable rules of engagement. I saw how lawyers work with aviators and weaponeers to identify and analyze potential targets, assess potential collateral damage, and recommend courses of action in a time-sensitive, high-stakes environment.

I toured the 379th Air Wing, had lunch with the Staff Judge Advocate and other lawyers there, and learned more about how they support the mission of our soldiers on the front lines. I met with the CENTCOM Commander, General Abizaid, and discussed the importance of the rule of law in his Area of Operations, and the important role JAGs play in combat operations.

Also in August I had an opportunity to visit Baghdad for the second time. I saw how Department of Justice and DOD personnel are working with Iraqi officials to rebuild the country's legal and law enforcement infrastructure. I visited the courthouse of the Iraqi High Tribunal and learned more about how we are working together to help the Iraqis prosecute Saddam Hussein and others who have committed atrocities against Iraqi citizens.

The President has made clear that our mission in Iraq and Afghanistan is nothing less than the establishment of the rule of law. The stakes are the highest, and your role is vital.

But the atrocities of September 11th made clear that we must use every instrument of national power to wage the War on Terror. The tools of law enforcement are often critical in protecting our citizens. But any thought that al Qaeda's campaign of global terrorism presented merely a law enforcement dilemma was laid to rest five years ago.

When our enemies are willing to sacrifice their own lives to attack us, when their cause is nothing less than a return to the Dark Ages, and when the cost of each tactical success for the enemy is measured in the hundreds and thousands of innocent lives lost, then we face something fundamentally different from crime—we are at war. Every resource of our Nation, including the military and the intelligence services, must be directed at preventing future attacks before they occur.

Over the past five years, the United States and its allies can point to a number of successes on that front. Our intelligence-gathering efforts were instrumental in capturing dozens of Osama bin Laden's closest henchmen, including the mastermind of the 9/11 attacks, Khalid Sheikh Mohammed, as well as Abu Zubaydah and Ramzi

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bin al Shibh. And the capture of those terrorists has led to actionable intelligence that has disrupted many other terrorist plots.

These successes, and the vigorous prosecution of the War on Terror, have undoubtedly made us safer, but we are not yet safe. Our enemy is patient and smart. While our successes have weakened and fractured al Qaeda, they have also forced our enemies to adapt. And so we continue to work with our allies around the globe to identify new ways to contain and combat the ever-changing threat of terrorism.

Because we are at war, we must govern our conduct by the law of war. And we must acknowledge that some of the limitations of the civilian justice system simply do not hold.

In order to defend the security of our citizens, we must have the ability

- to detain terrorists and remove them from the battlefield;
- to collect from them the vital intelligence that enables us to capture their associates and break-up future plots;
- and to create effective and fair procedures that will allow us to prosecute and punish captured terrorists for their war crimes.

The legal doctrines directed at achieving these ends are not the same as those we would employ during peacetime. The Supreme Court has recognized this in several of its decisions, including its recent Hamdan decision. And Congress has endorsed this view with the Military Commissions Act of 2006, which the President signed into law last week. The successful implementation of this Act is one of the most important challenges we will face together going forward.

As you know, the military commissions created by this legislation have been the subject of extensive debate, inside and outside the Administration. I personally met with the service Judge Advocate Generals twice on this topic to get the benefit of their input and expertise. Members of my Department also consulted with the JAG Corps on many occasions. The input of the JAGs was important in creating an effective system of justice for terrorists, and much of what I heard was incorporated into the final product, such as the decision to use the Uniform Code of Military Justice as a model for the military commissions.

This new law provides for full and fair military trials of captured terrorists; reinforces and clarifies our obligations under the Geneva Conventions; and buttresses our ability to gather vital intelligence to disrupt future terrorist attacks.

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For hundreds of years, the United States and other nations have used military commissions—not civilian courts and not courts-martial—to try unlawful enemy combatants. Military necessity does not permit the strict application of all court-martial procedures, and of course, there are important differences between the procedures appropriate for trying our service members and those appropriate for trying the terrorists they fight against.

For instance, courts-martial, like the civilian justice system, provide for strict rules governing the use of hearsay and the collection of evidence. But many witnesses before the commissions are likely to be foreign nationals not amenable to process, and others may be unavailable because of military necessity, injury, or death. And the United States military cannot be expected to leave the battlefield to gather evidence like police officers in the course of fighting the enemy.

Military commissions are both necessary and appropriate in prosecuting unlawful enemy combatants. Let me emphasize, however, that they are also venues in which the accused will receive a full and fair trial. The procedures for these commissions, like those of international war crimes tribunals, are adapted to wartime circumstances. But they contain all of the procedural protections that we regard as fundamental:

- trial before an impartial military judge
- with a defense counsel drawn from the JAG Corps
- and the presumption of innocence unless proven guilty by competent evidence beyond a reasonable doubt.

The Military Commissions Act entrusts the JAG Corps with serving as the principal prosecution and defense counsel in these critically important trials. And, as your partner, the Department of Justice will continue to rely upon your professionalism and expertise in these terror trials.

Though our enemy shows nothing but contempt for the law of war, and the standards of civilized nations, we provide him with these protections because they are consistent with the values of the United States. These values are among the many hallmarks of civilization that separate us from them.

While it is rooted in the traditions of the law of war, the Military Commissions Act gives individuals detained as enemy combatants at Guantanamo Bay greater legal rights than are provided to lawful prisoners of war under the Geneva Conventions. The new law, consistent with history, makes clear that alien enemy combatants may not file habeas corpus petitions in the civilian courts. Yet the United States provides every detainee at

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Guantanamo Bay the opportunity to challenge his detention not merely before a military tribunal, but also with an unprecedented appeal to our own domestic courts.

The Act also contains important provisions to reinforce our compliance with the Geneva Conventions, and to clarify for U.S. personnel their international obligations. For instance, interrogations of prisoners have proven to be among the most vital sources of intelligence in the War on Terror, and they have saved the lives of innocent civilians in the United States and around the world. These interrogations employ tough techniques, but the techniques are safe, consistent with our values, and have been carefully reviewed to ensure compliance with the law.

The Act buttresses the President's authority under our Constitution to interpret the meaning and applicability of the Geneva Conventions for the United States. It empowers the President to provide our personnel, and particularly our interrogators, with clear and authoritative guidelines for what they must do to comply with the Geneva Conventions.

This new law reflects a positive step forward in providing the United States with the legal tools to vigorously prosecute the War on Terror, both on the battlefield and in court. It sends a strong signal to terrorists that we will continue to use every element of our national power to pursue our enemies and to prevent future attacks on America.

We have come a long way since 9/11, but there is still much left to do. Our challenge is to remain ever vigilant. We cannot grow complacent. We cannot afford to assume the quiet of today will mean peace for tomorrow. As President Bush has reminded us, "we must not allow the passage of time or the illusion of safety to weaken our resolve in this new war."

As I've mentioned, you as JAG corp officers play an important role in fighting the war on terror. With the Act, added to your responsibilities will be passage of the actual trials of enemy combatants. I look to you to show the world—through your professionalism and hard work—that the commission process will be one that is fair. One that respects the rights afforded to the accused and the presumption of innocence. And that the Commission process—now as in the past—represents the best and most appropriate mechanism under our law, for adjudicating the guilt or innocence of enemy combatants who commit war crimes.

The Military Commissions Act is an instrumental part of our fight. The United States and the world will be more secure because of it. And I am proud of the partnerships between the JAG Corps and the Department of

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Justice on this and other fronts. Because of the strength of our teamwork in the past, and the examples of it I have witnessed for myself here and abroad, I am confident of our ability to meet the challenges we face.

Thank you again for having me. May God bless you and your families, may he watch over the American soldier, and may he continue to bless the United States of America.

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Image not available for this document, ID: 0.7.10316.22415-000002

Miller, Charles S

From: Miller, Charles S
Sent: Monday, October 23, 2006 11:02 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John; O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 10/23/06 Civil Division News

Raytheon Sues U.S. Government Over Marine Corps Coract

Naval Shipyard kickback suit settled for $4.2M: The suit originated with a complaint filed by the head of a freight forwarding firm in Newport News.

Hospital, doctors agree to pay $6.37 million to U.S.

Hospital consultant set up kickbacks for patient referrals

Ethiopian begins life sentence for genocide after US deportation

La sends FEMA some money, sues in dispute over balance

Compensation overdue for radiation victims

The horizon recedes again on Indians' vast royalty claims

Senate committee holds more Cobell meetings

Two more people convicted in DVD vending machine fraud

Inside the Navy

October 23, 2006

Raytheon Sues U.S. Government Over Marine Corps Coract

Raytheon has filed a lawsuit with the U.S. Court of Federal Claims to fight the Marine Corps' decision to take away a $36 million contract and award it instead to L-3 Communications.

By filing the lawsuit, Raytheon turns up the volume on its objection after submitting a protest Sept. 27 to the Government Accountability Office.

At issue is a contract to develop thermal imaging systems for amphibious assault vehicles. Marine Corps spokeswoman Dedra Jones told Inside the Navy the lawsuit aims to block L-3 from building sights "urgently needed by the Marines for Iraq."

A U.S. Court of Federal Claims official confirmed Raytheon filed the lawsuit Oct. 18. Judge Loren Smith has been assigned to preside over the case, the official said. On Oct. 19, the parties involved participated in a status conference, the official said. Oral arguments are slated to begin Nov. 9, according to the official.

The official said Raytheon's lawsuit is not publicly available because it contains proprietary and confidential information. At press time (Oct. 20), Raytheon did not respond to requests to comment.

L-3's Cincinnati Electronics division won the contract Sept. 18 as a result of its own protest against the Marine Corps, which was filed in July with the Government Accountability Office. At the time of the award, the Pentagon estimated that L-3 would complete the work in September 2008.

Jones said the Marine Corps issued a stop-work order Sept. 28 to L-3 after Raytheon filed its GAO protest, in accordance with federal law. On Oct. 11, the service "partially lifted" the stop-work order, also in accordance with federal law, "based upon the urgent and compelling requirement for these sights in direct support for our Marines in Iraq and Marines preparing to deploy to Iraq," she said.

"The stop work order was only lifted with respect to that part of the contract necessary to support an urgent requirement in prosecuting the [war on terrorism]," she said. "Work continues to be stopped for the remainder of the production sights under L-3's contract." The lawsuit aims to stop L-3 from building any sights.

Late last month, Marine Corps Systems Command spokesman Bill Johnson-Miles told Inside the Navy that Raytheon filed its protest with GAO on the grounds that the Marine Corps' "best value decision was improper and inconsistent with the stated evaluation criteria." The service has opposed this protest by arguing "the award was properly made in accordance with the solicitation, law and regulation," he said.

In its July 21 protest, L-3 said the Marine Corps should have offered the contract to L-3's Cincinnati Electronics division. L-3 argued that Raytheon's technology was insufficient to meet the Marine Corps requirements, noting that Raytheon's technology relied on a mirror to produce an image. L-3's system instead employed a prism, L-3 said. A mirror could not produce an image in the conditions specified by the Marine Corps, L-3 argued.

After L-3 submitted the protest, the Marine Corps declared that it intended to take corrective action and re-evaluate the contract proposals in an Aug. 7 letter to GAO. As a result, GAO dismissed L-3's protest. -- Chris Johnson

END

Daily Press (Newport News, VA)

October 21, 2006

Naval Shipyard kickback suit settled for $4.2M: The suit originated with a complaint filed by the head of a freight forwarding firm in Newport News.

Peter Dujardin

Daily Press, Newport News, Va.

Oct. 21--NEWPORT NEWS -- An Illinois transportation firm has agreed to pay $4.2 million to settle U.S. Justice Department accusations that it deliberately overcharged Norfolk Naval Shipyard for delivering cargo.

The original whistle - blower - who runs a competing freight forwarding firm in Newport News - is sharing the winnings.

AIT Worldwide Logistics of Itasca, Ill., had been accused of scheming with its agent in Hampton Roads and a transportation officer at Norfolk Naval Shipyard to bilk the government in exchange for giving kickbacks to the transportation officer. Paul Watkins runs the Oyster Point division of Target Logistic Services, a Baltimore-based company that competes with AIT for freight forwarding contracts. He was the original whistle\l "l"-blower\l "l", gathering evidence of the scheme three years ago and reporting it to the Naval Criminal Investigative Service.

Under the terms of the federal whistle-blower act, Watkins and his lawyer will split 18 percent of the amount of the Justice Department winnings.

Watkins will get $502,000, or 12 percent of the total, before taxes. Bryan Schempf - an attorney with the Newport News firm of Jones Blechman Woltz and Kelly - and his firm will get the remaining 6 percent, or $251,000 before taxes.

The Justice Department alleged that Thomas A. Perry Jr. - owner of Air Cargo Expediters Inc., as AIT's agent in Hampton Roads - provided illegal gratuities to people working in the transportation office at Norfolk Naval Shipyard. Those included Gene Boyce, the yard's transportation officer.

Perry, of Virginia Beach, and Boyce, of Elizabeth City, N.C., pleaded guilty last year to conspiracy in the scheme, which the Justice\l "l" Department\l "l" described as Boyce getting gratuities in return for awarding freight contracts to AIT between 1999 and 2004.

Boyce was sentenced to 44 months in prison and ordered to pay $543,055.36. Perry was sentenced to eight months in prison and ordered to pay $543,055.

Watkins said he heard rumors for years about kickbacks at the shipyard and always found it difficult to win contracts forwarding its air and truck cargo. "I couldn't ever get it," he said.

But then - simply by looking at public records at a government freight management Web site - Watkins began noticing that AIT was, at times, charging Norfolk Naval Shipyard as much as five or 10 times the going rate to ship spare aircraft and ship parts around the world.

There were thousands of shipments, with various levels of overcharging. In some cases, for example, a 10,000-pound air shipment delivered by AIT might be costing $50,000 - or $5 a pound - when it should have been costing only about $10,000, or $1 a pound, Watkins said.

"They were outrageous numbers, compared with what I would've charged," he said.

At first, Watkins said, "all the reasons were selfish - I was trying to grow my own business. But I finally got so disgusted in it. It was going on continually. Maybe daily."

He started printing out and tabulating what he found - at one point determining how many armored kits for soldiers in Iraq that the government could buy with the savings.

In the fall of 2003, Watkins e-mailed a Navy inspector general fraud line that he found on the Web and contacted several other Navy officials. He never heard back. But he persisted, calling the Naval Criminal Investigative Service, which began investigating immediately, he said.

"I talked to the head of it over there in Chesapeake," Watkins said.

"He told me, 'Hang up the phone. Someone will call you in 10 minutes.' And so I showed it all to them, ... and they responded."

The investigation was aggressive from the beginning, Watkins said, with the Justice Department getting involved in October 2005. Payments of gifts and cash payments were uncovered in the probe.

In addition to paying the fine, AIT has also been barred from providing federal freight forwarding to the government.

END

AP

10/23/06

Hospital, doctors agree to pay $6.37 million to U.S.

Atlanta- Northside Hospital and two doctors groups have agreed to pay $6.37 million to the federal government to resolve allegations in a whistleblower lawsuit.

The suit alleged that the hospital and doctors groups violated the false claims act by submitting claims to the Medicare program that were tainted by improper financial and referral relationships, the U.S. Attorney's office said Friday.

Northside agreed to pay about $5.72 million and two doctor-owned entities, Blood and Marrow Transplant Group of Georgia and Atlanta Blood Services, agreed to pay $650,000. The U.S. agreed to dismiss the lawsuit in exchange for the payment.

U.S. Attorney David E. Nahmias said the whistleblower suit was filed in February, 2004, by two former BMTGA employees, Cheryl Burns and Janine Slaughter. They contended that BMTGA and Atlanta Blood Center entered into multiple financial transactions with Northside Hospital that violated certain Social Security Act provisions know as the "Stark law."

That law prohibits a physician from making a referral to an entity for the furnishing of certain health services if the physician has a financial relationship with the entity that does not meet one of the law's exceptions.

Under provisions of the false claim act, Burns and Slaughter will jointly receive $1.2 million as a share of the recovery under the settlement.

END

CCH® Medicare

10/23/06

Hospital consultant set up kickbacks for patient referrals

A consultant who effectively controlled a teaching hospital, first as CEO until 1997 and later through a management company, was ordered to repay three times the reimbursement for Medicare and Medicaid claims submitted by the hospital from 1995 through 2000 plus a $7,500 penalty for each claim submitted to the programs during that six-year period. The District Court for the Northern District of Illinois imposed a total penalty of $64,259,032.50 under the False Claims Act. The court held that the consultant conspired with hospital administrators and physicians to provide kickbacks and engage in improper financial relationships in return for patient referrals to the hospital he controlled and owned indirectly. He committed numerous overt acts in furtherance of the conspiracy and caused false claims to be submitted to Medicare and Medicaid, the court found.

Although he actively concealed his financial interest in the hospital and its management company with a maze of corporate entities, the consultant earned 99 percent of all management fees during the six-year period in addition to his salary from the hospital. Between 1995–2000, the management company's distribution to the consultant and his family totaled over $9.5 million, generally being paid to family trusts. The consultant withheld information about his ownership interests from independent auditors during routine hospital audits.

Violations of statutes and common law. Payments to physicians arranged by the consultant in return for patient referrals are prohibited by the statute commonly known as Stark II, which became effective January 1, 2005. Prohibited financial relationships include any "compensation" paid directly or indirectly to a referring physician. Similarly, such referrals were prohibited by the Anti-kickback statute. By knowingly certifying or causing other hospital staff to certify compliance with these statutes in Medicare cost reports, the consultant violated the False Claims Act. Furthermore, all claims for services provided by the hospital as a result of prohibited referrals were false, according to the Act.

In addition, under both its common-law-fraud and mistake-of-fact claims, the United States would be entitled to recover the amounts improperly provided to Edgewater and the benefits that accrued to the consultant personally. However, to avoid double redress for a single wrong, these damages were set aside.

END

AP

October 23, 2006

Ethiopian begins life sentence for genocide after US deportation

By LES NEUHAUS

Associated Press Writer

ADDIS ABABA, Ethiopia_An Ethiopian deported from the United States was beginning a life sentence for genocide and crimes against humanity Monday.

Kelbessa Negewo, who claims he is innocent, was arrested Friday at Addis Ababa's Bole International Airport, after losing an appeal in July against his deportation .

"We are glad to have him in custody," Ethiopian government spokesman Zemedkun Teckle told The Associated Press.

Kelbessa was convicted in 2002 in absentia in Ethiopia for heading a special government unit responsible for having numerous civilians _ mostly students _ incarcerated, tortured and executed by firing squad.

The alleged killings took place during the notorious "Red Terror" of the 1970s, when thousands of perceived government opponents were rounded up.

Prime Minister Meles Zenawi led rebels who seized power in 1991 from the military dictatorship. The junta's leader, Mengistu Haile Mariam, fled into exile in Zimbabwe, where he remains. Kelbessa's conviction and sentencing is part of a 12-year court ase brought against officials of that dictatorship.

Kelbessa fled to the U.S. with a student visa in 1987 and later applied for political asylum, saying he had been imprisoned after falling out with the regime. He eventually became a U.S. citizen. He renounced that citizenship in October 2004 after the U.S. government moved to strip him of it, which opened the door for his deportation.

U.S. Homeland security officials said at the time Negewo lied about his human rights violations to obtain U.S. citizenship.

Public interest in the "Red Terror" trials has waned over the years because the cases have dragged on and the Ethiopian court system does not have a regular schedule of hearings, making it difficult to follow proceedings.

Ethiopia's notoriously inefficient courts have convicted 1,017 people since 1994 for participating in the "Red Terror." But more than 5,000 await trial and more than 3,000 of those, including Mengistu, live in exile.

END

AP

October 21, 2006

La sends FEMA some money, sues in dispute over balance

BATON ROUGE, La._Louisiana wired 319 (m) million dollars to FEMA today -- most of what the federal agency billed the state for hurricane recovery. It also filed a lawsuit in federal court disputing the remaining 61 (m) million dollar bill.

The state's actions were based on advice from Legislative Auditor Steve Theriot, who dispute some of the spending done by the Federal Emergency Management Agency and says some dollars weren't spent properly or couldn't be documented.

Commissioner of Administration Jerry Luke LeBlanc says the state attorney general's office filed the

lawsuit this afternoon. He says the disputed dollars will be deposited into a court registry until a judge determines whether the state owes FEMA the money.

States are required to pick up part of the cost for certain types of FEMA disaster aid, including assistance for individuals like medical care, funeral services and property damage after a disaster.

Louisiana received its first bills from FEMA in December 2005, a few months after Hurricane Katrina struck in August 2005 and Hurricane Rita struck in September. The state has received bills totaling 380 (m) million dollars.

END

KUAM-TV (Guam)

October 22, 2006

Compensation overdue for radiation victims

by Jean Hudson, KUAM News

One non-profit organization continues to push for victims of radiation exposure. President of the Pacific Association for Radiation Survivors Robert Celestial says according to the National Research Council Guam has missed out on many years of compensation. "Because as of 2000 through 2002, counties in the United States have been receiving millions of dollars through the Radiation Exposure Compensation Act, and we missed it back then and last year again,' he explained.

Celestial continued, "And so what that does, we now have to justify ask for funding for a new hospital, radiation therapy, and we need a radiation oncologist and a team to operate the machine because they appropriated $2 million for through the Legislature for the machine. It's like buying an airplane without the pilots and mechanics to run it."

He says according to the National Research Council, survivors who lived on Guam between 1946 and 1962 may qualify for compensation. Also, during the PARS annual membership meeting this afternoon, guest speaker Dr. Luis Syzfres with the Cancer Research Center talked about research that reveals that only 5.3% of Guam's population is over age 65. "This is something that is even published in the U.S. Census. I began to ask what is going on in Guam? I receive answers like 'Oh, they're on vacation, the old people', 'They are visiting their children.' No! So what is it? What is unique to Guam that people can't get really old?

"And when we say old, we know that these are diseases that are not like bullets. They are chronic diseases that start early in life," he said.

END

Los Angeles Times

October 23, 2006

The horizon recedes again on Indians' vast royalty claims

Sam Howe Verhovek - Times Staff Writer

HEART BUTTE, MONT. Hopes were high this summer when news reports from Washington, D.C., indicated that Congress could be on the verge of settling a long-running lawsuit against the federal government over billions of dollars claimed by Native American landowners across the West.

The suit also returned to the national radar when an appeals court took the highly unusual step of removing the federal judge overseeing the matter, saying he had become too biased in favor of the Indians.

But Congress adjourned for the election season without taking up the $8-billion near-deal outlined by Sen. John McCain (R-Ariz.), chairman of the Indian Affairs Committee. And anger and frustration returned to places like the Blackfeet Indian Reservation, home of Elouise Cobell , the lead plaintiff in the complicated case.

"I'm afraid this whole problem is going to be swept under the rug again," said Cobell, a banker and rancher here.

"That's where a lot of the money owed us has been for more than a century."

At issue are the royalties for oil and gas drilling, mining, logging and grazing on 10 million acres of Indian-owned lands, which the federal government has managed as far back as 1887.

Under the system, the Interior Department calculates and collects these royalties and mails checks to Indian landowners and their descendants.

A 10-year case

The lawsuit has stretched on for 10 years and the title of the case has changed three times, marking the shift in federal Interior secretaries, who are named as the chief defendant: first it was Cobell vs. (Bruce) Babbitt; then Cobell vs. (Gale) Norton; now it's Cobell vs. (Dirk) Kempthorne.

In that time, the plaintiffs have thrown around plenty of big numbers, arguing at one point that the unpaid royalties plus interest would top $100 billion.

And the federal judge overseeing the case, a conservative Reagan administration appointee, has been blistering in his criticism of the government's handling of the matter -- so harsh that a federal appeals court this summer removed him from the case, saying he had lost his objectivity.

In a July 2005 opinion, the judge, Royce C. Lamberth, wrote: "Our 'modern' Interior Department has time and again demonstrated that it is a dinosaur -- the morally and culturally oblivious hand-me-down of a disgracefully racist and imperialist government that should have been buried a century ago, the last pathetic outpost of the indifference and anglocentrism we thought we had left behind."

Even the appeals court that removed Lamberth chastised the Interior Department for its "deplorable record" in managing the royalties. The plaintiffs have filed a motion asking the appeals panel to reconsider its removal of Lamberth.

The judge's dismissal has caused plenty of discord on the Blackfeet reservation, a windy, chilly expanse of plains and hills in northwestern Montana, just south of the Canadian border and east of Glacier National Park.

"This is a judge who spent a lot of time looking into this fiasco," said Victor Leonard Sure Chief, 71, a maintenance man taking a break between rounds in Browning, the biggest city on the reservation.

"It seemed to us he was very fair, and look what happens -- they whacked him."

Sure Chief's sporadic royalty payments for his family's land, leased to wheat farmers, range from $200 to about $700.

Recipients average a few thousand dollars a year.

"You never quite know what you're going to get," he said.

"Someone's been making a lot of money off that land, but it's not us."

Catherine Marie Salois Hall, 62, who lives in tiny Heart Butte, in the southern tip of the reservation, said she had never really understood how the checks are calculated that show up in her mailbox -- usually a few hundred dollars.

They are for patchwork pieces of land in her family that are leased by mining, ranching and oil interests.

"My late mother told us that someday, something might happen and this land would be really worth something to us," said Hall.

"But it's never really happened."

'Not holding my breath'

Her brother, Edward Chief All Over, 60, said he wasn't sure the legal case would ever untangle just how much his family might be owed.

"If somebody puts the money in my hand someday, I guess I'll believe it. But I'm not holding my breath."

The royalty system dates to 1887, when Congress passed the Dawes Act, intended to "civilize" the Indians and granting each Indian head of household as much as 320 acres.

But because congressional leaders questioned the Indians' ability to manage their own affairs, the land was put in trust, with the federal government overseeing royalty payments for its use.

Over the decades, the paternalistic system turned into an accounting mess, with records lost and the government often unable to track descendants entitled to a share of royalty rights.

Original files were eaten by insects, destroyed in fires and floods, and in one case, left inaccessible for years at a New Mexico warehouse because of fears that they might be contaminated with hantavirus from rodent droppings.

The finances were so tangled that in recent years, plaintiffs took to calling their lawsuit the "Indian Enron case."

In theory, with as many as 500,000 Native American claimants to the royalty payments, an $8-billion settlement could average out to $16,000 per person.

END

Indianz.Com.

October 23, 2006

Senate committee holds more Cobell meetings

The Senate Indian Affairs Committee has scheduled six more consultation meetings on the $8 billion settlement to the Cobell trust fund lawsuit.

The first meeting takes place today in Tulsa, Oklahoma. The last will be held November 9 at the Senate Russell Office Building in Washington, D.C.

Other meetings have been scheduled in Cabazon, California (October 24); Rapid City, South Dakota (October 25); Albuquerque, New Mexico (October 31); and Bismarck, North Dakota (November 2)

The committee is considering S.1439 to settle the long running Cobell case. The bill has been delayed twice in recent months due to resistance from the Bush administration.

"I think it's incomprehensible that the administration would not be able to come up with at least a response with what is a product of years of effort on the part of this committee and the interested parties," Sen. John McCain (R-Arizona), the committee chairman, said in September.

Sen. Byron Dorgan (D-North Dakota), the vice chairman, said Interior Secretary Dirk Kempthorne and Attorney General Alberto Gonzales have been cooperative. He traced the delay to the White House.

"It's the White House and the Office of Management and Budget that have not given us a number," Dorgan said earlier this month via video to the National Congress of American Indians.

Congress returns to work on November 13.

END

Florida Sun-Sentinel

Oct. 21, 2006

Two more people convicted in DVD vending machine fraud

Port St. Lucie News

Two men who sold DVD vending machines out of Hollywood were convicted Friday of fraud charges in federal court in Miami, according to the U. S. Attorney's Office.

Edmond Grigorian and Cesar Menendez were part of a scheme to fraudulently sell a business opportunity involving DVD vending machines. The two used false information about the company, including exaggerated profit projections and fake references, to lure investors who contributed a total of $19 million. Sentencing is scheduled for January.

American Entertainment Distributors Inc. was in business from November 2003 to September 2004, when the Postal Inspection Service executed a search warrant and the Federal Trade Commission obtained a court order that shut down the business.

Seven other people already have been convicted in the scam, prosecutors said.

END

USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Tuesday, October 24, 2006 8:26 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Tuesday, October 24, 2006
Attachments:	agnb061024.pdf; agnb061024.doc

This morning's Attorney General's News Briefing is attached.

Website: You can also read today's briefing, including searchable archive of past editions, at http://www.BulletinNews.com/justice.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: TUESDAY, OCTOBER 24, 2006 7:45 AM EDT

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TERRORISM NEWS:

Gonzales Lauds New Military Commissions Law. United Press International (10/24) reports, "U.S. Attorney General Alberto Gonzales on Monday praised the new Military Commissions Act, saying prisoners now have more rights than they did before." UPI continues, "Gonzales was speaking to a leadership convention of U.S. Judge Advocates General in Lake Buena Vista Fla., and echoed U.S. President George Bush's call for better tools to combat terrorists, whose cause, he said 'is nothing less than a return to the Dark Ages.'" UPI adds, "He said the act, signed into law this month by Bush, gives individuals detained as enemy combatants at the U.S. military prison at Guantanamo Bay, Cuba, 'greater legal rights than are provided to lawful prisoners of war under the Geneva Conventions. … Although our enemy shows nothing but contempt for the law of war and the standards of civilized nations, we provide him with these protections because they are consistent with the values of the United States. These values are among the many hallmarks of civilization that separate us from them,' Gonzales said."

Military Commission Act Sparks Early Legal Challenges. The ABA Journal (10/20, McDonough) reports, "Not long after the ink dried on President Bush's signature enacting the Military Commissions Act of 2006 on Oct. 17, lawyers for Guantanamo detainees filed notice of plans to challenge the legislation. … As Bush signed the act, he said it is 'one of the most important pieces of legislation in the war on terror.' Among other things, it grants the president the authority to establish military commissions to try detainees who have been designated enemy combatants and defines the policies and procedures of the commissions." The Journal continues, "Speaking from the East Room at the

DOJ_NMG_0085285

White House, Bush said the 'military commissions will provide a fair trial in which the accused are presumed innocent, have access to an attorney, and can hear all the evidence against them. … These military commissions are lawful, they are fair, and they are necessary,' he said. … But the detainees dispute the fairness and lawfulness of the act. Specifically, they challenge section 7, which strips the federal courts of jurisdiction to hear habeas petitions from those who are designated as enemy combatants or are awaiting such determinations. … Other critics have raised similar objections, including ABA President Karen J. Mathis, who outlined the ABA's concerns in a September letter." The Journal adds, "Miami lawyer Neal R. Sonnett says, 'The signing formalizes what is one of the worst pieces of legislation in decades. It sets back the rule of law substantially, especially the court-stripping provisions which the ABA will continue to fight.' Sonnett chairs the ABA's Task Force on Treatment of Enemy Combatants. … It's no surprise to Sonnett that the habeas provisions are the first issues to surface in the courts because, he says, 'there is no precedent to the wholesale stripping of rights that are in' the act. … Sonnett says the ABA, following on the heels of several other organizations, will be asking the government to allow time for the public to comment on the rules that are developed for the military commission trials."

Italy's Top Spy To Be Fired, Possibly Charged In Rendition Probe. The New York Times (10/24, Fisher, Povoledo, 1.21M) reports, "Italy's top spy is expected to be replaced in the coming days, as prosecutors seek his indictment on charges connected to the abduction of a militant Egyptian cleric in Milan by American intelligence agents in 2003." The Times notes that "any trial, especially one involving a prominent official like" Nicolò Pollari, "could shed uncomfortable light on how American allies cooperated in one of the most controversial tactics in the Bush administration's fight against terrorism." Former US intelligence analyst Michael Scheuer said, "The idea that either the director of central intelligence or the White House — and this would have had to go to the president — would have agreed to conduct the operation unless they were absolutely sure the Italian government was behind it is laughable. It's not even in the realm of possibility."

WPost Says US Anti-Terror Laws Keeping Out "People Who Should Be Protected." Under the headline "The Refugee Mess," the Washington Post (10/24, A18, 748K) editorializes that the admittance of 42,000 refugees into the US this year – "a figure significantly lower than in either of the previous two years" – is due largely to "the irrationally broad definitions in current law regarding terrorism, terrorist groups and material support for terrorism -- definitions that end up excluding as terrorists people who should be protected. … The law gives the administration some waiver flexibility, which it rightly has begun using recently on behalf of many ethnic Karen and Chin victims of the Burmese military junta. But that is only a partial fix, for the administration does not have the power to admit refugees who were members of groups that bore arms -- even those allied with this country." The Post states that the administration's apparent openness to giving "itself flexibility concerning members of groups that meet the absurdly broad definition of terrorist" would represent "a breakthrough."

HOMELAND RESPONSE:

NYTimes Ordered To Disclose Kristoff Sources For Anthrax Probe Lawsuit. The New York Times (10/24, Lewis, 1.21M) reports, "A federal magistrate judge has ordered The New York Times to disclose the identities of three confidential sources used by one of its columnists, Nicholas Kristof, for pieces he wrote about the investigation of the deadly anthrax mailings of 2001. The order, issued Friday by Magistrate Judge Liam O'Grady" and disclosed yesterday, "requires the newspaper to disclose the identities of the three sources to lawyers for Dr. Steven J. Hatfill, who has brought a defamation suit against The Times. … Catherine Mathis, a spokeswoman for The Times, said the newspaper would appeal the ruling."

The AP (10/24, Barakat) notes that the ruling includes "two FBI sources who allegedly provided some of the most incriminating information in Kristof's columns. … The FBI sources told the Times that Hatfill was one of a limited number of people with the access and technical expertise to manufacture the anthrax and that he failed several lie-detector tests. The FBI agents 'are the only sources who would have the type of inside information on which the columns claim to rely,' said Charles Kimmett, one of Hatfill's lawyers."

The Washington Post (10/24, B3, Markon, 748K) reports that "Kristof vowed to continue protecting his sources. 'We were disappointed with the decision because we believe

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that confidential sources are sometimes very important in covering government investigations,' Kristof said in an interview." The Post notes, "In a series of columns in 2002, Kristof criticized the FBI for failing to aggressively pursue a scientist he initially called 'Mr. Z,'" whom he later identified as Hatfill.

The New York Sun (10/24, Gerstein) reports, "The magistrate ordered the Times to identify the sources by tomorrow, but the newspaper filed an emergency motion yesterday asking to stay the deadline while the judge overseeing the case, Claude Hilton, reviews the ruling. … If Judge Hilton upholds the order and the Times refuses to comply, the judge could fine the newspaper, take some punitive measure if the libel suit goes to trial, or jail an employee or officer of the Times for contempt." The Sun adds, "Magistrate O'Grady said one reason testimony from the sources was needed is that discrepancies have arisen between sources Mr. Hatfill's legal team has been able to identify and Mr. Kristof's accounts of his conversations with those sources. According to Mr. Hatfill's lawyers, a SUNY Purchase biologist who served as a source for the columnist, Barbara Rosenberg, denied Mr. Kristof's claim that she said Mr. Hatfill was certain to have the ability to make 'first-rate anthrax.' … Ms. Rosenberg also initially denied having asked for confidentiality, as the Times asserted, but she later said she might have."

Grassley Demands Anthrax Probe Briefing By Thanksgiving. Roll Call (10/24, Kane, Newmyer) reports Sen. Charles Grassley "formally demanded a briefing by the FBI before Thanksgiving on the status of its five-year investigation into the fall 2001 anthrax attacks. In a pointed, five-page letter to Attorney General Alberto Gonzales…Grassley attacked the FBI's 'blanket prohibition' on briefing Capitol Hill about the attacks." Grassley wrote, "If some individual did act inappropriately by speaking to the media about an FBI briefing, stiff-arming Congress on all future requests is an unacceptable over-reaction. The FBI doesn't become exempt from scrutiny just because there may have been an inappropriate disclosure by someone on Capitol Hill."

Roll Call Calls Lack Of Briefings "Simply Unacceptable." Roll Call (10/24) editorializes, "It is simply unacceptable, as a matter of proper respect between the legislative and executive branches of government, that the FBI is not informing Congress of its progress, or lack of it, in tracking down those who killed five people with anthrax in 2001 and, but for luck, might have killed many more on Capitol Hill." Roll Call notes the Hatfill lawsuit and asks, "Is the FBI keeping Congress in the dark to protect a 'productive' investigation, or to prevent embarrassment in court? Congress has a right to know."

CBS Investigation Finds "Gaping Holes" In Air Cargo Screening. The CBS Evening News (10/23, lead story, 4:05, Couric, 7.66M) reported that the cargo loaded onto passenger planes remains a "gaping hole" in air travel security. "Today the government ordered what's being termed a significant increase in screening, but even with that, a lot of cargo still won't be checked for explosives." CBS (Keteyian) goes on to describe tests in which producers were able to ship packages on passenger flights of their choosing. "It shouldn't have been that easy because, after 9/11, the airline industry instituted what's called the known shipper program." Upon arrival in New York, five of the six packages sent by CBS "were not visibly opened or inspected." Keteyian asked TSA Deputy Assistant Secretary Robert Jamison whether he was "asking too much" in wishing that "more than one of our packages had at least been opened, let alone X-rayed." Jamison said CBS was "not accurately representing the levels of explosive detection that we have in place." He said that "even without opening cargo it can be inspected with explosive detection devices and bomb sniffing dogs." However, CBS (Keteyian) stated that "despite such certainty and the TSA's announcement today of enhanced air cargo security, these changes will not completely close the loopholes we found in the system."

Florida Man Pleads Guilty To Airline Bomb Hoax. KCAL-TV Los Angeles (10/23) reported on its Web site, Yechezkel Wells of Miami Beach man "pleaded guilty Monday to a federal felony charge for calling in a bomb threat for a JetBlue flight at Long Beach Airport after he arrived too late to board the plane. … He could be sentenced to probation under a plea deal with prosecutors, although U.S. District Judge Florence-Marie Cooper will have the final say on sentencing when Wells returns to court Jan. 29." KCAL noted that after Wells made the threat, he "was quickly detained by FBI agents, along with three friends who were released after questioning. … According to an affidavit signed by FBI Agent David Gates, Wells admitted making a 911 call from an airport pay phone sometime after 9:10 p.m., after a

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JetBlue supervisor refused to issue him a boarding pass." The AP (10/24) also reports on Wells's plea.

Doctors Have Yet To Find Link Between Ground Zero Dust And Disease. The New York Times (10/24, Depalma, 1.21M) reports, "With thousands of people now seeking compensation and treatment for dust exposure" following 9/11, "the debate about the relationship between the toxic particles and disease will be a central issue in the flood of Sept. 11-related lawsuits. Health experts are starting to document the connections, but any firm conclusion is still years away." The Times notes that "only after years of observation did doctors agree that there was a strong link between asbestos and diseases like asbestosis and mesothelioma." As thousands of lawsuits move to trial, any proof that fails to meet "a reasonable degree of medical certainty" will likely "be challenged."

Bloomberg Says Construction At World Trade Center Site Will Continue. NBC Nightly News (10/23, story 7, :20, Williams, 9.87M) reported that the recent discovery of human remains at Ground Zero "continues to shock people. It's been over five years since 9/11 and they are still finding human body parts, more than 100 of them in the last four days at the Ground Zero site. New York's Mayor said today it is tragic that a handful of places were not thoroughly scrutinized as well as they should have been. Still he says construction at that area will go on." CNN's The Situation Room (10/23, Verjee) reported, "Some of the victims family members demanded that officials halt construction. But Bloomberg said this morning the work will go ahead as scheduled."

WAR NEWS:

Bush Will No Longer Use Phrase "Stay The Course" In Reference To His Iraq Policy. ABC World News (10/23, story 2, 2:05, Raddatz, 8.78M) reported last night that "a senior White House official acknowledges that the President is very worried about the situation in Iraq and is looking for ways to turn it around." In "a sign that the White House is reassessing its own rhetoric on Iraq as midterms approach," White House spokesman Tony Snow announced "the President will no longer use the term 'stay the course.'" Snow was shown saying, "It allowed critics to say, 'Well, here's an Administration that's just embarked upon a policy, not looking at what the situation is.' When, in fact, it's just the opposite." After a weekend meeting "with top generals," added ABC, "the President told CNBC today it was up to them." Bush was shown saying, "The meeting went like this. We want to win? Yes, sir. What are we doing to adjust to the enemy? And here are some options, Mr. President. My answer is: 'You chose, and I support you.'" ABC added, "A plan is being devised that would create benchmarks for success, new makers that would include a timetable for the Iraqi government to force the militias to disarm. Rid the Iraqi police of militias. And require specific political and economic progress." Donald Rumsfeld, US Secretary of Defense: "What it is, is a way ahead. So that the parliament, their parliament, their government can have a set of tasks that they need to do to get prepared to assume the responsibility for governing their country." Raddatz: "There is great concern among some military officials that the plan is not moving fast enough," and "one senior military official telling ABC News today: It's like coming up with remodeling plans while your house is burning down."

The negative tone of the ABC story, and also its leading the report with Snow's "stay the course" announcement, was typical of the coverage on TV and print. A number of reports, also like ABC, link the White House message on Iraq to the upcoming elections. CNN's The Situation Room (10/23, Blitzer), for example, summed up the story saying, "Fifteen days before America votes, the Bush administration is trying to sound more flexible about Iraq, while the public is sounding even more skeptical."

The CBS Evening News didn't cover the story. NBC Nightly News (10/23, lead story, 3:15, Williams, 9.87M) reported, "Bush has decided he will no longer use the phrase 'stay the course' when talking about US policy in Iraq." The announcement "comes two weeks before midterm elections and in light of a grim new death toll. At least 12 Americans lost their lives in Iraq this past weekend bringing the death toll for the month of October to at least 88, on pace to become the worst in two years." Turning to Bush's meeting with top generals, NBC reported "Administration officials say the generals recommended no major changes in US tactics or a timetable for withdrawing American troops. Instead the decision was made to prod the Iraqi government into drafting its own timetable to measure progress in Iraq setting a time frame and benchmarks for taking over their own security and improving government and vital economic services. What if they don't make the date and miss their mark? It would carry no threat of penalty from the US. Tony Snow said the US would not issue ultimatums to the Iraqis." Snow was shown

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saying, "The United States comes to Iraq and says, 'This is what you must do?' No."

A second NBC Nightly News report (10/23, story 2, 1:55, Williams) said "pollsters tell us there is evidence the national conversation on the war is changing right now. Our most recent poll found more than 60% of Americans are pessimistic about Iraq. You can sample that by yourself any place people gather and these days that even includes the red states, the ones that went heavily for the President in the last election." That is where one can now find "some of the pessimistic public opinion." NBC goes on to interview several people, some of them veterans, who oppose the war.

The Washington Post (10/24, A1, Baker, 748K) reports "the White House is cutting and running from 'stay the course.'" Democrats "have now turned 'stay the course' into an attack line in campaign commercials, and the Bush team is busy explaining that 'stay the course' does not actually mean stay the course." The New York Times (10/24, Rutenberg, Cloud, 1.21M) also reports Democrats "have increasingly pressed a case this fall contending that Republicans are stubbornly proposing to 'stay the course' in a failing effort to stanch violence in Iraq -- an approach that strategists in both parties consider to have been fairly successful, especially as violence has continued to mount in Baghdad. In the last few weeks a number of Republican lawmakers and party elders have also come forward to express doubts about whether the administration's approach to stabilizing Iraq is succeeding and to suggest new strategies." AFP (10/24) notes Bush "appears to have last used the expression on August 30, when he vowed: 'We will stay the course, we will help this young Iraqi democracy succeed, and victory in Iraq will be a major ideological triumph' in the war on terrorism."

The Christian Science Monitor coverage (10/24, Grier), meanwhile, does not reflect Snow's announcement. It reports that "with violence surging in Baghdad and midterm elections two weeks away, the Bush administration faces pressure as never before to change its approach in Iraq." However, the Monitor adds the White House "insists the US needs to stay the course."

ABC World News (10/23, story 3, 1:35, Gibson, 8.78M) also reported on the "discussion in Washington of new approaches in Washington. What do the Iraqis make of that?" ABC (McCarthy) added, "Well, the first thing to say is the Iraqis are watching this really closely. One of their big nightmares would be the US decide to pull troops out early as Iraq is now on the brink of outright civil war." In fact, Fox News' Special Report (10/23, Baier) said "Iraq's deputy prime minister, in London, told Tony Blair US and coalition troops must resist the temptation to leave Iraq in the face of souring public opinion about the war. He said Iraqis are anxious to show progress and urging world leaders not to become pessimistic about the process of success."

USA Today (10/24, Jackson, Michaels, 2.27M) reports "Zalmay Khalilzad, the US ambassador to Iraq, and Gen. George Casey, the top US commander there, are to appear at a news conference in Baghdad today to discuss efforts to improve security." National Security Council spokesman Frederick Jones "said Casey and Khalilzad will highlight progress in Iraq, including the training of Iraqi security forces and the US military's successes in neutralizing the improvised bombs that are a major weapon of insurgents. 'There is slow but sustained progress,' Jones said."

Rice Advisor Says Administration Continuously Adapts Iraq Strategy. Senior adviser on Iraq to the Secretary of State, Condoleezza Rice, David Satterfield, was asked on CNN's The Situation Room (10/23) if a major shift in Iraq strategy is in the works right now. Satterfield said, "We're assessing. And we have been assessing for some time, in the form of the consultations that the President undertakes with his senior military commanders and political advisers, both in Baghdad. We went through these when I was there, as well as with his staff in Washington. What's the situation? What's the threat? What's the challenge? How best to respond? We try to adapt on a continuous basis to this. And I would -- would steer away from the idea of dramatic, radical changes, but to more adjustments and strategy to cope with the changing situation on the ground."

Republicans Taking On Bush On Iraq Issue. The AP (10/24, Raum) reports, "Republicans worried about losing Congress are challenging…Bush on Iraq, eroding his base of support for the unpopular war just two weeks before midterm elections. Increasing calls from restive Republicans for new ideas to extricate the US come as the White House itself seems to struggle for a better course, or at least a better way to describe the current course." GOP Sen. John Warner, chairman of the Senate Armed Services Committee, "seemed to open the floodgates to GOP criticism this month when he warned after a trip to Iraq that the war was 'drifting sideways' and a course correction might soon be warranted." In recent days, "Sen. Kay Bailey Hutchison, R-Texas, said she would not have supported the invasion had she known there were no

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weapons of mass destruction, and she has proposed splitting Iraq into three parts. Virginia Republican Sen. George Allen, in a difficult re-election battle with Democratic challenger James Webb, dropped his stay-the-course mantra to assert, 'We cannot continue doing the same things and expect different results. We have to adapt our operations, adapt our tactics.'" Sen. Conrad Burns "said in a debate last week with Democratic challenger Jon Tester that he agreed with Warner's call for a change in strategy — and believed Bush already had a plan to win the war but for now was keeping it quiet. That remark drew ridicule from Democrats who likened it to Richard Nixon's 'secret plan' to end the war in Vietnam." The AP adds, "Also challenging Bush's Iraq policy have been former Secretary of State Colin Powell, Republican Sens. Lincoln Chafee of Rhode Island, Chuck Hagel of Nebraska, Susan Collins and Olympia Snowe of Maine, and several House Republicans."

Graham Claims Iraq Is "On The Verge Of Chaos." Another AP dispatch (10/24, Riechmann) quotes GOP Sen. Lindsey Graham saying, "We're on the verge of chaos, and the current plan is not working." Asked "who in particular should be held accountable -- Defense Secretary Donald Rumsfeld, perhaps, or the generals leading the war," Graham said, "All of them. It's their job to come up with a game plan."

Biden, Gelb, Holbrooke Promote Iraq Federalization Plan. In a Wall Street Journal (10/24, A18, 2.03M), op-ed, Sen. Joe Biden and Leslie Gelb of the Council on Foreign Relations again promote their "Plan for Iraq" that would create a federalized state "with three or more largely autonomous regional governments to suit the separate interests of Shiites, Sunnis and Kurds. A central government would administer common concerns, such as defending Iraq's borders and managing its energy infrastructure. The constitution already provides for this approach and Iraq's parliament last week passed a law to implement its articles on federalism. But for federalism to work, the constitution must be amended to guarantee Sunnis 20% of oil revenues to be administered by the central government. Only with such revenues could a Sunni region become economically and politically sustainable." They say the US must also "have a plan prepared by our military for the redeployment and withdrawal of most U.S. troops over the next 18 months," and must "ignite the most vigorous regional diplomacy to back up the power-sharing deal among Iraqis and avoid neighbors warring over an Iraqi vacuum."

In his monthly Washington Post (10/24, A19, 748K) column, Richard Holbrooke writes an open letter to Bush, saying, "Even your strongest critics understand that disengagement is fraught with risk. You have warned of the bloody consequences that might follow a U.S. withdrawal. Preventing such a tragedy must be your first priority." He urges Bush "to lay out realistic goals, redeploy our troops and focus on the search for a political solution." He endorses the Biden-Gelb plan to create "a looser federal structure with plenty of autonomy for each of the three main groups, and an agreement on sharing oil revenue."

NYTimes Lays Out Strategy For Containing Iraq "Disaster." In a 1,700-word editorial, the only one it runs this morning, the New York Times (10/24, 1.21M) writes, "No matter what President Bush says, the question is not whether America can win in Iraq. The only question is whether the United States can extricate itself without leaving behind an unending civil war that will spread more chaos and suffering throughout the Middle East, while spawning terrorism across the globe." The Times sets out to "describe a strategy for containing the disaster as much as humanly possible. It is hardly a recipe for triumph." The newspaper says Bush "cannot leave office with American troops still dying in an Iraq that staggers along just short of civil war, on behalf of no concrete objective other than 'get the job done,' which is now Mr. Bush's rhetorical substitute for 'stay the course.'" PM Nouri al-Maliki "must receive an immediate deadline" to begin reconciliation talks; Baghdad must be stabilized; Iran, Saudi Arabia, Syria, and other nations must be brought into talks with the US; and the Bush Administration must "acknowledge reality" about "how few options remain on the table, and about the mayhem that will almost certainly follow an American withdrawal unless more is done."

UK Foreign Secretary Suggests History Could Judge Iraq War A "Disaster." The Financial Times (10/24, Dombey, Negus) reports UK Foreign Secretary Margaret Beckett said the Iraq invasion "could eventually be judged to have been a disaster." Asked on the BBC "whether historians would judge the invasion to be a foreign policy disaster. She responded: 'Yes, they may. Then again, they may not.'"

Kaplan Argues Iraq Woes Do Not Negate Bush Doctrine's Worth. In the Financial Times (10/24), the New Republic's Lawrence Kaplan writes that critics of the Bush Doctrine "might do well to cast a glance backward, for this is hardly the first time critics have extrapolated from the particulars of a controversial war and gone too far. Two years

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of war in Korea convinced many Republicans that President Harry Truman's containment doctrine was a dead letter. … Republicans, though, would soon enshrine in official policy the same doctrine they had spent years assailing. … That the lessons of Iraq should be heeded in policy deliberations makes sense. But such lessons, by themselves, provide no adequate response to a menacing international scene. Rather than offer a lucid analysis of the mismatch between the Bush doctrine's objectives and accomplishments – refining or discarding its most controversial elements – critics on the campaign trail have offered a formula for virtual-disarmament."

More Commentary. In his Los Angeles Times column (10/24), Niall Ferguson argues, "You would have thought 300 million Americans would be enough to rule the world — or at least a couple of medium-sized failed states. ... My argument [three years ago] was that the United States was unlikely to be as successful or as enduring an imperial power as its British predecessor for three reasons: its financial deficit, its attention deficit and, perhaps most surprisingly, its manpower deficit. ..." Ferguson explains the manpower deficit: "Why is the world's third-most -populous country so short of boots on the ground? The obvious answer is that, considering the size of the U.S. population and the Pentagon's vast budget, the American military is a remarkably small outfit. ... To make matters worse, the Department of Defense has been run since 2001 by a man who fervently believes that less is more. It was Donald Rumsfeld, we now know, who repeatedly dismissed expert advice that several hundred thousand troops would be needed to ensure the stability of postwar Iraq. ... Policy about Iraq has never been based on a rational assessment of that country's needs. Rumsfeld's paramount concern appears to have been to win the turf wars between the Defense Department, the Joint Chiefs and the State Department ... The only question is what age the 300-millionth American will be when the last American is airlifted out."

In his Washington Post (10/24, A19, 748K) column, Eugene Robinson writes, "Okay, now they're just making stuff up." The President "went on television Sunday and claimed that on Iraq war policy, 'We've never been "stay the course" -- as if no record survived of all the times he has used those very words. Maybe he was trying to outdo Dick Cheney, who went on the radio last week and proclaimed that the beleaguered Iraqi government is doing 'remarkably well.' … If Bush and Cheney were being sincere, then they're lying to themselves; if not, they're lying to the rest of us. My money is on the latter."

In his column in today's New York Times (10/24, 1.21M), Nicholas Kristof analyzes the financial costs of the war. "For every additional second we stay in Iraq, we taxpayers will end up paying an additional $6,300. So aside from the rising body counts and all the other good reasons to adopt a timetable for withdrawal from Iraq, here's another: We are spending vast sums there that would be better spent rescuing the American health care system, developing alternative forms of energy and making a serious effort to reduce global poverty." The "tab" for Iraqi reconstruction is now estimated to "be more than $1 trillion — perhaps more than $2 trillion. The higher sum would amount to $6,600 per American man, woman and child." Kristof adds that "many of the costs are hidden and haven't even been spent yet." Medical care and disability benefits for veterans "will continue for a half-century." Noting the "economic costs to the nation as a whole," Kristof adds, "The bottom line is that not only have we squandered 2,800 American lives and considerable American prestige in Iraq, but we're also paying $18,000 per household to do so." He concludes by advocating spending the $200 billion annually that would maintain troops in Iraq, on "fighting malaria, AIDS and maternal mortality, bolstering American schools, and assuring health care for all Americans. We're spending $380,000 for every extra minute we stay in Iraq, and we can find better ways to spend that money."

In his New York Times (10/24, 1.21M) column, John Tierney writes, "An American in Iraq has finally gotten it almost right." Maj. Gen. J. D. Thurman, senior commander of US forces in Baghdad, "has figured out the obstacle to America's dream for Iraq. 'Part of our problem is that we want this more than they do,' General Thurman told The Times's Michael Gordon, alluding to American efforts to unify Iraqis. 'We need to get people to stop worrying about self and start worrying about Iraq.'" But the problem, Tierney argues, is that Iraqis "have so many social obligations more important to them than national unity. Iraqis bravely went to the polls and waved their purple fingers, but they voted along sectarian lines. Appeals to their religion trumped appeals to the national interest. And as the beleaguered police in Amara saw last week, religion gets trumped by the most important obligation of all: the clan."

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Maliki Orders Crackdown On Militias. The Washington Post (10/24, A16, Knickmeyer, 748K) reports Iraqi PM Nouri al-Maliki said Iraq "has ordered its security forces to crack down on unlawful acts by armed factions," in a "rare public rebuke to the Shiite militias allied with his government. Although the statement was bolder than usual for Maliki, it fell short of directing that the illegal militias be disbanded, a move that American officials are increasingly urging as sectarian bloodletting and other violence soar."

US Raids Insurgent Stronghold Near Euphrates. The Washington Post (10/24, A16, White, 748K) reports on the US raid on the Yusufiyah Thermal Power Plant, "nestled in a Sunni stronghold" close to the Euphrates, an "insurgent sanctuary just miles outside Baghdad from which fighters have launched attacks and terrorist bombings in the surrounding area." The Post says the persistence of "insurgent safe havens in such close proximity to Baghdad underscore the complexity of the fight U.S. forces continue to wage. As American troops try to shore up Iraqi government institutions, transfer large swaths of territory to Iraqi forces and dampen spiraling sectarian strife, they are confronted by still lawless areas."

US Forces Trace Kidnapper-Killers To Sadr City. The Los Angeles Times (10/24, Daragahi, 918K) reports, "The sprawling, densely populated Shiite Muslim stronghold known as Sadr City has always been a place apart. ... These days, many U.S. commanders view the neighborhood as something akin to Cambodia during the Vietnam War — a sanctuary for the militia known as the Al Mahdi army, whose zealous volunteers are dispatched elsewhere in pogroms against their Sunni Arab countrymen. ... U.S. and allied forces are worried that Sadr City is becoming an Iraqi version of the Hezbollah bastions of southern Beirut and the Bekaa Valley in eastern Lebanon."

US Soldier Missing In Baghdad. The Los Angeles Times (10/24, Daragahi, 918K) reports, "A U.S. soldier may have been kidnapped by Iraqi insurgents today, setting off a massive search of the capital, a military official said." Joint US and Iraqi patrols "scoured the city for the soldier," while an "Iraqi intelligence source said the soldier may have been kidnapped while off a U.S. base. U.S. and Iraqi security forces raided locations where the soldier may have been taken. The constant drone of helicopters could be heard over central Baghdad into the early hours of Tuesday morning." ABC World News (10/23, story 4, 0:15, Gibson, 8.78M) also noted the search for the US soldier.

The New York Times (10/24, Tavernise, 1.21M) says, "A brief military statement said that the soldier was reported missing around 7:30 p.m. and that American and Iraqi forces 'immediately responded to attempt to locate the soldier.'" The Times adds, "The disappearance is highly unusual, as American soldiers are rarely, if ever, away from their units and Humvees when outside the safety of American bases, and leaving a base alone would violate military regulations. Even so, the disappearance is deeply troubling for the military and comes at a time of tense relations between it and the Iraqi government."

Lawmakers Decry CNN Video Showing Sniper Attack On US Soldiers. CNN's The Situation Room (10/23, Blitzer) reported, "CNN is taking heat for a controversial report from Iraq. Some Congressional critics are calling it insurgent propaganda. But CNN is sticking by its decision to show the dangers U.S. troops face on the streets of Iraq." CNN (Todd) reported, "When a US serviceman is killed by a sniper in Iraq, it is often officially designated only as a death from small arms fire. The randomness, the sudden brutality of life taken is not mentioned. Last Wednesday, CNN not only mentioned it, but showed it to viewers on video taken by an insurgent sniper. … This insurgent video showing sniper attacks on US soldiers in Iraq was given to CNN by insurgents calling themselves the Islamic Army after CNN sent e-mail questions to the group. In correspondent Michael Ware's report, CNN only used images shot from a distance and never showed a serviceman being hit, dissolving to black before the impact. The network made clear it is not known what happened to the targeted soldiers." CNN added, "In the days that followed, three US lawmakers, led by House Armed Services Chairman Duncan Hunter, a Vietnam veteran, wrote to Defense Secretary Donald Rumsfeld saying that CNN was serving as a publicist for the insurgents and asking that CNN reporters who are embedded with U.S. soldiers be removed from those positions."

Rep. Duncan Hunter said on CNN's The Situation Room (10/23), "One, this is propaganda by the bad guys. It has almost no value in terms of the overall strategy of the war. It simply shows somebody being shot. Everybody who is killed in Iraq, every one of the…2,791 soldiers who has died is listed the next day in thousands of newspapers and media across the nation. So this isn't -- this isn't a case of people not

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knowing that soldiers are being shot. But the idea that in the invasion of Normandy, if Hitler sent us a film, sent CNN a film showing Americans going down under .50 caliber bullets on the -- on the beaches of Normandy or in Iowa Jima, the Imperial Government of Japan sending CNN images of American Marines -- 5,000 of them were killed at Iowa Jima -- going down under the impact of rounds as they hit that beach, or went out on Mount Suribachi would have been outrageous."

An AP (10/24, Flaherty) story about Hunter's remarks says he "asked the Pentagon to bar CNN reporters from traveling with military units in Iraq because the network showed insurgent snipers shooting at U.S. troops. … In past wars, he said, the press was more pro-American." Hunter, "a staunch defender of the Bush administration and its handling of the war in Iraq, said the decision was irresponsible because it could encourage more attacks on U.S. troops." His "fury over the video underscores the tightrope often walked by news media in the war. Critics of the war say Americans see very little of the daily violence in Iraq because of television's reluctance to show gory footage. Dangerous conditions also keep journalists from reporting independent of military units that provide them protection." The AP notes, "The footage does not show the actual death or wounding of any service member. In one instance, the tape shows a service member milling around a public area. A shot rings out, and the tape fades to black."

Administration Said To Harm Public Diplomacy Efforts By Rebuking Fernandez. Coverage continued of NEA/PPD Director Alberto Fernandez's weekend comments to Al-Jazeera. The Christian Science Monitor (10/24, Murphy) says Fernandez "was expressing a sentiment widely held in the Arab world. To many Arabs, it was a stunning moment of candor. It led front pages of newspapers across the region." His "fluent Arabic and dozens of regional television appearances have made him the voice of American policy to millions in the Middle East," and his Saturday remarks "struck the sort of tone that public policy experts say the US needs if it is to regain some of its credibility in Arab eyes." The Monitor calls Fernandez "one of America's most potent public diplomacy weapons in the region," and says his "future is clouded" because of Administration repudiations of his comments.

In an op-ed in the Washington Post (10/24, A19) on President Bush and Vice President Cheney "making stuff up" about Iraq policy, Eugene Robinson notes Fernandez "told the truth about Iraq" and then "had to quickly apologize for his candor."

British General Explains Counter-Insurgency Tactics Used In Ulster. The Washington Times (10/24, Scarborough, 88K) reports, "Some of the Army's brightest minds gathered Oct. 16 in an auditorium in the Pentagon to hear a British general explain how Britain won in Northern Ireland after 37 years of fighting insurgents and how those lessons might be applied in Iraq." At Fort Leavenworth, Kan., "where officers pore over thousands of pages of after-action battlefield reports to learn the lessons of this war, the Combined Arms Center next month will release the Army's first comprehensive counterinsurgency manual since the 1960s. An Army official said it will stress winning hearts and minds, rather than using brute force, to defeat armed groups. The command has opened a Counterinsurgency Center to continue brainstorming over better battlefield tactics against terrorists." The Army lecture "featured Gen. C. Redmond Watt, Britain's top land forces commander who headed government troops in Northern Ireland when the Irish Republican Army announced disarmament last year." A person "at the lecture noted that Gen. Watt said Iraq is 10 years away from a 'sufficient outcome.' It will take that long to bring along the Iraqi security forces, disarm militants and nurture the politicians needed to sustain a democratic society."

Fake News Show's Popularity Highlights Iraqis' "Gallows Humor." A 1,263-word piece in today's New York Times (10/24, Luo, 1.21M) reports, "Nearly every night here for the past month, Iraqis weary of the tumult around them have been turning on the television to watch a wacky-looking man with a giant Afro wig and star-shaped glasses deliver the grim news of the day." However, his "newscast is a parody…that fires barbs at everyone from the American military to the Iraqi government, an Iraqi version of 'The Daily Show With Jon Stewart.' Even the militias wreaking havoc on Iraq are lampooned." The show "Hurry Up, He's Dead" is "the talk of Baghdad, delighting and shocking audiences with its needling of anyone with a hand in Iraqis' gloomy predicament today. The acerbic newscasts, each lasting about 20 minutes, are broadcast on Al Sharqiya, an Iraqi satellite station that has at times run afoul of the government for its regular news coverage." Their "success is

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a testament to the gallows humor with which many Iraqis now view their lives — still lacking basic services and plagued by unrelenting violence more than three years after the American-led invasion." The Times adds, "Since the fall of Saddam Hussein, comedies have proliferated on Iraqi television," and "the humor behind many of the show's jokes lies in the uncomfortable recognition that they are just a step away from reality in a crumbling Iraq."

Sailor Pleads Guilty To Killing Iraq Veteran. The Washington Times/AP (10/24, Barisic) reports the story locally covered by the Norfolk Virginian Pilot, "A sailor pleaded guilty Monday to abducting and killing a Marine corporal he thought had been involved in a gang rape. The rape turned out to be a lie, but the truth surfaced too late." Petty Officer 3rd Class Cooper Jackson killed Cpl. Justin Huff.

Tillman's Brother Blasts Iraq War. The AP (10/23) continues its coverage of Kevin Tillman's remarks on Truthdig.com, reporting that he "sharply criticizes the invasion of Iraq, the indefinite imprisonment of terrorism suspects and other events since the brothers enlisted together ... The Defense Department is investigating allegations of a cover-up, including failure by the Army to tell Tillman's family for several weeks that he had been killed by gunfire from his fellow Army Rangers, not by enemy fire as they initially were told."

The New York Times (10/24, Archibold, 1.21M) reports, "In what are apparently his most expansive public remarks since the death of his brother at age 27, he also does not spare the American public, which he suggests too often relies on superficial gestures to support the troops instead of holding politicians accountable. ... Under pressure from the family and members of Congress, the inspector general of the Defense Department and the Army Criminal Investigation Command are examining the actions of members of Mr. Tillman's unit and the initial investigation."

Hyde Urges Rumsfeld To Revamp Afghan Drug Policy. USA Today (10/24, Leinwand, 2.27M) reports, "A leading House Republican is urging Defense Secretary Donald Rumsfeld to revamp the U.S. strategy against heroin production in Afghanistan, saying record opium poppy harvests show efforts to target farmers are not working." Rep. Henry Hyde "said in an Oct. 12 letter to Rumsfeld that the U.S.-supported poppy eradication program in Afghanistan is a failure." Rumsfeld "has not answered Hyde, but Air Force Lt. Col. Karen Finn, a Pentagon spokeswoman, said Monday, 'We take this matter very seriously, and we will be responding.'" The UN "said 37,807 acres were eliminated this year, about 7% of the acreage cultivated. Hyde wants military air support for DEA missions."

Bad Finances Keep Thousands Of Troops From Duty. The Washington Post/AP (10/24, Watkins) runs an AP story that first appeared last week, reporting, "Thousands of U.S. troops are being barred from overseas duty because they are so deep in debt they are considered security risks, according to an Associated Press review of military records. ... the increase is occurring at a time when the armed forces are stretched thin by the wars in Iraq and Afghanistan."

CORPORATE SCANDALS:

Enron's Skilling Given 24-Year Prison Sentence. ABC World News (10/23, story 6, 0:20, Gibson, 8.78M) reported, "In Houston today, former Enron CEO Jeffrey Skilling was sentenced for crimes that led to one of the biggest corporate collapses in history. The judge ordered Skilling imprisoned for more than 24 years and he will lose his remaining $60 million in assets. After hearing from victims the judge said Skilling's crimes imposed on hundreds if not thousands, a life sentence of poverty."

The Washington Post (10/24, A1, Johnson, 748K) says that "under federal rules, Skilling, 52, must serve at least 85 percent of his sentence, which means he would not be released for more than two decades, when he will be in his 70s." Lake, however, "could have imposed a stiffer penalty. Skilling's sentence is second only to the 25-year term given to WorldCom Inc. founder Bernard J. Ebbers, whose company also collapsed during an accounting fraud that rocked investor confidence and prompted Congress to pass corporate accountability legislation in 2002." Skilling's "emotional state has been delicate since he left Enron. Over eight days on the witness stand during the trial, Skilling described his spiral into drinking and depression as Enron began to sink under the weight of its financial problems. After he was indicted, he twice had contact with police related to his alcohol consumption, most recently last month." The New York Times (10/24, Barrionuevo, 1.21M) reports, "Despite being ordered not to drink by the court after a drunken scuffle with bar patrons in Manhattan in 2004,"

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Skilling "was arrested last month by Dallas police for public intoxication and forced to spend a night in jail." The Los Angeles Times (10/24, Zimmerman, Hart, 918K), in a similar report, notes Stanford law professor Robert Weisberg described the 24-year prison term as "a life sentence."

The Wall Street Journal (10/24, C1, Emshwiller, 2.03M) reports, "The fact that corporate executives can receive prison terms akin to life sentences as a first-time offender has caused debate in law-enforcement and legal circles. 'Mr. Skilling's sentence was entirely expected and grossly excessive,' said Jacob Frenkel, a former federal prosecutor who is in private practice in Rockville, Md." The sentence, he added, "shows 'how distorted sentencing in white-collar cases has become.'" Yesterday's sentence also "underscored the dangers of going to trial versus the benefits of pleading guilty and cooperating with federal investigators."

In a front-page story, the Houston Chronicle (10/24, Hays, 535K) added that Skilling "will also fork over $45 million in restitution should he lose his appeal." Assistant US Attorney Sean Berkowitz "said that leaving Skilling with 'virtually no assets when all this is over is appropriate.' 'The Enron fraud is as large and serious as any other fraud in this nation's history,' Berkowitz said."

The Washington Times/AP (10/24, Lozano) reports US District Judge Sim Lake "ordered Skilling, 52, to home confinement, wearing an ankle monitor, and told the US Bureau of Prisons to recommend when Skilling should report to prison." Lake "recommended no date, but suggested Skilling be sent to the federal facility in Butler, N.C." Skilling insisted "he was innocent yet" appeared "remorseful in a two-hour hearing." Skilling's term, adds the AP, "is the longest received by any Enron defendant; former chief financial officer Andrew Fastow was given a six-year term after cooperating with prosecutors and helping them secure Skilling's conviction."

USA Today (10/24, Farrell, 2.27M) reports, "Prior to his sentencing, Skilling addressed the judge, saying he was bothered by the perception that he felt no remorse about Enron's collapse. 'That's just the furthest thing from the truth,' he said. Referring to Lay and former Enron executive Cliff Baxter, who took his own life in January 2002, he said, 'I had friends who died, good men.'" But Skilling "spent much of his speech reiterating his innocence, a position consistent with his plans to appeal the verdict." The Financial Times (10/24, McNulty) says Skilling "put his arm around his lawyer, Daniel Petrocelli, after his sentence was announced, then sat down and turned to give his sobbing wife, Rebecca, a weak smile across the courtroom."

Texas Lawyer (10/24, Jeffreys) reports, "Lake sentenced Skilling to 292 months in prison, which was at the low end of the range of punishment dictated by the Federal Sentencing Guidelines. Lake said Skilling could have received up to 365 months in prison under the guidelines. Prosecutors and defense attorneys had stipulated the financial loss caused by Skilling's crimes at a minimum of $80 million, Lake said." Texas Lawyer continues, "At the sentencing hearing, Lake also approved a stipulated forfeiture and restitution settlement agreement that would provide money to plaintiffs in civil litigation filed by disgruntled shareholders and employees who lost retirement money through Enron's retirement plans. Skilling will forfeit assets worth about $45 million, said Sean Berkowitz, an assistant U.S. attorney who is the head of the Enron Task Force. … 'I think it is a fair solution,' Lake said about the restitution agreement. 'It will allow victims to recover ... a substantial amount of money.' … The fund will be overseen by U.S. District Judge Melinda Harmon, who presides over the civil litigation."

The Chicago Tribune (10/24, Burns, 623K) reports, "Addressing news reporters outside the courthouse, wearing a court-required ankle bracelet to track his movements, the one-time corporate star remained unrepentant, professed his innocence and vowed to appeal."

NBC Nightly News (10/23, story 5, 2:05, Williams, 9.87M) said "the sentence came at the end of a three-hour sentencing hearing in which about half a dozen former employees took him to task. One saying he should be ashamed of himself. Another calling him a liar, drunk and a cheat. It could amount to a life prison term for the 52-year-old prison."

The CBS Evening News (10/23, story 5, 1:10, Couric, 7.66M) interviewed former Enron Vice President Sherron Watkins, who "blew the whistle on the company's accounting shenanigans and says Skilling deserved an even tougher sentence." Watkins: "I still conclude that Jeff Skilling's leadership or lack thereof is what got Enron into the trouble, into fraudulent financial statements, really." Couric: "What do you think the most important lesson learned here was?" Watkins: "I think its accountability. Jeff Skilling to this day does not accept responsibility for Enron's fraudulent activities or for its demise. And he was the CEO. He was the man at the helm."

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ABC World News (10/23, 7:11 p.m.) reported, "In Houston today, former Enron CEO Jeffrey Skilling was sentenced for crimes that led to one of the biggest corporate collapses in history. The judge ordered Skilling imprisoned for more than 24 years and he will lose his remaining $60 million in assets. After hearing from victims, the judge said Skilling's crimes imposed on hundreds if not thousands, a life sentence of poverty."

CBS Evening News (10/23, 6:47 p.m., Couric) reported, "And former Enron CEO Jeffrey Skilling was sentenced today to more than 24 years in prison. Skilling, who became a poster boy for corporate greed, was convicted of 19 counts of fraud, conspiracy, insider trading, and lying to auditors. Thousands of Enron workers lost their jobs and pensions and stockholders lost billions when that company collapsed. Earlier today, I spoke former with Enron Vice President Sherron Watkins. She blew the whistle on the company's accounting shenanigans and says Skilling deserved an even tougher sentence." Sherron Watkins, former Enron Vice President: "I still conclude that Jeff Skilling's leadership or lack thereof is what got Enron into the trouble, into fraudulent financial statements, really." Couric: "What do you think the most important lesson learned here was?" Watkins: "I think its accountability. Jeff Skilling to this day does not accept responsibility for Enron's fraudulent activities or for its demise. And he was the CEO. He was the man at the helm." Couric: "Incidentally, Skilling told reporters he plans to appeal. Meanwhile, he is confined to his home with an ankle bracelet."

NBC Nightly News (10/23, 7:10 p.m., Williams) reported, "This was sentencing day today for former Enron CEO Jeffrey Skilling, who presided over what was the second largest corporate collapse in this nation's history after WorldCom, that is. The sentence handed down today was harsh. CNBS Scott Cohn in with us tonight from Houston. Scott, what went on there today? Scott Cohn: "It is a harsh sentence. In fact, one of the harshest in recent memory for a high profile white collar crime case. Jeffrey Skilling will go to prison for 24 years and four months, or just shy of the 25 years the WorldCom CEO received. He will also forfeit most if not all of his net worth, $45 million, most of which will go to the victims of Enron collapse. Skilling does plan to appeal. He says while he does feel sorry for what happened at the company he still believes he did not commit any crimes. The sentence came at the end of a roughly three-hour sentencing hearing in which about half a dozen former Enron employees took Skilling to task. One saying he should be ashamed of himself. Another calling him a liar, a drunk and a cheat. It could amount to a life prison term for the 52-year-old prison, but judge Sim Lake said he had sentenced many of hundreds if not thousands of Enron employees and shareholders to a lifetime of poverty. Skilling is very much at the brunt of the anger now because his mentor Ken Lay died in July and his conviction wiped clean last week."

Local Television. Local Texas television networks reported very heavily on the prison sentence handed to former Enron CEO Jeffrey Skilling. In general, the verdict was seen as the harshest yet in the Enron case. Some examples: KIII-TV Corpus, (10/23, 5:59 p.m.) broadcasted, "A judge in Houston today sentenced former Enron CEO Jeffrey Skilling to 24 years and four months in federal prison. Back in may, a jury convicted Skilling of fraud, conspiracy, insider trading and lying to auditors."

KABB-TV San Antonio, (10/23, 9:11 p.m.) broadcasted, "Jeffrey Skilling is paying the price for the fall of Enron. A federal judge in Houston sentenced Skilling to 24-years and four months in prison."

KDFW-TV Dallas, (10/23, 10:09 p.m.) broadcasted, "The collapse of Enron will cost the company's former CEO 24 years of his freedom and millions of dollars. Today a federal judge in Houston sentenced Jeffrey Skilling to prison. He is the last of the top officials to learn his punishment. He received the harshest penalty in connection with the scandal."

WFAA-TV Dallas, (10/23, 10:08 p.m.) broadcasted, "He will wear an ankle monitor until that facility is chosen."

KSWO-TV Wichita Falls, (10/23, 5:08 p.m.) broadcasted, "Before the sentence was handed down, Skilling heard from the victims of Enron's massive 2001 financial collapse. At least 10 people signed up to talk about how the company's implosion affected their lives."

KEYE-TV Austin, (10/23, 10:10 p.m.) broadcasted, "Before sentencing, Skilling maintains his innocence but says he has remorse."

KHWB-TV Houston, (10/23, 8:59 p.m.) broadcasted, "Jeffrey Skilling is ordered by U.S. district judge Sim Lake to serve just over 24 years in prison. Yeah, but the saga is not over yet. The former Enron Chief Executive Officer says he is innocent and is planning to appeal."

KCEN-TV Waco, (10/23, 10:00 p.m.) broadcasted, "Former Enron CEO Jeffrey Skilling says he will appeal his sentence in connection with the collapse of the Houston company and still insists he's not guilty."

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KTSM-TV El Paso, (10/23, 5:20 p.m.) broadcasted, "Experts say it was Skilling's arrogance and lack of sorrow under questioning that made him the prime target in the Enron scandal."

US Sues Lay Estate Seeking Assets. The Houston Chronicle (10/24, Ivanovich) reports, "The government filed suit against the late Ken Lay's estate Monday, hoping to wrest control of the one-time Enron chairman's River Oaks condominium and other assets valued at about $12.7 million." The Chronicle continues, "In the wake of a federal judge's decision last week to vacate Lay's fraud and conspiracy convictions because of the Enron executive's death, the government filed a civil suit in U.S. District Court in Houston seeking 'to recover property that constitutes proceeds of the fraud proven in the criminal case against Lay,' the Justice Department said in a statement." The Chronicle adds, " The government wants Lay's 33rd-floor condo in the Huntingdon at 2121 Kirby, valued at $2.5 million, along with $10.2 million in assets controlled by KLL & LPL Investments Ltd. and $22,680.14 in a Bank of America account. … Michael Ramsey, the Houston attorney who represented Lay at the criminal trial, called the government's suit an effort to 'seize the homestead of the widow.' … 'Mr. Lay is dead, and this is an attack, apparently, on his widow and his children,' Ramsey said." The Chronicle notes, "Lay died July 5, just weeks after a jury found him guilty on six charges of fraud and conspiracy. In a separate trial, U.S. District Judge Sim Lake also found Lay guilty of four counts of bank fraud. … But since Lay died before his appeals could be exhausted, Lake, after a decision handed down in another case by the U.S. 5th Circuit Court of Appeals, wiped out the conviction."

Western Digital Review Finds Improper Options Grants. The AP (10/24) reports, "Western Digital Corp., a computer memory and data storage company, said Monday that its three-month investigation of its stock option practices turned up 19 improper stock option grants, but it found no evidence that the option grants were manipulated to avoid reporting compensation expenses on its financial statements." The AP continues, "The company said that 19 stock option grants between fiscal year 1998 and fiscal year 2003 were improperly accounted for, and as a result the company should have recognized approximately $21 million of stock compensation and tax-related expenses." The AP adds, 'The investigation, which was carried out by a special committee of independent members of the company's board of directors, found that an annual employee stock option grant made in November 1999 was 'intentionally dated with hindsight at a low price.' But the company said although this instance of backdating was improper, no evidence was found that it was done to avoid compensation expense or any other financial statement impacts. … At least 140 public companies have disclosed Justice Department, SEC or internal investigations into possible backdating of their option grants."

CNET Networks Delays Full Financial Report Pending Options Review. The AP (10/24) reports, "CNet Networks Inc., an online publisher of technology news and reviews, said Monday its third-quarter revenue grew 13 percent, but it will delay filing its official results until an accounting review of its past stock-option grants is complete." The AP continues, "The company would not speculate on when the review would be completed and declined to discuss how its earnings might be effected. … Quarterly revenue rose to $92.8 million from $81.9 million during the same period last year. … That matched the results expected by analysts polled by Thomson Financial … For the fourth quarter, CNet said it expects revenue of $108 million to $115 million. For the full year, the company forecast $376 million to $386 million in revenue. … CNet is one of at least 93 companies that have been questioned by the Securities and Exchange Commission or the Justice Department for the timing of past stock options grants. .. .CNet previously said it found instances in which actual measurement dates for certain past stock options differ from recorded measurement dates, and that these accounting errors will require the company to restate certain past financial statements. … CNet said it will not file its full financial results for the quarter until the restatement process is complete."

DOJ's Pact With Prudential Signals New Risks For Counsels. The Corporate Counsel (10/24, Reisinger) reports, "The price for settling criminal allegations by the government keeps getting higher. In August, Prudential Financial Inc. signed a deal with the U.S. Department of Justice that allows it to avoid prosecution for wrongdoing at a brokerage subsidiary. But prosecutors didn't ask for a corporate monitor, as they typically do in deals of this nature. … Instead, the settlement with Newark, N.J.-based Prudential requires GC Susan Blount to personally design, install, and oversee a complex compliance program. Moreover, Blount

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must report on the program to federal prosecutors twice a year for the next five years." Corporate Counsel continues, "Forcing a company to adopt a compliance plan is common in deferred and nonprosecution agreements, several experts say -- but demanding that a GC be held personally accountable is not. In effect, Blount has become an enforcement officer for Michael Sullivan, the U.S. attorney in Boston who oversaw the investigation into the problems at Prudential. Should the compliance program fail, Blount could be held liable by the government, as well as by shareholders." Corporate Counsel adds, "Why didn't Sullivan take the usual route and appoint a corporate monitor? That move would have 'made little sense in this case,' Sullivan explains, because Prudential had sold a majority share in the subsidiary that engaged in the wrongdoing. 'The [government] did, however, want to make sure that the parent company improved its oversight of its subsidiaries,' Sullivan says. He accomplished that by imposing significant duties on GC Blount that cover the entire company."

US Formally Requests Alexander Extradition From Namibia. The AP (10/24) reports, "The U.S. has requested the extradition from Namibia of Jacob 'Kobi' Alexander," the former Comverse CEO "accused in the United States of hatching a scheme to pocket millions of dollars by secretly manipulating stock options, the U.S. Embassy spokesman said Monday. … Dennis Khama, a Namibian Ministry of Justice official who handles extradition issues, confirmed the U.S. request had been received and said the minister would first have to determine whether it complied with the country's extradition laws. If it does, the minister will then submit the request to a magistrate." The AP notes, "Alexander was arrested…at the request of the FBI after a two-month manhunt."

Mutual Benefits Corp Co-Founder Pleads Guilty To Securities Fraud. Dow Jones (10/24, Hughes) reports, "A founding partner of a Florida viatical settlements company has pleaded guilty to participating in a massive securities fraud in which investors lost $956 million, federal prosecutors announced on Monday." Dow Jones continues, "Peter Lombardi, one of the founders of Mutual Benefits Corp., was accused of helping orchestrate the fraud from October 1994 through May 2004. He has agreed to be responsible for $956 million in restitution to victims and faces as much as 20 years in prison and a fine of as much as $5 million, according to a press release issued by the U.S. Attorney for the Southern District of Florida." Dow Jones adds, "Viatical settlements allow terminally ill people to sell their life insurance policies for an immediate payment. The purchaser of the policy becomes the beneficiary of the policy and makes premium payments, receiving the full life insurance benefit when the terminally ill person dies. … Lombardi was accused of helping direct an international network of sales agents who falsely assured investors by using false projections of how long the insured people would live. The Justice Department said that in fact, most investors have never realized any profit and haven't been able to get their investment back since about 80% of the policies never matured."

Grasso To Appeal New York Judge's Ruling. The New York Law Journal (10/24, Bar) reports, "Richard A. Grasso, the ex-New York Stock Exchange chairman, will ask the New York Appellate Division, 1st Department, to review Justice Charles E. Ramos' decision ordering him to repay as much as $100 million in compensation from his former employer. … 'Justice Ramos recently wrote that he takes comfort from the fact that the Appellate Division will review his rulings,' Grasso said late Thursday. 'So do I.'" The Journal continues, "Grasso is being sued by New York Attorney General Eliot Spitzer, who has argued that Grasso's $187.5 million pay package was excessive under the state's not-for-profit law. Spitzer said Friday that he was not surprised by Grasso's decision to appeal the latest decision. 'The defendants will continue to do what they have always done -- delay,' Spitzer said. … But Grasso attorney Gerson A. Zweifach, a partner at Williams & Connolly, has reportedly said that any delay was Spitzer's fault. Zweifach said the case is at a standstill because the Appellate Division must decide whether it was appropriate for Ramos, in an earlier decision, to order a bench trial over the issue of whether Grasso's pay was reasonable. 'The reality is that this case would be mostly done with trial right now had the attorney general not asked the judge to delay the trial and to order a bench trial,' Zweifach said. … Four appeals stemming from the case are pending, including one filed by Kenneth Langone, Grasso's co-defendant."

Perle Won't Face Charges In SEC Hollinger Probe. The SEC has notified former Pentagon adviser Richard Perle that they will not bring charges against him in connection with a case involving his work as a Hollinger

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International Inc. board member. The Wall Street Journal (10/24) reports, "Dennis Block, an attorney for Mr. Perle, said his client was notified by the SEC early this month that he wouldn't face charges. Mr. Perle served on the executive committee of Hollinger International from 1994 to 2003, along with former Hollinger Chairman Conrad Black and former Hollinger Chief Operating Officer David Radler. … A 2004 report for Hollinger International's board found that Mr. Perle 'repeatedly breached his fiduciary duties as a member of the executive committee' by failing to evaluate several consent forms that authorized many of the transactions."

Former Delphi Employees Seek Insurer's Payment Of Legal Fees. The Detroit Free Press (10/24, Roberson) reports, "Former Delphi Corp. CEO J.T. Battenberg III, former CFO Alan Dawes and seven other former Delphi employees who have incurred legal bills linked to a federal investigation of accounting issues, filed a motion in a U.S. bankruptcy court Thursday demanding access to a Delphi insurance policy that could pay their legal expenses." The Free Press continues, "From Delphi's bankruptcy filing Oct. 8, 2005, through February 2006, most of the former employees racked up more than $147,000 in legal expenses collectively. The costs are related to allegations of violations of federal and state securities laws and the Employee Retirement Income Security Act. .. .But Delphi general counsel David Sherbin sent individual letters to attorneys of the former employees in February letting them know Delphi would not pay the outstanding balance of legal bills or any future legal fees and related expenses. … 'The company has the authority but not the obligation' to pay for certain legal expenses, Sherbin said in a Feb. 21 letter addressed to Dawes' attorney. … A hearing on the motion from the former employees is set for Nov. 30."

Ford To Restate Earnings After Faulty Accounting Discovered. The Detroit News (10/24, Shepardson) reports, "Ford Motor Co. became the latest auto company to admit accounting mistakes Monday when it said it would restate earnings going back to 2001 because its credit arm incorrectly accounted for interest rate and currency derivative swaps." The News continues, "Ford Motor Credit and many large companies -- especially banks -- use the financial instruments to hedge their bets against changes in currency values or swings in interest rates. … Ford said the restatement would materially improve 2002 results, but would have no effect on the company's cash position. … 'Our overall hedging strategy is sound,' Ford's Chief Financial Officer Don Leclair said in a conference call Monday as Ford released third-quarter financial results. 'We will correct our accounting for these types of derivative instruments. We remain committed to strong internal controls and reporting transparency.'" The News adds, "Leclair said the errors were discovered during a routine review of Ford Credit's annual report with the SEC. … Ford will issue its restated earnings early next month when it files its third-quarter report with the Securities and Exchange Commission."

Professor Argues Against Regulating Hedge Funds. Jonathan Macey, a professor at Yale Law School, writes in the Wall Street Journal (10/24), "Virtually every month sees some newly warmed-over argument to regulate the $1.2 trillion hedge fund industry. Having failed to stir up sufficient fear that hedge funds are ripping off their investors or are somehow harming the companies in which they invest, the latest complaint is that hedge funds pose a 'systemic risk' to the financial markets. … So frightening is this vague notion that regulators are safe in suggesting that even the slightest threat should justify massive regulatory intervention. … In the case of hedge funds, however, the very structure of the industry proves that they do not pose any systemic risk to the economy." Macey adds, "Hedge funds are already thoroughly regulated by market forces. Those that perform well for their investors will flourish. Those that perform poorly will whither. This is the best and only form of regulation that hedge funds require."

CRIMINAL LAW:

Federal Prosecutors Targeting GOP Lawmakers. The AP (10/24, Jordan) reports, "Public corruption cases brought by Justice Department prosecutors in Washington are on the rise, fueled in part by investigations targeting Republican lawmakers in Congress." The AP continues, "With the Nov. 7 elections looming, prosecutors have moved forward on investigations of three GOP lawmakers in the last month alone. And several Justice Department officials privately hint that even more inquiries -- involving Republicans and Democrats alike -- may be under way. … 'We can't look at what party someone is a member of in deciding whether or not to pursue an investigation,' Attorney General Alberto Gonzales told reporters last week, calling

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government corruption prosecution one of his top priorities. 'We have to follow the evidence wherever it leads.' … Gonzales said there is 'no special emphasis' on those cases as the elections approach. But the Justice Department generally tries to keep a low profile on government corruption cases in the months before an election to avoid unfairly influencing voters." The AP notes, "Justice Department data show a 60 percent increase over the last five years in government corruption convictions and settlements by its Washington-based public integrity unit. Prosecutions resulted in 84 convictions and settlements in 2005, the data show, compared to 52 in 2001. … The aggressive pursuit of Republican lawmakers by Bush administration prosecutors is a sign of the independent streak of career attorneys inside the public integrity unit, said Paul F. Rothstein, a legal and government ethics professor at Georgetown Law School. … Investigations by the public integrity unit at Justice headquarters in Washington make up only a sliver of public corruption cases prosecuted nationwide, most of which are handled by U.S. attorneys' offices. Last year, for example, federal prosecutors around the country charged 445 government officials, resulting in 390 convictions. … With only 29 attorneys, the public integrity unit in Washington is small when compared to the 450 government lawyers who prosecute criminal cases in the capital."

Local Police Chiefs Seek More Federal Anti-Crime Funding. The Wall Street Journal (10/24, A4, Schoofs, Block) reports, "More than a dozen local police chiefs, many under pressure from their communities to control a rise in violence, are meeting with White House budget and policy officials tomorrow to advocate for emergency and long-term funding to fight crime." The Journal continues, "The meeting reflects tension between police officials and the Bush administration as the federal government directs more attention -- and finances -- to terrorism prevention over traditional crime-fighting. Federal funding to fight crime has been slashed since 2001, while money for antiterrorism programs has soared." The Journal adds, "Some homeland-security outlays, such as money to improve information-sharing among local, state and federal law-enforcement agencies, do help to fight crime. But the lion's share of antiterrorism funding goes to specialized equipment, such as $400,000 antibomb robots and preparation for catastrophic attacks. … 'We don't need any more trucks and helicopters,' says Timothy Dolan, Minneapolis police chief, echoing the comments of several chiefs who feel they are now sufficiently equipped to handle a terrorist attack but are losing their ability to fight street crime. … Police concerns reflect the complaints made by state emergency managers in the run-up to Hurricane Katrina last year. After the Sept. 11, 2001, attacks, the Federal Emergency Management Agency was required to expand its focus on terrorism while maintaining its mandate to cope with natural disasters -- but wasn't given enough resources to carry out both tasks. Until the 2005 storm, the complaints of emergency experts were largely dismissed by the administration. … Some police have made similar arguments at professional gatherings over the past several months. At a Policing Terrorism Conference in New York in August, 300 police chiefs complained to FBI officials and Attorney General Alberto Gonzalez about having to juggle terrorist-hunting needs with the competing demands of more traditional policing."

Ethics Committee Hears Six Hours Of Testimony On Foley From Hastert Aide. USA Today (10/24, 4A, Kiely, 2.27M) reports the House ethics committee "spent more than six hours Monday grilling" Scott Palmer, "the top aide to House Speaker Dennis Hastert as the panel continued its investigation into what Republican leaders did when warned about former representative Mark Foley's attentions to teenage congressional pages." Palmer, "who has served as Hastert's chief of staff for more than 20 years, occupied the committee all afternoon. … Kirk Fordham, Foley's former chief of staff, said he alerted Palmer several years ago to his concerns about Foley's friendships with pages. Fordham's lawyer, Timothy Heaphy, said Fordham's warnings could have come as early as 2002. Palmer has denied Fordham's account. 'What Kirk Fordham said did not happen,' Palmer said when the scandal broke." The New York Times (10/24, Zeleny, 1.21M) reports Palmer "declined to comment after emerging from the closed-door session shortly before 8:30 p.m. His lawyer, Scott L. Fredericksen, said Mr. Palmer's sworn testimony was 'consistent with the position that he's taken all along.'"

Roll Call (10/24, Davis) reports the committee also heard testimony from Sally Vastola, executive director of the NRCC, and will hear from NRCC Chairman Tom Reynolds today. According to Roll Call, "it is anticipated that two additional senior aides to Hastert will also appear this week, but Hastert's office has declined to announce the schedule.

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Mike Stokke, deputy chief of staff, and Ted Van Der Meid, staff counsel, are expected to provide key testimony in the investigation. … It is unclear if Hastert will be questioned by the ethics committee." The AP (10/24, Margasak) says Vastola's testimony "could touch on how Reynolds reacted when learning of problems with Foley's behavior toward pages and with whom Reynolds may have shared the information."

FBI Investigation Into AIPAC's Lobbying On Behalf Of Harman Confirmed. The New York Times (10/24, Mazzetti, 1.21M) reports Rep. Jane Harman "has gained national prominence as the top Democrat on the House Intelligence Committee, but even her supporters now concede that she is unlikely to become chairman if her party wins control of the House. … Harman's efforts to claim the post have even attracted the attention of investigators. Federal officials said Monday that she was the focus of a year-old F.B.I. inquiry related to the American Israel Public Affairs Committee." According to the Times, the unnamed officials, "confirming a Time magazine report, said the bureau had been looking into whether she had made improper promises to the group in exchange for its efforts to lobby" minority leader Nancy Pelosi "on her behalf. But the officials also said that the accusations had not been proved and that although the inquiry remained open, it was no longer being actively pursued."

WPost Blasts Hoekstra For Retaliating Against Democratic Aide. The Washington Post (10/24, A18, 748K), in an editorial, writes that Rep. Jane Harman, the ranking Democrat on the House intelligence committee, "took a step last week that she knew would be thermonuclear: Without the assent of the panel's chairman, Rep. Peter Hoekstra, and in contravention of a previous understanding, she released an unclassified summary of a report about former representative Randy 'Duke' Cunningham. Later that day, in barely disguised retaliation, Mr. Hoekstra suspended a Democratic committee staff member's access to classified documents, ostensibly based on the flimsiest of suspicions that the aide had been involved in the leak of a separate, classified document." According to the Post, "Harman's unilateral strike violated the bipartisan basis on which the intelligence committees are meant, at least in theory, to operate. But that cannot justify Mr. Hoekstra's malicious and misdirected response, which tarnished a staff member's reputation and was not supported by any evidence."

Unlicensed Contractor Scams Increasing In Katrina-Damaged Areas. USA Today (10/24, 3A, Konigsmark, 2.27M) reports from New Orleans, "Unlicensed contractors are preying on Gulf Coast residents whose homes were ravaged by Hurricane Katrina and are in dire need of repair, state and FBI officials say." Louisiana contractor licensing official Charles Marceaux said that "phony contractors are collecting down payments for work and then disappearing," and he noted that "there are an estimated 20,000 licensed contractors in New Orleans alone." USA adds, "James Bernazzani, the FBI's special agent in charge in New Orleans, says the federal government will have jurisdiction in many cases because the money the contractors took often comes from federal rebuilding grants. … 'Before the storm, the threshold for the FBI to take a fraud case was $1 million,' he says. 'But we're assuming non-traditional roles down here, and we're trying to be a deterrent.'" USA notes, "The problem could get even worse," because most coastal residents "haven't received their share of $10.2 billion in federal rebuilding grants."

Suspect In Idaho Murders Apparently Acted Alone, Police Say. The AP (10/24, Geranios) reports from Spokane, WA, "A man who pleaded guilty to murdering three people at a rural Coeur d'Alene, Idaho, home has given law enforcement officers enough information to confirm their conclusion that he acted alone, the Kootenai County, Idaho, sheriff's office said Monday." The AP continues, "Making good on last week's plea agreement with Kootenai County prosecutors, Joseph Edward Duncan III met Friday with investigators. … 'In the interview, Duncan gave investigators detailed information that was consistent with the physical evidence that had been collected at the scene of the murders of Brenda and Slade Groene and Mark McKenzie,' Sheriff Rocky Barker said in a statement." The AP adds, "Details of Duncan's interview will not be released until after the U.S. Justice Department concludes its case against him, Barker said. The federal government has said it intends to seek the death penalty against Duncan when it charges him in the abduction of two small children from the home and the slaying of one of them. Those charges have not been filed yet."

Two Enter Guilty Pleas In Coke Secrets Case. The Wall Street Journal/AP (10/24, A16) reports, "The two men accused of plotting with a secretary at Coca-

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Cola Co. to steal trade secrets from the beverage maker and trying to sell them to archrival PepsiCo Inc. each pleaded guilty Monday to one count of conspiracy. Ibrahim Dimson and Edmund Duhaney entered their pleas in federal court as part of a deal with prosecutors. They both could face up to 10 years in prison and $250,000 fine when they're sentenced Jan. 29. Former Coke secretary Joya Williams is still scheduled to stand trial starting the week of Nov. 13." The three "were accused of stealing new product samples and confidential documents from Atlanta-based Coca-Cola and trying to sell them to Pepsi, which is headquartered in Purchase, N.Y. The alleged crime was foiled after Pepsi warned Coca-Cola."

AFP (10/24) reports, "The three were arrested after PepsiCo gave its rival a copy of a letter signed 'Dirk' in which it was offered 'very detailed and confidential information.' … Phone records and investigations showed Williams was the alleged source of the information, the state attorney's office said in a statement." AFP notes, "The author of the letter provided an undercover agent of the Federal Bureau of Investigation (FBI) 14 pages of secret Coca-Cola documents, and requested 10,000 dollars in 'good faith' money to provide further information. The company said the documents contained highly classified trade secrets. … 'I can even provide actual products and packaging of certain products, that no eye has seen, outside of maybe five top execs,' Williams allegedly wrote."

Jury Begins Deliberations In Rosenbaum Murder Case. A jury in DC Superior Court yesterday began deliberations in the trial of Percy Jordan. Who stand accused of killing New York Times journalist David Rosenbaum. The Washington Times (10/24, Emerling) reports that Jordan faces charges "including felony murder, conspiracy and credit-card fraud stemming from the death of Mr. Rosenbaum, who was walking outside his home in Northwest Jan. 6 to cure a case of the hiccups when he was attacked and robbed. He died two days later from his injuries."

Hinckley Allowed To Continue Unsupervised Visits To Parents' Home. A federal judge yesterday ruled that attempted presidential assassin John Hinckley could continue occasional unsupervised visits to his parents' home in Williamsburg, Virginia. However, the Washington Times (10/24, McElhatton) reports that US District Judge Paul L. Friedman "added that Hinckley's siblings may have to take on a greater role supervising him. … Citing concerns about the health of Hinckley's parents, government attorneys had hoped to halt the visits until a hearing could be held on the issue. Hinckley's father is in his 80s and his mother just turned 80." At yesterday's hearing, Judge Friedman said he plans "to revisit the issue of Hinckley's overnight stays once a government psychiatrist submits a written report on Hinckley. The report is expected next Tuesday." Hinckley "has been a patient at St. Elizabeths Hospital since he was found not guilty by reason of insanity in the 1981 shooting of President Reagan."

Missouri Mayor Resigns In Wake Of Bribery Guilty Plea. KSDK-TV St. Louis (10/23, Wu) reported on its Web site from a story broadcast yesterday, "The City of St. Peters said Monday morning it received a resignation letter from Mayor Shawn Brown. … Brown pleaded guilty Friday to a felony charge of soliciting and accepting a bribe." Brown "was indicted on charges of threatening to veto an ordinance authorizing the city to purchase digital red light and speeding enforcement systems from Redflex Traffic Systems…unless the company paid him. … According to FBI Special Agent-in-Charge Roland Corvington, Redflex contacted authorities and aided them in their investigation." The AP (10/24) and St. Louis Business Journal (10/24) also report on Brown's resignation.

Ten Charged After Raids On Tennessee Brothels. The Memphis Commercial Appeal (10/24, Buser, 172K) reports, "Ten men have been charged with running brothels in Memphis using prostitutes they enticed here from other states and countries, authorities said Monday. The Hispanic men named in the 15-count federal indictment distributed business cards in the Memphis Latino community to advertise and provided cell phone numbers for the brothels, according to officials." The Commercial Appeal notes, "The men, including four brothers, were arrested in a multi-agency raid Oct. 13 involving some 150 law-enforcement officers. 'This was a massive undertaking,' said FBI Special Agent in Charge My Harrison. … The investigation included U.S. Immigration and Customs Enforcement, Memphis police and the FBI."

FBI Investigating Major Philadelphia Takeover Bank Robbery. KYW-TV Philadelphia (10/23) reported on its Web site from a story broadcast

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yesterday, "The FBI is investigating a brazen heist in Northeast Philadelphia that is being called one of the biggest bank robberies in the area in years. … The early morning 'take over' robbery" at a PNC Bank branch "occurred as the first bank employee arrived at the bank." WCAU-TV Philadelphia (10/23) reported on its Web site from a story broadcast yesterday, "'The substantial, but undisclosed bank loss is believed to be the largest loss in recent history stolen during a bank robbery,' said Jerri Williams, a Special Agent for the bureau's Philadelphia division. … Once all the employees were rounded up and held captive, the robbers emptied the entire bank and were in communication with others, the FBI said. 'The robbers were able to empty out the vault, all teller drawers and two ATM machines, before locking all the employees in the bank vault and exiting from the bank,' Williams said."

WPVI-TV Philadelphia (10/23, O'Hearn, Monek) reported on its Web site from a story broadcast yesterday, "Williams says the ease at which this robbery was executed indicates the suspects may have staked out the bank for a while, knowing who the employees were and when they arrived at work. 'It was well done. They were in there for a total of 35 minutes, which is unheard of,' said Williams. The suspects were armed with silver handguns, dressed in dark-hooded sweatshirts and ski masks." The Philadelphia Inquirer (10/24, Arnold, 399K) adds, "Williams said that although she could not reveal how much money was taken, it was well over the $250,000 taken in another substantial bank heist two years ago. … 'I can say that the majority of robberies that occur are demand-note robberies by desperate people,' Williams said. 'They are usually not well planned and definitely not well executed.'"

The Philadelphia Daily News (10/24, Weichselbaum, 109K) reports that the "two bandits -- wearing dark-hooded sweatshirts and ski masks and armed with silver handguns -- made off with as much as $400,000" after "they locked the frightened employees in the vault and fled. … The employees escaped by unlocking the vault from the inside. No one was hurt during the 35-minute morning 'takeover,' Williams said. … During the heist, the bandits spoke into walkie-talkies, possibly to others watching outside the bank, Williams said. 'That is rare,' Williams said of the use of the devices in a holdup."

FBI Agent Calls Texas Heists "Astronomical" As Another Dallas Bank Robbed. WFAA-TV Dallas (10/23, Douglas) reports on its Web site from a story broadcast yesterday, "As yet another Dallas bank was targeted in a robbery Monday, the FBI has called the number of North Texas banks heisted this year 'astronomical.' The Professional Bank…was hit early Monday afternoon. Investigators think the bandit…has hit three or four others as well, which might be enough for him to get his own catchy nickname soon. However, Dallas isn't alone, Fort Worth robberies have almost doubled compared to last year. 'We've never seen a spike in bank robberies to this level,' said John Skillestad, FBI supervisor." WFAA noted, "Dozens of robbers remain on the loose. 'I'm thinking another 40 to 50 people,' Skillestad said," but he added that "repeat offenders still on the loose are most likely looking to a fate behind bars soon enough."

Hackers Breaking Into Customer Accounts At Online Brokerages. A front page story in the Washington Post (10/24, A1, Nakashima) reports, "Hackers have been breaking into customer accounts at large online brokerages in the United States and making unauthorized trades worth millions of dollars as part of a fast-growing new form of online fraud under investigation by federal authorities." Federal regulators "cited recent cases in which hackers gained access to customer accounts at several large online brokers and used the customers' funds to buy certain stocks. The hackers appeared to be trying to drive up share prices so they could sell those stocks at a profit, regulators said." According to the Post, "The scams typically begin with a hacker obtaining customer passwords and user names, experts said."

US Probes New Brunswick, NJ, Housing Program. The East Brunswick (NJ) Home News Tribune (10/24, Khavkine) reports, "The investigation into the city's housing rehabilitation programs has reached the federal level." The Tribune continues, "City police investigators have turned over documents detailing agreements and contracts between the city and contractors to the U.S. Attorney's Office in Newark. U.S. Department Housing and Urban Development dollars fund some of New Brunswick's housing-rehab programs." The Tribune adds, "City spokesman Bill Bray had no comment on whether city officials turned over the documents voluntarily or were compelled to do so. Bray, citing the ongoing nature of the multipronged probe, also would not say when the documents were turned over to

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federal investigators. … Officials at the U.S. Justice Department, which oversees the U.S. Attorney's Office, could not be reached for comment yesterday. An agent at HUD's Office of the Inspector General said she could not confirm nor deny that agency's involvement in the investigation." The Tribune notes, "In recent weeks, some city employees have been put on paid administrative leave as a result of the city's investigation and a large part of the rehab home projects have been put on hold. … No additional personnel have been placed on leave since then, Bray said."

TV Station Ordered To Pay $1.1 Million Over BTK Report. The Washington Post/AP (10/24, A2) reports, "A jury has ordered a Wichita television station and its news director to pay a man $1.1 million for naming him two years ago as a possible suspect in the BTK serial killings. Roger Valadez had sought as much as $2 million from Emmis Communications, then-owner of KSNW-TV, and News Director Todd Spessard for the station's coverage of Valadez's arrest on Dec. 1, 2004. The jury found Friday that KSNW and Spessard defamed Valadez when the station used his name after his home was raided." Valadez "was never charged in connection with the slayings. He was arrested on minor outstanding warrants and released the next day, and his attorney said he was quickly ruled out as a BTK suspect."

LAPD Opens Criminal Investigation Into Dumping Of Homeless People. The Los Angeles Times (10/24, Winton, DiMassa) reports, "The LAPD has opened its first criminal investigation into the dumping of homeless people after documenting five cases Sunday in which ambulances dropped off on skid row patients recently discharged from a South Los Angeles hospital. All of the patients told police they did not want to be taken downtown. LAPD officials, who photographed and videotaped the five alleged dumping cases, called it a major break in their yearlong effort to reduce the number of people left on skid row by hospitals, police departments and other institutions." Dumping "has emerged as a major political issue in Los Angeles, with Mayor Antonio Villaraigosa and other critics saying that the practice exacerbates the ills of a district that already has the largest concentration of homeless people in the West."

CIVIL LAW:

DOJ Settles Fraud Allegations With Medco For $155 Million. The Philadelphia Inquirer (10/24, Von Bergen) reports, "Complaints from two whistle-blowing pharmacists from Las Vegas in 1999 led to a $155 million settlement today of federal fraud claims by the nation's largest mail-order pharmacy business." The Inquirer continues, "Medco Health Solutions Inc. had been accused of destroying and canceling prescriptions, soliciting kickbacks from pharmaceutical companies to favor their drugs, and paying kickbacks to health plans to obtain business." The Inquirer adds, "The settlement, announced by the U.S. Attorney's Office in Philadelphia, also covers a second investigation into how the Franklin Lakes, N.J., company submitted claims to the Medicare program on behalf of its clients. … Pharmacy-benefits-management companies act as middlemen between pharmaceutical companies and health-care plans to negotiate lower drug costs. The U.S. Justice Department has been investigating conflicts of interest in the business for years."

Bloomberg (10/24, Schmidt) reports, "The settlement, announced by the Justice Department in Washington, resolves two civil cases and an investigation by the U.S. attorney's office in Philadelphia. The government also accused Medco of paying kickbacks to health plans to help it obtain business." Bloomberg adds, "The settlement is the fourth-largest in a health care false claims act case in 2006, according to Taxpayers Against Fraud, a Washington-based group that tracks such suits. The largest, for $900 million, was with Tenet Healthcare Corp."

United Press International (10/24) reports, "Prosecutors said Medco submitted false claims for mail order prescription drug services it was required by contract to provide to millions of federal employees, retirees and their families under the Federal Employee Health Benefits Program. … 'Millions of federal employees and Medicare beneficiaries rely on pharmacy benefit managers for their prescription drugs,' said Peter D. Keisler, a top Justice Department official. … 'Hidden financial agreements with drug manufacturers and health plans can influence which drugs patients receive, the price we all pay for drugs, and whether pharmacists serve patients with their undivided professional judgment.'"

US Defends 1998 Anti-Pornography Law. The AP (10/24, Dale) reports, "Eight years after Congress

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passed a law aimed at protecting children from online pornography, free speech advocates and Web site publishers argued in federal court Monday that the never-enforced measure is fatally flawed." The AP continues, "Salon.com, Nerve.com and other plaintiffs warned that the 1998 Child Online Protection Act could be used to criminalize such things as sexual health information, erotic literature and news photographs of naked prisoners tortured at Abu Ghraib." The AP adds, "The law, signed by then-President Clinton, says Web site operators must prevent youngsters from seeing material 'harmful to children' by demanding proof of age from computer users. It would impose a $50,000 fine and six-month prison term on commercial Web site operators that allow minors to view such content, which is to be defined by 'contemporary community standards.'" The AP notes, "In a trial that opened Monday, the plaintiffs argued that 'community standards' is too vague. … The law has never been enforced. … Eric Beane, a government attorney, acknowledged that it is tempting to defer to families on the question of what is appropriate for children, but said the filters used by parents do not work. … 'The evidence will show that a shocking amount of pornography slips through to children,' Beane said in opening statements."

CIVIL RIGHTS:

Denton, TX, Fire Department Accused Of Racism. The North Texas Daily (10/24, Prado) reports, "Citizens of Denton are officially moving forward with legal action against the Denton Fire Department with accusations of racial discrimination through the NAACP and the Justice Department." The Daily continues, "More than 26 minorities applied for one of the 15 open positions in the Denton Fire Department in 2006 but none were hired, said Willie Hudspeth, leader of the suit against Denton Fire Department." The Daily adds, "Suspicions of racial injustice arose around 1999 when Hudspeth, along with other community members, said the city of Denton hired only one minority, which was the librarian. Seven years later, the number of minorities working for the city is still low, but it is not because of lack of applicants, Hudspeth said. … 'This bias is more pronounced in the fire department,' Hudspeth said. 'They are over-qualified and have all the credentials. At this point I see no reason other than race that explains why these applicants did not get hired.'"

Truck Driver To Be Retried For Immigrant Smuggling Deaths. The AP (10/24, Lozano) reports from Houston, "A truck driver accused of being responsible for the nation's deadliest human smuggling attempt could again face the death penalty." The AP continues, "Tyrone Williams was convicted last year on 38 counts of transporting illegal immigrants, but the verdict was overturned on appeal. Opening statements were set for Monday in his retrial. … Prosecutors say Williams failed to help the more than 70 illegal immigrants who had been packed into his tractor-trailer in stifling heat in 2003. Nineteen died." The AP adds, "Jury selection in his retrial took more than two weeks because potential jurors were questioned individually about their views of illegal immigration and the death penalty. … Williams, 35, avoided the death sentence in his first trial because the jury couldn't decide whether he was directly responsible for the deaths. The judge removed the death penalty as an option. Prosecutors appealed." The AP notes, "The 5th U.S. Circuit Court of Appeals ordered a new trial and that the previous judge be removed from the case because of the case's 'extraordinary history' and the judge's complaints about a crowded docket. … 'I'm disappointed because the first jury reached a fair verdict,' defense attorney Craig Washington said. 'To have to do it again is disheartening. At the end of the day, the result will be the same as the last trial.' … Prosecutors are not commenting on the case outside the courtroom. But during a hearing last week, Assistant U.S. Attorney Daniel Rodriguez reiterated the government's contention that Williams was responsible for the immigrants' deaths because he ignored their cries for help and failed to turn on the air conditioning unit on his tractor-trailer."

Two Men Sentenced For Immigrant Deaths. The San Angelo (TX) Standard-Times (10/24, Boyle) reports, "Two men caught transporting illegal immigrants near San Angelo after a rollover in the spring that killed one of the immigrants have been sentenced in federal court in Lubbock." The Standard-Times continues, "Jorge Luis Castro-Garcia was sentenced to 71 months imprisonment, while Jesse Cano received 87 months, according to a Justice Department news release from the Northern District of Texas. … The sentencing was announced Friday." The Standard-Times adds, "Castro-Garcia, Cano and co-defendant Agustin Anorga each pleaded guilty in July to one count of transporting illegal immigrants for private financial gain and aiding and abetting. Anorga is scheduled to be sentenced Nov. 3. … The charge against each man carries a possible

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penalty of as long as 10 years in prison, said Kathy Colvin, public information officer for the Northern District. She said the duration of Castro-Garcia and Cano's sentences was based on presentencing reports and investigations. … According to the news release, Castro-Garcia, a citizen of Mexico lawfully residing in the United States, recruited Cano and Anorga, both U.S. citizens, - Anorga, 20, lives in Cleburne - to transport illegal immigrants for money. The three had been in contact with the 11 to 13 Mexican nationals and picked them up near Del Rio after they had illegally crossed into the United States."

Two Egyptian National Sentenced In Slavery Case. UPI (10/24) reports, "Two Egyptian nationals received prison sentences Monday for forcing a 10-year-old girl to act as their servant for two years at their California home." UPI continues, "While Amal Ahmed Ewis-abd El Motelib received a 22-month prison sentence for enslaving the young girl at their Orange County home, her now ex-husband Abdel Nasser Youssef Ibrahim was handed a 36-month sentence by the court Monday, the U.S. Justice Department said." UPI adds, "Back in June, the couple had pled guilty to the four counts laid against them regarding their illegal enslavement of the victim through both physical and verbal abuse. … In addition to the their prison sentences, both individuals were ordered to pay the victim more than $70,000, a figure representative of the payment the victim would have received as a legal employee. … 'This young victim was robbed of something intensely precious -- her youth,' Civil Rights Division Assistant Attorney General Wan J. Kim said."

US To Ease Restrictions On Same-Sex Classrooms. The AP (10/24) reports, "The Bush administration is giving public schools wider latitude to teach boys and girls separately in what is considered the biggest change to coed classrooms in more than three decades." The AP continues, "After a two-year wait, the Education Department was changing rules Tuesday in how it would enforce the Title IX landmark anti-discrimination law. Under the change, which takes effect Nov. 24, local school leaders will have discretion to create same-sex classes for subjects such as math, a grade level or even an entire school. … 'Single-sex classes may provide benefits to some students under some circumstances,' said Stephanie Monroe, the department's assistant secretary for civil rights. 'These regulation changes will make it easier for schools that wish to use single-sex schools to do so where students would benefit.'" The AP adds, "Education officials initially proposed the rules in early 2004, pointing in part to U.S. research suggesting better student achievement and fewer discipline problems in single-sex classes including math and foreign languages. … After receiving 5,600 public comments, education officials said they were moving forward with the plan with some wording tweaks and assurances from Attorney General Alberto Gonzales that it was legally sound. … Critics who compare the plan to 'separate but equal' segregation-era classrooms haven't been so sure."

Texas Voting Rights Act Dispute Expected To Reach Supreme Court. The Jackson (MS) Clarion-Ledger/Gannett (10/24, Radelat) reports, "A small water district in Austin, Texas, has become the new battleground over the voting rights of minorities." Gannett continues, "Bill Ferguson, president of Northwest Austin Municipal Utility District No. 1, said he was approached by a lawyer last year who persuaded him to sue the federal government, challenging a provision of the 1965 Voting Rights Act. … That provision requires jurisdictions with a history of discrimination at the polls to obtain permission from the Justice Department before making any change - no matter how small - in voting procedures." Gannett adds, "Civil rights groups say overturning the 'preclearance' provision would strip minorities of key protections at the ballot box. … 'This is an effort by people who are longstanding enemies of the Voting Rights Act,' said Julie Fernandes, an attorney with the Leadership Conference on Civil Rights. 'They lost in Congress and are now looking to the courts.'" Gannett notes, "The utility district filed its suit shortly after Congress reauthorized the Voting Rights Act last summer. … The suit is expected to reach the Supreme Court. If the utility district prevails, the country would see the biggest change in voting rights law in more than 40 years."

California Congressional Candidate Claims Media Mistranslation In Voter Letter. The AP (10/24, Prengaman) reports, "A Republican congressional candidate linked to a threatening mailing targeting Hispanics claims the intent of a letter he did not authorize was lost in translation." The AP continues, "Tan Nguyen, whose campaign headquarters and house have been searched in a widening voting rights probe, told reporters Sunday that the media had poorly translated the Spanish-language letter sent

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by a campaign manager to 14,000 Hispanic families in Orange County. … Nguyen said the word 'emigrado,' translated by the media as 'immigrant,' actually referred to a legal permanent resident, or green card holder. … So, Nguyen's argument went, the sentence warning that immigrants could be jailed or deported for voting referred to green card holders who cannot vote, and not immigrants who have become naturalized U.S. citizens. Only U.S. citizens can vote." The AP adds, "Nguyen declined to say who came up with the idea for the letter or who translated it into Spanish, but argued the controversy amounted to a 'debate over translation.' … Nguyen, a Vietnamese immigrant who has made illegal immigration a centerpiece of his campaign, is challenging Rep. Loretta Sanchez, a Democrat representing California's 47th Congressional District. … His explanation of the letter, which on Sunday included handing out copies of what he said was the original English text, only created more questions that he declined to answer."

WSJournal Criticizes Judicial Barriers To Voter ID Laws. The Wall Street Journal (10/24, 2.03M) says in an editorial, "People in the good state of Missouri need photo identification to cash a check, board a plane or apply for food stamps. But the state Supreme Court has ruled that a photo ID requirement to vote is too great a burden on the elderly and the poor. Go figure." Public polls "consistently show that an overwhelming majority of Americans -- regardless of age, race, ethnicity or socioeconomic status -- favor voter ID laws. And nearly half of the nation's states have passed them. Yet a string of recent court decisions has blocked their implementation in some places, thus siding with Democrats and liberal special interest groups who would rather turn a blind eye to voter fraud."

ANTITRUST:

FCC Recusal On AT&T-BellSouth Merger Raises Conflict Questions. The Los Angeles Times (10/24, Puzzanghera) reports, "Robert McDowell's confirmation in May as the fifth member of the Federal Communications Commission was supposed to end a 2-2 partisan deadlock that had stymied the agency on several issues for more than a year. … But with commission approval all that's standing in the way of AT&T Inc.'s purchase of BellSouth Corp., it's back to stalemate again at the FCC because of the occasional bane of regulatory agencies — a recusal." The Times continues, "McDowell, a Republican who holds the tiebreaking vote, has removed himself from voting on the $83-billion purchase because he used to lobby for an association of smaller phone companies that opposes the deal. His decision has given the commission's two Democrats leverage to hold up approval unless some of their conditions are met, such as preventing the companies from charging for priority delivery of services over their Internet lines — a controversial issue known as network neutrality." The Times adds, "McDowell's recusal was expected. During his confirmation hearing in March he agreed to 'make sure that there's not even the appearance of a conflict of interest' after being pressed on the point by two senators. … But it still has roiled a process that AT&T and BellSouth had hoped would be wrapped up by now after the Justice Department gave the deal its blessing Oct. 11." The Times notes, "AT&T has proposed some concessions to gain the support of Democratic commissioners Michael J. Copps and Jonathan S. Adelstein, but it opposes stronger conditions such as network neutrality. An AT&T executive suggested Friday that the company might push for McDowell to be forced to participate — a procedure allowed under federal law — if the deadlock lasted more than a few weeks. … 'It would not be right for this to drag out for the next two months,' said Robert Quinn, AT&T's senior vice president for federal regulatory affairs. 'If reasonable people can't agree, then that's when I think people are going to start examining other options.' … It all raises the question of whether commissioners should be chosen from the ranks of industries they would regulate. In addition to phone companies, the FCC regulates television and radio stations as well as cable and satellite providers."

IBM Accuses Amazon.com Of Patent Infringement. The Financial Times (10/24, Waters) reports that IBM filed suit against Amazon.com yesterday, "accusing it of breaching intellectual property rights that underpin the e-commerce company's fundamental online business model. … IBM said it had filed two cases in Federal court in the Eastern district of Texas accusing Amazon of breaching five of its patents. The patents cover what it claims are a number of fundamental practices in networking and e-commerce, including the use of hypertext links to make recommendations to a customer, methods of presenting and linking to online adverts, and networking architecture for delivering online content faster."

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The Wall Street Journal (10/24, A3, Forelle, Hwang) reports, "The public tussle is unusual for IBM, which has a massive patent portfolio but rarely appears as a plaintiff in patent suits. Instead, IBM prefers negotiating licensing agreements. John E. Kelly III, IBM's top intellectual-property executive, said IBM has been engaged in a back-and-forth with Seattle-based Amazon since 2002 but that negotiations broke off a few weeks ago."

Shell Offers To Buy Out Shareholders In Canadian Unit. The Financial Times (10/24, Crooks) reports, "Royal Dutch Shell has delivered a vote of confidence in the potential of Canada's oilsands by offering to buy out the 22 per cent of its Shell Canada subsidiary that it does not already own at a price 22 per cent higher than last Friday's close." The Times says, "The deal will add to Shell's investment in Canadian oilsands, which have this year been hit by concerns over rising costs and the falling price of oil. Reserves in Alberta are second only to Saudi Arabia's and an increasingly important source of oil for the US. But heavy investment in the region has driven up costs for producers and raised fears over the viability of some projects, particularly if the price of oil falls further." The Times reports, "Analysts said Shell's confidence in these higher-cost sources of oil could be justified because it was a fully integrated company with its own downstream operations to refine the oil and market the products."

The Washington Post (10/24, D5, Mufson) says, "The offer is the latest move by major international oil companies to bolster their positions in Canada's oil sands despite high development costs, environmental challenges and high operating costs." The Post notes, "Shell is already producing more than 100,000 barrels a day of oil from the tar-like sands, and the company's share of production there could grow to 500,000 barrels a day within a decade or so." The Post says, "John Hofmeister, president of Shell Oil Co., the U.S. subsidiary of Royal Dutch/Shell Group, said in Washington yesterday that the oil sands would be a 'great boost' to the company and a 'great supply source for the United States.' Although many analysts have said that oil sands projects are only profitable if oil prices are more than $30 to $35 a barrel,... Hofmeister said that 'the easy oil is running out.'"

The Wall Street Journal (10/24, Cummins) reports Shell's "$6.84 billion offer to buy out its main Canadian affiliate's minority shareholders, who may hold out for a better deal, will be a major road test for Chief Executive Jeroen van der Veer and his retooled version of the Anglo-Dutch oil company." The Journal says, "The move on Shell Canada, a big player in Canada's booming oil-sands developments, is relatively small potatoes for the global oil industry and for Shell, which last year reported a profit of $25.3 billion." Shell "is a leader among the handful of big oil companies that have increased investment in [Canada's] reserves of heavy oil. The deposits are much harder and more expensive to exploit than conventional oil, but in today's high oil-price environment, they have made economic sense."

Ruling In Qualcomm Patent Case Sent Back For Review. The Wall Street Journal (10/24, B5) reports, "Finnish cellphone maker Nokia Corp. won a minor legal victory against Qualcomm Inc. when an appeals court sent back for review a US district court's decision to deny Nokia's motion to stay their patent dispute. The ruling could potentially delay the legal proceedings if US District Judge Rudi Brewster decides to grant Nokia's motion to stay for further arbitration. In November, Qualcomm sued Nokia for patent infringement despite a patent agreement in place between the two companies."

Macquarie Makes Hostile Bid For Techem. The Wall Street Journal (10/24, A12) reports that Australia's Macquarie Bank Ltd. "unveiled a €1.1 billion ($1.4 billion) hostile bid for German utility-services company Techem AG. Macquarie, Australia's biggest securities company, said Techem rejected the bid, and Macquarie has approached Techem's shareholders directly. A spokesman for Techem declined to comment on Macquarie's statements, but said several investors have shown interest in the company, citing previous statements by Techem Chief Executive Horst Enzelmüller."

Merrill Lynch Agrees To Buy Petrie Parkman. The Financial Times (10/24, Politi) reports, "Merrill Lynch on Monday agreed to buy Petrie Parkman, a boutique investment bank specialising in advisory work on oil and gas deals in North America with more than $100m in annual revenues. The deal represents a big bet by Merrill on the continuation of high energy prices, which have fuelled a string of mergers and acquisitions, stock listings and debt offerings among US exploration and production companies. Although the terms of the acquisition were not disclosed, David Trone, an analyst at Fox Pitt-Kelton, said he believed Merrill paid between $500m and $600m."

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FTC's Rambus Ruling Is Landmark For Standards Industry. The National Law Journal (10/24, MacLean) reports, "With a single stroke, the Federal Trade Commission may have restored the value of the handshake and good-faith promise among high-tech competitors, yet opened the doors to potential new litigation." The Journal continues, "The commission recently issued a landmark decision -- for the first time holding a company liable for an antitrust violation because it used its patents to subvert the process relied on by thousands of companies to set industry standards for products. … The most mundane items of daily life -- from the size of the electric plug to the specifications for computer memory chips -- are standardized through voluntary, nongovernment groups known as standard-setting organizations (SSO). The engineers who meet to establish specifications for new products are encouraged to standardize, both to avoid competitive battles to the death and to satisfy consumer demands that products work together. … Historically, lawyers have had limited roles in SSOs, producing broad agreements to share information that have been vague on future patent obligations. … Then in the 1990s, Rambus Inc. tried to corner the memory chip market by securing key DRAM memory chip patents after it learned what the SSO group would choose as the industry standards. Trust among SSO participants evaporated." The Journal notes, "Following years of litigation that went in favor of Rambus, the Federal Trade Commission issued a landmark decision last month that Rambus Inc., a semiconductor technology company, violated antitrust law by secretly securing patents on what it knew would become the industry standard for DRAM memory chips. Rambus, a Los Altos, Calif., memory chip developer, had used the patents to sue for infringement the very companies that adopted the standard. In the Matter of Rambus Inc. (FTC docket 9302). … The FTC antitrust finding against Rambus was a reversal of fortunes for the standard-setting organizations. … What remains unclear in the wake of the FTC's Rambus decision is what the standard-setting organizations will do now with their newfound power."

Two Groups Challenge Relaxation Of Media Ownership Rules. The AP (10/24, Yen) reports, "Easing government rules to allow more media consolidation would push out niche radio programming such as classical, jazz and gospel music while doing little to improve local TV coverage, new studies say." The AP continues, "Reports released Monday by two public interest groups, the Benton Foundation and the Social Science Research Council, challenged the Federal Communications Commission's argument that media consolidation would improve local coverage and programming due to synergy effects." The AP adds, "The FCC is reviewing the issue following a failed 2003 attempt to loosen media ownership restrictions. … 'These studies make clear that there is no support for the contention that media consolidation correlates with better, more local or more diverse media content,' said Gloria Tristani, a former FCC commissioner and president of the Benton Foundation." The AP notes, "The FCC in June reopened the hotly disputed issue of ownership limits, including the number of radio and television stations that one owner can have and restrictions on cross-ownership between newspapers and broadcasters."

Vivendi's US Suit Highlights Battle Of European Telecom Giants. The Wall Street Journal (10/24, A1, Abboud, Esterl) reports that Vivendi is "upping the legal stakes" in its "losing seven-year battle to recoup a major investment in Poland. Vivendi executives haven't been able to get back into their offices at the Warsaw cellphone firm" Polska Telefonia Cyfrowa Sp. z o.o, known as PTC, since a raid by security guards last year. "Their former business partners in Poland have turned into enemies. And despite some 50 court cases in several European countries, Vivendi hasn't been able to recover a trace of the $2.5 billion it has put into PTC over the years." The Journal adds that Vivendi yesterday "filed suit in U.S. District Court in Seattle against its two rivals for control of the Polish investment: German telephone giant Deutsche Telekom AG and a wealthy Polish investor named Zygmunt Solorz-Zak. Vivendi filed the civil suit under the U.S. RICO law, originally designed to nab gangsters, accusing the defendants of conspiring to seize control of the Polish cellphone company by stealing Vivendi's stake in it. The suit asks for $7.5 billion in damages, or three times Vivendi's investment, because RICO -- the Racketeer Influenced and Corrupt Organizations law -- permits a tripling of damages." The Journal notes, "The battle shows how hotly contested the world's telecom markets have been for Western phone giants, as their fortunes weaken at home. The fight is especially important for Vivendi as it tries to shake off the vestiges of a troubled past under a former chief executive, Jean-Marie Messier, who launched an ill-fated $100 billion acquisition spree. The acquisitions turned the French environmental and water company into the telecom

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and entertainment business it is now. Along the way, Vivendi owned Universal Studios before selling it to General Electric Co. in 2002."

ENVIRONMENT:

Environmental Protesters Arrested On Ledge Of NOAA Building. The Washington Post (10/24, B8, Fahrenthold) reports, "A pair of environmentalists, protesting what they said are attempts to suppress evidence of global warming, were arrested yesterday after spending several hours perched on a ledge at a National Oceanic and Atmospheric Administration building in Silver Spring. … Authorities tried, without success, to persuade the protesters to leave the ledge, said Lucille Baur, a Montgomery County police spokeswoman. Shortly after noon, officers borrowed a cherry picker from a construction site and brought the men down without a struggle, she said. The two protesters were charged with disorderly conduct, reckless endangerment and trespassing, Baur said. They were identified as Paul E. Burman, 24, of Arlington and John Theodore Glick, 57, of Bloomfield, N.J."

DOE Efficiency Standards Said To Set Low Bar. The Christian Science Monitor (10/24, Clayton, 58K) reports, "Under pressure to find new ways to save energy, the US Department of Energy is speeding adoption of new efficiency standards for devices ranging from pool heaters to microwave ovens. President Bush is apparently on board, too, pushing the need for energy conservation in a speech earlier this month. That's good news for energy advocates and states that have sued DOE for lagging years behind schedule on new appliance standards..." However, "in the three standards it has proposed itself, the department has set a far lower bar than efficiency advocates had wanted. Two of the standards are so low that even some industry officials are complaining." The Monitor says, "Such moves are causing many observers -- from efficiency advocates to members of Congress -- to question how deeply DOE is committed to energy efficiency, despite Mr. Bush's rhetoric."

In the Washington Post (10/24, D1, 748K) business columnist Cindy Skrzycki writes that DOE "has decided to keep the home fires burning at about the same level as they are now, even in the face of lobbying by both energy conservation groups and some manufacturers. A proposed 'energy conservation standard' that the department unveiled Oct. 6 moved the energy-efficiency needle almost imperceptibly for home gas furnaces -- to 80 percent from 78 percent, the standard set in 1989." DOE "rejected an option to raise the standard to 90 percent, which would have saved more energy and trimmed heating bills for consumers in colder climates."

Opponent Of Cape Wind Project Alleges "Serious Flaws." In a Washington Times (10/24, 88K) op-ed, Charles Vinick, president of the Alliance to Protect Nantucket Sound, writes that Cape Wind, the world's largest offshore wind-energy project, "remains mired in controversy as evidence piles up that its developers chose perhaps the worst location." Vinick says the project would risk interfering with military radar systems, imperil maritime and air traffic, and risk a spill of transformer oil, but "Cape Wind shrugs its shoulders, implying that there are no serious issues." Vinick concludes, "We need to view the $1.3 billion in state and federal subsidies that Cape Wind would reap from this project as our money, our investment in renewable energy, and take that off the table so we can look to more viable projects in which to invest public funds and resources."

Lead Poisoning Threatens California Condor Population. USA Today (10/24, Ritter) reports, "On the brink of extinction, saved by a captive-breeding program," the California condor population "has grown from just 22 birds in 1982 to 289 today; 135 are in the wild and more are released every year. Even so, condors have failed to gain a secure foothold in the hills and deserts of California and Arizona because of lead poisoning, the most often diagnosed cause of death, environmentalists say. Environmental groups say the most likely source is condors' eating of game that was shot by hunters using lead bullets. Frustrated that most hunters have not switched to substitutes, the Natural Resources Defense Council (NRDC) and other groups notified California officials in July that they will sue under the Endangered Species Act to force a ban. … Many hunters who have tried alternatives, mainly copper bullets that don't poison wildlife, find them as good or better than traditional ammunition, though more expensive."

Insects, Disease Attacking Treasured US Tree Species. USA Today (10/24, O'Driscoll) reports, "Some of the USA's most treasured tree species, from ash and aspen to white pine and Hawaii's native wiliwili, are under

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attack by insects and diseases in a growing assault coast to coast. Some of the killers are foreign pests brought here in cargo or by travelers. Others are homegrown insects at epidemic levels because of drought and unusual warmth. … The Agriculture Department's Animal and Plant Health Inspection Service finished adopting new rules this summer barring cargo from abroad unless crates and pallets are treated with chemicals or heat to kill any bugs in the wood."

Environmentalists Gather For "Bioneers" Conference In California. The New York Times (10/24, Brown) reports on The Bioneers, "a three-day pep rally for environmentalists, lefty political activists and young people with 'Renewable Energy is Homeland Security' bumper stickers that transforms the Marin Civic Center" in San Rafael, California "into something of a megachurch for the Prius set. … Students, organic farmers, architects, advocates for Pacific dolphins, and a growing number of entrepreneurs looking to invest in green technology come to hear the latest thinking on global warming (code word: Katrina) and keeping the food supply safe (buzzword: spinach)." The Times adds, "The conference is the brainchild of Kenny Ausubel, a 57-year old writer and filmmaker who was co-founder of the organic seed company Seeds of Change, and Nina Simons, the former president of the company and a former marketing director for Odwalla. Since 1990, they have operated from an old schoolhouse in Lamy, N.M., outside Santa Fe. They credit their experience with Seeds of Change, since sold, with convincing them that a fledgling political movement could be forged from issues like sustainable agriculture and green technology -- fields, Mr. Ausubel said, 'that in 1990 were like talking about U.F.O.'s.'"

FBI/DEA/ATF/USMS:

Convicted Drug-Ring Supplier Gets 15-Year Sentence. The Danbury (CT) News Times (10/23) reports a Brooklyn man who federal prosecutors "said provided a Danbury drug ring with powder and crack cocaine has been sentenced to 15 years in prison by a federal judge. Jose Adames, 33, was the principal supplier to the ring, headed by Danbury resident Alex Luna, before the operation was smashed by local police and federal investigators last year. … Members of the Danbury police Special Investigations Division, working with federal Drug Enforcement Administration agents and Bridgeport police, broke up the operation in February 2005 and arrested 24 people."

30-Year Sentence Given To Texas Man In Meth Case. The News Journal (10/24) reports a Longview man, who "was among seven people arrested in a 2003 drug investigation, was sentenced Monday to 30 years in federal prison. Christopher Jack Collum was sentenced. According to information presented in court, an investigation began in January 2003 into the distribution of 'ice' methamphetamine in East Texas. The investigation resulted in the arrest of seven people."

In Kentucky, Man Gets 7-Year Sentence For Role In Ecstasy Ring. The Louisville (KY) Courier-Journal (10/23) reports a 30-year-old man "was sentenced to more than seven years in prison Monday in U.S. District Court for his part in an Ecstasy-distribution ring in Louisville. Thao Hoang Lai had previously pleaded guilty to conspiring to possess with the intent to distribute and distributing the drug Ecstasy in 2003 and 2004, according to the U.S. Attorney's office. … He was apprehended by the DEA…after driving to Louisville to deliver 5,000 tablets of Ecstasy — tablets that were found in his hotel room, according to court testimony."

Counterfeit Drugs Investigation Leads To 13-Year Sentence For Florida Man. The Kansas City Business Journal (10/23) reports a Florida man "was sentenced in federal court in Kansas City on Monday for his role in a multimillion-dollar conspiracy to sell counterfeit, illegally imported and misbranded Lipitor and other drugs. U.S. District Judge Ortrie Smith sentenced Julio Cesar Cruz, 43, a Cuban citizen who was living in Miami, to 13 years and six months in federal prison without parole. … Cruz pleaded guilty on Jan. 21, 2005, to selling counterfeit drugs and to participating in a conspiracy to buy and sell counterfeit, misbranded and illegally imported drugs from February 2002 until at least April 2003."

In California, City Council, Board Of Supervisors To Vote On Marijuana Issues. The Modesto (CA) Bee (10/23) reports the City Council "is expected to vote Tuesday night on permanently banning medical marijuana dispensaries, three weeks after the federal Drug Enforcement Administration shut down Modesto's only pot clinic. That same day, the Stanislaus County Board of Supervisors is scheduled to vote on installing

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a program to issue medical marijuana cards through the state Department of Health Services. It could be a long day for medical marijuana supporters, with officials at both meetings lining up against pot dispensaries."

San Diego Chargers Linebacker To Appeal NFL Suspension For Drug Use. The AP (10/23, Wilson) reports Shawne Merriman's attorney "said the Chargers' star linebacker failed a drug test because of a tainted supplement and will continue to play while appealing his four-game suspension. Attorney David Cornwell said he believed Merriman tested positive for the steroid nandrolone, which is prohibited under the NFL's substance abuse policy. Cornwell said the substance was in a supplement Merriman has been taking."

Utah Judge Delays Trial For Pittsburgh Mosque Raid Figure. The Pittsburgh Post-Gazette (10/24, Ove) reports, "A convicted rapist whose arrest on illegal weapons charges caused a stir at a North Side mosque in June was set to go on trial yesterday in Utah, but the case has been postponed." The Post-Gazette continues, "A federal judge in Salt Lake City has pushed back the trial date for Larry M. Williams, 33, of Lincoln-Lemington, to Feb. 19. … He was charged federally with illegal possession of a pistol and ammunition following a traffic stop in Utah on June 27." The Post-Gazette adds, "His case caused a controversy on the North Side three days later when the FBI and the Pittsburgh police arrested him at the Light of the Age Mosque at Hemlock and Boyle streets. Authorities have not conceded that the building is a true mosque, and some have described it as a flophouse. … But those living there or visiting at the time of the arrest said it is a house of worship and decried the police action during Friday prayer services as an 'invasion.' … Mr. Williams, reportedly a member of the mosque, was taken into custody on the street, and agents and police said they searched only one room of the house. Federal authorities said the arrest had nothing to do with any activities at the mosque, but rather occurred because Mr. Williams was a dangerous fugitive. … Mr. Williams is being prosecuted in Utah under Project Safe Neighborhoods, a U.S. Justice Department initiative to combat illegal guns and gun violence."

IMMIGRATION:

Prisoner Flights Carry More Illegal Immigrants, Study Finds. McClatchy Newspapers (10/24, Doyle) reports, "Con Air is becoming big business, thanks to illegal immigrants and criminal aliens. … And this is one flight you definitely want to miss." McClatchy continues, "Federal officials flew 95,876 incarcerated illegal immigrants and criminal aliens around the country in 2005, a 28 percent increase since 2000. Those foreign nationals now account for nearly half of all the passengers flown on the highly guarded federal flights, a new audit found, and tougher border security efforts will boost numbers even higher." McClatchy adds, "Unfortunately, the auditors warn, the flights could outpace federal planning. Officials haven't been looking far enough into the future, leaving the program vulnerable to nasty surprises. … '(Officials) could be caught off-guard by changes in demand and customers,' the Justice Department Office of Inspector General auditors caution in the new report." McClatchy notes, "Popularized as 'Con Air' in a Hollywood movie of the same name, the prisoner flights are coordinated by the U.S. Marshals Service through a Kansas City, Mo., office, and carried a total of 181,948 prisoners in 2005. … The passengers shuttle among about 40 domestic and international cities, and they come in many different stripes. … Some are being extradited, or transported to their new federal prison homes. Many illegal immigrants or criminal aliens are heading to deportation centers, and then to their home countries."

Bush To Hold Public Signing Ceremony For Border Fence Bill. The Washington Times (10/24, Dinan, Hurt, 88K) reports, "Congress yesterday sent the bill to build 700 miles of fencing on the U.S.-Mexico border to President Bush, who will sign it in a ceremony Thursday morning in the White House Roosevelt Room." The decision to have a public ceremony "is a reversal for the Bush administration, which had appeared reluctant to tie itself so publicly to the enforcement-only measure. Although Mr. Bush had committed to signing the bill, aides had said consistently over the past few weeks there would not be a signing ceremony." But "Republicans in Congress had demanded a public signing, with leaders saying the bill is a major accomplishment that will help their re-election prospects." The Department of Homeland Security "has questioned the

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value of that much fencing, and the administration argues that only about 370 miles of fencing is needed on the 2,000-mile-long border. Officials say the rest can be covered through ground radar, sensors and increased manpower."

Border Security Advocates Award Grades To Members Of Congress. The Washington Times' "Inside Politics" (10/24, Pierce) reports "A group opposed to illegal immigration has inducted 125 House members and 20 senators into the U.S. Border Control Hall of Fame for the 109th Congress. 'The members of the 109th Congressional Hall of Fame have listened to the overwhelming majority of their constituents who want an end of open borders, amnesty and welfare benefits for illegal aliens,' said Edward I. Nelson, chairman of the citizens group U.S. Border Control. Among those cited by the group were" Sen. Rick Santorum and Sen. Conrad Burns. The scorecard "is based on 12 votes on immigration issues, including deploying troops on the border, ending the visa lottery and fining employers who hire illegals. The Senate scorecard is also based on 12 votes, including opposition to amnesty, preservation of Social Security for American citizens and making English the official language."

Proposal To Grant Citizenship In Return For Military Service Generates Controversy. The Wall Street Journal (10/24, Rutkoff, 2.03M) in its "Border Lines" column reports on the contention by "conservative hawk Max Boot and centrist Democrat Michael O'Hanlon," in a Washington Post op-ed, "that foreigners -- even illegal immigrants in the US -- could earn American citizenship" by serving a four-year term of military service. "Their proposal, although grounded in the debate over immigration, takes as its primary justification the manpower crunch now plaguing the US military." The Journal adds, "Although Messrs. Boot and O'Hanlon present their proposal as a common sense solution for strengthening the military, the hawkish bloggers at National Review Online staged a daylong debate on the topic that featured a good deal of skepticism."

CONGRESS-ADMINISTRATION:

Elections Could Cast Cheney's Senate Role In New Light. In a Roll Call op-ed (10/24), Don Wolfensberger, director of the Congress Project at the Woodrow Wilson International Center for Scholars, examines the historical role of the vice president, noting the office's role "as the Senate's president could come into sharper focus again in two weeks, when Democrats are expected to gain seats or even control of the chamber. The Constitution provides that the vice president 'shall have no vote, unless [the Senators] be equally divided.' The smaller the majority's edge, the more likely the vice president will be called upon to break ties." No vice president "since the beginning of the 20th century has cast more than eight tie-breaking votes. However, Vice President Cheney already has cast seven tie-breakers in his nearly six years in office. It was Cheney's very presence as President of the Senate that gave control of the 50-50 chamber to the Republicans for organizational purposes during those critical first months of the Bush presidency, from Jan. 21 until June 6, 2001 (when control flipped to the Democrats with Sen. Jim Jeffords' resignation from the Republican Conference to become an Independent)."

Bush Discusses His Computer Use. NBC Nightly News (10/23, story 11, 1:15, Williams, 9.87M) reported on an interview Maria Bartiromo conducted with the President. Bush was asked "about his own computer use and the answers he gave might surprise you." Maria Bartiromo, CNBC: "I am curious, have you ever Googled anybody? Do you use Google?" Bush: "Occasionally. One of the things I have used is to pull up maps. It's very interesting to see, I forget the name of the program, where you get the satellite. I like to look at the ranch. It reminds me of where I want to be sometimes. I do it some. I tend not to email. I don't email because of the different record requests that could happen to a President. I don't want to receive emails. It would show up as some part of a story. And I would be able to say that I didn't read the email. 'But I sent it to your address, how can you say you didn't?' So I am very cautious about emailing."

Spellings Announces Funding For Teachers Who Raise Student Scores. The AP (10/24, Welsh-Huggins) adds, "The Bush administration is rewarding teachers with performance bonuses at four of Ohio's biggest, poorest and most academically challenged districts where teacher pay is already well above the state average." The grants to be shared by the Cleveland, Cincinnati, Columbus and Toledo school systems are "the first federal effort to reward the classroom performance of teachers who raise student test scores." Ohio will receive "$5.5 million this year and a total of $20 million over five years." Nationwide, there will be "16 grants totaling $42 million." The grants will be

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announced "in the coming weeks, falling right before the Nov. 7 elections in which a reeling Republican Party is eager for good news. Spellings said the election had no bearing on the timing." OH13 Rep. Sherrod Brown (D), who is challenging Sen. Mike DeWine (R), "called the announcement 'cynical politics at its worst.'"

OTHER NEWS:

Bush Touts Good Economic News, Says Democrats Would Raise Taxes. The AP (10/24, Riechmann) reports, "President Bush on Monday trumpeted the strength of the economy, an important issue in about two dozen congressional races that will determine whether Republicans retain control of the House. Faced with difficult midterm elections and a deteriorating situation in Iraq, Bush is stressing the positive." At "a round-table where he talked about his administration's role in reducing taxes and limiting regulation and lawsuits that he says impede the entrepreneurial spirit in America," Bush said, "The strength of this economy depends upon the strength of the small business sector. … The role of the government, it seems to me, is to make sure that dreamers are rewarded for their hard work and their ingenuity and success. And the best way to do that is to reduce taxes on people." The AP adds, "White House advisers, who think the president should get more credit for recent positive economic news, insist that Bush is not trying to change the subject away from the unpopular war. T he president will continue to talk about Iraq and the war on terrorism as the Nov. 7 election nears, they said."

The Financial Times (10/24, Luce) says the President "sought to change the subject from the deteriorating situation in Iraq by focusing on the strength of the US economy just two weeks before America goes to the polls in midterm congressional elections. Citing strong US job growth and improving wages, Mr Bush dismissed polls that suggested the Republican party was on course to lose control of the House of Representatives on November 7 and possibly also the Senate." The president "will on Tuesday give a speech in Florida on the economy." In an interview on CNBC, he said, "The economy is strong and we have a plan for victory in Iraq. … The other folks [Democratic party] will raise the taxes and they don't have a plan for victory in Iraq. My advice is: let's watch what happens in the poll that actually matters on November 7."

The Washington Times (10/24, Dinan, 88K) quotes White House spokesman Tony Snow saying, "It's been hard to get people to report on" the economy, adding, "You take a look at consumer confidence levels, they're skyrocketing. People are feeling good about the economy. And if you take a look at the news coverage of it, it's been overwhelmingly negative at a time when you do have just an extraordinary situation." Meanwhile, "the office of Senate Minority Leader Harry Reid, Nevada Democrat, said the economy still isn't a bright spot for Republicans because it falls short of the levels under Presidents Reagan and Clinton. A statement pointed in particular to slower growth in personal income after inflation and taxes."

Dow Jones Index Soars To New Record. Bush's offensive on the economy coincided with a new Dow Jones record. The story was reported briefly by ABC World News (10/23, story 10, 0:10, Gibson, 8.78M), which said, "investors focused on more positive things and that pushed stocks higher. The Dow gained 114 points to close at 12,116.91." NBC Nightly News (10/23, story 10, :15, Williams, 9.87M) also noted the new that the Dow reached "record territory," adding that the Nasdaq index was also "up more that 13 points [to close at 2,355.56] at the end of the day." The CBS Evening News (10/23, story 4, 0:15, Couric, 7.66M), however, did not note the stock numbers, though it did report on "news from Detroit tonight. Ford is battling red ink and losing badly. The automaker lost nearly $6 billion in the third quarter. Much of that was the result of a one-time restructuring cost, but the company predicts things may only get worse in the forth quarter." ABC World News (10/23, story 9, 0:15, Gibson, 8.78M) and NBC Nightly News (10/23, story 8, :20, Williams, 9.87M) also reported the Ford story.

USA Today (10/24, Bruno, 2.27M) runs an AP story on the stock market numbers, in which it says "the Standard & Poor's 500 index rose 8.42 points, or 0.6%, to 1377.02." The Los Angeles Times (10/24, Sanchez, 918K) says "stocks staged a strong rally today after investors welcomed another drop in crude oil prices and news that Wal-Mart Stores would rein in spending on store expansions in order to boost earnings." The Washington Post (10/24, D3, 748K) runs a similar AP report. The Wall Street Journal (10/24, C1, McLay, 2.03M) notes "yet-another record amid a slew of strong profit reports and plans for slowed expansion by Wal-Mart Stores."

Despite Its Strength, Economy Said To Be Playing Little Role In 2006 Campaign. Under the headline "This Time, It's Not The Economy," the New York Times (10/24,

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Porter, 1.21M) reports, "In many ways, the economy has not looked so good in a long time. The price of gas at the pump has tumbled since midsummer. Unemployment has fallen to its lowest level in more than five years. On Wall Street, the Dow Jones industrial average has finally returned to its glory days of the late 1990's, setting records almost daily." But "Republican candidates do not seem to be getting any traction from the glowing economic statistics with midterm elections just two weeks away. The economy is virtually nowhere to be found among the campaign ads of embattled Republican incumbents fighting to hold onto their House or Senate seats. Nor is it showing up as a strong weapon in the arsenal of Republican governors defending their jobs from Democrats. … Disenchantment over the war in Iraq has morphed into disillusionment over the direction of the country, breeding distrust in the administration's policies, surveys suggest. Moreover, concerned by weak wage growth, costly health care and eroding benefits, many middle-class voters do not see the economy improving for them."

USA Today (10/24, Hagenbaugh, 2.27M), meanwhile, says the economy "will likely help Republicans more than Democrats in the elections in two weeks, but that opinion is not unanimous, according to economists polled by USA TODAY. In a survey conducted Oct. 13-18, nearly half the 45 economists who responded to a question on the election said Republicans will benefit the most from the economy in the Nov. 7 midterm elections." But "Wells Fargo senior economist Scott Anderson says Democrats will gain an advantage because many people are seeing little increase in pay after factoring in inflation. During the first eight months of 2006, average weekly earnings of non-supervisory workers after adjusting for inflation rose less than 1% and in some months actually fell." Richard Yamarone, director of economic research at Argus Research, "says neither party will gain an advantage from the economy. 'The Republicans should benefit greatly because of the shape of the economy; however, that message doesn't seem to have gotten out,' he says. There are other issues that are overriding the economic issues.'"

Falling Crude Prices, Rising Costs Pose Challenge To Oil Companies. The Wall Street Journal (10/24, Cummings, 2.03M) reports, "With crude prices falling and oil-field costs on the rise, major oil companies have a big problem: sustaining their phenomenal profit growth." Exxon Mobil, Shell, and BP "have all relied on big oil-price jumps to fuel a streak of handsome earnings gains and, in many cases, record quarterly profits in recent years." The Journal says, "Even before the steep drop-off in prices, earnings had been blunted by side effects of the commodities boom. Oil-field costs have skyrocketed for many projects because of higher demand for everything from steel to software among energy companies eager to cash in on the boom. ... If oil prices stabilize or drop further, cost inflation could also subside. But costs generally take time to catch up with swings in commodity prices."

Polls, Analyses Show GOP In Precarious Position Two Weeks Before Midterms. A slew of polls out this morning show the Democratic party in a strong position barely two weeks before the congressional election. Assessments by political analysts tend to concur with the poll results. The Washington Post (10/24, A17, Birnbaum, 748K) reports, "Polls are now showing signs that the tide of public opinion is flowing in the opposite direction and that voters could vote Republicans out of office in droves this year, returning Democrats to power in the House and possibly in the Senate as well. 'This is going to be a wave year,' said Larry J. Sabato, a political scientist at the University of Virginia. 'The only question is whether it will be medium-size wave or a high wave for the Democrats.' Indiana State University's Carl Klarner and Stan Buchanan used fancy computer models in June to predict that Democrats would pick up 22 seats in the House, enough to give them 224 seats, six more than they would need for majority control. Alan I. Abramowitz of Emory University in Atlanta used his own model last month to forecast that Democrats would gain 29 House seats. The professors did not predict that Democrats would take charge of the Senate -- a six-seat gain is needed to win a majority there -- though they do envision Democratic gains in that body of two to three seats."

Analyst Stuart Rothenberg, meanwhile, says the GOP us in worse shape this election cycle than the Democrats were in '94. Rothenberg writes in Roll Call this morning (10/24), "With only a couple of weeks until Election Day, we know there will be a Democratic wave on Nov. 7. And we can be fairly certain that by historical standards it will be high — possibly very high. But we still don't know how many Republicans once considered safe will be swept out of office. The national political environment currently is worse than it was in 1994, when the Democrats lost 52 House seats, eight Senate seats and 10 governorships, and when Republicans won GOP control of the House for the first time in decades.

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You heard me right: It's worse this year than it was in 1994, when voters were dissatisfied with the first two years of the Bill Clinton presidency. … If you are looking for a midterm election year that is comparable to 2006, you need to move beyond 1994 to include other recent 'wave' midterms, particularly 1974, 1958 and 1982. In 1974 and 1958, the president's party, in each case the Republicans, lost 48 seats. In 1982, Republicans lost 26."

CNN Poll Finds 57% Say They Would Vote For A Democrat In Their District. CNN's The Situation Room (10/23, Blitzer) reported, "According to our CNN poll, if the mid-term elections were he'd right now, 57 percent say they'd vote for a Democrat in their district, while 40 percent say they'd vote for a Republican."

Bush's Approval Rating At 39%. CNN's The Situation Room (10/23, Blitzer) reported, "Our new survey puts President Bush's job approval rating now at 39 percent. That's up three points from mid-October. That brings Mr. Bush back to where he was in our two previous surveys."

Newsweek Poll Shows Democrats Leading Republicans 55% To 37%. MSNBC's Hardball (10/23, Matthews) reported, "Fifteen days before the election and the latest Newsweek poll shows Democrats leading Republicans. Catch these numbers: 55 percent to 37 percent on the party people intend to vote for. And the President's approval number remains stagnant at 35 percent, showing that the public's sour mood towards President Bush and his Republican party seem to be hardening."

GOP Narrows Generic Ballot Deficit To 13 Point In New Gallup Poll. USA Today (10/24, Page, Lawrence, 2.27M) reports, "Two weeks before Election Day, voters are more focused on national issues than in any previous congressional election, a USA TODAY/Gallup Poll finds, and they express unprecedented pessimism on the war in Iraq and downbeat attitudes about the economy. Just 19% of those surveyed say the United States is winning in Iraq, an all-time low. And 38% say their own member of Congress doesn't deserve re-election, an all-time high." USA Today adds, "On one measure, Republicans did see significant improvement. Two weeks ago, likely voters favored the unnamed Democratic congressional candidate in their district over the Republican by 23 percentage points, 59%-36%. The survey was taken immediately after Florida Rep. Mark Foley resigned in the congressional page scandal. Now, the Democratic advantage on the generic congressional ballot has narrowed to 13 points, 54%-41%. … However, in the new poll, 43% of likely voters say national issues will make the biggest difference in their vote; 24% say local or state issues."

WPost-ABC News Poll Finds Independents Back Democrats Over GOP 59-31. The Washington Post (10/24, A1, Balz, Cohen, 748K), in a front-page article titled, "Independent Voters Favor Democrats By 2 To 1 In Poll: Iraq War Cited Most Often As Top Issue for Elections," reports, "Two weeks before the midterm elections, Republicans are losing the battle for independent voters, who now strongly favor Democrats on Iraq and other major issues facing the country and overwhelmingly prefer to see them take over the House in November, according to a new Washington Post-ABC News poll. … Americans cite the war as the most important issue in determining their vote next month more often than any other issue, and those who do favor Democrats over Republicans by 76 percent to 21 percent." The Post adds, "The independent voters surveyed said they plan to support Democratic candidates over Republicans by roughly 2 to 1 -- 59 percent to 31 percent -- the largest margin in any Post-ABC News poll this year. Forty-five percent said it would be good if Democrats recaptured the House majority, while 10 percent said it would not be." President Bush's approval rating "stood at 37 percent" and the generic House ballot "remained strongly in the Democrats' favor, 54 percent to 41 percent." The Post-ABC News poll is "based on telephone interviews with 1,200 adults conducted Thursday through Sunday. The margin of sampling error is plus or minus three percentage points."

Independent Voters Seen As Reshaping Elections In The Southwest. The New York Times (10/24, Johnson, 1.21M) reports that in Arizona, "people who reject the old major party labels are by far the fastest-growing category of voter, with the number of independents doubling over the last 10 years, to more than one in four. Numbers like that are the stuff that ulcers are made of for party regulars and election prognosticators, who are trying to figure out where the new independents are coming from politically or geographically and where they might hang their hats on Election Day. … But if the trend toward independent voters continues — and there is no sign of faltering — experts say it will lead to more competitive races not only on local and statewide levels but also in the presidential election." The Times goes on to report, "About one in three voters in Colorado are independents" and "of the seven states with the fastest-growing proportion of independent or third-party voters from

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2000 to 2004, four are clustered in the Southwest — Arizona, California, Nevada, and New Mexico."

GOP's Difficulties Attributed To Voters' Opposition To The War In Iraq. ABC World News (10/23, lead story, 2:20, Gibson, 8.78M) reported, "Two weeks from tomorrow Election Day and we have new indications that it is shaping up to be a very difficult election for Republicans. A new ABC News poll finds that right now 55% of likely voters favor Democratic congressional candidates and among influential swing voters, 59% favor Democrats. The reason? Opposition to the war in Iraq. It is the number one issue." ABC's George Stephanopoulos added, "There is a big protest vote brewing. Voters clearly say Iraq is the number one issue more than the economy. Nearly twice the number that says the war on terror is the number one issue and those who say Iraq is the number one issue break decisively for the Democrats, 76% to 21%. We saw this campaign about a month ago around 9/11 to make the war on terror the number one issue, to convince Americans that Iraq was part of the war on terror. Two weeks out that strategies appears to be failing."

On NBC Nightly News (10/23, story 4, 1:50, 9.87M) NBC's Washington bureau chief Tim Russert said, "One Republican told me if this is a referendum on Iraq, we lose. If we can make it on economy and security, we win. Stay the course means Iraq, means losing. We need new words, a new agenda."

Hannity Charges Democrats Have Divided Americans In Bid For Political Power. On the CBS Evening News' "Free Speech" segment (10/23, story 8, 2:15, Couric) Fox news' Sean Hannity, "So here we are just a few short weeks before an important midterm election and, as you can tell on the news, people are very divided in this country. Now, how can that be just five short years after the worst attack on our homeland in American history? The answer pure and simple: Politics. And especially desire for power above all else. … Today leading Democrats, they reversed course. They're now leading the anti-war effort."

Dionne Says Democrats Likely To Pursue More Moderate Agenda If Victorious. The Washington Post's E. J. Dionne (10/24, A19) writes the "incipient Democratic alliance, while tilting slightly leftward, would plant its foundations firmly in the middle of the road, because its success depends on overwhelming support from moderate voters. That's why a Democratic victory in November -- defined as taking one or both houses of Congress -- would have effects far beyond a single election year. The Democrats' dependence on moderate voters and moderate candidates belies Republican claims that a Democratic victory would bring radically liberal politics to Washington."

GOP Candidates Advised To Take The Offensive. In an op-ed for Roll Call (10/24) David Winston, president of Republican polling firm The Winston Group, writes, "an impatient public doesn't want to hear 'stay the course.' … With two weeks left before the elections, Republicans ought to take the advice of former Rep. J.C. Watts, who used to advise the Republican Conference to 'stay on offense.' 'Stay the course' is defensive, and Republicans need to break out of their self-imposed box — and do it quickly. … Republicans still have two great strengths — the economy and national security — if they are willing to follow Watts' advice and take their record on offense."

Latino Church Groups Said To Have Grown Disenchanted With GOP. The Los Angeles Times (10/24, Wallsten, 918K) reports, "A major effort to draw Latinos and blacks into the Republican Party, a central element of the GOP plan to build a long-lasting majority, is in danger of collapse amid anger over the immigration debate and claims that Republican leaders have not delivered on promises to direct more money to church-based social services. … Some of the leaders who helped drive Bush to victory in 2004 are revisiting their loyalty to the Republican Party and, in some cases, abandoning it. 'There is a fissure, and I doubt it will be closed in this election,' said the Rev. Luis Cortes Jr., a Republican who founded the annual National Hispanic Prayer Breakfast that has featured Bush every year since 2002." The Times adds, "The Latino backlash has grown so intense that one prominent, typically pro-Republican organization, the Latino Coalition, has endorsed Democrats in competitive races this year in Tennessee, Nebraska and New Jersey. The coalition is chaired by Hector Barreto, the former administrator of the Small Business Administration under Bush; its president is a former strategist for the Republican National Committee."

Likelihood Of Surge In Hispanic Voter Participation Disputed. The Washington Times (10/24, Summers, 88K) reports, "Hispanic rights activists and immigration-policy researchers disagree on how many Hispanics will turn out to vote on Nov. 7. Advocates say Hispanics are encouraged by rallies last spring and motivated by local government efforts to limit day-laborer practices and housing of illegal aliens.

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Researchers argue that the rallies had little effect. … Researchers say many Hispanics are here illegally and represent the ethnic group with the fewest registered voters. They noted that demonstrations fizzled when legislation to grant illegals a path to citizenship stalled in Congress."

Polls Show GOP Senate Candidates Gaining In Virginia, Tennessee And Montana. McClatchy (10/24, Thomma) reports Republican Senate candidates "have fought back to regain an edge in two key races, pivotal battlegrounds that could determine which party controls the Senate, according to a series of new McClatchy-MSNBC polls and a companion Virginia Poll. … The new polls show Democrats leading in two states they must hold -- New Jersey and Washington -- as well as in five states now held by Republicans: Missouri, Montana, Ohio, Pennsylvania and Rhode Island." McClatchy notes, "the polls revealed a shifting landscape in recent weeks, with Democrats leading in several states but Republicans not only clawing back in Tennessee and Virginia but also narrowing the gap in Montana. Democrat Jon Tester led incumbent Republican Sen. Conrad Burns by 46 percent to 43 percent. Three weeks ago, Tester led 47-40 percent." The McClatchy-MSNBC Poll "is a snapshot of voter opinion at the time it was conducted. It is not a prediction of how people will vote. The poll of 625 likely voters in each state was conducted by telephone Oct. 17-21. T hose interviewed were randomly selected by telephone numbers from a cross-section of telephone exchanges. That means anyone in the state with a land-phone line had the same odds of being called as anyone else. … The margin of error was plus or minus 4 percentage points."

GOP Said To Have "Given Up" On Senate Races In Ohio, Pennsylvania, Montana and Rhode Island. The New York Times (10/24, Nagourney, 1.21M) reports, "A look at where the Republicans are spending their money makes it increasingly evident that they are choosing to focus on defending a relative handful of Senate and House seats. Democrats are trying to expand the battlefield to races that were not considered competitive even a few weeks ago. Republicans have all but given up on Senate races in Ohio, Pennsylvania, Montana and Rhode Island. They are pinning their hopes of keeping control on Missouri, Tennessee and Virginia, and are debating whether to try to put Democrats on the defensive in New Jersey. Republicans said they would decide in the next few days whether to make a high-risk, all-out assault there on Senator Robert Menendez." Democrats "have steadily increased the number of races where they are competing. By Sunday it was 40, including Republican-held seats in California, Minnesota, Nevada and New York. The Republicans have apparently pulled out of two Ohio districts, as well as once-competitive districts in Indiana, West Virginia and South Carolina."

NRSC Said To Need Funding From Shelby, Hutchison Among Others. The Washington Times (10/24, Hurt, 88K) reports Republican Senators "with enormous campaign war chests are refusing to transfer significant amounts of money to help fellow Republicans who are cash-strapped and face defeat in the final weeks of the campaign. … According to the latest figures available, the DSCC has $23 million and the NRSC has $12 million. Much of that difference stems from the disparity in late giving from sitting senators." According to the Times, "The ire of some Republicans in Washington and on the campaign trail has been directed at some of the most senior Republican senators who are harboring millions in campaign cash." Sens. Richard Shelby and Kay Bailey Hutchison "both have more than $9 million in their campaign accounts, and there is no limit to how much they can legally transfer to the NRSC." Shelby "isn't up for re-election until 2010 and won his last election with 68 percent of the vote. His campaign account contains $11.6 million, but he has given $15,000 to the NRSC." Hutchison "has $9.5 million on hand, and polls in Texas show her trouncing her opponent by 20 points or more. She has given $115,000 to the NRSC, a little more than 1 percent of her campaign holdings."

Allen Leads Webb 47-43 In New Mason-Dixon Poll. The AP (10/24, Lewis) reports Sen. George Allen "is slightly ahead of Democratic challenger Jim Webb in a closely watched race that could determine whether the GOP retains control of the Senate, according to a poll published Monday. A statewide survey by Mason-Dixon Polling & Research Inc. showed that 47 percent supported Allen while 43 percent favored Webb, a former Republican and first-time candidate. … The results, published on the Web sites of several Virginia newspapers, are based on telephone interviews conducted Oct. 17-19 with 625 registered voters statewide."

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Poll Shows Menendez With Nine Point Lead Over Kean. CNN's The Situation Room (10/23, Blitzer) reported, "In the New Jersey Senate race, a new poll may be providing new optimism for the incumbent senator, Democrat Bob Menendez. The Monmouth University/Gannett survey shows Menendez now leading Republican challenger Tom Kean Jr. by nine points. Kean had an eight- point lead in that same survey back in September."

Corker Distances Himself From RNC Ad That Critics Call "Race-Baiting." The Los Angeles Times (10/24, Wallsten, 918K) reports, "A new Republican Party television ad featuring a scantily clad white woman winking and inviting a black candidate to 'call me' is drawing charges of race-baiting. … Critics said the ad, which is funded by the Republican National Committee and has aired since Friday, plays on fears of interracial relationships to scare some white voters in rural Tennessee to oppose Democratic Rep. Harold E. Ford Jr." The Times notes that former Republican senator William Cohen of Maine "said on CNN that the ad was 'a very serious appeal to a racist sentiment.' … The 30-second ad features fictional characters satirizing Ford. A black woman notes that Ford 'looks good' and asks, 'Isn't that enough?' Others suggest Ford backs privacy for terrorists, accepts money from the pornography industry, wants to raise taxes and backs letting Canada deal with the North Korea nuclear threat. The character who has raised complaints is a blond woman who speaks in a hushed, suggestive tone and says that she met Ford at 'the Playboy party.' At the end of the ad, she reappears and says: 'Harold, call me.' She winks and holds her hand up as if holding a phone." Ford's opponent, former Chattanooga Mayor Bob Corker, "has asked Tennessee television stations not to run the spot, calling it 'over the top.' But the ad has continued to run — and on Monday the Republican National Committee was unapologetic."

Tester Benefits From Conservative Montanans' Willingness To Vote For Democrats. The Christian Science Monitor (10/24, Paulson, 58K) reports Tester's "strategy of making Burns himself the issue seems to be working: Polls now show the farmer/state senator with a slight edge over the incumbent, lifting Democrats' hopes of adding a key seat in their quest to gain control of the US Senate. … While Montana may be 'red' in presidential elections, it's demonstrated a willingness to vote for its own Mountain version of Democrats, with a popular Democratic governor and a Democratic legislature. And Tester's home-grown approach seems to be working."

Though Trailing Whitehouse, Chafee Remains Popular Among Rhode Islanders. Roll Call (10/24, Duran) reports, "If the Rhode Island Senate race were a popularity contest, Sen. Lincoln Chafee (R) would have no trouble winning re-election. Unfortunately for Chafee, his opponent's message that a vote for Chafee is essentially a vote in favor of President Bush seems to be resonating in the Ocean State. … Even people who say they plan to vote for Sheldon Whitehouse (D), the state's former attorney general who has a slight lead in the polls, say they like Chafee."

Steele Claims Voters Are Turned Off By Cardin's Ads. The Washington Times (10/24, Miller, Ward, 88K) reports Maryland Lt. Gov. Michael S. Steele "said yesterday that Democratic attacks on his U.S. Senate candidacy have not hurt him but have sparked interest in his status as a black Republican. 'I hear it from people who come up to me who are angry themselves. They are sick of it. They are tired of it. It's like, 'Why are they coming after you?' Mr. Steele told editors and reporters at The Washington Times. 'The commercials that they have run have really not resonated the way I think they thought they would. It is not scaring people away from me. In fact, it is actually drawing them to pay closer attention,' he said." Rep. Ben Cardin's campaign "has focused on tying Mr. Steele to President Bush as part of a Democratic strategy to dampen the lieutenant governor's appeal among blacks."

Steele Says Cardin's Call For Withdrawal From Iraq Is "Irresponsible." The Washington Times (10/24, Miller, 88K) reports Cardin "has firmed his stance against the Iraq war by demanding an immediate troop withdrawal and now faces criticism from his rivals in Maryland's U.S. Senate race for 'pandering' to anti-war voters and jeopardizing the war effort." Steele "called Mr. Cardin's comments 'irresponsible.'"

Actor Fox Appears In Cardin Ad. The Washington Post (10/24, B1, Mosk, 748K) reports, "Appearing grimly unsteady from his long bout with Parkinson's disease, actor Michael J. Fox is inserting his halting voice into the campaign for the U.S. Senate in a new television commercial about the importance of stem cell research. The ad, endorsing" Cardin

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"bears witness to the actor's unmistakable decline and harnesses that physical degeneration into a political message."

Steele Refuses To Release His Credit Report. The Washington Post (10/24, A1, Fahrenthold, 748K) profiles Steele, who "is running vigorously against the political system that promoted him. … Here is Steele on TV, in one of his ubiquitous blank-background ads: 'Washington has no clue of what's going on in your life.' There are a few things odd about Steele's anti-Washington rhetoric -- don't 278,000 of the Maryland voters he's wooing actually work for this clueless federal government?" The Post goes on to note, "The one thing he always mentions is Washington, how the culture of partisan bickering needs to change. Steele, however, is not above a bit of political gamesmanship himself. At his Hagerstown speech, he criticized Cardin because Democratic Party operatives fraudulently obtained his credit report. 'Anyone who wants my credit report, I'd be happy to give it to you,' Steele said. 'If you want to know about me, ask me.' Later that day, a Washington Post reporter asked: Is it possible to get your credit report? 'No, it's not,' Steele said."

Steele Described As Lacking A Strong Identity. The Washington Times' Adrienne Washington (10/24) writes, "But the guessing game of the hour rests on whether Michael Steele is a right-wing Republican, an undercover moderate Democrat or a wannabe independent. Just where do this atypical candidate's political loyalties lie? Exactly who constitutes the core constituency to whom he will be beholden? The street rap on Mr. Steele is that he is hard to read once you get past the friendly smile and platitudes, even for those who have spent time with him."

Republicans Fighting Unexpectedly Competitive House Races In The Pacific Northwest. The Washington Post (10/24, A8, Harden, 748K) reports on "the suddenly competitive race" in Idaho' 1st District between Democrat Larry Grant and Republican Bill Sali, "an eight-term state representative with a corrosive reputation for irking his fellow Republicans. The Republican speaker of the Idaho House, Bruce Newcomb, said this spring of Sali: 'That idiot is just an absolute idiot.'" Republicans "outnumber Democrats about 2 to 1 in the district…and two years ago the district elected a Republican with 70 percent of the vote." The Post continues, "In Washington's 5th Congressional District…confirmation of an unexpectedly strong Democratic challenge emerged in recent days from a well-placed source: the Republican incumbent, Rep. Cathy McMorris. 'It's a closer race than I first imagined,' she told Sen. Larry E. Craig (R-Idaho), according to the Spokesman-Review, a newspaper in Spokane. Changing voter attitudes in her conservative, mostly rural district, she said, have been 'pretty dramatic.' … In suburban Seattle's 8th Congressional District, the Republican incumbent, Rep. David G. Reichert, a well-known former sheriff from King County, is also facing a robust challenge -- from a political neophyte, Darcy Burner, 35, a former Microsoft executive."

Vulnerable Democrats In Georgia Try To Align Themselves With Bush. The New York Times (10/24, Zernike, 1.21M) reports Democratic Congressional candidates in Georgia "defend themselves against accusations that they are rubber stamps for their party's leadership. Democrats are defending the war in Iraq. And Democrats — yes, Democrats — strive to align themselves with the president. 'I agree with George Bush on this one,' Representative John Barrow ends his new advertisement in favor of abolishing the estate tax. … As Mr. Barrow's Republican challenger, Max Burns, declared on Thursday in a debate in Augusta, 'My opponent, he started out a liberal and he's trying to get to the right of Attila the Hun.' The number of embattled Democrats has gone down. Republicans at the beginning of the summer said they believed that they could take 10 Democratic seats. Now they say four." According to the Times, "Two of those four seats are here in Georgia, a predominantly Republican state where redistricting has left two Democratic incumbents, Mr. Barrow and Representative Jim Marshall, unfamiliar to a big chunk of their new constituents. The others are Representative Leonard L. Boswell, running against a well-financed opponent in Iowa, and Representative Melissa Bean, who is serving her first term from Illinois."

Clinton Appears At DCCC Fundraiser For Bean And Duckworth. The Chicago Tribune (10/24, Biemer, Chase, 623K) reports former President Bill Clinton "spoke at a Chicago fundraiser for U.S. Rep. Melissa Bean and Tammy Duckworth on Monday and praised the suburban Democratic congressional candidates as 'independent, clear-thinking, non-ideological, inclusive, commonsensical people.' About 600 supporters attended the event, sponsored by the Democratic Congressional Campaign Committee, that

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was expected to raise about $800,000 to be split three ways between Bean, Duckworth and the DCCC.

Wilson Campaigning For Democratic Candidates. Roll Call (10/24, Akers) reports, "Having soaked up just about every last bit of limelight from the CIA leak scandal, former GOP-appointed Ambassador Joe Wilson is burning up the campaign trail on behalf of Democrats." Wilson "has campaigned for such Democratic candidates as Diane Farrell, who is running against Rep. Christopher Shays (R-Conn.); Lois Murphy, who's trying to unseat Rep. Jim Gerlach (R-Pa.); and Iraq War veteran Patrick Murphy, who is taking on Rep. Michael Fitzpatrick (R-Pa.). Wilson, never one to shy away from the cameras, also is campaigning on behalf of Connecticut Senate candidate Ned Lamont (D), Sen. Bob Menendez (D-N.J.) and former CIA agent Jim Marcinkowski, who's running against Rep. Mike Rogers (R-Mich.), among several others."

King Said To Be In Surprisingly Tough Reelection Campaign. Roll Call (10/24, Brotherton) reports, "for more than a decade," Rep. Peter King "has had little difficulty maintaining his seat in this Republican stronghold. However, in an election year when everything seems to be going the Democrats' way, King's re-election might not be a guarantee." King "is facing an unexpected challenge from Democrat David Mejias, the first-ever Latino elected to the Nassau County Legislature. Mejias, who was endorsed by The New York Times on Sunday, is touting a poll by the firm Constituent Dynamics that puts him only two points behind King." However, King "isn't buying any talk of an upset. The seven-term Congressman labels it pure hype, pointing to recent internal polling giving him a lead of more than 20 points over Mejias. And when it comes to money, King truly is on top. According to the latest FEC filings, King has $1.6 million cash on hand, whereas Mejias lags far behind at about $136,000."

Doolittle's Challenger Regarded As Increasingly Viable. The Washington Post (10/24, A2, Murray, 748K) reports Charlie Brown "was an unknown Democrat running in the California Republican heartland. The eight-term incumbent, John Doolittle, had crushed his 2004 opponent. Fewer than a third of district voters are registered Democrats." But "if a wave breaks next month, Brown is one of many bootstrap Democrats who could be washed into Congress. The latest polls show that Brown, a retired Air Force lieutenant colonel, has pulled within striking distance of Doolittle, whose well-documented ties to disgraced lobbyist Jack Abramoff may be an albatross. The Democratic Congressional Campaign Committee is increasingly optimistic about Brown's chances and has chipped in an undisclosed amount of cash for the final push. Brown has scooped up local newspaper endorsements and raised $750,000, much of it in recent weeks."

Nguyen Blames Sanchez For Uproar Over Letter To Hispanic Voters. CNN's The Situation Room (10/23, Blitzer) reported, "In California, GOP congressional candidate Tan Nguyen is blaming his opponent for the uproar over intimidating letters his campaign sent to Hispanic voters. Nguyen is resisting calls from fellow Republicans to drop out of the race. And he has been criticized by the state's top Republican, Governor Arnold Schwarzenegger. But Nguyen is accusing Democratic incumbent Loretta Sanchez of fueling the hysteria over the letter, which he says he did not personally approve. And he charges, Sanchez is behind a state investigation now under way into possible voter intimidation by his campaign."

Democrats, Unions Hope To Blunt GOP GOTV Advantage. Roll Call (10/24, Drucker) reports Republicans "are increasingly pinning their hopes for survival on a get-out-the-vote effort that Democrats acknowledge they cannot match. Republican strategists are quick to point out that a superior GOTV operation is unlikely, on its own, to salvage races in which their candidate is trailing by even as little as 3 points. But for those races in which the Republican is within 2 points or less, they argue that an effective ground game could be the difference between victory and defeat. And they believe their superior turnout operation may help them overcome a sense among pundits that the Republican base will be depressed on Election Day, literally and figuratively." Democrats "have moved to stem the disadvantage in key battlegrounds, spending millions to create statewide voter files in Missouri and Montana while engineering a coordinated ground game attack in key House districts in Ohio, Pennsylvania and other contested states. Also, the AFL-CIO and MoveOn.org have said they'll spend a combined $52 million on GOTV on the Democrats' behalf.

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Liberal Bloggers Target Safe Democrats With Overflowing Campaign Accounts. The New York Times (10/24, Zeleny, 1.21M) reports, "With Democrats increasingly convinced that House control is within their grasp, party activists are publicly excoriating politicians in safe districts who have hefty campaign balances." Rep. Martin Meehan, who has more than $4.8 million on hand" and was "easily re-elected two years ago with 67 percent of the vote, is at the top of a new list being circulated by Democratic bloggers. … The not-so-gentle campaign to nudge Democrats — or, in many cases, shame them — into contributing more money to the party is another way bloggers are producing a collision between the old world of politics and the new." Sen. John Kerry "came under fire last week when it was pointed out that he had contributed only $15,000 this year to the party's senatorial committee. Heyjohn.org, whose creator has remained anonymous, highlights the fact that Mr. Kerry has $14 million in his campaign accounts."

Clinton Responds To Foe's Alleged Remarks On Her Appearance. The AP (10/24, Humbert) reports that New York Sen. Hillary Clinton (D) "accused her Republican challenger of getting into 'swampy territory' after he was quoted Monday as saying that Clinton was unattractive when she was younger and that she had a lot of work done on herself. John Spencer denied discussing the senator's looks during a conversation with a New York Daily News reporter. The tabloid quoted Spencer as saying: 'You ever see a picture of her back then? Whew. I don't know why Bill married her.'" Spencer "was also quoted as saying that Clinton underwent millions of dollars of 'work' and 'looks good now.'" Clinton, during a Monday campaign stop, said, "It's unfortunate that when you don't have anything positive to say about the issues that we can get off in some pretty swampy territory."

The New York Times (10/24, Santora, 1.21M) reports that Spencer "angrily called the report a 'complete fabrication' yesterday. He acknowledged that he had talked about how different she looked now and about her changing style. But he said it was in the context of 'everyone looking different.' He denied saying anything about plastic surgery or questioning Mr. Clinton's marital judgment. … Ben Smith, the Daily News reporter who wrote the article, stood by his account. He said he took notes on his BlackBerry. By chance, the candidate and the reporter were seated in the same row, one seat apart, on a JetBlue flight from New York to Rochester on Friday morning before the first debate."

New Poll Shows Davis Has Nearly Erased Crist's Lead. The Washington Times' "Inside Politics" (10/24, Pierce) reports, "Florida's gubernatorial race between Republican Charlie Crist and Democrat Rep. Jim Davis has narrowed, with the two candidates running just about even, according to a poll released yesterday as early voting began in the state. Mr. Crist, the state attorney general, had enjoyed double-digit leads in previous polls. The new Quinnipiac University Poll found him favored by 46 percent of likely voters to 44 percent for Mr. Davis, with 8 percent undecided. That is within the error margin of 3.4 percentage points. Eleven percent of respondents indicated they could still change their minds."

Patrick's '06 Strategy In Massachusetts Plays Off Romney's '08 Ambitions. The Wall Street Journal (10/24, A4, Cooper, 2.03M) reports that in Massachusetts, Democrat Deval Patrick "looks poised to become the nation's second black governor ever popularly elected, and to regain the left-leaning commonwealth for the Democrats." Patrick's strategy involves "tying his opponent not to President Bush but to her political patron, sitting Gov. Mitt Romney, whose politics are moving rightward in preparation for a presidential run." Lt. Gov Kerry Healey, the Republican candidate, "has been running negative ads, even as she claims that she is closer to Mr. Patrick than Mr. Romney on some issues" such as abortion and stem cell research. Romney is "exploring a bid for the 2008 Republican presidential nomination. In recent months, he has barnstormed the country speaking to conservative groups. Along the way, Mr. Romney has tailored his appeal to core Republican supporters, including conservative Christians who are kingmakers in the presidential nomination process -- and often have a different worldview from the constituents Mr. Romney had to win over in his home state." The Romney "overhang in the Massachusetts governor's race is just one example of how the 2006 election season has begun to define the 2008 presidential contest." Other potential '08 candidates who are active in 2006 are Sens. Hillary Clinton and George Allen, and Barak Obama, who has campaigned extensively for Democrats. For Romney, "a one-term governor with no prior political experience, Ms. Healey's

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fortunes may speak volumes about his ability to leave a legacy or rally a political base."

Obama "Meet The Press" Interview Generates Widespread Publicity. Sen. Barack Obama's concession to Tim Russert on Meet the Press that he was reconsidering the possibility of running for the presidency in 2008 continued to draw media attention for a second day. Indeed, on the networks, Obama potential, unannounced '08 campaign drew about ten minutes of airtime – compared to about seven for the 2006 midterm elections. The glowing reports, however, are generally tempered with an acknowledgement that Obama has little experience on the national political stage. NBC Nightly News(10/23, story 3, 2:30, Williams, 9.87M) reported Obama's remarks on Meet the Press have "rocked the political world." NBC (Reid) added, "So why is he such a sensation? Political analysts say it is partly because some Democrats are unhappy with the field of candidates they already have." Peter Hart, Democratic pollster: "He comes across as spontaneous and genuine running against other people that may be seen as calculating and as programmed." Reid: "That includes presumptive frontrunner Hillary Clinton. Analysts say some Democrats unhappy with her vote in favor of the Iraq war may turn to Obama, who has consistently opposed the war." Chicago Tribune columnist Clarence Page "says for now his personal story is overshadowing everything else."

ABC World News (10/23, story 5, 2:50, Snow, 8.78M) reported, "His base is growing. Even Oprah seemed to endorse him." Oprah Whifrey: "I know I don't just speak for myself. There are a lot of people who would want you to run for the presidency of the United States." Snow: "Republican strategist Rich Galen says Democrats are searching." Rich Galen: "Democrats are looking for an alternative to Mrs. Clinton, mostly because they are not sure she can get them across the finish line in a general election." Snow: "An Obama run would change the game." Rep. Jesse Jackson Jr.: "The Clintons have invested a tremendous amount of time in the African American community. If Obama's in the race, there's going to be a competitive vote." Snow: "Obama's biggest handicap may be his inexperience. But with Iraq at the top of voters' concerns, that could cut both ways." Stuart Rothenberg, The Rothenberg Political Report: "There's an upside to the fact Senator Obama's been in Washington a relatively short time. He doesn't have the lengthy record, particularly on Iraq that opponents can use to demonize him and attack him. He can stand above the fray."

The CBS Evening News (10/23, story 6, 1:35, Borger, 7.66M) reported, "Now after just two years on the national stage, he's a certified political phenom, with the a best selling book and a date with Oprah. It's the American dream for some Democrats who want Obama to run for president. Here's something else to think about: He's 98th on the Senate seniority list and without any serious national security credentials. So the question remains, is it really time for Obama to run or is it too far, too fast?"

MSNBC's Hardball (10/23, Shuster) reported, "In recent weeks, it's been hard to miss Obama. The junior Senator from Illinois at age 45 has landed on the covers of Men's Vogue and Time Magazine . He's made numerous appearances promoting a new book and he recently charmed Oprah Winfrey. … Recently, Obama has been criss-crossing the country, giving speeches and raising money for Democratic congressional candidates. He has helped actor George Clooney bring attention to the crisis in Darfur. Along the way, Obama has captured the imagination of Democratic party activists. The leading advocate for an Obama presidential run is fellow Illinois Senator Dick Durbin. And party strategists, including some advising John Kerry, John Edwards, Joe Biden and Bill Richardson, agree that Obama could leapfrog much of the potential Democratic field and become the challenger to New York Senator Hillary Rodham Clinton."

Obama Acknowledges "Inhaling." The New York Times (10/24, Seelye, 1.21M) reports Sen. Obama "created a little sunlight on Monday between himself and both Bill and Hillary Rodham Clinton. For one thing, he said that as a youth he had inhaled." Speaking to an audience of magazine editors, Obama said, "When I was a kid, I inhaled. That was the point." The Times adds the "direct admission was in contrast to Mr. Clinton's denial in his 1992 campaign for president that he had smoked marijuana." New Yorker editor David Remnick also "asked Mr. Obama for his views about Mrs. Clinton." Obama "praised her but made clear that he did not agree with her vote for the Iraq war."

Other Commentary. On the CBS Evening News (10/23, story 7, 4:00, Couric, 7.66M) Nicole Wallace, former communications director for President Bush and Clinton press secretary Mike McCurry discussed the Obama boomlet. McCurry said, "He is a wonderful guy, but he's kind of this beautiful empty bottle that we can pour everything we

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want in politics. We want politics that's about stuff that's inspirational and exciting and kind of returns some of the character of politics that many of us associated with John F. Kennedy and Barack has all of that right now. The question is, will he have it two years from now." Wallace added, "The Republicans are not immune to Barack Obama's good looks and charm. I joked that he's John Edwards without all that experience. I don't think Republicans are too concerned about whoever will emerge from the Democratic primary process. In the last two presidential elections, Republicans have been satisfied with how the process worked itself out." McCurry: "If you talk to Republican operatives, 100% of all of them are convinced Mrs. Clinton will be the nominee. They all say, 'you couldn't nominate anyone except her.' On the Democratic side people wonder if she will bring the country together." Wallace: "Mike doesn't want to do another presidential campaign. I don't know if that's an objective analysis. I think people think she'll run and people think this is a bad sign for her. If Barack is filling such an excitement vacuum, it must be partially because of her that that exists."

On NBC Nightly News (10/23, story 4, 1:50, Williams, 9.87M), NBC Washington bureau chief and moderator of Meet The Press Tim Russert said, "He is getting rock star treatment all across the country, no matter what state – Iowa, Arizona, Pennsylvania. He is the only candidate in 2008, if he runs, who would have been against the war before it began. He is someone that believes the 60's generation, the baby boomers, have had their time on the political stage and it is time for a new generation of leadership. His father is black and mother is white. He has a best seller. All those factors, and now, he is giving very, very serious consideration to running for President now. Why? It is the first time the presidency will be wide open, no incumbent."

In his Washington Post column (10/24, A19), Richard Cohen says, "Life itself -- its hard lessons -- cautions me to look with consummate cynicism on the Obama trial balloon." But "I cheer his announcement that he might announce he is going to announce -- something like that. I say this not just because I have been following his career out of the corner of my eye -- my, my, ain't he a natural! -- but because I've actually been reading his speeches. The one he gave on the role of religion in politics was as smart a speech as I've ever read. It's the sort of thing John F. Kennedy could have given, only his would have been written by someone else, probably Ted Sorensen." But "mostly I want Obama to run because he would come into the race with no baggage on Iraq."

Treasury Secretary Paulson Stays Off Campaign Trail. The Washington Post (10/24, A17, 748K) reports while Republicans "pounded the campaign trail, struggling to keep their majority in the Nov. 7 midterm elections," Treasury Secretary Henry Paulson "strolled along a production line at the bureau yesterday, watching $20 bills bearing his signature roll off the presses." A Bloomberg News report says Paulson, "unlike his campaign-friendly predecessor, John W. Snow, aims to stay off the stump and in the office, despite the polls. Bloomberg cites a former Bush administration official and another person involved in recruiting Paulson as saying that the White House agreed he would not have to make campaign speeches." But with Democrats "poised to win the 15 seats needed to seize a House majority and, perhaps, even the six needed to control the Senate, some Republicans may find it tough to justify keeping the Treasury secretary off the campaign trail -- especially with the administration trying so hard to tout its economic record to voters."

Conservatives Use Initiatives To Target "Activist Judges." The Washington Times (10/24, Richardson, 88K) reports, "Western conservatives are gunning for the judiciary this election year with a half-dozen ballot measures that would rope in the authority of what they describe as activist judges." In Colorado, "former state Senate leader John Andrews tried for years to solve the problem of activist judges who he said routinely legislated from the bench, often at the expense of conservatives." His "efforts in the legislature fell short," but Andrews is "the prime mover behind Amendment 40, a proposed constitutional amendment that would limit state appellate judges to 10-year terms, making Colorado the first state to limit the office of top-tier judges." Amendment 40 "faces overwhelming opposition of the state's legal and political establishment. It is opposed by virtually every top lawmaker in the state, including Republican Gov. Bill Owens, Republican Attorney General John Suthers, and former Democratic Govs. Richard Lamm and Roy Romer. The state's leading newspapers have also editorialized against the proposal." Opponents "argue that Amendment 40 would force out good judges, create judicial backlogs and empower governors to stack the courts with partisan picks. The measure would result in a one-time retroactive removal of five Supreme Court judges and seven appellate court judges in 2009, which critics say would deprive the courts of decades of experience." A "truly radical

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solution would be Amendment E, the South Dakota proposal that would eliminate judicial immunity and allow citizens to sue judges." In Montana, "voters will decide whether to approve CI-98, a measure that would allow residents to recall justices or judges for 'any reason' and says removal from office is 'a political question answered solely by ... the recall election.'"

42% Say Reducing Number Of Uninsured Should Be Top Priority. The Wall Street Journal (10/24, Bright, 2.03M) reports Americans say "reducing the percentage of uninsured in the U.S. is a top priority for government to address over the next two years, a WSJ.com/Harris poll shows. But many lack confidence in either party's ability to tackle this and other health-care issues." The poll, conducted over October 8-10, shows "42% feel 'reducing the percentage of Americans without health insurance,' is one of the top two health-care issues. Other health-care issues that ranked high in importance were Medicare reform (28%) and containing out-of-pocket costs for health-care services (26%)." A "plurality of those polled believe by a two or three to one margin that the eight health-care issues listed would be handled better by the Democrats than by the Republicans. For example, 37% of respondents said Democrats are likely to do a better job of reducing the percentage of uninsured, while 11% see Republicans as more adept. However, nearly a third of 2,384 adults in the online poll don't believe there's a difference in either party's ability to address this issue and 22% aren't sure."

Connecticut Officer Struck By Federal Judge Dies. The AP (10/24) reports, "A New Haven, Conn., police officer died Saturday, four days after being struck by a sport utility vehicle driven by a federal judge, the mayor said." The AP continues, "Officer Dan Picagli, a 17-year veteran of the force, was hit while directing traffic in the rain Tuesday night. He had been wearing a black raincoat and a reflective vest. … The SUV was driven by John M. Walker Jr., a senior judge on the 2nd U.S. Circuit Court of Appeals in New York, who maintains court chambers in New Haven. He was leaving work when the accident happened, police said. … No charges have been filed." The AP adds, "Police Chief Francisco Ortiz said the accident remained under investigation, but officers did not feel it was necessary to test Walker for drugs or alcohol. … Walker, 65, voluntarily stepped down this month as chief judge of the court. He was appointed to the court in 1989 by President George H.W. Bush, who is a cousin of the judge."

Generation Y Said To Be Socially Conscious. USA Today (10/24, Jayson, 2.27M) reports a "growing body of academic and market research suggests millennials — who are in their mid-20s and younger — are civic-minded and socially conscious as individuals, consumers and employees. This generation, also known as Generation Y and Echo Boomers, has been pressed for its vote, sought for its purchasing power and watched closely by sociologists and historians for insight into the way its members will shape the future." They "may be less radical than baby boom activists in the 1960s and 1970s, whose demonstrations for civil rights, women's equality and protecting the environment and protests against the Vietnam War became flashpoints for their times. But thanks in large part to the Internet, this generation is much more aware of the world. And because national tragedies such as the 9/11 terrorist attacks and Hurricane Katrina have scarred their youth and adolescence, experts see signs these young people are creating their own brand of social consciousness."

ATLA's New Name Seen As Unlikely To Change Public's Perception. In a New York Times op-ed (10/24), John Fabian Witt, professor of law and history at Columbia, says, "If a rose would smell as sweet by any other name, will trial lawyers smell better with a new one? That's the question posed by the impending self-reinvention of the Association of Trial Lawyers of America. After Election Day, the 65,000-member outfit whose lawyers brought us multibillion dollar settlements in cigarette cases, millions of asbestos injury claims and lawsuits over McDonald's coffee will change its name to the American Association for Justice." The "problem for the lawyers is that the genius of the tort system — its capacity to marshal the entrepreneurial energies of the bar — is also its greatest public relations liability. Indeed, whether trial lawyers are part of a distinctively American regulatory solution or part of a distinctively American problem, the new name seems unlikely to change the way Americans view them. At KFC (né Kentucky Fried Chicken), the chicken is still fried. At Altria (né Philip Morris), the cigarettes still cause cancer. And at the American Association for Justice, some will say that the trial lawyers are still chasing ambulances."

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ElBaradei Says Iran Testing New Uranium Enrichment Equipment. The New York Times (10/24, Sanger, 1.21M) reports IAEA chief Mohamed ElBaradei said Iran "had begun testing new uranium enrichment equipment that could double the capacity of its small research-and-development facilities." The Iranian action appeared to be a signal to the UN Security Council that Iran "would respond to sanctions by speeding ahead with its nuclear program."

The Washington Post (10/24, A4, Linzer, 748K) reports ElBaradei confirmed the Iranian action "as the Bush administration and European allies failed to reach agreement on sanctions against Tehran's expanding nuclear program." ElBaradei said "Iranian technicians had pieced together a second line, or cascade, of 164 centrifuges and are days away from using the cascade to enrich uranium." The AP (10/24, Jahn) runs a similar report.

Iran's President Says Iran's Nuclear Capability Has Increased "10-Fold" In The Last Year. CNN's The Situation Room (10/23, Verjee) reported, "A shocking claim by Iran's president -- he said today Iran's nuclear capability has increased 10-fold over the last year, despite Western pressure to roll back its nuclear program. Now, he didn't elaborate. The remarks appeared aimed primarily at rallying public support. The U.N. Security Council is now preparing to consider a draft resolution imposing limited sanctions on Iran, because of its refusal to hold uranium enrichment."

WSJournal Says Ahmadinejad "Ultimatum" Should Be Taken Seriously. The Wall Street Journal (10/24, A18, 2.03M) editorializes about Ahmadinejad's "ultimatum" to Europe last Friday, when he said, "If a storm begins, the dimensions will not stay limited to Palestine, and you may get hurt." The Journal writes, "The temptation in many quarters in the West is to assume that Crazy Mahmoud can't really mean what he says; he must be acting out for 'domestic' political reasons. And even if he does mean what he says about wiping Israel off the map, well, Europeans and Americans don't need to worry about that. Call us conservative, or even neoconservative, but when a leader relentlessly seeking weapons of mass destruction starts issuing apocalyptic ultimatums, our instinct is to believe him."

Ahmadinejad Encourages Women To Have More Children. The New York Times (10/24, Fathi, 1.21M) reports Iranian President Mahmoud Ahmadinejad, "reversing a policy in effect for almost two decades, is encouraging Iranian women to have more children in an effort to increase the country's population." Ahmadinejad told Parliament on Sunday, "They say two children are enough. I oppose this. I believe our country has a large capacity. It has a capacity even for 120 million people."

North Korea Willing To Reengage In Six Party Talks If US Ends Financial Crackdown. The AP (10/24, Chang) reports remarks by a South Korean legislator that Pyongyang "is amenable to returning to international nuclear talks if the U.S. shows a willingness to resolve a dispute over the North's alleged counterfeiting and money laundering." The lawmaker claims he met with "a key North Korean figure" on Sunday in Beijing. In addition, a Japanese legislator "said a top Chinese official who recently visited Pyongyang indicated China was not optimistic that North Korea will end its nuclear program or re-enter disarmament talks soon." The AP notes "Beijing has remained silent" about that diplomatic mission to Pyongyang, "while North Korea has shown no public signs of being flexible by continuing its bellicose rhetoric aimed at the United States."

Another AP dispatch (10/24, Schweid) reports, "The only real option for trying to curb North Korea's nuclear weapons program is to talk to the insular regime, the head of the U.N. International Atomic Energy Agency said Monday. 'I don't think sanctions work as a penalty,' Mohamed ElBaradei said after a meeting with Secretary of State Condoleezza Rice." He added, "They feel they are isolated; they feel they are not getting the security they need."

Hong Kong Detains North Korean Ship For Safety Infractions. AFP (10/24) reports, "Hong Kong has detained a North Korean cargo vessel for possible safety violations under" UNSCR 1718. "The rusting, 2,035-tonne general cargo vessel Kang Nam I was suspected of breaching 25 regulations after entering Hong Kong on Sunday, the South China Morning Post reported." The "ship had arrived from Shanghai and was due to return home to Nampo, near Pyongyang, via Taiwan."

WSJournal Offers Some Praise For China's Handling Of North Korean Crisis. The Wall Street Journal (10/24, 2.03M) editorializes, "China is the country with potentially the most influence over Kim Jong Il. President Hu Jintao's high-level personal envoy, dispatched to Pyongyang last week, by some accounts took Kim to the woodshed. Beijing is keeping mum about precisely what message State Councilor Tang Jiaxuan delivered to the North Korean leader,

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but one notable result is that Kim is no longer threatening to conduct a second nuclear test." Meanwhile, "in South Korea, the other country with influence over the North, President Roh Moo Hyun's government continues down its appeasement path." There is "much more" China "could do to show it's willing to join the rest of the world in being a 'stakeholder' -- to borrow former Deputy Secretary of State Robert Zoellick's useful word -- in promoting world security, but at least it's sounding serious. China's cooperation also shows that the six-party process could yet work. US and Japanese pressure, along with Kim's recklessness, may be causing China to conclude that its self-interest lies with stopping him."

US, South Korea Trade Talks Get Underway. The Wall Street Journal (10/24, A8, 2.03M) reports, "The latest effort by the U.S. and South Korea to reach a free-trade agreement got off to a rocky start, with Washington saying talks might not conclude by a year-end target date." The two sides "opened their fourth round of negotiations since June on the southern island of Jeju, where thousands of demonstrators opposing free trade with the US called for the talks to be scrapped."

Pakistan Says It Has Adopted System To Prevent Proliferation. The Washington Times (10/24, Sands, 88K) reports Pakistan has "adopted a vast system of checks and balances in its military nuclear program to prevent nonproliferation abuses such as the nuclear black market run by top scientist Abdul Qadeer Khan, a senior Pakistani military official said yesterday." The official, "in an unusually detailed background briefing for reporters at the Pakistani Embassy, also warned that the proposed U.S.-India nuclear-cooperation pact was a 'one-sided deal' that could prove 'counterproductive for U.S. strategic objectives' in South Asia if Islamabad was not offered a similar deal." The Times adds the "session reflected Pakistani concerns that its nuclear-proliferation failings were in the spotlight again after this month's nuclear test by North Korea."

UN Official Says US Setting Bad Example On Human Rights. The Washington Post/AP (10/24, A4, Wadhams) reports, "Several governments around the world have tried to rebut criticism of how they handle detainees by claiming they are only following the U.S. example in fighting terrorism, the U.N. special rapporteur on torture said Monday." Manfred Nowak said that "when he criticizes governments for their questionable treatment of detainees, they respond by telling him that if the United States does something, it must be all right. He would not name any countries except Jordan." Nowak said "that because of its prominence, the United States has a greater responsibility to uphold international standards for its prisoners."

Reporters' Advocacy Group Says Freedom Of Press Faltering In US. The Washington Post (10/24, A15, Boustany, 748K) reports, "Some poor countries, such as Mauritania and Haiti, improved their record in a global press freedom index this year, while France, the United States and Japan slipped further down the scale of 168 countries rated, the group Reporters Without Borders said yesterday." The "news media advocacy organization said the most repressive countries in terms of journalistic freedom -- such as North Korea, Cuba, Burma and China -- made no advances at all." The group's "fifth annual Worldwide Press Freedom Index tracks actions against news media through the end of September." Although it "ranked 17th on the first list, published in 2002, the United States now stands at 53, having fallen nine places since last year." Reporter Without Borders said, "Relations between the media and the Bush administration sharply deteriorated after the president used the pretext of 'national security' to regard as suspicious any journalist who questioned his 'war on terrorism.'"

Olmert Adds Right Wing Party To Coalition. The New York Times (10/24, Myre, 1.21M) reports Prime Minister Ehud Olmert of Israel "reached a deal on Monday to broaden his shaky coalition by adding a far-right party that seeks to annex parts of the West Bank and to eventually reduce Israel's Arab population." Olmert's coalition has "been struggling for months, and the latest move was seen as an attempt to stabilize the faltering government. But the new right-wing partner — Israel Beiteinu, or Israel Is Our Home — strongly opposes concessions to the Palestinians." The Times adds, "The prime minister's decision signals that he is now more concerned with internal Israeli politics than with initiatives to deal with the Palestinians."

Six Palestinians Killed In Gaza Clash With Israeli Forces. The Washington Post (10/24, A15, Wilson, 748K) reports, "At least six Palestinians died Monday in clashes between Israeli forces and Palestinian gunmen in the Gaza Strip, part of an escalating operation there to stop rocket fire into southern Israel and smuggling across its borders. One of those killed was a high-ranking Palestinian militia commander, Israeli and Palestinian officials said." Twenty

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other Palestinians "were wounded in fighting that unfolded between the northern Gaza villages of Beit Hanoun and Beit Lahiya."

Number Of Palestinians Willing To Relocate Surges Under Hamas. The Christian Science Monitor (10/24, Mitnick, 58K) reports a "growing number of Palestinians are openly saying they'd like to leave the West Bank and Gaza if given the chance, raising concern about the possibility of a Palestinian brain drain. The sentiment, which flouts the long-held Palestinian belief that Israeli occupation can only be resisted by staying put, is yet another indication of the deepening despair since Hamas was elected to run the government." This "desire to flee also comes amid ongoing violence in the Gaza Strip." Birzeit University pollster Nader Said, "who has monitored emigration attitudes for 12 years, says the percentage of Palestinians willing to relocate once hovered just below 20 percent. When that figure jumped to 32 percent in a September survey, Mr. Said says he was shocked." The "catalyst, the pollster says, has been Palestinian disillusionment following Hamas's half-year in government. 'What the Israelis were unable to do - try to push the Palestinian out of the country - the internal strife is achieving,' he says." Even "more telling, adds Said, is that the percentage surges to 44 percent among Palestinians in their 20s and 30s. Among young men, it surges beyond 50 percent."

Three Factors Said To Make Gaza Conflict Likely. In his Wall Street Journal column (10/24), Bret Stephens says, "Wonder where and when the next Middle East war is going to take place? The likeliest answer is the Gaza Strip, perhaps before the year is out. Who will fight it? Now there is an interesting question." The "first circumstance" is the "escalating factional fighting, verging on civil war, between Hamas forces loyal to Palestinian Prime Minister Ismail Haniyeh and Fatah forces associated, albeit sometimes loosely, with President Mahmoud Abbas." The "second circumstance" is "the consolidation of Gaza, following Israel's full withdrawal in August 2005, into a terrorist fortress." The "third circumstance" is that the "rise of Hamas, with ties to Iran and potentially a secure territorial base of its own, is an even greater long-term threat to the brittle regime of Hosni Mubarak than it is to Israel."

Sudan Expels UN Envoy Over Report Of Rebel-Inflicted Casualties. The CBS Evening News (10/23, story 3, 0:20, Couric, 7.66M) reported, "UN efforts to stop the slaughter in Darfur have suffered a major blow. Sudan has kicked out the chief UN envoy there. Jan Pronk was told to leave the North African nation after he wrote on the Web that Sudanese forces have suffered heavy losses at the hands of rebels. The civil war has claimed more than 200,000 lives in Darfur and forced 2.5 million people from their homes."

ABC World News (10/23, story 7, 2:15, Gibson, 8.78M) reported, "We're going to visit the one place on the planet where the US says a country is carrying out genocide against its own people. Darfur. In Sudan. Where more than 200,000 people have been killed. Today, the Sudanese government expelled top UN officials in the region, a man who was there to help." ABC (Wright) added, "In a part of the world where refugee camps are the norm, there is something suspicious about this a village where everyone has plenty to eat and a safe place to sleep. We met these men just a few miles from Tawilla, an African village laid waste by the Janjaweed quite a contrast to this place. Nobody here is a member of the Janjaweed? 'No, no,' they told us, 'we're just simple shepherds.' 'They are lying,' says Colonel Wisdom Bebedo, the commander of the tiny African Union protection force assigned to keep the peace in this area. … Janjaweed,' the word literally means evil horsemen." Jan Egeland, UN relief coordinator: "Armed men on horseback or on camels who specialize in depopulating entire villages." Wright: "Their method of choice -- kill the men and terrorize women and children."

Sudanese Economy Flourishes On Oil Profits. The New York Times (10/24, Gettleman, 1.21M) reports, "While one of the world's worst humanitarian crises continues some 600 miles away in Darfur, across Khartoum bridges are being built, office towers are popping up, supermarkets are opening and flatbed trucks hauling plasma TV's fight their way through thickening traffic." Despite the "image of Sudan as a land of cracked earth and starving people, the economy is booming, with little help from the West. Oil has turned it into one of the fastest growing economies in Africa — if not the world — emboldening the nation's already belligerent government and giving it the wherewithal to resist Western demands to end the conflict in Darfur." American sanctions "have kept many companies from Europe and the United States out of Sudan, but firms from China, Malaysia, India, Kuwait and the United Arab Emirates are racing in. Direct foreign investment has shot up to $2.3 billion this year, from $128 million in 2000, all

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while the American government has tried to tighten the screws."

Russian Government Says Registration Of Foreign NGOs Underway. The New York Times (10/24, Chivers, 1.21M) reports the Russian government said "that it had begun registering private foreign organizations whose operations in Russia were suspended last week, and that it was rushing to review the amended applications of at least 65 other organizations, which remained idled." Among the groups "granted permission to resume work were some that Russian officials had sharply criticized, saying they were encouraging revolutions or meddling in Russia's domestic affairs. They included the National Democratic Institute for International Affairs and the International Republican Institute." Both groups, "whose work includes offering training for domestic political parties and movements, had been suspended last week under a new Russian law that limits the work of foreign groups."

Hungary's Observance Of 1956 Anti-Soviet Uprising Marred By Violence. ABC World News (10/23, story 8, 0:35, Gibson, 8.78M) reported, "In Hungary, this was supposed to be a day commemorating the 1956 uprising against Soviet rule. Instead, there were echoes about the unrest a half century ago. Police fired tear gas and rubber bullets and protesters upset by the Prime Minister's admission that he lied to win national election. Dozens were injured. The 1956 uprising was the first tear in the Iron Curtain, the first revolt against Soviet domination. Organizers hoped today would mark new feelings of unity and pride."

The New York Times (10/24, Smith, 1.21M) reports, "Violent clashes in Budapest on Monday as the police tried to contain a month-old antigovernment protest movement marred the 50th anniversary of Hungary's uprising against Soviet domination." Police used "rubber bullets, tear gas and a water cannon to disperse thousands of protesters who had gathered for a rally after a group of them took control of a Soviet-era T-34 tank that was on display for the commemorations and drove it toward the police. About two dozen people were injured, none seriously." The rally "was one of several held over the past month calling for the resignation of the Socialist prime minister, Ferenc Gyurcsany, after the leak of a tape recording in which he told fellow party members that he had lied about the economy to win national elections in April."

China Expected To Pen Trade Deals At Africa Summit. The Wall Street Journal (10/24, A8, Oster, 2.03M) reports China will "strike a number of agreements on trade, investment, aid and debt forgiveness when it hosts the heads of 48 African countries next month in what is being billed as the biggest summit China has held in modern history, according to the Chinese official heading the effort." The "gathering in Beijing, dubbed the Forum on China-Africa Cooperation, is set for Nov. 3 to 5. It comes as many African leaders seek help to repair their strife-torn countries and China looks for new resources to meet its growing energy needs, as well as new markets for its own emerging domestic companies. It caps growing ties between the two regions over the past several years that have sparked some ire in the West."

EU Taking Tougher Stand On Chinese Imports. The Wall Street Journal (10/24, A8, Miller, 2.03M) reports the European Union "is due to unveil a plan today that charts a tougher approach to China as its trade deficit with the Asian giant soars." The "change in strategy is driven by the desire to quell protectionist sentiment at home and strengthen Europe's hand when it renegotiates a trade agreement with China, European officials say." Until now, Europe has "opened its markets to Chinese imports but made few modifications to a trade relationship last outlined in a deal with Beijing struck more than 20 years ago." The plan "is aimed at persuading Beijing to open more markets, crack down on technology theft and allow its currency to strengthen. If Beijing doesn't comply, the EU would take action to protect its own interests, including the imposition of new antidumping duties, according to EU documents that summarize the commission's plan. The EU already has punitive antidumping tariffs on imports of Chinese shoes and more than 30 other goods."

China Erecting Barriers To Foreign Companies. In a Wall Street Journal op-ed (10/24), Dr. Harry Harding says, "From encouraging foreign direct investment to signing up with the WTO, Beijing has embraced foreign capital and know-how. Foreigners, in large part, have been rewarded with double-digit growth rates and cheap labor. But this happy affair is running into problems: Over the last few months, there is a growing perception that foreign companies have done too well from their investments. The Party leadership has publicly accused a few of capturing 'excessive' market shares, acquiring too many stakes in China's strategic industries, and buying state assets at

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bargain prices. Above all, there seems to be a concern that overseas investors own too much of the technology crucial to China's economic development." Beijing's "defensive economic nationalism is not primarily about restricting imports, although there has been some of this." Rather, the "main focus is on making it more difficult for foreign companies to operate in China."

Chinese Officials Interested In Religion As Social Stabilizer. The Washington Times/AP (10/24, McDonald) reports Chinese officials "have expressed interest in the role of religion in improving society, the archbishop of Canterbury said yesterday at the end of the first trip to China in 12 years by a leader of the Church of England." The Anglican Communion will "expand efforts to help the state-sanctioned Protestant church train clergy, as communist leaders look to religion to help stabilize society during a time of wrenching change and explosive growth in Christianity in China, Archbishop Rowan Williams said."

Mongolia Seeks To Build "Green Wall" To Limit Gobi Desert Storms. The Wall Street Journal (10/24, A1, Barta, 2.03M) reports Mongolia is "building its own seemingly implausible version" of the Great Wall, a "zigzagging line of pines, willows, oleasters, junipers, hawthorns, aspens and other trees it hopes will someday stretch more than 2,000 miles across the desert. The so-called 'Green Wall' is expected to take 30 years to complete and cost some $150 million or more." The wall is "necessary, Mongolia says, to protect itself and the wider world from an increasingly serious problem: Gobi dust, kicked up by Central Asian storms strong enough to rip the paint off Mongolian cars and then carried eastward across Asia and beyond." The "amount of Mongolia's land that is suffering from desertification -- land that either has no vegetation at all or is slowly losing it -- could be as much as 50,000 square miles, an area the size of New York state, according to a leading Mongolian environmental group called Sain Uils." Mongolia's government "and scientists say global warming is partly to blame."

US-Great Britain Relationship Said To Be On Rocks Over Iraq, Israel. In a USA Today op-ed (10/24), Melanie Phillips, a columnist for Britain's Daily Mail, said, "Fury at Prime Minister Blair for being President Bush's 'poodle' has reached such a pitch that the most successful Labor prime minister in memory is being forced out of office because of his support for U.S. policy in Iraq and Israel. Labor's members of Parliament say his refusal to break with America by calling for an earlier cease-fire in Lebanon was the last straw. The disturbing fact is that Britain is consumed by a rampant anti-Americanism and an allied hostility toward Israel, which are driving public debate into irrationality, prejudice and appeasement." As a result, "the prospects for the alliance between Britain and the United States in the post-Blair era do not look promising. Despite being an instinctive Atlanticist, Gordon Brown, the most likely successor as Labor prime minister, is thought to be only a reluctant backer of the war in Iraq, according to a new autobiography by former Labor minister David Blunkett."

Furor Over Muslim Veils Considered. In a Washington Post column (10/24, A19), Anne Applebaum says that in London, a "full-fledged shouting match has broken out over Muslim women who choose to wear the veil. This particular argument had begun because a teaching assistant in Yorkshire refused to remove her veil -- a niqab , which covers the whole body except for the eyes -- in the presence of male teachers, which was much of the time. She was fired; she went to court -- and a clutch of senior British politicians entered the fray." The "curious fact is that the veil, as a political issue, won't go away. The French have banned not only the full veil but head scarves in state schools. Some German regions have banned the head scarf for civil servants too, and they are not permitted in Turkish universities at all. Slowly, the issue is coming to the United States: Just this month a Michigan judge dismissed a small-claims court case filed by a Muslim woman because she refused to remove her full-face veil while testifying." Critics "call the veil a symbol of female oppression or rejection of Western values. Defenders say that it is a symbol of religious faith and that it allows women to be 'free' in a different sense -- free from cosmetics, from fashion and from unwanted male attention." But on a "much simpler level, surely it is also true that the full-faced veil -- the niqab, burqa or chador -- causes such deep reactions in the West not so much because of its political or religious symbolism but because it is extremely impolite."

THE BIG PICTURE:

Headlines From Today's Front Pages.

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Los Angeles Times:
"Latino And Black Voters Reassessing Ties To GOP."
"Low Pay, High Rent, Wit's End."
"Former Enron CEO Gets 24-Year Sentence."
"Old Rivals Unite In New Nicaragua."
"Police Allege 5 Patients Were Dumped On Skid Row By Hospital."
"Shards Of Agony In Southern Lebanon."

USA Today:
"Species Threatened From Hawaii To The Atlantic Coast."
"USA's Trees Under Relentless Attack From Bugs, Blight."
"War, Economy Sway Race."
"Hyde Asks Rumsfeld To Bolster Fight Against Afghan Heroin."

New York Times:
"Ford Posts Loss Of $5.8 Billion, Worst Since '92."
"In Southwest, A Shifting Away From Party Ties."
"Medical Views Of 9/11's Dust Show Big Gaps."
"Offering Perks, Lenders Court Colleges' Favor."
"War In Sudan? Not Where The Oil Wealth Flows."
"Meat Labels Hope To Lure The Sensitive Carnivore."

Washington Post:
"Fleshing Out a Founding Father."
"Independent Voters Favor Democrats by 2 to 1 In Poll."
"Skilling Gets 24 Years for Fraud At Enron."
"A Political Natural, Railing Against Politics."
"Hackers Zero In on Online Stock Accounts."
"Bush Steers Clear of 'Stay The Course'."

Washington Times:
"Some Republicans Aren't Sharing The Wealth."
"Iraq Urges Coalition Not To Panic, Run."
"Steele Shrugs Off Foe's Attacks."
"Departing Church Gives Up Land."
"Skilling Gets 24 Years In Accounting Scandal."
"Gay Operatives In GOP Spark Questions From Conservatives."
"Housing Slump takes Shine Off Star-Studded Properties."

Detroit Free Press:
"Ar-enemies?"
"Tar Wars: Quit Your Whining Card Fans."

Atlanta Journal-Constitution:
'"the World's Largest Outdoor Cleaned, Scrubbed, All-America Picnic?'"
"Rival Shiite factions Add To Iraq Chaos."
"Coke To Give Land For Rights Museum."
"Skilling's 24-Year Term A Warning To 'Corporate Crooks.'"

Houston Chronicle:
"Hard landing For Skilling."
"Bell's Political revival harder Than Imagined."
"One Common Ground In A Common Struggle."

Story Lineup From Last Night's Network News:
ABC: Campaign 2006; Iraq Timeline-Changing Course; Iraqi Response-Changing Course; Kidnapping-Iraq; Obama Possibly Presidential Bid; Enron CEO Sentenced; Genocide-Darfur; Unrest In Hungry; Bad News For Ford; Stock Market; New Cancer Detection Breakthrough.
CBS: Airline Cargo Safety; Iraq-Sectarian Violence; Genocide-Darfur; Bad News For Ford; Enron CEO Sentenced; Obama Possible Presidential Bid; Campaign 2006; Sean Hannity Opinion-Campaign 2006; New Trade School.
NBC: NBC: Iraq Timeline- Changing Course; Iraq War Analysis; Obama Possible Presidential Bid; Campaign 2006; Enron CEO Sentenced; Housing Market; Human Remains Found-Ground Zero; Bad News For Ford; Gas Prices; Stock Market; Bush Interview; Jane Wyatt Obit.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Administration Iraq policy; ABC News/WPost poll-congressional election' NY-Chinese restaurant shooting; Beef recall; Wall Street.
CBS: Administration-Iraq policy; Iraq-US KIA; Skilling sentenced; Mesaba Aviation-bankruptcy; Study-vegetable diet effect on memory; Wall Street.
NPR: Administration-Iraq policy; Iraq-missing US soldier; ElBaradei-North Korea nuclear program; Wall Street; PA-mine explosion; Study-statins; Gas prices.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — Attends Vern Buchanan for Congress reception, Sarasota-Bradenton International Convention Center, Sarasota, Fla.; Pool for cameras; attends RNC reception, private residence, Boca Raton, Fla., closed press.

VICE PRESIDENT CHENEY — No public schedule.

LAURA BUSH —Delivers remarks at a Pennsylvania Victory 2006 rally, Sellersville Fire Co., Sellersville, Pa., open

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press; participates in a tour and accepts the Pearl S. Buck Woman of the Year Award., 520 Dublin Road, Persasie, Pa., pool coverage; delivers remarks at a John Gard for Congress rally, Swan Club, De Pere, Wis., open press.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: MILITARY COMMUNICATIONS _ Milcom 2006, the Military Communications Conference, will be held. Theme: ``Networking the Warfighter." The conference will include classified and unclassified sessions, discussion panels, and tutorials, focused on advanced technology in military communications. Highlights: Location: Wardman Park Marriott, 2660 Woodley Road, NW, and Omni Shoreham Hotel, 2500 Calvert Street NW. The classified program will take place in the Ronald Reagan International Trade Center, 1300 Pennsylvania Ave. NW.

US-CHINA _ Five-day meeting of the US-China Economic and Security Review Commission. Location: Hall of the States, 444 N. Capitol St.

POLAR SATELLITES _ NOAA holds Polar Max 2006, a forum for U.S. and global users of polar-orbiting satellite data. Highlights: 9 a.m. National Weather Service Administrator David Johnson. Location: NOAA Science Center, 1301 East West Highway, Silver Spring.

IRAQ BRIEFING _ 7 a.m. US Ambassador to Iraq Zalmay Khalilzad and Multi-National Force-Iraq Commanding General George W. Casey Jr. hold a joint press conference in Baghdad and will be broadcast live in the Pentagon briefing room. This press conference will highlight the issues concerning the current U.S. Mission-Iraq and Multi-National Force-Iraq efforts to assist and support the people and Government of Iraq. Location: Pentagon briefing room.

ELECTION ANALYSIS _ 8 a.m. Mid-term election analysis with former House Majority Leaders Dick Armey and Dick Gephardt. Also featuring Charlie Cook, Editor and Publisher of The Cook Political Report; moderated by Governor James J. Blanchard, Chair, Government Affairs Practice, DLA Piper. Location: Willard Inter-Continental Hotel, 1401 Pennsylvania Ave. NW.

MIDEAST PEACE-FORUM _ 9 a.m. New America Foundation holds forum on ``Comprehensive Peace-Making in the Middle East: What Next?" With David Kimche, president, Israel Council of Foreign Relations; Daniel Levy, New America Foundation; Mara Rudman, Center for American Progress. Location: 1333 H St. NW, 10th floor.

COLLEGE TUITION-REPORT _ 9:30 a.m. Gaston Caperton, president of the College Board, releases findings from Trends in College Pricing 2006, Trends in Student Aid 2006, and Education Pays Update 2006. Location: National Press Club.

NORTH KOREA-NUCLEAR _ 10 a.m. The US-Korea Institute at SAIS hosts a forum, ``Biography of a Bomb: Portrait of the North Korean Nuclear Program." Participants include Kathryn Weathersby, historian and scholar, who will discuss ``Kim Il Sung's Nuclear Decisions;" and David David Albright, president of the Institute for Science and Intrernational Security, who will present an illustrated portrait of ``The Rise of the Nuclear Facilities at Yongbyeon." Location: Kenney Auditorium, Nitze Building, 1740 Massachusetts Ave. NW.

AMERICAN MUSLIM VOTERS _ 10:30 a.m. The Council on American-Islamic Relations (CAIR) will hold a news conference to release the results of a survey of American Muslim voters. Location: National Press Club, Lisagor Room.

REED-IRAQ _ 10:30 a.m. Sen. Jack Reed-D-R.I., holds a press briefing to discuss the situation in Iraq. Location: Room S-211, Capitol.

VOTING-WEB SITE _ 10:30 a.m. League of Women Voters holds pre-Election Day event to launch new informational web site, VOTE411.org. Location: LWV, Suite 1000, 1730 M St. NW.

BOT-DEMOCRACY _ 10:45 a.m. Netherlands Foreign Affairs Minister Bernard Bot delivers a speech, ``Saving Democracy in a World of Change." Location: Copley Formal Lounge, Georgetown University, 37th & O Streets NW.

RURAL AREAS-ELECTRIC POWER _ 11 a.m. Researchers from the University of North Texas Institute of Applied Economics release a study that concludes rural America will be substantially harmed should the U.S. Supreme Court reverse the lower courts decision in the Duke power New Source Review case due to increased electricity costs. Location: Room 2200, Rayburn House Office Building.

HOMELAND SECURITY OUTLOOK _ The 2007 Homeland Security Outlook Conference will be held. Highlights: 1 p.m. Keynote address by GSA Administrator Lurita Doan. 1:30 p.m. Session on 2007 Homeland Security Appropriations with Ben Nicholson, Subcommittee on Homeland Security House Appropriations Committee; and Patrick Yoest, Congressional Quarterly. 3 p.m. Special Address on 2007 DHS Mission, Budget, & Vision, with Jay Cohen, Under Secretary for Science and Technology U.S.

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Department of Homeland Security. 3:30 p.m. Session on Business Perspectives on Homeland Security, Frank Rapoport, Partner, McKenna Long & Aldridge; nthony Goins, Senior Director, Defense and Homeland Security, Oracle; Ed Fortunato, Vice President, Government Business Development, Crowley Maritime Corp; and Niloo Howe, Director, Paladin Capital Homeland Security Fund. 4:15 p.m. 2007 Homeland Defense Budget & Program Priorities, with Colonel Lenwood (Pete) Landrum, Chief of Staff, Joint Task Force Civil Support. 5 p.m. Adjournment. Location: National Press Club, Ballroom.

PENTAGON-IMCOM _ 1:30 p.m. Gen. Richard Cody, vice chief of staff of the Army, hosts activation ceremony for the new Installation Management Command (IMCOM). IMCOM is designed to improve support programs to soldiers and their families while ensuring its installations are ``flagships of readiness." Location: Pentagon courtyard.

ELECTION REFORM _ 2 p.m. Electionline.org releases update on election reform issues around the country, highlighting areas of concern such as voting machine security, databases and voter ID requirements. Group will also identify key states to watch, including Maryland, New York, Pennsylvania and Ohio. Notes: To participate, call 1- 800-214-0694 Passcode: 449563.

PACE BRIEFING _ 3:45 p.m. Chairman, Joint Chiefs of Staff, Gen. Peter Pace, hold a news briefing. Location: DOD Briefing Studio, Pentagon 2E579.

SPACE POLICY _ 4 p.m. The Washington Foreign Press Center holds a background briefing with a senior administration official to discuss ``US National Space Policy. Location: Room 800, National Press Building.

NUCLEAR THREAT _ 7 p.m. Mohamed ElBaradei, director-general of the United Nations International Atomic Energy Agency and recipient of the Nobel Peace Prize in 2005, gives a ``major" speech in which he is expected to place conventional security issues, such as nuclear proliferation, in the broader context of ``human security." Location: Dekelbaum Concert Hall, Smith Performing Arts Center, University of Maryland, College Park.

ROGER JONES AWARDS _ 7 p.m. United States Comptroller General David M. Walker will be the keynote speaker at American University's School of Public Affairs 29th Annual Roger W. Jones Award for Executive Leadership ceremony. Awardees are David W. Altwegg, deputy for agency operatons, Missile Defense Agency; and William Grimson, chief operating officer, Centers for Disease Control and Prevention. Location: Katzen Arts Center's Abramson Family Recital Hall, 4400 Massachusetts Ave. NW.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: TUESDAY, OCTOBER 24, 2006 7:45 AM EDT

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TERRORISM NEWS:

Gonzales Lauds New Military Commissions Law. United Press International (10/24) reports, "U.S. Attorney General Alberto Gonzales on Monday praised the new Military Commissions Act, saying prisoners now have more rights than they did before." UPI continues, "Gonzales was speaking to a leadership convention of U.S. Judge Advocates General in Lake Buena Vista Fla., and echoed U.S. President George Bush's call for better tools to combat terrorists, whose cause, he said 'is nothing less than a return to the Dark Ages.'" UPI adds, "He said the act, signed into law this month by Bush, gives individuals detained as enemy combatants at the U.S. military prison at Guantanamo Bay, Cuba, 'greater legal rights than are provided to lawful prisoners of war under the Geneva Conventions. … Although our enemy shows nothing but contempt for the law of war and the standards of civilized nations, we provide him with these protections because they are consistent with the values of the United States. These values are among the many hallmarks of civilization that separate us from them,' Gonzales said."

Military Commission Act Sparks Early Legal Challenges. The ABA Journal (10/20, McDonough) reports, "Not long after the ink dried on President Bush's signature enacting the Military Commissions Act of 2006 on Oct. 17, lawyers for Guantanamo detainees filed notice of plans to challenge the legislation. … As Bush signed the act, he said it is 'one of the most important pieces of legislation in the war on terror.' Among other things, it grants the president the authority to establish military commissions to try detainees who have been designated enemy combatants and defines the policies and procedures of the commissions." The Journal continues, "Speaking from the East Room at the White House, Bush said the 'military commissions will provide a fair trial in which the accused are presumed innocent, have access to an attorney, and can hear all the evidence against them. … These military commissions are lawful, they are fair, and they are necessary,' he said. … But the detainees dispute the fairness and lawfulness of the act. Specifically, they challenge section 7, which strips the federal courts of jurisdiction to hear habeas petitions from those who are designated as enemy combatants or are awaiting such determinations. … Other critics have raised similar objections, including ABA President Karen J. Mathis, who outlined the ABA's concerns in a September letter." The Journal adds, "Miami lawyer Neal R. Sonnett says, 'The signing formalizes what is one of the worst pieces of legislation in decades. It sets back the rule of law substantially, especially the court-stripping provisions which the ABA will continue to fight.' Sonnett chairs the ABA's Task Force on Treatment of Enemy Combatants. … It's no surprise to Sonnett that the habeas provisions are the first issues to surface in the courts because, he says, 'there is no precedent to the wholesale stripping of rights that are in' the act. … Sonnett says the ABA, following on the heels of several other organizations, will be asking the government to allow time for the public to comment on the rules that are developed for the military commission trials."

Italy's Top Spy To Be Fired, Possibly Charged In Rendition Probe. The New York Times (10/24, Fisher, Povoledo, 1.21M) reports, "Italy's top spy is expected to be replaced in the coming days, as prosecutors seek his indictment on charges connected to the abduction of a militant Egyptian cleric in Milan by American intelligence agents in 2003." The Times notes that "any trial, especially one involving a prominent official like" Nicolò Pollari, "could shed uncomfortable light on how American allies cooperated in one of the most controversial tactics in the Bush administration's fight against terrorism." Former US intelligence analyst Michael Scheuer said, "The idea that either the director of central intelligence or the White House — and this would have had to go to the president — would have agreed to conduct the operation unless they were absolutely sure the Italian government was behind it is laughable. It's not even in the realm of possibility."

WPost Says US Anti-Terror Laws Keeping Out "People Who Should Be Protected." Under the headline "The Refugee Mess," the Washington Post (10/24, A18, 748K) editorializes that the admittance of 42,000 refugees into the US this year – "a figure significantly lower

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than in either of the previous two years" – is due largely to "the irrationally broad definitions in current law regarding terrorism, terrorist groups and material support for terrorism -- definitions that end up excluding as terrorists people who should be protected. … The law gives the administration some waiver flexibility, which it rightly has begun using recently on behalf of many ethnic Karen and Chin victims of the Burmese military junta. But that is only a partial fix, for the administration does not have the power to admit refugees who were members of groups that bore arms -- even those allied with this country." The Post states that the administration's apparent openness to giving "itself flexibility concerning members of groups that meet the absurdly broad definition of terrorist" would represent "a breakthrough."

HOMELAND RESPONSE:

NYTimes Ordered To Disclose Kristoff Sources For Anthrax Probe Lawsuit. The New York Times (10/24, Lewis, 1.21M) reports, "A federal magistrate judge has ordered The New York Times to disclose the identities of three confidential sources used by one of its columnists, Nicholas Kristof, for pieces he wrote about the investigation of the deadly anthrax mailings of 2001. The order, issued Friday by Magistrate Judge Liam O'Grady" and disclosed yesterday, "requires the newspaper to disclose the identities of the three sources to lawyers for Dr. Steven J. Hatfill, who has brought a defamation suit against The Times. … Catherine Mathis, a spokeswoman for The Times, said the newspaper would appeal the ruling."

The AP (10/24, Barakat) notes that the ruling includes "two FBI sources who allegedly provided some of the most incriminating information in Kristof's columns. … The FBI sources told the Times that Hatfill was one of a limited number of people with the access and technical expertise to manufacture the anthrax and that he failed several lie-detector tests. The FBI agents 'are the only sources who would have the type of inside information on which the columns claim to rely,' said Charles Kimmett, one of Hatfill's lawyers."

The Washington Post (10/24, B3, Markon, 748K) reports that "Kristof vowed to continue protecting his sources. 'We were disappointed with the decision because we believe that confidential sources are sometimes very important in covering government investigations,' Kristof said in an interview." The Post notes, "In a series of columns in 2002, Kristof criticized the FBI for failing to aggressively pursue a scientist he initially called 'Mr. Z,'" whom he later identified as Hatfill.

The New York Sun (10/24, Gerstein) reports, "The magistrate ordered the Times to identify the sources by tomorrow, but the newspaper filed an emergency motion yesterday asking to stay the deadline while the judge overseeing the case, Claude Hilton, reviews the ruling. … If Judge Hilton upholds the order and the Times refuses to comply, the judge could fine the newspaper, take some punitive measure if the libel suit goes to trial, or jail an employee or officer of the Times for contempt." The Sun adds, "Magistrate O'Grady said one reason testimony from the sources was needed is that discrepancies have arisen between sources Mr. Hatfill's legal team has been able to identify and Mr. Kristof's accounts of his conversations with those sources. According to Mr. Hatfill's lawyers, a SUNY Purchase biologist who served as a source for the columnist, Barbara Rosenberg, denied Mr. Kristof's claim that she said Mr. Hatfill was certain to have the ability to make 'first-rate anthrax.' … Ms. Rosenberg also initially denied having asked for confidentiality, as the Times asserted, but she later said she might have."

Grassley Demands Anthrax Probe Briefing By Thanksgiving. Roll Call (10/24, Kane, Newmyer) reports Sen. Charles Grassley "formally demanded a briefing by the FBI before Thanksgiving on the status of its five-year investigation into the fall 2001 anthrax attacks. In a pointed, five-page letter to Attorney General Alberto Gonzales…Grassley attacked the FBI's 'blanket prohibition' on briefing Capitol Hill about the attacks." Grassley wrote, "If some individual did act inappropriately by speaking to the media about an FBI briefing, stiff-arming Congress on all future requests is an unacceptable over-reaction. The FBI doesn't become exempt from scrutiny just because there may have been an inappropriate disclosure by someone on Capitol Hill."

Roll Call Calls Lack Of Briefings "Simply Unacceptable." Roll Call (10/24) editorializes, "It is simply unacceptable, as a matter of proper respect between the legislative and executive branches of government, that the FBI is not informing Congress of its progress, or lack of it, in tracking down those who killed five people with anthrax in 2001 and, but for luck, might have killed many more on Capitol Hill." Roll Call notes the Hatfill lawsuit and asks, "Is the FBI keeping Congress in the dark to protect a 'productive' investigation, or to prevent embarrassment in court? Congress has a right to know."

CBS Investigation Finds "Gaping Holes" In Air Cargo Screening. The CBS Evening News (10/23, lead story, 4:05, Couric, 7.66M) reported that the cargo loaded onto passenger planes remains a "gaping hole" in air travel security. "Today the government ordered what's being termed a significant increase in screening, but even with that, a lot of cargo still won't be checked for explosives." CBS (Keteyian) goes on to describe tests in which producers were able to ship packages on passenger flights of their choosing. "It shouldn't have been that easy because, after 9/11, the

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airline industry instituted what's called the known shipper program." Upon arrival in New York, five of the six packages sent by CBS "were not visibly opened or inspected." Keteyian asked TSA Deputy Assistant Secretary Robert Jamison whether he was "asking too much" in wishing that "more than one of our packages had at least been opened, let alone X-rayed." Jamison said CBS was "not accurately representing the levels of explosive detection that we have in place." He said that "even without opening cargo it can be inspected with explosive detection devices and bomb sniffing dogs." However, CBS (Keteyian) stated that "despite such certainty and the TSA's announcement today of enhanced air cargo security, these changes will not completely close the loopholes we found in the system."

Florida Man Pleads Guilty To Airline Bomb Hoax. KCAL-TV Los Angeles (10/23) reported on its Web site, Yechezkel Wells of Miami Beach man "pleaded guilty Monday to a federal felony charge for calling in a bomb threat for a JetBlue flight at Long Beach Airport after he arrived too late to board the plane. … He could be sentenced to probation under a plea deal with prosecutors, although U.S. District Judge Florence-Marie Cooper will have the final say on sentencing when Wells returns to court Jan. 29." KCAL noted that after Wells made the threat, he "was quickly detained by FBI agents, along with three friends who were released after questioning. … According to an affidavit signed by FBI Agent David Gates, Wells admitted making a 911 call from an airport pay phone sometime after 9:10 p.m., after a JetBlue supervisor refused to issue him a boarding pass." The AP (10/24) also reports on Wells's plea.

Doctors Have Yet To Find Link Between Ground Zero Dust And Disease. The New York Times (10/24, Depalma, 1.21M) reports, "With thousands of people now seeking compensation and treatment for dust exposure" following 9/11, "the debate about the relationship between the toxic particles and disease will be a central issue in the flood of Sept. 11-related lawsuits. Health experts are starting to document the connections, but any firm conclusion is still years away." The Times notes that "only after years of observation did doctors agree that there was a strong link between asbestos and diseases like asbestosis and mesothelioma." As thousands of lawsuits move to trial, any proof that fails to meet "a reasonable degree of medical certainty" will likely "be challenged."

Bloomberg Says Construction At World Trade Center Site Will Continue. NBC Nightly News (10/23, story 7, :20, Williams, 9.87M) reported that the recent discovery of human remains at Ground Zero "continues to shock people. It's been over five years since 9/11 and they are still finding human body parts, more than 100 of them in the last four days at the Ground Zero site. New York's Mayor said today it is tragic that a handful of places were not thoroughly scrutinized as well as they should have been. Still he says construction at that area will go on." CNN's The Situation Room (10/23, Verjee) reported, "Some of the victims family members demanded that officials halt construction. But Bloomberg said this morning the work will go ahead as scheduled."

WAR NEWS:

Bush Will No Longer Use Phrase "Stay The Course" In Reference To His Iraq Policy. ABC World News (10/23, story 2, 2:05, Raddatz, 8.78M) reported last night that "a senior White House official acknowledges that the President is very worried about the situation in Iraq and is looking for ways to turn it around." In "a sign that the White House is reassessing its own rhetoric on Iraq as midterms approach," White House spokesman Tony Snow announced "the President will no longer use the term 'stay the course.'" Snow was shown saying, "It allowed critics to say, 'Well, here's an Administration that's just embarked upon a policy, not looking at what the situation is.' When, in fact, it's just the opposite." After a weekend meeting "with top generals," added ABC, "the President told CNBC today it was up to them." Bush was shown saying, "The meeting went like this. We want to win? Yes, sir. What are we doing to adjust to the enemy? And here are some options, Mr. President. My answer is: 'You chose, and I support you.'" ABC added, "A plan is being devised that would create benchmarks for success, new makers that would include a timetable for the Iraqi government to force the militias to disarm. Rid the Iraqi police of militias. And require specific political and economic progress." Donald Rumsfeld, US Secretary of Defense: "What it is, is a way ahead. So that the parliament, their parliament, their government can have a set of tasks that they need to do to get prepared to assume the responsibility for governing their country." Raddatz: "There is great concern among some military officials that the plan is not moving fast enough," and "one senior military official telling ABC News today: It's like coming up with remodeling plans while your house is burning down."

The negative tone of the ABC story, and also its leading the report with Snow's "stay the course" announcement, was typical of the coverage on TV and print. A number of reports, also like ABC, link the White House message on Iraq to the upcoming elections. CNN's The Situation Room (10/23, Blitzer), for example, summed up the story saying, "Fifteen days before America votes, the Bush administration is trying to sound more flexible about Iraq, while the public is sounding even more skeptical."

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The CBS Evening News didn't cover the story. NBC Nightly News (10/23, lead story, 3:15, Williams, 9.87M) reported, "Bush has decided he will no longer use the phrase 'stay the course' when talking about US policy in Iraq." The announcement "comes two weeks before midterm elections and in light of a grim new death toll. At least 12 Americans lost their lives in Iraq this past weekend bringing the death toll for the month of October to at least 88, on pace to become the worst in two years." Turning to Bush's meeting with top generals, NBC reported "Administration officials say the generals recommended no major changes in US tactics or a timetable for withdrawing American troops. Instead the decision was made to prod the Iraqi government into drafting its own timetable to measure progress in Iraq setting a time frame and benchmarks for taking over their own security and improving government and vital economic services. What if they don't make the date and miss their mark? It would carry no threat of penalty from the US. Tony Snow said the US would not issue ultimatums to the Iraqis." Snow was shown saying, "The United States comes to Iraq and says, 'This is what you must do?' No."

A second NBC Nightly News report (10/23, story 2, 1:55, Williams) said "pollsters tell us there is evidence the national conversation on the war is changing right now. Our most recent poll found more than 60% of Americans are pessimistic about Iraq. You can sample that by yourself any place people gather and these days that even includes the red states, the ones that went heavily for the President in the last election." That is where one can now find "some of the pessimistic public opinion." NBC goes on to interview several people, some of them veterans, who oppose the war.

The Washington Post (10/24, A1, Baker, 748K) reports "the White House is cutting and running from 'stay the course.'" Democrats "have now turned 'stay the course' into an attack line in campaign commercials, and the Bush team is busy explaining that 'stay the course' does not actually mean stay the course." The New York Times (10/24, Rutenberg, Cloud, 1.21M) also reports Democrats "have increasingly pressed a case this fall contending that Republicans are stubbornly proposing to 'stay the course' in a failing effort to stanch violence in Iraq -- an approach that strategists in both parties consider to have been fairly successful, especially as violence has continued to mount in Baghdad. In the last few weeks a number of Republican lawmakers and party elders have also come forward to express doubts about whether the administration's approach to stabilizing Iraq is succeeding and to suggest new strategies." AFP (10/24) notes Bush "appears to have last used the expression on August 30, when he vowed: 'We will stay the course, we will help this young Iraqi democracy succeed, and victory in Iraq will be a major ideological triumph' in the war on terrorism."

The Christian Science Monitor coverage (10/24, Grier), meanwhile, does not reflect Snow's announcement. It reports that "with violence surging in Baghdad and midterm elections two weeks away, the Bush administration faces pressure as never before to change its approach in Iraq." However, the Monitor adds the White House "insists the US needs to stay the course."

ABC World News (10/23, story 3, 1:35, Gibson, 8.78M) also reported on the "discussion in Washington of new approaches in Washington. What do the Iraqis make of that?" ABC (McCarthy) added, "Well, the first thing to say is the Iraqis are watching this really closely. One of their big nightmares would be the US decide to pull troops out early as Iraq is now on the brink of outright civil war." In fact, Fox News' Special Report (10/23, Baier) said "Iraq's deputy prime minister, in London, told Tony Blair US and coalition troops must resist the temptation to leave Iraq in the face of souring public opinion about the war. He said Iraqis are anxious to show progress and urging world leaders not to become pessimistic about the process of success."

USA Today (10/24, Jackson, Michaels, 2.27M) reports "Zalmay Khalilzad, the US ambassador to Iraq, and Gen. George Casey, the top US commander there, are to appear at a news conference in Baghdad today to discuss efforts to improve security." National Security Council spokesman Frederick Jones "said Casey and Khalilzad will highlight progress in Iraq, including the training of Iraqi security forces and the US military's successes in neutralizing the improvised bombs that are a major weapon of insurgents. 'There is slow but sustained progress,' Jones said."

Rice Advisor Says Administration Continuously Adapts Iraq Strategy. Senior adviser on Iraq to the Secretary of State, Condoleezza Rice, David Satterfield, was asked on CNN's The Situation Room (10/23) if a major shift in Iraq strategy is in the works right now. Satterfield said, "We're assessing. And we have been assessing for some time, in the form of the consultations that the President undertakes with his senior military commanders and political advisers, both in Baghdad. We went through these when I was there, as well as with his staff in Washington. What's the situation? What's the threat? What's the challenge? How best to respond? We try to adapt on a continuous basis to this. And I would -- would steer away from the idea of dramatic, radical changes, but to more adjustments and strategy to cope with the changing situation on the ground."

Republicans Taking On Bush On Iraq Issue. The AP (10/24, Raum) reports, "Republicans worried about losing Congress are challenging…Bush on Iraq, eroding his base of support for the unpopular war just two weeks before midterm elections. Increasing calls from restive Republicans for new ideas to extricate the US come as the White House itself seems to struggle for a better course, or at least a better way to describe the current course." GOP Sen. John Warner,

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chairman of the Senate Armed Services Committee, "seemed to open the floodgates to GOP criticism this month when he warned after a trip to Iraq that the war was 'drifting sideways' and a course correction might soon be warranted." In recent days, "Sen. Kay Bailey Hutchison, R-Texas, said she would not have supported the invasion had she known there were no weapons of mass destruction, and she has proposed splitting Iraq into three parts. Virginia Republican Sen. George Allen, in a difficult re-election battle with Democratic challenger James Webb, dropped his stay-the-course mantra to assert, 'We cannot continue doing the same things and expect different results. We have to adapt our operations, adapt our tactics.'" Sen. Conrad Burns "said in a debate last week with Democratic challenger Jon Tester that he agreed with Warner's call for a change in strategy — and believed Bush already had a plan to win the war but for now was keeping it quiet. That remark drew ridicule from Democrats who likened it to Richard Nixon's 'secret plan' to end the war in Vietnam." The AP adds, "Also challenging Bush's Iraq policy have been former Secretary of State Colin Powell, Republican Sens. Lincoln Chafee of Rhode Island, Chuck Hagel of Nebraska, Susan Collins and Olympia Snowe of Maine, and several House Republicans."

Graham Claims Iraq Is "On The Verge Of Chaos." Another AP dispatch (10/24, Riechmann) quotes GOP Sen. Lindsey Graham saying, "We're on the verge of chaos, and the current plan is not working." Asked "who in particular should be held accountable -- Defense Secretary Donald Rumsfeld, perhaps, or the generals leading the war," Graham said, "All of them. It's their job to come up with a game plan."

Biden, Gelb, Holbrooke Promote Iraq Federalization Plan. In a Wall Street Journal (10/24, A18, 2.03M), op-ed, Sen. Joe Biden and Leslie Gelb of the Council on Foreign Relations again promote their "Plan for Iraq" that would create a federalized state "with three or more largely autonomous regional governments to suit the separate interests of Shiites, Sunnis and Kurds. A central government would administer common concerns, such as defending Iraq's borders and managing its energy infrastructure. The constitution already provides for this approach and Iraq's parliament last week passed a law to implement its articles on federalism. But for federalism to work, the constitution must be amended to guarantee Sunnis 20% of oil revenues to be administered by the central government. Only with such revenues could a Sunni region become economically and politically sustainable." They say the US must also "have a plan prepared by our military for the redeployment and withdrawal of most U.S. troops over the next 18 months," and must "ignite the most vigorous regional diplomacy to back up the power-sharing deal among Iraqis and avoid neighbors warring over an Iraqi vacuum."

In his monthly Washington Post (10/24, A19, 748K) column, Richard Holbrooke writes an open letter to Bush, saying, "Even your strongest critics understand that disengagement is fraught with risk. You have warned of the bloody consequences that might follow a U.S. withdrawal. Preventing such a tragedy must be your first priority." He urges Bush "to lay out realistic goals, redeploy our troops and focus on the search for a political solution." He endorses the Biden-Gelb plan to create "a looser federal structure with plenty of autonomy for each of the three main groups, and an agreement on sharing oil revenue."

NYTimes Lays Out Strategy For Containing Iraq "Disaster." In a 1,700-word editorial, the only one it runs this morning, the New York Times (10/24, 1.21M) writes, "No matter what President Bush says, the question is not whether America can win in Iraq. The only question is whether the United States can extricate itself without leaving behind an unending civil war that will spread more chaos and suffering throughout the Middle East, while spawning terrorism across the globe." The Times sets out to "describe a strategy for containing the disaster as much as humanly possible. It is hardly a recipe for triumph." The newspaper says Bush "cannot leave office with American troops still dying in an Iraq that staggers along just short of civil war, on behalf of no concrete objective other than 'get the job done,' which is now Mr. Bush's rhetorical substitute for 'stay the course.'" PM Nouri al-Maliki "must receive an immediate deadline" to begin reconciliation talks; Baghdad must be stabilized; Iran, Saudi Arabia, Syria, and other nations must be brought into talks with the US; and the Bush Administration must "acknowledge reality" about "how few options remain on the table, and about the mayhem that will almost certainly follow an American withdrawal unless more is done."

UK Foreign Secretary Suggests History Could Judge Iraq War A "Disaster." The Financial Times (10/24, Dombey, Negus) reports UK Foreign Secretary Margaret Beckett said the Iraq invasion "could eventually be judged to have been a disaster." Asked on the BBC "whether historians would judge the invasion to be a foreign policy disaster. She responded: 'Yes, they may. Then again, they may not.'"

Kaplan Argues Iraq Woes Do Not Negate Bush Doctrine's Worth. In the Financial Times (10/24), the New Republic's Lawrence Kaplan writes that critics of the Bush Doctrine "might do well to cast a glance backward, for this is hardly the first time critics have extrapolated from the particulars of a controversial war and gone too far. Two years of war in Korea convinced many Republicans that President Harry Truman's containment doctrine was a dead letter. … Republicans, though, would soon enshrine in official policy the same doctrine they had spent years assailing. … That the lessons of Iraq should be heeded in policy deliberations makes sense. But such lessons, by themselves, provide no adequate response to a menacing international scene. Rather than offer a lucid analysis of the mismatch

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between the Bush doctrine's objectives and accomplishments – refining or discarding its most controversial elements – critics on the campaign trail have offered a formula for virtual-disarmament."

More Commentary. In his Los Angeles Times column (10/24), Niall Ferguson argues, "You would have thought 300 million Americans would be enough to rule the world — or at least a couple of medium-sized failed states. ... My argument [three years ago] was that the United States was unlikely to be as successful or as enduring an imperial power as its British predecessor for three reasons: its financial deficit, its attention deficit and, perhaps most surprisingly, its manpower deficit. ..." Ferguson explains the manpower deficit: "Why is the world's third-most -populous country so short of boots on the ground? The obvious answer is that, considering the size of the U.S. population and the Pentagon's vast budget, the American military is a remarkably small outfit. ... To make matters worse, the Department of Defense has been run since 2001 by a man who fervently believes that less is more. It was Donald Rumsfeld, we now know, who repeatedly dismissed expert advice that several hundred thousand troops would be needed to ensure the stability of postwar Iraq. ... Policy about Iraq has never been based on a rational assessment of that country's needs. Rumsfeld's paramount concern appears to have been to win the turf wars between the Defense Department, the Joint Chiefs and the State Department ... The only question is what age the 300-millionth American will be when the last American is airlifted out."

In his Washington Post (10/24, A19, 748K) column, Eugene Robinson writes, "Okay, now they're just making stuff up." The President "went on television Sunday and claimed that on Iraq war policy, 'We've never been "stay the course" -- as if no record survived of all the times he has used those very words. Maybe he was trying to outdo Dick Cheney, who went on the radio last week and proclaimed that the beleaguered Iraqi government is doing 'remarkably well.' … If Bush and Cheney were being sincere, then they're lying to themselves; if not, they're lying to the rest of us. My money is on the latter."

In his column in today's New York Times (10/24, 1.21M), Nicholas Kristof analyzes the financial costs of the war. "For every additional second we stay in Iraq, we taxpayers will end up paying an additional $6,300. So aside from the rising body counts and all the other good reasons to adopt a timetable for withdrawal from Iraq, here's another: We are spending vast sums there that would be better spent rescuing the American health care system, developing alternative forms of energy and making a serious effort to reduce global poverty." The "tab" for Iraqi reconstruction is now estimated to "be more than $1 trillion — perhaps more than $2 trillion. The higher sum would amount to $6,600 per American man, woman and child." Kristof adds that "many of the costs are hidden and haven't even been spent yet." Medical care and disability benefits for veterans "will continue for a half-century." Noting the "economic costs to the nation as a whole," Kristof adds, "The bottom line is that not only have we squandered 2,800 American lives and considerable American prestige in Iraq, but we're also paying $18,000 per household to do so." He concludes by advocating spending the $200 billion annually that would maintain troops in Iraq, on "fighting malaria, AIDS and maternal mortality, bolstering American schools, and assuring health care for all Americans. We're spending $380,000 for every extra minute we stay in Iraq, and we can find better ways to spend that money."

In his New York Times (10/24, 1.21M) column, John Tierney writes, "An American in Iraq has finally gotten it almost right." Maj. Gen. J. D. Thurman, senior commander of US forces in Baghdad, "has figured out the obstacle to America's dream for Iraq. 'Part of our problem is that we want this more than they do,' General Thurman told The Times's Michael Gordon, alluding to American efforts to unify Iraqis. 'We need to get people to stop worrying about self and start worrying about Iraq.'" But the problem, Tierney argues, is that Iraqis "have so many social obligations more important to them than national unity. Iraqis bravely went to the polls and waved their purple fingers, but they voted along sectarian lines. Appeals to their religion trumped appeals to the national interest. And as the beleaguered police in Amara saw last week, religion gets trumped by the most important obligation of all: the clan."

Maliki Orders Crackdown On Militias. The Washington Post (10/24, A16, Knickmeyer, 748K) reports Iraqi PM Nouri al-Maliki said Iraq "has ordered its security forces to crack down on unlawful acts by armed factions," in a "rare public rebuke to the Shiite militias allied with his government. Although the statement was bolder than usual for Maliki, it fell short of directing that the illegal militias be disbanded, a move that American officials are increasingly urging as sectarian bloodletting and other violence soar."

US Raids Insurgent Stronghold Near Euphrates. The Washington Post (10/24, A16, White, 748K) reports on the US raid on the Yusufiyah Thermal Power Plant, "nestled in a Sunni stronghold" close to the Euphrates, an "insurgent sanctuary just miles outside Baghdad from which fighters have launched attacks and terrorist bombings in the surrounding area." The Post says the persistence of "insurgent safe havens in such close proximity to Baghdad underscore the complexity of the fight U.S. forces continue to wage. As American troops try to shore up Iraqi government institutions, transfer large swaths of territory to Iraqi forces and dampen spiraling sectarian strife, they are confronted by still lawless areas."

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US Forces Trace Kidnapper-Killers To Sadr City. The Los Angeles Times (10/24, Daragahi, 918K) reports, "The sprawling, densely populated Shiite Muslim stronghold known as Sadr City has always been a place apart. ... These days, many U.S. commanders view the neighborhood as something akin to Cambodia during the Vietnam War — a sanctuary for the militia known as the Al Mahdi army, whose zealous volunteers are dispatched elsewhere in pogroms against their Sunni Arab countrymen. ... U.S. and allied forces are worried that Sadr City is becoming an Iraqi version of the Hezbollah bastions of southern Beirut and the Bekaa Valley in eastern Lebanon."

US Soldier Missing In Baghdad. The Los Angeles Times (10/24, Daragahi, 918K) reports, "A U.S. soldier may have been kidnapped by Iraqi insurgents today, setting off a massive search of the capital, a military official said." Joint US and Iraqi patrols "scoured the city for the soldier," while an "Iraqi intelligence source said the soldier may have been kidnapped while off a U.S. base. U.S. and Iraqi security forces raided locations where the soldier may have been taken. The constant drone of helicopters could be heard over central Baghdad into the early hours of Tuesday morning." ABC World News (10/23, story 4, 0:15, Gibson, 8.78M) also noted the search for the US soldier.

The New York Times (10/24, Tavernise, 1.21M) says, "A brief military statement said that the soldier was reported missing around 7:30 p.m. and that American and Iraqi forces 'immediately responded to attempt to locate the soldier.'" The Times adds, "The disappearance is highly unusual, as American soldiers are rarely, if ever, away from their units and Humvees when outside the safety of American bases, and leaving a base alone would violate military regulations. Even so, the disappearance is deeply troubling for the military and comes at a time of tense relations between it and the Iraqi government."

Lawmakers Decry CNN Video Showing Sniper Attack On US Soldiers. CNN's The Situation Room (10/23, Blitzer) reported, "CNN is taking heat for a controversial report from Iraq. Some Congressional critics are calling it insurgent propaganda. But CNN is sticking by its decision to show the dangers U.S. troops face on the streets of Iraq." CNN (Todd) reported, "When a US serviceman is killed by a sniper in Iraq, it is often officially designated only as a death from small arms fire. The randomness, the sudden brutality of life taken is not mentioned. Last Wednesday, CNN not only mentioned it, but showed it to viewers on video taken by an insurgent sniper. … This insurgent video showing sniper attacks on US soldiers in Iraq was given to CNN by insurgents calling themselves the Islamic Army after CNN sent e-mail questions to the group. In correspondent Michael Ware's report, CNN only used images shot from a distance and never showed a serviceman being hit, dissolving to black before the impact. The network made clear it is not known what happened to the targeted soldiers." CNN added, "In the days that followed, three US lawmakers, led by House Armed Services Chairman Duncan Hunter, a Vietnam veteran, wrote to Defense Secretary Donald Rumsfeld saying that CNN was serving as a publicist for the insurgents and asking that CNN reporters who are embedded with U.S. soldiers be removed from those positions."

Rep. Duncan Hunter said on CNN's The Situation Room (10/23), "One, this is propaganda by the bad guys. It has almost no value in terms of the overall strategy of the war. It simply shows somebody being shot. Everybody who is killed in Iraq, every one of the…2,791 soldiers who has died is listed the next day in thousands of newspapers and media across the nation. So this isn't -- this isn't a case of people not knowing that soldiers are being shot. But the idea that in the invasion of Normandy, if Hitler sent us a film, sent CNN a film showing Americans going down under .50 caliber bullets on the -- on the beaches of Normandy or in Iowa Jima, the Imperial Government of Japan sending CNN images of American Marines -- 5,000 of them were killed at Iowa Jima -- going down under the impact of rounds as they hit that beach, or went out on Mount Suribachi would have been outrageous."

An AP (10/24, Flaherty) story about Hunter's remarks says he "asked the Pentagon to bar CNN reporters from traveling with military units in Iraq because the network showed insurgent snipers shooting at U.S. troops. … In past wars, he said, the press was more pro-American." Hunter, "a staunch defender of the Bush administration and its handling of the war in Iraq, said the decision was irresponsible because it could encourage more attacks on U.S. troops." His "fury over the video underscores the tightrope often walked by news media in the war. Critics of the war say Americans see very little of the daily violence in Iraq because of television's reluctance to show gory footage. Dangerous conditions also keep journalists from reporting independent of military units that provide them protection." The AP notes, "The footage does not show the actual death or wounding of any service member. In one instance, the tape shows a service member milling around a public area. A shot rings out, and the tape fades to black."

Administration Said To Harm Public Diplomacy Efforts By Rebuking Fernandez. Coverage continued of NEA/PPD Director Alberto Fernandez's weekend comments to Al-Jazeera. The Christian Science Monitor (10/24, Murphy) says Fernandez "was expressing a sentiment widely held in the Arab world. To many Arabs, it was a stunning moment of candor. It led front pages of newspapers across the region." His "fluent Arabic and

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dozens of regional television appearances have made him the voice of American policy to millions in the Middle East," and his Saturday remarks "struck the sort of tone that public policy experts say the US needs if it is to regain some of its credibility in Arab eyes." The Monitor calls Fernandez "one of America's most potent public diplomacy weapons in the region," and says his "future is clouded" because of Administration repudiations of his comments.

In an op-ed in the Washington Post (10/24, A19) on President Bush and Vice President Cheney "making stuff up" about Iraq policy, Eugene Robinson notes Fernandez "told the truth about Iraq" and then "had to quickly apologize for his candor."

British General Explains Counter-Insurgency Tactics Used In Ulster. The Washington Times (10/24, Scarborough, 88K) reports, "Some of the Army's brightest minds gathered Oct. 16 in an auditorium in the Pentagon to hear a British general explain how Britain won in Northern Ireland after 37 years of fighting insurgents and how those lessons might be applied in Iraq." At Fort Leavenworth, Kan., "where officers pore over thousands of pages of after-action battlefield reports to learn the lessons of this war, the Combined Arms Center next month will release the Army's first comprehensive counterinsurgency manual since the 1960s. An Army official said it will stress winning hearts and minds, rather than using brute force, to defeat armed groups. The command has opened a Counterinsurgency Center to continue brainstorming over better battlefield tactics against terrorists." The Army lecture "featured Gen. C. Redmond Watt, Britain's top land forces commander who headed government troops in Northern Ireland when the Irish Republican Army announced disarmament last year." A person "at the lecture noted that Gen. Watt said Iraq is 10 years away from a 'sufficient outcome.' It will take that long to bring along the Iraqi security forces, disarm militants and nurture the politicians needed to sustain a democratic society."

Fake News Show's Popularity Highlights Iraqis' "Gallows Humor." A 1,263-word piece in today's New York Times (10/24, Luo, 1.21M) reports, "Nearly every night here for the past month, Iraqis weary of the tumult around them have been turning on the television to watch a wacky-looking man with a giant Afro wig and star-shaped glasses deliver the grim news of the day." However, his "newscast is a parody…that fires barbs at everyone from the American military to the Iraqi government, an Iraqi version of 'The Daily Show With Jon Stewart.' Even the militias wreaking havoc on Iraq are lampooned." The show "Hurry Up, He's Dead" is "the talk of Baghdad, delighting and shocking audiences with its needling of anyone with a hand in Iraqis' gloomy predicament today. The acerbic newscasts, each lasting about 20 minutes, are broadcast on Al Sharqiya, an Iraqi satellite station that has at times run afoul of the government for its regular news coverage." Their "success is a testament to the gallows humor with which many Iraqis now view their lives — still lacking basic services and plagued by unrelenting violence more than three years after the American-led invasion." The Times adds, "Since the fall of Saddam Hussein, comedies have proliferated on Iraqi television," and "the humor behind many of the show's jokes lies in the uncomfortable recognition that they are just a step away from reality in a crumbling Iraq."

Sailor Pleads Guilty To Killing Iraq Veteran. The Washington Times/AP (10/24, Barisic) reports the story locally covered by the Norfolk Virginian Pilot, "A sailor pleaded guilty Monday to abducting and killing a Marine corporal he thought had been involved in a gang rape. The rape turned out to be a lie, but the truth surfaced too late." Petty Officer 3rd Class Cooper Jackson killed Cpl. Justin Huff.

Tillman's Brother Blasts Iraq War. The AP (10/23) continues its coverage of Kevin Tillman's remarks on Truthdig.com, reporting that he "sharply criticizes the invasion of Iraq, the indefinite imprisonment of terrorism suspects and other events since the brothers enlisted together ... The Defense Department is investigating allegations of a cover-up, including failure by the Army to tell Tillman's family for several weeks that he had been killed by gunfire from his fellow Army Rangers, not by enemy fire as they initially were told."

The New York Times (10/24, Archibold, 1.21M) reports, "In what are apparently his most expansive public remarks since the death of his brother at age 27, he also does not spare the American public, which he suggests too often relies on superficial gestures to support the troops instead of holding politicians accountable. ... Under pressure from the family and members of Congress, the inspector general of the Defense Department and the Army Criminal Investigation Command are examining the actions of members of Mr. Tillman's unit and the initial investigation."

Hyde Urges Rumsfeld To Revamp Afghan Drug Policy. USA Today (10/24, Leinwand, 2.27M) reports, "A leading House Republican is urging Defense Secretary Donald Rumsfeld to revamp the U.S. strategy against heroin production in Afghanistan, saying record opium poppy harvests show efforts to target farmers are not working." Rep. Henry Hyde "said in an Oct. 12 letter to Rumsfeld that the U.S.-supported poppy eradication program in Afghanistan is a failure." Rumsfeld "has not answered Hyde, but Air Force Lt. Col. Karen Finn, a Pentagon spokeswoman, said Monday,

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'We take this matter very seriously, and we will be responding.'" The UN "said 37,807 acres were eliminated this year, about 7% of the acreage cultivated. Hyde wants military air support for DEA missions."

Bad Finances Keep Thousands Of Troops From Duty. The Washington Post/AP (10/24, Watkins) runs an AP story that first appeared last week, reporting, "Thousands of U.S. troops are being barred from overseas duty because they are so deep in debt they are considered security risks, according to an Associated Press review of military records. ... the increase is occurring at a time when the armed forces are stretched thin by the wars in Iraq and Afghanistan."

CORPORATE SCANDALS:

Enron's Skilling Given 24-Year Prison Sentence. ABC World News (10/23, story 6, 0:20, Gibson, 8.78M) reported, "In Houston today, former Enron CEO Jeffrey Skilling was sentenced for crimes that led to one of the biggest corporate collapses in history. The judge ordered Skilling imprisoned for more than 24 years and he will lose his remaining $60 million in assets. After hearing from victims the judge said Skilling's crimes imposed on hundreds if not thousands, a life sentence of poverty."

The Washington Post (10/24, A1, Johnson, 748K) says that "under federal rules, Skilling, 52, must serve at least 85 percent of his sentence, which means he would not be released for more than two decades, when he will be in his 70s." Lake, however, "could have imposed a stiffer penalty. Skilling's sentence is second only to the 25-year term given to WorldCom Inc. founder Bernard J. Ebbers, whose company also collapsed during an accounting fraud that rocked investor confidence and prompted Congress to pass corporate accountability legislation in 2002." Skilling's "emotional state has been delicate since he left Enron. Over eight days on the witness stand during the trial, Skilling described his spiral into drinking and depression as Enron began to sink under the weight of its financial problems. After he was indicted, he twice had contact with police related to his alcohol consumption, most recently last month." The New York Times (10/24, Barrionuevo, 1.21M) reports, "Despite being ordered not to drink by the court after a drunken scuffle with bar patrons in Manhattan in 2004," Skilling "was arrested last month by Dallas police for public intoxication and forced to spend a night in jail." The Los Angeles Times (10/24, Zimmerman, Hart, 918K), in a similar report, notes Stanford law professor Robert Weisberg described the 24-year prison term as "a life sentence."

The Wall Street Journal (10/24, C1, Emshwiller, 2.03M) reports, "The fact that corporate executives can receive prison terms akin to life sentences as a first-time offender has caused debate in law-enforcement and legal circles. 'Mr. Skilling's sentence was entirely expected and grossly excessive,' said Jacob Frenkel, a former federal prosecutor who is in private practice in Rockville, Md." The sentence, he added, "shows 'how distorted sentencing in white-collar cases has become.'" Yesterday's sentence also "underscored the dangers of going to trial versus the benefits of pleading guilty and cooperating with federal investigators."

In a front-page story, the Houston Chronicle (10/24, Hays, 535K) added that Skilling "will also fork over $45 million in restitution should he lose his appeal." Assistant US Attorney Sean Berkowitz "said that leaving Skilling with 'virtually no assets when all this is over is appropriate.' 'The Enron fraud is as large and serious as any other fraud in this nation's history,' Berkowitz said."

The Washington Times/AP (10/24, Lozano) reports US District Judge Sim Lake "ordered Skilling, 52, to home confinement, wearing an ankle monitor, and told the US Bureau of Prisons to recommend when Skilling should report to prison." Lake "recommended no date, but suggested Skilling be sent to the federal facility in Butler, N.C." Skilling insisted "he was innocent yet" appeared "remorseful in a two-hour hearing." Skilling's term, adds the AP, "is the longest received by any Enron defendant; former chief financial officer Andrew Fastow was given a six-year term after cooperating with prosecutors and helping them secure Skilling's conviction."

USA Today (10/24, Farrell, 2.27M) reports, "Prior to his sentencing, Skilling addressed the judge, saying he was bothered by the perception that he felt no remorse about Enron's collapse. 'That's just the furthest thing from the truth,' he said. Referring to Lay and former Enron executive Cliff Baxter, who took his own life in January 2002, he said, 'I had friends who died, good men.'" But Skilling "spent much of his speech reiterating his innocence, a position consistent with his plans to appeal the verdict." The Financial Times (10/24, McNulty) says Skilling "put his arm around his lawyer, Daniel Petrocelli, after his sentence was announced, then sat down and turned to give his sobbing wife, Rebecca, a weak smile across the courtroom."

Texas Lawyer (10/24, Jeffreys) reports, "Lake sentenced Skilling to 292 months in prison, which was at the low end of the range of punishment dictated by the Federal Sentencing Guidelines. Lake said Skilling could have received up to 365 months in prison under the guidelines. Prosecutors and defense attorneys had stipulated the financial loss caused by Skilling's crimes at a minimum of $80 million, Lake said." Texas Lawyer continues, "At the sentencing hearing, Lake also approved a stipulated forfeiture and restitution settlement agreement that would provide money to plaintiffs in civil litigation filed by disgruntled shareholders and employees who lost retirement money

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through Enron's retirement plans. Skilling will forfeit assets worth about $45 million, said Sean Berkowitz, an assistant U.S. attorney who is the head of the Enron Task Force. … 'I think it is a fair solution,' Lake said about the restitution agreement. 'It will allow victims to recover ... a substantial amount of money.' … The fund will be overseen by U.S. District Judge Melinda Harmon, who presides over the civil litigation."

The Chicago Tribune (10/24, Burns, 623K) reports, "Addressing news reporters outside the courthouse, wearing a court-required ankle bracelet to track his movements, the one-time corporate star remained unrepentant, professed his innocence and vowed to appeal."

NBC Nightly News (10/23, story 5, 2:05, Williams, 9.87M) said "the sentence came at the end of a three-hour sentencing hearing in which about half a dozen former employees took him to task. One saying he should be ashamed of himself. Another calling him a liar, drunk and a cheat. It could amount to a life prison term for the 52-year-old prison."

The CBS Evening News (10/23, story 5, 1:10, Couric, 7.66M) interviewed former Enron Vice President Sherron Watkins, who "blew the whistle on the company's accounting shenanigans and says Skilling deserved an even tougher sentence." Watkins: "I still conclude that Jeff Skilling's leadership or lack thereof is what got Enron into the trouble, into fraudulent financial statements, really." Couric: "What do you think the most important lesson learned here was?" Watkins: "I think its accountability. Jeff Skilling to this day does not accept responsibility for Enron's fraudulent activities or for its demise. And he was the CEO. He was the man at the helm."

ABC World News (10/23, 7:11 p.m.) reported, "In Houston today, former Enron CEO Jeffrey Skilling was sentenced for crimes that led to one of the biggest corporate collapses in history. The judge ordered Skilling imprisoned for more than 24 years and he will lose his remaining $60 million in assets. After hearing from victims, the judge said Skilling's crimes imposed on hundreds if not thousands, a life sentence of poverty."

CBS Evening News (10/23, 6:47 p.m., Couric) reported, "And former Enron CEO Jeffrey Skilling was sentenced today to more than 24 years in prison. Skilling, who became a poster boy for corporate greed, was convicted of 19 counts of fraud, conspiracy, insider trading, and lying to auditors. Thousands of Enron workers lost their jobs and pensions and stockholders lost billions when that company collapsed. Earlier today, I spoke former with Enron Vice President Sherron Watkins. She blew the whistle on the company's accounting shenanigans and says Skilling deserved an even tougher sentence." Sherron Watkins, former Enron Vice President: "I still conclude that Jeff Skilling's leadership or lack thereof is what got Enron into the trouble, into fraudulent financial statements, really." Couric: "What do you think the most important lesson learned here was?" Watkins: "I think its accountability. Jeff Skilling to this day does not accept responsibility for Enron's fraudulent activities or for its demise. And he was the CEO. He was the man at the helm." Couric: "Incidentally, Skilling told reporters he plans to appeal. Meanwhile, he is confined to his home with an ankle bracelet."

NBC Nightly News (10/23, 7:10 p.m., Williams) reported, "This was sentencing day today for former Enron CEO Jeffrey Skilling, who presided over what was the second largest corporate collapse in this nation's history after WorldCom, that is. The sentence handed down today was harsh. CNBS Scott Cohn in with us tonight from Houston. Scott, what went on there today? Scott Cohn: "It is a harsh sentence. In fact, one of the harshest in recent memory for a high profile white collar crime case. Jeffrey Skilling will go to prison for 24 years and four months, or just shy of the 25 years the WorldCom CEO received. He will also forfeit most if not all of his net worth, $45 million, most of which will go to the victims of Enron collapse. Skilling does plan to appeal. He says while he does feel sorry for what happened at the company he still believes he did not commit any crimes. The sentence came at the end of a roughly three-hour sentencing hearing in which about half a dozen former Enron employees took Skilling to task. One saying he should be ashamed of himself. Another calling him a liar, a drunk and a cheat. It could amount to a life prison term for the 52-year-old prison, but judge Sim Lake said he had sentenced many of hundreds if not thousands of Enron employees and shareholders to a lifetime of poverty. Skilling is very much at the brunt of the anger now because his mentor Ken Lay died in July and his conviction wiped clean last week."

Local Television. Local Texas television networks reported very heavily on the prison sentence handed to former Enron CEO Jeffrey Skilling. In general, the verdict was seen as the harshest yet in the Enron case. Some examples: KIII-TV Corpus, (10/23, 5:59 p.m.) broadcasted, "A judge in Houston today sentenced former Enron CEO Jeffrey Skilling to 24 years and four months in federal prison. Back in may, a jury convicted Skilling of fraud, conspiracy, insider trading and lying to auditors."

KABB-TV San Antonio, (10/23, 9:11 p.m.) broadcasted, "Jeffrey Skilling is paying the price for the fall of Enron. A federal judge in Houston sentenced Skilling to 24-years and four months in prison."

KDFW-TV Dallas, (10/23, 10:09 p.m.) broadcasted, "The collapse of Enron will cost the company's former CEO 24 years of his freedom and millions of dollars. Today a federal judge in Houston sentenced Jeffrey Skilling to prison. He is the last of the top officials to learn his punishment. He received the harshest penalty in connection with the scandal."

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WFAA-TV Dallas, (10/23, 10:08 p.m.) broadcasted, "He will wear an ankle monitor until that facility is chosen."

KSWO-TV Wichita Falls, (10/23, 5:08 p.m.) broadcasted, "Before the sentence was handed down, Skilling heard from the victims of Enron's massive 2001 financial collapse. At least 10 people signed up to talk about how the company's implosion affected their lives."

KEYE-TV Austin, (10/23, 10:10 p.m.) broadcasted, "Before sentencing, Skilling maintains his innocence but says he has remorse."

KHWB-TV Houston, (10/23, 8:59 p.m.) broadcasted, "Jeffrey Skilling is ordered by U.S. district judge Sim Lake to serve just over 24 years in prison. Yeah, but the saga is not over yet. The former Enron Chief Executive Officer says he is innocent and is planning to appeal."

KCEN-TV Waco, (10/23, 10:00 p.m.) broadcasted, "Former Enron CEO Jeffrey Skilling says he will appeal his sentence in connection with the collapse of the Houston company and still insists he's not guilty."

KTSM-TV El Paso, (10/23, 5:20 p.m.) broadcasted, "Experts say it was Skilling's arrogance and lack of sorrow under questioning that made him the prime target in the Enron scandal."

US Sues Lay Estate Seeking Assets. The Houston Chronicle (10/24, Ivanovich) reports, "The government filed suit against the late Ken Lay's estate Monday, hoping to wrest control of the one-time Enron chairman's River Oaks condominium and other assets valued at about $12.7 million." The Chronicle continues, "In the wake of a federal judge's decision last week to vacate Lay's fraud and conspiracy convictions because of the Enron executive's death, the government filed a civil suit in U.S. District Court in Houston seeking 'to recover property that constitutes proceeds of the fraud proven in the criminal case against Lay,' the Justice Department said in a statement." The Chronicle adds, " The government wants Lay's 33rd-floor condo in the Huntingdon at 2121 Kirby, valued at $2.5 million, along with $10.2 million in assets controlled by KLL & LPL Investments Ltd. and $22,680.14 in a Bank of America account. … Michael Ramsey, the Houston attorney who represented Lay at the criminal trial, called the government's suit an effort to 'seize the homestead of the widow.' … 'Mr. Lay is dead, and this is an attack, apparently, on his widow and his children,' Ramsey said." The Chronicle notes, "Lay died July 5, just weeks after a jury found him guilty on six charges of fraud and conspiracy. In a separate trial, U.S. District Judge Sim Lake also found Lay guilty of four counts of bank fraud. … But since Lay died before his appeals could be exhausted, Lake, after a decision handed down in another case by the U.S. 5th Circuit Court of Appeals, wiped out the conviction."

Western Digital Review Finds Improper Options Grants. The AP (10/24) reports, "Western Digital Corp., a computer memory and data storage company, said Monday that its three-month investigation of its stock option practices turned up 19 improper stock option grants, but it found no evidence that the option grants were manipulated to avoid reporting compensation expenses on its financial statements." The AP continues, "The company said that 19 stock option grants between fiscal year 1998 and fiscal year 2003 were improperly accounted for, and as a result the company should have recognized approximately $21 million of stock compensation and tax-related expenses." The AP adds, 'The investigation, which was carried out by a special committee of independent members of the company's board of directors, found that an annual employee stock option grant made in November 1999 was 'intentionally dated with hindsight at a low price.' But the company said although this instance of backdating was improper, no evidence was found that it was done to avoid compensation expense or any other financial statement impacts. … At least 140 public companies have disclosed Justice Department, SEC or internal investigations into possible backdating of their option grants."

CNET Networks Delays Full Financial Report Pending Options Review. The AP (10/24) reports, "CNet Networks Inc., an online publisher of technology news and reviews, said Monday its third-quarter revenue grew 13 percent, but it will delay filing its official results until an accounting review of its past stock-option grants is complete." The AP continues, "The company would not speculate on when the review would be completed and declined to discuss how its earnings might be effected. … Quarterly revenue rose to $92.8 million from $81.9 million during the same period last year. … That matched the results expected by analysts polled by Thomson Financial … For the fourth quarter, CNet said it expects revenue of $108 million to $115 million. For the full year, the company forecast $376 million to $386 million in revenue. … CNet is one of at least 93 companies that have been questioned by the Securities and Exchange Commission or the Justice Department for the timing of past stock options grants. .. .CNet previously said it found instances in which actual measurement dates for certain past stock options differ from recorded measurement dates, and that these accounting errors will require the company to restate certain past financial statements. … CNet said it will not file its full financial results for the quarter until the restatement process is complete."

DOJ's Pact With Prudential Signals New Risks For Counsels. The Corporate Counsel (10/24, Reisinger) reports, "The price for settling criminal allegations by the government keeps getting higher. In August, Prudential Financial Inc. signed a deal with the U.S. Department of

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Justice that allows it to avoid prosecution for wrongdoing at a brokerage subsidiary. But prosecutors didn't ask for a corporate monitor, as they typically do in deals of this nature. … Instead, the settlement with Newark, N.J.-based Prudential requires GC Susan Blount to personally design, install, and oversee a complex compliance program. Moreover, Blount must report on the program to federal prosecutors twice a year for the next five years." Corporate Counsel continues, "Forcing a company to adopt a compliance plan is common in deferred and nonprosecution agreements, several experts say -- but demanding that a GC be held personally accountable is not. In effect, Blount has become an enforcement officer for Michael Sullivan, the U.S. attorney in Boston who oversaw the investigation into the problems at Prudential. Should the compliance program fail, Blount could be held liable by the government, as well as by shareholders." Corporate Counsel adds, "Why didn't Sullivan take the usual route and appoint a corporate monitor? That move would have 'made little sense in this case,' Sullivan explains, because Prudential had sold a majority share in the subsidiary that engaged in the wrongdoing. 'The [government] did, however, want to make sure that the parent company improved its oversight of its subsidiaries,' Sullivan says. He accomplished that by imposing significant duties on GC Blount that cover the entire company."

US Formally Requests Alexander Extradition From Namibia. The AP (10/24) reports, "The U.S. has requested the extradition from Namibia of Jacob 'Kobi' Alexander," the former Comverse CEO "accused in the United States of hatching a scheme to pocket millions of dollars by secretly manipulating stock options, the U.S. Embassy spokesman said Monday. … Dennis Khama, a Namibian Ministry of Justice official who handles extradition issues, confirmed the U.S. request had been received and said the minister would first have to determine whether it complied with the country's extradition laws. If it does, the minister will then submit the request to a magistrate." The AP notes, "Alexander was arrested…at the request of the FBI after a two-month manhunt."

Mutual Benefits Corp Co-Founder Pleads Guilty To Securities Fraud. Dow Jones (10/24, Hughes) reports, "A founding partner of a Florida viatical settlements company has pleaded guilty to participating in a massive securities fraud in which investors lost $956 million, federal prosecutors announced on Monday." Dow Jones continues, "Peter Lombardi, one of the founders of Mutual Benefits Corp., was accused of helping orchestrate the fraud from October 1994 through May 2004. He has agreed to be responsible for $956 million in restitution to victims and faces as much as 20 years in prison and a fine of as much as $5 million, according to a press release issued by the U.S. Attorney for the Southern District of Florida." Dow Jones adds, "Viatical settlements allow terminally ill people to sell their life insurance policies for an immediate payment. The purchaser of the policy becomes the beneficiary of the policy and makes premium payments, receiving the full life insurance benefit when the terminally ill person dies. … Lombardi was accused of helping direct an international network of sales agents who falsely assured investors by using false projections of how long the insured people would live. The Justice Department said that in fact, most investors have never realized any profit and haven't been able to get their investment back since about 80% of the policies never matured."

Grasso To Appeal New York Judge's Ruling. The New York Law Journal (10/24, Bar) reports, "Richard A. Grasso, the ex-New York Stock Exchange chairman, will ask the New York Appellate Division, 1st Department, to review Justice Charles E. Ramos' decision ordering him to repay as much as $100 million in compensation from his former employer. … 'Justice Ramos recently wrote that he takes comfort from the fact that the Appellate Division will review his rulings,' Grasso said late Thursday. 'So do I.'" The Journal continues, "Grasso is being sued by New York Attorney General Eliot Spitzer, who has argued that Grasso's $187.5 million pay package was excessive under the state's not-for-profit law. Spitzer said Friday that he was not surprised by Grasso's decision to appeal the latest decision. 'The defendants will continue to do what they have always done -- delay,' Spitzer said. … But Grasso attorney Gerson A. Zweifach, a partner at Williams & Connolly, has reportedly said that any delay was Spitzer's fault. Zweifach said the case is at a standstill because the Appellate Division must decide whether it was appropriate for Ramos, in an earlier decision, to order a bench trial over the issue of whether Grasso's pay was reasonable. 'The reality is that this case would be mostly done with trial right now had the attorney general not asked the judge to delay the trial and to order a bench trial,' Zweifach said. … Four appeals stemming from the case are pending, including one filed by Kenneth Langone, Grasso's co-defendant."

Perle Won't Face Charges In SEC Hollinger Probe. The SEC has notified former Pentagon adviser Richard Perle that they will not bring charges against him in connection with a case involving his work as a Hollinger International Inc. board member. The Wall Street Journal (10/24) reports, "Dennis Block, an attorney for Mr. Perle, said his client was notified by the SEC early this month that he wouldn't face charges. Mr. Perle served on the executive committee of Hollinger International from 1994 to 2003, along with former Hollinger Chairman Conrad Black and former

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Hollinger Chief Operating Officer David Radler. … A 2004 report for Hollinger International's board found that Mr. Perle 'repeatedly breached his fiduciary duties as a member of the executive committee' by failing to evaluate several consent forms that authorized many of the transactions."

Former Delphi Employees Seek Insurer's Payment Of Legal Fees. The Detroit Free Press (10/24, Roberson) reports, "Former Delphi Corp. CEO J.T. Battenberg III, former CFO Alan Dawes and seven other former Delphi employees who have incurred legal bills linked to a federal investigation of accounting issues, filed a motion in a U.S. bankruptcy court Thursday demanding access to a Delphi insurance policy that could pay their legal expenses." The Free Press continues, "From Delphi's bankruptcy filing Oct. 8, 2005, through February 2006, most of the former employees racked up more than $147,000 in legal expenses collectively. The costs are related to allegations of violations of federal and state securities laws and the Employee Retirement Income Security Act. .. .But Delphi general counsel David Sherbin sent individual letters to attorneys of the former employees in February letting them know Delphi would not pay the outstanding balance of legal bills or any future legal fees and related expenses. … 'The company has the authority but not the obligation' to pay for certain legal expenses, Sherbin said in a Feb. 21 letter addressed to Dawes' attorney. … A hearing on the motion from the former employees is set for Nov. 30."

Ford To Restate Earnings After Faulty Accounting Discovered. The Detroit News (10/24, Shepardson) reports, "Ford Motor Co. became the latest auto company to admit accounting mistakes Monday when it said it would restate earnings going back to 2001 because its credit arm incorrectly accounted for interest rate and currency derivative swaps." The News continues, "Ford Motor Credit and many large companies -- especially banks -- use the financial instruments to hedge their bets against changes in currency values or swings in interest rates. … Ford said the restatement would materially improve 2002 results, but would have no effect on the company's cash position. … 'Our overall hedging strategy is sound,' Ford's Chief Financial Officer Don Leclair said in a conference call Monday as Ford released third-quarter financial results. 'We will correct our accounting for these types of derivative instruments. We remain committed to strong internal controls and reporting transparency.'" The News adds, "Leclair said the errors were discovered during a routine review of Ford Credit's annual report with the SEC. … Ford will issue its restated earnings early next month when it files its third-quarter report with the Securities and Exchange Commission."

Professor Argues Against Regulating Hedge Funds. Jonathan Macey, a professor at Yale Law School, writes in the Wall Street Journal (10/24), "Virtually every month sees some newly warmed-over argument to regulate the $1.2 trillion hedge fund industry. Having failed to stir up sufficient fear that hedge funds are ripping off their investors or are somehow harming the companies in which they invest, the latest complaint is that hedge funds pose a 'systemic risk' to the financial markets. … So frightening is this vague notion that regulators are safe in suggesting that even the slightest threat should justify massive regulatory intervention. … In the case of hedge funds, however, the very structure of the industry proves that they do not pose any systemic risk to the economy." Macey adds, "Hedge funds are already thoroughly regulated by market forces. Those that perform well for their investors will flourish. Those that perform poorly will whither. This is the best and only form of regulation that hedge funds require."

CRIMINAL LAW:

Federal Prosecutors Targeting GOP Lawmakers. The AP (10/24, Jordan) reports, "Public corruption cases brought by Justice Department prosecutors in Washington are on the rise, fueled in part by investigations targeting Republican lawmakers in Congress." The AP continues, "With the Nov. 7 elections looming, prosecutors have moved forward on investigations of three GOP lawmakers in the last month alone. And several Justice Department officials privately hint that even more inquiries -- involving Republicans and Democrats alike -- may be under way. … 'We can't look at what party someone is a member of in deciding whether or not to pursue an investigation,' Attorney General Alberto Gonzales told reporters last week, calling government corruption prosecution one of his top priorities. 'We have to follow the evidence wherever it leads.' … Gonzales said there is 'no special emphasis' on those cases as the elections approach. But the Justice Department generally tries to keep a low profile on government corruption cases in the months before an election to avoid unfairly influencing voters." The AP notes, "Justice Department data show a 60 percent increase over the last five years in government corruption convictions and settlements by its Washington-based public integrity unit. Prosecutions resulted in 84 convictions and settlements in 2005, the data show, compared to 52 in 2001. … The aggressive pursuit of Republican lawmakers by Bush administration prosecutors is a sign of the independent streak of career attorneys inside the public integrity unit, said Paul F. Rothstein, a legal and government ethics professor at Georgetown Law School. … Investigations by the public integrity unit at Justice

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headquarters in Washington make up only a sliver of public corruption cases prosecuted nationwide, most of which are handled by U.S. attorneys' offices. Last year, for example, federal prosecutors around the country charged 445 government officials, resulting in 390 convictions. … With only 29 attorneys, the public integrity unit in Washington is small when compared to the 450 government lawyers who prosecute criminal cases in the capital."

Local Police Chiefs Seek More Federal Anti-Crime Funding. The Wall Street Journal (10/24, A4, Schoofs, Block) reports, "More than a dozen local police chiefs, many under pressure from their communities to control a rise in violence, are meeting with White House budget and policy officials tomorrow to advocate for emergency and long-term funding to fight crime." The Journal continues, "The meeting reflects tension between police officials and the Bush administration as the federal government directs more attention -- and finances -- to terrorism prevention over traditional crime-fighting. Federal funding to fight crime has been slashed since 2001, while money for antiterrorism programs has soared." The Journal adds, "Some homeland-security outlays, such as money to improve information-sharing among local, state and federal law-enforcement agencies, do help to fight crime. But the lion's share of antiterrorism funding goes to specialized equipment, such as $400,000 antibomb robots and preparation for catastrophic attacks. … 'We don't need any more trucks and helicopters,' says Timothy Dolan, Minneapolis police chief, echoing the comments of several chiefs who feel they are now sufficiently equipped to handle a terrorist attack but are losing their ability to fight street crime. … Police concerns reflect the complaints made by state emergency managers in the run-up to Hurricane Katrina last year. After the Sept. 11, 2001, attacks, the Federal Emergency Management Agency was required to expand its focus on terrorism while maintaining its mandate to cope with natural disasters -- but wasn't given enough resources to carry out both tasks. Until the 2005 storm, the complaints of emergency experts were largely dismissed by the administration. … Some police have made similar arguments at professional gatherings over the past several months. At a Policing Terrorism Conference in New York in August, 300 police chiefs complained to FBI officials and Attorney General Alberto Gonzalez about having to juggle terrorist-hunting needs with the competing demands of more traditional policing."

Ethics Committee Hears Six Hours Of Testimony On Foley From Hastert Aide. USA Today (10/24, 4A, Kiely, 2.27M) reports the House ethics committee "spent more than six hours Monday grilling" Scott Palmer, "the top aide to House Speaker Dennis Hastert as the panel continued its investigation into what Republican leaders did when warned about former representative Mark Foley's attentions to teenage congressional pages." Palmer, "who has served as Hastert's chief of staff for more than 20 years, occupied the committee all afternoon. … Kirk Fordham, Foley's former chief of staff, said he alerted Palmer several years ago to his concerns about Foley's friendships with pages. Fordham's lawyer, Timothy Heaphy, said Fordham's warnings could have come as early as 2002. Palmer has denied Fordham's account. 'What Kirk Fordham said did not happen,' Palmer said when the scandal broke." The New York Times (10/24, Zeleny, 1.21M) reports Palmer "declined to comment after emerging from the closed-door session shortly before 8:30 p.m. His lawyer, Scott L. Fredericksen, said Mr. Palmer's sworn testimony was 'consistent with the position that he's taken all along.'"

Roll Call (10/24, Davis) reports the committee also heard testimony from Sally Vastola, executive director of the NRCC, and will hear from NRCC Chairman Tom Reynolds today. According to Roll Call, "it is anticipated that two additional senior aides to Hastert will also appear this week, but Hastert's office has declined to announce the schedule. Mike Stokke, deputy chief of staff, and Ted Van Der Meid, staff counsel, are expected to provide key testimony in the investigation. … It is unclear if Hastert will be questioned by the ethics committee." The AP (10/24, Margasak) says Vastola's testimony "could touch on how Reynolds reacted when learning of problems with Foley's behavior toward pages and with whom Reynolds may have shared the information."

FBI Investigation Into AIPAC's Lobbying On Behalf Of Harman Confirmed. The New York Times (10/24, Mazzetti, 1.21M) reports Rep. Jane Harman "has gained national prominence as the top Democrat on the House Intelligence Committee, but even her supporters now concede that she is unlikely to become chairman if her party wins control of the House. … Harman's efforts to claim the post have even attracted the attention of investigators. Federal officials said Monday that she was the focus of a year-old F.B.I. inquiry related to the American Israel Public Affairs Committee." According to the Times, the unnamed officials, "confirming a Time magazine report, said the bureau had been looking into whether she had made improper promises to the group in exchange for its efforts to lobby" minority leader Nancy Pelosi "on her behalf. But the officials also said that the accusations had not been proved and that although the inquiry remained open, it was no longer being actively pursued."

WPost Blasts Hoekstra For Retaliating Against Democratic Aide. The Washington Post (10/24, A18, 748K),

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in an editorial, writes that Rep. Jane Harman, the ranking Democrat on the House intelligence committee, "took a step last week that she knew would be thermonuclear: Without the assent of the panel's chairman, Rep. Peter Hoekstra, and in contravention of a previous understanding, she released an unclassified summary of a report about former representative Randy 'Duke' Cunningham. Later that day, in barely disguised retaliation, Mr. Hoekstra suspended a Democratic committee staff member's access to classified documents, ostensibly based on the flimsiest of suspicions that the aide had been involved in the leak of a separate, classified document." According to the Post, "Harman's unilateral strike violated the bipartisan basis on which the intelligence committees are meant, at least in theory, to operate. But that cannot justify Mr. Hoekstra's malicious and misdirected response, which tarnished a staff member's reputation and was not supported by any evidence."

Unlicensed Contractor Scams Increasing In Katrina-Damaged Areas. USA Today (10/24, 3A, Konigsmark, 2.27M) reports from New Orleans, "Unlicensed contractors are preying on Gulf Coast residents whose homes were ravaged by Hurricane Katrina and are in dire need of repair, state and FBI officials say." Louisiana contractor licensing official Charles Marceaux said that "phony contractors are collecting down payments for work and then disappearing," and he noted that "there are an estimated 20,000 licensed contractors in New Orleans alone." USA adds, "James Bernazzani, the FBI's special agent in charge in New Orleans, says the federal government will have jurisdiction in many cases because the money the contractors took often comes from federal rebuilding grants. … 'Before the storm, the threshold for the FBI to take a fraud case was $1 million,' he says. 'But we're assuming non-traditional roles down here, and we're trying to be a deterrent.'" USA notes, "The problem could get even worse," because most coastal residents "haven't received their share of $10.2 billion in federal rebuilding grants."

Suspect In Idaho Murders Apparently Acted Alone, Police Say. The AP (10/24, Geranios) reports from Spokane, WA, "A man who pleaded guilty to murdering three people at a rural Coeur d'Alene, Idaho, home has given law enforcement officers enough information to confirm their conclusion that he acted alone, the Kootenai County, Idaho, sheriff's office said Monday." The AP continues, "Making good on last week's plea agreement with Kootenai County prosecutors, Joseph Edward Duncan III met Friday with investigators. … 'In the interview, Duncan gave investigators detailed information that was consistent with the physical evidence that had been collected at the scene of the murders of Brenda and Slade Groene and Mark McKenzie,' Sheriff Rocky Barker said in a statement." The AP adds, "Details of Duncan's interview will not be released until after the U.S. Justice Department concludes its case against him, Barker said. The federal government has said it intends to seek the death penalty against Duncan when it charges him in the abduction of two small children from the home and the slaying of one of them. Those charges have not been filed yet."

Two Enter Guilty Pleas In Coke Secrets Case. The Wall Street Journal/AP (10/24, A16) reports, "The two men accused of plotting with a secretary at Coca-Cola Co. to steal trade secrets from the beverage maker and trying to sell them to archrival PepsiCo Inc. each pleaded guilty Monday to one count of conspiracy. Ibrahim Dimson and Edmund Duhaney entered their pleas in federal court as part of a deal with prosecutors. They both could face up to 10 years in prison and $250,000 fine when they're sentenced Jan. 29. Former Coke secretary Joya Williams is still scheduled to stand trial starting the week of Nov. 13." The three "were accused of stealing new product samples and confidential documents from Atlanta-based Coca-Cola and trying to sell them to Pepsi, which is headquartered in Purchase, N.Y. The alleged crime was foiled after Pepsi warned Coca-Cola."

AFP (10/24) reports, "The three were arrested after PepsiCo gave its rival a copy of a letter signed 'Dirk' in which it was offered 'very detailed and confidential information.' … Phone records and investigations showed Williams was the alleged source of the information, the state attorney's office said in a statement." AFP notes, "The author of the letter provided an undercover agent of the Federal Bureau of Investigation (FBI) 14 pages of secret Coca-Cola documents, and requested 10,000 dollars in 'good faith' money to provide further information. The company said the documents contained highly classified trade secrets. … 'I can even provide actual products and packaging of certain products, that no eye has seen, outside of maybe five top execs,' Williams allegedly wrote."

Jury Begins Deliberations In Rosenbaum Murder Case. A jury in DC Superior Court yesterday began deliberations in the trial of Percy Jordan. Who stand accused of killing New York Times journalist David Rosenbaum. The Washington Times (10/24, Emerling) reports that Jordan faces charges "including felony murder, conspiracy and credit-card fraud stemming from the death of Mr. Rosenbaum, who was walking outside his home in Northwest Jan. 6 to cure a case of the hiccups when he was attacked and robbed. He died two days later from his injuries."

Hinckley Allowed To Continue Unsupervised Visits To Parents' Home. A federal judge yesterday

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ruled that attempted presidential assassin John Hinckley could continue occasional unsupervised visits to his parents' home in Williamsburg, Virginia. However, the Washington Times (10/24, McElhatton) reports that US District Judge Paul L. Friedman "added that Hinckley's siblings may have to take on a greater role supervising him. … Citing concerns about the health of Hinckley's parents, government attorneys had hoped to halt the visits until a hearing could be held on the issue. Hinckley's father is in his 80s and his mother just turned 80." At yesterday's hearing, Judge Friedman said he plans "to revisit the issue of Hinckley's overnight stays once a government psychiatrist submits a written report on Hinckley. The report is expected next Tuesday." Hinckley "has been a patient at St. Elizabeths Hospital since he was found not guilty by reason of insanity in the 1981 shooting of President Reagan."

Missouri Mayor Resigns In Wake Of Bribery Guilty Plea. KSDK-TV St. Louis (10/23, Wu) reported on its Web site from a story broadcast yesterday, "The City of St. Peters said Monday morning it received a resignation letter from Mayor Shawn Brown. … Brown pleaded guilty Friday to a felony charge of soliciting and accepting a bribe." Brown "was indicted on charges of threatening to veto an ordinance authorizing the city to purchase digital red light and speeding enforcement systems from Redflex Traffic Systems…unless the company paid him. … According to FBI Special Agent-in-Charge Roland Corvington, Redflex contacted authorities and aided them in their investigation." The AP (10/24) and St. Louis Business Journal (10/24) also report on Brown's resignation.

Ten Charged After Raids On Tennessee Brothels. The Memphis Commercial Appeal (10/24, Buser, 172K) reports, "Ten men have been charged with running brothels in Memphis using prostitutes they enticed here from other states and countries, authorities said Monday. The Hispanic men named in the 15-count federal indictment distributed business cards in the Memphis Latino community to advertise and provided cell phone numbers for the brothels, according to officials." The Commercial Appeal notes, "The men, including four brothers, were arrested in a multi-agency raid Oct. 13 involving some 150 law-enforcement officers. 'This was a massive undertaking,' said FBI Special Agent in Charge My Harrison. … The investigation included U.S. Immigration and Customs Enforcement, Memphis police and the FBI."

FBI Investigating Major Philadelphia Takeover Bank Robbery. KYW-TV Philadelphia (10/23) reported on its Web site from a story broadcast yesterday, "The FBI is investigating a brazen heist in Northeast Philadelphia that is being called one of the biggest bank robberies in the area in years. … The early morning 'take over' robbery" at a PNC Bank branch "occurred as the first bank employee arrived at the bank." WCAU-TV Philadelphia (10/23) reported on its Web site from a story broadcast yesterday, "'The substantial, but undisclosed bank loss is believed to be the largest loss in recent history stolen during a bank robbery,' said Jerri Williams, a Special Agent for the bureau's Philadelphia division. … Once all the employees were rounded up and held captive, the robbers emptied the entire bank and were in communication with others, the FBI said. 'The robbers were able to empty out the vault, all teller drawers and two ATM machines, before locking all the employees in the bank vault and exiting from the bank,' Williams said."

WPVI-TV Philadelphia (10/23, O'Hearn, Monek) reported on its Web site from a story broadcast yesterday, "Williams says the ease at which this robbery was executed indicates the suspects may have staked out the bank for a while, knowing who the employees were and when they arrived at work. 'It was well done. They were in there for a total of 35 minutes, which is unheard of,' said Williams. The suspects were armed with silver handguns, dressed in dark-hooded sweatshirts and ski masks." The Philadelphia Inquirer (10/24, Arnold, 399K) adds, "Williams said that although she could not reveal how much money was taken, it was well over the $250,000 taken in another substantial bank heist two years ago. … 'I can say that the majority of robberies that occur are demand-note robberies by desperate people,' Williams said. 'They are usually not well planned and definitely not well executed.'"

The Philadelphia Daily News (10/24, Weichselbaum, 109K) reports that the "two bandits -- wearing dark-hooded sweatshirts and ski masks and armed with silver handguns -- made off with as much as $400,000" after "they locked the frightened employees in the vault and fled. … The employees escaped by unlocking the vault from the inside. No one was hurt during the 35-minute morning 'takeover,' Williams said. … During the heist, the bandits spoke into walkie-talkies, possibly to others watching outside the bank, Williams said. 'That is rare,' Williams said of the use of the devices in a holdup."

FBI Agent Calls Texas Heists "Astronomical" As Another Dallas Bank Robbed. WFAA-TV Dallas (10/23, Douglas) reports on its Web site from a story broadcast yesterday, "As yet another Dallas bank was targeted in a robbery Monday, the FBI has called the number of North Texas banks heisted this year 'astronomical.' The Professional Bank…was hit early Monday afternoon. Investigators think the bandit…has hit three or four others as well, which might be enough for him to get his own catchy nickname soon. However, Dallas isn't alone, Fort Worth

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robberies have almost doubled compared to last year. 'We've never seen a spike in bank robberies to this level,' said John Skillestad, FBI supervisor." WFAA noted, "Dozens of robbers remain on the loose. 'I'm thinking another 40 to 50 people,' Skillestad said," but he added that "repeat offenders still on the loose are most likely looking to a fate behind bars soon enough."

Hackers Breaking Into Customer Accounts At Online Brokerages. A front page story in the Washington Post (10/24, A1, Nakashima) reports, "Hackers have been breaking into customer accounts at large online brokerages in the United States and making unauthorized trades worth millions of dollars as part of a fast-growing new form of online fraud under investigation by federal authorities." Federal regulators "cited recent cases in which hackers gained access to customer accounts at several large online brokers and used the customers' funds to buy certain stocks. The hackers appeared to be trying to drive up share prices so they could sell those stocks at a profit, regulators said." According to the Post, "The scams typically begin with a hacker obtaining customer passwords and user names, experts said."

US Probes New Brunswick, NJ, Housing Program. The East Brunswick (NJ) Home News Tribune (10/24, Khavkine) reports, "The investigation into the city's housing rehabilitation programs has reached the federal level." The Tribune continues, "City police investigators have turned over documents detailing agreements and contracts between the city and contractors to the U.S. Attorney's Office in Newark. U.S. Department Housing and Urban Development dollars fund some of New Brunswick's housing-rehab programs." The Tribune adds, "City spokesman Bill Bray had no comment on whether city officials turned over the documents voluntarily or were compelled to do so. Bray, citing the ongoing nature of the multipronged probe, also would not say when the documents were turned over to federal investigators. … Officials at the U.S. Justice Department, which oversees the U.S. Attorney's Office, could not be reached for comment yesterday. An agent at HUD's Office of the Inspector General said she could not confirm nor deny that agency's involvement in the investigation." The Tribune notes, "In recent weeks, some city employees have been put on paid administrative leave as a result of the city's investigation and a large part of the rehab home projects have been put on hold. … No additional personnel have been placed on leave since then, Bray said."

TV Station Ordered To Pay $1.1 Million Over BTK Report. The Washington Post/AP (10/24, A2) reports, "A jury has ordered a Wichita television station and its news director to pay a man $1.1 million for naming him two years ago as a possible suspect in the BTK serial killings. Roger Valadez had sought as much as $2 million from Emmis Communications, then-owner of KSNW-TV, and News Director Todd Spessard for the station's coverage of Valadez's arrest on Dec. 1, 2004. The jury found Friday that KSNW and Spessard defamed Valadez when the station used his name after his home was raided." Valadez "was never charged in connection with the slayings. He was arrested on minor outstanding warrants and released the next day, and his attorney said he was quickly ruled out as a BTK suspect."

LAPD Opens Criminal Investigation Into Dumping Of Homeless People. The Los Angeles Times (10/24, Winton, DiMassa) reports, "The LAPD has opened its first criminal investigation into the dumping of homeless people after documenting five cases Sunday in which ambulances dropped off on skid row patients recently discharged from a South Los Angeles hospital. All of the patients told police they did not want to be taken downtown. LAPD officials, who photographed and videotaped the five alleged dumping cases, called it a major break in their yearlong effort to reduce the number of people left on skid row by hospitals, police departments and other institutions." Dumping "has emerged as a major political issue in Los Angeles, with Mayor Antonio Villaraigosa and other critics saying that the practice exacerbates the ills of a district that already has the largest concentration of homeless people in the West."

CIVIL LAW:

DOJ Settles Fraud Allegations With Medco For $155 Million. The Philadelphia Inquirer (10/24, Von Bergen) reports, "Complaints from two whistle-blowing pharmacists from Las Vegas in 1999 led to a $155 million settlement today of federal fraud claims by the nation's largest mail-order pharmacy business." The Inquirer continues, "Medco Health Solutions Inc. had been accused of destroying and canceling prescriptions, soliciting kickbacks from pharmaceutical companies to favor their drugs, and paying kickbacks to health plans to obtain business." The Inquirer adds, "The settlement, announced by the U.S. Attorney's Office in Philadelphia, also covers a second investigation into how the Franklin Lakes, N.J., company submitted claims to the Medicare program on behalf of its clients. … Pharmacy-benefits-management companies act as middlemen between pharmaceutical companies and health-care plans to negotiate lower drug costs. The U.S. Justice Department has been investigating conflicts of interest in the business for years."

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Bloomberg (10/24, Schmidt) reports, "The settlement, announced by the Justice Department in Washington, resolves two civil cases and an investigation by the U.S. attorney's office in Philadelphia. The government also accused Medco of paying kickbacks to health plans to help it obtain business." Bloomberg adds, "The settlement is the fourth-largest in a health care false claims act case in 2006, according to Taxpayers Against Fraud, a Washington-based group that tracks such suits. The largest, for $900 million, was with Tenet Healthcare Corp."

United Press International (10/24) reports, "Prosecutors said Medco submitted false claims for mail order prescription drug services it was required by contract to provide to millions of federal employees, retirees and their families under the Federal Employee Health Benefits Program. … 'Millions of federal employees and Medicare beneficiaries rely on pharmacy benefit managers for their prescription drugs,' said Peter D. Keisler, a top Justice Department official. … 'Hidden financial agreements with drug manufacturers and health plans can influence which drugs patients receive, the price we all pay for drugs, and whether pharmacists serve patients with their undivided professional judgment.'"

US Defends 1998 Anti-Pornography Law. The AP (10/24, Dale) reports, "Eight years after Congress passed a law aimed at protecting children from online pornography, free speech advocates and Web site publishers argued in federal court Monday that the never-enforced measure is fatally flawed." The AP continues, "Salon.com, Nerve.com and other plaintiffs warned that the 1998 Child Online Protection Act could be used to criminalize such things as sexual health information, erotic literature and news photographs of naked prisoners tortured at Abu Ghraib." The AP adds, "The law, signed by then-President Clinton, says Web site operators must prevent youngsters from seeing material 'harmful to children' by demanding proof of age from computer users. It would impose a $50,000 fine and six-month prison term on commercial Web site operators that allow minors to view such content, which is to be defined by 'contemporary community standards.'" The AP notes, "In a trial that opened Monday, the plaintiffs argued that 'community standards' is too vague. … The law has never been enforced. … Eric Beane, a government attorney, acknowledged that it is tempting to defer to families on the question of what is appropriate for children, but said the filters used by parents do not work. … 'The evidence will show that a shocking amount of pornography slips through to children,' Beane said in opening statements."

CIVIL RIGHTS:

Denton, TX, Fire Department Accused Of Racism. The North Texas Daily (10/24, Prado) reports, "Citizens of Denton are officially moving forward with legal action against the Denton Fire Department with accusations of racial discrimination through the NAACP and the Justice Department." The Daily continues, "More than 26 minorities applied for one of the 15 open positions in the Denton Fire Department in 2006 but none were hired, said Willie Hudspeth, leader of the suit against Denton Fire Department." The Daily adds, "Suspicions of racial injustice arose around 1999 when Hudspeth, along with other community members, said the city of Denton hired only one minority, which was the librarian. Seven years later, the number of minorities working for the city is still low, but it is not because of lack of applicants, Hudspeth said. … 'This bias is more pronounced in the fire department,' Hudspeth said. 'They are over-qualified and have all the credentials. At this point I see no reason other than race that explains why these applicants did not get hired.'"

Truck Driver To Be Retried For Immigrant Smuggling Deaths. The AP (10/24, Lozano) reports from Houston, "A truck driver accused of being responsible for the nation's deadliest human smuggling attempt could again face the death penalty." The AP continues, "Tyrone Williams was convicted last year on 38 counts of transporting illegal immigrants, but the verdict was overturned on appeal. Opening statements were set for Monday in his retrial. … Prosecutors say Williams failed to help the more than 70 illegal immigrants who had been packed into his tractor-trailer in stifling heat in 2003. Nineteen died." The AP adds, "Jury selection in his retrial took more than two weeks because potential jurors were questioned individually about their views of illegal immigration and the death penalty. … Williams, 35, avoided the death sentence in his first trial because the jury couldn't decide whether he was directly responsible for the deaths. The judge removed the death penalty as an option. Prosecutors appealed." The AP notes, "The 5th U.S. Circuit Court of Appeals ordered a new trial and that the previous judge be removed from the case because of the case's 'extraordinary history' and the judge's complaints about a crowded docket. … 'I'm disappointed because the first jury reached a fair verdict,' defense attorney Craig Washington said. 'To have to do it again is disheartening. At the end of the day, the result will be the same as the last trial.' … Prosecutors are not commenting on the case outside the courtroom. But during a hearing last week, Assistant U.S. Attorney Daniel Rodriguez reiterated the government's contention that Williams was responsible for the immigrants'

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deaths because he ignored their cries for help and failed to turn on the air conditioning unit on his tractor-trailer."

Two Men Sentenced For Immigrant Deaths. The San Angelo (TX) Standard-Times (10/24, Boyle) reports, "Two men caught transporting illegal immigrants near San Angelo after a rollover in the spring that killed one of the immigrants have been sentenced in federal court in Lubbock." The Standard-Times continues, "Jorge Luis Castro-Garcia was sentenced to 71 months imprisonment, while Jesse Cano received 87 months, according to a Justice Department news release from the Northern District of Texas. … The sentencing was announced Friday." The Standard-Times adds, "Castro-Garcia, Cano and co-defendant Agustin Anorga each pleaded guilty in July to one count of transporting illegal immigrants for private financial gain and aiding and abetting. Anorga is scheduled to be sentenced Nov. 3. … The charge against each man carries a possible penalty of as long as 10 years in prison, said Kathy Colvin, public information officer for the Northern District. She said the duration of Castro-Garcia and Cano's sentences was based on presentencing reports and investigations. … According to the news release, Castro-Garcia, a citizen of Mexico lawfully residing in the United States, recruited Cano and Anorga, both U.S. citizens, - Anorga, 20, lives in Cleburne - to transport illegal immigrants for money. The three had been in contact with the 11 to 13 Mexican nationals and picked them up near Del Rio after they had illegally crossed into the United States."

Two Egyptian National Sentenced In Slavery Case. UPI (10/24) reports, "Two Egyptian nationals received prison sentences Monday for forcing a 10-year-old girl to act as their servant for two years at their California home." UPI continues, "While Amal Ahmed Ewis-abd El Motelib received a 22-month prison sentence for enslaving the young girl at their Orange County home, her now ex-husband Abdel Nasser Youssef Ibrahim was handed a 36-month sentence by the court Monday, the U.S. Justice Department said." UPI adds, "Back in June, the couple had pled guilty to the four counts laid against them regarding their illegal enslavement of the victim through both physical and verbal abuse. … In addition to the their prison sentences, both individuals were ordered to pay the victim more than $70,000, a figure representative of the payment the victim would have received as a legal employee. … 'This young victim was robbed of something intensely precious -- her youth,' Civil Rights Division Assistant Attorney General Wan J. Kim said."

US To Ease Restrictions On Same-Sex Classrooms. The AP (10/24) reports, "The Bush administration is giving public schools wider latitude to teach boys and girls separately in what is considered the biggest change to coed classrooms in more than three decades." The AP continues, "After a two-year wait, the Education Department was changing rules Tuesday in how it would enforce the Title IX landmark anti-discrimination law. Under the change, which takes effect Nov. 24, local school leaders will have discretion to create same-sex classes for subjects such as math, a grade level or even an entire school. … 'Single-sex classes may provide benefits to some students under some circumstances,' said Stephanie Monroe, the department's assistant secretary for civil rights. 'These regulation changes will make it easier for schools that wish to use single-sex schools to do so where students would benefit.'" The AP adds, "Education officials initially proposed the rules in early 2004, pointing in part to U.S. research suggesting better student achievement and fewer discipline problems in single-sex classes including math and foreign languages. … After receiving 5,600 public comments, education officials said they were moving forward with the plan with some wording tweaks and assurances from Attorney General Alberto Gonzales that it was legally sound. … Critics who compare the plan to 'separate but equal' segregation-era classrooms haven't been so sure."

Texas Voting Rights Act Dispute Expected To Reach Supreme Court. The Jackson (MS) Clarion-Ledger/Gannett (10/24, Radelat) reports, "A small water district in Austin, Texas, has become the new battleground over the voting rights of minorities." Gannett continues, "Bill Ferguson, president of Northwest Austin Municipal Utility District No. 1, said he was approached by a lawyer last year who persuaded him to sue the federal government, challenging a provision of the 1965 Voting Rights Act. … That provision requires jurisdictions with a history of discrimination at the polls to obtain permission from the Justice Department before making any change - no matter how small - in voting procedures." Gannett adds, "Civil rights groups say overturning the 'preclearance' provision would strip minorities of key protections at the ballot box. … 'This is an effort by people who are longstanding enemies of the Voting Rights Act,' said Julie Fernandes, an attorney with the Leadership Conference on Civil Rights. 'They lost in Congress and are now looking to the courts.'" Gannett notes, "The utility district filed its suit shortly after Congress reauthorized the Voting Rights Act last summer. … The suit is expected to reach the Supreme Court. If the utility district prevails, the country would see the biggest change in voting rights law in more than 40 years."

California Congressional Candidate Claims Media Mistranslation In Voter Letter. The AP (10/24, Prengaman) reports, "A Republican congressional

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candidate linked to a threatening mailing targeting Hispanics claims the intent of a letter he did not authorize was lost in translation." The AP continues, "Tan Nguyen, whose campaign headquarters and house have been searched in a widening voting rights probe, told reporters Sunday that the media had poorly translated the Spanish-language letter sent by a campaign manager to 14,000 Hispanic families in Orange County. … Nguyen said the word 'emigrado,' translated by the media as 'immigrant,' actually referred to a legal permanent resident, or green card holder. … So, Nguyen's argument went, the sentence warning that immigrants could be jailed or deported for voting referred to green card holders who cannot vote, and not immigrants who have become naturalized U.S. citizens. Only U.S. citizens can vote." The AP adds, "Nguyen declined to say who came up with the idea for the letter or who translated it into Spanish, but argued the controversy amounted to a 'debate over translation.' … Nguyen, a Vietnamese immigrant who has made illegal immigration a centerpiece of his campaign, is challenging Rep. Loretta Sanchez, a Democrat representing California's 47th Congressional District. … His explanation of the letter, which on Sunday included handing out copies of what he said was the original English text, only created more questions that he declined to answer."

WSJournal Criticizes Judicial Barriers To Voter ID Laws. The Wall Street Journal (10/24, 2.03M) says in an editorial, "People in the good state of Missouri need photo identification to cash a check, board a plane or apply for food stamps. But the state Supreme Court has ruled that a photo ID requirement to vote is too great a burden on the elderly and the poor. Go figure." Public polls "consistently show that an overwhelming majority of Americans -- regardless of age, race, ethnicity or socioeconomic status -- favor voter ID laws. And nearly half of the nation's states have passed them. Yet a string of recent court decisions has blocked their implementation in some places, thus siding with Democrats and liberal special interest groups who would rather turn a blind eye to voter fraud."

ANTITRUST:

FCC Recusal On AT&T-BellSouth Merger Raises Conflict Questions. The Los Angeles Times (10/24, Puzzanghera) reports, "Robert McDowell's confirmation in May as the fifth member of the Federal Communications Commission was supposed to end a 2-2 partisan deadlock that had stymied the agency on several issues for more than a year. … But with commission approval all that's standing in the way of AT&T Inc.'s purchase of BellSouth Corp., it's back to stalemate again at the FCC because of the occasional bane of regulatory agencies — a recusal." The Times continues, "McDowell, a Republican who holds the tiebreaking vote, has removed himself from voting on the $83-billion purchase because he used to lobby for an association of smaller phone companies that opposes the deal. His decision has given the commission's two Democrats leverage to hold up approval unless some of their conditions are met, such as preventing the companies from charging for priority delivery of services over their Internet lines — a controversial issue known as network neutrality." The Times adds, "McDowell's recusal was expected. During his confirmation hearing in March he agreed to 'make sure that there's not even the appearance of a conflict of interest' after being pressed on the point by two senators. … But it still has roiled a process that AT&T and BellSouth had hoped would be wrapped up by now after the Justice Department gave the deal its blessing Oct. 11." The Times notes, "AT&T has proposed some concessions to gain the support of Democratic commissioners Michael J. Copps and Jonathan S. Adelstein, but it opposes stronger conditions such as network neutrality. An AT&T executive suggested Friday that the company might push for McDowell to be forced to participate — a procedure allowed under federal law — if the deadlock lasted more than a few weeks. … 'It would not be right for this to drag out for the next two months,' said Robert Quinn, AT&T's senior vice president for federal regulatory affairs. 'If reasonable people can't agree, then that's when I think people are going to start examining other options.' … It all raises the question of whether commissioners should be chosen from the ranks of industries they would regulate. In addition to phone companies, the FCC regulates television and radio stations as well as cable and satellite providers."

IBM Accuses Amazon.com Of Patent Infringement. The Financial Times (10/24, Waters) reports that IBM filed suit against Amazon.com yesterday, "accusing it of breaching intellectual property rights that underpin the e-commerce company's fundamental online business model. … IBM said it had filed two cases in Federal court in the Eastern district of Texas accusing Amazon of breaching five of its patents. The patents cover what it claims are a number of fundamental practices in networking and e-commerce, including the use of hypertext links to make recommendations to a customer, methods of presenting and linking to online adverts, and networking architecture for delivering online content faster."

The Wall Street Journal (10/24, A3, Forelle, Hwang) reports, "The public tussle is unusual for IBM, which has a massive patent portfolio but rarely appears as a plaintiff in patent suits. Instead, IBM prefers negotiating licensing agreements. John E. Kelly III, IBM's top intellectual-property executive, said IBM has been engaged in a back-and-forth

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with Seattle-based Amazon since 2002 but that negotiations broke off a few weeks ago."

Shell Offers To Buy Out Shareholders In Canadian Unit. The Financial Times (10/24, Crooks) reports, "Royal Dutch Shell has delivered a vote of confidence in the potential of Canada's oilsands by offering to buy out the 22 per cent of its Shell Canada subsidiary that it does not already own at a price 22 per cent higher than last Friday's close." The Times says, "The deal will add to Shell's investment in Canadian oilsands, which have this year been hit by concerns over rising costs and the falling price of oil. Reserves in Alberta are second only to Saudi Arabia's and an increasingly important source of oil for the US. But heavy investment in the region has driven up costs for producers and raised fears over the viability of some projects, particularly if the price of oil falls further." The Times reports, "Analysts said Shell's confidence in these higher-cost sources of oil could be justified because it was a fully integrated company with its own downstream operations to refine the oil and market the products."

The Washington Post (10/24, D5, Mufson) says, "The offer is the latest move by major international oil companies to bolster their positions in Canada's oil sands despite high development costs, environmental challenges and high operating costs." The Post notes, "Shell is already producing more than 100,000 barrels a day of oil from the tar-like sands, and the company's share of production there could grow to 500,000 barrels a day within a decade or so." The Post says, "John Hofmeister, president of Shell Oil Co., the U.S. subsidiary of Royal Dutch/Shell Group, said in Washington yesterday that the oil sands would be a 'great boost' to the company and a 'great supply source for the United States.' Although many analysts have said that oil sands projects are only profitable if oil prices are more than $30 to $35 a barrel,... Hofmeister said that 'the easy oil is running out.'"

The Wall Street Journal (10/24, Cummins) reports Shell's "$6.84 billion offer to buy out its main Canadian affiliate's minority shareholders, who may hold out for a better deal, will be a major road test for Chief Executive Jeroen van der Veer and his retooled version of the Anglo-Dutch oil company." The Journal says, "The move on Shell Canada, a big player in Canada's booming oil-sands developments, is relatively small potatoes for the global oil industry and for Shell, which last year reported a profit of $25.3 billion." Shell "is a leader among the handful of big oil companies that have increased investment in [Canada's] reserves of heavy oil. The deposits are much harder and more expensive to exploit than conventional oil, but in today's high oil-price environment, they have made economic sense."

Ruling In Qualcomm Patent Case Sent Back For Review. The Wall Street Journal (10/24, B5) reports, "Finnish cellphone maker Nokia Corp. won a minor legal victory against Qualcomm Inc. when an appeals court sent back for review a US district court's decision to deny Nokia's motion to stay their patent dispute. The ruling could potentially delay the legal proceedings if US District Judge Rudi Brewster decides to grant Nokia's motion to stay for further arbitration. In November, Qualcomm sued Nokia for patent infringement despite a patent agreement in place between the two companies."

Macquarie Makes Hostile Bid For Techem. The Wall Street Journal (10/24, A12) reports that Australia's Macquarie Bank Ltd. "unveiled a €1.1 billion ($1.4 billion) hostile bid for German utility-services company Techem AG. Macquarie, Australia's biggest securities company, said Techem rejected the bid, and Macquarie has approached Techem's shareholders directly. A spokesman for Techem declined to comment on Macquarie's statements, but said several investors have shown interest in the company, citing previous statements by Techem Chief Executive Horst Enzelmüller."

Merrill Lynch Agrees To Buy Petrie Parkman. The Financial Times (10/24, Politi) reports, "Merrill Lynch on Monday agreed to buy Petrie Parkman, a boutique investment bank specialising in advisory work on oil and gas deals in North America with more than $100m in annual revenues. The deal represents a big bet by Merrill on the continuation of high energy prices, which have fuelled a string of mergers and acquisitions, stock listings and debt offerings among US exploration and production companies. Although the terms of the acquisition were not disclosed, David Trone, an analyst at Fox Pitt-Kelton, said he believed Merrill paid between $500m and $600m."

FTC's Rambus Ruling Is Landmark For Standards Industry. The National Law Journal (10/24, MacLean) reports, "With a single stroke, the Federal Trade Commission may have restored the value of the handshake and good-faith promise among high-tech competitors, yet opened the doors to potential new litigation." The Journal continues, "The commission recently issued a landmark decision -- for the first time holding a company liable for an antitrust violation because it used its patents to subvert the process relied on by thousands of companies to set industry standards for products. … The most mundane items of daily life -- from the size of the electric plug to the specifications for computer memory chips -- are standardized through voluntary, nongovernment groups known as standard-setting organizations (SSO). The engineers who meet to establish

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specifications for new products are encouraged to standardize, both to avoid competitive battles to the death and to satisfy consumer demands that products work together. … Historically, lawyers have had limited roles in SSOs, producing broad agreements to share information that have been vague on future patent obligations. … Then in the 1990s, Rambus Inc. tried to corner the memory chip market by securing key DRAM memory chip patents after it learned what the SSO group would choose as the industry standards. Trust among SSO participants evaporated." The Journal notes, "Following years of litigation that went in favor of Rambus, the Federal Trade Commission issued a landmark decision last month that Rambus Inc., a semiconductor technology company, violated antitrust law by secretly securing patents on what it knew would become the industry standard for DRAM memory chips. Rambus, a Los Altos, Calif., memory chip developer, had used the patents to sue for infringement the very companies that adopted the standard. In the Matter of Rambus Inc. (FTC docket 9302). … The FTC antitrust finding against Rambus was a reversal of fortunes for the standard-setting organizations. … What remains unclear in the wake of the FTC's Rambus decision is what the standard-setting organizations will do now with their newfound power."

Two Groups Challenge Relaxation Of Media Ownership Rules. The AP (10/24, Yen) reports, "Easing government rules to allow more media consolidation would push out niche radio programming such as classical, jazz and gospel music while doing little to improve local TV coverage, new studies say." The AP continues, "Reports released Monday by two public interest groups, the Benton Foundation and the Social Science Research Council, challenged the Federal Communications Commission's argument that media consolidation would improve local coverage and programming due to synergy effects." The AP adds, "The FCC is reviewing the issue following a failed 2003 attempt to loosen media ownership restrictions. … 'These studies make clear that there is no support for the contention that media consolidation correlates with better, more local or more diverse media content,' said Gloria Tristani, a former FCC commissioner and president of the Benton Foundation." The AP notes, "The FCC in June reopened the hotly disputed issue of ownership limits, including the number of radio and television stations that one owner can have and restrictions on cross-ownership between newspapers and broadcasters."

Vivendi's US Suit Highlights Battle Of European Telecom Giants. The Wall Street Journal (10/24, A1, Abboud, Esterl) reports that Vivendi is "upping the legal stakes" in its "losing seven-year battle to recoup a major investment in Poland. Vivendi executives haven't been able to get back into their offices at the Warsaw cellphone firm" Polska Telefonia Cyfrowa Sp. z o.o, known as PTC, since a raid by security guards last year. "Their former business partners in Poland have turned into enemies. And despite some 50 court cases in several European countries, Vivendi hasn't been able to recover a trace of the $2.5 billion it has put into PTC over the years." The Journal adds that Vivendi yesterday "filed suit in U.S. District Court in Seattle against its two rivals for control of the Polish investment: German telephone giant Deutsche Telekom AG and a wealthy Polish investor named Zygmunt Solorz-Zak. Vivendi filed the civil suit under the U.S. RICO law, originally designed to nab gangsters, accusing the defendants of conspiring to seize control of the Polish cellphone company by stealing Vivendi's stake in it. The suit asks for $7.5 billion in damages, or three times Vivendi's investment, because RICO -- the Racketeer Influenced and Corrupt Organizations law -- permits a tripling of damages." The Journal notes, "The battle shows how hotly contested the world's telecom markets have been for Western phone giants, as their fortunes weaken at home. The fight is especially important for Vivendi as it tries to shake off the vestiges of a troubled past under a former chief executive, Jean-Marie Messier, who launched an ill-fated $100 billion acquisition spree. The acquisitions turned the French environmental and water company into the telecom and entertainment business it is now. Along the way, Vivendi owned Universal Studios before selling it to General Electric Co. in 2002."

ENVIRONMENT:

Environmental Protesters Arrested On Ledge Of NOAA Building. The Washington Post (10/24, B8, Fahrenthold) reports, "A pair of environmentalists, protesting what they said are attempts to suppress evidence of global warming, were arrested yesterday after spending several hours perched on a ledge at a National Oceanic and Atmospheric Administration building in Silver Spring. … Authorities tried, without success, to persuade the protesters to leave the ledge, said Lucille Baur, a Montgomery County police spokeswoman. Shortly after noon, officers borrowed a cherry picker from a construction site and brought the men down without a struggle, she said. The two protesters were charged with disorderly conduct, reckless endangerment and trespassing, Baur said. They were identified as Paul E. Burman, 24, of Arlington and John Theodore Glick, 57, of Bloomfield, N.J."

DOE Efficiency Standards Said To Set Low Bar. The Christian Science Monitor (10/24, Clayton, 58K) reports, "Under pressure to find new ways to save energy, the US Department of Energy is speeding adoption of new efficiency

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standards for devices ranging from pool heaters to microwave ovens. President Bush is apparently on board, too, pushing the need for energy conservation in a speech earlier this month. That's good news for energy advocates and states that have sued DOE for lagging years behind schedule on new appliance standards..." However, "in the three standards it has proposed itself, the department has set a far lower bar than efficiency advocates had wanted. Two of the standards are so low that even some industry officials are complaining." The Monitor says, "Such moves are causing many observers -- from efficiency advocates to members of Congress -- to question how deeply DOE is committed to energy efficiency, despite Mr. Bush's rhetoric."

In the Washington Post (10/24, D1, 748K) business columnist Cindy Skrzycki writes that DOE "has decided to keep the home fires burning at about the same level as they are now, even in the face of lobbying by both energy conservation groups and some manufacturers. A proposed 'energy conservation standard' that the department unveiled Oct. 6 moved the energy-efficiency needle almost imperceptibly for home gas furnaces -- to 80 percent from 78 percent, the standard set in 1989." DOE "rejected an option to raise the standard to 90 percent, which would have saved more energy and trimmed heating bills for consumers in colder climates."

Opponent Of Cape Wind Project Alleges "Serious Flaws." In a Washington Times (10/24, 88K) op-ed, Charles Vinick, president of the Alliance to Protect Nantucket Sound, writes that Cape Wind, the world's largest offshore wind-energy project, "remains mired in controversy as evidence piles up that its developers chose perhaps the worst location." Vinick says the project would risk interfering with military radar systems, imperil maritime and air traffic, and risk a spill of transformer oil, but "Cape Wind shrugs its shoulders, implying that there are no serious issues." Vinick concludes, "We need to view the $1.3 billion in state and federal subsidies that Cape Wind would reap from this project as our money, our investment in renewable energy, and take that off the table so we can look to more viable projects in which to invest public funds and resources."

Lead Poisoning Threatens California Condor Population. USA Today (10/24, Ritter) reports, "On the brink of extinction, saved by a captive-breeding program," the California condor population "has grown from just 22 birds in 1982 to 289 today; 135 are in the wild and more are released every year. Even so, condors have failed to gain a secure foothold in the hills and deserts of California and Arizona because of lead poisoning, the most often diagnosed cause of death, environmentalists say. Environmental groups say the most likely source is condors' eating of game that was shot by hunters using lead bullets. Frustrated that most hunters have not switched to substitutes, the Natural Resources Defense Council (NRDC) and other groups notified California officials in July that they will sue under the Endangered Species Act to force a ban. … Many hunters who have tried alternatives, mainly copper bullets that don't poison wildlife, find them as good or better than traditional ammunition, though more expensive."

Insects, Disease Attacking Treasured US Tree Species. USA Today (10/24, O'Driscoll) reports, "Some of the USA's most treasured tree species, from ash and aspen to white pine and Hawaii's native wiliwili, are under attack by insects and diseases in a growing assault coast to coast. Some of the killers are foreign pests brought here in cargo or by travelers. Others are homegrown insects at epidemic levels because of drought and unusual warmth. … The Agriculture Department's Animal and Plant Health Inspection Service finished adopting new rules this summer barring cargo from abroad unless crates and pallets are treated with chemicals or heat to kill any bugs in the wood."

Environmentalists Gather For "Bioneers" Conference In California. The New York Times (10/24, Brown) reports on The Bioneers, "a three-day pep rally for environmentalists, lefty political activists and young people with 'Renewable Energy is Homeland Security' bumper stickers that transforms the Marin Civic Center" in San Rafael, California "into something of a megachurch for the Prius set. … Students, organic farmers, architects, advocates for Pacific dolphins, and a growing number of entrepreneurs looking to invest in green technology come to hear the latest thinking on global warming (code word: Katrina) and keeping the food supply safe (buzzword: spinach)." The Times adds, "The conference is the brainchild of Kenny Ausubel, a 57-year old writer and filmmaker who was co-founder of the organic seed company Seeds of Change, and Nina Simons, the former president of the company and a former marketing director for Odwalla. Since 1990, they have operated from an old schoolhouse in Lamy, N.M., outside Santa Fe. They credit their experience with Seeds of Change, since sold, with convincing them that a fledgling political movement could be forged from issues like sustainable agriculture and green technology -- fields, Mr. Ausubel said, 'that in 1990 were like talking about U.F.O.'s.'"

FBI/DEA/ATF/USMS:

Convicted Drug-Ring Supplier Gets 15-Year Sentence. The Danbury (CT) News Times (10/23) reports a Brooklyn man who federal prosecutors "said provided a

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Danbury drug ring with powder and crack cocaine has been sentenced to 15 years in prison by a federal judge. Jose Adames, 33, was the principal supplier to the ring, headed by Danbury resident Alex Luna, before the operation was smashed by local police and federal investigators last year. … Members of the Danbury police Special Investigations Division, working with federal Drug Enforcement Administration agents and Bridgeport police, broke up the operation in February 2005 and arrested 24 people."

30-Year Sentence Given To Texas Man In Meth Case. The News Journal (10/24) reports a Longview man, who "was among seven people arrested in a 2003 drug investigation, was sentenced Monday to 30 years in federal prison. Christopher Jack Collum was sentenced. According to information presented in court, an investigation began in January 2003 into the distribution of 'ice' methamphetamine in East Texas. The investigation resulted in the arrest of seven people."

In Kentucky, Man Gets 7-Year Sentence For Role In Ecstasy Ring. The Louisville (KY) Courier-Journal (10/23) reports a 30-year-old man "was sentenced to more than seven years in prison Monday in U.S. District Court for his part in an Ecstasy-distribution ring in Louisville. Thao Hoang Lai had previously pleaded guilty to conspiring to possess with the intent to distribute and distributing the drug Ecstasy in 2003 and 2004, according to the U.S. Attorney's office. … He was apprehended by the DEA…after driving to Louisville to deliver 5,000 tablets of Ecstasy — tablets that were found in his hotel room, according to court testimony."

Counterfeit Drugs Investigation Leads To 13-Year Sentence For Florida Man. The Kansas City Business Journal (10/23) reports a Florida man "was sentenced in federal court in Kansas City on Monday for his role in a multimillion-dollar conspiracy to sell counterfeit, illegally imported and misbranded Lipitor and other drugs. U.S. District Judge Ortrie Smith sentenced Julio Cesar Cruz, 43, a Cuban citizen who was living in Miami, to 13 years and six months in federal prison without parole. … Cruz pleaded guilty on Jan. 21, 2005, to selling counterfeit drugs and to participating in a conspiracy to buy and sell counterfeit, misbranded and illegally imported drugs from February 2002 until at least April 2003."

In California, City Council, Board Of Supervisors To Vote On Marijuana Issues. The Modesto (CA) Bee (10/23) reports the City Council "is expected to vote Tuesday night on permanently banning medical marijuana dispensaries, three weeks after the federal Drug Enforcement Administration shut down Modesto's only pot clinic. That same day, the Stanislaus County Board of Supervisors is scheduled to vote on installing a program to issue medical marijuana cards through the state Department of Health Services. It could be a long day for medical marijuana supporters, with officials at both meetings lining up against pot dispensaries."

San Diego Chargers Linebacker To Appeal NFL Suspension For Drug Use. The AP (10/23, Wilson) reports Shawne Merriman's attorney "said the Chargers' star linebacker failed a drug test because of a tainted supplement and will continue to play while appealing his four-game suspension. Attorney David Cornwell said he believed Merriman tested positive for the steroid nandrolone, which is prohibited under the NFL's substance abuse policy. Cornwell said the substance was in a supplement Merriman has been taking."

Utah Judge Delays Trial For Pittsburgh Mosque Raid Figure. The Pittsburgh Post-Gazette (10/24, Ove) reports, "A convicted rapist whose arrest on illegal weapons charges caused a stir at a North Side mosque in June was set to go on trial yesterday in Utah, but the case has been postponed." The Post-Gazette continues, "A federal judge in Salt Lake City has pushed back the trial date for Larry M. Williams, 33, of Lincoln-Lemington, to Feb. 19. … He was charged federally with illegal possession of a pistol and ammunition following a traffic stop in Utah on June 27." The Post-Gazette adds, "His case caused a controversy on the North Side three days later when the FBI and the Pittsburgh police arrested him at the Light of the Age Mosque at Hemlock and Boyle streets. Authorities have not conceded that the building is a true mosque, and some have described it as a flophouse. … But those living there or visiting at the time of the arrest said it is a house of worship and decried the police action during Friday prayer services as an 'invasion.' … Mr. Williams, reportedly a member of the mosque, was taken into custody on the street, and agents and police said they searched only one room of the house. Federal authorities said the arrest had nothing to do with any activities at the mosque, but rather occurred because Mr. Williams was a dangerous fugitive. … Mr. Williams is being prosecuted in Utah under Project Safe Neighborhoods, a U.S. Justice Department initiative to combat illegal guns and gun violence."

IMMIGRATION:

Prisoner Flights Carry More Illegal Immigrants, Study Finds. McClatchy Newspapers (10/24, Doyle)

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reports, "Con Air is becoming big business, thanks to illegal immigrants and criminal aliens. … And this is one flight you definitely want to miss." McClatchy continues, "Federal officials flew 95,876 incarcerated illegal immigrants and criminal aliens around the country in 2005, a 28 percent increase since 2000. Those foreign nationals now account for nearly half of all the passengers flown on the highly guarded federal flights, a new audit found, and tougher border security efforts will boost numbers even higher." McClatchy adds, "Unfortunately, the auditors warn, the flights could outpace federal planning. Officials haven't been looking far enough into the future, leaving the program vulnerable to nasty surprises. … '(Officials) could be caught off-guard by changes in demand and customers,' the Justice Department Office of Inspector General auditors caution in the new report." McClatchy notes, "Popularized as 'Con Air' in a Hollywood movie of the same name, the prisoner flights are coordinated by the U.S. Marshals Service through a Kansas City, Mo., office, and carried a total of 181,948 prisoners in 2005. … The passengers shuttle among about 40 domestic and international cities, and they come in many different stripes. … Some are being extradited, or transported to their new federal prison homes. Many illegal immigrants or criminal aliens are heading to deportation centers, and then to their home countries."

Bush To Hold Public Signing Ceremony For Border Fence Bill. The Washington Times (10/24, Dinan, Hurt, 88K) reports, "Congress yesterday sent the bill to build 700 miles of fencing on the U.S.-Mexico border to President Bush, who will sign it in a ceremony Thursday morning in the White House Roosevelt Room." The decision to have a public ceremony "is a reversal for the Bush administration, which had appeared reluctant to tie itself so publicly to the enforcement-only measure. Although Mr. Bush had committed to signing the bill, aides had said consistently over the past few weeks there would not be a signing ceremony." But "Republicans in Congress had demanded a public signing, with leaders saying the bill is a major accomplishment that will help their re-election prospects." The Department of Homeland Security "has questioned the value of that much fencing, and the administration argues that only about 370 miles of fencing is needed on the 2,000-mile-long border. Officials say the rest can be covered through ground radar, sensors and increased manpower."

Border Security Advocates Award Grades To Members Of Congress. The Washington Times' "Inside Politics" (10/24, Pierce) reports "A group opposed to illegal immigration has inducted 125 House members and 20 senators into the U.S. Border Control Hall of Fame for the 109th Congress. 'The members of the 109th Congressional Hall of Fame have listened to the overwhelming majority of their constituents who want an end of open borders, amnesty and welfare benefits for illegal aliens,' said Edward I. Nelson, chairman of the citizens group U.S. Border Control. Among those cited by the group were" Sen. Rick Santorum and Sen. Conrad Burns. The scorecard "is based on 12 votes on immigration issues, including deploying troops on the border, ending the visa lottery and fining employers who hire illegals. The Senate scorecard is also based on 12 votes, including opposition to amnesty, preservation of Social Security for American citizens and making English the official language."

Proposal To Grant Citizenship In Return For Military Service Generates Controversy. The Wall Street Journal (10/24, Rutkoff, 2.03M) in its "Border Lines" column reports on the contention by "conservative hawk Max Boot and centrist Democrat Michael O'Hanlon," in a Washington Post op-ed, "that foreigners -- even illegal immigrants in the US -- could earn American citizenship" by serving a four-year term of military service. "Their proposal, although grounded in the debate over immigration, takes as its primary justification the manpower crunch now plaguing the US military." The Journal adds, "Although Messrs. Boot and O'Hanlon present their proposal as a common sense solution for strengthening the military, the hawkish bloggers at National Review Online staged a daylong debate on the topic that featured a good deal of skepticism."

CONGRESS-ADMINISTRATION:

Elections Could Cast Cheney's Senate Role In New Light. In a Roll Call op-ed (10/24), Don Wolfensberger, director of the Congress Project at the Woodrow Wilson International Center for Scholars, examines the historical role of the vice president, noting the office's role "as the Senate's president could come into sharper focus again in two weeks, when Democrats are expected to gain seats or even control of the chamber. The Constitution provides that the vice president 'shall have no vote, unless [the Senators] be equally divided.' The smaller the majority's edge, the more likely the vice president will be called upon to break ties." No vice president "since the beginning of the 20th century has cast more than eight tie-breaking votes. However, Vice President Cheney already has cast seven tie-breakers in his nearly six years in office. It was Cheney's very presence as President of the Senate that gave control of the 50-50 chamber to the Republicans for organizational purposes during those critical first months of the Bush presidency, from Jan. 21 until June 6, 2001 (when control flipped to the Democrats with Sen. Jim Jeffords' resignation from the Republican Conference to become an Independent)."

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Bush Discusses His Computer Use. NBC Nightly News (10/23, story 11, 1:15, Williams, 9.87M) reported on an interview Maria Bartiromo conducted with the President. Bush was asked "about his own computer use and the answers he gave might surprise you." Maria Bartiromo, CNBC: "I am curious, have you ever Googled anybody? Do you use Google?" Bush: "Occasionally. One of the things I have used is to pull up maps. It's very interesting to see, I forget the name of the program, where you get the satellite. I like to look at the ranch. It reminds me of where I want to be sometimes. I do it some. I tend not to email. I don't email because of the different record requests that could happen to a President. I don't want to receive emails. It would show up as some part of a story. And I would be able to say that I didn't read the email. 'But I sent it to your address, how can you say you didn't?' So I am very cautious about emailing."

Spellings Announces Funding For Teachers Who Raise Student Scores. The AP (10/24, Welsh-Huggins) adds, "The Bush administration is rewarding teachers with performance bonuses at four of Ohio's biggest, poorest and most academically challenged districts where teacher pay is already well above the state average." The grants to be shared by the Cleveland, Cincinnati, Columbus and Toledo school systems are "the first federal effort to reward the classroom performance of teachers who raise student test scores." Ohio will receive "$5.5 million this year and a total of $20 million over five years." Nationwide, there will be "16 grants totaling $42 million." The grants will be announced "in the coming weeks, falling right before the Nov. 7 elections in which a reeling Republican Party is eager for good news. Spellings said the election had no bearing on the timing." OH13 Rep. Sherrod Brown (D), who is challenging Sen. Mike DeWine (R), "called the announcement 'cynical politics at its worst.'"

OTHER NEWS:

Bush Touts Good Economic News, Says Democrats Would Raise Taxes. The AP (10/24, Riechmann) reports, "President Bush on Monday trumpeted the strength of the economy, an important issue in about two dozen congressional races that will determine whether Republicans retain control of the House. Faced with difficult midterm elections and a deteriorating situation in Iraq, Bush is stressing the positive." At "a round-table where he talked about his administration's role in reducing taxes and limiting regulation and lawsuits that he says impede the entrepreneurial spirit in America," Bush said, "The strength of this economy depends upon the strength of the small business sector. … The role of the government, it seems to me, is to make sure that dreamers are rewarded for their hard work and their ingenuity and success. And the best way to do that is to reduce taxes on people." The AP adds, "White House advisers, who think the president should get more credit for recent positive economic news, insist that Bush is not trying to change the subject away from the unpopular war. T he president will continue to talk about Iraq and the war on terrorism as the Nov. 7 election nears, they said."

The Financial Times (10/24, Luce) says the President "sought to change the subject from the deteriorating situation in Iraq by focusing on the strength of the US economy just two weeks before America goes to the polls in midterm congressional elections. Citing strong US job growth and improving wages, Mr Bush dismissed polls that suggested the Republican party was on course to lose control of the House of Representatives on November 7 and possibly also the Senate." The president "will on Tuesday give a speech in Florida on the economy." In an interview on CNBC, he said, "The economy is strong and we have a plan for victory in Iraq. … The other folks [Democratic party] will raise the taxes and they don't have a plan for victory in Iraq. My advice is: let's watch what happens in the poll that actually matters on November 7."

The Washington Times (10/24, Dinan, 88K) quotes White House spokesman Tony Snow saying, "It's been hard to get people to report on" the economy, adding, "You take a look at consumer confidence levels, they're skyrocketing. People are feeling good about the economy. And if you take a look at the news coverage of it, it's been overwhelmingly negative at a time when you do have just an extraordinary situation." Meanwhile, "the office of Senate Minority Leader Harry Reid, Nevada Democrat, said the economy still isn't a bright spot for Republicans because it falls short of the levels under Presidents Reagan and Clinton. A statement pointed in particular to slower growth in personal income after inflation and taxes."

Dow Jones Index Soars To New Record. Bush's offensive on the economy coincided with a new Dow Jones record. The story was reported briefly by ABC World News (10/23, story 10, 0:10, Gibson, 8.78M), which said, "investors focused on more positive things and that pushed stocks higher. The Dow gained 114 points to close at 12,116.91." NBC Nightly News (10/23, story 10, :15, Williams, 9.87M) also noted the new that the Dow reached "record territory," adding that the Nasdaq index was also "up more that 13 points [to close at 2,355.56] at the end of the day." The CBS Evening News (10/23, story 4, 0:15, Couric, 7.66M), however, did not note the stock numbers, though it did report on "news from Detroit tonight. Ford is battling red ink and losing badly. The automaker lost nearly $6 billion in the third quarter. Much of that was the result of a one-time restructuring cost, but the company predicts things may only get worse in the forth quarter." ABC World News (10/23, story 9, 0:15,

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Gibson, 8.78M) and NBC Nightly News (10/23, story 8, :20, Williams, 9.87M) also reported the Ford story.

USA Today (10/24, Bruno, 2.27M) runs an AP story on the stock market numbers, in which it says "the Standard & Poor's 500 index rose 8.42 points, or 0.6%, to 1377.02." The Los Angeles Times (10/24, Sanchez, 918K) says "stocks staged a strong rally today after investors welcomed another drop in crude oil prices and news that Wal-Mart Stores would rein in spending on store expansions in order to boost earnings." The Washington Post (10/24, D3, 748K) runs a similar AP report. The Wall Street Journal (10/24, C1, McLay, 2.03M) notes "yet-another record amid a slew of strong profit reports and plans for slowed expansion by Wal-Mart Stores."

Despite Its Strength, Economy Said To Be Playing Little Role In 2006 Campaign. Under the headline "This Time, It's Not The Economy," the New York Times (10/24, Porter, 1.21M) reports, "In many ways, the economy has not looked so good in a long time. The price of gas at the pump has tumbled since midsummer. Unemployment has fallen to its lowest level in more than five years. On Wall Street, the Dow Jones industrial average has finally returned to its glory days of the late 1990's, setting records almost daily." But "Republican candidates do not seem to be getting any traction from the glowing economic statistics with midterm elections just two weeks away. The economy is virtually nowhere to be found among the campaign ads of embattled Republican incumbents fighting to hold onto their House or Senate seats. Nor is it showing up as a strong weapon in the arsenal of Republican governors defending their jobs from Democrats. … Disenchantment over the war in Iraq has morphed into disillusionment over the direction of the country, breeding distrust in the administration's policies, surveys suggest. Moreover, concerned by weak wage growth, costly health care and eroding benefits, many middle-class voters do not see the economy improving for them."

USA Today (10/24, Hagenbaugh, 2.27M), meanwhile, says the economy "will likely help Republicans more than Democrats in the elections in two weeks, but that opinion is not unanimous, according to economists polled by USA TODAY. In a survey conducted Oct. 13-18, nearly half the 45 economists who responded to a question on the election said Republicans will benefit the most from the economy in the Nov. 7 midterm elections." But "Wells Fargo senior economist Scott Anderson says Democrats will gain an advantage because many people are seeing little increase in pay after factoring in inflation. During the first eight months of 2006, average weekly earnings of non-supervisory workers after adjusting for inflation rose less than 1% and in some months actually fell." Richard Yamarone, director of economic research at Argus Research, "says neither party will gain an advantage from the economy. 'The Republicans should benefit greatly because of the shape of the economy; however, that message doesn't seem to have gotten out,' he says. There are other issues that are overriding the economic issues.'"

Falling Crude Prices, Rising Costs Pose Challenge To Oil Companies. The Wall Street Journal (10/24, Cummings, 2.03M) reports, "With crude prices falling and oil-field costs on the rise, major oil companies have a big problem: sustaining their phenomenal profit growth." Exxon Mobil, Shell, and BP "have all relied on big oil-price jumps to fuel a streak of handsome earnings gains and, in many cases, record quarterly profits in recent years." The Journal says, "Even before the steep drop-off in prices, earnings had been blunted by side effects of the commodities boom. Oil-field costs have skyrocketed for many projects because of higher demand for everything from steel to software among energy companies eager to cash in on the boom. ... If oil prices stabilize or drop further, cost inflation could also subside. But costs generally take time to catch up with swings in commodity prices."

Polls, Analyses Show GOP In Precarious Position Two Weeks Before Midterms. A slew of polls out this morning show the Democratic party in a strong position barely two weeks before the congressional election. Assessments by political analysts tend to concur with the poll results. The Washington Post (10/24, A17, Birnbaum, 748K) reports, "Polls are now showing signs that the tide of public opinion is flowing in the opposite direction and that voters could vote Republicans out of office in droves this year, returning Democrats to power in the House and possibly in the Senate as well. 'This is going to be a wave year,' said Larry J. Sabato, a political scientist at the University of Virginia. 'The only question is whether it will be medium-size wave or a high wave for the Democrats.' Indiana State University's Carl Klarner and Stan Buchanan used fancy computer models in June to predict that Democrats would pick up 22 seats in the House, enough to give them 224 seats, six more than they would need for majority control. Alan I. Abramowitz of Emory University in Atlanta used his own model last month to forecast that Democrats would gain 29 House seats. The professors did not predict that Democrats would take charge of the Senate -- a six-seat gain is needed to win a majority there -- though they do envision Democratic gains in that body of two to three seats."

Analyst Stuart Rothenberg, meanwhile, says the GOP us in worse shape this election cycle than the Democrats were in '94. Rothenberg writes in Roll Call this morning (10/24), "With only a couple of weeks until Election Day, we know there will be a Democratic wave on Nov. 7. And we can be fairly certain that by historical standards it will be high — possibly very high. But we still don't know how many Republicans once considered safe will be swept out of office.

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The national political environment currently is worse than it was in 1994, when the Democrats lost 52 House seats, eight Senate seats and 10 governorships, and when Republicans won GOP control of the House for the first time in decades. You heard me right: It's worse this year than it was in 1994, when voters were dissatisfied with the first two years of the Bill Clinton presidency. … If you are looking for a midterm election year that is comparable to 2006, you need to move beyond 1994 to include other recent 'wave' midterms, particularly 1974, 1958 and 1982. In 1974 and 1958, the president's party, in each case the Republicans, lost 48 seats. In 1982, Republicans lost 26."

CNN Poll Finds 57% Say They Would Vote For A Democrat In Their District. CNN's The Situation Room (10/23, Blitzer) reported, "According to our CNN poll, if the mid-term elections were he'd right now, 57 percent say they'd vote for a Democrat in their district, while 40 percent say they'd vote for a Republican."

Bush's Approval Rating At 39%. CNN's The Situation Room (10/23, Blitzer) reported, "Our new survey puts President Bush's job approval rating now at 39 percent. That's up three points from mid-October. That brings Mr. Bush back to where he was in our two previous surveys."

Newsweek Poll Shows Democrats Leading Republicans 55% To 37%. MSNBC's Hardball (10/23, Matthews) reported, "Fifteen days before the election and the latest Newsweek poll shows Democrats leading Republicans. Catch these numbers: 55 percent to 37 percent on the party people intend to vote for. And the President's approval number remains stagnant at 35 percent, showing that the public's sour mood towards President Bush and his Republican party seem to be hardening."

GOP Narrows Generic Ballot Deficit To 13 Point In New Gallup Poll. USA Today (10/24, Page, Lawrence, 2.27M) reports, "Two weeks before Election Day, voters are more focused on national issues than in any previous congressional election, a USA TODAY/Gallup Poll finds, and they express unprecedented pessimism on the war in Iraq and downbeat attitudes about the economy. Just 19% of those surveyed say the United States is winning in Iraq, an all-time low. And 38% say their own member of Congress doesn't deserve re-election, an all-time high." USA Today adds, "On one measure, Republicans did see significant improvement. Two weeks ago, likely voters favored the unnamed Democratic congressional candidate in their district over the Republican by 23 percentage points, 59%-36%. The survey was taken immediately after Florida Rep. Mark Foley resigned in the congressional page scandal. Now, the Democratic advantage on the generic congressional ballot has narrowed to 13 points, 54%-41%. … However, in the new poll, 43% of likely voters say national issues will make the biggest difference in their vote; 24% say local or state issues."

WPost-ABC News Poll Finds Independents Back Democrats Over GOP 59-31. The Washington Post (10/24, A1, Balz, Cohen, 748K), in a front-page article titled, "Independent Voters Favor Democrats By 2 To 1 In Poll: Iraq War Cited Most Often As Top Issue for Elections," reports, "Two weeks before the midterm elections, Republicans are losing the battle for independent voters, who now strongly favor Democrats on Iraq and other major issues facing the country and overwhelmingly prefer to see them take over the House in November, according to a new Washington Post-ABC News poll. … Americans cite the war as the most important issue in determining their vote next month more often than any other issue, and those who do favor Democrats over Republicans by 76 percent to 21 percent." The Post adds, "The independent voters surveyed said they plan to support Democratic candidates over Republicans by roughly 2 to 1 -- 59 percent to 31 percent -- the largest margin in any Post-ABC News poll this year. Forty-five percent said it would be good if Democrats recaptured the House majority, while 10 percent said it would not be." President Bush's approval rating "stood at 37 percent" and the generic House ballot "remained strongly in the Democrats' favor, 54 percent to 41 percent." The Post-ABC News poll is "based on telephone interviews with 1,200 adults conducted Thursday through Sunday. The margin of sampling error is plus or minus three percentage points."

Independent Voters Seen As Reshaping Elections In The Southwest. The New York Times (10/24, Johnson, 1.21M) reports that in Arizona, "people who reject the old major party labels are by far the fastest-growing category of voter, with the number of independents doubling over the last 10 years, to more than one in four. Numbers like that are the stuff that ulcers are made of for party regulars and election prognosticators, who are trying to figure out where the new independents are coming from politically or geographically and where they might hang their hats on Election Day. … But if the trend toward independent voters continues — and there is no sign of faltering — experts say it will lead to more competitive races not only on local and statewide levels but also in the presidential election." The Times goes on to report, "About one in three voters in Colorado are independents" and "of the seven states with the fastest-growing proportion of independent or third-party voters from 2000 to 2004, four are clustered in the Southwest — Arizona, California, Nevada, and New Mexico."

GOP's Difficulties Attributed To Voters' Opposition To The War In Iraq. ABC World News (10/23, lead story, 2:20, Gibson, 8.78M) reported, "Two weeks from tomorrow Election Day and we have new indications that it is shaping up to be a very difficult election for Republicans. A new ABC News poll finds that right now 55% of likely voters favor Democratic congressional candidates and among influential swing voters, 59% favor Democrats. The reason?

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Opposition to the war in Iraq. It is the number one issue." ABC's George Stephanopoulos added, "There is a big protest vote brewing. Voters clearly say Iraq is the number one issue more than the economy. Nearly twice the number that says the war on terror is the number one issue and those who say Iraq is the number one issue break decisively for the Democrats, 76% to 21%. We saw this campaign about a month ago around 9/11 to make the war on terror the number one issue, to convince Americans that Iraq was part of the war on terror. Two weeks out that strategies appears to be failing."

On NBC Nightly News (10/23, story 4, 1:50, 9.87M) NBC's Washington bureau chief Tim Russert said, "One Republican told me if this is a referendum on Iraq, we lose. If we can make it on economy and security, we win. Stay the course means Iraq, means losing. We need new words, a new agenda."

Hannity Charges Democrats Have Divided Americans In Bid For Political Power. On the CBS Evening News' "Free Speech" segment (10/23, story 8, 2:15, Couric) Fox news' Sean Hannity, "So here we are just a few short weeks before an important midterm election and, as you can tell on the news, people are very divided in this country. Now, how can that be just five short years after the worst attack on our homeland in American history? The answer pure and simple: Politics. And especially desire for power above all else. … Today leading Democrats, they reversed course. They're now leading the anti-war effort."

Dionne Says Democrats Likely To Pursue More Moderate Agenda If Victorious. The Washington Post's E. J. Dionne (10/24, A19) writes the "incipient Democratic alliance, while tilting slightly leftward, would plant its foundations firmly in the middle of the road, because its success depends on overwhelming support from moderate voters. That's why a Democratic victory in November -- defined as taking one or both houses of Congress -- would have effects far beyond a single election year. The Democrats' dependence on moderate voters and moderate candidates belies Republican claims that a Democratic victory would bring radically liberal politics to Washington."

GOP Candidates Advised To Take The Offensive. In an op-ed for Roll Call (10/24) David Winston, president of Republican polling firm The Winston Group, writes, "an impatient public doesn't want to hear 'stay the course.' … With two weeks left before the elections, Republicans ought to take the advice of former Rep. J.C. Watts, who used to advise the Republican Conference to 'stay on offense.' 'Stay the course' is defensive, and Republicans need to break out of their self-imposed box — and do it quickly. … Republicans still have two great strengths — the economy and national security — if they are willing to follow Watts' advice and take their record on offense."

Latino Church Groups Said To Have Grown Disenchanted With GOP. The Los Angeles Times (10/24, Wallsten, 918K) reports, "A major effort to draw Latinos and blacks into the Republican Party, a central element of the GOP plan to build a long-lasting majority, is in danger of collapse amid anger over the immigration debate and claims that Republican leaders have not delivered on promises to direct more money to church-based social services. … Some of the leaders who helped drive Bush to victory in 2004 are revisiting their loyalty to the Republican Party and, in some cases, abandoning it. 'There is a fissure, and I doubt it will be closed in this election,' said the Rev. Luis Cortes Jr., a Republican who founded the annual National Hispanic Prayer Breakfast that has featured Bush every year since 2002." The Times adds, "The Latino backlash has grown so intense that one prominent, typically pro-Republican organization, the Latino Coalition, has endorsed Democrats in competitive races this year in Tennessee, Nebraska and New Jersey. The coalition is chaired by Hector Barreto, the former administrator of the Small Business Administration under Bush; its president is a former strategist for the Republican National Committee."

Likelihood Of Surge In Hispanic Voter Participation Disputed. The Washington Times (10/24, Summers, 88K) reports, "Hispanic rights activists and immigration-policy researchers disagree on how many Hispanics will turn out to vote on Nov. 7. Advocates say Hispanics are encouraged by rallies last spring and motivated by local government efforts to limit day-laborer practices and housing of illegal aliens. Researchers argue that the rallies had little effect. … Researchers say many Hispanics are here illegally and represent the ethnic group with the fewest registered voters. They noted that demonstrations fizzled when legislation to grant illegals a path to citizenship stalled in Congress."

Polls Show GOP Senate Candidates Gaining In Virginia, Tennessee And Montana. McClatchy (10/24, Thomma) reports Republican Senate candidates "have fought back to regain an edge in two key races, pivotal battlegrounds that could determine which party controls the Senate, according to a series of new McClatchy-MSNBC polls and a companion Virginia Poll. … The new polls show Democrats leading in two states they must hold -- New Jersey and Washington -- as well as in five states now held by Republicans: Missouri, Montana, Ohio, Pennsylvania and Rhode Island." McClatchy notes, "the polls revealed a shifting landscape in recent weeks, with Democrats leading in several states but Republicans not only clawing back in Tennessee and Virginia but also narrowing the gap in Montana. Democrat Jon Tester led incumbent Republican Sen. Conrad Burns by 46 percent to 43 percent. Three weeks ago, Tester led 47-40 percent." The McClatchy-

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MSNBC Poll "is a snapshot of voter opinion at the time it was conducted. It is not a prediction of how people will vote. The poll of 625 likely voters in each state was conducted by telephone Oct. 17-21. T hose interviewed were randomly selected by telephone numbers from a cross-section of telephone exchanges. That means anyone in the state with a land-phone line had the same odds of being called as anyone else. … The margin of error was plus or minus 4 percentage points."

GOP Said To Have "Given Up" On Senate Races In Ohio, Pennsylvania, Montana and Rhode Island. The New York Times (10/24, Nagourney, 1.21M) reports, "A look at where the Republicans are spending their money makes it increasingly evident that they are choosing to focus on defending a relative handful of Senate and House seats. Democrats are trying to expand the battlefield to races that were not considered competitive even a few weeks ago. Republicans have all but given up on Senate races in Ohio, Pennsylvania, Montana and Rhode Island. They are pinning their hopes of keeping control on Missouri, Tennessee and Virginia, and are debating whether to try to put Democrats on the defensive in New Jersey. Republicans said they would decide in the next few days whether to make a high-risk, all-out assault there on Senator Robert Menendez." Democrats "have steadily increased the number of races where they are competing. By Sunday it was 40, including Republican-held seats in California, Minnesota, Nevada and New York. The Republicans have apparently pulled out of two Ohio districts, as well as once-competitive districts in Indiana, West Virginia and South Carolina."

NRSC Said To Need Funding From Shelby, Hutchison Among Others. The Washington Times (10/24, Hurt, 88K) reports Republican Senators "with enormous campaign war chests are refusing to transfer significant amounts of money to help fellow Republicans who are cash-strapped and face defeat in the final weeks of the campaign. … According to the latest figures available, the DSCC has $23 million and the NRSC has $12 million. Much of that difference stems from the disparity in late giving from sitting senators." According to the Times, "The ire of some Republicans in Washington and on the campaign trail has been directed at some of the most senior Republican senators who are harboring millions in campaign cash." Sens. Richard Shelby and Kay Bailey Hutchison "both have more than $9 million in their campaign accounts, and there is no limit to how much they can legally transfer to the NRSC." Shelby "isn't up for re-election until 2010 and won his last election with 68 percent of the vote. His campaign account contains $11.6 million, but he has given $15,000 to the NRSC." Hutchison "has $9.5 million on hand, and polls in Texas show her trouncing her opponent by 20 points or more. She has given $115,000 to the NRSC, a little more than 1 percent of her campaign holdings."

Allen Leads Webb 47-43 In New Mason-Dixon Poll. The AP (10/24, Lewis) reports Sen. George Allen "is slightly ahead of Democratic challenger Jim Webb in a closely watched race that could determine whether the GOP retains control of the Senate, according to a poll published Monday. A statewide survey by Mason-Dixon Polling & Research Inc. showed that 47 percent supported Allen while 43 percent favored Webb, a former Republican and first-time candidate. … The results, published on the Web sites of several Virginia newspapers, are based on telephone interviews conducted Oct. 17-19 with 625 registered voters statewide."

Poll Shows Menendez With Nine Point Lead Over Kean. CNN's The Situation Room (10/23, Blitzer) reported, "In the New Jersey Senate race, a new poll may be providing new optimism for the incumbent senator, Democrat Bob Menendez. The Monmouth University/Gannett survey shows Menendez now leading Republican challenger Tom Kean Jr. by nine points. Kean had an eight- point lead in that same survey back in September."

Corker Distances Himself From RNC Ad That Critics Call "Race-Baiting." The Los Angeles Times (10/24, Wallsten, 918K) reports, "A new Republican Party television ad featuring a scantily clad white woman winking and inviting a black candidate to 'call me' is drawing charges of race-baiting. … Critics said the ad, which is funded by the Republican National Committee and has aired since Friday, plays on fears of interracial relationships to scare some white voters in rural Tennessee to oppose Democratic Rep. Harold E. Ford Jr." The Times notes that former Republican senator William Cohen of Maine "said on CNN that the ad was 'a very serious appeal to a racist sentiment.' … The 30-second ad features fictional characters satirizing Ford. A black woman notes that Ford 'looks good' and asks, 'Isn't that enough?' Others suggest Ford backs privacy for terrorists, accepts money from the pornography industry, wants to raise taxes and backs letting Canada deal with the North Korea nuclear threat. The character who has raised complaints is a blond woman who speaks in a hushed, suggestive tone and says that she met Ford at 'the Playboy party.' At the end of the ad, she reappears and says: 'Harold, call me.' She winks and holds her hand up as if holding a phone." Ford's opponent, former Chattanooga Mayor Bob Corker, "has asked Tennessee television stations not to run the spot, calling it 'over the top.' But the ad has continued to run — and on Monday the Republican National Committee was unapologetic."

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Tester Benefits From Conservative Montanans' Willingness To Vote For Democrats. The Christian Science Monitor (10/24, Paulson, 58K) reports Tester's "strategy of making Burns himself the issue seems to be working: Polls now show the farmer/state senator with a slight edge over the incumbent, lifting Democrats' hopes of adding a key seat in their quest to gain control of the US Senate. … While Montana may be 'red' in presidential elections, it's demonstrated a willingness to vote for its own Mountain version of Democrats, with a popular Democratic governor and a Democratic legislature. And Tester's home-grown approach seems to be working."

Though Trailing Whitehouse, Chafee Remains Popular Among Rhode Islanders. Roll Call (10/24, Duran) reports, "If the Rhode Island Senate race were a popularity contest, Sen. Lincoln Chafee (R) would have no trouble winning re-election. Unfortunately for Chafee, his opponent's message that a vote for Chafee is essentially a vote in favor of President Bush seems to be resonating in the Ocean State. … Even people who say they plan to vote for Sheldon Whitehouse (D), the state's former attorney general who has a slight lead in the polls, say they like Chafee."

Steele Claims Voters Are Turned Off By Cardin's Ads. The Washington Times (10/24, Miller, Ward, 88K) reports Maryland Lt. Gov. Michael S. Steele "said yesterday that Democratic attacks on his U.S. Senate candidacy have not hurt him but have sparked interest in his status as a black Republican. 'I hear it from people who come up to me who are angry themselves. They are sick of it. They are tired of it. It's like, 'Why are they coming after you?' Mr. Steele told editors and reporters at The Washington Times. 'The commercials that they have run have really not resonated the way I think they thought they would. It is not scaring people away from me. In fact, it is actually drawing them to pay closer attention,' he said." Rep. Ben Cardin's campaign "has focused on tying Mr. Steele to President Bush as part of a Democratic strategy to dampen the lieutenant governor's appeal among blacks."

Steele Says Cardin's Call For Withdrawal From Iraq Is "Irresponsible." The Washington Times (10/24, Miller, 88K) reports Cardin "has firmed his stance against the Iraq war by demanding an immediate troop withdrawal and now faces criticism from his rivals in Maryland's U.S. Senate race for 'pandering' to anti-war voters and jeopardizing the war effort." Steele "called Mr. Cardin's comments 'irresponsible.'"

Actor Fox Appears In Cardin Ad. The Washington Post (10/24, B1, Mosk, 748K) reports, "Appearing grimly unsteady from his long bout with Parkinson's disease, actor Michael J. Fox is inserting his halting voice into the campaign for the U.S. Senate in a new television commercial about the importance of stem cell research. The ad, endorsing" Cardin "bears witness to the actor's unmistakable decline and harnesses that physical degeneration into a political message."

Steele Refuses To Release His Credit Report. The Washington Post (10/24, A1, Fahrenthold, 748K) profiles Steele, who "is running vigorously against the political system that promoted him. … Here is Steele on TV, in one of his ubiquitous blank-background ads: 'Washington has no clue of what's going on in your life.' There are a few things odd about Steele's anti-Washington rhetoric -- don't 278,000 of the Maryland voters he's wooing actually work for this clueless federal government?" The Post goes on to note, "The one thing he always mentions is Washington, how the culture of partisan bickering needs to change. Steele, however, is not above a bit of political gamesmanship himself. At his Hagerstown speech, he criticized Cardin because Democratic Party operatives fraudulently obtained his credit report. 'Anyone who wants my credit report, I'd be happy to give it to you,' Steele said. 'If you want to know about me, ask me.' Later that day, a Washington Post reporter asked: Is it possible to get your credit report? 'No, it's not,' Steele said."

Steele Described As Lacking A Strong Identity. The Washington Times' Adrienne Washington (10/24) writes, "But the guessing game of the hour rests on whether Michael Steele is a right-wing Republican, an undercover moderate Democrat or a wannabe independent. Just where do this atypical candidate's political loyalties lie? Exactly who constitutes the core constituency to whom he will be beholden? The street rap on Mr. Steele is that he is hard to read once you get past the friendly smile and platitudes, even for those who have spent time with him."

Republicans Fighting Unexpectedly Competitive House Races In The Pacific Northwest. The Washington Post (10/24, A8, Harden, 748K) reports on "the suddenly competitive race" in Idaho' 1st District between Democrat Larry Grant and Republican Bill Sali, "an eight-term state representative with a corrosive reputation for irking his fellow Republicans. The Republican speaker of the Idaho House, Bruce Newcomb, said this spring of Sali: 'That idiot is just an absolute idiot.'" Republicans "outnumber Democrats about 2 to 1 in the district…and two years ago the district elected a Republican with 70 percent of the vote." The Post continues, "In Washington's 5th Congressional District…confirmation of an unexpectedly strong Democratic challenge emerged in recent days from a well-placed source: the Republican incumbent, Rep. Cathy McMorris. 'It's a closer race than I first imagined,' she told Sen. Larry E. Craig (R-Idaho), according to the Spokesman-Review, a newspaper in Spokane. Changing

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voter attitudes in her conservative, mostly rural district, she said, have been 'pretty dramatic.' … In suburban Seattle's 8th Congressional District, the Republican incumbent, Rep. David G. Reichert, a well-known former sheriff from King County, is also facing a robust challenge -- from a political neophyte, Darcy Burner, 35, a former Microsoft executive."

Vulnerable Democrats In Georgia Try To Align Themselves With Bush. The New York Times (10/24, Zernike, 1.21M) reports Democratic Congressional candidates in Georgia "defend themselves against accusations that they are rubber stamps for their party's leadership. Democrats are defending the war in Iraq. And Democrats — yes, Democrats — strive to align themselves with the president. 'I agree with George Bush on this one,' Representative John Barrow ends his new advertisement in favor of abolishing the estate tax. … As Mr. Barrow's Republican challenger, Max Burns, declared on Thursday in a debate in Augusta, 'My opponent, he started out a liberal and he's trying to get to the right of Attila the Hun.' The number of embattled Democrats has gone down. Republicans at the beginning of the summer said they believed that they could take 10 Democratic seats. Now they say four." According to the Times, "Two of those four seats are here in Georgia, a predominantly Republican state where redistricting has left two Democratic incumbents, Mr. Barrow and Representative Jim Marshall, unfamiliar to a big chunk of their new constituents. The others are Representative Leonard L. Boswell, running against a well-financed opponent in Iowa, and Representative Melissa Bean, who is serving her first term from Illinois."

Clinton Appears At DCCC Fundraiser For Bean And Duckworth. The Chicago Tribune (10/24, Biemer, Chase, 623K) reports former President Bill Clinton "spoke at a Chicago fundraiser for U.S. Rep. Melissa Bean and Tammy Duckworth on Monday and praised the suburban Democratic congressional candidates as 'independent, clear-thinking, non-ideological, inclusive, commonsensical people.' About 600 supporters attended the event, sponsored by the Democratic Congressional Campaign Committee, that was expected to raise about $800,000 to be split three ways between Bean, Duckworth and the DCCC.

Wilson Campaigning For Democratic Candidates. Roll Call (10/24, Akers) reports, "Having soaked up just about every last bit of limelight from the CIA leak scandal, former GOP-appointed Ambassador Joe Wilson is burning up the campaign trail on behalf of Democrats." Wilson "has campaigned for such Democratic candidates as Diane Farrell, who is running against Rep. Christopher Shays (R-Conn.); Lois Murphy, who's trying to unseat Rep. Jim Gerlach (R-Pa.); and Iraq War veteran Patrick Murphy, who is taking on Rep. Michael Fitzpatrick (R-Pa.). Wilson, never one to shy away from the cameras, also is campaigning on behalf of Connecticut Senate candidate Ned Lamont (D), Sen. Bob Menendez (D-N.J.) and former CIA agent Jim Marcinkowski, who's running against Rep. Mike Rogers (R-Mich.), among several others."

King Said To Be In Surprisingly Tough Reelection Campaign. Roll Call (10/24, Brotherton) reports, "for more than a decade," Rep. Peter King "has had little difficulty maintaining his seat in this Republican stronghold. However, in an election year when everything seems to be going the Democrats' way, King's re-election might not be a guarantee." King "is facing an unexpected challenge from Democrat David Mejias, the first-ever Latino elected to the Nassau County Legislature. Mejias, who was endorsed by The New York Times on Sunday, is touting a poll by the firm Constituent Dynamics that puts him only two points behind King." However, King "isn't buying any talk of an upset. The seven-term Congressman labels it pure hype, pointing to recent internal polling giving him a lead of more than 20 points over Mejias. And when it comes to money, King truly is on top. According to the latest FEC filings, King has $1.6 million cash on hand, whereas Mejias lags far behind at about $136,000."

Doolittle's Challenger Regarded As Increasingly Viable. The Washington Post (10/24, A2, Murray, 748K) reports Charlie Brown "was an unknown Democrat running in the California Republican heartland. The eight-term incumbent, John Doolittle, had crushed his 2004 opponent. Fewer than a third of district voters are registered Democrats." But "if a wave breaks next month, Brown is one of many bootstrap Democrats who could be washed into Congress. The latest polls show that Brown, a retired Air Force lieutenant colonel, has pulled within striking distance of Doolittle, whose well-documented ties to disgraced lobbyist Jack Abramoff may be an albatross. The Democratic Congressional Campaign Committee is increasingly optimistic about Brown's chances and has chipped in an undisclosed amount of cash for the final push. Brown has scooped up local newspaper endorsements and raised $750,000, much of it in recent weeks."

Nguyen Blames Sanchez For Uproar Over Letter To Hispanic Voters. CNN's The Situation Room (10/23, Blitzer) reported, "In California, GOP congressional candidate Tan Nguyen is blaming his opponent for the uproar over intimidating letters his campaign sent to Hispanic voters. Nguyen is resisting calls from fellow Republicans to drop out of the race. And he has been

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criticized by the state's top Republican, Governor Arnold Schwarzenegger. But Nguyen is accusing Democratic incumbent Loretta Sanchez of fueling the hysteria over the letter, which he says he did not personally approve. And he charges, Sanchez is behind a state investigation now under way into possible voter intimidation by his campaign."

Democrats, Unions Hope To Blunt GOP GOTV Advantage. Roll Call (10/24, Drucker) reports Republicans "are increasingly pinning their hopes for survival on a get-out-the-vote effort that Democrats acknowledge they cannot match. Republican strategists are quick to point out that a superior GOTV operation is unlikely, on its own, to salvage races in which their candidate is trailing by even as little as 3 points. But for those races in which the Republican is within 2 points or less, they argue that an effective ground game could be the difference between victory and defeat. And they believe their superior turnout operation may help them overcome a sense among pundits that the Republican base will be depressed on Election Day, literally and figuratively." Democrats "have moved to stem the disadvantage in key battlegrounds, spending millions to create statewide voter files in Missouri and Montana while engineering a coordinated ground game attack in key House districts in Ohio, Pennsylvania and other contested states. Also, the AFL-CIO and MoveOn.org have said they'll spend a combined $52 million on GOTV on the Democrats' behalf.

Liberal Bloggers Target Safe Democrats With Overflowing Campaign Accounts. The New York Times (10/24, Zeleny, 1.21M) reports, "With Democrats increasingly convinced that House control is within their grasp, party activists are publicly excoriating politicians in safe districts who have hefty campaign balances." Rep. Martin Meehan, who has more than $4.8 million on hand" and was "easily re-elected two years ago with 67 percent of the vote, is at the top of a new list being circulated by Democratic bloggers. … The not-so-gentle campaign to nudge Democrats — or, in many cases, shame them — into contributing more money to the party is another way bloggers are producing a collision between the old world of politics and the new." Sen. John Kerry "came under fire last week when it was pointed out that he had contributed only $15,000 this year to the party's senatorial committee. Heyjohn.org, whose creator has remained anonymous, highlights the fact that Mr. Kerry has $14 million in his campaign accounts."

Clinton Responds To Foe's Alleged Remarks On Her Appearance. The AP (10/24, Humbert) reports that New York Sen. Hillary Clinton (D) "accused her Republican challenger of getting into 'swampy territory' after he was quoted Monday as saying that Clinton was unattractive when she was younger and that she had a lot of work done on herself. John Spencer denied discussing the senator's looks during a conversation with a New York Daily News reporter. The tabloid quoted Spencer as saying: 'You ever see a picture of her back then? Whew. I don't know why Bill married her.'" Spencer "was also quoted as saying that Clinton underwent millions of dollars of 'work' and 'looks good now.'" Clinton, during a Monday campaign stop, said, "It's unfortunate that when you don't have anything positive to say about the issues that we can get off in some pretty swampy territory."

The New York Times (10/24, Santora, 1.21M) reports that Spencer "angrily called the report a 'complete fabrication' yesterday. He acknowledged that he had talked about how different she looked now and about her changing style. But he said it was in the context of 'everyone looking different.' He denied saying anything about plastic surgery or questioning Mr. Clinton's marital judgment. … Ben Smith, the Daily News reporter who wrote the article, stood by his account. He said he took notes on his BlackBerry. By chance, the candidate and the reporter were seated in the same row, one seat apart, on a JetBlue flight from New York to Rochester on Friday morning before the first debate."

New Poll Shows Davis Has Nearly Erased Crist's Lead. The Washington Times' "Inside Politics" (10/24, Pierce) reports, "Florida's gubernatorial race between Republican Charlie Crist and Democrat Rep. Jim Davis has narrowed, with the two candidates running just about even, according to a poll released yesterday as early voting began in the state. Mr. Crist, the state attorney general, had enjoyed double-digit leads in previous polls. The new Quinnipiac University Poll found him favored by 46 percent of likely voters to 44 percent for Mr. Davis, with 8 percent undecided. That is within the error margin of 3.4 percentage points. Eleven percent of respondents indicated they could still change their minds."

Patrick's '06 Strategy In Massachusetts Plays Off Romney's '08 Ambitions. The Wall Street Journal (10/24, A4, Cooper, 2.03M) reports that in Massachusetts, Democrat Deval Patrick "looks poised to become the nation's second black governor ever popularly elected, and to regain the left-leaning commonwealth for the Democrats." Patrick's strategy involves "tying his opponent not to President Bush but to her political patron, sitting Gov. Mitt Romney, whose politics are moving rightward in preparation for a presidential run." Lt. Gov Kerry Healey, the Republican candidate, "has been running negative ads, even as she claims that she is closer to Mr. Patrick than Mr. Romney on some issues" such as abortion and stem cell research. Romney is "exploring a bid for the 2008

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Republican presidential nomination. In recent months, he has barnstormed the country speaking to conservative groups. Along the way, Mr. Romney has tailored his appeal to core Republican supporters, including conservative Christians who are kingmakers in the presidential nomination process -- and often have a different worldview from the constituents Mr. Romney had to win over in his home state." The Romney "overhang in the Massachusetts governor's race is just one example of how the 2006 election season has begun to define the 2008 presidential contest." Other potential '08 candidates who are active in 2006 are Sens. Hillary Clinton and George Allen, and Barak Obama, who has campaigned extensively for Democrats. For Romney, "a one-term governor with no prior political experience, Ms. Healey's fortunes may speak volumes about his ability to leave a legacy or rally a political base."

Obama "Meet The Press" Interview Generates Widespread Publicity. Sen. Barack Obama's concession to Tim Russert on Meet the Press that he was reconsidering the possibility of running for the presidency in 2008 continued to draw media attention for a second day. Indeed, on the networks, Obama potential, unannounced '08 campaign drew about ten minutes of airtime – compared to about seven for the 2006 midterm elections. The glowing reports, however, are generally tempered with an acknowledgement that Obama has little experience on the national political stage. NBC Nightly News(10/23, story 3, 2:30, Williams, 9.87M) reported Obama's remarks on Meet the Press have "rocked the political world." NBC (Reid) added, "So why is he such a sensation? Political analysts say it is partly because some Democrats are unhappy with the field of candidates they already have." Peter Hart, Democratic pollster: "He comes across as spontaneous and genuine running against other people that may be seen as calculating and as programmed." Reid: "That includes presumptive frontrunner Hillary Clinton. Analysts say some Democrats unhappy with her vote in favor of the Iraq war may turn to Obama, who has consistently opposed the war." Chicago Tribune columnist Clarence Page "says for now his personal story is overshadowing everything else."

ABC World News (10/23, story 5, 2:50, Snow, 8.78M) reported, "His base is growing. Even Oprah seemed to endorse him." Oprah Whifrey: "I know I don't just speak for myself. There are a lot of people who would want you to run for the presidency of the United States." Snow: "Republican strategist Rich Galen says Democrats are searching." Rich Galen: "Democrats are looking for an alternative to Mrs. Clinton, mostly because they are not sure she can get them across the finish line in a general election." Snow: "An Obama run would change the game." Rep. Jesse Jackson Jr.: "The Clintons have invested a tremendous amount of time in the African American community. If Obama's in the race, there's going to be a competitive vote." Snow: "Obama's biggest handicap may be his inexperience. But with Iraq at the top of voters' concerns, that could cut both ways." Stuart Rothenberg, The Rothenberg Political Report: "There's an upside to the fact Senator Obama's been in Washington a relatively short time. He doesn't have the lengthy record, particularly on Iraq that opponents can use to demonize him and attack him. He can stand above the fray."

The CBS Evening News (10/23, story 6, 1:35, Borger, 7.66M) reported, "Now after just two years on the national stage, he's a certified political phenom, with the a best selling book and a date with Oprah. It's the American dream for some Democrats who want Obama to run for president. Here's something else to think about: He's 98th on the Senate seniority list and without any serious national security credentials. So the question remains, is it really time for Obama to run or is it too far, too fast?"

MSNBC's Hardball (10/23, Shuster) reported, "In recent weeks, it's been hard to miss Obama. The junior Senator from Illinois at age 45 has landed on the covers of Men's Vogue and Time Magazine . He's made numerous appearances promoting a new book and he recently charmed Oprah Winfrey. … Recently, Obama has been criss-crossing the country, giving speeches and raising money for Democratic congressional candidates. He has helped actor George Clooney bring attention to the crisis in Darfur. Along the way, Obama has captured the imagination of Democratic party activists. The leading advocate for an Obama presidential run is fellow Illinois Senator Dick Durbin. And party strategists, including some advising John Kerry, John Edwards, Joe Biden and Bill Richardson, agree that Obama could leapfrog much of the potential Democratic field and become the challenger to New York Senator Hillary Rodham Clinton."

Obama Acknowledges "Inhaling." The New York Times (10/24, Seelye, 1.21M) reports Sen. Obama "created a little sunlight on Monday between himself and both Bill and Hillary Rodham Clinton. For one thing, he said that as a youth he had inhaled." Speaking to an audience of magazine editors, Obama said, "When I was a kid, I inhaled. That was the point." The Times adds the "direct admission was in contrast to Mr. Clinton's denial in his 1992 campaign for president that he had smoked marijuana." New Yorker editor David Remnick also "asked Mr. Obama for his views about Mrs. Clinton." Obama "praised her but made clear that he did not agree with her vote for the Iraq war."

Other Commentary. On the CBS Evening News (10/23, story 7, 4:00, Couric, 7.66M) Nicole Wallace, former communications director for President Bush and Clinton press secretary Mike McCurry discussed the Obama boomlet. McCurry said, "He is a wonderful guy, but he's kind of this beautiful empty bottle that we can pour everything we

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want in politics. We want politics that's about stuff that's inspirational and exciting and kind of returns some of the character of politics that many of us associated with John F. Kennedy and Barack has all of that right now. The question is, will he have it two years from now." Wallace added, "The Republicans are not immune to Barack Obama's good looks and charm. I joked that he's John Edwards without all that experience. I don't think Republicans are too concerned about whoever will emerge from the Democratic primary process. In the last two presidential elections, Republicans have been satisfied with how the process worked itself out." McCurry: "If you talk to Republican operatives, 100% of all of them are convinced Mrs. Clinton will be the nominee. They all say, 'you couldn't nominate anyone except her.' On the Democratic side people wonder if she will bring the country together." Wallace: "Mike doesn't want to do another presidential campaign. I don't know if that's an objective analysis. I think people think she'll run and people think this is a bad sign for her. If Barack is filling such an excitement vacuum, it must be partially because of her that that exists."

On NBC Nightly News (10/23, story 4, 1:50, Williams, 9.87M), NBC Washington bureau chief and moderator of Meet The Press Tim Russert said, "He is getting rock star treatment all across the country, no matter what state – Iowa, Arizona, Pennsylvania. He is the only candidate in 2008, if he runs, who would have been against the war before it began. He is someone that believes the 60's generation, the baby boomers, have had their time on the political stage and it is time for a new generation of leadership. His father is black and mother is white. He has a best seller. All those factors, and now, he is giving very, very serious consideration to running for President now. Why? It is the first time the presidency will be wide open, no incumbent."

In his Washington Post column (10/24, A19), Richard Cohen says, "Life itself -- its hard lessons -- cautions me to look with consummate cynicism on the Obama trial balloon." But "I cheer his announcement that he might announce he is going to announce -- something like that. I say this not just because I have been following his career out of the corner of my eye -- my, my, ain't he a natural! -- but because I've actually been reading his speeches. The one he gave on the role of religion in politics was as smart a speech as I've ever read. It's the sort of thing John F. Kennedy could have given, only his would have been written by someone else, probably Ted Sorensen." But "mostly I want Obama to run because he would come into the race with no baggage on Iraq."

Treasury Secretary Paulson Stays Off Campaign Trail. The Washington Post (10/24, A17, 748K) reports while Republicans "pounded the campaign trail, struggling to keep their majority in the Nov. 7 midterm elections," Treasury Secretary Henry Paulson "strolled along a production line at the bureau yesterday, watching $20 bills bearing his signature roll off the presses." A Bloomberg News report says Paulson, "unlike his campaign-friendly predecessor, John W. Snow, aims to stay off the stump and in the office, despite the polls. Bloomberg cites a former Bush administration official and another person involved in recruiting Paulson as saying that the White House agreed he would not have to make campaign speeches." But with Democrats "poised to win the 15 seats needed to seize a House majority and, perhaps, even the six needed to control the Senate, some Republicans may find it tough to justify keeping the Treasury secretary off the campaign trail -- especially with the administration trying so hard to tout its economic record to voters."

Conservatives Use Initiatives To Target "Activist Judges." The Washington Times (10/24, Richardson, 88K) reports, "Western conservatives are gunning for the judiciary this election year with a half-dozen ballot measures that would rope in the authority of what they describe as activist judges." In Colorado, "former state Senate leader John Andrews tried for years to solve the problem of activist judges who he said routinely legislated from the bench, often at the expense of conservatives." His "efforts in the legislature fell short," but Andrews is "the prime mover behind Amendment 40, a proposed constitutional amendment that would limit state appellate judges to 10-year terms, making Colorado the first state to limit the office of top-tier judges." Amendment 40 "faces overwhelming opposition of the state's legal and political establishment. It is opposed by virtually every top lawmaker in the state, including Republican Gov. Bill Owens, Republican Attorney General John Suthers, and former Democratic Govs. Richard Lamm and Roy Romer. The state's leading newspapers have also editorialized against the proposal." Opponents "argue that Amendment 40 would force out good judges, create judicial backlogs and empower governors to stack the courts with partisan picks. The measure would result in a one-time retroactive removal of five Supreme Court judges and seven appellate court judges in 2009, which critics say would deprive the courts of decades of experience." A "truly radical solution would be Amendment E, the South Dakota proposal that would eliminate judicial immunity and allow citizens to sue judges." In Montana, "voters will decide whether to approve CI-98, a measure that would allow residents to recall justices or judges for 'any reason' and says removal from office is 'a political question answered solely by ... the recall election.'"

42% Say Reducing Number Of Uninsured Should Be Top Priority. The Wall Street Journal (10/24, Bright, 2.03M) reports Americans say "reducing the

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percentage of uninsured in the U.S. is a top priority for government to address over the next two years, a WSJ.com/Harris poll shows. But many lack confidence in either party's ability to tackle this and other health-care issues." The poll, conducted over October 8-10, shows "42% feel 'reducing the percentage of Americans without health insurance,' is one of the top two health-care issues. Other health-care issues that ranked high in importance were Medicare reform (28%) and containing out-of-pocket costs for health-care services (26%)." A "plurality of those polled believe by a two or three to one margin that the eight health-care issues listed would be handled better by the Democrats than by the Republicans. For example, 37% of respondents said Democrats are likely to do a better job of reducing the percentage of uninsured, while 11% see Republicans as more adept. However, nearly a third of 2,384 adults in the online poll don't believe there's a difference in either party's ability to address this issue and 22% aren't sure."

Connecticut Officer Struck By Federal Judge Dies. The AP (10/24) reports, "A New Haven, Conn., police officer died Saturday, four days after being struck by a sport utility vehicle driven by a federal judge, the mayor said." The AP continues, "Officer Dan Picagli, a 17-year veteran of the force, was hit while directing traffic in the rain Tuesday night. He had been wearing a black raincoat and a reflective vest. … The SUV was driven by John M. Walker Jr., a senior judge on the 2nd U.S. Circuit Court of Appeals in New York, who maintains court chambers in New Haven. He was leaving work when the accident happened, police said. … No charges have been filed." The AP adds, "Police Chief Francisco Ortiz said the accident remained under investigation, but officers did not feel it was necessary to test Walker for drugs or alcohol. … Walker, 65, voluntarily stepped down this month as chief judge of the court. He was appointed to the court in 1989 by President George H.W. Bush, who is a cousin of the judge."

Generation Y Said To Be Socially Conscious. USA Today (10/24, Jayson, 2.27M) reports a "growing body of academic and market research suggests millennials — who are in their mid-20s and younger — are civic-minded and socially conscious as individuals, consumers and employees. This generation, also known as Generation Y and Echo Boomers, has been pressed for its vote, sought for its purchasing power and watched closely by sociologists and historians for insight into the way its members will shape the future." They "may be less radical than baby boom activists in the 1960s and 1970s, whose demonstrations for civil rights, women's equality and protecting the environment and protests against the Vietnam War became flashpoints for their times. But thanks in large part to the Internet, this generation is much more aware of the world. And because national tragedies such as the 9/11 terrorist attacks and Hurricane Katrina have scarred their youth and adolescence, experts see signs these young people are creating their own brand of social consciousness."

ATLA's New Name Seen As Unlikely To Change Public's Perception. In a New York Times op-ed (10/24), John Fabian Witt, professor of law and history at Columbia, says, "If a rose would smell as sweet by any other name, will trial lawyers smell better with a new one? That's the question posed by the impending self-reinvention of the Association of Trial Lawyers of America. After Election Day, the 65,000-member outfit whose lawyers brought us multibillion dollar settlements in cigarette cases, millions of asbestos injury claims and lawsuits over McDonald's coffee will change its name to the American Association for Justice." The "problem for the lawyers is that the genius of the tort system — its capacity to marshal the entrepreneurial energies of the bar — is also its greatest public relations liability. Indeed, whether trial lawyers are part of a distinctively American regulatory solution or part of a distinctively American problem, the new name seems unlikely to change the way Americans view them. At KFC (né Kentucky Fried Chicken), the chicken is still fried. At Altria (né Philip Morris), the cigarettes still cause cancer. And at the American Association for Justice, some will say that the trial lawyers are still chasing ambulances."

ElBaradei Says Iran Testing New Uranium Enrichment Equipment. The New York Times (10/24, Sanger, 1.21M) reports IAEA chief Mohamed ElBaradei said Iran "had begun testing new uranium enrichment equipment that could double the capacity of its small research-and-development facilities." The Iranian action appeared to be a signal to the UN Security Council that Iran "would respond to sanctions by speeding ahead with its nuclear program."

The Washington Post (10/24, A4, Linzer, 748K) reports ElBaradei confirmed the Iranian action "as the Bush administration and European allies failed to reach agreement on sanctions against Tehran's expanding nuclear program." ElBaradei said "Iranian technicians had pieced together a second line, or cascade, of 164 centrifuges and are days away from using the cascade to enrich uranium." The AP (10/24, Jahn) runs a similar report.

Iran's President Says Iran's Nuclear Capability Has Increased "10-Fold" In The Last Year. CNN's The Situation Room (10/23, Verjee) reported, "A shocking claim by Iran's president -- he said today Iran's nuclear capability has increased 10-fold over the last year, despite Western pressure to roll back its nuclear program. Now, he didn't elaborate. The remarks appeared aimed primarily at rallying public support. The U.N. Security Council is now preparing to

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consider a draft resolution imposing limited sanctions on Iran, because of its refusal to hold uranium enrichment."

WSJournal Says Ahmadinejad "Ultimatum" Should Be Taken Seriously. The Wall Street Journal (10/24, A18, 2.03M) editorializes about Ahmadinejad's "ultimatum" to Europe last Friday, when he said, "If a storm begins, the dimensions will not stay limited to Palestine, and you may get hurt." The Journal writes, "The temptation in many quarters in the West is to assume that Crazy Mahmoud can't really mean what he says; he must be acting out for 'domestic' political reasons. And even if he does mean what he says about wiping Israel off the map, well, Europeans and Americans don't need to worry about that. Call us conservative, or even neoconservative, but when a leader relentlessly seeking weapons of mass destruction starts issuing apocalyptic ultimatums, our instinct is to believe him."

Ahmadinejad Encourages Women To Have More Children. The New York Times (10/24, Fathi, 1.21M) reports Iranian President Mahmoud Ahmadinejad, "reversing a policy in effect for almost two decades, is encouraging Iranian women to have more children in an effort to increase the country's population." Ahmadinejad told Parliament on Sunday, "They say two children are enough. I oppose this. I believe our country has a large capacity. It has a capacity even for 120 million people."

North Korea Willing To Reengage In Six Party Talks If US Ends Financial Crackdown. The AP (10/24, Chang) reports remarks by a South Korean legislator that Pyongyang "is amenable to returning to international nuclear talks if the U.S. shows a willingness to resolve a dispute over the North's alleged counterfeiting and money laundering." The lawmaker claims he met with "a key North Korean figure" on Sunday in Beijing. In addition, a Japanese legislator "said a top Chinese official who recently visited Pyongyang indicated China was not optimistic that North Korea will end its nuclear program or re-enter disarmament talks soon." The AP notes "Beijing has remained silent" about that diplomatic mission to Pyongyang, "while North Korea has shown no public signs of being flexible by continuing its bellicose rhetoric aimed at the United States."

Another AP dispatch (10/24, Schweid) reports, "The only real option for trying to curb North Korea's nuclear weapons program is to talk to the insular regime, the head of the U.N. International Atomic Energy Agency said Monday. 'I don't think sanctions work as a penalty,' Mohamed ElBaradei said after a meeting with Secretary of State Condoleezza Rice." He added, "They feel they are isolated; they feel they are not getting the security they need."

Hong Kong Detains North Korean Ship For Safety Infractions. AFP (10/24) reports, "Hong Kong has detained a North Korean cargo vessel for possible safety violations under" UNSCR 1718. "The rusting, 2,035-tonne general cargo vessel Kang Nam I was suspected of breaching 25 regulations after entering Hong Kong on Sunday, the South China Morning Post reported." The "ship had arrived from Shanghai and was due to return home to Nampo, near Pyongyang, via Taiwan."

WSJournal Offers Some Praise For China's Handling Of North Korean Crisis. The Wall Street Journal (10/24, 2.03M) editorializes, "China is the country with potentially the most influence over Kim Jong Il. President Hu Jintao's high-level personal envoy, dispatched to Pyongyang last week, by some accounts took Kim to the woodshed. Beijing is keeping mum about precisely what message State Councilor Tang Jiaxuan delivered to the North Korean leader, but one notable result is that Kim is no longer threatening to conduct a second nuclear test." Meanwhile, "in South Korea, the other country with influence over the North, President Roh Moo Hyun's government continues down its appeasement path." There is "much more" China "could do to show it's willing to join the rest of the world in being a 'stakeholder' -- to borrow former Deputy Secretary of State Robert Zoellick's useful word -- in promoting world security, but at least it's sounding serious. China's cooperation also shows that the six-party process could yet work. US and Japanese pressure, along with Kim's recklessness, may be causing China to conclude that its self-interest lies with stopping him."

US, South Korea Trade Talks Get Underway. The Wall Street Journal (10/24, A8, 2.03M) reports, "The latest effort by the U.S. and South Korea to reach a free-trade agreement got off to a rocky start, with Washington saying talks might not conclude by a year-end target date." The two sides "opened their fourth round of negotiations since June on the southern island of Jeju, where thousands of demonstrators opposing free trade with the US called for the talks to be scrapped."

Pakistan Says It Has Adopted System To Prevent Proliferation. The Washington Times (10/24, Sands, 88K) reports Pakistan has "adopted a vast system of checks and balances in its military nuclear program to prevent nonproliferation abuses such as the nuclear black market run by top scientist Abdul Qadeer Khan, a senior Pakistani military official said yesterday." The official, "in an unusually detailed background briefing for reporters at the Pakistani Embassy, also warned that the proposed U.S.-India nuclear-cooperation pact was a 'one-sided deal' that could prove 'counterproductive for U.S. strategic objectives' in South Asia if Islamabad was not offered a similar deal." The Times adds the "session reflected Pakistani concerns that its nuclear-proliferation failings were in the spotlight again after this month's nuclear test by North Korea."

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UN Official Says US Setting Bad Example On Human Rights. The Washington Post/AP (10/24, A4, Wadhams) reports, "Several governments around the world have tried to rebut criticism of how they handle detainees by claiming they are only following the U.S. example in fighting terrorism, the U.N. special rapporteur on torture said Monday." Manfred Nowak said that "when he criticizes governments for their questionable treatment of detainees, they respond by telling him that if the United States does something, it must be all right. He would not name any countries except Jordan." Nowak said "that because of its prominence, the United States has a greater responsibility to uphold international standards for its prisoners."

Reporters' Advocacy Group Says Freedom Of Press Faltering In US. The Washington Post (10/24, A15, Boustany, 748K) reports, "Some poor countries, such as Mauritania and Haiti, improved their record in a global press freedom index this year, while France, the United States and Japan slipped further down the scale of 168 countries rated, the group Reporters Without Borders said yesterday." The "news media advocacy organization said the most repressive countries in terms of journalistic freedom -- such as North Korea, Cuba, Burma and China -- made no advances at all." The group's "fifth annual Worldwide Press Freedom Index tracks actions against news media through the end of September." Although it "ranked 17th on the first list, published in 2002, the United States now stands at 53, having fallen nine places since last year." Reporter Without Borders said, "Relations between the media and the Bush administration sharply deteriorated after the president used the pretext of 'national security' to regard as suspicious any journalist who questioned his 'war on terrorism.'"

Olmert Adds Right Wing Party To Coalition. The New York Times (10/24, Myre, 1.21M) reports Prime Minister Ehud Olmert of Israel "reached a deal on Monday to broaden his shaky coalition by adding a far-right party that seeks to annex parts of the West Bank and to eventually reduce Israel's Arab population." Olmert's coalition has "been struggling for months, and the latest move was seen as an attempt to stabilize the faltering government. But the new right-wing partner — Israel Beiteinu, or Israel Is Our Home — strongly opposes concessions to the Palestinians." The Times adds, "The prime minister's decision signals that he is now more concerned with internal Israeli politics than with initiatives to deal with the Palestinians."

Six Palestinians Killed In Gaza Clash With Israeli Forces. The Washington Post (10/24, A15, Wilson, 748K) reports, "At least six Palestinians died Monday in clashes between Israeli forces and Palestinian gunmen in the Gaza Strip, part of an escalating operation there to stop rocket fire into southern Israel and smuggling across its borders. One of those killed was a high-ranking Palestinian militia commander, Israeli and Palestinian officials said." Twenty other Palestinians "were wounded in fighting that unfolded between the northern Gaza villages of Beit Hanoun and Beit Lahiya."

Number Of Palestinians Willing To Relocate Surges Under Hamas. The Christian Science Monitor (10/24, Mitnick, 58K) reports a "growing number of Palestinians are openly saying they'd like to leave the West Bank and Gaza if given the chance, raising concern about the possibility of a Palestinian brain drain. The sentiment, which flouts the long-held Palestinian belief that Israeli occupation can only be resisted by staying put, is yet another indication of the deepening despair since Hamas was elected to run the government." This "desire to flee also comes amid ongoing violence in the Gaza Strip." Birzeit University pollster Nader Said, "who has monitored emigration attitudes for 12 years, says the percentage of Palestinians willing to relocate once hovered just below 20 percent. When that figure jumped to 32 percent in a September survey, Mr. Said says he was shocked." The "catalyst, the pollster says, has been Palestinian disillusionment following Hamas's half-year in government. 'What the Israelis were unable to do - try to push the Palestinian out of the country - the internal strife is achieving,' he says." Even "more telling, adds Said, is that the percentage surges to 44 percent among Palestinians in their 20s and 30s. Among young men, it surges beyond 50 percent."

Three Factors Said To Make Gaza Conflict Likely. In his Wall Street Journal column (10/24), Bret Stephens says, "Wonder where and when the next Middle East war is going to take place? The likeliest answer is the Gaza Strip, perhaps before the year is out. Who will fight it? Now there is an interesting question." The "first circumstance" is the "escalating factional fighting, verging on civil war, between Hamas forces loyal to Palestinian Prime Minister Ismail Haniyeh and Fatah forces associated, albeit sometimes loosely, with President Mahmoud Abbas." The "second circumstance" is "the consolidation of Gaza, following Israel's full withdrawal in August 2005, into a terrorist fortress." The "third circumstance" is that the "rise of Hamas, with ties to Iran and potentially a secure territorial base of its own, is an even greater long-term threat to the brittle regime of Hosni Mubarak than it is to Israel."

Sudan Expels UN Envoy Over Report Of Rebel-Inflicted Casualties. The CBS Evening News (10/23, story 3, 0:20, Couric, 7.66M) reported, "UN efforts to stop the slaughter in Darfur have suffered a major blow. Sudan has kicked out the chief UN envoy there. Jan Pronk was told to leave the North African nation after he wrote on the Web that Sudanese forces have suffered heavy losses at the hands of

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rebels. The civil war has claimed more than 200,000 lives in Darfur and forced 2.5 million people from their homes."

ABC World News (10/23, story 7, 2:15, Gibson, 8.78M) reported, "We're going to visit the one place on the planet where the US says a country is carrying out genocide against its own people. Darfur. In Sudan. Where more than 200,000 people have been killed. Today, the Sudanese government expelled top UN officials in the region, a man who was there to help." ABC (Wright) added, "In a part of the world where refugee camps are the norm, there is something suspicious about this a village where everyone has plenty to eat and a safe place to sleep. We met these men just a few miles from Tawilla, an African village laid waste by the Janjaweed quite a contrast to this place. Nobody here is a member of the Janjaweed? 'No, no,' they told us, 'we're just simple shepherds.' 'They are lying,' says Colonel Wisdom Bebedo, the commander of the tiny African Union protection force assigned to keep the peace in this area. … Janjaweed,' the word literally means evil horsemen." Jan Egeland, UN relief coordinator: "Armed men on horseback or on camels who specialize in depopulating entire villages." Wright: "Their method of choice -- kill the men and terrorize women and children."

Sudanese Economy Flourishes On Oil Profits. The New York Times (10/24, Gettleman, 1.21M) reports, "While one of the world's worst humanitarian crises continues some 600 miles away in Darfur, across Khartoum bridges are being built, office towers are popping up, supermarkets are opening and flatbed trucks hauling plasma TV's fight their way through thickening traffic." Despite the "image of Sudan as a land of cracked earth and starving people, the economy is booming, with little help from the West. Oil has turned it into one of the fastest growing economies in Africa — if not the world — emboldening the nation's already belligerent government and giving it the wherewithal to resist Western demands to end the conflict in Darfur." American sanctions "have kept many companies from Europe and the United States out of Sudan, but firms from China, Malaysia, India, Kuwait and the United Arab Emirates are racing in. Direct foreign investment has shot up to $2.3 billion this year, from $128 million in 2000, all while the American government has tried to tighten the screws."

Russian Government Says Registration Of Foreign NGOs Underway. The New York Times (10/24, Chivers, 1.21M) reports the Russian government said "that it had begun registering private foreign organizations whose operations in Russia were suspended last week, and that it was rushing to review the amended applications of at least 65 other organizations, which remained idled." Among the groups "granted permission to resume work were some that Russian officials had sharply criticized, saying they were encouraging revolutions or meddling in Russia's domestic affairs. They included the National Democratic Institute for International Affairs and the International Republican Institute." Both groups, "whose work includes offering training for domestic political parties and movements, had been suspended last week under a new Russian law that limits the work of foreign groups."

Hungary's Observance Of 1956 Anti-Soviet Uprising Marred By Violence. ABC World News (10/23, story 8, 0:35, Gibson, 8.78M) reported, "In Hungary, this was supposed to be a day commemorating the 1956 uprising against Soviet rule. Instead, there were echoes about the unrest a half century ago. Police fired tear gas and rubber bullets and protesters upset by the Prime Minister's admission that he lied to win national election. Dozens were injured. The 1956 uprising was the first tear in the Iron Curtain, the first revolt against Soviet domination. Organizers hoped today would mark new feelings of unity and pride."

The New York Times (10/24, Smith, 1.21M) reports, "Violent clashes in Budapest on Monday as the police tried to contain a month-old antigovernment protest movement marred the 50th anniversary of Hungary's uprising against Soviet domination." Police used "rubber bullets, tear gas and a water cannon to disperse thousands of protesters who had gathered for a rally after a group of them took control of a Soviet-era T-34 tank that was on display for the commemorations and drove it toward the police. About two dozen people were injured, none seriously." The rally "was one of several held over the past month calling for the resignation of the Socialist prime minister, Ferenc Gyurcsany, after the leak of a tape recording in which he told fellow party members that he had lied about the economy to win national elections in April."

China Expected To Pen Trade Deals At Africa Summit. The Wall Street Journal (10/24, A8, Oster, 2.03M) reports China will "strike a number of agreements on trade, investment, aid and debt forgiveness when it hosts the heads of 48 African countries next month in what is being billed as the biggest summit China has held in modern history, according to the Chinese official heading the effort." The "gathering in Beijing, dubbed the Forum on China-Africa Cooperation, is set for Nov. 3 to 5. It comes as many African leaders seek help to repair their strife-torn countries and China looks for new resources to meet its growing energy needs, as well as new markets for its own emerging domestic companies. It caps growing ties between the two regions over the past several years that have sparked some ire in the West."

EU Taking Tougher Stand On Chinese Imports. The Wall Street Journal (10/24, A8, Miller, 2.03M) reports the

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European Union "is due to unveil a plan today that charts a tougher approach to China as its trade deficit with the Asian giant soars." The "change in strategy is driven by the desire to quell protectionist sentiment at home and strengthen Europe's hand when it renegotiates a trade agreement with China, European officials say." Until now, Europe has "opened its markets to Chinese imports but made few modifications to a trade relationship last outlined in a deal with Beijing struck more than 20 years ago." The plan "is aimed at persuading Beijing to open more markets, crack down on technology theft and allow its currency to strengthen. If Beijing doesn't comply, the EU would take action to protect its own interests, including the imposition of new antidumping duties, according to EU documents that summarize the commission's plan. The EU already has punitive antidumping tariffs on imports of Chinese shoes and more than 30 other goods."

China Erecting Barriers To Foreign Companies. In a Wall Street Journal op-ed (10/24), Dr. Harry Harding says, "From encouraging foreign direct investment to signing up with the WTO, Beijing has embraced foreign capital and know-how. Foreigners, in large part, have been rewarded with double-digit growth rates and cheap labor. But this happy affair is running into problems: Over the last few months, there is a growing perception that foreign companies have done too well from their investments. The Party leadership has publicly accused a few of capturing 'excessive' market shares, acquiring too many stakes in China's strategic industries, and buying state assets at bargain prices. Above all, there seems to be a concern that overseas investors own too much of the technology crucial to China's economic development." Beijing's "defensive economic nationalism is not primarily about restricting imports, although there has been some of this." Rather, the "main focus is on making it more difficult for foreign companies to operate in China."

Chinese Officials Interested In Religion As Social Stabilizer. The Washington Times/AP (10/24, McDonald) reports Chinese officials "have expressed interest in the role of religion in improving society, the archbishop of Canterbury said yesterday at the end of the first trip to China in 12 years by a leader of the Church of England." The Anglican Communion will "expand efforts to help the state-sanctioned Protestant church train clergy, as communist leaders look to religion to help stabilize society during a time of wrenching change and explosive growth in Christianity in China, Archbishop Rowan Williams said."

Mongolia Seeks To Build "Green Wall" To Limit Gobi Desert Storms. The Wall Street Journal (10/24, A1, Barta, 2.03M) reports Mongolia is "building its own seemingly implausible version" of the Great Wall, a "zigzagging line of pines, willows, oleasters, junipers, hawthorns, aspens and other trees it hopes will someday stretch more than 2,000 miles across the desert. The so-called 'Green Wall' is expected to take 30 years to complete and cost some $150 million or more." The wall is "necessary, Mongolia says, to protect itself and the wider world from an increasingly serious problem: Gobi dust, kicked up by Central Asian storms strong enough to rip the paint off Mongolian cars and then carried eastward across Asia and beyond." The "amount of Mongolia's land that is suffering from desertification -- land that either has no vegetation at all or is slowly losing it -- could be as much as 50,000 square miles, an area the size of New York state, according to a leading Mongolian environmental group called Sain Uils." Mongolia's government "and scientists say global warming is partly to blame."

US-Great Britain Relationship Said To Be On Rocks Over Iraq, Israel. In a USA Today op-ed (10/24), Melanie Phillips, a columnist for Britain's Daily Mail, said, "Fury at Prime Minister Blair for being President Bush's 'poodle' has reached such a pitch that the most successful Labor prime minister in memory is being forced out of office because of his support for U.S. policy in Iraq and Israel. Labor's members of Parliament say his refusal to break with America by calling for an earlier cease-fire in Lebanon was the last straw. The disturbing fact is that Britain is consumed by a rampant anti-Americanism and an allied hostility toward Israel, which are driving public debate into irrationality, prejudice and appeasement." As a result, "the prospects for the alliance between Britain and the United States in the post-Blair era do not look promising. Despite being an instinctive Atlanticist, Gordon Brown, the most likely successor as Labor prime minister, is thought to be only a reluctant backer of the war in Iraq, according to a new autobiography by former Labor minister David Blunkett."

Furor Over Muslim Veils Considered. In a Washington Post column (10/24, A19), Anne Applebaum says that in London, a "full-fledged shouting match has broken out over Muslim women who choose to wear the veil. This particular argument had begun because a teaching assistant in Yorkshire refused to remove her veil -- a niqab , which covers the whole body except for the eyes -- in the presence of male teachers, which was much of the time. She was fired; she went to court -- and a clutch of senior British politicians entered the fray." The "curious fact is that the veil, as a political issue, won't go away. The French have banned not only the full veil but head scarves in state schools. Some German regions have banned the head scarf for civil servants too, and they are not permitted in Turkish universities at all. Slowly, the issue is coming to the United States: Just this month a Michigan judge dismissed a small-claims court case

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filed by a Muslim woman because she refused to remove her full-face veil while testifying." Critics "call the veil a symbol of female oppression or rejection of Western values. Defenders say that it is a symbol of religious faith and that it allows women to be 'free' in a different sense -- free from cosmetics, from fashion and from unwanted male attention." But on a "much simpler level, surely it is also true that the full-faced veil -- the niqab, burqa or chador -- causes such deep reactions in the West not so much because of its political or religious symbolism but because it is extremely impolite."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Latino And Black Voters Reassessing Ties To GOP."
"Low Pay, High Rent, Wit's End."
"Former Enron CEO Gets 24-Year Sentence."
"Old Rivals Unite In New Nicaragua."
"Police Allege 5 Patients Were Dumped On Skid Row By Hospital."
"Shards Of Agony In Southern Lebanon."

USA Today:
"Species Threatened From Hawaii To The Atlantic Coast."
"USA's Trees Under Relentless Attack From Bugs, Blight."
"War, Economy Sway Race."
"Hyde Asks Rumsfeld To Bolster Fight Against Afghan Heroin."

New York Times:
"Ford Posts Loss Of $5.8 Billion, Worst Since '92."
"In Southwest, A Shifting Away From Party Ties."
"Medical Views Of 9/11's Dust Show Big Gaps."
"Offering Perks, Lenders Court Colleges' Favor."
"War In Sudan? Not Where The Oil Wealth Flows."
"Meat Labels Hope To Lure The Sensitive Carnivore."

Washington Post:
"Fleshing Out a Founding Father."
"Independent Voters Favor Democrats by 2 to 1 In Poll."
"Skilling Gets 24 Years for Fraud At Enron."
"A Political Natural, Railing Against Politics."
"Hackers Zero In on Online Stock Accounts."
"Bush Steers Clear of 'Stay The Course'."

Washington Times:
"Some Republicans Aren't Sharing The Wealth."
"Iraq Urges Coalition Not To Panic, Run."
"Steele Shrugs Off Foe's Attacks."
"Departing Church Gives Up Land."
"Skilling Gets 24 Years In Accounting Scandal."
"Gay Operatives In GOP Spark Questions From Conservatives."
"Housing Slump takes Shine Off Star-Studded Properties."

Detroit Free Press:
"Ar-enemies?"
"Tar Wars: Quit Your Whining Card Fans."

Atlanta Journal-Constitution:
'"the World's Largest Outdoor Cleaned, Scrubbed, All-America Picnic?'"
"Rival Shiite factions Add To Iraq Chaos."
"Coke To Give Land For Rights Museum."
"Skilling's 24-Year Term A Warning To 'Corporate Crooks.'"

Houston Chronicle:
"Hard landing For Skilling."
"Bell's Political revival harder Than Imagined."
"One Common Ground In A Common Struggle."

Story Lineup From Last Night's Network News:
ABC: Campaign 2006; Iraq Timeline-Changing Course; Iraqi Response-Changing Course; Kidnapping-Iraq; Obama Possibly Presidential Bid; Enron CEO Sentenced; Genocide-Darfur; Unrest In Hungry; Bad News For Ford; Stock Market; New Cancer Detection Breakthrough.
CBS: Airline Cargo Safety; Iraq-Sectarian Violence; Genocide-Darfur; Bad News For Ford; Enron CEO Sentenced; Obama Possible Presidential Bid; Campaign 2006; Sean Hannity Opinion-Campaign 2006; New Trade School.
NBC: NBC: Iraq Timeline- Changing Course; Iraq War Analysis; Obama Possible Presidential Bid; Campaign 2006; Enron CEO Sentenced; Housing Market; Human Remains Found-Ground Zero; Bad News For Ford; Gas Prices; Stock Market; Bush Interview; Jane Wyatt Obit.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Administration Iraq policy; ABC News/WPost poll-congressional election' NY-Chinese restaurant shooting; Beef recall; Wall Street.
CBS: Administration-Iraq policy; Iraq-US KIA; Skilling sentenced; Mesaba Aviation-bankruptcy; Study-vegetable diet effect on memory; Wall Street.
NPR: Administration-Iraq policy; Iraq-missing US soldier; ElBaradei-North Korea nuclear program; Wall Street; PA-mine explosion; Study-statins; Gas prices.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Attends Vern Buchanan for Congress reception, Sarasota-Bradenton International

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Convention Center, Sarasota, Fla.; Pool for cameras; attends RNC reception, private residence, Boca Raton, Fla., closed press.

VICE PRESIDENT CHENEY — No public schedule.

LAURA BUSH —Delivers remarks at a Pennsylvania Victory 2006 rally, Sellersville Fire Co., Sellersville, Pa., open press; participates in a tour and accepts the Pearl S. Buck Woman of the Year Award., 520 Dublin Road, Persasie, Pa., pool coverage; delivers remarks at a John Gard for Congress rally, Swan Club, De Pere, Wis., open press.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: MILITARY COMMUNICATIONS _ Milcom 2006, the Military Communications Conference, will be held. Theme: ``Networking the Warfighter." The conference will include classified and unclassified sessions, discussion panels, and tutorials, focused on advanced technology in military communications. Highlights: Location: Wardman Park Marriott, 2660 Woodley Road, NW, and Omni Shoreham Hotel, 2500 Calvert Street NW. The classified program will take place in the Ronald Reagan International Trade Center, 1300 Pennsylvania Ave. NW.

US-CHINA _ Five-day meeting of the US-China Economic and Security Review Commission. Location: Hall of the States, 444 N. Capitol St.

POLAR SATELLITES _ NOAA holds Polar Max 2006, a forum for U.S. and global users of polar-orbiting satellite data. Highlights: 9 a.m. National Weather Service Administrator David Johnson. Location: NOAA Science Center, 1301 East West Highway, Silver Spring.

IRAQ BRIEFING _ 7 a.m. US Ambassador to Iraq Zalmay Khalilzad and Multi-National Force-Iraq Commanding General George W. Casey Jr. hold a joint press conference in Baghdad and will be broadcast live in the Pentagon briefing room. This press conference will highlight the issues concerning the current U.S. Mission-Iraq and Multi-National Force-Iraq efforts to assist and support the people and Government of Iraq. Location: Pentagon briefing room.

ELECTION ANALYSIS _ 8 a.m. Mid-term election analysis with former House Majority Leaders Dick Armey and Dick Gephardt. Also featuring Charlie Cook, Editor and Publisher of The Cook Political Report; moderated by Governor James J. Blanchard, Chair, Government Affairs Practice, DLA Piper. Location: Willard Inter-Continental Hotel, 1401 Pennsylvania Ave. NW.

MIDEAST PEACE-FORUM _ 9 a.m. New America Foundation holds forum on ``Comprehensive Peace-Making in the Middle East: What Next?" With David Kimche, president, Israel Council of Foreign Relations; Daniel Levy, New America Foundation; Mara Rudman, Center for American Progress. Location: 1333 H St. NW, 10th floor.

COLLEGE TUITION-REPORT _ 9:30 a.m. Gaston Caperton, president of the College Board, releases findings from Trends in College Pricing 2006, Trends in Student Aid 2006, and Education Pays Update 2006. Location: National Press Club.

NORTH KOREA-NUCLEAR _ 10 a.m. The US-Korea Institute at SAIS hosts a forum, ``Biography of a Bomb: Portrait of the North Korean Nuclear Program." Participants include Kathryn Weathersby, historian and scholar, who will discuss ``Kim Il Sung's Nuclear Decisions;" and David David Albright, president of the Institute for Science and Intrernational Security, who will present an illustrated portrait of ``The Rise of the Nuclear Facilities at Yongbyeon." Location: Kenney Auditorium, Nitze Building, 1740 Massachusetts Ave. NW.

AMERICAN MUSLIM VOTERS _ 10:30 a.m. The Council on American-Islamic Relations (CAIR) will hold a news conference to release the results of a survey of American Muslim voters. Location: National Press Club, Lisagor Room.

REED-IRAQ _ 10:30 a.m. Sen. Jack Reed-D-R.I., holds a press briefing to discuss the situation in Iraq. Location: Room S-211, Capitol.

VOTING-WEB SITE _ 10:30 a.m. League of Women Voters holds pre-Election Day event to launch new informational web site, VOTE411.org. Location: LWV, Suite 1000, 1730 M St. NW.

BOT-DEMOCRACY _ 10:45 a.m. Netherlands Foreign Affairs Minister Bernard Bot delivers a speech, ``Saving Democracy in a World of Change." Location: Copley Formal Lounge, Georgetown University, 37th & O Streets NW.

RURAL AREAS-ELECTRIC POWER _ 11 a.m. Researchers from the University of North Texas Institute of Applied Economics release a study that concludes rural America will be substantially harmed should the U.S. Supreme Court reverse the lower courts decision in the Duke power New Source Review case due to increased electricity costs. Location: Room 2200, Rayburn House Office Building.

HOMELAND SECURITY OUTLOOK _ The 2007 Homeland Security Outlook Conference will be held. Highlights: 1 p.m. Keynote address by GSA Administrator Lurita Doan. 1:30 p.m. Session on 2007 Homeland Security Appropriations with Ben Nicholson, Subcommittee on Homeland Security House Appropriations Committee; and Patrick Yoest, Congressional Quarterly. 3 p.m. Special Address on 2007 DHS Mission, Budget, & Vision, with Jay Cohen, Under Secretary for Science and Technology U.S. Department of Homeland Security. 3:30 p.m. Session on Business Perspectives on Homeland Security, Frank Rapoport, Partner, McKenna Long & Aldridge; nthony Goins, Senior Director, Defense and Homeland Security, Oracle; Ed Fortunato, Vice President, Government Business Development, Crowley Maritime Corp; and Niloo Howe,

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Director, Paladin Capital Homeland Security Fund. 4:15 p.m. 2007 Homeland Defense Budget & Program Priorities, with Colonel Lenwood (Pete) Landrum, Chief of Staff, Joint Task Force Civil Support. 5 p.m. Adjournment. Location: National Press Club, Ballroom.

PENTAGON-IMCOM _ 1:30 p.m. Gen. Richard Cody, vice chief of staff of the Army, hosts activation ceremony for the new Installation Management Command (IMCOM). IMCOM is designed to improve support programs to soldiers and their families while ensuring its installations are ``flagships of readiness." Location: Pentagon courtyard.

ELECTION REFORM _ 2 p.m. Electionline.org releases update on election reform issues around the country, highlighting areas of concern such as voting machine security, databases and voter ID requirements. Group will also identify key states to watch, including Maryland, New York, Pennsylvania and Ohio. Notes: To participate, call 1-800-214-0694 Passcode: 449563.

PACE BRIEFING _ 3:45 p.m. Chairman, Joint Chiefs of Staff, Gen. Peter Pace, hold a news briefing. Location: DOD Briefing Studio, Pentagon 2E579.

SPACE POLICY _ 4 p.m. The Washington Foreign Press Center holds a background briefing with a senior administration official to discuss ``US National Space Policy. Location: Room 800, National Press Building.

NUCLEAR THREAT _ 7 p.m. Mohamed ElBaradei, director-general of the United Nations International Atomic Energy Agency and recipient of the Nobel Peace Prize in 2005, gives a ``major" speech in which he is expected to place conventional security issues, such as nuclear proliferation, in the broader context of ``human security." Location: Dekelbaum Concert Hall, Smith Performing Arts Center, University of Maryland, College Park.

ROGER JONES AWARDS _ 7 p.m. United States Comptroller General David M. Walker will be the keynote speaker at American University's School of Public Affairs 29th Annual Roger W. Jones Award for Executive Leadership ceremony. Awardees are David W. Altwegg, deputy for agency operatons, Missile Defense Agency; and William Grimson, chief operating officer, Centers for Disease Control and Prevention. Location: Katzen Arts Center's Abramson Family Recital Hall, 4400 Massachusetts Ave. NW.

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PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, US DEPARTMENT OF JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: TUESDAY, OCTOBER 24, 2006 7:45 AM EDT

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TERRORISM NEWS:

Gonzales Praises New U.S. Military Law (UPI)

United Press International, October 24, 2006

LAKE BUENA VISTA, Fla., Oct. 23 (UPI) -- U.S. Attorney General Alberto Gonzales on Monday praised the new Military Commissions Act, saying prisoners now have more rights than they did before.

Gonzales was speaking to a leadership convention of U.S. Judge Advocates General in Lake Buena Vista Fla., and echoed U.S. President George Bush's call for better tools to combat terrorists, whose cause, he said "is nothing less than a return to the Dark Ages."

He said the act, signed into law this month by Bush, gives individuals detained as enemy combatants at the U.S. military prison at Guantanamo Bay, Cuba, "greater legal rights than are provided to lawful prisoners of war under the Geneva Conventions.

"Although our enemy shows nothing but contempt for the law of war and the standards of civilized nations, we provide him with these protections because they are consistent with the values of the United States. These values are among the many hallmarks of civilization that separate us from them," Gonzales said.

BATTLE OVER TERROR LAW BEGINS (ABAJ)

By MOLLY McDONOUGH

ABA Journal, October 20, 2006

Detainees Challenge Measure Barring Habeas Petitions

Not long after the ink dried on President Bush's signature enacting the Military Commissions Act of 2006 on Oct. 17, lawyers for Guantanamo detainees filed notice of plans to challenge the legislation.

As Bush signed the act, he said it is "one of the most important pieces of legislation in the war on terror." Among other things, it grants the president the authority to establish military commissions to try detainees who have been designated enemy combatants and defines the policies and procedures of the commissions.

Speaking from the East Room at the White House, Bush said the "military commissions will provide a fair trial in which the accused are presumed innocent, have access to an attorney, and can hear all the evidence against them."

"These military commissions are lawful, they are fair, and they are necessary," he said.

But the detainees dispute the fairness and lawfulness of the act. Specifically, they challenge section 7, which strips the federal courts of jurisdiction to hear habeas petitions from those who are designated as enemy combatants or are awaiting such determinations.

Other critics have raised similar objections, including ABA President Karen J. Mathis, who outlined the ABA's concerns in a September letter.

Miami lawyer Neal R. Sonnett says, "The signing formalizes what is one of the worst pieces of legislation in decades. It sets back the rule of law substantially, especially the court-stripping provisions which the ABA will continue to fight." Sonnett chairs the ABA's Task Force on Treatment of Enemy Combatants.

It's no surprise to Sonnett that the habeas provisions are the first issues to surface in the courts because, he says, "there is no precedent to the wholesale stripping of rights that are in" the act.

Sonnett says the ABA, following on the heels of several other organizations, will be asking the government to allow time for the public to comment on the rules that are developed for the military commission trials.

A detainee whose case has already been to the U.S. Supreme Court has filed a motion asking for an opportunity to brief the issue. Salim Ahmed Hamdan filed the request in the U.S. District Court for the District of Columbia, which was assigned to hear his claims challenging his detention for more than five years at the U.S. naval base at Guantanamo Bay, Cuba.

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The Supreme Court ruled in Hamdan v. Rumsfeld, 126 S. Ct. 2749, earlier this year that the previous structure of the military commissions was unconstitutional, and it remanded his case to the D.C. court. (See "High Court Blocks Tribunals," ABA Journal eReport, June 30.)

Hamdan's motion argues "section 7 of the [act] is unconstitutional on multiple grounds" and doesn't strip the district court of jurisdiction to consider his detention claims. "The Constitution provides a right to habeas relief independent of statutory authorization, a privilege that has not been validly suspended."

Another group of detainees also filed a motion to file supplemental briefs on the court-stripping provisions in their cases, now before the U.S. Court of Appeals for the District of Columbia Circuit. Their cases are pending under the captions Boumediene v. Bush, No. 05-5062, consolidated with No. 05-5063, and Al Odah v. United States, No. 05-5064, consolidated with Nos. 05-5095-05-5516.

In addition to wanting to argue about habeas protections, the detainees in the appellate group want a chance to explore whether the act "unconstitutionally nullifies the ability of the petitioners to pursue their claims under the Geneva Conventions" and whether it "unconstitutionally delegates to the executive powers reserved to the judicial branch."

But the government, in a letter filed with the court Oct. 17, objected to any more briefing in the Boumediene and Al Odah cases, saying the jurisdiction issue had already been argued and briefed. In the letter, Catherine Y. Hancock, an appellate attorney in the Justice Department's civil division, argued the Military Commissions Act "unambiguously eliminates district court jurisdiction over petitioners' claims."

"The court should therefore decide that issue and the merits of these appeals forthwith, based on the existing briefing," Hancock concluded.

Italy's Top Spy Is Expected To Be Indicted In Abduction Case (NYT)

By Ian Fisher And Elisabetta Povoledo

The New York Times, October 24, 2006

ROME, Oct. 23 — Italy's top spy is expected to be replaced in the coming days, as prosecutors seek his indictment on charges connected to the abduction of a militant Egyptian cleric in Milan by American intelligence agents in 2003.

The expected indictment of the spy, Nicolò Pollari, is part of a sprawling investigation here, the first in which government officials have essentially been charged with cooperating with Washington to violate the laws of their own government. If Mr. Pollari is indicted, he would be by far the most prominent official charged in relation to the scores of abductions of suspected terrorists around the world since the Sept. 11, 2001, attacks.

The case's practical impact on the program of transferring terrorism suspects to another country for questioning, known as rendition, is not clear. Some experts say the program was already languishing, after revelations last year that some abductees ended up in secret prisons.

But any trial, especially one involving a prominent official like Mr. Pollari, could shed uncomfortable light on how American allies cooperated in one of the most controversial tactics in the Bush administration's fight against terrorism.

Twenty-five operatives for the Central Intelligence Agency are named in the case, and documents filed by prosecutors here are full of specific information: phone and credit card numbers, tapped phone calls and surveillance photographs.

Perhaps most difficult for Italy, a trial would raise the possibility of showing collusion at the highest levels of government under the prime minister at the time, Silvio Berlusconi. Intelligence experts say it is highly unlikely that Italy did not give explicit approval of the operation, especially since the kidnapping took place right before the invasion of Iraq — and Italy was one of only a few European governments to support the war.

"The idea that either the director of central intelligence or the White House — and this would have had to go to the president — would have agreed to conduct the operation unless they were absolutely sure the Italian government was behind it is laughable," Michael Scheuer, a former senior American intelligence analyst, said in an interview. "It's not even in the realm of possibility."

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Earlier this month, Armando Spataro, one of the chief prosecutors in the case, told members of the European Parliament in a briefing that "at this point" he had "no evidence" of anyone higher than Mr. Pollari being involved. Mr. Berlusconi and other top officials of his government have repeatedly denied any knowledge of the kidnapping.

Prosecutors made their case public last year, and officially closed the investigation earlier this month. Lawyers for the defendants have at least until the end of the month to examine the evidence. After that, the prosecutors said they intended to ask for indictments.

Mr. Pollari has consistently denied any role in the kidnapping, and his lawyers say he has been unable to defend himself fully because of Italian secrecy laws, though prosecutors contend they do not apply.

One of his lawyers, Titta Madia, said that Mr. Pollari's actions must be seen within a "larger picture" in which he must maintain secrecy. "It's a delicate theme because it pertains to international relations and national security in a tragic political moment," he said.

In February 2003, the Egyptian cleric, Hassan Mustafa Osama Nasr, known as Abu Omar, disappeared from a street in Milan. While the Italian news media reported it as a kidnapping, the case was officially unsolved.

But in June 2005, prosecutors in Milan ordered the arrest of 13 C.I.A. operatives. Since then, the case has slowly expanded to include other American operatives in Italy at the time — all have since left the country — and top Italian intelligence officers, including Mr. Pollari himself, who has been the head of military intelligence since 2001.

Prosecutors allege that Mr. Pollari, one of 39 defendants, cooperated with the C.I.A. in "promoting and organizing" the abduction by issuing orders to an Italian intelligence agent to assist in the planning of the kidnapping. In his briefing to the European Parliament, Mr. Spataro said he was not alleging that Italian intelligence agents took part in the actual kidnapping. All 39, many of them Americans, are subject to indictment.

The prosecution's evidence rests in some 28 closely held boxes of material, much of it detailing interrogations of suspects, telephone records and transcripts of intercepted telephone conversations. In one of the most potentially damaging transcripts, made in June, two of the nation's top spies — one of them dying of cancer, the other secretly recording the conversation to absolve himself — discussed whether it was the C.I.A. or Mr. Pollari who had given one of them a list of names of people, including Abu Omar, who were to be "taken away."

"The director, the director," said one of the spies, Gen. Gustavo Pignero, referring to Mr. Pollari. "The director gave me the envelope." Mr. Pignero, who died in September, was one of Mr. Pollari's top deputies.

But in the court documents, Mr. Pollari comes off as unhappy about any possible abductions. According to testimony General Pignero gave to prosecutors, the C.I.A.'s former station chief in Italy gave Mr. Pollari a list of people, including Abu Omar, whom he said the C.I.A. was interested in abducting.

"It was clear it was a project of aggressive search, which foresaw the capture of the terrorists and Abu Omar in particular, with procedures which were outside the law," General Pignero testified in July.

"Pollari agreed with me that we could not certainly enter into the kidnapping plot," he testified. "He said we could find a point of balance consistent with carrying out the verifications to track down" Abu Omar "and tell the Americans without being involved in the operation."

Prosecutors allege that Mr. Pollari and others knew that the C.I.A. planned to abduct Abu Omar and that they had been asked to track him down in Milan, an action that would violate Italian law by abetting a kidnapping.

The case also has implications for Italy's long and generally friendly relations with the United States. Prosecutors are asking for the extradition of 26 Americans charged in the case, though neither Mr. Berlusconi's government nor that of the current prime minister, Romano Prodi, have done so.

Some experts also see implications for Europe's cooperation with Americans in possible terrorist cases, at a time when many Europeans are wary about abductions and secret prisons as violations not only of law but also of human rights.

"I think that the leaders of European governments should cooperate with the United States, but within the law," Terry Davis, the secretary general of the Council of Europe, said in an interview. "There is no small print in the European Convention on Human Rights to the effect that human rights do not apply if you are cooperating with the United States of America."

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The Refugee Mess (WP)

The Washington Post, October 24, 2006

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THE BUSH administration planned to admit 70,000 refugees this past fiscal year; Congress provided funding for 54,000. In the event, the United States admitted fewer than 42,000 -- a figure significantly lower than in either of the previous two years. The main reason for the shortfall in this crucial humanitarian program, according to recent State Department testimony before Congress, is the irrationally broad definitions in current law regarding terrorism, terrorist groups and material support for terrorism -- definitions that end up excluding as terrorists people who should be protected.

The law bars as refugees people who have been members or supporters of any group with "two or more individuals, whether organized or not, [which] engages in, or has a subgroup which engages in" activities as broad as using an "explosive, firearm or other weapon or dangerous device." The result has kept out the sort of people America's traditionally generous refugee policy was designed to help.

The law gives the administration some waiver flexibility, which it rightly has begun using recently on behalf of many ethnic Karen and Chin victims of the Burmese military junta. But that is only a partial fix, for the administration does not have the power to admit refugees who were members of groups that bore arms -- even those allied with this country. So the law continues to keep out what Ellen Sauerbrey, assistant secretary of state in charge of refugees, recently described to a Senate subcommittee as "other meritorious cases, such as Cuban anti-Castro freedom fighters, Vietnamese Montagnards who fought alongside of U.S. forces and Karen who participated in resistance against brutal attacks on their families and friends by the Burmese regime."

The administration seems newly open to the idea of fixing the law to give itself flexibility concerning members of groups that meet the absurdly broad definition of terrorist. That would be a breakthrough. A country's willingness to welcome victims of repressive governments and war zones is a measure of its values, and this country has traditionally led the world in refugee resettlement. Not every armed group is a terrorist organization; American policy should not treat victims of the worst sort of violence like perpetrators of it.

HOMELAND RESPONSE:

Times Is Ordered To Reveal Columnist's Sources (NYT)

By Neil A. Lewis

The New York Times, October 24, 2006

WASHINGTON, Oct. 23 — A federal magistrate judge has ordered The New York Times to disclose the identities of three confidential sources used by one of its columnists, Nicholas Kristof, for pieces he wrote about the investigation of the deadly anthrax mailings of 2001.

The order, issued Friday by Magistrate Judge Liam O'Grady, requires the newspaper to disclose the identities of the three sources to lawyers for Dr. Steven J. Hatfill, who has brought a defamation suit against The Times. The order was disclosed Monday.

Catherine Mathis, a spokeswoman for The Times, said the newspaper would appeal the ruling.

Dr. Hatfill, a germ warfare specialist who formerly worked in the Army laboratories at Fort Detrick, Md., has asserted that a series of columns by Mr. Kristof about the slow pace of the anthrax investigation defamed him because they suggested he was responsible for the attacks.

Five people died in the attacks. Although the federal authorities identified Dr. Hatfill as a "person of interest" in the case, they have not charged him with any crimes.

At a deposition on July 13, Mr. Kristof declined to name five of his sources for the columns, but two have subsequently agreed to release him from his pledge of confidentiality. Judge O'Grady's ruling identifies the remaining unnamed sources as two Federal Bureau of Investigation agents and a former colleague or friend of Dr. Hatfill at Fort Detrick.

The judge ruled that the laws of Virginia applied and that under that state's law, reporters have only a qualified privilege to decline to name their sources that may be outweighed by other factors.

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He wrote that for Mr. Hatfill to have a chance of meeting his burden of demonstrating that he was defamed by the columns, he "needs an opportunity to question the confidential sources and determine if Mr. Kristof accurately reported information the sources provided."

Mr. Kristof wrote about a government scientist he initially referred to as "Mr. Z," saying he had become the overwhelming focus of the investigation. In August 2002, he wrote that Dr. Hatfill had acknowledged he was Mr. Z. at a news conference in which he said he had been mistreated by the news media.

The lawsuit was originally dismissed by a federal judge in Virginia in 2004. A divided three-judge panel of the United States Court of Appeals for the Fourth Circuit in Richmond reinstated the case and the full appeals court, by a 6-to-6 vote, declined to overturn that ruling. The Supreme Court declined to intervene last March.

Judge O'Grady wrote: "The court understands the need for a reporter to be able to credibly pledge confidentiality to his sources. Confidential sources have been an important part of journalism, which is presumably why Virginia recognizes a qualified reporter's privilege in the first place."

He said Virginia law required the use of a three-part balancing test as to whether there is a compelling need for the information, whether the information is relevant and whether it may not be obtained any other way.

New York Times Ordered To Disclose Sources In Anthrax Libel Suit (NSDY/AP)

By Matthew Barakat, Associated Press Writer

Long Island Newsday, October 24, 2006

ALEXANDRIA, Va. -- A federal judge ordered The New York Times to disclose a columnist's confidential sources as part of a libel lawsuit filed over the newspaper's coverage of the 2001 anthrax attacks.

Former Army scientist Steven Hatfill, once identified by authorities as a person of interest in the anthrax mailings that killed five people in late 2001, is suing the Times for libel for a series of articles written by columnist Nicholas Kristof.

The order issued Friday by U.S. Magistrate Judge Liam O'Grady requires the newspaper to disclose the identities of three of Kristof's sources, including two FBI sources who allegedly provided some of the most incriminating information in Kristof's columns. The order was made public Monday.

The judge said Virginia law gives reporters only limited immunity from disclosing sources and privilege is outweighed by Hatfill's right to proceed with his lawsuit.

The court "understands the need for a reporter to be able to credibly pledge confidentiality to his sources," O'Grady wrote. "But that privilege must be balanced against the rights of a plaintiff."

Times spokeswoman Catherine Mathis said the paper would appeal the ruling.

Hatfill's lawyers said they need to question the sources to see if Kristof's reporting was accurate. The FBI sources told the Times that Hatfill was one of a limited number of people with the access and technical expertise to manufacture the anthrax and that he failed several lie-detector tests.

The FBI agents "are the only sources who would have the type of inside information on which the columns claim to rely," said Charles Kimmett, one of Hatfill's lawyers.

Hatfill was a a physician and bioterrorism expert who worked at the Army's infectious disease laboratory at Fort Detrick, Md., in the late 1990s.

The Department of Justice refuses to discuss Hatfill but has recently acknowledged that the strain of anthrax used in the attacks was accessible to a much wider circle of people than initially reported.

New York Times Columnist Must Reveal Sources, Judge Rules (WP)

By Jerry Markon

The Washington Post, October 24, 2006

A federal judge has ordered the New York Times Co. to disclose the confidential sources used by Nicholas D. Kristof in columns that explored whether a former Army scientist was responsible for the deadly 2001 anthrax attacks.

The ruling, made public yesterday, came in a lawsuit filed by the former scientist, Steven J. Hatfill, contending that the paper defamed him in a series of Kristof columns in 2002 that identified him as a "likely culprit." Hatfill has been identified by

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authorities as a "person of interest" in the anthrax-spore mailings that killed five people and sickened 17. No one has been charged in the attacks.

Hatfill's attorneys are seeking to compel Kristof to reveal his sources, arguing that questioning them is vital to their case. Kristof has refused. U.S. Magistrate Judge Liam O'Grady in Alexandria sided with Hatfill and ordered the journalist to disclose the identity of the three sources by tomorrow.

"The court understands the need for a reporter to be able to credibly pledge confidentiality to his sources," O'Grady wrote in his ruling Friday. But the judge said Hatfill "needs an opportunity to question the confidential sources and determine if Mr. Kristof accurately reported information the sources provided."

The Times said yesterday that it plans to appeal, and Kristof vowed to continue protecting his sources. "We were disappointed with the decision because we believe that confidential sources are sometimes very important in covering government investigations," Kristof said in an interview. "And I'm passionate about protecting the confidentiality of my sources."

The ruling is the latest in a series of court defeats for journalists trying to shield news-gathering activities from the legal process. Judges have ordered reporters covering issues ranging from baseball's steroid scandal to the investigation into the leak of CIA officer Valerie Plame's identity to disclose confidential sources. In the Plame case, former New York Times reporter Judith Miller spent 85 days in jail for refusing to comply.

But those were criminal cases; Hatfill's is a civil lawsuit. Legal experts said it is relatively common for judges to order journalists to reveal confidential sources in a libel lawsuit, but the journalist is rarely jailed for resisting.

If the journalist does refuse, a judge often strips him or her of the defense that the information was based on sources, which can expose media companies to significant liability, said Rodney A. Smolla, dean of the University of Richmond Law School and an expert on First Amendment law. "The journalist is being told you cannot have your cake and eat it, too," Smolla said. "You can't rely on the existence of this source but not let the jury and the court and the plaintiff explore the nature of the source."

In a series of columns in 2002, Kristof criticized the FBI for failing to aggressively pursue a scientist he initially called "Mr. Z." He wrote that the biodefense community had called Mr. Z a "likely culprit," partly because the scientist was familiar with anthrax.

Kristof later acknowledged that Hatfill was Mr. Z. He also wrote that Hatfill deserved the "presumption of innocence."

Hatfill, a former researcher at the Army's infectious disease research laboratory at Fort Detrick in Frederick, has been trying to clear his name ever since then-Attorney General John D. Ashcroft publicly called him a person of interest in 2002. An attorney for Hatfill did not return telephone calls late yesterday.

Hatfill's lawsuit against the Times Co., filed in 2004 in U.S. District Court in Alexandria, was dismissed by a federal judge but then reinstated and sent back to Alexandria last year by a federal appeals court.

When Kristof was deposed in July, two of his sources were identified -- although not by name -- as FBI employees involved in the anthrax investigation, court papers said. A third was a colleague or friend of Hatfill's. Two other sources agreed to release Kristof from his pledge of confidentiality and reveal their identities, the papers said.

Federal Judge Orders New York Times To Identify Confidential Sources (NYS)

By Josh Gerstein, Staff Reporter of the Sun

New York Sun, October 24, 2006

A federal magistrate in Virginia has ordered the New York Times to identify three confidential sources used by one of its columnists, Nicholas Kristof, in articles he wrote about the FBI's investigation into anthrax-laden mailings that killed at least five people in 2001.

The order came Friday in a libel suit filed by a former Army scientist who was eventually described by the Justice Department as a "person of interest" in the anthrax probe, Steven Hatfill. He contends that his reputation was besmirched unfairly by Mr. Kristof's columns, which castigated the FBI for not doing more to investigate Mr. Hatfill.

Mr. Hatfill has vehemently denied any involvement in the mailings. No one was ever charged in connection with the case.

Magistrate Liam O'Grady ruled that Mr. Hatfill was entitled to know the identities of Mr. Kristof's sources in order to pursue the libel claim.

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"In order for plaintiff to meet its burden in the defamation case and offer evidence as to the reporter's state of mind, plaintiff needs an opportunity to questions the confidential sources and determine if Mr. Kristof accurately reported information the sources provided," Magistrate O'Grady wrote.

The magistrate ordered the Times to identify the sources by tomorrow, but the newspaper filed an emergency motion yesterday asking to stay the deadline while the judge overseeing the case, Claude Hilton, reviews the ruling.

If Judge Hilton upholds the order and the Times refuses to comply, the judge could fine the newspaper, take some punitive measure if the libel suit goes to trial, or jail an employee or officer of the Times for contempt.

"These days it seems courts kind of like the monetary sanction," a professor of press law at the University of Minnesota, Jane Kirtley, said. "Jail is possible, although in my experience that's pretty rare in libel cases."

Ms. Kirtley said the judge could instruct jurors to assume the sources in question did not exist, a finding that she said "essentially means" the Times would lose the suit.

Magistrate O'Grady said one reason testimony from the sources was needed is that discrepancies have arisen between sources Mr. Hatfill's legal team has been able to identify and Mr. Kristof's accounts of his conversations with those sources. According to Mr. Hatfill's lawyers, a SUNY Purchase biologist who served as a source for the columnist, Barbara Rosenberg, denied Mr. Kristof's claim that she said Mr. Hatfill was certain to have the ability to make "first-rate anthrax."

Ms. Rosenberg also initially denied having asked for confidentiality, as the Times asserted, but she later said she might have.

A spokeswoman for the Times, Catherine Mathis, said in a statement that Mr. Kristof "clearly recalls" getting information on condition of anonymity from Ms. Rosenberg. The spokeswoman also said Mr. Kristof's promise "was consistent with Times policy."

Lawyers for the Times argued that Mr. Kristof's sources were entitled to protection under so-called reporters' shield laws on the books in New York and Maryland, but Magistrate O'Grady ruled that Virginia law applied and offered no quarter to the newspaper.

The Times also argued unsuccessfully that any order to disclose sources be delayed until the court determines whether Mr. Hatfill should be considered a public figure.

Only the last of the five columns at issue in the suit actually identified Mr. Hatfill by name. The other four described him in a way he contends allowed friends and acquaintances to recognize him.

In 2004, Judge Hilton dismissed the libel case, ruling that Mr. Kristof's columns did not accuse Mr. Hatfill of being the anthrax mailer. However, last year, a panel of the 4th Circuit Court of Appeals voted, 2–1, to reinstate the suit. "A reasonable reader of Kristof's columns likely would conclude that Hatfill was responsible for the anthrax mailings," Judge Dennis Shedd wrote for the majority.

The Times sought a review by the full bench of the 4th Circuit and by the Supreme Court, but both declined to take up the case.

Mr. Hatfill, who claims to have been rendered unemployable by the anthrax-related publicity, is also pursuing a Privacy Act lawsuit against the federal government and a separate libel suit over Vanity Fair and Readers Digest about the anthrax mystery.

Amerithrax Demand (RC)

By Paul Kane And Tory Newmyer

Roll Call, October 24, 2006

Sen. Chuck Grassley (R-Iowa) formally demanded a briefing by the FBI before Thanksgiving on the status of its five-year investigation into the fall 2001 anthrax attacks.

In a pointed, five-page letter to Attorney General Alberto Gonzales, dated today, Grassley attacked the FBI's "blanket prohibition" on briefing Capitol Hill about the attacks, which included two letters directed at sitting Senators and left five people dead and more than a dozen injured. Roll Call reported the three-year-old ban on anthrax briefings Oct. 12, with the bureau saying it was necessitated by Congressional leaks.

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"If some individual did act inappropriately by speaking to the media about an FBI briefing, stiff-arming Congress on all future requests is an unacceptable over-reaction. The FBI doesn't become exempt from scrutiny just because there may have been an inappropriate disclosure by someone on Capitol Hill," wrote Grassley, a senior member of the Judiciary Committee and FBI critic for more than two decades.

Grassley raised the specter that the lack of briefings may instead have been prompted by an investigation that "has little in the way of results to show for its work."

He asked Gonzales to force an FBI briefing by Nov. 21, the anniversary of the last death traced to the anthrax letters.

Eye Spy. Google Earth, the search giant's global mapping initiative, is getting into the swing of the midterms.

Over the weekend, Google Earth added an election guide that allows users to superimpose Congressional boundaries over satellite images of the United States and then scroll across the map to gather real-time information about races. Clicking on a star placed over each district brings up a list of candidates and also links to news about them and information about their campaign finances.

Google Earth product manager Chikai Ohazama said his team of programmers worked overtime to assemble the feature, gathering information district by district. "The target audience is really people across the country who want to learn more about their candidates and haven't in the past," a company spokeswoman said.

Roughly 100 million people have downloaded Google Earth in less than a year since its launch, company officials say. Ohazama said he expects the election guide to stay up for the next two weeks and come down shortly after Election Day. The company plans to resurrect the feature around future election seasons.

Anthrax Blackout (RC)

Roll Call, October 24, 2006

It is simply unacceptable, as a matter of proper respect between the legislative and executive branches of government, that the FBI is not informing Congress of its progress, or lack of it, in tracking down those who killed five people with anthrax in 2001 and, but for luck, might have killed many more on Capitol Hill.

As Roll Call reported on Oct. 12, the FBI is claiming that it halted regular briefings on the anthrax case in late 2003 "after sensitive information about the investigation citing Congressional sources was reported in the media."

Admittedly, there is an unfortunate history of Congressional leaks of classified information, and there is an equally unfortunate history of failure to find and punish those responsible for sensitive leaks. Still, it is Congress' responsibility to fund and oversee the activities of the federal government, and to do its job, Congress should demand access to information about the anthrax attacks.

This isn't just because Congress itself was the target of anthrax-laced envelopes addressed to then-Senate Majority Leader Tom Daschle (D-S.D.) and Sen. Patrick Leahy (D-Vt.), an attack that resulted in 28 Congressional employees testing positive for exposure to a deadly strain of anthrax and a shutdown of the Hart Building for a lengthy decontamination. Hill staffers had been briefed on the danger of an anthrax attack, and the powder was spotted when it spilled out of an envelope opened by an aide to Daschle.

The letters contained the message, "Are you afraid? Death to America. Death to Israel. Allah is great," though the attack may not have been the work of Islamic terrorists. Regardless, Congress has a responsibility to know how well the FBI and other federal agencies are faring in the global war on terrorism. Congress needs to know whether the FBI has a clue about whether the anthrax attack was part of the war on terror.

The FBI Web site's "Amerithrax" page discloses that the agency has 19 special agents working on the case and that they've conducted 9,100 interviews, issued more than 6,000 subpoenas and carried out 67 searches around the globe. An FBI spokeswoman told Roll Call that "we've made progress, and it's an incredibly active and productive investigation."

Oh? In 2002, the Justice Department publicly fingered a former U.S. military germ expert, Steven Hatfill, as "a person of interest" in the case. But he was never arrested or charged, conjuring up memories of the FBI's false accusations against Richard Jewell as the perpetrator of the Atlanta Olympics bombing in 1996.

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Hatfill has sued the Justice Department and the FBI, charging that government leaks ruined his career. Is the FBI keeping Congress in the dark to protect a "productive" investigation, or to prevent embarrassment in court? Congress has a right to know. Indeed, it has a solemn responsibility.

Man Pleads Guilty To JetBlue Bomb Threat (KCAL)

KCAL-TV, October 24, 2006

(CBS) LOS ANGELES A Miami Beach man, 21, pleaded guilty Monday to a federal felony charge for calling in a bomb threat for a JetBlue flight at Long Beach Airport after he arrived too late to board the plane.

Yechezkel Wells entered his plea to a charge of conveying false information of a threat targeting an airplane. He could be sentenced to probation under a plea deal with prosecutors, although U.S. District Judge Florence-Marie Cooper will have the final say on sentencing when Wells returns to court Jan. 29.

Wells, who came to town with several friends to attend a wedding, apparently was upset when he arrived late for an evening flight to Fort Lauderdale on Aug. 26 and wasn't allowed to board, according to authorities.

The Florida resident, described by his lawyer as a college student, was quickly detained by FBI agents, along with three friends who were released after questioning.

Well's lawyer, Donald Etra, said outside court that his client "apologizes to the passengers of JetBlue" who were delayed for about one hour while bomb-sniffing dogs were used to search the plane.

"This was a momentary gross lapse in judgment," Etra said. The prosecutor in the case, Assistant U.S. Attorney Donald Gaffney, said outside court that although Wells may not be sentenced to time behind bars, he now has a felony on his record.

"That's something we want people to realize, that we take this very seriously," Gaffney said.

According to an affidavit signed by FBI Agent David Gates, Wells admitted making a 911 call from an airport pay phone sometime after 9:10 p.m., after a JetBlue supervisor refused to issue him a boarding pass for Flight 243 because he was late.

In his plea agreement, Wells acknowledged that he made the hoax call to try to keep the plane from leaving.

Wells remains free on bond.

Man Pleads Guilty To Calling In Bomb Threat To SoCal Airport (SLOT)

San Luis Obispo Tribune, October 24, 2006

LOS ANGELES - A Florida man pleaded guilty Monday to calling in a bomb threat to the Long Beach Airport after he arrived too late to board his flight, authorities said.

Yechezkel Wells, 21, of Miami Beach, entered his plea in U.S. District Court to a felony count of conveying false information of a threat targeting an airplane. Wells, who remains free on bond, is scheduled to be sentenced Jan. 29. He faces probation to five years in prison.

Wells, a college student with dual citizenship in the U.S. and Israel, was arrested Aug. 26 shortly after he called 911 from a pay phone and said there was a bomb on a JetBlue flight from Long Beach to Fort Lauderdale, Fla. In his plea agreement, Wells acknowledged he made the call to try to keep the plane from leaving.

Court documents said Wells did not have a bomb and was upset that an airline employee wouldn't allow him to board because of federal rules that require airlines to close a flight 30 minutes before takeoff.

He told investigators he had hoped the threat would delay the flight and possibly allow him to board, authorities said.

Wells' lawyer, Donald Etra, said outside court that his client "apologizes to the passengers of JetBlue" who were delayed for about one hour while bomb-sniffing dogs searched the plane.

"This was a momentary gross lapse in judgment," Etra said.

Medical Views Of 9/11's Dust Show Big Gaps (NYT)

By Anthony Depalma

The New York Times, October 24, 2006

In 2004, Kenneth R. Feinberg, special master of the federal Sept. 11 Victim Compensation Fund, awarded $2.6 million to the family of a downtown office worker who died from a rare lung disease five months after fleeing from the dust cloud released

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when the twin towers fell. That decision made the worker, Felicia Dunn-Jones, a 42-year-old lawyer, the first official fatality of the dust, and one of only two deaths to be formally linked to the toxic air at ground zero.

The New York City medical examiner's office, however, has refused to put her on its official list of 9/11 victims, saying that by its standards there was insufficient medical evidence to link her death to the dust.

Mrs. Dunn-Jones's case shows how difficult it can be to prove a causal connection with any scientific certainty — and how even government agencies can disagree. With thousands of people now seeking compensation and treatment for dust exposure, the debate about the relationship between the toxic particles and disease will be a central issue in the flood of Sept. 11-related lawsuits. Health experts are starting to document the connections, but any firm conclusion is still years away.

Most of the suits involve workers who spent weeks and months on the pile at ground zero and say the city and other agencies failed to protect them from the toxic dust. Others involve residents who say they were made sick by dust that settled in their homes. Mrs. Dunn-Jones was among those downtown office workers caught in the initial fallout.

The question that arises in all these cases is straightforward: Can a link between the dust and disease be proved with scientific certainty? The answer is anything but simple.

"Certainty is a word we always dance around," said Joseph Graziano, associate dean for research at the Mailman School of Public Health at Columbia University. For him, searching for the cause of disease is like developing film. "At first you see a faint image of what the real picture is," Dr. Graziano said, "and then, over time, you see it with much more clarity. In these relatively early times, the image is still faint."

It can take decades to approach any degree of certainty. For instance, only after years of observation did doctors agree that there was a strong link between asbestos and diseases like asbestosis and mesothelioma.

In legal cases, "a reasonable degree of medical certainty" is considered the gold standard in making a causal connection. Last week, a federal judge cleared the way for thousands of workers' lawsuits to go to trial. When the cases are heard, any proof that does not meet that legal standard is likely to be challenged.

But outside the courtroom, scientists say, even a less rigorous link could be sufficient to warrant expanding the range of illnesses covered by treatment programs, and to serve as the basis for issuing cautions to people in high-risk groups. When the health effects are too new or the evidence is too vague for a strong link, lesser indicators like the concurrence of different studies have to be relied on.

For example, nearly every ground zero study shows that workers and residents exposed to the dust in the hours after the collapse have suffered the worst health problems. The consistency in that data has helped doctors monitor and treat people since Sept. 11.

And it may also help explain why Mrs. Dunn-Jones, a dynamic civil rights lawyer with the United States Department of Education, became so sick so quickly. As she was swallowed by a whirling dust plume filled with asbestos, benzene, dioxin and other hazards when the first tower fell, all she could do was cover her nose and mouth as she fled from her office one block north of the World Trade Center.

It was night by the time she got home to Staten Island. "She was in a state of shock," her husband, Joseph Jones, recalled. Her clothes were still dusty, but he didn't pay much attention. "I was just so happy to see her," he said.

For the next few months, life returned to normal, until Mrs. Dunn-Jones developed a cough. In January 2002, the cough grew worse. On Feb. 10, she suddenly stopped breathing and died.

Mr. Jones, 54, an assistant manager at a Brooklyn pharmacy, was stunned. Then, when he received the official death certificate months later, he was shocked to see an unfamiliar word — sarcoidosis.

"Even though I was in the medical field, I had never heard of it," he said.

After reading several medical reports on sarcoidosis — including one by Dr. David J. Prezant, deputy chief medical officer of the New York Fire Department — Mr. Jones and his lawyer, Richard H. Bennett, wondered if Mrs. Dunn-Jones's mysterious death could be linked to 9/11 dust because sarcoidosis, which produces microscopic lumps called granulomas, on vital organs, is often associated with exposure to environmental hazards.

They took the case to Mr. Feinberg and the victim compensation fund, which gave $7 billion to the families of those killed or injured on 9/11.

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Mr. Feinberg initially expressed doubts about the claim and demanded to see definitive medical evidence linking Mrs. Dunn-Jones's sarcoidosis to the dust.

Dr. Prezant, who declined to be interviewed for this article, was one of two experts who testified at a hearing conducted by Mr. Feinberg. In the first four years after 9/11, he found 20 cases of sarcoidosis in the Fire Department, a rate of 80 per 100,000 in the first year (with treatment, all are now stable), compared with a national rate of fewer than 6 per 100,000, according to the American Thoracic Society.

The other expert was Dr. Alan M. Fein, a clinical professor of medicine at the New York University School of Medicine. He, too, was skeptical at first, but he said he changed his mind after reviewing Mrs. Dunn-Jones's medical record, including the autopsy report. "I'm comfortable saying her death was caused by exposure to the dust," Dr. Fein said in an interview.

In March 2004, Mr. Feinberg agreed, making Mrs. Dunn-Jones's death the only dust-related fatality recognized by the fund. Only one other death has been formally linked to the dust: In April, a New Jersey coroner determined that James Zadroga, 34, a New York City police detective, had died of a disease similar to sarcoidosis, also caused by his exposure to ground zero dust.

Mr. Jones welcomed the settlement from the victim compensation fund, and believes that his wife was a 9/11 victim as surely as if she had died in the towers. He sent Mr. Feinberg's decision to the city's chief medical examiner, Dr. Charles S. Hirsch, and asked that his wife be put on the official list so that her name could be read on Sept. 11. Dr. Hirsch refused, a spokeswoman said, because the available evidence did not prove the connection "with a reasonable degree of medical certainty"— the highest medical standard generally used in legal cases.

Mr. Feinberg's decision had been based on a different standard: a preponderance of medical evidence.

That was proof enough for the Staten Island Memorial Commission, which has engraved Mrs. Dunn-Jones's name on the bone-white memorial on the island's north shore.

Representative Carolyn B. Maloney, who has fought to get medical care for 9/11 victims, said the contradictory conclusions about Mrs. Dunn-Jones's death underscored the importance of deciding who has the final say on causal links. "They should be medical decisions, not political ones," she said, suggesting that city officials may have a conflict of interest in making such determinations since the city is a defendant in the ground zero workers' lawsuits.

She has introduced a bill to reopen the federal compensation fund to people whose illnesses became known after the original eligibility period ended in 2003.

In the effort to collect definitive data, Dr. John Howard, the federal government's 9/11 health coordinator, recently circulated a draft set of autopsy protocols that directs pathologists to use a standard of proof that establishes both biological plausibility and unequivocal evidence of a causal connection to the dust. But doctors and elected officials have said those standards are so restrictive that almost no death could be linked to the dust for years to come. A spokesman for Dr. Howard said the guidelines were being refined.

In another effort, the Mount Sinai Medical Center, which has screened thousands of ground zero workers, has begun a long-term study of the incidence of diseases to identify any rates that exceed national averages.

"Right now we're in the process of confirming every case of interstitial lung disease, every cancer, every sarcoidosis that has been reported to us by responders in their visits," said Dr. Jeanne M. Stellman, director of the public health program at Columbia University, is leading the data collection project.

"We are actively trying to determine whether Detective Zadroga and Mrs. Dunn-Jones are alone," she said. "And we are trying to find a way to do this that is scientifically correct while also being responsive to the needs and fears of the communities involved."

WAR NEWS:

Bush's New Tack Steers Clear Of 'Stay The Course' (WP)

By Peter Baker

The Washington Post, October 24, 2006

DOJ_NMG_0085394

President Bush and his aides are annoyed that people keep misinterpreting his Iraq policy as "stay the course." A complete distortion, they say. "That is not a stay-the-course policy," White House press secretary Tony Snow declared yesterday.

Where would anyone have gotten that idea? Well, maybe from Bush.

"We will stay the course. We will help this young Iraqi democracy succeed," he said in Salt Lake City in August.

"We will win in Iraq so long as we stay the course," he said in Milwaukee in July.

"I saw people wondering whether the United States would have the nerve to stay the course and help them succeed," he said after returning from Baghdad in June.

But the White House is cutting and running from "stay the course." A phrase meant to connote steely resolve instead has become a symbol for being out of touch and rigid in the face of a war that seems to grow worse by the week, Republican strategists say. Democrats have now turned "stay the course" into an attack line in campaign commercials, and the Bush team is busy explaining that "stay the course" does not actually mean stay the course.

Instead, they have been emphasizing in recent weeks how adaptable the president's Iraq policy actually is. Bush remains steadfast about remaining in Iraq, they say, but constantly shifts tactics and methods in response to an adjusting enemy. "What you have is not 'stay the course' but in fact a study in constant motion by the administration," Snow said yesterday.

Political rhetoric, of course, is often in constant motion as well. But with midterm elections two weeks away, the Bush team is searching for a formula to address public opposition to the war, struggling to appear consistent and flexible at the same time. That was underscored by the reaction to a New York Times report that the administration is drafting a timetable for the Iraqi government to disarm militias and assume a larger security role. The White House initially called the story "inaccurate." But then White House counselor Dan Bartlett went on CNN yesterday morning to call it "a little bit overwritten" because in fact it was something the administration had been doing for months.

The president has shifted language on Iraq before. At a news conference in August, he returned to his prewar argument that Saddam Hussein harbored terrorist Abu Musab al-Zarqawi. Hussein "had relations with Zarqawi," Bush said. Weeks later, the Senate intelligence committee concluded that Hussein "did not have a relationship, harbor or turn a blind eye to Zarqawi" and that the U.S. government knew that before the invasion. At his next news conference, Bush was asked about that. "I never said there was an operational relationship," he said.

Bush used "stay the course" until recent weeks when it became clear that it was becoming a political problem. "The characterization of, you know, 'it's stay the course' is about a quarter right," Bush complained at an Oct. 11 news conference. " 'Stay the course' means keep doing what you're doing. My attitude is: Don't do what you're doing if it's not working -- change. 'Stay the course' also means don't leave before the job is done."

By last week, it was no longer a quarter right. "Listen, we've never been stay the course, George," he told George Stephanopoulos of ABC News. "We have been -- we will complete the mission, we will do our job and help achieve the goal, but we're constantly adjusting the tactics. Constantly."

Snow said Bush dropped the phrase "because it left the wrong impression about what was going on. And it allowed critics to say, 'Well, here's an administration that's just embarked upon a policy and not looking at what the situation is,' when, in fact, it's just the opposite."

Republican strategists were glad to see him reject the language, if not the policy. "They're acknowledging that it's not sending the message they want to send," said Steve Hinkson, political director at Luntz Research Cos., a GOP public opinion firm. The phrase suggested "burying your head in the sand," Hinkson said, adding that it was no longer useful signaling determination. "The problem is that as the number of people who agree with remaining resolute dwindles, that sort of language doesn't strike a chord as much as it once did."

If anything, it is striking a Democratic chord, party strategists say. A commercial by Democratic Senate candidate James Webb in Virginia shows a clip of Bush saying "We'll stay the course in Iraq," followed by a clip of Republican Sen. George Allen, saying "I very much agree with the president. . . . And we need to stay the course." A caption on the screen says "Civil War; No End in Sight; We Need a New Course."

An ad for Democratic Rep. Harold E. Ford Jr. in Tennessee shows Republican Bob Corker saying "I think we should stay the course," then rewinds and repeats "we should stay the course." Ford then comes onto the screen. "I support our troops, and I

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voted for the war," he says. "But we shouldn't stay the course as Mr. Corker wants. . . . America should always be strong. But we should be smart and honest, too. We need a new direction."

Juxtaposed against "stay the course," "new direction" has become the Democrats' poll-tested mantra, even if they don't define precisely what that new direction would be. "There's a reason why every Democratic candidate in the country is talking now about change in direction," said Democratic National Committee pollster Cornell Belcher. "When you ask 'change in direction' versus Bush's direction, you get solid majorities of 60 percent or so for change."

So now even some Republican candidates are changing direction, at least in terms of their language. "We can't continue to keep doing the same things and expect different results," Allen said last week. "We must adapt. We must adjust our tactics." Corker now says on his campaign Web site: "We need to fix our strategy in Iraq so we can get the job done and bring our troops home."

Facing Dissent, Bush Jettisons 'Stay The Course' (NYT)

By Jim Rutenberg And David S. Cloud

The New York Times, October 24, 2006

WASHINGTON, Oct. 23 — The White House said Monday that President Bush was no longer using the phrase "stay the course" when speaking about the Iraq war, in a new effort to emphasize flexibility in the face of some of the bloodiest violence there since the 2003 invasion.

"He stopped using it," said Tony Snow, the White House press secretary. "It left the wrong impression about what was going on and it allowed critics to say, 'Well, here's an administration that's just embarked upon a policy and not looking at what the situation is,' when, in fact, it is the opposite."

Mr. Bush used the slogan in a stump speech on Aug. 31, but has not repeated it for some time. Still, Mr. Snow's pronouncement was a stark example of the complicated line the White House is walking this election year in trying to tag Democrats as wanting to "cut and run" from Iraq, without itself appearing wedded to unsuccessful tactics there.

Democrats have increasingly pressed a case this fall contending that Republicans are stubbornly proposing to "stay the course" in a failing effort to stanch violence in Iraq — an approach that strategists in both parties consider to have been fairly successful, especially as violence has continued to mount in Baghdad.

In the last few weeks a number of Republican lawmakers and party elders have also come forward to express doubts about whether the administration's approach to stabilizing Iraq is succeeding and to suggest new strategies.

Mr. Bush and his aides have met those complaints with a renewed emphasis on adaptability for the United States' war plan. Mr. Bush has stressed — as he did in an interview with ABC News on Sunday — that he is "not patient forever" and expects the Iraqis to take more responsibility in securing their own country.

In the same vein, administration officials are heightening the emphasis on setting milestones for Iraq to take over responsibility for ensuring security while disbanding sectarian militia groups.

Bush administration officials on Monday provided new details of their efforts to devise benchmarks for measuring the Baghdad government's progress in the coming months toward assuming a larger role in securing the country.

Mr. Snow said the issue of benchmarks had come up cursorily during recent discussions with Mr. Bush; Defense Secretary Donald H. Rumsfeld; Gen. John P. Abizaid, the top American commander in the Middle East; Gen. Peter Pace, the chairman of the Joint Chiefs of Staff; and Zalmay Khalilzad, the American ambassador to Iraq.

He added that the Bush administration was not presenting any ultimatums to Prime Minister Nuri Kamal al-Malaki's government or tying goals to United States troop commitments.

Mr. Snow was commenting on a report in The New York Times on Sunday that said the Bush administration was drafting a timetable with Iraqi officials for dealing with the militias and achieving other political, economic and military benchmarks aimed at stabilizing the country.

The Times article quoted several senior officials anonymously as saying the Bush administration would consider changes in military strategy and other steps if Iraq balked at the benchmarks or failed to meet the most critical timetables.

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Mr. Rumsfeld said Monday that the benchmarks under discussion included projections on when Iraq might be able to take control of more of the country's 18 provinces. Only two provinces are under full Iraqi security administration, though officials say they hope the number will rise to six or seven by the end of the year.

Speaking to reporters at the Pentagon, Mr. Rumsfeld said the goal of the discussions was to produce a "way ahead" so that "their government can have a set of tasks that they need to do to get prepared to assume the responsibility for governing their country and providing security for their country."

The goal, he added, was for both sides to agree on what he called "projections" for when Iraq might be able to take on these tasks.

"My guess is that you might find that in no case will you find a specific date" for assuming a particular task, he said. But, he added, "You might find a month, or you might find a spread of two or three months, a period where they think they might be able to do it."

Mr. Bush, in discussing at a news conference on Oct. 11 the meaning of the phrase "stay the course," also refused to be pinned down.

"Stay the course means keep doing what you're doing," he said. "My attitude is, don't do what you're doing if it's not working; change."

He added: "Stay the course also means don't leave before the job is done. And that's — we're going to get the job done in Iraq. And it's important that we do get the job done in Iraq."

Bush Buries 'Stay The Course' Slogan For Iraq (AFP-Y)

AFP, October 24, 2006

US President George W. Bush has retired his "stay the course" slogan for Iraq, worried about its use as a weapon against his Republican Party in November elections, the White House said.

"He's stopped using it," said spokesman Tony Snow. "It allowed critics to say, well, here's an administration that's just embarked upon a policy and not looking at what the situation is, when, in fact, it's just the opposite."

Opposition Democrats, hoping the unpopular conflict will help them take control of the US Congress in the November 7 legislative elections, have used the refrain in political advertisements accusing Republicans of sticking by a failed policy for waging the war.

Bush appears to have last used the expression on August 30, when he vowed: "We will stay the course, we will help this young Iraqi democracy succeed, and victory in Iraq will be a major ideological triumph" in the war on terrorism.

"The president is determined not to leave Iraq short of victory. But he also understands that it's important to capture the dynamism of the efforts that have been ongoing to try to make Iraq more secure," said Snow.

Earlier, senior Bush adviser Dan Bartlett flatly declared that, when it comes to Iraq, "it's never been a stay-the-course strategy."

"What we aren't doing is sitting there with our heads in the sand. We're completely changing and making tactical changes on a week-by-week basis as we respond to the enemy's reactions to our strategies," he told CBS television.

But Bush and Snow have repeatedly used the "stay the course" formulation over the past year, often to counter what the White House still calls the Democrats' "cut and run" push for withdrawing US forces from Iraq.

Clamor Rises For A US Shift On Iraq (CSM)

By Peter Grier

The Christian Science Monitor, October 24, 2006

WASHINGTON

With violence surging in Baghdad and midterm elections two weeks away, the Bush administration faces pressure as never before to change its approach in Iraq.

The ranking Democrat on the Senate Foreign Relations Committee, Sen. Joseph Biden of Delaware, said Monday that US strategy needs "radical change." The Republican chairman of the Senate Armed Services Committee, Sen. John Warner of

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Virginia, in a broadcast interview, added that the US needs to crack down on Iraqi private militias - and that a change in course may be necessary if things don't improve soon.

The White House insists the US needs to stay the course. But it also hints it might be flexible, at least on military tactics. And it is sounding increasingly exasperated with perceived inaction on the part of the current Iraqi government.

"They're asking, 'What are these guys doing well and not so well, and what do we need to get them to do?' " says William Martel, associate professor of international security studies at the Fletcher School at Tufts University. "It's entirely appropriate."

The heart of the problem is the bloodshed in Iraq's capital. Insurgent attacks are up more than 40 percent since midsummer, despite a concerted push by American military commanders to hold some of the city's worst neighborhoods.

Iraqi forces are a partner in this effort as the name "Together Forward II" implies. But the performance of some Iraqi units remains suspect. The police, for instance, appear to be riddled with infiltrators linked to Shiite death squads.

Meanwhile, more intense combat has resulted in a spike in US casualties. As of Sunday, the US military had suffered 78 combat deaths in Iraq this month, its highest fatality rate in almost two years.

Many Democrats long have called for a timetable for the withdrawal of US troops. Some party leaders now insist that Iraq has developed into a full-blown civil war. Senator Biden said Sunday that the US public will not long tolerate American money and troops "being poured down a rathole."

With a bipartisan Iraq Study Group headed by former Secretary of State James Baker III set to release recommendations for a new strategy in the coming months, and with a public referendum in the form of a midterm election two weeks away, the White House appears to have been at pains to show it is not deaf to the current clamor.

In an interview this weekend President Bush told ABC News that while he is patient he is not "patient forever." He added that neither is he "patient with dawdling," an apparent veiled reference to the reluctance of Iraqi Prime Minister Nouri al-Maliki to crack down on Shiite militias.

The fledgling Iraqi government must take more responsibility for Iraq's security, administration officials added Monday.

White House officials discounted a New York Times report that the US was developing a plan that would set a specific timetable for Iraqi militias to disarm. "Are we issuing ultimatums? No," said presidential spokesman Tony Snow.

But Mr. Snow added that the US was working with the Iraqis to lay out specific goals for the weeks and months ahead. "We're working collaboratively with them to figure out how best to do it," he said.

Tension between the US and Iraqi governments may have been developing for weeks. Mr. Bush reportedly had to reassure Mr. Maliki in a phone call that the US was not pressing for his ouster. Barham Saleh, Iraqi deputy prime minister, said after a meeting with British Prime Minister Tony Blair on Monday that international forces must not abandon Iraq while the situation there remains volatile.

"We must not give in to panic," said Mr. Saleh.

Given the buzz saw that the insurgency has proven to be, it is perfectly natural that the US should now reexamine its strategy, says Mr. Martel of the Fletcher School.

The problem in Iraqi, says Martel, author of the upcoming book "Victory in War," is that the administration initially framed its goal in grand strategic terms.

Now that the democratic transformation of Iraq seems more difficult than anticipated, settling for a political or military victory such as what characterized the first Gulf War seems a comedown.

With the debate in the US, "what we're seeing is the classic response of a society where military strategy is not producing the effect we had hoped," says Martel.

That said, US choices now are not pretty, writes Anthony Cordesman, a strategic expert at the Center for Strategic and International Studies, in a new analysis titled "US Options in Iraq: The Almost Good, the Bad, and the Ugly."

Iraq is already in a serious civil war, according to Mr. Cordesman, and current efforts are simply buying time. He writes that the US must avoid unilateral action and instead should seek to negotiate a new game plan with the Iraqi government and surrounding powers, in such a setting as a conciliation conference of all Iraqi factions.

White House Says Iraqis Can Be Pushed Only So Far (USAT)

DOJ_NMG_0085398

By David Jackson And Jim Michaels

USA Today, October 24, 2006

WASHINGTON — The White House said Monday that it is working with the Iraqi leadership to end religious violence — but it cautioned against pushing too hard on the fragile government.

White House spokesman Tony Snow said it would be counterproductive to threaten to withdraw U.S. forces if goals aren't reached. "We're not in the business of issuing ultimatums," Snow said.

Snow made the remarks as Iraq's government tries to reach a political consensus that would disarm private militias blamed for much of the violence.

Prime Minister Nouri al-Maliki has said he will disarm the militias this year or early next. U.S. soldiers have stepped up security efforts in Baghdad, where religious violence has increased. October has become the deadliest month for U.S. troops since November 2004. At least 87 U.S. servicemembers have died in Iraq this month.

President Bush has said that he'll consider any option to prevent violence in Iraq and that setting a timetable for withdrawal would be a victory for terrorists. White House officials said Monday that setting benchmarks for improvement isn't the same as a timetable.

"Working on trying to put together benchmarks is an important way of focusing and combining efforts so that everybody is playing off the same playbook, looking at the same goals and working together," Snow said.

Zalmay Khalilzad, the U.S. ambassador to Iraq, and Gen. George Casey, the top U.S. commander there, are to appear at a news conference in Baghdad today to discuss efforts to improve security.

National Security Council spokesman Frederick Jones said Casey and Khalilzad will highlight progress in Iraq, including the training of Iraqi security forces and the U.S. military's successes in neutralizing the improvised bombs that are a major weapon of insurgents. "There is slow but sustained progress," Jones said.

Al-Maliki's government is weak and pushing too hard could destabilize it, said Judith Yaphe, a researcher at the National Defense University in Washington. The prime minister has little political support, she said.

Part of that support comes from Muqtada al-Sadr, the anti-American cleric behind the Mahdi Army, a large militia in Baghdad. "To ask him now to get rid of the Mahdi Army — that might be difficult for him to do even if he wanted to do it," Yaphe said. "What if you try and fail? Then you're discredited."

Al-Maliki's government is trying for a political deal to disarm militias at the same time U.S. and Iraqi troops are trying to calm the streets. The government has said only a political consensus will lead to permanent peace.

In measuring progress, the administration looks at factors including Iraqi troops' readiness and government capabilities.

Security for as many as nine of Iraq's 18 provinces could be handed to the government by the end of this year, according to a Defense Department report to Congress.

"There's no doubt in my mind but that some of those projections we won't make; it will be later, or even earlier in some instances," Defense Secretary Donald Rumsfeld said Friday.

Analysis: Republicans Fear War Fallout (AP-Y)

By Tom Raum

AP, October 24, 2006

Republicans worried about losing Congress are challenging President Bush on Iraq, eroding his base of support for the unpopular war just two weeks before midterm elections.

Increasing calls from restive Republicans for new ideas to extricate the U.S. come as the White House itself seems to struggle for a better course, or at least a better way to describe the current course.

Republican Sen. John Warner of Virginia, chairman of the Senate Armed Services Committee, seemed to open the floodgates to GOP criticism this month when he warned after a trip to Iraq that the war was "drifting sideways" and a course correction might soon be warranted.

In recent days:

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• Sen. Kay Bailey Hutchison, R-Texas, said she would not have supported the invasion had she known there were no weapons of mass destruction, and she has proposed splitting Iraq into three parts.

• Virginia Republican Sen. George Allen, in a difficult re-election battle with Democratic challenger James Webb, dropped his stay-the-course mantra to assert, "We cannot continue doing the same things and expect different results. We have to adapt our operations, adapt our tactics."

• Sen. Conrad Burns, R-Mont., said in a debate last week with Democratic challenger Jon Tester that he agreed with Warner's call for a change in strategy — and believed Bush already had a plan to win the war but for now was keeping it quiet. That remark drew ridicule from Democrats who likened it to Richard Nixon's "secret plan" to end the war in Vietnam.

Also challenging Bush's Iraq policy have been former Secretary of State Colin Powell, Republican Sens. Linco ln Chafee of Rhode Island, Chuck Hagel of Nebraska, Susan Collins and Olympia Snowe of Maine, and several House Republicans.

More and more, the issue is dominating election campaigns and altering the political landscape. That, and the historic pattern of midterm losses for the party holding the White House, has cast a heavy gloom over rank-and-file Republicans, particularly those on the ballot.

The GOP doubts, coupled with widespread Democratic opposition to Bush's strategy, put intense pressure on the White House to do something differently, and momentum for that will build if Republicans lose the House or Senate. Bush has stopped saying he is staying the course because that suggested he was locked into a losing policy. Now Bush asserts that he is constantly switching tactics.

Sen. James A Baker III, a former secretary of state who has a long history of loyalty to the Bush family, has said the Iraq Study Group — which he leads with former Democratic Rep. Lee Hamilton of Indiana — will wait until after the Nov. 7 elections to present its recommendations.

But he has suggested the panel will present Bush with options somewhere between the extremes of "stay the course" and "cut and run."

Michael O'Hanlon, a foreign policy scholar at the Brookings Institution who is part of the Baker-Hamilton study group, deemed it unlikely that Baker would lend his support to a phased withdrawal such as some Democrats have advocated. "Baker's not a political novice," O'Hanlon said.

Still, he said, the Iraq government could be told that "you've got to make some big changes" and that U.S. military backing was not forever. Might Bush announce a change in strategy before the election? "Who knows? I wouldn't rule it out," said O'Hanlon.

Bush could portray it to the world "as being not about the election but about the failed Baghdad security plan, and give his party a little boost before the midterms," O'Hanlon said.

Mindful of the political ramifications, the White House sought on Monday to tamp down the growing GOP criticism by portraying the president as engaged — and flexible.

He met over the weekend with his generals, and on Monday with Secretary of State Condoleezza Rice, Defense Secretary Donald H. Rumsfeld and Gen. Peter Pace, chairman of the Joint Chiefs of Staff.

White House officials said U.S. and Iraqi leaders had established "milestones" and "benchmarks" to gauge security, economic and political improvements — but that the U.S. had not issued ultimatums nor withdrawal targets.

"What we aren't doing is sitting there with our heads in the ground," said White House counselor Dan Bartlett as he made the rounds of five morning television news shows. He said that the administration was "making tactical changes on a week-by-week basis as we respond to the enemy's reactions to our strategies."

Sen. Joseph Biden of Delaware, the senior Democrat on the Foreign Relations Committee, told reporters that two Republicans — whom he declined to name — had told him they would demand a new policy on Iraq after the election. He said the GOP lawmakers were told not to make waves before then because it could cost the party seats.

Biden predicted many GOP defections on Iraq if Democrats win control of one or more chambers of Congress. Polls suggest there is a likelihood Democrats could take at least the House.

As to Bush's oft-repeated statement that U.S. troops will stand down as Iraqi ones stand up, Biden said, "The reason we cannot stand down is that they aren't standing together. They're killing each other."

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"I don't see a big surprise with respect to Iraq that turns it around, and that's the only thing that would help the Republicans," said James Thurber, an American University political scientist. "I think it just keeps getting worse and worse, and that is not good news for the president and the incumbent party in the House and the Senate."

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EDITOR'S NOTE — Tom Raum has covered national and international affairs for The Associated Press since 1973.

Bush Admin. Won't Shift Iraq Strategy (AP-Y)

By Deb Riechmann, Associated Press Writer

AP, October 24, 2006

Under election-year pressure to change course in Iraq, the Bush administration said Monday there are no plans for dramatic shifts in policy or for ultimatums to Baghdad to force progress.

Just two weeks before the Nov. 7 elections that will determine whether Republicans retain control of Congress, the White House tried to calm political anxieties about deteriorating security in Iraq. Both Democratic and Republican lawmakers are calling on President Bush to change his war plan.

"We're on the verge of chaos, and the current plan is not working," Sen. Lindsey Graham, R-S.C., said in an Associated Press interview. U.S. and Iraqi officials should be held accountable for the lack of progress, said Graham, a Republican who is a frequent critic of the administration's policies.

Asked who in particular should be held accountable — Defense Secretary Donald Rumsfeld, perhaps, or the generals leading the war — Graham said: "All of them. It's their job to come up with a game plan" to end the violence.

Bush, in a CNBC interview, said, "Well, I've been talking about a change in tactics ever since I — ever since we went in, because the role of the commander in chief is to say to our generals, `You adjust to the enemy on the battlefield.'"

Rumsfeld, in remarks at the Pentagon, said U.S. government and military officials were working with Iraq to set broad time frames for when Iraqis can take over 16 provinces that are still under the control of U.S. troops. He said officials were not talking about penalizing the Iraqis if they don't hit certain benchmarks.

The Iraqis have taken control of two southern provinces but have been slow to take the lead in others, particularly those around Baghdad and in the volatile regions north and west of the capital city. Rumsfeld said specific target dates probably will not be set. Instead, he said there might be a broader time frame — such as a one- to three-month window — for the Iraqis to take control of certain provinces.

Rumsfeld visited the White House early Monday with Gen. Peter Pace, chairman of the Joint Chiefs of Staff. Rumsfeld said the United States was looking at when the Iraqis would move close to setting up a reconciliation process to help quell worsening sectarian violence between Sunnis and Shiites.

Frustration with the war is eroding support in Republican as well as Democratic camps.

Joseph Biden, the top Democrat on the Senate Foreign Relations Committee, said two Republicans have told him they will demand a new policy in Iraq after the election. Biden declined to name the GOP lawmakers. He said Republicans have been told not to make waves before the election because it could cost the party seats. Yet some prominent GOP lawmakers have expressed doubts about Bush's policy.

White House press secretary Tony Snow said the United States was continually adjusting its strategy in Iraq.

"In that sense there are new things going on. But are there dramatic shifts in policy? The answer is no," Snow said.

"There is still a very large to-do list before Iraq is in a position to sustain, govern and defend itself," he said.

"Are we issuing ultimatums? No."

He acknowledged, however, that Bush no longer is saying that the United States will "stay the course" in Iraq.

"He stopped using it," Snow said of that phrase, adding that it left the impression that the administration was not adjusting its strategy to realities in Baghdad.

Showing progress in Iraq is critical with the approaching elections, which are widely viewed as a referendum on public support of the war. In Baghdad on Tuesday, Zalmay Khalilzad, the U.S. ambassador to Iraq, and Gen. George Casey, the top U.S. commander there, are scheduled to hold a rare joint news conference.

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Facing growing impatience with Prime Minister Nouri al-Maliki's failure to stem the carnage, Deputy Prime Minister Barham Saleh said international forces must not abandon Iraq while the situation there remains volatile.

"I do believe there is no option for the international community to cut and run," he told reporters after meeting Prime Minister Tony Blair in London. He said Iraqis and the international community need to be realistic, "but not defeatist."

"We need to understand that there is a need of utmost urgency to deal with many of the problems of Iraq but we must not give in to panic," he said.

Bipartisan Redeployment (WSJ)

By Joseph R. Biden Jr. And Leslie H. Gelb

The Wall Street Journal, October 24, 2006

Because the current course in Iraq is a losing course, we have to prepare ourselves to make the toughest decisions since the end of the Cold War. Neither Democrats nor Republicans alone will make them: No one wants to be blamed for what might happen next in Iraq. Thus, President Bush continues on autopilot with no end in sight, while some Democrats call for fixed withdrawal deadlines that no president would ever adopt.

The only way to carve out a new path is through bipartisanship. With a united voice we can speak with strength to Iraqis on the need to put their house in order, and find political protection here at home. Political leaders in our country must choose to hang together rather than hang separately. They have every incentive to do so. It is flatly against the security interests of the U.S. to stay the current course. It is also against the political interests of both parties. Republicans don't want to run for the presidency in 2008 with Iraq around their necks. Democrats do not want to assume the presidency in 2009 saddled with a losing war.

Serious members of both parties are prepared to seek a solution. It was in that spirit that Congress urged the creation of the "Iraq Study Group" to explore policy options, led by James A. Baker III, former secretary of state, and Lee Hamilton, former chairman of the House International Relations Committee -- a Republican and a Democrat both known for bipartisanship. The other eight members of their commission have stature in their parties to kickstart a bipartisan policy. They understand their responsibility to help our nation find a reasonable path out of Iraq's plunge toward civil war and the untenable situation for our troops.

The commission is expected to present its views publicly after the November elections. We believe that the group could cohere around three basic principles which we have advanced for some time and which are explained in detail at www.planforiraq.com1:

• First, there can be no military success in Iraq without a political settlement -- a power-sharing arrangement that gives its major groups incentives to pursue their interests peacefully instead of falling into a cycle of sectarian revenge. Mr. Bush's drive to establish a central government of national unity hasn't worked and won't work. The major parties in Iraq don't have the common interests, the trust in each other, or the capacity at this point to make it viable.

What could work is a federalized Iraq, with three or more largely autonomous regional governments to suit the separate interests of Shiites, Sunnis and Kurds. A central government would administer common concerns, such as defending Iraq's borders and managing its energy infrastructure. The constitution already provides for this approach and Iraq's parliament last week passed a law to implement its articles on federalism. But for federalism to work, the constitution must be amended to guarantee Sunnis 20% of oil revenues to be administered by the central government. Only with such revenues could a Sunni region become economically and politically sustainable.

The final decisions will be up to the Iraqis. But without us helping them arrange the necessary compromises, as we have at every critical juncture, nothing will get done. With 140,000 Americans at risk, we have a right and a responsibility to make our views known.

• Second, we must have a plan prepared by our military for the redeployment and withdrawal of most U.S. troops over the next 18 months. Both Americans and Iraqis have to see that we are not blindly committing ourselves to civil war. And we have to recognize that keeping this level of forces in Iraq indefinitely is counterproductive for our mission and a growing challenge to the well-being of our volunteer military.

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The redeployment plan has to prevent insurgent control of strategic areas; vet and train Iraqi forces; create strong incentives for Iraqis to assume battlefield and police responsibilities; and allow for a residual American force to keep Iraqis and their neighbors honest. There's no fixed or artificial timetable here to bind a president unreasonably. But we must unambiguously say to Iraqis, "Here is your last, best chance to escape a disastrous civil war with our help, and it is up to you, now."

• Third, we have to ignite the most vigorous regional diplomacy to back up the power-sharing deal among Iraqis and avoid neighbors warring over an Iraqi vacuum. Some of Iraq's neighbors have no desire to do us any favors -- but like us, they can see the abyss opening up before them, and like us, they all have powerful interests in preventing a full-blown civil war that becomes a regional war. We have to bring them together now to begin shaping and supporting a political settlement in Iraq -- or, if necessary, to contain the fallout from chaos inside Iraq.

Given the deterioration of the situation, no approach is an odds-on winner. But these three principles can unite our political parties. Nothing in them runs counter to the basic beliefs of either party. And unlike the present policy, they have a chance of working.

The Baker-Hamilton commission has a unique opportunity to generate a bipartisan way forward in Iraq. If it comes up with a better plan than the one we propose, we will embrace it. But whatever it does, it cannot kick the can down the road. It must come up with a strategy that allows us to leave Iraq without leaving chaos behind -- which is not being done in Washington now.

Mr. Biden is a Democratic senator from Delaware and ranking member of the Senate Foreign Relations Committee. Mr. Gelb is president emeritus of the Council on Foreign Relations.

Three Choices, Mr. President (WP)

By Richard Holbrooke

The Washington Post, October 24, 2006

Dear Mr. President:

As soon as the midterm elections are over -- and regardless of their outcome -- you will have to make the most consequential decision of your presidency, probably the most complicated any president has had to make since Lyndon Johnson decided to escalate in Vietnam in 1965, and far more difficult than your decisions after Sept. 11, 2001. Then, you rallied a nation in shock, overthrew the Taliban in Afghanistan and Saddam Hussein in Iraq, and confronted Iran and North Korea over their nuclear programs -- acting in all cases with self-confidence and overwhelming national approval.

Now all four projects are in peril. With far less public support, and time running out on your presidency, you must reverse the recent decline in Afghanistan, get North Korea back to the six-party talks, isolate a cocky, dangerous Iran that thinks events are going its way and, above all, figure out what to do with Iraq. So allow me to offer some very unsolicited suggestions on that war.

Broadly speaking, you have three choices: "Stay the course," escalate or start to disengage from Iraq while pressing hard for a political settlement. I will argue for the third course, not because it is perfect but because it is the least bad option.

In your radio address last week, you said that "our goal in Iraq is clear and unchanging: . . . victory." You added that the only thing changing "are the tactics. . . . Commanders on the ground are constantly adjusting their approach to stay ahead of the enemy, particularly in Baghdad." One can only hope that you do not mean those words literally -- or believe them. "Stay the course" is not a strategy; it is a slogan, useful in domestic politics but meaningless in the field.

Your real choice comes down to escalation or disengagement. If victory -- however defined -- is truly your goal, you should have sent more troops long ago. You and Defense Secretary Donald Rumsfeld say that the commanders in Iraq keep telling you they don't need more troops, but, frankly, even if technically accurate, this is baffling. Plain and simple, there are not, and never have been, enough troops in Iraq to accomplish the mission.

But where would more troops come from? The Pentagon says the all-volunteer Army is stretched to the breaking point; it is now recruiting 42-year-olds and lowering entry standards. Afghanistan also needs more troops. And suppose additional troops do not turn the tide? Does the United States then send still more? Even advocates aren't sure escalation will produce a turnaround.

The last option is the most difficult for an embattled wartime president: Change your goals, disengage from the civil war already underway, focus maximum effort on seeking a political power-sharing agreement, and try to limit further damage in the region and the world.

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Even your strongest critics understand that disengagement is fraught with risk. You have warned of the bloody consequences that might follow a U.S. withdrawal. Preventing such a tragedy must be your first priority. For this and other reasons, I do not favor a fixed timetable for withdrawal, since it would give away any remaining American flexibility and leverage. But the kind of killing that you predict would follow an American departure is in fact already underway, and nothing we have done has prevented it from increasing rapidly. At the current pace, there will be well over 40,000 murders a year in Iraq. A recent University of Maryland poll found that 78 percent of Iraqis surveyed believe the American presence is now "provoking more conflict than it is preventing," and 71 percent support a U.S. withdrawal within one year.

I urge you to lay out realistic goals, redeploy our troops and focus on the search for a political solution. We owe that to the Iraqis who welcomed the overthrow of Saddam Hussein and put their trust in us, only to find their lives in danger as a result. By a political solution, I mean something far more ambitious than current U.S. efforts aimed at improving the position of Prime Minister Nouri al-Maliki by changing ministers or setting timelines for progress. Sen. Joe Biden and Les Gelb have advocated what they call, in a reference to the negotiations that ended the war in Bosnia in 1995, a "Dayton-like" solution to the political situation -- by which they mean a looser federal structure with plenty of autonomy for each of the three main groups, and an agreement on sharing oil revenue. Your administration has dismissed these proposals out of hand, and the time lost since Gelb first presented them more than two years ago has made them far more difficult to achieve.

Yet only two weeks ago, the Iraqi parliament took a big step toward creating more powerful regions, with an interesting proviso to delay implementation for 18 months. You could use this legislation as leverage to negotiate a peaceful arrangement for sharing power and oil revenue, while redeploying and reducing our forces in Iraq. If such an effort fails, nothing has been lost by trying.

Those who say this is a proposal to partition Iraq into three countries (which it is not) and would trigger all-out civil war are misrepresenting the idea, while offering nothing in its place. Whatever else you do, Mr. President, you should send American troops to northern Iraq (Kurdistan), which is still safe but increasingly tense, to reduce the very real risk of a Turkish-Kurdish war. Both the Turks and the Kurds would welcome this U.S. presence, but it would have to be accompanied by a cessation of Kurdish terrorist raids into Turkey. This would allow Special Forces troops to move rapidly into other parts of Iraq if a terrorist target appeared, and it would show the world that you were not withdrawing from America's commitment to Iraq.

In recent years, almost any advocate of a change in policy has been accused of wanting to "cut and run." Such rhetoric works against the bipartisanship that this crisis requires. But if you were to decide to draw down American troops -- without a fixed timetable -- and seek a political compromise, the responsible leadership of the Democratic Party would surely work with you, especially if the Iraq Study Group, co-chaired by James Baker and Lee Hamilton, recommends significant changes in policy, which you could use as a starting point for rebuilding a bipartisan national consensus.

This crisis is far too acute for recrimination. If we are still at war during the 2008 campaign, as seems likely if you do not change course, it will benefit neither party but will leave your successor with the same choices you now face, but under far worse circumstances.

Trying To Contain The Iraq Disaster (NYT)

The New York Times, October 24, 2006

No matter what President Bush says, the question is not whether America can win in Iraq. The only question is whether the United States can extricate itself without leaving behind an unending civil war that will spread more chaos and suffering throughout the Middle East, while spawning terrorism across the globe.

The prospect of what happens after an American pullout haunts the debate on Iraq. The administration, for all its hints about new strategies and timetables, is obviously hoping to slog along for two more years and dump the problem on Mr. Bush's successor. This fall's election debates have educated very few voters because neither side is prepared to be honest about the terrible consequences of military withdrawal and the very long odds against success if American troops remain.

This page opposed a needlessly hurried and unilateral invasion, even before it became apparent that the Bush administration was unprepared to do the job properly. But after it happened, we believed that America should stay and try to clean up the mess it had made — as long as there was any conceivable road to success.

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That road is vanishing. Today we want to describe a strategy for containing the disaster as much as humanly possible. It is hardly a recipe for triumph. Americans can only look back in wonder on the days when the Bush administration believed that success would turn Iraq into a stable, wealthy democracy — a model to strike fear into the region's autocrats while inspiring a new generation of democrats. Even last fall, the White House was dividing its strategy into a series of victorious outcomes, with the short-term goal of an Iraq "making steady progress in fighting terrorists." The medium term had Iraq taking the lead in "providing its own security" and "on its way to achieving its economic potential," with the ultimate outcome being a "peaceful, united, stable and secure" nation.

If an American military occupation could ever have achieved those goals, that opportunity is gone. It is very clear that even with the best American effort, Iraq will remain at war with itself for years to come, its government weak and deeply divided, and its economy battered and still dependent on outside aid. The most the United States can do now is to try to build up Iraq's security forces so they can contain the fighting — so it neither devours Iraqi society nor spills over to Iraq's neighbors — and give Iraq's leaders a start toward the political framework they would need if they chose to try to keep their country whole.

The tragedy is that even this marginal sort of outcome seems nearly unachievable now. But if America is to make one last push, there are steps that might lessen the chance of all-out chaos after the troops withdraw:

Start at Home

For all the talk of timetables for Iraq, there has been little discussion of the timetable that must be handed to George W. Bush. The president cannot leave office with American troops still dying in an Iraq that staggers along just short of civil war, on behalf of no concrete objective other than "get the job done," which is now Mr. Bush's rhetorical substitute for "stay the course." The administration's current vague talk about behind-the-scenes agreements with Iraqi politicians is next to meaningless. Americans, Iraqis and the rest of the world need clear, public signs of progress.

Mr. Bush can make the first one by firing Secretary of Defense Donald Rumsfeld. There is no chance of switching strategy as long as he is in control of the Pentagon. The administration's plans have gone woefully wrong, and while the president is unlikely to admit that, he can send a message by removing Mr. Rumsfeld. It would also be a signal to the military commanders in the field that the administration now wants to hear the truth about what they need, what can be salvaged out of this mess, and what cannot.

The president should also make it clear, once and for all, that the United States will not keep permanent bases in Iraq. The people in Iraq and across the Middle East need a strong sign that the troops are not there to further any American imperial agenda.

Demand Reconciliation Talks

Iraq's prime minister, Nuri Kamal al-Maliki, has indefinitely postponed reconciliation talks among the nation's top politicians. He must receive an immediate deadline to start the process. Tomorrow would not be too soon; the end of the year would be too late.

Whatever decisions Iraqi leaders reached over the past few years were achieved by pushing aside all the critical questions that were hardest to address. The Bush administration must demand not only that new talks start, but that they continue until some agreement is reached on protecting minority rights, dividing up Iraq's oil revenues, the role of religion in the state, providing an amnesty for insurgents willing to put down their weapons, and demobilizing and disarming the militias.

More outside aid could increase their incentive to talk. Even then, the threat of an American withdrawal may be the only way to extract real concessions. In parallel with the reconciliation talks, the United States should begin its own negotiations with the Iraqi leadership about a timetable for withdrawing American troops — making clear that America's willingness to stay longer will depend on the Iraqis' willingness to make real compromises. Iraqi politicians have to know that they have even more to lose if their country plunges into complete civil war.

We are skeptical of calls to divide the country into three ethnically controlled regions, using the model that finally ended the Bosnian war. Most Iraqis, except for the Kurds, show little enthusiasm for the idea. Clear ethnic boundaries could not be drawn without driving many people from their homes — though an intolerable level of ethnic cleansing is already pushing things in that direction. Any effort at reconciliation will almost certainly require a transfer of power and resources to provincial and local governments. But it must be up to the Iraqis to decide the ultimate shape of their country.

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Stabilize Baghdad

Most Iraqis have forgotten what security is — or if they remember, it is an idealized vision of Saddam Hussein's dictatorship. Since neither the government nor the American occupation is able to provide basic services or safety, it is little wonder that Iraqis have turned to the militias for protection. In such a world, retribution will always take precedence over the uncertainties of political compromise.

American commanders have launched a series of supposedly make-or-break campaigns to take back the streets of Baghdad. The problem is not one of military strategy; their idea of "clearing" out insurgents, "holding" neighborhoods and quickly rebuilding infrastructure is probably the only thing that could work. The problem is that commanders in Baghdad have been given only a fraction of the troops — American and Iraqi — they need.

There have never been enough troops, the result of Mr. Rumsfeld's negligent decision to use Iraq as a proving ground for his pet military theories, rather than listen to his generals. And since the Army and Marines are already strained to the breaking point, the only hope of restoring even limited sanity to Baghdad would require the transfer of thousands of American troops to the capital from elsewhere in the country. That likely means moving personnel out of the Sunni-dominated west, and more mayhem in a place like Anbar.

But Iraqis need a clear demonstration that security and rebuilding is possible. So long as Baghdad is in chaos they will have no reason to believe in anything but sectarian militias and vigilante justice. Once Washington is making a credible effort to stabilize Baghdad, Iraqi politicians will have more of an incentive to show up for reconciliation talks. No one wants to be a rejectionist if it looks like the tide might be turning.

Convene the Neighbors

America's closest allies in the region are furious about America's gross mismanagement of the war. But even Iran and Syria, which are eager to see America bloodied, have a great deal to lose if all-out civil war erupts in Iraq, driving refugees toward their borders. That self-interest could be the start of a discussion about how Iraq's neighbors might help pressure their clients inside Iraq to step back from the brink. Saudi Arabia and other oil-rich neighbors — whose own stability could be threatened by an Iraqi collapse — need to be pressed into providing major financing to underwrite jobs programs and reconstruction.

Enlightened self-interest is a rarity in the Middle East. The Bush administration will most likely have to go further to elicit real help, showing a serious willingness to expand its dialogue with Damascus and Tehran beyond the issue of Iraq and to be a genuine broker for Middle East peace. That should be the easiest part of the strategy — only this White House regards the willingness to talk to another country as a major concession.

Acknowledge Reality

While the strategy described above seems the best bet to us, the odds are still very much against it working. At this point, all plans to avoid disaster involve the equivalent of a Hail Mary pass. In America, almost no one — even the administration's harshest critics — wants to tell people the bitter truth about how few options remain on the table, and about the mayhem that will almost certainly follow an American withdrawal unless more is done.

Truth will only take us so far, but it is the right way to begin. Americans will probably spend the next generation debating whether the Iraq invasion would have worked under a competent administration. Right now, the best place to express bitterness about what may become the worst foreign policy debacle in American history is at the polls. But anger at a president is not a plan for what happens next.

When it comes to Iraq the choices in the immediate future are scant and ugly. But there are still a few options to pursue, and the alternatives are so horrible that it is worth trying once again — as long as everyone understands that there is little time left and the odds are very long.

Iraq Invasion May Be 'disaster' (FT)

By Daniel Dombey And Steve Negus

Financial Times, October 24, 2006

The invasion of Iraq could eventually be judged to have been a disaster, Margaret Beckett, foreign secretary, indicated on Monday.

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Speaking against a backdrop of increased speculation about a pull-out of western forces from the country, Ms Beckett sought to reduce expectations of a rapid withdrawal but also steered well clear of claiming that the mission would succeed.

Ms Beckett was asked in an interview on the BBC's World at One whether historians would judge the invasion to be a foreign policy disaster. She responded: "Yes, they may. Then again, they may not."

She also warned against "rash predictions" of a military pull-out. Kim Howells, UK Foreign Office minister of state, said at the weekend that there would be "adequately trained Iraqi soldiers and security forces" to take over from coalition troops in about a year.

The foreign secretary added, when asked whether there would eventually be a partition of the country: "That is very much a matter for the Iraqis."

Ms Beckett was speaking during a visit to London by a senior Iraqi politician, who also warned that the growing debate about the US and British deployments should not "panic" the coalition into withdrawing troops too soon.

"I'm obviously concerned about the debate both in the US and Europe, I have to say, because there's too much of a pessimistic tone in this debate, even in certain circles a defeatist tone," Barham Saleh, Iraqi deputy prime minister, told the BBC. "We must not give in to panic. This is too serious a situation to be dealt with in that way."

Mr Saleh said: "By the end of this year, nearly seven or eight provinces of Iraq out of 18 provinces will be under direct Iraqi security control."

British military officials say a reduced coalition presence would remain in the country after such a handover. This month Gen Sir Richard Dannatt, chief of the British army, said he was putting together force "packages" into 2008.

Yet violence late last week between rival Shia groups in Amara, the capital of the southern province of Maysan, raised questions about the pace of any withdrawal of coalition troops. British troops withdrew from Amara, handing responsibility over to Iraqi security forces, only in August.

Militiamen on Friday attacked several police stations in the city and streetfighting left at least 24 dead. On Monday, a stand-off between Iraqi police and the radical Mahdi Army continued in the city.

A British military spokesman said there had been no clashes for 24 hours, with 3,000 Iraqi army troops keeping order in the streets and a 600-strong British force standing by as back-up. But he said violence "could well erupt at a moment's notice again".

Des Browne, the UK defence secretary, said on Sunday: "The events over the weekend in Maysan suggest that the Iraqi security forces in [Amara] able to deal with their own security."

In a continuing sign that the mission in Iraq is being questioned, a former head of Britain's armed forces, Lord Inge, said last week: "I don't believe we have a clear strategy in either Afghanistan or Iraq. I sense we've lost ability to think strategically."

British officials emphasised that Mr Saleh's visit dealt primarily with the economic reconstruction of Iraq and a new international compact that would rebuild the country's relations with its neighbours.

Bush Doctrine Must Survive Iraq War (FT)

By Lawrence Kaplan

Financial Times, October 24, 2006

In this US election season, the political argument against the Iraq war has evolved and broadened into something quite familiar. What began as a critique of an ineptly conceived and executed war has, on the stump at least, hardened into a denunciation of every facet of the Bush administration's foreign policy. But does telling evidence brought against a war necessarily repudiate the doctrine in whose name it was fought?

Bush doctrine critics might do well to cast a glance backward, for this is hardly the first time critics have extrapolated from the particulars of a controversial war and gone too far. Two years of war in Korea convinced many Republicans that President Harry Truman's containment doctrine was a dead letter. Even as John Foster Dulles took to the pages of Life Magazine to condemn the young doctrine, the 1952 Republican platform was attacking the "negative, futile and immoral policy of 'containment'". Republicans, though, would soon enshrine in official policy the same doctrine they had spent years assailing.

Two decades later, the Democratic party learned a similar lesson. With Vietnam still fresh in the American imagination, President Jimmy Carter insisted on transcending the belief "that Soviet expansion was almost inevitable but that it must be

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contained". But if Americans were not interested in the dialectic, to paraphrase a founding father of Soviet communism, the dialectic was still interested in them. Duly chastened by the world around him, Mr Carter came to realise that a doctrine's misapplication in Vietnam had not invalidated the doctrine itself.

Similarly, when critics advertise the Iraq war as the decisive repudiation of a broader doctrine, they may be jettisoning the good with the bad. While Commentary magazine has pronounced the Bush doctrine alive and well, Time magazine has declared it dead and buried in Iraq. But the essential question is whether it should be. True, Iraq is where the Bush doctrine has been most visible and most visibly put to the test. It is equally true that it has failed that test. But is it really necessary to point out that the doctrine's signatures – democracy promotion, pre-emption and unilateral action – have relevance beyond Iraq?

As to the first of these Iraq has led the likes of John Kerry, Democratic senator, to conclude that democracy ought to take a back seat to "stability" and Pat Roberts, Republican senator, to caution that America must not pretend "it is both entitled and obligated to promote democracy".

There is, of course, ample room for disagreement on the question of how to promote democracy, particularly in Iraq, where Washington applied a cartoon version of democratisation that equated the absence of oppression with the existence of democracy. What is being debated after Iraq, however, is not the mechanics of democracy promotion but its very desirability. Yet Iraq does not disprove the fact that democracies have a taboo about launching wars against one another, their thin history of exporting terrorism or their congeniality toward the US. For these reasons alone exporting democracy still falls squarely in the realm of America's grand strategy.

If democratic idealism is one element of the Bush doctrine that needs to be rescued from Iraq, North Korea's nuclear test suggests the idea of preventive war may be another. A Time cover story has revealed that Iraq might "not only be the first but also the last laboratory for preventive war". Never mind that the principle has been an essential tool of American statecraft for more than a century. Never mind, too, that a more recent Time cover story – "What War With Iran Would Look Like" – suggests that, in this era of proliferation and unhinged brinkmanship, it may be premature to banish preventive war from the lexicon of American military affairs. Seeking to do just that, Dick Durbin, the Democrat senator and leading Darfur campaigner, claims America must be a "defensive nation". But a defensive nation cannot rescue Darfur or Kosovo or Bosnia or any other place that requires America to act without direct provocation. Nor, for that matter, could an America that forfeits its right to act unilaterally.

Notwithstanding critics who insist Iraq proves the folly of thwarting the will of the United Nations, the Bush doctrine's reservations about "submitting to the objections of a few" hardly set it apart from its predecessors. Every US president since the UN's establishment has acted at one time or another without its approval. Given the institution's congenital indecision, every future president will do so as well. Being little more than the sum of its parts, even today the UN quietly tolerates Iran and Sudan's flouting of its own resolutions.

That the lessons of Iraq should be heeded in policy deliberations makes sense. But such lessons, by themselves, provide no adequate response to a menacing international scene. Rather than offer a lucid analysis of the mismatch between the Bush doctrine's objectives and accomplishments – refining or discarding its most controversial elements – critics on the campaign trail have offered a formula for virtual -disarmament.

The writer is a senior editor at The New Republic

Niall Ferguson: America's Brittle Empire (LAT)

Niall Ferguson

The Los Angeles Times, October 24, 2006

The U.S. doesn't have the necessary military manpower or fiscal solvency of its imperial predecessors in Iraq.

YOU WOULD HAVE thought 300 million Americans would be enough to rule the world — or at least a couple of medium-sized failed states. The population of Iraq is 27 million, that of Afghanistan 31 million. Yet the same week that the U.S. population officially passed the 300-million mark, we heard two startling admissions that testify to the scale of crisis facing Washington's unspoken empire.

Asked Sunday on ABC's "This Week" program whether the situation in Iraq was comparable to that in Vietnam at the time of the 1968 Tet Offensive — an event popularly (though wrongly) perceived as the beginning of the end for the U.S. defense of South

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Vietnam — the president conceded the comparison "could be right." And on Thursday, the spokesman for the U.S. military command in Iraq confessed that the Army's latest effort to quell the escalating civil war in central Iraq "has not met our overall expectations of sustaining a reduction in the levels of violence" — military-speak for "has totally failed." A year ago, these admissions would have been headline news. Today, people just shrug. That Iraq is Washington's new "quagmire" has become conventional wisdom.

But why should this be so? Less than a century ago, before World War I, the population of Britain was 46 million, barely 2.5% of humanity. And yet the British were able to govern a vast empire that encompassed an additional 375 million people, more than a fifth of the world's population. Why can't 300 million Americans control fewer than 30 million Iraqis? Three years ago, as the United States swept into Iraq, I wrote a book titled "Colossus," which offered a somber prediction, summed up in its subtitle, "The Rise and Fall of the American Empire." My argument was that the United States was unlikely to be as successful or as enduring an imperial power as its British predecessor for three reasons: its financial deficit, its attention deficit and, perhaps most surprisingly, its manpower deficit. Rather cruelly, I compared the American empire to a "strategic couch-potato … consuming on credit, reluctant to go to the front line [and] inclined to lose interest in protracted undertakings."

I wish I'd been proved wrong. Sadly, events in Iraq have borne out that analysis. No Marshall Plan for the Middle East materialized to revive the Iraqi economy. And domestic support for the enterprise proved short-lived. I have spent much of the last month on the road, talking to readers in bookstores and lecture halls from downtown Manhattan to Pasadena to rural Arizona. Practically everyone I have talked to — including many a Republican — yearns for their country to get out of Iraq.

Lack of funds. Ephemeral support. These problems were not hard to predict because they had characterized previous U.S. incursions into foreign lands (the postwar occupations of West Germany and Japan remain the only exceptions that prove the rule). The manpower deficit, however, remains puzzling. Just why is the world's third-most-populous country so short of boots on the ground? The obvious answer is that, considering the size of the U.S. population and the Pentagon's vast budget, the American military is a remarkably small outfit. In 2004, the number of Department of Defense personnel on active duty was 1,427,000, substantially fewer than the country's 2-million-strong prison population. Of those on active duty, barely a fifth were overseas, of whom 171,000 were in Iraq. That works out to 0.06% of the total U.S. population.

The number of troops currently in Iraq is less than 140,000. That's roughly as many soldiers as Britain sent to the same country to defeat an insurgency in 1920 — at a time when the population of Iraq was a 10th of what it is today. The low level of military participation in the United States is, admittedly, something of a national tradition. A hundred years ago, the armed forces accounted for 1.6% of the French population, 1.1% of the German population and 0.9% of the British population — but only 0.1% of the American population. The difference is that today the U.S. is trying to play the kind of role that the European powers played back then. It's an empire, to put it bluntly, with too few legions.

To make matters worse, the Department of Defense has been run since 2001 by a man who fervently believes that less is more. It was Donald Rumsfeld, we now know, who repeatedly dismissed expert advice that several hundred thousand troops would be needed to ensure the stability of postwar Iraq.

In 2003, I argued that this kind of error could be corrected if only U.S. leaders would learn some history. That was naive. Policy about Iraq has never been based on a rational assessment of that country's needs. Rumsfeld's paramount concern appears to have been to win the turf wars between the Defense Department, the Joint Chiefs and the State Department — just as Vice President Dick Cheney's was to satisfy the appetites of the GOP base for big tax cuts and cheap victories. Writing in the 1920s, German historian Eckart Kehr argued that the foreign policy of the Kaiser's Germany was the defective product of the "primacy of domestic politics."

I have come to see that U.S. foreign policy suffers from a similar pathology. The primacy of domestic politics — in the form of bureaucratic infighting and electoral manipulation — explains why the Iraq enterprise has, from the outset, been so chronically short-staffed.

The personnel deficit is not just about politics, however. "We're an empire now," a presidential aide told the journalist Ron Suskind in a moment of hubris in 2004, "and when we act, we create our own reality." But maybe the reality is that the U.S. is demographically incapable of acting as a traditional empire. After all, empire is partly about the export of people; about colonists

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and settlers. The United States, by contrast, is about the import of people, to the tune of roughly 1.5 million newcomers a year; the country expands by importing, not exporting, people.

In short, we seem doomed by domestic politics and demography to re-enact Vietnam in Iraq. The only question is what age the 300-millionth American will be when the last American is airlifted out.

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Ferguson's column will resume running on Monday next week.

Seriously Misspoken (WP)

By Eugene Robinson

The Washington Post, October 24, 2006

Okay, now they're just making stuff up. George W. Bush went on television Sunday and claimed that on Iraq war policy, "We've never been 'stay the course' " -- as if no record survived of all the times he has used those very words. Maybe he was trying to outdo Dick Cheney, who went on the radio last week and proclaimed that the beleaguered Iraqi government is doing "remarkably well."

Cheney's well-hidden sense of humor must be tremendously subtle. I can only assume that "remarkably well" was his version of the old joke about the man who falls off a 20-story building and, as he passes each floor on the way down, is heard to call out, "So far, so good!"

I'm fairly sure that the president and the vice president of the United States haven't completely lost touch with reality. I can't believe that Bush has forgotten making "stay the course" a Republican midterm election mantra, the counterpoint to the "cut and run" label he is trying to hang on the Democrats. And someone must have summoned the courage to tell Cheney that more than 85 American troops have been killed in Iraq so far in October, making it the deadliest month for U.S. forces in a year.

If Bush and Cheney were being sincere, then they're lying to themselves; if not, they're lying to the rest of us. My money is on the latter.

One administration functionary who told the truth about Iraq had to quickly apologize for his candor. Alberto Fernandez, the State Department official in charge of public diplomacy for the Middle East, said on the al-Jazeera television network that the United States had shown "arrogance" and "stupidity" in Iraq. The interview was broadcast Saturday; by Sunday, the State Department's Web site was quoting Fernandez as saying he "seriously misspoke" and as disowning his perfectly accurate remarks. I imagine Fernandez is already packing for his new job as deputy assistant consul general somewhere in the hinterlands of Kyrgyzstan.

The White House is still trying to shore up and defend a rhetorical Maginot Line that was overrun long ago, erased by implacable insurgents, sectarian militias, revanchist claimants to Iraq's vast oil wealth and Iraqi government officials whose interests do not necessarily coincide with those of the United States.

By now it has become obvious even to some of the administration's staunchest supporters that the Iraq war is a disaster. Republican incumbents who have to face the voters two weeks from now, especially, are seeing the war in a new light. The president was wrong the other day when he allowed that there might be a parallel between the current escalation of violence and the pivotal Tet Offensive in Vietnam in 1968. Tet began to shift public opinion against the Vietnam quagmire; in the case of Iraq, most Americans already oppose the war.

The president keeps saying that U.S. forces will stay in Iraq until we "get the job done," but no one knows anymore what that job might be. Does anyone still think a Western-style democracy is going to come out of this mess? Can anyone be sure that the Iraqi forces we're training and arming won't splinter into groups that defend their own parochial interests? Is anyone confident that if a government strong enough to control the whole country finally emerges, the new Iraq will even be a reliable ally of the United States?

By now it's shared wisdom -- outside of the White House, the Pentagon and perhaps the innermost precincts of Baghdad's Green Zone -- that there are no good options in Iraq, just bad ones. Setting deadlines for the Iraqi government to establish order and make painful political compromises isn't really a plan; it's a wish. Splitting the country into three parts would create a horrible

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mess. Pulling all U.S. forces out now would leave a horrible mess. Pulling all U.S. forces out a year from now would leave, yes, a horrible mess.

The least unattractive option is probably some sort of phased withdrawal. There is no justification for continuing to sacrifice American troops when no attainable goal is in sight.

The truth is that "the job," to the extent that Bush has been able to define it, almost certainly will never get done. The question is how many more American and Iraqi lives will be lost before the president admits it, drops all the bluster and acknowledges what Americans already know: "I made a mistake."

Iraq And Your Wallet (NYT)

By Nicholas D. Kristof

The New York Times, October 24, 2006

For every additional second we stay in Iraq, we taxpayers will end up paying an additional $6,300.

So aside from the rising body counts and all the other good reasons to adopt a timetable for withdrawal from Iraq, here's another: We are spending vast sums there that would be better spent rescuing the American health care system, developing alternative forms of energy and making a serious effort to reduce global poverty.

In the run-up to the Iraq war, Donald Rumsfeld estimated that the overall cost would be under $50 billion. Paul Wolfowitz argued that Iraq could use its oil to "finance its own reconstruction."

But now several careful studies have attempted to tote up various costs, and they suggest that the tab will be more than $1 trillion — perhaps more than $2 trillion. The higher sum would amount to $6,600 per American man, woman and child.

"The total costs of the war, including the budgetary, social and macroeconomic costs, are likely to exceed $2 trillion," Joseph Stiglitz, the Nobel-winning economist at Columbia, writes in an updated new study with Linda Bilmes, a public finance specialist at Harvard. Their report has just appeared in the Milken Institute Review, as an update on a paper presented earlier this year.

Just to put that $2 trillion in perspective, it is four times the additional cost needed to provide health insurance for all uninsured Americans for the next decade. It is 1,600 times Mr. Bush's financing for his vaunted hydrogen energy project.

Another study, by two economists at the American Enterprise Institute, used somewhat different assumptions and came up with a lower figure — about $1 trillion. Those economists set up a nifty Web site, www.aei-brookings.org/iraqcosts, where you can tinker with the underlying assumptions and come up with your own personal estimates.

Of course, many of the costs are hidden and haven't even been spent yet. For example, more than 3,000 American veterans have suffered severe head injuries in Iraq, and the U.S. government will have to pay for round-the-clock care for many of them for decades. The cost ranges from $600,000 to $5 million per person.

Then there are disability payments that will continue for a half-century. Among veterans of the first gulf war — in which ground combat lasted only 100 hours — 40 percent ended up receiving disability payments, still costing us $2 billion each year. We don't know how many of today's veterans will claim such benefits, but in the first quarter of this year more people sought care through the Department of Veterans Affairs than the Bush administration had budgeted for the entire year.

The war has also forced the military to offer re-enlistment bonuses that in exceptional circumstances reach $150,000. Likewise, tanks, helicopters and other battlefield equipment will have to be replaced early, since the Pentagon says they are being worn out at up to six times the peacetime rate.

The administration didn't raise taxes to pay for the war, so we're financing it by borrowing from China and other countries. Those borrowing costs are estimated to range from $264 billion to $308 billion in interest.

Then there are economic costs to the nation as a whole. For example, the price of oil was in the $20- to $30-a-barrel range early in this decade but has now shot up to more than $50, partly because of the drop in Iraq's oil exports and partly because of war-related instability in the Middle East. Professors Stiglitz and Bilmes note that if just $10 of the increase is attributable to the war, that amounts to a $450 billion drag on the economy over six years.

The bottom line is that not only have we squandered 2,800 American lives and considerable American prestige in Iraq, but we're also paying $18,000 per household to do so.

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We still face the choice of whether to remain in Iraq indefinitely or to impose a timetable and withdraw U.S. troops. These studies suggest that every additional year we keep our troops in Iraq will add $200 billion to our tax bills.

My vote would be to spend a chunk of that sum instead fighting malaria, AIDS and maternal mortality, bolstering American schools, and assuring health care for all Americans. We're spending $380,000 for every extra minute we stay in Iraq, and we can find better ways to spend that money.

One Nation, Divisible (NYT)

By John Tierney

The New York Times, October 24, 2006

An American in Iraq has finally gotten it almost right.

J. D. Thurman, the major general who is the senior commander of U.S. forces in Baghdad, has figured out the obstacle to America's dream for Iraq.

"Part of our problem is that we want this more than they do," General Thurman told The Times's Michael Gordon, alluding to American efforts to unify Iraqis. "We need to get people to stop worrying about self and start worrying about Iraq."

That's a refreshingly candid alternative to the usual lines we hear about the Iraqi people's patriotism and resolve. General Thurman predicted that Americans will keep struggling unless Iraqis put aside their differences. Quite right — and quite depressing, because they're not about to do it, no matter what timetable the U.S. tries to impose.

But what's stopping them is not selfishness. When General Thurman talked about the conflict between serving oneself and serving one's country, he was applying an American template to a different culture. Rampant individualism is not the problem in Iraq.

The problem is that they have so many social obligations more important to them than national unity. Iraqis bravely went to the polls and waved their purple fingers, but they voted along sectarian lines. Appeals to their religion trumped appeals to the national interest. And as the beleaguered police in Amara saw last week, religion gets trumped by the most important obligation of all: the clan.

The deadly battle in Amara wasn't between Sunnis and Shiites, but between two Shiite clans that have feuded for generations. After one clan's militia destroyed police stations and took over half the city, the Iraqi Army did not ride to the rescue. Authorities regained control only after the clan leaders negotiated a truce.

When the U.S. invaded Iraq, American optimists invoked Germany and Japan as models for their democratization project, but Iraq didn't have the cultural cohesion or national identity of those countries. The shrewdest forecasts I heard came not from foreign policy experts but from anthropologists and sociologists who noted a crucial statistic: nearly half of Iraqis were married to their first or second cousins.

Unlike General Thurman and other Westerners, members of these tightly knit Iraqi clans don't look on society as a collection of individuals working for the common good of the nation. "In a modern state a citizen's allegiance is to the state, but theirs is to their clan and their tribe," Ihsan M. al-Hassan, a sociologist at the University of Baghdad, warned three years ago. "If one person in your clan does something wrong, you favor him anyway, and you expect others to treat their relatives the same way."

These allegiances explain why Iraqis don't want to give up their local militias. They know it's unrealistic to expect protection from a national force of soldiers or police officers from other clans, other regions, other religions. When the Iraqi Army ordered reinforcements to go help Americans keep peace in Baghdad, several Iraqi battalions deserted rather than risk their lives defending strangers.

Instead of trying to transform Iraqis into patriots and build up national security forces, the U.S. should be urging decentralization. The national government should concentrate on defending the borders and equitably distributing oil revenue, ideally by distributing shares of the oil wealth directly to citizens.

Most other duties, including maintaining law and order, should devolve to autonomous local governments: one for the Kurdish north, one for the Sunni Triangle, one for the Shiite south, plus coalition governments in Baghad and the multiethnic

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region around Kirkuk. The result would hardly be peace. There would still be murderous religious conflicts in Baghdad and fierce interclan battles in towns like Amara.

But the local leaders — elected officials, police officers, sheiks, clerics — would be in a better position to provide security and negotiate truces than would a national government. It's no accident that the most stable part of Iraq is also the most autonomous: Kurdistan, where two rival clans have negotiated a relatively peaceful coexistence.

It wouldn't be easy for Iraqis in other regions to work out their differences, but the local leaders would have one crucial advantage over any Iraqis or Americans giving orders from Baghdad. They would realize their neighbors are not going to suddenly embrace national unity. They would know you make peace with the citizenry you have, not the one you want.

Iraqi Prime Minister Acts To Rein In Militias (WP)

By Ellen Knickmeyer

The Washington Post, October 24, 2006

BAGHDAD, Oct. 23 -- Iraq has ordered its security forces to crack down on unlawful acts by armed factions, Prime Minister Nouri al-Maliki said Monday in a rare public rebuke to the Shiite militias allied with his government.

Although the statement was bolder than usual for Maliki, it fell short of directing that the illegal militias be disbanded, a move that American officials are increasingly urging as sectarian bloodletting and other violence soar.

Shiite militias have been accused of targeting Iraq's Sunni minority in a growing number of brazen killings. The largest of the militias belong to the two Shiite religious parties leading Maliki's government.

Meanwhile, a U.S. soldier in Baghdad was reported missing late Monday, and residents said American forces had sealed the central Karrada district and were conducting door-to-door searches, according to the Associated Press.

A military official in Washington told the AP that the missing service member was a translator and that the initial report was that he may have been abducted. The official spoke on condition of anonymity because the information had not been cleared for release.

In his statement Monday, the prime minister acknowledged that unspecified "illegal groups with weapons" were carrying out operations that are undermining security in the country. Iraq's security forces had been directed "to confront the attempts to break the law, regardless of their source," he said.

Maliki singled out turmoil in Maysan province, where the Mahdi Army militia of Moqtada al-Sadr, the powerful Shiite cleric, was accused Monday of renewing attacks on police officers in the provincial capital, Amarah. The police belong to a rival militia, the Badr Organization, formerly known as the Badr Brigade.

The accusation came after Mahdi Army fighters shot four policemen to death, leading Badr militiamen to behead the teenage brother of a Mahdi Army commander, the Associated Press reported.

Iraqi army troops allegedly failed to intervene. About 500 additional troops have been deployed to Amarah since a burst of fighting last week between the two militias killed at least 25 people. In his statement, Maliki appealed to local residents to resist being pulled into the fighting.

Since midsummer, there have been record numbers of attacks on Iraqi forces and record numbers of deaths among Iraqi civilians, with more than 2,600 civilians killed last month in Baghdad alone.

Dozens of slaying victims are collected each day from the capital's streets. On Monday, 52 bodies were found across Baghdad; three of the dead had been beheaded, police said.

Other violence included a bombing in the capital that killed three Iraqis.

Attacks on American troops are also at one of their highest points of the war, with 87 killed already this month. The figure is the highest monthly toll for American forces here since October 2005, when 96 troops were killed.

The U.S. military on Monday reported two American fatalities, with a Marine killed Saturday in the western province of Anbar and a soldier killed in a bombing in Baghdad. The military also said a member of the international force training Iraqi policemen was killed Sunday in a roadside bombing in eastern Baghdad.

In London, Iraqi Deputy Prime Minister Barham Salih called for U.S.-led forces to stay in Iraq until their Iraqi counterparts are capable of securing the country.

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"I do believe there is no option for the international community to cut and run," Salih told reporters after meeting British Prime Minister Tony Blair. About 7,000 British troops are assigned to southern Iraq.

Salih said Iraqi forces would be in control of at least seven of Iraqi's 18 provinces by the end of the year, adding, "We understand that this cannot be an open-ended commitment by the international community."

Troops Take On Insurgent Haven (WP)

By Josh White

The Washington Post, October 24, 2006

CAMP STRYKER, Iraq, Oct. 23 -- Minutes before sunrise Monday, two companies of American soldiers inched in Humvees toward a hulking concrete compound near this base south of Baghdad, guns ready, their eyes on a long-coveted target along the banks of the Euphrates River.

Nestled in a Sunni stronghold isolated by the river, bomb-seeded roads and a long canal, the Yusufiyah Thermal Power Plant is a prime example of one of the most serious concerns for U.S. commanders: It is an insurgent sanctuary just miles outside Baghdad from which fighters have launched attacks and terrorist bombings in the surrounding area.

Surveillance photos have shown enemy muzzle flashes coming from the upper floors of the sprawling facility, and officials believe it has served as an important way station for the movement of arms, explosives and men. Previous U.S. military units had attacked, but with low numbers of soldiers to commit to the fight, and were ultimately driven out by persistent counterattacks.

As the Humvees rolled in Monday morning and soldiers began storming the main building, Maj. Kenny Mintz watched live aerial video of the raid, which was several months in the making.

"Getting in there isn't the hard part, it's staying there," said Mintz, operations officer for the 2nd Brigade Combat Team of the 10th Mountain Division, which is running Operation Commando Thrust to occupy an area known as the Shakariya triangle. "The insurgents go where you're not. The power plant is important because it will offer us a place we can project from in a problem area. It has been untouched, and we have to be there."

More than three years into the Iraq war, insurgent safe havens in such close proximity to Baghdad underscore the complexity of the fight U.S. forces continue to wage. As American troops try to shore up Iraqi government institutions, transfer large swaths of territory to Iraqi forces and dampen spiraling sectarian strife, they are confronted by still lawless areas like this one.

The triangle's three points are Sadr al-Yusufiyah on the Euphrates to the northwest, the Jefur al-Sakur Bridge on the Euphrates to the south and Yusufiyah to the east. The region is a fault line between Iraq's Sunni and Shiite Arab populations and a scene of flaring sectarian violence.

As they make the first sustained effort to seize the triangle, U.S. troops in recent days have discovered more than 100 large weapons caches -- buried in 55-gallon blue plastic drums in the tall reeds along the Janabi canal -- that officials believe have been used in attacks and deadly explosions in and around Baghdad. Including several 500-pound aircraft bombs, the materials are estimated to be enough to build more than 1,000 roadside bombs and supply a battalion of fighters, roughly 400 people.

Amid the caches, guns from downed U.S. helicopters have been found, apparently salvaged as trophies. On Sunday, mortar rounds that were fired into a temporary U.S. patrol base nearby killed a young soldier with the unit.

Securing the power plant site has special symbolic importance to the U.S. military because the booby-trapped bodies of two soldiers who were captured and killed in June at a nearby checkpoint were dumped at the bridge crossing into the compound.

This offensive is playing out in the 600-square-mile sector that is the 2-10 Mountain's area of operations, a mix of rural Sunni farmland to the north and west and a dense urban setting to the south and east.

As Shiite militias have gained strength across the region, they have been trying to move into cities such as Mahmudiyah and Latifiyah, escalating sectarian violence. The Iraqi army brigade in the region is having mixed success. A powerful and competent pair of battalions in the east is working hand-in-hand with U.S. forces, while two other Iraqi battalions in the west struggle with mass desertion.

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In many ways, the area is representative of Iraq as a whole, with areas of great promise bordering others where progress is largely unknown. "It is a complex situation," said Col. Michael Kershaw, the U.S. brigade's commander. "We have two different realities, and we have to build on what we have in Mahmudiyah and move west, where in some ways we're starting at the beginning. It's going to take time."

Even Mahmudiyah, with a strong Iraqi army presence and developing governmental strength, is facing sectarian violence.

On Saturday afternoon just before 5 p.m., insurgents rode seven bicycles into a bustling market in the largely Shiite city and left them amid holiday crowds, later triggering detonators hidden beneath the seats. Large chunks of plastic explosive crammed into the hollow metal frames of five of the bicycles blew market stands to charred shreds and killed at least 17 people, including children, according to U.S. and Iraqi officials.

Local Iraqi government authorities said the toll from what was initially called a mortar attack was higher. Authorities recovered two unexploded bicycle bombs. Col. Fawzi, an Iraqi battalion commander in Mahmudiyah, said Sunday that he believed the attack was meant to intimidate the local population and was in retribution for Iraqi army raids on a local Sunni political party's offices.

"I am upset and saddened by what happened," Fawzi said before leading a tour of the marketplace, wreckage still strewn across the road amid stands selling bananas and melon. "If we can remove the menace we are facing right now, Mahmudiyah can be stable."

On Monday, Iraqi army officials arrested 17 suspects in the market bombing and killed two insurgent mortar teams attempting to launch an attack, U.S. officials said. American soldiers intercepted a massive truck bomb that officials believe was heading to an Iraqi police station in Mahmudiyah.

Despite incidents like these, U.S. officials cite the possibility of progress. They say that the region's long-standing embrace of people who remain loyal to former president Saddam Hussein is diminishing. Maj. Frank Andrews, the 2-10 Mountain's executive officer, said that it is important to push out extremist operatives and convince locals that the United States is committed to the long haul.

"Now would be a very bad time for us to leave, not in a pessimistic way, but in an optimistic way," Andrews said. "We have a number of opportunities here that we want to see to fruition. I don't think it would be helpful to abandon them."

U.S. soldiers established themselves Monday atop the power plant along the Euphrates without resistance. Insurgents may have seen them staging for the large operation and chosen to pull back. Kershaw said, however, that he expects some form of counterattack in the coming days.

"We know how they respond to us trying to take their sanctuary," he said, referring to what followed past U.S. actions. "The question is how they will respond to a sustained U.S. presence."

Following A Death Trail To Sadr City (LAT)

By Patrick J. Mcdonnell

The Los Angeles Times, October 24, 2006

U.S. forces think the kidnap-and-kill forays haunting Iraq originate in the insular Shiite stronghold of Baghdad.

BAGHDAD — Where are the killers coming from?

That was the question U.S. officers pondered at a cramped command post called Apache. They examined a map showing where scores of corpses had turned up in recent weeks.

A rectangular swath of northeast Baghdad stood out. Not for the bodies found in the district, but for the clusters of corpses discovered along its tattered outskirts.

"Sadr City," said Capt. Will Wade of the 1st Battalion, 77th Armored Regiment. "That's the nucleus."

The sprawling, densely populated Shiite Muslim stronghold known as Sadr City has always been a place apart. To some, it's a den of thieves, con men and fanatics; to others, an incubator of athletes, artists and clerics.

Two years ago it was a battleground where fervent but outmatched militiamen led by Muqtada Sadr, the militantly anti-U.S. cleric, made suicidal stands against American tanks and helicopter gunships.

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These days, many U.S. commanders view the neighborhood as something akin to Cambodia during the Vietnam War — a sanctuary for the militia known as the Al Mahdi army, whose zealous volunteers are dispatched elsewhere in pogroms against their Sunni Arab countrymen.

"They're in the export business, so a lot of their force is outside Sadr City," said Maj. Charles St.Clair, who served as a military advisor in Sadr City with the 506th Regimental Combat Team. "The fact that the Corleones or the Gottis may live in my neighborhood doesn't mean they do all their business there."

The teeming district of more than 2 million people — no one knows the population with any certainty — operates as a kind of autonomous city-state in a shaky, informal truce with U.S. troops. Although it suffers regular car bomb attacks, Sadr City is among the safest districts in a fearful capital.

Markets still bustle here with a vibrancy drained from much of Baghdad. A citywide curfew that extinguishes most night life is largely ignored here. Many police eschew body armor. Men still play dominoes and sip tea at smoky cafes.

Yet the very source of the stability, Al Mahdi militiamen who enforce security and rigid Islamic codes of dress and behavior, evokes dread elsewhere in Baghdad, where turf is fast being carved up along sectarian lines.

The Al Mahdi army was born in Sadr City three years ago, the urban disenfranchised answering the call of clerics who sought enthusiastic legions to shield holy places and oust the "occupier."

"People here do not like the Americans, but they are exercising restraint," said Fatah Sheik, a prominent leader in Sadr City. "In my personal opinion, the earth beneath the occupiers should be jolted and shaken so that they don't get the idea they are standing on solid ground and decide to stay longer."

Many have likened the Al Mahdi army, with its messianic fervor, to Hezbollah, the Shiite Muslim militant group in Lebanon dubbed a terrorist organization by Washington but lionized here. A four-story portrait of Sheik Hassan Nasrallah, Hezbollah's leader, greets motorists at one of the main entrances to Sadr City.

Like Hezbollah in Lebanon, the Shiite organization here runs an extensive social service network and controls patronage-rich government ministries including health and agriculture. Like Hezbollah, it makes payments to slain militants, which it dubs martyrs. And it helps deliver rations of water and food.

U.S. and allied forces are worried that Sadr City is becoming an Iraqi version of the Hezbollah bastions of southern Beirut and the Bekaa Valley in eastern Lebanon.

"If we are to avoid a descent into civil war and anarchy, then preventing the [Al Mahdi army] from developing into a state within a state, as Hezbollah has done in Lebanon, will be a priority," William Patey, Britain's former ambassador to Iraq, wrote recently in a confidential memo leaked to the media.

After U.S. forces raided Sadr City in August, the Shiite-dominated administration of Iraqi Prime Minister Nouri Maliki made it clear the district was virtually untouchable.

"This won't happen again," he said.

Postwar U.S. administrators at first dismissed the Sadr movement as little more than a marginal nuisance. They opted instead to deal with more established Shiite leaders, despite their close ties to Iran.

Today, few doubt that the Al Mahdi army is a formidable and permanent national force, whether viewed as thugs or saints. The destruction of a major Shiite shrine in the Sunni-dominated city of Samarra in February galvanized the group into sectarian warriors reaching well beyond Sadr City.

U.S. forces appear to have settled for a kind of containment that generally avoids direct clashes in Sadr City. They worry more about the kidnap-and-kill forays that many think originate here.

"They'll send out an exporter, a gang, half a dozen cars of people in the middle of the night, all armed with AKs," Maj. St.Clair said.

The corpses usually show up the next day, often strewn along the no-man's land of levees, canals, junkyards and dirt roads along Sadr City's periphery. The grounds near a shuttered cigarette factory, once a U.S. base known as Camp Marlboro, were for a long time a popular destination for corpses.

Although most victims are Sunnis, the executed may also include Shiite "collaborators," common criminals and accused apostates, authorities said.

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Inside Sadr City, militiamen are no longer as visible, having set aside their trademark black button-down shirts and black trousers for plaid shirts and dark trousers, typical civilian garb.

But people in Sadr City are quick to point out that the Al Mahdi army is all-seeing.

Militiamen on the alert for infiltrators and potential car bombers watch the district's half a dozen major entrances — others have been shut down for safety reasons — and work closely with a police force thoroughly penetrated by the Al Mahdi army.

The Al Mahdi army's folk-hero status in Sadr City is to some extent coerced. No one wants to cross the militiamen, who can be ruthless and rely on a network of informers. Two years ago, the bodies of several local councilmen who cooperated with the U.S. Army were found hanging from lampposts, signs denouncing "collaborators" pinned to their shirts.

"Sadr City is its own place, and they do things their own way," said Staff Sgt. John Johnson of the 258th Military Police Company, a burly father of four who has worked as an advisor to Sadr City police. "They have to live here, and they have to say the right thing. This is Sadr City."

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Times staff writers Raheem Salman and Suhail Ahmad contributed to this report.

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(INFOBOX BELOW)

A place apart

Sadr City operates as a kind of autonomous city-state in a shaky, informal truce with U.S. troops. It is among the safest districts in the capital.

The beginning: Built in the 1960s as an urban renewal project, Revolution City was designed in geometric precision to house poor settlers from the rural Shiite Muslim south. Saddam Hussein later renamed it Saddam City.

After the invasion: Residents generally welcomed U.S. troops in 2003. The district was renamed Sadr City for Grand Ayatollah Mohammed Sadeq Sadr, assassinated during Hussein's rule after he founded a mosque-based social service network. Within a year, Sadr City erupted against U.S. troops.

Population: 2 million to 3 million, at least five times what the community was designed to house. Numbers swell daily with Shiite refugees fleeing Iraq's sectarian turmoil and seeking safety in an area controlled by followers of Muqtada Sadr, the virulently anti-U.S. cleric and son of the district's namesake. Sadr is the spiritual leader of the Al Mahdi army.

A slum? Although many sections fit the description, especially in the impoverished north, Sadr City also includes a prosperous merchant class, among them smugglers, forgers and other criminals. The district's 79 sectors encompass 19 square miles.

Proud history: Residents, who often display a swagger born of street survival, boast of the poets, doctors, engineers and athletes who came from Sadr City. Many in the district also were military conscripts during Hussein's regime.

Falling apart: Although it has received $200 million to upgrade infrastructure since the U.S.-led invasion, Sadr City still suffers from inadequate sewer lines, electrical blackouts, poor roads, spotty water supply and derelict schools.

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Graphics reporting by PATRICK J. MCDONNELL and RAHEEM SALMAN

U.S. Soldier May Have Been Kidnapped By Iraqi Insurgents (LAT)

By Borzou Daragahi

The Los Angeles Times, October 24, 2006

BAGHDAD — A U.S. soldier may have been kidnapped by Iraqi insurgents today, setting off a massive search of the capital, a military official said.

U.S. and Iraqi forces scoured the city for the soldier who was listed as "duty status -- whereabouts unknown" at about 7:30 p.m. An Iraqi intelligence source said the soldier may have been kidnapped while off a U.S. base.

U.S. and Iraqi security forces raided locations where the soldier may have been taken. The constant drone of helicopters could be heard over central Baghdad into the early hours of Tuesday morning.

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The possible kidnapping came amid continued violence around the country.

A militia chief's brother, kidnapped last week as an act of vengeance that sparked a two-day battle over control of a southern Iraqi city, was found dead this morning amid signs of simmering unrest between rival Shiite groups vying for power.

Hussein Bahadeli, brother of the leader of the Amarah branch of the Mahdi army, was kidnapped Thursday to avenge the slaying of the provincial director of intelligence, killed in a roadside bombing incident a day earlier.

Hundreds of heavily armed black-clad militiamen loyal to Mahdi army leader Sheik Fadhel Bahadeli swarmed the city, attacking police stations and fighting gun battles that left as many as 25 dead on Thursday and Friday.

Roadside bombs caused both U.S. military deaths announced today. An International Police liaison officer attached to the 89th Military Police Brigade was killed and four soldiers were wounded shortly before noon Sunday when their vehicle was struck by an improvised explosive device east of Baghdad.

Another soldier died at 5 p.m. Sunday when the vehicle he was riding in was struck by an improvised explosive device in western Baghdad, the military said.

The Marine, assigned to Regimental Combat Team 5, was killed Saturday in Anbar province.

In other developments:

•A remote-controlled car bomb targeting police in downtown Baghdad killed at least three Iraqis.

•Another bomb attached to a car killed at least one and injured 17 in a crowded market in northern Baghdad.

•At least one Iraqi soldier was killed during a raid of a town south of Baghdad subjected to sectarian threats by Sunnis against Shiites.

•U.S. forces killed five suspected insurgents south of the central Iraqi town of Balad. After shooting dead one insurgent, U.S. forces surrounded a house and tried to woo out the suspects before responding with force.

"Coalition aircraft delivered precision munitions onto the building, resulting in its destruction and the death of the four occupants who refused to exit," a press release said.

Special correspondents in Amarah, Baghdad, Hilla and Najaf contributed to this report.

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Troops Look For American Soldier Missing In Baghdad (NYT)

By Sabrina Tavernise

The New York Times, October 24, 2006

BAGHDAD, Oct. 23 — An American soldier apparently working as an interpreter went missing in Baghdad on Monday night, the American military said.

A brief military statement said that the soldier was reported missing around 7:30 p.m. and that American and Iraqi forces "immediately responded to attempt to locate the soldier."

"The search is ongoing," the statement said. The Associated Press reported that the missing soldier was working as an Army interpreter.

A military official, who spoke on condition of anonymity because detailed information had not yet been cleared for release, said the soldier was last seen around 2:30 p.m. in the Green Zone, the large walled area that houses the American Embassy and the Iraqi government and Parliament buildings. However, the military received a tip from an Iraqi that the soldier might have been kidnapped outside the Green Zone, the official said, and that lead is being followed.

The disappearance is highly unusual, as American soldiers are rarely, if ever, away from their units and Humvees when outside the safety of American bases, and leaving a base alone would violate military regulations.

Even so, the disappearance is deeply troubling for the military and comes at a time of tense relations between it and the Iraqi government. Military officials have grown increasingly frustrated with the government of Prime Minister Nuri Kamal al-Maliki for delaying moves to control the militia groups that are dragging Iraq toward civil war.

The two top American officials in Iraq, Gen. George W. Casey Jr., the commanding general, and Zalmay Khalilzad, the ambassador, are scheduled to give a news conference on Tuesday to try to smooth relations.

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The news of the soldier also comes two weeks ahead of midterm elections in the United States, in which the recent rise in violence in Iraq, particularly against American soldiers, has been an issue affecting the prospects of Republican candidates.

The recent spike in American casualties continued Monday, with the military announcing four more deaths, including that of a civilian police adviser. The deaths included a marine in Anbar who was killed in "enemy action" on Saturday, and two soldiers killed in separate bombings in western and southeastern Baghdad on Sunday.

The police adviser was killed Sunday, and four soldiers were wounded in eastern Baghdad. October, with a week to go, already has the highest American death toll of any month this year.

At least nine Iraqis were killed in and around Baghdad on Monday, and the authorities found eight bodies around the capital, an Interior Ministry official said.

Few soldiers have been separated from their units over the course of the war, but there was at least one instance this year.

In June, two American soldiers were captured and a third was killed in an ambush in Yusufiya, a town south of Baghdad that is one of Iraq's most hostile. The bodies of the captured soldiers were found about a week later. They had been brutalized.

The military poured resources into that rescue effort, dedicating 8,000 troops, American and Iraqi, to search for the soldiers. The search drained troops away from Baghdad.

Amara, a tribal city in the southeast corner of Iraq that was the scene of intense fighting between Shiite militias last week, was afflicted by a spate of assassinations on Sunday and Monday. Residents said the killings were probably committed by tribe members taking revenge for the more than 25 police officers and militiamen who died in street fighting on Friday.

Five Iraqis were killed Monday and two on Sunday, said Col. Abed Zughayer of the Amara police. The dead included police officers and members of the Mahdi Army, a sprawling Shiite militia whose soldiers are powerful local forces in the provinces as well as in the capital.

Perhaps as troubling, about 200 members of the Nawafil tribe, a large tribe whose home is the marshes around Amara, arrived in the city on Monday afternoon to lend support to a senior commander of a special police force, Col. Mohamed Hadi, according to Colonel Zughayer.

The authorities on Monday found the body of a brother of a Mahdi Army commander. The brother's seizure by the police last week set off the spasm of violence that paralyzed Amara for a day. The man's body was disfigured; dogs had eaten part of it, said Ali Abu Trab, the office manager for the governor of the province.

The local authorities in Amara contacted the office of the Shiite cleric Moktada al-Sadr in Najaf, south of Baghdad, to ask him to call for calm. Mr. Sadr is the head of the Mahdi Army, but his control of regional branches of that militia has slipped.

The colonel said the city has been relatively quiet, but that the Mahdi Army still controlled swaths of the eastern half of the city, which is divided by the Tigris River.

He said that a nighttime curfew had been imposed starting at 10 p.m., but that few were heeding it.

Prime Minister Maliki issued a statement on Monday warning militias, particularly in Amara, to stop the violence. "The Iraqi government hereby warns all groups with illegal weapons to refrain from any armed activities that undermine public security," he said, according to The Associated Press. "Let everyone be informed that orders have been issued to the armed forces to stop any transgression against state power."

Lawmaker Faults CNN For Sniper Video (AP)

By Anne Plummer Flaherty

AP, October 24, 2006

A leading Republican lawmaker on defense issues has asked the Pentagon to bar CNN reporters from traveling with military units in Iraq because the network showed insurgent snipers shooting at U.S. troops.

"Does CNN want America to win this thing?" Rep. Duncan Hunter, R-Calif., asked in an interview Monday on the network. In past wars, he said, the press was more pro-American.

"You can't be on both sides of the war," Hunter said.

CNN issued a statement saying the decision to air the insurgents' video was "a difficult one, but for a news organization, the right one. Our responsibility is to report the news."

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In a letter released Monday, Hunter asked Defense Secretary Donald H. Rumsfeld to yank CNN from the military embedding program, in which journalists spend time with combat units in Iraq.

Hunter, a staunch defender of the Bush administration and its handling of the war in Iraq, said the decision was irresponsible because it could encourage more attacks on U.S. troops.

"CNN has now served as the publicist for an enemy propaganda film featuring the killing of an American soldier," wrote Hunter, chairman of the House Armed Services Committee. California Republican Reps. Darrell Issa and Brian Bilbray also signed the letter.

CNN last week aired the footage, which was delivered through a contact with an insurgent leader.

The footage does not show the actual death or wounding of any service member. In one instance, the tape shows a service member milling around a public area. A shot rings out, and the tape fades to black.

Hunter's fury over the video underscores the tightrope often walked by news media in the war. Critics of the war say Americans see very little of the daily violence in Iraq because of television's reluctance to show gory footage. Dangerous conditions also keep journalists from reporting independent of military units that provide them protection.

Senior US Diplomat's Candor Gets Play In The Middle East, Ire At Home (CSM)

By Dan Murphy

The Christian Science Monitor, October 24, 2006

CAIRO

When senior State Department official Alberto Fernandez said in an interview on Al Jazeera Saturday that US policies in Iraq have been marked by "arrogance" and "stupidity," he was expressing a sentiment widely held in the Arab world.

To many Arabs, it was a stunning moment of candor. It led front pages of newspapers across the region. Mr. Fernandez - whose fluent Arabic and dozens of regional television appearances have made him the voice of American policy to millions in the Middle East - struck the sort of tone that public policy experts say the US needs if it is to regain some of its credibility in Arab eyes.

The only problem was, his comments were immediately disavowed by the Bush Administration. Now the future of Fernandez - one of America's most potent public diplomacy weapons in the region - is clouded, and the Arab view of an America that admits to no mistakes has become more entrenched.

Fernandez's primary job is to book American officials on Arab programs, but with most officials reluctant to appear on Arab-language television, particularly on Al Jazeera, which many US officials view with barely disguised loathing, he's been mostly booking himself, doing at least 100 interviews this year.

In a laudatory piece on his efforts in Newsweek this August, Fernandez poked fun at himself. "I'm Cuban," he told the magazine, referring to his heritage. "We can't close our big mouths."

But after his latest foray, State Department officials in Washington say Fernandez has, in effect, been told to recant his remarks. At first, State Department spokesman Sean McCormack said Fernandez's comments were mistranslated.

Then, when an unimpeachable translation of his remarks was produced by the Associated Press, Fernandez was told by his bosses to disavow his comments. In a statement released by the State Department, Fernandez is quoted as saying: "I seriously misspoke by using the phrase 'there has been arrogance and stupidity by the US in Iraq.' This represents neither my views, or those of the State Department."

Marc Lynch, a Middle East expert and political science professor at Williams College whose latest book, "Voices of the New Arab Public," examines the role Al Jazeera and other media play in shaping Arab views, says it appears that Fernandez is being slapped down by the administration for his comments. He worries that could end up seriously undermining American outreach efforts in the region.

"If you can say: 'Yeah, the security situation in Iraq isn't very good and we've made a lot of mistakes, but now we have to get everyone on board to find solutions,' you're going to be much more effective," says Lynch. "The real impact to worry about here is whether future public diplomacy people take away the message that if they display the slightest amount of honesty, they're doomed."

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By now, the view that the US has made major mistakes in Iraq is hardly news. It's something that's been acknowledged in print by former senior officials of the US administration there, and retired military generals who served there.

Lost in the furor over Fernandez's remarks - from right-wing blogs calling for his head to those on the left using it as fodder to claim that US policy in Iraq has been a disaster - has been the meat of his comments, which were designed to encourage constructive engagement in the region.

"There is no doubt that there is plenty of room for blame ... but we haven't focused enough on the future and the possibility of failure in Iraq," Fernandez told Al Jazeera in remarks later translated by the Associated Press. "We must all focus on saving Iraq for the sake of the Iraqi people and for our sakes, us in the West, and also you in the Arab world. I know that sometimes there is a kind of gloating in the Arab world that America has problems in Iraq ... [but] we must think of the Iraqi people, the Arabs, the Muslims, and the citizens of Iraq more than gloating about the United States."

"[Fernandez] has developed a reputation for being candid and blunt, and he'll often say things that aren't particularly popular at home, but that's earned him a reputation for being a little looser and a little more honest, and I think that helps him to get his point across," in the Middle East says Mr. Lynch. "The stuff he's getting pilloried for was setting the stage for getting across a message that's very important for the United States."

Northern Ireland Holds Iraq Lessons (WT)

By Rowan Scarborough

The Washington Times, October 24, 2006

Some of the Army's brightest minds gathered Oct. 16 in an auditorium in the Pentagon to hear a British general explain how Britain won in Northern Ireland after 37 years of fighting insurgents and how those lessons might be applied in Iraq.

At Fort Leavenworth, Kan., where officers pore over thousands of pages of after-action battlefield reports to learn the lessons of this war, the Combined Arms Center next month will release the Army's first comprehensive counterinsurgency manual since the 1960s. An Army official said it will stress winning hearts and minds, rather than using brute force, to defeat armed groups. The command has opened a Counterinsurgency Center to continue brainstorming over better battlefield tactics against terrorists.

On Capitol Hill this month, Senate Armed Services Committee Chairman John W. Warner met privately with Gen. Peter Pace, the Joint Chiefs chairman, to convey his concerns over a war he says is "drifting sideways." An aide said Mr. Warner, Virginia Republican, is canvassing military specialists for new options for Iraq. He plans a hearing on the war after the Nov. 7 elections.

"He has been reaching out to officials at [the State Department, the Pentagon] and the White House as he looks at all facets of the Iraq issue to determine the way forward," said John Ullyot, Mr. Warner's spokesman. "Understanding and thinking about Iraq is Senator Warner's highest present priority, and he is working at it seven days a week."

Finding new tactics and broader strategies for Iraq is consuming the military as it ends one of its most violent months in Iraq, with more than 80 American troops killed. Army Maj. Gen. William Caldwell, the chief military spokesman there, acknowledged last week that a three-month offensive had failed to meet expectations for reducing violence in Baghdad and that new methods would be used.

"Iraq isn't getting any better," said Richard H. Shultz Jr., director of International Security Studies Programs at Tufts University's Fletcher School. "As a result, there is a lot of nervousness about finding a better way of dealing with. The reason is straightforward. We lose in Iraq and it's going to be such a major victory for the jihadis. It will pale in comparison to Afghanistan and they thought they got a lot of mileage in defeating the Soviets."

The Army lecture featured Gen. C. Redmond Watt, Britain's top land forces commander who headed government troops in Northern Ireland when the Irish Republican Army announced disarmament last year. That 37-year campaign offered a textbook of lessons on how to defeat armed groups who use unconventional warfare to kill people, military and civilian alike.

Gen. Watt told the senior Army people, who included Gen. Peter Schoomaker, the chief of staff, that the British initially made mistakes by trying for quick tactical victories instead of embracing a long-range plan.

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A person at the lecture noted that Gen. Watt said Iraq is 10 years away from a "sufficient outcome." It will take that long to bring along the Iraqi security forces, disarm militants and nurture the politicians needed to sustain a democratic society.

Gen. Watt was not invited especially because of Iraq. His appearance was part of a long-standing Kermit Roosevelt Lecture series to forge close British-American ties. But his talk did give Army officials insights into how to win in Iraq.

"Listening to a British general makes sense because the British, through a hard and long experience, discovered some of the ways to force armed groups to give up armed struggle," said Mr. Shultz, author of "Insurgents, Terrorists and Militias: The Warriors of Contemporary Combat."

He added, "The British understood there were different factions in Northern Ireland. They helped some. They worked against others. You also need to be able to degrade insurgents. That's how others have done it. This includes the Israelis and the British. The key to success was intelligence. They developed a method for local intelligence that was able to put the IRA back on its heels. The chieftains can't breathe. They have to worry about their own security. The reason the IRA finally came to the table is because they just knew they weren't going to win the armed struggle."

Iraq is just as complex, if not more so. American commanders face different types of deadly enemies. An Army officer in Baghdad said in an interview that it is now impossible to say how large the enemy is. "It's gang warfare," the officer said.

A TV Comedy Turns An Unconventional Weapon On Iraq's High And Mighty: Fake News (NYT)

By Michael Luo

The New York Times, October 24, 2006

BAGHDAD, Oct. 23 — Nearly every night here for the past month, Iraqis weary of the tumult around them have been turning on the television to watch a wacky-looking man with a giant Afro wig and star-shaped glasses deliver the grim news of the day.

In a recent episode, the host, Saaed Khalifa, reported that Iraq's Ministry of Water and Sewage had decided to change its name to simply the Ministry of Sewage — because it had given up on the water part.

In another episode, he jubilantly declared that "Rums bin Feld" had announced American troops were leaving the country on 1/1, in other words, on Jan. 1. His face crumpled when he realized he had made a mistake. The troops were not actually departing on any specific date, he clarified, but instead leaving one by one. At that rate, it would take more than 600 years for them to be gone.

The newscast is a parody, of course, that fires barbs at everyone from the American military to the Iraqi government, an Iraqi version of "The Daily Show With Jon Stewart." Even the militias wreaking havoc on Iraq are lampooned.

Debuting last month during Ramadan, while families gathered to break their fast after sundown, the show, "Hurry Up, He's Dead," became the talk of Baghdad, delighting and shocking audiences with its needling of anyone with a hand in Iraqis' gloomy predicament today.

The acerbic newscasts, each lasting about 20 minutes, are broadcast on Al Sharqiya, an Iraqi satellite station that has at times run afoul of the government for its regular news coverage. They are continuing through Id al-Fitr, the Muslim celebration for the end of Ramadan this week. Officials at the station are in discussions about turning the show into a weekly program.

The show's success is a testament to the gallows humor with which many Iraqis now view their lives — still lacking basic services and plagued by unrelenting violence more than three years after the American-led invasion.

Since the fall of Saddam Hussein, comedies have proliferated on Iraqi television. Al Sharqiya has another popular show, "Caricatures," also known for its dark humor toward the country's problems. Given the response by Iraqis, the channel's fake newscast seems to have eclipsed others in its genre in popularity.

"We need fun in our lives because of our tragic circumstances," said Silvana, 21, a Baghdad resident who has tuned in every night with her family, if the electricity was working. "Most of the channels focus on the violence, the bodies. But this program depicts our tragedies in a funny light."

Mr. Khalifa, the show's star, is a diminutive comedian who was a well-known theater actor in Iraq during Saddam Hussein's government. The initial episodes were taped in Dubai because the producers decided it would be too dangerous and logistically difficult to film in Baghdad. Despite its madcap humor, he said, the show has a serious message.

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"The purpose of the show is to fix Iraq," he said. "We want to fix the civil services. We want to fix the government officials. We want to fix the relationships between people. We want to fix the government and stop the corruption."

The newscast opens with an explanation of the show's underlying premise: it is the year 2017 and the main character, Saaed, is the last Iraqi alive. He is lying face down on a beach with a red suitcase next to him. When he comes to, he is quickly encircled by beautiful women.

Cut to a scene of Saaed clad in a black T-shirt imprinted with "2PAC," showboating in front of a white stretch Humvee limousine with dancers cavorting all around.

The show's raucous theme song, which has become a popular cellphone ring tone here and is sung by children in schoolyards, laments that it would be better to be a lowly cat on the street than an Iraqi: "No one asks the cat where you are from, which party you're from, whether you are an Arab, a Kurd, a Sunni or a Shiite."

He sings on, "I am the last Iraqi alive, but I still do not own a house," a reference to the country's acute housing shortage.

The show's title appears initially as "The Government," but the Arabic words split in half to reveal the actual name, another crack at the country's plight.

When the broadcast begins, it takes place in the present. The show is meant to be a narration of how Saaed's country fell apart and he ended up as the last survivor, said Talib al-Sudani, the show's writer, who sold the rights to the show to Al Sharqiya several months ago for just $3,700.

Mr. Sudani, 40, gaunt and chain-smoking, is all too familiar with the woes his show satirizes. He lives in a cramped two-room apartment in Sadr City, a densely packed Shiite neighborhood, with his wife and five children. He used the cash from the show to buy a television, refrigerator, washing machine and cupboards for his home.

He came up with the show's premise one day when the curfew stranded him overnight at a cafe he frequents. He found himself envying a stray cat he saw wandering down the street.

"I couldn't go home," he said, "but she could."

With Baghdad's unrelenting violence, he said, he envisioned a day when all but one Iraqi was killed off.

"He would inherit everything, women, money, cars, land," he said. "He would take his breakfast in Erbil and lunch in Basra. He'd switch the electricity on and off himself, not someone else."

His initial idea was for the newscast to be more serious, with several different actors filling the different reportorial roles. Instead he wound up with Mr. Khalifa, a heavyset man just shy of five feet who does all the parts in his signature zany way, dressing up in heels, a wig and a dress to do the weather, donning a boxing helmet and snorkel fins for sports, and wearing an Iraqi dishdasha for business news.

In a recent episode, Mr. Khalifa poked fun at the federalism plan being pushed by many of the country's Shiite leaders that would divide Iraq into autonomous regions.

Reporting from an imaginary meeting of the "League of Iraqi Republics," he solemnly informed viewers that the main issue under discussion was the dispute between the governments of Waziriya and Kasra — actually adjacent Baghdad neighborhoods.

There were also problems, he said, between the Republic of Karrada Inside and the Republic of Karrada Outside, two parallel streets along the Tigris River here separated by just 500 feet.

Another issue on the table, he said, was the continuing embargo on the Republic of Bab al-Sharji, a Baghdad neighborhood famous for its electronics bazaars.

The federalism episode is typical. The humor behind many of the show's jokes lies in the uncomfortable recognition that they are just a step away from reality in a crumbling Iraq.

In one episode, Mr. Khalifa reported on a mass kidnapping. "Unknown men kidnapped unknown men, and they were driven to an unknown destination," he said.

There are some topics that have been deemed too controversial to air. An episode that Mr. Sudani wrote ridiculing the Saddam Hussein trial was dropped because producers were afraid it would anger loyalists of the old regime and the current government.

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But the show has had few other inhibitions. Mr. Sudani, the writer, said he has lost hope for his country. Iraq's leaders are incompetent, he said. He fears that services will never be restored. The American experiment in democracy, he said, was born dead.

All anyone can do, he said, is laugh.

Sailor Kills Marine After Lie About Rape (WT/AP)

By Sonja Barisic

The Washington Times/AP, October 24, 2006

NORFOLK, Va. (AP) -- A sailor pleaded guilty Monday to abducting and killing a Marine corporal he thought had been involved in a gang rape. The rape turned out to be a lie, but the truth surfaced too late.

Petty Officer 3rd Class Cooper Jackson, 23, pleaded guilty Monday to premeditated murder, kidnapping, impersonating a Naval Criminal Investigative Service agent and obstruction of justice in connection with the death of Cpl. Justin L. Huff, 23.

In exchange for his guilty plea, prosecutors agreed to spare him a possible death sentence.

Federal agents had testified at his Article 32 hearing, the military equivalent of a grand jury investigation, that Jackson had been fooled into falling in love with a woman who called herself Samantha and made up a story about being raped by servicemen.

"Samantha" turned out to be Ashley Elrod, a 22-year-old hotel clerk on North Carolina's Outer Banks, who testified that she lied about being raped. She said she "might have" told Jackson that one of the Marines was named Huff or Huffman, and she said Jackson called her after Huff was killed. Elrod has not been charged.

During his court-martial, Jackson told the Navy judge how he posed as an NCIS agent and took Huff to North Carolina to get information about the purported rape. He said he then slit Huff's throat and buried the body to avoid being caught.

"I'd broken several laws and I had a missing Marine with me," Jackson said at his hearing Monday. "Quite frankly, I was scared of the consequences of what would happen, of being caught, more so than I was of the consequences of taking his life."

If the judge accepts the plea, Jackson could be sentenced to life in prison with or without the possibility of parole, said his lawyer, Don Marcari. The sentencing phase was to begin Tuesday.

Huff, 23, of Indianapolis, was reported missing Jan. 2 after he didn't show up for class at the Navy and Marine Corps Intelligence Training Center in Virginia Beach, where Jackson also was a student.

Agents said Jackson, of Boones Mill, confessed when they questioned him Jan. 12. The next day, he led agents to Huff's body in a wooded area in Currituck County, N.C., just south of the Virginia-North Carolina border.

Pat Tillman's Brother Calls War Illegal (AP-Y)

AP, October 24, 2006

The brother of NFL player-turned-Army Ranger Pat Tillman, who was killed in Afghanistan, has written a scathing indictment of the war in Iraq, calling it "an illegal invasion."

Kevin Tillman, a former Army Ranger, had remained silent since his brother's death in 2004, but in an article in the Web magazine Truthdig, he sharply criticizes the invasion of Iraq, the indefinite imprisonment of terrorism suspects and other events since the brothers enlisted together in response to the Sept. 11, 2001, terrorist attacks.

"Somehow, the more soldiers that die, the more legitimate the illegal invasion becomes," Kevin Tillman wrote.

"Somehow American leadership, whose only credit is lying to its people and illegally invading a nation, has been allowed to steal the courage, virtue and honor of its soldiers on the ground," he wrote.

After playing for the Arizona State University Sun Devils, Pat Tillman was drafted by the Arizona Cardinals in 1998. He played with the team for four years. He was on the verge of signing another contract with the Cardinals in 2002 when he decided to join the Army instead.

The brothers, both ASU graduates, were initially sent to Iraq, then returned to the U.S. for Ranger training and later were sent to Afghanistan.

Pat Tillman, who played defensive back for the Arizona Cardinals, was killed by friendly fire near the Pakistan-Afghanistan border in April 2004.

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The Defense Department is investigating allegations of a cover-up, including failure by the Army to tell Tillman's family for several weeks that he had been killed by gunfire from his fellow Army Rangers, not by enemy fire as they initially were told.

Brother Of N.F.L. Star Posts Antiwar Essay (NYT)

By Randal C. Archibold

The New York Times, October 24, 2006

LOS ANGELES, Oct. 23 — A brother of Pat Tillman, the National Football League player who was killed in combat in Afghanistan after leaving his sports career to serve in the Army, has lashed out at the Iraq war in an essay published online.

The brother, Kevin Tillman, who was in the same Army Ranger unit as Pat Tillman, a corporal who was killed on April 22, 2004, by fire from his fellow soldiers under circumstances that the Pentagon continues to investigate, sharply criticized American political leadership and called the war "an illegal invasion."

"Somehow the more soldiers that die, the more legitimate the illegal invasion becomes," Mr. Tillman wrote in the 660-word essay that was posted on Thursday on Truthdig .com, a Web magazine offering news and opinion from a "progressive point of view."

"Somehow," Mr. Tillman added, "American leadership, whose only credit is lying to its people and illegally invading a nation, has been allowed to steal the courage, virtue and honor of its soldiers on the ground."

In what are apparently his most expansive public remarks since the death of his brother at age 27, he also does not spare the American public, which he suggests too often relies on superficial gestures to support the troops instead of holding politicians accountable.

"Somehow back at home, support for the soldiers meant having a 5-year-old kindergartener scribble a picture with crayons and send it overseas or slapping stickers on cars or lobbying Congress for an extra pad in a helmet," he wrote.

Mr. Tillman ended with a suggestion that the elections on Nov. 7 are an opportunity for people opposed to the war to send a message.

"Luckily this country is still a democracy," he wrote. "People still have a voice. People can still take action. It can start after Pat's birthday," Nov. 6.

Despite Pat Tillman's fame and the outpouring of emotion after his death, the Tillman family has generally kept a distance from antiwar protesters, though they have often spoken of their efforts to find the truth about what happened. Family members did not answer messages for comment on Kevin Tillman's posting.

A spokeswoman for the Pat Tillman Foundation in San Jose, Calif., where the Tillmans grew up, said, "It is our understanding that Kevin Tillman is not accepting interview requests."

Pat Tillman, a safety for the Arizona Cardinals, left the team in spring 2002 to join the Army along with Kevin Tillman, motivated in part by the Sept. 11, 2001, attacks and eventually training as a Ranger. After a stint in Iraq, the brothers were sent to Afghanistan.

Pat Tillman died, the Army eventually concluded, after members of his own unit shot him as they searched for enemy fighters in a canyon in southeastern Afghanistan. An Afghan soldier fighting next to him also died.

Kevin Tillman's essay was posted as Pentagon investigators close in on the latest of several investigations into the case. Initially, the Army had suggested that enemy fire had killed Pat Tillman. Later, the Army conceded that his comrades had shot him.

Under pressure from the family and members of Congress, the inspector general of the Defense Department and the Army Criminal Investigation Command are examining the actions of members of Mr. Tillman's unit and the initial investigation.

Daniel Kohns, a spokesman for Representative Michael M. Honda of California, a Democrat from San Jose, who pushed for the investigations, said Pentagon representatives said a month ago that they expected to complete their work by the end of November or early December.

A spokesman for the Pentagon said Monday that the investigations were continuing. He declined to comment on Kevin Tillman's essay.

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Robert Scheer, a liberal syndicated columnist and the editor of Truthdig, based in Santa Monica, Calif., said he had written about the case and had spoken to family members in the past.

Kevin Tillman's article was not solicited, Mr. Scheer said, and the site agreed to Mr. Tillman's conditions for posting it. The conditions were that it be posted unchanged aside from grammatical editing, including the headline he had written, "After Pat's Birthday."

Mr. Scheer said Mr. Tillman had made it known that, after leaving the military last year, he felt now was time to speak out, with his brother's birthday approaching. Pat Tillman also had expressed anger about the war to friends, several published reports have said.

"He is not proselytizing, he is not a political person," Mr. Scheer said of Kevin Tillman. "He just decided because his birthday was coming up he felt strongly that he had to say something."

Since the article went up on the Web site, it has received more than 4,000 responses, though Web server limits have prohibited publishing that many, Mr. Scheer said.

Hyde Urges Rumsfeld To Alter Afghan Drug Trade Policy (USAT)

By Donna Leinwand, Usa Today

USA Today, October 24, 2006

WASHINGTON — A leading House Republican is urging Defense Secretary Donald Rumsfeld to revamp the U.S. strategy against heroin production in Afghanistan, saying record opium poppy harvests show efforts to target farmers are not working.

Rep. Henry Hyde, R-Ill., chairman of the House International Relations Committee, said in an Oct. 12 letter to Rumsfeld that the U.S.-supported poppy eradication program in Afghanistan is a failure. In the previously unreported letter, provided by Hyde's committee office, Hyde urges the military to help agents from the Drug Enforcement Administration (DEA) take out drug kingpins and heroin processing centers. The current program, backed by the State Department and international agencies, focuses on low-level poppy farmers.

The "opium crisis" has "increased violence and terrorism against coalition forces there, and is now threatening to totally corrupt all of the new Afghan democratic institutions we support," Hyde's letter said, echoing concerns voiced by many U.S. officials — including Rumsfeld — that drug money is aiding a resurgence of the Taliban and al-Qaeda in Afghanistan.

Rumsfeld has not answered Hyde, but Air Force Lt. Col. Karen Finn, a Pentagon spokeswoman, said Monday, "We take this matter very seriously, and we will be responding."

Hyde's letter followed a report by the United Nations last month that said an estimated 407,724 acres of opium poppy were grown in Afghanistan this year. That's up 59% from 2005 and more than double the acreage farmed in 2000, before the U.S.-led assault on the former Taliban government.

Afghanistan is the world's top supplier of heroin, and narcotics make up more than one-third of its economy, the State Department has reported.

The Pentagon's mission in Afghanistan has focused on fighting the Taliban and al-Qaeda. It has viewed drug trafficking as a law enforcement issue. However, Rumsfeld has authorized U.S. military units operating in areas with drug activity to take along DEA agents.

Military support has helped DEA operations, the agency's Mary Irene Cooper said. The poppy eradication effort, however, has had little impact. The U.N. said 37,807 acres were eliminated this year, about 7% of the acreage cultivated.

Hyde wants military air support for DEA missions. He said it is too dangerous for civilian authorities to work alone."We can't lose the country to narcotics," he said in an interview.

Debt Keeping Troops From Duty (WP/AP)

By Thomas Watkins, Associated Press

The Washington Post/AP, October 24, 2006

Growing Numbers Seen as Security Risks Because of Finances

SAN DIEGO -- Thousands of U.S. troops are being barred from overseas duty because they are so deep in debt they are considered security risks, according to an Associated Press review of military records.

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The number of troops held back has climbed dramatically in the past few years. While they appear to represent a very small percentage of all U.S. military personnel, the increase is occurring at a time when the armed forces are stretched thin by the wars in Iraq and Afghanistan.

"We are seeing an alarming trend in degrading financial health," said Capt. Mark D. Patton, commanding officer at San Diego's Naval Base Point Loma.

The Pentagon contends that financial problems can distract personnel from their duties or make them vulnerable to bribery and treason. As a result, those who fall heavily into debt can be stripped of the security clearances they need to go overseas.

While the number of revoked clearances has surged since the beginning of the Iraq war, military officials say there is no evidence that service members are deliberately running up debts to stay out of harm's way.

Officials also say the increase has not undermined the military's fighting ability, though some say it has complicated the job of assembling some of the units needed in Iraq or Afghanistan.

The problem is attributed to a lack of financial smarts among recruits, reckless spending among those exhilarated to make it home alive after a tour of duty and the profusion of "payday lenders" -- businesses that allow military personnel to borrow against their next paycheck at extremely high interest rates.

Data supplied by the Navy, Marines and Air Force show that the number of clearances revoked for financial reasons rose every year between 2002 and 2005, climbing ninefold from 284 at the start of the period to 2,654 last year. Partial numbers from this year suggest that the trend continues.

More than 6,300 troops in the three branches lost their clearances during that four-year period. Roughly 900,000 people are serving in the three branches, though not all need clearances.

The Army -- which employs 500,000 people and accounts for the vast majority of the 160,000 U.S. troops in Iraq and Afghanistan -- rejected repeated requests to supply its data, saying such information is confidential.

At Point Loma, Patton said, clearance revocations in key areas such as military police have become so common that he often looks for two sailors to fill a single posting.

Security clearances are revoked when service members' debt payments amount to 30 percent to 40 percent of their salary. The exact amount depends on the military branch.

There are three levels of clearance -- confidential, secret and top secret. Not all troops need clearance. Marine infantrymen do not, but some Marine specialists, such as those in intelligence, do. So do many troops in the Navy and the Air Force.

Financial problems are the overwhelming reason security clearances are revoked. Other reasons include criminal activity, questionable allegiance and ill health. A key reason the military revokes clearances on financial grounds is the fear that soldiers in debt might be tempted to sell secrets or equipment to the enemy.

Also, "when they are over there fighting, we like them to have their heads in the game," said Maj. Gen. Michael Lehnert, commander of Marine Corps bases in the western United States. "We like to have them . . . not worrying about whether or not they are going to be able to make the mortgage payment or car payment."

Runaway interest rates at payday lending businesses, many of which are clustered outside bases, are another source of the problem. Several states have cracked down on payday lending practices, and President Bush signed legislation this month limiting how much these businesses can charge military personnel.

Some personnel fall into debt after returning from combat. "It can be hard to cut that sense of elation and desire to live for the moment," Lehnert said. "Some tend to get themselves overextended financially."

Like other services, the Navy offers zero-interest emergency loans, and personnel commonly take money-management classes as part of basic training. "There is instruction or training in place to give them some of the pitfalls of debt," said Terry Harris, a personal finance educator at Naval Air Station Pensacola in Florida, including "security clearances being lost to that."

CORPORATE SCANDALS:

Skilling Gets 24 Years For Fraud At Enron (WP)

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By Carrie Johnson

The Washington Post, October 24, 2006

HOUSTON, Oct. 23 -- Jeffrey K. Skilling, the brash former chief executive of Enron Corp., was ordered to serve 24 years and four months in prison Monday after an emotional court hearing in which he watched a series of former employees blame him for the fraud at the heart of the company's collapse.

Skilling's face reddened but he remained impassive as he listened to five angry and tear-choked workers tell the court about their difficulties since losing their jobs and retirement savings after the Houston energy company hurtled into bankruptcy five years ago.

Dawn Powers Martin, who worked at the company's credit union for 22 years, called Skilling a "liar, a thief and a drunk" who "cheated me and my daughter out of our retirement."

When asked to make a statement, Skilling professed remorse but he spoke with the most passion when he vowed to appeal. "I am innocent of every one of these charges," he told the court.

U.S. District Judge Simeon T. Lake III rejected a defense bid that would allow Skilling to remain free while he contested his conviction in May on 19 charges of fraud, conspiracy and insider trading. Skilling was not allowed to leave the courthouse until authorities fitted him with an electronic ankle bracelet that officials will use to monitor his movements while the Bureau of Prisons determines where he will serve his term. He has asked to be sent to a medium-security prison in Butner, N.C.

Under federal rules, Skilling, 52, must serve at least 85 percent of his sentence, which means he would not be released for more than two decades, when he will be in his 70s. Lake could have imposed a stiffer penalty. Skilling's sentence is second only to the 25-year term given to WorldCom Inc. founder Bernard J. Ebbers, whose company also collapsed during an accounting fraud that rocked investor confidence and prompted Congress to pass corporate accountability legislation in 2002.

"The Enron case is as large and as serious as any other fraud in this nation's history," prosecutor Sean M. Berkowitz told the court.

Skilling entered the courtroom arm-in-arm with his wife, former Enron corporate secretary Rebecca Carter, who sat in the first row with Skilling's brother and sister. During the proceeding, Carter cried and frequently bowed her head. Two children of Enron founder Kenneth L. Lay and his defense team were also present, and they comforted the Skilling family members with hugs and pats on the back.

Nine of the jurors in the long-running trial, including three alternates, also showed up as spectators, looking on from a back row as the hearing played out. Later, they said they supported the judge's decision, as did the former employees who testified.

Skilling's emotional state has been delicate since he left Enron. Over eight days on the witness stand during the trial, Skilling described his spiral into drinking and depression as Enron began to sink under the weight of its financial problems. After he was indicted, he twice had contact with police related to his alcohol consumption, most recently last month.

Monday afternoon, he told reporters that he had suffered over the past five years, at times, he said, even wishing he had injured himself more seriously during a hiking trip.

"There are times I'd say, 'God, I wish I'd died,' " he said.

The judge acknowledged that Skilling had helped transform Enron into one of the nation's largest companies. Skilling and his lead lawyer took time to underscore their contention that Enron collapsed not because of fraud, but because the market lost confidence in the company months after his abrupt resignation in August 2001. That caused creditors to demand immediate payment for their loans, creating a cash crunch the company could not withstand.

Skilling enlisted friends, including his administrative assistant of two decades, to speak on his behalf. "I don't consider myself a victim of anything other than my shortsighted [investment] decisions," said the assistant, Sherri Sera. She called Skilling a "visionary" who "revolutionized" the energy industry. As she returned to her seat, she embraced Skilling's wife.

But Lake said Skilling's good works did not outweigh that he had "imposed on hundreds if not thousands of people a life sentence of poverty."

As part of the resolution of the case, Skilling also agreed to turn over what his lawyers called the "overwhelming majority" of his assets, about $45 million, including the proceeds from the sale of his Mediterranean-style mansion, to employees who lost more than $1 billion with Enron's demise. His lawyers at O'Melveny & Myers LLP are to receive $15.5 million to pay suppliers and

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to cover some fees, estimated at $30 million. In what analysts have called the highest-ticket criminal defense in history, the firm already has collected $40 million in cash from Skilling and his insurance policies to defend criminal and civil cases.

Under the federal sentencing guidelines, Skilling could have received more than 30 years in prison. Instead, the judge chose a term on the lower end of the range. The judge scuttled a defense request to shave 10 months off the prison term, a move that would have made Skilling eligible for a low-security facility with fewer restrictions than the medium-security prison where he ultimately will reside.

Skilling's term is by far the longest of any won by the Justice Department's Enron Task Force, which announced late Monday that it was closing its doors. Former finance chief Andrew S. Fastow, who admitted to siphoning millions of dollars from the energy-trading company but ultimately cut a deal with prosecutors and testified against Skilling, got a six-year sentence. Lay, the founder of Enron and also a defendant in the case, died of heart disease in July, only weeks after he and Skilling were convicted by a jury.

Lake threw out Lay's conviction last week, citing a legal precedent that comes into play after a defendant dies before he completes the appeals process. On Monday, prosecutors said they had filed a civil lawsuit against Lay's estate seeking to recover $2.5 million used to pay the mortgage on his Houston penthouse condominium, $10 million from a family trust and $22,000 from a bank account.

Outside the courthouse, Skilling met throngs of reporters and camera crews. Wearing a tracking device underneath his navy suit, he waxed about Enron's past business prospects and talked about the "nightmare" his life had become. He said he felt horrible about the victims of Enron's collapse, but added that he had not broken the law, despite the aggressive prosecutors, the demonizing media reports and the resounding jury verdict.

"In the Inquisition, only about 10 percent of the people held out," Skilling said. "I can tell you it ain't fun."

Enron's Skilling Is Sentenced To 24 Years (NYT)

By Alexei Barrionuevo

The New York Times, October 24, 2006

HOUSTON, Oct. 23 — Jeffrey K. Skilling was sentenced to 24 years and 4 months in prison for his role in the pervasive fraud and conspiracy that led to the bankruptcy of Enron, closing the book on the government's prosecution of top executives at the once-highflying energy company.

Enron's fall ushered in a wave of prosecutions against corruption at the highest levels of American business. Since then the Justice Department has tightened the tourniquet around high-level executives involved in white-collar crime, leading to a series of stiff prison sentences.

Mr. Skilling stood stoically in his black suit as Judge Simeon T. Lake III read his sentence, which narrowly missed being the longest one ever handed down to a white-collar criminal. That record still belongs to Bernard J. Ebbers, the former chief executive of WorldCom, who was sentenced to 25 years last year for his role in the $11 billion fraud that led to that company's collapse.

Mr. Skilling's sentence nevertheless amounts to almost life imprisonment for the 52-year-old former chief executive, who in one decade transformed Enron from a sleepy pipeline company into an energy-trading juggernaut. Accounting schemes he approved masked huge debt and cash flow problems at the company that led to its ultimate demise. Shareholders at Enron, once the seventh-largest company in the country, lost billions of dollars in stock and retirement savings.

"As the many victims have testified, his crimes have imposed on hundreds if not thousands a life sentence of poverty," Judge Lake said, responding to criticism of the sentence as overly harsh.

Once in prison, Mr. Skilling could trim his sentence by 54 days a year with good behavior. And he could knock off one more year for participating in an inmate drug and alcohol treatment program, which the judge required.

Mr. Skilling has recently struggled with alcoholism. Despite being ordered not to drink by the court after a drunken scuffle with bar patrons in Manhattan in 2004, he was arrested last month by Dallas police for public intoxication and forced to spend a night in jail.

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At Enron, Mr. Skilling alone now bears the dear price for fighting the charges that he and his co-defendant and Enron founder, Kenneth L. Lay, deceived analysts and investors about the company's true financial condition. Mr. Lay was convicted in May of fraud and conspiracy but died unexpectedly in July of heart-related problems. Several of Mr. Lay's family members and lawyers attended Monday's sentencing.

For now, at least, Mr. Skilling will avoid the discomfort of prison life.

Judge Lake denied Mr. Skilling's request to remain free pending appeal. But he allowed him to be confined to his Houston home until the Bureau of Prisons assigns him to a correctional facility, which could be a few months. He left court wearing an electronic monitoring bracelet on an ankle under his trousers.

Mr. Skilling, who is appealing his verdict, continued to profess his innocence. "I am innocent of every one of these charges," Mr. Skilling told the judge. "We will continue to pursue my constitutional rights and it's not a dishonor to this court or anyone else who was involved in this, but I feel very strongly about this."

In his five-minute speech, he reiterated that Enron collapsed because of a "severe liquidity crisis" and did not have "enough dry powder" to deal with the events that followed his abrupt resignation as chief in August 2001. "But I wasn't there," he said. "I wish I was there."

While saying he did nothing illegal, Mr. Skilling said he did feel bad about what happened. "I can't imagine more remorse," Mr. Skilling said. "I have friends who have died. Good men."

But some outside lawyers saw little remorse in Mr. Skilling's words. "He was defiant to the end," said Philip Hilder, a Houston criminal defense lawyer.

The judge's sentence fell within the 2000 federal sentencing guidelines. Judge Lake rejected the government's call to use stricter 2001 guidelines. But he found several reasons to increase Mr. Skilling's sentence into a range of 292 months to 365 months, or 24 years and 4 months to 30 years and 5 months.

The higher sentence, the judge said, was because he found that Mr. Skilling had lied to the Securities and Exchange Commission about the real reasons for his sales of Enron stock before the company's collapse in December 2001. Mr. Skilling said he sold the stock only because of the impact on the market of the 9/11 terrorist attacks.

Judge Lake said he would recommend that Mr. Skilling be assigned to the federal prison in Butner, N.C., for medium and low-security inmates. Because of the length of his sentence he will initially be placed in a medium-security facility.

The judge also approved a restitution order that will send as much as $45 million of Mr. Skilling's money to the victims of the Enron fraud. Under the order, $15.5 million will go to Mr. Skilling's lawyers and another $5 million to Enron shareholders if Mr. Skilling's appeals are unsuccessful. Essentially all of Mr. Skilling's almost $60 million fortune will be stripped from him, the judge said.

Some outside lawyers questioned Mr. Skilling's willingness to agree to the restitution order, saying it amounted to a tacit admission of guilt that could affect his chances of successfully appealing his verdict. "That could hurt him down the line," said Joel Androphy, a Houston criminal defense lawyer.

The government said Monday that it was also continuing to pursue the ill-gotten gains from Mr. Lay, even though his verdict was voided last week because of his death. Prosecutors filed a civil forfeiture action to recover more than $12.5 million from Mr. Lay's Houston condominium, a family investment partnership and a bank account.

The courtroom Monday was packed with reporters and local citizens, including nine jurors from the criminal trial. Mr. Skilling's brother, Mark, and his ex-wife, Susan, were there, but none of Mr. Skilling's three children attended the sentencing.

Six Enron shareholders and former employees spoke in support of Mr. Skilling's getting the maximum sentence for his crimes.

"Mr. Skilling has cheated me and my daughter of our retirement dreams," said Dawn Powers Martin, who worked 22 years at Enron. Now, she said, he should be denied "the chance to walk the earth as a free man."

Anne Beliveaux, who worked as an administrative assistant in Enron's tax department, said: "The worst mistake Ken Lay ever did was to hire you, bring you in and let you run the company, which we all loved. You should be ashamed of yourself."

One supporter, Sherri Sera, Mr. Skilling's longtime administrative assistant, said Mr. Skilling had "revolutionized" the energy industry and was "the most intellectually honest person you will ever meet."

Sean Berkowitz, the director of the Enron Task Force at the Justice Department, said Mr. Skilling's sentence was appropriate and should serve to deter white-collar crime.

"The Enron fraud is as large and serious as any other fraud in this nation's history," Mr. Berkowitz said. He added that Mr. Skilling "sat at the top and set the culture of what happened at Enron — he should bear the brunt of the responsibility."

Daniel Petrocelli, Mr. Skilling's lead lawyer, argued for a sentence closer to 7 to 10 years. But he said that while the jury found Mr. Skilling had "crossed the line," the "jury had no evidence that this man ever intended to harm anybody."

Judge Lake likened that argument to someone's committing arson to collect insurance but not intending for anyone to be inside the building.

One juror, Jill Ford, said she agreed with the judge. "Just because you don't mean to do it doesn't mean you don't know it is wrong," Ms. Ford said in an interview outside the courtroom. "But this is still really sad for everybody involved."

At day's end, Mr. Skilling told reporters outside the courthouse that he had no regrets in fighting for his innocence. A federal appeals court has overturned a string of convictions in Enron-related cases, giving him some hope, at least, of winning another trial.

For the next month or so, while confined to his home, he said he planned to spend as much time as he can with his family.

"Enron has become a horror to me," Mr. Skilling said, glassy-eyed and shaking. "The word Enron conjures up some really awful things. I don't blame the judge for what he did."

Skilling Gets 24 Years, 4 Months In Prison (LAT)

By Martin Zimmerman & Lianne Hart

The Los Angeles Times, October 24, 2006

HOUSTON — In one of the toughest prison terms to arise from the recent era of corporate scandal, former Enron Chief Executive Jeffrey K. Skilling was sentenced today to more than 24 years in federal prison for his role in the 2001 collapse of the energy trading company.

U.S. District Judge Sim Lake pronounced his sentence of 24 years and four months after a two-hour hearing that featured angry testimony from former Enron workers, as well as a plea for mercy and a ringing expression of innocence from Skilling.

"In terms of remorse your Honor, I can't imagine more remorse," Skilling told Lake. "That being said your, your Honor, I am innocent of these charges. I am innocent of every one of these charges."

Skilling was sentenced nearly one week after the conviction of his former co defendant, Enron founder and Chairman Kenneth L. Lay, was thrown out after the court ruled that Lay's death in July denied him the chance to appeal the verdict.

A federal jury in May found Skilling guilty on one count of conspiracy, 12 counts of fraud, five counts of making false statements and one count of insider trading. He was acquitted of nine other insider-trading counts.

Skilling's pivotal role in what has been called the biggest scandal in the history of American business made leniency unlikely, experts said, especially given the long sentences handed out to other corporate criminals of the era, such as former WorldCom CEO Bernard J. Ebbers.

"This is a very tough time to be a white collar defendant," said Douglas R. Young, a San Francisco defense attorney. "In the public's mind, there is something about wanting to punish people who have seemingly been at the top of the game."

With no parole in the federal prison system and only limited time off possible for good behavior, it's probable that Skilling, 52, will serve the bulk of his sentence, said Stanford law professor Robert Weisberg, describing it as "a life sentence."

The Harvard MBA joined Enron in 1990 from the elite consulting firm McKinsey & Co. and was regarded as the force behind the company's transformation from a staid gas pipeline company into a high-tech energy-trading giant. Intense and sharp-tempered, Skilling became Enron's chief executive in February 2001. His resignation a few months later shocked Wall Street and intensified scrutiny of Enron's mounting financial woes.

Enron's implosion was one of the most infamous corporate scandals in U.S. history. The energy company's failure wiped out more than 4,000 jobs and billions of dollars of stock market value. It also led to sweeping regulations and legislation -- particularly the 2002 Sarbanes-Oxley law -- meant to curb corporate wrongdoing and restore confidence in companies' financial statements.

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Lay and Skilling became the headline targets of a massive crackdown on corporate wrongdoing that also resulted in charges against executives of such companies as WorldCom, Adelphia Communications, HealthSouth and Tyco International.

Enron's auditor, then-Big Five accounting giant Arthur Andersen, went out of business after being indicted on an obstruction of justice charge in the wake of Enron's collapse. Testimony showed that Andersen employees shredded mounds of Enron-related documents after the federal probe was launched. The U.S. Supreme Court last year overturned the firm's 2002 conviction because of faulty jury instructions.

Well before Enron's bankruptcy, the company was embroiled in controversy during the California energy crisis of 2000 and 2001. Officials accused Enron and other "merchant energy" firms of helping to drive electricity prices through the roof by using a variety of unethical trading ploys to "game" California's fledgling power market. Judge Lake kept those issues out of the trial.

Skilling Gets 24 Years In Prison (WSJ)

By John R. Emshwiller

The Wall Street Journal, October 24, 2006

HOUSTON -- Former Enron Corp. President Jeffrey Skilling was sentenced to 24 years and four months in prison, climaxing this generation's defining business scandal and highlighting its increasing intolerance of crime in the executive suite.

The 52-year-old Mr. Skilling didn't show emotion as he stood with his lead attorney, Daniel Petrocelli, in court yesterday and received the 292-month sentence from Judge Sim Lake. Judge Lake had presided over the four-month trial here earlier this year in which Mr. Skilling and his co-defendant, former Enron Chairman Kenneth Lay, were convicted on numerous counts of fraud and conspiracy arising out of the onetime energy giant's late 2001 collapse into bankruptcy court. Mr. Lay died from heart-related problems shortly after his May conviction.

In remarks yesterday to the court, Mr. Skilling, who also served for a time as Enron's chief executive, reiterated his innocence and his plans to appeal his conviction on 19 felony counts. Mr. Skilling said he felt remorse for the toll that Enron took on everyone from friends and family to shareholders and company employees. "I've had friends who have died," Mr. Skilling said.

"I am innocent of these charges," he said. "We will continue to pursue my constitutional rights."

VIDEO REPORT

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Paul Lin interviews WSJ.com's Law Blogger Peter Lattman2 about Jeffrey Skilling's sentencing and the message it may send to would-be white-collar criminals.

Judge Lake denied a defense motion that Mr. Skilling be allowed to stay out of prison pending his appeal. The judge did allow Mr. Skilling to "self-surrender" to prison authorities. Such a surrender usually occurs several weeks after sentencing. In the meantime, Judge Lake ordered Mr. Skilling to be confined to his home here and subject to electronic monitoring, which usually involves wearing an ankle bracelet that tracks a person's location.

Under federal law, a prisoner serves at least 85% of his sentence. If his conviction and sentence withstand appeal, Mr. Skilling would face imprisonment until he was older than 70.

Yesterday, the courtroom was packed with dozens of spectators. Many had taken part in the trial of Messrs. Skilling and Lay. Though Mr. Lay was no longer part of the case, several of his attorneys and family members attended in an apparent show of support for Mr. Skilling. Mr. Skilling and his wife, Rebecca Carter, hugged some of the defense lawyers. Ms. Carter was teary-eyed at times.

QUESTION OF THE DAY

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Vote: Is Skilling's sentence appropriate? Cast your vote in WSJ.com's Question of the Day4.

Judge Lake allowed several former Enron employees and shareholders to speak, sometimes tearfully, about the damage they suffered as a result of Enron's collapse. They talked of lost jobs, lost retirement savings and a loss of faith in a company they loved. Some urged that Judge Lake give Mr. Skilling a very long prison sentence.

"Give him what he deserves: the rest of his life in prison," said Anne Beliveaux, an 18-year Enron veteran who was an administrative assistant at the company. She said she lost more than $500,000 when the value of the company's stock collapsed.

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Mr. Petrocelli argued for a term of seven years to 10 years. Such a term would have put Mr. Skilling's sentence closer to those received by other senior Enron executives.

The federal sentencing system called for a much longer sentence than that. For the past two decades, federal prison terms have largely been determined by sentencing guidelines. They are based on numeric calculations that take into account such factors as a defendant's role in the crime, his acceptance of responsibility and, in cases of a fraud, the dollar loss.

Losses in the tens of millions of dollars can be a major upward driver of prison terms. In the case of a giant public corporation, such as Enron, the losses as measured by stock-market value can quickly reach into the billions of dollars.

Last year, a landmark Supreme Court ruling gave federal judges much more discretion to depart from the guidelines' calculations. Judges are still required to consider the guidelines and many follow them. Judge Lake yesterday said Mr. Skilling's guideline calculation called for a prison term of between 292 months and 365 months. The Skilling sentence was at the bottom end of that range.

Twenty years ago, when the guidelines were introduced, Mr. Skilling likely would have faced a sentence of about six years to seven years, sentencing experts say. Since then, there has been a steady ratcheting upward of prison terms for white-collar criminals, partly spurred by the scandals at Enron and other big companies, including WorldCom Inc. Former WorldCom chief Bernard Ebbers is serving 25 years in prison.

In handing down yesterday's sentence, Judge Lake acknowledged that Mr. Skilling had done good things at Enron and in the wider community. But Mr. Skilling also "repeatedly lied" to Enron investors and employees, the judge said. He pointed to the earlier statements from some of the victims, adding that Mr. Skilling had confined many to "a life sentence of poverty." Judge Lake recommended to federal prison authorities that Mr. Skilling be assigned to a facility in North Carolina.

The fact that corporate executives can receive prison terms akin to life sentences as a first-time offender has caused debate in law-enforcement and legal circles.

"Mr. Skilling's sentence was entirely expected and grossly excessive," said Jacob Frenkel, a former federal prosecutor who is in private practice in Rockville, Md. The sentence shows "how distorted sentencing in white-collar cases has become."

Yesterday's sentence also underscored the dangers of going to trial versus the benefits of pleading guilty and cooperating with federal investigators. Andrew Fastow, Enron's former chief financial officer, received a six-year sentence after he pleaded guilty to criminal charges and helped the government in its case against Messrs. Skilling and Lay.

Richard Causey, the company's former chief accounting officer, faces a maximum of seven years imprisonment under a plea bargain with the government. Prosecutors portrayed Messrs. Fastow and Causey as having been deeply involved with Mr. Skilling.

Under an agreement between prosecutors and the defense that Judge Lake announced, most of Mr. Skilling's remaining assets, about $45 million, will go to a fund for Enron victims. This would include the sale of his Houston mansion. The funds would be in escrow pending the outcome of Mr. Skilling's appeal. An additional $15 million would go to pay some of his legal expenses, part of a defense effort that is estimated to have cost more than $50 million so far, according to court filings and people familiar with the matter. His unpaid legal fees probably total an additional $20 million, according to these people.

Judge Orders Him To Pay $45 Million In Restitution (HC)

By Kristen Hays

Houston Chronicle, October 24, 2006

Former Enron Corp. CEO Jeff Skilling took the blow of a 24-year prison sentence the same way he took a jury's decision that he's a felon: Dry-eyed and calm.

Standing alone before U.S. District Judge Sim Lake to make a statement at his sentencing hearing Monday, Skilling insisted before he learned what his punishment would be that he is remorseful about Enron's 2001 demise and its devastating fallout to employees and investors.

"I will live those days and everything that happened subsequently for the rest of my life," he said.

"I have friends who died," he added without elaboration.

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His self-described best friend, ex-Enron executive Cliff Baxter, fatally shot himself as the scandal swirled in January 2002. And his co-defendant, former Enron Chairman Ken Lay, died of heart disease in July, just six weeks after he and Skilling were convicted of crimes including fraud and conspiracy at the close of their four-month trial.

"All that being said, your honor, I am innocent of these charges. I am innocent of every one of these charges," the 52-year-old former business titan said with a bit of defiance in a hearing that capped an era of fraud that prompted Congress to pass sweeping reforms and stiffen white collar penalties.

Unmoved, Lake imposed a prison term of 24 years and four months — the bottom of a possible range that stretched to 30 years and five months.

He will also fork over $45 million in restitution should he lose his appeal.

Skilling's term is just a few months shy of the 25-year sentence former WorldCom CEO Bernie Ebbers began serving last month for orchestrating the $11 billion fraud that drove his company into bankruptcy.

"It's difficult to understand how 24 years for a nonviolent crime can be the low end of anything," said David Berg, a Houston civil litigator.

But others, including nine of the 16 jurors and alternates in Skilling's trial who attended his sentencing, approved.

"Judge Lake knows the law. He stood firm where the sentence will be served and when lenience was allowed, he considered that," said jury foreman Deb Smith.

Philip Hilder, a former federal prosecutor who represents several Enron defendants and witnesses, said Skilling's punishment was fair.

"It's not one that's out of the ordinary," he said.

Outside the courthouse, Skilling said with a shrug that he was disappointed, but called Lake a "fair guy" and said he would appeal.

"This is no act or anything. I believe that I'm innocent," he said.

Workers respondSeveral ex-Enron workers who made statements in court vehemently disagreed.

"Mr. Skilling has proven himself to be a liar, a thief and a drunk," said Dawn Powers Martin, a 22-year Enron worker. "Shame on me for believing the management of Enron."

Skilling has had two alcohol-laced run-ins with the law, once in 2004 that involved no arrest, and again last month in Dallas, where he was arrested on a misdemeanor.

Another ex-employee, Anne Beliveaux, referred to Skilling's abrupt resignation less than four months before Enron crashed.

"When things got bad you jumped ship because you knew the sky was falling underneath you all," she said. "You should be ashamed of yourself."

Outside the courtroom, Beliveaux said she was satisfied with having said her piece to Skilling directly.

"I looked him in the eye. That's why I came," she said. "This was my closure."

A couple of supporters spoke up for Skilling as well. Sue Walden, a longtime friend, acknowledged that jurors found that crimes occurred at Enron, "but to hold one individual responsible is unfair and unjust."

Confined at homeIn the hearing, Lake ordered Skilling to be confined at home until the U.S. Bureau of Prisons determines when and where he will report to prison, a process that generally takes six to eight weeks. The ex-CEO must wear an electronic monitoring ankle bracelet at all times so federal authorities can track his movements, and he can leave his home only for specified reasons, such as grocery shopping or medical appointments.

"This is not an easy decision," Lake said before he revealed the punishment. "Sentencing is the most difficult and least pleasant part of my job."

He noted that Skilling, a father of three, has a loving family and has done "good works," such as community service for Habitat for Humanity.

"But Congress has determined that crimes like this are deserving of a long punishment," the judge said. Though tantamount to life in prison, a lengthy prison term compares to a "life sentence of poverty" suffered by victims who lost jobs and money when Enron imploded, he said.

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Skilling stoic, wife emotionalSkilling showed no visible emotion, but his wife, Rebecca Carter, leaned forward in a front-row pew and sobbed quietly. Friends and supporters who tried to comfort her included Elizabeth Vittor and Sharon Lay, the ex-chairman's daughter and sister, respectively. Vittor, a lawyer, was part of her father's legal team and sat between the two defendants throughout the trial.

Skilling's brother, Mark, also an attorney, sat near Carter and was as stoic as the ex-CEO. Skilling's children did not attend.

Under federal guidelines, investor loss drives a recommended prison term. Skilling's lawyers and prosecutors agreed ahead of time that investor losses exceeded $80 million, which meant Skilling faced 15 to 18 years in prison based on the loss alone, Hilder said.

The term increased as Lake found that other circumstances applied, such as use of sophisticated means to carry out crimes; conduct that jeopardized soundness of a financial institution, which were employee retirement accounts in Skilling's case; and abuse of a position of trust.

Lake emphasized another such circumstance — that Skilling lied to the Securities and Exchange Commission in December 2001 when he claimed that a market roiled by the Sept. 11, 2001, terrorist attacks prompted him to sell half a million shares of Enron stock the following week.

During the trial, jurors heard an audiotape of Skilling asking his broker to sell 200,000 shares of Enron stock on Sept. 6, 2001. The order was held up to give Skilling time to produce paperwork proving he was no longer CEO, and therefore didn't have to report his stock sales to the SEC.

Skilling testified that he didn't remember placing that order.

"I find that Mr. Skilling perjured himself when he testified under oath to the SEC" that he sold stock that September solely because of the attacks, Lake said.

Heaviest punishmentSkilling can shave up to 3 1/2 years from his prison term — or 15 percent — for good behavior. He also can shave up to another year if he successfully completes a drug and alcohol rehabilitation program available to all inmates.

Still, his sentence far exceeds those given to or facing other ex-Enron executives who cut plea deals or gambled with jury trials and lost.

With Lay dead, former chief financial officer and admitted thief Andrew Fastow sentenced to six years, and former chief accounting officer Richard Causey expecting to serve five to seven years as part of a plea deal, Skilling was the last one standing from the executive suite, said Robert Mintz, a New Jersey-based former prosecutor who follows the Enron case.

"There was nobody else left to shoulder the bulk of retribution, which is why I think he received one of the most severe sentences we've seen out of all these cases of corporate fraud," Mintz said.

Skilling also agreed to turn over $45 million that will be distributed to Enron victims if he loses his appeal. That amount will include proceeds from sales of his $5.1 million Houston mansion and a $700,000 Dallas townhouse.

Skilling said after the hearing that he was "thrilled to death" that the money would go to victims, rather than to the government as a fine.

Those assets have been frozen since he was indicted in February 2004, as was another $15.5 million that was released Monday to pay his lawyers.

Prosecutors had sought up to $183 million in cash and assets from Skilling, but they and his lawyers agreed that he would turn over the lesser amount. Lead Skilling lawyer Daniel Petrocelli told Lake the forfeiture agreement would essentially clean Skilling out.

Prosecutor Sean Berkowitz, who cross-examined Skilling during the trial, said that leaving Skilling with "virtually no assets when all this is over is appropriate."

"The Enron fraud is as large and serious as any other fraud in this nation's history," Berkowitz said.

Petrocelli retorted that Skilling didn't set out to harm anyone.

"He is not a sacrificial man. He is a man on trial now facing judgment," Petrocelli said.

"But that harm is a consequence of the illegal conduct he did intend," the judge said.

No regrets at going to trialOutside the courthouse, a resolute Skilling said he had no regrets that he went to trial rather than cut a plea deal.

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"No. I'm innocent," he said, when asked if he considered it. "I can't do that. I've told my children I'm innocent."

Jurors convicted Skilling of 19 of 28 counts of fraud, conspiracy, insider trading and lying to auditors, and Lay of six counts of fraud and conspiracy. Lake also convicted Lay of a count of bank fraud and four counts of lying to banks in a separate, non-jury trial.

Lake has already denied his request to remain free on bond during appeal, and Petrocelli said they would challenge that ruling as well as Skilling's convictions.

"We're looking forward to the next set of judges," he said.

In the meantime, Skilling said he aims to spend time with his family while on house arrest.

"You guys will know where I am at any time," he said.

Chronicle reporters Tom Fowler, Purva Patel and Anastasia Ustinova contributed to this story.

Skilling Gets 24 Years In Accounting Scandal (WT/AP)

By Juan A. Lozano

The Washington Times, October 24, 2006

HOUSTON -- Former Enron Chief Executive Officer Jeffrey Skilling, the most vilified figure from the financial scandal of the decade, was sentenced yesterday to 24 years and four months in the harshest sentence yet in the case that arose from the energy trading giant's collapse.

U.S. District Judge Sim Lake denied Skilling's request for bond and ordered him to home confinement, with a requirement to wear an ankle monitor. Judge Lake, who told the U.S. Bureau of Prisons to recommend when Skilling should report to prison, suggested that he be sent to the federal facility in Butner, N.C., for his role in a case that came to symbolize corporate fraud in America.

Under federal law, criminal defendants can get two months a year shaved off their sentence for good behavior, David Irwin, a former federal and state prosecutor who practices in Towson, Md., told Bloomberg News. There is no parole in federal sentencing.

"By my calculations, he'll have to serve 20 years and four months," Mr. Irwin said. "That's a long time for a 52-year-old man."

Skilling was the last top former official to be punished for the accounting tricks and shady business deals that led to the loss of thousands of jobs, more than $60 billion in Enron stock and more than $2 billion in employee pension plans after the company sought bankruptcy protection in December 2001. Skilling, insisting he was innocent yet remorseful in a two-hour hearing, is appealing.

His remaining assets, about $60 million, will be liquidated, according to an agreement among Enron employee attorneys, the company's savings and stock ownership plans, prosecutors and Skilling's legal team.

About $45 million will be put in a restitution fund for victims. The remaining amount will go toward Skilling's legal fees, said Lynn Sark, an attorney for the Enron Corp. Savings Plan and Stock Ownership Plan. The Justice Department allowed Skilling to set aside $23 million for his defense when he was indicted; he still owed his attorneys $30 million as of yesterday.

Skilling stood with his hands clasped below his waist, with attorney Daniel Petrocelli at his side. He gave no visible reaction to the sentence. After court adjourned, Skilling hugged Mr. Petrocelli.

Skilling's term is the longest received by any Enron defendant; former Chief Financial Officer Andrew Fastow was given a six-year term after cooperating with prosecutors and helping them secure Skilling's conviction.

It falls just shy of the sentence imposed on former WorldCom Chief Executive Officer Bernard J. Ebbers, who received 25 years for his role in the $11 billion accounting fraud that toppled the company he built from a tiny telecommunications firm to an industry giant.

Skilling's co-defendant, Enron founder Kenneth L. Lay, died from heart disease July 5. Mr. Lay's convictions on 10 counts of fraud, conspiracy and lying to banks in two separate cases were wiped out with his death.

Skilling's arrogance, belligerence and lack of contriteness under questioning made him a lightning rod for the rage generated by the collapse of Enron in 2001.

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"Your honor, I am innocent of these charges," Skilling told Judge Lake yesterday. "I'm innocent of every one of these charges.

"We will continue to pursue my constitutional rights, and it's no dishonor to this court and anyone else in this court. But I feel very strongly about this, and I want my friends, my family to know that."

He also disputed reports that he had no remorse for his role in the fraud that drove the company to seek bankruptcy protection.

"I can tell you that's just the furthest thing from the truth," he said. "It has been very hard on me, but probably, more important, incredibly hard on my family, incredibly hard on employees of Enron Corporation, incredibly hard on my friends and incredibly hard on the community."

Skilling's wife, former Enron corporate secretary Rebecca Carter, was in the courtroom.

Skilling was convicted in May on 19 counts of fraud, conspiracy, insider trading and lying to auditors. He was acquitted on nine counts of insider trading.

Judge Lake yesterday set investor loss tied to Skilling's actions at $80 million, which he relied on to set the sentence. With that figure, Skilling faced up to 30.4 years in prison.

Skilling also faces more than $18 million in fines for his crimes.

Victims unleashed nearly five years of anger on Skilling yesterday and begged the judge to send Skilling to prison for life.

"Mr. Skilling has proven to be a liar, a thief and a drunk, flaunting an attitude above the law," said 22-year Enron employee Dawn Powers Martin. "He has betrayed everyone who has trusted him. Shame on me for believing the management of Enron."

Some chose not to vilify Skilling, however.

"I can't state strongly enough, during 20 years, have I seen or heard anything that he was leading a massive conspiracy to mislead Enron shareholders and employees," said Sherri Sera, a former administrative assistant. She said she, too, had lost thousands in Enron stock and benefits but blamed her failure to diversify.

Skilling spent 11 years at Enron. He took over as chief executive from Mr. Lay in February 2001 but abruptly quit six months later, citing a desire to spend more time with his family. Prosecutors said he left Enron because he knew the company was on the brink of bankruptcy.

24 Years For Skilling In Enron Case (USAT)

By Greg Farrell

USA Today, October 24, 2006

HOUSTON — A federal judge sentenced Jeffrey Skilling, the lead architect of the complex fraud that was Enron, to 24 years in prison Monday, bringing closure to a massive federal effort to identify and punish the perpetrators of the biggest accounting fraud in history.

Declaring that Skilling “repeatedly lied to investors,” U.S. District Judge Sim Lake rejected defense arguments that seven to 10 years in prison would be sufficient. Instead, he gave Skilling, 52, one of the harshest sentences ever for a white-collar crime, nearly matching the 25 years that a New York judge leveled against former WorldCom CEO Bernie Ebbers last year.

As Lake spelled out the sentence, Skilling's wife, Rebecca Carter, hunched over and began sobbing in the first row of the spectator gallery. But Skilling, who was known at Enron for having a highly combustible temper, remained an island of calm throughout the proceeding.

In addition to his wife, Skilling's brother and sister attended the sentencing. To the surprise of many observers, several members of the late Ken Lay's family also showed up. In May, Skilling and Lay were both convicted of deceiving investors about Enron's true financial condition.

As if drawn by a need for closure, more than half the jurors who served on the trial also showed up at the sentencing.

Lay was scheduled to be sentenced along with Skilling, but he died of a heart attack on July 5. Last week, in accord with legal precedent, Lake vacated Lay's conviction and dismissed the indictment against him, leaving Skilling as the only Enron CEO to be sentenced for crimes committed against investors.

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Enron's collapse in the fall of 2001 wiped out more than $60 billion in market capitalization and ruined the retirement savings of thousands of former employees. Several of those victims spoke at Monday's hearing, urging Lake to impose the maximum sentence allowed on Skilling.

One such victim was Ann Beliveaux, an 18-year Enron employee whose savings were wiped out by Enron's collapse, just as she approached retirement. Looking directly at Skilling, she said: "The worst mistake Ken Lay ever made was to hire you, bring you in and let you run the company. When things got bad, you just shoved off, because you knew what was coming."

Prior to his sentencing, Skilling addressed the judge, saying he was bothered by the perception that he felt no remorse about Enron's collapse. "That's just the furthest thing from the truth," he said. Referring to Lay and former Enron executive Cliff Baxter, who took his own life in January 2002, he said, "I had friends who died, good men."

But Skilling spent much of his speech reiterating his innocence, a position consistent with his plans to appeal the verdict. In addition to his sentencing, Lake approved a settlement calling for Skilling to surrender all his $43 million in assets to a restitution fund for Enron retirees and shareholders.

Skilling Sentenced To 24 Years In Prison (FT)

By Sheila McNulty

Financial Times, October 24, 2006

Jeffrey Skilling, Enron's former chief executive, was on Monday sentenced to 24 years and four months in prison for orchestrating the fraud and conspiracy that destroyed the giant energy trader and forced a tightening of regulatory oversight across corporate America.

Mr Skilling, 52, put his arm around his lawyer, Daniel Petrocelli, after his sentence was announced, then sat down and turned to give his sobbing wife, Rebecca, a weak smile across the courtroom. She sat, clothed in black, in the public gallery, alongside the media, former Enron employees and the jury that had convicted her husband.

Former Enron CEO Jeffrey Skilling Sentenced To 24 Years In Prison (LAW)

By Brenda Sapino Jeffreys, Texas Lawyer

Texas Lawyer, October 24, 2006

At a hearing on Monday where Jeffrey Skilling continued to proclaim his innocence, U.S. District Judge Sim Lake of Houston sentenced Skilling, the former chief executive officer of Houston's Enron Corp., to more than 24 years in prison.

Lake denied Skilling's request to remain free on bail pending his appeal, but the judge allowed Skilling to remain in home confinement until the U.S. Bureau of Prisons orders him to report to prison. Lake granted a defense motion that Skilling serve his time in the Butner Federal Corrections Complex in Butner, N.C.

In May, a jury found Skilling guilty of 19 criminal charges stemming from the collapse of Enron, which filed for Chapter 11 bankruptcy protection in December 2001. Skilling stood trial alongside former Enron Chairman Kenneth Lay, but Lay died in July, and earlier this month Lake vacated Lay's conviction of 10 criminal charges because Lay's death made it impossible for him to appeal his conviction.

Lake sentenced Skilling to 292 months in prison, which was at the low end of the range of punishment dictated by the Federal Sentencing Guidelines. Lake said Skilling could have received up to 365 months in prison under the guidelines. Prosecutors and defense attorneys had stipulated the financial loss caused by Skilling's crimes at a minimum of $80 million, Lake said.

At the sentencing hearing, Lake also approved a stipulated forfeiture and restitution settlement agreement that would provide money to plaintiffs in civil litigation filed by disgruntled shareholders and employees who lost retirement money through Enron's retirement plans. Skilling will forfeit assets worth about $45 million, said Sean Berkowitz, an assistant U.S. attorney who is the head of the Enron Task Force.

"I think it is a fair solution," Lake said about the restitution agreement. "It will allow victims to recover ... a substantial amount of money."

The fund will be overseen by U.S. District Judge Melinda Harmon, who presides over the civil litigation.

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That restitution agreement calls for the payment of $15.5 million to O'Melveny & Myers, Skilling's defense firm, as partial payment for $12.7 million in unreimbursed costs and more than $20 million in unpaid fees for his criminal defense.

In relatively brief remarks in a jam-packed courtroom, Skilling said it's "just the furthest thing from the truth" for people to think he is not remorseful for what happened to Enron.

"It's been very hard on me. ... It's been incredibly hard on my family. It's been very hard on the employees of Enron Corp.," he said.

However, he said, "I am innocent of these crimes," and noted that he will pursue his constitutional right to an appeal.

Skilling stood next to his defense attorney, Daniel Petrocelli, when hearing his sentence. Skilling's wife, Rebecca Carter, was in the courtroom; she broke down sobbing after Lake sentenced her husband.

Several members of the public gave victim impact statements, including former employees who lost much of their retirement money and asked Lake to give Skilling the maximum sentence.

Ann Beliveaux, who worked at Enron for 18 years, said she lost more than $500,000 in her retirement account at Enron and faces an uncertain retirement.

"Never in my wildest dreams did I think I'd be facing what I face in one month when I turn 65," Beliveaux said.

"The worst mistake Ken Lay ever did was to hire you," Beliveaux told Skilling.

But Sherri Sera, who said she was Skilling's longtime executive assistant, implored Lake to consider that Skilling is a business "visionary" who could help the Houston community with business advice, and the judge should consider Skilling's long history of charitable work in determining his sentence.

"He's a natural resource this country can't afford to lock up," Sera said.

Petrocelli, a partner in O'Melveny & Myers in Century City, Calif., was not immediately available for comment following the hearing, but he told Lake during the hearing that Skilling never intended to harm anyone.

"This jury had no evidence against this man that he harmed anybody or intended to harm anybody," Petrocelli said.

Lake said during the hearing that Skilling's crimes "have imposed on hundreds if not thousands of people a life sentence of poverty."

Berkowitz asked Lake to give Skilling a sentence within the range dictated by the sentencing guidelines. Berkowitz declined comment following the hearing.

But in a written statement, Assistant Attorney General Alice Fisher of the U.S. Department of Justice's Criminal Division, said, "Today's sentence is a measure of justice for the thousands of people who lost their jobs and millions of dollars in investments when Enron collapsed under the weight of the fraud perpetrated by the company's top executives."

The government, meanwhile, announced on Monday that it will file a civil forfeiture action to recover property that allegedly constituted proceeds of the criminal case against Lay. The civil complaint, according to the government's press release, seeks to forfeit Lay's condominium in Houston, property associated with a Lay family investment partnership and a bank account with more than $22,000.

Michael Ramsey, a solo practitioner in Houston who was on Lay's defense team, says that if the six-year sentence that former Enron Chief Financial Officer Andrew Fastow received is a benchmark "anything above what Andy Fastow drew is retaliation or retribution" albeit within the sentencing guidelines.

Ramsey says he's not criticizing Lake, but criticizing the system.

In May, a jury found Skilling guilty of one count of conspiracy to commit wire and securities fraud, 12 counts of securities fraud, five counts of making false statements to auditors and one count of insider trading. The jury found Skilling not guilty of nine counts of insider trading.

Ex-Enron Chief Skilling Gets Prison Time (CHIT)

By Greg Burns

Chicago Tribune, October 24, 2006

DOJ_NMG_0085439

HOUSTON -- A landmark case in the annals of corporate crime ended Monday on a chilling note for any business executive tempted to cook the books, with a federal judge sentencing former Enron Corp. Chief Executive Jeffrey Skilling to more than 24 years in prison.

The 292-month sentence brings closure to one of the most traumatic frauds in the nation's history, and provides momentum for the government crackdown on executives who con investors and enrich themselves. "Corporate crooks should beware," warned FBI assistant director Chip Burrus.

U.S. District Judge Sim Lake ordered Skilling to forfeit $45 million in victim restitution, and confined him to his Houston mansion until a prison cell is designated for him within a few months. Addressing news reporters outside the courthouse, wearing a court-required ankle bracelet to track his movements, the one-time corporate star remained unrepentant, professed his innocence and vowed to appeal.

Lake rejected Skilling's claim, noting that the defendant repeatedly lied to investors and cashed in part of his stock while others were left with devastating losses. "His crimes have imposed on hundreds if not thousands of people a life sentence of poverty," Lake said.

During the three-hour hearing Lake rejected a plea for leniency, comparing Skilling to an arsonist who sets a fire in a building thought to be empty, only to discover that people inside were killed. Skilling faced the judge alone in the aftermath of the July 5 death of Enron Chairman Kenneth Lay, his co-defendant at trial. The 52-year-old ex-executive spoke in a clear voice and showed no emotion when he heard the sentence.

His wife, Rebecca, a former Enron insider, leaned over, put her head in her hands and sobbed from a front-row bench in the courtroom. His three children were not present, nor was Skilling's older brother Tom, chief meteorologist for WGN-Ch. 9 and the Chicago Tribune.

"This has been a difficult situation all around, for my family and for many others," the popular Chicago weatherman said in a statement. "Between my parents' diminishing health and the demands of my job, we're trying to get through every day the best we can."

Secure facility

Because of the length of his sentence Skilling is eligible for no less than medium security, and the judge rejected a request from his attorney, Daniel Petrocelli, for a 10-month reduction that might have opened the door to a less-restrictive institution.

Under federal rules inmates typically serve at least 85 percent of their prison term.

On May 25 a federal jury found Skilling guilty of 19 counts of fraud, conspiracy, lying to auditors and insider trading, acquitting him of nine additional insider-trading charges.

Last week Lake dismissed the conviction of Lay, who was legally entitled to a clean slate because he died before his appeals were exhausted. Lay's absence from the courtroom in which he and his co-defendant sat side-by-side during their trial cast a lonely spotlight on Skilling, who nevertheless looked tan, fit and alert.

Last month Skilling paid a $385 fine and boosted the frequency of his alcohol- and mental-health counseling after being found intoxicated in Dallas.

Among the victims speaking directly to Skilling at Monday's hearing was Charles Prestwood, who retired from Enron after 33 years only to lose everything in its bankruptcy except for the gifts he received from the company in recognition of his long service. "I had $1.3 million and all I've got to show for it is two clocks," he lamented.

Similarly, Anne Beliveaux, an 18-year Enron veteran, described how she lost her entire $500,000 nest egg just prior to reaching retirement age. "You knew the sky was getting ready to fall," she told Skilling. "You should be ashamed of yourself."

Afterwards, she pronounced the 24-year term "OK," but added, "Myself, I would have given him life."

The fall of Enron five years ago wiped out thousands of jobs and billions of dollars in wealth, shaking the public's confidence in financial markets and triggering the liquidation of Chicago's Andersen accounting firm. Along with WorldCom's collapse soon after, the case led to new rules governing the accountability of business executives, and stiffer penalties for abusing their positions.

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Enron executives led by Skilling and Lay deceived investors by hiding debt and losses in off-the-books partnerships, making Enron appear to be booming even as its woes mounted. Prosecutors demonstrated that Skilling and Lay lied to investors, omitted critical facts and put personal interests above all others.

Both defendants testified in the trial, and Skilling, a graduate of West Aurora High School, showed the brainpower and intensity that propelled his career from Harvard Business School and McKinsey & Co. to the top of Enron's energy-trading empire.

Fastow rewarded

But jurors rejected his view of Enron as a company undone by a "run on the bank" through no fault of his own. Although stiff sentences have become the norm, recent Supreme Court cases give judges greater discretion than in the past. And the rewards for cooperating in high-level white-collar cases rarely have been so significant.

After Andrew Fastow's testimony helped convict Skilling, the ex-Enron chief financial officer, who carried out the fraud and diverted company money into his own pockets, received a six-year sentence. That was four years less than called for in his plea agreement.

Skilling is likely to reference the leniency shown to Fastow in his appeal, which claims he failed to receive a fair trial because of alleged missteps in jury instructions and the handling of adverse publicity. No one has ever suggested he had an inadequate defense, however.

The Skilling legal team is said to have received $40 million, and the restitution agreement approved Monday awards his law firm another $15.5 million, primarily to pay out-of-pocket costs. The firm is still owed a greater amount in unpaid fees, Petrocelli said.

Not everyone holds Skilling responsible. Sherri Sera, his longtime personal assistant, told the court she, too, lost her retirement savings when Enron stock collapsed, but she blames herself for making a "short-sighted investment decision." Her ex-boss has been "unfairly demonized and ridiculed," she said. "He is a natural resource the country can ill-afford to lock away or throw away."

Government Sues Ken Lay's Estate (HC)

By David Ivanovich

Houston Chronicle, October 24, 2006

$12.7 million in assets sought, including family's River Oaks condo

WASHINGTON - The government filed suit against the late Ken Lay's estate Monday, hoping to wrest control of the one-time Enron chairman's River Oaks condominium and other assets valued at about $12.7 million.

In the wake of a federal judge's decision last week to vacate Lay's fraud and conspiracy convictions because of the Enron executive's death, the government filed a civil suit in U.S. District Court in Houston seeking "to recover property that constitutes proceeds of the fraud proven in the criminal case against Lay," the Justice Department said in a statement.

The government wants Lay's 33rd-floor condo in the Huntingdon at 2121 Kirby, valued at $2.5 million, along with $10.2 million in assets controlled by KLL & LPL Investments Ltd. and $22,680.14 in a Bank of America account.

Michael Ramsey, the Houston attorney who represented Lay at the criminal trial, called the government's suit an effort to "seize the homestead of the widow."

"Mr. Lay is dead, and this is an attack, apparently, on his widow and his children," Ramsey said.

Lay died July 5, just weeks after a jury found him guilty on six charges of fraud and conspiracy. In a separate trial, U.S. District Judge Sim Lake also found Lay guilty of four counts of bank fraud.

But since Lay died before his appeals could be exhausted, Lake, after a decision handed down in another case by the U.S. 5th Circuit Court of Appeals, wiped out the conviction.

Civil suit pursuedBecause that decision meant the government could not seize Lay's assets, the government chose to file a civil suit.

The government contends Lay garnered a total of $99 million from criminal activity.

The $12.7 million worth of assets identified in the civil case "is the amount identified that we believe we can recover through the civil process," Justice Department spokesman Bryan Sierra said late Monday.

Sierra could not say Monday whether the government would seek forfeiture of other assets later.

Ramsey argued the government should leave any civil matters to the attorneys representing the victims of the Enron collapse. "I don't know what business the government has being involved," Ramsey said.

Western Digital Finishes Options Review (AP-YBIZ)

AP, October 24, 2006

Western Digital Review Finds 19 Improper Stock Options Grants

WASHINGTON (AP) -- Western Digital Corp., a computer memory and data storage company, said Monday that its three-month investigation of its stock option practices turned up 19 improper stock option grants, but it found no evidence that the option grants were manipulated to avoid reporting compensation expenses on its financial statements.

The company said that 19 stock option grants between fiscal year 1998 and fiscal year 2003 were improperly accounted for, and as a result the company should have recognized approximately $21 million of stock compensation and tax-related expenses.

The investigation, which was carried out by a special committee of independent members of the company's board of directors, found that an annual employee stock option grant made in November 1999 was "intentionally dated with hindsight at a low price." But the company said although this instance of backdating was improper, no evidence was found that it was done to avoid compensation expense or any other financial statement impacts.

At least 140 public companies have disclosed Justice Department, SEC or internal investigations into possible backdating of their option grants.

The company said its special committee has recommended several changes to the board in how stock options are granted, and the board has adopted all the recommendations. The investigation also found no misconduct by the company's current management, the company said.

Western Digital has not yet determined how it will alter its financial statements as a result of the investigation. The company said it has notified the Securities and Exchange Commission of the results of its investigation and "will cooperate fully in the event of any inquiry."

Shares of Western Digital dropped 44 cents, or 2.5 percent, to close at $17.17 on the New York Stock Exchange.

CNet Networks Says 3Q Revenue Rose But Delays Full Report (AP)

AP, October 24, 2006

SAN FRANCISCO - CNet Networks Inc., an online publisher of technology news and reviews, said Monday its third-quarter revenue grew 13 percent, but it will delay filing its official results until an accounting review of its past stock-option grants is complete.

The company would not speculate on when the review would be completed and declined to discuss how its earnings might be effected.

Quarterly revenue rose to $92.8 million from $81.9 million during the same period last year.

That matched the results expected by analysts polled by Thomson Financial.

Shares of CNet climbed 40 cents, or 4.74 percent, to $8.84 after hours, after falling 3 cents to end the Nasdaq session at $8.44. The stock has ranged between $7.07 and $16.09 over the past year.

For the fourth quarter, CNet said it expects revenue of $108 million to $115 million. For the full year, the company forecast $376 million to $386 million in revenue.

Analysts project $111.3 million in revenue for the fourth quarter, and $379.8 million for fiscal 2006.

CNet is one of at least 93 companies that have been questioned by the Securities and Exchange Commission or the Justice Department for the timing of past stock options grants.

CNet previously said it found instances in which actual measurement dates for certain past stock options differ from recorded measurement dates, and that these accounting errors will require the company to restate certain past financial statements.

CNet said it will not file its full financial results for the quarter until the restatement process is complete.

The company said Monday it does not expect the anticipated restatements to have any impact on its previously reported revenues or cash positions.

Like other companies caught in the stock-option scandal, CNet has acknowledged a technique known as "backdating," which occurs when insiders look back in time for a low point in their company's stock price so the exercise, or "strike," price of the options could be set at that ebb.

If they aren't properly disclosed, backdated options can inflate corporate profits and result in an underpayment of taxes.

Following its internal probe, Shelby Bonnie resigned as CNet's chairman and chief executive earlier this month, though he remains a member of CNet's board.

The company reiterated Monday that a number of executives, including Bonnie, "bear varying degrees of responsibility" in the past options-granting process, but that no one, including current employees, engaged in "intentional wrongdoing."

Neil Ashe, who immediately replaced Bonnie as CEO, thanked his predecessor for his leadership during a conference call to analysts Monday.

"He fostered innovation and excellence. We owe him a permanent debt of gratitude for the vision as well as the industry at large," Ashe said.

CNet said that in the third quarter, its sites averaged 124.5 million unique visitors per month, up 13 percent from the year-ago period. CNet noted that it launched a new food-related Web portal, Chow, during the quarter.

Prudential Agreement With DOJ Signals New Risk For GCs (CORPCOUN)

By Sue Reisinger, Corporate Counsel

Corporate Counsel, October 24, 2006

The price for settling criminal allegations by the government keeps getting higher. In August, Prudential Financial Inc. signed a deal with the U.S. Department of Justice that allows it to avoid prosecution for wrongdoing at a brokerage subsidiary. But prosecutors didn't ask for a corporate monitor, as they typically do in deals of this nature.

Instead, the settlement with Newark, N.J.-based Prudential requires GC Susan Blount to personally design, install, and oversee a complex compliance program. Moreover, Blount must report on the program to federal prosecutors twice a year for the next five years.

Forcing a company to adopt a compliance plan is common in deferred and nonprosecution agreements, several experts say -- but demanding that a GC be held personally accountable is not. In effect, Blount has become an enforcement officer for Michael Sullivan, the U.S. attorney in Boston who oversaw the investigation into the problems at Prudential. Should the compliance program fail, Blount could be held liable by the government, as well as by shareholders.

Why didn't Sullivan take the usual route and appoint a corporate monitor? That move would have "made little sense in this case," Sullivan explains, because Prudential had sold a majority share in the subsidiary that engaged in the wrongdoing. "The [government] did, however, want to make sure that the parent company improved its oversight of its subsidiaries," Sullivan says. He accomplished that by imposing significant duties on GC Blount that cover the entire company.

Blount and Prudential's CEO signed the settlement with the government in late August. The "agreement" is called just that, not a deferred or nonprosecution agreement. The deal ends a three-year probe of Prudential Equity Group by Sullivan's office. The subsidiary admitted in the settlement that some of its Boston-based brokers illegally timed mutual fund trades to benefit big hedge fund clients, to the detriment of long-term investors. PEG says that the trades earned over $57 million in commissions and $100 million in profits for hedge fund clients. Sullivan's office is continuing its investigation into individual brokers, and at least ten have been charged.

The deal also settled actions and investigations by several other state and federal agencies, including the Securities and Exchange Commission. Linda Thomsen, the SEC's director of enforcement, said at a press conference after the settlement was signed that senior officers at Prudential received more than 1,000 e-mails and letters from mutual fund companies complaining about the timing practices. "High-level officers of Prudential were aware of the complaints," she said, "but the company failed to take action to stop the fraud."

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Blount, named general counsel in 2005 after 20 years in Prudential's legal department, didn't return calls for comment. A Prudential spokesman also wouldn't comment on the terms of the agreement. Specifically, the agreement requires Blount to make twice-a-year reports to the Prudential board's audit committee "as to the appropriateness and effectiveness of the compliance plan ... [and] to provide the reports to the U.S. attorney in the District of Massachusetts."

Besides those terms, the agreement is extraordinary in several other ways. For one, it represents the first criminal penalties against a company for deceptive market timing. For another, the $600 million in fines and penalties is the largest payment by a single company to resolve market-timing charges. Then there's the unusual length of the agreement. Most deferred and nonprosecution deals run from 12 months to three years, but this one runs a minimum of five years -- the longest found on public record.

In a statement, Prudential CEO Arthur Ryan said simply, "We take these matters very seriously and deeply regret the conduct of some former employees that led to these problems."

U.S. Requests Extradition Of Fugitive Ex-CEO From Namibia (WE/AP)

The Wichita Eagle, October 24, 2006

WINDHOEK, Namibia (AP) - The U.S. has requested the extradition from Namibia of Jacob ``Kobi'' Alexander, accused in the United States of hatching a scheme to pocket millions of dollars by secretly manipulating stock options, the U.S. Embassy spokesman said Monday.

The request was submitted Friday, U.S. Embassy spokesman Ray Castillo said in Windhoek. No date was set for an extradition hearing for the former chief executive of voicemail-software maker Comverse Technology Inc.

Alexander was granted bail by a Namibian court earlier this month on condition that he hand in his passport, stay in the Windhoek district and report twice a week to an Interpol inspector.

Dennis Khama, a Namibian Ministry of Justice official who handles extradition issues, confirmed the U.S. request had been received and said the minister would first have to determine whether it complied with the country's extradition laws. If it does, the minister will then submit the request to a magistrate.

Alexander's lawyer, Richard Metcalfe, was out of the country and unavailable for comment.

Alexander was arrested Sept. 26 in the Namibian capital, Windhoek, at the request of the FBI after a two-month manhunt. In an affidavit filed with a Namibian court, Alexander said he had entered the country lawfully in July and had been living here openly with his wife and three children.

Alexander, a 54-year-old Israeli citizen, also said he had plans for businesses and investments in this desert country.

It is alleged that from 1991 through 2005, Alexander exercised options and sold stocks worth approximately $150 million, making a $138 million profit, according to a U.S. criminal complaint. Of that, about $6.4 million was generated by backdating options.

The complaint accuses Alexander and two other former top Comverse executives of making stock options more lucrative by backdating their exercise price to a low point in the stock's value. Usually, a stock option's exercise price coincides with the market value at the time of a grant to give the recipient an incentive to drive the price higher.

In addition, the company awarded thousands of stock options to fictional employees, then secretly transferred the awards to an internal account under the name I.M. Fanton, which stood for phantom, U.S. court papers said. The scheme allowed Alexander to award those options to ``favored employees'' and to himself without board of directors approval, the papers added.

Comverse Technology is headquartered in Woodbury, New York.

More technology news and opinion at www.siliconvalley.com

Fla. Viatical Settlements Co Founder Pleads Guilty (DOW)

By Siobhan Hughes, Of DOW JONES NEWSWIRES

Dow Jones, October 24, 2006

WASHINGTON -(Dow Jones)- A founding partner of a Florida viatical settlements company has pleaded guilty to participating in a massive securities fraud in which investors lost $956 million, federal prosecutors announced on Monday.

Peter Lombardi, one of the founders of Mutual Benefits Corp., was accused of helping orchestrate the fraud from October 1994 through May 2004. He has agreed to be responsible for $956 million in restitution to victims and faces as much as 20 years in prison and a fine of as much as $5 million, according to a press release issued by the U.S. Attorney for the Southern District of Florida.

Jon May, an attorney for Lombardi, could not immediately be reached for comment.

Viatical settlements allow terminally ill people to sell their life insurance policies for an immediate payment. The purchaser of the policy becomes the beneficiary of the policy and makes premium payments, receiving the full life insurance benefit when the terminally ill person dies.

Lombardi was accused of helping direct an international network of sales agents who falsely assured investors by using false projections of how long the insured people would live. The Justice Department said that in fact, most investors have never realized any profit and haven't been able to get their investment back since about 80% of the policies never matured.

The SEC last year reached a separate settlement with Lombardi and two other men, brothers Joel and Leslie Steinger, with whom he ran the company. In that settlement, the Steinger brothers each agreed to give up $9 million in ill-gotten gains and to pay a $500,000 civil penalty. Lombardi agreed to pay $5.88 million in disgorgement and to pay a $120,000 civil penalty.

Grasso Vows Another Appeal In Response To N.Y. Judge's Ruling (LAW)

By Beth Bar, New York Law Journal

New York Law Journal, October 24, 2006

Richard A. Grasso, the ex-New York Stock Exchange chairman, will ask the New York Appellate Division, 1st Department, to review Justice Charles E. Ramos' decision ordering him to repay as much as $100 million in compensation from his former employer.

"Justice Ramos recently wrote that he takes comfort from the fact that the Appellate Division will review his rulings," Grasso said late Thursday. "So do I."

Grasso is being sued by New York Attorney General Eliot Spitzer, who has argued that Grasso's $187.5 million pay package was excessive under the state's not-for-profit law. Spitzer said Friday that he was not surprised by Grasso's decision to appeal the latest decision. "The defendants will continue to do what they have always done -- delay," Spitzer said.

But Grasso attorney Gerson A. Zweifach, a partner at Williams & Connolly, has reportedly said that any delay was Spitzer's fault. Zweifach said the case is at a standstill because the Appellate Division must decide whether it was appropriate for Ramos, in an earlier decision, to order a bench trial over the issue of whether Grasso's pay was reasonable. "The reality is that this case would be mostly done with trial right now had the attorney general not asked the judge to delay the trial and to order a bench trial," Zweifach said.

Four appeals stemming from the case are pending, including one filed by Kenneth Langone, Grasso's co-defendant.

Associated Press reports contributed to this story.

SEC Won't Charge Perle In Hollinger Board Probe (WSJ)

The Wall Street Journal, October 24, 2006

The Securities and Exchange Commission has notified former Defense Department adviser Richard Perle that regulators won't bring charges against him in connection with a case involving his service as a Hollinger International Inc. board member.

Dennis Block, an attorney for Mr. Perle, said his client was notified by the SEC early this month that he wouldn't face charges.

Mr. Perle served on the executive committee of Hollinger International from 1994 to 2003, along with former Hollinger Chairman Conrad Black and former Hollinger Chief Operating Officer David Radler. The SEC filed civil-fraud charges against Messrs. Black and Radler in 2004, accusing them of engaging in undisclosed transactions that benefited them but hurt the newspaper-publishing company.

Mr. Radler has pleaded guilty to participating in a scheme to divert more than $32 million from Hollinger's newspaper-holding company and has agreed to cooperate with prosecutors. Mr. Black was indicted on criminal charges last year and has pleaded not guilty. He is to stand trial next year.

A 2004 report for Hollinger International's board found that Mr. Perle "repeatedly breached his fiduciary duties as a member of the executive committee" by failing to evaluate several consent forms that authorized many of the transactions.

The report said that Mr. Perle "was beholden to Black and other insiders for his compensation," and that he therefore "had a motive to abdicate his fiduciary duties as an Executive Committee member so as to accommodate Black and Radler."

John Nester, an SEC spokesman, declined to comment.

Hollinger International changed its name to Sun-Times Media Group Inc. in July. The company publishes the Chicago Sun-Times and other newspapers and Web sites in the Chicago area. A spokeswoman for the company also declined to comment.

Ex-Delphi Employees Seek Aid (FREEP)

By Jason Roberson, Free Press Business Writer

Detroit Free Press, October 24, 2006

They want insurance to pay legal fees

Former Delphi Corp. CEO J.T. Battenberg III, former CFO Alan Dawes and seven other former Delphi employees who have incurred legal bills linked to a federal investigation of accounting issues, filed a motion in a U.S. bankruptcy court Thursday demanding access to a Delphi insurance policy that could pay their legal expenses.

From Delphi's bankruptcy filing Oct. 8, 2005, through February 2006, most of the former employees racked up more than $147,000 in legal expenses collectively. The costs are related to allegations of violations of federal and state securities laws and the Employee Retirement Income Security Act.

But Delphi general counsel David Sherbin sent individual letters to attorneys of the former employees in February letting them know Delphi would not pay the outstanding balance of legal bills or any future legal fees and related expenses.

"The company has the authority but not the obligation" to pay for certain legal expenses, Sherbin said in a Feb. 21 letter addressed to Dawes' attorney.

A hearing on the motion from the former employees is set for Nov. 30. Delphi spokeswoman Claudia Piccinin declined to comment Monday, saying it would be inappropriate to speak on the matter before the hearing.

Battenberg's attorney, William H. Jeffress Jr. of Baker Botts LLP in Washington, D.C., did not return phone calls seeking comment. An assistant for Dawes' attorney, Elizabeth Baird of O'Melveny & Myers LLP, said she was unavailable for comment.

According to law firm Lowenstein Sandler PC in New York, Delphi's senior executives are accused of:

• Disguising $441 million in financing transactions as sales of inventory or indirect materials.

• Improperly accounting for more than $240 million in transactions with General Motors Corp., its former owner, by deferring expenses that should have been accounted for immediately.

• Improperly accounting for millions of dollars in transactions with service providers, including $68 million in transactions with Electronic Data Systems.

• Overstating the company's pretax income by $14 million in 2002 and by $34 million in 2003 by improperly recording obligations and adjustments before they accrued.

• Improperly accounting for direct materials by understating the value. Delphi's senior executives are accused of instructing subordinates not to record high-dollar supplies as inventory and directing subordinates to delay delivery of inventory.

In 2004, Delphi bought a directors and officers liability insurance policy from National Union Fire Insurance Co. of Pittsburgh.

As early as the summer of 2004, Delphi disclosed that the Securities and Exchange Commission was investigating the company's accounting practices. On Aug. 8, 2005, Delphi disclosed that the Justice Department and other federal authorities were investigating the company.

Delphi and some former employees also are individual defendants in numerous lawsuits alleging violations of federal and state securities laws and the Employee Retirement Income Security Act. Most of these cases have been consolidated before Judge Gerald Rosen of the U.S. District Court for the eastern district of Michigan.

Ford To Restate Earnings (DEN)

DOJ_NMG_0085446

By David Shepardson, Detroit News Washington Bureau

Detroit News, October 24, 2006

Automaker says credit arm's faulty accounting will require recalculating numbers from 2001.

WASHINGTON -- Ford Motor Co. became the latest auto company to admit accounting mistakes Monday when it said it would restate earnings going back to 2001 because its credit arm incorrectly accounted for interest rate and currency derivative swaps.

Ford Motor Credit and many large companies -- especially banks -- use the financial instruments to hedge their bets against changes in currency values or swings in interest rates.

Ford said the restatement would materially improve 2002 results, but would have no effect on the company's cash position.

"Our overall hedging strategy is sound," Ford's Chief Financial Officer Don Leclair said in a conference call Monday as Ford released third-quarter financial results. "We will correct our accounting for these types of derivative instruments. We remain committed to strong internal controls and reporting transparency."

Merrill Lynch analyst John Murphy said in a note to clients Monday that "the restatements add to speculation" that Leclair may soon leave and be replaced by an executive picked by new Ford CEO Alan Mulally.

But Mulally supported Leclair in a written statement provided to The Detroit News.

"I'm absolutely delighted that Don is on the team," Mulally said. "His depth of knowledge of the company and the industry and his determination to help transform Ford Motor Company is extremely helpful to me and to our leadership team."

Many companies used a "shortcut method" to avoid regular review and reporting of the complex financial instruments, said Wesley Smyth, vice president and senior accounting analyst at Moody's Investors Service.

At the time Ford used the derivatives, the company believed it had followed all of the complicated rules related to the shortcut.

"We have reassessed the accounting for these swaps and have determined that they do not meet the requirements for the way we had previously accounted for them," Leclair said. The only way companies lose money is if they chose to terminate an instrument that no longer qualifies for hedge accounting, Moody's said in a March note.

Moody's "views the (earnings) restatements related to the shortcut method as technical misinterpretations of the accounting rule which do not alter the economic substance of the transactions," the note said.

Leclair said the errors were discovered during a routine review of Ford Credit's annual report with the SEC.

Ford will issue its restated earnings early next month when it files its third-quarter report with the Securities and Exchange Commission.

Ford is not alone in making the accounting error. Since 2004, more than 100 companies have restated earnings because of problems with derivative accounting.

In March, Wynn Resorts Limited -- the Las Vegas casino concern -- restated earnings for 2003, 2004 and 2005 for the same reason as Ford. It improved the company's accumulated deficit by approximately $16.2 million and had no effect on cash flow.

Others restating earnings include Bank of America, Citizens Banking Corp. and First Bancorp.

Ford's derivative error comes as auto industry accounting practices are under SEC scrutiny.

In recent years, the SEC has intensely reviewed the accounting practices of several automakers and suppliers, including Delphi Corp., General Motors Corp. and Collins & Aikman, among others.

GM alone has been subpoenaed by the SEC in six separate investigations -- though two are aimed at industrywide practices.

In October 2004, the SEC sought information from GM, Ford and Delphi to determine whether the companies were properly accounting for retiree pension and health care obligations. In September 2005, the SEC subpoenaed DaimlerChrysler AG for records connected to pension obligations for its Chrysler unit.

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Regulatory McCarthyism (WSJ)

By Jonathan Macey

The Wall Street Journal, October 24, 2006

Virtually every month sees some newly warmed-over argument to regulate the $1.2 trillion hedge fund industry. Having failed to stir up sufficient fear that hedge funds are ripping off their investors or are somehow harming the companies in which they invest, the latest complaint is that hedge funds pose a "systemic risk" to the financial markets.

Systemic risk is policy-speak for the danger that some event (such as the collapse of a large number of hedge funds) could spark a financial system breakdown that would include waves of bank failures, the collapse of the stock market, and general panic and chaos. The threat that some economic activity or other poses systemic risk is a favorite of regulators because a putative meltdown is not only a very scary prospect but difficult to disprove. So frightening is this vague notion that regulators are safe in suggesting that even the slightest threat should justify massive regulatory intervention. And better to regulate now, before it is too late, since we cannot know for sure whether a particular activity poses a systemic risk until the event occurs.

In the case of hedge funds, however, the very structure of the industry proves that they do not pose any systemic risk to the economy. Unlike the accounting and investment banking industries, the hedge fund industry is disaggregated and highly diverse. There are more than 10,000 hedge funds -- no two identical. Many, but not all, specialize in equity investments, others in debt and some in foreign exchange trading. Some hedge funds are entirely independent, while others are linked with various financial institutions, including investment banks and mutual funds. Some hedge funds are highly leveraged. Many invest in companies whose stock is heavily traded. Some specialize in owning stocks, others bet on financial downturns by selling short. Moreover, hedge funds, unlike private equity funds and commercial banks, tend to prefer investments with short-term time horizons, so that they have ready access to liquidity.

Precisely because of this enormous diversity, the investment strategies of hedge funds cannot pose systemic risk. From a societal perspective, the economy has a fully diversified portfolio of hedge funds. When some do well, others are bound to do poorly because their investments strategies are in no way correlated.

Cries about the threat of systemic risk from hedge funds first emerged in 1998. A large hedge fund, Long-Term Capital Management, suffered massive losses when the value of Russian debt took a nose dive. The latest uproar came just last month, when it was reported that Amaranth Advisors had lost almost $5 billion on risky investments in natural gas. In both cases, the financial markets continued to operate seamlessly, without a hint that any sort of systemic risk would actually manifest itself.

In addition to their diversity, the secrecy in which hedge funds are able to operate further ensures that such funds will not present systemic risk. Unlike investments by corporate insiders or mutual funds, because hedge funds are unregulated they need not disclose their investment choices to other investors. Some decry this lack of "transparency." However, the ability to operate without disclosure prevents copy-cat investments and other forms of "herding" behavior that might actually generate systemic risk.

The current light regulation, which includes the usual strict prohibition on insider trading, protects the valuable intellectual property interests that hedge funds have in the research that guides their portfolio selections. Thus, from an economic perspective, the absence of hedge-fund regulation both increases wealth by protecting property rights in information, and eliminates systemic risk by preventing other investors from rushing like lemmings to copy the investment strategies developed by hedge fund managers.

Further, unlike mutual funds and corporate insiders, hedge funds, because they are unregulated, can sell stock short, thereby profiting not only when they predict increases in share prices, but also when they are able to predict that shares will drop in value. This, in turn, reduces risk by contributing to the efficiency of the capital markets: The more efficient the markets, the more information we have about which firms are doing well and which are imploding.

Another major distinction between hedge funds and other institutional investors is that some hedge funds take active roles in corporate governance. Hedge funds agitate to remove underperforming CEOs of companies in which they invest. They lobby directors and management to streamline businesses and to return cash to shareholders. This leads me to believe that the big push to regulate hedge funds is done not only in ignorance, but also by vested interest groups who dislike the hedge fund managers' capacity to pressure management to perform. Ultimately, these accusations about systemic risk come from people have their own reasons for pushing for regulation. Bureaucrats seek to expand their own turf; corporate executives want to remain

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free of the oversight posed by hedge funds. Still, the irresponsible accusation that hedge funds pose a threat of systemic risk is a form of regulatory McCarthyism.

Hedge funds are already thoroughly regulated by market forces. Those that perform well for their investors will flourish. Those that perform poorly will whither. This is the best and only form of regulation that hedge funds require.

Mr. Macey is a professor at Yale Law School.

CRIMINAL LAW:

U.S. Prosecutors Targeting GOP Lawmakers (AP)

By Lara Jakes Jordan, The Associated Press

AP, October 24, 2006

WASHINGTON -- Public corruption cases brought by Justice Department prosecutors in Washington are on the rise, fueled in part by investigations targeting Republican lawmakers in Congress.

With the Nov. 7 elections looming, prosecutors have moved forward on investigations of three GOP lawmakers in the last month alone. And several Justice Department officials privately hint that even more inquiries _ involving Republicans and Democrats alike _ may be under way.

"We can't look at what party someone is a member of in deciding whether or not to pursue an investigation," Attorney General Alberto Gonzales told reporters last week, calling government corruption prosecution one of his top priorities. "We have to follow the evidence wherever it leads."

Gonzales said there is "no special emphasis" on those cases as the elections approach. But the Justice Department generally tries to keep a low profile on government corruption cases in the months before an election to avoid unfairly influencing voters.

Justice Department data show a 60 percent increase over the last five years in government corruption convictions and settlements by its Washington-based public integrity unit. Prosecutions resulted in 84 convictions and settlements in 2005, the data show, compared to 52 in 2001.

The aggressive pursuit of Republican lawmakers by Bush administration prosecutors is a sign of the independent streak of career attorneys inside the public integrity unit, said Paul F. Rothstein, a legal and government ethics professor at Georgetown Law School.

"A lot of them are nonpolitical _ they do have a taste for rooting out corruption and wrongdoing," Rothstein said. "There are some tensions coming from it. ... It's probably a very delicate and agonizing situation for the political appointees at the top" of the Justice Department.

Investigations by the public integrity unit at Justice headquarters in Washington make up only a sliver of public corruption cases prosecuted nationwide, most of which are handled by U.S. attorneys' offices. Last year, for example, federal prosecutors around the country charged 445 government officials, resulting in 390 convictions.

With only 29 attorneys, the public integrity unit in Washington is small when compared to the 450 government lawyers who prosecute criminal cases in the capital.

The unit's prosecutors generally lead or assist in high-profile corruption or national security cases, including inquiries involving members of Congress or the administration. According to its annual report, the unit had five open investigations _ all of them unidentified _ involving Congress at the end of last year.

The unit has seen an increase "in certain kinds of corruption that gets in newspapers," said one prosecutor who spoke on condition of anonymity because of the sensitive nature of the cases. "Any time you're investigating a member of Congress, it's going to get a lot of attention."

In the last month, the Justice Department has moved forward on inquiries involving two House Republicans: Reps. Mark Foley of Florida and Jim Kolbe of Arizona, both being investigated for possible improper or illegal sexual contact with teenage congressional pages. At the same time, prosecutors stepped up their investigation into whether Rep. Curt Weldon, a Pennsylvania Republican, steered $1 million in contracts to his daughter's lobbying firm.

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All three men have denied the charges. Foley resigned shortly after the allegations surfaced, while Kolbe is retiring from the House.

Additionally, three other House Republicans and one GOP senator, as well as two House Democrats have been linked to ongoing Justice Department investigations over the last year. Two other House Republicans _ Reps. Randy "Duke" Cunningham of California and Bob Ney of Ohio _ have pleaded guilty to corruption charges.

Experts say the spike in reported corruption cases is likely caused by one-party control of both the House and Senate. Investigations by the Republican-controlled House Ethics Committee, for example, ground to a near-standstill for more than a year because of partisan squabbles over staff and rules for its inquiries.

"It's far worse than what we've seen for decades on Capitol Hill," said Craig Holman of the watchdog group Public Citizen. "We've got sex, we've got bribery, we've got lobbyist corruption, earmarking, money laundering. ... The people who are in power become very comfortable with their positions, and they don't think that they can get in trouble for stepping over the line."

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On the Net:

Justice Department: http://www.usdoj.gov/

Police Chiefs To Ask Bush For More Anticrime Funds (WSJ)

By MARK SCHOOFS And ROBERT BLOCK

Wall Street Journal, October 24, 2006

More than a dozen local police chiefs, many under pressure from their communities to control a rise in violence, are meeting with White House budget and policy officials tomorrow to advocate for emergency and long-term funding to fight crime.

The meeting reflects tension between police officials and the Bush administration as the federal government directs more attention -- and finances -- to terrorism prevention over traditional crime-fighting. Federal funding to fight crime has been slashed since 2001, while money for antiterrorism programs has soared.

Some homeland-security outlays, such as money to improve information-sharing among local, state and federal law-enforcement agencies, do help to fight crime. But the lion's share of antiterrorism funding goes to specialized equipment, such as $400,000 antibomb robots and preparation for catastrophic attacks.

"We don't need any more trucks and helicopters," says Timothy Dolan, Minneapolis police chief, echoing the comments of several chiefs who feel they are now sufficiently equipped to handle a terrorist attack but are losing their ability to fight street crime.

Police concerns reflect the complaints made by state emergency managers in the run-up to Hurricane Katrina last year. After the Sept. 11, 2001, attacks, the Federal Emergency Management Agency was required to expand its focus on terrorism while maintaining its mandate to cope with natural disasters -- but wasn't given enough resources to carry out both tasks. Until the 2005 storm, the complaints of emergency experts were largely dismissed by the administration.

Some police have made similar arguments at professional gatherings over the past several months. At a Policing Terrorism Conference in New York in August, 300 police chiefs complained to FBI officials and Attorney General Alberto Gonzalez about having to juggle terrorist-hunting needs with the competing demands of more traditional policing.

"Crime is something people in my community feel every day -- not terrorism," W.H. "Rickey" Ricks, the homeland-security chief for the Orange County Sheriff's Office in Orlando, Fla., told the conference. "We stand or fall as local law enforcement on how we are dealing with crime, not on how we are preparing to stop terrorists."

Chief Ricks's boss, Sheriff Kevin Beary, narrowly won re-election two years ago after his opponent accused him of spending too much time and money on counterterrorism and not enough on dealing with crime in the area.

The pressure on local police is rising because the crime rate is ticking up. Nationwide, 2.3% more violent crimes -- including 3.4% more homicides -- were committed in 2005 than in 2004, according to the Federal Bureau of Investigation's most recent annual analysis. More than 16,000 Americans died in criminal homicides last year. The violence varies from city to city: Chicago and Miami haven't had increases; in Boston, homicides have hit a 10-year high and in Cincinnati a 20-year high, according to local crime statistics analyzed by the Police Executive Research Forum, or PERF, a think tank. "We know we are on

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the front end of an epidemic of violence," said Chuck Wexler, executive director of PERF. Mr. Wexler says the chiefs will show White House officials the numbers "and say, 'We need help now.' "

The federal budget for fighting crime, which had soared beginning in 1994 when President Clinton and the Republican-led Congress passed legislation to add 100,000 police and to improve policing tactics, has dropped since 2001.

Few chiefs are willing to say that crime is rising because of federal cuts in funding. Many factors influence crime, and the majority of police funding comes from state and local governments.

The budget for the Justice Department's two main pots that fund local crime-fighting -- "State and Local Law Enforcement Assistance" and "Community Oriented Policing Services" -- fell to about $2.5 billion in fiscal year 2006, from about $4.4 billion in 2001, according to figures provided by the department. The White House budget proposal for next year would cut that figure even further, to about $1.5 billion, according to the department's figures. The president's proposal zeroes out an important funding stream: the Byrne Justice Assistance Grants, which were a favorite because they allowed local authorities to decide how to use them.

Deputy Attorney General Paul McNulty says the cuts reflect the increased need to fund homeland security and military defense, and concerns about the budget deficit. According to the administration, the Byrne grants were zeroed out in the president's budget partly "because the crime rate continues to be at its lowest for many years." The administration's expectmore.gov Web site says the administration decided against requesting Byrne grants partly because they could be used for a variety of potential local law-enforcement activities rather than a clearly defined purpose -- exactly the flexibility chiefs say they need.

Mr. McNulty will be in charge of a new research effort, announced this month by Mr. Gonzales, to determine causes of the rise in violent crime in order to combat it. Mr. McNulty said the program, called the Initiative for Safer Communities, would examine 15 to 20 cities, including a few where crime hasn't increased, to see what tactics are working. Mr. McNulty said the program wouldn't require additional funds.

Neither Mr. McNulty nor the Office of Management and Budget would say what added funds might be made available.

--Gary Fields contributed to this article.

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House Panel Questions Hastert's Top Aide In Foley Case (USAT)

By Kathy Kiely

USA Today, October 24, 2006

WASHINGTON — House ethics committee members spent more than six hours Monday grilling the top aide to House Speaker Dennis Hastert as the panel continued its investigation into what Republican leaders did when warned about former representative Mark Foley's attentions to teenage congressional pages.

Scott Palmer, who has served as Hastert's chief of staff for more than 20 years, occupied the committee all afternoon. Hastert has said he knew nothing of concerns about Foley's sexual communications with pages — high school students who work as messengers for Congress — until the Florida Republican resigned Sept. 29.

Foley stepped down after being confronted with sexually explicit computer messages and inappropriate e-mails that he allegedly sent to some of the boys.

Kirk Fordham, Foley's former chief of staff, said he alerted Palmer several years ago to his concerns about Foley's friendships with pages. Fordham's lawyer, Timothy Heaphy, said Fordham's warnings could have come as early as 2002. Palmer has denied Fordham's account.

“What Kirk Fordham said did not happen,” Palmer said when the scandal broke.

Palmer's lawyer, Scott Fredericksen, said Palmer's testimony before the panel Monday was “consistent with the position he's taken all along.”

All four House members who are on the ethics subcommittee charged with pursuing the investigation were present for all or part of Palmer's appearance. Only two members are needed to take a sworn deposition, and the lawmakers have been taking turns interrogating witnesses.

On the panel are Chairman Doc Hastings, R-Wash., and Reps. Howard Berman, D-Calif., Judy Biggert, R-Ill., and Stephanie Tubbs Jones, D-Ill.

Hastert has defended his staff, but has said anyone who covered up information about Foley's misbehavior should be fired.

So far, these people have claimed they warned congressional leaders or their staff about Foley:

•Rep. Jim Kolbe, R-Ariz., said he alerted Hastert's staff in 2000 or 2001.

•Fordham said he spoke with the speaker's office in 2002 or 2003.

•Rep. Rodney Alexander, R-La., said he alerted the speaker's office last year and spoke to House Majority Leader John Boehner, R-Ohio, and Rep. Thomas Reynolds, R-N.Y., again this spring.

•Boehner and Reynolds said they brought up Alexander's complaints with Hastert. The speaker said he does not remember the conversation, but does not dispute that it occurred.

After Alexander contacted Hastert's office last year about e-mails that Foley had sent a Louisiana page, Rep. John Shimkus, R-Ill., head of the House Page Board, and former House clerk Jeff Trandahl confronted Foley, who promised to stop.

Shimkus said he did not tell two other page board members, Reps. Dale Kildee, D-Mich., and Shelley Moore Capito, R-W.Va., because the parents of the Louisiana page wanted the matter kept private.

Sally Vastola, a longtime aide to Reynolds, appeared earlier Monday before the committee.

Other major witnesses who have testified include Boehner, Alexander, Fordham and Trandahl. Hastert, R-Ill., also is expected to testify.

Hastert Aide Testifies In Foley Case (NYT)

By Jeff Zeleny

The New York Times, October 24, 2006

The House ethics committee questioned Speaker J. Dennis Hastert's chief of staff for more than six hours, trying to determine when Republican leaders were first alerted to concerns about Mark Foley's conduct with Congressional pages. The aide, Scott Palmer, declined to comment after emerging from the closed-door session shortly before 8:30 p.m. His lawyer, Scott L. Fredericksen, said Mr. Palmer's sworn testimony was "consistent with the position that he's taken all along." Mr. Foley, a Florida Republican resigned his seat in Congress last month after explicit e-mail he sent to former pages became public. A former aide to Mr. Foley has said he shared his concerns about his boss with Mr. Palmer at least three years ago, but Mr. Palmer has denied that account.

Palmer, Vastola Tell Their Sides (RC)

By Susan Davis

Roll Call, October 24, 2006

The four-member House ethics subcommittee looking into the activities of former Rep. Mark Foley (R-Fla.) heard testimony on Monday from Scott Palmer, chief of staff to Speaker Dennis Hastert (R-Ill.), and Sally Vastola, a top aide to National Republican Congressional Committee Chairman Tom Reynolds (N.Y.), even as the panel is scheduled to hear from Reynolds himself today.

Vastola, executive director of the NRCC, declined to comment following her three hours of testimony. She was accompanied by counsel, Robert Kelner of Covington & Burling, a specialist in election and political law.

At press time, Palmer was still being questioned by the committee after more than three hours of testimony. He made no comment to reporters as he entered the committee room and was accompanied by his attorney, Scott Fredericksen of Foley & Lardner LLP.

Reynolds is set to appear today and it is anticipated that two additional senior aides to Hastert will also appear this week, but Hastert's office has declined to announce the schedule. Mike Stokke, deputy chief of staff, and Ted Van Der Meid, staff counsel, are expected to provide key testimony in the investigation.

Two weeks out from Election Day, the timing of the investigation potentially is seen as most politically damaging for Reynolds, who is facing a tougher-than-expected re-election bid against Democratic candidate Jack Davis, who also tried to

unseat Reynolds in 2004. Davis has now sought to make the Foley scandal a central point in the campaign, and Reynolds was forced to go on the air with a TV ad apologizing for the handling of the Foley incident.

Immediately following the Foley revelation, numerous polls showed Reynolds down in his district by as many as 15 points, but recent polls indicated that Reynolds has rebounded and is running closer to a statistical dead heat with Davis. The Republican National Committee has also directed funds to his district to bolster his re-election effort.

Reynolds' public statements have often been at odds with those of Hastert since Foley resigned on Sept. 29. Reynolds said he discussed the initial e-mail exchange with Hastert earlier this year, but Hastert maintains he does not recall such a conversation. That particular e-mail exchange was characterized only as "over-friendly" and was unrelated to a series of sexually explicit online communications that were first revealed last month. It did, however, prompt enough concern to cause officials to ask Foley to cease communication with the former page, at the request of the teenager's parents. The page was sponsored by Rep. Rodney Alexander (R-La.), whose office first brought the e-mails to the attention of senior Hastert aides.

It also was reported shortly after the story broke that tensions were high between the Hastert and Reynolds camps as leadership offices sought to coordinate a timeline of events and a unified message on the Foley matter.

That effort was not particularly successful as Reynolds and Majority Leader John Boehner (Ohio) continued to offer conflicting accounts, as did Kirk Fordham, a now-resigned former top aide to Reynolds. Fordham testified before the ethics panel last week and stated publicly that he informed Palmer as early as 2003 of potentially inappropriate behavior from Foley toward male pages. Palmer denied the account in a online statement and has made no further public comments.

It is unclear if Hastert will be questioned by the ethics committee. Spokesman Ron Bonjean said the Speaker attended a fundraiser for Tennessee Republican David Davis, who is challenging Rep. Bart Gordon (D), on Monday, but said his schedule for the remainder of the week was not available.

Hastert Top Aide Testifies About Foley (AP-Y)

By Larry Margasak

AP, October 24, 2006

The House ethics committee Monday questioned Speaker Dennis Hastert's top aide, a crucial witness in determining whether Hastert's office knew at least three years ago of Rep. Mark Foley's come-ons to male pages.

The closed-door testimony by Hastert chief of staff Scott Palmer could help determine who is telling the truth about when the speaker's office learned of Foley's conduct. Hastert has said it was in the fall of 2005.

The speaker has a lot riding on the outcome. He has fended off calls for his resignation with statements that his staff acted properly after the 2005 notification, and quickly had a lawmaker and the House chief clerk confront the Florida Republican.

Hastert said he didn't learn about Foley until late September, when the scandal became public and Foley resigned.

The speaker's timeline could be shattered if the committee believes former Foley chief of staff Kirk Fordham, who already has testified before the ethics panel. Fordham has said publicly that he told Palmer about Foley in 2002 or 2003, and subsequently learned that Palmer spoke with Foley on the subject.

"What Kirk Fordham said did not happen," Palmer said weeks ago in his lone public statement on the matter.

Hastert's version, issued as an internal report, said his staff learned in the fall of 2005 that Foley had sent overly friendly e-mails to a former Louisiana page. The report said the staff did not see the texts of the e-mails, which asked about the 16-year-old's birthday and requested a picture.

The report said the speaker's office contacted then-chief clerk Jeff Trandahl, who went to confront Foley with Rep. John Shimkus, R-Ill. and chairman of the board that oversees the page program. They ordered Foley to immediately stop communicating with the youngster.

The report added that nobody in Hastert's office knew, until the messages became public, that Foley also had sent sexually explicit instant messages to other former pages.

Ironically, the internal report did not mention any role played by Palmer, despite his status as Hastert's top assistant.

The speaker has left himself one major escape route, publicly pledging to fire any of his staff members who were found to have covered up knowledge of Foley's conduct.

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Hastert also has said he doesn't recall discussing Foley's conduct with Rep. Tom Reynolds, R-N.Y., the House Republican campaign chairman; or Majority Leader John Boehner, R-Ohio, both of whom said they told Hastert about Foley earlier this year.

Boehner testified before the committee last week and Reynolds was expected to be questioned Tuesday.

Before Palmer testified, Reynolds' top political aide, Sally Vastola, appeared before the committee as it began a third week of closed-door testimony. Vastola is executive director of the National Republican Congressional Committee and a longtime top aide to Reynolds.

Vastola's testimony could touch on how Reynolds reacted when learning of problems with Foley's behavior toward pages and with whom Reynolds may have shared the information.

Testimony from Hastert's aides would go a long way toward wrapping up the interviews required for the panel to make its findings, though it's unclear whether the panel will have enough time to issue a report before Election Day.

The committee, evenly divided between the parties, could issue an interim report by Election Day.

For A Top Democrat, Further Climb Seems Out (NYT)

By Mark Mazzetti

The New York Times, October 24, 2006

WASHINGTON, Oct. 23 — Representative Jane Harman has gained national prominence as the top Democrat on the House Intelligence Committee, but even her supporters now concede that she is unlikely to become chairman if her party wins control of the House.

Standing in her way is another California lawmaker, Representative Nancy Pelosi, the Democrats' speaker-in-waiting, who would have the power to pick the leader of each committee. The relationship between the two has soured in recent years over political rivalries and policy disputes, and Congressional officials on both sides of the divide say Ms. Pelosi would most likely look elsewhere to fill the Intelligence Committee's top job.

"To say it is unlikely she will get the job is accurate," said one Democratic Congressional official with knowledge of the party's post-election plans.

The question of Ms. Harman's future reflects in part the struggles the Democrats have encountered in developing an identity on national security issues, which for years have been the party's Achilles' heel.

Ms. Harman, a moderate from Southern California, has been one of the party's most outspoken voices on national security matters since the Sept. 11 attacks. But she has also drawn sharp criticism from more liberal Democrats, including Ms. Pelosi, who have privately said that she has not sufficiently used her position to attack the Bush administration for its prewar intelligence failures on Iraq and for its use of secret programs like the domestic eavesdropping carried out without warrants by the National Security Agency.

Two candidates whom Ms. Pelosi is said to be considering for Intelligence Committee chairman are Representatives Alcee L. Hastings of Florida and Silvestre Reyes of Texas, both of whom currently serve on the panel.

The selection of Mr. Hastings, who is black, would help Ms. Pelosi shore up support from the powerful Congressional Black Caucus. But he has a checkered past, having been impeached and removed from a federal judgeship in 1989 on a bribery charge. Some Democrats fear that installing him in so sensitive a position would only invite Republican charges of weak Democratic leadership on national security matters.

Ms. Harman, first elected to Congress in 1992, served for six years until she relinquished her seat to run for California governor. After her defeat in that race, senior Congressional Democrats recruited her to run again in 2000 for her old House seat, promising that her seniority privileges would be restored if she won.

She was elected, and since 2003 has been the ranking member of the Intelligence Committee. Her supporters say she had assumed she would ascend to committee chairwoman if Democrats reclaimed the House, until news reports last year that Ms. Pelosi planned to install Mr. Hastings. Ms. Harman has lobbied intensely over the last year, enlisting outside interest groups and wealthy Democratic donors to help convince Ms. Pelosi that she would be the best candidate for the job.

Ms. Pelosi's allies say that she is infuriated by the lobbying effort and that the outside pressure has made her even less likely to consider Ms. Harman.

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Ms. Harman's efforts to claim the post have even attracted the attention of investigators. Federal officials said Monday that she was the focus of a year-old F.B.I. inquiry related to the American Israel Public Affairs Committee, or Aipac, a powerful pro-Israel lobbying group. The officials, confirming a Time magazine report, said the bureau had been looking into whether she had made improper promises to the group in exchange for its efforts to lobby Ms. Pelosi on her behalf.

But the officials also said that the accusations had not been proved and that although the inquiry remained open, it was no longer being actively pursued.

"Congresswoman Harman does not know what this is all about," said her lawyer, Theodore B. Olson. "She has no information from the government that she is under an investigation of any sort, and the idea that she should be investigated for being a supporter of Aipac is frightening."

Misdirected Vengeance (WP)

The Washington Post, October 24, 2006

REP. JANE HARMAN (Calif.), the ranking Democrat on the House intelligence committee, took a step last week that she knew would be thermonuclear: Without the assent of the panel's chairman, Rep. Peter Hoekstra (R-Mich.), and in contravention of a previous understanding, she released an unclassified summary of a report about former representative Randy "Duke" Cunningham (R-Calif.). Later that day, in barely disguised retaliation, Mr. Hoekstra suspended a Democratic committee staff member's access to classified documents, ostensibly based on the flimsiest of suspicions that the aide had been involved in the leak of a separate, classified document.

Ms. Harman's unilateral strike violated the bipartisan basis on which the intelligence committees are meant, at least in theory, to operate. But that cannot justify Mr. Hoekstra's malicious and misdirected response, which tarnished a staff member's reputation and was not supported by any evidence. The issue involves the leak of the April 2006 National Intelligence Estimate on terrorism. The Democratic staffer, Laurence Hanauer, received a phone call from an aide to a committee member, Rep. John F. Tierney (D-Mass.), asking about the NIE; Mr. Tierney says he had gotten a call about the document from the New York Times. Mr. Hanauer looked for the document in the committee files and, not finding it, got a copy from the Office of the Director of National Intelligence. Four days later, the New York Times published a story about the NIE. "I cannot assume that this was mere coincidence," Mr. Hoekstra wrote in a letter to Ms. Harman.

But Mr. Hanauer denies any involvement in the leak; he submitted a sworn affidavit to this effect yesterday. He immediately told his bosses after the story was published that he had retrieved the document. The Times had been working on its story for weeks and said it had interviewed "a dozen United States government officials and outside experts" who had seen the report or drafts of it.

Mr. Hoekstra's real motive -- striking back at Ms. Harman -- was made clear later in the letter, when he linked the two releases of information. Rep. Ray LaHood (R-Ill.), the committee vice chairman who had lodged a complaint about Mr. Hanauer weeks before, said he made his letter public to retaliate against Ms. Harman. "If the ranking member wants to play politics," he told Fox News, "there are some of us on the other side that can play politics, and I'm not afraid to do it."

Not afraid, perhaps. But the depth to which he and Mr. Hoekstra are willing to sink in doing so is nothing to be proud of. They should let Mr. Hanauer do his job.

Crooked Builders Hit Storm Victims (USAT)

By Anne Rochell Konigsmark

USA Today, October 24, 2006

NEW ORLEANS — Unlicensed contractors are preying on Gulf Coast residents whose homes were ravaged by Hurricane Katrina and are in dire need of repair, state and FBI officials say.

"There's not enough skilled labor out there, and it's causing chaos," says Charles Marceaux, executive director of the Louisiana State Licensing Board for Contractors.

Phony contractors are collecting down payments for work and then disappearing, Marceaux says. One scam involves workmen who take down payments and even drop materials off at work sites, only to return in the night to retrieve the materials and sneak away.

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Marceaux said there are an estimated 20,000 licensed contractors in New Orleans alone. Getting an exact tally of how many unlicensed repairmen are operating is impossible, but he estimates that their number exceeds that of legitimate contractors.

Other crooked contractors have told homeowners that they had installed plumbing or electricity in their houses, even though they put nothing behind the walls, Marceaux says.

James Bernazzani, the FBI's special agent in charge in New Orleans, says the federal government will have jurisdiction in many cases because the money the contractors took often comes from federal rebuilding grants.

It's unusual for the FBI to get involved in cases involving relatively small amounts of money, Bernazzani says.

"Before the storm, the threshold for the FBI to take a fraud case was $1 million," he says. "But we're assuming non-traditional roles down here, and we're trying to be a deterrent."

The problem could get even worse. The vast majority of residents in Louisiana and Mississippi haven't received their share of $10.2 billion in federal rebuilding grants. Grants can be as high as $150,000. Hurricanes Katrina and Rita destroyed about 300,000 homes along the Gulf Coast.

The Louisiana attorney general's office says it is investigating more than 140 cases of contractor fraud. Many claims, however, are simply too small to be taken on. Under current statutes, a case needs to involve at least $7,500.

Marceaux and others are working to increase penalties. In Mississippi, where the attorney general's office is investigating 264 cases of fraud, a law passed in March reduces the minimum amount necessary for criminal action to $5,000 for a first offense and as low as $1,000 for a second offense.

Among the victims is June Collins, whose New Orleans home was hit by a tree during Katrina. She says a roofer insisted she needed a new roof, and charged her $7,000 to install it.

"There was no hole, and it was not leaking, but I was nervous and in a hurry to fix it," she says. She later discovered she needed only a minor roof repair. And she found out that the roofer had installed cheaper shingles than those originally on the roof.

Collins, 65, tried to take her case to the attorney general but was turned away since it involved less than $7,500.

"I know it's a small amount of money, but when it's in your pocket, it's a lot," she says.

Sheriff's Office Says Duncan Acted Alone (AP)

By Nicholas K. Geranios

AP, October 24, 2006

SPOKANE, Wash. - A man who pleaded guilty to murdering three people at a rural Coeur d'Alene, Idaho, home has given law enforcement officers enough information to confirm their conclusion that he acted alone, the Kootenai County, Idaho, sheriff's office said Monday.

Making good on last week's plea agreement with Kootenai County prosecutors, Joseph Edward Duncan III met Friday with investigators.

"In the interview, Duncan gave investigators detailed information that was consistent with the physical evidence that had been collected at the scene of the murders of Brenda and Slade Groene and Mark McKenzie," Sheriff Rocky Barker said in a statement.

Details of Duncan's interview will not be released until after the U.S. Justice Department concludes its case against him, Barker said. The federal government has said it intends to seek the death penalty against Duncan when it charges him in the abduction of two small children from the home and the slaying of one of them. Those charges have not been filed yet.

Kootenai County Prosecutor Bill Douglas and Duncan's public defender, John Adams, were not immediately available for comment Monday.

Last week, Duncan entered his pleas to the May 2005 murders and kidnappings of three people in the home, and also agreed to answer all questions from investigators about the state court case. Friday's interview was conducted as a result of that deal, which some victims' relatives have attacked as too beneficial to Duncan.

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Rather than go to trial, the registered sex offender confessed to many of his crimes and agreed to give state and federal prosecutors two chances to win the death penalty against him because of his concern for the welfare of abduction victim Shasta Groene, now 9, Adams has said.

Duncan, 43, pleaded guilty to three counts of first-degree murder and three counts of first-degree kidnapping.

He was immediately sentenced by 1st District Judge Fred Gibler to life in prison without parole for the kidnappings. But the sentence on the murder counts will be deferred while the federal government brings its charges.

If federal prosecutors fail to win a conviction and death sentence in their case, Duncan will be returned to the state court, where a jury will be impaneled for a death penalty hearing, Douglas said.

Duncan, a native of Tacoma, Wash., has spent most of his adult life in Washington prisons. He was on the run from a child molestation charge in Minnesota when he drove past the Groene home on Interstate 90 east of Coeur d'Alene, spotting Shasta, then 8, and Dylan Groene, 9, playing outside.

He stalked the family for several days, then entered the home the night of May 16, 2005, and bound and fatally bludgeoned the children's mother, Brenda Groene; her fiance, Mark McKenzie; and Groene's 13-year-old son, Slade.

Court documents allege Duncan kidnapped the two youngest children and went into the mountains near St. Regis, Mont., where he sexually abused them for seven weeks before killing Dylan.

Shasta, the sole survivor of the carnage, was rescued when she and Duncan walked into a restaurant in Coeur d'Alene early on the morning of July 2, 2005. Duncan was quoted in court documents as saying he was trying to return the girl to her father.

All of the confessions made by Duncan can be used against him in the federal case.

Duncan is also considered the prime suspect in the slayings of two children near Seattle and one in Southern California in the 1990s.

The state deal became controversial immediately for two reasons: While it saved Shasta from having to testify against Duncan in state court, the girl may still have to face him in federal court.

Also, Duncan was not required to provide to law enforcement officers the password or key to his encrypted personal computer files, which are thought to contain evidence of his criminal activities. He was required to give the password only to a defense lawyer, who is not required to share the contents of the computers with law enforcement.

Meanwhile, Duncan arrived Monday at the Idaho Maximum Security Institution in Kuna. The Idaho Department of Correction transported Duncan under heavy security from the Kootenai County Jail, his home for the past year.

Two Plead Guilty In Coke Secrets Case (WSJ/AP)

The Wall Street Journal, October 24, 2006

ATLANTA -- The two men accused of plotting with a secretary at Coca-Cola Co. to steal trade secrets from the beverage maker and trying to sell them to archrival PepsiCo Inc. each pleaded guilty Monday to one count of conspiracy.

Ibrahim Dimson and Edmund Duhaney entered their pleas in federal court as part of a deal with prosecutors. They both could face up to 10 years in prison and $250,000 fine when they're sentenced Jan. 29.

Former Coke secretary Joya Williams is still scheduled to stand trial starting the week of Nov. 13.

"She is absolutely not pleading," Ms. Williams's attorney, Janice Singer, said immediately after Messrs. Dimson and Duhaney's plea hearing.

During the hearing, Mr. Duhaney told the judge that Ms. Williams contacted him first and wanted to "make things happen," while Mr. Dimson testified that he then was contacted by Mr. Duhaney to try to broker a deal with Pepsi.

Ms. Williams and Messrs. Dimson and Duhaney were indicted July 11 on federal conspiracy charges. The three were accused of stealing new product samples and confidential documents from Atlanta-based Coca-Cola and trying to sell them to Pepsi, which is headquartered in Purchase, N.Y.

The alleged crime was foiled after Pepsi warned Coca-Cola.

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The prosecution says a box containing two undisclosed Coca-Cola product samples and other confidential company documents was found in Mr. Duhaney's home during a search on July 5, the day all three were arrested and the same day a $1.5 million transaction was to occur. Documents were also found in Ms. Williams's home.

Coke has declined to reveal which product or products are linked to the samples.

Ms. Williams, who has since been fired as an administrative assistant for Coke's global brand director at its Atlanta headquarters, allegedly took the information from the company and gave it to Messrs. Dimson and Duhaney.

Two Plead Guilty Of Conspiring To Sell Coca-Cola Trade Secrets (AFP-Y)

AFP, October 24, 2006

Two menpleaded guilty in a US court to conspiring to steal and sell Coca-Cola Company trade secrets, the state attorney's office in Atlanta, Georgia said in a statement.

Ibrahim Dimson, Edmund Duhaney and a former Coca-Cola employee, who has pleaded not guilty, were arrested in July on charges of selling secrets from the Atlanta-based company to soft drink arch-rival PepsiCo.

Each could receive a maximum sentence of 10 years in prison and a fine of up to 250,000 dollars if found guilty.

Dimson and Duhaney admitted they had conspired with former Coca-Cola executive assistant Joya Williams to steal trade secrets and sell them.

The three were arrested after PepsiCo gave its rival a copy of a letter signed "Dirk" in which it was offered "very detailed and confidential information."

Phone records and investigations showed Williams was the alleged source of the information, the state attorney's office said in a statement.

The author of the letter provided an undercover agent of the Federal Bureau of Investigation (FBI) 14 pages of secret Coca-Cola documents, and requested 10,000 dollars in "good faith" money to provide further information. The company said the documents contained highly classified trade secrets.

"I can even provide actual products and packaging of certain products, that no eye has seen, outside of maybe five top execs," Williams allegedly wrote.

An FBI undercover agent met with Dimson, who was posing as "Dirk" in June.

Dimson gave the agent "a brown Armani Exchange bag containing one manila envelope with documents marked 'highly confidential' and one glass bottle with a white label containing a liquid product sample," the statement said.

The undercover agent paid "Dirk" 30,000 dollars and agreed to pay an additional 45,000 dollars after testing the sample.

On June 27, an undercover agent offered to buy the remaining trade secret items for 1.5 million dollars, and on that day Duhaney and Dimson opened a bank account to receive a wire transfer, officials said. The three suspects were arrested later in the day.

Officials said they had videotape from Coca-Cola allegedly showing Williams stuffing documents into bags, and placing what appeared to be a product sample in her personal bag.

Coca-Cola later verified the sample was genuine and is in fact a product being developed by the company, the Justice Department said.

Jury Deliberations Start In Journalist's Killing (WT)

By Gary Emerling

The Washington Times, October 24, 2006

A D.C. Superior Court jury yesterday began deliberations in the trial of a man accused of killing New York Times journalist David E. Rosenbaum.

Percey Jordan Jr., 42, is facing charges including felony murder, conspiracy and credit-card fraud stemming from the death of Mr. Rosenbaum, who was walking outside his home in Northwest Jan. 6 to cure a case of the hiccups when he was attacked and robbed. He died two days later from his injuries.

The 12-member predominantly white jury is made up entirely of women. The panel began deliberating at about 2:15 p.m., and was dismissed by Judge Erik P. Christian at 4:45 p.m. without reaching a verdict.

The trial largely has focused on the testimony of Mr. Jordan's cousin, Michael C. Hamlin, who has pleaded guilty to second-degree murder, robbery and conspiracy charges in the case.

Hamlin, 24, testified that the robbery was Mr. Jordan's idea and that Mr. Jordan struck Mr. Rosenbaum in the head with a hard, plastic pipe.

During closing arguments yesterday, Assistant U.S. Attorney Amanda Haines compared the evidence against Mr. Jordan to "bricks in a wall."

She said surveillance photos and credit-card statements show that Mr. Jordan and his cousin robbed Mr. Rosenbaum and later used his credit cards along with the stolen credit cards of a Silver Spring woman to purchase items at a gas station, drugstore and grocery store. Hamlin testified that he used Mr. Rosenbaum's cards while Mr. Jordan used the woman's cards.

"You have a solid wall of proof," Miss Haines told the jurors. "And the writing is now on the wall for Mr. Jordan."

Miss Haines also argued for the credibility of Hamlin's testimony, which defense lawyer Michael Starr said was selfishly motivated and made up to save himself from serving life in prison.

"They tried to give Michael Hamlin a makeover for this trial, but you can't buy it because it doesn't match up with his actions," Mr. Starr said.

Mr. Starr reminded jurors that Hamlin repeatedly lied to police after he turned himself in and argued that police led him to implicate his cousin in the slaying.

He also attacked the credibility of prosecution witness John Snowden, a longtime friend of Mr. Jordan who is on parole. Snowden said Mr. Jordan mentioned the crime to him five days after the incident took place.

Mr. Starr said Snowden was motivated to tell the story to police by the possibility of getting reward money.

Deliberations are set to resume at 10 a.m. today.

Judge Allows Hinckley To Continue Visits (WT)

By Jim Mcelhatton

The Washington Times, October 24, 2006

A federal judge yesterday permitted would-be presidential assassin John W. Hinckley Jr. to continue occasional overnight stays at his parents' house in Williamsburg.

However, U.S. District Judge Paul L. Friedman added that Hinckley's siblings may have to take on a greater role supervising him.

"Cutting them off for no good reason would not be therapeutic," Judge Friedman said of the visits.

Citing concerns about the health of Hinckley's parents, government attorneys had hoped to halt the visits until a hearing could be held on the issue. Hinckley's father is in his 80s and his mother just turned 80.

Hinckley, 51, has been a patient at St. Elizabeths Hospital since he was found not guilty by reason of insanity in the 1981 shooting of President Reagan. He said he shot Mr. Reagan to impress actress Jodie Foster.

At the hearing yesterday, Judge Friedman said he plans to revisit the issue of Hinckley's overnight stays once a government psychiatrist submits a written report on Hinckley. The report is expected next Tuesday.

Last year, the judge gave Hinckley the right to make overnight visits to his parents' house. Government attorneys have expressed concerns about the arrangement.

The U.S. Justice Department last month filed documents that said the physical condition of Hinckley's parents "has deteriorated considerably" and that hospital reports "reveal persistent tension within the Hinckley family stemming from this physical deterioration."

Judge Friedman said he may mandate that Hinckley's brother or sister be present during the visits, but won't make any decisions until reading the latest psychiatric report.

Hinckley attorney Barry Levine said his client ultimately should be reintegrated into society.

Mr. Levine argued that requiring Hinckley's brother or his sister to replace Hinckley's father in a custodial role would be difficult because the siblings do not live close to Williamsburg.

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Mr. Levine plans to seek an expanded set of conditions for Hinckley, court records show. He declined to explain what additional freedoms Hinckley could receive, but said they would be "life-changing" for Hinckley.

St. Peters Mayor Resigns After Pleading Guilty To Accepting Bribe (KSDK)

KSDK-TV, October 24, 2006

(KSDK) - The City of St. Peters said Monday morning it received a resignation letter from Mayor Shawn Brown.

City administrator Bill Charnisky said he received a letter via FAX that said Brown's resignation was effective as of 10:45 a.m. Monday.

Bruce Holt, president of the St. Peters Board of Aldermen, will serve as acting mayor of St. Peters.

Brown pleaded guilty Friday to a felony charge of soliciting and accepting a bribe.

On August 18, Brown, 34, was indicted on charges of threatening to veto an ordinance authorizing the city to purchase digital red light and speeding enforcement systems from Redflex Traffic Systems, a Scottsdale, Ariz., company, unless the company paid him.

The indictment says the company presented its systems to St. Peters city officials in early 2006. On June 8, the St. Peters Aldermanic Board voted and passed an ordinance which authorized the company to provide traffic enforcements products to the city.

According to FBI Special Agent-in-Charge Roland Corvington, Redflex contacted authorities and aided them in their investigation.

As part of the investigation, Redflex delivered a check for $2,750 to Brown's home as part of the bribery. Neither Redflex representatives nor Brown's attorney would explain why Brown sought that exact amount.

Brown could face up to ten years in prison and/or a fine of $250,000 when he is setenced on January 11.

St. Peters Mayor Steps Down After Admitting Bribery (BVND)

The Belleville News Democrat, October 24, 2006

ST. PETERS, Mo. - The mayor of the St. Louis suburb St. Peters resigned Monday after admitting in federal court last week that he solicited a bribe in exchange for guaranteeing passage of an ordinance to purchase a speeding enforcement system.

Shawn Brown, 34, submitted a letter of resignation to City Administrator Bill Charnisky on Monday, according to a statement from the city. The resignation was effective at 10:45 a.m., according to the statement.

Brown pleaded guilty Friday to a felony charge of soliciting and accepting a bribe. He could face up to 10 years in prison and a $250,000 fine at sentencing Jan. 11.

Brown was indicted by a federal grand jury in August. He was accused of soliciting and accepting $2,750 from Redflex Traffic Systems Inc.

Brown, elected in 2004, was serving his first term in office. St. Peters, with 51,000 residents, is one of the largest suburban communities in the St. Louis area.

David Hayes, a longtime critic of Brown, told the St. Louis Post-Dispatch that the St. Peters Board of Aldermen would consider impeaching Brown this week if he did not resign.

According to the indictment, Brown threatened to veto an ordinance authorizing the purchase of Redflex's digital red light and speeding enforcement system unless the Scottsdale, Ariz.-based company paid him first.

Redflex officials went to the FBI and cooperated with the agency in delivering a check for $2,750 to Brown's home a week after the mayor signed the ordinance on June 16.

Brown has previously said the money was a campaign contribution.

St. Peters' Mayor Resigns Amidst Bribery Charges (SLBIZ)

St. Louis Business Journal, October 24, 2006

St. Peters Mayor Shawn Brown submitted his resignation Monday, three days after he entered a guilty plea to bribery charges.

In Brown's one-line faxed resignation letter to City Administrator Bill Charnisky, he said: "I, Shawn Brown, on this 23rd day of October at 10:45 a.m., submit my letter of resignation as mayor of St. Peters effective immediately."

Aldermanic President Bruce Holt will serve as interim mayor.

Brown, of 108 Golden Harvest Court in St. Peters, pleaded guilty Friday morning in federal court to one felony count of bribery; soliciting and accepting an improper payment from a prospective vendor to the city.

Brown, 34, was indicted in August on charges he threatening to veto an ordinance authorizing the city to purchase digital red light and speeding enforcement systems unless the vendor, Redflex, of Scottsdale, Ariz., paid him a bribe.

When Brown did not immediately resign his office after submitting his guilty plea, St. Charles County Prosecuting Attorney Jack Banas released a statement saying that he intended to immediately initiate procedures to seek the mayor's removal from office. The city's attorney, Randy Weber with the law firm of Hazelwood & Weber LLC in St. Charles, was advised of Banas' intentions, according to the statement.

Brothel Raids Lead To Arrests Of 10 Men (MCA)

By Lawrence Buser

Memphis Commercial Appeal, October 24, 2006

October 24, 2006 Ten men have been charged with running brothels in Memphis using prostitutes they enticed here from other states and countries, authorities said Monday.

The Hispanic men named in the 15-count federal indictment distributed business cards in the Memphis Latino community to advertise and provided cell phone numbers for the brothels, according to officials.

Advertisement

Those arrested are charged with money laundering, harboring illegal aliens and enticing women to engage in prostitution.

The allegations say the crimes have been ongoing here for more than two years.

The men, including four brothers, were arrested in a multi-agency raid Oct. 13 involving some 150 law-enforcement officers.

"This was a massive undertaking," said FBI Special Agent in Charge My Harrison.

The brothels were located in a half dozen houses or apartments in four locations around Memphis, including one in an apartment at 1717 Steve Way Drive near Sharpe Elementary School in the vicinity of Kimball and Getwell.

The others were at 1104 and 1108 N. Holmes near Jackson; 3685 N. Victory Heights and 3822 E. Victory Heights off Prescott between Winchester and Raines, and 574 E. Cadraca near Summer and Perkins.

After paying $30 in advance for 15 minutes of activity with the prostitute, customers were given a poker chip or bead to give the prostitute to signify that payment had been made.

U.S. Atty. David Kustoff said the prostitutes mostly were illegal aliens from New York, Illinois, Georgia, Mexico, the Dominican Republic and Colombia.

He said the women are being processed administratively by immigration but are not named in the criminal indictment.

Kustoff declined to comment on how many women were involved or how much money the enterprise had generated.

The defendants, many of whom are related, include Raul Santillan-Leon, Raymundo Flores, Fernando Reyes-Santillan, Ramiro Sanchez-Garcia, Cristobal Flores, Diego Cortes-Barrientos, Rafael Cortes-Barrientos, Eliseo Cortes-Barrientos, Rodolfo Cortes-Barrientos and Martin Moreno.

The defendants are in federal custody and will make an initial court appearance today.

The investigation included U.S. Immigration and Customs Enforcement, Memphis police and the FBI.

Robbers Execute Huge N.E. Philly Bank Robbery (KYW)

KYW-TV, October 24, 2006

(CBS 3) PHILADELPHIA The FBI is investigating a brazen heist in Northeast Philadelphia that is being called one of the biggest bank robberies in the area in years.

Authorities said at least two individuals robbed the PNC Bank located at 11830 Bustleton Avenue in the city's Somerton section early Monday morning.

The early morning 'take over' robbery occurred as the first bank employee arrived at the bank.

The two men, wearing masks and carrying guns, forced their way into the bank as the employee opened the branch.

The first teller was made to open the door for other bank employees as they arrived for work.

During the robbery, the subjects appeared to be communicating with others outside the bank.

The robbers repeatedly warned and threatened the bank employees to fully cooperate and not to activate any alarms.

The suspects were in the bank for 35 minutes, emptying the vault, teller drawers and ATM machines before locking the employees in the vault. There were no injuries.

The substantial, but undisclosed bank loss, is believed to be the largest loss in recent history stolen during a bank robbery.

Anyone with information regarding this robbery should contact the FBI at (215) 418-4000.

Huge Local Bank Robbery Reported (WCAU)

WCAU-TV, October 24, 2006

PHILADELPHIA -- Surveillance Video | Images The FBI is looking for at least two men responsible for what it calls the biggest local bank robbery in recent history.

"The substantial, but undisclosed bank loss is believed to be the largest loss in recent history stolen during a bank robbery," said Jerri Williams, a Special Agent for the bureau's Philadelphia division.

Williams said on Monday afternoon that the robbers hit the PNC Bank on Bustleton Avenue as employees arrived for work on Monday morning.

After taking the first employee at work captive, the robbers held the woman inside the bank as other employees arrived.

Once all the employees were rounded up and held captive, the robbers emptied the entire bank and were in communication with others, the FBI said.

"The robbers were able to empty out the vault, all teller drawers and two ATM machines, before locking all the employees in the bank vault and exiting from the bank," Williams said.

The robbery took about 35 minutes and the robbers left as the bank opened for business at 9 a.m.

But before they left, they locked the employees in the vault.

The two men were dressed in dark hooded sweatshirts and their faces were covered by ski masks.

The two robbers were further described as a Black male and a Hispanic or Black male with a light complexion.

Anyone with information regarding this robbery should contact the FBI at (215) 418-4000.

Bank Heist May Be One Of Philly's Biggest (WPIV)

By Erin O'Hearn And Bob Monek

WPVI-TV, October 24, 2006

"Substantial" Amount of Cash Stolen

SOMERTON - October 23, 2006 - It's being called one of the biggest bank robberies in recent history. At least two bandits pulled off the heist early Monday morning.

The robbery unfolded at the PNC Bank at 11830 Bustleton Avenue shortly after 8:00 a.m.

Authorities described the robbery as a "take over," in which the first employee to arrive at the bank was accosted by two gunmen. They forced their way into the bank.

PNC bank surveillance video shows a masked man forcing several employees into the bank vault. It is one snapshot of a half hour ordeal officials say is Philadelphia's biggest bank heist in at least five or six years.

FBI spokesperson Jerri Williams says the ease at which this robbery was executed indicates the suspects may have staked out the bank for a while, knowing who the employees were and when they arrived at work. "It was well done. They were in there for a total of 35 minutes, which is unheard of," said Williams.

The suspects were armed with silver handguns, dressed in dark-hooded sweatshirts and ski masks.

According to investigators, the bandits made the first employee open the door for other workers as they arrived. The suspects appeared to be communicating with others outside the bank.

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The robbers repeatedly warned and threatened the bank employees to fully cooperate, threatening to shoot the employees if anyone activated the alarms.

The bandits emptied the vault, every teller drawer and two ATM machines.

"We're not disclosing the amount but I can tell you it's the largest loss that has occurred," said Williams. "Pretty substantial."

But Action News does know that last year a lone robber took $250,000 from a Nova Savings bank in Center City. Sources tell us the amount taken from the PNC bank was significantly larger.

Before they fled, the robbers locked all of the employees in the vault.

Anyone with information regarding this robbery is asked to contact the FBI at (215) 418-4000.

Organized Robbers Hit Phila. Bank (PHI)

By Stephanie L. Arnold

The Philadelphia Inquirer, October 24, 2006

Two men took employees hostage at gunpoint early yesterday in what FBI officials called the biggest bank robbery in Philadelphia in recent history.

FBI spokeswoman Jerri Williams said that although she could not reveal how much money was taken, it was well over the $250,000 taken in another substantial bank heist two years ago.

Officials said the robbery began shortly after 8 a.m., when two suspects, described as a black male and a Hispanic or black male in dark-hooded sweatshirts and ski masks and carrying silver handguns, rushed a female employee outside the PNC bank at 1180 Bustleton Avenue in the city's Northeast section as she was arriving for work.

Police said the teller was made to open the door for other bank employees as they arrived for work. Williams said that during the robbery the men used hand-held radios to communicate with associates outside the bank.

Williams said the robbers emptied the vault, all teller drawers and two ATM machines before locking about a dozen employees in the vault and leaving the bank.

Williams said the robbery's execution was unusual.

"I can say that the majority of robberies that occur are demand-note robberies by desperate people," Williams said. "They are usually not well planned and definitely not well executed. They took time and thought and this was not a robbery that was based on a desperate need for cash. This was a deliberate, planned robbery."

FBI officials say anyone with information regarding the robbery should contact the FBI at 215-418-4000.

2 Bandits Get Thousands In PNC Bank Heist (PHDN)

By Simone Weichselbaum

Philadelphia Daily News, October 24, 2006

Walkie-talkies, unsuspecting employees, armed and masked thugs and an open vault were the components of one of the biggest bank heists in Philadelphia's recent history yesterday.

Two bandits - wearing dark-hooded sweatshirts and ski masks and armed with silver handguns - made off with as much as $400,000 from the PNC Bank on Bustleton Avenue near Somerton in the Far Northeast, law-enforcement sources said.

The duo stole the cash from the bank's vault, cleaned out all the teller drawers and two ATM machines, agents said.

They locked the frightened employees in the vault and fled.

"It appeared to be a well-planned and executed robbery, and a horrific and terrifying experience for the bank employees," said FBI spokeswoman Jerri Williams.

The employees escaped by unlocking the vault from the inside. No one was hurt during the 35-minute morning "takeover," Williams said.

The gunmen were still on the lam last night.

The drama began shortly after 8 a.m. when a woman employee inside the bank walked to the front door to unlock it, Williams said.

The robbers pushed their way inside and told the worker to continue to unlock the door for other arriving employees as she normally would, Williams said.

During the heist, the bandits spoke into walkie-talkies, possibly to others watching outside the bank, Williams said.

"That is rare," Williams said of the use of the devices in a holdup.

The pair told the employees not to activate any alarms.

Once they were finished collecting the cash, they ushered the workers into the vault.

The bandits left the bank at 8:47 a.m., Williams said.

After the employees got out of the vault, they called 911, Williams said.

Anyone with information on the incident is asked to call the FBI at 215- 418-4000.

FBI: North Texas Bank Heists Rise 'astronomical' (WFAA)

By Jim Douglas

WFAA-TV, October 24, 2006

As yet another Dallas bank was targeted in a robbery Monday, the FBI has called the number of North Texas banks heisted this year "astronomical."

The Professional Bank in the Lakewood area of Dallas was hit early Monday afternoon. Investigators think the bandit who robbed the bank on Abrams has hit three or four others as well, which might be enough for him to get his own catchy nickname soon.

However, Dallas isn't alone, Fort Worth robberies have almost doubled compared to last year.

"We've never seen a spike in bank robberies to this level," said John Skillestad, FBI supervisor.

Police recently caught three men, the T-shirt bandit, envelope bandit and the backpack bandit, which were all suspected of hitting about 50 banks between the trio of them.

"Overall, numbers are way beyond what we've ever had here in Dallas," Skillestad said.

At this time last year, Dallas County had 35 bank robberies, but the number has more than tripled to 110 this year.

Tarrant County had 30 bank robberies compared to 57 this year. Plano jumped almost 50 percent from 12 to 18.

As for the whole North Texas area, the number jumped from 94 last year to 205 this year.

Dozens of robbers remain on the loose.

"I'm thinking another 40 to 50 people," Skillestad said.

One robber foiled his own heist when he got too greedy and went for one more wad of bills.

"He looked over the counter, saw there was a stack of money in the till [and] told her to give him that stack as well," Skillestad said.

It was that stack that contained a red dye pack that exploded on the robber seconds later.

Agents believe drugs, like meth, are driving the increase. They also said they expect the trend to increase as time heads into the holidays.

But Skillestad said repeat offenders still on the loose are most likely looking to a fate behind bars soon enough.

"An average bank robber does two or three robberies before he or she gets caught," he said.

Hackers Zero In On Online Stock Accounts (WP)

By Ellen Nakashima

The Washington Post, October 24, 2006

Hackers have been breaking into customer accounts at large online brokerages in the United States and making unauthorized trades worth millions of dollars as part of a fast-growing new form of online fraud under investigation by federal authorities.

E-Trade Financial Corp., the nation's fourth-largest online broker, said last week that "concerted rings" in Eastern Europe and Thailand caused their customers $18 million in losses in the third quarter alone.

Another company, TD Ameritrade, the third-largest online broker, also has suffered losses from customer account fraud, but a spokeswoman declined to quantify the amount yesterday. "It is an industry problem," spokeswoman Katrina Becker said. "It does continue to grow."

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Federal regulators cited recent cases in which hackers gained access to customer accounts at several large online brokers and used the customers' funds to buy certain stocks. The hackers appeared to be trying to drive up share prices so they could sell those stocks at a profit, regulators said.

The Securities and Exchange Commission and the FBI are looking into E-Trade's cases, chief executive Mitchell H. Caplan said in an earnings conference call with reporters last week. Spokesmen for the SEC and FBI declined to discuss details of those cases.

Both E-Trade and TD Ameritrade have guaranteed that they will cover their clients' losses, even though they are not required to do so by law. But the problem is growing faster than public awareness of it, federal regulators said, noting that the fraud is fed by the rising use of the Internet for personal finance and the easy availability of snooping software that allows hackers to steal personal account information.

"Although these schemes cleverly combine aspects of securities fraud, identity theft and hacking, what they really boil down to is outright thievery," said John Reed Stark, chief of the Office of Internet Enforcement at the SEC. "In the last couple of months we have seen a marked increase in online brokerage account intrusions."

More than 10 million people have bought or sold investments online in the United States in the last few months, according to Avivah Litan, a securities analyst for the Stamford, Conn.-based Gartner Inc.

The scams typically begin with a hacker obtaining customer passwords and user names, experts said. One way is by placing keystroke-monitoring software on any public computer in a library, hotel business center or airport. With the software, all keystrokes entered on the computer can be recorded and e-mailed anywhere in the world.

Experts said all hackers have to do is wait until anyone types in the Web address of E-Trade, Ameritrade or another online broker, and then watch the next several dozen keystrokes, which are likely to include someone's password and login name.

These emerging Internet stock schemes appear to be new versions of the widely used "pump-and-dump" e-mail scams, in which spammers send out mass e-mails containing bogus news alerts intended to manipulate stock prices.

Stark said perpetrators are breaking into customer accounts and buying shares of thinly traded, microcap securities, also known as penny stocks. The hacker gains access using the customer's user name and password, then liquidates that person's existing stock holdings and uses the proceeds to buy shares in the microcap. The goal, regulators said, is to boost the price of a stock the hacker has already bought at a lower price in another account. The hacker then liquidates the stock and wires the money either to an offshore account or through a series of straw men, or dummy corporations, Stark said. The straw man may not know he is participating in fraud; he may have been told he is helping, say, an offshore business.

The entire operation can take a matter of minutes, or at most, hours.

"The unwitting victim opens the account in the morning and finds he or she owns thousands of shares in a microcap company that they have never heard of," Stark said.

Caplan said E-Trade recently made operational changes and added technology to thwart the criminals. "We've seen that level of fraud in the last three weeks or so reduced to almost zero . . . ," he said in the conference call.

Glen Mathison, a spokesman for Charles Schwab Corp., the largest online broker, said losses due to online identity theft and fraud have not reached "a material level" that would require disclosure to investors. But he added that Schwab also guarantees to reimburse clients for online losses caused by fraud.

Unlike banks, brokerage accounts are not protected by Federal Deposit Insurance Corp. and other federal banking rules that ensure consumers get their money back, so the consumer must rely on the company to cover any losses.

Ameritrade's Becker said the company advises clients to make sure they have good spyware detection software on their computers. Ameritrade's Web site also offers clients free software that helps detect or eliminate snooping programs.

In Canada, the Investment Dealers Association, the self-regulatory arm of Canada's securities industry, is looking into similar scams.

Online financial fraud has grown so serious that the Federal Financial Institutions Examination Council, a government entity that establishes standards for banks, has given U.S. financial institutions until Dec. 31 to tighten security measures for accessing online accounts.

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"This thing is so widespread and it has such a significant impact on the industry at large . . . that I think you're going to end up seeing structural changes in the industry," Caplan said.

Feds Probe Hub City's Housing Program (EBHNT)

By Richard Khavkine

East Brunswick (NJ) Home News Tribune, October 24, 2006

NEW BRUNSWICK — The investigation into the city's housing rehabilitation programs has reached the federal level.

City police investigators have turned over documents detailing agreements and contracts between the city and contractors to the U.S. Attorney's Office in Newark. U.S. Department Housing and Urban Development dollars fund some of New Brunswick's housing-rehab programs.

City spokesman Bill Bray had no comment on whether city officials turned over the documents voluntarily or were compelled to do so. Bray, citing the ongoing nature of the multipronged probe, also would not say when the documents were turned over to federal investigators.

Officials at the U.S. Justice Department, which oversees the U.S. Attorney's Office, could not be reached for comment yesterday. An agent at HUD's Office of the Inspector General said she could not confirm nor deny that agency's involvement in the investigation.

In recent weeks, some city employees have been put on paid administrative leave as a result of the city's investigation and a large part of the rehab home projects have been put on hold.

No additional personnel have been placed on leave since then, Bray said.

The city has so far declined to say how many employees are on leave, identify them or specify which department they work in.

But the rehab programs are run out of the city's Department of Planning, Community and Economic Development and efforts in recent weeks to reach William H. Walker, the director of the rehab programs, and Richard P. Kaplan, the programs' construction inspector, have been unsuccessful. And a person answering the telephone at the city agency earlier this month said they would not be in the office "any time soon."

Program Coordinator Maria Angela Torres, who also was said to be out the office, and two other employees also work in the rehab office.

The rehab programs provide grants and loans of up to $20,000 for qualified residents to upgrade city homes in need of repair, on anything from roofs and gutters to furnaces and sidewalks. After a bidding process, a homeowner is asked to choose a contractor from among as many as five competing bidders. Eight area contractors comprise the rehab program's bidder's list.

The city's HOME program, funded by federal dollars with a budget last year of $242,000, financed repairs to 12 units for residents of moderate or low incomes, said Bray.

Man Awarded $1.1 Million Over BTK Report (WP/AP)

The Washington Post, October 24, 2006

WICHITA -- A jury has ordered a Wichita television station and its news director to pay a man $1.1 million for naming him two years ago as a possible suspect in the BTK serial killings.

Roger Valadez had sought as much as $2 million from Emmis Communications, then-owner of KSNW-TV, and News Director Todd Spessard for the station's coverage of Valadez's arrest on Dec. 1, 2004.

The jury found Friday that KSNW and Spessard defamed Valadez when the station used his name after his home was raided.

"We are pleased," Valadez said after the trial. "The jury found that it was wrong."

BTK -- a self-coined nickname that stands for "bind, torture, kill" -- terrorized Wichita in the 1970s, taunting authorities with anonymous letters, and then resurfaced with new messages in 2004.

The case was finally cracked in late February 2005 with the arrest of Dennis L. Rader, who eventually pleaded guilty to killing 10 people between 1974 and 1991.

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Less than three months before Rader's arrest, Valadez had come to the attention of the BTK task force. Police raided his home and took a DNA sample from his mouth.

But Valadez was never charged in connection with the slayings. He was arrested on minor outstanding warrants and released the next day, and his attorney said he was quickly ruled out as a BTK suspect.

In his closing arguments Friday, KSNW lawyer Bernard Rhodes pointed to evidence that he said showed that police considered Valadez a suspect in the BTK killings at the time.

"I am sorry Roger Valadez was a suspect, but the fact is that he was," Rhodes said.

Rhodes said he would appeal the verdict, calling it the "wrong verdict based upon the wrong law."

Police Probe Dumping Of Homeless By L.A. Hospital (LAT)

By Richard Winton And Cara Mia Dimassa, Times Staff Writers

The Los Angeles Times, October 24, 2006

The LAPD has opened its first criminal investigation into the dumping of homeless people after documenting five cases Sunday in which ambulances dropped off on skid row patients recently discharged from a South Los Angeles hospital. All of the patients told police they did not want to be taken downtown.

LAPD officials, who photographed and videotaped the five alleged dumping cases, called it a major break in their yearlong effort to reduce the number of people left on skid row by hospitals, police departments and other institutions.

Though police have documented other cases of hospitals dropping off recently discharged patients in the district, "this is the most blatant effort yet by a hospital to dump their patients on skid row against their will," LAPD Capt. Andrew Smith said.

Officials at Los Angeles Metropolitan Medical Center strongly denied that they had improperly handled the patients.

Dumping has emerged as a major political issue in Los Angeles, with Mayor Antonio Villaraigosa and other critics saying that the practice exacerbates the ills of a district that already has the largest concentration of homeless people in the West.

Police said they were investigating whether the patients were falsely imprisoned during their transfer and also whether the hospital violated any laws regarding the treatment of patients. The state Legislature recently passed a law aimed at cutting down on dumping across city boundaries, but it won't take effect until January.

Sunday's investigation began about noon, when a Los Angeles Police Department sergeant saw a patient being left in front of the Volunteers of America homeless services center on San Julian Street. He immediately called an LAPD videographer, who over the next few hours recorded four more ambulances arriving at the facility and leaving patients who had been discharged from Los Angeles Metropolitan.

Police also recorded interviews with the patients as well as with James Frailey, a 30-year-old attendant with ProCare, a private ambulance company.

Frailey told police that the hospital had hired his company "on a regular basis" to move discharged patients from the medical center to skid row and that other private ambulance companies also taken patients to the area. He said the hospital appeared to have made "no prior arrangements" for the patient he transported Sunday, according to police records.

One patient the LAPD interviewed on videotape, 62-year-old Marcus Joe Licon, told officers that he "never wanted to go" to skid row and asked that he be dropped off at his son's house. According to LAPD records, Licon said he was at the hospital because of problems with his knee and was released after they gave him "some painkillers and some medication."

John V. Fenton, president and chief executive of Los Angeles Metropolitan Medical Center, denied that his hospital had dumped patients.

Rather, he said, three of the five patients had arrived at the hospital from Volunteers of America or the nearly Lamp Community center. They gave San Julian Street addresses on their admission information, he said.

The other two, he said, had "requested to go to either another skid row facility center or Volunteers of America."

Calling ahead, Fenton said, would not have made a difference because such facilities don't take reservations.

"Why would we go there? With all of the issues, why would we send someone there who did not ask to go there? It is illogical," he said. "We don't just send people back to the streets. It's not what we are about."

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But officials at Lamp and Volunteers of America said Monday that they had no record of any of the five patients having been at their facilities either before or after they were dropped off on skid row Sunday.

Moreover, the LAPD said, all five patients had stated in their interviews that they did not want to be left on skid row.

When told of the hospital's explanation, Volunteers of America's Los Angeles group director of homeless services, Jim Howat, said he was baffled.

"Somebody's wires got crossed. It doesn't really make sense to me," he said. "I don't know of anybody [at the center] that has worked with Metropolitan hospital.... We don't have case managers on duty [on Sundays]. It is not a time when we are well-equipped to accept anybody."

Though this is the LAPD's first criminal investigation of dumping, the Los Angeles city attorney's office said it was reviewing other dumping cases against some Los Angeles hospitals to determine whether civil or criminal charges could be filed.

The office also is considering asking a judge for a consent decree involving local hospitals that would establish sanctions for dumping patients.

There is no law against sending patients to skid row after they have been discharged. But the city attorney is looking at whether hospitals that engage in dumping could be penalized for violating the federal Emergency Medical Transfer and Active Labor Act, which requires medical facilities to screen and stabilize all patients and penalizes them for releasing or transferring patients who are medically unstable.

The city attorney also is examining whether hospitals that dump homeless patients can be cited for violating a state law that deals with unfair business practices. The law allows a corporation to be sued for unscrupulous behavior and has been used in the past to prosecute slumlords.

Jeff Isaacs, chief of the criminal division of the city attorney's office, said hospitals also could face more serious criminal charges if they were found to have forced people to go to skid row.

"If these people are being taken against their will, we are talking about false imprisonment and in some cases elder abuse," Isaacs said.

Shannon Jones, director of patient care at Metropolitan, said that all the patients sent to Volunteers of America on Sunday chose to go there and "were discharged in perfect health."

"We certainly were not dumping patients, nor were these patients being mistreated or placed out into the street," she said. "They didn't have any family that they had mentioned or that was involved in these particular cases."

The LAPD told a different story.

Smith said officers took Licon to his family's home, where his niece told them that she was not notified of his release and didn't understand why he had been taken to Volunteers of America.

Another patient, Johny Williams, 60, told police that he wanted to be taken to a Pasadena convalescent home.

The ambulance driver said he would instead take Williams to skid row, the Pasadena man told police in a videotaped interview. "This is where they dumped me off at."

Williams eventually was taken to Pasadena by a downtown pastor.

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CIVIL LAW:

Medco Settles Federal Fraud Claims For $155 Million (PHI)

By Jane M. Von Bergen

The Philadelphia Inquirer, October 24, 2006

Complaints from two whistle-blowing pharmacists from Las Vegas in 1999 led to a $155 million settlement today of federal fraud claims by the nation's largest mail-order pharmacy business.

Medco Health Solutions Inc. had been accused of destroying and canceling prescriptions, soliciting kickbacks from pharmaceutical companies to favor their drugs, and paying kickbacks to health plans to obtain business.

The settlement, announced by the U.S. Attorney's Office in Philadelphia, also covers a second investigation into how the Franklin Lakes, N.J., company submitted claims to the Medicare program on behalf of its clients.

Pharmacy-benefits-management companies act as middlemen between pharmaceutical companies and health-care plans to negotiate lower drug costs. The U.S. Justice Department has been investigating conflicts of interest in the business for years.

Medco did not admit to any wrongdoing as part of the settlement.

"After nearly seven years of inquiry, these issues end as they began - with no finding of wrongdoing by Medco or any of its people," the company said in a statement. "Our business practices today are widely regarded as setting the standard for our industry."

The settlement requires the company to provide more transparency in its dealings with drug companies and with the government.

That will ultimately benefit the consumer, said James G. Sheehan, the associate U.S. attorney who handled the case.

"When you open your prescription bottle, you should know what's inside," Sheehan said. "What's inside should be what's on the label and in the same quantity. If it is a different drug, you should know it before you open the bottle."

The settlement primarily deals with conduct between 1998 and 2004. In the 1990s, the two whistle-blowing pharmacists, who remain in practice, were working out of Medco's Las Vegas facility when they noticed irregularities in how prescriptions were filled. The irregularities were occurring because of pressure to meet contract-specified deadlines.

"I think they are relieved that it's over," said Marc S. Raspanti, the Philadelphia lawyer who represented the two former Medco pharmacists, George Bradford Hunt and Walter W. Gauger.

"They felt some of the practices, and pressures, and some of the automation was being done to the detriment of the patient," Raspanti said. They are gratified by changes that the process brought to the pharmacy-benefits-management business, he said.

The men and their lawyer will get $20.16 million of the $155 million settlement. Other whistle-blowers include a doctor from northern New Jersey, Joseph Piacentile, and another former Medco employee, Karl S. Schumann. Each will receive payments as part of the settlement.

Medco, with 58 million customers, had a profit of $602 million last year on sales of $37.9 billion.

Medco Will Pay $155 Million In U.S. Kickback Case (Update1) (BLOOM)

By Robert Schmidt

Bloomberg, October 24, 2006

Oct. 23 (Bloomberg) -- Medco Health Solutions Inc., the biggest U.S. manager of employee prescription drug benefits, agreed to pay $155 million to settle U.S. allegations it accepted kickbacks from pharmaceutical manufacturers and submitted false claims to the government.

The settlement, announced by the Justice Department in Washington, resolves two civil cases and an investigation by the U.S. attorney's office in Philadelphia. The government also accused Medco of paying kickbacks to health plans to help it obtain business.

``Millions of federal employees and Medicare beneficiaries rely on pharmacy benefit managers for their prescription drugs," said Peter Keisler, head of the civil division at the Justice Department, in a statement. ``Hidden financial agreements with drug manufacturers and health plans can influence which drugs patients receive, the price we all pay for drugs and whether pharmacists serve patients with their undivided professional judgment."

Medco, based in Franklin Lakes, New Jersey, said in May it agreed to a tentative deal with the government.

Today's action ``puts things behind us," said Soraya Balzac, a Medco spokeswoman. As part of the agreement, there were no findings of wrongdoing against the company, she added.

Medco manages prescription drug benefits for over 60 million Americans, the Justice Department said. The government complaint alleged that Medco submitted inflated bills for mail-order prescription drug services it provided.

The company also canceled valid prescriptions it couldn't fill on time to avoid paying penalties under its contract and shorted the number of pills it provided, the government complaint said. The company was also accused of sending out drugs other than those prescribed by a physician in order to earn undisclosed rebates from drug manufacturers.

The settlement is the fourth-largest in a health care false claims act case in 2006, according to Taxpayers Against Fraud, a Washington-based group that tracks such suits. The largest, for $900 million, was with Tenet Healthcare Corp.

``I think Medco's getting off cheaply in this one," said Patrick Burns of the taxpayer group. ``What remains to be seen is whether this fine is enough to get them to change their practices."

Medco Settles Charges For $155 Million (UPI)

United Press International, October 24, 2006

WASHINGTON, Oct. 23 (UPI) -- Medco Health Solutions has agreed to settle kickback charges by paying $155 million plus interest, the U.S. Justice Department said Monday.

The Parsippany, N.J., company submitted false claims to the government, solicited and accepted kickbacks from pharmaceutical manufacturers to favor their drugs and paid kickbacks to health plans to obtain business, federal prosecutors said. Medco, the nation's second largest pharmacy benefit management company, manages the prescription drug benefits of over 60 million U.S. residents, including millions of Medicare beneficiaries.

Prosecutors said Medco submitted false claims for mail order prescription drug services it was required by contract to provide to millions of federal employees, retirees and their families under the Federal Employee Health Benefits Program.

"Millions of federal employees and Medicare beneficiaries rely on pharmacy benefit managers for their prescription drugs," said Peter D. Keisler, a top Justice Department official.

"Hidden financial agreements with drug manufacturers and health plans can influence which drugs patients receive, the price we all pay for drugs, and whether pharmacists serve patients with their undivided professional judgment."

Government Defends 1998 Anti-Porn Law (AP)

By Maryclaire Dale, Associated Press Writer

AP, October 24, 2006

PHILADELPHIA (AP) -- Eight years after Congress passed a law aimed at protecting children from online pornography, free speech advocates and Web site publishers argued in federal court Monday that the never-enforced measure is fatally flawed.

Salon.com, Nerve.com and other plaintiffs warned that the 1998 Child Online Protection Act could be used to criminalize such things as sexual health information, erotic literature and news photographs of naked prisoners tortured at Abu Ghraib.

The law, signed by then-President Clinton, says Web site operators must prevent youngsters from seeing material "harmful to children" by demanding proof of age from computer users. It would impose a $50,000 fine and six-month prison term on commercial Web site operators that allow minors to view such content, which is to be defined by "contemporary community standards."

In a trial that opened Monday, the plaintiffs argued that "community standards" is too vague.

"As a parent, I know that what's fine for my daughter may not be appropriate even for some of her friends," testified Joan Walsh, editor in chief of Salon.com.

The law has never been enforced.

The U.S. Supreme Court has twice upheld preliminary injunctions that prevented the government from enforcing the law until a trial to determine the act's constitutionality can be held.

The American Civil Liberties Union, which represents the plaintiffs, argues that filter programs installed in home computers are more effective ways of policing the Internet.

Eric Beane, a government attorney, acknowledged that it is tempting to defer to families on the question of what is appropriate for children, but said the filters used by parents do not work.

"The evidence will show that a shocking amount of pornography slips through to children," Beane said in opening statements.

ACLU attorney Chris Hansen said that the government is essentially arguing that "parents are too stupid to use filters."

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In preparing for its defense of the law, the Justice Department sought internal files from search engine companies and Internet service providers on what sorts of things people search the Internet for.

Google Inc. fought one such subpoena, although it primarily cited trade secrets, not privacy issues. A federal judge in California sharply limited the amount of information Google had to surrender.

The nonjury trial in front of Senior U.S. District Judge Lowell A. Reed Jr. is expected to take about a month.

CIVIL RIGHTS:

Civil Action Continues Against City Of Denton (NTD)

By Abel Prado

North Texas Daily, October 24, 2006

Citizens accuse fire department of racism

Citizens of Denton are officially moving forward with legal action against the Denton Fire Department with accusations of racial discrimination through the NAACP and the Justice Department.

More than 26 minorities applied for one of the 15 open positions in the Denton Fire Department in 2006 but none were hired, said Willie Hudspeth, leader of the suit against Denton Fire Department.

Suspicions of racial injustice arose around 1999 when Hudspeth, along with other community members, said the city of Denton hired only one minority, which was the librarian. Seven years later, the number of minorities working for the city is still low, but it is not because of lack of applicants, Hudspeth said.

"This bias is more pronounced in the fire department," Hudspeth said. "They are over-qualified and have all the credentials. At this point I see no reason other than race that explains why these applicants did not get hired."

Several calls to the Denton Fire Administration and Prevention precinct and City Council officials seeking comment were not returned.

Applicants who wish to obtain a position in the Denton Fire Department have to take a Civil Service Exam, which tests a person's academic ability in math and science, his or her physical strength and proficiency in reading, writing, English and other foreign languages.

"The evidence is there," Hudspeth said. "And I hate that it is. As of now we are in contact with the NAACP and the Justice Department. They are each reviewing the case and deciding on a proper course of action. We should hear back from them in the coming days after which appropriate fundraisers will ensue."

Hudspeth claims to have uncovered evidence of an Asian American who scored in the 98th percentile and was not hired. He said he knows of another minority applicant who scored in the 91st percentile and did not get hired.

Several applicants, meanwhile, scored significantly lower than those applicants but were given a post in the department.

"It is my understanding that they could have a solid case," said Danny Garris, whose Utah-based law firm specializes in class action lawsuits and legal matters. "If the charges that Mr. Hudspeth is leveling are true and there are minority applicants who are outscoring those getting hired then there could be a legitimate grievance here. You would think that this situation is a thing of the past but, sadly, it isn't."

Driver Retried In Texas Smuggling Deaths (FINDLAW/AP)

By Juan A. Lozano, Associated Press Writer

AP, October 24, 2006

(AP) - HOUSTON-A truck driver accused of being responsible for the nation's deadliest human smuggling attempt could again face the death penalty.

Tyrone Williams was convicted last year on 38 counts of transporting illegal immigrants, but the verdict was overturned on appeal. Opening statements were set for Monday in his retrial.

Prosecutors say Williams failed to help the more than 70 illegal immigrants who had been packed into his tractor-trailer in stifling heat in 2003. Nineteen died.

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Jury selection in his retrial took more than two weeks because potential jurors were questioned individually about their views of illegal immigration and the death penalty.

Williams, 35, avoided the death sentence in his first trial because the jury couldn't decide whether he was directly responsible for the deaths. The judge removed the death penalty as an option. Prosecutors appealed.

The 5th U.S. Circuit Court of Appeals ordered a new trial and that the previous judge be removed from the case because of the case's "extraordinary history" and the judge's complaints about a crowded docket.

"I'm disappointed because the first jury reached a fair verdict," defense attorney Craig Washington said. "To have to do it again is disheartening. At the end of the day, the result will be the same as the last trial."

Prosecutors are not commenting on the case outside the courtroom. But during a hearing last week, Assistant U.S. Attorney Daniel Rodriguez reiterated the government's contention that Williams was responsible for the immigrants' deaths because he ignored their cries for help and failed to turn on the air conditioning unit on his tractor-trailer.

"This unit could have had a significant, major impact in the survivability of these individuals," Rodriguez said. "If they were caught in time, serious injury could have been prevented."

Williams is the only one of 14 people charged in the case who is facing the death penalty. Seven people have been sentenced to prison, sentencing of three others is pending, charges against two were dismissed and one man is a fugitive.

Men Who Transported Immigrants Sentenced (SAST)

By Jayna Boyle

San Angelo (TX) Standard-Times, October 24, 2006

Two men caught transporting illegal immigrants near San Angelo after a rollover in the spring that killed one of the immigrants have been sentenced in federal court in Lubbock.

Jorge Luis Castro-Garcia was sentenced to 71 months imprisonment, while Jesse Cano received 87 months, according to a Justice Department news release from the Northern District of Texas.

The sentencing was announced Friday.

Castro-Garcia, Cano and co-defendant Agustin Anorga each pleaded guilty in July to one count of transporting illegal immigrants for private financial gain and aiding and abetting. Anorga is scheduled to be sentenced Nov. 3.

The charge against each man carries a possible penalty of as long as 10 years in prison, said Kathy Colvin, public information officer for the Northern District. She said the duration of Castro-Garcia and Cano's sentences was based on presentencing reports and investigations.

According to the news release, Castro-Garcia, a citizen of Mexico lawfully residing in the United States, recruited Cano and Anorga, both U.S. citizens, - Anorga, 20, lives in Cleburne - to transport illegal immigrants for money. The three had been in contact with the 11 to 13 Mexican nationals and picked them up near Del Rio after they had illegally crossed into the United States.

The immigrants were to pay $1,500 each to be taken to Cleburne, according to the release. Cleburne, south of Fort Worth, is about 210 miles east-northeast of San Angelo.

Castro-Garcia, Cano and Anorga drove separate vehicles to pick up the immigrants on March 19. After picking them up, the three men had the immigrants walk around the immigration checkpoint on U.S. Highway 277 near Del Rio to avoid getting caught. They picked up the immigrants after passing through the checkpoint, according to the news release.

Seven people were in Anorga's red Ford Explorer when it crashed on Farm Road 864 in Schleicher County about 8:40 a.m., according to the report filed by the Texas Department of Public Safety in San Angelo. The SUV's right rear tire blew out, causing Anorga to lose control of the vehicle, which rolled over one and a half times, landing on its top and ejecting two people, according to the accident report.

E.J. Martinez Juan Manuel Chavis Reinaga, 18, of Alaquines, Mexico, died in the crash, according to the report. Other immigrants hid in nearby brush, but some were eventually found, the news release stated.

Anorga and Cano tried to aid the injured immigrants and went to a nearby ranch to get help, according to the news release.

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Castro-Garcia went to where the crash occurred but left when law enforcement officers arrived. Cano and Anorga also then left, according to the release.

Cano and Castro-Garcia were later traveling on a small highway near the crash site to avoid getting caught when officers with the Schleicher County Sheriff's Department stopped them, according to the release.

Anorga continued to Cleburne in the vehicle originally driven by Cano. It is unclear when he was picked up by law enforcement officers.

The Explorer that Anorga drove was owned by another Cleburne resident.

According to data collected by the Center for Immigration Studies, in the United States, nearly half of post-2000 immigrants - 3.7 million people - are estimated to be illegal immigrants. Texas is among the states in the country to see the highest increase in immigration in the last decade.

Egyptian Nationals Sentenced For Slavery (UPI)

UPI, October 24, 2006

Two Egyptian nationals received prison sentences Monday for forcing a 10-year-old girl to act as their servant for two years at their California home.

While Amal Ahmed Ewis-abd El Motelib received a 22-month prison sentence for enslaving the young girl at their Orange County home, her now ex-husband Abdel Nasser Youssef Ibrahim was handed a 36-month sentence by the court Monday, the U.S. Justice Department said.

Back in June, the couple had pled guilty to the four counts laid against them regarding their illegal enslavement of the victim through both physical and verbal abuse.

In addition to the their prison sentences, both individuals were ordered to pay the victim more than $70,000, a figure representative of the payment the victim would have received as a legal employee.

"This young victim was robbed of something intensely precious -- her youth," Civil Rights Division Assistant Attorney General Wan J. Kim said.

Feds Ease Limits On Same-Sex Classrooms (AP)

AP, October 24, 2006

WASHINGTON (AP) -- The Bush administration is giving public schools wider latitude to teach boys and girls separately in what is considered the biggest change to coed classrooms in more than three decades.

After a two-year wait, the Education Department was changing rules Tuesday in how it would enforce the Title IX landmark anti-discrimination law. Under the change, which takes effect Nov. 24, local school leaders will have discretion to create same-sex classes for subjects such as math, a grade level or even an entire school.

"Single-sex classes may provide benefits to some students under some circumstances," said Stephanie Monroe, the department's assistant secretary for civil rights. "These regulation changes will make it easier for schools that wish to use single-sex schools to do so where students would benefit."

Education officials initially proposed the rules in early 2004, pointing in part to U.S. research suggesting better student achievement and fewer discipline problems in single-sex classes including math and foreign languages.

After receiving 5,600 public comments, education officials said they were moving forward with the plan with some wording tweaks and assurances from Attorney General Alberto Gonzales that it was legally sound.

Critics who compare the plan to "separate but equal" segregation-era classrooms haven't been so sure.

The National Organization for Women says it creates the risk of breeding second-class citizens. The American Association of University Women has said it would "throw out the most basic legal standards prohibiting sex discrimination in education."

A school board in southeastern Louisiana dropped plans last month to segregate two middle schools by sex after meeting with a federal judge and attorneys for the American Civil Liberties Union, which opposed the plan.

Since current rules began in 1975, single-sex classes have been allowed only in limited cases, such as sex education courses or gym classes involving contact sports.

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Under the new rules, schools could separate genders for a variety of subjects if they believed it offered educational benefits, such as promoting greater student comfort or higher attendance. In all cases, enrollment in a single-sex class would be voluntary.

If a school creates a single-sex class, it would not be required to offer the other gender its own similar class, but it would have to offer a coed version of it.

The rules also make it easier to create single-sex schools, as long as the district can demonstrate that it also provides coed schools with "substantially equal" benefits to the excluded sex.

The changes affect elementary and secondary education, but not colleges. The current ban on single-sex vocational education in both classes and schools at the K-12 level will remain in effect.

The new regulations also require that school districts evaluated their single-sex classes at least every two years to ensure compliance with the Title IX law.

"The department's office for civil rights is responsible for investigating any complaints in discrimination. We take that charge very seriously and will continue to fully investigate any allegation," Monroe said.

Education officials said some districts were interested in single-sex schools but said they don't expect a rush to make wholesale changes. In most cases, local school leaders will probably wait until at least the next semester to ponder moves, they said.

Single-sex classrooms have become more common in recent years. In 1998, only four public schools had them, compared to at least 228 this year, according to the National Association for Single Sex Public Education.

Fight Over Voting Rights Act Expected To Reach High Court (GANNETT)

By Ana Radelat, Gannett News Service

Jackson (MS) Clarion-Ledger/Gannett, October 24, 2006

Challenged provision requires federal approval for election changes

WASHINGTON — A small water district in Austin, Texas, has become the new battleground over the voting rights of minorities.

Bill Ferguson, president of Northwest Austin Municipal Utility District No. 1, said he was approached by a lawyer last year who persuaded him to sue the federal government, challenging a provision of the 1965 Voting Rights Act.

That provision requires jurisdictions with a history of discrimination at the polls to obtain permission from the Justice Department before making any change - no matter how small - in voting procedures.

Civil rights groups say overturning the "preclearance" provision would strip minorities of key protections at the ballot box.

"This is an effort by people who are longstanding enemies of the Voting Rights Act," said Julie Fernandes, an attorney with the Leadership Conference on Civil Rights. "They lost in Congress and are now looking to the courts."

The utility district filed its suit shortly after Congress reauthorized the Voting Rights Act last summer.

The suit is expected to reach the Supreme Court. If the utility district prevails, the country would see the biggest change in voting rights law in more than 40 years.

The preclearance provision affects all or parts of 16 states, mostly Southern, including Mississippi.

Rob McDuff is a Jackson lawyer who testified at a May congressional hearing on the Voting Rights Act. He said "in the end the law is going to be upheld" as is.

AT A GLANCE

A key provision in the Voting Rights Act that requires eight states and dozens of counties and cities in other states to seek Justice Department approval for any electoral changes is being challenged in court.

The "preclearance" provision dates to approval of the Voting Rights Act in 1965 and is aimed at preventing disenfranchisement of minority voters in jurisdictions with a history of discrimination.

Under the provision:

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Any electoral change, from changing the look of a ballot to changing the shape of a voting district, "requires proof that the proposed voting change does not deny or abridge the right to vote on account of race, color, or membership in a language minority group."

The Justice Department says more than 15,000 proposed changes are submitted under the act each year.

"We've made a lot of progress in the last few years, but we still have a long way to go to eradicate ... racial discrimination," McDuff said Sunday night. "The preclearance provision still has an important role to play in that struggle."

Supporters of the suit say the preclearance provision is outdated and poses a burden for counties and towns that have long since evolved beyond their discriminatory pasts.

It "makes us look backward," Ferguson said. "This thing should go away, certainly by now."

The Austin utility district was founded in the late 1980s to provide water, sewage and other services to about 1,300 homes and a few building and apartments. It's a diverse community, with many Hispanic, black and Asian families.

Four years ago, the district decided to move its only polling place from a garage to a nearby school.

Because Texas is one of the states affected by the preclearance provision, that wasn't so easy. The district had to pay a lawyer $1,250 to file a letter with the Justice Department and wait two months for permission.

Ferguson said he was persuaded by Austin lawyer Greg Coleman, a former law clerk to Supreme Court Justice Clarence Thomas, to file suit challenging the constitutionality of the preclearance requirement.

The requirement may be just an inconvenience for the utility district, he said, "but if you multiply it by the thousands of municipalities that have to do this, then you're talking about a significant burden."

Conservatives fighting to change the Voting Rights Act say the nation has changed since the law was first approved in 1965, when there were widespread attempts to keep blacks, Hispanics and other minorities from the polls.

"America has moved far past the days of Jim Crow," said Edward Blum, a fellow at the American Enterprise Institute.

Blum, a leader in challenges to the Voting Rights Act, said the preclearance provision has resulted in the creation of majority-black and Hispanic political districts that actually hurt minority political power by creating "segregated racial homelands."

He is confident federal courts will find the preclearance requirement unconstitutional. To bolster that chance, he said, he may seek to file new challenges.

But Nina Perales, an attorney with the Mexican American Legal Defense and Educational Fund, said courts have consistently deemed preclearance constitutional.

Her group and the NAACP Legal Defense Fund joined the legal fray Thursday on behalf of two couples - one Hispanic and one black - who have filed countersuits to the utility board suit.

Those countersuits say victory by the utility board would jeopardize the couples' voting rights in a state with a history of "racially polarizing voting patterns."

Fernandes said there's no need to challenge the Voting Rights Act in court because jurisdictions that can prove they haven't discriminated at the polls for at least 10 years can ask to be exempted from preclearance.

"It's the places that have problems that are complaining the most," she said. Contact Ana Radelat at aradelat@gns.gannett.com.

Embattled OC Candidate Claims Meaning Lost In Translation (AP)

By Peter Prengaman, Associated Press Writer

AP, October 24, 2006

Los Angeles (AP) -- A Republican congressional candidate linked to a threatening mailing targeting Hispanics claims the intent of a letter he did not authorize was lost in translation.

Tan Nguyen, whose campaign headquarters and house have been searched in a widening voting rights probe, told reporters Sunday that the media had poorly translated the Spanish-language letter sent by a campaign manager to 14,000 Hispanic families in Orange County.

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Nguyen said the word "emigrado," translated by the media as "immigrant," actually referred to a legal permanent resident, or green card holder.

So, Nguyen's argument went, the sentence warning that immigrants could be jailed or deported for voting referred to green card holders who cannot vote, and not immigrants who have become naturalized U.S. citizens. Only U.S. citizens can vote.

Nguyen declined to say who came up with the idea for the letter or who translated it into Spanish, but argued the controversy amounted to a "debate over translation."

According to Spanish-language experts, and the Royal Spanish Academy dictionary, the word "emigrado" comes from the verb emigrar, which means to emigrate. It's mostly used in the past participle form, for example, "ellos han emigrado de Mexico," or "they have emigrated from Mexico."

The way the letter uses it — "si es emigrado," or "if you are emigrated" — is an awkward construction. But regardless, someone who has emigrated from his or her native country, and is now in a foreign country, is an immigrant.

"The word 'emigrado' in this usage has to mean immigrant. It can't mean anything else," said Roberto Ignacio Diaz, chair of the Spanish and Portuguese department at the University of Southern California.

U.S. Citizenship and Immigration Services, the federal agency charged with issuing immigrant visas, doesn't use the term "emigrado" to refer to any particular immigration status, said agency spokeswoman Marie Sebrechts.

Nguyen, a Vietnamese immigrant who has made illegal immigration a centerpiece of his campaign, is challenging Rep. Loretta Sanchez, a Democrat representing California's 47th Congressional District.

His explanation of the letter, which on Sunday included handing out copies of what he said was the original English text, only created more questions that he declined to answer.

"It's starting to seem a little bit like a circus," said Jose Solario, Santa Ana city councilman and Democratic candidate for the 69th Assembly District seat. Solario, a U.S. citizen whose parents brought him from Mexico as a baby, was one of the thousands receiving the letter.

Among issues raised by the letter is its contention that the government is creating a "new computerized system" to verify the names of "all new registered voters" participating in this election?

Under the Help America Vote Act, states are revamping their voting systems, but for all registered voters, not just new ones.

The letter also says that "organizations against immigration will be able to request information from this new computer system."

Much voter information can generally be accessed by the public, but there is no way to verify a voter's claimed U.S. citizenship status just by looking at a registration form.

In addition, the letter singles out Mexico, along the way slamming the American voting system.

"Unlike in Mexico, here there is no incentive to vote," it reads.

Then there is the question of the letterhead, which resembles that of the California Coalition for Immigration Reform, a Southern California anti-illegal immigration group that has said it had nothing to do with the mailing.

And who is Sergio Ramirez, the person whose name comes at the end of the letter?

Though Nguyen hasn't been forthcoming with explanations, the investigation has clearly focused on him and his campaign.

"Tan Nguyen has admitted that his campaign is responsible for the letter. The only person suggesting that the letter applies only to illegal immigrants is Tan Nguyen," said Department of Justice spokesman Nathan Barankin.

Associated Press Writers Don Thompson in Sacramento and Gillian Flaccus in Santa Ana contributed to this report.

The Don't Show Me State (WSJ)

The Wall Street Journal, October 24, 2006

People in the good state of Missouri need photo identification to cash a check, board a plane or apply for food stamps. But the state Supreme Court has ruled that a photo ID requirement to vote is too great a burden on the elderly and the poor. Go figure.

Public polls consistently show that an overwhelming majority of Americans -- regardless of age, race, ethnicity or socioeconomic status -- favor voter ID laws. And nearly half of the nation's states have passed them. Yet a string of recent court

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decisions has blocked their implementation in some places, thus siding with Democrats and liberal special interest groups who would rather turn a blind eye to voter fraud.

A Georgia judge ruled a voter ID law unconstitutional in September. Earlier this month, the Ninth Circuit Court of Appeals blocked enforcement of a similar law in Arizona, only to be unanimously reversed by the U.S. Supreme Court on Friday. (While the Supremes didn't decide on the merits, their willingness to let the ID requirement be enforced in next month's election suggests some encouraging deference to state officials who want to protect the integrity of the ballot.) Also this month, a Seventh Circuit appeals panel heard arguments in a case concerning Indiana's voter ID requirements. And the Michigan Supreme Court will consider a voter ID challenge in November.

Missouri's dispute shows what's at stake and why the laws are under attack. The state passed its new voting requirements in May in response to problems at the polls in 2000 and 2004, and the IDs were made available at no charge. The law was to be implemented over a two-year period, and people who lacked proper identification would be permitted to cast a provisional vote next month.

Despite these good faith efforts to ensure legitimate ballot access, however, opponents charge that photo ID requirements are overly burdensome and tantamount to a poll tax. The Missouri Democratic Party, which challenged the law, said that while the ID itself is free, the underlying documents -- such as a birth certificate -- required to obtain the necessary identification cost money. And state judges were sympathetic to the argument.

In a 6-1 decision striking down the law as a violation of the state constitution, the Missouri Supreme Court said that requiring the "between 3 and 4 percent of Missourians who lack the requisite photo ID" to obtain one for voting purposes "creates a heavy burden on the fundamental right to vote." How so? "Specific Missouri voters testified that to acquire the requisite photo ID, at the very least they will have to incur the costs associated with birth certificates, which in Missouri costs $15."

In his dissenting opinion, Judge Stephen Limbaugh Jr. took issue with the fact that the majority opinion actually played down the existence of vote fraud. "Although the majority agrees that there is some evidence of voter fraud at the voter registration stage, they discount that evidence as if it had no connection with fraud at the polling place," wrote Judge Limbaugh. "But why else does voter registration fraud occur if not to vote persons fraudulently registered?"

That's a good question. And both the majority ruling and the political left duck it. They'd rather equate a $15 nominal fee for a birth certificate with a poll tax, which is as ridiculous as the paternalistic view that senior and minority voters are incapable of meeting simple self-identification requirements that they manage to meet in other contexts every day.

Showing ID is an incidental cost of voting, like having to buy a postage stamp for an absentee ballot, or feed the parking meter when you go to the polling booth. Poll taxes, by contrast, required a person to pay a fee every time he voted and were adopted for racially discriminatory purposes.

But there's a reason that Democrat partisans are more interested in raising the specter of Jim Crow than in protecting the integrity of the voting process. And here's a clue: While the Missouri Supreme Court was preparing its decision earlier this month, the Kansas City Star and St. Louis Post-Dispatch ran front-page stories about the thousands of fraudulent voter registrations submitted by Acorn, a national left-wing group financed in part by organized labor.

According to the Star, Acorn's voter registration drive generated some 35,000 applications, "but thousands of them appear to be duplicates or contain dubious data." The report went on to note that "[n]ear the top of the fishy list would be a man named Mark who apparently registered seven times over a three-day period using his mother's home address and phone number." Mom told the paper he hadn't lived there in six years.

Acorn and its affiliates have been among the most active and vocal opponents of voter ID laws in Missouri and nationwide. Now we know why.

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ANTITRUST:

IBM Sues Amazon In Patent Dispute (FT)

By Richard Waters In San Francisco

Financial Times, October 24, 2006

IBM mounted a rare legal action against Amazon.com on Monday, accusing it of breaching intellectual property rights that underpin the e-commerce company's fundamental online business model.

The case marks an unusual venture into the courts for Big Blue, which has worked hard to paint itself as a fair and willing licenser of its own intellectual property, rather than an aggressive defender of its industry-leading bank of 40,000 patents.

It also carries an ironic twist for Amazon, since the e-commerce company has itself become notorious in the internet industry for its aggressive defence of so-called business method patents. Its attempt to enforce its "one-click" checkout method in a lawsuit against rival Barnesandnoble.com in 1999 has come to be used as a prime example by critics of the US patent system.

IBM said it had filed two cases in Federal court in the Eastern district of Texas accusing Amazon of breaching five of its patents. The patents cover what it claims are a number of fundamental practices in networking and e-commerce, including the use of hypertext links to make recommendations to a customer, methods of presenting and linking to online adverts, and networking architecture for delivering online content faster.

Given how fundamental the patents are, Amazon has "built much if not all of their business on top of our intellectual property", said John Kelly, IBM's senior vice-president for intellectual property.

An Amazon spokesperson said the company had not yet been served with the lawsuits, and so could not comment.

Mr Kelly said IBM had mounted only two other patent lawsuits this decade and that it had only taken action now after trying for four years to persuade Amazon to take out a licence.

IBM Hits Amazon With E-Commerce Patent Suit (WSJ)

By Charles Forelle And Suein Hwang

The Wall Street Journal, October 24, 2006

International Business Machines Corp. sued Amazon.com Inc., alleging that the giant Internet retailer is infringing on five IBM patents that a company executive calls "seminal" to electronic commerce.

IBM, Armonk, N.Y., filed two suits seeking unspecified damages in U.S. federal courts in Texas, regarded as a jurisdiction friendly to patent holders. The public tussle is unusual for IBM, which has a massive patent portfolio but rarely appears as a plaintiff in patent suits. Instead, IBM prefers negotiating licensing agreements.

IBM'S PATENT PUSH

• IBM Pushes for Open Review of U.S. Patents1

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• IBM Hires New Patent Consultant2

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• Patent Office Examines Amazon's "One Click" Patent3

5/19/06

John E. Kelly III, IBM's top intellectual-property executive, said IBM has been engaged in a back-and-forth with Seattle-based Amazon since 2002 but that negotiations broke off a few weeks ago.

The suits tap into the long-simmering debate over whether patents on methods of doing business should apply on the Internet, where ideas are easily replicated. Critics say patents smother high-tech innovation by cutting out healthy competition, while proponents say they give companies a reason to invest in new technology without fear that it will be immediately copied.

IBM says the five patents at issue -- including one titled "Ordering Items Using an Electronic Catalogue" -- cover a broad swath of Internet shopping's back-office mechanics, encompassing such things as displaying targeted advertising and recommending items for purchase. The latter is one of Amazon's notable features.

An Amazon spokeswoman said she hadn't seen the complaint and declined to comment.

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The patents "do apply fundamentally to most, if not all, of e-commerce," Mr. Kelly said. He added that IBM has signed licensing agreements with "many, many other companies," though he declined to name any. IBM brings in about $1 billion each year from licensing deals.

IBM didn't specify damages in its legal filings, but a company spokesman said damages were "potentially in the hundreds of millions of dollars."

In recent years, IBM has walked a thin line on intellectual property. The company has taken a friendly approach to open-source computer programmers wary of patents, by agreeing to donate intellectual property to their efforts. It has also led a public charge aimed at raising quality and paring back the number of duplicative or overbroad patents granted. At the same time, IBM raked in nearly 3,000 patents last year, and for years it has been the nation's biggest recipient of patents.

Amazon itself was on the other end of a well-known patent lawsuit that also addressed issues of how so-called business-method patents apply to the Internet. In 1999, it received a patent for a "one-click" method of shopping online and sued Barnes & Noble.com Inc., claiming the rival infringed on it. The suit was settled in 2002.

Marc Kaufman, a lawyer at Nixon Peabody LLP who isn't involved in the case, says one point tending to IBM's favor is that some patents "have a rather early date for this type of technology." The electronic-catalog patent, for instance, was issued in 1994. That may make it harder for Amazon to claim the technology was widely in use and hence the patents aren't valid.

Mr. Kaufman says IBM has asserted at least some of the patents against other electronic-commerce players -- he cites one that claims to cover product-recommendation systems and another for displaying advertisements -- and has been successful in securing licensing arrangements. He says he can't name the other companies.

Patent attorneys said IBM's move reflects how valuable patent portfolios generally have become to major corporations. Paul R. Gupta, a partner at Orrick, Herrington & Sutcliffe, said, "We're starting to see an accelerating trend where major companies are suing other major companies."

Shell In $6.9bn Oilsands Move (FT)

By Ed Crooks In London

Financial Times, October 24, 2006

Royal Dutch Shell has delivered a vote of confidence in the potential of Canada's oilsands by offering to buy out the 22 per cent of its Shell Canada subsidiary that it does not already own at a price 22 per cent higher than last Friday's close.

Shell said the purpose of the C$7.7bn ($6.9bn) offer was to continue the simplification of its structure that began with last year's company unification.

Jeroen van der Veer, chief executive, said the deal was an opportunity to integrate Shell Canada fully with its parent company's strategy and operations.

Until now, he said, it had been pursuing the interests of its shareholders, which did not necessarily fit with Royal Dutch Shell's global plans.

The deal will add to Shell's investment in Canadian oilsands, which have this year been hit by concerns over rising costs and the falling price of oil.

Reserves in Alberta are second only to Saudi Arabia's and an increasingly important source of oil for the US. But heavy investment in the region has driven up costs for producers and raised fears over the viability of some projects, particularly if the price of oil falls further.

James Neale, an analyst at Citigroup in London, said: "Shell is, in essence, taking the high commodity price view. It is formulating a strategy based on the implicit view that oil will stay at around its current levels."

Shell has set a target ofproducing 10-15 per cent of its output in "unconventional oil", which includes oilsands and heavy oil, by 2015.

Shell Canada raised eyebrows this year by offering C$2.4bn for BlackRock Ventures, which is expanding production in the Peace River area. The price amounted to about C$4 a barrel of reserves, compared with the C$1.25 that Total paid last year when it acquired Deer Creek Energy.

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Analysts said Shell's confidence in these higher-cost sources of oil could be justified because it was a fully integrated company with its own downstream operations to refinethe oil and market the products.

Bob Fryklund of IHS, a consultancy, said: "Down the value chain from in the ground to in the car, you don't know where most value will come: it can depend on complex fiscal regimes. Companies that don't have an integrated approach are going to be a lot more exposed."

Shell is offering C$40 a share for the minority interest in Shell Canada: a 22 per cent premium to Friday's closing price.

Shell Canada shares rose C$9.41, or 29 per cent, to C$42.22 at midday on the Toronto Stock Exchange. Royal Dutch Shell closed 7p lower at 1,810p.

Oil Sands Are A Hot Commodity (WP)

By Steven Mufson

The Washington Post, October 24, 2006

Royal Dutch Shell PLC yesterday offered to pay $6.8 billion for the outstanding shares of Shell Canada Ltd. and gain a greater stake in Canada's oil sands.

The offer is the latest move by major international oil companies to bolster their positions in Canada's oil sands despite high development costs, environmental challenges and high operating costs.

Shell Canada, which is 78 percent owned by Royal Dutch Shell, operates an oil-sands project in the Athabasca region of northeastern Alberta province.

Shell is already producing more than 100,000 barrels a day of oil from the tar-like sands, and the company's share of production there could grow to 500,000 barrels a day within a decade or so.

John Hofmeister, president of Shell Oil Co., the U.S. subsidiary of Royal Dutch/Shell Group, said in Washington yesterday that the oil sands would be a "great boost" to the company and a "great supply source for the United States." Although many analysts have said that oil sands projects are only profitable if oil prices are more than $30 to $35 a barrel, relatively high by industry standards, Hofmeister said that "the easy oil is running out."

The reserves of Canada's oil sands are second in size only to Saudi Arabia's reserves, but extracting the oil is expensive and messy. The oil sands are sand grains surrounded by bitumen, a form of crude oil with the consistency of molasses. Companies either strip-mine the sands, then heat them to extract crude, or they heat the oil sands in the ground and suck up the crude that runs off. Total production from Canada's oil sands is about 1 million barrels a day and oil companies expect that volume to triple or quadruple over time.

Hofmeister also said that the company would be better able to plan across the U.S.-Canada border. That could become more important in the future, when the company may need to ship oil to U.S. refineries capable of turning the heavy oil sands crude into petroleum products such as gasoline or heating oil.

The acquisition also boosts future oil production for Royal Dutch Shell, which in January 2004 wrote down 40 percent of its oil and gas reserves after an audit revealed booking errors. By the end of 2005, Shell's reserves had declined an additional 3.8 percent. Although the Securities and Exchange Commission does not let companies count oil sands as "proved reserves," they are part of Shell's "probable" reserves and are already producing real barrels.

Other big oil companies are also chasing oil sands projects. ConocoPhillips Co. and EnCana Corp. said this month that they would spend more than $10 billion to increase output from the oil sands, and last year Total SA bought another Canadian oil sands producer for $1.7 billion.

Royal Dutch Shell said it would pay $35.32 a share for Shell Canada, 22 percent more than the closing price of the unit's stock at the end of last week. Shell Canada also refines and markets petroleum products and produces natural gas.

Shell Makes Offer To Buy Out Holders In Canadian Unit (WSJ)

By Chip Cummins

The Wall Street Journal, October 24, 2006

DOJ_NMG_0085480

LONDON -- Royal Dutch Shell PLC's $6.84 billion offer to buy out its main Canadian affiliate's minority shareholders, who may hold out for a better deal, will be a major road test for Chief Executive Jeroen van der Veer and his retooled version of the Anglo-Dutch oil company.

In its first big bid under Mr. van der Veer and new Chairman Jorma Ollila, Shell said it had approached the board of Shell Canada Ltd. with an intention to offer shareholders 40 Canadian dollars (US$35.55) a share for the approximately 22% of the Canadian oil producer that the parent company doesn't own.

The move on Shell Canada, a big player in Canada's booming oil-sands developments, is relatively small potatoes for the global oil industry and for Shell, which last year reported a profit of $25.3 billion. And Shell executives have signed far more-complex deals in volatile, oil-rich regions like Nigeria and Russia. Shell Canada's shareholders could put up a drawn-out fight for more cash, testing negotiators at Shell headquarters in The Hague, Netherlands.

In Toronto trading, Shell Canada shares zoomed higher on the Shell approach, gaining 30%, or C$9.75, to C$42.55, above Shell's offer price. That makes it more likely that Shell will have to bump up its offer if it wants to prevent a drawn-out fight with minority shareholders. Shell officials declined to comment on how they feel investors will react to the offer.

"The offer is full and fair," Mr. van der Veer said in an interview.

Shell has posted a spotty record during the years in North American deal making. In 1985, Shell rankled U.S. shareholders with what many considered a poorly executed deal for full ownership of its main American unit, Shell Oil. Shareholder litigation dragged on for years. In 2001, Shell lost a high-profile auction for U.S. natural-gas producer Barrett Resources Corp. to Williams Cos.

Mr. van der Veer was named to the top post at Shell in 2004 amid a scandal over energy-reserves accounting. He led a shake-up of the company, consolidating its two boards and creating for himself a U.S.-style CEO role. A smooth Shell Canada deal could help persuade shareholders that he has simplified Shell's corporate structure, which critics blamed for slowing down decision-making and obscuring accountability.

It would also be the first big deal under Mr. Ollila, the former Nokia Corp. chief executive brought in to monitor how well Shell executes on its turnaround promises.

Amid high oil prices, Mr. van der Veer has outspent his industry peers investing in promising -- but unconventional and costly -- sources of hydrocarbons. One of Shell's favorite regions for expansion has been Western Canada. The company is a leader among the handful of big oil companies that have increased investment in the country's reserves of heavy oil. The deposits are much harder and more expensive to exploit than conventional oil, but in today's high oil-price environment, they have made economic sense.

Shell asked yesterday that Shell Canada establish a special committee of independent directors to supervise a formal, outside valuation and to review the Shell offer and make a recommendation regarding it. Shell said it might not pursue the offer if it doesn't win the support of the Canadian board. Shell said any offer would be conditioned on obtaining more than 50% of the outstanding shares held by minority shareholders.

Last year, Shell Canada reported net income of C$2.01 billion on revenue of C$14.39 billion.

Write to Chip Cummins at chip.cummins@wsj.com1

Court Sends Back Ruling In Qualcomm Patent Case (WSJ)

The Wall Street Journal, October 24, 2006

Finnish cellphone maker Nokia Corp. won a minor legal victory against Qualcomm Inc. when an appeals court sent back for review a U.S. district court's decision to deny Nokia's motion to stay their patent dispute.

The ruling could potentially delay the legal proceedings if U.S. District Judge Rudi Brewster decides to grant Nokia's motion to stay for further arbitration. In November, Qualcomm sued Nokia for patent infringement despite a patent agreement in place between the two companies.

Qualcomm, of San Diego, dismissed the ruling. "This is a nonsubstantive ruling regarding Nokia's claim," said spokeswoman Emily Kilpatrick. "Nokia is working very hard to delay this case and obstruct with nonsubstantive issues."

Nokia is seeking to have an arbitrator rule on several issues.

Macquarie Bank Makes Hostile Bid For Techem (WSJ)

The Wall Street Journal, October 24, 2006

Australia's Macquarie Bank Ltd., which recently bought U.K. utility Thames Water, unveiled a €1.1 billion ($1.4 billion) hostile bid for German utility-services company Techem AG.

Macquarie, Australia's biggest securities company, said Techem rejected the bid, and Macquarie has approached Techem's shareholders directly. A spokesman for Techem declined to comment on Macquarie's statements, but said several investors have shown interest in the company, citing previous statements by Techem Chief Executive Horst Enzelmüller.

Martin Stanley, executive director of the Macquarie subsidiary that launched the takeover bid, Macquarie European Infrastructure Fund II, said in a statement that the bank has approached Techem's shareholders directly, offering them the chance to decide on the transaction.

The Australian bank doesn't plan to change the business model of the energy-metering-services provider and doesn't aim to yield synergies from the potential takeover, Mr. Stanley said. He added that Macquarie's interest is based on Techem's good business model and long-term stable cash flow.

Macquarie said its MEIF II unit offered €44 a share for Techem. The bank and its fund already hold a 17% stake in the Eschborn-based company. Macquarie's offer comes after Techem said last week that it would reject a possible approach by financial investors in case of any offer.

Shares in Techem rose 17% to €49.31 on the DAX.

Techem monitors energy and water use for about six million houses and apartments in Germany and elsewhere in Europe. It also provides sales and rentals of water meters, heating-system maintenance and bill collection.

The takeover offer comes a week after a group led by Macquarie won the battle to buy Thames Water from Germany's biggest power company RWE AG for £4.8 billion ($9 billion), excluding debt.

Merrill Buys Boutique Investment Bank (FT)

By James Politi

Financial Times, October 24, 2006

Merrill Lynch on Monday agreed to buy Petrie Parkman, a boutique investment bank specialising in advisory work on oil and gas deals in North America with more than $100m in annual revenues.

The deal represents a big bet by Merrill on the continuation of high energy prices, which have fuelled a string of mergers and acquisitions, stock listings and debt offerings among US exploration and production companies.

Although the terms of the acquisition were not disclosed, David Trone, an analyst at Fox Pitt-Kelton, said he believed Merrill paid between $500m and $600m.

Petrie, which is based in Colorado and employs 26 senior bankers, last month filed with US regulators to seek a stock market listing, making it the latest in a string of boutique banks to pursue an initial public offering.

Its combination with Merrill could become an alternative model for small banks looking at ways to cash in on their recent growth, although one rival on Monday suggested that the cultural fit might not be ideal. “A lot of these guys are there because they don’t fit well in the bulge-bracket firms,” he said.

Tom Petrie, the 61-year old former US Army captain and First Boston oil analyst who has run Petrie since it was founded in 1989 and owns 38 per cent of the company, will become a vice-chairman at Merrill and a member of the Executive Client Coverage Group.

“We look forward to expanding our client coverage and bringing our enhanced capabilities to the marketplace,” said Victor Nesi, head of Americas investment banking at Merrill.

Merrill already has a strong energy trading and commodities business, and some of those products could be sold to Petrie’s investment banking clients.

Merrill has struggled in the US energy and power M&A rankings this year. According to Thomson Financial, it advised on 13 deals worth a total of $9.6bn. This placed it 13th in the league table, below Petrie which worked on 8 deals worth a total of $10.3bn. Last year, Merrill was in 6th place, while Petrie was in 12th place.

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Last year, Petrie generated $75m in revenues, making $4m in net income.

Merrill represented itself in the deal, while Keefe Bruyette advised Petrie.

Separately, Keefe Bruyette, the financial services investment bank, set the price range at which it expects to sell shares to the public in an IPO that could value it as highly as $670m. Keefe Bruyette is offering shares at between $19 and $21 each.

'Rambus' Ruling Is A Standards Landmark (NLJ)

By Pamela A. MacLean, The National Law Journal

National Law Journal, October 24, 2006

With a single stroke, the Federal Trade Commission may have restored the value of the handshake and good-faith promise among high-tech competitors, yet opened the doors to potential new litigation.

The commission recently issued a landmark decision -- for the first time holding a company liable for an antitrust violation because it used its patents to subvert the process relied on by thousands of companies to set industry standards for products.

The most mundane items of daily life -- from the size of the electric plug to the specifications for computer memory chips -- are standardized through voluntary, nongovernment groups known as standard-setting organizations (SSO). The engineers who meet to establish specifications for new products are encouraged to standardize, both to avoid competitive battles to the death and to satisfy consumer demands that products work together.

Historically, lawyers have had limited roles in SSOs, producing broad agreements to share information that have been vague on future patent obligations.

Then in the 1990s, Rambus Inc. tried to corner the memory chip market by securing key DRAM memory chip patents after it learned what the SSO group would choose as the industry standards. Trust among SSO participants evaporated.

REVERSAL OF FORTUNE

Following years of litigation that went in favor of Rambus, the Federal Trade Commission issued a landmark decision last month that Rambus Inc., a semiconductor technology company, violated antitrust law by secretly securing patents on what it knew would become the industry standard for DRAM memory chips. Rambus, a Los Altos, Calif., memory chip developer, had used the patents to sue for infringement the very companies that adopted the standard. In the Matter of Rambus Inc. (FTC docket 9302).

The FTC antitrust finding against Rambus was a reversal of fortunes for the standard-setting organizations.

What remains unclear in the wake of the FTC's Rambus decision is what the standard-setting organizations will do now with their newfound power.

Two emerging trends would have some SSOs stick with vague promises that members will only seek "reasonable and nondiscriminatory" (RAND) licensing royalties to pay for patents covered in new standards, while others want to negotiate potential licensing fees upfront, before a standard is set, which is known as "ex ante" terms.

"This decision was the first by the FTC imposing antitrust liability on a single company for its conduct in subverting a standard-setting organization," said Sean Royall, former deputy director of the FTC's Bureau of Competition and lead attorney in the case against Rambus. Royall is a co-chairman of Gibson, Dunn & Crutcher's antitrust practice and divides time between the Los Angeles firm's Dallas and Washington offices.

The members of the Joint Electron Device Engineering Council "unknowingly helped create and then walked into an extremely expensive trap laid by Rambus," wrote Andrew Updegrove, an attorney with Boston's Gesmer Updegrove in urging the FTC to hold Rambus liable for antitrust violations. He represented a dozen SSOs in amicus papers.

The role of SSOs is particularly critical in high-tech fields where intellectual property rights are at stake. For JEDEC, it dictated a standard of design for millions of DRAM chips worth billions of dollars in royalties for anyone with design patents.

The groups have no police power to enforce member conduct but have relied on good-faith member pledges or loose agreements to disclose potential patent claims prior to standard setting. Members may also be asked to promise to license patents on a reasonable and nondiscriminatory basis.

UNRESOLVED ISSUES

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But the danger of participants in standards groups running afoul of antitrust law by discussing specific patent royalties or how the patent might be licensed creates skittishness about ex ante licensing negotiation.

This is particularly important in some products covered by multiple patents, such as cellphones, that may have photo, video, recording and other capabilities that all may require patent royalty payments.

"A lot of organizations seem reluctant to adopt clear standards regulating IP that covers the standard," said Mark Lemley, a Stanford Law School professor and authority on standard-setting issues.

"Some organizations have expressed worries that they might be liable for antitrust if they agree to royalty rates, although the FTC made clear last year that is not a big problem," Lemley said.

He said: If an organization requires members to agree to license for RAND terms, does that mean any future disputes will be over what is a reasonable price?

"That is a contract fight," Lemley said. "Or is that just an organizational rule and a patent owner still can sue for reasonable royalties? Does the patent owner decide the royalty or is it set by a court?"

"Does the patent owner get to bring tools of patent infringement to bear and seek treble damages ... and attorney fees? That is a much more powerful threat ... rather than to sue for reasonable terms," he said. These are substantial issues not yet addressed by appeals courts, Lemley said.

Royall noted that "[c]ompanies that operate in good faith have nothing to fear. I don't think SSOs need to fear that their routine activities suddenly are going to become subject to antitrust inquiries or government intervention. The Rambus case had extreme facts."

Douglas Melamed, an antitrust attorney in Wilmer Cutler Pickering Hale and Dorr's Washington office who has represented Rambus and other high-tech firms, said that "A lot of people were very surprised by the commission's decision and saw it as far reaching."

He said standards bodies seem to be requiring members to commit to RAND disclosure. He doesn't believe the Rambus decision affected that trend.

"The whole area of antitrust in standard setting is an area of uncertainty in the law. It is just beginning to be sorted out by the courts and that will continue for a number of years," he said.

Whether standards groups will prefer more general promises to "be reasonable" under RAND terms, rather than more specific fixed terms under ex ante negotiation that hold antitrust risks, Royall could not predict. But he pointed out that the chairman of the FTC "has suggested ex ante discussion is not likely to be per se unlawful."

PUSH FOR EX ANTE

Five big companies, Cisco Systems Inc., Sun Microsystems Inc., International Business Machines Corp., Apple Corp. and Hewlett Packard Co. have been pushing the U.S. Department of Justice to approve ex ante licensing, according to Updegrove.

Gil Ohana, director of antitrust and competition for Cisco, said that his company, along with Sun and H-P, are strong proponents of ex ante licensing so members know upfront the licensing cost of a patent.

"Our hope is that SSOs both improve the rules on patent and patent applications so it is clearer they have to be disclosed, but also on ex ante permission, to encourage or require it when intellectual property is disclosed," he said.

Current SSO rules bar disclosure of licensing terms beyond RAND, which hurts the process, he said.

Ohana said there's a growing consensus among standard-setting participants that "these rules should change to permit patentees to state the terms on which they will license their patents in detail before a standard is adopted."

He urged government antitrust enforcers to publicly reject the view that SSOs must limit disclosure of terms to RAND to protect themselves.

He pointed to the recent New Jersey antitrust suit by Broadcom Corp. against Qualcomm Inc., two wireless communications companies. Qualcomm argued that it made a RAND commitment for patents in its standard-setting group but that did not prevent it from charging what the market would bear for patents, he said.

U.S. District Judge Mary L. Cooper threw out Broadcom's federal antitrust claims but held that remaining state law unfair competition and breach of contract claims could be pursued in state court. Broadcom v. Qualcomm, No. C05-3350MLC (D.N.J.).

"What this means in my view, if a company is relying on RAND commitment to indicate a patent will be available on favorable terms, that may not be right. You need to get something more explicit," Ohana said.

The Rambus decision means there may be a duty of good faith on the part of a patent holder, even if it strictly complies with an organization's disclosure rules, he said. "There has already been an uptick in the assertion of defenses [to patent infringement claims] on this theory," he said.

Royall noted, "I would advise companies to be careful of what is expected of them in standards organizations. To the extent there are unwritten expectations, don't participate in standard-setting activity unless you are prepared to do what is required."

2 Groups Challenge Easing Of Media Rules (FINDLAW/AP)

By Hope Yen, Associated Press Writer

AP, October 24, 2006

(AP) - WASHINGTON-Easing government rules to allow more media consolidation would push out niche radio programming such as classical, jazz and gospel music while doing little to improve local TV coverage, new studies say.

Reports released Monday by two public interest groups, the Benton Foundation and the Social Science Research Council, challenged the Federal Communications Commission's argument that media consolidation would improve local coverage and programming due to synergy effects.

The FCC is reviewing the issue following a failed 2003 attempt to loosen media ownership restrictions.

"These studies make clear that there is no support for the contention that media consolidation correlates with better, more local or more diverse media content," said Gloria Tristani, a former FCC commissioner and president of the Benton Foundation.

The FCC in June reopened the hotly disputed issue of ownership limits, including the number of radio and television stations that one owner can have and restrictions on cross-ownership between newspapers and broadcasters.

Former FCC Chairman Michael Powell pushed through loosened rules in 2003, but a federal appeals court threw them out on grounds that the FCC compiled an insufficient record to justify them.

The 2003 changes would have let one corporation own - in a single community - up to three TV stations, eight radio stations, the cable system, the only daily newspaper and the biggest Internet provider, according to Democratic commissioners who opposed the plan.

According to the studies released Monday:

-A radio company that owns more stations in a local market was less likely to offer niche formats such as easy listening, bluegrass, tejano and classical music, despite the company's greater opportunities, given its size, to do so.

-Cross-owned TV stations were more likely to offer local news, in part because larger news stations were usually the ones targeted for acquisition by newspapers. But when factoring out market size, the cross-owned ones did not provide more news than other stations in the local news business.

-Media ownership opportunities for women and minority groups remained limited. Of the 12,844 radio and television stations that filed reports with the FCC in 2005, women own 3.4 percent and minorities own 3.6 percent.

Many of the broadcast television networks and large media companies including the Tribune Co., Gannett Co. and the New York Times Co. have supported loosened rules, saying current restrictions are outmoded in a digital age in which consumers also have the Internet and cable TV to choose from.

The FCC has scheduled several hearings and allowed 120 days for public comment, which expires Monday. Current FCC Chairman Kevin Martin has supported eliminating the three-decade-old flat ban on cross-ownership.

The fate of media ownership proposals could be determined in part by the November congressional elections.

A switch to Democratic control in the House would likely hamper any attempts to let media conglomerates own more TV stations. In the Senate, Democrats such as John Kerry of Massachusetts and Barack Obama of Illinois - two possible 2008 presidential contenders - have called on the agency to consider diversity when reviewing ownership rules.

The FCC and its staff declined to predict how long the review process will take. The agency held its first public hearing in Los Angeles earlier this month.

DOJ_NMG_0085485

On the Net:

The reports can be found at:

http://www.ssrc.org/programs/media/publications/MediaOwnershipReport.pdf

Federal Communications Commission: http://www.fcc.gov/

Crossed Lines Bitter Battle By Telecom Titans In Europe Heads To U.S. Courts (WSJ)

By Leila Abboud And Mike Esterl

The Wall Street Journal, October 24, 2006

Vivendi, Stymied in Poland By Deutsche Telekom, Files a RICO Lawsuit Wealthy Partner Shifts Sides

On a cold afternoon in March of last year, security guards stormed the Warsaw offices of Polish mobile-phone firm Polska Telefonia Cyfrowa Sp. z o.o. The guards, armed with pistols, rounded up three top executives from French media giant Vivendi SA, a part-owner of the Polish company, and pushed them into the street. When one Vivendi manager locked himself in his office, the guards broke down the door.

"It was complete chaos. It was like a siege," says Philippe Houdouin, Vivendi's top official in Poland, who witnessed the events from the sidewalk after rushing to the scene. Mr. Houdouin says that back at his own office elsewhere in Warsaw, he had to protect a stack of documents with his body when the guards sought to cart them away.

For Vivendi, it was a disastrous turn in what so far has been a losing seven-year battle to recoup a major investment in Poland. Vivendi executives haven't been able to get back into their offices at the Warsaw cellphone firm, known as PTC, since last year's raid. Their former business partners in Poland have turned into enemies. And despite some 50 court cases in several European countries, Vivendi hasn't been able to recover a trace of the $2.5 billion it has put into PTC over the years.

Vivendi now is upping the legal stakes. Yesterday it filed suit in U.S. District Court in Seattle against its two rivals for control of the Polish investment: German telephone giant Deutsche Telekom AG and a wealthy Polish investor named Zygmunt Solorz-Zak. Vivendi filed the civil suit under the U.S. RICO law, originally designed to nab gangsters, accusing the defendants of conspiring to seize control of the Polish cellphone company by stealing Vivendi's stake in it. The suit asks for $7.5 billion in damages, or three times Vivendi's investment, because RICO -- the Racketeer Influenced and Corrupt Organizations law -- permits a tripling of damages.

The battle shows how hotly contested the world's telecom markets have been for Western phone giants, as their fortunes weaken at home. The fight is especially important for Vivendi as it tries to shake off the vestiges of a troubled past under a former chief executive, Jean-Marie Messier, who launched an ill-fated $100 billion acquisition spree. The acquisitions turned the French environmental and water company into the telecom and entertainment business it is now. Along the way, Vivendi owned Universal Studios before selling it to General Electric Co. in 2002.

Over the years, Vivendi has tried to sell, litigate and negotiate its way out of the mess in Poland, to no avail. If Vivendi can reclaim what it says is its rightful share of the Polish mobile-phone company or recover some of its investment, it could further its international expansion plans. But losing would deal Vivendi a major blow, ceding one of Europe's fastest-growing markets to a competitor.

"We can't let improper behavior take over a legitimate business and defy legal principles," says Chief Executive Jean-Bernard Lévy. "Two billion euros went out of the Vivendi door. They have to come back in."

A spokesman for Deutsche Telekom, speaking shortly before the suit was filed, said any allegation that the German company acted outside the law was "absurd." The spokesman, Andreas Leigers, accused Vivendi of "slanderous" actions and maintained that numerous court rulings hold that Deutsche Telekom is the rightful owner of the Polish cellphone company. Asked about the suit after it was filed late yesterday, Mr. Leigers said he hadn't seen the filing and couldn't immediately comment on it.

Mr. Solorz-Zak wasn't available to respond to Vivendi's allegations, said a spokeswoman for Elektrim SA, a Polish holding company that he controls. The spokeswoman, Ewa Bojar, said Vivendi "disregards, ignores and distorts" court rulings that have gone against it in the long-running legal battle.

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Vivendi got wind of an opportunity in Poland in 1999. Elektrim, the Polish conglomerate now controlled by Mr. Solorz-Zak, held 37% of PTC. It needed cash to buy out some minority shareholders and increase its stake. Vivendi offered to invest €1.8 billion in a company that it and Elektrim would jointly own. The joint venture would control 51% of PTC shares.

Vivendi had high hopes for the Polish market. It "was still very underdeveloped," says Mr. Houdouin. Poland was to be one of the pillars of Vivendi's push abroad.

Deutsche Telekom already owned 22.5% of PTC. The German company was making an aggressive bet on Poland, and it soon bought out minority shareholders to double its stake to just under 50%. Vivendi's entrance represented a threat, and Deutsche Telekom tried to stop the French firm.

Deutsche Telekom argued that under a longstanding shareholder pact, Elektrim couldn't bring in a new partner without the unanimous approval of PTC's supervisory board. It also maintained that Elektrim's misstep triggered a right that Deutsche Telekom had to acquire Elektrim's stake in PTC at book value. That would give Deutsche Telekom control of the Polish company.

The parties took the dispute to an arbitrator in Vienna. Meanwhile, PTC was run by a CEO and two other executives chosen by Vivendi and Elektrim, as well as by two executives named by the Germans. On PTC's board were four members each from the Deutsche Telekom and the Elektrim-Vivendi sides plus an independent.

Mr. Houdouin recalls the period fondly: "PTC was doing very well. We focused on ... marketing innovation and growth. My job was to make the company as profitable and valuable as possible." But by 2003, he says, "we could see that things were changing."

Elektrim had been taken over by Mr. Solorz-Zak. One of Poland's richest men, Mr. Solorz-Zak had begun as an importer. After the communist era ended in Poland in 1989, he started what became Poland's biggest private television channel, Polsat, giving him wide influence.

PTC's Polish, French and German managers began to bicker. Vivendi blames Mr. Solorz-Zak for the tension, saying that after he joined PTC's supervisory board, tussles over strategy, refinancing and the distribution of dividends followed. "Our life in PTC became hell. Every decision was hostile," Mr. Houdouin says.

In early 2004, Mr. Solorz-Zak fired the law firm that represented Vivendi and Elektrim in the Vienna arbitration against Deutsche Telekom. He hired his own lawyers instead. A month later, he sent a terse letter informing Vivendi that he considered the joint-venture pact that Vivendi and Elektrim had signed in 1999 to be void.

Vivendi was perplexed. At first, "we just thought he wanted more money," says Bruno Curis, a lawyer for Vivendi, noting that Elektrim was under pressure from its bondholders. But Vivendi took the letter as a clear sign its Poland investment was in trouble and decided to cut the cord. It began negotiations toward a settlement with Deutsche Telekom.

In mid-2004, according to Vivendi, terms were drafted in which Deutsche Telekom would buy out Elektrim and Vivendi's stakes in PTC for €1.3 billion. Vivendi would end up booking a loss of around €1 billion on its investment. Vivendi says it was willing to swallow this bitter pill to put behind it one of the missteps of the Messier era. According to Vivendi, Deutsche Telekom Chief Financial Officer Karl-Gerhard Eick in late August 2004 told his Vivendi counterpart, Jacques Espinasse, that they had a deal and "you can put champagne in the fridge."

But in early September, Mr. Eick sent Mr. Espinasse a one-line letter saying, "We are unable to conclude your proposed transaction at this time." Vivendi's Mr. Curis says, "We were distraught. We were confused. We just didn't understand what had happened. It was extremely frustrating for those of us who had spent months on the negotiations."

Deutsche Telekom's spokesman said that no deal had ever been reached. He denied that Mr. Eick had made the comment about champagne.

The French company says that a few weeks later it got a clue about what was going on. A Vivendi executive, Michel Picot, was invited to meet a former Elektrim executive for breakfast at the Hotel George V in Paris. According to Vivendi, the Elektrim man said his company had received a tip that the arbitrators in Vienna would rule invalid the 1999 share transfer that created the Elektrim-Vivendi joint venture. He said Elektrim planned to use the ruling to get out of the joint-venture obligations it had to Vivendi, according to an affidavit by Mr. Picot.

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Deutsche Telekom's spokesman said any implication that the German company benefited from insider knowledge of an arbitration tribunal's deliberations is "absurd." In any case, in November 2004, the Vienna arbitration panel did indeed rule that Elektrim hadn't been in a position to transfer shares to the joint venture in 1999.

But the arbitrators also said they didn't have any jurisdiction over the joint venture. Deutsche Telekom and Vivendi both claimed victory. Vivendi says it was so unclear what the arbitration decision actually meant that it hired 10 different law firms to analyze it. It also filed an appeal to the Commercial Court in Austria.

The arbitration ruling needed to be ratified by a Warsaw court. At a hearing in the Warsaw courtroom in early 2005, Vivendi says it had its worst suspicions confirmed: Lawyers for its former partner Elektrim sided with Deutsche Telekom to argue that Vivendi had no right to PTC shares. "We knew that day that Elektrim had betrayed us," Mr. Curis says.

Elektrim didn't respond to requests to characterize its relationship with Deutsche Telekom.

Representatives of Deutsche Telekom and Elektrim then rewrote PTC's shareholder registry, wiping out Vivendi's stake on paper. It was a few days later that PTC's security guards physically removed the French company's executives from the premises.

Since then, court cases have proliferated and appeals have multiplied in several European countries, with the warring sides claiming victories on different fronts. Earlier this year, Vivendi thought it was close to resolving the matter. It says Elektrim and Deutsche Telekom had accepted a proposal that Vivendi and Deutsche Telekom buy out Elektrim and run PTC as a 50/50 joint venture.

On March 29, Vivendi says, lawyers for the three companies sat in a Warsaw office putting the finishing touches on the documents as Vivendi's Mr. Lévy prepared to fly to Poland for a celebratory news conference. Then word arrived of a Polish court ruling in favor of Deutsche Telekom. The German negotiators quickly packed up and left the building without signing the final document.

The Deutsche Telekom spokesman, Mr. Leigers, declined to get into specifics but said that a deal had never been reached. He accused Vivendi of regularly misrepresenting events in the longstanding dispute over PTC.

The battle intensified this fall. Deutsche Telekom said in September it had exercised its right to buy Elektrim's stake -- boosting its PTC holding to 97% -- and had installed a chief executive at the Polish company.

Vivendi dismissed the move as illegal and followed up by offering Deutsche Telekom €2.5 billion for its undisputed 49% stake in PTC.

So exactly who owns what part of PTC remains a mystery: Despite its public statement that it has 97%, Deutsche Telekom recognizes only a 49% stake on its own books.

The German company says it made an initial payment of €600 million for Elektrim's stake in October. It won't say to whom it paid the money, citing the continuing litigation. Elektrim, which is in bankruptcy proceedings in Poland after defaulting on bond payments, is staying mum.

Mr. Houdouin's business card still says the Vivendi executive heads the management board of PTC. But he is watching the Warsaw company from afar as his former German colleagues at PTC run it. Interviewed at a Paris hotel, Mr. Houdouin says, "I have to believe that things will turn around."

Legal experts said it could be difficult to convince a judge that a RICO case involving European companies should be heard on U.S. soil. "Judges have a natural resistance to having a case brought to them that has been tried elsewhere and has been bogged down," said John Coffee, a professor at Columbia Law School.

Lanny Davis, a former White House special counsel whom Vivendi has hired to pursue the RICO case, maintained that U.S. courts have jurisdiction because Deutsche Telekom has both a stock listing in the U.S. and significant U.S. business: the wireless unit T-Mobile USA, based in Bellevue, Wash. Should the case be allowed to proceed, Vivendi would gain subpoena and "discovery" powers that would give it access to internal documents of Deutsche Telekom and Mr. Solorz-Zak.

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ENVIRONMENT:

2 Men Arrested On A Ledge At NOAA Building (WP)

By David A. Fahrenthold

The Washington Post, October 24, 2006

A pair of environmentalists, protesting what they said are attempts to suppress evidence of global warming, were arrested yesterday after spending several hours perched on a ledge at a National Oceanic and Atmospheric Administration building in Silver Spring.

After 8 a.m., the two men used an extension ladder to climb to a roughly 25-foot-high ledge at the building, in the 1300 block of East West Highway, an associate said. They carried a banner reading, "Bush: Let NOAA Tell the Truth" and brought food and drink with them. Other protesters stayed on the sidewalk below.

Authorities tried, without success, to persuade the protesters to leave the ledge, said Lucille Baur, a Montgomery County police spokeswoman. Shortly after noon, officers borrowed a cherry picker from a construction site and brought the men down without a struggle, she said.

The two protesters were charged with disorderly conduct, reckless endangerment and trespassing, Baur said. They were identified as Paul E. Burman, 24, of Arlington and John Theodore Glick, 57, of Bloomfield, N.J.

The two men are members of a group called the U.S. Climate Emergency Council, said Mike Tidwell, the group's director. The group contends that NOAA officials are playing down scientists' findings about the dangers of global warming, including its connection to extreme weather events such as hurricanes and heat waves.

"They are failing at their job," Tidwell said. "They are suppressing scientific information because it is inconvenient data for the Bush administration's fossil-fuel constituency."

A More Efficient US? Energy Agency Prods Only A Bit. (CSM)

By Mark Clayton

The Christian Science Monitor, October 24, 2006

Under pressure to find new ways to save energy, the US Department of Energy is speeding adoption of new efficiency standards for devices ranging from pool heaters to microwave ovens. President Bush is apparently on board, too, pushing the need for energy conservation in a speech earlier this month.

That's good news for energy advocates and states that have sued DOE for lagging years behind schedule on new appliance standards, which could curb the nation's rising appetite for electricity.

But in the three standards it has proposed itself, the department has set a far lower bar than efficiency advocates had wanted. Two of the standards are so low that even some industry officials are complaining. Earlier this month, DOE surprised nearly everyone by nixing on technical grounds a proposal for home boilers backed by industry and consumer groups.

"It's never happened before that they've rejected a negotiated standard," says Charles Samuels, a Boston lawyer who often represents the Association of Home Appliance Manufacturers.

Such moves are causing many observers - from efficiency advocates to members of Congress - to question how deeply DOE is committed to energy efficiency, despite Mr. Bush's rhetoric.

"We need to continue what we're doing at the federal level, which is ... to find new ways to power our economy, new ways to conserve, new ways to protect the environment through new technologies," he told a renewable energy conference in St. Louis two weeks ago.

Deep-sixing the home-boiler standard has caused the most surprise. Home boilers are used in hot-water and steam heating systems. The efficiency standard that industry and consumer groups had negotiated would have saved users of those systems a total of some $2.6 billion in energy costs through 2030. But in an Oct. 6 response, DOE said: "The Department has determined that the recommended standards are beyond the scope of its legal authority." Instead, it proposed a lower standard expected to save consumers an estimated $1.2 billion through 2030.

Efficiency advocates were upset. So was industry. "We were surprised and disappointed by the decision," says Joseph Mattingly, vice president and general counsel for the Gas Appliance Manufacturers Association. "I've looked into the legislative history. They [DOE officials] have their interpretation of the law. But I haven't found anything to support it."

Admittedly, setting standards is complex, because it involves balancing many factors.

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For example: On the same day the DOE rejected the boiler standard, for example, it also rebuffed a tough proposed standard for home furnaces. The American Council for an Energy Efficient Economy was pushing for standards it claims would save about $8 billion of furnace energy over 20 years. Instead, the DOE proposed a standard that 99 percent of furnaces sold in the US already meet.

The reason? The DOE said the more aggressive proposal crossed a legal line. The plan called for regional standards - a tough one for northern states, an easier one in southern states - while the law calls for a single nationwide standard, it argued.

"We have to follow our statutory requirements when evaluating where the current standards are," says David Rodgers, acting deputy assistant secretary for technology development in the DOE's energy efficiency office. "We propose the maximum technology that is feasible and economically justified."

The ACEEE is crying foul. "This is just letting an overly narrow view of the law get in the way of achieving the purpose of the act," says Steve Nadel, the group's executive director.

Some analysts say the department's choices may be the best possible given the pressure from industry and sniping from energy advocates.

"What plaintiffs in those [standards lawsuits] against DOE are still unwilling to accept is that it is really their own actions, along with those of industry, that are piling up legislation and rulemaking agreements," says Mr. Samuels, the Boston lawyer. With dozens of complex rulemakings, the DOE reached gridlock last year, he adds. "The resources were never close to handling the load."

Other analysts, however, note that it took the Bush administration six years to propose its first efficiency standard - for transformers, in August. Even there, the DOE sidestepped several tough standards that were much more energy and cost-effective than the one it proposed.

Executives of nine large electric utilities upbraided the department for not taking a tougher stand. "Given the energy challenges which face the nation, now is not the time to back away from energy savings shown by the DOE to be cost effective," they wrote Energy Secretary Samuel Bodman in a Sept. 26 letter. "We strongly urge you to strengthen the proposed ... transformer standard."

Utility executives were joined by New Mexico's two senators, Pete Domenici (R) and Jeff Bingaman (D), who sit on a committee that oversees the DOE. They chided the department in an Oct. 6 letter for passing over a stronger standard they say would have saved 50 percent more energy.

"At a time when improvements in energy efficiency are critical to our energy security, we believe it does not make sense to ignore these cost-effective energy savings," they wrote.

Frustrated by the DOE's pace, Congress itself rammed through efficiency standards on clothes washers, ceiling fans, and more than a dozen other appliances as part of the Energy Policy Act of 2005, observers say.

An Energy Ruling That's Simply Hot Air (WP)

By Cindy Skrzycki

The Washington Post, October 24, 2006

The Energy Department has decided to keep the home fires burning at about the same level as they are now, even in the face of lobbying by both energy conservation groups and some manufacturers.

A proposed "energy conservation standard" that the department unveiled Oct. 6 moved the energy-efficiency needle almost imperceptibly for home gas furnaces -- to 80 percent from 78 percent, the standard set in 1989. The agency rejected an option to raise the standard to 90 percent, which would have saved more energy and trimmed heating bills for consumers in colder climates.

The long-awaited announcement frustrated energy groups that lobbied for a significant increase in efficiency, as well as parts of the industry that wanted to see more robust standards for some heating units.

Department officials said a higher standard wouldn't have been cost-effective for those in states with mild winters to have only the option of buying a furnace that is 90 percent efficient, which means it turns 90 percent of the fuel into heat.

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The department also turned down some innovative ideas from energy groups and manufacturers, saying it didn't have the authority to act. The agency rejected the idea of a regional standard, which would make the highest efficiency rating applicable only to the coldest states. Instead, it said states could apply for exemptions to the rule if they wanted a tougher standard.

The regulators also gave thumbs down to a plan advanced by the boiler industry and energy groups to increase efficiency in gas models. They proposed eliminating pilot lights and installing a reset mechanism that automatically adjusts to the outside air temperature.

Setting the standard at 80 percent represents virtually no change, since almost all new regular gas furnaces are at least that efficient.

Furnace makers such as Trane, a division of American Standard Cos. ; Carrier Corp., a division of United Technologies Corp. ; and Lennox International Inc. also sell products that are more than 90 percent efficient. Sales of those models have been brisk in Northeastern states. And three states -- Vermont, Massachusetts and Rhode Island -- have passed laws setting the requirement for gas furnaces at 90 percent, a standard that has to be approved by federal regulators.

Massachusetts residents would pay about $540 more for a furnace rated 90 percent than for a basic unit, yet they could save $125 a year on energy use, according to estimates by the Appliance Standards Awareness Project , a business and consumer-advocacy group in Boston.

The Energy Department "seems to be looking for the narrowest possible way to comply with the law, and cost-effective energy savings were clearly of secondary importance," said Steven Nadel , executive director of the American Council for an Energy-Efficient Economy , a nonprofit research group based in the District.

There is intense interest in the proposal because 3.5 million gas furnaces and 300,000 residential boilers were sold last year.

Department officials said that in rejecting a higher standard, they took into account manufacturers' concerns that there were potential condensation and venting problems when efficiency ratings are set between 80 and 90 percent.

"The department's proposal sets a national standard but still gives states as much flexibility as we can under the statute," said David Rodgers , acting deputy assistant secretary for technology development in the department's Office of Energy Efficiency and Renewable Energy .

Rodgers said the law requires the agency to consider standards that are economically justifiable and technologically feasible and that save a significant amount of energy.

Under the Energy Policy and Conservation Act, the Energy Department is charged with reviewing the efficiency of commercial and residential appliances and equipment, including refrigerators, washers and dryers, air conditioning and furnaces.

The agency has fallen years behind in issuing the efficiency standards and is under pressure from Congress to get on a schedule and stick with it. In September 2005, the Natural Resources Defense Council , a national environmental group, joined with 15 states and two consumer organizations in going to court in New York. They asked that the department face a legally binding deadline for issuing 22 energy-efficiency standards -- including this one.

In a report to Congress last January, the agency said it is committed to addressing the backlog and has set "firm and achievable" schedules.

In the case of furnaces and boilers, work on a new standard began in 1993 but didn't receive priority status at the Energy Department until 2001. The first published notice of a rulemaking came in July 2004, and the department expects to complete the rule sometime next year. Much to the chagrin of energy advocates, it said the effective date won't be until Jan. 1, 2015.

"It's absurd to set such a weak standard and not implement until 2015," said Andrew deLaski , executive director of the Appliance Standards Awareness Project.

Joseph Mattingly , general counsel for the Gas Appliance Manufacturers Association in Arlington, said the industry urged setting the standard at 80 percent because that level avoids safety concerns.

"In a perfect world, the units would be installed according to manufacturers' instructions, so we have to have something that is forgiving of less-than-perfect installation," Mattingly said. He said consumers who don't live in cold-weather states were not likely to need a high-efficiency furnace.

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Energy advocates tried to address cost and safety issues by supporting a regional standard: 90 percent for cold Northern states and 80 percent for warmer states.

The industry opposed that and likes the idea of states setting their own standards even less. It told the Energy Department that encouraging states to override the federal standard is "an abuse of discretion."

A big disappointment for both sides was the department's rejection of an agreement among 28 manufacturers of oil and gas boilers and four energy-efficiency organizations.

"DOE at every juncture finds a reason to follow a less energy-efficient path," deLaski said. "Even when business says, 'Give us more efficiency,' they say no."

Mattingly said the industry will ask the department to make a "limited policy exemption" to accept the agreement. Energy groups said adopting it would save twice as much energy for gas boilers than the standard the department proposed.

Cindy Skrzycki is a regulatory columnist for Bloomberg News.

Risky Renewable Business (WT)

By Charles Vinick

The Washington Times, October 24, 2006

Five years ago, when developers applied for a federal permit to build the world's largest offshore wind-energy project off the Cape Cod coast, a widely held presumption was that the project ought to go forward because wind power is inherently good and that Nantucket Sound was as good a place as any to begin the off-shore renewable energy movement.

But the Cape Wind project hasn't moved forward and remains mired in controversy as evidence piles up that its developers chose perhaps the worst location. So, instead of leading the renewable energy movement into the future, Cape Wind may be imperiling that very movement by ignoring legitimate and serious flaws in its project.

Consider the record now confronting this project:

n In a study released Sept. 28, the Department of Defense announced that wind plants can interfere with military radar systems if built in the radar's line of sight. The early warning radar (PAVE PAWS) at Cape Cod Air Force Station is one of only two such systems in the continental U.S. and is near the site selected by Cape Wind for their proposed complex of 130 turbines, each now 440 feet in height. Early warning radars are necessary to detect and track objects at extreme ranges, with high confidence and accuracy, and are critical to national security.

n Earlier this year, Congress mandated that the Coast Guard assess navigation hazards posed by the Cape Wind project in Nantucket Sound because the project's location, which is in a very high vessel traffic area within a triangle bordered by ferry routes and the main shipping lane, clearly puts passenger travel and general maritime traffic at risk.

n The developer finally disclosed in a recent report to the federal Minerals Management Service (MMS), now responsible for the federal permit review process, that if its storage tanks holding 40,000 gallons of transformer oil are breached and spill their contents into Nantucket Sound, the oil has a better than 90 percent chance of reaching and soiling Sound-facing beaches (not to mention the devastating impact on wildlife).

n More than 400,000 flights a year through Nantucket Sound airspace would have to pass just above a field of 130 turbines, each 440 feet tall, just 60 feet short of the 500-foot floor that small aircraft fly above. Cape Approach air traffic controllers long ago dubbed this project "an accident waiting to happen." The Defense Department study acknowledges the need for the Federal Aviation Administration (FAA) to undertake additional testing of radar interference with air traffic control radar systems.

And still Cape Wind shrugs its shoulders, implying that there are no serious issues.

When Rep. William Delahunt, Massachusetts Democrat, called for the FAA to study radar interference and the project's potential risk to aviation, Cape Wind dismissed the request as "desperate" and "suspect."

The very same government that promotes the development of renewable energy must also make assessments along the way about the appropriateness of individual projects and whether or not the public's best interests are being served or whether the projects pose unacceptable risks. That is neither desperate nor suspect, but a responsible reaction when lives are potentially at risk.

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Saying no to Cape Wind is not saying no to offshore wind energy; it is simply an acknowledgement that legitimate concerns over public safety, wildlife endangerment and economic impacts -- to name a few of the leading concerns -- outweigh any benefits that might come from siting Cape Wind in Nantucket Sound.

And there was nothing desperate or suspect when Cape and Island communities insisted on a legitimate assessment of oil spill risk even though the developer dragged its heels on producing such an assessment. It is no wonder that they wouldn't want communities to know that 40,000 gallons of a potentially toxic substance sits just off their beaches, but we have a right to know and they have a duty to tell us.

Cape Wind long ago tried to frame this as a battle between wealthy landowners and a benevolent developer trying to lead the country to energy independence. But this has always been about whether that developer should be allowed to enrich himself from publicly owned land and publicly funded subsidies and tax credits in the middle of a state-protected marine sanctuary while putting our safety and our very culture at risk.

It appears that Cape Wind has finally reached the tipping point, and that the answer is no. We need to view the $1.3 billion in state and federal subsidies that Cape Wind would reap from this project as our money, our investment in renewable energy, and take that off the table so we can look to more viable projects in which to invest public funds and resources.

Charles Vinick is president and chief executive officer of the Alliance to Protect Nantucket Sound.

Lead Poisoning Eyed As Threat To California Condor (USAT)

By John Ritter

USA Today, October 24, 2006

SAN FRANCISCO — One of the great feel-good environmental stories of the past 30 years is the recovery of the majestic California condor, North America's largest bird, a scavenger-turned-billboard for the campaign to save endangered species.

On the brink of extinction, saved by a captive-breeding program, the condor population has grown from just 22 birds in 1982 to 289 today; 135 are in the wild and more are released every year.

Even so, condors have failed to gain a secure foothold in the hills and deserts of California and Arizona because of lead poisoning, the most often diagnosed cause of death, environmentalists say.

Environmental groups say the most likely source is condors' eating of game that was shot by hunters using lead bullets. Frustrated that most hunters have not switched to substitutes, the Natural Resources Defense Council (NRDC) and other groups notified California officials in July that they will sue under the Endangered Species Act to force a ban.

At a meeting of state fish and game staff this month to discuss potential hunting-rule changes to recommend, the groups again asked for a ban on lead ammunition. A decision is likely early next year. Lead shot used in shotguns to hunt waterfowl has been prohibited since the 1980s.

Andrew Wexler of the NRDC's endangered species project says, “The commissioners have a historic opportunity. It's a mystery why they've resisted a ban because the scientific evidence is so overwhelming.”

That evidence isn't conclusive, says Steve Williams, president of the Wildlife Management Institute, whose goal is to restore North American wildlife. “There are other potential pathways for lead,” says Williams, a former director of the Fish and Wildlife Service in the Bush administration. “I wouldn't speculate on what those other sources may be.” He's “happy to learn that hunters are taking action on their own” but says more study is needed.

Many hunters who have tried alternatives, mainly copper bullets that don't poison wildlife, find them as good or better than traditional ammunition, though more expensive. A high-performance copper bullet costs $2 to $2.50, about $1 more than lead.

At a “free shoot” last weekend at a range near Pinnacles National Monument in Central California — prime condor habitat — hunters and ranchers were invited to try copper bullets. In questionnaires filled out afterward, more than 90% approved.

Some groups, such as the National Shooting Sports Foundation, oppose a ban, though they support efforts to reduce lead exposure in condors and other animals that feed on carrion, eagles among them. These groups say voluntary hunting practices would achieve the same goal, including removing carcasses from the field and burying “gut piles,” an animal's inedible portions.

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"Clearly hunters have shown in studies that they're very willing to adopt one of those management steps," says Rick Patterson, director of the shooting foundation, which sets standards for firearms and ammunition manufacturing. He says studies have shown that some hunters resist the added cost of copper bullets.

The coalition that threatened the lawsuit says a July study that analyzed blood of condors in the wild and compared it with blood of captive birds proves that lead from bullets is poisoning and killing condors.

The study in the journal Environmental Science & Technology was the first to identify a lead isotope in bullets bought at retail outlets in condor country and then match it to lead found in condor blood. Twenty of 26 condors sampled had high lead levels, and many exceeded levels toxic to humans.

"It's very analogous to situations we still encounter with kids who eat chips of lead-based paint," says Donald Smith, a professor of environmental toxicology at the University of California, Santa Cruz, who worked on the study. "The chip might be small but have very high levels of lead in it, and it doesn't take much to cause lead poisoning."

Supporters of a lead ban say hunters and their families also are at risk. Studies in Greenland and Canada have found elevated lead levels in people who eat seabirds and other animals shot with lead ammunition. On contact, a lead bullet fragments into tiny pieces and powder that disperses well beyond the wound.

"Subsistence hunters especially who hunt for most of their protein, if they have kids in the household, to me that's a significant potential risk," Smith says.

Condors, flying as high as 15,000 feet with 9-foot wingspans, spot a meal and go straight to the bullet wound, because that's the easiest place to feed. They'll eat almost any dead mammal, from a squirrel to a cow.

California's fish and game commission last year rejected an emergency ban on lead bullets, and bills in the Legislature to outlaw them in hunting died twice. Groups such as Ventana Wildlife Society urge an approach like Arizona's. The state offered free non-lead bullets to hunters last year in areas frequented by condors. Nearly two-thirds accepted them, and condor lead-exposure rates fell 40% from 2004, according to Arizona's game and fish department.

Ventana wants California lawmakers to approve $200,000 a year for five years to pay for coupons that hunters could redeem for free or reduced-price non-lead bullets. "That's a million bucks. Big deal," says Ventana's president, Kelly Sorenson. "Compared to the total cost we're spending on the condor recovery program, it's a small price to pay."

That program, involving state and federal agencies, zoos, foundations and universities, has cost at least $40 million, the U.S. Fish and Wildlife Service says.

USA's Trees Under Relentless Attack From Bugs, Blight (USAT)

By Patrick O'driscoll

USA Today, October 24, 2006

DENVER — Some of the USA's most treasured tree species, from ash and aspen to white pine and Hawaii's native wiliwili, are under attack by insects and diseases in a growing assault coast to coast.

Some of the killers are foreign pests brought here in cargo or by travelers. Others are homegrown insects at epidemic levels because of drought and unusual warmth. This year has been the warmest on record.

The Agriculture Department's Animal and Plant Health Inspection Service finished adopting new rules this summer barring cargo from abroad unless crates and pallets are treated with chemicals or heat to kill any bugs in the wood.

"We're at one of those points in time where it's all happening at once," says Wayne Shepperd of the U.S. Forest Service.

The mountain pine beetle, a native, has ravaged millions of acres of Western forests. Trees were weakened by drought or subjected to worse infestations because warmer temperatures allowed the bugs to multiply faster. The emerald ash borer from Asia is killing species that have no natural defenses.

Ash borers can spread in diseased trees cut up for firewood. The Agriculture Department airs radio ads in eight states and has billboards that warn: "Pack marshmallows, not firewood."

California's Big Sur region and Sonoma and Humboldt counties have "tons of new mortality this year" from sudden oak death, another disease, says Katie Palmieri of the California Oak Mortality Task Force. "Entire hillsides are just gone."

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A nursery shipment is blamed for spreading the hemlock woolly adelgid into Great Smoky Mountains National Park in Tennessee and North Carolina. The park hopes to save older hemlocks by using insecticides and beetles that eat the aphid-like bugs.

Scientists don't yet know what is killing aspens across much of the West. "This die-back just occurs, boom, and we're not seeing new sprouting" of trees, Shepperd says. He says drought is a possible cause, but "we see (aspen) dying in wet areas, too, so I'm not convinced it's drought alone."

A study this year in BioScience said exotic bugs and diseases "pose the most serious current threat to the forests of eastern North America."

At This Gathering, The Only Alternative Is To Be Alternative (NYT)

By Patricia Leigh Brown

The New York Times, October 24, 2006

SAN RAFAEL, Calif., Oct. 21 — Along with Santa Ana winds and ripe persimmons, fall here brings with it a migratory phenomenon known as The Bioneers, a three-day pep rally for environmentalists, lefty political activists and young people with "Renewable Energy is Homeland Security" bumper stickers that transforms the Marin Civic Center here into something of a megachurch for the Prius set.

For some 3,200 true believers, and about 10,000 others who were beamed in by satellite from simultaneous conferences in Logan, Utah; Honolulu and other far-flung places, the Bioneers is part tribal gathering and part support group that encourages adherents to connect with their inner Al Gore. (The name is a play on biodiversity and pioneers).

Students, organic farmers, architects, advocates for Pacific dolphins, and a growing number of entrepreneurs looking to invest in green technology come to hear the latest thinking on global warming (code word: Katrina) and keeping the food supply safe (buzzword: spinach). Alternative energy, Bioremediation and environmental justice, once-fringy issues, have over the course of the conference's 17-year history become part of the national dialog.

"It's biology as a metaphor for social change," said Paul Hawken, the author founder of Smith & Hawken. Mr. Hawken double-dipped, speaking at a satellite conference in Marion, Mass., and then flying back to Marin. "It's a parallel universe," he said.

It's a universe unto its own, all right. Paul E. Stamets, a mycologist and the founder of Fungi Perfecti, a mail-order mushroom business, lectured on "myco-remediation," or using fungi to restore toxic waste sites. Mr. Stamets also announced a new patent for a household pesticide that uses the mold state of the Cordyceps mushroom to kill 100,000 to 200,000 species of insects — a new eco- spin on the old Roach Motel.

Mr. Stamets shared the stage with Jay Harman, an Australian-born naturalist who is now the chief executive of Pax Scientific, an engineering company rooted in "biomimicry," a fledgling science that takes its inspiration from nature's designs and processes.

Mr. Harman showed a small device capable of circulating five million gallons of water, using only a light bulb's worth of electricity. "It's all about flow," he said, adding that the technology can be applied it to aircraft, fans, pumps and water circulators for reservoirs.

Activists talking about the environmental exploitation of native lands for oil and gas development — or what Clayton Thomas-Muller, a Canadian organizer for the Indigenous Environmental Network called "energy genocide" — communed with vendors from the Elixir Café who were doling out $2 hits of "Lavender Bliss, a viscous purple liquid billed as a decongestant for "blocked energy."

The conference is the brainchild of Kenny Ausubel, a 57-year old writer and filmmaker who was co-founder of the organic seed company Seeds of Change, and Nina Simons, the former president of the company and a former marketing director for Odwalla. Since 1990, they have operated from an old schoolhouse in Lamy, N.M., outside Santa Fe. They credit their experience with Seeds of Change, since sold, with convincing them that a fledgling political movement could be forged from issues like sustainable agriculture and green technology — fields, Mr. Ausubel said, "that in 1990 were like talking about U.F.O.'s."

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Since then, the culture has in some ways caught up. For instance, Mr. Ausubel has been an adviser to the actor Leonardo DiCaprio, whose forthcoming feature-length documentary on global warming, "The 11th Hour," was filmed extensively at last year's Bioneers conference.

"The issues they were raising a decade ago, from local food to rooftop power, have moved into the mainstream," said Bill McKibben, a writer who spoke at last year's conference. "The Bioneers has been consistently ahead of the curve. It began as a gathering place for a fairly small number of like-minded people but is now a hatchery for the next wave of important ideas that five years hence people will be talking about in Rotary Clubs."

The ground troops of the environmental movement, Mr. Harman said, "are not business-savvy — they want to make a difference but don't know how to do it." So they came to learn sophisticated tactics from people like Tzeporah Berman, the program director of ForestEthics, a nonprofit organization founded in 1994 to protect endangered forests. It successfully pressured Office Depot and Staples to phase out supply paper made from endangered old growth forests and persuaded Ikea not to use wood from the temperate rain forest now known as Great Bear, in British Columbia.

John Maus, a 67 year old contractor from Littleton, Colo., who builds Starbucks stored — which he defended as "meeting places" — came to the conference for the latest intelligence on green building. "The industry is slow to change and uses huge amounts of natural resources," Mr. Maus said. "We need to develop a conscience."

Despite its mantra of biodiversity, the conclave itself can sometimes feel a bit like a monoculture, a love-fest between graying activists and youthful idealists with blond dreadlocks and veggie-fueled cars, most of them Caucasian. "It's a conference of privilege," said Brennan Manoakeesick, 28, an Oji-cree from Winnipeg who is working with low-income neighborhoods. "We're here to provide a context, to give face to the faceless."

William Casey, an eye surgeon and olive grower from St. Helena in the Napa Valley, stood out in a button-down shirt. He came with his wife, Rachel, to keep tabs on the latest trends in integrative pest management. Inspired by last year's Bioneers, they put up songbird houses and added carnivorous plants in their olive groves to control the olive fruit fly. South African guinea fowl now roam the premises destroying larvae.

"We get tremendous energy from it," Mr. Casey said of the gathering. "It's like the Big Bang."

FBI/DEA/ATF/USMS:

Drug Ring Supplier Gets 15 Years In Prison (DNT)

Danbury News Times, October 23, 2006

A Brooklyn man who federal prosecutors said provided a Danbury drug ring with powder and crack cocaine has been sentenced to 15 years in prison by a federal judge.

Jose Adames, 33, was the principal supplier to the ring, headed by Danbury resident Alex Luna, before the operation was smashed by local police and federal investigators last year. He pleaded guilty to conspiring to distribute up to 150 kilograms of cocaine in May in U.S. District Court in Bridgeport.

Adames was sentenced Friday by Judge Stefan Underhill.

U.S. Attorney Kevin O'Connor said Adames and other individuals "made frequent trips from New York City to Danbury" to deliver kilogram-sized quantities of the drugs to Luna and other members of Luna's organization. In making the deliveries, Adames and his associates used vehicles with secret compartments designed to conceal the narcotics from authorities.

Local ring members also would go to meeting places in the Bronx, Brooklyn and Manhattan to pick up cocaine from Adames, authorities said.

Members of the Danbury police Special Investigations Division, working with federal Drug Enforcement Administration agents and Bridgeport police, broke up the operation in February 2005, and arrested 24 people.

Luna and several other defendants haven't yet been sentenced, O'Connor said.

Longview Man Sentenced To 30 Years In Methamphetamine Case (NJ)

News Journal, October 24, 2006

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A 25-year-old Longview man, who was among seven people arrested in a 2003 drug investigation, was sentenced Monday to 30 years in federal prison.

Christopher Jack Collum was sentenced by U.S. District Judge Leonard Davis, Tyler, according to U.S. Attorney Matthew D. Orwig.

According to information presented in court, an investigation began in January 2003 into the distribution of "ice" methamphetamine in East Texas. The investigation resulted in the arrest of seven people. A 14-count indictment was returned by a federal grand jury in January 2005, charging Collum and six co-defendants with federal drug violations.

Collum pleaded guilty to conspiring to possess with intent to distribute methamphetamine.

This case was investigated by the U.S. Drug Enforcement Administration, the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Gregg County Sheriff's Department and the Gregg County CODE Unit.

Man Gets 7-year Sentence In Ecstasy Case (LCJ)

Louisville Courier-Journal, October 23, 2006

A 30-year-old man was sentenced to more than seven years in prison Monday in U.S. District Court for his part in an ecstasy-distribution ring in Louisville.

Thao Hoang Lai had previously pleaded guilty to conspiring to possess with the intent to distribute and distributing the drug ecstasy in 2003 and 2004, according to the U.S. Attorney's office.

Lai, a U.S. citizen who has lived in Louisville and Philadelphia, also admitted in a guilty plea that he possessed the drug with the intent to distribute it on Jan. 12, 2005.

He was apprehended by the DEA that day after driving to Louisville to deliver 5,000 tablets of ecstasy — tablets that were found in his hotel room, according to court testimony.

About 51,000 ecstasy pills with a street value of more than $1 million were involved in all of the charges, attorneys said.

Two others have been sentenced to prison in the drug conspiracy with Lai — Vinh Ngoc Ha received to more than 12½ years and Hoang Van Nguyen nearly six years.

Eight people were arrested in January and February of 2004 in an ecstasy investigation by the DEA. Six more were arrested in the months afterward.

"We knew there was a lot of ecstasy out there, but this surprised us," Tony H. King, head of the DEA in Louisville, said at the time the 14 indictments were handed down. "Louisville was a major distribution point for this drug in Kentucky and surrounding areas."

Florida Man Gets 13 Years In Lipitor Case (KCBIZ)

The Kansas City Business Journal, October 24, 2006

A Florida man was sentenced in federal court in Kansas City on Monday for his role in a multimillion-dollar conspiracy to sell counterfeit, illegally imported and misbranded Lipitor and other drugs.

U.S. District Judge Ortrie Smith sentenced Julio Cesar Cruz, 43, a Cuban citizen who was living in Miami, to 13 years and six months in federal prison without parole, Bradley Schlozman, U.S. attorney for the Western District of Missouri, said in a release.

"Cruz was a key player in an international, multimillion-dollar conspiracy," Schlozman said. "Cruz made millions of dollars during the criminal scheme, but he will not be allowed to enjoy any of those profits."

Cruz pleaded guilty on Jan. 21, 2005, to selling counterfeit drugs and to participating in a conspiracy to buy and sell counterfeit, misbranded and illegally imported drugs from February 2002 until at least April 2003.

The court sentenced Cruz to eight years and six months for the criminal conspiracy and revoked the term of supervised release that Cruz was serving for an unrelated federal offense for cocaine trafficking at the time he committed this offense, Schlozman said.

The five-year sentence for violating his supervised release must be served consecutively with the sentence in the criminal conspiracy.

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As part of his plea agreement, Cruz has forfeited $2 million to the government, which represents proceeds from the conspiracy.

The court also ordered Cruz to pay $1.8 million in restitution to Pfizer Inc. He is liable for that restitution along with several other defendants in separate but related cases, Schlozman said. The restitution will be paid by a $2.2 million civil forfeiture that H.D. Smith Wholesale Drug Co. agreed to pay to the federal government on May 10.

Cruz is one of several defendants who were involved in the conspiracy and have been sentenced in separate, but related, cases:

Domingo Gonzalez, 43, of Hialeah, Fla., was sentenced on June 30 to nine years and six months in federal prison without parole. Gonzalez's principal role was to supervise and direct how the South American and counterfeit prescription drugs were smuggled into the United States. He also played a key role in controlling warehouses where the South American and counterfeit prescription drugs were stored in Miami, and getting the drugs packaged for shipment out of Miami to various locations in the United States for repackaging.

Iggy Santisteban, 52, of Miami, was sentenced to three years and one month in federal prison without parole. Santisteban was convicted by a federal jury on Feb. 17 for his role in the conspiracy. Between October and November 2002, Santisteban printed counterfeit drug labels for Lipitor and other drugs. The labels were placed on bottles containing counterfeit, illegally imported and diverted tablets, which were distributed throughout the United States. Santisteban sub-contracted with other Miami-area printers for some of the labels. His printing company, Iggy Prints, went bankrupt in March 2003.

Robert Goodman, 42, of Miami, was sentenced on Sept. 14, to two years in federal prison without parole. Goodman pleaded guilty on March 31, 2005, to his role in the conspiracy, which involved transporting the counterfeit prescription drugs from the airport to a bonded warehouse. Rather than transporting the cargo directly from the airport to the bonded warehouse, as required by law, Goodman delivered the containers to another warehouse where they were opened and the counterfeit drugs removed and replaced with Epsom salts. The containers were then resealed and delivered to the bonded warehouse.

Senior Litigation Counsel Gene Porter prosecuted the cases, which were investigated by the Office of Criminal Investigations of the U.S. Food and Drug Administration.

Pot Clinics, Cards Up For Votes City Expected To Ban Dispensaries; County Will Decide On Issuing IDs (MB)

Modesto Bee, October 23, 2006

The City Council is expected to vote Tuesday night on permanently banning medical marijuana dispensaries, three weeks after the federal Drug Enforcement Administration shut down Modesto's only pot clinic.

That same day, the Stanislaus County Board of Supervisors is scheduled to vote on installing a program to issue medical marijuana cards through the state Department of Health Services.

It could be a long day for medical marijuana supporters, with officials at both meetings lining up against pot dispensaries.

"I'm opposed to the medical marijuana card in the first place," Supervisor Ray Simon said. "I am concerned about its abuse and the great potential for abuse."

State law permits sick people to use medical marijuana; federal law does not. Cities and counties have been trying to balance the two since California approved its Compassionate Use Act 10 years ago.

The Modesto council 10 months ago tried to close the McHenry Avenue clinic by banning for-profit cannabis dispensaries, but the California Healthcare Collective was a nonprofit and remained open.

The council had to overrule the city's Planning Commission to implement its first law. This time, the commission supports banning dispensaries.

Chairwoman Alita Roberts said she and other planning commissioners changed their minds after seeing police reports that described healthy people getting the drug from the clinic.

Police contend some people easily obtained fake doctor's recommendations to buy marijuana at the collective, and others purchased cannabis on the street from the patients.

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"I wish there were a way that it could be made available to people who are really, really sick, but somehow it just didn't seem to work the way the city of Modesto had it," Roberts said.

The Police Department and the DEA say the clinic was a front to sell marijuana to people who didn't need it.

Directors pleaded innocent

People who worked or shopped at the Modesto collective said directors took pains to check doctor's recommendations and keep out people who didn't have cards for use of the drug.

Its directors, Ricardo Montes and Luke Scarmazzo, on Oct. 13 pleaded innocent to federal drug distribution charges. Their lawyer has maintained that they opened a legal business in compliance with state law.

Medical marijuana supporters say the city could avoid some of the problems it encountered by regulating the clinics more closely.

"Well-controlled regulations are much more preferable to a ban," said Aaron Smith, a statewide coordinator for Safe Access Now. "You're basically throwing patients on the streets, saying 'You can use medical marijuana but you have to go to some street corner to a drug dealer.'"

Smith said one tool to regulate the drug in the county could be the medical marijuana cards that supervisor Simon opposes.

"This gives the legitimate patients an option to make sure that, whoever they show this card to, that it is backed up and verified by the county," he said.

The state requires counties to issue cards, but three counties are suing the attorney general's office to overturn the law. The counties — Merced, San Diego and Riverside — argue the state is forcing them to break a federal law. A court hearing is scheduled Nov. 16.

Simon said he wants to see what happens with that lawsuit before installing the card program.

Mary Ann Lee, managing director of the county Health Services Agency, said her department wants direction from supervisors about whether to proceed.

If the supervisors tell the county to implement the cards, Lee's department would be responsible for verifying doctor's recommendations for medical marijuana use and then forwarding information to the state health agency, which would issue the cards.

Cops opposed to cards

Smith said the cards would make it easier for police to determine who has justifiable need for medical marijuana, but Stanislaus County's top cops oppose the cards.

Modesto Police Chief Roy Wasden wrote a letter to supervisors in August lobbying against the cards. The Stanislaus County Sheriff's Department also wants supervisors to hold off on the program, Assistant Sheriff Bill Heyne said.

"We're not opposed to people using a drug that benefits them because of their physical ailment; that's not the issue," Heyne said. "What this is leading to is abuse by anyone and everyone."

The Stanislaus County Board of Supervisors meets at 9 a.m. Tuesday in the basement chamber at Tenth Street Place, Modesto. The Modesto City Council meets at 5:30 p.m. Tuesday in the basement chamber of Tenth Street Place.

Lawyer: Merriman Drug Test Stems From Supplement (AP)

By Bernie Wilson, Associated Press

AP, October 23, 2006

SAN DIEGO – Shawne Merriman's attorney said the Chargers' star linebacker failed a drug test because of a tainted supplement and will continue to play while appealing his four-game suspension.

Attorney David Cornwell said he believed Merriman tested positive for the steroid nandrolone, which is prohibited under the NFL's substance abuse policy. Cornwell said the substance was in a supplement Merriman has been taking.

“He did not go into the back alley somewhere and put a needle in his butt for steroids,” Cornwell said at a news conference Monday, nearly two hours after Merriman practiced with the Chargers following Sunday's 30-27 loss at Kansas City.

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Merriman said he spoke with his teammates and coaches earlier in the day, and "apologized to them for this being a distraction, especially the critical time we're going through as a team."

"Hopefully nobody makes any kind of judgment or anything that basically makes me guilty for anything because nothing has been done wrong on my part," Merriman said. "And I will try to get it straightened out as soon as possible. As of right now I'm not missing any time."

The 22-year-old Merriman was last year's NFL Defensive Rookie of the Year and started in the Pro Bowl after leading the Chargers with 10 sacks. Merriman is second on the team with 5½ sacks.

"I have no reason to do anything wrong, especially when I'm already in the spotlight and doing things and trying to present to people the right and wrong way to go about things," Merriman said. "This is obviously a mistake that has to be dealt with correctly."

Cornwell said nandrolone "is the primary culprit in tainted supplements."

"I know that people get tired of hearing it, but it is a fact and it is not going to go away until the Congress of the United States deals with it," Cornwell said. "Supplements are not regulated and it is a dirty fact of this industry that many of them are tainted with prohibited substances and men like Shawne get hooked up and get penalized for taking something that they didn't know was present in the supplement.

"That's why this is such an evil process," the attorney said. "He has been playing, unwittingly, Russian roulette with his career because he's been taking the same supplements, and it has been subjected to testing, and hasn't yielded a positive test. So he thought the supplements that he was taking were as safe."

Besides Merriman's suspension, the Chargers have had five separate off-field issues dating back to April.

Outside linebacker Steve Foley was shot three times outside his suburban home on Sept. 3 by an off-duty police officer who suspected him of drunk driving. Foley will miss the entire season and was charged with two counts of DUI.

Safety Terrence Kiel was arrested on five felony drug counts in September and has pleaded not guilty.

Cornerback Markus Curry, who had been demoted to the practice squad, was released on Oct. 9, just hours after he was arrested on suspicion of committing domestic violence.

Foley and linebacker Shaun Phillips were each arrested for scuffling with San Diego police officers a week apart in April. Neither was charged.

Trial Put Off For Mosque Raid Figure (PPG)

By Torsten Ove, Pittsburgh Post-gazette

Pittsburgh Post-Gazette, October 24, 2006

A convicted rapist whose arrest on illegal weapons charges caused a stir at a North Side mosque in June was set to go on trial yesterday in Utah, but the case has been postponed.

A federal judge in Salt Lake City has pushed back the trial date for Larry M. Williams, 33, of Lincoln-Lemington, to Feb. 19.

He was charged federally with illegal possession of a pistol and ammunition following a traffic stop in Utah on June 27.

His case caused a controversy on the North Side three days later when the FBI and the Pittsburgh police arrested him at the Light of the Age Mosque at Hemlock and Boyle streets. Authorities have not conceded that the building is a true mosque, and some have described it as a flophouse.

But those living there or visiting at the time of the arrest said it is a house of worship and decried the police action during Friday prayer services as an "invasion."

Mr. Williams, reportedly a member of the mosque, was taken into custody on the street, and agents and police said they searched only one room of the house. Federal authorities said the arrest had nothing to do with any activities at the mosque, but rather occurred because Mr. Williams was a dangerous fugitive.

Court papers filed in Utah indicate agents and police were executing an arrest warrant for Mr. Williams based on his weapons charge and the fact that he did not register as a sex offender after his rape conviction in the state of Washington. A Pennsylvania State Police Megan's Law form shows his address as 1373 Montezuma St.

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During the June 27 traffic stop, the Utah Highway Patrol said Mr. Williams had a .45-caliber pistol, 15 rounds of ammo and a magazine for an assault weapon. The trooper seized the gun and the bullets, but let Mr. Williams keep the clip and allowed him to leave, not realizing he could be arrested on federal weapons charges.

Federal agents then tracked him down to the house on the North Side three days later.

Mr. Williams is being prosecuted in Utah under Project Safe Neighborhoods, a U.S. Justice Department initiative to combat illegal guns and gun violence.

Because Mr. Williams has felony convictions for rape and robbery, he isn't allowed to have a gun and could go to federal prison for at least five years.

His lawyer has filed a motion to throw out the case by challenging the reason for the initial traffic stop. The trooper said he pulled over Mr. Williams because his car had tinted windows, a violation of Utah law.

IMMIGRATION:

Number Of Illegal Immigrants On Prisoner Flights Jumps (MCT)

By Michael Doyle

McClatchy Newspapers, October 24, 2006

WASHINGTON - Con Air is becoming big business, thanks to illegal immigrants and criminal aliens.

And this is one flight you definitely want to miss.

Federal officials flew 95,876 incarcerated illegal immigrants and criminal aliens around the country in 2005, a 28 percent increase since 2000. Those foreign nationals now account for nearly half of all the passengers flown on the highly guarded federal flights, a new audit found, and tougher border security efforts will boost numbers even higher.

Unfortunately, the auditors warn, the flights could outpace federal planning. Officials haven't been looking far enough into the future, leaving the program vulnerable to nasty surprises.

"(Officials) could be caught off-guard by changes in demand and customers," the Justice Department Office of Inspector General auditors caution in the new report.

Popularized as "Con Air" in a Hollywood movie of the same name, the prisoner flights are coordinated by the U.S. Marshals Service through a Kansas City, Mo., office, and carried a total of 181,948 prisoners in 2005.

The passengers shuttle among about 40 domestic and international cities, and they come in many different stripes.

Some are being extradited, or transported to their new federal prison homes. Many illegal immigrants or criminal aliens are heading to deportation centers, and then to their home countries.

Since 1995, the number of undocumented immigrants and criminal aliens flown under guard has grown 826 percent. Most are now being returned to Honduras, Guatemala, El Salvador and the Dominican Republic.

"Now we're at 115,000 (prisoners transported) and counting this year," Homeland Security Secretary Michael Chertoff told reporters at a briefing in August. "It will be a record year for us with the total number of movements."

The Marshals Service officials who run the flight program said they can simply lease more planes and hire more guards as needed. The Office of Inspector General is skeptical.

"Leasing additional planes on an emergency basis is not only reactive," the auditors cautioned, "but is also more expensive compared to longer-term aircraft leases."

Buying a new Boeing 737 would cost $540 million over 30 years. Leasing the same aircraft would cost $840 million over the same period. But because of year-to-year budgeting, the lease appears cheaper in the short term.

Marshals Service spokeswoman Nikki Credic said Monday that officials found the new 118-page audit "helpful" and indicated that they will follow up on the key recommendations, including improving long-term planning.

"Major changes need to be implemented to enhance the program," Credic said.

The Marshals Service owns three airplanes and leases six more for the flights. Even this doesn't handle all the traffic. Immigration authorities in 2005 had to charter airplanes or buy individual tickets to handle an additional 62,017 illegal immigrant and criminal alien passengers - at a cost of $63 million.

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Costs pile up in other ways. Immigration and Customs Enforcement must pay for round-trip deportation flights to foreign countries even though the return flight is usually empty.

Domestic flights likewise can take off with too many empty seats. Every weekday afternoon, for instance, a plane leaves Mesa, Ariz., to pick up undocumented immigrants and criminal aliens in California and other Western states. Two out of three seats are empty on these flights, and auditors suggest flying less often but with fuller planes.

Immigration officials explained they didn't have enough lead time to use the same scheduling system as other federal agencies.

The auditors kept secret how many guards are supposed to be on each plane run by what's formally called the Justice Prisoner and Alien Transportation System. They cautioned, though, that the ratio of prisoners to guards was too high in 13 percent of the flights studied. Hangar guards are also frequently shorthanded, the auditors found.

Ceremony To Accompany Border Fence Bill Signing (WT)

By Stephen Dinan And Charles Hurt

The Washington Times, October 24, 2006

Congress yesterday sent the bill to build 700 miles of fencing on the U.S.-Mexico border to President Bush, who will sign it in a ceremony Thursday morning in the White House Roosevelt Room.

The decision to have a public ceremony is a reversal for the Bush administration, which had appeared reluctant to tie itself so publicly to the enforcement-only measure. Although Mr. Bush had committed to signing the bill, aides had said consistently over the past few weeks there would not be a signing ceremony.

But Republicans in Congress had demanded a public signing, with leaders saying the bill is a major accomplishment that will help their re-election prospects.

"The American people demand a secure border, and this Republican Congress has responded to the American people's demand for a secure border by increasing the physical barriers and infrastructure along the border and by providing state of the art monitoring technology," House Speaker J. Dennis Hastert, Illinois Republican, and Senate Majority Leader Bill Frist, Tennessee Republican, said in a joint statement trumpeting the bill's official transmission yesterday morning.

They had held onto the bill in order to guarantee Mr. Bush's signature closer to the election, when it would have the biggest impact. Aides said they were also holding out for a signing ceremony, to use the presidential pulpit for maximum attention.

By yesterday evening, several congressional offices said they received invitations to a signing ceremony on Thursday at the White House, and House Republicans said the bill signing is vindication for their enforcement-only approach.

"For all those people who spoke disparagingly of the hearings that were held over the summer on border security, this bill represents a victory -- both a grass-roots victory and a public relations victory -- for the Congress," said one House Republican leadership aide.

The double-layer, reinforced fence has been a point of contention between the White House and Republicans in Congress. Mr. Bush had pushed for a broad immigration bill that offered a guest-worker plan and citizenship rights for most illegal aliens, in addition to increased enforcement.

The Department of Homeland Security has questioned the value of that much fencing, and the administration argues that only about 370 miles of fencing is needed on the 2,000-mile-long border. Officials say the rest can be covered through ground radar, sensors and increased manpower.

"You talk to the members of Congress about the 700 miles, and there's not a single member who can give you a plausible explanation of how they arrived at 700 miles," a senior administration official told The Washington Times last week. "We'll build every mile of fence that is useful and necessary to build, and if they tell us to build 700, we'll find a way to build 700 miles of fence, but let's not kid ourselves."

The White House official said last week there wouldn't be a big public signing ceremony. In Arizona earlier this month, Mr. Bush signed the 2007 homeland security spending bill, which includes a down payment for some fencing as well as increases in the number of U.S. Border Patrol agents and detention beds to hold illegal aliens awaiting deportation.

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Congressional Republicans, including Mr. Frist and Mr. Hastert, say the bill is a key dividing point between Republicans and Democrats -- one voters should remember at the polls next month.

"Democrat leader [Nancy] Pelosi voted against the Secure Fence Act because she has never been to the border to understand that it is a national security emergency. The Democrat leadership must think that border security is about adding more security guards at Borders Book Stores," said Ron Bonjean, spokesman for Mr. Hastert.

Inside Politics (WT)

By Greg Pierce

The Washington Times, October 24, 2006

Actor's ad

His body visibly racked by tremors, actor Michael J. Fox speaks out for Missouri Democratic Senate candidate Claire McCaskill in a television ad that promotes her support for embryonic stem-cell research.

"As you might know, I care deeply about stem-cell research," says the 45-year-old actor, who has struggled with Parkinson's disease for more than a decade. "In Missouri, you can elect Claire McCaskill, who shares my hope for cures."

Mrs. McCaskill has made support for the research a key part of her campaign to unseat Sen. Jim Talent. The new ad debuted prominently Saturday night during Game 1 of the World Series between the St. Louis Cardinals and the Detroit Tigers and will continue airing statewide this week, a campaign spokeswoman said.

Debate over embryonic stem-cell research looms large in the state, where voters are considering a ballot measure that would amend the state constitution to protect all federally allowed forms of the research. Critics say the measure would allow human cloning.

"Unfortunately, Senator Jim Talent opposes expanding stem-cell research," Mr. Fox says in the 30-second spot. "Senator Talent even wanted to criminalize the science that gives us a chance for hope."

Mr. Talent's campaign called the ad a false attack, the Associated Press reports.

"Senator Talent supports medical research including stem-cell research that doesn't involve cloning or destroying a human embryo," said Talent spokesman Rich Chrismer.

Face-off

Sen. Hillary Rodham Clinton, New York Democrat, accused her Republican challenger of getting into "swampy territory" after he was quoted yesterday as saying that Mrs. Clinton was unattractive when she was younger and that she had a lot of work done on herself.

John Spencer denied discussing the senator's looks during a conversation with a New York Daily News reporter.

The tabloid quoted Mr. Spencer as saying: "You ever see a picture of her back then? Whew. I don't know why Bill married her."

Mr. Spencer, former mayor of the New York City suburb of Yonkers, was also quoted as saying that Mrs. Clinton underwent millions of dollars of "work" and "looks good now."

During a campaign stop at a senior citizens center in Watervliet, just outside Albany, Mrs. Clinton said: "It's unfortunate that when you don't have anything positive to say about the issues that we can get off in some pretty swampy territory."

After the newspaper came out, Mr. Spencer said the comments were "a fabrication."

"I would never call Hillary Clinton ugly. That's outrageous. I didn't do it," he said.

The newspaper's front-page headline screamed in all-capital letters "Getting ugly."

The reporter, Ben Smith, spoke with Mr. Spencer during a flight Friday from New York City to Rochester. He told the Associated Press that Mr. Spencer made the comments as Mr. Spencer, his wife and Mr. Smith sat together. He said he did not tape-record the comments but took notes on a BlackBerry.

'Lawyering up'

"Everyone is speculating about which party will control Congress after next month's voting. But we may not know for a while. We could see either party pursue the kind of lawsuits that Al Gore unleashed in Florida in 2000 and contest any number of tight races that are within the 'margin of litigation,' " John Fund writes at www.opinionjournal.com.

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"Recounts and even seating challenges in Congress could stretch on for weeks -- another endless election. 'We're waiting for the day that pols can cut out the middleman and settle all elections in court,' jokes the political newsletter Hotline.

" 'In 2000 in Florida, we broke a psychic barrier,' says Doug Chapin, director of the nonpartisan Election Reform Information Project. 'Election night is not necessarily the finish line anymore. Both sides are lawyering up.' Indeed, in 1998 the number of court cases challenging elections totaled 104, by 2004 that number had climbed to 361."

Border protectors

A group opposed to illegal immigration has inducted 125 House members and 20 senators into the U.S. Border Control Hall of Fame for the 109th Congress.

"The members of the 109th Congressional Hall of Fame have listened to the overwhelming majority of their constituents who want an end of open borders, amnesty and welfare benefits for illegal aliens," said Edward I. Nelson, chairman of the citizens group U.S. Border Control.

Among those cited by the group were Sen. Rick Santorum, Pennsylvania Republican, and Sen. Conrad Burns, Montana Republican, both of whom are trailing in races for re-election.

The House scorecard is based on 12 votes on immigration issues, including deploying troops on the border, ending the visa lottery and fining employers who hire illegals. The Senate scorecard is also based on 12 votes, including opposition to amnesty, preservation of Social Security for American citizens and making English the official language.

The voting record for each member of Congress can be found at http://www.usbc.org by clicking on the Border Alert Scoreboard Issue or Election Central.

Race narrows

Florida's gubernatorial race between Republican Charlie Crist and Democrat Rep. Jim Davis has narrowed, with the two candidates running just about even, according to a poll released yesterday as early voting began in the state.

Mr. Crist, the state attorney general, had enjoyed double-digit leads in previous polls. The new Quinnipiac University Poll found him favored by 46 percent of likely voters to 44 percent for Mr. Davis, with 8 percent undecided. That is within the error margin of 3.4 percentage points. Eleven percent of respondents indicated they could still change their minds.

Earlier this month, Mr. Crist was favored 53 percent to 43 percent in a similar sampling by the Connecticut-based polling institute. Gov. Jeb Bush is prohibited by law from seeking a third consecutive term.

Mr. Davis didn't start his television advertising until early October and has made inroads among independent voters and women since then, the Associated Press reports.

Fright fest

Novelist Stephen King is the master of all things weird and spooky. So what better for the author of "Carrie" and "The Shining" to do than promote MoveOn.org?

"If I know anything, I know scary. And giving this president and this out-of-control Congress two more years ... is downright terrifying. Thankfully, this national nightmare is one we can end with -- literally -- a wake-up call," the horror writer says in an e-mail sent yesterday by the liberal Internet group's political action committee.

"My friends at MoveOn.org Political Action are organizing pre-Halloween phone parties this weekend, Oct. 28 and 29. We'll be calling progressive voters in key districts who may not turn out unless they get a friendly reminder or two. ...

"The polls are telling us that this November is our best shot in over a decade to turn things around, and we've got to make the most of it."

Fighting For Legal Status; Drama In Orange County (WSJ)

By Aaron Rutkoff

The Wall Street Journal, October 24, 2006

Border Lines is a regular look at the best writing on the immigration debate from around the Web. (Some links may require registration or subscription.) * * *

NON-CITIZEN SOLDIERS: Many commentators and politicians have proposed the idea of a pathway for the undocumented to achieve legal status in the U.S. In a joint Washington Post op-ed, conservative hawk Max Boot and centrist

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Democrat Michael O'Hanlon suggest a four-year term of military service1 as one way that foreigners -- even illegal immigrants in the U.S. -- could earn American citizenship.

Their proposal, although grounded in the debate over immigration, takes as its primary justification the manpower crunch now plaguing the U.S. military. A service-for-citizenship system "could solve the No. 1 problem facing the Army and Marine Corps: the fact that these services need to grow to meet current commitments yet cannot easily do so (absent a draft) given the current recruiting environment," they write. As a bonus, foreign soldiers could be recruited from key regions in which our all-volunteer force lacks language and cultural skills. To the objection that recruits without green cards would be nothing more than mercenaries, the authors point out that "we already rely on tens of thousands of real mercenaries: the security contractors the U.S. government employs from Colombia to Iraq to make up for lack of troops."

Although Messrs. Boot and O'Hanlon present their proposal as a common sense solution for strengthening the military, the hawkish bloggers at National Review Online staged a daylong debate on the topic that featured a good deal of skepticism. A "divided" Stanley Kurtz ultimately calls2 it "the first serious idea for a solution I've seen in years," but his conservative colleagues were quick to disagree. "I think it's a horrible idea," replied John Derbyshire3, an immigrant himself. "If the USA can no longer muster enough citizens to staff our armies, then we are doomed, doomed, and should just go down giggling and give someone else a shot at being Top Dog."

Mark Kirkorian, a strong opponent of illegal immigration, also sounded a circumspect note:4 "If there's a problem in persuading enough Americans to fill the ranks, then the problem may be that our foreign policy is not in line with our national character." In a follow-up post, he also warned5 that opening the military to foreign recruits may "turn soldiering into yet another 'job Americans won't do.'" * * *

O.C. SCARE MAIL: A Republican congressional candidate from Orange County, Calif., is under fire from the state attorney general6, California Gov. Arnold Schwarzenegger7 and even his county's Republican organization8 (all Los Angeles Times links) over his campaign's involvement in an apparent voter-suppression mailing. The Spanish-language letter, sent to 14,000 registered Democrats with Latino surnames, warned "that if your residence in this country is illegal or you are an immigrant, voting in a federal election is a crime that could result in jail time." (Naturalized immigrants can vote, although it is a crime for illegal immigrants to cast ballots in elections.)

At the center of the controversy is Tan Nguyen, a Vietnamese immigrant and hard-line opponent of illegal immigration trying to unseat Democratic incumbent Rep. Loretta Sanchez. As the scandal broke last week and investigators traced the letter back to Mr. Nguyen's office, he fired a staffer implicated in the illegal mailing and denied any prior knowledge -- even as the chairman of Orange County's Republican Party told the press of Mr. Nguyen's direct involvement and urged him to withdraw from the race.

After days of mounting criticism and a raid by state agents on his offices, Mr. Nguyen reversed course on Sunday9, announcing at a sidewalk press conference that he now wished to rehire the still unidentified staff member he had fired and telling reporters that he believes the mailing was fair. "I am innocent, and there is no way in hell that I am going to withdraw," he said.

Amy Taxin, an Orange County Register reporter, quotes Nguyen campaign spokesman Bill Braniff admitting the campaign's role in composing the letter10. "I acknowledge that somebody connected with the campaign did draft it," he said. The problem, Mr. Braniff insisted, was faulty Spanish-to-English translation: "The Spanish mailer used the word emigrado, which is defined as someone living outside his or her country," Ms. Taxin reports. "Braniff claimed that the word has been incorrectly translated as 'immigrant' by the public." * * *

(STILL) SITTING ON THE FENCE: For nearly a month, bloggers, pundits and political observers have been puzzled over the fate of the Secure Fence Act, a bill passed by Congress on Sept. 29 mandating the construction of a 700-mile double-layered border fence. To date, it seems, the bill has not so much as been delivered to the White House for a presidential signature. (See previous Border Lines coverage here11 and here12.) Now, as Washington Times reporter Stephen Dinan reports, the White House is "pleading"13 with members of Congress to turn over the bill. "Send us the damn bill," one unnamed senior administration official told Mr. Dinan. "We'd like to autograph it."

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To Congressional Republicans, however, the Secure Fence Act is potent political weapon that needs to be reserved until closer to the midterm elections on Nov. 7. "It's a timing issue," an aide to Senate Majority Leader Bill Frist (R., Tenn.) explained to Mr. Dinan. "We want it signed closer to the election when folks are paying attention."

It may be that a disagreement over ceremony, not timing, stands at the center of this Capitol Hill conflict. President Bush, Mr. Dinan reports, "has said he will sign it, though in private, without a signing ceremony." The unnamed official quoted in the piece also rejected the idea of signing ceremony. In part, Mr. Dinan suggests, this reluctance stems from Mr. Bush's lingering resentment that members of his own party defeated comprehensive reform legislation -- including a guest-worker program -- that the president had championed. * * *

NOT VICTIMLESS: Those who argue that illegal immigration is a victimless crime, writes Jonathan Gurwitz in a San Antonio Express-News commentary, should first visit the house where 51 migrants were found packed into three rooms -- all sharing a single filthy bathroom14. "Does anyone believe this is the only human warehouse in San Antonio?" he asks. "In South Texas?"

Mr. Gurwitz notes that both supporters and detractors of illegal immigrants may have an interest in ignoring the frequent crimes done against migrants. To opponents, he writes, illegal immigrants who break the law by crossing the border are hardly entitled to seek its protection. And those supporting decriminalization tend to overlook the abuse meted out by human smugglers, who are almost always fellow immigrants, he says.

"The effort to whitewash the criminality of illegal immigration, to look the other way as people trespass the border, enables predators to victimize in obscurity," Mr. Gurwitz says. "Advocates who transform illegal immigration into a victimless crime enhance the prospects that illegal immigrants will be the victims of crime."

The common-ground solution, he suggests, is both more control over the border -- including fences -- as well as a more open legal system to absorb people seeking better life. Implemented together, it may just put the smugglers out of business. * * *

COMPLEXION COMPENSATION: Skin tone can outweigh education in its impact on an immigrant's earnings in the U.S., according to a new study. Joni Hersch, a Vanderbilt University economist, crunched the numbers15 from a federally-funded 2003 survey of over 2,000 legal immigrants, which included a face-to-face interview in which respondents' skin color was measured on an 11-point scale. Her analysis controlled for race, nation of origin and a slew of other factors that can influence income, such as work history, language skills, a visa type.

Washington Post's Richard Morin16, who summarized Ms. Hersch findings in his column, writes that "[i]mmigrants with the lightest complexions earned, on average, about 8 to 15 percent more than those with the darkest skin tone." For a particularly dark-skinned immigrant, this disadvantage can counteract the income-generating power of education.

Mr. Morin emailed Ms. Hersch for her take on these results. "I don't think that any explanation other than discrimination is possible -- and I am not one to draw such inferences lightly," she replied. But racism is not the only bias at work: Ms. Hersch's anaylsis also found that taller immigrants consistently earn more than their shorter counterparts. * * *

UNREST AHEAD? An editorial in Investor's Business Daily17 looks ahead to the consequences of the U.S. fence on Mexico's stability and finds cause for concern. Official ambivalence over the measure -- which has prompted both diplomatic protests18 and support from the governor of Mexico's Central Bank19 -- makes sense given the nation's dire straights on immigration: Mexico needs help retaining its human capital, but faces likely unrest if the U.S. fence is implemented.

"If a wall were built, and the U.S. is no longer a social-pressure valve for Mexican labor, those workers just might revolt," IBD's editors warn. The problem is thrown into even starker relief by a 2005 study conducted by Mexico's Central Bank. According to its findings, Mexican states that receive more remittances from expatriate workers in the U.S. also show less overall economic development. "The bank even went so far as to suggest poverty was caused by the dependency, not the other way around."

Worse still, IBD's editorial says, Mexico's highest-remittance states border regions of the country already mired in violent unrest.

CONGRESS-ADMINISTRATION:

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Vice President's Role In Senate Is Occasionally Critical (RC)

By Donald Wolfensberger

Roll Call, October 24, 2006

Texas Democrat John Nance Garner once opined that the vice presidency is "not worth a bucket of warm spit." He was in a position to know, having gone from being Speaker of the House to being vice president under President Franklin Delano Roosevelt.

Though a small-government populist, "Cactus Jack," as he was known, faithfully carried the president's New Deal water up Capitol Hill during FDR's first term. He became disenchanted with Roosevelt's policies and advisers in the second term and announced his own availability for the presidency in 1939, regardless of whether FDR ran again. Roosevelt broke the two-term precedent and handily won the nomination and re-election in 1940 with Henry Wallace as his VP. Garner quietly retired to his native Uvalde, Texas, regretting that he ever had left the Speaker's chair.

Garner's colorful metaphor came to mind recently when a foreign diplomat in Washington, D.C., asked two of my colleagues why the vice president of the United States also serves as President of the Senate. They were just as stumped as I was when they later put the question to me. I half-jokingly speculated that the framers had to give the vice president something to do while he waited around for the president to die.

In turning to James Madison's notes from the 1787 Constitutional Convention, I found Delegate Roger Sherman of Connecticut confirming my suspicion. A member of the Committee of Eleven that originated the new office, Sherman defended it as follows: "If the vice-President were not to be President of the Senate, he would be without employment." Sherman added that if the Senate elected its own President to preside over the chamber, that Senator's state would be deprived of a vote except when it came to breaking ties (since it was customary for presiding officers to remain neutral in all other instances).

The draft that preceded that of the Committee of Eleven had no vice president and instead provided that the Senate elect one of its own to preside over the body and to fill in as president of the nation when a vacancy occurred. So, the alternative of having a vice president exercise both roles solved two problems. It ensured that no Senator would be deprived of his right to vote at all times, nor have to be absent from the chamber while acting as president of the country.

Alexander Hamilton, in "Federalist No. 68," pointed out that there was nothing new about the concept of a fallback executive. The 1777 Constitution of New York state created a lieutenant governor to preside over the state Senate and take over as governor in the event of a vacancy. And no one objected to that at the time. Even in pre-revolutionary America, lieutenant governors presided over several colonial legislatures.

The role of vice president as the Senate's president could come into sharper focus again in two weeks, when Democrats are expected to gain seats or even control of the chamber. The Constitution provides that the vice president "shall have no vote, unless [the Senators] be equally divided." The smaller the majority's edge, the more likely the vice president will be called upon to break ties. Garner cast only three tie-breaking votes during his eight years as vice president, when Democrats never held fewer than 59 of 96 Senate seats.

On the other hand, our first vice president, John Adams, still holds the record with 29 tie-breakers during George Washington's presidency. Adams also actively participated in Senate debates, lecturing Senators like a school marm. (One Senator wrote in his diary, "For forty minutes he harangued us from the chair.") Eventually he was threatened with a motion to silence him. He subsequently confined himself to procedural utterances only when circumstances required it. Adams' tie-breaking votes included preventing the capital from remaining in New York two more years, blocking war with Britain and ensuring that the president have sole authority to fire his Cabinet appointees (without Senate concurrence).

No vice president since the beginning of the 20th century has cast more than eight tie-breaking votes. However, Vice President Cheney already has cast seven tie-breakers in his nearly six years in office. It was Cheney's very presence as President of the Senate that gave control of the 50-50 chamber to the Republicans for organizational purposes during those critical first months of the Bush presidency, from Jan. 21 until June 6, 2001 (when control flipped to the Democrats with Sen. Jim Jeffords' resignation from the Republican Conference to become an Independent).

During that initial period of Republican control, Cheney cast two tie-breakers on amendments relating to prescription drugs and the marriage penalty tax. Even when Republicans regained control of the Senate in 2003 by a 51-49 margin, Cheney had to

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cast three tie-breaking votes in that year alone — all on important budget and tax matters. In the current Congress, with Republicans holding a more comfortable 55-45 margin, Cheney has cast just one tie-breaking vote, albeit an important one on the Omnibus Reconciliation Act of 2005.

Lest I leave the misimpression that the vice president's only official role is to preside over the Senate and break ties, there is one other duty under the Constitution worth mentioning. The vice president also is charged with counting the electoral votes for president and vice president and announcing the winners. That will be one of Cheney's last official acts in office in January 2009. It is doubtful, though, that Cheney will be viewed by historians as a mere bucket-toting, tie-breaking, electoral vote-counting VP. As we have seen, the office can be as big as the president wants it to be.

Don Wolfensberger is director of the Congress Project at the Woodrow Wilson International Center for Scholars and former staff director of the House Rules Committee.

Teacher Bonuses Go To Well-paid Teachers In Struggling Districts (AP)

By Andrew Welsh-huggins

AP, October 24, 2006

COLUMBUS, Ohio - The Bush administration is rewarding teachers with performance bonuses at four of Ohio's biggest, poorest and most academically challenged districts where teacher pay is already well above the state average.

Coming just two weeks before a challenging election for Republicans, the grants are the first federal effort to reward the classroom performance of teachers who raise student test scores.

Ohio's funding - $5.5 million this year and a total of $20 million over five years - was announced Monday, the first of 16 grants totaling $42 million. South Carolina also is to receive statewide grants. The other states to receive money weren't announced.

The government hopes the money will help counter what Education Secretary Margaret Spellings called a "dirty little secret" in American education, that the most experienced teachers often teach in the least challenging classrooms.

The money is a reward for teachers "when you put yourself on the line every day and teach in some of the nation's most challenging schools and get great results," Spellings said Monday.

The department will release the remaining grants in the coming weeks, falling right before the Nov. 7 elections in which a reeling Republican Party is eager for good news. Spellings said the election had no bearing on the timing.

Democrats are savoring the thought of regaining control of the House, especially in light of the ongoing congressional page scandal. In Ohio, Democrats are poised to retake the governor's office after 16 years, while two-term Republican Sen. Mike DeWine is in a tight race with Democratic challenger Sherrod Brown.

Brown called the announcement "cynical politics at its worst."

Schools in Cleveland, Cincinnati, Columbus and Toledo will share the Ohio grants.

Teacher pay in Cleveland, Cincinnati and Columbus is well above the state average of $50,772, including $60,688 in Cleveland, a chronically struggling district of just under 60,000 students in the nation's poorest city.

The average teacher salary in Toledo, which also has the best academic standing of the four districts, is $49,859, according to the most recent data from the state Department of Education.

The money will help districts reward experienced teachers who help train younger colleagues as well as provide incentive for schools to boost their test scores, said Ohio state schools superintendent Susan Tave Zelman.

"This is more than pay for performance," Zelman said Monday. "This is about making the teaching profession more valued and honored."

Cincinnati and Toledo already have incentive programs for teachers, and any new money must look at a broad range of improvements and not just test scores, said Tom Mooney, president of the Ohio Federation of Teachers.

"When you already have trouble attracting teachers to the most challenging schools, what you don't want to do is tell them their families' livelihood depends on tests that were invented yesterday and they're already talking about changing them tomorrow," he said.

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The National Education Association on Monday said grants were unnecessary and duplicated existing programs. The union called on the government to put money into underfunded programs created through Bush's No Child Left Behind initiative.

The president of the Columbus teachers' union said she supported the grants because they would help expand existing programs negotiated by the union that reward both individual teachers and entire school staffs for helping students improve.

"Nobody is punished if they don't make the gains," said Rhonda Johnson, president of the Columbus Education Association. "You're not losing any pay, you're only gaining pay when you show you've made gains."

The nationwide grants will range from about $1 million to $30 million. Another $43 million will be awarded next spring.

ON THE NET

Teacher Incentive Fund: http://www.ed.gov/programs/teacherincentive/index.html

Ohio Department of Education: http://www.ode.state.oh.us

OTHER NEWS:

Bush To Trumpet Strength Of The Economy (AP-Y)

By Deb Riechmann

AP, October 24, 2006

President Bush on Monday trumpeted the strength of the economy, an important issue in about two dozen congressional races that will determine whether Republicans retain control of the House.

Faced with difficult midterm elections and a deteriorating situation in Iraq, Bush is stressing the positive.

"The strength of this economy depends upon the strength of the small business sector," Bush said at a round-table where he talked about his administration's role in reducing taxes and limiting regulation and lawsuits that he says impede the entrepreneurial spirit in America.

"The role of the government, it seems to me, is to make sure that dreamers are rewarded for their hard work and their ingenuity and success. And the best way to do that is to reduce taxes on people," Bush said.

White House advisers, who think the president should get more credit for recent positive economic news, insist that Bush is not trying to change the subject away from the unpopular war. The president will continue to talk about Iraq and the war on terrorism as the Nov. 7 election nears, they said.

Eighty-eight percent of likely voters say the economy is an important issue — on a par with the percentage of people who view the situation in Iraq and terrorism as crucial matters, according to an Associated Press-Ipsos poll earlier this month. The poll found that 37 percent of likely voters say they approve of Bush's handling of Iraq overall. More voters — 42 percent — approve of his handling of the economy.

Overall, the economy grew at a 2.6 percent pace from April through June, compared with a 5.6 percent pace over the first three months of the year, which was the strongest spurt in 2 1/2 years. Still, voters remain uneasy even though gasoline prices have started dropping, the stock market is hitting record highs, and interest rates on credit cards and adjustable mortgages are leveling off.

Rising hopes for strong third-quarter earnings lifted the Dow Jones industrial average past 12,000 for the first time on Wednesday. The Conference Board's index of U.S. leading economic indicators rose last month, and the government reported last week that consumer prices fell in September by the largest amount in 10 months.

Democrats contend the middle class isn't enjoying the benefits of recent U.S. economic gains. They say sluggish median earnings show paychecks have failed to keep pace with inflation, and they note rising health care and energy costs.

White House political director Sara Taylor said that the economy is a key issue in about two dozen House races, including campaigns in Pennsylvania, Minnesota, Ohio and Washington state. Democrats need a 15-seat pickup to regain the House and a gain of six seats to reclaim the Senate.

"It's going to have an important impact on certain races around the country," Taylor said. "I think it's an important issue that's not getting a ton of attention."

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Bush participated in a round-table with three small- to medium-sized businesses that have taken advantage of community banking services to expand in the Washington area. The event was held at Urban Trust Bank. The bank, set up to provide mortgages, student loans and investment opportunities mainly to minorities, was founded by Robert Louis Johnson, who started BET — formerly Black Entertainment Television.

On Tuesday, the president will speak about the economy again at a campaign appearance in Sarasota, Fla., for businessman Vern Buchanan, who is in a tight House race against Democrat Christine Jennings, a former bank executive. The prospect of losing Florida's conservative 13th District to Democrats brought high-profile Republicans — Gov. Jeb Bush, Sen. Mel Martinez and Massachusetts Gov. Mitt Romney — to the area last week.

Bush Tries To Switch Focus To Economy (FT)

By Edward Luce In Washington

Financial Times, October 24, 2006

President George W. Bush on Monday sought to change the subject from the deteriorating situation in Iraq by focusing on the strength of the US economy just two weeks before America goes to the polls in midterm congressional elections.

Citing strong US job growth and improving wages, Mr Bush dismissed polls that suggested the Republican party was on course to lose control of the House of Representatives on November 7 and possibly also the Senate. The president will on Tuesday give a speech in Florida on the economy.

“The economy is strong and we have a plan for victory in Iraq,” Mr Bush told CNBC, the US business TV channel. “The other folks [Democratic party] will raise the taxes and they don’t have a plan for victory in Iraq. My advice is: let’s watch what happens in the poll that actually matters on November 7.”

Mr Bush’s comments, which coincided with the Dow Jones stock index closing at a record high of 12,116 on Monday, follow several weeks in which the Republicans have been on the defensive because of the situation in Iraq and a series of corruption scandals.

But Republican strategists are confident that there is enough time remaining in the mid-term campaign to refocus voter attention on the strength of the economy. Mr Bush on Monday downplayed concerns that the economy was not performing well for the middle classes. He said that wages had grown by an average of 2.2 per cent in the past year and that this had boosted disposable income.

However, he did not directly address the continuing stagnation in median wages, which are a more accurate measure of the economic “squeeze” the Democrats claim the middle classes are experiencing. Instead, he emphasised that the US economy had added 6.6m new jobs since August 2003.

The president’s focus on the economy is likely to add to the quiet confidence among senior Republican strategists that the ruling party can turn the situation around in the 30 or 40 Congressional districts that are considered competitive – of a total of 435. The Democrats need to add 15 to their tally to gain control of the house.

In spite of being behind in the polls, Republicans retain two advantages: the party has more spending power and it can draw on a sophisticated national data base that enables it to squeeze as many votes as possible out of its support base in the heartlands. The Democrats concede they are outmatched on both counts.

Bush Aims To Boost News About Economy (WT)

By Stephen Dinan

The Washington Times, October 24, 2006

President Bush is on a two-day push to draw attention to the economy, with the White House arguing that the administration's accomplishments and the booming stock market have not received enough attention in the run-up to the Nov. 7 midterm elections.

Yesterday, Mr. Bush toured the Urban Trust Bank in Washington to underscore the increase in jobs and wages in the past few years, and to warn against miring the economy with new regulations and taxes.

"It's been hard to get people to report on" the nation's economic progress, said White House spokesman Tony Snow.

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"You take a look at consumer confidence levels, they're skyrocketing. People are feeling good about the economy. And if you take a look at the news coverage of it, it's been overwhelmingly negative at a time when you do have just an extraordinary situation," he said.

Democrats said the administration is turning to the economy because the war in Iraq is not rallying voters anymore.

The office of Senate Minority Leader Harry Reid, Nevada Democrat, said the economy still isn't a bright spot for Republicans because it falls short of the levels under Presidents Reagan and Clinton. A statement pointed in particular to slower growth in personal income after inflation and taxes.

Meanwhile, the administration defended its Iraq policy, said no major course change is on the horizon and disputed speculation that it is setting deadlines and timetables for the Iraqi government to take more control.

In a morning blitz of television appearances, White House counselor Dan Bartlett said the administration has been working with the Iraqi government to set milestones and benchmarks.

Republicans across the nation, taking cues from Democratic critics, have begun questioning the administration's plans for Iraq and demanding a change.

Mr. Bush spoke Saturday with top military and civilian leaders about adjusting tactics in Iraq, but the White House said the strategy will not change.

Mr. Snow acknowledged yesterday that efforts announced during the summer to increase security in Baghdad have failed.

"It's pretty clear that the first iteration didn't achieve the results that were desired, so that they're continuing to work through ways to improve and adjust so that you do have the security that you want," the spokesman said.

He said Mr. Bush has stopped using the phrase "stay the course" to describe his Iraq policy, because "it left the wrong impression about what was going on."

Habit-forming: Dow Hits Record Again (USAT/AP)

By Joe Bel Bruno

USA Today, October 24, 2006

NEW YORK — Wall Street extended its October rally Monday as the Dow Jones industrials crossed 12,100 for the first time and reached a new record high close.

Investors grew more confident about upcoming earnings reports, and a decline in the price of oil bolstered hopes for higher consumer spending.

Dow component Wal-Mart Stores, which pleased investors by announcing plans to cut capital spending to improve profits, helped the blue chips to their new high. Wal-Mart shares were up $1.91 to $51.28 (story, 3B).

The Dow Jones industrial average rose 114.54 points, or 1.0%, to 12,116.91. It also hit an intraday high of 12,125.16.

The Standard & Poor's 500 index rose 8.42 points, or 0.6%, to 1377.02. The Nasdaq composite rose 13.26 points, or 0.6%, to 2355.56.

Strength from IBM, Hasbro and Xerox also fed the advance. Halfway through the third-quarter earnings season, companies' generally upbeat reports have given investors a renewed sense of security about the future.

“The blue chips have outperformed most markets, and this was an extension of that trend,” says Steven Goldman, chief market strategist at Weeden & Co.

The advance came despite concerns about the Federal Reserve's two-day meeting on interest rates, which starts today. Policymakers are expected to leave interest rates unchanged, though they could sound hawkish in their accompanying economic assessment because of recent signs of rising inflation.

Treasury bonds fell on speculation the Fed will keep its benchmark rate at 5.25%. The yield on the benchmark 10-year Treasury note rose to 4.83% from 4.79% on Friday.

A barrel of light, sweet crude oil fell 52 cents to $58.81.

Highlights:

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IBM was the Dow's second-biggest advancer. The tech company filed two patent-infringement lawsuits against online retailer Amazon.com over technologies used to run Internet services (story, 6B). Big Blue rose $1.08 to $91.56, while Amazon added 31 cents to $32.88.

•Hasbro rose $2.03, or 8.7%, to $25.33, The toymaker reported an 8.2% increase in its third-quarter profit amid strong sales of brands such as Playskool.

•Xerox rose 47 cents, or 3%, to $16.47 after its third-quarter profit beat analysts' expectations.

Price Of Crude Drives Wall St. Rally (LAT)

By Jesus Sanchez

The Los Angeles Times, October 24, 2006

The Wall Street stocks staged a strong rally today after investors welcomed another drop in crude oil prices and news that Wal-Mart Stores would rein in spending on store expansions in order to boost earnings.

The Dow Jones industrial average rose 114.54 points, or nearly 1%, to end the day at a record close: 12,116.91

Other major indexes, including the Nasdaq and the S&P 500, were also higher.

The Dow, which has reached all-time highs as it continues to build on a rally that began in August, got a boost today because crude oil futures and other energy prices ticked lower. The U.S. benchmark crude fell 52 cents to $58.81 a barrel in futures trading on the New York Mercantile Exchange.

Crude oil prices have plunged about 25% since midsummer, giving the economy a boost by helping slow price inflation and leaving consumers with more money to spend at stores and restaurants. That has led Wall Street investors to grow more bullish on the nation's economic prospects.

"The picture being painted is pretty easy to suggest that the pressure on the economy from higher oil prices is easing," Richard E. Cripps, chief market strategist at Stifel Nicolaus, told the Associated Press.

Today's market rally was also tied to a surge in Wal-Mart shares, which is one of the 30 companies included in the Dow Jones index. Wal-Mart stock rose $1.91 — or nearly 4% — to close at $51.28 on the New York Stock Exchange.

Wal-Mart said capital spending on new stores and other items would rise by up to 4% in fiscal 2008, compared to as much as 20% in fiscal 2007.

"We are still very committed to growth, but our real estate projects are now being subjected to a more rigorous prioritization process," said Wal-Mart Vice Chairman John Menzer in a statement. "This store selection process will enable the company to drive higher returns by focusing on locations that make the most efficient use of capital."

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Times wire services contributed to this report

Wal-Mart, IBM Lift Dow To New High (WP/AP)

Associated Press

The Washington Post, October 24, 2006

NEW YORK, Oct. 23 -- Wall Street extended its rally as investors grew more confident about coming earnings reports and as a decline in oil prices bolstered hopes for higher consumer spending. The Dow Jones industrial average crossed 12,100 for the first time and set another record-high close.

The Dow rose 114.54, or 0.95 percent, to 12,116.91. The Standard & Poor's 500-stock index rose 8.42, or 0.62 percent, to 1377.02, and the Nasdaq composite index rose 13.26, or 0.57 percent, to 2355.56.

Dow component Wal-Mart Stores, which announced plans to cut capital spending to improve profit, helped the blue chips to their new high as the average's biggest advancer. The Dow's record came just three trading days after its first close past 12,000.

Strength from International Business Machines, Hasbro and Xerox also fed the advance. Just halfway through the third-quarter earnings season, companies' generally upbeat reports have given investors a renewed sense of security.

Monday's gains came despite some concerns about the Federal Reserve's two-day meeting on interest rates, which starts Tuesday. Policymakers are expected to leave interest rates unchanged.

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The price of oil, which fell to lows for the year Friday, is making investors more bullish on sectors such as retail, which could benefit if consumers have more spending money.Movers

Wal-Mart Stores rose $1.91, to $51.28, after saying it plans to bring costs in line with a slowdown in sales and earnings growth.

IBM rose $1.08, to $91.56. It filed two patent-infringement lawsuits against Amazon.com.

AT&T rose 27 cents, to $34.71, after reporting that third-quarter profit rose 74 percent.

Ford Motor fell 11 cents, to $7.90, after posting its largest quarterly loss in more than a decade.

Hasbro rose $2.03, to $25.33, after it reported an 8.2 percent increase in third-quarter profit.

Xerox rose 47 cents, to $16.47, after profit beat analysts' expectations.Indexes

New York Stock Exchange composite index rose 34.56, to 8736.59.

American Stock Exchange index rose 9.67, to 1946.33.

Russell 2000 index of smaller-company stocks rose 1.39, to 763.52.Volume

NYSE: 2.47 billion shares, down from 2.57 billion on Friday. Advancers outnumbered decliners 7 to 5.

Nasdaq: 1.85 billion shares, down from 1.88 billion. Advancers narrowly outnumbered decliners.Commodities

Crude oil for December delivery: $58.81, down 52 cents.

Gold for current delivery: $579.70 a troy ounce, down from $593.00 on Friday.

Bulls Continue To Drive Dow To New Record (WSJ)

By Peter A. Mckay

The Wall Street Journal, October 24, 2006

The Dow Jones Industrial Average picked up steam after pausing Friday and surged to yet-another record amid a slew of strong profit reports and plans for slowed expansion by Wal-Mart Stores.

The Dow industrials jumped 114.54 points, or 1%, to 12116.91, the tenth record close in 15 trading sessions and up 13.1% on the year. Shares in Wal-Mart, a Dow component, rallied 3.9% after the retailer announced it will cut capital spending on new stores next year, which investors and analysts hope will translate into bigger profits.

Energy prices slipped, and bellwethers AT&T, 3M and Xerox all reported strong quarterly earnings, further boosting investors' mood.

Since the Federal Reserve held its key interest-rate target steady in August, bullish investors have been hoping the market would turn its attention more intently on corporate earnings, rather than constant speculation about the central bank's next move. Built into their rosy outlook was the assumption that the economy, though growth is slowing, is still strong enough to generate good corporate results for the third-quarter earnings season now under way.

Most Wall Street pros expect Fed Chairman Ben Bernanke and his fellow policy makers to leave rates unchanged again following this week's meeting, holding at 5.25%. As has been the case following previous Fed meetings, though, Wall Street pros will closely dissect the Fed's written statement due out tomorrow for any signs of increased skittishness about inflation.

Worried that such concerns will keep the Fed from cutting rates anytime soon, bond investors sent prices lower and yields higher yesterday, in a session that contrasted with the stock market's euphoria. "The bond market is more focused on the near-term risks in the economy," said strategist Jack Caffrey of J.P. Morgan Private Bank.

Stock investors watch interest rates closely because a decline in rates lowers borrowing costs and makes more money available to spend and invest.

Other stock measures rallied along with the Dow. The broad Standard & Poor's 500-stock index gained 0.6%, or 8.42 points, to 1377.02, up 10.3% on the year. The technology-heavy Nasdaq Composite Index rose 0.6%, or 13.26 points, to 2355.56, up 6.8% on the year.

To guard against slower growth in the U.S. economy, many bullish stock investors currently favor big-name companies they believe are better equipped to do well if business conditions worsen unexpectedly. To these investors, an economy saddled with falling housing prices and other bugaboos isn't necessarily such a bad thing, as long as the pullback is gradual and doesn't cut into employment, consumer spending or corporate bottom lines.

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With third-quarter earnings reports trickling in, that scenario seems to be playing out for now, said Duncan Richardson, chief equity investment officer at Eaton Vance Corp. "Ultimately, earnings are what moves the market," he said. "So far, they've been looking pretty good for this quarter."

Gold prices tumbled, hurt by a strengthening U.S. dollar. Because gold is still viewed as an alternative form of currency in some countries, it often moves in the opposite direction of the greenback when investors lose faith in paper money as a reliable store of value.

Gold contracts for October delivery fell $13.30, or 2.2%, to $579.70 a troy ounce, up 12.1% on the year on the Comex division of the New York Mercantile Exchange.

Crude-oil futures fell 52 cents a barrel, or 0.9%, to $58.81, off 3.7% this year.

Outside the U.S., stocks rose in dollar terms. The Dow Jones World Stock Index, excluding U.S. shares, eked out a gain of 0.1%, or 0.11 point, to 226.12.

In major U.S. market action:

Stocks rose. Total trading volume for stocks listed on the New York Stock Exchange was 2.4 billion shares, as 1,919 stocks advanced and 1,368 fell.

Bond prices fell. The 10-year Treasury note fell 10/32 point, or $3.125 for each $1,000 invested, pushing the yield up to 4.828%. The 30-year bond fell 20/32 to yield 4.952%.

The dollar strengthened. Against the Japanese currency, the dollar rose to 119.33 yen, compared with 118.69 yen Friday. The euro fell to $1.255, compared with 1.2619.

This Time, It's Not The Economy (NYT)

By Eduardo Porter

The New York Times, October 24, 2006

In many ways, the economy has not looked so good in a long time.

The price of gas at the pump has tumbled since midsummer. Unemployment has fallen to its lowest level in more than five years. On Wall Street, the Dow Jones industrial average has finally returned to its glory days of the late 1990's, setting records almost daily.

President Bush, in hopes of winning credit for his party's stewardship of the economy, is spending two days this week campaigning on the theme that the economy is purring. "No question that a strong economy is going to help our candidates," Mr. Bush said in a CNBC interview yesterday, "primarily because they have got something to run on, they can say our economy's good because I voted for tax relief."

But Republican candidates do not seem to be getting any traction from the glowing economic statistics with midterm elections just two weeks away.

The economy is virtually nowhere to be found among the campaign ads of embattled Republican incumbents fighting to hold onto their House or Senate seats. Nor is it showing up as a strong weapon in the arsenal of Republican governors defending their jobs from Democrats.

"I don't know of another election cycle in which the economy was so good, yet the election prospects for the incumbent party looked so bad," said Frank Luntz, a Republican strategist. "If something goes wrong, Republicans are to blame. If something goes right, Republicans don't get credit."

The only place that the economy has emerged as a major campaign theme has been in the aging industrial heartland around the Great Lakes, where the bleak economic prospects are being deployed against incumbents, Republicans and Democrats alike. But where the economic winds seem to be blowing their way, voters appear unwilling to hear that Republican policies made it so.

Disenchantment over the war in Iraq has morphed into disillusionment over the direction of the country, breeding distrust in the administration's policies, surveys suggest. Moreover, concerned by weak wage growth, costly health care and eroding benefits, many middle-class voters do not see the economy improving for them.

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"Voters overwhelmingly don't approve of the president on the economy," said Amy Walter, a senior editor at the Cook Political Report, a nonpartisan firm that handicaps political races. "It comes down to the issue of credibility. And so many voters feel so pessimistic about the direction of the country."

Richard Curtin, who runs the University of Michigan's consumer surveys, has found that even as consumer confidence has improved since gasoline prices took a tumble in August, the White House has gotten no credit for the gain.

"The one indicator that didn't improve," Mr. Curtin said, "was confidence in the government's economic policies."

For many voters, the overall issue has faded in importance as the economy has managed to grow steadily in recent years. In late 2003, The New York Times/CBS News poll found, 4 in 10 voters said either the economy or jobs was the most pressing problem facing the nation. This month, only 13 percent shared that concern.

But Republicans' inability to harness an improving economy in their political favor appears mostly to be a function of the weight of other big national issues stacked against them. Prime among them are voters' growing concerns about the costs of the war in Iraq, fed by a stream of American casualties displayed every night on television.

The seeming morass in Iraq has hurt Republicans in more ways than one, analysts say, contributing to the notion that the country is heading in the wrong direction and fueling distrust in the administration of President Bush that has leaked out to other fronts — including his management of the economy.

The lack of confidence in the administration undercuts the support by voters who want to vote for Republicans on local issues.

Terris Kennedy, 59, a former military nurse who is the chief nursing officer at Shore Memorial Hospital in Nassawadox, Va., says she may well vote Democratic in the Virginia Senate race even though she plans to support the Republican incumbent, Thelma Drake, in the state's Second Congressional District, centered in Virginia Beach.

Ms. Kennedy likes Ms. Drake because she seems interested in the challenge of how to deliver health services to diverse low-income populations.

But she said her concern over the war in Iraq and her skepticism about whether it was a good idea to stay the course there might lead her to vote for a Democrat, James Webb, over the Republican incumbent George Allen in the Senate race. "Senator Allen is very close to the President," Ms. Kennedy said.

Tim Murtaugh, Ms. Drake's campaign manager, said Iraq and immigration were the two biggest issues on the minds of voters in this military-heavy district, home to the Atlantic fleet of the Navy and Langley Air Force Base. Still, he said that the district had nearly full employment and that he believed that voters were aware that the local economy was strong.

Ms. Drake's campaign ads have suggested that her rival, Phil Kellam, will vote to raise taxes. But Ms. Kennedy disagrees with that.

"I don't see Democrats as tax-and-spend liberals," she said. She has more doubts about the government's economic track record. "Even though the deficit has come down we still have a horrible deficit," Ms. Kennedy said.

It has been some time since the public last trusted Republicans more than Democrats on economic issues.

Of voters polled in the latest New York Times/CBS News national survey this month, 60 percent rated the economy as either good or very good, up from 56 percent in September.

But voters favor Democrats over Republicans as stewards of the economy by 51 to 36 percent. The 15-point margin, which remained the same as in September, is the widest since the survey first included the question in 1984.

Republicans have a tough act to follow. President Bush pointed out yesterday that employers have added 6.6 million jobs since August 2003, finally gaining ground after a long decline in employment over most of his first term. But the figure falls well short of the nine million jobs created during the same period of the Clinton administration.

Still, the National Republican Congressional Committee believes that the improving economy provides a good issue for many Republicans to run on, and has spent money on TV commercials praising the administration's economic track record in several Midwest districts and upstate New York.

"The strategy is to run on the role of tax relief in the improvement of the economy," said Jonathan Collegio, a spokesman for the committee. "We can target the Democrats who have voiced support for repealing or letting expire the tax cuts of 2001 and 2003."

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A few candidates have taken this tack, but most have done so sparingly. Some Republican challengers are using the economy as a campaign issue in places where it is doing poorly.

Dick DeVos, the Republican challenger to Jennifer Granholm in Michigan's gubernatorial race, reminded voters in campaign commercials that the state still had "the worst unemployment in the nation."

Perhaps the biggest challenge Republicans face to take credit for an improving economy is that for many voters, their economic prospects do not feel as great as overall statistics might imply. Rather than celebrate the stock market's gains and the overall growth of the economy, many voters are worried about the wages of ordinary workers, which have just started to improve after several years of falling short or barely keeping up with inflation.

The tens of millions of people lacking health insurance and the steady shrinkage in traditional pensions have also added to the sense of personal insecurity.

Consider Florida's 22nd Congressional District, stretching along the Atlantic coast in Broward and Palm Beach Counties, north of Miami. Employment in the district has grown at three times the national average over the last three years, according to an analysis by Moody's Economy.com. Unemployment there is well under the national level.

But the Republican incumbent, E. Clay Shaw Jr., running neck and neck with Ron Klein, a Democrat, has steered away from celebrating the area's sunny economic prospects. Instead, he has pointed to his record on the environment, talked about how he disagreed with President Bush's attempt to privatize Social Security, and accused Mr. Klein of being in the pocket of sugar companies.

That might be the appropriate strategy. David Hensley, who lives in Mr. Shaw's district, says he will probably vote for him, as he has before. But Mr. Hensley, 62, is not doing so out of any sense of economic prosperity.

"The economy is in the toilet no matter who is in control," Mr. Hensley said.

And concerns over how fair the prosperous economy has been to most Americans appear to be hurting Republican prospects even among those who see themselves as doing relatively well.

Ann O'Callahan, a 64-year old Irish immigrant in suburban Philadelphia, defines herself as a social conservative. She voted Republican in 2000, but switched to the Democrats in 2004. This year she plans to vote Democratic again, mainly because of the economy. "I am very disturbed by the economic policies of the Bush administration," she said.

Ms. O'Callahan's district, Pennsylvania's Seventh, is an island of relative affluence. The median income in the area, according to the Census Bureau, topped $63,000 last year, more than a third higher than the national median. According to Economy.com's analysis, based on county data, unemployment this year in the district should average 3.8 percent, well below the national average.

But, Ms. O'Callahan said, jobs were not enough. "I work with job placement so I see up close how a lot more work is demanded of people, how benefits are disappearing, how hourly rates have been stagnant throughout the Bush administration," she said. She said that jobs were plentiful, "but paying $8 an hour with no benefits."

Republican leaders might still try to use an improving economy for a final campaign push. Mr. Luntz, the Republican strategist, said economic issues should help the party in Florida, Georgia and the Carolinas.

Mr. Collegio of the National Republican Campaign Committee said the campaign group planned a flurry of advertisements warning that, as they see it, Democrats will hurt the economy by raising taxes.

Still, even that tried-and-true Republican theme may not work so well this year.

"In these races you just pray for a Republican claiming that tax cuts are the reason for the good economy," said Stanley Greenberg, a Democratic pollster. "Candidates don't do it because the public doesn't believe it. And a candidate who claimed it would seem out of touch."

Rising Stock Prices, Falling Gas Costs Seen Helping Republicans At Polls (USAT)

By Barbara Hagenbaugh

USA Today, October 24, 2006

WASHINGTON — The economy will likely help Republicans more than Democrats in the elections in two weeks, but that opinion is not unanimous, according to economists polled by USA TODAY.

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In a survey conducted Oct. 13-18, nearly half the 45 economists who responded to a question on the election said Republicans will benefit the most from the economy in the Nov. 7 midterm elections.

"The economic performance in the last several years is some of the best in economic history," says Mike Englund, chief economist for economic consulting firm Action Economics, who expects the economy will help Republicans.

Economists who expected Republicans to benefit from the economy named lower tax rates, falling gasoline prices and rising stock prices as factors that will help Republicans.

Some of those surveyed, including those at Bank of America and the National Association of Realtors, say a low unemployment rate will aid the GOP. The unemployment rate has been 4.6% in three of the last five months, the lowest in five years.

But Wells Fargo senior economist Scott Anderson says Democrats will gain an advantage because many people are seeing little increase in pay after factoring in inflation. During the first eight months of 2006, average weekly earnings of non-supervisory workers after adjusting for inflation rose less than 1% and in some months actually fell.

Inflation-adjusted earnings jumped in September, but were somewhat skewed by a plunge in energy costs, which led to a sharp drop in inflation that is unlikely to be repeated.

"There is still a lot of frustration in the middle class," Anderson says. "We're seeing pretty solid job growth. But as long as wages lag, you are going to see a lot of pessimism on the economy."

Richard Yamarone, director of economic research at Argus Research, says neither party will gain an advantage from the economy. "The Republicans should benefit greatly because of the shape of the economy; however, that message doesn't seem to have gotten out," he says. "There are other issues that are overriding the economic issues."

Big Worries For Big Oil (WSJ)

By Chip Cummins

The Wall Street Journal, October 24, 2006

With crude prices falling and oil-field costs on the rise, major oil companies have a big problem: sustaining their phenomenal profit growth.

Exxon Mobil Corp., Royal Dutch Shell PLC and BP PLC have all relied on big oil-price jumps to fuel a streak of handsome earnings gains and, in many cases, record quarterly profits in recent years. The three companies reported combined earnings of about $25 billion in the second quarter; in the third quarter of last year, they earned about $25.4 billion.

Many of the world's biggest publicly traded oil companies report earnings this week and are expected to post strong results, thanks to high crude prices.

U.S.-benchmark oil hit a record of nearly $80 a barrel this summer. (In inflation-adjusted terms, oil was at its most expensive in 1980.) Since July, though, crude prices have fallen about 25%, sapping the momentum from short-term profit-growth potential at a time of rising costs and higher taxes. And if oil prices continue to drop, that could drive new thinking among oil executives over whether to pursue big tie-ups.

BP, which reports earnings Tuesday, estimates West Texas crude, a benchmark oil type in the U.S., averaged about $70 a barrel for the quarter. That is still higher than the average price a year ago of about $63. But current prices are now hovering around $58. (See related article1.) U.S. natural-gas prices and gross profit margins from making refined products such as gasoline are also sharply lower than a year ago.

Even before the steep drop-off in prices, earnings had been blunted by side effects of the commodities boom. Oil-field costs have skyrocketed for many projects because of higher demand for everything from steel to software among energy companies eager to cash in on the boom. Competition for new prospects has heated up, ratcheting up auction prices for fresh exploration acreage.

If oil prices stabilize or drop further, cost inflation could also subside. But costs generally take time to catch up with swings in commodity prices. That poses a growing challenge to profitability in the short term.

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Neil McMahon, a London-based oil analyst at Sanford C. Bernstein, says recent trends of lower commodity prices and higher costs mean quarterly results this time around aren't likely to offer much positive surprises for investors. In a note to clients Friday, he said he expects to see further evidence of cost pressure when companies report this week.

A handful of big companies suffered significant production shortfalls in the July-to-September quarter because of unplanned disruptions. BP partially shut down its big Alaskan oil field because of pipeline corrosion there, crimping its output and that of its biggest partners in the field, Exxon and ConocoPhillips. Shell continues to suffer partial shutdowns in Nigeria, amid violent insurgency attacks in that major oil-exporting nation.

Oppenheimer & Co. analysts expect the major oil companies to post third-quarter earnings about 10% above results from a year ago but about 10% lower than this year's second quarter because of production shortfalls, cost and tax increases and moderating oil prices.

Many companies are expected to post higher profit margins from chemical operations and from marketing, which includes sales at gasoline stations, partly compensating for lackluster commodity prices.

If prices continue falling, two other big questions for investors may emerge: Will the world's largest oil companies curb their generous share-buyback programs? And will they start looking for acquisitions, now that share prices have fallen along with commodity markets, making some targets look cheaper?

So far this year, BP has showered investors with $12.3 billion in buybacks and dividends. In July, Exxon said it would increase spending on buybacks to $7 billion in the third quarter, up from $6 billion in the second quarter.

But shareholder payouts can be sensitive to commodity-price swings. For instance, BP has said it expects to deliver about $65 billion to shareholders through 2008 if crude sticks at $60 a barrel and if U.S. natural-gas prices and refining margins stay lofty. Those expected proceeds would fall more than 20% if commodity-price assumptions were revised down to the $40-a-barrel level.

Jeroen van der Veer, Shell's chief executive, has said repeatedly that he didn't see value in making big purchases amid recent high oil prices. Monday, he announced Shell had made an approach to the board of Shell's main Canadian affiliate, with an offer to buy out minority shareholders for about C$7.7 billion, or about $6.8 billion.

In an interview, Mr. van der Veer said the timing of the approach was more about creating long-term value, not about getting a bargain at Tuesday's lower oil prices. He said the current oil price "is probably one component of a total mix" of factors determining the decision to pursue the deal, and said Shell hadn't changed its acquisition strategy.

Fanning speculation of a fresh round of oil-patch deals, Premier Oil PLC, a small British independent oil company, said Monday it had received a buyout proposal from an unnamed party. Premier, with a market capitalization of about £1 billion, or $1.9 billion, said negotiations were at "an extremely early stage."

Wave Of Change Expected On Election Day (WP)

By Jeffrey H. Birnbaum

The Washington Post, October 24, 2006

The wave is coming.

At least that is what political scientists are predicting about the midterm elections on Nov. 7. The academics could be wrong, of course; they often are.

But one of the peculiar facts about American politics is that every once in a while citizens in disparate parts of the country decide in the same year to reject an unusually large number of candidates for Congress from one party and to replace them with candidates from the other party.

That kind of outpouring is known as a wave, and it last occurred 12 years ago when Republicans gained a whopping 53 seats in the House and took control of that chamber for the first time in 40 years. Polls are now showing signs that the tide of public opinion is flowing in the opposite direction and that voters could vote Republicans out of office in droves this year, returning Democrats to power in the House and possibly in the Senate as well.

"This is going to be a wave year," said Larry J. Sabato, a political scientist at the University of Virginia. "The only question is whether it will be medium-size wave or a high wave for the Democrats."

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Indiana State University's Carl Klarner and Stan Buchanan used fancy computer models in June to predict that Democrats would pick up 22 seats in the House, enough to give them 224 seats, six more than they would need for majority control. Alan I. Abramowitz of Emory University in Atlanta used his own model last month to forecast that Democrats would gain 29 House seats. The professors did not predict that Democrats would take charge of the Senate -- a six-seat gain is needed to win a majority there -- though they do envision Democratic gains in that body of two to three seats.

Nonetheless, the realization of these numbers would constitute a wave.

This year's anti-Republican swell -- if it arrives in the dimensions professors imagine -- would be a wavelet by historical standards, said Linda L. Fowler, a political scientist at Dartmouth College. Voting waves were tsunami-size in the 19th and 20th centuries. Seven times before World War II and once afterward (in 1948), 70 or more seats flipped in the House.

But no one is expecting a change of that magnitude this year.

The main reason is that most congressional districts have been carefully reconfigured in recent decades to elect candidates from one party regardless of the national mood. "Democrats have relatively few seats available to them that are now being held by the other party," said Gary C. Jacobson of the University of California at San Diego.

Incumbents also have towering advantages in both financial resources and access to communications with constituents that make them difficult to unseat. In addition, negative campaign commercials and citizens' persistent apathy toward government have tended to keep voter turnout low, which primarily helps incumbents, especially GOP incumbents, election experts agree.

But a big turnover of seats is still possible. In fact, a wave has struck Congress once or twice a decade for the past 50 years.

These have mostly come in midterm elections -- when presidential candidates were not on the ballot -- including 1958, 1966, 1974, 1986 (in the Senate) and 1994. Occasionally a wave will come in a presidential election year, as it did in 1980.

What all of these movements have in common is that they happened when most voters were unhappy with the president. "A general sense of dissatisfaction with the president and his party is often a cause of a wave, as it was in 1994 under Bill Clinton," Abramowitz said. "The lower the president's job approval rating, the more seats his party tends to lose in the House."

The party that controls the White House routinely loses at least some House seats during midterm elections. But presidents who are broadly disliked compound that effect, sometimes enough to produce waves that dash members of his party. That is why even Republicans are acknowledging the strong possibility of a wave this year; President Bush's job approval rating has dipped below 40 percent lately, a dangerously low number.

Recent waves have also coincided with highly publicized scandals (in 1974, it was Watergate) and unpopular wars (in 1966, it was Vietnam). This year Bush and his party are facing both -- the fallout from the Jack Abramoff and Mark Foley scandals as well as widespread disapproval of the war in Iraq. "With a combination of scandal and war, the makings of a wave are all there," said John J. Pitney Jr. of Claremont McKenna College in California.

Thomas F. Schaller of the University of Maryland Baltimore County said Republicans have been holding off an inevitable congressional correction for at least two election cycles because of the extraordinary circumstances surrounding the attacks of Sept. 11, 2001. A welling up of patriotism kept the GOP strong. But enough time has passed since then for that to have subsided. Now, Schaller said, "the wave is ready to break."

Wave elections frequently end up being larger and they knock off more incumbents than was initially anticipated. "Typical of a wave is that there are some lawmakers who seem safe on Election Day, but they turn out to be losers on election night," Pitney said.

Then again, predictions of waves come and go, like tides themselves, and they do not always come to true. "You can tell that a wave happened afterwards," said James A. Thurber, a political scientist at American University. "That's when people amend their stories about them."

How High The Wave? Don't Just Think 1994; Think 1974, 1958, 1982 (RC)

By Stuart Rothenberg

Roll Call, October 24, 2006

DOJ_NMG_0085519

With only a couple of weeks until Election Day, we know there will be a Democratic wave on Nov. 7. And we can be fairly certain that by historical standards it will be high — possibly very high. But we still don't know how many Republicans once considered safe will be swept out of office.

The national political environment currently is worse than it was in 1994, when the Democrats lost 52 House seats, eight Senate seats and 10 governorships, and when Republicans won GOP control of the House for the first time in decades.

You heard me right: It's worse this year than it was in 1994, when voters were dissatisfied with the first two years of the Bill Clinton presidency.

President Bush's approval ratings are worse than Clinton's were — Bush's are in the upper 30s, while Clinton's were in the mid-to-upper 40s — and the 16 percent approval rating for Congress in the latest NBC News/Wall Street Journal poll ranks far below where Congress stood prior to the 1994 midterms (24 percent).

Similarly, the generic ballot in the NBC News/Wall Street Journal poll was much closer back in '94, when Republicans held a 5-point edge right before the elections. Now, there's a 15-point Democratic advantage.

Moreover, the problems hounding Republican Congressional candidates — which range from a second midterm election (as compared to a less dangerous first midterm in the Clinton administration) to House scandals to an unpopular war — are far more challenging than anything Democratic Congressional candidates faced in 1994.

If you are looking for a midterm election year that is comparable to 2006, you need to move beyond 1994 to include other recent "wave" midterms, particularly 1974, 1958 and 1982. In 1974 and 1958, the president's party, in each case the Republicans, lost 48 seats. In 1982, Republicans lost 26.

Each of these three elections holds a lesson for anyone trying to understand what is likely to happen in House races on Nov. 7.

The 1994 midterm was about Clinton — particularly the Clinton health care plan, gays in the military and his perceived liberalism.

In 1982, the election was about Ronald Reagan and "his recession."

In 1974, the election was about Richard Nixon and Watergate, and then-President Gerald Ford's September pardon of the disgraced former president. To some extent, it also was about a party that too frequently seemed to defend and shield Nixon.

And the 1958 election was about a farm recession and dissatisfaction with the Eisenhower administration in a part of the country that made up a big chunk of the GOP's base.

I don't count 1966 as a midterm wave, although Democrats lost 47 seats in the House while holding the White House. Rather, that midterm was a rebound election, coming two years after the GOP's disastrous 1964 presidential election.

Given that, the past four true midterm wave elections saw the victorious party winning 52, 48, 48 and 26 seats, suggesting a reasonable range for success for Democrats this year.

Given that the political environment right now is worse for Republicans than at any time since 1974 — and that Republicans hold 232 House seats, which is far, far above their level in any of the four previous cycles — their vulnerability is great.

Of course, it matters where a party starts, since an overextended party (that is, one holding lots of seats that ought to belong to the opposition) inevitably has more seats at risk, while one that holds relatively few districts has fewer to lose.

The GOP's 48-seat loss in 1974 was stunning because the party started the election holding fewer than 200 seats. In 1982, Republicans lost 26 seats starting at roughly the same point.

While the GOP isn't overextended now, its 15-seat majority suggests it is now near the upper limit of its "normal" range. It holds a few Democratic seats, and Democrats hold a few Republican seats, but most districts are represented by the "correct" party. Still, with Republicans holding 232 seats in the House, the party has plenty of districts to lose.

So where does this leave us?

With the national environment being as it is — and given the last round of redistricting, which limits possible Democratic gains — Republicans probably are at risk to lose as few as 45 seats and as many as 60 seats, based on historical results. Given how the national mood compares to previous wave years and to the GOP's 15-seat House majority, Democratic gains almost certainly would fall to the upper end of that range.

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The paucity of competitive districts limits Republican risk, but how much? Unfortunately, I don't have an answer. But if redistricting cuts that kind of wave by half, Democrats would gain between 22 and 30 seats next month. And if the new districts slice Democratic gains by a smaller but still significant one-third, Democrats would pick up from 30 to 45 seats.

Dangerously big waves can be very strong and very unpredictable. They can bring widespread destruction and chaos. Republicans now must hope that this year's midterm wave isn't as bad as national poll numbers suggest it could be, because those national numbers suggest a truly historic tidal wave.

War, Economy Sway Race (USAT)

By Susan Page And Jill Lawrence

USA Today, October 24, 2006

WASHINGTON — Two weeks before Election Day, voters are more focused on national issues than in any previous congressional election, a USA TODAY/Gallup Poll finds, and they express unprecedented pessimism on the war in Iraq and downbeat attitudes about the economy.

Just 19% of those surveyed say the United States is winning in Iraq, an all-time low. And 38% say their own member of Congress doesn't deserve re-election, an all-time high.

POLL RESULTS: Congress | Bush | Iraq

As Republicans face a wave of voter discontent unmatched since they won control of Congress in 1994, Democrats are pouring money into congressional contests that until recently looked out of reach. They are running TV ads in 42 districts they are trying to wrest from the GOP, three of them new targets starting today.

Republicans have bought TV time to defend 33 seats and — with the addition today of a Savannah, Ga., district — are targeting five districts held by Democrats.

As the party in control of the government, Republicans need to convince voters that President Bush and Congress are doing a good job, that the war in Iraq was the right thing to do and that the economy is on the upswing — the issues that are driving voter attitudes.

The poll, taken Friday through Sunday, shows no progress made on those fronts.

"It's been more bad news piled on top of already bad news" for Republicans, says Charles Franklin, a political scientist at the University of Wisconsin, Madison.

"Can they turn it around? In principle they can, but time is running short."

Some Republicans concede that Democrats are likely to capture at least one chamber.

"Most people think that we would have a hard time holding the House if we voted today," says Charles Black, a senior GOP strategist and consultant to the Republican National Committee (RNC). "That said, two weeks is a long time."

On one measure, Republicans did see significant improvement. Two weeks ago, likely voters favored the unnamed Democratic congressional candidate in their district over the Republican by 23 percentage points, 59%-36%. The survey was taken immediately after Florida Rep. Mark Foley resigned in the congressional page scandal.

Now, the Democratic advantage on the generic congressional ballot has narrowed to 13 points, 54%-41%.

Still, that is more than the 12-point advantage Republicans held at this point in 1994, weeks before they swept to control of the House and Senate during President Clinton's first term, and higher than the margin held by either party in elections since then.

For months, Rep. Tom Reynolds, head of the National Republican Congressional Committee and who himself is in a tough race, has insisted that GOP candidates would survive a difficult political landscape because House elections traditionally turn on local issues, not national ones.

However, in the new poll, 43% of likely voters say national issues will make the biggest difference in their vote; 24% say local or state issues. That's the first overwhelming edge for national issues since the question was first asked in a Times Mirror poll in 1994.

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A cascade of Republican misfortunes, including a string of ethics scandals and escalating violence in Iraq, has set the stage for a Democratic resurgence. Only an event as dramatic as the capture of Osama bin Laden or a terrorist attack could reverse the trend toward Democrats, analysts say.

"Nobody's listening to the rhetoric anymore," says political scientist Gary Jacobson of the University of California, San Diego. "They're responding to the news."

GOP advantages dwindle

Democrats need 15 new seats in the House and six in the Senate to claim a majority. Non-partisan analysts Stuart Rothenberg and Charles Cook estimate Democrats will gain at least 18 to 20 House seats and possibly more.

Taking over the Senate is a tougher proposition. Democrats are favored to pick up four Senate seats held by Republicans and are competitive in three more in border states: Virginia, Tennessee and Missouri.

Democrats are keeping an eye on a potential pickup in Arizona, Republicans on possibilities in New Jersey or Michigan.

This year, some traditional Republican advantages "aren't quite what they seemed," says political scientist John Pitney at Claremont McKenna College in Claremont, Calif. Among them:

•Money. Republicans have raised more money than Democrats overall, but Democrats are competitive, and some candidates are experiencing a late surge.

The RNC and the GOP House and Senate campaign committees had a combined $77.6 million in cash on hand as of Sept. 30, according to federal reports. The three Democratic committees reported $67.3 million on hand.

Democratic Party committees have invested at least $12.6 million to support Senate hopefuls Claire McCaskill in Missouri, Harold Ford Jr. in Tennessee and Jim Webb in Virginia.

Republican committees have spent $8.6 million in Missouri and Tennessee, including $1.8 million Monday for TV ads against McCaskill.

Brian Nick of the National Republican Senatorial Committee says the GOP may be on the defensive in those three conservative states, but he notes Democrats have been forced to spend heavily to defend seats in New Jersey, Maryland and Michigan — three traditionally Democratic states.

"Those dollars aren't going against our incumbents or for our open seats," he says.

•Redistricting. Pitney, a former Republican congressional aide, says districts mapped after the 2000 Census to protect GOP incumbents are changing and in some cases becoming less Republican.

"We're seeing demographic shifts that are bringing formerly safe Republican seats into reach for the Democrats," he says.

Robert Lang, a demographer at Virginia Tech's Metropolitan Institute, says new, far-flung mobility patterns mean the population and politics of a congressional district can shift "over half a decade, what would seem like the blink of an eye."

Many inner suburbs become more Democratic as Republicans move to outer suburbs. That has helped put into play seats such as the one held by Rep. Deborah Pryce, R-Ohio, near Columbus.

•Economic news. Low unemployment, falling gas prices and a record-setting stock market typically would translate into warm feelings about the economy. But 55% of Americans rate the economy as only fair or poor, and 54% say it is getting worse.

In places where the economy is a top concern — including Ohio, Michigan and Pennsylvania — people are upset about lost jobs, slow-growing wages for many workers and overseas competition. Democrats lambaste their opponents for voting against hikes in the minimum wage, promising a raise if they win control.

•Turnout by conservative Christians. Leaders of conservative Christian groups, including the Family Research Council, have complained that the Republican officials their members helped elect haven't delivered on such issues as a constitutional amendment to ban gay marriage. So-called values voters also have been buffeted by the scandal involving Foley's lewd computer messages to former House pages.

Democrats in several states — including Ohio, Colorado, North Carolina and Tennessee — allude to Foley and other scandals in ads on Christian radio stations.

Melissa Deckman, a Christian-politics expert at Washington College in Easton, Md., says the party may convert some listeners and encourage others to stay home.

"The more likely situation is Christian conservatives are not going to go out and vote," she says.

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Foley was the third GOP House member to resign this year amid scandal. A fourth, Ohio Rep. Bob Ney, pleaded guilty to corruption charges this month. A new problem arose last week when the FBI confirmed it was investigating whether Rep. Curt Weldon, R-Pa., used his position to help his lobbyist daughter get contracts. Two days later, the Democratic Congressional Campaign Committee bought $1.6 million in TV time to run negative ads against him.

'Bogged down' in war

The war in Iraq is the single most powerful issue shaping the public's mood, the survey indicates, and attitudes toward the war have soured significantly. A record 35% say the war is going "very badly" for the United States. The number that says insurgents are winning the war has more than doubled since February, to 21%.

Now, 58% of those polled say the invasion of Iraq was a mistake. Of those with that view, more than three of four are supporting the Democrat for Congress.

"Foreign policy, whether it's Iraq or in general, has become a strong issue for the Democrats, and Republicans are running away from it," New York Sen. Charles Schumer, the Democrats' Senate campaign chief, said in an interview.

Former GOP House majority leader Dick Armey says small-government conservatives don't believe the United States can create a democracy in Iraq and have become convinced the war was unnecessary. "We've gotten ourselves bogged down in a mess we can't get out of," he says.

In the survey, one-third of conservatives called the invasion a mistake, as did two-thirds of moderates and more than 8 of 10 liberals.

Some Republican candidates closely aligned with President Bush have edged away from his "stay the course" message. Virginia Sen. George Allen, facing a stiff challenge from former Navy secretary Jim Webb, has begun talking in the past week about "adapting" and "adjusting" the U.S. approach. Rep. Christopher Shays, R-Conn., for years a staunch war supporter, said this month he is "losing faith" in how it's being fought.

Playing the fear card

Democrats call those shifts too little, too late. "Changing direction in Iraq starts with changing the people we send to Washington," Shays' challenger, Diane Farrell, said Saturday in the Democratic response to Bush's radio address.

Democrats, who since the Vietnam War have battled voter perceptions that they are soft on defense, are finding a more receptive audience for the argument that they could do a better job of protecting America and conducting its foreign policy. In the poll, 52% say the Iraq war has made the USA less safe from terrorism.

Nonetheless, Republicans continue to view the issue of terrorism as their strongest asset — both to persuade independent-minded voters and to energize core supporters. After circulating it in an e-mail to millions of supporters, the RNC broadcast an ad Sunday and Monday that showed bin Laden and other al-Qaeda leaders making threats against Americans and then the orange fireball of an explosion. The only sound: the ticking of a bomb's timer. "These are the stakes," the ad concludes, stark white words on a black screen.

Those words echo an infamous commercial President Lyndon Johnson used against Republican Barry Goldwater in 1964. Then, a girl counting daisy petals gave way to a missile countdown and a mushroom cloud. "These are the stakes," LBJ declared.

Phil Singer of the Democratic Senatorial Campaign Committee says the new GOP ad is a reminder that, five years after the 9/11 attacks, the Bush administration still hasn't caught bin Laden.

'Intensity of feeling' a factor

Though congressional elections customarily turn on local issues, voters by nearly 20 percentage points say national issues will make the biggest difference in their vote.

Bush, whose job approval rating remained at 37%, could be a liability for candidates. By 41%-27%, those surveyed say they are more likely to vote for a candidate who opposes the president than one who supports him.

The RNC has built a get-out-the-vote machine renowned for its sophisticated technology and targeting of potential supporters. Democrats have long relied on a combination of efforts — by labor unions, interest groups, state parties and national committees — that failed to match the GOP operation in the last three elections.

This year, analysts say the underlying landscape favors Democrats.

"The Republicans' turnout operation is better," says Curtis Gans, director of the non-partisan Center for the Study of the American Electorate. "But the intensity of feeling is on the Democratic side. The issue climate is on the Democratic side."

Some groups are trying to harness that intensity. The AFL-CIO is spending a record $40 million to contact union members and encourage them to vote. MoveOn.org is running a Web-based phone bank that matches tens of thousands of volunteers with Democratic-leaning voters in three Senate races and 50 House contests.

Eli Pariser, director of MoveOn's political arm, says the project targets people who voted in the 2004 presidential race but not in the 2002 congressional elections. Some are Democrats, and others are considered likely to support Democrats based on an analysis of consumer data such as magazine subscriptions.

"This is basically a program to deliver 5 million nudges, 5 million phone calls," Pariser says.

Strategists for both sides say that phone banks and other turnout tools can only accomplish so much. "A field program is like a sailboat," Singer says. "You can have a beautiful sailboat that can win the America's Cup, but if there's no wind, it's not going anywhere."

Superior money and turnout aren't enough to prevail this year, the GOP's Black agrees. "We still need to get the national tide to swing back our way a little bit to keep our majority," he says.

Independent Voters Favor Democrats By 2 To 1 In Poll (WP)

By Dan Balz And Jon Cohen

The Washington Post, October 24, 2006

Two weeks before the midterm elections, Republicans are losing the battle for independent voters, who now strongly favor Democrats on Iraq and other major issues facing the country and overwhelmingly prefer to see them take over the House in November, according to a new Washington Post-ABC News poll.

The new poll underscores how much of a drag the war threatens to be on Republican candidates in competitive races. With debate underway in Washington about possible course changes in Iraq, Americans cite the war as the most important issue in determining their vote next month more often than any other issue, and those who do favor Democrats over Republicans by 76 percent to 21 percent.

Independents are poised to play a pivotal role in next month's elections because Democrats and Republicans are basically united behind candidates of their own parties. Ninety-five percent of Democrats said they will support Democratic candidates for the House, while slightly fewer Republicans, 88 percent, said they plan to vote for their party's candidates.

The independent voters surveyed said they plan to support Democratic candidates over Republicans by roughly 2 to 1 -- 59 percent to 31 percent -- the largest margin in any Post-ABC News poll this year. Forty-five percent said it would be good if Democrats recaptured the House majority, while 10 percent said it would not be. The rest said it would not matter.

The poll also found that independents are highly pessimistic about the Iraq war and the overall state of the country. Just 23 percent said the country is heading in the right direction, compared with 75 percent who said things have gotten off track. Only a quarter of independents approve of the job Congress has done this year. Only a third say the Iraq war is worth fighting. A month before the 2004 election, independents were almost evenly split on that question.

Independent voters may strongly favor Democrats, but their vote appears motivated more by dissatisfaction with Republicans than by enthusiasm for the opposition party. About half of those independents who said they plan to vote Democratic in their district said they are doing so primarily to vote against the Republican candidate rather than to affirmatively support the Democratic candidate. Just 22 percent of independents voting for Democrats are doing so "very enthusiastically."

Among the electorate as a whole, the poll highlighted how the political climate continues to favor Democrats. President Bush's approval rating among all Americans stood at 37 percent. Two weeks ago he was at 39 percent, and in September he was at 42 percent. By more than 2 to 1, Americans disapprove of the way Congress has been doing its job.

The generic vote for the House -- a question that asks people which party they favor in their district but that does not match actual candidates against one another -- remained strongly in the Democrats' favor, 54 percent to 41 percent.

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These national numbers do not translate directly into predictions of whether Democrats will gain the 15 House seats or six Senate seats they need to take control of those chambers. But an analysis of the findings sheds light on why Republicans are now deeply worried about losing their House majority and why the Senate is in play as well.

The poll showed that Democrats not only have a significant advantage in blue states -- those won in the 2004 presidential race by Sen. John F. Kerry (D-Mass.) -- but also have a narrow advantage in Bush-backing red states, which helps to explain why the number of GOP-held seats that appear competitive has increased recently.

Iraq is cited most frequently as the most important issue in the midterm elections. Two weeks ago, 26 percent of those surveyed cited the war as the single most important issue determining their vote in November, compared with 23 percent who cited the economy and 14 percent who said terrorism. In the new poll, 27 percent said Iraq, 19 percent cited the economy and 14 percent said terrorism.

Independents are almost as likely as Democrats to cite Iraq as the single most important issue in the campaign. Both groups are twice as likely as Republicans to single out the war when asked about the election's top issues.

Independents do not limit their criticism of the war's handling to the president. Fifty-five percent of independents said congressional Republicans deserve a "great deal" or a "good amount" of the blame for problems in Iraq. Fewer, 36 percent, give congressional Republicans credit for helping prevent terrorist attacks against the United States since Sept. 11, 2001.

Bush agreed last week with a commentator's suggestion that a recent surge in violence in Iraq could be equivalent to the 1968 Tet Offensive, which marked a turning point in U.S. public support for the Vietnam War. But the percentage of Americans who believe that Iraq could be another Vietnam is no higher, at 45 percent, than it was in June.

Four in 10 Americans said the war is not worth fighting, and three in four said the war has damaged the United States' image in the rest of the world. Not quite half of those surveyed said that overall, the war has helped to improve the lives of the Iraqi people, a sharp decline since June, when roughly seven in 10 believed it had.

The small decline in the economy's ranking as a top voting issue comes at a time when Americans are increasingly upbeat about the state of the national economy. Fifty-five percent of those surveyed said the economy is "good" or "excellent," a sharp jump over the past two weeks and the highest since Bush took office.

But Republicans appear to be getting little tangible benefit from the growing economic optimism, which has come amid declining gasoline prices and a record high in the Dow Jones industrial average. Those who cite the economy as the most important issue favor Democrats by 18 percentage points, 57 percent to 39 percent.

One reason is that only a quarter of those surveyed said they are getting ahead financially. About the same number said they are falling behind. Most, however, said they are just able to maintain their standard of living. Republicans have an advantage only among those who say their financial condition is improving.

Among those voting primarily on Iraq, Democrats hold a sizable lead, 76 percent to 21 percent, in voting intentions. Democrats also are favored by voters who cite health care as their most important issue, while those voting on terrorism or immigration strongly favor Republicans.

Voters also continue to trust Democrats more than Republicans to deal with the war, the economy, North Korea and ethics in government. On terrorism, the two parties are at parity.

But independents, the key swing voter group, strongly trust the Democrats on all of those issues by margins ranging from 14 percentage points on terrorism to 23 points on Iraq and North Korea and 26 points on ethics in government.

The growing independent support for Democratic House candidates represents a significant shift in attitudes since the 2004 election, when Democrats held only a slim advantage. In winning reelection, Bush narrowly lost the independent vote, 50 percent to 48 percent, and in the vote for the House, independents split 50 to 46 for Democratic candidates.

One important question that will affect the outcome of the elections is who shows up to vote. More Democrats than Republicans, 32 percent vs. 24 percent, said they are "very closely" following the campaign, and Democrats are more likely to be very enthusiastic about voting. Independents show less enthusiasm about this election than do Democrats or Republicans.

Almost three in five respondents said this congressional election is more important than past congressional elections. A higher percentage of Democrats said this election has more significance than did Republicans or independents.

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Both parties are making extraordinary efforts to turn out their voters in November. Twenty-nine percent of registered voters said they had been contacted by one party or the other for their votes, and three in 10 of those said they had been contacted by advocates for both parties.

Republicans appear to be doing a better job of contacting independents. In the poll, 45 percent of those independents who said they had been contacted said they were urged to vote for Republicans, while 17 percent said they were urged to vote for Democrats. The rest said they were contacted by both sides.

The Post-ABC News poll findings are based on telephone interviews with 1,200 adults conducted Thursday through Sunday. The margin of sampling error is plus or minus three percentage points.

In Southwest, A Shifting Away From Party Ties (NYT)

By Kirk Johnson

The New York Times, October 24, 2006

SHOW LOW, Ariz. — Political parties are like cowboy boots in many parts of the West. If one pair doesn't fit, you try on another.

Hal F. Butler is old enough to remember when the boots here in Navajo County were overwhelmingly filled by Republicans, and then, beginning in the late 1940's, how the county turned Democratic. Mr. Butler became a Democrat in the 1950's at the urging of his mother, a staunch Republican who said the Democratic Party was the party of the future for an ambitious young man.

Now Mr. Butler, who is 81 with half a century of elected and appointed office behind him, including a stint as Show Low's mayor, sees an emerging third wave: the age of the independents is here, he said, and his own family is shifting along with it.

"The independent vote is swinging everything," he said. "They're going to be the powerhouse."

Nowhere has the shift been more pronounced in recent years than in the Southwest, where Republicans have enjoyed an overwhelming advantage since the days of Barry Goldwater. Here in Arizona, people who reject the old major party labels are by far the fastest-growing category of voter, with the number of independents doubling over the last 10 years, to more than one in four.

Numbers like that are the stuff that ulcers are made of for party regulars and election prognosticators, who are trying to figure out where the new independents are coming from politically or geographically and where they might hang their hats on Election Day. No one is fully confident. Anxiety is high.

"Arizona has always had an independent streak, but these new voters are of all stripes," said Garrick Taylor, a spokesman for the Arizona Republican Party. "They're going to be a wild card."

But if the trend toward independent voters continues — and there is no sign of faltering — experts say it will lead to more competitive races not only on local and statewide levels but also in the presidential election.

As the Nov. 7 elections approach, the whole idea of party is in flux in many parts of the nation as candidates and voters reassess the connotations — in baggage or benefit — of party association. Some office seekers are omitting their party label on their lawn signs, and some dwell at length on the stump on how much they disagree with their own parties on issues like the environment or stem cell research— all to look more unaffiliated in order to lure the independent vote.

Closer elections and more balanced war chests, meanwhile, in races across the nation are elevating the role of independents regardless of their numbers — and changing as well the strategies of how to reach them, even as they turn their noses up at what the two-party system has become.

"The first message they're sending to us in the political world, and to general public, is 'Don't assume anything,' " said Michael J. Frias, director of campaigns for the Arizona Democratic Party.

Who the independents are is probably the first assumption to discard, politicians and researchers say. Polls by Arizona State University, for example, suggest that younger voters who no longer see the relevance of party membership are one of the largest engines of the growth.

But here in Arizona's First Congressional District, the growing number of independents — about 23 percent — is compounded by a surge in newcomers, especially from California and the Midwest.

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A spokesman for Representative Rick Renzi, a two-term Republican, said many of the new independents were libertarians who rejected party just as they rejected intrusion by government. A spokesman for Ellen Simon, Mr. Renzi's Democrat challenger, said that the independents could not be pigeonholed and that the only reasonable campaign tactic was to talk to them — and talk and talk.

"With the independent voters, you have to talk to them more often, with more frequency and be as specific as possible," said Brandon Hall, the campaign manager for Ms. Simon.

In other races around the country, courting independent voters has coincided with a feeling that party affiliation of any kind this year could be toxic. In New Hampshire, where independent and third-party voters account for more than 40 percent of the electorate, Representative Charlie Bass, a Republican, has run television advertisements proclaiming how different he is from his party.

In Colorado's closely fought Seventh Congressional District outside Denver, lawn signs for the candidates — Ed Perlmutter, a Democrat, and Rick O'Donnell, a Republican — mostly carry no party identification. About one in three voters in Colorado are independents — in the Seventh it is even higher, 37 percent.

Some election experts are skeptical about voter statistics and say party registration as counted by most states is a poor measure of the electorate. Massachusetts, for example, has rules that encourage strategic registration, since independents can vote in any party's primary. Most national surveys have shown little change in the numbers of self-described independents since the late 1970's, but the polls tend to ask about ideological preference rather than actual party registration.

But here in the Southwest, the shift away from major party affiliation has been pronounced. Of the seven states with the fastest-growing proportion of independent or third-party voters from 2000 to 2004, four are clustered in the Southwest — Arizona, California, Nevada, and New Mexico, according to Election Data Services, a nonpartisan consulting company that tracks election information. New Hampshire had the second-fastest growth after Arizona, followed by Florida and Maryland.

And the changes in voter registration have coincided, at least in the West, with a decidedly positive turn for local Democratic candidates in states where Republicans had been dominant, either by history or in number. Four states in the eight-state Rocky Mountain region — Arizona, Montana, New Mexico and Wyoming — now have Democratic governors, up from zero in 2000. And in Colorado, Bill Ritter, a Democrat, has led Representative Bob Beauprez, a Republican, in most polls going into next month's election for governor.

Arizona had the fastest growth in the nation in no-party and third-party registration from 2000 to 2004 among the 25 states that count party numbers, up to 25.5 percent in just four years from 14.7 percent of the electorate, according to Election Data Services. Nationally, the ranks of the independent rose by 21 percent in that period among the 25 party-counting states, compared with a 7.4 percent increase for Democrats and 5.5 percent for Republicans.

Meanwhile, Republicans of Western libertarian bent have chafed as their party has held ever more tightly to the morals-based agenda of its Christian evangelical wing, said Ryan Sager, author of the recently published book "The Elephant in the Room," which chronicles the libertarian-evangelical tension.

California, with Democrats dominant but independents rising in number, also has a moderate Republican governor in Sacramento, which suggests that perhaps nonparty voters are not tilting Democratic at all, that the only certainty is that they have rejected the old labels.

"The Western image of the small-government, leave-me-alone conservative no longer fits into the modern Republican Party," Mr. Sager said in an interview. "And the Democratic Party is not as scary as it used to be."

Experts like Mr. Sager say that places like Navajo County, about three hours northeast of Phoenix, are a natural breeding ground for antiparty sentiment because party labels have always been a bit artificial, reflecting local culture more than ideology, and are therefore easier to shake off. Between the 2000 election and last month, the number of independents here rose from about 15 percent of the electorate to 22 percent heading into the November elections, according to Arizona secretary of state's office. Shifts like that are getting politicians' attention all around the country.

"Politics has become a winner-take-all game played at the expense of ordinary citizens," said Ben Westlund, a state senator from Oregon who resigned from the Republican Party this year to run for governor as an independent. But Mr. Westlund withdrew from the race in August because he said he did not want to be a spoiler candidate who would skew the election.

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The deepened sense of polarization in American politics is also making the independent voters' journey harder. As recently as the 1970's, for example, many voters told pollsters that they would vote across party lines for a presidential candidate they liked. They have become much less likely to think outside the box in the years since, said Robert Y. Shapiro, a professor of political science at Columbia University.

Here in Show Low, which was named for a turn of the cards in an 1800's property dispute between two ranchers — low card takes all — hardened partisan orthodoxy is exactly the problem. "Both parties are out for themselves," said Greg Butler, Hal Butler's son, who grew up a Democrat but changed to independent in 2004 and said he was supporting candidates in both parties this year. "I think you've got a right to do what you want and a right not to be labeled — I like that," said Mr. Butler, 56.

His son, Dusty Butler, 26, skipped the Democratic phase entirely and went right to independent when he registered for the first time. He plans to vote mostly for Republicans next month, he said.

"I asked Dad a lot of questions, and it made sense to me," he said.

Some Navajo County residents say that because lots of Democrats have voted for Republicans over the years, and vice versa, the divisions between the parties are not as pronounced here, which makes it easier to abandon the idea of a party at all.

Other people say the major parties have simply made people angry.

Hal Butler said that some of environmental protection rules under the Clinton administration, including restrictions on mining, ranching and forestry — the big three traditional industries here in Navajo County — were not popular, to say the least. But Mr. Butler said the Republicans had made no friends by promising to reverse the Clinton rules and mostly failing to follow through.

Mr. Butler said he had kept his Democratic Party membership, for now, in support of his son Gary H. Butler, a Democrat who has been the elected Navajo County sheriff for the last 18 years. When Gary Butler retires in two years, Hal Butler said, that obligation will end and he will quit the Democratic Party and turn independent.

Gary Butler, 60, said he, too, planned to resign his party membership upon retirement, though he was not sure where he would go.

"Right now, both parties are way too far apart and nobody is looking out for the good of the people," he said.

Rising Radical Center (WP)

By E. J. Dionne Jr.

The Washington Post, October 24, 2006

HANCOCK, Mich. -- President Bush's six-year effort to create an enduring Republican majority based on a right-leaning coalition is on the verge of collapse. The way he tried to create it could have the unintended consequence of opening the way for an alternative majority.

This incipient Democratic alliance, while tilting slightly leftward, would plant its foundations firmly in the middle of the road, because its success depends on overwhelming support from moderate voters. That's why a Democratic victory in November -- defined as taking one or both houses of Congress -- would have effects far beyond a single election year.

The Democrats' dependence on moderate voters and moderate candidates belies Republican claims that a Democratic victory would bring radically liberal politics to Washington. In fact, the first imperative of Democratic congressional leaders, if their party is successful, will be finding policies, ideas and rhetoric to allow the party's progressives and moderates to get along and govern effectively together.

The strategy pursued by Bush and Karl Rove has frightened most of the political center into the arms of Democrats. Bush and Rove sought victory by building large turnouts among conservatives and cajoling just enough moderates the Republicans' way. But this approach created what may prove to be a fatal political disconnect: Adventurous policies designed to create enthusiasm on the right turned off a large number of less ideological voters.

The Democrats' lead in the polls can be thus explained by two factors: the energy of a passionate phalanx of voters desperate to use this election to rebuke Bush, and the disenchantment of moderates fed up with the failures of Bush's governing style and ideology, notably in Iraq.

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A survey this month for National Public Radio in the 48 most-contested House districts makes clear that anti-Bush energy is this election's driving force. While only 22 percent of those surveyed by Public Opinion Strategies and Greenberg Quinlan Rosner strongly approved of Bush's performance in office, 44 percent strongly disapproved. This points to a huge enthusiasm deficit for the Republicans.

But the survey also showed that the Democrats' 51 to 40 percent lead in these competitive districts came not just from liberals but also from self-described moderates, who favored the Democrats by 59 percent to 34 percent. There are twice as many moderates as liberals in these key districts, so moderates are the linchpin of Democratic chances.

If a Democratic majority depends on moderate voters, it also depends on the victory of moderate candidates. In five of the seven races likely to decide control of the Senate, Democrats have nominated candidates who simply cannot be seen as conventional liberals.

That is certainly true of Harold Ford Jr. in Tennessee, Jon Tester in Montana, James Webb in Virginia and Claire McCaskill in Missouri. In Pennsylvania, Democrat Robert Casey is moderate or even moderately conservative on many social issues. In House races in more conservative states, Democrats have gone out of their way to find middle-of-the-road candidates.

But Democratic moderation this year carries a sharp edge of economic populism, and a consensus is already developing around health care, energy and corporate accountability. In one his advertisements, Montana's Tester marries fiscal conservatism with an anti-corporate appeal by promising to "stand up to oil company giveaways, no-bid contracts to Halliburton and billions in pork, including bridges to nowhere, all saddling our kids with more and more debt."

One of the Democrats' more conservative House challengers, Heath Shuler in North Carolina, declares that "it's not right when big insurance companies write health care laws and millions can't afford to see a doctor." In Michigan's 8th Congressional District, challenger Jim Marcinkowski's attacks on incumbent Republican Mike Rogers's ties to the energy and health care industries are a key part of his campaign. And Democrats of all stripes have become increasingly pointed in criticizing the president's Iraq policies.

There has long been talk about the rise of a "radical center," made up of voters essentially moderate in their philosophical leanings but radical in their disaffection with the status quo. This looks to be the year of the radical center. If it is, the Democrats will win. And if they win, their task will be to meet the aspirations of a diverse group of dissatisfied and disappointed Americans. Not an easy chore, but one that certainly beats being in the opposition.

With Two Weeks Left, Republicans Should Quit Playing Defense (RC)

By David Winston

Roll Call, October 24, 2006

In the fall of 1982, I was a young opposition researcher at the National Republican Congressional Committee. All that summer, the political environment had become increasingly difficult for Republicans.

Our election strategy had been based on then-President Ronald Reagan's economic plan to turn around the disastrous economy he inherited from former President Jimmy Carter's failed administration. When Reagan took office, interest rates were in double digits with home mortgage rates as high as 15 percent. Americans had been forced to sit in long lines at the gas pumps, only to pay exorbitant prices. Our hostages had been returned, but our national prestige had been badly damaged by Carter's weakness.

The national party's message that year was simply "stay the course" — stick with Reagan's economic policies, we asserted, and America will be strong once again. Unfortunately, party leaders misjudged voter attitudes and patience.

Despite the fact that Reagan's new supply-side economic plan had been in effect less than a year, people wanted to see still more aggressive action, not hear "stay the course." When unemployment hit 10 percent one month before the elections, it became clear that Reagan's policies would not work in time. Still, the party clung to its message, which simply flew in the face of reality. Our faith in the Reagan economic program wasn't misplaced, just mistimed.

Eventually, his policies did restore the country's economy, but not soon enough, as Republicans in the House lost 26 seats that fall. It wasn't long before the joke around town became "stay the curse." Developing election themes can be tricky. External

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events don't always cooperate. In 1982, it was unemployment. This year, it's the Iraq War and an unhappy electorate, which seems convinced, despite overwhelming evidence to the contrary, that the country's economy is on the wrong track.

Much like 1982, an impatient public doesn't want to hear "stay the course." They want a more activist approach focused on solving what they see as the country's problems, as well as their own. With two weeks left before the elections, Republicans ought to take the advice of former Rep. J.C. Watts (Okla.), who used to advise the Republican Conference to "stay on offense." "Stay the course" is defensive, and Republicans need to break out of their self-imposed box — and do it quickly.

Fortunately, the campaign seems to have reached a pivot point. If nothing new emerges concerning the former Rep. Mark Foley (R-Fla.) scandal, the side that defines the focus of political discourse in the last 14 days will go into Election Day with an advantage.

Republicans still have two great strengths — the economy and national security — if they are willing to follow Watts' advice and take their record on offense.

The stock market has hit new highs, which means people are likely to feel better about their retirement and college funds. Unemployment has dipped to a low 4.6 percent, which means people are working.

The Bush economic policies have created more than 6 million new jobs over the past four years, and we're beginning to see wages rise, with an increase of 4 percent over the past 12 months. Homeownership also is at record highs, and gas prices have fallen dramatically.

Thanks to a historic rebound in federal revenues, the deficit has been cut almost in half while state budgets are back in the black, as their revenues continue to grow at a fast pace. Today, Republicans can legitimately argue that a balanced budget is only three to four years away.

That's not a record that reflects stagnant policies or neglect, as Democrats charge. Republicans should take credit for a strong, steady economy that is at least as good, if not better, than the Clinton economic bubble of the late 1990s.

They also should claim credit for keeping America safe for the past five years. The bottom line is this country hasn't been attacked since Sept. 11, 2001. That fact was brought home once again when the U.S. and British governments foiled the London terror plot in September, thanks in part to the president's aggressive intelligence operations.

In September, the Republican Congress passed new port-security legislation to beef up inspections of incoming ships to America's ports. It passed a border-security bill to authorize new tools, including a fence, to stem the tide of illegal immigration and to make our borders more secure and the country safer. And over Democratic objections, Republicans in Congress took action to ensure that we can effectively interrogate terrorists who would do us great harm.

Republicans have a solid record proving they are working to solve many of the nation's most difficult problems with little or no help from Democrats. They need to jettison "stay the course" now, forcefully take their record to the voters, and make Democrats do more than carp and criticize.

Voters will see that Democrats have no real solutions other than to offer themselves up as an alternative to President Bush, an alternative devoid of real ideas. They have no serious plan for Iraq. Their economic program boils down to Rep. Charlie Rangel (D-N.Y.), the likely chairman of the Ways and Means Committee in a Democrat-controlled House, putting us on notice that there isn't a single Bush tax cut "that merits renewal." Voters need to understand that if Democrats take control of Congress, they might as well mark 2010 on their calendars for tax increases, if not sooner.

But voters don't understand. They hear "stay the course," and they instinctively reject what sounds to them like a strategy of the status quo. More to the point, it doesn't accurately represent the president's Iraq or domestic policies. While the goal remains the same, a democratic and free Iraq, strategy and tactics have changed over time to respond to the enemy and, as evidenced this past weekend, will continue to change.

Tax cuts, national security measures, a comprehensive energy plan, a Medicare prescription drug program, class-action litigation reform — these hardly are the hallmarks of a status quo domestic agenda either.

Republicans are not the party of "stay the course" and never have been. It's time they stop acting like it.

David Winston is president of The Winston Group, a Republican polling firm.

Minority Church Leaders Backing Away From GOP (LAT)

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By Peter Wallsten

The Los Angeles Times, October 24, 2006

— A major effort to draw Latinos and blacks into the Republican Party, a central element of the GOP plan to build a long-lasting majority, is in danger of collapse amid anger over the immigration debate and claims that Republican leaders have not delivered on promises to direct more money to church-based social services.

President Bush, strategist Karl Rove and other top Republicans have wooed Latino and black leaders, many of them evangelical clergy who lead large congregations, in hopes of peeling away the traditional Democratic base. But now some of the leaders who helped drive Bush to victory in 2004 are revisiting their loyalty to the Republican Party and, in some cases, abandoning it. "There is a fissure, and I doubt it will be closed in this election," said the Rev. Luis Cortes Jr., a Republican who founded the annual National Hispanic Prayer Breakfast that has featured Bush every year since 2002. His Philadelphia-based Esperanza USA boasts a national affiliate network of more than 10,000 churches.

The Latino backlash has grown so intense that one prominent, typically pro-Republican organization, the Latino Coalition, has endorsed Democrats in competitive races this year in Tennessee, Nebraska and New Jersey. The coalition is chaired by Hector Barreto, the former administrator of the Small Business Administration under Bush; its president is a former strategist for the Republican National Committee.

The disaffection comes as Republicans face a challenge in building enthusiasm for the upcoming election among white evangelicals and other conservatives, who have been the core of the GOP's political base.

Taken together, the unhappiness among these groups could threaten GOP hopes of minimizing losses in the Nov. 7 congressional election and may undercut the party's goal of keeping the presidency in 2008. The Latino Coalition, for example, has endorsed the presumed Democratic presidential front-runner, Sen. Hillary Rodham Clinton (D-N.Y.), in her reelection bid this year.

Complaints among black pastors who had been courted by the White House — while less pronounced than those of Latino leaders — have been fueled by a tell-all book by former White House aide David Kuo. The new book says that Bush, referring to pastors from one major African American denomination, once griped: "Money. All these guys care about is money. They want money."

A White House spokeswoman said Friday that nobody there recalled hearing such a comment from the president.

The Rev. Eugene Rivers, a Boston Pentecostal minister and one of about two dozen black clergy invited to a series of White House meetings with Bush, said Friday that black leaders had been wooed with assurances that their social service groups would receive money from the president's faith-based initiative. But, Rivers said, the bulk of the money had gone to white organizations, leaving black churches on the sidelines.

Rivers plans to send a letter early this week to the White House demanding to know how much social services money has been directed to black churches under the faith-based initiative, and requesting a "new conversation" with Bush.

"There's a growing frustration and anger in the black religious community nationally as the Kuo book makes the rounds," Rivers said. "Meetings at the White House show you the door, but they don't necessarily open the door."

Bush won an estimated 44% of the Latino vote in 2004. While polling numbers vary, many analysts said that represented about a 9-percentage-point improvement from 2000, suggesting that Latinos might become a substantial pillar upholding a durable Republican majority.

But in recent months, Democratic activists who marveled at Bush's success in courting Latino voters watched with amazement as Republicans pushed into law a 700-mile fence along the Mexican border and tried to make it a felony to migrate illegally or to help undocumented immigrants. The latter provision did not become law, but it especially angered some church leaders, who said it would have criminalized their religious duty to help the least privileged in society.

Despite Bush's lobbying for an immigrant guest-worker program, favored by many Latinos, conservative lawmakers in the House refused to bend, forcing Bush to endorse the fence legislation and dimming his popularity among Latinos.

A survey released this month by the Latino Coalition found Latino registered voters supporting Democrats over Republicans 56% to 19% in congressional elections. "If Republicans nationally get 25% of the Hispanic vote, it would be a miracle," said Robert de Posada, the coalition president.

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That disaffection is felt among some of the Latino clergy who were courted by the White House.

The Rev. Danny de Leon of Templo Calvario in Santa Ana, considered the biggest Latino bilingual church in the U.S., said he was so frustrated with his party's response to immigration that he was likely to stay home next month rather than vote for Republican Gov. Arnold Schwarzenegger — and that he might also sit out the 2008 election.

"A lot of people are saying, 'Forget being a Republican. I want to go to the Democratic Party,' " said De Leon. "It's a shame that one issue has divided many of us that have been in the Republican Party for a long time and has brought us to ask the question: Do I or do I not want to belong to this party?"

Pastor Luciano Padilla Jr. of the Bay Ridge Christian Center in Brooklyn said he had backed Republicans because of their views on such issues as gay marriage and abortion. But in the midst of the immigration debate, he said, "We will have to look at where we put our allegiance in the future."

Cortes, of Esperanza USA, says he continues to respect Bush but now has doubts about the GOP. "That group in the Republican Party said, 'We want your parents, your grandparents, we want anyone here without documentation, regardless of why — we want them out,' " he said. "If voting is about personal interest, how are Hispanics to vote? They will vote against those guys."

The White House now faces a symbolic choice on the border-fence legislation: Does Bush rally the GOP base with a large, pre-election signing ceremony, or does he reject such fanfare in hopes of avoiding long-term damage among Latinos?

Republican officials said their internal polls showed the party winning about 32% of the Latino voting bloc this year — similar to the 2002 results that helped the GOP gain seats in Congress.

They said the party would continue its aggressive outreach, focusing on issues such as home ownership, jobs and family values.

"We cannot maintain majority status in America without a growing share of the Latino vote," said Adrian Gray, director of strategy at the Republican National Committee. He said that "when 44% of Latinos supported President Bush in that last election, it opens the door for many of them to vote Republican in the future."

Causing new wrinkles in the White House relationship with evangelicals is the Kuo book, "Tempting Faith: An Inside Story of Political Seduction," in which he describes top White House aides embracing religious conservatives in public while calling them "nuts" behind their backs.

One leading black evangelical who has been an occasional White House guest, Bishop Harry Jackson Jr. of the Hope Christian Church in Maryland, wrote of a similar incident this month.

Jackson railed against senior administration officials who, he said, had insulted clergy at a meeting this year by dismissing their contribution to Bush's reelection in 2004. He also complained about "the GOP's failure" to react speedily to the House page scandal involving Mark Foley, the Republican congressman from Florida who resigned recently.

Jackson still supports some Republicans, including Michael Steele, an African American candidate for Senate in Maryland. But in an essay on the website townhall.com, Jackson offered a caution for the party: "Evangelicals must ask themselves if we can work in harmony with a group that takes us for granted and compromises on major moral principles."

Poll Watchers Split On Hispanic Turnout (WT)

By Keyonna Summers

The Washington Times, October 24, 2006

Hispanic rights activists and immigration-policy researchers disagree on how many Hispanics will turn out to vote on Nov. 7.

Advocates say Hispanics are encouraged by rallies last spring and motivated by local government efforts to limit day-laborer practices and housing of illegal aliens. Researchers argue that the rallies had little effect.

Wilma Linares, of the immigrant advocacy group CASA of Maryland, said local politicians have ignored immigrants' concerns about affordable housing, health care, education and immigration reform, and that Hispanics will respond on Election Day.

"We want our politicians to understand that ... we have 90,000 Latinos who are capable of voting in Maryland alone and we are going to do everything we can for them to get out and vote for those candidates who are really looking to improve their

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response to the issues that we're interested in," Miss Linares said last week at "Your Vote Is Your Voice," a nonpartisan campaign to rally immigrant and black voters.

Researchers say many Hispanics are here illegally and represent the ethnic group with the fewest registered voters. They noted that demonstrations fizzled when legislation to grant illegals a path to citizenship stalled in Congress.

"There's no doubt that the series of events around the national mobilization ... will help serve as a stimulus for Hispanic turnout," said Adam J. Segal, director of the Hispanic Voter Project at Johns Hopkins University.

"But months later we have a situation where the only legislation that's come out of Congress has been a modestly funded and incomplete federal border security program and fence and no real resolution on the status of undocumented workers," Mr. Segal said.

So, "I think there's a real question whether [the Hispanic turnout will] be anywhere near where a lot of community activists had predicted at the time."

More than 17 million Hispanics in the U.S. are eligible to vote, a 7 percent increase from 2004, the Pew Hispanic Center reported. More than 95,000 Hispanics are eligible to vote in Maryland and more than 140,600 are eligible in Virginia.

"What they're really showing is that the number of naturalized immigrants has increased nationally," said Jack Martin, a special projects director for the Federation for American Immigration Reform, a District-based think tank that favors curbs on illegal border crossings.

"What it doesn't show is that there is likely to be any increase in voter participation."

Immigration advocates point to hot-button issues such as driver's licensing, day-laborer centers and local enforcement of federal immigration laws as reasons for Hispanics to go to the polls.

Pew figures show that Hispanic voter turnout increased from 5.5 percent of votes cast in 2000 to 6 percent in 2004.

"We've had a tremendous amount of frustration with the political clog-up on the issues and we expect a lot of voter anger in November," said Kim Propeack, a spokeswoman for CASA of Maryland.

CASA officials said they registered nearly 600 voters during the summer and that citizenship course enrollment has quadrupled.

CASA volunteers plan to knock on at least 100 doors by Election Day and help Executive Director Gustavo Torres make calls to residences. The group is asking people who use its legal, financial, language and employment services to bring at least five friends or relatives to the polls in an effort to increase participation by 30,000 voters.

The Prince George's County chapter of the National Association for the Advancement of Colored People, the D.C.-based African Resource Center and labor unions will join the initiative.

Mr. Segal said that may not be enough to tip the outcome of local elections.

"The most significant challenge is that a large number of Hispanic voters in Maryland are not registered or are not citizens," he said. "And while CASA has a tremendous amount of clout, the question is -- because of who they represent -- how much electoral strength can they garner?"

Control Of The U.S. Senate Down To The Wire In Two Pivatol Races (MINNST)

By Steven Thomma

Minneapolis Star Tribune, October 24, 2006

WASHINGTON -- Republican Senate candidates have fought back to regain an edge in two key races, pivotal battlegrounds that could determine which party controls the Senate, according to a series of new McClatchy-MSNBC polls and a companion Virginia Poll.

Republicans hold narrow leads in Tennessee and Virginia, two states where the party hopes to build a Southern bulwark against a Democratic tide that's threatening their Senate seats elsewhere in the country.

The new polls show Democrats leading in two states they must hold -- New Jersey and Washington -- as well as in five states now held by Republicans: Missouri, Montana, Ohio, Pennsylvania and Rhode Island.

Yet even if Democrats take all seven of those battleground states, they still need to win either Tennessee or Virginia to take control of the Senate. Democrats must gain six seats overall to take a majority. "Control of the Senate is going to come down to

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Tennessee and Virginia," said Brad Coker, the pollster for Mason-Dixon Polling & Research Inc., who conducted the surveys for McClatchy-MSNBC in eight states.

Coker noted that Tennessee and Virginia are culturally conservative states in which Republicans have won Senate campaigns for more than a decade. Also, the Republican candidates in each state appeared to find their footing in recent weeks.

In Virginia, Republican Sen. George Allen stopped losing ground after he was accused of racial insensitivity and went on the attack against his Democratic opponent, James Webb, in part charging that Webb was insensitive to women in the military.

In Tennessee, Republican candidate Bob Corker fired his top campaign staff and went on the attack against his Democratic rival, Rep. Harold Ford.

While many analysts and insiders of both major parties expect the Republicans to lose control of the House of Representatives, the Senate is viewed as a closer contest. Control of either house of Congress is crucial to passing legislation, while the Senate has sole power to confirm appointments to the federal judiciary, including the Supreme Court.

The polls revealed a shifting landscape in recent weeks, with Democrats leading in several states but Republicans not only clawing back in Tennessee and Virginia but also narrowing the gap in Montana. Democrat Jon Tester led incumbent Republican Sen. Conrad Burns by 46 percent to 43 percent. Three weeks ago, Tester led 47-40 percent.

Of the nine key battleground states, Republicans are ahead in two and within the polls' 4 percentage-point margin of error in three more.

Iraq remains the dominant issue in all but one battleground state, despite intense news coverage of the House page scandal, North Korea's nuclear test and record highs in the stock market. That hurts Republicans because those voting on Iraq break for Democrats by margins of 2 to 1 or more.

Terrorism --usually a Republican strength -- has receded as an issue, with the 9/11 anniversary now a memory. Even Republican efforts to rekindle fear of terrorism might not help in most of these Senate campaigns:

• Voters who say they are worried about a terrorist attack on the United States gave the Republican Senate candidate an edge in Montana and Tennessee.

• They favored the Democrat in Pennsylvania and Rhode Island.

• They split almost evenly between the Democrat and Republican in Missouri, New Jersey, Ohio and Washington state.

The polls partly affirmed decisions by Republican leaders to build a Southern wall to protect their Senate majority, steering campaign cash into Missouri, Tennessee and Virginia while pulling it out of states such as Montana, Ohio and Pennsylvania.

The McClatchy-MSNBC Poll is a snapshot of voter opinion at the time it was conducted. It is not a prediction of how people will vote. The poll of 625 likely voters in each state was conducted by telephone Oct. 17-21. Those interviewed were randomly selected by telephone numbers from a cross-section of telephone exchanges. That means anyone in the state with a land-phone line had the same odds of being called as anyone else. Cell phone numbers are not in the exchanges.

The margin of error was plus or minus 4 percentage points. That means that 95 percent of the time, the correct numbers could be up to 4 percentage points above the poll's percentage point findings or up to 4 percentage points below them.

The Mason-Dixon Virginia Poll was conducted for several major state newspapers and made available to McClatchy Newspapers. For the complete results of the latest McClatchy/MSNBC poll, go to www.mcclatchydc.com.

The Money Starts Talking (NYT)

By Adam Nagourney

The New York Times, October 24, 2006

After weeks of Republican and Democratic boasting (and feinting) about what states and districts are in play, the time for bluffing is just about past.

A look at where the Republicans are spending their money makes it increasingly evident that they are choosing to focus on defending a relative handful of Senate and House seats. Democrats are trying to expand the battlefield to races that were not considered competitive even a few weeks ago.

Republicans have all but given up on Senate races in Ohio, Pennsylvania, Montana and Rhode Island. They are pinning their hopes of keeping control on Missouri, Tennessee and Virginia, and are debating whether to try to put Democrats on the

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defensive in New Jersey. Republicans said they would decide in the next few days whether to make a high-risk, all-out assault there on Senator Robert Menendez, to follow up on some relatively small spending done to test the waters.

In the House, Democrats have steadily increased the number of races where they are competing. By Sunday it was 40, including Republican-held seats in California, Minnesota, Nevada and New York. The Republicans have apparently pulled out of two Ohio districts, as well as once-competitive districts in Indiana, West Virginia and South Carolina. ADAM NAGOURNEY

Some Republicans Aren't Sharing The Wealth (WT)

By Charles Hurt

The Washington Times, October 24, 2006

Senate Republicans with enormous campaign war chests are refusing to transfer significant amounts of money to help fellow Republicans who are cash-strapped and face defeat in the final weeks of the campaign.

The stinginess alarms some of the Republican Party's top campaign strategists, especially because it is in such stark contrast to the millions of dollars that Democrats have transferred to their candidates in need.

Control of the Senate will come down to a half-dozen close races next month, and both sides agree that money will likely determine the outcome of each. The Democratic Senatorial Campaign Committee (DSCC) has nearly twice as much money on hand as the National Republican Senatorial Committee (NRSC) for that final sprint to Election Day.

According to the latest figures available, the DSCC has $23 million and the NRSC has $12 million. Much of that difference stems from the disparity in late giving from sitting senators.

"Time is running out," one senior Republican aide said. "People will not want to look back and wonder what more could have been done. That would be a real shame."

The ire of some Republicans in Washington and on the campaign trail has been directed at some of the most senior Republican senators who are harboring millions in campaign cash.

For example, Republican Sens. Richard C. Shelby of Alabama and Kay Bailey Hutchison of Texas both have more than $9 million in their campaign accounts, and there is no limit to how much they can legally transfer to the NRSC.

Mr. Shelby isn't up for re-election until 2010 and won his last election with 68 percent of the vote. His campaign account contains $11.6 million, but he has given $15,000 to the NRSC. If Democrats take over the Senate, Mr. Shelby will have to surrender his chairmanship of the banking committee.

"Senator Shelby is committed to expanding the Republican majority and assisting those who share his conservative philosophy," said spokeswoman Katie Boyd. "Senator Shelby's PAC, Defend America, has contributed heavily to Republican candidates throughout the country."

Mrs. Hutchison, one of the top Republican leaders in the Senate, has $9.5 million on hand, and polls in Texas show her trouncing her opponent by 20 points or more. She has given $115,000 to the NRSC, a little more than 1 percent of her campaign holdings.

Spokesman Marc Short dismissed any criticism and said she's given more than $1.5 million directly to candidates through her political action committee (PAC).

"You would be hard-pressed to find a candidate who is up for election this cycle who has given more than Senator Hutchison," he said.

But given the stakes, Republicans say it's hard not to make comparisons to Democrats who have given far more generously from their campaign accounts.

In all, five Democrats have transferred $1 million or more from their campaign accounts to the DSCC during the current two-year cycle, compared with only one Republican -- Majority Whip Mitch McConnell of Kentucky.

Far and away, the most generous Democrat is Sen. Hillary Rodham Clinton, who has transferred more than $2 million from her campaign account to the DSCC. Sens. John Kerry of Massachusetts, Richard J. Durbin of Illinois, Edward M. Kennedy of Massachusetts and Dianne Feinstein of California also have given $1 million or more from their campaign accounts.

"We wouldn't be in the good position we are in heading into November if we didn't have deep support from the entire Democratic caucus," Phil Singer, spokesman for the DSCC, said yesterday.

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For the NRSC, spokesman Brian Nick said: "We're very pleased with the generous support we have received from our incumbents, which is essential to protecting the majority."

That money is so crucial, campaign strategists say, because it allows the party to dump huge amounts of advertising money quickly into a state that suddenly becomes winnable or suddenly becomes vulnerable.

Many point to Michigan's Senate race in which Republicans say challenger Michael Bouchard is gaining momentum against incumbent Debbie Stabenow. If Republicans had more money, they say, the state would be ripe for picking.

"That's where it hurts," said Jennifer Duffy of the Cook Political Report.

Michigan would be "a reach, but you could make it a race if you had the money to go there."

Other Republicans who have cash on hand but aren't up for re-election or face only minor opposition this cycle are Craig Thomas of Wyoming, Sam Brownback of Kansas, and Norm Coleman of Minnesota.

Mr. Thomas has $1.1 million on hand and is expected to win easily, and Mr. Brownback has $600,000 but doesn't face re-election. Neither has transferred any funds to the NRSC. A spokesman for Mr. Brownback said he's given heavily to candidates this cycle from his PAC.

Of his $1.8 million campaign account, Mr. Coleman has transferred $15,000 to the NRSC. A spokesman said Mr. Coleman just transferred an additional $100,000 to the state party to help Republicans capture the open Senate seat there.

Allen Slightly Ahead In Va. Senate Poll (CCT)

By Bob Lewis

The Contra Costa Times, October 24, 2006

RICHMOND, Va. - Republican Sen. George Allen is slightly ahead of Democratic challenger Jim Webb in a closely watched race that could determine whether the GOP retains control of the Senate, according to a poll published Monday.

A statewide survey by Mason-Dixon Polling & Research Inc. showed that 47 percent supported Allen while 43 percent favored Webb, a former Republican and first-time candidate. Two percent supported independent Gail Parker, and 8 percent were undecided.

The results, published on the Web sites of several Virginia newspapers, are based on telephone interviews conducted Oct. 17-19 with 625 registered voters statewide.

Allen's tenuous advantage is equal to the poll's margin of error of plus or minus 4 percentage points. His campaign was optimistic.

"We know what we have to do and we know how to get there, and when people vote issues and issue differences, they're going to vote for George Allen," said Christopher J. LaCivita, a longtime Allen adviser.

Allen held a 16-point lead over Webb in July but saw it vanish after weeks of damaging developments beginning Aug. 11, when he called a young man of Indian descent "macaca," an obscure racial slur.

Webb's chief strategist, Steve Jarding, said he is confident the Democrat remains on track.

"We feel very good about these numbers and the numbers in other recent polls, including our own, that show Jim moving up while Allen is moving down," Jarding said. "These numbers show Allen has hit his ceiling."

GOP Attack Ad Draws Heat For Racial Overtones (LAT)

By Peter Wallsten

The Los Angeles Times, October 24, 2006

WASHINGTON — A new Republican Party television ad featuring a scantily clad white woman winking and inviting a black candidate to "call me" is drawing charges of race-baiting, with critics saying it contradicts a landmark GOP statement last year that the party was wrong in past decades to use racial appeals to win support from white voters.

Critics said the ad, which is funded by the Republican National Committee and has aired since Friday, plays on fears of interracial relationships to scare some white voters in rural Tennessee to oppose Democratic Rep. Harold E. Ford Jr. Ford is locked in a tight race, hoping to become the first African American senator since Reconstruction to represent a state in the former Confederacy.

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"It is a powerful innuendo that plays to pre-existing prejudices about African American men and white women," said Hilary Shelton, head of the Washington office of the National Assn. for the Advancement of Colored People, the country's oldest civil rights organization.

A former Republican senator, William S. Cohen of Maine, was more blunt. Cohen, who was also Defense secretary under President Clinton, said on CNN that the ad was "a very serious appeal to a racist sentiment."

The 30-second ad features fictional characters satirizing Ford.

A black woman notes that Ford "looks good" and asks, "Isn't that enough?" Others suggest Ford backs privacy for terrorists, accepts money from the pornography industry, wants to raise taxes and backs letting Canada deal with the North Korea nuclear threat.

The character who has raised complaints is a blond woman who speaks in a hushed, suggestive tone and says that she met Ford at "the Playboy party."

At the end of the ad, she reappears and says: "Harold, call me." She winks and holds her hand up as if holding a phone.

Shelton said the ad contradicted the spirit of remarks delivered at last year's NAACP convention by the Republican National Committee chairman, Ken Mehlman, in which he decried those in his party who had tried to "benefit politically from racial polarization." He was referring to the party's so-called Southern strategy of energizing white voters with race-baiting messages about integration and civil rights.

"I am here today as the Republican chairman to tell you we were wrong," Mehlman said in the July 2005 address, in which he also said the party would now use positive messages to draw African Americans to the GOP.

Ford's Republican opponent, former Chattanooga Mayor Bob Corker, has asked Tennessee television stations not to run the spot, calling it "over the top." But the ad has continued to run — and on Monday the Republican National Committee was unapologetic.

"I won't even entertain the premise" that the ad is racially offensive, said Danny Diaz, a Republican Party spokesman. He said the allegation was "not fair and not serious and not accurate."

Diaz said the ad was an "independent expenditure" produced by an arm of the Republican National Committee that is legally prohibited from coordinating with Mehlman. Because of this, Diaz said, Mehlman did not see or approve the ad before its release.

Democratic strategist Donna Brazile said Monday that she was shocked by the ad. Brazile, an African American who has forged a friendship with Mehlman and White House strategist Karl Rove, said she intended to call Mehlman to request that the Republican National Committee discontinue the ad.

"With this ad, Mehlman's apology rings hollow," she said, referring to the 2005 speech.

John Geer, a Vanderbilt University political scientist who published a book this year on attack ads, "In Defense of Negativity," said he had watched the anti-Ford spot repeatedly in recent days.

"I just couldn't believe what I was seeing," he said. "I don't see how you can think it's not playing a racial card. It's making references to interracial sex. It's an ad that is in some sense breaking new lows."

For Mehlman, such criticism is unusual. He has won accolades from African American leaders for aggressive outreach efforts, speaking to more than 50 black organizations since becoming chairman in 2005.

His remarks on the Southern strategy were viewed as a milestone in the GOP effort to diversify the party base by attracting blacks with messages of economic empowerment and appeals to faith.

The party is fielding black candidates in three major races this year in Ohio, Pennsylvania and Maryland.

Ford, though, has proved a challenge for the GOP. He has run as a hawkish Democrat, opposed to amnesty for illegal immigrants and a supporter of banning gay marriage. His race with Corker is considered to be neck-and-neck.

A new response ad by Ford that began airing Monday features the candidate, talking to the camera, accusing Corker of unleashing attacks rather than talking issues.

"If I had a dog," Ford says, "he'd probably kick him too."

In Montana Race, A Yen For Change? (CSM)

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By Amanda Paulson

The Christian Science Monitor, October 24, 2006

BILLINGS, MONT.

As Jon Tester crisscrosses Montana, he chats with voters about his wheat farm, discusses energy independence and healthcare, and stresses a single point: integrity.

Montana, the Democrat insists, is ready for a change from Sen. Conrad Burns, the Republican who has served the state for 18 years. Beloved for bringing home big federal dollars, Senator Burns was also the recipient of nearly $150,000 in campaign donations from convicted lobbyist Jack Abramoff - and Mr. Tester is not about to let Montana voters forget it.

Tester's strategy of making Burns himself the issue seems to be working: Polls now show the farmer/state senator with a slight edge over the incumbent, lifting Democrats' hopes of adding a key seat in their quest to gain control of the US Senate.

In large part, "the election will depend on [Montanans'] evaluation of Senator Burns," says Christopher Muste, an assistant professor of political science at the University of Montana. "Whether, when they go into the voting booth, they're thinking about his problems with the Abramoff scandal and off-the-cuff embarrassing comments he's made, or if they're thinking about the material things he's brought to the state from the federal government."

A former agricultural reporter and livestock enthusiast, Burns has an easy Montana charm. He moves comfortably among his constituents - most of whom call him "Conrad" - and asks distant acquaintances about their parents and children, almost all of whom he seems to remember.

He reminds residents of the $2 billion in federal money he's brought to the state and his coveted seat on the Senate Appropriations Committee. "I've got a little investment here I want to see," he told reporters last week as he toured the new $8 million control tower at the Billings airport.

From the top, Burns admired the view and pointed out where his own house was, on "Alkali Crick." "It's not very big and it ain't very fancy, but it's somewhere to go when it's raining," he said in his drawl. "No matter where you live in Montana, we identify by the crick you live on."

That off-the-cuff style, though, has also gotten Burns into trouble. He called Arabs "ragheads" in a 1999 speech, for instance. His response to a rancher's racist comment about living in the majority-black city of Washington was hardly high-end senatorial: It's "one hell of a challenge," he replied, back in 1994.

Some Montanans shrug off his rough-hewn language with a laugh, noting he's "not a diplomat." But when Burns used crude language to dress down some Virginia firefighters in the Billings airport this summer, many people here were furious. Some admit to being tired of his comments and the Abramoff connections - and of worrying about Montana's public image.

Tester, meanwhile, is capitalizing on his Montana roots. A third-generation wheat farmer with a flat-top haircut and big belly, he hardly fits the image of the Washington senator. But in the Rocky Mountain West, that can be an advantage. "Isn't it time we make the Senate look a little bit more like Montana?" he asks in one commercial.

He's against gun control and gay marriage, and for the death penalty, which are all political requirements in Mountain states. But he's also a populist candidate who speaks eloquently about the need for opportunity and a debt-free future for children, for affordable healthcare and boosts for small businesses and the middle class, and for a plan to withdraw from Iraq.

A former music teacher and custom butcher, Tester recently took five days off from campaigning to harvest crops on his 1,800-acre farm, and has an easy laugh and smile when he meets voters - a staple of campaigning in a state where retail politics is what wins elections. But he gets serious when he starts talking about the values that he says are the background of this election.

"It's all underpinned by honesty and ethics," he says in an interview. "I think people are very concerned by the culture of corruption back in Washington, D.C."

Burns dismisses those charges angrily, telling Tester in a recent heated debate in Billings, Burns's hometown, "Jon, you've dribbled this out for the last 18 months - and there's nothing there."

But some Montanans are listening.

"Conrad Burns has embarrassed Montana long enough," says Valerie McMurtry, a special-ed teacher in Billings, wearing a Jon Tester sticker as she waits in line to see the Billings debate. She used to consider herself an Independent before Burns

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turned her into a Democrat, she adds. "Time magazine called him the first of the worst." Burns himself has noted his tendency toward flip comments, once joking that he "can self-destruct in one sentence - sometimes in one word."

Burns instead tries to remind constituents of his seniority in the Senate and paints his opponent as a tax-raiser who's far too liberal for Montana, which President Bush won by 20 percentage points in 2004.

"The Senate already has one Ted Kennedy, and if Tester is elected it will have a second," says Jason Klindt, Burns's spokesman. The polls, he says, don't worry him. "Voters will take a look at both candidates and see Conrad Burns is the only one with the seniority, experience, and effectiveness to get things done for Montana."

That's the case with some staunch Burns supporters, many of whom dismiss the Abramoff charges as overblown or simply a reality of politics. "If the money doesn't go to us, it'll go to New York or California," says Bernie Hedrick, a court-services worker. "We've got two very powerful people in [Democratic Senator Max] Baucus and Burns."

Still, while Montana may be "red" in presidential elections, it's demonstrated a willingness to vote for its own Mountain version of Democrats, with a popular Democratic governor and a Democratic legislature. And Tester's home-grown approach seems to be working.

"He's a rancher and hard worker and that's my style," says Jeff, a physical therapist at St. Vincent Healthcare who did not give his last name. He says that after shaking Tester's hand he's decided to vote for him. "Burns is not so much connected to Montana anymore - he's lost where he's come from."

Love Chafee, Hate Bush (RC)

By Nicole Duran

Roll Call, October 24, 2006

WARWICK, R.I. — If the Rhode Island Senate race were a popularity contest, Sen. Lincoln Chafee (R) would have no trouble winning re-election.

Unfortunately for Chafee, his opponent's message that a vote for Chafee is essentially a vote in favor of President Bush seems to be resonating in the Ocean State.

Chafee successfully has transferred on to himself the voters' affection for his father and predecessor, the late Sen. John Chafee (R), who died in office in 1999.

Rhode Islanders genuinely like the younger Chafee, who previously served as mayor of Warwick, the state's second-largest city, before being appointed to complete his father's Senate term.

Roberta Coughlin of Cranston, who waits tables at the Eddie & Son diner in downtown Providence, says she is not very political. Nonetheless she has served Chafee numerous times, as she did his father when he was alive, and finds him extremely personable.

The 53-year-old Senator brings his family into the diner — a regular stop for local pols and powerbrokers — and just comes across as a regular person, Coughlin said.

"He's very humble," she said.

And that is where the Chafee appeal lies. Even people who say they plan to vote for Sheldon Whitehouse (D), the state's former attorney general who has a slight lead in the polls, say they like Chafee.

"I don't think Lincoln Chafee is a bad guy, but it's been how long since the Democrats have had anything to say" about how the country is run, asked Pete Wilson of Narragansett, who was part of a pro-Whitehouse rally outside Toll Gate High School in Warwick last Thursday night, where the two candidates squared off in their first televised debate.

"He's a straight shooter and he does have the name," Wilson continued. "You have to look at what's best for Rhode Island. If [Chafee] ran as an Independent, I think the race would be much tougher."

As much as Chafee reminds voters that he was the only Senate Republican to oppose giving Bush the authority to invade Iraq and as much as he plays up how he differs with the national GOP, it is his party affiliation that ultimately might end his Senate career.

"I think people like Lincoln Chafee a lot, but there's so much antipathy toward Bush that Chafee has become the proxy target," said Darrell West, the political scientist who runs the Brown University poll.

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"If he loses, it has very little do with Lincoln Chafee," West said. "It will be because of Bush."

Chafee seems keenly aware of that fact.

During the debate he told voters that he has "not actually been in sync with the president," and ticked off the number of times he has bucked his party in his almost seven years in the Senate. (Chafee previously has acknowledged that he did not vote for Bush in 2004, instead writing in the name of his father, former President George H.W. Bush.)

Rhode Islanders can look at the statue of the Independent Man that sits atop the statehouse in Providence and think, "that's Lincoln Chafee," he said.

Happy Bucks for a Happy Warrior

During a presentation to the Warwick Rotary Club earlier in the day, Chafee sounded more like a Democrat than a Republican. He talked about protecting the environment and the need for stability in the Middle East.

If he is returned to the Senate, Chafee said he would use his seat on the Environment and Public Works Committee and his chairmanship of the subcommittee on fisheries, wildlife and water to push Congress to force U.S. automakers to build more fuel-efficient cars. He also wants the federal government to regulate the emission of carbon dioxide as a way to rein in global warming.

"Shame on Americans for being such consumers," Chafee, who drives a hybrid electric automobile, told the Rotarians.

Chafee received a warm reception from the group assembled for lunch at the Boys and Girls Clubs in Warwick, which was built thanks to an earmark Chafee won during the appropriations process.

Before Chafee began speaking, a slew of Rotarians stood up and threw "happy bucks" — money members donate to announce good news — into the pot in his honor.

One woman put in $1 to celebrate "happy shoers in the Senate." Chafee once worked as a farrier, someone who shoes horses, in Canada. Another contributed $1 because she "already voted for Linc." That prompted Chafee to spring up and throw his own "happy buck" into the pot.

While Chafee tries to hammer home that he can deliver for Rhode Island because he has been in "the right place at the right time in the right party," Whitehouse's campaign is based almost entirely on trying to hang Chafee's party affiliation around him like an albatross.

"The price of Sen. Chafee bringing home that bacon is so high," Whitehouse said during their extremely cordial, hourlong debate. He reminded the audience that the first vote Chafee takes during each new session of Congress is to make a Republican Senate Majority Leader.

"Once that leadership is in place, the dye is set," Whitehouse said. "I accept [that] Lincoln Chafee prefers a different Republican Party, but reality is ... send someone down to vote them out of power. That is the only way to get the Bush agenda out."

Chafee and Whitehouse differ very little in substance or on the issues. Both are polite, liberal politicians who hail from prominent Rhode Island families.

The Chafees are one of the "Five Families" — the term given to the wealthiest, most influential families in the state's early history — while Whitehouse's father was an ambassador. John Chafee and Whitehouse's father, Charles Whitehouse, even were roommates at Yale, prompting a question from the debate audience about what the candidates' fathers would say about the campaign if they were alive (neither answered very effectively).

Questioning Whitehouse's Independence

The candidates' similarities, combined with Bush's unpopularity, have led Chafee to look for a new way to distinguish himself and to highlight his independence from party orthodoxy — and contrast that with Whitehouse's own relationship with Democratic leaders.

Chafee held a news conference last week calling on Whitehouse to answer questions about a public corruption case that emerged when he was attorney general and that just ended with a former hospital president being sent to jail.

He spent most of the debate trying to put Whitehouse on the defensive about the controversy, suggesting that Whitehouse has blanched when faced with the prospect of challenging state Democratic powerbrokers who served on the hospital's board and worked for the medical center.

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"He made a calculated decision not to pursue [the hospital-statehouse case] based on who was involved," Chafee alleged during an interview.

Whitehouse called Chafee's allegations "desperate" and unfounded.

"When you're desperate you revert to desperate measures," Whitehouse said after the debate. "They're bringing it up now because they got nothing else, because they urgently need to distract Rhode Island voters from the consequences of Lincoln Chafee's vote for a Republican Senate."

Whitehouse resisted Chafee's efforts to engage him on the subject during the debate, calculating that there really is no upside in doing so because the issue is too obtuse to penetrate.

He acknowledges there is a risk in his strategy but said the issues and momentum are on his side.

"I'd rather be in the position of talking to voters about issues versus something that happened seven years ago," Whitehouse said. "It's complicated and, frankly, isn't being explained very fairly by them anyway. I'd rather be in the spot where I'm talking to voters about what they care about."

Whitehouse also is enjoying a financial advantage.

Chafee entered the final weeks of the campaign trailing Whitehouse in cash on hand. Whitehouse started October with $1.4 million in the bank, while Chafee had just $583,000.

Since then, Chafee contributed $500,000 from his own deep pockets and triggered the "Millionaires' Amendment," enabling Whitehouse to exceed federal campaign contribution limits.

The national Republican Party spared no expense getting Chafee through his tough primary with Cranston Mayor Stephen Laffey and continues to lavish money on the race.

The Republican National Committee's much-ballyhooed 72 Hour Program to get out the vote largely is credited with Chafee's win in the historically low-turnout Republican primary.

'A General Is Different'

Chafee again will need the votes of independents and Democrats if he is to win Nov. 7, but he dismissed the idea that the results on Election Day will again turn on GOTV.

"In the primary, it was the most important — voter identification and GOTV," Chafee said. "A general is different.

"It's a close election, everything is going to count; it's going to be debates, earned media ... paid media; it's the combination," he said.

Whitehouse said he is confident that if the race comes down to a ground game, his team is prepared.

"I'm waiting to see whether this vaunted Republican 72 Hour Program is really all it's cracked up to be," he said.

While the race undoubtedly will take a few more turns before it is over, in many ways the general election dynamics have not changed at all since the race began. It will still come down to whether Rhode Islanders like Chafee so much that they are willing to shed their Democratic preference and overlook the R after his name.

"There's no doubt there's deep affection in Rhode Island for the job that I've done, but they are very, very angry at President Bush," Chafee said. "But I'm dealing with it."

Steele Shrugs Off Foe's Attacks (WT)

By S.a. Miller And Jon Ward

The Washington Times, October 24, 2006

Maryland Lt. Gov. Michael S. Steele said yesterday that Democratic attacks on his U.S. Senate candidacy have not hurt him but have sparked interest in his status as a black Republican.

"I hear it from people who come up to me who are angry themselves. They are sick of it. They are tired of it. It's like, 'Why are they coming after you?' " Mr. Steele told editors and reporters at The Washington Times.

"The commercials that they have run have really not resonated the way I think they thought they would. It is not scaring people away from me. In fact, it is actually drawing them to pay closer attention," he said.

Mr. Steele expressed support for full congressional voting rights for the District, discussed how his Catholic faith informs his politics and said he expects to win "20 to 25 percent" of the black vote in next month's election.

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He also said that he expects some white voters, including Republicans, will not vote for him because he is black.

"We have factored in in our numbers a percentage drop-off. I'm not silly," Mr. Steele said. "Is it a concern? Sure it is -- like anything.

"Will it be a factor in this race? Absolutely it will. You have to go into this race with your eyes wide open. You can't sit back and pretend that everybody is going to love you and just vote for you because you are a member of their party or you hold their values."

He said that all he can do to counter such attitudes is to "just get in your face."

Mr. Steele's Democratic opponent -- Rep. Benjamin L. Cardin -- has declined an invitation to be interviewed at The Times.

The Cardin campaign has focused on tying Mr. Steele to President Bush as part of a Democratic strategy to dampen the lieutenant governor's appeal among blacks.

Blacks account for about 40 percent of registered Democrats in Maryland, where Democrats outnumber Republicans 2-to-1.

A poll targeted at black voters, which was released yesterday by Ariel & Ethan LLC in the political journal Hotline, showed Mr. Steele with 12 percent of the black vote; 23 percent were undecided.

The poll of 400 black registered voters was conducted from Oct. 11 to 13 and has a margin of error of 4.9 percentage points.

A Baltimore Sun poll showed Mr. Steele with 23 percent of the black vote; Survey USA has shown him gaining as much as 33 percent of the black vote; and an internal Democratic poll in March showed Mr. Steele with 16 percent.

"We don't need polls to tell us that a large majority of African-Americans are frustrated with President Bush and the direction he's taking our nation," Cardin campaign spokesman Oren Shur said. "Michael Steele will support the same failed Bush policies, and everyone knows it."

The internal Democratic poll also identified 44 percent of black voters as undecided, calling the bloc an "emerging black swing vote."

Mr. Steele acknowledged there is still a large segment of black voters who are undecided or conflicted about voting for him because he is a Republican.

"I've just got to keep doing what I'm doing. Whatever I've been doing has gotten me to 46-46 [percent in the polls], so I keep doing that," he said, referring to a recent poll by Survey USA that showed the race to be a dead heat.

Mr. Steele, who was raised in the District and lives in Prince George's County, said he supports D.C. voting rights.

"I think it's very important for the citizens of that community to have full representation. I just do," he said.

Mr. Steele also reiterated that he is a "pro-life Roman Catholic" on abortion, and that although he supports stem-cell research, he does not support such research that destroys human embryos.

However, he said he would not require a "litmus test" of nominees to federal judgeships, saying such tactics do a "disservice" to the nominees and the advise-and-consent process of the U.S. Senate.

"I have no litmus test," he said, "nor should anyone."

In addition, Mr. Steele said he prefers that the states settle the issue of same-sex "marriage," but "should it come to the federal level, then, yes, I would support" a ban on such "marriages."

In 2002, Mr. Steele became the first black to win a statewide election in Maryland, as the running mate of Robert L. Ehrlich Jr., who became the state's first Republican governor in more than 30 years.

Yesterday, Mr. Steele said that he will win his Senate race and that Mr. Ehrlich will win his re-election bid against the Democratic nominee, Baltimore Mayor Martin O'Malley. Mr. Steele said "there is no reason" for Maryland voters to "fire" Mr. Ehrlich.

Cardin Hit From Right, Left On New Iraq Stand (WT)

By S.a. Miller

The Washington Times, October 24, 2006

DOJ_NMG_0085542

Rep. Benjamin L. Cardin has firmed his stance against the Iraq war by demanding an immediate troop withdrawal and now faces criticism from his rivals in Maryland's U.S. Senate race for "pandering" to anti-war voters and jeopardizing the war effort.

"Start the process now," Mr. Cardin, a Democrat, said in a campaign speech last week at Towson University. "We don't need a time schedule, but we should start redeploying now so it is a clear signal to the international community [and] a clear signal to the Iraqis that they need to take responsibility for the defense of their own country. We need to do that now."

Lt. Gov. Michael S. Steele, the Republican nominee for senator, called Mr. Cardin's comments "irresponsible."

"It is pandering to a political mind-set that would ... endanger our soldiers for a political price," Mr. Steele said. "I don't think it is worth playing politics here at home to put our troops in harm's way in Iraq."

President Bush has said that he opposes major changes to the Iraq war plan.

Mr. Cardin, a 10-term congressman from Baltimore, has made his vote against the Iraq invasion the cornerstone of his campaign and often cites it as an example of how he "stood up toPresident Bush."

Still, he has moved his anti-war position steadily to the left from early calls for a "new strategy" in Iraq to his recent support of an immediate exit for troops.

"Mr. Cardin needs to decide what exactly he thinks the policy in Iraq should be," Mr. Steele said. "He's always said that he didn't want a timetable, now he has called for one. He didn't want immediate withdrawal, now he has called for one. I don't know which Ben Cardin we should expect tomorrow."

Mr. Cardin's redeployment plan also drew criticism from anti-war activist Kevin Zeese, the Senate nominee of the Green, Libertarian and Populist parties.

"His election-year rhetoric is inconsistent with his voting record on Iraq," said Mr. Zeese, who advocates a complete troop withdrawal within six months. "He's voted for staying the course, and now he comes up with a vague plan for withdrawal."

He noted that Mr. Cardin repeatedly voted to fund the Iraq war and voted against a measure that would have compelled Mr. Bush to come up with an exit strategy for the war.

The Cardin campaign declined to respond to Mr. Zeese's comments.

"The differences between Ben Cardin and Michael Steele on the war in Iraq are crystal clear," Cardin campaign spokesman Oren Shur said. "Cardin voted against the war; Steele supported it. Cardin has called for a change of course in Iraq; Steele supports the president's failed policies that got us into this mess."

In his Towson University speech, Mr. Cardin also called for the resignation of Defense Secretary Donald H. Rumsfeld, and criticized the lieutenant governor for supporting the war plan.

He said that Mr. Steele and Mr. Bush "cannot acknowledge mistakes and cannot acknowledge when we need to change in order to be able to have a successful completion of what we have done in Iraq."

"I believe we need change," Mr. Cardin said. "Michael Steele believes in the status quo."

Mr. Steele, who since last year has advocated a new war strategy, said calling for Mr. Rumsfeld's resignation was "political hyperbole."

"I think [Mr. Rumsfeld] can do better," Mr. Steele said Friday after opening a Thanksgiving food drive for the poor in Baltimore.

Mr. Cardin said U.S. troops in Iraq could be replaced by the "international community."

He proposed convening an international conference to broker peace in Iraq and negotiate a cease-fire to sectarian violence there. Nongovernmental organizations should take over the job of rebuilding Iraq, Mr. Cardin said.

Michael J. Fox Records TV Ad For Cardin (WP)

By Matthew Mosk

The Washington Post, October 24, 2006

Appearing grimly unsteady from his long bout with Parkinson's disease, actor Michael J. Fox is inserting his halting voice into the campaign for the U.S. Senate in a new television commercial about the importance of stem cell research.

The ad, endorsing Democrat Benjamin L. Cardin in his race against Republican Michael S. Steele, bears witness to the actor's unmistakable decline and harnesses that physical degeneration into a political message.

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"Stem cell research offers hope to millions of Americans with diseases like diabetes, Alzheimer's and Parkinson's," Fox says, seated in a dimly lit hotel room, staring directly into the camera. "But George Bush and Michael Steele would put limits on the most promising stem cell research."

Coming, as it has, just two weeks before Election Day, the commercial could serve as Cardin's antidote to the much-discussed advertising campaign launched by Steele, political analysts said yesterday.

Whereas Cardin to this point has run a series of conventional ads, Steele's visually spare but upbeat spots have won praise for the way they have presented the lieutenant governor as a Washington outsider who pledges to address the worst from both parties.

The Fox commercial makes those ads seem shallow by comparison, said Paul S. Herrnson, a University of Maryland political science professor.

"I think it's aimed at cutting through all the platitudes that normally accompany campaigns and says, 'Here's an issue that affects people's real lives,' " Herrnson said. "You look at him, and you see the effects."

Opponents of embryonic stem cell research who heard about the ad said they found it sad.

"To me, this is a shame that they're exploiting someone like Michael J. Fox for something that the scientists say is not going to do anything," said Douglas Stiegler, executive director of Maryland's Family Protection Lobby.

Steele campaign spokesman Doug Heye agreed, saying he considered the ad "in extremely poor taste."

Fox, who gained fame for his roles in the "Family Ties" and "Spin City" television shows and "Back to the Future" movies, has long been open about his battle with Parkinson's and his support for the research that could lead to a treatment. But in this ad he shows a noticeable degree of decline. His speech is clear but his head and body are jerky and unsteady. The camera remains still -- nothing about the production by Cardin consultant LHKK Media appears aimed at diminishing the striking visual impact of Fox's condition.

Though Fox's illness has progressed, his political involvement has not slowed.

In addition to the Cardin ad, Fox filmed 30-second spots for Senate candidate Claire McCaskill, a Missouri Democrat who is seeking to unseat Republican James M. Talent, and for Wisconsin Gov. Jim Doyle (D), who is seeking reelection. He has also made plans to appear at events for two Democrats, Sen. Robert Menendez of New Jersey and Tammy Duckworth, a candidate for Congress from Illinois.

"He wants to take on races and get involved in races that involve a pro stem cell candidate against an anti embryonic stem cell candidate," said John Rogers, a publicist for Fox.

Cardin aides said Fox contacted the campaign after seeing news accounts of Steele's position on the research. In February, Steele told members of a Baltimore Jewish group, "Look, you of all folks know what happens when people decide they want to experiment on human beings, when they want to take your life and use it as a tool."

He later apologized for the remark, which was interpreted as a comparison between embryonic stem cell research and Nazi experimentation. But he has maintained his position that research on embryos is not needed, especially, he has said, because there is promising research being done on adult stem cells. Heye said yesterday that Steele opposes only stem cell research that destroys the embryo.

Fox's message, though, makes clear that he believes study on adult stem cells is not enough, saying he approves of candidates who "fully" support the research.

"It's why I support Ben Cardin," he says, lifting his hand to his heart. "And with so much at stake, I respectfully ask you to do the same."

To view the Michael J. Fox commercial, go tohttp://www.washingtonpost.com/metro.

A Political Natural, Railing Against Politics (WP)

By David A. Fahrenthold

The Washington Post, October 24, 2006

Even for a politician, Michael S. Steele is said to have an extraordinary handshake. Not too weak but not crushing, either, with eye contact that never breaks off to scan the room. It communicates instant intimacy, a little zap of Clintonesque magic.

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It is a rare thing, though, when Maryland's lieutenant governor stops with just a handshake.

Instead, supporters get a kiss on the cheek, one-armed embrace or even a full-on bear hug. This is the Steele treatment -- as light as a friendly grasp on the elbow or as intimate as a two-handed grasp of the head, all with the same message:

"He likes you," said James G. Gimpel, a government professor at the University of Maryland. "How many people do you meet where you feel, 'He likes me'? That's one of the things that make him a good politician."

Through a series of abandoned careers in the church, law and business, politics is what Steele has done longest and best -- building relationships and winning partisan battles.

Now, as a candidate for the U.S. Senate, he is running vigorously against the political system that promoted him. All the while, though, he is relying on the gifts that have gotten him this far: a confident charm and an intuition that says a hug is better than a handshake.

Here is Steele, 48, campaigning in Hagerstown: "Washington, in my view, has gotten outside of itself. It is a place none of us recognize."

Here is Steele on TV, in one of his ubiquitous blank-background ads: "Washington has no clue of what's going on in your life."

There are a few things odd about Steele's anti-Washington rhetoric -- don't 278,000 of the Maryland voters he's wooing actually work for this clueless federal government? -- but start with the most basic one.

If "Washington" is given its most literal definition, meaning the District, then Steele's nemesis is his own home town.

He was born at Andrews Air Force Base but adopted through a Catholic charity and raised in the Petworth neighborhood of Northwest Washington. Steele's mother and stepfather were Democrats -- and still are, to judge from the campaign sign for D.C. mayoral candidate Adrian M. Fenty (D) in their yard this fall.

Still, despite their dinner-table debates, Steele often cites his parents, especially his mother, as the source of personal values that would later make him a Republican. These included a belief in self-reliance and perseverance and an aversion to government interference in private lives and small businesses.

"She never took a penny of public assistance because, as she put it, she didn't want government raising her kids," Steele said of Maebell Turner when he announced his Senate candidacy last fall.

In his old neighborhood, people remember Steele as a boy who didn't run in the streets with other kids and instead found the center of his life at St. Gabriel Catholic Church. "Hey, let's play church," he would tell his sister, Monica Turner.

"He used to have a glass with vanilla wafers in it, to symbolize the host, and some apple juice in the other glass, to symbolize the wine. I would line up like I was taking communion, and he would practice saying the mass," Turner, a doctor and former wife of boxer Mike Tyson, wrote in an e-mail. "It was too cute."

When Steele got to Archbishop Carroll High School in Northeast, the boy who had once kept to himself became an outgoing actor. In his first productions, he was often consigned to the back row because he was so tall -- but he didn't often stay there.

"Somehow, he always wound his way up to the front," said James Mumford, who oversaw plays and musicals then and later became principal. Steele eventually became a confident leading actor and a graceful dancer, Mumford said, playing the president in "Of Thee I Sing" and the devil in "Damn Yankees."

In 1977, Steele went on to Johns Hopkins University, where his energy and magnetism led him to another prominent role: president of student government.

Hopkins history professor Ronald Walters, sizing up the politically gifted student that Steele had become by then, made a prediction about his future.

"That was that Michael would go a long way in Democratic Party politics," Walters said. "So I was half-right on that one."Called to God, Then to Law

After college, Steele shifted gears radically, moving from his frenetic life on campus to the discipline of a Catholic seminary. He eventually joined a handful of other "novices" at an old house in Lawrence, Mass. The routine there: Mass every day, classes on religious life, and lots and lots of quiet time.

The program was supposed to last a year, but Steele left after six months, in February 1983.

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He says now that God, who had called him to join the program, also called him to leave. But one of his vows, in particular, provided a push.

"Chastity is a state of mind. And certainly, obedience, I could take being told what to do. But poverty -- whew, tough, tough, tough, tough, tough, tough. Just tough," Steele said. He said he was particularly unhappy when his canary-yellow 1973 Ford Torino became the common property of all novices.

After leaving the church as a career, Steele chose the law. He was a paralegal, a law student at Georgetown and then a lawyer from 1991 to 1998, working for a D.C. law office and then for the Mills Corp., the real estate giant.

During that time, though, Steele was laying the seeds for another career.

He and his family -- it now includes his wife, Andrea, and two teenage sons -- had moved to Largo. There, he began his long association with a group that had become the political equivalent of the Washington Generals, eternal doormats for basketball's Harlem Globetrotters.

"This guy says to me that he's here to build the Republican Party in Prince George's County," said Sydney Moore, a businessman active in county politics, recalling what Steele told him in the 1980s. "And I said, 'Wow!' "A Political Rise in an Unlikely Place

The Prince George's GOP was -- and still is -- one of the most beleaguered party organizations in a state that hadn't had a Republican governor since 1969.

Into this picture came Steele, the former seminarian, comfortable with the law and with a microphone. He has said he sometimes felt isolated in the early years because he was one of only a few African Americans in the local party. Others remember meeting someone who was deeply loyal, affable and dynamite when talking to people one-on-one. Someone who was ready to pay his dues.

"He would do the telephone banks. He would do the stuffing. He would put on the labels," recalled Audrey E. Scott, a former County Council member and now Maryland's secretary of planning. "I mean, he was a worker."

And a talker. Steele became party chairman in Prince George's in 1994 and soon became one of the loudest voices in a fight over the county's property-tax cap. Some wanted to lift the cap; Steele and others fought to keep it and won.

There were setbacks: In 1998, Steele ran for comptroller and finished third in the GOP primary. Two years later, though, he ascended to the chairmanship of the state GOP. Thereafter came a major victory, as a redistricting plan from then-Gov. Parris N. Glendening (D) was defeated in court.

"Republicans never win anything" in Maryland, said Christopher West, a Baltimore lawyer who lost to Steele in the race for party chairman. "So it was a very big deal."

Soon, Steele was a very big deal himself. Then-Rep. Robert L. Ehrlich Jr. (R) picked him as a running mate in the 2002 governor's race. When they won, beating an all-white Democratic ticket, Steele became the first African American to win statewide office in Maryland.

His victory also meant that, for the first time in several years, Steele's financial situation was secure.

Since 1999, after he'd left his last job, as a lawyer, Steele had been trying to start a consulting business. Bray Barnes, who became Steele's partner in the firm, said they sought to represent countries or companies in their dealings with the federal government, relying on their Republican contacts in Washington.

"I would say we had pretty limited success," said Barnes, a lawyer in Toms River, N.J. He couldn't remember ever signing up a client. There was at least one: During the campaign for governor, after Barnes was no longer working with the business, the Maryland Republican Party was paying the firm, and by extension Steele, a consulting fee of $5,000 a month.

With little money coming in from the business, Steele has said, he drained retirement accounts. He told an audience in a recent speech that his family went without health insurance for three years.

"Don't break anything, because Daddy can't afford to fix it," he recalled telling his sons then.

On Nov. 5, 2002, Steele's election win erased all that. His current job pays $120,000 a year. A rocketing political career had finally made a struggling business one irrelevant. He savored the victory.

"Is this sweet or what?" Steele told supporters election night, according to news accounts.Fighting the Numbers

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Steele's opponent in the Senate race, Democratic Rep. Benjamin L. Cardin, is a wonkish, pedestrian orator. But so far, Cardin has also proved resolutely unwilling to shoot himself in the foot.

In a state where Democrats outnumber Republicans nearly 2 to 1 -- and where issues such as the Iraq war and the government's handling of Hurricane Katrina might keep black Democrats from crossing party lines -- that might be all Cardin needs to win.

"A good Democratic candidate running a good campaign will beat a good Republican running a good campaign in a statewide race every time, just because of the numbers," said Donald Norris, a public policy professor at the University of Maryland Baltimore County.

To counter this disadvantage, Steele has run a campaign that portrays him as above party, beyond party. In avoiding Republican-specific policy recommendations, however, Steele sometimes ends up sounding as if he's avoiding specifics altogether.

He offers policy proposals, including increased restrictions on lobbyists, tax exemptions for new businesses and a 120-day suspension of the federal gasoline tax.

But often, when pressed on domestic- or foreign-policy questions, Steele responds not with firm positions but with a call for larger, more inclusive discussions.

Energy? Get environmentalists, solar advocates and nuclear people in the room with oil and gas interests. Health care? Get all the players in the room. North Korea? Get China involved.

"We need to get them in the room. We need to get them at the table," Steele said.

The one thing he always mentions is Washington, how the culture of partisan bickering needs to change. Steele, however, is not above a bit of political gamesmanship himself.

At his Hagerstown speech, he criticized Cardin because Democratic Party operatives fraudulently obtained his credit report.

"Anyone who wants my credit report, I'd be happy to give it to you," Steele said. "If you want to know about me, ask me."

Later that day, a Washington Post reporter asked: Is it possible to get your credit report?

"No, it's not," Steele said.

Right now, the polls show Cardin leading Steele. But friends of Steele, who remember him as the giant-killer of the Maryland GOP, aren't convinced.

There are a lot more hands to shake and cheeks to kiss, a lot more connections to be made, before Nov. 7.

"I read the polls, and I don't believe them," said Scott, the Maryland planning secretary. "Because I'll tell you this: I can't believe anyone who meets and talks to Michael Steele will not vote for him."

Just Who Is The Man Behind That Steele Mask? (WT)

By Adrienne Washington

The Washington Times, October 24, 2006

Calling on one of my Sistagirls who lives in Baltimore County to get her take on the U.S. Senate race in Maryland, I got a response that pretty well sums up what may be the biggest problem for the Republican candidate, Lt. Gov. Michael S. Steele.

"I like Michael Steele a lot personally, but I just don't know who he is or where he stands," said this black professional woman. "That's why I don't trust him." Now that he has attracted suitors with those EHarmony-like ads, the real Mr. Steele has to show up in person. He talks a good man-of-the-people game, but how will he play it?

When I reiterated my Sistagirl's nervous sentiments to Mr. Steele at a luncheon with editors and reporters at The Washington Times yesterday, he bristled at the very notion that he is an unknown quantity.

After all, he has been lieutenant governor of the Free State for almost four years, and he has raised the bar so high with his litany of pat-myself-on-the-back accomplishments that his successors "will actually have to work" in the ceremonial position henceforth, he said.

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But the guessing game of the hour rests on whether Michael Steele is a right-wing Republican, an undercover moderate Democrat or a wannabe independent. Just where do this atypical candidate's political loyalties lie? Exactly who constitutes the core constituency to whom he will be beholden?

The street rap on Mr. Steele is that he is hard to read once you get past the friendly smile and platitudes, even for those who have spent time with him. He begs the question posed in those old hair-color commercials, "Does she or doesn't she? Only her hairdresser knows for sure."

I wish I could tell you for sure, one way or the other, about the man behind the steely mask. He definitely has the potential to morph into a hybrid politician, based on the conversations we have had, if he can break away from his big-bucks benefactors. More important, break away from those crude folks who characterize him as "just another Clarence Thomas," which he is not.

But it really is not my job to define Mr. Steele's nebulous candidacy. It is the ultimate Steele campaign challenge, and it hasn't been met well as he tries to beat Rep. Benjamin L. Cardin, the Democrat vying to replace retiring Sen. Paul S. Sarbanes.

Mr. Steele argues that he hasn't been given the chance to get out his message -- a hodgepodge of populist and conservative economic and social policies -- although he has visited nearly three-fourths of municipalities in the state.

He is right when he says too many partisan voters are content to stick with shallow labels, but you must offer them more than shallow stuff when you are up against fear, tradition and blind loyalty to a party that takes voters for granted.

Which brings us to those slick campaign ads that don't mention his "R" affiliation.

"No one else has had to put up [their party label] in their ads," Mr. Steele said. "Why should I?" Because he has to explain himself better. He contends that he has tried to do just that, and unlike "any other candidate in this country," he has had to deal with explaining who he is as a black man and a Republican in every room he enters.

When he was the state Republican Party chairman, Mr. Steele acknowledged, he was "the most partisan man on the block." But after he was elected lieutenant governor, he realized that he had to represent all Marylanders "from the KKK to the NAACP." So he changed.

But how? Where would he place himself now on the political spectrum? "Oh, you want labels?" he said.

Well, yeah, and so do the voters, like my Sistagirl.

"I don't like labels," he answered tersely.

I don't either, but they serve the purpose of giving folks somewhere to start, or land if you are looking to win them over.

How about giving waffling folks like my Maryland Sistagirl a few concrete reasons to take a huge leap of faith and cross over to the Other Side? For instance, how many know about Mr. Steele's calls for more tuition assistance for community colleges and historically black colleges; or more certified teachers assigned to troubled Maryland schools; or his initiatives designed to assist black women who own small businesses, which I heard touted this weekend in, of all places, Virginia? Mr. Steele does possess a Muhammad Ali penchant for fancy footing around tough questions.

But Mr. Steele is more focused and passionate about his concerns on bread-and-butter issues that he thinks the voters want to hear about. For example, he talked about finding ways to reduce high unemployment in black communities, as represented by a man who asked him how to get his 26-year-old son, a University of Maryland graduate, a job so he can move out.

The son of a laundress and a small-business owner, Mr. Steele knows what it is like "not to get a paycheck." Most senators don't have a clue, and he would like to enlighten them.

With two weeks left until Election Day, Mr. Steele says, he is going all over the state and "get in your face" to tell voters exactly who he is.

He is emboldened by his latest polls that show he can expect to receive 20 percent to 25 percent of the black vote in Maryland with another 25 percent still undecided. However, he is admittedly concerned by the prospect of white voters abandoning the Republican Party and voting against him because of his race.

"I'm not silly. ... I know the state I live in," he said.

It's not like he is unaware of his role as Goliath. "We still have a lot to do," he said.

The Steele mystique may soon change. It had better.

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Solidly Republican, Suddenly In Doubt (WP)

By Blaine Harden

The Washington Post, October 24, 2006

COEUR D'ALENE, Idaho -- It is, perhaps, the political equivalent of hell freezing over in the interior West.

This red state where conservative Republicans routinely wipe the floor with hapless Democrats has a Republican running for Congress who just might lose.

The suddenly competitive race is a delicious development for Larry Grant, a Democratic candidate for the House who finds himself transformed from sacrificial lamb to reason for worry among national Republican strategists.

His Republican opponent is Bill Sali, an eight-term state representative with a corrosive reputation for irking his fellow Republicans. The Republican speaker of the Idaho House, Bruce Newcomb, said this spring of Sali: "That idiot is just an absolute idiot."

With an impish smile, Grant, who was a high-tech executive in Boise, took a moment from knocking on residents' doors here last week and said: "Can you imagine Republicans sitting around in Washington and saying to each other, 'Jeez, now we have to spend more money to win -- in Idaho?' "

But spending and worrying the Republicans are, here and in a handful of other usually safe House districts in the West, where unrelentingly grim news from the war in Iraq has combined with smoldering anger over federal deficits and Washington scandals to vivify Democratic candidates who not long ago were reconciled to their fate as biannual Republican roadkill.

President Bush cruised in Idaho in 2004 with 69 percent of the vote. Republicans outnumber Democrats about 2 to 1 in the district where Grant is running, and two years ago the district elected a Republican with 70 percent of the vote.

Previous occupants of the now-open seat include the late Helen Chenoweth-Hage, an archconservative who held hearings in the 1990s on a supposed "black helicopter" federal conspiracy to take away the freedoms of rural Westerners.

Now, to shore up support in Idaho's vast 1st Congressional District -- 500 miles long, from Canada to Nevada, crossing two time zones and three media markets -- the Republican National Congressional Committee spent $135,000 last week for ads against Grant. His campaign says that for the final two weeks of the campaign the Republican committee has committed about $375,000 to buy television and radio time, a figure that approaches Grant's fundraising total for his entire campaign.

"It is a tough year," said Carl Forti, a spokesman for the National Republican Congressional Committee, who declined to say how much it would spend in the 1st District. "We spend a lot of time going over every race in the country, and we want to make sure we fix problems before they become problems."

The problems, though, are not just in Idaho. Just west of the state, there is another growing spot of bother.

In Washington's 5th Congressional District, where former speaker Thomas S. Foley (D) famously lost in 1994 when Republicans seized control of the House, confirmation of an unexpectedly strong Democratic challenge emerged in recent days from a well-placed source: the Republican incumbent, Rep. Cathy McMorris.

"It's a closer race than I first imagined," she told Sen. Larry E. Craig (R-Idaho), according to the Spokesman-Review, a newspaper in Spokane. Changing voter attitudes in her conservative, mostly rural district, she said, have been "pretty dramatic."

McMorris and Craig apparently thought they were speaking privately before the start of a campaign teleconference with veterans. But an operator had connected Spokesman-Review reporter Jim Camden, who was on mute and could not announce his presence.

Craig, who is not up for reelection, told McMorris that she was not alone in feeling Democratic heat. "The new numbers are just devastating," he reportedly said.

McMorris's Democratic opponent is Peter Goldmark, a rancher whose surprising strength has attracted the support of the Democratic Congressional Campaign Committee, which last week began spending $323,000 on television ads opposing McMorris.

In suburban Seattle's 8th Congressional District, the Republican incumbent, Rep. David G. Reichert, a well-known former sheriff from King County, is also facing a robust challenge -- from a political neophyte, Darcy Burner, 35, a former Microsoft executive.

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The race, in a swing district where Democrats consistently win the presidential vote but Republicans hold the House, is widely viewed as a tossup. While behind in total fundraising, Burner has raised more money in recent months than Reichert has. To shore up the former sheriff, who made his name by catching the notorious Green River killer, the Republican National Congressional Committee has recently stepped up spending on television ads.

Here in Idaho, political analysts say that a competitive House race would never have been possible, except for the unlikely convergence of two destabilizing forces -- a noxious national climate for Republicans and a Republican candidate with a knack for being obnoxious. The Republican incumbent in Idaho's only other House seat, Rep. Mike Simpson, once threatened to throw Sali out a window.

Sali, 52, who won a bitter Republican primary against five opponents with 26 percent of the vote, has made strident opposition to abortion the signature issue of his 16-year political career.

Most notably, as Sali said in an interview in northern Idaho on Friday evening, he sees a causal link between abortion and breast cancer. "If you have an abortion, you are at increased risk," he said.

Recent studies of large numbers of women consistently show no such link, according to the National Cancer Institute, one of the federal National Institutes of Health.

Sali's pugnacious rhetoric on abortion and breast cancer during a debate this year in the Idaho House led to a walkout by Democrats and to a public tongue-lashing by House Speaker Newcomb.

"He doesn't have one ounce of empathy in his whole fricking body, and you can put that in the paper," Newcomb told reporters.

At a Republican campaign forum in northern Idaho on Friday night, a middle-aged woman from Bonner County who described herself as a party activist said that she and other Republican women in Idaho are offended by Sali's views on breast cancer.

"Women are angry about that," she said, insisting that she not be identified because of party loyalty. "They see it as an affront to their health issues."

In polls conducted for Grant, the issue showed up as one of the strongest negatives for Sali, according to Celinda Lake, a Democratic pollster based in Washington, D.C.

Political analysts in Idaho say the issue is one of Sali's many problems in securing broad Republican support.

"He has simply aggravated a lot of people over time," said Randy Stapilus, a blogger and former political editor for the Idaho Statesman. "There are a lot of Republican leaders who don't much care for Sali."

Still, this is Idaho.

"There are probably a lot of voters who have never voted for a Democrat, so you have to figure Sali is the more probable winner," Stapilus said. "But this is a different dynamic than we have seen for quite a long time."

Seats In Danger, Democrats Proclaim Their Conservatism (NYT)

By Kate Zernike

The New York Times, October 24, 2006

MACON, Ga., Oct. 19 — Listening to Congressional candidates in middle Georgia, it is easy for someone to think that he is in a different year and, possibly, a different country.

Democrats defend themselves against accusations that they are rubber stamps for their party's leadership. Democrats are defending the war in Iraq. And Democrats — yes, Democrats — strive to align themselves with the president.

"I agree with George Bush on this one," Representative John Barrow ends his new advertisement in favor of abolishing the estate tax.

Charles S. Bullock, a professor of political science at the University of Georgia, said, "It's a bit of a return to yesterday."

For all the talk of this being a Democratic year — experts and party leaders use words like tide or even tsunami — there are a small number of exceptions, places where Republicans believe they can take back seats from the Democrats.

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And these contests are producing some of the fiercest fights — not to mention the most contrarian campaign strategies — of the midterm elections, as Democrats try to boast of their conservative credentials and their opponents try to sequester them on the opposite extreme.

As Mr. Barrow's Republican challenger, Max Burns, declared on Thursday in a debate in Augusta, "My opponent, he started out a liberal and he's trying to get to the right of Attila the Hun."

The number of embattled Democrats has gone down. Republicans at the beginning of the summer said they believed that they could take 10 Democratic seats. Now they say four.

Every one counts. Facing the possibility that control of the House could be decided on the thinnest of margins, Democrats are not taking any race for granted, and Republicans are eager to exploit any potential Democratic weakness.

Two of those four seats are here in Georgia, a predominantly Republican state where redistricting has left two Democratic incumbents, Mr. Barrow and Representative Jim Marshall, unfamiliar to a big chunk of their new constituents.

The others are Representative Leonard L. Boswell, running against a well-financed opponent in Iowa, and Representative Melissa Bean, who is serving her first term from Illinois.

The Economic Freedom Fund, an independent group financed by the Texas homebuilder who bankrolled the Swift boat veterans' attacks against Senator John Kerry in 2004, has singled out Mr. Barrow and Mr. Marshall.

President Bush has campaigned in Georgia for Mr. Burns and Michael Collins, and is to return eight days before Election Day.

The race between Mr. Marshall and Mr. Collins has been expensive and nasty. Voters tell of receiving seven telephone calls a night and as many fliers in their mailboxes. Mr. Marshall said he had decided to begin advertising early, before Labor Day, when the advertising reached such a pitch that the average viewer was seeing 30 advertisements against him for every 7 in his favor each week, most trying to lump him with liberal Democrats.

"I'm spending a lot more time with Nancy Pelosi, Ted Kennedy and Hillary Clinton on TV in middle Georgia than I will ever in my life spend in reality," Mr. Marshall said.

At a pizza and politics rally at a church in Covington, a town west of Atlanta, Mr. Collins listed familiar bogeymen from the left, Representatives John Conyers Jr., Charles B. Rangel and John P. Murtha.

"And last but not least, Congresswoman Nancy Pelosi from California wants to be speaker of the House," he said, his voice low and ominous. "And I tell you, folks, this is the last thing we need in the House.

"The next two years bogged down in investigations, with a judiciary chairman who wants to impeach the president. We don't need those things, folks. So I ask you now, on Nov. 7, vote for Mac Collins to be your congressman. Mac Collins doesn't vote that way. Mac Collins will vote for Denny Hastert, a Republican, to be speaker of the House."

Never mind that other Republican candidates are canceling appearances with Speaker Hastert, who has been caught up in the aftermath of the Congressional page scandal. Here, the Republican candidates are betting that the association with Mr. Hastert helps them.

"If you vote for Barrow, you are giving a vote to Nancy Pelosi," Joan Clay, a Republican, said at the debate in Augusta. "Do you want Nancy Pelosi to be the majority leader?"

At the debate, Mr. Barrow, a lawyer with the bookish look of a grown-up Harry Potter, jabbed his finger in the air and spoke hurriedly while Mr. Burns stood back with a bemused look and the self-assuredness of an incumbent. Senator Kerry won the 2004 presidential vote in Mr. Barrow's district, but Mr. Bush won in Mr. Marshall's, making him more vulnerable, especially against an established and well-financed candidate like Mr. Collins, who served six terms in the House in a previously configured district.

"It's awfully tempting from a Republican perspective," Mr. Marshall, a former law professor and mayor of Macon, said. "I'd have to be kind of foolish to think it wouldn't be a big fight."

Forty-three percent of the voting age population in the new district was not represented by Mr. Marshall under the old lines. So he raised more money than he thought he would need, then spent even more than that and continues to raise money two weeks before the election.

"What I thought would be a $1 million campaign has turned out to be a $2 million campaign," he said.

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While elsewhere, Republicans shun their party label in advertisements, in these districts it is the Democrats who ignore affiliation, declaring themselves, as Ms. Bean does, “a moderate independent voice” or as Mr. Barrow does, “Our congressman on our side,” without mentioning which side that is.

“I have crossed the aisle and worked with the other side more often than almost anyone else,” Mr. Barrow said Thursday in the debate at a lakeside casino in Augusta. “I don’t think either team has it right in Washington 99 percent of the time.”

Republicans have had trouble portraying the two Georgia incumbents as liberals because they have largely conservative voting records. Mr. Collins says that is only because Mr. Marshall has had so many Republican bills to vote on. Mr. Marshall, recently inducted into the Army Ranger Hall of Fame, is also popular with the large military population in the district.

Republicans have tried the “too liberal for Georgia” tactic before, even on Zell Miller, the Democratic senator perhaps most popularly remembered for his fiery speech at the Republican National Convention in 2004. Mr. Bullock says the Democrats have learned from the experience of party members like Max Cleland, whose votes exposed him to accusations of being too liberal.

“If Democrats are going to get elected in this district, they’ve got to stake out the middle position, which is what traditional Southern Democrats did,” Mr. Bullock said. “And when they did, they held the South.”

Clinton Stumps For Local Democrats (CHIT)

By John Biemer And John Chase, Tribune Staff Reporters

Chicago Tribune, October 24, 2006

Former President Bill Clinton spoke at a Chicago fundraiser for U.S. Rep. Melissa Bean and Tammy Duckworth on Monday and praised the suburban Democratic congressional candidates as "independent, clear-thinking, non-ideological, inclusive, commonsensical people."

About 600 supporters attended the event, sponsored by the Democratic Congressional Campaign Committee, that was expected to raise about $800,000 to be split three ways between Bean, Duckworth and the DCCC.

Clinton briefly addressed campaign volunteers and reporters before the closed-door event and said "there is a profound sea change going on in this country—people know that Washington is not working for them.

"The ideologues who run things in Washington today really hate evidence and argument. They consider evidence irrelevant because they already got their mind made up and argument is an inconvenient waste of time, so they govern by assertion and attack," Clinton said. "The first rule in any human endeavor is if you find yourself in a hole, quit digging. The ideologue asks for a bigger shovel."

Duckworth's west suburban 6th Congressional District opponent, Peter Roskam, countered Clinton's visit by appearing with David Beamer, the father of Todd Beamer, a passenger on United 93, the flight hijacked by terrorists that crashed Sept. 11, 2001, in Pennsylvania.

David Beamer, a former Wheaton resident who now lives in Jacksonville Beach, Fla., said he backs Roskam for supporting the Bush administration's fight against terrorism. "It's a different kind of enemy. Their ideology is warped beyond comprehension, and this particular enemy doesn't have the word 'surrender' in their dictionary," Beamer said.

Earlier Monday, a group of 100 African-American ministers endorsed Democratic Gov. Rod Blagojevich for re-election and Ald. Todd Stroger (8th) for Cook County Board president. The minister said they intend to hand out at least 500,000 leaflets promoting the two candidates.

The "Unity in the Community" leaflets include a picture of Blagojevich and Stroger below the phrase, "The People's Slate."

The endorsement came as Stroger's campaign for the first time began airing commercials that promote his positions on increasing access to health insurance and equal pay while attacking Republican leadership. Stroger's Republican opponent is county Commissioner Tony Peraica.

Newly filed campaign disclosure reports show Stroger has raised about $600,000 since July, including more than $300,000 in the last two weeks. Peraica has raised more than $367,000 since July 1, including more than $126,000 in the last two weeks.

In the race for governor, incumbent Democrat Rod Blagojevich reported raising nearly $3.5 million since July 1, including at least $631,000 in donations of $500 or more since Oct. 9. Disclosure documents show Blagojevich got donations of $300,000

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from the Illinois Federation of Teachers, $250,000 from the Laborers' International Union of North America and transferred $204,000 from his congressional campaign account. Aides to Republican Judy Baar Topinka said she would report more than $3 million in donations since July 1, including $687,000 in contributions of at least $500 since Oct. 9.

Born A Rambling Man (RC)

By Mary Ann Akers

Roll Call, October 24, 2006

Having soaked up just about every last bit of limelight from the CIA leak scandal, former GOP-appointed Ambassador Joe Wilson is burning up the campaign trail on behalf of Democrats while apparently planning a full-time move away from Washington, D.C.

Sources tell HOH that Wilson and his wife, Valerie Plame Wilson — who was famously outed as a CIA operative by columnist Robert Novak — have told friends that they are ready to quit Washington. One source says the Wilsons, the parents of 6-year-old twins, have "settled on" Santa Fe, N.M.

Wilson, in a brief telephone chat with HOH, wouldn't confirm where or when they are moving. But he said, "We have entertained for a while now moving out of Washington, D.C. ... My wife no longer has a job in Washington, so we're no longer bound to the city," he said. (Thanks to Richard Armitage for those unemployment checks.)

Wilson — aka The Man Who Called B.S. on WMDs — said he and Valerie haven't sold their home in Washington (though it did sound as if there were a parenthetical "yet" on the end of his sentence). But he wouldn't confirm whether they've bought a house or are looking at houses in Santa Fe. "I don't have any comment on that," he said.

For now, he said, "I'm safely ensconced in Washington, D.C."

Or rather, he's safely ensconced on the campaign trail. As a then-President George H.W. Bush political appointee, Wilson's appeal is particularly useful in swing districts. He has campaigned for such Democratic candidates as Diane Farrell, who is running against Rep. Christopher Shays (R-Conn.); Lois Murphy, who's trying to unseat Rep. Jim Gerlach (R-Pa.); and Iraq War veteran Patrick Murphy, who is taking on Rep. Michael Fitzpatrick (R-Pa.).

Wilson, never one to shy away from the cameras, also is campaigning on behalf of Connecticut Senate candidate Ned Lamont (D), Sen. Bob Menendez (D-N.J.) and former CIA agent Jim Marcinkowski, who's running against Rep. Mike Rogers (R-Mich.), among several others.

"What I'm campaigning for ... is accountability in government," Wilson said. "In my view, the majority that controls Congress has sacrificed the Constitution of the United States on the altar of partisan loyalty, partisan politics."

Hmmm, anybody figure that Wilson, who comes from a modest California political dynasty, is planning a campaign of his own?

Proud to Be a Macaca? In the wake of the "macaca" controversy that knocked Sen. George Allen (R-Va.) off-stride, two young Indian-American brothers in Vienna, Va., have become quite the grass-roots politicos.

With the help of their Democratic parents, the boys, age 10 and 12, designed a "Macacas for Jim Webb" T-shirt, which they're now selling for eight bucks a pop. All proceeds are going to Webb's Democratic Senate campaign, according to their mother, Alli Guleria, an orthodontist in Reston, Va.

Guleria says her boys, Shan, 12, and Neil, 10, have been exposed to "some amount of prejudice" at their small private school in Reston but were "shocked" by Allen's infamous "macaca" moniker for an Indian American at a campaign rally. She and her husband, who were both born in India, had a family meeting to discuss the controversy with their kids, and at that point, she said, "we thought, 'Wouldn't it be hilarious if we called ourselves macacas?'"

So the Democrats decided to embark on the family project to make "Macacas for Webb" T-shirts. The boys have been selling the T-shirts at school, around the neighborhood and to their mom's patients.

"To date, we've sold 38," Guleria said.

One neighbor who hasn't bought one of the boys' T-shirts is Rep. Tom Davis (R-Va.), who lives on the same street as the Gulerias and who occasionally runs in the same circles. Guleria couldn't help herself when she ran into the Congressman at a party on Saturday night and told him about her boys' project.

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"He was gracious," Guleria said of her GOP Congressman neighbor. She quoted Davis as saying, "Everyone is entitled to their opinion." She said he had "nothing but nice things" to say about Webb, and said nothing of Allen or his "macaca" comment.

Checklist for Cheap Senators. In the wake of an Associated Press report that Senate Minority Leader Harry Reid (D-Nev.) paid Christmas bonuses to the staff at his Ritz Carlton condo complex with campaign cash instead of his own money, the Las Vegas Review-Journal opined Sunday, "Is the good Senator a penny pincher?"

The newspaper devised the following checklist led by the question: "You might be a Senate skinflint if ..."

• You ask for a doggie bag in the Senate Dining Room.

• You regift to Howard Dean.

• You have a cash bar at your office holiday party.

• At those boxing matches, you angle for better seats by offering to introduce the usher to 'my good friend, George Washington.'

• You schedule restaurant fundraisers during 'early bird specials.'

• You pawn your BlackBerry, start using messages scrawled on free cocktail napkins.

Can Democrat Dethrone Rep. King? (RC)

By Elizabeth Brotherton

Roll Call, October 24, 2006

On a politically shaded map, Long Island is solidly blue, with the exception of a splotch of red situated just left of the middle.

That is where New York's 3rd Congressional district sits, and for more than a decade, Rep. Peter King (R), the chairman of the House Homeland Security Committee, has had little difficulty maintaining his seat in this Republican stronghold.

However, in an election year when everything seems to be going the Democrats' way, King's re-election might not be a guarantee.

The 62-year-old lawmaker is facing an unexpected challenge from Democrat David Mejias, the first-ever Latino elected to the Nassau County Legislature. Mejias, who was endorsed by The New York Times on Sunday, is touting a poll by the firm Constituent Dynamics that puts him only two points behind King.

Mejias argues that voters in the largely Republican 3rd district are ready for a change.

"From the response that we've gotten, I'd like to think it's because I'm a good candidate," Mejias said. "But I completely understand that it's really about things that are beyond me."

Mejias said King has moved further to the right over the past few elections, against the wishes of his constituents. The challenger called King a "shameful rubberstamp" for President Bush and said that the scandal surrounding former Rep. Mark Foley (R-Fla.) gives him momentum to oust King come Nov. 7.

"I pose a credible threat for him," Mejias said Monday.

Mike Dawidziak, a political consultant in Long Island, said Mejias does pose a threat to King, although he doubts it's the kind of neck-and-neck race that the Constituent Dynamics poll suggests.

Factors that give Mejias some momentum heading into November include the national mood of the country, the Democratic nature of New York and the fact that Republicans haven't mounted a competitive top-of-the-state ticket, Dawidziak said.

"It could become closer than people think it's going to be," Dawidziak said.

Still, Mejias faces a difficult task in defeating King, Dawidziak said. He added that if Republican turnout roughly matches Democratic turnout, King will come out on top.

"He really just needs to say, 'I've been there. I've been doing the hard work,'" Dawidziak said of King. "I think people will react well to that."

Dawidziak added that Mejias' tactic of tying King directly to Bush might backfire.

"I don't think people buy that," Dawidziak said. "I think voters are a lot smarter than people give them credit for."

King, for his part, isn't buying any talk of an upset. The seven-term Congressman labels it pure hype, pointing to recent internal polling giving him a lead of more than 20 points over Mejias.

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And when it comes to money, King truly is on top. According to the latest FEC filings, King has $1.6 million cash on hand, whereas Mejias lags far behind at about $136,000.

King is starting to put all that cash to use, he said. He launched radio ads in September and recently began airing television ads in the high-priced New York City market. One is an endorsement by former New York City mayor Ed Koch (D), while another features the mother of a firefighter killed during the Sept. 11, 2001, terrorist attacks, King said.

King will increase the number of ads leading up to the election, as well as release 10 or 11 mailings to voters throughout the district, he said.

"I take every race seriously," King said. "So I'm going all-out."

At the same time, King argued that Mejias "is doing very little that other guys haven't done."

Past challengers have often had more money than Mejias does, yet King always managed to win anyway. King attributes much of the hype this time around to New York media outlets he doesn't count as allies.

"I don't see him as being a factor," King said of Mejias. "My opponent is Newsday and The New York Times."

Mejias, meanwhile, said he has reached about 80,000 voters through phone calls and door-to-door efforts, and he pointed to a public debate held between the candidates a few weeks ago that Mejias said generated a lot of interest in his campaign.

Born and raised on Long Island, Mejias was elected to the Nassau County Legislature in 2003. A graduate of the Fordham University School of Law, he opened his own law firm at the age of 26. He is the managing partner of David L. Mejias & Associates, which specializes in personal injury, matrimonial and criminal law.

Mejias' campaign has benefited from interest within the Internet grass roots. The debate was posted on YouTube, and liberal blogs, including kingwatch.blogspot.com, have talked up his campaign. By contrast, King does not even have a campaign Web site.

"All these years of not having a credible challenger has made him really arrogant," Mejias said.

Still, one Democratic pollster said any challenger must prove to voters that the incumbent no longer represents their needs and that a curtain surrounds their affairs in Washington, D.C.

"The task of a challenger is to raise that curtain," the pollster said.

In Calif., Charlie Brown Could Have The Last Laugh (WP)

By Shailagh Murray

The Washington Post, October 24, 2006

ROSEVILLE, Calif. -- Charlie Brown for Congress? At first it sounded like a joke.

Brown was an unknown Democrat running in the California Republican heartland. The eight-term incumbent, John Doolittle (R), had crushed his 2004 opponent. Fewer than a third of district voters are registered Democrats. When Brown jumped in a year ago, the Peanuts references were irresistible.

"Good Grief! Charlie Brown Takes on Doolittle," proclaimed one political blog.

There are two types of candidates: the obvious ones, who are recruited to run in key races and get lots of financial and organizational help, and the bootstrap cases, who do it all on their own. Usually these second-tier candidates run and lose in obscurity. But sometimes they get lucky. If a wave breaks next month, Brown is one of many bootstrap Democrats who could be washed into Congress.

The latest polls show that Brown, a retired Air Force lieutenant colonel, has pulled within striking distance of Doolittle, whose well-documented ties to disgraced lobbyist Jack Abramoff may be an albatross. The Democratic Congressional Campaign Committee is increasingly optimistic about Brown's chances and has chipped in an undisclosed amount of cash for the final push. Brown has scooped up local newspaper endorsements and raised $750,000, much of it in recent weeks.

The one person who isn't surprised by this turn of events is Brown, who ignored all the naysayers and trusted his gut that Doolittle could be beaten. The latest news to break his way: Doolittle's campaign reported more than $38,000 in legal fees in his third-quarter fundraising report that are related to a federal investigation into Abramoff's lobbying activities. A Doolittle spokeswoman said the congressman was attempting to be helpful and had not been contacted by prosecutors, but the disclosure put Doolittle on the defensive with weeks to go.

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"It all comes down to someone who lives in the district, and knows it," Brown said of his success. He's not surprised the national party kept its distance all those months. "We've had to show them in Washington that it was worth getting involved. When I got started, there was nothing here to support."

The 4th District is made up of 48 percent Republicans and 30 percent Democrats, with the balance GOP-leaning independents. The geography also is daunting. The district contains 17,000 square miles, from the Sacramento suburbs to the Oregon and Nevada state lines.

But it's a more nuanced landscape than it seems, Brown says.

Bay Area residents are moving east in search of cheaper housing, and although they are not heavily Democratic, many are registering as independents. The Sacramento area was one of the few pockets in the state to vote for a 2005 measure to end partisan redistricting. Doolittle called the initiative politically "stupid."

In June, Doolittle won the GOP primary with 67 percent of the vote, an indication that his base had diminished. The California 4th is home to 102,000 veterans. Brown was raised in a military household and has a son serving in Iraq. He coordinated Air Force surveillance flights over Iraq during the 1990s and opposed the Iraq war from the outset. As conditions in Iraq worsen, he has found local veterans increasingly responsive to his call for setting a timetable for withdrawal.

Running in a political no man's land requires building a campaign operation from scratch. Brown lined up precinct captains and courted local unions and other left-leaning organizations. He traveled to every populated cranny of the district, either alone or with his wife, Jan, a retired Air Force nurse.

Like most candidates, Brown has entered a sort of parallel universe, wired but road weary, a regular at a taqueria next door to headquarters. His campaign has grown bigger and more frenetic, part small business and part family.

One fixture is Joanne Neft, founder of Republicans for Charlie Brown, who canvasses in silver elephant earrings. Another is Don Harper, who runs Veterans for Brown.

Despite all the excitement, the party mantra remained unchanged: "Show me the polls." Brown commissioned a survey last month that showed Doolittle ahead, 41 percent to 39 percent, and 17 percent undecided. Shortly afterward, Brown was endorsed by the Sacramento Bee under the headline "Time for Doolittle to go."

On Oct. 11, the candidates met for a combative two-hour debate. "Nothing like it has ever been seen in Placer County," the San Francisco Chronicle observed.

Doolittle called Brown a "flimflam man." He cited Brown's membership in the American Civil Liberties Union, which Doolittle accused of defending the North American Man/Boy Love Association, which he said "is helping pedophiles get away with their dastardly deeds."

Brown lambasted Doolittle for his relationship with Abramoff and a San Diego businessman implicated in the bribery case that sent former representative Randy "Duke" Cunningham (R-Calif.) to prison. Brown noted that his opponent had accepted a $1,000 donation from Mark Foley (R-Fla.), who resigned from Congress last month in a scandal involving male teenage congressional pages. "Mr. Doolittle knows more about man's love than I do, with his support of Congressman Foley," Brown retorted.

They say timing is everything in politics, but part of that is knowing when an incumbent's time may be up. "There's a whole lot of people who are going to win this year, simply because they showed up," said Amy Walter, who tracks House races for the nonpartisan Cook Political Report. "People who are willing to take the biggest risks often get the biggest rewards."

Parties Preparing For Final Push (RC)

By David M. Drucker

Roll Call, October 24, 2006

Republicans, struggling to retain their Congressional majority under the weight of low approval ratings and bad news out of Iraq, are increasingly pinning their hopes for survival on a get-out-the-vote effort that Democrats acknowledge they cannot match.

Republican strategists are quick to point out that a superior GOTV operation is unlikely, on its own, to salvage races in which their candidate is trailing by even as little as 3 points.

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But for those races in which the Republican is within 2 points or less, they argue that an effective ground game could be the difference between victory and defeat. And they believe their superior turnout operation may help them overcome a sense among pundits that the Republican base will be depressed on Election Day, literally and figuratively.

Democrats — who also trail the GOP in cash on hand — have moved to stem the disadvantage in key battlegrounds, spending millions to create statewide voter files in Missouri and Montana while engineering a coordinated ground game attack in key House districts in Ohio, Pennsylvania and other contested states. Also, the AFL-CIO and MoveOn.org have said they'll spend a combined $52 million on GOTV on the Democrats' behalf.

Equally important, the Democrats expect their base voters to be far more motivated than the GOP's, helping to blunt whatever tactical advantage the Republicans may have.

"People want change. They don't want a rubber-stamp Congress. It's helping us dramatically," Democratic Senatorial Campaign Committee Chairman Charles Schumer (N.Y.) said Sunday on CBS' "Face the Nation."

Still, nothing Democrats and their surrogates do on the turnout front is likely to match the breadth and scope of a nationwide GOP voter-turnout machine engineered by the Republican National Committee.

Developed in part by Republican National Committee Chairman Ken Mehlman following the 2000 elections and repeatedly refined since then, the plan is implemented through millions of volunteers on the ground, under the supervision of paid party leaders at the state, county and precinct levels.

"In an off-year election, the ground game is extraordinarily important," said Republican pollster David Winston, who also is a contributing writer for Roll Call. "What Ken Mehlman has done at the RNC is make sure we keep a strategic edge in terms of our ability to conduct a ground game."

According to the most recent polls, there are at least two Senate races — Missouri and Tennessee — and several House contests (including those in Connecticut, Florida and Indiana, to name a few) where the RNC-run ground war could be the key to GOP chances of maintaining its grip on Capitol Hill.

The Republican operation is credited with pushing now-Rep. Brian Bilbray (R) over the finish line against college lecturer Francine Busby (D) in a June 6 special election in California's 50th district, and pulling Sen. Lincoln Chafee (R-R.I.) past Cranston Mayor Stephen Laffey (R) in the Sept. 12 primary. Vigorously disputing suggestions that their base is dispirited, the RNC noted its operatives have made 14 million voter contacts this year — 7 million since Labor Day — surpassing the level of engagement it enjoyed during the same period in 2004.

Campaign aides for Sen. Jim Talent (R-Mo.), who is trying to hold off state Auditor Claire McCaskill (D) in a neck-and-neck Senate race, said the GOP ground game in the Show Me State is larger this cycle than it was in 2004 — at least based on the number of volunteers on the ground and voter contacts. Bush won Missouri in 2004 by 7 points.

"Everyone has written us off, but races are still close enough for [the ground game] to make a difference," said one Republican strategist with intimate knowledge of the RNC's effort. "We're ahead in some races people think we're behind in."

But the Democrats, believing the playing field is expanding as Nov. 7 approaches, are hardly conceding the ground war to Republicans.

Particularly in their efforts to take control of the House, the Democrats are planning a strong ground game in some districts that they believe might surprise the Republicans, including Ohio's 2nd district — where physician Victoria Wulsin (D) is battling Rep. Jean Schmidt (R) — and Colorado's 4th district, where Rep. Marilyn Musgrave (R) is facing state Rep. Angie Paccione (D).

Democratic strategists say the Democratic Congressional Campaign Committee is on track to spent $10 million on GOTV, with another $2.4 million thrown at the effort courtesy of the Democratic National Committee. The DSCC is spending around $20 million on GOTV this cycle in an effort that began at the cycle's outset, with Schumer allocating money to beef up state parties in 15 states where he anticipated competitive Senate races (the playing field has shrunk since then).

Schumer also prioritized targeting rural and exurban districts that have predominantly voted Republican in recent cycles but that polling data indicated were open to voting for Democrats. Voters in these regions have been identified and to date have been contacted dozens of times, said one Democratic strategist.

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"The biggest advantage [Republicans] have is that they have so much money to throw at it," said a second Democratic strategist familiar with the Democrats' ground game plans, acknowledging that the RNC's GOTV operation is the more advanced of the two.

The Republicans' ground game consists of three key elements.

• Complete coordination: Because the GOP turnout effort is run by the party, the White House, the RNC and House and Senate campaign committees can coordinate with each other and every one of their candidates.

The Democrats, because they are still partly reliant on surrogates like the AFL-CIO for GOTV, cannot necessarily be as tactically efficient as the Republicans.

• Technology: All voter contact information gathered by Republican volunteers is entered into the "Voter Vault" data system for review by party operatives at all levels. Since 2004, entering the information gathered on a voter's characteristics has become more efficient, with the latest data available the same day it is gathered, rather than 24 hours or more following the contact. This allows the GOP to adjust to changing conditions on the ground at an even faster pace.

The relevant information gathered on voters includes whether they vote absentee or on Election Day and what their key issue is, so that the contacts made — whether via telephone, direct mail or in person — are focused on that subject. This information was formerly entered manually; this cycle it's all scanned in on bubble sheets that look similar to the answer sheets used on standardized tests.

• Local volunteers: As with any large-scale GOTV operation, the RNC ships paid staffers and unpaid volunteers to the states and districts that are most in need. But the committee's GOTV strategy regarding voter contacts involves relying on locally based volunteers, the theory being that voters respond more favorably to their friends and neighbors than to strangers.

The 72 Hour Program, which focuses on turning voters out to the polls during the campaign's final three days, also is considered vital to the Republican effort.

Without having the issues or the political environment on their side, however, the Republican ground game might not count for much. Polls show a majority of voters are unhappy with Bush's conduct of the Iraq War and suggest that Democrats might be more motivated to turnout and send a message to Bush than Republicans are to vote their majority back into power.

Democrats claim what could be a critical advantage here, saying unhappiness with the Bush administration combined with a desire for change in Washington, D.C., translate into the political fuel needed to make the turnout engine go. But they also took concrete steps to lessen the advantage Republicans had on the ground in 2004.

They reviewed data from specific voter precincts in targeted states, and they expanded their target area from traditional Democratic strongholds like large metropolitan cities to include Republican leaning suburbs, small towns and rural areas that suggested the population was open to voting Democrat. At the DSCC, Schumer funneled money to build state party organizations, establishing benchmarks to ensure the money wasn't wasted.

"We've worked very closely with the state parties to make sure the financing is there and that the actual work is getting done," a Democratic strategist familiar with the DSCC's efforts said. "We're obviously cognizant of the Republican turnout efforts from years past, but we think we'll be turning some heads ourselves."

Democrats Urge Their Flush Candidates To Share The Wealth (NYT)

By Jeff Zeleny

The New York Times, October 24, 2006

WASHINGTON, Oct. 23 — The balance in the campaign account of Representative Martin T. Meehan, Democrat of Massachusetts, is $4,886,325. It is a muscular sum for a member of the House, and ordinarily it would be hailed as an exhibit of fund-raising savvy.

But in a stream of telephone calls to his offices on Monday, otherwise admiring Democratic constituents had another word for Mr. Meehan: cheap.

With Democrats increasingly convinced that House control is within their grasp, party activists are publicly excoriating politicians in safe districts who have hefty campaign balances. Mr. Meehan, easily re-elected two years ago with 67 percent of the vote, is at the top of a new list being circulated by Democratic bloggers.

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"If he's sitting on all that money, I think he ought to share," said Sue Stafford, 61, a college professor from Andover, Mass., who is one of Mr. Meehan's longtime supporters. "It would be a shame to lose because we don't have enough money."

The not-so-gentle campaign to nudge Democrats — or, in many cases, shame them — into contributing more money to the party is another way bloggers are producing a collision between the old world of politics and the new. Gone are the days when politicians could quietly squirrel away campaign money for that next big election.

Across the country on Monday, Ms. Stafford and thousands of other people received an e-mail message from the liberal-leaning MoveOn.org asking them to urge their representatives to help less fortunate Democratic candidates who now see a chance to win seats previously considered beyond their reach.

Mr. Meehan, who has amassed nearly $5 million for a possible run for the Senate, has contributed $355,000 to the Democratic Congressional Campaign Committee this year. "He is as committed as anyone," said his spokeswoman, Sandra Salstrom, "to having Democratic control of the House on Nov. 7."

But though Mr. Meehan has been appearing at events and vigorously campaigning for other candidates, he has no immediate intention of giving more money, Ms. Salstrom said.

Senator John Kerry of Massachusetts, the Democratic presidential nominee in 2004, came under fire last week when it was pointed out that he had contributed only $15,000 this year to the party's senatorial committee. Heyjohn.org, whose creator has remained anonymous, highlights the fact that Mr. Kerry has $14 million in his campaign accounts.

Dismissing the criticism, his spokesman, David Wade, said Mr. Kerry had contributed $2.8 million to campaign committees, state parties and individual candidates in this election cycle. And in appearances across the country and in Internet appeals, Mr. Wade said, the senator has helped raise about $7 million for candidates.

"Cowards can hide behind anonymous Web sites," Mr. Wade said, "but Democrats out in the country, party leaders and real net-roots activists know how hard John Kerry has fought to win these elections."

It is members of the House, though, who were drawing the most ire from the party faithful on Monday. At least 70 Democratic members of Congress face either no opponent or a nominal Republican challenger, and that was enough to earn them a position on a list of candidates that organizers say will reach 100,000 people by week's end.

MoveOn.org's goal is to get each member of Congress who has at least $200,000 in the campaign account and who does not face a competitive challenge to give 30 percent to other races. MoveOn members are receiving personalized e-mail messages complete with the telephone number of their representative and the amount of money in that candidate's account. Six instructions accompany the e-mail request, including, "Be polite."

Eli Pariser, executive director of MoveOn.org, said of the well-off candidates, "It's one of those moments when they need to put the interest of their party ahead of their own personal ambitions."

Chris Bowers, who writes for the popular political blog MyDD.com, conceived the idea that MoveOn adopted. It was an outgrowth of an online discussion about how Democrats were considering taking out a loan of up to $10 million to challenge Republicans in seats that once did not appear competitive.

"This is an extraordinary election cycle," Mr. Bowers said. "By challenging every seat, we actually stretch Republican resources so thin that we could swing the election."

By the close of business on Monday, organizers said, only Representative Barney Frank of Massachusetts had agreed to contribute 30 percent of his campaign balance, which would amount to nearly $74,000. But other members of Congress, the organizers said, are considering answering the appeal.

"Instead of a small map, we are dealing with a much larger map," said Sarah Feinberg, a spokeswoman for the Democratic Congressional Campaign Committee. "The issue now is making sure we have the resources to play in as many races that are up for grabs."

Clinton Says Rival In 'Swampy Territory' (AP-Y)

By Marc Humbert, Associated Press Writer

AP, October 24, 2006

DOJ_NMG_0085559

Sen. Hillary Rodham Clinton accused her Republican challenger of getting into "swampy territory" after he was quoted Monday as saying that Clinton was unattractive when she was younger and that she had a lot of work done on herself. John Spencer denied discussing the senator's looks during a conversation with a New York Daily News reporter.

The tabloid quoted Spencer as saying: "You ever see a picture of her back then? Whew. I don't know why Bill married her."

Spencer, former mayor of the New York City suburb of Yonkers, was also quoted as saying that Clinton underwent millions of dollars of "work" and "looks good now."

During a campaign stop at a senior citizens center in Watervliet, just outside Albany, Clinton said: "It's unfortunate that when you don't have anything positive to say about the issues that we can get off in some pretty swampy territory."

After the newspaper came out, Spencer said the comments were "a fabrication. I would never call Hillary Clinton ugly. That's outrageous. I didn't do it."

The newspaper's front-page headline screamed "GETTING UGLY."

The reporter, Ben Smith, spoke with Spencer during a flight Friday from New York City to Rochester. He told the AP that Spencer made the comments as Spencer, his wife and Smith sat together. He said he did not tape-record the comments but took notes on his Blackberry.

Clinton adviser Howard Wolfson said Clinton has had no plastic surgery or similar appearance-enhancing work.

"I'm not sure what's worse, that Mr. Spencer made these insulting comments or that instead of owning up and apologizing for them, he is lying about them," Wolfson added. "Either way, it's clear that he is unfit for the U.S. Senate."

Clinton joked with reporters during her stop in Watervliet that "my high-school picture was cute." It was also on the tabloid's front page.

Polls have shown Clinton, 58, far ahead of the craggy-faced, 59-year-old Spencer in the Senate race.

Opponent Is Put On The Spot Over Remarks About Clinton (NYT)

By Marc Santora

The New York Times, October 24, 2006

The two recent debates between Senator Hillary Rodham Clinton and her Republican opponent, John Spencer, may have lacked fireworks. Yesterday, however, the race was set astir by remarks that Mr. Spencer reportedly made before the first debate — comments about Mrs. Clinton's sexuality and physical appearance. .

The commotion started yesterday when The Daily News ran a front-page headline, "Getting Ugly," and reported that Mr. Spencer had claimed that Mrs. Clinton had undergone, in the newspaper's words, "millions in surgery to make her pretty."

The article then quoted derisive comments by Mr. Spencer about the way she looked when she was much younger, including, "I don't know why Bill married her," a reference to former President Bill Clinton.

Mr. Spencer angrily called the report a "complete fabrication" yesterday. He acknowledged that he had talked about how different she looked now and about her changing style. But he said it was in the context of "everyone looking different." He denied saying anything about plastic surgery or questioning Mr. Clinton's marital judgment.

That did not stop Mrs. Clinton from criticizing the comments attributed to Mr. Spencer.

"It's unfortunate that when you don't have anything positive to say about the issues that we can get off in some pretty swampy territory," she said yesterday during a campaign stop outside Albany.

Ben Smith, the Daily News reporter who wrote the article, stood by his account. He said he took notes on his BlackBerry. By chance, the candidate and the reporter were seated in the same row, one seat apart, on a JetBlue flight from New York to Rochester on Friday morning before the first debate. Both Mr. Smith and Mr. Spencer said it was a casual conversation that hit on many topics.

Last night, meanwhile, a columnist for The Journal News in Westchester County said that Mr. Spencer made an off-color remark about Mrs. Clinton's sexuality.

The columnist, Phil Reisman, said that he asked Mr. Spencer by telephone last week if he would use the debates to try to paint Mrs. Clinton as a liberal. "He said words to the effect of, 'Well, you know me, words slip out, but I won't call her a lesbian or anything,' " Mr. Reisman said. "He was definitely joking — he laughed after he said it."

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Asked about the “lesbian” remark, Rob Ryan, Mr. Spencer’s spokesman, said, “As John Spencer said this afternoon, if he offended anyone, he apologizes.”

Mining Midterms For Clues To '08 Field (WSJ)

By Christoper Cooper

The Wall Street Journal, October 24, 2006

BOSTON -- In a state with a legacy of racial tension, Deval Patrick looks poised to become the nation's second black governor ever popularly elected, and to regain the left-leaning commonwealth for the Democrats.

His strategy: tying his opponent not to President Bush but to her political patron, sitting Gov. Mitt Romney, whose politics are moving rightward in preparation for a presidential run.

Lt. Gov Kerry Healey has been running negative ads, even as she claims that she is closer to Mr. Patrick than Mr. Romney on some issues. "Deval and I have some things in common: We both support choice, we both support stem-cell research," Ms. Healey said at a recent debate here. Mr. Romney is opposed to both, and has become more outspokenly so.

In a recent statewide poll, Mr. Patrick had a 13-percentage-point lead over Ms. Healey.

Mr. Romney, who declined to seek re-election, is exploring a bid for the 2008 Republican presidential nomination. In recent months, he has barnstormed the country speaking to conservative groups. Along the way, Mr. Romney has tailored his appeal to core Republican supporters, including conservative Christians who are kingmakers in the presidential nomination process -- and often have a different worldview from the constituents Mr. Romney had to win over in his home state.

The Romney overhang in the Massachusetts governor's race is just one example of how the 2006 election season has begun to define the 2008 presidential contest. A big reason: This will be the first presidential race in decades with no heir-apparent in either party. Jockeying among Republicans and Democrats has begun early, and candidates have sought to use the midterm races to establish a position for when the political spotlight shifts to the White House contest.

Sens. George Allen of Virginia and Hillary Rodham Clinton of New York are both considering presidential runs and both are on the ballot this year in re-election races. A recent comment by Mr. Allen that some perceived as racist has called into question his electability, while Mrs. Clinton's easy Senate re-election bid has given her a massive war chest that may scare off rivals. Illinois Democratic Sen. Barack Obama isn't standing for election but is campaigning for others in a possible test for a presidential run.

For Mr. Romney, a one-term governor with no prior political experience, Ms. Healey's fortunes may speak volumes about his ability to leave a legacy or rally a political base.

Mr. Romney's out-of-state travel has done little to bolster his popularity in Massachusetts, and Mr. Patrick has moved to exploit this, primarily by trying to bind Ms. Healey to the governor in the eyes of voters, even as he tears down Mr. Romney. Last week the Patrick campaign released a list of insults it says Mr. Romney has hurled at the state while traveling. Among them was his statement to a South Carolina group in late 2005 that being a conservative governor in Massachusetts "is a bit like being a cattle rancher at a vegetarian convention." Mr. Romney also has said that if he had to do it all over again, he might have run for governor in Michigan instead of Massachusetts.

Eric Fehrnstrom, a spokesman for Mr. Romney, said the governor didn't sully the state. "Sometimes Democrats confuse criticism of Democratic policies with criticism of the state of Massachusetts, " Mr. Fehrnstrom said. "Gov. Romney loves the state of Massachusetts."

More subtly, Mr. Patrick has stopped using Ms. Healey's full name at many campaign events, favoring instead "the Romney-Healey administration." Mr. Patrick's staff says only Mr. Romney has a more unfavorable rating with voters than Ms. Healey, who was viewed negatively by 42% of voters in a recent poll. "That's why we make it a point on the stump to always say 'the Romney-Healey administration' when we talk about her," said Richard Chacón, Mr. Patrick's spokesman.

A recent television ad from Mr. Patrick's campaign featured big pictures of Mr. Romney and Ms. Healey while an announcer reeled off complaints about their administration: increased property taxes; police layoffs; job losses and the tunnel collapse in the Big Dig, a massive highway project that has been under construction for years.

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Ms. Healey, aiming to become the first female governor of Massachusetts, has shied from having Mr. Romney accompany her on the campaign trail, though Mr. Fehrnstrom said the governor is willing to do whatever is asked of him. "The extent of Gov. Romney's involvement in Kerry Healey's campaign will be determined by Kerry Healey," he said. So far, he said, the extent of Mr. Romney's participation has been "fund-raising behind the scenes."

Ms. Healey's staff says that she doesn't share all of Mr. Romney's political views. In the recent debate at Faneuil Hall, Ms. Healey was challenged to rebuke Mr. Romney for the supposed insults he has directed toward the state. She declined to do so, to boos from the audience.

Mr. Patrick, a political newcomer, appears to have the race well in hand, unlike two other black gubernatorial hopefuls this year -- Kenneth Blackwell in Ohio and Lynn Swann in Pennsylvania, both Republicans, who trail their opponents in polls. If any one of the three wins, he will become the first post-Reconstruction black governor in the nation since Douglas Wilder took the Virginia governor's mansion in 1989.

But before Mr. Patrick can claim victory, he has to fend off a withering campaign by Ms. Healey, who increasingly emphasizes law-and-order issues -- and is trying to turn Mr. Patrick's professional experience against him.

Mr. Patrick is a former lawyer for Coca-Cola Co. and Texaco Inc., and a top federal prosecutor in the Clinton administration. But Ms. Healey has focused on two events -- Mr. Patrick's defense of a convicted Florida cop-killer while he served as a staff lawyer for the NAACP, and his advocacy for a Massachusetts man who has long held that he was unjustly convicted of raping a 59-year-old grandmother in 1983.

The convicted rapist is a man named Benjamin LaGuer, and Mr. Patrick wasn't the only Massachusetts citizen who has taken up his cause over the years. In 1998 and 2000, Mr. Patrick wrote letters of support for Mr. LaGuer and donated to a legal fund to secure a DNA test for the convict. When the test subsequently linked Mr. LaGuer more firmly to the crime, Mr. Patrick, along with other prominent citizens in the state, dropped his support.

Mr. Patrick was slow to acknowledge his advocacy of Mr. LaGuer, which was revealed by the Boston Globe in early October. Ms. Healey reacted with a new campaign ad, featuring grainy footage of a woman walking through a deserted parking garage, using Mr. Patrick's own words to describe the convicted rapist: "He is eloquent, and he is thoughtful; there's no doubt about that," Mr. Patrick said. The narrator then asks "Have you ever heard a woman compliment a rapist?" Mr. Patrick, the ad concluded, "should be ashamed, not governor."

Mr. Patrick, whose campaign initially disclosed writing only one letter on Mr. LaGuer's behalf, said he should have researched the record before speaking.

"I apologize to anyone who feels we didn't come forward with all the facts," he said. "We screwed up in terms of how we have handled doing the homework before we answered questions about this issue, no question about that. And I take the responsibility for that."

Obama Offers More Variations From The Norm (NYT)

By Katharine Q. Seelye

The New York Times, October 24, 2006

PHOENIX, Oct. 23 — Senator Barack Obama, the Illinois Democrat who said Sunday that he was considering running for president in 2008, created a little sunlight on Monday between himself and both Bill and Hillary Rodham Clinton.

For one thing, he said that as a youth he had inhaled.

“When I was a kid, I inhaled,” Mr. Obama said here to an audience of magazine editors. “That was the point.”

The direct admission was in contrast to Mr. Clinton’s denial in his 1992 campaign for president that he had smoked marijuana.

“I didn’t inhale,” Mr. Clinton said, cementing the idea that he liked to have things both ways.

Mr. Obama had written in his first book, “Dreams From My Father” (1995), before entering politics, that he had used marijuana and cocaine (“maybe a little blow”). He said he had not tried heroin because he did not like the pusher who was trying to sell it to him.

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In an interview here on Monday conducted by David Remnick, editor of The New Yorker, at a meeting of the American Society of Magazine Editors, Mr. Obama said he was not making light of the subject.

"It was reflective of the struggles and confusion of a teenage boy," he said. "Teenage boys are frequently confused."

Since Mr. Clinton's statement, the question of drug use has become a standard one for politicians, sometimes as a test of their ability to be straightforward. If the politician has used drugs, conventional wisdom says it is best to try to get the question out of the way early.

Mr. Remnick also asked Mr. Obama for his views about Mrs. Clinton, the New York Democrat who has been a dominant figure in discussions about potential presidential candidates in 2008. Mr. Obama praised her but made clear that he did not agree with her vote for the Iraq war.

"I think very highly of Hillary," he said. "The more I get to know her, the more I admire her. I think she's one of the most disciplined people I know. She's one of the toughest. She's got an extraordinary intelligence, and she's somebody who's in this stuff for the right reasons. She's passionate about moving the country forward on issues like health care and children."

But, he said, they clearly had "different assessments" about the wisdom of going to war in Iraq. Perhaps mindful that he could end up as her vice-presidential running mate, he added that he had it easier because he was not in the Senate at the time, while she had to vote.

Asked how he might campaign against her in a primary, he said he had not thought about that.

But he did sound like a candidate in criticizing the Bush administration in somewhat stronger terms than he has in the past. He called it "the most ideologically driven administration in my memory" and said it was "obstinate in resisting facts," as well as dissent and compromise.

"This administration has done great damage to this country," he said, citing the Iraq war as the chief reason.

Why Not Obama? (WP)

By Richard Cohen

The Washington Post, October 24, 2006

Ancient Rome had a term for a certain political process: cursus honorum , the honors race. It was, I am told by Anthony Everitt in his new biography, "Augustus," the process by which politicians moved up the ladder. Along the way, they were evaluated until, finally, some made it to the top. Nowadays, the system is different. All you have to do is appear on "Oprah."

I am referring, obviously and insidiously, to Barack Obama, who announced Sunday that he might run for president. This followed, of course, the aforementioned appearance on "Oprah" which I, diligent in pursuit of truth, watched. This is how I learned that Obama loves his wife and she loves him and they both love their children. Cursus honorum this is not.

Life itself -- its hard lessons -- cautions me to look with consummate cynicism on the Obama trial balloon. After all, the man has been in the United States Senate for a mere two years, and before that he served -- with distinction, we are told -- in the Illinois legislature, where, it seems, just staying out of jail is distinction enough. We know little about Obama's political performance, since he has performed so little. He is only 45, which is about the age of some of my suits. On the world stage, he would be a child.

And yet I cheer his announcement that he might announce he is going to announce -- something like that. I say this not just because I have been following his career out of the corner of my eye -- my, my, ain't he a natural! -- but because I've actually been reading his speeches. The one he gave on the role of religion in politics was as smart a speech as I've ever read. It's the sort of thing John F. Kennedy could have given, only his would have been written by someone else, probably Ted Sorensen.

I cheer also because Obama is an African American -- an African father, an American mother. For someone like him to be a presidential candidate -- maybe even president -- says oodles about this country. After eight years of George W. Bush and his narcissistic foreign policy -- me, me, us, us -- it would be great to have a president who presents a different message just by his complexion and who compensates, if anything can, for how Iraq has tarnished America's reputation, particularly in the Third World.

But mostly I want Obama to run because he would come into the race with no baggage on Iraq. Not from him would we hear excuses about how he was misled by the Bush administration into thinking there were weapons of mass destruction there.

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Obama not only was against the war when he ran for the Senate but he can claim -- as could the 21 Democratic senators who voted against the war resolution -- that it was possible to accept the "facts" at the time and still see that the war was unnecessary, if not downright stupid. It just makes me wince every time I hear John Kerry or John Edwards or Joe Biden or Chris Dodd or Hillary Clinton say they were misled, fooled, lied to or some other version of seduced and abandoned -- otherwise they would have voted the right way. This is disingenuous.

It can be no coincidence that so many of the Democrats who voted to authorize Bush to go to war had the White House on their minds. It can be no coincidence, either, that with the technical exception of Russ Feingold, none of the Democrats who voted against the resolution are presidential hopefuls. Take, for instance, Carl Levin of Michigan. To read his statements from the time (September and October 2002) is to see someone who accepted that Iraq had weapons of mass destruction but still saw no immediate need for war -- especially not without widespread international support. Levin, in retrospect, had it about right. The others (not to mention myself) did not.

In some respects -- in the Roman way of cursus honorum -- an Obama candidacy would be a joke. He has no executive experience, and I don't know -- neither does he -- if he can make a decision. But if he could sharpen the focus of the other candidates about Iraq, if he could somehow disengage the United States from Iraq -- if he could, in other words, stop wasting American (and other) lives -- then his candidacy would hardly be an insult to the system, as some insist, but a gift.

Treasury Chief Keeps Eyes On The Money, Feet Off The Campaign Trail (WP)

By Elizabeth Williamson

The Washington Post, October 24, 2006

Let's take a look at Treasury Secretary Henry M. Paulson Jr.'s public calendar for this week:

Oct. 23: Unveiling of Currency with New Signature, Bureau of Engraving and Printing, 14th and C Streets SW.

The end.

That's right: While Republicans pounded the campaign trail, struggling to keep their majority in the Nov. 7 midterm elections, Paulson strolled along a production line at the bureau yesterday, watching $20 bills bearing his signature roll off the presses.

According to a Bloomberg News report yesterday, Paulson, unlike his campaign-friendly predecessor, John W. Snow, aims to stay off the stump and in the office, despite the polls. Bloomberg cites a former Bush administration official and another person involved in recruiting Paulson as saying that the White House agreed he would not have to make campaign speeches.

Paulson, 60, a former chairman of Goldman Sachs, took his post in July. Since then, he has confined his out-of-town visits to the financial centers of Chicago and New York, the Bloomberg report says.

Paulson spokeswoman Brookly McLaughlin confirmed that her boss "believes the Treasury secretary should not participate in partisan political activities."

Typically, the secretaries of state and defense and the attorney general don't take part in political campaigns. Other high-level officials have been known to shimmy out of campaign duty as well, citing the appearance of impropriety. But with Democrats poised to win the 15 seats needed to seize a House majority and, perhaps, even the six needed to control the Senate, some Republicans may find it tough to justify keeping the Treasury secretary off the campaign trail -- especially with the administration trying so hard to tout its economic record to voters. But leave it to a financial guru to hedge against changes in fortune.

Among Paulson's predecessors, Nicholas Brady and James A. Baker III hardly campaigned at all. Robert E. Rubin and Lawrence H. Summers made a handful of stops for presidential races. But Snow appears to be the traveling Treasury champion, visiting 20 states during President Bush's 2004 race.

Paulson seems set to let that record stand for now.

Ballot Measures Propose Limits On Judicial Authority (WT)

By Valerie Richardson

The Washington Times, October 24, 2006

DOJ_NMG_0085564

DENVER -- Western conservatives are gunning for the judiciary this election year with a half-dozen ballot measures that would rope in the authority of what they describe as activist judges.

Case in point is Colorado, where former state Senate leader John Andrews tried for years to solve the problem of activist judges who he said routinely legislated from the bench, often at the expense of conservatives.

His efforts in the legislature fell short, but Mr. Andrews isn't finished. He is the prime mover behind Amendment 40, a proposed constitutional amendment that would limit state appellate judges to 10-year terms, making Colorado the first state to limit the office of top-tier judges.

"We see a pattern of ideological and political decisions from the bench, and it points to a consistent tendency of appellate judges in Colorado to rewrite the law," said Mr. Andrews, now a fellow with the Claremont Institute, after a press conference yesterday at the state Capitol.

Amendment 40 faces overwhelming opposition of the state's legal and political establishment. It is opposed by virtually every top lawmaker in the state, including Republican Gov. Bill Owens, Republican Attorney General John Suthers, and former Democratic Govs. Richard Lamm and Roy Romer. The state's leading newspapers have also editorialized against the proposal.

They argue that Amendment 40 would force out good judges, create judicial backlogs and empower governors to stack the courts with partisan picks. The measure would result in a one-time retroactive removal of five Supreme Court judges and seven appellate court judges in 2009, which critics say would deprive the courts of decades of experience.

"This is a misguided measure that would be devastating to Colorado courts," Mr. Suthers said. "Because it is retroactive, a majority of Colorado's justices and judges will be kicked off the bench. This will be bad for Colorado citizens and the judiciary."

Mr. Andrews insists the measure is not an extreme solution, noting that most justices leave the state Supreme Court after less than 10 years anyway.

"This is more of a safeguard against those judges who say they can stay around forever, rather than a radical restructuring of the judiciary," Mr. Andrews said. "At the same time, it's partly symbolic. It sends a message that people are fed up with lawmaking from the bench. Such a rebuke would be felt in Colorado but also other states."

A truly radical solution would be Amendment E, the South Dakota proposal that would eliminate judicial immunity and allow citizens to sue judges. Known as "Jail 4 Judges," the measure would clear the path for lawsuits for offenses that include "blocking of a lawful conclusion of a case."

In Montana, voters will decide whether to approve CI-98, a measure that would allow residents to recall justices or judges for "any reason" and says removal from office is "a political question answered solely by ... the recall election." Judges now may be recalled only for reasons such as mental incompetence and official misconduct.

An Oregon amendment would require appellate judges to be elected from newly created geographic districts in an effort to give the state's more conservative rural areas greater representation on the state's liberal-leaning courts.

In Colorado, a local television poll conducted last month found Amendment 40 leading 55 percent to 40 percent, despite the efforts of the better-financed opposition campaign. Mr. Andrews points to a series of court rulings, most recently the state Supreme Court's decision to disqualify a ballot measure that would have denied non-emergency state services to illegal aliens.

Even though he expects to be outspent by at least 3-to-1 in the campaign's final weeks, Mr. Andrews says he is convinced most voters will respond positively to the idea of reining in the judiciary.

"The story with term limits in Colorado has been that the establishment is always against them and the people always support them," he said.

Reducing Uninsured Seen As Top Health-Care Issue, Poll Finds (WSJ)

By Beckey Bright

The Wall Street Journal, October 24, 2006

Americans say reducing the percentage of uninsured in the U.S. is a top priority for government to address over the next two years, a WSJ.com/Harris poll shows. But many lack confidence in either party's ability to tackle this and other health-care issues.

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The Oct. 8-10 poll, which asked U.S. adults to consider a range of health-care issues, found 42% feel "reducing the percentage of Americans without health insurance," is one of the top two health-care issues. Other health-care issues that ranked high in importance were Medicare reform (28%) and containing out-of-pocket costs for health-care services (26%).

Most Americans contend that health-care issues will be important, but not as important as other issues, in determining how they vote in the November elections, the poll found.

A plurality of those polled believe by a two or three to one margin that the eight health-care issues listed would be handled better by the Democrats than by the Republicans. For example, 37% of respondents said Democrats are likely to do a better job of reducing the percentage of uninsured, while 11% see Republicans as more adept. However, nearly a third of 2,384 adults in the online poll don't believe there's a difference in either party's ability to address this issue and 22% aren't sure.

While most Democrats are confident in their party's ability to do a better job when it comes to health-care issues, most Republicans and Independents lack confidence or are uncertain that either party can do a better job of handling any of these issues.

Here are full results of the poll: "Which of the following statements best describes your views about the Nov. 7 elections?"

Base: All adults

Note: Percentages may not add up to exactly 100% due to rounding. * * * "Which two of these do you think are the most important issues for government to address over the next two years?"

Base: All adults * * * "Which political party do you think is likely to do a better job handling the following components of the U.S. health-care system after the elections on Nov. 7?"

Base: All adults

Note: Percentages may not add up to exactly 100% due to rounding.

Methodology:

Harris Interactive conducted this online survey in the U.S., between Oct. 16 and 18, 2006, among a nationwide cross section of 2,384 adults. Figures for age, gender, race/ethnicity, education, income and region were weighted where necessary to align with population proportions. Propensity score weighting was also used to adjust for respondents' propensity to be online. In theory, with probability samples of this size, one can say with 95% certainty that the overall results have a sampling error of +/- 3 percentage points of what they would be if the entire U.S. adult population had been polled with complete accuracy. This online sample is not a probability sample.

<hr/>About Harris Interactive

Harris Interactive is a world-wide market research and consulting firm, best known for The Harris Poll and its use of the Internet to conduct scientifically accurate market research. For more information, see www.harrisinteractive.com1. To become a participant in The Harris Poll Online and join future online surveys, see www.harrispollonline.com2.

Officer Struck By 2nd Circuit Judge While Directing Traffic Dies (AP)

The Associated Press

AP, October 24, 2006

A New Haven, Conn., police officer died Saturday, four days after being struck by a sport utility vehicle driven by a federal judge, the mayor said.

Officer Dan Picagli, a 17-year veteran of the force, was hit while directing traffic in the rain Tuesday night. He had been wearing a black raincoat and a reflective vest.

The SUV was driven by John M. Walker Jr., a senior judge on the 2nd U.S. Circuit Court of Appeals in New York, who maintains court chambers in New Haven. He was leaving work when the accident happened, police said.

No charges have been filed.

Police Chief Francisco Ortiz said the accident remained under investigation, but officers did not feel it was necessary to test Walker for drugs or alcohol.

Walker, 65, voluntarily stepped down this month as chief judge of the court. He was appointed to the court in 1989 by President George H.W. Bush, who is a cousin of the judge.

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"Officer Picagli was more than a cop," Mayor John DeStefano said in a statement Saturday. "He was someone who brought people together, who created a sense of community. He was a life enhancer to all with whom he came in contact. More than any memorial, his basic decency will keep his memory vibrant in our city."

Generation Y Gets Involved (USAT)

By Sharon Jayson

USA Today, October 24, 2006

WASHINGTON — Alex Wells switched shampoos over animal testing. She won't buy clothes produced by child labor. She yells at those who don't recycle. She spent a month in India this summer teaching English to preschoolers. Last year in high school, she helped organize a protest over genocide in the Sudan that raised $13,000 for Darfur relief.

Wells, 18, of Los Gatos, Calif., may be pretty typical of her generation. A growing body of academic and market research suggests millennials — who are in their mid-20s and younger — are civic-minded and socially conscious as individuals, consumers and employees. This generation, also known as Generation Y and Echo Boomers, has been pressed for its vote, sought for its purchasing power and watched closely by sociologists and historians for insight into the way its members will shape the future.

They may be less radical than baby boom activists in the 1960s and 1970s, whose demonstrations for civil rights, women's equality and protecting the environment and protests against the Vietnam War became flashpoints for their times. But thanks in large part to the Internet, this generation is much more aware of the world. And because national tragedies such as the 9/11 terrorist attacks and Hurricane Katrina have scarred their youth and adolescence, experts see signs these young people are creating their own brand of social consciousness.

Among the indicators:

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Sixty-one percent of 13- to 25-year-olds feel personally responsible for making a difference in the world, suggests a survey of 1,800 young people to be released today. It says 81% have volunteered in the past year; 69% consider a company's social and environmental commitment when deciding where to shop; and 83% will trust a company more if it is socially and environmentally responsible. The online study — by two Boston-based companies, Cone Inc. and AMP Insights — suggests millennials are "the most socially conscious consumers to date."

•Young people want to help their country by working for the government, suggests another study, also to be released today by the international consulting firm Universum Communications. Based on responses of 10,847 undergraduates at 115 U.S. colleges and universities, it found that among ethnic groups in particular, federal jobs hold great allure. Among Hispanics, the CIA, the State Department and the FBI rank only below Walt Disney (the No. 1 choice) as an ideal employer. Among blacks, the FBI ranked second, the State Department fourth. The CIA rounded out the top 10.

•Two-thirds of college freshmen (66%) believe it's essential or very important to help others in difficulty, suggests a survey of 263,710 students at 385 U.S. colleges and universities. The 2005 report, by the Higher Education Research Institute at the University of California at Los Angeles, found feelings of social and civic responsibility among entering freshmen at the highest level in 25 years.

•Volunteerism by college students increased by 20% from 2002 to 2005, says a study released last week by the federal Corporation for National and Community Service.

Some note, though, that many high schools require volunteering, and it has become a must-do for the college résumé.

"Most research on volunteering doesn't translate to political involvement," says Curtis Gans of American University's Center for the Study of the American Electorate. Many of their parents don't vote or are "civically illiterate," he says. He adds that measurable declines in civic education, newspaper reading and knowledge of current events are other signs of a devaluing of civic involvement.

Harvard public policy professor Robert Putnam, whose 2000 book Bowling Alone is about the decline of civic engagement and social connection, says volunteering is class-driven. "This whole recent spurt is largely concentrated among kids of the

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upper middle class. … The have-nots are actually more detached than before. I am hopeful that we may be on the cusp of a new more civically engaged America, but if that is all defined very sharply in terms of social class, then the news is not so good."

A report in September by the National Conference on Citizenship, and based on nationally representative data from 1975 to 2004, echoes Putnam's concerns. It suggests a "large and growing civic divide between those with a college education and those without one."

Voting is another concern. A survey of 650 young people ages 18-30 released last month by the non-partisan Young Voter Strategies, a non-profit project at George Washington University in Washington, D.C., found that 69% said they were likely to vote in November, and 80% said they were registered to vote. But another survey of 1,804 adults released last week by the Pew Research Center for the People & the Press, in collaboration with the Associated Press, found that 40% of 18- to 29-year-olds are not registered to vote. That's double the percentage of 30- to 49-year-olds who aren't registered, and nearly three times greater than those 50 or older. Also, only 22% of young voters are regular voters compared with 42% of older voters and 35% of those 30 to 49.

Still, Putnam believes the terrorist attacks appear to have had a much more lasting effect on this generation's attitudes toward service. Though the surge in community-mindedness quickly evaporated for others, "for kids caught in their impressionable years by the events of 9/11, it has not yet gone away. They seem to have been permanently influenced."

Such students are those who come to Washington, D.C., for a semester at American University — dubbed the most politically active school in the Princeton Review's 2006 student survey.

Senior Kirsten Reed, 20, a political science major at the University of Oregon in Eugene, wants to work for the federal government in national security. "I want to do something for the defense of the country," says Reed, of Pleasanton, Calif.

Brant Garda, a senior majoring in political science at Allegheny College in Meadville, Pa., wants to work with his state's struggling steel mining towns. "I want to be around to rejuvenate the area politically, economically or whatever," says Garda, 21, of Washington, Pa.

But not everyone in this generation shares such feelings, says a report released this month by the Center for Information & Research on Civic Learning & Engagement, based at the University of Maryland's School of Public Policy. The study of 1,658 young people, ages 15-25, measured their participation in 19 activities considered civic or political, such as being an active member of at least one group; raising money for charity; signing a paper petition or boycotting.

The study found that 58% of young people were considered "disengaged" because they participated in two or fewer of those 19 activities; 17% did none.

Elise Cochrane, 20, a junior majoring in psychology at the University of Northern Iowa in Cedar Falls, says she voted in the presidential election, but she is conflicted about voting in November. "The advertisements have been bashing each other so bad, none of the candidates seem to fit for me," she says. "I kind of wish I was more interested so I would know more of what was going on, but I'm not seriously interested in being a Republican or Democrat."

Because many millennials say they're not interested in politics, efforts are underway to encourage civic and political involvement.

A 2-year-old group called GenerationEngage is a non-partisan, youth civic engagement initiative aimed at college-age people who aren't students. It organizes events so that hundreds of young people can meet face-to-face and online with leaders and politicians, such as Al Gore and Newt Gingrich.

Those who aren't in school "don't suffer from a lack of interest; they suffer from a lack of access," says co-founder Adrian Talbot, 26.

A voter registration drive for 18- to 30-year-olds just wrapped up, and more than 400,000 young people registered.

The Cone study also found that young people are extending their social consciousness to the workplace. Of the 28% of ages 13 to 25 who are employed full time, 79% said they want to work for a company that cares about how it affects or contributes to society.

"If they're going to work many, many hours, they need to work in a place where they're doing some good," adds Claudia Tattanelli, CEO of Universum, which helps companies attract workers.

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Although Wells is just a freshman, she is thinking ahead to her career. She hasn't yet selected a major, but she knows she wants her work to be meaningful.

"I want to major in something in international or humanitarian aid or in the environmental sciences," she says. "I want to do something that helps in a positive way."

First, Rename All The Lawyers (NYT)

By John Fabian Witt

The New York Times, October 24, 2006

IF a rose would smell as sweet by any other name, will trial lawyers smell better with a new one? That's the question posed by the impending self-reinvention of the Association of Trial Lawyers of America. After Election Day, the 65,000-member outfit whose lawyers brought us multibillion dollar settlements in cigarette cases, millions of asbestos injury claims and lawsuits over McDonald's coffee will change its name to the American Association for Justice.

There's already been much wry snickering about the organization's vaguely Orwellian new banner. But it's not the first time the kings of torts have changed their name, and it probably won't be the last. For a half-century now, trial lawyer identity crises have been exquisitely sensitive barometers of American politics.

In the late 1940's, a cadre of poorly paid and status-starved lawyers representing injured workers (the claimants) in the workers' compensation system banded together to form a lobby dedicated to the advancement of their own and their clients' interests. They called their group the National Association of Claimants' Compensation Attorneys.

That name worked for only a few short years. The problem was that the workers' compensation system was designed to streamline the resolution of worker injury cases by eliminating (or at least minimizing) lawyers' fees. Lawyers in the system therefore had little hope of gaining wealth or prestige. With the assistance of early association leaders like the flamboyant San Francisco lawyer Melvin Belli, the group's lawyers began to extend their expertise to personal injury cases in the courts, where the fees ran much higher and where their Perry Mason-like trial techniques might earn them a measure of respect.

In 1960, the association formalized its new outlook by changing its name to the National Association of Claimants' Counsel of America, a moniker that repositioned the group as one of lawyers for victims not just in the compensation system but also in the courts. Four years later, the organization renamed itself the American Trial Lawyers Association. By then its transformation was complete: the lawyers had left the compensation system behind altogether for the free-wheeling, high-risk and high-return world later made famous by Julia Roberts in "Erin Brockovich" and John Travolta in "A Civil Action."

But the 1964 name stuck for less than a decade. Another lawyer organization — the American College of Trial Lawyers — complained that the names were too similar. The defense lawyers in the college apparently worried that it would be tainted by nominal association with the lowly lawyers' group. In 1972, the American Trial Lawyers Association gave in to the litigation by the college and altered its name to the current (and now soon to be abandoned) Association of Trial Lawyers of America.

The trial lawyers' struggle for identity is a near-perfect parable for the course of American politics since the 1930's. In a political system long dominated by courts and political parties, Franklin Roosevelt and the New Dealers envisioned a new kind of federal government made up of administrative bureaucracies like workers' compensation, which would provide rationalized services to citizens.

After World War II, however, American politics slowly reverted to form: resistant to European-style public bureaucracy, shaped by powerful courts and the legal profession, and highly susceptible to the influence of interest groups and party politics.

As American politics has changed, so have the trial lawyers. They began as cogs in the wheels of the New Deal's bureaucratic machinery. They became legal entrepreneurs, identifying creative ways to produce higher awards for their clients in the courts and line their own pockets in the process. Thanks to mass torts cases arising out of things like cigarettes and asbestos, the association's membership includes some of the wealthiest lawyers in the country. And in the past two decades, the trial lawyers have become a crucial source of financial support for the Democratic Party.

The problem for the lawyers is that the genius of the tort system — its capacity to marshal the entrepreneurial energies of the bar — is also its greatest public relations liability. Indeed, whether trial lawyers are part of a distinctively American regulatory solution or part of a distinctively American problem, the new name seems unlikely to change the way Americans view them.

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At KFC (né Kentucky Fried Chicken), the chicken is still fried. At Altria (né Philip Morris), the cigarettes still cause cancer. And at the American Association for Justice, some will say that the trial lawyers are still chasing ambulances.

U.N. Official Says Iran Is Testing New Enrichment Device (NYT)

By David E. Sanger

The New York Times, October 24, 2006

WASHINGTON, Oct. 23 — The head of the International Atomic Energy Agency said Monday that Iran had begun testing new uranium enrichment equipment that could double the capacity of its small research-and-development facilities.

The action appears to be a signal to the United Nations Security Council that Iran would respond to sanctions by speeding ahead with its nuclear program.

Since February, when Iran publicly celebrated its first production of enriched uranium, progress at its main nuclear complex at Natanz has reportedly been slow. Iran has sporadically operated a single "cascade" of 164 centrifuges, the devices that spin at high speed and turn ordinary uranium into a fuel usable for nuclear power plants — or, at higher enrichment levels, nuclear weapons.

Those reports had prompted speculation that Iranian engineers had run into considerable technical difficulties.

But in an interview on Monday, Mohamed ElBaradei, the director general of the I.A.E.A., said that "based on our most recent inspections, the second centrifuge cascade is in place and ready to go." He said that no uranium had yet been entered into the new system, but could be as early as next week.

Even with two cascades running, it would take Iran years to enrich enough uranium to produce a single nuclear weapon.

The United States director of national intelligence, John D. Negroponte, has said repeatedly that he believes Tehran is 4 to 10 years away from developing a weapon, even though its technology base is far more advanced than that of North Korea, which conducted a nuclear test 15 days ago.

Unlike North Korea, Iran has insisted that it does not intend to build a weapon. Nonetheless, Iran ignored an Aug. 31 deadline, set by the Security Council, to stop enriching uranium.

Since then, European nations, China, Russia and the United States have been debating what sanctions, if any, should be imposed. China and Russia have resisted, and in a speech on Monday at Georgetown University's School of Foreign Service, Dr. ElBaradei made clear that he believes sanctions are unlikely to work.

"Penalizing them is not a solution," he said. "At the end of the day, we have to bite the bullet and talk to North Korea and Iran."

Unlike American officials, he says that he remains unpersuaded that Iran's ultimate goal is to build a weapon, though I.A.E.A. officials say they believe that Iran wants to have all of the major components of a weapon in hand so that it is clear that it could build one in weeks or months.

"The jury is still out on whether they are developing a nuclear weapon," Dr. ElBaradei said at Georgetown, after meeting earlier in the day with Secretary of State Condoleezza Rice.

After the meeting, Sean McCormack, the State Department spokesman, said there was now "widespread agreement, although not total agreement," on elements of an initial sanctions package. He did not speculate about when the sanctions might come to a vote; at the end of the summer, administration officials insisted that the Security Council would act in September.

Mr. McCormack said the Iranians seemed to be moving ahead "inexorably at this point," so that at some point "you will have industrial-scale production."

"You don't want that," he said.

Some European diplomats have expressed concern that, should the Security Council act, the moderates in the Iranian government who have been involved in negotiations over the nuclear program could be shoved aside, and that some combination of military leaders and hard-line mullahs would push the country to speed its nuclear production.

IAEA Head: Iran Close To Enriching Uranium (WP)

By Dafna Linzer

The Washington Post, October 24, 2006

DOJ_NMG_0085570

Iran has taken another step in its ability to enrich uranium, the head of the U.N. atomic energy agency confirmed yesterday, as the Bush administration and European allies failed to reach agreement on sanctions against Tehran's expanding nuclear program.

Mohamed ElBaradei, the director of the International Atomic Energy Agency, said that Iranian technicians had pieced together a second line, or cascade, of 164 centrifuges and are days away from using the cascade to enrich uranium.

"It's in place and ready to go," ElBaradei said in a brief interview yesterday.

European officials suggested that the new cascade is a political move by Iranian officials who are hoping to send a defiant message to the U.N. Security Council as it weighs possible sanctions.

It would take many years for the Iranians to produce bomb-grade uranium using the other 164-centrifuge cascade it is currently operating, and U.S. intelligence officials think that Tehran is at least four years away from gaining the technical capability to produce enough nuclear material for a single weapon. Since February, Iran has produced minuscule amounts of low-enriched uranium suitable for the energy program that the government says it wants, and not for bombs. The same cascades, if run longer and more efficiently, can produce bomb-grade uranium.

The Bush administration has dismissed the energy claims and thinks Iran intends to use the program to secretly build nuclear weapons. ElBaradei's inspectors, on their fourth year investigating in Iran, reported earlier this year that they were unable to determine whether the Iranian program is peaceful.

The United States backed a package of European incentives designed to coax Iran into negotiations if it suspended the nuclear program during talks. When Tehran did not respond to the offer, the Security Council stepped in and passed a resolution in August obligating Iran to halt the program and negotiate. The council threatened to impose sanctions if Iran balked.

Iran has since said it wants talks with China, Europe, Russia and the United States but will not suspend its nuclear work in advance, arguing instead that it is exercising its right to peaceful nuclear technology. Iran signed on to the nuclear Non-Proliferation Treaty in the 1960s, forswearing nuclear weapons for sensitive technology that could be used for an energy program.

Yesterday, U.S. diplomats met with British and French negotiators to try to complete a draft resolution on sanctions that the rest of the council members, including China and Russia, would approve. The Bush administration had hoped to reach an agreement last Friday, but European officials said they were not comfortable with some of the tougher measures that the United States sought to impose.

State Department spokesman Sean McCormack said there was "widespread agreement, although not total agreement," among Britain, France and the United States on sanctions. European officials said privately that the resolution is likely to be limited to a ban on any nuclear or missile trade with Iran, while carving out an exception for a preexisting Iranian-Russian nuclear deal.

Some U.S. officials have been pushing for broader action, including travel bans and financial restrictions on people connected to the nuclear program.

Iran began its program in secret in 1987, with equipment and know-how from Pakistan's top nuclear scientist. The existence of the program, which includes a large facility in the town of Natanz built to house thousands of centrifuges, was made public in 2002 by Iranian exiles who hope to overthrow the country's clerical regime. The Pakistani scientist, Abdul Qadeer Khan, remains under house arrest in Pakistan, but the Pakistani government has refused to let U.S. officials directly question him about Iran's program or other programs he supplied in North Korea and Libya.

A senior Pakistani military official said yesterday that Khan responds to written U.S. requests for information as best he can. The Pakistani official, in Washington to lobby against a U.S. nuclear deal with rival India, said his country had put Khan and his black market network in the past and suggested it is time for the United States to also move beyond the episode.

Staff writer Colum Lynch at the United Nations contributed to this report.

Diplomats: Iran Expanding Enrichment (AP-Y)

By George Jahn

AP, October 24, 2006

DOJ_NMG_0085571

Iran is expanding its uranium enrichment program even as the U.N. Security Council focuses on possible sanctions for its defiance of a demand to give up the activity and ease fears it seeks nuclear weapons, diplomats said Monday.

The diplomats, who spoke on condition of anonymity because they were not authorized to divulge the information to media, told The Associated Press that within the past few weeks Iranian nuclear experts had started up a second pilot enrichment facility.

While the 164 centrifuges were not producing enriched uranium, even the decision to "dry test" them showed Iran's defiance of the Security Council. The council had set an Aug. 31 deadline for Tehran to cease all experiments linked to enrichment. It may start full deliberations on sanctions as early as later this week.

Iran produced a small batch of low-enriched uranium — suitable as nuclear fuel but not weapons grade — in February, using its initial cascade of 164 centrifuges at its pilot plant at Natanz. The process of uranium enrichment can be used to generate electricity or to create an atomic weapon, depending on the level of enrichment.

Iran said it plans to install 3,000 centrifuges at its enrichment plant in Natanz, central Iran, by the end of this year. Industrial production of enriched uranium in Natanz would require 54,000 centrifuges.

Although it is nowhere near that goal, successful testing of other "cascades" would indicate that Tehran is slowly mastering the complexities of producing enriched uranium.

A U.N. official said that even a "dry-run" allows Tehran "to develop the technology, to make sure that things work."

Another U.N. official said Iran had the technical means to start the second cascade several months ago, but apparently had decided to wait until the recent collapse of EU attempts to revive negotiations on an enrichment freeze with the Islamic republic.

The International Atomic Energy Agency, which has taken the lead in probing Tehran's nuclear program since the existence of a clandestine enrichment program was revealed more than three years ago, could not be reached for comment and issued no official confirmation.

Ali Ashgar Soltanieh, the chief Iranian envoy to the IAEA, said he had no knowledge of "new developments" at Natanz. But he told the AP that all nuclear activities "are going on as planned."

In Tehran, President Mahmoud Ahmadinejad said his country's nuclear capability has increased tenfold despite Western pressure to roll back its atomic program, which Iran insists is peaceful.

"The enemies, resorting to propaganda, want to block us from achieving (nuclear technology)," Ahmadinejad told a crowd on the southern outskirts of Tehran. "But they should know that today, the capability of our nation has multiplied tenfold over the same period last year."

Ahmadinejad boasted that "the power of our enemies is less than one-tenth of their power in last year."

He did not elaborate, and the remarks appeared aimed primarily at rallying public support as the U.N. Security Council prepares to consider limited sanctions.

Iran insists its nuclear program is for peaceful purposes. The United States and dozens of other countries fear, however, that it is secretly trying to make nuclear arms.

Ahmadinejad repeated that Iran was ready to negotiate about its nuclear ambitions. But the six nations that have spearheaded the most recent attempts to bring Iran to the negotiating table continue to call on Iran to first suspend enrichment.

The Islamic republic has turned down a package of incentives offered by those six world powers — the United States, Russia, China, Britain, France and Germany — on condition that all enrichment activities cease.

The United States and its U.N. Security Council allies, Britain and France, have drafted a text that would impose limited sanctions on Iran for its defiance. But a U.N. diplomat told the AP that the text might have to be softened to enlist the support of Russia and China, which have veto power on the Security Council.

Both Moscow and Beijing are reluctant to impose harsh punishments on Tehran, an economic and strategic partner. They also fear that any sanctions — which for now rule out military action — could still start the process toward consideration of force.

Russian Foreign Minister Sergei Lavrov said Monday he was hopeful talks with the Iranians would resume and that there was a "real chance" for a negotiated settlement without sanctions.

However, the European Union's external relations commissioner, Benita Ferrero-Waldner, said that Tehran had not responded positively to the incentives package and that the Security Council may need to explore "another alternative."

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Ahmadinejad Does Europe (WSJ)

The Wall Street Journal, October 24, 2006

Whatever Mahmoud Ahmadinejad's other faults, lack of candor isn't one of them. This week the U.N. Security Council is set to begin discussing the imposition of (very) limited sanctions against Iran for refusing to halt uranium enrichment to build a nuclear weapon.

And so, with his usual sense of timing, the Iranian President issued the following public warning to Europe last Friday: "We have advised the Europeans that the Americans are far away, but you are the neighbors of the nations in this region. We inform you that the nations are like an ocean that is welling up, and if a storm begins, the dimensions will not stay limited to Palestine, and you may get hurt. It is in your own interest to distance yourself from these criminals (Israel). . . . This is an ultimatum."

China and Russia are the main opponents of tough sanctions for violating the U.N.'s August 31 enrichment deadline, but the Iranian must be thinking he can also shake the resolve of European leaders with a little fear of the Mahdi. Short of that, he might be hoping he can begin to intimidate European public opinion. Iran's ballistic missiles can already reach much of Europe, and his threat will be very real once those missiles can be armed with nuclear warheads.

The temptation in many quarters in the West is to assume that Crazy Mahmoud can't really mean what he says; he must be acting out for "domestic" political reasons. And even if he does mean what he says about wiping Israel off the map, well, Europeans and Americans don't need to worry about that. Call us conservative, or even neoconservative, but when a leader relentlessly seeking weapons of mass destruction starts issuing apocalyptic ultimatums, our instinct is to believe him.

Iranian Women Should Have More Children, Leader Says (NYT)

By Nazila Fathi

The New York Times, October 24, 2006

TEHRAN, Oct. 23 — President Mahmoud Ahmadinejad, reversing a policy in effect for almost two decades, is encouraging Iranian women to have more children in an effort to increase the country's population.

"They say two children are enough," he told Parliament on Sunday, newspapers reported. "I oppose this. I believe our country has a large capacity. It has a capacity even for 120 million people."

Iran's population is now nearly 70 million.

Mr. Ahmadinejad said his government was willing to reduce the hours women work based on the number of their children.

After the 1979 revolution and the war with Iraq that began in 1980, the government urged families to have more children. United Nations data show that Iran's population grew to 55 million in 1988, from 27 million in 1968.

But the rapid population increase was seen as an obstacle to development after the war ended in 1988, when the country had to deal with surging unemployment and a declining economy. The government set up free clinics around the country where people were offered free birth-control services and men were encouraged to have vasectomies.

Mr. Ahmadinejad said Sunday that he was in favor of women working outside their homes, but that he feared the burden of work would prevent them from "performing their most important duty: raising the children of the next generation."

"Some of our friends mentioned that we live at a sensitive time, but I want to add that humanity is living in a historical stage," he said, elaborating on why he wants to increase the population.

North Korea Said To Be Willing To Talk (AP)

By Jae-soon Chang, Associated Press Writer

AP, October 24, 2006

North Korea is amenable to returning to international nuclear talks if the U.S. shows a willingness to resolve a dispute over the North's alleged counterfeiting and money laundering, a South Korean lawmaker said Monday.

A Japanese legislator, meanwhile, said a top Chinese official who recently visited Pyongyang indicated China was not optimistic that North Korea will end its nuclear program or re-enter disarmament talks soon.

South Korean media reported late last week that North Korean leader Kim Jong Il expressed regret for carrying out the country's underground nuclear test on Oct. 9 and told a Chinese envoy that he didn't plan to carry out any more tests.

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Kim also raised the possibility the country would return to arms talks, according to the reports, which cited unnamed diplomatic sources in China.

But Secretary of State Condoleezza Rice cast doubt on the reports, saying Chinese officials had told her no such thing.

Beijing has remained silent, refusing to release any details on a trip by Chinese diplomats to Pyongyang last week, while North Korea has shown no public signs of being flexible by continuing its bellicose rhetoric aimed at the United States.

The developments demonstrate the uncertainty that has surrounded the nuclear standoff since the North's test, which prompted the U.N. Security Council to impose sanctions against Pyongyang.

The head of the International Atomic Energy Agency, the U.N. nuclear watchdog, said the only real option for trying to curb North Korea's nuclear weapons program is to talk to the insular regime.

"I don't think sanctions work as a penalty," Mohamed ElBaradei said after meeting with Rice in Washington. "Penalizing them is not the solution."

In Seoul, Rep. Choi Sung of South Korea's ruling Uri Party said he met with a "key North Korean official" in Beijing for four hours Sunday night. He said the official is well-versed in China-North Korea relations and inter-Korean ties, but declined to identify him further.

After the meeting, Choi suggested the United States present the communist state with evidence of its alleged illicit financial activities so the North can punish those responsible.

He said the North Korean official said his country could then return to the talks "even if the issue is not completely resolved."

The U.S. has sought to cut off the North's access to international banking as punishment for alleged counterfeiting of U.S. dollars and other illicit activity. Pyongyang has denied the charges and boycotted six-nation talks on its nuclear program until the U.S. ends the crackdown.

Choi said the North Korean official told him that Pyongyang sees the financial crackdown as a sign that Washington has no intention of improving relations with the North. He added Washington has never presented evidence of the North's illicit activity.

The U.S. has said the financial restrictions are a separate issue from the nuclear standoff.

Japanese lawmaker Ichiro Aisawa, who visited Beijing on Monday to discuss the nuclear test with Chinese leaders, said he was told by Chinese Vice Foreign Minister Wu Dawei that Beijing had asked both Pyongyang and Washington for flexibility in restarting talks.

However, he said Wu told him: "China is not optimistic about the resumption of the six-party talks or that North Korea will abandon its nuclear program," according to Kyodo news agency and public broadcaster NHK.

The Chinese Foreign Ministry could not confirm the reports.

Wu, who is Beijing's top nuclear envoy, accompanied China's State Councilor Tang Jiaxuan and Vice Foreign Minister Dai Bingguo on a special mission to Pyongyang last week to deliver a message to the North Korean leader from China's President Hu Jintao.

Chinese Foreign Ministry spokesman Liu Jianchao did not discuss the details of the message, but said Kim and Tang had "in-depth discussions" about the nuclear dispute.

Associated Press Writer Kozo Mizoguchi contributed to this report from Tokyo.

Head Of IAEA Urges U.S.-N. Korea Talks (AP-Y)

By Barry Schweid

AP, October 24, 2006

The only real option for trying to curb North Korea's nuclear weapons program is to talk to the insular regime, the head of the U.N. International Atomic Energy Agency said Monday.

"I don't think sanctions work as a penalty," Mohamed ElBaradei said after a meeting with Secretary of State Condoleezza Rice.

"They feel they are isolated; they feel they are not getting the security they need," said the Egyptian diplomat, who has run the U.N. agency for nearly a decade.

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The U.N. Security Council, largely at the urging of the United States, has imposed controls on trade in dangerous goods with North Korea. Rice returned Sunday from a trip to Asia and Russia designed to encourage enforcement of the sanctions and to offer assurances of U.S. security support to anxious allies.

The export controls imposed by the U.N. Security Council "are not sufficient" to turn North Korea away from building nuclear weapons and other dangerous weapons, he said.

"Penalizing them is not the solution," he said.

ElBaradei's tenure as director general of the IAEA — during which he won the 2005 Nobel Peace Prize — was challenged unsuccessfully two years ago by the Bush administration, which clashed with him over his doubts that prewar Iraq possessed weapons of mass destruction and also considers him too soft on Iran.

Rice made no public statement earlier in a picture-taking session with him in her office.

ElBaradei said it did not matter whether the United States talks to North Korea in a six-nation negotiations format that has failed to deter a nuclear test, or one-on-one.

"At the end of the day, we have to bite the bullet and talk to North Korea and Iran," he said at Georgetown University's foreign service school.

The administration counters that it is willing to talk to North Korea in the six-nation framework, saying having other nations — China, Japan, South Korea and Russia — in the negotiations reinforces the anti-nuclear message.

A growing number of members of Congress and former high-level U.S. government officials are urging the Bush administration to open talks with both North Korea and Iran, which also has a nuclear program.

The administration has said it would consider talking to Iran if it suspended enrichment of uranium that the United States and European allies contend is part of a program to develop nuclear weapons. Iran says its programs are designed to increase civilian energy output.

ElBaradei said Iran has the knowledge to make nuclear weapons, but is years away from building them. "The jury is still out on whether they are developing a nuclear weapon," he said.

Meanwhile, in Vienna, Austria, diplomats speaking on condition of anonymity told The Associated Press on Monday that Iran is expanding its uranium enrichment program and that within the past few weeks Iranian nuclear experts had started up a second pilot enrichment facility. Iran had produced a small batch of low-enriched uranium — suitable as nuclear fuel but not weapons grade — in February.

Hong Kong Detains NKorean Cargo Ship As UN Sanctions Bite: Report (AFP)

AFP, October 24, 2006

Hong Kong has detained a North Korean cargo vessel for possible safety violations under UN sanctions slapped on the regime after Pyongyang's nuclear weapons test, a media report has said.

The rusting, 2,035-tonne general cargo vessel Kang Nam I was suspected of breaching 25 regulations after entering Hong Kong on Sunday, the South China Morning Post reported.

It said the vessel was not carrying any cargo when it arrived and had come to load up with scrap metal.

The newspaper cited Hong Kong's marine chief Roger Tupper as confirming the detention under the terms of the UN sanctions, which require ports to stop and search any North Korean vessels.

The clampdown was put in place to prevent the hardline Stalinist regime of Kim Jong-il from transferring or importing nuclear technology and to end the trade in contraband, usch as drugs and illicit cigarettes, that is believed to help fund the North's nuclear programme.

The Hong Kong government's Customs Department was yet to confirm the ship's detention.

Tupper was quoted as telling the Post that eight other North Korean ships had been similarly stopped this year.

"Hong Kong is a major hub port and North Korean vessels do sometimes visit," he said. "It is not unreasonable that they are subject to routine Port State Control inspections."

The report said the ship had arrived from Shanghai and was due to return home to Nampo, near Pyongyang, via Taiwan.

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It said the captain, who would not give his name, had told reporters he was unaware of Pyonygang's first ever atom bomb test conducted October 9, nor of the subsequent UN sanctions.

The sanctions are part of a huge global diplomatic effort since the test to persuade North Korea to abandon its nuclear weapons programme.

China Steps Up (WSJ)

The Wall Street Journal, October 24, 2006

Or does it? Two weeks after North Korea tested a nuclear device, that's still the question now that Secretary of State Condoleezza Rice has returned from her stop-the-nuclear-blackmail tour of Asian capitals.

As North Korea's biggest trading partner, the source of 80% to 90% of its fuel, and provider of significant food aid, China is the country with potentially the most influence over Kim Jong Il. President Hu Jintao's high-level personal envoy, dispatched to Pyongyang last week, by some accounts took Kim to the woodshed. Beijing is keeping mum about precisely what message State Councilor Tang Jiaxuan delivered to the North Korean leader, but one notable result is that Kim is no longer threatening to conduct a second nuclear test.

"I cannot conceive of even a short time ago China agreeing to call North Korea's behavior a threat to international peace and security," Ms. Rice told reporters after her stopover in Beijing. More to the point, the Journal reported Friday that Chinese banks are moving to halt transactions with North Korea. It cited officials at four commercial banks who said that they were ordered to shut off all business with North Korea. China is North Korea's major conduit for moving money in and out of the isolated country, so the banking cutoff should get Kim's attention.

Meanwhile, in South Korea, the other country with influence over the North, President Roh Moo Hyun's government continues down its appeasement path. The day after Ms. Rice urged officials in Seoul not to exclude the Kaesong industrial park from sanctions authorized by the U.N. Security Council, the chairman of Mr. Roh's Uri Party tripped off to Kaesong and was photographed dancing with a waitress.

Kaesong is home to factories run by 13 South Korean companies and, according to the latest government trade figures, the source of 23% of the South's trade with the North in the first eight months of this year. According to a Commerce Ministry report made public Sunday by a member of the opposition party and reported in the South Korean press, 60% of Kaesong workers' pay goes directly into the pockets of the Communist Korean Workers' Party. After insurance and other costs, workers like the waitress Mr. Roh's buddy was dancing with take home a mere $10 of their average monthly earnings of $57.50.

Both China and South Korea remain reluctant to enforce the U.N. resolution's demand for a halt to the North's trade in illicit materials, including drugs and counterfeit currency, not to mention weapons material and missile parts. China is balking at boarding North Korean ships at sea, and Seoul refuses to take part in the Proliferation Security Initiative, a coalition of about 70 countries that interdicts ships and planes carrying illegal cargo.

South Korea may be a hopeless cause -- at least until next year's presidential elections, when voters have an opportunity to elect a government that understands that Pyongyang is a greater threat to their security than is Washington.

China, however, is another story. There's much more it could do to show it's willing to join the rest of the world in being a "stakeholder" -- to borrow former Deputy Secretary of State Robert Zoellick's useful word -- in promoting world security, but at least it's sounding serious. China's cooperation also shows that the six-party process could yet work. U.S. and Japanese pressure, along with Kim's recklessness, may be causing China to conclude that its self-interest lies with stopping him.

U.S.-South Korea Trade Talks Have Rocky Start (WSJ/AP)

The Wall Street Journal, October 24, 2006

SEOGWIPO, South Korea -- The latest effort by the U.S. and South Korea to reach a free-trade agreement got off to a rocky start, with Washington saying talks might not conclude by a year-end target date.

The two sides opened their fourth round of negotiations since June on the southern island of Jeju, where thousands of demonstrators opposing free trade with the U.S. called for the talks to be scrapped.

Since announcing their intention to launch the negotiations in February, both sides have said they want to reach a basic agreement by the end of 2006. Whether that can happen is now in question.

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"We are still trying to conclude this agreement by the end of this year or early next year," U.S. Assistant Trade Representative Wendy Cutler told reporters, suggesting the talks, which she acknowledged have been tough, may drag on.

The timetable is important because President Bush's legal authority to "fast track" a deal expires in mid-2007, and both the U.S. Congress and South Korea's National Assembly need time to debate and vote on any deal. Fast-tracking allows U.S. envoys to negotiate an agreement that can be submitted to Congress for a yes-or-no vote without amendments.

Washington is pushing South Korea to allow more access for American pharmaceuticals, automobiles and financial services such as insurance. Seoul wants South Korean goods made at the Kaesong industrial complex in North Korea included in the deal. The U.S. is strongly opposed to that.

Ms. Cutler said the U.S. position on Kaesong has been reinforced by recent developments on the Korean peninsula, referring to Pyongyang's recent claim to have carried out a nuclear test.

She said the U.S. made new offers calling for shorter time frames for tariff reductions covering nearly $1 billion in industrial goods, more than $1.3 billion in textiles, and $135 million in agricultural goods. Her South Korean counterpart, trade diplomat Kim Jong Hoon, said the U.S. offer on industrial products was insufficient.

"While the U.S. presented an improved tariff concession offer on industrial goods, it still fell significantly short of our expectations," he told reporters, according to South Korea's Yonhap news agency.

The negotiations, scheduled through Friday, brought a variety of demonstrators to Jeju. Police estimated about 11,000 people took part in a protest at the island's convention center, about three kilometers from the hotel venue for the talks.

Nuclear Program Oversight Increased (WT)

By David R. Sands

The Washington Times, October 24, 2006

Pakistan has adopted a vast system of checks and balances in its military nuclear program to prevent nonproliferation abuses such as the nuclear black market run by top scientist Abdul Qadeer Khan, a senior Pakistani military official said yesterday.

The official, in an unusually detailed background briefing for reporters at the Pakistani Embassy, also warned that the proposed U.S.-India nuclear-cooperation pact was a "one-sided deal" that could prove "counterproductive for U.S. strategic objectives" in South Asia if Islamabad was not offered a similar deal.

The Pakistani military official, who has extensive familiarity with the country's nuclear bureaucracy, could not be quoted by name under the ground rules of the briefing.

But the session reflected Pakistani concerns that its nuclear-proliferation failings were in the spotlight again after this month's nuclear test by North Korea.

The network run by Mr. Khan, still a revered figure in Pakistan for his role in developing the country's nuclear arsenal, "cast a long shadow over Pakistan's image," the official said. "We have years of baggage to shed."

Mr. Khan, who is under house arrest, traveled to Pyongyang often before his nuclear-smuggling ring was exposed in 2003. His network is thought to have provided North Korea with designs, parts, and working models of centrifuges needed to manufacture nuclear fuel. The Pakistani researcher also provided centrifuges for Iran's clandestine nuclear programs.

Many nonproliferation specialists fear that Pakistan is the world's greatest cause for worry, with the government of President Pervez Musharraf facing challenges from within and without.

But the Pakistani military official said that nearly a decade ago, the country began a thorough revamping of its nuclear bureaucracy, increasing the levels of oversight, implementing new controls on the production and transfer of nuclear materials and establishing "reliability tests" for Pakistani nuclear researchers.

He confirmed that U.S. nuclear specialists had been providing technical advice and some "off-the-shelf" basic equipment to aid Pakistan's nonproliferation efforts, but stressed that Pakistan had total say over what help it accepts.

"We have a good system now down to the grass roots," he insisted.

Islamabad still prevents investigators from the U.S. and the United Nations from directly interviewing Mr. Khan about his nuclear dealings, and the official said Mr. Khan remains "a hero" to Pakistanis.

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The official said he saw little hope of derailing the U.S. nuclear deal with rival India.

The accord, strongly backed by the Bush administration and being considered by Congress, would open up major cooperation and trade between the United States and India on civilian nuclear projects, while allowing India to keep its nuclear military programs free from international monitoring. Pakistan and many U.S. critics fear the deal could allow India to bulk up its own nuclear arsenal and overwhelm Pakistan's smaller deterrent.

The official said the United States should make it clear that Pakistan would be eligible for a similar nuclear-cooperation deal in the future.

U.N. Says Human Rights Violators Cite U.S. (WP/AP)

By Nick Wadhams

The Washington Post, October 24, 2006

UNITED NATIONS, Oct. 23 -- Several governments around the world have tried to rebut criticism of how they handle detainees by claiming they are only following the U.S. example in fighting terrorism, the U.N. special rapporteur on torture said Monday.

Manfred Nowak said that when he criticizes governments for their questionable treatment of detainees, they respond by telling him that if the United States does something, it must be all right. He would not name any countries except Jordan.

"The United States has been the pioneer . . . of human rights and is a country that has a high reputation in the world," Nowak said at a news conference. "Today, many other governments are kind of saying: 'But why are you criticizing us? We are not doing something different than what the United States is doing.' "

Nowak said that because of its prominence, the United States has a greater responsibility to uphold international standards for its prisoners.

State Department spokesman Kurtis Cooper said Monday night that he had not seen Nowak's comments and had no response.

Nowak has chastised the United States over detainee policy and for maintaining secret prisons.

Nonetheless, he said, the United States had improved its handling of detainees, particularly in Iraq after the Abu Ghraib scandal. Nowak said the big problem in Iraq now is allegations of detainee torture by militias and the country's Interior Ministry.

He said detainees were afraid of being transferred from the control of multinational forces to Iraqi prisons.

"They would prefer, if they are in detention now, to be in the international detention facilities rather than the Iraqi detention facilities," Nowak said.

Press Freedom Erodes In U.S., Report Says (WP)

By Nora Boustany

The Washington Post, October 24, 2006

Some poor countries, such as Mauritania and Haiti, improved their record in a global press freedom index this year, while France, the United States and Japan slipped further down the scale of 168 countries rated, the group Reporters Without Borders said yesterday.

The news media advocacy organization said the most repressive countries in terms of journalistic freedom -- such as North Korea, Cuba, Burma and China -- made no advances at all.

The organization's fifth annual Worldwide Press Freedom Index tracks actions against news media through the end of September. The group noted its concern over the declining rankings of some Western democracies as well as the persistence of other countries in imposing harsh punishments on media that criticize political leaders.

"Unfortunately nothing has changed in the countries that are the worst predators of press freedom, and journalists in North Korea, Eritrea, Turkmenistan, Cuba, Burma and China are still risking their life or imprisonment for trying to keep us informed," the organization said in a news release.

Iran ranks 162nd, between Saudi Arabia and China. The report said conditions in Russia and Belarus have not improved. It said that Russia continued to steadily dismantle the independent media and that the recent slaying of investigative journalist Anna Politkovskaya "is a poor omen for the coming year."

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Northern European countries top the index, with no reported censorship, threats, intimidation or physical reprisals, either by officials or the public, in Finland, Ireland, Iceland and the Netherlands. All of those countries were ranked in first place.

Serious threats against the artists and publishers of the Muhammad cartoons, which caricatured the prophet of Islam, caused Denmark, which was also in first place last year, to drop to 19th place. Yemen, at 149th place, slipped four places, mostly because of the arrests of journalists and the closure of newspapers that reprinted the cartoons. Journalists in Algeria, Jordan, Indonesia and India were harassed because of the cartoons as well.

Although it ranked 17th on the first list, published in 2002, the United States now stands at 53, having fallen nine places since last year.

"Relations between the media and the Bush administration sharply deteriorated after the president used the pretext of 'national security' to regard as suspicious any journalist who questioned his 'war on terrorism,' " the group said.

"The zeal of federal courts which, unlike those in 33 U.S. states, refuse to recognize the media's right not to reveal its sources, even threatens journalists whose investigations have no connection at all with terrorism," the group said.

Lucie Morillon, the organization's Washington representative, said the index is based on responses to 50 questions about press freedom asked of journalists, free press organizations, researchers, human rights activists and others.

France, 35th, dropped five places since last year because of searches of media offices and journalists' homes, as well as physical attacks on journalists during a trade union dispute, the group said.

In Lebanon, a series of bomb attacks targeting journalists and publishers in 2005, and Israeli military attacks last summer, contributed to a drop in the country's ranking from 56th to 107th in the past four years.

Israeli Premier Reaches Out To Far Right (NYT)

By Greg Myre

The New York Times, October 24, 2006

JERUSALEM, Oct. 23 — Prime Minister Ehud Olmert of Israel reached a deal on Monday to broaden his shaky coalition by adding a far-right party that seeks to annex parts of the West Bank and to eventually reduce Israel's Arab population.

Mr. Olmert's coalition has been struggling for months, and the latest move was seen as an attempt to stabilize the faltering government. But the new right-wing partner — Israel Beiteinu, or Israel Is Our Home — strongly opposes concessions to the Palestinians.

The prime minister's decision signals that he is now more concerned with internal Israeli politics than with initiatives to deal with the Palestinians.

The prime minister has already indicated that the central theme of his election campaign, a withdrawal from some Jewish settlements in the West Bank, has been put on indefinite hold. The latest development further reinforces that notion.

Also on Monday, Israeli forces killed six Palestinians, at least three of them militants, in clashes in the northern Gaza Strip, Palestinian medical workers said. The area has been the scene of repeated fighting in recent months.

Mr. Olmert overrode opposition from some liberal members of his coalition to bring in Israel Beiteinu, a party led by Avigdor Lieberman, 48, a Soviet immigrant who advocates annexing Jewish settlements in the West Bank and transferring most Arab citizens of Israel to a future Palestinian state.

The prime minister said he planned to make Mr. Lieberman a deputy prime minister responsible for "strategic threats" against Israel, a portfolio that would include monitoring Iran, which Israel regards as its most dangerous enemy.

The alliance agreed to by Mr. Olmert and Mr. Lieberman was expected to be formalized with cabinet and parliamentary approval in the next several days, though it could still face some opposition, particularly from the left-leaning Labor Party. Mr. Lieberman reaffirmed his opposition to territorial concessions, saying that the right has been in power for most of the past three decades in Israel, but, "We were unable to prevent withdrawals."

Mr. Olmert's centrist Kadima Party was elected just seven months ago. His center-left coalition government has not only been reeling since the summer's inconclusive war against Hezbollah in Lebanon, but also cannot point to any significant achievements.

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In announcing the deal with Mr. Lieberman, the prime minister noted that since Israel was founded in 1948, it has had 31 governments.

"In other words, the average term of office for an Israeli government has, for a very long time, been less than two years," Mr. Olmert said. "Is this reasonable? Is this evidence of stability? Does it promise continuity?"

While the existing coalition was not in imminent danger of collapse, it would be tested in coming months on issues like the approval of the 2007 budget. Budget deliberations have led to coalition breakups in the past.

Mr. Olmert's coalition has consisted recently of four parties that hold 67 of the 120 seats in Parliament. While this provides a working majority, it would evaporate if any of the coalition partners left, something that happens with regularity in Israel's volatile politics.

Mr. Lieberman's party holds 11 seats, which would give the governing coalition 78 seats, or nearly two-thirds of the Parliament. By bringing a far-right party on board, Mr. Olmert also hopes to neutralize the other right-wing factions that account for much of the opposition in Parliament.

However, the expansion also means that Mr. Olmert's new government would span the ideological spectrum, including liberal, centrist, right-wing and religious parties. With such divergent factions in the government, Mr. Olmert would have little or no chance of building consensus about political solutions to the continuing struggles with the Palestinians.

The left-leaning Labor Party has expressed the strongest opposition to Israel Beiteinu's inclusion in the coalition.

Shelly Yacimovich, a Labor Party legislator, said her party joined the government based on "the desire for a peace process, the desire for a social-democratic agenda and for a friendly and egalitarian relationship with Arab Israelis." Mr. Lieberman, she said, "represents the complete opposite of all these things."

But Isaac Herzog, a Labor lawmaker who serves in the cabinet, told Israel Radio that his party had "no choice but to remain in the government, because you have to allow government stability."

In 2004, Prime Minister Ariel Sharon dismissed Mr. Lieberman from his post as transportation minister because he strongly opposed Mr. Sharon's plan to withdraw Israeli soldiers and settlers from Gaza.

The burly Mr. Lieberman immigrated from Moldova in 1978 and was first elected to Parliament in 1999.

His party draws support from the Soviet immigrants who account for roughly one million of Israel's seven million people, and it made a strong showing in the elections in March.

In recent weeks, Mr. Lieberman has pushed a proposal that would change Israel's government from a parliamentary system to a presidential system, similar to that of the United States.

In the Gaza violence on Monday, Israeli forces waged a gun battle with a group of armed Palestinians and killed six, including a man the Israeli military said was Ata Shinbari, a leader of the Popular Resistance Committees, a group responsible for much of the recent rocket fire out of northern Gaza.

Mr. Shinbari was among five men in his family in their late teens or 20's who were killed in the gun battle, in the town of Beit Hanun, according to Palestinian medical workers. Several Palestinians were also wounded.

At Least Six Palestinians Die In Clashes With Israel (WP)

By Scott Wilson

The Washington Post, October 24, 2006

JERUSALEM, Oct. 23 -- At least six Palestinians died Monday in clashes between Israeli forces and Palestinian gunmen in the Gaza Strip, part of an escalating operation there to stop rocket fire into southern Israel and smuggling across its borders. One of those killed was a high-ranking Palestinian militia commander, Israeli and Palestinian officials said.

Twenty other Palestinians were wounded in fighting that unfolded between the northern Gaza villages of Beit Hanoun and Beit Lahiya, the prime launching ground for crude Palestinian rockets that frequently strike Israeli communities in the south but rarely kill anyone. One of the wounded was close to death, Palestinian hospital officials said.

Palestinian leader Mahmoud Abbas called the event "a loathsome massacre carried out on, of all days, the first day of Eid al-Fitr," the Muslim feast celebrating the end of the fasting season of Ramadan. Israeli officials have noted that Palestinian rockets fell inside Israel this month during Yom Kippur, the holiest Jewish holiday.

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More than 200 Palestinians, many of them civilians, have died in the Israeli military operation in Gaza that began June 25 after the capture of an Israeli soldier by gunmen from several armed groups including the military wing of the governing Hamas movement. Israeli armor and infantry have entered and withdrawn from the strip for months.

But in recent days, tanks and soldiers have taken up and held positions along the southern frontier with Egypt, a prime arms-smuggling route, and in northern Gaza, to combat the near-daily rocket attacks. Israeli political leaders have warned of a broader assault in the weeks ahead.

There were divergent accounts of the circumstances surrounding the fighting Monday and of how many of those who died were armed. One of those killed was Atta al-Shinbari, 35, a senior commander of the radical Popular Resistance Committees responsible for much of the rocket fire into Israel. At least three others were male relatives of Shinbari, including his 40-year-old brother, Khalid. Palestinian witnesses said the men were not affiliated with any armed factions.

One of the other dead was identified as Rami Hamdan, 23, a member of the radical Popular Front for the Liberation of Palestine.

Palestinian witnesses said Shinbari was visiting the home of his sister in Beit Lahiya on the first day of Eid al-Fitr, when it is customary to mourn family members who have died in the previous year. A mourning tent was set up outside the home.

The witnesses said a car carrying Israeli soldiers, apparently disguised as Palestinians, opened fire on Shinbari as he approached the house. The ensuing gunfight lasted for hours.

Israeli military officials said soldiers opened fire only after a group of Palestinian gunmen began shooting at them. Officials said the soldiers reported hitting 10 gunmen in what one of them described as a "heavy exchange of fire."

In another development, Israeli Prime Minister Ehud Olmert expanded his governing coalition Monday by adding Israel Is Our Home, a party dominated by immigrants from the former Soviet Union that is one of the most hawkish in Israel's 120-seat parliament, the Knesset.

Down in the polls following the summer war in Lebanon, Olmert is seeking new members for his government in anticipation of a contentious budget season. By adding Israel Is Our Home, Olmert improves his control of the Knesset from 67 to 78 seats, among the broadest in recent times.

The agreement gives a cabinet seat to Avigdor Lieberman, an immigrant from Moldova who worked his way into the highest ranks of Israeli politics from an early job as an El Al Airlines baggage handler. Lieberman, 48, will hold the title of deputy prime minister charged with managing the threat posed to Israel by Iran, which many nations fear is developing nuclear weapons.

Lieberman's signature proposal is to redraw Israel's recognized international border in a way that would place roughly 150,000 Arab citizens of Israel in the West Bank, annexing the largest Jewish settlement blocs there in return. The move, roundly denounced by other Zionist parties, would strengthen the state's Jewish majority by stripping those Arabs of Israeli citizenship.

Lieberman is also pushing legislation to create a U.S.-style presidential system in Israel by allowing direct elections for the prime minister, who is now effectively chosen by parliament. Israel's system is notoriously fractious, leading to governments with little room to maneuver on big issues and short political lives. The bill, narrowly endorsed by Olmert's cabinet this week, has little chance of passing the Knesset. Olmert himself opposes the measure in its current form.

Fallout Of Hamas's Rule Spurs Palestinian Desire To Flee (CSM)

By Joshua Mitnick

The Christian Science Monitor, October 24, 2006

BIRZEIT, WEST BANK

Ahmed Hushiyeh holds degrees in political science and communications, and dreams of becoming a photojournalist. But after a futile search for a job, the young Palestinian works as a janitor at his alma mater, Birzeit University.

He is saving money in the hopes of moving to Europe, enrolling in another university, and finding work. Political paralysis during Hamas's brief tenure leading the Palestinian government and escalating violence between rival security forces has convinced Mr. Hushiyeh that his career path lies abroad.

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"I am not optimistic. The situation is only deteriorating. Maybe outside, the opportunities are much better," he says. "Every young man wishes to have a job and have a life. But when he sees what we have here: occupation, siege, a low standard of living, security crisis - all of this creates a desire to leave. I want to get out of this crisis."

Like Hushiyeh, a growing number of Palestinians are openly saying they'd like to leave the West Bank and Gaza if given the chance, raising concern about the possibility of a Palestinian brain drain. The sentiment, which flouts the long-held Palestinian belief that Israeli occupation can only be resisted by staying put, is yet another indication of the deepening despair since Hamas was elected to run the government.

This desire to flee also comes amid ongoing violence in the Gaza Strip. On Monday, Israeli troops killed at least seven Palestinians in one of the deadliest days of fighting following the June 25 capture of an Israeli soldier.

Birzeit University pollster Nader Said, who has monitored emigration attitudes for 12 years, says the percentage of Palestinians willing to relocate once hovered just below 20 percent. When that figure jumped to 32 percent in a September survey, Mr. Said says he was shocked.

The catalyst, the pollster says, has been Palestinian disillusionment following Hamas's half-year in government. "What the Israelis were unable to do - try to push the Palestinian out of the country - the internal strife is achieving," he says.

Even more telling, adds Said, is that the percentage surges to 44 percent among Palestinians in their 20s and 30s. Among young men, it surges beyond 50 percent.

Malik Shawwa, a consultant specializing in obtaining Canadian visas, says his workload has jumped by two-thirds over the past seven months as more Palestinians ask about leaving. "This is the most important subject in the Palestinian territories," he says. "It's not just a matter of a lack of jobs. It's the situation. They're not secure. They don't trust the government."

Among Palestinians, the mere mention of hijra - Arabic for emigration - is enough to stir up painful memories of the 1948 Arab-Israeli war that left hundreds of thousands of Palestinians stranded outside the newly independent Israeli state.

"Emigration means that you are escaping the occupation and that you don't want to liberate your land. It's a shame on you," says Abdel Nasser Najjar, a columnist for the Palestinian daily Al Ayyam. "Now it's different. There are many pressures: economic pressure and psychological pressure. Many people are speaking out."

Riad Malki, the director of Panorama, a Ramallah nonprofit that promotes democracy in the West Bank and Gaza, confesses that he is giving more thought to the idea of relocating. But the broader trend of an exodus by the middle class and young males stirs up fear that Palestinian society may be stripped of its next generation.

"We are going to lose the dynamo of the Palestinian state," he says. "If we lose them how will we set up the offices of Palestine?"

But there are no signs that a critical mass of Palestinians is leaving just yet. The distance between pondering a move and acting on it remains considerable because of the hurdles in establishing residency in a new country. "For the most part, it's a very loud protest statement against the political actors," says Said. "Palestinians have given [Hamas and Fatah] an opportunity to deliver."

And yet, there is evidence that Palestinians are acting on this sentiment. The Ramallah branch of Mr. Shawwa's visa consultancy gets 30 calls a day while the Gaza city office fields 10, he says. Though only a fraction qualify to apply for a Canadian visa, Shawwa says, Palestinians are nonetheless desperate to leave.

"They come to me and cry," he says. "We are doing a much better service for the Palestinian people than the people who are fighting. We are saving a lot of young people from being destroyed."

Back on the Birzeit University campus, a trio of students admitted that the topic of emigration remains sensitive among family and friends. But at the same time they reject the suggestion that moving abroad constitutes any betrayal.

"If I leave then I'll be lucky," says Birzeit law student Masaad Masaad, who hopes to move after graduating and a two-year internship. "The country hasn't provided anything for me. The government has failed ... No attention is given to the citizens."

Three Ways To War In Gaza (WSJ)

By Bret Stephens

The Wall Street Journal, October 24, 2006

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Wonder where and when the next Middle East war is going to take place? The likeliest answer is the Gaza Strip, perhaps before the year is out. Who will fight it? Now there is an interesting question.

Three sets of circumstances are operating simultaneously in this tiny patch of Palestinian land -- not quite the size of Andorra but 20 times as populous -- each of which has the potential to produce a different kind of violent outcome. First circumstance: the escalating factional fighting, verging on civil war, between Hamas forces loyal to Palestinian Prime Minister Ismail Haniyeh and Fatah forces associated, albeit sometimes loosely, with President Mahmoud Abbas.

On Friday, relatives of a Fatah man recently killed by Hamas opened fire on Mr. Haniyeh's convoy in Gaza; Fatah militiamen have also threatened to assassinate the entire Hamas cabinet. Hamas, for its part, recently assassinated top Fatah militiaman Mohammed Shahadeh and intelligence officer Jad Tayah. Earlier this month, Hamas security forces opened fire on Fatah-affiliated policemen who had raided the Gaza branch of the Bank of Palestine in protest of their unpaid salaries. At least 10 people died; Fatah's Al-Hayat al-Jadeeda newspaper called Hamas's actions "Sedition" in banner headlines. Mr. Abbas is considering dissolving the government and moving to new elections; Hamas Interior Minister Said Siam deems the idea a "coup."

For some time, Israeli policy makers have been looking at the domestic Palestinian situation with a sense of satisfaction -- somewhat akin to the American view of the mutual slaughter of Iraqis and Iranians during the 1980s. But that was before the June kidnapping of Israeli Corporal Gilad Shalit transformed Gaza's domestic crisis into an Israeli one. It was also before the summer's war with Hezbollah, which alerted Israelis that their borders were less secure than previously thought. Hence the second circumstance: the consolidation of Gaza, following Israel's full withdrawal in August 2005, into a terrorist fortress.

Last week, Egyptian police in the Sinai intercepted a shipment of 200 crates of guns and ammunition headed for the town of Rafah, which straddles the seven-mile Egyptian-Palestinian border. Also last week, the Israeli army (IDF) discovered 13 smuggling tunnels running under the border in addition to the 12 discovered since June. Israeli intelligence estimates that in the past year at least 19 tons of explosives have been smuggled through these tunnels into Gaza, plus some 15,000 Kalashnikov rifles, 1,000 RPGs, and quantities of Katyusha rockets, Strella anti-aircraft missiles and Russian-made Kornet and Metis antitank missiles.

All this is in addition to an indigenous Gazan military industry that produced the hundreds of short-range Kassam rockets that have rained continuously on southern Israel for two years. And it explains why Israeli military planners feel they need to deal Gaza a punishing blow sooner rather than later, when the Palestinians might be in a position to bloody Israel the way Hezbollah did last summer. "We are going to make a massive ground operation in Gaza," warns Yuval Steinitz, until recently chairman of the Knesset's Foreign Affairs and Defense Committee, in a recent interview. Underlying the remark is the sense that the IDF will not allow itself to be surprised again by events, much less humiliated twice by ostensibly weaker foes.

Mr. Steinitz points an accusing finger at Egypt, which agreed last year to step up its efforts to stop the weapons smuggling in exchange for Israel abandoning its aggressive border patrols along the so-called Philadelphi Corridor. "The Egyptians are violating and betraying all the agreements," he says. "They are doing to us what Syria is doing to the U.S. in Iraq. . . . Their real policy is to let Israelis and Palestinians bleed together."

Talk to the Egyptians, however, and you get a different story. In public, the Egyptians generally neither acknowledge nor deny that they are letting the smuggling happen: Acknowledgment risks alienating the U.S. while denial risks enraging their own public opinion. In private, however, Egyptians admit that they condone and perhaps even participate in the smuggling, but only to arm and strengthen Fatah. The arms to Hamas are being shipped, supposedly against Egypt's wishes, from Iran via Syria and Hezbollah.

Here, then, is the third circumstance: The rise of Hamas, with ties to Iran and potentially a secure territorial base of its own, is an even greater long-term threat to the brittle regime of Hosni Mubarak than it is to Israel.

Consider the Kabuki dance being played around the fate of Cpl. Shalit. The Egyptians have been negotiating his release for months, probably in good faith: They fear that indefinite detention might lead to a full-scale Israeli invasion of Gaza, which would have spillover effects in the Sinai. At the same time, Mr. Mubarak has been ratcheting up the repression of the Muslim Brotherhood, Hamas's sister organization in Egypt, by canceling elections the Brotherhood seemed likely to win and tinkering with the election law to further shut it out of the political process. Poor 19-year-old Cpl. Shalit is being played by Hamas as a card

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in two separate games: with the Israelis for the release of Palestinian prisoners and with the Egyptians for political concessions in Cairo.

The political heat between the two sides was noticeably raised last week when Hamas Foreign Minister Mahmoud Zahar reportedly warned Egypt that if it failed to open its border with Gaza "there will be no border." Equally extraordinary was that the statement was widely reprinted in the Egyptian state media, playing into the broad suspicion that the Brotherhood, as a religious organization, is fundamentally anti-Egypt in the national sense. "Now the line is, 'No more foreign ministry,'" says an Egyptian source, suggesting the Mubarak regime is quickly moving away from diplomacy to more aggressive forms of persuasion with Hamas.

If Egypt or Israel had the luxury of choice they would abandon Gaza to its own miserable devices, or -- even better -- to each other. But that's not how it works in the Middle East. The war for Gaza is coming, no matter who does the fighting. Whoever stays out of it wins.

War In Sudan? Not Where The Oil Wealth Flows (NYT)

By Jeffrey Gettleman

The New York Times, October 24, 2006

KHARTOUM, Sudan, Oct. 20 — To understand Sudan's defiance toward the world, especially the Western world, check out the Ozone Café.

Here young, rich Sudanese, wearing ripped jeans and fancy gym shoes, sit outside licking scoops of ice cream as an outdoor air-conditioning system sprays a cooling veil of mist. Around the corner is a new BMW dealership unloading $165,000 cars.

"I tell people you only live this life once," said Nada Gerais, a saleswoman.

While one of the world's worst humanitarian crises continues some 600 miles away in Darfur, across Khartoum bridges are being built, office towers are popping up, supermarkets are opening and flatbed trucks hauling plasma TV's fight their way through thickening traffic.

Despite the image of Sudan as a land of cracked earth and starving people, the economy is booming, with little help from the West. Oil has turned it into one of the fastest growing economies in Africa — if not the world — emboldening the nation's already belligerent government and giving it the wherewithal to resist Western demands to end the conflict in Darfur.

American sanctions have kept many companies from Europe and the United States out of Sudan, but firms from China, Malaysia, India, Kuwait and the United Arab Emirates are racing in. Direct foreign investment has shot up to $2.3 billion this year, from $128 million in 2000, all while the American government has tried to tighten the screws.

"Khartoum is hot — in all ways," said Hashim Wahir, chairman of Petronas Sudan, a branch of the Malaysian national oil company.

It was 115 degrees outside, but Mr. Wahir was also talking about business.

As long as Asian countries are eager to trade with Sudan, despite its human rights record, the American embargo seems to have minimal effect. The country's president, Omar Hassan al-Bashir, keeps demonstrating his disdain for the West by refusing to allow United Nations peacekeepers into Darfur, despite continued bloodshed and pressure from the United States to let the peacekeepers in.

"The government knows it doesn't need America," said Abda Yahia el-Mahdi, a former finance minister, now in private consulting. "The only people who are being hurt by the sanctions are the Americans, who are missing out on this huge boom."

The wealth is hardly evenly shared, and much of Sudan, like Darfur, remains desperately poor. Indeed, the nation's per capita income was only $640 in 2005, at market exchange rates, according to the World Bank.

But the country's G.D.P. grew 8 percent in 2005, according to the International Monetary Fund, and is predicted to increase by 12 percent this year. Cotton and other agricultural products have traditionally been the engines of the economy here, but the new growth comes largely because Sudan has substantially increased its crude oil production to 512,000 barrels a day — a drop compared with Saudi Arabia's or Iran's, but enough to bring billions of dollars to a country that until recently was one of the poorest on earth.

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"Oil and real estate investment, primarily in urban areas, is really what's driving the economy," said Michael Kevane, an associate professor of economics at Santa Clara University. "There's no doubt about that."

The boom is also strengthening the government's hand at home. Over the past few years, Mr. Bashir has been on an infrastructure binge, pouring hundreds of millions of dollars into roads, bridges, power plants, hospitals and schools, projects that tend to boost any government's popularity. Mr. Bashir seems to desperately need it, with many people across the country, not just in Darfur, openly rebelling against his rule.

Mr. Bashir, an army general, seized power in 1989 through a military coup, and among the biggest beneficiaries of these boom times have been his troops. Ms. Mahdi said more than 70 percent of the government's share of oil profits is spent on defense. A government priority is to manufacture guns and ammunition domestically, in case external supplies are cut off.

Despite all the new materialism, Sudan still marches to a martial tune. Army officers enjoy special status, foreign visitors must register with the police and schoolchildren are required to wear camouflage uniforms to class. But the boom is changing much about society, from the careers people pursue, to the music they listen to, even what they eat.

The traditional meal of ful, a bean stew eaten for breakfast and lunch, is giving way to kebabs, yogurt, hamburgers and hot dogs.

"We even have Pringles," said Mohammed Abdelwahab Salih, a 26-year-old entrepreneur who recently started a business in Khartoum designing Web sites.

Mr. Salih remembers the days, not so long ago, when he used to have to wait in line for hours for a single loaf of bread.

"And it wasn't even good bread," he said. "When we got home, we had to pick out the flies."

For years, the Sudanese economy was a disaster, with triple-digit inflation, moribund industries and war. Ever since Sudan's independence in 1956, Christian and animist tribes in the south have rebelled against Muslim rulers in the north.

Oil had been discovered here by Chevron in the 1970's, but the oil fields straddled the north-south divide and were essentially unworkable while the fighting was going on.

The American government imposed a trade embargo in 1997, freezing Sudanese government assets in the United States and cutting off its exports to and imports from Sudan, with a few exceptions. The reason: human rights abuses connected to the north-south war and Sudan's links to terrorists. Osama bin Laden lived in Khartoum in the 1990's.

But by 1999, when the first trickle of oil began to flow out of Port Sudan, on the Red Sea, Sudan's economy was turning around. A small cadre of Western-educated technocrats had followed the I.M.F.'s reform programs to the letter — cutting spending, privatizing state-owned businesses, lowering inflation and pushing infrastructure.

"It was classic, conservative economic policies," said Safwat Fanous, chairman of the political science department at the University of Khartoum. "And it worked."

Even World Bank economists have been impressed.

"These are very good people managing the economy and would rate among the best anywhere in Africa," said Asif Faiz, country manager for the World Bank in Sudan.

But, he added, they need to do more to spread the wealth to rural areas and focus on the poor.

Sudanese living abroad began to drift back, drawn by new opportunities — and other realities.

"If you want to open a bank account in America these days, it's not difficult, it's impossible," said Ahmed Amin Abdellatif, a 33-year-old Cambridge-educated businessman who drives a Porsche SUV through the dusty streets of Khartoum and runs an empire of electronics shops. He argued that antiterrorism laws in the West had made it very difficult for him as a Sudanese citizen to do business. "Why go through the headache?" he added. "Why not put your money somewhere where it's welcome?"

In 2002, Sudanese investors opened a new Coca-Cola factory, with Coke syrup legally exported to Sudan under an exemption for food and medicine. The $140-million plant churns out 100,000 bottles of Coke, Sprite and Fanta per hour, and factory owners have even adopted liberal employment policies, giving jobs to deaf women along the assembly line.

All this new investment is literally redrawing Khartoum's skyline. Four years ago, the Libyan government began building a 24-story, five-star hotel on the banks of the Nile. The hotel is nearly finished and boasts a level of luxury unknown in Sudan until now — it has an indoor pool, squash courts, an espresso bar and spa.

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In 2004, the first proper mall arrived in Khartoum, brought by a Turkish company, complete with a Wal-Mart-size megastore called the Hypermarket. It is place where men in white robes and women covered in black head to toe pluck toilet paper, dates and Pepsi from the shelves as Sudanese elevator music plays in the background.

In 2005, many people here hoped the American sanctions would be lifted and the economy would hit warp speed after Sudan's leaders, coaxed by American mediators, made peace with southern rebels. But by that point the conflict in Darfur was raging, and relations with the United States only turned frostier.

"We felt like the Americans betrayed us," said the Sudanese foreign minister, Lam Akol.

Still, Sudan had already learned to rely on the East, and because of oil exports, the economy had gained a stable momentum of its own. Inflation is now 6 percent; investment and development are reaching beyond downtown Khartoum to Sudan's central agricultural belt and to Juba, the main city in the south.

But Sudan is a huge country, Africa's largest, at nearly a million square miles. Enormous swaths of territory are still neglected, and growing class differences could sow the seeds of further unrest. Rebel groups in Darfur and other areas, eager for their share of oil profits and power, pose another problem.

Business leaders say the biggest danger would be if the United States succeeded in persuading Sudan's Asian and Middle Eastern trading partners to join the boycott.

"The Americans are not a threat, but if the international community lines up against us, ahh, that is a different issue," said Osama Daoud Abdellatif, chairman of the DAL Group, a conglomerate that owns the Coke factory, the Ozone Café and a number of other businesses. "Everything has been going so well, but Darfur could spoil the party."

Russia Ends Some Suspensions Of Foreign Agencies (NYT)

By C.J. Chivers

The New York Times, October 24, 2006

MOSCOW, Oct. 23 — The Russian government said Monday that it had begun registering private foreign organizations whose operations in Russia were suspended last week, and that it was rushing to review the amended applications of at least 65 other organizations, which remained idled.

Among the groups granted permission to resume work were some that Russian officials had sharply criticized, saying they were encouraging revolutions or meddling in Russia's domestic affairs. They included the National Democratic Institute for International Affairs and the International Republican Institute.

Both groups, whose work includes offering training for domestic political parties and movements, had been suspended last week under a new Russian law that limits the work of foreign groups. Both confirmed that they had been notified in writing that they could resume work.

"We're functioning as we normally would as of today," Lisa Gates, a spokeswoman for the International Republican Institute, said by telephone from the group's office in Washington.

The new law has drawn international criticism as a veiled effort to muzzle critics of the Kremlin and groups that promote social activism, political parties, rule of law, news media freedom and anticorruption awareness.

The new law sets stringent reporting requirements, including the deadline last week for each group to submit details about its origins, history, goals and organization. The detail is fine enough to require such facts as the passport numbers of each of a group's founders, no matter how long ago the group was formed, and whether the founder remains part of the group, or is even alive.

The deadline was seen as the first test of whether Russia would use the law to restrict a group's activities. And when it passed, many groups found they had been temporarily suspended, including dozens of American organizations, prompting Secretary of State Condoleezza Rice to inquire about the law when she visited Moscow over the weekend.

The Russian government insisted the suspensions had resulted from the failure of the groups to fill out the forms properly, but many groups noted that the suspensions included those most critical of the Kremlin or most active in grass-roots politics here, including Human Rights Watch and Amnesty International.

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Both of those groups were still suspended Monday, according to the latest Russian list. But Russian officials said that of about 190 organizations seeking registration, only 65 to 68 remained suspended, and that all of their applications would be reviewed in less than 30 days.

"No political issues are involved in the decision-making," said Galina A. Fokina, acting head of the office in the Ministry of Justice that is responsible for the registration. "All issues are based on legal issues dealing with filling out the forms."

Three more groups were approved Monday, pending only a signature by the office's director, Ms. Fokina said. She declined to provide the group's names, but said she expected that they would be made public on Tuesday once the director signed the forms.

Interviews with organizations that remain suspended showed how strict the ministry's reading of law had been.

The American Bar Association's program in Russia, the Central Europe and Eurasian Law Initiative, remained suspended Monday, it was told, because its filing submission had not listed the program's name in exactly the same way on each form.

On some papers, the name ended with the word "Incorporated," the group's office manager said, and on others with the abbreviation "Inc."

The manager, Olga G. Lapunova, said the group had resubmitted all of its filings with "Incorporated" and hoped to be registered next week. "There has been nothing dramatic so far," she said. "They are technical, minor changes."

Other groups noted that even if they were approved, other requirements could still undermine their ability to work, including a full annual plan that must be submitted by next week. The groups said the requirements for the plan were at once vast and vague, leaving them unsure what to submit, and worried that any submission the government did not like could be ground for future suspensions.

Clashes Disrupt Hungary's Celebration Of Anti-Soviet Revolt (NYT)

By Craig S. Smith

The New York Times, October 24, 2006

WARSAW, Oct. 23 — Violent clashes in Budapest on Monday as the police tried to contain a month-old antigovernment protest movement marred the 50th anniversary of Hungary's uprising against Soviet domination.

The police used rubber bullets, tear gas and a water cannon to disperse thousands of protesters who had gathered for a rally after a group of them took control of a Soviet-era T-34 tank that was on display for the commemorations and drove it toward the police. About two dozen people were injured, none seriously.

The rally was one of several held over the past month calling for the resignation of the Socialist prime minister, Ferenc Gyurcsany, after the leak of a tape recording in which he told fellow party members that he had lied about the economy to win national elections in April.

Mr. Gyurcsany, whose party governs in a coalition with the Free Democrat Party, won a vote of confidence this month.

The leaders of the rally wanted to take advantage of the anniversary to press for Mr. Gyurcsany's resignation.

But the clashes bore little resemblance to the 1956 uprising, which ended when Soviet tanks entered the city and opened fire. Thousands of Hungarians were killed in the fighting then, and hundreds more were later executed or imprisoned.

"Despite the often justified disappointment and discontent, the majority of Hungarians believe that parliamentary democracy is the most suited to express people's will and to create law and give a program to a free Hungary," the prime minister said Monday in a speech in Parliament commemorating the 1956 uprising.

Hungary held its first free elections in 1990 and joined the European Union in 2004. But its democratic and capitalistic transition has come with complications.

The country, which had liberalized its economy ahead of others in Central Europe, quickly became a magnet for foreign investment. But government spending and inflation have crept steadily higher, causing concern among foreign investors, who have called for painful economic reforms.

Mr. Gyurcsany, who promised tax cuts during his party's campaign, has since raised taxes and cut benefits in order to control the ballooning budget deficit, now about 10 percent of overall economic output.

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In the recording that gave rise to the protests against his government, he admitted to having lied about the economy. But he has contended that the comments were made in the context of a call for his party to be more serious about reforms.

Near Heroes' Square, a few miles away from the clashes, Mr. Gyurcsany briefly attended the unveiling of a monument commemorating 1956 but left as several hundred people mocked him by chanting phrases from his speech back at him and shouted, "Gyurcsany, go away!"

Many people on the streets called him a dictator and complained that political life continued to be dominated by people from the Communist era. Mr. Gyurcsany began his political career as an official of the Young Communist Organization. The Socialist Party is a successor to the Communist Hungarian Socialist Workers Party, which ruled the country until 1989.

"We should learn from the spirit of '56," said a university student who would give his name only as Marci. "We should finish off what began in 1956, because in 1989 there wasn't really a complete change."

Violence associated with the current protests has been limited to vandalism by fringe groups, and Mr. Gyurcsany's government has not tried to stop the protests or interfered with protesters camped in front of Parliament. Those protesters were moved away from the building early Sunday in order to clear the way for Monday's ceremonies, but their tents remained and they were expected to resume their vigil on Tuesday.

The clashes on Monday occurred as the police tried to keep the rally of tens of thousands of people, stretching from Astoria Junction to Deak Square, from moving back toward Parliament. The violence began when some demonstrators managed to commandeer the tank on display at Deak Square.

"The whole crowd started cheering" as the protesters started to drive the tank, [a news agency] quoted its cameraman, Fedja Grulovic, as saying. "The police started firing teargas, then the tank stopped."

Some protesters responded by throwing stones. Mounted police officers with rubber batons and a water cannon were brought in to clear the area.

Beijing Hosts Big Africa Summit As West Watches (WSJ)

By Shai Oster

The Wall Street Journal, October 24, 2006

BEIJING -- China will strike a number of agreements on trade, investment, aid and debt forgiveness when it hosts the heads of 48 African countries next month in what is being billed as the biggest summit China has held in modern history, according to the Chinese official heading the effort.

"The main objective of this summit is to establish a new type of partnership between China and African countries against changing circumstances," Assistant Foreign Minister Zhai Jun said yesterday in an interview.

The gathering in Beijing, dubbed the Forum on China-Africa Cooperation, is set for Nov. 3 to 5. It comes as many African leaders seek help to repair their strife-torn countries and China looks for new resources to meet its growing energy needs, as well as new markets for its own emerging domestic companies. It caps growing ties between the two regions over the past several years that have sparked some ire in the West.

Mr. Zhai defended China's human-rights record in Africa and said China isn't interested merely in striking sweetheart deals to tap into Africa's deep oil reserves. Rather, he said, China is eager to raise living standards in the world's poorest continent, and feels it can share lessons and opportunities from its own development.

"Africa is rich in resources and has a big market. We are pursuing our relations by seeking mutual benefits, in an open and transparent manner. China has nothing to hide," Mr. Zhai said.

Last year, China imported 38.4 million tons of oil from Africa, or about 771,000 barrels a day. Mr. Zhai pointed out that is less than one-third of the amount some big Western nations receive from Africa. The U.S., for example, imports about 2.4 million barrels a day from Africa, more than it gets from the Middle East.

Western oil companies fear their Chinese competitors are able to use government backing for aid deals and loans to secure preferential treatment. China says that in terms of business, its deals are purely commercial and transparent. So far, China's companies have a much smaller presence than other international players, but they are looking to expand to feed China's fast-growing needs for fuel.

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Mr. Zhai said there would be further cooperation on energy. "For many African countries, energy is a pillar industry. Many nations want to transform their oil into a strength through our cooperation. We are helping them meet such a goal," Mr. Zhai said.

Agreements in several key areas are expected to be announced by China's President Hu Jintao and signed during the meeting. To encourage more imports from Africa, an expansion of the number of African goods that would be subject to zero-percent tariffs in China is likely to be included in the pacts. Currently, some 190 goods, from 28 African countries, are exempt from tariffs. There will also be pledges for more aid, including training in everything from medicine to agriculture, and investment in Africa. Mr. Zhai said the government is actively encouraging Chinese companies to expand their business in Africa.

While he didn't disclose how much in loans African countries owe China, he said China would announce another round of debt cancellation. He said China's loans were a small proportion of the $284 billion in debt Africa owes globally. China has already forgiven some $10 billion of debt in yuan-denominated loans, mostly from infrastructure projects, he said.

Last year, the Paris Club of big Western lenders forgave roughly $50 billion of African debt. Some critics are worried that China is giving fresh loans to regimes that still don't have the ability to spend the money responsibly or fight corruption, and that such waste will only send those nations back into a cycle of carrying loans they can't pay off. Increasingly, Western nations are seeking to tie aid with specific guarantees from governments on fiscal and social policy -- a policy China rejects.

"We don't want the development models, ideologies and values of other countries foisted on our country," Mr. Zhai said. "Likewise we don't impose our development mode, ideology and values on other countries -- not least on African countries. So, it has been the consistent position of the Chinese government when conducting aid with African countries that we do not attach conditions."

The summit marks 50 years since China first established diplomatic ties with Egypt, the first African nation to reject the island of Taiwan's claim as the sovereign over mainland China, then a deeply ideological, but poor, Communist state. China aggressively wooed African states with help and aid to convince them to switch sides.

Now, only five African countries, including Swaziland and Malawi, recognize Taiwan. Meanwhile, China has emerged as one of the biggest economies in the world with its own brand of capitalist authoritarianism that has transformed the relationship with Africa from a largely political one into a mostly commercial one.

Beijing will pull out all the stops to impress the delegations with its rapid economic growth, arranging trips to the Great Wall, and showing off the signs of its modern wealth, such as the commercial capital Shanghai. It will coordinate some 1,500 delegates and another 1,030 journalists from Africa, China and elsewhere. "Perhaps they will bring some lessons home when they have seen the changes that have taken place in China," Mr. Zhai said.

This comes as some in the U.S. and elsewhere are casting an increasingly wary eye at China's growing involvement in Africa, most recently in Sudan, where China has large oil interests. Mr. Zhai rejected allegations that China isn't doing enough to stem the violence in Darfur. "I believe the Darfur issue and China's economic and energy cooperation and trade are two separate issues. It is not the case that because of the good relationship and cooperation with the Sudanese government that we're turning a blind eye to the situation in Darfur."

He criticized U.S. policy. "The United States has unilateral sanctions -- has it been useful?" he asked.

EU To Get Tougher On China Trade (WSJ)

By John W. Miller

The Wall Street Journal, October 24, 2006

BRUSSELS -- The European Union is due to unveil a plan today that charts a tougher approach to China as its trade deficit with the Asian giant soars.

The change in strategy is driven by the desire to quell protectionist sentiment at home and strengthen Europe's hand when it renegotiates a trade agreement with China, European officials say.

Until now, Europe has opened its markets to Chinese imports but made few modifications to a trade relationship last outlined in a deal with Beijing struck more than 20 years ago.

The plan, to be announced today by the European Commission, the EU's executive body, is aimed at persuading Beijing to open more markets, crack down on technology theft and allow its currency to strengthen. If Beijing doesn't comply, the EU would

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take action to protect its own interests, including the imposition of new antidumping duties, according to EU documents that summarize the commission's plan. The EU already has punitive antidumping tariffs on imports of Chinese shoes and more than 30 other goods.

"China needs to demonstrate its commitment to open markets, fair competition and responsible leadership," the documents say. The EU will increase pressure on Beijing to let its currency appreciate, according to the documents. That could help reduce the size of the trade deficit by making Chinese imports more expensive to buy in the EU.

The EU's trade deficit with China ballooned to €106.8 billion ($134.77 billion) last year from €48.6 billion in 2000. That is starting to approach the scale of the U.S. trade deficit with China, which in 2005 was above $200 billion. The scale of Chinese imports to the EU and the perceived threat to EU jobs have until recent years been much smaller than in the U.S., where fears about China's manufacturing strength have driven U.S. policy for years. The EU's plan of tougher language toward China mirrors that of the U.S.

Chinese officials say the EU would be making a mistake to try to penalize it over the trade deficit. "China's been making a lot of efforts" in areas such as tackling counterfeiting and intellectual-copyright theft, said Shaoxin Wang, spokesman for the Chinese mission to the EU.

EU officials say trade with China has helped the EU by tempering inflation and boosting the profits of European companies, such as retail titans Carrefour SA and Tesco PLC, which rely on cheap Chinese imports to boost sales. But the rise of imports has begun to stir protectionist fears in EU countries with high labor costs.

A surge in imports of manufactured goods such as shoes, laptops and cellphones is behind the EU's trade deficit with China. EU imports of Chinese shoes have more than doubled since 2000, to €4.8 billion from €2 billion, hurting shoe producers in countries like Italy. Imports of electronic goods have risen to €37.3 billion from €15.9 billion over the same period.

The commission hopes the strategy will eventually lead to a reciprocal relationship by creating opportunities in China, most likely in service industries such as insurance, consulting, law and banking.

The EU is due next year to renegotiate its 1985 partnership agreement with China, which includes trade. If the stalled talks on a global trade deal, known as the Doha round, fail to revive, EU officials say they may seek an additional trade accord with China.

"There is a bargain to be struck in which Europe commits to maintaining its own openness even in the face of the toughest competition, and China acts to ensure that that competition is fair and that EU businesses get a fair shot in the Chinese market," the EU background papers say.

European business lobbies such as Unice, which represents 2.2 million businesses, complain they don't get a fair deal with China. For example, car companies aren't allowed to own their own subsidiaries in China, and must partner with a Chinese company. Car makers say they are forced by high customs duties to buy parts from local suppliers, rather than import their own. The EU, the U.S. and Canada have a joint case pending at the World Trade Organization demanding China cut the tariffs.

The EU today also will ask about progress on China's commitment to fully liberalize its banking sector by the end of this year. Because of regulatory restrictions, Unice says, European banks get just 2% of the market for Chinese banking services, despite having strong competitive advantages.

Analysts say the EU should move carefully on any threats to bring more antidumping cases if China doesn't cooperate. "Getting tough with China is a dangerous game," says David Kernohan of the Centre for European Policy Studies in Brussels, adding that China could freeze the EU out of its markets and strike deals with other players instead.

Chinese Checks (WSJ)

By Harry Harding

The Wall Street Journal, October 24, 2006

China's economy has proved a seductress that's hard for investors to resist. From encouraging foreign direct investment to signing up with the WTO, Beijing has embraced foreign capital and know-how. Foreigners, in large part, have been rewarded with double-digit growth rates and cheap labor. But this happy affair is running into problems: Over the last few months, there is a growing perception that foreign companies have done too well from their investments. The Party leadership has publicly

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accused a few of capturing "excessive" market shares, acquiring too many stakes in China's strategic industries, and buying state assets at bargain prices. Above all, there seems to be a concern that overseas investors own too much of the technology crucial to China's economic development.

These sentiments aren't only murmured in private. Li Deshui, a former economic official, was quoted in March as criticizing "malicious acquisitions aimed at establishing monopolies." He cited beer, soft drinks and skin-care products as areas where foreign companies had done too well at the expense of their local counterparts.

Beijing's defensive economic nationalism is not primarily about restricting imports, although there has been some of this. For instance, China's high tariffs on imported automobile parts are currently the target of a case being brought before the WTO by the U.S. and the European Union.

The main focus is on making it more difficult for foreign companies to operate in China. Take foreign ownership of local companies operating in "strategic sectors," such as banking and brokerage houses. The most prominent example so far has been Beijing's rejection of Citigroup's attempt to buy 45% of Guangdong Development Bank last year, as part of a consortium that would have taken majority control. Despite the state-owned lender's heavy losses, Beijing refused to waive the 20% cap on the stake any single foreign investor can take in a Chinese bank. As a result, Citigroup was forced to scale down its bid, as were other foreign banks interested in buying Guangdong Development Bank. The deal has yet to be completed.

China's regulators are even designating automobile and machine-tool companies as sensitive sectors, making foreign acquisitions in these areas subject to particularly stringent scrutiny. Earlier this year, Hangzhou Advanced Gearbox Group halted three years of talks on a joint venture with Germany's ZF Group, saying it would be a mistake to give the foreign automotive-supplier company greater access to the Chinese market. Last week, private-equity fund Carlyle Group agreed to buy 50% of Xugong Group Construction Machinery Co. -- hardly the 85% it had originally intended to purchase. This followed a high-profile campaign against the deal by Sany Heavy Industries Co., one of Xugong's main domestic competitors.

Beijing is also placing new obstacles in the way of foreign companies that seek to establish independent, wholly owned operations in the mainland. Beijing has officially complied with its commitment to open up the domestic construction market, as part of the agreement on China's accession to the WTO in 2001. But it has placed formidable obstacles in the way of foreign companies trying to take advantage of this opportunity. Under regulations issued in December 2003, these companies are required to employ at least 200 staff in China before being allowed to sign any contracts in the country. Foreign companies wanting to compete for infrastructure projects must also have at least $36 million in registered capital in China.

Beijing's regulators are now codifying further protectionist language into law. In September, six ministries enacted regulations that give the Ministry of Commerce expanded power to block foreign purchases of local companies. The law's language is vague; a purchase that disturbs "the social or economic order or harm the public interest," for instance, could be reviewed. Foreign investors are also fretting about the country's new antimonopoly law, which has been drafted but not yet enacted.

China is also attempting to build "national champions" that can compete with foreign companies in the global marketplace. Beijing is well aware that, despite the country's integration into the global economy, it currently occupies a narrow slice of the value chain. China serves mainly as an assembly platform for manufactured goods, albeit of increasing sophistication. While that role brings in considerable revenue, it only represents a small fraction of the total value of the country's export goods. Other links in that value chain earn far more, such as research and development, product design, branding, marketing and distribution. The best-known examples of this trend are Lenovo's acquisition of IBM's personal computing division, and the creation of a Chinese-controlled joint venture between TCL and Thomson to produce television sets. The purchases help Beijing pursue its goal of boasting 50 of the world's 500 largest companies within the next decade.

This goal is laudable, taken on its own. The problem for foreign companies is that Beijing is willing to use tactics which give their Chinese counterparts an unfair advantage. These measures include state subsidies through politically motivated bank lending at below-market rates. For instance, Cnooc Ltd.'s abortive bid for Unocal Corp. last year was backed by several billion dollars in cheap loans from its government-owned parent company. It's also possible in future that Beijing will challenge patents and cap domestic retail prices to reduce the royalties paid to foreign patent and copyright holders.

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China's economic nationalism is a marginal adjustment to, rather than a fundamental repudiation of, Beijing's broader embrace of globalization. As China's Commerce Minister Bo Xilai has argued, Beijing will not abandon the foreign economic policies that have served it so well. There's also no shortage of critics of economic nationalism within China, both among economists committed to free-market models, and among local companies who fear their own competitiveness may be compromised by state interference in the economy.

Nonetheless, the protectionist backlash is unlikely to go away anytime soon. Other "China risk" factors may receive far more publicity -- from the threat of a financial crisis to a political collapse, or even a conflict with the U.S. over Taiwan. But for companies doing business with China, it is the new surge in economic nationalism that poses, by far, the biggest threat for the foreseeable future.

Mr. Harding, director of research and analysis at Eurasia Group, chaired the firm's task force on the risks associated with developments in China over the next 10 years.

China Sees Religion As Stabilizing Force (WT/AP)

By Joe Mcdonald

The Washington Times, October 24, 2006

BEIJING -- Chinese officials have expressed interest in the role of religion in improving society, the archbishop of Canterbury said yesterday at the end of the first trip to China in 12 years by a leader of the Church of England.

The Anglican Communion will expand efforts to help the state-sanctioned Protestant church train clergy, as communist leaders look to religion to help stabilize society during a time of wrenching change and explosive growth in Christianity in China, Archbishop Rowan Williams said.

His two-week visit also highlighted Anglicans' limited but longtime ties to China, in contrast to the Roman Catholic Church's lack of relations with Beijing.

Chinese officials discussed the role of religion in "building a harmonious society," said Archbishop Williams, referring to the Communist Party phrase for efforts to spread prosperity and ease tensions over the gap between China's rich and poor.

One senior official talked about "the potential significance of Christian Sunday schools in backing up the growth of a mature and stable public morality," Archbishop Williams said at a press conference.

The Church of England and China's Protestant church agreed to work toward having Anglican theologians teach in China and Chinese seminarians study abroad, said Archbishop Williams. He said they discussed foreign help to expand Chinese seminary libraries and to train religious scholars.

Archbishop Williams avoided open criticism of Beijing's controls on religious activity, but said the government could explain its rules more clearly so the faithful know what is permitted.

"I think there is a remarkable amount of freedom of initiative for a number of religious groups," he said. "We're content to work with a church which we see to be lively and active and capable of taking initiative."

Archbishop Williams said he asked Chinese officials about six Protestant and Catholic church members who he said were jailed or harassed for religious activity. He said the officials asked him to submit more details and had not replied.

Christian Solidarity Worldwide (CSW), a religious-freedom group that monitors the detention of priests and members of unregistered churches in China, said the archbishop did not meet the real church.

Greener Pastures To Stop Dust Bowl, Mongolia Builds 'Great Wall' Of Trees (WSJ)

By Patrick Barta

The Wall Street Journal, October 24, 2006

DALANZADGAD, Mongolia -- The great Gobi Desert has camels with two humps, a rare breed of desert bear, and some of Asia's last remaining nomads. One thing it doesn't have is shade.

Batchuluun Doorov is trying to change that. Each morning, he travels by motorcycle to a remote desert outpost, rouses his assistants, and begins watering thousands of scraggly trees rising up from the sand. Workers planted the trees months ago, and now they form a thin green line across the horizon in one of the most barren places on earth.

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"In the future, when this becomes like a forest, I will be proud," Mr. Batchuluun said one recent morning as he ambled between saplings and fished a cigarette from his pocket. Dry winds howled around him. A few hundred yards away, bleached bones baked in the sun.

More than 2,000 years ago, China began to build the Great Wall. Today, Mongolia is building its own seemingly implausible version: a zigzagging line of pines, willows, oleasters, junipers, hawthorns, aspens and other trees it hopes will someday stretch more than 2,000 miles across the desert. The so-called "Green Wall" is expected to take 30 years to complete and cost some $150 million or more.

The wall is necessary, Mongolia says, to protect itself and the wider world from an increasingly serious problem: Gobi dust, kicked up by Central Asian storms strong enough to rip the paint off Mongolian cars and then carried eastward across Asia and beyond.

Dust storms from the Gobi, which spans southern Mongolia and northern China and is almost twice the size of Texas, have darkened the skies of China and Korea in recent years, closing airports and triggering widespread respiratory illnesses. A whirlwind this spring dumped an estimated 300,000 tons of sand and grit on Beijing, burying cars, houses and trees in a thick layer of sand.

According to Chinese records, big sandstorms reached Beijing only once or twice every seven years in the 1950s, and only every two or three years in the 1970s. Now they are an annual problem, with many arriving from beyond Chinese borders. While the storms usually happen in spring, many in China worry the Gobi gusts could cake the 2008 Beijing summer Olympics in sand, eclipsing the nation's moment in the global sun.

Gobi storms have even made their way to the U.S., where weather officials blame Mongolian soil for dust storms up and down the West Coast, including one that clouded Utah skies in 2001. Scientists have found traces of the Gobi as far away as Kansas.

The amount of Mongolia's land that is suffering from desertification -- land that either has no vegetation at all or is slowly losing it -- could be as much as 50,000 square miles, an area the size of New York state, according to a leading Mongolian environmental group called Sain Uils, which means "good will" in Mongolian. Mongolia's Ministry of Nature and Environment says 683 rivers have dried up in recent years due to encroaching desert.

Mongolia's government and scientists say global warming is partly to blame. Average temperatures in Mongolia have climbed nearly 3.6 degrees Fahrenheit since the 1940s, according to the Ministry of Nature and Environment. At the same time, it says there is about 10% less rainfall in the Gobi itself now versus the 1940s -- fewer than three inches a year in parts of the desert.

Changes in human behavior are also playing a role. Herdsmen have added more goats to their herds in recent years to boost production of cashmere, a valuable commodity in Mongolia's landlocked economy. Unfortunately, the omnivorous goats do more damage to the soil than other livestock because they eat plant roots, too, contributing to desertification.

The question is whether planting thousands of saplings can actually help keep the soil in place.

Some countries have done it successfully. In the U.S., for instance, Franklin D. Roosevelt's administration planted "shelter belts" of trees to block wind as part of its successful effort to rehabilitate the American Dust Bowl in the 1930s.

But those efforts included other programs to boost their effectiveness, such as money for farmers who agreed to change their behavior to promote soil conservation. In the case of Mongolia, many international experts think officials are taking the wrong approach, in part because the country doesn't have enough money to ensure a broad-based solution.

It's not an easy problem to solve. Not much grows in the Gobi, which unlike the sandy dunes of the Sahara is mostly a barren expanse of gravellike plains, mountains and valleys. Winter temperatures can drop to minus 40 degrees Fahrenheit, followed by highs above 110 degrees in the summer.

Another problem is that the Gobi has fewer than three people per square mile. That means there aren't many folks around to care for the trees, including protecting them from wandering nomads who might topple them for fuel -- or for fun. It also means watching out for other threats to saplings like rabbits and cows.

"I can think of a million reasons why there is just no reason this is going to work," says Jayne Belnap, a research ecologist for the U.S. Geological Survey in Utah, who has studied Mongolian soil extensively. "If you talk to any scientist, they will start laughing."

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Difficult Changes

Ms. Belnap and others think Mongolia should focus on reducing the number of animals in nomads' herds. But doing so could require difficult social changes in Mongolia, where some 40% of the country's 2.8 million residents work in rural endeavors such as herding.

For much of the 20th century, Mongolia was a communist state supported by the Soviet Union, which propped up the local economy. Central planners regulated the size of herds, which helped to prevent overgrazing.

When the Soviet Union collapsed in the early 1990s, so did Mongolia's economy, forcing many urban residents to flee to the countryside as herders.

The result: too many animals. Many of the animals stayed thin and unproductive, which in turn encouraged herders to add more. Today, Mongolia has as many as 30 million head of livestock -- more than 10 times its human population. The introduction of more goats for cashmere only added to the problem.

Foreign agricultural experts urge Mongolia to promote deeper changes, including adopting feedlot practices now common in the U.S. and other nations. The U.S. once had similarly wide-open spaces where animals roamed across big stretches of land, but those animals were eventually cordoned off into fattening lots and corporate farms. That process used less land and boosted productivity.

Doing that, though, could ultimately mean the end of the road for many of Mongolia's nomads. Much of the country's rural population lives in small family units that have their own herds and move around in search of forage. The nomadic herder culture is critical to Mongolia's identity, much like the cowboy once was to the American West.

Mongolian officials are plowing ahead with tree-planting instead. The Green Wall project allows them to respond to foreign governments and local constituents clamoring for action on the dust problem. Mongolian officials also hope the idea will help attract money from foreign donors, and create jobs in rural areas caring for the trees.

Mongolia has declared the project a national priority and obtained support from a handful of sources, including Rotary Club chapters in Mongolia and South Korea. The government and volunteers together have planted more than 360,000 trees at various sites over the past two years, with the Rotary Club running some of its own tree-planting operations. Some volunteers sing Rotary Club songs as they work.

But many foreign donors, including the United Nations, declined to contribute because they doubt the project's efficacy.

Avirmed Auyrzana, head of the Green Wall National Program at the Ministry of Nature and Environment, acknowledges that between 20% and 50% of the newly planted Gobi trees die and that the project is underfunded. He has just five employees and works from a 10-foot-wide cubbyhole in an old Soviet-style office block overlooking a parking lot in the Mongolian capital of Ulaanbaatar.

"If people do not have any agricultural experience, of course they will be skeptical," he says. But he adds that he is certain the project will work.

Down in the Gobi, enthusiasm runs high. This is especially true in Dalanzadgad, a desolate town of 15,000 people a few hours north of the Chinese border. Dalanzadgad could use some green. Wild dogs roam in packs, and dust regularly blows across city streets. A massive trash dump sits outside of town -- a repository for everything from old tires to the discarded rib cages of livestock. And then the Gobi takes over, spreading out in all directions.

Rotary Club officials in Mongolia hired a 38-year-old former Mongolian stockbroker named Jambaldagva Yondonjunai to monitor their operations on the ground. Mr. Jambaldagva patrols town in a gray Russian van emblazoned with the words, "Keep Mongolia Green." During a recent visit, he complained of stomach pains from eating bad marmot, a groundhoglike creature common in these parts.

"When I drive by, all the people recognize me," he said. "People say, you're doing a good thing -- you're doing something for the motherland."

Part of Mr. Jambaldagva's job involves driving across the rocky landscape to visit the trees and crews who water and watch over them. After three years, the saplings should be strong enough to survive on their own, project supporters say.

Sometimes the trees don't make it. At Moltsog Els, a collection of golden dunes an hour or so from Dalanzadgad, workers trucked in hundreds of stones to pin down the sand and then planted trees between the rocks. Then a freak desert rainstorm

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struck, uprooting or drowning the trees. Now, stones lie scattered across the dunes with brown twigs poking upward from the sand.

Other sites are considered a huge success, like one near Bulgan, a town two hours west of Dalanzadgad. Workers planted several thousand trees there, and about 90% have survived.

It has taken a lot of work. A half-dozen locals, including two watchmen, must water the trees daily with a hose fed by an underground aquifer.

"Sometimes it's hard holding the hoses," says 33-year-old Iderzaya Orgoi, a former nomad who gave away her herd to look for other kinds of work, and landed a job caring for the trees. Still, "I'm very sure" the project will work, she says.

Another Hurdle

Ms. Belnap, the U.S.-based soil expert, says she doesn't doubt the trees will grow for a while, and that some of the trees may thrive. But she sees another potential hurdle: salt. Many of Mongolia's underground water sources contain water that's high in salinity, she says. As that water is tapped to nurse trees, it will accumulate in the soil and eventually poison the same trees it sustains.

Work is proceeding anyway, with a variety of additional tree-planting schemes sprouting around the area. In Dalanzadgad, one local woman enthusiastically reports that the government has offered to pay her the local equivalent of $2.57 a tree if she nurses 10 of them to maturity over three years.

Then there's the patch of green headed up by Mr. Batchuluun, near a place called Juulchin Gobi, a tourist tent camp some 40 minutes overland from Dalanzadgad. Workers planted saplings for a stretch of two miles or longer.

Using nearby wells and irrigation channels, Mr. Batchuluun and his team walked up and down the rows daily during the summer, watering each tree at least two times a week. Standing shirtless with a safari hat on his head on a recent day, Mr. Batchuluun said that about 80% of his trees have lived. Some are so tall, he added, that he sometimes can't see other workers when they wander out into the foliage.

While a few miles of trees isn't much in the vast desert, Mr. Batchuluun thinks enough trees will flourish to make a difference.

"The children will be very proud," he said. "They [will] look back and think: This was the beginning of everything."

Britain Is Turning On The U.S. — At Its Own Peril (USAT)

By Melanie Phillips

USA Today, October 24, 2006

Everyone knows that Europe is a continent stuffed with craven, terror-appeasing fromages who loathe America. Britain, by contrast, led by the lion-hearted Tony Blair, is full of stalwarts who stand shoulder to shoulder with the United States in the defense of the West. Right?

Wrong. Fury at Prime Minister Blair for being President Bush's “poodle” has reached such a pitch that the most successful Labor prime minister in memory is being forced out of office because of his support for U.S. policy in Iraq and Israel. Labor's members of Parliament say his refusal to break with America by calling for an earlier cease-fire in Lebanon was the last straw. The disturbing fact is that Britain is consumed by a rampant anti-Americanism and an allied hostility toward Israel, which are driving public debate into irrationality, prejudice and appeasement.

In a Populus poll last month in The Times of London, 62% said the government should change its policy by distancing itself from the United States, being more critical of Israel and declaring a timetable for withdrawing from Iraq. An August YouGov poll in The Spectator magazine revealed that while 53% wanted a tougher anti-terrorism policy, 45% wanted to be allied more closely with the European Union than with America. Only 14% supported closer U.S. ties.

As a result, the prospects for the alliance between Britain and the United States in the post-Blair era do not look promising. Despite being an instinctive Atlanticist, Gordon Brown, the most likely successor as Labor prime minister, is thought to be only a reluctant backer of the war in Iraq, according to a new autobiography by former Labor minister David Blunkett.

Meanwhile David Cameron, the new young leader of the opposition Conservative Party, made a speech last month distancing himself from U.S. foreign policy and blaming America for fanning the flames of anti-Americanism. The outcome might

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be that Britain increasingly snuggles up to the EU over foreign policy while an irritated America, bereft of its principal advocate in Europe, moves toward isolationism.

Much of Britain's anti-Americanism is driven by the usual suspects, such as far-left lawmaker George Galloway or newspapers such as the ultra-left Guardian. Galloway, for instance, said during an interview with GQ magazine earlier this year that the assassination of Blair by a suicide bomber would be "morally justified."

Left-wing discourse, now staple fare on the BBC and applauded even by conservatively minded audiences in panel discussions, proclaims that the United States is the fount of Third World oppression and the greatest threat to world peace.

But British animosity toward the U.K.'s most important and historic ally is wider and deeper. Partly it derives from simple snobbery, the long-standing British belief that Americans are vulgar upstarts who lack the gravitas that Britain has accrued from a thousand years of history.

Probe further, however, and you discover anguish at the progressive junking of that history. Schools, for example, no longer teach the history or values of the British nation on the grounds that national identity based on a majority culture is viewed as "racist." Instead, they promote multiculturalism, the doctrine that minority value must have equal status to those of the majority. Loss of confidence in Britain's role in the world has demoralized its governing class so badly that it has come to believe that the nation state is the principal source of all ills from prejudice to war, and that legitimacy resides instead in supranational institutions.

So no international action can be taken without sanctification by that holy of holies, the United Nations. As a result, the British regard Bush's "unilateral" foreign policy with undiluted horror. This is made worse by disdain for Bush himself, regarded as a tongue-tied cowboy who actually believes in God — to the post-religious British, the nearest thing to a certificate of lunacy.

The biggest single cause of British anti-Americanism, however, is Israel. Despite being the target for more than half a century of genocidal Arab and Muslim aggression, Israel is widely perceived in Britain as the regional bully, and its acts of self-defense are viewed as the principal motor behind both the Middle East impasse and Islamic grievance because of its supposed refusal to allow the Palestinians to have a state of their own.

Thus John Denham, chairman of the parliamentary Home Affairs Select Committee, wrote that Israel's policies were making Britain a target for terror. America brought the 9/11 attacks upon itself, goes this type of thinking, because of its support for Israel — and the only reason Britain is now threatened by Islamic terror is because of Blair's support for the United States.

This has opened a Pandora's box of anti-Jewish prejudice in Britain.

A recent report by the Parliamentary Committee Against Antisemitism found that since 2000, anti-Semitism is on the rise in Britain. It is now common to read in the news media, for example, that the Jews are engaged in a global conspiracy that has subverted U.S. foreign policy to serve the interests of Israel and put the rest of the world at risk. In April, for instance, The Independent newspaper illustrated an interview on the subject of the "Israel lobby" in America with a picture of the American flag in which the stars of the union were replaced with the Stars of David. The headline: "The United States of Israel." Thus the prejudice against America is inextricably conflated with prejudice against Jews and the Jewish state.

The dismaying truth is that, even after the suicide bombings in London, America's defense of the free world against Islamic terror is widely viewed in Britain as the cause of that terror. The paranoid bigotry that drives the jihad — that the United States and its Jewish puppet masters make up a giant conspiracy of evil — is being increasingly echoed within Britain's non-Muslim population.

The very idea that weakening the alliance with the United States would be in Britain's interests is madness. But in a country that has lost its way, rationality is a commodity in short supply.

Melanie Phillips is a columnist for Britain's Daily Mail and the author of Londonistan.

Veiled Insult (WP)

By Anne Applebaum

The Washington Post, October 24, 2006

Quite a long time ago, having briefly joined the herd of 20-something backpackers that eternally roams Southeast Asia, I found myself in Bali. Like all of the other 20-somethings, I carefully read the Lonely Planet backpacker's guide to Indonesia and

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learned, among other things, that it was considered improper for women to wear shorts or trousers when entering Balinese temples. I dutifully purchased a Balinese sarong and, looking awkward and foreign, wore it while visiting temples. I didn't want to cause offense.

I thought of that long-ago incident during a visit last week to London, where a full-fledged shouting match has broken out over Muslim women who choose to wear the veil. This particular argument had begun because a teaching assistant in Yorkshire refused to remove her veil -- a niqab , which covers the whole body except for the eyes -- in the presence of male teachers, which was much of the time. She was fired; she went to court -- and a clutch of senior British politicians entered the fray.

Jack Straw, the former foreign secretary, called the full-face veil "a visible statement of separation and of difference." Tony Blair, the prime minister, added that he could "see the reason" for the teaching assistant to be suspended.

What followed was predictable: accusations of racism, charges of discrimination and disagreement about whether the veil was even a valid topic of discussion. If Blair and Straw were really concerned about Muslim women, shouldn't they be more interested in underage marriages, or wife beating, or something more important?

The short answer is, yes, probably. But the curious fact is that the veil, as a political issue, won't go away. The French have banned not only the full veil but head scarves in state schools. Some German regions have banned the head scarf for civil servants too, and they are not permitted in Turkish universities at all. Slowly, the issue is coming to the United States: Just this month a Michigan judge dismissed a small-claims court case filed by a Muslim woman because she refused to remove her full-face veil while testifying.

Critics call the veil a symbol of female oppression or rejection of Western values. Defenders say that it is a symbol of religious faith and that it allows women to be "free" in a different sense -- free from cosmetics, from fashion and from unwanted male attention. Debate about the veil inevitably leads to discussions of female emancipation, religious freedom and the assimilation, or lack thereof, of Muslim communities in the West.

And yet, at a much simpler level, surely it is also true that the full-faced veil -- the niqab, burqa or chador -- causes such deep reactions in the West not so much because of its political or religious symbolism but because it is extremely impolite. Just as it is considered rude to enter a Balinese temple wearing shorts, so, too, is it considered rude, in a Western country, to hide one's face. We wear masks when we want to frighten, when we are in mourning or when we want to conceal our identities. To a Western child -- or even an adult -- a woman clad from head to toe in black looks like a ghost. Thieves and actors hide their faces in the West; honest people look you straight in the eye.

Given that polite behavior is required in other facets of their jobs, it doesn't seem to me in the least offensive to require schoolteachers or civil servants to show their faces when dealing with children or the public. If Western tourists can wear sarongs in Balinese temples to show respect for the locals, so too can religious Muslim women show respect for the children they teach and the customers they serve by leaving their head scarves on, but removing their full-faced veils.

It would, of course, be outrageous if Tony Blair or the French government were to ban veils altogether -- just as it is outrageous that Saudi Arabia bans churches and even forbids priests from entering the country. But just because authorities persecute Christians and Jews in some parts of the Muslim world, that doesn't mean we need to emulate them. In their private lives, Muslim women living in the West should be free to use veils or head scarves as they wish. But freedom to practice religion in the West shouldn't imply freedom to hold jobs that impinge on that practice. An Orthodox Jew should not have an absolute right to work in a restaurant that is open only on Saturdays. A Quaker cannot join the Army and then state that his religion prohibits him from fighting. By the same token, a Muslim woman who wants to cover her face has no absolute right to work in a school or an office where face-to-face conversations are part of the job.

It isn't religious discrimination or anti-Muslim bias to tell her that she must be polite to the natives, respect the local customs, try to speak some of the local patois -- and uncover her face.

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DEPARTMENT OF JUSTICE *NEWS CLIPS*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, US DEPARTMENT OF JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: TUESDAY, OCTOBER 24, 2006 7:45 AM EDT

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TERRORISM NEWS:

Gonzales Praises New U.S. Military Law (UPI)

United Press International, October 24, 2006

LAKE BUENA VISTA, Fla., Oct. 23 (UPI) -- U.S. Attorney General Alberto Gonzales on Monday praised the new Military Commissions Act, saying prisoners now have more rights than they did before.

Gonzales was speaking to a leadership convention of U.S. Judge Advocates General in Lake Buena Vista Fla., and echoed U.S. President George Bush's call for better tools to combat terrorists, whose cause, he said "is nothing less than a return to the Dark Ages."

He said the act, signed into law this month by Bush, gives individuals detained as enemy combatants at the U.S. military prison at Guantanamo Bay, Cuba, "greater legal rights than are provided to lawful prisoners of war under the Geneva Conventions.

"Although our enemy shows nothing but contempt for the law of war and the standards of civilized nations, we provide him with these protections because they are consistent with the values of the United States. These values are among the many hallmarks of civilization that separate us from them," Gonzales said.

BATTLE OVER TERROR LAW BEGINS (ABAJ)

By MOLLY McDONOUGH

ABA Journal, October 20, 2006

Detainees Challenge Measure Barring Habeas Petitions

Not long after the ink dried on President Bush's signature enacting the Military Commissions Act of 2006 on Oct. 17, lawyers for Guantanamo detainees filed notice of plans to challenge the legislation.

As Bush signed the act, he said it is "one of the most important pieces of legislation in the war on terror." Among other things, it grants the president the authority to establish military commissions to try detainees who have been designated enemy combatants and defines the policies and procedures of the commissions.

Speaking from the East Room at the White House, Bush said the "military commissions will provide a fair trial in which the accused are presumed innocent, have access to an attorney, and can hear all the evidence against them."

"These military commissions are lawful, they are fair, and they are necessary," he said.

But the detainees dispute the fairness and lawfulness of the act. Specifically, they challenge section 7, which strips the federal courts of jurisdiction to hear habeas petitions from those who are designated as enemy combatants or are awaiting such determinations.

Other critics have raised similar objections, including ABA President Karen J. Mathis, who outlined the ABA's concerns in a September letter.

Miami lawyer Neal R. Sonnett says, "The signing formalizes what is one of the worst pieces of legislation in decades. It sets back the rule of law substantially, especially the court-stripping provisions which the ABA will continue to fight." Sonnett chairs the ABA's Task Force on Treatment of Enemy Combatants.

It's no surprise to Sonnett that the habeas provisions are the first issues to surface in the courts because, he says, "there is no precedent to the wholesale stripping of rights that are in" the act.

Sonnett says the ABA, following on the heels of several other organizations, will be asking the government to allow time for the public to comment on the rules that are developed for the military commission trials.

A detainee whose case has already been to the U.S. Supreme Court has filed a motion asking for an opportunity to brief the issue. Salim Ahmed Hamdan filed the request in the U.S. District Court for the District of Columbia, which was assigned to hear his claims challenging his detention for more than five years at the U.S. naval base at Guantanamo Bay, Cuba.

The Supreme Court ruled in Hamdan v. Rumsfeld, 126 S. Ct. 2749, earlier this year that the previous structure of the military commissions was unconstitutional, and it remanded his case to the D.C. court. (See "High Court Blocks Tribunals," ABA Journal eReport, June 30.)

Hamdan's motion argues "section 7 of the [act] is unconstitutional on multiple grounds" and doesn't strip the district court of jurisdiction to consider his detention claims. "The Constitution provides a right to habeas relief independent of statutory authorization, a privilege that has not been validly suspended."

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Another group of detainees also filed a motion to file supplemental briefs on the court-stripping provisions in their cases, now before the U.S. Court of Appeals for the District of Columbia Circuit. Their cases are pending under the captions Boumediene v. Bush, No. 05-5062, consolidated with No. 05-5063, and Al Odah v. United States, No. 05-5064, consolidated with Nos. 05-5095-05-5516.

In addition to wanting to argue about habeas protections, the detainees in the appellate group want a chance to explore whether the act "unconstitutionally nullifies the ability of the petitioners to pursue their claims under the Geneva Conventions" and whether it "unconstitutionally delegates to the executive powers reserved to the judicial branch."

But the government, in a letter filed with the court Oct. 17, objected to any more briefing in the Boumediene and Al Odah cases, saying the jurisdiction issue had already been argued and briefed. In the letter, Catherine Y. Hancock, an appellate attorney in the Justice Department's civil division, argued the Military Commissions Act "unambiguously eliminates district court jurisdiction over petitioners' claims."

"The court should therefore decide that issue and the merits of these appeals forthwith, based on the existing briefing," Hancock concluded.

Italy's Top Spy Is Expected To Be Indicted In Abduction Case (NYT)

By Ian Fisher And Elisabetta Povoledo

The New York Times, October 24, 2006

ROME, Oct. 23 — Italy's top spy is expected to be replaced in the coming days, as prosecutors seek his indictment on charges connected to the abduction of a militant Egyptian cleric in Milan by American intelligence agents in 2003.

The expected indictment of the spy, Nicolò Pollari, is part of a sprawling investigation here, the first in which government officials have essentially been charged with cooperating with Washington to violate the laws of their own government. If Mr. Pollari is indicted, he would be by far the most prominent official charged in relation to the scores of abductions of suspected terrorists around the world since the Sept. 11, 2001, attacks.

The case's practical impact on the program of transferring terrorism suspects to another country for questioning, known as rendition, is not clear. Some experts say the program was already languishing, after revelations last year that some abductees ended up in secret prisons.

But any trial, especially one involving a prominent official like Mr. Pollari, could shed uncomfortable light on how American allies cooperated in one of the most controversial tactics in the Bush administration's fight against terrorism.

Twenty-five operatives for the Central Intelligence Agency are named in the case, and documents filed by prosecutors here are full of specific information: phone and credit card numbers, tapped phone calls and surveillance photographs.

Perhaps most difficult for Italy, a trial would raise the possibility of showing collusion at the highest levels of government under the prime minister at the time, Silvio Berlusconi. Intelligence experts say it is highly unlikely that Italy did not give explicit approval of the operation, especially since the kidnapping took place right before the invasion of Iraq — and Italy was one of only a few European governments to support the war.

"The idea that either the director of central intelligence or the White House — and this would have had to go to the president — would have agreed to conduct the operation unless they were absolutely sure the Italian government was behind it is laughable," Michael Scheuer, a former senior American intelligence analyst, said in an interview. "It's not even in the realm of possibility."

Earlier this month, Armando Spataro, one of the chief prosecutors in the case, told members of the European Parliament in a briefing that "at this point" he had "no evidence" of anyone higher than Mr. Pollari being involved. Mr. Berlusconi and other top officials of his government have repeatedly denied any knowledge of the kidnapping.

Prosecutors made their case public last year, and officially closed the investigation earlier this month. Lawyers for the defendants have at least until the end of the month to examine the evidence. After that, the prosecutors said they intended to ask for indictments.

Mr. Pollari has consistently denied any role in the kidnapping, and his lawyers say he has been unable to defend himself fully because of Italian secrecy laws, though prosecutors contend they do not apply.

One of his lawyers, Titta Madia, said that Mr. Pollari's actions must be seen within a "larger picture" in which he must maintain secrecy. "It's a delicate theme because it pertains to international relations and national security in a tragic political moment," he said.

In February 2003, the Egyptian cleric, Hassan Mustafa Osama Nasr, known as Abu Omar, disappeared from a street in Milan. While the Italian news media reported it as a kidnapping, the case was officially unsolved.

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But in June 2005, prosecutors in Milan ordered the arrest of 13 C.I.A. operatives. Since then, the case has slowly expanded to include other American operatives in Italy at the time — all have since left the country — and top Italian intelligence officers, including Mr. Pollari himself, who has been the head of military intelligence since 2001.

Prosecutors allege that Mr. Pollari, one of 39 defendants, cooperated with the C.I.A. in "promoting and organizing" the abduction by issuing orders to an Italian intelligence agent to assist in the planning of the kidnapping. In his briefing to the European Parliament, Mr. Spataro said he was not alleging that Italian intelligence agents took part in the actual kidnapping. All 39, many of them Americans, are subject to indictment.

The prosecution's evidence rests in some 28 closely held boxes of material, much of it detailing interrogations of suspects, telephone records and transcripts of intercepted telephone conversations. In one of the most potentially damaging transcripts, made in June, two of the nation's top spies — one of them dying of cancer, the other secretly recording the conversation to absolve himself — discussed whether it was the C.I.A. or Mr. Pollari who had given one of them a list of names of people, including Abu Omar, who were to be "taken away."

"The director, the director," said one of the spies, Gen. Gustavo Pignero, referring to Mr. Pollari. "The director gave me the envelope." Mr. Pignero, who died in September, was one of Mr. Pollari's top deputies.

But in the court documents, Mr. Pollari comes off as unhappy about any possible abductions. According to testimony General Pignero gave to prosecutors, the C.I.A.'s former station chief in Italy gave Mr. Pollari a list of people, including Abu Omar, whom he said the C.I.A. was interested in abducting.

"It was clear it was a project of aggressive search, which foresaw the capture of the terrorists and Abu Omar in particular, with procedures which were outside the law," General Pignero testified in July.

"Pollari agreed with me that we could not certainly enter into the kidnapping plot," he testified. "He said we could find a point of balance consistent with carrying out the verifications to track down" Abu Omar "and tell the Americans without being involved in the operation."

Prosecutors allege that Mr. Pollari and others knew that the C.I.A. planned to abduct Abu Omar and that they had been asked to track him down in Milan, an action that would violate Italian law by abetting a kidnapping.

The case also has implications for Italy's long and generally friendly relations with the United States. Prosecutors are asking for the extradition of 26 Americans charged in the case, though neither Mr. Berlusconi's government nor that of the current prime minister, Romano Prodi, have done so.

Some experts also see implications for Europe's cooperation with Americans in possible terrorist cases, at a time when many Europeans are wary about abductions and secret prisons as violations not only of law but also of human rights.

"I think that the leaders of European governments should cooperate with the United States, but within the law," Terry Davis, the secretary general of the Council of Europe, said in an interview. "There is no small print in the European Convention on Human Rights to the effect that human rights do not apply if you are cooperating with the United States of America."

The Refugee Mess (WP)

The Washington Post, October 24, 2006

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THE BUSH administration planned to admit 70,000 refugees this past fiscal year; Congress provided funding for 54,000. In the event, the United States admitted fewer than 42,000 -- a figure significantly lower than in either of the previous two years. The main reason for the shortfall in this crucial humanitarian program, according to recent State Department testimony before Congress, is the irrationally broad definitions in current law regarding terrorism, terrorist groups and material support for terrorism -- definitions that end up excluding as terrorists people who should be protected.

The law bars as refugees people who have been members or supporters of any group with "two or more individuals, whether organized or not, [which] engages in, or has a subgroup which engages in" activities as broad as using an "explosive, firearm or other weapon or dangerous device." The result has kept out the sort of people America's traditionally generous refugee policy was designed to help.

The law gives the administration some waiver flexibility, which it rightly has begun using recently on behalf of many ethnic Karen and Chin victims of the Burmese military junta. But that is only a partial fix, for the administration does not have the power to admit refugees who were members of groups that bore arms -- even those allied with this country. So the law continues to keep out what Ellen Sauerbrey, assistant secretary of state in charge of refugees, recently described to a Senate subcommittee as "other meritorious cases, such as Cuban anti-Castro freedom fighters, Vietnamese Montagnards who fought alongside of U.S. forces and Karen who participated in resistance against brutal attacks on their families and friends by the Burmese regime."

The administration seems newly open to the idea of fixing the law to give itself flexibility concerning members of groups that meet the absurdly broad definition of terrorist. That would be a breakthrough. A country's willingness to welcome victims of

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repressive governments and war zones is a measure of its values, and this country has traditionally led the world in refugee resettlement. Not every armed group is a terrorist organization; American policy should not treat victims of the worst sort of violence like perpetrators of it.

HOMELAND RESPONSE:

Times Is Ordered To Reveal Columnist's Sources (NYT)

By Neil A. Lewis

The New York Times, October 24, 2006

WASHINGTON, Oct. 23 — A federal magistrate judge has ordered The New York Times to disclose the identities of three confidential sources used by one of its columnists, Nicholas Kristof, for pieces he wrote about the investigation of the deadly anthrax mailings of 2001.

The order, issued Friday by Magistrate Judge Liam O'Grady, requires the newspaper to disclose the identities of the three sources to lawyers for Dr. Steven J. Hatfill, who has brought a defamation suit against The Times. The order was disclosed Monday.

Catherine Mathis, a spokeswoman for The Times, said the newspaper would appeal the ruling.

Dr. Hatfill, a germ warfare specialist who formerly worked in the Army laboratories at Fort Detrick, Md., has asserted that a series of columns by Mr. Kristof about the slow pace of the anthrax investigation defamed him because they suggested he was responsible for the attacks.

Five people died in the attacks. Although the federal authorities identified Dr. Hatfill as a "person of interest" in the case, they have not charged him with any crimes.

At a deposition on July 13, Mr. Kristof declined to name five of his sources for the columns, but two have subsequently agreed to release him from his pledge of confidentiality. Judge O'Grady's ruling identifies the remaining unnamed sources as two Federal Bureau of Investigation agents and a former colleague or friend of Dr. Hatfill at Fort Detrick.

The judge ruled that the laws of Virginia applied and that under that state's law, reporters have only a qualified privilege to decline to name their sources that may be outweighed by other factors.

He wrote that for Mr. Hatfill to have a chance of meeting his burden of demonstrating that he was defamed by the columns, he "needs an opportunity to question the confidential sources and determine if Mr. Kristof accurately reported information the sources provided."

Mr. Kristof wrote about a government scientist he initially referred to as "Mr. Z," saying he had become the overwhelming focus of the investigation. In August 2002, he wrote that Dr. Hatfill had acknowledged he was Mr. Z. at a news conference in which he said he had been mistreated by the news media.

The lawsuit was originally dismissed by a federal judge in Virginia in 2004. A divided three-judge panel of the United States Court of Appeals for the Fourth Circuit in Richmond reinstated the case and the full appeals court, by a 6-to-6 vote, declined to overturn that ruling. The Supreme Court declined to intervene last March.

Judge O'Grady wrote: "The court understands the need for a reporter to be able to credibly pledge confidentiality to his sources. Confidential sources have been an important part of journalism, which is presumably why Virginia recognizes a qualified reporter's privilege in the first place."

He said Virginia law required the use of a three-part balancing test as to whether there is a compelling need for the information, whether the information is relevant and whether it may not be obtained any other way.

New York Times Ordered To Disclose Sources In Anthrax Libel Suit (NSDY/AP)

By Matthew Barakat, Associated Press Writer

Long Island Newsday, October 24, 2006

ALEXANDRIA, Va. -- A federal judge ordered The New York Times to disclose a columnist's confidential sources as part of a libel lawsuit filed over the newspaper's coverage of the 2001 anthrax attacks.

Former Army scientist Steven Hatfill, once identified by authorities as a person of interest in the anthrax mailings that killed five people in late 2001, is suing the Times for libel for a series of articles written by columnist Nicholas Kristof.

The order issued Friday by U.S. Magistrate Judge Liam O'Grady requires the newspaper to disclose the identities of three of Kristof's sources, including two FBI sources who allegedly provided some of the most incriminating information in Kristof's columns. The order was made public Monday.

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The judge said Virginia law gives reporters only limited immunity from disclosing sources and privilege is outweighed by Hatfill's right to proceed with his lawsuit.

The court "understands the need for a reporter to be able to credibly pledge confidentiality to his sources," O'Grady wrote. "But that privilege must be balanced against the rights of a plaintiff."

Times spokeswoman Catherine Mathis said the paper would appeal the ruling.

Hatfill's lawyers said they need to question the sources to see if Kristof's reporting was accurate. The FBI sources told the Times that Hatfill was one of a limited number of people with the access and technical expertise to manufacture the anthrax and that he failed several lie-detector tests.

The FBI agents "are the only sources who would have the type of inside information on which the columns claim to rely," said Charles Kimmett, one of Hatfill's lawyers.

Hatfill was a a physician and bioterrorism expert who worked at the Army's infectious disease laboratory at Fort Detrick, Md., in the late 1990s.

The Department of Justice refuses to discuss Hatfill but has recently acknowledged that the strain of anthrax used in the attacks was accessible to a much wider circle of people than initially reported.

New York Times Columnist Must Reveal Sources, Judge Rules (WP)

By Jerry Markon

The Washington Post, October 24, 2006

A federal judge has ordered the New York Times Co. to disclose the confidential sources used by Nicholas D. Kristof in columns that explored whether a former Army scientist was responsible for the deadly 2001 anthrax attacks.

The ruling, made public yesterday, came in a lawsuit filed by the former scientist, Steven J. Hatfill, contending that the paper defamed him in a series of Kristof columns in 2002 that identified him as a "likely culprit." Hatfill has been identified by authorities as a "person of interest" in the anthrax-spore mailings that killed five people and sickened 17. No one has been charged in the attacks.

Hatfill's attorneys are seeking to compel Kristof to reveal his sources, arguing that questioning them is vital to their case. Kristof has refused. U.S. Magistrate Judge Liam O'Grady in Alexandria sided with Hatfill and ordered the journalist to disclose the identity of the three sources by tomorrow.

"The court understands the need for a reporter to be able to credibly pledge confidentiality to his sources," O'Grady wrote in his ruling Friday. But the judge said Hatfill "needs an opportunity to question the confidential sources and determine if Mr. Kristof accurately reported information the sources provided."

The Times said yesterday that it plans to appeal, and Kristof vowed to continue protecting his sources. "We were disappointed with the decision because we believe that confidential sources are sometimes very important in covering government investigations," Kristof said in an interview. "And I'm passionate about protecting the confidentiality of my sources."

The ruling is the latest in a series of court defeats for journalists trying to shield news-gathering activities from the legal process. Judges have ordered reporters covering issues ranging from baseball's steroid scandal to the investigation into the leak of CIA officer Valerie Plame's identity to disclose confidential sources. In the Plame case, former New York Times reporter Judith Miller spent 85 days in jail for refusing to comply.

But those were criminal cases; Hatfill's is a civil lawsuit. Legal experts said it is relatively common for judges to order journalists to reveal confidential sources in a libel lawsuit, but the journalist is rarely jailed for resisting.

If the journalist does refuse, a judge often strips him or her of the defense that the information was based on sources, which can expose media companies to significant liability, said Rodney A. Smolla, dean of the University of Richmond Law School and an expert on First Amendment law. "The journalist is being told you cannot have your cake and eat it, too," Smolla said. "You can't rely on the existence of this source but not let the jury and the court and the plaintiff explore the nature of the source."

In a series of columns in 2002, Kristof criticized the FBI for failing to aggressively pursue a scientist he initially called "Mr. Z." He wrote that the biodefense community had called Mr. Z a "likely culprit," partly because the scientist was familiar with anthrax.

Kristof later acknowledged that Hatfill was Mr. Z. He also wrote that Hatfill deserved the "presumption of innocence."

Hatfill, a former researcher at the Army's infectious disease research laboratory at Fort Detrick in Frederick, has been trying to clear his name ever since then-Attorney General John D. Ashcroft publicly called him a person of interest in 2002. An attorney for Hatfill did not return telephone calls late yesterday.

Hatfill's lawsuit against the Times Co., filed in 2004 in U.S. District Court in Alexandria, was dismissed by a federal judge but then reinstated and sent back to Alexandria last year by a federal appeals court.

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When Kristof was deposed in July, two of his sources were identified -- although not by name -- as FBI employees involved in the anthrax investigation, court papers said. A third was a colleague or friend of Hatfill's. Two other sources agreed to release Kristof from his pledge of confidentiality and reveal their identities, the papers said.

Federal Judge Orders New York Times To Identify Confidential Sources (NYS)

By Josh Gerstein, Staff Reporter of the Sun

New York Sun, October 24, 2006

A federal magistrate in Virginia has ordered the New York Times to identify three confidential sources used by one of its columnists, Nicholas Kristof, in articles he wrote about the FBI's investigation into anthrax-laden mailings that killed at least five people in 2001.

The order came Friday in a libel suit filed by a former Army scientist who was eventually described by the Justice Department as a "person of interest" in the anthrax probe, Steven Hatfill. He contends that his reputation was besmirched unfairly by Mr. Kristof's columns, which castigated the FBI for not doing more to investigate Mr. Hatfill.

Mr. Hatfill has vehemently denied any involvement in the mailings. No one was ever charged in connection with the case.

Magistrate Liam O'Grady ruled that Mr. Hatfill was entitled to know the identities of Mr. Kristof's sources in order to pursue the libel claim.

"In order for plaintiff to meet its burden in the defamation case and offer evidence as to the reporter's state of mind, plaintiff needs an opportunity to questions the confidential sources and determine if Mr. Kristof accurately reported information the sources provided," Magistrate O'Grady wrote.

The magistrate ordered the Times to identify the sources by tomorrow, but the newspaper filed an emergency motion yesterday asking to stay the deadline while the judge overseeing the case, Claude Hilton, reviews the ruling.

If Judge Hilton upholds the order and the Times refuses to comply, the judge could fine the newspaper, take some punitive measure if the libel suit goes to trial, or jail an employee or officer of the Times for contempt.

"These days it seems courts kind of like the monetary sanction," a professor of press law at the University of Minnesota, Jane Kirtley, said. "Jail is possible, although in my experience that's pretty rare in libel cases."

Ms. Kirtley said the judge could instruct jurors to assume the sources in question did not exist, a finding that she said "essentially means" the Times would lose the suit.

Magistrate O'Grady said one reason testimony from the sources was needed is that discrepancies have arisen between sources Mr. Hatfill's legal team has been able to identify and Mr. Kristof's accounts of his conversations with those sources. According to Mr. Hatfill's lawyers, a SUNY Purchase biologist who served as a source for the columnist, Barbara Rosenberg, denied Mr. Kristof's claim that she said Mr. Hatfill was certain to have the ability to make "first-rate anthrax."

Ms. Rosenberg also initially denied having asked for confidentiality, as the Times asserted, but she later said she might have.

A spokeswoman for the Times, Catherine Mathis, said in a statement that Mr. Kristof "clearly recalls" getting information on condition of anonymity from Ms. Rosenberg. The spokeswoman also said Mr. Kristof's promise "was consistent with Times policy."

Lawyers for the Times argued that Mr. Kristof's sources were entitled to protection under so-called reporters' shield laws on the books in New York and Maryland, but Magistrate O'Grady ruled that Virginia law applied and offered no quarter to the newspaper.

The Times also argued unsuccessfully that any order to disclose sources be delayed until the court determines whether Mr. Hatfill should be considered a public figure.

Only the last of the five columns at issue in the suit actually identified Mr. Hatfill by name. The other four described him in a way he contends allowed friends and acquaintances to recognize him.

In 2004, Judge Hilton dismissed the libel case, ruling that Mr. Kristof's columns did not accuse Mr. Hatfill of being the anthrax mailer. However, last year, a panel of the 4th Circuit Court of Appeals voted, 2–1, to reinstate the suit. "A reasonable reader of Kristof's columns likely would conclude that Hatfill was responsible for the anthrax mailings," Judge Dennis Shedd wrote for the majority.

The Times sought a review by the full bench of the 4th Circuit and by the Supreme Court, but both declined to take up the case.

Mr. Hatfill, who claims to have been rendered unemployable by the anthrax-related publicity, is also pursuing a Privacy Act lawsuit against the federal government and a separate libel suit over Vanity Fair and Readers Digest about the anthrax mystery.

Amerithrax Demand (RC)

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By Paul Kane And Tory Newmyer

Roll Call, October 24, 2006

Sen. Chuck Grassley (R-Iowa) formally demanded a briefing by the FBI before Thanksgiving on the status of its five-year investigation into the fall 2001 anthrax attacks.

In a pointed, five-page letter to Attorney General Alberto Gonzales, dated today, Grassley attacked the FBI's "blanket prohibition" on briefing Capitol Hill about the attacks, which included two letters directed at sitting Senators and left five people dead and more than a dozen injured. Roll Call reported the three-year-old ban on anthrax briefings Oct. 12, with the bureau saying it was necessitated by Congressional leaks.

"If some individual did act inappropriately by speaking to the media about an FBI briefing, stiff-arming Congress on all future requests is an unacceptable over-reaction. The FBI doesn't become exempt from scrutiny just because there may have been an inappropriate disclosure by someone on Capitol Hill," wrote Grassley, a senior member of the Judiciary Committee and FBI critic for more than two decades.

Grassley raised the specter that the lack of briefings may instead have been prompted by an investigation that "has little in the way of results to show for its work."

He asked Gonzales to force an FBI briefing by Nov. 21, the anniversary of the last death traced to the anthrax letters.

Eye Spy. Google Earth, the search giant's global mapping initiative, is getting into the swing of the midterms.

Over the weekend, Google Earth added an election guide that allows users to superimpose Congressional boundaries over satellite images of the United States and then scroll across the map to gather real-time information about races. Clicking on a star placed over each district brings up a list of candidates and also links to news about them and information about their campaign finances.

Google Earth product manager Chikai Ohazama said his team of programmers worked overtime to assemble the feature, gathering information district by district. "The target audience is really people across the country who want to learn more about their candidates and haven't in the past," a company spokeswoman said.

Roughly 100 million people have downloaded Google Earth in less than a year since its launch, company officials say. Ohazama said he expects the election guide to stay up for the next two weeks and come down shortly after Election Day. The company plans to resurrect the feature around future election seasons.

Anthrax Blackout (RC)

Roll Call, October 24, 2006

It is simply unacceptable, as a matter of proper respect between the legislative and executive branches of government, that the FBI is not informing Congress of its progress, or lack of it, in tracking down those who killed five people with anthrax in 2001 and, but for luck, might have killed many more on Capitol Hill.

As Roll Call reported on Oct. 12, the FBI is claiming that it halted regular briefings on the anthrax case in late 2003 "after sensitive information about the investigation citing Congressional sources was reported in the media."

Admittedly, there is an unfortunate history of Congressional leaks of classified information, and there is an equally unfortunate history of failure to find and punish those responsible for sensitive leaks. Still, it is Congress' responsibility to fund and oversee the activities of the federal government, and to do its job, Congress should demand access to information about the anthrax attacks.

This isn't just because Congress itself was the target of anthrax-laced envelopes addressed to then-Senate Majority Leader Tom Daschle (D-S.D.) and Sen. Patrick Leahy (D-Vt.), an attack that resulted in 28 Congressional employees testing positive for exposure to a deadly strain of anthrax and a shutdown of the Hart Building for a lengthy decontamination. Hill staffers had been briefed on the danger of an anthrax attack, and the powder was spotted when it spilled out of an envelope opened by an aide to Daschle.

The letters contained the message, "Are you afraid? Death to America. Death to Israel. Allah is great," though the attack may not have been the work of Islamic terrorists. Regardless, Congress has a responsibility to know how well the FBI and other federal agencies are faring in the global war on terrorism. Congress needs to know whether the FBI has a clue about whether the anthrax attack was part of the war on terror.

The FBI Web site's "Amerithrax" page discloses that the agency has 19 special agents working on the case and that they've conducted 9,100 interviews, issued more than 6,000 subpoenas and carried out 67 searches around the globe. An FBI spokeswoman told Roll Call that "we've made progress, and it's an incredibly active and productive investigation."

Oh? In 2002, the Justice Department publicly fingered a former U.S. military germ expert, Steven Hatfill, as "a person of interest" in the case. But he was never arrested or charged, conjuring up memories of the FBI's false accusations against Richard Jewell as the perpetrator of the Atlanta Olympics bombing in 1996.

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Hatfill has sued the Justice Department and the FBI, charging that government leaks ruined his career. Is the FBI keeping Congress in the dark to protect a "productive" investigation, or to prevent embarrassment in court? Congress has a right to know. Indeed, it has a solemn responsibility.

Man Pleads Guilty To JetBlue Bomb Threat (KCAL)

KCAL-TV, October 24, 2006

(CBS) LOS ANGELES A Miami Beach man, 21, pleaded guilty Monday to a federal felony charge for calling in a bomb threat for a JetBlue flight at Long Beach Airport after he arrived too late to board the plane.

Yechezkel Wells entered his plea to a charge of conveying false information of a threat targeting an airplane. He could be sentenced to probation under a plea deal with prosecutors, although U.S. District Judge Florence-Marie Cooper will have the final say on sentencing when Wells returns to court Jan. 29.

Wells, who came to town with several friends to attend a wedding, apparently was upset when he arrived late for an evening flight to Fort Lauderdale on Aug. 26 and wasn't allowed to board, according to authorities.

The Florida resident, described by his lawyer as a college student, was quickly detained by FBI agents, along with three friends who were released after questioning.

Well's lawyer, Donald Etra, said outside court that his client "apologizes to the passengers of JetBlue" who were delayed for about one hour while bomb-sniffing dogs were used to search the plane.

"This was a momentary gross lapse in judgment," Etra said. The prosecutor in the case, Assistant U.S. Attorney Donald Gaffney, said outside court that although Wells may not be sentenced to time behind bars, he now has a felony on his record.

"That's something we want people to realize, that we take this very seriously," Gaffney said.

According to an affidavit signed by FBI Agent David Gates, Wells admitted making a 911 call from an airport pay phone sometime after 9:10 p.m., after a JetBlue supervisor refused to issue him a boarding pass for Flight 243 because he was late.

In his plea agreement, Wells acknowledged that he made the hoax call to try to keep the plane from leaving.

Wells remains free on bond.

Man Pleads Guilty To Calling In Bomb Threat To SoCal Airport (SLOT)

San Luis Obispo Tribune, October 24, 2006

LOS ANGELES - A Florida man pleaded guilty Monday to calling in a bomb threat to the Long Beach Airport after he arrived too late to board his flight, authorities said.

Yechezkel Wells, 21, of Miami Beach, entered his plea in U.S. District Court to a felony count of conveying false information of a threat targeting an airplane. Wells, who remains free on bond, is scheduled to be sentenced Jan. 29. He faces probation to five years in prison.

Wells, a college student with dual citizenship in the U.S. and Israel, was arrested Aug. 26 shortly after he called 911 from a pay phone and said there was a bomb on a JetBlue flight from Long Beach to Fort Lauderdale, Fla. In his plea agreement, Wells acknowledged he made the call to try to keep the plane from leaving.

Court documents said Wells did not have a bomb and was upset that an airline employee wouldn't allow him to board because of federal rules that require airlines to close a flight 30 minutes before takeoff.

He told investigators he had hoped the threat would delay the flight and possibly allow him to board, authorities said.

Wells' lawyer, Donald Etra, said outside court that his client "apologizes to the passengers of JetBlue" who were delayed for about one hour while bomb-sniffing dogs searched the plane.

"This was a momentary gross lapse in judgment," Etra said.

Medical Views Of 9/11's Dust Show Big Gaps (NYT)

By Anthony Depalma

The New York Times, October 24, 2006

In 2004, Kenneth R. Feinberg, special master of the federal Sept. 11 Victim Compensation Fund, awarded $2.6 million to the family of a downtown office worker who died from a rare lung disease five months after fleeing from the dust cloud released when the twin towers fell. That decision made the worker, Felicia Dunn-Jones, a 42-year-old lawyer, the first official fatality of the dust, and one of only two deaths to be formally linked to the toxic air at ground zero.

The New York City medical examiner's office, however, has refused to put her on its official list of 9/11 victims, saying that by its standards there was insufficient medical evidence to link her death to the dust.

Mrs. Dunn-Jones's case shows how difficult it can be to prove a causal connection with any scientific certainty — and how even government agencies can disagree. With thousands of people now seeking compensation and treatment for dust exposure,

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the debate about the relationship between the toxic particles and disease will be a central issue in the flood of Sept. 11-related lawsuits. Health experts are starting to document the connections, but any firm conclusion is still years away.

Most of the suits involve workers who spent weeks and months on the pile at ground zero and say the city and other agencies failed to protect them from the toxic dust. Others involve residents who say they were made sick by dust that settled in their homes. Mrs. Dunn-Jones was among those downtown office workers caught in the initial fallout.

The question that arises in all these cases is straightforward: Can a link between the dust and disease be proved with scientific certainty? The answer is anything but simple.

"Certainty is a word we always dance around," said Joseph Graziano, associate dean for research at the Mailman School of Public Health at Columbia University. For him, searching for the cause of disease is like developing film. "At first you see a faint image of what the real picture is," Dr. Graziano said, "and then, over time, you see it with much more clarity. In these relatively early times, the image is still faint."

It can take decades to approach any degree of certainty. For instance, only after years of observation did doctors agree that there was a strong link between asbestos and diseases like asbestosis and mesothelioma.

In legal cases, "a reasonable degree of medical certainty" is considered the gold standard in making a causal connection. Last week, a federal judge cleared the way for thousands of workers' lawsuits to go to trial. When the cases are heard, any proof that does not meet that legal standard is likely to be challenged.

But outside the courtroom, scientists say, even a less rigorous link could be sufficient to warrant expanding the range of illnesses covered by treatment programs, and to serve as the basis for issuing cautions to people in high-risk groups. When the health effects are too new or the evidence is too vague for a strong link, lesser indicators like the concurrence of different studies have to be relied on.

For example, nearly every ground zero study shows that workers and residents exposed to the dust in the hours after the collapse have suffered the worst health problems. The consistency in that data has helped doctors monitor and treat people since Sept. 11.

And it may also help explain why Mrs. Dunn-Jones, a dynamic civil rights lawyer with the United States Department of Education, became so sick so quickly. As she was swallowed by a whirling dust plume filled with asbestos, benzene, dioxin and other hazards when the first tower fell, all she could do was cover her nose and mouth as she fled from her office one block north of the World Trade Center.

It was night by the time she got home to Staten Island. "She was in a state of shock," her husband, Joseph Jones, recalled. Her clothes were still dusty, but he didn't pay much attention. "I was just so happy to see her," he said.

For the next few months, life returned to normal, until Mrs. Dunn-Jones developed a cough. In January 2002, the cough grew worse. On Feb. 10, she suddenly stopped breathing and died.

Mr. Jones, 54, an assistant manager at a Brooklyn pharmacy, was stunned. Then, when he received the official death certificate months later, he was shocked to see an unfamiliar word — sarcoidosis.

"Even though I was in the medical field, I had never heard of it," he said.

After reading several medical reports on sarcoidosis — including one by Dr. David J. Prezant, deputy chief medical officer of the New York Fire Department — Mr. Jones and his lawyer, Richard H. Bennett, wondered if Mrs. Dunn-Jones's mysterious death could be linked to 9/11 dust because sarcoidosis, which produces microscopic lumps called granulomas, on vital organs, is often associated with exposure to environmental hazards.

They took the case to Mr. Feinberg and the victim compensation fund, which gave $7 billion to the families of those killed or injured on 9/11.

Mr. Feinberg initially expressed doubts about the claim and demanded to see definitive medical evidence linking Mrs. Dunn-Jones's sarcoidosis to the dust.

Dr. Prezant, who declined to be interviewed for this article, was one of two experts who testified at a hearing conducted by Mr. Feinberg. In the first four years after 9/11, he found 20 cases of sarcoidosis in the Fire Department, a rate of 80 per 100,000 in the first year (with treatment, all are now stable), compared with a national rate of fewer than 6 per 100,000, according to the American Thoracic Society.

The other expert was Dr. Alan M. Fein, a clinical professor of medicine at the New York University School of Medicine. He, too, was skeptical at first, but he said he changed his mind after reviewing Mrs. Dunn-Jones's medical record, including the autopsy report. "I'm comfortable saying her death was caused by exposure to the dust," Dr. Fein said in an interview.

In March 2004, Mr. Feinberg agreed, making Mrs. Dunn-Jones's death the only dust-related fatality recognized by the fund. Only one other death has been formally linked to the dust: In April, a New Jersey coroner determined that James Zadroga, 34, a New York City police detective, had died of a disease similar to sarcoidosis, also caused by his exposure to ground zero dust.

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Mr. Jones welcomed the settlement from the victim compensation fund, and believes that his wife was a 9/11 victim as surely as if she had died in the towers. He sent Mr. Feinberg's decision to the city's chief medical examiner, Dr. Charles S. Hirsch, and asked that his wife be put on the official list so that her name could be read on Sept. 11. Dr. Hirsch refused, a spokeswoman said, because the available evidence did not prove the connection "with a reasonable degree of medical certainty"— the highest medical standard generally used in legal cases.

Mr. Feinberg's decision had been based on a different standard: a preponderance of medical evidence.

That was proof enough for the Staten Island Memorial Commission, which has engraved Mrs. Dunn-Jones's name on the bone-white memorial on the island's north shore.

Representative Carolyn B. Maloney, who has fought to get medical care for 9/11 victims, said the contradictory conclusions about Mrs. Dunn-Jones's death underscored the importance of deciding who has the final say on causal links. "They should be medical decisions, not political ones," she said, suggesting that city officials may have a conflict of interest in making such determinations since the city is a defendant in the ground zero workers' lawsuits.

She has introduced a bill to reopen the federal compensation fund to people whose illnesses became known after the original eligibility period ended in 2003.

In the effort to collect definitive data, Dr. John Howard, the federal government's 9/11 health coordinator, recently circulated a draft set of autopsy protocols that directs pathologists to use a standard of proof that establishes both biological plausibility and unequivocal evidence of a causal connection to the dust. But doctors and elected officials have said those standards are so restrictive that almost no death could be linked to the dust for years to come. A spokesman for Dr. Howard said the guidelines were being refined.

In another effort, the Mount Sinai Medical Center, which has screened thousands of ground zero workers, has begun a long-term study of the incidence of diseases to identify any rates that exceed national averages.

"Right now we're in the process of confirming every case of interstitial lung disease, every cancer, every sarcoidosis that has been reported to us by responders in their visits," said Dr. Jeanne M. Stellman, director of the public health program at Columbia University, is leading the data collection project.

"We are actively trying to determine whether Detective Zadroga and Mrs. Dunn-Jones are alone," she said. "And we are trying to find a way to do this that is scientifically correct while also being responsive to the needs and fears of the communities involved."

WAR NEWS:

Bush's New Tack Steers Clear Of 'Stay The Course' (WP)

By Peter Baker

The Washington Post, October 24, 2006

President Bush and his aides are annoyed that people keep misinterpreting his Iraq policy as "stay the course." A complete distortion, they say. "That is not a stay-the-course policy," White House press secretary Tony Snow declared yesterday.

Where would anyone have gotten that idea? Well, maybe from Bush.

"We will stay the course. We will help this young Iraqi democracy succeed," he said in Salt Lake City in August.

"We will win in Iraq so long as we stay the course," he said in Milwaukee in July.

"I saw people wondering whether the United States would have the nerve to stay the course and help them succeed," he said after returning from Baghdad in June.

But the White House is cutting and running from "stay the course." A phrase meant to connote steely resolve instead has become a symbol for being out of touch and rigid in the face of a war that seems to grow worse by the week, Republican strategists say. Democrats have now turned "stay the course" into an attack line in campaign commercials, and the Bush team is busy explaining that "stay the course" does not actually mean stay the course.

Instead, they have been emphasizing in recent weeks how adaptable the president's Iraq policy actually is. Bush remains steadfast about remaining in Iraq, they say, but constantly shifts tactics and methods in response to an adjusting enemy. "What you have is not 'stay the course' but in fact a study in constant motion by the administration," Snow said yesterday.

Political rhetoric, of course, is often in constant motion as well. But with midterm elections two weeks away, the Bush team is searching for a formula to address public opposition to the war, struggling to appear consistent and flexible at the same time. That was underscored by the reaction to a New York Times report that the administration is drafting a timetable for the Iraqi government to disarm militias and assume a larger security role. The White House initially called the story "inaccurate." But then

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White House counselor Dan Bartlett went on CNN yesterday morning to call it "a little bit overwritten" because in fact it was something the administration had been doing for months.

The president has shifted language on Iraq before. At a news conference in August, he returned to his prewar argument that Saddam Hussein harbored terrorist Abu Musab al-Zarqawi. Hussein "had relations with Zarqawi," Bush said. Weeks later, the Senate intelligence committee concluded that Hussein "did not have a relationship, harbor or turn a blind eye to Zarqawi" and that the U.S. government knew that before the invasion. At his next news conference, Bush was asked about that. "I never said there was an operational relationship," he said.

Bush used "stay the course" until recent weeks when it became clear that it was becoming a political problem. "The characterization of, you know, 'it's stay the course' is about a quarter right," Bush complained at an Oct. 11 news conference. " 'Stay the course' means keep doing what you're doing. My attitude is: Don't do what you're doing if it's not working -- change. 'Stay the course' also means don't leave before the job is done."

By last week, it was no longer a quarter right. "Listen, we've never been stay the course, George," he told George Stephanopoulos of ABC News. "We have been -- we will complete the mission, we will do our job and help achieve the goal, but we're constantly adjusting the tactics. Constantly."

Snow said Bush dropped the phrase "because it left the wrong impression about what was going on. And it allowed critics to say, 'Well, here's an administration that's just embarked upon a policy and not looking at what the situation is,' when, in fact, it's just the opposite."

Republican strategists were glad to see him reject the language, if not the policy. "They're acknowledging that it's not sending the message they want to send," said Steve Hinkson, political director at Luntz Research Cos., a GOP public opinion firm. The phrase suggested "burying your head in the sand," Hinkson said, adding that it was no longer useful signaling determination. "The problem is that as the number of people who agree with remaining resolute dwindles, that sort of language doesn't strike a chord as much as it once did."

If anything, it is striking a Democratic chord, party strategists say. A commercial by Democratic Senate candidate James Webb in Virginia shows a clip of Bush saying "We'll stay the course in Iraq," followed by a clip of Republican Sen. George Allen, saying "I very much agree with the president. . . . And we need to stay the course." A caption on the screen says "Civil War; No End in Sight; We Need a New Course."

An ad for Democratic Rep. Harold E. Ford Jr. in Tennessee shows Republican Bob Corker saying "I think we should stay the course," then rewinds and repeats "we should stay the course." Ford then comes onto the screen. "I support our troops, and I voted for the war," he says. "But we shouldn't stay the course as Mr. Corker wants. . . . America should always be strong. But we should be smart and honest, too. We need a new direction."

Juxtaposed against "stay the course," "new direction" has become the Democrats' poll-tested mantra, even if they don't define precisely what that new direction would be. "There's a reason why every Democratic candidate in the country is talking now about change in direction," said Democratic National Committee pollster Cornell Belcher. "When you ask 'change in direction' versus Bush's direction, you get solid majorities of 60 percent or so for change."

So now even some Republican candidates are changing direction, at least in terms of their language. "We can't continue to keep doing the same things and expect different results," Allen said last week. "We must adapt. We must adjust our tactics." Corker now says on his campaign Web site: "We need to fix our strategy in Iraq so we can get the job done and bring our troops home."

Facing Dissent, Bush Jettisons 'Stay The Course' (NYT)

By Jim Rutenberg And David S. Cloud

The New York Times, October 24, 2006

WASHINGTON, Oct. 23 — The White House said Monday that President Bush was no longer using the phrase "stay the course" when speaking about the Iraq war, in a new effort to emphasize flexibility in the face of some of the bloodiest violence there since the 2003 invasion.

"He stopped using it," said Tony Snow, the White House press secretary. "It left the wrong impression about what was going on and it allowed critics to say, 'Well, here's an administration that's just embarked upon a policy and not looking at what the situation is,' when, in fact, it is the opposite."

Mr. Bush used the slogan in a stump speech on Aug. 31, but has not repeated it for some time. Still, Mr. Snow's pronouncement was a stark example of the complicated line the White House is walking this election year in trying to tag Democrats as wanting to "cut and run" from Iraq, without itself appearing wedded to unsuccessful tactics there.

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Democrats have increasingly pressed a case this fall contending that Republicans are stubbornly proposing to "stay the course" in a failing effort to stanch violence in Iraq — an approach that strategists in both parties consider to have been fairly successful, especially as violence has continued to mount in Baghdad.

In the last few weeks a number of Republican lawmakers and party elders have also come forward to express doubts about whether the administration's approach to stabilizing Iraq is succeeding and to suggest new strategies.

Mr. Bush and his aides have met those complaints with a renewed emphasis on adaptability for the United States' war plan. Mr. Bush has stressed — as he did in an interview with ABC News on Sunday — that he is "not patient forever" and expects the Iraqis to take more responsibility in securing their own country.

In the same vein, administration officials are heightening the emphasis on setting milestones for Iraq to take over responsibility for ensuring security while disbanding sectarian militia groups.

Bush administration officials on Monday provided new details of their efforts to devise benchmarks for measuring the Baghdad government's progress in the coming months toward assuming a larger role in securing the country.

Mr. Snow said the issue of benchmarks had come up cursorily during recent discussions with Mr. Bush; Defense Secretary Donald H. Rumsfeld; Gen. John P. Abizaid, the top American commander in the Middle East; Gen. Peter Pace, the chairman of the Joint Chiefs of Staff; and Zalmay Khalilzad, the American ambassador to Iraq.

He added that the Bush administration was not presenting any ultimatums to Prime Minister Nuri Kamal al-Malaki's government or tying goals to United States troop commitments.

Mr. Snow was commenting on a report in The New York Times on Sunday that said the Bush administration was drafting a timetable with Iraqi officials for dealing with the militias and achieving other political, economic and military benchmarks aimed at stabilizing the country.

The Times article quoted several senior officials anonymously as saying the Bush administration would consider changes in military strategy and other steps if Iraq balked at the benchmarks or failed to meet the most critical timetables.

Mr. Rumsfeld said Monday that the benchmarks under discussion included projections on when Iraq might be able to take control of more of the country's 18 provinces. Only two provinces are under full Iraqi security administration, though officials say they hope the number will rise to six or seven by the end of the year.

Speaking to reporters at the Pentagon, Mr. Rumsfeld said the goal of the discussions was to produce a "way ahead" so that "their government can have a set of tasks that they need to do to get prepared to assume the responsibility for governing their country and providing security for their country."

The goal, he added, was for both sides to agree on what he called "projections" for when Iraq might be able to take on these tasks.

"My guess is that you might find that in no case will you find a specific date" for assuming a particular task, he said. But, he added, "You might find a month, or you might find a spread of two or three months, a period where they think they might be able to do it."

Mr. Bush, in discussing at a news conference on Oct. 11 the meaning of the phrase "stay the course," also refused to be pinned down.

"Stay the course means keep doing what you're doing," he said. "My attitude is, don't do what you're doing if it's not working; change."

He added: "Stay the course also means don't leave before the job is done. And that's — we're going to get the job done in Iraq. And it's important that we do get the job done in Iraq."

Bush Buries 'Stay The Course' Slogan For Iraq (AFP-Y)

AFP, October 24, 2006

US President George W. Bush has retired his "stay the course" slogan for Iraq, worried about its use as a weapon against his Republican Party in November elections, the White House said.

"He's stopped using it," said spokesman Tony Snow. "It allowed critics to say, well, here's an administration that's just embarked upon a policy and not looking at what the situation is, when, in fact, it's just the opposite."

Opposition Democrats, hoping the unpopular conflict will help them take control of the US Congress in the November 7 legislative elections, have used the refrain in political advertisements accusing Republicans of sticking by a failed policy for waging the war.

Bush appears to have last used the expression on August 30, when he vowed: "We will stay the course, we will help this young Iraqi democracy succeed, and victory in Iraq will be a major ideological triumph" in the war on terrorism.

"The president is determined not to leave Iraq short of victory. But he also understands that it's important to capture the dynamism of the efforts that have been ongoing to try to make Iraq more secure," said Snow.

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Earlier, senior Bush adviser Dan Bartlett flatly declared that, when it comes to Iraq, "it's never been a stay-the-course strategy."

"What we aren't doing is sitting there with our heads in the sand. We're completely changing and making tactical changes on a week-by-week basis as we respond to the enemy's reactions to our strategies," he told CBS television.

But Bush and Snow have repeatedly used the "stay the course" formulation over the past year, often to counter what the White House still calls the Democrats' "cut and run" push for withdrawing US forces from Iraq.

Clamor Rises For A US Shift On Iraq (CSM)

By Peter Grier

The Christian Science Monitor, October 24, 2006

WASHINGTON

With violence surging in Baghdad and midterm elections two weeks away, the Bush administration faces pressure as never before to change its approach in Iraq.

The ranking Democrat on the Senate Foreign Relations Committee, Sen. Joseph Biden of Delaware, said Monday that US strategy needs "radical change." The Republican chairman of the Senate Armed Services Committee, Sen. John Warner of Virginia, in a broadcast interview, added that the US needs to crack down on Iraqi private militias - and that a change in course may be necessary if things don't improve soon.

The White House insists the US needs to stay the course. But it also hints it might be flexible, at least on military tactics. And it is sounding increasingly exasperated with perceived inaction on the part of the current Iraqi government.

"They're asking, 'What are these guys doing well and not so well, and what do we need to get them to do?' " says William Martel, associate professor of international security studies at the Fletcher School at Tufts University. "It's entirely appropriate."

The heart of the problem is the bloodshed in Iraq's capital. Insurgent attacks are up more than 40 percent since midsummer, despite a concerted push by American military commanders to hold some of the city's worst neighborhoods.

Iraqi forces are a partner in this effort as the name "Together Forward II" implies. But the performance of some Iraqi units remains suspect. The police, for instance, appear to be riddled with infiltrators linked to Shiite death squads.

Meanwhile, more intense combat has resulted in a spike in US casualties. As of Sunday, the US military had suffered 78 combat deaths in Iraq this month, its highest fatality rate in almost two years.

Many Democrats long have called for a timetable for the withdrawal of US troops. Some party leaders now insist that Iraq has developed into a full-blown civil war. Senator Biden said Sunday that the US public will not long tolerate American money and troops "being poured down a rathole."

With a bipartisan Iraq Study Group headed by former Secretary of State James Baker III set to release recommendations for a new strategy in the coming months, and with a public referendum in the form of a midterm election two weeks away, the White House appears to have been at pains to show it is not deaf to the current clamor.

In an interview this weekend President Bush told ABC News that while he is patient he is not "patient forever." He added that neither is he "patient with dawdling," an apparent veiled reference to the reluctance of Iraqi Prime Minister Nouri al-Maliki to crack down on Shiite militias.

The fledgling Iraqi government must take more responsibility for Iraq's security, administration officials added Monday.

White House officials discounted a New York Times report that the US was developing a plan that would set a specific timetable for Iraqi militias to disarm. "Are we issuing ultimatums? No," said presidential spokesman Tony Snow.

But Mr. Snow added that the US was working with the Iraqis to lay out specific goals for the weeks and months ahead. "We're working collaboratively with them to figure out how best to do it," he said.

Tension between the US and Iraqi governments may have been developing for weeks. Mr. Bush reportedly had to reassure Mr. Maliki in a phone call that the US was not pressing for his ouster. Barham Saleh, Iraqi deputy prime minister, said after a meeting with British Prime Minister Tony Blair on Monday that international forces must not abandon Iraq while the situation there remains volatile.

"We must not give in to panic," said Mr. Saleh.

Given the buzz saw that the insurgency has proven to be, it is perfectly natural that the US should now reexamine its strategy, says Mr. Martel of the Fletcher School.

The problem in Iraqi, says Martel, author of the upcoming book "Victory in War," is that the administration initially framed its goal in grand strategic terms.

Now that the democratic transformation of Iraq seems more difficult than anticipated, settling for a political or military victory such as what characterized the first Gulf War seems a comedown.

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With the debate in the US, "what we're seeing is the classic response of a society where military strategy is not producing the effect we had hoped," says Martel.

That said, US choices now are not pretty, writes Anthony Cordesman, a strategic expert at the Center for Strategic and International Studies, in a new analysis titled "US Options in Iraq: The Almost Good, the Bad, and the Ugly."

Iraq is already in a serious civil war, according to Mr. Cordesman, and current efforts are simply buying time. He writes that the US must avoid unilateral action and instead should seek to negotiate a new game plan with the Iraqi government and surrounding powers, in such a setting as a conciliation conference of all Iraqi factions.

White House Says Iraqis Can Be Pushed Only So Far (USAT)

By David Jackson And Jim Michaels

USA Today, October 24, 2006

WASHINGTON — The White House said Monday that it is working with the Iraqi leadership to end religious violence — but it cautioned against pushing too hard on the fragile government.

White House spokesman Tony Snow said it would be counterproductive to threaten to withdraw U.S. forces if goals aren't reached. “We're not in the business of issuing ultimatums,” Snow said.

Snow made the remarks as Iraq's government tries to reach a political consensus that would disarm private militias blamed for much of the violence.

Prime Minister Nouri al-Maliki has said he will disarm the militias this year or early next. U.S. soldiers have stepped up security efforts in Baghdad, where religious violence has increased. October has become the deadliest month for U.S. troops since November 2004. At least 87 U.S. servicemembers have died in Iraq this month.

President Bush has said that he'll consider any option to prevent violence in Iraq and that setting a timetable for withdrawal would be a victory for terrorists. White House officials said Monday that setting benchmarks for improvement isn't the same as a timetable.

“Working on trying to put together benchmarks is an important way of focusing and combining efforts so that everybody is playing off the same playbook, looking at the same goals and working together,” Snow said.

Zalmay Khalilzad, the U.S. ambassador to Iraq, and Gen. George Casey, the top U.S. commander there, are to appear at a news conference in Baghdad today to discuss efforts to improve security.

National Security Council spokesman Frederick Jones said Casey and Khalilzad will highlight progress in Iraq, including the training of Iraqi security forces and the U.S. military's successes in neutralizing the improvised bombs that are a major weapon of insurgents. “There is slow but sustained progress,” Jones said.

Al-Maliki's government is weak and pushing too hard could destabilize it, said Judith Yaphe, a researcher at the National Defense University in Washington. The prime minister has little political support, she said.

Part of that support comes from Muqtada al-Sadr, the anti-American cleric behind the Mahdi Army, a large militia in Baghdad. “To ask him now to get rid of the Mahdi Army — that might be difficult for him to do even if he wanted to do it,” Yaphe said. “What if you try and fail? Then you're discredited.”

Al-Maliki's government is trying for a political deal to disarm militias at the same time U.S. and Iraqi troops are trying to calm the streets. The government has said only a political consensus will lead to permanent peace.

In measuring progress, the administration looks at factors including Iraqi troops' readiness and government capabilities.

Security for as many as nine of Iraq's 18 provinces could be handed to the government by the end of this year, according to a Defense Department report to Congress.

“There's no doubt in my mind but that some of those projections we won't make; it will be later, or even earlier in some instances,” Defense Secretary Donald Rumsfeld said Friday.

Analysis: Republicans Fear War Fallout (AP-Y)

By Tom Raum

AP, October 24, 2006

Republicans worried about losing Congress are challenging President Bush on Iraq, eroding his base of support for the unpopular war just two weeks before midterm elections.

Increasing calls from restive Republicans for new ideas to extricate the U.S. come as the White House itself seems to struggle for a better course, or at least a better way to describe the current course.

Republican Sen. John Warner of Virginia, chairman of the Senate Armed Services Committee, seemed to open the floodgates to GOP criticism this month when he warned after a trip to Iraq that the war was "drifting sideways" and a course correction might soon be warranted.

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In recent days:

· Sen. Kay Bailey Hutchison, R-Texas, said she would not have supported the invasion had she known there were no weapons of mass destruction, and she has proposed splitting Iraq into three parts.

· Virginia Republican Sen. George Allen, in a difficult re-election battle with Democratic challenger James Webb, dropped his stay-the-course mantra to assert, "We cannot continue doing the same things and expect different results. We have to adapt our operations, adapt our tactics."

· Sen. Conrad Burns, R-Mont., said in a debate last week with Democratic challenger Jon Tester that he agreed with Warner's call for a change in strategy — and believed Bush already had a plan to win the war but for now was keeping it quiet. That remark drew ridicule from Democrats who likened it to Richard Nixon's "secret plan" to end the war in Vietnam.

Also challenging Bush's Iraq policy have been former Secretary of State Colin Powell, Republican Sens. Lincoln Chafee of Rhode Island, Chuck Hagel of Nebraska, Susan Collins and Olympia Snowe of Maine, and several House Republicans.

More and more, the issue is dominating election campaigns and altering the political landscape. That, and the historic pattern of midterm losses for the party holding the White House, has cast a heavy gloom over rank-and-file Republicans, particularly those on the ballot.

The GOP doubts, coupled with widespread Democratic opposition to Bush's strategy, put intense pressure on the White House to do something differently, and momentum for that will build if Republicans lose the House or Senate. Bush has stopped saying he is staying the course because that suggested he was locked into a losing policy. Now Bush asserts that he is constantly switching tactics.

Sen. James A Baker III, a former secretary of state who has a long history of loyalty to the Bush family, has said the Iraq Study Group — which he leads with former Democratic Rep. Lee Hamilton of Indiana — will wait until after the Nov. 7 elections to present its recommendations.

But he has suggested the panel will present Bush with options somewhere between the extremes of "stay the course" and "cut and run."

Michael O'Hanlon, a foreign policy scholar at the Brookings Institution who is part of the Baker-Hamilton study group, deemed it unlikely that Baker would lend his support to a phased withdrawal such as some Democrats have advocated. "Baker's not a political novice," O'Hanlon said.

Still, he said, the Iraq government could be told that "you've got to make some big changes" and that U.S. military backing was not forever. Might Bush announce a change in strategy before the election? "Who knows? I wouldn't rule it out," said O'Hanlon.

Bush could portray it to the world "as being not about the election but about the failed Baghdad security plan, and give his party a little boost before the midterms," O'Hanlon said.

Mindful of the political ramifications, the White House sought on Monday to tamp down the growing GOP criticism by portraying the president as engaged — and flexible.

He met over the weekend with his generals, and on Monday with Secretary of State Condoleezza Rice, Defense Secretary Donald H. Rumsfeld and Gen. Peter Pace, chairman of the Joint Chiefs of Staff.

White House officials said U.S. and Iraqi leaders had established "milestones" and "benchmarks" to gauge security, economic and political improvements — but that the U.S. had not issued ultimatums nor withdrawal targets.

"What we aren't doing is sitting there with our heads in the ground," said White House counselor Dan Bartlett as he made the rounds of five morning television news shows. He said that the administration was "making tactical changes on a week-by-week basis as we respond to the enemy's reactions to our strategies."

Sen. Joseph Biden of Delaware, the senior Democrat on the Foreign Relations Committee, told reporters that two Republicans — whom he declined to name — had told him they would demand a new policy on Iraq after the election. He said the GOP lawmakers were told not to make waves before then because it could cost the party seats.

Biden predicted many GOP defections on Iraq if Democrats win control of one or more chambers of Congress. Polls suggest there is a likelihood Democrats could take at least the House.

As to Bush's oft-repeated statement that U.S. troops will stand down as Iraqi ones stand up, Biden said, "The reason we cannot stand down is that they aren't standing together. They're killing each other."

"I don't see a big surprise with respect to Iraq that turns it around, and that's the only thing that would help the Republicans," said James Thurber, an American University political scientist. "I think it just keeps getting worse and worse, and that is not good news for the president and the incumbent party in the House and the Senate."

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EDITOR'S NOTE — Tom Raum has covered national and international affairs for The Associated Press since 1973.

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Bush Admin. Won't Shift Iraq Strategy (AP-Y)

By Deb Riechmann, Associated Press Writer

AP, October 24, 2006

Under election-year pressure to change course in Iraq, the Bush administration said Monday there are no plans for dramatic shifts in policy or for ultimatums to Baghdad to force progress.

Just two weeks before the Nov. 7 elections that will determine whether Republicans retain control of Congress, the White House tried to calm political anxieties about deteriorating security in Iraq. Both Democratic and Republican lawmakers are calling on President Bush to change his war plan.

"We're on the verge of chaos, and the current plan is not working," Sen. Lindsey Graham, R-S.C., said in an Associated Press interview. U.S. and Iraqi officials should be held accountable for the lack of progress, said Graham, a Republican who is a frequent critic of the administration's policies.

Asked who in particular should be held accountable — Defense Secretary Donald Rumsfeld, perhaps, or the generals leading the war — Graham said: "All of them. It's their job to come up with a game plan" to end the violence.

Bush, in a CNBC interview, said, "Well, I've been talking about a change in tactics ever since I — ever since we went in, because the role of the commander in chief is to say to our generals, `You adjust to the enemy on the battlefield.'"

Rumsfeld, in remarks at the Pentagon, said U.S. government and military officials were working with Iraq to set broad time frames for when Iraqis can take over 16 provinces that are still under the control of U.S. troops. He said officials were not talking about penalizing the Iraqis if they don't hit certain benchmarks.

The Iraqis have taken control of two southern provinces but have been slow to take the lead in others, particularly those around Baghdad and in the volatile regions north and west of the capital city. Rumsfeld said specific target dates probably will not be set. Instead, he said there might be a broader time frame — such as a one- to three-month window — for the Iraqis to take control of certain provinces.

Rumsfeld visited the White House early Monday with Gen. Peter Pace, chairman of the Joint Chiefs of Staff. Rumsfeld said the United States was looking at when the Iraqis would move close to setting up a reconciliation process to help quell worsening sectarian violence between Sunnis and Shiites.

Frustration with the war is eroding support in Republican as well as Democratic camps.

Joseph Biden, the top Democrat on the Senate Foreign Relations Committee, said two Republicans have told him they will demand a new policy in Iraq after the election. Biden declined to name the GOP lawmakers. He said Republicans have been told not to make waves before the election because it could cost the party seats. Yet some prominent GOP lawmakers have expressed doubts about Bush's policy.

White House press secretary Tony Snow said the United States was continually adjusting its strategy in Iraq.

"In that sense there are new things going on. But are there dramatic shifts in policy? The answer is no," Snow said.

"There is still a very large to-do list before Iraq is in a position to sustain, govern and defend itself," he said.

"Are we issuing ultimatums? No."

He acknowledged, however, that Bush no longer is saying that the United States will "stay the course" in Iraq.

"He stopped using it," Snow said of that phrase, adding that it left the impression that the administration was not adjusting its strategy to realities in Baghdad.

Showing progress in Iraq is critical with the approaching elections, which are widely viewed as a referendum on public support of the war. In Baghdad on Tuesday, Zalmay Khalilzad, the U.S. ambassador to Iraq, and Gen. George Casey, the top U.S. commander there, are scheduled to hold a rare joint news conference.

Facing growing impatience with Prime Minister Nouri al-Maliki's failure to stem the carnage, Deputy Prime Minister Barham Saleh said international forces must not abandon Iraq while the situation there remains volatile.

"I do believe there is no option for the international community to cut and run," he told reporters after meeting Prime Minister Tony Blair in London. He said Iraqis and the international community need to be realistic, "but not defeatist."

"We need to understand that there is a need of utmost urgency to deal with many of the problems of Iraq but we must not give in to panic," he said.

Bipartisan Redeployment (WSJ)

By Joseph R. Biden Jr. And Leslie H. Gelb

The Wall Street Journal, October 24, 2006

Because the current course in Iraq is a losing course, we have to prepare ourselves to make the toughest decisions since the end of the Cold War. Neither Democrats nor Republicans alone will make them: No one wants to be blamed for what might

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happen next in Iraq. Thus, President Bush continues on autopilot with no end in sight, while some Democrats call for fixed withdrawal deadlines that no president would ever adopt.

The only way to carve out a new path is through bipartisanship. With a united voice we can speak with strength to Iraqis on the need to put their house in order, and find political protection here at home. Political leaders in our country must choose to hang together rather than hang separately. They have every incentive to do so. It is flatly against the security interests of the U.S. to stay the current course. It is also against the political interests of both parties. Republicans don't want to run for the presidency in 2008 with Iraq around their necks. Democrats do not want to assume the presidency in 2009 saddled with a losing war.

Serious members of both parties are prepared to seek a solution. It was in that spirit that Congress urged the creation of the "Iraq Study Group" to explore policy options, led by James A. Baker III, former secretary of state, and Lee Hamilton, former chairman of the House International Relations Committee -- a Republican and a Democrat both known for bipartisanship. The other eight members of their commission have stature in their parties to kickstart a bipartisan policy. They understand their responsibility to help our nation find a reasonable path out of Iraq's plunge toward civil war and the untenable situation for our troops.

The commission is expected to present its views publicly after the November elections. We believe that the group could cohere around three basic principles which we have advanced for some time and which are explained in detail at www.planforiraq.com1:

· First, there can be no military success in Iraq without a political settlement -- a power-sharing arrangement that gives its major groups incentives to pursue their interests peacefully instead of falling into a cycle of sectarian revenge. Mr. Bush's drive to establish a central government of national unity hasn't worked and won't work. The major parties in Iraq don't have the common interests, the trust in each other, or the capacity at this point to make it viable.

What could work is a federalized Iraq, with three or more largely autonomous regional governments to suit the separate interests of Shiites, Sunnis and Kurds. A central government would administer common concerns, such as defending Iraq's borders and managing its energy infrastructure. The constitution already provides for this approach and Iraq's parliament last week passed a law to implement its articles on federalism. But for federalism to work, the constitution must be amended to guarantee Sunnis 20% of oil revenues to be administered by the central government. Only with such revenues could a Sunni region become economically and politically sustainable.

The final decisions will be up to the Iraqis. But without us helping them arrange the necessary compromises, as we have at every critical juncture, nothing will get done. With 140,000 Americans at risk, we have a right and a responsibility to make our views known.

· Second, we must have a plan prepared by our military for the redeployment and withdrawal of most U.S. troops over the next 18 months. Both Americans and Iraqis have to see that we are not blindly committing ourselves to civil war. And we have to recognize that keeping this level of forces in Iraq indefinitely is counterproductive for our mission and a growing challenge to the well-being of our volunteer military.

The redeployment plan has to prevent insurgent control of strategic areas; vet and train Iraqi forces; create strong incentives for Iraqis to assume battlefield and police responsibilities; and allow for a residual American force to keep Iraqis and their neighbors honest. There's no fixed or artificial timetable here to bind a president unreasonably. But we must unambiguously say to Iraqis, "Here is your last, best chance to escape a disastrous civil war with our help, and it is up to you, now."

· Third, we have to ignite the most vigorous regional diplomacy to back up the power-sharing deal among Iraqis and avoid neighbors warring over an Iraqi vacuum. Some of Iraq's neighbors have no desire to do us any favors -- but like us, they can see the abyss opening up before them, and like us, they all have powerful interests in preventing a full-blown civil war that becomes a regional war. We have to bring them together now to begin shaping and supporting a political settlement in Iraq -- or, if necessary, to contain the fallout from chaos inside Iraq.

Given the deterioration of the situation, no approach is an odds-on winner. But these three principles can unite our political parties. Nothing in them runs counter to the basic beliefs of either party. And unlike the present policy, they have a chance of working.

The Baker-Hamilton commission has a unique opportunity to generate a bipartisan way forward in Iraq. If it comes up with a better plan than the one we propose, we will embrace it. But whatever it does, it cannot kick the can down the road. It must come up with a strategy that allows us to leave Iraq without leaving chaos behind -- which is not being done in Washington now.

Mr. Biden is a Democratic senator from Delaware and ranking member of the Senate Foreign Relations Committee. Mr. Gelb is president emeritus of the Council on Foreign Relations.

Three Choices, Mr. President (WP)

By Richard Holbrooke

DOJ_NMG_0085617

The Washington Post, October 24, 2006

Dear Mr. President:

As soon as the midterm elections are over -- and regardless of their outcome -- you will have to make the most consequential decision of your presidency, probably the most complicated any president has had to make since Lyndon Johnson decided to escalate in Vietnam in 1965, and far more difficult than your decisions after Sept. 11, 2001. Then, you rallied a nation in shock, overthrew the Taliban in Afghanistan and Saddam Hussein in Iraq, and confronted Iran and North Korea over their nuclear programs -- acting in all cases with self-confidence and overwhelming national approval.

Now all four projects are in peril. With far less public support, and time running out on your presidency, you must reverse the recent decline in Afghanistan, get North Korea back to the six-party talks, isolate a cocky, dangerous Iran that thinks events are going its way and, above all, figure out what to do with Iraq. So allow me to offer some very unsolicited suggestions on that war.

Broadly speaking, you have three choices: "Stay the course," escalate or start to disengage from Iraq while pressing hard for a political settlement. I will argue for the third course, not because it is perfect but because it is the least bad option.

In your radio address last week, you said that "our goal in Iraq is clear and unchanging: . . . victory." You added that the only thing changing "are the tactics. . . . Commanders on the ground are constantly adjusting their approach to stay ahead of the enemy, particularly in Baghdad." One can only hope that you do not mean those words literally -- or believe them. "Stay the course" is not a strategy; it is a slogan, useful in domestic politics but meaningless in the field.

Your real choice comes down to escalation or disengagement. If victory -- however defined -- is truly your goal, you should have sent more troops long ago. You and Defense Secretary Donald Rumsfeld say that the commanders in Iraq keep telling you they don't need more troops, but, frankly, even if technically accurate, this is baffling. Plain and simple, there are not, and never have been, enough troops in Iraq to accomplish the mission.

But where would more troops come from? The Pentagon says the all-volunteer Army is stretched to the breaking point; it is now recruiting 42-year-olds and lowering entry standards. Afghanistan also needs more troops. And suppose additional troops do not turn the tide? Does the United States then send still more? Even advocates aren't sure escalation will produce a turnaround.

The last option is the most difficult for an embattled wartime president: Change your goals, disengage from the civil war already underway, focus maximum effort on seeking a political power-sharing agreement, and try to limit further damage in the region and the world.

Even your strongest critics understand that disengagement is fraught with risk. You have warned of the bloody consequences that might follow a U.S. withdrawal. Preventing such a tragedy must be your first priority. For this and other reasons, I do not favor a fixed timetable for withdrawal, since it would give away any remaining American flexibility and leverage. But the kind of killing that you predict would follow an American departure is in fact already underway, and nothing we have done has prevented it from increasing rapidly. At the current pace, there will be well over 40,000 murders a year in Iraq. A recent University of Maryland poll found that 78 percent of Iraqis surveyed believe the American presence is now "provoking more conflict than it is preventing," and 71 percent support a U.S. withdrawal within one year.

I urge you to lay out realistic goals, redeploy our troops and focus on the search for a political solution. We owe that to the Iraqis who welcomed the overthrow of Saddam Hussein and put their trust in us, only to find their lives in danger as a result. By a political solution, I mean something far more ambitious than current U.S. efforts aimed at improving the position of Prime Minister Nouri al-Maliki by changing ministers or setting timelines for progress. Sen. Joe Biden and Les Gelb have advocated what they call, in a reference to the negotiations that ended the war in Bosnia in 1995, a "Dayton-like" solution to the political situation -- by which they mean a looser federal structure with plenty of autonomy for each of the three main groups, and an agreement on sharing oil revenue. Your administration has dismissed these proposals out of hand, and the time lost since Gelb first presented them more than two years ago has made them far more difficult to achieve.

Yet only two weeks ago, the Iraqi parliament took a big step toward creating more powerful regions, with an interesting proviso to delay implementation for 18 months. You could use this legislation as leverage to negotiate a peaceful arrangement for sharing power and oil revenue, while redeploying and reducing our forces in Iraq. If such an effort fails, nothing has been lost by trying.

Those who say this is a proposal to partition Iraq into three countries (which it is not) and would trigger all-out civil war are misrepresenting the idea, while offering nothing in its place. Whatever else you do, Mr. President, you should send American troops to northern Iraq (Kurdistan), which is still safe but increasingly tense, to reduce the very real risk of a Turkish-Kurdish war. Both the Turks and the Kurds would welcome this U.S. presence, but it would have to be accompanied by a cessation of Kurdish terrorist raids into Turkey. This would allow Special Forces troops to move rapidly into other parts of Iraq if a terrorist target appeared, and it would show the world that you were not withdrawing from America's commitment to Iraq.

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In recent years, almost any advocate of a change in policy has been accused of wanting to "cut and run." Such rhetoric works against the bipartisanship that this crisis requires. But if you were to decide to draw down American troops -- without a fixed timetable -- and seek a political compromise, the responsible leadership of the Democratic Party would surely work with you, especially if the Iraq Study Group, co-chaired by James Baker and Lee Hamilton, recommends significant changes in policy, which you could use as a starting point for rebuilding a bipartisan national consensus.

This crisis is far too acute for recrimination. If we are still at war during the 2008 campaign, as seems likely if you do not change course, it will benefit neither party but will leave your successor with the same choices you now face, but under far worse circumstances.

Trying To Contain The Iraq Disaster (NYT)

The New York Times, October 24, 2006

No matter what President Bush says, the question is not whether America can win in Iraq. The only question is whether the United States can extricate itself without leaving behind an unending civil war that will spread more chaos and suffering throughout the Middle East, while spawning terrorism across the globe.

The prospect of what happens after an American pullout haunts the debate on Iraq. The administration, for all its hints about new strategies and timetables, is obviously hoping to slog along for two more years and dump the problem on Mr. Bush's successor. This fall's election debates have educated very few voters because neither side is prepared to be honest about the terrible consequences of military withdrawal and the very long odds against success if American troops remain.

This page opposed a needlessly hurried and unilateral invasion, even before it became apparent that the Bush administration was unprepared to do the job properly. But after it happened, we believed that America should stay and try to clean up the mess it had made — as long as there was any conceivable road to success.

That road is vanishing. Today we want to describe a strategy for containing the disaster as much as humanly possible. It is hardly a recipe for triumph. Americans can only look back in wonder on the days when the Bush administration believed that success would turn Iraq into a stable, wealthy democracy — a model to strike fear into the region's autocrats while inspiring a new generation of democrats. Even last fall, the White House was dividing its strategy into a series of victorious outcomes, with the short-term goal of an Iraq "making steady progress in fighting terrorists." The medium term had Iraq taking the lead in "providing its own security" and "on its way to achieving its economic potential," with the ultimate outcome being a "peaceful, united, stable and secure" nation.

If an American military occupation could ever have achieved those goals, that opportunity is gone. It is very clear that even with the best American effort, Iraq will remain at war with itself for years to come, its government weak and deeply divided, and its economy battered and still dependent on outside aid. The most the United States can do now is to try to build up Iraq's security forces so they can contain the fighting — so it neither devours Iraqi society nor spills over to Iraq's neighbors — and give Iraq's leaders a start toward the political framework they would need if they chose to try to keep their country whole.

The tragedy is that even this marginal sort of outcome seems nearly unachievable now. But if America is to make one last push, there are steps that might lessen the chance of all-out chaos after the troops withdraw:

Start at Home

For all the talk of timetables for Iraq, there has been little discussion of the timetable that must be handed to George W. Bush. The president cannot leave office with American troops still dying in an Iraq that staggers along just short of civil war, on behalf of no concrete objective other than "get the job done," which is now Mr. Bush's rhetorical substitute for "stay the course." The administration's current vague talk about behind-the-scenes agreements with Iraqi politicians is next to meaningless. Americans, Iraqis and the rest of the world need clear, public signs of progress.

Mr. Bush can make the first one by firing Secretary of Defense Donald Rumsfeld. There is no chance of switching strategy as long as he is in control of the Pentagon. The administration's plans have gone woefully wrong, and while the president is unlikely to admit that, he can send a message by removing Mr. Rumsfeld. It would also be a signal to the military commanders in the field that the administration now wants to hear the truth about what they need, what can be salvaged out of this mess, and what cannot.

The president should also make it clear, once and for all, that the United States will not keep permanent bases in Iraq. The people in Iraq and across the Middle East need a strong sign that the troops are not there to further any American imperial agenda.

Demand Reconciliation Talks

Iraq's prime minister, Nuri Kamal al-Maliki, has indefinitely postponed reconciliation talks among the nation's top politicians. He must receive an immediate deadline to start the process. Tomorrow would not be too soon; the end of the year would be too late.

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Whatever decisions Iraqi leaders reached over the past few years were achieved by pushing aside all the critical questions that were hardest to address. The Bush administration must demand not only that new talks start, but that they continue until some agreement is reached on protecting minority rights, dividing up Iraq's oil revenues, the role of religion in the state, providing an amnesty for insurgents willing to put down their weapons, and demobilizing and disarming the militias.

More outside aid could increase their incentive to talk. Even then, the threat of an American withdrawal may be the only way to extract real concessions. In parallel with the reconciliation talks, the United States should begin its own negotiations with the Iraqi leadership about a timetable for withdrawing American troops — making clear that America's willingness to stay longer will depend on the Iraqis' willingness to make real compromises. Iraqi politicians have to know that they have even more to lose if their country plunges into complete civil war.

We are skeptical of calls to divide the country into three ethnically controlled regions, using the model that finally ended the Bosnian war. Most Iraqis, except for the Kurds, show little enthusiasm for the idea. Clear ethnic boundaries could not be drawn without driving many people from their homes — though an intolerable level of ethnic cleansing is already pushing things in that direction. Any effort at reconciliation will almost certainly require a transfer of power and resources to provincial and local governments. But it must be up to the Iraqis to decide the ultimate shape of their country.

Stabilize Baghdad

Most Iraqis have forgotten what security is — or if they remember, it is an idealized vision of Saddam Hussein's dictatorship. Since neither the government nor the American occupation is able to provide basic services or safety, it is little wonder that Iraqis have turned to the militias for protection. In such a world, retribution will always take precedence over the uncertainties of political compromise.

American commanders have launched a series of supposedly make-or-break campaigns to take back the streets of Baghdad. The problem is not one of military strategy; their idea of "clearing" out insurgents, "holding" neighborhoods and quickly rebuilding infrastructure is probably the only thing that could work. The problem is that commanders in Baghdad have been given only a fraction of the troops — American and Iraqi — they need.

There have never been enough troops, the result of Mr. Rumsfeld's negligent decision to use Iraq as a proving ground for his pet military theories, rather than listen to his generals. And since the Army and Marines are already strained to the breaking point, the only hope of restoring even limited sanity to Baghdad would require the transfer of thousands of American troops to the capital from elsewhere in the country. That likely means moving personnel out of the Sunni-dominated west, and more mayhem in a place like Anbar.

But Iraqis need a clear demonstration that security and rebuilding is possible. So long as Baghdad is in chaos they will have no reason to believe in anything but sectarian militias and vigilante justice. Once Washington is making a credible effort to stabilize Baghdad, Iraqi politicians will have more of an incentive to show up for reconciliation talks. No one wants to be a rejectionist if it looks like the tide might be turning.

Convene the Neighbors

America's closest allies in the region are furious about America's gross mismanagement of the war. But even Iran and Syria, which are eager to see America bloodied, have a great deal to lose if all-out civil war erupts in Iraq, driving refugees toward their borders. That self-interest could be the start of a discussion about how Iraq's neighbors might help pressure their clients inside Iraq to step back from the brink. Saudi Arabia and other oil-rich neighbors — whose own stability could be threatened by an Iraqi collapse — need to be pressed into providing major financing to underwrite jobs programs and reconstruction.

Enlightened self-interest is a rarity in the Middle East. The Bush administration will most likely have to go further to elicit real help, showing a serious willingness to expand its dialogue with Damascus and Tehran beyond the issue of Iraq and to be a genuine broker for Middle East peace. That should be the easiest part of the strategy — only this White House regards the willingness to talk to another country as a major concession.

Acknowledge Reality

While the strategy described above seems the best bet to us, the odds are still very much against it working. At this point, all plans to avoid disaster involve the equivalent of a Hail Mary pass. In America, almost no one — even the administration's harshest critics — wants to tell people the bitter truth about how few options remain on the table, and about the mayhem that will almost certainly follow an American withdrawal unless more is done.

Truth will only take us so far, but it is the right way to begin. Americans will probably spend the next generation debating whether the Iraq invasion would have worked under a competent administration. Right now, the best place to express bitterness about what may become the worst foreign policy debacle in American history is at the polls. But anger at a president is not a plan for what happens next.

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When it comes to Iraq the choices in the immediate future are scant and ugly. But there are still a few options to pursue, and the alternatives are so horrible that it is worth trying once again — as long as everyone understands that there is little time left and the odds are very long.

Iraq Invasion May Be 'disaster' (FT)

By Daniel Dombey And Steve Negus

Financial Times, October 24, 2006

The invasion of Iraq could eventually be judged to have been a disaster, Margaret Beckett, foreign secretary, indicated on Monday.

Speaking against a backdrop of increased speculation about a pull-out of western forces from the country, Ms Beckett sought to reduce expectations of a rapid withdrawal but also steered well clear of claiming that the mission would succeed.

Ms Beckett was asked in an interview on the BBC's World at One whether historians would judge the invasion to be a foreign policy disaster. She responded: "Yes, they may. Then again, they may not."

She also warned against "rash predictions" of a military pull-out. Kim Howells, UK Foreign Office minister of state, said at the weekend that there would be "adequately trained Iraqi soldiers and security forces" to take over from coalition troops in about a year.

The foreign secretary added, when asked whether there would eventually be a partition of the country: "That is very much a matter for the Iraqis."

Ms Beckett was speaking during a visit to London by a senior Iraqi politician, who also warned that the growing debate about the US and British deployments should not "panic" the coalition into withdrawing troops too soon.

"I'm obviously concerned about the debate both in the US and Europe, I have to say, because there's too much of a pessimistic tone in this debate, even in certain circles a defeatist tone," Barham Saleh, Iraqi deputy prime minister, told the BBC. "We must not give in to panic. This is too serious a situation to be dealt with in that way."

Mr Saleh said: "By the end of this year, nearly seven or eight provinces of Iraq out of 18 provinces will be under direct Iraqi security control."

British military officials say a reduced coalition presence would remain in the country after such a handover. This month Gen Sir Richard Dannatt, chief of the British army, said he was putting together force "packages" into 2008.

Yet violence late last week between rival Shia groups in Amara, the capital of the southern province of Maysan, raised questions about the pace of any withdrawal of coalition troops. British troops withdrew from Amara, handing responsibility over to Iraqi security forces, only in August.

Militiamen on Friday attacked several police stations in the city and streetfighting left at least 24 dead. On Monday, a stand-off between Iraqi police and the radical Mahdi Army continued in the city.

A British military spokesman said there had been no clashes for 24 hours, with 3,000 Iraqi army troops keeping order in the streets and a 600-strong British force standing by as back-up. But he said violence "could well erupt at a moment's notice again".

Des Browne, the UK defence secretary, said on Sunday: "The events over the weekend in Maysan suggest that the Iraqi security forces in [Amara] able to deal with their own security."

In a continuing sign that the mission in Iraq is being questioned, a former head of Britain's armed forces, Lord Inge, said last week: "I don't believe we have a clear strategy in either Afghanistan or Iraq. I sense we've lost ability to think strategically."

British officials emphasised that Mr Saleh's visit dealt primarily with the economic reconstruction of Iraq and a new international compact that would rebuild the country's relations with its neighbours.

Bush Doctrine Must Survive Iraq War (FT)

By Lawrence Kaplan

Financial Times, October 24, 2006

In this US election season, the political argument against the Iraq war has evolved and broadened into something quite familiar. What began as a critique of an ineptly conceived and executed war has, on the stump at least, hardened into a denunciation of every facet of the Bush administration's foreign policy. But does telling evidence brought against a war necessarily repudiate the doctrine in whose name it was fought?

Bush doctrine critics might do well to cast a glance backward, for this is hardly the first time critics have extrapolated from the particulars of a controversial war and gone too far. Two years of war in Korea convinced many Republicans that President Harry Truman's containment doctrine was a dead letter. Even as John Foster Dulles took to the pages of Life Magazine to condemn the young doctrine, the 1952 Republican platform was attacking the "negative, futile and immoral policy of 'containment'". Republicans, though, would soon enshrine in official policy the same doctrine they had spent years assailing.

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Two decades later, the Democratic party learned a similar lesson. With Vietnam still fresh in the American imagination, President Jimmy Carter insisted on transcending the belief "that Soviet expansion was almost inevitable but that it must be contained". But if Americans were not interested in the dialectic, to paraphrase a founding father of Soviet communism, the dialectic was still interested in them. Duly chastened by the world around him, Mr Carter came to realise that a doctrine's misapplication in Vietnam had not invalidated the doctrine itself.

Similarly, when critics advertise the Iraq war as the decisive repudiation of a broader doctrine, they may be jettisoning the good with the bad. While Commentary magazine has pronounced the Bush doctrine alive and well, Time magazine has declared it dead and buried in Iraq. But the essential question is whether it should be. True, Iraq is where the Bush doctrine has been most visible and most visibly put to the test. It is equally true that it has failed that test. But is it really necessary to point out that the doctrine's signatures – democracy promotion, pre-emption and unilateral action – have relevance beyond Iraq?

As to the first of these Iraq has led the likes of John Kerry, Democratic senator, to conclude that democracy ought to take a back seat to "stability" and Pat Roberts, Republican senator, to caution that America must not pretend "it is both entitled and obligated to promote democracy".

There is, of course, ample room for disagreement on the question of how to promote democracy, particularly in Iraq, where Washington applied a cartoon version of democratisation that equated the absence of oppression with the existence of democracy. What is being debated after Iraq, however, is not the mechanics of democracy promotion but its very desirability. Yet Iraq does not disprove the fact that democracies have a taboo about launching wars against one another, their thin history of exporting terrorism or their congeniality toward the US. For these reasons alone exporting democracy still falls squarely in the realm of America's grand strategy.

If democratic idealism is one element of the Bush doctrine that needs to be rescued from Iraq, North Korea's nuclear test suggests the idea of preventive war may be another. A Time cover story has revealed that Iraq might "not only be the first but also the last laboratory for preventive war". Never mind that the principle has been an essential tool of American statecraft for more than a century. Never mind, too, that a more recent Time cover story – "What War With Iran Would Look Like" – suggests that, in this era of proliferation and unhinged brinkmanship, it may be premature to banish preventive war from the lexicon of American military affairs. Seeking to do just that, Dick Durbin, the Democrat senator and leading Darfur campaigner, claims America must be a "defensive nation". But a defensive nation cannot rescue Darfur or Kosovo or Bosnia or any other place that requires America to act without direct provocation. Nor, for that matter, could an America that forfeits its right to act unilaterally.

Notwithstanding critics who insist Iraq proves the folly of thwarting the will of the United Nations, the Bush doctrine's reservations about "submitting to the objections of a few" hardly set it apart from its predecessors. Every US president since the UN's establishment has acted at one time or another without its approval. Given the institution's congenital indecision, every future president will do so as well. Being little more than the sum of its parts, even today the UN quietly tolerates Iran and Sudan's flouting of its own resolutions.

That the lessons of Iraq should be heeded in policy deliberations makes sense. But such lessons, by themselves, provide no adequate response to a menacing international scene. Rather than offer a lucid analysis of the mismatch between the Bush doctrine's objectives and accomplishments – refining or discarding its most controversial elements – critics on the campaign trail have offered a formula for virtual -disarmament.

The writer is a senior editor at The New Republic

Niall Ferguson: America's Brittle Empire (LAT)

Niall Ferguson

The Los Angeles Times, October 24, 2006

The U.S. doesn't have the necessary military manpower or fiscal solvency of its imperial predecessors in Iraq.

YOU WOULD HAVE thought 300 million Americans would be enough to rule the world — or at least a couple of medium-sized failed states. The population of Iraq is 27 million, that of Afghanistan 31 million. Yet the same week that the U.S. population officially passed the 300-million mark, we heard two startling admissions that testify to the scale of crisis facing Washington's unspoken empire.

Asked Sunday on ABC's "This Week" program whether the situation in Iraq was comparable to that in Vietnam at the time of the 1968 Tet Offensive — an event popularly (though wrongly) perceived as the beginning of the end for the U.S. defense of South Vietnam — the president conceded the comparison "could be right." And on Thursday, the spokesman for the U.S. military command in Iraq confessed that the Army's latest effort to quell the escalating civil war in central Iraq "has not met our overall expectations of sustaining a reduction in the levels of violence" — military-speak for "has totally failed." A year ago, these admissions would have been headline news. Today, people just shrug. That Iraq is Washington's new "quagmire" has become conventional wisdom.

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But why should this be so? Less than a century ago, before World War I, the population of Britain was 46 million, barely 2.5% of humanity. And yet the British were able to govern a vast empire that encompassed an additional 375 million people, more than a fifth of the world's population. Why can't 300 million Americans control fewer than 30 million Iraqis? Three years ago, as the United States swept into Iraq, I wrote a book titled "Colossus," which offered a somber prediction, summed up in its subtitle, "The Rise and Fall of the American Empire." My argument was that the United States was unlikely to be as successful or as enduring an imperial power as its British predecessor for three reasons: its financial deficit, its attention deficit and, perhaps most surprisingly, its manpower deficit. Rather cruelly, I compared the American empire to a "strategic couch-potato … consuming on credit, reluctant to go to the front line [and] inclined to lose interest in protracted undertakings."

I wish I'd been proved wrong. Sadly, events in Iraq have borne out that analysis. No Marshall Plan for the Middle East materialized to revive the Iraqi economy. And domestic support for the enterprise proved short-lived. I have spent much of the last month on the road, talking to readers in bookstores and lecture halls from downtown Manhattan to Pasadena to rural Arizona. Practically everyone I have talked to — including many a Republican — yearns for their country to get out of Iraq.

Lack of funds. Ephemeral support. These problems were not hard to predict because they had characterized previous U.S. incursions into foreign lands (the postwar occupations of West Germany and Japan remain the only exceptions that prove the rule). The manpower deficit, however, remains puzzling. Just why is the world's third-most -populous country so short of boots on the ground? The obvious answer is that, considering the size of the U.S. population and the Pentagon's vast budget, the American military is a remarkably small outfit. In 2004, the number of Department of Defense personnel on active duty was 1,427,000, substantially fewer than the country's 2-million-strong prison population. Of those on active duty, barely a fifth were overseas, of whom 171,000 were in Iraq. That works out to 0.06% of the total U.S. population.

The number of troops currently in Iraq is less than 140,000. That's roughly as many soldiers as Britain sent to the same country to defeat an insurgency in 1920 — at a time when the population of Iraq was a 10th of what it is today. The low level of military participation in the United States is, admittedly, something of a national tradition. A hundred years ago, the armed forces accounted for 1.6% of the French population, 1.1% of the German population and 0.9% of the British population — but only 0.1% of the American population. The difference is that today the U.S. is trying to play the kind of role that the European powers played back then. It's an empire, to put it bluntly, with too few legions.

To make matters worse, the Department of Defense has been run since 2001 by a man who fervently believes that less is more. It was Donald Rumsfeld, we now know, who repeatedly dismissed expert advice that several hundred thousand troops would be needed to ensure the stability of postwar Iraq.

In 2003, I argued that this kind of error could be corrected if only U.S. leaders would learn some history. That was naive. Policy about Iraq has never been based on a rational assessment of that country's needs. Rumsfeld's paramount concern appears to have been to win the turf wars between the Defense Department, the Joint Chiefs and the State Department — just as Vice President Dick Cheney's was to satisfy the appetites of the GOP base for big tax cuts and cheap victories. Writing in the 1920s, German historian Eckart Kehr argued that the foreign policy of the Kaiser's Germany was the defective product of the "primacy of domestic politics."

I have come to see that U.S. foreign policy suffers from a similar pathology. The primacy of domestic politics — in the form of bureaucratic infighting and electoral manipulation — explains why the Iraq enterprise has, from the outset, been so chronically short-staffed.

The personnel deficit is not just about politics, however. "We're an empire now," a presidential aide told the journalist Ron Suskind in a moment of hubris in 2004, "and when we act, we create our own reality." But maybe the reality is that the U.S. is demographically incapable of acting as a traditional empire. After all, empire is partly about the export of people; about colonists and settlers. The United States, by contrast, is about the import of people, to the tune of roughly 1.5 million newcomers a year; the country expands by importing, not exporting, people.

In short, we seem doomed by domestic politics and demography to re-enact Vietnam in Iraq. The only question is what age the 300-millionth American will be when the last American is airlifted out.

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Ferguson's column will resume running on Monday next week.

Seriously Misspoken (WP)

By Eugene Robinson

The Washington Post, October 24, 2006

Okay, now they're just making stuff up. George W. Bush went on television Sunday and claimed that on Iraq war policy, "We've never been 'stay the course' " -- as if no record survived of all the times he has used those very words. Maybe he was

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trying to outdo Dick Cheney, who went on the radio last week and proclaimed that the beleaguered Iraqi government is doing "remarkably well."

Cheney's well-hidden sense of humor must be tremendously subtle. I can only assume that "remarkably well" was his version of the old joke about the man who falls off a 20-story building and, as he passes each floor on the way down, is heard to call out, "So far, so good!"

I'm fairly sure that the president and the vice president of the United States haven't completely lost touch with reality. I can't believe that Bush has forgotten making "stay the course" a Republican midterm election mantra, the counterpoint to the "cut and run" label he is trying to hang on the Democrats. And someone must have summoned the courage to tell Cheney that more than 85 American troops have been killed in Iraq so far in October, making it the deadliest month for U.S. forces in a year.

If Bush and Cheney were being sincere, then they're lying to themselves; if not, they're lying to the rest of us. My money is on the latter.

One administration functionary who told the truth about Iraq had to quickly apologize for his candor. Alberto Fernandez, the State Department official in charge of public diplomacy for the Middle East, said on the al-Jazeera television network that the United States had shown "arrogance" and "stupidity" in Iraq. The interview was broadcast Saturday; by Sunday, the State Department's Web site was quoting Fernandez as saying he "seriously misspoke" and as disowning his perfectly accurate remarks. I imagine Fernandez is already packing for his new job as deputy assistant consul general somewhere in the hinterlands of Kyrgyzstan.

The White House is still trying to shore up and defend a rhetorical Maginot Line that was overrun long ago, erased by implacable insurgents, sectarian militias, revanchist claimants to Iraq's vast oil wealth and Iraqi government officials whose interests do not necessarily coincide with those of the United States.

By now it has become obvious even to some of the administration's staunchest supporters that the Iraq war is a disaster. Republican incumbents who have to face the voters two weeks from now, especially, are seeing the war in a new light. The president was wrong the other day when he allowed that there might be a parallel between the current escalation of violence and the pivotal Tet Offensive in Vietnam in 1968. Tet began to shift public opinion against the Vietnam quagmire; in the case of Iraq, most Americans already oppose the war.

The president keeps saying that U.S. forces will stay in Iraq until we "get the job done," but no one knows anymore what that job might be. Does anyone still think a Western-style democracy is going to come out of this mess? Can anyone be sure that the Iraqi forces we're training and arming won't splinter into groups that defend their own parochial interests? Is anyone confident that if a government strong enough to control the whole country finally emerges, the new Iraq will even be a reliable ally of the United States?

By now it's shared wisdom -- outside of the White House, the Pentagon and perhaps the innermost precincts of Baghdad's Green Zone -- that there are no good options in Iraq, just bad ones. Setting deadlines for the Iraqi government to establish order and make painful political compromises isn't really a plan; it's a wish. Splitting the country into three parts would create a horrible mess. Pulling all U.S. forces out now would leave a horrible mess. Pulling all U.S. forces out a year from now would leave, yes, a horrible mess.

The least unattractive option is probably some sort of phased withdrawal. There is no justification for continuing to sacrifice American troops when no attainable goal is in sight.

The truth is that "the job," to the extent that Bush has been able to define it, almost certainly will never get done. The question is how many more American and Iraqi lives will be lost before the president admits it, drops all the bluster and acknowledges what Americans already know: "I made a mistake."

Iraq And Your Wallet (NYT)

By Nicholas D. Kristof

The New York Times, October 24, 2006

For every additional second we stay in Iraq, we taxpayers will end up paying an additional $6,300.

So aside from the rising body counts and all the other good reasons to adopt a timetable for withdrawal from Iraq, here's another: We are spending vast sums there that would be better spent rescuing the American health care system, developing alternative forms of energy and making a serious effort to reduce global poverty.

In the run-up to the Iraq war, Donald Rumsfeld estimated that the overall cost would be under $50 billion. Paul Wolfowitz argued that Iraq could use its oil to "finance its own reconstruction."

But now several careful studies have attempted to tote up various costs, and they suggest that the tab will be more than $1 trillion — perhaps more than $2 trillion. The higher sum would amount to $6,600 per American man, woman and child.

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"The total costs of the war, including the budgetary, social and macroeconomic costs, are likely to exceed $2 trillion," Joseph Stiglitz, the Nobel-winning economist at Columbia, writes in an updated new study with Linda Bilmes, a public finance specialist at Harvard. Their report has just appeared in the Milken Institute Review, as an update on a paper presented earlier this year.

Just to put that $2 trillion in perspective, it is four times the additional cost needed to provide health insurance for all uninsured Americans for the next decade. It is 1,600 times Mr. Bush's financing for his vaunted hydrogen energy project.

Another study, by two economists at the American Enterprise Institute, used somewhat different assumptions and came up with a lower figure — about $1 trillion. Those economists set up a nifty Web site, www.aei-brookings.org/iraqcosts, where you can tinker with the underlying assumptions and come up with your own personal estimates.

Of course, many of the costs are hidden and haven't even been spent yet. For example, more than 3,000 American veterans have suffered severe head injuries in Iraq, and the U.S. government will have to pay for round-the-clock care for many of them for decades. The cost ranges from $600,000 to $5 million per person.

Then there are disability payments that will continue for a half-century. Among veterans of the first gulf war — in which ground combat lasted only 100 hours — 40 percent ended up receiving disability payments, still costing us $2 billion each year. We don't know how many of today's veterans will claim such benefits, but in the first quarter of this year more people sought care through the Department of Veterans Affairs than the Bush administration had budgeted for the entire year.

The war has also forced the military to offer re-enlistment bonuses that in exceptional circumstances reach $150,000. Likewise, tanks, helicopters and other battlefield equipment will have to be replaced early, since the Pentagon says they are being worn out at up to six times the peacetime rate.

The administration didn't raise taxes to pay for the war, so we're financing it by borrowing from China and other countries. Those borrowing costs are estimated to range from $264 billion to $308 billion in interest.

Then there are economic costs to the nation as a whole. For example, the price of oil was in the $20- to $30-a-barrel range early in this decade but has now shot up to more than $50, partly because of the drop in Iraq's oil exports and partly because of war-related instability in the Middle East. Professors Stiglitz and Bilmes note that if just $10 of the increase is attributable to the war, that amounts to a $450 billion drag on the economy over six years.

The bottom line is that not only have we squandered 2,800 American lives and considerable American prestige in Iraq, but we're also paying $18,000 per household to do so.

We still face the choice of whether to remain in Iraq indefinitely or to impose a timetable and withdraw U.S. troops. These studies suggest that every additional year we keep our troops in Iraq will add $200 billion to our tax bills.

My vote would be to spend a chunk of that sum instead fighting malaria, AIDS and maternal mortality, bolstering American schools, and assuring health care for all Americans. We're spending $380,000 for every extra minute we stay in Iraq, and we can find better ways to spend that money.

One Nation, Divisible (NYT)

By John Tierney

The New York Times, October 24, 2006

An American in Iraq has finally gotten it almost right.

J. D. Thurman, the major general who is the senior commander of U.S. forces in Baghdad, has figured out the obstacle to America's dream for Iraq.

"Part of our problem is that we want this more than they do," General Thurman told The Times's Michael Gordon, alluding to American efforts to unify Iraqis. "We need to get people to stop worrying about self and start worrying about Iraq."

That's a refreshingly candid alternative to the usual lines we hear about the Iraqi people's patriotism and resolve. General Thurman predicted that Americans will keep struggling unless Iraqis put aside their differences. Quite right — and quite depressing, because they're not about to do it, no matter what timetable the U.S. tries to impose.

But what's stopping them is not selfishness. When General Thurman talked about the conflict between serving oneself and serving one's country, he was applying an American template to a different culture. Rampant individualism is not the problem in Iraq.

The problem is that they have so many social obligations more important to them than national unity. Iraqis bravely went to the polls and waved their purple fingers, but they voted along sectarian lines. Appeals to their religion trumped appeals to the national interest. And as the beleaguered police in Amara saw last week, religion gets trumped by the most important obligation of all: the clan.

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The deadly battle in Amara wasn't between Sunnis and Shiites, but between two Shiite clans that have feuded for generations. After one clan's militia destroyed police stations and took over half the city, the Iraqi Army did not ride to the rescue. Authorities regained control only after the clan leaders negotiated a truce.

When the U.S. invaded Iraq, American optimists invoked Germany and Japan as models for their democratization project, but Iraq didn't have the cultural cohesion or national identity of those countries. The shrewdest forecasts I heard came not from foreign policy experts but from anthropologists and sociologists who noted a crucial statistic: nearly half of Iraqis were married to their first or second cousins.

Unlike General Thurman and other Westerners, members of these tightly knit Iraqi clans don't look on society as a collection of individuals working for the common good of the nation. "In a modern state a citizen's allegiance is to the state, but theirs is to their clan and their tribe," Ihsan M. al-Hassan, a sociologist at the University of Baghdad, warned three years ago. "If one person in your clan does something wrong, you favor him anyway, and you expect others to treat their relatives the same way."

These allegiances explain why Iraqis don't want to give up their local militias. They know it's unrealistic to expect protection from a national force of soldiers or police officers from other clans, other regions, other religions. When the Iraqi Army ordered reinforcements to go help Americans keep peace in Baghdad, several Iraqi battalions deserted rather than risk their lives defending strangers.

Instead of trying to transform Iraqis into patriots and build up national security forces, the U.S. should be urging decentralization. The national government should concentrate on defending the borders and equitably distributing oil revenue, ideally by distributing shares of the oil wealth directly to citizens.

Most other duties, including maintaining law and order, should devolve to autonomous local governments: one for the Kurdish north, one for the Sunni Triangle, one for the Shiite south, plus coalition governments in Baghad and the multiethnic region around Kirkuk. The result would hardly be peace. There would still be murderous religious conflicts in Baghdad and fierce interclan battles in towns like Amara.

But the local leaders — elected officials, police officers, sheiks, clerics — would be in a better position to provide security and negotiate truces than would a national government. It's no accident that the most stable part of Iraq is also the most autonomous: Kurdistan, where two rival clans have negotiated a relatively peaceful coexistence.

It wouldn't be easy for Iraqis in other regions to work out their differences, but the local leaders would have one crucial advantage over any Iraqis or Americans giving orders from Baghdad. They would realize their neighbors are not going to suddenly embrace national unity. They would know you make peace with the citizenry you have, not the one you want.

Iraqi Prime Minister Acts To Rein In Militias (WP)

By Ellen Knickmeyer

The Washington Post, October 24, 2006

BAGHDAD, Oct. 23 -- Iraq has ordered its security forces to crack down on unlawful acts by armed factions, Prime Minister Nouri al-Maliki said Monday in a rare public rebuke to the Shiite militias allied with his government.

Although the statement was bolder than usual for Maliki, it fell short of directing that the illegal militias be disbanded, a move that American officials are increasingly urging as sectarian bloodletting and other violence soar.

Shiite militias have been accused of targeting Iraq's Sunni minority in a growing number of brazen killings. The largest of the militias belong to the two Shiite religious parties leading Maliki's government.

Meanwhile, a U.S. soldier in Baghdad was reported missing late Monday, and residents said American forces had sealed the central Karrada district and were conducting door-to-door searches, according to the Associated Press.

A military official in Washington told the AP that the missing service member was a translator and that the initial report was that he may have been abducted. The official spoke on condition of anonymity because the information had not been cleared for release.

In his statement Monday, the prime minister acknowledged that unspecified "illegal groups with weapons" were carrying out operations that are undermining security in the country. Iraq's security forces had been directed "to confront the attempts to break the law, regardless of their source," he said.

Maliki singled out turmoil in Maysan province, where the Mahdi Army militia of Moqtada al-Sadr, the powerful Shiite cleric, was accused Monday of renewing attacks on police officers in the provincial capital, Amarah. The police belong to a rival militia, the Badr Organization, formerly known as the Badr Brigade.

The accusation came after Mahdi Army fighters shot four policemen to death, leading Badr militiamen to behead the teenage brother of a Mahdi Army commander, the Associated Press reported.

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Iraqi army troops allegedly failed to intervene. About 500 additional troops have been deployed to Amarah since a burst of fighting last week between the two militias killed at least 25 people. In his statement, Maliki appealed to local residents to resist being pulled into the fighting.

Since midsummer, there have been record numbers of attacks on Iraqi forces and record numbers of deaths among Iraqi civilians, with more than 2,600 civilians killed last month in Baghdad alone.

Dozens of slaying victims are collected each day from the capital's streets. On Monday, 52 bodies were found across Baghdad; three of the dead had been beheaded, police said.

Other violence included a bombing in the capital that killed three Iraqis.

Attacks on American troops are also at one of their highest points of the war, with 87 killed already this month. The figure is the highest monthly toll for American forces here since October 2005, when 96 troops were killed.

The U.S. military on Monday reported two American fatalities, with a Marine killed Saturday in the western province of Anbar and a soldier killed in a bombing in Baghdad. The military also said a member of the international force training Iraqi policemen was killed Sunday in a roadside bombing in eastern Baghdad.

In London, Iraqi Deputy Prime Minister Barham Salih called for U.S.-led forces to stay in Iraq until their Iraqi counterparts are capable of securing the country.

"I do believe there is no option for the international community to cut and run," Salih told reporters after meeting British Prime Minister Tony Blair. About 7,000 British troops are assigned to southern Iraq.

Salih said Iraqi forces would be in control of at least seven of Iraqi's 18 provinces by the end of the year, adding, "We understand that this cannot be an open-ended commitment by the international community."

Troops Take On Insurgent Haven (WP)

By Josh White

The Washington Post, October 24, 2006

CAMP STRYKER, Iraq, Oct. 23 -- Minutes before sunrise Monday, two companies of American soldiers inched in Humvees toward a hulking concrete compound near this base south of Baghdad, guns ready, their eyes on a long-coveted target along the banks of the Euphrates River.

Nestled in a Sunni stronghold isolated by the river, bomb-seeded roads and a long canal, the Yusufiyah Thermal Power Plant is a prime example of one of the most serious concerns for U.S. commanders: It is an insurgent sanctuary just miles outside Baghdad from which fighters have launched attacks and terrorist bombings in the surrounding area.

Surveillance photos have shown enemy muzzle flashes coming from the upper floors of the sprawling facility, and officials believe it has served as an important way station for the movement of arms, explosives and men. Previous U.S. military units had attacked, but with low numbers of soldiers to commit to the fight, and were ultimately driven out by persistent counterattacks.

As the Humvees rolled in Monday morning and soldiers began storming the main building, Maj. Kenny Mintz watched live aerial video of the raid, which was several months in the making.

"Getting in there isn't the hard part, it's staying there," said Mintz, operations officer for the 2nd Brigade Combat Team of the 10th Mountain Division, which is running Operation Commando Thrust to occupy an area known as the Shakariya triangle. "The insurgents go where you're not. The power plant is important because it will offer us a place we can project from in a problem area. It has been untouched, and we have to be there."

More than three years into the Iraq war, insurgent safe havens in such close proximity to Baghdad underscore the complexity of the fight U.S. forces continue to wage. As American troops try to shore up Iraqi government institutions, transfer large swaths of territory to Iraqi forces and dampen spiraling sectarian strife, they are confronted by still lawless areas like this one.

The triangle's three points are Sadr al-Yusufiyah on the Euphrates to the northwest, the Jefur al-Sakur Bridge on the Euphrates to the south and Yusufiyah to the east. The region is a fault line between Iraq's Sunni and Shiite Arab populations and a scene of flaring sectarian violence.

As they make the first sustained effort to seize the triangle, U.S. troops in recent days have discovered more than 100 large weapons caches -- buried in 55-gallon blue plastic drums in the tall reeds along the Janabi canal -- that officials believe have been used in attacks and deadly explosions in and around Baghdad. Including several 500-pound aircraft bombs, the materials are estimated to be enough to build more than 1,000 roadside bombs and supply a battalion of fighters, roughly 400 people.

Amid the caches, guns from downed U.S. helicopters have been found, apparently salvaged as trophies. On Sunday, mortar rounds that were fired into a temporary U.S. patrol base nearby killed a young soldier with the unit.

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Securing the power plant site has special symbolic importance to the U.S. military because the booby-trapped bodies of two soldiers who were captured and killed in June at a nearby checkpoint were dumped at the bridge crossing into the compound.

This offensive is playing out in the 600-square-mile sector that is the 2-10 Mountain's area of operations, a mix of rural Sunni farmland to the north and west and a dense urban setting to the south and east.

As Shiite militias have gained strength across the region, they have been trying to move into cities such as Mahmudiyah and Latifiyah, escalating sectarian violence. The Iraqi army brigade in the region is having mixed success. A powerful and competent pair of battalions in the east is working hand-in-hand with U.S. forces, while two other Iraqi battalions in the west struggle with mass desertion.

In many ways, the area is representative of Iraq as a whole, with areas of great promise bordering others where progress is largely unknown. "It is a complex situation," said Col. Michael Kershaw, the U.S. brigade's commander. "We have two different realities, and we have to build on what we have in Mahmudiyah and move west, where in some ways we're starting at the beginning. It's going to take time."

Even Mahmudiyah, with a strong Iraqi army presence and developing governmental strength, is facing sectarian violence.

On Saturday afternoon just before 5 p.m., insurgents rode seven bicycles into a bustling market in the largely Shiite city and left them amid holiday crowds, later triggering detonators hidden beneath the seats. Large chunks of plastic explosive crammed into the hollow metal frames of five of the bicycles blew market stands to charred shreds and killed at least 17 people, including children, according to U.S. and Iraqi officials.

Local Iraqi government authorities said the toll from what was initially called a mortar attack was higher. Authorities recovered two unexploded bicycle bombs. Col. Fawzi, an Iraqi battalion commander in Mahmudiyah, said Sunday that he believed the attack was meant to intimidate the local population and was in retribution for Iraqi army raids on a local Sunni political party's offices.

"I am upset and saddened by what happened," Fawzi said before leading a tour of the marketplace, wreckage still strewn across the road amid stands selling bananas and melon. "If we can remove the menace we are facing right now, Mahmudiyah can be stable."

On Monday, Iraqi army officials arrested 17 suspects in the market bombing and killed two insurgent mortar teams attempting to launch an attack, U.S. officials said. American soldiers intercepted a massive truck bomb that officials believe was heading to an Iraqi police station in Mahmudiyah.

Despite incidents like these, U.S. officials cite the possibility of progress. They say that the region's long-standing embrace of people who remain loyal to former president Saddam Hussein is diminishing. Maj. Frank Andrews, the 2-10 Mountain's executive officer, said that it is important to push out extremist operatives and convince locals that the United States is committed to the long haul.

"Now would be a very bad time for us to leave, not in a pessimistic way, but in an optimistic way," Andrews said. "We have a number of opportunities here that we want to see to fruition. I don't think it would be helpful to abandon them."

U.S. soldiers established themselves Monday atop the power plant along the Euphrates without resistance. Insurgents may have seen them staging for the large operation and chosen to pull back. Kershaw said, however, that he expects some form of counterattack in the coming days.

"We know how they respond to us trying to take their sanctuary," he said, referring to what followed past U.S. actions. "The question is how they will respond to a sustained U.S. presence."

Following A Death Trail To Sadr City (LAT)

By Patrick J. Mcdonnell

The Los Angeles Times, October 24, 2006

U.S. forces think the kidnap-and-kill forays haunting Iraq originate in the insular Shiite stronghold of Baghdad.

BAGHDAD — Where are the killers coming from?

That was the question U.S. officers pondered at a cramped command post called Apache. They examined a map showing where scores of corpses had turned up in recent weeks.

A rectangular swath of northeast Baghdad stood out. Not for the bodies found in the district, but for the clusters of corpses discovered along its tattered outskirts.

"Sadr City," said Capt. Will Wade of the 1st Battalion, 77th Armored Regiment. "That's the nucleus."

The sprawling, densely populated Shiite Muslim stronghold known as Sadr City has always been a place apart. To some, it's a den of thieves, con men and fanatics; to others, an incubator of athletes, artists and clerics.

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Two years ago it was a battleground where fervent but outmatched militiamen led by Muqtada Sadr, the militantly anti-U.S. cleric, made suicidal stands against American tanks and helicopter gunships.

These days, many U.S. commanders view the neighborhood as something akin to Cambodia during the Vietnam War — a sanctuary for the militia known as the Al Mahdi army, whose zealous volunteers are dispatched elsewhere in pogroms against their Sunni Arab countrymen.

"They're in the export business, so a lot of their force is outside Sadr City," said Maj. Charles St.Clair, who served as a military advisor in Sadr City with the 506th Regimental Combat Team. "The fact that the Corleones or the Gottis may live in my neighborhood doesn't mean they do all their business there."

The teeming district of more than 2 million people — no one knows the population with any certainty — operates as a kind of autonomous city-state in a shaky, informal truce with U.S. troops. Although it suffers regular car bomb attacks, Sadr City is among the safest districts in a fearful capital.

Markets still bustle here with a vibrancy drained from much of Baghdad. A citywide curfew that extinguishes most night life is largely ignored here. Many police eschew body armor. Men still play dominoes and sip tea at smoky cafes.

Yet the very source of the stability, Al Mahdi militiamen who enforce security and rigid Islamic codes of dress and behavior, evokes dread elsewhere in Baghdad, where turf is fast being carved up along sectarian lines.

The Al Mahdi army was born in Sadr City three years ago, the urban disenfranchised answering the call of clerics who sought enthusiastic legions to shield holy places and oust the "occupier."

"People here do not like the Americans, but they are exercising restraint," said Fatah Sheik, a prominent leader in Sadr City. "In my personal opinion, the earth beneath the occupiers should be jolted and shaken so that they don't get the idea they are standing on solid ground and decide to stay longer."

Many have likened the Al Mahdi army, with its messianic fervor, to Hezbollah, the Shiite Muslim militant group in Lebanon dubbed a terrorist organization by Washington but lionized here. A four-story portrait of Sheik Hassan Nasrallah, Hezbollah's leader, greets motorists at one of the main entrances to Sadr City.

Like Hezbollah in Lebanon, the Shiite organization here runs an extensive social service network and controls patronage-rich government ministries including health and agriculture. Like Hezbollah, it makes payments to slain militants, which it dubs martyrs. And it helps deliver rations of water and food.

U.S. and allied forces are worried that Sadr City is becoming an Iraqi version of the Hezbollah bastions of southern Beirut and the Bekaa Valley in eastern Lebanon.

"If we are to avoid a descent into civil war and anarchy, then preventing the [Al Mahdi army] from developing into a state within a state, as Hezbollah has done in Lebanon, will be a priority," William Patey, Britain's former ambassador to Iraq, wrote recently in a confidential memo leaked to the media.

After U.S. forces raided Sadr City in August, the Shiite-dominated administration of Iraqi Prime Minister Nouri Maliki made it clear the district was virtually untouchable.

"This won't happen again," he said.

Postwar U.S. administrators at first dismissed the Sadr movement as little more than a marginal nuisance. They opted instead to deal with more established Shiite leaders, despite their close ties to Iran.

Today, few doubt that the Al Mahdi army is a formidable and permanent national force, whether viewed as thugs or saints. The destruction of a major Shiite shrine in the Sunni-dominated city of Samarra in February galvanized the group into sectarian warriors reaching well beyond Sadr City.

U.S. forces appear to have settled for a kind of containment that generally avoids direct clashes in Sadr City. They worry more about the kidnap-and-kill forays that many think originate here.

"They'll send out an exporter, a gang, half a dozen cars of people in the middle of the night, all armed with AKs," Maj. St.Clair said.

The corpses usually show up the next day, often strewn along the no-man's land of levees, canals, junkyards and dirt roads along Sadr City's periphery. The grounds near a shuttered cigarette factory, once a U.S. base known as Camp Marlboro, were for a long time a popular destination for corpses.

Although most victims are Sunnis, the executed may also include Shiite "collaborators," common criminals and accused apostates, authorities said.

Inside Sadr City, militiamen are no longer as visible, having set aside their trademark black button-down shirts and black trousers for plaid shirts and dark trousers, typical civilian garb.

But people in Sadr City are quick to point out that the Al Mahdi army is all-seeing.

Militiamen on the alert for infiltrators and potential car bombers watch the district's half a dozen major entrances — others have been shut down for safety reasons — and work closely with a police force thoroughly penetrated by the Al Mahdi army.

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The Al Mahdi army's folk-hero status in Sadr City is to some extent coerced. No one wants to cross the militiamen, who can be ruthless and rely on a network of informers. Two years ago, the bodies of several local councilmen who cooperated with the U.S. Army were found hanging from lampposts, signs denouncing "collaborators" pinned to their shirts.

"Sadr City is its own place, and they do things their own way," said Staff Sgt. John Johnson of the 258th Military Police Company, a burly father of four who has worked as an advisor to Sadr City police. "They have to live here, and they have to say the right thing. This is Sadr City."

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Times staff writers Raheem Salman and Suhail Ahmad contributed to this report.

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(INFOBOX BELOW)

A place apart

Sadr City operates as a kind of autonomous city-state in a shaky, informal truce with U.S. troops. It is among the safest districts in the capital.

The beginning: Built in the 1960s as an urban renewal project, Revolution City was designed in geometric precision to house poor settlers from the rural Shiite Muslim south. Saddam Hussein later renamed it Saddam City.

After the invasion: Residents generally welcomed U.S. troops in 2003. The district was renamed Sadr City for Grand Ayatollah Mohammed Sadeq Sadr, assassinated during Hussein's rule after he founded a mosque-based social service network. Within a year, Sadr City erupted against U.S. troops.

Population: 2 million to 3 million, at least five times what the community was designed to house. Numbers swell daily with Shiite refugees fleeing Iraq's sectarian turmoil and seeking safety in an area controlled by followers of Muqtada Sadr, the virulently anti-U.S. cleric and son of the district's namesake. Sadr is the spiritual leader of the Al Mahdi army.

A slum? Although many sections fit the description, especially in the impoverished north, Sadr City also includes a prosperous merchant class, among them smugglers, forgers and other criminals. The district's 79 sectors encompass 19 square miles.

Proud history: Residents, who often display a swagger born of street survival, boast of the poets, doctors, engineers and athletes who came from Sadr City. Many in the district also were military conscripts during Hussein's regime.

Falling apart: Although it has received $200 million to upgrade infrastructure since the U.S.-led invasion, Sadr City still suffers from inadequate sewer lines, electrical blackouts, poor roads, spotty water supply and derelict schools.

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Graphics reporting by PATRICK J. MCDONNELL and RAHEEM SALMAN

U.S. Soldier May Have Been Kidnapped By Iraqi Insurgents (LAT)

By Borzou Daragahi

The Los Angeles Times, October 24, 2006

BAGHDAD — A U.S. soldier may have been kidnapped by Iraqi insurgents today, setting off a massive search of the capital, a military official said.

U.S. and Iraqi forces scoured the city for the soldier who was listed as "duty status -- whereabouts unknown" at about 7:30 p.m. An Iraqi intelligence source said the soldier may have been kidnapped while off a U.S. base.

U.S. and Iraqi security forces raided locations where the soldier may have been taken. The constant drone of helicopters could be heard over central Baghdad into the early hours of Tuesday morning.

The possible kidnapping came amid continued violence around the country.

A militia chief's brother, kidnapped last week as an act of vengeance that sparked a two-day battle over control of a southern Iraqi city, was found dead this morning amid signs of simmering unrest between rival Shiite groups vying for power.

Hussein Bahadeli, brother of the leader of the Amarah branch of the Mahdi army, was kidnapped Thursday to avenge the slaying of the provincial director of intelligence, killed in a roadside bombing incident a day earlier.

Hundreds of heavily armed black-clad militiamen loyal to Mahdi army leader Sheik Fadhel Bahadeli swarmed the city, attacking police stations and fighting gun battles that left as many as 25 dead on Thursday and Friday.

Roadside bombs caused both U.S. military deaths announced today. An International Police liaison officer attached to the 89th Military Police Brigade was killed and four soldiers were wounded shortly before noon Sunday when their vehicle was struck by an improvised explosive device east of Baghdad.

Another soldier died at 5 p.m. Sunday when the vehicle he was riding in was struck by an improvised explosive device in western Baghdad, the military said.

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The Marine, assigned to Regimental Combat Team 5, was killed Saturday in Anbar province.

In other developments:

·A remote-controlled car bomb targeting police in downtown Baghdad killed at least three Iraqis.

·Another bomb attached to a car killed at least one and injured 17 in a crowded market in northern Baghdad.

·At least one Iraqi soldier was killed during a raid of a town south of Baghdad subjected to sectarian threats by Sunnis against Shiites.

·U.S. forces killed five suspected insurgents south of the central Iraqi town of Balad. After shooting dead one insurgent, U.S. forces surrounded a house and tried to woo out the suspects before responding with force.

"Coalition aircraft delivered precision munitions onto the building, resulting in its destruction and the death of the four occupants who refused to exit," a press release said.

Special correspondents in Amarah, Baghdad, Hilla and Najaf contributed to this report.

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Troops Look For American Soldier Missing In Baghdad (NYT)

By Sabrina Tavernise

The New York Times, October 24, 2006

BAGHDAD, Oct. 23 — An American soldier apparently working as an interpreter went missing in Baghdad on Monday night, the American military said.

A brief military statement said that the soldier was reported missing around 7:30 p.m. and that American and Iraqi forces "immediately responded to attempt to locate the soldier."

"The search is ongoing," the statement said. The Associated Press reported that the missing soldier was working as an Army interpreter.

A military official, who spoke on condition of anonymity because detailed information had not yet been cleared for release, said the soldier was last seen around 2:30 p.m. in the Green Zone, the large walled area that houses the American Embassy and the Iraqi government and Parliament buildings. However, the military received a tip from an Iraqi that the soldier might have been kidnapped outside the Green Zone, the official said, and that lead is being followed.

The disappearance is highly unusual, as American soldiers are rarely, if ever, away from their units and Humvees when outside the safety of American bases, and leaving a base alone would violate military regulations.

Even so, the disappearance is deeply troubling for the military and comes at a time of tense relations between it and the Iraqi government. Military officials have grown increasingly frustrated with the government of Prime Minister Nuri Kamal al-Maliki for delaying moves to control the militia groups that are dragging Iraq toward civil war.

The two top American officials in Iraq, Gen. George W. Casey Jr., the commanding general, and Zalmay Khalilzad, the ambassador, are scheduled to give a news conference on Tuesday to try to smooth relations.

The news of the soldier also comes two weeks ahead of midterm elections in the United States, in which the recent rise in violence in Iraq, particularly against American soldiers, has been an issue affecting the prospects of Republican candidates.

The recent spike in American casualties continued Monday, with the military announcing four more deaths, including that of a civilian police adviser. The deaths included a marine in Anbar who was killed in "enemy action" on Saturday, and two soldiers killed in separate bombings in western and southeastern Baghdad on Sunday.

The police adviser was killed Sunday, and four soldiers were wounded in eastern Baghdad. October, with a week to go, already has the highest American death toll of any month this year.

At least nine Iraqis were killed in and around Baghdad on Monday, and the authorities found eight bodies around the capital, an Interior Ministry official said.

Few soldiers have been separated from their units over the course of the war, but there was at least one instance this year.

In June, two American soldiers were captured and a third was killed in an ambush in Yusufiya, a town south of Baghdad that is one of Iraq's most hostile. The bodies of the captured soldiers were found about a week later. They had been brutalized.

The military poured resources into that rescue effort, dedicating 8,000 troops, American and Iraqi, to search for the soldiers. The search drained troops away from Baghdad.

Amara, a tribal city in the southeast corner of Iraq that was the scene of intense fighting between Shiite militias last week, was afflicted by a spate of assassinations on Sunday and Monday. Residents said the killings were probably committed by tribe members taking revenge for the more than 25 police officers and militiamen who died in street fighting on Friday.

Five Iraqis were killed Monday and two on Sunday, said Col. Abed Zughayer of the Amara police. The dead included police officers and members of the Mahdi Army, a sprawling Shiite militia whose soldiers are powerful local forces in the provinces as well as in the capital.

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Perhaps as troubling, about 200 members of the Nawafil tribe, a large tribe whose home is the marshes around Amara, arrived in the city on Monday afternoon to lend support to a senior commander of a special police force, Col. Mohamed Hadi, according to Colonel Zughayer.

The authorities on Monday found the body of a brother of a Mahdi Army commander. The brother's seizure by the police last week set off the spasm of violence that paralyzed Amara for a day. The man's body was disfigured; dogs had eaten part of it, said Ali Abu Trab, the office manager for the governor of the province.

The local authorities in Amara contacted the office of the Shiite cleric Moktada al-Sadr in Najaf, south of Baghdad, to ask him to call for calm. Mr. Sadr is the head of the Mahdi Army, but his control of regional branches of that militia has slipped.

The colonel said the city has been relatively quiet, but that the Mahdi Army still controlled swaths of the eastern half of the city, which is divided by the Tigris River.

He said that a nighttime curfew had been imposed starting at 10 p.m., but that few were heeding it.

Prime Minister Maliki issued a statement on Monday warning militias, particularly in Amara, to stop the violence. "The Iraqi government hereby warns all groups with illegal weapons to refrain from any armed activities that undermine public security," he said, according to The Associated Press. "Let everyone be informed that orders have been issued to the armed forces to stop any transgression against state power."

Lawmaker Faults CNN For Sniper Video (AP)

By Anne Plummer Flaherty

AP, October 24, 2006

A leading Republican lawmaker on defense issues has asked the Pentagon to bar CNN reporters from traveling with military units in Iraq because the network showed insurgent snipers shooting at U.S. troops.

"Does CNN want America to win this thing?" Rep. Duncan Hunter, R-Calif., asked in an interview Monday on the network. In past wars, he said, the press was more pro-American.

"You can't be on both sides of the war," Hunter said.

CNN issued a statement saying the decision to air the insurgents' video was "a difficult one, but for a news organization, the right one. Our responsibility is to report the news."

In a letter released Monday, Hunter asked Defense Secretary Donald H. Rumsfeld to yank CNN from the military embedding program, in which journalists spend time with combat units in Iraq.

Hunter, a staunch defender of the Bush administration and its handling of the war in Iraq, said the decision was irresponsible because it could encourage more attacks on U.S. troops.

"CNN has now served as the publicist for an enemy propaganda film featuring the killing of an American soldier," wrote Hunter, chairman of the House Armed Services Committee. California Republican Reps. Darrell Issa and Brian Bilbray also signed the letter.

CNN last week aired the footage, which was delivered through a contact with an insurgent leader.

The footage does not show the actual death or wounding of any service member. In one instance, the tape shows a service member milling around a public area. A shot rings out, and the tape fades to black.

Hunter's fury over the video underscores the tightrope often walked by news media in the war. Critics of the war say Americans see very little of the daily violence in Iraq because of television's reluctance to show gory footage. Dangerous conditions also keep journalists from reporting independent of military units that provide them protection.

Senior US Diplomat's Candor Gets Play In The Middle East, Ire At Home (CSM)

By Dan Murphy

The Christian Science Monitor, October 24, 2006

CAIRO

When senior State Department official Alberto Fernandez said in an interview on Al Jazeera Saturday that US policies in Iraq have been marked by "arrogance" and "stupidity," he was expressing a sentiment widely held in the Arab world.

To many Arabs, it was a stunning moment of candor. It led front pages of newspapers across the region. Mr. Fernandez - whose fluent Arabic and dozens of regional television appearances have made him the voice of American policy to millions in the Middle East - struck the sort of tone that public policy experts say the US needs if it is to regain some of its credibility in Arab eyes.

The only problem was, his comments were immediately disavowed by the Bush Administration. Now the future of Fernandez - one of America's most potent public diplomacy weapons in the region - is clouded, and the Arab view of an America that admits to no mistakes has become more entrenched.

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Fernandez's primary job is to book American officials on Arab programs, but with most officials reluctant to appear on Arab-language television, particularly on Al Jazeera, which many US officials view with barely disguised loathing, he's been mostly booking himself, doing at least 100 interviews this year.

In a laudatory piece on his efforts in Newsweek this August, Fernandez poked fun at himself. "I'm Cuban," he told the magazine, referring to his heritage. "We can't close our big mouths."

But after his latest foray, State Department officials in Washington say Fernandez has, in effect, been told to recant his remarks. At first, State Department spokesman Sean McCormack said Fernandez's comments were mistranslated.

Then, when an unimpeachable translation of his remarks was produced by the Associated Press, Fernandez was told by his bosses to disavow his comments. In a statement released by the State Department, Fernandez is quoted as saying: "I seriously misspoke by using the phrase 'there has been arrogance and stupidity by the US in Iraq.' This represents neither my views, or those of the State Department."

Marc Lynch, a Middle East expert and political science professor at Williams College whose latest book, "Voices of the New Arab Public," examines the role Al Jazeera and other media play in shaping Arab views, says it appears that Fernandez is being slapped down by the administration for his comments. He worries that could end up seriously undermining American outreach efforts in the region.

"If you can say: 'Yeah, the security situation in Iraq isn't very good and we've made a lot of mistakes, but now we have to get everyone on board to find solutions,' you're going to be much more effective," says Lynch. "The real impact to worry about here is whether future public diplomacy people take away the message that if they display the slightest amount of honesty, they're doomed."

By now, the view that the US has made major mistakes in Iraq is hardly news. It's something that's been acknowledged in print by former senior officials of the US administration there, and retired military generals who served there.

Lost in the furor over Fernandez's remarks - from right-wing blogs calling for his head to those on the left using it as fodder to claim that US policy in Iraq has been a disaster - has been the meat of his comments, which were designed to encourage constructive engagement in the region.

"There is no doubt that there is plenty of room for blame ... but we haven't focused enough on the future and the possibility of failure in Iraq," Fernandez told Al Jazeera in remarks later translated by the Associated Press. "We must all focus on saving Iraq for the sake of the Iraqi people and for our sakes, us in the West, and also you in the Arab world. I know that sometimes there is a kind of gloating in the Arab world that America has problems in Iraq ... [but] we must think of the Iraqi people, the Arabs, the Muslims, and the citizens of Iraq more than gloating about the United States."

"[Fernandez] has developed a reputation for being candid and blunt, and he'll often say things that aren't particularly popular at home, but that's earned him a reputation for being a little looser and a little more honest, and I think that helps him to get his point across," in the Middle East says Mr. Lynch. "The stuff he's getting pilloried for was setting the stage for getting across a message that's very important for the United States."

Northern Ireland Holds Iraq Lessons (WT)

By Rowan Scarborough

The Washington Times, October 24, 2006

Some of the Army's brightest minds gathered Oct. 16 in an auditorium in the Pentagon to hear a British general explain how Britain won in Northern Ireland after 37 years of fighting insurgents and how those lessons might be applied in Iraq.

At Fort Leavenworth, Kan., where officers pore over thousands of pages of after-action battlefield reports to learn the lessons of this war, the Combined Arms Center next month will release the Army's first comprehensive counterinsurgency manual since the 1960s. An Army official said it will stress winning hearts and minds, rather than using brute force, to defeat armed groups. The command has opened a Counterinsurgency Center to continue brainstorming over better battlefield tactics against terrorists.

On Capitol Hill this month, Senate Armed Services Committee Chairman John W. Warner met privately with Gen. Peter Pace, the Joint Chiefs chairman, to convey his concerns over a war he says is "drifting sideways." An aide said Mr. Warner, Virginia Republican, is canvassing military specialists for new options for Iraq. He plans a hearing on the war after the Nov. 7 elections.

"He has been reaching out to officials at [the State Department, the Pentagon] and the White House as he looks at all facets of the Iraq issue to determine the way forward," said John Ullyot, Mr. Warner's spokesman. "Understanding and thinking about Iraq is Senator Warner's highest present priority, and he is working at it seven days a week."

Finding new tactics and broader strategies for Iraq is consuming the military as it ends one of its most violent months in Iraq, with more than 80 American troops killed. Army Maj. Gen. William Caldwell, the chief military spokesman there,

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acknowledged last week that a three-month offensive had failed to meet expectations for reducing violence in Baghdad and that new methods would be used.

"Iraq isn't getting any better," said Richard H. Shultz Jr., director of International Security Studies Programs at Tufts University's Fletcher School. "As a result, there is a lot of nervousness about finding a better way of dealing with. The reason is straightforward. We lose in Iraq and it's going to be such a major victory for the jihadis. It will pale in comparison to Afghanistan and they thought they got a lot of mileage in defeating the Soviets."

The Army lecture featured Gen. C. Redmond Watt, Britain's top land forces commander who headed government troops in Northern Ireland when the Irish Republican Army announced disarmament last year. That 37-year campaign offered a textbook of lessons on how to defeat armed groups who use unconventional warfare to kill people, military and civilian alike.

Gen. Watt told the senior Army people, who included Gen. Peter Schoomaker, the chief of staff, that the British initially made mistakes by trying for quick tactical victories instead of embracing a long-range plan.

A person at the lecture noted that Gen. Watt said Iraq is 10 years away from a "sufficient outcome." It will take that long to bring along the Iraqi security forces, disarm militants and nurture the politicians needed to sustain a democratic society.

Gen. Watt was not invited especially because of Iraq. His appearance was part of a long-standing Kermit Roosevelt Lecture series to forge close British-American ties. But his talk did give Army officials insights into how to win in Iraq.

"Listening to a British general makes sense because the British, through a hard and long experience, discovered some of the ways to force armed groups to give up armed struggle," said Mr. Shultz, author of "Insurgents, Terrorists and Militias: The Warriors of Contemporary Combat."

He added, "The British understood there were different factions in Northern Ireland. They helped some. They worked against others. You also need to be able to degrade insurgents. That's how others have done it. This includes the Israelis and the British. The key to success was intelligence. They developed a method for local intelligence that was able to put the IRA back on its heels. The chieftains can't breathe. They have to worry about their own security. The reason the IRA finally came to the table is because they just knew they weren't going to win the armed struggle."

Iraq is just as complex, if not more so. American commanders face different types of deadly enemies. An Army officer in Baghdad said in an interview that it is now impossible to say how large the enemy is. "It's gang warfare," the officer said.

A TV Comedy Turns An Unconventional Weapon On Iraq's High And Mighty: Fake News (NYT)

By Michael Luo

The New York Times, October 24, 2006

BAGHDAD, Oct. 23 — Nearly every night here for the past month, Iraqis weary of the tumult around them have been turning on the television to watch a wacky-looking man with a giant Afro wig and star-shaped glasses deliver the grim news of the day.

In a recent episode, the host, Saaed Khalifa, reported that Iraq's Ministry of Water and Sewage had decided to change its name to simply the Ministry of Sewage — because it had given up on the water part.

In another episode, he jubilantly declared that "Rums bin Feld" had announced American troops were leaving the country on 1/1, in other words, on Jan. 1. His face crumpled when he realized he had made a mistake. The troops were not actually departing on any specific date, he clarified, but instead leaving one by one. At that rate, it would take more than 600 years for them to be gone.

The newscast is a parody, of course, that fires barbs at everyone from the American military to the Iraqi government, an Iraqi version of "The Daily Show With Jon Stewart." Even the militias wreaking havoc on Iraq are lampooned.

Debuting last month during Ramadan, while families gathered to break their fast after sundown, the show, "Hurry Up, He's Dead," became the talk of Baghdad, delighting and shocking audiences with its needling of anyone with a hand in Iraqis' gloomy predicament today.

The acerbic newscasts, each lasting about 20 minutes, are broadcast on Al Sharqiya, an Iraqi satellite station that has at times run afoul of the government for its regular news coverage. They are continuing through Id al-Fitr, the Muslim celebration for the end of Ramadan this week. Officials at the station are in discussions about turning the show into a weekly program.

The show's success is a testament to the gallows humor with which many Iraqis now view their lives — still lacking basic services and plagued by unrelenting violence more than three years after the American-led invasion.

Since the fall of Saddam Hussein, comedies have proliferated on Iraqi television. Al Sharqiya has another popular show, "Caricatures," also known for its dark humor toward the country's problems. Given the response by Iraqis, the channel's fake newscast seems to have eclipsed others in its genre in popularity.

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"We need fun in our lives because of our tragic circumstances," said Silvana, 21, a Baghdad resident who has tuned in every night with her family, if the electricity was working. "Most of the channels focus on the violence, the bodies. But this program depicts our tragedies in a funny light."

Mr. Khalifa, the show's star, is a diminutive comedian who was a well-known theater actor in Iraq during Saddam Hussein's government. The initial episodes were taped in Dubai because the producers decided it would be too dangerous and logistically difficult to film in Baghdad. Despite its madcap humor, he said, the show has a serious message.

"The purpose of the show is to fix Iraq," he said. "We want to fix the civil services. We want to fix the government officials. We want to fix the relationships between people. We want to fix the government and stop the corruption."

The newscast opens with an explanation of the show's underlying premise: it is the year 2017 and the main character, Saaed, is the last Iraqi alive. He is lying face down on a beach with a red suitcase next to him. When he comes to, he is quickly encircled by beautiful women.

Cut to a scene of Saaed clad in a black T-shirt imprinted with "2PAC," showboating in front of a white stretch Humvee limousine with dancers cavorting all around.

The show's raucous theme song, which has become a popular cellphone ring tone here and is sung by children in schoolyards, laments that it would be better to be a lowly cat on the street than an Iraqi: "No one asks the cat where you are from, which party you're from, whether you are an Arab, a Kurd, a Sunni or a Shiite."

He sings on, "I am the last Iraqi alive, but I still do not own a house," a reference to the country's acute housing shortage.

The show's title appears initially as "The Government," but the Arabic words split in half to reveal the actual name, another crack at the country's plight.

When the broadcast begins, it takes place in the present. The show is meant to be a narration of how Saaed's country fell apart and he ended up as the last survivor, said Talib al-Sudani, the show's writer, who sold the rights to the show to Al Sharqiya several months ago for just $3,700.

Mr. Sudani, 40, gaunt and chain-smoking, is all too familiar with the woes his show satirizes. He lives in a cramped two-room apartment in Sadr City, a densely packed Shiite neighborhood, with his wife and five children. He used the cash from the show to buy a television, refrigerator, washing machine and cupboards for his home.

He came up with the show's premise one day when the curfew stranded him overnight at a cafe he frequents. He found himself envying a stray cat he saw wandering down the street.

"I couldn't go home," he said, "but she could."

With Baghdad's unrelenting violence, he said, he envisioned a day when all but one Iraqi was killed off.

"He would inherit everything, women, money, cars, land," he said. "He would take his breakfast in Erbil and lunch in Basra. He'd switch the electricity on and off himself, not someone else."

His initial idea was for the newscast to be more serious, with several different actors filling the different reportorial roles. Instead he wound up with Mr. Khalifa, a heavyset man just shy of five feet who does all the parts in his signature zany way, dressing up in heels, a wig and a dress to do the weather, donning a boxing helmet and snorkel fins for sports, and wearing an Iraqi dishdasha for business news.

In a recent episode, Mr. Khalifa poked fun at the federalism plan being pushed by many of the country's Shiite leaders that would divide Iraq into autonomous regions.

Reporting from an imaginary meeting of the "League of Iraqi Republics," he solemnly informed viewers that the main issue under discussion was the dispute between the governments of Waziriya and Kasra — actually adjacent Baghdad neighborhoods.

There were also problems, he said, between the Republic of Karrada Inside and the Republic of Karrada Outside, two parallel streets along the Tigris River here separated by just 500 feet.

Another issue on the table, he said, was the continuing embargo on the Republic of Bab al-Sharji, a Baghdad neighborhood famous for its electronics bazaars.

The federalism episode is typical. The humor behind many of the show's jokes lies in the uncomfortable recognition that they are just a step away from reality in a crumbling Iraq.

In one episode, Mr. Khalifa reported on a mass kidnapping. "Unknown men kidnapped unknown men, and they were driven to an unknown destination," he said.

There are some topics that have been deemed too controversial to air. An episode that Mr. Sudani wrote ridiculing the Saddam Hussein trial was dropped because producers were afraid it would anger loyalists of the old regime and the current government.

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But the show has had few other inhibitions. Mr. Sudani, the writer, said he has lost hope for his country. Iraq's leaders are incompetent, he said. He fears that services will never be restored. The American experiment in democracy, he said, was born dead.

All anyone can do, he said, is laugh.

Sailor Kills Marine After Lie About Rape (WT/AP)

By Sonja Barisic

The Washington Times/AP, October 24, 2006

NORFOLK, Va. (AP) -- A sailor pleaded guilty Monday to abducting and killing a Marine corporal he thought had been involved in a gang rape. The rape turned out to be a lie, but the truth surfaced too late.

Petty Officer 3rd Class Cooper Jackson, 23, pleaded guilty Monday to premeditated murder, kidnapping, impersonating a Naval Criminal Investigative Service agent and obstruction of justice in connection with the death of Cpl. Justin L. Huff, 23.

In exchange for his guilty plea, prosecutors agreed to spare him a possible death sentence.

Federal agents had testified at his Article 32 hearing, the military equivalent of a grand jury investigation, that Jackson had been fooled into falling in love with a woman who called herself Samantha and made up a story about being raped by servicemen.

"Samantha" turned out to be Ashley Elrod, a 22-year-old hotel clerk on North Carolina's Outer Banks, who testified that she lied about being raped. She said she "might have" told Jackson that one of the Marines was named Huff or Huffman, and she said Jackson called her after Huff was killed. Elrod has not been charged.

During his court-martial, Jackson told the Navy judge how he posed as an NCIS agent and took Huff to North Carolina to get information about the purported rape. He said he then slit Huff's throat and buried the body to avoid being caught.

"I'd broken several laws and I had a missing Marine with me," Jackson said at his hearing Monday. "Quite frankly, I was scared of the consequences of what would happen, of being caught, more so than I was of the consequences of taking his life."

If the judge accepts the plea, Jackson could be sentenced to life in prison with or without the possibility of parole, said his lawyer, Don Marcari. The sentencing phase was to begin Tuesday.

Huff, 23, of Indianapolis, was reported missing Jan. 2 after he didn't show up for class at the Navy and Marine Corps Intelligence Training Center in Virginia Beach, where Jackson also was a student.

Agents said Jackson, of Boones Mill, confessed when they questioned him Jan. 12. The next day, he led agents to Huff's body in a wooded area in Currituck County, N.C., just south of the Virginia-North Carolina border.

Pat Tillman's Brother Calls War Illegal (AP-Y)

AP, October 24, 2006

The brother of NFL player-turned-Army Ranger Pat Tillman, who was killed in Afghanistan, has written a scathing indictment of the war in Iraq, calling it "an illegal invasion."

Kevin Tillman, a former Army Ranger, had remained silent since his brother's death in 2004, but in an article in the Web magazine Truthdig, he sharply criticizes the invasion of Iraq, the indefinite imprisonment of terrorism suspects and other events since the brothers enlisted together in response to the Sept. 11, 2001, terrorist attacks.

"Somehow, the more soldiers that die, the more legitimate the illegal invasion becomes," Kevin Tillman wrote.

"Somehow American leadership, whose only credit is lying to its people and illegally invading a nation, has been allowed to steal the courage, virtue and honor of its soldiers on the ground," he wrote.

After playing for the Arizona State University Sun Devils, Pat Tillman was drafted by the Arizona Cardinals in 1998. He played with the team for four years. He was on the verge of signing another contract with the Cardinals in 2002 when he decided to join the Army instead.

The brothers, both ASU graduates, were initially sent to Iraq, then returned to the U.S. for Ranger training and later were sent to Afghanistan.

Pat Tillman, who played defensive back for the Arizona Cardinals, was killed by friendly fire near the Pakistan-Afghanistan border in April 2004.

The Defense Department is investigating allegations of a cover-up, including failure by the Army to tell Tillman's family for several weeks that he had been killed by gunfire from his fellow Army Rangers, not by enemy fire as they initially were told.

Brother Of N.F.L. Star Posts Antiwar Essay (NYT)

By Randal C. Archibold

The New York Times, October 24, 2006

DOJ_NMG_0085636

LOS ANGELES, Oct. 23 — A brother of Pat Tillman, the National Football League player who was killed in combat in Afghanistan after leaving his sports career to serve in the Army, has lashed out at the Iraq war in an essay published online.

The brother, Kevin Tillman, who was in the same Army Ranger unit as Pat Tillman, a corporal who was killed on April 22, 2004, by fire from his fellow soldiers under circumstances that the Pentagon continues to investigate, sharply criticized American political leadership and called the war "an illegal invasion."

"Somehow the more soldiers that die, the more legitimate the illegal invasion becomes," Mr. Tillman wrote in the 660-word essay that was posted on Thursday on Truthdig .com, a Web magazine offering news and opinion from a "progressive point of view."

"Somehow," Mr. Tillman added, "American leadership, whose only credit is lying to its people and illegally invading a nation, has been allowed to steal the courage, virtue and honor of its soldiers on the ground."

In what are apparently his most expansive public remarks since the death of his brother at age 27, he also does not spare the American public, which he suggests too often relies on superficial gestures to support the troops instead of holding politicians accountable.

"Somehow back at home, support for the soldiers meant having a 5-year-old kindergartener scribble a picture with crayons and send it overseas or slapping stickers on cars or lobbying Congress for an extra pad in a helmet," he wrote.

Mr. Tillman ended with a suggestion that the elections on Nov. 7 are an opportunity for people opposed to the war to send a message.

"Luckily this country is still a democracy," he wrote. "People still have a voice. People can still take action. It can start after Pat's birthday," Nov. 6.

Despite Pat Tillman's fame and the outpouring of emotion after his death, the Tillman family has generally kept a distance from antiwar protesters, though they have often spoken of their efforts to find the truth about what happened. Family members did not answer messages for comment on Kevin Tillman's posting.

A spokeswoman for the Pat Tillman Foundation in San Jose, Calif., where the Tillmans grew up, said, "It is our understanding that Kevin Tillman is not accepting interview requests."

Pat Tillman, a safety for the Arizona Cardinals, left the team in spring 2002 to join the Army along with Kevin Tillman, motivated in part by the Sept. 11, 2001, attacks and eventually training as a Ranger. After a stint in Iraq, the brothers were sent to Afghanistan.

Pat Tillman died, the Army eventually concluded, after members of his own unit shot him as they searched for enemy fighters in a canyon in southeastern Afghanistan. An Afghan soldier fighting next to him also died.

Kevin Tillman's essay was posted as Pentagon investigators close in on the latest of several investigations into the case. Initially, the Army had suggested that enemy fire had killed Pat Tillman. Later, the Army conceded that his comrades had shot him.

Under pressure from the family and members of Congress, the inspector general of the Defense Department and the Army Criminal Investigation Command are examining the actions of members of Mr. Tillman's unit and the initial investigation.

Daniel Kohns, a spokesman for Representative Michael M. Honda of California, a Democrat from San Jose, who pushed for the investigations, said Pentagon representatives said a month ago that they expected to complete their work by the end of November or early December.

A spokesman for the Pentagon said Monday that the investigations were continuing. He declined to comment on Kevin Tillman's essay.

Robert Scheer, a liberal syndicated columnist and the editor of Truthdig, based in Santa Monica, Calif., said he had written about the case and had spoken to family members in the past.

Kevin Tillman's article was not solicited, Mr. Scheer said, and the site agreed to Mr. Tillman's conditions for posting it. The conditions were that it be posted unchanged aside from grammatical editing, including the headline he had written, "After Pat's Birthday."

Mr. Scheer said Mr. Tillman had made it known that, after leaving the military last year, he felt now was time to speak out, with his brother's birthday approaching. Pat Tillman also had expressed anger about the war to friends, several published reports have said.

"He is not proselytizing, he is not a political person," Mr. Scheer said of Kevin Tillman. "He just decided because his birthday was coming up he felt strongly that he had to say something."

Since the article went up on the Web site, it has received more than 4,000 responses, though Web server limits have prohibited publishing that many, Mr. Scheer said.

Hyde Urges Rumsfeld To Alter Afghan Drug Trade Policy (USAT)

DOJ_NMG_0085637

By Donna Leinwand, Usa Today
USA Today, October 24, 2006

WASHINGTON — A leading House Republican is urging Defense Secretary Donald Rumsfeld to revamp the U.S. strategy against heroin production in Afghanistan, saying record opium poppy harvests show efforts to target farmers are not working.

Rep. Henry Hyde, R-Ill., chairman of the House International Relations Committee, said in an Oct. 12 letter to Rumsfeld that the U.S.-supported poppy eradication program in Afghanistan is a failure. In the previously unreported letter, provided by Hyde's committee office, Hyde urges the military to help agents from the Drug Enforcement Administration (DEA) take out drug kingpins and heroin processing centers. The current program, backed by the State Department and international agencies, focuses on low-level poppy farmers.

The "opium crisis" has "increased violence and terrorism against coalition forces there, and is now threatening to totally corrupt all of the new Afghan democratic institutions we support," Hyde's letter said, echoing concerns voiced by many U.S. officials — including Rumsfeld — that drug money is aiding a resurgence of the Taliban and al-Qaeda in Afghanistan.

Rumsfeld has not answered Hyde, but Air Force Lt. Col. Karen Finn, a Pentagon spokeswoman, said Monday, "We take this matter very seriously, and we will be responding."

Hyde's letter followed a report by the United Nations last month that said an estimated 407,724 acres of opium poppy were grown in Afghanistan this year. That's up 59% from 2005 and more than double the acreage farmed in 2000, before the U.S.-led assault on the former Taliban government.

Afghanistan is the world's top supplier of heroin, and narcotics make up more than one-third of its economy, the State Department has reported.

The Pentagon's mission in Afghanistan has focused on fighting the Taliban and al-Qaeda. It has viewed drug trafficking as a law enforcement issue. However, Rumsfeld has authorized U.S. military units operating in areas with drug activity to take along DEA agents.

Military support has helped DEA operations, the agency's Mary Irene Cooper said. The poppy eradication effort, however, has had little impact. The U.N. said 37,807 acres were eliminated this year, about 7% of the acreage cultivated.

Hyde wants military air support for DEA missions. He said it is too dangerous for civilian authorities to work alone."We can't lose the country to narcotics," he said in an interview.

Debt Keeping Troops From Duty (WP/AP)

By Thomas Watkins, Associated Press
The Washington Post/AP, October 24, 2006

Growing Numbers Seen as Security Risks Because of Finances

SAN DIEGO -- Thousands of U.S. troops are being barred from overseas duty because they are so deep in debt they are considered security risks, according to an Associated Press review of military records.

The number of troops held back has climbed dramatically in the past few years. While they appear to represent a very small percentage of all U.S. military personnel, the increase is occurring at a time when the armed forces are stretched thin by the wars in Iraq and Afghanistan.

"We are seeing an alarming trend in degrading financial health," said Capt. Mark D. Patton, commanding officer at San Diego's Naval Base Point Loma.

The Pentagon contends that financial problems can distract personnel from their duties or make them vulnerable to bribery and treason. As a result, those who fall heavily into debt can be stripped of the security clearances they need to go overseas.

While the number of revoked clearances has surged since the beginning of the Iraq war, military officials say there is no evidence that service members are deliberately running up debts to stay out of harm's way.

Officials also say the increase has not undermined the military's fighting ability, though some say it has complicated the job of assembling some of the units needed in Iraq or Afghanistan.

The problem is attributed to a lack of financial smarts among recruits, reckless spending among those exhilarated to make it home alive after a tour of duty and the profusion of "payday lenders" -- businesses that allow military personnel to borrow against their next paycheck at extremely high interest rates.

Data supplied by the Navy, Marines and Air Force show that the number of clearances revoked for financial reasons rose every year between 2002 and 2005, climbing ninefold from 284 at the start of the period to 2,654 last year. Partial numbers from this year suggest that the trend continues.

More than 6,300 troops in the three branches lost their clearances during that four-year period. Roughly 900,000 people are serving in the three branches, though not all need clearances.

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The Army -- which employs 500,000 people and accounts for the vast majority of the 160,000 U.S. troops in Iraq and Afghanistan -- rejected repeated requests to supply its data, saying such information is confidential.

At Point Loma, Patton said, clearance revocations in key areas such as military police have become so common that he often looks for two sailors to fill a single posting.

Security clearances are revoked when service members' debt payments amount to 30 percent to 40 percent of their salary. The exact amount depends on the military branch.

There are three levels of clearance -- confidential, secret and top secret. Not all troops need clearance. Marine infantrymen do not, but some Marine specialists, such as those in intelligence, do. So do many troops in the Navy and the Air Force.

Financial problems are the overwhelming reason security clearances are revoked. Other reasons include criminal activity, questionable allegiance and ill health. A key reason the military revokes clearances on financial grounds is the fear that soldiers in debt might be tempted to sell secrets or equipment to the enemy.

Also, "when they are over there fighting, we like them to have their heads in the game," said Maj. Gen. Michael Lehnert, commander of Marine Corps bases in the western United States. "We like to have them . . . not worrying about whether or not they are going to be able to make the mortgage payment or car payment."

Runaway interest rates at payday lending businesses, many of which are clustered outside bases, are another source of the problem. Several states have cracked down on payday lending practices, and President Bush signed legislation this month limiting how much these businesses can charge military personnel.

Some personnel fall into debt after returning from combat. "It can be hard to cut that sense of elation and desire to live for the moment," Lehnert said. "Some tend to get themselves overextended financially."

Like other services, the Navy offers zero-interest emergency loans, and personnel commonly take money-management classes as part of basic training. "There is instruction or training in place to give them some of the pitfalls of debt," said Terry Harris, a personal finance educator at Naval Air Station Pensacola in Florida, including "security clearances being lost to that."

CORPORATE SCANDALS:

Skilling Gets 24 Years For Fraud At Enron (WP)

By Carrie Johnson

The Washington Post, October 24, 2006

HOUSTON, Oct. 23 -- Jeffrey K. Skilling, the brash former chief executive of Enron Corp., was ordered to serve 24 years and four months in prison Monday after an emotional court hearing in which he watched a series of former employees blame him for the fraud at the heart of the company's collapse.

Skilling's face reddened but he remained impassive as he listened to five angry and tear-choked workers tell the court about their difficulties since losing their jobs and retirement savings after the Houston energy company hurtled into bankruptcy five years ago.

Dawn Powers Martin, who worked at the company's credit union for 22 years, called Skilling a "liar, a thief and a drunk" who "cheated me and my daughter out of our retirement."

When asked to make a statement, Skilling professed remorse but he spoke with the most passion when he vowed to appeal. "I am innocent of every one of these charges," he told the court.

U.S. District Judge Simeon T. Lake III rejected a defense bid that would allow Skilling to remain free while he contested his conviction in May on 19 charges of fraud, conspiracy and insider trading. Skilling was not allowed to leave the courthouse until authorities fitted him with an electronic ankle bracelet that officials will use to monitor his movements while the Bureau of Prisons determines where he will serve his term. He has asked to be sent to a medium-security prison in Butner, N.C.

Under federal rules, Skilling, 52, must serve at least 85 percent of his sentence, which means he would not be released for more than two decades, when he will be in his 70s. Lake could have imposed a stiffer penalty. Skilling's sentence is second only to the 25-year term given to WorldCom Inc. founder Bernard J. Ebbers, whose company also collapsed during an accounting fraud that rocked investor confidence and prompted Congress to pass corporate accountability legislation in 2002.

"The Enron case is as large and as serious as any other fraud in this nation's history," prosecutor Sean M. Berkowitz told the court.

Skilling entered the courtroom arm-in-arm with his wife, former Enron corporate secretary Rebecca Carter, who sat in the first row with Skilling's brother and sister. During the proceeding, Carter cried and frequently bowed her head. Two children of Enron founder Kenneth L. Lay and his defense team were also present, and they comforted the Skilling family members with hugs and pats on the back.

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Nine of the jurors in the long-running trial, including three alternates, also showed up as spectators, looking on from a back row as the hearing played out. Later, they said they supported the judge's decision, as did the former employees who testified.

Skilling's emotional state has been delicate since he left Enron. Over eight days on the witness stand during the trial, Skilling described his spiral into drinking and depression as Enron began to sink under the weight of its financial problems. After he was indicted, he twice had contact with police related to his alcohol consumption, most recently last month.

Monday afternoon, he told reporters that he had suffered over the past five years, at times, he said, even wishing he had injured himself more seriously during a hiking trip.

"There are times I'd say, 'God, I wish I'd died,' " he said.

The judge acknowledged that Skilling had helped transform Enron into one of the nation's largest companies. Skilling and his lead lawyer took time to underscore their contention that Enron collapsed not because of fraud, but because the market lost confidence in the company months after his abrupt resignation in August 2001. That caused creditors to demand immediate payment for their loans, creating a cash crunch the company could not withstand.

Skilling enlisted friends, including his administrative assistant of two decades, to speak on his behalf. "I don't consider myself a victim of anything other than my shortsighted [investment] decisions," said the assistant, Sherri Sera. She called Skilling a "visionary" who "revolutionized" the energy industry. As she returned to her seat, she embraced Skilling's wife.

But Lake said Skilling's good works did not outweigh that he had "imposed on hundreds if not thousands of people a life sentence of poverty."

As part of the resolution of the case, Skilling also agreed to turn over what his lawyers called the "overwhelming majority" of his assets, about $45 million, including the proceeds from the sale of his Mediterranean-style mansion, to employees who lost more than $1 billion with Enron's demise. His lawyers at O'Melveny & Myers LLP are to receive $15.5 million to pay suppliers and to cover some fees, estimated at $30 million. In what analysts have called the highest-ticket criminal defense in history, the firm already has collected $40 million in cash from Skilling and his insurance policies to defend criminal and civil cases.

Under the federal sentencing guidelines, Skilling could have received more than 30 years in prison. Instead, the judge chose a term on the lower end of the range. The judge scuttled a defense request to shave 10 months off the prison term, a move that would have made Skilling eligible for a low-security facility with fewer restrictions than the medium-security prison where he ultimately will reside.

Skilling's term is by far the longest of any won by the Justice Department's Enron Task Force, which announced late Monday that it was closing its doors. Former finance chief Andrew S. Fastow, who admitted to siphoning millions of dollars from the energy-trading company but ultimately cut a deal with prosecutors and testified against Skilling, got a six-year sentence. Lay, the founder of Enron and also a defendant in the case, died of heart disease in July, only weeks after he and Skilling were convicted by a jury.

Lake threw out Lay's conviction last week, citing a legal precedent that comes into play after a defendant dies before he completes the appeals process. On Monday, prosecutors said they had filed a civil lawsuit against Lay's estate seeking to recover $2.5 million used to pay the mortgage on his Houston penthouse condominium, $10 million from a family trust and $22,000 from a bank account.

Outside the courthouse, Skilling met throngs of reporters and camera crews. Wearing a tracking device underneath his navy suit, he waxed about Enron's past business prospects and talked about the "nightmare" his life had become. He said he felt horrible about the victims of Enron's collapse, but added that he had not broken the law, despite the aggressive prosecutors, the demonizing media reports and the resounding jury verdict.

"In the Inquisition, only about 10 percent of the people held out," Skilling said. "I can tell you it ain't fun."

Enron's Skilling Is Sentenced To 24 Years (NYT)

By Alexei Barrionuevo

The New York Times, October 24, 2006

HOUSTON, Oct. 23 — Jeffrey K. Skilling was sentenced to 24 years and 4 months in prison for his role in the pervasive fraud and conspiracy that led to the bankruptcy of Enron, closing the book on the government's prosecution of top executives at the once-highflying energy company.

Enron's fall ushered in a wave of prosecutions against corruption at the highest levels of American business. Since then the Justice Department has tightened the tourniquet around high-level executives involved in white-collar crime, leading to a series of stiff prison sentences.

Mr. Skilling stood stoically in his black suit as Judge Simeon T. Lake III read his sentence, which narrowly missed being the longest one ever handed down to a white-collar criminal. That record still belongs to Bernard J. Ebbers, the former chief

executive of WorldCom, who was sentenced to 25 years last year for his role in the $11 billion fraud that led to that company's collapse.

Mr. Skilling's sentence nevertheless amounts to almost life imprisonment for the 52-year-old former chief executive, who in one decade transformed Enron from a sleepy pipeline company into an energy-trading juggernaut. Accounting schemes he approved masked huge debt and cash flow problems at the company that led to its ultimate demise. Shareholders at Enron, once the seventh-largest company in the country, lost billions of dollars in stock and retirement savings.

"As the many victims have testified, his crimes have imposed on hundreds if not thousands a life sentence of poverty," Judge Lake said, responding to criticism of the sentence as overly harsh.

Once in prison, Mr. Skilling could trim his sentence by 54 days a year with good behavior. And he could knock off one more year for participating in an inmate drug and alcohol treatment program, which the judge required.

Mr. Skilling has recently struggled with alcoholism. Despite being ordered not to drink by the court after a drunken scuffle with bar patrons in Manhattan in 2004, he was arrested last month by Dallas police for public intoxication and forced to spend a night in jail.

At Enron, Mr. Skilling alone now bears the dear price for fighting the charges that he and his co-defendant and Enron founder, Kenneth L. Lay, deceived analysts and investors about the company's true financial condition. Mr. Lay was convicted in May of fraud and conspiracy but died unexpectedly in July of heart-related problems. Several of Mr. Lay's family members and lawyers attended Monday's sentencing.

For now, at least, Mr. Skilling will avoid the discomfort of prison life.

Judge Lake denied Mr. Skilling's request to remain free pending appeal. But he allowed him to be confined to his Houston home until the Bureau of Prisons assigns him to a correctional facility, which could be a few months. He left court wearing an electronic monitoring bracelet on an ankle under his trousers.

Mr. Skilling, who is appealing his verdict, continued to profess his innocence. "I am innocent of every one of these charges," Mr. Skilling told the judge. "We will continue to pursue my constitutional rights and it's not a dishonor to this court or anyone else who was involved in this, but I feel very strongly about this."

In his five-minute speech, he reiterated that Enron collapsed because of a "severe liquidity crisis" and did not have "enough dry powder" to deal with the events that followed his abrupt resignation as chief in August 2001. "But I wasn't there," he said. "I wish I was there."

While saying he did nothing illegal, Mr. Skilling said he did feel bad about what happened. "I can't imagine more remorse," Mr. Skilling said. "I have friends who have died. Good men."

But some outside lawyers saw little remorse in Mr. Skilling's words. "He was defiant to the end," said Philip Hilder, a Houston criminal defense lawyer.

The judge's sentence fell within the 2000 federal sentencing guidelines. Judge Lake rejected the government's call to use stricter 2001 guidelines. But he found several reasons to increase Mr. Skilling's sentence into a range of 292 months to 365 months, or 24 years and 4 months to 30 years and 5 months.

The higher sentence, the judge said, was because he found that Mr. Skilling had lied to the Securities and Exchange Commission about the real reasons for his sales of Enron stock before the company's collapse in December 2001. Mr. Skilling said he sold the stock only because of the impact on the market of the 9/11 terrorist attacks.

Judge Lake said he would recommend that Mr. Skilling be assigned to the federal prison in Butner, N.C., for medium and low-security inmates. Because of the length of his sentence he will initially be placed in a medium-security facility.

The judge also approved a restitution order that will send as much as $45 million of Mr. Skilling's money to the victims of the Enron fraud. Under the order, $15.5 million will go to Mr. Skilling's lawyers and another $5 million to Enron shareholders if Mr. Skilling's appeals are unsuccessful. Essentially all of Mr. Skilling's almost $60 million fortune will be stripped from him, the judge said.

Some outside lawyers questioned Mr. Skilling's willingness to agree to the restitution order, saying it amounted to a tacit admission of guilt that could affect his chances of successfully appealing his verdict. "That could hurt him down the line," said Joel Androphy, a Houston criminal defense lawyer.

The government said Monday that it was also continuing to pursue the ill-gotten gains from Mr. Lay, even though his verdict was voided last week because of his death. Prosecutors filed a civil forfeiture action to recover more than $12.5 million from Mr. Lay's Houston condominium, a family investment partnership and a bank account.

The courtroom Monday was packed with reporters and local citizens, including nine jurors from the criminal trial. Mr. Skilling's brother, Mark, and his ex-wife, Susan, were there, but none of Mr. Skilling's three children attended the sentencing.

Six Enron shareholders and former employees spoke in support of Mr. Skilling's getting the maximum sentence for his crimes.

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"Mr. Skilling has cheated me and my daughter of our retirement dreams," said Dawn Powers Martin, who worked 22 years at Enron. Now, she said, he should be denied "the chance to walk the earth as a free man."

Anne Beliveaux, who worked as an administrative assistant in Enron's tax department, said: "The worst mistake Ken Lay ever did was to hire you, bring you in and let you run the company, which we all loved. You should be ashamed of yourself."

One supporter, Sherri Sera, Mr. Skilling's longtime administrative assistant, said Mr. Skilling had "revolutionized" the energy industry and was "the most intellectually honest person you will ever meet."

Sean Berkowitz, the director of the Enron Task Force at the Justice Department, said Mr. Skilling's sentence was appropriate and should serve to deter white-collar crime.

"The Enron fraud is as large and serious as any other fraud in this nation's history," Mr. Berkowitz said. He added that Mr. Skilling "sat at the top and set the culture of what happened at Enron — he should bear the brunt of the responsibility."

Daniel Petrocelli, Mr. Skilling's lead lawyer, argued for a sentence closer to 7 to 10 years. But he said that while the jury found Mr. Skilling had "crossed the line," the "jury had no evidence that this man ever intended to harm anybody."

Judge Lake likened that argument to someone's committing arson to collect insurance but not intending for anyone to be inside the building.

One juror, Jill Ford, said she agreed with the judge. "Just because you don't mean to do it doesn't mean you don't know it is wrong," Ms. Ford said in an interview outside the courtroom. "But this is still really sad for everybody involved."

At day's end, Mr. Skilling told reporters outside the courthouse that he had no regrets in fighting for his innocence. A federal appeals court has overturned a string of convictions in Enron-related cases, giving him some hope, at least, of winning another trial.

For the next month or so, while confined to his home, he said he planned to spend as much time as he can with his family.

"Enron has become a horror to me," Mr. Skilling said, glassy-eyed and shaking. "The word Enron conjures up some really awful things. I don't blame the judge for what he did."

Skilling Gets 24 Years, 4 Months In Prison (LAT)

By Martin Zimmerman & Lianne Hart

The Los Angeles Times, October 24, 2006

HOUSTON — In one of the toughest prison terms to arise from the recent era of corporate scandal, former Enron Chief Executive Jeffrey K. Skilling was sentenced today to more than 24 years in federal prison for his role in the 2001 collapse of the energy trading company.

U.S. District Judge Sim Lake pronounced his sentence of 24 years and four months after a two-hour hearing that featured angry testimony from former Enron workers, as well as a plea for mercy and a ringing expression of innocence from Skilling.

"In terms of remorse your Honor, I can't imagine more remorse," Skilling told Lake. "That being said your, your Honor, I am innocent of these charges. I am innocent of every one of these charges."

Skilling was sentenced nearly one week after the conviction of his former co defendant, Enron founder and Chairman Kenneth L. Lay, was thrown out after the court ruled that Lay's death in July denied him the chance to appeal the verdict.

A federal jury in May found Skilling guilty on one count of conspiracy, 12 counts of fraud, five counts of making false statements and one count of insider trading. He was acquitted of nine other insider-trading counts.

Skilling's pivotal role in what has been called the biggest scandal in the history of American business made leniency unlikely, experts said, especially given the long sentences handed out to other corporate criminals of the era, such as former WorldCom CEO Bernard J. Ebbers.

"This is a very tough time to be a white collar defendant," said Douglas R. Young, a San Francisco defense attorney. "In the public's mind, there is something about wanting to punish people who have seemingly been at the top of the game."

With no parole in the federal prison system and only limited time off possible for good behavior, it's probable that Skilling, 52, will serve the bulk of his sentence, said Stanford law professor Robert Weisberg, describing it as "a life sentence."

The Harvard MBA joined Enron in 1990 from the elite consulting firm McKinsey & Co. and was regarded as the force behind the company's transformation from a staid gas pipeline company into a high-tech energy-trading giant. Intense and sharp-tempered, Skilling became Enron's chief executive in February 2001. His resignation a few months later shocked Wall Street and intensified scrutiny of Enron's mounting financial woes.

Enron's implosion was one of the most infamous corporate scandals in U.S. history. The energy company's failure wiped out more than 4,000 jobs and billions of dollars of stock market value. It also led to sweeping regulations and legislation -- particularly the 2002 Sarbanes-Oxley law -- meant to curb corporate wrongdoing and restore confidence in companies' financial statements.

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Lay and Skilling became the headline targets of a massive crackdown on corporate wrongdoing that also resulted in charges against executives of such companies as WorldCom, Adelphia Communications, HealthSouth and Tyco International.

Enron's auditor, then-Big Five accounting giant Arthur Andersen, went out of business after being indicted on an obstruction of justice charge in the wake of Enron's collapse. Testimony showed that Andersen employees shredded mounds of Enron-related documents after the federal probe was launched. The U.S. Supreme Court last year overturned the firm's 2002 conviction because of faulty jury instructions.

Well before Enron's bankruptcy, the company was embroiled in controversy during the California energy crisis of 2000 and 2001. Officials accused Enron and other "merchant energy" firms of helping to drive electricity prices through the roof by using a variety of unethical trading ploys to "game" California's fledgling power market. Judge Lake kept those issues out of the trial.

Skilling Gets 24 Years In Prison (WSJ)

By John R. Emshwiller

The Wall Street Journal, October 24, 2006

HOUSTON -- Former Enron Corp. President Jeffrey Skilling was sentenced to 24 years and four months in prison, climaxing this generation's defining business scandal and highlighting its increasing intolerance of crime in the executive suite.

The 52-year-old Mr. Skilling didn't show emotion as he stood with his lead attorney, Daniel Petrocelli, in court yesterday and received the 292-month sentence from Judge Sim Lake. Judge Lake had presided over the four-month trial here earlier this year in which Mr. Skilling and his co-defendant, former Enron Chairman Kenneth Lay, were convicted on numerous counts of fraud and conspiracy arising out of the onetime energy giant's late 2001 collapse into bankruptcy court. Mr. Lay died from heart-related problems shortly after his May conviction.

In remarks yesterday to the court, Mr. Skilling, who also served for a time as Enron's chief executive, reiterated his innocence and his plans to appeal his conviction on 19 felony counts. Mr. Skilling said he felt remorse for the toll that Enron took on everyone from friends and family to shareholders and company employees. "I've had friends who have died," Mr. Skilling said.

"I am innocent of these charges," he said. "We will continue to pursue my constitutional rights."

VIDEO REPORT

1

Paul Lin interviews WSJ.com's Law Blogger Peter Lattman2 about Jeffrey Skilling's sentencing and the message it may send to would-be white-collar criminals.

Judge Lake denied a defense motion that Mr. Skilling be allowed to stay out of prison pending his appeal. The judge did allow Mr. Skilling to "self-surrender" to prison authorities. Such a surrender usually occurs several weeks after sentencing. In the meantime, Judge Lake ordered Mr. Skilling to be confined to his home here and subject to electronic monitoring, which usually involves wearing an ankle bracelet that tracks a person's location.

Under federal law, a prisoner serves at least 85% of his sentence. If his conviction and sentence withstand appeal, Mr. Skilling would face imprisonment until he was older than 70.

Yesterday, the courtroom was packed with dozens of spectators. Many had taken part in the trial of Messrs. Skilling and Lay. Though Mr. Lay was no longer part of the case, several of his attorneys and family members attended in an apparent show of support for Mr. Skilling. Mr. Skilling and his wife, Rebecca Carter, hugged some of the defense lawyers. Ms. Carter was teary-eyed at times.

QUESTION OF THE DAY

3

Vote: Is Skilling's sentence appropriate? Cast your vote in WSJ.com's Question of the Day4.

Judge Lake allowed several former Enron employees and shareholders to speak, sometimes tearfully, about the damage they suffered as a result of Enron's collapse. They talked of lost jobs, lost retirement savings and a loss of faith in a company they loved. Some urged that Judge Lake give Mr. Skilling a very long prison sentence.

"Give him what he deserves: the rest of his life in prison," said Anne Beliveaux, an 18-year Enron veteran who was an administrative assistant at the company. She said she lost more than $500,000 when the value of the company's stock collapsed.

Mr. Petrocelli argued for a term of seven years to 10 years. Such a term would have put Mr. Skilling's sentence closer to those received by other senior Enron executives.

The federal sentencing system called for a much longer sentence than that. For the past two decades, federal prison terms have largely been determined by sentencing guidelines. They are based on numeric calculations that take into account such factors as a defendant's role in the crime, his acceptance of responsibility and, in cases of a fraud, the dollar loss.

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Losses in the tens of millions of dollars can be a major upward driver of prison terms. In the case of a giant public corporation, such as Enron, the losses as measured by stock-market value can quickly reach into the billions of dollars.

Last year, a landmark Supreme Court ruling gave federal judges much more discretion to depart from the guidelines' calculations. Judges are still required to consider the guidelines and many follow them. Judge Lake yesterday said Mr. Skilling's guideline calculation called for a prison term of between 292 months and 365 months. The Skilling sentence was at the bottom end of that range.

Twenty years ago, when the guidelines were introduced, Mr. Skilling likely would have faced a sentence of about six years to seven years, sentencing experts say. Since then, there has been a steady ratcheting upward of prison terms for white-collar criminals, partly spurred by the scandals at Enron and other big companies, including WorldCom Inc. Former WorldCom chief Bernard Ebbers is serving 25 years in prison.

In handing down yesterday's sentence, Judge Lake acknowledged that Mr. Skilling had done good things at Enron and in the wider community. But Mr. Skilling also "repeatedly lied" to Enron investors and employees, the judge said. He pointed to the earlier statements from some of the victims, adding that Mr. Skilling had confined many to "a life sentence of poverty." Judge Lake recommended to federal prison authorities that Mr. Skilling be assigned to a facility in North Carolina.

The fact that corporate executives can receive prison terms akin to life sentences as a first-time offender has caused debate in law-enforcement and legal circles.

"Mr. Skilling's sentence was entirely expected and grossly excessive," said Jacob Frenkel, a former federal prosecutor who is in private practice in Rockville, Md. The sentence shows "how distorted sentencing in white-collar cases has become."

Yesterday's sentence also underscored the dangers of going to trial versus the benefits of pleading guilty and cooperating with federal investigators. Andrew Fastow, Enron's former chief financial officer, received a six-year sentence after he pleaded guilty to criminal charges and helped the government in its case against Messrs. Skilling and Lay.

Richard Causey, the company's former chief accounting officer, faces a maximum of seven years imprisonment under a plea bargain with the government. Prosecutors portrayed Messrs. Fastow and Causey as having been deeply involved with Mr. Skilling.

Under an agreement between prosecutors and the defense that Judge Lake announced, most of Mr. Skilling's remaining assets, about $45 million, will go to a fund for Enron victims. This would include the sale of his Houston mansion. The funds would be in escrow pending the outcome of Mr. Skilling's appeal. An additional $15 million would go to pay some of his legal expenses, part of a defense effort that is estimated to have cost more than $50 million so far, according to court filings and people familiar with the matter. His unpaid legal fees probably total an additional $20 million, according to these people.

Judge Orders Him To Pay $45 Million In Restitution (HC)

By Kristen Hays

Houston Chronicle, October 24, 2006

Former Enron Corp. CEO Jeff Skilling took the blow of a 24-year prison sentence the same way he took a jury's decision that he's a felon: Dry-eyed and calm.

Standing alone before U.S. District Judge Sim Lake to make a statement at his sentencing hearing Monday, Skilling insisted before he learned what his punishment would be that he is remorseful about Enron's 2001 demise and its devastating fallout to employees and investors.

"I will live those days and everything that happened subsequently for the rest of my life," he said.

"I have friends who died," he added without elaboration.

His self-described best friend, ex-Enron executive Cliff Baxter, fatally shot himself as the scandal swirled in January 2002. And his co-defendant, former Enron Chairman Ken Lay, died of heart disease in July, just six weeks after he and Skilling were convicted of crimes including fraud and conspiracy at the close of their four-month trial.

"All that being said, your honor, I am innocent of these charges. I am innocent of every one of these charges," the 52-year-old former business titan said with a bit of defiance in a hearing that capped an era of fraud that prompted Congress to pass sweeping reforms and stiffen white collar penalties.

Unmoved, Lake imposed a prison term of 24 years and four months — the bottom of a possible range that stretched to 30 years and five months.

He will also fork over $45 million in restitution should he lose his appeal.

Skilling's term is just a few months shy of the 25-year sentence former WorldCom CEO Bernie Ebbers began serving last month for orchestrating the $11 billion fraud that drove his company into bankruptcy.

"It's difficult to understand how 24 years for a nonviolent crime can be the low end of anything," said David Berg, a Houston civil litigator.

But others, including nine of the 16 jurors and alternates in Skilling's trial who attended his sentencing, approved.

"Judge Lake knows the law. He stood firm where the sentence will be served and when lenience was allowed, he considered that," said jury foreman Deb Smith.

Philip Hilder, a former federal prosecutor who represents several Enron defendants and witnesses, said Skilling's punishment was fair.

"It's not one that's out of the ordinary," he said.

Outside the courthouse, Skilling said with a shrug that he was disappointed, but called Lake a "fair guy" and said he would appeal.

"This is no act or anything. I believe that I'm innocent," he said.

Workers respondSeveral ex-Enron workers who made statements in court vehemently disagreed.

"Mr. Skilling has proven himself to be a liar, a thief and a drunk," said Dawn Powers Martin, a 22-year Enron worker. "Shame on me for believing the management of Enron."

Skilling has had two alcohol-laced run-ins with the law, once in 2004 that involved no arrest, and again last month in Dallas, where he was arrested on a misdemeanor.

Another ex-employee, Anne Beliveaux, referred to Skilling's abrupt resignation less than four months before Enron crashed.

"When things got bad you jumped ship because you knew the sky was falling underneath you all," she said. "You should be ashamed of yourself."

Outside the courtroom, Beliveaux said she was satisfied with having said her piece to Skilling directly.

"I looked him in the eye. That's why I came," she said. "This was my closure."

A couple of supporters spoke up for Skilling as well. Sue Walden, a longtime friend, acknowledged that jurors found that crimes occurred at Enron, "but to hold one individual responsible is unfair and unjust."

Confined at homeIn the hearing, Lake ordered Skilling to be confined at home until the U.S. Bureau of Prisons determines when and where he will report to prison, a process that generally takes six to eight weeks. The ex-CEO must wear an electronic monitoring ankle bracelet at all times so federal authorities can track his movements, and he can leave his home only for specified reasons, such as grocery shopping or medical appointments.

"This is not an easy decision," Lake said before he revealed the punishment. "Sentencing is the most difficult and least pleasant part of my job."

He noted that Skilling, a father of three, has a loving family and has done "good works," such as community service for Habitat for Humanity.

"But Congress has determined that crimes like this are deserving of a long punishment," the judge said. Though tantamount to life in prison, a lengthy prison term compares to a "life sentence of poverty" suffered by victims who lost jobs and money when Enron imploded, he said.

Skilling stoic, wife emotionalSkilling showed no visible emotion, but his wife, Rebecca Carter, leaned forward in a front-row pew and sobbed quietly. Friends and supporters who tried to comfort her included Elizabeth Vittor and Sharon Lay, the ex-chairman's daughter and sister, respectively. Vittor, a lawyer, was part of her father's legal team and sat between the two defendants throughout the trial.

Skilling's brother, Mark, also an attorney, sat near Carter and was as stoic as the ex-CEO. Skilling's children did not attend.

Under federal guidelines, investor loss drives a recommended prison term. Skilling's lawyers and prosecutors agreed ahead of time that investor losses exceeded $80 million, which meant Skilling faced 15 to 18 years in prison based on the loss alone, Hilder said.

The term increased as Lake found that other circumstances applied, such as use of sophisticated means to carry out crimes; conduct that jeopardized soundness of a financial institution, which were employee retirement accounts in Skilling's case; and abuse of a position of trust.

Lake emphasized another such circumstance — that Skilling lied to the Securities and Exchange Commission in December 2001 when he claimed that a market roiled by the Sept. 11, 2001, terrorist attacks prompted him to sell half a million shares of Enron stock the following week.

During the trial, jurors heard an audiotape of Skilling asking his broker to sell 200,000 shares of Enron stock on Sept. 6, 2001. The order was held up to give Skilling time to produce paperwork proving he was no longer CEO, and therefore didn't have to report his stock sales to the SEC.

Skilling testified that he didn't remember placing that order.

"I find that Mr. Skilling perjured himself when he testified under oath to the SEC" that he sold stock that September solely because of the attacks, Lake said.

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Heaviest punishmentSkilling can shave up to 3 1/2 years from his prison term — or 15 percent — for good behavior. He also can shave up to another year if he successfully completes a drug and alcohol rehabilitation program available to all inmates.

Still, his sentence far exceeds those given to or facing other ex-Enron executives who cut plea deals or gambled with jury trials and lost.

With Lay dead, former chief financial officer and admitted thief Andrew Fastow sentenced to six years, and former chief accounting officer Richard Causey expecting to serve five to seven years as part of a plea deal, Skilling was the last one standing from the executive suite, said Robert Mintz, a New Jersey-based former prosecutor who follows the Enron case.

"There was nobody else left to shoulder the bulk of retribution, which is why I think he received one of the most severe sentences we've seen out of all these cases of corporate fraud," Mintz said.

Skilling also agreed to turn over $45 million that will be distributed to Enron victims if he loses his appeal. That amount will include proceeds from sales of his $5.1 million Houston mansion and a $700,000 Dallas townhouse.

Skilling said after the hearing that he was "thrilled to death" that the money would go to victims, rather than to the government as a fine.

Those assets have been frozen since he was indicted in February 2004, as was another $15.5 million that was released Monday to pay his lawyers.

Prosecutors had sought up to $183 million in cash and assets from Skilling, but they and his lawyers agreed that he would turn over the lesser amount. Lead Skilling lawyer Daniel Petrocelli told Lake the forfeiture agreement would essentially clean Skilling out.

Prosecutor Sean Berkowitz, who cross-examined Skilling during the trial, said that leaving Skilling with "virtually no assets when all this is over is appropriate."

"The Enron fraud is as large and serious as any other fraud in this nation's history," Berkowitz said.

Petrocelli retorted that Skilling didn't set out to harm anyone.

"He is not a sacrificial man. He is a man on trial now facing judgment," Petrocelli said.

"But that harm is a consequence of the illegal conduct he did intend," the judge said.

No regrets at going to trialOutside the courthouse, a resolute Skilling said he had no regrets that he went to trial rather than cut a plea deal.

"No. I'm innocent," he said, when asked if he considered it. "I can't do that. I've told my children I'm innocent."

Jurors convicted Skilling of 19 of 28 counts of fraud, conspiracy, insider trading and lying to auditors, and Lay of six counts of fraud and conspiracy. Lake also convicted Lay of a count of bank fraud and four counts of lying to banks in a separate, non-jury trial.

Lake has already denied his request to remain free on bond during appeal, and Petrocelli said they would challenge that ruling as well as Skilling's convictions.

"We're looking forward to the next set of judges," he said.

In the meantime, Skilling said he aims to spend time with his family while on house arrest.

"You guys will know where I am at any time," he said.

Chronicle reporters Tom Fowler, Purva Patel and Anastasia Ustinova contributed to this story.

Skilling Gets 24 Years In Accounting Scandal (WT/AP)

By Juan A. Lozano

The Washington Times, October 24, 2006

HOUSTON -- Former Enron Chief Executive Officer Jeffrey Skilling, the most vilified figure from the financial scandal of the decade, was sentenced yesterday to 24 years and four months in the harshest sentence yet in the case that arose from the energy trading giant's collapse.

U.S. District Judge Sim Lake denied Skilling's request for bond and ordered him to home confinement, with a requirement to wear an ankle monitor. Judge Lake, who told the U.S. Bureau of Prisons to recommend when Skilling should report to prison, suggested that he be sent to the federal facility in Butner, N.C., for his role in a case that came to symbolize corporate fraud in America.

Under federal law, criminal defendants can get two months a year shaved off their sentence for good behavior, David Irwin, a former federal and state prosecutor who practices in Towson, Md., told Bloomberg News. There is no parole in federal sentencing.

"By my calculations, he'll have to serve 20 years and four months," Mr. Irwin said. "That's a long time for a 52-year-old man."

Skilling was the last top former official to be punished for the accounting tricks and shady business deals that led to the loss of thousands of jobs, more than $60 billion in Enron stock and more than $2 billion in employee pension plans after the company sought bankruptcy protection in December 2001. Skilling, insisting he was innocent yet remorseful in a two-hour hearing, is appealing.

His remaining assets, about $60 million, will be liquidated, according to an agreement among Enron employee attorneys, the company's savings and stock ownership plans, prosecutors and Skilling's legal team.

About $45 million will be put in a restitution fund for victims. The remaining amount will go toward Skilling's legal fees, said Lynn Sark, an attorney for the Enron Corp. Savings Plan and Stock Ownership Plan. The Justice Department allowed Skilling to set aside $23 million for his defense when he was indicted; he still owed his attorneys $30 million as of yesterday.

Skilling stood with his hands clasped below his waist, with attorney Daniel Petrocelli at his side. He gave no visible reaction to the sentence. After court adjourned, Skilling hugged Mr. Petrocelli.

Skilling's term is the longest received by any Enron defendant; former Chief Financial Officer Andrew Fastow was given a six-year term after cooperating with prosecutors and helping them secure Skilling's conviction.

It falls just shy of the sentence imposed on former WorldCom Chief Executive Officer Bernard J. Ebbers, who received 25 years for his role in the $11 billion accounting fraud that toppled the company he built from a tiny telecommunications firm to an industry giant.

Skilling's co-defendant, Enron founder Kenneth L. Lay, died from heart disease July 5. Mr. Lay's convictions on 10 counts of fraud, conspiracy and lying to banks in two separate cases were wiped out with his death.

Skilling's arrogance, belligerence and lack of contriteness under questioning made him a lightning rod for the rage generated by the collapse of Enron in 2001.

"Your honor, I am innocent of these charges," Skilling told Judge Lake yesterday. "I'm innocent of every one of these charges.

"We will continue to pursue my constitutional rights, and it's no dishonor to this court and anyone else in this court. But I feel very strongly about this, and I want my friends, my family to know that."

He also disputed reports that he had no remorse for his role in the fraud that drove the company to seek bankruptcy protection.

"I can tell you that's just the furthest thing from the truth," he said. "It has been very hard on me, but probably, more important, incredibly hard on my family, incredibly hard on employees of Enron Corporation, incredibly hard on my friends and incredibly hard on the community."

Skilling's wife, former Enron corporate secretary Rebecca Carter, was in the courtroom.

Skilling was convicted in May on 19 counts of fraud, conspiracy, insider trading and lying to auditors. He was acquitted on nine counts of insider trading.

Judge Lake yesterday set investor loss tied to Skilling's actions at $80 million, which he relied on to set the sentence. With that figure, Skilling faced up to 30.4 years in prison.

Skilling also faces more than $18 million in fines for his crimes.

Victims unleashed nearly five years of anger on Skilling yesterday and begged the judge to send Skilling to prison for life.

"Mr. Skilling has proven to be a liar, a thief and a drunk, flaunting an attitude above the law," said 22-year Enron employee Dawn Powers Martin. "He has betrayed everyone who has trusted him. Shame on me for believing the management of Enron."

Some chose not to vilify Skilling, however.

"I can't state strongly enough, during 20 years, have I seen or heard anything that he was leading a massive conspiracy to mislead Enron shareholders and employees," said Sherri Sera, a former administrative assistant. She said she, too, had lost thousands in Enron stock and benefits but blamed her failure to diversify.

Skilling spent 11 years at Enron. He took over as chief executive from Mr. Lay in February 2001 but abruptly quit six months later, citing a desire to spend more time with his family. Prosecutors said he left Enron because he knew the company was on the brink of bankruptcy.

24 Years For Skilling In Enron Case (USAT)

By Greg Farrell

USA Today, October 24, 2006

HOUSTON — A federal judge sentenced Jeffrey Skilling, the lead architect of the complex fraud that was Enron, to 24 years in prison Monday, bringing closure to a massive federal effort to identify and punish the perpetrators of the biggest accounting fraud in history.

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Declaring that Skilling "repeatedly lied to investors," U.S. District Judge Sim Lake rejected defense arguments that seven to 10 years in prison would be sufficient. Instead, he gave Skilling, 52, one of the harshest sentences ever for a white-collar crime, nearly matching the 25 years that a New York judge leveled against former WorldCom CEO Bernie Ebbers last year.

As Lake spelled out the sentence, Skilling's wife, Rebecca Carter, hunched over and began sobbing in the first row of the spectator gallery. But Skilling, who was known at Enron for having a highly combustible temper, remained an island of calm throughout the proceeding.

In addition to his wife, Skilling's brother and sister attended the sentencing. To the surprise of many observers, several members of the late Ken Lay's family also showed up. In May, Skilling and Lay were both convicted of deceiving investors about Enron's true financial condition.

As if drawn by a need for closure, more than half the jurors who served on the trial also showed up at the sentencing.

Lay was scheduled to be sentenced along with Skilling, but he died of a heart attack on July 5. Last week, in accord with legal precedent, Lake vacated Lay's conviction and dismissed the indictment against him, leaving Skilling as the only Enron CEO to be sentenced for crimes committed against investors.

Enron's collapse in the fall of 2001 wiped out more than $60 billion in market capitalization and ruined the retirement savings of thousands of former employees. Several of those victims spoke at Monday's hearing, urging Lake to impose the maximum sentence allowed on Skilling.

One such victim was Ann Beliveaux, an 18-year Enron employee whose savings were wiped out by Enron's collapse, just as she approached retirement. Looking directly at Skilling, she said: "The worst mistake Ken Lay ever made was to hire you, bring you in and let you run the company. When things got bad, you just shoved off, because you knew what was coming."

Prior to his sentencing, Skilling addressed the judge, saying he was bothered by the perception that he felt no remorse about Enron's collapse. "That's just the furthest thing from the truth," he said. Referring to Lay and former Enron executive Cliff Baxter, who took his own life in January 2002, he said, "I had friends who died, good men."

But Skilling spent much of his speech reiterating his innocence, a position consistent with his plans to appeal the verdict. In addition to his sentencing, Lake approved a settlement calling for Skilling to surrender all his $43 million in assets to a restitution fund for Enron retirees and shareholders.

Skilling Sentenced To 24 Years In Prison (FT)

By Sheila McNulty

Financial Times, October 24, 2006

Jeffrey Skilling, Enron's former chief executive, was on Monday sentenced to 24 years and four months in prison for orchestrating the fraud and conspiracy that destroyed the giant energy trader and forced a tightening of regulatory oversight across corporate America.

Mr Skilling, 52, put his arm around his lawyer, Daniel Petrocelli, after his sentence was announced, then sat down and turned to give his sobbing wife, Rebecca, a weak smile across the courtroom. She sat, clothed in black, in the public gallery, alongside the media, former Enron employees and the jury that had convicted her husband.

Former Enron CEO Jeffrey Skilling Sentenced To 24 Years In Prison (LAW)

By Brenda Sapino Jeffreys, Texas Lawyer

Texas Lawyer, October 24, 2006

At a hearing on Monday where Jeffrey Skilling continued to proclaim his innocence, U.S. District Judge Sim Lake of Houston sentenced Skilling, the former chief executive officer of Houston's Enron Corp., to more than 24 years in prison.

Lake denied Skilling's request to remain free on bail pending his appeal, but the judge allowed Skilling to remain in home confinement until the U.S. Bureau of Prisons orders him to report to prison. Lake granted a defense motion that Skilling serve his time in the Butner Federal Corrections Complex in Butner, N.C.

In May, a jury found Skilling guilty of 19 criminal charges stemming from the collapse of Enron, which filed for Chapter 11 bankruptcy protection in December 2001. Skilling stood trial alongside former Enron Chairman Kenneth Lay, but Lay died in July, and earlier this month Lake vacated Lay's conviction of 10 criminal charges because Lay's death made it impossible for him to appeal his conviction.

Lake sentenced Skilling to 292 months in prison, which was at the low end of the range of punishment dictated by the Federal Sentencing Guidelines. Lake said Skilling could have received up to 365 months in prison under the guidelines. Prosecutors and defense attorneys had stipulated the financial loss caused by Skilling's crimes at a minimum of $80 million, Lake said.

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At the sentencing hearing, Lake also approved a stipulated forfeiture and restitution settlement agreement that would provide money to plaintiffs in civil litigation filed by disgruntled shareholders and employees who lost retirement money through Enron's retirement plans. Skilling will forfeit assets worth about $45 million, said Sean Berkowitz, an assistant U.S. attorney who is the head of the Enron Task Force.

"I think it is a fair solution," Lake said about the restitution agreement. "It will allow victims to recover ... a substantial amount of money."

The fund will be overseen by U.S. District Judge Melinda Harmon, who presides over the civil litigation.

That restitution agreement calls for the payment of $15.5 million to O'Melveny & Myers, Skilling's defense firm, as partial payment for $12.7 million in unreimbursed costs and more than $20 million in unpaid fees for his criminal defense.

In relatively brief remarks in a jam-packed courtroom, Skilling said it's "just the furthest thing from the truth" for people to think he is not remorseful for what happened to Enron.

"It's been very hard on me. ... It's been incredibly hard on my family. It's been very hard on the employees of Enron Corp.," he said.

However, he said, "I am innocent of these crimes," and noted that he will pursue his constitutional right to an appeal.

Skilling stood next to his defense attorney, Daniel Petrocelli, when hearing his sentence. Skilling's wife, Rebecca Carter, was in the courtroom; she broke down sobbing after Lake sentenced her husband.

Several members of the public gave victim impact statements, including former employees who lost much of their retirement money and asked Lake to give Skilling the maximum sentence.

Ann Beliveaux, who worked at Enron for 18 years, said she lost more than $500,000 in her retirement account at Enron and faces an uncertain retirement.

"Never in my wildest dreams did I think I'd be facing what I face in one month when I turn 65," Beliveaux said.

"The worst mistake Ken Lay ever did was to hire you," Beliveaux told Skilling.

But Sherri Sera, who said she was Skilling's longtime executive assistant, implored Lake to consider that Skilling is a business "visionary" who could help the Houston community with business advice, and the judge should consider Skilling's long history of charitable work in determining his sentence.

"He's a natural resource this country can't afford to lock up," Sera said.

Petrocelli, a partner in O'Melveny & Myers in Century City, Calif., was not immediately available for comment following the hearing, but he told Lake during the hearing that Skilling never intended to harm anyone.

"This jury had no evidence against this man that he harmed anybody or intended to harm anybody," Petrocelli said.

Lake said during the hearing that Skilling's crimes "have imposed on hundreds if not thousands of people a life sentence of poverty."

Berkowitz asked Lake to give Skilling a sentence within the range dictated by the sentencing guidelines. Berkowitz declined comment following the hearing.

But in a written statement, Assistant Attorney General Alice Fisher of the U.S. Department of Justice's Criminal Division, said, "Today's sentence is a measure of justice for the thousands of people who lost their jobs and millions of dollars in investments when Enron collapsed under the weight of the fraud perpetrated by the company's top executives."

The government, meanwhile, announced on Monday that it will file a civil forfeiture action to recover property that allegedly constituted proceeds of the criminal case against Lay. The civil complaint, according to the government's press release, seeks to forfeit Lay's condominium in Houston, property associated with a Lay family investment partnership and a bank account with more than $22,000.

Michael Ramsey, a solo practitioner in Houston who was on Lay's defense team, says that if the six-year sentence that former Enron Chief Financial Officer Andrew Fastow received is a benchmark "anything above what Andy Fastow drew is retaliation or retribution" albeit within the sentencing guidelines.

Ramsey says he's not criticizing Lake, but criticizing the system.

In May, a jury found Skilling guilty of one count of conspiracy to commit wire and securities fraud, 12 counts of securities fraud, five counts of making false statements to auditors and one count of insider trading. The jury found Skilling not guilty of nine counts of insider trading.

Ex-Enron Chief Skilling Gets Prison Time (CHIT)

By Greg Burns

Chicago Tribune, October 24, 2006

DOJ_NMG_0085649

HOUSTON -- A landmark case in the annals of corporate crime ended Monday on a chilling note for any business executive tempted to cook the books, with a federal judge sentencing former Enron Corp. Chief Executive Jeffrey Skilling to more than 24 years in prison.

The 292-month sentence brings closure to one of the most traumatic frauds in the nation's history, and provides momentum for the government crackdown on executives who con investors and enrich themselves. "Corporate crooks should beware," warned FBI assistant director Chip Burrus.

U.S. District Judge Sim Lake ordered Skilling to forfeit $45 million in victim restitution, and confined him to his Houston mansion until a prison cell is designated for him within a few months. Addressing news reporters outside the courthouse, wearing a court-required ankle bracelet to track his movements, the one-time corporate star remained unrepentant, professed his innocence and vowed to appeal.

Lake rejected Skilling's claim, noting that the defendant repeatedly lied to investors and cashed in part of his stock while others were left with devastating losses. "His crimes have imposed on hundreds if not thousands of people a life sentence of poverty," Lake said.

During the three-hour hearing Lake rejected a plea for leniency, comparing Skilling to an arsonist who sets a fire in a building thought to be empty, only to discover that people inside were killed. Skilling faced the judge alone in the aftermath of the July 5 death of Enron Chairman Kenneth Lay, his co-defendant at trial. The 52-year-old ex-executive spoke in a clear voice and showed no emotion when he heard the sentence.

His wife, Rebecca, a former Enron insider, leaned over, put her head in her hands and sobbed from a front-row bench in the courtroom. His three children were not present, nor was Skilling's older brother Tom, chief meteorologist for WGN-Ch. 9 and the Chicago Tribune.

"This has been a difficult situation all around, for my family and for many others," the popular Chicago weatherman said in a statement. "Between my parents' diminishing health and the demands of my job, we're trying to get through every day the best we can."

Secure facility

Because of the length of his sentence Skilling is eligible for no less than medium security, and the judge rejected a request from his attorney, Daniel Petrocelli, for a 10-month reduction that might have opened the door to a less-restrictive institution.

Under federal rules inmates typically serve at least 85 percent of their prison term.

On May 25 a federal jury found Skilling guilty of 19 counts of fraud, conspiracy, lying to auditors and insider trading, acquitting him of nine additional insider-trading charges.

Last week Lake dismissed the conviction of Lay, who was legally entitled to a clean slate because he died before his appeals were exhausted. Lay's absence from the courtroom in which he and his co-defendant sat side-by-side during their trial cast a lonely spotlight on Skilling, who nevertheless looked tan, fit and alert.

Last month Skilling paid a $385 fine and boosted the frequency of his alcohol- and mental-health counseling after being found intoxicated in Dallas.

Among the victims speaking directly to Skilling at Monday's hearing was Charles Prestwood, who retired from Enron after 33 years only to lose everything in its bankruptcy except for the gifts he received from the company in recognition of his long service. "I had $1.3 million and all I've got to show for it is two clocks," he lamented.

Similarly, Anne Beliveaux, an 18-year Enron veteran, described how she lost her entire $500,000 nest egg just prior to reaching retirement age. "You knew the sky was getting ready to fall," she told Skilling. "You should be ashamed of yourself."

Afterwards, she pronounced the 24-year term "OK," but added, "Myself, I would have given him life."

The fall of Enron five years ago wiped out thousands of jobs and billions of dollars in wealth, shaking the public's confidence in financial markets and triggering the liquidation of Chicago's Andersen accounting firm. Along with WorldCom's collapse soon after, the case led to new rules governing the accountability of business executives, and stiffer penalties for abusing their positions.

Enron executives led by Skilling and Lay deceived investors by hiding debt and losses in off-the-books partnerships, making Enron appear to be booming even as its woes mounted. Prosecutors demonstrated that Skilling and Lay lied to investors, omitted critical facts and put personal interests above all others.

Both defendants testified in the trial, and Skilling, a graduate of West Aurora High School, showed the brainpower and intensity that propelled his career from Harvard Business School and McKinsey & Co. to the top of Enron's energy-trading empire.

Fastow rewarded

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But jurors rejected his view of Enron as a company undone by a "run on the bank" through no fault of his own. Although stiff sentences have become the norm, recent Supreme Court cases give judges greater discretion than in the past. And the rewards for cooperating in high-level white-collar cases rarely have been so significant.

After Andrew Fastow's testimony helped convict Skilling, the ex-Enron chief financial officer, who carried out the fraud and diverted company money into his own pockets, received a six-year sentence. That was four years less than called for in his plea agreement.

Skilling is likely to reference the leniency shown to Fastow in his appeal, which claims he failed to receive a fair trial because of alleged missteps in jury instructions and the handling of adverse publicity. No one has ever suggested he had an inadequate defense, however.

The Skilling legal team is said to have received $40 million, and the restitution agreement approved Monday awards his law firm another $15.5 million, primarily to pay out-of-pocket costs. The firm is still owed a greater amount in unpaid fees, Petrocelli said.

Not everyone holds Skilling responsible. Sherri Sera, his longtime personal assistant, told the court she, too, lost her retirement savings when Enron stock collapsed, but she blames herself for making a "short-sighted investment decision." Her ex-boss has been "unfairly demonized and ridiculed," she said. "He is a natural resource the country can ill-afford to lock away or throw away."

Government Sues Ken Lay's Estate (HC)

By David Ivanovich

Houston Chronicle, October 24, 2006

$12.7 million in assets sought, including family's River Oaks condo

WASHINGTON - The government filed suit against the late Ken Lay's estate Monday, hoping to wrest control of the one-time Enron chairman's River Oaks condominium and other assets valued at about $12.7 million.

In the wake of a federal judge's decision last week to vacate Lay's fraud and conspiracy convictions because of the Enron executive's death, the government filed a civil suit in U.S. District Court in Houston seeking "to recover property that constitutes proceeds of the fraud proven in the criminal case against Lay," the Justice Department said in a statement.

The government wants Lay's 33rd-floor condo in the Huntingdon at 2121 Kirby, valued at $2.5 million, along with $10.2 million in assets controlled by KLL & LPL Investments Ltd. and $22,680.14 in a Bank of America account.

Michael Ramsey, the Houston attorney who represented Lay at the criminal trial, called the government's suit an effort to "seize the homestead of the widow."

"Mr. Lay is dead, and this is an attack, apparently, on his widow and his children," Ramsey said.

Lay died July 5, just weeks after a jury found him guilty on six charges of fraud and conspiracy. In a separate trial, U.S. District Judge Sim Lake also found Lay guilty of four counts of bank fraud.

But since Lay died before his appeals could be exhausted, Lake, after a decision handed down in another case by the U.S. 5th Circuit Court of Appeals, wiped out the conviction.

Civil suit pursuedBecause that decision meant the government could not seize Lay's assets, the government chose to file a civil suit.

The government contends Lay garnered a total of $99 million from criminal activity.

The $12.7 million worth of assets identified in the civil case "is the amount identified that we believe we can recover through the civil process," Justice Department spokesman Bryan Sierra said late Monday.

Sierra could not say Monday whether the government would seek forfeiture of other assets later.

Ramsey argued the government should leave any civil matters to the attorneys representing the victims of the Enron collapse. "I don't know what business the government has being involved," Ramsey said.

Western Digital Finishes Options Review (AP-YBIZ)

AP, October 24, 2006

Western Digital Review Finds 19 Improper Stock Options Grants

WASHINGTON (AP) -- Western Digital Corp., a computer memory and data storage company, said Monday that its three-month investigation of its stock option practices turned up 19 improper stock option grants, but it found no evidence that the option grants were manipulated to avoid reporting compensation expenses on its financial statements.

The company said that 19 stock option grants between fiscal year 1998 and fiscal year 2003 were improperly accounted for, and as a result the company should have recognized approximately $21 million of stock compensation and tax-related expenses.

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The investigation, which was carried out by a special committee of independent members of the company's board of directors, found that an annual employee stock option grant made in November 1999 was "intentionally dated with hindsight at a low price." But the company said although this instance of backdating was improper, no evidence was found that it was done to avoid compensation expense or any other financial statement impacts.

At least 140 public companies have disclosed Justice Department, SEC or internal investigations into possible backdating of their option grants.

The company said its special committee has recommended several changes to the board in how stock options are granted, and the board has adopted all the recommendations. The investigation also found no misconduct by the company's current management, the company said.

Western Digital has not yet determined how it will alter its financial statements as a result of the investigation. The company said it has notified the Securities and Exchange Commission of the results of its investigation and "will cooperate fully in the event of any inquiry."

Shares of Western Digital dropped 44 cents, or 2.5 percent, to close at $17.17 on the New York Stock Exchange.

CNet Networks Says 3Q Revenue Rose But Delays Full Report (AP)

AP, October 24, 2006

SAN FRANCISCO - CNet Networks Inc., an online publisher of technology news and reviews, said Monday its third-quarter revenue grew 13 percent, but it will delay filing its official results until an accounting review of its past stock-option grants is complete.

The company would not speculate on when the review would be completed and declined to discuss how its earnings might be effected.

Quarterly revenue rose to $92.8 million from $81.9 million during the same period last year.

That matched the results expected by analysts polled by Thomson Financial.

Shares of CNet climbed 40 cents, or 4.74 percent, to $8.84 after hours, after falling 3 cents to end the Nasdaq session at $8.44. The stock has ranged between $7.07 and $16.09 over the past year.

For the fourth quarter, CNet said it expects revenue of $108 million to $115 million. For the full year, the company forecast $376 million to $386 million in revenue.

Analysts project $111.3 million in revenue for the fourth quarter, and $379.8 million for fiscal 2006.

CNet is one of at least 93 companies that have been questioned by the Securities and Exchange Commission or the Justice Department for the timing of past stock options grants.

CNet previously said it found instances in which actual measurement dates for certain past stock options differ from recorded measurement dates, and that these accounting errors will require the company to restate certain past financial statements.

CNet said it will not file its full financial results for the quarter until the restatement process is complete.

The company said Monday it does not expect the anticipated restatements to have any impact on its previously reported revenues or cash positions.

Like other companies caught in the stock-option scandal, CNet has acknowledged a technique known as "backdating," which occurs when insiders look back in time for a low point in their company's stock price so the exercise, or "strike," price of the options could be set at that ebb.

If they aren't properly disclosed, backdated options can inflate corporate profits and result in an underpayment of taxes.

Following its internal probe, Shelby Bonnie resigned as CNet's chairman and chief executive earlier this month, though he remains a member of CNet's board.

The company reiterated Monday that a number of executives, including Bonnie, "bear varying degrees of responsibility" in the past options-granting process, but that no one, including current employees, engaged in "intentional wrongdoing."

Neil Ashe, who immediately replaced Bonnie as CEO, thanked his predecessor for his leadership during a conference call to analysts Monday.

"He fostered innovation and excellence. We owe him a permanent debt of gratitude for the vision as well as the industry at large," Ashe said.

CNet said that in the third quarter, its sites averaged 124.5 million unique visitors per month, up 13 percent from the year-ago period. CNet noted that it launched a new food-related Web portal, Chow, during the quarter.

Prudential Agreement With DOJ Signals New Risk For GCs (CORPCOUN)

By Sue Reisinger, Corporate Counsel

Corporate Counsel, October 24, 2006

The price for settling criminal allegations by the government keeps getting higher. In August, Prudential Financial Inc. signed a deal with the U.S. Department of Justice that allows it to avoid prosecution for wrongdoing at a brokerage subsidiary. But prosecutors didn't ask for a corporate monitor, as they typically do in deals of this nature.

Instead, the settlement with Newark, N.J.-based Prudential requires GC Susan Blount to personally design, install, and oversee a complex compliance program. Moreover, Blount must report on the program to federal prosecutors twice a year for the next five years.

Forcing a company to adopt a compliance plan is common in deferred and nonprosecution agreements, several experts say -- but demanding that a GC be held personally accountable is not. In effect, Blount has become an enforcement officer for Michael Sullivan, the U.S. attorney in Boston who oversaw the investigation into the problems at Prudential. Should the compliance program fail, Blount could be held liable by the government, as well as by shareholders.

Why didn't Sullivan take the usual route and appoint a corporate monitor? That move would have "made little sense in this case," Sullivan explains, because Prudential had sold a majority share in the subsidiary that engaged in the wrongdoing. "The [government] did, however, want to make sure that the parent company improved its oversight of its subsidiaries," Sullivan says. He accomplished that by imposing significant duties on GC Blount that cover the entire company.

Blount and Prudential's CEO signed the settlement with the government in late August. The "agreement" is called just that, not a deferred or nonprosecution agreement. The deal ends a three-year probe of Prudential Equity Group by Sullivan's office. The subsidiary admitted in the settlement that some of its Boston-based brokers illegally timed mutual fund trades to benefit big hedge fund clients, to the detriment of long-term investors. PEG says that the trades earned over $57 million in commissions and $100 million in profits for hedge fund clients. Sullivan's office is continuing its investigation into individual brokers, and at least ten have been charged.

The deal also settled actions and investigations by several other state and federal agencies, including the Securities and Exchange Commission. Linda Thomsen, the SEC's director of enforcement, said at a press conference after the settlement was signed that senior officers at Prudential received more than 1,000 e-mails and letters from mutual fund companies complaining about the timing practices. "High-level officers of Prudential were aware of the complaints," she said, "but the company failed to take action to stop the fraud."

Blount, named general counsel in 2005 after 20 years in Prudential's legal department, didn't return calls for comment. A Prudential spokesman also wouldn't comment on the terms of the agreement. Specifically, the agreement requires Blount to make twice-a-year reports to the Prudential board's audit committee "as to the appropriateness and effectiveness of the compliance plan ... [and] to provide the reports to the U.S. attorney in the District of Massachusetts."

Besides those terms, the agreement is extraordinary in several other ways. For one, it represents the first criminal penalties against a company for deceptive market timing. For another, the $600 million in fines and penalties is the largest payment by a single company to resolve market-timing charges. Then there's the unusual length of the agreement. Most deferred and nonprosecution deals run from 12 months to three years, but this one runs a minimum of five years -- the longest found on public record.

In a statement, Prudential CEO Arthur Ryan said simply, "We take these matters very seriously and deeply regret the conduct of some former employees that led to these problems."

U.S. Requests Extradition Of Fugitive Ex-CEO From Namibia (WE/AP)

The Wichita Eagle, October 24, 2006

WINDHOEK, Namibia (AP) - The U.S. has requested the extradition from Namibia of Jacob ``Kobi'' Alexander, accused in the United States of hatching a scheme to pocket millions of dollars by secretly manipulating stock options, the U.S. Embassy spokesman said Monday.

The request was submitted Friday, U.S. Embassy spokesman Ray Castillo said in Windhoek. No date was set for an extradition hearing for the former chief executive of voicemail-software maker Comverse Technology Inc.

Alexander was granted bail by a Namibian court earlier this month on condition that he hand in his passport, stay in the Windhoek district and report twice a week to an Interpol inspector.

Dennis Khama, a Namibian Ministry of Justice official who handles extradition issues, confirmed the U.S. request had been received and said the minister would first have to determine whether it complied with the country's extradition laws. If it does, the minister will then submit the request to a magistrate.

Alexander's lawyer, Richard Metcalfe, was out of the country and unavailable for comment.

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Alexander was arrested Sept. 26 in the Namibian capital, Windhoek, at the request of the FBI after a two-month manhunt. In an affidavit filed with a Namibian court, Alexander said he had entered the country lawfully in July and had been living here openly with his wife and three children.

Alexander, a 54-year-old Israeli citizen, also said he had plans for businesses and investments in this desert country.

It is alleged that from 1991 through 2005, Alexander exercised options and sold stocks worth approximately $150 million, making a $138 million profit, according to a U.S. criminal complaint. Of that, about $6.4 million was generated by backdating options.

The complaint accuses Alexander and two other former top Comverse executives of making stock options more lucrative by backdating their exercise price to a low point in the stock's value. Usually, a stock option's exercise price coincides with the market value at the time of a grant to give the recipient an incentive to drive the price higher.

In addition, the company awarded thousands of stock options to fictional employees, then secretly transferred the awards to an internal account under the name I.M. Fanton, which stood for phantom, U.S. court papers said. The scheme allowed Alexander to award those options to ``favored employees" and to himself without board of directors approval, the papers added.

Comverse Technology is headquartered in Woodbury, New York.

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Fla. Viatical Settlements Co Founder Pleads Guilty (DOW)

By Siobhan Hughes, Of DOW JONES NEWSWIRES

Dow Jones, October 24, 2006

WASHINGTON -(Dow Jones)- A founding partner of a Florida viatical settlements company has pleaded guilty to participating in a massive securities fraud in which investors lost $956 million, federal prosecutors announced on Monday.

Peter Lombardi, one of the founders of Mutual Benefits Corp., was accused of helping orchestrate the fraud from October 1994 through May 2004. He has agreed to be responsible for $956 million in restitution to victims and faces as much as 20 years in prison and a fine of as much as $5 million, according to a press release issued by the U.S. Attorney for the Southern District of Florida.

Jon May, an attorney for Lombardi, could not immediately be reached for comment.

Viatical settlements allow terminally ill people to sell their life insurance policies for an immediate payment. The purchaser of the policy becomes the beneficiary of the policy and makes premium payments, receiving the full life insurance benefit when the terminally ill person dies.

Lombardi was accused of helping direct an international network of sales agents who falsely assured investors by using false projections of how long the insured people would live. The Justice Department said that in fact, most investors have never realized any profit and haven't been able to get their investment back since about 80% of the policies never matured.

The SEC last year reached a separate settlement with Lombardi and two other men, brothers Joel and Leslie Steinger, with whom he ran the company. In that settlement, the Steinger brothers each agreed to give up $9 million in ill- gotten gains and to pay a $500,000 civil penalty. Lombardi agreed to pay $5.88 million in disgorgement and to pay a $120,000 civil penalty.

Grasso Vows Another Appeal In Response To N.Y. Judge's Ruling (LAW)

By Beth Bar, New York Law Journal

New York Law Journal, October 24, 2006

Richard A. Grasso, the ex-New York Stock Exchange chairman, will ask the New York Appellate Division, 1st Department, to review Justice Charles E. Ramos' decision ordering him to repay as much as $100 million in compensation from his former employer.

"Justice Ramos recently wrote that he takes comfort from the fact that the Appellate Division will review his rulings," Grasso said late Thursday. "So do I."

Grasso is being sued by New York Attorney General Eliot Spitzer, who has argued that Grasso's $187.5 million pay package was excessive under the state's not-for-profit law. Spitzer said Friday that he was not surprised by Grasso's decision to appeal the latest decision. "The defendants will continue to do what they have always done -- delay," Spitzer said.

But Grasso attorney Gerson A. Zweifach, a partner at Williams & Connolly, has reportedly said that any delay was Spitzer's fault. Zweifach said the case is at a standstill because the Appellate Division must decide whether it was appropriate for Ramos, in an earlier decision, to order a bench trial over the issue of whether Grasso's pay was reasonable. "The reality is that this case would be mostly done with trial right now had the attorney general not asked the judge to delay the trial and to order a bench trial," Zweifach said.

Four appeals stemming from the case are pending, including one filed by Kenneth Langone, Grasso's co-defendant.

Associated Press reports contributed to this story.

SEC Won't Charge Perle In Hollinger Board Probe (WSJ)

The Wall Street Journal, October 24, 2006

The Securities and Exchange Commission has notified former Defense Department adviser Richard Perle that regulators won't bring charges against him in connection with a case involving his service as a Hollinger International Inc. board member.

Dennis Block, an attorney for Mr. Perle, said his client was notified by the SEC early this month that he wouldn't face charges.

Mr. Perle served on the executive committee of Hollinger International from 1994 to 2003, along with former Hollinger Chairman Conrad Black and former Hollinger Chief Operating Officer David Radler. The SEC filed civil-fraud charges against Messrs. Black and Radler in 2004, accusing them of engaging in undisclosed transactions that benefited them but hurt the newspaper-publishing company.

Mr. Radler has pleaded guilty to participating in a scheme to divert more than $32 million from Hollinger's newspaper-holding company and has agreed to cooperate with prosecutors. Mr. Black was indicted on criminal charges last year and has pleaded not guilty. He is to stand trial next year.

A 2004 report for Hollinger International's board found that Mr. Perle "repeatedly breached his fiduciary duties as a member of the executive committee" by failing to evaluate several consent forms that authorized many of the transactions.

The report said that Mr. Perle "was beholden to Black and other insiders for his compensation," and that he therefore "had a motive to abdicate his fiduciary duties as an Executive Committee member so as to accommodate Black and Radler."

John Nester, an SEC spokesman, declined to comment.

Hollinger International changed its name to Sun-Times Media Group Inc. in July. The company publishes the Chicago Sun-Times and other newspapers and Web sites in the Chicago area. A spokeswoman for the company also declined to comment.

Ex-Delphi Employees Seek Aid (FREEP)

By Jason Roberson, Free Press Business Writer

Detroit Free Press, October 24, 2006

They want insurance to pay legal fees

Former Delphi Corp. CEO J.T. Battenberg III, former CFO Alan Dawes and seven other former Delphi employees who have incurred legal bills linked to a federal investigation of accounting issues, filed a motion in a U.S. bankruptcy court Thursday demanding access to a Delphi insurance policy that could pay their legal expenses.

From Delphi's bankruptcy filing Oct. 8, 2005, through February 2006, most of the former employees racked up more than $147,000 in legal expenses collectively. The costs are related to allegations of violations of federal and state securities laws and the Employee Retirement Income Security Act.

But Delphi general counsel David Sherbin sent individual letters to attorneys of the former employees in February letting them know Delphi would not pay the outstanding balance of legal bills or any future legal fees and related expenses.

"The company has the authority but not the obligation" to pay for certain legal expenses, Sherbin said in a Feb. 21 letter addressed to Dawes' attorney.

A hearing on the motion from the former employees is set for Nov. 30. Delphi spokeswoman Claudia Piccinin declined to comment Monday, saying it would be inappropriate to speak on the matter before the hearing.

Battenberg's attorney, William H. Jeffress Jr. of Baker Botts LLP in Washington, D.C., did not return phone calls seeking comment. An assistant for Dawes' attorney, Elizabeth Baird of O'Melveny & Myers LLP, said she was unavailable for comment.

According to law firm Lowenstein Sandler PC in New York, Delphi's senior executives are accused of:

· Disguising $441 million in financing transactions as sales of inventory or indirect materials.

· Improperly accounting for more than $240 million in transactions with General Motors Corp., its former owner, by deferring expenses that should have been accounted for immediately.

· Improperly accounting for millions of dollars in transactions with service providers, including $68 million in transactions with Electronic Data Systems.

· Overstating the company's pretax income by $14 million in 2002 and by $34 million in 2003 by improperly recording obligations and adjustments before they accrued.

· Improperly accounting for direct materials by understating the value. Delphi's senior executives are accused of instructing subordinates not to record high-dollar supplies as inventory and directing subordinates to delay delivery of inventory.

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In 2004, Delphi bought a directors and officers liability insurance policy from National Union Fire Insurance Co. of Pittsburgh.

As early as the summer of 2004, Delphi disclosed that the Securities and Exchange Commission was investigating the company's accounting practices. On Aug. 8, 2005, Delphi disclosed that the Justice Department and other federal authorities were investigating the company.

Delphi and some former employees also are individual defendants in numerous lawsuits alleging violations of federal and state securities laws and the Employee Retirement Income Security Act. Most of these cases have been consolidated before Judge Gerald Rosen of the U.S. District Court for the eastern district of Michigan.

Ford To Restate Earnings (DEN)

By David Shepardson, Detroit News Washington Bureau

Detroit News, October 24, 2006

Automaker says credit arm's faulty accounting will require recalculating numbers from 2001.

WASHINGTON -- Ford Motor Co. became the latest auto company to admit accounting mistakes Monday when it said it would restate earnings going back to 2001 because its credit arm incorrectly accounted for interest rate and currency derivative swaps.

Ford Motor Credit and many large companies -- especially banks -- use the financial instruments to hedge their bets against changes in currency values or swings in interest rates.

Ford said the restatement would materially improve 2002 results, but would have no effect on the company's cash position.

"Our overall hedging strategy is sound," Ford's Chief Financial Officer Don Leclair said in a conference call Monday as Ford released third-quarter financial results. "We will correct our accounting for these types of derivative instruments. We remain committed to strong internal controls and reporting transparency."

Merrill Lynch analyst John Murphy said in a note to clients Monday that "the restatements add to speculation" that Leclair may soon leave and be replaced by an executive picked by new Ford CEO Alan Mulally.

But Mulally supported Leclair in a written statement provided to The Detroit News.

"I'm absolutely delighted that Don is on the team," Mulally said. "His depth of knowledge of the company and the industry and his determination to help transform Ford Motor Company is extremely helpful to me and to our leadership team."

Many companies used a "shortcut method" to avoid regular review and reporting of the complex financial instruments, said Wesley Smyth, vice president and senior accounting analyst at Moody's Investors Service.

At the time Ford used the derivatives, the company believed it had followed all of the complicated rules related to the shortcut.

"We have reassessed the accounting for these swaps and have determined that they do not meet the requirements for the way we had previously accounted for them," Leclair said. The only way companies lose money is if they chose to terminate an instrument that no longer qualifies for hedge accounting, Moody's said in a March note.

Moody's "views the (earnings) restatements related to the shortcut method as technical misinterpretations of the accounting rule which do not alter the economic substance of the transactions," the note said.

Leclair said the errors were discovered during a routine review of Ford Credit's annual report with the SEC.

Ford will issue its restated earnings early next month when it files its third-quarter report with the Securities and Exchange Commission.

Ford is not alone in making the accounting error. Since 2004, more than 100 companies have restated earnings because of problems with derivative accounting.

In March, Wynn Resorts Limited -- the Las Vegas casino concern -- restated earnings for 2003, 2004 and 2005 for the same reason as Ford. It improved the company's accumulated deficit by approximately $16.2 million and had no effect on cash flow.

Others restating earnings include Bank of America, Citizens Banking Corp. and First Bancorp.

Ford's derivative error comes as auto industry accounting practices are under SEC scrutiny.

In recent years, the SEC has intensely reviewed the accounting practices of several automakers and suppliers, including Delphi Corp., General Motors Corp. and Collins & Aikman, among others.

GM alone has been subpoenaed by the SEC in six separate investigations -- though two are aimed at industrywide practices.

In October 2004, the SEC sought information from GM, Ford and Delphi to determine whether the companies were properly accounting for retiree pension and health care obligations. In September 2005, the SEC subpoenaed DaimlerChrysler AG for records connected to pension obligations for its Chrysler unit.

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Regulatory McCarthyism (WSJ)

By Jonathan Macey

The Wall Street Journal, October 24, 2006

Virtually every month sees some newly warmed-over argument to regulate the $1.2 trillion hedge fund industry. Having failed to stir up sufficient fear that hedge funds are ripping off their investors or are somehow harming the companies in which they invest, the latest complaint is that hedge funds pose a "systemic risk" to the financial markets.

Systemic risk is policy-speak for the danger that some event (such as the collapse of a large number of hedge funds) could spark a financial system breakdown that would include waves of bank failures, the collapse of the stock market, and general panic and chaos. The threat that some economic activity or other poses systemic risk is a favorite of regulators because a putative meltdown is not only a very scary prospect but difficult to disprove. So frightening is this vague notion that regulators are safe in suggesting that even the slightest threat should justify massive regulatory intervention. And better to regulate now, before it is too late, since we cannot know for sure whether a particular activity poses a systemic risk until the event occurs.

In the case of hedge funds, however, the very structure of the industry proves that they do not pose any systemic risk to the economy. Unlike the accounting and investment banking industries, the hedge fund industry is disaggregated and highly diverse. There are more than 10,000 hedge funds -- no two identical. Many, but not all, specialize in equity investments, others in debt and some in foreign exchange trading. Some hedge funds are entirely independent, while others are linked with various financial institutions, including investment banks and mutual funds. Some hedge funds are highly leveraged. Many invest in companies whose stock is heavily traded. Some specialize in owning stocks, others bet on financial downturns by selling short. Moreover, hedge funds, unlike private equity funds and commercial banks, tend to prefer investments with short-term time horizons, so that they have ready access to liquidity.

Precisely because of this enormous diversity, the investment strategies of hedge funds cannot pose systemic risk. From a societal perspective, the economy has a fully diversified portfolio of hedge funds. When some do well, others are bound to do poorly because their investments strategies are in no way correlated.

Cries about the threat of systemic risk from hedge funds first emerged in 1998. A large hedge fund, Long-Term Capital Management, suffered massive losses when the value of Russian debt took a nose dive. The latest uproar came just last month, when it was reported that Amaranth Advisors had lost almost $5 billion on risky investments in natural gas. In both cases, the financial markets continued to operate seamlessly, without a hint that any sort of systemic risk would actually manifest itself.

In addition to their diversity, the secrecy in which hedge funds are able to operate further ensures that such funds will not present systemic risk. Unlike investments by corporate insiders or mutual funds, because hedge funds are unregulated they need not disclose their investment choices to other investors. Some decry this lack of "transparency." However, the ability to operate without disclosure prevents copy-cat investments and other forms of "herding" behavior that might actually generate systemic risk.

The current light regulation, which includes the usual strict prohibition on insider trading, protects the valuable intellectual property interests that hedge funds have in the research that guides their portfolio selections. Thus, from an economic perspective, the absence of hedge-fund regulation both increases wealth by protecting property rights in information, and eliminates systemic risk by preventing other investors from rushing like lemmings to copy the investment strategies developed by hedge fund managers.

Further, unlike mutual funds and corporate insiders, hedge funds, because they are unregulated, can sell stock short, thereby profiting not only when they predict increases in share prices, but also when they are able to predict that shares will drop in value. This, in turn, reduces risk by contributing to the efficiency of the capital markets: The more efficient the markets, the more information we have about which firms are doing well and which are imploding.

Another major distinction between hedge funds and other institutional investors is that some hedge funds take active roles in corporate governance. Hedge funds agitate to remove underperforming CEOs of companies in which they invest. They lobby directors and management to streamline businesses and to return cash to shareholders. This leads me to believe that the big push to regulate hedge funds is done not only in ignorance, but also by vested interest groups who dislike the hedge fund managers' capacity to pressure management to perform. Ultimately, these accusations about systemic risk come from people have their own reasons for pushing for regulation. Bureaucrats seek to expand their own turf; corporate executives want to remain free of the oversight posed by hedge funds. Still, the irresponsible accusation that hedge funds pose a threat of systemic risk is a form of regulatory McCarthyism.

Hedge funds are already thoroughly regulated by market forces. Those that perform well for their investors will flourish. Those that perform poorly will whither. This is the best and only form of regulation that hedge funds require.

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Mr. Macey is a professor at Yale Law School.

CRIMINAL LAW:

U.S. Prosecutors Targeting GOP Lawmakers (AP)

By Lara Jakes Jordan, The Associated Press

AP, October 24, 2006

WASHINGTON -- Public corruption cases brought by Justice Department prosecutors in Washington are on the rise, fueled in part by investigations targeting Republican lawmakers in Congress.

With the Nov. 7 elections looming, prosecutors have moved forward on investigations of three GOP lawmakers in the last month alone. And several Justice Department officials privately hint that even more inquiries _ involving Republicans and Democrats alike _ may be under way.

"We can't look at what party someone is a member of in deciding whether or not to pursue an investigation," Attorney General Alberto Gonzales told reporters last week, calling government corruption prosecution one of his top priorities. "We have to follow the evidence wherever it leads."

Gonzales said there is "no special emphasis" on those cases as the elections approach. But the Justice Department generally tries to keep a low profile on government corruption cases in the months before an election to avoid unfairly influencing voters.

Justice Department data show a 60 percent increase over the last five years in government corruption convictions and settlements by its Washington-based public integrity unit. Prosecutions resulted in 84 convictions and settlements in 2005, the data show, compared to 52 in 2001.

The aggressive pursuit of Republican lawmakers by Bush administration prosecutors is a sign of the independent streak of career attorneys inside the public integrity unit, said Paul F. Rothstein, a legal and government ethics professor at Georgetown Law School.

"A lot of them are nonpolitical _ they do have a taste for rooting out corruption and wrongdoing," Rothstein said. "There are some tensions coming from it. ... It's probably a very delicate and agonizing situation for the political appointees at the top" of the Justice Department.

Investigations by the public integrity unit at Justice headquarters in Washington make up only a sliver of public corruption cases prosecuted nationwide, most of which are handled by U.S. attorneys' offices. Last year, for example, federal prosecutors around the country charged 445 government officials, resulting in 390 convictions.

With only 29 attorneys, the public integrity unit in Washington is small when compared to the 450 government lawyers who prosecute criminal cases in the capital.

The unit's prosecutors generally lead or assist in high-profile corruption or national security cases, including inquiries involving members of Congress or the administration. According to its annual report, the unit had five open investigations _ all of them unidentified _ involving Congress at the end of last year.

The unit has seen an increase "in certain kinds of corruption that gets in newspapers," said one prosecutor who spoke on condition of anonymity because of the sensitive nature of the cases. "Any time you're investigating a member of Congress, it's going to get a lot of attention."

In the last month, the Justice Department has moved forward on inquiries involving two House Republicans: Reps. Mark Foley of Florida and Jim Kolbe of Arizona, both being investigated for possible improper or illegal sexual contact with teenage congressional pages. At the same time, prosecutors stepped up their investigation into whether Rep. Curt Weldon, a Pennsylvania Republican, steered $1 million in contracts to his daughter's lobbying firm.

All three men have denied the charges. Foley resigned shortly after the allegations surfaced, while Kolbe is retiring from the House.

Additionally, three other House Republicans and one GOP senator, as well as two House Democrats have been linked to ongoing Justice Department investigations over the last year. Two other House Republicans _ Reps. Randy "Duke" Cunningham of California and Bob Ney of Ohio _ have pleaded guilty to corruption charges.

Experts say the spike in reported corruption cases is likely caused by one-party control of both the House and Senate. Investigations by the Republican-controlled House Ethics Committee, for example, ground to a near-standstill for more than a year because of partisan squabbles over staff and rules for its inquiries.

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"It's far worse than what we've seen for decades on Capitol Hill," said Craig Holman of the watchdog group Public Citizen. "We've got sex, we've got bribery, we've got lobbyist corruption, earmarking, money laundering. ... The people who are in power become very comfortable with their positions, and they don't think that they can get in trouble for stepping over the line."

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On the Net:

Justice Department: http://www.usdoj.gov/

Police Chiefs To Ask Bush For More Anticrime Funds (WSJ)

By MARK SCHOOFS And ROBERT BLOCK

Wall Street Journal, October 24, 2006

More than a dozen local police chiefs, many under pressure from their communities to control a rise in violence, are meeting with White House budget and policy officials tomorrow to advocate for emergency and long-term funding to fight crime.

The meeting reflects tension between police officials and the Bush administration as the federal government directs more attention -- and finances -- to terrorism prevention over traditional crime-fighting. Federal funding to fight crime has been slashed since 2001, while money for antiterrorism programs has soared.

Some homeland-security outlays, such as money to improve information-sharing among local, state and federal law-enforcement agencies, do help to fight crime. But the lion's share of antiterrorism funding goes to specialized equipment, such as $400,000 antibomb robots and preparation for catastrophic attacks.

"We don't need any more trucks and helicopters," says Timothy Dolan, Minneapolis police chief, echoing the comments of several chiefs who feel they are now sufficiently equipped to handle a terrorist attack but are losing their ability to fight street crime.

Police concerns reflect the complaints made by state emergency managers in the run-up to Hurricane Katrina last year. After the Sept. 11, 2001, attacks, the Federal Emergency Management Agency was required to expand its focus on terrorism while maintaining its mandate to cope with natural disasters -- but wasn't given enough resources to carry out both tasks. Until the 2005 storm, the complaints of emergency experts were largely dismissed by the administration.

Some police have made similar arguments at professional gatherings over the past several months. At a Policing Terrorism Conference in New York in August, 300 police chiefs complained to FBI officials and Attorney General Alberto Gonzalez about having to juggle terrorist-hunting needs with the competing demands of more traditional policing.

"Crime is something people in my community feel every day -- not terrorism," W.H. "Rickey" Ricks, the homeland-security chief for the Orange County Sheriff's Office in Orlando, Fla., told the conference. "We stand or fall as local law enforcement on how we are dealing with crime, not on how we are preparing to stop terrorists."

Chief Ricks's boss, Sheriff Kevin Beary, narrowly won re-election two years ago after his opponent accused him of spending too much time and money on counterterrorism and not enough on dealing with crime in the area.

The pressure on local police is rising because the crime rate is ticking up. Nationwide, 2.3% more violent crimes -- including 3.4% more homicides -- were committed in 2005 than in 2004, according to the Federal Bureau of Investigation's most recent annual analysis. More than 16,000 Americans died in criminal homicides last year. The violence varies from city to city: Chicago and Miami haven't had increases; in Boston, homicides have hit a 10-year high and in Cincinnati a 20-year high, according to local crime statistics analyzed by the Police Executive Research Forum, or PERF, a think tank. "We know we are on the front end of an epidemic of violence," said Chuck Wexler, executive director of PERF. Mr. Wexler says the chiefs will show White House officials the numbers "and say, 'We need help now.' "

The federal budget for fighting crime, which had soared beginning in 1994 when President Clinton and the Republican-led Congress passed legislation to add 100,000 police and to improve policing tactics, has dropped since 2001.

Few chiefs are willing to say that crime is rising because of federal cuts in funding. Many factors influence crime, and the majority of police funding comes from state and local governments.

The budget for the Justice Department's two main pots that fund local crime-fighting -- "State and Local Law Enforcement Assistance" and "Community Oriented Policing Services" -- fell to about $2.5 billion in fiscal year 2006, from about $4.4 billion in 2001, according to figures provided by the department. The White House budget proposal for next year would cut that figure even further, to about $1.5 billion, according to the department's figures. The president's proposal zeroes out an important funding stream: the Byrne Justice Assistance Grants, which were a favorite because they allowed local authorities to decide how to use them.

Deputy Attorney General Paul McNulty says the cuts reflect the increased need to fund homeland security and military defense, and concerns about the budget deficit. According to the administration, the Byrne grants were zeroed out in the president's budget partly "because the crime rate continues to be at its lowest for many years." The administration's

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expectmore.gov Web site says the administration decided against requesting Byrne grants partly because they could be used for a variety of potential local law-enforcement activities rather than a clearly defined purpose -- exactly the flexibility chiefs say they need.

Mr. McNulty will be in charge of a new research effort, announced this month by Mr. Gonzales, to determine causes of the rise in violent crime in order to combat it. Mr. McNulty said the program, called the Initiative for Safer Communities, would examine 15 to 20 cities, including a few where crime hasn't increased, to see what tactics are working. Mr. McNulty said the program wouldn't require additional funds.

Neither Mr. McNulty nor the Office of Management and Budget would say what added funds might be made available.

--Gary Fields contributed to this article.

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House Panel Questions Hastert's Top Aide In Foley Case (USAT)

By Kathy Kiely

USA Today, October 24, 2006

WASHINGTON — House ethics committee members spent more than six hours Monday grilling the top aide to House Speaker Dennis Hastert as the panel continued its investigation into what Republican leaders did when warned about former representative Mark Foley's attentions to teenage congressional pages.

Scott Palmer, who has served as Hastert's chief of staff for more than 20 years, occupied the committee all afternoon. Hastert has said he knew nothing of concerns about Foley's sexual communications with pages — high school students who work as messengers for Congress — until the Florida Republican resigned Sept. 29.

Foley stepped down after being confronted with sexually explicit computer messages and inappropriate e-mails that he allegedly sent to some of the boys.

Kirk Fordham, Foley's former chief of staff, said he alerted Palmer several years ago to his concerns about Foley's friendships with pages. Fordham's lawyer, Timothy Heaphy, said Fordham's warnings could have come as early as 2002. Palmer has denied Fordham's account.

“What Kirk Fordham said did not happen,” Palmer said when the scandal broke.

Palmer's lawyer, Scott Fredericksen, said Palmer's testimony before the panel Monday was “consistent with the position he's taken all along.”

All four House members who are on the ethics subcommittee charged with pursuing the investigation were present for all or part of Palmer's appearance. Only two members are needed to take a sworn deposition, and the lawmakers have been taking turns interrogating witnesses.

On the panel are Chairman Doc Hastings, R-Wash., and Reps. Howard Berman, D-Calif., Judy Biggert, R-Ill., and Stephanie Tubbs Jones, D-Ill.

Hastert has defended his staff, but has said anyone who covered up information about Foley's misbehavior should be fired.

So far, these people have claimed they warned congressional leaders or their staff about Foley:

·Rep. Jim Kolbe, R-Ariz., said he alerted Hastert's staff in 2000 or 2001.

·Fordham said he spoke with the speaker's office in 2002 or 2003.

·Rep. Rodney Alexander, R-La., said he alerted the speaker's office last year and spoke to House Majority Leader John Boehner, R-Ohio, and Rep. Thomas Reynolds, R-N.Y., again this spring.

·Boehner and Reynolds said they brought up Alexander's complaints with Hastert. The speaker said he does not remember the conversation, but does not dispute that it occurred.

After Alexander contacted Hastert's office last year about e-mails that Foley had sent a Louisiana page, Rep. John Shimkus, R-Ill., head of the House Page Board, and former House clerk Jeff Trandahl confronted Foley, who promised to stop.

Shimkus said he did not tell two other page board members, Reps. Dale Kildee, D-Mich., and Shelley Moore Capito, R-W.Va., because the parents of the Louisiana page wanted the matter kept private.

Sally Vastola, a longtime aide to Reynolds, appeared earlier Monday before the committee.

Other major witnesses who have testified include Boehner, Alexander, Fordham and Trandahl. Hastert, R-Ill., also is expected to testify.

Hastert Aide Testifies In Foley Case (NYT)

By Jeff Zeleny

The New York Times, October 24, 2006

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The House ethics committee questioned Speaker J. Dennis Hastert's chief of staff for more than six hours, trying to determine when Republican leaders were first alerted to concerns about Mark Foley's conduct with Congressional pages. The aide, Scott Palmer, declined to comment after emerging from the closed-door session shortly before 8:30 p.m. His lawyer, Scott L. Fredericksen, said Mr. Palmer's sworn testimony was "consistent with the position that he's taken all along." Mr. Foley, a Florida Republican resigned his seat in Congress last month after explicit e-mail he sent to former pages became public. A former aide to Mr. Foley has said he shared his concerns about his boss with Mr. Palmer at least three years ago, but Mr. Palmer has denied that account.

Palmer, Vastola Tell Their Sides (RC)

By Susan Davis

Roll Call, October 24, 2006

The four-member House ethics subcommittee looking into the activities of former Rep. Mark Foley (R-Fla.) heard testimony on Monday from Scott Palmer, chief of staff to Speaker Dennis Hastert (R-Ill.), and Sally Vastola, a top aide to National Republican Congressional Committee Chairman Tom Reynolds (N.Y.), even as the panel is scheduled to hear from Reynolds himself today.

Vastola, executive director of the NRCC, declined to comment following her three hours of testimony. She was accompanied by counsel, Robert Kelner of Covington & Burling, a specialist in election and political law.

At press time, Palmer was still being questioned by the committee after more than three hours of testimony. He made no comment to reporters as he entered the committee room and was accompanied by his attorney, Scott Fredericksen of Foley & Lardner LLP.

Reynolds is set to appear today and it is anticipated that two additional senior aides to Hastert will also appear this week, but Hastert's office has declined to announce the schedule. Mike Stokke, deputy chief of staff, and Ted Van Der Meid, staff counsel, are expected to provide key testimony in the investigation.

Two weeks out from Election Day, the timing of the investigation potentially is seen as most politically damaging for Reynolds, who is facing a tougher-than-expected re-election bid against Democratic candidate Jack Davis, who also tried to unseat Reynolds in 2004. Davis has now sought to make the Foley scandal a central point in the campaign, and Reynolds was forced to go on the air with a TV ad apologizing for the handling of the Foley incident.

Immediately following the Foley revelation, numerous polls showed Reynolds down in his district by as many as 15 points, but recent polls indicated that Reynolds has rebounded and is running closer to a statistical dead heat with Davis. The Republican National Committee has also directed funds to his district to bolster his re-election effort.

Reynolds' public statements have often been at odds with those of Hastert since Foley resigned on Sept. 29. Reynolds said he discussed the initial e-mail exchange with Hastert earlier this year, but Hastert maintains he does not recall such a conversation. That particular e-mail exchange was characterized only as "over-friendly" and was unrelated to a series of sexually explicit online communications that were first revealed last month. It did, however, prompt enough concern to cause officials to ask Foley to cease communication with the former page, at the request of the teenager's parents. The page was sponsored by Rep. Rodney Alexander (R-La.), whose office first brought the e-mails to the attention of senior Hastert aides.

It also was reported shortly after the story broke that tensions were high between the Hastert and Reynolds camps as leadership offices sought to coordinate a timeline of events and a unified message on the Foley matter.

That effort was not particularly successful as Reynolds and Majority Leader John Boehner (Ohio) continued to offer conflicting accounts, as did Kirk Fordham, a now-resigned former top aide to Reynolds. Fordham testified before the ethics panel last week and stated publicly that he informed Palmer as early as 2003 of potentially inappropriate behavior from Foley toward male pages. Palmer denied the account in a online statement and has made no further public comments.

It is unclear if Hastert will be questioned by the ethics committee. Spokesman Ron Bonjean said the Speaker attended a fundraiser for Tennessee Republican David Davis, who is challenging Rep. Bart Gordon (D), on Monday, but said his schedule for the remainder of the week was not available.

Hastert Top Aide Testifies About Foley (AP-Y)

By Larry Margasak

AP, October 24, 2006

The House ethics committee Monday questioned Speaker Dennis Hastert's top aide, a crucial witness in determining whether Hastert's office knew at least three years ago of Rep. Mark Foley's come-ons to male pages.

The closed-door testimony by Hastert chief of staff Scott Palmer could help determine who is telling the truth about when the speaker's office learned of Foley's conduct. Hastert has said it was in the fall of 2005.

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The speaker has a lot riding on the outcome. He has fended off calls for his resignation with statements that his staff acted properly after the 2005 notification, and quickly had a lawmaker and the House chief clerk confront the Florida Republican.

Hastert said he didn't learn about Foley until late September, when the scandal became public and Foley resigned.

The speaker's timeline could be shattered if the committee believes former Foley chief of staff Kirk Fordham, who already has testified before the ethics panel. Fordham has said publicly that he told Palmer about Foley in 2002 or 2003, and subsequently learned that Palmer spoke with Foley on the subject.

"What Kirk Fordham said did not happen," Palmer said weeks ago in his lone public statement on the matter.

Hastert's version, issued as an internal report, said his staff learned in the fall of 2005 that Foley had sent overly friendly e-mails to a former Louisiana page. The report said the staff did not see the texts of the e-mails, which asked about the 16-year-old's birthday and requested a picture.

The report said the speaker's office contacted then-chief clerk Jeff Trandahl, who went to confront Foley with Rep. John Shimkus, R-Ill. and chairman of the board that oversees the page program. They ordered Foley to immediately stop communicating with the youngster.

The report added that nobody in Hastert's office knew, until the messages became public, that Foley also had sent sexually explicit instant messages to other former pages.

Ironically, the internal report did not mention any role played by Palmer, despite his status as Hastert's top assistant.

The speaker has left himself one major escape route, publicly pledging to fire any of his staff members who were found to have covered up knowledge of Foley's conduct.

Hastert also has said he doesn't recall discussing Foley's conduct with Rep. Tom Reynolds, R-N.Y., the House Republican campaign chairman; or Majority Leader John Boehner, R-Ohio, both of whom said they told Hastert about Foley earlier this year.

Boehner testified before the committee last week and Reynolds was expected to be questioned Tuesday.

Before Palmer testified, Reynolds' top political aide, Sally Vastola, appeared before the committee as it began a third week of closed-door testimony. Vastola is executive director of the National Republican Congressional Committee and a longtime top aide to Reynolds.

Vastola's testimony could touch on how Reynolds reacted when learning of problems with Foley's behavior toward pages and with whom Reynolds may have shared the information.

Testimony from Hastert's aides would go a long way toward wrapping up the interviews required for the panel to make its findings, though it's unclear whether the panel will have enough time to issue a report before Election Day.

The committee, evenly divided between the parties, could issue an interim report by Election Day.

For A Top Democrat, Further Climb Seems Out (NYT)

By Mark Mazzetti

The New York Times, October 24, 2006

WASHINGTON, Oct. 23 — Representative Jane Harman has gained national prominence as the top Democrat on the House Intelligence Committee, but even her supporters now concede that she is unlikely to become chairman if her party wins control of the House.

Standing in her way is another California lawmaker, Representative Nancy Pelosi, the Democrats' speaker-in-waiting, who would have the power to pick the leader of each committee. The relationship between the two has soured in recent years over political rivalries and policy disputes, and Congressional officials on both sides of the divide say Ms. Pelosi would most likely look elsewhere to fill the Intelligence Committee's top job.

"To say it is unlikely she will get the job is accurate," said one Democratic Congressional official with knowledge of the party's post-election plans.

The question of Ms. Harman's future reflects in part the struggles the Democrats have encountered in developing an identity on national security issues, which for years have been the party's Achilles' heel.

Ms. Harman, a moderate from Southern California, has been one of the party's most outspoken voices on national security matters since the Sept. 11 attacks. But she has also drawn sharp criticism from more liberal Democrats, including Ms. Pelosi, who have privately said that she has not sufficiently used her position to attack the Bush administration for its prewar intelligence failures on Iraq and for its use of secret programs like the domestic eavesdropping carried out without warrants by the National Security Agency.

Two candidates whom Ms. Pelosi is said to be considering for Intelligence Committee chairman are Representatives Alcee L. Hastings of Florida and Silvestre Reyes of Texas, both of whom currently serve on the panel.

The selection of Mr. Hastings, who is black, would help Ms. Pelosi shore up support from the powerful Congressional Black Caucus. But he has a checkered past, having been impeached and removed from a federal judgeship in 1989 on a bribery

charge. Some Democrats fear that installing him in so sensitive a position would only invite Republican charges of weak Democratic leadership on national security matters.

Ms. Harman, first elected to Congress in 1992, served for six years until she relinquished her seat to run for California governor. After her defeat in that race, senior Congressional Democrats recruited her to run again in 2000 for her old House seat, promising that her seniority privileges would be restored if she won.

She was elected, and since 2003 has been the ranking member of the Intelligence Committee. Her supporters say she had assumed she would ascend to committee chairwoman if Democrats reclaimed the House, until news reports last year that Ms. Pelosi planned to install Mr. Hastings. Ms. Harman has lobbied intensely over the last year, enlisting outside interest groups and wealthy Democratic donors to help convince Ms. Pelosi that she would be the best candidate for the job.

Ms. Pelosi's allies say that she is infuriated by the lobbying effort and that the outside pressure has made her even less likely to consider Ms. Harman.

Ms. Harman's efforts to claim the post have even attracted the attention of investigators. Federal officials said Monday that she was the focus of a year-old F.B.I. inquiry related to the American Israel Public Affairs Committee, or Aipac, a powerful pro-Israel lobbying group. The officials, confirming a Time magazine report, said the bureau had been looking into whether she had made improper promises to the group in exchange for its efforts to lobby Ms. Pelosi on her behalf.

But the officials also said that the accusations had not been proved and that although the inquiry remained open, it was no longer being actively pursued.

"Congresswoman Harman does not know what this is all about," said her lawyer, Theodore B. Olson. "She has no information from the government that she is under an investigation of any sort, and the idea that she should be investigated for being a supporter of Aipac is frightening."

Misdirected Vengeance (WP)

The Washington Post, October 24, 2006

REP. JANE HARMAN (Calif.), the ranking Democrat on the House intelligence committee, took a step last week that she knew would be thermonuclear: Without the assent of the panel's chairman, Rep. Peter Hoekstra (R-Mich.), and in contravention of a previous understanding, she released an unclassified summary of a report about former representative Randy "Duke" Cunningham (R-Calif.). Later that day, in barely disguised retaliation, Mr. Hoekstra suspended a Democratic committee staff member's access to classified documents, ostensibly based on the flimsiest of suspicions that the aide had been involved in the leak of a separate, classified document.

Ms. Harman's unilateral strike violated the bipartisan basis on which the intelligence committees are meant, at least in theory, to operate. But that cannot justify Mr. Hoekstra's malicious and misdirected response, which tarnished a staff member's reputation and was not supported by any evidence. The issue involves the leak of the April 2006 National Intelligence Estimate on terrorism. The Democratic staffer, Laurence Hanauer, received a phone call from an aide to a committee member, Rep. John F. Tierney (D-Mass.), asking about the NIE; Mr. Tierney says he had gotten a call about the document from the New York Times. Mr. Hanauer looked for the document in the committee files and, not finding it, got a copy from the Office of the Director of National Intelligence. Four days later, the New York Times published a story about the NIE. "I cannot assume that this was mere coincidence," Mr. Hoekstra wrote in a letter to Ms. Harman.

But Mr. Hanauer denies any involvement in the leak; he submitted a sworn affidavit to this effect yesterday. He immediately told his bosses after the story was published that he had retrieved the document. The Times had been working on its story for weeks and said it had interviewed "a dozen United States government officials and outside experts" who had seen the report or drafts of it.

Mr. Hoekstra's real motive -- striking back at Ms. Harman -- was made clear later in the letter, when he linked the two releases of information. Rep. Ray LaHood (R-Ill.), the committee vice chairman who had lodged a complaint about Mr. Hanauer weeks before, said he made his letter public to retaliate against Ms. Harman. "If the ranking member wants to play politics," he told Fox News, "there are some of us on the other side that can play politics, and I'm not afraid to do it."

Not afraid, perhaps. But the depth to which he and Mr. Hoekstra are willing to sink in doing so is nothing to be proud of. They should let Mr. Hanauer do his job.

Crooked Builders Hit Storm Victims (USAT)

By Anne Rochell Konigsmark

USA Today, October 24, 2006

NEW ORLEANS — Unlicensed contractors are preying on Gulf Coast residents whose homes were ravaged by Hurricane Katrina and are in dire need of repair, state and FBI officials say.

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“There's not enough skilled labor out there, and it's causing chaos,” says Charles Marceaux, executive director of the Louisiana State Licensing Board for Contractors.

Phony contractors are collecting down payments for work and then disappearing, Marceaux says. One scam involves workmen who take down payments and even drop materials off at work sites, only to return in the night to retrieve the materials and sneak away.

Marceaux said there are an estimated 20,000 licensed contractors in New Orleans alone. Getting an exact tally of how many unlicensed repairmen are operating is impossible, but he estimates that their number exceeds that of legitimate contractors.

Other crooked contractors have told homeowners that they had installed plumbing or electricity in their houses, even though they put nothing behind the walls, Marceaux says.

James Bernazzani, the FBI's special agent in charge in New Orleans, says the federal government will have jurisdiction in many cases because the money the contractors took often comes from federal rebuilding grants.

It's unusual for the FBI to get involved in cases involving relatively small amounts of money, Bernazzani says.

“Before the storm, the threshold for the FBI to take a fraud case was $1 million,” he says. “But we're assuming non-traditional roles down here, and we're trying to be a deterrent.”

The problem could get even worse. The vast majority of residents in Louisiana and Mississippi haven't received their share of $10.2 billion in federal rebuilding grants. Grants can be as high as $150,000. Hurricanes Katrina and Rita destroyed about 300,000 homes along the Gulf Coast.

The Louisiana attorney general's office says it is investigating more than 140 cases of contractor fraud. Many claims, however, are simply too small to be taken on. Under current statutes, a case needs to involve at least $7,500.

Marceaux and others are working to increase penalties. In Mississippi, where the attorney general's office is investigating 264 cases of fraud, a law passed in March reduces the minimum amount necessary for criminal action to $5,000 for a first offense and as low as $1,000 for a second offense.

Among the victims is June Collins, whose New Orleans home was hit by a tree during Katrina. She says a roofer insisted she needed a new roof, and charged her $7,000 to install it.

“There was no hole, and it was not leaking, but I was nervous and in a hurry to fix it,” she says. She later discovered she needed only a minor roof repair. And she found out that the roofer had installed cheaper shingles than those originally on the roof.

Collins, 65, tried to take her case to the attorney general but was turned away since it involved less than $7,500.

“I know it's a small amount of money, but when it's in your pocket, it's a lot,” she says.

Sheriff's Office Says Duncan Acted Alone (AP)

By Nicholas K. Geranios

AP, October 24, 2006

SPOKANE, Wash. - A man who pleaded guilty to murdering three people at a rural Coeur d'Alene, Idaho, home has given law enforcement officers enough information to confirm their conclusion that he acted alone, the Kootenai County, Idaho, sheriff's office said Monday.

Making good on last week's plea agreement with Kootenai County prosecutors, Joseph Edward Duncan III met Friday with investigators.

"In the interview, Duncan gave investigators detailed information that was consistent with the physical evidence that had been collected at the scene of the murders of Brenda and Slade Groene and Mark McKenzie," Sheriff Rocky Barker said in a statement.

Details of Duncan's interview will not be released until after the U.S. Justice Department concludes its case against him, Barker said. The federal government has said it intends to seek the death penalty against Duncan when it charges him in the abduction of two small children from the home and the slaying of one of them. Those charges have not been filed yet.

Kootenai County Prosecutor Bill Douglas and Duncan's public defender, John Adams, were not immediately available for comment Monday.

Last week, Duncan entered his pleas to the May 2005 murders and kidnappings of three people in the home, and also agreed to answer all questions from investigators about the state court case. Friday's interview was conducted as a result of that deal, which some victims' relatives have attacked as too beneficial to Duncan.

Rather than go to trial, the registered sex offender confessed to many of his crimes and agreed to give state and federal prosecutors two chances to win the death penalty against him because of his concern for the welfare of abduction victim Shasta Groene, now 9, Adams has said.

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Duncan, 43, pleaded guilty to three counts of first-degree murder and three counts of first-degree kidnapping.

He was immediately sentenced by 1st District Judge Fred Gibler to life in prison without parole for the kidnappings. But the sentence on the murder counts will be deferred while the federal government brings its charges.

If federal prosecutors fail to win a conviction and death sentence in their case, Duncan will be returned to the state court, where a jury will be impaneled for a death penalty hearing, Douglas said.

Duncan, a native of Tacoma, Wash., has spent most of his adult life in Washington prisons. He was on the run from a child molestation charge in Minnesota when he drove past the Groene home on Interstate 90 east of Coeur d'Alene, spotting Shasta, then 8, and Dylan Groene, 9, playing outside.

He stalked the family for several days, then entered the home the night of May 16, 2005, and bound and fatally bludgeoned the children's mother, Brenda Groene; her fiance, Mark McKenzie; and Groene's 13-year-old son, Slade.

Court documents allege Duncan kidnapped the two youngest children and went into the mountains near St. Regis, Mont., where he sexually abused them for seven weeks before killing Dylan.

Shasta, the sole survivor of the carnage, was rescued when she and Duncan walked into a restaurant in Coeur d'Alene early on the morning of July 2, 2005. Duncan was quoted in court documents as saying he was trying to return the girl to her father.

All of the confessions made by Duncan can be used against him in the federal case.

Duncan is also considered the prime suspect in the slayings of two children near Seattle and one in Southern California in the 1990s.

The state deal became controversial immediately for two reasons: While it saved Shasta from having to testify against Duncan in state court, the girl may still have to face him in federal court.

Also, Duncan was not required to provide to law enforcement officers the password or key to his encrypted personal computer files, which are thought to contain evidence of his criminal activities. He was required to give the password only to a defense lawyer, who is not required to share the contents of the computers with law enforcement.

Meanwhile, Duncan arrived Monday at the Idaho Maximum Security Institution in Kuna. The Idaho Department of Correction transported Duncan under heavy security from the Kootenai County Jail, his home for the past year.

Two Plead Guilty In Coke Secrets Case (WSJ/AP)

The Wall Street Journal, October 24, 2006

ATLANTA -- The two men accused of plotting with a secretary at Coca-Cola Co. to steal trade secrets from the beverage maker and trying to sell them to archrival PepsiCo Inc. each pleaded guilty Monday to one count of conspiracy.

Ibrahim Dimson and Edmund Duhaney entered their pleas in federal court as part of a deal with prosecutors. They both could face up to 10 years in prison and $250,000 fine when they're sentenced Jan. 29.

Former Coke secretary Joya Williams is still scheduled to stand trial starting the week of Nov. 13.

"She is absolutely not pleading," Ms. Williams's attorney, Janice Singer, said immediately after Messrs. Dimson and Duhaney's plea hearing.

During the hearing, Mr. Duhaney told the judge that Ms. Williams contacted him first and wanted to "make things happen," while Mr. Dimson testified that he then was contacted by Mr. Duhaney to try to broker a deal with Pepsi.

Ms. Williams and Messrs. Dimson and Duhaney were indicted July 11 on federal conspiracy charges. The three were accused of stealing new product samples and confidential documents from Atlanta-based Coca-Cola and trying to sell them to Pepsi, which is headquartered in Purchase, N.Y.

The alleged crime was foiled after Pepsi warned Coca-Cola.

The prosecution says a box containing two undisclosed Coca-Cola product samples and other confidential company documents was found in Mr. Duhaney's home during a search on July 5, the day all three were arrested and the same day a $1.5 million transaction was to occur. Documents were also found in Ms. Williams's home.

Coke has declined to reveal which product or products are linked to the samples.

Ms. Williams, who has since been fired as an administrative assistant for Coke's global brand director at its Atlanta headquarters, allegedly took the information from the company and gave it to Messrs. Dimson and Duhaney.

Two Plead Guilty Of Conspiring To Sell Coca-Cola Trade Secrets (AFP-Y)

AFP, October 24, 2006

Two menpleaded guilty in a US court to conspiring to steal and sell Coca-Cola Company trade secrets, the state attorney's office in Atlanta, Georgia said in a statement.

DOJ_NMG_0085665

Ibrahim Dimson, Edmund Duhaney and a former Coca-Cola employee, who has pleaded not guilty, were arrested in July on charges of selling secrets from the Atlanta-based company to soft drink arch-rival PepsiCo.

Each could receive a maximum sentence of 10 years in prison and a fine of up to 250,000 dollars if found guilty.

Dimson and Duhaney admitted they had conspired with former Coca-Cola executive assistant Joya Williams to steal trade secrets and sell them.

The three were arrested after PepsiCo gave its rival a copy of a letter signed "Dirk" in which it was offered "very detailed and confidential information."

Phone records and investigations showed Williams was the alleged source of the information, the state attorney's office said in a statement.

The author of the letter provided an undercover agent of the Federal Bureau of Investigation (FBI) 14 pages of secret Coca-Cola documents, and requested 10,000 dollars in "good faith" money to provide further information. The company said the documents contained highly classified trade secrets.

"I can even provide actual products and packaging of certain products, that no eye has seen, outside of maybe five top execs," Williams allegedly wrote.

An FBI undercover agent met with Dimson, who was posing as "Dirk" in June.

Dimson gave the agent "a brown Armani Exchange bag containing one manila envelope with documents marked 'highly confidential' and one glass bottle with a white label containing a liquid product sample," the statement said.

The undercover agent paid "Dirk" 30,000 dollars and agreed to pay an additional 45,000 dollars after testing the sample.

On June 27, an undercover agent offered to buy the remaining trade secret items for 1.5 million dollars, and on that day Duhaney and Dimson opened a bank account to receive a wire transfer, officials said. The three suspects were arrested later in the day.

Officials said they had videotape from Coca-Cola allegedly showing Williams stuffing documents into bags, and placing what appeared to be a product sample in her personal bag.

Coca-Cola later verified the sample was genuine and is in fact a product being developed by the company, the Justice Department said.

Jury Deliberations Start In Journalist's Killing (WT)

By Gary Emerling

The Washington Times, October 24, 2006

A D.C. Superior Court jury yesterday began deliberations in the trial of a man accused of killing New York Times journalist David E. Rosenbaum.

Percey Jordan Jr., 42, is facing charges including felony murder, conspiracy and credit-card fraud stemming from the death of Mr. Rosenbaum, who was walking outside his home in Northwest Jan. 6 to cure a case of the hiccups when he was attacked and robbed. He died two days later from his injuries.

The 12-member predominantly white jury is made up entirely of women. The panel began deliberating at about 2:15 p.m., and was dismissed by Judge Erik P. Christian at 4:45 p.m. without reaching a verdict.

The trial largely has focused on the testimony of Mr. Jordan's cousin, Michael C. Hamlin, who has pleaded guilty to second-degree murder, robbery and conspiracy charges in the case.

Hamlin, 24, testified that the robbery was Mr. Jordan's idea and that Mr. Jordan struck Mr. Rosenbaum in the head with a hard, plastic pipe.

During closing arguments yesterday, Assistant U.S. Attorney Amanda Haines compared the evidence against Mr. Jordan to "bricks in a wall."

She said surveillance photos and credit-card statements show that Mr. Jordan and his cousin robbed Mr. Rosenbaum and later used his credit cards along with the stolen credit cards of a Silver Spring woman to purchase items at a gas station, drugstore and grocery store. Hamlin testified that he used Mr. Rosenbaum's cards while Mr. Jordan used the woman's cards.

"You have a solid wall of proof," Miss Haines told the jurors. "And the writing is now on the wall for Mr. Jordan."

Miss Haines also argued for the credibility of Hamlin's testimony, which defense lawyer Michael Starr said was selfishly motivated and made up to save himself from serving life in prison.

"They tried to give Michael Hamlin a makeover for this trial, but you can't buy it because it doesn't match up with his actions," Mr. Starr said.

Mr. Starr reminded jurors that Hamlin repeatedly lied to police after he turned himself in and argued that police led him to implicate his cousin in the slaying.

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He also attacked the credibility of prosecution witness John Snowden, a longtime friend of Mr. Jordan who is on parole. Snowden said Mr. Jordan mentioned the crime to him five days after the incident took place.

Mr. Starr said Snowden was motivated to tell the story to police by the possibility of getting reward money.

Deliberations are set to resume at 10 a.m. today.

Judge Allows Hinckley To Continue Visits (WT)

By Jim Mcelhatton

The Washington Times, October 24, 2006

A federal judge yesterday permitted would-be presidential assassin John W. Hinckley Jr. to continue occasional overnight stays at his parents' house in Williamsburg.

However, U.S. District Judge Paul L. Friedman added that Hinckley's siblings may have to take on a greater role supervising him.

"Cutting them off for no good reason would not be therapeutic," Judge Friedman said of the visits.

Citing concerns about the health of Hinckley's parents, government attorneys had hoped to halt the visits until a hearing could be held on the issue. Hinckley's father is in his 80s and his mother just turned 80.

Hinckley, 51, has been a patient at St. Elizabeths Hospital since he was found not guilty by reason of insanity in the 1981 shooting of President Reagan. He said he shot Mr. Reagan to impress actress Jodie Foster.

At the hearing yesterday, Judge Friedman said he plans to revisit the issue of Hinckley's overnight stays once a government psychiatrist submits a written report on Hinckley. The report is expected next Tuesday.

Last year, the judge gave Hinckley the right to make overnight visits to his parents' house. Government attorneys have expressed concerns about the arrangement.

The U.S. Justice Department last month filed documents that said the physical condition of Hinckley's parents "has deteriorated considerably" and that hospital reports "reveal persistent tension within the Hinckley family stemming from this physical deterioration."

Judge Friedman said he may mandate that Hinckley's brother or sister be present during the visits, but won't make any decisions until reading the latest psychiatric report.

Hinckley attorney Barry Levine said his client ultimately should be reintegrated into society.

Mr. Levine argued that requiring Hinckley's brother or his sister to replace Hinckley's father in a custodial role would be difficult because the siblings do not live close to Williamsburg.

Mr. Levine plans to seek an expanded set of conditions for Hinckley, court records show. He declined to explain what additional freedoms Hinckley could receive, but said they would be "life-changing" for Hinckley.

St. Peters Mayor Resigns After Pleading Guilty To Accepting Bribe (KSDK)

KSDK-TV, October 24, 2006

(KSDK) - The City of St. Peters said Monday morning it received a resignation letter from Mayor Shawn Brown.

City administrator Bill Charnisky said he received a letter via FAX that said Brown's resignation was effective as of 10:45 a.m. Monday.

Bruce Holt, president of the St. Peters Board of Aldermen, will serve as acting mayor of St. Peters.

Brown pleaded guilty Friday to a felony charge of soliciting and accepting a bribe.

On August 18, Brown, 34, was indicted on charges of threatening to veto an ordinance authorizing the city to purchase digital red light and speeding enforcement systems from Redflex Traffic Systems, a Scottsdale, Ariz., company, unless the company paid him.

The indictment says the company presented its systems to St. Peters city officials in early 2006. On June 8, the St. Peters Aldermanic Board voted and passed an ordinance which authorized the company to provide traffic enforcements products to the city.

According to FBI Special Agent-in-Charge Roland Corvington, Redflex contacted authorities and aided them in their investigation.

As part of the investigation, Redflex delivered a check for $2,750 to Brown's home as part of the bribery. Neither Redflex representatives nor Brown's attorney would explain why Brown sought that exact amount.

Brown could face up to ten years in prison and/or a fine of $250,000 when he is setenced on January 11.

St. Peters Mayor Steps Down After Admitting Bribery (BVND)

The Belleville News Democrat, October 24, 2006

DOJ_NMG_0085667

ST. PETERS, Mo. - The mayor of the St. Louis suburb St. Peters resigned Monday after admitting in federal court last week that he solicited a bribe in exchange for guaranteeing passage of an ordinance to purchase a speeding enforcement system.

Shawn Brown, 34, submitted a letter of resignation to City Administrator Bill Charnisky on Monday, according to a statement from the city. The resignation was effective at 10:45 a.m., according to the statement.

Brown pleaded guilty Friday to a felony charge of soliciting and accepting a bribe. He could face up to 10 years in prison and a $250,000 fine at sentencing Jan. 11.

Brown was indicted by a federal grand jury in August. He was accused of soliciting and accepting $2,750 from Redflex Traffic Systems Inc.

Brown, elected in 2004, was serving his first term in office. St. Peters, with 51,000 residents, is one of the largest suburban communities in the St. Louis area.

David Hayes, a longtime critic of Brown, told the St. Louis Post-Dispatch that the St. Peters Board of Aldermen would consider impeaching Brown this week if he did not resign.

According to the indictment, Brown threatened to veto an ordinance authorizing the purchase of Redflex's digital red light and speeding enforcement system unless the Scottsdale, Ariz.-based company paid him first.

Redflex officials went to the FBI and cooperated with the agency in delivering a check for $2,750 to Brown's home a week after the mayor signed the ordinance on June 16.

Brown has previously said the money was a campaign contribution.

St. Peters' Mayor Resigns Amidst Bribery Charges (SLBIZ)

St. Louis Business Journal, October 24, 2006

St. Peters Mayor Shawn Brown submitted his resignation Monday, three days after he entered a guilty plea to bribery charges.

In Brown's one-line faxed resignation letter to City Administrator Bill Charnisky, he said: "I, Shawn Brown, on this 23rd day of October at 10:45 a.m., submit my letter of resignation as mayor of St. Peters effective immediately."

Aldermanic President Bruce Holt will serve as interim mayor.

Brown, of 108 Golden Harvest Court in St. Peters, pleaded guilty Friday morning in federal court to one felony count of bribery; soliciting and accepting an improper payment from a prospective vendor to the city.

Brown, 34, was indicted in August on charges he threatening to veto an ordinance authorizing the city to purchase digital red light and speeding enforcement systems unless the vendor, Redflex, of Scottsdale, Ariz., paid him a bribe.

When Brown did not immediately resign his office after submitting his guilty plea, St. Charles County Prosecuting Attorney Jack Banas released a statement saying that he intended to immediately initiate procedures to seek the mayor's removal from office. The city's attorney, Randy Weber with the law firm of Hazelwood & Weber LLC in St. Charles, was advised of Banas' intentions, according to the statement.

Brothel Raids Lead To Arrests Of 10 Men (MCA)

By Lawrence Buser

Memphis Commercial Appeal, October 24, 2006

October 24, 2006 Ten men have been charged with running brothels in Memphis using prostitutes they enticed here from other states and countries, authorities said Monday.

The Hispanic men named in the 15-count federal indictment distributed business cards in the Memphis Latino community to advertise and provided cell phone numbers for the brothels, according to officials.

Advertisement

Those arrested are charged with money laundering, harboring illegal aliens and enticing women to engage in prostitution.

The allegations say the crimes have been ongoing here for more than two years.

The men, including four brothers, were arrested in a multi-agency raid Oct. 13 involving some 150 law-enforcement officers.

"This was a massive undertaking," said FBI Special Agent in Charge My Harrison.

The brothels were located in a half dozen houses or apartments in four locations around Memphis, including one in an apartment at 1717 Steve Way Drive near Sharpe Elementary School in the vicinity of Kimball and Getwell.

The others were at 1104 and 1108 N. Holmes near Jackson; 3685 N. Victory Heights and 3822 E. Victory Heights off Prescott between Winchester and Raines, and 574 E. Cadraca near Summer and Perkins.

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After paying $30 in advance for 15 minutes of activity with the prostitute, customers were given a poker chip or bead to give the prostitute to signify that payment had been made.

U.S. Atty. David Kustoff said the prostitutes mostly were illegal aliens from New York, Illinois, Georgia, Mexico, the Dominican Republic and Colombia.

He said the women are being processed administratively by immigration but are not named in the criminal indictment.

Kustoff declined to comment on how many women were involved or how much money the enterprise had generated.

The defendants, many of whom are related, include Raul Santillan-Leon, Raymundo Flores, Fernando Reyes-Santillan, Ramiro Sanchez-Garcia, Cristobal Flores, Diego Cortes-Barrientos, Rafael Cortes-Barrientos, Eliseo Cortes-Barrientos, Rodolfo Cortes-Barrientos and Martin Moreno.

The defendants are in federal custody and will make an initial court appearance today.

The investigation included U.S. Immigration and Customs Enforcement, Memphis police and the FBI.

Robbers Execute Huge N.E. Philly Bank Robbery (KYW)

KYW-TV, October 24, 2006

(CBS 3) PHILADELPHIA The FBI is investigating a brazen heist in Northeast Philadelphia that is being called one of the biggest bank robberies in the area in years.

Authorities said at least two individuals robbed the PNC Bank located at 11830 Bustleton Avenue in the city's Somerton section early Monday morning.

The early morning 'take over' robbery occurred as the first bank employee arrived at the bank.

The two men, wearing masks and carrying guns, forced their way into the bank as the employee opened the branch.

The first teller was made to open the door for other bank employees as they arrived for work.

During the robbery, the subjects appeared to be communicating with others outside the bank.

The robbers repeatedly warned and threatened the bank employees to fully cooperate and not to activate any alarms.

The suspects were in the bank for 35 minutes, emptying the vault, teller drawers and ATM machines before locking the employees in the vault. There were no injuries.

The substantial, but undisclosed bank loss, is believed to be the largest loss in recent history stolen during a bank robbery.

Anyone with information regarding this robbery should contact the FBI at (215) 418-4000.

Huge Local Bank Robbery Reported (WCAU)

WCAU-TV, October 24, 2006

PHILADELPHIA -- Surveillance Video | Images The FBI is looking for at least two men responsible for what it calls the biggest local bank robbery in recent history.

"The substantial, but undisclosed bank loss is believed to be the largest loss in recent history stolen during a bank robbery," said Jerri Williams, a Special Agent for the bureau's Philadelphia division.

Williams said on Monday afternoon that the robbers hit the PNC Bank on Bustleton Avenue as employees arrived for work on Monday morning.

After taking the first employee at work captive, the robbers held the woman inside the bank as other employees arrived.

Once all the employees were rounded up and held captive, the robbers emptied the entire bank and were in communication with others, the FBI said.

"The robbers were able to empty out the vault, all teller drawers and two ATM machines, before locking all the employees in the bank vault and exiting from the bank," Williams said.

The robbery took about 35 minutes and the robbers left as the bank opened for business at 9 a.m.

But before they left, they locked the employees in the vault.

The two men were dressed in dark hooded sweatshirts and their faces were covered by ski masks.

The two robbers were further described as a Black male and a Hispanic or Black male with a light complexion.

Anyone with information regarding this robbery should contact the FBI at (215) 418-4000.

Bank Heist May Be One Of Philly's Biggest (WPIV)

By Erin O'Hearn And Bob Monek

WPVI-TV, October 24, 2006

"Substantial" Amount of Cash Stolen

SOMERTON - October 23, 2006 - It's being called one of the biggest bank robberies in recent history. At least two bandits pulled off the heist early Monday morning.

The robbery unfolded at the PNC Bank at 11830 Bustleton Avenue shortly after 8:00 a.m.

Authorities described the robbery as a "take over," in which the first employee to arrive at the bank was accosted by two gunmen. They forced their way into the bank.

PNC bank surveillance video shows a masked man forcing several employees into the bank vault. It is one snapshot of a half hour ordeal officials say is Philadelphia's biggest bank heist in at least five or six years.

FBI spokesperson Jerri Williams says the ease at which this robbery was executed indicates the suspects may have staked out the bank for a while, knowing who the employees were and when they arrived at work. "It was well done. They were in there for a total of 35 minutes, which is unheard of," said Williams.

The suspects were armed with silver handguns, dressed in dark-hooded sweatshirts and ski masks.

According to investigators, the bandits made the first employee open the door for other workers as they arrived. The suspects appeared to be communicating with others outside the bank.

The robbers repeatedly warned and threatened the bank employees to fully cooperate, threatening to shoot the employees if anyone activated the alarms.

The bandits emptied the vault, every teller drawer and two ATM machines.

"We're not disclosing the amount but I can tell you it's the largest loss that has occurred," said Williams. "Pretty substantial."

But Action News does know that last year a lone robber took $250,000 from a Nova Savings bank in Center City. Sources tell us the amount taken from the PNC bank was significantly larger.

Before they fled, the robbers locked all of the employees in the vault.

Anyone with information regarding this robbery is asked to contact the FBI at (215) 418-4000.

Organized Robbers Hit Phila. Bank (PHI)

By Stephanie L. Arnold

The Philadelphia Inquirer, October 24, 2006

Two men took employees hostage at gunpoint early yesterday in what FBI officials called the biggest bank robbery in Philadelphia in recent history.

FBI spokeswoman Jerri Williams said that although she could not reveal how much money was taken, it was well over the $250,000 taken in another substantial bank heist two years ago.

Officials said the robbery began shortly after 8 a.m., when two suspects, described as a black male and a Hispanic or black male in dark-hooded sweatshirts and ski masks and carrying silver handguns, rushed a female employee outside the PNC bank at 1180 Bustleton Avenue in the city's Northeast section as she was arriving for work.

Police said the teller was made to open the door for other bank employees as they arrived for work. Williams said that during the robbery the men used hand-held radios to communicate with associates outside the bank.

Williams said the robbers emptied the vault, all teller drawers and two ATM machines before locking about a dozen employees in the vault and leaving the bank.

Williams said the robbery's execution was unusual.

"I can say that the majority of robberies that occur are demand-note robberies by desperate people," Williams said. "They are usually not well planned and definitely not well executed. They took time and thought and this was not a robbery that was based on a desperate need for cash. This was a deliberate, planned robbery."

FBI officials say anyone with information regarding the robbery should contact the FBI at 215-418-4000.

2 Bandits Get Thousands In PNC Bank Heist (PHDN)

By Simone Weichselbaum

Philadelphia Daily News, October 24, 2006

Walkie-talkies, unsuspecting employees, armed and masked thugs and an open vault were the components of one of the biggest bank heists in Philadelphia's recent history yesterday.

Two bandits - wearing dark-hooded sweatshirts and ski masks and armed with silver handguns - made off with as much as $400,000 from the PNC Bank on Bustleton Avenue near Somerton in the Far Northeast, law-enforcement sources said.

The duo stole the cash from the bank's vault, cleaned out all the teller drawers and two ATM machines, agents said.

They locked the frightened employees in the vault and fled.

"It appeared to be a well-planned and executed robbery, and a horrific and terrifying experience for the bank employees," said FBI spokeswoman Jerri Williams.

The employees escaped by unlocking the vault from the inside. No one was hurt during the 35-minute morning "takeover," Williams said.

DOJ_NMG_0085670

The gunmen were still on the lam last night.

The drama began shortly after 8 a.m. when a woman employee inside the bank walked to the front door to unlock it, Williams said.

The robbers pushed their way inside and told the worker to continue to unlock the door for other arriving employees as she normally would, Williams said.

During the heist, the bandits spoke into walkie-talkies, possibly to others watching outside the bank, Williams said.

"That is rare," Williams said of the use of the devices in a holdup.

The pair told the employees not to activate any alarms.

Once they were finished collecting the cash, they ushered the workers into the vault.

The bandits left the bank at 8:47 a.m., Williams said.

After the employees got out of the vault, they called 911, Williams said.

Anyone with information on the incident is asked to call the FBI at 215- 418-4000.

FBI: North Texas Bank Heists Rise 'astronomical' (WFAA)

By Jim Douglas

WFAA-TV, October 24, 2006

As yet another Dallas bank was targeted in a robbery Monday, the FBI has called the number of North Texas banks heisted this year "astronomical."

The Professional Bank in the Lakewood area of Dallas was hit early Monday afternoon. Investigators think the bandit who robbed the bank on Abrams has hit three or four others as well, which might be enough for him to get his own catchy nickname soon.

However, Dallas isn't alone, Fort Worth robberies have almost doubled compared to last year.

"We've never seen a spike in bank robberies to this level," said John Skillestad, FBI supervisor.

Police recently caught three men, the T-shirt bandit, envelope bandit and the backpack bandit, which were all suspected of hitting about 50 banks between the trio of them.

"Overall, numbers are way beyond what we've ever had here in Dallas," Skillestad said.

At this time last year, Dallas County had 35 bank robberies, but the number has more than tripled to 110 this year.

Tarrant County had 30 bank robberies compared to 57 this year. Plano jumped almost 50 percent from 12 to 18.

As for the whole North Texas area, the number jumped from 94 last year to 205 this year.

Dozens of robbers remain on the loose.

"I'm thinking another 40 to 50 people," Skillestad said.

One robber foiled his own heist when he got too greedy and went for one more wad of bills.

"He looked over the counter, saw there was a stack of money in the till [and] told her to give him that stack as well," Skillestad said.

It was that stack that contained a red dye pack that exploded on the robber seconds later.

Agents believe drugs, like meth, are driving the increase. They also said they expect the trend to increase as time heads into the holidays.

But Skillestad said repeat offenders still on the loose are most likely looking to a fate behind bars soon enough.

"An average bank robber does two or three robberies before he or she gets caught," he said.

Hackers Zero In On Online Stock Accounts (WP)

By Ellen Nakashima

The Washington Post, October 24, 2006

Hackers have been breaking into customer accounts at large online brokerages in the United States and making unauthorized trades worth millions of dollars as part of a fast-growing new form of online fraud under investigation by federal authorities.

E-Trade Financial Corp., the nation's fourth-largest online broker, said last week that "concerted rings" in Eastern Europe and Thailand caused their customers $18 million in losses in the third quarter alone.

Another company, TD Ameritrade, the third-largest online broker, also has suffered losses from customer account fraud, but a spokeswoman declined to quantify the amount yesterday. "It is an industry problem," spokeswoman Katrina Becker said. "It does continue to grow."

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Federal regulators cited recent cases in which hackers gained access to customer accounts at several large online brokers and used the customers' funds to buy certain stocks. The hackers appeared to be trying to drive up share prices so they could sell those stocks at a profit, regulators said.

The Securities and Exchange Commission and the FBI are looking into E-Trade's cases, chief executive Mitchell H. Caplan said in an earnings conference call with reporters last week. Spokesmen for the SEC and FBI declined to discuss details of those cases.

Both E-Trade and TD Ameritrade have guaranteed that they will cover their clients' losses, even though they are not required to do so by law. But the problem is growing faster than public awareness of it, federal regulators said, noting that the fraud is fed by the rising use of the Internet for personal finance and the easy availability of snooping software that allows hackers to steal personal account information.

"Although these schemes cleverly combine aspects of securities fraud, identity theft and hacking, what they really boil down to is outright thievery," said John Reed Stark, chief of the Office of Internet Enforcement at the SEC. "In the last couple of months we have seen a marked increase in online brokerage account intrusions."

More than 10 million people have bought or sold investments online in the United States in the last few months, according to Avivah Litan, a securities analyst for the Stamford, Conn.-based Gartner Inc.

The scams typically begin with a hacker obtaining customer passwords and user names, experts said. One way is by placing keystroke-monitoring software on any public computer in a library, hotel business center or airport. With the software, all keystrokes entered on the computer can be recorded and e-mailed anywhere in the world.

Experts said all hackers have to do is wait until anyone types in the Web address of E-Trade, Ameritrade or another online broker, and then watch the next several dozen keystrokes, which are likely to include someone's password and login name.

These emerging Internet stock schemes appear to be new versions of the widely used "pump-and-dump" e-mail scams, in which spammers send out mass e-mails containing bogus news alerts intended to manipulate stock prices.

Stark said perpetrators are breaking into customer accounts and buying shares of thinly traded, microcap securities, also known as penny stocks. The hacker gains access using the customer's user name and password, then liquidates that person's existing stock holdings and uses the proceeds to buy shares in the microcap. The goal, regulators said, is to boost the price of a stock the hacker has already bought at a lower price in another account. The hacker then liquidates the stock and wires the money either to an offshore account or through a series of straw men, or dummy corporations, Stark said. The straw man may not know he is participating in fraud; he may have been told he is helping, say, an offshore business.

The entire operation can take a matter of minutes, or at most, hours.

"The unwitting victim opens the account in the morning and finds he or she owns thousands of shares in a microcap company that they have never heard of," Stark said.

Caplan said E-Trade recently made operational changes and added technology to thwart the criminals. "We've seen that level of fraud in the last three weeks or so reduced to almost zero . . . ," he said in the conference call.

Glen Mathison, a spokesman for Charles Schwab Corp., the largest online broker, said losses due to online identity theft and fraud have not reached "a material level" that would require disclosure to investors. But he added that Schwab also guarantees to reimburse clients for online losses caused by fraud.

Unlike banks, brokerage accounts are not protected by Federal Deposit Insurance Corp. and other federal banking rules that ensure consumers get their money back, so the consumer must rely on the company to cover any losses.

Ameritrade's Becker said the company advises clients to make sure they have good spyware detection software on their computers. Ameritrade's Web site also offers clients free software that helps detect or eliminate snooping programs.

In Canada, the Investment Dealers Association, the self-regulatory arm of Canada's securities industry, is looking into similar scams.

Online financial fraud has grown so serious that the Federal Financial Institutions Examination Council, a government entity that establishes standards for banks, has given U.S. financial institutions until Dec. 31 to tighten security measures for accessing online accounts.

"This thing is so widespread and it has such a significant impact on the industry at large . . . that I think you're going to end up seeing structural changes in the industry," Caplan said.

Feds Probe Hub City's Housing Program (EBHNT)

By Richard Khavkine

East Brunswick (NJ) Home News Tribune, October 24, 2006

NEW BRUNSWICK — The investigation into the city's housing rehabilitation programs has reached the federal level.

DOJ_NMG_0085672

City police investigators have turned over documents detailing agreements and contracts between the city and contractors to the U.S. Attorney's Office in Newark. U.S. Department Housing and Urban Development dollars fund some of New Brunswick's housing-rehab programs.

City spokesman Bill Bray had no comment on whether city officials turned over the documents voluntarily or were compelled to do so. Bray, citing the ongoing nature of the multipronged probe, also would not say when the documents were turned over to federal investigators.

Officials at the U.S. Justice Department, which oversees the U.S. Attorney's Office, could not be reached for comment yesterday. An agent at HUD's Office of the Inspector General said she could not confirm nor deny that agency's involvement in the investigation.

In recent weeks, some city employees have been put on paid administrative leave as a result of the city's investigation and a large part of the rehab home projects have been put on hold.

No additional personnel have been placed on leave since then, Bray said.

The city has so far declined to say how many employees are on leave, identify them or specify which department they work in.

But the rehab programs are run out of the city's Department of Planning, Community and Economic Development and efforts in recent weeks to reach William H. Walker, the director of the rehab programs, and Richard P. Kaplan, the programs' construction inspector, have been unsuccessful. And a person answering the telephone at the city agency earlier this month said they would not be in the office "any time soon."

Program Coordinator Maria Angela Torres, who also was said to be out the office, and two other employees also work in the rehab office.

The rehab programs provide grants and loans of up to $20,000 for qualified residents to upgrade city homes in need of repair, on anything from roofs and gutters to furnaces and sidewalks. After a bidding process, a homeowner is asked to choose a contractor from among as many as five competing bidders. Eight area contractors comprise the rehab program's bidder's list.

The city's HOME program, funded by federal dollars with a budget last year of $242,000, financed repairs to 12 units for residents of moderate or low incomes, said Bray.

Man Awarded $1.1 Million Over BTK Report (WP/AP)

The Washington Post, October 24, 2006

WICHITA -- A jury has ordered a Wichita television station and its news director to pay a man $1.1 million for naming him two years ago as a possible suspect in the BTK serial killings.

Roger Valadez had sought as much as $2 million from Emmis Communications, then-owner of KSNW-TV, and News Director Todd Spessard for the station's coverage of Valadez's arrest on Dec. 1, 2004.

The jury found Friday that KSNW and Spessard defamed Valadez when the station used his name after his home was raided.

"We are pleased," Valadez said after the trial. "The jury found that it was wrong."

BTK -- a self-coined nickname that stands for "bind, torture, kill" -- terrorized Wichita in the 1970s, taunting authorities with anonymous letters, and then resurfaced with new messages in 2004.

The case was finally cracked in late February 2005 with the arrest of Dennis L. Rader, who eventually pleaded guilty to killing 10 people between 1974 and 1991.

Less than three months before Rader's arrest, Valadez had come to the attention of the BTK task force. Police raided his home and took a DNA sample from his mouth.

But Valadez was never charged in connection with the slayings. He was arrested on minor outstanding warrants and released the next day, and his attorney said he was quickly ruled out as a BTK suspect.

In his closing arguments Friday, KSNW lawyer Bernard Rhodes pointed to evidence that he said showed that police considered Valadez a suspect in the BTK killings at the time.

"I am sorry Roger Valadez was a suspect, but the fact is that he was," Rhodes said.

Rhodes said he would appeal the verdict, calling it the "wrong verdict based upon the wrong law."

Police Probe Dumping Of Homeless By L.A. Hospital (LAT)

By Richard Winton And Cara Mia Dimassa, Times Staff Writers

The Los Angeles Times, October 24, 2006

DOJ_NMG_0085673

The LAPD has opened its first criminal investigation into the dumping of homeless people after documenting five cases Sunday in which ambulances dropped off on skid row patients recently discharged from a South Los Angeles hospital. All of the patients told police they did not want to be taken downtown.

LAPD officials, who photographed and videotaped the five alleged dumping cases, called it a major break in their yearlong effort to reduce the number of people left on skid row by hospitals, police departments and other institutions.

Though police have documented other cases of hospitals dropping off recently discharged patients in the district, "this is the most blatant effort yet by a hospital to dump their patients on skid row against their will," LAPD Capt. Andrew Smith said.

Officials at Los Angeles Metropolitan Medical Center strongly denied that they had improperly handled the patients.

Dumping has emerged as a major political issue in Los Angeles, with Mayor Antonio Villaraigosa and other critics saying that the practice exacerbates the ills of a district that already has the largest concentration of homeless people in the West.

Police said they were investigating whether the patients were falsely imprisoned during their transfer and also whether the hospital violated any laws regarding the treatment of patients. The state Legislature recently passed a law aimed at cutting down on dumping across city boundaries, but it won't take effect until January.

Sunday's investigation began about noon, when a Los Angeles Police Department sergeant saw a patient being left in front of the Volunteers of America homeless services center on San Julian Street. He immediately called an LAPD videographer, who over the next few hours recorded four more ambulances arriving at the facility and leaving patients who had been discharged from Los Angeles Metropolitan.

Police also recorded interviews with the patients as well as with James Frailey, a 30-year-old attendant with ProCare, a private ambulance company.

Frailey told police that the hospital had hired his company "on a regular basis" to move discharged patients from the medical center to skid row and that other private ambulance companies also taken patients to the area. He said the hospital appeared to have made "no prior arrangements" for the patient he transported Sunday, according to police records.

One patient the LAPD interviewed on videotape, 62-year-old Marcus Joe Licon, told officers that he "never wanted to go" to skid row and asked that he be dropped off at his son's house. According to LAPD records, Licon said he was at the hospital because of problems with his knee and was released after they gave him "some painkillers and some medication."

John V. Fenton, president and chief executive of Los Angeles Metropolitan Medical Center, denied that his hospital had dumped patients.

Rather, he said, three of the five patients had arrived at the hospital from Volunteers of America or the nearly Lamp Community center. They gave San Julian Street addresses on their admission information, he said.

The other two, he said, had "requested to go to either another skid row facility center or Volunteers of America."

Calling ahead, Fenton said, would not have made a difference because such facilities don't take reservations.

"Why would we go there? With all of the issues, why would we send someone there who did not ask to go there? It is illogical," he said. "We don't just send people back to the streets. It's not what we are about."

But officials at Lamp and Volunteers of America said Monday that they had no record of any of the five patients having been at their facilities either before or after they were dropped off on skid row Sunday.

Moreover, the LAPD said, all five patients had stated in their interviews that they did not want to be left on skid row.

When told of the hospital's explanation, Volunteers of America's Los Angeles group director of homeless services, Jim Howat, said he was baffled.

"Somebody's wires got crossed. It doesn't really make sense to me," he said. "I don't know of anybody [at the center] that has worked with Metropolitan hospital.... We don't have case managers on duty [on Sundays]. It is not a time when we are well-equipped to accept anybody."

Though this is the LAPD's first criminal investigation of dumping, the Los Angeles city attorney's office said it was reviewing other dumping cases against some Los Angeles hospitals to determine whether civil or criminal charges could be filed.

The office also is considering asking a judge for a consent decree involving local hospitals that would establish sanctions for dumping patients.

There is no law against sending patients to skid row after they have been discharged. But the city attorney is looking at whether hospitals that engage in dumping could be penalized for violating the federal Emergency Medical Transfer and Active Labor Act, which requires medical facilities to screen and stabilize all patients and penalizes them for releasing or transferring patients who are medically unstable.

The city attorney also is examining whether hospitals that dump homeless patients can be cited for violating a state law that deals with unfair business practices. The law allows a corporation to be sued for unscrupulous behavior and has been used in the past to prosecute slumlords.

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Jeff Isaacs, chief of the criminal division of the city attorney's office, said hospitals also could face more serious criminal charges if they were found to have forced people to go to skid row.

"If these people are being taken against their will, we are talking about false imprisonment and in some cases elder abuse," Isaacs said.

Shannon Jones, director of patient care at Metropolitan, said that all the patients sent to Volunteers of America on Sunday chose to go there and "were discharged in perfect health."

"We certainly were not dumping patients, nor were these patients being mistreated or placed out into the street," she said. "They didn't have any family that they had mentioned or that was involved in these particular cases."

The LAPD told a different story.

Smith said officers took Licon to his family's home, where his niece told them that she was not notified of his release and didn't understand why he had been taken to Volunteers of America.

Another patient, Johny Williams, 60, told police that he wanted to be taken to a Pasadena convalescent home.

The ambulance driver said he would instead take Williams to skid row, the Pasadena man told police in a videotaped interview. "This is where they dumped me off at."

Williams eventually was taken to Pasadena by a downtown pastor.

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CIVIL LAW:

Medco Settles Federal Fraud Claims For $155 Million (PHI)

By Jane M. Von Bergen

The Philadelphia Inquirer, October 24, 2006

Complaints from two whistle-blowing pharmacists from Las Vegas in 1999 led to a $155 million settlement today of federal fraud claims by the nation's largest mail-order pharmacy business.

Medco Health Solutions Inc. had been accused of destroying and canceling prescriptions, soliciting kickbacks from pharmaceutical companies to favor their drugs, and paying kickbacks to health plans to obtain business.

The settlement, announced by the U.S. Attorney's Office in Philadelphia, also covers a second investigation into how the Franklin Lakes, N.J., company submitted claims to the Medicare program on behalf of its clients.

Pharmacy-benefits-management companies act as middlemen between pharmaceutical companies and health-care plans to negotiate lower drug costs. The U.S. Justice Department has been investigating conflicts of interest in the business for years.

Medco did not admit to any wrongdoing as part of the settlement.

"After nearly seven years of inquiry, these issues end as they began - with no finding of wrongdoing by Medco or any of its people," the company said in a statement. "Our business practices today are widely regarded as setting the standard for our industry."

The settlement requires the company to provide more transparency in its dealings with drug companies and with the government.

That will ultimately benefit the consumer, said James G. Sheehan, the associate U.S. attorney who handled the case.

"When you open your prescription bottle, you should know what's inside," Sheehan said. "What's inside should be what's on the label and in the same quantity. If it is a different drug, you should know it before you open the bottle."

The settlement primarily deals with conduct between 1998 and 2004. In the 1990s, the two whistle-blowing pharmacists, who remain in practice, were working out of Medco's Las Vegas facility when they noticed irregularities in how prescriptions were filled. The irregularities were occurring because of pressure to meet contract-specified deadlines.

"I think they are relieved that it's over," said Marc S. Raspanti, the Philadelphia lawyer who represented the two former Medco pharmacists, George Bradford Hunt and Walter W. Gauger.

"They felt some of the practices, and pressures, and some of the automation was being done to the detriment of the patient," Raspanti said. They are gratified by changes that the process brought to the pharmacy-benefits-management business, he said.

The men and their lawyer will get $20.16 million of the $155 million settlement. Other whistle-blowers include a doctor from northern New Jersey, Joseph Piacentile, and another former Medco employee, Karl S. Schumann. Each will receive payments as part of the settlement.

Medco, with 58 million customers, had a profit of $602 million last year on sales of $37.9 billion.

DOJ_NMG_0085675

Medco Will Pay $155 Million In U.S. Kickback Case (Update1) (BLOOM)

By Robert Schmidt

Bloomberg, October 24, 2006

Oct. 23 (Bloomberg) -- Medco Health Solutions Inc., the biggest U.S. manager of employee prescription drug benefits, agreed to pay $155 million to settle U.S. allegations it accepted kickbacks from pharmaceutical manufacturers and submitted false claims to the government.

The settlement, announced by the Justice Department in Washington, resolves two civil cases and an investigation by the U.S. attorney's office in Philadelphia. The government also accused Medco of paying kickbacks to health plans to help it obtain business.

``Millions of federal employees and Medicare beneficiaries rely on pharmacy benefit managers for their prescription drugs," said Peter Keisler, head of the civil division at the Justice Department, in a statement. ``Hidden financial agreements with drug manufacturers and health plans can influence which drugs patients receive, the price we all pay for drugs and whether pharmacists serve patients with their undivided professional judgment."

Medco, based in Franklin Lakes, New Jersey, said in May it agreed to a tentative deal with the government.

Today's action ``puts things behind us," said Soraya Balzac, a Medco spokeswoman. As part of the agreement, there were no findings of wrongdoing against the company, she added.

Medco manages prescription drug benefits for over 60 million Americans, the Justice Department said. The government complaint alleged that Medco submitted inflated bills for mail-order prescription drug services it provided.

The company also canceled valid prescriptions it couldn't fill on time to avoid paying penalties under its contract and shorted the number of pills it provided, the government complaint said. The company was also accused of sending out drugs other than those prescribed by a physician in order to earn undisclosed rebates from drug manufacturers.

The settlement is the fourth-largest in a health care false claims act case in 2006, according to Taxpayers Against Fraud, a Washington-based group that tracks such suits. The largest, for $900 million, was with Tenet Healthcare Corp.

``I think Medco's getting off cheaply in this one," said Patrick Burns of the taxpayer group. ``What remains to be seen is whether this fine is enough to get them to change their practices."

Medco Settles Charges For $155 Million (UPI)

United Press International, October 24, 2006

WASHINGTON, Oct. 23 (UPI) -- Medco Health Solutions has agreed to settle kickback charges by paying $155 million plus interest, the U.S. Justice Department said Monday.

The Parsippany, N.J., company submitted false claims to the government, solicited and accepted kickbacks from pharmaceutical manufacturers to favor their drugs and paid kickbacks to health plans to obtain business, federal prosecutors said. Medco, the nation's second largest pharmacy benefit management company, manages the prescription drug benefits of over 60 million U.S. residents, including millions of Medicare beneficiaries.

Prosecutors said Medco submitted false claims for mail order prescription drug services it was required by contract to provide to millions of federal employees, retirees and their families under the Federal Employee Health Benefits Program.

"Millions of federal employees and Medicare beneficiaries rely on pharmacy benefit managers for their prescription drugs," said Peter D. Keisler, a top Justice Department official.

"Hidden financial agreements with drug manufacturers and health plans can influence which drugs patients receive, the price we all pay for drugs, and whether pharmacists serve patients with their undivided professional judgment."

Government Defends 1998 Anti-Porn Law (AP)

By Maryclaire Dale, Associated Press Writer

AP, October 24, 2006

PHILADELPHIA (AP) -- Eight years after Congress passed a law aimed at protecting children from online pornography, free speech advocates and Web site publishers argued in federal court Monday that the never-enforced measure is fatally flawed.

Salon.com, Nerve.com and other plaintiffs warned that the 1998 Child Online Protection Act could be used to criminalize such things as sexual health information, erotic literature and news photographs of naked prisoners tortured at Abu Ghraib.

The law, signed by then-President Clinton, says Web site operators must prevent youngsters from seeing material "harmful to children" by demanding proof of age from computer users. It would impose a $50,000 fine and six-month prison term on commercial Web site operators that allow minors to view such content, which is to be defined by "contemporary community standards."

In a trial that opened Monday, the plaintiffs argued that "community standards" is too vague.

"As a parent, I know that what's fine for my daughter may not be appropriate even for some of her friends," testified Joan Walsh, editor in chief of Salon.com.

The law has never been enforced.

The U.S. Supreme Court has twice upheld preliminary injunctions that prevented the government from enforcing the law until a trial to determine the act's constitutionality can be held.

The American Civil Liberties Union, which represents the plaintiffs, argues that filter programs installed in home computers are more effective ways of policing the Internet.

Eric Beane, a government attorney, acknowledged that it is tempting to defer to families on the question of what is appropriate for children, but said the filters used by parents do not work.

"The evidence will show that a shocking amount of pornography slips through to children," Beane said in opening statements.

ACLU attorney Chris Hansen said that the government is essentially arguing that "parents are too stupid to use filters."

In preparing for its defense of the law, the Justice Department sought internal files from search engine companies and Internet service providers on what sorts of things people search the Internet for.

Google Inc. fought one such subpoena, although it primarily cited trade secrets, not privacy issues. A federal judge in California sharply limited the amount of information Google had to surrender.

The nonjury trial in front of Senior U.S. District Judge Lowell A. Reed Jr. is expected to take about a month.

CIVIL RIGHTS:

Civil Action Continues Against City Of Denton (NTD)

By Abel Prado

North Texas Daily, October 24, 2006

Citizens accuse fire department of racism

Citizens of Denton are officially moving forward with legal action against the Denton Fire Department with accusations of racial discrimination through the NAACP and the Justice Department.

More than 26 minorities applied for one of the 15 open positions in the Denton Fire Department in 2006 but none were hired, said Willie Hudspeth, leader of the suit against Denton Fire Department.

Suspicions of racial injustice arose around 1999 when Hudspeth, along with other community members, said the city of Denton hired only one minority, which was the librarian. Seven years later, the number of minorities working for the city is still low, but it is not because of lack of applicants, Hudspeth said.

"This bias is more pronounced in the fire department," Hudspeth said. "They are over-qualified and have all the credentials. At this point I see no reason other than race that explains why these applicants did not get hired."

Several calls to the Denton Fire Administration and Prevention precinct and City Council officials seeking comment were not returned.

Applicants who wish to obtain a position in the Denton Fire Department have to take a Civil Service Exam, which tests a person's academic ability in math and science, his or her physical strength and proficiency in reading, writing, English and other foreign languages.

"The evidence is there," Hudspeth said. "And I hate that it is. As of now we are in contact with the NAACP and the Justice Department. They are each reviewing the case and deciding on a proper course of action. We should hear back from them in the coming days after which appropriate fundraisers will ensue."

Hudspeth claims to have uncovered evidence of an Asian American who scored in the 98th percentile and was not hired. He said he knows of another minority applicant who scored in the 91st percentile and did not get hired.

Several applicants, meanwhile, scored significantly lower than those applicants but were given a post in the department.

"It is my understanding that they could have a solid case," said Danny Garris, whose Utah-based law firm specializes in class action lawsuits and legal matters. "If the charges that Mr. Hudspeth is leveling are true and there are minority applicants who are outscoring those getting hired then there could be a legitimate grievance here. You would think that this situation is a thing of the past but, sadly, it isn't."

Driver Retried In Texas Smuggling Deaths (FINDLAW/AP)

By Juan A. Lozano, Associated Press Writer

DOJ_NMG_0085677

AP, October 24, 2006

(AP) - HOUSTON-A truck driver accused of being responsible for the nation's deadliest human smuggling attempt could again face the death penalty.

Tyrone Williams was convicted last year on 38 counts of transporting illegal immigrants, but the verdict was overturned on appeal. Opening statements were set for Monday in his retrial.

Prosecutors say Williams failed to help the more than 70 illegal immigrants who had been packed into his tractor-trailer in stifling heat in 2003. Nineteen died.

Jury selection in his retrial took more than two weeks because potential jurors were questioned individually about their views of illegal immigration and the death penalty.

Williams, 35, avoided the death sentence in his first trial because the jury couldn't decide whether he was directly responsible for the deaths. The judge removed the death penalty as an option. Prosecutors appealed.

The 5th U.S. Circuit Court of Appeals ordered a new trial and that the previous judge be removed from the case because of the case's "extraordinary history" and the judge's complaints about a crowded docket.

"I'm disappointed because the first jury reached a fair verdict," defense attorney Craig Washington said. "To have to do it again is disheartening. At the end of the day, the result will be the same as the last trial."

Prosecutors are not commenting on the case outside the courtroom. But during a hearing last week, Assistant U.S. Attorney Daniel Rodriguez reiterated the government's contention that Williams was responsible for the immigrants' deaths because he ignored their cries for help and failed to turn on the air conditioning unit on his tractor-trailer.

"This unit could have had a significant, major impact in the survivability of these individuals," Rodriguez said. "If they were caught in time, serious injury could have been prevented."

Williams is the only one of 14 people charged in the case who is facing the death penalty. Seven people have been sentenced to prison, sentencing of three others is pending, charges against two were dismissed and one man is a fugitive.

Men Who Transported Immigrants Sentenced (SAST)

By Jayna Boyle

San Angelo (TX) Standard-Times, October 24, 2006

Two men caught transporting illegal immigrants near San Angelo after a rollover in the spring that killed one of the immigrants have been sentenced in federal court in Lubbock.

Jorge Luis Castro-Garcia was sentenced to 71 months imprisonment, while Jesse Cano received 87 months, according to a Justice Department news release from the Northern District of Texas.

The sentencing was announced Friday.

Castro-Garcia, Cano and co-defendant Agustin Anorga each pleaded guilty in July to one count of transporting illegal immigrants for private financial gain and aiding and abetting. Anorga is scheduled to be sentenced Nov. 3.

The charge against each man carries a possible penalty of as long as 10 years in prison, said Kathy Colvin, public information officer for the Northern District. She said the duration of Castro-Garcia and Cano's sentences was based on presentencing reports and investigations.

According to the news release, Castro-Garcia, a citizen of Mexico lawfully residing in the United States, recruited Cano and Anorga, both U.S. citizens, - Anorga, 20, lives in Cleburne - to transport illegal immigrants for money. The three had been in contact with the 11 to 13 Mexican nationals and picked them up near Del Rio after they had illegally crossed into the United States.

The immigrants were to pay $1,500 each to be taken to Cleburne, according to the release. Cleburne, south of Fort Worth, is about 210 miles east-northeast of San Angelo.

Castro-Garcia, Cano and Anorga drove separate vehicles to pick up the immigrants on March 19. After picking them up, the three men had the immigrants walk around the immigration checkpoint on U.S. Highway 277 near Del Rio to avoid getting caught. They picked up the immigrants after passing through the checkpoint, according to the news release.

Seven people were in Anorga's red Ford Explorer when it crashed on Farm Road 864 in Schleicher County about 8:40 a.m., according to the report filed by the Texas Department of Public Safety in San Angelo. The SUV's right rear tire blew out, causing Anorga to lose control of the vehicle, which rolled over one and a half times, landing on its top and ejecting two people, according to the accident report.

E.J. Martinez Juan Manuel Chavis Reinaga, 18, of Alaquines, Mexico, died in the crash, according to the report. Other immigrants hid in nearby brush, but some were eventually found, the news release stated.

Anorga and Cano tried to aid the injured immigrants and went to a nearby ranch to get help, according to the news release.

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Castro-Garcia went to where the crash occurred but left when law enforcement officers arrived. Cano and Anorga also then left, according to the release.

Cano and Castro-Garcia were later traveling on a small highway near the crash site to avoid getting caught when officers with the Schleicher County Sheriff's Department stopped them, according to the release.

Anorga continued to Cleburne in the vehicle originally driven by Cano. It is unclear when he was picked up by law enforcement officers.

The Explorer that Anorga drove was owned by another Cleburne resident.

According to data collected by the Center for Immigration Studies, in the United States, nearly half of post-2000 immigrants - 3.7 million people - are estimated to be illegal immigrants. Texas is among the states in the country to see the highest increase in immigration in the last decade.

Egyptian Nationals Sentenced For Slavery (UPI)

UPI, October 24, 2006

Two Egyptian nationals received prison sentences Monday for forcing a 10-year-old girl to act as their servant for two years at their California home.

While Amal Ahmed Ewis-abd El Motelib received a 22-month prison sentence for enslaving the young girl at their Orange County home, her now ex-husband Abdel Nasser Youssef Ibrahim was handed a 36-month sentence by the court Monday, the U.S. Justice Department said.

Back in June, the couple had pled guilty to the four counts laid against them regarding their illegal enslavement of the victim through both physical and verbal abuse.

In addition to the their prison sentences, both individuals were ordered to pay the victim more than $70,000, a figure representative of the payment the victim would have received as a legal employee.

"This young victim was robbed of something intensely precious -- her youth," Civil Rights Division Assistant Attorney General Wan J. Kim said.

Feds Ease Limits On Same-Sex Classrooms (AP)

AP, October 24, 2006

WASHINGTON (AP) -- The Bush administration is giving public schools wider latitude to teach boys and girls separately in what is considered the biggest change to coed classrooms in more than three decades.

After a two-year wait, the Education Department was changing rules Tuesday in how it would enforce the Title IX landmark anti-discrimination law. Under the change, which takes effect Nov. 24, local school leaders will have discretion to create same-sex classes for subjects such as math, a grade level or even an entire school.

"Single-sex classes may provide benefits to some students under some circumstances," said Stephanie Monroe, the department's assistant secretary for civil rights. "These regulation changes will make it easier for schools that wish to use single-sex schools to do so where students would benefit."

Education officials initially proposed the rules in early 2004, pointing in part to U.S. research suggesting better student achievement and fewer discipline problems in single-sex classes including math and foreign languages.

After receiving 5,600 public comments, education officials said they were moving forward with the plan with some wording tweaks and assurances from Attorney General Alberto Gonzales that it was legally sound.

Critics who compare the plan to "separate but equal" segregation-era classrooms haven't been so sure.

The National Organization for Women says it creates the risk of breeding second-class citizens. The American Association of University Women has said it would "throw out the most basic legal standards prohibiting sex discrimination in education."

A school board in southeastern Louisiana dropped plans last month to segregate two middle schools by sex after meeting with a federal judge and attorneys for the American Civil Liberties Union, which opposed the plan.

Since current rules began in 1975, single-sex classes have been allowed only in limited cases, such as sex education courses or gym classes involving contact sports.

Under the new rules, schools could separate genders for a variety of subjects if they believed it offered educational benefits, such as promoting greater student comfort or higher attendance. In all cases, enrollment in a single-sex class would be voluntary.

If a school creates a single-sex class, it would not be required to offer the other gender its own similar class, but it would have to offer a coed version of it.

The rules also make it easier to create single-sex schools, as long as the district can demonstrate that it also provides coed schools with "substantially equal" benefits to the excluded sex.

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The changes affect elementary and secondary education, but not colleges. The current ban on single-sex vocational education in both classes and schools at the K-12 level will remain in effect.

The new regulations also require that school districts evaluated their single-sex classes at least every two years to ensure compliance with the Title IX law.

"The department's office for civil rights is responsible for investigating any complaints in discrimination. We take that charge very seriously and will continue to fully investigate any allegation," Monroe said.

Education officials said some districts were interested in single-sex schools but said they don't expect a rush to make wholesale changes. In most cases, local school leaders will probably wait until at least the next semester to ponder moves, they said.

Single-sex classrooms have become more common in recent years. In 1998, only four public schools had them, compared to at least 228 this year, according to the National Association for Single Sex Public Education.

Fight Over Voting Rights Act Expected To Reach High Court (GANNETT)

By Ana Radelat, Gannett News Service

Jackson (MS) Clarion-Ledger/Gannett, October 24, 2006

Challenged provision requires federal approval for election changes

WASHINGTON — A small water district in Austin, Texas, has become the new battleground over the voting rights of minorities.

Bill Ferguson, president of Northwest Austin Municipal Utility District No. 1, said he was approached by a lawyer last year who persuaded him to sue the federal government, challenging a provision of the 1965 Voting Rights Act.

That provision requires jurisdictions with a history of discrimination at the polls to obtain permission from the Justice Department before making any change - no matter how small - in voting procedures.

Civil rights groups say overturning the "preclearance" provision would strip minorities of key protections at the ballot box.

"This is an effort by people who are longstanding enemies of the Voting Rights Act," said Julie Fernandes, an attorney with the Leadership Conference on Civil Rights. "They lost in Congress and are now looking to the courts."

The utility district filed its suit shortly after Congress reauthorized the Voting Rights Act last summer.

The suit is expected to reach the Supreme Court. If the utility district prevails, the country would see the biggest change in voting rights law in more than 40 years.

The preclearance provision affects all or parts of 16 states, mostly Southern, including Mississippi.

Rob McDuff is a Jackson lawyer who testified at a May congressional hearing on the Voting Rights Act. He said "in the end the law is going to be upheld" as is.

AT A GLANCE

A key provision in the Voting Rights Act that requires eight states and dozens of counties and cities in other states to seek Justice Department approval for any electoral changes is being challenged in court.

The "preclearance" provision dates to approval of the Voting Rights Act in 1965 and is aimed at preventing disenfranchisement of minority voters in jurisdictions with a history of discrimination.

Under the provision:

Any electoral change, from changing the look of a ballot to changing the shape of a voting district, "requires proof that the proposed voting change does not deny or abridge the right to vote on account of race, color, or membership in a language minority group."

The Justice Department says more than 15,000 proposed changes are submitted under the act each year.

"We've made a lot of progress in the last few years, but we still have a long way to go to eradicate ... racial discrimination," McDuff said Sunday night. "The preclearance provision still has an important role to play in that struggle."

Supporters of the suit say the preclearance provision is outdated and poses a burden for counties and towns that have long since evolved beyond their discriminatory pasts.

It "makes us look backward," Ferguson said. "This thing should go away, certainly by now."

The Austin utility district was founded in the late 1980s to provide water, sewage and other services to about 1,300 homes and a few building and apartments. It's a diverse community, with many Hispanic, black and Asian families.

Four years ago, the district decided to move its only polling place from a garage to a nearby school.

Because Texas is one of the states affected by the preclearance provision, that wasn't so easy. The district had to pay a lawyer $1,250 to file a letter with the Justice Department and wait two months for permission.

Ferguson said he was persuaded by Austin lawyer Greg Coleman, a former law clerk to Supreme Court Justice Clarence Thomas, to file suit challenging the constitutionality of the preclearance requirement.

The requirement may be just an inconvenience for the utility district, he said, "but if you multiply it by the thousands of municipalities that have to do this, then you're talking about a significant burden."

Conservatives fighting to change the Voting Rights Act say the nation has changed since the law was first approved in 1965, when there were widespread attempts to keep blacks, Hispanics and other minorities from the polls.

"America has moved far past the days of Jim Crow," said Edward Blum, a fellow at the American Enterprise Institute.

Blum, a leader in challenges to the Voting Rights Act, said the preclearance provision has resulted in the creation of majority-black and Hispanic political districts that actually hurt minority political power by creating "segregated racial homelands."

He is confident federal courts will find the preclearance requirement unconstitutional. To bolster that chance, he said, he may seek to file new challenges.

But Nina Perales, an attorney with the Mexican American Legal Defense and Educational Fund, said courts have consistently deemed preclearance constitutional.

Her group and the NAACP Legal Defense Fund joined the legal fray Thursday on behalf of two couples - one Hispanic and one black - who have filed countersuits to the utility board suit.

Those countersuits say victory by the utility board would jeopardize the couples' voting rights in a state with a history of "racially polarizing voting patterns."

Fernandes said there's no need to challenge the Voting Rights Act in court because jurisdictions that can prove they haven't discriminated at the polls for at least 10 years can ask to be exempted from preclearance.

"It's the places that have problems that are complaining the most," she said. Contact Ana Radelat at aradelat@gns.gannett.com.

Embattled OC Candidate Claims Meaning Lost In Translation (AP)

By Peter Prengaman, Associated Press Writer

AP, October 24, 2006

Los Angeles (AP) -- A Republican congressional candidate linked to a threatening mailing targeting Hispanics claims the intent of a letter he did not authorize was lost in translation.

Tan Nguyen, whose campaign headquarters and house have been searched in a widening voting rights probe, told reporters Sunday that the media had poorly translated the Spanish-language letter sent by a campaign manager to 14,000 Hispanic families in Orange County.

Nguyen said the word "emigrado," translated by the media as "immigrant," actually referred to a legal permanent resident, or green card holder.

So, Nguyen's argument went, the sentence warning that immigrants could be jailed or deported for voting referred to green card holders who cannot vote, and not immigrants who have become naturalized U.S. citizens. Only U.S. citizens can vote.

Nguyen declined to say who came up with the idea for the letter or who translated it into Spanish, but argued the controversy amounted to a "debate over translation."

According to Spanish-language experts, and the Royal Spanish Academy dictionary, the word "emigrado" comes from the verb emigrar, which means to emigrate. It's mostly used in the past participle form, for example, "ellos han emigrado de Mexico," or "they have emigrated from Mexico."

The way the letter uses it — "si es emigrado," or "if you are emigrated" — is an awkward construction. But regardless, someone who has emigrated from his or her native country, and is now in a foreign country, is an immigrant.

"The word 'emigrado' in this usage has to mean immigrant. It can't mean anything else," said Roberto Ignacio Diaz, chair of the Spanish and Portuguese department at the University of Southern California.

U.S. Citizenship and Immigration Services, the federal agency charged with issuing immigrant visas, doesn't use the term "emigrado" to refer to any particular immigration status, said agency spokeswoman Marie Sebrechts.

Nguyen, a Vietnamese immigrant who has made illegal immigration a centerpiece of his campaign, is challenging Rep. Loretta Sanchez, a Democrat representing California's 47th Congressional District.

His explanation of the letter, which on Sunday included handing out copies of what he said was the original English text, only created more questions that he declined to answer.

"It's starting to seem a little bit like a circus," said Jose Solario, Santa Ana city councilman and Democratic candidate for the 69th Assembly District seat. Solario, a U.S. citizen whose parents brought him from Mexico as a baby, was one of the thousands receiving the letter.

Among issues raised by the letter is its contention that the government is creating a "new computerized system" to verify the names of "all new registered voters" participating in this election?

DOJ_NMG_0085681

Under the Help America Vote Act, states are revamping their voting systems, but for all registered voters, not just new ones.

The letter also says that "organizations against immigration will be able to request information from this new computer system."

Much voter information can generally be accessed by the public, but there is no way to verify a voter's claimed U.S. citizenship status just by looking at a registration form.

In addition, the letter singles out Mexico, along the way slamming the American voting system.

"Unlike in Mexico, here there is no incentive to vote," it reads.

Then there is the question of the letterhead, which resembles that of the California Coalition for Immigration Reform, a Southern California anti-illegal immigration group that has said it had nothing to do with the mailing.

And who is Sergio Ramirez, the person whose name comes at the end of the letter?

Though Nguyen hasn't been forthcoming with explanations, the investigation has clearly focused on him and his campaign.

"Tan Nguyen has admitted that his campaign is responsible for the letter. The only person suggesting that the letter applies only to illegal immigrants is Tan Nguyen," said Department of Justice spokesman Nathan Barankin.

Associated Press Writers Don Thompson in Sacramento and Gillian Flaccus in Santa Ana contributed to this report.

The Don't Show Me State (WSJ)

The Wall Street Journal, October 24, 2006

People in the good state of Missouri need photo identification to cash a check, board a plane or apply for food stamps. But the state Supreme Court has ruled that a photo ID requirement to vote is too great a burden on the elderly and the poor. Go figure.

Public polls consistently show that an overwhelming majority of Americans -- regardless of age, race, ethnicity or socioeconomic status -- favor voter ID laws. And nearly half of the nation's states have passed them. Yet a string of recent court decisions has blocked their implementation in some places, thus siding with Democrats and liberal special interest groups who would rather turn a blind eye to voter fraud.

A Georgia judge ruled a voter ID law unconstitutional in September. Earlier this month, the Ninth Circuit Court of Appeals blocked enforcement of a similar law in Arizona, only to be unanimously reversed by the U.S. Supreme Court on Friday. (While the Supremes didn't decide on the merits, their willingness to let the ID requirement be enforced in next month's election suggests some encouraging deference to state officials who want to protect the integrity of the ballot.) Also this month, a Seventh Circuit appeals panel heard arguments in a case concerning Indiana's voter ID requirements. And the Michigan Supreme Court will consider a voter ID challenge in November.

Missouri's dispute shows what's at stake and why the laws are under attack. The state passed its new voting requirements in May in response to problems at the polls in 2000 and 2004, and the IDs were made available at no charge. The law was to be implemented over a two-year period, and people who lacked proper identification would be permitted to cast a provisional vote next month.

Despite these good faith efforts to ensure legitimate ballot access, however, opponents charge that photo ID requirements are overly burdensome and tantamount to a poll tax. The Missouri Democratic Party, which challenged the law, said that while the ID itself is free, the underlying documents -- such as a birth certificate -- required to obtain the necessary identification cost money. And state judges were sympathetic to the argument.

In a 6-1 decision striking down the law as a violation of the state constitution, the Missouri Supreme Court said that requiring the "between 3 and 4 percent of Missourians who lack the requisite photo ID" to obtain one for voting purposes "creates a heavy burden on the fundamental right to vote." How so? "Specific Missouri voters testified that to acquire the requisite photo ID, at the very least they will have to incur the costs associated with birth certificates, which in Missouri costs $15."

In his dissenting opinion, Judge Stephen Limbaugh Jr. took issue with the fact that the majority opinion actually played down the existence of vote fraud. "Although the majority agrees that there is some evidence of voter fraud at the voter registration stage, they discount that evidence as if it had no connection with fraud at the polling place," wrote Judge Limbaugh. "But why else does voter registration fraud occur if not to vote persons fraudulently registered?"

That's a good question. And both the majority ruling and the political left duck it. They'd rather equate a $15 nominal fee for a birth certificate with a poll tax, which is as ridiculous as the paternalistic view that senior and minority voters are incapable of meeting simple self-identification requirements that they manage to meet in other contexts every day.

Showing ID is an incidental cost of voting, like having to buy a postage stamp for an absentee ballot, or feed the parking meter when you go to the polling booth. Poll taxes, by contrast, required a person to pay a fee every time he voted and were adopted for racially discriminatory purposes.

DOJ_NMG_0085682

But there's a reason that Democrat partisans are more interested in raising the specter of Jim Crow than in protecting the integrity of the voting process. And here's a clue: While the Missouri Supreme Court was preparing its decision earlier this month, the Kansas City Star and St. Louis Post-Dispatch ran front-page stories about the thousands of fraudulent voter registrations submitted by Acorn, a national left-wing group financed in part by organized labor.

According to the Star, Acorn's voter registration drive generated some 35,000 applications, "but thousands of them appear to be duplicates or contain dubious data." The report went on to note that "[n]ear the top of the fishy list would be a man named Mark who apparently registered seven times over a three-day period using his mother's home address and phone number." Mom told the paper he hadn't lived there in six years.

Acorn and its affiliates have been among the most active and vocal opponents of voter ID laws in Missouri and nationwide. Now we know why.

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http://online.wsj.com/article/SB116165281811601583.html

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ANTITRUST:

IBM Sues Amazon In Patent Dispute (FT)

By Richard Waters In San Francisco

Financial Times, October 24, 2006

IBM mounted a rare legal action against Amazon.com on Monday, accusing it of breaching intellectual property rights that underpin the e-commerce company's fundamental online business model.

The case marks an unusual venture into the courts for Big Blue, which has worked hard to paint itself as a fair and willing licenser of its own intellectual property, rather than an aggressive defender of its industry-leading bank of 40,000 patents.

It also carries an ironic twist for Amazon, since the e-commerce company has itself become notorious in the internet industry for its aggressive defence of so-called business method patents. Its attempt to enforce its "one-click" checkout method in a lawsuit against rival Barnesandnoble.com in 1999 has come to be used as a prime example by critics of the US patent system.

IBM said it had filed two cases in Federal court in the Eastern district of Texas accusing Amazon of breaching five of its patents. The patents cover what it claims are a number of fundamental practices in networking and e-commerce, including the use of hypertext links to make recommendations to a customer, methods of presenting and linking to online adverts, and networking architecture for delivering online content faster.

Given how fundamental the patents are, Amazon has "built much if not all of their business on top of our intellectual property", said John Kelly, IBM's senior vice-president for intellectual property.

An Amazon spokesperson said the company had not yet been served with the lawsuits, and so could not comment.

Mr Kelly said IBM had mounted only two other patent lawsuits this decade and that it had only taken action now after trying for four years to persuade Amazon to take out a licence.

IBM Hits Amazon With E-Commerce Patent Suit (WSJ)

By Charles Forelle And Suein Hwang

The Wall Street Journal, October 24, 2006

International Business Machines Corp. sued Amazon.com Inc., alleging that the giant Internet retailer is infringing on five IBM patents that a company executive calls "seminal" to electronic commerce.

IBM, Armonk, N.Y., filed two suits seeking unspecified damages in U.S. federal courts in Texas, regarded as a jurisdiction friendly to patent holders. The public tussle is unusual for IBM, which has a massive patent portfolio but rarely appears as a plaintiff in patent suits. Instead, IBM prefers negotiating licensing agreements.

IBM'S PATENT PUSH

· IBM Pushes for Open Review of U.S. Patents1

1/10/06

· IBM Hires New Patent Consultant2

5/11/05

· Patent Office Examines Amazon's "One Click" Patent3

5/19/06

John E. Kelly III, IBM's top intellectual-property executive, said IBM has been engaged in a back-and-forth with Seattle-based Amazon since 2002 but that negotiations broke off a few weeks ago.

The suits tap into the long-simmering debate over whether patents on methods of doing business should apply on the Internet, where ideas are easily replicated. Critics say patents smother high-tech innovation by cutting out healthy competition, while proponents say they give companies a reason to invest in new technology without fear that it will be immediately copied.

IBM says the five patents at issue -- including one titled "Ordering Items Using an Electronic Catalogue" -- cover a broad swath of Internet shopping's back-office mechanics, encompassing such things as displaying targeted advertising and recommending items for purchase. The latter is one of Amazon's notable features.

An Amazon spokeswoman said she hadn't seen the complaint and declined to comment.

The patents "do apply fundamentally to most, if not all, of e-commerce," Mr. Kelly said. He added that IBM has signed licensing agreements with "many, many other companies," though he declined to name any. IBM brings in about $1 billion each year from licensing deals.

IBM didn't specify damages in its legal filings, but a company spokesman said damages were "potentially in the hundreds of millions of dollars."

In recent years, IBM has walked a thin line on intellectual property. The company has taken a friendly approach to open-source computer programmers wary of patents, by agreeing to donate intellectual property to their efforts. It has also led a public charge aimed at raising quality and paring back the number of duplicative or overbroad patents granted. At the same time, IBM raked in nearly 3,000 patents last year, and for years it has been the nation's biggest recipient of patents.

Amazon itself was on the other end of a well-known patent lawsuit that also addressed issues of how so-called business-method patents apply to the Internet. In 1999, it received a patent for a "one-click" method of shopping online and sued Barnes & Noble.com Inc., claiming the rival infringed on it. The suit was settled in 2002.

Marc Kaufman, a lawyer at Nixon Peabody LLP who isn't involved in the case, says one point tending to IBM's favor is that some patents "have a rather early date for this type of technology." The electronic-catalog patent, for instance, was issued in 1994. That may make it harder for Amazon to claim the technology was widely in use and hence the patents aren't valid.

Mr. Kaufman says IBM has asserted at least some of the patents against other electronic-commerce players -- he cites one that claims to cover product-recommendation systems and another for displaying advertisements -- and has been successful in securing licensing arrangements. He says he can't name the other companies.

Patent attorneys said IBM's move reflects how valuable patent portfolios generally have become to major corporations. Paul R. Gupta, a partner at Orrick, Herrington & Sutcliffe, said, "We're starting to see an accelerating trend where major companies are suing other major companies."

Shell In $6.9bn Oilsands Move (FT)

By Ed Crooks In London

Financial Times, October 24, 2006

Royal Dutch Shell has delivered a vote of confidence in the potential of Canada's oilsands by offering to buy out the 22 per cent of its Shell Canada subsidiary that it does not already own at a price 22 per cent higher than last Friday's close.

Shell said the purpose of the C$7.7bn ($6.9bn) offer was to continue the simplification of its structure that began with last year's company unification.

Jeroen van der Veer, chief executive, said the deal was an opportunity to integrate Shell Canada fully with its parent company's strategy and operations.

Until now, he said, it had been pursuing the interests of its shareholders, which did not necessarily fit with Royal Dutch Shell's global plans.

The deal will add to Shell's investment in Canadian oilsands, which have this year been hit by concerns over rising costs and the falling price of oil.

Reserves in Alberta are second only to Saudi Arabia's and an increasingly important source of oil for the US. But heavy investment in the region has driven up costs for producers and raised fears over the viability of some projects, particularly if the price of oil falls further.

James Neale, an analyst at Citigroup in London, said: "Shell is, in essence, taking the high commodity price view. It is formulating a strategy based on the implicit view that oil will stay at around its current levels."

Shell has set a target ofproducing 10-15 per cent of its output in "unconventional oil", which includes oilsands and heavy oil, by 2015.

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Shell Canada raised eyebrows this year by offering C$2.4bn for BlackRock Ventures, which is expanding production in the Peace River area. The price amounted to about C$4 a barrel of reserves, compared with the C$1.25 that Total paid last year when it acquired Deer Creek Energy.

Analysts said Shell's confidence in these higher-cost sources of oil could be justified because it was a fully integrated company with its own downstream operations to refinethe oil and market the products.

Bob Fryklund of IHS, a consultancy, said: "Down the value chain from in the ground to in the car, you don't know where most value will come: it can depend on complex fiscal regimes. Companies that don't have an integrated approach are going to be a lot more exposed."

Shell is offering C$40 a share for the minority interest in Shell Canada: a 22 per cent premium to Friday's closing price.

Shell Canada shares rose C$9.41, or 29 per cent, to C$42.22 at midday on the Toronto Stock Exchange. Royal Dutch Shell closed 7p lower at 1,810p.

Oil Sands Are A Hot Commodity (WP)

By Steven Mufson

The Washington Post, October 24, 2006

Royal Dutch Shell PLC yesterday offered to pay $6.8 billion for the outstanding shares of Shell Canada Ltd. and gain a greater stake in Canada's oil sands.

The offer is the latest move by major international oil companies to bolster their positions in Canada's oil sands despite high development costs, environmental challenges and high operating costs.

Shell Canada, which is 78 percent owned by Royal Dutch Shell, operates an oil-sands project in the Athabasca region of northeastern Alberta province.

Shell is already producing more than 100,000 barrels a day of oil from the tar-like sands, and the company's share of production there could grow to 500,000 barrels a day within a decade or so.

John Hofmeister, president of Shell Oil Co., the U.S. subsidiary of Royal Dutch/Shell Group, said in Washington yesterday that the oil sands would be a "great boost" to the company and a "great supply source for the United States." Although many analysts have said that oil sands projects are only profitable if oil prices are more than $30 to $35 a barrel, relatively high by industry standards, Hofmeister said that "the easy oil is running out."

The reserves of Canada's oil sands are second in size only to Saudi Arabia's reserves, but extracting the oil is expensive and messy. The oil sands are sand grains surrounded by bitumen, a form of crude oil with the consistency of molasses. Companies either strip-mine the sands, then heat them to extract crude, or they heat the oil sands in the ground and suck up the crude that runs off. Total production from Canada's oil sands is about 1 million barrels a day and oil companies expect that volume to triple or quadruple over time.

Hofmeister also said that the company would be better able to plan across the U.S.-Canada border. That could become more important in the future, when the company may need to ship oil to U.S. refineries capable of turning the heavy oil sands crude into petroleum products such as gasoline or heating oil.

The acquisition also boosts future oil production for Royal Dutch Shell, which in January 2004 wrote down 40 percent of its oil and gas reserves after an audit revealed booking errors. By the end of 2005, Shell's reserves had declined an additional 3.8 percent. Although the Securities and Exchange Commission does not let companies count oil sands as "proved reserves," they are part of Shell's "probable" reserves and are already producing real barrels.

Other big oil companies are also chasing oil sands projects. ConocoPhillips Co. and EnCana Corp. said this month that they would spend more than $10 billion to increase output from the oil sands, and last year Total SA bought another Canadian oil sands producer for $1.7 billion.

Royal Dutch Shell said it would pay $35.32 a share for Shell Canada, 22 percent more than the closing price of the unit's stock at the end of last week. Shell Canada also refines and markets petroleum products and produces natural gas.

Shell Makes Offer To Buy Out Holders In Canadian Unit (WSJ)

By Chip Cummins

The Wall Street Journal, October 24, 2006

LONDON -- Royal Dutch Shell PLC's $6.84 billion offer to buy out its main Canadian affiliate's minority shareholders, who may hold out for a better deal, will be a major road test for Chief Executive Jeroen van der Veer and his retooled version of the Anglo-Dutch oil company.

DOJ_NMG_0085685

In its first big bid under Mr. van der Veer and new Chairman Jorma Ollila, Shell said it had approached the board of Shell Canada Ltd. with an intention to offer shareholders 40 Canadian dollars (US$35.55) a share for the approximately 22% of the Canadian oil producer that the parent company doesn't own.

The move on Shell Canada, a big player in Canada's booming oil-sands developments, is relatively small potatoes for the global oil industry and for Shell, which last year reported a profit of $25.3 billion. And Shell executives have signed far more-complex deals in volatile, oil-rich regions like Nigeria and Russia. Shell Canada's shareholders could put up a drawn-out fight for more cash, testing negotiators at Shell headquarters in The Hague, Netherlands.

In Toronto trading, Shell Canada shares zoomed higher on the Shell approach, gaining 30%, or C$9.75, to C$42.55, above Shell's offer price. That makes it more likely that Shell will have to bump up its offer if it wants to prevent a drawn-out fight with minority shareholders. Shell officials declined to comment on how they feel investors will react to the offer.

"The offer is full and fair," Mr. van der Veer said in an interview.

Shell has posted a spotty record during the years in North American deal making. In 1985, Shell rankled U.S. shareholders with what many considered a poorly executed deal for full ownership of its main American unit, Shell Oil. Shareholder litigation dragged on for years. In 2001, Shell lost a high-profile auction for U.S. natural-gas producer Barrett Resources Corp. to Williams Cos.

Mr. van der Veer was named to the top post at Shell in 2004 amid a scandal over energy-reserves accounting. He led a shake-up of the company, consolidating its two boards and creating for himself a U.S.-style CEO role. A smooth Shell Canada deal could help persuade shareholders that he has simplified Shell's corporate structure, which critics blamed for slowing down decision-making and obscuring accountability.

It would also be the first big deal under Mr. Ollila, the former Nokia Corp. chief executive brought in to monitor how well Shell executes on its turnaround promises.

Amid high oil prices, Mr. van der Veer has outspent his industry peers investing in promising -- but unconventional and costly -- sources of hydrocarbons. One of Shell's favorite regions for expansion has been Western Canada. The company is a leader among the handful of big oil companies that have increased investment in the country's reserves of heavy oil. The deposits are much harder and more expensive to exploit than conventional oil, but in today's high oil-price environment, they have made economic sense.

Shell asked yesterday that Shell Canada establish a special committee of independent directors to supervise a formal, outside valuation and to review the Shell offer and make a recommendation regarding it. Shell said it might not pursue the offer if it doesn't win the support of the Canadian board. Shell said any offer would be conditioned on obtaining more than 50% of the outstanding shares held by minority shareholders.

Last year, Shell Canada reported net income of C$2.01 billion on revenue of C$14.39 billion.

Write to Chip Cummins at chip.cummins@wsj.com1

Court Sends Back Ruling In Qualcomm Patent Case (WSJ)

The Wall Street Journal, October 24, 2006

Finnish cellphone maker Nokia Corp. won a minor legal victory against Qualcomm Inc. when an appeals court sent back for review a U.S. district court's decision to deny Nokia's motion to stay their patent dispute.

The ruling could potentially delay the legal proceedings if U.S. District Judge Rudi Brewster decides to grant Nokia's motion to stay for further arbitration. In November, Qualcomm sued Nokia for patent infringement despite a patent agreement in place between the two companies.

Qualcomm, of San Diego, dismissed the ruling. "This is a nonsubstantive ruling regarding Nokia's claim," said spokeswoman Emily Kilpatrick. "Nokia is working very hard to delay this case and obstruct with nonsubstantive issues."

Nokia is seeking to have an arbitrator rule on several issues.

Macquarie Bank Makes Hostile Bid For Techem (WSJ)

The Wall Street Journal, October 24, 2006

Australia's Macquarie Bank Ltd., which recently bought U.K. utility Thames Water, unveiled a €1.1 billion ($1.4 billion) hostile bid for German utility-services company Techem AG.

Macquarie, Australia's biggest securities company, said Techem rejected the bid, and Macquarie has approached Techem's shareholders directly. A spokesman for Techem declined to comment on Macquarie's statements, but said several investors have shown interest in the company, citing previous statements by Techem Chief Executive Horst Enzelmüller.

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Martin Stanley, executive director of the Macquarie subsidiary that launched the takeover bid, Macquarie European Infrastructure Fund II, said in a statement that the bank has approached Techem's shareholders directly, offering them the chance to decide on the transaction.

The Australian bank doesn't plan to change the business model of the energy-metering-services provider and doesn't aim to yield synergies from the potential takeover, Mr. Stanley said. He added that Macquarie's interest is based on Techem's good business model and long-term stable cash flow.

Macquarie said its MEIF II unit offered €44 a share for Techem. The bank and its fund already hold a 17% stake in the Eschborn-based company. Macquarie's offer comes after Techem said last week that it would reject a possible approach by financial investors in case of any offer.

Shares in Techem rose 17% to €49.31 on the DAX.

Techem monitors energy and water use for about six million houses and apartments in Germany and elsewhere in Europe. It also provides sales and rentals of water meters, heating-system maintenance and bill collection.

The takeover offer comes a week after a group led by Macquarie won the battle to buy Thames Water from Germany's biggest power company RWE AG for £4.8 billion ($9 billion), excluding debt.

Merrill Buys Boutique Investment Bank (FT)

By James Politi

Financial Times, October 24, 2006

Merrill Lynch on Monday agreed to buy Petrie Parkman, a boutique investment bank specialising in advisory work on oil and gas deals in North America with more than $100m in annual revenues.

The deal represents a big bet by Merrill on the continuation of high energy prices, which have fuelled a string of mergers and acquisitions, stock listings and debt offerings among US exploration and production companies.

Although the terms of the acquisition were not disclosed, David Trone, an analyst at Fox Pitt-Kelton, said he believed Merrill paid between $500m and $600m.

Petrie, which is based in Colorado and employs 26 senior bankers, last month filed with US regulators to seek a stock market listing, making it the latest in a string of boutique banks to pursue an initial public offering.

Its combination with Merrill could become an alternative model for small banks looking at ways to cash in on their recent growth, although one rival on Monday suggested that the cultural fit might not be ideal. “A lot of these guys are there because they don’t fit well in the bulge-bracket firms,” he said.

Tom Petrie, the 61-year old former US Army captain and First Boston oil analyst who has run Petrie since it was founded in 1989 and owns 38 per cent of the company, will become a vice-chairman at Merrill and a member of the Executive Client Coverage Group.

“We look forward to expanding our client coverage and bringing our enhanced capabilities to the marketplace,” said Victor Nesi, head of Americas investment banking at Merrill.

Merrill already has a strong energy trading and commodities business, and some of those products could be sold to Petrie’s investment banking clients.

Merrill has struggled in the US energy and power M&A rankings this year. According to Thomson Financial, it advised on 13 deals worth a total of $9.6bn. This placed it 13th in the league table, below Petrie which worked on 8 deals worth a total of $10.3bn. Last year, Merrill was in 6th place, while Petrie was in 12th place.

Last year, Petrie generated $75m in revenues, making $4m in net income.

Merrill represented itself in the deal, while Keefe Bruyette advised Petrie.

Separately, Keefe Bruyette, the financial services investment bank, set the price range at which it expects to sell shares to the public in an IPO that could value it as highly as $670m. Keefe Bruyette is offering shares at between $19 and $21 each.

'Rambus' Ruling Is A Standards Landmark (NLJ)

By Pamela A. MacLean, The National Law Journal

National Law Journal, October 24, 2006

With a single stroke, the Federal Trade Commission may have restored the value of the handshake and good-faith promise among high-tech competitors, yet opened the doors to potential new litigation.

The commission recently issued a landmark decision -- for the first time holding a company liable for an antitrust violation because it used its patents to subvert the process relied on by thousands of companies to set industry standards for products.

The most mundane items of daily life -- from the size of the electric plug to the specifications for computer memory chips -- are standardized through voluntary, nongovernment groups known as standard-setting organizations (SSO). The engineers who

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meet to establish specifications for new products are encouraged to standardize, both to avoid competitive battles to the death and to satisfy consumer demands that products work together.

Historically, lawyers have had limited roles in SSOs, producing broad agreements to share information that have been vague on future patent obligations.

Then in the 1990s, Rambus Inc. tried to corner the memory chip market by securing key DRAM memory chip patents after it learned what the SSO group would choose as the industry standards. Trust among SSO participants evaporated.

REVERSAL OF FORTUNE

Following years of litigation that went in favor of Rambus, the Federal Trade Commission issued a landmark decision last month that Rambus Inc., a semiconductor technology company, violated antitrust law by secretly securing patents on what it knew would become the industry standard for DRAM memory chips. Rambus, a Los Altos, Calif., memory chip developer, had used the patents to sue for infringement the very companies that adopted the standard. In the Matter of Rambus Inc. (FTC docket 9302).

The FTC antitrust finding against Rambus was a reversal of fortunes for the standard-setting organizations.

What remains unclear in the wake of the FTC's Rambus decision is what the standard-setting organizations will do now with their newfound power.

Two emerging trends would have some SSOs stick with vague promises that members will only seek "reasonable and nondiscriminatory" (RAND) licensing royalties to pay for patents covered in new standards, while others want to negotiate potential licensing fees upfront, before a standard is set, which is known as "ex ante" terms.

"This decision was the first by the FTC imposing antitrust liability on a single company for its conduct in subverting a standard-setting organization," said Sean Royall, former deputy director of the FTC's Bureau of Competition and lead attorney in the case against Rambus. Royall is a co-chairman of Gibson, Dunn & Crutcher's antitrust practice and divides time between the Los Angeles firm's Dallas and Washington offices.

The members of the Joint Electron Device Engineering Council "unknowingly helped create and then walked into an extremely expensive trap laid by Rambus," wrote Andrew Updegrove, an attorney with Boston's Gesmer Updegrove in urging the FTC to hold Rambus liable for antitrust violations. He represented a dozen SSOs in amicus papers.

The role of SSOs is particularly critical in high-tech fields where intellectual property rights are at stake. For JEDEC, it dictated a standard of design for millions of DRAM chips worth billions of dollars in royalties for anyone with design patents.

The groups have no police power to enforce member conduct but have relied on good-faith member pledges or loose agreements to disclose potential patent claims prior to standard setting. Members may also be asked to promise to license patents on a reasonable and nondiscriminatory basis.

UNRESOLVED ISSUES

But the danger of participants in standards groups running afoul of antitrust law by discussing specific patent royalties or how the patent might be licensed creates skittishness about ex ante licensing negotiation.

This is particularly important in some products covered by multiple patents, such as cellphones, that may have photo, video, recording and other capabilities that all may require patent royalty payments.

"A lot of organizations seem reluctant to adopt clear standards regulating IP that covers the standard," said Mark Lemley, a Stanford Law School professor and authority on standard-setting issues.

"Some organizations have expressed worries that they might be liable for antitrust if they agree to royalty rates, although the FTC made clear last year that is not a big problem," Lemley said.

He said: If an organization requires members to agree to license for RAND terms, does that mean any future disputes will be over what is a reasonable price?

"That is a contract fight," Lemley said. "Or is that just an organizational rule and a patent owner still can sue for reasonable royalties? Does the patent owner decide the royalty or is it set by a court?"

"Does the patent owner get to bring tools of patent infringement to bear and seek treble damages ... and attorney fees? That is a much more powerful threat ... rather than to sue for reasonable terms," he said. These are substantial issues not yet addressed by appeals courts, Lemley said.

Royall noted that "[c]ompanies that operate in good faith have nothing to fear. I don't think SSOs need to fear that their routine activities suddenly are going to become subject to antitrust inquiries or government intervention. The Rambus case had extreme facts."

Douglas Melamed, an antitrust attorney in Wilmer Cutler Pickering Hale and Dorr's Washington office who has represented Rambus and other high-tech firms, said that "A lot of people were very surprised by the commission's decision and saw it as far reaching."

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He said standards bodies seem to be requiring members to commit to RAND disclosure. He doesn't believe the Rambus decision affected that trend.

"The whole area of antitrust in standard setting is an area of uncertainty in the law. It is just beginning to be sorted out by the courts and that will continue for a number of years," he said.

Whether standards groups will prefer more general promises to "be reasonable" under RAND terms, rather than more specific fixed terms under ex ante negotiation that hold antitrust risks, Royall could not predict. But he pointed out that the chairman of the FTC "has suggested ex ante discussion is not likely to be per se unlawful."

PUSH FOR EX ANTE

Five big companies, Cisco Systems Inc., Sun Microsystems Inc., International Business Machines Corp., Apple Corp. and Hewlett Packard Co. have been pushing the U.S. Department of Justice to approve ex ante licensing, according to Updegrove.

Gil Ohana, director of antitrust and competition for Cisco, said that his company, along with Sun and H-P, are strong proponents of ex ante licensing so members know upfront the licensing cost of a patent.

"Our hope is that SSOs both improve the rules on patent and patent applications so it is clearer they have to be disclosed, but also on ex ante permission, to encourage or require it when intellectual property is disclosed," he said.

Current SSO rules bar disclosure of licensing terms beyond RAND, which hurts the process, he said.

Ohana said there's a growing consensus among standard-setting participants that "these rules should change to permit patentees to state the terms on which they will license their patents in detail before a standard is adopted."

He urged government antitrust enforcers to publicly reject the view that SSOs must limit disclosure of terms to RAND to protect themselves.

He pointed to the recent New Jersey antitrust suit by Broadcom Corp. against Qualcomm Inc., two wireless communications companies. Qualcomm argued that it made a RAND commitment for patents in its standard-setting group but that did not prevent it from charging what the market would bear for patents, he said.

U.S. District Judge Mary L. Cooper threw out Broadcom's federal antitrust claims but held that remaining state law unfair competition and breach of contract claims could be pursued in state court. Broadcom v. Qualcomm, No. C05-3350MLC (D.N.J.).

"What this means in my view, if a company is relying on RAND commitment to indicate a patent will be available on favorable terms, that may not be right. You need to get something more explicit," Ohana said.

The Rambus decision means there may be a duty of good faith on the part of a patent holder, even if it strictly complies with an organization's disclosure rules, he said. "There has already been an uptick in the assertion of defenses [to patent infringement claims] on this theory," he said.

Royall noted, "I would advise companies to be careful of what is expected of them in standards organizations. To the extent there are unwritten expectations, don't participate in standard-setting activity unless you are prepared to do what is required."

2 Groups Challenge Easing Of Media Rules (FINDLAW/AP)

By Hope Yen, Associated Press Writer

AP, October 24, 2006

(AP) - WASHINGTON-Easing government rules to allow more media consolidation would push out niche radio programming such as classical, jazz and gospel music while doing little to improve local TV coverage, new studies say.

Reports released Monday by two public interest groups, the Benton Foundation and the Social Science Research Council, challenged the Federal Communications Commission's argument that media consolidation would improve local coverage and programming due to synergy effects.

The FCC is reviewing the issue following a failed 2003 attempt to loosen media ownership restrictions.

"These studies make clear that there is no support for the contention that media consolidation correlates with better, more local or more diverse media content," said Gloria Tristani, a former FCC commissioner and president of the Benton Foundation.

The FCC in June reopened the hotly disputed issue of ownership limits, including the number of radio and television stations that one owner can have and restrictions on cross-ownership between newspapers and broadcasters.

Former FCC Chairman Michael Powell pushed through loosened rules in 2003, but a federal appeals court threw them out on grounds that the FCC compiled an insufficient record to justify them.

The 2003 changes would have let one corporation own - in a single community - up to three TV stations, eight radio stations, the cable system, the only daily newspaper and the biggest Internet provider, according to Democratic commissioners who opposed the plan.

According to the studies released Monday:

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-A radio company that owns more stations in a local market was less likely to offer niche formats such as easy listening, bluegrass, tejano and classical music, despite the company's greater opportunities, given its size, to do so.

-Cross-owned TV stations were more likely to offer local news, in part because larger news stations were usually the ones targeted for acquisition by newspapers. But when factoring out market size, the cross-owned ones did not provide more news than other stations in the local news business.

-Media ownership opportunities for women and minority groups remained limited. Of the 12,844 radio and television stations that filed reports with the FCC in 2005, women own 3.4 percent and minorities own 3.6 percent.

Many of the broadcast television networks and large media companies including the Tribune Co., Gannett Co. and the New York Times Co. have supported loosened rules, saying current restrictions are outmoded in a digital age in which consumers also have the Internet and cable TV to choose from.

The FCC has scheduled several hearings and allowed 120 days for public comment, which expires Monday. Current FCC Chairman Kevin Martin has supported eliminating the three-decade-old flat ban on cross-ownership.

The fate of media ownership proposals could be determined in part by the November congressional elections.

A switch to Democratic control in the House would likely hamper any attempts to let media conglomerates own more TV stations. In the Senate, Democrats such as John Kerry of Massachusetts and Barack Obama of Illinois - two possible 2008 presidential contenders - have called on the agency to consider diversity when reviewing ownership rules.

The FCC and its staff declined to predict how long the review process will take. The agency held its first public hearing in Los Angeles earlier this month.

On the Net:

The reports can be found at:

http://www.ssrc.org/programs/media/publications/MediaOwnershipReport.pdf

Federal Communications Commission: http://www.fcc.gov/

Crossed Lines Bitter Battle By Telecom Titans In Europe Heads To U.S. Courts (WSJ)

By Leila Abboud And Mike Esterl

The Wall Street Journal, October 24, 2006

Vivendi, Stymied in Poland By Deutsche Telekom, Files a RICO Lawsuit Wealthy Partner Shifts Sides

On a cold afternoon in March of last year, security guards stormed the Warsaw offices of Polish mobile-phone firm Polska Telefonia Cyfrowa Sp. z o.o. The guards, armed with pistols, rounded up three top executives from French media giant Vivendi SA, a part-owner of the Polish company, and pushed them into the street. When one Vivendi manager locked himself in his office, the guards broke down the door.

"It was complete chaos. It was like a siege," says Philippe Houdouin, Vivendi's top official in Poland, who witnessed the events from the sidewalk after rushing to the scene. Mr. Houdouin says that back at his own office elsewhere in Warsaw, he had to protect a stack of documents with his body when the guards sought to cart them away.

For Vivendi, it was a disastrous turn in what so far has been a losing seven-year battle to recoup a major investment in Poland. Vivendi executives haven't been able to get back into their offices at the Warsaw cellphone firm, known as PTC, since last year's raid. Their former business partners in Poland have turned into enemies. And despite some 50 court cases in several European countries, Vivendi hasn't been able to recover a trace of the $2.5 billion it has put into PTC over the years.

Vivendi now is upping the legal stakes. Yesterday it filed suit in U.S. District Court in Seattle against its two rivals for control of the Polish investment: German telephone giant Deutsche Telekom AG and a wealthy Polish investor named Zygmunt Solorz-Zak. Vivendi filed the civil suit under the U.S. RICO law, originally designed to nab gangsters, accusing the defendants of conspiring to seize control of the Polish cellphone company by stealing Vivendi's stake in it. The suit asks for $7.5 billion in damages, or three times Vivendi's investment, because RICO -- the Racketeer Influenced and Corrupt Organizations law -- permits a tripling of damages.

The battle shows how hotly contested the world's telecom markets have been for Western phone giants, as their fortunes weaken at home. The fight is especially important for Vivendi as it tries to shake off the vestiges of a troubled past under a former chief executive, Jean-Marie Messier, who launched an ill-fated $100 billion acquisition spree. The acquisitions turned the French environmental and water company into the telecom and entertainment business it is now. Along the way, Vivendi owned Universal Studios before selling it to General Electric Co. in 2002.

Over the years, Vivendi has tried to sell, litigate and negotiate its way out of the mess in Poland, to no avail. If Vivendi can reclaim what it says is its rightful share of the Polish mobile-phone company or recover some of its investment, it could further its

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international expansion plans. But losing would deal Vivendi a major blow, ceding one of Europe's fastest-growing markets to a competitor.

"We can't let improper behavior take over a legitimate business and defy legal principles," says Chief Executive Jean-Bernard Lévy. "Two billion euros went out of the Vivendi door. They have to come back in."

A spokesman for Deutsche Telekom, speaking shortly before the suit was filed, said any allegation that the German company acted outside the law was "absurd." The spokesman, Andreas Leigers, accused Vivendi of "slanderous" actions and maintained that numerous court rulings hold that Deutsche Telekom is the rightful owner of the Polish cellphone company. Asked about the suit after it was filed late yesterday, Mr. Leigers said he hadn't seen the filing and couldn't immediately comment on it.

Mr. Solorz-Zak wasn't available to respond to Vivendi's allegations, said a spokeswoman for Elektrim SA, a Polish holding company that he controls. The spokeswoman, Ewa Bojar, said Vivendi "disregards, ignores and distorts" court rulings that have gone against it in the long-running legal battle.

Vivendi got wind of an opportunity in Poland in 1999. Elektrim, the Polish conglomerate now controlled by Mr. Solorz-Zak, held 37% of PTC. It needed cash to buy out some minority shareholders and increase its stake. Vivendi offered to invest €1.8 billion in a company that it and Elektrim would jointly own. The joint venture would control 51% of PTC shares.

Vivendi had high hopes for the Polish market. It "was still very underdeveloped," says Mr. Houdouin. Poland was to be one of the pillars of Vivendi's push abroad.

Deutsche Telekom already owned 22.5% of PTC. The German company was making an aggressive bet on Poland, and it soon bought out minority shareholders to double its stake to just under 50%. Vivendi's entrance represented a threat, and Deutsche Telekom tried to stop the French firm.

Deutsche Telekom argued that under a longstanding shareholder pact, Elektrim couldn't bring in a new partner without the unanimous approval of PTC's supervisory board. It also maintained that Elektrim's misstep triggered a right that Deutsche Telekom had to acquire Elektrim's stake in PTC at book value. That would give Deutsche Telekom control of the Polish company.

The parties took the dispute to an arbitrator in Vienna. Meanwhile, PTC was run by a CEO and two other executives chosen by Vivendi and Elektrim, as well as by two executives named by the Germans. On PTC's board were four members each from the Deutsche Telekom and the Elektrim-Vivendi sides plus an independent.

Mr. Houdouin recalls the period fondly: "PTC was doing very well. We focused on ... marketing innovation and growth. My job was to make the company as profitable and valuable as possible." But by 2003, he says, "we could see that things were changing."

Elektrim had been taken over by Mr. Solorz-Zak. One of Poland's richest men, Mr. Solorz-Zak had begun as an importer. After the communist era ended in Poland in 1989, he started what became Poland's biggest private television channel, Polsat, giving him wide influence.

PTC's Polish, French and German managers began to bicker. Vivendi blames Mr. Solorz-Zak for the tension, saying that after he joined PTC's supervisory board, tussles over strategy, refinancing and the distribution of dividends followed. "Our life in PTC became hell. Every decision was hostile," Mr. Houdouin says.

In early 2004, Mr. Solorz-Zak fired the law firm that represented Vivendi and Elektrim in the Vienna arbitration against Deutsche Telekom. He hired his own lawyers instead. A month later, he sent a terse letter informing Vivendi that he considered the joint-venture pact that Vivendi and Elektrim had signed in 1999 to be void.

Vivendi was perplexed. At first, "we just thought he wanted more money," says Bruno Curis, a lawyer for Vivendi, noting that Elektrim was under pressure from its bondholders. But Vivendi took the letter as a clear sign its Poland investment was in trouble and decided to cut the cord. It began negotiations toward a settlement with Deutsche Telekom.

In mid-2004, according to Vivendi, terms were drafted in which Deutsche Telekom would buy out Elektrim and Vivendi's stakes in PTC for €1.3 billion. Vivendi would end up booking a loss of around €1 billion on its investment. Vivendi says it was willing to swallow this bitter pill to put behind it one of the missteps of the Messier era. According to Vivendi, Deutsche Telekom Chief Financial Officer Karl-Gerhard Eick in late August 2004 told his Vivendi counterpart, Jacques Espinasse, that they had a deal and "you can put champagne in the fridge."

But in early September, Mr. Eick sent Mr. Espinasse a one-line letter saying, "We are unable to conclude your proposed transaction at this time." Vivendi's Mr. Curis says, "We were distraught. We were confused. We just didn't understand what had happened. It was extremely frustrating for those of us who had spent months on the negotiations."

Deutsche Telekom's spokesman said that no deal had ever been reached. He denied that Mr. Eick had made the comment about champagne.

The French company says that a few weeks later it got a clue about what was going on. A Vivendi executive, Michel Picot, was invited to meet a former Elektrim executive for breakfast at the Hotel George V in Paris. According to Vivendi, the Elektrim

man said his company had received a tip that the arbitrators in Vienna would rule invalid the 1999 share transfer that created the Elektrim-Vivendi joint venture. He said Elektrim planned to use the ruling to get out of the joint-venture obligations it had to Vivendi, according to an affidavit by Mr. Picot.

Deutsche Telekom's spokesman said any implication that the German company benefited from insider knowledge of an arbitration tribunal's deliberations is "absurd." In any case, in November 2004, the Vienna arbitration panel did indeed rule that Elektrim hadn't been in a position to transfer shares to the joint venture in 1999.

But the arbitrators also said they didn't have any jurisdiction over the joint venture. Deutsche Telekom and Vivendi both claimed victory. Vivendi says it was so unclear what the arbitration decision actually meant that it hired 10 different law firms to analyze it. It also filed an appeal to the Commercial Court in Austria.

The arbitration ruling needed to be ratified by a Warsaw court. At a hearing in the Warsaw courtroom in early 2005, Vivendi says it had its worst suspicions confirmed: Lawyers for its former partner Elektrim sided with Deutsche Telekom to argue that Vivendi had no right to PTC shares. "We knew that day that Elektrim had betrayed us," Mr. Curis says.

Elektrim didn't respond to requests to characterize its relationship with Deutsche Telekom.

Representatives of Deutsche Telekom and Elektrim then rewrote PTC's shareholder registry, wiping out Vivendi's stake on paper. It was a few days later that PTC's security guards physically removed the French company's executives from the premises.

Since then, court cases have proliferated and appeals have multiplied in several European countries, with the warring sides claiming victories on different fronts. Earlier this year, Vivendi thought it was close to resolving the matter. It says Elektrim and Deutsche Telekom had accepted a proposal that Vivendi and Deutsche Telekom buy out Elektrim and run PTC as a 50/50 joint venture.

On March 29, Vivendi says, lawyers for the three companies sat in a Warsaw office putting the finishing touches on the documents as Vivendi's Mr. Lévy prepared to fly to Poland for a celebratory news conference. Then word arrived of a Polish court ruling in favor of Deutsche Telekom. The German negotiators quickly packed up and left the building without signing the final document.

The Deutsche Telekom spokesman, Mr. Leigers, declined to get into specifics but said that a deal had never been reached. He accused Vivendi of regularly misrepresenting events in the longstanding dispute over PTC.

The battle intensified this fall. Deutsche Telekom said in September it had exercised its right to buy Elektrim's stake -- boosting its PTC holding to 97% -- and had installed a chief executive at the Polish company.

Vivendi dismissed the move as illegal and followed up by offering Deutsche Telekom €2.5 billion for its undisputed 49% stake in PTC.

So exactly who owns what part of PTC remains a mystery: Despite its public statement that it has 97%, Deutsche Telekom recognizes only a 49% stake on its own books.

The German company says it made an initial payment of €600 million for Elektrim's stake in October. It won't say to whom it paid the money, citing the continuing litigation. Elektrim, which is in bankruptcy proceedings in Poland after defaulting on bond payments, is staying mum.

Mr. Houdouin's business card still says the Vivendi executive heads the management board of PTC. But he is watching the Warsaw company from afar as his former German colleagues at PTC run it. Interviewed at a Paris hotel, Mr. Houdouin says, "I have to believe that things will turn around."

Legal experts said it could be difficult to convince a judge that a RICO case involving European companies should be heard on U.S. soil. "Judges have a natural resistance to having a case brought to them that has been tried elsewhere and has been bogged down," said John Coffee, a professor at Columbia Law School.

Lanny Davis, a former White House special counsel whom Vivendi has hired to pursue the RICO case, maintained that U.S. courts have jurisdiction because Deutsche Telekom has both a stock listing in the U.S. and significant U.S. business: the wireless unit T-Mobile USA, based in Bellevue, Wash. Should the case be allowed to proceed, Vivendi would gain subpoena and "discovery" powers that would give it access to internal documents of Deutsche Telekom and Mr. Solorz-Zak.

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ENVIRONMENT:

2 Men Arrested On A Ledge At NOAA Building (WP)

By David A. Fahrenthold

The Washington Post, October 24, 2006

DOJ_NMG_0085692

A pair of environmentalists, protesting what they said are attempts to suppress evidence of global warming, were arrested yesterday after spending several hours perched on a ledge at a National Oceanic and Atmospheric Administration building in Silver Spring.

After 8 a.m., the two men used an extension ladder to climb to a roughly 25-foot-high ledge at the building, in the 1300 block of East West Highway, an associate said. They carried a banner reading, "Bush: Let NOAA Tell the Truth" and brought food and drink with them. Other protesters stayed on the sidewalk below.

Authorities tried, without success, to persuade the protesters to leave the ledge, said Lucille Baur, a Montgomery County police spokeswoman. Shortly after noon, officers borrowed a cherry picker from a construction site and brought the men down without a struggle, she said.

The two protesters were charged with disorderly conduct, reckless endangerment and trespassing, Baur said. They were identified as Paul E. Burman, 24, of Arlington and John Theodore Glick, 57, of Bloomfield, N.J.

The two men are members of a group called the U.S. Climate Emergency Council, said Mike Tidwell, the group's director. The group contends that NOAA officials are playing down scientists' findings about the dangers of global warming, including its connection to extreme weather events such as hurricanes and heat waves.

"They are failing at their job," Tidwell said. "They are suppressing scientific information because it is inconvenient data for the Bush administration's fossil-fuel constituency."

A More Efficient US? Energy Agency Prods Only A Bit. (CSM)

By Mark Clayton

The Christian Science Monitor, October 24, 2006

Under pressure to find new ways to save energy, the US Department of Energy is speeding adoption of new efficiency standards for devices ranging from pool heaters to microwave ovens. President Bush is apparently on board, too, pushing the need for energy conservation in a speech earlier this month.

That's good news for energy advocates and states that have sued DOE for lagging years behind schedule on new appliance standards, which could curb the nation's rising appetite for electricity.

But in the three standards it has proposed itself, the department has set a far lower bar than efficiency advocates had wanted. Two of the standards are so low that even some industry officials are complaining. Earlier this month, DOE surprised nearly everyone by nixing on technical grounds a proposal for home boilers backed by industry and consumer groups.

"It's never happened before that they've rejected a negotiated standard," says Charles Samuels, a Boston lawyer who often represents the Association of Home Appliance Manufacturers.

Such moves are causing many observers - from efficiency advocates to members of Congress - to question how deeply DOE is committed to energy efficiency, despite Mr. Bush's rhetoric.

"We need to continue what we're doing at the federal level, which is ... to find new ways to power our economy, new ways to conserve, new ways to protect the environment through new technologies," he told a renewable energy conference in St. Louis two weeks ago.

Deep-sixing the home-boiler standard has caused the most surprise. Home boilers are used in hot-water and steam heating systems. The efficiency standard that industry and consumer groups had negotiated would have saved users of those systems a total of some $2.6 billion in energy costs through 2030. But in an Oct. 6 response, DOE said: "The Department has determined that the recommended standards are beyond the scope of its legal authority." Instead, it proposed a lower standard expected to save consumers an estimated $1.2 billion through 2030.

Efficiency advocates were upset. So was industry. "We were surprised and disappointed by the decision," says Joseph Mattingly, vice president and general counsel for the Gas Appliance Manufacturers Association. "I've looked into the legislative history. They [DOE officials] have their interpretation of the law. But I haven't found anything to support it."

Admittedly, setting standards is complex, because it involves balancing many factors.

For example: On the same day the DOE rejected the boiler standard, for example, it also rebuffed a tough proposed standard for home furnaces. The American Council for an Energy Efficient Economy was pushing for standards it claims would save about $8 billion of furnace energy over 20 years. Instead, the DOE proposed a standard that 99 percent of furnaces sold in the US already meet.

The reason? The DOE said the more aggressive proposal crossed a legal line. The plan called for regional standards - a tough one for northern states, an easier one in southern states - while the law calls for a single nationwide standard, it argued.

"We have to follow our statutory requirements when evaluating where the current standards are," says David Rodgers, acting deputy assistant secretary for technology development in the DOE's energy efficiency office. "We propose the maximum technology that is feasible and economically justified."

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The ACEEE is crying foul. "This is just letting an overly narrow view of the law get in the way of achieving the purpose of the act," says Steve Nadel, the group's executive director.

Some analysts say the department's choices may be the best possible given the pressure from industry and sniping from energy advocates.

"What plaintiffs in those [standards lawsuits] against DOE are still unwilling to accept is that it is really their own actions, along with those of industry, that are piling up legislation and rulemaking agreements," says Mr. Samuels, the Boston lawyer. With dozens of complex rulemakings, the DOE reached gridlock last year, he adds. "The resources were never close to handling the load."

Other analysts, however, note that it took the Bush administration six years to propose its first efficiency standard - for transformers, in August. Even there, the DOE sidestepped several tough standards that were much more energy and cost-effective than the one it proposed.

Executives of nine large electric utilities upbraided the department for not taking a tougher stand. "Given the energy challenges which face the nation, now is not the time to back away from energy savings shown by the DOE to be cost effective," they wrote Energy Secretary Samuel Bodman in a Sept. 26 letter. "We strongly urge you to strengthen the proposed ... transformer standard."

Utility executives were joined by New Mexico's two senators, Pete Domenici (R) and Jeff Bingaman (D), who sit on a committee that oversees the DOE. They chided the department in an Oct. 6 letter for passing over a stronger standard they say would have saved 50 percent more energy.

"At a time when improvements in energy efficiency are critical to our energy security, we believe it does not make sense to ignore these cost-effective energy savings," they wrote.

Frustrated by the DOE's pace, Congress itself rammed through efficiency standards on clothes washers, ceiling fans, and more than a dozen other appliances as part of the Energy Policy Act of 2005, observers say.

An Energy Ruling That's Simply Hot Air (WP)

By Cindy Skrzycki

The Washington Post, October 24, 2006

The Energy Department has decided to keep the home fires burning at about the same level as they are now, even in the face of lobbying by both energy conservation groups and some manufacturers.

A proposed "energy conservation standard" that the department unveiled Oct. 6 moved the energy-efficiency needle almost imperceptibly for home gas furnaces -- to 80 percent from 78 percent, the standard set in 1989. The agency rejected an option to raise the standard to 90 percent, which would have saved more energy and trimmed heating bills for consumers in colder climates.

The long-awaited announcement frustrated energy groups that lobbied for a significant increase in efficiency, as well as parts of the industry that wanted to see more robust standards for some heating units.

Department officials said a higher standard wouldn't have been cost-effective for those in states with mild winters to have only the option of buying a furnace that is 90 percent efficient, which means it turns 90 percent of the fuel into heat.

The department also turned down some innovative ideas from energy groups and manufacturers, saying it didn't have the authority to act. The agency rejected the idea of a regional standard, which would make the highest efficiency rating applicable only to the coldest states. Instead, it said states could apply for exemptions to the rule if they wanted a tougher standard.

The regulators also gave thumbs down to a plan advanced by the boiler industry and energy groups to increase efficiency in gas models. They proposed eliminating pilot lights and installing a reset mechanism that automatically adjusts to the outside air temperature.

Setting the standard at 80 percent represents virtually no change, since almost all new regular gas furnaces are at least that efficient.

Furnace makers such as Trane, a division of American Standard Cos. ; Carrier Corp., a division of United Technologies Corp. ; and Lennox International Inc. also sell products that are more than 90 percent efficient. Sales of those models have been brisk in Northeastern states. And three states -- Vermont, Massachusetts and Rhode Island -- have passed laws setting the requirement for gas furnaces at 90 percent, a standard that has to be approved by federal regulators.

Massachusetts residents would pay about $540 more for a furnace rated 90 percent than for a basic unit, yet they could save $125 a year on energy use, according to estimates by the Appliance Standards Awareness Project , a business and consumer-advocacy group in Boston.

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The Energy Department "seems to be looking for the narrowest possible way to comply with the law, and cost-effective energy savings were clearly of secondary importance," said Steven Nadel , executive director of the American Council for an Energy-Efficient Economy , a nonprofit research group based in the District.

There is intense interest in the proposal because 3.5 million gas furnaces and 300,000 residential boilers were sold last year.

Department officials said that in rejecting a higher standard, they took into account manufacturers' concerns that there were potential condensation and venting problems when efficiency ratings are set between 80 and 90 percent.

"The department's proposal sets a national standard but still gives states as much flexibility as we can under the statute," said David Rodgers , acting deputy assistant secretary for technology development in the department's Office of Energy Efficiency and Renewable Energy .

Rodgers said the law requires the agency to consider standards that are economically justifiable and technologically feasible and that save a significant amount of energy.

Under the Energy Policy and Conservation Act, the Energy Department is charged with reviewing the efficiency of commercial and residential appliances and equipment, including refrigerators, washers and dryers, air conditioning and furnaces.

The agency has fallen years behind in issuing the efficiency standards and is under pressure from Congress to get on a schedule and stick with it. In September 2005, the Natural Resources Defense Council , a national environmental group, joined with 15 states and two consumer organizations in going to court in New York. They asked that the department face a legally binding deadline for issuing 22 energy-efficiency standards -- including this one.

In a report to Congress last January, the agency said it is committed to addressing the backlog and has set "firm and achievable" schedules.

In the case of furnaces and boilers, work on a new standard began in 1993 but didn't receive priority status at the Energy Department until 2001. The first published notice of a rulemaking came in July 2004, and the department expects to complete the rule sometime next year. Much to the chagrin of energy advocates, it said the effective date won't be until Jan. 1, 2015.

"It's absurd to set such a weak standard and not implement until 2015," said Andrew deLaski , executive director of the Appliance Standards Awareness Project.

Joseph Mattingly , general counsel for the Gas Appliance Manufacturers Association in Arlington, said the industry urged setting the standard at 80 percent because that level avoids safety concerns.

"In a perfect world, the units would be installed according to manufacturers' instructions, so we have to have something that is forgiving of less-than-perfect installation," Mattingly said. He said consumers who don't live in cold-weather states were not likely to need a high-efficiency furnace.

Energy advocates tried to address cost and safety issues by supporting a regional standard: 90 percent for cold Northern states and 80 percent for warmer states.

The industry opposed that and likes the idea of states setting their own standards even less. It told the Energy Department that encouraging states to override the federal standard is "an abuse of discretion."

A big disappointment for both sides was the department's rejection of an agreement among 28 manufacturers of oil and gas boilers and four energy-efficiency organizations.

"DOE at every juncture finds a reason to follow a less energy-efficient path," deLaski said. "Even when business says, 'Give us more efficiency,' they say no."

Mattingly said the industry will ask the department to make a "limited policy exemption" to accept the agreement. Energy groups said adopting it would save twice as much energy for gas boilers than the standard the department proposed.

Cindy Skrzycki is a regulatory columnist for Bloomberg News.

Risky Renewable Business (WT)

By Charles Vinick

The Washington Times, October 24, 2006

Five years ago, when developers applied for a federal permit to build the world's largest offshore wind-energy project off the Cape Cod coast, a widely held presumption was that the project ought to go forward because wind power is inherently good and that Nantucket Sound was as good a place as any to begin the off-shore renewable energy movement.

But the Cape Wind project hasn't moved forward and remains mired in controversy as evidence piles up that its developers chose perhaps the worst location. So, instead of leading the renewable energy movement into the future, Cape Wind may be imperiling that very movement by ignoring legitimate and serious flaws in its project.

Consider the record now confronting this project:

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n In a study released Sept. 28, the Department of Defense announced that wind plants can interfere with military radar systems if built in the radar's line of sight. The early warning radar (PAVE PAWS) at Cape Cod Air Force Station is one of only two such systems in the continental U.S. and is near the site selected by Cape Wind for their proposed complex of 130 turbines, each now 440 feet in height. Early warning radars are necessary to detect and track objects at extreme ranges, with high confidence and accuracy, and are critical to national security.

n Earlier this year, Congress mandated that the Coast Guard assess navigation hazards posed by the Cape Wind project in Nantucket Sound because the project's location, which is in a very high vessel traffic area within a triangle bordered by ferry routes and the main shipping lane, clearly puts passenger travel and general maritime traffic at risk.

n The developer finally disclosed in a recent report to the federal Minerals Management Service (MMS), now responsible for the federal permit review process, that if its storage tanks holding 40,000 gallons of transformer oil are breached and spill their contents into Nantucket Sound, the oil has a better than 90 percent chance of reaching and soiling Sound-facing beaches (not to mention the devastating impact on wildlife).

n More than 400,000 flights a year through Nantucket Sound airspace would have to pass just above a field of 130 turbines, each 440 feet tall, just 60 feet short of the 500-foot floor that small aircraft fly above. Cape Approach air traffic controllers long ago dubbed this project "an accident waiting to happen." The Defense Department study acknowledges the need for the Federal Aviation Administration (FAA) to undertake additional testing of radar interference with air traffic control radar systems.

And still Cape Wind shrugs its shoulders, implying that there are no serious issues.

When Rep. William Delahunt, Massachusetts Democrat, called for the FAA to study radar interference and the project's potential risk to aviation, Cape Wind dismissed the request as "desperate" and "suspect."

The very same government that promotes the development of renewable energy must also make assessments along the way about the appropriateness of individual projects and whether or not the public's best interests are being served or whether the projects pose unacceptable risks. That is neither desperate nor suspect, but a responsible reaction when lives are potentially at risk.

Saying no to Cape Wind is not saying no to offshore wind energy; it is simply an acknowledgement that legitimate concerns over public safety, wildlife endangerment and economic impacts -- to name a few of the leading concerns -- outweigh any benefits that might come from siting Cape Wind in Nantucket Sound.

And there was nothing desperate or suspect when Cape and Island communities insisted on a legitimate assessment of oil spill risk even though the developer dragged its heels on producing such an assessment. It is no wonder that they wouldn't want communities to know that 40,000 gallons of a potentially toxic substance sits just off their beaches, but we have a right to know and they have a duty to tell us.

Cape Wind long ago tried to frame this as a battle between wealthy landowners and a benevolent developer trying to lead the country to energy independence. But this has always been about whether that developer should be allowed to enrich himself from publicly owned land and publicly funded subsidies and tax credits in the middle of a state-protected marine sanctuary while putting our safety and our very culture at risk.

It appears that Cape Wind has finally reached the tipping point, and that the answer is no. We need to view the $1.3 billion in state and federal subsidies that Cape Wind would reap from this project as our money, our investment in renewable energy, and take that off the table so we can look to more viable projects in which to invest public funds and resources.

Charles Vinick is president and chief executive officer of the Alliance to Protect Nantucket Sound.

Lead Poisoning Eyed As Threat To California Condor (USAT)

By John Ritter

USA Today, October 24, 2006

SAN FRANCISCO — One of the great feel-good environmental stories of the past 30 years is the recovery of the majestic California condor, North America's largest bird, a scavenger-turned-billboard for the campaign to save endangered species.

On the brink of extinction, saved by a captive-breeding program, the condor population has grown from just 22 birds in 1982 to 289 today; 135 are in the wild and more are released every year.

Even so, condors have failed to gain a secure foothold in the hills and deserts of California and Arizona because of lead poisoning, the most often diagnosed cause of death, environmentalists say.

Environmental groups say the most likely source is condors' eating of game that was shot by hunters using lead bullets. Frustrated that most hunters have not switched to substitutes, the Natural Resources Defense Council (NRDC) and other groups notified California officials in July that they will sue under the Endangered Species Act to force a ban.

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At a meeting of state fish and game staff this month to discuss potential hunting-rule changes to recommend, the groups again asked for a ban on lead ammunition. A decision is likely early next year. Lead shot used in shotguns to hunt waterfowl has been prohibited since the 1980s.

Andrew Wexler of the NRDC's endangered species project says, “The commissioners have a historic opportunity. It's a mystery why they've resisted a ban because the scientific evidence is so overwhelming.”

That evidence isn't conclusive, says Steve Williams, president of the Wildlife Management Institute, whose goal is to restore North American wildlife. “There are other potential pathways for lead,” says Williams, a former director of the Fish and Wildlife Service in the Bush administration. “I wouldn't speculate on what those other sources may be.” He's “happy to learn that hunters are taking action on their own” but says more study is needed.

Many hunters who have tried alternatives, mainly copper bullets that don't poison wildlife, find them as good or better than traditional ammunition, though more expensive. A high-performance copper bullet costs $2 to $2.50, about $1 more than lead.

At a “free shoot” last weekend at a range near Pinnacles National Monument in Central California — prime condor habitat — hunters and ranchers were invited to try copper bullets. In questionnaires filled out afterward, more than 90% approved.

Some groups, such as the National Shooting Sports Foundation, oppose a ban, though they support efforts to reduce lead exposure in condors and other animals that feed on carrion, eagles among them. These groups say voluntary hunting practices would achieve the same goal, including removing carcasses from the field and burying “gut piles,” an animal's inedible portions.

“Clearly hunters have shown in studies that they're very willing to adopt one of those management steps,” says Rick Patterson, director of the shooting foundation, which sets standards for firearms and ammunition manufacturing. He says studies have shown that some hunters resist the added cost of copper bullets.

The coalition that threatened the lawsuit says a July study that analyzed blood of condors in the wild and compared it with blood of captive birds proves that lead from bullets is poisoning and killing condors.

The study in the journal Environmental Science & Technology was the first to identify a lead isotope in bullets bought at retail outlets in condor country and then match it to lead found in condor blood. Twenty of 26 condors sampled had high lead levels, and many exceeded levels toxic to humans.

“It's very analogous to situations we still encounter with kids who eat chips of lead-based paint,” says Donald Smith, a professor of environmental toxicology at the University of California, Santa Cruz, who worked on the study. “The chip might be small but have very high levels of lead in it, and it doesn't take much to cause lead poisoning.”

Supporters of a lead ban say hunters and their families also are at risk. Studies in Greenland and Canada have found elevated lead levels in people who eat seabirds and other animals shot with lead ammunition. On contact, a lead bullet fragments into tiny pieces and powder that disperses well beyond the wound.

“Subsistence hunters especially who hunt for most of their protein, if they have kids in the household, to me that's a significant potential risk,” Smith says.

Condors, flying as high as 15,000 feet with 9-foot wingspans, spot a meal and go straight to the bullet wound, because that's the easiest place to feed. They'll eat almost any dead mammal, from a squirrel to a cow.

California's fish and game commission last year rejected an emergency ban on lead bullets, and bills in the Legislature to outlaw them in hunting died twice. Groups such as Ventana Wildlife Society urge an approach like Arizona's. The state offered free non-lead bullets to hunters last year in areas frequented by condors. Nearly two-thirds accepted them, and condor lead-exposure rates fell 40% from 2004, according to Arizona's game and fish department.

Ventana wants California lawmakers to approve $200,000 a year for five years to pay for coupons that hunters could redeem for free or reduced-price non-lead bullets. “That's a million bucks. Big deal,” says Ventana's president, Kelly Sorenson. “Compared to the total cost we're spending on the condor recovery program, it's a small price to pay.”

That program, involving state and federal agencies, zoos, foundations and universities, has cost at least $40 million, the U.S. Fish and Wildlife Service says.

USA's Trees Under Relentless Attack From Bugs, Blight (USAT)

By Patrick O'driscoll

USA Today, October 24, 2006

DENVER — Some of the USA's most treasured tree species, from ash and aspen to white pine and Hawaii's native wiliwili, are under attack by insects and diseases in a growing assault coast to coast.

Some of the killers are foreign pests brought here in cargo or by travelers. Others are homegrown insects at epidemic levels because of drought and unusual warmth. This year has been the warmest on record.

The Agriculture Department's Animal and Plant Health Inspection Service finished adopting new rules this summer barring cargo from abroad unless crates and pallets are treated with chemicals or heat to kill any bugs in the wood.

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"We're at one of those points in time where it's all happening at once," says Wayne Shepperd of the U.S. Forest Service.

The mountain pine beetle, a native, has ravaged millions of acres of Western forests. Trees were weakened by drought or subjected to worse infestations because warmer temperatures allowed the bugs to multiply faster. The emerald ash borer from Asia is killing species that have no natural defenses.

Ash borers can spread in diseased trees cut up for firewood. The Agriculture Department airs radio ads in eight states and has billboards that warn: "Pack marshmallows, not firewood."

California's Big Sur region and Sonoma and Humboldt counties have "tons of new mortality this year" from sudden oak death, another disease, says Katie Palmieri of the California Oak Mortality Task Force. "Entire hillsides are just gone."

A nursery shipment is blamed for spreading the hemlock woolly adelgid into Great Smoky Mountains National Park in Tennessee and North Carolina. The park hopes to save older hemlocks by using insecticides and beetles that eat the aphid-like bugs.

Scientists don't yet know what is killing aspens across much of the West. "This die-back just occurs, boom, and we're not seeing new sprouting" of trees, Shepperd says. He says drought is a possible cause, but "we see (aspen) dying in wet areas, too, so I'm not convinced it's drought alone."

A study this year in BioScience said exotic bugs and diseases "pose the most serious current threat to the forests of eastern North America."

At This Gathering, The Only Alternative Is To Be Alternative (NYT)

By Patricia Leigh Brown

The New York Times, October 24, 2006

SAN RAFAEL, Calif., Oct. 21 — Along with Santa Ana winds and ripe persimmons, fall here brings with it a migratory phenomenon known as The Bioneers, a three-day pep rally for environmentalists, lefty political activists and young people with "Renewable Energy is Homeland Security" bumper stickers that transforms the Marin Civic Center here into something of a megachurch for the Prius set.

For some 3,200 true believers, and about 10,000 others who were beamed in by satellite from simultaneous conferences in Logan, Utah; Honolulu and other far-flung places, the Bioneers is part tribal gathering and part support group that encourages adherents to connect with their inner Al Gore. (The name is a play on biodiversity and pioneers).

Students, organic farmers, architects, advocates for Pacific dolphins, and a growing number of entrepreneurs looking to invest in green technology come to hear the latest thinking on global warming (code word: Katrina) and keeping the food supply safe (buzzword: spinach). Alternative energy, Bioremediation and environmental justice, once-fringy issues, have over the course of the conference's 17-year history become part of the national dialog.

"It's biology as a metaphor for social change," said Paul Hawken, the author founder of Smith & Hawken. Mr. Hawken double-dipped, speaking at a satellite conference in Marion, Mass., and then flying back to Marin. "It's a parallel universe," he said.

It's a universe unto its own, all right. Paul E. Stamets, a mycologist and the founder of Fungi Perfecti, a mail-order mushroom business, lectured on "myco-remediation," or using fungi to restore toxic waste sites. Mr. Stamets also announced a new patent for a household pesticide that uses the mold state of the Cordyceps mushroom to kill 100,000 to 200,000 species of insects — a new eco- spin on the old Roach Motel.

Mr. Stamets shared the stage with Jay Harman, an Australian-born naturalist who is now the chief executive of Pax Scientific, an engineering company rooted in "biomimicry," a fledgling science that takes its inspiration from nature's designs and processes.

Mr. Harman showed a small device capable of circulating five million gallons of water, using only a light bulb's worth of electricity. "It's all about flow," he said, adding that the technology can be applied it to aircraft, fans, pumps and water circulators for reservoirs.

Activists talking about the environmental exploitation of native lands for oil and gas development — or what Clayton Thomas-Muller, a Canadian organizer for the Indigenous Environmental Network called "energy genocide" — communed with vendors from the Elixir Café who were doling out $2 hits of "Lavender Bliss, a viscous purple liquid billed as a decongestant for "blocked energy."

The conference is the brainchild of Kenny Ausubel, a 57-year old writer and filmmaker who was co-founder of the organic seed company Seeds of Change, and Nina Simons, the former president of the company and a former marketing director for Odwalla. Since 1990, they have operated from an old schoolhouse in Lamy, N.M., outside Santa Fe. They credit their experience with Seeds of Change, since sold, with convincing them that a fledgling political movement could be forged from issues like sustainable agriculture and green technology — fields, Mr. Ausubel said, "that in 1990 were like talking about U.F.O.'s."

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Since then, the culture has in some ways caught up. For instance, Mr. Ausubel has been an adviser to the actor Leonardo DiCaprio, whose forthcoming feature-length documentary on global warming, "The 11th Hour," was filmed extensively at last year's Bioneers conference.

"The issues they were raising a decade ago, from local food to rooftop power, have moved into the mainstream," said Bill McKibben, a writer who spoke at last year's conference. "The Bioneers has been consistently ahead of the curve. It began as a gathering place for a fairly small number of like-minded people but is now a hatchery for the next wave of important ideas that five years hence people will be talking about in Rotary Clubs."

The ground troops of the environmental movement, Mr. Harman said, "are not business-savvy — they want to make a difference but don't know how to do it." So they came to learn sophisticated tactics from people like Tzeporah Berman, the program director of ForestEthics, a nonprofit organization founded in 1994 to protect endangered forests. It successfully pressured Office Depot and Staples to phase out supply paper made from endangered old growth forests and persuaded Ikea not to use wood from the temperate rain forest now known as Great Bear, in British Columbia.

John Maus, a 67 year old contractor from Littleton, Colo., who builds Starbucks stored — which he defended as "meeting places" — came to the conference for the latest intelligence on green building. "The industry is slow to change and uses huge amounts of natural resources," Mr. Maus said. "We need to develop a conscience."

Despite its mantra of biodiversity, the conclave itself can sometimes feel a bit like a monoculture, a love-fest between graying activists and youthful idealists with blond dreadlocks and veggie-fueled cars, most of them Caucasian. "It's a conference of privilege," said Brennan Manoakeesick, 28, an Oji-cree from Winnipeg who is working with low-income neighborhoods. "We're here to provide a context, to give face to the faceless."

William Casey, an eye surgeon and olive grower from St. Helena in the Napa Valley, stood out in a button-down shirt. He came with his wife, Rachel, to keep tabs on the latest trends in integrative pest management. Inspired by last year's Bioneers, they put up songbird houses and added carnivorous plants in their olive groves to control the olive fruit fly. South African guinea fowl now roam the premises destroying larvae.

"We get tremendous energy from it," Mr. Casey said of the gathering. "It's like the Big Bang."

FBI/DEA/ATF/USMS:

Drug Ring Supplier Gets 15 Years In Prison (DNT)

Danbury News Times, October 23, 2006

A Brooklyn man who federal prosecutors said provided a Danbury drug ring with powder and crack cocaine has been sentenced to 15 years in prison by a federal judge.

Jose Adames, 33, was the principal supplier to the ring, headed by Danbury resident Alex Luna, before the operation was smashed by local police and federal investigators last year. He pleaded guilty to conspiring to distribute up to 150 kilograms of cocaine in May in U.S. District Court in Bridgeport.

Adames was sentenced Friday by Judge Stefan Underhill.

U.S. Attorney Kevin O'Connor said Adames and other individuals "made frequent trips from New York City to Danbury" to deliver kilogram-sized quantities of the drugs to Luna and other members of Luna's organization. In making the deliveries, Adames and his associates used vehicles with secret compartments designed to conceal the narcotics from authorities.

Local ring members also would go to meeting places in the Bronx, Brooklyn and Manhattan to pick up cocaine from Adames, authorities said.

Members of the Danbury police Special Investigations Division, working with federal Drug Enforcement Administration agents and Bridgeport police, broke up the operation in February 2005, and arrested 24 people.

Luna and several other defendants haven't yet been sentenced, O'Connor said.

Longview Man Sentenced To 30 Years In Methamphetamine Case (NJ)

News Journal, October 24, 2006

A 25-year-old Longview man, who was among seven people arrested in a 2003 drug investigation, was sentenced Monday to 30 years in federal prison.

Christopher Jack Collum was sentenced by U.S. District Judge Leonard Davis, Tyler, according to U.S. Attorney Matthew D. Orwig.

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According to information presented in court, an investigation began in January 2003 into the distribution of "ice" methamphetamine in East Texas. The investigation resulted in the arrest of seven people. A 14-count indictment was returned by a federal grand jury in January 2005, charging Collum and six co-defendants with federal drug violations.

Collum pleaded guilty to conspiring to possess with intent to distribute methamphetamine.

This case was investigated by the U.S. Drug Enforcement Administration, the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Gregg County Sheriff's Department and the Gregg County CODE Unit.

Man Gets 7-year Sentence In Ecstasy Case (LCJ)

Louisville Courier-Journal, October 23, 2006

A 30-year-old man was sentenced to more than seven years in prison Monday in U.S. District Court for his part in an ecstasy-distribution ring in Louisville.

Thao Hoang Lai had previously pleaded guilty to conspiring to possess with the intent to distribute and distributing the drug ecstasy in 2003 and 2004, according to the U.S. Attorney's office.

Lai, a U.S. citizen who has lived in Louisville and Philadelphia, also admitted in a guilty plea that he possessed the drug with the intent to distribute it on Jan. 12, 2005.

He was apprehended by the DEA that day after driving to Louisville to deliver 5,000 tablets of ecstasy — tablets that were found in his hotel room, according to court testimony.

About 51,000 ecstasy pills with a street value of more than $1 million were involved in all of the charges, attorneys said.

Two others have been sentenced to prison in the drug conspiracy with Lai — Vinh Ngoc Ha received to more than 12½ years and Hoang Van Nguyen nearly six years.

Eight people were arrested in January and February of 2004 in an ecstasy investigation by the DEA. Six more were arrested in the months afterward.

"We knew there was a lot of ecstasy out there, but this surprised us," Tony H. King, head of the DEA in Louisville, said at the time the 14 indictments were handed down. "Louisville was a major distribution point for this drug in Kentucky and surrounding areas."

Florida Man Gets 13 Years In Lipitor Case (KCBIZ)

The Kansas City Business Journal, October 24, 2006

A Florida man was sentenced in federal court in Kansas City on Monday for his role in a multimillion-dollar conspiracy to sell counterfeit, illegally imported and misbranded Lipitor and other drugs.

U.S. District Judge Ortrie Smith sentenced Julio Cesar Cruz, 43, a Cuban citizen who was living in Miami, to 13 years and six months in federal prison without parole, Bradley Schlozman, U.S. attorney for the Western District of Missouri, said in a release.

"Cruz was a key player in an international, multimillion-dollar conspiracy," Schlozman said. "Cruz made millions of dollars during the criminal scheme, but he will not be allowed to enjoy any of those profits."

Cruz pleaded guilty on Jan. 21, 2005, to selling counterfeit drugs and to participating in a conspiracy to buy and sell counterfeit, misbranded and illegally imported drugs from February 2002 until at least April 2003.

The court sentenced Cruz to eight years and six months for the criminal conspiracy and revoked the term of supervised release that Cruz was serving for an unrelated federal offense for cocaine trafficking at the time he committed this offense, Schlozman said.

The five-year sentence for violating his supervised release must be served consecutively with the sentence in the criminal conspiracy.

As part of his plea agreement, Cruz has forfeited $2 million to the government, which represents proceeds from the conspiracy.

The court also ordered Cruz to pay $1.8 million in restitution to Pfizer Inc. He is liable for that restitution along with several other defendants in separate but related cases, Schlozman said. The restitution will be paid by a $2.2 million civil forfeiture that H.D. Smith Wholesale Drug Co. agreed to pay to the federal government on May 10.

Cruz is one of several defendants who were involved in the conspiracy and have been sentenced in separate, but related, cases:

Domingo Gonzalez, 43, of Hialeah, Fla., was sentenced on June 30 to nine years and six months in federal prison without parole. Gonzalez's principal role was to supervise and direct how the South American and counterfeit prescription drugs were smuggled into the United States. He also played a key role in controlling warehouses where the South American and counterfeit

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prescription drugs were stored in Miami, and getting the drugs packaged for shipment out of Miami to various locations in the United States for repackaging.

Iggy Santisteban, 52, of Miami, was sentenced to three years and one month in federal prison without parole. Santisteban was convicted by a federal jury on Feb. 17 for his role in the conspiracy. Between October and November 2002, Santisteban printed counterfeit drug labels for Lipitor and other drugs. The labels were placed on bottles containing counterfeit, illegally imported and diverted tablets, which were distributed throughout the United States. Santisteban sub-contracted with other Miami-area printers for some of the labels. His printing company, Iggy Prints, went bankrupt in March 2003.

Robert Goodman, 42, of Miami, was sentenced on Sept. 14, to two years in federal prison without parole. Goodman pleaded guilty on March 31, 2005, to his role in the conspiracy, which involved transporting the counterfeit prescription drugs from the airport to a bonded warehouse. Rather than transporting the cargo directly from the airport to the bonded warehouse, as required by law, Goodman delivered the containers to another warehouse where they were opened and the counterfeit drugs removed and replaced with Epsom salts. The containers were then resealed and delivered to the bonded warehouse.

Senior Litigation Counsel Gene Porter prosecuted the cases, which were investigated by the Office of Criminal Investigations of the U.S. Food and Drug Administration.

Pot Clinics, Cards Up For Votes City Expected To Ban Dispensaries; County Will Decide On Issuing IDs (MB)

Modesto Bee, October 23, 2006

The City Council is expected to vote Tuesday night on permanently banning medical marijuana dispensaries, three weeks after the federal Drug Enforcement Administration shut down Modesto's only pot clinic.

That same day, the Stanislaus County Board of Supervisors is scheduled to vote on installing a program to issue medical marijuana cards through the state Department of Health Services.

It could be a long day for medical marijuana supporters, with officials at both meetings lining up against pot dispensaries.

"I'm opposed to the medical marijuana card in the first place," Supervisor Ray Simon said. "I am concerned about its abuse and the great potential for abuse."

State law permits sick people to use medical marijuana; federal law does not. Cities and counties have been trying to balance the two since California approved its Compassionate Use Act 10 years ago.

The Modesto council 10 months ago tried to close the McHenry Avenue clinic by banning for-profit cannabis dispensaries, but the California Healthcare Collective was a nonprofit and remained open.

The council had to overrule the city's Planning Commission to implement its first law. This time, the commission supports banning dispensaries.

Chairwoman Alita Roberts said she and other planning commissioners changed their minds after seeing police reports that described healthy people getting the drug from the clinic.

Police contend some people easily obtained fake doctor's recommendations to buy marijuana at the collective, and others purchased cannabis on the street from the patients.

"I wish there were a way that it could be made available to people who are really, really sick, but somehow it just didn't seem to work the way the city of Modesto had it," Roberts said.

The Police Department and the DEA say the clinic was a front to sell marijuana to people who didn't need it.

Directors pleaded innocent

People who worked or shopped at the Modesto collective said directors took pains to check doctor's recommendations and keep out people who didn't have cards for use of the drug.

Its directors, Ricardo Montes and Luke Scarmazzo, on Oct. 13 pleaded innocent to federal drug distribution charges. Their lawyer has maintained that they opened a legal business in compliance with state law.

Medical marijuana supporters say the city could avoid some of the problems it encountered by regulating the clinics more closely.

"Well-controlled regulations are much more preferable to a ban," said Aaron Smith, a statewide coordinator for Safe Access Now. "You're basically throwing patients on the streets, saying 'You can use medical marijuana but you have to go to some street corner to a drug dealer.'"

Smith said one tool to regulate the drug in the county could be the medical marijuana cards that supervisor Simon opposes.

"This gives the legitimate patients an option to make sure that, whoever they show this card to, that it is backed up and verified by the county," he said.

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The state requires counties to issue cards, but three counties are suing the attorney general's office to overturn the law. The counties — Merced, San Diego and Riverside — argue the state is forcing them to break a federal law. A court hearing is scheduled Nov. 16.

Simon said he wants to see what happens with that lawsuit before installing the card program.

Mary Ann Lee, managing director of the county Health Services Agency, said her department wants direction from supervisors about whether to proceed.

If the supervisors tell the county to implement the cards, Lee's department would be responsible for verifying doctor's recommendations for medical marijuana use and then forwarding information to the state health agency, which would issue the cards.

Cops opposed to cards

Smith said the cards would make it easier for police to determine who has justifiable need for medical marijuana, but Stanislaus County's top cops oppose the cards.

Modesto Police Chief Roy Wasden wrote a letter to supervisors in August lobbying against the cards. The Stanislaus County Sheriff's Department also wants supervisors to hold off on the program, Assistant Sheriff Bill Heyne said.

"We're not opposed to people using a drug that benefits them because of their physical ailment; that's not the issue," Heyne said. "What this is leading to is abuse by anyone and everyone."

The Stanislaus County Board of Supervisors meets at 9 a.m. Tuesday in the basement chamber at Tenth Street Place, Modesto. The Modesto City Council meets at 5:30 p.m. Tuesday in the basement chamber of Tenth Street Place.

Lawyer: Merriman Drug Test Stems From Supplement (AP)

By Bernie Wilson, Associated Press

AP, October 23, 2006

SAN DIEGO – Shawne Merriman's attorney said the Chargers' star linebacker failed a drug test because of a tainted supplement and will continue to play while appealing his four-game suspension.

Attorney David Cornwell said he believed Merriman tested positive for the steroid nandrolone, which is prohibited under the NFL's substance abuse policy. Cornwell said the substance was in a supplement Merriman has been taking.

“He did not go into the back alley somewhere and put a needle in his butt for steroids,” Cornwell said at a news conference Monday, nearly two hours after Merriman practiced with the Chargers following Sunday's 30-27 loss at Kansas City.

Merriman said he spoke with his teammates and coaches earlier in the day, and “apologized to them for this being a distraction, especially the critical time we're going through as a team.”

“Hopefully nobody makes any kind of judgment or anything that basically makes me guilty for anything because nothing has been done wrong on my part,” Merriman said. “And I will try to get it straightened out as soon as possible. As of right now I'm not missing any time.”

The 22-year-old Merriman was last year's NFL Defensive Rookie of the Year and started in the Pro Bowl after leading the Chargers with 10 sacks. Merriman is second on the team with 5½ sacks.

“I have no reason to do anything wrong, especially when I'm already in the spotlight and doing things and trying to present to people the right and wrong way to go about things,” Merriman said. “This is obviously a mistake that has to be dealt with correctly.”

Cornwell said nandrolone “is the primary culprit in tainted supplements.”

“I know that people get tired of hearing it, but it is a fact and it is not going to go away until the Congress of the United States deals with it,” Cornwell said. “Supplements are not regulated and it is a dirty fact of this industry that many of them are tainted with prohibited substances and men like Shawne get hooked up and get penalized for taking something that they didn't know was present in the supplement.

“That's why this is such an evil process,” the attorney said. “He has been playing, unwittingly, Russian roulette with his career because he's been taking the same supplements, and it has been subjected to testing, and hasn't yielded a positive test. So he thought the supplements that he was taking were as safe.”

Besides Merriman's suspension, the Chargers have had five separate off-field issues dating back to April.

Outside linebacker Steve Foley was shot three times outside his suburban home on Sept. 3 by an off-duty police officer who suspected him of drunk driving. Foley will miss the entire season and was charged with two counts of DUI.

Safety Terrence Kiel was arrested on five felony drug counts in September and has pleaded not guilty.

Cornerback Markus Curry, who had been demoted to the practice squad, was released on Oct. 9, just hours after he was arrested on suspicion of committing domestic violence.

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Foley and linebacker Shaun Phillips were each arrested for scuffling with San Diego police officers a week apart in April. Neither was charged.

Trial Put Off For Mosque Raid Figure (PPG)

By Torsten Ove, Pittsburgh Post-gazette

Pittsburgh Post-Gazette, October 24, 2006

A convicted rapist whose arrest on illegal weapons charges caused a stir at a North Side mosque in June was set to go on trial yesterday in Utah, but the case has been postponed.

A federal judge in Salt Lake City has pushed back the trial date for Larry M. Williams, 33, of Lincoln-Lemington, to Feb. 19.

He was charged federally with illegal possession of a pistol and ammunition following a traffic stop in Utah on June 27.

His case caused a controversy on the North Side three days later when the FBI and the Pittsburgh police arrested him at the Light of the Age Mosque at Hemlock and Boyle streets. Authorities have not conceded that the building is a true mosque, and some have described it as a flophouse.

But those living there or visiting at the time of the arrest said it is a house of worship and decried the police action during Friday prayer services as an "invasion."

Mr. Williams, reportedly a member of the mosque, was taken into custody on the street, and agents and police said they searched only one room of the house. Federal authorities said the arrest had nothing to do with any activities at the mosque, but rather occurred because Mr. Williams was a dangerous fugitive.

Court papers filed in Utah indicate agents and police were executing an arrest warrant for Mr. Williams based on his weapons charge and the fact that he did not register as a sex offender after his rape conviction in the state of Washington. A Pennsylvania State Police Megan's Law form shows his address as 1373 Montezuma St.

During the June 27 traffic stop, the Utah Highway Patrol said Mr. Williams had a .45-caliber pistol, 15 rounds of ammo and a magazine for an assault weapon. The trooper seized the gun and the bullets, but let Mr. Williams keep the clip and allowed him to leave, not realizing he could be arrested on federal weapons charges.

Federal agents then tracked him down to the house on the North Side three days later.

Mr. Williams is being prosecuted in Utah under Project Safe Neighborhoods, a U.S. Justice Department initiative to combat illegal guns and gun violence.

Because Mr. Williams has felony convictions for rape and robbery, he isn't allowed to have a gun and could go to federal prison for at least five years.

His lawyer has filed a motion to throw out the case by challenging the reason for the initial traffic stop. The trooper said he pulled over Mr. Williams because his car had tinted windows, a violation of Utah law.

IMMIGRATION:

Number Of Illegal Immigrants On Prisoner Flights Jumps (MCT)

By Michael Doyle

McClatchy Newspapers, October 24, 2006

WASHINGTON - Con Air is becoming big business, thanks to illegal immigrants and criminal aliens.

And this is one flight you definitely want to miss.

Federal officials flew 95,876 incarcerated illegal immigrants and criminal aliens around the country in 2005, a 28 percent increase since 2000. Those foreign nationals now account for nearly half of all the passengers flown on the highly guarded federal flights, a new audit found, and tougher border security efforts will boost numbers even higher.

Unfortunately, the auditors warn, the flights could outpace federal planning. Officials haven't been looking far enough into the future, leaving the program vulnerable to nasty surprises.

"(Officials) could be caught off-guard by changes in demand and customers," the Justice Department Office of Inspector General auditors caution in the new report.

Popularized as "Con Air" in a Hollywood movie of the same name, the prisoner flights are coordinated by the U.S. Marshals Service through a Kansas City, Mo., office, and carried a total of 181,948 prisoners in 2005.

The passengers shuttle among about 40 domestic and international cities, and they come in many different stripes.

Some are being extradited, or transported to their new federal prison homes. Many illegal immigrants or criminal aliens are heading to deportation centers, and then to their home countries.

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Since 1995, the number of undocumented immigrants and criminal aliens flown under guard has grown 826 percent. Most are now being returned to Honduras, Guatemala, El Salvador and the Dominican Republic.

"Now we're at 115,000 (prisoners transported) and counting this year," Homeland Security Secretary Michael Chertoff told reporters at a briefing in August. "It will be a record year for us with the total number of movements."

The Marshals Service officials who run the flight program said they can simply lease more planes and hire more guards as needed. The Office of Inspector General is skeptical.

"Leasing additional planes on an emergency basis is not only reactive," the auditors cautioned, "but is also more expensive compared to longer-term aircraft leases."

Buying a new Boeing 737 would cost $540 million over 30 years. Leasing the same aircraft would cost $840 million over the same period. But because of year-to-year budgeting, the lease appears cheaper in the short term.

Marshals Service spokeswoman Nikki Credic said Monday that officials found the new 118-page audit "helpful" and indicated that they will follow up on the key recommendations, including improving long-term planning.

"Major changes need to be implemented to enhance the program," Credic said.

The Marshals Service owns three airplanes and leases six more for the flights. Even this doesn't handle all the traffic. Immigration authorities in 2005 had to charter airplanes or buy individual tickets to handle an additional 62,017 illegal immigrant and criminal alien passengers - at a cost of $63 million.

Costs pile up in other ways. Immigration and Customs Enforcement must pay for round-trip deportation flights to foreign countries even though the return flight is usually empty.

Domestic flights likewise can take off with too many empty seats. Every weekday afternoon, for instance, a plane leaves Mesa, Ariz., to pick up undocumented immigrants and criminal aliens in California and other Western states. Two out of three seats are empty on these flights, and auditors suggest flying less often but with fuller planes.

Immigration officials explained they didn't have enough lead time to use the same scheduling system as other federal agencies.

The auditors kept secret how many guards are supposed to be on each plane run by what's formally called the Justice Prisoner and Alien Transportation System. They cautioned, though, that the ratio of prisoners to guards was too high in 13 percent of the flights studied. Hangar guards are also frequently shorthanded, the auditors found.

Ceremony To Accompany Border Fence Bill Signing (WT)

By Stephen Dinan And Charles Hurt

The Washington Times, October 24, 2006

Congress yesterday sent the bill to build 700 miles of fencing on the U.S.-Mexico border to President Bush, who will sign it in a ceremony Thursday morning in the White House Roosevelt Room.

The decision to have a public ceremony is a reversal for the Bush administration, which had appeared reluctant to tie itself so publicly to the enforcement-only measure. Although Mr. Bush had committed to signing the bill, aides had said consistently over the past few weeks there would not be a signing ceremony.

But Republicans in Congress had demanded a public signing, with leaders saying the bill is a major accomplishment that will help their re-election prospects.

"The American people demand a secure border, and this Republican Congress has responded to the American people's demand for a secure border by increasing the physical barriers and infrastructure along the border and by providing state of the art monitoring technology," House Speaker J. Dennis Hastert, Illinois Republican, and Senate Majority Leader Bill Frist, Tennessee Republican, said in a joint statement trumpeting the bill's official transmission yesterday morning.

They had held onto the bill in order to guarantee Mr. Bush's signature closer to the election, when it would have the biggest impact. Aides said they were also holding out for a signing ceremony, to use the presidential pulpit for maximum attention.

By yesterday evening, several congressional offices said they received invitations to a signing ceremony on Thursday at the White House, and House Republicans said the bill signing is vindication for their enforcement-only approach.

"For all those people who spoke disparagingly of the hearings that were held over the summer on border security, this bill represents a victory -- both a grass-roots victory and a public relations victory -- for the Congress," said one House Republican leadership aide.

The double-layer, reinforced fence has been a point of contention between the White House and Republicans in Congress. Mr. Bush had pushed for a broad immigration bill that offered a guest-worker plan and citizenship rights for most illegal aliens, in addition to increased enforcement.

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The Department of Homeland Security has questioned the value of that much fencing, and the administration argues that only about 370 miles of fencing is needed on the 2,000-mile-long border. Officials say the rest can be covered through ground radar, sensors and increased manpower.

"You talk to the members of Congress about the 700 miles, and there's not a single member who can give you a plausible explanation of how they arrived at 700 miles," a senior administration official told The Washington Times last week. "We'll build every mile of fence that is useful and necessary to build, and if they tell us to build 700, we'll find a way to build 700 miles of fence, but let's not kid ourselves."

The White House official said last week there wouldn't be a big public signing ceremony. In Arizona earlier this month, Mr. Bush signed the 2007 homeland security spending bill, which includes a down payment for some fencing as well as increases in the number of U.S. Border Patrol agents and detention beds to hold illegal aliens awaiting deportation.

Congressional Republicans, including Mr. Frist and Mr. Hastert, say the bill is a key dividing point between Republicans and Democrats -- one voters should remember at the polls next month.

"Democrat leader [Nancy] Pelosi voted against the Secure Fence Act because she has never been to the border to understand that it is a national security emergency. The Democrat leadership must think that border security is about adding more security guards at Borders Book Stores," said Ron Bonjean, spokesman for Mr. Hastert.

Inside Politics (WT)

By Greg Pierce

The Washington Times, October 24, 2006

Actor's ad

His body visibly racked by tremors, actor Michael J. Fox speaks out for Missouri Democratic Senate candidate Claire McCaskill in a television ad that promotes her support for embryonic stem-cell research.

"As you might know, I care deeply about stem-cell research," says the 45-year-old actor, who has struggled with Parkinson's disease for more than a decade. "In Missouri, you can elect Claire McCaskill, who shares my hope for cures."

Mrs. McCaskill has made support for the research a key part of her campaign to unseat Sen. Jim Talent. The new ad debuted prominently Saturday night during Game 1 of the World Series between the St. Louis Cardinals and the Detroit Tigers and will continue airing statewide this week, a campaign spokeswoman said.

Debate over embryonic stem-cell research looms large in the state, where voters are considering a ballot measure that would amend the state constitution to protect all federally allowed forms of the research. Critics say the measure would allow human cloning.

"Unfortunately, Senator Jim Talent opposes expanding stem-cell research," Mr. Fox says in the 30-second spot. "Senator Talent even wanted to criminalize the science that gives us a chance for hope."

Mr. Talent's campaign called the ad a false attack, the Associated Press reports.

"Senator Talent supports medical research including stem-cell research that doesn't involve cloning or destroying a human embryo," said Talent spokesman Rich Chrismer.

Face-off

Sen. Hillary Rodham Clinton, New York Democrat, accused her Republican challenger of getting into "swampy territory" after he was quoted yesterday as saying that Mrs. Clinton was unattractive when she was younger and that she had a lot of work done on herself.

John Spencer denied discussing the senator's looks during a conversation with a New York Daily News reporter.

The tabloid quoted Mr. Spencer as saying: "You ever see a picture of her back then? Whew. I don't know why Bill married her."

Mr. Spencer, former mayor of the New York City suburb of Yonkers, was also quoted as saying that Mrs. Clinton underwent millions of dollars of "work" and "looks good now."

During a campaign stop at a senior citizens center in Watervliet, just outside Albany, Mrs. Clinton said: "It's unfortunate that when you don't have anything positive to say about the issues that we can get off in some pretty swampy territory."

After the newspaper came out, Mr. Spencer said the comments were "a fabrication."

"I would never call Hillary Clinton ugly. That's outrageous. I didn't do it," he said.

The newspaper's front-page headline screamed in all-capital letters "Getting ugly."

The reporter, Ben Smith, spoke with Mr. Spencer during a flight Friday from New York City to Rochester. He told the Associated Press that Mr. Spencer made the comments as Mr. Spencer, his wife and Mr. Smith sat together. He said he did not tape-record the comments but took notes on a BlackBerry.

'Lawyering up'

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"Everyone is speculating about which party will control Congress after next month's voting. But we may not know for a while. We could see either party pursue the kind of lawsuits that Al Gore unleashed in Florida in 2000 and contest any number of tight races that are within the 'margin of litigation,' " John Fund writes at www.opinionjournal.com.

"Recounts and even seating challenges in Congress could stretch on for weeks -- another endless election. 'We're waiting for the day that pols can cut out the middleman and settle all elections in court,' jokes the political newsletter Hotline.

" 'In 2000 in Florida, we broke a psychic barrier,' says Doug Chapin, director of the nonpartisan Election Reform Information Project. 'Election night is not necessarily the finish line anymore. Both sides are lawyering up.' Indeed, in 1998 the number of court cases challenging elections totaled 104, by 2004 that number had climbed to 361."

Border protectors

A group opposed to illegal immigration has inducted 125 House members and 20 senators into the U.S. Border Control Hall of Fame for the 109th Congress.

"The members of the 109th Congressional Hall of Fame have listened to the overwhelming majority of their constituents who want an end of open borders, amnesty and welfare benefits for illegal aliens," said Edward I. Nelson, chairman of the citizens group U.S. Border Control.

Among those cited by the group were Sen. Rick Santorum, Pennsylvania Republican, and Sen. Conrad Burns, Montana Republican, both of whom are trailing in races for re-election.

The House scorecard is based on 12 votes on immigration issues, including deploying troops on the border, ending the visa lottery and fining employers who hire illegals. The Senate scorecard is also based on 12 votes, including opposition to amnesty, preservation of Social Security for American citizens and making English the official language.

The voting record for each member of Congress can be found at http://www.usbc.org by clicking on the Border Alert Scoreboard Issue or Election Central.

Race narrows

Florida's gubernatorial race between Republican Charlie Crist and Democrat Rep. Jim Davis has narrowed, with the two candidates running just about even, according to a poll released yesterday as early voting began in the state.

Mr. Crist, the state attorney general, had enjoyed double-digit leads in previous polls. The new Quinnipiac University Poll found him favored by 46 percent of likely voters to 44 percent for Mr. Davis, with 8 percent undecided. That is within the error margin of 3.4 percentage points. Eleven percent of respondents indicated they could still change their minds.

Earlier this month, Mr. Crist was favored 53 percent to 43 percent in a similar sampling by the Connecticut-based polling institute. Gov. Jeb Bush is prohibited by law from seeking a third consecutive term.

Mr. Davis didn't start his television advertising until early October and has made inroads among independent voters and women since then, the Associated Press reports.

Fright fest

Novelist Stephen King is the master of all things weird and spooky. So what better for the author of "Carrie" and "The Shining" to do than promote MoveOn.org?

"If I know anything, I know scary. And giving this president and this out-of-control Congress two more years ... is downright terrifying. Thankfully, this national nightmare is one we can end with -- literally -- a wake-up call," the horror writer says in an e-mail sent yesterday by the liberal Internet group's political action committee.

"My friends at MoveOn.org Political Action are organizing pre-Halloween phone parties this weekend, Oct. 28 and 29. We'll be calling progressive voters in key districts who may not turn out unless they get a friendly reminder or two. ...

"The polls are telling us that this November is our best shot in over a decade to turn things around, and we've got to make the most of it."

Fighting For Legal Status; Drama In Orange County (WSJ)

By Aaron Rutkoff

The Wall Street Journal, October 24, 2006

Border Lines is a regular look at the best writing on the immigration debate from around the Web. (Some links may require registration or subscription.) * * *

NON-CITIZEN SOLDIERS: Many commentators and politicians have proposed the idea of a pathway for the undocumented to achieve legal status in the U.S. In a joint Washington Post op-ed, conservative hawk Max Boot and centrist Democrat Michael O'Hanlon suggest a four-year term of military service1 as one way that foreigners -- even illegal immigrants in the U.S. -- could earn American citizenship.

Their proposal, although grounded in the debate over immigration, takes as its primary justification the manpower crunch now plaguing the U.S. military. A service-for-citizenship system "could solve the No. 1 problem facing the Army and Marine

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Corps: the fact that these services need to grow to meet current commitments yet cannot easily do so (absent a draft) given the current recruiting environment," they write. As a bonus, foreign soldiers could be recruited from key regions in which our all-volunteer force lacks language and cultural skills. To the objection that recruits without green cards would be nothing more than mercenaries, the authors point out that "we already rely on tens of thousands of real mercenaries: the security contractors the U.S. government employs from Colombia to Iraq to make up for lack of troops."

Although Messrs. Boot and O'Hanlon present their proposal as a common sense solution for strengthening the military, the hawkish bloggers at National Review Online staged a daylong debate on the topic that featured a good deal of skepticism. A "divided" Stanley Kurtz ultimately calls2 it "the first serious idea for a solution I've seen in years," but his conservative colleagues were quick to disagree. "I think it's a horrible idea," replied John Derbyshire3, an immigrant himself. "If the USA can no longer muster enough citizens to staff our armies, then we are doomed, doomed, and should just go down giggling and give someone else a shot at being Top Dog."

Mark Kirkorian, a strong opponent of illegal immigration, also sounded a circumspect note:4 "If there's a problem in persuading enough Americans to fill the ranks, then the problem may be that our foreign policy is not in line with our national character." In a follow-up post, he also warned5 that opening the military to foreign recruits may "turn soldiering into yet another 'job Americans won't do.'" * * *

O.C. SCARE MAIL: A Republican congressional candidate from Orange County, Calif., is under fire from the state attorney general6, California Gov. Arnold Schwarzenegger7 and even his county's Republican organization8 (all Los Angeles Times links) over his campaign's involvement in an apparent voter-suppression mailing. The Spanish-language letter, sent to 14,000 registered Democrats with Latino surnames, warned "that if your residence in this country is illegal or you are an immigrant, voting in a federal election is a crime that could result in jail time." (Naturalized immigrants can vote, although it is a crime for illegal immigrants to cast ballots in elections.)

At the center of the controversy is Tan Nguyen, a Vietnamese immigrant and hard-line opponent of illegal immigration trying to unseat Democratic incumbent Rep. Loretta Sanchez. As the scandal broke last week and investigators traced the letter back to Mr. Nguyen's office, he fired a staffer implicated in the illegal mailing and denied any prior knowledge -- even as the chairman of Orange County's Republican Party told the press of Mr. Nguyen's direct involvement and urged him to withdraw from the race.

After days of mounting criticism and a raid by state agents on his offices, Mr. Nguyen reversed course on Sunday9, announcing at a sidewalk press conference that he now wished to rehire the still unidentified staff member he had fired and telling reporters that he believes the mailing was fair. "I am innocent, and there is no way in hell that I am going to withdraw," he said.

Amy Taxin, an Orange County Register reporter, quotes Nguyen campaign spokesman Bill Braniff admitting the campaign's role in composing the letter10. "I acknowledge that somebody connected with the campaign did draft it," he said. The problem, Mr. Braniff insisted, was faulty Spanish-to-English translation: "The Spanish mailer used the word emigrado, which is defined as someone living outside his or her country," Ms. Taxin reports. "Braniff claimed that the word has been incorrectly translated as 'immigrant' by the public." * * *

(STILL) SITTING ON THE FENCE: For nearly a month, bloggers, pundits and political observers have been puzzled over the fate of the Secure Fence Act, a bill passed by Congress on Sept. 29 mandating the construction of a 700-mile double-layered border fence. To date, it seems, the bill has not so much as been delivered to the White House for a presidential signature. (See previous Border Lines coverage here11 and here12.) Now, as Washington Times reporter Stephen Dinan reports, the White House is "pleading"13 with members of Congress to turn over the bill. "Send us the damn bill," one unnamed senior administration official told Mr. Dinan. "We'd like to autograph it."

To Congressional Republicans, however, the Secure Fence Act is potent political weapon that needs to be reserved until closer to the midterm elections on Nov. 7. "It's a timing issue," an aide to Senate Majority Leader Bill Frist (R., Tenn.) explained to Mr. Dinan. "We want it signed closer to the election when folks are paying attention."

It may be that a disagreement over ceremony, not timing, stands at the center of this Capitol Hill conflict. President Bush, Mr. Dinan reports, "has said he will sign it, though in private, without a signing ceremony." The unnamed official quoted in the piece also rejected the idea of signing ceremony. In part, Mr. Dinan suggests, this reluctance stems from Mr. Bush's lingering resentment that members of his own party defeated comprehensive reform legislation -- including a guest-worker program -- that the president had championed. * * *

NOT VICTIMLESS: Those who argue that illegal immigration is a victimless crime, writes Jonathan Gurwitz in a San Antonio Express-News commentary, should first visit the house where 51 migrants were found packed into three rooms -- all sharing a single filthy bathroom14. "Does anyone believe this is the only human warehouse in San Antonio?" he asks. "In South Texas?"

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Mr. Gurwitz notes that both supporters and detractors of illegal immigrants may have an interest in ignoring the frequent crimes done against migrants. To opponents, he writes, illegal immigrants who break the law by crossing the border are hardly entitled to seek its protection. And those supporting decriminalization tend to overlook the abuse meted out by human smugglers, who are almost always fellow immigrants, he says.

"The effort to whitewash the criminality of illegal immigration, to look the other way as people trespass the border, enables predators to victimize in obscurity," Mr. Gurwitz says. "Advocates who transform illegal immigration into a victimless crime enhance the prospects that illegal immigrants will be the victims of crime."

The common-ground solution, he suggests, is both more control over the border -- including fences -- as well as a more open legal system to absorb people seeking better life. Implemented together, it may just put the smugglers out of business. * * *

COMPLEXION COMPENSATION: Skin tone can outweigh education in its impact on an immigrant's earnings in the U.S., according to a new study. Joni Hersch, a Vanderbilt University economist, crunched the numbers15 from a federally-funded 2003 survey of over 2,000 legal immigrants, which included a face-to-face interview in which respondents' skin color was measured on an 11-point scale. Her analysis controlled for race, nation of origin and a slew of other factors that can influence income, such as work history, language skills, a visa type.

Washington Post's Richard Morin16, who summarized Ms. Hersch findings in his column, writes that "[i]mmigrants with the lightest complexions earned, on average, about 8 to 15 percent more than those with the darkest skin tone." For a particularly dark-skinned immigrant, this disadvantage can counteract the income-generating power of education.

Mr. Morin emailed Ms. Hersch for her take on these results. "I don't think that any explanation other than discrimination is possible -- and I am not one to draw such inferences lightly," she replied. But racism is not the only bias at work: Ms. Hersch's anaylsis also found that taller immigrants consistently earn more than their shorter counterparts. * * *

UNREST AHEAD? An editorial in Investor's Business Daily17 looks ahead to the consequences of the U.S. fence on Mexico's stability and finds cause for concern. Official ambivalence over the measure -- which has prompted both diplomatic protests18 and support from the governor of Mexico's Central Bank19 -- makes sense given the nation's dire straights on immigration: Mexico needs help retaining its human capital, but faces likely unrest if the U.S. fence is implemented.

"If a wall were built, and the U.S. is no longer a social-pressure valve for Mexican labor, those workers just might revolt," IBD's editors warn. The problem is thrown into even starker relief by a 2005 study conducted by Mexico's Central Bank. According to its findings, Mexican states that receive more remittances from expatriate workers in the U.S. also show less overall economic development. "The bank even went so far as to suggest poverty was caused by the dependency, not the other way around."

Worse still, IBD's editorial says, Mexico's highest-remittance states border regions of the country already mired in violent unrest.

CONGRESS-ADMINISTRATION:

Vice President's Role In Senate Is Occasionally Critical (RC)

By Donald Wolfensberger

Roll Call, October 24, 2006

Texas Democrat John Nance Garner once opined that the vice presidency is "not worth a bucket of warm spit." He was in a position to know, having gone from being Speaker of the House to being vice president under President Franklin Delano Roosevelt.

Though a small-government populist, "Cactus Jack," as he was known, faithfully carried the president's New Deal water up Capitol Hill during FDR's first term. He became disenchanted with Roosevelt's policies and advisers in the second term and announced his own availability for the presidency in 1939, regardless of whether FDR ran again. Roosevelt broke the two-term precedent and handily won the nomination and re-election in 1940 with Henry Wallace as his VP. Garner quietly retired to his native Uvalde, Texas, regretting that he ever had left the Speaker's chair.

Garner's colorful metaphor came to mind recently when a foreign diplomat in Washington, D.C., asked two of my colleagues why the vice president of the United States also serves as President of the Senate. They were just as stumped as I was when they later put the question to me. I half-jokingly speculated that the framers had to give the vice president something to do while he waited around for the president to die.

In turning to James Madison's notes from the 1787 Constitutional Convention, I found Delegate Roger Sherman of Connecticut confirming my suspicion. A member of the Committee of Eleven that originated the new office, Sherman defended it as follows: "If the vice-President were not to be President of the Senate, he would be without employment." Sherman added that

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if the Senate elected its own President to preside over the chamber, that Senator's state would be deprived of a vote except when it came to breaking ties (since it was customary for presiding officers to remain neutral in all other instances).

The draft that preceded that of the Committee of Eleven had no vice president and instead provided that the Senate elect one of its own to preside over the body and to fill in as president of the nation when a vacancy occurred. So, the alternative of having a vice president exercise both roles solved two problems. It ensured that no Senator would be deprived of his right to vote at all times, nor have to be absent from the chamber while acting as president of the country.

Alexander Hamilton, in "Federalist No. 68," pointed out that there was nothing new about the concept of a fallback executive. The 1777 Constitution of New York state created a lieutenant governor to preside over the state Senate and take over as governor in the event of a vacancy. And no one objected to that at the time. Even in pre-revolutionary America, lieutenant governors presided over several colonial legislatures.

The role of vice president as the Senate's president could come into sharper focus again in two weeks, when Democrats are expected to gain seats or even control of the chamber. The Constitution provides that the vice president "shall have no vote, unless [the Senators] be equally divided." The smaller the majority's edge, the more likely the vice president will be called upon to break ties. Garner cast only three tie-breaking votes during his eight years as vice president, when Democrats never held fewer than 59 of 96 Senate seats.

On the other hand, our first vice president, John Adams, still holds the record with 29 tie-breakers during George Washington's presidency. Adams also actively participated in Senate debates, lecturing Senators like a school marm. (One Senator wrote in his diary, "For forty minutes he harangued us from the chair.") Eventually he was threatened with a motion to silence him. He subsequently confined himself to procedural utterances only when circumstances required it. Adams' tie-breaking votes included preventing the capital from remaining in New York two more years, blocking war with Britain and ensuring that the president have sole authority to fire his Cabinet appointees (without Senate concurrence).

No vice president since the beginning of the 20th century has cast more than eight tie-breaking votes. However, Vice President Cheney already has cast seven tie-breakers in his nearly six years in office. It was Cheney's very presence as President of the Senate that gave control of the 50-50 chamber to the Republicans for organizational purposes during those critical first months of the Bush presidency, from Jan. 21 until June 6, 2001 (when control flipped to the Democrats with Sen. Jim Jeffords' resignation from the Republican Conference to become an Independent).

During that initial period of Republican control, Cheney cast two tie-breakers on amendments relating to prescription drugs and the marriage penalty tax. Even when Republicans regained control of the Senate in 2003 by a 51-49 margin, Cheney had to cast three tie-breaking votes in that year alone — all on important budget and tax matters. In the current Congress, with Republicans holding a more comfortable 55-45 margin, Cheney has cast just one tie-breaking vote, albeit an important one on the Omnibus Reconciliation Act of 2005.

Lest I leave the misimpression that the vice president's only official role is to preside over the Senate and break ties, there is one other duty under the Constitution worth mentioning. The vice president also is charged with counting the electoral votes for president and vice president and announcing the winners. That will be one of Cheney's last official acts in office in January 2009. It is doubtful, though, that Cheney will be viewed by historians as a mere bucket-toting, tie-breaking, electoral vote-counting VP. As we have seen, the office can be as big as the president wants it to be.

Don Wolfensberger is director of the Congress Project at the Woodrow Wilson International Center for Scholars and former staff director of the House Rules Committee.

Teacher Bonuses Go To Well-paid Teachers In Struggling Districts (AP)

By Andrew Welsh-huggins

AP, October 24, 2006

COLUMBUS, Ohio - The Bush administration is rewarding teachers with performance bonuses at four of Ohio's biggest, poorest and most academically challenged districts where teacher pay is already well above the state average.

Coming just two weeks before a challenging election for Republicans, the grants are the first federal effort to reward the classroom performance of teachers who raise student test scores.

Ohio's funding - $5.5 million this year and a total of $20 million over five years - was announced Monday, the first of 16 grants totaling $42 million. South Carolina also is to receive statewide grants. The other states to receive money weren't announced.

The government hopes the money will help counter what Education Secretary Margaret Spellings called a "dirty little secret" in American education, that the most experienced teachers often teach in the least challenging classrooms.

The money is a reward for teachers "when you put yourself on the line every day and teach in some of the nation's most challenging schools and get great results," Spellings said Monday.

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The department will release the remaining grants in the coming weeks, falling right before the Nov. 7 elections in which a reeling Republican Party is eager for good news. Spellings said the election had no bearing on the timing.

Democrats are savoring the thought of regaining control of the House, especially in light of the ongoing congressional page scandal. In Ohio, Democrats are poised to retake the governor's office after 16 years, while two-term Republican Sen. Mike DeWine is in a tight race with Democratic challenger Sherrod Brown.

Brown called the announcement "cynical politics at its worst."

Schools in Cleveland, Cincinnati, Columbus and Toledo will share the Ohio grants.

Teacher pay in Cleveland, Cincinnati and Columbus is well above the state average of $50,772, including $60,688 in Cleveland, a chronically struggling district of just under 60,000 students in the nation's poorest city.

The average teacher salary in Toledo, which also has the best academic standing of the four districts, is $49,859, according to the most recent data from the state Department of Education.

The money will help districts reward experienced teachers who help train younger colleagues as well as provide incentive for schools to boost their test scores, said Ohio state schools superintendent Susan Tave Zelman.

"This is more than pay for performance," Zelman said Monday. "This is about making the teaching profession more valued and honored."

Cincinnati and Toledo already have incentive programs for teachers, and any new money must look at a broad range of improvements and not just test scores, said Tom Mooney, president of the Ohio Federation of Teachers.

"When you already have trouble attracting teachers to the most challenging schools, what you don't want to do is tell them their families' livelihood depends on tests that were invented yesterday and they're already talking about changing them tomorrow," he said.

The National Education Association on Monday said grants were unnecessary and duplicated existing programs. The union called on the government to put money into underfunded programs created through Bush's No Child Left Behind initiative.

The president of the Columbus teachers' union said she supported the grants because they would help expand existing programs negotiated by the union that reward both individual teachers and entire school staffs for helping students improve.

"Nobody is punished if they don't make the gains," said Rhonda Johnson, president of the Columbus Education Association. "You're not losing any pay, you're only gaining pay when you show you've made gains."

The nationwide grants will range from about $1 million to $30 million. Another $43 million will be awarded next spring.

ON THE NET

Teacher Incentive Fund: http://www.ed.gov/programs/teacherincentive/index.html

Ohio Department of Education: http://www.ode.state.oh.us

OTHER NEWS:

Bush To Trumpet Strength Of The Economy (AP-Y)

By Deb Riechmann

AP, October 24, 2006

President Bush on Monday trumpeted the strength of the economy, an important issue in about two dozen congressional races that will determine whether Republicans retain control of the House.

Faced with difficult midterm elections and a deteriorating situation in Iraq, Bush is stressing the positive.

"The strength of this economy depends upon the strength of the small business sector," Bush said at a round-table where he talked about his administration's role in reducing taxes and limiting regulation and lawsuits that he says impede the entrepreneurial spirit in America.

"The role of the government, it seems to me, is to make sure that dreamers are rewarded for their hard work and their ingenuity and success. And the best way to do that is to reduce taxes on people," Bush said.

White House advisers, who think the president should get more credit for recent positive economic news, insist that Bush is not trying to change the subject away from the unpopular war. The president will continue to talk about Iraq and the war on terrorism as the Nov. 7 election nears, they said.

Eighty-eight percent of likely voters say the economy is an important issue — on a par with the percentage of people who view the situation in Iraq and terrorism as crucial matters, according to an Associated Press-Ipsos poll earlier this month. The poll found that 37 percent of likely voters say they approve of Bush's handling of Iraq overall. More voters — 42 percent — approve of his handling of the economy.

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Overall, the economy grew at a 2.6 percent pace from April through June, compared with a 5.6 percent pace over the first three months of the year, which was the strongest spurt in 2 1/2 years. Still, voters remain uneasy even though gasoline prices have started dropping, the stock market is hitting record highs, and interest rates on credit cards and adjustable mortgages are leveling off.

Rising hopes for strong third-quarter earnings lifted the Dow Jones industrial average past 12,000 for the first time on Wednesday. The Conference Board's index of U.S. leading economic indicators rose last month, and the government reported last week that consumer prices fell in September by the largest amount in 10 months.

Democrats contend the middle class isn't enjoying the benefits of recent U.S. economic gains. They say sluggish median earnings show paychecks have failed to keep pace with inflation, and they note rising health care and energy costs.

White House political director Sara Taylor said that the economy is a key issue in about two dozen House races, including campaigns in Pennsylvania, Minnesota, Ohio and Washington state. Democrats need a 15-seat pickup to regain the House and a gain of six seats to reclaim the Senate.

"It's going to have an important impact on certain races around the country," Taylor said. "I think it's an important issue that's not getting a ton of attention."

Bush participated in a round-table with three small- to medium-sized businesses that have taken advantage of community banking services to expand in the Washington area. The event was held at Urban Trust Bank. The bank, set up to provide mortgages, student loans and investment opportunities mainly to minorities, was founded by Robert Louis Johnson, who started BET — formerly Black Entertainment Television.

On Tuesday, the president will speak about the economy again at a campaign appearance in Sarasota, Fla., for businessman Vern Buchanan, who is in a tight House race against Democrat Christine Jennings, a former bank executive. The prospect of losing Florida's conservative 13th District to Democrats brought high-profile Republicans — Gov. Jeb Bush, Sen. Mel Martinez and Massachusetts Gov. Mitt Romney — to the area last week.

Bush Tries To Switch Focus To Economy (FT)

By Edward Luce In Washington

Financial Times, October 24, 2006

President George W. Bush on Monday sought to change the subject from the deteriorating situation in Iraq by focusing on the strength of the US economy just two weeks before America goes to the polls in midterm congressional elections.

Citing strong US job growth and improving wages, Mr Bush dismissed polls that suggested the Republican party was on course to lose control of the House of Representatives on November 7 and possibly also the Senate. The president will on Tuesday give a speech in Florida on the economy.

“The economy is strong and we have a plan for victory in Iraq,” Mr Bush told CNBC, the US business TV channel. “The other folks [Democratic party] will raise the taxes and they don’t have a plan for victory in Iraq. My advice is: let’s watch what happens in the poll that actually matters on November 7.”

Mr Bush’s comments, which coincided with the Dow Jones stock index closing at a record high of 12,116 on Monday, follow several weeks in which the Republicans have been on the defensive because of the situation in Iraq and a series of corruption scandals.

But Republican strategists are confident that there is enough time remaining in the mid-term campaign to refocus voter attention on the strength of the economy. Mr Bush on Monday downplayed concerns that the economy was not performing well for the middle classes. He said that wages had grown by an average of 2.2 per cent in the past year and that this had boosted disposable income.

However, he did not directly address the continuing stagnation in median wages, which are a more accurate measure of the economic “squeeze” the Democrats claim the middle classes are experiencing. Instead, he emphasised that the US economy had added 6.6m new jobs since August 2003.

The president’s focus on the economy is likely to add to the quiet confidence among senior Republican strategists that the ruling party can turn the situation around in the 30 or 40 Congressional districts that are considered competitive – of a total of 435. The Democrats need to add 15 to their tally to gain control of the house.

In spite of being behind in the polls, Republicans retain two advantages: the party has more spending power and it can draw on a sophisticated national data base that enables it to squeeze as many votes as possible out of its support base in the heartlands. The Democrats concede they are outmatched on both counts.

Bush Aims To Boost News About Economy (WT)

By Stephen Dinan

DOJ_NMG_0085711

The Washington Times, October 24, 2006

President Bush is on a two-day push to draw attention to the economy, with the White House arguing that the administration's accomplishments and the booming stock market have not received enough attention in the run-up to the Nov. 7 midterm elections.

Yesterday, Mr. Bush toured the Urban Trust Bank in Washington to underscore the increase in jobs and wages in the past few years, and to warn against miring the economy with new regulations and taxes.

"It's been hard to get people to report on" the nation's economic progress, said White House spokesman Tony Snow.

"You take a look at consumer confidence levels, they're skyrocketing. People are feeling good about the economy. And if you take a look at the news coverage of it, it's been overwhelmingly negative at a time when you do have just an extraordinary situation," he said.

Democrats said the administration is turning to the economy because the war in Iraq is not rallying voters anymore.

The office of Senate Minority Leader Harry Reid, Nevada Democrat, said the economy still isn't a bright spot for Republicans because it falls short of the levels under Presidents Reagan and Clinton. A statement pointed in particular to slower growth in personal income after inflation and taxes.

Meanwhile, the administration defended its Iraq policy, said no major course change is on the horizon and disputed speculation that it is setting deadlines and timetables for the Iraqi government to take more control.

In a morning blitz of television appearances, White House counselor Dan Bartlett said the administration has been working with the Iraqi government to set milestones and benchmarks.

Republicans across the nation, taking cues from Democratic critics, have begun questioning the administration's plans for Iraq and demanding a change.

Mr. Bush spoke Saturday with top military and civilian leaders about adjusting tactics in Iraq, but the White House said the strategy will not change.

Mr. Snow acknowledged yesterday that efforts announced during the summer to increase security in Baghdad have failed.

"It's pretty clear that the first iteration didn't achieve the results that were desired, so that they're continuing to work through ways to improve and adjust so that you do have the security that you want," the spokesman said.

He said Mr. Bush has stopped using the phrase "stay the course" to describe his Iraq policy, because "it left the wrong impression about what was going on."

Habit-forming: Dow Hits Record Again (USAT/AP)

By Joe Bel Bruno

USA Today, October 24, 2006

NEW YORK — Wall Street extended its October rally Monday as the Dow Jones industrials crossed 12,100 for the first time and reached a new record high close.

Investors grew more confident about upcoming earnings reports, and a decline in the price of oil bolstered hopes for higher consumer spending.

Dow component Wal-Mart Stores, which pleased investors by announcing plans to cut capital spending to improve profits, helped the blue chips to their new high. Wal-Mart shares were up $1.91 to $51.28 (story, 3B).

The Dow Jones industrial average rose 114.54 points, or 1.0%, to 12,116.91. It also hit an intraday high of 12,125.16.

The Standard & Poor's 500 index rose 8.42 points, or 0.6%, to 1377.02. The Nasdaq composite rose 13.26 points, or 0.6%, to 2355.56.

Strength from IBM, Hasbro and Xerox also fed the advance. Halfway through the third-quarter earnings season, companies' generally upbeat reports have given investors a renewed sense of security about the future.

“The blue chips have outperformed most markets, and this was an extension of that trend,” says Steven Goldman, chief market strategist at Weeden & Co.

The advance came despite concerns about the Federal Reserve's two-day meeting on interest rates, which starts today. Policymakers are expected to leave interest rates unchanged, though they could sound hawkish in their accompanying economic assessment because of recent signs of rising inflation.

Treasury bonds fell on speculation the Fed will keep its benchmark rate at 5.25%. The yield on the benchmark 10-year Treasury note rose to 4.83% from 4.79% on Friday.

A barrel of light, sweet crude oil fell 52 cents to $58.81.

Highlights:

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IBM was the Dow's second-biggest advancer. The tech company filed two patent-infringement lawsuits against online retailer Amazon.com over technologies used to run Internet services (story, 6B). Big Blue rose $1.08 to $91.56, while Amazon added 31 cents to $32.88.

·Hasbro rose $2.03, or 8.7%, to $25.33, The toymaker reported an 8.2% increase in its third-quarter profit amid strong sales of brands such as Playskool.

·Xerox rose 47 cents, or 3%, to $16.47 after its third-quarter profit beat analysts' expectations.

Price Of Crude Drives Wall St. Rally (LAT)

By Jesus Sanchez

The Los Angeles Times, October 24, 2006

The Wall Street stocks staged a strong rally today after investors welcomed another drop in crude oil prices and news that Wal-Mart Stores would rein in spending on store expansions in order to boost earnings.

The Dow Jones industrial average rose 114.54 points, or nearly 1%, to end the day at a record close: 12,116.91

Other major indexes, including the Nasdaq and the S&P 500, were also higher.

The Dow, which has reached all-time highs as it continues to build on a rally that began in August, got a boost today because crude oil futures and other energy prices ticked lower. The U.S. benchmark crude fell 52 cents to $58.81 a barrel in futures trading on the New York Mercantile Exchange.

Crude oil prices have plunged about 25% since midsummer, giving the economy a boost by helping slow price inflation and leaving consumers with more money to spend at stores and restaurants. That has led Wall Street investors to grow more bullish on the nation's economic prospects.

"The picture being painted is pretty easy to suggest that the pressure on the economy from higher oil prices is easing," Richard E. Cripps, chief market strategist at Stifel Nicolaus, told the Associated Press.

Today's market rally was also tied to a surge in Wal-Mart shares, which is one of the 30 companies included in the Dow Jones index. Wal-Mart stock rose $1.91 — or nearly 4% — to close at $51.28 on the New York Stock Exchange.

Wal-Mart said capital spending on new stores and other items would rise by up to 4% in fiscal 2008, compared to as much as 20% in fiscal 2007.

"We are still very committed to growth, but our real estate projects are now being subjected to a more rigorous prioritization process," said Wal-Mart Vice Chairman John Menzer in a statement. "This store selection process will enable the company to drive higher returns by focusing on locations that make the most efficient use of capital."

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Times wire services contributed to this report

Wal-Mart, IBM Lift Dow To New High (WP/AP)

Associated Press

The Washington Post, October 24, 2006

NEW YORK, Oct. 23 -- Wall Street extended its rally as investors grew more confident about coming earnings reports and as a decline in oil prices bolstered hopes for higher consumer spending. The Dow Jones industrial average crossed 12,100 for the first time and set another record-high close.

The Dow rose 114.54, or 0.95 percent, to 12,116.91. The Standard & Poor's 500-stock index rose 8.42, or 0.62 percent, to 1377.02, and the Nasdaq composite index rose 13.26, or 0.57 percent, to 2355.56.

Dow component Wal-Mart Stores, which announced plans to cut capital spending to improve profit, helped the blue chips to their new high as the average's biggest advancer. The Dow's record came just three trading days after its first close past 12,000.

Strength from International Business Machines, Hasbro and Xerox also fed the advance. Just halfway through the third-quarter earnings season, companies' generally upbeat reports have given investors a renewed sense of security.

Monday's gains came despite some concerns about the Federal Reserve's two-day meeting on interest rates, which starts Tuesday. Policymakers are expected to leave interest rates unchanged.

The price of oil, which fell to lows for the year Friday, is making investors more bullish on sectors such as retail, which could benefit if consumers have more spending money.Movers

Wal-Mart Stores rose $1.91, to $51.28, after saying it plans to bring costs in line with a slowdown in sales and earnings growth.

IBM rose $1.08, to $91.56. It filed two patent-infringement lawsuits against Amazon.com.

AT&T rose 27 cents, to $34.71, after reporting that third-quarter profit rose 74 percent.

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Ford Motor fell 11 cents, to $7.90, after posting its largest quarterly loss in more than a decade.
Hasbro rose $2.03, to $25.33, after it reported an 8.2 percent increase in third-quarter profit.
Xerox rose 47 cents, to $16.47, after profit beat analysts' expectations.Indexes
New York Stock Exchange composite index rose 34.56, to 8736.59.
American Stock Exchange index rose 9.67, to 1946.33.
Russell 2000 index of smaller-company stocks rose 1.39, to 763.52.Volume
NYSE: 2.47 billion shares, down from 2.57 billion on Friday. Advancers outnumbered decliners 7 to 5.
Nasdaq: 1.85 billion shares, down from 1.88 billion. Advancers narrowly outnumbered decliners.Commodities
Crude oil for December delivery: $58.81, down 52 cents.
Gold for current delivery: $579.70 a troy ounce, down from $593.00 on Friday.

Bulls Continue To Drive Dow To New Record (WSJ)

By Peter A. Mckay
The Wall Street Journal, October 24, 2006

The Dow Jones Industrial Average picked up steam after pausing Friday and surged to yet-another record amid a slew of strong profit reports and plans for slowed expansion by Wal-Mart Stores.

The Dow industrials jumped 114.54 points, or 1%, to 12116.91, the tenth record close in 15 trading sessions and up 13.1% on the year. Shares in Wal-Mart, a Dow component, rallied 3.9% after the retailer announced it will cut capital spending on new stores next year, which investors and analysts hope will translate into bigger profits.

Energy prices slipped, and bellwethers AT&T, 3M and Xerox all reported strong quarterly earnings, further boosting investors' mood.

Since the Federal Reserve held its key interest-rate target steady in August, bullish investors have been hoping the market would turn its attention more intently on corporate earnings, rather than constant speculation about the central bank's next move. Built into their rosy outlook was the assumption that the economy, though growth is slowing, is still strong enough to generate good corporate results for the third-quarter earnings season now under way.

Most Wall Street pros expect Fed Chairman Ben Bernanke and his fellow policy makers to leave rates unchanged again following this week's meeting, holding at 5.25%. As has been the case following previous Fed meetings, though, Wall Street pros will closely dissect the Fed's written statement due out tomorrow for any signs of increased skittishness about inflation.

Worried that such concerns will keep the Fed from cutting rates anytime soon, bond investors sent prices lower and yields higher yesterday, in a session that contrasted with the stock market's euphoria. "The bond market is more focused on the near-term risks in the economy," said strategist Jack Caffrey of J.P. Morgan Private Bank.

Stock investors watch interest rates closely because a decline in rates lowers borrowing costs and makes more money available to spend and invest.

Other stock measures rallied along with the Dow. The broad Standard & Poor's 500-stock index gained 0.6%, or 8.42 points, to 1377.02, up 10.3% on the year. The technology-heavy Nasdaq Composite Index rose 0.6%, or 13.26 points, to 2355.56, up 6.8% on the year.

To guard against slower growth in the U.S. economy, many bullish stock investors currently favor big-name companies they believe are better equipped to do well if business conditions worsen unexpectedly. To these investors, an economy saddled with falling housing prices and other bugaboos isn't necessarily such a bad thing, as long as the pullback is gradual and doesn't cut into employment, consumer spending or corporate bottom lines.

With third-quarter earnings reports trickling in, that scenario seems to be playing out for now, said Duncan Richardson, chief equity investment officer at Eaton Vance Corp. "Ultimately, earnings are what moves the market," he said. "So far, they've been looking pretty good for this quarter."

Gold prices tumbled, hurt by a strengthening U.S. dollar. Because gold is still viewed as an alternative form of currency in some countries, it often moves in the opposite direction of the greenback when investors lose faith in paper money as a reliable store of value.

Gold contracts for October delivery fell $13.30, or 2.2%, to $579.70 a troy ounce, up 12.1% on the year on the Comex division of the New York Mercantile Exchange.

Crude-oil futures fell 52 cents a barrel, or 0.9%, to $58.81, off 3.7% this year.

Outside the U.S., stocks rose in dollar terms. The Dow Jones World Stock Index, excluding U.S. shares, eked out a gain of 0.1%, or 0.11 point, to 226.12.

In major U.S. market action:

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Stocks rose. Total trading volume for stocks listed on the New York Stock Exchange was 2.4 billion shares, as 1,919 stocks advanced and 1,368 fell.

Bond prices fell. The 10-year Treasury note fell 10/32 point, or $3.125 for each $1,000 invested, pushing the yield up to 4.828%. The 30-year bond fell 20/32 to yield 4.952%.

The dollar strengthened. Against the Japanese currency, the dollar rose to 119.33 yen, compared with 118.69 yen Friday. The euro fell to $1.255, compared with 1.2619.

This Time, It's Not The Economy (NYT)

By Eduardo Porter

The New York Times, October 24, 2006

In many ways, the economy has not looked so good in a long time.

The price of gas at the pump has tumbled since midsummer. Unemployment has fallen to its lowest level in more than five years. On Wall Street, the Dow Jones industrial average has finally returned to its glory days of the late 1990's, setting records almost daily.

President Bush, in hopes of winning credit for his party's stewardship of the economy, is spending two days this week campaigning on the theme that the economy is purring. "No question that a strong economy is going to help our candidates," Mr. Bush said in a CNBC interview yesterday, "primarily because they have got something to run on, they can say our economy's good because I voted for tax relief."

But Republican candidates do not seem to be getting any traction from the glowing economic statistics with midterm elections just two weeks away.

The economy is virtually nowhere to be found among the campaign ads of embattled Republican incumbents fighting to hold onto their House or Senate seats. Nor is it showing up as a strong weapon in the arsenal of Republican governors defending their jobs from Democrats.

"I don't know of another election cycle in which the economy was so good, yet the election prospects for the incumbent party looked so bad," said Frank Luntz, a Republican strategist. "If something goes wrong, Republicans are to blame. If something goes right, Republicans don't get credit."

The only place that the economy has emerged as a major campaign theme has been in the aging industrial heartland around the Great Lakes, where the bleak economic prospects are being deployed against incumbents, Republicans and Democrats alike. But where the economic winds seem to be blowing their way, voters appear unwilling to hear that Republican policies made it so.

Disenchantment over the war in Iraq has morphed into disillusionment over the direction of the country, breeding distrust in the administration's policies, surveys suggest. Moreover, concerned by weak wage growth, costly health care and eroding benefits, many middle-class voters do not see the economy improving for them.

"Voters overwhelmingly don't approve of the president on the economy," said Amy Walter, a senior editor at the Cook Political Report, a nonpartisan firm that handicaps political races. "It comes down to the issue of credibility. And so many voters feel so pessimistic about the direction of the country."

Richard Curtin, who runs the University of Michigan's consumer surveys, has found that even as consumer confidence has improved since gasoline prices took a tumble in August, the White House has gotten no credit for the gain.

"The one indicator that didn't improve," Mr. Curtin said, "was confidence in the government's economic policies."

For many voters, the overall issue has faded in importance as the economy has managed to grow steadily in recent years. In late 2003, The New York Times/CBS News poll found, 4 in 10 voters said either the economy or jobs was the most pressing problem facing the nation. This month, only 13 percent shared that concern.

But Republicans' inability to harness an improving economy in their political favor appears mostly to be a function of the weight of other big national issues stacked against them. Prime among them are voters' growing concerns about the costs of the war in Iraq, fed by a stream of American casualties displayed every night on television.

The seeming morass in Iraq has hurt Republicans in more ways than one, analysts say, contributing to the notion that the country is heading in the wrong direction and fueling distrust in the administration of President Bush that has leaked out to other fronts — including his management of the economy.

The lack of confidence in the administration undercuts the support by voters who want to vote for Republicans on local issues.

Terris Kennedy, 59, a former military nurse who is the chief nursing officer at Shore Memorial Hospital in Nassawadox, Va., says she may well vote Democratic in the Virginia Senate race even though she plans to support the Republican incumbent, Thelma Drake, in the state's Second Congressional District, centered in Virginia Beach.

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Ms. Kennedy likes Ms. Drake because she seems interested in the challenge of how to deliver health services to diverse low-income populations.

But she said her concern over the war in Iraq and her skepticism about whether it was a good idea to stay the course there might lead her to vote for a Democrat, James Webb, over the Republican incumbent George Allen in the Senate race. "Senator Allen is very close to the President," Ms. Kennedy said.

Tim Murtaugh, Ms. Drake's campaign manager, said Iraq and immigration were the two biggest issues on the minds of voters in this military-heavy district, home to the Atlantic fleet of the Navy and Langley Air Force Base. Still, he said that the district had nearly full employment and that he believed that voters were aware that the local economy was strong.

Ms. Drake's campaign ads have suggested that her rival, Phil Kellam, will vote to raise taxes. But Ms. Kennedy disagrees with that.

"I don't see Democrats as tax-and-spend liberals," she said. She has more doubts about the government's economic track record. "Even though the deficit has come down we still have a horrible deficit," Ms. Kennedy said.

It has been some time since the public last trusted Republicans more than Democrats on economic issues.

Of voters polled in the latest New York Times/CBS News national survey this month, 60 percent rated the economy as either good or very good, up from 56 percent in September.

But voters favor Democrats over Republicans as stewards of the economy by 51 to 36 percent. The 15-point margin, which remained the same as in September, is the widest since the survey first included the question in 1984.

Republicans have a tough act to follow. President Bush pointed out yesterday that employers have added 6.6 million jobs since August 2003, finally gaining ground after a long decline in employment over most of his first term. But the figure falls well short of the nine million jobs created during the same period of the Clinton administration.

Still, the National Republican Congressional Committee believes that the improving economy provides a good issue for many Republicans to run on, and has spent money on TV commercials praising the administration's economic track record in several Midwest districts and upstate New York.

"The strategy is to run on the role of tax relief in the improvement of the economy," said Jonathan Collegio, a spokesman for the committee. "We can target the Democrats who have voiced support for repealing or letting expire the tax cuts of 2001 and 2003."

A few candidates have taken this tack, but most have done so sparingly. Some Republican challengers are using the economy as a campaign issue in places where it is doing poorly.

Dick DeVos, the Republican challenger to Jennifer Granholm in Michigan's gubernatorial race, reminded voters in campaign commercials that the state still had "the worst unemployment in the nation."

Perhaps the biggest challenge Republicans face to take credit for an improving economy is that for many voters, their economic prospects do not feel as great as overall statistics might imply. Rather than celebrate the stock market's gains and the overall growth of the economy, many voters are worried about the wages of ordinary workers, which have just started to improve after several years of falling short or barely keeping up with inflation.

The tens of millions of people lacking health insurance and the steady shrinkage in traditional pensions have also added to the sense of personal insecurity.

Consider Florida's 22nd Congressional District, stretching along the Atlantic coast in Broward and Palm Beach Counties, north of Miami. Employment in the district has grown at three times the national average over the last three years, according to an analysis by Moody's Economy.com. Unemployment there is well under the national level.

But the Republican incumbent, E. Clay Shaw Jr., running neck and neck with Ron Klein, a Democrat, has steered away from celebrating the area's sunny economic prospects. Instead, he has pointed to his record on the environment, talked about how he disagreed with President Bush's attempt to privatize Social Security, and accused Mr. Klein of being in the pocket of sugar companies.

That might be the appropriate strategy. David Hensley, who lives in Mr. Shaw's district, says he will probably vote for him, as he has before. But Mr. Hensley, 62, is not doing so out of any sense of economic prosperity.

"The economy is in the toilet no matter who is in control," Mr. Hensley said.

And concerns over how fair the prosperous economy has been to most Americans appear to be hurting Republican prospects even among those who see themselves as doing relatively well.

Ann O'Callahan, a 64-year old Irish immigrant in suburban Philadelphia, defines herself as a social conservative. She voted Republican in 2000, but switched to the Democrats in 2004. This year she plans to vote Democratic again, mainly because of the economy. "I am very disturbed by the economic policies of the Bush administration," she said.

Ms. O'Callahan's district, Pennsylvania's Seventh, is an island of relative affluence. The median income in the area, according to the Census Bureau, topped $63,000 last year, more than a third higher than the national median. According to

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Economy.com's analysis, based on county data, unemployment this year in the district should average 3.8 percent, well below the national average.

But, Ms. O'Callahan said, jobs were not enough. "I work with job placement so I see up close how a lot more work is demanded of people, how benefits are disappearing, how hourly rates have been stagnant throughout the Bush administration," she said. She said that jobs were plentiful, "but paying $8 an hour with no benefits."

Republican leaders might still try to use an improving economy for a final campaign push. Mr. Luntz, the Republican strategist, said economic issues should help the party in Florida, Georgia and the Carolinas.

Mr. Collegio of the National Republican Campaign Committee said the campaign group planned a flurry of advertisements warning that, as they see it, Democrats will hurt the economy by raising taxes.

Still, even that tried-and-true Republican theme may not work so well this year.

"In these races you just pray for a Republican claiming that tax cuts are the reason for the good economy," said Stanley Greenberg, a Democratic pollster. "Candidates don't do it because the public doesn't believe it. And a candidate who claimed it would seem out of touch."

Rising Stock Prices, Falling Gas Costs Seen Helping Republicans At Polls (USAT)

By Barbara Hagenbaugh

USA Today, October 24, 2006

WASHINGTON — The economy will likely help Republicans more than Democrats in the elections in two weeks, but that opinion is not unanimous, according to economists polled by USA TODAY.

In a survey conducted Oct. 13-18, nearly half the 45 economists who responded to a question on the election said Republicans will benefit the most from the economy in the Nov. 7 midterm elections.

"The economic performance in the last several years is some of the best in economic history," says Mike Englund, chief economist for economic consulting firm Action Economics, who expects the economy will help Republicans.

Economists who expected Republicans to benefit from the economy named lower tax rates, falling gasoline prices and rising stock prices as factors that will help Republicans.

Some of those surveyed, including those at Bank of America and the National Association of Realtors, say a low unemployment rate will aid the GOP. The unemployment rate has been 4.6% in three of the last five months, the lowest in five years.

But Wells Fargo senior economist Scott Anderson says Democrats will gain an advantage because many people are seeing little increase in pay after factoring in inflation. During the first eight months of 2006, average weekly earnings of non-supervisory workers after adjusting for inflation rose less than 1% and in some months actually fell.

Inflation-adjusted earnings jumped in September, but were somewhat skewed by a plunge in energy costs, which led to a sharp drop in inflation that is unlikely to be repeated.

"There is still a lot of frustration in the middle class," Anderson says. "We're seeing pretty solid job growth. But as long as wages lag, you are going to see a lot of pessimism on the economy."

Richard Yamarone, director of economic research at Argus Research, says neither party will gain an advantage from the economy. "The Republicans should benefit greatly because of the shape of the economy; however, that message doesn't seem to have gotten out," he says. "There are other issues that are overriding the economic issues."

Big Worries For Big Oil (WSJ)

By Chip Cummins

The Wall Street Journal, October 24, 2006

With crude prices falling and oil-field costs on the rise, major oil companies have a big problem: sustaining their phenomenal profit growth.

Exxon Mobil Corp., Royal Dutch Shell PLC and BP PLC have all relied on big oil-price jumps to fuel a streak of handsome earnings gains and, in many cases, record quarterly profits in recent years. The three companies reported combined earnings of about $25 billion in the second quarter; in the third quarter of last year, they earned about $25.4 billion.

Many of the world's biggest publicly traded oil companies report earnings this week and are expected to post strong results, thanks to high crude prices.

U.S.-benchmark oil hit a record of nearly $80 a barrel this summer. (In inflation-adjusted terms, oil was at its most expensive in 1980.) Since July, though, crude prices have fallen about 25%, sapping the momentum from short-term profit-growth potential at a time of rising costs and higher taxes. And if oil prices continue to drop, that could drive new thinking among oil executives over whether to pursue big tie-ups.

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BP, which reports earnings Tuesday, estimates West Texas crude, a benchmark oil type in the U.S., averaged about $70 a barrel for the quarter. That is still higher than the average price a year ago of about $63. But current prices are now hovering around $58. (See related article1.) U.S. natural-gas prices and gross profit margins from making refined products such as gasoline are also sharply lower than a year ago.

Even before the steep drop-off in prices, earnings had been blunted by side effects of the commodities boom. Oil-field costs have skyrocketed for many projects because of higher demand for everything from steel to software among energy companies eager to cash in on the boom. Competition for new prospects has heated up, ratcheting up auction prices for fresh exploration acreage.

If oil prices stabilize or drop further, cost inflation could also subside. But costs generally take time to catch up with swings in commodity prices. That poses a growing challenge to profitability in the short term.

Neil McMahon, a London-based oil analyst at Sanford C. Bernstein, says recent trends of lower commodity prices and higher costs mean quarterly results this time around aren't likely to offer much positive surprises for investors. In a note to clients Friday, he said he expects to see further evidence of cost pressure when companies report this week.

A handful of big companies suffered significant production shortfalls in the July-to-September quarter because of unplanned disruptions. BP partially shut down its big Alaskan oil field because of pipeline corrosion there, crimping its output and that of its biggest partners in the field, Exxon and ConocoPhillips. Shell continues to suffer partial shutdowns in Nigeria, amid violent insurgency attacks in that major oil-exporting nation.

Oppenheimer & Co. analysts expect the major oil companies to post third-quarter earnings about 10% above results from a year ago but about 10% lower than this year's second quarter because of production shortfalls, cost and tax increases and moderating oil prices.

Many companies are expected to post higher profit margins from chemical operations and from marketing, which includes sales at gasoline stations, partly compensating for lackluster commodity prices.

If prices continue falling, two other big questions for investors may emerge: Will the world's largest oil companies curb their generous share-buyback programs? And will they start looking for acquisitions, now that share prices have fallen along with commodity markets, making some targets look cheaper?

So far this year, BP has showered investors with $12.3 billion in buybacks and dividends. In July, Exxon said it would increase spending on buybacks to $7 billion in the third quarter, up from $6 billion in the second quarter.

But shareholder payouts can be sensitive to commodity-price swings. For instance, BP has said it expects to deliver about $65 billion to shareholders through 2008 if crude sticks at $60 a barrel and if U.S. natural-gas prices and refining margins stay lofty. Those expected proceeds would fall more than 20% if commodity-price assumptions were revised down to the $40-a-barrel level.

Jeroen van der Veer, Shell's chief executive, has said repeatedly that he didn't see value in making big purchases amid recent high oil prices. Monday, he announced Shell had made an approach to the board of Shell's main Canadian affiliate, with an offer to buy out minority shareholders for about C$7.7 billion, or about $6.8 billion.

In an interview, Mr. van der Veer said the timing of the approach was more about creating long-term value, not about getting a bargain at Tuesday's lower oil prices. He said the current oil price "is probably one component of a total mix" of factors determining the decision to pursue the deal, and said Shell hadn't changed its acquisition strategy.

Fanning speculation of a fresh round of oil-patch deals, Premier Oil PLC, a small British independent oil company, said Monday it had received a buyout proposal from an unnamed party. Premier, with a market capitalization of about £1 billion, or $1.9 billion, said negotiations were at "an extremely early stage."

Wave Of Change Expected On Election Day (WP)

By Jeffrey H. Birnbaum

The Washington Post, October 24, 2006

The wave is coming.

At least that is what political scientists are predicting about the midterm elections on Nov. 7. The academics could be wrong, of course; they often are.

But one of the peculiar facts about American politics is that every once in a while citizens in disparate parts of the country decide in the same year to reject an unusually large number of candidates for Congress from one party and to replace them with candidates from the other party.

That kind of outpouring is known as a wave, and it last occurred 12 years ago when Republicans gained a whopping 53 seats in the House and took control of that chamber for the first time in 40 years. Polls are now showing signs that the tide of

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public opinion is flowing in the opposite direction and that voters could vote Republicans out of office in droves this year, returning Democrats to power in the House and possibly in the Senate as well.

"This is going to be a wave year," said Larry J. Sabato, a political scientist at the University of Virginia. "The only question is whether it will be medium-size wave or a high wave for the Democrats."

Indiana State University's Carl Klarner and Stan Buchanan used fancy computer models in June to predict that Democrats would pick up 22 seats in the House, enough to give them 224 seats, six more than they would need for majority control. Alan I. Abramowitz of Emory University in Atlanta used his own model last month to forecast that Democrats would gain 29 House seats. The professors did not predict that Democrats would take charge of the Senate -- a six-seat gain is needed to win a majority there -- though they do envision Democratic gains in that body of two to three seats.

Nonetheless, the realization of these numbers would constitute a wave.

This year's anti-Republican swell -- if it arrives in the dimensions professors imagine -- would be a wavelet by historical standards, said Linda L. Fowler, a political scientist at Dartmouth College. Voting waves were tsunami-size in the 19th and 20th centuries. Seven times before World War II and once afterward (in 1948), 70 or more seats flipped in the House.

But no one is expecting a change of that magnitude this year.

The main reason is that most congressional districts have been carefully reconfigured in recent decades to elect candidates from one party regardless of the national mood. "Democrats have relatively few seats available to them that are now being held by the other party," said Gary C. Jacobson of the University of California at San Diego.

Incumbents also have towering advantages in both financial resources and access to communications with constituents that make them difficult to unseat. In addition, negative campaign commercials and citizens' persistent apathy toward government have tended to keep voter turnout low, which primarily helps incumbents, especially GOP incumbents, election experts agree.

But a big turnover of seats is still possible. In fact, a wave has struck Congress once or twice a decade for the past 50 years.

These have mostly come in midterm elections -- when presidential candidates were not on the ballot -- including 1958, 1966, 1974, 1986 (in the Senate) and 1994. Occasionally a wave will come in a presidential election year, as it did in 1980.

What all of these movements have in common is that they happened when most voters were unhappy with the president. "A general sense of dissatisfaction with the president and his party is often a cause of a wave, as it was in 1994 under Bill Clinton," Abramowitz said. "The lower the president's job approval rating, the more seats his party tends to lose in the House."

The party that controls the White House routinely loses at least some House seats during midterm elections. But presidents who are broadly disliked compound that effect, sometimes enough to produce waves that dash members of his party. That is why even Republicans are acknowledging the strong possibility of a wave this year; President Bush's job approval rating has dipped below 40 percent lately, a dangerously low number.

Recent waves have also coincided with highly publicized scandals (in 1974, it was Watergate) and unpopular wars (in 1966, it was Vietnam). This year Bush and his party are facing both -- the fallout from the Jack Abramoff and Mark Foley scandals as well as widespread disapproval of the war in Iraq. "With a combination of scandal and war, the makings of a wave are all there," said John J. Pitney Jr. of Claremont McKenna College in California.

Thomas F. Schaller of the University of Maryland Baltimore County said Republicans have been holding off an inevitable congressional correction for at least two election cycles because of the extraordinary circumstances surrounding the attacks of Sept. 11, 2001. A welling up of patriotism kept the GOP strong. But enough time has passed since then for that to have subsided. Now, Schaller said, "the wave is ready to break."

Wave elections frequently end up being larger and they knock off more incumbents than was initially anticipated. "Typical of a wave is that there are some lawmakers who seem safe on Election Day, but they turn out to be losers on election night," Pitney said.

Then again, predictions of waves come and go, like tides themselves, and they do not always come to true. "You can tell that a wave happened afterwards," said James A. Thurber, a political scientist at American University. "That's when people amend their stories about them."

How High The Wave? Don't Just Think 1994; Think 1974, 1958, 1982 (RC)

By Stuart Rothenberg

Roll Call, October 24, 2006

With only a couple of weeks until Election Day, we know there will be a Democratic wave on Nov. 7. And we can be fairly certain that by historical standards it will be high — possibly very high. But we still don't know how many Republicans once considered safe will be swept out of office.

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The national political environment currently is worse than it was in 1994, when the Democrats lost 52 House seats, eight Senate seats and 10 governorships, and when Republicans won GOP control of the House for the first time in decades.

You heard me right: It's worse this year than it was in 1994, when voters were dissatisfied with the first two years of the Bill Clinton presidency.

President Bush's approval ratings are worse than Clinton's were — Bush's are in the upper 30s, while Clinton's were in the mid-to-upper 40s — and the 16 percent approval rating for Congress in the latest NBC News/Wall Street Journal poll ranks far below where Congress stood prior to the 1994 midterms (24 percent).

Similarly, the generic ballot in the NBC News/Wall Street Journal poll was much closer back in '94, when Republicans held a 5-point edge right before the elections. Now, there's a 15-point Democratic advantage.

Moreover, the problems hounding Republican Congressional candidates — which range from a second midterm election (as compared to a less dangerous first midterm in the Clinton administration) to House scandals to an unpopular war — are far more challenging than anything Democratic Congressional candidates faced in 1994.

If you are looking for a midterm election year that is comparable to 2006, you need to move beyond 1994 to include other recent "wave" midterms, particularly 1974, 1958 and 1982. In 1974 and 1958, the president's party, in each case the Republicans, lost 48 seats. In 1982, Republicans lost 26.

Each of these three elections holds a lesson for anyone trying to understand what is likely to happen in House races on Nov. 7.

The 1994 midterm was about Clinton — particularly the Clinton health care plan, gays in the military and his perceived liberalism.

In 1982, the election was about Ronald Reagan and "his recession."

In 1974, the election was about Richard Nixon and Watergate, and then-President Gerald Ford's September pardon of the disgraced former president. To some extent, it also was about a party that too frequently seemed to defend and shield Nixon.

And the 1958 election was about a farm recession and dissatisfaction with the Eisenhower administration in a part of the country that made up a big chunk of the GOP's base.

I don't count 1966 as a midterm wave, although Democrats lost 47 seats in the House while holding the White House. Rather, that midterm was a rebound election, coming two years after the GOP's disastrous 1964 presidential election.

Given that, the past four true midterm wave elections saw the victorious party winning 52, 48, 48 and 26 seats, suggesting a reasonable range for success for Democrats this year.

Given that the political environment right now is worse for Republicans than at any time since 1974 — and that Republicans hold 232 House seats, which is far, far above their level in any of the four previous cycles — their vulnerability is great.

Of course, it matters where a party starts, since an overextended party (that is, one holding lots of seats that ought to belong to the opposition) inevitably has more seats at risk, while one that holds relatively few districts has fewer to lose.

The GOP's 48-seat loss in 1974 was stunning because the party started the election holding fewer than 200 seats. In 1982, Republicans lost 26 seats starting at roughly the same point.

While the GOP isn't overextended now, its 15-seat majority suggests it is now near the upper limit of its "normal" range. It holds a few Democratic seats, and Democrats hold a few Republican seats, but most districts are represented by the "correct" party. Still, with Republicans holding 232 seats in the House, the party has plenty of districts to lose.

So where does this leave us?

With the national environment being as it is — and given the last round of redistricting, which limits possible Democratic gains — Republicans probably are at risk to lose as few as 45 seats and as many as 60 seats, based on historical results. Given how the national mood compares to previous wave years and to the GOP's 15-seat House majority, Democratic gains almost certainly would fall to the upper end of that range.

The paucity of competitive districts limits Republican risk, but how much? Unfortunately, I don't have an answer. But if redistricting cuts that kind of wave by half, Democrats would gain between 22 and 30 seats next month. And if the new districts slice Democratic gains by a smaller but still significant one-third, Democrats would pick up from 30 to 45 seats.

Dangerously big waves can be very strong and very unpredictable. They can bring widespread destruction and chaos. Republicans now must hope that this year's midterm wave isn't as bad as national poll numbers suggest it could be, because those national numbers suggest a truly historic tidal wave.

War, Economy Sway Race (USAT)

By Susan Page And Jill Lawrence

USA Today, October 24, 2006

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WASHINGTON — Two weeks before Election Day, voters are more focused on national issues than in any previous congressional election, a USA TODAY/Gallup Poll finds, and they express unprecedented pessimism on the war in Iraq and downbeat attitudes about the economy.

Just 19% of those surveyed say the United States is winning in Iraq, an all-time low. And 38% say their own member of Congress doesn't deserve re-election, an all-time high.

POLL RESULTS: Congress | Bush | Iraq

As Republicans face a wave of voter discontent unmatched since they won control of Congress in 1994, Democrats are pouring money into congressional contests that until recently looked out of reach. They are running TV ads in 42 districts they are trying to wrest from the GOP, three of them new targets starting today.

Republicans have bought TV time to defend 33 seats and — with the addition today of a Savannah, Ga., district — are targeting five districts held by Democrats.

As the party in control of the government, Republicans need to convince voters that President Bush and Congress are doing a good job, that the war in Iraq was the right thing to do and that the economy is on the upswing — the issues that are driving voter attitudes.

The poll, taken Friday through Sunday, shows no progress made on those fronts.

"It's been more bad news piled on top of already bad news" for Republicans, says Charles Franklin, a political scientist at the University of Wisconsin, Madison.

"Can they turn it around? In principle they can, but time is running short."

Some Republicans concede that Democrats are likely to capture at least one chamber.

"Most people think that we would have a hard time holding the House if we voted today," says Charles Black, a senior GOP strategist and consultant to the Republican National Committee (RNC). "That said, two weeks is a long time."

On one measure, Republicans did see significant improvement. Two weeks ago, likely voters favored the unnamed Democratic congressional candidate in their district over the Republican by 23 percentage points, 59%-36%. The survey was taken immediately after Florida Rep. Mark Foley resigned in the congressional page scandal.

Now, the Democratic advantage on the generic congressional ballot has narrowed to 13 points, 54%-41%.

Still, that is more than the 12-point advantage Republicans held at this point in 1994, weeks before they swept to control of the House and Senate during President Clinton's first term, and higher than the margin held by either party in elections since then.

For months, Rep. Tom Reynolds, head of the National Republican Congressional Committee and who himself is in a tough race, has insisted that GOP candidates would survive a difficult political landscape because House elections traditionally turn on local issues, not national ones.

However, in the new poll, 43% of likely voters say national issues will make the biggest difference in their vote; 24% say local or state issues. That's the first overwhelming edge for national issues since the question was first asked in a Times Mirror poll in 1994.

A cascade of Republican misfortunes, including a string of ethics scandals and escalating violence in Iraq, has set the stage for a Democratic resurgence. Only an event as dramatic as the capture of Osama bin Laden or a terrorist attack could reverse the trend toward Democrats, analysts say.

"Nobody's listening to the rhetoric anymore," says political scientist Gary Jacobson of the University of California, San Diego. "They're responding to the news."

GOP advantages dwindle

Democrats need 15 new seats in the House and six in the Senate to claim a majority. Non-partisan analysts Stuart Rothenberg and Charles Cook estimate Democrats will gain at least 18 to 20 House seats and possibly more.

Taking over the Senate is a tougher proposition. Democrats are favored to pick up four Senate seats held by Republicans and are competitive in three more in border states: Virginia, Tennessee and Missouri.

Democrats are keeping an eye on a potential pickup in Arizona, Republicans on possibilities in New Jersey or Michigan.

This year, some traditional Republican advantages "aren't quite what they seemed," says political scientist John Pitney at Claremont McKenna College in Claremont, Calif. Among them:

·Money. Republicans have raised more money than Democrats overall, but Democrats are competitive, and some candidates are experiencing a late surge.

The RNC and the GOP House and Senate campaign committees had a combined $77.6 million in cash on hand as of Sept. 30, according to federal reports. The three Democratic committees reported $67.3 million on hand.

Democratic Party committees have invested at least $12.6 million to support Senate hopefuls Claire McCaskill in Missouri, Harold Ford Jr. in Tennessee and Jim Webb in Virginia.

Republican committees have spent $8.6 million in Missouri and Tennessee, including $1.8 million Monday for TV ads against McCaskill.

Brian Nick of the National Republican Senatorial Committee says the GOP may be on the defensive in those three conservative states, but he notes Democrats have been forced to spend heavily to defend seats in New Jersey, Maryland and Michigan — three traditionally Democratic states.

"Those dollars aren't going against our incumbents or for our open seats," he says.

·Redistricting. Pitney, a former Republican congressional aide, says districts mapped after the 2000 Census to protect GOP incumbents are changing and in some cases becoming less Republican.

"We're seeing demographic shifts that are bringing formerly safe Republican seats into reach for the Democrats," he says.

Robert Lang, a demographer at Virginia Tech's Metropolitan Institute, says new, far-flung mobility patterns mean the population and politics of a congressional district can shift "over half a decade, what would seem like the blink of an eye."

Many inner suburbs become more Democratic as Republicans move to outer suburbs. That has helped put into play seats such as the one held by Rep. Deborah Pryce, R-Ohio, near Columbus.

·Economic news. Low unemployment, falling gas prices and a record-setting stock market typically would translate into warm feelings about the economy. But 55% of Americans rate the economy as only fair or poor, and 54% say it is getting worse.

In places where the economy is a top concern — including Ohio, Michigan and Pennsylvania — people are upset about lost jobs, slow-growing wages for many workers and overseas competition. Democrats lambaste their opponents for voting against hikes in the minimum wage, promising a raise if they win control.

·Turnout by conservative Christians. Leaders of conservative Christian groups, including the Family Research Council, have complained that the Republican officials their members helped elect haven't delivered on such issues as a constitutional amendment to ban gay marriage. So-called values voters also have been buffeted by the scandal involving Foley's lewd computer messages to former House pages.

Democrats in several states — including Ohio, Colorado, North Carolina and Tennessee — allude to Foley and other scandals in ads on Christian radio stations.

Melissa Deckman, a Christian-politics expert at Washington College in Easton, Md., says the party may convert some listeners and encourage others to stay home.

"The more likely situation is Christian conservatives are not going to go out and vote," she says.

Foley was the third GOP House member to resign this year amid scandal. A fourth, Ohio Rep. Bob Ney, pleaded guilty to corruption charges this month. A new problem arose last week when the FBI confirmed it was investigating whether Rep. Curt Weldon, R-Pa., used his position to help his lobbyist daughter get contracts. Two days later, the Democratic Congressional Campaign Committee bought $1.6 million in TV time to run negative ads against him.

'Bogged down' in war

The war in Iraq is the single most powerful issue shaping the public's mood, the survey indicates, and attitudes toward the war have soured significantly. A record 35% say the war is going "very badly" for the United States. The number that says insurgents are winning the war has more than doubled since February, to 21%.

Now, 58% of those polled say the invasion of Iraq was a mistake. Of those with that view, more than three of four are supporting the Democrat for Congress.

"Foreign policy, whether it's Iraq or in general, has become a strong issue for the Democrats, and Republicans are running away from it," New York Sen. Charles Schumer, the Democrats' Senate campaign chief, said in an interview.

Former GOP House majority leader Dick Armey says small-government conservatives don't believe the United States can create a democracy in Iraq and have become convinced the war was unnecessary. "We've gotten ourselves bogged down in a mess we can't get out of," he says.

In the survey, one-third of conservatives called the invasion a mistake, as did two-thirds of moderates and more than 8 of 10 liberals.

Some Republican candidates closely aligned with President Bush have edged away from his "stay the course" message. Virginia Sen. George Allen, facing a stiff challenge from former Navy secretary Jim Webb, has begun talking in the past week about "adapting" and "adjusting" the U.S. approach. Rep. Christopher Shays, R-Conn., for years a staunch war supporter, said this month he is "losing faith" in how it's being fought.

Playing the fear card

Democrats call those shifts too little, too late. "Changing direction in Iraq starts with changing the people we send to Washington," Shays' challenger, Diane Farrell, said Saturday in the Democratic response to Bush's radio address.

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Democrats, who since the Vietnam War have battled voter perceptions that they are soft on defense, are finding a more receptive audience for the argument that they could do a better job of protecting America and conducting its foreign policy. In the poll, 52% say the Iraq war has made the USA less safe from terrorism.

Nonetheless, Republicans continue to view the issue of terrorism as their strongest asset — both to persuade independent-minded voters and to energize core supporters. After circulating it in an e-mail to millions of supporters, the RNC broadcast an ad Sunday and Monday that showed bin Laden and other al-Qaeda leaders making threats against Americans and then the orange fireball of an explosion. The only sound: the ticking of a bomb's timer. "These are the stakes," the ad concludes, stark white words on a black screen.

Those words echo an infamous commercial President Lyndon Johnson used against Republican Barry Goldwater in 1964. Then, a girl counting daisy petals gave way to a missile countdown and a mushroom cloud. "These are the stakes," LBJ declared.

Phil Singer of the Democratic Senatorial Campaign Committee says the new GOP ad is a reminder that, five years after the 9/11 attacks, the Bush administration still hasn't caught bin Laden.

'Intensity of feeling' a factor

Though congressional elections customarily turn on local issues, voters by nearly 20 percentage points say national issues will make the biggest difference in their vote.

Bush, whose job approval rating remained at 37%, could be a liability for candidates. By 41%-27%, those surveyed say they are more likely to vote for a candidate who opposes the president than one who supports him.

The RNC has built a get-out-the-vote machine renowned for its sophisticated technology and targeting of potential supporters. Democrats have long relied on a combination of efforts — by labor unions, interest groups, state parties and national committees — that failed to match the GOP operation in the last three elections.

This year, analysts say the underlying landscape favors Democrats.

"The Republicans' turnout operation is better," says Curtis Gans, director of the non-partisan Center for the Study of the American Electorate. "But the intensity of feeling is on the Democratic side. The issue climate is on the Democratic side."

Some groups are trying to harness that intensity. The AFL-CIO is spending a record $40 million to contact union members and encourage them to vote. MoveOn.org is running a Web-based phone bank that matches tens of thousands of volunteers with Democratic-leaning voters in three Senate races and 50 House contests.

Eli Pariser, director of MoveOn's political arm, says the project targets people who voted in the 2004 presidential race but not in the 2002 congressional elections. Some are Democrats, and others are considered likely to support Democrats based on an analysis of consumer data such as magazine subscriptions.

"This is basically a program to deliver 5 million nudges, 5 million phone calls," Pariser says.

Strategists for both sides say that phone banks and other turnout tools can only accomplish so much. "A field program is like a sailboat," Singer says. "You can have a beautiful sailboat that can win the America's Cup, but if there's no wind, it's not going anywhere."

Superior money and turnout aren't enough to prevail this year, the GOP's Black agrees. "We still need to get the national tide to swing back our way a little bit to keep our majority," he says.

Independent Voters Favor Democrats By 2 To 1 In Poll (WP)

By Dan Balz And Jon Cohen

The Washington Post, October 24, 2006

Two weeks before the midterm elections, Republicans are losing the battle for independent voters, who now strongly favor Democrats on Iraq and other major issues facing the country and overwhelmingly prefer to see them take over the House in November, according to a new Washington Post-ABC News poll.

The new poll underscores how much of a drag the war threatens to be on Republican candidates in competitive races. With debate underway in Washington about possible course changes in Iraq, Americans cite the war as the most important issue in determining their vote next month more often than any other issue, and those who do favor Democrats over Republicans by 76 percent to 21 percent.

Independents are poised to play a pivotal role in next month's elections because Democrats and Republicans are basically united behind candidates of their own parties. Ninety-five percent of Democrats said they will support Democratic candidates for the House, while slightly fewer Republicans, 88 percent, said they plan to vote for their party's candidates.

The independent voters surveyed said they plan to support Democratic candidates over Republicans by roughly 2 to 1 -- 59 percent to 31 percent -- the largest margin in any Post-ABC News poll this year. Forty-five percent said it would be good if Democrats recaptured the House majority, while 10 percent said it would not be. The rest said it would not matter.

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The poll also found that independents are highly pessimistic about the Iraq war and the overall state of the country. Just 23 percent said the country is heading in the right direction, compared with 75 percent who said things have gotten off track. Only a quarter of independents approve of the job Congress has done this year. Only a third say the Iraq war is worth fighting. A month before the 2004 election, independents were almost evenly split on that question.

Independent voters may strongly favor Democrats, but their vote appears motivated more by dissatisfaction with Republicans than by enthusiasm for the opposition party. About half of those independents who said they plan to vote Democratic in their district said they are doing so primarily to vote against the Republican candidate rather than to affirmatively support the Democratic candidate. Just 22 percent of independents voting for Democrats are doing so "very enthusiastically."

Among the electorate as a whole, the poll highlighted how the political climate continues to favor Democrats. President Bush's approval rating among all Americans stood at 37 percent. Two weeks ago he was at 39 percent, and in September he was at 42 percent. By more than 2 to 1, Americans disapprove of the way Congress has been doing its job.

The generic vote for the House -- a question that asks people which party they favor in their district but that does not match actual candidates against one another -- remained strongly in the Democrats' favor, 54 percent to 41 percent.

These national numbers do not translate directly into predictions of whether Democrats will gain the 15 House seats or six Senate seats they need to take control of those chambers. But an analysis of the findings sheds light on why Republicans are now deeply worried about losing their House majority and why the Senate is in play as well.

The poll showed that Democrats not only have a significant advantage in blue states -- those won in the 2004 presidential race by Sen. John F. Kerry (D-Mass.) -- but also have a narrow advantage in Bush-backing red states, which helps to explain why the number of GOP-held seats that appear competitive has increased recently.

Iraq is cited most frequently as the most important issue in the midterm elections. Two weeks ago, 26 percent of those surveyed cited the war as the single most important issue determining their vote in November, compared with 23 percent who cited the economy and 14 percent who said terrorism. In the new poll, 27 percent said Iraq, 19 percent cited the economy and 14 percent said terrorism.

Independents are almost as likely as Democrats to cite Iraq as the single most important issue in the campaign. Both groups are twice as likely as Republicans to single out the war when asked about the election's top issues.

Independents do not limit their criticism of the war's handling to the president. Fifty-five percent of independents said congressional Republicans deserve a "great deal" or a "good amount" of the blame for problems in Iraq. Fewer, 36 percent, give congressional Republicans credit for helping prevent terrorist attacks against the United States since Sept. 11, 2001.

Bush agreed last week with a commentator's suggestion that a recent surge in violence in Iraq could be equivalent to the 1968 Tet Offensive, which marked a turning point in U.S. public support for the Vietnam War. But the percentage of Americans who believe that Iraq could be another Vietnam is no higher, at 45 percent, than it was in June.

Four in 10 Americans said the war is not worth fighting, and three in four said the war has damaged the United States' image in the rest of the world. Not quite half of those surveyed said that overall, the war has helped to improve the lives of the Iraqi people, a sharp decline since June, when roughly seven in 10 believed it had.

The small decline in the economy's ranking as a top voting issue comes at a time when Americans are increasingly upbeat about the state of the national economy. Fifty-five percent of those surveyed said the economy is "good" or "excellent," a sharp jump over the past two weeks and the highest since Bush took office.

But Republicans appear to be getting little tangible benefit from the growing economic optimism, which has come amid declining gasoline prices and a record high in the Dow Jones industrial average. Those who cite the economy as the most important issue favor Democrats by 18 percentage points, 57 percent to 39 percent.

One reason is that only a quarter of those surveyed said they are getting ahead financially. About the same number said they are falling behind. Most, however, said they are just able to maintain their standard of living. Republicans have an advantage only among those who say their financial condition is improving.

Among those voting primarily on Iraq, Democrats hold a sizable lead, 76 percent to 21 percent, in voting intentions. Democrats also are favored by voters who cite health care as their most important issue, while those voting on terrorism or immigration strongly favor Republicans.

Voters also continue to trust Democrats more than Republicans to deal with the war, the economy, North Korea and ethics in government. On terrorism, the two parties are at parity.

But independents, the key swing voter group, strongly trust the Democrats on all of those issues by margins ranging from 14 percentage points on terrorism to 23 points on Iraq and North Korea and 26 points on ethics in government.

The growing independent support for Democratic House candidates represents a significant shift in attitudes since the 2004 election, when Democrats held only a slim advantage. In winning reelection, Bush narrowly lost the independent vote, 50 percent to 48 percent, and in the vote for the House, independents split 50 to 46 for Democratic candidates.

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One important question that will affect the outcome of the elections is who shows up to vote. More Democrats than Republicans, 32 percent vs. 24 percent, said they are "very closely" following the campaign, and Democrats are more likely to be very enthusiastic about voting. Independents show less enthusiasm about this election than do Democrats or Republicans.

Almost three in five respondents said this congressional election is more important than past congressional elections. A higher percentage of Democrats said this election has more significance than did Republicans or independents.

Both parties are making extraordinary efforts to turn out their voters in November. Twenty-nine percent of registered voters said they had been contacted by one party or the other for their votes, and three in 10 of those said they had been contacted by advocates for both parties.

Republicans appear to be doing a better job of contacting independents. In the poll, 45 percent of those independents who said they had been contacted said they were urged to vote for Republicans, while 17 percent said they were urged to vote for Democrats. The rest said they were contacted by both sides.

The Post-ABC News poll findings are based on telephone interviews with 1,200 adults conducted Thursday through Sunday. The margin of sampling error is plus or minus three percentage points.

In Southwest, A Shifting Away From Party Ties (NYT)

By Kirk Johnson

The New York Times, October 24, 2006

SHOW LOW, Ariz. — Political parties are like cowboy boots in many parts of the West. If one pair doesn't fit, you try on another.

Hal F. Butler is old enough to remember when the boots here in Navajo County were overwhelmingly filled by Republicans, and then, beginning in the late 1940's, how the county turned Democratic. Mr. Butler became a Democrat in the 1950's at the urging of his mother, a staunch Republican who said the Democratic Party was the party of the future for an ambitious young man.

Now Mr. Butler, who is 81 with half a century of elected and appointed office behind him, including a stint as Show Low's mayor, sees an emerging third wave: the age of the independents is here, he said, and his own family is shifting along with it.

"The independent vote is swinging everything," he said. "They're going to be the powerhouse."

Nowhere has the shift been more pronounced in recent years than in the Southwest, where Republicans have enjoyed an overwhelming advantage since the days of Barry Goldwater. Here in Arizona, people who reject the old major party labels are by far the fastest-growing category of voter, with the number of independents doubling over the last 10 years, to more than one in four.

Numbers like that are the stuff that ulcers are made of for party regulars and election prognosticators, who are trying to figure out where the new independents are coming from politically or geographically and where they might hang their hats on Election Day. No one is fully confident. Anxiety is high.

"Arizona has always had an independent streak, but these new voters are of all stripes," said Garrick Taylor, a spokesman for the Arizona Republican Party. "They're going to be a wild card."

But if the trend toward independent voters continues — and there is no sign of faltering — experts say it will lead to more competitive races not only on local and statewide levels but also in the presidential election.

As the Nov. 7 elections approach, the whole idea of party is in flux in many parts of the nation as candidates and voters reassess the connotations — in baggage or benefit — of party association. Some office seekers are omitting their party label on their lawn signs, and some dwell at length on the stump on how much they disagree with their own parties on issues like the environment or stem cell research— all to look more unaffiliated in order to lure the independent vote.

Closer elections and more balanced war chests, meanwhile, in races across the nation are elevating the role of independents regardless of their numbers — and changing as well the strategies of how to reach them, even as they turn their noses up at what the two-party system has become.

"The first message they're sending to us in the political world, and to general public, is 'Don't assume anything,' " said Michael J. Frias, director of campaigns for the Arizona Democratic Party.

Who the independents are is probably the first assumption to discard, politicians and researchers say. Polls by Arizona State University, for example, suggest that younger voters who no longer see the relevance of party membership are one of the largest engines of the growth.

But here in Arizona's First Congressional District, the growing number of independents — about 23 percent — is compounded by a surge in newcomers, especially from California and the Midwest.

A spokesman for Representative Rick Renzi, a two-term Republican, said many of the new independents were libertarians who rejected party just as they rejected intrusion by government. A spokesman for Ellen Simon, Mr. Renzi's Democrat

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challenger, said that the independents could not be pigeonholed and that the only reasonable campaign tactic was to talk to them — and talk and talk.

"With the independent voters, you have to talk to them more often, with more frequency and be as specific as possible," said Brandon Hall, the campaign manager for Ms. Simon.

In other races around the country, courting independent voters has coincided with a feeling that party affiliation of any kind this year could be toxic. In New Hampshire, where independent and third-party voters account for more than 40 percent of the electorate, Representative Charlie Bass, a Republican, has run television advertisements proclaiming how different he is from his party.

In Colorado's closely fought Seventh Congressional District outside Denver, lawn signs for the candidates — Ed Perlmutter, a Democrat, and Rick O'Donnell, a Republican — mostly carry no party identification. About one in three voters in Colorado are independents — in the Seventh it is even higher, 37 percent.

Some election experts are skeptical about voter statistics and say party registration as counted by most states is a poor measure of the electorate. Massachusetts, for example, has rules that encourage strategic registration, since independents can vote in any party's primary. Most national surveys have shown little change in the numbers of self-described independents since the late 1970's, but the polls tend to ask about ideological preference rather than actual party registration.

But here in the Southwest, the shift away from major party affiliation has been pronounced. Of the seven states with the fastest-growing proportion of independent or third-party voters from 2000 to 2004, four are clustered in the Southwest — Arizona, California, Nevada, and New Mexico, according to Election Data Services, a nonpartisan consulting company that tracks election information. New Hampshire had the second-fastest growth after Arizona, followed by Florida and Maryland.

And the changes in voter registration have coincided, at least in the West, with a decidedly positive turn for local Democratic candidates in states where Republicans had been dominant, either by history or in number. Four states in the eight-state Rocky Mountain region — Arizona, Montana, New Mexico and Wyoming — now have Democratic governors, up from zero in 2000. And in Colorado, Bill Ritter, a Democrat, has led Representative Bob Beauprez, a Republican, in most polls going into next month's election for governor.

Arizona had the fastest growth in the nation in no-party and third-party registration from 2000 to 2004 among the 25 states that count party numbers, up to 25.5 percent in just four years from 14.7 percent of the electorate, according to Election Data Services. Nationally, the ranks of the independent rose by 21 percent in that period among the 25 party-counting states, compared with a 7.4 percent increase for Democrats and 5.5 percent for Republicans.

Meanwhile, Republicans of Western libertarian bent have chafed as their party has held ever more tightly to the morals-based agenda of its Christian evangelical wing, said Ryan Sager, author of the recently published book "The Elephant in the Room," which chronicles the libertarian-evangelical tension.

California, with Democrats dominant but independents rising in number, also has a moderate Republican governor in Sacramento, which suggests that perhaps nonparty voters are not tilting Democratic at all, that the only certainty is that they have rejected the old labels.

"The Western image of the small-government, leave-me-alone conservative no longer fits into the modern Republican Party," Mr. Sager said in an interview. "And the Democratic Party is not as scary as it used to be."

Experts like Mr. Sager say that places like Navajo County, about three hours northeast of Phoenix, are a natural breeding ground for antiparty sentiment because party labels have always been a bit artificial, reflecting local culture more than ideology, and are therefore easier to shake off. Between the 2000 election and last month, the number of independents here rose from about 15 percent of the electorate to 22 percent heading into the November elections, according to Arizona secretary of state's office. Shifts like that are getting politicians' attention all around the country.

"Politics has become a winner-take-all game played at the expense of ordinary citizens," said Ben Westlund, a state senator from Oregon who resigned from the Republican Party this year to run for governor as an independent. But Mr. Westlund withdrew from the race in August because he said he did not want to be a spoiler candidate who would skew the election.

The deepened sense of polarization in American politics is also making the independent voters' journey harder. As recently as the 1970's, for example, many voters told pollsters that they would vote across party lines for a presidential candidate they liked. They have become much less likely to think outside the box in the years since, said Robert Y. Shapiro, a professor of political science at Columbia University.

Here in Show Low, which was named for a turn of the cards in an 1800's property dispute between two ranchers — low card takes all — hardened partisan orthodoxy is exactly the problem. "Both parties are out for themselves," said Greg Butler, Hal Butler's son, who grew up a Democrat but changed to independent in 2004 and said he was supporting candidates in both parties this year. "I think you've got a right to do what you want and a right not to be labeled — I like that," said Mr. Butler, 56.

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His son, Dusty Butler, 26, skipped the Democratic phase entirely and went right to independent when he registered for the first time. He plans to vote mostly for Republicans next month, he said.

"I asked Dad a lot of questions, and it made sense to me," he said.

Some Navajo County residents say that because lots of Democrats have voted for Republicans over the years, and vice versa, the divisions between the parties are not as pronounced here, which makes it easier to abandon the idea of a party at all.

Other people say the major parties have simply made people angry.

Hal Butler said that some of environmental protection rules under the Clinton administration, including restrictions on mining, ranching and forestry — the big three traditional industries here in Navajo County — were not popular, to say the least. But Mr. Butler said the Republicans had made no friends by promising to reverse the Clinton rules and mostly failing to follow through.

Mr. Butler said he had kept his Democratic Party membership, for now, in support of his son Gary H. Butler, a Democrat who has been the elected Navajo County sheriff for the last 18 years. When Gary Butler retires in two years, Hal Butler said, that obligation will end and he will quit the Democratic Party and turn independent.

Gary Butler, 60, said he, too, planned to resign his party membership upon retirement, though he was not sure where he would go.

"Right now, both parties are way too far apart and nobody is looking out for the good of the people," he said.

Rising Radical Center (WP)

By E. J. Dionne Jr.

The Washington Post, October 24, 2006

HANCOCK, Mich. -- President Bush's six-year effort to create an enduring Republican majority based on a right-leaning coalition is on the verge of collapse. The way he tried to create it could have the unintended consequence of opening the way for an alternative majority.

This incipient Democratic alliance, while tilting slightly leftward, would plant its foundations firmly in the middle of the road, because its success depends on overwhelming support from moderate voters. That's why a Democratic victory in November -- defined as taking one or both houses of Congress -- would have effects far beyond a single election year.

The Democrats' dependence on moderate voters and moderate candidates belies Republican claims that a Democratic victory would bring radically liberal politics to Washington. In fact, the first imperative of Democratic congressional leaders, if their party is successful, will be finding policies, ideas and rhetoric to allow the party's progressives and moderates to get along and govern effectively together.

The strategy pursued by Bush and Karl Rove has frightened most of the political center into the arms of Democrats. Bush and Rove sought victory by building large turnouts among conservatives and cajoling just enough moderates the Republicans' way. But this approach created what may prove to be a fatal political disconnect: Adventurous policies designed to create enthusiasm on the right turned off a large number of less ideological voters.

The Democrats' lead in the polls can be thus explained by two factors: the energy of a passionate phalanx of voters desperate to use this election to rebuke Bush, and the disenchantment of moderates fed up with the failures of Bush's governing style and ideology, notably in Iraq.

A survey this month for National Public Radio in the 48 most-contested House districts makes clear that anti-Bush energy is this election's driving force. While only 22 percent of those surveyed by Public Opinion Strategies and Greenberg Quinlan Rosner strongly approved of Bush's performance in office, 44 percent strongly disapproved. This points to a huge enthusiasm deficit for the Republicans.

But the survey also showed that the Democrats' 51 to 40 percent lead in these competitive districts came not just from liberals but also from self-described moderates, who favored the Democrats by 59 percent to 34 percent. There are twice as many moderates as liberals in these key districts, so moderates are the linchpin of Democratic chances.

If a Democratic majority depends on moderate voters, it also depends on the victory of moderate candidates. In five of the seven races likely to decide control of the Senate, Democrats have nominated candidates who simply cannot be seen as conventional liberals.

That is certainly true of Harold Ford Jr. in Tennessee, Jon Tester in Montana, James Webb in Virginia and Claire McCaskill in Missouri. In Pennsylvania, Democrat Robert Casey is moderate or even moderately conservative on many social issues. In House races in more conservative states, Democrats have gone out of their way to find middle-of-the-road candidates.

But Democratic moderation this year carries a sharp edge of economic populism, and a consensus is already developing around health care, energy and corporate accountability. In one his advertisements, Montana's Tester marries fiscal

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conservatism with an anti-corporate appeal by promising to "stand up to oil company giveaways, no-bid contracts to Halliburton and billions in pork, including bridges to nowhere, all saddling our kids with more and more debt."

One of the Democrats' more conservative House challengers, Heath Shuler in North Carolina, declares that "it's not right when big insurance companies write health care laws and millions can't afford to see a doctor." In Michigan's 8th Congressional District, challenger Jim Marcinkowski's attacks on incumbent Republican Mike Rogers's ties to the energy and health care industries are a key part of his campaign. And Democrats of all stripes have become increasingly pointed in criticizing the president's Iraq policies.

There has long been talk about the rise of a "radical center," made up of voters essentially moderate in their philosophical leanings but radical in their disaffection with the status quo. This looks to be the year of the radical center. If it is, the Democrats will win. And if they win, their task will be to meet the aspirations of a diverse group of dissatisfied and disappointed Americans. Not an easy chore, but one that certainly beats being in the opposition.

With Two Weeks Left, Republicans Should Quit Playing Defense (RC)

By David Winston

Roll Call, October 24, 2006

In the fall of 1982, I was a young opposition researcher at the National Republican Congressional Committee. All that summer, the political environment had become increasingly difficult for Republicans.

Our election strategy had been based on then-President Ronald Reagan's economic plan to turn around the disastrous economy he inherited from former President Jimmy Carter's failed administration. When Reagan took office, interest rates were in double digits with home mortgage rates as high as 15 percent. Americans had been forced to sit in long lines at the gas pumps, only to pay exorbitant prices. Our hostages had been returned, but our national prestige had been badly damaged by Carter's weakness.

The national party's message that year was simply "stay the course" — stick with Reagan's economic policies, we asserted, and America will be strong once again. Unfortunately, party leaders misjudged voter attitudes and patience.

Despite the fact that Reagan's new supply-side economic plan had been in effect less than a year, people wanted to see still more aggressive action, not hear "stay the course." When unemployment hit 10 percent one month before the elections, it became clear that Reagan's policies would not work in time. Still, the party clung to its message, which simply flew in the face of reality. Our faith in the Reagan economic program wasn't misplaced, just mistimed.

Eventually, his policies did restore the country's economy, but not soon enough, as Republicans in the House lost 26 seats that fall. It wasn't long before the joke around town became "stay the curse." Developing election themes can be tricky. External events don't always cooperate. In 1982, it was unemployment. This year, it's the Iraq War and an unhappy electorate, which seems convinced, despite overwhelming evidence to the contrary, that the country's economy is on the wrong track.

Much like 1982, an impatient public doesn't want to hear "stay the course." They want a more activist approach focused on solving what they see as the country's problems, as well as their own. With two weeks left before the elections, Republicans ought to take the advice of former Rep. J.C. Watts (Okla.), who used to advise the Republican Conference to "stay on offense." "Stay the course" is defensive, and Republicans need to break out of their self-imposed box — and do it quickly.

Fortunately, the campaign seems to have reached a pivot point. If nothing new emerges concerning the former Rep. Mark Foley (R-Fla.) scandal, the side that defines the focus of political discourse in the last 14 days will go into Election Day with an advantage.

Republicans still have two great strengths — the economy and national security — if they are willing to follow Watts' advice and take their record on offense.

The stock market has hit new highs, which means people are likely to feel better about their retirement and college funds. Unemployment has dipped to a low 4.6 percent, which means people are working.

The Bush economic policies have created more than 6 million new jobs over the past four years, and we're beginning to see wages rise, with an increase of 4 percent over the past 12 months. Homeownership also is at record highs, and gas prices have fallen dramatically.

Thanks to a historic rebound in federal revenues, the deficit has been cut almost in half while state budgets are back in the black, as their revenues continue to grow at a fast pace. Today, Republicans can legitimately argue that a balanced budget is only three to four years away.

That's not a record that reflects stagnant policies or neglect, as Democrats charge. Republicans should take credit for a strong, steady economy that is at least as good, if not better, than the Clinton economic bubble of the late 1990s.

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They also should claim credit for keeping America safe for the past five years. The bottom line is this country hasn't been attacked since Sept. 11, 2001. That fact was brought home once again when the U.S. and British governments foiled the London terror plot in September, thanks in part to the president's aggressive intelligence operations.

In September, the Republican Congress passed new port-security legislation to beef up inspections of incoming ships to America's ports. It passed a border-security bill to authorize new tools, including a fence, to stem the tide of illegal immigration and to make our borders more secure and the country safer. And over Democratic objections, Republicans in Congress took action to ensure that we can effectively interrogate terrorists who would do us great harm.

Republicans have a solid record proving they are working to solve many of the nation's most difficult problems with little or no help from Democrats. They need to jettison "stay the course" now, forcefully take their record to the voters, and make Democrats do more than carp and criticize.

Voters will see that Democrats have no real solutions other than to offer themselves up as an alternative to President Bush, an alternative devoid of real ideas. They have no serious plan for Iraq. Their economic program boils down to Rep. Charlie Rangel (D-N.Y.), the likely chairman of the Ways and Means Committee in a Democrat-controlled House, putting us on notice that there isn't a single Bush tax cut "that merits renewal." Voters need to understand that if Democrats take control of Congress, they might as well mark 2010 on their calendars for tax increases, if not sooner.

But voters don't understand. They hear "stay the course," and they instinctively reject what sounds to them like a strategy of the status quo. More to the point, it doesn't accurately represent the president's Iraq or domestic policies. While the goal remains the same, a democratic and free Iraq, strategy and tactics have changed over time to respond to the enemy and, as evidenced this past weekend, will continue to change.

Tax cuts, national security measures, a comprehensive energy plan, a Medicare prescription drug program, class-action litigation reform — these hardly are the hallmarks of a status quo domestic agenda either.

Republicans are not the party of "stay the course" and never have been. It's time they stop acting like it.

David Winston is president of The Winston Group, a Republican polling firm.

Minority Church Leaders Backing Away From GOP (LAT)

By Peter Wallsten

The Los Angeles Times, October 24, 2006

— A major effort to draw Latinos and blacks into the Republican Party, a central element of the GOP plan to build a long-lasting majority, is in danger of collapse amid anger over the immigration debate and claims that Republican leaders have not delivered on promises to direct more money to church-based social services.

President Bush, strategist Karl Rove and other top Republicans have wooed Latino and black leaders, many of them evangelical clergy who lead large congregations, in hopes of peeling away the traditional Democratic base. But now some of the leaders who helped drive Bush to victory in 2004 are revisiting their loyalty to the Republican Party and, in some cases, abandoning it. "There is a fissure, and I doubt it will be closed in this election," said the Rev. Luis Cortes Jr., a Republican who founded the annual National Hispanic Prayer Breakfast that has featured Bush every year since 2002. His Philadelphia-based Esperanza USA boasts a national affiliate network of more than 10,000 churches.

The Latino backlash has grown so intense that one prominent, typically pro-Republican organization, the Latino Coalition, has endorsed Democrats in competitive races this year in Tennessee, Nebraska and New Jersey. The coalition is chaired by Hector Barreto, the former administrator of the Small Business Administration under Bush; its president is a former strategist for the Republican National Committee.

The disaffection comes as Republicans face a challenge in building enthusiasm for the upcoming election among white evangelicals and other conservatives, who have been the core of the GOP's political base.

Taken together, the unhappiness among these groups could threaten GOP hopes of minimizing losses in the Nov. 7 congressional election and may undercut the party's goal of keeping the presidency in 2008. The Latino Coalition, for example, has endorsed the presumed Democratic presidential front-runner, Sen. Hillary Rodham Clinton (D-N.Y.), in her reelection bid this year.

Complaints among black pastors who had been courted by the White House — while less pronounced than those of Latino leaders — have been fueled by a tell-all book by former White House aide David Kuo. The new book says that Bush, referring to pastors from one major African American denomination, once griped: "Money. All these guys care about is money. They want money."

A White House spokeswoman said Friday that nobody there recalled hearing such a comment from the president.

The Rev. Eugene Rivers, a Boston Pentecostal minister and one of about two dozen black clergy invited to a series of White House meetings with Bush, said Friday that black leaders had been wooed with assurances that their social service

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groups would receive money from the president's faith-based initiative. But, Rivers said, the bulk of the money had gone to white organizations, leaving black churches on the sidelines.

Rivers plans to send a letter early this week to the White House demanding to know how much social services money has been directed to black churches under the faith-based initiative, and requesting a "new conversation" with Bush.

"There's a growing frustration and anger in the black religious community nationally as the Kuo book makes the rounds," Rivers said. "Meetings at the White House show you the door, but they don't necessarily open the door."

Bush won an estimated 44% of the Latino vote in 2004. While polling numbers vary, many analysts said that represented about a 9-percentage-point improvement from 2000, suggesting that Latinos might become a substantial pillar upholding a durable Republican majority.

But in recent months, Democratic activists who marveled at Bush's success in courting Latino voters watched with amazement as Republicans pushed into law a 700-mile fence along the Mexican border and tried to make it a felony to migrate illegally or to help undocumented immigrants. The latter provision did not become law, but it especially angered some church leaders, who said it would have criminalized their religious duty to help the least privileged in society.

Despite Bush's lobbying for an immigrant guest-worker program, favored by many Latinos, conservative lawmakers in the House refused to bend, forcing Bush to endorse the fence legislation and dimming his popularity among Latinos.

A survey released this month by the Latino Coalition found Latino registered voters supporting Democrats over Republicans 56% to 19% in congressional elections. "If Republicans nationally get 25% of the Hispanic vote, it would be a miracle," said Robert de Posada, the coalition president.

That disaffection is felt among some of the Latino clergy who were courted by the White House.

The Rev. Danny de Leon of Templo Calvario in Santa Ana, considered the biggest Latino bilingual church in the U.S., said he was so frustrated with his party's response to immigration that he was likely to stay home next month rather than vote for Republican Gov. Arnold Schwarzenegger — and that he might also sit out the 2008 election.

"A lot of people are saying, 'Forget being a Republican. I want to go to the Democratic Party,' " said De Leon. "It's a shame that one issue has divided many of us that have been in the Republican Party for a long time and has brought us to ask the question: Do I or do I not want to belong to this party?"

Pastor Luciano Padilla Jr. of the Bay Ridge Christian Center in Brooklyn said he had backed Republicans because of their views on such issues as gay marriage and abortion. But in the midst of the immigration debate, he said, "We will have to look at where we put our allegiance in the future."

Cortes, of Esperanza USA, says he continues to respect Bush but now has doubts about the GOP. "That group in the Republican Party said, 'We want your parents, your grandparents, we want anyone here without documentation, regardless of why — we want them out,' " he said. "If voting is about personal interest, how are Hispanics to vote? They will vote against those guys."

The White House now faces a symbolic choice on the border-fence legislation: Does Bush rally the GOP base with a large, pre-election signing ceremony, or does he reject such fanfare in hopes of avoiding long-term damage among Latinos?

Republican officials said their internal polls showed the party winning about 32% of the Latino voting bloc this year — similar to the 2002 results that helped the GOP gain seats in Congress.

They said the party would continue its aggressive outreach, focusing on issues such as home ownership, jobs and family values.

"We cannot maintain majority status in America without a growing share of the Latino vote," said Adrian Gray, director of strategy at the Republican National Committee. He said that "when 44% of Latinos supported President Bush in that last election, it opens the door for many of them to vote Republican in the future."

Causing new wrinkles in the White House relationship with evangelicals is the Kuo book, "Tempting Faith: An Inside Story of Political Seduction," in which he describes top White House aides embracing religious conservatives in public while calling them "nuts" behind their backs.

One leading black evangelical who has been an occasional White House guest, Bishop Harry Jackson Jr. of the Hope Christian Church in Maryland, wrote of a similar incident this month.

Jackson railed against senior administration officials who, he said, had insulted clergy at a meeting this year by dismissing their contribution to Bush's reelection in 2004. He also complained about "the GOP's failure" to react speedily to the House page scandal involving Mark Foley, the Republican congressman from Florida who resigned recently.

Jackson still supports some Republicans, including Michael Steele, an African American candidate for Senate in Maryland. But in an essay on the website townhall.com, Jackson offered a caution for the party: "Evangelicals must ask themselves if we can work in harmony with a group that takes us for granted and compromises on major moral principles."

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Poll Watchers Split On Hispanic Turnout (WT)

By Keyonna Summers

The Washington Times, October 24, 2006

Hispanic rights activists and immigration-policy researchers disagree on how many Hispanics will turn out to vote on Nov. 7.

Advocates say Hispanics are encouraged by rallies last spring and motivated by local government efforts to limit day-laborer practices and housing of illegal aliens. Researchers argue that the rallies had little effect.

Wilma Linares, of the immigrant advocacy group CASA of Maryland, said local politicians have ignored immigrants' concerns about affordable housing, health care, education and immigration reform, and that Hispanics will respond on Election Day.

"We want our politicians to understand that ... we have 90,000 Latinos who are capable of voting in Maryland alone and we are going to do everything we can for them to get out and vote for those candidates who are really looking to improve their response to the issues that we're interested in," Miss Linares said last week at "Your Vote Is Your Voice," a nonpartisan campaign to rally immigrant and black voters.

Researchers say many Hispanics are here illegally and represent the ethnic group with the fewest registered voters. They noted that demonstrations fizzled when legislation to grant illegals a path to citizenship stalled in Congress.

"There's no doubt that the series of events around the national mobilization ... will help serve as a stimulus for Hispanic turnout," said Adam J. Segal, director of the Hispanic Voter Project at Johns Hopkins University.

"But months later we have a situation where the only legislation that's come out of Congress has been a modestly funded and incomplete federal border security program and fence and no real resolution on the status of undocumented workers," Mr. Segal said.

So, "I think there's a real question whether [the Hispanic turnout will] be anywhere near where a lot of community activists had predicted at the time."

More than 17 million Hispanics in the U.S. are eligible to vote, a 7 percent increase from 2004, the Pew Hispanic Center reported. More than 95,000 Hispanics are eligible to vote in Maryland and more than 140,600 are eligible in Virginia.

"What they're really showing is that the number of naturalized immigrants has increased nationally," said Jack Martin, a special projects director for the Federation for American Immigration Reform, a District-based think tank that favors curbs on illegal border crossings.

"What it doesn't show is that there is likely to be any increase in voter participation."

Immigration advocates point to hot-button issues such as driver's licensing, day-laborer centers and local enforcement of federal immigration laws as reasons for Hispanics to go to the polls.

Pew figures show that Hispanic voter turnout increased from 5.5 percent of votes cast in 2000 to 6 percent in 2004.

"We've had a tremendous amount of frustration with the political clog-up on the issues and we expect a lot of voter anger in November," said Kim Propeack, a spokeswoman for CASA of Maryland.

CASA officials said they registered nearly 600 voters during the summer and that citizenship course enrollment has quadrupled.

CASA volunteers plan to knock on at least 100 doors by Election Day and help Executive Director Gustavo Torres make calls to residences. The group is asking people who use its legal, financial, language and employment services to bring at least five friends or relatives to the polls in an effort to increase participation by 30,000 voters.

The Prince George's County chapter of the National Association for the Advancement of Colored People, the D.C.-based African Resource Center and labor unions will join the initiative.

Mr. Segal said that may not be enough to tip the outcome of local elections.

"The most significant challenge is that a large number of Hispanic voters in Maryland are not registered or are not citizens," he said. "And while CASA has a tremendous amount of clout, the question is -- because of who they represent -- how much electoral strength can they garner?"

Control Of The U.S. Senate Down To The Wire In Two Pivatol Races (MINNST)

By Steven Thomma

Minneapolis Star Tribune, October 24, 2006

WASHINGTON -- Republican Senate candidates have fought back to regain an edge in two key races, pivotal battlegrounds that could determine which party controls the Senate, according to a series of new McClatchy-MSNBC polls and a companion Virginia Poll.

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Republicans hold narrow leads in Tennessee and Virginia, two states where the party hopes to build a Southern bulwark against a Democratic tide that's threatening their Senate seats elsewhere in the country.

The new polls show Democrats leading in two states they must hold -- New Jersey and Washington -- as well as in five states now held by Republicans: Missouri, Montana, Ohio, Pennsylvania and Rhode Island.

Yet even if Democrats take all seven of those battleground states, they still need to win either Tennessee or Virginia to take control of the Senate. Democrats must gain six seats overall to take a majority. "Control of the Senate is going to come down to Tennessee and Virginia," said Brad Coker, the pollster for Mason-Dixon Polling & Research Inc., who conducted the surveys for McClatchy-MSNBC in eight states.

Coker noted that Tennessee and Virginia are culturally conservative states in which Republicans have won Senate campaigns for more than a decade. Also, the Republican candidates in each state appeared to find their footing in recent weeks.

In Virginia, Republican Sen. George Allen stopped losing ground after he was accused of racial insensitivity and went on the attack against his Democratic opponent, James Webb, in part charging that Webb was insensitive to women in the military.

In Tennessee, Republican candidate Bob Corker fired his top campaign staff and went on the attack against his Democratic rival, Rep. Harold Ford.

While many analysts and insiders of both major parties expect the Republicans to lose control of the House of Representatives, the Senate is viewed as a closer contest. Control of either house of Congress is crucial to passing legislation, while the Senate has sole power to confirm appointments to the federal judiciary, including the Supreme Court.

The polls revealed a shifting landscape in recent weeks, with Democrats leading in several states but Republicans not only clawing back in Tennessee and Virginia but also narrowing the gap in Montana. Democrat Jon Tester led incumbent Republican Sen. Conrad Burns by 46 percent to 43 percent. Three weeks ago, Tester led 47-40 percent.

Of the nine key battleground states, Republicans are ahead in two and within the polls' 4 percentage-point margin of error in three more.

Iraq remains the dominant issue in all but one battleground state, despite intense news coverage of the House page scandal, North Korea's nuclear test and record highs in the stock market. That hurts Republicans because those voting on Iraq break for Democrats by margins of 2 to 1 or more.

Terrorism --usually a Republican strength -- has receded as an issue, with the 9/11 anniversary now a memory. Even Republican efforts to rekindle fear of terrorism might not help in most of these Senate campaigns:

· Voters who say they are worried about a terrorist attack on the United States gave the Republican Senate candidate an edge in Montana and Tennessee.

· They favored the Democrat in Pennsylvania and Rhode Island.

· They split almost evenly between the Democrat and Republican in Missouri, New Jersey, Ohio and Washington state.

The polls partly affirmed decisions by Republican leaders to build a Southern wall to protect their Senate majority, steering campaign cash into Missouri, Tennessee and Virginia while pulling it out of states such as Montana, Ohio and Pennsylvania.

The McClatchy-MSNBC Poll is a snapshot of voter opinion at the time it was conducted. It is not a prediction of how people will vote. The poll of 625 likely voters in each state was conducted by telephone Oct. 17-21. Those interviewed were randomly selected by telephone numbers from a cross-section of telephone exchanges. That means anyone in the state with a land-phone line had the same odds of being called as anyone else. Cell phone numbers are not in the exchanges.

The margin of error was plus or minus 4 percentage points. That means that 95 percent of the time, the correct numbers could be up to 4 percentage points above the poll's percentage point findings or up to 4 percentage points below them.

The Mason-Dixon Virginia Poll was conducted for several major state newspapers and made available to McClatchy Newspapers. For the complete results of the latest McClatchy/MSNBC poll, go to www.mcclatchydc.com.

The Money Starts Talking (NYT)

By Adam Nagourney

The New York Times, October 24, 2006

After weeks of Republican and Democratic boasting (and feinting) about what states and districts are in play, the time for bluffing is just about past.

A look at where the Republicans are spending their money makes it increasingly evident that they are choosing to focus on defending a relative handful of Senate and House seats. Democrats are trying to expand the battlefield to races that were not considered competitive even a few weeks ago.

Republicans have all but given up on Senate races in Ohio, Pennsylvania, Montana and Rhode Island. They are pinning their hopes of keeping control on Missouri, Tennessee and Virginia, and are debating whether to try to put Democrats on the

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defensive in New Jersey. Republicans said they would decide in the next few days whether to make a high-risk, all-out assault there on Senator Robert Menendez, to follow up on some relatively small spending done to test the waters.

In the House, Democrats have steadily increased the number of races where they are competing. By Sunday it was 40, including Republican-held seats in California, Minnesota, Nevada and New York. The Republicans have apparently pulled out of two Ohio districts, as well as once-competitive districts in Indiana, West Virginia and South Carolina. ADAM NAGOURNEY

Some Republicans Aren't Sharing The Wealth (WT)

By Charles Hurt

The Washington Times, October 24, 2006

Senate Republicans with enormous campaign war chests are refusing to transfer significant amounts of money to help fellow Republicans who are cash-strapped and face defeat in the final weeks of the campaign.

The stinginess alarms some of the Republican Party's top campaign strategists, especially because it is in such stark contrast to the millions of dollars that Democrats have transferred to their candidates in need.

Control of the Senate will come down to a half-dozen close races next month, and both sides agree that money will likely determine the outcome of each. The Democratic Senatorial Campaign Committee (DSCC) has nearly twice as much money on hand as the National Republican Senatorial Committee (NRSC) for that final sprint to Election Day.

According to the latest figures available, the DSCC has $23 million and the NRSC has $12 million. Much of that difference stems from the disparity in late giving from sitting senators.

"Time is running out," one senior Republican aide said. "People will not want to look back and wonder what more could have been done. That would be a real shame."

The ire of some Republicans in Washington and on the campaign trail has been directed at some of the most senior Republican senators who are harboring millions in campaign cash.

For example, Republican Sens. Richard C. Shelby of Alabama and Kay Bailey Hutchison of Texas both have more than $9 million in their campaign accounts, and there is no limit to how much they can legally transfer to the NRSC.

Mr. Shelby isn't up for re-election until 2010 and won his last election with 68 percent of the vote. His campaign account contains $11.6 million, but he has given $15,000 to the NRSC. If Democrats take over the Senate, Mr. Shelby will have to surrender his chairmanship of the banking committee.

"Senator Shelby is committed to expanding the Republican majority and assisting those who share his conservative philosophy," said spokeswoman Katie Boyd. "Senator Shelby's PAC, Defend America, has contributed heavily to Republican candidates throughout the country."

Mrs. Hutchison, one of the top Republican leaders in the Senate, has $9.5 million on hand, and polls in Texas show her trouncing her opponent by 20 points or more. She has given $115,000 to the NRSC, a little more than 1 percent of her campaign holdings.

Spokesman Marc Short dismissed any criticism and said she's given more than $1.5 million directly to candidates through her political action committee (PAC).

"You would be hard-pressed to find a candidate who is up for election this cycle who has given more than Senator Hutchison," he said.

But given the stakes, Republicans say it's hard not to make comparisons to Democrats who have given far more generously from their campaign accounts.

In all, five Democrats have transferred $1 million or more from their campaign accounts to the DSCC during the current two-year cycle, compared with only one Republican -- Majority Whip Mitch McConnell of Kentucky.

Far and away, the most generous Democrat is Sen. Hillary Rodham Clinton, who has transferred more than $2 million from her campaign account to the DSCC. Sens. John Kerry of Massachusetts, Richard J. Durbin of Illinois, Edward M. Kennedy of Massachusetts and Dianne Feinstein of California also have given $1 million or more from their campaign accounts.

"We wouldn't be in the good position we are in heading into November if we didn't have deep support from the entire Democratic caucus," Phil Singer, spokesman for the DSCC, said yesterday.

For the NRSC, spokesman Brian Nick said: "We're very pleased with the generous support we have received from our incumbents, which is essential to protecting the majority."

That money is so crucial, campaign strategists say, because it allows the party to dump huge amounts of advertising money quickly into a state that suddenly becomes winnable or suddenly becomes vulnerable.

Many point to Michigan's Senate race in which Republicans say challenger Michael Bouchard is gaining momentum against incumbent Debbie Stabenow. If Republicans had more money, they say, the state would be ripe for picking.

"That's where it hurts," said Jennifer Duffy of the Cook Political Report.

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Michigan would be "a reach, but you could make it a race if you had the money to go there."

Other Republicans who have cash on hand but aren't up for re-election or face only minor opposition this cycle are Craig Thomas of Wyoming, Sam Brownback of Kansas, and Norm Coleman of Minnesota.

Mr. Thomas has $1.1 million on hand and is expected to win easily, and Mr. Brownback has $600,000 but doesn't face re-election. Neither has transferred any funds to the NRSC. A spokesman for Mr. Brownback said he's given heavily to candidates this cycle from his PAC.

Of his $1.8 million campaign account, Mr. Coleman has transferred $15,000 to the NRSC. A spokesman said Mr. Coleman just transferred an additional $100,000 to the state party to help Republicans capture the open Senate seat there.

Allen Slightly Ahead In Va. Senate Poll (CCT)

By Bob Lewis

The Contra Costa Times, October 24, 2006

RICHMOND, Va. - Republican Sen. George Allen is slightly ahead of Democratic challenger Jim Webb in a closely watched race that could determine whether the GOP retains control of the Senate, according to a poll published Monday.

A statewide survey by Mason-Dixon Polling & Research Inc. showed that 47 percent supported Allen while 43 percent favored Webb, a former Republican and first-time candidate. Two percent supported independent Gail Parker, and 8 percent were undecided.

The results, published on the Web sites of several Virginia newspapers, are based on telephone interviews conducted Oct. 17-19 with 625 registered voters statewide.

Allen's tenuous advantage is equal to the poll's margin of error of plus or minus 4 percentage points. His campaign was optimistic.

"We know what we have to do and we know how to get there, and when people vote issues and issue differences, they're going to vote for George Allen," said Christopher J. LaCivita, a longtime Allen adviser.

Allen held a 16-point lead over Webb in July but saw it vanish after weeks of damaging developments beginning Aug. 11, when he called a young man of Indian descent "macaca," an obscure racial slur.

Webb's chief strategist, Steve Jarding, said he is confident the Democrat remains on track.

"We feel very good about these numbers and the numbers in other recent polls, including our own, that show Jim moving up while Allen is moving down," Jarding said. "These numbers show Allen has hit his ceiling."

GOP Attack Ad Draws Heat For Racial Overtones (LAT)

By Peter Wallsten

The Los Angeles Times, October 24, 2006

WASHINGTON — A new Republican Party television ad featuring a scantily clad white woman winking and inviting a black candidate to "call me" is drawing charges of race-baiting, with critics saying it contradicts a landmark GOP statement last year that the party was wrong in past decades to use racial appeals to win support from white voters.

Critics said the ad, which is funded by the Republican National Committee and has aired since Friday, plays on fears of interracial relationships to scare some white voters in rural Tennessee to oppose Democratic Rep. Harold E. Ford Jr. Ford is locked in a tight race, hoping to become the first African American senator since Reconstruction to represent a state in the former Confederacy.

"It is a powerful innuendo that plays to pre-existing prejudices about African American men and white women," said Hilary Shelton, head of the Washington office of the National Assn. for the Advancement of Colored People, the country's oldest civil rights organization.

A former Republican senator, William S. Cohen of Maine, was more blunt. Cohen, who was also Defense secretary under President Clinton, said on CNN that the ad was "a very serious appeal to a racist sentiment."

The 30-second ad features fictional characters satirizing Ford.

A black woman notes that Ford "looks good" and asks, "Isn't that enough?" Others suggest Ford backs privacy for terrorists, accepts money from the pornography industry, wants to raise taxes and backs letting Canada deal with the North Korea nuclear threat.

The character who has raised complaints is a blond woman who speaks in a hushed, suggestive tone and says that she met Ford at "the Playboy party."

At the end of the ad, she reappears and says: "Harold, call me." She winks and holds her hand up as if holding a phone.

Shelton said the ad contradicted the spirit of remarks delivered at last year's NAACP convention by the Republican National Committee chairman, Ken Mehlman, in which he decried those in his party who had tried to "benefit politically from

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racial polarization." He was referring to the party's so-called Southern strategy of energizing white voters with race-baiting messages about integration and civil rights.

"I am here today as the Republican chairman to tell you we were wrong," Mehlman said in the July 2005 address, in which he also said the party would now use positive messages to draw African Americans to the GOP.

Ford's Republican opponent, former Chattanooga Mayor Bob Corker, has asked Tennessee television stations not to run the spot, calling it "over the top." But the ad has continued to run — and on Monday the Republican National Committee was unapologetic.

"I won't even entertain the premise" that the ad is racially offensive, said Danny Diaz, a Republican Party spokesman. He said the allegation was "not fair and not serious and not accurate."

Diaz said the ad was an "independent expenditure" produced by an arm of the Republican National Committee that is legally prohibited from coordinating with Mehlman. Because of this, Diaz said, Mehlman did not see or approve the ad before its release.

Democratic strategist Donna Brazile said Monday that she was shocked by the ad. Brazile, an African American who has forged a friendship with Mehlman and White House strategist Karl Rove, said she intended to call Mehlman to request that the Republican National Committee discontinue the ad.

"With this ad, Mehlman's apology rings hollow," she said, referring to the 2005 speech.

John Geer, a Vanderbilt University political scientist who published a book this year on attack ads, "In Defense of Negativity," said he had watched the anti-Ford spot repeatedly in recent days.

"I just couldn't believe what I was seeing," he said. "I don't see how you can think it's not playing a racial card. It's making references to interracial sex. It's an ad that is in some sense breaking new lows."

For Mehlman, such criticism is unusual. He has won accolades from African American leaders for aggressive outreach efforts, speaking to more than 50 black organizations since becoming chairman in 2005.

His remarks on the Southern strategy were viewed as a milestone in the GOP effort to diversify the party base by attracting blacks with messages of economic empowerment and appeals to faith.

The party is fielding black candidates in three major races this year in Ohio, Pennsylvania and Maryland.

Ford, though, has proved a challenge for the GOP. He has run as a hawkish Democrat, opposed to amnesty for illegal immigrants and a supporter of banning gay marriage. His race with Corker is considered to be neck-and-neck.

A new response ad by Ford that began airing Monday features the candidate, talking to the camera, accusing Corker of unleashing attacks rather than talking issues.

"If I had a dog," Ford says, "he'd probably kick him too."

In Montana Race, A Yen For Change? (CSM)

By Amanda Paulson

The Christian Science Monitor, October 24, 2006

BILLINGS, MONT.

As Jon Tester crisscrosses Montana, he chats with voters about his wheat farm, discusses energy independence and healthcare, and stresses a single point: integrity.

Montana, the Democrat insists, is ready for a change from Sen. Conrad Burns, the Republican who has served the state for 18 years. Beloved for bringing home big federal dollars, Senator Burns was also the recipient of nearly $150,000 in campaign donations from convicted lobbyist Jack Abramoff - and Mr. Tester is not about to let Montana voters forget it.

Tester's strategy of making Burns himself the issue seems to be working: Polls now show the farmer/state senator with a slight edge over the incumbent, lifting Democrats' hopes of adding a key seat in their quest to gain control of the US Senate.

In large part, "the election will depend on [Montanans'] evaluation of Senator Burns," says Christopher Muste, an assistant professor of political science at the University of Montana. "Whether, when they go into the voting booth, they're thinking about his problems with the Abramoff scandal and off-the-cuff embarrassing comments he's made, or if they're thinking about the material things he's brought to the state from the federal government."

A former agricultural reporter and livestock enthusiast, Burns has an easy Montana charm. He moves comfortably among his constituents - most of whom call him "Conrad" - and asks distant acquaintances about their parents and children, almost all of whom he seems to remember.

He reminds residents of the $2 billion in federal money he's brought to the state and his coveted seat on the Senate Appropriations Committee. "I've got a little investment here I want to see," he told reporters last week as he toured the new $8 million control tower at the Billings airport.

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From the top, Burns admired the view and pointed out where his own house was, on "Alkali Crick." "It's not very big and it ain't very fancy, but it's somewhere to go when it's raining," he said in his drawl. "No matter where you live in Montana, we identify by the crick you live on."

That off-the-cuff style, though, has also gotten Burns into trouble. He called Arabs "ragheads" in a 1999 speech, for instance. His response to a rancher's racist comment about living in the majority-black city of Washington was hardly high-end senatorial: It's "one hell of a challenge," he replied, back in 1994.

Some Montanans shrug off his rough-hewn language with a laugh, noting he's "not a diplomat." But when Burns used crude language to dress down some Virginia firefighters in the Billings airport this summer, many people here were furious. Some admit to being tired of his comments and the Abramoff connections - and of worrying about Montana's public image.

Tester, meanwhile, is capitalizing on his Montana roots. A third-generation wheat farmer with a flat-top haircut and big belly, he hardly fits the image of the Washington senator. But in the Rocky Mountain West, that can be an advantage. "Isn't it time we make the Senate look a little bit more like Montana?" he asks in one commercial.

He's against gun control and gay marriage, and for the death penalty, which are all political requirements in Mountain states. But he's also a populist candidate who speaks eloquently about the need for opportunity and a debt-free future for children, for affordable healthcare and boosts for small businesses and the middle class, and for a plan to withdraw from Iraq.

A former music teacher and custom butcher, Tester recently took five days off from campaigning to harvest crops on his 1,800-acre farm, and has an easy laugh and smile when he meets voters - a staple of campaigning in a state where retail politics is what wins elections. But he gets serious when he starts talking about the values that he says are the background of this election.

"It's all underpinned by honesty and ethics," he says in an interview. "I think people are very concerned by the culture of corruption back in Washington, D.C."

Burns dismisses those charges angrily, telling Tester in a recent heated debate in Billings, Burns's hometown, "Jon, you've dribbled this out for the last 18 months - and there's nothing there."

But some Montanans are listening.

"Conrad Burns has embarrassed Montana long enough," says Valerie McMurtry, a special-ed teacher in Billings, wearing a Jon Tester sticker as she waits in line to see the Billings debate. She used to consider herself an Independent before Burns turned her into a Democrat, she adds. "Time magazine called him the first of the worst." Burns himself has noted his tendency toward flip comments, once joking that he "can self-destruct in one sentence - sometimes in one word."

Burns instead tries to remind constituents of his seniority in the Senate and paints his opponent as a tax-raiser who's far too liberal for Montana, which President Bush won by 20 percentage points in 2004.

"The Senate already has one Ted Kennedy, and if Tester is elected it will have a second," says Jason Klindt, Burns's spokesman. The polls, he says, don't worry him. "Voters will take a look at both candidates and see Conrad Burns is the only one with the seniority, experience, and effectiveness to get things done for Montana."

That's the case with some staunch Burns supporters, many of whom dismiss the Abramoff charges as overblown or simply a reality of politics. "If the money doesn't go to us, it'll go to New York or California," says Bernie Hedrick, a court-services worker. "We've got two very powerful people in [Democratic Senator Max] Baucus and Burns."

Still, while Montana may be "red" in presidential elections, it's demonstrated a willingness to vote for its own Mountain version of Democrats, with a popular Democratic governor and a Democratic legislature. And Tester's home-grown approach seems to be working.

"He's a rancher and hard worker and that's my style," says Jeff, a physical therapist at St. Vincent Healthcare who did not give his last name. He says that after shaking Tester's hand he's decided to vote for him. "Burns is not so much connected to Montana anymore - he's lost where he's come from."

Love Chafee, Hate Bush (RC)

By Nicole Duran

Roll Call, October 24, 2006

WARWICK, R.I. — If the Rhode Island Senate race were a popularity contest, Sen. Lincoln Chafee (R) would have no trouble winning re-election.

Unfortunately for Chafee, his opponent's message that a vote for Chafee is essentially a vote in favor of President Bush seems to be resonating in the Ocean State.

Chafee successfully has transferred on to himself the voters' affection for his father and predecessor, the late Sen. John Chafee (R), who died in office in 1999.

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Rhode Islanders genuinely like the younger Chafee, who previously served as mayor of Warwick, the state's second-largest city, before being appointed to complete his father's Senate term.

Roberta Coughlin of Cranston, who waits tables at the Eddie & Son diner in downtown Providence, says she is not very political. Nonetheless she has served Chafee numerous times, as she did his father when he was alive, and finds him extremely personable.

The 53-year-old Senator brings his family into the diner — a regular stop for local pols and powerbrokers — and just comes across as a regular person, Coughlin said.

"He's very humble," she said.

And that is where the Chafee appeal lies. Even people who say they plan to vote for Sheldon Whitehouse (D), the state's former attorney general who has a slight lead in the polls, say they like Chafee.

"I don't think Lincoln Chafee is a bad guy, but it's been how long since the Democrats have had anything to say" about how the country is run, asked Pete Wilson of Narragansett, who was part of a pro-Whitehouse rally outside Toll Gate High School in Warwick last Thursday night, where the two candidates squared off in their first televised debate.

"He's a straight shooter and he does have the name," Wilson continued. "You have to look at what's best for Rhode Island. If [Chafee] ran as an Independent, I think the race would be much tougher."

As much as Chafee reminds voters that he was the only Senate Republican to oppose giving Bush the authority to invade Iraq and as much as he plays up how he differs with the national GOP, it is his party affiliation that ultimately might end his Senate career.

"I think people like Lincoln Chafee a lot, but there's so much antipathy toward Bush that Chafee has become the proxy target," said Darrell West, the political scientist who runs the Brown University poll.

"If he loses, it has very little do with Lincoln Chafee," West said. "It will be because of Bush."

Chafee seems keenly aware of that fact.

During the debate he told voters that he has "not actually been in sync with the president," and ticked off the number of times he has bucked his party in his almost seven years in the Senate. (Chafee previously has acknowledged that he did not vote for Bush in 2004, instead writing in the name of his father, former President George H.W. Bush.)

Rhode Islanders can look at the statue of the Independent Man that sits atop the statehouse in Providence and think, "that's Lincoln Chafee," he said.

Happy Bucks for a Happy Warrior

During a presentation to the Warwick Rotary Club earlier in the day, Chafee sounded more like a Democrat than a Republican. He talked about protecting the environment and the need for stability in the Middle East.

If he is returned to the Senate, Chafee said he would use his seat on the Environment and Public Works Committee and his chairmanship of the subcommittee on fisheries, wildlife and water to push Congress to force U.S. automakers to build more fuel-efficient cars. He also wants the federal government to regulate the emission of carbon dioxide as a way to rein in global warming.

"Shame on Americans for being such consumers," Chafee, who drives a hybrid electric automobile, told the Rotarians.

Chafee received a warm reception from the group assembled for lunch at the Boys and Girls Clubs in Warwick, which was built thanks to an earmark Chafee won during the appropriations process.

Before Chafee began speaking, a slew of Rotarians stood up and threw "happy bucks" — money members donate to announce good news — into the pot in his honor.

One woman put in $1 to celebrate "happy shoers in the Senate." Chafee once worked as a farrier, someone who shoes horses, in Canada. Another contributed $1 because she "already voted for Linc." That prompted Chafee to spring up and throw his own "happy buck" into the pot.

While Chafee tries to hammer home that he can deliver for Rhode Island because he has been in "the right place at the right time in the right party," Whitehouse's campaign is based almost entirely on trying to hang Chafee's party affiliation around him like an albatross.

"The price of Sen. Chafee bringing home that bacon is so high," Whitehouse said during their extremely cordial, hourlong debate. He reminded the audience that the first vote Chafee takes during each new session of Congress is to make a Republican Senate Majority Leader.

"Once that leadership is in place, the dye is set," Whitehouse said. "I accept [that] Lincoln Chafee prefers a different Republican Party, but reality is ... send someone down to vote them out of power. That is the only way to get the Bush agenda out."

Chafee and Whitehouse differ very little in substance or on the issues. Both are polite, liberal politicians who hail from prominent Rhode Island families.

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The Chafees are one of the "Five Families" — the term given to the wealthiest, most influential families in the state's early history — while Whitehouse's father was an ambassador. John Chafee and Whitehouse's father, Charles Whitehouse, even were roommates at Yale, prompting a question from the debate audience about what the candidates' fathers would say about the campaign if they were alive (neither answered very effectively).

Questioning Whitehouse's Independence

The candidates' similarities, combined with Bush's unpopularity, have led Chafee to look for a new way to distinguish himself and to highlight his independence from party orthodoxy — and contrast that with Whitehouse's own relationship with Democratic leaders.

Chafee held a news conference last week calling on Whitehouse to answer questions about a public corruption case that emerged when he was attorney general and that just ended with a former hospital president being sent to jail.

He spent most of the debate trying to put Whitehouse on the defensive about the controversy, suggesting that Whitehouse has blanched when faced with the prospect of challenging state Democratic powerbrokers who served on the hospital's board and worked for the medical center.

"He made a calculated decision not to pursue [the hospital-statehouse case] based on who was involved," Chafee alleged during an interview.

Whitehouse called Chafee's allegations "desperate" and unfounded.

"When you're desperate you revert to desperate measures," Whitehouse said after the debate. "They're bringing it up now because they got nothing else, because they urgently need to distract Rhode Island voters from the consequences of Lincoln Chafee's vote for a Republican Senate."

Whitehouse resisted Chafee's efforts to engage him on the subject during the debate, calculating that there really is no upside in doing so because the issue is too obtuse to penetrate.

He acknowledges there is a risk in his strategy but said the issues and momentum are on his side.

"I'd rather be in the position of talking to voters about issues versus something that happened seven years ago," Whitehouse said. "It's complicated and, frankly, isn't being explained very fairly by them anyway. I'd rather be in the spot where I'm talking to voters about what they care about."

Whitehouse also is enjoying a financial advantage.

Chafee entered the final weeks of the campaign trailing Whitehouse in cash on hand. Whitehouse started October with $1.4 million in the bank, while Chafee had just $583,000.

Since then, Chafee contributed $500,000 from his own deep pockets and triggered the "Millionaires' Amendment," enabling Whitehouse to exceed federal campaign contribution limits.

The national Republican Party spared no expense getting Chafee through his tough primary with Cranston Mayor Stephen Laffey and continues to lavish money on the race.

The Republican National Committee's much-ballyhooed 72 Hour Program to get out the vote largely is credited with Chafee's win in the historically low-turnout Republican primary.

'A General Is Different'

Chafee again will need the votes of independents and Democrats if he is to win Nov. 7, but he dismissed the idea that the results on Election Day will again turn on GOTV.

"In the primary, it was the most important — voter identification and GOTV," Chafee said. "A general is different.

"It's a close election, everything is going to count; it's going to be debates, earned media ... paid media; it's the combination," he said.

Whitehouse said he is confident that if the race comes down to a ground game, his team is prepared.

"I'm waiting to see whether this vaunted Republican 72 Hour Program is really all it's cracked up to be," he said.

While the race undoubtedly will take a few more turns before it is over, in many ways the general election dynamics have not changed at all since the race began. It will still come down to whether Rhode Islanders like Chafee so much that they are willing to shed their Democratic preference and overlook the R after his name.

"There's no doubt there's deep affection in Rhode Island for the job that I've done, but they are very, very angry at President Bush," Chafee said. "But I'm dealing with it."

Steele Shrugs Off Foe's Attacks (WT)

By S.a. Miller And Jon Ward

The Washington Times, October 24, 2006

Maryland Lt. Gov. Michael S. Steele said yesterday that Democratic attacks on his U.S. Senate candidacy have not hurt him but have sparked interest in his status as a black Republican.

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"I hear it from people who come up to me who are angry themselves. They are sick of it. They are tired of it. It's like, 'Why are they coming after you?' " Mr. Steele told editors and reporters at The Washington Times.

"The commercials that they have run have really not resonated the way I think they thought they would. It is not scaring people away from me. In fact, it is actually drawing them to pay closer attention," he said.

Mr. Steele expressed support for full congressional voting rights for the District, discussed how his Catholic faith informs his politics and said he expects to win "20 to 25 percent" of the black vote in next month's election.

He also said that he expects some white voters, including Republicans, will not vote for him because he is black.

"We have factored in in our numbers a percentage drop-off. I'm not silly," Mr. Steele said. "Is it a concern? Sure it is -- like anything.

"Will it be a factor in this race? Absolutely it will. You have to go into this race with your eyes wide open. You can't sit back and pretend that everybody is going to love you and just vote for you because you are a member of their party or you hold their values."

He said that all he can do to counter such attitudes is to "just get in your face."

Mr. Steele's Democratic opponent -- Rep. Benjamin L. Cardin -- has declined an invitation to be interviewed at The Times.

The Cardin campaign has focused on tying Mr. Steele to President Bush as part of a Democratic strategy to dampen the lieutenant governor's appeal among blacks.

Blacks account for about 40 percent of registered Democrats in Maryland, where Democrats outnumber Republicans 2-to-1.

A poll targeted at black voters, which was released yesterday by Ariel & Ethan LLC in the political journal Hotline, showed Mr. Steele with 12 percent of the black vote; 23 percent were undecided.

The poll of 400 black registered voters was conducted from Oct. 11 to 13 and has a margin of error of 4.9 percentage points.

A Baltimore Sun poll showed Mr. Steele with 23 percent of the black vote; Survey USA has shown him gaining as much as 33 percent of the black vote; and an internal Democratic poll in March showed Mr. Steele with 16 percent.

"We don't need polls to tell us that a large majority of African-Americans are frustrated with President Bush and the direction he's taking our nation," Cardin campaign spokesman Oren Shur said. "Michael Steele will support the same failed Bush policies, and everyone knows it."

The internal Democratic poll also identified 44 percent of black voters as undecided, calling the bloc an "emerging black swing vote."

Mr. Steele acknowledged there is still a large segment of black voters who are undecided or conflicted about voting for him because he is a Republican.

"I've just got to keep doing what I'm doing. Whatever I've been doing has gotten me to 46-46 [percent in the polls], so I keep doing that," he said, referring to a recent poll by Survey USA that showed the race to be a dead heat.

Mr. Steele, who was raised in the District and lives in Prince George's County, said he supports D.C. voting rights.

"I think it's very important for the citizens of that community to have full representation. I just do," he said.

Mr. Steele also reiterated that he is a "pro-life Roman Catholic" on abortion, and that although he supports stem-cell research, he does not support such research that destroys human embryos.

However, he said he would not require a "litmus test" of nominees to federal judgeships, saying such tactics do a "disservice" to the nominees and the advise-and-consent process of the U.S. Senate.

"I have no litmus test," he said, "nor should anyone."

In addition, Mr. Steele said he prefers that the states settle the issue of same-sex "marriage," but "should it come to the federal level, then, yes, I would support" a ban on such "marriages."

In 2002, Mr. Steele became the first black to win a statewide election in Maryland, as the running mate of Robert L. Ehrlich Jr., who became the state's first Republican governor in more than 30 years.

Yesterday, Mr. Steele said that he will win his Senate race and that Mr. Ehrlich will win his re-election bid against the Democratic nominee, Baltimore Mayor Martin O'Malley. Mr. Steele said "there is no reason" for Maryland voters to "fire" Mr. Ehrlich.

Cardin Hit From Right, Left On New Iraq Stand (WT)

By S.a. Miller

The Washington Times, October 24, 2006

Rep. Benjamin L. Cardin has firmed his stance against the Iraq war by demanding an immediate troop withdrawal and now faces criticism from his rivals in Maryland's U.S. Senate race for "pandering" to anti-war voters and jeopardizing the war effort.

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"Start the process now," Mr. Cardin, a Democrat, said in a campaign speech last week at Towson University. "We don't need a time schedule, but we should start redeploying now so it is a clear signal to the international community [and] a clear signal to the Iraqis that they need to take responsibility for the defense of their own country. We need to do that now."

Lt. Gov. Michael S. Steele, the Republican nominee for senator, called Mr. Cardin's comments "irresponsible."

"It is pandering to a political mind-set that would ... endanger our soldiers for a political price," Mr. Steele said. "I don't think it is worth playing politics here at home to put our troops in harm's way in Iraq."

President Bush has said that he opposes major changes to the Iraq war plan.

Mr. Cardin, a 10-term congressman from Baltimore, has made his vote against the Iraq invasion the cornerstone of his campaign and often cites it as an example of how he "stood up toPresident Bush."

Still, he has moved his anti-war position steadily to the left from early calls for a "new strategy" in Iraq to his recent support of an immediate exit for troops.

"Mr. Cardin needs to decide what exactly he thinks the policy in Iraq should be," Mr. Steele said. "He's always said that he didn't want a timetable, now he has called for one. He didn't want immediate withdrawal, now he has called for one. I don't know which Ben Cardin we should expect tomorrow."

Mr. Cardin's redeployment plan also drew criticism from anti-war activist Kevin Zeese, the Senate nominee of the Green, Libertarian and Populist parties.

"His election-year rhetoric is inconsistent with his voting record on Iraq," said Mr. Zeese, who advocates a complete troop withdrawal within six months. "He's voted for staying the course, and now he comes up with a vague plan for withdrawal."

He noted that Mr. Cardin repeatedly voted to fund the Iraq war and voted against a measure that would have compelled Mr. Bush to come up with an exit strategy for the war.

The Cardin campaign declined to respond to Mr. Zeese's comments.

"The differences between Ben Cardin and Michael Steele on the war in Iraq are crystal clear," Cardin campaign spokesman Oren Shur said. "Cardin voted against the war; Steele supported it. Cardin has called for a change of course in Iraq; Steele supports the president's failed policies that got us into this mess."

In his Towson University speech, Mr. Cardin also called for the resignation of Defense Secretary Donald H. Rumsfeld, and criticized the lieutenant governor for supporting the war plan.

He said that Mr. Steele and Mr. Bush "cannot acknowledge mistakes and cannot acknowledge when we need to change in order to be able to have a successful completion of what we have done in Iraq."

"I believe we need change," Mr. Cardin said. "Michael Steele believes in the status quo."

Mr. Steele, who since last year has advocated a new war strategy, said calling for Mr. Rumsfeld's resignation was "political hyperbole."

"I think [Mr. Rumsfeld] can do better," Mr. Steele said Friday after opening a Thanksgiving food drive for the poor in Baltimore.

Mr. Cardin said U.S. troops in Iraq could be replaced by the "international community."

He proposed convening an international conference to broker peace in Iraq and negotiate a cease-fire to sectarian violence there. Nongovernmental organizations should take over the job of rebuilding Iraq, Mr. Cardin said.

Michael J. Fox Records TV Ad For Cardin (WP)

By Matthew Mosk

The Washington Post, October 24, 2006

Appearing grimly unsteady from his long bout with Parkinson's disease, actor Michael J. Fox is inserting his halting voice into the campaign for the U.S. Senate in a new television commercial about the importance of stem cell research.

The ad, endorsing Democrat Benjamin L. Cardin in his race against Republican Michael S. Steele, bears witness to the actor's unmistakable decline and harnesses that physical degeneration into a political message.

"Stem cell research offers hope to millions of Americans with diseases like diabetes, Alzheimer's and Parkinson's," Fox says, seated in a dimly lit hotel room, staring directly into the camera. "But George Bush and Michael Steele would put limits on the most promising stem cell research."

Coming, as it has, just two weeks before Election Day, the commercial could serve as Cardin's antidote to the much-discussed advertising campaign launched by Steele, political analysts said yesterday.

Whereas Cardin to this point has run a series of conventional ads, Steele's visually spare but upbeat spots have won praise for the way they have presented the lieutenant governor as a Washington outsider who pledges to address the worst from both parties.

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The Fox commercial makes those ads seem shallow by comparison, said Paul S. Herrnson, a University of Maryland political science professor.

"I think it's aimed at cutting through all the platitudes that normally accompany campaigns and says, 'Here's an issue that affects people's real lives,' " Herrnson said. "You look at him, and you see the effects."

Opponents of embryonic stem cell research who heard about the ad said they found it sad.

"To me, this is a shame that they're exploiting someone like Michael J. Fox for something that the scientists say is not going to do anything," said Douglas Stiegler, executive director of Maryland's Family Protection Lobby.

Steele campaign spokesman Doug Heye agreed, saying he considered the ad "in extremely poor taste."

Fox, who gained fame for his roles in the "Family Ties" and "Spin City" television shows and "Back to the Future" movies, has long been open about his battle with Parkinson's and his support for the research that could lead to a treatment. But in this ad he shows a noticeable degree of decline. His speech is clear but his head and body are jerky and unsteady. The camera remains still -- nothing about the production by Cardin consultant LHKK Media appears aimed at diminishing the striking visual impact of Fox's condition.

Though Fox's illness has progressed, his political involvement has not slowed.

In addition to the Cardin ad, Fox filmed 30-second spots for Senate candidate Claire McCaskill, a Missouri Democrat who is seeking to unseat Republican James M. Talent, and for Wisconsin Gov. Jim Doyle (D), who is seeking reelection. He has also made plans to appear at events for two Democrats, Sen. Robert Menendez of New Jersey and Tammy Duckworth, a candidate for Congress from Illinois.

"He wants to take on races and get involved in races that involve a pro stem cell candidate against an anti embryonic stem cell candidate," said John Rogers, a publicist for Fox.

Cardin aides said Fox contacted the campaign after seeing news accounts of Steele's position on the research. In February, Steele told members of a Baltimore Jewish group, "Look, you of all folks know what happens when people decide they want to experiment on human beings, when they want to take your life and use it as a tool."

He later apologized for the remark, which was interpreted as a comparison between embryonic stem cell research and Nazi experimentation. But he has maintained his position that research on embryos is not needed, especially, he has said, because there is promising research being done on adult stem cells. Heye said yesterday that Steele opposes only stem cell research that destroys the embryo.

Fox's message, though, makes clear that he believes study on adult stem cells is not enough, saying he approves of candidates who "fully" support the research.

"It's why I support Ben Cardin," he says, lifting his hand to his heart. "And with so much at stake, I respectfully ask you to do the same."

To view the Michael J. Fox commercial, go tohttp://www.washingtonpost.com/metro.

A Political Natural, Railing Against Politics (WP)

By David A. Fahrenthold

The Washington Post, October 24, 2006

Even for a politician, Michael S. Steele is said to have an extraordinary handshake. Not too weak but not crushing, either, with eye contact that never breaks off to scan the room. It communicates instant intimacy, a little zap of Clintonesque magic.

It is a rare thing, though, when Maryland's lieutenant governor stops with just a handshake.

Instead, supporters get a kiss on the cheek, one-armed embrace or even a full-on bear hug. This is the Steele treatment -- as light as a friendly grasp on the elbow or as intimate as a two-handed grasp of the head, all with the same message:

"He likes you," said James G. Gimpel, a government professor at the University of Maryland. "How many people do you meet where you feel, 'He likes me'? That's one of the things that make him a good politician."

Through a series of abandoned careers in the church, law and business, politics is what Steele has done longest and best -- building relationships and winning partisan battles.

Now, as a candidate for the U.S. Senate, he is running vigorously against the political system that promoted him. All the while, though, he is relying on the gifts that have gotten him this far: a confident charm and an intuition that says a hug is better than a handshake.

Here is Steele, 48, campaigning in Hagerstown: "Washington, in my view, has gotten outside of itself. It is a place none of us recognize."

Here is Steele on TV, in one of his ubiquitous blank-background ads: "Washington has no clue of what's going on in your life."

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There are a few things odd about Steele's anti-Washington rhetoric -- don't 278,000 of the Maryland voters he's wooing actually work for this clueless federal government? -- but start with the most basic one.

If "Washington" is given its most literal definition, meaning the District, then Steele's nemesis is his own home town.

He was born at Andrews Air Force Base but adopted through a Catholic charity and raised in the Petworth neighborhood of Northwest Washington. Steele's mother and stepfather were Democrats -- and still are, to judge from the campaign sign for D.C. mayoral candidate Adrian M. Fenty (D) in their yard this fall.

Still, despite their dinner-table debates, Steele often cites his parents, especially his mother, as the source of personal values that would later make him a Republican. These included a belief in self-reliance and perseverance and an aversion to government interference in private lives and small businesses.

"She never took a penny of public assistance because, as she put it, she didn't want government raising her kids," Steele said of Maebell Turner when he announced his Senate candidacy last fall.

In his old neighborhood, people remember Steele as a boy who didn't run in the streets with other kids and instead found the center of his life at St. Gabriel Catholic Church. "Hey, let's play church," he would tell his sister, Monica Turner.

"He used to have a glass with vanilla wafers in it, to symbolize the host, and some apple juice in the other glass, to symbolize the wine. I would line up like I was taking communion, and he would practice saying the mass," Turner, a doctor and former wife of boxer Mike Tyson, wrote in an e-mail. "It was too cute."

When Steele got to Archbishop Carroll High School in Northeast, the boy who had once kept to himself became an outgoing actor. In his first productions, he was often consigned to the back row because he was so tall -- but he didn't often stay there.

"Somehow, he always wound his way up to the front," said James Mumford, who oversaw plays and musicals then and later became principal. Steele eventually became a confident leading actor and a graceful dancer, Mumford said, playing the president in "Of Thee I Sing" and the devil in "Damn Yankees."

In 1977, Steele went on to Johns Hopkins University, where his energy and magnetism led him to another prominent role: president of student government.

Hopkins history professor Ronald Walters, sizing up the politically gifted student that Steele had become by then, made a prediction about his future.

"That was that Michael would go a long way in Democratic Party politics," Walters said. "So I was half-right on that one."Called to God, Then to Law

After college, Steele shifted gears radically, moving from his frenetic life on campus to the discipline of a Catholic seminary. He eventually joined a handful of other "novices" at an old house in Lawrence, Mass. The routine there: Mass every day, classes on religious life, and lots and lots of quiet time.

The program was supposed to last a year, but Steele left after six months, in February 1983.

He says now that God, who had called him to join the program, also called him to leave. But one of his vows, in particular, provided a push.

"Chastity is a state of mind. And certainly, obedience, I could take being told what to do. But poverty -- whew, tough, tough, tough, tough, tough, tough. Just tough," Steele said. He said he was particularly unhappy when his canary-yellow 1973 Ford Torino became the common property of all novices.

After leaving the church as a career, Steele chose the law. He was a paralegal, a law student at Georgetown and then a lawyer from 1991 to 1998, working for a D.C. law office and then for the Mills Corp., the real estate giant.

During that time, though, Steele was laying the seeds for another career.

He and his family -- it now includes his wife, Andrea, and two teenage sons -- had moved to Largo. There, he began his long association with a group that had become the political equivalent of the Washington Generals, eternal doormats for basketball's Harlem Globetrotters.

"This guy says to me that he's here to build the Republican Party in Prince George's County," said Sydney Moore, a businessman active in county politics, recalling what Steele told him in the 1980s. "And I said, 'Wow!' "A Political Rise in an Unlikely Place

The Prince George's GOP was -- and still is -- one of the most beleaguered party organizations in a state that hadn't had a Republican governor since 1969.

Into this picture came Steele, the former seminarian, comfortable with the law and with a microphone. He has said he sometimes felt isolated in the early years because he was one of only a few African Americans in the local party. Others remember meeting someone who was deeply loyal, affable and dynamite when talking to people one-on-one. Someone who was ready to pay his dues.

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"He would do the telephone banks. He would do the stuffing. He would put on the labels," recalled Audrey E. Scott, a former County Council member and now Maryland's secretary of planning. "I mean, he was a worker."

And a talker. Steele became party chairman in Prince George's in 1994 and soon became one of the loudest voices in a fight over the county's property-tax cap. Some wanted to lift the cap; Steele and others fought to keep it and won.

There were setbacks: In 1998, Steele ran for comptroller and finished third in the GOP primary. Two years later, though, he ascended to the chairmanship of the state GOP. Thereafter came a major victory, as a redistricting plan from then-Gov. Parris N. Glendening (D) was defeated in court.

"Republicans never win anything" in Maryland, said Christopher West, a Baltimore lawyer who lost to Steele in the race for party chairman. "So it was a very big deal."

Soon, Steele was a very big deal himself. Then-Rep. Robert L. Ehrlich Jr. (R) picked him as a running mate in the 2002 governor's race. When they won, beating an all-white Democratic ticket, Steele became the first African American to win statewide office in Maryland.

His victory also meant that, for the first time in several years, Steele's financial situation was secure.

Since 1999, after he'd left his last job, as a lawyer, Steele had been trying to start a consulting business. Bray Barnes, who became Steele's partner in the firm, said they sought to represent countries or companies in their dealings with the federal government, relying on their Republican contacts in Washington.

"I would say we had pretty limited success," said Barnes, a lawyer in Toms River, N.J. He couldn't remember ever signing up a client. There was at least one: During the campaign for governor, after Barnes was no longer working with the business, the Maryland Republican Party was paying the firm, and by extension Steele, a consulting fee of $5,000 a month.

With little money coming in from the business, Steele has said, he drained retirement accounts. He told an audience in a recent speech that his family went without health insurance for three years.

"Don't break anything, because Daddy can't afford to fix it," he recalled telling his sons then.

On Nov. 5, 2002, Steele's election win erased all that. His current job pays $120,000 a year. A rocketing political career had finally made a struggling business one irrelevant. He savored the victory.

"Is this sweet or what?" Steele told supporters election night, according to news accounts.Fighting the Numbers

Steele's opponent in the Senate race, Democratic Rep. Benjamin L. Cardin, is a wonkish, pedestrian orator. But so far, Cardin has also proved resolutely unwilling to shoot himself in the foot.

In a state where Democrats outnumber Republicans nearly 2 to 1 -- and where issues such as the Iraq war and the government's handling of Hurricane Katrina might keep black Democrats from crossing party lines -- that might be all Cardin needs to win.

"A good Democratic candidate running a good campaign will beat a good Republican running a good campaign in a statewide race every time, just because of the numbers," said Donald Norris, a public policy professor at the University of Maryland Baltimore County.

To counter this disadvantage, Steele has run a campaign that portrays him as above party, beyond party. In avoiding Republican-specific policy recommendations, however, Steele sometimes ends up sounding as if he's avoiding specifics altogether.

He offers policy proposals, including increased restrictions on lobbyists, tax exemptions for new businesses and a 120-day suspension of the federal gasoline tax.

But often, when pressed on domestic- or foreign-policy questions, Steele responds not with firm positions but with a call for larger, more inclusive discussions.

Energy? Get environmentalists, solar advocates and nuclear people in the room with oil and gas interests. Health care? Get all the players in the room. North Korea? Get China involved.

"We need to get them in the room. We need to get them at the table," Steele said.

The one thing he always mentions is Washington, how the culture of partisan bickering needs to change. Steele, however, is not above a bit of political gamesmanship himself.

At his Hagerstown speech, he criticized Cardin because Democratic Party operatives fraudulently obtained his credit report.

"Anyone who wants my credit report, I'd be happy to give it to you," Steele said. "If you want to know about me, ask me."

Later that day, a Washington Post reporter asked: Is it possible to get your credit report?

"No, it's not," Steele said.

Right now, the polls show Cardin leading Steele. But friends of Steele, who remember him as the giant-killer of the Maryland GOP, aren't convinced.

There are a lot more hands to shake and cheeks to kiss, a lot more connections to be made, before Nov. 7.

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"I read the polls, and I don't believe them," said Scott, the Maryland planning secretary. "Because I'll tell you this: I can't believe anyone who meets and talks to Michael Steele will not vote for him."

Just Who Is The Man Behind That Steele Mask? (WT)

By Adrienne Washington

The Washington Times, October 24, 2006

Calling on one of my Sistagirls who lives in Baltimore County to get her take on the U.S. Senate race in Maryland, I got a response that pretty well sums up what may be the biggest problem for the Republican candidate, Lt. Gov. Michael S. Steele.

"I like Michael Steele a lot personally, but I just don't know who he is or where he stands," said this black professional woman. "That's why I don't trust him." Now that he has attracted suitors with those EHarmony-like ads, the real Mr. Steele has to show up in person. He talks a good man-of-the-people game, but how will he play it?

When I reiterated my Sistagirl's nervous sentiments to Mr. Steele at a luncheon with editors and reporters at The Washington Times yesterday, he bristled at the very notion that he is an unknown quantity.

After all, he has been lieutenant governor of the Free State for almost four years, and he has raised the bar so high with his litany of pat-myself-on-the-back accomplishments that his successors "will actually have to work" in the ceremonial position henceforth, he said.

But the guessing game of the hour rests on whether Michael Steele is a right-wing Republican, an undercover moderate Democrat or a wannabe independent. Just where do this atypical candidate's political loyalties lie? Exactly who constitutes the core constituency to whom he will be beholden?

The street rap on Mr. Steele is that he is hard to read once you get past the friendly smile and platitudes, even for those who have spent time with him. He begs the question posed in those old hair-color commercials, "Does she or doesn't she? Only her hairdresser knows for sure."

I wish I could tell you for sure, one way or the other, about the man behind the steely mask. He definitely has the potential to morph into a hybrid politician, based on the conversations we have had, if he can break away from his big-bucks benefactors. More important, break away from those crude folks who characterize him as "just another Clarence Thomas," which he is not.

But it really is not my job to define Mr. Steele's nebulous candidacy. It is the ultimate Steele campaign challenge, and it hasn't been met well as he tries to beat Rep. Benjamin L. Cardin, the Democrat vying to replace retiring Sen. Paul S. Sarbanes.

Mr. Steele argues that he hasn't been given the chance to get out his message -- a hodgepodge of populist and conservative economic and social policies -- although he has visited nearly three-fourths of municipalities in the state.

He is right when he says too many partisan voters are content to stick with shallow labels, but you must offer them more than shallow stuff when you are up against fear, tradition and blind loyalty to a party that takes voters for granted.

Which brings us to those slick campaign ads that don't mention his "R" affiliation.

"No one else has had to put up [their party label] in their ads," Mr. Steele said. "Why should I?" Because he has to explain himself better. He contends that he has tried to do just that, and unlike "any other candidate in this country," he has had to deal with explaining who he is as a black man and a Republican in every room he enters.

When he was the state Republican Party chairman, Mr. Steele acknowledged, he was "the most partisan man on the block." But after he was elected lieutenant governor, he realized that he had to represent all Marylanders "from the KKK to the NAACP." So he changed.

But how? Where would he place himself now on the political spectrum? "Oh, you want labels?" he said.

Well, yeah, and so do the voters, like my Sistagirl.

"I don't like labels," he answered tersely.

I don't either, but they serve the purpose of giving folks somewhere to start, or land if you are looking to win them over.

How about giving waffling folks like my Maryland Sistagirl a few concrete reasons to take a huge leap of faith and cross over to the Other Side? For instance, how many know about Mr. Steele's calls for more tuition assistance for community colleges and historically black colleges; or more certified teachers assigned to troubled Maryland schools; or his initiatives designed to assist black women who own small businesses, which I heard touted this weekend in, of all places, Virginia? Mr. Steele does possess a Muhammad Ali penchant for fancy footing around tough questions.

But Mr. Steele is more focused and passionate about his concerns on bread-and-butter issues that he thinks the voters want to hear about. For example, he talked about finding ways to reduce high unemployment in black communities, as represented by a man who asked him how to get his 26-year-old son, a University of Maryland graduate, a job so he can move out.

The son of a laundress and a small-business owner, Mr. Steele knows what it is like "not to get a paycheck." Most senators don't have a clue, and he would like to enlighten them.

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With two weeks left until Election Day, Mr. Steele says, he is going all over the state and "get in your face" to tell voters exactly who he is.

He is emboldened by his latest polls that show he can expect to receive 20 percent to 25 percent of the black vote in Maryland with another 25 percent still undecided. However, he is admittedly concerned by the prospect of white voters abandoning the Republican Party and voting against him because of his race.

"I'm not silly. ... I know the state I live in," he said.

It's not like he is unaware of his role as Goliath. "We still have a lot to do," he said.

The Steele mystique may soon change. It had better.

Solidly Republican, Suddenly In Doubt (WP)

By Blaine Harden

The Washington Post, October 24, 2006

COEUR D'ALENE, Idaho -- It is, perhaps, the political equivalent of hell freezing over in the interior West.

This red state where conservative Republicans routinely wipe the floor with hapless Democrats has a Republican running for Congress who just might lose.

The suddenly competitive race is a delicious development for Larry Grant, a Democratic candidate for the House who finds himself transformed from sacrificial lamb to reason for worry among national Republican strategists.

His Republican opponent is Bill Sali, an eight-term state representative with a corrosive reputation for irking his fellow Republicans. The Republican speaker of the Idaho House, Bruce Newcomb, said this spring of Sali: "That idiot is just an absolute idiot."

With an impish smile, Grant, who was a high-tech executive in Boise, took a moment from knocking on residents' doors here last week and said: "Can you imagine Republicans sitting around in Washington and saying to each other, 'Jeez, now we have to spend more money to win -- in Idaho?' "

But spending and worrying the Republicans are, here and in a handful of other usually safe House districts in the West, where unrelentingly grim news from the war in Iraq has combined with smoldering anger over federal deficits and Washington scandals to vivify Democratic candidates who not long ago were reconciled to their fate as biannual Republican roadkill.

President Bush cruised in Idaho in 2004 with 69 percent of the vote. Republicans outnumber Democrats about 2 to 1 in the district where Grant is running, and two years ago the district elected a Republican with 70 percent of the vote.

Previous occupants of the now-open seat include the late Helen Chenoweth-Hage, an archconservative who held hearings in the 1990s on a supposed "black helicopter" federal conspiracy to take away the freedoms of rural Westerners.

Now, to shore up support in Idaho's vast 1st Congressional District -- 500 miles long, from Canada to Nevada, crossing two time zones and three media markets -- the Republican National Congressional Committee spent $135,000 last week for ads against Grant. His campaign says that for the final two weeks of the campaign the Republican committee has committed about $375,000 to buy television and radio time, a figure that approaches Grant's fundraising total for his entire campaign.

"It is a tough year," said Carl Forti, a spokesman for the National Republican Congressional Committee, who declined to say how much it would spend in the 1st District. "We spend a lot of time going over every race in the country, and we want to make sure we fix problems before they become problems."

The problems, though, are not just in Idaho. Just west of the state, there is another growing spot of bother.

In Washington's 5th Congressional District, where former speaker Thomas S. Foley (D) famously lost in 1994 when Republicans seized control of the House, confirmation of an unexpectedly strong Democratic challenge emerged in recent days from a well-placed source: the Republican incumbent, Rep. Cathy McMorris.

"It's a closer race than I first imagined," she told Sen. Larry E. Craig (R-Idaho), according to the Spokesman-Review, a newspaper in Spokane. Changing voter attitudes in her conservative, mostly rural district, she said, have been "pretty dramatic."

McMorris and Craig apparently thought they were speaking privately before the start of a campaign teleconference with veterans. But an operator had connected Spokesman-Review reporter Jim Camden, who was on mute and could not announce his presence.

Craig, who is not up for reelection, told McMorris that she was not alone in feeling Democratic heat. "The new numbers are just devastating," he reportedly said.

McMorris's Democratic opponent is Peter Goldmark, a rancher whose surprising strength has attracted the support of the Democratic Congressional Campaign Committee, which last week began spending $323,000 on television ads opposing McMorris.

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In suburban Seattle's 8th Congressional District, the Republican incumbent, Rep. David G. Reichert, a well-known former sheriff from King County, is also facing a robust challenge -- from a political neophyte, Darcy Burner, 35, a former Microsoft executive.

The race, in a swing district where Democrats consistently win the presidential vote but Republicans hold the House, is widely viewed as a tossup. While behind in total fundraising, Burner has raised more money in recent months than Reichert has. To shore up the former sheriff, who made his name by catching the notorious Green River killer, the Republican National Congressional Committee has recently stepped up spending on television ads.

Here in Idaho, political analysts say that a competitive House race would never have been possible, except for the unlikely convergence of two destabilizing forces -- a noxious national climate for Republicans and a Republican candidate with a knack for being obnoxious. The Republican incumbent in Idaho's only other House seat, Rep. Mike Simpson, once threatened to throw Sali out a window.

Sali, 52, who won a bitter Republican primary against five opponents with 26 percent of the vote, has made strident opposition to abortion the signature issue of his 16-year political career.

Most notably, as Sali said in an interview in northern Idaho on Friday evening, he sees a causal link between abortion and breast cancer. "If you have an abortion, you are at increased risk," he said.

Recent studies of large numbers of women consistently show no such link, according to the National Cancer Institute, one of the federal National Institutes of Health.

Sali's pugnacious rhetoric on abortion and breast cancer during a debate this year in the Idaho House led to a walkout by Democrats and to a public tongue-lashing by House Speaker Newcomb.

"He doesn't have one ounce of empathy in his whole fricking body, and you can put that in the paper," Newcomb told reporters.

At a Republican campaign forum in northern Idaho on Friday night, a middle-aged woman from Bonner County who described herself as a party activist said that she and other Republican women in Idaho are offended by Sali's views on breast cancer.

"Women are angry about that," she said, insisting that she not be identified because of party loyalty. "They see it as an affront to their health issues."

In polls conducted for Grant, the issue showed up as one of the strongest negatives for Sali, according to Celinda Lake, a Democratic pollster based in Washington, D.C.

Political analysts in Idaho say the issue is one of Sali's many problems in securing broad Republican support.

"He has simply aggravated a lot of people over time," said Randy Stapilus, a blogger and former political editor for the Idaho Statesman. "There are a lot of Republican leaders who don't much care for Sali."

Still, this is Idaho.

"There are probably a lot of voters who have never voted for a Democrat, so you have to figure Sali is the more probable winner," Stapilus said. "But this is a different dynamic than we have seen for quite a long time."

Seats In Danger, Democrats Proclaim Their Conservatism (NYT)

By Kate Zernike

The New York Times, October 24, 2006

MACON, Ga., Oct. 19 — Listening to Congressional candidates in middle Georgia, it is easy for someone to think that he is in a different year and, possibly, a different country.

Democrats defend themselves against accusations that they are rubber stamps for their party's leadership. Democrats are defending the war in Iraq. And Democrats — yes, Democrats — strive to align themselves with the president.

"I agree with George Bush on this one," Representative John Barrow ends his new advertisement in favor of abolishing the estate tax.

Charles S. Bullock, a professor of political science at the University of Georgia, said, "It's a bit of a return to yesterday."

For all the talk of this being a Democratic year — experts and party leaders use words like tide or even tsunami — there are a small number of exceptions, places where Republicans believe they can take back seats from the Democrats.

And these contests are producing some of the fiercest fights — not to mention the most contrarian campaign strategies — of the midterm elections, as Democrats try to boast of their conservative credentials and their opponents try to sequester them on the opposite extreme.

As Mr. Barrow's Republican challenger, Max Burns, declared on Thursday in a debate in Augusta, "My opponent, he started out a liberal and he's trying to get to the right of Attila the Hun."

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The number of embattled Democrats has gone down. Republicans at the beginning of the summer said they believed that they could take 10 Democratic seats. Now they say four.

Every one counts. Facing the possibility that control of the House could be decided on the thinnest of margins, Democrats are not taking any race for granted, and Republicans are eager to exploit any potential Democratic weakness.

Two of those four seats are here in Georgia, a predominantly Republican state where redistricting has left two Democratic incumbents, Mr. Barrow and Representative Jim Marshall, unfamiliar to a big chunk of their new constituents.

The others are Representative Leonard L. Boswell, running against a well-financed opponent in Iowa, and Representative Melissa Bean, who is serving her first term from Illinois.

The Economic Freedom Fund, an independent group financed by the Texas homebuilder who bankrolled the Swift boat veterans' attacks against Senator John Kerry in 2004, has singled out Mr. Barrow and Mr. Marshall.

President Bush has campaigned in Georgia for Mr. Burns and Michael Collins, and is to return eight days before Election Day.

The race between Mr. Marshall and Mr. Collins has been expensive and nasty. Voters tell of receiving seven telephone calls a night and as many fliers in their mailboxes. Mr. Marshall said he had decided to begin advertising early, before Labor Day, when the advertising reached such a pitch that the average viewer was seeing 30 advertisements against him for every 7 in his favor each week, most trying to lump him with liberal Democrats.

"I'm spending a lot more time with Nancy Pelosi, Ted Kennedy and Hillary Clinton on TV in middle Georgia than I will ever in my life spend in reality," Mr. Marshall said.

At a pizza and politics rally at a church in Covington, a town west of Atlanta, Mr. Collins listed familiar bogeymen from the left, Representatives John Conyers Jr., Charles B. Rangel and John P. Murtha.

"And last but not least, Congresswoman Nancy Pelosi from California wants to be speaker of the House," he said, his voice low and ominous. "And I tell you, folks, this is the last thing we need in the House.

"The next two years bogged down in investigations, with a judiciary chairman who wants to impeach the president. We don't need those things, folks. So I ask you now, on Nov. 7, vote for Mac Collins to be your congressman. Mac Collins doesn't vote that way. Mac Collins will vote for Denny Hastert, a Republican, to be speaker of the House."

Never mind that other Republican candidates are canceling appearances with Speaker Hastert, who has been caught up in the aftermath of the Congressional page scandal. Here, the Republican candidates are betting that the association with Mr. Hastert helps them.

"If you vote for Barrow, you are giving a vote to Nancy Pelosi," Joan Clay, a Republican, said at the debate in Augusta. "Do you want Nancy Pelosi to be the majority leader?"

At the debate, Mr. Barrow, a lawyer with the bookish look of a grown-up Harry Potter, jabbed his finger in the air and spoke hurriedly while Mr. Burns stood back with a bemused look and the self-assuredness of an incumbent. Senator Kerry won the 2004 presidential vote in Mr. Barrow's district, but Mr. Bush won in Mr. Marshall's, making him more vulnerable, especially against an established and well-financed candidate like Mr. Collins, who served six terms in the House in a previously configured district.

"It's awfully tempting from a Republican perspective," Mr. Marshall, a former law professor and mayor of Macon, said. "I'd have to be kind of foolish to think it wouldn't be a big fight."

Forty-three percent of the voting age population in the new district was not represented by Mr. Marshall under the old lines. So he raised more money than he thought he would need, then spent even more than that and continues to raise money two weeks before the election.

"What I thought would be a $1 million campaign has turned out to be a $2 million campaign," he said.

While elsewhere, Republicans shun their party label in advertisements, in these districts it is the Democrats who ignore affiliation, declaring themselves, as Ms. Bean does, "a moderate independent voice" or as Mr. Barrow does, "Our congressman on our side," without mentioning which side that is.

"I have crossed the aisle and worked with the other side more often than almost anyone else," Mr. Barrow said Thursday in the debate at a lakeside casino in Augusta. "I don't think either team has it right in Washington 99 percent of the time."

Republicans have had trouble portraying the two Georgia incumbents as liberals because they have largely conservative voting records. Mr. Collins says that is only because Mr. Marshall has had so many Republican bills to vote on. Mr. Marshall, recently inducted into the Army Ranger Hall of Fame, is also popular with the large military population in the district.

Republicans have tried the "too liberal for Georgia" tactic before, even on Zell Miller, the Democratic senator perhaps most popularly remembered for his fiery speech at the Republican National Convention in 2004. Mr. Bullock says the Democrats have learned from the experience of party members like Max Cleland, whose votes exposed him to accusations of being too liberal.

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"If Democrats are going to get elected in this district, they've got to stake out the middle position, which is what traditional Southern Democrats did," Mr. Bullock said. "And when they did, they held the South."

Clinton Stumps For Local Democrats (CHIT)

By John Biemer And John Chase, Tribune Staff Reporters

Chicago Tribune, October 24, 2006

Former President Bill Clinton spoke at a Chicago fundraiser for U.S. Rep. Melissa Bean and Tammy Duckworth on Monday and praised the suburban Democratic congressional candidates as "independent, clear-thinking, non-ideological, inclusive, commonsensical people."

About 600 supporters attended the event, sponsored by the Democratic Congressional Campaign Committee, that was expected to raise about $800,000 to be split three ways between Bean, Duckworth and the DCCC.

Clinton briefly addressed campaign volunteers and reporters before the closed-door event and said "there is a profound sea change going on in this country—people know that Washington is not working for them.

"The ideologues who run things in Washington today really hate evidence and argument. They consider evidence irrelevant because they already got their mind made up and argument is an inconvenient waste of time, so they govern by assertion and attack," Clinton said. "The first rule in any human endeavor is if you find yourself in a hole, quit digging. The ideologue asks for a bigger shovel."

Duckworth's west suburban 6th Congressional District opponent, Peter Roskam, countered Clinton's visit by appearing with David Beamer, the father of Todd Beamer, a passenger on United 93, the flight hijacked by terrorists that crashed Sept. 11, 2001, in Pennsylvania.

David Beamer, a former Wheaton resident who now lives in Jacksonville Beach, Fla., said he backs Roskam for supporting the Bush administration's fight against terrorism. "It's a different kind of enemy. Their ideology is warped beyond comprehension, and this particular enemy doesn't have the word 'surrender' in their dictionary," Beamer said.

Earlier Monday, a group of 100 African-American ministers endorsed Democratic Gov. Rod Blagojevich for re-election and Ald. Todd Stroger (8th) for Cook County Board president. The minister said they intend to hand out at least 500,000 leaflets promoting the two candidates.

The "Unity in the Community" leaflets include a picture of Blagojevich and Stroger below the phrase, "The People's Slate."

The endorsement came as Stroger's campaign for the first time began airing commercials that promote his positions on increasing access to health insurance and equal pay while attacking Republican leadership. Stroger's Republican opponent is county Commissioner Tony Peraica.

Newly filed campaign disclosure reports show Stroger has raised about $600,000 since July, including more than $300,000 in the last two weeks. Peraica has raised more than $367,000 since July 1, including more than $126,000 in the last two weeks.

In the race for governor, incumbent Democrat Rod Blagojevich reported raising nearly $3.5 million since July 1, including at least $631,000 in donations of $500 or more since Oct. 9. Disclosure documents show Blagojevich got donations of $300,000 from the Illinois Federation of Teachers, $250,000 from the Laborers' International Union of North America and transferred $204,000 from his congressional campaign account. Aides to Republican Judy Baar Topinka said she would report more than $3 million in donations since July 1, including $687,000 in contributions of at least $500 since Oct. 9.

Born A Rambling Man (RC)

By Mary Ann Akers

Roll Call, October 24, 2006

Having soaked up just about every last bit of limelight from the CIA leak scandal, former GOP-appointed Ambassador Joe Wilson is burning up the campaign trail on behalf of Democrats while apparently planning a full-time move away from Washington, D.C.

Sources tell HOH that Wilson and his wife, Valerie Plame Wilson — who was famously outed as a CIA operative by columnist Robert Novak — have told friends that they are ready to quit Washington. One source says the Wilsons, the parents of 6-year-old twins, have "settled on" Santa Fe, N.M.

Wilson, in a brief telephone chat with HOH, wouldn't confirm where or when they are moving. But he said, "We have entertained for a while now moving out of Washington, D.C. ... My wife no longer has a job in Washington, so we're no longer bound to the city," he said. (Thanks to Richard Armitage for those unemployment checks.)

Wilson — aka The Man Who Called B.S. on WMDs — said he and Valerie haven't sold their home in Washington (though it did sound as if there were a parenthetical "yet" on the end of his sentence). But he wouldn't confirm whether they've bought a house or are looking at houses in Santa Fe. "I don't have any comment on that," he said.

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For now, he said, "I'm safely ensconced in Washington, D.C."

Or rather, he's safely ensconced on the campaign trail. As a then-President George H.W. Bush political appointee, Wilson's appeal is particularly useful in swing districts. He has campaigned for such Democratic candidates as Diane Farrell, who is running against Rep. Christopher Shays (R-Conn.); Lois Murphy, who's trying to unseat Rep. Jim Gerlach (R-Pa.); and Iraq War veteran Patrick Murphy, who is taking on Rep. Michael Fitzpatrick (R-Pa.).

Wilson, never one to shy away from the cameras, also is campaigning on behalf of Connecticut Senate candidate Ned Lamont (D), Sen. Bob Menendez (D-N.J.) and former CIA agent Jim Marcinkowski, who's running against Rep. Mike Rogers (R-Mich.), among several others.

"What I'm campaigning for ... is accountability in government," Wilson said. "In my view, the majority that controls Congress has sacrificed the Constitution of the United States on the altar of partisan loyalty, partisan politics."

Hmmm, anybody figure that Wilson, who comes from a modest California political dynasty, is planning a campaign of his own?

Proud to Be a Macaca? In the wake of the "macaca" controversy that knocked Sen. George Allen (R-Va.) off-stride, two young Indian-American brothers in Vienna, Va., have become quite the grass-roots politicos.

With the help of their Democratic parents, the boys, age 10 and 12, designed a "Macacas for Jim Webb" T-shirt, which they're now selling for eight bucks a pop. All proceeds are going to Webb's Democratic Senate campaign, according to their mother, Alli Guleria, an orthodontist in Reston, Va.

Guleria says her boys, Shan, 12, and Neil, 10, have been exposed to "some amount of prejudice" at their small private school in Reston but were "shocked" by Allen's infamous "macaca" moniker for an Indian American at a campaign rally. She and her husband, who were both born in India, had a family meeting to discuss the controversy with their kids, and at that point, she said, "we thought, 'Wouldn't it be hilarious if we called ourselves macacas?'"

So the Democrats decided to embark on the family project to make "Macacas for Webb" T-shirts. The boys have been selling the T-shirts at school, around the neighborhood and to their mom's patients.

"To date, we've sold 38," Guleria said.

One neighbor who hasn't bought one of the boys' T-shirts is Rep. Tom Davis (R-Va.), who lives on the same street as the Gulerias and who occasionally runs in the same circles. Guleria couldn't help herself when she ran into the Congressman at a party on Saturday night and told him about her boys' project.

"He was gracious," Guleria said of her GOP Congressman neighbor. She quoted Davis as saying, "Everyone is entitled to their opinion." She said he had "nothing but nice things" to say about Webb, and said nothing of Allen or his "macaca" comment.

Checklist for Cheap Senators. In the wake of an Associated Press report that Senate Minority Leader Harry Reid (D-Nev.) paid Christmas bonuses to the staff at his Ritz Carlton condo complex with campaign cash instead of his own money, the Las Vegas Review-Journal opined Sunday, "Is the good Senator a penny pincher?"

The newspaper devised the following checklist led by the question: "You might be a Senate skinflint if ..."

· You ask for a doggie bag in the Senate Dining Room.

· You regift to Howard Dean.

· You have a cash bar at your office holiday party.

· At those boxing matches, you angle for better seats by offering to introduce the usher to 'my good friend, George Washington.'

· You schedule restaurant fundraisers during 'early bird specials.'

· You pawn your BlackBerry, start using messages scrawled on free cocktail napkins.

Can Democrat Dethrone Rep. King? (RC)

By Elizabeth Brotherton

Roll Call, October 24, 2006

On a politically shaded map, Long Island is solidly blue, with the exception of a splotch of red situated just left of the middle.

That is where New York's 3rd Congressional district sits, and for more than a decade, Rep. Peter King (R), the chairman of the House Homeland Security Committee, has had little difficulty maintaining his seat in this Republican stronghold.

However, in an election year when everything seems to be going the Democrats' way, King's re-election might not be a guarantee.

The 62-year-old lawmaker is facing an unexpected challenge from Democrat David Mejias, the first-ever Latino elected to the Nassau County Legislature. Mejias, who was endorsed by The New York Times on Sunday, is touting a poll by the firm Constituent Dynamics that puts him only two points behind King.

Mejias argues that voters in the largely Republican 3rd district are ready for a change.

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"From the response that we've gotten, I'd like to think it's because I'm a good candidate," Mejias said. "But I completely understand that it's really about things that are beyond me."

Mejias said King has moved further to the right over the past few elections, against the wishes of his constituents. The challenger called King a "shameful rubberstamp" for President Bush and said that the scandal surrounding former Rep. Mark Foley (R-Fla.) gives him momentum to oust King come Nov. 7.

"I pose a credible threat for him," Mejias said Monday.

Mike Dawidziak, a political consultant in Long Island, said Mejias does pose a threat to King, although he doubts it's the kind of neck-and-neck race that the Constituent Dynamics poll suggests.

Factors that give Mejias some momentum heading into November include the national mood of the country, the Democratic nature of New York and the fact that Republicans haven't mounted a competitive top-of-the-state ticket, Dawidziak said.

"It could become closer than people think it's going to be," Dawidziak said.

Still, Mejias faces a difficult task in defeating King, Dawidziak said. He added that if Republican turnout roughly matches Democratic turnout, King will come out on top.

"He really just needs to say, 'I've been there. I've been doing the hard work,'" Dawidziak said of King. "I think people will react well to that."

Dawidziak added that Mejias' tactic of tying King directly to Bush might backfire.

"I don't think people buy that," Dawidziak said. "I think voters are a lot smarter than people give them credit for."

King, for his part, isn't buying any talk of an upset. The seven-term Congressman labels it pure hype, pointing to recent internal polling giving him a lead of more than 20 points over Mejias.

And when it comes to money, King truly is on top. According to the latest FEC filings, King has $1.6 million cash on hand, whereas Mejias lags far behind at about $136,000.

King is starting to put all that cash to use, he said. He launched radio ads in September and recently began airing television ads in the high-priced New York City market. One is an endorsement by former New York City mayor Ed Koch (D), while another features the mother of a firefighter killed during the Sept. 11, 2001, terrorist attacks, King said.

King will increase the number of ads leading up to the election, as well as release 10 or 11 mailings to voters throughout the district, he said.

"I take every race seriously," King said. "So I'm going all-out."

At the same time, King argued that Mejias "is doing very little that other guys haven't done."

Past challengers have often had more money than Mejias does, yet King always managed to win anyway. King attributes much of the hype this time around to New York media outlets he doesn't count as allies.

"I don't see him as being a factor," King said of Mejias. "My opponent is Newsday and The New York Times."

Mejias, meanwhile, said he has reached about 80,000 voters through phone calls and door-to-door efforts, and he pointed to a public debate held between the candidates a few weeks ago that Mejias said generated a lot of interest in his campaign.

Born and raised on Long Island, Mejias was elected to the Nassau County Legislature in 2003. A graduate of the Fordham University School of Law, he opened his own law firm at the age of 26. He is the managing partner of David L. Mejias & Associates, which specializes in personal injury, matrimonial and criminal law.

Mejias' campaign has benefited from interest within the Internet grass roots. The debate was posted on YouTube, and liberal blogs, including kingwatch.blogspot.com, have talked up his campaign. By contrast, King does not even have a campaign Web site.

"All these years of not having a credible challenger has made him really arrogant," Mejias said.

Still, one Democratic pollster said any challenger must prove to voters that the incumbent no longer represents their needs and that a curtain surrounds their affairs in Washington, D.C.

"The task of a challenger is to raise that curtain," the pollster said.

In Calif., Charlie Brown Could Have The Last Laugh (WP)

By Shailagh Murray

The Washington Post, October 24, 2006

ROSEVILLE, Calif. -- Charlie Brown for Congress? At first it sounded like a joke.

Brown was an unknown Democrat running in the California Republican heartland. The eight-term incumbent, John Doolittle (R), had crushed his 2004 opponent. Fewer than a third of district voters are registered Democrats. When Brown jumped in a year ago, the Peanuts references were irresistible.

"Good Grief! Charlie Brown Takes on Doolittle," proclaimed one political blog.

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There are two types of candidates: the obvious ones, who are recruited to run in key races and get lots of financial and organizational help, and the bootstrap cases, who do it all on their own. Usually these second-tier candidates run and lose in obscurity. But sometimes they get lucky. If a wave breaks next month, Brown is one of many bootstrap Democrats who could be washed into Congress.

The latest polls show that Brown, a retired Air Force lieutenant colonel, has pulled within striking distance of Doolittle, whose well-documented ties to disgraced lobbyist Jack Abramoff may be an albatross. The Democratic Congressional Campaign Committee is increasingly optimistic about Brown's chances and has chipped in an undisclosed amount of cash for the final push. Brown has scooped up local newspaper endorsements and raised $750,000, much of it in recent weeks.

The one person who isn't surprised by this turn of events is Brown, who ignored all the naysayers and trusted his gut that Doolittle could be beaten. The latest news to break his way: Doolittle's campaign reported more than $38,000 in legal fees in his third-quarter fundraising report that are related to a federal investigation into Abramoff's lobbying activities. A Doolittle spokeswoman said the congressman was attempting to be helpful and had not been contacted by prosecutors, but the disclosure put Doolittle on the defensive with weeks to go.

"It all comes down to someone who lives in the district, and knows it," Brown said of his success. He's not surprised the national party kept its distance all those months. "We've had to show them in Washington that it was worth getting involved. When I got started, there was nothing here to support."

The 4th District is made up of 48 percent Republicans and 30 percent Democrats, with the balance GOP-leaning independents. The geography also is daunting. The district contains 17,000 square miles, from the Sacramento suburbs to the Oregon and Nevada state lines.

But it's a more nuanced landscape than it seems, Brown says.

Bay Area residents are moving east in search of cheaper housing, and although they are not heavily Democratic, many are registering as independents. The Sacramento area was one of the few pockets in the state to vote for a 2005 measure to end partisan redistricting. Doolittle called the initiative politically "stupid."

In June, Doolittle won the GOP primary with 67 percent of the vote, an indication that his base had diminished. The California 4th is home to 102,000 veterans. Brown was raised in a military household and has a son serving in Iraq. He coordinated Air Force surveillance flights over Iraq during the 1990s and opposed the Iraq war from the outset. As conditions in Iraq worsen, he has found local veterans increasingly responsive to his call for setting a timetable for withdrawal.

Running in a political no man's land requires building a campaign operation from scratch. Brown lined up precinct captains and courted local unions and other left-leaning organizations. He traveled to every populated cranny of the district, either alone or with his wife, Jan, a retired Air Force nurse.

Like most candidates, Brown has entered a sort of parallel universe, wired but road weary, a regular at a taqueria next door to headquarters. His campaign has grown bigger and more frenetic, part small business and part family.

One fixture is Joanne Neft, founder of Republicans for Charlie Brown, who canvasses in silver elephant earrings. Another is Don Harper, who runs Veterans for Brown.

Despite all the excitement, the party mantra remained unchanged: "Show me the polls." Brown commissioned a survey last month that showed Doolittle ahead, 41 percent to 39 percent, and 17 percent undecided. Shortly afterward, Brown was endorsed by the Sacramento Bee under the headline "Time for Doolittle to go."

On Oct. 11, the candidates met for a combative two-hour debate. "Nothing like it has ever been seen in Placer County," the San Francisco Chronicle observed.

Doolittle called Brown a "flimflam man." He cited Brown's membership in the American Civil Liberties Union, which Doolittle accused of defending the North American Man/Boy Love Association, which he said "is helping pedophiles get away with their dastardly deeds."

Brown lambasted Doolittle for his relationship with Abramoff and a San Diego businessman implicated in the bribery case that sent former representative Randy "Duke" Cunningham (R-Calif.) to prison. Brown noted that his opponent had accepted a $1,000 donation from Mark Foley (R-Fla.), who resigned from Congress last month in a scandal involving male teenage congressional pages. "Mr. Doolittle knows more about man's love than I do, with his support of Congressman Foley," Brown retorted.

They say timing is everything in politics, but part of that is knowing when an incumbent's time may be up. "There's a whole lot of people who are going to win this year, simply because they showed up," said Amy Walter, who tracks House races for the nonpartisan Cook Political Report. "People who are willing to take the biggest risks often get the biggest rewards."

Parties Preparing For Final Push (RC)

By David M. Drucker

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Roll Call, October 24, 2006

Republicans, struggling to retain their Congressional majority under the weight of low approval ratings and bad news out of Iraq, are increasingly pinning their hopes for survival on a get-out-the-vote effort that Democrats acknowledge they cannot match.

Republican strategists are quick to point out that a superior GOTV operation is unlikely, on its own, to salvage races in which their candidate is trailing by even as little as 3 points.

But for those races in which the Republican is within 2 points or less, they argue that an effective ground game could be the difference between victory and defeat. And they believe their superior turnout operation may help them overcome a sense among pundits that the Republican base will be depressed on Election Day, literally and figuratively.

Democrats — who also trail the GOP in cash on hand — have moved to stem the disadvantage in key battlegrounds, spending millions to create statewide voter files in Missouri and Montana while engineering a coordinated ground game attack in key House districts in Ohio, Pennsylvania and other contested states. Also, the AFL-CIO and MoveOn.org have said they'll spend a combined $52 million on GOTV on the Democrats' behalf.

Equally important, the Democrats expect their base voters to be far more motivated than the GOP's, helping to blunt whatever tactical advantage the Republicans may have.

"People want change. They don't want a rubber-stamp Congress. It's helping us dramatically," Democratic Senatorial Campaign Committee Chairman Charles Schumer (N.Y.) said Sunday on CBS' "Face the Nation."

Still, nothing Democrats and their surrogates do on the turnout front is likely to match the breadth and scope of a nationwide GOP voter-turnout machine engineered by the Republican National Committee.

Developed in part by Republican National Committee Chairman Ken Mehlman following the 2000 elections and repeatedly refined since then, the plan is implemented through millions of volunteers on the ground, under the supervision of paid party leaders at the state, county and precinct levels.

"In an off-year election, the ground game is extraordinarily important," said Republican pollster David Winston, who also is a contributing writer for Roll Call. "What Ken Mehlman has done at the RNC is make sure we keep a strategic edge in terms of our ability to conduct a ground game."

According to the most recent polls, there are at least two Senate races — Missouri and Tennessee — and several House contests (including those in Connecticut, Florida and Indiana, to name a few) where the RNC-run ground war could be the key to GOP chances of maintaining its grip on Capitol Hill.

The Republican operation is credited with pushing now-Rep. Brian Bilbray (R) over the finish line against college lecturer Francine Busby (D) in a June 6 special election in California's 50th district, and pulling Sen. Lincoln Chafee (R-R.I.) past Cranston Mayor Stephen Laffey (R) in the Sept. 12 primary. Vigorously disputing suggestions that their base is dispirited, the RNC noted its operatives have made 14 million voter contacts this year — 7 million since Labor Day — surpassing the level of engagement it enjoyed during the same period in 2004.

Campaign aides for Sen. Jim Talent (R-Mo.), who is trying to hold off state Auditor Claire McCaskill (D) in a neck-and-neck Senate race, said the GOP ground game in the Show Me State is larger this cycle than it was in 2004 — at least based on the number of volunteers on the ground and voter contacts. Bush won Missouri in 2004 by 7 points.

"Everyone has written us off, but races are still close enough for [the ground game] to make a difference," said one Republican strategist with intimate knowledge of the RNC's effort. "We're ahead in some races people think we're behind in."

But the Democrats, believing the playing field is expanding as Nov. 7 approaches, are hardly conceding the ground war to Republicans.

Particularly in their efforts to take control of the House, the Democrats are planning a strong ground game in some districts that they believe might surprise the Republicans, including Ohio's 2nd district — where physician Victoria Wulsin (D) is battling Rep. Jean Schmidt (R) — and Colorado's 4th district, where Rep. Marilyn Musgrave (R) is facing state Rep. Angie Paccione (D).

Democratic strategists say the Democratic Congressional Campaign Committee is on track to spent $10 million on GOTV, with another $2.4 million thrown at the effort courtesy of the Democratic National Committee. The DSCC is spending around $20 million on GOTV this cycle in an effort that began at the cycle's outset, with Schumer allocating money to beef up state parties in 15 states where he anticipated competitive Senate races (the playing field has shrunk since then).

Schumer also prioritized targeting rural and exurban districts that have predominantly voted Republican in recent cycles but that polling data indicated were open to voting for Democrats. Voters in these regions have been identified and to date have been contacted dozens of times, said one Democratic strategist.

"The biggest advantage [Republicans] have is that they have so much money to throw at it," said a second Democratic strategist familiar with the Democrats' ground game plans, acknowledging that the RNC's GOTV operation is the more advanced of the two.

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The Republicans' ground game consists of three key elements.

· Complete coordination: Because the GOP turnout effort is run by the party, the White House, the RNC and House and Senate campaign committees can coordinate with each other and every one of their candidates.

The Democrats, because they are still partly reliant on surrogates like the AFL-CIO for GOTV, cannot necessarily be as tactically efficient as the Republicans.

· Technology: All voter contact information gathered by Republican volunteers is entered into the "Voter Vault" data system for review by party operatives at all levels. Since 2004, entering the information gathered on a voter's characteristics has become more efficient, with the latest data available the same day it is gathered, rather than 24 hours or more following the contact. This allows the GOP to adjust to changing conditions on the ground at an even faster pace.

The relevant information gathered on voters includes whether they vote absentee or on Election Day and what their key issue is, so that the contacts made — whether via telephone, direct mail or in person — are focused on that subject. This information was formerly entered manually; this cycle it's all scanned in on bubble sheets that look similar to the answer sheets used on standardized tests.

· Local volunteers: As with any large-scale GOTV operation, the RNC ships paid staffers and unpaid volunteers to the states and districts that are most in need. But the committee's GOTV strategy regarding voter contacts involves relying on locally based volunteers, the theory being that voters respond more favorably to their friends and neighbors than to strangers.

The 72 Hour Program, which focuses on turning voters out to the polls during the campaign's final three days, also is considered vital to the Republican effort.

Without having the issues or the political environment on their side, however, the Republican ground game might not count for much. Polls show a majority of voters are unhappy with Bush's conduct of the Iraq War and suggest that Democrats might be more motivated to turnout and send a message to Bush than Republicans are to vote their majority back into power.

Democrats claim what could be a critical advantage here, saying unhappiness with the Bush administration combined with a desire for change in Washington, D.C., translate into the political fuel needed to make the turnout engine go. But they also took concrete steps to lessen the advantage Republicans had on the ground in 2004.

They reviewed data from specific voter precincts in targeted states, and they expanded their target area from traditional Democratic strongholds like large metropolitan cities to include Republican leaning suburbs, small towns and rural areas that suggested the population was open to voting Democrat. At the DSCC, Schumer funneled money to build state party organizations, establishing benchmarks to ensure the money wasn't wasted.

"We've worked very closely with the state parties to make sure the financing is there and that the actual work is getting done," a Democratic strategist familiar with the DSCC's efforts said. "We're obviously cognizant of the Republican turnout efforts from years past, but we think we'll be turning some heads ourselves."

Democrats Urge Their Flush Candidates To Share The Wealth (NYT)

By Jeff Zeleny

The New York Times, October 24, 2006

WASHINGTON, Oct. 23 — The balance in the campaign account of Representative Martin T. Meehan, Democrat of Massachusetts, is $4,886,325. It is a muscular sum for a member of the House, and ordinarily it would be hailed as an exhibit of fund-raising savvy.

But in a stream of telephone calls to his offices on Monday, otherwise admiring Democratic constituents had another word for Mr. Meehan: cheap.

With Democrats increasingly convinced that House control is within their grasp, party activists are publicly excoriating politicians in safe districts who have hefty campaign balances. Mr. Meehan, easily re-elected two years ago with 67 percent of the vote, is at the top of a new list being circulated by Democratic bloggers.

"If he's sitting on all that money, I think he ought to share," said Sue Stafford, 61, a college professor from Andover, Mass., who is one of Mr. Meehan's longtime supporters. "It would be a shame to lose because we don't have enough money."

The not-so-gentle campaign to nudge Democrats — or, in many cases, shame them — into contributing more money to the party is another way bloggers are producing a collision between the old world of politics and the new. Gone are the days when politicians could quietly squirrel away campaign money for that next big election.

Across the country on Monday, Ms. Stafford and thousands of other people received an e-mail message from the liberal-leaning MoveOn.org asking them to urge their representatives to help less fortunate Democratic candidates who now see a chance to win seats previously considered beyond their reach.

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Mr. Meehan, who has amassed nearly $5 million for a possible run for the Senate, has contributed $355,000 to the Democratic Congressional Campaign Committee this year. “He is as committed as anyone,” said his spokeswoman, Sandra Salstrom, “to having Democratic control of the House on Nov. 7.”

But though Mr. Meehan has been appearing at events and vigorously campaigning for other candidates, he has no immediate intention of giving more money, Ms. Salstrom said.

Senator John Kerry of Massachusetts, the Democratic presidential nominee in 2004, came under fire last week when it was pointed out that he had contributed only $15,000 this year to the party’s senatorial committee. Heyjohn.org, whose creator has remained anonymous, highlights the fact that Mr. Kerry has $14 million in his campaign accounts.

Dismissing the criticism, his spokesman, David Wade, said Mr. Kerry had contributed $2.8 million to campaign committees, state parties and individual candidates in this election cycle. And in appearances across the country and in Internet appeals, Mr. Wade said, the senator has helped raise about $7 million for candidates.

“Cowards can hide behind anonymous Web sites,” Mr. Wade said, “but Democrats out in the country, party leaders and real net-roots activists know how hard John Kerry has fought to win these elections.”

It is members of the House, though, who were drawing the most ire from the party faithful on Monday. At least 70 Democratic members of Congress face either no opponent or a nominal Republican challenger, and that was enough to earn them a position on a list of candidates that organizers say will reach 100,000 people by week’s end.

MoveOn.org’s goal is to get each member of Congress who has at least $200,000 in the campaign account and who does not face a competitive challenge to give 30 percent to other races. MoveOn members are receiving personalized e-mail messages complete with the telephone number of their representative and the amount of money in that candidate’s account. Six instructions accompany the e-mail request, including, “Be polite.”

Eli Pariser, executive director of MoveOn.org, said of the well-off candidates, “It’s one of those moments when they need to put the interest of their party ahead of their own personal ambitions.”

Chris Bowers, who writes for the popular political blog MyDD.com, conceived the idea that MoveOn adopted. It was an outgrowth of an online discussion about how Democrats were considering taking out a loan of up to $10 million to challenge Republicans in seats that once did not appear competitive.

“This is an extraordinary election cycle,” Mr. Bowers said. “By challenging every seat, we actually stretch Republican resources so thin that we could swing the election.”

By the close of business on Monday, organizers said, only Representative Barney Frank of Massachusetts had agreed to contribute 30 percent of his campaign balance, which would amount to nearly $74,000. But other members of Congress, the organizers said, are considering answering the appeal.

“Instead of a small map, we are dealing with a much larger map,” said Sarah Feinberg, a spokeswoman for the Democratic Congressional Campaign Committee. “The issue now is making sure we have the resources to play in as many races that are up for grabs.”

Clinton Says Rival In 'Swampy Territory' (AP-Y)

By Marc Humbert, Associated Press Writer

AP, October 24, 2006

Sen. Hillary Rodham Clinton accused her Republican challenger of getting into "swampy territory" after he was quoted Monday as saying that Clinton was unattractive when she was younger and that she had a lot of work done on herself. John Spencer denied discussing the senator's looks during a conversation with a New York Daily News reporter.

The tabloid quoted Spencer as saying: "You ever see a picture of her back then? Whew. I don't know why Bill married her."

Spencer, former mayor of the New York City suburb of Yonkers, was also quoted as saying that Clinton underwent millions of dollars of "work" and "looks good now."

During a campaign stop at a senior citizens center in Watervliet, just outside Albany, Clinton said: "It's unfortunate that when you don't have anything positive to say about the issues that we can get off in some pretty swampy territory."

After the newspaper came out, Spencer said the comments were "a fabrication. I would never call Hillary Clinton ugly. That's outrageous. I didn't do it."

The newspaper's front-page headline screamed "GETTING UGLY."

The reporter, Ben Smith, spoke with Spencer during a flight Friday from New York City to Rochester. He told the AP that Spencer made the comments as Spencer, his wife and Smith sat together. He said he did not tape-record the comments but took notes on his Blackberry.

Clinton adviser Howard Wolfson said Clinton has had no plastic surgery or similar appearance-enhancing work.

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"I'm not sure what's worse, that Mr. Spencer made these insulting comments or that instead of owning up and apologizing for them, he is lying about them," Wolfson added. "Either way, it's clear that he is unfit for the U.S. Senate."

Clinton joked with reporters during her stop in Watervliet that "my high-school picture was cute." It was also on the tabloid's front page.

Polls have shown Clinton, 58, far ahead of the craggy-faced, 59-year-old Spencer in the Senate race.

Opponent Is Put On The Spot Over Remarks About Clinton (NYT)

By Marc Santora

The New York Times, October 24, 2006

The two recent debates between Senator Hillary Rodham Clinton and her Republican opponent, John Spencer, may have lacked fireworks. Yesterday, however, the race was set astir by remarks that Mr. Spencer reportedly made before the first debate — comments about Mrs. Clinton's sexuality and physical appearance. .

The commotion started yesterday when The Daily News ran a front-page headline, "Getting Ugly," and reported that Mr. Spencer had claimed that Mrs. Clinton had undergone, in the newspaper's words, "millions in surgery to make her pretty."

The article then quoted derisive comments by Mr. Spencer about the way she looked when she was much younger, including, "I don't know why Bill married her," a reference to former President Bill Clinton.

Mr. Spencer angrily called the report a "complete fabrication" yesterday. He acknowledged that he had talked about how different she looked now and about her changing style. But he said it was in the context of "everyone looking different." He denied saying anything about plastic surgery or questioning Mr. Clinton's marital judgment.

That did not stop Mrs. Clinton from criticizing the comments attributed to Mr. Spencer.

"It's unfortunate that when you don't have anything positive to say about the issues that we can get off in some pretty swampy territory," she said yesterday during a campaign stop outside Albany.

Ben Smith, the Daily News reporter who wrote the article, stood by his account. He said he took notes on his BlackBerry. By chance, the candidate and the reporter were seated in the same row, one seat apart, on a JetBlue flight from New York to Rochester on Friday morning before the first debate. Both Mr. Smith and Mr. Spencer said it was a casual conversation that hit on many topics.

Last night, meanwhile, a columnist for The Journal News in Westchester County said that Mr. Spencer made an off-color remark about Mrs. Clinton's sexuality.

The columnist, Phil Reisman, said that he asked Mr. Spencer by telephone last week if he would use the debates to try to paint Mrs. Clinton as a liberal. "He said words to the effect of, 'Well, you know me, words slip out, but I won't call her a lesbian or anything,' " Mr. Reisman said. "He was definitely joking — he laughed after he said it."

Asked about the "lesbian" remark, Rob Ryan, Mr. Spencer's spokesman, said, "As John Spencer said this afternoon, if he offended anyone, he apologizes."

Mining Midterms For Clues To '08 Field (WSJ)

By Christoper Cooper

The Wall Street Journal, October 24, 2006

BOSTON -- In a state with a legacy of racial tension, Deval Patrick looks poised to become the nation's second black governor ever popularly elected, and to regain the left-leaning commonwealth for the Democrats.

His strategy: tying his opponent not to President Bush but to her political patron, sitting Gov. Mitt Romney, whose politics are moving rightward in preparation for a presidential run.

Lt. Gov Kerry Healey has been running negative ads, even as she claims that she is closer to Mr. Patrick than Mr. Romney on some issues. "Deval and I have some things in common: We both support choice, we both support stem-cell research," Ms. Healey said at a recent debate here. Mr. Romney is opposed to both, and has become more outspokenly so.

In a recent statewide poll, Mr. Patrick had a 13-percentage-point lead over Ms. Healey.

Mr. Romney, who declined to seek re-election, is exploring a bid for the 2008 Republican presidential nomination. In recent months, he has barnstormed the country speaking to conservative groups. Along the way, Mr. Romney has tailored his appeal to core Republican supporters, including conservative Christians who are kingmakers in the presidential nomination process -- and often have a different worldview from the constituents Mr. Romney had to win over in his home state.

The Romney overhang in the Massachusetts governor's race is just one example of how the 2006 election season has begun to define the 2008 presidential contest. A big reason: This will be the first presidential race in decades with no heir-apparent in either party. Jockeying among Republicans and Democrats has begun early, and candidates have sought to use the midterm races to establish a position for when the political spotlight shifts to the White House contest.

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Sens. George Allen of Virginia and Hillary Rodham Clinton of New York are both considering presidential runs and both are on the ballot this year in re-election races. A recent comment by Mr. Allen that some perceived as racist has called into question his electability, while Mrs. Clinton's easy Senate re-election bid has given her a massive war chest that may scare off rivals. Illinois Democratic Sen. Barack Obama isn't standing for election but is campaigning for others in a possible test for a presidential run.

For Mr. Romney, a one-term governor with no prior political experience, Ms. Healey's fortunes may speak volumes about his ability to leave a legacy or rally a political base.

Mr. Romney's out-of-state travel has done little to bolster his popularity in Massachusetts, and Mr. Patrick has moved to exploit this, primarily by trying to bind Ms. Healey to the governor in the eyes of voters, even as he tears down Mr. Romney. Last week the Patrick campaign released a list of insults it says Mr. Romney has hurled at the state while traveling. Among them was his statement to a South Carolina group in late 2005 that being a conservative governor in Massachusetts "is a bit like being a cattle rancher at a vegetarian convention." Mr. Romney also has said that if he had to do it all over again, he might have run for governor in Michigan instead of Massachusetts.

Eric Fehrnstrom, a spokesman for Mr. Romney, said the governor didn't sully the state. "Sometimes Democrats confuse criticism of Democratic policies with criticism of the state of Massachusetts, " Mr. Fehrnstrom said. "Gov. Romney loves the state of Massachusetts."

More subtly, Mr. Patrick has stopped using Ms. Healey's full name at many campaign events, favoring instead "the Romney-Healey administration." Mr. Patrick's staff says only Mr. Romney has a more unfavorable rating with voters than Ms. Healey, who was viewed negatively by 42% of voters in a recent poll. "That's why we make it a point on the stump to always say 'the Romney-Healey administration' when we talk about her," said Richard Chacón, Mr. Patrick's spokesman.

A recent television ad from Mr. Patrick's campaign featured big pictures of Mr. Romney and Ms. Healey while an announcer reeled off complaints about their administration: increased property taxes; police layoffs; job losses and the tunnel collapse in the Big Dig, a massive highway project that has been under construction for years.

Ms. Healey, aiming to become the first female governor of Massachusetts, has shied from having Mr. Romney accompany her on the campaign trail, though Mr. Fehrnstrom said the governor is willing to do whatever is asked of him. "The extent of Gov. Romney's involvement in Kerry Healey's campaign will be determined by Kerry Healey," he said. So far, he said, the extent of Mr. Romney's participation has been "fund-raising behind the scenes."

Ms. Healey's staff says that she doesn't share all of Mr. Romney's political views. In the recent debate at Faneuil Hall, Ms. Healey was challenged to rebuke Mr. Romney for the supposed insults he has directed toward the state. She declined to do so, to boos from the audience.

Mr. Patrick, a political newcomer, appears to have the race well in hand, unlike two other black gubernatorial hopefuls this year -- Kenneth Blackwell in Ohio and Lynn Swann in Pennsylvania, both Republicans, who trail their opponents in polls. If any one of the three wins, he will become the first post-Reconstruction black governor in the nation since Douglas Wilder took the Virginia governor's mansion in 1989.

But before Mr. Patrick can claim victory, he has to fend off a withering campaign by Ms. Healey, who increasingly emphasizes law-and-order issues -- and is trying to turn Mr. Patrick's professional experience against him.

Mr. Patrick is a former lawyer for Coca-Cola Co. and Texaco Inc., and a top federal prosecutor in the Clinton administration. But Ms. Healey has focused on two events -- Mr. Patrick's defense of a convicted Florida cop-killer while he served as a staff lawyer for the NAACP, and his advocacy for a Massachusetts man who has long held that he was unjustly convicted of raping a 59-year-old grandmother in 1983.

The convicted rapist is a man named Benjamin LaGuer, and Mr. Patrick wasn't the only Massachusetts citizen who has taken up his cause over the years. In 1998 and 2000, Mr. Patrick wrote letters of support for Mr. LaGuer and donated to a legal fund to secure a DNA test for the convict. When the test subsequently linked Mr. LaGuer more firmly to the crime, Mr. Patrick, along with other prominent citizens in the state, dropped his support.

Mr. Patrick was slow to acknowledge his advocacy of Mr. LaGuer, which was revealed by the Boston Globe in early October. Ms. Healey reacted with a new campaign ad, featuring grainy footage of a woman walking through a deserted parking garage, using Mr. Patrick's own words to describe the convicted rapist: "He is eloquent, and he is thoughtful; there's no doubt about that," Mr. Patrick said. The narrator then asks "Have you ever heard a woman compliment a rapist?" Mr. Patrick, the ad concluded, "should be ashamed, not governor."

Mr. Patrick, whose campaign initially disclosed writing only one letter on Mr. LaGuer's behalf, said he should have researched the record before speaking.

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"I apologize to anyone who feels we didn't come forward with all the facts," he said. "We screwed up in terms of how we have handled doing the homework before we answered questions about this issue, no question about that. And I take the responsibility for that."

Obama Offers More Variations From The Norm (NYT)

By Katharine Q. Seelye

The New York Times, October 24, 2006

PHOENIX, Oct. 23 — Senator Barack Obama, the Illinois Democrat who said Sunday that he was considering running for president in 2008, created a little sunlight on Monday between himself and both Bill and Hillary Rodham Clinton.

For one thing, he said that as a youth he had inhaled.

"When I was a kid, I inhaled," Mr. Obama said here to an audience of magazine editors. "That was the point."

The direct admission was in contrast to Mr. Clinton's denial in his 1992 campaign for president that he had smoked marijuana.

"I didn't inhale," Mr. Clinton said, cementing the idea that he liked to have things both ways.

Mr. Obama had written in his first book, "Dreams From My Father" (1995), before entering politics, that he had used marijuana and cocaine ("maybe a little blow"). He said he had not tried heroin because he did not like the pusher who was trying to sell it to him.

In an interview here on Monday conducted by David Remnick, editor of The New Yorker, at a meeting of the American Society of Magazine Editors, Mr. Obama said he was not making light of the subject.

"It was reflective of the struggles and confusion of a teenage boy," he said. "Teenage boys are frequently confused."

Since Mr. Clinton's statement, the question of drug use has become a standard one for politicians, sometimes as a test of their ability to be straightforward. If the politician has used drugs, conventional wisdom says it is best to try to get the question out of the way early.

Mr. Remnick also asked Mr. Obama for his views about Mrs. Clinton, the New York Democrat who has been a dominant figure in discussions about potential presidential candidates in 2008. Mr. Obama praised her but made clear that he did not agree with her vote for the Iraq war.

"I think very highly of Hillary," he said. "The more I get to know her, the more I admire her. I think she's one of the most disciplined people I know. She's one of the toughest. She's got an extraordinary intelligence, and she's somebody who's in this stuff for the right reasons. She's passionate about moving the country forward on issues like health care and children."

But, he said, they clearly had "different assessments" about the wisdom of going to war in Iraq. Perhaps mindful that he could end up as her vice-presidential running mate, he added that he had it easier because he was not in the Senate at the time, while she had to vote.

Asked how he might campaign against her in a primary, he said he had not thought about that.

But he did sound like a candidate in criticizing the Bush administration in somewhat stronger terms than he has in the past. He called it "the most ideologically driven administration in my memory" and said it was "obstinate in resisting facts," as well as dissent and compromise.

"This administration has done great damage to this country," he said, citing the Iraq war as the chief reason.

Why Not Obama? (WP)

By Richard Cohen

The Washington Post, October 24, 2006

Ancient Rome had a term for a certain political process: cursus honorum , the honors race. It was, I am told by Anthony Everitt in his new biography, "Augustus," the process by which politicians moved up the ladder. Along the way, they were evaluated until, finally, some made it to the top. Nowadays, the system is different. All you have to do is appear on "Oprah."

I am referring, obviously and insidiously, to Barack Obama, who announced Sunday that he might run for president. This followed, of course, the aforementioned appearance on "Oprah" which I, diligent in pursuit of truth, watched. This is how I learned that Obama loves his wife and she loves him and they both love their children. Cursus honorum this is not.

Life itself -- its hard lessons -- cautions me to look with consummate cynicism on the Obama trial balloon. After all, the man has been in the United States Senate for a mere two years, and before that he served -- with distinction, we are told -- in the Illinois legislature, where, it seems, just staying out of jail is distinction enough. We know little about Obama's political performance, since he has performed so little. He is only 45, which is about the age of some of my suits. On the world stage, he would be a child.

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And yet I cheer his announcement that he might announce he is going to announce -- something like that. I say this not just because I have been following his career out of the corner of my eye -- my, my, ain't he a natural! -- but because I've actually been reading his speeches. The one he gave on the role of religion in politics was as smart a speech as I've ever read. It's the sort of thing John F. Kennedy could have given, only his would have been written by someone else, probably Ted Sorensen.

I cheer also because Obama is an African American -- an African father, an American mother. For someone like him to be a presidential candidate -- maybe even president -- says oodles about this country. After eight years of George W. Bush and his narcissistic foreign policy -- me, me, us, us -- it would be great to have a president who presents a different message just by his complexion and who compensates, if anything can, for how Iraq has tarnished America's reputation, particularly in the Third World.

But mostly I want Obama to run because he would come into the race with no baggage on Iraq. Not from him would we hear excuses about how he was misled by the Bush administration into thinking there were weapons of mass destruction there. Obama not only was against the war when he ran for the Senate but he can claim -- as could the 21 Democratic senators who voted against the war resolution -- that it was possible to accept the "facts" at the time and still see that the war was unnecessary, if not downright stupid. It just makes me wince every time I hear John Kerry or John Edwards or Joe Biden or Chris Dodd or Hillary Clinton say they were misled, fooled, lied to or some other version of seduced and abandoned -- otherwise they would have voted the right way. This is disingenuous.

It can be no coincidence that so many of the Democrats who voted to authorize Bush to go to war had the White House on their minds. It can be no coincidence, either, that with the technical exception of Russ Feingold, none of the Democrats who voted against the resolution are presidential hopefuls. Take, for instance, Carl Levin of Michigan. To read his statements from the time (September and October 2002) is to see someone who accepted that Iraq had weapons of mass destruction but still saw no immediate need for war -- especially not without widespread international support. Levin, in retrospect, had it about right. The others (not to mention myself) did not.

In some respects -- in the Roman way of cursus honorum -- an Obama candidacy would be a joke. He has no executive experience, and I don't know -- neither does he -- if he can make a decision. But if he could sharpen the focus of the other candidates about Iraq, if he could somehow disengage the United States from Iraq -- if he could, in other words, stop wasting American (and other) lives -- then his candidacy would hardly be an insult to the system, as some insist, but a gift.

Treasury Chief Keeps Eyes On The Money, Feet Off The Campaign Trail (WP)

By Elizabeth Williamson

The Washington Post, October 24, 2006

Let's take a look at Treasury Secretary Henry M. Paulson Jr.'s public calendar for this week:

Oct. 23: Unveiling of Currency with New Signature, Bureau of Engraving and Printing, 14th and C Streets SW.

The end.

That's right: While Republicans pounded the campaign trail, struggling to keep their majority in the Nov. 7 midterm elections, Paulson strolled along a production line at the bureau yesterday, watching $20 bills bearing his signature roll off the presses.

According to a Bloomberg News report yesterday, Paulson, unlike his campaign-friendly predecessor, John W. Snow, aims to stay off the stump and in the office, despite the polls. Bloomberg cites a former Bush administration official and another person involved in recruiting Paulson as saying that the White House agreed he would not have to make campaign speeches.

Paulson, 60, a former chairman of Goldman Sachs, took his post in July. Since then, he has confined his out-of-town visits to the financial centers of Chicago and New York, the Bloomberg report says.

Paulson spokeswoman Brookly McLaughlin confirmed that her boss "believes the Treasury secretary should not participate in partisan political activities."

Typically, the secretaries of state and defense and the attorney general don't take part in political campaigns. Other high-level officials have been known to shimmy out of campaign duty as well, citing the appearance of impropriety. But with Democrats poised to win the 15 seats needed to seize a House majority and, perhaps, even the six needed to control the Senate, some Republicans may find it tough to justify keeping the Treasury secretary off the campaign trail -- especially with the administration trying so hard to tout its economic record to voters. But leave it to a financial guru to hedge against changes in fortune.

Among Paulson's predecessors, Nicholas Brady and James A. Baker III hardly campaigned at all. Robert E. Rubin and Lawrence H. Summers made a handful of stops for presidential races. But Snow appears to be the traveling Treasury champion, visiting 20 states during President Bush's 2004 race.

Paulson seems set to let that record stand for now.

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Ballot Measures Propose Limits On Judicial Authority (WT)

By Valerie Richardson

The Washington Times, October 24, 2006

DENVER -- Western conservatives are gunning for the judiciary this election year with a half-dozen ballot measures that would rope in the authority of what they describe as activist judges.

Case in point is Colorado, where former state Senate leader John Andrews tried for years to solve the problem of activist judges who he said routinely legislated from the bench, often at the expense of conservatives.

His efforts in the legislature fell short, but Mr. Andrews isn't finished. He is the prime mover behind Amendment 40, a proposed constitutional amendment that would limit state appellate judges to 10-year terms, making Colorado the first state to limit the office of top-tier judges.

"We see a pattern of ideological and political decisions from the bench, and it points to a consistent tendency of appellate judges in Colorado to rewrite the law," said Mr. Andrews, now a fellow with the Claremont Institute, after a press conference yesterday at the state Capitol.

Amendment 40 faces overwhelming opposition of the state's legal and political establishment. It is opposed by virtually every top lawmaker in the state, including Republican Gov. Bill Owens, Republican Attorney General John Suthers, and former Democratic Govs. Richard Lamm and Roy Romer. The state's leading newspapers have also editorialized against the proposal.

They argue that Amendment 40 would force out good judges, create judicial backlogs and empower governors to stack the courts with partisan picks. The measure would result in a one-time retroactive removal of five Supreme Court judges and seven appellate court judges in 2009, which critics say would deprive the courts of decades of experience.

"This is a misguided measure that would be devastating to Colorado courts," Mr. Suthers said. "Because it is retroactive, a majority of Colorado's justices and judges will be kicked off the bench. This will be bad for Colorado citizens and the judiciary."

Mr. Andrews insists the measure is not an extreme solution, noting that most justices leave the state Supreme Court after less than 10 years anyway.

"This is more of a safeguard against those judges who say they can stay around forever, rather than a radical restructuring of the judiciary," Mr. Andrews said. "At the same time, it's partly symbolic. It sends a message that people are fed up with lawmaking from the bench. Such a rebuke would be felt in Colorado but also other states."

A truly radical solution would be Amendment E, the South Dakota proposal that would eliminate judicial immunity and allow citizens to sue judges. Known as "Jail 4 Judges," the measure would clear the path for lawsuits for offenses that include "blocking of a lawful conclusion of a case."

In Montana, voters will decide whether to approve CI-98, a measure that would allow residents to recall justices or judges for "any reason" and says removal from office is "a political question answered solely by ... the recall election." Judges now may be recalled only for reasons such as mental incompetence and official misconduct.

An Oregon amendment would require appellate judges to be elected from newly created geographic districts in an effort to give the state's more conservative rural areas greater representation on the state's liberal-leaning courts.

In Colorado, a local television poll conducted last month found Amendment 40 leading 55 percent to 40 percent, despite the efforts of the better-financed opposition campaign. Mr. Andrews points to a series of court rulings, most recently the state Supreme Court's decision to disqualify a ballot measure that would have denied non-emergency state services to illegal aliens.

Even though he expects to be outspent by at least 3-to-1 in the campaign's final weeks, Mr. Andrews says he is convinced most voters will respond positively to the idea of reining in the judiciary.

"The story with term limits in Colorado has been that the establishment is always against them and the people always support them," he said.

Reducing Uninsured Seen As Top Health-Care Issue, Poll Finds (WSJ)

By Beckey Bright

The Wall Street Journal, October 24, 2006

Americans say reducing the percentage of uninsured in the U.S. is a top priority for government to address over the next two years, a WSJ.com/Harris poll shows. But many lack confidence in either party's ability to tackle this and other health-care issues.

The Oct. 8-10 poll, which asked U.S. adults to consider a range of health-care issues, found 42% feel "reducing the percentage of Americans without health insurance," is one of the top two health-care issues. Other health-care issues that ranked high in importance were Medicare reform (28%) and containing out-of-pocket costs for health-care services (26%).

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Most Americans contend that health-care issues will be important, but not as important as other issues, in determining how they vote in the November elections, the poll found.

A plurality of those polled believe by a two or three to one margin that the eight health-care issues listed would be handled better by the Democrats than by the Republicans. For example, 37% of respondents said Democrats are likely to do a better job of reducing the percentage of uninsured, while 11% see Republicans as more adept. However, nearly a third of 2,384 adults in the online poll don't believe there's a difference in either party's ability to address this issue and 22% aren't sure.

While most Democrats are confident in their party's ability to do a better job when it comes to health-care issues, most Republicans and Independents lack confidence or are uncertain that either party can do a better job of handling any of these issues.

Here are full results of the poll: "Which of the following statements best describes your views about the Nov. 7 elections?"

Base: All adults

Note: Percentages may not add up to exactly 100% due to rounding. * * * "Which two of these do you think are the most important issues for government to address over the next two years?"

Base: All adults * * * "Which political party do you think is likely to do a better job handling the following components of the U.S. health-care system after the elections on Nov. 7?"

Base: All adults

Note: Percentages may not add up to exactly 100% due to rounding.

Methodology:

Harris Interactive conducted this online survey in the U.S., between Oct. 16 and 18, 2006, among a nationwide cross section of 2,384 adults. Figures for age, gender, race/ethnicity, education, income and region were weighted where necessary to align with population proportions. Propensity score weighting was also used to adjust for respondents' propensity to be online. In theory, with probability samples of this size, one can say with 95% certainty that the overall results have a sampling error of +/- 3 percentage points of what they would be if the entire U.S. adult population had been polled with complete accuracy. This online sample is not a probability sample.

<hr/>About Harris Interactive

Harris Interactive is a world-wide market research and consulting firm, best known for The Harris Poll and its use of the Internet to conduct scientifically accurate market research. For more information, see www.harrisinteractive.com1. To become a participant in The Harris Poll Online and join future online surveys, see www.harrispollonline.com2.

Officer Struck By 2nd Circuit Judge While Directing Traffic Dies (AP)

The Associated Press

AP, October 24, 2006

A New Haven, Conn., police officer died Saturday, four days after being struck by a sport utility vehicle driven by a federal judge, the mayor said.

Officer Dan Picagli, a 17-year veteran of the force, was hit while directing traffic in the rain Tuesday night. He had been wearing a black raincoat and a reflective vest.

The SUV was driven by John M. Walker Jr., a senior judge on the 2nd U.S. Circuit Court of Appeals in New York, who maintains court chambers in New Haven. He was leaving work when the accident happened, police said.

No charges have been filed.

Police Chief Francisco Ortiz said the accident remained under investigation, but officers did not feel it was necessary to test Walker for drugs or alcohol.

Walker, 65, voluntarily stepped down this month as chief judge of the court. He was appointed to the court in 1989 by President George H.W. Bush, who is a cousin of the judge.

"Officer Picagli was more than a cop," Mayor John DeStefano said in a statement Saturday. "He was someone who brought people together, who created a sense of community. He was a life enhancer to all with whom he came in contact. More than any memorial, his basic decency will keep his memory vibrant in our city."

Generation Y Gets Involved (USAT)

By Sharon Jayson

USA Today, October 24, 2006

WASHINGTON — Alex Wells switched shampoos over animal testing. She won't buy clothes produced by child labor. She yells at those who don't recycle. She spent a month in India this summer teaching English to preschoolers. Last year in high school, she helped organize a protest over genocide in the Sudan that raised $13,000 for Darfur relief.

Wells, 18, of Los Gatos, Calif., may be pretty typical of her generation. A growing body of academic and market research suggests millennials — who are in their mid-20s and younger — are civic-minded and socially conscious as individuals, consumers and employees. This generation, also known as Generation Y and Echo Boomers, has been pressed for its vote, sought for its purchasing power and watched closely by sociologists and historians for insight into the way its members will shape the future.

They may be less radical than baby boom activists in the 1960s and 1970s, whose demonstrations for civil rights, women's equality and protecting the environment and protests against the Vietnam War became flashpoints for their times. But thanks in large part to the Internet, this generation is much more aware of the world. And because national tragedies such as the 9/11 terrorist attacks and Hurricane Katrina have scarred their youth and adolescence, experts see signs these young people are creating their own brand of social consciousness.

Among the indicators:

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Sixty-one percent of 13- to 25-year-olds feel personally responsible for making a difference in the world, suggests a survey of 1,800 young people to be released today. It says 81% have volunteered in the past year; 69% consider a company's social and environmental commitment when deciding where to shop; and 83% will trust a company more if it is socially and environmentally responsible. The online study — by two Boston-based companies, Cone Inc. and AMP Insights — suggests millennials are "the most socially conscious consumers to date."

·Young people want to help their country by working for the government, suggests another study, also to be released today by the international consulting firm Universum Communications. Based on responses of 10,847 undergraduates at 115 U.S. colleges and universities, it found that among ethnic groups in particular, federal jobs hold great allure. Among Hispanics, the CIA, the State Department and the FBI rank only below Walt Disney (the No. 1 choice) as an ideal employer. Among blacks, the FBI ranked second, the State Department fourth. The CIA rounded out the top 10.

·Two-thirds of college freshmen (66%) believe it's essential or very important to help others in difficulty, suggests a survey of 263,710 students at 385 U.S. colleges and universities. The 2005 report, by the Higher Education Research Institute at the University of California at Los Angeles, found feelings of social and civic responsibility among entering freshmen at the highest level in 25 years.

·Volunteerism by college students increased by 20% from 2002 to 2005, says a study released last week by the federal Corporation for National and Community Service.

Some note, though, that many high schools require volunteering, and it has become a must-do for the college résumé.

"Most research on volunteering doesn't translate to political involvement," says Curtis Gans of American University's Center for the Study of the American Electorate. Many of their parents don't vote or are "civically illiterate," he says. He adds that measurable declines in civic education, newspaper reading and knowledge of current events are other signs of a devaluing of civic involvement.

Harvard public policy professor Robert Putnam, whose 2000 book Bowling Alone is about the decline of civic engagement and social connection, says volunteering is class-driven. "This whole recent spurt is largely concentrated among kids of the upper middle class. … The have-nots are actually more detached than before. I am hopeful that we may be on the cusp of a new more civically engaged America, but if that is all defined very sharply in terms of social class, then the news is not so good."

A report in September by the National Conference on Citizenship, and based on nationally representative data from 1975 to 2004, echoes Putnam's concerns. It suggests a "large and growing civic divide between those with a college education and those without one."

Voting is another concern. A survey of 650 young people ages 18-30 released last month by the non-partisan Young Voter Strategies, a non-profit project at George Washington University in Washington, D.C., found that 69% said they were likely to vote in November, and 80% said they were registered to vote. But another survey of 1,804 adults released last week by the Pew Research Center for the People & the Press, in collaboration with the Associated Press, found that 40% of 18- to 29-year-olds are not registered to vote. That's double the percentage of 30- to 49-year-olds who aren't registered, and nearly three times greater than those 50 or older. Also, only 22% of young voters are regular voters compared with 42% of older voters and 35% of those 30 to 49.

Still, Putnam believes the terrorist attacks appear to have had a much more lasting effect on this generation's attitudes toward service. Though the surge in community-mindedness quickly evaporated for others, "for kids caught in their impressionable years by the events of 9/11, it has not yet gone away. They seem to have been permanently influenced."

Such students are those who come to Washington, D.C., for a semester at American University — dubbed the most politically active school in the Princeton Review's 2006 student survey.

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Senior Kirsten Reed, 20, a political science major at the University of Oregon in Eugene, wants to work for the federal government in national security. "I want to do something for the defense of the country," says Reed, of Pleasanton, Calif.

Brant Garda, a senior majoring in political science at Allegheny College in Meadville, Pa., wants to work with his state's struggling steel mining towns. "I want to be around to rejuvenate the area politically, economically or whatever," says Garda, 21, of Washington, Pa.

But not everyone in this generation shares such feelings, says a report released this month by the Center for Information & Research on Civic Learning & Engagement, based at the University of Maryland's School of Public Policy. The study of 1,658 young people, ages 15-25, measured their participation in 19 activities considered civic or political, such as being an active member of at least one group; raising money for charity; signing a paper petition or boycotting.

The study found that 58% of young people were considered "disengaged" because they participated in two or fewer of those 19 activities; 17% did none.

Elise Cochrane, 20, a junior majoring in psychology at the University of Northern Iowa in Cedar Falls, says she voted in the presidential election, but she is conflicted about voting in November. "The advertisements have been bashing each other so bad, none of the candidates seem to fit for me," she says. "I kind of wish I was more interested so I would know more of what was going on, but I'm not seriously interested in being a Republican or Democrat."

Because many millennials say they're not interested in politics, efforts are underway to encourage civic and political involvement.

A 2-year-old group called GenerationEngage is a non-partisan, youth civic engagement initiative aimed at college-age people who aren't students. It organizes events so that hundreds of young people can meet face-to-face and online with leaders and politicians, such as Al Gore and Newt Gingrich.

Those who aren't in school "don't suffer from a lack of interest; they suffer from a lack of access," says co-founder Adrian Talbot, 26.

A voter registration drive for 18- to 30-year-olds just wrapped up, and more than 400,000 young people registered.

The Cone study also found that young people are extending their social consciousness to the workplace. Of the 28% of ages 13 to 25 who are employed full time, 79% said they want to work for a company that cares about how it affects or contributes to society.

"If they're going to work many, many hours, they need to work in a place where they're doing some good," adds Claudia Tattanelli, CEO of Universum, which helps companies attract workers.

Although Wells is just a freshman, she is thinking ahead to her career. She hasn't yet selected a major, but she knows she wants her work to be meaningful.

"I want to major in something in international or humanitarian aid or in the environmental sciences," she says. "I want to do something that helps in a positive way."

First, Rename All The Lawyers (NYT)

By John Fabian Witt

The New York Times, October 24, 2006

IF a rose would smell as sweet by any other name, will trial lawyers smell better with a new one? That's the question posed by the impending self-reinvention of the Association of Trial Lawyers of America. After Election Day, the 65,000-member outfit whose lawyers brought us multibillion dollar settlements in cigarette cases, millions of asbestos injury claims and lawsuits over McDonald's coffee will change its name to the American Association for Justice.

There's already been much wry snickering about the organization's vaguely Orwellian new banner. But it's not the first time the kings of torts have changed their name, and it probably won't be the last. For a half-century now, trial lawyer identity crises have been exquisitely sensitive barometers of American politics.

In the late 1940's, a cadre of poorly paid and status-starved lawyers representing injured workers (the claimants) in the workers' compensation system banded together to form a lobby dedicated to the advancement of their own and their clients' interests. They called their group the National Association of Claimants' Compensation Attorneys.

That name worked for only a few short years. The problem was that the workers' compensation system was designed to streamline the resolution of worker injury cases by eliminating (or at least minimizing) lawyers' fees. Lawyers in the system therefore had little hope of gaining wealth or prestige. With the assistance of early association leaders like the flamboyant San Francisco lawyer Melvin Belli, the group's lawyers began to extend their expertise to personal injury cases in the courts, where the fees ran much higher and where their Perry Mason-like trial techniques might earn them a measure of respect.

In 1960, the association formalized its new outlook by changing its name to the National Association of Claimants' Counsel of America, a moniker that repositioned the group as one of lawyers for victims not just in the compensation system but also in

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the courts. Four years later, the organization renamed itself the American Trial Lawyers Association. By then its transformation was complete: the lawyers had left the compensation system behind altogether for the free-wheeling, high-risk and high-return world later made famous by Julia Roberts in "Erin Brockovich" and John Travolta in "A Civil Action."

But the 1964 name stuck for less than a decade. Another lawyer organization — the American College of Trial Lawyers — complained that the names were too similar. The defense lawyers in the college apparently worried that it would be tainted by nominal association with the lowly lawyers' group. In 1972, the American Trial Lawyers Association gave in to the litigation by the college and altered its name to the current (and now soon to be abandoned) Association of Trial Lawyers of America.

The trial lawyers' struggle for identity is a near-perfect parable for the course of American politics since the 1930's. In a political system long dominated by courts and political parties, Franklin Roosevelt and the New Dealers envisioned a new kind of federal government made up of administrative bureaucracies like workers' compensation, which would provide rationalized services to citizens.

After World War II, however, American politics slowly reverted to form: resistant to European-style public bureaucracy, shaped by powerful courts and the legal profession, and highly susceptible to the influence of interest groups and party politics.

As American politics has changed, so have the trial lawyers. They began as cogs in the wheels of the New Deal's bureaucratic machinery. They became legal entrepreneurs, identifying creative ways to produce higher awards for their clients in the courts and line their own pockets in the process. Thanks to mass torts cases arising out of things like cigarettes and asbestos, the association's membership includes some of the wealthiest lawyers in the country. And in the past two decades, the trial lawyers have become a crucial source of financial support for the Democratic Party.

The problem for the lawyers is that the genius of the tort system — its capacity to marshal the entrepreneurial energies of the bar — is also its greatest public relations liability. Indeed, whether trial lawyers are part of a distinctively American regulatory solution or part of a distinctively American problem, the new name seems unlikely to change the way Americans view them.

At KFC (né Kentucky Fried Chicken), the chicken is still fried. At Altria (né Philip Morris), the cigarettes still cause cancer. And at the American Association for Justice, some will say that the trial lawyers are still chasing ambulances.

U.N. Official Says Iran Is Testing New Enrichment Device (NYT)

By David E. Sanger

The New York Times, October 24, 2006

WASHINGTON, Oct. 23 — The head of the International Atomic Energy Agency said Monday that Iran had begun testing new uranium enrichment equipment that could double the capacity of its small research-and-development facilities.

The action appears to be a signal to the United Nations Security Council that Iran would respond to sanctions by speeding ahead with its nuclear program.

Since February, when Iran publicly celebrated its first production of enriched uranium, progress at its main nuclear complex at Natanz has reportedly been slow. Iran has sporadically operated a single "cascade" of 164 centrifuges, the devices that spin at high speed and turn ordinary uranium into a fuel usable for nuclear power plants — or, at higher enrichment levels, nuclear weapons.

Those reports had prompted speculation that Iranian engineers had run into considerable technical difficulties.

But in an interview on Monday, Mohamed ElBaradei, the director general of the I.A.E.A., said that "based on our most recent inspections, the second centrifuge cascade is in place and ready to go." He said that no uranium had yet been entered into the new system, but could be as early as next week.

Even with two cascades running, it would take Iran years to enrich enough uranium to produce a single nuclear weapon.

The United States director of national intelligence, John D. Negroponte, has said repeatedly that he believes Tehran is 4 to 10 years away from developing a weapon, even though its technology base is far more advanced than that of North Korea, which conducted a nuclear test 15 days ago.

Unlike North Korea, Iran has insisted that it does not intend to build a weapon. Nonetheless, Iran ignored an Aug. 31 deadline, set by the Security Council, to stop enriching uranium.

Since then, European nations, China, Russia and the United States have been debating what sanctions, if any, should be imposed. China and Russia have resisted, and in a speech on Monday at Georgetown University's School of Foreign Service, Dr. ElBaradei made clear that he believes sanctions are unlikely to work.

"Penalizing them is not a solution," he said. "At the end of the day, we have to bite the bullet and talk to North Korea and Iran."

Unlike American officials, he says that he remains unpersuaded that Iran's ultimate goal is to build a weapon, though I.A.E.A. officials say they believe that Iran wants to have all of the major components of a weapon in hand so that it is clear that it could build one in weeks or months.

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"The jury is still out on whether they are developing a nuclear weapon," Dr. ElBaradei said at Georgetown, after meeting earlier in the day with Secretary of State Condoleezza Rice.

After the meeting, Sean McCormack, the State Department spokesman, said there was now "widespread agreement, although not total agreement," on elements of an initial sanctions package. He did not speculate about when the sanctions might come to a vote; at the end of the summer, administration officials insisted that the Security Council would act in September.

Mr. McCormack said the Iranians seemed to be moving ahead "inexorably at this point," so that at some point "you will have industrial-scale production."

"You don't want that," he said.

Some European diplomats have expressed concern that, should the Security Council act, the moderates in the Iranian government who have been involved in negotiations over the nuclear program could be shoved aside, and that some combination of military leaders and hard-line mullahs would push the country to speed its nuclear production.

IAEA Head: Iran Close To Enriching Uranium (WP)

By Dafna Linzer

The Washington Post, October 24, 2006

Iran has taken another step in its ability to enrich uranium, the head of the U.N. atomic energy agency confirmed yesterday, as the Bush administration and European allies failed to reach agreement on sanctions against Tehran's expanding nuclear program.

Mohamed ElBaradei, the director of the International Atomic Energy Agency, said that Iranian technicians had pieced together a second line, or cascade, of 164 centrifuges and are days away from using the cascade to enrich uranium.

"It's in place and ready to go," ElBaradei said in a brief interview yesterday.

European officials suggested that the new cascade is a political move by Iranian officials who are hoping to send a defiant message to the U.N. Security Council as it weighs possible sanctions.

It would take many years for the Iranians to produce bomb-grade uranium using the other 164-centrifuge cascade it is currently operating, and U.S. intelligence officials think that Tehran is at least four years away from gaining the technical capability to produce enough nuclear material for a single weapon. Since February, Iran has produced minuscule amounts of low-enriched uranium suitable for the energy program that the government says it wants, and not for bombs. The same cascades, if run longer and more efficiently, can produce bomb-grade uranium.

The Bush administration has dismissed the energy claims and thinks Iran intends to use the program to secretly build nuclear weapons. ElBaradei's inspectors, on their fourth year investigating in Iran, reported earlier this year that they were unable to determine whether the Iranian program is peaceful.

The United States backed a package of European incentives designed to coax Iran into negotiations if it suspended the nuclear program during talks. When Tehran did not respond to the offer, the Security Council stepped in and passed a resolution in August obligating Iran to halt the program and negotiate. The council threatened to impose sanctions if Iran balked.

Iran has since said it wants talks with China, Europe, Russia and the United States but will not suspend its nuclear work in advance, arguing instead that it is exercising its right to peaceful nuclear technology. Iran signed on to the nuclear Non-Proliferation Treaty in the 1960s, forswearing nuclear weapons for sensitive technology that could be used for an energy program.

Yesterday, U.S. diplomats met with British and French negotiators to try to complete a draft resolution on sanctions that the rest of the council members, including China and Russia, would approve. The Bush administration had hoped to reach an agreement last Friday, but European officials said they were not comfortable with some of the tougher measures that the United States sought to impose.

State Department spokesman Sean McCormack said there was "widespread agreement, although not total agreement," among Britain, France and the United States on sanctions. European officials said privately that the resolution is likely to be limited to a ban on any nuclear or missile trade with Iran, while carving out an exception for a preexisting Iranian-Russian nuclear deal.

Some U.S. officials have been pushing for broader action, including travel bans and financial restrictions on people connected to the nuclear program.

Iran began its program in secret in 1987, with equipment and know-how from Pakistan's top nuclear scientist. The existence of the program, which includes a large facility in the town of Natanz built to house thousands of centrifuges, was made public in 2002 by Iranian exiles who hope to overthrow the country's clerical regime. The Pakistani scientist, Abdul Qadeer Khan, remains under house arrest in Pakistan, but the Pakistani government has refused to let U.S. officials directly question him about Iran's program or other programs he supplied in North Korea and Libya.

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A senior Pakistani military official said yesterday that Khan responds to written U.S. requests for information as best he can. The Pakistani official, in Washington to lobby against a U.S. nuclear deal with rival India, said his country had put Khan and his black market network in the past and suggested it is time for the United States to also move beyond the episode.

Staff writer Colum Lynch at the United Nations contributed to this report.

Diplomats: Iran Expanding Enrichment (AP-Y)

By George Jahn

AP, October 24, 2006

Iran is expanding its uranium enrichment program even as the U.N. Security Council focuses on possible sanctions for its defiance of a demand to give up the activity and ease fears it seeks nuclear weapons, diplomats said Monday.

The diplomats, who spoke on condition of anonymity because they were not authorized to divulge the information to media, told The Associated Press that within the past few weeks Iranian nuclear experts had started up a second pilot enrichment facility.

While the 164 centrifuges were not producing enriched uranium, even the decision to "dry test" them showed Iran's defiance of the Security Council. The council had set an Aug. 31 deadline for Tehran to cease all experiments linked to enrichment. It may start full deliberations on sanctions as early as later this week.

Iran produced a small batch of low-enriched uranium — suitable as nuclear fuel but not weapons grade — in February, using its initial cascade of 164 centrifuges at its pilot plant at Natanz. The process of uranium enrichment can be used to generate electricity or to create an atomic weapon, depending on the level of enrichment.

Iran said it plans to install 3,000 centrifuges at its enrichment plant in Natanz, central Iran, by the end of this year. Industrial production of enriched uranium in Natanz would require 54,000 centrifuges.

Although it is nowhere near that goal, successful testing of other "cascades" would indicate that Tehran is slowly mastering the complexities of producing enriched uranium.

A U.N. official said that even a "dry-run" allows Tehran "to develop the technology, to make sure that things work."

Another U.N. official said Iran had the technical means to start the second cascade several months ago, but apparently had decided to wait until the recent collapse of EU attempts to revive negotiations on an enrichment freeze with the Islamic republic.

The International Atomic Energy Agency, which has taken the lead in probing Tehran's nuclear program since the existence of a clandestine enrichment program was revealed more than three years ago, could not be reached for comment and issued no official confirmation.

Ali Ashgar Soltanieh, the chief Iranian envoy to the IAEA, said he had no knowledge of "new developments" at Natanz. But he told the AP that all nuclear activities "are going on as planned."

In Tehran, President Mahmoud Ahmadinejad said his country's nuclear capability has increased tenfold despite Western pressure to roll back its atomic program, which Iran insists is peaceful.

"The enemies, resorting to propaganda, want to block us from achieving (nuclear technology)," Ahmadinejad told a crowd on the southern outskirts of Tehran. "But they should know that today, the capability of our nation has multiplied tenfold over the same period last year."

Ahmadinejad boasted that "the power of our enemies is less than one-tenth of their power in last year."

He did not elaborate, and the remarks appeared aimed primarily at rallying public support as the U.N. Security Council prepares to consider limited sanctions.

Iran insists its nuclear program is for peaceful purposes. The United States and dozens of other countries fear, however, that it is secretly trying to make nuclear arms.

Ahmadinejad repeated that Iran was ready to negotiate about its nuclear ambitions. But the six nations that have spearheaded the most recent attempts to bring Iran to the negotiating table continue to call on Iran to first suspend enrichment.

The Islamic republic has turned down a package of incentives offered by those six world powers — the United States, Russia, China, Britain, France and Germany — on condition that all enrichment activities cease.

The United States and its U.N. Security Council allies, Britain and France, have drafted a text that would impose limited sanctions on Iran for its defiance. But a U.N. diplomat told the AP that the text might have to be softened to enlist the support of Russia and China, which have veto power on the Security Council.

Both Moscow and Beijing are reluctant to impose harsh punishments on Tehran, an economic and strategic partner. They also fear that any sanctions — which for now rule out military action — could still start the process toward consideration of force.

Russian Foreign Minister Sergei Lavrov said Monday he was hopeful talks with the Iranians would resume and that there was a "real chance" for a negotiated settlement without sanctions.

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However, the European Union's external relations commissioner, Benita Ferrero-Waldner, said that Tehran had not responded positively to the incentives package and that the Security Council may need to explore "another alternative."

Ahmadinejad Does Europe (WSJ)

The Wall Street Journal, October 24, 2006

Whatever Mahmoud Ahmadinejad's other faults, lack of candor isn't one of them. This week the U.N. Security Council is set to begin discussing the imposition of (very) limited sanctions against Iran for refusing to halt uranium enrichment to build a nuclear weapon.

And so, with his usual sense of timing, the Iranian President issued the following public warning to Europe last Friday: "We have advised the Europeans that the Americans are far away, but you are the neighbors of the nations in this region. We inform you that the nations are like an ocean that is welling up, and if a storm begins, the dimensions will not stay limited to Palestine, and you may get hurt. It is in your own interest to distance yourself from these criminals (Israel). . . . This is an ultimatum."

China and Russia are the main opponents of tough sanctions for violating the U.N.'s August 31 enrichment deadline, but the Iranian must be thinking he can also shake the resolve of European leaders with a little fear of the Mahdi. Short of that, he might be hoping he can begin to intimidate European public opinion. Iran's ballistic missiles can already reach much of Europe, and his threat will be very real once those missiles can be armed with nuclear warheads.

The temptation in many quarters in the West is to assume that Crazy Mahmoud can't really mean what he says; he must be acting out for "domestic" political reasons. And even if he does mean what he says about wiping Israel off the map, well, Europeans and Americans don't need to worry about that. Call us conservative, or even neoconservative, but when a leader relentlessly seeking weapons of mass destruction starts issuing apocalyptic ultimatums, our instinct is to believe him.

Iranian Women Should Have More Children, Leader Says (NYT)

By Nazila Fathi

The New York Times, October 24, 2006

TEHRAN, Oct. 23 — President Mahmoud Ahmadinejad, reversing a policy in effect for almost two decades, is encouraging Iranian women to have more children in an effort to increase the country's population.

"They say two children are enough," he told Parliament on Sunday, newspapers reported. "I oppose this. I believe our country has a large capacity. It has a capacity even for 120 million people."

Iran's population is now nearly 70 million.

Mr. Ahmadinejad said his government was willing to reduce the hours women work based on the number of their children.

After the 1979 revolution and the war with Iraq that began in 1980, the government urged families to have more children. United Nations data show that Iran's population grew to 55 million in 1988, from 27 million in 1968.

But the rapid population increase was seen as an obstacle to development after the war ended in 1988, when the country had to deal with surging unemployment and a declining economy. The government set up free clinics around the country where people were offered free birth-control services and men were encouraged to have vasectomies.

Mr. Ahmadinejad said Sunday that he was in favor of women working outside their homes, but that he feared the burden of work would prevent them from "performing their most important duty: raising the children of the next generation."

"Some of our friends mentioned that we live at a sensitive time, but I want to add that humanity is living in a historical stage," he said, elaborating on why he wants to increase the population.

North Korea Said To Be Willing To Talk (AP)

By Jae-soon Chang, Associated Press Writer

AP, October 24, 2006

North Korea is amenable to returning to international nuclear talks if the U.S. shows a willingness to resolve a dispute over the North's alleged counterfeiting and money laundering, a South Korean lawmaker said Monday.

A Japanese legislator, meanwhile, said a top Chinese official who recently visited Pyongyang indicated China was not optimistic that North Korea will end its nuclear program or re-enter disarmament talks soon.

South Korean media reported late last week that North Korean leader Kim Jong Il expressed regret for carrying out the country's underground nuclear test on Oct. 9 and told a Chinese envoy that he didn't plan to carry out any more tests.

Kim also raised the possibility the country would return to arms talks, according to the reports, which cited unnamed diplomatic sources in China.

But Secretary of State Condoleezza Rice cast doubt on the reports, saying Chinese officials had told her no such thing.

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Beijing has remained silent, refusing to release any details on a trip by Chinese diplomats to Pyongyang last week, while North Korea has shown no public signs of being flexible by continuing its bellicose rhetoric aimed at the United States.

The developments demonstrate the uncertainty that has surrounded the nuclear standoff since the North's test, which prompted the U.N. Security Council to impose sanctions against Pyongyang.

The head of the International Atomic Energy Agency, the U.N. nuclear watchdog, said the only real option for trying to curb North Korea's nuclear weapons program is to talk to the insular regime.

"I don't think sanctions work as a penalty," Mohamed ElBaradei said after meeting with Rice in Washington. "Penalizing them is not the solution."

In Seoul, Rep. Choi Sung of South Korea's ruling Uri Party said he met with a "key North Korean official" in Beijing for four hours Sunday night. He said the official is well-versed in China-North Korea relations and inter-Korean ties, but declined to identify him further.

After the meeting, Choi suggested the United States present the communist state with evidence of its alleged illicit financial activities so the North can punish those responsible.

He said the North Korean official said his country could then return to the talks "even if the issue is not completely resolved."

The U.S. has sought to cut off the North's access to international banking as punishment for alleged counterfeiting of U.S. dollars and other illicit activity. Pyongyang has denied the charges and boycotted six-nation talks on its nuclear program until the U.S. ends the crackdown.

Choi said the North Korean official told him that Pyongyang sees the financial crackdown as a sign that Washington has no intention of improving relations with the North. He added Washington has never presented evidence of the North's illicit activity.

The U.S. has said the financial restrictions are a separate issue from the nuclear standoff.

Japanese lawmaker Ichiro Aisawa, who visited Beijing on Monday to discuss the nuclear test with Chinese leaders, said he was told by Chinese Vice Foreign Minister Wu Dawei that Beijing had asked both Pyongyang and Washington for flexibility in restarting talks.

However, he said Wu told him: "China is not optimistic about the resumption of the six-party talks or that North Korea will abandon its nuclear program," according to Kyodo news agency and public broadcaster NHK.

The Chinese Foreign Ministry could not confirm the reports.

Wu, who is Beijing's top nuclear envoy, accompanied China's State Councilor Tang Jiaxuan and Vice Foreign Minister Dai Bingguo on a special mission to Pyongyang last week to deliver a message to the North Korean leader from China's President Hu Jintao.

Chinese Foreign Ministry spokesman Liu Jianchao did not discuss the details of the message, but said Kim and Tang had "in-depth discussions" about the nuclear dispute.

Associated Press Writer Kozo Mizoguchi contributed to this report from Tokyo.

Head Of IAEA Urges U.S.-N. Korea Talks (AP-Y)

By Barry Schweid

AP, October 24, 2006

The only real option for trying to curb North Korea's nuclear weapons program is to talk to the insular regime, the head of the U.N. International Atomic Energy Agency said Monday.

"I don't think sanctions work as a penalty," Mohamed ElBaradei said after a meeting with Secretary of State Condoleezza Rice.

"They feel they are isolated; they feel they are not getting the security they need," said the Egyptian diplomat, who has run the U.N. agency for nearly a decade.

The U.N. Security Council, largely at the urging of the United States, has imposed controls on trade in dangerous goods with North Korea. Rice returned Sunday from a trip to Asia and Russia designed to encourage enforcement of the sanctions and to offer assurances of U.S. security support to anxious allies.

The export controls imposed by the U.N. Security Council "are not sufficient" to turn North Korea away from building nuclear weapons and other dangerous weapons, he said.

"Penalizing them is not the solution," he said.

ElBaradei's tenure as director general of the IAEA — during which he won the 2005 Nobel Peace Prize — was challenged unsuccessfully two years ago by the Bush administration, which clashed with him over his doubts that prewar Iraq possessed weapons of mass destruction and also considers him too soft on Iran.

Rice made no public statement earlier in a picture-taking session with him in her office.

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ElBaradei said it did not matter whether the United States talks to North Korea in a six-nation negotiations format that has failed to deter a nuclear test, or one-on-one.

"At the end of the day, we have to bite the bullet and talk to North Korea and Iran," he said at Georgetown University's foreign service school.

The administration counters that it is willing to talk to North Korea in the six-nation framework, saying having other nations — China, Japan, South Korea and Russia — in the negotiations reinforces the anti-nuclear message.

A growing number of members of Congress and former high-level U.S. government officials are urging the Bush administration to open talks with both North Korea and Iran, which also has a nuclear program.

The administration has said it would consider talking to Iran if it suspended enrichment of uranium that the United States and European allies contend is part of a program to develop nuclear weapons. Iran says its programs are designed to increase civilian energy output.

ElBaradei said Iran has the knowledge to make nuclear weapons, but is years away from building them. "The jury is still out on whether they are developing a nuclear weapon," he said.

Meanwhile, in Vienna, Austria, diplomats speaking on condition of anonymity told The Associated Press on Monday that Iran is expanding its uranium enrichment program and that within the past few weeks Iranian nuclear experts had started up a second pilot enrichment facility. Iran had produced a small batch of low-enriched uranium — suitable as nuclear fuel but not weapons grade — in February.

Hong Kong Detains NKorean Cargo Ship As UN Sanctions Bite: Report (AFP)

AFP, October 24, 2006

Hong Kong has detained a North Korean cargo vessel for possible safety violations under UN sanctions slapped on the regime after Pyongyang's nuclear weapons test, a media report has said.

The rusting, 2,035-tonne general cargo vessel Kang Nam I was suspected of breaching 25 regulations after entering Hong Kong on Sunday, the South China Morning Post reported.

It said the vessel was not carrying any cargo when it arrived and had come to load up with scrap metal.

The newspaper cited Hong Kong's marine chief Roger Tupper as confirming the detention under the terms of the UN sanctions, which require ports to stop and search any North Korean vessels.

The clampdown was put in place to prevent the hardline Stalinist regime of Kim Jong-il from transferring or importing nuclear technology and to end the trade in contraband, usch as drugs and illicit cigarettes, that is believed to help fund the North's nuclear programme.

The Hong Kong government's Customs Department was yet to confirm the ship's detention.

Tupper was quoted as telling the Post that eight other North Korean ships had been similarly stopped this year.

"Hong Kong is a major hub port and North Korean vessels do sometimes visit," he said. "It is not unreasonable that they are subject to routine Port State Control inspections."

The report said the ship had arrived from Shanghai and was due to return home to Nampo, near Pyongyang, via Taiwan.

It said the captain, who would not give his name, had told reporters he was unaware of Pyonygang's first ever atom bomb test conducted October 9, nor of the subsequent UN sanctions.

The sanctions are part of a huge global diplomatic effort since the test to persuade North Korea to abandon its nuclear weapons programme.

China Steps Up (WSJ)

The Wall Street Journal, October 24, 2006

Or does it? Two weeks after North Korea tested a nuclear device, that's still the question now that Secretary of State Condoleezza Rice has returned from her stop-the-nuclear-blackmail tour of Asian capitals.

As North Korea's biggest trading partner, the source of 80% to 90% of its fuel, and provider of significant food aid, China is the country with potentially the most influence over Kim Jong Il. President Hu Jintao's high-level personal envoy, dispatched to Pyongyang last week, by some accounts took Kim to the woodshed. Beijing is keeping mum about precisely what message State Councilor Tang Jiaxuan delivered to the North Korean leader, but one notable result is that Kim is no longer threatening to conduct a second nuclear test.

"I cannot conceive of even a short time ago China agreeing to call North Korea's behavior a threat to international peace and security," Ms. Rice told reporters after her stopover in Beijing. More to the point, the Journal reported Friday that Chinese banks are moving to halt transactions with North Korea. It cited officials at four commercial banks who said that they were

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ordered to shut off all business with North Korea. China is North Korea's major conduit for moving money in and out of the isolated country, so the banking cutoff should get Kim's attention.

Meanwhile, in South Korea, the other country with influence over the North, President Roh Moo Hyun's government continues down its appeasement path. The day after Ms. Rice urged officials in Seoul not to exclude the Kaesong industrial park from sanctions authorized by the U.N. Security Council, the chairman of Mr. Roh's Uri Party tripped off to Kaesong and was photographed dancing with a waitress.

Kaesong is home to factories run by 13 South Korean companies and, according to the latest government trade figures, the source of 23% of the South's trade with the North in the first eight months of this year. According to a Commerce Ministry report made public Sunday by a member of the opposition party and reported in the South Korean press, 60% of Kaesong workers' pay goes directly into the pockets of the Communist Korean Workers' Party. After insurance and other costs, workers like the waitress Mr. Roh's buddy was dancing with take home a mere $10 of their average monthly earnings of $57.50.

Both China and South Korea remain reluctant to enforce the U.N. resolution's demand for a halt to the North's trade in illicit materials, including drugs and counterfeit currency, not to mention weapons material and missile parts. China is balking at boarding North Korean ships at sea, and Seoul refuses to take part in the Proliferation Security Initiative, a coalition of about 70 countries that interdicts ships and planes carrying illegal cargo.

South Korea may be a hopeless cause -- at least until next year's presidential elections, when voters have an opportunity to elect a government that understands that Pyongyang is a greater threat to their security than is Washington.

China, however, is another story. There's much more it could do to show it's willing to join the rest of the world in being a "stakeholder" -- to borrow former Deputy Secretary of State Robert Zoellick's useful word -- in promoting world security, but at least it's sounding serious. China's cooperation also shows that the six-party process could yet work. U.S. and Japanese pressure, along with Kim's recklessness, may be causing China to conclude that its self-interest lies with stopping him.

U.S.-South Korea Trade Talks Have Rocky Start (WSJ/AP)

The Wall Street Journal, October 24, 2006

SEOGWIPO, South Korea -- The latest effort by the U.S. and South Korea to reach a free-trade agreement got off to a rocky start, with Washington saying talks might not conclude by a year-end target date.

The two sides opened their fourth round of negotiations since June on the southern island of Jeju, where thousands of demonstrators opposing free trade with the U.S. called for the talks to be scrapped.

Since announcing their intention to launch the negotiations in February, both sides have said they want to reach a basic agreement by the end of 2006. Whether that can happen is now in question.

"We are still trying to conclude this agreement by the end of this year or early next year," U.S. Assistant Trade Representative Wendy Cutler told reporters, suggesting the talks, which she acknowledged have been tough, may drag on.

The timetable is important because President Bush's legal authority to "fast track" a deal expires in mid-2007, and both the U.S. Congress and South Korea's National Assembly need time to debate and vote on any deal. Fast-tracking allows U.S. envoys to negotiate an agreement that can be submitted to Congress for a yes-or-no vote without amendments.

Washington is pushing South Korea to allow more access for American pharmaceuticals, automobiles and financial services such as insurance. Seoul wants South Korean goods made at the Kaesong industrial complex in North Korea included in the deal. The U.S. is strongly opposed to that.

Ms. Cutler said the U.S. position on Kaesong has been reinforced by recent developments on the Korean peninsula, referring to Pyongyang's recent claim to have carried out a nuclear test.

She said the U.S. made new offers calling for shorter time frames for tariff reductions covering nearly $1 billion in industrial goods, more than $1.3 billion in textiles, and $135 million in agricultural goods. Her South Korean counterpart, trade diplomat Kim Jong Hoon, said the U.S. offer on industrial products was insufficient.

"While the U.S. presented an improved tariff concession offer on industrial goods, it still fell significantly short of our expectations," he told reporters, according to South Korea's Yonhap news agency.

The negotiations, scheduled through Friday, brought a variety of demonstrators to Jeju. Police estimated about 11,000 people took part in a protest at the island's convention center, about three kilometers from the hotel venue for the talks.

Nuclear Program Oversight Increased (WT)

By David R. Sands

The Washington Times, October 24, 2006

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Pakistan has adopted a vast system of checks and balances in its military nuclear program to prevent nonproliferation abuses such as the nuclear black market run by top scientist Abdul Qadeer Khan, a senior Pakistani military official said yesterday.

The official, in an unusually detailed background briefing for reporters at the Pakistani Embassy, also warned that the proposed U.S.-India nuclear-cooperation pact was a "one-sided deal" that could prove "counterproductive for U.S. strategic objectives" in South Asia if Islamabad was not offered a similar deal.

The Pakistani military official, who has extensive familiarity with the country's nuclear bureaucracy, could not be quoted by name under the ground rules of the briefing.

But the session reflected Pakistani concerns that its nuclear-proliferation failings were in the spotlight again after this month's nuclear test by North Korea.

The network run by Mr. Khan, still a revered figure in Pakistan for his role in developing the country's nuclear arsenal, "cast a long shadow over Pakistan's image," the official said. "We have years of baggage to shed."

Mr. Khan, who is under house arrest, traveled to Pyongyang often before his nuclear-smuggling ring was exposed in 2003. His network is thought to have provided North Korea with designs, parts, and working models of centrifuges needed to manufacture nuclear fuel. The Pakistani researcher also provided centrifuges for Iran's clandestine nuclear programs.

Many nonproliferation specialists fear that Pakistan is the world's greatest cause for worry, with the government of President Pervez Musharraf facing challenges from within and without.

But the Pakistani military official said that nearly a decade ago, the country began a thorough revamping of its nuclear bureaucracy, increasing the levels of oversight, implementing new controls on the production and transfer of nuclear materials and establishing "reliability tests" for Pakistani nuclear researchers.

He confirmed that U.S. nuclear specialists had been providing technical advice and some "off-the-shelf" basic equipment to aid Pakistan's nonproliferation efforts, but stressed that Pakistan had total say over what help it accepts.

"We have a good system now down to the grass roots," he insisted.

Islamabad still prevents investigators from the U.S. and the United Nations from directly interviewing Mr. Khan about his nuclear dealings, and the official said Mr. Khan remains "a hero" to Pakistanis.

The official said he saw little hope of derailing the U.S. nuclear deal with rival India.

The accord, strongly backed by the Bush administration and being considered by Congress, would open up major cooperation and trade between the United States and India on civilian nuclear projects, while allowing India to keep its nuclear military programs free from international monitoring. Pakistan and many U.S. critics fear the deal could allow India to bulk up its own nuclear arsenal and overwhelm Pakistan's smaller deterrent.

The official said the United States should make it clear that Pakistan would be eligible for a similar nuclear-cooperation deal in the future.

U.N. Says Human Rights Violators Cite U.S. (WP/AP)

By Nick Wadhams

The Washington Post, October 24, 2006

UNITED NATIONS, Oct. 23 -- Several governments around the world have tried to rebut criticism of how they handle detainees by claiming they are only following the U.S. example in fighting terrorism, the U.N. special rapporteur on torture said Monday.

Manfred Nowak said that when he criticizes governments for their questionable treatment of detainees, they respond by telling him that if the United States does something, it must be all right. He would not name any countries except Jordan.

"The United States has been the pioneer . . . of human rights and is a country that has a high reputation in the world," Nowak said at a news conference. "Today, many other governments are kind of saying: 'But why are you criticizing us? We are not doing something different than what the United States is doing.' "

Nowak said that because of its prominence, the United States has a greater responsibility to uphold international standards for its prisoners.

State Department spokesman Kurtis Cooper said Monday night that he had not seen Nowak's comments and had no response.

Nowak has chastised the United States over detainee policy and for maintaining secret prisons.

Nonetheless, he said, the United States had improved its handling of detainees, particularly in Iraq after the Abu Ghraib scandal. Nowak said the big problem in Iraq now is allegations of detainee torture by militias and the country's Interior Ministry.

He said detainees were afraid of being transferred from the control of multinational forces to Iraqi prisons.

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"They would prefer, if they are in detention now, to be in the international detention facilities rather than the Iraqi detention facilities," Nowak said.

Press Freedom Erodes In U.S., Report Says (WP)

By Nora Boustany

The Washington Post, October 24, 2006

Some poor countries, such as Mauritania and Haiti, improved their record in a global press freedom index this year, while France, the United States and Japan slipped further down the scale of 168 countries rated, the group Reporters Without Borders said yesterday.

The news media advocacy organization said the most repressive countries in terms of journalistic freedom -- such as North Korea, Cuba, Burma and China -- made no advances at all.

The organization's fifth annual Worldwide Press Freedom Index tracks actions against news media through the end of September. The group noted its concern over the declining rankings of some Western democracies as well as the persistence of other countries in imposing harsh punishments on media that criticize political leaders.

"Unfortunately nothing has changed in the countries that are the worst predators of press freedom, and journalists in North Korea, Eritrea, Turkmenistan, Cuba, Burma and China are still risking their life or imprisonment for trying to keep us informed," the organization said in a news release.

Iran ranks 162nd, between Saudi Arabia and China. The report said conditions in Russia and Belarus have not improved. It said that Russia continued to steadily dismantle the independent media and that the recent slaying of investigative journalist Anna Politkovskaya "is a poor omen for the coming year."

Northern European countries top the index, with no reported censorship, threats, intimidation or physical reprisals, either by officials or the public, in Finland, Ireland, Iceland and the Netherlands. All of those countries were ranked in first place.

Serious threats against the artists and publishers of the Muhammad cartoons, which caricatured the prophet of Islam, caused Denmark, which was also in first place last year, to drop to 19th place. Yemen, at 149th place, slipped four places, mostly because of the arrests of journalists and the closure of newspapers that reprinted the cartoons. Journalists in Algeria, Jordan, Indonesia and India were harassed because of the cartoons as well.

Although it ranked 17th on the first list, published in 2002, the United States now stands at 53, having fallen nine places since last year.

"Relations between the media and the Bush administration sharply deteriorated after the president used the pretext of 'national security' to regard as suspicious any journalist who questioned his 'war on terrorism,' " the group said.

"The zeal of federal courts which, unlike those in 33 U.S. states, refuse to recognize the media's right not to reveal its sources, even threatens journalists whose investigations have no connection at all with terrorism," the group said.

Lucie Morillon, the organization's Washington representative, said the index is based on responses to 50 questions about press freedom asked of journalists, free press organizations, researchers, human rights activists and others.

France, 35th, dropped five places since last year because of searches of media offices and journalists' homes, as well as physical attacks on journalists during a trade union dispute, the group said.

In Lebanon, a series of bomb attacks targeting journalists and publishers in 2005, and Israeli military attacks last summer, contributed to a drop in the country's ranking from 56th to 107th in the past four years.

Israeli Premier Reaches Out To Far Right (NYT)

By Greg Myre

The New York Times, October 24, 2006

JERUSALEM, Oct. 23 — Prime Minister Ehud Olmert of Israel reached a deal on Monday to broaden his shaky coalition by adding a far-right party that seeks to annex parts of the West Bank and to eventually reduce Israel's Arab population.

Mr. Olmert's coalition has been struggling for months, and the latest move was seen as an attempt to stabilize the faltering government. But the new right-wing partner — Israel Beiteinu, or Israel Is Our Home — strongly opposes concessions to the Palestinians.

The prime minister's decision signals that he is now more concerned with internal Israeli politics than with initiatives to deal with the Palestinians.

The prime minister has already indicated that the central theme of his election campaign, a withdrawal from some Jewish settlements in the West Bank, has been put on indefinite hold. The latest development further reinforces that notion.

Also on Monday, Israeli forces killed six Palestinians, at least three of them militants, in clashes in the northern Gaza Strip, Palestinian medical workers said. The area has been the scene of repeated fighting in recent months.

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Mr. Olmert overrode opposition from some liberal members of his coalition to bring in Israel Beiteinu, a party led by Avigdor Lieberman, 48, a Soviet immigrant who advocates annexing Jewish settlements in the West Bank and transferring most Arab citizens of Israel to a future Palestinian state.

The prime minister said he planned to make Mr. Lieberman a deputy prime minister responsible for "strategic threats" against Israel, a portfolio that would include monitoring Iran, which Israel regards as its most dangerous enemy.

The alliance agreed to by Mr. Olmert and Mr. Lieberman was expected to be formalized with cabinet and parliamentary approval in the next several days, though it could still face some opposition, particularly from the left-leaning Labor Party. Mr. Lieberman reaffirmed his opposition to territorial concessions, saying that the right has been in power for most of the past three decades in Israel, but, "We were unable to prevent withdrawals."

Mr. Olmert's centrist Kadima Party was elected just seven months ago. His center-left coalition government has not only been reeling since the summer's inconclusive war against Hezbollah in Lebanon, but also cannot point to any significant achievements.

In announcing the deal with Mr. Lieberman, the prime minister noted that since Israel was founded in 1948, it has had 31 governments.

"In other words, the average term of office for an Israeli government has, for a very long time, been less than two years," Mr. Olmert said. "Is this reasonable? Is this evidence of stability? Does it promise continuity?"

While the existing coalition was not in imminent danger of collapse, it would be tested in coming months on issues like the approval of the 2007 budget. Budget deliberations have led to coalition breakups in the past.

Mr. Olmert's coalition has consisted recently of four parties that hold 67 of the 120 seats in Parliament. While this provides a working majority, it would evaporate if any of the coalition partners left, something that happens with regularity in Israel's volatile politics.

Mr. Lieberman's party holds 11 seats, which would give the governing coalition 78 seats, or nearly two-thirds of the Parliament. By bringing a far-right party on board, Mr. Olmert also hopes to neutralize the other right-wing factions that account for much of the opposition in Parliament.

However, the expansion also means that Mr. Olmert's new government would span the ideological spectrum, including liberal, centrist, right-wing and religious parties. With such divergent factions in the government, Mr. Olmert would have little or no chance of building consensus about political solutions to the continuing struggles with the Palestinians.

The left-leaning Labor Party has expressed the strongest opposition to Israel Beiteinu's inclusion in the coalition.

Shelly Yacimovich, a Labor Party legislator, said her party joined the government based on "the desire for a peace process, the desire for a social-democratic agenda and for a friendly and egalitarian relationship with Arab Israelis." Mr. Lieberman, she said, "represents the complete opposite of all these things."

But Isaac Herzog, a Labor lawmaker who serves in the cabinet, told Israel Radio that his party had "no choice but to remain in the government, because you have to allow government stability."

In 2004, Prime Minister Ariel Sharon dismissed Mr. Lieberman from his post as transportation minister because he strongly opposed Mr. Sharon's plan to withdraw Israeli soldiers and settlers from Gaza.

The burly Mr. Lieberman immigrated from Moldova in 1978 and was first elected to Parliament in 1999.

His party draws support from the Soviet immigrants who account for roughly one million of Israel's seven million people, and it made a strong showing in the elections in March.

In recent weeks, Mr. Lieberman has pushed a proposal that would change Israel's government from a parliamentary system to a presidential system, similar to that of the United States.

In the Gaza violence on Monday, Israeli forces waged a gun battle with a group of armed Palestinians and killed six, including a man the Israeli military said was Ata Shinbari, a leader of the Popular Resistance Committees, a group responsible for much of the recent rocket fire out of northern Gaza.

Mr. Shinbari was among five men in his family in their late teens or 20's who were killed in the gun battle, in the town of Beit Hanun, according to Palestinian medical workers. Several Palestinians were also wounded.

At Least Six Palestinians Die In Clashes With Israel (WP)

By Scott Wilson

The Washington Post, October 24, 2006

JERUSALEM, Oct. 23 -- At least six Palestinians died Monday in clashes between Israeli forces and Palestinian gunmen in the Gaza Strip, part of an escalating operation there to stop rocket fire into southern Israel and smuggling across its borders. One of those killed was a high-ranking Palestinian militia commander, Israeli and Palestinian officials said.

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Twenty other Palestinians were wounded in fighting that unfolded between the northern Gaza villages of Beit Hanoun and Beit Lahiya, the prime launching ground for crude Palestinian rockets that frequently strike Israeli communities in the south but rarely kill anyone. One of the wounded was close to death, Palestinian hospital officials said.

Palestinian leader Mahmoud Abbas called the event "a loathsome massacre carried out on, of all days, the first day of Eid al-Fitr," the Muslim feast celebrating the end of the fasting season of Ramadan. Israeli officials have noted that Palestinian rockets fell inside Israel this month during Yom Kippur, the holiest Jewish holiday.

More than 200 Palestinians, many of them civilians, have died in the Israeli military operation in Gaza that began June 25 after the capture of an Israeli soldier by gunmen from several armed groups including the military wing of the governing Hamas movement. Israeli armor and infantry have entered and withdrawn from the strip for months.

But in recent days, tanks and soldiers have taken up and held positions along the southern frontier with Egypt, a prime arms-smuggling route, and in northern Gaza, to combat the near-daily rocket attacks. Israeli political leaders have warned of a broader assault in the weeks ahead.

There were divergent accounts of the circumstances surrounding the fighting Monday and of how many of those who died were armed. One of those killed was Atta al-Shinbari, 35, a senior commander of the radical Popular Resistance Committees responsible for much of the rocket fire into Israel. At least three others were male relatives of Shinbari, including his 40-year-old brother, Khalid. Palestinian witnesses said the men were not affiliated with any armed factions.

One of the other dead was identified as Rami Hamdan, 23, a member of the radical Popular Front for the Liberation of Palestine.

Palestinian witnesses said Shinbari was visiting the home of his sister in Beit Lahiya on the first day of Eid al-Fitr, when it is customary to mourn family members who have died in the previous year. A mourning tent was set up outside the home.

The witnesses said a car carrying Israeli soldiers, apparently disguised as Palestinians, opened fire on Shinbari as he approached the house. The ensuing gunfight lasted for hours.

Israeli military officials said soldiers opened fire only after a group of Palestinian gunmen began shooting at them. Officials said the soldiers reported hitting 10 gunmen in what one of them described as a "heavy exchange of fire."

In another development, Israeli Prime Minister Ehud Olmert expanded his governing coalition Monday by adding Israel Is Our Home, a party dominated by immigrants from the former Soviet Union that is one of the most hawkish in Israel's 120-seat parliament, the Knesset.

Down in the polls following the summer war in Lebanon, Olmert is seeking new members for his government in anticipation of a contentious budget season. By adding Israel Is Our Home, Olmert improves his control of the Knesset from 67 to 78 seats, among the broadest in recent times.

The agreement gives a cabinet seat to Avigdor Lieberman, an immigrant from Moldova who worked his way into the highest ranks of Israeli politics from an early job as an El Al Airlines baggage handler. Lieberman, 48, will hold the title of deputy prime minister charged with managing the threat posed to Israel by Iran, which many nations fear is developing nuclear weapons.

Lieberman's signature proposal is to redraw Israel's recognized international border in a way that would place roughly 150,000 Arab citizens of Israel in the West Bank, annexing the largest Jewish settlement blocs there in return. The move, roundly denounced by other Zionist parties, would strengthen the state's Jewish majority by stripping those Arabs of Israeli citizenship.

Lieberman is also pushing legislation to create a U.S.-style presidential system in Israel by allowing direct elections for the prime minister, who is now effectively chosen by parliament. Israel's system is notoriously fractious, leading to governments with little room to maneuver on big issues and short political lives. The bill, narrowly endorsed by Olmert's cabinet this week, has little chance of passing the Knesset. Olmert himself opposes the measure in its current form.

Fallout Of Hamas's Rule Spurs Palestinian Desire To Flee (CSM)

By Joshua Mitnick

The Christian Science Monitor, October 24, 2006

BIRZEIT, WEST BANK

Ahmed Hushiyeh holds degrees in political science and communications, and dreams of becoming a photojournalist. But after a futile search for a job, the young Palestinian works as a janitor at his alma mater, Birzeit University.

He is saving money in the hopes of moving to Europe, enrolling in another university, and finding work. Political paralysis during Hamas's brief tenure leading the Palestinian government and escalating violence between rival security forces has convinced Mr. Hushiyeh that his career path lies abroad.

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"I am not optimistic. The situation is only deteriorating. Maybe outside, the opportunities are much better," he says. "Every young man wishes to have a job and have a life. But when he sees what we have here: occupation, siege, a low standard of living, security crisis - all of this creates a desire to leave. I want to get out of this crisis."

Like Hushiyeh, a growing number of Palestinians are openly saying they'd like to leave the West Bank and Gaza if given the chance, raising concern about the possibility of a Palestinian brain drain. The sentiment, which flouts the long-held Palestinian belief that Israeli occupation can only be resisted by staying put, is yet another indication of the deepening despair since Hamas was elected to run the government.

This desire to flee also comes amid ongoing violence in the Gaza Strip. On Monday, Israeli troops killed at least seven Palestinians in one of the deadliest days of fighting following the June 25 capture of an Israeli soldier.

Birzeit University pollster Nader Said, who has monitored emigration attitudes for 12 years, says the percentage of Palestinians willing to relocate once hovered just below 20 percent. When that figure jumped to 32 percent in a September survey, Mr. Said says he was shocked.

The catalyst, the pollster says, has been Palestinian disillusionment following Hamas's half-year in government. "What the Israelis were unable to do - try to push the Palestinian out of the country - the internal strife is achieving," he says.

Even more telling, adds Said, is that the percentage surges to 44 percent among Palestinians in their 20s and 30s. Among young men, it surges beyond 50 percent.

Malik Shawwa, a consultant specializing in obtaining Canadian visas, says his workload has jumped by two-thirds over the past seven months as more Palestinians ask about leaving. "This is the most important subject in the Palestinian territories," he says. "It's not just a matter of a lack of jobs. It's the situation. They're not secure. They don't trust the government."

Among Palestinians, the mere mention of hijra - Arabic for emigration - is enough to stir up painful memories of the 1948 Arab-Israeli war that left hundreds of thousands of Palestinians stranded outside the newly independent Israeli state.

"Emigration means that you are escaping the occupation and that you don't want to liberate your land. It's a shame on you," says Abdel Nasser Najjar, a columnist for the Palestinian daily Al Ayyam. "Now it's different. There are many pressures: economic pressure and psychological pressure. Many people are speaking out."

Riad Malki, the director of Panorama, a Ramallah nonprofit that promotes democracy in the West Bank and Gaza, confesses that he is giving more thought to the idea of relocating. But the broader trend of an exodus by the middle class and young males stirs up fear that Palestinian society may be stripped of its next generation.

"We are going to lose the dynamo of the Palestinian state," he says. "If we lose them how will we set up the offices of Palestine?"

But there are no signs that a critical mass of Palestinians is leaving just yet. The distance between pondering a move and acting on it remains considerable because of the hurdles in establishing residency in a new country. "For the most part, it's a very loud protest statement against the political actors," says Said. "Palestinians have given [Hamas and Fatah] an opportunity to deliver."

And yet, there is evidence that Palestinians are acting on this sentiment. The Ramallah branch of Mr. Shawwa's visa consultancy gets 30 calls a day while the Gaza city office fields 10, he says. Though only a fraction qualify to apply for a Canadian visa, Shawwa says, Palestinians are nonetheless desperate to leave.

"They come to me and cry," he says. "We are doing a much better service for the Palestinian people than the people who are fighting. We are saving a lot of young people from being destroyed."

Back on the Birzeit University campus, a trio of students admitted that the topic of emigration remains sensitive among family and friends. But at the same time they reject the suggestion that moving abroad constitutes any betrayal.

"If I leave then I'll be lucky," says Birzeit law student Masaad Masaad, who hopes to move after graduating and a two-year internship. "The country hasn't provided anything for me. The government has failed ... No attention is given to the citizens."

Three Ways To War In Gaza (WSJ)

By Bret Stephens

The Wall Street Journal, October 24, 2006

Wonder where and when the next Middle East war is going to take place? The likeliest answer is the Gaza Strip, perhaps before the year is out. Who will fight it? Now there is an interesting question.

Three sets of circumstances are operating simultaneously in this tiny patch of Palestinian land -- not quite the size of Andorra but 20 times as populous -- each of which has the potential to produce a different kind of violent outcome. First circumstance: the escalating factional fighting, verging on civil war, between Hamas forces loyal to Palestinian Prime Minister Ismail Haniyeh and Fatah forces associated, albeit sometimes loosely, with President Mahmoud Abbas.

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On Friday, relatives of a Fatah man recently killed by Hamas opened fire on Mr. Haniyeh's convoy in Gaza; Fatah militiamen have also threatened to assassinate the entire Hamas cabinet. Hamas, for its part, recently assassinated top Fatah militiaman Mohammed Shahadeh and intelligence officer Jad Tayah. Earlier this month, Hamas security forces opened fire on Fatah-affiliated policemen who had raided the Gaza branch of the Bank of Palestine in protest of their unpaid salaries. At least 10 people died; Fatah's Al-Hayat al-Jadeeda newspaper called Hamas's actions "Sedition" in banner headlines. Mr. Abbas is considering dissolving the government and moving to new elections; Hamas Interior Minister Said Siam deems the idea a "coup."

For some time, Israeli policy makers have been looking at the domestic Palestinian situation with a sense of satisfaction -- somewhat akin to the American view of the mutual slaughter of Iraqis and Iranians during the 1980s. But that was before the June kidnapping of Israeli Corporal Gilad Shalit transformed Gaza's domestic crisis into an Israeli one. It was also before the summer's war with Hezbollah, which alerted Israelis that their borders were less secure than previously thought. Hence the second circumstance: the consolidation of Gaza, following Israel's full withdrawal in August 2005, into a terrorist fortress.

Last week, Egyptian police in the Sinai intercepted a shipment of 200 crates of guns and ammunition headed for the town of Rafah, which straddles the seven-mile Egyptian-Palestinian border. Also last week, the Israeli army (IDF) discovered 13 smuggling tunnels running under the border in addition to the 12 discovered since June. Israeli intelligence estimates that in the past year at least 19 tons of explosives have been smuggled through these tunnels into Gaza, plus some 15,000 Kalashnikov rifles, 1,000 RPGs, and quantities of Katyusha rockets, Strella anti-aircraft missiles and Russian-made Kornet and Metis antitank missiles.

All this is in addition to an indigenous Gazan military industry that produced the hundreds of short-range Kassam rockets that have rained continuously on southern Israel for two years. And it explains why Israeli military planners feel they need to deal Gaza a punishing blow sooner rather than later, when the Palestinians might be in a position to bloody Israel the way Hezbollah did last summer. "We are going to make a massive ground operation in Gaza," warns Yuval Steinitz, until recently chairman of the Knesset's Foreign Affairs and Defense Committee, in a recent interview. Underlying the remark is the sense that the IDF will not allow itself to be surprised again by events, much less humiliated twice by ostensibly weaker foes.

Mr. Steinitz points an accusing finger at Egypt, which agreed last year to step up its efforts to stop the weapons smuggling in exchange for Israel abandoning its aggressive border patrols along the so-called Philadelphi Corridor. "The Egyptians are violating and betraying all the agreements," he says. "They are doing to us what Syria is doing to the U.S. in Iraq. . . . Their real policy is to let Israelis and Palestinians bleed together."

Talk to the Egyptians, however, and you get a different story. In public, the Egyptians generally neither acknowledge nor deny that they are letting the smuggling happen: Acknowledgment risks alienating the U.S. while denial risks enraging their own public opinion. In private, however, Egyptians admit that they condone and perhaps even participate in the smuggling, but only to arm and strengthen Fatah. The arms to Hamas are being shipped, supposedly against Egypt's wishes, from Iran via Syria and Hezbollah.

Here, then, is the third circumstance: The rise of Hamas, with ties to Iran and potentially a secure territorial base of its own, is an even greater long-term threat to the brittle regime of Hosni Mubarak than it is to Israel.

Consider the Kabuki dance being played around the fate of Cpl. Shalit. The Egyptians have been negotiating his release for months, probably in good faith: They fear that indefinite detention might lead to a full-scale Israeli invasion of Gaza, which would have spillover effects in the Sinai. At the same time, Mr. Mubarak has been ratcheting up the repression of the Muslim Brotherhood, Hamas's sister organization in Egypt, by canceling elections the Brotherhood seemed likely to win and tinkering with the election law to further shut it out of the political process. Poor 19-year-old Cpl. Shalit is being played by Hamas as a card in two separate games: with the Israelis for the release of Palestinian prisoners and with the Egyptians for political concessions in Cairo.

The political heat between the two sides was noticeably raised last week when Hamas Foreign Minister Mahmoud Zahar reportedly warned Egypt that if it failed to open its border with Gaza "there will be no border." Equally extraordinary was that the statement was widely reprinted in the Egyptian state media, playing into the broad suspicion that the Brotherhood, as a religious organization, is fundamentally anti-Egypt in the national sense. "Now the line is, 'No more foreign ministry,'" says an Egyptian source, suggesting the Mubarak regime is quickly moving away from diplomacy to more aggressive forms of persuasion with Hamas.

If Egypt or Israel had the luxury of choice they would abandon Gaza to its own miserable devices, or -- even better -- to each other. But that's not how it works in the Middle East. The war for Gaza is coming, no matter who does the fighting. Whoever stays out of it wins.

War In Sudan? Not Where The Oil Wealth Flows (NYT)

By Jeffrey Gettleman

DOJ_NMG_0085775

The New York Times, October 24, 2006

KHARTOUM, Sudan, Oct. 20 — To understand Sudan's defiance toward the world, especially the Western world, check out the Ozone Café.

Here young, rich Sudanese, wearing ripped jeans and fancy gym shoes, sit outside licking scoops of ice cream as an outdoor air-conditioning system sprays a cooling veil of mist. Around the corner is a new BMW dealership unloading $165,000 cars.

"I tell people you only live this life once," said Nada Gerais, a saleswoman.

While one of the world's worst humanitarian crises continues some 600 miles away in Darfur, across Khartoum bridges are being built, office towers are popping up, supermarkets are opening and flatbed trucks hauling plasma TV's fight their way through thickening traffic.

Despite the image of Sudan as a land of cracked earth and starving people, the economy is booming, with little help from the West. Oil has turned it into one of the fastest growing economies in Africa — if not the world — emboldening the nation's already belligerent government and giving it the wherewithal to resist Western demands to end the conflict in Darfur.

American sanctions have kept many companies from Europe and the United States out of Sudan, but firms from China, Malaysia, India, Kuwait and the United Arab Emirates are racing in. Direct foreign investment has shot up to $2.3 billion this year, from $128 million in 2000, all while the American government has tried to tighten the screws.

"Khartoum is hot — in all ways," said Hashim Wahir, chairman of Petronas Sudan, a branch of the Malaysian national oil company.

It was 115 degrees outside, but Mr. Wahir was also talking about business.

As long as Asian countries are eager to trade with Sudan, despite its human rights record, the American embargo seems to have minimal effect. The country's president, Omar Hassan al-Bashir, keeps demonstrating his disdain for the West by refusing to allow United Nations peacekeepers into Darfur, despite continued bloodshed and pressure from the United States to let the peacekeepers in.

"The government knows it doesn't need America," said Abda Yahia el-Mahdi, a former finance minister, now in private consulting. "The only people who are being hurt by the sanctions are the Americans, who are missing out on this huge boom."

The wealth is hardly evenly shared, and much of Sudan, like Darfur, remains desperately poor. Indeed, the nation's per capita income was only $640 in 2005, at market exchange rates, according to the World Bank.

But the country's G.D.P. grew 8 percent in 2005, according to the International Monetary Fund, and is predicted to increase by 12 percent this year. Cotton and other agricultural products have traditionally been the engines of the economy here, but the new growth comes largely because Sudan has substantially increased its crude oil production to 512,000 barrels a day — a drop compared with Saudi Arabia's or Iran's, but enough to bring billions of dollars to a country that until recently was one of the poorest on earth.

"Oil and real estate investment, primarily in urban areas, is really what's driving the economy," said Michael Kevane, an associate professor of economics at Santa Clara University. "There's no doubt about that."

The boom is also strengthening the government's hand at home. Over the past few years, Mr. Bashir has been on an infrastructure binge, pouring hundreds of millions of dollars into roads, bridges, power plants, hospitals and schools, projects that tend to boost any government's popularity. Mr. Bashir seems to desperately need it, with many people across the country, not just in Darfur, openly rebelling against his rule.

Mr. Bashir, an army general, seized power in 1989 through a military coup, and among the biggest beneficiaries of these boom times have been his troops. Ms. Mahdi said more than 70 percent of the government's share of oil profits is spent on defense. A government priority is to manufacture guns and ammunition domestically, in case external supplies are cut off.

Despite all the new materialism, Sudan still marches to a martial tune. Army officers enjoy special status, foreign visitors must register with the police and schoolchildren are required to wear camouflage uniforms to class. But the boom is changing much about society, from the careers people pursue, to the music they listen to, even what they eat.

The traditional meal of ful, a bean stew eaten for breakfast and lunch, is giving way to kebabs, yogurt, hamburgers and hot dogs.

"We even have Pringles," said Mohammed Abdelwahab Salih, a 26-year-old entrepreneur who recently started a business in Khartoum designing Web sites.

Mr. Salih remembers the days, not so long ago, when he used to have to wait in line for hours for a single loaf of bread.

"And it wasn't even good bread," he said. "When we got home, we had to pick out the flies."

For years, the Sudanese economy was a disaster, with triple-digit inflation, moribund industries and war. Ever since Sudan's independence in 1956, Christian and animist tribes in the south have rebelled against Muslim rulers in the north.

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Oil had been discovered here by Chevron in the 1970's, but the oil fields straddled the north-south divide and were essentially unworkable while the fighting was going on.

The American government imposed a trade embargo in 1997, freezing Sudanese government assets in the United States and cutting off its exports to and imports from Sudan, with a few exceptions. The reason: human rights abuses connected to the north-south war and Sudan's links to terrorists. Osama bin Laden lived in Khartoum in the 1990's.

But by 1999, when the first trickle of oil began to flow out of Port Sudan, on the Red Sea, Sudan's economy was turning around. A small cadre of Western-educated technocrats had followed the I.M.F.'s reform programs to the letter — cutting spending, privatizing state-owned businesses, lowering inflation and pushing infrastructure.

"It was classic, conservative economic policies," said Safwat Fanous, chairman of the political science department at the University of Khartoum. "And it worked."

Even World Bank economists have been impressed.

"These are very good people managing the economy and would rate among the best anywhere in Africa," said Asif Faiz, country manager for the World Bank in Sudan.

But, he added, they need to do more to spread the wealth to rural areas and focus on the poor.

Sudanese living abroad began to drift back, drawn by new opportunities — and other realities.

"If you want to open a bank account in America these days, it's not difficult, it's impossible," said Ahmed Amin Abdellatif, a 33-year-old Cambridge-educated businessman who drives a Porsche SUV through the dusty streets of Khartoum and runs an empire of electronics shops. He argued that antiterrorism laws in the West had made it very difficult for him as a Sudanese citizen to do business. "Why go through the headache?" he added. "Why not put your money somewhere where it's welcome?"

In 2002, Sudanese investors opened a new Coca-Cola factory, with Coke syrup legally exported to Sudan under an exemption for food and medicine. The $140-million plant churns out 100,000 bottles of Coke, Sprite and Fanta per hour, and factory owners have even adopted liberal employment policies, giving jobs to deaf women along the assembly line.

All this new investment is literally redrawing Khartoum's skyline. Four years ago, the Libyan government began building a 24-story, five-star hotel on the banks of the Nile. The hotel is nearly finished and boasts a level of luxury unknown in Sudan until now — it has an indoor pool, squash courts, an espresso bar and spa.

In 2004, the first proper mall arrived in Khartoum, brought by a Turkish company, complete with a Wal-Mart-size megastore called the Hypermarket. It is place where men in white robes and women covered in black head to toe pluck toilet paper, dates and Pepsi from the shelves as Sudanese elevator music plays in the background.

In 2005, many people here hoped the American sanctions would be lifted and the economy would hit warp speed after Sudan's leaders, coaxed by American mediators, made peace with southern rebels. But by that point the conflict in Darfur was raging, and relations with the United States only turned frostier.

"We felt like the Americans betrayed us," said the Sudanese foreign minister, Lam Akol.

Still, Sudan had already learned to rely on the East, and because of oil exports, the economy had gained a stable momentum of its own. Inflation is now 6 percent; investment and development are reaching beyond downtown Khartoum to Sudan's central agricultural belt and to Juba, the main city in the south.

But Sudan is a huge country, Africa's largest, at nearly a million square miles. Enormous swaths of territory are still neglected, and growing class differences could sow the seeds of further unrest. Rebel groups in Darfur and other areas, eager for their share of oil profits and power, pose another problem.

Business leaders say the biggest danger would be if the United States succeeded in persuading Sudan's Asian and Middle Eastern trading partners to join the boycott.

"The Americans are not a threat, but if the international community lines up against us, ahh, that is a different issue," said Osama Daoud Abdellatif, chairman of the DAL Group, a conglomerate that owns the Coke factory, the Ozone Café and a number of other businesses. "Everything has been going so well, but Darfur could spoil the party."

Russia Ends Some Suspensions Of Foreign Agencies (NYT)

By C.J. Chivers

The New York Times, October 24, 2006

MOSCOW, Oct. 23 — The Russian government said Monday that it had begun registering private foreign organizations whose operations in Russia were suspended last week, and that it was rushing to review the amended applications of at least 65 other organizations, which remained idled.

Among the groups granted permission to resume work were some that Russian officials had sharply criticized, saying they were encouraging revolutions or meddling in Russia's domestic affairs. They included the National Democratic Institute for International Affairs and the International Republican Institute.

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Both groups, whose work includes offering training for domestic political parties and movements, had been suspended last week under a new Russian law that limits the work of foreign groups. Both confirmed that they had been notified in writing that they could resume work.

"We're functioning as we normally would as of today," Lisa Gates, a spokeswoman for the International Republican Institute, said by telephone from the group's office in Washington.

The new law has drawn international criticism as a veiled effort to muzzle critics of the Kremlin and groups that promote social activism, political parties, rule of law, news media freedom and anticorruption awareness.

The new law sets stringent reporting requirements, including the deadline last week for each group to submit details about its origins, history, goals and organization. The detail is fine enough to require such facts as the passport numbers of each of a group's founders, no matter how long ago the group was formed, and whether the founder remains part of the group, or is even alive.

The deadline was seen as the first test of whether Russia would use the law to restrict a group's activities. And when it passed, many groups found they had been temporarily suspended, including dozens of American organizations, prompting Secretary of State Condoleezza Rice to inquire about the law when she visited Moscow over the weekend.

The Russian government insisted the suspensions had resulted from the failure of the groups to fill out the forms properly, but many groups noted that the suspensions included those most critical of the Kremlin or most active in grass-roots politics here, including Human Rights Watch and Amnesty International.

Both of those groups were still suspended Monday, according to the latest Russian list. But Russian officials said that of about 190 organizations seeking registration, only 65 to 68 remained suspended, and that all of their applications would be reviewed in less than 30 days.

"No political issues are involved in the decision-making," said Galina A. Fokina, acting head of the office in the Ministry of Justice that is responsible for the registration. "All issues are based on legal issues dealing with filling out the forms."

Three more groups were approved Monday, pending only a signature by the office's director, Ms. Fokina said. She declined to provide the group's names, but said she expected that they would be made public on Tuesday once the director signed the forms.

Interviews with organizations that remain suspended showed how strict the ministry's reading of law had been.

The American Bar Association's program in Russia, the Central Europe and Eurasian Law Initiative, remained suspended Monday, it was told, because its filing submission had not listed the program's name in exactly the same way on each form.

On some papers, the name ended with the word "Incorporated," the group's office manager said, and on others with the abbreviation "Inc."

The manager, Olga G. Lapunova, said the group had resubmitted all of its filings with "Incorporated" and hoped to be registered next week. "There has been nothing dramatic so far," she said. "They are technical, minor changes."

Other groups noted that even if they were approved, other requirements could still undermine their ability to work, including a full annual plan that must be submitted by next week. The groups said the requirements for the plan were at once vast and vague, leaving them unsure what to submit, and worried that any submission the government did not like could be ground for future suspensions.

Clashes Disrupt Hungary's Celebration Of Anti-Soviet Revolt (NYT)

By Craig S. Smith

The New York Times, October 24, 2006

WARSAW, Oct. 23 — Violent clashes in Budapest on Monday as the police tried to contain a month-old antigovernment protest movement marred the 50th anniversary of Hungary's uprising against Soviet domination.

The police used rubber bullets, tear gas and a water cannon to disperse thousands of protesters who had gathered for a rally after a group of them took control of a Soviet-era T-34 tank that was on display for the commemorations and drove it toward the police. About two dozen people were injured, none seriously.

The rally was one of several held over the past month calling for the resignation of the Socialist prime minister, Ferenc Gyurcsany, after the leak of a tape recording in which he told fellow party members that he had lied about the economy to win national elections in April.

Mr. Gyurcsany, whose party governs in a coalition with the Free Democrat Party, won a vote of confidence this month.

The leaders of the rally wanted to take advantage of the anniversary to press for Mr. Gyurcsany's resignation.

But the clashes bore little resemblance to the 1956 uprising, which ended when Soviet tanks entered the city and opened fire. Thousands of Hungarians were killed in the fighting then, and hundreds more were later executed or imprisoned.

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"Despite the often justified disappointment and discontent, the majority of Hungarians believe that parliamentary democracy is the most suited to express people's will and to create law and give a program to a free Hungary," the prime minister said Monday in a speech in Parliament commemorating the 1956 uprising.

Hungary held its first free elections in 1990 and joined the European Union in 2004. But its democratic and capitalistic transition has come with complications.

The country, which had liberalized its economy ahead of others in Central Europe, quickly became a magnet for foreign investment. But government spending and inflation have crept steadily higher, causing concern among foreign investors, who have called for painful economic reforms.

Mr. Gyurcsany, who promised tax cuts during his party's campaign, has since raised taxes and cut benefits in order to control the ballooning budget deficit, now about 10 percent of overall economic output.

In the recording that gave rise to the protests against his government, he admitted to having lied about the economy. But he has contended that the comments were made in the context of a call for his party to be more serious about reforms.

Near Heroes' Square, a few miles away from the clashes, Mr. Gyurcsany briefly attended the unveiling of a monument commemorating 1956 but left as several hundred people mocked him by chanting phrases from his speech back at him and shouted, "Gyurcsany, go away!"

Many people on the streets called him a dictator and complained that political life continued to be dominated by people from the Communist era. Mr. Gyurcsany began his political career as an official of the Young Communist Organization. The Socialist Party is a successor to the Communist Hungarian Socialist Workers Party, which ruled the country until 1989.

"We should learn from the spirit of '56," said a university student who would give his name only as Marci. "We should finish off what began in 1956, because in 1989 there wasn't really a complete change."

Violence associated with the current protests has been limited to vandalism by fringe groups, and Mr. Gyurcsany's government has not tried to stop the protests or interfered with protesters camped in front of Parliament. Those protesters were moved away from the building early Sunday in order to clear the way for Monday's ceremonies, but their tents remained and they were expected to resume their vigil on Tuesday.

The clashes on Monday occurred as the police tried to keep the rally of tens of thousands of people, stretching from Astoria Junction to Deak Square, from moving back toward Parliament. The violence began when some demonstrators managed to commandeer the tank on display at Deak Square.

"The whole crowd started cheering" as the protesters started to drive the tank, [a news agency] quoted its cameraman, Fedja Grulovic, as saying. "The police started firing teargas, then the tank stopped."

Some protesters responded by throwing stones. Mounted police officers with rubber batons and a water cannon were brought in to clear the area.

Beijing Hosts Big Africa Summit As West Watches (WSJ)

By Shai Oster

The Wall Street Journal, October 24, 2006

BEIJING -- China will strike a number of agreements on trade, investment, aid and debt forgiveness when it hosts the heads of 48 African countries next month in what is being billed as the biggest summit China has held in modern history, according to the Chinese official heading the effort.

"The main objective of this summit is to establish a new type of partnership between China and African countries against changing circumstances," Assistant Foreign Minister Zhai Jun said yesterday in an interview.

The gathering in Beijing, dubbed the Forum on China-Africa Cooperation, is set for Nov. 3 to 5. It comes as many African leaders seek help to repair their strife-torn countries and China looks for new resources to meet its growing energy needs, as well as new markets for its own emerging domestic companies. It caps growing ties between the two regions over the past several years that have sparked some ire in the West.

Mr. Zhai defended China's human-rights record in Africa and said China isn't interested merely in striking sweetheart deals to tap into Africa's deep oil reserves. Rather, he said, China is eager to raise living standards in the world's poorest continent, and feels it can share lessons and opportunities from its own development.

"Africa is rich in resources and has a big market. We are pursuing our relations by seeking mutual benefits, in an open and transparent manner. China has nothing to hide," Mr. Zhai said.

Last year, China imported 38.4 million tons of oil from Africa, or about 771,000 barrels a day. Mr. Zhai pointed out that is less than one-third of the amount some big Western nations receive from Africa. The U.S., for example, imports about 2.4 million barrels a day from Africa, more than it gets from the Middle East.

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Western oil companies fear their Chinese competitors are able to use government backing for aid deals and loans to secure preferential treatment. China says that in terms of business, its deals are purely commercial and transparent. So far, China's companies have a much smaller presence than other international players, but they are looking to expand to feed China's fast-growing needs for fuel.

Mr. Zhai said there would be further cooperation on energy. "For many African countries, energy is a pillar industry. Many nations want to transform their oil into a strength through our cooperation. We are helping them meet such a goal," Mr. Zhai said.

Agreements in several key areas are expected to be announced by China's President Hu Jintao and signed during the meeting. To encourage more imports from Africa, an expansion of the number of African goods that would be subject to zero-percent tariffs in China is likely to be included in the pacts. Currently, some 190 goods, from 28 African countries, are exempt from tariffs. There will also be pledges for more aid, including training in everything from medicine to agriculture, and investment in Africa. Mr. Zhai said the government is actively encouraging Chinese companies to expand their business in Africa.

While he didn't disclose how much in loans African countries owe China, he said China would announce another round of debt cancellation. He said China's loans were a small proportion of the $284 billion in debt Africa owes globally. China has already forgiven some $10 billion of debt in yuan-denominated loans, mostly from infrastructure projects, he said.

Last year, the Paris Club of big Western lenders forgave roughly $50 billion of African debt. Some critics are worried that China is giving fresh loans to regimes that still don't have the ability to spend the money responsibly or fight corruption, and that such waste will only send those nations back into a cycle of carrying loans they can't pay off. Increasingly, Western nations are seeking to tie aid with specific guarantees from governments on fiscal and social policy -- a policy China rejects.

"We don't want the development models, ideologies and values of other countries foisted on our country," Mr. Zhai said. "Likewise we don't impose our development mode, ideology and values on other countries -- not least on African countries. So, it has been the consistent position of the Chinese government when conducting aid with African countries that we do not attach conditions."

The summit marks 50 years since China first established diplomatic ties with Egypt, the first African nation to reject the island of Taiwan's claim as the sovereign over mainland China, then a deeply ideological, but poor, Communist state. China aggressively wooed African states with help and aid to convince them to switch sides.

Now, only five African countries, including Swaziland and Malawi, recognize Taiwan. Meanwhile, China has emerged as one of the biggest economies in the world with its own brand of capitalist authoritarianism that has transformed the relationship with Africa from a largely political one into a mostly commercial one.

Beijing will pull out all the stops to impress the delegations with its rapid economic growth, arranging trips to the Great Wall, and showing off the signs of its modern wealth, such as the commercial capital Shanghai. It will coordinate some 1,500 delegates and another 1,030 journalists from Africa, China and elsewhere. "Perhaps they will bring some lessons home when they have seen the changes that have taken place in China," Mr. Zhai said.

This comes as some in the U.S. and elsewhere are casting an increasingly wary eye at China's growing involvement in Africa, most recently in Sudan, where China has large oil interests. Mr. Zhai rejected allegations that China isn't doing enough to stem the violence in Darfur. "I believe the Darfur issue and China's economic and energy cooperation and trade are two separate issues. It is not the case that because of the good relationship and cooperation with the Sudanese government that we're turning a blind eye to the situation in Darfur."

He criticized U.S. policy. "The United States has unilateral sanctions -- has it been useful?" he asked.

EU To Get Tougher On China Trade (WSJ)

By John W. Miller

The Wall Street Journal, October 24, 2006

BRUSSELS -- The European Union is due to unveil a plan today that charts a tougher approach to China as its trade deficit with the Asian giant soars.

The change in strategy is driven by the desire to quell protectionist sentiment at home and strengthen Europe's hand when it renegotiates a trade agreement with China, European officials say.

Until now, Europe has opened its markets to Chinese imports but made few modifications to a trade relationship last outlined in a deal with Beijing struck more than 20 years ago.

The plan, to be announced today by the European Commission, the EU's executive body, is aimed at persuading Beijing to open more markets, crack down on technology theft and allow its currency to strengthen. If Beijing doesn't comply, the EU would take action to protect its own interests, including the imposition of new antidumping duties, according to EU documents that summarize the commission's plan. The EU already has punitive antidumping tariffs on imports of Chinese shoes and more than 30 other goods.

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"China needs to demonstrate its commitment to open markets, fair competition and responsible leadership," the documents say. The EU will increase pressure on Beijing to let its currency appreciate, according to the documents. That could help reduce the size of the trade deficit by making Chinese imports more expensive to buy in the EU.

The EU's trade deficit with China ballooned to €106.8 billion ($134.77 billion) last year from €48.6 billion in 2000. That is starting to approach the scale of the U.S. trade deficit with China, which in 2005 was above $200 billion. The scale of Chinese imports to the EU and the perceived threat to EU jobs have until recent years been much smaller than in the U.S., where fears about China's manufacturing strength have driven U.S. policy for years. The EU's plan of tougher language toward China mirrors that of the U.S.

Chinese officials say the EU would be making a mistake to try to penalize it over the trade deficit. "China's been making a lot of efforts" in areas such as tackling counterfeiting and intellectual-copyright theft, said Shaoxin Wang, spokesman for the Chinese mission to the EU.

EU officials say trade with China has helped the EU by tempering inflation and boosting the profits of European companies, such as retail titans Carrefour SA and Tesco PLC, which rely on cheap Chinese imports to boost sales. But the rise of imports has begun to stir protectionist fears in EU countries with high labor costs.

A surge in imports of manufactured goods such as shoes, laptops and cellphones is behind the EU's trade deficit with China. EU imports of Chinese shoes have more than doubled since 2000, to €4.8 billion from €2 billion, hurting shoe producers in countries like Italy. Imports of electronic goods have risen to €37.3 billion from €15.9 billion over the same period.

The commission hopes the strategy will eventually lead to a reciprocal relationship by creating opportunities in China, most likely in service industries such as insurance, consulting, law and banking.

The EU is due next year to renegotiate its 1985 partnership agreement with China, which includes trade. If the stalled talks on a global trade deal, known as the Doha round, fail to revive, EU officials say they may seek an additional trade accord with China.

"There is a bargain to be struck in which Europe commits to maintaining its own openness even in the face of the toughest competition, and China acts to ensure that that competition is fair and that EU businesses get a fair shot in the Chinese market," the EU background papers say.

European business lobbies such as Unice, which represents 2.2 million businesses, complain they don't get a fair deal with China. For example, car companies aren't allowed to own their own subsidiaries in China, and must partner with a Chinese company. Car makers say they are forced by high customs duties to buy parts from local suppliers, rather than import their own. The EU, the U.S. and Canada have a joint case pending at the World Trade Organization demanding China cut the tariffs.

The EU today also will ask about progress on China's commitment to fully liberalize its banking sector by the end of this year. Because of regulatory restrictions, Unice says, European banks get just 2% of the market for Chinese banking services, despite having strong competitive advantages.

Analysts say the EU should move carefully on any threats to bring more antidumping cases if China doesn't cooperate. "Getting tough with China is a dangerous game," says David Kernohan of the Centre for European Policy Studies in Brussels, adding that China could freeze the EU out of its markets and strike deals with other players instead.

Chinese Checks (WSJ)

By Harry Harding

The Wall Street Journal, October 24, 2006

China's economy has proved a seductress that's hard for investors to resist. From encouraging foreign direct investment to signing up with the WTO, Beijing has embraced foreign capital and know-how. Foreigners, in large part, have been rewarded with double-digit growth rates and cheap labor. But this happy affair is running into problems: Over the last few months, there is a growing perception that foreign companies have done too well from their investments. The Party leadership has publicly accused a few of capturing "excessive" market shares, acquiring too many stakes in China's strategic industries, and buying state assets at bargain prices. Above all, there seems to be a concern that overseas investors own too much of the technology crucial to China's economic development.

These sentiments aren't only murmured in private. Li Deshui, a former economic official, was quoted in March as criticizing "malicious acquisitions aimed at establishing monopolies." He cited beer, soft drinks and skin-care products as areas where foreign companies had done too well at the expense of their local counterparts.

Beijing's defensive economic nationalism is not primarily about restricting imports, although there has been some of this. For instance, China's high tariffs on imported automobile parts are currently the target of a case being brought before the WTO by the U.S. and the European Union.

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The main focus is on making it more difficult for foreign companies to operate in China. Take foreign ownership of local companies operating in "strategic sectors," such as banking and brokerage houses. The most prominent example so far has been Beijing's rejection of Citigroup's attempt to buy 45% of Guangdong Development Bank last year, as part of a consortium that would have taken majority control. Despite the state-owned lender's heavy losses, Beijing refused to waive the 20% cap on the stake any single foreign investor can take in a Chinese bank. As a result, Citigroup was forced to scale down its bid, as were other foreign banks interested in buying Guangdong Development Bank. The deal has yet to be completed.

China's regulators are even designating automobile and machine-tool companies as sensitive sectors, making foreign acquisitions in these areas subject to particularly stringent scrutiny. Earlier this year, Hangzhou Advanced Gearbox Group halted three years of talks on a joint venture with Germany's ZF Group, saying it would be a mistake to give the foreign automotive-supplier company greater access to the Chinese market. Last week, private-equity fund Carlyle Group agreed to buy 50% of Xugong Group Construction Machinery Co. -- hardly the 85% it had originally intended to purchase. This followed a high-profile campaign against the deal by Sany Heavy Industries Co., one of Xugong's main domestic competitors.

Beijing is also placing new obstacles in the way of foreign companies that seek to establish independent, wholly owned operations in the mainland. Beijing has officially complied with its commitment to open up the domestic construction market, as part of the agreement on China's accession to the WTO in 2001. But it has placed formidable obstacles in the way of foreign companies trying to take advantage of this opportunity. Under regulations issued in December 2003, these companies are required to employ at least 200 staff in China before being allowed to sign any contracts in the country. Foreign companies wanting to compete for infrastructure projects must also have at least $36 million in registered capital in China.

Beijing's regulators are now codifying further protectionist language into law. In September, six ministries enacted regulations that give the Ministry of Commerce expanded power to block foreign purchases of local companies. The law's language is vague; a purchase that disturbs "the social or economic order or harm the public interest," for instance, could be reviewed. Foreign investors are also fretting about the country's new antimonopoly law, which has been drafted but not yet enacted.

China is also attempting to build "national champions" that can compete with foreign companies in the global marketplace. Beijing is well aware that, despite the country's integration into the global economy, it currently occupies a narrow slice of the value chain. China serves mainly as an assembly platform for manufactured goods, albeit of increasing sophistication. While that role brings in considerable revenue, it only represents a small fraction of the total value of the country's export goods. Other links in that value chain earn far more, such as research and development, product design, branding, marketing and distribution. The best-known examples of this trend are Lenovo's acquisition of IBM's personal computing division, and the creation of a Chinese-controlled joint venture between TCL and Thomson to produce television sets. The purchases help Beijing pursue its goal of boasting 50 of the world's 500 largest companies within the next decade.

This goal is laudable, taken on its own. The problem for foreign companies is that Beijing is willing to use tactics which give their Chinese counterparts an unfair advantage. These measures include state subsidies through politically motivated bank lending at below-market rates. For instance, Cnooc Ltd.'s abortive bid for Unocal Corp. last year was backed by several billion dollars in cheap loans from its government-owned parent company. It's also possible in future that Beijing will challenge patents and cap domestic retail prices to reduce the royalties paid to foreign patent and copyright holders.

China's economic nationalism is a marginal adjustment to, rather than a fundamental repudiation of, Beijing's broader embrace of globalization. As China's Commerce Minister Bo Xilai has argued, Beijing will not abandon the foreign economic policies that have served it so well. There's also no shortage of critics of economic nationalism within China, both among economists committed to free-market models, and among local companies who fear their own competitiveness may be compromised by state interference in the economy.

Nonetheless, the protectionist backlash is unlikely to go away anytime soon. Other "China risk" factors may receive far more publicity -- from the threat of a financial crisis to a political collapse, or even a conflict with the U.S. over Taiwan. But for companies doing business with China, it is the new surge in economic nationalism that poses, by far, the biggest threat for the foreseeable future.

Mr. Harding, director of research and analysis at Eurasia Group, chaired the firm's task force on the risks associated with developments in China over the next 10 years.

China Sees Religion As Stabilizing Force (WT/AP)

By Joe Mcdonald

The Washington Times, October 24, 2006

BEIJING -- Chinese officials have expressed interest in the role of religion in improving society, the archbishop of Canterbury said yesterday at the end of the first trip to China in 12 years by a leader of the Church of England.

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The Anglican Communion will expand efforts to help the state-sanctioned Protestant church train clergy, as communist leaders look to religion to help stabilize society during a time of wrenching change and explosive growth in Christianity in China, Archbishop Rowan Williams said.

His two-week visit also highlighted Anglicans' limited but longtime ties to China, in contrast to the Roman Catholic Church's lack of relations with Beijing.

Chinese officials discussed the role of religion in "building a harmonious society," said Archbishop Williams, referring to the Communist Party phrase for efforts to spread prosperity and ease tensions over the gap between China's rich and poor.

One senior official talked about "the potential significance of Christian Sunday schools in backing up the growth of a mature and stable public morality," Archbishop Williams said at a press conference.

The Church of England and China's Protestant church agreed to work toward having Anglican theologians teach in China and Chinese seminarians study abroad, said Archbishop Williams. He said they discussed foreign help to expand Chinese seminary libraries and to train religious scholars.

Archbishop Williams avoided open criticism of Beijing's controls on religious activity, but said the government could explain its rules more clearly so the faithful know what is permitted.

"I think there is a remarkable amount of freedom of initiative for a number of religious groups," he said. "We're content to work with a church which we see to be lively and active and capable of taking initiative."

Archbishop Williams said he asked Chinese officials about six Protestant and Catholic church members who he said were jailed or harassed for religious activity. He said the officials asked him to submit more details and had not replied.

Christian Solidarity Worldwide (CSW), a religious-freedom group that monitors the detention of priests and members of unregistered churches in China, said the archbishop did not meet the real church.

Greener Pastures To Stop Dust Bowl, Mongolia Builds 'Great Wall' Of Trees (WSJ)

By Patrick Barta

The Wall Street Journal, October 24, 2006

DALANZADGAD, Mongolia -- The great Gobi Desert has camels with two humps, a rare breed of desert bear, and some of Asia's last remaining nomads. One thing it doesn't have is shade.

Batchuluun Doorov is trying to change that. Each morning, he travels by motorcycle to a remote desert outpost, rouses his assistants, and begins watering thousands of scraggly trees rising up from the sand. Workers planted the trees months ago, and now they form a thin green line across the horizon in one of the most barren places on earth.

"In the future, when this becomes like a forest, I will be proud," Mr. Batchuluun said one recent morning as he ambled between saplings and fished a cigarette from his pocket. Dry winds howled around him. A few hundred yards away, bleached bones baked in the sun.

More than 2,000 years ago, China began to build the Great Wall. Today, Mongolia is building its own seemingly implausible version: a zigzagging line of pines, willows, oleasters, junipers, hawthorns, aspens and other trees it hopes will someday stretch more than 2,000 miles across the desert. The so-called "Green Wall" is expected to take 30 years to complete and cost some $150 million or more.

The wall is necessary, Mongolia says, to protect itself and the wider world from an increasingly serious problem: Gobi dust, kicked up by Central Asian storms strong enough to rip the paint off Mongolian cars and then carried eastward across Asia and beyond.

Dust storms from the Gobi, which spans southern Mongolia and northern China and is almost twice the size of Texas, have darkened the skies of China and Korea in recent years, closing airports and triggering widespread respiratory illnesses. A whirlwind this spring dumped an estimated 300,000 tons of sand and grit on Beijing, burying cars, houses and trees in a thick layer of sand.

According to Chinese records, big sandstorms reached Beijing only once or twice every seven years in the 1950s, and only every two or three years in the 1970s. Now they are an annual problem, with many arriving from beyond Chinese borders. While the storms usually happen in spring, many in China worry the Gobi gusts could cake the 2008 Beijing summer Olympics in sand, eclipsing the nation's moment in the global sun.

Gobi storms have even made their way to the U.S., where weather officials blame Mongolian soil for dust storms up and down the West Coast, including one that clouded Utah skies in 2001. Scientists have found traces of the Gobi as far away as Kansas.

The amount of Mongolia's land that is suffering from desertification -- land that either has no vegetation at all or is slowly losing it -- could be as much as 50,000 square miles, an area the size of New York state, according to a leading Mongolian

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environmental group called Sain Uils, which means "good will" in Mongolian. Mongolia's Ministry of Nature and Environment says 683 rivers have dried up in recent years due to encroaching desert.

Mongolia's government and scientists say global warming is partly to blame. Average temperatures in Mongolia have climbed nearly 3.6 degrees Fahrenheit since the 1940s, according to the Ministry of Nature and Environment. At the same time, it says there is about 10% less rainfall in the Gobi itself now versus the 1940s -- fewer than three inches a year in parts of the desert.

Changes in human behavior are also playing a role. Herdsmen have added more goats to their herds in recent years to boost production of cashmere, a valuable commodity in Mongolia's landlocked economy. Unfortunately, the omnivorous goats do more damage to the soil than other livestock because they eat plant roots, too, contributing to desertification.

The question is whether planting thousands of saplings can actually help keep the soil in place.

Some countries have done it successfully. In the U.S., for instance, Franklin D. Roosevelt's administration planted "shelter belts" of trees to block wind as part of its successful effort to rehabilitate the American Dust Bowl in the 1930s.

But those efforts included other programs to boost their effectiveness, such as money for farmers who agreed to change their behavior to promote soil conservation. In the case of Mongolia, many international experts think officials are taking the wrong approach, in part because the country doesn't have enough money to ensure a broad-based solution.

It's not an easy problem to solve. Not much grows in the Gobi, which unlike the sandy dunes of the Sahara is mostly a barren expanse of gravellike plains, mountains and valleys. Winter temperatures can drop to minus 40 degrees Fahrenheit, followed by highs above 110 degrees in the summer.

Another problem is that the Gobi has fewer than three people per square mile. That means there aren't many folks around to care for the trees, including protecting them from wandering nomads who might topple them for fuel -- or for fun. It also means watching out for other threats to saplings like rabbits and cows.

"I can think of a million reasons why there is just no reason this is going to work," says Jayne Belnap, a research ecologist for the U.S. Geological Survey in Utah, who has studied Mongolian soil extensively. "If you talk to any scientist, they will start laughing."

Difficult Changes

Ms. Belnap and others think Mongolia should focus on reducing the number of animals in nomads' herds. But doing so could require difficult social changes in Mongolia, where some 40% of the country's 2.8 million residents work in rural endeavors such as herding.

For much of the 20th century, Mongolia was a communist state supported by the Soviet Union, which propped up the local economy. Central planners regulated the size of herds, which helped to prevent overgrazing.

When the Soviet Union collapsed in the early 1990s, so did Mongolia's economy, forcing many urban residents to flee to the countryside as herders.

The result: too many animals. Many of the animals stayed thin and unproductive, which in turn encouraged herders to add more. Today, Mongolia has as many as 30 million head of livestock -- more than 10 times its human population. The introduction of more goats for cashmere only added to the problem.

Foreign agricultural experts urge Mongolia to promote deeper changes, including adopting feedlot practices now common in the U.S. and other nations. The U.S. once had similarly wide-open spaces where animals roamed across big stretches of land, but those animals were eventually cordoned off into fattening lots and corporate farms. That process used less land and boosted productivity.

Doing that, though, could ultimately mean the end of the road for many of Mongolia's nomads. Much of the country's rural population lives in small family units that have their own herds and move around in search of forage. The nomadic herder culture is critical to Mongolia's identity, much like the cowboy once was to the American West.

Mongolian officials are plowing ahead with tree-planting instead. The Green Wall project allows them to respond to foreign governments and local constituents clamoring for action on the dust problem. Mongolian officials also hope the idea will help attract money from foreign donors, and create jobs in rural areas caring for the trees.

Mongolia has declared the project a national priority and obtained support from a handful of sources, including Rotary Club chapters in Mongolia and South Korea. The government and volunteers together have planted more than 360,000 trees at various sites over the past two years, with the Rotary Club running some of its own tree-planting operations. Some volunteers sing Rotary Club songs as they work.

But many foreign donors, including the United Nations, declined to contribute because they doubt the project's efficacy.

Avirmed Auyrzana, head of the Green Wall National Program at the Ministry of Nature and Environment, acknowledges that between 20% and 50% of the newly planted Gobi trees die and that the project is underfunded. He has just five employees

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and works from a 10-foot-wide cubbyhole in an old Soviet-style office block overlooking a parking lot in the Mongolian capital of Ulaanbaatar.

"If people do not have any agricultural experience, of course they will be skeptical," he says. But he adds that he is certain the project will work.

Down in the Gobi, enthusiasm runs high. This is especially true in Dalanzadgad, a desolate town of 15,000 people a few hours north of the Chinese border. Dalanzadgad could use some green. Wild dogs roam in packs, and dust regularly blows across city streets. A massive trash dump sits outside of town -- a repository for everything from old tires to the discarded rib cages of livestock. And then the Gobi takes over, spreading out in all directions.

Rotary Club officials in Mongolia hired a 38-year-old former Mongolian stockbroker named Jambaldagva Yondonjunai to monitor their operations on the ground. Mr. Jambaldagva patrols town in a gray Russian van emblazoned with the words, "Keep Mongolia Green." During a recent visit, he complained of stomach pains from eating bad marmot, a groundhoglike creature common in these parts.

"When I drive by, all the people recognize me," he said. "People say, you're doing a good thing -- you're doing something for the motherland."

Part of Mr. Jambaldagva's job involves driving across the rocky landscape to visit the trees and crews who water and watch over them. After three years, the saplings should be strong enough to survive on their own, project supporters say.

Sometimes the trees don't make it. At Moltsog Els, a collection of golden dunes an hour or so from Dalanzadgad, workers trucked in hundreds of stones to pin down the sand and then planted trees between the rocks. Then a freak desert rainstorm struck, uprooting or drowning the trees. Now, stones lie scattered across the dunes with brown twigs poking upward from the sand.

Other sites are considered a huge success, like one near Bulgan, a town two hours west of Dalanzadgad. Workers planted several thousand trees there, and about 90% have survived.

It has taken a lot of work. A half-dozen locals, including two watchmen, must water the trees daily with a hose fed by an underground aquifer.

"Sometimes it's hard holding the hoses," says 33-year-old Iderzaya Orgoi, a former nomad who gave away her herd to look for other kinds of work, and landed a job caring for the trees. Still, "I'm very sure" the project will work, she says.

Another Hurdle

Ms. Belnap, the U.S.-based soil expert, says she doesn't doubt the trees will grow for a while, and that some of the trees may thrive. But she sees another potential hurdle: salt. Many of Mongolia's underground water sources contain water that's high in salinity, she says. As that water is tapped to nurse trees, it will accumulate in the soil and eventually poison the same trees it sustains.

Work is proceeding anyway, with a variety of additional tree-planting schemes sprouting around the area. In Dalanzadgad, one local woman enthusiastically reports that the government has offered to pay her the local equivalent of $2.57 a tree if she nurses 10 of them to maturity over three years.

Then there's the patch of green headed up by Mr. Batchuluun, near a place called Juulchin Gobi, a tourist tent camp some 40 minutes overland from Dalanzadgad. Workers planted saplings for a stretch of two miles or longer.

Using nearby wells and irrigation channels, Mr. Batchuluun and his team walked up and down the rows daily during the summer, watering each tree at least two times a week. Standing shirtless with a safari hat on his head on a recent day, Mr. Batchuluun said that about 80% of his trees have lived. Some are so tall, he added, that he sometimes can't see other workers when they wander out into the foliage.

While a few miles of trees isn't much in the vast desert, Mr. Batchuluun thinks enough trees will flourish to make a difference.

"The children will be very proud," he said. "They [will] look back and think: This was the beginning of everything."

Britain Is Turning On The U.S. — At Its Own Peril (USAT)

By Melanie Phillips

USA Today, October 24, 2006

Everyone knows that Europe is a continent stuffed with craven, terror-appeasing fromages who loathe America. Britain, by contrast, led by the lion-hearted Tony Blair, is full of stalwarts who stand shoulder to shoulder with the United States in the defense of the West. Right?

Wrong. Fury at Prime Minister Blair for being President Bush's “poodle” has reached such a pitch that the most successful Labor prime minister in memory is being forced out of office because of his support for U.S. policy in Iraq and Israel. Labor's members of Parliament say his refusal to break with America by calling for an earlier cease-fire in Lebanon was the last straw.

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The disturbing fact is that Britain is consumed by a rampant anti-Americanism and an allied hostility toward Israel, which are driving public debate into irrationality, prejudice and appeasement.

In a Populus poll last month in The Times of London, 62% said the government should change its policy by distancing itself from the United States, being more critical of Israel and declaring a timetable for withdrawing from Iraq. An August YouGov poll in The Spectator magazine revealed that while 53% wanted a tougher anti-terrorism policy, 45% wanted to be allied more closely with the European Union than with America. Only 14% supported closer U.S. ties.

As a result, the prospects for the alliance between Britain and the United States in the post-Blair era do not look promising. Despite being an instinctive Atlanticist, Gordon Brown, the most likely successor as Labor prime minister, is thought to be only a reluctant backer of the war in Iraq, according to a new autobiography by former Labor minister David Blunkett.

Meanwhile David Cameron, the new young leader of the opposition Conservative Party, made a speech last month distancing himself from U.S. foreign policy and blaming America for fanning the flames of anti-Americanism. The outcome might be that Britain increasingly snuggles up to the EU over foreign policy while an irritated America, bereft of its principal advocate in Europe, moves toward isolationism.

Much of Britain's anti-Americanism is driven by the usual suspects, such as far-left lawmaker George Galloway or newspapers such as the ultra-left Guardian. Galloway, for instance, said during an interview with GQ magazine earlier this year that the assassination of Blair by a suicide bomber would be “morally justified.”

Left-wing discourse, now staple fare on the BBC and applauded even by conservatively minded audiences in panel discussions, proclaims that the United States is the fount of Third World oppression and the greatest threat to world peace.

But British animosity toward the U.K.'s most important and historic ally is wider and deeper. Partly it derives from simple snobbery, the long-standing British belief that Americans are vulgar upstarts who lack the gravitas that Britain has accrued from a thousand years of history.

Probe further, however, and you discover anguish at the progressive junking of that history. Schools, for example, no longer teach the history or values of the British nation on the grounds that national identity based on a majority culture is viewed as “racist.” Instead, they promote multiculturalism, the doctrine that minority value must have equal status to those of the majority. Loss of confidence in Britain's role in the world has demoralized its governing class so badly that it has come to believe that the nation state is the principal source of all ills from prejudice to war, and that legitimacy resides instead in supranational institutions.

So no international action can be taken without sanctification by that holy of holies, the United Nations. As a result, the British regard Bush's “unilateral” foreign policy with undiluted horror. This is made worse by disdain for Bush himself, regarded as a tongue-tied cowboy who actually believes in God — to the post-religious British, the nearest thing to a certificate of lunacy.

The biggest single cause of British anti-Americanism, however, is Israel. Despite being the target for more than half a century of genocidal Arab and Muslim aggression, Israel is widely perceived in Britain as the regional bully, and its acts of self-defense are viewed as the principal motor behind both the Middle East impasse and Islamic grievance because of its supposed refusal to allow the Palestinians to have a state of their own.

Thus John Denham, chairman of the parliamentary Home Affairs Select Committee, wrote that Israel's policies were making Britain a target for terror. America brought the 9/11 attacks upon itself, goes this type of thinking, because of its support for Israel — and the only reason Britain is now threatened by Islamic terror is because of Blair's support for the United States.

This has opened a Pandora's box of anti-Jewish prejudice in Britain.

A recent report by the Parliamentary Committee Against Antisemitism found that since 2000, anti-Semitism is on the rise in Britain. It is now common to read in the news media, for example, that the Jews are engaged in a global conspiracy that has subverted U.S. foreign policy to serve the interests of Israel and put the rest of the world at risk. In April, for instance, The Independent newspaper illustrated an interview on the subject of the “Israel lobby” in America with a picture of the American flag in which the stars of the union were replaced with the Stars of David. The headline: “The United States of Israel.” Thus the prejudice against America is inextricably conflated with prejudice against Jews and the Jewish state.

The dismaying truth is that, even after the suicide bombings in London, America's defense of the free world against Islamic terror is widely viewed in Britain as the cause of that terror. The paranoid bigotry that drives the jihad — that the United States and its Jewish puppet masters make up a giant conspiracy of evil — is being increasingly echoed within Britain's non-Muslim population.

The very idea that weakening the alliance with the United States would be in Britain's interests is madness. But in a country that has lost its way, rationality is a commodity in short supply.

Melanie Phillips is a columnist for Britain's Daily Mail and the author of Londonistan.

Veiled Insult (WP)

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By Anne Applebaum

The Washington Post, October 24, 2006

Quite a long time ago, having briefly joined the herd of 20-something backpackers that eternally roams Southeast Asia, I found myself in Bali. Like all of the other 20-somethings, I carefully read the Lonely Planet backpacker's guide to Indonesia and learned, among other things, that it was considered improper for women to wear shorts or trousers when entering Balinese temples. I dutifully purchased a Balinese sarong and, looking awkward and foreign, wore it while visiting temples. I didn't want to cause offense.

I thought of that long-ago incident during a visit last week to London, where a full-fledged shouting match has broken out over Muslim women who choose to wear the veil. This particular argument had begun because a teaching assistant in Yorkshire refused to remove her veil -- a niqab , which covers the whole body except for the eyes -- in the presence of male teachers, which was much of the time. She was fired; she went to court -- and a clutch of senior British politicians entered the fray.

Jack Straw, the former foreign secretary, called the full-face veil "a visible statement of separation and of difference." Tony Blair, the prime minister, added that he could "see the reason" for the teaching assistant to be suspended.

What followed was predictable: accusations of racism, charges of discrimination and disagreement about whether the veil was even a valid topic of discussion. If Blair and Straw were really concerned about Muslim women, shouldn't they be more interested in underage marriages, or wife beating, or something more important?

The short answer is, yes, probably. But the curious fact is that the veil, as a political issue, won't go away. The French have banned not only the full veil but head scarves in state schools. Some German regions have banned the head scarf for civil servants too, and they are not permitted in Turkish universities at all. Slowly, the issue is coming to the United States: Just this month a Michigan judge dismissed a small-claims court case filed by a Muslim woman because she refused to remove her full-face veil while testifying.

Critics call the veil a symbol of female oppression or rejection of Western values. Defenders say that it is a symbol of religious faith and that it allows women to be "free" in a different sense -- free from cosmetics, from fashion and from unwanted male attention. Debate about the veil inevitably leads to discussions of female emancipation, religious freedom and the assimilation, or lack thereof, of Muslim communities in the West.

And yet, at a much simpler level, surely it is also true that the full-faced veil -- the niqab, burqa or chador -- causes such deep reactions in the West not so much because of its political or religious symbolism but because it is extremely impolite. Just as it is considered rude to enter a Balinese temple wearing shorts, so, too, is it considered rude, in a Western country, to hide one's face. We wear masks when we want to frighten, when we are in mourning or when we want to conceal our identities. To a Western child -- or even an adult -- a woman clad from head to toe in black looks like a ghost. Thieves and actors hide their faces in the West; honest people look you straight in the eye.

Given that polite behavior is required in other facets of their jobs, it doesn't seem to me in the least offensive to require schoolteachers or civil servants to show their faces when dealing with children or the public. If Western tourists can wear sarongs in Balinese temples to show respect for the locals, so too can religious Muslim women show respect for the children they teach and the customers they serve by leaving their head scarves on, but removing their full-faced veils.

It would, of course, be outrageous if Tony Blair or the French government were to ban veils altogether -- just as it is outrageous that Saudi Arabia bans churches and even forbids priests from entering the country. But just because authorities persecute Christians and Jews in some parts of the Muslim world, that doesn't mean we need to emulate them. In their private lives, Muslim women living in the West should be free to use veils or head scarves as they wish. But freedom to practice religion in the West shouldn't imply freedom to hold jobs that impinge on that practice. An Orthodox Jew should not have an absolute right to work in a restaurant that is open only on Saturdays. A Quaker cannot join the Army and then state that his religion prohibits him from fighting. By the same token, a Muslim woman who wants to cover her face has no absolute right to work in a school or an office where face-to-face conversations are part of the job.

It isn't religious discrimination or anti-Muslim bias to tell her that she must be polite to the natives, respect the local customs, try to speak some of the local patois -- and uncover her face.

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TERRORISM NEWS:

Gonzales Says U.S. Image Hurt By Actions (FINDLAW/AP)

By Ciaran Giles, Associated Press Writer

AP, October 25, 2006

(AP) - MADRID, Spain-U.S. Attorney General Alberto Gonzales said Tuesday he believes some of the U.S. actions in its war on terror have done damage to the image of the United States abroad, particularly its commitment to the rule of law.

The U.S. has drawn criticism around the world for the Abu Ghraib prison scandal in Iraq, its treatment of detainees and secret renditions of terrorism suspects to clandestine prisons in allied countries where they are allegedly tortured.

"The notion that the United States does not fully support the rule of law is one I find very disappointing," Gonzales told reporters, especially given that President Bush "believes the Unites States is the leader, is a beacon of hope in the world and it's important that our actions should reflect a total commitment to the rule of law."

He blamed the country's deteriorating image on misunderstanding in Europe about what the U.S. is doing to fight terrorism.

"Part of the misunderstanding is the fault of the United States in the sense that we need to be out there more, talking about what we are doing and why," he said.

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Gonzales was in Madrid for the sixth meeting of a working group set up two years ago to coordinate the fight against terrorism and other police matters.

Gonzales dismissed criticism that prisoners at the Guantanamo Bay detention facility were in legal limbo and said the recent Military Commissions Act ensured fair trials for terrorists and guarantees that evidence acquired through torture will not be used.

"The Military Commissions Act reflects a careful balance by our Congress to respect the rights of terrorists to receive a fair trial but to do so at a time when we are still at war with the enemy," Gonzales said.

Bush signed the act into law last week after a highly publicized dispute with key Republicans over the terms of the legislation. Civil libertarians and leading Democrats have decried the law as a violation of American values.

Spain, US Agree Greater Anti-terror Cooperation (AFP-Y)

AFP, October 25, 2006

Spain and the United States agreed to ramp up cooperation against terrorism and organized crime during a visit by US Attorney General Alberto Gonzales, the interior ministry said.

The agreement came during talks between Gonzales and Spanish Interior Minister Alfredo Perez Rubalcaba, it said.

Washington offered to make technology which the US Federal Bureau of Investigation uses to index DNA samples available to Spanish police.

Spanish Justice Minister Juan Fernando Lopez Aguilar told reporters after the meeting, which also saw Gonzales confer with Spanish counterpart Candido Conde-Pumpido, that judicial cooperation between the two nations was "excellent."

He added that they were committed to "achieving good long-term results" in fighting terror.

Gonzales said the United States was sometimes "misunderstood" in Europe and it had to "talk more" to explain its position on security.

Asked if Spain was prepared to countenance handing over terror suspects to US military courts, Aguilar told Spanish media that Spain was determined to protect its citizens' rights at all times.

Gonzales did not address a decision last year by the Spanish Supreme Court to overturn a six-year prison sentence for Al-Qaeda membership handed down in October 2005 to a former Spanish inmate at the US base in Guantanamo Bay, Cuba.

In a separate case, the high court this month acquitted a Moroccan former inmate of Guantanamo who also had been accused of Al-Qaeda membership.

Poor Image: Gonzales Knows It's More Than A Misunderstanding (LONGNJ)

Longview (TX) News-Journal, October 25, 2006

Alberto Gonzales, who once made headlines when he authored legal arguments that President Bush had the authority to authorize torture, is now disappointed by our nation's sagging reputation.

Gonzales, then the White House counsel but now the U.S. Attorney General, was in Spain for a meeting of an international working group created two years ago to coordinate the fight against terrorism and deal with other global law enforcement issues. While there, he told reporters, "The notion that the United States does not fully support the rule of law is one I find very disappointing."

According to an Associated Press report, the nation's top lawyer added that Bush "believes the United States is the leader, is a beacon of hope in the world and it's important that our actions should reflect a total commitment to the rule of law."

Of course, Gonzales failed to mention that in order for Bush to live up to his words, he needed to sign legislation last week — the Military Commissions Act — to ensure fair trials for suspected terrorists and assure that evidence garnered through torture will not be used at such trials.

Gonzales told reporters that our country's tarnished image abroad is due to our allies' misunderstandings about what the United States is doing to fight terrorism.

Actually, that tarnished image is due to our allies' growing understanding of measures the United States has taken in its efforts to combat terrorism, including the use of secret prisons abroad, the rendition of prisoners to governments known to use torture and the indefinite detention of people who are suspected but not yet proven terrorists.

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Gonzales would like to talk about Bush's "total commitment to the rule of law" but he has often been reticent about discussing the administration's commitment to the spirit of the law. That's because the longtime Bush aide and attorney has played a key role in seeking loopholes that allow the president to sidestep the spirit of the law.

The attorney general's comments were almost laughable when he opined that the way to dispel the "misunderstanding" among our European allies is for the United States "to be out there more, talking about what we are doing and why."

Meanwhile, at home we hear administration officials and supporters raising the specter that members of the media are unpatriotic and possibly traitorous when they report about what the administration is doing — and why.

Of course, when the media reports on the government's actions, the administration loses control of the message. And we all know how important that control is.

It's the administration that decides when retirement accounts are "private" ... until it decides they are personal.

It's the administration that decides how long we will "stay the course" ... until it decides we will no longer do so.

It's also the administration that decides how long we will use the term "cut and run" ... until it is no longer politically profitable to do so.

That's the problem with the Bush administration. We are asked to see things its way, but only as long as its way looks good. If its way of seeing things begins to show some tarnish, then we are told we can no longer see it that way, that it's time to change our point of view.

It's going to be very interesting to see how that approach works if, as many observers of many political viewpoints predict, the Republicans lose control of Congress in the coming election.

Saudi Prisoner Release Gives U.S. Pause (LAT)

By Carol J. Williams, Rich Connell And Robert J. Lopez

The Los Angeles Times, October 25, 2006

U.S. officials, apparently caught off guard by the Saudi government's recent release of more than two dozen former Guantanamo Bay prisoners, are voicing fears that the men will join the camp of violent extremist groups.

The Saudis released the 29 men from jail for observance of Ramadan, the Muslim holy month of fasting and atonement, with instructions to return to custody by the end of this month.

Saudi officials said that although the men were still under investigation for possible terrorist ties, they were not considered serious threats. "Throwing people in jail and letting them rot is not the answer," said Nail Jubeir, spokesman for the Saudi Embassy in Washington.

But the commander at the sprawling camp here for suspected terrorists is skeptical.

"I'm interested in if they go back to the fight," said Rear Adm. Harry B. Harris Jr. He contends that about 50 of 300 men released since Guantanamo became a prison in 2002 for terrorism suspects have resumed plotting against U.S. interests worldwide, but could identify only one confirmed example.

The kingdom's decision to temporarily release the 29 men illustrates the limits of U.S. influence as the Bush administration seeks to shrink the population of Guantanamo by transferring prisoners to other nations. And it underscores how differently the U.S. and other countries, including Britain and Germany, perceive the danger posed by former detainees.

Of the 437 captives at the U.S. naval base in Cuba, 110 have been cleared for release to their home countries, and more are being added to the list. Officials have said fewer than 100 prisoners will face military tribunals, leaving 200 or more to be repatriated.

Guantanamo has come under increasing criticism from U.S. allies and is dogged by allegations of prisoner abuse. Administration officials say that the camp will be needed for the foreseeable future, but that the ultimate goal is to shut it down.

Some nations have refused to accept Guantanamo detainees, denying responsibility for them or balking at U.S. demands for elaborate security measures on transferred prisoners.

Critics say the problem has been exacerbated by U.S. failure to plan earlier for releasing prisoners. Lawrence Wilkerson, chief of staff to then-Secretary of State Colin L. Powell in President Bush's first term, recalled repeated high-level meetings in

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which State Department officials pressed the Pentagon to explain its plans for releasing captives from the U.S.-declared war on terrorism.

Wilkerson, now a vocal critic of administration policies on terrorism, said Defense Secretary Donald H. Rumsfeld and Vice President Dick Cheney "refused to deal with it. For these guys, there was never any idea of final disposition."

In the cases of several British citizens, Wilkerson said, Rumsfeld wanted extensive security measures that the British government refused to accept. The British citizens were transferred anyway, and all were released.

Spokespersons for Rumsfeld and Cheney maintained that the administration had worked steadily, in cooperation with U.S. allies, to release or repatriate detainees while trying to ensure they were treated humanely and wouldn't pose threats later.

"The United States government has no desire to hold detainees any longer than necessary," a Defense Department spokesman said.

More recently, the U.S. and its ally have clashed over nine men at Guantanamo who had lived in Britain but were not citizens. A British court case filed on behalf of the men opened a window on the process when top officials had to file statements, copies of which were obtained by The Times.

Earlier this year, according to court records, U.S. and British officials began discussing the possible release of the men. The British officials said the U.S. expected assurances of extensive, open-ended monitoring and surveillance before they would consider returning the men to Britain. The records show that U.S. officials sought guarantees that intelligence officials would know immediately if the men met with Islamic radicals or made threatening statements.

Even if British officials conducted surveillance, used covert agents and intercepted phone calls, the measures would not have satisfied U.S. officials, according to a declaration by William Nye, head of Britain's counter-terrorism and intelligence directorate.

"None of these techniques, individually or collectively, would have been able to provide the sort of guarantees sought by the U.S.," Nye said.

The nine men, Nye told the court, were not considered enough of a danger to warrant diverting intelligence resources "from those who pose a greater threat to national security."

An appeals court in London backed the British government, which also argued that it could not advocate on behalf of the nine detainees because they were not British citizens. The men remain at Guantanamo.

Critics say the ruling served the interests of both U.S. and British officials by creating the appearance that the countries had tried to hammer out a transfer agreement but were thwarted by legal and security constraints.

"This represents a convenient cover for both parties," said Brent Mickum, a Washington lawyer who represents two of the detainees.

British and U.S. officials declined to discuss any specifics of the diplomatic talks.

In another case, that of Murat Kurnaz, a Turk born and raised in Germany, officials in Berlin initially balked at taking him back after the U.S. approved his transfer in 2002. His case languished until this year, when the new German chancellor, Angela Merkel, raised the issue with Bush.

But the transfer was delayed for several more months, in part because of U.S. demands for extensive surveillance and other security measures to keep tabs on Kurnaz's activities, according to interviews and European media reports.

The measures were rejected by German authorities because they would have created "a collision with German law," said Bernhard Docke, the attorney handling Kurnaz's case in Germany.

Kurnaz finally returned to his hometown of Bremen in August and was briefly placed under investigation for possible ties to Islamic extremists. The Germans have since dropped the case.

A spokesman for the German Embassy in Washington declined to comment.

Detainees from Saudi Arabia make up one of the largest groups at Guantanamo Bay. Saudi prisoners have come under particular scrutiny, in part because of the nation's fundamentalist strain of Islam and the fact that 15 of the 19 men who hijacked airliners in the Sept. 11 attacks were Saudi nationals.

So it was not surprising that the releases for Ramadan raised eyebrows among U.S. officials.

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"We're certainly hoping they don't come back and haunt us," said a senior State Department official who requested anonymity because of the sensitivity of the matter.

Saudi officials said the men were released to their families to help rehabilitate them. "The idea is to slowly bring them back into the fold of society," said Jubeir, the embassy spokesman.

But Harris, the prison commander, says he has an obligation to know what becomes of the men in his custody. Part of his mission, he said, is to "keep enemy combatants off the battlefield."

"I take it very seriously whether a detainee is going to get to go home or not," he said.

Court Again Rejects Part Of Canada's Antiterror Laws (NYT)

By Ian Austen

The New York Times, October 25, 2006

OTTAWA, Oct. 24 — An Ontario judge ruled Tuesday that an "essential element" of Canada's antiterrorism laws was unconstitutional.

The decision, by Justice Douglas Rutherford of the Ontario Superior Court, marks the second time in less than a week that a judge at the court has rejected parts of the nation's new antiterrorism laws.

Justice Rutherford found that the laws, introduced after the Sept. 11 attacks in the United States, improperly defined terrorism as a crime committed with religious, ideological or political motives. That definition, he said, is "an essential element that is not only novel in Canadian law, but the impact of which constitutes an infringement of certain fundamental freedoms," including "those of religion, thought, belief, opinion, expression and association."

The constitutional challenge to the laws was brought by the first person to be charged under them, Mohammed Momin Khawaja, a 27-year-old, Canadian-born software developer.

Mr. Khawaja, a former contract employee of Canada's Department of Foreign Affairs, was arrested in Ottawa in 2004 as part of a series of raids coordinated between the British and Canadian police. In Britain, nine other people were arrested and 1,320 pounds of ammonium nitrate fertilizer, a potential bomb ingredient, was seized.

Mr. Khawaja faces seven charges under the new Canadian laws.

He remains in jail, however, because Justice Rutherford struck down only the specific definition of terrorism, without nullifying the law itself. As a result, the impact of Tuesday's decision on Mr. Khawaja's case is not clear, nor are the implications for the 17 other people who were arrested in the Toronto area in June and charged with a number of terrorism-related offenses. Patrick Charette, a spokesman for Canada's Department of Justice, said that because the bulk of the law was preserved, if not the definition of terrorism, the government would go ahead with Mr. Khawaja's trial as planned in January.

But Mr. Khawaja's lawyer, Lawrence Greenspon, said that if the government attempted to try his client, he would ask the Supreme Court of Canada to drop the charges.

"How can you proceed on charges when every one of them is a terrorism charge, but you've taken away that definition?" he said.

The definition of terrorism as a politically or religiously motivated crime, Mr. Greenspon added, has led to abuses by the Canadian police and intelligence officers. "That's why they're knocking on Muslim Canadians' doors and questioning and detaining people who are Arab or followers of Islam," he said.

Last week, another judge struck down portions of Canadian secrecy laws that were included in the antiterrorism legislation. Those parts had been used to raid the home and office of a reporter for The Ottawa Citizen newspaper.

HOMELAND RESPONSE:

FBI Hit For Anthrax 'Dead-ends' (WT)

By Jerry Seper, The Washington Times

The Washington Times, October 25, 2006

DOJ_NMG_0085796

A senior member of the Senate Judiciary Committee wants Attorney General Alberto R. Gonzales to explain why the FBI has not made an arrest in its anthrax investigation, citing five years of "dead-ends and a lack of progress."

"There are numerous and serious questions that need to be answered about both the investigation itself and how the FBI has handled it," Sen. Charles E. Grassley, Iowa Republican, said in a letter yesterday to Mr. Gonzales.

"The FBI's refusal to brief Congress over the last several years is an outrageous response to reasonable requests at getting to the bottom of the attacks."

The FBI's anthrax investigation began in October 2001 after Congress became one of the targets in the first bioterrorist attack on the United States. A letter laced with the deadly bacterium was addressed to Tom Daschle, the South Dakota Democrat serving as Senate majority leader.

Anthrax-tainted letters ultimately killed five persons in the U.S. and infected 17 others.

The FBI took primary responsibility for investigating the attacks and has described its "Amerithrax" probe as one of the largest and most complex in the history of law enforcement. The FBI said recently that it was determined to solve the case, had conducted 9,000 interviews and had issued 6,000 subpoenas.

Nearly 20 FBI agents, working with inspectors from the U.S. Postal Service, continue to pursue the case.

FBI Assistant Director Joseph Persichini Jr., who heads the Washington field office, said last month that FBI and U.S. Postal Service investigators were "fully committed to bringing the perpetrators of these murderous attacks to justice."

Mr. Persichini said the scientific advances gained from the investigation were unprecedented and had strengthened the government's ability to prepare for and prevent biological attacks.

Mr. Grassley said a detailed examination of the probe may reveal the FBI's "institutional resistance to criticism and dissent."

Mr. Grassley, who also serves as chairman of the Senate Finance Committee, said many of the resources devoted to the anthrax probe since 2001 were aimed at attempting to prove that former Army scientist Steven Hatfill, once identified as a "person of interest" in the investigation, was involved in the attacks.

The Justice Department has since said that the strain of anthrax used in the attacks was available to a wider circle of people than initially thought.

Mr. Grassley called "outrageous" the FBI's prohibition of further anthrax briefings to Congress and the suggestion that lawmakers were leaking sensitive information.

"Given the allegations about FBI leaks related to [Steven] Hatfill and its similar leaks related to Richard Jewell in the Centennial Park Bombing Case, for the FBI to withhold information from Congress for fear of leaks seems a bit hypocritical, to say the least," he said.

Mr. Grassley asked, among other things, whether the FBI has been able to narrow the number of "persons of interest" and labs.

Anthrax Mystery And Misery Linger For Postal Workers (WP)

By Courtland Milloy

The Washington Post, October 25, 2006

The envelope containing the anthrax was postmarked Oct. 9, 2001, and arrived at the Brentwood postal facility in Northeast Washington a few days later. The return address read, "4th Grade, Greendale School, Franklin Park, NJ 08852." But the letter had not been mailed by kids. And you could be forgiven for no longer wondering who had mailed it.

Forgiving those who'd forgotten about them -- that's what some postal workers have been trying to do for five years, ever since two of their own, Thomas L. Morris Jr., 55, and Joseph P. Curseen Jr., 47, died Oct. 21 and Oct. 22, 2001, respectively, after inhaling anthrax from that envelope. They want to forgive our forgetting how badly they had been treated. Forgive our not caring that the killer remains at large. Forgive our lack of concern that it could happen again.

They need to forgive lest bitterness and resentment corrode their souls.

"Like soldiers, we continue to work on the front line, sometimes feeling unarmed, in hopes that our health and safety needs are met, and that the culprits are apprehended," Dena Briscoe, president of a postal worker support group called Brentwood

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Exposed, told a gathering of postal employees at a memorial service last week. "We are not offered an apology from our government leaders for their hesitant reactions during the anthrax attacks, putting the mail first and leaving many still wounded."

The contaminated letter had been addressed to then-Senate Majority Leader Thomas A. Daschle (D-S.D.). The anthrax was discovered after it was opened by one of his staff members Oct. 15. Almost immediately, more than 3,000 Capitol Hill employees were methodically tested for anthrax exposure. But at the Brentwood facility, which sorts mail for the House and Senate, it took days before any of the more than 1,000 postal employees were tested -- and then only after one of them had become ill, from anthrax poisoning.

Making matters worse was the obvious racial disparity: the Capitol Hill employees were predominantly white; the postal workers, predominantly black. Moreover, health officials did not go to the postal workers as they did to those on Capitol Hill; instead, the postal workers were directed to government offices miles away, where they had to line up and wait to get a nasal cavity swab. Curseen and Morris never made it.

The memorial service was held at Israel Baptist Church, not far from the Brentwood postal facility, which has been renamed for Curseen and Morris.

Postal worker Robert Finney sang a stirring rendition of the Lord's Prayer ("And forgive us our trespasses as we forgive those who trespass against us"). Sylvia Berry, a former postal worker who is now a minister in North Carolina, followed up with a message of redemption through forgiving.

"It's easy to have bitterness in your heart when you believe life has been unfair," Berry said. "Some find it difficult to let go. Some never forgive. But now is a time for healing. We must learn to forgive and to love one another."

The challenge of forgiveness was highlighted by a letter from Sen. Barbara A. Mikulski (D-Md.) that was read to the gathering. "I can't believe that we still don't know who is behind these attacks," she wrote. "It is unacceptable that we still have no leads."

But recent expressions of concern, regret and solidarity from Mikulski and others might have advanced the process.

Rep. Albert R. Wynn (D-Md.) told the gathered postal workers: "You have our condolences, which may sound like empty words, given all that has happened. The government has failed you. To this day, we bear a measure of guilt."

And in an op-ed column for The Washington Post last week, Daschle, now a lawyer in private practice, wrote: "Five years later, the alarm I and many others experienced on that dark day has been replaced by a deep discouragement and dismay. The investigation trail has gone cold. Physical evidence that might have been gathered in the first days and weeks after the attacks is long gone. While the FBI has made gains in its scientific capabilities and understanding of anthrax, its slowness to move and its lack of direction in the early stages of the investigation led to missed opportunities."

At the memorial service, Joseph Persichini Jr., acting assistant director of the FBI's Washington field office, told the postal workers that law enforcement agents had worked extremely hard, round-the-clock, and that the failure to solve the crime had caused much grief and frustration.

"We are federal employees, with families, just like you," he said. "We want to do our jobs and do them well."

His humility seemed to soften the crowd. "The FBI now has a human face," Briscoe said.

But the wounds inflicted five years ago are still raw. And it probably doesn't help the healing that some postal workers still feel terribly vulnerable to attack.

Traveler Program In Demand (USAT)

By Thomas Frank

USA Today, October 25, 2006

WASHINGTON — Ten of the USA's busiest airports have asked the federal government if they can start Registered Traveler programs that would give pre-screened passengers a shortcut through security lines.

Those programs could begin by the end of the year, launching a much-delayed effort to expedite security for travelers who pass background checks.

Atlanta, Chicago O'Hare and Los Angeles airports — the nation's three busiest — have asked the Transportation Security Administration (TSA) to let them run voluntary Registered Traveler programs, along with 19 other airports.

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The TSA released a list of interested airports for the first time after a Freedom of Information Act request by USA TODAY. The agency must approve airports and companies that would enroll passengers, provide fingerprint-embedded ID cards and usher registered travelers through security.

Carter Morris, a vice president at the American Association of Airport Executives, said programs could start by the end of the year and expand quickly. “It will be a strong start,” Morris said.

Registered Traveler has faced repeated delays since Congress suggested it shortly after the 9/11 attacks. A recent TSA proposal that would have forced participants to pay about $200 a year prompted an uproar. The annual fee is now likely to be about $100.

People in Registered Traveler would go through reserved security lanes that may waive procedures such as removing shoes and coats. Airports and travel groups say the program must operate at a significant number of places to attract millions of passengers nationwide.

Steven Brill, CEO of a New York company that would run Registered Traveler programs, said 10 large airports would provide a “critical mass to ensure this program launches and flourishes.”

However, some airports that have applied have not decided whether to start the Registered Traveler program, including Baltimore and Washington's Dulles and Reagan.

A dozen small to midsize airports that have applied to start Registered Traveler, including Albany, N.Y., and Huntsville, Ala., “are looking at a way to differentiate themselves and attract business travelers,” said Larry Zmuda, a partner at Unisys, a Pennsylvania company that would run the program.

More 9/11 Remains Found At Ground Zero (AP-Y)

By Sara Kugler

AP, October 25, 2006

Mayor Michael Bloomberg acknowledged Tuesday that the city pushed for a swift cleanup at the World Trade Center but said the fast pace was an effort to return remains to victims' families quickly.

Meanwhile, 36 more bone fragments were found Tuesday in subterranean cavities along the edge of the site as workers continued burrowing into areas that were apparently missed during the initial cleanup.

Bloomberg spoke a day after The Associated Press reported that some officials handling the cleanup in 2002 had recommended a more thorough search for remains but felt rebuffed by a city agency that just wanted to finish the job.

The agency in charge of the excavation, the Department of Design and Construction, was applauded for its efficiency in 2002 after it whisked away the 10-story pile of trade center rubble in less than a year.

"Were we under time pressure? Absolutely," Bloomberg said Tuesday. "I don't know any family member that didn't want to find out whatever they could about the loved one that they lost. And we did it as fast as we could, consistent with safety and completeness."

Some victims' relatives dismissed the mayor's explanation for the quick cleanup.

"It had very little to do with the families," said Monica Gabrielle, who has no identified remains of her husband, Richard. "This is another spin — it's a diversion away from the issue, which is that management failed, not the workers. And management needs to be held accountable."

Among the officials who said they raised objections during the nine-month recovery effort was Lt. John McArdle, ground zero commander for the New York Police Department.

"There came a point in time when they said, 'We gotta try to wrap this up,' and they tried to expedite it as much as possible, and they jumped the gun, and now you have all of these families hurt, and they're finding all these body parts," he said.

Several large bones were accidentally discovered last week after a utility crew opened up a non-working manhole. Since then, the city has been tearing up the pavement and examining other underground pockets in the same vicinity, which is a service road along the western edge of the 16-acre site.

In the past few days, more than 100 bones and fragments have been recovered. The medical examiner's office is working to match them to victims.

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Thousands of pieces recovered during the main excavation still have not yielded matches, leaving more than 40 percent of the attack's 2,749 victims without any trace of remains.

The newly discovered bones are just the latest finding of overlooked remains. Hundreds of bone fragments have been found on the roof of a building just south of the trade center site, and officials are eyeing whether other buildings need to be combed again.

Analysis: Whites Challenged Katrina Insurers More (USAT/AP)

By Rukmini Callimachi And Frank Bass

USA Today, October 25, 2006

NEW ORLEANS — The Little and Kitchens families watched helplessly as Hurricane Katrina battered their homes. Both families waited patiently for an insurance adjuster to settle their losses. And both were sorely disappointed with the outcome.

Then, their paths diverged.

Richard and Cindy Little, a white couple living in a predominantly white neighborhood, filed a complaint with the Louisiana Department of Insurance. Eventually, they won full reimbursement.

Doretha and Roy Kitchens, a black couple living in New Orleans' overwhelmingly black Lower 9th Ward, simply gave up and took what their insurer gave them. They didn't know they could appeal to the state.

Though poor and minority neighborhoods suffered the brunt of Katrina, residents living in white neighborhoods have been three times as likely as homeowners in black neighborhoods to seek state help in resolving insurance disputes, according to an Associated Press computer analysis of Louisiana's insurance complaints settled in the first year after Katrina.

“The blacks didn't complain 'cause they got tired,” said Doretha Kitchens, 58, who recalls numerous phone calls to her insurer. Ultimately, she accepted her insurer's offer of about $34,000 for damage that actually totaled more than $120,000.

The insurance industry and state regulators say they made special efforts to reach out to poor and minority neighborhoods.

“The message doesn't get to everyone,” Louisiana Insurance Commissioner Jim Donelon said.

More than 700,000 insurance claims were filed for Hurricane Katrina damage in Gulf Coast states and to date, only $14.9 billion of $25.3 billion in insured losses has been paid, the national risk modeling company ISO estimates.

In Louisiana, more than 8,000 residents have filed Katrina-related complaints with the state insurance office. The AP obtained the files of more than 3,000 settled complaints and analyzed the outcomes.

Nearly 75% of the settled cases were filed by residents currently living in predominantly white neighborhoods. Twenty-five percent were filed by households in majority-black ZIP codes.

Donelon said his department made an extra effort to reach as many people as possible and let them know the agency was willing to press their case with insurers.

That message never reached the water-stained stoop of Doretha Kitchens' house, which was enveloped in a 9-foot surge of muddy water.

Kitchens didn't know she could appeal Allstate's settlement offer to the state, but doubts it would have changed anything. Her husband, she said, simply lost faith that anyone would help.

“My husband didn't want to be bothered. I asked him, ‘Why don't we sue the insurance company?' He said, ‘They ain't gonna do nothing no way.' ”

Richard and Cindy Little's home in Slidell had extensive damage. When their insurer agreed to pay two-thirds of the repair cost, the Littles used their savings to cover the construction, then began battling Allstate over the settlement. Eventually, their efforts paid off.

“We had money in the bank so we could wait them out,” said Cindy Little, 50.

Mike Trevino, a spokesman for Allstate, said the state agency treated minority and white homeowners equally. The figures obtained by the AP support his contention.

Aloyd Edinburgh, 75, who lives in the Lower 9th Ward, couldn't wait it out.

Insurers gave him $35,000 out of a policy worth $85,000.

“The best thing I can do is take the money I did receive and go to work,” he says.

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Safer, Stronger, Smarter (USAT)

By Norman C. Francis

USA Today, October 25, 2006

On Aug. 29, 2005, the world watched as federal levees failed our city of 450,000 people — leading to 1,400 deaths and flooding tens of thousands of our homes and businesses. Following the most catastrophic engineering breakdown in U.S. history, the Army Corps of Engineers acknowledged that its levees failed in a storm they were engineered to withstand.

In response to this tragedy, we in Louisiana have pledged to acknowledge our risks and rebuild safer, stronger and smarter. This isoftentimes an unpopular position, but we've stuck to that commitment. Governor Kathleen Blanco, the Louisiana Legislature and the Louisiana Recovery Authority went far beyond what was required of us. We adopted a tough, new statewide building code and FEMA's new flood elevation guidelines. With funding from President Bush and Congress, we created programs to allow families to sell us their flood-damaged homes or elevate as they make repairs.

These incentives are helping people do the difficult work of rebuilding to a higher standard of safety.

Nobody lives risk-free in this world. But federal investments of nearly $6 billion to repair and strengthen our levees, combined with our adoption of the international building code and FEMA's flood guidance, means that we are using the best available science to reduce that risk to a manageable level.

What if Washington, D.C., were hit by a hurricane? Would we question whether to rebuild? What if the levees protecting Sacramento failed as ours did? What good is levee protection if homeowners are not allowed to build behind them? The question that should be answered in cases like ours is not whether to rebuild Louisiana, but how to do so safely.

We are answering these questions as we buy out houses in flood-prone areas and help families elevate in compliance with the best flood guidance available. In doing so, we echo the president's adviser on Gulf Coast recovery, Donald Powell, who said, “These advisories will provide a greater degree of certainty and confidence to the citizens of New Orleans, who are anxious to rebuild their homes and businesses … and to help them make sound rebuilding decisions.”

Norman C. Francis is chairman of the Louisiana Recovery Authority.

New Orleans Plan: Rebuild In Flood Zones, Hand You The Bill (USAT)

USA Today, October 25, 2006

The definition of insanity, according to Benjamin Franklin, is doing the same thing over and over and expecting different results.

Ben, welcome to New Orleans.

Nearly three-quarters of 14,534 New Orleanians who've applied for federal grants say they'll rebuild their Hurricane Katrina-damaged homes in flood areas — even though city restrictions are unlikely to protect their homes if the levees fail again, USA TODAY's Anne Rochell Konigsmark reported last week.

The latest plan calls for the Louisiana Recovery Authority to dole out grants of up to $150,000 to cover uninsured losses, which residents can use to rebuild or relocate. To qualify, homeowners in and around the city must raise their homes by at least 3 feet and purchase federal flood insurance.

So let's see. Federal taxpayers will be subsidizing reconstruction in flood areas, underwriting the insurance on those homes and will no doubt have to bail out the flood insurance program if the homes get wiped out again. The program collected only $2.2 billion last year in premiums but will pay out more than $20 billion in Katrina claims, leaving taxpayers on the hook for the rest. Worse, the program encourages development in areas subject to flooding — not just in New Orleans, but everywhere — by offering insurance at bargain rates in areas where private insurers fear to tread. That increases the population in vulnerable areas, leading to more costly disasters.

It is an absurd use of taxpayers' money, to which New Orleans is adding an expensive new twist.

Certainly, the homeowners in and around New Orleans deserve some assistance because of the magnitude of the disaster and the failure of federally constructed levees to protect them. But encouraging rebuilding in the most flood-prone areas is foolhardy.

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The 3-foot rule, adopted Sept. 1 by the New Orleans City Council, makes little sense and is a poor substitute for a comprehensive rebuilding plan. An extra yard of elevation isn't needed in areas that didn't flood after Katrina, and it's too low in areas that saw as much as 20 feet of water. Just ask those who had to be rescued from their rooftops. If there's another catastrophic event, thousands of homes could flood again under the new rules, says Federal Emergency Management Agency Deputy Director Doug Bellomo.

To prevent such an event, $6 billion is being spent to upgrade the 350 miles of levees around New Orleans. But parts of that system remain suspect, and work won't be done until 2010 at best. This year's tame hurricane season is no reason for complacency. The truth is, New Orleans won't be safe from a Katrina-scale storm for many years.

Recovery after Katrina is a mammoth undertaking that should be managed at the municipal and state level. But if local authorities allow residents to rebuild in the most dangerous areas, it should be at their own risk. Asking taxpayers around the USA to subsidize, underwrite and bail them out again fits Franklin's definition of nuts.

WAR NEWS:

General Weighs 2nd Troop Shift To Calm Baghdad (NYT)

By John F. Burns

The New York Times, October 25, 2006

BAGHDAD, Oct. 24 — The top American military commander in Iraq said Tuesday that it was possible he might need to call for an increase in American troop levels in Baghdad to reinvigorate a plan to recapture the capital's streets from insurgents and death squads.

In a news conference held after a week of largely bad news from Iraq, Gen. George W. Casey Jr. and Ambassador Zalmay Khalilzad sought to reassure an increasingly restive American public that the war was still winnable.

Mr. Khalilzad laid out a timetable for political measures he said the Iraqi government had agreed to take that the Americans see as crucial to tamping down sectarian violence, and General Casey predicted that Iraqi troops would be able to take over the main burden of the war in 12 to 18 months, allowing American troops to move to a support role. [Military analysis, page A8.]

But the two men, America's top officials in Iraq, did not address what would happen if the government failed to meet the timetable, which includes measures meant to address some of the most intractable issues plaguing the country, including the sectarian militias that have been responsible for much of the worst violence this year.

General Casey declined to specify steps he would take to adjust the Baghdad security plan, which military officials acknowledged last week had failed to stem the violence in the capital. But he said troop increases — on top of several thousand additional American troops deployed when the Baghdad crackdown began in August — were among the options to secure the capital.

"Now, do we need more troops to do that?" he said. "Maybe. And as I've said all along, if we do, I will ask for the troops we need, both coalition and Iraqi."

He said his options could include deploying more Iraqi soldiers, bringing in more American troops to Baghdad from the 141,000 already in Iraq, or getting reinforcements from American troops deployed outside the country.

To increase combat forces further might require calling in some troops on standby in the region or extending the tours of units nearing the end of their 12-month tours in Iraq, which in turn could mean calling up reserves. Such a move would be politically unpopular, particularly in the run-up to an election in which the war has become a highly charged issue.

General Casey said earlier this month that he might need more troops in Iraq, but he gave no indication Tuesday, nor have other senior commanders, that such a request had been made.

Civilian deaths in Baghdad have been at near-record rates, and American casualties are running at their highest level in two years, with 90 troops having lost their lives so far in October. On Tuesday, American troops intensified their search for a soldier the military said had been abducted while visiting relatives in Baghdad on Monday.

In the past 10 days, two Iraqi cities, Balad and Amara, have been briefly taken over by militia gangs after American and British forces withdrew, and the civilian death toll across the country in October has remained at close to the record levels of the

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summer months, when it reached an average of about 100 a day. The situation has fed uncertainty about the war in the United States, prompting President Bush to reaffirm his commitment to the war, but to express a readiness to adjust tactics as the situation demands.

Maj. Gen. J. D. Thurman, commander of the Fourth Infantry Division who is the operational commander for Baghdad, said in an interview with The New York Times earlier this week that his first requirement was more Iraqi troops. He said the Iraqis had promised four battalions for the Baghdad operation, and committed only two. The general said he had not asked for more American troops.

General Casey and Mr. Khalilzad said that Iraqi leaders must set aside sectarian differences to unite behind "a national compact" within the next 12 months that will help overcome sectarian divisions driving the war. Mr. Khalilzad said the crucial issues to be settled included demobilizing sectarian militias, a fair division of national oil revenues, amendments to the 2005 Constitution to guarantee all Iraqis equal rights, and a new deal for former Baath party members to balance "accountability and reconciliation."

Also required, he said, was an increase in the "credibility and capability of Iraqi forces," whose performance, desertion rates and unwillingness to deploy outside their home areas has continued to disappoint American commanders.

"The recent sectarian bloodshed in Iraq causes many to question whether the United States and the Iraqis can succeed," Mr. Khalilzad said in his opening statement. "My message today is straightforward: Despite the difficult challenges we face, success in Iraq is possible and can be achieved by a realistic timetable." But he added a crucial proviso: "Iraqi leaders must step up to achieve key political and security milestones on which they have agreed."

A copy of the timeline Mr. Khalilzad said had been agreed to by Iraqi leaders was made available to The New York Times by American officials. Entitled "notional political timetable," it sets a seven-month schedule, running from this September to March 2007, to complete a 16-point agenda on divisive issues.

But the document provides deadlines only for the Iraqis to establish the legislative and executive framework for action on the most decisive issues, not for the implementation of policies that American officials believe is urgent if the tide in the war is to be reversed. A case in point is the sectarian militias, whose involvement in the killings of thousands of Iraqis this year has been identified by American officials as the most pressing issue of all. Without an end to the militia threat, they have said, no military action by American and Iraqi forces can win the war.

The timeline provided by the Americans sets a December deadline for Iraq's Parliament to pass laws setting terms for an amnesty for those willing to renounce bloodshed, and for other measures governing the demobilization of militias and means of reintegrating their members into civilian life. Iraqi leaders have promised to move against the militias since Iraq resumed sovereignty in June 2004, but three prime ministers, including Nuri Kamal al-Maliki, who took office in May, have repeatedly deferred action.

Even as American and Iraqi troops have battled sectarian militias in the Baghdad crackdown, Mr. Maliki has held firm, saying that persuading the powerful political groups that control the militias to disband them requires a political consensus, not the tough military action favored by American commanders.

For the prime minister, the issue is one of political survival, since the political groups whose power is underpinned by the two main Shiite militias, the Mahdi Army and the Badr Organization, both identified by American commanders as operating death squads, are key partners in the Shiite alliance that controls the government.

The news of the timetable drew reactions in Washington that ran mostly along party lines.

Senator Lindsey Graham, Republican of South Carolina and a member of the Armed Services Committee, called the statements from General Casey and the ambassador "encouraging."

"They understand the security situation is lacking and working with our Iraqi allies, they understand the need to get it right," he said.

But Representative Ike Skelton of Missouri, the senior Democrat on the Armed Services Committee said: "After three and a half years of training, this timetable is too long." He said he had been telling the administration to set a timetable for two years and called General Casey's statements, "a sobering assessment from our top military commander of how much farther Iraq's forces still have to go."

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Like Mr. Khalilzad, General Casey alluded to the growing popular and Congressional restiveness toward the war, saying, "I'm sure for the folks back in the United States trying to look at this, it looks very confusing and hard to understand." He said the war had reached "a difficult situation" that was "likely to remain that way over the near term," but offered a more hopeful projection for 2007 and 2008, a period that would carry American troops here to the fifth anniversary of the invasion that overthrew Saddam Hussein.

The American commander said the rebuilding of Iraq's security forces was about 75 percent complete. He said almost 90 of the 112 American-trained Iraqi Army battalions are "in the lead" across Iraq, meaning that they have taken over the primary combat role from Americans.

"Make no mistake about it, we are in a tough fight here in the center of the country and in Anbar Province" to the west of Baghdad, base to much of the Sunni insurgency, the general said. "But I think it's important to remind people that 90 percent of the sectarian violence in Iraq takes place in about a 30-mile radius from the center of Baghdad, and that, secondly, 90 percent of that violence takes place in five provinces" of the 18 that make up Iraq. "This is not a country that is awash in sectarian violence."

General Casey said that American troop withdrawals can and must be made as Iraqi forces improve. But he refused to set any hard-and-fast deadlines, saying that withdrawals would depend on developments in the war. "The Iraqis are getting better," he said.

"I still very strongly believe that we need to continue to reduce our forces as the Iraqis continue to improve, because we need to get out of their way," the general said.

In other developments on Tuesday, the American military command said that four more American troops had died in rebel attacks in Iraq. With a week to go, October has already become the deadliest month for American troops in 12 months and is on pace to become the third deadliest month of the conflict. Three troops — two marines and a sailor — were killed Monday in Anbar Province, the military said, and a soldier died early Tuesday from wounds he sustained when his patrol was struck by a concealed bomb in Baghdad.

In Falluja on Monday, American troops, responding to a report that a fire truck had been hijacked by insurgents, stopped a fire truck matching the description, the command reported. As the truck's four occupants "exited quickly," the statement said, the troops opened fire, killing them.

American troops later found that the men were actually firefighters responding to an emergency call and were not riding in the hijacked truck.

In Baghdad, an intensive military search continued Tuesday for an American soldier who was reported missing late Monday. Military officials said that the soldier, who is of Iraqi descent and works as an interpreter, appeared to have left the fortified Green Zone on Monday afternoon to visit with family members in Baghdad. A military statement, citing witnesses, said the soldier was at a relative's house when men wearing "dark-colored rags over their noses and mouths" pulled up in three cars, handcuffed the soldier and took him away in one of the vehicles.

The kidnappers later called a relative of the soldier using the victim's cellphone, the statement said.

Hundreds of American and Iraqi security forces, backed by attack helicopters and unmanned aerial surveillance drones, surged into the central Baghdad neighborhood of Karada on Monday night, sealing off roads and bridges, searching vehicles, and raiding homes and offices.

The sweep continued all day Monday, snarling traffic throughout the center of the capital. The American military said that among other locations, its troops had raided the Al Furat television station, which is owned by the Supreme Council for the Islamic Revolution in Iraq, a powerful Shiite party; and Saeed Adrees Mosque, a Shiite mosque.

American officials vowed to continue the search until the missing serviceman was rescued. "We will leverage all available coalition resources to find this soldier," said General Thurman.

More U.S. Troops May Be Iraq-Bound (WP)

By Ellen Knickmeyer

The Washington Post, October 25, 2006

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BAGHDAD, Oct. 24 -- The top American commander in Iraq said Tuesday that he may call for more troops to be sent to Baghdad, possibly by increasing the overall U.S. presence in Iraq, as rising bloodshed pushes Iraqi and American deaths to some of their highest levels of the war.

The commander, Gen. George W. Casey Jr., also said he now believed Iraqi forces would be ready to take over security responsibility from the Americans no sooner than late 2007 or early 2008. The announcement of a 12- to 18-month target again pushes back the withdrawal of the bulk of the 145,000 or so U.S. troops in Iraq.

Casey spoke alongside U.S. Ambassador Zalmay Khalilzad at a rare joint news conference in Baghdad's Green Zone, aiming to show that U.S. and Iraqi leaders were confronting surging sectarian violence. Both men acknowledged that both the course and nature of the war have changed this year, as Iraq's Shiite Muslim majority and Sunni minority battle for power, resources and, lately, survival.

"Make no mistake about it: We are in a tough fight here in the center of the country and in Anbar province," Casey said, emphasizing that the worst of the bloodletting was in Baghdad.

"This is not a country that is awash in sectarian violence," Casey said. "The situation's hard, but it's not a country that's awash in sectarian violence."

Casey said later that any additional troops for Baghdad could come from a variety of sources, including from the Iraqi military, from U.S. forces elsewhere in Iraq or from outside the theater.

Khalilzad framed the Iraqi conflict as part of the struggle for security in the Middle East, which he called "the challenge of our age." He sought to rally flagging public support in the United States for the war and answer calls -- led by Democrats -- to set a timeline for American withdrawal.

"The recent sectarian bloodshed in Iraq causes many to question whether the United States and the Iraqis can succeed," Khalilzad said. "My message today is straightforward: Despite the difficult challenges we face, success in Iraq is possible and can be achieved on a realistic timetable."

But events inside and outside the Green Zone on Tuesday highlighted the stubbornness of the basic problems with which U.S. forces have struggled since the 2003 invasion: security and infrastructure. Killings by insurgents in the western province of Anbar helped push up the October death toll among American troops in Iraq by four service members to 91, the U.S. military said Tuesday, the highest monthly total for American forces in the country in 12 months.

And Casey and Khalilzad, the top U.S. military and civilian leaders in Iraq, were left for several minutes to deliver their remarks in darkness illuminated only by the battery-powered lights of TV camera crews. One of Baghdad's frequent power outages cut electricity to the converted parking garage that houses the U.S. military press center, briefly knocking the internationally broadcast conference off the air.

For Casey and his predecessors, the question of whether President Bush dedicated enough troops to the Iraq war has been one of those most frequently asked -- and hotly debated. While Casey has raised troop strength temporarily as high as 150,000 for Iraqi national elections, his stock answer has been that if he felt additional troops were needed, he would ask for them.

On Tuesday, Casey said he might ask for them. If Iraqi leaders can resolve their differences and if Iraqi security forces improve, "I think [we] can put Iraq in a very good place in 12 months.

"Now, do we need more troops to do that? Maybe."

It is not clear whether Iraqi or U.S. forces in Iraq, which already are stretched thin, could provide substantially more troops for duty in the capital, however.

American commanders have complained, usually privately, that the Iraqi government has failed to provide many of the Iraqi troops they requested earlier to try to stabilize Baghdad. In September, commanders had a weeks-old request for 3,000 more Iraqi troops for the capital; only a few hundred arrived, Maj. Gen. James D. Thurman, the U.S. commander for Baghdad, said last month. Some Iraqi battalions have mutinied rather than answer orders to deploy to Baghdad.

U.S. commanders moved at least 6,000 more American troops to Baghdad over the summer for Operation Together Forward, an effort to arrest the violence in the capital. To get those extra troops, commanders had to take the unpopular step of

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extending one unit's deployment just as it was going home to its base in Alaska, as well as calling in emergency reserves based in Kuwait.

In all, about 15,000 American troops and 9,000 Iraqi soldiers are now deployed in Baghdad for the special security operation.

Despite the concentration of efforts in the capital, violence here has climbed more than 43 percent since midsummer. Maj. Gen. William B. Caldwell, the top U.S. spokesman in Iraq, said last week that attacks had climbed 22 percent in the first two weeks of the Islamic holy month of Ramadan, which began in late September, compared with the preceding two weeks.

The toll is highest among Iraqi civilians. More than 2,660 Iraqis were killed in Baghdad last month alone, the highest such figure for the war. The average daily number of attacks on Iraqi security forces is also at a high, the U.S. Defense Department said in a report in late August.

Casey said U.S. and Iraqi authorities would adjust their Baghdad military plan to combat the rising attacks. He declined to give specifics.

Iraqis and Americans here face "a difficult situation, and it's likely to remain that way over the near term," Khalilzad said.

U.S. and Iraqi leaders were adjusting political goals in Iraq as well, Khalilzad said, to cope with a conflict that has expanded from an insurgency alone to an insurgency increasingly overshadowed by sectarian violence.

Khalilzad said Iraqi Prime Minister Nouri al-Maliki had agreed to timelines for accomplishing several specific goals, including developing a plan to deal with militias and reforming Iraq's Interior Ministry by the end of the year.

Militias connected to the Shiite religious parties that lead Iraq's government are accused by U.S. officials, Iraqi Sunnis and others of being lead players in increasingly brazen attacks on Sunnis. In the south, where Sunnis are few, Shiite militias fight each other.

According to Khalilzad, Maliki told U.S. officials that Moqtada al-Sadr, the Shiite cleric who leads the most feared militia, had agreed to the creation of a plan for disarming militias.

However, Sadr has said he does not consider his armed followers to be a militia, and thus sees them as outside any plan to break up the militias, according to one diplomat here. It was not clear if Sadr's alleged commitment to Maliki superseded that.

On Tuesday, Sadr called for an end to religious killings.

"I totally reject any Shiite-Shiite fighting or Sunni-Shiite sectarian fighting in Iraq under any pretext," he said in a speech in the southern holy city of Najaf. "Protecting Iraq is our main goal, and the expulsion of the occupation troops from the country is our objective, too."

Armed bands claiming to be part of Sadr's militia have kept up the violence despite similar calls from Sadr in recent months. At least in part, Sadr appears not fully in command of the thousands of armed men claiming allegiance to him.

Iraq's Interior Ministry also is controlled by the Shiite religious parties, and U.S. commanders concede it is heavily infiltrated by the Shiite militias.

Khalilzad said Iraqi leaders have agreed that, over the next 12 months, they will come up with a national compact for reconciliation and a plan that fairly shares Iraq's oil wealth, have a program on militias in place and work on Iraq's security institutions.

Since taking office in May, Maliki has postponed promised action on militias and on national reconciliation, frustrating American officials as the U.S. toll rises and Iraq's divisions deepen. Khalilzad on Tuesday urged Iraqi leaders to "step up" to their responsibilities.

American commanders also have repeatedly set rough dates for when U.S. troops might start to withdraw, only to roll back those dates as Iraq's troubles worsened.

Casey said last year that he hoped for "fairly significant" withdrawals by spring 2006, but he said Tuesday that rising sectarian violence had made such a drawdown impossible.

In Washington, some Democrats responded to Khalilzad's and Casey's messages by demanding that the United States pull out troops if Iraqis miss their deadlines.

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"We need to make clear that American troops will be leaving within a year to force Iraqis to make the tough compromises," Sen. John F. Kerry (Mass.) said in a statement. "Only then do we have a chance to make Iraqis stand up for Iraq and bring our troops home."

"We must accelerate the timeline of training Iraqi security forces" and double the number of U.S. trainers, said Rep. Ike Skelton (Mo.), ranking member of the House Armed Services Committee. "American force readiness is at critically low levels and will only fully recover when significant numbers of personnel and equipment can begin to redeploy from Iraq."

Iraqis To Plan Timeline For Reducing Violence (LAT)

By Louise Roug

The Los Angeles Times, October 25, 2006

BAGHDAD, Iraq — The top U.S. military commander in Iraq said today that more U.S. troops might be needed to quell sectarian violence raging in the capital.

In a news conference with the American ambassador, Gen. George W. Casey Jr. said he was open to requesting more American troops given the conflict's complexity and seriousness, especially in Baghdad.

During October, U.S. and Iraqi forces have come under increased attacks, with at least 90 U.S. troops killed in the highest American monthly death toll this year. Another 300 Iraqi troops have also been killed during the holy month of Ramadan, according to Casey. Most of the U.S. and Iraqi casualties have been killed in Baghdad.

The war in Iraq is a key issue in the Nov. 7 U.S. election and the Bush administration has been keen to play down any shift in Iraq policy. At the same time, President Bush has dropped the refrain that the United States will "stay the course" in Iraq, White House Press Secretary Tony Snow confirmed Monday.

"He stopped using it," Snow said of the phrase, suggesting that it left the impression the administration was not adjusting to conditions in Iraq.

Last week, military spokesman Maj. Gen. William B. Caldwell IV described the continued violence in Baghdad as "disheartening," suggesting that the military was recasting its strategy.

In the past, military officials have described the strategy in Baghdad as "clear, hold and build." While the U.S. military is able to clear neighborhoods of insurgents, holding and building has proved more problematic.

"Do we need more troops to do that? Maybe," Casey said at the news conference. "If we do, I'll ask for the troops we need, both coalition and Iraqis."

There are now 147,000 U.S. troops in Iraq.

Casey acknowledged that he had initially projected a significant reduction of troops this year but that, by late June, it became clear that more U.S. forces were needed to augment Iraqi security forces still being trained.

"It's going to take another 12 to 18 months or so till I believe the Iraqi security forces are completely capable of taking over responsibility for their own security," Casey said, repeating a statement he made last month.

During the same news conference, U.S. Ambassador Zalmay Khalilzad emphasized a political timetable, saying the Iraqi government has agreed to begin resolving fundamental disputes through a "national compact."

Iraqi politicians differ on issues such as disarming militias and insurgents, revenue sharing and constitutional amendments. "Iraqi officials have agreed to a timeline for making these difficult decisions," Khalilzad said.

However, it was unclear what will happen if the Iraqi politicians fail to meet the agreed upon timeline.

Khalilzad also said the Bush administration has approached some of Iraq's neighbors for help.

"We are reaching out to Arab states, such as Saudi Arabia, the UAE [United Arab Emirates] and Jordan, to help by encouraging these groups to end the violence and work for a united and independent Iraq and to work against Al Qaeda," he said. "These countries have promised to be helpful."

Other neighbors have not been helpful, he said, pointing to Iran and Syria. "Both Iran and Syria continue to be decidedly unhelpful by providing support to the different extremists groups operating in Iraq," Khalilzad said.

U.S. Shifts Onus To Iraqis To Find Political Solution (WSJ)

By Greg Jaffe

DOJ_NMG_0085807

The Wall Street Journal, October 25, 2006

With few military options left to counter the violence across Iraq, top U.S. officials are shifting more of the onus onto Baghdad's beleaguered political leaders to broker compromises they hope might stem the rising bloodshed.

In a sign that Washington is turning up pressure on Prime Minister Nouri al-Maliki to act, U.S. officials in Baghdad and Washington yesterday said progress on resolving Iraq's ethnic and religious rifts must come soon.

The focus on Baghdad's fledgling government follows the U.S. military's admission last week that its four-month-old plan to secure the Iraqi capital by concentrating U.S. and Iraqi forces there hasn't worked as hoped. It also comes amid congressional-election campaigns in which Republicans and Democrats are pressing the Bush administration to radically change its approach in Iraq.

But little in Iraq over the past three years offers reason for optimism that the renewed pressure on Mr. Maliki will produce better results. Over that period, the U.S. has tried various military tactics -- having U.S. troops take the lead, having them step back from major cities, inserting them deep into urban conflict zones or having them stay on the perimeters -- only to see the security situation worsen steadily. At the same time, American officials have been disappointed in Mr. Maliki, considering him too passive in addressing Iraq's deep political rifts and too timid in confronting the militias that increasingly pose serious security problems.

Mr. Maliki took office in May after almost five months of postelection political wrangling among Shiite Muslims, Sunni Muslims and Kurds. From the outset, U.S. officials knew his "unity government" had a weak grip on power and a limited ability to achieve deals on exceedingly divisive issues such as distribution of oil revenue, amnesty for Sunni insurgents and the dissolution of Shiite militias.

As sectarian violence worsened during the summer, top U.S. officials decided to flood Baghdad with troops and checkpoints in an effort to stem the chaos and help the weak Maliki government build some much needed credibility with the Iraqi people. According to the plan, helping the government appear stronger would make it easier for Mr. Maliki to forge much-needed compromises that would in turn enhance security. But the crackdown's failure and the lack of good military options that remain are prompting a renewed emphasis on repairing some of the deep sectarian rifts sooner rather than later.

Recent events suggest it will be hard for Mr. Maliki, who took office with support from radical Shiite cleric Moqtada al-Sadr, to force the changes the U.S. wants. For example, less than two days after Mr. Maliki met with Mr. Sadr and Grand Ayatollah Ali al-Sistani, Iraq's most revered Shiite cleric, Mr. Sadr's militia stormed the city of Amara and clashed with local police forces and a rival Shiite militia. The violence was seen by many Iraqis as a sign of Mr. Maliki's inability to bring Mr. Sadr and his militia under control.

Democrats pounced on the shift announced yesterday as a sign of political desperation. "Today, it is no small irony that Republicans -- who desperately fear the voters' wrath in elections just two weeks from today -- have excised 'stay the course' from their vocabulary and announced that the Iraqis have agreed to a timetable for achieving political and security benchmarks," said Maryland Rep. Steny Hoyer, the second-ranking House Democrat.

In a joint news conference in Baghdad, Gen. George Casey and Ambassador Zalmay Khalilzad, the top two U.S. officials there, said Iraqi leaders have agreed to the outlines of a plan to stabilize the country. The goal would be for Iraqi forces to take full control of security in the country in the next 12 to 18 months with "some level" of American support.

Mr. Khalilzad mentioned several areas in which progress would be measured that depend heavily on Iraqi leaders to reach political compromises on such contentious issues as the distribution of oil revenue, the disarming of militias and some sort of reconciliation program to bring warring Sunni and Shiite Muslims together. He also called for Iraqi leaders to improve the capability and credibility of their police and army forces -- with U.S. help.

"Iraqi leaders have agreed to a timeline for making the hard decisions needed to resolve these issues," Mr. Khalilzad said. He stopped short of laying out specific dates for the milestones. U.S. officials also have rejected suggestions that the U.S. would threaten to withdraw troops if the goals aren't met.

The apparent shift toward achieving a political solution stems from the limited military options available to the U.S. and Iraqis. Since August, thousands of U.S. and Iraqi troops have been concentrated in Baghdad to quell violence by insurgents and sectarian death squads. The hope was that tamping down violence in the capital would make it possible to bring the rest of the country under control and give Mr. Maliki's government a much needed boost.

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In a way, officials now are describing a strategy that reverses the priorities the U.S. had set for itself and its allies in the Iraqi government. Bush administration officials had long theorized that Iraq's security situation needed to be stabilized before its fledgling government would have the breathing space to solve the difficult sectarian splits and regional feuds. Now, the U.S. is proposing that Mr. Maliki needs to do more to establish a government worth defending before a security force can be built to do that job adequately.

In Washington, National Security Adviser Stephen Hadley echoed the message to Mr. Maliki and his government to act now. "I think they've got to do more and they've got to do it faster," Mr. Hadley said in a radio interview at the White House. "And I think if you talked to Prime Minister al-Maliki, he would say to you the same thing."

October has been the deadliest month this year for American forces. The military yesterday announced four more U.S. troops had been killed, raising the U.S. death toll for the month to at least 91 so far. After a brief dip in late August and early September, the number of Iraqis killed in Baghdad also seems to be building again to levels similar to those before the stabilization campaign.

Despite rising casualties, Gen. Casey suggested the extra troops are making a difference. Currently there are about 15,600 American troops, 10,000 Iraqi army troops and 30,000 Iraqi police involved in Operation Forward Together, the joint military effort in the capital. Gen. Casey suggested he might ask for more soldiers to help hold onto areas of Baghdad that the U.S. had cleared of Sunni insurgents and Shiite death squads.

"Do we need more troops to do that? Maybe. And as I've said all along, if we do, I will ask for the troops I need, both coalition and Iraqis," he said.

But it isn't clear whether more troops would indeed be available in large numbers. The U.S. has a relatively small force available in Kuwait that it could call on if needed. But the U.S. Army is so stretched right now by missions in Iraq and Afghanistan that it has few active-duty troops ready and equipped to flow into Iraq. Democratic Sen. Jack Reed of Rhode Island warned in a Senate hearing in August that two-thirds of the Army's active force is unready, while the remainder of the force is largely deployed.

Calling up National Guard troops to ease the pressure is also a problem. To increase significantly the size of the reserve force the Bush administration would have to change longstanding Pentagon policies that allow the Army to call up National Guard and Army Reserve troops for a second Iraq tour. Such a move would be politically unpalatable and could spark further calls from Congress to shift the plan in Iraq. Some U.S. officials also worry that sending in more American soldiers may not help much, unless they are partnered with reliable Iraqi troops who know the terrain.

In addition to laying out political milestones, Gen. Casey also said American and Iraqi officials believed that in 12 to 18 months, Iraqi security forces would be "completely capable of taking over responsibility for their own security. That's still coupled with some level of support from us."

The performance of the Iraqi army and police forces in the current Baghdad security initiative has been mixed. U.S. officials have complained that the police have been significantly infiltrated by Shiite militias. And only two of the six army battalions the Iraqis pledged to the effort have been delivered, according to reports in the New York Times. Some U.S. officials say the performance of the Iraqi forces likely will remain uneven without progress on the political front.

"An insurgency is a political struggle," said Kalev Sepp, a professor at the Naval Postgraduate School who has advised U.S. commanders in Baghdad on counterinsurgency strategy. "You can't create security forces if they don't have a government to fight for."

No Major Troop Cut In Iraq For A Year (USAT)

By Rick Jervis

USA Today, October 25, 2006

BAGHDAD — U.S. officials said Tuesday that Iraq's security forces won't be able to stand on their own for another 12 to 18 months, meaning substantial numbers of U.S. forces will likely remain in Iraq through next year.

U.S. officials had previously expected to begin significant U.S. troop withdrawals by the end of this year. The reassessment follows an upsurge in sectarian violence in Baghdad and fighting in Anbar province in western Iraq. There are about 140,000 U.S. troops in Iraq.

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So far in October, 91 American troops have died, making it the deadliest month for U.S. forces this year.

"It is going to take another 12 to 18 months or so till I believe the Iraqi security forces are completely capable of taking over responsibility for their own security," said Gen. George Casey, the ranking U.S. commander in Iraq.

The U.S. military will provide "some level of support" after that, he said.

He did not rule out bolstering the 15,400 American troops now in Baghdad.

In Washington, Marine Gen. Peter Pace, chairman of the Joint Chiefs of Staff, said commanders continually reassess U.S. troop levels in Iraq based on the strength and capability of Iraqi armed forces.

"Back in August and July, we thought we might be able to reduce the size of U.S. forces by this Christmas," Pace said. "And then the violence in Baghdad increased."

In 2005, Casey said "substantial reductions" in troop levels were possible in 2006.

Casey and other U.S. officials typically qualify their forecasts by saying plans depend on the enemy and abilities of Iraqi forces.

Two weeks before congressional elections, the Bush administration has been under fire from some Republicans and Democrats for not making a course correction in the face of renewed violence in Iraq.

On Tuesday, Casey and U.S. Ambassador Zalmay Khalilzad held a rare news conference in the Green Zone to discuss progress in training Iraqi forces and building the nation's government.

The officials said Iraq's leaders have agreed to establish benchmarks by the end of the year that will measure the fledgling government's progress.

The milestones include cracking down on militias, creating a law to share oil wealth and persuading Sunni insurgents to lay down their arms.

The benchmarks are designed partly to pressure Iraq to move quicker to reach a political solution. Iraq's government is attempting to reach an agreement with militias and some insurgent groups to lay down their weapons. A political agreement is seen as key to ending religious warfare.

"A lot of what we're seeing right now is hasty knee-jerk reaction to the serious deterioration of Iraq," said Wayne White, who formerly headed the State Department's Iraq intelligence team and is a scholar at the Middle East Institute.

Iraqi Takeover Target Set (WT)

By Rowan Scarborough

The Washington Times, October 25, 2006

The top U.S. military commander in Iraq set a timeline yesterday of 18 months for the Iraqi security forces to take over war operations in all the country's provinces "with some level of support from us."

Army Gen. George Casey did not commit to a timeline for removing 147,000 U.S. troops, as House Democratic leaders have demanded and as President Bush has resisted. But achieving Gen. Casey's new benchmark would assuredly mean a smaller American force in Iraq, where about 2,800 U.S. service members have died since the March 2003 invasion. Iraqi forces now control operations in just two of 18 provinces.

At the same Baghdad press conference, U.S. Ambassador Zalmay Khalilzad announced that Iraqi Prime Minister Nouri al-Maliki has agreed to a series of benchmarks for reaching a "national compact" within 12 months to end Sunni-Shi'ite violence and equitably divide the country's wealth.

Mr. Khalilzad said Mr. al-Maliki also has agreed to come up with a plan for controlling various militias, such as the Mahdi Army of firebrand cleric Muqtada al-Sadr, by year's end. But Mr. Khalilzad offered no specifics on how Mr. al-Maliki will accomplish a task he has so far resisted.

"Iraqi leaders must step up to achieve key political and security milestones on which they have agreed," he said. "The prime minister has a timeline of developing a plan by the end of the year, and we support that."

The joint press conference capped a week of intensified rhetoric on Iraq as the Bush administration urges the al-Maliki government to move faster to take over security chores and let U.S. forces go home.

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Pressed by Democrats and some Republicans to change course as more than 90 U.S. troops have died in Iraq this month, Mr. Bush telephoned Mr. al-Maliki last week to convey a sense of urgency. Defense Secretary Donald H. Rumsfeld declared last week Iraq must take over more security missions "sooner rather than later."

Gen. Casey, who boosted U.S. troop levels in Iraq from 132,000 to 147,000 in the face of war breaking out in Baghdad, offered no concrete assurances that yesterday's announced plan would result in reductions. He said his forces face a "fundamental change" in the enemy from a year ago. Added to the al Qaeda suicide bombers and Iraqi Sunni insurgents is an outgrowth of armed groups under no one's central control who roam the Baghdad area killing civilians.

Gen. Casey's chief spokesman declared last week that a huge influx of security forces into Baghdad the past three months had failed to reduce violence. Gen. Casey took a different view yesterday.

"The Baghdad security plan continues to have a dampening effect on sectarian violence," he said. "The situation is hard, but it's not a country that's awash in sectarian violence."

There are today more than 300,000 Iraqis security forces. The military says six of 10 army divisions are "in the lead," which means they can conduct operations on their own but need U.S. support.

Mr. Khalilzad predicted that by November 2007 he will have a "national compact in place" that better defines the division of oil wealth among Sunnis, majority Shi'ites and Kurds. The compact also would include changes to the ongoing "de-Ba'athification" program to promote reconciliation among some of Saddam Hussein's old party members.

Two other parts of the overall plan are to induce Iraqi political leaders to get armed groups in Baghdad to disarm, and have moderate neighboring states to persuade Sunni leaders to end their insurgency.

House Minority Leader Nancy Pelosi of California was not impressed.

"General Casey, the top U.S. commander in Iraq, confirmed this morning that staying the course -- no matter what slogan this administration chooses to attach to it -- means it will be another 12 to 18 months before the Iraqis will be able to provide security for their country," the Democrat said. "With the war in Iraq now more than 3½ years old, Iraq engulfed in chaos, and U.S. casualties continuing to mount, this is simply unacceptable."

The general made his announcement after a Saturday teleconference from Baghdad with Mr. Bush, Vice President Dick Cheney, Mr. Rumsfeld and other leaders. His announcement is the closest the administration has come to setting a timetable without changing overall war strategy, as critics demand.

Gen. Casey got advice yesterday from House Armed Services Chairman Duncan Hunter of California and 32 other House Republicans. In a letter to Mr. Bush and Mr. Rumsfeld, they urged the two to order more Iraqi battalions into Baghdad.

"Combat experience is gained by one thing -- combat," the letter said. "There is no reason why Iraqi military forces currently deployed in relatively quiet regions of Iraq should not immediately be sent to the fight in Baghdad."

U.S. Says More GIs May Be Needed In Iraq (AP-Y)

By Steven R. Hurst

AP, October 25, 2006

Two weeks before U.S. midterm elections, American officials unveiled a timeline Tuesday for Iraq's Shiite-led government to take specific steps to calm the world's most dangerous capital and said more U.S. troops might be needed to quell the bloodshed.

U.S. officials previously said they were satisfied with troop levels and had expected to make significant reductions by year's end. But a surge in sectarian killings, which welled up this past summer, forced them to reconsider.

At a rare joint news conference with the American ambassador, the top U.S. commander in Iraq, Gen. George Casey, said additional U.S. troops could come from inside or outside Iraq to "improve basic services for the population of Baghdad."

"Now, do we need more troops to do that? Maybe. And, as I've said all along, if we do, I will ask for the troops I need, both coalition and Iraqis," Casey said. There are currently 144,000 U.S. forces in Iraq.

The military has expressed disappointment over its two-month drive to cleanse the capital of Sunni insurgents and Shiite militia fighters and death squads. But the Americans also say that for the situation to improve, the Iraqi government must make political concessions to minority Sunnis.

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The timeline grew out of recent Washington meetings at which the Bush administration sought to reshape its Iraq policy amid mounting U.S. deaths and declining domestic support for the 44-month-old war. The plan was made public a day after White House press secretary Tony Snow said the U.S. was adjusting its Iraq strategy but would not issue any ultimatums.

U.S. officials revealed neither specific incentives for the Iraqis to implement the plan nor penalties for their failure to do so. U.S. Ambassador Zalmay Khalilzad said Iraqi leaders had agreed to the timeline, benchmarks heavily laden with enticements to Sunni insurgents.

The lack of any real political consensus even among Shiites, however, has made it extremely difficult for Iraqi leaders to keep deadlines; for example, they missed targeted dates on naming a government and in moving forward on constitutional amendments. Moreover, Tuesday's declarations lacked specifics on how to accomplish the goals.

At the news conference with Casey, Khalilzad said the timeline would require Prime Minister Nouri al-Maliki's government to set dates by the end of the year for completing six key tasks.

Five of the markers are clearly designed to mollify Sunni Arabs, the Muslim sect that makes up the bulk of the insurgency and is responsible for most American deaths in Iraq.

The plan seeks deadlines for passing a law that would guarantee the sharing of Iraq's oil wealth, amending the constitution, turning an anti-Baathist organization into a reconciliation body, disbanding Shiite militias and setting a date for provincial elections — all key issues for Sunnis.

The de-Baathification Commission was established after the toppling of Saddam Hussein to ensure that members of the dictator's political organization did not hold government positions.

The sixth measure called for "increasing the credibility and capability of Iraqi forces."

Casey said Iraqi forces would be "completely capable" of controlling the country within the next 1 1/2 years.

"We are about 75 percent of the way through a three-step process in building those (Iraqi) forces," the general said. "It is going to take another 12 to 18 months or so until I believe the Iraqi security forces are completely capable of taking over responsibility for their own security. That's still coupled with some level of support from us."

Casey's estimate of when the Iraqi army will be ready was noteworthy because it has not changed even as the security situation in the country has deteriorated. Iraqis are now being killed at a pace of more than 40 each day in sectarian fighting and revenge killing.

Complicating the matter has been the recent outbreak of sustained Shiite-on-Shiite violence in the once relatively calm south of the country.

To curb the spreading and increasingly brutal killings, Khalilzad said the United States was "inducing Iraqi political and religious leaders who can control or influence armed groups in Baghdad to agree to stop sectarian violence," an apparent reference to recent secret talks the United States has conducted with Sunni insurgents.

Al-Maliki has repeatedly said he would rein in Shiite militias but so far has taken little public action beyond a decision to move aside two police commando leaders. He issued a statement on Monday saying the military had been ordered to take action against any illegal armed group, but the declaration, like the timeline introduced on Tuesday, lacked detail.

His national security adviser, Mouwafak al-Rubaie, sought to add weight to the prime minister's directive in an interview with CNN. He was, however, equally fuzzy about what action would be taken.

"The Iraqi security forces are going to take on anyone who challenges" them," al-Rubaie said.

Khalilzad said he had assurances from al-Maliki that radical anti-American Shiite cleric Muqtada al-Sadr would disband his Mahdi Army. But al-Sadr draws much of his power from his control over the heavily armed fighters. And al-Maliki draws much of his support from al-Sadr.

For that reason, disbanding the feared militia group appears to be a promise that is unlikely to be kept in the near term. Such a move would leave the other main Shiite militia, the Badr Brigade of the Supreme Council for the Revolution in Iraq, or SCIRI, in a dominant position.

Al-Sadr and SCIRI leader Abdul-Aziz al-Hakim maintain a sharp rivalry for power over Iraq's Shiite majority. Logic dictates that both militias be disbanded simultaneously, which appears highly unlikely.

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While Shiite militias and death squad violence represent a major security problem, curbing them would still leave the other half of the equation unsolved — the continued vibrancy of the Sunni insurgency that has been attacking Americans with a vengeance since summer 2003.

The timeline appeared, therefore, largely directed at luring the Sunni establishment away from violence and into the political process.

October has been the deadliest month this year for American forces. The military Tuesday announced the deaths of two more U.S. Marines, a sailor and a soldier. Since the start of the war, 2,801 U.S. service members have died in Iraq, according to an Associated Press count.

Also Tuesday, the military said it had found no sign of a U.S. Army translator missing after he was believed to have been kidnapped the night before in Baghdad. Troops continued to search the city's downtown on foot and by air.

The military said the soldier, a linguist who was not identified by name, was last seen inside Green Zone on Monday. He was then believed to have left to visit Iraqi relatives in the city.

He was apparently at the relatives' house when three cars carrying masked gunmen arrived. The soldier was handcuffed and driven away. One of the kidnappers then called one of the relatives using the kidnap victim's cell phone, the military said. It didn't say if ransom was demanded.

Across the country, police reported that 11 Iraqis, including two policemen and a soldier, were killed in bombings and shootings; authorities said 14 bodies were found dumped or pulled from the Tigris River.

Iraqi Realities Undermine The Pentagon's Predictions (NYT)

By Michael R. Gordon

The New York Times, October 25, 2006

BAGHDAD, Oct. 24 — In trying to build support for the American strategy in Iraq, Gen. George W. Casey Jr. said Tuesday that the Iraqi military could be expected to take over the primary responsibility for securing the country within 12 to 18 months.

But that laudable goal seems far removed from the violence-plagued streets of Iraq's capital, where American forces have taken the lead in trying to protect the city and American soldiers substantially outnumber Iraqi ones.

Given the rise in sectarian killings, a Sunni-based insurgency that appears to be as potent as ever and an Iraqi security establishment that continues to have difficulties deploying sufficient numbers of motivated and proficient forces in Baghdad, General Casey's target seems to be an increasingly heroic assumption.

On paper, Iraq has substantial security forces. The Pentagon noted in an August report to Congress that Iraq had more than 277,000 troops and police officers, including some 115,000 army combat soldiers.

But those figures, which have often been cited at Pentagon news conferences as an indicator of progress and a potential exit strategy for American troops, paint a distorted picture. When the deep-seated reluctance of many soldiers to serve outside their home regions, leaves of absence and AWOL rates are taken into account, only a portion of the Iraqi Army is readily available for duty in Baghdad and other hot spots.

The fact that the Ministry of Defense has sent only two of the six additional battalions that American commanders have requested for Baghdad speaks volumes about the difficulty the Iraqi government has encountered in fielding a professional military. The four battalions that American commanders are still waiting for is equivalent to 2,800 soldiers, hardly a large commitment in the abstract but one that the Iraqis are still struggling to meet.

From the start, General Casey's broader strategy for Iraq has been premised on the optimistic assumption that Iraqi forces could soon substitute for American ones. In February 2005, General Casey noted that in the year ahead the United States would begin to "transfer the counterinsurgency mission to the increasingly capable Iraqi security forces across Iraq."

In June 2006, General Casey submitted a confidential plan to the White House projecting American troop withdrawals that would begin in September 2006 and which, conditions permitting, would lead to a more than 50 percent reduction in American combat brigades by December 2007. Iraq's security forces were to fill the gap. In keeping with that strategy, American forces cut back their patrols in Baghdad during the first half of 2006.

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It did not take long before the plan had to be shelved and American forces increased to try to tamp down the sectarian killings there. Still, General Casey continued to portray the current surge in fighting as a difficult interlude before the Iraqi security forces could begin to assume the main combat role and some variant of his withdrawal plan for American forces could be put back on track.

As he said Tuesday, "It's going to take another 12 to 18 months or so till, I believe, the Iraqi security forces are completely capable of taking over responsibility for their own security, still probably with some level of support from us, but that will be directly asked for by the Iraqis."

Certainly, the Iraqi security forces have made some gains. The Iraqi military is larger and better trained, and has taken control of more territory in the past year. Some Iraqi soldiers have fought well. But in Baghdad, which American commanders have defined as the central front in the war, it is still a junior partner.

To improve the Iraqi forces, the American military is inserting teams of military advisers with Iraqi units. American officials also say their Iraqi counterparts are trying to use the lure of extra pay to persuade reluctant troops to come to the aid of their capital.

But longstanding problems remain. A quarter or so of a typical Iraqi unit is on leave at any one time. Since Iraq lacks an effective banking system for paying its troops, soldiers are generally given a week's leave each month to bring their pay home.

Desertions and absenteeism are another concern. According to the August Pentagon report, 15 percent of new recruits drop out during initial training. Beyond that, deployment to combat zones, the report adds, sometimes results in additional "absentee spikes of 5 to 8 percent."

As a result, the actual number of Iraqi boots on the ground on a given day is routinely less than the official number. In areas where the risks and hardship are particularly great, the shortfall is sometimes significant. In fiercely contested Anbar Province in western Iraq, the day-to-day strength of the Seventh Iraqi Army Division in August was only about 35 percent of the soldiers on its rolls, while the day-to-day strength of the First Division was 50 percent of its authorized strength.

Another complication is that the even-numbered divisions in the 10-division army have largely been recruited locally and thus generally reflect the ethnic makeup of the regions where they are based. So, much of the Iraqi Army consists of soldiers who are reluctant to serve outside the areas in which they reside. Several battalions have gone AWOL rather then deploy to Baghdad, an American military officer said.

The Iraqi government is well aware of such problems. Its plan is to increase the overall size of the military by 50,000, calculating that if it assigns extra troops to each unit they can be maintained near full strength when soldiers go on leave or are otherwise absent.

The difficulties with the Iraqi police, who are supposed to play a major role in protecting cleared areas under the Baghdad security plan, are considerable and include corruption and divided loyalties to militias. According to the Pentagon report, the Interior Ministry also lacks an effective management system. The Americans know how many Iraqis have been trained to work as police officers but not how many are still on the job.

The National Police have been a particular worry. One National Police unit has been withdrawn from duty in Baghdad because it was linked to sectarian killings. National Police brigades are now being removed from duty one by one for retraining with an eye to changing, as General Casey put it, the "ethos of these forces."

In the final analysis, the problem is more one of institution building than numbers. Until Iraq has a genuine unity government that its own forces respect and are willing to fight for, it seems likely that the American military will continue to shoulder most of the burden.

More Troops Means More Targets For Snipers (USAT)

By Rick Jervis

USA Today, October 25, 2006

BAGHDAD — Sniper attacks on U.S. troops have risen dramatically as more Americans have been pulled into the capital to patrol on foot and in lightly armored vehicles amid raging religious violence.

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Sniper attacks, generally defined as one or two well-aimed shots from a distance, have totaled 36 so far this month in Baghdad, according to U.S. military statistics.

That's up from 23 such attacks in September and 11 in January.

The figures were confirmed by Lt. Gen. Peter Chiarelli, the No. 2 commander of U.S. forces in Iraq. “The total numbers are elevated, and the effectiveness has been greater,” he said.

At least eight of the 36 sniper attacks in Baghdad in October have been fatal, according to accounts by hometown newspapers reporting on the deaths of individual soldiers and Marines. Snipers have also killed four U.S. servicemembers in Anbar province this month.

Pentagon practice has been to withhold specifics about the cause of death from news releases about casualties to avoid letting enemy fighters know whether their tactics have been successful. The releases typically attribute deaths in such cases to “small-arms fire” or “combat operations.” The military, however, often informs family members of the circumstances of a fatality.

Even with the growing number of sniper attacks, the single largest cause of fatal casualties remains roadside bombs, which the Pentagon calls “improvised explosive devices.” The Army has reported 234 deaths this year attributed to IEDs, alone or with other causes, and 57 attributed to “small-arms fire,” which includes snipers. The Marines do not report such details.

There have been 621 U.S. troop deaths this year.

Attacks by snipers have increased since June, when the U.S. command shifted troops to Baghdad and assigned them to aggressive joint patrols with Iraqi forces as part of a security crackdown called Operation Together Forward.

There are 15,400 U.S. troops in the capital, up from about 9,000 in July. On Tuesday, Gen. George Casey, the top U.S. commander in Iraq, said more U.S. troops could be sent to Baghdad.

The dense city environment has given snipers the opportunity to fire on U.S. troops and slip away. U.S. troops often can't return fire without risking civilians' lives.

“That could turn the mood of the city against us,” said Lt. Col. Steve Stover, a spokesman for U.S. forces.

The upswing in attacks by snipers “is definitely the result of working in an urban area — with many, many more targets out there — that's made the effectiveness of that particular form of attack higher this month than we've seen before,” Chiarelli said.

Insurgent groups have prepared instructional manuals and videos to train more snipers. Training materials obtained by U.S. intelligence show that snipers are urged to single out medics, engineers and chaplains for attacks on the theory that those casualties will demoralize entire units.

The manuals have been posted on the Internet. U.S. Central Command has verified the authenticity of at least one such training guide.

One recently captured insurgent sniper had a hole in the trunk of his car, which allowed him to fire at U.S. and Iraqi troops while hidden in the vehicle, said Brig Gen. David Halverson, deputy commander of U.S. forces in and around Baghdad. The sniper also mounted a video camera on his car's rear window.

Enemy snipers in Iraq have improved their skills, and their attacks have become “well-aimed and well-disciplined,” said Col. Michael Beech, commander of the 4th Brigade Combat Team in central Baghdad. His brigade has lost two soldiers to sniper fire since September, he said.

In an attack Oct. 2, a sniper shot and killed a soldier in the turret of a Humvee supporting an Iraqi-led operation in Baghdad's Karradah neighborhood, said Maj. Mark Cheadle, a 4th Brigade spokesman. Days later, another soldier was shot in the face while on patrol. The round passed through his sinus cavity and exited his nose, but he survived, Cheadle said.

Military commanders and other U.S. officials met Monday in Baghdad to discuss how to respond to the increase in sniper attacks, Chiarelli said. He declined to talk about details of the meeting. He also declined to identify any factions responsible for sniper attacks.

The U.S. military has dispatched countersniper teams and advised soldiers to be extra vigilant on patrols, Beech said. Countersniper teams consist of specialists trained to spot enemy snipers and kill them before they can attack.

“You're out on the street, and you take one or two rounds at your patrol that's (on foot), and you look out there and it could come from literally several hundred different windows,” Beech said. “And you don't have any idea which one. That's what makes the sniper threat in an urban terrain, in a three-dimensional battlefield like Baghdad, so difficult.”

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Envoy Says Not All Is Bad In Iraq (AP)

By Hamza Hendawi, Associated Press Writer

AP, October 25, 2006

U.S. Ambassador Zalmay Khalilzad insisted Tuesday that things are not all bad in Iraq, citing the growing number of satellite dishes on rooftops and consumers with cell phones as signs of economic progress.

"Economically, I see an Iraq every day that I do not think the American people know about — where cell phones and satellite dishes, once forbidden, are now common, where economic reform takes place on a regular basis, where agricultural production is rising dramatically, and where the overall economy and the consumer sector is growing," the American envoy told a Baghdad news conference.

Some Iraqis saw things differently.

"We'd prefer he take those back and return just 10 percent of our prewar life," said Mohammed Ibrahim, a 50-year-old government employee from Baghdad. "Saying things like that shows the Americans' contempt for us Iraqis."

Analogies between conditions in Iraq now and life before the 2003 U.S.-led invasion of Iraq are common among Iraqis, angered over what they see as the failure of successive Iraqi governments and their American backers to provide security, services or jobs.

Khalilzad spoke at one of the lowest points in America's involvement in Iraq.

An average of more than 40 Iraqis are being killed every day in October, according to an Associated Press count that is based on AP reporting and considered a minimum. The violence has forced nearly 1 million Iraqis to flee abroad since 2003 and as many as 300,000 more have become refugees in their own country because of sectarian killings.

Mobile phones were introduced in Iraq in 2004 and proved to be an instant hit, with about 1 million subscribers in the Baghdad area alone now. Similarly, satellite dishes, prohibited under Saddam Hussein, also proved popular, and there is hardly a rooftop in Baghdad or elsewhere in Iraq now without at least one.

The advent of the two came as part of the free market economy that spontaneously sprang up in Iraq in the chaos and freewheeling period after Saddam's ouster, filling markets with everything from South American bananas to South Korean electrical goods, Finnish telephones and Iranian biscuits.

But after nearly 13 years of U.N. sanctions that reduced millions of Iraqis to destitution, not everyone was able to enjoy the fruits of the free market. Government employees, about 1 million nationwide, have been the biggest spenders since 2003, thanks to pay raises as high as 100 percent.

Amrah al-Badawi, a Shiite lawmaker and a member of parliament's economic committee, chuckled when told of Khalilzad's comments.

"Iraqis longed for mobile phones and satellite television, but their availability now are of little relevance to the economy," she said. "What we need is economic ventures, and these are not going to happen with security the way it is."

Without substantial economic activity, Iraqis continue to suffer 30 percent unemployment and double-digit inflation.

The price of gasoline, which is often scarce, has increased 12-fold since 2003. Bread prices are up by nearly five-fold and fresh meat by more than 100 percent. Tenuous security means that less farm produce reaches retail markets, causing prices to rise.

Most Iraqis continue to depend on their Saddam-era food ration cards, but many holders say key items like sugar and rice are sometimes unavailable for as long as three months.

The wide access to satellite dishes and mobile phones also hold some unpleasant ironies.

Mobile phones have been widely used to set off many of the bombs that kill and maim across much of the country, with U.S. and Iraqi forces their primary victims. Satellite dishes also have enabled Iraqis to watch programs perceived to have anti-U.S. content, such as Qatar-based al-Jazeera television and Hezbollah's al-Manar TV.

Baghdad residents say they are spoiled by the large number of channels available on satellite TV, something that keeps them entertained when they huddle at home, afraid to go out for fear of falling victim to the violence.

But killing time in front of television needs electricity and that's one of Iraq's big postwar problems. Power outages in Baghdad are a daily occurrence, and they can last up to three days.

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Khalilzad, however, rejected the analogy some Iraqis use on life before and after Saddam.

"The important fact to keep in mind is that, of course, a lot of innocent Iraqis are getting killed, and that's a source of concern to us and to the Iraqis," he said. "But during Saddam, thousands upon thousands of Iraqis were killed as a result of a government policy."

For Alaa Makki of the Iraqi Islamic Party, the country's largest Sunni party: "We ended up with a worse-than-before dictatorship. We now have slaughter, kidnapping and disenfranchisement."

Associated Press writers Sinan Salaheddin, Bushra Juhi and Qassim Abdul-Zahra in Baghdad contributed to this report.

Gen. Pace Optimistic About Iraq Progress (AP-Y)

By Lolita Baldor

AP, October 25, 2006

The top American general said Tuesday he is not discouraged by what other U.S. commanders have described as disappointing progress in securing Baghdad, but he predicted no quick turnaround.

Marine Corps Gen. Peter Pace, chairman of the Joint Chiefs of Staff, told a Pentagon news conference that his optimism about Iraq's future is based on his belief that most Iraqis want peace and stability. He also said Iraqis have plenty of incentive to halt the sectarian violence that threatens to tear their country apart.

"The great incentive inside of Iraq with the Iraqi people is their own self-pride and determination that they want to stand on their own; they want to be free; they want to determine their own way ahead," Pace said.

While military commanders may not be discouraged, Republicans fighting to keep control of Congress are frustrated with the lack of progress in Baghdad so close to the Nov. 7 elections.

In a letter released Tuesday, 33 House Republicans urged Bush to send into Baghdad any proficient Iraqi units available. Five of the Republicans — Reps. Thelma Drake of Virginia, Marilyn Musgrave of Colorado, Geoff Davis of Kentucky, Rob Simmons of Connecticut and John Doolittle of California — are in tight political races.

"It is crucial that both the U.S. and Iraqi governments recognize that as the battle in Iraq has intensified, so has the need to send Iraqi battalions into the heart of battle," the lawmakers wrote. "Now is exactly the time to do so."

Stephen Hadley, the president's national security adviser, said Prime Minister Nouri al-Maliki and the fledging government are starting to take steps aimed at quelling the rising sectarian violence and moving Iraq toward prosperity and peace.

"I think they've got to do more and they've got to do it faster," Hadley said in a radio interview at the White House. "And I think if you talked to Prime Minister (Nouri) al-Maliki he would say, to you, the same thing."

Asked if the U.S. is winning in Iraq, Pace responded in terms of the broader war on terrorism that includes Afghanistan and efforts elsewhere in the world to defeat al-Qaida and other terrorist networks.

"Winning in this war on terrorism is having security in the countries we're trying to help that allows for those governments to function and for their people to function," he said.

In Baghdad, U.S. officials said Iraqi government leaders have agreed to develop a timeline by the end of the year for progress in stabilizing Iraq and reducing violence that has killed 300 Iraqi troops during the Islamic holy month of Ramadan alone.

Gen. George Casey, the top U.S. commander who appeared at a news conference with U.S. Ambassador Zalmay Khalilzad, said Iraqi forces should be able to take control of security in the next 12 to 18 months with minimal American support.

Pace said there was not yet a U.S.-Iraqi agreement on specific benchmarks for progress; he said discussions are ongoing with regard to benchmarks in the political, economic and security areas. Pace said it would not be wise to set specific dates for meeting certain markers.

"Having a very precise date I think is not useful, either from the standpoint of forcing yourself to do something too soon or from giving your enemies too much information," he said.

Casey also said he felt the United States should continue to focus on drawing down the number of American forces in the country, adding that he would not hesitate to ask for more troops if he felt they were necessary.

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"We're not making the progress we would like and that's why we have to look at what we are doing and see what we need to change to get the kind of progress that we need," Hadley told National Public Radio. "You don't need a timetable to be able and willing to say to the Iraqis, `Look, if this is going to work and succeed, you have to step up and make some very difficult choices.'"

He predicted that stability and security will not be achieved in Iraq before Bush leaves the White House.

"Is there going to be peace? Is there going to the end of any violence? Of course not. This violence is going to go on for a long time," Hadley said. "But what you hope for is a situation where Iraqi governmental institutions and Iraqi security forces can manage and contain the violence so that it does not threaten the integrity of the Iraqi state and the ability of the Iraqi state to bring prosperity and economic life to its community."

Democrats said Tuesday the suggestion of a timeline has come too late. "While it is helpful to lay out a timeline for the training of the Iraqi forces, after three and a half years of training, this timeline is too long," said Missouri Rep. Ike Skelton, top Democrat on the House Armed Services Committee.

Lawmakers Warm To Plan For Divided Iraq (HILL)

By Elana Schor

The Hill, October 25, 2006

As more Republicans join Democrats in pushing for a change of strategy in Iraq, lawmakers and candidates are signaling new openness to dividing the war-torn nation into three autonomous regions, a plan closely associated with Sen. Joe Biden (D-Del.).

Biden, one of his party's most trusted foreign policy voices, has turned up the spotlight on his plan for largely self-governing regions in Iraq. The ranking member of the Foreign Relations Committee even launched www.planforiraq.com this month to marshal support for the five-point proposal he co-authored with Council on Foreign Relations President Emeritus Les Gelb.

The dearth of specific alternatives to the current course in Iraq, where U.S. troop deaths are close to a two-year high, has given Biden's plan and his nascent presidential bid for 2008 an infusion of political capital. Rep. Harold Ford (D-Tenn.) has endorsed a similar policy for Iraq in his Senate campaign, calling for three Iraqi regions dominated by Sunnis, Shiites and Kurds, respectively, with a pact to share oil revenues.

Republicans are also beginning to echo Biden's suggestions in the politically pressurized pre-election environment, whether to praise the plan or simply urge that it remain "on the table." This puts GOP lawmakers at odds with the president, who has ruled out any regionalizing of Iraq.

"I think this idea of maybe the three autonomous regions within one country may be the one that we start to move more and more towards," Sen. Sam Brownback (R-Kan.) said during an appearance last week on CNBC.

Brownback used the former nation of Yugoslavia, which was regionally divided by the 1990s Balkan war, as an example of the strategy's potential. Sen. Kay Bailey Hutchison (R-Texas) also cited the Balkans in telling reporters last week that autonomous regions could be the solution to the violent insurgency that threatens to consume Iraq.

Foreign Relations panel Chairman Richard Lugar (R-Ind.) has spoken positively about greater autonomy in Iraq, while stopping short of endorsing Biden's approach. Lugar says U.S. policymakers should ensure the Iraqi parliament moves on the federalism law it passed Oct. 11 over the objections of many Sunni leaders, who fear losing oil revenues.

"All sorts of people, whether they're Republicans or Democrats or independents, believe there's a strong consensus that we need to change course," said a Biden aide. "It's obviously different for them to come out and say this two, three, four weeks before an election."

Other Democrats have hailed the prospect of dividing Iraq in three, including Eric Massa, the retired naval officer challenging Rep. Randy Kuhl (R-N.Y.), and Sen. Charles Schumer (N.Y.), who offered the solution before Biden and Gelb published their first commentary on it in May.

Schumer's office did not return a request for comment on whether his position on autonomous Iraqi regions has changed. Hutchison spokeswoman Jamie Loftus said that the GOP leadership hopeful views a federalist strategy as "one option in Iraq" and prioritized revenue sharing as well as cooperation with Iraq's neighbors.

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House Armed Services ranking member Ike Skelton (D-Mo.), speaking with reporters Friday after a dozen House and Senate Democratic leaders released a letter imploring President Bush to change course in Iraq, called the Biden concept "intriguing" and said the plan should be considered despite potential sticking points.

"It would work in some areas, but what do you do with places such as Baghdad, with the three different ethnic groups there?" Skelton said. "How do you allow the Sunnis to share in oil revenues?"

That Democratic letter points to the Iraqi government's "failure to achieve a political reconciliation plan" without overtly addressing the Biden plan. In the early stages of internal positioning for 2008, any perceived imprimatur from leadership could enflame tensions among other Democrats weighing a White House run.

"Democrats have coalesced around a core set of principles for what we should do. We didn't think it was appropriate in that kind of letter that so many people were signing onto to endorse a particular Democrat's plan," one senior Democratic aide said, adding that Biden concurred with the approach.

Other lawmakers in Biden's party have sought to temper growing talk of the plan's viability. Sen. Jack Reed (D-R.I.), a senior Armed Services Committee member who has served as his leadership's point man on Iraq issues, listed several drawbacks to the federalism approach yesterday at a Center for American Progress event.

"[A] deliberate, conscious policy to separate the country with the idea that this is going to make things easier and let us leave is probably inaccurate," Reed said. He acknowledged that the Iraqis are moving toward their own regional divisions, but expressed "severe reservations that this should be the deliberate policy of the United States."

Jim Manley, spokesman for Senate Minority Leader Harry Reid (D-Nev.), said via e-mail that Biden's willingness to seek an alternative solution underscores Democrats' commitment to resolving the crisis in Iraq.

"It's a thoughtful plan, and an effort to change course, something the president has been unwilling to do," Manley said. "Senator Biden is for change, President Bush is for more of the same. …"

Yet despite Biden's rising stock on Iraq, his emphasis on a bipartisan approach to Iraq could turn off some of the same anti-war Democrats who have criticized Sen. Hillary Rodham Clinton (D-N.Y.) for her unwillingness to disavow her vote to authorize the war.

"I'm not sure how it plays for the base of our party — bipartisanship is probably a dirty word for some of them," said a Democratic aide. "I can understand it, because we've been so beaten over the head by [Republicans]."

The Beltway Retreat (WSJ)

The Wall Street Journal, October 25, 2006

"We need to be realist but not defeatist. We need to understand that there is a need of utmost urgency to deal with many of the problems of Iraq but we must not give in to panic."

So said Iraqi Deputy Prime Minister Barham Salih on Monday, in a BBC interview while in London for talks with Tony Blair. If only such statesmanship prevailed on this side of the Atlantic, where election politics and a spate of critical new books have combined to paint an increasingly desperate -- and false -- picture of what's happening in Iraq.

As the critics describe it, all of Iraq is in chaos, its new government isn't functioning, the U.S. is helpless to act against these inexorable forces, and it is only a matter of time before we must pack up and leave in abject defeat. "We're on the verge of chaos, and the current plan is not working," declares Senator Lindsey Graham, in one of the purer expressions of this elite inconstancy. Just what Mr. Graham would do about this, he doesn't say; but in the land of blind panic, the sound-bite Senator is king.

Yes, the Iraq project is difficult, and its outcome dangerously uncertain. The Bush Administration and its military generals have so far failed to stem insurgent attacks or pacify Baghdad, and the factions comprising Prime Minister Nouri al-Maliki's government have so far failed to make essential political compromises. But the American response to this should be to change military tactics or deployments until they do succeed, and to reassure Iraqi leaders that their hard political choices will result in U.S. support, not precipitous withdrawal.

The current American panic, by contrast, is precisely what the insurgents intend with their surge of October violence. The Baathists and Sadrists can read the U.S. political calendar, and they'd like nothing better than to feed the perception that the

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violence is intractable. They want our election to be perceived as a referendum on Iraq that will speed the pace of American withdrawal.

The Bush Administration hasn't helped matters of late with its own appearance of indecision, asserting on one day that we must avoid "cut-and-run" while leaking on another that the forthcoming Baker-Hamilton report might be an opportunity for a strategic retreat. President Bush has sounded resolute himself, but many of his own advisers seem to be well along in their own electoral run for cover.

A measure of rationality at least came yesterday out of Baghdad, where General George Casey and U.S. Ambassador Zalmay Khalilzad tried to put the violence in some larger context. The Iraq government is in fact "functioning," as Iraqis continue to get their food rations, and as more than a million civil servants, Iraqi security force members and teachers continue to show up for work every day and get paid. Just this weekend, Iraq's oil minister announced that production had surpassed pre-war levels.

"Economically, I see an Iraq every day that I do not think the American people know about -- where cell phones and satellite dishes, once forbidden, are now common, where economic reform takes place on a regular basis, where agricultural production is rising dramatically, and where the overall economy and the consumer sector is growing," said Mr. Khalilzad, who for this attempt at hopeful realism will be derided in some quarters as a Pollyanna.

As for security, two provinces have already been turned over entirely to the control of Iraqi forces, with a total of six or seven scheduled to be under Iraqi control by January. While the police forces remain unreliable, the Iraqi army is making notable progress. The joint Iraqi-U.S. operation to make Baghdad safe hasn't succeeded so far, but Iraqis we talk to say the situation in many specific neighborhoods of the capital has been vastly improved.

And while every terrorist success is broadcast far and wide, acts of bravery by Iraqi forces go unheralded. Only 10 days ago, insurgents staged a huge attack on government and police offices in Mosul, but it was successfully repulsed by Iraqi forces. Dozens of insurgents were killed or captured, and one heroic Iraqi police officer gave his life successfully defending others against a suicide truck bomber.

The truth is that the Sunni insurgents are still capable only of hit-and-run attacks, are slaughtered whenever they gather en masse, and have held down no permanent territory since Fallujah was cleaned out in late 2004. Nor have they been successful in their other goal of keeping their fellow Sunnis out of the political process. Sunnis continue to sit in the current government and parliament, despite being labelled "collaborators" and marked for death.

As General Casey observed yesterday, "we've seen the nature of the conflict evolving from what was an insurgency against us to a struggle for the division of political and economic power among the Iraqis." One of the main challenges now is to reassure the Sunnis that it is safe to compromise with Shiite and Kurdish leaders on issues such as the distribution of oil revenue and the shape of Iraqi federalism. Mr. Maliki must also demobilize -- or at least neutralize -- the militias that grew in his own Shiite community in response to Sunni violence.

But the political truth is that none of this will happen any sooner if Americans look like they are heading for the exits. Timetables and deadlines may sound like realpolitik, but they only feed suspicions that the U.S. will abandon Iraq's leaders once they have walked out onto a political limb. Iraq is not yet in a state of "civil war," and it has a functioning, if imperfect, government. If changes of tactics or force levels are needed, by all means make them. But what Iraqis most need from Washington is reassurance of support for the tough decisions and battles that lie ahead.

Insult To Injury In Iraq (WP)

By Frederick W. Kagan

The Washington Post, October 25, 2006

It's been coming for a long time: the idea that fixing Iraq is the Iraqis' problem, not ours -- that we've done all we can and now it's up to them.

Such arguments have been latent in the Bush administration's Iraq strategy and explicit in Democratic critiques of that strategy for some time. Now Defense Secretary Donald Rumsfeld has declared: "It's their country. . . . They're going to have to govern it, they're going to have to provide security for it, and they're going to have to do it sooner rather than later."

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The implication of these arguments is clear: The United States should prepare to leave Iraq, after which the Iraqis will work out their own troubles -- or they won't. In any event, we can no longer help them. This notion is wrong and morally contemptible, and it endangers American security around the world.

The current crisis in Iraq is no more just an Iraqi problem than it has ever been. The U.S. military destroyed Iraq's government and all institutions able to keep civil order. It designated itself an "occupying force," thereby accepting the responsibility to restore and maintain such order. And yet U.S. Central Command never actually made establishing order and security a priority. Its commander throughout the insurgency, Gen. John Abizaid, has instead repeatedly declared that America's role is primarily to train Iraqi forces to put down their own rebellion and maintain order.

By allowing violence and disorder to spread throughout the country, the Bush administration has broken faith with the Iraqi people and ignored its responsibilities. It has placed U.S. security in jeopardy by creating the preconditions for the sort of terrorist safe haven the president repeatedly warns about and by demonstrating that no ally can rely on America to be there when it counts.

A rapid U.S. withdrawal would lead to catastrophe in Iraq. The presence of American troops is vital to restraining Iraqi soldiers -- the Iraqis know not to participate in death squad activities when Americans are around. The fact that large numbers of U.S. troops are not embedded with the Iraqi police is a main reason for the participation of those forces in the killings. When the U.S. troops go, the Iraqi army will probably go the same way.

Nor is there any likelihood that Iraqi Prime Minister Nouri al-Maliki will be able to simultaneously accomplish all the tasks now demanded of him, especially without American help. These include reforming the Interior Ministry and the police, disarming Shiite militias, fighting Sunni Arab insurgents, establishing functioning local and regional governments connected to the central government, and rooting out corruption. What are his chances if U.S. forces leave, sectarian violence rises and Iraqis grow ever more pessimistic about the success of their democratic experiment?

Americans believe that all problems are soluble and therefore that people who aren't solving their problems must not be trying. They need to be "incentivized," either through promises or threats. Many on the left have long been advocating a withdrawal of U.S. forces, or the threat of it, as just such an incentive for the Iraqis. But what if even then Iraqis cannot accomplish the goals we have set for them? Can we then declare that, by establishing the Iraqi army and helping Iraq elect and establish its government, we have done all that honor requires?

No, we can't. Both honor and our vital national interest require establishing conditions in Iraq that will allow the government to consolidate and maintain civil peace and good governance. It doesn't matter how many "trained and ready" Iraqi soldiers there are, nor how many provinces are nominally under Iraqi control. If America withdraws its forces before setting the conditions for the success of the Iraqi government, we will have failed in our mission and been defeated in the eyes of our enemies. We will have dishonored ourselves.

Our enemies watched the debacle in Somalia and drew conclusions: America is weak, unable to stomach even the smallest level of casualties and willing to lose rather than fight. The invasions of Afghanistan and Iraq changed the equation. Al-Qaeda leaders did not expect us to attack, and they regarded their unanticipated defeat as a catastrophe. Iran's leaders and North Korea's Kim Jong Il saw the invasion of Iraq as the first phase of an attack on the "axis of evil" and were fearful. But the protracted insurgency and the apparent weakening of U.S. will are emboldening them once again.

In 1991 the United States encouraged rebellions against Saddam Hussein and then abandoned to his inhuman vengeance the Kurds and Shiites who answered the call. That abandonment, still fresh in the minds of many Iraqis, is one reason for the suspicion with which the United States was greeted in 2003. What will happen if we abandon the progressive forces of Iraq once again with the hypocritical declaration that the resultant failure is their own fault? What reasonable moderate in the Muslim world -- or anywhere -- will ever again rely on America?

The comparison is often made between Iraq and Vietnam. One implication is that just as it was possible to lose Vietnam and still win the Cold War, so it is acceptable to lose Iraq. But in the Cold War, Vietnam was a sideshow. Iraq is in the heart of the Muslim world and at the center of the struggle against radical Islamism.

It is also worth keeping in mind that as indirect consequences of America's defeat in Vietnam, the Soviets invaded Afghanistan, the Sandinistas seized power in Nicaragua and Ayatollah Khomeini seized Tehran and American hostages. The

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"decent interval" between our withdrawal and the collapse of South Vietnam didn't help. Neither will the implausible deniability the Pentagon is now trying to establish in Iraq.

Those who have criticized the administration for failing to send enough troops to fight the war, failing to plan adequately for the postwar crisis and failing to react properly when it came are right. But Democrats should not be so quick to embrace these attacks unless they are willing to accept the corollary: Just because Bush did the wrong thing in 2003 doesn't mean that we can do the wrong thing now.

The writer is a resident scholar at the American Enterprise Institute.

Success In Iraq Possible, Say US Officials (FT)

By Demetri Sevastopulo And Daniel Dombey

Financial Times, October 25, 2006

Top US officials in Baghdad on Tuesday said Iraqi forces should be "completely capable" of taking responsibility for security within 18 months. The assertion came as Republican support for the White House strategy on Iraq continued to erode just two weeks ahead of November's congressional elections.

Zalmay Khalilzad, the US ambassador, and General George Casey, the top US commander in Iraq, in a rare joint press conference, delivered a unified message: that, despite the images of daily carnage in Baghdad, success was still possible.

In a sign of the growing violence in Baghdad, however, Gen Casey acknowledged that he may have to request more troops. US commanders have previously said they would ask for more soldiers if necessary. But the comments come at a sensitive time for the White House, as October shapes up to be one of the deadliest months for the US military in Iraq.

Reflecting increased pessimism among Republicans that the Iraq war could cost them control of one or both houses of Congress, the White House on Monday said President George W. Bush would no longer use the phrase "stay the course".

Mr Khalilzad emphasised that the US goal of bringing democracy to Iraq had not changed. He said Iraqi leaders had agreed to develop a timeline of progress on both security and economic issues, including changes to the constitution and disbanding militias.

"They have committed themselves to a timetable for making some of those decisions," said Mr Khalilzad, adding that he expected significant progress in the coming 12 months.

Stephen Hadley, the White House national security adviser, on Tuesday said the Iraqi government needed to act more quickly to help improve the situation in the country, although he warned that violence would continue for some time.

"The violence is going to go on for a long time," Mr Hadley told National Public Radio. "But what you hope for is a situation where Iraqi government institutions and Iraqi security forces can manage and contain the violence".

In the latest sign of Republican disatisfaction with the White House, Lindsey Graham, a South Carolina Republican senator and strong supporter of the war, on Tuesday said "We're on the verge of chaos, and the current plan is not working."

Gen Casey dismissed suggestions - most recently by Republican senator Arlen Specter - that Iraq had descended into civil war, insisting that 80 to 90 per cent of the sectarian violence happened in a 30-mile radius of the centre of Baghdad.

The attempt to win back the debate over Iraq comes as the loss of faith in the war reached new highs among the American and British public. A recent CNN poll found that a record 64 per cent of Americans now oppose the conflict.

Officials and analysts in the Middle East have been warning for months that Iraq has been gradually sliding into an uncontrollable civil war, as killings by Shia militias escalate at a faster pace than attacks by Sunni insurgents. Last week, Iraqi Shia and Sunni clerics were invited to the holy city of Mecca in Saudi Arabia to sign a declaration forbidding the shedding of Muslim blood.

The White House has been increasingly forced on to the back foot over Iraq since John Warner, the Republican chairman of the Senate armed services committee, who has been a strong backer of the administration, recently said the situation in Iraq was going "sideways", before warning last weekend that the violence was getting worse.

James Baker, the former secretary of state and Bush family confidante who is leading a bipartisan commission on US policy in Iraq, recently prompted speculation that the White House would gradually move towards a new policy by suggesting that "stay the course" and "cut and run" were not the only two options for Iraq.

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The growing doubts about Iraq policy were also aggravated by revelations that the US was increasingly frustrated by the performance of the Iraqi government of Nouri al-Maliki, which had failed to follow through on moves towards national reconciliation with the Sunni minority and was resisting tough action against the Shia militias.

Announcement Draws Skeptical Reaction In U.S. (MCT)

By Ron Hutcheson And Margaret Talev

McClatchy Newspapers, October 25, 2006

WASHINGTON - Judging from the initial reactions, Tuesday's announcement by the top U.S. commander and top U.S. diplomat in Iraq of benchmarks for progress and a loose timetable for drawing down American troops appears unlikely to influence the Nov. 7 congressional elections.

Republicans generally ignored the latest midcourse correction in Iraq, and Democrats denounced it as more of the same. Even the White House seemed to downplay the significance of the news conference by U.S. Ambassador Zalmay Khalilzad and Gen. George Casey.

Casey said he expected Iraqi security forces to take the lead role from American troops over the next 12 to 18 months. Khalilzad said he expected significant progress in the coming year on milestones related to security, economic development and political reconciliation. Both men wrapped their comments in qualifiers and avoided firm predictions, but their tone was unmistakably optimistic.

With congressional elections two weeks away, President Bush is under pressure to ease voters' concerns about the war. A new McClatchy-MSNBC poll of eight Senate battleground states found that Iraq remains by far the dominant issue, despite weeks of news coverage about the page scandal in the House of Representatives, North Korea's nuclear test and record highs in the stock market.

That's bad news for Republicans, because voters who said Iraq was their top concern support Democrats by ratios of 2-to-1 or more. Democrats need to pick up six Senate seats to take control of the chamber, and 15 seats in the House.

"We've been hearing White House promises to turn things over to the Iraqi forces for years - in 2006, in 2005, in 2004, in 2003 - but nothing ever seems to change," Sen. Charles Schumer, D-N.Y., said of Tuesday's announcement in Baghdad. "I don't think the American people are going to take it very seriously."

Others accused the administration of trying to manipulate public opinion for the election.

"Two weeks before the election they're confusing the public by making these conflicting statements. The only thing that's going to change the public's perception of Iraq is a redeployment of our troops and forcing the Iraqis to work this out themselves," said Rep. John Murtha, D-Pa.

Pollsters said voters were much more likely to be influenced by events in Iraq than by policy pronouncements from either political party.

"Whatever it is the president says has to be backed up by reality on the ground showing things getting better," pollster John Zogby said.

Bush and his allies made no effort to draw attention to the remarks in Baghdad. The president focused on the economy while campaigning for Republican candidates in Florida. Vice President Dick Cheney didn't mention the benchmarks or the timetable in a friendly interview with conservative commentator Sean Hannity.

Administration officials are all too aware that timetables and predictions can come back to haunt the person who makes them. On May 31, 2005, Cheney said the Iraq insurgency was in its last throes.

"I think that was premature," he acknowledged last week in an interview with Time magazine.

Another Bin Laden Victory (WT)

By Michael F. Scheuer

The Washington Times, October 25, 2006

In a world where leading Western experts have consigned Osama bin Laden and al Qaeda to near-irrelevant status, the gangly Saudi is on the verge of seeing the forces he leads and inspires knock off their third infidel government. Not bad for a guy running from rock to rock and cave to cave.

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First was the defeat of Spanish Prime Minister Jose Maria Aznar's conservative government after the Islamists' 2003 attack on Madrid's train station. Spanish voters ousted that rarity, a European leader who recognized bin Laden led much more than a criminal gang, and that Islamists would have to be confronted and smashed with a heavy, prolonged application of Western military power. Sadly, Mr. Aznar allowed himself to believe Washington's delusion that war in Iraq would be an effective, tide-turning extension of the battle against Islamist militancy. He paid the ultimate electoral price for indulging that lethal pipe dream, and the West lost a man who had accurately gauged the severity of the Islamist threat.

Next down the drain was the government of Thailand via last month's military coup. After the coup, rumors of deposed Premier Thaksin Shinawatra's corrupt activities spread, but at base the Thai generals seized power because of the increasing intensity of the Islamist separatist revolt in Thailand's three Muslim-dominated southern provinces. Nearly 2,000 people have died there since 2003, the central government is losing its grip in the region, and Mr. Thaksin's military response to the unrest was making little progress.

The Thai generals named a Thai Muslim as the new premier, and he has said it is time to slow military operations and talk about autonomy for the Muslim south. As always, what seems reasonable to the West and the westernized Thai will be seen by Thai Islamists and their backers as a long step toward victory that requires more military aggressiveness.

Bin Laden, his lieutenants and their allies are no doubt pleased by the destruction of the Spanish and Thai governments and the exhilarating message it sends to the worldwide Islamist movement: The infidels are weak, politically divided, terrified of using full military power and think we can be appeased. In short, war works; keep at it.

Even so, bin Laden, et. al, know the biggest prize looms just ahead — the chance that the Republican Party will be ousted from one or both houses of Congress. There are many factors contributing to this possibility: the Foley abomination, other corruption cases, the trumped?up "crisis" over First Amendment rights and the administration's ill-informed and ham-fisted handling of the Iraq and Afghan wars. If the Republicans are ousted, pundits on both sides of the aisle will find the causes strictly in America's navel.

But what will bin Laden and his Islamist allies think? Well, if Republican defeat comes to pass, they will first thank the Almighty — "Allahu Akhbar!" or "God is the greatest!" — for tangible proof of approaching victory. In Spain, Thailand, and Britain — where Prime Minister Tony Blair suffered the fate of Messrs. Aznar and Thaksin for the same reason, but is leaving gracefully — al Qaeda and its allies see politicians winning power who argue: "The military option has been tried and it has failed. We must seek other-than-martial means to defuse the Islamists' appeal and power." As in Europe and Thailand, this has been the refrain of Sens. Nancy Pelosi, Harry Reid, Charles Schumer, Hillary Clinton, Rep. Jane Harman, and a swath of Republicans who value their seats more than U.S. security.

If Americans vote for what sounds like sweet reason from the Democrats, bin Laden and company will rejoice. What they will hear is the death knell for any prospect of effective U.S. military resistance to militant Islam. With the Republicans out, the Islamists will be confident that Democrats will deliver the best of both worlds: less emphasis on military force and a rigid maintenance of U.S. foreign policies that are hated with passion and near-unanimity by 1.3 billion Muslims. If Osama approved of music, he would be whistling "Happy Days Are Here Again!"

What the enemy thinks is not the sole reason on which to base a vote. I will vote for Republicans, as I always do, because some know unborn babies are human beings who should not be murdered with the Democrats' joyful zeal. Enemy perceptions are worth remembering, however, because if Americans elect Democrats believing them likely to defeat al Qaedaism, history suggests they will be wrong.

The combination of Democratic rhetoric and the indelible fact of the Clinton administration's relentless refusal to try to kill bin Laden — preferring to protect its Arab, arms-buying buddies at the cost of American corpses — ensures that voters will receive what Clinton-era Democrats are best at giving: barely disguised pacifism that has and will continue to allow al-Qaeda and its allies to steadily destroy U.S. security.

Michael F. Scheuer, a 22-year veteran with the CIA, created and served as the chief of the agency's Osama bin Laden unit at the Counterterrorist Center.

Calling Again For Troop Withdrawal (WP)

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The Washington Post, October 25, 2006

During the years that he led opposition to the Vietnam War, former senator George S. McGovern (D-S.D.) says, he consoled his family with the proposition that the United States would never again commit such a "tragic mistake," as he put it. But McGovern said in an interview last week that America is headed down "the same road" in Iraq.

McGovern, the 1972 Democratic nominee for president, is out with a new book prescribing what the country ought to do to turn things around. The title neatly summarizes his advice: "Out of Iraq: A Practical Plan for Withdrawal Now."

Co-written with William R. Polk, a former professor and State Department Middle East expert, the 142-page volume calls for a phased withdrawal of 140,000 U.S. troops beginning by year's end and finishing by June 30. The authors say the Iraqi government should request the presence of an international force, including Arab and Muslim troops, to help keep order after the departure of the Americans.

McGovern and Polk call for an aggressive program of U.S. reconstruction aid to rebuild the Iraqi infrastructure destroyed in the war. Among other steps, the two say the United States should "express its condolences" to the Iraqi people for the large number of Iraqis killed, incapacitated, incarcerated or tortured. "A simple gesture of conciliation would go far to shift our relationship from occupation to friendship," they write.

In a telephone interview from his Mitchell, S.D., home, McGovern cast doubt on the assertion by President Bush that withdrawal would embolden U.S. enemies and create a haven for terrorists in the heart of the Middle East. It is the American presence in Iraq, he and Polk believe, that is fueling much of the violence. Their proposal is based on the conviction that the United States will eventually be forced out. Better to leave "in an orderly way" and "in a manner that will prevent further damage to American interests," they write.

At 84, McGovern remains active in civic affairs, speaking on college campuses and addressing the cause that remains his life's passion: world hunger and malnutrition. Along with former senator Robert J. Dole (R-Kan.), McGovern has been promoting an effort to create school lunch programs in developing countries.

Last week, McGovern spent about 50 minutes talking about his ideas for Iraq. Here are excerpts from the telephone interview:

-- Michael Abramowitz

QTell me a little about how this book came about.

AI found that lots of thoughtful people had come to the conclusion that the war was a mistake, but they would say now that we are there, we can't pull out. It's the same argument I combated for 15 years during the Vietnam War. . . . We concluded that instead of reducing terrorism, the [Iraq] war was aggravating it -- that we were in a more dangerous position with regard to Iraq and other countries as a consequence of the invasion.

You interviewed military folk?

Yes, [Polk] did. These are people who are on the job, so they are not eager to have their names attached to a withdrawal plan right now. What he found is that top people in the military don't think this war can be won. . . . How do you end this? You begin to plan a systematic withdrawal. We're not talking about a stampede for the border -- none of this silly business of cut and run.

Reports from Iraq are that the nature of the violence has changed, from a Sunni insurgency to more sectarian violence. Do you think that the book is a little out of date in the sense that any U.S. withdrawal would not affect this kind of violence?

It's possible. We say in the book that we are not promising stability, but . . . we think you are never going to have stability in Iraq as long as a foreign army is in that country.

What are the kinds of similarities that you see between Vietnam and the situation in Iraq?

I think one obvious similarity is that neither Vietnam nor Iraq constituted a threat to America's security in the world. . . . Secondly, we didn't know much about either one. We didn't even have people ready to go into Iraq that spoke Arabic. . . .

All those years we were in the jungle of Vietnam, losing 58,000 young Americans and probably being responsible for a couple of million Vietnamese deaths, my four daughters and my son used to get discouraged about ever ending that war. They would say, "What good does that do? You keep sounding off. You run for president, you got smashed in the election, what good does it do?"

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I would say: "Look, I am an old history teacher. . . . Even bad things in history usually have some good factor. And in Vietnam, the good thing about it is that it is such a tragic mistake we will never again do that again." . . . But I didn't count on terrorism. . . . I really think we are following the same road in Iraq. This time the fear is not communism -- it is terrorism.

Why do you not see the threat the same way [as Bush]?

I see terrorism as a threat to the United States, but I think it's growing worse in the way we are trying to handle it. That's a problem that is not essentially a military problem. . . . I do fear the terrorists. I feel more threatened by six years of the Bush-Cheney-Rumsfeld plan for fighting it than I did before.

Would you have been okay with an effort to just get rid of Saddam Hussein and leave?

I think it's good that he is gone. Now, having said that, I also wonder if, on balance, we improved our own security. We got rid of an SOB -- we all know that. . . . But what has happened as a consequence of that, Iraq is now in a civil war. People say if we pull out, we'll have a civil war. Well, they have got one going now. Saddam Hussein, for all of his viciousness, would not have permitted that to happen.

Is it your point that we should never try to overthrow a bad guy?

I don't like what is happening in the Sudan now. I don't like what happened in Rwanda. . . . It is a very tough, agonizing issue. But frustrating as it is, I still think we're better off trying to work through the United Nations. It's a frustrating organization. It's bureaucratic. But I still think that's the forum where we ought to press these issues.

What would be your advice to the Democratic Party?

They have got to be more assertive. They can't lay down and go along with policies that many of them know are mistaken. . . . I am disappointed in my old colleagues in the Senate, not all of them. . . . But by and large, the Democrats seem to have been intimidated into silence or kind of a mushy policy on foreign questions.

Is there any figure out there you see as someone who is promising for the Democrats in '08?

I haven't settled on anyone yet. . . . I don't think we have really brought our alternative positions into clear focus yet for the American public.

Running Against Themselves (NYT)

By Maureen Dowd

The New York Times, October 25, 2006

Things have become so dire for the Republicans that now even Bush is distancing himself from Bush.

The president is cutting and running from the president.

In a momentous event at the White House on Monday, Tony Snow made a major announcement about an important new strategy for Iraq. The president will no longer stay the course on the rallying cry "stay the course."

A presidency built on message discipline (Message: "Stay the course") is trying to salvage itself with some last-minute un-messaging (Message: "No more stay the course").

Of course, the administration has never really said what "the course" is, so it was never really apparent what "staying" it meant, anyhow.

It was a wacky moment for Tony Snow, who renounced the slogan while sticking to the policy. "It left the wrong impression about what was going on," the press secretary said, "and it allowed critics to say, 'Well, here's an administration that's just embarked upon a policy and not looking at what the situation is,' when, in fact, it's just the opposite."

The important thing was that the cliché sounded good to Republicans, strong and virile, for a while. But pollsters for the White House seemed to be the last to learn that even many of the party faithful had soured on the phrase, deeming it inflexible and stupid. Has Karl Rove, who urged G.O.P. candidates to keep the Democrats on the defensive on national security, lost his magic?

In a White House with a Fox News all-spin sensibility, officials don't think they need to change the strategy as much as they need to change their slogan.

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The overworked Bush phrase suggested "burying your head in the sand," Steve Hinkson, political director at Luntz Research Companies, a G.O.P. public opinion firm, told The Washington Post's Peter Baker. "The problem is that as the number of people who agree with remaining resolute dwindles, that sort of language doesn't strike a chord as much as it once did."

Unwilling to admit mistakes or face the urgent need to go past semantic changes in a protectorate that has fallen into a vicious civil war, in which Americans are merely referees and targets, the White House is falling back on marketing. Just as Andy Card rolled out the war as a marketing event, the Bush team now thinks that all it needs to do is come up with a catchy and chesty new advertising pitch.

Bay Buchanan assured Wolf Blitzer that the president still intended to stay the course and seek victory, he just wouldn't use that phrase, because it gave people the impression that W. was unwilling to change tactics.

After all, Dick Cheney told Rush Limbaugh last week that the inept Iraqi government was doing "remarkably well."

But given the Republican meltdown, it's obvious that Democrats are having better luck mocking the Republicans for staying the course than Republicans are having mocking the Democrats for cutting and running. But Democrats have no ingenious ideas about how to extricate ourselves from this nasty war either.

Yet W. once more accused the Democrats of wanting to cut and run in Iraq at a campaign stop in Sarasota, Fla., yesterday.

Many frantic Republican lawmakers are also running against themselves, either reneging on their support for the war they started, or railing against Washington, the town they absolutely control, claiming that the capital has forgotten their values, or making ads denouncing the Democrats' "homosexual agenda," even though Republicans are now the party of gay scandal.

It's a hilarious spectacle of a whole party re-enacting the classic scene in Mel Brooks's "Blazing Saddles," in which the sheriff holds the gun to his own head to take himself hostage.

The Bushes don't connect words with action. Action is something that's secretly plotted with the inner circle behind closed doors. The public should stay out of it. The Bushes just connect words with salesmanship. Poppy Bush never meant it when he said "Read my lips: no new taxes" at the 1988 convention. It was just a Clint Eastwood-sounding line in a Peggy Noonan speech, meant to pump up his flighty image.

Just so, his son never paid any mind to his campaign promise not to nation-build, and he didn't come through on his bullhorn pledge to catch the perpetrators of 9/11 or his tough-guy vow to bring in Osama dead or alive.

To W., the words he says to Americans don't matter as much as the words Dick Cheney says to him. He just has to hope that daddy's friend, James Baker, the smooth fixer who is co-chairman of the Iraq Study Group and who has already suggested moving past the meaningless partisan jargon of "cut and run" and "stay the course," comes up with a plan to rescue Junior from a fine mess one more time.

The Hard Way Out (WP)

By David Ignatius

The Washington Post, October 25, 2006

Some months ago, former national security adviser Zbigniew Brzezinski was explaining to a senior Bush administration official his plan for a phased withdrawal of U.S. troops from Iraq over 12 months, in consultation with the Iraqis. "We're going to do the same thing," the senior official confided, "but we're going to call it victory."

This week it became official: The Bush administration's Iraq policy is no longer "stay the course" but, in the phrase of White House spokesman Tony Snow, "a study in constant motion." The reality, as near as I can tell, is that the administration isn't sure yet where to move after the November elections. Nor are most of the administration's critics. Major newspapers carried editorials or op-eds this week advocating some version of "change the course," but they were vaporous when it came to details.

So what are the right guideposts for a gradual American withdrawal from Iraq? How can the United States, in its search for an exit, avoid compounding the mistakes it made in invading Iraq? To help light the way, we are blessed with a deus ex machina in the bipartisan Iraq Study Group, headed by former secretary of state James A. Baker III and ex-congressman Lee Hamilton.

A starting point is to understand what the United States is actually doing in Iraq now. A strategy of phased withdrawal is already underway -- on paper. The latest affirmation was yesterday's proposal by Ambassador Zalmay Khalilzad and Gen. George Casey of a security timetable to transfer control to the Iraqis in 12 to 18 months. The plan envisions a "national compact"

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among Iraq's different factions. By the end of this year, they would agree on terms for demobilizing militias, sharing oil revenue and easing de-Baathification rules. It all looks sensible -- on paper.

The problem is that this approach hasn't been working. Since January Khalilzad has been prodding Iraqi leaders in the Green Zone to make precisely these compromises. But out in the real world, the hopes for reconciliation have fallen apart, for a simple but terrifying reason: Iraq's Sunnis and Shiites are so enraged that they have stopped believing compromise is possible.

How will withdrawal plans deal with the reality of this sectarian hatred? The administration's answer has been to try to build up the Iraqi military so it can impose a monopoly of force. But that hasn't been working, either. The Iraqi troops simply can't match the brutality of the insurgents and death squads. The U.S. military can do the job, but the cost in American lives is becoming unacceptable. If we are serious about a withdrawal timetable, we will have to accept Iraqi solutions, ragged and violent though they may be.

In the weeks after the election, the debate in Washington will focus on two promising exit ramps. But it's important not to attach unrealistic hopes to either one.

The first path is a more federal Iraq -- with power devolved to the Shiite, Sunni and Kurdish regions. But this presupposes a national government strong enough to formulate rules for, say, the sharing of oil revenue. If such a national framework existed, Iraq wouldn't be such a mess in the first place. Another tricky problem is stabilizing the Sunni areas that would be a potential safe haven for terrorists. If the Iraqi army can't control these areas, the only alternative may be, in effect, a Sunni militia drawn from the ranks of the insurgency. U.S. officials have been meeting secretly outside Iraq with insurgent leaders in an effort to draw them into such a framework.

The second exit ramp passes through Iran and Syria. Talking with Tehran and Damascus could be helpful in stabilizing Iraq, but we should recognize at the outset that their influence is limited -- and that it may carry an unacceptable price. Iran's goal in Iraq is a decisive Shiite victory and Sunni submission, but that's a formula for continuing civil war -- and in any event, it's not an agenda the United States should endorse. Syria could be helpful in curbing al-Qaeda in Iraq, but there are limits and drawbacks to Syrian power -- as was clear during its long and brutal occupation of Lebanon.

The real opportunity presented by the Baker-Hamilton process is that it's bipartisan. To get most American troops out of Iraq over the next year will require more patience at home, and a lot less partisan bickering. And our politicians will need strong stomachs: They must manage an orderly retreat under fire. There is a path out of this mess, but we will be lying if we call it victory.

The writer co-hosts, with Newsweek's Fareed Zakaria, PostGlobal, an online discussion of international issues.

'All Over The Place' (WP)

By Harold Meyerson

The Washington Post, October 25, 2006

The president has fled the field from "stay the course," signaling not just the unwinnability of his war but the bankruptcy of his political strategy. For as the president and his party grope for an alternative plan of action in Iraq, Karl Rove's bright line between Republican resolve and Democratic defeatism has become irreversibly fuzzed.

"Stay the course," after all, was never intended to have a free-standing existence. Republicans invoked it only in dialectical contrast to "cut and run," their caricature of the Democrats' preference for a phased withdrawal from Iraq, or for partitioning it into three separate quasi-nations, or for redeploying our troops to neighboring states -- or, more simply, of the Democrats' mounting conviction that our presence in Iraq was growing more pointless each day.

In a strenuous attempt to make lemonade from lemons, George Bush attacked the Democrats for failing to articulate a clear, compelling alternative to his war, though his war created so cosmic a debacle that there were no compelling alternatives. Appearing last week with Don Sherwood, one of many embattled Republican congressmen in Pennsylvania, Bush accused the Democrats of being "all over the place" on Iraq.

Over the past several months, though, more and more Republican candidates have taken to voicing the same doubts and suggesting the same alternatives as those Democrat Defeatocrats. Wobbly Joe Biden has been joined by staunch Kay Bailey

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Hutchison -- Republican of Texas, Bush's own senator -- in calling for a tripartite partition. "People say, 'Well, that would balkanize the country,' " she told the editorial board of the Dallas Morning News. "Well, things are pretty stable in the Balkans right now."

Or consider George Allen, Virginia's own Mr. Malaprop, who as recently as last month was preaching the gospel of Stay the Course and disparaging those who would "second-guess" his votes for the war. In just the past couple of weeks, Allen has allowed as how "mistakes have been made, and progress has been far too slow."

Earlier this month Bush stood alongside Allen at a Richmond fundraiser and complained that the Democrats "would have our country quit in Iraq before the job is done. That's why they are the party of cut and run. We will fight. We will stay. We will win in Iraq." But after Bush left, Allen told reporters he didn't embrace all the president had said: "The president has his ideas on Iraq. John Warner has his, and I have mine."

As Iraq descends into a Hobbesian bloodbath, it's every man for himself within the Grand Old Party. In Connecticut, Rep. Chris Shays, after his 14th visit to Iraq, announced he was "losing faith in how we are fighting this war." In New Jersey, senatorial candidate Tom Kean Jr. called for Don Rumsfeld's resignation. Most wondrous of all, in suburban Philadelphia, Rep. Curt Weldon, vice chairman of the House Armed Services Committee, suggested that the right to make decisions about the future deployment or redeployment of our troops in Iraq should be left to the generals there, rather than remain with Bush, Vice President Cheney and Rumsfeld -- in whose judgment, we must presume, Weldon has lost all confidence. Weldon is under investigation by the FBI over some alleged financial dealings that he and his family have had with Russian businesses. While they're at it, the agents might inquire if Weldon has ever read the Constitution, which designates the president as commander of our armed services.

If a Democrat offered Weldon's remedy for Iraq, the Republicans would flay him alive. When Weldon went woozy, however, they reacted by continuing to funnel money into his coffers. "Stay the course" has been replaced by "anything goes" -- so long as it helps the Republicans cling to power.

Idle Contractors Add Millions To Iraq Rebuilding (NYT)

By James Glanz

The New York Times, October 25, 2006

Overhead costs have consumed more than half the budget of some reconstruction projects in Iraq, according to a government estimate released yesterday, leaving far less money than expected to provide the oil, water and electricity needed to improve the lives of Iraqis.

The report provided the first official estimate that, in some cases, more money was being spent on housing and feeding employees, completing paperwork and providing security than on actual construction.

Those overhead costs have ranged from under 20 percent to as much as 55 percent of the budgets, according to the report, by the Special Inspector General for Iraq Reconstruction. On similar projects in the United States, those costs generally run to a few percent.

The highest proportion of overhead was incurred in oil-facility contracts won by KBR Inc., the Halliburton subsidiary formerly known as Kellogg Brown & Root, which has frequently been challenged by critics in Congress and elsewhere.

The actual costs for many projects could be even higher than the estimates, the report said, because the United States has not properly tracked how much such expenses have taken from the $18.4 billion of taxpayer-financed reconstruction approved by Congress two years ago.

The report said the prime reason was not the need to provide security, though those costs have clearly risen in the perilous environment, and are a burden that both contractors and American officials routinely blame for such increases.

Instead, the inspector general pointed to a simple bureaucratic flaw: the United States ordered the contractors and their equipment to Iraq and then let them sit idle for months at a time.

The delay between “mobilization,” or assembling the teams in Iraq, and the start of actual construction was as long as nine months.

“The government blew the whistle for these guys to go to Iraq and the meter ran,” said Jim Mitchell, a spokesman for the inspector general’s office. “The government was billed for sometimes nine months before work began.”

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The findings are similar to those of a growing list of inspections, audits and investigations that have concluded that the program to rebuild Iraq has often fallen short for the most mundane of reasons: poorly written contracts, ineffective or nonexistent oversight, needless project delays and egregiously poor construction practices.

"This report is the latest chapter in a long, sad and expensive tale about how contracting in Iraq was more about shoveling money out the door than actually getting real results on the ground," said Stephen Ellis, a vice president at Taxpayers for Common Sense in Washington.

"These contracts were to design and build important items for oil infrastructure, hospitals and education, but in some cases more than half of the money padded corporate coffers instead," he said.

Although the federal report places much of the burden for the charges squarely on the shoulders of United States officials in Baghdad, the findings varied widely over a sampling of contracts examined by auditors, from a low of under 20 percent for some companies to a high of over 55 percent.

One oil contract awarded to a joint venture between Parsons, an American company, and Worley, from Australia, had overhead costs of at least 43 percent, the report found. One contract held by Parsons alone to build hospitals and prisons had overhead of at least 35 percent; in another, it was 17 percent.

The lowest figure was found for certain contracts won by Lucent, at 11 percent, but the report indicates that substantial portions of the overhead in those cases could not be determined.

The report did not explain why KBR's overhead costs on those contracts — the contracts totaled about $296 million — were more than 10 percent higher than those at the other companies audited. Despite past criticism of KBR, the Army, which administers those contracts, has generally agreed to pay most of the costs claimed by the company.

Melissa Norcross, a spokeswoman for KBR, said in a written reply to questions, "It is important to note that the special inspector general is not challenging any of KBR's costs referenced in this report."

"All of these costs were incurred at the client's direction and for the client's benefit," she said, referring to the Army Corps of Engineers, which is in charge of the oil contract.

But a frequent Halliburton critic, Representative Henry A. Waxman, a California Democrat who is the ranking minority member of the House Committee on Government Reform, disputed those assurances. "It's incomprehensible that over $160 million — more than half the value of the contract — was squandered on overhead," Mr. Waxman said in a written statement.

The majority leader of the same committee, Thomas M. Davis III, a Virginia Republican, declined to comment.

A spokeswoman for Parsons, Erin Kuhlman, said the United States categorized overhead and construction costs differently from contract to contract in Iraq, making it difficult to make direct comparisons. "Parsons incurred, billed and reported actual costs as directed by the government," she said.

In Iraq, where construction materials are scarce and contractors must provide security for work sites and housing for Western employees, officials have said they expect the overhead to be at least 10 percent, but the contractors and American officials have grudgingly conceded that the true costs have turned out to be higher.

But even the high of 55 percent could be an underestimate, Mr. Mitchell said, because the government often did not begin tracking overhead costs for months after the companies mobilized. He added that because of the haphazard way in which the government tracked the costs, it was not possible to say how well the figures reflected overhead charges in the entire program.

The report's conclusions were drawn from $1.3 billion in contracts for which United States government overseers actually made an effort to track overhead costs, of the total of $18.4 billion set aside for reconstruction in specific supplemental funding bills for the 2006 fiscal year.

When all American and Iraqi contributions are added up, various estimates for the cost of the rebuilding program range from $30 billion to $45 billion. Language included in the Defense Authorization Act, signed by President Bush last week, states that the inspector general's office will halt its examination of those expenditures by October of next year.

Maj. Gen. William H. McCoy, who until recently commanded the Persian Gulf region division of the Corps of Engineers, disputed some of the inspector general's findings in a letter appended to the report. Things like "waiting for concrete to cure" could still be taking place during what seem to be periods of inactivity, General McCoy wrote, so a quiet period "does not mean that the project is not moving forward."

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But many of the delays came during 2004 and took place in response to political developments in Iraq, the inspector general's report says. The American occupation government, the Coalition Provisional Authority, mobilized many of the companies early that year.

After the authority went out of existence in June 2004, handing sovereignty to the Iraqi government, top American officials then kept the companies idle for months as the officials rewrote the rebuilding plan, and ran up costs as little work was done.

Halliburton Cited For Iraq Overhead (WP)

By Griff Witte

The Washington Post, October 25, 2006

Administrative overhead accounted for more than half the costs that a Halliburton Co. subsidiary passed on to the government under a key contract to restore Iraq's oil industry, a figure that critics said was unusually high.

A report released yesterday by the inspector general's office overseeing Iraq spending found that at least 55 percent, or $163 million, of $296 million in total costs rung up by Halliburton unit KBR went to expenses such as back-office support, transportation and security. That percentage was significantly higher than it was on work by other firms in Iraq, and experts said it is far above what is typically found on a government contract.

The findings are the latest that call into question KBR's work under the deal, which required the company to rehabilitate oil facilities in southern Iraq. Under the contract's terms, KBR is reimbursed for its costs and then receives a percentage for profit on top, an arrangement that critics contend has given the firm an incentive to run up its bills.

According to internal government documents released in March, auditors found that the company had repeatedly overcharged the government by, among other things, billing for work it didn't actually do and paying suppliers more than they were owed. Meanwhile, work schedules slid and company officials balked at requests for accurate cost estimates. At one point, officials threatened to terminate the deal. Instead, KBR -- which has received more money from the Iraq war effort than any other firm -- was allowed to keep the contract and is now winding up work.

In a statement, Halliburton spokeswoman Melissa Norcross defended the company's administrative spending. "All of these costs were incurred at the client's direction and for the client's benefit, and they have been extensively audited and deemed allowable and legitimate," she said.

The Army Corps of Engineers -- which oversaw the contracts -- acknowledged that some of the administrative costs were high. But in a response to the inspector general's findings, the Corps argued that important work was getting done even when money was being spent on administrative matters rather than directly on Corps projects.

In government contracting, administrative rates can vary widely depending on the kind of work being done and on the circumstances.

Work in Iraq, for instance, often involves high security costs that inflate overhead.

Yesterday's report by the special inspector general for Iraq reconstruction does not directly say whether KBR's overhead costs were excessive. But it does offer a more comprehensive look than was previously available at where the money has gone on the firm's oil contract, as well as on deals involving other companies to construct hospitals and schools. In many cases, contractors have failed to meet expectations, leaving the job of rebuilding critical services in Iraq to the Iraqis.

The United States has devoted more than $20 billion to rehabilitate Iraq, but critics contend that much of the money has been wasted as contractors used the government's checkbook to spend lavishly on hotels, food and employee salaries. Halliburton has come under particularly intense scrutiny because of the volume of work it has done in Iraq and because Vice President Cheney was once the firm's chief executive.

"Halliburton was given a blank check by the Bush Administration and the Republican Congress did nothing to stop the hemorrhaging of taxpayer dollars," said Rep. Henry A. Waxman (D-Calif.), a frequent Halliburton critic, in a statement.

Yesterday's report cites one contract in Iraq that had administrative rates of between 2.3 percent and 17 percent. Of the five contracts that auditors reviewed in depth, rates ranged from a high of 55 percent for the KBR deal to a low of 11 percent. The report cautions, however, that all of the estimates may be too low because of the way they were tabulated.

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KBR's "rates are high," said Scott Amey, general counsel of the watchdog group Project on Government Oversight. "They would send up a red flag for me." But Amey said it would take a more thorough review of exactly where the money went to know how much was wasted.

In addition to noting KBR's overhead costs generally, the report focuses on a nine-month stretch between February 2004 -- when KBR was directed by the government to gear up for work -- and November 2004, when substantial work actually began. During that period, KBR spent $53 million on overhead and $13 million on direct project costs.

Report authors said that was due to "poor planning" by the government, which had asked the company to mobilize before key decisions had been made about which projects would be funded.

Halliburton stock jumped $1.58 yesterday, to close at $30.84 after news that the company had beaten Wall Street's expectations for third-quarter revenue and profit.

Halliburton had previously announced that it garnered $611 million in profit last quarter, up from $499 million in the comparable quarter last year.

KBR took in $1.2 billion in revenue for the quarter from Iraq-related work, though the company said the profit margin on that work was just 3.7 percent before corporate expenses and taxes.

Halliburton, which does most of its work in energy services, filed documents yesterday with federal regulators to spin off a portion of KBR as a public company.

Halliburton officials have said in the past that the unit is a drag on the parent company's earnings and share price.

Halliburton Will Sell 17% Of Its KBR Unit (WSJ)

The Wall Street Journal, October 25, 2006

HOUSTON -- Halliburton Co. will sell 17% of its Kellogg, Brown & Root engineering unit in an initial public offering of stock later this year, according to an updated Securities and Exchange Commission filing by the oil-field services company.

The unit, known as KBR, also reported in the IPO filing that an investigation by a magistrate or a public prosecutor in Algeria "may be pending" regarding sole-source contracts awarded to Brown & Root-Condor SpA, a joint venture with Condor Engineering SpA in which KBR had a 49% interest as of June 30. The company didn't offer further details on the matter.

Halliburton, which put its planned IPO of KBR on hold this summer during a tough period for new stocks, said earlier this week that it wants to go ahead with the deal by the end of 2006 now that market conditions have improved. After selling 27.8 million shares to the public, Halliburton will own the remaining 83% of KBR; it plans to spin that stake off to Halliburton shareholders in April.

Iran's Supreme Leader Seeks Calm In Iraq (AP)

By Nasser Karimi, Associated Press Writer

AP, October 25, 2006

Iran's supreme leader Ayatollah Ali Khamenei on Tuesday called for an end to the bloody sectarian conflict tearing apart neighboring Iraq.

"The Iraqi people should do everything to avoid sectarian conflict," Khamenei told a crowd of thousands, including senior government officials, ringing in the first day of the Eid al-Fitr holiday at a mosque in Tehran. The celebration marks the end of the Muslim holy month of Ramadan.

Iraq's Shiite Muslim-led government has maintained close ties with Washington, as well as Shiite-dominated Iran since the fall of Saddam Hussein's overwhelmingly Sunni Arab regime.

But Iraq teeters on the brink of civil war with Sunni and Shiite factions launching daily attacks against each other and carrying out reprisal killings. The violence has displaced thousands of Iraqis, turning once-mixed neighborhoods into ethnic enclaves.

Many Iraqis believe Tehran has played a role in the unrest since Iran has ties to Iraq's largest Shiite political parties and their militias.

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That view was echoed hours after Khamenei's speech when Gen. George Casey, the top U.S. commander in Iraq, lambasted Iran and Syria for trying to undermine the American effort to stabilize Iraq. Casey said both countries had been "decidedly unhelpful."

In his address, Khamenei warned other Middle Eastern countries against cooperating with American initiatives that may be designed to divide the Middle East for Israel's benefit.

"Our nation should be aware. The Lebanese nation should be aware. The Palestinian nation should be aware. Arab nations in the region, Iraq and other Muslim nations should be careful not to play along with these U.S. plots," the supreme leader said, adding that the biggest priority for the U.S. in the Middle East was protecting Israel's interests.

"What is considered success for the U.S. is harming all Islamic nations," Khamenei said.

No Word On Soldier Missing In Baghdad (AP)

By Sinan Salaheddin

AP, October 25, 2006

The U.S. military carried out house-to-house searches in an upscale Baghdad neighborhood for an Army translator missing after reportedly being kidnapped, but said Tuesday they had found no sign of him.

The military said the U.S. soldier, who was not identified by name, was last seen Monday in the heavily guarded Green Zone in central Baghdad, after which he was believed to have left to visit relatives elsewhere in the capital.

U.S. and Iraqi forces threw a security cordon around the central Karradah district Monday night and Iraqis seeking to pass through the downtown area Tuesday were turned away at roadblocks. Army Kiowa OH-58 reconnaissance helicopters circled the area in pairs.

American soldiers patrolling Karradah showed photocopies of the missing man's photograph to residents in a search for leads as they checked houses and buildings across the area, which lies in a bend in the Tigris river.

The military said the soldier was a linguist with the Provincial Reconstruction Team in Baghdad. American troops who raided Baghdad's al-Furat TV on Monday said they were looking for an abducted American officer of Iraqi descent who went to join relatives in Karradah.

"We will leverage all available coalition resources to find this soldier," Maj. Gen. James D. Thurman said in a statement. "Our thoughts and prayers go out to his loved ones, and we are working for his safe return."

The soldier was reportedly at a relative's house when he was grabbed by masked men who handcuffed him and forced him into a vehicle. One of the men then called a relative with the soldier's cell phone, the military said. It did not say whether a ransom demand was made.

The last time U.S. soldiers were reported missing in Iraq was in June, when two Americans were captured in an attack on their checkpoint south of Baghdad. The soldiers were later found dead, their bodies brutalized, the military said. Al-Qaida in Iraq claimed responsibility.

Few American soldiers have been abducted in Iraq, due largely to strict military procedures for those on patrol or at checkpoints.

The U.S. military has rules for soldiers operating outside their bases that are designed to ensure they are under supervision and also to protect them. Soldiers leaving base are supposed to be accompanied by a noncommissioned officer and travel in at least two vehicles.

Military Mounts Search For Missing U.S. Soldier (WP)

By John Ward Anderson

The Washington Post, October 25, 2006

BAGHDAD, Oct. 24 -- U.S. forces scoured central Baghdad on Tuesday looking for a missing U.S. soldier who was presumed kidnapped by insurgents while visiting his Iraqi relatives. The troops went door-to-door, manned checkpoints, stopped and searched cars and showed pedestrians a picture of their missing comrade, hoping to generate leads on his whereabouts.

The U.S. military said in a statement that the soldier, who was not identified, was an Iraqi American who was assigned to a provisional reconstruction team as a translator.

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The soldier apparently has family in Baghdad and left the Green Zone -- the heavily fortified area in the city that is headquarters for the U.S. military, several embassies and the Iraqi government -- to visit relatives Monday to celebrate Eid al-Fitr, one of the biggest holidays of the Muslim year.

While he was at a relative's house, the statement said, three cars pulled up and men with rags over their faces "handcuffed the soldier and forced him into one of the vehicles."

A relative "who claimed to be at the residence when the abduction occurred was reportedly contacted by the kidnappers using the soldier's cell phone," the statement said. It did not say whether a ransom had been demanded or other demands had been made.

"We will leverage all available coalition resources to find this soldier," said Maj. Gen. James D. Thurman, commander of coalition forces in the capital. "Our thoughts and prayers go out to his loved ones."

"The search is ongoing," said Lt. Col. Jonathan Withington, a spokesman for the U.S. military command in the city. "We are committing all available coalition resources to find him."

The military said it searched the offices of al-Furat TV in Baghdad on Monday night. The station is owned by the Supreme Council for the Islamic Revolution in Iraq, the country's top Shiite political party and the dominant party in the government.

An employee at the station told the Associated Press afterward that the soldier's wife, also an Iraqi American, reportedly was in the capital visiting family.

A U.S. military spokesman said the soldier was not authorized to be outside the Green Zone for the visit. His duty status has been listed by the military as "whereabouts unknown," the statement said.

The last time a U.S. soldier was abducted was in June, when two soldiers were seized during an insurgent ambush of a U.S. checkpoint south of Baghdad. The mutilated bodies of the two were found three days later. Al-Qaeda in Iraq asserted responsibility for the attack, in which a third U.S. soldier also was killed.

In an unrelated matter, U.S. forces in Fallujah shot and killed four Iraqi firefighters Tuesday, mistakenly believing that they were insurgents who had commandeered a firetruck, the U.S. military said in a statement.

The statement said that after reports had aired that insurgents had hijacked a truck and crew, soldiers spotted a firetruck responding to a call and pulled it over for an inspection. As the firefighters were quickly exiting their truck, "coalition forces thought they were armed" and opened fire, killing them all, the statement said.

A few minutes later, the statement said, the hijacked firetruck was spotted and pulled over, and the occupants fled.

At least five people were killed and more than 30 were wounded in violence in Baghdad on Tuesday.

Troops Fortify Hold On Plant That Once Housed Insurgents (WP)

By Josh White

The Washington Post, October 25, 2006

YUSUFIYAH, Iraq, Oct. 24 -- When U.S. troops effortlessly occupied an enormous power plant that had been used by insurgents, they found blankets littering the steel risers, one room with the air conditioning running and a pot of tea ready to pour, and machine-gun cartridge cases strewn about. They saw cages -- one containing a pair of shoes and what appeared to be human feces -- on the bottom floor, what U.S. commanders said they believe is an indication that prisoners had been held there and possibly tortured.

U.S. and Iraqi soldiers on Tuesday began fortifying their position inside the plant in this Euphrates River town as part of a concerted effort to deny insurgents a safe haven scarcely 10 miles from Baghdad's southern edge.

The power plant is a half-finished relic. Though it never came close to being operational, it was a major target for the 2nd Brigade Combat Team, 10th Mountain Division, because of its long-standing use as a transient base for insurgent fighters. Its smokestack juts high above the horizon, and its beautiful vistas of the lush Euphrates River valley belie the sometimes chaotic battlefield below.

The move to take the plant comes amid an aggressive operation to push the insurgents out of a haven that has existed for years. U.S. officials said that the area's string of small rural Sunni towns has played host to leaders such as the late Abu Musab al-

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Zarqawi and that teams of insurgents continue to intimidate the local populace while launching complex and coordinated attacks on U.S. patrol bases.

Soldiers at the bases, which in the past three weeks have been plunked down right on the edge of the most hostile areas, are now charged with rooting out the insurgents and winning over the local people, a task they acknowledge is not going to be easy.

"We're fighting somebody very smart, a group of people who have been fighting all their lives," said 1st Sgt. David Schumacher, 37, of Watertown, N.Y., who helped lead A Company of the 2nd Battalion, 14th Infantry Regiment, into the power plant this week. "Even with everything we have, we find them and destroy them but we can't find everyone."

The insurgents have found ways to blend in easily with the surrounding communities, in part because the Sunni villagers say they are distrustful of the fledgling Iraqi army units in the area and fear the insurgents and their threats. On Thursday, a group of 20 black-clad insurgents made a run on U.S. positions near the power plant, using machine guns and mortars to attack in a very organized fashion, said Capt. Brendan Hobbs, 30, of Tampa.

On Sunday, a similar group used heavy machine guns, rockets, rocket-propelled grenades and mortars to attack a U.S. base in Rushdi Mullah, a small farming village that represents the front line for U.S. troops. One U.S. soldier was killed in that attack.

But Capt. Chris Vitale, 29, of Washington, Pa., said his B Company, 4th Battalion, 31st Infantry Regiment, is working to connect with residents who live yards away to convince them that the insurgents are their enemy, too. Vitale said that last week the residents came to his unit when a little girl accidentally drank diesel fuel and needed immediate medical attention. After soldiers helped save her, people in the streets openly thanked them.

"They're not afraid to come and talk to us now, and they say they just want to live their lives," Vitale said, adding that men in the neighborhood have recently waved the soldiers down to point out suspicious activity. "Insurgents are coming in and smacking the locals around, going on their roofs, and they don't like it. I think it's a matter of days before we start getting really good intelligence from them."

Attacks, including several powerful roadside bombs and attempted car bombings, have increased in recent days because U.S. troops have been pushing forward and trying to squeeze out the insurgents, said Col. Michael Kershaw, the 2-10 Mountain's commander.

"We've got them up against the river now, and they don't have many options," Kershaw said. He surveyed the region Tuesday from atop the power plant and visited his forward patrol bases. Special Operations Forces also were in the area Tuesday going after insurgents, using helicopters to attack a home in the late afternoon, sending up plumes of smoke visible miles away.

In the most contested region under the 2-10's responsibility, the Iraqi army battalion is still performing at a low level and is probably many months from being able to operate on its own, according to U.S. soldiers. While the Iraqi soldiers said in a brief interview Tuesday at the power plant that they are committed to the fight, the difficulty comes in winning over the local populace.

Juad Kazim, a resident in Mulla Fayyad, a tiny Sunni town a few miles from the power plant, said residents fear leaving their town because of Shiite militias. People are afraid to send their children to school because they have been told the schoolhouses will be targeted, and they fear the Iraqi army, unless they are escorted by U.S. troops, because the units are mostly Shiite.

"All we want is security and safety, that's it," Kazim said through an interpreter.

Military Trains Personnel In Advisory Roles (LAT)

By Peter Spiegel

The Los Angeles Times, October 25, 2006

tt riley, kan. — Within the Army's tightly knit community of counterinsurgency experts, Lt. Col. John Nagl is something of a star.

When the Army and Marine Corps decided to rewrite their field manual on how to fight insurgents last year, Nagl was chosen as one of its authors. His doctoral thesis on guerrilla wars was just republished in paperback with an approving forward by the Army's chief of staff.

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But when Nagl's two-year stint in the Pentagon ended this month, he did not, like most accomplished soldiers of his rank, take command of an armored battalion headed back to Iraq. Instead, he shipped out to this sprawling base in rural Kansas where the Army is attempting what some consider its most ambitious structural change since the Vietnam War.

Here, amid rolling fields dotted by scores of quickly built barracks, the Army is building a training base that by early next year will be turning as many as 2,000 of its most promising midlevel officers into military advisors every two months, most of them headed to Iraq.

The mission reflects the U.S. military's vision of its long-range role in Iraq -- as advisors for local forces who will be doing the actual fighting. But it represents something of a gamble as well: The effort is sucking thousands out of their normal combat deployments at a time when American forces are facing personnel shortages and violence in Iraq is surging.

It is also a signal that, as commanders in Iraq move to re-evaluate tactics in the wake of a faltering Baghdad offensive and rising U.S. casualties, the work of military advisors is likely to emerge as a pillar of any plan to withdraw American troops. In Baghdad on Tuesday, Gen. George W. Casey Jr., commander of U.S. forces in Iraq, said it may take more U.S. troops to quell violence in Baghdad.

Already, there are 3,600 military advisors in Iraq, training, organizing and accompanying Iraqi units into action. But as the effort at Fort Riley ramps up, Army officials acknowledge that number could grow by thousands -- and perhaps tens of thousands, once Afghanistan is added to the program -- in the coming months.

"This is much bigger than ... sending Special Forces teams down to El Salvador or Colombia to work in small groups," said Gen. Richard A. Cody, the Army's vice chief of staff, referring to past U.S. advisory efforts.

The size and the scope of the new effort, which began in June with the arrival at Fort Riley of the first class of prospective advisers, is a sign of how seriously the Army is now taking the mission.

"I feel like we'll be the last men standing at the end of the U.S. presence here," said Brig. Gen. Dana Pittard, the Army officer sent to Baghdad in July to take over the adviser program.

The Army has begun pouring resources into the effort. Gen. Peter J. Schoomaker, the Army's chief of staff, has assigned an entire division headquarters -- the 1st Infantry, one of only 10 divisions in the Army -- to take over the training mission, and has ordered two of its combat brigades to rid themselves of all their tanks and infantrymen to devote their officers exclusively to training advisers.

"The fact he took one of his divisions, at a time he needs divisions, and two heavy brigades, at a time he needs heavy brigades, that by itself speaks volumes of how important this is," said Maj. Gen. Carter F. Ham, the 1st Infantry's new commander.

The Army in April added a series of incentives to convince its best officers to volunteer for the program. The most attractive is a guarantee that volunteers will get an assignment of their choice after a year as an adviser.

The effects of the advisor program are already visible. Kalev Sepp, an instructor at the Naval Postgraduate School, said he was taken aback when, before a recent lecture to Iraq combat veterans going through a course for captains at Fort Knox, he was repeatedly told by officers that they were headed to Fort Riley.

"I finally just said, 'How many people here are going back to Iraq as advisors?' and half the people in the room raised their hand," said Sepp, himself a military adviser in El Salvador as a Special Forces major 17 years ago. "That's extraordinary."

But until the start of the year, the Army's attention to its military advisor program was haphazard at best.

The concept itself started on an ad-hoc basis. Early in the Iraq war, some commanders adapted quickly to fighting a counterinsurgency and set up embedded military adviser teams on the fly.

Most prominently, Lt. Gen. Peter W. Chiarelli -- now the commander of all ground forces in Iraq, but also the commander of the 1st Cavalry Division in Baghdad's Sadr City slums in early 2004 -- took hundreds of his soldiers from their assigned units to create 70 small teams who "lived, ate, and trained with the Iraqi Army," Chiarelli wrote in a summary of his deployment. Maj. Gen. John Batiste, who commanded the 1st Infantry Division the same year, took similar steps in the Sunni Triangle north of Baghdad.

But Chiarelli and Batiste were exceptions to the rule. Most commanders, when ordered to provide soldiers for military training teams -- dubbed MiTT teams in military jargon -- would turn over men who were not needed for essential operations.

"Some took it very seriously and picked very good people," said Pittard. "Some said, 'Well, who can we spare?' "

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The result was predictable. When Sepp, who has traveled to Iraq as a counterinsurgency adviser to U.S. commanders, met military trainers in Taji as recently as December, he was "unimpressed with the quality of people."

"The lieutenant colonel that I met there, the first thing on his mind was how much longer he had before he left," remembered Sepp. "He had it down to hours. He was completely uninterested in what they were doing."

Adviser teams were thrown together and, in many cases, did not meet each other until arriving in Iraq -- a drastic change for combat units who normally spend a year together before deployment.

While the huge shift under way at Fort Riley will address many problems, it also raises some new ones.

The Army already is scrounging for soldiers to send to Iraq in combat brigades. Two senior military planners said in interviews that the move to push thousands of officers into adviser roles has exacerbated readiness problems already plaguing the Army.

The military advising mission is particularly debilitating because it is officer-heavy. The typical 11-man U.S. team sent to advise an Iraqi battalion consists of five enlisted officers above the rank of staff sergeant, and six commissioned officers.

Cody acknowledged the overhaul of the adviser mission will "put added strain on the force." He said the Army is compensating by filling some senior officer jobs with more junior officers, particularly in units that have just returned from Iraq.Perhaps more troubling, however, is the time it has taken to make the adviser program a priority. While Defense Secretary Donald H. Rumsfeld and President Bush have mentioned military advisers as central to plans to hand security duties to Iraqis, it has taken three years to begin to fix the program.

Counterinsurgency experts said that the U.S. must make a long-term commitment to the program and support the Iraqi military with money and American airpower, or risk a catastrophic, Vietnam-like collapse of the Iraqi armed forces.

But it is unclear how long the Army is willing to stay with the program. Ham, the 1st Infantry commander, said he views the training mission to be a two- to three-year commitment. Cody said he is preparing for five years.

But even that might not be long enough. Nagl, the army guerrilla war expert, recalled that the British counterinsurgency that began in 1948 in Malaya lasted 12 years.

"These are long wars," Nagl said. "These are long, hard wars."

Grass-Roots Group Of Troops Petitions Congress For Pullout From Iraq (WP)

By Ann Scott Tyson

The Washington Post, October 25, 2006

More than 100 U.S. service members have signed a rare appeal urging Congress to support the "prompt withdrawal" of all American troops and bases from Iraq, organizers said yesterday.

"Staying in Iraq will not work and is not worth the price. It is time for U.S. troops to come home," reads the statement of a small grass-roots group of active-duty military personnel and reservists that says it aims to give U.S. military members a voice in Iraq war policy.

"As a patriotic American proud to serve the nation in uniform, I respectfully urge my political leaders in Congress to support the prompt withdrawal of American military forces and bases from Iraq," it reads. The group, which aims to collect 2,000 signatures and deliver the message to Congress in January, is sponsored by antiwar activists including Iraq Veterans Against the War, Veterans for Peace and Military Families Speak Out.

The unusual appeal -- the first of its kind in the Iraq war, organizers say -- makes use of a legal protection afforded by the Military Whistle-Blower Protection Act, which provides that members of the military, acting in their capacity as citizens, can send a protected communication to Congress without reprisal.

"Just because you put on the uniform of our country doesn't mean you've given up your rights as a citizen," said J.E. McNeil, a lawyer for the group and executive director for the Center on Conscience & War, a Washington organization that protects the rights of conscientious objectors.

But the service members can exercise this right only while off duty and out of uniform, and they must otherwise make clear they are not speaking for the military. In addition, they cannot say anything disrespectful about their commanders, including the president, McNeil said.

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Navy Seaman Jonathan Hutto of Atlanta was the first service member to sign the appeal.

"I hear discussions every day among my shipmates about the war in Iraq and how it doesn't make any sense at this point," said Hutto, who is based in Norfolk and served from September 2005 until March on a ship off Iraq's coast. "There is no victory in sight, and war is still inevitable." He said he opposes the war because of its human and economic tolls, adding that the billions of dollars should be spent on jobs and education at home.

Marine Corps Sgt. Liam Madden, 22, served in Iraq's restive Anbar province from September 2004 until February 2005 and found his opposition to the war intensified after he returned to the United States. "I don't think any more Iraqis or Americans should die because of the U.S. occupation," he said, expressing disappointment that Iraqi elections in January 2005 did not lead to a decline in violence.

"I think some things are worth fighting for, I just don't feel Iraq is one of them," said Madden, of Bellows Falls, Vt. The Quantico-based Marine plans to leave the service to attend college in January.

Madden said he and Hutton met and learned of the vehicle for expressing their views to Congress when they attended a lecture at the YMCA in Norfolk by David Cortright, the author of "Soldiers in Revolt: GI Resistance During the Vietnam War."

War Critics Try To Recruit Military (AP-Y)

By Anne Plummer Flaherty

AP, October 25, 2006

Anti-war groups are trying to rally active troops to speak out against the war in Iraq — a political tactic they hope will sway voters Nov. 7.

A small group of active-duty members opposed to the war created a Web site last month intended to collect thousands of signatures of other service members. People can submit their name, rank and duty station if they support statements denouncing the U.S. invasion.

The electronic grievances are then passed along to members of Congress, according to the Web site.

"Staying in Iraq will not work and is not worth the price. It is time for U.S. troops to come home," the Web site says.

Jonathan Hutto, a Navy seaman based in Norfolk, Va., who set up the Web site a month ago, said the group has collected 118 names and is trying to verify that they are legitimate service members.

There are 1.4 million troops on active duty, including members of the National Guard and Reserve.

Retired veterans have long waded into politics, including the 2004 presidential campaign when a group of veterans challenged Sen. John Kerry's war record. More recently, several retired military generals have called on Defense Secretary Donald H. Rumsfeld to resign, contending he botched the war and put troops at risk.

Hearing publicly from active-duty troops is rare. Military laws bar officers from denouncing the president and other U.S. leaders, and regulations typically prevent service members from lobbying for a particular cause while on duty or wearing the uniform.

Legal experts who reviewed the Web site said the effort probably would not violate any rules because the site is not a personal attack on members of the administration and allows service members to quietly pass their grievance to Congress in their free time.

Backers of the Web site also cite a "whistle-blower protection" law as added protection. Under the law, service members can file complaints to Congress without reprisal.

But at least two senators — both critical of the administration's handling of the war in Iraq — said they were concerned that service members speaking out against the president may undermine the military's apolitical status.

"We expect our soldiers to follow ... the legitimate orders of their commanders," said Sen. Jack Reed of Rhode Island, who is helping lead Democratic opposition to the war this election season.

"And if you feel a course of action is inappropriate, your choice is just getting out of the service, basically, if you can and making your comments as a civilian," said Reed, a West Point graduate and former Army Ranger and paratrooper.

Sen. Lindsey Graham, a former reserve judge for the Air Force, said vocal complaints by active-duty members represented a "disturbing trend" that threatened to erode the cohesiveness of the military.

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"We've had a long tradition making sure the military doesn't engage in political debate," said Graham, R-S.C. "We don't need a Democratic Army and a Republican Army," he added.

Hutto and supporters of his Web site said they see no problem with active-duty military personnel weighing into politics.

"We're doing this on our own time," Hutto said. Also, "We're speaking as American citizens," rather than service members.

Scott Silliman, director of Duke University's Center on Law, Ethics and National Security, said he sees the increasing political noise being made from military members — active and retired — as a relatively new phenomenon resulting from an increasingly unpopular war.

"Fifteen, 20 years ago you wouldn't have seen it happen," Silliman said.

Still, Silliman said, he sees little wrong with troops speaking out on their own time so long as they are not senior-ranking officers needed to carry out the president's orders. "It depends certainly on who it is" ramping up opposition to the executive branch, he said.

Cynthia Smith, a Pentagon spokeswoman, said members can share their views with the press so long as they are not wearing the uniform and make clear that they are not speaking on behalf of the armed forces.

Inside The Beltway (WT)

By John Mccaslin

The Washington Times, October 25, 2006

Out and about

That was Margaret Carlson, the Washington editor of the Week magazine and a longtime Washington figure (she wrote for Time before that, and was managing editor of the New Republic, as well as Washington bureau chief for Esquire magazine, and editor of both Washington Weekly and the Legal Times of Washington) welcoming guests into her Northwest home last evening to toast Slate chief political correspondent John Dickerson and his new book, "On Her Trail: My Mother, Nancy Dickerson, TV News' First Woman Star."

Meanwhile, Washington's younger crowd convened late into the night at the new Hotel Palomar on P Street NW, helping Grey Goose Vodka and Capitol File magazine crown the "Best Bartender in Washington."

And the winner, as voted by D.C. bargoers: Alex Rivera of Gua-Rapo, the popular Latin American fusion restaurant in Arlington.

Fun facts: By day, Mr. Rivera is a program officer at the Academy for Educational Development. He also was lead singer in the rock band Stars Hide Fire, once featured on MTV. His winning cocktail is called "duck, duck, GOOSE!"

No morality here

Question: What ex-lawmaker, a Newt Gingrich disciple who swept into Congress during the 1994 Republican revolution, was once a roadie for the Allman Brothers band?

Answer: former Rep. Mark Foley, Florida Republican and centerpiece of the congressional page scandal.

Just one intriguing tidbit about Mr. Foley that Inside the Beltway learned yesterday, passed on by veteran investigative reporter Alicia Mundy, the Washington correspondent for the Seattle Times.

Miss Mundy recalled her wide-ranging interview several years ago with Mr. Foley when she worked for E! Online. He had just become Hollywood's point man on Capitol Hill as chairman of the congressional Entertainment Industry Task Force.

"Looking back, I recall wondering at the time why a conservative Republican member of Congress followed Heather Locklear and 'Dynasty.' It was different from other political interviews," she told us.

In fact, Mr. Foley told her about his personal relationships with actors Don Johnson (they used to play golf together) and Julia Roberts, and how he was star-struck with Miss Locklear.

He also spoke about his friendships with Gregg Allman, drummer Butch Trucks and guitarist Dickey Betts of the Allman Brothers (a former Palm Beach, Fla., real estate agent, Mr. Foley even sold Mr. Betts a house), and recalled the time he toured with the band.

"Yeah. It was crazy. I was on the bus. It was wild," said Mr. Foley, adding that when the tour closed, "I ended up at one of the Allman Brothers' houses in Vegas."

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Mr. Foley also was asked about his vote to block fellow Republican Rep. Henry J. Hyde's so-called "culture amendment," introduced in the wake of Colorado's Columbine school shootings to curtail the extreme violence seen in some Hollywood films.

"We should not be the ones to tell the public what they should let their children see. We can't be the divining rod for what's moral or what's decent," he replied.

Asked why he didn't march more in step with other Republican leaders on such issues, Mr. Foley said: "I admire William Bennett ... and definitely John McCain. But they're trying to blame society's ills on one aspect only -- entertainment. As for their impact -- hey, I don't think anyone sees a politician as being a moral leader."

Plame game

Even if Republicans can't bring themselves to read David Corn and Michael Isikoff's new book, "Hubris: The Inside Story of Spin, Scandal, and the Selling of the Iraq War," they might find amusing the lengthy written exchange between the latter co-author and columnist Bob Novak in the latest issue of one conservative Washington magazine.

"I was amused, to say the least, to see that my old friends at The Weekly Standard asked Bob Novak to review ... the new book I co-authored with David Corn," writes Mr. Isikoff, who wonders: "Was Scooter Libby unavailable?"

The Newsweek reporter cited "a few inaccuracies and misrepresentations" in the columnist's critique -- from events leading up to former CIA officer Valerie Plame's being "outed" to Mr. Novak's assertion that the book "comes close" to being "an unmitigated apologia" for former Ambassador Joseph C. Wilson IV, Mrs. Plame's husband and critic of the Bush administration.

Finally, Mr. Isikoff takes issue with Mr. Novak's portrayal of Mr. Corn, the Washington editor of the Nation magazine, as a left-wing polemicist more interested in furthering an ideological agenda than seeking the truth.

"If only some conservative journalists showed the same willingness to report stories that conflict with their initial assumptions," he wrote in defense of Mr. Corn.

Mr. Novak?

"I regret that my friend Mike Isikoff, in his letter, is still peddling the story of Scooter Libby and Karl Rove attempting to discredit Wilson by revealing his wife's intelligence background," the columnist writes. "Apparently, he joins David Corn in not being able to accept that the conspiracy theory was demolished by his own book."

War On West Shifts Back To Afghanistan (LAT)

By Sebastian Rotella

The Los Angeles Times, October 25, 2006

The conflict in Iraq is drawing fewer foreign fighters as Muslim extremists aspiring to battle the West turn their attention back to the symbolically important and increasingly violent turf of Afghanistan, European and U.S. anti-terrorism officials say.

The shift of militants to Afghanistan this year suggests that Al Qaeda and its allies, armed with new tactics honed in Iraq, are coming full circle five years after U.S.-led forces ousted the Taliban mullahs.

Until Sept. 11, 2001, Afghanistan was the land of jihad: hallowed ground where fighters from across the Muslim world helped vanquish the Soviet Union in 1980s, fought alongside the Taliban in the 1990s and filled training camps overseen by Al Qaeda leader Osama bin Laden. Loss of the Afghan sanctuary scattered the networks and sent Bin Laden fleeing toward the Pakistani border region, where many anti-terrorism officials believe he remains.

After the fall of Iraqi President Saddam Hussein in 2003, Muslim extremists from the Arabian Peninsula, North Africa and Europe flocked to confront the U.S.-led coalition in Iraq. Although foreigners have been a minority in the Iraqi insurgency, militants such as Jordanian-born Abu Musab Zarqawi played a major role in suicide attacks and kidnap-killings.

But insurgent leaders in Iraq are now mainly interested in foreign recruits ready to die in suicide attacks, anti-terrorism officials say. Moreover, the conflict is dominated by violence between Sunni and Shiite Muslims. In contrast, an accelerating Afghan offensive by the resurgent Taliban offers a clearer battleground and a wealth of targets: U.S. and other North Atlantic Treaty Organization troops, and the Western-backed government.

As Iraqis have solidified control of their insurgency, the movement of foreign fighters to Iraq has "significantly declined in recent months," said Pierre de Bousquet de Florian, director of the DST, France's lead counter-terrorism agency.

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"There is less need for them in Iraq, because there's a need above all for kamikazes and there are not an infinite number of volunteers," Bousquet, whose agency works closely with U.S., European and Arab counterparts, said in a recent interview. "The Iraqi insurgency is now very well organized around Iraqis.... Those who want to fight, but not necessarily to die as martyrs, go elsewhere."

Simultaneously, Bousquet said, anti-terrorism agents have detected a new flow of militants heading to Afghanistan, where more than 1,000 French soldiers are among the approximately 40,000 foreign troops deployed.

Iraq attracted many Arabs, including Saudis, Yemenis and Syrians, Bousquet said. Algerians, Tunisians and other North Africans made up the second-largest group. About 100 fighters from Europe have gone to Iraq over a three-year period, he said.

"Today they return to the route of Afghanistan, or the tribal zones of Pakistan, where clearly they are thriving," Bousquet said. "Certainly there are some Europeans, but very few. In contrast, in Afghanistan there are certainly many Pakistanis and people from Arab countries and some from North Africa."

A leap in violence in Afghanistan this year has featured tactics such as suicide and roadside bombings that are trademarks of the insurgency in Iraq, according to Bousquet and other officials.

Despite decades of warfare, suicide bombings were rare in Afghanistan. But the number has shot up from six in 2004 to at least 78 so far this year.

"Clearly, methods have been transposed in Afghanistan that did not exist during previous wars in Afghanistan," Bousquet said. "Like suicide attacks. And that's directly influenced by what's happening in the Middle East, in Iraq."

Muslim extremists from North Africa make the odyssey to Afghanistan through routes that converge in Pakistan, another senior French anti-terrorism official said.

"There's a new route along which [North Africans] pass through Peshawar and down into Afghanistan to carry out operations," the senior anti-terrorism official said. "And what's new is the suicide operations. That's not at all part of the Afghan mentality."

North Africans have been detected traveling to Koranic schools in Quetta and Peshawar, said Louis Caprioli, who retired as chief of the DST's anti-terrorism division in 2004. The fighters use the schools as covers for their presence in Pakistan and as staging areas to cross into Taliban-dominated areas of Afghanistan, Caprioli said.

Foreign fighters are predominantly Sunni. They increasingly prefer fighting alongside the Taliban to getting embroiled in the Sunni-versus-Shiite bloodshed in Iraq, said Caprioli, who works closely with the intelligence community at the Paris-based GEOS security firm.

"There are a certain number of foreign jihadis who aren't interested in massacring Shiites," Caprioli said. "In Afghanistan, you have NATO troops to fight as well as Americans, all the 'crusaders.' "

In addition, veterans of combat in Iraq have made their way to Afghanistan, officials said.

"There's a definite increase in foreign fighters going to Afghanistan from all over," said a U.S. anti-terrorism official, who spoke on condition of anonymity. "They go through Pakistan. Or they train in Iraq and then keep going to Afghanistan."

U.S. Special Forces officers in Afghanistan learned last year that Arabs were being trained as suicide bombers in Iraq, then traveling through Iran to Pakistan, according to an intelligence document on a computer drive smuggled out of a U.S. base in Afghanistan and sold at a bazaar in April. Extremists transported the aspiring bombers, mostly Yemenis and Syrians, from Quetta across the border into Afghanistan, according to the document on the drive.

The U.S. anti-terrorism official said that militants from as far as away as the Caribbean island of Trinidad, which has a large number of residents of South Asian origin, had traveled to Afghanistan via South Africa.

Afghan officials blame foreigners for the escalating violence in their country. In several suicide bombings this year, witnesses and officials described attackers as Arabs.

"I think this is true that they are shifting Al Qaeda suicide attackers from Syria, and not only Syria but other countries like it, from other parts of the world, to Afghanistan through Iran and Pakistan and countries like that," said Sayed Anwar, who recently served as deputy chief of the Afghan Interior Ministry's counter-terrorism branch.

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Basir Salangi, a police chief in eastern Nangarhar province, said Arabs, Chechens and Pakistanis conduct suicide and other attacks in the border regions, but that attacks in Kabul, the capital, are primarily carried out by Afghans who have been trained in Pakistan. And the combatants in Afghanistan still are overwhelmingly Afghans.

Afghan officials allege that key training centers for the Taliban are in Quetta, Peshawar and Miram Shah, and that militants use mountain routes to cross the border. "There are foreign fighters from several countries who have sanctuary and training in our neighboring country," said Gen. Zahir Azemi, chief spokesman for the Afghan army, referring to Pakistan.

Pakistani officials deny such allegations. This year, Maj. Gen. Shaukat Sultan, a spokesman for the Pakistani military, said the "sweeping statement" that Pakistan harbored training camps for cross-border Taliban networks was "absurd."

The movement of fighters to Iraq began to decline last year as insurgent leaders in Syria, who serve as a conduit to the combat zone, began screening volunteers aggressively, turning them back unless they had strong military skills or were eager to carry out suicide attacks, European anti-terrorism officials said.

Some newcomers were redirected to training camps in North Africa. Others were told to launch attacks in Europe, said a senior Italian anti-terrorism official. He described the confessions of Milan-based Tunisian and Moroccan suspects who got to Syria, but then were sent back: "They said the representative of Zarqawi's group really grilled them: 'Do you have military experience? Here's an AK-47; do you know how to use it? Have you ever fired a mortar? If not, we don't want you.' "

Instead, they were directed to bomb a basilica in Bologna because it displays a painting of the prophet Muhammad as depicted in Dante's Inferno, investigators say. Moroccan and Italian police broke up the alleged plot and arrested the group this spring.

Meanwhile, Afghanistan's historical allure for Islamic militants, the lawlessness of the Pakistani border region and the aggressiveness of the Taliban make for an ominous combination, anti-terrorism officials said.

Besides fighting in Afghanistan, Al Qaeda and its allies could once again use training venues and combat zones in the Afghan-Pakistani borderlands to groom terrorists for attacks in the West, Caprioli said. The suicide bombers who struck the London transport system last year and other British suspects in foiled terrorist plots traveled to Pakistan for training, expertise and direction, anti-terrorism officials say.

"Right now [extremists] go to Afghanistan to fight alongside the Taliban," Caprioli said. "But the concern is that we could return to a situation like the one that existed before 2001, when they went for training and then came back. We have not reached that point yet. But people are beginning to get worried."

Pakistan's Sovereignty (WSJ)

The Wall Street Journal, October 25, 2006

Our finest foreign-policy minds have been abuzz lately trying explain how and why the U.S. and its NATO allies are, as a recent Newsweek International cover has it, "Losing Afghanistan." But no need for deep thoughts here: The largest part of the problem is neighboring Pakistan.

In September, the Pakistan government of Pervez Musharraf agreed to abandon its North Waziristan province -- which shares a long border with Afghanistan -- to the de facto rule of its "tribal elders" and the Taliban and mujahadeen terrorists they harbor. Since then, as Barnett Rubin observes nearby, the number of cross-border raids into Afghanistan has risen threefold.

It's true that the agreement the Pakistan government signed with these elders explicitly forbids such raids. But General Musharraf surely knew that the Taliban would not keep idle in Waziristan for long, especially since he also agreed to the release and pardon of all Taliban prisoners and the return of their confiscated weapons.

From day one in the war on terror, the Bush Administration has said it would make no distinction between terrorists and those who harbor them. So far, Mr. Musharraf has earned an exception to this rule by helping to capture al Qaeda suspects early on, and then by pleading that his government cannot control its unruly tribal areas. But then he cannot also refuse to allow NATO troops and U.S. Predator missiles to do the job for him.

We don't know what General Musharraf promised President Bush and Afghan President Hamid Karzai during their recent conclave in the White House. But we hope it was more tangible cooperation than we have been seeing of late. Sovereignty has responsibilities, and General Musharraf is not exercising them.

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A Border Affair (WSJ)

By Barnett R. Rubin

The Wall Street Journal, October 25, 2006

It will take more than a dinner at the White House -- such as the one held for Pervez Musharraf and Hamid Karzai last month -- to overcome the longstanding antagonism between Pakistan and Afghanistan. Of course, the political clumsiness on the part of the U.S. does not begin or end there. Had we paid more attention to pre-9/11 history, we might not face a rising Taliban insurgency with sanctuary in Pakistan.

U.S., NATO and Afghan intelligence agree that the Taliban leadership's safe haven in Pakistan, especially in the city of Quetta and some tribal agencies, is essential to the insurgency's ability to exploit Afghanistan's internal weaknesses. Gen. Musharraf admitted in Kabul on Sept. 7 that while Pakistan had worked against al Qaeda, "the focus had now shifted to the Taliban." In other words, Pakistan had theretofore done nothing to hinder them.

On Sept. 5, Gen. Musharraf's government signed an agreement in the North Waziristan tribal agency with tribal elders, local mujahadeen, Taliban and ulama (Islamic clergy), under which the Pakistani army would withdraw to bases, and the fighters would end attacks into Afghanistan. The number of such attacks, however, has tripled since the agreement.

Pakistan has never fully acted on U.S. demands to fight the Taliban, not because Gen. Musharraf is "against us" rather than "with us," but because the Pakistan army sees its interests in a regional context, not as part of the U.S. war on terror. The conflict between Pakistan and Afghanistan, the anomalous status of Pakistan's tribal areas, the contest between Talibanization and Pashtun nationalism in the borderlands, the struggle over military control of the Pakistani state, and the refuge for terrorists along the Pakistan-Afghanistan border are all linked, as are the policies that could address these problems.

Except for the five years of Taliban rule in Kabul, Pakistan and Afghanistan have had largely hostile relations since Pakistan was created almost 60 years ago. Even under the Taliban, Afghanistan never accepted the incorporation of Pashtun and Baluch territories into Pakistan. This dispute had led Afghanistan's monarchy to seek Soviet military aid to counter Pakistan's U.S.-aided army, and to align itself diplomatically with India.

Pakistan's military has used jihadi militants to accomplish several goals: to wage asymmetrical warfare in Kashmir and Afghanistan; to spread Islamism among Pashtuns on both sides of the border to counter Pashtun and Baluch nationalists who it feared would break up the country; and to cement its alliance with Islamist parties, whose street power intimidates and marginalizes the centrist parties that have dominated fair elections in Pakistan. The Pashtun tribal agencies (known as the Federally Administered Tribal Areas, or FATA), play a key role in this strategy: The absence of national administration or political institutions creates a space where Islamist militias can organize and train, while the Pakistani state denies responsibility for it.

Pakistan's rulers depict these tribal areas as repositories of ancient traditions, but they are actually relics of colonialism. In 1901, Lord Curzon, viceroy of India, promulgated the Frontier Crimes Regulations under which FATA is still run. The "tribal elders" of whom Gen. Musharraf speaks are not representatives of traditional society, but objects of manipulation by the government's "political agents," who wield slush funds with no accountability. Elders who oppose the Taliban are summarily executed. Such murders are so common that the term used for them, "target killings," was incorporated in English into the Urdu-language text of the Waziristan agreement. Two of these supposedly banned killings took place within a week after the agreement was signed.

Pakistan thus pursues the goal, inherited from the British Empire, of using violence and manipulation to assure that no hostile forces gain a foothold along the border, or in Afghanistan. The main force that concerns Pakistan is India, which has opened consulates in Jalalabad and Qandahar, near the Pakistan border. Pakistan charges that Indian intelligence uses agents to spy on and destabilize Pakistan, for instance by fomenting unrest in Baluchistan, where Islamabad faces the fifth insurgency since its government incorporated the area in 1947.

Gen. Musharraf's ethnic charges -- that the Afghan government is dominated by Tajiks who marginalize Pashtuns like President Karzai and the majority of his cabinet and provincial governors -- are linked to the goal of purging Afghanistan of Indian influence. By "Tajiks," Gen. Musharraf means the remaining officials (head of the intelligence agency and army chief of staff) from the Northern Alliance faction that received aid from Iran, Russia and, worst of all, India, during its resistance to the Pakistani-

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supported Taliban. At last month's White House dinner, President Karzai refuted these erroneous ethnic charges, while President Bush pointed out that the U.S., not India, is supporting the Afghan military and intelligence services.

This archaic border arrangement has created a space for Pakistan to allow militant parties and former intelligence agents to support the Taliban. Firm pressure to shut down the Taliban command and control must be accompanied by efforts to support democracy and civilian rule in Pakistan, which would empower the centrist and nonsectarian parties that have actually won elections in Pakistan. Democratization should be extended to the tribal areas, where political parties are now outlawed, giving radical militias a political monopoly. Several mainstream Pakistani parties have proposed such reforms.

The U.S. and Afghanistan should also recognize legitimate Pakistani concerns. The sizes of Indian consulates should be limited, and the U.S, Afghanistan and India should agree to confidence-building measures about their roles. Once Pakistan acts against Taliban sanctuaries, President Karzai should also take the courageous and politically difficult step to initiate a political dialogue in both Afghanistan and across the border over resolution of all outstanding issues, including the recognition of an open border between the two countries. In return, landlocked Afghanistan will need guaranteed access to Pakistani port facilities.

The U.S. and other NATO countries would have to act as guarantors of this process and provide aid to develop the border area, where unemployment and illiteracy facilitate recruitment to armed groups. These policies would address the roots of instability and violence in this region, and make those on both sides of the frontier genuine partners in protecting both their own security, and ours.

Mr. Rubin is director of studies and senior fellow at the Center on International Cooperation, New York University.

CORPORATE SCANDALS:

First Senior Executive Admits Options Fraud (FT)

By Kevin Allison In San Francisco And Agencies

Financial Times, October 25, 2006

David Kreinberg, the former chief financial officer of Comverse, the voicemail software company, on Tuesday became the first top executive to plead guilty to conspiracy and securities fraud in connection with options backdating.

The guilty plea, part of a deal struck with federal prosecutors, came as the US Securities and Exchange Commission announced that Mr Kreinberg had agreed to pay almost $2.4m to settle civil fraud charges.

Mr Kreinberg, who has been free on $1m bail since he surrendered to the Federal Bureau of Investigations in August, was one of three former Comverse executives to be charged over backdating.

Jacob "Kobi" Alexander, Comverse's founder and chief executive, was arrested in Namibia earlier this month after being branded a fugitive from justice by US authorities. Mr Alexander, who has denied wrongdoing, is fighting extradition to the US, where he could face more than 20 years in jail if convicted.

William Sorin, Comverse's former general counsel, is also facing charges. His lawyers could not be reached for comment on Tuesday.

Mr Kreinberg entered his guilty plea in a federal courtroom in Brooklyn. He told a judge that he "knew at the time that my actions and agreements with others at the company to act as I have were wrong."

Options-granting practices at more than 150 companies have come under scrutiny in one of Silicon Valley's biggest scandals since the dotcom collapse, according to Glass Lewis, an institutional shareholder service.

The FBI and securities regulators are examining whether managers intentionally misled shareholders by manipulating the grant dates of stock options in order to inflate their value.

Mr Alexander is alleged to have led a complex scheme to manipulate the grant dates of stock options at Comverse. Among other offences, Mr Alexander is alleged to have created a secret options slush fund by awarding options to fake employees. Mr Alexander has said he plans to fight the charges if brought to trial.

Mr Kreinberg's guilty plea marked the first concrete legal fallout from the options backdating scandal. Two former top officials from Brocade Communications Systems, a networking equipment maker, have pleaded not guilty to backdating charges.

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The SEC said Mr Kreinberg, without admitting or denying wrongdoing, had agreed to pay $2.4m and to accept a permanent ban on serving as a company director or officer.

Although backdating is not in itself illegal, experts say executives who changed the grant dates of stock options without disclosing the practice to shareholders may have fallen foul of securities laws.

Accounting problems arising from the practice have led dozens of companies to announce they will be forced to restate past earnings, some to the tune of billions of dollars.

Forty-five executives and directors have stepped down as a result of backdating, according to Glass Lewis.

Comverse's Former Finance Chief Pleads Guilty (WSJ)

By Paul Davies

The Wall Street Journal, October 25, 2006

NEW YORK -- The former chief financial officer of Comverse Technology Inc. pleaded guilty to securities-fraud charges stemming from a stock-options backdating scheme, making him the first executive to admit criminal wrongdoing in a wide-ranging probe involving more than 100 companies.

David Kreinberg, 41 years old, is cooperating with the government and is fingering the company's former chief executive, Kobi Alexander, as the mastermind of the backdating scheme at the New York voice-mail software maker.

Mr. Kreinberg has told prosecutors that Mr. Alexander offered him a "name your price" bribe if he would take sole blame for the fraud, according to people familiar with the situation. The alleged bribe started with offers of $2 million and then $5 million, according to prior court documents from prosecutors.

At a hearing yesterday in U.S. District Court in Brooklyn, Mr. Kreinberg admitted to helping Mr. Alexander select particularly favorable dates on which to grant options, using hindsight. "I was asked by the CEO to bring him a printout of the company's trading prices over a past year period to enable him to select the 'as of' date that would be used for the exercise price of the option grant," he said in court.

The scheme understated Comverse's compensation expenses, thus inflating net income on financial statements that Mr. Kreinberg signed and submitted to the Securities and Exchange Commission, he said in court. He added that he knew his actions were "wrong."

Mr. Kreinberg's cooperation strengthens the government's case against Mr. Alexander, who fled the country and was later arrested in the African country of Namibia. Mr. Alexander is free on bail in Namibia. The U.S. government is seeking his extradition to face a 35-count indictment that includes charges of securities fraud, money laundering and bribery.

Robert Morvillo, a defense attorney representing Mr. Alexander, said his client denies that any bribe offer to Mr. Kreinberg took place. He added that Mr. Alexander plans to contest the charges "if and when he comes back."

Mr. Kreinberg faces up to 10 years in prison for securities fraud and a maximum of five years in prison for conspiracy. Prosecutors are seeking an estimated $51 million in restitution. A sentencing date wasn't set. Mr. Kreinberg reached an agreement with the SEC yesterday to give back $2.4 million, according to his attorney, Guy Pertillo.

Mr. Kreinberg's guilty plea comes as prosecutors and regulators continue to investigate the backdating matter. More than 35 executives or directors have lost their jobs.

In addition to Messrs. Kreinberg and Alexander, Comverse's former general counsel William F. Sorin was charged in August with conspiracy to commit mail fraud, securities fraud and wire fraud. He is in plea discussions with the government, according to court papers.

Comverse Ex-CFO Names Jacob Alexander In Guilty Plea (Update3) (BLOOM)

By Patricia Hurtado

Bloomberg, October 25, 2006

Oct. 24 (Bloomberg) -- Comverse Technology Inc. ex-Chief Financial Officer David Kreinberg implicated his former boss as he pleaded guilty to conspiracy and securities fraud in the U.S. probe of illegal manipulation of employee stock option grants.

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Kreinberg, 41, is the first executive to plead guilty in the biggest probe of corporate wrongdoing since late trading of mutual funds three years ago led to $4.3 billion in penalties. Almost 150 U.S. companies have disclosed internal or government inquiries into the backdating of options.

Former Comverse Chief Executive Officer Jacob ``Kobi'' Alexander directed a scheme to systematically backdate stock option grants, Kreinberg claimed today in Brooklyn federal court. Contrary to Comverse's securities filings, Kreinberg told U.S. District Judge Nicholas Garaufis ``the company was in fact issuing backdated options with an exercise price lower than the fair market value on the grant date.''

Alexander was arrested in Namibia last month and is the subject of a U.S. extradition request. Kreinberg, who faces a possible 15-year prison sentence, agreed to cooperate with the government in its prosecution of Alexander, and in related civil lawsuits as part of a separate $2.4 million settlement with the U.S. Securities and Exchange Commission.

The U.S. Justice Department is trying to persuade the government of Namibia to return Alexander to the U.S. to face charges related to stock-option backdating, including conspiracy, securities fraud, making false filings to regulators and money laundering.

Namibian Court

Alexander, 54, was freed by a Namibian court Oct. 3 on N$10 million ($1.32 million) bail following his Sept. 27 arrest in the African nation's capital of Windhoek. Assistant U.S. Attorney Linda Lacewell said in an affidavit read in Namibian court that Alexander was negotiating his surrender to U.S. authorities when he fled, eventually traveling to Namibia.

Kreinberg's lawyer, Guy Petrillo, declined to comment following today's plea hearing. Alexander lawyer Robert Morvillo, who was in the same court attempting to get access to more than $40 million of his client's assets frozen by the U.S., said the plea is ``going to have an impact -- the question is whether it's going to have a positive or negative impact.'' He declined to comment further. The judge didn't rule on his request.

At least 149 companies have disclosed investigations into their options grants, and more than 65 have said they found or expect to find additional costs tied to the awards. So far, the revisions and charges exceed $3.6 billion. More than 40 executives and directors have retired, resigned or were reassigned or fired after options probes, and about 265 lawsuits have been filed against more than 70 companies.

Low Prices

Kreinberg was originally charged on Aug. 8 with one count of conspiracy, along with Alexander and William Sorin, 56, former general counsel of New York-based Comverse, the world's largest maker of voice-mail software.

Prosecutors claim the three men backdated stock option grants so employees could buy shares at low prices and make the maximum profit, prosecutors said. Stock options typically give an employee the right to buy a specified number of company shares at the market price on the option grant date.

On Oct. 12, federal prosecutors in Brooklyn filed a new indictment against Alexander, including charges of attempted bribery and securities fraud. Alexander was accused of obstructing a federal investigation by offering ``millions of dollars'' to buy a witness's silence. That witness wasn't named in the indictment.

Extradition Papers

Alexander offered the unnamed witness $2 million, then $5 million in March, according to prosecutors. The former CEO told the witness he would leave the country instead of going to jail, prosecutors said. In her affidavit, Lacewell said Alexander told the unnamed witness there was no reason both of them ``should go down.'' Lacewell said the individual is cooperating with authorities.

Following the new indictment, U.S. officials submitted documents arguing for Alexander's extradition. Namibian authorities said yesterday they are studying the papers.

Kreinberg may help the extradition effort, said Scott Christie, a former U.S. prosecutor. Some countries, including Namibia, require testimony from someone with first-hand knowledge of the alleged crime as a requirement before granting extradition.

Concealing

``To have the cooperation of someone on the inside who can provide the most relevant and critical facts to assist in convincing the authorities of the country holding the defendant is a measurable advantage to the government,'' Christie said.

During today's hearing, Kreinberg said that, in 1999, Alexander directed the creation of a ``secret options holding account'' that would provide an ``available pool of options with which principally to address employee retention and recruitment challenges,'' Kreinberg said.

Kreinberg assisted Alexander by concealing the account from Comverse's compensation committee and from Deloitte & Touche, the company's accounting firm, he said. Some options held in the account were submitted for committee approval ``under fictitious names.'' Paul Baker, a spokesman for Comverse, wasn't immediately available for comment.

Kreinberg, who had to be prompted by the judge to state his former boss's name, admitted that he approved Alexander's omission of options information in reports to the committee.

$1 Million

Kreinberg said Alexander backdated options by ``selecting a date, with hindsight, to issue the options and notifying either the general counsel or the CEO's assistant, sometimes through me, to prepare paperwork for the compensation committee to approve the grant `as of' the earlier date.'' He didn't name the assistant.

Alexander sometimes asked him to bring ``a printout of the company's trading prices over a past period to enable him to select the `as of' date that would be used,'' Kreinberg said.

Prosecutors in Brooklyn have said they identified almost $1 million in profit that Kreinberg made from allegedly backdated options. The government claimed Sorin earned ``more than $1 million'' from the scheme while Alexander made almost $6.4 million due to backdating.

Kreinberg and Sorin both originally pleaded not guilty and were freed on $1 million bail. Prosecutors have twice asked a magistrate for a delay in the prosecution of the two men to allow for plea negotiations. Sorin's lawyer, James Brochin, wasn't immediately available for comment.

Not Guilty

Lacewell said that, as part of his plea agreement, Kreinberg faces up to 15 years in prison for both counts, fines of up to $1.25 million and restitution of $51 million.

Alexander was the second CEO to be charged in the options backdating scandal. The first was ex-Brocade Communications Systems Inc. CEO Gregory Reyes, 44. In July, federal prosecutors in San Francisco charged Reyes with securities fraud along with Stephanie Jensen, a former Brocade human resources vice president.

Reyes and Jensen, who were indicted by a federal grand jury in San Francisco on Aug. 10, have pleaded not guilty to the charges and are awaiting trial.

Kreinberg is a certified public accountant and former senior manager at Deloitte & Touche. He has an accounting degree from Yeshiva University and a master's degree in finance and international business from Columbia University.

$2.4 Million

Separately, Kreinberg today agreed to pay $2.4 million to settle a civil lawsuit by the U.S. Securities Exchange Commission, the agency said. The SEC also permanently barred him from acting as a director at a U.S. company.

Kreinberg, who neither admitted nor denied wrongdoing in that settlement, will cooperate in other lawsuits filed by the regulator, the SEC said. The settlement is subject to court approval. The SEC claimed in its complaint that the three former Comverse executives fraudulently granted themselves and others backdated options from 1991 through 2001.

Comverse shares fell 16 cents to $21.61 at 3:29 p.m. in Nasdaq composite trading.

The criminal case against Kreinberg and Sorin is U.S. v. Alexander, 1:06-mj-00817, U.S. District Court, Eastern District of New York (Brooklyn). The case against Alexander is U.S. v. Alexander, 06-CR-00628, U.S. District Court, Eastern District of New York (Brooklyn).

Former Comverse CFO Pleads Guilty To Backdating Scheme (LAW)

By Beth Bar And Tom Perrotta, New York Law Journal

New York Law Journal, October 25, 2006

David Kreinberg, the former CFO of Comverse Technology, pleaded guilty Tuesday to helping engineer a scheme to illegally backdate millions of dollars in stock options.

"I knew at the time that my actions and agreements with others at the company to act as I have were wrong," said Kreinberg at a court hearing Tuesday before Eastern District of New York Judge Nicholas G. Garaufis.

Kreinberg, who has agreed to cooperate with prosecutors in the Eastern District U.S. Attorney's Office, is the first person in the country to plead guilty to illegally backdating stock options. He pleaded guilty to one count of conspiracy to commit securities fraud, mail fraud and wire fraud, and one count of securities fraud. He faces up to 15 years in prison and $1.2 million in fines when he is sentenced Feb. 23. He also could be ordered to pay tens of millions in restitution.

Kreinberg's plea clears the way for him to testify against former CEO Jacob "Kobi" Alexander, who fled the country before charges against him were filed in August. Alexander, a fugitive who was discovered in Namibia last month, has been indicted in connection with charges that include using fictitious names to generate hundreds of thousands of backdated options, which he and others then parked into a secret slush fund.

William F. Sorin, the company's former general counsel, also has been engaged in plea negotiations. Prosecutors have until Nov. 9 to indict Sorin on criminal charges.

Kreinberg has separately settled civil charges against him. As part of an agreement with the SEC, he is permanently suspended from practicing as an accountant and must pay $2.4 million in disgorgement and prejudgment interest.

Former Top Comverse Official Pleads Guilty To Securities Fraud (AFP)

AFP, October 25, 2006

NEW YORK (AFP) - The former chief financial officer of software maker Comverse Technology Inc (CMVT - news) . pleaded guilty to conspiracy and securities fraud for using back-dated stock options, the US Justice Department announced. David Kreinberg pleaded guilty to a two-count felony information charging one count of conspiracy to commit securities fraud, mail fraud and wire fraud, and one count of securities fraud, US Attorney Roslynn Mauskopf of the Eastern District said in a joint statement with a local FBI official. The charges "stem from the stock options backdating and slush fund schemes" at the New York-based company from 1998 to 2006, the statement read. The conspiracy charge carries a sentence of up to five years prison and a 250,000 dollar fine, while the securities fraud charge carries a maximum sentence of 10 years prison and a fine of up to one million dollars. "The charges also require restitution in an amount to be determined by the court at sentencing, currently estimated at 51 million," the statement read. The government said that Kreinberg, former chief executive officer Jacob "Kobi" Alexander, and ex-general counsel William Sorin backdated the options to days when Comverse stock was trading at a low price, and below the market price on the date when the options were actually granted, thereby maximizing their gains. The investigation was led by the Justice Department's Corporate Fraud Task Force, but it was triggered in early March when a Wall Street Journal reporter became suspicious about Comverse's stock option practices.

End Of Enron's Saga Brings Era To A Close (WP)

By Carrie Johnson

The Washington Post, October 25, 2006

HOUSTON, Oct. 24 -- The sentencing Monday of former Enron Corp. chief executive Jeffrey K. Skilling ended the saga of the scandal-ridden Houston energy company and effectively closed the book on an era of high-profile corporate malfeasance.

Skilling's sentence capped a string of lengthy prison terms handed down to top executives for economic crimes, including WorldCom Inc. founder Bernard J. Ebbers, now serving 25 years, and Adelphia Communications Corp. founder John J. Rigas, facing 15 years pending appeal.

But Enron remains that period's signature scandal. The company's December 2001 breakdown ushered in a wave of corporate collapses that roiled investor confidence and prompted the government to enlist a special band of prosecutors and FBI agents to mount the most complex business fraud investigation in history. Their pursuit of top Enron officials helped change the way corporate wrongdoing is prosecuted and spurred companies to more aggressively police themselves.

Hours after a judge sentenced Skilling to more than 24 years in prison, the leaders of the Enron Task Force announced that they would close up shop, saying their mission was mostly complete. But even as officials packed their files and prepared for other jobs in government and the private sector, there were fresh signals about the direction post-Enron corporate crime enforcement would take.

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A new wave of investigations is targeting executive greed, insider trading and investment pools known as hedge funds. On Tuesday, the former finance chief of Comverse Technology Inc. pleaded guilty to covering up a scheme to trigger big paydays for employees by changing the grant dates on stock options. Meanwhile, federal prosecutors charged the former finance chief of Refco Inc. for his role in a $1 billion accounting scandal that hurled the commodities brokerage into bankruptcy proceedings.

"There is an awful lot to do in the world of corporate fraud," said Chip Burrus, assistant director in the FBI's criminal investigation division.

Policing corporate malfeasance after Enron, it seems, won't be slow -- only different. The task-force model, criticized by defense lawyers for its single-minded pursuit of Enron's top officials, is unlikely to be repeated anytime soon. But the governance changes wrought by the company's collapse mean that more chief executives are losing their jobs because of allegations of wrongdoing and that more businesses are paying for costly internal investigations to ferret out fraud on their own.

Over its life span, the Enron Task Force secured guilty pleas from more than 15 executives, including the leaders of three top Enron business units, its finance chief and its chief accounting officer. Their testimony helped win convictions in May against Skilling and company founder Kenneth L. Lay, who died weeks later, of leading an accounting fraud that cost investors and employees billions of dollars.

However, the group's record in trials against lower-level executives has been mixed, legal analysts said.

Last week, the U.S. Court of Appeals for the 5th Circuit rejected a task-force request to re-hear its appeal in a case against former Merrill Lynch & Co. officials convicted of engaging in a sham deal to help Enron meet earnings targets in late 1999. A three-judge panel last summer threw out the conspiracy charges against the Merrill bankers, ruling that they did not deprive the investment bank of their honest services. The government still has the option of asking the Supreme Court to consider the case. The Justice Department's fraud section will pick up any remaining cases from now on, officials said.

Separately, the prosecution of executives in Enron's highly touted Internet broadband unit produced mixed results. A jury acquitted one defendant, former accountant Michael Krautz, and failed to come to a unanimous decision against several others.

Washington defense lawyer Barry Pollack, who won an acquittal in a jury trial for Krautz this year, criticized the task force for using aggressive legal theories and said the group has "precious few convictions after trial to show for its efforts."

"The task force will likely be remembered only for its success in obtaining convictions of Mr. Lay and Mr. Skilling, but its overall record in other cases of not-guilty verdicts and reversals by appeals courts is equally part of its legacy," Pollack said.

Task-force leaders also declined to retry defunct accounting firm Arthur Andersen LLP in its obstruction-of-justice case after the Supreme Court, in a serious setback, unanimously tossed its conviction in 2005. The firm's conviction four years ago nonetheless sounded alarms across the corporate landscape and spurred accountants to become more skeptical of their clients, leading to more rigorous audits and a greater number of restated financial results.

Enron became "the leading symbol of corporate scandal," in the words of U.S. Deputy Attorney General Paul J. McNulty, but the shuttering of the task force will by no means mark the end of regulators' pursuit of business crime, government officials said.

The FBI's Burrus added that while Enron amounted to "an amazing criminal phenomenon," the bureau still has more than 400 open investigations in such areas as stock options backdating, political corruption and related offenses.

Already, federal prosecutors have filed criminal charges against former executives at Comverse and Brocade Communications Systems Inc. for allegedly failing to disclose schemes that triggered bigger payouts for certain employees awarded stock options, which allow workers to buy stock at a set price and a specific time.

At least 30 executives this year have lost their jobs over options scandals, as board members now appear far more willing to fire top executives for questions about the propriety of their behavior, in part because corporate accountability legislation passed after the big-name frauds clarified directors' responsibility to investors.

But some legacies of the recent scandals may be more short-lived. In early 2002, President Bush created a government-wide panel to combat business fraud, a move that spurred federal prosecutors across the country to pour resources into such investigations. But after Richard M. Scrushy, the founder of HealthSouth Corp., was acquitted by an Alabama jury in 2004 and a criminal case against former Kmart Corp. executives in Michigan was dismissed, the difficulties of bringing and winning such cases became more clear.

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As a result, there may be a natural devolution as complex fraud cases congregate once again in such hot spots as New York, San Francisco, Los Angeles and Chicago, said Leslie R. Caldwell, a former federal prosecutor and the first leader of the Enron Task Force.

Moreover, business groups already are pushing back on the regulatory crackdown, attacking accounting strictures in the 2002 Sarbanes-Oxley federal law as too expensive and pushing lawmakers and securities regulators to weaken the rules. Two independent committees, including one led by the U.S. Chamber of Commerce, are studying ways to change the law. Treasury Secretary Henry M. Paulson Jr. has made statements criticizing the rules, as well.

Timothy J. Coleman, a former prosecutor and Justice Department official, predicted that the legions of investigators hired by securities regulators, federal prosecutors and the FBI will pay lasting dividends because they will become a "standing army" ready to target business wrongdoing.

"Whether it's stock options, mutual funds or something else, corporate America should expect a continuing series of major, nationwide investigations for the foreseeable future," said Coleman, now a defense lawyer in Washington.

NEC Probed Over Delay In Filing Results (FT)

By Michiyo Nakamoto In Tokyo

Financial Times, October 25, 2006

NEC, the Japanese electronics group, said on Tuesday it was being investigated by the US Securities and Exchange Commission in connection with its delay in filing results for the last financial year.

NEC said it had received “a letter of informal inquiry from the SEC requesting voluntary production of certain documents” following the delay to its annual results.

The Japanese group gave no further information but said it intended “to co-operate fully with the SEC in connection with this inquiry”.

NEC earlier this month received notice from Nasdaq that it could face de-listing as a result of its failure to provide its annual report for last year. The filing was due not later than October 2 this year.

The Japanese group said it intended to maintain its Nasdaq listing but could not say when it might be able to provide last year’s results under US GAAP.

“We are working on the analysis in order to obtain an auditor’s report and maintain our Nasdaq listing,” NEC said. “At the earliest it will take until the end of November.”

According to its filing with the SEC last month, NEC’s US auditors failed to recognise revenue from certain maintenance and support services.

NEC said it had been unable “to gather the data necessary to complete the audit with respect to the vendor-specific objective evidence of the relative fair value of maintenance and support services”.

It warned further that it was unable to determine whether any adjustments to previously announced financial results would be required as a result of the review.

The group also said that its delayed results filing would reveal that its “disclosure controls and procedures are ineffective”. The filing would also show that NEC “does not have an adequate system of internal control” to ensure that material errors do not occur in the preparation of US GAAP consolidated financial statements.

It said it had identified a number of irregularities during the past two years, including “improper accounting practices for revenue recognition related to two US subsidiaries, fictitious sales transactions occurring for more than three years at a Japanese subsidiary, and several irregularities at certain other business units”.

NEC said it would change its accounting principles for consolidated financial statements for the first half in Japan from US GAAP to Japanese GAAP in order to be able to report its first-half results in Japan.

Going In-House? It Might Be A Wise Move (LAW)

By Janice K. Mandel, Legal Times

Legal Times, October 25, 2006

Corporate scandals and an increased emphasis on ethics have raised the profile of top legal officers

Earlier this year, Judge J. Michael Luttig of the 4th U.S. Circuit Court of Appeals stunned the legal world by surrendering his lifetime appointment to the bench in favor of the top legal job at Boeing Co. In his letter of resignation, Luttig called the job a "singular opportunity," one that he could not pass up. Luttig's move did not come as a surprise, however, to the in-house bar, which has noted that the career door that used to swing between government and law firms now revolves with a corporate stop as well for many top lawyers.

The demand for top legal talent in in-house departments has been growing as increased regulation and an increasing emphasis on corporate accountability have put greater emphasis on the attorney's role in helping to foster an ethical corporate culture.

In the current environment it is not enough for companies to be ethical and compliant; they have to be seen as such. As a result, companies are evaluating candidates for top in-house positions on the strength of their reputation for scrupulous ethics, judgment and objective decision-making beyond narrowly defined legal issues. In addition, law firms are seeing the benefits of seeking out new partners from in-house ranks because of the perspective on client service (and potential clients) that these lawyers can bring.

The increased demand has brought with it a rise in the stock of in-house counsel. Top lawyers are increasingly interested in exploring in-house careers because of their greater visibility and significance, combined with more competitive compensation. They also know that today, going in-house does not necessarily preclude them from returning to top jobs in private practice or public service. For instance, Deval Patrick, who was general counsel of the Coca-Cola Co. from 1999 to 2004, is now the Democratic candidate for Massachusetts governor.

THE PLAYERS

In the past 18 months, the legal profession has noted the career moves of several other prominent lawyers from noteworthy private-practice and public service positions to in-house positions at some of the nation's most prominent corporations, including the following:

• Larry D. Thompson, former deputy attorney general of the United States, became senior vice president, government affairs and general counsel and secretary at PepsiCo Inc. in early 2005.

• David G. Leitch, former deputy counsel to the president, became general counsel and senior vice president of Ford Motor Co. in April 2005.

• James B. Comey, also former deputy attorney general, was appointed senior vice president and general counsel for Bethesda, Md.-based Lockheed Martin Corp. in August 2005.

• Beth Wilkinson was appointed in February as the new executive vice president, general counsel and corporate secretary for Fannie Mae after serving as a partner in Latham & Watkins' Washington, D.C., office and as a Justice Department prosecutor.

"Although many major companies had in-house lawyers and legal functions of high stature for years, we've certainly seen the prominence of the legal function increase in a lot of companies post-Sarbanes, post-Enron," notes James Wilber, a principal with Altman Weil, a management-consulting firm.

At the same time that corporations are demanding more of their in-house lawyers in terms of managing the company's compliance, regulators and others are also expecting more. For example, the Sarbanes-Oxley Act required, for the first time, that the Securities and Exchange Commission establish formal standards of professional conduct for attorneys representing public companies. And the behavior of in-house lawyers faces scrutiny similar to that placed on other business executives. For example, in the recent scandal involving Hewlett-Packard's use of private investigators to determine the source of boardroom leaks to the press, former general counsel Ann Baskins was called before a congressional subcommittee, and Kevin Hunsaker, former HP chief ethics director and senior legal counsel, was charged with fraud and conspiracy in California earlier this month.

"Typically, lawyers have always had an enhanced concern and recognition of their responsibilities to be vigilant," says Martha Ann Sisson, a former in-house counsel at Mobil Oil Corp. and co-founder of Garrison & Sisson, an attorney-search firm that fills many in-house positions. "There is now external pressure -- board pressure and shareholder pressure and regulator pressure -- in order for that to be accomplished. It's always been a duty, but now it's a business imperative; it's a legal requirement."

MAKING 50 DECISIONS A DAY

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From the attorney's point of view, in-house work offers significant attractions and challenges.

When Beth Wilkinson was hired, for example, Fannie Mae was fighting its way back from a major accounting scandal and criticism of what some characterized as an arrogant corporate culture. The offer to join Fannie Mae "kind of landed in my lap," Wilkinson says. "I wasn't sure I would like in-house work because I love trial work and making decisions." Wilkinson was one of the lead Justice Department prosecutors in the case against Oklahoma City bomber Timothy McVeigh. "Ironically, when I got here, I found I make 50 decisions every day. That, I love."

It falls to in-house lawyers to be proactive in helping corporate clients understand what needs to be done to ensure that the company is aware of its obligations and the pitfalls it should avoid.

"On a day-to-day basis, often it falls upon the law department to help steer the company through those tricky waters encountered when running any major business," says Walfrido "Wally" Martinez. He just returned to Hunton & Williams as worldwide managing partner of the firm after serving as senior vice president and general counsel of Diageo North America, a producer of alcoholic beverages.

Martinez's move from Diageo to Hunton points out another notable change in the perceptions of the in-house career path. Now, more than before, attorneys have the chance to move between private practice and in-house practice, with law firms increasingly interested in hiring in-house counsel. Lawyers who return to law firms say their in-house experience has given them valuable insight into what their clients need from them. It is that insight that makes them particularly attractive to law firms.

Marc Martin, a partner in Kirkpatrick & Lockhart Nicholson Graham's D.C. office, has been able to tap into his experience as founding chief legal officer of three communications companies. "An in-house lawyer has a lot to juggle," he says. "In addition to being at the top of your game substantively, you have to gain and maintain the trust of your internal clients -- who are not obligated to let you in the inner circle merely because you are on the payroll -- and manage both the internal legal team and outside counsel.

"My stint as a general counsel was an invaluable opportunity to view the world from the client's perspective and from the in-house lawyer's perspective," says Martin. This insight, he believes, makes him more effective in collaborating with in-house clients.

Steven Fabrizio agrees. He started out at top-tier firms in New York and Washington before he moved on to start and head the litigation department for the Recording Industry Association of America. There, he gained industry expertise and contacts that he then parlayed into a successful entertainment and new-media practice at Jenner & Block. Fabrizio emphasizes the value the in-house experience brings to his work as outside counsel.

"When I was in-house litigation counsel purchasing legal services, it became clear to me that even the best and most skilled outside counsel fell into two categories: those that internalized the pressures I faced and the interests of my constituents, and those that did not or could not," says Fabrizio. "I only wanted to work with the former. As simple as it sounds, that experience has made me a better private-practice lawyer."

ON THE MONEY

The increased significance of the role of in-house counsel is accompanied by an upward trend in compensation. According to the newly released 2006 Law Department Survey by the management-consulting firm Hildebrandt International, the chief legal officers from the 164 companies nationwide that participated in the survey had a median total cash compensation (salary and bonus) of more than $700,000, with bonuses making up about half of the total.

In the Washington region, chief legal officers at the largest public companies have a median total cash compensation of $1 million or more, according to data gathered from the companies' SEC filings. On top of that, most receive stock awards and stock options that can boost their total direct compensation by several million dollars. General counsel at midsize public companies may have total cash compensation of at least a half-million dollars, as well as significant stock awards and options.

Hildebrandt's data also show median total compensation for chief legal officers increasing by 8.9 percent from 2004 to 2005 and by 6.4 percent from 2005 to 2006.

More than ever before, companies are putting greater emphasis on merit bonuses, consistent with the pay-for-performance corporate model. Lauren Chung, a consultant and law-department-survey editor with Hildebrandt, expects that bonus and noncash incentives will continue to make up a greater portion of total compensation, particularly at the more senior levels of the

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law department. "While base salaries will rise steadily, the significant earning potential lies with bonuses and noncash or long-term incentives," she says. "Participation in long-term incentives will only increase as many more companies seek methods to retain talent and pay for performance."

No one maintains statistics on the number of in-house counsel, so it is unclear whether the raw number, or the number of companies with in-house counsel, is increasing. Martindale-Hubbell lists some 5,100 in-house lawyers and more than 1,400 organizations with in-house staff in Maryland, Virginia and the District. The Washington Metropolitan Area Corporate Counsel Association, the professional association for in-house counsel in that area, has tripled its membership in the past eight years, from 500 to almost 1,500. At the same time, WMACCA has seen an increased demand for services to meet the needs of both former law firm experts now practicing in-house for large legal departments and the general counsel of small companies.

"The current corporate environment requires sophisticated counsel who possess deep organizational knowledge. Expectations regarding corporate culture have changed, and so have the expectations for in-house counsel," says Eric Reicin, president of WMACCA and vice president and associate general counsel at Sallie Mae Inc. "More than ever before, in-house counsel need to act as business partners who bring to the table the legal perspective on potential risks."

In the post-Sarbanes-Oxley world, increased emphasis on compliance and corporate accountability has opened doors for lawyers to move among law firms, the government and business. And the professional challenges associated with meeting those requirements help ensure that corporate America will have a high-quality pool of attorneys to draw on for in-house leadership.

Steven Fabrizio notes that in-house counsel work "puts every skill you have as a lawyer to the test every day. You get to -- in fact, you have to -- see individual legal issues as part of a broader constellation of organizational issues in ways that outside lawyers just don't. For people who like to challenge themselves, that is an attractive environment in which to practice law."

Janice K. Mandel is a North Bethesda, Md.-based feature writer who frequently explores business trends. This article was commissioned by the Washington Metropolitan Area Corporate Counsel Association.

Study Finds Options Scandal Has Cost Companies Billions (MERCN)

By Therese Poletti

The San Jose Mercury News, October 25, 2006

A financial advisory firm has released an analysis estimating the stock-option backdating scandal has cost at least 152 companies nationwide about $10.3 billion.

A recent tally by institutional shareholder advisory firm, Glass Lewis in San Francisco, found that at least 152 companies have announced internal reviews, inquiries from the Securities and Exchange Commission or Justice Department subpoenas related to their stock options granting practices.

Glass-Lewis said its internal analysis also showed that the backdating scandal has resulted in an unadjusted initial decline of $5.1 billion in the companies' market value, based on the initial drop in their stock prices. The analysis also pegged an additional $5.2 billion in additional pre-tax compensation costs to the companies.

The firm said that at least 44 executives and directors at 24 companies have been fired or resigned to date. Of the 152 companies nationwide, 42 have headquarters in Silicon Valley.

The analysis was included as an appendix in Glass-Lewis weekly ``Trend Alert" advisory, dated Monday. The report said the information was current as of Oct. 19.

Many of the companies face federal investigations or internal reviews to determine whether they manipulated stock options by backdating, to give recipients a head start toward profits. Backdating can also lead to overstated company profits by failing to follow the proper accounting and tax rules.

In another development Tuesday, Electronics For Imaging, a developer of technology for high-speed printers and copiers, became the latest Silicon Valley company to announce an investigation into its stock options granting practices.

The Foster City company, also known as EFI, said Tuesday it has begun an independent review of its stock options granting practices, based on errors that management discovered in a recent review of historical grants.

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EFI said it has voluntarily contacted the staff of the Securities and Exchange Commission to inform them of the ongoing review. The company disclosed the internal review when it released third quarter earnings Tuesday that were slightly below Wall Street's expectations.

The company also said two shareholder lawsuits, known as derivative lawsuits brought by investors on behalf of the corporation, were filed against EFI in Superior Court in San Mateo. The suits, filed Aug. 16 and Sept. 11, allege current and past officers and directors breached their duty to EFI by backdating certain grants of EFI's stock.

In a conference call with analysts Tuesday, EFI executives declined to comment when asked whether the two lawsuits preceded the company's review of its options granting practices, or visa versa.

In trading after the regular stock market closed, EFI's shares plunged 10.5 percent, falling $2.42 to $20.60. The company also announced a disappointing fourth quarter forecast. Both the third quarter miss and the disappointing forecast were due to some delays of printer products developed by its customers, executives said. EFI develops technology for professional super-wide format printers and copiers.

Throwing Back The Big Fish (NYT)

The New York Times, October 25, 2006

Among the worst impressions the Securities and Exchange Commission could foster is that it pulls punches on delicate matters involving the rich, powerful and politically connected. Now two Senate committees are investigating whether the commission staff, rather than doggedly pursuing possible insider trading by the hedge fund Pequot Capital Management, held back when it came to taking the testimony of a prominent Wall Street player.

A commission investigator, Gary Aguirre, sought permission from higher-ups to question John Mack, who had briefly worked at Pequot, about his dealings with Pequot's founder, Arthur Samberg. As Walt Bogdanich and Gretchen Morgenson reported in The Times on Sunday, the tone of the inquiry shifted drastically once it came to light that Mr. Mack was being considered for the job of chief executive at Morgan Stanley.

A supervisor then wrote about Mr. Mack's "juice" and "political clout" in internal e-mail messages. Mr. Aguirre was not permitted to interview Mr. Mack and ultimately was fired — immediately after receiving a merit-based pay raise.

The Senate Finance and Judiciary Committees are pursuing the question of how the Pequot investigation proceeded and why Mr. Aguirre was fired. So far, there is hardly enough information available to jump to conclusions about the conduct of Mr. Mack or Mr. Samberg. The commission has informed both men that it is not seeking enforcement actions against them. What is more important to the public is not the specifics of the case as much as how easily the commission staff can be influenced, whether by reputation, connections or future job prospects.

Senator Charles Grassley, chairman of the Senate Finance Committee, said in a statement that additional questions had arisen because of conflicting statements and documents that had come to light over the course of the Senate panel's inquiry. "My initial concerns haven't been put to rest by what I've learned so far," Mr. Grassley said. Neither have ours. A full airing is in everyone's interest.

CRIMINAL LAW:

Hastert Wants Fast Action On Foley (CHIT)

By Mike Dorning And Richard Clough

Chicago Tribune, October 25, 2006

WASHINGTON -- House Speaker Dennis Hastert testified Tuesday before an ethics subcommittee investigating conflicting accounts of his handling of complaints about a Republican congressman's suggestive messages to underage male congressional pages.

The scandal over former Florida Rep. Mark Foley's sexually explicit electronic communications with teenage pages and House leaders' handling of reports of inappropriate conduct have threatened political support for the speaker and reverberated through the mid-term election campaign.

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The testimony from Hastert and two of his top aides—one testified on Monday and the other began his testimony immediately after Hastert—indicated the panel may be wrapping up its investigation. But it is unclear whether the Ethics Committee will issue its report before the Nov. 7 elections.

Speaking briefly to reporters from a prepared statement after his testimony, Hastert said he told the panel "that they needed to move quickly to get to the bottom of this issue, including who knew about the sexually explicit messages and when they knew about it."

Hastert, who testified behind closed doors for just under three hours, added that he answered investigators' questions "to the best of my ability."

Hastert spokesman Ron Bonjean said the speaker would not answer any questions about his testimony.

Republican officials said confidence in Hastert, an Illinois Republican, has ebbed as the controversy over Foley has continued. Foley resigned last month. Though the party establishment concluded weeks ago that an ouster of Hastert prior to the election would be counterproductive, Republican officials privately indicated it would be difficult for Hastert to hold on to his leadership post afterward, even if the party retains the majority.

At least one key Hastert aide recently explored potential new employment, according to a source familiar with the discussion.

The contradictions between the public accounts offered by Hastert and his staff, and those given by other congressional officials—who have spoken publicly about warnings that Foley was behaving inappropriately toward pages—is a major focus of the committee's probe.

Hastert has said he only learned of Foley's suggestive communications as they became public on Sept. 29.

But the House Republicans' national campaign chief, Rep. Tom Reynolds of New York, who testified before the ethics committee earlier in the day, has said he warned Hastert of inappropriate conduct by Foley last spring.

House Majority Leader John Boehner (R-Ohio) also has said he informed Hastert last spring but that the speaker assured him the matter had been "handled."

Hastert has said he does not recall either conversation.

His staff has put out a timeline of events indicating his office received a complaint during fall 2005 about e-mails Foley sent to a former Louisiana page asking the boy for a photo and what he would like for his birthday. But the office's timeline indicates that the matter was handled by Deputy Chief of Staff Mike Stokke and Counsel Ted van der Mied without informing Hastert or Hastert's chief of staff, Scott Palmer.

The aides said they referred the matter to then-House Clerk Jeff Trandahl, a Republican patronage appointee, who together with House Page Board Chairman John Shimkus (R-Ill.) met privately with Foley to ask him to cease contact with pages.

Another inconsistency to be resolved by investigators involves a claim by former Foley chief of staff Kirk Fordham that he warned Palmer of Foley's inappropriate behavior several years ago, indicating Hastert's office had an earlier warning.

In a written statement, Palmer denied the claim, saying, "What Kirk Fordham said did not happen." But he has otherwise kept publicly silent.

Another congressman has indicated he provided a warning even earlier. Retiring Rep. Jim Kolbe (R-Ariz.), who was chairman of the page board at the time, said he received a complaint of a suggestive e-mail from Foley to a former page during either 2000 or 2001. He said he referred the matter to Trandahl, the House Clerk.

Palmer testified more than six hours Monday. Stokke began testifying immediately after Hastert and refused to comment after emerging five hours later.

Hastert Urges Quick Action On Foley (AP-Y)

By Andrew Taylor

AP, October 25, 2006

House Speaker Dennis Hastert urged ethics investigators to work quickly to unravel the congressional pages scandal Tuesday, testifying before them just after a GOP lawmaker whose recollections differ from his.

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The investigation is focusing on which House leaders were told about sexually explicit messages sent by Rep. Mark Foley to former pages, when leaders were told and what was done in response. Hastert and some other Republicans have suggested revelations about the messages were timed to hurt the GOP in next month's elections.

Tuesday's appearances by Hastert, R-Ill., and House GOP campaign chair Tom Reynolds, R-N.Y., could signal that the four-member ethics committee is nearing the end of its testimony-taking phase. Both men testified behind closed doors as committee rules require.

Hastert said afterward that he had told the committee "that they needed to move quickly to get to the bottom of this issue, including who knew about the sexually explicit messages and when they knew about it."

Hastert has said he first learned of Foley's inappropriate e-mails to a former Louisiana page — and sexually explicit e-mails to another page — just last month as the matter became public and the Florida Republican resigned.

But Hastert's appearance followed that of Reynolds, who has said he learned of Foley's inappropriate e-mails to the Louisiana teen last spring and discussed the matter with Hastert.

Hastert has said he didn't recall that conversation. He has also assured conservative activist Paul Weyrich that Majority Leader John Boehner was wrong when Boehner said he and Hastert discussed Foley's problems last spring.

Hastert said he answered investigators' questions "to the best of my ability."

The Foley scandal continues to weigh on GOP poll numbers just two weeks before midterm elections that could cost the Republicans control of Congress. The ethics committee's top Democrat, Howard Berman of California, would not say in a brief exchange whether the panel would release any findings before Election Day.

What has emerged to date is a pattern in which incidents involving Foley's inappropriate behavior with former pages have been handled by a few staff aides and lawmakers, rather than being referred to the ethics committee or the full membership of the bipartisan board overseeing the page program.

The ethics panel has heard from most of the key witnesses except Foley himself. Since he resigned in disgrace, the ethics committee no longer has jurisdiction. The FBI has opened an inquiry but it's not evident that Foley broke any laws.

One of Foley's attorneys, William Taylor of Washington, declined to comment on whether Foley had been asked to appear before the panel.

There is a separate question as to when Hastert's top aides first learned about Foley's behavior toward pages. An account issued by the speaker's office describes how "over friendly" e-mails to the Louisiana page were handled last fall. Other alleged incidents have since surfaced.

For instance, Foley's former chief of staff Kirk Fordham has testified that at least three years ago he asked top GOP aides, including Hastert's chief of staff Scott Palmer, to intervene to stop Foley's inappropriate behavior. Palmer testified for more than six hours Monday; his only public comment thus far is, "What Kirk Fordham said did not happen."

Fordham has testified about an episode several years ago in which Foley is said to have been drunk and trying to enter the page dorm.

Former House Clerk Jeff Trandahl and Rep. Jim Kolbe, R-Ariz., learned in 2001 or 2002 of an episode in which Foley sent an ex-page inappropriate e-mails.

The four-member investigative team is also expected to hear this week from Hastert aide Ted Van Der Meid, who was the chief contact between the speaker's office and Trandahl about House operations, including the page program.

A question for the panel to determine is whether Van Der Meid and Palmer knew of the Foley problem prior to the single incident handled by Hastert's office last fall — and if so, how other incidents were handled.

Hastert, Reynolds Testify About GOP's Handling Of Foley Case (WP)

By Jonathan Weisman

The Washington Post, October 25, 2006

House Speaker J. Dennis Hastert (R-Ill.) spent nearly three hours behind closed doors with the House ethics committee yesterday, describing what he knew about then-Rep. Mark Foley's relationships with young male pages and when he knew it.

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The extraordinary appearance came just a few hours after the House Republican campaign chief, Rep. Thomas M. Reynolds (N.Y.), went before the committee to reiterate his contention that he personally told Hastert in the spring about suspicious e-mails that Foley had sent to a Louisiana teenager. Hastert has said he has no recollection of that conversation and did not learn of the Foley matter until it surfaced in late September.

"Since I had requested prompt action by the committee, I took the opportunity to thank them for moving expeditiously to look into this matter," Hastert said as he emerged from the committee's Capitol basement hearing room. "I answered every question they asked fully and to the best of my ability."

The twinning of Hastert's appearance with that of Reynolds surprised House Republican and Democratic leadership aides, and it only heightened the drama of the committee's deliberations.

Hastert is the first House speaker to testify before the committee since Newt Gingrich (R-Ga.) discussed a much-criticized book deal in 1997. But in that case, committee members scheduled Gingrich's testimony at night, sparing him a daylight walk through the throng of reporters and camera crews camped outside the hearing room.

Also unlike Gingrich, Hastert had to appear immediately after the chairman of the National Republican Congressional Committee, Reynolds, who had already challenged Hastert's version of events.

"I was happy to voluntarily do my part to assist in their inquiry and answer any questions they had," Reynolds said yesterday. "Earlier this month I had several opportunities to answer your questions and tell you what I know, but the committee has asked us not to share the substance of our discussion.

"I would only add that a full and fair investigation of the facts is vital to ensuring the continued integrity of this institution, which is why I strongly encourage any of my colleagues who have information that may be of relevance to bring it to the committee's attention at once."

House Majority Leader John A. Boehner (R-Ohio) testified last week that he also told Hastert in the spring about concerns stemming from what House leaders have termed "over-friendly" e-mails from Foley to the former page from Louisiana.

Yesterday's drama was the strongest indication yet that the House Committee on Standards of Official Conduct, as the ethics committee is formally known, may be nearing the end of its investigative work. The committee interviewed Hastert's chief of staff, Scott Palmer, on Monday and could call up his deputy chief of staff, Mike Stokke, and his counsel, Ted Van Der Meid, this week.

But neither Democratic nor Republican leadership aides believe that a final report will be released ahead of the Nov. 7 elections, which have been roiled by the Foley matter.

The inquiry has been focused on the handling of Foley by House leaders. As far back as 2000, Foley's advances on former pages over the Internet had come to the attention of one congressman, Rep. Jim Kolbe (R-Ariz.). Kolbe had brought the matter to then-House Clerk Jeff Trandahl, who reported to the speaker's office.

According to sources close to Trandahl, the former clerk repeatedly brought concerns about Foley to the congressman's chief of staff, Kirk Fordham. Fordham told the committee that when he was unable to stop Foley's advances, he asked Palmer to intervene in 2002 or 2003. Palmer has said Fordham's version of events did not happen.

Aides in the speaker's office have said that the matter did not come to their attention until the fall of 2005 and that it was handled without Hastert's involvement.

Hastert tried to deflect attention from GOP leaders yesterday, suggesting, as other Republicans have, that Democrats may have known about Foley's explicit instant messages but did not report them to authorities. Instead, Republicans have said, Democrats shopped them to the news media before the elections.

Hastert said he encouraged the committee "to continue to move forward to get to the bottom of this, including finding out who was aware and when they were aware of the sexually explicit instant messages that were created three years ago."

Two former pages who were the sources of the instant messages have told The Washington Post that they did not come forward until after ABC News published the suspicious but not the sexual e-mails. A Republican former page said he wanted to expose Foley's more outrageous actions and had no intention of sparking a wider scandal. A Democratic former page, who supplied the messages to The Post, did so several days after ABC News obtained its messages.

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Speaker Testifies In Foley Ethics Inquiry (NYT)

By Jeff Zeleny

The New York Times, October 25, 2006

WASHINGTON, Oct. 24 — Speaker J. Dennis Hastert testified before the House ethics committee on Tuesday, answering questions under oath for more than two hours about when he first learned of complaints regarding Representative Mark Foley's behavior toward Congressional pages.

On this day, two weeks before Election Day, Mr. Hastert had planned to be hopscotching from district to district across America, working to preserve Republican control in the House and protect his own seat of power. Instead, he made his way from the speaker's suite to a dim corridor in the basement of the Capitol where the committee was meeting behind closed doors.

With his speakership on the line, even if the Republicans hold their majority, Mr. Hastert hoped to move beyond the scandal by voluntarily appearing before the bipartisan panel, which is working to determine if Republican leaders and their staff members ignored repeated warnings that Mr. Foley, a Florida Republican, was making advances toward the high school students who work as messengers on Capitol Hill.

"I answered all the questions they asked to the best of my ability," Mr. Hastert said after exiting the hearing room. "I also said that they needed to move quickly to get to the bottom of this issue, including who knew about the sexually explicit messages and when they knew about it."

Mr. Hastert has said that he was unaware of suspicions surrounding Mr. Foley until he resigned his seat late last month after an e-mail exchange with a former page became public. Other Republican leaders, though, say they discussed the matter with him last spring.

Mr. Hastert, illuminated by camera flashes and flanked by his lawyer, declined to answer questions as he returned to his office in the Capitol. While he praised the bipartisan panel "for expeditiously looking into this matter," he urged investigators to look into whether anyone in the House — Democrats included — had known about Mr. Foley's explicit online chats with former pages.

"They need to make sure that they ask all the questions of everybody," Mr. Hastert said.

His testimony followed a three-hour appearance by Representative Thomas M. Reynolds, Republican of New York, who leads the party's Congressional campaign committee. Mr. Reynolds, whose own re-election prospects are suddenly less certain, has taken out television advertisements to distance himself from the leadership in this controversy.

Mr. Reynolds has said that he informed Mr. Hastert this year of concerns regarding Mr. Foley. The speaker has said that he cannot recall any such conversations.

As he left the hearing room, Mr. Reynolds called for a "full and fair investigation of the facts." He, too, raised the notion that the inquiry should not be focused only on Republicans, calling on "any of my colleagues who have information that may be of relevance to bring it to the committee's attention at once."

Mr. Reynolds shared a particular link with Mr. Foley: each employed Kirk Fordham as his chief of staff. Mr. Fordham stepped down this month as a senior adviser to Mr. Reynolds after saying that he warned the speaker's office about Mr. Foley's troubling behavior at least three years ago, when he worked for Mr. Foley.

As the ethics inquiry stretched into a third week, one theory was that investigators were trying to determine whether Republican leaders had not acted on concerns about Mr. Foley in part to avoid contending with an open seat in his Florida district.

But the investigation revolves around the speaker's office, which oversees the page program.

In addition to Mr. Hastert, the panel is focusing on three advisers: Scott Palmer, the speaker's chief of staff, who testified Monday; Mike Stokke, the deputy chief of staff, who was questioned Tuesday night; and the chief counsel, Ted Van Der Meid, who is to testify Wednesday.

Mr. Hastert said this month that members of his staff should be fired "if there was a cover-up." Yet he has also said he has no reason to believe they acted improperly after learning of a friendly, but not sexually explicit, exchange between Mr. Foley and a former page from Louisiana.

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Early Tuesday evening, Mr. Hastert walked out of the Capitol for one of the last times before Election Day. The longest-serving Republican speaker in United States history, he vows to extend his streak. He said that he was leaving Washington.

His destination? The campaign trail out West.

Hastert, Reynolds Testify To Ethics Panel (HILL)

By Amy Sherman

The Hill, October 25, 2006

Two senior House leadership officials testified yesterday to the ethics committee about what they know about the Mark Foley page scandal.

Tom Reynolds (R-N.Y.), the National Republican Campaign Committee chairman, and House Speaker Dennis Hastert (R-Ill.), took time out from their busy campaign schedule to meet with the ethics panel during separate appearances.

Hastert sneaked into the ethics committee, avoiding public areas of the Capitol in an apparent move to avoid reporters. As he exited his offices, he utilized the seldom-used Strom Thurmond hallway, and an esoteric attic elevator transported him to the basement.

U.S. Capitol Police officers blocked the staircase between the crypt and the basement. Hastert's entourage, which included all three members of his communications staff, three Capitol police officers and his attorney, escorted him to the ethics committee hearing room.

Hastert attempted to dodge photographers by repeatedly moving behind his staff. The Speaker testified to the ethics committee for two-and-a-half hours.

He then delivered a brief statement: "I thank the committee for promptly acting ... I answered all questions asked to the best of my ability... [I hope they] move quickly to get to the bottom of who knew about the sexually explicit messages and when they knew about it."

Reynolds testified for three hours and then read a short statement to the media: " … I was happy to voluntarily do my part to assist in the inquiry and to answer any questions they had. Earlier this month, I had several opportunities to answer your questions and tell you what I know. But the committee has asked us not to share the substance of our discussions."

Lawmaker's Influence In Land Deals Probed (WP)

By Jonathan Weisman And Dan Eggen

The Washington Post, October 25, 2006

U.S. prosecutors in Arizona have opened a preliminary investigation into whether Rep. Rick Renzi (R-Ariz.) twice pressured landowners to buy a 480-acre parcel owned by his former business partner, a major backer of Renzi's political campaign, according to federal law enforcement sources.

The deal ultimately netted the business partner a $3 million profit, according to Arizona land records.

Renzi is the latest lawmaker whose land deals have come under scrutiny. Senate Minority Leader Harry M. Reid (D-Nev.) and House Speaker J. Dennis Hastert (R-Ill.) have drawn criticism from political opponents for deals with home-state business partners that netted earned them hundreds of thousands of dollars or more.

The Arizona transaction has drawn the interest of the U.S. attorney's office and the FBI's Phoenix field office. Three law enforcement officials said both are investigating Renzi's involvement in two land deals -- one of which was not completed -- designed to put the 480 acres under federal protection from development in exchange for land more fit for commercial development.

One of the officials said the inquiry is at a preliminary stage. No subpoenas have been issued, and public developments are not likely before the Nov. 7 midterm elections, said the official, who along with the other two spoke on the condition of anonymity because the investigation has not been publicly announced.

A spokesman for U.S. Attorney Paul Charlton in Phoenix declined to confirm or deny the existence of an inquiry. Spokesmen for the Justice Department and the FBI in Washington also declined to comment.

The inquiry was revealed by two liberal Arizona blogs last weekend.

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Grant Woods, a former Arizona attorney general who is Renzi's lawyer on the matter, said neither he nor Renzi has been contacted by law enforcement officials. He ascribed any inquiry to political gamesmanship by the two-term lawmaker's Democratic opponent, lawyer Ellen Simon.

"When I was attorney general, we dealt with this all the time in the last 30 days before an election, when candidates came to us with an accusation. We had to look at it, but it was designed to use politically," Woods said.

According to sources, the investigation is focusing on whether, in exchange for political contributions and business support, James Sandlin received special treatment from Renzi for a parcel of land that earned him a $3 million profit .

Sandlin bought into Renzi's real estate firm in 2001, then paid about $200,000 for half the business and, after he was elected to Congress, $1 million to $5 million for the rest.

Investigators want to know whether Renzi twice attempted to arrange deals for Sandlin, including once by proposing legislation, two sources with knowledge of the investigations said.

According to land developer Guy Inzalaco, Renzi was approached last year by an investment group that included Inzalaco and former Arizona governor Bruce Babbitt, a Democrat. The group sought legislation that would put environmentally sensitive watershed land under federal protection in exchange for opening other federal land to development.

Renzi said he would back the legislation if the Sandlin tract was included, Inzalaco said.

Woods said Renzi was trying to include a tract of land that environmentalists had been trying to preserve for years and did not know until later that his business partner owned it.

That fall, Renzi announced he would introduce the San Pedro River Land Exchange Act, a bill that would include the Sandlin property. Within days, Sandlin sold the tract to the Inzalaco-Babbitt group, turning a $3 million profit in three years. The land-swap legislation was never enacted.

Inzalaco said yesterday that he knew nothing of Sandlin's connections to Renzi.

Congressman From Arizona Is The Focus Of An Inquiry (NYT)

By David Johnston

The New York Times, October 25, 2006

WASHINGTON, Oct. 24 — Federal authorities in Arizona have opened an inquiry into whether Representative Rick Renzi introduced legislation that benefited a military contractor that employs his father, law enforcement officials said Tuesday.

The officials said the inquiry was at an early stage and that no search warrants had been issued, suggesting that investigators had yet to determine whether there was a basis to open a formal investigation or empanel a grand jury.

Mr. Renzi, 48, a Republican who represents the First Congressional District, is a former insurance executive and real estate investor who was first elected in 2002. Almost from the start, he has been a target of citizen watchdog groups who have accused him of ethical laxity in office.

Law enforcement officials said that the most serious accusation involved Mr. Renzi's sponsorship of legislation in 2003 that appeared to indirectly benefit the ManTech International Corporation, a communications company based in Virginia that employs Mr. Renzi's father, Eugene, a retired Army general, as executive vice president.

Representative Renzi's office did not return a reporter's telephone calls on Tuesday to discuss the inquiry. In the past, Mr. Renzi has dismissed questions about whether his efforts aided ManTech, saying it did not need any assistance from him.

Mr. Renzi's legislation, which was signed into law in November 2003, exempted the Fort Huachuca Army base in Arizona from maintaining water levels in the nearby San Pedro River, as base officials had agreed in a 2002 deal with the United States Fish and Wildlife Service. Environmentalists criticized Mr. Renzi's measure, saying it threatened water levels in one of the last undammed rivers in the West and would benefit private contractors like ManTech that operated at the base and relied on its continued operation.

ManTech has more than $450 million in military contracts at the base, which include classified military work, as well as options for more than $1.1 billion in additional contracts, according to news reports about Mr. Renzi's legislation. Employees of the company were the largest contributors to Mr. Renzi's campaign in 2002 and the second-largest in 2004.

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Groups like Citizens for Responsibility and Ethics in Washington have raised additional questions about Mr. Renzi, like his employment of a top staff member in December 2005 who continued to operate a fund-raising consulting business while she worked for Mr. Renzi. House ethics rules limit outside earned income to less than $25,000 a year.

Experts: Ban Won't Stop Online Gambling (AP)

By Adam Goldman, AP Business Writer

AP, October 25, 2006

NEW YORK (AP) -- Gamblers may look over their shoulder now, but experts say a new Internet gambling ban won't keep bettors from ponying up, just turn them on to overseas payment services out of the law's reach.

"It has put a terrible scare into people," said I. Nelson Rose, who teaches gambling law at Whittier Law School. "But it won't by any means wipe out Internet gambling."

The fright swept through the $12 billion industry on the heels of the recent arrests of two gambling company executives and a new law President Bush signed Oct. 13 that seeks to ban most online gambling and criminalizes funds transfers.

The law has wiped out billions of dollars in shareholder value of British companies, leaving the industry's future in doubt as U.S. lawmakers initially trumpeted they had found a way to halt bets coming from America. But serious questions remain about whether the legislation can be effective in stopping U.S. residents from playing poker or betting on sports.

The "Unlawful Internet Gambling Enforcement Act" goes after the money, not the millions of players, which would be nearly impossible to enforce. It will essentially try to choke off the way Americans fund their gambling habits, hoping to prevent the transfer of dollars to the popular Internet sites.

It's also widely understood that the law has online poker in its gun sights, identifying it as a game of chance - something the poker companies dispute. They believe poker is a game of skill and therefore not subject to the new rules.

But they're fearful nonetheless.

"Their mission is to kill the funding of online poker, and that's what this law does," said Mike Sexton, who hosts the popular World Poker Tour and has won millions as a professional player.

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The new law comes amid an explosion in online gambling, fueled by the Texas Hold 'em craze and widespread access to the Internet. In addition, dozens of Web sites have sprouted up that allow any gambler with a credit card to bet on any sport they choose, for any amount of money they want.

Industry experts say there are an estimated 2,000 Internet sites that take bets for sports and poker. American players have fueled Internet gambling, supplying $6 billion of the $12 billion in revenues generated annually.

"The time has been one of rapid growth," said Sebastian Sinclair, president of Christiansen Capital Advisors, a gambling consultant. "This industry was well on its way to becoming mainstream in a great part of the world. Capital was tripping over itself to fund these companies."

The new law gives the U.S. Treasury and Federal Reserve, along with the Attorney General, 270 days to establish policies and procedures.

"The regulations are clearly going to prevent banks from doing electronic fund transfers to gambling sites, but that is no big deal," Rose said.

Clamping down on the banks won't serve as a panacea, Rose said. In some cases, banks simply move the money to payment processors, known as e-wallets. Non-U.S. payment processors such as the widely used Neteller then transfer the money to the Internet gambling sites.

The U.S. government has no authority over processors like Neteller that are operating legally.

Anthony Cabot, a well-known gambling lawyer in Las Vegas, thinks language used in the bill provides a loophole for the payment processors and the U.S. banks that want to be free to do business with them.

"Unless you have some fairly Draconian measures ... the likelihood of stopping payment to them is small," Cabot said.

Much damage has already been done to the offshore sports betting industry without the looming regulations.

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British BetOnSports PLC folded after its chief executive was arrested in July by U.S. authorities. David Carruthers faces 22 counts of fraud and racketeering charges and remains under house arrest in the St. Louis area.

London-based Sportingbet's chairman was detained last month in New York on a state fugitive warrant charging him with illegal online gambling. He was eventually freed.

Both arrests sounded serious alarm bells for those running sports wagering sites that take American bets.

The new legislation has already had a dramatic effect. It supposedly clarifies the 1961 Wire Act, explicitly outlawing Internet gambling, including online poker.

It creates new criminal penalties, which have rattled investors and executives - although Rose said it doesn't expand the act, and there's no indication the Justice Department is about to launch a huge campaign to enforce the law.

Still, the biggest publicly traded names in Internet gambling on the London Stock Exchange and AIM, the exchange's global market for growing companies, could not afford to flout American law. When news broke earlier this month that Congress has passed the bill, Internet gambling companies traded on those exchanges lost a combined $7 billion in market capitalization.

PartyGaming PLC, once the envy of online gambling with its more than $8 billion IPO in 2005, is now trying to figure out how to save its business model. It runs what was once the world's biggest poker site, PartyPoker, and has said it will no longer take payments from the U.S., eliminating nearly 80 percent of its revenue and sending its stock plunging.

Another poker company, 888 Holdings PLC, also said it would stop taking U.S. bets, ensuring its profits will fall dramatically.

Sportingbet and Leisure & Gaming both sold their U.S. operations for a dollar. Sportingbet said its exit from the U.S. market cost it nearly $400 million.

The bleeding didn't stop there. Neteller and FireOne, which owns e-wallet FirePay, also saw their stock price plummet. On Oct. 2, FirePay announced it had stopped doing business with sites that might take U.S. bets, including PokerStars. The decision forced PokerStars, now the biggest poker site in the world and a registered business in Costa Rica, to rely on Neteller to take money for bets headed to its site.

"There are privately owned operators that will continue to take play as long as they have payment processors that will work with them," said Sue Schneider, publisher of the online gaming magazine Interactive Gaming News. "I think the big question is whether the volume remains the same. But I don't think any of this means there will be less people playing on the Internet."

Neteller has said it is evaluating the law. If Neteller abandons PokerStars and other sites, their bottom lines, no doubt, will be hit hard.

But so far, Neteller's decision to work with PokerStars has amounted to good news for sites not afraid of scorning U.S. law.

Experts say while the new law has forced the public companies out of U.S. market, it has left poker players and bettors gravitating toward private companies.

Both PokerStars and FullTilt have already seen traffic on their Web sites surge, taking advantage of any short-term gain now that some of the competition has been sidelined. On its Web site recently, FullTilt boasted: "We're Here to Stay!" and offered bonuses to sign up.

This isn't the first time the industry has faced a serious setback. In 2001, Visa and MasterCard and other merchant banks stopped allowing money to be sent to Internet gambling sites.

Like then, Sinclair thinks Internet gambling will recover again. It's simply too lucrative.

"There will be a big hit to the industry," Sinclair said. "A big hit. But it's not going to be long term, it's transitory until somebody finds a solution to whatever roadblocks are put in their way. There's too much money for it to go away."

Ex-Refco CFO Accused Of Defrauding Investors Of $1 Billion (AP)

By Larry Neumeister, The Associated Press

AP, October 25, 2006

The former chief financial officer of Refco Inc., one of the world's biggest commodities brokerages, was accused in an indictment Tuesday of defrauding investors in a scheme that resulted in losses of more than $1 billion.

An indictment in U.S. District Court in New York charged Robert C. Trosten with conspiracy, securities fraud, false filings and wire fraud. It also added new charges to the case against Refco's former chief executive officer, Phillip R. Bennett.

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Prosecutors said Trosten assisted Bennett in hiding hundreds of millions of dollars of debt owed to Refco by a company controlled by Bennett.

The superseding indictment also added new charges against Bennett concerning fraud against holders of Refco's bonds.

Trosten, 37, of Sarasota, Fla., was scheduled to make his initial court appearance Wednesday. Bennett, 57, of Gladstone, N.J., is free on $50 million bail and subject to electronic monitoring.

A lawyer for Bennett, Gary P. Naftalis, said: "Mr. Bennett reaffirms that he is not guilty of any of the government's charges and looks forward to his day in court."

A lawyer for Trosten did not immediately return a telephone message seeking comment Tuesday.

If convicted, Trosten could face up to 45 years in prison while Bennett could face up to 85 years in prison.

Bennett was already charged with conspiring to commit securities fraud for hiding from auditors and investors losses that Refco and its customers had incurred in the financial markets.

The indictment charged Trosten and Bennett with conspiring to defraud Refco's auditors and investors from the mid-1990s to October 2005, when Refco announced it had discovered it was owed $430 million by a company controlled by Bennett.

The announcement caused the price of Refco stock to plunge. The company, which went public in August 2005, was later delisted by the New York Stock Exchange, and it and many of its subsidiaries filed for bankruptcy a week after the announcement.

According to the indictment, Refco sustained hundreds of millions of dollars in losses through its own and its customers' trading in the mid-1990s, when Refco was privately held and controlled in part by Bennett.

To hide the losses, Bennett transferred them to appear as a debt owed to Refco by a company controlled by Bennett, prosecutors said.

The indictment accused Bennett and Trosten of manipulating the company's financial records from 1999 through 2005 to make it appear as if the debt owed to Refco was owed by a Refco customer.

The indictment charged Trosten with assisting Bennett in carrying out the year-end transactions, including defrauding the purchasers of $600 million in notes issued by Refco in 2004 by hiding from the purchasers the existence and size of the debt owed to Refco.

It also charges Bennett with defrauding the purchasers of $583 million of Refco's common stock when the company went public.

The indictment alleged that Bennett caused Trosten to receive a payment of about $48 million in August 2004, when the leveraged buyout transaction was being handled.

Drug Raid Yields Los Alamos Documents (SFC/AP)

By Lara Jakes Jordan, Associated Press Writer

San Francisco Chronicle, October 25, 2006

(10-25) 03:06 PDT WASHINGTON (AP) --

A drug bust at a trailer park in New Mexico turned up what appeared to be classified documents taken from the Los Alamos nuclear weapons laboratory, authorities said Tuesday.

Local police found the documents while arresting a man suspected of domestic violence and dealing methamphetamine from his mobile home, said Sgt. Chuck Ney of the Los Alamos, N.M., Municipal Police Department. The documents were discovered during a search of the man's records for evidence of his drug business, Ney said.

Police alerted the FBI to the secret documents, which agents traced back to a woman linked to the drug dealer, officials said. The woman is a contract employee at Los Alamos National Laboratory, according to an FBI official who spoke on condition of anonymity because of the sensitive nature of the case.

The official would not describe the documents except to say that they appeared to contain classified material and were stored on a computer file.

FBI special agent Bill Elwell in Albuquerque, N.M., confirmed that a search warrant was executed on Friday night, but he refused to discuss details.

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"We do have an investigation with regard to the matter, but our standard is we do not discuss pending investigations," Elwell said.

A spokesman for the Los Alamos National Laboratory, in Los Alamos, N.M., declined to comment.

Los Alamos has a history of high-profile security problems in the past decade, with the most notable the case of nuclear scientist Wen Ho Lee. After years of accusations, Lee pleaded guilty in a plea bargain to one count of mishandling nuclear secrets at the lab.

In 2004, the lab was essentially shut down after an inventory showed that two computer disks containing nuclear secrets were missing. A year later the lab concluded that it was just a mistake and the disks never existed.

But the incident highlighted sloppy inventory control and security failures at the nuclear weapons lab. And the Energy Department began moving toward a five-year program to create a so-called diskless environment at Los Alamos to prevent any classified material being carried outside the lab.

Even though Los Alamos is now under new management, Danielle Brian, executive director of the watchdog group Project on Government Oversight, said the lab has not done much to clean up its act.

"Los Alamos has always seemed to be rewarded for its screw-ups," Brian said. "We're waiting with bated breath to see if anything has changed."

The idea that police found classified documents at a home where a drug sting was being conducted is disturbing, she said.

"The problem is when you actually have those materials that are supposed to be protected inside the lab and you find them outside the lab in the hands of criminals — that should worry everybody," Brian said.

The FBI and the U.S. attorney's office in Albuquerque were "evaluating the information obtained as a result of the search warrant," Elwell said.

The federal charge of unauthorized removal and retention of classified material is a misdemeanor that carries a maximum sentence of a year in prison and up to a $100,000 fine.

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Associated Press writers Seth Borenstein in Washington and Sue Holmes in Albuquerque contributed to this report.

Safavian Argues For No Jail Time In Abramoff Case (AP)

By Matt Apuzzo

AP, October 25, 2006

WASHINGTON - A Utah congressman and a former aide to a Virginia congressman have written letters in support of former Bush administration official David Safavian, who is trying to avoid jail time in the Jack Abramoff investigation.

Safavian, former chief of staff of the General Services Administration, was convicted in June of lying to investigators about his dealings with Abramoff.

Prosecutors are seeking a three-year prison sentence in Safavian's case, which was the first guilty verdict by a jury in the corruption probe surrounding Abramoff, the Republican lobbyist who pleaded guilty in January in a conspiracy to corrupt public officials.

In seeking a sentence of probation or house arrest, Safavian's attorneys submitted letters from supporters including a church leader, a former congressional aide and Safavian's former boss, Rep. Chris Cannon, R-Utah.

"When David was my chief of staff, he worked tirelessly in my Washington office. He would come in early, stay late, and devote his undivided attention to the needs of the people in Utah's 3rd Congressional District," Cannon wrote.

The letters are sealed but Safavian's attorney referred to excerpts of some in a court filing Monday.

The list of letter-writers also included Melissa Wojciak, former staff director for Rep. Tom Davis, R-11th, at the Government Reform Committee. Wojciak wrote that Safavian "always ensured that he was responsible in managing the taxpayer's dollars."

Safavian is scheduled to be sentenced Friday. Prosecutors argue that letting him off without prison time would be a "miscarriage of justice."

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E-mails presented at trial showed how Abramoff showered Safavian with trips and other perks while badgering him for information about GSA-controlled property the lobbyist wanted - including the historic Old Post Office in downtown Washington.

Defense attorneys wrote that Safavian did not harm anybody and committed no fraudulent acts. They have presented a list of past cases they believe are comparable.

That list includes: Henry Cisneros, the Clinton administration housing secretary who paid a $10,000 fine for lying to the FBI about payments to an ex-mistress; former Rep. Chris Perkins, D-Ky., who was sentenced to three months in a halfway house in 2000 for lying to a probation officer about his income; and businesswoman Martha Stewart, who received five months in prison for lying to investigators about a stock sale.

Cannon Writes Judge On Behalf Of Convicted Former Chief Of Staff (SLT)

By Robert Gehrke, The Salt Lake Tribune

Salt Lake Tribune, October 25, 2006

WASHINGTON -- Rep. Chris Cannon is asking a judge for leniency for his former chief of staff, David Safavian, who was convicted with obstructing a federal investigation into his ties with lobbyist Jack Abramoff.

"When David was my chief of staff, he worked tirelessly in my Washington office. He would come in early, stay late, and devote his undivided attention to the needs of the people in Utah's Third Congressional District," Cannon wrote in a letter quoted by Safavian's attorneys in court filings.

Prosecutors have asked Judge Paul Friedman to sentence Safavian to as many as 37 months in prison. He was convicted of four

Read Cannon's letter regarding Safavian counts of obstruction of justice and false statements for lying to investigators about his relationship with Abramoff.

Safavian's attorney, Barbara Van Gelder, argued that Safavian has been a committed public servant and family man, that his career has been ruined by his arrest and conviction, and asked the judge to impose probation or home confinement.

"The government's caricature cannot detract from the fact that, as acquaintances, supervisors, and colleagues attest, Mr. Safavian's history and character reflects dedication to his family, his community, and country," Van Gelder said.

Prosecutors said it would be a "miscarriage of justice" not to

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impose prison time.

Letters vouching for Safavian's character also were written by Rep. Walter Jones, R-N.C.; Clay Johnson, deputy director at the White House budget office; and a police officer at the Maryland precinct where Safavian did volunteer work.

Safavian was convicted of misleading ethics officials, Senate investigators and the Government Service Administration inspector general about a lavish golf trip he and others took to Scotland with Abramoff and others in 2002, when Safavian was chief of staff at the GSA, which manages federal property.

E-mails used as evidence during the trial show that Abramoff provided numerous gifts and perks to Safavian who provided Abramoff information about two business deals the lobbyist was trying to make through the GSA.

Abramoff has pleaded guilty to five felony counts of fraud and corruption and has been sentenced to nearly 6 years in prison. He has been cooperating in the ongoing Justice Department investigation, but is expected to report to prison in Maryland next month.

Rep. Bob Ney, R-Ohio, who also went on the trip to Scotland, also has pleaded guilty to corruption charges. Also pleading guilty was Neil Volz, Ney's former chief of staff and an Abramoff colleague who was on the trip.

Safavian got his start in lobbying alongside Abramoff before becoming a partner in Janus-Merritt Strategies. He took a leave of absence to become Cannon's chief of staff in 2001, leaving open the door to return to his firm.

During Safavian's tenure with Cannon, the congressman took positions that helped several of Safavian's former clients, including the online gaming industry, telecommunications firms, a media giant and an Indian tribe. Cannon's spokesman has said the two simply agreed on those issues.

E-mails introduced during Safavian's trial indicate that Abramoff was encouraging Safavian to return to lobbying in 2002 and he was in discussions with Abramoff's firm, Greenberg Traurig.

But the firm didn't immediately hire Safavian, and he was offered the position of chief of staff at GSA, hinting he could rejoin Abramoff later. Eventually, Safavian was appointed the top procurement officer at the White House budget office, where he served until just before his arrest late last year.

Suburban Mayor Enters Plea In Bribes Case (CHIT)

Tribune Staff Reports

Chicago Tribune, October 25, 2006

Niles Mayor Nicholas Blase pleaded not guilty Tuesday to a five-count federal indictment charging him with taking more than $420,000 in kickbacks for steering local business owners to buy insurance from a longtime friend and his son.

Blase, Niles' mayor for 45 years, has been free on bail since he was arrested on his 78th birthday in June.

The charges allege that the kickback scheme originated more than 30 years ago with Blase's close friend, Ralph Weiner, who ran an insurance agency bearing his name. After Weiner's death in 2005, his son, Steven Weiner, continued to deliver the monthly bribes to Blase, prosecutors charged.

Blase, an attorney, is accused of using more than $421,000 in bribes to pay the salaries of two employees of his law firm.

Lawyers for Steven Weiner and Paul Zdon, a former employee of the Weiner insurance agency, have said both are cooperating with the FBI and expect to plead guilty to mail-fraud charges. They are scheduled to be arraigned next month.

Niles Mayor Pleads Not Guilty (BVND)

The Belleville News Democrat, October 25, 2006

CHICAGO - Niles Mayor Nicholas Blase pleaded not guilty Tuesday to a federal indictment accusing him of pocketing more than $420,000 in a decades-long kickback scheme.

Blase is charged with coercing businesses in his northwest suburb to buy insurance from an agency operated by his friend. That friend, in return, would then pay Blase kickbacks, prosecutors allege.

He entered the not guilty plea to five counts of mail fraud before U.S. Magistrate Judge Michael T. Mason, the Chicago Sun-Times and Chicago Tribune reported on their Web sites.

Blase, who also is an attorney, has been mayor of Niles for 45 years. He is accused of using the kickbacks to pay the salaries of two employees of his law firm.

Two other men with ties to the insurance agency also were indicted.

The agency's president, Steven Weiner, and employee Paul Zdon are both cooperating with authorities and are expected to plead guilty, prosecutors and defense attorneys have said. Blase and Weiner's now-deceased father, Ralph, concocted the scheme more than 30 years ago, authorities allege.

Verdicts In Murder Of Times Reporter (NYT)

By David Stout

The New York Times, October 25, 2006

WASHINGTON, Oct. 24 — The second of two men accused of killing a retired reporter for The New York Times in January was convicted on Tuesday of murder, robbery and other charges that could put him in prison for the rest of his life.

The defendant, Percey Jordan Jr., 42, was found guilty in the slaying of the reporter, David E. Rosenbaum, 63, who was beaten and robbed near his home in Washington on the night of Jan. 6 and died two days later. An inquiry found that the medical care Mr. Rosenbaum received had been bungled from the beginning.

Mr. Jordan faces at least 30 years in prison and a maximum of life without the possibility of parole when he is sentenced by Judge Erik P. Christian in District of Columbia Superior Court on Jan. 12.

Jurors deliberated for a day before finding Mr. Jordan guilty of first-degree murder or premeditated murder during commission of a felony; second-degree murder; robbery; conspiracy; and credit-card fraud.

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The second defendant was Mr. Jordan's cousin Michael C. Hamlin, 24, who pleaded guilty on Sept. 20 to second-degree murder, robbery and conspiracy to commit robbery and testified against Mr. Jordan. Mr. Hamlin faces up to 60 years in prison when he is sentenced, on Dec. 19.

"This isn't a happy day, really," said the victim's brother, Marcus Rosenbaum of Washington. He described the mood of the Rosenbaum family as one of relief because "justice has been served."

Mr. Hamlin testified that he stole Mr. Rosenbaum's wallet but that his cousin struck the victim over the head with a pipe. The pair divided Mr. Rosenbaum's money and used the credit cards at various stores, where surveillance cameras captured the men's images.

Mr. Rosenbaum was found lying semiconscious on a sidewalk about 9:20 p.m., having gone for a walk after dinner. Because he had been vomiting and smelled of alcohol, police officers, firefighters and ambulance workers assumed that he was drunk, according to a later inquiry by the office of the district inspector general/

The ambulance was late in reaching Mr. Rosenbaum because the driver became lost. Then, thinking that they were dealing with a drunk instead of a man with a brain trauma, the ambulance crew took Mr. Rosenbaum to Howard University Hospital instead of to a much closer hospital. One reason the Howard hospital was chosen was that it was closer to the driver's home, the inquiry found.

At Howard, Mr. Rosenbaum lay unattended to on a stretcher because doctors and nurses were slow to realize that he was gravely injured, the inquiry determined. Mr. Rosenbaum's death was attributed to blunt force trauma to his head, neck and body.

Mr. Hamlin turned himself in after seeing the surveillance-camera images of himself on television. His lawyers said he soon began to cooperate with investigators.

Mayor Anthony A. Williams and Howard University Hospital officials promised to tighten training and discipline at the agencies involved.

D.C. Man Guilty In Reporter's Slaying (WP)

By Henri E. Cauvin

The Washington Post, October 25, 2006

The man accused of killing a 63-year-old journalist in a robbery this year in Northwest Washington was convicted yesterday of first-degree murder and now faces the prospect of a life sentence without the possibility of release.

Percey Jordan, a 42-year-old from Southeast Washington, had decided to take his case to trial even after his cousin, Michael Hamlin, pleaded guilty last month and admitted his role in the Jan. 6 robbery.

It was a gamble for Jordan, who knew his cousin would be testifying against him and who rejected a final plea offer from the government on the eve of his trial in D.C. Superior Court. Now Hamlin, 24, is more likely to walk out of prison one day, having pleaded guilty to second-degree murder, which has no mandatory minimum sentence.

After three days of testimony, the jury began reviewing the case Monday. Jurors deliberated about six hours before finding Jordan guilty in the death of David E. Rosenbaum, a longtime reporter and editor for the New York Times.

Struck in the head with a heavy plastic pipe, Rosenbaum suffered massive hemorrhaging and died two days later.

As the foreman read the verdict, Rosenbaum's daughter, Dorothy, wept, and her brother Dan put his arm over her shoulder.

"We obviously believe that justice has been served," Rosenbaum's brother Marcus said outside the courthouse. But he said the verdict was anything but a happy moment. "It's a lot of wasted life," he said -- his brother's, Hamlin's and Jordan's.

The crime stunned many city residents, particularly those who live in neighborhoods thought to be safe, such as the one where Rosenbaum was robbed and where such random and violent crime is rare. But the surprise and sadness gave way to outrage, as grievous mistakes were uncovered in Rosenbaum's emergency medical care.

During testimony last week, his family listened as prosecutors described Rosenbaum's final minutes "of meaningful life" -- the walk he took to try to shake the hiccups, the fleeting sensation that something was wrong and then the sudden attack shortly after 9 p.m. in the 3800 block of Gramercy Street NW.

The jurors heard the words of Rosenbaum's widow, Virginia, who not long before her death from cancer testified before a grand jury to recount how her husband went out and never came back.

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Then they heard from Hamlin, who testified for more than three hours, explaining how he and his cousin ended up attacking the man on the dark, quiet street.

And on the final day of testimony, the jury heard from a drinking buddy of Jordan's who said Jordan told him about the robbery. He decided to testify against Jordan in hopes of a reward.

Defense attorney Michael Starr attacked the testimony of both men.

Hamlin, he said, turned himself in because police were on to him. Hamlin needed to help himself, but his initial lies did not fool the detectives, Starr said. Only when Hamlin implicated Jordan and explained that his cousin had struck Rosenbaum with a pipe did the detectives believe him, Starr said. That's why Hamlin stuck with that account, Starr said, calling it a lie.

The drinking buddy was similarly opportunistic, Starr argued.

But one juror said afterward that the jury largely believed Hamlin and was convinced that Jordan played a role in the robbery.

The prosecutor, Assistant U.S. Attorney Amanda Haines, introduced a trove of security camera surveillance footage that appeared to corroborate Hamlin's account.

The tapes showed Jordan and Hamlin soon after the robbery at an Exxon station on Connecticut Avenue NW, filling up Hamlin's Cadillac and using a credit card stolen from Rosenbaum. The tapes later showed them shopping in a CVS and a Safeway not far from their home in Southeast Washington, again using credit cards from Rosenbaum and from a woman they robbed in Silver Spring the same night.

The footage led to swift charges. About an hour after a clip showing Hamlin was broadcast on local newscasts -- with Hamlin's name visible on the work uniform he was wearing -- he went to police. He was interrogated and eventually arrested. A day later, Jordan went to police and was arrested.

Such quick detective work usually would have been lauded, but in this case the response by the D.C. Fire and Emergency Medical Services Department, D.C. police and Howard University Hospital was roundly condemned.

At the scene, Rosenbaum was misdiagnosed as an intoxicated man, leading dispatchers to send a basic care ambulance from a distant part of the city rather than an advanced care unit that was much closer. Other lapses followed, detailed in a blistering report issued by the D.C. inspector general's office.

Hamlin is to be sentenced Dec. 19. Voluntary sentencing guidelines suggest a 14- to 35-year sentence. Jordan will be sentenced Jan. 12.

Pieces Of Art Collection Were Someone Else's (NYT)

By Dan Barry

The New York Times, October 25, 2006

If it was the desire of the man who called himself William M. V. Kingsland to be remembered in the salons of New York long after he died, to be the subject of the kind of scandal-whiffed conversation he once so enjoyed, to be the one having the last loud laugh, then the man who called himself William M. V. Kingsland has succeeded.

He died in early spring in his one-bedroom apartment on the Upper East Side, surrounded by the hundreds of portraits, paintings and miniatures he admired mostly in solitude, because he allowed very few past the front door. Since then, though, his self-portrait has been peeling slowly from the canvas.

This summer his longtime friends learned that his real name was not William M. V. Kingsland — with the V for Vanderbilt — but Melvyn Kohn. Then, last week, they learned that several pieces in his private art collection were likewise of clouded provenance.

That is: pilfered; stolen; hot.

The Giacometti bust? Stolen from a Midtown gallery in 1967. The John Singleton Copley portrait of the second Earl of Bessborough? Stolen from Harvard in 1971.

The Odilon Redon? The Kurt Schwitters? The two Fairfield Porters?

Stolen, stolen, stolen and stolen.

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Now the Federal Bureau of Investigation is digging into the nature of his collection, two auction houses are cleaning up the artistic mess he left behind, and the Office of the Public Administrator for Manhattan is trying to sort out the increasingly muddy Estate of William M. V. Kingsland — né Melvyn Kohn.

A central question for everyone, of course, is Mr. Kingsland's role in all this. Was he a thief, a fence, or just an innocent collector of pretty things that happened to be hot?

Mr. Kingsland died without a will, at the age of either 58 or 62. He often intimated that his blood ran blue, which would explain why he was able to lead gossip-laden walking tours of New York architecture and society. But friends could find no family to claim him, blue-blooded or otherwise.

So they arranged for his burial in April at a historic Manhattan cemetery whose soil is considered a privilege to share, perhaps assuming that this would be the last they heard of dear Will, other than in swapped stories about his slightly shabby attire, his frugal ways, his cutting wit — and his many odd jobs, from genealogical researcher to antique store employee to author of auction columns for an art magazine.

The news of his true name spurred the realization that few knew him well enough to have ever been in his small apartment at 245 East 72nd Street, where artwork covered nearly every inch of shelf and wall. In this room, American; in that room, European; everywhere, eclectic.

Because no will was found, the public administrator took control of the estate, which included the unkempt, very dusty apartment filled with artwork. "An Aladdin's cave," Colin Stair, of the Stair Galleries in Hudson, N.Y., recalled. "Chockablock with interesting treasures."

The public administrator chose Christie's to handle the sale of dozens of pieces, including the Giacometti, and the Stair Galleries to handle hundreds of lesser pieces, including many watercolor-on-ivory miniature portraits.

Last month, experts at Christie's discovered problems of provenance with four paintings: two by the 20th-century American painter Fairfield Porter, and one each by the French painter Odilon Redon and the German collagist Kurt Schwitters. All were reported stolen in the mid-1960's, officials say.

The auction house also forwarded a photograph of the Giacometti bust to the Alberto Giacometti Foundation in Switzerland. The good news: the bust was indeed an authentic and valuable Giacometti. The bad news: it was stolen nearly 40 years ago.

Christie's immediately notified an art specialist at the Federal Bureau of Investigation.

Then, a couple of weeks ago, Mr. Stair conducted an auction that included hundreds of items from the Kingsland estate. Among the patrons was Alex Acevedo, the owner of the Alexander Gallery on the Upper East Side, who often saw Kingsland at auctions.

Mr. Acevedo spotted a diamond in the rough, a 1790 portrait by John Singleton Copley of the second Earl of Bessborough, and won the bid at $85,000. He said he estimated that he could make a $400,000 profit on this gem, and recalled thinking, "This is a good score."

But the more he checked into the painting's provenance, he said, the more the arrows pointed to Harvard as the owner. He called an F.B.I. agent he knew — the art specialist — and laid out his suspicions. As the conversation wound down, he said, the agent asked, By the way, what was the estate's name?

"I said, 'Kingsland,' " Mr. Acevedo said. "And he goes: 'Uh-oh.' "

The two auction houses have canceled any sales related to the Kingsland estate. The Harvard Crimson newspaper has reported that the university is working with the authorities to secure the safe return of the Copley and another portrait reported stolen from Harvard in 1968. And the public administrator, Ethel J. Griffin, is treading carefully as she sorts out this vexing Kingsland matter.

"We don't want to destroy the man's reputation if in fact he acquired these paintings from someone else," she said. Still, she added, "This is one for the books."

Ms. Griffin's office is also handling the auction of Mr. Kingsland's apartment, which is being offered in "as is" condition. This includes the hundreds of nails hammered into the bare walls, marking where the previous occupant once displayed his precious pieces of art.

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FBI Wants Help Finding Stolen Power Line Maintenance Trucks (AP)

AP, October 25, 2006

YUMA, Ariz. -- Thieves in Yuma County stole three specialized power line maintenance trucks and more than $100,000 in tools used to work on major power lines over the weekend, and the FBI is seeking the public's help tracking down the thieves.

The trucks and tools were stolen from the U.S. Department of Energy's Gila Substation Maintenance Facility sometime between 5 p.m. Friday and 3 p.m. Saturday, the FBI said. The tools and equipment are used to maintain the high-voltage power grid and specialized knowledge is needed to use them.

There is no known terror threat from the theft and young people are known to hang out in the area, said FBI Special Agent Deb McCarley. However, the specialized nature of the equipment and its possible use is raising concerns.

"We don't believe there is any threat to our infrastructure," McCarley said. "However, you don't know that until you find out who did this and why."

The FBI and the Yuma County Sheriff's Office are offering a $10,000 reward for information leading to the arrest and conviction of the persons responsible.

The sheriff's office found one truck burned in the desert near the confluence of the Colorado and Gila Rivers. The other two trucks were a red 2005 Chevrolet 3500 with U.S. government license plate G63-1300B and a gray 2006 Chevrolet 2500 with license plate G63-2847B.

U.S. Launches Probes Into Fraud Cases (MERCN)

By Josh Funk

The San Jose Mercury News, October 25, 2006

OMAHA, Neb. - The government has launched investigations into fraud cases in which computer hackers apparently manipulated client accounts at two of the nation's largest electronic brokerages, stealing millions of dollars.

Officials at TD Ameritrade Holding Corp. said Tuesday that the fraud cost the company about $4 million in the July-September quarter. Last week, E-Trade Financial Corp. said the company lost about $18 million in a similar scheme during its third quarter.

Both companies reimbursed customers for their losses.

Ameritrade's chief operating officer, Randy MacDonald, said the fraud that his company experienced during the quarter was part of an industrywide problem and that the company was working with the FBI and other law enforcement agencies.

Ameritrade officials said the problem largely occurred overseas when clients were using either wireless networks or public computers infected with spyware, and user IDs and passwords were stolen.

"We're spending a lot of time educating our clients about the need to keep their information secure," MacDonald said. "And we're working with software vendors to develop new techniques for preventing this from even happening at their keyboard level."

Officials at Omaha-based Ameritrade and E-Trade, which is headquartered in New York, said that while hackers manipulated individual accounts, their own computer systems remained secure.

E-Trade Chief Executive Mitchell Caplan told analysts during a conference call last week that the fraud his company saw appeared to be concentrated in eastern Europe and Thailand, according to a transcript provided by Thomson Financial's StreetEvents.

"We believe that we've made a significant number of operational changes and technology changes," Caplan said during the call. "We've seen that level of fraud in the last three weeks or so reduced to almost zero as a result of the changes we're making."

Both E-Trade and Ameritrade have insurance that may cover some of their fraud losses. They reimbursed their clients because both companies offer their clients asset protection guarantees.

The Securities and Exchange Commission, like the FBI, is investigating hacking fraud throughout the online brokerage industry.

SEC spokesman John Heine in Washington declined comment Tuesday on the Ameritrade and E-Trade cases.

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Officials of the SEC and other law enforcement agencies, along with representatives of online brokerage firms, were meeting Wednesday to discuss the issue, said John Reed Stark, head of the SEC's Office of Internet Enforcement.

"We've seen an increase in the number of intrusions," Stark said. "These innovative frauds often involve an intricate web of participants that are not only committing securities fraud but are also committing identity theft and hacking as well."

Ameritrade's chief executive, Joe Moglia, said he thinks this latest rash of fraud and identity theft is under control, but it's a problem the industry and society will always have to contend with.

"From the beginning of time, there's always been someone trying to take advantage of someone else," Moglia said.

Financial Firms Join Data-Security Program (WSJ)

By Robert A. Guth

The Wall Street Journal, October 25, 2006

A group of U.S. banks and insurance companies concerned about data security are expanding a program for assessing the security of online banking and related financial services.

The Financial Services Roundtable, an industry trade group, said that five banks have joined an effort to standardize how they judge the security of companies that provide online services. The new participants are Bear Stearns Cos., Goldman Sachs Group Inc., Regions Financial Corp., Wachovia Corp. and Morgan Stanley.

The program, called the Shared Assessment Program, is part of a broader effort by large businesses to pressure software and online services companies to improve security of their products.

The program sets common guidelines that suppliers will need to follow before a participating bank or insurance company will do business with the supplier, which include telecommunications companies and data-service hosting companies.

Some of the guidelines include how often data is backed up and details on other protections, including physical security at companies' data centers.

The effort formalizes procedures that have historically been handled differently by each financial institution, an approach that the members say is costly and isn't as effective in assuring a high level of security. The program was started in February by the Bank of America Corp., Bank of New York Co., Citigroup Inc., J.P. Morgan Chase & Co., U.S. Bancorp, and Wells Fargo & Co.

Service providers participating in the program include Equifax Inc., Yodlee Inc., First Data Corp., Iron Mountain Inc., SunGard Data Systems Inc., Verisign Inc.

The financial institutions' effort is part of a broader power shift between large businesses and their IT suppliers. A rash of viruses, worms and other Internet-borne attacks in recent years raised awareness among consumers and businesses to risk of online commerce. Large buyers of IT gear -- software, computers and online services are now emboldened to lean on companies like Microsoft Corp. to bolster security.

"We're seeing vendors ready to turn over information that will help us validate whether our customers are secure," said Mike Casper, a vice president at Wachovia, which has been testing the program since April.

Florida Man Pleads Guilty To Web Scam (OREG)

By Bryan Denson

The Oregonian, October 25, 2006

A Florida man pleaded guilty Tuesday to heading a Corvallis-based Internet investment scam that victimized 1,500 investors in the United States and Canada.

Frank Hendricks, 46, pleaded guilty in a federal court in Eugene to wire fraud, conspiracy to commit mail and wire fraud, and failing to file a U.S. income tax form for the year 2003, the U.S. attorney's office reported.

When sentenced in February, he faces as long as 26 years in prison and as much as $1.3 million in fines, plus mandatory restitution.

According to court papers, Hendricks and another man, identified as Scott Guenther, created a CD-ROM and electronic book-marketing business named Pacific Achievements International. Guenther is scheduled to plead guilty to some of the charges Dec. 5 in Eugene, authorities say.

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A government indictment accuses the two men of raising $13 million in 16 months by assuring potential investors that investments of $5,859 would return $9,720 within one to three weeks, with earnings of more than $1 million a month thereafter.

Hendricks and others promoting Pacific Achievements International used new investment funds to pay off earlier investors, which drew new investors to sign up. Hendricks and another promoter were accused of diverting $2 million from the company to fund their own lifestyles, most of which went to buying homes.

In early 2004, the FBI seized two residences purchased by Hendricks in Shalimar, Fla., and two residences in Gig Harbor, Wash., from a company promoter, federal prosecutors reported.

To generate income, Hendricks and another company official invested money into "high-yield" scams in Lebanon, the Bahamas, Nevada and Texas, losing $2.7 million, according to federal officials.

Hendricks earned $778,000 in 2003 but failed to file a return, costing the government $80,000 to $200,000, officials said.

U.S. Investigates Church Music Director (NYT)

By Alison Leigh Cowan

The New York Times, October 25, 2006

GREENWICH, Conn., Oct. 24 — Federal authorities are investigating whether the longtime music director of a prominent Episcopal church here, who was a mentor to thousands of children, was involved in child pornography, according to people involved in the investigation.

The head of the Federal Bureau of Investigation's cybercrimes squad in New Haven, Tim Egan, said "there is a pending investigation" into the matter, but declined to comment further.

Susan Marks, a spokeswoman for Christ Church, a picturesque church on East Putnam Avenue, said that Robert F. Tate, the music director, had recently resigned, and that the church's membership had been notified. She referred all other questions to the church's lawyer, Eugene J. Riccio. "All I want to say is I cannot comment on this matter at this point," Mr. Riccio said.

It was unclear whether the reputed pornographic images that piqued the criminal investigation were stored on a church-owned computer or not. "It's hard to tell whose computer was whose," said a federal official familiar with the investigation.

Investigators are also trying to determine whether Mr. Tate had any improper contact with any of the minors he may have known through the church, according to someone else familiar with the investigation.

Spokesmen for the Episcopal Diocese of Connecticut did not return calls seeking comment late Tuesday.

Mr. Tate could not be reached for comment. Several phone numbers with which he was previously associated either were disconnected, or calls to them went unanswered. A woman at a home owned by Mr. Tate said that she rented and that he was not there.

A biography of Mr. Tate that until recently was on the Web said he came to Christ Church from the National Cathedral in Washington, where he was assistant organist. He got a master's degree in 1968 from the College of Church Musicians at Washington Cathedral and then studied at the Juilliard School in Manhattan, according to the biography.

Pornography In The Anglican Church? (NBC)

By Tim Sandler, Producer

NBC News, October 25, 2006

NEW YORK - Federal prosecutors and the FBI in Connecticut are investigating whether a high-ranking staff member at one of the country's most venerable Anglican churches possessed child pornography, sources tell NBC News.

The sources say that earlier this month the FBI searched a building on the grounds of Christ Church in Greenwich, Conn., after obtaining information that allegedly implicates the church's long-time music director, Robert Tate, in a child pornography case.

A grand jury is convening in the case, and NBC has learned that other top church officials have been called to testify. No charges have been filed against Tate or any church officials.

A church representative referred all questions to the church's attorney, Eugene Riccio of Bridgeport, who declined comment. Kevin J. O'Connor, the U.S. attorney for the District of Connecticut, also declined comment, as did the FBI.

Tate has been removed from the church's official Web site.

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Located in one of the country's most wealthy communities, Christ Church in Greenwich has attracted an affluent membership since its inception in the 1830s.

Former President George H.W. Bush attended services in his youth and, as president, returned to the church in 1992 for the funeral of his mother, a church member for decades who was married to the late Sen. Prescott Bush, R-Conn.

A Christ Church minister reportedly signed the baptism records of President George W. Bush, who was born in New Haven, Conn., in 1946.

Former Trooper Expected To Plead To Luring Teen (BOSH)

Boston Herald, October 25, 2006

WORCESTER, Mass. - A state trooper charged with trying to solicit sex from an undercover officer he thought was a 14-year-old boy plans to plead guilty in federal court, according to court documents, and has resigned from the force.

Brian O'Hare was charged with using the Internet to entice an individual under 18 for sexual activity. An updated court filing this week indicated O'Hare "intends to plead guilty to the charge(s) contained in the Indictment," the Telegram & Gazette of Worcester reported Tuesday.

A State Police spokesman said O'Hare had resigned, effective Monday.

O'Hare allegedly had several sexually explicit chats with an FBI agent who was posing as a 14-year-old high school boy, and the two arranged to meet at the Medford Mall, authorities said. O'Hare was arrested by FBI agents in February after he showed up.

O'Hare lived in Lancaster and was assigned to the Holden barracks. He served in the Massachusetts National Guard in Afghanistan and Iraq from August 2002 until December 2003. EDT

Crime Drops After Increase In Officers (WP)

By Joshua Partlow

The Washington Post, October 25, 2006

Prince George's County police have attributed a decline in violent crime and property offenses this year to more officers on the streets, the availability of overtime funds to keep experienced officers working and investments in new technology.

Compared with the first nine months of last year, the number of homicides in the county has declined by 28 percent (from 128 to 92), rapes by 11.7 percent (163 to 144) and carjackings by 37 percent (from 565 to 356), police said.

In preliminary statistics compiled by the Maryland State Police that cover the first half of the year, Prince George's showed a total decline in major crimes of 15.1 percent, the largest percentage decrease among the 23 Maryland counties and Baltimore.

"I believe our vision has proven to be a sound one," Prince George's Police Chief Melvin C. High said yesterday at a news conference at police headquarters. "We've maintained the course for many of our initiatives that seemed challenging at the time."

He added: "What is especially gratifying for us is that our trend downward is counter to most of the nation."

Prince George's -- the state's second-most-populous county behind Montgomery -- continues to rank near the top among Maryland jurisdictions in the number of crimes committed. Through June, Prince George's led the state in rapes, larceny theft, motor vehicle theft and total crimes, the state police data show.

Last year was particularly troubling, police said, when the county had its highest homicide total ever, 173.

"We're headed in the right direction," said County Executive Jack B. Johnson (D). "We are not where we want to be. We know we have a lot of work to do."

The decline in Prince George's reported crime started in the last quarter of 2005 and has continued, gaining strength, through three quarters this year, police said. The $28.5 million increase this year in the police budget, which is now $217 million, helped the department put more officers on the streets, High said. There are 1,393 officers in the department, up from 1,346 in the last fiscal year, according to county statistics. The county is authorized to have 1,597 officers at this point, police said.

"Anytime you have fresh resources, there's a resurgence of energy," said Maj. Daniel Dusseau, commander of the criminal investigations division. Also, the funding for overtime, a $6.5 million increase this year, helped keep more experienced officers on the streets longer, he said. "This is emergency management, it really is. You can't 9-to-5 it."

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Although High didn't go into great detail, he said there have been improvements to the county's ability to electronically map crimes and focus on high-crime areas. He said police are testing technologies to detect where gunshots came from and are using license plate scanners in certain spots to track automobile movement.

Percy Alston, president of the Prince George's police union, said police have gone back to officers patrolling smaller beats, rather than the "community service areas" that were less manageable.

"We just did not have the staffing to make it work," he said. "At the beginning of this year, we went back to the strategy that is time tested, and we went back to that and we're reaping the benefits."

Some people in county law enforcement say privately that they are not convinced the crime drop is attributed to police strategy or techniques but that it could be the natural drop-off from an unusually high crime year.

Ohio Executes Cult Leader For 5 Killings (FINDLAW/AP)

By John Mccarthy, Associated Press Writer

AP, October 25, 2006

(AP) - LUCASVILLE, Ohio-Ohio executed a religious cult leader Tuesday for the murder of a family of five followers who were taken one at a time to a barn, bound and shot to death. The youngest was a girl just 7 years old.

Jeffrey Lundgren, 56, died by injection at 10:26 a.m. at the Southern Ohio Correctional Facility for the deaths of the Avery family.

"I profess my love for God, my family, for my children, for Kathy (his wife). I am because you are," Lundgren said in his final statement.

The evidence against Lundgren was compelling.

Upset by what he thought was the Avery family's lack of faith, arranged a dinner hosted by cult members. Afterward, he and his followers led the Averys one by one - the father first, young Karen last - to their deaths while the others unknowingly cleaned up after dinner. A chain saw was used to muffle the gunfire.

Lundgren argued at his trial in 1990 that he was prophet of God and therefore not worthy of the death penalty.

"It's not a figment of my imagination that I can in fact talk to God, that I can hear his voice," he had told the jurors. "I am a prophet of God. I am even more than a prophet."

He was convicted of killing Dennis Avery, 49; his wife, Cheryl, 46; and their daughters, Trina, 15, Rebecca, 13, and 7-year-old Karen.

Lundgren formed the cult with about 20 members in the northeast Ohio town of Kirtland after he was dismissed in 1987 as a lay minister of the Reorganized Church of Jesus Christ of Latter Day Saints, an offshoot of the Mormon church.

Lundgren said God commanded him, through interpretation of Scriptures, to kill the Avery family, who had moved from Missouri in 1987 to follow his teachings.

Lundgren's attorneys had tried to put off the execution, arguing that he should be allowed to join a lawsuit challenging Ohio's use of lethal injection as cruel and unusual punishment. They said his execution had more of a chance of being painful because he was diabetic and overweight at 275 pounds.

Late Monday, the 6th U.S. Circuit Court of Appeals in Cincinnati issued an order allowing the execution to go forward. The U.S. Supreme Court refused a last-minute request to stop his execution Tuesday, and Gov. Bob Taft denied clemency.

Police Reviewing Claims Against Delegate (BSUN)

By Anica Butler

The Baltimore Sun, October 25, 2006

Anne Arundel County police are looking into whether Del. William A. "Tony" McConkey might have engaged in criminal acts during a real estate deal that he is being sued over, although a police spokesman said that the review is not "a full-blown investigation."

Police said they are reviewing claims by Teresa Milligan, 42, that the Severna Park Republican committed foreclosure-rescue fraud, in violation of a new law that has civil and criminal penalties. She filed a civil suit Monday in Anne Arundel County Circuit Court alleging that McConkey tricked her into signing over her townhouse to him.

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The office of Anne Arundel County State's Attorney Frank R. Weathersbee received a complaint about McConkey on the matter, which it forwarded to the county Police Department, according to a police spokesman.

"A detective has been assigned to conduct a preliminary inquiry to determine the facts surrounding the allegations and to determine if a criminal offense has occurred and if so, what law or laws may have been violated," Lt. David Waltemeyer said Tuesday.

After the police inquiry, Waltemeyer said, the Police Department will consult with the state's attorney's office to determine which agency would investigate.

A complaint against McConkey also has been sent to the state attorney general's office, but a spokesman Tuesday said he could not comment on whether the office is investigating.

Reached Tuesday, McConkey said that he had not been informed that police, or anyone else, were looking into the matter.

"I don't see why they would. It's a real estate matter," said McConkey. "I don't think there's any basis for this."

McConkey, 42, has denied any wrongdoing. He maintains that he acquired the home legally and is evicting Milligan and her family -- a 16-year-old daughter and an 8-month-old grandchild -- for failure to pay rent. Her suit, he said, is an attempt to stop the eviction.

The Protection of Homeowners in Foreclosure Act -- which McConkey voted for when it passed the General Assembly last year -- created criminal penalties for those found guilty of foreclosure-rescue fraud. Violating the law is a misdemeanor that carries up to a three-year prison sentence and a $10,000 fine.

In 1994, McConkey received probation before judgment on a burglary charge stemming from a dispute with tenants. In 1995, he agreed to be disbarred as a lawyer after a failed real estate deal in Prince George's County in the late 1980s.

A state delegate since 2003, McConkey is up for re-election Nov. 7. Among his opponents are Democrat Patricia Weathersbee, wife of the state's attorney. Also running in the two-member district in central Anne Arundel County are Republican James King and Democrat Paul G. Rudolph.

McConkey and Chuck Gast, chairman of the Anne Arundel County Republican State Central Committee, said they believe that the civil suit, and subsequent inquiries, are politically motivated.

"Anybody can throw out charges and allegations, and half the time they're meritless and baseless," Gast said, adding that he thought the pending case would have no effect on the election. "It's up to a judge and jury to determine the facts. ... The facts will be borne out at a trial."

A hearing on Milligan's eviction is scheduled for Nov. 2.

No court dates have been set in the civil case because McConkey has 30 days from the time he is served with the civil complaint to respond.

According to court records, McConkey faced a similar suit in July 2005. Neither the plaintiffs nor their attorneys could be reached, and the outcome of the case is unclear from court records. However, state records show that McConkey purchased the home in dispute, in the 1900 block of Tilghman Drive in Crofton, in May 2005 for $330,000 and sold it in July 2006 for $400,000.

"I won it," McConkey said of the lawsuit, without offering details. "And I'll win this one, too, but it will take time."

Creative Crooks As Shoplifters Use High-Tech Scams, Retail Losses Rise (WSJ)

By Ann Zimmerman

The Wall Street Journal, October 25, 2006

William Swanberg had a thing for Legos, but it was hardly child's play.

After he was arrested last November near Portland, Ore., police investigators determined he had stolen more than $600,000 of the Danish building toys over three years from dozens of stores in at least five Western states.

He pilfered the toys by creating counterfeit bar codes that allowed $100 Lego sets, for example, to be rung up for just $19. Then he resold them on a Web site for toy collectors.

"This case was fascinating to me," says Jeff Lesowski, a senior deputy district attorney in Washington County, Ore., who prosecuted Mr. Swanberg. "With these new methods, it can take a long time for a retailer to know he's suffered a large-scale theft, so it takes so much longer to catch up with thieves."

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Just as technology has given a big boost to the retail industry, making it more efficient and productive, it has also transformed retail crime. Using sophisticated tactics such as bar-code forgery and fraudulent gift cards, criminals are stealing larger amounts, and it has gotten harder to catch them. Law-enforcement officers say many of the high-tech thieves belong to organized-crime rings that have turned retail theft into big business. And the Internet has made it easier for them to find buyers for the loot.

Retail crime rose to about $37 billion in 2005 from $31 billion in 2003, according to a study conducted by the University of Florida, increasing almost twice as fast as retail sales over that period. Store employees, who have access to merchandise and familiarity with antitheft systems, account for 48% of retail-crime losses, according to the 2005 study. But professional thieves, many of them using sophisticated new methods, also are responsible for a big part, says Joseph LaRocca, vice president of loss prevention at the National Retail Federation, a trade group.

The value of merchandise snatched in the average shoplifting incident has more than tripled to $855 in 2005, from $265 in 2003, the University of Florida survey reported. In cases of organized retail crime -- where the thieves intend to sell the stolen goods rather than keep them -- the average loss was $46,353 per case in 2005, the survey said. Over that same time period, the size of the average employee theft fell 40% to $1,053, from $1,762.

Organized theft rings have been around for years. In the late 1990s, there was a rise in cases of criminal groups paying thieves to shoplift baby formula, razor blades, teeth whiteners and other high-volume merchandise, according to retailers and law-enforcement officials. The crime rings typically sold the loot to other stores or moved it in flea markets or pawn shops. Some even set up their own convenience stores.

The sophisticated schemes cropping up today generally involve more expensive items: $300 Dyson vacuum cleaners, $400 power saws and $1,000 plasma televisions. Brad Brekke, vice president of assets protection at Target Corp., estimates that more than 50% of theft at the Target chain involves some high-tech twist -- either in how the goods are stolen or how they are unloaded.

Bar-Code Scam

Over six months in 2004, Thomas Westwood, his wife, Jennifer, and mother-in-law, Kathleen Dodson, worked the bar-code scam at Target stores. Using a computer, they scanned bar codes from relatively inexpensive Target items and printed out copies. Then they returned to the store and pasted the fakes onto expensive Dyson vacuum cleaners, DVD players and phones. Cashiers dutifully rang up the wrong prices.

All told, the trio stole more than $100,000 of merchandise, law-enforcement officials say. After a cashier in one store noticed a mispriced item, Target investigators got involved and discovered a pattern of such mispricings. Using video clips, they identified suspects, and the police moved in. Earlier this year, the trio pleaded guilty in a Missouri federal court to conspiracy to commit fraud.

Last December, a Target security guard nabbed a Colorado college student after he purchased a $150 iPod that carried a bar code for $4.99 headphones, according to Mr. Brekke. The thief had fashioned the fake label with a $25 software program called Barcode Magic, which he'd downloaded from the Internet, Mr. Brekke says.

Bar-code swindlers are hard to catch, says Mr. Brekke, a former agent with the Federal Bureau of Investigation. If an alert cashier points out that a bar code is ringing up the wrong price, the thief can either pay the difference or just say he doesn't want the item any more and walk out. "The risk level is very low," he says.

Mr. Brekke has been trying to persuade manufacturers to print prices on boxes or come up with bar codes in assorted sizes, which would be trickier to substitute. In the meantime, Target's loss investigators have begun to monitor sales reports for unusual patterns, trends and anomalies.

In the summer of 2005, they noticed spikes in sales of Legos. Expensive sets were being sold for a pittance. They studied hundreds of hours of surveillance tape, then devised an electronic system to alert in-store antitheft workers when big batches of Legos were rung up.

That's what happened last Nov. 17 at a Target in Hillsboro, Ore., but the security guard got the message too late. Mr. Swanberg had already made his fraudulent purchase and left, according to Mr. Lesowski, the prosecutor. The guard warned co-workers at nearby stores.

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Later that day, an employee at a Beaverton, Ore., Target spotted Mr. Swanberg loading his cart with about 10 $100 Star Wars Millennium Falcon Lego sets. He slapped a phony bar code for a $19 Lego set on the top box and headed for the youngest looking cashier he could find, the prosecutor says. The cashier scanned the top box and multiplied it by the number in the stack.

Several burly Target employees surrounded Mr. Swanberg's cart, which he shoved at them in an effort to get away. They tackled him and summoned the police. In his van was a detailed daily itinerary for Target, Wal-Mart and Toys "R" Us stores he planned to hit, the prosecutor says.

Another vexing new problem, retail executives say, is gift-card fraud. Many retailers now issue gift cards in place of paper gift certificates and receipts from returned merchandise. The cards, which resemble credit cards, have been a boon to the retail industry, accounting for $60 billion in sales last year, almost one-third of it during the holiday season.

But they've also been a boon to thieves. In one scam, crooks copy numbers from gift cards hanging on store racks. After the cards are purchased and activated, buyers use them to shop online by entering the card numbers.

So do the thieves. To figure out which cards have been activated, they phone an 800 number to check on balances for card numbers they've copied. When they discover activated cards, they use the card numbers to buy merchandise on a store's Web site, explains Dan Doyle, vice president of loss prevention at Beall's Inc., a Southeastern department-store chain.

Another swindle involves stealing merchandise, then returning it for store credit in the form of gift cards. In 2003, Herion Karbunara, a Massachusetts man in his mid-20s, paid women $50 to $200 a day to shoplift merchandise from stores ranging from Pottery Barn to Victoria's Secret and then return it for gift cards, according to the Massachusetts attorney general's office. Some stores required receipts for returns, so the women first would buy one of each product they intended to steal, prosecutors say. Mr. Karbunara would scan the receipts into a computer and print counterfeits, they say.

The Internet has emerged as a preferred method for crooks like Mr. Karbunara to unload gift cards. After fraudulently obtaining about 600 such cards, Mr. Karbunara offered them for sale on eBay. The Massachusetts attorney general's office says online sales netted Mr. Karbunara $200,000 over 10 months. In late 2004, he pleaded guilty to three counts of larceny and one count of forgery, and was sentenced to two years in state prison.

Retailers responding to a National Retail Federation survey last year estimated that 70% of gift cards sold in eBay were fraudulently obtained, either through scams like Mr. Karbunara's or purchased with stolen credit cards. Mr. LaRocca, the federation's loss-prevention chief, says the group raised a "big stink" with eBay, which eventually changed its policy. EBay now limits sellers to posting one gift card per week, with a value of no more than $500.

When the National Retail Federation scrutinized gift cards sold on eBay on Sept. 14, says Mr. LaRocca, it identified more than a dozen auctions involving sellers who had violated eBay's policy by listing more than one gift card a week. "Although we have been talking with eBay, the conversations have clearly not been fruitful to date," says Mr. LaRocca.

Hani Durzy, an eBay spokesman, says the company changed its policy in an effort to thwart criminals. Listings are policed by eBay investigators, he says, and its 203 million users also alert the company to potential violations. With upward of 100 million items for sale on eBay at any given time, and seven million new items added every day, staying on top of every listing is difficult, he says.

The Internet has become so popular for moving stolen goods that a term has been coined for the practice -- "efencing." Thieves or fences who sell loot out of a truck or at a flea market typically get 20 to 30 cents per dollar of retail value, according to a 2005 report on organized retail crime commissioned by the National Retail Federation. On the Internet, where their wares are exposed to many more potential buyers, they bring in, on average, 70 cents on the dollar, the report says.

Felonious Twist

Law-enforcement officials say the Web allows thieves to unload merchandise quicker than in the past, and in greater volume. More thieves are taking orders for items to steal -- a felonious twist on just-in-time inventory, these officials say.

"Thieves know this sort of organized retail crime is low-risk and high-profit," says Eric Ives, unit chief the FBI's major theft unit, which oversees investigations of organized retail crime.

After Mr. Swanberg, the Lego thief, was arrested, federal authorities raided the Reno, Nev., home he shared with his elderly mother. He had sold the goods over the Internet, says Mr. Lesowski, who prosecuted him. Investigators found computer records

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of sales he had made on Bricklink.com, a Web site for Lego fans and collectors. Target's Mr. Brekke figures Mr. Swanberg stole about $200,000 of the sets from its stores alone.

"Our Web site cannot do anything to prevent [the sale of stolen merchandise] from happening because we don't have control over the seller's merchandise," a representative of Bricklink.com said in an email.

Bruce and Laura Wasz, a mother-and-son team, ran an 11-person theft ring in Illinois. They paid people to hit home-improvement chains such as Home Depot Inc. and Sears Holdings Corp.'s the Great Indoors. The thieves stole the old-fashioned way, simply sneaking things out the doors. Accomplices ripped off entire truckloads of products such as chain saws.

They stored the stuff in three shuttered pawn shops and unloaded it on eBay, using numerous different account names, according to Brian Hayes, an assistant U.S. attorney for the Northern District of Illinois. "They held themselves out as honest dealers," says Mr. Hayes. Investigators later determined that in 2003 they sold more than $2 million of sump pumps, Koehler faucets, mosquito exterminators, snow blowers and other merchandise.

They got caught after the manufacturer of the stolen chain saws noticed a bunch of them for sale on the Web, priced below wholesale. Mr. Wasz was sentenced to six years, nine months in federal prison. His mother got five years, eight months.

Shoplifting is usually prosecuted on the state level. In most states, only those caught stealing more than $1,000 face felony charges that require jail time.

"Organized retail-crime rings utilize the laws to their benefit," says Britt Wood, senior vice president of industry relations at the Retail Industry Leaders Association, a trade group for large mass merchants such as Wal-Mart and Best Buy. "They don't steal a lot from one store at one time. But it adds up, so by the end of the month, they've stolen $100,000."

Retailers are pushing states to stiffen penalties. In January, Congress allotted $5 million for the FBI to establish an organized retail-crime task force.

Increasingly, retailers are setting up investigative units to piece together cases big enough to interest law enforcement. Home Depot put together a unit several years ago that regularly searches the Internet for new merchandise offered at below wholesale prices that matches products stolen from its stores. Earlier this year, the two large retail trade groups created separate databases to track retail-crime activity, in an effort to help build bigger, stronger cases for prosecutors.

Mr. Swanberg, the Lego thief, pleaded guilty in June to three counts of felony theft and was sentenced to 13 months in prison. Federal authorities say they still are investigating Mr. Swanberg for possible mail fraud.

His name still comes up from time to time on Bricklink.com's online forum. Mr. Swanberg was a highly rated vendor on the site, garnering more than 6,000 favorable comments over three years. Two days before he was arrested, one participant noted: "A unique vendor with great inventory."

CIVIL LAW:

Latest Round In Web Porn Law Fight Begins (LAW)

By Shannon P. Duffy, The Legal Intelligencer

Legal Intelligencer, October 25, 2006

It's not all that often that a month-long trial begins in federal court where everyone knows from the start which side is likely to win.

But that was the situation Monday in ACLU v. Gonzales as the final round of litigation got underway in a challenge to the Child Online Protection Act (COPA), a law which threatens criminal penalties for commercial Web site operators that allow children to access material that is "harmful to minors."

Eight years after it was passed, COPA has never gone into effect because Senior U.S. District Judge Lowell A. Reed Jr. granted a preliminary injunction that, after two trips to the U.S. Supreme Court, won the approval of a 5-4 court.

Although the majority was a slim one, the high court's holding was that the ACLU and its co-plaintiffs are "likely to succeed" in proving that COPA is unconstitutional.

But "likely" doesn't mean certainly, and the Justice Department isn't giving up the fight.

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In preparation for Monday's trial, Reed ordered lawyers on both sides to file their proposed findings of fact and conclusions of law.

Ordinarily, such briefs are filed after a nonjury trial has concluded to aid the judge in his drafting of an opinion that announces his verdict.

But ACLU v. Gonzales is no ordinary case, and Reed apparently wanted the lawyers to provide a roadmap for the trial, which is expected to boil down to a battle of the experts.

One of the central disputes in the case is whether children can be protected by "filtering" software -- a program added by parents to a computer to block access to sexually explicit Web sites.

The government, in its brief, insists that "filtering software cannot completely protect minors from exposure to sexually explicit material on the World Wide Web. The status quo solution -- filtering software without any government regulation -- fails to protect children adequately."

The better solution, the government argues, is to stop pornography at its source by requiring Web site owners to demand "age verification," such as a credit card, before allowing access to sexually explicit content.

But the plaintiffs lawyers -- a team from the ACLU and Latham & Watkins -- argue that COPA is overbroad and that many legitimate Web sites fear prosecution under the law.

Age verification won't work, the ACLU argues, because Internet users are reluctant to give their identity and Web site owners cannot afford to process credit cards just to allow access to free content.

And even if a credit card system were installed, the ACLU says, it wouldn't prevent children from gaining access since many youngsters have access to their parents' credit cards or even have their own cards.

Instead, the ACLU says, Congress should go back to the drawing board and draft laws designed to enhance the effectiveness of filtering software.

"Congress could enact a statute that permits the distribution of such material [that is harmful to minors], but instead requires Web site operators to include a rating, label, or code on the Web site that makes clear that harmful to minors material is available on the Web site. Such a rating, label or code could be placed on the initial home page of the site," the ACLU argues in its brief.

"Requiring Web sites to include a harmful-to-minors rating, label or code would make filtering products even more effective and accurate at blocking harmful to minors material," the brief says.

Another way to make filters more effective, the ACLU says, would be a federal law requiring the Justice Department to compile and maintain a list of Web sites that contain material that is harmful to minors.

Such a statute "would provide filtering product companies with the ability to accurately block absolutely all speech that the government believes is harmful to minors. It would also provide parents and other entities with information about the types of material that are on the Web in order to assist parents in determining what protections, if any, are necessary for their children depending on their individual values and circumstances," the brief says.

The ACLU contends in its brief that "filtering product companies would accept a governmentally created list of inappropriate sites; in fact, many have already testified that they would almost certainly comply with any request from a governmental entity to include specific sites on their lists."

But Justice Department lawyers insisted in their brief that "voluntary measures such as a Web site rating system, filtering products, and education, will be effective only if they are used in conjunction with the requirements of COPA, because voluntary measures alone will not prevent children from accessing material harmful to minors."

A rating system simply wouldn't work, the Justice Department says, because Web site operators "would lack an incentive to label their material in a manner that makes it more likely that filters will block access."

The operators, they say, "would have to agree to a uniform system of ratings, or agree to subject themselves to an independent rating body."

And even if such a system were attempted, the Justice Department says, it would prove ineffective because "Web sites are too numerous and change too frequently for the government, or any private business, to effectively separate harmful from nonharmful material."

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Instead, the government argues, "Only a solution directed at the source of the problem can provide the incentive necessary to adequately protect children."

In an opinion handed down on Oct. 10, Reed rejected a last-minute bid by the government to have the case dismissed.

In its motion, the government argued that none of the named plaintiffs has standing to challenge the law because they are not "commercial pornographers," and that their fear of being prosecuted under COPA is therefore "too speculative."

But the plaintiffs lawyers argued that plaintiffs such as Salon.com and the Philadelphia Gay News have good reason to fear that they will be targeted for prosecution because the law prohibits any commercial dissemination of material that is deemed to be "harmful to minors."

Reed sided with the plaintiffs, finding that "there is nothing in the statute that limits COPA to commercial pornographers."

The legal test for establishing standing on the basis of a credible threat of prosecution is "quite forgiving," Reed said, and courts "will assume a credible threat of prosecution in the absence of compelling contrary evidence."

Under COPA, a commercial Web site operator faces up to six months in prison and fines of up to $50,000 if found to have allowed minors access to harmful material.

The law defines material that is "harmful to minors" as any "communication, picture, image, graphic image file, article, recording, writing or other matter of any kind that is obscene" or that, if not obscene, meets the law's three-pronged test.

Under the first prong of the test, material violates the law if "the average person, applying contemporary community standards, would find, taking the material as a whole and with respect to minors, is designed to appeal to, or is designed to pander to, the prurient interest."

The second prong calls for proof that the material "depicts, describes, or represents, in a manner patently offensive with respect to minors, an actual or simulated sexual act or sexual contact, an actual or simulated normal or perverted sexual act, or a lewd exhibition of the genitals or post-pubescent female breast."

Finally, the material must be shown to "lack serious literary, artistic, political or scientific value for minors."

With that test in mind, Reed found that the plaintiffs have standing because they "will be able to show at trial that they have a legitimate fear that they could be prosecuted under COPA because their materials could be found to be harmful to minors."

Having reviewed each of the plaintiffs' Web sites, Reed found that many of them include material that "could be found to: have been designed to appeal to the prurient interest of a minor; depict or describe a sexual act or contact or a lewd exhibition of the genitals or post-pubescent female breast in a manner patently offensive with respect to minors; and lack serious literary, artistic, political or scientific value for minors."

Some of the plaintiffs' materials "are more graphic than others," Reed noted, and "range from erotic homosexual kissing to highly eroticized descriptions or depictions of anal and vaginal sex."

In a footnote, Reed said the term "prurient interest" is most often defined as "a shameful or morbid interest in nudity, sex, or excretion over and beyond that which would be characterized as normal."

But that definition was significantly expanded by the U.S. Supreme Court, Reed noted, in a decision that said materials may appeal to the prurient interest if they are merely "in some sense erotic."

In another footnote, Reed said, "I find that it is possible that some communities would find even minor sexual contact, like kissing, to be prurient in nature and patently offensive if performed by homosexuals."

More FOIA Funds, Staff Needed, Group Says (GOVEXEC)

By Daniel Pulliam

Government Executive, October 25, 2006

A recent Justice Department report on agencies' compliance with a presidential mandate to improve processing of requests for government documents failed to address resource constraints, an independent research institute has charged.

In a letter to Attorney General Alberto Gonzales last week, the National Security Archive, a research institute and library located at The George Washington University, said the report did not acknowledge the scale of the challenge agencies face in reforming their Freedom of Information Act procedures. It avoided mentioning a lack of adequate funding and staffing, as well as the need for cross-agency leadership, the letter stated.

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The executive order, signed by President Bush on Dec. 14, 2005, directs agencies to ensure that their FOIA implementation is citizen-centered and results-oriented. They must also appoint chief FOIA officers.

The order states that any changes should be made using "available resources" and "existing agency staff." The FOIA chief can, however, recommend adjustments to agency personnel and funding as "may be necessary to carry out" the order's policies.

Daniel J. Metcalfe, director of the Justice Department's Office of Information and Privacy, said there was little discussion of resources in the Oct. 16 report because the agency FOIA improvement plans reviewed in it were due "only six months after the executive order was signed, in the middle of a budget cycle."

The National Security Archive also charged that, in its own review of agency FOIA improvement plans, it found that many are behind schedule and others don't comply fully with the 1996 Electronic Freedom of Information Act, which amended FOIA.

Metcalfe said the group's characterization that "many agencies" are lagging in complying with the 1996 amendments is a gross overstatement and mischaracterization. Several Government Accountability Office audits show otherwise, he said.

In March 2001, GAO reported (GAO-01-378) that all government agencies had implemented many of the law's provisions, including the governmentwide establishment of electronic reading rooms.

In response to a set of similar letters the National Security Archive sent to House and Senate committee leaders, Tabetha Mueller, a spokeswoman for the House Government Reform Subcommittee on Government Management, Finance and Accountability, said FOIA oversight hearings in February were likely.

"If you look at not complying with [the Electronic Freedom of Information Act], that is just as much a leadership problem from Congress and an oversight problem as it is the agencies' problem," Mueller said.

She said the Justice report provided a fair accounting of the steps agencies have taken to improve administration of FOIA, and gave evidence that agencies are responding to two FOIA hearings held by the subcommittee earlier this year.

But Meredith Fuchs, general counsel for the National Security Archive, said she believes the FOIA executive order was issued to keep Congress from passing legislation amending the law again.

"It's great to have cheerleading, but it is going to take money, hard work and an investment in technology and people to reform FOIA," Fuchs said. "We think that the executive order could have a wonderful impact on FOIA, but the agencies' goals actually have to be implemented."

Senate Judiciary Committee Ranking Member Patrick Leahy, D-Vt., said in a statement that he shares the National Security Archive's concerns regarding compliance with the 1996 amendment.

"Legislative improvements to FOIA are meaningless without adequate resources and training to implement these improvements," Leahy said. "I am also troubled that many federal agencies lack access to the technology needed to implement the amendments. Technology can play an important role in promoting openness in our government."

Legislation moving through the House (H.R. 867) and Senate (S. 394) would impose tighter enforcement of the current 20-day deadline for responding to FOIA requests, create an online and telephone-based system for tracking FOIA requests and create a FOIA ombudsman to mediate disputes between agencies and the public over information requests.

Rick Blum, coordinator of the Sunshine in Government Initiative, a coalition of media groups, said the Justice report and the agency FOIA improvement plans showed that an executive order is not a substitute for legislation to strengthen the process of handling requests for government documents.

"The report did point out that the executive order really is unique and did go a ways to show that agencies should make some common sense changes," Blum said. "The problem is, where are they going to get the money?"

Patrice McDermott, director of OpenTheGovernment.org, a coalition of journalists and good government groups, said that without legislation tied to agencies' budgets, a substantial improvement in the administration of FOIA is out of reach.

Research Group Questions 'rosy' Report On Agencies' FOIA Progress (FEDTIMES)

By Aimee Curl

Federal Times, October 25, 2006

The National Security Archive, criticizing a recent report by Attorney General Alberto Gonzales, has called on Congress to hold hearings to determine if genuine progress is being made in agency administration of the Freedom of Information Act.

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Gonzales' report, issued Oct. 16, highlighted progress agencies are making to comply with a presidential directive, issued last year, that requires agencies to name chief FOIA officers and create improvement plans to streamline the processing of FOIA requests. Gonzales wrote that the executive order "has had an immediate and widespread positive effect on the operations of the federal agencies that administer the FOIA."

In letters to both Gonzales and leaders in the Senate Judiciary and House Government Reform committees, the Washington-based research group — which collects and publishes documents obtained through FOIA requests — called the report "rosy" and said it "ignored critical challenges facing the federal FOIA system."

"While the AG report is optimistic about the agencies' newfound embrace of technology/automation, FOIA request status tracking and backlog reduction, it fails to provide an honest assessment of where agencies' FOIA programs stand today and what it will take to bring their FOIA programs into compliance with the law," the letters said.

Daniel Metcalfe, director of the Office of Information and Privacy at the Justice Department, said the report gives an "accurate appraisal of agency improvement plans."

He noted that this is the first of three reports.

"A key development before the next report is that agencies will report their implementation successes as part of their annual FOIA report," Metcalfe said. "All agencies are now implementing their plans and are going to report on their initial successes as part of this process by Feb. 1. The next attorney general's report will be based on this first phase of plan implementation."

Rep. Todd Platts, R-Pa., chairman of the House Government Reform subcommittee on government management, finance and accountability held a hearing in July to discuss progress on the executive order.

Subcommittee spokeswoman Tabetha Mueller said Platts will hold additional oversight hearings as the letter from the National Security Archive suggests.

"Oversight is very important with something like FOIA," Mueller said. "The only way to guard against agencies not meeting their goals is with vigilant oversight."

In a statement released following his receipt of the letter, Sen. Patrick Leahy, D-Vt., agreed that congressional oversight is critical and also promised to continue to press for future hearings.

Dana Gets More Time For Bonus Plan (DOW)

By Tiffany Kary, Dow Jones Newswires

Dow Jones, October 25, 2006

NEW YORK — Dana Corp. on Tuesday won more time to develop a new legal strategy to obtain a package of bonuses for its chief executive and other top executives.

Judge Burton Lifland of the U.S. Bankruptcy Court in Manhattan, who previously rejected the proposed bonuses, approved the auto-parts suppliers request to further its legal work on a schedule that would permit a Nov. 8 final hearing on its request for a long-term incentive plan for executives.

Even so, Lifland continued to question whether the timeline was too "aggressive" and whether Dana's strategy made sense. "Frankly, I'm not fully comprehensive of the strategy of this motion," Lifland said.

The Toledo, Ohio, company has asked Lifland to reconsider his ruling striking down a program that would have paid Chief Executive Michael J. Burns $9.1 million over the next few years _ including a $6 million bonus once Dana exits Chapter 11 protection.

The Justice Department has called the request improper because it is in effect asking the court guidance on how to get the bonus plan approved.

"We are not as of yet a part of the growing consensus in this case," said Andrew Velez-Rivera, speaking in court Tuesday as a trial attorney representing the Justice Department's Office of the U.S. Trustee. That office monitors bankruptcy cases to ensure that participants comply with bankruptcy law.

Corinne Ball, an attorney for Dana, said that there has been "growing consensus" between the company and creditors on the executive-compensation plans, and that Dana needs more time to craft non-compete, non-disclosure and non-disparagement clauses for executives.

"We have reached an agreement with the official creditors committee on a long-term incentive plan for six key executives," she said.

Lifland had previously denied the executive bonus program, saying the proposal would have violated provisions of the 2005 bankruptcy law. Those provisions allow retention bonuses only if the employee has a competing offer for equal or higher pay, setting a higher standard than old laws.

Several Dana retirees have sent letters to Lifland _ some of them handwritten _ praising the judge for rejecting the proposed bonuses and pleading with him not to reconsider his decision. The letters have been included in Dana's bankruptcy-court record.

"It again appears that Mr. Michael J. Burns, CEO of Dana Corp. and its board of directors are more intrigued with trying to design an executive compensation plan to reward Mr. Burns and other executives should they be successful to emerge from Chapter 11, or that Dana Corp. be sold," Louis H. Benien, one of the retirees, wrote in one letter.

"It would seem to me that their time would be better spent on how they are going to protect the continued existence of Dana, the jobs of their people (which many of us lost), their retirees, and the best interest for their shareholders," Benien said.

Bankrupt Opposition (WSJ)

The Wall Street Journal, October 25, 2006

When President Bush signed the Bankruptcy Abuse Prevention and Consumer Protection Act last year, Democrats and "consumer" groups not only cried foul but predicted doom. A year after the law was enacted, however, the evidence suggests that their fears were misplaced, not to say cynical.

A modest reform at best, the law was designed to prevent people from having their debts erased regardless of their ability to repay them. Between 1995 and 2004, personal bankruptcies rose 78%. More and more people were running up credit-card and other debt and then seeking Chapter 7 relief, which essentially allowed them to walk away from their obligations.

Under the new law, more of those individuals are required to file for Chapter 13 bankruptcy and submit to a means-tested, court-ordered repayment plan. The law makes exceptions for the poor and elderly, as well as extraordinary cases involving debt that results from medical expenses, military service or divorce.

Not that any of those carve-outs stopped such Democrats as Senator Ted Kennedy from denouncing the reform as "a bill for which the credit-card industry hopes to squeeze an extra few dollars a month out of Americans who are down on their luck." Consumers Union called the legislation a "disaster," and the National Association of Consumer Bank Attorneys said adequate bankruptcy relief would no longer be available to the average person. For the Consumers Union, in particular, this rhetoric fits its pattern of being wrong on nearly every antitrust, consumer finance or telecommunications issue of the day.

Today, the number of bankruptcy filings is down some two-thirds from what it's been in recent years. Partly this has to do with people rushing to file for Chapter 7 before the law took effect last October. But there are also indications that people are responding to the new incentives.

In the past, about 20% of bankruptcy filers have had incomes above the national median. But since the law took effect, nearly all filers are below the median. One plausible explanation is that many past filers were abusing the system. They didn't really need bankruptcy protection, and now that there's a test of their income and assets in place that might compel them to repay their debts, they've decided not to file.

That's good news for businesses and consumers alike. Abuse of the bankruptcy laws drives up the cost of credit for everyone and reduces credit availability at the margin. When people are allowed to exploit the bankruptcy code and burn their lenders, others are left to pick up the tab.

It will probably be another year or so before long-term trends can be projected, and the economy will remain an important factor. But the early returns are promising and show that Congress did the right thing by ignoring the doomsayers.

CIVIL RIGHTS:

NAACP Decries Fine For Couture (RTD)

DOJ_NMG_0085883

By Jim Nolan, TIMES-DISPATCH STAFF WRITER

Richmond (VA) Times-Dispatch, October 25, 2006

Ex-officer convicted of manslaughter in traffic-stop shooting

Leaders of the state and Richmond-area branches of the NAACP yesterday decried the $2,500 fine imposed against a former police officer convicted of manslaughter in the May 29, 2004, shooting death of Santanna Olavarria.

On Friday, a jury convicted Michael Couture, 33, of manslaughter. Two hours later, the jury returned with a recommended sentence of $2,500 and no jail time, which the judge imposed. Couture could have faced up to 10 years in prison.

"This sends a message that black people's lives have very little value to citizens, the criminal justice system and all other institutions in this society," the NAACP leaders said in a joint statement issued at a news conference yesterday afternoon.

The leaders also called for the Justice Department to pursue a civil-rights investigation into the shooting, in which then-officer Couture fatally shot the 21-year-old Olavarria following a traffic stop in the city's East End.

"Life has to be more valued," said Rayfield Vines Jr., head of the Henrico County chapter of the NAACP. "We are going to insist people give life more value."

In February 2005, Police Chief Rodney Monroe forwarded all of the department's police-involved shooting cases to the Justice Department for investigation, including the Olavarria shooting. To date, there have been no federal charges filed in the Olavarria case.

Couture is believed to be the first police officer in the modern history of the city's police department to have been convicted of a homicide while on duty.

After the verdict last Friday, Commonwealth's Attorney Michael N. Herring said he was satisfied with the decision but disappointed with the absence of jail time in the punishment recommended by the jury.

Last fall, Couture's first trial in the Olavarria killing on a second-degree murder charge ended in a hung jury. Herring presented the evidence to a grand jury this year, which returned an indictment of manslaughter against Couture.

King Salim Khalfani, executive director of the Virginia State Conference of the NAACP, had criticized the police training and screening process that made Couture a Richmond officer. He also had criticized Herring for not retrying the second-degree murder charges.

But yesterday, he had to acknowledge that it was a mixed-race jury, not a prosecutor, that gave an ex-officer a fine for a killing.

"It's not just a police issue," Khalfani said. "Citizens made this decision. . . .

"There's a Confederate mentality that even affects black folks, who don't have a love for self."

Contact staff writer Jim Nolan at jnolan@timesdispatch.com or (804) 649-6061.

Two Jailers Indicted, Another Pleads Guilty In Inmate Assaults (AP)

By Holbrook Mohr

AP, October 25, 2006

JACKSON, Miss. - A former jailer at a regional prison in Louisville has pleaded guilty to assaulting an inmate and is working with federal prosecutors in a case against two former correctional supervisors accused of similar crimes, the U.S. Justice Department said Tuesday.

Former Winston-Choctaw County Regional Correctional Facility Deputy Warden Scotty L. Graham and former Captain David G. Mitchell are charged with violating the inmates' civil rights, conspiring to obstruct justice and providing false statements, the Justice Department said.

Former officer Marcus Coleman already has pleaded guilty to similar charges, the Justice Department said, and has agreed to cooperate with federal prosecutors.

An indictment unsealed Tuesday in Washington accuses Graham and Mitchell of assaulting an inmate in October 2001 with a device known as a "shock stick." Mitchell is charged with an additional civil rights violation for allegedly attacking another inmate the same day.

Details of the alleged attacks were not available.

"The details will come out if there's any sort of trial proceeding," said Justice Department spokeswoman Cynthia Magnuson.

Mitchell and Graham face penalties of 10 years in prison on each civil rights violation and obstruction charges, and a maximum five-year sentence on the conspiracy charges.

Telephone numbers for both men were disconnected on Tuesday.

Coleman told U.S. District Judge Michael Mills in Oxford on Sept. 28 that he and "Mitchell assaulted the inmate and ... Graham encouraged them to continue the assault in a location where there would not be any witnesses," the Justice Department says.

Charles Tillery, chief operating officer of the prison, contacted on Tuesday by The Associated Press, said he was not familiar enough with the charges to comment. He said Warden Ed Hargett was not available.

Sheriff Walter Coburn, who runs the facility as part of an agreement with the Mississippi Department of Corrections, said he was elected in 2003 and the alleged assaults happened before he took office in January 2004.

"I don't mind commenting but I'm not going to do it over the phone," Coburn said. "If you send somebody down here where I can look them in the face, then I'll comment."

MDOC spokeswoman Tara Booth said corrections officials would have no comment.

The Louisville facility opened in March 1999 and houses a combination of about 374 state and county inmates, Tillery said. The facility in Louisville, some 100 miles northeast of Jackson, is one of 11 regional facilities operated by the MDOC and county governments.

It was not immediately clear whether the people assaulted were state prisoners or county inmates.

Federal Oversight Of Mental Health Plan To Be Lifted (HONADV)

By Ken Kobayashi, Advertiser Staff Writer

Honolulu Advertiser, October 25, 2006

A federal judge this morning cleared the way for the lifting on Nov. 30 of the federal oversight over the state's efforts to comply with a community mental health plan to serve Hawai'i's estimated 11,000 seriously mentally ill residents.

U. S. District Judge David Ezra essentially approved the latest federal magistrate's status report on the state efforts.

Although U. S. Magistrate Judge Kevin Chang could not say in his report in August that the state met a June 30 deadline to be in substantial compliance with the plan, he said the state made progress and he recommended the lifting of the oversight on Nov. 30.

"This case will simply terminate (on Nov. 30)," Judge Ezra said.

Attorney General Mark Bennett said even with the lifting of the federal oversight, the state will continue to seek to improve the mental health services.

"We will keep our noses to the grindstone," he said.

The state has been under federal oversight for 15 years as a result of a Justice Department lawsuit alleging violations the constitutional rights of patients at Hawai'i State Hospital.

The hospital emerged from the oversight in late 2004, but the oversight continued over the community plan aimed at providing adequate services to the mentally ill in the community.

Justice Department attorneys agreed to the lifting of the oversight on Nov. 30 after the state raised concerns about whether the federal oversight could continue beyond June 30.

The community plan is aimed at providing adequate treatment, services and housing for the mentally ill.

Reach Ken Kobayashi at kkobayashi@honoluluadvertiser.com or 525-8030.

Studies Look For Reasons Behind Racial Disparities In Health Care (WP)

By Christopher Lee

The Washington Post, October 25, 2006

DOJ_NMG_0085885

Racial minorities are less likely to undergo major surgeries at the hospitals where those operations are done best, and black patients at Medicare HMOs fare worse than whites on several health measures regardless of plan quality, according to studies being released today.

The two studies in today's issue of the Journal of the American Medical Association, plus a third showing that black women are less likely than their white counterparts to survive breast cancer, add to the voluminous evidence that the U.S. health-care system works differently for minorities than for whites despite years of efforts to erase racial disparities.

Studies have demonstrated that blacks and other minorities are far less likely than whites to receive many types of care, such as appendectomies, heart bypass surgery, or basic tests and drugs for heart disease and diabetes. Minorities on average are more prone to illness, have more complications and recover more slowly. They also are more likely to die from their illnesses, and to die younger.

But while the persistent disparities are well-documented, the causes remain the focus of research and debate. One explanation is that minorities tend to be poorer and less educated, with less access to care. And they tend to live in places where doctors and hospitals provide lower quality care than elsewhere. Others suspect cultural or biological differences play a role, and there is a long-running debate about whether subtle racism infects the health-care system.

Major medical organizations, private foundations and government health agencies have begun a host of studies, programs and initiatives in the past decade to try to close the gap.

In one new study, researchers at the UCLA medical school studied 719,608 patients who underwent one of 10 major operations -- including knee replacement, heart bypass and lung cancer surgeries -- over a five-year period.

They found that blacks, Hispanics and Asians were less likely than whites to receive care at hospitals that perform a high volume of the surgeries and excel in them. Minority patients were more likely to have their operations at low-volume hospitals, where mortality rates tend to be higher. The same was true for uninsured and Medicaid patients, who are disproportionately minorities.

"The current study demonstrates a significant disparity in the distribution of patients at high- and low-volume hospitals with respect to race/ethnicity and insurance status," the authors wrote.

The racial disparities remained even after accounting for income, age and how close a person lived to high- and low-volume hospitals. The researchers suggest that inadequate transportation or the lack of knowledge among minorities about hospital quality could be factors. Minorities are underrepresented among surgeons, and physicians who care for black patients are less likely to be board certified in a specialty and may have a harder time getting access to the better hospitals for their patients.

"Everyone wants to improve quality, but it's difficult," said Clifford Y. Ko, a co-author and professor of surgery at UCLA. "Not everyone can go to these high-volume places. . . . I personally think that instead of identifying one out of however many hospitals that people should go to that might have good outcomes, we should try to improve care at all hospitals."

A second study, led by Amal N. Trivedi, assistant professor of community health at Brown University, found that blacks do worse than whites in controlling blood pressure, blood sugar and cholesterol levels despite quality improvements at Medicare HMOs that have succeeded in shrinking gaps in care received by minorities and whites. The study, which looked at more than 430,000 patients in 151 plans, found that the disparity existed in both high- and low-quality Medicare HMOs -- undercutting the theory that blacks fare worse because they receive their care from lower quality providers.

"Across the board, black enrollees have lower performance on these measures," Trivedi said in an interview. "And the gaps were wide. . . . Even high-quality plans do not provide effective medical treatment for all of their patients."

Health plans should examine whether black patients lack access to medication or cannot afford it, because drugs can be effective in controlling conditions such as high cholesterol, blood pressure and blood sugar, Trivedi said. It also is worth trying to figure out whether black enrollees tend to get their care from lower-quality physicians within plans, he said.

"We can't say specifically why the gaps exist in each plan," Trivedi said. "It's probably a shared responsibility of plans, providers and patients. There's probably not one factor that explains all of the disparity, but health plans do play an important role."

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In the breast cancer study, published online Monday in the journal Cancer, researchers from the University of Texas M.D. Anderson Cancer Center in Houston examined 2,140 patients who took part in clinical trails at the cancer center from 1975 to 2000. They found that black women had lower survival rates than white and Hispanic women, and that black patients had more advanced cancer at the time of treatment.

Previous studies with similar results have concluded that less frequent screening, less aggressive treatment and different access to care may be factors in lower survival rates for black women. But because all women in the new study received the same treatment, researchers think that breast cancer tumors may be more aggressive and less responsive to treatment in black women.

"These findings should prompt additional research on how we can improve outcomes for African American patients by understanding and addressing tumor biology," said Wendy Woodward, an assistant professor of radiation oncology at the cancer center and lead author of the study.

Virginia Battle On Same-sex 'Marriage' Down To Wire (WT)

By Seth Mclaughlin

The Washington Times, October 25, 2006

RICHMOND -- The fight over a proposed constitutional ban of same-sex "marriage" is heating up as both sides of the debate deliver their final sales pitches two weeks before the Nov. 7 election.

Yesterday, Gov. Timothy M. Kaine, a Democrat, and his father-in-law, former Gov. A. Linwood Holton Jr., a Republican, encouraged Virginians to oppose the amendment, saying the proposal is excessive because the state already defines marriage as a union between a man and a woman and its "ambiguous" language could lead to unintended consequences for unmarried couples.

"In states that have passed similar language, the ability of partners who are not married to obtain the social service and other protections of family courts have been thrown into jeopardy by this language, and I think that would be a very negative consequence," Mr. Kaine said, before signing with his wife and Mr. Holton, a statement from 200 lawyers and legal scholars in opposition of the amendment.

"We're talking in this amendment about fooling around with [the Virginia Constitution] in a way that will create confusion and unfortunately litigation for two or three generations," said Mr. Holton, who has at times been at odds with Republicans for supporting Democrats. "It just runs a serious risk of messing up our constitution."

Their remarks clash with the opinions of most Republicans, including Lt. Gov. Bill Bolling, Attorney General Bob McDonnell and Sen. George Allen, who say traditional marriage must be protected from "activist judges."

"The proposed amendment preserves marriage as a union solely between one man and one woman, while not limiting or infringing upon the current legal or civil rights of unmarried Virginians," Mr. McDonnell said yesterday. "The argument regarding alleged unintended consequences is completely wrong and legally unsupportable."

Political analysts agree that the amendment could motivate conservatives to turn out for Mr. Allen, who is in a tight race against Democrat James H. Webb Jr. for the U.S. Senate. Mr. Webb opposes the amendment.

A poll conducted by The Washington Post earlier this month showed that 53 percent of Virginians support the marriage amendment, while 43 percent oppose it.

The proposed amendment in Virginia, which the General Assembly overwhelmingly passed in consecutive legislative sessions, has fueled an emotional and costly campaign, according to financial reports filed with the State Board of Elections.

The Commonwealth Coalition, a group of homosexual rights activists and religious and business organizations, has raised $761,089 since July 1 and has spent $390,316 trying to defeat the amendment.

Amendment supporter Va4marriage.org, an affiliate of the Richmond-based Family Foundation, has raised $204,667 and spent $136,915 over the same period.

Nationwide, homosexual rights activists hope the tide turns this year as voters in eight states -- including Virginia, South Carolina, Tennessee and Colorado -- decide Nov. 7 whether to approve similar constitutional bans.

Recent history shows they are going against the odds. So far, voters in 20 states have approved such amendments.

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"The proponents of the amendment always have the upper hand," Mr. Kaine said. "So we are all standing here fighting the good fight, recognizing we are fighting an uphill battle."

Anne Holton, Mr. Kaine's wife and a former family court judge, said one of the reasons these amendments have been so successful "is that folks think it is pro-marriage."

"It is false advertising to say this is a pro-marriage amendment," she said. "It does absolutely nothing to protect or strengthen marriage. ... This may be the time when people stand up and say, 'Wait a minute. What ... is this all about?' "

She said the amendment could hurt child-custody laws and undermine the domestic-violence laws for both homosexual and unmarried heterosexual couples.

Politically, the battle has fallen largely along party lines.

At a debate Monday in Richmond, Delegate Robert G. Marshall, Prince William County Republican, reportedly said that "marriage is under attack" and that passing the amendment would "stop the gay agenda."

Last week, Delegates Franklin P. Hall and Dwight Clinton Jones, Richmond Democrats, summed up the opposition of six members of the Richmond delegation.

"We are particularly concerned about removing the protections of our domestic-violence laws from unmarried victims, depriving unmarried couples of the comfort of their loved ones in time of medical crisis, or exposing Virginia businesses ... to an unpredictable risk of litigation and the inability to stay competitive in hiring the best employees in a very competitive job market," they said.

Leaders on both sides of the issue are targeting college campuses, trying to woo young voters. The Associated Press reported that there were more than 400,000 registered voters ages 18 to 25 in Virginia last year, according to the State Board of Elections.

ANTITRUST:

Carlyle-Led Steel Deal Spotlights Unheralded Side Of Private Equity (WSJ)

By Henny Sender

The Wall Street Journal, October 25, 2006

John Maneely Co., a maker of steel tubing that is owned by private-equity giant Carlyle Group, is expected to announce a merger with Atlas Tube Inc. today in a deal valued at almost $1.5 billion, including stock and debt.

The move to bulk up Maneely comes amid a boom in private-equity transactions, in which groups like Carlyle team up to buy companies they believe are undervalued -- often using elaborate financial arrangements -- with hopes of selling them later at a profit.

While the proposed Maneely transaction is relatively small, it illustrates how not all these deals are about financial maneuvering. In this case, Carlyle is buying a rival manufacturer in order to gain economies of scale. Both Maneely and family-owned Atlas manufacture tubing used in the construction industry.

The merger with Atlas, which is based in Harrow, Ontario, will make Carlyle the parent of the largest North American maker of steel tubing, with sales in excess of $2 billion, the companies say.

When Carlyle Group acquired Maneely earlier this year, it seemed counterintuitive, given that costs for energy and raw materials such as iron ore were soaring, potentially eroding profit margins and making it a high-cost business to get into. At the same time, competition was stiff from lower-cost producers such as China. While the U.S. imposes tariffs on steel, there are none on steel-based products such as tubing.

Carlyle's hope is that there will be a role for local manufacturers if they had enough scale, says Daniel Pryor, a managing director at Carlyle. He described the proposed deal as the first in a series of mergers intended to give the steel-tube maker critical mass.

"We thought if we could improve systems and processes," he says, "we could get the material costs down substantially."

Atlas is a family-owned company whose head, Barry Zekelman, inherited the business at the age of 19 following the death of his father. He built the firm from a company with sales of two million Canadian dollars ($1.77 million) 20 years ago, to a

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company that last year had revenue of C$1.3 billion. He decided to sell to Carlyle, he says, "because I want to make my company stronger by giving it a more powerful platform." Mr. Zekelman will stay on as head of commercial and manufacturing for the combined entity.

If Sergio Leone Made A Movie About Antitrust . (WSJ)

By HOLMAN W. JENKINS

The Wall Street Journal, October 25, 2006

Holman W. Jenkins Jr. is a member of the editorial board of The Wall Street Journal and writes editorials and the weekly Business World column.

Mr. Jenkins joined the Journal in May 1992 as a writer for the editorial page in New York. In February 1994, he moved to Hong Kong as editor of The Asian Wall Street Journal's editorial page. He returned to the domestic Journal in December 1995 as a member of the paper's editorial board and was based in San Francisco. In April 1997, he returned to the Journal's New York office. Mr. Jenkins won a 1997 Gerald Loeb Award for distinguished business and financial coverage.

Born in Philadelphia, Mr. Jenkins received a bachelor's degree from Hobart and William Smith Colleges in Geneva, N.Y. He received a master's degree in journalism from Northwestern University in Evanston, Ill., and studied at the University of Michigan on a journalism fellowship.

Mr. Jenkins invites comments to holman.jenkins@wsj.com1.

If Sergio Leone Made a Movie About Antitrust . . .

October 25, 2006; Page A15

Stolt-Nielsen is a name that won't ring many bells unless your peculiar interest is ocean shipping or knotty business cases that might tempt the Supreme Court's intervention.

Or perhaps you are a corporate counsel for a major international company who just happened to be wondering, out of idle curiosity, whether the amnesty deals signed by the Justice Department in price-fixing cases are worth the paper they're written on. Just a theoretical interest, of course . . .

Here's Stolt's tale of woe. The company is one of a handful of specialty chemical haulers that are dwarfed in size and clout by their customers, including Dow Chemical, DuPont, Shell and BP. It is deemed an abomination in some circles that these ship operators colluded over rates for several years, pocketing in "excess profits" a sum that by now has been vastly exceeded by the legal bills of all involved in the subsequent litigation (legal bills that are naturally passed on to consumers and taxpayers).

Now Stolt finds itself hanging on whether the Supreme Court will hear its plea challenging the Justice Department's right to revoke an amnesty deal granted to Stolt in return for its help in cracking the cartel.

For what follows it's helpful to decide how nefarious you really think the underlying offense is. Advocates of price-fixing prosecutions argue that consumers are harmed by higher prices, but by this standard consumers are harmed by any price above zero.

It seems right to mention that producers are people too and are harmed by lower prices. Whose side should we take? Do consumers have any particular "rights" here? Not that we can see. The only "rights" in jeopardy are those of producers, whose freedom of contract and property are sacrificed on the altar of a theorized higher good, known as "efficiency."

Yet the empirical record of this higher good is murky. In practice, price-fixing seems mainly a temptation to companies seeking to preserve capacity in periods of weak pricing. Take Stolt: It and its rivals colluded at a time when their customers were consolidating and Stolt was piling up debt to bring a new generation of chemical tankers into the marketplace. Indeed, these features seem to be a hallmark of many price-fixing prosecutions: cyclical commodity markets; large customers; suppliers who face high fixed costs to maintain the capacity required by those customers.

What really goes on when companies collude could stand some fresh examination, but trustbusters are not likely to question the provenance of their last breadstick. On the contrary, Justice and its foreign counterparts have become reliant on -- even made a growth business out of -- prosecuting price-fixing as the last, unambiguous antitrust sin.

The new era began in 1993 when a Justice Department amnesty program was retooled to make it more enticing for firms to rat out their fellow miscreants in return for guaranteed leniency. The approach has been nothing if not fruitful: Brought to the

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bar have been dozens of industries, including bulk vitamins, animal-feed additives, copper concentrate, cement, hydrogen peroxide, sorbic acid, creosote, naphthalene, polyethylene film, citric acid and sodium gluconate.

That's a lot of price fixing, suggesting that intermittent collusion has long been a feature of markets for many industrial inputs and somehow the world has prospered anyway. Yet peer into the heart of the Stolt dispute, and the problem is precisely Justice's tender doubts about the sincerity of Stolt management's remorse for its crimes.

By the time the company showed up on Justice's doorstep, after all, the details of the plot had been well-aired in an executive whistleblower's private lawsuit and, later, in a front-page Journal story. Stolt's approach to Justice, in spirit if not word, was roughly: "The cat's out of the bag. Let's cut our losses by finking on our erstwhile partners and beat them into the amnesty program."

Let it be added that cartel activities have been a shipping tradition since long before antitrust was invented, and continue today in various form under grandfathered exemptions to the antitrust laws. Of Norwegian birth, Stolt is controlled by a shipping family that has been in the business since 1891.

Cynical bargain or not, Justice granted Stolt immunity in return for Stolt coughing up the evidence to allow the successful prosecution of its fellow conspirators (two Norwegian firms, one Japanese). Only after the cases were concluded did Justice renege on grounds that Stolt's management had allowed the collusion to continue for several months between the whistleblower's internal hullabaloo and Stolt's decision to seek amnesty. Of course, Justice had known all this from day one and had chosen to sign the agreement and benefit from Stolt's help anyway.

Nine petitioners, including the U.S. Chamber of Commerce, have joined Stolt in urging the Supreme Court to find that Justice has no business indicting Stolt and its employees until the lower courts have definitively ruled the amnesty deal invalid. In fact, the one federal court that looked into the matter ruled that Stolt had upheld its end of the bargain and ordered Justice to do likewise.

Here's our view: At best, antitrust is a questionable form of economic regulation that places a highly speculative theory of consumer good ahead of the actual, non-controversial rights of producers to sell on terms of their own choosing. Justice has done itself no favors by calling into question the reliability of its amnesty promises. The Gordian knot here is its excessive moralizing of its own position. With its brain a little less clouded by self-righteousness, the department might notice that its campaign to impose its dubious ideal of price regulation on the world might actually be helped if it grew up a little about antitrust.

Thomson Nears Plan To Put Learning Unit On Block (WSJ)

By Dennis K. Berman In New York And Elena Cherney In Toronto

The Wall Street Journal, October 25, 2006

Publishing and information giant Thomson Corp. is near a plan to put its Thomson Learning division on the auction block, in a deal that could fetch somewhere north of $5 billion, said people familiar with the matter.

A deal would separate the company's second-largest unit as measured both by revenue and operating income. And it would concentrate Thomson's broad operating lines around legal, financial and scientific-information businesses. Analysts have been calling for a sale of Thomson Learning because it doesn't fit with the company's strategy of selling to professionals. The Learning division also wasn't moving as quickly to sales of electronic products as had been hoped.

The company has been a solid performer over the past year, with its shares climbing about 18% year-to-date, versus a 9% rise for an index of publishing companies maintained by data provider Baseline, itself a Thomson unit.

Moving From Historic Roots

In recent years, Thomson has adeptly exited certain businesses that subsequently declined in profitability. Starting in the late 1990s, the company began shedding newspaper assets -- a move away from its historic roots as a Canadian-based newspaper empire -- to refashion itself as an information provider, with more of its services delivered online instead of in print. The sales included The Globe and Mail as well as other smaller dailies.

A company spokesman declined to comment on the planned sale.

Last year, Thomson Learning produced $2.3 billion in revenue and operating income before taxes of $350 million. The unit's earnings before interest, taxes, depreciation and amortization -- a measure commonly used in the publishing industry -- is

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higher than that figure, people familiar with the matter say. These people said that the business should be able to fetch more than 10 times its annual Ebitda, getting a potential sale price greater than $5 billion.

Thomson Learning's textbooks, testing and certification materials are used by colleges and distance-learning organizations, and include its Thomson Wadsworth, Thomson Gale and Thomson Delmar imprints. The unit also maintains a number of online learning courses and its own university, Universitas 21 Global, which issues graduate degrees through online instruction.

Thomson Learning also maintains a unit called Prometric, which designs and processes tests used inside corporations, for the public sector and counts as clients the National Association of Securities Dealers and the National Board of Medical Examiners.

More recently, Chief Executive Richard Harrington has talked about the company's shift from an information provider to a developer of software and high-end analytics. The company embarked on a cost-cutting program earlier this year to boost efficiency and said it will shed about 1,000 of its 40,000 employees world-wide.

In the second quarter, the company said earnings came to $171 million, down from $301 million because of charges related to cost-cutting in the recent quarter. The previous year's results also included a one-time gain. Quarterly revenue increased 7% to $2.1 billion from $1.97 billion last year.

Demand for Publishing Services

The Legal and Regulatory group increased its revenue by 9% to $923 million, while Thomson Financial, which provides electronic financial information, increased by 6% to $499 million.

The Learning division's revenue was $456 million, or 5% higher than in the same period a year earlier. The business growth was fueled by strong demand for some of the company's publishing services and by textbooks for arts and sciences and for business and economics students. E-learning results, however, were weak, the company said.

The company said that it anticipated stronger performance in the third and fourth quarters, which are typically stronger for the academic lines of business. The company is scheduled to report third-quarter earnings tomorrow.

Write to Dennis K. Berman at dennis.berman@wsj.com1 and Elena Cherney at elena.cherney@wsj.com2

EU Probes Guarantee For Loan To TVO (AP)

AP, October 25, 2006

BRUSSELS, Belgium --EU antitrust regulators on Tuesday opened an investigation into a French state guarantee for a euro570 million (US$716 million) bank loan to Finnish power company Teollisuuden Voima Oy that may have helped a French-German supplier win a contract to build Finland's newest nuclear plant.

The European Commission said the guarantee may have cut TVO's financial costs below normal market levels -- and could have encouraged the company to pick Areva-Siemens to build the first new European reactor in more than 10 years.

"The guarantee may also have lowered the financial costs linked to the Areva/Siemens offer for TVO and, thereby helped the consortium Areva/Siemens to get the contract for the construction of the new nuclear power plant," it said.

The EU executive said it would quiz France about the loan -- the interest rate and the guarantee premium TVO paid the French government -- to find out if it gave TVO a cheaper deal and an unfair advantage over rivals.

It said it was acting on two complaints about the guarantee the French state export credit insurance agency Coface gave to TVO to purchase equipment from France's Areva-Framatome.

Lauri Piekkari, chief financial officer of TVO, said the company had not directly received financial support.

"The suspicion is whether the French government's guarantee has been too generous," Piekkari told reporters in Helsinki. The investigation won't affect the timetable of the already twice-delayed project, he said.

In July, TVO said completion of Finland's fifth nuclear reactor will be delayed by a year and that the plant would not be in commercial operation until the second quarter of 2010.

The supplier of the 1,600-megawatt reactor, the French-German consortium Areva-Siemens, was unable to complete the project on time because of the size and demands of the construction, TVO said. Earlier, TVO had announced a delay of several months caused by faulty concrete.

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Construction of the euro3-billion (US$3.7-billion) atomic reactor at Olkiluoto began last year after the government gave it final approval. It is situated 250 kilometers (155 miles) northwest of the capital, at the site of two 750-megawatt nuclear units.

Besides the Olkiluoto units, there are two 500-megawatt reactors at Loviisa, 90 kilometers (55 miles) east of Helsinki. The four produce more than a quarter of Finland's electricity.

On the Net:

TVO, http://www.tvo.fi

ENVIRONMENT:

Hopes Brighten For Curb On Damaging Ocean Fishing (CSM)

By Peter N. Spotts

The Christian Science Monitor, October 25, 2006

Less than 1 percent of the world's commercial fish catch comes from trawling the ocean floor of the high seas.

But the environmental impact is large - so large that many countries ban or severely restrict the practice within their territorial waters. This week, an international effort to curb bottom-trawling on the open ocean got a significant boost. In a letter to US negotiators at the United Nations on Monday, a top State Department official set out Washington's unambiguous support for a halt to the practice "until such time as conservation and management measures are adopted."

UN negotiators are trying to craft a proposal to submit to the General Assembly for a vote in early December.

Enacting the moratorium "would be a very big deal," says Joshua Reichert, who heads the environment program at the Pew Charitable Trusts in Philadelphia.

Countries have been cracking down on the practice inside their exclusive economic zones. In March, for example, the US banned bottom-trawling in waters covering some 150,000 square miles off the US West Coast. Europeans have banned the practice in the Mediterranean at depths greater than 3,200 feet. But outside the 200-mile exclusive economic zones that nations claim, bottom-trawling continues unabated.

Powerful trawlers drag nets across the ocean bottom at depths of up to 1.5 miles. This enables them to reach once inaccessible habitats such as undersea islands known as sea mounts. The nets, with yawning maws up to 200 feet across, are weighted with large steel "doors" that weigh up to 5 tons each. The idea is to "tickle" the bottom so that fish there rise into the path of the open net. But the doors, as well as rollers or wheels along the bottom of the net's opening, rip up or crush deep-sea coral reefs, colonies of sponges, and other structure-forming bottom dwellers. For instance, in 1997 during a year's fishing along a formation in the Pacific called the South Tasman Rise, 20 trawlers ripped up an estimated 10,000 tons of coral in the process of harvesting 4,000 tons of their target species, orange roughy, according to conservation groups.

"It's like clear-cutting a forest to capture squirrels," Mr. Reichert says.

Such concerns have sparked the interest in a worldwide moratorium on the practice so UN negotiators can work out rules to regulate the practice.

The administration's stance on this critical marine-conservation issue may come as a surprise to some, given what many environmentalists call a shaky White House record on other environmental issues. But the president appears to have a deep personal concern about overfishing, Reichert says. That concern was manifest most recently in June when the president set aside the world's largest marine reserve, stretching some 1,400 miles along the Northwestern Hawaiian Islands.

When President Bush issued a policy statement on bottom-trawling on Oct. 2, some opponents of the moratorium reportedly detected some leeway for a less severe alternative. Monday's letter from Claudia McMurray, assistant secretary of State for oceans and international environmental and scientific affairs, appears to remove any wiggle room, observers say.

A moratorium would have little global economic impact, supporters say. Of nearly 84 million tons of fish hauled from the oceans in 2001, bottom-trawling on the high seas accounted for only 0.2 to 0.25 percent of the total, according to a 2004 report by the World Conservation Union, based in Geneva. Members of the European Community account for the biggest share of the high-seas take, with Spain leading the list. For countries using the approach, bottom trawling appears to be the answer to

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declining fisheries closer to shore. And it is far more efficient - many argue ruthlessly so - than more targeted forms of fishing on the high seas.

Angst over the effects of bottom-trawling dates back hundreds of years, says Roger McManus, senior director of Conservation International's global marine division. But only within the past 10 to 15 years has technology allowed large trawlers to locate and exploit fish that thrive around deep-sea geological features such as sea mounts, underwater canyons, or deep coral reefs.

These isolated features are widely scattered through the oceans. And their ecological health affects the biological productivity of the entire column of water above them, researchers say. These biological hot spots become mid-ocean oases for large fin fish or mammals, such as tuna or whales, that migrate over vast distances and need their version of in-flight refueling. Once a trawler's net bulldozes its way across these habitats, it can take centuries for them to recover, because the organisms there are slow-growing and slow to reproduce, notes Jeremy Collie, an oceanographer at the University of Rhode Island's Graduate School of Oceanography.

Moreover, marine science still knows little about the range of creatures that thrive around these features. Efforts such as the international Census of Marine Life are trying to close the gap, but "we're still in the exploratory phase," Dr. Collie says. "The science is pretty fragmentary."

While some researchers say that the "townies" living in these oases often are species unique to that spot, others suspect that species-exchange among these isolated habitats occurs - a critical point if the UN is to develop rules to manage these ecosystems.

EU, U.S. Meet In Finland To Discuss Climate Change, Environmental Issues (FINDLAW/AP)

AP, October 25, 2006

(AP) - HELSINKI, Finland-Officials from the United States and the European Union - split over the Kyoto protocol - met Tuesday in Finland to discuss ways of improving cooperation on environmental issues.

The EU-U.S. meeting is a follow-up to a summit held in Austria in June, when both sides pledged to work "more closely to address the serious and long-term challenge of climate change, biodiversity loss and air pollution."

Signed in 1997, the Kyoto protocol came into force in February 2005 after it was ratified by the required number of nations, including EU members. It requires signatories to cut emissions of six greenhouse gases to 5 percent below 1990 levels by 2012.

The United States rejected the Kyoto targets as placing an unnecessary burden on its economy, drawing criticism from environmental campaigners who say American pollution is responsible for one-quarter of the world's greenhouse gases.

No decisions will be taken at the Helsinki meeting, hosted by the Environment Ministry, but the aim is to explore ways of increasing trans-Atlantic cooperation on environmental questions, Finnish officials said.

The topics of discussion include reducing greenhouse gas emissions, carbon capture and storage, renewable energy sources and promoting cleaner and more efficient vehicles, the ministry said.

The two-day seminar comes during Finland's six-month rotating presidency of the 25-member European bloc that ends in December.

Oil-, Gas-Lease Sales Halted In Gulf Coast (WSJ)

By Maya Jackson Randall

The Wall Street Journal, October 25, 2006

WASHINGTON -- The state of Louisiana and the U.S. Department of the Interior Tuesday said they have agreed to settle a lawsuit over oil and natural-gas leasing in federal waters off Louisiana's coast, with the agency agreeing to delay future offshore lease sales pending a complete environmental analysis.

Meanwhile, Louisiana, under the pact, won't object to the department issuing leases to energy companies seeking to produce oil and natural gas under Lease Sale 200, which encompasses 20.4 million acres in the Western Gulf of Mexico.

Lease Sale 200 attracted about $341 million in bids from 62 companies looking to produce oil and gas there. Development of the leases could result in as much as 252 million barrels of oil and 1.44 trillion cubic feet of gas, the Interior Department said.

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Louisiana had sued the department in July, charging that it did not conduct a proper environmental review for its Lease Sale 200 because it didn't take into account coastal environmental damage caused by drilling as well as that brought on by Hurricanes Katrina and Rita last year.

The move was seen as part of the state's battle to receive a bigger share of the revenue generated by oil and gas produced in federal waters off its coast.

"Resolving this dispute by agreement rather than litigation benefits our nation's energy security by assuring we can move ahead on the leases issued in Lease Sale 200," Steve Allred, the Interior Department's assistant secretary for land and minerals management, said in a statement.

Louisiana Gov. Kathleen Blanco called the settlement "a historic victory" for Louisiana and states' rights.

"This victory will ensure that our state has a real seat at the table, controlling our own fate as the federal government's number one offshore energy partner," Ms. Blanco said.

Louisiana fought the lease sale, she said, because it didn't want the federal government to "get away with a cookie-cutter environmental assessment" that ignored the devastation to the state's coast during the 2005 hurricane season.

"No exploration plan will even be allowed on Western Gulf Lease Sale 200, which was held in August of this year, until each plan reflects an appropriate environmental analysis and approved by the state," Ms. Blanco said Tuesday.

Although pleased with the settlement, Ms. Blanco continued to press Congress to act on policies that could help her state. U.S. lawmakers should act on a new offshore oil and gas drilling policy that would allow Louisiana to share in a greater portion of the revenues coming from oil and gas production in federal waters off the state's coast, she said, pointing out that the state has already agreed that the new drilling revenues would all go to coastal protection and restoration.

"It's time for Congress to pass a revenue-sharing bill that will allow us to get on with the business of restoring our coast and protecting the communities that support this country's offshore energy policy," Ms. Blanco said.

House and Senate drilling proponents in Congress had hoped to pass a new drilling bill in September, but those plans failed. The bill would expand energy development offshore and would have allowed Gulf States like Louisiana to share some of the revenues. U.S. lawmakers have said they will take up the issue again after the November 7 congressional elections, but it will be difficult to broker a deal on the controversial issue.

Louisiana And U.S. In Accord To Review Gulf Drilling Plans (NYT)

By Adam Nossiter

The New York Times, October 25, 2006

NEW ORLEANS, Oct. 24 — Strengthening Louisiana's hand in its quest for money from Gulf of Mexico oil drilling, state and federal officials announced on Tuesday that stiffer environmental reviews would be conducted before such drilling occurs.

The state hopes that the reviews will bolster its case that it needs more federal money to restore its devastated coast.

The announcement settles a suit that sought to block Washington's sale of offshore tracts for oil and gas exploration. The suit, filed by Gov. Kathleen Babineaux Blanco, was part of the longtime quest for more of the $7 billion in royalties that Washington receives from the oil companies in the gulf.

Local officials put the state's current share at less than 0.5 percent.

Experts say Hurricane Katrina was all the more devastating because so much of the coast protecting New Orleans has been eroded, about 25 square miles a year. Hurricanes Katrina and Rita swept away an additional 217 square miles, the equivalent of 30 years of erosion, over three weeks.

Officials and environmentalists here deem the new accord as a major victory for the state, because it implicitly acknowledges that drilling for oil and gas off Louisiana harms the coastline and contributes to devastating erosion.

That, in turn, strengthens a push by the Louisiana Congressional delegation to obtain more oil and gas royalties out of the gulf, money that the state has said it will use to rebuild the coast.

The Senate has passed a bill that would give Louisiana and other coastal states 37.5 percent of the royalties. The House has yet to agree.

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Under the new accord, the Interior Department will “go the extra mile,” in the words of a spokesman, in studying at the effects of oil and gas work in the gulf under the state’s eye.

The government will have to include the hurricanes’ effects on the coast, and new leases will not be issued until the environmental effects are reviewed.

“It’s huge,” said Prof. Oliver A. Houck, an environmental law specialist at the Tulane University Law School who contributed an affidavit to the suit. “It gives the state a great deal more leverage to insist on a better money solution.”

The suit was unusual in the context of a state that through successive governors has sought to appease, rather than confront, the oil and gas industry, which resists the idea that its activities have harmed the environment.

“It was like the calf accusing the cow,” Professor Houck said. “The state has never taken that position. Suddenly, everything the environmentalists have been saying, the state was saying.”

Governor Is Blunt To Bush (LAT)

By Michael Finnegan And Scott Martelle

The Los Angeles Times, October 25, 2006

After weeks of subtle jabs at fellow Republicans in Congress and the White House, Gov. Arnold Schwarzenegger turned more blunt Tuesday in a tart letter to President Bush. Chiding the president for ignoring his plea for more leeway to toughen California's vehicle exhaust standards, Schwarzenegger complained about "the absence of a coherent federal policy" to stop global warming.

At the same time, Schwarzenegger's Democratic challenger, state Treasurer Phil Angelides, dismissed the governor's detachment from Bush as a ruse. "Look, the Republicans are going down in this election, and Arnold Schwarzenegger is going with them, because he is part of the same team and has the same agenda," Angelides said Tuesday after a Bay Area speech to a raucous union crowd.

With the California election two weeks away, the back-and-forth captured the contrasting approaches that Schwarzenegger and Angelides are taking in the final stretch.

At tightly staged events this week in San Diego, Glendale and Oakland, Schwarzenegger has all but severed his Republican ties while playing up the value of bipartisan harmony.

He has also taken pains to widen his appeal beyond white Republican men, his most loyal supporters. At every stop, Schwarzenegger has surrounded himself with African Americans or Latinos and stuck to themes that resonate with Democrats, independents and women: the environment and education.

"They need money to refurbish this building here," Schwarzenegger said Tuesday as he toured an Oakland school to promote education bonds on the Nov. 7 ballot. "I mean, this is an old, old building, and I think that those children deserve better than that."

For his part, Angelides has raced around the state making partisan appeals to Democrats this week in an effort to maximize any boost he might get from his party's national surge in the run-up to the midterm election.

Corporate big shots are "doing better and better," but the middle class is "struggling under George Bush and Arnold Schwarzenegger," Angelides told union shop stewards at a labor conference near Oakland.

At a Pasadena picnic with 200 supporters Sunday, Angelides called Schwarzenegger a "Republican thoroughbred" pretending to be a Democrat. "In the closing days of this campaign, you won't find Arnold Schwarzenegger within 100 feet of another Republican," he said.

In what has become a rare nod to a conservative base that he once tended to assiduously, Schwarzenegger plans to appear Friday on "Hannity & Colmes," a Fox News television show to be taped on the Midway, the San Diego Aircraft Carrier Museum.

But that is an exception. For months, the governor has kept a distance from his party, a move seen as a strategic necessity in a state where just a little more than a third of registered voters are Republican. He has avoided public events with other GOP candidates and refused to endorse the party's staunchly conservative U.S. Senate nominee, former state Sen. Dick Mountjoy of

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Monrovia. And in an interview last week, Schwarzenegger sidestepped the question of how much he cares whether Republicans win other statewide races.

"To be honest with you, my focus right now is on really moving the state of California forward," he said, "and for me to get in there so I can finish all of what I envision for the future of California to be. And if this has a positive effect on the down-ticket, that's great."

As he campaigned Sunday in San Diego at black churches — a historic proving ground for Democrats — Schwarzenegger also dodged the question of whether he wants Republicans to keep control of Congress.

"I think that's a choice that the people have to make," he said. Pressed to state his own view, he said, "I myself will look at the list when I vote for my congressional delegation," and went on to praise members of both major parties.

At Faith Chapel Church of God in Christ, Schwarzenegger took another swipe at Bush and Republican congressional leaders during a doughnuts-and-orange-juice talk with children after a morning service with gospel music. He told them of steps he had taken to fight global warming and cut reliance on Mideast oil by promoting alternative energy, saying, "The sad story is that nationally, we don't have great leadership on that."

His letter to Bush, which was released Tuesday, made that case in surprisingly brusque terms. The state's request for a federal waiver to set vehicle emissions standards has been "ignored with no explanation," Schwarzenegger wrote, despite a personal letter from the governor to Bush in April.

A White House spokeswoman declined to comment directly on the letter, but said Bush had "an aggressive climate change strategy to reduce greenhouse gas intensity 18% by 2012."

The letter followed accusations by Democrats who lead the Legislature that Schwarzenegger took several steps in an executive order last week to undercut the state's new law capping greenhouse gas emissions.

Through it all, the governor has rarely uttered a word about his rival, letting his television ads portray Angelides as a tax-and-spend politician of a bygone era.

As for Angelides, he has begun keeping a frenetic pace of public events to draw local media coverage to try to help compensate for his more modest TV ad presence. He has campaigned this week in Hollywood, Arcadia, Baldwin Park, Pasadena, Santa Ana, Santa Barbara, Sacramento, Hayward and San Francisco.

His tone is combative, his pitch sharply partisan as he tries to commandeer what he describes as a coast-to-coast "tidal wave" of Democratic victories.

"We are going to end this Republican culture of corruption," he told a crowd of Democratic volunteers and precinct walkers Sunday in Baldwin Park.

To capitalize on a national political climate that favors Democrats, Angelides will appear at a UCLA rally Thursday with party Chairman Howard Dean. On Friday, three of the party's biggest stars are slated to join him at a USC rally: Illinois Sen. Barack Obama, House Minority Leader Nancy Pelosi of San Francisco and Los Angeles Mayor Antonio Villaraigosa. The mayor, who declined for months to endorse Angelides, has not campaigned with him since the day he announced support for Angelides in early September.

The Democratic nominee has also stepped up his appeals to Latinos, in part by linking Schwarzenegger to a racially charged letter discouraging Orange County immigrants from voting — even though the governor has denounced the mailing. At a rally Monday on the steps of Orange County's Old Courthouse in Santa Ana, Angelides called the mailing part of "a consistent pattern of behavior by the Republican Party."

"Gov. Schwarzenegger himself has contributed to this situation," Angelides said, citing the governor's support for Proposition 187, the 1994 ballot measure to cut public services for illegal immigrants, and his support for the Minutemen border patrol force. (In recent months, Schwarzenegger has renounced Proposition 187 and hedged, even Tuesday, on whether the Minutemen are needed.)

"He's made derogatory remarks about Mexican Americans' ability to assimilate," Angelides said. "George Bush and Arnold Schwarzenegger set the wrong tone."

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Angelides has also toughened his rhetoric in attacking Schwarzenegger's character. At a Santa Barbara park, where he gathered beneath oak trees with firefighters and other supporters, he denounced the governor's campaign fundraising as "a special interest pig fest" that belied his vow to clean up Sacramento.

"Gov. Schwarzenegger wants you to all believe he's changed," Angelides told the crowd. "You and I know men our age don't really ever change."

L.A. County Beaches Ranked Foulest In State (LAT)

By J. Michael Kennedy, Times Staff Writer

The Los Angeles Times, October 25, 2006

Heal the Bay's summer report card shows new trouble in Long Beach but some improvements elsewhere along the California coast.

Los Angeles County predictably earned the dubious honor Tuesday of having the most polluted beaches in California.

Less predictably, Long Beach jumped out as the worst offender among the worst.

But having made those pronouncements, Heal the Bay, the environmental group that routinely conducts pollution studies along the California coast, declared this one a victory of sorts. The reason: a number of the usual cellar-dwellers passed with flying colors because of recent cleanup efforts.

Mark Gold, the executive director of the Santa Monica-based Heal the Bay, pointed to such perennial polluters as Will Rogers State Beach as examples of cleanup efforts along the coast that were starting to yield results.

"It was always one of the worst offenders," Gold said of Will Rogers, which earned an A rating in the organization's annual "End of Summer Beach Report Card."

The study, which grades more than 450 California beaches, bases its findings on levels of bacterial pollution in the water. Los Angeles County received a grade of F for 29 of its 97 testing stations. San Diego County was next with three F readings, while Orange County had one. There were 37 F ratings in the entire state, compared with 278 monitoring stations that received A ratings.

Gold described Long Beach as the "biggest surprise of the summer" because its beaches normally receive good grades for water quality. But this year, only three of the 25 monitoring stations got an A or B rating. Last year, 21 of 23 stations got either A or B grades.

Gold said the source of the pollution was most likely the Los Angeles River, which dumps into the ocean at Long Beach. He said one possibility is that shifts in sediment at the mouth of the river may have redirected pollution along the coast.

The city's Marine Stadium, Mother's Beach and Colorado Lagoon have been closed for weeks because of pollutants traced to defective sewer pumps. But Gold said they were too isolated to have had such a widespread effect.

Darryl Sexton, the Long Beach city health officer, said he had not had a chance to examine the report and could not comment on it.

Gold said the next step in cleaning up the state's beaches was dependent on the passage in November of Proposition 84, which would provide $540 million to help maintain coastal waters.

"It's extremely critical," Gold said of the Clean Water and Coastal Protection Bond Act. It would provide $225 million to clean the Santa Monica, San Diego, San Francisco and Monterey bays, watersheds and rivers draining into them. The measure is opposed by several taxpayer organizations, which say it will be a cash cow for environmental groups and that paying back the $5.4-billion bond issue would drain about $350 million a year from the general fund.

Although Gold was upbeat about the report, other areas in Los Angeles County pulled down the grades for that strip of coastline. The Santa Monica and Redondo pier areas both earned Fs in the study, while Dockweiler State Beach and Manhattan Beach at the 28th Street drain earned Ds.

Also receiving poor grades, as it has in the past, was the beach at Avalon on Catalina. It has been plagued by the aging town sewer system, which is in need of repairs and updating.

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In another recent study, Heal the Bay also took a more detailed look at the Santa Monica Pier, whose waters tested positive for large amounts of bacteria. The study said the predominant source of the bacteria was most likely the pollution pond in front of the pier storm drain, which is being cleaned up.

In other parts of the state, the beaches of Santa Barbara County suffered a marked decline this year, with six of the 20 monitoring stations receiving fair to poor grades. In Orange County, 90% of the beaches received A ratings, including Doheny Beach, a perennial polluter. Monarch Beach, in Dana Point, improved from an F last year to a B this year.

Overall, most of the state received good grades from Heal the Bay. Receiving A's were San Diego, Ventura, San Luis Obispo, Monterey, Santa Cruz, San Mateo, San Francisco, Sonoma and Humboldt counties.

Heal the Bay is one of the largest nonprofit environmental groups in Los Angeles County.

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FBI/DEA/ATF/USMS:

New E-mail Scam Using FBI Name (AP)

By Lara Jakes Jordan

AP, October 25, 2006

WASHINGTON (AP) — Think twice about answering e-mail from G-man.

A new Internet scam promising cash for responding to a document request claims to be from FBI Director Robert S. Mueller. The top government cop's request is followed by a second e-mail threatening that "failure to comply will result in charges being brought against the individual by the FBI."

"This e-mail is a hoax," the FBI said in an alert to consumers that was posted Tuesday on its Web site. "Do not respond."

The same e-mail address, which was not released, was used to send both messages, the FBI said.

The first, claiming to be penned by Mueller, advises recipients that they are eligible for a large sum of money that they can claim with an FBI Identification Record and a Certificate of Ownership. The e-mail includes official information, taken from the FBI Web site, that defines what the records are and how they can be obtained.

The follow-up e-mail appears to be sent from a lower-level FBI official, who demands that a fee be sent to "FBI Nigeria" which will issue the certificate.

"At this point the message becomes more threatening, stating the FBI has investigative programs which can track down those who fail to provide the requested documentation," the FBI said on its Web site.

The spammed scan is the second in as many months to appear to be from Mueller. In September, authorities were alerted to a circulating e-mail, which referenced Mueller's name and office address, that urged recipients to send money to secure prizes won in an international lottery.

E-Mail Hoax Claims To Be From FBI (ABC)

By Jason Ryan

ABC News, October 25, 2006

WASHINGTON, Oct. 24, 2006 — Just because that e-mail says it comes from the FBI, doesn't mean you should trust it.

The FBI's Internet Crime Complaint Center has warned Internet users and others to be aware of a hoax e-mail that claims to come from FBI Director Robert Mueller and other FBI officials.

According to the Internet Crime Complaint Center — or IC3 — notice, the hoax e-mail advises the recipient that he is the beneficiary of a large sum of money. It states further that in order for him to claim the money, the recipient must provide an FBI Identification Record and a Certificate of Ownership.

The e-mail contains information lifted from the FBI's Web site that descibes what an Identification Record is and how to obtain it from the FBI's Criminal Justice Information Services Division.

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The e-mail concludes with a threatening "If you fail to provide the Documents to us, we will charge you with the FBI and take our proper action against you for not proofing to us the legitimate of the fund you are about to receive. Faithfully Yours, FBI Director Robert S. Mueller, III"

FBI officials say the hoax is a typical Nigerian scam, which has become more prevalent in recent years. Many of the people who fall victim to these scams are elderly or foreign-born individuals.

Later, individuals receive a second, more threatening notice, claiming to come from Donna Uzzell, another senior FBI official, which says, "It has come to the attention of our Money Trafficking investigation department, that you have some funds valued at U.S $10.5 Million to your name. … You are under an observational /Investigation in connection with money laundering."

The warning from the FBI's Internet Crime Complaint Center, "At this point the message becomes more threatening, stating the FBI has investigative programs which can track down those who fail to provide the requested documentation. It further states failure to comply will result in charges being brought against the individual by the FBI. THIS E-MAIL IS A HOAX. DO NOT RESPOND. Be cautious when responding to requests or special offers delivered through unsolicited e-mail."

Feds Arrest Three, Seize $27M In Cocaine And Ice (ATBC)

The Atlanta Business Chronicle, October 25, 2006

Federal officials have busted three Mexican citizens living in metro Atlanta on charges of conspiracy to distribute cocaine and crystal methamphetamine ('ice").

The U.S. Drug Enforcement Administration (DEA) and the U.S. Attorney's Office jointly announced the filing of a federal criminal complaint against Leonardo Garcia-Miranda, 30, of Hapeville, Ga.; RamonLuis Soto-Maciel, 29, and Rafael Heredia-Ramos, 42, both of Jonesboro, Ga. and all citizens of Mexico, on charges of conspiracy to distribute cocaine and crystal methamphetamine ('ice").

DEA also seized 145 pounds of ice and 72 kilograms of cocaine -- with a street value of $27 million -- in a house in Clayton County searched in conjunction with the arrests.

According to the Criminal Complaint filed in this case, a joint investigation began about a month ago, DEA and DeKalb County Police on Oct. 23 made a controlled purchase of about 1 kilogram of cocaine from defendant Soto-Maciel. A confidential source and defendant Miranda, who allegedly brokered the deal, were stopped shortly after leaving the site of the transaction. The cocaine was recovered and Miranda was arrested. A subsequent consent search of Miranda's home in Hapeville allegedly resulted in the discovery of approximately 4 ounces of "ice," packaging materials and a scale used to weigh drugs.

DEA agents continued their surveillance on Soto-Maciel after the transaction was completed. After visiting and exiting a house in Clayton County, Soto-Maciel was approached by DEA agents and fled, throwing down a package in the process. He was apprehended and the package recovered. The package allegedly contained "ice."

The third defendant, Ramos, was observed standing in the doorway of the residence from which Soto-Maciel had fled. Ramos was detained. Agents then got written consent to search the house from Soto-Maciel and Ramos, both of whom claimed to live there. In the house, agents allegedly recovered approximately 72 kilograms of cocaine and 145 pounds of "ice."

"Once again good cooperative law enforcement work by federal and local agencies has led to a Mexican drug kingpin's losing millions of dollars worth of meth and cocaine," said U.S. Attorney David E. Nahmias. "These arrests and seizures remind us that metro Atlanta remains a major drug distribution hub. But we will maintain our focus on attacking these drug trafficking organizations until they decide that they don't want to risk operating in our communities."

Neighbors Aghast At Drug Bust Rental House In Clayton Full Of 'Ice' (AJC)

By Kathy Jefcoats, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, October 25, 2006

Neighbors in the otherwise quiet Old South subdivision in eastern Clayton County were stunned to learn Tuesday that the mud brown ranch on the corner was a stash house containing, police say, $27 million in illegal drugs.

"I was just floored, scared for the kids, my family, and saddened at the state of the community is such that I have to educate my kid more about drugs," neighbor Dale Shaw said.

"It's just insane. God knows what goes on right under your nose."

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U.S. Drug Enforcement Agency Administration agents raided the well-kept home at the corner of Wood Hollow and Old South lanes Monday. U.S. Attorney David E. Nahmias said agents took 145 pounds of crystal methamphetamine, known as "ice," and 72 kilograms of cocaine from the home.

Three Mexican citizens, Leonardo Garcia-Miranda, 30, of Hapeville and Jonesboro residents Ramon Luis Soto-Maciel, 29, and Rafael Heredia-Ramos, 42, are charged with conspiracy to distribute cocaine and crystal methamphetamine, federal officials said.

Soto-Maciel and Heredia-Ramos rented the Jonesboro home from its owner, a former long-term resident, who now lives in McDonough, said neighbors Coley and Sandra McWilliams.

They said the men had only been there a few weeks. "[The owner] tried to sell it, but no one wants to buy in Clayton County," Coley McWilliams said. "Clayton has become a mecca for crime, it's terrible."

The owner could not be reached for comment Tuesday night.

Neighbors said the men kept to themselves.

"They did a lot of yard work," Sandra McWilliams said. "I never saw a lot of cars or even visitors over there. They weren't noisy or anything."

Clayton County Assistant Police Chief Jeff Turner said the men kept a low profile.

"But that's what you'd expect if you had that amount of drugs and money around," he said. "You'd keep to yourself, not attract any attention."

Although agents reported only finding the drugs, Shaw wondered about the presence of guns, another safety factor.

"With that kind of stash and money, there is usually fully automatic weapons," he said. "That is a definite concern."

On Monday, DEA agents and DeKalb County police made a controlled purchase of about

1 kilogram of cocaine from Soto-Maciel, Nahmias said. A confidential source and Miranda, who allegedly brokered the deal, were stopped shortly after leaving the site of the transaction, he said.

The cocaine was recovered, and Miranda was arrested. A subsequent consent search of Miranda's Hapeville home resulted in the discovery of about 4 ounces of "ice," packaging materials and a scale used to weigh drugs, Nahmias said.

DEA agents continued their surveillance on Soto-Maciel after the transaction was completed. After visiting and exiting the Jonesboro home, Soto-Maciel was approached by DEA agents.

He fled, throwing down a package in the process, authorities said. Soto-Maciel was caught and the package, allegedly containing ice, was recovered.

Ramos was seen standing in the doorway of the Jonesboro home and was detained. Agents then got written consent from Ramos and Soto-Maciel to search the house.

The arrests are the culmination of a monthlong federal investigation by U.S. Department of Drug Enforcement Agency Administration and DeKalb Police Department.

DEA Seizes $27 Million In Meth, Cocaine (ND)

News-Daily, October 24, 2006

The United States Drug Enforcement Administration and a metro-area drug task force has seized 145 pounds of crystal methamphetamine and 72 kilograms of cocaine from a Jonesboro house.

The seized drugs are worth an estimated street value of $27 million, United States Attorney David Nahmias said.

DEA officials believe the drugs, seized in a bust Monday, were being delivered to the house from Mexico and stashed there. They were then being delivered from Mexico to 2829 Wood Hollow Lane in Jonesboro and then distributed from Jonesboro to be sold on the street in Atlanta and in other cities along the East Coast, officials said.

DEA Special Weapons and Tactics unit, assisted by uniformed Clayton County Police officers, DeKalb County Police and the DeKalb County Sheriff's Office, raided the house Monday, arresting three men and seizing the drugs along with drug paraphernalia and large amounts of cash.

The agencies' cooperation led to "a Mexican drug kingpin in Mexico losing millions and millions of dollars," Nahmias said.

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The three men were all citizens of Mexico and are allegedly connected to a Mexican drug cartel. Ramon Luis Soto-Maciel, 29, and Rafael Heredia-Ramos, 42, were living in Jonesboro. Leonardo Garcia-Miranda, 30, was living in Hapeville.

The men are facing federal charges of conspiring to distribute meth and cocaine.

DEA Special Agent in Charge Sherri F. Strange said the seizure is a sign that Atlanta continues to be a major hub for drug trafficking, especially meth.

"What we cannot be numb to is there are real people out there using meth," she said. "Let every smuggler hear me loud and clear: DEA and our law enforcement partners will not rest until every dope dealing, poison peddling meth distributor is behind bars."

Fifty to 75 percent of all meth seized on the East Coast is seized in Atlanta, Strange said.

Clayton Police Assistant Chief Jeff Turner said the drug bust is an example of what can be done when law enforcement agencies work together.

"This is just a small amount of effort," Turner said. "This is what we can do if we all work together."

Turner said the Clayton Police had not received any calls about the house because "stash houses" don't have the sort of high-intensity traffic that attracts neighbors' attention to houses where people are dealing drugs.

"Stash houses" can be identified, Strange said, by the fact that no one comes or goes from the house, someone is staked out watching the house and lights are always on.

Turner said Wood Hollow Lane has not been a problem area for Clayton Police. There was an electrical fire at the address a few years ago, but besides that officers had not received calls to the house, Turner said.

"But if you have drugs in Clayton County," Turner said. "We're going to be coming for you. We're coming to get you."

Drug Bust Nets Meth, Thousands In Cash (WSB)

WSB-TV, October 24, 2006

ATLANTA -- Federal agents seize pounds and pounds of meth and cocaine in metro Atlanta – along with thousands of dollars in cash.

This latest drug bust is bringing more than drugs and money – it's also bringing a title Atlanta does not want. Agents tell Channel 2 the metro area is now the largest meth distribution hub on the east coast.

Agents with the Drug Enforcement Administration says it's a balancing act. They say they've reduced the number of local meth labs but are working to also crack down on international shipments which make Atlanta number one for meth distribution on the east coast.

For most people it's hard to understand the impact of getting 145 pounds of methamphetamine off the streets.

"What's noteworthy about this case is the 145 pounds of ICE can easily yield over 300,000 dosage units," said DEA Special Agent Sherri Strange.

That's 300,000 hits of the drug that won't happen now. Good news, especially when you consider where agents say Atlanta ranks as a meth distribution hub.

"I think on the east coast, Atlanta is number one unfortunately," said Special Agent Strange.

That means the crimes associated with distributing the drugs stay here as well. Agents just caught three men linked to the Mexican drug cartel for the drugs – 145 pounds of meth, and 72 kilos of cocaine -- most of them found in a Clayton County home.

The undercover operation that led to the three men who were arrested included DEA agents as well as law enforcement in DeKalb and Clayton counties. Agents say that kind of cooperation will lead to more arrests.

Record Drug Bust In Clayton Co. (WXIA)

WXIA-TV, October 24, 2006

Residents of a Clayton County subdivision were stunned to learn what federal agents found inside a home in their neighborhood.

The Drug Enforcement Agency says they found 145 pounds of ice -- the crystallized form of methamphetamine -- 27 kilos of cocaine, and more than $100,000 in cash.

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Investigators say the home was being used as a stash house by three Mexican nationals who were distributing the drugs for a drug kingpin in Mexico.

The DEA says it's another indication Atlanta is a meth hub.

"With the recent seizures of meth and ice in Atlanta, each one being larger than the other one, I don't want us to become numbed by the numbers," said DEA Special Agent-in-charge, Sherri Strange.

It is the third-largest seizure of meth for the DEA in Atlanta.

Some of the drugs were already being distributed on Metro Atlanta streets. It was a street-level undercover buy in Hapeville that lead police and federal agents to the Clayton County home.

Second Internet Pharmacy Closed (NOTP)

By Mark Waller, East Jefferson Bureau

New Orleans Times-Picayune, October 25, 2006

Sales of painkillers draw DEA attention

Federal agents shut down and searched an Elmwood pharmacy they suspect of shady Internet business practices on Tuesday, marking the second crackdown of its kind in East Jefferson this month, officials said.

Agents removed cardboard boxes of drugs while executing a federal search warrant shortly after 2 p.m. at Pharmacy 101 in the Elmwood Plaza Shopping Center on Jefferson Highway at Edwards Avenue. Workers at nearby businesses said they were relieved.

"I couldn't be any happier," about the pharmacy's closing, said Al Alcock, owner of nearby Big Easy Tools. "I think almost everybody here's noticed something weird going on ever since they opened up. Some of the people were questionable whether they were desirable."

Unlike the previously shuttered Elite Pharmacy, located farther west off Jefferson Highway in River Ridge, Pharmacy 101 began as a retail operation about two years ago and later added Internet sales, investigators said.

Elite sold prescription drugs exclusively on the Internet and took no walk-in patients, so when agents arrived there Oct. 10, neighbors said they had never noticed anything troubling.

But similar to Elite, Drug Enforcement Administration officials said huge purchases of painkillers drew their attention to Pharmacy 101. They said the pharmacy was Louisiana's largest purchaser of oxycodone, used in Oxycontin, and the third-biggest purchaser of hydrocodone, found in Lorcet, Lortab and Vicodin.

Officials did not specify the amounts of drugs processed at the pharmacy, but they removed several boxes of Lorcet and Lortab.

They said the pharmacy also had supplies of the anti-anxiety drug alprazolam, known as Xanax, the muscle relaxant carisoprodol, known as Soma, the painkiller hydromorphone, found in Dilaudid, and the painkiller methadone.

William Renton, special agent in charge of the New Orleans DEA office, said the pharmacy raised concerns similar to Elite by filling online prescriptions between doctors and patients in different states, meaning the prescribing doctors could not have properly examined the patients.

He said the handling and storage of controlled substances at Pharmacy 101 was sloppy, including drugs kept in cardboard boxes scattered on the floor.

He said the pharmacy's ownership was hazy, with the business changing hands recently and the new owners failing to secure the state and federal registrations necessary to run a pharmacy.

Both the DEA and the Louisiana Board of Pharmacy investigated Tuesday, as Jefferson Parish sheriff's deputies helped manage the scene. Nobody was arrested.

"We determined that this location is a hazard to the public interest," Renton said, standing in front of the closed pharmacy. "We decided to seize the inventory of this location."

The Louisiana secretary of state lists the pharmacy's directors as Harry H. Harris III and Robert L. Richey. Harris could not be reached Tuesday. Asked about the pharmacy by telephone, Richey said: "I have no comment with regard to that."

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The state Pharmacy Board listed Cheryl A. Batiste as the pharmacist in charge at Pharmacy 101. Attempts to reach Batiste were unsuccessful Tuesday.

During the raid, beginning about 9:30 a.m. and lasting all day, several customers arrived at the pharmacy only to be turned away by deputies. The neon "Open" sign was off and the door was locked.

"These are good people," said Margaret Vedrenne of Chalmette, after finding the pharmacy closed and growing irritated by the commotion.

Cassandra Boudreaux of Metairie said the closing prevented her from being able to fill a painkiller prescription because she needed the pharmacy to contact her doctor to verify that it could not provide her medicine, allowing the doctor to write another prescription she could use elsewhere.

"I just need them to void it and fax it back to my doctor," Boudreaux said. "I won't use them no more," she said about the pharmacy

Renton said the raids Tuesday and earlier in the month were part of a nationwide crackdown on Internet pharmacies. Also Tuesday, he said, investigators searched the office and residence of an Internet provider in Houma related to Pharmacy 101.

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Mark Waller can be reached at mwaller@timespicayune.com or (504) 883-7056.

Texas Drug-run Ends In 5 Arrests, Half-ton Of Pot (FWCOM)

By Dionne Waugh

FortWayne.com, October 25, 2006

Federal prosecutors have accused five men of drug distribution in the transportation of 1,000 pounds of marijuana – packaged in bales – from Texas to Fort Wayne.

Juaquin Tapia, 54, of Brownsville, Texas; Andres Cuellar, 44, of La Rosita Coahullia, Mexico; Jose Ramirez, 57, of Fort Wayne; Jose Hernandez, 40, of Goshen; and Enedeo Rodriguez Jr., 25, of Warsaw were all charged last week with conspiracy to possess with intent to distribute more than 100 kilograms of marijuana. Hernandez has also been charged with possession with intent to distribute more than 100 kilograms of marijuana.

The charges were announced this week.

According to federal court documents, an undercover Texas Immigration and Customs Enforcement agent tipped off authorities to the plan.

According to the agent, Tapia hired him to drive the drugs to Fort Wayne, telling him he would be paid $100 a pound and initially giving him $500. Cuellar told the undercover agent to contact Hernandez when he arrived in Fort Wayne, court records stated.

Under control of customs' agents, the marijuana was transported to Indianapolis and then Fort Wayne on Oct. 16. Surveillance units from customs, Indiana State Police, the federal Drug Enforcement Administration and the Indianapolis Police Department worked together on the case.

In Fort Wayne, the undercover agent contacted Hernandez, who brought the agent and drugs to a house in the 1700 block of Gable Road and that is owned by Ramirez, according to court records.

Hernandez called Ramirez and told him "the girls are in town," which is slang for drugs, court records stated.

Hernandez paid the undercover agent $14,000 in cash and said Ramirez had between $15,000 and $20,000 in the house and would pay him when he arrived, according to court records.

Officers raided the house when the men split up later that night. After searching the house, officers found 83 bundles, or about 1,000 pounds, of marijuana, plus packing materials, scales, $14,500 in cash, a loaded .380-caliber firearm and 20 to 30 additional pounds of marijuana, according to court records.

All five men were arrested. When questioned by agents, Hernandez said he would be paid $10,000 for his role in the delivery, and that he had brought marijuana to Ramirez's house before, court records said.

Hernandez also said that he and Rodriguez were the distributors and Rodriguez was the broker who made the payment, according to court records.

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dwaugh@jg.net

4 Face Charges After Raid Of Green Cross Dispensary (DB)

Daily Breeze, October 24, 2006

Federal agents seized about 70 pounds of marijuana along with nearly 100 pot plants, a shotgun and a small amount of cash during last week's raid of a medical marijuana dispensary in Torrance, a Drug Enforcement Administration spokeswoman said Monday.

Though the DEA claimed no arrests, police working for a county task force jailed four people who arrived later that day to sell cannabis to the co-op.

Facing charges of possession and transportation of a controlled substance with intent to sell are Brian Keldoff, 47, of Lawndale; Cory Zila, 20, of Mammoth Lakes; Kelly Culver, 26, of Newport Beach; and John Ornguze, 24, of Ladera Ranch.

Authorities began their search about 2:15 p.m. Thursday in the 22900 block of Hawthorne Boulevard, where Green Cross of Torrance had been in business since April.

Witnesses said police and federal DEA agents blocked the entrances of Green Cross' parking lot before a half-dozen or so officers approached the business with their guns drawn.

Marijuana-laced food was among the items seized, DEA Special Agent Sarah Pullen said.

Following the raid, four people were taken into custody after they allegedly attempted to sell pot to undercover detectives working for LA IMPACT, a countywide task force with an emphasis on drug trafficking.

"Within a five-hour time span, four people came in and essentially offered to sell marijuana to the facility," Torrance police Lt. Rod Irvine said.

That led to the additional confiscation of more than 20 pounds of pot and more than 60 vials of hash oil, a concentrated form of cannabis.

Though state law permits the regulated growth of marijuana for medical use, the would-be vendors were not authorized to cultivate or sell the drug, Irvine said.

Investigators searched the dispensary because they suspect Green Cross director Rafael Chavez and his brother, Edward Chavez, have been illegally selling pot to customers with no medical conditions, according to a DEA affidavit.

Chavez could not be reached for comment Monday, but he has repeatedly defended his establishment, saying it offers "compassion" to patients suffering from chronic pain and disease.

In 1996, California voters passed Proposition 215, allowing doctors to recommend marijuana to patients afflicted with cancer, anorexia, AIDS, glaucoma and other illnesses.

But the state initiative does not supersede federal law, which maintains it is illegal to grow, possess or use the drug.

"For the most part, I don't know what's going on, but I do think it's not good for all these patients that are relying on this," Chavez told the Daily Breeze after the raid last week. "It's legal in California, and I'm being harassed by federal agents."

Green Cross opened its doors in Torrance on April 20, prompting some concern among local officials. On Aug. 1, the City Council responded by passing an ordinance denying business licenses to marijuana dispensaries and other establishments considered out of step with federal law.

With its current license set to expire in December, the dispensary remained open.

In the weeks prior to Thursday's search, investigators surveyed the dispensary at least twice. According to the affidavit, a team of agents and police officers watched 25 customers stop by the co-op during a two-hour span on Oct. 10.

Police pulled over the customers as they drove away, and those who were questioned admitted purchasing various types and quantities of the drug, which ranged from $55 to $70 for an eighth of an ounce.

Pullen, the DEA spokeswoman, said Monday that no charges had been filed as a result of the evidence collected during last week's search. But, she added, the investigation is ongoing.

"Obviously," she said, "we build cases in an attempt to dismantle and disrupt organizations."

Imported Meth: State's New Scourge? (INDYSTAR)

By Paul Bird

DOJ_NMG_0085904

The Indianapolis Star, October 25, 2006

'Ice' heats up amid war against Indiana-made drug

Greenwood police have seized $300,000 of methamphetamine -- a drug that police in Indiana have been fighting hard to eradicate -- in a bust involving a highly addictive and often-imported variety called "ice."

About methamphetamine

• Ingestion: Smoked, snorted, swallowed, injected.

• Sample of ingredients: Alcohol; ether; benzene; toluene/paint thinner; Freon; acetone; chloroform; camp stove fuel; anhydrous ammonia; iodine crystals; red phosphorous; black iodine; lye; Drano; battery acid/sulfuric acid; Epsom salts.

• Indiana meth vs. Mexican ice: In Indiana, clandestine labs are operated in many places, including houses, sheds and moving vehicles, and the meth that's made is a very basic form, often diluted with chemicals. The ice methamphetamine originating in Mexico is refined further to form crystals that turn the substance into a purer, more potent drug.

Sources: U.S. Drug Enforcement Administration, Greenwood police, Associated Press

Police say ice, often three times as pure and expensive as its Indiana-made counterpart, typically travels a route that begins in Mexico, crosses the border and then is distributed across the United States.

"They jam our borders with up to a dozen semis at a time, and they know that every one of them can't be checked," said Matt Fillenwarth, investigations commander for Greenwood police. "If four trucks are found loaded with drugs, that means eight more got through."

Greenwood police arrested two men Friday and seized 2 pounds of crystal methamphetamine, nicknamed "ice" on the street because it is almost transparent.

Federal authorities had warned local police that Mexican ice had been found in the northeastern United States and soon would be reaching the Midwest, said Greenwood Police Chief Joe Pitcher.

"This is even more telling, because finding this substance here is telling us the local meth flow is drying up and the users are seeking a foreign source, and we know it is from Mexico," Pitcher said.

Ten Greenwood police officers and a federal Drug Enforcement Administration agent arrested the two suspects after the men traveled to a McDonald's restaurant at 1197 S. Park Drive, just off I-65 in Greenwood, to deliver a pound of the drug. The deal was made through a police informant.

Arrested Friday on charges of dealing methamphetamine were Vincente Linares-Avila, 26, 1900 block of Fox Hill Drive in Indianapolis, and Oscar Medival-Cota, 26, who is thought to be an Arizona resident.

A man agreed by telephone to sell 4 pounds of the drug to an undercover narcotics officer for $12,500 per pound, Fillenwarth said. They arrived at the restaurant about 7 p.m. and were arrested as they were leaving.

Police found a pound of the drug in the car and another pound at a house near 62nd Street and Michigan Road in Indianapolis, where one of the men lived. The drug was described as highly refined, and DEA chemists in Chicago will examine it.

"That's the most ice I've ever seen in one arrest," Fillenwarth said.

The network that police suspect the two men belong to is predominantly Hispanic, and authorities think the drugs were smuggled from Mexico to Arizona before being transported to Indiana, Fillenwarth said.

Authorities also suspect members of that network to be what are known as "polydrug dealers," because they work in professional labs where they turn out not only ice, but also marijuana, cocaine and black-tar heroin.

Fillenwarth described the ice police seized Friday as being about 90 percent pure, compared with meth produced in Indiana, which is only about 20 percent to 30 percent pure.

"It only takes a fraction of it to get high and addicted," he said. "It is potent stuff."

Dealers often "cut" the drug, or dilute it, to increase their profit.

"This stuff we confiscated could be at least tripled in volume, if not more," Fillenwarth said. "And what was selling for $300 a gram originally now is selling for $900 a gram."

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Police think local meth production had been declining recently. They cited a 2005 state law that restricted access to cold and allergy medicines that contained a key ingredient in meth's production. In the year since the law's inception, meth lab seizures dropped 25 percent statewide, from 1,109 to 846.

Fillenwarth said the decline in clandestine labs has enhanced the Mexican drug business.

"These Mexican labs are professional labs and turning out lots of illegal drugs," he said. "Six years ago, the troublesome drug was crack cocaine. Now the problem is ice, and next year it could be something new.

"Ice makes someone crazy when they are coming down after being up without sleep for three or four days straight," he said. "They'll do some terrible things."

Call Star reporter Paul Bird at (317) 444-2709.

Doctor Gets Long Sentence For 'prescription Mill' (FLJOURNAL)

By Kim Crawford

Flint Journal (MI), October 25, 2006

A one-time Flint Township doctor who was convicted earlier this year for distribution of narcotic drugs will spend the rest of his life in prison, a federal judge ruled Monday.

"You were running a prescription mill," U.S. District Judge Paul V. Gadola told Mukunda D. Mukherjee of Fenton, who formerly practiced as an M.D. "What you've done was destructive to people, destructive to families and destructive to society."

Mukherjee, 64, said that he had made "bad decisions" and that his life had gone into "a downward spiral." His wife of more than 30 years also is divorcing him, he said.

Mukherjee was indicted in

June 2004 on one charge of conspiracy to distribute controlled substances and 53 felony and misdemeanor counts of illegal distribution of various prescription pain killers, including Oxycontin, Vicodin, morphine and drugs with codeine.

Patricia Garner, a worker in Mukherjee's office, and her husband, Jason K. Garner, were also indicted.

The investigation had started some four months earlier. Tipped off by a confidential informant, agents of the federal Drug Enforcement Administration and the state-local narcotics units, the Flint Area Narcotics Group and the Bay

Area Narcotics Enforcement Team started a probe. The Genesee County Sheriff's Department was also involved, said the U.S. attorney's office in Detroit in a statement released after the sentencing.

During the investigation, undercover officers saw long lines of people, some from other states, waiting to get into Mukherjee's office on Professional Drive in Flint Township to get prescriptions for powerful pain killers.

The prospective patients paid doctor's office employees to move up on the waiting list to see the doctor. Two undercover officers and the confidential informant were given prescriptions of Vicodin, cough syrup with codeine, a morphine-type drug and other controlled prescription drugs on multiple occasions.

A detective testifying about her dealing with Mukherjee said that she was never examined by the doctor. He typically charged $45 for the first prescription and $90 for a second, postdated prescription, while his employees charged fees of $20, $50 and $60 to people who wanted to get in to see him.

The Garners pleaded guilty in April of this year and were sentenced - she to 2 years in prison, and he to 6 months.

Mukherjee was convicted on 44 of the counts against him in a trial this year.

Mukherjee's combination of 12 consecutive 20-year sentences, 14 consecutive 5-year sentences and 18 1-year sentences, totaling 328 years, will effectively keep him in prison for the rest of his life.

The doctor's attorney said he would appeal the sentence. Mukherjee protested after the sentencing that he had "brought down by criminals" and that he'd only been trying to help people.

The government also has seized $169,000 from Mukherjee's five bank accounts, according to court documents.

FLINT: Doctor Gets 328 Years For Giving Drugs To Addicts (FREEP)

Detroit Free Press, October 25, 2006

A federal judge has sentenced a Flint-area doctor to 328 years in prison for illegally prescribing prescription drugs, one of the stiffest sentences ever handed down in an illegal prescription case in eastern Michigan.

U.S. District Judge Paul Gadola imposed the sentence Monday on Mukunda Dev Mukherjeree, 64, of Fenton. A jury convicted Mukherjeree in February of 44 counts of illegally prescribing Oxycontin, Vicodin and Phenergan with codeine and morphine at his office in Flint in 2003-04.

The counts carried maximum penalties of 1, 5 and 20 years in prison, and Gadola took the unusual step of making them all consecutive.

Gadola also ordered Mukherjeree to forfeit $150,000 in assets.

U.S. Attorney Stephen Murphy said the severity of the sentence "should be an object lesson to any unethical medical professionals who would use their prescription-writing authority to put dangerous narcotics into the hands of addicts."

The Drug Enforcement Administration, the Bay Area Narcotics Enforcement Team, the Flint Area Narcotics Group and the Genesee County Sheriff's Department investigated the case.

HARRISON TOWNSHIP: Meth lab on wheels has resident facing charges

It seemed like any other red two-door sedan wheeling over Harrison Township roads.

But after a traffic stop, Macomb County Sheriff's deputies soon realized the 1993 Grand Prix was a portable methamphetamine lab.

The woman operating the car, Tina Zilliox, is scheduled for a preliminary exam next Tuesday in 41B District Court in Clinton Township. She faces multiple felony charges, including operating a meth lab.

The charges stem from an incident about 1:30 a.m. Oct. 16, when deputies say they spotted Zilliox, 42, a township resident, driving erratically. When they pulled over the car, they discovered she had an expired registration and an outstanding warrant in Flint for meth and marijuana possession, the sheriff's office said Tuesday.

Inside the trunk was a cooler bag with household products commonly used to cook meth. The traffic stop was then treated as a hazardous-materials scene, requiring assistance from a State Police unit that secures meth labs.

Sheriff's Capt. Tony Wickersham said the items were "all chemicals that you can buy over the counter at any store, but when mixed together and inhaled, can create a dangerous area."

Zilliox is being held in Macomb County Jail in lieu of a $20,000 bond.

SOUTHFIELD: Hearing today on plan to clear trees for church

Just west of the Code House at Mulberry and Civic Center is a woods that could be displaced by a church.

A public hearing on a site plan for the Mitcham A.M.E. Churchall is set for 6:30 p.m. today in the Southfield Pavilion, 26000 Evergreen. A Planning Commission recommendation is to go to the City Council.

The church owns 5 acres, and Southfield owns a 4 1/2-acre woods west of the house, said Nik Banda, planning director.

More than 40% of the trees would be taken to make way for the proposed 9,100-square-foot church, he said.

The city is requiring a wall around three sides of the building to shield residents from lights and noise.

Compiled by David Ashenfelter, Christy Oyama-Arboscello and Julie Edgar.

Alleged Pot Farmer, After A Smug Remark, Hears The Feds' Retort (STNIA)

By John Annese, Staten Island Advance

Staten Island Advance (NY), October 25, 2006

N.C. man facing 10 to life on new charges involving an Island warehouse

More than a year ago, when federal drug agents raided his 600-plant marijuana warehouse in Port Richmond, Scott Lawler said the loss was disappointing, but "it could have been worse," the feds allege.

Now it's worse.

A federal grand jury has indicted the North Carolina man on federal drug manufacturing charges -- charges that could bring him 10 years to life in prison.

On Aug. 29, 2005, agents with the federal Drug Enforcement Administration armed with a search warrant raided a warehouse at 116 Faber St. in Port Richmond, within 300 feet of two churches and 600 feet of a Catholic school.

Inside, they found about 600 marijuana plants "in various stages of maturity," as well as a number of plants partially flushed down a toilet, according to papers filed in Brooklyn Federal Court.

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That day, the feds arrested Grzegorz and Adriana Lyp, the New Jersey couple who were allegedly taking care of the warehouse when the raid took place. Adriana was never charged, while Grzegorz, who waived a grand jury indictment back in May, faces drug manufacture charges.

Lawler, whose name was on the warehouse lease and who paid the security deposit with a personal check, was arrested this summer. The grand jury indicted him this month.

About a week after the raid, law enforcement officials intercepted the Lawler's "it could be worse" conversation, the feds allege. Lawler said he still had some "seeds," and that he'd help start up a new location when he came back to New York for the Christmas holidays.

Lawler's attorney, Bradley D. Simon, declined comment yesterday, and a message left at Lawler's Wilmington, N.C., home was not returned.

The company that owns the warehouse belongs to Pasquale (Pat) Pappalardo, of Joe & Pat's Pizzeria in Castleton Corners.

Pappalardo expressed shock yesterday about the DEA's marijuana find, though he remembered a visit from detectives at his real estate office last year.

Though he didn't recall meeting Lawler, Pappalardo said the warehouse's tenants paid month-to-month and told him they were using it as an art studio to create sculptures.

"Because nobody was ever there, they were the only people in the building, and they were paying on time, there was no reason to question it," he said. "I guess you never know, it's a different business they were in."

The DEA caught wind of the pot-growing operation back in March 2005, when a confidential source who had flipped after a drug conviction tipped them off about the warehouse, according to court papers.

Agents visited the brick two-story Faber Street building several times. It looked abandoned -- the windows were boarded up, according to court papers.

But in April 2005 , the agents saw people visiting the building to drop off construction material. Two agents walked by the building and smelled "a strong skunk-like odor," court papers allege. And later on, a drug-sniffing dog sniffed out traces of a controlled substance at the front doors.

When the DEA checked electricity records, agents found the building spent $1,300 a month on power -- enough power to run a deli six days a week, and certainly more than a boarded-up warehouse would need, the feds allege.

And the city's water inspectors hadn't been able to read the warehouse's water meters for two years, because they couldn't get access to the building, the feds allege.

When the DEA came knocking on Aug. 29, 2005, they spotted Grzegorz Lyp get out of his car and enter the warehouse, according to court papers. His wife, Adriana, waited in the car.

The feds approached her and asked her to call her husband on her cell phone. And even though the agents told her not to tip him off to their presence, Mrs. Lyp immediately blurted out, "The cops are here."

One of the agents talked to Lyp over the phone and asked he come downstairs, and Lyp responded that he'd be out "in one minute," court papers said.

When Lyp didn't emerge, the agents went in. The agents were about to open a steel door on the second floor when Lyp opened the door, revealing the marijuana harvest, the feds say.

"A number of plants were recovered from the toilet, in an apparent attempt to discard of them," DEA agent Gaetano DiPasquale wrote in one court statement.

Lawler has been released on $200,000 bail, and is forbidden from contacting Lyp. Lyp has been released on $400,000 bail.

John Annese is a news reporter for the Advance. He may be reached at annese@siadvance.com.

Convicted Doc Accuses Feds Of Double Cross (MDH)

By Jo Ann Hustis, Herald Reporter

Morris Daily Herald, October 25, 2006

Dr. Edwin to serve 6 months for not tracking painkillers

DWIGHT - Dr. Parambaloth Edwin believes the federal government spent five years and $5 million just to hand him six months in jail.

"A lot of money for nothing," he said Monday, in the wake of his sentencing in federal district court in Chicago for failure to accurately track tens of thousands of tablets of prescription painkillers he dispensed through the years to patients.

"They sentenced me for not accounting for 50,000 pills. They'd taken the records from my computer and such, so there was no record. That's illegal.

"You cannot confiscate records from a practice," he added.

"It was all taken without leaving any records and lists, so we had nothing to go on."

Edwin, 66, a retired physician who practiced 26 years locally and in Wilmington, is to begin serving his sentence in January 2007.

He pled guilty Thursday to failure to keep accurate and complete records of hydroconone, a generic form of Vicodin, an addictive form of painkiller. He was also fined $5,000 in the case.

Grundy County Coroner John Callahan said the physician was brought to the attention of authorities as far back as 2003 through investigations, toxicology screening, and interviews with families by his office and those of other area coroners.

"They had already started the investigation. Our reports, which we turned over to them in Chicago, greatly enhanced their prosecution of the case," he said.

Edwin is a native of India who obtained his medical degree in Switzerland and did his residency in Grant Hospital in Chicago. He pled guilty to felony record-keeping in exchange for dropping more-serious charges of distributing controlled substances.

He said Monday the Drug Enforcement Agency cleaned out his office during the case. He was charged in June 2005 on 17 counts of allegedly dispensing painkillers to patients without a legitimate medical purpose.

The indictment cited Edwin with illegally dispensing 685 hydrocodone tablets in various strengths to 12 unnamed patients between Aug. 14, 2001, and March 18, 2003.

Assistant U.S. District Attor-ney Madeleine Murphy said Thursday, however, prosecutors could not prove Edwin was responsible for the deaths, as the victims had also taken illegal narcotics.

Callahan said it is believed Grundy County had four deaths stemming from prescriptions issued by the doctor.

"And, there could have been more," he noted. "Sometimes people don't keep medications in the bottles in which the prescriptions came. Sometimes these drugs are being sold on the street and so we don't know where they came from."

Edwin said in his 26 years of practice in Illinois, no malpractice judgments were recorded against him in the National Practitioners' Databank.

"They said I killed patients," he said. "(Patients die) in any practice, but these were not due to my care. None of them had any connection with my treatment and medication - there is no proof of anything," he said.

"They died of natural causes due to illicit drug abuse. Usually if (the DEA) has evidence, they don't drop a case. They spent five years and $5 million trying to press a case against me."

Edwin said the investigation into his practice began in 2001.

"They thought we had big drug dealings going on," he said. "In the plea agreement, there was nothing about any drug dealing. They had no proof."

Edwin said he pled guilty because, under the plea agreement, the DEA was to drop all but the record-keeping charges.

"As soon as I signed the agreement, they tried increasing the charges," he added. "I was told it would be a probation. As soon as I signed, they sent the report to the judge, saying I should receive more than six months."

Edwin said he believed he was wronged.

"Some kind of a double-cross," he noted. "It's not appealable. These kinds of pleas are not appealable."

The doctor can apply for reinstatement of his medical license in April 2008. He may do this, he said, because many retired physicians want to maintain their medical license to work part-time.

"To keep up with medicine, not to make money," he said.

Callahan called the issue a bizarre case.

"You'd like to think after someone spends time and effort and years to become a doctor, they wouldn't abuse the privilege of prescribing medication," he said.

"This certainly doesn't reflect on the doctors in our area. But, it's nice to know people like that are being dealt with accordingly."

Edwin said the $5 million to put him behind bars is his estimate.

"A lot of money for nothing. Go and (seize) all these (records) and find nothing behind it. The (DEA) tried to do audits - a criminal investigation. They are not detectives or investigators. I don't know why they didn't put DEA agents on the case. Looking for promotions, I guess," he said.

"The bottom line is, they spent so much money to put some doctor in jail for six months."

Pot Trial Pushes A Hot Button (FRESBEE)

By John Ellis, The Fresno Bee

Fresno Bee, October 25, 2006

Prosecutor says medical marijuana backers should not wear buttons in court.

In the upcoming trial of Merced marijuana activist Dustin Costa, prosecutor Karen Escobar says the federal government — just like the defendant — has the right to a fair trial.

To that end, she is asking a federal judge to prohibit Costa's supporters from wearing buttons, T-shirts or anything else that promotes legalizing medical marijuana.

Such "paraphernalia," she said, could have an "improper influence on jurors required to follow the law."

The request prompted Costa's defense attorney, Robert Rainwater, to point out that Escobar was wearing a lanyard with "DEA" on it, for the Drug Enforcement Administration — which could bias a jury in the opposite direction.

Why should she have that right, Rainwater said, when supporters of Costa and medical marijuana might not.

U.S. District Judge Anthony W. Ishii did not rule on Escobar's request, but said it was in a gray area of First Amendment free-speech rights versus the right to a fair trial.

Monday's exchange in U.S. District Court in Fresno came as both sides hashed out motions before Costa's trial, scheduled to begin Nov. 7.

A three-count indictment charges Costa with growing more than 100 marijuana plants — equivalent to nearly 9 pounds — with the intent to distribute. Costa also faces a charge of possession of a firearm "in furtherance of drug trafficking crime."

But this is more than a simple drug-trafficking case. Costa was president of the Merced Patients Group, a private cannabis club in Merced that claimed 230 members.

In 1996, California voters approved Proposition 215, which gives ill people the right to use marijuana for medicinal purposes when cleared by a doctor.

In June 2005, however, the U.S. Supreme Court ruled that the federal government could prosecute people who use marijuana for medicinal purposes.

Costa was arrested a short time later.

Rainwater already has said Costa believed he was growing and distributing marijuana while it was still legal under state law.

Waiting in line behind Costa at Fresno's federal courthouse are at least one — and possibly two — similar cases. In some hearings, Costa's included, supporters have shown up in T-shirts with slogans such as "Marijuana — better than Ritalin."

In making her case, Escobar referenced a 1995 Superior Court trial in San Jose where a man was convicted of murdering his estranged wife's fiancé. The victim's family sat in the front row of the gallery during the trial, wearing buttons with the murdered man's picture.

The 9th U.S. Circuit Court of Appeals overturned the verdict and ordered a new trial, saying the buttons may have biased jurors.

Ishii acknowledged supporters of either defendants or the prosecution could be affected in the matter: "This is one of those issues that cuts both ways."

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The reporter can be reached atjellis@fresnobee.com or (559) 441-6320.

White House To Seek More Colombia Aid (KCS)

By Joshua Goodman

The Kansas City Star, October 25, 2006

BOGOTA, Colombia - President Bush will ask Congress to maintain current aid levels to Colombia - running at more $600 million yearly - to support the Latin American nation's fight against terrorism and drug trafficking, an administration official said Tuesday.

Undersecretary of State Nicholas Burns, leading a high level U.S. delegation to Colombia, said the mostly military aid would remain unchanged through at least 2008.

"For the past few years we've extended about $600 million per year to the Colombian people for all these programs and our administration in Washington will ask Congress to maintain that level in 2007 and 2008," Burns said.

The call for continued funding is a major boost to President Alvaro Uribe, Washington's staunchest ally in Latin America, and comes despite the failure of efforts to reduce the country's cocaine trade.

"In any counterterrorism or counter-narcotics campaign you sometimes have to adjust strategy to be effective as conditions change," Burns said. "We'll be open to any suggestions the Colombian government makes."

U.S. officials have said recently that aid for the drug eradication strategy known as Plan Colombia, which has cost American taxpayers more than $4 billion since 2000, should be gradually reduced as Colombian authorities take over more duties.

Legislators in both countries have questioned the effectiveness of a relentless aerial spraying campaign of coca plantations that is the cornerstone of the strategy. According to the most recent U.S. government survey, coca production surged 26 percent in 2005 to 355,800 acres.

Burns said the Bush administration would also ask Congress to extend unilateral trade privileges for all four drug-producing Andean nations - Bolivia, Colombia,(AP) - Ecuador and Peru.

Colombia Aid To Stay Same Despite Rights Allegations (MH)

By Sibylla Brodzinsky And Pablo Bachelet

The Miami Herald, October 25, 2006

BOGOTA - The Bush administration plans to keep U.S. aid to the Colombian military at current levels through 2008 despite human rights and corruption scandals that already have delayed some U.S. disbursements, a top official said Tuesday.

"We intend to ask our Congress to maintain the current level of funding" for 2007 and 2008, said Nicholas Burns, the State Department's acting No. 2 official, with the title of under secretary of political affairs.

But Burns also noted that he would raise the recent allegations of corruption scandals and human rights abuses in the army, reported by the media and non-government organizations (NGOs) here, during his two-day visit.

"We raise these issues when there are allegations made by credible NGOs," he told reporters on his arrival, ``and I will be raising them with Colombian officials."

Burns was accompanied by a high-powered delegation of 15 officials that included Anne Patterson, a former U.S. ambassador in Bogotá who now heads the State Department's anti-drug-trafficking programs.

Originally approved as a $1.3 billion, five-year U.S. effort to help finance a counter-drug campaign, Plan Colombia formally ended in late 2005 with outlays topping $4 billion. The U.S. Congress extended the aid this year as the two countries negotiate a longer-term arrangement. The U.S. money has improved the security situation here, but its impact on the cocaine and heroin industries remains unclear.

MONEY PUT ON HOLD

But State Department officials told The Miami Herald that about $55 million earmarked for the Colombian military for the 2006 fiscal year that ended Sept. 30 was put on hold over concerns that President Alvaro Uribe's government has not been aggressive enough in pursuing military officers accused of human rights abuses.

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"You need progress, and, frankly, progress hasn't been as fast as we would want," said a State Department official who declined to be quoted by name to speak freely on the subject. ``That's always been part of the problem in Colombia."

The official said there was still enough U.S. money in the pipeline to keep the military programs running for now.

By law, the Bush administration must certify that Colombia is making adequate progress on human rights twice during the year in order to keep the U.S. aid flowing. But this year's certifications have been held up because of the reports of army abuses.

Rights groups consider the certification process a valuable tool to pressure the Uribe administration and the military to move strongly against the violators.

"If you want to see a few cases move, it's much stronger than any noise that the Colombian human rights community is going to be able to make," said Adam Isacson, a Colombia analyst with the Center for International Policy, a Washington-based advocacy group usually critical of the Bush administration.

``There's always the symbolism . . . the fact that Colombia's main military benefactor still has such strong doubts that they can't issue a seal of approval."

SUSPICIOUS EVENTS

In May, 10 members of an elite U.S.-trained counterdrug police were killed by army troops near the southwestern city of Cali. It was initially portrayed as a case of friendly fire, but Colombian prosecutors later alleged the troops were working for drug traffickers.

In Barranquilla, eight army officers and soldiers face criminal charges after six civilians were killed in an operation in August first presented as a kidnap rescue raid. It was later revealed that the deaths were drug related.

Last month, prosecutors opened an investigation of 18 soldiers for the deaths of 29 civilians, whose bodies were allegedly dressed in military fatigues and presented as guerrillas killed in skirmishes.

Local media also revealed details of an investigation into at least two army officers who allegedly paid former guerrillas to stage fake bomb plots in Bogotá ahead of Uribe's August inauguration to a second term. One bomb went off July 31, killing one civilian and wounding 21 others.

Miami Herald correspondent Pablo Bachelet reported from Washington.

Colombia, US Examine Drug Plan (PRENSA)

Prensa Latina, October 25, 2006

Bogota, Oct 24 (Prensa Latina) Colombian President Alvaro Uribe and US Undersecretary of State Nicholas Burns are analyzing Tuesday results of the Colombia Plan, which many consider has failed in wiping out the drug trade in this nation.

Until Thursday, Burns will be in Colombia on an official visit accompanied by top functionaries of the departments of State, Defense and Justice, of the Agency for International Development and the Office of National Drug Control Policy.

Several analysts and politicians from both countries think the Colombia Plan has also been insufficient in reducing illegal drug crops and eliminating guerrillas in the Andean state.

Local Foreign Minister Maria Consuelo Araujo said that during this visit the two parties will also look at the results of Washington s over $5 billion assistance to the plan.

Araujo pointed out they will tackle US social-military aid to Bogota, their bilateral free trade agreement, tariff preferences, human rights protection, democracy strengthening and advances of the reinsertion process of those demobilized from armed groups, especially from paramilitary guerrillas.

Besides President Uribe, visitors are slated to gather with ministers Araujo, Carlos Holguin, Interior and Justice, and Juan Manuel Santos, Defense, among others.

Rumsfeld Urged To Fight Afghan Opium (AP)

By Dennis Conrad, Associated Press Writer

AP, October 25, 2006

WASHINGTON (AP) - Two GOP congressmen have told Defense Secretary Donald H. Rumsfeld that more needs to be done about Afghanistan's opium crisis because of increased violence and terrorism against coalition forces.

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The opium and illicit drug trafficking has greatly increased in recent months and threatens to ``totally corrupt all of the new Afghan democratic institutions we support," Illinois Reps. Henry Hyde and Mark Kirk said in an Oct. 12 letter.

Hyde is chairman of the House International Relations Committee and is retiring after a 32-year congressional career. Kirk, now serving his third term in Congress, is a former longtime aide to the committee who also has served as an intelligence officer in the Pentagon's war room.

Rumsfeld had no response to the congressmen's letter as of Tuesday, according to Hyde's committee staff.

A Rumsfeld spokeswoman, Air Force Lt. Col. Karen Finn, said the Pentagon intends to respond. ``We take this matter very seriously," she said.

The congressmen suggested that the Drug Enforcement Administration combat the problem by focusing on drug kingpins in Afghanistan, heroin processing labs and drug convoys.

Hyde and Kirk said the convoys that carry the drugs out of the country bring back land mines and modern weapons bought with drug money from the Taliban and other anti-coalition forces.

``We all know the drugs fuel the violence and insurgency, we think that the debate concerning these obvious links is over, and now we need a new policy that addresses both the drugs and related terror, simultaneously," they added.

The congressmen cautioned that the DEA cannot do its job in Afghanistan without military support and assistance, including the Defense Department's military operational and tactical air support for some of the DEA's counterdrug missions.

A coordinated approach needs to be accomplished before the start of the 2007 opium crop, the congressmen said.

Finn said that over the past two years the Defense Department has worked to support DEA efforts to combat the narcotics threat in Afghanistan.

``In accordance with our statutory authorities, the secretary has already authorized Operation Enduring Freedom forces to embed nonmilitary counternarcotics personnel (to include DEA) when operating in areas of known or suspected drug-related activity," she said.

Senator Seeks Change In Afghan Drug Policy (UPI)

United Press International, October 25, 2006

WASHINGTON, Oct. 24 (UPI) -- A U.S. House leader urged the Defense Department to change strategy against Afghan heroin production, saying the existing policy isn't working.

Rep. Henry Hyde, R-Ill., said in a letter to Defense Secretary Donald Rumsfeld the poppy eradication program in Afghanistan is a failure, USA Today said Tuesday. Hyde urged Rumsfeld to help Drug Enforcement Administration agents seek out drug lords and heroin processing centers rather than focus on poppy farmers.

Officials said the poppy eradication effort eliminated about 37,807 acres so far this year, about 7 percent of the acreage cultivated, USA Today said.

In the previously unpublished Oct. 12 letter, Hyde said the drug situation has "increased violence and terrorism" against forces stationed in Afghanistan and is threatening to "totally corrupt" new Afghan policies and programs the United States supports, USA Today said. Others officials, including Rumsfeld, voiced similar concerns that drug money is fueling a resurgence of Taliban and al-Qaida forces in Afghanistan.

Rumsfeld has not responded to Hyde's letter, but a Defense Department spokeswoman said the department is treating the matter seriously, USA Today said.

IMMIGRATION:

DNA Testing A Mixed Bag For Immigrants (WP)

By N.c. Aizenman

The Washington Post, October 25, 2006

DNA testing has emerged as a powerful and sometimes controversial tool for U.S. residents seeking to help overseas relatives enter the country legally.

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The tests have been invaluable for thousands of citizens or permanent residents who want to sponsor relatives but lack birth certificates or other documents to prove the family relationship. But some immigration lawyers worry that U.S. authorities are increasingly requiring DNA tests even when the paperwork is in order -- adding substantial costs and delays to an arduous process.

"What's troubling is that it seems like the availability of DNA testing is leading to a greater level of mistrust of identity documents that otherwise would have been readily accepted," said Alison Brown, a lawyer based in Silver Spring.

Last year, about 718,000 people were granted permanent residency or a temporary visa on the basis of being a parent, child or sibling of someone who was a U.S. citizen, permanent resident or temporary visa holder.

Officials at the State and Homeland Security departments said they do not track the number of DNA tests submitted by people seeking to sponsor a relative for a visa. But the AABB (formerly the American Association of Blood Banks), the accrediting organization for laboratories that do DNA testing for immigration applications, receives about 12 e-mails or phone calls a day from people seeking referrals for immigration purposes, a spokeswoman said. At Fairfax Identity Laboratories, one of two DNA laboratories in the Washington region accredited to handle immigration cases, the number of requests for tests has increased about 20 percent, to about 2,000, in the past year, said Joe Chimera, senior vice president.

Immigration lawyers interviewed in the Washington area said officials who process visa applications at U.S. consulates overseas appear to be driving the increase in DNA testing.

"In many consulates, DNA testing has really become the norm," said Daniel Park, whose Alexandria-based practice serves mostly clients from Latin America.

Parastoo Zahedi, a lawyer practicing in Tysons Corner, said she became concerned about that possibility seven months ago when an official at the U.S. consulate in Abu Dhabi, the United Arab Emirates, told one of her clients that he had to submit a DNA test to prove he was related to his 65-year-old mother in Virginia, who was sponsoring him for permanent residency.

Zahedi said she was surprised because the client, a 42-year-old Iranian, had all the documentation normally required to prove his relationship to his mother, including a valid Iranian birth certificate. The Department of Homeland Security had already approved the client's petition -- the first step in any visa application. The interview at the consulate was the final step, in which he was supposed to demonstrate that there was no reason to bar his admission to the United States.

"At first, I thought it was something he said in his interview -- maybe some hesitation in one of his answers that raised suspicions," Zahedi said.

But in the ensuing months, she said, two more Iranian clients with solid documentation were told the same thing at the U.S. consulates in Abu Dhabi and Istanbul.

One of Zahedi's clients, Mehdie Halatai, 72, of Oakton, said his 17-year-old son, Mehran, got the word in Abu Dhabi. "My son said the official told him very simply, 'No DNA test, no visa.' . . . There was no explanation," Halatai said.

Testing ultimately proved the relationship -- as it did for Zahedi's two other clients.

But the test cost about $800, and because there is no U.S. consulate in Iran, the family had to pay hundreds of dollars more in travel expenses to send Mehran Halatai back to Abu Dhabi for the test and a second consular interview. The back-and-forth also has added several months to Mehran Halatai's wait.

Priscilla Labovitz, a lawyer practicing in the District, said a similar situation has delayed a Cameroonian-born client's reunion with his two teenage children in Mali for nearly two years.

"There's no alarm bell that goes off when you look at their documents," she said. "Yet this man has had to put up with hassle after hassle to arrange the DNA tests."

Zahedi wonders why her clients had to submit to them in the first place.

"I think they are being picked on because of where they're from. . . . After all these years of practice, why am I only seeing this coming into use now? It makes no sense unless someone from above is saying that they need to have more scrutiny of people from these places."

Tony Edson, deputy assistant secretary for visa services at the State Department, said consular officials are warned about credibility problems with particular types of documents from particular places. But he said that there is no blanket DNA test

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requirement for applicants based on nationality and that it is against agency rules for consular officials to require DNA testing in individual cases.

"Our policy is explicitly that it is not required. It is always voluntary," Edson said.

Edson added that a DNA test is one of a variety of types of supporting evidence that consular officers will accept from applicants whose primary documents are deemed insufficient.

"The confusion may arise," Edson said, from the fact that "we do require applicants to prove they are who they say they are. If everything else they present doesn't prove that, then we may suggest genetic testing."

Some lawyers counter that growing awareness of the accuracy of DNA testing -- which has been available since the late 1980s -- has caused consular officials to become unduly mistrustful of other legitimate forms of evidence.

"It seems like in the past they were more accepting of the fact that a lot of Third World countries may not be as sophisticated in their production of documents as the United States," said David Goren, a lawyer based in Silver Spring. "Now, if there's so much as a typo or some whiteout, it's just assumed that it's a fraudulent document."

Others contend that consular officials have good reason to be wary.

"Look, the consulates are just trying to prevent fraud," said Luis Gonzalez, a lawyer based in Falls Church. "A lot of people think that they can just come to the consulate and say this is my son, when really he's the nephew."

Several lawyers said they have had cases in which a client learned from DNA testing that the child being sponsored was not biologically related.

DNA tests can save considerable time and difficulty for someone like Pedro Antonio Monjaras, 47, a naturalized U.S. citizen living in Annandale who recently brought his 20-year-old daughter over from El Salvador. Monjaras said that he has always supported her financially but that he did not sign her birth certificate until five years ago. As a result, that document was not considered sufficient evidence of their relationship.

Monjaras might have been able to prove his case by submitting receipts for the money transfers he has sent his daughter and by obtaining affidavits from previous neighbors. But Monjaras, a delivery truck driver, said it would have taken months.

"You're here, they're over there, and each step takes forever to organize," he said. "I would literally have had to send people money for the pen and paper for each affidavit."

So when his attorney proposed a DNA test, Monjaras leapt at the idea.

"It was like, 'Great! Problem solved,' " he said.

TAX:

Tax Breaks For Football (WP)

By George F. Will

The Washington Post, October 25, 2006

Before Miami police quelled the recent riot involving more than 100 University of Miami and Florida International University football players in the Orange Bowl, fighting erupted among fans in the stands. In two masterpieces of misdirected anxiety, the commissioner of the Atlantic Coast Conference, to which Miami belongs, said the rioting "has no place in college football" and the commissioner of FIU's Sun Belt Conference said "there is no place in higher education for the type of conduct exhibited."

But the question really raised by the barbaric behavior, and by nonviolent but nonetheless lurid behavior by some universities, is: What is the place of high-stakes football in higher education?

Twelve days before the Orange Bowl brawl, Republican Rep. Bill Thomas wrote, as chairman of the tax-writing Ways and Means Committee, an eight-page letter to the president of the National Collegiate Athletic Association, asking awkward questions. Thomas wonders how, or whether, big-time college sports programs, which generate billions of tax-exempt dollars -- CBS pays the NCAA an annual average of $545 million, mainly for the rights to televise the March Madness basketball tournament -- further the purposes for which educational institutions are granted tax-exempt status. Other questions include:

How does the NCAA fulfill its proclaimed purpose of maintaining "the athlete as an integral part of the student body"? Only 55 percent of football players and 38 percent of basketball players at Division I-A schools graduate. The New York Times has

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reported that at Auburn, a perennial football power, many athletes have received "high grades from the same professor for sociology and criminology courses that required no attendance and little work." Eighteen members of the undefeated 2004 team took a combined 97 hours of those courses while at Auburn. Who believes such behavior is confined to Auburn?

In recent decades the NCAA has increased the number of games that football and men's basketball teams are allowed to play. Thomas wonders how these changes help athletes improve their academic performances. Perhaps these changes have pecuniary purposes?

The NCAA says it aims to "retain a clear line of demarcation between intercollegiate athletics and professional sports." But aside from not compensating the athletes in a way commensurate with the money they generate for the universities, how is that line clear?

Some say the tax-exempt status of college sports is justified by the fact -- and it is a fact -- that successful sports teams often trigger increased applications for admission, and largess from alumni and legislatures. But, Thomas notes, "federal taxpayers have no interest in increasing applicant pools at one school opposed to another." Furthermore, athletic success that causes a surge of giving to universities might decrease giving to worthy charities.

Also, tax exemption is financing an escalation of coaches' salaries. More than 35 college football coaches are paid more than $1 million annually. The University of Colorado athletic department has borrowed $8 million, much of which will be used to buy out the contract of a fired football coach. Noting that several universities pay their men's basketball coaches four to five times what they pay their women's basketball coaches, Thomas wonders: "What additional educational benefit do men's basketball coaches provide beyond that which is provided by women's basketball coaches?" If the disparity has a commercial rather than an educational rationale, why should the commerce be tax-free?

Tax exemption also is a federal subsidy for ever more lavish facilities: Oklahoma State University, which is receiving $165 million from T. Boone Pickens to improve its athletic facilities, was already planning a $102 million upgrade of its football stadium. OSU charges fans a $2,500 "annual donation" just to become eligible to buy tickets for the best seats. The University of Michigan, which has had 198 consecutive sellouts at its stadium -- it now seats 107,501 -- is spending $226 million to add 3,200 luxury seats and 83 suites. The University of Texas at Austin is spending $150 million to add 10,000 seats to its current 85,123 capacity. These may be sound commercial decisions, but why should this commerce be tax-exempt?

Thomas wants to know: How many NCAA members "generate a net profit on the operations of their athletic departments (excluding university subsidies such as student fees or general school funds and services)? Of the institutions that generate a net profit, how many use the profit for purposes unrelated to the athletic department?"

Thomas is retiring, but if Democrats capture control of the House, the new chairman of Ways and Means, Charles Rangel, may hold hearings into the NCAA's tax-free lifestyle. Such hearings will be embarrassing, if people who operate football and basketball factories are capable of embarrassment.

CONGRESS-ADMINISTRATION:

Feds Ease Limits On Same-sex Schools (AP)

By Ben Feller

AP, October 25, 2006

For the first time in a generation, public schools have won broad freedom to teach boys and girls separately, stirring a new debate about equality in the classroom.

The Education Department on Tuesday announced rules that will make it easier to create single-sex classes or schools, a plan that's been expected for almost three years.

The move comes as the value of same-sex education is in doubt. Research shows mixed results, as even the department's own review says.

Yet Education Secretary Margaret Spellings said more parents deserve to have the option. The push began not with the White House, but rather with female senators of both parties.

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"Research shows that some students may learn better in single-sex education environments," Spellings said, careful not to offer an outright endorsement.

"The Department of Education is committed to giving communities more choices in how they go about offering varied learning environments," she said.

The new federal rules may change how schools will look in the future.

To be published Wednesday and take effect Nov. 24, the rules update the enforcement of Title IX, the landmark anti-discrimination law. The current language has stood since 1975.

Until now, single-sex classes have been allowed in only limited cases, such as gym classes and sex education classes.

The new rules will allow same-sex education anytime schools think it will improve students' achievement, expand the diversity of courses, or meet kids' individual needs.

Enrollment must be voluntary. And any children excluded from the class must get a "substantially equal" coed class in the same subject, if not a separate single-sex class.

Districts can also offer an entire school for one gender without doing the same for the other gender, as long as there is a coed school that provides substantially the same thing.

Advocacy groups for women criticized the new rules as a weakening of civil rights.

"That is not a substitute for true equality," argued Jocelyn Samuels, vice president for education and employment at the National Women's Law Center. "It's a very dangerous sign to schools, that they can relax their vigilance in ensuring equal educational opportunities," she said.

As one example, Samuels said, schools can now offer a specialized math class in physics for boys. Would the excluded girls, she wondered, get the same quality in a coed class?

Stephanie Monroe, who oversees civil rights for the Education Department, promised fair enforcement. The department will look at teacher quality, textbooks and other factors to determine if coed classes are essentially the same quality as the single-sex classes.

About 240 public schools offer same-sex education in the United States, up from just three in 1995, according to the National Association for Single Sex Public Education.

Given new federal clarity, "There's no question that we're going to see very dramatic growth in the next year or two," said Leonard Sax, the association's executive director.

He said separate classes can erode stereotypes — not reinforce them — by letting boys and girls explore their interests freely. A same-sex environment might encourage boys to play the flute, or girls to work on assembling computers, he cited as examples. Success requires involving parents and teachers, not just sticking kids in different rooms, he said.

Yet Sax also criticized the Bush administration for taking so long.

Republican Sen. Kay Bailey Hutchison of Texas and Democratic Sen. Hillary Rodham Clinton led the way in 2001, pushing single-sex education options in the No Child Left Behind law.

The department released proposed regulations in March 2004. After 31 months, an unusually long review time, the agency is releasing final rules that are substantially the same.

Monroe said the department wanted to ensure the rules follow the law and the Constitution. Still, Samuels predicted the new rules would be challenged in court.

The changes affect elementary and secondary education, not colleges. The current ban on single-sex vocational education in both classes and schools at the K-12 level will remain.

Federal Rules Back Single-Sex Public Education (NYT)

By Diana Jean Schemo

The New York Times, October 25, 2006

WASHINGTON, Oct. 24— The Bush administration is giving public school districts broad new latitude to expand the number of single-sex classes, and even schools, in what is widely considered the most significant policy change on the issue since a landmark federal law barring sex discrimination in education more than 30 years ago.

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Two years in the making, the new rules, announced Tuesday by the Education Department, will allow districts to create single-sex schools and classes as long as enrollment is voluntary. School districts that go that route must also make coeducational schools and classes of "substantially equal" quality available for members of the excluded sex.

The federal action is likely to accelerate efforts by public school systems to experiment with single-sex education, particularly among charter schools. Across the nation, the number of public schools exclusively for boys or girls has risen from 3 in 1995 to 241 today, said Leonard Sax, executive director of the National Association for Single Sex Public Education. That is a tiny fraction of the approximately 93,000 public schools across the country.

"You're going to see a proliferation of these," said Paul Vallas, chief of schools in Philadelphia, where there are four single-sex schools and plans to open two more. "There's a lot of support for this type of school model in Philadelphia."

Until now, Mr. Vallas said, there had been a threat of legal challenge that had delayed, for example, a boys charter school from opening in Philadelphia this September. New York City has nine single-sex public schools, most of which opened in the past four years.

While the move was sought by some conservatives and urban educators, and had backing from both sides of the political aisle, a number of civil rights and women's rights groups condemned the change.

"It really is a serious green light from the Department of Education to re-instituting official discrimination in schools around the country," said Marcia Greenberger, a co-president of the National Women's Law Center.

Under Title IX, the 1972 law that banned sex discrimination in educational institutions that receive federal funds, single-sex classes and extracurricular activities are largely limited to physical education classes that include contact sports and to sex education.

To open schools exclusively for boys or girls, a district has until now had to show a "compelling reason," for example, that it was acting to remedy past discrimination.

But a new attitude began to take hold with the passage of the No Child Left Behind law in 2002 when women senators from both parties came out in support of same-sex education and asked the Education Department to draft guidelines to permit their growth.

The new rules, first proposed by the Education Department in 2004, are designed to bring Title IX into conformity with a section of the No Child Left Behind law that called on the department to promote single-sex schools.

The interest in separating boys from girls in the classroom is part of a movement to allow more experimentation in public schools.

Although the research is mixed, some studies suggest low-income children in urban schools learn better when separated from the opposite sex. Concerns about boys' performance in secondary education has also driven some of the interest same-sex education.

Education Secretary Margaret Spellings described the changes as part of a greater effort to expand educational options in the public sector. "Every child should receive a high quality education in America, and every school district deserves the tools to provide it," Ms. Spellings said.

She said that research supported offering single-sex education, and that the changes would not water down the protections of Title IX.

But Stephanie Monroe, who heads the Education Department's office of civil rights, acknowledged the equivocal nature of the department's own research on the issue.

"Educational research, though it's ongoing and shows some mixed results, does suggest that single-sex education can provide some benefits to some students, under certain circumstances," she said.

Although the changes announced Tuesday will not officially take effect until Nov. 24, school districts, including in New York City, had anticipated the new rules and some opened single-sex schools on the presumption of today's changes.

Kelly Devers, a spokeswoman for the New York City schools, said the system's lawyers planned to examine the rules to see how they expanded options for principals. Until now, public school districts that offered a school to one sex generally had to provide a comparable school for students of the other sex. The new rules, however, say districts can simply offer such students the option to attend comparable coeducational schools.

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Critics argue that the changes contradicted the intent of Title IX and would not withstand a legal challenge — a point Education Department officials disputed.

Nancy Zirkin, vice president of the Leadership Conference on Civil Rights, an umbrella organization representing about 200 civil rights groups, said the new regulations "violate both Title IX and the equal protection clause of the Constitution."

"Segregation is totally unacceptable in the context of race," she said. "Why in the world in the context of gender would it be acceptable?"

The American Civil Liberties Union signaled it might consider going to court. "We are certainly in many states looking at schools that are segregating students by sex and considering whether any of them are ripe for a challenge," said Emily Martin, deputy director of the Women's Rights Project at the A.C.L.U..

Tom Carroll, chairman and founder of the Brighter Choice Charter School for Boys and the Brighter Choice Charter School for Girls in Albany, said the new regulations gave greater legal protections to single-sex schools that had, until now, operated under the threat of lawsuits by such groups. "The A.C.L.U. now has a dramatically steeper hill to climb to upset the apple cart on single-sex schools," Mr. Carroll said.

He said his schools' research showed boys were stronger in math and girls were stronger in literacy. But in recently released test scores, he said, his schools did better than any other public schools in Albany. "Paradoxically, by educating them separately," he said, "we were able to do much to reverse the gender gaps that typically leave girls behind in math and boys behind in literacy."

Schools May Offer More Single-Sex Classes Under New U.S. Regulations (WP)

By Valerie Strauss

The Washington Post, October 25, 2006

New federal regulations announced yesterday give school systems around the nation more flexibility in offering single-sex public education, even though the Department of Education concluded a year ago that there was not enough evidence to definitively evaluate single-sex classes.

Critics contended that the move was an invitation to schools to violate laws prohibiting sex discrimination in federally funded education programs.

The action, announced by Education Secretary Margaret Spellings, gives school systems more freedom to establish single-sex schools and classes, as well as extracurricular activities at the elementary and secondary education levels. The regulations will take effect Nov. 24.

"Research shows that some students may learn better in single-sex education environments," Spellings said in a news release. "The Department of Education is committed to giving communities more choices in how they go about offering varied learning environments to their students."

The agency made the change even though it reported a year ago that there was not enough evidence to say whether single-sex education is beneficial or harmful to students.

Stephanie Monroe, assistant secretary for civil rights in the Education Department, said the agency received more than 5,800 comments from the public about the change.

"We didn't receive comments saying that it in and of itself was wrong," she said. People "were more concerned about the way it was being implemented."

Monroe added, "Students in public schools deserve the same opportunity of other students whose parents can afford to send them to private schools."

Earlier regulations permitted school systems to provide single-sex public schools to students of one sex if there were single-sex public schools for the other. Now school systems may open a single-sex school to students of one sex if there is a substantially equal single-sex or coeducational school for students of the other sex.

The American Civil Liberties Union said the new regulations are an open invitation to schools to violate Title IX, the federal law that prohibits sex discrimination in educational programs that receive federal funding.

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"The regulations allow schools to separate girls and boys for virtually any reason they can dream up -- including outdated and dangerous gender stereotypes," Emily Martin, deputy director of the ACLU Women's Rights Project, said in a statement. "And although the administration's regulations claim to make these programs optional, sex segregation can never be truly voluntary."

Single-sex School Restrictions Ease (USAT)

By Greg Toppo

USA Today, October 25, 2006

School districts across the nation this fall will have unprecedented freedom to open up all-girls' or all-boys' schools and classes under sweeping new regulations announced Tuesday by U.S. Education Secretary Margaret Spellings.

The shift is the biggest in 31 years and for the first time allows schools to separate students by gender if they believe it helps — a standard that is under debate in the existing research.

Participation in such programs would be voluntary, but schools choosing to separate a class for one sex wouldn't have to provide an equivalent class for the other sex. They'd simply have to offer a "substantially equal" coed class in the same subject.

The regulations, which take effect Nov. 24, also clarify rules on creating entire single-sex public schools.

Since the current rules went into effect in 1975, single-sex classes have been allowed only on a limited basis, such as in charter schools, sex education courses or gym classes. The Bush administration, supported by Republican Sen. Kay Bailey Hutchison of Texas and Democratic New York Sen. Hillary Rodham Clinton, has favored loosening the rules.

There are 241 public schools offering single-sex coursework, up from just three in 1995, says Leonard Sax of the National Association for Single Sex Public Education. He thinks about 1 in 10 of the USA's 90,000 public schools could decide to become single-sex.

Critics, such as the American Association of University Women and the American Civil Liberties Union, call changes troublesome.

Emily Martin of the ACLU Women's Rights Project said the new regulations "represent a through-the-looking-glass interpretation" of the federal Title IX law, which prohibits excluding students from school programs on the basis of sex. She noted that schools could now "separate girls and boys for virtually any reason they can dream up — including outdated and dangerous gender stereotypes."

Spellings said research shows that "some students may learn better" in single-sex environments, but other administration officials Tuesday admitted that the best research offers only tepid support. A 2005 analysis of current research, cited on the department's website, noted that "any positive effects" of single-sex schooling on long-term academic achievement "are not readily apparent."

The analysis found no differences on college test scores, graduation rates or graduate school attendance and bemoaned "the lack of high-quality research on these important criteria." And it found no research on how single-sex schooling affects critical factors such as teen pregnancy rates, differential treatment by teachers, parental satisfaction and school bullying.

Speaking to reporters Tuesday, Stephanie Monroe, who heads the department's civil rights office, minimized the research, saying that as a parent she'd want all options available to her child.

"The department believes that this is an option that should be made available," she said.

Public Schools Sanctioned For Single-sex Classes (WT)

By Joyce Howard Price

The Washington Times, October 25, 2006

The U.S. Department of Education yesterday announced new rules that will allow public schools to create classes, grades and even entire schools that teach students of one sex only.

"Research shows some students may learn better in single-sex educational environments," Education Secretary Margaret Spellings said in announcing changes that will take effect Nov. 24 and that will be voluntary.

"Every child should receive a high-quality education in America, and every school and district deserves the tools to provide it. These final regulations permit communities to establish single-sex schools and classes as another means of meeting the needs of students," the secretary said.

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The guidelines have been studied for four years. Education officials began examining policy changes after research indicated that some students learn and behave better in boys-only or girls-only environments.

The American Association of University Women and other groups oppose single-sex schools.

"The research supporting single-sex education is inconclusive. Indeed, in its most recent report, the Department of Education calls ... the benefits of single-sex education equivocal," said Catherine Hill, the association's director of research.

Education Department officials in a teleconference yesterday made it clear that the evidence is mixed.

"The research suggests single-sex education can provide benefits to some students under certain circumstances," said Stephanie Monroe, the department's assistant secretary for civil rights.

"We're not imposing this as a one-size-fits-all mandate. This is an option that can be helpful to some students, and that's what the literature says. Local schools and parents will make the decision on what is appropriate for their students," she said.

The federal rules that will be published today in the Federal Register represent amendments to how the Education Department will enforce the Title IX anti-discrimination law of 1972. That law prohibits sex discrimination in education programs or activities that receive federal funds.

The need to ensure legal compliance was one reason why the regulations took so long to develop, Miss Monroe said. "This is an important issue, and we wanted to make sure the department got it right. ... We made sure [the amendments] are legally sound, are consistent with Title IX, and with the Constitution," she said.

Attorney General Alberto R. Gonzales approved the guidelines after making a few changes that officials described as minor.

Kent Talbert, general counsel for the Education Department, said it "took two to three years" for officials to analyze more than 5,800 public comments on the issue of single-sex education.

Miss Monroe said most who commented "did not think single-sex education is wrong," but many "were concerned about how it would be implemented." She said the department thinks it has "adequately addressed those concerns."

Kim Gandy, president of the National Organization for Women, said in an interview that her group is "very concerned" with the guidelines and repeatedly filed objections.

"Whenever there are efforts to provide separate but equal [programs], it never manages to be equal. Girls invariably get the short end," Mrs. Gandy said.

Single-sex classrooms have become more common, increasing from four public schools in 1998 to at least 228 today, according to the National Association for Single-Sex Public Education.

In the Washington area, Frederick County's Twin Ridge Elementary School began offering all-boys classes for fourth- and fifth-graders two years ago. The decision was prompted by lagging test scores for boys, the school's principal told the Baltimore Sun in May 2004.

In Baltimore, at least eight city schools offer all-boys classes "taught by black men and designed to present role models to African-American boys," the Sun reported. This fall, Septima Clark Public Charter School in Ward 8 became the District's first all-boys charter school, The Washington Post reported.

Failing Schools Fighting Back (WP)

By Daniel De Vise

The Washington Post, October 25, 2006

Last summer, Sherina Garner was offered a chance that doesn't come often in public education: a free pass for her daughter to leave the neighborhood school for a better one.

She turned it down. Carlisha Garner, 11, returned to Beacon Heights Elementary this fall, even though the Prince George's County school had missed performance targets for the past two years and, under federal education law, the entire student body was entitled to transfer out.

"From what I can see, my child is very bright, and she has been getting a good education at Beacon Heights," Garner said. She didn't want her daughter to switch schools "just because of a test score."

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This fall, 10 of the 450 students at Beacon Heights exercised the transfer option offered them under the No Child Left Behind Act -- a mere trickle, compared with the number of students who have left other Prince George's schools in the same predicament in recent years.

Rather than accept the inevitable stigma of being on the wrong side of the law's school choice provision, officials at Riverdale's Beacon Heights and other embattled schools are trying a new tack: fighting back by marketing themselves to parents.

They promote the extra resources afforded to schools after their test scores repeatedly fail to meet standards, the easy proximity of a neighborhood school, the familiarity of friends and even their so-called inadequate results.

Four years into No Child Left Behind, many of the campuses entering the school choice process are actually fairly good schools. Principals point out that the standard for "adequate yearly progress," the measure of success under the 2002 federal law, is a bit higher each year. And a school can be labeled a failure if any one of several statistical subgroups misses the mark. For example, the test scores of special education students or those with limited English skills can open an entire school to transfers.

In Prince George's, the epicenter of choice in Washington's suburbs, the number of elementary and middle schools on Maryland's school improvement list -- signaling two years of missed academic targets -- rose from 55 last year to 63 this year. Yet, new transfers totaled just 612 this fall, down from 955 last year and 1,071 in 2004.

Consistently, about 1 percent of students eligible to transfer nationwide elect to do so. Maryland reported a small decline in transfers in the 2005-06 academic year, after two years of growth, and the number is likely to slip further this year.

Transfers were meant as an exit strategy for parents at chronically low-performing schools in low-income communities. The option is limited to schools that receive federal Title I funds, reserved for high-poverty areas. But the choice program is "swimming upstream" in many communities, said Ann Chafin, a Maryland assistant superintendent of education who oversees school improvement.

The difficulty lies in persuading parents to leave a neighborhood school, even for a better one. "The neighborhood school concept is a very, very big deal," Chafin said.

Two years ago, Beacon Heights Elementary was the toast of Prince George's, the only school in the county to receive a 2004 Blue Ribbon, the highest honor that can be bestowed upon a school by the U.S. Department of Education.

Now, the school sits on the state's watch list, and parents are entitled to transfers. Weak reading scores in two programs -- special education and students of limited English proficiency -- caused Beacon Heights to miss its performance targets in 2005 and 2006. If just three more special education students had passed the state test this spring, the school would have averted transfers.

Letters went home over the summer to all parents, alerting them that they were free to leave and inviting them to a July 18 meeting.

Sherina Garner attended.

"I wanted to listen to what they had to say," she said. "But I already had a presumption inside of me" that Carlisha, entering sixth grade, would remain where she was.

The school choice option allowed Carlisha to attend any of three other schools, all of which had made adequate yearly progress. One, Bond Mill, is the fourth-best elementary in Prince George's, in terms of advanced performance on the statewide test.

But Garner knew about Beacon Heights's Blue Ribbon. She knew that test scores had not changed much since then and that the school's curriculum remained fundamentally sound. And Carlisha could walk to the school.

Three dozen parents attended the meeting. Some were Spanish speakers under the misimpression that they had to leave the school. School system officials explained how the transfer worked. Then they made their pitch.

They told parents that a transfer would not necessarily deliver students to a better school. One of the three transfer options, Carrollton Elementary, actually had a slightly lower percentage of students rated advanced on the 2006 Maryland School Assessment, and only Bond Mill had significantly higher scores. Beacon Heights was getting a brand-new after-school program and a pair of faculty support specialists, not to mention the army of extra help already provided under various state and federal programs targeting poverty and language needs.

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"We pretty much have most of our children in this building covered for extended learning opportunities in grade 2 to grade 6," said Lynne Stuewe, the Beacon Heights principal.

At Bond Mill, a receiving school for Beacon Heights and several other schools under the choice program, Principal Justin FitzGerald has watched transfer activity taper off this fall. Just seven new students entered the school on transfers this year, the smallest number since the program began, leaving the transfer population at 25 in a school of 575 students.

Some falloff is natural, he said, after the explosion of transfers in the first years of the federal program. But he also notes that not one student has transferred in from Beacon Heights.

Five adults joined the 25 students in Carlisha's Beacon Heights classroom on a recent morning: a faculty support specialist, funded by school improvement money; a teacher and assistant, funded by special education; an English for Speakers of Other Languages teacher; and the regular teacher, left with just a handful of students to supervise in a group exercise.

"In fourth grade, I was pleased," Garner said. "Fifth grade, I was pleased. And sixth grade, I'm hoping, will wind up the same way."

Prince George's accounted for 955 of the 1,590 school choice transfers approved in the 2005-06 academic year in Maryland, according to state data. The volume of transfer activity shows both a strength and a weakness of the school system, experts say: The county has a large number of schools performing poorly enough to trigger transfers but enough high-scoring schools to make transfers an appealing option to parents.

The ailing Baltimore school system, in contrast, had twice as many schools eligible for transfers last year but far fewer parents requesting them. In D.C. schools, tens of thousands of students at 81 schools were eligible for transfers last year. But only a few hundred students transferred. The problem, in both of those systems, is finding a school that is meeting its performance goals. One D.C. parent activist likened the transfer option there to shifting "the chairs on the deck of the Titanic."

National Medicaid Transport Probed (WT)

By Jim Mcelhatton

The Washington Times, October 25, 2006

Federal auditors are examining the skyrocketing costs of providing transportation to Medicaid patients across the country, a problem that D.C. officials are struggling to control.

The Office of Inspector General for the U.S. Department of Health and Human Services said it "will determine whether state Medicaid agencies make erroneous payments for transportation services," according to its recently released 2007 work plan.

Medicaid transportation costs across the nation rose by 48 percent from 1999 to 2003, reaching $1.5 billion, according to the work plan.

The District has seen its Medicaid transportation costs rise to more than $20 million overall last year. More than $16 million was spent on van rides alone, according to a report last month by the D.C. Office of the Inspector General.

But the city's Medicaid transportation program, which also pays for public transit and taxis, cost taxpayers $14.3 million in fiscal 2004, according to the D.C. inspector general's 2006 work plan.

The program was also the subject of recent reports by the city's inspector general and the D.C. Council Committee on Health.

The Washington Times on Monday reported that the District last year spent $22.3 million for nonemergency transportation of Medicaid patients -- slightly more than what the city paid for patients to see individual doctors, according to city records.

In the federal work plan, the inspector general does not single out the District or any state in outlining a review of Medicaid transportation services.

Medicaid, which provides health insurance for the poor, is funded by the federal government and the states, which also manage their programs.

Reimbursement rates and rules for Medicaid transportation vary by state.

"Since so much money is involved here, the federal government certainly has a very keen interest in how it is spent," Donald White, spokesman for the HHS inspector general, said yesterday of the nationwide look at Medicaid transportation costs.

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Health care consultant Robin Mathias said that it's not uncommon for Medicaid programs to lose 30 percent to 50 percent of nonemergency transportation spending to fraud and abuse.

"States may identify likely fraud months or years after payment by analyzing claims data, but the effort is often too little, too late," she said.

A few states, such as Illinois, are moving toward contracting with a limited number of companies through competitive bidding, instead of having an unlimited number of providers, Miss Mathias said.

"Transportation fraud is very common," she said. "One of the reasons is that there's no professional certification. You don't have to be a nurse or a physician or a medical practitioner. That opens it up to a much wider range of people."

Last month, D.C. Inspector General Charles J. Willoughby issued a report that uncovered "a serious breach of basic internal controls" in which the city's Medical Assistance Administration failed to document millions of dollars in Medicaid transportation expenditures.

In response, Dr. Gregg A. Pane, director of the D.C. Department of Health, which oversees the MAA, wrote that the current transportation system has "profound management and operational challenges to overcome."

Dr. Pane said that city health officials are "deeply committed to working to resolve these issues as soon as possible."

The Times found that gaining entry into the Medicaid transportation industry in the District has required little more than a driver's license, an inspected van, auto insurance and valid rates on file. The city has more than 200 Medicaid transportation providers.

Neither the city's Department of Health, which oversees Medicaid, nor the Washington Metropolitan Area Transit Commission, which licenses motor carriers, has conducted background checks of company officials in recent years.

The review by The Times of court records and other official documents of transportation companies on the D.C. Medicaid provider directory found company officials with criminal histories and others with numerous driving violations.

The Washington-based Community Transportation Association of America says the District trailed only Alaska in how much it has paid for transporting Medicaid patients, according to D.C. Council documents.

Alaska encompasses more than 581,000 square miles; the District, 63 square miles. Commercial airfares account for more than 90 percent of Alaska's Medicaid transportation costs, while the District relies mostly on a fleet of private van carriers, according to records.

The District pays companies up to $140 per trip. By comparison, a cab ride across the city could cost as much as $40, plus tip.

Panel Plans Ways To Narrow Tax Gap (WSJ)

By Rob Wells

The Wall Street Journal, October 25, 2006

Congress, in a perpetual hunt to raise revenue without appearing to raise taxes, has a new list of ways to fatten the federal Treasury.

One proposal would force brokers to track historical price-basis information on stock sales, which could mean a stiffer capital-gains hit for investors who, intentionally or not, misstate the original purchase price. Another proposal would tighten the interest deduction for some mortgage refinancings. Still another would remove a key tax advantage for many family-owned businesses.

The proposals, released to little fanfare last week by Congress's Joint Committee on Taxation, are viable options for lawmakers looking to offset the cost of future tax cuts, tax experts say. The nonpartisan joint committee estimates the revenue costs of tax measures and is an influential behind-the-scenes player in tax bills.

This list of revenue-boosting options was produced at the request of Senate Finance Committee Chairman Charles Grassley (R., Iowa) and Sen. Max Baucus (D., Mont.), who asked the joint committee to pinpoint ways to close the estimated $290 billion tax gap, a measure of uncollected taxes.

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Tax experts believe closing the gap will remain a significant goal of Congress regardless of which party prevails in next month's elections. "Over the long term, a number of the options will get looked at pretty hard because we will need revenues," says C. Clinton Stretch, partner at Deloitte & Touche LLP in Washington.

Brokerage firms are nervous about a recommendation to force brokers to report to the Internal Revenue Service the adjusted basis of publicly-traded securities sold during the preceding taxable year. Adjusted basis measures the original cost of a security for tax purposes.

While brokers foresee major record-keeping problems, many investors could end up paying higher taxes because the new records could document significant capital gains. The IRS estimates that underreporting of all capital gains resulted in $11 billion in uncollected taxes in 2001.

Some tax experts predict problems tracking records with older stock portfolios, inherited securities or portfolios recently transferred to a new firm. They urge that the requirement be applied to future stock transactions instead.

Ken Busey, a partner at PricewaterhouseCoopers LLP in Washington, says brokerage firms might report a basis figure to the IRS in conflict with a taxpayer's records, he says. Still, Sens. Grassley and Baucus have been examining a bill to require such basis reporting. Sen. Evan Bayh (D., Ind.) introduced a basis reporting bill earlier this year.

IRS taxpayer advocate Nina Olson made a similar recommendation in 2005. "For taxpayers, tracking basis can be extraordinarily complex and many taxpayers seeking to comply with the law find that they simply cannot do so with accuracy, leaving them exposed if audited," Ms. Olson wrote then.

The report also seeks to clear up confusion over timing of a homeowner's interest deduction when they refinance their home. Mortgage interest generally is deductible but there are important qualifications. Points paid on a refinancing generally must be claimed on a prorated basis over the life of the loan. Interest can be deducted on home-equity loans of as much as $100,000. The joint committee said homeowners are confused about mortgage-deduction rules, suggesting some are claiming more generous deductions. The committee is urging clearer details about these limits and timing restrictions for taxpayers.

The scope of erroneous mortgage deductions isn't clear. But since taxpayers are expected to deduct $69.4 billion in interest on homes in 2006, even low levels of avoidance "would involve significant dollar amounts," the report said. And many of such interest-deduction errors likely occurred during the recent mortgage-refinancing boom, says Bill Smith, national tax office director at CBIZ Inc., a Cleveland consulting firm. "I think the vast majority of people out there have no idea there are limits on deductibility on mortgage interest," he says.

The report proposes a significant tax-law change for law firms and family-owned personal-service firms, which may face new self-employment tax obligations. Typically, an executive in a "subchapter S corporation," used by many family businesses, takes a salary and distributes the remaining profit in a dividend that isn't subject to self-employment taxes, Mr. Smith says. The report suggests a new uniform rule to have these entities covered by the same self-employment tax regime as partnerships or sole proprietors.

Not having a uniform rule is a sizable problem: $39 billion of the tax gap was attributable to the self-employment tax and an estimated $15 billion of the tax gap attributable to unemployment taxes. Yet Mr. Smith says in his experience, most people using an S corporation don't pay themselves "ridiculously low" salaries and take the rest in a tax-advantaged dividend distribution. * * *

SOME 39 MILLION TAXPAYERS became ineligible this year for free electronic filing due to new income limits.

The IRS "Free File Alliance," launched in 2003, directs taxpayers from the agency's Web page to free taxfiling services of private-sector tax preparers such as H&R Block.

The firms restricted their free services in 2006 to taxpayers earning $50,000 or less. This limit arose after some tax preparers complained competing firms had lifted all income caps in a bid to boost market share. Some companies threatened to drop out of the alliance unless the IRS agreed to an income limit, negotiated in October 2005.

As a result, Treasury's Inspector General for Tax Administration or TIGTA, said the income limit cut program participation by 23%. It also made 39 million people ineligible for free tax filing and pointed to another problem: Only 38% of taxpayers with incomes less than $25,000 have access to the Internet, TIGTA said.

"Free File Alliance" had nearly four million participants in 2006, down from five million in 2005. * * *

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BRIEFS: IRS announces a $15,500 limit for 401(k) contributions in 2007, up from $15,000 the prior year, thanks to a cost-of-living boost...U.S. Attorney General Alberto Gonzales last week praised the Justice Department's pursuit of tax crooks, citing 250 injunctions against tax-fraud promoters since 2001.

Where It's Always Christmas (WP)

By Ruth Marcus

The Washington Post, October 25, 2006

Harry Reid probably didn't give it much thought. When Christmas rolled around and it was time to contribute to the holiday fund for employees at the Ritz-Carlton condominium where he lives while in Washington, the Senate minority leader did what comes naturally to politicians these days: He dipped into his campaign account.

As recent ethical transgressions go, the Nevada Democrat's actions aren't the biggest deal around. Election rules bar candidates from using campaign funds for personal expenses, but Reid contends that the tips were to thank the staff for the hassle of dealing with a resident dignitary. That's arguable, and after the Associated Press reported on Reid's donor-funded generosity, he repaid the three years of campaign-funded tips, $3,300.

Reid's actions are more important, though, as an illustration of the entrenched, bipartisan congressional mind-set of entitlement. Republicans and Democrats may not agree on much, but their joint operating ethos too often boils down to an attitude of: "It's my due. Why shouldn't I?"

Lawmakers have steadfastly resisted clamping down on privately funded travel. They have refused to do away with free use of corporate jets. They eagerly take freebies such as skybox tickets and expensive meals under the prevailing "don't ask, don't pay" congressional culture in which someone else -- a company, a campaign committee -- is always picking up the tab.

Absolute power may corrupt absolutely, but it also corrupts trivially. What's striking about Congress (aside from flagrantly corrupt members such as former representative Randy "Duke" Cunningham) is the nickel-and-dime nature of the benefits they feel entitled to take, from Reid's acceptance of free boxing tickets from the Nevada Athletic Commission to California Republican Rep. John Doolittle's use of campaign funds to pay the babysitter.

Certainly this attitude is not solely a congressional phenomenon. In a report studded with delicious morsels, the Justice Department's inspector general last week chronicled the exploits of Carl Truscott, former head of the Bureau of Alcohol, Tobacco, Firearms and Explosives -- and the resources Truscott abused were taxpayer dollars, not private funds. While his agency was having to cut back on bulletproof vests for agents, Truscott was arranging for deluxe features in the director's suite of the agency's new building, including a flat-panel television in his private bathroom and a parquet floor modeled on those in the vice president's ceremonial office. Unlike his predecessors, he traveled with an extensive security entourage, and because the director "did not like to wait," security personnel met him at the airport to bypass lines. He violated government ethics rules by using "significant ATF resources" -- about 20 agency employees ended up being drafted to help -- on his nephew's high school project to produce a video about the ATF.

There's something about Congress, though, that may especially invite such grandiosity. As Truscott's escapades show, executive branch officials may be catered to by subservient staff, but there are at least civil service protections for those who dare to complain and inspectors general to expose the most egregious misbehavior. But where are the checks on Congress? In theory, the fear of being dinged by a campaign opponent might restrain lawmakers; in reality, given gerrymandered districts, that might not be much of a deterrent. Instead, lawmakers are surrounded by staff members, lobbyists and others whose only incentives are to satisfy their whims, not resist them.

Cunningham offers a case in point. A summary of his dealings with staffers at the House intelligence committee showed how their compliance enabled him to direct at least $70 million in contracts to corrupt defense contractors. Bullied and cowed by Cunningham, committee staff ignored "red flags" and dutifully satisfied his requests, the report found. After the report was released, I asked the committee spokesman whether any disciplinary action would be taken. He was thunderstruck. What, he asked, was the staff to do in the face of a lawmaker's demands? "Have you ever worked in Congress?" he asked. (No.)

Last week an NBC-Wall Street Journal poll reported the lowest public approval rating for Congress since 1992. What I wondered about was this: Who are the 16 percent who approve?

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Diplomacy Turns A Profit (WP)

By Al Kamen

The Washington Post, October 25, 2006

Ambassadorial wives are often hard-pressed to find something to do when overseas.

But it seemed Lisa Vershbow , wife of Alexander Vershbow, the U.S. ambassador to South Korea, had found her niche, picking up on her abilities as a costume jewelry maker.

At diplomatic receptions, she handed out name cards that said "Lisa Vershbow Jewelry Design" and gave her address as the U.S. Embassy residence, according to the Korea Times.

Vershbow set up a workshop in the residence and sold her work through a Seoul gallery. Over a two-week period, the Times reported, the gallery sold $20,000 worth of her pieces and, after deducting sales taxes, split the net with her.

She told the Times that she'd gotten an okay with embassy staff to do the exhibit. But the Korean Immigration Bureau says she didn't get a required work permit, a violation of the Korean Immigration Control Act.

And, she said of her customers, "I always wonder, would people still come if I weren't the U.S. ambassador's wife?"

No.Sex, Lies and the White House

And now, a Loop public service item. This month's special cheesecake edition of Esquire magazine features actress Scarlett Johansson as "The Sexiest Woman Alive." It's part of a fine photo display of "The Women We Love" from various fields -- movies, news, television commercials. The section includes "Women We're Ashamed to Love," topped by White House deputy press secretary Dana Perino .

"Hotter than Tony Snow and Scott McClellan combined," Esquire says of Perino. "Plus, the executive branch seems so much more capable in her dulcet voice. Lie to us, Dana. Lie to us."

Oddly, there is no picture of Perino included. So for Loop fans who don't read Esquire:Forgive and Forget

Former president Bill Clinton , talking to Democratic contributors here last week, recounted how he had earlier chatted with Jim Webb , a Virginia former Republican who is running for the Senate as a Democrat.

"He said: 'I can't believe you're going to campaign for me after all the terrible things I said about you,' " Clinton said.

Clinton said he told Webb that "if that was my test, I'd have no one to campaign for."

No doubt. Not even Hillary.Smash-Mouth Politics

It's getting rough out there in Wyoming, where six-term Rep. Barbara Cubin (R) is heavily favored over Democrat Gary Trauner .

During Sunday's televised debate, Libertarian Party candidate Thomas Rankin criticized Cubin for taking contributions from former House majority leader Tom DeLay . Moments after the lights went down, an upset Cubin said to Rankin: "If you weren't sitting in that chair, I'd slap you across the face," the Casper Star-Tribune reported.

Rankin has multiple sclerosis and uses an electric wheelchair.

Cubin publicly apologized yesterday, saying, "It was person to person and it was not an attack on the disabled. In retrospect, I was wrong in what I said and I apologize."

The popular Cubin is a Class of '94 member who pledged to serve no more than six terms.There's a Fox Following the Ambassador

Famed Washington lobbyist Tom Korologos , a Nixon and Ford White House aide and former Senate confirmation guru, is said to be leaving his fine posting as ambassador to Belgium early next year. Korologos, 73, often known as the 101st senator, helped out in Iraq in 2003.

Word is the White House has tapped wealthy St. Louis developer Sam Fox , 77, to replace Korologos. Fox, a major GOP fundraiser, is national chairman of the Jewish Republican Coalition.Five Governments, One Crazy Guy

The press keeps badgering the Bush administration over why it won't negotiate one-on-one with the government of lunatic North Korean dictator Kim Jong Il over the latter's nuclear program.

The reasons are obvious, but reporters just don't get it. CNN's Zain Verjee , in an interview last week with Secretary of State Condoleezza Rice in Beijing, asked: "What do you have to lose?"

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"Well, what we have to lose," Rice explained patiently, "is the power of five countries telling the North Koreans . . . that the program is unacceptable. The North Koreans would like nothing better than to divide us so that they can negotiate with each separately and they don't have to face the collective power of the five parties."

Ah, the indomitable power of five. Worked pretty well so far.

White House's Chief Usher Is Bowing Out (WP)

By Lois Romano

The Washington Post, October 25, 2006

Gary Walters, the longtime chief usher at the White House who has kept the secrets of seven first families, will retire at the end of the year after nearly four decades of service.

Walters, 60, who manages the 132-room mansion with a staff of 95 and a $10 million budget, said last night that he told first lady Laura Bush and the president last week of his decision.

"It's been nearly 40 years of not having an opportunity to set my own agenda and never knowing when I'd be home, " Walters said. "It's been wonderful but it just felt like it was time for me to go."

In a statement, President Bush and the first lady praised Walters, who also worked for the first Bush White House, and said that they were "grateful for making our family feel at home."

Walters arrived at the White House in 1970 as a uniformed Secret Service agent. He joined the usher's staff in 1976 and became chief usher in 1986 under President Ronald Reagan.

He has been charged with special diets and teenage parties, tending dogs and overseeing chefs. In addition, he oversees housekeepers, cooks, electricians and carpenters. And everyone knows that he knows. Walters was even called to testify during the Whitewater investigation in the mid-1990s, when billing records that had been subpoenaed two years earlier suddenly appeared at the White House.

"He's been pushing the buttons at the White House for 21 years, and he will not be an easy gentleman to replace," said Roland Mesnier, who retired as White House pastry chef in 2004. "It is a very difficult job. It's like a double-edged knife. You have to make sure everything is done properly at the institution, and you have to protect the first family. Sometimes it's a tough call."

Walters made one of those calls when the Clintons were departing in 2000. He approached the White House counsel's office to ask whether the family should be taking furnishings that he believed were government property. Although he was told that the items belonged to the Clintons, the items were returned. That was one instance when Walters was not shy about sharing a story with the media.

According to Susan Whitson, a spokeswoman for Laura Bush, Walters said his predecessor had once advised him to give his successor a couple of years to get ready for a new president. With the Bushes leaving the White House in 2009, now was his time to follow that advice.

Walters said he has given some thought to writing a book -- but certainly not a tell-all.

He said that he made suggestions to the Bushes about a process for succession, but he would not disclose whether he had recommended any specific replacement.

Trademark Office To Experiment With Telecommuting (WP)

By Stephen Barr

The Washington Post, October 25, 2006

Want to work for a Washington area agency and live on the Florida coast, or in the Blue Ridge Mountains of North Carolina, or among the bluebonnets of Texas?

As fanciful as that may seem, it will be possible under a telecommuting pilot project developed by the U.S. Patent and Trademark Office -- inside the Beltway in Alexandria -- and one of its unions.

Under the pilot, 10 experienced trademark lawyers with good job-performance ratings will be permitted to move anywhere in the continental United States and work from home.

"To my knowledge, there is no other program like this in the federal government," said Howard Friedman , president of National Treasury Employees Union Chapter 245.

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There is a catch. The lawyers must show up once a week at the Alexandria headquarters, at their own expense. That requirement will allow the PTO to keep the employees on the roster at agency headquarters and avoid triggering a law that mandates reimbursement for employee travel and per diems.

The "geographic expansion pilot," as the PTO calls the project, is scheduled to start next year and will be evaluated after six months. If the program is successful, the PTO plans to allow more lawyers to volunteer for it and to seek a waiver from Congress and the Bush administration so that the long-distance telecommuters do not have to report in person each workweek to headquarters.

"Ultimately, we'd like to get to a point where people come in the office less frequently than once a week," said Deborah Cohn , deputy commissioner for trademark operations. "We'll be trying to get to a point where, if they live in North Carolina or Florida, they don't have to come in except on rare occasions."

Cohn said the PTO decided to sponsor the pilot program after hearing from employees who want to be able to move away from the Washington area for family or lifestyle reasons. "Telework is a fabulous retention tool," she said. "We want to keep them; they are good employees."

Cohn and Friedman said the pilot builds on a nearly 10-year-old trademark office program that permits attorneys to work from their homes. About 220 trademark lawyers, out of 265 who are eligible, are telecommuters. Trademark lawyers typically can apply to telecommute after they have worked at the agency more than two years and show they can successfully meet rigorous productivity standards.

Program rules require the telecommuters to live within 110 miles of the PTO -- a limitation Cohn said was designed for an era when the agency installed desktop computers in employees' homes and arranged for cable companies to provide Internet service.

Today, most trademark lawyers work on laptops, and changes in technology have made it easier for them to connect to agency networks from their homes. The advent of Internet-based telephone service also makes it less expensive for trademark lawyers to provide services to companies and others who do business with the agency.

The PTO is in the vanguard of the government's work-at-home movement. In addition to trademark lawyers, about 500 senior patent examiners are telecommuting in a program that began in February. Over time, it could grow to as many as 3,000 examiners.

Telecommuting has been increasing in the federal government since 2000, but only 7.7 percent of the federal workforce telecommuted in 2004, according to the government's most recent report. The participation rate jumped to 19 percent when measured by the number of jobs that agencies have declared suitable for telecommuting.

Cohn noted that the trademark office has some experience with long-distance telecommuters. The agency has permitted at-home work by an employee in Harrisburg, Pa., and one in Long Island, N.Y., she said. A number of agency telecommuters live in the Annapolis and Baltimore areas, she noted.

The pilot, Friedman said, shows the value of telecommuting, especially for agencies updating contingency plans for redeploying employees if federal offices are closed because of pandemics or terrorist attacks.

Office chatter indicates that some trademark lawyers are interested in moving to Texas, Florida, North Carolina, Delaware and Illinois, Friedman said.

"Our people are chomping at the bit," he said. "I'll be curious to see how many people apply, and curious to see where they move."

Face Facts (NYT)

By Lawrence M. Wein

The New York Times, October 25, 2006

Stanford, Calif.

DESPITE all the attention given to anthrax and smallpox and potential weapons of mass destruction, pandemic influenza is probably the world's most serious near-term public health threat. If a strain similar in effect to the 1918 Spanish flu (which killed tens of millions of people worldwide) emerges in the next several years, it is highly likely that an effective vaccine will not be

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available during the pandemic's first wave, that we won't have enough antiviral drugs for large-scale prophylactic use, and that hospitals will be too overwhelmed to treat most cases.

Consequently, as in 1918, we will need to combine medical efforts with voluntary and forced social changes — closing schools and churches, canceling public gatherings, keeping workers at home — to hinder the flu's spread. Our government must draw up a plan for educating the public about effective nonpharmaceutical interventions like hand washing and face protection like masks.

A prerequisite for doing so is determining the biggest culprit in spreading influenza: droplet transmission, in which an infected person sneezes or coughs directly into the mouth, nose or eyes of someone who is susceptible); contact transmission, in which virus is transferred via hands either directly, say, through a handshake, or indirectly through an object like a doorknob; and aerosol transmission, in which evaporated virus-containing particles are inhaled.

Remarkably, this issue has not been resolved: the Department of Health and Human Services' Pandemic Influenza Plan states that "the relative clinical importance of each of these modes of transmission is not known." As a result, the government enthusiastically endorses frequent hand washing — which would reduce contact transmission, and costs nothing — but remains noncommittal about face protection. While the government says that it might be beneficial, it doesn't make respirators or masks available. Yet face protection would guard against aerosol and droplet transmission, and even reduce contact transmission by making it difficult to place fingers into one's mouth or nose.

A Stanford graduate student, Michael Atkinson, and I recently performed a detailed study of the routes of transmission, using data on influenza and on rhinovirus, which causes the common cold. Our findings suggest that the dominant mode of transmission for influenza is aerosol — implying that hand washing will make little difference. This is consistent with the views of leading researchers several decades ago, views that have somehow been forgotten by the public health community.

We found that ventilation, like placing a fan in an open window, and humidifiers (most influenza strains survive in the air for much less time when the humidity is raised to about 65 percent) can reduce transmission slightly. Sleeping in separate bedrooms (and working in separate offices) can help even more.

But the single most effective intervention is face protection. And because roughly one-third of influenza transmissions occur before an infected person exhibits symptoms, these precautions should be taken whenever people are in the same room throughout the pandemic period.

There are two kinds of face protection: N95 respirators, as worn by construction workers, for instance, and surgical masks of the sort worn by dental hygienists. (The respirators cost roughly a dollar apiece, the surgical masks 10 cents.) Their efficacy in preventing aerosol transmission depends on three factors: the extent to which the face filter prevents virus particles from passing through, how tightly the device fits and — most important — how long people can be coerced into wearing them.

To our surprise, we found that the filters in surgical masks, although not as good as the filters in N95 respirators, are still quite effective. And although a surgical mask fits much more loosely and allows more leakage, it's also more comfortable — and therefore likely to be effective because it's used more. Wearing nylon hosiery over a surgical mask essentially eliminates the face leakage, making this combination a practical, albeit macabre, alternative. The less comfortable N95 respirators would probably result in lower compliance.

The government doesn't stockpile masks and respirators, and the manufacturers aren't able to produce a huge number of them quickly. But the way forward seems clear: the government needs to build up a supply of respirators and masks just as it does with vaccines and antivirals. It should first hire a whiz-bang design company to create, within one month, a surgical mask that comfortably adheres to the face, and then decide on the appropriate mix of respirators and masks. Next, it needs to sign contracts with manufacturers to stockpile masks and respirators, relieving the manufacturers of liability issues.

Although there is very little technological risk involved (masks and respirators are easier to make and safer to use than vaccines), several issues need to be ironed out. First, the effectiveness of N95 respirators and masks varies widely. The government needs to educate the public (the brands are anonymous in the published studies) and should stockpile only the most effective brands.

Also, if respirators and masks are discarded daily, as they are in many hospitals, the national demand during a three-month pandemic could be 10 to 20 billion, and the cost for respirators for a family of four several hundred dollars. Such waste isn't

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necessary. The virus does not survive longer than a few hours on the material used for masks and respirators, so they should be re-used until they disintegrate.

The government and the public health community must switch mindsets, from the current perspective of protecting workers paid to do a dangerous job everyday, to that of providing citizens with the tools to best protect themselves during a pandemic.

It may take 18 months to build a stockpile of respirators and masks, so there is no time to lose. The American people's faith in their government will be seriously undermined if, along with larger measures like school closings, it cannot provide effective face protection for its citizens during a deadly pandemic. Masks and respirators may be our main lines of defense during a pandemic.

OTHER NEWS:

US Stocks Quiet As Fed Meets (FT)

By Michael Mackenzie

Financial Times, October 25, 2006

US stocks were caught in narrow ranges on Tuesday, as earnings continued flowing while unsettled investors were distracted by the two-day policy meeting of the Federal Reserve.

At the close, the S&P 500 was up 0.36 points, or 0.03 per cent, at 1,377.38 while the Nasdaq Composite was 10.72 points, or 0.5 per cent, lower at 2,344.84. The Dow Jones Industrial Average settled up 10.97 points at 12,127.88, marking its fourth record close in five days.

Some observers warn that the surge in equities since markets bottomed in July might not be sustainable. "The break-neck expansion of the past three months may give way to a needed short-term pause in the coming weeks," noted David Shairp, global strategist at JPMorgan Asset Management.

Among steel-makers Nucor was up $6.47, or 11.74 per cent, at $61.58 and US Steel up $3.61, or 5.4 per cent at $70.19. Carmaker General Motors hit a 52-week peak for the second successive day with investors expecting good earnings on Wednesday as GM executes its turnround plan. GM rose $1, or 2.8 per cent, to $36.19 and is up 86 per cent for the year.

Chemicals group DuPont, trimmed earlier gains, but closed 55 cents, or 1.2 per cent, higher at $46 after posting stronger than expected earnings and reiterating a solid outlook for 2006.

Hurting the Nasdaq was a decline in Qualcomm. Its shares fell $1.37, or 3.6 per cent, to $36.71 on reports that its patent case against Nokia might be reviewed by the courts.

Lucent rose 15 cents, or 6.4 per cent, at $2.49, on earnings of 7 cents per share, above consensus estimates of 4 cents. The telecomms equipment maker is being acquired by France's Alcatel. The deal is expected to close at the end of the year.

Taking a tumble was Tellabs, down 62 cents, or 5.6 per cent, at $10.40 after the company reported a 41 per cent rise in profits, but its broadband division saw sales growth rise just 3 per cent.

TD Ameritrade fell 79 cents, or 4.75 per cent to $15.84 while shares in Omnicom were up $6.23, or 6.6 per cent, at $101.11 after the advertising group delivered earnings of estimates.

Appliance maker Whirlpool cut its estimate for appliance industry unit shipment growth in North America. Its shares were down $2.63, or 2.9 per cent, at $86.70.

Reporting weaker than forecast results for the third quarter was Kraft Foods, which dropped 94 cents or 2.6 per cent, at $35.36.

Texas Instruments was down $1.36, or 4.3 per cent, at $30.52 after it missed estimates and lowered guidance for the fourth quarter.

First Data shares rose 54 cents, or 2.4 per cent, to $23.49 after the company announced a $700m share buy-back and first quarterly earnings since selling Western Union. Separately, Western Union rose 37 cents, or 1.9 per cent, at $19.95 after its earnings beat estimates.

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Dow Edges Higher To Another Record Despite Rising Oil Prices, Fed Concern (WSJ)

By Peter A. Mckay

The Wall Street Journal, October 25, 2006

Investors shied from making big bets ahead of the Federal Reserve's latest interest-rate decision, due out this afternoon.

On a day when major stock indicators ended mixed, the Dow Jones Industrial Average did close at another record, its 11th in the past 16 sessions. The Dow rose 10.97 points, or 0.09%, to end at a high of 12127.88, up 13.2% on the year.

The Standard & Poor's 500-stock index inched up 0.36 point, or 0.03%, to finish at 1377.38. The Nasdaq Composite Index declined 10.72 points, or 0.46%, to 2344.84, up 6.3% on the year.

Fed officials are expected to leave their interest-rate target unchanged at 5.25%, although their written statement, expected at 2:15 p.m. EDT, may offer surprises for Wall Street.

Even without the central bankers' thoughts in hand, investors' hopes for a rate cut by the end of the year have been fading in recent days, amid a generally strong batch of strong third-quarter corporate earnings reports.

Drew Matus, economist at Lehman Brothers Holdings Inc., said there is some risk that the Fed could sound a "hawkish" note about inflation fears, meaning a signal that higher interest rates may yet be needed to stem a general rise in prices throughout the economy. With earnings strong and falling pump prices putting more money in consumers' pockets, Mr. Matus said he sees little chance that the Fed will go the other way and signal a cut anytime soon.

Mr. Matus said he anticipates the "secondary effects" of a slowing housing market, including reduced consumer spending via home-equity loans, won't become evident until sometime in early 2007. "Until we see that, I don't think the Fed is going to go out of its way to convince people to price a rate cut into the markets," he said.

Rising crude-oil prices damped the mood in the stock market. Cold weather in the Northeast drove crude-oil futures for December delivery up 54 cents, or 0.92%, to $59.35 a barrel, off 2.8% on the year at the New York Mercantile Exchange.

Meanwhile, gasoline futures jumped 6.65 cents a gallon, or 4.5%, to $1.5380, though 41% off the Nymex record high of $2.6145, made in August 2005. Heating-oil futures rose 2.62 cents a gallon, or 1.6%, to $1.6952.

In addition to the Fed announcement, investors will watch for fresh data on existing home sales due out from the Commerce Department.

Outside the U.S., stocks rose in dollar terms, including a 5½-year high in London for the FTSE 100 index. The Dow Jones World Stock Index, excluding U.S. shares, rose 0.09%, or 0.2 point, to 226.32.

In U.S. market action:

Stocks were mixed. Total trading volume for stocks listed on the New York Stock Exchange was 2.78 billion shares, as 1,850 stocks advanced and 1,459 fell.

Bond prices rose. The 10-year note rose 1/32 point, or 31.25 cents for each $1,000 invested, pushing the yield down to 4.824%, as yields move inversely to prices. The 30-year bond rose 3/32 to yield 4.946%.

The dollar weakened. Against the Japanese currency, the dollar fell to 119.30 yen, compared with 119.33. The euro rose to $1.2563, compared with 1.2550.

How Much Is Too Much? (WP)

By Nell Henderson

The Washington Post, October 25, 2006

Behind the closed doors of the Federal Reserve's marble temple on Constitution Avenue, a fervent debate is underway this week. The subject might seem, at first glance, to reflect minor differences of opinion.

Should the Fed explicitly tell the public what level of inflation it wants to achieve? And if so, should that goal be in the 1 to 2 percent range, or "comfort zone," expressed by many central bankers in recent years, or should the upper limit be raised to as high as 3 percent?

Close as those numbers may sound, the implications for every American family are substantial. If the Fed enforces a low-inflation goal vs. one that is slightly higher, consider what a pair of pants or a loaf of bread would cost a decade from now, assuming they track the overall inflation rate.

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If inflation runs a modest 1.5 percent a year, typical of the level in the late 1990s, a $70 pair of pants would cost $81.24 in 10 years and a $2.79 loaf of bread would cost $3.24. But if inflation, running at more than 2 percent recently, is allowed to creep up to 3 percent a year, those pants would cost $94.07 in a decade, and the bread would cost $3.75.

How much people's paychecks will buy in the future, how far their retirement money will go, how many people might need to be thrown out of work to achieve a stated inflation goal -- all these outcomes could be influenced by a debate among the nation's central bankers at their meetings yesterday and today, to which the public has no access.

Among the main topics to be discussed is how the Fed might communicate more with the public about its private deliberations, economic forecasts, goals and strategies.

One option, long-advocated by Chairman Ben S. Bernanke, is for the Fed to adopt a formal, numerical inflation goal, a practice called inflation targeting and used by central banks in 25 countries. The Bank of England, for example, is one of several central banks that seeks to keep inflation at or near 2 percent.

Alan Greenspan, Bernanke's predecessor who retired in January, opposed inflation targeting, uneasy with rules that might limit his flexibility. He defined the Fed's goal of "price stability" more vaguely -- as inflation so low it does not influence consumers and businesses.

As long as Greenspan was chairman, inflation targeting was moot at the Fed. That changed overnight with President Bush's selection of Bernanke. His arrival has moved the issue to the top of the Fed's agenda.

The policymaking Federal Open Market Committee includes supporters and skeptics, making a quick decision unlikely. If committee members ultimately decide to adopt a target in principle, the next challenge would be setting the number.

Bernanke is among many Fed policymakers who have said in recent years they prefer to keep inflation in a range of 1 to 2 percent, using the central bank's preferred measure, which excludes volatile food and fuel prices. Such pronouncements about "core inflation" have led financial markets to view this range as the Fed's comfort zone, or informal target.

But some Fed committee and staff members believe the range of 1 to 2 percent may be too low. They think a better range might be 1 to 3 percent, or perhaps 1.5 to 2.5 percent.

Some financial analysts and investors say these views may help explain why Fed policymakers stopped raising interest rates after their June meeting, even though inflation has exceeded 2 percent for more than two years and is forecast to hover above that level through next year.

"Why are they so tolerant of inflation above 2 percent?" asked Laurence H. Meyer, a former member of the Fed Board of Governors. "Maybe because they aren't aiming for 1.5 percent. It's possible that in practice, the midpoint of the range we should infer from their actions is higher than 1.5 percent."

In contrast, Jeffrey M. Lacker, president of the Federal Reserve Bank of Richmond, has said repeatedly that he wants to see inflation average about 1.5 percent over time, varying within the range of 1 to 2 percent. At each of the past two policymaking meetings, where the Fed left its benchmark short-term rate unchanged at 5.25 percent, he cast the sole dissenting vote.

The committee is widely expected to hold the benchmark rate steady today, while leaving the door open to more rate increases if inflation does not come down.

Gary H. Stern, president of the Federal Reserve Bank of Minneapolis, said in an interview last week that "things are a little awkward now" because financial markets are not sure of the committee's inflation objective.

The difference between 1.5 and 3 percent inflation may sound small, but it can have big effects on investors, consumers and the economy. Consumer price inflation erodes the buying power of the dollar. That lowers returns on investments in stocks, bonds and other assets. It also eats away at savings and means a fixed income buys less every year.

High inflation disrupts economic growth by making it difficult for businesses, investors and families to plan, as did ruinous double-digit inflation during the 1970s.

Conversely, central bankers don't like to let inflation get near zero, fearing that prices could cross the line and actually start falling, a phenomenon known as deflation. Deflation discourages consumers and businesses from borrowing and spending, as happened during the Great Depression of the 1930s and in Japan for most of the past decade.

Fed policymakers were delighted in the late 1990s when the economy grew at a strong pace and inflation averaged 1 to 2 percent.

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But their thinking shifted after the stock bubble burst, leading to the 2001 recession and an initially weak economic recovery. Mindful of Japan's deflation, Greenspan and others grew worried as inflation drifted toward 1 percent. By May 2003, they announced they would prevent inflation from falling farther; Bernanke, then a member of the Fed Board of Governors, declared that summer that inflation below 1 percent was "undesirable."

By October 2003, Bernanke said in a speech that academic research suggested "something in the vicinity of 2 percent" would be the best long-term average.

More recently, many analysts and investors say Fed policymakers have already moved their informal inflation goal slightly higher than 1 to 2 percent, but will not say so publicly for fear financial markets will question their inflation-fighting resolve.

The Fed "is acting as if the comfort zone is somewhat higher, just not saying so," said Paul McCulley, managing director of Pacific Investment Management Co.

A recent survey of bond investors by Macroeconomic Advisers LLC found about half of them do not believe the Fed is setting interest rates as though it were trying to keep inflation within the range of 1 to 2 percent.

Financial markets would probably accept a Fed target of 1.5 to 2.5 percent, said David Shulman, a senior economist with the UCLA Anderson Forecast. But if policymakers said they would tolerate 3 percent inflation, he said, "you'll get a sell-off" in the stock and bond markets.

Richard Yamarone, director of economic research at Argus Research Corp., said anything above 2 percent would be "a hard sell" on Wall Street.

"The markets are going to see this and say, 'Wait a sec -- you don't like what you see so you change the rules in the middle of the game?' " he said. "It absolutely crushes the inflation-fighting credibility of the Fed."

If Fed policymakers adopt a formal target, they would have many details to flesh out: Which inflation measure should they use? Should the target be a numerical point or a range? What would be the time frame for achieving the goal?

Stern, the Minneapolis Fed president, said last week he supports a numerical goal, but added, "I haven't decided on what it should be."

Winter-Heating Bills Are Tough To Forecast (WSJ)

By Rebecca Smith

The Wall Street Journal, October 25, 2006

A substantial drop in natural-gas prices won't help some U.S. consumers with their heating bills this winter. As a result, some utilities are waiting to see whether households dial back their thermostats -- and whether that could hurt their earnings.

Some utilities that raised rates significantly last year, in the aftermath of gas-production disruptions along the Gulf Coast, will offer substantial reductions this year because of the fall in gas prices. Others will have modest increases or decreases depending on whether they locked in gas supplies when prices were high or rolled the dice on the spot market. Gas-commodity costs make up 50% to 80% of a common residential bill, and gas heats more than half of all U.S. homes.

Many utilities sock away large quantities of gas in spring and summer so it can be consumed in the winter. The companies then make spot-market purchases, as needed. More utilities are making purchases in other months and are leaning more heavily on financial-hedging tools to protect their customers against price shocks. About 70% of gas utilities enter into financial hedges to protect their customers, according to the American Gas Association, a trade group in Washington, D.C.

The different approaches account for different consumer outcomes in different places. AGL Resources Inc., of Atlanta, said it will offer reductions of 5% to 28% this winter at the five utilities it owns in six states, with the largest decrease in Virginia. That is partly because Virginia is one of the few states that discourages hedging, so it relies more on current market prices.

That has worked out well this year because prices have dropped. In recent trading, a 12-month strip of gas -- a contract for a set supply monthly for a year -- could be purchased on the New York Mercantile Exchange for $7.97 a million British thermal units, compared with $11.67 a million BTUs a year earlier, a decline of 32%. U.S. gas inventories have swelled to 3.44 billion cubic feet, their highest level ever, according to the Energy Information Administration, of Washington, D.C.

PIPED IN FROM RUSSIA

• Energy Diary:1 Many European countries depend on natural gas brought in by pipeline from Russia.

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At AGL's Chattanooga Gas Co. in Tennessee, a 24% reduction in the commodity portion of each bill will translate into savings of $29.50 in November and $56.60 in December for the average household. Although that is welcome news, it leaves prices relatively high because rates jumped 39% last winter.

Even though gas-commodity costs are a pass-through expense for utilities, the companies can suffer if their customers suffer. NiSource Inc., of Merrillville, Ind., said in August that it expects to lose 1.2% of its residential customers this year, most due to shutoffs for nonpayment. That is a 10% increase in customer losses from 2005 and is twice as great as what it expected. NiSource owns 10 gas utilities in nine states with 3.8 million metered customers.

Overall, residential-gas use at NiSource companies has fallen 5% this year, on top of a 4% drop last year, Chief Executive Bob Skaggs told investors. He said in August it is "highly unlikely" the company will meet its earnings targets for 2006, as a result of this growing conservation effect.

NiSource's experience suggests there may be more pain ahead -- both for utilities and customers -- than what the federal government expects. In its annual winter-fuels outlook, the EIA said it expects less conservation this year than last year, because of reduced prices.

Some utilities with successful buying strategies are raising rates. Customers of Northwest Natural Gas Co., of Portland, Ore., will pay 3.5% more for gas this winter. What consumers won't necessarily know is that it could have been far worse. Normally, Northwestern locks in prices for 90% of the gas its customers need, but "we really backed off this year," said Randy Friedman, gas-supply manager, because prices quoted early in the year for deliveries this winter "seemed nuts to us."

It held off on purchases and later was able to buy gas more cheaply. By deviating from its normal plan "we cut the amount of our price increase in half," said Mr. Friedman. This year's increase comes on top of a relatively modest 15% increase last year, when a larger hedging program protected customers against price increases late in the year. Its earnings aren't affected by conservation because the company revised its rate structure in 2002 so it can earn its authorized rate of return even if gas usage drops.

Many utilities are reluctant to change their buying programs, afraid they will be second-guessed by regulators. Consolidated Edison Inc. takes a "disciplined approach" to procurement, says Terry Agriss, vice president of energy management. "We didn't do anything substantially different this year than what we do in any year."

ConEd, of New York, expects the average household to pay about 5% less this year than last. That means a total gas expense of nearly $2,000 from November through March, compared with an average cost of $2,090, $1,658, and $1,415 the prior three years.

Judge Rules Against Boy's Circumcision (CHIT)

By Judy Peres

Chicago Tribune, October 25, 2006

In a case that has been closely watched by anti-circumcision groups nationwide, a Cook County judge ruled Tuesday that the medical benefits of the procedure are not clear enough to compel a 9-year-old Northbrook boy to be circumcised against his will.

The boy's mother and her new husband had claimed the operation was necessary to prevent recurrent episodes of redness and discomfort. The boy's father sought a court order barring the circumcision, which he called an "unnecessary amputation."

The mother has sole custody, but their 2003 parenting agreement gave her ex-husband a say in non-emergency medical decisions. The Tribune is not naming the parents in order to protect the boy's privacy.

In a written opinion handed down Tuesday, Circuit Court Judge Jordan Kaplan said, "The evidence was conflicting and inconclusive as to any past infections or irritations that may have been suffered by the child.

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"Moreover," he continued, "this court also finds that the medical evidence as provided by the testimony of the expert witnesses ... is inconclusive as to the medical benefits or non-benefits of circumcision as it relates to the 9-year-old child."

Kaplan said the boy, as a minor, cannot make his own medical decisions but had indicated in a written statement that he does not want to be circumcised.

"The injury to the child as a result of an unnecessary circumcision would be irreversible," Kaplan wrote, adding that his order would remain in effect until the boy turns 18 and can decide for himself whether or not he wants to undergo the procedure.

Because there are no U.S. precedents, other courts could look to this ruling in future cases, said George Hill of Doctors Opposing Circumcision.

Geoffrey Miller, a law professor at New York University, called the ruling a "significant victory" for the growing "intactivist" movement, which has argued circumcision is harmful and violates the rights of children, who can't give informed consent.

Miller conceded Tuesday's decision was "limited by the facts of the case," including the agreement that gives the father the right to be consulted on medical care. Nevertheless, he said, "The fact that a non-custodial parent was able to prevent a custodial parent from having this procedure done is a sign that courts are more receptive to arguments against circumcision than they were in past years."

The father, a 50-year-old building manager from Arlington Heights, said he was relieved by the decision and "so happy."

His lawyer, Alan Toback, said, "We always thought it was not in the child's best interest to have a circumcision at age 9 that was not medically necessary, and the judge agreed."

The mother was not in court Tuesday, and her lawyer, Tracy Rizzo, also was not there because of the death of her father, famed Chicago private investigator Ernie Rizzo. The mother was represented instead by Gail O'Connor, who said, "We're disappointed, of course, but we will abide by the injunction."

Circumcision, in which the foreskin of the penis is surgically removed, usually before a newborn leaves the hospital, was extremely common in the U.S. during the last century. But the percentage of U.S. babies being circumcised has gone from an estimated 90 percent in 1970 to about 55 percent today. In most other countries, circumcision is performed only for religious reasons.

The boy, who never appeared in court, was represented by attorney David Pasulka, who recommended against circumcision at this time.

The eight-month dispute took some nasty turns. Rizzo charged that the father did not care about the boy's health but feared his ex-wife and her new husband were trying to convert the boy to Judaism.

The father's attorneys hinted that the mother's aim was to spite her ex-husband and please her current husband, who is Jewish.

The boy's stepfather and stepbrother are both circumcised, while the biological parents are Catholic immigrants from Eastern European countries where circumcision is rare.

But Kaplan said he did not address "issues of ethnicity or religious beliefs relative to circumcision" because the parents did not raise them in their legal pleadings.

Dan Strandjord, a self-proclaimed "intactivist" who attended every hearing in the case, was elated Tuesday. "I believe this is a human rights issue," said Strandjord.

Hip-Hop Editor Wins Suit Over Her Firing (WP)

By Peter Carlson, Washington Post Staff Writer

The Washington Post, October 25, 2006

After a tumultuous two-week trial, Kimberly Osorio, a former editor in chief of the Source magazine, won a workplace lawsuit against the popular hip-hop monthly, and a Manhattan jury awarded her $15.5 million.

"This is a victory for women in hip-hop," Osorio told the hip-hop Web site SOHH.com after the verdict Monday night. "I stood up and I won."

Osorio, who was fired by the Source last year, sued the magazine and its founders, David Mays and Raymond Scott, alleging sexual harassment, gender discrimination, defamation, retaliatory discharge and maintaining a hostile work

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environment. The defendants responded that Osorio was fired in March 2005 for "poor performance," including her decision to publish a cover photo of rapper Nelly without his posse and running a negative review of a CD by rapper Fat Joe.

Osorio, now an editor at BET.com, testified that Scott repeatedly begged her for sex, and that another editor threatened to "knock me upside my [expletive] head."

The jury of six men and two women threw out the discrimination and sexual harassment complaints but found that Osorio was fired in retaliation for complaining to her bosses about discrimination and sexual harassment. In addition, the jury ruled that Scott had defamed Osorio in an interview after her firing.

The defendants quickly announced that they would appeal the verdict.

"This will be knocked out on appeal," Mays said in a telephone interview yesterday. "She won't collect on any of this."

The eight-day trial was enlivened by testimony about life in the Source's offices in New York, which was said to include watching porn videos, graphic threats of violence, and the spreading of rumors that Osorio, Mays and Scott had sexual relations with various rappers.

During the trial in U.S. District Court, Osorio's attorney, Kenneth Thompson, told Judge Jed S. Rakoff that Scott -- who is also a professional rapper known as Benzino -- shouted "Coward! Chump! Uncle Tom!" at him as he walked to the men's room during a recess. Scott denied the charge. The judge gave Scott the choice of staying in the courtroom or being escorted out of the building by a marshal.

"I'll leave," Scott said, and a marshal took him out.

Scott has long been a controversial figure in the rap world. In 2003, he released a Benzino album that included a song attacking rapper Eminem, and the Source promoted it by publishing a cartoon that depicted Benzino holding the bloody severed head of Eminem. "That's all part of hip-hop," Mays explained yesterday. "That's part of the game of being a hip-hop artist."

Both Mays and Scott left the Source in January and recently started a new publication, HipHop Weekly, which published its first issue this week. According to its press release, the magazine includes "exclusive photos of DMX going after the sound man at a recent Long Island concert" and "an exclusive report on Jay Z stating, 'I'm out for dead president Bush' while performing."

Yesterday, Mays praised Scott as "a great man" who was unfairly maligned by Osorio's lawyers during the trial.

"They tried to assassinate his character because he didn't go to Harvard like me," Mays said.

Bush Campaigns On Pocketbook Issues (AP-Y)

By Jennifer Loven

AP, October 25, 2006

Look around the dinner table and add $500 to your tax bill for each child, President Bush said Tuesday as he sought to convince voters that Democrats would destroy the economy and the family budget if they took over Congress.

"When you go to the voting booth in two weeks, the lever you pull will determine the taxes you pay for years to come," Bush said on a fundraising swing through Florida aimed at adding nearly $1.4 million to GOP coffers. "You will feel the results every April 15."

Each one of the president's recent political speeches has offered new zingers aimed at making more ominous the specter of Democrats in charge of the House or Senate, either on the subject of tax cuts or fighting terrorism. On Tuesday, Bush singled out for special emphasis the gradual doubling of the child tax credit from $500 to $1,000, one of several cuts passed during his administration with expiration dates.

"If you're sitting around a dinner table and there's two children, your taxes just went up $1,000 if they take control," the president said, continuing to do the math for three children, or four.

But he didn't get it quite right. Bush skimmed past the fact that the child tax credit is not yet $1,000 and doesn't reach that level until 2010.

He also ignored that many Democrats now say they want to retain that tax cut. In 2001, when it originally passed by a 282-144 vote, most Democrats voted against it because they said it was part of an overall Bush-backed tax package that provided meager tax relief in the early years, was far more costly than GOP estimates and was tilted toward wealthy taxpayers.

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"The question is: Why hasn't the president and his rubber-stamp Republican Congress joined Democrats' efforts to expand the child tax credit?" said Jennifer Crider, spokeswoman for House Minority Leader Nancy Pelosi, D-Calif., referring to Democrats' wishes to make low-income families eligible for the credit.

It was the president's second day in a row emphasizing economic good times — fallen gas prices, low unemployment, a record-setting stock market, rising consumer confidence — as the elections approach.

But polls show the public isn't prepared to give Bush's party the credit. When likely voters were asked earlier this month in an AP-Ipsos poll whom they trusted more to handle the economy, 51 percent said Democrats, 38 percent said Republicans.

Bush made his cash-raising visit for GOP congressional candidate Vern Buchanan cheaper for the Republican businessman's campaign by stopping briefly at Gyrocam Camera Systems. The rules governing how a campaign reimburses the government for an appearance by Bush or another official dictate that scheduling an official event alongside the political one reduces the share of the president's travel costs that must be funded by the candidate.

Gyrocam supplies the military with detectors for roadside bombs in Iraq and Afghanistan. In a company hangar, Bush repeated his argument that a Democratic-led Congress would raise taxes, and noted that the military's use of Gyrocam's detection product helps prove his administration's commitment to adapting the Iraq war to changing circumstances.

Buchanan is in a tight race against Democrat Christine Jennings for the south Florida seat being vacated by Rep. Katherine Harris, who is running an uphill race for the Senate, against her party's wishes. Later Tuesday, Bush raised $1 million for the Republican National Committee at a closed event in a Boca Raton mansion in the district of GOP Rep. Clay Shaw, who is running one of the nation's most difficult re-election races.

Bush has campaigned just two to three days a week throughout October, usually with only a couple of stops each day.

The White House had promised the pace of the president's campaigning would pick up significantly after September, with more events, more of them open to media coverage and the advent of rallies instead of only fundraisers. The White House contends Bush's campaign activity this year is as or more aggressive than before the 2002 midterm elections.

But by the same date in October 2002, a more popular Bush had appeared at eight huge candidate rallies and headlined six open fundraisers. This October, he has so far held 11 open fundraisers but has still, with two weeks left until the Nov. 7 voting, not attended a single rally.

"His campaign, in terms of the number of events, it's been very aggressive," said White House deputy press secretary Tony Fratto.

Fratto also said that any 2007 planning at the White House is not taking into account the possibility of having to work with a Congress at least partially controlled by Democrats.

"We're still in the game, and if you're in the game, you're in it to win," he said. "We're ready to work with a Republican Congress."

The president remained positive as well, even making light of the heightened pre-election speculation.

"The Democrats make a lot of predictions. As a matter of fact, I think they may be measuring the drapes," Bush said. "If their electoral predictions are as reliable as their economic predictions, November 7th is going to be a good day for the Republicans."

In Sarasota, Bush Urges GOP Faithful To Get Out The Vote (HTRIB)

By Jeremy Wallace

The Herald Tribune (Southwest Florida), October 25, 2006

MANATEE COUNTY - During a brief stopover, President George W. Bush exhorted Republicans to show up on election day, saying that a strong GOP turnout is critical to preserving his tax cut package and winning the War in Iraq.

“We’re going to do everything we can to protect you before the enemy attacks,” Bush told a crowd of about 1,500 supporters at the Sarasota-Bradenton International Convention Center.

Appearing at a $20 a person fundraiser for Republican congressional candidate Vern Buchanan, the president spent a good portion of his speech warning the audience that Democrats, if they gain control of Congress, will discontinue tax cuts and disrupt U.S. efforts in Iraq.

Bush also told voters not to believe Democrats who say they want a tax cut for the middle class.

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"You will feel the results every April 15" if Democrats win, Bush said. "Americans should not be fooled by their rhetoric."

After his speech, Bush's motorcade made a stop at Gyrocam Camera Systems, a local company with a $51 million contract to provide the Armed Forces with explosive-detecting cameras that can be mounted on personnel carriers and other military vehicles.

Bush then headed to the airport and boarded Air Force One, which left for Florida's East Coast about 2:45 p.m.

Comments | Permalink

Tuesday, October 24, 2006, 8:11 pm

Worst seat in the house?

Jeremy Wallace

» Read blog: Political Insider

Could there be a worse seat for a United State Senator to have to sit next to me for an hour?

That's exactly what happened today, when U.S. Sen. Mel Martinez, a Republican, sat down to hear President Bush speak at the Sarasota Bradenton International Convention Center.

His reserved seat was next to where Secret Service agents had positioned the media. No press handlers. No staff. Just me and Martinez for an hour.

After reminiscing about his recent campaign stop for Buchanan at a Sarasota bowling alley, the first term senator and I talked about the war in Iraq.

Martinez said it's so difficult to talk about the war because the media is being so aggressive to determine if Republicans are supporting or opposing the president.

Virginia Republican Sen. John Warner, chairman of the Senate Armed Services Committee, seemed to open the floodgates to Republican criticism of Iraq policy this month when he warned after a trip to Iraq that the war was "drifting sideways" and a course correction might soon be warranted.

Martinez said he's more than willing to sit down and explore the situation in Iraq in a thoughtful way, but is convinced the media will seize on one two-word statement like with Warner, and pit him against or with the President.

So, Martinez said he'd just as well prefer to wait until after election day.

Martinez has been hitting the campaign trail for Buchanan pretty hard. This is his third visit to Sarasota in the last 60 days. Prior to that, it had been almost two years since his last public visit.

Martinez told fellow reporter Doug Sword last week that he's in part paying back political IOUs. When Martinez ran for the Senate in 2004, Buchanan was chairman of his fundraising committee.

"It's a result of my gratitude for him, for what he did for me, and the fact that I believe he'd be a good congressman," Martinez said.

Comments | Permalink

Tuesday, October 24, 2006, 6:19 pm

By ASSOCIATED PRESS

Cheney says Hillary Clinton could win presidency

WASHINGTON -- Vice President Dick Cheney said Tuesday he thinks Sen. Hillary Rodham Clinton could win the presidency. He said Sen. Barack Obama might be viewed by voters as too inexperienced.

Cheney handicapped the Democratic field of potential candidates in an interview with conservative talk show host Sean Hannity.

"I think Hillary Clinton is a formidable candidate," Cheney said. "I think she could win. I hope she doesn't. I disagree with her on nearly all the issues, but nobody should underestimate her. She's a very serious candidate for president."

Cheney said Obama, an Illinois Democrat, was an "attractive guy. Don't know him well, met him a few times. I think at this stage, my initial take on him was he's been two years as a senator. I think people might want a little more experience than that, given the nature of the times we live in. But certainly, he's an attractive candidate. If he decides to run, he'll be a player on the Democratic side."

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Obama said Sunday he was considering a run for president in 2008, backing off previous statements that he would not do so.

As for himself, Cheney said he would not budge from his oft-stated decision that he will not run for president. "It's firm, final, fixed, irrevocable," the vice president said. "I don't know how else I can say it. If nominated, I will not run; if elected, I will not serve."

Cheney also said he was optimistic about Republican hopes in the Nov. 7 elections.

"I think we'll hold both the House and the Senate." Last week, Cheney raised eyebrows when he sounded less sure about GOP prospects. "I think we'll hold the Senate and I also think we got a good shot at holding the House," he told Rush Limbaugh.

Comments | Permalink

Tuesday, October 24, 2006, 6:00 pm

By SNN NEWS 6

(SNN NEWS 6)

Cooler temps to continue

SNN News 6's David Karnes says the mercury will dip a little lower overnight Tuesday.

Comments | Watch the video

Tuesday, October 24, 2006, 5:25 pm

By STAFF REPORT

County to pay $15,000 for medical bills for woman hurt in crash with cop

BRADENTON — County commissioners Tuesday agreed to pay $15,000 to cover the medical expenses for a teenager injured when a Manatee County sheriff's patrol car struck her vehicle.

Andrea Malara was 15 years old when the deputy's car, with its lights flashing, ran a red light eastbound on State Road 70 at Tara Boulevard in June 2001.

Malara was a passenger. The driver of the vehicle was not injured. Authorities said the deputy's patrol car flipped several times after the crash.

Malara, county records show, refused to be taken to the hospital by ambulance. Her parents drove her to Manatee Memorial Hospital. Malara said she suffered injuries to her neck, head, shoulders, back and jaw.

The county's agreement to pay $15,000 terminates a lawsuit Malara's attorneys filed against the Sheriff's Office in November 2004. The settlement was reached last month through mediation, court records show.

Comments | Permalink

Tuesday, October 24, 2006, 5:20 pm

By Staff Report

Bradenton man dies from injuries in Sunday wreck that resulted in a fire

BRADENTON — A 51-year-old Bradenton man was killed in a one-vehicle crash this week after his Jeep slammed into a trailer and caught fire, Florida Highway Patrol troopers said.

The man, John E. Geier, was eastbound on Whitfield Avenue on Sunday about 10:15 p.m. when his vehicle struck a trailer in a construction site, authorities said.

Troopers said Geier died Monday afternoon at Tampa General Hospital from injuries sustained in the crash, which happened near Prospect Road. Geier suffered burns to more than 80 percent of his body.

Comments | Permalink

Tuesday, October 24, 2006, 5:09 pm

By : David Karnes, Chief Meteorologist SNN News 6

Cool again Wednesday

Weather First

» Read blog: Weather news

Tuesday morning saw a record low of 51 degrees at SRQ. The old record was 52 degrees back in 1982.

Wednesday morning will be another near record morning with lows dropping into the low 50s along the coast and mid to upper 40s inland.

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Wednesday afternoon will be a little warmer than Tuesday was. Highs will still be well below normal, however, in the mid to upper 70s.

We will start to warm back into the low 80s by Thursday, but another front will move through and bring us some showers and storms Friday with another shot of beautiful weather for the weekend.

Comments | Permalink

Tuesday, October 24, 2006, 5:03 pm

By Steve Echeverria Jr.

WSLR Costume Party @ Khrome Cancelled

» Read blog: Entertainment

The Fogartyville Cafe and WSLR (96.5 FM) have cancelled the planned costume party at Club Khrome meant to celebrate the community radio station's Guiness World Record crown for having the "World's Youngest Radio DJ."

The party was planned for Sunday, Oct. 29.

The owner and manager of Khrome were recently arrested on durg possession and money laundering charges.

Instead, WSLR officials will present seven-year-old Joshua Rabow, who hosts "The Saturday Morning Cartoon Show," with an award at the Sarasota Blues Festival between 7-8 p.m.

For more information call (941)741-9755.

Comments | Permalink

Tuesday, October 24, 2006, 4:26 pm

Kitson picked to build Murdock Village

In a bid to end months of frustation, County Commissioners Tuesday chose Kitson & Partners to develop the 1,100-acre Murdock Village site.

Unless the county hits another negotiation snag, Kitson & Partners -- the developers of Babcock Ranch -- will transform the land into a hopping downtown center, possibly anchored with a satellite campus for Florida Gulf Coast University.

A month ago, the county was in negotioation over the same project with Stock Development.

The developer backed down early this month, blaming a slow real estate market for its unwillingness to pay the $94 million it promised in its bid.

Comments | Permalink

Tuesday, October 24, 2006, 4:11 pm

By Susan Rife

A full Book Review section

It's not that often that the New York Times Book Review section is packed with reviews of things I either have already glanced at (and set aside on my "get to right away" pile or have already begun to read), but such was the case on Oct. 15. Of nine fiction reviews, I'd actually already read "Abundance" by Sena Jeter Naslund and put aside "Human Traces" by Sebastian Faulks, "Black Girl/White Girl" by Joyce Carol Oates and "The Light of Evening" by Edna O'Brien.

Several books on the nonfiction list also had already piqued my interest, but at the top was Bill Bryson's memoir, "The Life and Times of the Thunderbolt Kid." Sadly, this book has yet to fall into my greedy little outstretched hands, but reading the review remnded me of how much I loved "A Walk in the Woods," Bryson's hysterically funny book about hiking the Appalachian Trail, and got to me to pull "A Short History of Nearly Everything" off my shelf and renew my interest in it, and also to read his 1989 memoir, "The Lost Continent: Travels in Small-Town America" (Harper Perennial).

Like "A Walk in the Woods," this is a deeply personalized travel journal as Bryson sets out from his native Des Moines in search of the perfect small town. He logs more than 13,000 miles onto his mother's Chevette as he crisscrosses the country, horrified by the strip-malling of America and how generally ugly many places are (this is after he had spent 20 years living in England, so there you have it).

As the reviewer in the Times notes, "The Lost Continent" is convulsively funny: "In fact, I remember reading it on the couch and disturbing my wife in her kitchen-table academic studies with my howls," he writes. "When she asked me what was so funny, I would, in reading the passage aloud to her, inevitably be reduced to body-racking, tear-inducing, de-couching laughter."

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That was my experience as well, both with "The Lost Continent" and with "A Walk in the Woods," which I read while flying across that very lost continent, trying to stifle my giggles in order to not overly alarm my seatmates. I highly recommend the book, especially to anyone who's experienced the joy and pain of backpacking.

In "The Lost Continent," Bryson loosely recreates the childhood vacations of his family, when Dad would drive and Mom would navigate and Billy and his sister would duke it out in the back seat. Dad of course would stop only at bona fide historical monuments and never at the kind of roadside attractions kids so dearly love. I can relate, since my dad was that same unhappy guy behind the wheel and I was among the kids crowded three across in the back seat of the station wagon cruising through the west and never once stopping at goofy roadside attractions. National parks, you bet. Anything with a side show, not so much.

Here's Bryson on visiting Gatlinburg, Tennessee.

"I loved it. When I was growing up, we never got to go to places like Gatlinburg. My father would rather have given himself brain surgery with a Black and Decker drill than spend an hour in such a place. He had just two criteria for gauging the worth of a holiday attraction: Was it educational and was it free? Gatlinburg was patently neither of these... So Gatlinburg to me was a heady experience. I felt like a priest let loose in Las Vegas with a sockful of quarters. All the noise and glitter, and above all the possibilities for running through irresponsible sums of money in a short period, made me giddy.

"I wandered through the crowds, and hesitated at the entrance to the Ripley's Believe It or Not Museum. I could sense my father, a thousand miles away, beginning to rotate slowly in his grave as I looked at the posters. They told me that inside I would see a man who could hold three billiard balls in his mouth at once, a two-headed calf, a human unicorn with a horn protruding from his forehead and hundreds of other riveting oddities from all over the globe collected by the tireless Robert Ripley and crated back to Gatlinburg for the edification of discerning tourists such as myself. The admission fee was five dollars. The pace of my father's rotating quickened as I looked into my wallet and then sped to a whirring blur as I fished out a five-dollar bill and guiltily handed it to the unsmiling woman in the ticket booth. 'What the hell,' I thought as I went inside, 'at least it will give the old man some exercise.'"

Bryson goes on to report that the museum was the ultimate guilty pleasure. As is reading any of his works, all of them subject to the highest levels of comic exaggeration. If you need a break from the grim realities of the world, Bryson's books certainly offer it. I can't wait to get his newest, "The Life and Times of the Thunderbolt Kid." In fact, I think I'll head to the bookstore right now. There's no better way to spend an evening than de-couching oneself with laughter.

Comments | Permalink

Tuesday, October 24, 2006, 3:50 pm

By SNN NEWS 6

(SNN NEWS 6)

Bush, Buchanan speak at rally

Portions of speeches by Congressional Candidate Vern Buchanan and President George W. Bush in Sarasota this afternoon.

Comments | Watch the video

Advertisement

Tuesday, October 24, 2006, 3:40 pm

By STAFF REPORT

Dropping fuel costs to be passed on to FPL customers

STAFF REPORT

There is even more good news on the petroleum front: dropping fuel costs have prompted Florida Power & Light to bolster the cut it plans to customer bills starting in January.

FPL forecast a 1.8 percent drop in September; now it is 5 percent.

That would take the average customer's bill from $108.61 per month to $103.51.

The Juno Beach-based power provider said that it expects a similar drop for business customers.

Comments | Permalink

Tuesday, October 24, 2006, 3:21 pm

DOJ_NMG_0085942

By Jeremy Wallace

President Bush delivers remarks at a 'Vern Buchanan for Congress' event in Sarasota. (ASSOCIATED PRESS)

In Sarasota, Bush urges GOP faithful to get out the vote

MANATEE COUNTY - During a brief stopover, President George W. Bush exhorted Republicans to show up on election day, saying that a strong GOP turnout is critical to preserving his tax cut package and winning the War in Iraq.

"We're going to do everything we can to protect you before the enemy attacks," Bush told a crowd of about 1,500 supporters at the Sarasota-Bradenton International Convention Center.

Appearing at a $20 a person fundraiser for Republican congressional candidate Vern Buchanan, the president spent a good portion of his speech warning the audience that Democrats, if they gain control of Congress, will discontinue tax cuts and disrupt U.S. efforts in Iraq.

Bush also told voters not to believe Democrats who say they want a tax cut for the middle class.

"You will feel the results every April 15" if Democrats win, Bush said. "Americans should not be fooled by their rhetoric."

After his speech, Bush's motorcade made a stop at Gyrocam Camera Systems, a local company with a $51 million contract to provide the Armed Forces with explosive-detecting cameras that can be mounted on personnel carriers and other military vehicles.

Bush then headed to the airport and boarded Air Force One, which left for Florida's East Coast about 2:45 p.m.

Comments | Permalink

Tuesday, October 24, 2006, 2:00 pm

By STAFF REPORT

President Bush, right, waves as he arrives with Florida congressional candidate Vern Buchanan on Tuesday at Sarasota-Bradenton International Airport. (ASSOCIATED PRESS)

Air Force One on the ground at SRQ

President George W. Bush has arrived in Sarasota. He disembarked from Air Force One at Sarasota-Bradenton International Airport a few minutes before 1 p.m.

Bush was joined on the tarmac by Pinellas County resident Tom Cooney. Bush presented Cooney with a Volunteer Service medal for Cooney's 20 years of teaching sign language.

Bush's motorcade then proceeded to the nearby Sarasota-Bradenton International Convention Center, where the President will appear at a fundraiser for Republican Congressional Candidate Vern Buchanan.

Come back to HeraldTribune.com for continuing coverage of the president's visit to Sarasota.

Comments | Permalink

Tuesday, October 24, 2006, 2:00 pm

By SNN NEWS 6

(SNN NEWS 6)

President Bush arrives at SRQ

Herald-Tribune reporter Todd Ruger reports from the tarmac as the President arrives in Sarasota aboard Air Force One.

Comments | Watch the video

Tuesday, October 24, 2006, 7:11 am

By STAFF REPORT

Daybook: What's ahead in the news today

There's nothing like a presidential visit to get a newsroom whipped into a frenzy. Air Force One will be landing at Sarasota-Bradenton International Airport today, and we will of course have reporters from the Herald-Tribune and SNN News 6 on the scene. SNN News 6 will bring you live coverage from the airport a little before 1 p.m., and we will also be reporting from the Vern Buchanan fundraiser President Bush is coming to Sarasota to attend. We'll have lots of picture and video here at HeraldTribune.com later in the day.

Tuberculosis testing begins at Nolan Middle School today, for the 200-plus people exposed to a case of TB there. Results are expected to be available later this week.

CFO candidates Alex Sink and Tom Lee and attorney general candidates Skip Campbell and Bill McCollum will debate later this morning in Key Biscayne.

And at 8 p.m. tonight, candidates for governor Charlie Crist, Jim Davis and Max Linn will debate at Nova Southeastern University in Davie. The debate will air live on public television stations around the state.

President Brings His Clout To Boost Florida Hopefuls (MH)

By Jennifer Mooney Piedra And Lesley Clark

The Miami Herald, October 25, 2006

SARASOTA - This one should have been a cakewalk. Republicans have held the U.S. House seat here since before Rep. Katherine Harris, the former Florida secretary of state, parlayed her celebrity into winning the job.

But polls suggest Democrats are poised to seize control of the House -- in part by possibly picking up this seat and two others in South Florida. President Bush swooped into the cavernous convention center in Sarasota on Tuesday to raise money for the Republican candidate and to label Democrats as "genetically disposed" to increase taxes and weak on fighting terrorism.

Bush's visit to Florida -- in which he touted his record on the economy -- comes just two weeks before a critical midterm election in which Democrats need 15 seats to retake the House.

"The stakes in this election are high," Bush told a crowd of 2,000 at a reception for Republican Vern Buchanan, locked in an unexpectedly tight race to replace Harris, who is vying for Democrat Bill Nelson's U.S. Senate seat. Polls put Harris at least 20 points behind Nelson.

Democrats, Bush noted to laughter, ``have made a lot of predictions. Matter of fact, I think they may be measuring the drapes."

Buchanan promised that with Bush's help, "we will maintain a Republican majority in the House," and a defiant Bush predicted victory.

`A GOOD DAY'

"If their electoral predictions are as reliable as their economic predictions," Bush said of the Democrats, ``Nov. 7 is going to be a good day for the Republicans."

Strategists, though, suggest Democratic prospects have been aided by bleak reports out of Iraq, mixed with distaste for corruption scandals -- topped by U.S. Rep. Mark Foley's resignation last month after graphic Internet exchanges with former House pages were made public.

Foley's Palm Beach-area district -- in which Republican Joe Negron will face Democrat Tim Mahoney -- is among three Florida seats Democrats hope will help their cause. Democrats also are gunning for the the seat long held by Fort Lauderdale Republican Rep. Clay Shaw. Independent polls show the race in a dead heat, as does polling done by Shaw and his Democratic opponent, state Sen. Ron Klein.

Some Democrats suggest it would be particularly satisfying to secure the Republican-leaning Sarasota seat vacated by Harris, who likely would have won a third term.

Buchanan has had trouble gaining traction since he limped out of a bitter primary with 32 percent of the vote amid attacks on his business practices. The millionaire auto dealer and major GOP donor has pumped nearly $4.5 million of his own cash into the campaign, making it one of the nation's costliest.

Internal polls are said to show him trailing Democrat Christine Jennings.

Bush called Buchanan a ``decent, honorable man who deserves to be elected to the United States Congress."

BIG NAMES

Republicans are clearly focused on the race: Vice President Dick Cheney attended a recent fundraiser; Gov. Jeb Bush, U.S. Sen. Mel Martinez and Massachusetts Gov. Mitt Romney campaigned for Buchanan last week; and first lady Laura Bush will speak at a Buchanan fundraiser on Friday.

As for Jennings, Bill Clinton will headline a fundraiser for her campaign next Tuesday in New York, and Sen. Hillary Clinton is to speak at a fundraiser today, also in New York.

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"We've got the wave, but it's also candidate recruitment," said Democratic donor Kirk Wagar, a Coconut Grove lawyer who has maintained for a year that the three Democratic candidates would be competitive.

Though the president's popularity ratings are low and Democrats have proven eager to nationalize the Sarasota race and make Bush the issue, Sally Tibbetts, a spokeswoman for Buchanan, said the campaign welcomed the president's support.

"They offered to do whatever they could to help, and we're honored to have the president," she said.

Shaw has worked to position himself as a moderate, in part by distancing himself from Bush. His campaign called a reporter Tuesday to underscore that a Republican National Committee fundraiser in Boca Raton that Bush attended Tuesday had "nothing to do" with Shaw's campaign.

Laura Bush, though, will headline a Shaw fundraiser on Friday.

The Republican faithful in Sarasota waved American flags and cheered Bush on as he spoke. Among the fans: 70-year-old Bob Spencer.

RED, WHITE & BLUE

Spencer, decked out head-to-toe in red white and blue, said he's optimistic the GOP will prevail and that the president's visit helps the cause.

"The president might take this race right over the edge," said Spencer, of Bradenton. ``President Bush is loved by the conservatives as much as Ronald Reagan was -- if not more."

Miami Herald staff writers Erika Bolstad and Beth Reinhard contributed to this report.

President Says Democrats Are 'Disposed' To Increase Taxes (WP)

By Michael Abramowitz

The Washington Post, October 25, 2006

SARASOTA, Fla., Oct. 24 -- President Bush accused Democrats on Tuesday of being "genetically disposed" to raise taxes, as he sharpened his rhetoric on the economy in an effort to rally Republicans to the polls next month.

Appearing here on behalf of GOP congressional hopeful Vern Buchanan, Bush mocked Democrats for what he described as their misplaced pessimism that tax cuts would not stimulate the economy. He said it was only one of many poor predictions by the Democrats and suggested they are making another mistake in their growing confidence that they might take the House next month.

"I think they may be measuring the drapes," Bush said to titters within the crowd of GOP partisans. "If their electoral predictions are as reliable as their economic predictions, November 7th is going to be a good day for the Republicans."

"George Bush sure has a lot to say for a guy who added $3 trillion to the nation's debt," responded Rep. Rahm Emanuel (D-Ill.), chairman of the Democratic Congressional Campaign Committee.

While the president was in Florida, Vice President Cheney tried to rally the party faithful Tuesday on Sean Hannity's radio talk show. He warned of "some jeopardy, depending on how the election comes out, as to whether or not we'll be able to continue" the administration's national security policies.

Cheney also offered some political commentary, describing Sen. Hillary Rodham Clinton (D-N.Y.) as a potentially "formidable" candidate in the 2008 presidential sweepstakes. "I think she could win," Cheney said. "I disagree with her on nearly all the issues, but nobody should underestimate her. She's a very serious candidate for president."

And he described Sen. Barack Obama (D-Ill.) as an "attractive guy" who will be "a player on the Democratic side" if he decides to run for president. But with only two years as a senator, he said, "I think people might want a little more experience than that, given the nature of the times we live in."

Bush Battles For GOP Dominance (LAT)

By James Gerstenzang

The Los Angeles Times, October 25, 2006

Using mocking language to belittle Democrats, President Bush launched a muscular political attack Tuesday in his campaign to preserve Republican majorities in the House and Senate, challenging the Democrats' economic record and their commitment to fighting terrorism.

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Two weeks before an election that threatens to bring upheaval to Capitol Hill, the White House is yielding not a bit to the possibility that come January, Bush might have to deal for the first time with a Democratic majority.

"The Democrats make a lot of predictions. As a matter of fact, I think they may be measuring the drapes," he said.

"If their electoral predictions are as reliable as their economic predictions," Bush said, recalling Democrats' grim projections after Congress enacted his tax cuts, "Nov. 7 is going to be a good day for the Republicans."

The president, who has made the Iraq war a central element in his stump speech as he seeks to convince voters that a Democratic-led Congress would weaken the effort, has also been trying to gain political traction from such upbeat economic news as falling energy prices and a rising stock market.

On Tuesday, he turned to taxes, seeking to raise the prospect that they would go up if Democrats took charge.

"When you go to the voting booth in two weeks, the lever you pull will determine the taxes you pay for years to come," Bush said. "Americans will cast their ballots on Nov. 7, but you will feel the results every April 15."

He cited, as he has in the past, a statement by House Minority Leader Nancy Pelosi (D-San Francisco), the likely speaker if her party wins a majority, expressing Democrats' "love" of tax cuts.

Citing Democratic opposition to tax cuts he had proposed, the president said: "If this is the Democrats' idea of love, I wouldn't want to see what hate looks like."

Democrats have argued that the tax cuts were responsible for the soaring budget deficit, which is now dropping, and have said that they oppose wholesale extension of some of the cuts as they expire in coming years and want to balance them more toward middle-class taxpayers.

"Democrats who have made fiscal responsibility a high ethical standard and middle-class tax cuts a priority must be a frightening prospect for President Bush and his rubber-stamp Congress' failed economic policies and ballooning budget deficits," Pelosi spokeswoman Jennifer Crider said.

The president spoke at a rally here that Republican National Committee spokeswoman Tracey Schmitt said raised $375,000 for Vern Buchanan, a Republican House candidate in a tight race in a Republican-leaning district. Later, Bush spoke at a private party in Boca Raton that Schmitt said raised $1 million for the RNC.

The event here was Bush's first in Sarasota since Sept. 11, 2001. He was in a classroom with elementary school students when he was told a second plane had struck the World Trade Center.

Seeking to use Democrats' opposition to elements of the Patriot Act, which beefed up law enforcement intelligence operations after Sept. 11, and to legislation creating military tribunals to try alleged terrorists, Bush said: "The vast majority of Democrats opposed the right of this administration to have a tool necessary to protect you…. They must not think we're at war. They must think that the best way to protect you is to respond after the attack.

"The vast majority of Democrats voted against giving our professionals the right to interrogate to protect America. These are patriotic souls, but their vision of the world is wrong, and we want to make sure that we continue to control the House of Representatives to provide the protection necessary."

Critics of the measures questioned whether they abrogated defendants' rights and opened the door to unnecessary spying on Americans.

Minutes from the Sarasota airport, Bush made an unannounced stop at Gyrocam Systems, a company that makes cameras used to help soldiers spot roadside bombs in Iraq. The visit illustrated two of the president's themes: the role of small business in boosting the economy, and — as he moves away from the phrase "stay the course" to describe his policy in the war — the shifts taking place to counter insurgents.

"Our goal in Iraq has not changed…." he said to reporters. "Our tactics are adjusting."

President's Boca Visit Pulls In $1 Million (PALMBEACHP)

By George Bennett And Michael Laforgia

Palm Beach Post, October 25, 2006

BOCA RATON — President Bush raised more than $1 million for the Republican National Committee during a brief stop here as the costly battle over which party controls Congress entered its final two weeks.

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After campaigning in Sarasota with Republican congressional candidate Vern Buchanan earlier in the day, Bush attended a late-afternoon fund-raiser at the home of advertising executive Jordan Zimmerman in The Sanctuary neighborhood between Federal Highway and the Intracoastal Waterway.

The $25,000-a-head event raised more than $1 million for the party, a GOP spokeswoman said. Gov. Jeb Bush and U.S. Sen. Mel Martinez also attended.

Zimmerman is the 50-year-old founder and chairman of Fort Lauderdale-based Zimmerman Advertising, which lists the Miami Dolphins, Lennar Homes and Office Depot among its clients.

Zimmerman is a registered Republican who contributed to Democratic Connecticut Sen. Joe Lieberman's presidential and Senate campaigns and to Democrat Peter Deutsch's 2004 Senate bid in Florida, according to data compiled by the nonprofit Center for Responsive Politics.

Zimmerman also gave $500 apiece to Republican governor candidates Charlie Crist and Tom Gallagher before the September primary.

The president arrived at Fort Lauderdale-Hollywood International Airport around 3:30 p.m. and traveled by 20-vehicle motorcade to the fund-raiser. Bush returned to Fort Lauderdale and departed on Air Force One just before 6:30 p.m.

When Bush arrived in Fort Lauderdale, he presented a volunteer service award to Parkland resident David Greenberger, a mentor with Big Brothers Big Sisters. Bush spent about five minutes greeting supporters, including consultant and Republican money-raiser Tom DeRita of Palm Beach Gardens.

"I just told him to keep going the direction he's going. We love him and he's doing a great job," DeRita said.

"It's always important when the president comes down," he said. "He's going to boost the morale. He's going to get us on target, and the rest is up to us to get the voters out and make sure we win."

In Boca Raton, several onlookers and a handful of antiwar protesters gathered across the street from the entrance to The Sanctuary to watch the president's arrival.

Bush, who helped Republican U.S. Rep. Clay Shaw raise more than $800,000 at a May event in Fort Lauderdale, did not appear with or raise money for any candidates in South Florida on Tuesday.

Shaw's Democratic challenger, Boca Raton state Sen. Ron Klein, has accused Shaw of being too closely allied with Bush.

Shaw spokeswoman Gail Gitcho said there was no significance to the fact that Bush and Shaw didn't appear together Tuesday and noted that first lady Laura Bush is coming to Palm Beach to raise money for Shaw on Friday.

Bush Stops By Boca Raton, Raises A Cool Million For GOP (FLSUNSEN)

By Vanessa Blum

South Florida Sun-Sentinel, October 25, 2006

President Bush passed through Fort Lauderdale on Tuesday to raise last-minute cash in Boca Raton for Republican candidates fighting to hold onto the party's majority in Congress.

On his 44th trip to Florida since becoming president, Bush did not stop to shake hands or tout his administration's policies.

Instead, supporters who gathered at Fort Lauderdale-Hollywood International Airport to see Air Force One touch down received just a quick glimpse of the president before his motorcade sped off to a Boca Raton fundraiser.

The private event held at the mansion of advertising executive Jordan Zimmerman raised $1 million for the Republican National Committee.

The money likely will fuel advertising and get-out-the-vote efforts to motivate the Republican base in districts with close congressional races. That could help counter voter dissatisfaction with the party because of perceived congressional inaction, scandals and the war in Iraq.

On Friday, first lady Laura Bush is expected to attend a Palm Beach fundraiser for U.S. Rep. Clay Shaw, who is in a tight race against Democratic state senator Ron Klein for Florida's 22nd Congressional District.

Shaw, who has held the seat for 26 years, was notably absent from the small cadre of Republicans who greeted the president on the tarmac.

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Palm Beach Gardens Republican Tom DeRita, chairman of Shaw's fundraising efforts, said the candidate had a scheduling conflict.

U.S. Rep. Debbie Wasserman Schultz, D-Weston, said she thought Shaw was keeping his distance for political reasons.

A key part of Klein's campaign strategy has been linking the veteran Republican legislator to Bush as the president's approval ratings dip in the polls, largely over his handling of the war.

"There's nowhere in the country where the president is more unpopular than South Florida," Wasserman Schultz said. "All he is at this point is a cash cow for them."

Democrats need to win 15 seats to gain control of the House, and Florida has three of the nation's most fiercely fought congressional races.

Larry Sabato, a political science professor at the University of Virginia, said the White House recognizes that candidates in politically divided districts like Shaw's may need to distance themselves from Bush to win.

"President Bush is not in high demand this election season, unlike 2002 and 2004," Sabato said.

Still, for Bush supporter Barbara Wing of Coral Springs, who turned out for the president's arrival, just seeing his plane land was "awesomely exciting."

"I don't care if you're a Democrat or a Republican, he's still the president," she said.

After stepping off Air Force One, Bush presented an award to David Greenberger, 42, of Plantation, for his volunteer work with Big Brothers Big Sisters of Broward County.

The president's 3:30 p.m. landing in Fort Lauderdale and 6:15 p.m. departure went smoothly. However, his visit disrupted evening rush hour traffic on Interstates 95 and 595 near the airport.

Earlier in the day, Bush campaigned in Sarasota, a traditional Republican stronghold, for GOP congressional candidate Vern Buchanan. He is in a fierce race for the seat of U.S. Rep. Katherine Harris, who is running for the Senate.

In addition to the Shaw and Harris seats, Republicans are fighting to elect state Rep. Joe Negron to Mark Foley's House district. The disgraced Republican resigned and dropped out of the race after revelations that he sent inappropriate e-mails and text messages to boys who had served as congressional pages.

Bush's remarks in Sarasota focused on the economy and his administration's doubling of the child tax credit.

"When you go to the voting booth in two weeks, the lever you pull will determine the taxes you pay for years to come," Bush said.

It was the president's second consecutive day emphasizing a positive view of the nation's economy. Republicans cite falling gas prices, low unemployment, a record-setting stock market and rising consumer confidence as signs of growth.

Social Security Enters Elections (WP)

By Lori Montgomery

The Washington Post, October 25, 2006

More than a year after Social Security reform faded from the political radar screen, the debate erupted anew yesterday, as Democrats seized on news that President Bush hopes to revive an unpopular proposal to make changes in the national retirement program.

In recent days, Bush has said Social Security remains one of the "big items" he wants to tackle next year and he continues to "believe that a worker, at his or her option, ought to be allowed to put some of their own money . . . in a private savings account, an account that they call their own."

The statement appeared to represent no substantive change for the White House, and it varied little from the president's previous remarks.

But with just two weeks to go until the Nov. 7 congressional elections, Democrats highlighted Bush's comments, seeing an opportunity to remind voters about a Republican proposal that polls have shown is highly unpopular with many voters.

"Just when you thought your Social Security was safe from privatization, George Bush is bringing back his plan to privatize Social Security and cut guaranteed benefits," declared a news release from the Democratic Senatorial Campaign Committee, the party's fundraising arm for Senate races.

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Democratic strategists were gleeful about the chance to draw a sharp distinction between the parties on Social Security, an explosive issue among elderly voters. "I couldn't believe it. What an opening," Democratic pollster Celinda Lake said. "I think he had an out-of-body experience."

Some Republicans were equally perplexed by Bush's timing.

"I guess you could argue if it gets Iraq off the front page, it was probably a good thing at this point," said Rep. Thomas M. Davis III (R-Va.), a top Republican strategist who opposed the president's Social Security plan. But a new White House push on the issue "is not going anywhere. This president never likes to back down. I think he's putting it on the table, but I don't think anybody's going to pick it up."

The administration is trying to mount a new, bipartisan effort to rein in the costs of Social Security, along with Medicare and Medicaid.

Though Bush's plan stalled in Congress last year, the new Treasury secretary, Henry M. Paulson Jr., has said he took the job in part to tackle the rising cost of government health-care and Social Security spending, which he has called "the biggest economic issue facing our country." And Bush regularly mentions his desire to take another stab at the issue.

White House spokesman Tony Fratto yesterday said that the president "is interested in addressing the long-term challenges our country faces, and he's not going to be shy about doing that."

Fratto was traveling with Bush in Florida, where last year's aborted attempt at Social Security reform has been an issue in competitive House races. In South Florida, where Bush attended a Republican National Committee fundraiser, Rep. E. Clay Shaw Jr. (R-Fla.) has touted his opposition to Bush's push for private accounts in a television ad.

"I represent the state of Florida, not a political party," Shaw says in the ad. The 13-term incumbent is locked in a tight race with Democratic state senator Ron Klein.

Republicans elsewhere have also scrambled to distance themselves from the president on the issue. In Ohio, Rep. Deborah Pryce and Sen. Mike DeWine have struggled, under attack, to explain their positions on the president's plan.

DeWine said he opposes using tax dollars for private accounts, according to a candidate survey by AARP, the group formerly known as the American Association of Retired Persons.

And Pryce said in a debate last month that while she still agrees with the concept, she has heeded voter demands to drop the issue, according to news reports. Her campaign has called her strong backing of the Bush plan "ancient history."

AARP yesterday released candidate surveys from 35 competitive House races and 10 competitive Senate races in which Republican candidates overwhelmingly refused to take a definitive stand on private accounts -- or opposed them outright.

One of the few exceptions was Sen. Rick Santorum (R-Pa.), chairman of a Senate subcommittee on Social Security and an outspoken advocate of the president's plan. He is trailing Democrat Robert P. Casey Jr. in recent polls.

Santorum told AARP that he continues to support private accounts, so long as they are voluntary. On the campaign trail, he has lashed out at Casey -- and Democrats in general -- for failing to offer their own ideas for tackling the Social Security problem.

"He won't give you an -- he won't give you an answer on Social Security. He won't give you an answer on anything to make any changes," Santorum said in a television debate last month. "My question to Mr. Casey is: If you're not for personal retirement accounts, which he says he's not, how much are you going to raise their taxes? Or how much are you going to cut benefits to fix the Social Security problem?"

Bush Finding Welcome Mats As G.O.P. Looks For An Edge (NYT)

By Sheryl Gay Stolberg

The New York Times, October 25, 2006

SARASOTA, Fla. Oct. 24—President Bush cannot show up just anywhere in the waning days of this midterm campaign. But there is a certain class of Republicans who are somewhere between eager and willing to have him at their sides.

There are those facing ethical questions or struggling to recover from gaffes. There are those desperate for the cash Mr. Bush can bring in just by showing up for lunch. There are those who need the president to turn out a demoralized base. And there are those who, like Vern Buchanan, the Republican candidate for the House here, are a little bit of all three.

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In another year, with another candidate, a Republican would be a shoo-in in Sarasota. But Mr. Buchanan, a wealthy car dealer dogged by accusations of business improprieties, is lagging behind his Democratic opponent, even though the district — currently represented by Representative Katherine Harris, who is running for Senate — tilts Republican and the candidate has poured more than $4 million of his own money into his campaign.

So Mr. Buchanan did what a handful of other Republicans in trouble are doing. He called in Mr. Bush, who zipped through here Tuesday to raise a little money and, more importantly, fire up Republican voters.

"The Democrats have made a lot of predictions." Mr. Bush told cheering supporters who had gathered in a cavernous warehouse-turned-convention-hall, where tickets to hear him could be had as cheaply as $20. "Matter of fact, I think they may be measuring the drapes. If their electoral predictions are as reliable as their economic predictions, Nov. 7 is going to be a good day for the Republicans."

The appearance, which Republican officials said raised $375,000, offers a hint of how White House strategists will use Mr. Bush in the final two weeks of the midterm campaign. With his public approval ratings hovering around 37 percent, Democrats making effective use of advertisements attacking the president and Republicans in many races distancing themselves from him, Mr. Bush is far more limited than he was four years ago in where he can appear.

One Republican strategist close to the White House, granted anonymity to speak candidly about campaign strategy, said some Republicans — among them Senate candidates in tight races in Missouri, Montana, Ohio, Pennsylvania and Tennessee — simply do not want their final campaign images to include Mr. Bush, and have spurned White House offers for help.

Instead, White House strategists are sending Mr. Bush to Republican-leaning districts like Sarasota, where he can help energize the base and increase voter turnout. The president will also appear in swing districts where the Republican candidate has calculated that the last-minute infusion of cash he can bring in is worth more than any bad publicity surrounding the visit.

"You probably won't see him too much in the Northeast or the areas where he has less popularity," said Charlie Black, a Republican strategist who consults regularly with Karl Rove, Mr. Bush's chief political adviser. "But we do have a number of races that are very close, where the president, as champion fund-raiser, can still get some extra money in there and allow us to outspend the opponent."

Then there are those whose campaigns took unfortunate turns. Over the past several weeks, Mr. Bush has come to the aid of Representative Don Sherwood of Pennsylvania, who admitted having an extramarital affair; Senator George Allen of Virginia, whose campaign has been plagued by accusations of racial and ethnic insensitivity; and Representatives Richard W. Pombo and John T. Doolittle of California, both of whom have been touched by corruption scandals in Washington.

Mr. Bush is also still raising money for his party at private events. After his Sarasota appearance on Tuesday, he flew across the state to Boca Raton, where he scooped up $1 million at a private dinner for the Republican National Committee. The committee has been using money raised by Mr. Bush to help candidates around the country, especially in its effort to retain control of the Senate.

On Thursday, Mr. Bush is to campaign in Iowa with a House candidate, Jeff Lamberti, and in Michigan, with Mike Bouchard, who is trying to unseat Senator Debbie Stabenow. On Saturday, he will travel to Indiana to campaign with Representative Mike Sodrel. On Monday, he will attend Republican rallies in Georgia and Texas.

Presidents do not often make return trips during campaigns — ordinarily, it is a big deal to get the commander in chief to come just once — but Mr. Bush has already campaigned for both Mr. Sodrel and Mr. Bouchard. Mr. Sodrel won in 2004 thanks in part to a heavy turnout in his district for Mr. Bush. Republicans say Mr. Bouchard could pull ahead if he had more money.

How much the president can help these candidates is an open question — even among the candidates themselves. In a carefully worded statement, a spokesman for Mr. Bouchard, David All, refrained even from mentioning the president by name when asked why Mr. Bush was coming back.

"Any time we can bring decision makers to Michigan and have the opportunity to talk with them about Michigan's future, regardless of whether they are Republican or Democrat, we're going to take it," Mr. All said.

Here in Sarasota, Mr. Buchanan is running against Christine Jennings, a banker who is positioning herself as someone who will manage taxpayers' money wisely. Analysts of both parties say that message is going over well in this seaside community, where economic conservatives have been critical of deficit spending by the Republican-controlled Congress.

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With Democrats trying to make the election a referendum on Mr. Bush, the president is trying to turn the tables and make it a referendum on Democrats. He used his remarks on Tuesday to hit the opposition party hard, calling Democrats "genetically predisposed" to raising taxes and accusing them of thinking that "the best way to protect you is to respond after the attack."

The unstated message, analysts say, is, Vote Republican — no matter who the candidate.

Bush Welcome To Raise Cash, But No Pictures And No Press (WT)

By Joseph Curl

The Washington Times, October 25, 2006

SARASOTA, Fla. -- President Bush has become the Stealth Campaigner.

Candidates across the country, especially those in tight races where the president's power to draw cash is most valuable, want him to drop by for a fundraiser. They just don't want their picture taken with the head of the party -- mainly because they know it will end up in their opponents' television commercials.

So far this year, Mr. Bush has done 10 times as many closed-press fundraising events compared to 2002. He has also not appeared at a single major Republican rally, unlike four years ago, when he did 32.

"What a difference a few years makes," said Democratic National Committee spokesman Stacie Paxton. "Republicans are happy to take his cash, but when it comes to photo-ops and campaign stops, President Bush is persona non grata. ... Clearly, President Bush is toxic to many of the candidates across the country."

So far this campaign cycle, the president has followed a different path than he did in the last midterm congressional elections in 2002. While he has done about the same number of fundraising events -- 71 in 2002 and 67 so far this cycle -- just three events four years ago were deemed "closed press" by the White House, meaning that no reporters were allowed inside.

This year, the president has barred the press from 33 events, including a Republican National Committee dinner last night in Boca Raton, Fla.

While the White House plays down the marked rise in closed events, candidates are wary of being photographed with the president, whose approval rating has plummeted to record lows.

Democrats in 78 House races nationwide are using images of Mr. Bush and seeking to tie the unpopular president to the local Republican candidate, according to ABC News. In five of the seven Senate races on which the Democrats are making their strongest efforts -- Virginia, Tennessee, Ohio, Rhode Island and Pennsylvania -- Mr. Bush plays a leading role in campaign commercials.

With some projections having Republicans losing as many as 40 House seats this election, one prominent Republican strategist said yesterday that the White House is also wary of weighing in.

"Who wants to have their fingerprints on this mess," the strategist said on the condition of anonymity.

Mr. Bush has kept a very lean schedule of late. The president will attend just two open events this week, two weeks before the election. First lady Laura Bush has had a far more rigorous schedule, as has Vice President Dick Cheney.

By the numbers, from August to mid-October in 2002, Mr. Bush spoke at 29 events with candidates. This year's equivalent number is 15, according to Congress Daily. More incredible, Mr. Bush has yet to show up at a major political rally, although he plans to attend several starting this weekend. By contrast, on Oct. 24, 2002, he did two rallies in the same day -- one in Columbia, S.C., and one in Charlotte, N.C. -- his 11th and 12th rallies of the campaign season.

All told, in 2002 he would do some 32 voter rallies at airports and sports arenas, including three or four a day in the five days before the election.

The closest he has come to a mass rally this year was when thousands of people met him at Salt Lake City International Airport in August for a bipartisan rally to support the troops. It was not a political event, though, but one meant to counter an anti-war protest of Mr. Bush's visit to Utah to speak to the American Legion.

The president stopped yesterday in Sarasota for Vern Buchanan, the Republican who is running for the U.S. House seat currently held by Senate candidate Katherine Harris. Mr. Bush won the district in 2004 by 10 percentage points, but Mr. Buchanan is trailing by three in the latest polls. He decided to have Mr. Bush come down to help his cause -- despite the drawbacks.

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"It helps to solidify the base," he said, noting that the district has twice as many Republicans as Democrats. "We have to take the positive with the negative."

The White House notes that new fundraising laws have altered the landscape. In 2002, political rallies could be paid for with a mix of federal and state party cash known as "soft money," but this year, if a congressional candidate is involved in the rally, only "hard" money can be used.

Although many candidates this year prefer to keep a presidential visit under wraps, calls are still flooding into the White House requesting a drop-by by the fundraiser-in-chief. In 2002, Mr. Bush helped pull in $144 million, and so far this cycle, he's collected $124 million for candidates and the RNC.

For example, last night's Boca Raton fundraiser, at a massive stucco mansion in a gated community called the Sanctuary, collected more than $1 million for the RNC.

But most candidates have to make their last press buys Friday, so new money will likely not make it into this year's campaigns.

Top Republicans say the reason for the sparse schedule with just two weeks to go is simple: The party raised plenty of cash early, and is poised for a press blitz in the final days.

"The AP ran a story saying these Democrat congressional candidates outraised their Republican incumbents in the third quarter," senior Bush political adviser Karl Rove told The Washington Times last week. "What they didn't say is part of the reason they did is because we raised the money earlier so people would be able to deploy.

"If you look at the 31 top races ... we've got $31 million cash on hand, they have $15 [million]. That's odds I like. And it doesn't count what you see or what you don't yet see at the national committees," Mr. Rove said. "So you know: having incumbents, the structure, a plan, our financial advantage, all these things are going to come to play in the campaign."

Bush Should Focus On Korea (HILL)

The Hill, October 25, 2006

President George Bush and Secretary of State Condoleezza Rice have succeeded beyond expectations in lining up China as a strong ally in forcing North Korea to abandon its nuclear ambitions. The New York Times reports that the Chinese are even threatening to ratchet back on their oil shipments to North Korea, which is totally dependent on Beijing for fuel.

But Bush is getting no credit for it and neither are the Republicans. All of the focus has been on the role that Rice and UN Ambassador John Bolton are playing in forcing North Korea back from membership of the nuclear club. President Bush needs to do much more to rivet popular attention on Korea, as opposed to Iraq.

No matter how Bush says that he is going to revise our Iraqi strategy, the war in and around Baghdad will always be a political loser for the Republican Party. But the president always has the power to change the subject. He must use that power to focus attention on a front that promises success as opposed to one that seems to offer only the prospect of more casualties.

There is increasing evidence that the Republican base is returning to the fold, just as Karl Rove, the president's close adviser and electoral strategist, predicted that they would. The state-by-state polls reflect GOP gains in Tennessee, New Jersey, Montana, Missouri, Virginia and in the national generic ballot tests. Since the Democrats must win two of the Senate seats in Tennessee, New Jersey, and Missouri and they are trailing in all three, there is a new possibility that the Republicans could pull out a midterm win. In John Zogby's generic ballot polling, the Democratic margin has collapsed from +9 two weeks ago to only +3 today. (Since America is not a democracy but chooses its House of Representatives in gerrymandered districts, a three-point Democratic win would not give the party control of the House, just as the popular vote win in 2000 failed to guarantee it the White House).

But, as Rove and Co. realize, almost every election features an endgame Democratic uptick as downscale voters, who normally pay no attention to politics, begin to focus on the election. Like non-baseball fans who only pay attention to the national pastime during the World Series, these downscale voters only enter the process in the end. Since downscale voters tend to vote Democrat, this usually gives the party an edge as the election approaches. It was this last-minute move that erased a Bush surge in 1992 and closed the Bush lead over Gore in 2000.

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To guard against this Democratic close, Bush needs to distract the country from Iraq, and North Korea offers the best way to do so. Americans are justifiably scared by the prospect of a nuclear North Korea and Bush's efforts to assemble a global coalition to press Pyongyang have shown that Rice has learned how to play the game and win. But the president needs to bring the issue to public attention and use it to save himself from two years of subpoenas and hearings by making the next two weeks about Korea.

Morris and McGann, husband and wife, have written several books together, including "Rewriting History," a rebuttal to "Living History" by Sen. Hillary Rodham Clinton (D-N.Y.).

Bush Advisers Blitz Radio Airwaves (AP)

By Deb Riechmann

The Associated Press, October 25, 2006

President Bush's political top gun Karl Rove gushes with optimism about Election Day. National security adviser Stephen Hadley says the Iraqis need to do more to secure their nation — and do it faster. Presidential confidant Dan Bartlett takes a few verbal punches at Democrats.

It was "Radio Day" at the White House where more than 30 talk show hosts were invited to set up shop in a heated white tent on the North Lawn to quiz senior administration officials. Beginning at 5:30 a.m., the broadcasters chatted live about everything from Iraq to homeland security to the Nov. 7 elections.

Rove predicted the Republicans would retain control of Congress, discounting polls that show the Democrats threatening to take over.

"You heard it here first," Rove declared in his interview with Fox News Radio.

Nearby, Charlie Sykes with WTMJ in Milwaukee, Wis., told White House counselor Bartlett, "I think we're about a minute out."

Bartlett, sitting with earphones hugging his head, also predicted a Republican victory. He said that while the Democrats attack the president, they don't articulate a different direction for America.

"They have yet to make the case about what they are for, and that's why I think they're going to come up short in this election," he said.

Talk about Iraq was buzzing in the tent.

"We are going to adapt," Bartlett said. "We are going to have a dynamic approach to the situation on the ground, but we're not going to throw up our hands and say, 'It's unwinnable.'"

Hadley said Iraqi Prime Minister Nouri al-Maliki and the fledging government are starting to take steps to quell rising sectarian violence to help move Iraq toward prosperity and peace, but he added that they must do so more quickly.

"We're not making the progress we would like, and that's why we have to look at what we are doing and see what we need to change to get the kind of progress that we need," Hadley told Robert Siegel from National Public Radio.

"I think they've got to do more and they've got to do it faster, and I think if you talked to Prime Minister al-Maliki he would say, to you, the same thing."

Other officials who stopped by the tent or were interviewed at other spots at the White House included Vice President Dick Cheney, Treasury Secretary Henry Paulson, Health and Human Services Secretary Mike Leavitt, Energy Secretary Samuel Bodman, Defense Secretary Donald H. Rumsfeld, Secretary of State Condoleezza Rice and White House press secretary Tony Snow.

Radio Hosts Get Closer To The White House -- If Only Physically (WP)

By Howard Kurtz

The Washington Post, October 25, 2006

It sounded like the kind of friendly interview that administration officials expected when they invited 42 mostly conservative radio hosts to broadcast yesterday from beneath a long, heated white tent on the president's doorstep.

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"The American people, in my humble opinion, don't realize we're at war," Neal Boortz, an acerbic libertarian based in Atlanta, told presidential counselor Dan Bartlett. "How do you communicate to the American people that there is a grave threat that must be addressed?"

Moments after Bartlett moved down the rows of folding tables to the next interview, however, Boortz said during a break: "I've adopted the opinion that maybe I'd like to see the Republicans take it in the teeth in this election, lose the House and lick their wounds. They just haven't done enough to be rewarded with continued control in Washington."

For 15 years, the conservatives who dominate talk radio have served as shock troops for the GOP, bashing Democrats, hitting the hot buttons and rallying their listeners. Since the Republicans won back Congress in 1994, a feat in which Rush Limbaugh played a catalyzing role, through the disputed election of 2000 and President Bush's first term, the radio talkers have wielded a powerful megaphone for their ideological side.

But as Bartlett, Karl Rove, Tony Snow, Michael Chertoff and other top administration officials worked the tent during yesterday's day-long event, it became apparent that there are serious cracks in this once-solid wall of support.

"The corps of Bush supporters are just seething, angry and disappointed," said Jan Mickelson, a fixture in Des Moines radio. Iraq, he said, has become "ungovernable," voters are upset about "perceived corruption in the Republican Party," and "social conservatives feel like they've been used again." But in a point echoed by several of the hosts, Mickelson said that "immigration is the number one issue" fostering disgruntlement with the Republicans, because his listeners are "seeing the effects of lack of border control every single day."

Asked whether he wants the Democrats to win the midterm elections, Mickelson said: "I don't really give a rip. The conservatives would say, 'What's the worst that can happen? We're not getting anything we want now. We're getting nothing but frustration and ulcers.' " Charlie Sykes, a Milwaukee host, told Bartlett during an interview: "If the Republicans lose control of the House, they won't have anybody but themselves to blame."

Still, most of the conservative broadcasters are not rooting for a Democratic victory next month. Some say they are just reflecting the unease of their listeners. Others say they cannot abide the thought of a Democratic House or Senate.

"The Republicans certainly deserve to get spanked," said Steve Gill, a Nashville host. "The problem is, if you turn the Senate over to Hillary [Rodham Clinton] and Ted Kennedy, and Nancy Pelosi in the House, it's America that gets spanked."

Sykes said that "we've spent the last nine months being disappointed with the administration and being disillusioned." But now, he said, "people are getting more focused on the choice. . . . I don't think the Democrats have an alternative vision."

Administration officials have periodically blitzed the radio airwaves, where conservatives command big national or regional followings, as a way of circumventing the mainstream media. Progressive radio has made modest inroads in the past two years, but Air America, the fledgling liberal network, declared bankruptcy earlier this month.

Though a handful of liberals, such as Juan Williams of National Public Radio and Fox News, were allowed in the White House tent, others say they were shut out. Rachel Maddow, an Air America host, said the White House did not return her calls when she sought an invitation.

The talkathon enabled Rove, Bartlett and other officials to warn about the consequences of a Democratic takeover of Congress while being questioned in tones ranging from sympathetic to politely skeptical.

Martha Zoller, a host from Gainesville, Ga., said that "national security trumps everything," even though she does not like the administration's position on some domestic issues. "I don't think it does any good to say we're going to punish these guys by putting the other party in power, because it could be 10 to 15 years before we get conservatives back in power," she said.

The biggest star on the right yesterday was Sean Hannity, who is heard on 515 stations. He was granted interviews with Vice President Cheney, Secretary of State Condoleezza Rice and Defense Secretary Donald H. Rumsfeld, whom Hannity hailed as "a great American."

Even Hannity, who campaigns for GOP candidates, said he has disagreed with the White House on immigration and on the ill-fated Dubai ports deal, "and I think spending has been a little out of control." But he remains a fierce administration defender, calling the Democratic Party "pathetically weak" on defense and terrorism, and dismissing predictions that the House minority leader may soon move into the speaker's office.

"The Democrats and Nancy Pelosi picked out the drapes and carpet a little too early," Hannity said.

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White House Hosts Mass Talk Radio Event (USAT)

By David Jackson

USA Today, October 25, 2006

WASHINGTON — Two weeks before a pivotal election, the Bush administration brought some of the Republican Party's conservative base to its front yard Tuesday by inviting talk radio hosts to broadcast from the North Lawn of the White House.

About three dozen radio hosts set up inside a huge tent, interviewing administration stars such as Secretary of State Condoleezza Rice, Defense Secretary Donald Rumsfeld and political guru Karl Rove. The hosts, both national and local, hailed from cities from New York to San Diego. They included a smattering of liberals.

"There are so many talking heads in one tent," joked Jan Mickelson, a "conservative-slash-libertarian" who hosts a morning show based in Des Moines. "It is not conducive to sound conversation."

Michael Harrison, publisher of the trade magazine Talkers, said the White House has held "radio days" before, including one President Clinton hosted in 1993 to promote his health care proposal. The Bush White House hosted a radio day less than a week before the elections in 2002.

Harrison said the difference this year is that some conservatives, such as economist Bruce Bartlett and blogger Andrew Sullivan, have been critical of Bush policies on the war in Iraq and federal spending as elections loom Nov. 7.

"Right now, the Bush administration is worried about its conservative base defecting," Harrison said.

Bush spokesman Tony Snow, himself a former radio talk show host, sat for at least 34 radio interviews in the big white tent. His list included national hosts Glenn Beck and Neal Boortz, as well as Inga Barks of Bakersfield, Calif., and Dave Jaconette of Kalamazoo, Mich.

"The chief objective is to make our case as clearly as possible, to as many people as possible," Snow said.

According to Talkers magazine, four of the five top talk radio audiences tune into conservatives: Rush Limbaugh, Sean Hannity, Michael Savage and Laura Ingraham. Of those, only Hannity showed up at the White House on Tuesday, and his day included an interview of Vice President Cheney to be run on both his radio and Fox News television programs Tuesday.

Cheney said the election could be decided on local issues. "I think sometimes we overestimate the extent to which these (midterm elections) are national in scope because we try to bring some order and understanding to it," he told Hannity.

Hannity, who also interviewed Rice, Rumsfeld, Rove and Snow, said the White House is appealing to "new media" because they have a "pretty significant audience."

Harrison, who reviewed a list of the 38 invited talk shows, said "a majority lean conservative" but noted there were others more moderate and liberal. Juan Williams, a senior correspondent with National Public Radio who has been critical of the administration, also interviewed Cheney.

The White House has used talk radio from time to time to get out its message. Last week, Cheney phoned in to Limbaugh's top-rated program to boast about the economy. In the midst of his campaign for changes to Social Security last year, President Bush gave an interview to Mickelson.

Bush was campaigning Tuesday, so Mickelson said he spoke with Health and Human Services Secretary Mike Leavitt, Homeland Security Secretary Michael Chertoff, Deputy Attorney General Paul McNulty and presidential counselor Dan Bartlett.

Mickelson said his listeners are particularly upset about "not controlling our borders" against illegal immigration.

Some of Bush's base "has abandoned ship, because they perceive he's abandoned them," Mickelson added. He didn't know if radio day would help Republicans on Election Day: "It's a little late in the game."

The GOP Leans On A Proven Strategy (WP)

By Peter Baker

The Washington Post, October 25, 2006

Beset by discouraging polls and division within ideological ranks, the White House is accelerating efforts to woo back disaffected conservatives and energize the Republican base in a reprise of a strategy that succeeded in the last two campaign cycles.

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President Bush and Vice President Cheney have given multiple interviews to conservative journalists, senior adviser Karl Rove has telephoned religious and social activists, and the White House has staged signing ceremonies for legislation cracking down on terrorism and illegal immigration. Two weeks before Election Day, Bush aides invited dozens of radio talk show hosts for a marathon broadcast from the White House yesterday to reach conservative listeners.

The message that Bush and others are sending to alienated supporters is that, no matter how upset they have been about various policies or political missteps over the past couple of years, life would be far worse under the Democrats. They name liberal lawmakers who would take charge of key committees and warn conservatives that taxes would go up and protection against terrorists would go down. And they cite, in particular, the confirmation of two conservative Supreme Court justices who might have been blocked by a Democratic Senate.

"The White House strategy is to remind us who would be in leadership in the House and Senate" if Democrats win, said Gary L. Bauer, president of a group called American Values and a Christian conservative who sends a daily e-mail to 100,000 supporters. "The idea is that that's going to be enough to get out most of this vote."

Grover Norquist, president of Americans for Tax Reform and a close Rove associate, said the White House team is blanketing the conservative circuit. "They're out there, they're talking to people, they're at our meetings," he said. "This is a full-court press." Norquist dismissed conservatives who are threatening to stay home on Election Day: "They're not doing anything other than whining."

Some conservatives said it is too late. "They honestly need a baseball bat against the head," said Republican pollster Frank Luntz, who helped Newt Gingrich (R-Ga.) take over Congress in the 1990s. "Because if they don't change the lexicon immediately, as bad as this election is going to be, they're going to lose the presidency in 2008. I've given up on 2006. They've already made so many mistakes, there's no way they can fix it in two weeks. But I'm worried now they're going to lose all the marbles."

The White House courtship of the right paid enormous dividends in the past, but this year it is complicated by a far more skeptical audience than in 2002 and 2004. Conservatives who were key to those victories have grown frustrated with the Bush policies on federal spending, immigration, Iraq and foreign affairs, and uncertain of his commitment to issues such as preventing legalized same-sex marriage. The Mark Foley page scandal did not help reassure "values voters," as strategists call them, nor did the publication of a book by former White House official David Kuo saying that Bush aides dismissed Christian conservatives as "nuts."

Republicans in Washington Post-ABC News polls are unified behind GOP House candidates, but somewhat less so than Democrats are behind theirs. Ten percent of Republicans in the latest survey said they plan to vote Democratic this year, compared with 4 percent of Democrats who intend to cross over. One reason is that Democrats have made some headway among traditionally conservative groups.

In the most recent poll, 29 percent of self-identified conservatives said they plan to vote for Democrats for the House, compared with 17 percent in 2004. Among white evangelical Protestants, 30 percent favor Democrats, compared with 25 percent two years ago. At the same time, Republicans report being as enthusiastic as Democrats about voting this year, belying the assumption that they might stay home.

"This is going to be a very important part of the election," said White House political director Sara Taylor. "In a traditional midterm headwind, Republicans are going to have to make sure they turn out their base. In places where they do that, Republicans are going to win races they're supposed to win. In places where they don't do that, they're going to have a much harder time."

The White House has tried to rev up its base in various ways. Bush has given interviews to Fox News host Bill O'Reilly, the Wall Street Journal's Paul Gigot, and groups of conservative columnists and talk show hosts. Cheney appeared last week on Rush Limbaugh's radio show and yesterday gave an interview to conservative television and radio commentator Sean Hannity.

"Nancy is not in sync with the vast majority of the American people," Cheney said, referring to House Minority Leader Nancy Pelosi (Calif.), who would become speaker if Democrats took over the House. "Nancy represents what I think is that side of the Democratic Party that has not been aggressive of and does not believe in a really robust, aggressive prosecution of the global war on terror."

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To maximize the blitz, the White House set up a tent on the North Lawn yesterday and let 42 radio hosts broadcast live during the day. Because it was on government property, "Radio Day" included outlets such as National Public Radio, but "it's mostly conservative talk," White House press secretary Tony Snow said. "This is a chance to talk to people and get heard," said Snow, a former talk show host who did more than 20 interviews yesterday and has also been dispatched to talk to conservative Web sites such as the Power Line blog.

Rove wandered into the tent with a piece of paper guiding him to a dozen interviews yesterday. Others on hand included Secretary of State Condoleezza Rice, Defense Secretary Donald H. Rumsfeld, Attorney General Alberto R. Gonzales, Treasury Secretary Henry M. Paulson Jr., Homeland Security Secretary Michael Chertoff, Energy Secretary Samuel W. Bodman, Agriculture Secretary Mike Johanns, Health and Human Services Secretary Mike Leavitt, national security adviser Stephen J. Hadley, presidential counselor Dan Bartlett, White House homeland security adviser Frances Fragos Townsend, and budget director Rob Portman.

Iraq was a subject of discussion as officials tried to explain Bush's evolving rhetoric. Snow minimized the decision to no longer describe Bush's policy as "stay the course," telling Fox that he found only eight times when Bush used the phrase. The liberal Center for American Progress then quickly posted a list of 30 instances when Bush argued to "stay the course." And Rumsfeld told Hannity that it is "nonsense" to say Bush is "backing away from 'stay the course,' " saying he only wants to avoid confusion.

The White House has reached out in other ways, too. Rove hosted a conference call Monday with key conservative leaders, reminding them of the stakes of the elections. And the White House has staged events to highlight Bush's conservative positions. In Scottsdale, Ariz., Bush signed a spending bill that pays for more border patrol agents and the beginning of a new fence along the U.S.-Mexico border, a nod to conservatives who consider him soft on illegal immigration.

At times, though, the White House does not highlight actions that would help it with the right, leaving it to activists to do it themselves. In the same bill, unmentioned by Bush, is a provision banning authorities from confiscating lawfully owned guns during emergencies, a response to reports of firearms taken away in New Orleans after Hurricane Katrina.

"I certainly didn't get a call about a signing ceremony," said National Rifle Association lobbyist Chris Cox. "But quite frankly, it was irrelevant as long as the bill was signed into law." The NRA notified its 4 million members and reminded them, as the group's Web site put it, that it "makes it clear why gun owners can never, ever sit on the sidelines during an election."

Paul M. Weyrich, chairman of the Free Congress Foundation, said the White House is not doing enough to repair relations with the base. "I'm not seeing anything," he said. "Maybe they're doing certain things with people who are closer to them. But in my case, I've not gotten any special treatment or invitations or whatever."

Still, Weyrich said the White House may yet benefit from conservatives coming home. "It'll all come down to conservatives," he said. "For a long time, I've heard nothing but 'I'm not going to vote for these jerks.' Now I'm hearing 'Well, I suppose we'll have to vote the jerks back in and see what we can do.' "

Polling director Jon Cohen contributed to this report.

Republican Base Loses Faith (CSM)

By Jane Lampman

The Christian Science Monitor, October 25, 2006

Ever since George W. Bush named Jesus as his favorite philosopher and positioned himself as a strong man of faith, Republicans have increasingly been viewed as the party sympathetic to religion - with the Democrats found seriously wanting.

That may be changing.

With the Congressional election less than two weeks away, recent surveys show signs of a shift among religious voters that could give Democrats a boost.

A Gallup poll earlier this month found white religious voters "equally as likely to say they will vote Democratic as Republican." And a Pew Research poll last week found just 57 percent of white Evangelicals planning to vote Republican, a drop from 68 percent in 2002 and 74 percent in 2004. Among white Catholics, the decline was even greater.

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"The GOP's problems with white Evangelicals are important, but they have even bigger problems with white Catholics," says John Green, senior fellow at Pew Forum on Religion & Public Life. "The survey shows a majority of white Catholics saying they'll vote for a Democratic congressional candidate; that's a return to where white Catholics would have been a decade or two ago."

The shift reflects plummeting support for the Republican administration and Congress over the war in Iraq and multiplying political scandals. But it appears that Democratic candidates' efforts to articulate their faith and values - and tie them to a broader range of issues - are also resonating with voters.

The party has initiated a serious effort to reach out to people of faith. For example, after a series of meetings with religious and lay leaders across the state, the Michigan Democratic Party has written language on the role of faith into its party platform.

Meanwhile, Christian conservatives are working hard to ramp up support for their priority social issues and get out the Republican vote, but they admit there is less enthusiasm this time around.

"Several factors play into a level of enthusiasm that is less than it was two years ago," says Tony Perkins, president of Family Research Council, a conservative religious group. "It's not a presidential election year, ... the threat [of same-sex marriage] has diminished in the minds of many, and you've had scandal in the Republican party.

"The Foley episode has caused some to step back and say, 'Wait a minute: What are the core values of the Republican party?' " he adds. "That's caused some to ask whether the big-tent strategy has led to the point where we've got a three-ring circus."

The buzzword after the 2004 election was the "values voter." Democratic presidential candidate Sen. John Kerry was criticized for not speaking convincingly in the language of faith, while the party was charged with being hostile to religion.

That opened the door wide for religious folk outside the conservative camp to begin to speak more openly. A host of books by progressive people of faith hit the market asserting that Christian values ranged far beyond what conservatives were promoting, particularly caring for the poor and environmental issues. A number of new organizations formed to galvanize moderate and liberal Christians. 'Christian' doesn't mean 'Republican'

Red Letter Christians - named for the teachings of Jesus printed in red letters in some Bible editions - advocate "an evangelicalism marked by compassion and justice," in the words of cofounder Tony Campolo, professor emeritus at Eastern University, a Baptist-affiliated university in St. David's, Pa.

The Catholic Alliance for the Common Good organized to inform Catholic voters on the "full range of issues" they should consider given Catholic social teachings. Last month the group distributed more than a million voter guides.

Christian Democrats established a new online community, Faithfuldemocrats.com, to engage religious and political leaders and ordinary Americans in discussions on putting faith into action. They aim to show that the Republican party doesn't have a monopoly on values or on being Christian.

"I don't know how many Tennesseans have told me that their pastor or Sunday School teacher told them you cannot be a Democrat and a Christian," says State Sen. Roy Herron, a Democratic leader in the Tennessee legislature and a co-founder of the online community.

He says Democrats bear some responsibility for such perceptions. "The charge that some Democrats have been insensitive to religion is a valid one, and others of us have been keeping our lights under a bushel," he explains. "Some of us have been reluctant to speak of our faith in the political arena ... because we can see a danger that people deeply rooted in faith will seek to use God rather than be used by God." But now it's imperative "to tell the truth about our faith." Democrats play up their faith

In the current campaign, a number of Democratic candidates are seeking to do just that. Prominent party leaders have led the way: Sen. Barack Obama's speech on faith and politics last June won wide play in the press and accolades from the public; Senator Kerry followed with a speech about his own religious convictions that many say he should have given in 2004.

Others in the political fray are opening up. In Ohio, Democratic gubernatorial candidate Ted Strickland has talked regularly about faith and values and is way out in front of his religious conservative opponent, Ken Blackwell. Ohio went for President Bush in 2004, but Republican scandals and a deteriorating economy have put the social issues promoted by conservatives on the back burner for many voters. Instead, raising the state minimum wage is garnering support from more than three-quarters of Ohioans, according to a recent poll.

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In Tennessee, Democratic Rep. Harold Ford Jr., who is running for the US Senate, filmed a TV ad from his home church explaining his values and has a faith statement on his website. Pennsylvania state treasurer Bob Casey Jr., an anti-abortion Democrat running against conservative Republican Sen. Rick Santorum, has given the Democrats a different face on the abortion issue.

Such efforts "may help particular Democratic candidates get Evangelical votes, but it might be even more effective with Roman Catholic and mainline Protestants, groups that have been voting Republican but aren't as strongly wedded to the GOP," suggests Dr. Green, a longtime political analyst from Ohio.

Two other innovations may also benefit Democrats as they try to bring religious voters into the fold. A number of Democratic candidates are advertising for the first time on Christian radio. And national and state Democratic parties are working hard on outreach to religious groups. The chief of staff of the Democratic National Committee, in fact, is a Pentecostal pastor. Strategies to change perceptions

Mark Brewer, chair of the Michigan Democratic Party, says their "listening meetings" with faith groups and rewriting of the platform have helped change perceptions. They also have policy initiatives involving faith groups, such as seeking common ground on abortion reduction.

"I want to make sure on an ongoing basis that people of faith feel comfortable participating in the party," Mr. Brewer says.

On a national level, however, this outreach is controversial among some secular party members. And the impact of such efforts remains to be proven.

Disillusionment among Christian conservatives may also be a factor. Along with the scandals, an explosive new book by David Kuo, former deputy in the White House office for the faith-based initiative, describes an administration that looked down on Christian leaders and chose not to deliver on promises while exploiting the Christian base for political advantage. In "Tempting Faith," Mr. Kuo calls on fellow Christians to go on "a fast" from politics for the next two years.

The religious right has been intensely active in recent weeks, holding a "values summit" and working to energize churches and voters. The Family Research Council sponsored a national TV broadcast from Boston Oct. 15, highlighting the same-sex marriage issue and its potential link to religious liberty.

Yet Mr. Perkins of the FRC is well aware of the changing environment. "The core of the Evangelical community sees voting not just as an opportunity, but as an obligation, so they'll vote," he says. "The real question is how many people they'll call and take to the polls with them."

He also acknowledges Democratic efforts. "It's going to have an impact, but to the degree of getting people to switch to the Democratic party, I doubt it at this point in time," he says. If Democrats begin to establish a track record on issues people care about, they could, he adds, "but it's going to take awhile."

Still, it's notable to hear a religious-right leader long wedded to the Republican camp then add: "I think competition is good for our economy, and it's good for our political environment as well."

Disillusioned Insider's Book Tests Bush's Image As 'Pastor-in-Chief' Campaign Journal Offers Insights About Political Developments From The Front Lines Of The Fall Races Through Election Day. (WSJ)

By Jackie Calmes

The Wall Street Journal, October 25, 2006

LEBANON, Ohio -- On a recent evening, Lori Viars and Jim Winters sit at a table in a dining room, stuffing envelopes and chatting as if about a mutual friend.

Only the "friend" is President Bush. And the old house in the center of this historic town isn't a home any longer. It is undergoing renovations to become Republican Party headquarters for Warren County, north of Cincinnati--reflecting the population growth, and conservatism, of so many exurban counties where the Bush-era Republican Party has staked its fortune.

MIDTERM SURVIVAL GUIDE

• Chief Concerns: Who Heads Key Committees if Democrats Win the House?1

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• Review the results of the latest polls2 in hot Senate races, and see what the data could mean for the breakdown of seats in the chamber after Election Day. (Oct. 19)

• Tracking the House Polls: Check recent numbers3 (Oct. 19)

• Representative Races: Data on 15 key districts4 (Oct. 19)

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Jim, the music minister at nearby Grace Baptist Church, wears a wrist band reading, "One Nation Under God." He asks Lori, a party official and mother of two, if she'd heard that the president lately is praying from a new daily devotional book. Lori says she hasn't; Jim can't remember which book it reportedly is. Yet both know that Mr. Bush had been using the long-popular prayer book, "My Utmost for His Highest," by the early 20th century Scottish minister Oswald Chambers.

Meanwhile, they go on stuffing envelopes for would-be voters with brochures for local, state and federal Republican candidates, their enthusiasm seemingly undiminished by persistent bad news and bad polls for the president's party. On a recent Saturday, volunteers—mostly Christian conservatives—made 3,556 calls to potential voters from this old house, urging them to come out on Election Day Nov. 7.

Another Book

The conversation between Mr. Wilson and Mrs. Viars comes amid publication of another book that perhaps should be required reading for evangelical conservatives: "Tempting Faith." Author David Kuo worked in the White House office for the faith-based social initiatives that were a foundation block of Mr. Bush's 2000 platform. The book recounts his disillusionment with officials, up to the president. On his promotional tour, Mr. Kuo is calling for Christians to "fast" from politics for two years.

From pages 229-230: At the White House, "They know 'the nuts' were politically invaluable, but that was the extent of their usefulness.....National Christian leaders received hugs and smiles in person and then were dismissed behind their backs and described as 'ridiculous,' 'out of control,' and just plain 'goofy.'"

When then-Senate Democratic Leader Tom Daschle called to give a green light to a faith bill, Bush aides, concerned about its cost, said "maybe next year." (p. 196) Privately, aides called the legislation "the f---g faith-based initiative" (p. 243), and the president "knew it was languishing and had no problem with that." (p. 257) The promised $8 billion a year, mostly in tax credits for helping the poor, didn't make it into the Bush tax-cut bills. The White House "was mocking the millions of faithful Christians who put their trust and hope in the president and his administration." (p. 253)

Perhaps understandably, Mr. Kuo's book hasn't gotten the attention of another, best-selling author Bob Woodward's "State of Denial" on the administration's mal-administration of the Iraq-Afghanistan war—the biggest issue on Americans' minds generally these days. Yet even among Christian conservatives, the reaction to the Kuo book—where there is any—is a shoot-the-messenger dismissal.

"David Kuo? Who is he?" asks Paul Weyrich, co-founder with Jerry Falwell of the Christian conservative political movement in the late '70s. "The person at the White House I talk to every week is Tim Goeglein"—a top liaison to Christian conservatives with a long history in evangelical political circles. "I know he does not ridicule us."

Faith in the President

But forget Mr. Goeglein. What's more important, as Mrs. Viars's and Mr. Wilson's chat suggests, is that the Christian conservatives seem to have faith that the president is sincere. And that's what the White House is counting on, as it looks to Christian conservative voters to come out next month and at least blunt the big losses the party almost certainly will suffer.

Not far from here in Ohio, the president of the statewide Christian conservative group Citizens for Community Values, Phil Burress, says, "I do not know the president and I've never to my knowledge been in the same room with him. But I do know a half-dozen people who have been in the room with him, and have been with him in prayer." Moreover, Mr. Burress adds, Mr. Bush's appointments of John Roberts and Samuel Alito to the Supreme Court were "huge" for conservatives dreaming that Roe vs. Wade will someday be overturned.

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As a sanguine Karl Rove, Mr. Bush's top strategist, puts it, "It's David Kuo and George W. Bush, and who do you think has greater credibility in the evangelical community?"

Calling from the road, Mr. Kuo (pronounced "kwo") resignedly acknowledges the slings and arrows from his former White House colleagues, and from among the leaders of the Christian conservative political groups. He says one conservative columnist has dubbed him "the axis of evil."

As for those leaders, he says, "Here's the bottom line: Christians have traded in the priceless gift of God for political hay." Going back over the 30 years that the national Republican Party has been making common cause with the religious right, Mr. Kuo says, "Christians have been utterly exploited," but "as long as the politician mentions Jesus, they are happy." He dismisses as not credible the White House's categorical denials that anyone there has ever spoken negatively about Christian conservatives. He will not answer the most frequently asked question: Who exactly called the religious leaders "nuts" and "goofy?"

Given the cynicism that pervaded White House deliberations, he says, "Who didn't say it? Who didn't, in some way or another, say it?"

Mr. Kuo will say that he never heard Mr. Bush say those exact words.

Meanwhile, Mr. Kuo says he isn't surprised that the president is accorded greater credibility than he is. After all, Mr. Kuo says, "the news in the book…is that everything about his public faith"—from the Bushes' church attendance to accounts of his readings—"has been the mostly closely guarded imagery of his presidency. Everything is done to preserve the Christian image—President Bush as pastor-in-chief. Because when he's pastor-in-chief, Christians don't have to think critically."

That said, Mr. Kuo says that Mr. Bush's "faith is real, his empathy is genuine and his compassion is astounding." But the president is, at bottom, "a political person in a political institution trying to achieve political ends." And those, it seems, too often are at odds with the ends that Christians were led to believe the president would seek.

Rove Upbeat About GOP Money, GOTV (HILL)

By Jonathan E. Kaplan

The Hill, October 25, 2006

Karl Rove told Republican supporters last Friday that the media was misreading the political environment — that the combination of money and mobilization of religious conservatives could keep the House in Republican hands after November.

Speaking at a fundraiser for Ohio GOP congressional candidate Joy Padgett at the Old Ebbitt Grill, Rove said polls showed that evangelical Protestant voters were still enthusiastic and suggested that Republicans started with a two- to three-point advantage because of their successful voter turnout operations in 2002 and 2004.

When asked if Rove remains as confident in private about the 2006 election, Padgett said, “Even more so.”

Despite evidence that voters could direct a barrage of negative public opinion against Republican officeholders on Election Day, Rove and President Bush have been upbeat, making some Democrats nervous about current predictions and worrying some Republicans.

“Even if you know the ship is sinking, you have to act like it’s a sunny day,” said former Democratic Party Chairman Terry McAuliffe. “You got to keep your folks motivated to get them out to vote.”

“Rule Number Six of politics: Don’t believe your own spin,” said Joe Gaylord, a Republican strategist and aide to former Speaker Newt Gingrich (R-Ga.), who guided the Republicans to victory in 1994.

Nevertheless, Republicans believe their significant financial advantage and the Republican National Committee’s get-out-the-vote (GOTV) operation can protect them against the anti-Republican trends reflected in opinion polls.

“Republicans are building on their record,” Rove said at the event, referring to the GOP’s successful voter turnout efforts in 2002 and 2004. “Democrats are building on theirs.”

The RNC’s vaunted 72-Hour GOTV program has been in the works for months, taking hundreds of steps to help endangered incumbents, said a GOP lawmaker familiar with the efforts. The RNC even has set aside money and volunteers to dispatch to problem areas.

The party committee spent $350,000 for a GOTV effort in New Hampshire where the state party has been ravaged by scandal and helped register more than 3,000 new voters in GOP Rep. Heather Wilson’s congressional district in New Mexico.

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In regards to turnout, Rove said a question in a recent New York Times-CBS poll skewed findings that religious conservatives were discouraged. Instead, he pointed to a survey conducted by the Pew Research Center showing that 54 percent of white evangelical Protestants viewed Bush favorably (still, a 20-point drop from 2004) and 57 percent said they supported GOP candidates (a nine-point decline from 2002).

Moreover, a Gallup poll released this month found that the GOP's 22-point advantage among white frequent churchgoers in September had evaporated.

"The situation is exactly the opposite and under-appreciates just how catastrophically bad the situation is for Republicans among independent voters," said David Rhode, a political scientist at Duke University.

Rhode pointed to polls showing that independent voters are breaking toward Republicans. A Washington Post-ABC poll released Tuesday showed that they favored Democrats by a 2-to-1 margin.

Former Rep. Tony Coelho (D-Calif.) said that Rove was speaking in absolutes in order to excite Republican voters. He added that he expected that religious Republicans would turn out to vote, but they would not do so in the numbers they did in 2004.

In 2000, Rove overestimated Bush's showing in the election, predicting Bush would win 320 electoral votes; he won just 271. Four years later, Rove predicted Republicans would pick up seven House seats, but the GOP gained just three.

Democrats Won't Count Votes Before They're Cast (WT)

By Amy Fagan And Ralph Z. Hallow

The Washington Times, October 25, 2006

Democrats, stung by unexpected defeats in the past two national elections, are trying to fend off poll-generated overconfidence by staying on the offensive and focusing on get-out-the-vote efforts.

"We've learned our lessons. The last two elections we thought we'd do better. Nobody's taking their foot off the gas," said Simon Rosenberg, president of the New Democrat Network.

"There's a cautious optimism that's broken out. I don't think anyone's overconfident right now," said Mr. Rosenberg, whose group works on Democratic message and voter turnout.

Danny Briscoe, a campaign media consultant and former Kentucky state Democratic Party chairman, says from party leaders and pundits to grass-roots Democrats, feelings swing between disbelief and superconfidence -- at least when it comes to House control.

"Mostly, our people are afraid to believe it," he said of favorable polling.

"They think [Karl] Rove may have something up his sleeve, they remember exit polls said Kerry beat Bush, they remember Republicans not losing seats in 2002 and 2004 under Bush when history said they should have."

Fighting those feelings of disbelief, House Minority Leader Nancy Pelosi has emphasized that a Democratic takeover of the House isn't definite and that there's still work to be done.

"While the indicators look good, it drives us to work harder," said Jennifer Crider, spokeswoman for the California Democrat.

But Rep. Rahm Emanuel, Illinois Democrat and chairman of the Democratic Congressional Campaign Committee, recently told the New York Times that some Democrats are in "somersault land" already, a luxury he said he doesn't have.

With polls showing a notable lead for their party, some Democrats have clearly found it impossible to temper their extreme confidence.

Rep. John P. Murtha, Pennsylvania Democrat, predicted at a recent party event that Democrats will exceed the 15-seat net gain they need to retake the House.

"Democrats will take 40 seats in the House, and if the election were held today, we'd take control of the Senate too," he said, according to the Pittsburgh Tribune Review.

Sen. Joseph R. Biden Jr., Delaware Democrat, recently told New Hampshire's Union Leader that he's "very confident" of a House victory for Democrats and "hopeful" of one in the Senate, where Democrats need a net gain of six seats.

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And even Mrs. Pelosi laughed and told the Associated Press this month: "I'll have any suite I want" when asked where her office would be if she becomes speaker of the House.

Polls in the past few days have indicated that Democrats lead Republicans by an average of 16.8 percentage points in generic party-preference polls. The latest nonpartisan Cook Political Report poll reported that most likely voters prefer a Democrat-controlled Congress by 22 percentage points.

"Waves come crashing in; they also pull you out," cautioned Chris Redfern, chairman of the Ohio Democratic Party.

"We have to focus on our efforts between now and election night and spend less time focusing on ... the drapes we'll pick out."

There is some evidence that Democrats' confidence may be premature.

Dick Morris, a former strategist for President Clinton, yesterday wrote that the Republican base "seems to be coming back home," according to vague emerging trends in polls.

In the Tennessee Senate race for instance, Republican Bob Corker has taken a lead over Democrat Harold E. Ford Jr., according to Zogby and Rasmussen polls. In New Jersey's Senate race, Republican Tom Kean Jr. now leads Democratic incumbent Robert Menendez in the latest Zogby poll.

The generic Democratic edge is down from nine points a few weeks ago to four points now, according to the Zogby survey -- all of which prompt the two strategists to say control of Congress has shifted from "lean Democrat" to a "tossup."

A Gallup poll over the weekend also found 54 percent think their own representative deserves to be re-elected.

Still, both parties know the ultimate outcome largely hangs on voter turnout.

"You don't count polls; you count heads," Mr. Redfern said.

He said his get-out-the-vote operation is shunning "the unbridled enthusiasm" for Democrats that he sees coming from Washington pundits and pollsters.

In Ohio and elsewhere, Democrats are working this year to match the successful voter turnout program Republicans put in place.

"I've seen no signs of Democratic overconfidence as I travel the country, because overconfidence is when you believe something will happen but don't have a lot of good reasons," said Merrill Matthews, a political analyst for the Texas-based think tank Institute for Policy Innovation.

Democrats May Be Poised To Win, But They're Still Lost (WP)

By Steven Pearlstein

The Washington Post, October 25, 2006

There are lots of reasons why businesses run into trouble, but a few pop up with remarkable regularity.

Misreading or ignoring market signals.

Focusing more on competitors than customers.

Confusing management with leadership, tactics with strategy.

Promoting leaders who misunderstand their jobs and surround themselves with blind loyalists.

It should be no surprise that these business missteps are also common in politics.

They are the key mistakes that led Republicans to overplay their hand and perhaps throw away the chance to renew their political lease on Congress and the White House.

Though the election is still two weeks away, there are signs the Democrats, if they win, are determined to make the same mistakes.

Let's start with the "Six for '06" plan that Democrats promise to ram through the House in the first 100 hours, or 100 days -- I'm a bit confused as to which. The very premise of the document represents a fundamental misreading of the political marketplace.

First, there is no mandate for a Democratic agenda because until last week, there wasn't one. Like most political turning points, including the one in 1994, this election is fundamentally a referendum on the party in power rather than on the promises of

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the opposition. The voters are angry at Republicans, dissatisfied with their programs and disenchanted with their governance. It's less that Democrats will have won this election than Republicans will have lost it.

Second, if Democrats want to show they are different from Republicans in how they would govern, it inspires little confidence that they want to push a Democratic version of former House speaker Newt Gingrich's "Contract with America" through the House without consulting the Senate, the White House or the other party. That's precisely how the House has been run for the past four years, with little to show for it.

Worse still, the Democrats' six-point program is more a compendium of political slogans and ideological hot buttons than a serious policy agenda -- again, the very thing the customers say they don't want.

It may be fun to talk of ending "tax giveaways" to big oil companies and big drug companies and corporations that send U.S. jobs overseas, but people serious about governing know those are complicated issues involving powerful interest groups that can't be resolved in isolation.

Or take rising college tuition, which everyone would agree is a problem. Unfortunately, if Democrats had bothered to consult any good Democratic economist, they would have found that creating an expensive new tax deduction for tuition payments is not only lousy and regressive tax policy but will drive tuitions even higher.

You'll be relieved to know that once the Democrats take power, there will be "no privatization of Social Security, in whole or in part." But don't bother looking for how they plan to make this bedrock social program solvent again. It ain't there.

Certainly, I feel much safer knowing that Democrats plan to "require the Iraqis to take responsibility for their country" -- no details on that one quite yet. And I'll be fascinated to learn how Democrats plan to "double the size of special forces," "re build a state-of-the-art military" and screen every car, truck, airplane and cargo container crossing the border while "restoring fiscal discipline." And all that before the Easter recess!

Indeed, reading through the "Six for '06" document, it's pretty clear Democrats have followed Republicans into the trap of thinking more about competition (winning elections) than consumers (voters). Instead of offering a credible strategy for extricating us from the horrible mess in Iraq, confronting difficult fiscal trade-offs and reversing the powerful market forces that are leading us toward economic insecurity and inequality, they offer nothing more than political tactics.

One House member told me this week not to pay much attention to the "Six for '06" plan, that it was just some "easy stuff" designed to build momentum by gaining quick passage in the House. What he and his colleagues seem to miss is that the voters have become disillusioned with the focus on the easy stuff. They're ready to follow politicians with the guts and creativity and honesty to tackle the tough stuff.

The chief architect of Democrats' strategy has been House Minority Leader Nancy Pelosi of California, who would be the first female speaker of the House if the Democrats win control. Pelosi comes honestly to the role of political boss and manag er: Her father was a Baltimore mayor and congressman who taught her the art of ward politics, the effective use of the "favor bank" and the bedrock importance of party and personal loyalty.

But it's an open question whether Pelosi can make the transition from being a tough, effective manager of the opposition to leader of the whole House in what will remain a divided government. The times call for a speaker who can stand above the partisan fray, who is wise enough to hold her enemies as close as her friends, and trusted and respected enough by the other party and the other chamber to broker deals and get things done.

For Pelosi, those skills would be a stretch. Even now, she has trouble with Democrats who once opposed her election as majority leader, let alone those who defied her by cooperating with Republicans. And she has surrounded herself with loyal colleagues and staffers who reflect her weaknesses more than compensate for them. She has turned down compromises that might have won half a loaf for her side and refused to stand behind President Bush when national unity was called for. But she has rarely missed an opportunity to pile on when Republicans were down. It's telling that despite a lifetime in politics and six years as opposition leader, Pelosi has never mastered the art of losing gracefully.

In politics as in business, the way to create enduring advantage is not by beating the competition at its game but changing the nature of the game. Up to this point, all Democrats have been doing is beating the Republicans at their game.

Democrat Waxman Could Give The Bush Administration Fits (MCT)

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By Steven Thomma

McClatchy Newspapers, October 25, 2006

WASHINGTON - He's not as high profile or as flamboyant as Rep. Nancy Pelosi, D-Calif., who would become the first female speaker of the U.S. House of Representatives if Democrats win control on Election Day.

He doesn't promise the drama of Rep. John Conyers, D-Mich., who would take over the House Judiciary Committee and has talked since 2003 of impeaching President Bush.

Yet if you want to watch a Democrat who could give the Bush White House hell for the next two years, keep an eye on Rep. Henry Waxman, D-Calif.

You might cheer him on. You might hate him. But you won't be bored.

A stranger to many Americans, the 67-year-old Waxman would become chairman of the House Government Reform Committee if the Democrats take over the House. He's one of the shrewdest, most effective inside players in Congress. And armed with the committee's subpoena power, he'd force the Bush administration to spend much of its last two years in office answering questions about its first six.

For one, he'd haul in the vice president's staff and energy industry executives to find out what went on behind closed doors when Dick Cheney and the industry wrote the administration's energy policy in 2001.

For another, he'd summon the Commerce Department brass to answer reports that they manipulate media coverage of global warming, including steering an MSNBC reporter away from a climate expert who believed the problem is worsening.

And he's certain to probe into abuses by contractors in Iraq, for he has criticized Halliburton and other such firms continually since 2003 for various schemes that he says ripped off U.S. taxpayers.

Giving Waxman the gavel would be a dramatic shift for the House, which all but dropped congressional oversight of the executive branch when a Republican administration was sworn in on Jan. 20, 2001.

It would also be a shift for Waxman, who spent the 1990s largely defending the Clinton administration and accusing the Republican House of overreaching in its investigations.

"When President Clinton was in office, congressional committees were themselves on steroids and investigated every possible allegation of wrongdoing, no matter how small," Waxman said at a recent panel sponsored by the Center for American Progress, a Democratic think tank.

"But when President Bush took over, oversight virtually ceased. No matter how big the issue, Congress now often looks away."

Since then, he said, "we've had an imperial presidency and a subservient Congress for the last five years, and the costs to the nation have been enormous."

Waxman is a veteran of three decades in the House, a member of the large Democratic class elected in 1974 in the wake of the Watergate scandal. A liberal's liberal whose wealthy district includes Beverly Hills, he managed to win expansion of Medicaid health coverage for poor children between 1984 and 1990 - as an unfunded mandate to state governments, which consumed ever-larger chunks of state budgets.

He spent years on the Energy and Commerce Committee, fighting to preserve and then expand clean-air laws so important to his Los Angeles constituents. For years one of the best shows in town was watching Waxman wrangle with Rep. John Dingell, D-Mich., who fought against clean-air laws on behalf of his Detroit hometown's interest, the auto industry.

In the end, Waxman and other environmentalists prevailed and Congress passed a new Clean Air Act - with major help from the first President Bush.

Voters' Doubts About Sharing In Prosperity Send A Danger Signal (WSJ)

By Alan Murray

The Wall Street Journal, October 25, 2006

You don't have to be a political pundit to know that next month's elections aren't about the economy. They're about Iraq, mostly; congressional scandals, secondarily; and a host of regional and local issues after that.

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Still, there's something unnerving about watching an anti-incumbent tidal wave roll in at a time when the economy, by most macro measures, is cruising. Unemployment is at a historic low -- 4.6% -- and inflation remains under 3%. The big economic bugaboos of earlier this year -- rising interest rates and soaring oil prices -- have both eased off. Even the Dow Jones Industrial Average is hitting historic highs. Yet a majority of voters who responded to last week's Wall Street Journal/NBC News poll say they disapprove of President Bush's handling of the economy.

Some of this may be the normal noise of midterm elections, when national economic performance is less important than other things. Republicans took control of Congress in 1994 in the midst of an economic expansion. Unemployment that September clocked in at 5.9% and inflation at about 4% -- not as good as today, but not bad.

TALKING BUSINESS

Email business@wsj.com1 and read reader comments Saturday at WSJ.com/TalkingBusiness2.

Still, the economic backdrop for election 2006 should raise a warning flag about the future. Large numbers of Americans seem to have lost their belief in John F. Kennedy's famous aphorism that a rising tide lifts all boats. "They know the economy is white hot," says political analyst Charlie Cook, "but they also know they aren't in it....There's a feeling that some people are getting theirs, but we aren't getting ours."

There's a well-known litany of reasons for that. Median earnings have been growing at a disturbingly slow pace, even as profits and high-end pay have soared. Health-care costs are not only increasing, they increasingly are being paid by consumers, not by employers or the government. Pensions are disappearing, as is job security -- and any sense of long-term loyalty from employers. As pollster Peter Hart puts it, "there's no gold watch" waiting at the end of a career these days. He cites a cartoon in which the boss says: "Mr. Jones, the reason we are letting you go is because you've given us the best years of your life."

Meanwhile, a thin slice of America is enjoying unprecedented prosperity. CEO pay is one of the most visible manifestations, rising in the past decade at triple the rate of the median worker's pay. In my home town of Greenwich, Conn., skilled financiers bring home eight- and nine-digit paychecks, unimaginable in the not-so-distant past. Americans have never been big on the politics of envy, in part because they hoped someday they would join those at the top. But increasingly, they wonder whether the economic game is rigged, and whether all these riches are the result of backdated options or insider trading or some other trickery that doesn't benefit them.

The danger for business is that the broad social support for pro-business and pro-market policies that has characterized American politics for a quarter century or more could be breaking down. You see tame hints of that in popular Democratic proposals for a minimum-wage increase or for government negotiations to push down drug prices.

A much stronger dose comes from Democratic Rep. Sherrod Brown -- who is given good odds of winning his challenge against Ohio Senator Mike Dewine. He calls for renegotiating the North American Free Trade Agreement and the Permanent Normal Trade Relations agreement with China. "This election's a referendum on the special-interest stranglehold in our government," Rep. Brown said in an interview with NBC's "Meet the Press."

"The drug industry always gets its way, the HMOs always get their way, the oil industry always gets their way, the big companies that outsource jobs always get their way. Who's fighting for the middle class?"

A Democratic wise man told me recently that if he were asked what economic platform would offer a Democratic presidential contender the best chances of success in 2008, he would have to say it's an antitrade, antiglobalization, anti-immigration platform. For now, none of the best-known possible Democratic candidates -- Hillary Clinton, John Kerry, Al Gore or, the latest fad, Barack Obama -- are taking that tack. But the problem here isn't Democratic leaders. It's Democratic followers. If the reservoir of dissatisfaction grows strong enough, it's only a matter of time before some candidate figures out how to tap in.

NRCC Targets 33 Districts (HILL)

By Bob Cusack

The Hill, October 25, 2006

With Democratic momentum mounting and control of the House at stake, senior Republican strategists are urging donors to contribute to 33 GOP members and candidates who are “most in need of support right now.”

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The National Republican Congressional Committee's (NRCC) "Final Push List" consists of 29 Republican seats and only four Democratic seats, indicating that the GOP is playing defense.

The list, obtained by The Hill, provides a rare glimpse of the races that congressional strategists are concentrating on close to Election Day.

NRCC focuses on most but not all toss-up House races in its Final Push roster, dated Oct. 19.

In an e-mail to congressional officials, NRCC PAC Director Jenny Sheffield states, "…it's crucial at this point to send in some late money to some [of] our campaigns. The funds our candidates receive now will allow them to increase their TV buys and will make the difference on Nov. 7.

"I have attached our Final Push list for those Members and candidates most in need of support right now. If your boss has not maxed out to those on the attached list, please ask him or her to consider sending a check from a leadership PAC and/or reelection account … IMMEDIATELY!"

Republicans have also sent the list to lobbyists, seeking donations. The NRCC list (see chart) has many endangered Republicans, including four each from Ohio and New York, and three from Pennsylvania. It also contains some surprises, such as Rep. Cathy McMorris (R-Wash.), whose seat was considered safe earlier this month.

Conservative GOP candidate Tim Walberg, who defeated centrist Rep. Joe Schwarz (R-Mich.) in a bitter primary earlier this year, is also on the Final Push roster. Even though he has significantly outspent his Democratic opponent, Sharon Renier, Walberg leads the race by just eight points, according to a recent poll.

Renier has $1,379 cash on hand while Walberg has over $85,000 in the bank. President Bush won the district in 2004 with 54 percent of the vote.

Republican incumbents who did not make the Final Push cut include Reps. Chris Chocola (Ind.), Michael Fitzpatrick (Pa.), John Hostettler (Ind.), Nancy Johnson (Conn.), Jon Porter (Nev.), Clay Shaw (Fla.), Christopher Shays (Conn.), and Charles Taylor (N.C.).

These Republicans are in highly competitive races, but several have major fundraising advantages over their opponents and are not in dire need of NRCC assistance.

But Fitzpatrick, Hostettler, and Taylor have less cash on hand than their Democratic opponents.

Hostettler is in serious jeopardy of losing his seat. The sixth-term incumbent is a lackluster fundraiser and trailed Democratic candidate Joe Donnelly by 23 points in a recent poll.

Taylor is behind in his race against former pro quarterback Health Shuler by single digits, while Fitzpatrick's race is expected to go down to the wire.

NRCC spokesman Ed Patru said the Final Push List "is fluid," suggesting it has been revised since late last week. He noted that Hostettler does not accept PAC money and that Fitzpatrick's opponent, Patrick Murphy, has "greatly underperformed." However, the nonpartisan Cook Political Report recently moved the Fitzpatrick-Murphy race from lean Republican to toss-up.

Asked about Taylor's exclusion from the list, Patru said, "Taylor has always written his own check."

Spokespersons for Fitzpatrick, Hostettler, and Taylor did not comment for this article.

In her e-mail to congressional officials, NRCC's Sheffield suggests she can "tier" the list of 33, adding, "We very much need your help as our most endangered Members and candidates go into the final stretch!!! Your support now could make or break a Republican majority next cycle!!!"

The NRCC seems willing to concede former Rep. Tom DeLay's (R-Texas) seat. Former Rep. Nick Lampson (D-Texas) has $1.7 million cash on hand and Shelley Sekula-Gibbs, the GOP nominee, is not on the ballot, running an uphill write-in campaign.

Rep. Tom Reynolds (R-N.Y.), who heads the NRCC and is in a tight race with Democrat Jack Davis, is not on the Final Push list.

Reynolds has repeatedly said there will be three dozen hotly contested House races this fall, but polls suggest the universe of competitive contests is closer to 50. Most political experts anticipate Democrats will win the necessary 15 seats to gain control of the lower chamber, with some predicting they could gain a net of 30 seats.

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Some Republicans who made the NRCC cut already enjoy significant cash advantages over their opponents. Rep. Geoff Davis (R-Ky.) has $1.65 million in the bank compared to his adversary, former Rep. Ken Lucas (D-Ky.), with over $380,000 cash on hand. Rep. Marilyn Musgrave (R-Colo.), also on the list, has a three-to-one cash advantage over her opponent.

Peter Roskam, the GOP nominee to replace retiring Rep. Henry Hyde (R-Ill.) is on the list, even though he has $1.5 million to play with while Democrat Tammy Duckworth has just over $200,000.

These numbers do not include the infusion of cash to candidates from the NRCC and DCCC.

Joe Negron, who is seeking to fill ex-Rep. Mark Foley's (R-Fla.) seat, needs 16th district voters to punch in Foley's name in order for him to win. House Majority Leader John Boehner (R-Ohio) publicly conceded that Republicans are unlikely to win this race, but the NRCC nonetheless has Negron on its list.

The four Democrats that the NRCC is targeting in its Final Push are Reps. John Barrow (Ga.), Melissa Bean (Ill.), Leonard Boswell (Iowa), and Jim Marshall (Ga.). Independent political analysts say Republicans will be fortunate to win one of these races.

Earlier this year, NRCC was targeting Reps. John Spratt (D-S.C.) and Alan Mollohan (D-W. Va.). Republicans now appear to be throwing in the towel on those races by pulling back ads on these two Democrats and not targeting them in their Oct. 19 document.

Open seats that the NRCC is not making a final push for include the competitive contests for retiring Reps. Bob Beauprez (R-Colo.) and Jim Kolbe (R-Ariz.) as well as Rep. Bernie Sanders (I-Vt.), who is running for the Senate. Peter Welch, the Democrat seeking to win Sanders' seat, enjoys a major cash-on-hand advantage over Republican Martha Rainville.

Patru said Rainville is "where she needs to be in fundraising." Rainville's campaign did not return a phone call seeking comment.

The NRCC is concerned about the open seat of retiring Rep. Joel Hefley (R-Colo.). Even though Bush won the district with 66 percent in 2004, GOP candidate Doug Lamborn is struggling and trails the money race to Democrat Jay Fawcett. Hefley has refused to endorse Lamborn, criticizing how Lamborn ran his campaign in the GOP primary. Lamborn was included on the Final Push list.

Similarly, Bush won 68 percent in Idaho's first district, but NRCC wants more resources put into the race. Retiring Rep. Butch Otter (R-Idaho) is running for governor and GOP nominee Bill Sali has struggled to gain traction against political neophyte Larry Grant.

Political observers say that House Republicans are headed for a long election night if they have to worry about seats in these two conservative districts.

Democratic Congressional Campaign Committee spokesman Bill Burton said, "This list makes clear they have finally caught up with the reality that even in places so Republican that George Bush received 60-70 percent of the vote, their candidates are deeply endangered."

Of the 33 races on the GOP list, nine are open-seat contests.

A leadership aide familiar with the NRCC Final Push initiative said it has raised $2 million.

Upping The Dosage Fearing A Democratic Victory, Drug Makers Fund Key Races (WSJ)

By John D. Mckinnon

The Wall Street Journal, October 25, 2006

HERSHEY, Pa. -- Few businesses have more at stake in next month's congressional elections than pharmaceutical makers. Assailed by Democrats, drug companies are pouring millions of dollars into close races, giving some Republicans a financial edge. In the process, the industry is becoming not just a campaign backer, but also a campaign issue.

Pennsylvania Republican Rick Santorum is a big beneficiary of the industry's push. He was a leading proponent of the 2003 law that gave seniors Medicare coverage for prescription drugs, and helped shape the law in ways that benefited the industry. Battling to keep his seat in a crucial Senate race, Mr. Santorum's campaign has received almost $500,000 from pharmaceutical interests and their employees, according to the Center for Responsive Politics, a nonpartisan research group. The industry has also helped fund television advertisements and aided get-out-the-vote efforts.

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Mr. Santorum's opponent, state treasurer Bob Casey Jr., regularly attacks the Medicare program as "a giveaway to Big Pharma," in part because it bars the government from negotiating prices. He and many fellow Democrats say they will overhaul the benefit if they win control of Congress on Nov. 7. Not surprisingly, Mr. Casey counts just $11,850 in contributions from pharmaceutical interests.

Companies and business groups have long thrown money at candidates to further their interests. But with a Democratic victory increasingly likely, few recent elections have been so critical, particularly for the drug industry. On the campaign trail, Democrats frequently lump "Big Pharma" with "Big Oil" in attacking Republican ties to industry. Within the first 100 hours of taking over the House, promises House Democratic Leader Nancy Pelosi, Democrats will rewrite the prescription-drug benefit to take away most of the advantages it handed to pharmaceutical companies.

HOUSE PAYMENTS

1

Businesses are pouring unprecedented sums into this year's midterm congressional elections. Take a look at several key donors2. • Center for Responsive Politics3

"It'll take five minutes" to make the biggest change of all -- the proposal to let the government negotiate prices, Ms. Pelosi told a group of about 100 retirees in Sunrise, Fla., earlier this month. She said the benefit was a product of "corruption, putting pharmaceutical companies and HMOs first at the expense of America's seniors."

Congressional Democrats propose lifting a ban on the broad-scale reimporting of inexpensive drugs and could toughen the drug-approval process. They've talked, too, of holding hearings into conflicts of interest among Republicans now working for the industry.

"All elections are important, but this one is probably more important than most, because of the threats to the Medicare drug benefit," says Ken Johnson, senior vice president of the Pharmaceutical Research and Manufacturers of America, the industry's trade group.

Through early September, drug-company political action committees had given about $8.7 million to campaigns, compared with $7 million for all of 2002, the last midterm election, according to CRP. Employee contributions are up, too, rising to about $5 million from $3.3 million four years ago. About 69% of the industry's campaign contributions are going to Republicans.

Other industries are also pouring money into races in the hopes of protecting their favored candidates. Oil and gas interests worry about a Democratic Congress axing subsidies and have spent $13.6 million on the campaign so far, of which 83% has gone to Republicans. For all of 2002, they and their employees contributed $14.8 million in hard-money donations. Montana's troubled Republican Sen. Conrad Burns is the second-biggest recipient of oil money, according to CRP. He supports drilling in the Arctic National Wildlife Refuge and sits on the Senate Energy and Natural Resources Committee.

His opponent, state Sen. Jon Tester, hammers on the theme in debates and speeches. He opposes drilling in ANWR and advocates more government support for alternative energy sources, such as biofuels, as well as a greater use of coal, which is abundant in his state.

Electric utilities, fearing tougher environmental rules, have contributed $11.9 million, with 66% going to Republicans, compared with $12.8 million in 2002. Commercial banks, bracing for tighter lending standards, account for $19.2 million, 63% of which is going to Republicans. That's already more than 2002's $16.5 million.

Despite campaign-finance laws designed to limit the influence of big business and unions, the 2006 midterm elections are on track to be the most expensive ever, costing about $2.6 billion, according to a new study by CRP. That compares with about $2.2 billion in 2002. Business interests account for about three-quarters of this year's contributions.

The Republican-controlled Congress has been kind to drug makers. As the prescription-drugs benefit was crafted, Republicans battled not just Democratic critics but also fiscal conservatives in their own party who opposed creating the expensive government program.

Congressional Republican leaders prevented Medicare from negotiating prices with the industry. They also killed a proposal that would have allowed the government to offer its own coverage in competition with those sold by private companies. The industry successfully argued that the government's clout would mess up prices and stifle innovation.

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Sen. Jim Talent of Missouri benefited from $900,000 in ads this year touting his role in the prescription-drug benefit, according to a tally by Americans United for Change, a liberal advocacy group with close ties to congressional Democrats. Mr. Talent made a similar pitch in two TV ads as well as in a recent debate with his Democratic challenger, Claire McCaskill.

Ms. McCaskill attacked the drug companies -- and by extension Mr. Talent -- in a recent ad, saying, "it's a senator's job to always put our seniors before big drug companies and Washington special interests."

In previous years, PhRMA, the industry's trade group, has come under fire for its political activities. In 2002, it was criticized for funding TV ad campaigns run by relatively small and little-known nonprofit groups.

PhRMA's president, former Louisiana Republican Rep. Billy Tauzin, says he wants the group to become less confrontational to increase its effectiveness. This year, the industry is working through the U.S. Chamber of Commerce. The chamber's TV ads cost about $10 million, according to chamber officials. While the drug industry hasn't disclosed its share, Mr. Tauzin says it has contributed to the effort. The chamber's last-minute get-out-the-vote effort, which will include emails, fliers and phone banks, will focus on the drug benefit, among other issues, and will cost another $10 million or so.

Pennsylvania is one of the biggest battlegrounds in this year's political drug wars. It has a large concentration of seniors -- second only to Florida -- so Medicare could play an outsized role in the state's campaigns. Seniors are also the most reliable voters and carry extra clout. While people 65 years and older make up 16% of the state's population, they cast more than a quarter of the ballots in 2002.

Pennsylvania is home to a number of pivotal races for both houses of Congress. Democrats need 15 seats to take control of the House and four of their most promising pickups are in Pennsylvania. In late July and early August, drug companies helped pay for the Chamber of Commerce's TV ads on behalf of the four endangered Republicans, thanking them for supporting the Medicare drug bill, even though one, Mike Fitzpatrick, wasn't serving when Congress passed the benefit.

In the Senate, a swing of six seats would tip the balance of who's in charge. Strategists from both parties consider Mr. Santorum one of the Democrats' best targets.

In the campaign, both Mr. Santorum and his opponent are playing up the senator's central role in crafting the Medicare drug benefit. He's the biggest recipient of pharmaceutical money, according to CRP, up from 15th last time he ran in 2000.

"We support folks who agree with us on the issues, and he's been a strong and good supporter," PhRMA's Mr. Tauzin says of Mr. Santorum.

Mr. Casey and his backers have tried hard to use that against Mr. Santorum in the race. Speaking on the sunny front porch of a Clarion, Pa., bed-and-breakfast in August, Mr. Casey lashed out at one of the benefit's most-criticized features -- the "donut hole." The basic plan requires people whose drug costs reach $2,250 to start paying their own bills for the year, until they've spent a total of $3,600, although in practice many of the private-sector insurers providing the benefit have reduced or eliminated the donut hole.

Democrats want to fill the gap with savings earned from allowing the government to negotiate prices with the industry. Many Republicans oppose that move.

Mr. Casey told the crowd of about 100 that the donut hole is "a symbol of the White House and the Congress' failure to enact a real prescription-drug plan for older Americans."

An anti-Santorum advocacy group called the Lantern Project -- with funding from big Pennsylvania Democratic donors -- ran $800,000 of ads over the past year criticizing Mr. Santorum, including one that sniffed: "No wonder the drug lobby gave Santorum committees half a million dollars."

A spokeswoman for Mr. Santorum, Virginia Davis, says the senator supports the drug industry for policy reasons, not political ones. She says he opposes drug importation on safety grounds, for example, and also notes that Pennsylvania is home to about 200,000 pharmaceutical-industry jobs.

On the stump, Mr. Santorum cites the drug benefit as one of his leading accomplishments. At a Harrisburg luncheon in August, he noted that Pennsylvania's Democratic Gov. Ed Rendell had said the senator "delivers." Mr. Santorum ticked off the reasons why, starting with "the Medicare bill that we passed that [includes] language in there that saves Pennsylvania almost $200 million a year."

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At a September appearance before the Pennsylvania Chamber of Business and Industry in Hershey, Mr. Santorum argued that the program is helping not only retirees, but also businesses dealing with rising health-care costs. It also provides "a very generous benefit" for seniors, especially in combination with state aid, he said in an interview. "I wrote it to do that."

Drug companies helped fund the U.S. Chamber of Commerce's TV ad campaign, which featured gauzy images of happy, active seniors, as well as photos of Mr. Santorum and luminous blue pills in a pharmacist's tray.

Under new federal campaign-finance restrictions, those TV ads had to stop by early September. The chamber's get-out-the-vote mail pieces aren't covered by that law and in the campaign's final days they will tout the prescription-drug benefit. One shows a gray-haired woman in a sweater chatting with her smiling pharmacist. On the other side, a picture of Mr. Santorum is superimposed on a spreading oak tree in full autumn glory. The text urges recipients to "vote for Rick Santorum November 7th."

Polling by the Kaiser Family Foundation, a nonprofit research group focused on health care, showed a sharp turnaround in seniors' views of the program between late 2005 and mid-2006. In December 2005, 50% of seniors said they had an unfavorable impression of the program while just 28% viewed it favorably. By June, after the signup period ended, the unfavorable rating had fallen to 30% and the favorable rating had risen to 32%.

By midsummer, the Kaiser poll showed, about eight out of every 10 seniors who had signed up said they were satisfied with their plans. That result has been confirmed by other polls.

Whether or not this will help Mr. Santorum is far from clear. Recent polls show that while the chamber ads helped Mr. Santorum close the gap with Mr. Casey, he continues to trail by anywhere from five to 13 percentage points.

Trio Of Linked Districts Could Make Florida Pivotal To House Takeover (HILL)

By Aaron Blake

The Hill, October 25, 2006

SARASOTA, Fla. – Republican House candidate Vern Buchanan laced up his rented hot pink and yellow shoes, straightened his ailing back and rolled the heavy ball down the lane. Veering too far left, it caromed off a bumper, and an otherwise-gutterball knocked over seven of 10 pins.

Just as he had intended, Buchanan joked: “That’s that turn I had on the end.”

This campaign season, Buchanan and fellow Florida Republicans are facing another late turn of events on which they had no designs. What have been the top two battleground districts in the state – Buchanan’s 13th and Rep. Clay Shaw’s (R) 22nd – both border former Rep. Mark Foley’s (R) south Florida district, and the month-old scandal surrounding Foley’s communications with House pages has thrown a wrench in the final month of the campaign, Buchanan said.

Foley’s 16th District, now a tight battle between Democrat Tim Mahoney and Republican Joe Negron, lies in south Florida between the Sarasota-based 13th on the west coast and the Fort Lauderdale-based 22nd on the east coast. The Democrats hope to turn the three of them into a blue belt across the peninsula, chipping away at the Republicans’ 18-7 House advantage in this very purple battleground state.

The three would go a long way toward a possible Democratic majority in Congress, and Florida could rival states like Indiana and Ohio, which have long been considered prime pickup territory for the Democrats, as an impact state in 2006.

Two years ago, no race in Florida was decided by fewer than double digits. This year, as many as five seats could be in play, including long shots in Rep. Ric Keller’s (R) 8th District and retiring Rep. Michael Bilirakis’s (R) 9th.

According to a poll released yesterday by Buchanan’s Democratic opponent, Christine Jennings, the 13th is likely to flip in two weeks. Jennings leads Buchanan 52-41 in the poll, which mirrors a previous Jennings poll that had her up 50-38.

Both polls came out since the Foley scandal broke in late September. Buchanan actually broaches the Foley issue unsolicited while talking with reporters, saying it makes things tougher for him with the story frequently in the local media.

The same day he bowled alongside Sen. Mel Martinez (R-Fla.) at Sarasota Lanes here last week, the Sarasota Herald-Tribune broke the story about the clergyman who allegedly abused Foley.

“It’s more local because I share a county with him,” said Buchanan, adding that the Foley scandal killed the momentum he felt coming out of the House Republican Conference in Washington in late September: “I thought we had a positive session, and unfortunately instead of talking about that, we end up talking about the Mark Foley thing.”

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While Buchanan faces Jennings in an open-seat battle to replace Senate candidate Rep. Katherine Harris (R), Shaw has been ensconced in his seat for 26 years. And while Buchanan calls his race vital to Republicans maintaining control of the House, Shaw shrugs at the notion that Republicans need a strong showing in Florida to stay in power.

In fact, Shaw said he doesn't even understand why there is such a fuss about this race. After he won by 600 votes in 2000, redistricting bolstered the Republican advantage in his district. He beat a well-funded challenger 61-38 the following election and won by 28 points in 2004.

Still, a Fort Lauderdale Sun-Sentinel poll released Saturday shows Shaw ahead of Democrat Ron Klein by a slim margin, 48-43, with a 4 percent margin of error. And despite the redistricting, Sen. John Kerry (D-Mass.) won by the same 52-48 margin then-Vice President Al Gore carried in the 2000 presidential election.

"I'm delighted to think that national politics is going to be determined by this district, because I'm going to win," Shaw said. "It's closer than I'd like it to be, but we're not going to have to stay up till 1 o'clock in the morning to find out who won."

One shouldn't mistake Shaw's verbal confidence for over-confidence, however. Klein has raised the third-most money among House challengers at $3.2 million, and Shaw has been a step ahead of him almost every quarter, bringing in $3.9 million.

Shaw has also grown fond of invoking his work with former President Clinton in the 1990s to illustrate his bipartisan credentials.

With Clinton in town for a Klein fundraiser on Friday, Shaw ran a radio ad noting his work with the ex-president. In a debate Friday in Palm Beach, Shaw seemed to be almost longing for Clinton's tenure, repeatedly bringing up the bills he passed and Clinton signed.

"Tonight, President Clinton is coming to town to help his political party," Shaw said at the debate, turning to Klein. "Ron, give him my best."

Klein said Shaw can say what he wants about the former president but that it's simply an effort to "minimize the nasty partisan environment" currently in Washington. He said he mentioned Shaw's strategy to Clinton at a rally several hours after the debate.

"He said, 'Well tell him that's all fine and good, but look what happens when Republicans get in total control: they run the country off the edge,'" Klein said. "So I don't exactly consider that to be a badge of honor."

The 13th District isn't as evenly split, with President Bush winning 56-43 in 2004. Harris has won by 10 points each of the past two elections, but neither included a Democratic opponent who could compete with her financially.

Jennings, for that matter, isn't close to competing financially with Buchanan either. With a net worth reported at more than $50 million, he has plugged nearly $4.5 million of his own money into the campaign. With $4.9 million in receipts, his was the richest House campaign in the country, including incumbents, after the third quarter.

Buchanan's self-funding has made the race to replace Harris is the second-most expensive in the country, according to the Center for Responsive Politics, with Shaw's race third.

Jennings raised a comparatively paltry $1.3 million by the end of the third quarter. But with the support of groups like Emily's List and the Democratic Congressional Campaign Committee, she said she is more than able to compete in the current environment.

"If the incumbents don't know it and if the people running this country don't realize how distressed the American people are with a do-nothing Congress, I don't know what it would take," Jennings said.

GOP Incumbents Use Tough Underdog Tactics (HILL)

By Patrick O'connor

The Hill, October 25, 2006

COLUMBUS, Ohio – Rep. Deborah Pryce (R-Ohio) mounted a flatbed truck outside a downtown office building last week with a bullhorn in hand and Van Halen blaring to challenge her Democratic opponent to a debate.

Her opponent, Mary Jo Kilroy, was miles away at the time, but the stunt is another example of the guerrilla tactics Pryce has embraced this fall as she fights for her political life. Such campaign tactics are usually employed by challengers, not senior leadership officials.

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The fourth-ranking Republican in the House is one of the many veteran lawmakers running like an underdog this campaign season. In this environment, Pryce's biggest asset – her leadership post chairing the Republican Conference – has also become a liability.

"For me, it's been a double-edged sword," Pryce said from her campaign headquarters during halftime of the Ohio State-Indiana football game last Saturday. "It's really helped me be able to deliver for this community, but it's also made it easier for the moniker of Bush Rubber Stamp to stick."

Pryce joins National Republican Congressional Committee (NRCC) Chairman Tom Reynolds (N.Y.) and a number of other senior GOP lawmakers who face serious challenges for the first time in years.

Meanwhile, freshman Reps. Geoff Davis (R-Ky.), Mike Fitzpatrick (R-Pa.) and Mike Sodrel (R-Ind.) are performing well in their own tight reelection fights because of the battles they fought just two years ago.

The expanding field of veteran Republicans in serious danger this October is further evidence of a national wave that appears to be cresting this fall, imperiling the GOP's majorities in both chambers. In some cases, this eroding political landscape has made seniority a millstone rather than an advantage.

The Wave – Both National and Statewide

In Cincinnati, about 100 miles down I-71 from Columbus, Rep. Steve Chabot (R), who came to Congress as part of the historic class of 1994, is one of the many members trying to avoid a similar wave this year in his closely contested rematch with Democrat John Cranley.

On a gray, blustery afternoon outside Paul Brown Stadium on the north bank of the Ohio River, Chabot shook hands with Bengals fans heading into Cincinnati's game with the Carolina Panthers. Wearing a blue blazer over a white Bengals jersey, the six-term incumbent stood with a lone volunteer who hoisted a red, white and blue Chabot-for-Congress sign and another who passed out stickers.

A few yards away, closer to the stadium, Cranley, who also wore a white Bengals jersey over his blue oxford shirt, gleefully shook hands with fans as a team of volunteers flanked him on either side holding blue and neon-yellow Cranley-for-Congress signs.

"This has been the best reaction yet," Cranley said as he bounced from one foot to the other and blew on his hands to warm them against the cold wind. "Now I get a lot of people coming up to shake my hand instead of me approaching them."

Later that day, during a Lions Club pig roast in rural Butler County, Chabot dismissed the effects of a national wave on his own campaign.

"We're not focused on the overall national environment," Chabot said in the smoky assembly hall, surrounded by predominantly Republican voters.

Whatever the drag President Bush and Congress have become this election cycle, incumbent Republicans in Indiana, Kentucky and Ohio have felt the effect of unpopular governors.

In Ohio, Chabot, Pryce and other Republican lawmakers must also overcome the flagging campaigns of gubernatorial candidate Ken Blackwell and Sen. Mike DeWine (R), who both appear to be losing ground against more popular Democratic opponents.

Similarly, Pennsylvania Rep. Melissa Hart (R) seems to be struggling against the strength of campaigns by Ed Rendell, the popular Democratic governor, and Bob Casey Jr., the Democratic state treasurer who looks poised to knock off Republican Sen. Rick Santorum.

The NRCC surprised many observers last week by dropping $170,000 on TV ads in Hart's Pittsburgh-area district criticizing her Democratic opponent, Jason Altmire, an administrator for a local hospital chain. The buy was viewed as a clear sign that the race is much closer than it was expected to be, and Hart's opponent believes the incumbent's perceived inactivity is a big reason the race is competitive.

"I think she made a tactical error by not going up [on television] earlier," Altmire said last week from the booth of an Eat N' Park just off the Pennsylvania Turnpike.

The Freshman

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In the struggle to raise money, Davis, Fitzpatrick and Sodrel have become the most prolific fundraisers in their class, thanks in large part to competitive seats.

Davis has raised over $3.2 million for the cycle as compared with the over $1.1 million former Rep. Ken Lucas (D-Ky.) raised in his bid to bounce the Kentucky freshman after a single term.

In the rematch – Lucas narrowly survived a challenge by Davis in 2002 – the Republican Davis had more than $1.2 million in cash-on-hand as of the Sept. 30 filing deadline, and his campaign expects to report in excess of $475,000 from the period between Sept. 30 and Oct. 18, which should allow him to maintain a much stronger television presence in each of the district's four media markets.

Beyond fundraising, incumbency also has its disadvantages.

"Time management is one of the biggest challenges," Sodrel said over his breakfast of biscuits and gravy at the recently opened Big Daddy's Bar-B-Q in Aurora, Ind. "There is an advantage to being a challenger because you can be a candidate 100 percent of the time."

Leader on the ropes

In these final stages of the campaign, Pryce is relying on the fruits of incumbency by highlighting money she has appropriated for the district and using her connections in Washington and the district to help turnout the vote.

Her volunteers back in the Beltway work a phone bank from the Republican National Committee (RNC) every Wednesday night on her behalf, and many of her conference staffers are expected to travel to Ohio for the last weeks of the campaign.

Pryce volunteers canvassed her upscale Columbus neighborhood last Saturday, passing out absentee ballots using micro-targeted data compiled by the RNC.

The challenge for GOP organizers is to ensure that these likely supporters actually vote. The negative environment, particularly the spate of negative ads, could undermine those efforts.

Kilroy, whose campaign has agreed to a single debate that occurred earlier this month, said she has been "amused" by the incumbent's guerrilla campaigning. "It's a big switch from the game she was talking about the in the beginning when she was talking about my campaign as a nuisance."

Pryce, meanwhile, said she has been frustrated by Kilroy's perceived unwillingness to debate more frequently and attributes the tight contest to the national mood rather than the strength of her opponent.

The conference chairwoman laments not running television commercials in previous cycles, but she did not say she would bow out of the leadership if she hangs on this fall.

"I think this [reelection campaign] will be the biggest challenge," Pryce said. "We'll cross that bridge when we come to it."

Jackie Kucinich contributed to this article.

Hayworth Goads Mr. Nice Guy Into Fight In Arizona-5 (HILL)

By Josephine Hearn

The Hill, October 25, 2006

SCOTTSDALE, Ariz. – When Rep. J.D. Hayworth (R-Ariz.) took the podium from Newt Gingrich at a fundraiser here last week, the decibel level doubled.

"Tell your friends! Tell your neighbors! Get them to the polls!" the 6-foot-5 former sportscaster bellowed into the microphone, employing the high-octane imperatives that have been his trademark in Congress.

At the same time, a dozen miles south, the Democratic candidate Harry Mitchell was also speaking to voters, but he used a decidedly different style. The avuncular former high school civics teacher and Tempe mayor was projecting a softer image to the Kiwanis Club of Tempe, making the race for Arizona's 5th Congressional District a contrast in styles. The contest pits a tough, boisterous Republican from upscale Scottsdale against an easygoing Democratic native son from a university town.

"I'm more low-key. I believe in building consensus and working toward compromise," Mitchell said Monday between fundraising calls. "J.D. is very aggressive, very loud. He's big. He'll invade your private space and I think that's how people view him."

Hayworth countered that Mitchell was too laidback to be effective.

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"It's fine to try to project a quiet personality, [but] I walk to the talk and I get things done. If Harry were to go, he would go along to get along. He would be conspicuously inconspicuous."

In television ads and on the stump, the pair carve out stark differences in personality.

Mitchell, 66, sports an ear-to-ear smile, glasses and a grandfatherly gray comb-over. He portrays himself as friendly and accessible in campaign ads, appearing with children and senior citizens amid soft lighting and cheerful hues, a deliberate strategy, said one Democratic aide. He has pushed to make his support of embryonic stem-cell research a key distinction in the race. He welcomed Rep. Diana DeGette (D-Colo.) to a press conference on the issue last week.

He stresses his homegrown roots. His grandfather was a local developer for whom Mitchell Drive, Mitchell Park and the old Mitchell elementary school were named. He has lived in the same house in Tempe for over 40 years. He went to school at Tempe High, went to college just blocks away at Arizona State University (ASU), married his high-school sweetheart, then returned to his high school to teach. He spent 28 years there, simultaneously running for local offices. He served as mayor of Tempe for 16 years and earned such admiration that the town erected a 35-foot steel statue of him outside City Hall, which was renamed the Harry E. Mitchell Government Center. A local bar, Harry's Place, sits across the street.

"I think of him as your neighbor, the every-guy, the beloved ordinary guy," said Richard Herrera, associate professor of political science at ASU. "He's been a mayor but he's also a high school teacher. He's approachable and friendly. He's the opposite of J.D. Hayworth in that he's not bombastic. He's not somebody you would fear."

Hayworth, 48, with his buzz-cut, broad shoulders and booming voice, welcomes the tough-guy image, arguing that he delivers for his constituents. He is a vigorous campaigner with an uncanny memory for names and personal details that is rare even among seasoned politicians. His ads focus on cracking down on illegal immigration, showing him at a cattle ranch talking with worried residents. Images of border patrol vehicles, migrants slipping across the border and a high-speed dirt-road chase appear between jarring flashes of white and orange. One television ad, entitled "Gonna hurt," asserts that Mitchell favors allowing illegal immigrants to collect social security benefits.

That ad, coupled with other negative salvoes, aims to tarnish Mitchell's image as a popular Democratic mayor and "wonderful guy," said Bruce Merrill, a pollster and communications professor at ASU.

"J.D.'s been very successful in the district. He's not a buffoon. He's really an intelligent guy and he's running pretty vicious attack ads against Harry," Merrill said.

In a district that leans Republican, that strategy can work. Outside of Tempe, Mitchell is less well-known.

The ads prompted Mitchell to retaliate with his own negative ads, pulling him away from his purely positive message. One Mitchell ad showed Hayworth apparently in the crosshairs of a firearm, prompting outrage from the Hayworth camp. Mitchell said he is not afraid of a brawl.

"J.D. is doing everything I expected because I was warned about the way he campaigns beforehand," Mitchell said. "But I am not taking it sitting down."

Recent independent polls show Mitchell gaining on Hayworth. A SurveyUSA poll commissioned by TV station KPNX showed Hayworth leading Mitchell 46 to 43 percent in mid-October, within the survey's margin of error. A similar survey by the same pollster a month earlier had Hayworth ahead by 12 points. During that time, however, Republicans across the country suffered political damage from the teenage page scandal involving former Florida congressman Mark Foley (R).

A Democratic poll conducted in mid-October showed Mitchell trailing by one point.

But Hayworth enjoys an ample lead in fundraising. According to recent disclosure reports, he raised $480,000 in the third quarter and ended with $1.35 million in the bank. Mitchell raised $320,000 and $570,000 in cash. National parties have been active on both sides.

And Hayworth could still use Mitchell's easygoing persona against him.

"Harry is the nicest man you'll ever meet but no one would ever accuse him of being very dynamic," Merrill, the communications professor, said.

Chatting after the Gingrich fundraiser, Hayworth suggested that Mitchell, in the twilight of his career, would not care enough to deliver results.

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"The voters will have a choice of who in his mind's eye views this seat in Congress as a reward for a long time in office or someone who says what he means and means what he says and will continue to make things happen," Hayworth said.

Mitchell called that charge "absolutely wrong."

"My whole concern is to represent this district. I'm not going to run for speaker or Senate," he said. Hayworth launched an unsuccessful campaign in 2002 to lead the House Republican conference. He has been mentioned as a contender for statewide office.

"My heart is in this very much, let me tell you, because I think it would not be good to return J.D. to Washington," Mitchell said. "I think he underestimates my desire to run."

Whether Hayworth has underestimated Mitchell is an open question. He sent surrogates to speak at an Oct. 17 forum before the National Council of Jewish Women. Jonathan and Irit Tratt, Jewish friends of Hayworth, struck a sour note with the elderly Jewish crowd, which booed and hissed when the Tratts first appeared, when they mentioned slain journalist Daniel Pearl to underscore the ongoing threat to Jews and when they suggested that Mitchell apologize for putting crosshairs in his ad. At one point, an exasperated Jonathan Tratt gave up.

"I don't have to speak on his behalf if you don't want me to."

"Good!" "Get off the stage!" the hecklers responded.

Though Weakened, New Orleans Lawmaker Is Ebullient And Defiant (NYT)

By Adam Nossiter

The New York Times, October 25, 2006

NEW ORLEANS, Oct. 24 — With a publicized federal bribery investigation bearing down on him and facing a tight race for the first time in 16 years, Representative William J. Jefferson might be expected to show signs of strain in his re-election campaign here.

Yet the elephant in the room is not crowding out Mr. Jefferson, a veteran Democratic politician who still maneuvers with relative ease in the world of New Orleans politics, which he has partly owned since his opponents in the Nov. 7 primary election were barely in high school.

Attracted by the congressman's new vulnerability, 12 challengers have crowded in. Mr. Jefferson dismisses them as "these people" who "think they have an opportunity."

Spurned by House colleagues in Washington and the butt of jokes over $90,000 that the F.B.I. says it found in his freezer, Mr. Jefferson is outwardly projecting confidence in the biggest challenge of a career that stretches over nearly 30 years.

Unlike other incumbents in trouble this year, though, his difficulties have nothing to do with national politics and everything to do with cascading accounts of chicanery that have made local headlines for months.

Over the congressman's protests, the state Democratic Party endorsed his leading challenger, Karen R. Carter, a state representative with a reputation for seriousness.

Experts reckon that he and Ms. Carter are the likeliest in the field to wind up in a runoff in December, to be held if no candidate receives more than 50 percent of the vote, under the state's idiosyncratic election rules.

Though Mr. Jefferson may be unwanted by fellow Democrats, a warm reception is always just around the corner on his home turf, where a web of relatives and associates has extended for years into many corners of public life.

Questionable financial dealings are rarely a bar to high office in Louisiana. The culture of tolerance means that Mr. Jefferson, an eight-term congressman, cannot be counted out on Election Day, experts say. Even Mayor C. Ray Nagin has endorsed him for re-election.

"I'm praying for you, brother," a woman said to him recently in a coin laundry in a desolate shopping strip in the Gentilly section, throwing her arms around the congressman, as do others.

"I'm on your side!" Paula Felton, shopping at a grocery store, cried out. "Hang in there. Not to worry."

Angrily dismissing the cash in the freezer, a woman at the Guste Home housing project said, "If I want to carry them in a sock, that's my business."

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Helen Lang, an activist who introduced Mr. Jefferson to a friendly audience at the project, said: "Let's not get bogged down in all this foolishness. I've been bumping in politics a long time. He's not one who's abused us."

Buoyed by this grass-roots support, Mr. Jefferson is waging an aggressive campaign, strongly criticizing Ms. Carter for having the backing of establishment financial powerhouses like the developer Joseph Canizaro and angrily deflecting questions about the federal inquiry.

"I don't talk about that stuff," he snapped in an interview. "That's for the lawyers."

In court documents, the Federal Bureau of Investigation says Mr. Jefferson took bribes, including the $90,000, in exchange for helping an obscure technology company obtain government contracts here and in Africa.

Documents and interviews have painted an unflattering portrait of a public figure assiduously working for financial advantage for himself and his family through his contacts.

In June, House Democrats voted to strip him of his assignment on the House Ways and Means Committee. Mr. Jefferson, promising a yet-to-be-given "honorable explanation," has denied all wrongdoing and, comparing himself to other accused African-American congressmen, predicted legal vindication and political victory.

His visit to the semiabandoned Gentilly shopping area, once a heartland of the black middle class, now severely diminished here, illustrated the promise and the problems of his struggle. On the one hand the reception was friendly.

"I'm going to vote for you, I'm going to vote for you, I'm going to vote for you," a barber in the strip repeated.

On the other hand, most of the stores were closed, 14 months after Hurricane Katrina, and not many shoppers were there at a prime time, Saturday morning.

"Working against him are the changed demographics," said Susan Howell, a political scientist at the University of New Orleans.

Mr. Jefferson is unlikely to win many white votes. A recent survey found that blacks in New Orleans have fallen to 46 percent of the population, from 67 percent before the hurricane.

Indeed, a white motorist yelled a derisive comment out her window at Mr. Jefferson's campaign workers as they waved signs while awaiting him on Saturday on Elysian Fields Avenue.

Mr. Jefferson may advance to the runoff, experts say, but beyond that his prospects are dim.

"He can't play the race card the way Nagin could," Ms. Howell said, referring to the mayor's re-election in May, "because he'll be in a runoff with an African-American, Karen Carter, who is a very respectable person and has a good reputation. He's going to have a whiter electorate than Nagin, and that's going to work totally for Karen Carter."

Mr. Nagin ran for re-election against a white candidate, Lt. Gov. Mitch Landrieu, in a racially charged contest that drew many black voters who continue to live out of town. The Congressional race is unlikely to draw a similar turnout.

Mr. Jefferson is hardly giving up. To the audience in the housing project, he identified their struggle to return to the city with his own.

"There's some folks who don't want to see us come back home," he said, and he infused his message with themes of faith, suffering and persecution.

At a candidates' forum in the French Quarter, he sharply criticized his opponents, insinuating that they had their own ethics problems while denying his.

"This business about electing ethical people," he said. "In this country, one is presumed innocent. I have not been charged with anything. I am, in fact, an innocent person."

Ms. Carter responded, "There is only one candidate in this race who is under federal investigation, and it's not Karen Carter."

A Congressional Endorsement (NYT)

The New York Times, October 25, 2006

The most fundamental rule of democracy is that when elected officials fail repeatedly, voters throw them out of office. If the polls are anywhere near accurate, most Americans have concluded that the Republican Party — particularly the Republican majority in the House of Representatives — has failed egregiously. On Iraq. On ethics. On oversight of a reckless White House.

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But that conviction sometimes comes into conflict with the feeling that a good representative should be rewarded with re-election, without regard to party.

All of that brings us to Representative Christopher Shays, a Republican from Connecticut's Fourth District. Mr. Shays has been in office for nearly 20 years, during which his state has grown increasingly Democratic. This year his race with Diane Farrell, a former first selectwoman of Westport, is regarded as one of the tightest in the nation.

The Times has endorsed Mr. Shays in every race in which he has faced a serious opponent. While this page has disagreed with him on many issues — from tax cuts for the wealthy to warrantless wiretapping — we have admired his independence and respected his leadership on issues like campaign finance reform.

Still, as his party has moved to the right, Mr. Shays has taken more and more stands with which we have profound disagreement. His position on immigration reform is far closer to the crabbed, xenophobic stance of the House Republicans than the fairer, bipartisan approach of the Senate. During the campaign, his remarks about the treatment of prisoners at Abu Ghraib prison — which he minimized as "something less than torture" — were disturbing.

Ms. Farrell, Mr. Shays's opponent, is an excellent candidate. After eight years as first selectwoman, she has a better understanding than most legislators of the impact of federal mandates and tax policy on local government. She is smart and articulate, and her positions on the issues are extremely well thought-out.

When Ms. Farrell first challenged Mr. Shays two years ago, The Times chose to endorse him as a rare voice for moderation within a Republican caucus that seemed bent on distracting the electorate with assaults on gay marriage, flag burning and abortion while running up the deficit, encouraging a ruinous war in Iraq and supporting a White House bent on exalting the power of the president at the expense of the Constitution.

Now it is time to draw the line. Mr. Shays may be a beacon of integrity, but if he is re-elected, he will vote to continue House control by a party that has repeatedly sold out the country to special-interest lobbyists. His position on Iraq, which has gone through tortuous re-evaluations, now seems basically sensible. But if he is re-elected, he will support a Republican leadership that has refused to question even the most ruinous decisions by George Bush, Dick Cheney and Donald Rumsfeld about the conduct of American foreign policy.

Mr. Shays has been a good congressman, but not good enough to overcome the fact that his re-election would help empower a party that is long overdue for a shakeup. This decision is painful, but not difficult, given the high caliber of his opponent. With due respect for Mr. Shays's service, we strongly endorse Diane Farrell for Congress.

Taylor Still Holds Land (HILL)

By Elana Schor

The Hill, October 25, 2006

Public land records in Haywood County, N.C., show that a company registered to Rep. Charles Taylor (R-N.C.) owns 17 plots of land in the mountain community of Maggie Valley, an interest that tax records indicate is worth more than $500,000.

The records raise questions about an assertion Taylor made in an Oct. 12 statement, part of a strong public defense mounted by the House Appropriations "cardinal" after a Wall Street Journal report alleged this month that Taylor steered federal funds to projects that would benefit businesses in which he has an interest.

Taylor's statement was accompanied by a letter from his North Carolina attorneys that called for an apology and retraction from the Journal. Taylor is facing a well-funded Democratic election challenge from former pro football quarterback Heath Shuler.

Singling out 15 elements of the article that Taylor characterized as "innuendos and false statements," the lawmaker wrote that he owns no holdings in two residential subdivisions located in his district's picturesque Maggie Valley area.

"There is no development called Maggie Valley Leisure Estates," Taylor wrote, referring to a subdivision mentioned in the article. "A large development in Maggie Valley is called Wild Acres," Taylor added, where he held land 36 years ago but sold it "over 20 years ago."

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Haywood County land records still list a company called Maggie Valley Leisure Estates, Inc., founded 36 years ago by Taylor and two partners, as the owner of 17 land parcels. Fourteen of those plots are situated in the Wild Acres development and one is situated in a development named Maggie Valley Leisure Estates, according to land maps posted by the county.

Two area Realtors also use the MVLE name to offer online listings for homes in that development.

The North Carolina Secretary of State's office, which records business registrations, has no record of any sale of Taylor's interest in Maggie Valley Leisure Estates Inc., according to its website. The company's registered address with that office and Haywood County is a post office box used by Taylor in county board of elections and Federal Elections Commission filings.

Taylor attorney Robert Long Jr., who drafted the letter to the Journal, said Maggie Valley Leisure Estates' holdings in the Wild Acres area were unfit for residential development. Long referred to the 17 plots as "worthless" and "remnants," adding, "You couldn't build on it even if you tried."

Long said Maggie Valley Leisure Estates had sold the majority of its land in the area by 1990 and that the business was now defunct. Asked whether a development existed with the MVLE name, Long said "they may have called it that" in ensuing years.

The state's Department of Revenue suspended Maggie Valley Leisure Estates' charter in 2003, according to records, for failing to file annual corporate and franchise tax reports. The notification of that decision was sent to the same post office box used by Taylor that appears in county land records.

North Carolina revenue officials said suspended companies are not absolved of outstanding tax obligations, which could be as low as $35 a year if the business had no activity. Haywood County employees confirmed that the business is still a valid landholder despite its state corporate status.

The state keeps no records on the frequency of corporate suspensions. Two other companies incorporated by Taylor in the 1980s with his wife as director, Financial Guaranty Securities and Financial Guaranty Credit Life Corps., also were suspended in 2005 for failing to file tax reports.

"The acreage I have is not even close to [U.S. Highway] 19," which crosses through Maggie Valley, Taylor wrote later in his statement to the Journal.

Haywood County maps show that several of the land parcels owned by Maggie Valley Leisure Estates are within three miles of that highway. Another company, Gaybo, in which the lawmaker owns an interest worth as much as $250,000, according to his latest financial disclosure filing, maintains a 15-acre parcel of land located next to the highway, according to maps posted on the county's website.

Taylor's strongly worded defense comes in the thick of a hard-fought race between the wealthy lawmaker, whose estimated personal assets topped $50 million last year, and Shuler.

Taylor has spent heavily to keep his powerful perch as a senior appropriator, helping Shuler take the lead in cash on hand as of third-quarter fundraising reports. In addition to several ads bought by the National Republican Congressional Committee (NRCC) – one of which assailed Shuler for a company bearing his name that was late in its tax payments – Taylor has taken out $1.6 million in personal loans to help his campaign.

Taylor also used the statement sent alongside his attorney's letter to blast Taxpayers for Common Sense (TCS), a nonpartisan watchdog group known for its exhaustive research into lawmakers' earmarks, for providing the Journal with corroborating information for its article.

TCS, Taylor wrote, "is neither an organization for taxpayers nor for common sense. It is a partisan, ultra-liberal organization whose report is produced in conjunction with the environmental extremist groups Friends of the Earth and U.S. PIRG."

TCS vice president Steve Ellis pointed out that the group has partnered with groups from both sides of the ideological spectrum, including the conservative-leaning Club for Growth and National Taxpayers Union, for previous efforts.

"Like an illusionist, [Taylor] is trying to divert public attention to his parade of irrelevant facts instead of concentrating on and answering to his dubious record," Ellis said in an Oct. 16 statement. "It's not too shocking that a senior appropriator is lashing out at a budget watchdog group. In fact, that is a good indication we are doing our job."

My Friend, Bob Ney (HILL)

By Ellen Ratner

DOJ_NMG_0085979

The Hill, October 25, 2006

I happen to be a proud liberal, one who gets to spout off on 300 radio stations every day. I also represent the liberal point of view as a commentator on the Fox News Channel. I oppose the policies of the Bush administration and the Republican congressional leadership (give me at least a full afternoon, and I could begin to share some of the reasons why).

Yet even in the rancid atmosphere that passes for political interaction in Washington these days, one can occasionally reach across the partisan and ideological divide to form genuine friendships with those on the other side. Thankfully, that's what happened with me and my friend, Rep. Bob Ney of Ohio.

As Republicans distance themselves from him and Democrats use him as a campaign tactic, let me say that I'm heartbroken over what's happened to him.

I got to know Bob when, as a freshman congressman, he used to appear opposite me on radio programs in the Ohio River Valley. Most people know the region only from flying overhead or speeding through on Interstate 70, so the place bears description.

Bob grew up in Belmont County, along the Ohio-West Virginia border, in the area close to Wheeling that used to be called the "Steel Belt." Times were better then, as his dad, a TV cameraman, and his mother, a buyer for a local department store, raised him and his sister in a solidly working-class neighborhood. Today, 14 percent of Belmont County's residents live in poverty, 40 percent more than Ohioans as a whole. Incomes average 30 percent below the nation's, and homes sell for about 40 percent less than those statewide.

What first struck me about Bob was how much the poverty in his home region tore at him. This wasn't your typical Republican, nor did my reporter's nose pick up the cynical, "I-feel-your-pain" shallowness you often see in politicians on both sides of the aisle.

No, here was a guy who really did remember where he came from. He knew that the kids he'd grown up with couldn't afford to raise their children in quality housing, and he went to Washington determined to do something about it.

In the four years that he chaired the Subcommittee on Housing, he was relentless: 63 hearings, 22 housing bills signed into law. One bill he spearheaded helped 40,000 lower-income families buy their first homes; another renovated public housing units that had become badly dilapidated after decades of neglect.

The day he lost his House chairmanship he was conducting Katrina housing hearings in New Orleans. I called him to ask how he was feeling about losing the gavel. His reply: "I'm fine, I have a roof over my head and my family. These people in the Gulf have lost everything."

You probably won't read anywhere that Bob Ney spent his youth teaching English as a second language in pre-Khomeini Iran. He's a multi-faceted guy, the only member of Congress fluent in Farsi.

His politics were similarly nuanced and complex. He was one of only three Republicans to vote against the President's Patriot Act when it was first proposed in 2001, and he supported its curtailment five years later. "Everybody's against terrorism, but there has to be reason in the way that we fight it," he told reporters at the time. It was bold, courageous stuff from somebody whose district went 55 percent for Bush in 2000 and 57 percent for the president in 2004. I only wish some Democrats shared his courage.

Now, of course, he's pleaded guilty to corruption in office, but the Bob Ney I know refused even to use his title to get a good table at a local restaurant when the line was out the door. I only wish he'd had a chance to tell his side in a court of law — and, take it from me, there is another side to this.

Today's Justice Department, however, tries its evidence in the public press, not a courtroom, so it can't be challenged or cross-examined. Those accused of high-profile wrongdoing nowadays are put through a grueling and costly ordeal where they are held upside-down by overpriced criminal defense lawyers, who drop them on their heads once all the money has been shaken out of their pockets.

While I'm heartbroken about Bob and angry as hell about the Justice Department's slimy tactics, I don't worry about him. I know my friend will look at incarceration not as the end of the road, but as a detour, a long-overdue chance to seek help for the alcoholism that has taken over more and more of his life these past few years.

He'll be strong, and when all this is over, he'll be a better man, a better husband and father — and he'll still be my friend.

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Ellen Ratner is Washington bureau chief for the Talk Radio News Service, and is a commentator on the Fox News Channel. All proceeds of her book,"Ready, Set , Talk!" co-authored by Kathie Scarrah, go to Hurricane Katrina relief.

Poll: Senate Within Dems' Grasp, But Pitfalls Remain (LAT)

By Ronald Brownstein

The Los Angeles Times, October 25, 2006

Washington — Democrats are within range of capturing a Senate majority, but face potentially decisive resistance from rural voters in three critical Republican-leaning states, a series of Times/Bloomberg polls have found.

If Democrats can't break through to win the Senate races in at least two of those three states — Missouri, Tennessee and Virginia — they are unlikely to control the chamber.

The surveys show Democrats leading in bids to claim hotly contested Republican-held seats in Ohio and Virginia. Republicans lead in Missouri and Tennessee, both also held by the GOP.

In the fifth race surveyed, Democrats maintain a slim advantage in New Jersey, where Republicans are pressing their strongest bid in this year's campaign to gain a Democratic seat.

Underscoring the election's volatility, the candidate leads in all of these contests fall within the margin of error for the polling.

Democrats need a net gain of six seats for a Senate majority. Polls in the other key Senate races show Democratic challengers holding consistent — though in some cases narrow — leads against GOP incumbents in Pennsylvania, Rhode Island and Montana.

If Democrats captured those three seats, won Ohio and held New Jersey, Senate control would hinge on the outcomes in Missouri, Tennessee and Virginia.

If Democrats win two of these three races, they would have a 51-49 Senate majority. If they win just one, the Senate would be split 50-50 between the parties and Vice President Dick Cheney would provide the tie-breaking vote to organize the chamber for Republicans.

The new surveys underscore the trends creating opportunities for Democrats, particularly anxiety about the Iraq war and erosion of support for the GOP among centrists. But the poll findings also highlight the obstacles the Democrats face in converting the national current of discontent into gains in conservative-leaning states.

Especially challenging for Democrats is breaking the GOP grip on socially conservative voters in Missouri, Tennessee and Virginia. In each state, the surveys found that despite extensive doubts about the country's direction, the Republicans are still amassing strong margins among rural voters and whites who regularly attend church.

The Times/Bloomberg polls found that among likely voters:

. In Ohio, the Democratic challenger, Rep. Sherrod Brown, led Republican Sen. Mike DeWine, 47% to 39%.

. In New Jersey, Democratic Sen. Bob Menendez held an edge, 45% to 41%, over his GOP challenger, Tom Kean Jr.

. In Virginia, Democrat James Webb led Republican Sen. George Allen, 47% to 44%.

. In Missouri, Republican Sen. James Talent was ahead of Democrat Claire McCaskill, 48% to 45%.

. In Tennessee, Republican Bob Corker, the former mayor of Chattanooga, led Democratic Rep. Harold Ford Jr., 49% to 44%, for the seat being vacated by a Republican, Senate Majority Leader Bill Frist.

The polls, supervised by Times polling director Susan Pinkus, were conducted Friday through Monday. The surveys have a margin of error of plus or minus four percentage points in Ohio, Missouri and Tennessee, five percentage points in Virginia and 5.5 points in New Jersey.

In most of the states, the results were generally in line with other recent surveys. But in Virginia, this is the first major poll to show Webb leading Allen.

Democrats enjoy many of the same advantages across the five battlegrounds. Top among them are consistent strains of dissatisfaction with the country's direction and the war in Iraq.

In each of the states, three-fifths of the voters or more said they believe the country is on the wrong track. In each state, more voters said they preferred that Democrats rather than Republicans control a majority in Congress after the election.

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These attitudes have created several openings for the Democratic Senate candidates.

For instance, each Democrat led among women voters (although the one woman candidate in the group, Missouri's McCaskill, held only a statistically insignificant one percentage point advantage over Talent).

All of the Democrats except Menendez enjoyed comfortable leads among urban voters. Ford, Menendez and Brown also had big advantages among suburban voters, while McCaskill and Webb ran about even with this key voting bloc.

The Democrats also polled well among those in the center of the electorate. Except for Menendez, each of the Democrats attracted support from three-fifths of those categorizing themselves as moderates.

But the polls found that enduring Republican strengths remain a huge barrier for Democrats, especially in Missouri, Tennessee and Virginia. In these states, the Republican coalition is somewhat chipping around the edges: in each, the GOP nominee is capturing a smaller share of support among conservatives than the Democrat is among liberals.

Even so, the surveys point toward substantial stability in the socially conservative electoral coalition that allowed Bush to carry each state in the 2000 and 2004 presidential elections.

Among white men in Missouri, Talent led by 11 percentage points. In Virginia, Allen was ahead by 22 percentage points among this slice of the electorate and in Tennessee, Corker led by 24 points.

Among whites in Missouri who attend church once a week or more, Talent led McCaskill, 65% to 30%. In Tennessee, Ford has stressed his religious faith, but Corker also easily led among whites who regularly attend church, 62% to 29%. Webb in Virginia made a stronger showing among this voting group, trailing Allen 55% to 40%.

Among rural voters in Virginia, Talent led McCaskill, 56% to 37%. Allen topped Webb, 60% to 33%, and Corker dwarfed Ford, 62% to 27%.

The large suburban population in northern Virginia places Webb in a better position to overcome these disadvantages than his Democratic counterparts in Tennessee and Missouri. But all three face a tough climb to victory if they do not improve their performance among these voting blocs by election day.

One of the most consistent trends in the surveys was the link between attitudes toward Bush and preferences in the Senate contests.

In each state, at least 80% of those who approve of Bush's job performance said they would support the GOP Senate candidate. Meanwhile, those who disapprove of Bush's performance preferred the Democratic candidates at rates ranging from 67% for Menendez to 81% for Ford and Webb.

These findings suggest one imperative for Democrats: especially in Missouri, Tennessee and Virginia, they need to run as well among voters who disapprove of Bush's job in office as their Republican opponents do with those who approve of it.

Other poll results illustrated the long shadow Bush casts over the election. Democratic candidates enjoy their largest Senate leads in the two states where Bush's approval ratings are the lowest — 34% in New Jersey and 39% in Ohio.

Bush is in relatively better shape in the three states looming as the likely pivot of Senate control: his approval rating stands at 44% in Virginia, 47% in Missouri and 49% in Tennessee.

These numbers are weaker than the ones for Bush in the states as election day neared in 2004. In this campaign's final two weeks, perhaps the critical question is whether the president retains enough strength on terrain he once dominated to help Republicans hold back a tide that could end their control of the Senate.

GOP Pumps Money Into Mo., Va. Races (AP-Y)

By Jim Kuhnhenn

AP, October 25, 2006

Republicans pumped money into Missouri and Virginia Senate races this week, part of a GOP strategy to cling to their Senate majority by fending off strong Democratic challenges in Republican-leaning states.

The National Republican Senatorial Committee purchased $1.4 million of television time to air an ad that portrays Democratic candidate Jim Webb as insensitive to women. The ad is the first investment by the Republican Party in the state, reflecting concern among Republican officials that incumbent Sen. George Allen is in a closer contest than they expected.

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In Missouri, the Republican National Committee spent $1.78 million on Monday on ads opposing Missouri Democratic Senate candidate Claire McCaskill, who is running against Republican Sen. James Talent. Missouri has been a target for both parties. Democrats have poured $6.37 million into the Senate race and Republicans have spent $5.39 million.

Flush from record September contributions, the parties are entering the final two-week stretch of the campaign with an election map in one hand and a checkbook in the other. Each party is countering the other's moves, putting ads on television, running phone banks and conducting polls.

Last week, Republicans spent $500,000 to run an ad in New Jersey against Democratic Sen. Robert Menendez. The Democratic Senatorial Campaign Committee responded by purchasing $2 million worth of air time to attack Menendez' challenger, Republican Tom Kean Jr.

The Republican ad against Webb in Virginia comes after the DSCC had already spent $1.72 million in the state.

The anti-Webb ad selects quotes from a 1979 article that Webb wrote for Washingtonian magazine where he said women are not fit to lead male soldiers and that the Naval Academy was a "horny woman's dream." During the campaign, Webb has said he now believes women can lead in combat.

"It looks like Chuck Schumer and Howard Dean have directed a lot of resources to Virginia to attack Senator Allen," said National Republican Senatorial Committee spokesman Dan Ronayne, referring to the chairman of the DSCC and the head of the Democratic National Committee. "We aren't going to stand idly by."

DSCC spokesman Phil Singer responded: "It clearly underscores the degree to which they are playing defense going into the final stretch of the campaign."

The party spending reflects some robust fundraising despite 2002 changes in campaign finance law that banned the collection of unlimited amounts of so-called "soft money" from unions corporations and wealthy individuals.

Campaign finance experts say the ability of the parties to exceed their previous fund raising levels is largely due to increased contribution limits in the 2002 law, commonly named after its two Senate sponsors, Sen. John McCain, R-Ariz., and Russ Feingold, D-Wis.

"There is no question that the political parties are raising far more contributions than most analysts thought would be possible under the McCain-Feingold law," Federal Election Commission Chairman Michael Toner said.

Toner said the higher contribution limits have permitted the "ultrawealthy" to donate a total of $100,000 to candidates and parties. The Internet has also allowed the parties to reach first-time givers at a fraction of the cost of direct mail or phone calls.

"Both parties have seen a steady climb of small donors," said Trevor Potter, a former FEC chairman who has defended the McCain-Feingold law in court.

Senate Could Be Evenly Split Once Again (AP)

By Jim Abrams

The Associated Press, October 25, 2006

Expected Democratic gains in the election raise the possibility that the Senate, for the second time in six years, will end up in a 50-50 tie.

If that happens, Democrats would like to revive a power-sharing deal that was struck in 2001. But partisan passions on Capitol Hill are stronger now than when President Bush took office promising to be "a uniter, not a divider."

Republicans would officially still be the majority party in an evenly divided Senate because Vice President Dick Cheney, in his role as president of the Senate, would give the GOP a tie-breaking vote. But Democrats would surely demand a greater role in determining how the Senate treated Bush's legislative agenda in his final two years in the White House.

Currently Republicans hold 55 seats and the Democrats 44. Sen. James Jeffords, an independent from Vermont who usually votes with the Democrats, is retiring at the end of this session.

The 2000 election resulted in a Senate split down the middle. Democratic leader Tom Daschle of South Dakota became majority leader for just 17 days, between Jan. 3, 2001, when the new Senate was sworn in and Al Gore was still vice president, and the Jan. 20 inauguration of Bush and Cheney.

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In returning to the majority leader position, Sen. Trent Lott, R-Miss., negotiated with Daschle a power-sharing arrangement under which the two parties got equal numbers of seats and staff positions on committees. Republicans chose committee chairmen and controlled the agenda on the Senate floor.

Lott took some heat from his Republican colleagues at the time for being overly generous to Democrats, but it paid off four months later when Jeffords bolted from the GOP and became an independent allied with the Democrats. That put the Democrats back in control with Daschle as majority leader.

The Lott-Daschle deal stayed intact until November 2002, when Republican James Talent defeated Missouri's appointed senator, Jean Carnahan, in a special election and Republicans regained power. They've held majorities on Senate committees since then.

This time, Democrats may need the help of two independents to reach parity with the Republicans.

Rep. Bernie Sanders, another Vermont independent, is the front-runner in the race to succeed Jeffords. Sanders has always been a member of the Democratic caucus in the House and his office said he would continue to support the Democrats in the Senate.

Democratic Sen. Joe Lieberman of Connecticut appears likely to return to Congress as an independent after his loss to a Democratic challenger in the primaries. Lieberman, in line to become chairman of the Homeland Security and Governmental Affairs Committee if Democrats capture the Senate, is also committed to staying with the Democratic caucus, his office said.

Jim Manley, press spokesman for Senate Democratic leader Harry Reid of Nevada, said that in the event of a 50-50 breakdown the 2001 Lott-Daschle deal "should serve as a useful guidepost for any negotiations" on power-sharing between Reid and Sen. Mitch McConnell, R-Ky.

But McConnell, the favorite to succeed retiring Sen. Bill Frist, R-Tenn., as Republican leader, and Reid would be negotiating in a far more partisan atmosphere than in 2001, when the new president and the Democrats were talking of cooperation and the idea of senatorial harmony wasn't quite so unattainable.

Much longer ago, the Senate was also deadlocked at 38-38 in 1881 when Republicans, in control of the White House, won the allegiance of a wavering independent by promising him the Agriculture Committee chairmanship. Republicans took over control of the major committees, while Democrats took advantage of GOP disarray to hold onto staff positions such as sergeant at arms and secretary of the Senate.

State legislatures have at times found more congenial ways to deal with ties. The Indiana House in 1988 created co-speakers who presided on alternate days. The Wyoming Senate in 1974 resolved a tie by flipping a coin.

All Eyes On South's Big Race (CSM)

By Linda Feldmann

The Christian Science Monitor, October 25, 2006

LOUDON, TENN.

In a normal election year, Bob Corker would be the favorite to win the Tennessee Senate seat being vacated by the retiring Republican leader, Bill Frist. Mr. Corker is successful in business, experienced in government - most recently as mayor of Chattanooga - and affable in demeanor.

But this is not a normal year. The GOP's national image is in the tank over Iraq, scandals, and economic insecurity. A majority of Americans want the Democrats to take the reins of Congress. And Corker's opponent is Rep. Harold Ford Jr. (D) - the poster boy for dynamic, young politicians who are taking the national stage by storm.

History could be in the making. If he wins, Mr. Ford would be the first African-American from the South to take a Senate seat since Reconstruction - a victory that could nudge another ambitious black politician, Sen. Barack Obama (D) of Illinois, toward running for president by showing him how to win in the South. As a Democrat comfortable talking about his faith, Ford could show Democrats of all colors how it's done.

A Ford victory could also provide the final seat the Democrats need to win control of the Senate, in a quest that seemed nearly impossible just a few months ago.

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It's no wonder "you've got ... press from all over the country, right here on the courthouse steps in Loudon County," Mr. Corker marveled before a crowd of supporters last Sunday afternoon in this small town south of Knoxville, the leaves overhead turning a brilliant shade of Volunteer orange.

Corker knows he can't compete with the 36-year-old Ford on looks or charisma. He says so. But after falling behind in the polls and replacing his campaign manager late in September, he has now settled on his final argument to the people of Tennessee: Vote for me because of my experience and my maturity and because I'm the "real Tennessean."

Corker, his campaign, and national Republicans have also worked hard to drive up Ford's negatives, highlighting some of his relatives' legal troubles, a life spent mostly away from Tennessee, a career in politics, and his bachelor, designer-suit lifestyle.

Ford was elected to represent Tennessee's Ninth Congressional District 10 years ago, following his father, Harold Ford Sr., who held the seat for 22 years.

Now both campaigns say the race is a statistical tie. The sprint to the finish has begun. Ford's message on the stump

Ford's stump speech follows many paths. He has been chiding Corker for saying the US should "stay the course" in Iraq, and on healthcare, and on education, even though Corker distanced himself from "stay the course" months ago, long before President Bush himself did. He calls for the partitioning of Iraq into three areas. He calls for energy independence. He promises, "I won't be 100 percent Democrat; I'm for what's right."

He praises Presidents Truman and Reagan for establishing an American moral authority that was "unquestioned, unassailed." And he makes the pitch for change. "I say it's time for a new direction, a new generation," he says.

Before and after each event, he dispenses hugs easily and poses for countless photographs, pushing his schedule hopelessly behind - like the Democrats' last great campaigner, Bill Clinton.

Ford speaks in the cadence of a Southern preacher, starting slow and building to a crescendo. The references to God and the Bible flow naturally. "When people ask me around this state and around the country, 'How are you guys doing so well?' I say there's a couple reasons - one, we got a big God that we serve...." he says. Voices in the crowd shout back, "All right!" before he can get to point No. 2.

On this Saturday of campaigning around the Nashville area, with popular Democratic Gov. Phil Bredesen at his side, the crowd at each stop is enthusiastic and diverse.

In Gallatin, Tenn., with his largest African-American crowd of the day, he gives the most expansive excursion that day into his religious life. "I learned to go to church the old-fashioned way - I was forced to," he quips, a line he uses in the campaign ad he filmed in his childhood Baptist church in Memphis.

He talks about driving by the Little Rebel Bar and Grill in Jackson, Tenn., one day and how "my God is telling me to stop by" - despite the Confederate flags on the trucks outside. He recalls the words of the pastor he had just met: "There are more answers than problems, and there are more Davids than Goliaths." Ford and his driver walk in and, he says, "a lady got off the stool and gave me a big hug and said, 'Baby, we've been waitin' on you to come by.' "

The racial dimension of the Ford-Corker contest looms large. Pollsters speak of a race effect on surveys- that is, shave off a few percentage points from the black candidate's total, since some white voters tell pollsters what they think they want to hear, that they're willing to vote for a black candidate when in reality they're not.

One Republican activist in Tennessee, who asked not to be identified, says he believes the racial aspect will be a wash in this race: Some whites won't vote for a black man, but turnout in the black community, 16 percent of the electorate, will be higher than usual.

Furthermore, says the activist, "this is a Southern state, but it's not a deep South state, so everything that applies to the South, you can cut a little bit."

Linda Boyd, a computer assistant in the Clarksville, Tenn., schools who is African-American, says she's been out canvassing for Ford and had people tell her they would never vote for him. "I know what they mean," she says.

Ford's big, political family - some of whom have been prosecuted for corruption - may also hurt him. At the Corker event in Loudon, some of those attending said that even if Ford himself isn't corrupt, he benefits from his family's activities. But among Ford fans, his big, political family is a plus. "The Fords are fighters," says Mary Hoskins of Clarksville. And she's not concerned about some Fords' legal troubles. "Everyone's got someone in their family," she says.

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And what about Ford's life outside Tennessee? After his father's first term in Congress, he moved the family to Washington, where Harold Jr. was enrolled at the same elite prep school, St. Albans, that another son of Tennessee, Al Gore, had attended. Ford then attended the University of Pennsylvania and University of Michigan Law School, and at age 26 was elected to Congress. Corker's profile

Corker, in contrast, was born in South Carolina, moved to Tennessee at age 11, and has lived here ever since. In an interview, Corker calls Ford "a nice young man," but adds that "I just know that I more fully represent the values of this state."

After Corker won the primary, against two more-conservative Republicans, he set out to portray Ford as a liberal, but it didn't work. Ford is one of the most conservative members of the Congressional Black Caucus. He opposes gay marriage, so-called partial birth abortion, and what he calls "amnesty for illegals."

Corker, a moderate Republican who at one time supported abortion rights, may have trouble inspiring Christian conservatives to turn out for him. Even though the National Right to Life Committee has endorsed Corker, Tennessee Right to Life has refused.

"That sends a signal to some people," says the Republican activist. "Tennessee Right to Life isn't huge, but in a close election, every vote counts." An expensive contest

And in a close election, with control of the Senate on the line, both parties are spending millions of dollars on ads, some of them suggestive and nasty, leading the candidates to call on their parties to take them down. In a preemptive move, Ford showed up at the Memphis airport last Friday and confronted Corker right before the Republican was due to give a press conference. The Corker campaign has been publicizing the dustup ever since, saying it shows Ford's lack of maturity.

The wealthy Corker also has the option of writing another large check to his campaign. If he does so in the final days, that would make it difficult for Ford to invoke the federal "millionaire's clause," which allows Ford to raise more money from his donors.

Still, the larger forces at play in the campaign haven't changed. "The combination of facing a strong Democrat who's moderate and a year that isn't particularly kind to Republicans - Corker may just lose this thing," says John Geer, a political scientist at Vanderbilt University in Nashville. "But I'm not prepared to make any predictions."

A Contentious Campaign In A Battleground State (WP)

By Shailagh Murray

The Washington Post, October 25, 2006

COALMONT, Tenn. -- John Layne is a 57-year-old white Republican with a long gray beard, no job and advancing emphysema. He arrived an hour early to hear Harold Ford Jr. speak in this struggling mountain town.

"Oh, sure, there's some prejudice," Layne said as he contemplated casting a ballot for a black man. "I wouldn't want my daughter marrying one." But he's more concerned about rising medical costs: When it comes to voting, "you gotta look at the person, not the color."

Ford announced his Senate campaign 18 months ago with three strikes against him: He was a Democrat, he was black, and he carried family baggage. The five-term congressman was wildly popular in his Memphis House district and was viewed as a rising star in the Democratic Party. But statewide office seemed beyond reach in Tennessee, a state with a history of racially divided voting where Republicans had won recent Senate races.

Now this political curiosity has become one of the most intense and bitter contests of the season. With the Nov. 7 elections two weeks away, Ford is locked in a surprisingly close battle with Republican Bob Corker. The latest poll -- released yesterday by Mason-Dixon -- showed the charismatic Ford trailing 45 percent to 43 percent.A Senate Battleground

Tennessee is one of the four remaining Senate battlegrounds, along with Virginia, Missouri and Rhode Island, that operatives in both parties believe are most likely to determine whether Republicans maintain control of the Senate in January. But this race is in a different category because of Ford's profile.

Corker and Ford tangle over all the usual issues, including the war in Iraq, education and energy independence, with both candidates holding mainstream views on most topics. Yet every speech, slogan and campaign ad seems to echo with double meaning.

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"I'm a believer that this moment is a big one," Ford, 36, told the Coalmont crowd, as Layne nodded approvingly from his seat in front of the podium. "I'll make you a good senator. I just want to go up there and do right."

Corker depicts himself as more "senatorial" than Ford but is running an almost entirely negative campaign at this point. He depicts Ford as a smooth-talking city slicker who has deeper roots in Washington, D.C. -- where Ford lived for part of his childhood -- compared with Corker, the self-described "real Tennessean" in the race.

The hardest blows have come from the national GOP. The National Republican Senatorial Committee ridicules Ford's expensive tastes on a "Fancy Ford" Web site, and the Republican National Committee is airing a controversial new ad that features a scantily clad blonde who says she met Ford at a Playboy party. "Harold, call me!" the woman chirps.

The former Chattanooga mayor often appears to be tiptoeing through a rhetorical minefield, eager to discredit his Democratic opponent with the sharpest weapons he can find but wary about accusations of playing racial politics. "Our life experiences could not be more different," Corker said in an interview. "For him, politics is a way of life."

Does the race factor influence his campaign decisions? "I understand the point of your question," Corker responded carefully in a recent interview. Then he shook his head and looked away.A Symbolic Victory?

If Ford pulls it off, he will become the first black senator to represent the South since Reconstruction. Victory in Tennessee also would be particularly symbolic for the Democratic Party, a bookend of sorts to the 1994 "Republican Revolution." That historic election, which gave the GOP control of both chambers of Congress, was tilted by races in the same Upper South states where Democrats are seeking to wrest power from Republicans this year.

One 1994 milestone was the defeat of veteran Senate Democrat Jim Sasser by political newcomer Bill Frist, who rose to become Senate majority leader. In 2000, Vice President Al Gore lost his home state in the general election, costing him the presidency.

But two years later, Tennessee elected a Democratic governor, Phil Bredesen, a pragmatic, low-key former businessman and Nashville mayor. The House delegation flipped to five Democrats and four Republicans. Bredesen is also on the ballot in November, and recent polls show him far ahead of his Republican opponent.

The governor is starring in a Ford campaign ad, and the two are barnstorming around the state. Ford credits him with creating a new Democratic brand. "He's our closer," Ford said. "We're in a position to win, and he's going to push us over the edge."

On May 25, 2005, when the brash young Democrat announced his Senate candidacy, he raised a few eyebrows. A sports junkie known on Capitol Hill for robust socializing, he still seemed a bit young. His ambitions had been obvious from his first days in Congress, and in 2002 he lost a caucus battle to become House minority leader to Rep. Nancy Pelosi (Calif.), who has the job now.

Despite that setback, Ford has fashioned a reputation as a new-generation Democrat, less defined by interest-group politics and with strong opinions of how national Democrats have failed to compete seriously in the South. He is both supremely confident and dead serious. "I will run a very issue-rich, substance-rich campaign," Ford promised in a video that streamed over his new campaign Web site when he announced his Senate run.

On May 26, 2005, his uncle John Ford, a state senator, was indicted on corruption charges. It was a reminder -- though few politically aware people in this state needed one -- that Ford hailed from an illustrious Memphis clan. Fords had served in state and local government for decades, and a few had scrapes with the law.

Ford's father was one of 12 children of a funeral-home entrepreneur; Harold Ford Sr. served 11 terms in the House before his son took over the seat. The elder Ford was acquitted of bank-fraud charges in 1990. Another uncle, Emmett Ford, had resigned from the state legislature in 1981 after being convicted of insurance fraud.

When Ford ran to succeed his father, he billed himself proudly as "Junior." But his role model, as he told the Democratic National Convention in his 2000 keynote address, was former Tennessee senator and vice president Al Gore. He recalled meeting Gore (a fellow graduate of St. Albans School in Washington) in his family kitchen in Memphis.

"It was a time when, on the heels of Vietnam and Watergate, young Americans were turning away from public service. But Al Gore didn't turn away. He jumped feet first into public life," the young congressman recalled.A Fierce Campaigner

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Corker, who is 54, spent his early adult years creating a lucrative construction business. He was appointed state finance commissioner during the late 1990s and was elected Chattanooga mayor in 2001. He is credited with the impressive redevelopment of the city's riverfront.

White-haired and compact, with a rich twang, Corker has a friendly rapport with voters but has proven himself over the years to be a fierce competitor. When he ran against Frist in the 1994 GOP primary, Corker was called "pond scum" by Frist campaign manager Tom Perdue for airing an ad that suggested Frist had dodged the draft.

This year, as Corker slogged through a rough-and-tumble GOP primary with two more conservative opponents, Ford campaign insiders braced for a barrage of attacks. It has been unrelenting. Most of Corker's ads, news releases and campaign speeches are attacks on Ford, addressing such things as his House voting record and his not passing the bar exam.

Ford's rhetorical skills and good looks are particular targets. A new Corker ad features a series of ordinary-looking voters raising questions about Ford, with one woman asking "Has Junior ever had a job outside of politics?" and another noting "He does look good on TV."

Corker's attacks appear to have thrown Ford somewhat off-stride in recent days. The congressman showed up at a recent Corker news conference to insist that he stop criticizing the Ford family, a move Republicans called undignified. But some Republicans are concerned Corker is not working hard enough to whip up support in his party, in particular among the socially conservative voters who preferred his primary opponents, former representatives Van Hilleary and Ed Bryant.

"The differences need to be spelled out aggressively in the next few weeks," Frist said as the Senate majority leader campaigned with Corker in Athens, Tenn. Frist said Corker must convince Tennessee voters that he is "a genuine person who has their values."

While visiting a diner in Oak Ridge, Corker stopped to shake hands with Linda Ramsey, who was having lunch with her husband, Dale, and daughter Kelcee. Ramsey responded with a big smile when Corker asked for her vote. But when he moved to the next table, she conceded she was leaning toward Ford.

Although she supported Corker in the primary, Ramsey explained, "all he wants to do is point fingers. Ford is stepping up above it."

Ford is difficult to typecast -- conservative on some issues and liberal on others. In Coalmont, one of Ford's biggest applause lines came when he called for "character education" in public schools to teach the difference between right and wrong. But he also drew cheers when he suggested that the federal government take a bigger role in education.

Ford filmed a television ad inside the Memphis church he attended as a child, and he fondly recalls the times his maternal grandmother chased after him with a switch.

The state Democratic Party is working particularly hard to rally black voters. State party officials believe African Americans could push Ford over the top if they turn out in large numbers. In addition to clutching Bredesen's coattails, Ford has tethered himself to Rep. Lincoln Davis, a popular two-term Democrat from a rural, white central Tennessee district and the chairman of Ford's campaign.

Davis said he polled his district in July and found Ford trailing 49 percent to 35 percent. "I didn't even tell his campaign," Davis acknowledged.

New numbers came back a few weeks ago showing Ford ahead 49 percent to 39 percent. "He's a rock star, a superstar," Davis said. "And if he wins my district, he's the next senator from Tennessee."

Rush Limbaugh On The Offensive Against Ad With Michael J. Fox (WP)

By David Montgomery

The Washington Post, October 25, 2006

Possibly worse than making fun of someone's disability is saying that it's imaginary. That is not to mock someone's body, but to challenge a person's guts, integrity, sanity.

To Rush Limbaugh on Monday, Michael J. Fox looked like a faker. The actor, who suffers from Parkinson's disease, has done a series of political ads supporting candidates who favor stem cell research, including Maryland Democrat Ben Cardin, who is running against Republican Michael Steele for the Senate seat being vacated by Paul Sarbanes.

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"He is exaggerating the effects of the disease," Limbaugh told listeners. "He's moving all around and shaking and it's purely an act. . . . This is really shameless of Michael J. Fox. Either he didn't take his medication or he's acting."

Limbaugh, whose syndicated radio program has a weekly audience of about 10 million, was reacting to Fox's appearance in another one of the spots, for Missouri Democrat Claire McCaskill, running against Republican Sen. James M. Talent.

But the Cardin ad is similar. It is hard to watch, unless, for some reason, you don't believe it. As he speaks, Fox's restless torso weaves and writhes in a private dance. His head bobs from side to side, almost leaving the video frame.

"This is the only time I've ever seen Michael J. Fox portray any of the symptoms of the disease he has," Limbaugh said. "He can barely control himself."

Later Monday, still on the air, Limbaugh would apologize, but reaction to his statements from Parkinson's experts and Fox's supporters was swift and angry.

"It's a shameless statement," John Rogers said yesterday. Rogers, Fox's political adviser, who also serves on the board of the Parkinson's Action Network, added: "It's insulting. It's appallingly sad, at best."

"Anyone who knows the disease well would regard his movement as classic severe Parkinson's disease," said Elaine Richman, a neuroscientist in Baltimore who co-wrote "Parkinson's Disease and the Family." "Any other interpretation is misinformed."

Fox was campaigning yesterday for Tammy Duckworth, a congressional candidate, outside Chicago, when he alluded to Limbaugh's remarks. "It's ironic, given some of the things that have been said in the last couple of days, that my pills are working really well right now," he said, according to a report on the CBS2 Web site.

After his apology, Limbaugh shifted his ground and renewed his attack on Fox.

"Now people are telling me they have seen Michael J. Fox in interviews and he does appear the same way in the interviews as he does in this commercial," Limbaugh said, according to a transcript on his Web site. "All right then, I stand corrected. . . . So I will bigly, hugely admit that I was wrong, and I will apologize to Michael J. Fox, if I am wrong in characterizing his behavior on this commercial as an act."

Then Limbaugh pivoted to a different critique: "Michael J. Fox is allowing his illness to be exploited and in the process is shilling for a Democratic politician."

Limbaugh's shock at Fox's appearance is a measure of the disease's devastation, advocates say. Contrary to the charge that Fox might not take his medicine to enhance his symptoms, the medicine produces some of the uncontrolled body movements.

"Stem cell research offers hope to millions of Americans with diseases like diabetes, Alzheimer's and Parkinson's," Fox says in the Cardin ad. "But George Bush and Michael Steele would put limits on the most promising stem cell research."

Fox has appeared in ABC's "Boston Legal" this season. In his scenes, taped over the summer, Fox does not shake or loll his head as he does in the Cardin commercial, but does appear to be restraining himself, appearing almost rigid at times.

A source with direct knowledge of Fox's illness who viewed the Cardin ad said Fox is not acting to exaggerate the effects of the disease. The source said Fox's scenes in "Boston Legal" had to be taped around his illness, as he worked to control the tremors associated with Parkinson's for limited periods of time.

Limbaugh Says Actor Fox Exaggerating His Disease As Stem Cell Issue Churns (USAT)

By Andrea Stone

USA Today, October 25, 2006

WASHINGTON — Rush Limbaugh has accused actor Michael J. Fox of exaggerating the physical effects of his Parkinson's disease in political ads urging viewers to vote for Democrats in next month's election.

The conservative radio host told listeners Monday that Fox's lurching, palsied movements in a TV ad for Missouri Senate challenger Claire McCaskill were “an act.” Limbaugh noted that Fox, a longtime advocate for research on embryonic stem cells, has said he sometimes does not take his medication in order to illustrate Parkinson's severe physical effects. Uncontrolled shaking and stiffness are among the symptoms of the nerve disease.

“If this was not an act,” Limbaugh said later on the show, “then I apologize.”

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John Rogers, Fox's spokesman, called Limbaugh's remarks "shameful."

It's an appalling, sad statement," Rogers said. "Anybody who understands Parkinson's disease knows it's because of the medicine that one experiences" body movements like those seen in the ad.

Fox, who has had Parkinson's for 15 years, is supporting candidates who would vote to expand research using stem cells from human embryos.

Embryonic stem cells are the precursor cells to almost every tissue in the body. Advocates of their use in research say they hold more potential to cure spinal cord injuries, diabetes and other diseases than adult stem cells. Opponents say that the research with embryonic cells, which destroys the embryos, amounts to abortion and that adult stem cells have been used successfully in therapies. This summer, President Bush used his first veto to kill a bill that would have funded research using leftover fertility-clinic embryos that would otherwise have been discarded.

Fox has also made ads for Senate candidate Ben Cardin in Maryland and Wisconsin Gov. Jim Doyle.

In the McCaskill spot (claireonline.com), which aired during Game 1 of baseball's World Series on Saturday, Fox says McCaskill, the state auditor, "shares my hope for cures" while her opponent, GOP Sen. Jim Talent, wants to "criminalize" expanded research. Talent spokesman Rich Chrismer called the ad "false" and says Talent supports "stem cell research that doesn't involve cloning or destroying a human embryo."

The Fox ads are part of a larger effort by Democrats who are using the issue as another weapon against Republicans already hurting from an unpopular war in Iraq and Bush's low approval ratings.

Democrats and interest groups are using ads, campaign events and celebrities in at least 20 House, Senate and governor races to push for more federal funding for embryonic stem cell research.

Fox's dramatic ads are "very effective" with suburban voters, seniors and parents, says Evan Tracey of the non-partisan Campaign Media Analysis Group, which tracks political advertising. "It puts the Republicans on the wrong side of hope."

Other TV spots:

•Singer Sheryl Crow, a Missouri native and breast cancer survivor, appears in an ad (www.missouricures.com) sponsored by the Missouri Coalition for Lifesaving Cures, which backs a state ballot initiative to permit research on embryonic stem cells.

•In Arizona, an ad (www .dccc.org/multimedia) sponsored by the Democratic Congressional Campaign Committee features the granddaughter of Morris Udall, a popular congressman who died of Parkinson's disease in 1998. Loren Udall, who has the autoimmune disease lupus, says that "by voting in Congress to restrict stem cell research, (Republican Rep.) J.D. Hayworth has played politics with people's lives."

Brian Nick of the National Republican Senatorial Committee says such "fear-mongering" ads distort the positions of candidates who favor research using adult stem cells. "It's unfortunate they're using a good man like Michael J. Fox as a political pawn to misrepresent people's view."

Sarah Chamberlain Resnick of the Republican Main Street Partnership, whose members back embryonic stem cell research, says of Missouri's senator, "Talent's entire race is going to come down to stem cells. (McCaskill has) been killing him on it."

Making Stem Cell Issue Personal, And Political (NYT)

By Alessandra Stanley

The New York Times, October 25, 2006

The plea is as disturbing — and arresting — as a hostage video from Iraq. In a navy blazer and preppy Oxford shirt, the actor Michael J. Fox calmly asks viewers to support stem cell research by voting for several Democratic candidates in Maryland, Missouri and Wisconsin, while his body sways back and forth uncontrollably like a sailor being tossed around in a full-force gale.

In short, Mr. Fox's display of the toll Parkinson's disease has taken on him turned into one of the most powerful and talked about political advertisements in years.

Republican strategists who saw how quickly the commercial was downloaded, e-mailed and reshown on news broadcasts certainly thought so. Rush Limbaugh rushed in to discredit Mr. Fox, though he mostly hurt himself. Mr. Limbaugh, the conservative radio talk show host, told his listeners that the actor either "didn't take his medication or was acting." Mr. Limbaugh

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later apologized for accusing Mr. Fox of exaggerating his symptoms, but said that "Michael J. Fox is allowing his illness to be exploited and in the process is shilling for a Democrat politician."

Republicans cobbled together a response ad that did not mention Mr. Fox but attacked the ethics of embryonic stem cell research. It included testimonials by the actress Patricia Heaton ("Everybody Loves Raymond") and James Caviezel, who played Jesus in Mel Gibson's "Passion of the Christ." At least in the advance version shown on YouTube last night, Mr. Caviezel's introduction seemed either garbled or to be in Aramaic.

The issue of embryonic stem cell research is divisive, but Mr. Fox is not. And that is one reason his advertisement had such resonance. He is a popular actor who played a young conservative Republican on the sitcom "Family Ties." His illness was diagnosed in 1991, but he kept it secret until 1998. In 2000, he told his fans that because of his illness, he had to quit the hit sitcom "Spin City." He founded the Michael J. Fox Foundation to advance stem cell research, lobbied Congress and made commercials to rally support for his cause.

But he has rarely looked quite as infirm. Mr. Fox was recently a guest star on several episodes of the ABC drama "Boston Legal," and, presumably thanks to medication, his symptoms there were less noticeable.

If Mr. Fox did forgo medication for the advertisement as Mr. Limbaugh suggested, it could hardly be considered fraudulent: if anything, masking the extent of the disease's ravages is the deception, not revealing them. (A spokesman for Mr. Fox said his tremors were caused by his medication.) It was certainly the most dramatic way Mr. Fox has to personalize the issue; he used his infirmity much the way the late Christopher Reeve did when he lobbied for stem cell research to seek a cure for spinal injuries.

Debate over stem cell research is especially intense in Missouri, where voters are considering a measure that would amend the state's Constitution to protect all federally allowed forms of the research, including embryonic stem cell research. Mr. Fox's words in support of the Democratic Senate candidate, Claire McCaskill, were not nearly as forceful as his condemnation of her Republican opponent.

"Unfortunately, Senator Jim Talent opposes expanding stem cell research," Mr. Fox says in the 30-second spot. "Senator Talent even wanted to criminalize the science that gives us a chance for hope."

The Talent campaign protested Mr. Fox's wording as misleading. "Senator Talent supports medical research including stem cell research that doesn't involve cloning or destroying a human embryo," said the candidate's spokesman, Rich Chrismer.

But one reason candidates rely so heavily on 30-second spots is that they appeal to visceral emotion, not reason. In the recent past, it has been the Republican advertisements that have tended to be more bold and more memorable: the Willie Horton advertisements that George Bush used against Michael S. Dukakis in 1988 or the specter of stalking wolves that his son, George W. Bush, used to make Senator John Kerry seem weak on terrorism. Democrats usually have to go back to 1964 and Lyndon B. Johnson's "Daisy" attack on Barry Goldwater to find comparably vivid ads. Until now, that is.

These are times in which most actors seem prepared to do anything, and pay any price, to disguise flaws that could harm their careers. So when a famous one exposes the full, frightening extent of his infirmity in the name of saving lives, it tends to get noticed.

With 2 Weeks To Go, Allen, Webb Ad Blitz Hits A Higher Gear (WP)

By Michael D. Shear And Tim Craig

The Washington Post, October 25, 2006

RICHMOND, Oct. 24 -- Virginia's Senate candidates and their national party backers will begin a final, multimillion-dollar advertising blitz Wednesday, flooding the state's airwaves with campaign commercials during the two weeks before Election Day.

The close battle between Republican incumbent George Allen and Democratic challenger James Webb has become a nationally watched race in which the GOP may have to make an unexpected stand to retain control of the Senate.

As a result, neither side is letting up. During the next week, television watchers in Northern Virginia will see an average of five Virginia Senate ads a day. Together, the campaigns and the Senate party committees in Washington are spending $3.45 million over the next week in Northern Virginia.

"Voters are going to see so much stuff," said Stuart Rothenberg, editor of a nonpartisan political newsletter in the District. "If they are not numb already, they ought to shoot their brains full of Novocain."

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Voters in other parts of the state will also be deluged with the commercials about Allen and Webb. But most of the money will be flowing to Northern Virginia and its expensive media market, where a week's worth of ads for one candidate costs about $1 million. By contrast, running the same number of ads in the Roanoke media market costs about $89,000.

By Nov. 7, the Virginia Senate candidates will probably spend more than $25 million. And the race, which has become closer than anyone predicted several months ago, has drawn financial resources for both parties away from other competitive states.

"There is a lot of national Democratic money flying into Virginia, and we are not going to stand idly by while it does," said Dan Ronayne, a spokesman for the Republican Senatorial Campaign Committee, which has invested about $1.4 million in Virginia ads.

The Republican committee's first ad attacks Webb for his reaction to the Navy's Tailhook Association scandal, in which women were assaulted at a Las Vegas convention in 1991.

"Jim Webb, he called this scandal a witch hunt and a feminist plot," the female announcer says. "Jim Webb. Right for '06. 1806."

The ad cites a 1992 New York Times article in which Webb said, "A botched internal investigation and the ongoing revelations of inexcusable harassment of women . . . have also left in their wake a witch hunt that threatens to swamp the entire naval service."

Webb campaign officials said the GOP ad is unfair and takes Webb's past statements about Tailhook out of context.

"Like everything that comes out of Republicans these days, it is complete lies and distortions about Jim's record and what Jim has said and done in the past," said Kristian Denny Todd, a Webb spokeswoman. "The bottom line is they are desperate. For a guy who has been in office in this state for 26 years, [Allen] has nothing to offer but this kind of garbage."

Phil Singer, a Democratic Senatorial Campaign Committee spokesman, predicted that the GOP ad would backfire.

"At a time when people are desperate for a change in policy in Iraq and the middle class is feeling squeezed, they want to hear solutions that are going to work and not political potshots and ads like the ones Allen and his allies are putting up that are purely negative," Singer said.

Webb has launched two TV commercials, including one that features former governor Mark R. Warner (D). In that ad, the popular ex-governor describes Webb's background and concludes by urging voters to choose Webb.

"I know Jim Webb," Warner says, looking into the camera. "I know his independence. And I know he'll make us proud."

Dick Wadhams, Allen's campaign manager, said voters "are going to see lots of ads" between now and Nov. 7. "This is a race for the United States Senate. That is what races for the United States Senate have, lots of ads," Wadhams said. "But it is also important to note Senator Allen is traveling across the commonwealth on a very ambitious schedule, which he has done many times in the past."

Webb has also started running an ad that criticizes Allen's record of opposing increases to the minimum wage and allowing increases in college tuition, charges that Allen's campaign officials have denied.

Meanwhile, the Democratic Senatorial Campaign Committee has begun airing a commercial playing up Allen's loyalty to President Bush. It features Allen saying the phrase "stay the course" as an announcer says that "George Allen supports President Bush 96 percent of the time."

The ad continues: "Staying the course is not a strategy for victory in Iraq. And voting 96 percent with Bush won't move our country forward."

GOP's Kennedy Sticks To Iraq Stance In Unique Ad (MINNST)

By Patrick Condon

Minneapolis Star Tribune, October 25, 2006

As his fellow Republicans around the country try to distance themselves from the increasingly unpopular war in Iraq, Minnesota Senate candidate Mark Kennedy is trying to turn the issue on its head with a new TV ad where he squarely states his support — "even though I know it may not be what you want to hear," he tells voters.

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The 30-second ad, running statewide for at least a week, is the latest attempt by the Republican to catch Democratic frontrunner Amy Klobuchar, and may be the only ad of its kind in the country. Staring into the camera, Kennedy acknowledges that "we've made some mistakes in Iraq" but says that "leaving Iraq now will create a breeding ground for new attacks on America."

Political observers said Tuesday they've not seen an ad like it anywhere this election cycle, with the Bush administration and Republicans on the defensive over Iraq. Just a day earlier, the White House acknowledged President Bush had dropped his familiar "stay the course" phrase in talking about the war.

Vin Weber, a former Minnesota congressman with close ties to national GOP leadership, said he believed Kennedy's ad was unique.

"I'd say the desire of most Republicans is to talk about something else," he said.

As a House member the last six years, Kennedy has been a vocal supporter of the Bush administration's foreign policy. He's visited Iraq each of the last three years, and used his support for U.S. policy toward Iraq and terrorism as a signature issue of his successful reelection campaigns in 2002 and 2004.

In resurrecting the issue now, Kennedy is trying to draw a distinction between himself and Klobuchar, whom he criticizes as offering no alternatives to current policy other than an undefined "change of course," as she put it in a new TV ad of her own that mentions Iraq among a litany of campaign issues.

"And this election is about all the sons and daughters of Minnesota serving in Iraq who deserve a change in course," Klobuchar says in her ad. Klobuchar has said invading Iraq was the wrong decision and that the U.S. should begin reducing troop levels. She doesn't support a timed, rapid withdrawal like some Democrats.

Weber, who has advised Kennedy but has no formal role in his campaign, said he hoped voters would respond to Kennedy's forthrightness. "We tend to think you can't tell voters what you really think and you have to treat them like spoiled children who demand to be told what they want to hear," he said.

Kennedy, on a campaign swing Tuesday through southwestern Minnesota, said the U.S. erred in not earlier cracking down on armed militias now causing havoc throughout Iraq. He also said more should be done to block shipments of money and weapons from across the border in Iran.

"Getting rid of the militias is going to be a difficult task," Kennedy said. "I don't want to set some sort of arbitrary deadline that is going to do nothing but give the enemy reason to hope."

Kennedy said the administration has at times faltered in how it characterizes the war on terrorism. He said it should be viewed as more long-term, similar to the Cold War, "not a short war." Still, he does not call for the resignation of Defense Secretary Donald Rumsfeld, as some prominent Republicans have. "That's the president's decision, not mine," he said.

Ben Goldfarb, Klobuchar's campaign manager, said that support for Kennedy is still a vote to "stay the course in Iraq. Amy Klobuchar will do what Kennedy won't: ask tough questions, demand accountability and push for change."

Joel Rivlin, the deputy director of the University of Wisconsin Advertising Project, which tracks political advertising, said Kennedy's approach is an unusual one — but worth a try.

"It's increasingly clear that the Iraq war is going to be at the top of most voters' minds," Rivlin said. "What he seems to be trying to do is reframe the issue in a way that helps voters realize maybe there is another way to think about this — even if they don't see it that way themselves."

A Sense Of Service Sustained By Family, Faith (WP)

By Katherine Shaver

The Washington Post, October 25, 2006

Almost every Friday, Benjamin L. Cardin gathers with his family -- his wife, daughter, granddaughters, cousins and brother's family -- for dinner celebrating the Jewish Sabbath.

As many as 30 people come. Cardin often bakes the challah or grills the chicken. The group sings, prays and collects money for charity. Then everyone takes turns sharing what made each happiest that week. At one recent Shabbat, the Democrat

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took a break from campaigning for Maryland's open U.S. Senate seat to join in. He was happy, he told everyone, that Election Day was less than a month away.

During 40 years in public office -- 20 in the General Assembly followed by two decades in Congress -- Cardin has woven his political life into the faith and family that he says sustain him.

He followed his father and uncle into the state legislature. One of his closest political advisers is Myrna, his wife of 40 years, whom he met in elementary school. At one of the lowest points in his life -- when his son committed suicide eight years ago -- Cardin carried out a Jewish custom of mourning for 30 days by gathering Jewish staffers and fellow Congress members in his Capitol Hill office for daily prayers.

His faith informs his actions in the House of Representatives, particularly a six-year membership on the ethics committee, he said.

His office displays none of the usual photographs of a congressman shaking hands with famous people. Instead, the most prominent photo shows his curly-haired granddaughter, Madeline, then 4, sitting beside him during a swearing-in ceremony at the Capitol.

He and his brother, Howard, shared a bedroom for 16 years while growing up. They remained so close after both married that they moved their families several times so they could live near each other -- at one point, across the street from each other for 25 years. He considered his father, Meyer M. Cardin, who died last year two days shy of his 98th birthday, one of his closest friends.

Ben Cardin, 63, said he remains grounded in what his father told him after his election to the General Assembly at 23. "He said I had something people worked a lifetime for," Cardin said, "that I had the opportunity to make a difference and that I should think about that. . . . I think about that frequently, and it affects everything I do in life."

Although Cardin hails from one of Baltimore's most prominent political families, his canvassers say his name draws blank looks from many voters. His Republican rival, Lt. Gov. Michael S. Steele, is a telegenic, polished speaker who has captured attention with catchy TV ads highlighting his love of puppies. Steele hugs his way through a crowd and shares humorous personal stories. Cardin launches straight into serious policy discussions. At rallies, it is hard to tell that he is the star.

"My father-in-law would come to a restaurant and work every table," Myrna Cardin said of Meyer Cardin, who also became a Circuit Court judge. "Ben would sit down and eat and not even think people would want to be bothered during dinner."

Registered Democrats outnumber Republicans 2 to 1 in Maryland, but Cardin isn't taking any chances. After all, many of those Democrats chose a GOP governor four years ago. Nor can he ignore Steele's appeal for some as the first African American elected to statewide office in Maryland. Cardin skipped Shabbat last week, which he is loath to do, to attend an NAACP dinner in Prince George's County.

Cardin -- whose congressional district includes a piece of Baltimore and parts of Howard, Baltimore and Anne Arundel counties -- comes across as a mix of a professor and the nice guy next door, with a finely honed political edge. Political supporters and rivals alike describe him as steady, smart, decent and honest.

As Myrna Cardin said, using a Yiddish term for an upright person, "He runs his life to be a mensch."

Profiles of him never fail to mention that he is short, stout and, but for a few curly wisps of white hair, bald on top. His specialties in Congress -- pension law and Social Security -- gained him a reputation as a serious legislator but often draw yawns beyond the C-SPAN crowd. In stump speeches, Cardin calls for universal health care, a higher minimum wage and federal support for embryonic stem-cell research. He criticizes the Bush administration for trying to privatize Social Security and highlights his vote against sending troops to Iraq.

He is clearly most at ease -- and at his best -- in small groups, where he is warm and, for a man often labeled as dull, surprisingly witty. During lunch with a dozen Washington Post reporters and editors, Cardin mentioned his father's death. "His brother is 96 and just bought a car," Cardin said. He added dryly: "He took the five-year extended warranty. We have good genes in my family."

Supporters play up Cardin's seriousness as his strength.

"He's always thinking about something," said Frank M. Conaway Sr., a Democratic former Assembly colleague of Cardin's and now clerk of Baltimore's Circuit Court. "He's just not a jump-up-and-down kind of politician."

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By contrast, Myrna Cardin is gregarious and bubbly. Crowds warm to her beaming smile. She refers to her husband by his childhood nickname, "Benji."

They grew up in Baltimore, a mile apart in a middle-class neighborhood of first-generation Americans. Cardin's grandparents came from Lithuania and Russia. (Cardin said it's likely that an immigration officer shortened their last name from Kardonsky.) The extended family, including 17 first cousins, lived within a couple blocks.

"The family was always together," said Howard Cardin, a Baltimore defense lawyer. Many went into public service, he said, because "there was a strong feeling of serving public needs."

The men's parents were active in volunteer work, especially among the needy. Myrna Cardin said in an interview that her husband soaked up their example.

"Ben grew up in a very traditional Jewish home, where you gave back," she said. "That's his persona. . . . It's like he inhaled it as a good way to live."

In addition to teaching an ethics course at Johns Hopkins University, Cardin served on the House ethics committee, an often unpopular job because members must pass judgment on colleagues. He helped investigate the House Bank scandal, in which members regularly bounced checks. He was the lead Democrat in crafting a bipartisan punishment for then-House Speaker Newt Gingrich (R-Ga.), who used tax-deductible money for political purposes and provided inaccurate information to House investigators.

"Ethics is the driving equalizer in my life -- to make sure everything I do can be judged as right or wrong," Cardin said in an interview.

It is a quality his wife said she has always admired. When they began dating at 15, she also saw him as happy, fun and full of adventure.

"And he drove a Chevy Impala -- a convertible -- and that didn't hurt," she said with a laugh over a glass of iced tea recently at a Baltimore coffeehouse.

She knew politics came with the package. The Cardin name loomed large in Baltimore's Democratic politics. In addition to his father, Ben's uncle, Maurice Cardin, served in the House of Delegates. Like his uncle and father, Ben would become a lawyer. He graduated first in his class from the University of Maryland's law school.

When his uncle left the General Assembly, local Democrats approached Cardin's father about filling the seat. Ben Cardin said he would run.

"They said: 'We've always had a Cardin on the ticket. We need a Cardin on the ticket,' " Myrna Cardin recalled. Cardin was in law school when he won. He quickly became chairman of the powerful Ways and Means Committee before being chosen one of the youngest House speakers in state history.

"I worked hard in that [first] election," he said, "but I think it's fair to say that without the name, I wouldn't have won."

Family ties haven't always helped. At least one challenger in the late 1980s tried to link Cardin to an older cousin, Jerome Cardin, who was jailed as part of the Maryland savings and loan collapse. Cardin was never implicated.

But Republicans couldn't compete with Cardin's ability to raise money and win votes in heavily Democratic districts. Before Steele, most of his challengers were little-known or first-time candidates running on pennies compared with Cardin's campaign coffers.

Scott Conwell, a Republican lawyer from Crofton who opposed Cardin in 2002, said Cardin spent much more money than he did. Cardin's congressional seat has been so safe for so long that he has never had to run a hard-hitting campaign, which fits his cautious nature, Conwell said. Cardin, he noted, bowed out after initially challenging then-Gov. Parris N. Glendening (D) in 1997.

"His issues are not risk-taking issues," Conwell said. "He's very safe. Even when he spent $1 million against me, no one would ever remember how he spent it because they were nice-guy commercials -- Ben doing this or Ben near the [Chesapeake] Bay -- but they weren't risk-taking commercials. They raised his favorability ratings, but they didn't spark any passion for him."

Cardin seems most passionate about discussing policy. On those issues, he said, he turns to his staff for advice. When it comes to any other difficult decision, political or personal, he asks Myrna.

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"She's not the person pulling the strings and shaping policy," said their daughter, Deborah Cardin, 37, who works at the Jewish Museum of Maryland. "But she's fiercely protective of my father. . . . She'll call the person who's driving him and say: 'Has Ben had lunch? Is he getting dinner?' "

If anything could have tested the Cardins' marriage, friends said, it was the death of their son, Michael. Family members said he was a sensitive young man who knew the names of homeless people on his street and loved discussing politics with his father. Myrna Cardin said they thought he might run for Baltimore City Council some day. One night in March 1998, Michael, 30, killed himself in his apartment. He had recently passed the state bar exam and was volunteering with lower-income residents.

Friends said Michael's death devastated his parents, but Ben didn't display his grief publicly. "They're not the kind of people who need to go to grief counseling," said Rabbi Mitchell Wohlberg of Beth Tfiloh Congregation in Baltimore, who officiated at Michael's funeral. "They had each other for that."

As for possible feelings of guilt, Wohlberg said: "Theirs wasn't the kind of situation where they had to ask themselves: Where did we go wrong? They knew in their heart of hearts [they] hadn't. Something went wrong with Michael."

Cardin said he was "extremely close" to his son -- they met regularly for lunch or dinner -- but neither he nor anyone else saw warning signs of depression or suicide. In learning more about his son's life after his death, Cardin said, he has come to believe that Michael "made a judgment, a wrong judgment, about a circumstance." He declined to elaborate, saying only that the "circumstance" is "not really relevant because it wasn't really major."

Though Myrna teared up on mention of Michael, Cardin broke into a wide, somewhat forced-looking smile.

"It's not a sad thing," Ben Cardin said. "Michael is a happy part of my life. He was an incredible person. . . . He was totally convinced he could change the world one person at a time. He'd go out of his way to find problems so he could help people."

Cardin said later: "You don't lose someone without changing. It's hard to describe how, but it changes your perspective. It's like my father said: You don't lose any opportunities in life."

Whether Cardin can seize the next opportunity -- a lesson born of faith, passed between fathers and sons -- is up to voters.

Michael Steele For U.S. Senate (WT)

The Washington Times, October 25, 2006

The major-party nominees for U.S. Senate from Maryland are a study in contrasts: Rep. Ben Cardin, a veteran of 10 terms in the U.S. House and nearly 40 years in Maryland politics, from a wealthy, powerful Baltimore family. He is very much a quiet, cerebral liberal in the mold of retiring Sen. Paul Sarbanes, who held the seat for 30 years. By contrast, Lt. Gov. Michael Steele, who we enthusiastically endorse for the Senate today, is anything but a conventional politician. As Mr. Steele himself told editors and reporters the other day, "I don't look at this race through conventional glasses."

Indeed, Mr. Steele's openness to new ideas offers a refreshing contrast from the sort of orthodox liberalism represented by Mr. Cardin. And Mr. Steele, the first black candidate elected statewide in Maryland in modern times, offers a compelling personal success story that is in many ways the embodiment of the American Dream.

His mother is a sharecropper's daughter who worked in South Carolina tobacco fields before coming to Washington and working at minimum-wage jobs for nearly half a century. His stepfather was a limousine driver. Mr. Steele, a Roman Catholic born in Prince George's County and reared in Washington, prepared for the priesthood but ultimately chose a career in law. He's even worked with such well-known Washington politicians as Democrats Joe Yeldell and John Ray (a Democrat we once endorsed for mayor).

Cutting your conservative teeth in a blue city and then moving to a blue state and rising to prominence is no small task. Seeing where Mr. Steele stands on key issues explains why he draws support from Republicans and Democrats. In fact, such a briefing proves why his opponent's campaign ads mistakenly try to pass Mr. Steele off as a Republican ideologue, which he isn't, who sees everything through Bush-colored lenses, which he doesn't.

Mr. Steele is staunchly pro-life (parting with many Republicans who support abortion in cases of rape and incest), and he is a free trader. He supports welfare reform and wants to come to Washington to push for policies so low-income Americans can get a pathway to wealth, primarily through homeownership. And while he stands for law and order, his compassionate

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conservatism calls for rehabilitating some drug offenders and he doesn't stand firmly on the death penalty, either. Mr. Steele also supports tax cuts and welfare reform.

One of the issues Mr. Steele talks breathlessly and compassionately about is education. He has reservations about President Bush's No Child Left Behind Act, and can sound as frustrated as any schoolteacher who feels his hands are tied by the bureaucracy.

Involved in Maryland politics since the late 1980s, Mr. Steele became a political David battling big-government Goliaths. For example, as chairman of the Prince George's County Republican Party (Democrats outnumber Republicans in the county by nearly 5-1), he successfully mobilized opposition to a 1996 initiative pushed by county Democrats that would have raised property taxes. The result was a crushing defeat for then-County Executive Wayne Curry, whose effort to lift the cap was defeated by a landslide.

After the 2000 election, Mr. Steele became chairman of the state Republican Party, where he put together a 10-year plan to expand the party and elect more Republicans. His plan helped the state GOP score a major success four years ago, when voters elected Robert Ehrlich as governor and Mr. Steele as lieutenant governor. (No doubt Mr. Steele's statewide success encouraged Kweisi Mfume to run statewide, too.)

As lieutenant governor, Mr. Steele's responsibilities included chairing commissions responsible for enhancing opportunities for minority-owned businesses and improving education in the state. The education panel's recommendations, released last year, include plans for strengthening the state's charter school law and encouraging greater parental responsibility in education -- two things which Mr. Steele believes deeply in and will fight for in the Senate. Judging from Mr. Cardin's record, we fully expect that if elected the Baltimore Democrat would join Sens. Ted Kennedy and Barbara Mikulski in trying to water down any efforts to expand educational choice.

Obviously, the Cardin camp has Michael Steele on its mind: While still airing the Steele-is-a-Bush-man ads, Mr. Cardin is cynically attempting to exploit patients of Parkinson's disease by airing television commercials featuring actor Michael J. Fox, his body clearly ravaged by the disease. The ad urges a vote for Mr. Cardin because he supports open-ended public funding of embryonic stem-cell research. Mr. Steele supports adult stem-cell research. The commercial is a cheap shot on Mr. Cardin's part because it omits the inconvenient fact that it is hardly clear from the medical evidence that embryonic stem-cell research offers a cure.

Mr. Steele is a nontraditional candidate who has brought a different style of campaigning to an old-school blue state, and there are no gray areas when he stands on issues. The Washington Times is pleased to endorse Michael Steele for the U.S. Senate.

Report Warns Of Potential Voting Problems In 10 States (WP)

By Amy Goldstein

The Washington Post, October 25, 2006

Two weeks before the midterm elections, at least 10 states, including Maryland, remain ripe for voting problems, according to a study released yesterday by a nonpartisan clearinghouse that tracks electoral reforms across the United States.

The report by Electionline.org says those states, and possibly others, could encounter trouble on Election Day because they have a combustible mix of fledgling voting-machine technology, confusion over voting procedures or recent litigation over election rules -- and close races.

The report cautions that the Nov. 7 elections, which will determine which political party controls the House and Senate, promise "to bring more of what voters have come to expect since the 2000 elections -- a divided body politic, an election system in flux and the possibility -- if not certainty -- of problems at polls nationwide."

In a state-by-state canvass, the 75-page report singles out places, such as Indiana and Arizona, where courts have upheld stringent new laws requiring voters to show poll workers specific forms of identification. It cites states such as Ohio and Pennsylvania, which have switched to electronic voting machines whose accuracy has been challenged. And it points to states such as Colorado and Washington, which have departed from the tradition of polling sites in neighborhood precincts.

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The report of the clearinghouse, sponsored by the Pew Charitable Trusts, is the latest of several warnings in recent weeks and months by organizations and scholars who say that electoral problems persist in spite of six years of efforts by the federal government and states to correct voting flaws. The flaws gripped the public's attention after the close 2000 presidential election, which led to recounts in Florida and the intervention of the Supreme Court.

The election shambles of 2000 prompted Congress to pass in 2002 legislation intended to help states make significant election changes, such as by replacing outdated voting equipment. Some of the changes, including making sure that databases of registered voters are accurate, were required to be in effect by this year.

Doug Chapin, director of Electionline.org, said "things are getting better over time." But he said many of the changes in recent years have led to new problems and disputes. For instance, the decisions by many states to convert to electronic voting machines have yielded new concerns about whether they are secure and accurate, about paper records as backup proof and -- this year -- about whether the electronic or paper record should be considered the official tally if a candidate demands a recount.

The report cites Maryland for what it calls a "dismal primary" in September that "included human and machine failures galore," in part because Montgomery County election officials forgot to distribute to polling places the access cards needed for its electronic machines to work. The study raises questions about whether Montgomery officials are prepared for the bigger crowds in the general election and whether large numbers of mistrustful voters will resort to absentee ballots.

Some GOP Lobby Shops Hold Fast As Nov. 7 Looms (HILL)

By Roxana Tiron And Jeffrey Young

The Hill, October 25, 2006

Seasoned Democrats may be in high demand as lobbying outfits and businesses prepare for a possible Democratic takeover of at least one chamber in November, but some top all-Republican firms are not clamoring to hire them.

Despite a growing sense of urgency in recent months to bring well-positioned Democrats to lobby shops, company government-relations offices and trade associations, several all-GOP and GOP-leaning lobby firms said that they are doing nothing to prepare for a change of congressional power.

“We are a Republican firm and our business model is to provide excellent service for our clients on the Republican side, without engaging in any hypothetical about the elections,” said Mark Isakowitz, president of Fierce, Isakowitz & Blalock. “Being a Republican firm is part of who we are.”

Isakowitz said clients rely on the firm’s ability to provide GOP strategy and expertise. Clients use Democratic lobbyists to work the other side. “That basic dynamic is working,” he said.

Remaining Republican during a tight election demonstrates loyalty, said several GOP lobbyists. “We have an election in a couple of weeks and we are part of the [GOP] team,” said Isakowitz.

Jim Pitts, one of the founding principals of DC Navigators, is on the same page. Pitts acknowledged that his pitch would be a lot easier from a business perspective if Republicans stay in power.

He does not anticipate losing clients, but says the company will have to be more deliberate in how it grows its business in 2007 and 2008. Pitts expressed concern that a change in leadership could affect the firm’s growth potential.

“So far, none of our clients have expressed a need for us to go out and hire a Democrat,” Pitts said. “Most of our clients are very happy with the work that we have done for them. We have already had some re-sign for the new fiscal year.”

While DC Navigators is not hiring any Democrats, the firm has forged and plans to strengthen strategic relationships with Democratic lobbyists and consultants.

According to Pitts, DC Navigators has been working with Jonathan Sallet at the Glover Park Group, Michael Lewan at Brown Rudnick and Vin Roberti of Roberti Associates and VAR II, LLC, a strategist active in the Democratic Party.

DC Navigators is busy on the campaign trail working with prospective GOP presidential candidates, such as Massachusetts Gov. Mitt Romney and Sen. John McCain (Ariz.), as well as Joe Negron, the GOP hopeful running for the seat left vacant by Rep. Mark Foley (R-Fla.).

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"We do not want to make [Democratic employees] uncomfortable when we talk about lobbying and then do something to help so-and-so Republican get elected," Pitts said. "We have had some talks with Democrats about joining the firm but the fit for them was not right, or for us, partly because of the electoral issues."

A flip to Democratic control next year could even provide at least one staunchly Republican firm with a competitive advantage.

While former Attorney General John Ashcroft has been campaigning for Republican candidates and is "certainly not ready to concede that we're going to lose either house," the Ashcroft Group has contemplated what next year might bring, said Juleanna Glover Weiss, a senior advisor at the firm.

"We do anticipate that Capitol Hill will be subpoena central" under Democratic control, she said. Ashcroft's experience as a senator and as the highest-ranking prosecutor in the country would make his firm valuable to any client being hauled before a congressional committee, Glover Weiss said.

Republican-leaning lobbying shops, or clients that have favored GOP representation, would have been smart to begin strategizing for a Democratic Congress months ago, one Republican lobbyist said. "If you wanted to do something, you should have started before now," the lobbyist remarked.

For example, the once all-GOP Federalist Group hired several prominent Democrats this year, including former Rep. Chris John (La.).

But even some firms that have few or no ties to Democratic lawmakers can expect to continue to flourish, particularly if they have close relationships to Republican committee leaders, as opposed to the leaders of the chambers, the Republican lobbyist said.

Mike Dyer, a Republican and a senior principal at Blank Rome Government Relations, said that firm has not made any preparations or plans for a Democratic Congress, but it is looking to recruit new lobbyists as the winners and losers on the Hill shake out in the coming months.

Dyer emphasized that Blank Rome has striven to be a bipartisan firm, "even if we may be perceived from the outside" as Republican. Dyer noted that the firm has brought in veteran Democratic lobbyists such as Peter Peyser and Heather Podesta.

But Blank Rome is expecting its clients' needs to change under a Democratic Congress, Dyer said. The firm's work would shift from offense to defense, or vice versa, depending on the client, he said.

"The workload might shift from one client to another," Dyer said. Still, he predicted, "End of the day, we're still as busy as we were [this] year."

Smart corporations and other interests maintain a steady engagement with both sides, Dyer said.

The lobbying firms that are the most vulnerable to a change in party control are those that have made their links to the House GOP leadership and the Bush administration their chief selling point, several Republican lobbyists commented.

Republican lobbyists repeatedly cited the now-defunct Alexander Strategy Group, which boasted close ties to ex-Majority Leader Tom DeLay (R-Texas) as an example of the type of firm that would have reasons to be nervous about a Democratic majority.

Compared to the first years of the Bush administration, recently there has been a "very clear trend" to ensure that law firms, lobby shops and government-relations offices have a much more bipartisan representation, said Peter Metzger, the vice chairman of Christian & Timber, an executive-search firm.

Since this spring there has been a great sense of urgency to hire Democrats, said Beth Solomon, director of Christian & Timber's Washington, D.C. office. Many firms are trying to poach experienced Democrats from other firms, she said.

"There is an advantage in bringing in someone who already has the clients and understands the business," she said. "Their price tag has gone up significantly."

But lobby shops may have a harder time, at least in the first year of a Democratic Congress, plucking high-profile staffers. After so many years in the minority, many staffers would want to stay to see Democratic policies put into place.

Several GOP lobbyists pointed out that another election is just two years away.

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A winning presidential candidate from either party could sweep congressional candidates along with them, Blank Rome's Dyer said. A strong GOP presidential candidate also could help his or her party reclaim House seats that might be lost this year in historically Republican districts.

For Governor In Maryland (WP)

The Washington Post, October 25, 2006

WHEN HE RAN for governor of Maryland four years ago, Robert L. Ehrlich Jr.'s claim to the job seemed to rest on little more than a sense of entitlement and a telegenic, genial personality. In fits and starts, though, he has grown in the role to become a generally proficient, pragmatic governor, if not always a disciplined or mature one. He has chalked up successes on transportation, the environment and education, among other things. For Mr. Ehrlich, the state's first Republican governor in a generation, those are real achievements -- particularly when weighed against the monolith of Democratic dominance in the state legislature. His opponent in the gubernatorial race, Democrat Martin O'Malley, is a smart, adroit politician who has compiled a creditable record as mayor of Baltimore for the past seven years, but he has not made a compelling case for toppling the incumbent. Our choice is Mr. Ehrlich.

No doubt Mr. Ehrlich has had the good fortune to govern during good times. Having inherited a crushing deficit upon taking office in 2003, he benefited over the next three years from a muscular national economy that lifted Maryland, as it did most states, and pumped up the public coffers in Annapolis. Still, Mr. Ehrlich helped his own cause by raising funds through higher taxes and fees, breaking with his party's knee-jerk anti-tax orthodoxy and using the proceeds constructively. Despite having squandered time, energy and political capital in pushing fruitlessly to expand state-sanctioned gambling in Maryland, the governor did manage a number of victories.

Mr. Ehrlich was able to revive, accelerate and push through approval of a highway to connect interstates 270 and 95 north of the District, which would be the first major road to be built in the Maryland suburbs in years and one that is badly needed. Though it had been on the state's drawing board for decades, the intercounty connector was a dead letter when Mr. Ehrlich took office. On the environment, Mr. Ehrlich rightly claims authorship of the "flush tax" bill, under which households pay a $30 annual fee to finance upgrades in sewage plants that pollute the Chesapeake Bay; it represents an important step toward cleaning the state's waterways.

On education, Mr. Ehrlich pushed through a law to allow charter schools in Maryland, providing more options for parents and students despite the opposition of some local school boards. We have also noted Mr. Ehrlich's courage in issuing more pardons and commutations for convicted criminals than his two predecessors together managed in 16 years in office. In an era when most governors are more preoccupied with punishment and establishing their bona fides as tough guys, Mr. Ehrlich's practice of dispensing mercy is exemplary.

There have been disappointments and dithering during Mr. Ehrlich's term as well, mostly of his own making. Relishing battle and cherishing his status as a besieged underdog, he picked fights needlessly, as in the childish blacklisting of two journalists from the Baltimore Sun. Likewise, his tiresome quarrels with the leaders of the General Assembly look more like clashes of puffed-up egos than hard legislative bargaining. Mr. Ehrlich could be a more effective governor if he applied himself more to the mechanics of governing and less to the skewering of his enemies on talk radio.

Mr. O'Malley, who has run a carefully scripted campaign for governor, has put his plentiful ambition to good use in one of the toughest big-city mayor's jobs in the nation. He made progress in stanching Baltimore's outflow of population, reviving some of its more blighted neighborhoods, reducing its level of violent crime, and adapting corporate methods of efficiency and accountability to the functions of government. Mr. O'Malley did not solve the problems of rampant crime and rough schools in Baltimore, but he put a dent in them.

As a candidate, however, Mr. O'Malley, nursing a lead, has been cautious, at times excessively so. He has balked at grappling with the tough budgetary choices he would be likely to face as state spending soars for education and health care. He favors slot-machine gambling, though only at racetracks, and so presents little advantage on that score. He has remained Baltimore-centric, offering little of substance about the Washington area's problems, especially its choked roads and transit

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systems. While it is easy to admire Mr. O'Malley's fluency as a public speaker and his winning ways on the stump, his campaign is seen by some of his own allies as insular -- a worrisome trait in a governor.

More worrisome yet is the fact that an O'Malley victory would herald a return to the brand of one-party Democratic rule that has served the state poorly in the past. Mr. Ehrlich, for all his faults, has shaken up the old guard in Maryland politics -- while appointing plenty of Democrats to his cabinet and judgeships. If he were wise, he would use a second term to start anew with the legislature and build on his record of achievement.

U.S. Muslims Mostly Democrats (WT)

By Julia Duin

The Washington Times, October 25, 2006

America's Muslim voters are a young, highly educated and prosperous voting bloc that will overwhelmingly back Democrats in November, according to a survey released yesterday by the Council on American-Islamic Relations.

They are also coming of age in terms of political representation. Next month, Democratic nominee Keith Ellison of Minneapolis is poised to become the first Muslim member of the House of Representatives. He says, if elected, he will take his oath of office with his hand on the Koran instead of the Bible.

"After September 11, neither political party wanted anything to do with Muslims," said Mohamed Nimer, research director for the Council on American-Islamic Relations (CAIR). "Now they're receptive to Muslim candidates."

With their large families and socially conservative leanings, Muslims mirror the GOP's demographic profile. Seventy-eight percent of those interviewed were married. Of those respondents, 83 percent had at least one child and 54 percent reported two or three children. Muslims had an average of 4.5 members per family, contrasted with a 2005 Census Bureau figure estimating the number of family members in an average American household at 3.14.

But ideologically, their differences with Republicans are vast. Sixty-six percent favor normalization of relations with Iran, 55 percent are afraid the "war on terror" has morphed into a war on Islam, just 12 percent think the war in Iraq is worthwhile and only 10 percent support the use of the military to spread democracy.

The survey, conducted in August by Genesis Research Associates of Descanso, Calif., polled 1,000 American Muslims; 687 men and 313 women in 42 states. It has a margin of error of 3 percentage points. CAIR said the sex disparity is the result of men being more willing to participate.

The survey showed a voter bloc concentrated in 12 states with the most (20 percent) living in California. Seventy percent of the respondents were born overseas. Of those, 40 percent are from the Middle East; 33 percent from Pakistan, India or Bangladesh; 6 percent from Africa; 5 percent from Iran; and 3 percent from Europe. The rest either refused to name a country or named another part of the globe.

Forty-two percent of those polled said they were Democrats, 17 percent were Republicans and the rest either belonged to another party, no party or refused to answer.

The Democratic National Committee is aware of Muslim interest, a spokeswoman said yesterday, and has hired a part-time Muslim staffer, Hiam Nawas, to focus on soliciting their votes.

Birthplace was a factor on whether the "war on terror" is perceived as a war on Islam. Sixty percent of the foreign-born voters agreed with that statement, compared with 47 percent of those born in this country. Thirty-five percent of American-born Muslims disagreed with that statement.

"If you are born overseas, you'd tend to feel the impact of American policies more strongly because of your overseas experience," Mr. Nimer said. "Your sense of grievance is stronger."

When asked their denominational affiliation, 40 percent said they were "just a Muslim," 36 percent said they were Sunni and 12 percent were Shi'ites. The rest belonged to other branches of Islam.

Muslim voters are younger than the average American. Nearly 80 percent of Muslims are younger than 55, compared with 65 percent of the general public. The survey found 62 percent of the respondents possessing at least a college degree; 16 percent own their own business; 9 percent are engineers; 6 percent are professors or teachers; and 4 percent are doctors or dentists.

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Cheney Says Clinton Could Win Presidency (AP)

The Associated Press, October 25, 2006

Vice President Dick Cheney said Tuesday he thinks Sen. Hillary Rodham Clinton could win the presidency. He said Sen. Barack Obama might be viewed by voters as too inexperienced.

Cheney handicapped the Democratic field of potential candidates in an interview with conservative talk show host Sean Hannity.

"I think Hillary Clinton is a formidable candidate," Cheney said. "I think she could win. I hope she doesn't. I disagree with her on nearly all the issues, but nobody should underestimate her. She's a very serious candidate for president."

Cheney said Obama, an Illinois Democrat, was an "attractive guy. Don't know him well, met him a few times. I think at this stage, my initial take on him was he's been two years as a senator. I think people might want a little more experience than that, given the nature of the times we live in. But certainly, he's an attractive candidate. If he decides to run, he'll be a player on the Democratic side."

Obama said Sunday he was considering a run for president in 2008, backing off previous statements that he would not do so.

As for himself, Cheney said he would not budge from his oft-stated decision that he will not run for president. "It's firm, final, fixed, irrevocable," the vice president said. "I don't know how else I can say it. If nominated, I will not run; if elected, I will not serve."

Cheney also said he was optimistic about Republican hopes in the Nov. 7 elections.

"I think we'll hold both the House and the Senate." Last week, Cheney raised eyebrows when he sounded less sure about GOP prospects. "I think we'll hold the Senate and I also think we got a good shot at holding the House," he told Rush Limbaugh.

Karl Rove, President Bush's chief political strategist, dismissed national polls and argued that based on individual polls Republicans will hold onto the House and Senate. He made the comments in an interview with NPR's "All Things Considered."

"I think Iraq and the economy play a role in virtually every race. But there are also local considerations in the local contest between two individuals that at the end of the day matters for great deal of the contest," Rove said.

Cheney: Sen. Clinton Is 'formidable Candidate' (USAT)

USA Today, October 25, 2006

Vice President Cheney said he believes Sen. Hillary Rodham Clinton, D-N.Y., could win the presidency but that Sen. Barack Obama, D-Ill., might be viewed by voters as too inexperienced. Cheney assessed potential Democratic candidates in an interview with conservative talk show host Sean Hannity.

"I think Hillary Clinton is a formidable candidate," Cheney told Hannity.

"I think she could win. I hope she doesn't. I disagree with her on nearly all the issues, but nobody should underestimate her. She's a very serious candidate for president."

Obama said Sunday that he is considering a presidential run in 2008; Clinton also has said she might run.

Cheney said he would not budge from his oft-stated decision that he will not run for president. "It's firm, final, fixed, irrevocable," Cheney said. "I don't know how else I can say it. If nominated, I will not run; if elected, I will not serve."

Senate candidate's name a tight squeeze

Senate candidate Jim Webb's last name has been cut off on part of the electronic ballot in three Virginia cities because of a computer glitch that also affects other candidates with long names, election officials said. The Democrat's full name, James H. "Jim" Webb, appears where voters choose a candidate. The error shows up on the summary page in Alexandria, Falls Church and Charlottesville, where voters are asked to review their selections before hitting the button to record their votes. Webb's opponent, Sen. George Allen, didn't emerge unscathed — his party affiliation is cut off. Jean Jensen, secretary of the Virginia State Board of Elections, pledged to have the issue fixed — in time for the 2007 state elections.

Newt Gingrich plugs Blackwell in Ohio

Former House speaker Newt Gingrich, campaigning for Ohio Republican Ken Blackwell, said Tuesday that the gubernatorial candidate's commitment to lower taxes will create jobs to help the state's struggling economy. Gingrich said

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Blackwell has a “passion for lower taxes” and that Democrat Ted Strickland has a “record of consistently voting for tax increases.”

Strickland campaign spokesman Keith Dailey said Strickland voted to cut taxes 81 times as a member of Congress. “The only thing consistent about that rhetoric is its inconsistency with the truth,” Dailey said.

Gingrich was an architect of the Contract with America and led a resounding GOP victory in 1994.

Cubin apologizes to disabled opponent

Rep. Barbara Cubin, R-Wyo., issued a public apology for a comment she made to a disabled candidate following a testy debate. “In retrospect, I was wrong in what I said, and I apologize,” Cubin said. Libertarian Thomas Rankin, who has multiple sclerosis and uses an electric wheelchair, said that after the debate Sunday night Cubin “walked over to me and said, ‘If you weren't sitting in that chair, I'd slap you across the face.' ” Cubin said she went over to Rankin, challenged his debate assertions and remarked that “if you had said that to anyone else, they probably would have smacked you.” Cubin is in a tight race for a seventh term against Democrat Gary Trauner.

Swann challenges ‘gray lives' comment

Pennsylvania gubernatorial candidate Lynn Swann's campaign demanded an apology from Gov. Ed Rendell for saying that slot-machine gambling brings “brightness and cheer” into the “gray lives” of senior citizens.

“Diminishing the value and the lives of our senior citizens is offensive,” said Leonardo Alcivar, spokesman for Swann, the GOP nominee. Rendell, a Democrat, was defending the legalization of slot machines in Pennsylvania. “These are people who lead very gray lives. … There's not a whole lot of good things that happen in their month,” Rendell said of seniors who bus from Philadelphia to casinos in Atlantic City. “But if you put them on the bus, they're excited. They're happy. They have fun. They see bright lights. They hear music. They pull that slot machine and with each pull they think they have a chance to win.”

Rendell campaign spokesman Dan Fee said Rendell meant that some seniors will play slot machines for entertainment and does not intend to apologize.

Seniors are focus of Rhode Island debate

Democratic challenger Charles Fogarty blamed Republican Rhode Island Gov. Don Carcieri's administration for inadequately inspecting nursing homes, while Carcieri accused Democrats of failing to curb local property taxes for people on fixed incomes. The debate took place during a forum on elderly issues.

Nursing home care became a statewide political issue in 2004 when 87-year-old Germaine Morsilli died after being moved from a nursing home bed where she sometimes lay in her own waste, state inspectors reported. A manager and owner who ran that nursing home were convicted of stealing from the facility and two others. After her death, Fogarty, who is the state's lieutenant governor, and Carcieri pushed legislation tightening nursing home regulations.

Federal judge OKs exit polling in Florida

A federal judge in Miami threw out a Florida law that prohibits exit polling within 100 feet of a voting place, finding there was no evidence the surveys were disruptive or threatened access to voting. Judge Paul Huck said Florida's law was unconstitutional and ordered state officials not to enforce it Nov. 7.

Cheney Says Clinton Could Win Presidency (LAT)

By James Gerstenzang

The Los Angeles Times, October 25, 2006

Vice President Dick Cheney took a look Tuesday at the field of potential Democratic presidential candidates and said Sen. Hillary Rodham Clinton could be the next president. He also suggested a preference for Sen. Joe Lieberman in the race for the U.S. Senate in Connecticut.

And the vice president, famous for having declared in 2005 that the insurgency in Iraq was in its "last throes," acknowledged that the violence had not ended. Speaking with Juan Williams in a National Public Radio interview, Cheney said that with the political process in motion in Iraq, he would have expected "a lower level of violence than we're seeing today."

Cheney made the comments on the Democratic political scene in an interview with Fox News Channel's Sean Hannity. Cheney said that the former first lady "is a formidable candidate."

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"I think she could win," the vice president said, adding: "I hope she doesn't. I disagree with her on nearly all the issues, but nobody should underestimate her. She's a very serious candidate for president."

He said that Sen. Barack Obama of Illinois, who on Sunday opened the door to running for the Democratic nomination, is an "attractive guy."

"Don't know him well, met him a few times," Cheney said, in his characteristic staccato speech. Obama was elected in 2004, and the vice president said "people might want a little more experience than that," but if he runs, "he'll be a player on the Democratic side."

Lieberman, who ran for the vice presidency in 2000, has built up a lead as an independent candidate after losing the Democratic primary election in August to Ned Lamont, who made the senator's support for the Iraq war the central issue in the campaign.

Asked whether he was backing Lieberman, whom Cheney presented as "a big supporter of the global war on terror," the vice president said he was reluctant to answer, but tipped his hand nonetheless.

"I don't want to harm Joe's chances or prospects," he said, "so I haven't said anything about his election."

As for his own position, he acknowledged the dark view critics take of him as, in his words, "the Darth Vader of the administration," and he also said, for the hundredth — or was it the thousandth? — time that he would not run for president.

"It's firm, final, fixed, irrevocable," he said.

Casting For West Wing (LAT)

By Tina Daunt

The Los Angeles Times, October 25, 2006

Just the hint of a possible presidential run by U.S. Sen. Barack Obama — who is in town Friday to promote his book "The Audacity of Hope" — has Hollywood Democrats talking.

The e-mail from actor George Clooney arrived at 1:46 a.m. Pacific time (he's in Europe at the moment).

The subject: Illinois Democrat Obama.

"If SENATOR Obama became PRESIDENTIAL CANDIDATE Obama it would be the most electrifying thing to happen to the Democratic party since Kennedy," Clooney wrote.

Media mogul Haim Saban, however, was less impressed by Obama's disclosure this week that he's thinking about running for president in 2008. Saban is already electrified by another possible Democratic candidate: Sen. Hillary Rodham Clinton of New York.

"Only Hillary," Saban said, via BlackBerry message. "I hope she does announce soon so we can all go to work all out to make sure she wins ... and BIG!!!!!"

The 2006 midterm elections are only two weeks away, but Hollywood is already looking toward 2008 — even though no one has formally joined the race.

"It would be hard for me to pretend that I've not heard some of the talk," Obama said in an interview with The Times. "There's an old joke that every senator is thinking about running for president — all 100 of them."

Obama said that at the moment he's focused on getting Democrats elected on Nov. 7. After that, he'll consider his presidential prospects.

But while he's pondering his options, you can bet that some people in Hollywood are already envisioning his inaugural bash.

Director Rob Reiner compared a possible run by Obama to Abraham Lincoln's victory.

"How poetic would it be that a one-term congressman from the state of Illinois could be elected president and free the slaves," said Reiner, reached on his car phone Monday, "and now a one-term African American senator from that same state could become the next president?"

"Everyone admires him," producer Norman Lear said of the freshman senator. "They are very excited about the possibility that he's in the race. I think the people who are very much with Hillary will remain with Hillary. But the discussion is a good thing for the party."

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Almost anyone who has met Obama will tell you that he's charismatic and warm, but not giddy.

"My wife and I have tried not to get caught up in the hype," Obama said. "We still live in Chicago and I go to the same barbershop.... "

But there's no denying that since he rocked the Democratic National Convention in 2004 with an impassioned speech about America, his life has changed. For one, he became an instant political star.

His first book, "Dreams From My Father," released shortly after the 2004 convention, shot to the top of bestseller lists. His new missive promises to be equally as successful. Last week, he was in 15 cities promoting his book and raising money for the Democrats.

On Friday, he will be in Los Angeles to discuss the book at the Urban Issues Breakfast Forum of Greater L.A. and the California African American Museum.

Later that evening, he will attend a fundraiser for the state Democratic Party with gubernatorial candidate Phil Angelides.

"This is an important election," Obama said. "The Democrats will win the House and we could win the Senate."

As he travels, Obama said, he finds that people — regardless of their party affiliations — have similar anxieties. "They're worried about whether they have enough healthcare for their kids, what's happening with the global economy. People have the same hopes and dreams. There's a stubborn self-reliance and optimism in the American people.... And I think people are in a serious mood."

Obama says he appreciates the supports he's been shown by Hollywood Democrats. (Obama, who was born in Hawaii to an American mother and a Kenyan father, counts Clooney and Bono as friends.)

"There are some celebrities who have really done their homework and know what they are talking about and are terrific advocates for justice and peace and opportunity around the world," he said. "I want all citizens to get involved. Whether they are the secretary in an office building or a movie star, I think the more engaged and interested people are, the better off we all are."

The column explores the intersection of celebrity and politics. Tips and comments can be e-mailed to tina.daunt@latimes.com.

When It Comes To Politics, Charlie Cook Has The Prophecy Market Cornered (WP)

By Dana Milbank

The Washington Post, October 25, 2006

The pharaoh had Joseph. The Greeks had the Oracle at Delphi. Washington has Charlie Cook.

Please tell us, Seer of Future Congresses, how many seats the Democrats will pick up in the House on Election Day.

"Twenty to 35," Cook answers.

And how about in the Senate, OProphet on the Potomac?

"At least four," the man with the crystal ball says. "Most likely five or six."

What fate does the seer see for Sen. George Allen (R-Va.)?

"He wins ugly, but he wins," Cook divines.

And, pray tell, how are the planets aligning for Rep. Curt Weldon (R-Pa.)?

"Gone," he decrees.

The midterm elections are two weeks away, but the powerful cannot wait that long to learn of the outcome. And so they call in Cook, who, for a fee of $5,000 to $20,000, gives his audiences the (very) early returns.

Last week he spoke to pharmaceutical and insurance groups. On Monday, he flew to Las Vegas and back to talk to the American Beverage Association. Later this week it's American Express and a hedge fund in New York and the paper industry in Georgia. Yesterday found Cook at a breakfast with the DLA Piper law firm, lunch with automobile manufacturers and dinner in Boston with a corporate housing group.

All are looking for the same thing: next month's election returns. And Cook has them. "Senators Santorum in Pennsylvania and Mike DeWine in Ohio are pretty much done," he told the Piper audience at the Willard hotel. And the lifelines of Sens. Conrad Burns (R-Mont.) and Lincoln Chafee (R-R.I.) aren't looking any longer. "I'd be surprised if any of those four can survive," Cook informed the crowd of lobbyists, diplomats and journalists.

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The firm's representatives treated their visiting sage with great deference. James Blanchard, a former Michigan governor, introduced him as "a renowned expert." Former defense secretary Bill Cohen read Cook's credentials to the audience: "one of the best political handicappers . . . the Picasso of election analysis."

"He's hot," observed Rosemary Freeman, one of the event coordinators.

That's not the first description that comes to mind for Cook, who entered the ballroom lugging an overstuffed canvas bag, a torn, padded envelope and an overflowing blue file folder. Chubby and partial to big eyeglasses, he had the tail of his tie tucked into his shirt. He planted his Starbucks venti caffe latte on the head table, where he was joined by the Canadian ambassador and a former NATO secretary general.

Cook's well-rehearsed speech includes a reference to his posterior, an allusion to the movie "Young Frankenstein," and a tortured metaphor involving storms and levees to compare the 2006 election to the one in 1994. "The wave is bigger, but there are fewer structures on the beach," he forecast.

Cook is not the boldest of election prognosticators (that honor goes to Stuart Rothenberg), nor the most telegenic (washingtonpost.com's Chris Cillizza gets the nod there), but he is surely the most prominent. On contract with NBC, he was on "Meet the Press" on Sunday and taped segments for the "Today Show" and "NBC Nightly News." He commissions his own poll, and his column appears once a week in the National Journal. A Nexis search finds 873 mentions in the past 60 days for him and his company, the Cook Political Report.

And while he's not always on the mark (he admits to having "tread marks on my forehead" after understating the Republican gains in '94) he's close enough that nobody challenges his forecasts. "I'm not as much of an expert as he is, so I have to defer to him," said Dick Gephardt, a former House Democratic leader, after Cook's talk to the Piper firm.

Fortified by another venti caffe latte and a double espresso shot with cream, Cook took a cab to NBC's studio for a hit with anchor Joe Scarborough. While he was in the makeup room, a reporter from the Columbus Dispatch begged him to talk about Ohio's Senate candidates. After his on-air comments, he slipped into "Hardball" producer Tammy Haddad's office to give the staff an update on Senate races in Tennessee (trending Republican) and New Jersey (trending Democratic). "Hardball" host Chris Matthews stopped Cook on the way out to inquire about three Pennsylvania House races.

A quick cab ride got Cook to the Cannon office building just in time for his luncheon speech to the automobile group. Posters showing a plate and fork advertised "Lunch with Cook." The group's chief, Fred Webber, gave the intro: "To give us a sneak peek of what's going to happen on Election Day, no one -- no one -- is better than Charlie Cook."

Cook gave the same speech about Frankenstein and hurricanes, then offered some presidential prognostication for dessert. "I would give McCain a 60, 65 percent chance of winning the Republican nomination," he disclosed. By contrast, he added, "I'll win the Tour de France before Rudy Giuliani wins the Republican nomination."

The oracle hopped into a waiting sedan to catch his flight to Boston. The car ride gave him the first chance in hours to check his BlackBerry -- and to make some last-minute revisions to his prophecies. "Montana closing more than thought," he typed in an e-mail to a reporter. "Burns might not be dead yet."

Tuition Outpaces Inflation (NYT)

By Jonathan D. Glater

The New York Times, October 25, 2006

WASHINGTON, Oct. 24 — Tuition and other costs at public and private universities rose faster than inflation this year, the College Board said in a report released Tuesday. But the increases were more measured than in recent years.

In the report, the board also found that in the past five years, tuition and fees at public institutions rose more than at any other time in the past 30, increasing by 35 percent to $5,836 this academic year. Tuition and fees at private four-year colleges increased by 11 percent over the same period, though the average price of attending a private institution is $22,218.

“Neither student aid funds nor family incomes are keeping pace with college prices,” Gaston Caperton, president of the board, said at a news conference. “This is a serious problem that must be addressed.”

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The tuition and fees figures in the report are the so-called sticker prices, which do not reflect discounts students receive in the form of grant aid and tax benefits. Such aid reached about $9,000 at private four-year institutions, $3,100 at public ones and $2,200 at two-year institutions, the report said.

Although many students do not pay the sticker price, the cost of attending public and private universities has consistently outstripped the rate of inflation. Last year, the Consumer Price Index, a standard measure of changes in the cost of goods and services, rose by 3.4 percent. Tuition, fees, room and board have increased this year by more than 5.5 percent at both public and private four-year institutions.

The price increases at public universities are largely the result of declining federal and state support, the report said.

Margaret Spellings, secretary of education, said in a statement that the report "underscores the need to make colleges and universities more accountable for results and at the same time increase need-based aid."

Because of cost increases, students and their families are increasingly turning to loans. Private loans, which are not guaranteed by the federal government, generally have less favorable terms than federal loans, but are the fastest-growing option for financing higher education. Last year they totaled more than $17 billion.

At the same time, the average Pell grant, the federal government's grant to the neediest students, declined last year for the first time in 10 years, falling to $2,354 a year. Sandy Baum, senior policy analyst at the College Board and a professor of economics at Skidmore College in New York, said the decline resulted from a change in the formula for calculating Pell grant awards.

"Grant aid has failed to keep pace with the posted tuition charges," Robert Shireman, executive director of the Project on Student Debt, which is financed primarily by the Pew Charitable Trusts, said in a statement in response to the College Board report. "Income for most American families has stagnated, leaving students and their parents with little choice but to turn to loans."

The College Board report, which is compiled annually, drew on a survey of 2,677 public and private nonprofit institutions, as well as data from government agencies and other organizations, like the National Association of State Student Grant and Aid Programs. The survey was sent out in October 2005, and collected by August this year.

In the current academic year, the average cost of tuition, fees, and room and board at public four-year universities, attended by about 35 percent of undergraduates, was $12,796, up 5.6 percent from $12,115 last year, according to the report. At private four-year colleges and universities, attended by 16 percent of undergraduates, those costs were far greater: $30,367, up 5.7 percent from last year.

There are not enough data to measure room and board costs at two-year public institutions, attended by 41 percent of undergraduates, but tuition and fees rose 4.2 percent to $2,272, up from $2,182 last year.

Asked to predict future changes in tuition, Ms. Baum told reporters, "We predict that it will go up, not down."

Spikes In College Price Tags Not So Sharp (WP)

By Jay Mathews

The Washington Post, October 25, 2006

Amid partisan finger-pointing over soaring college costs, a national report offered some good news yesterday: Average tuition and fees are not rising as fast as they did a few years ago.

The College Board said the increase in tuition and fees at public four-year colleges, although still higher than the national inflation rate, slowed for the third year in a row. Increases at private four-year colleges have also cooled off in recent years, although the average yearly price of attending a private college is $22,218, far more than the state school average of $5,836.

At least two Washington area institutions are emblematic of the trend. At the University of Maryland, in-state tuition and fees for undergraduates were unchanged this year. At George Washington University, the increase was only 3.9 percent, about equal to national inflation. GW spokeswoman Tracy Schario said it was "our lowest increase in more than two decades."

But the smaller increases this year at many colleges were made possible by major price increases earlier in the decade. Middle-class parents have discovered, to the pain of their wallets, that the general inflation rate and the college inflation rate are

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out of sync. Overall, the College Board reported, state school prices are up 35 percent from five years ago, even after adjusting for inflation.

This year, average tuition and fees increased 6.3 percent at four-year public colleges and 5.9 percent at four-year private colleges. The annual price for two-year public colleges went up 4.1 percent, to $2,272. The College Board said the national inflation rate for the same period was 3.82 percent.

At the University of Virginia, in-state tuition and fees rose 9.1 percent, to $8,035, and at George Mason University, those costs went up 9 percent, to $6,408. American University's tuition and fees rose 5.7 percent, to $29,673, and Georgetown University's tuition and fees increased about 6 percent.

Kalman A. Chany, author of the Princeton Review book "Paying for College Without Going Broke," said the data show that it remains difficult for families to pay for college, even if this year's increases were not so bad. He said parents and students should consider seeking scholarships and subsidized loans to make sure they do everything possible "to minimize the sticker price."

Leaders of the House Committee on Education and the Workforce gave dueling interpretations of the College Board data. Rep. Howard P. "Buck" McKeon (R-Calif.), the committee chairman, blamed colleges for raising prices whenever Congress increases student aid. Rep. George Miller (D-Calif.), the committee's ranking member, said Congress should cut college loan interest rates and increase the value of federal Pell Grants for low-income students.

In some states this year, political candidates have accused state officials of letting tuition get too high -- a charge that Democratic gubernatorial challenger and Baltimore Mayor Martin O'Malley has hurled at Maryland Gov. Robert L. Ehrlich Jr. (R). The College Board report says that federal grant aid did not keep up with inflation but that total student aid increased 3.7 percent last year even after inflation. Even without factoring in inflation, the report says, the average federal Pell Grant for low-income students fell by $120 per participant.

James A. Boyle, president of the College Parents of America, said: "Unfortunately, schools continue to raise their sticker prices because they can. The demand of college-bound students currently exceeds the supply, as the bulge of the baby boom echo makes its way through American high schools and competes to claim the relatively fixed number of available college seats."

Boyle said that in the next decade, demand will slacken and colleges will have to compete on price. "That is of little comfort to families today, however, whose budgets and levels of patience are being stretched to the breaking point," he said.

The College Board report indicates that few students pay full price for college. On average, full-time students at private four-year institutions receive about $9,000 in aid each year in the form of grants and tax benefits. The aid is about $3,100 a year at public four-year schools and $2,200 at public two-year colleges.

Chany said the College Board data show that families should look out for the possibility that some well-regarded private colleges would cost no more than similarly prestigious out-of-state public universities when all the costs are figured in.

"Average out-of-state tuition and fees at public four-year colleges are 71 percent of average private four-year tuition and fees," the report says. "But adding room and board, the cost of a year for an out-of-state student at a public four-year college is 77 percent of the average tuition, fees, room and board at a private four-year college." Chany said students with good but not great grades in high school might also find more aid available at private than at public schools.

As Tuition Soars, Federal Aid To College Students Falls (WSJ)

By Robert Tomsho

The Wall Street Journal, October 25, 2006

At a time when employers say that almost every new job in the U.S. will require workers to have more than a high-school education, the chance that students at the bottom of the economic ladder can afford to finish college has taken a turn for the worse.

The College Board's latest annual reports on student aid and college pricing find that over the past five years tuition at public four-year universities has soared by a record-breaking 35% when adjusted for inflation. Meanwhile, spending on Pell Grants -- the biggest source of federal aid for low-income students -- fell for the first time in six years.

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"There is no question that the bulk of the impact of that is falling on lower- and lower-middle-income students," says Donald Heller, a Pennsylvania State University professor who has studied access to higher education. "They are getting killed on the aid side, and they are getting killed on the tuition side."

The number of students from all income levels pursuing post-secondary education continues to grow. But to stay in school, educators say, low-income students are taking loans, using high-interest credit cards to pay tuition, working more hours, and opting for two-year schools.

Low-income students are choosing two-year colleges for financial reasons even though studies show more of them are academically qualified for four-year schools due to efforts by school districts to push them into tougher, college-prep courses. But only 23% of community college students earn a bachelor's degree -- a vital credential in today's workplace -- within six years, as compared with 63% of students at four-year institutions, according to the College Board, a New York-based nonprofit that administers the SAT college admissions test and analyzes higher-education data.

The shrinking Pell Grant funding "doesn't give us the chance to attend college and get the degree we need to get the earnings that we should," says Kennel Etienne, a former Pell recipient from Revere, Mass. Mr. Etienne, 23, has been struggling to earn money to return to college since he dropped out of Mount Ida College, in Newton., Mass., for financial reasons two years ago.

Pell Grants are often used as an index of how accessible higher education is to lower-income students. About $12.7 billion in Pell Grants were awarded for the 2005-2006 academic year, down 3% from $13.1 billion the previous academic year. The average grant per recipient slipped to $2,354 from $2,474. The decline came after the Bush administration rejiggered the eligibility formula: It reduced how much money families in many states were assumed to be paying in state and local taxes, which increased their after-tax incomes and made many ineligible for the grants.

The vast majority of the 5.4 million students receiving Pell Grants come from families earning less than $40,000 a year. Despite much debate in Congress, the value of the maximum Pell Grant, $4,050, hasn't budged in three years even as the price tag for attending a four-year public university has soared. The maximum Pell grant met 33% of the average price of tuition, fees, room and board at a public four-year school in 2005-06, down from 42% in 2001-02.

The increase in tuition and fees at the four-year publics was a relatively moderate 6.3% last year, or 2.4% after adjusting for inflation. But College Board data shows that the overall 35% inflation-adjusted increase since 2001-2002 is the biggest five-year jump since it began gathering such data in the 1970s. It's also more than triple the 11% inflation-adjusted increase at private colleges. Private colleges face many of the same cost increases as their public-sector brethren. Over the past five years, utilities costs for colleges and universities have risen by 72%, according to the College Board, while costs for employee benefits are up 31%.

Neither "student-aid funds nor family incomes are keeping pace with college prices," Gaston Caperton, the College Board president, said yesterday. "This is a serious problem that must be addressed."

About 35% of the nation's 15.2 million undergraduates attend four-year public universities and about 16% go to four-year private schools, according to the College Board. About 41% attend two-year public schools, with most of the rest going to for-profit colleges, such as the University of Phoenix.

The steep tuition increases for public colleges come as many state legislatures, facing growing pressure to fund other priorities such as Medicaid, prisons and primary and secondary education, have reduced in recent years appropriations for higher education on a per-student basis. State and local government appropriations were $5,825 per full-time student in 2004-2005, down from $6,846 per student in 2000-2001 after adjusting for inflation, the College Board said.

To compensate for the pressure on appropriations, four-year publics have raised tuition, making bargains harder to find. At the University of Texas at Austin, once considered one of the sector's best buys, tuition has increased by 47% over the past three years. Meanwhile, at California public universities, where the cost of attending was minimal until the 1990s, tuition and fees have soared by 40% in the past five years, to as much as $7,000 a year at the University of California campuses, the state's most selective schools.

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The College Board reports come amid increasing debate over higher education policies that appear to favor affluent students. Many universities, seeking to boost their standing in the college rankings, have increasingly used their own resources to award merit aid to top-ranking students who have no financial need.

According to one recent study, only 10.8% of undergraduates at 19 leading public and private universities come from families in the bottom 25% of annual income. In recent months, both Harvard and Princeton said they planned to drop early admissions, saying that such programs, which are commonplace among selective colleges, favor the already-advantaged.

At the same time, corporate leaders concerned about the nation's future competitiveness are calling for students from a broader range of backgrounds to attend college. "We think it's critically important," says Arthur Rothkopf, senior vice president of the U.S. Chamber of Commerce. "We think 90% of the newly created jobs in this country are going to require some post-secondary education."

College Aid Is Up, But Tuitions Are, Too (USAT)

By Mary Beth Marklein

USA Today, October 25, 2006

WASHINGTON — College tuition prices are up, no surprise. And to a lesser extent, so is total student aid.

But federal Pell Grant funding for low-income students declined for the first time in six years, and students borrowed more from private lenders last year than ever before.

Those are just a few of a wide range of findings related to the cost of attending college that were released Tuesday by the College Board, a non-profit whose members include more than 5,000 schools, colleges and education groups.

Published tuition and fee increases continued to slow, the report says:

•Public four-year university prices for in-state students rose 6.3%, to $5,836, vs. 7.1% last year, after two years of double-digit increases.

•Private four-year university prices were up 5.9%, the same rate of increase as last year, to $22,218.

•Public two-year college prices rose 4.1%, to $2,272, down from the 5.4% increase last year.

The report cautions that pricing patterns vary by region and have grown “increasingly complex,” in part because some colleges charge different amounts depending on what year a student enrolled or what they're majoring in.

Also, the average net prices — that is, the amount students pay after financial aid is factored in — are “significantly lower” than published prices, though they are increasing, too. But the report notes that financial aid averages conceal the wide range of aid awards; some students get a full ride, others pay the full amount. And federal tax benefits and a trend toward non-need-based state and institutional aid benefit middle- and upper-income students more than lower-income students, it says.

While private-university prices are on average higher, public four-year universities have struggled most with controlling the amount students end up paying. Their inflation-adjusted tuition increased 35% over the past five years, compared with 11% for private four-year universities. And net price increased even more dramatically at publics — 69% in inflation-adjusted dollars over that period vs. 9% for privates.

Also, students at public universities on average take longer to graduate (6.2 years vs. 5.3 at private universities). That adds to the cost of attending college, both because of additional tuition charges and loss of potential income.

The report also notes that when related expenses are considered, the differences in the costs of attending two-year and four-year public institutions narrow. Published tuition charges at two-year schools represent 39% of the average four-year school, for example. But when room and board, books and supplies, and transportation are included, the cost of attending two-year college ($12,300) is 75% of the cost of attending a four-year public college ($16,400).

Student aid, including state, institutional and federal grants, increased 3.7% to $134.8 billion in 2005-06, compared with 3% the previous year, the report says. But funding for the Pell Grants, the federal government's main need-based aid program, was down from $13.1 billion in 2004-05 to $12.7 billion last year, and the average amount per recipient dropped $120, from $2,474 to $2,354. Last year, the maximum Pell Grant, $4,050, covered 33% of tuition at public four-year institutions; four years ago, it covered 42%.

The decline was no surprise; the report attributes it mostly to a technical change in the formula for eligibility.

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Nevertheless, in light of intensifying concerns about access to college, the drop is “greatly disturbing,” says David Ward, president of the American Council on Education, an umbrella group for colleges and universities.

Education Secretary Margaret Spellings, though, took colleges to task. “Parents and students must understand why costs are so high and what they are getting for their money,” she said. She also said institutions and states must do more to increase need-based aid.

Rep. Howard McKeon, R-Calif., head of the House education committee, also took a swipe. Noting that federal student aid has nearly doubled in the past decade, he said, “No matter how much student aid rises from one year to the next, an equally dramatic spike in college costs follows.”

Median debt levels of graduating students are “almost certain” to have increased in recent years, the report says, because neither grant aid nor family incomes have kept pace with cost hikes. The median student debt for bachelor's degree recipients in 2003-04, the latest year for which statistics are available, was $19,300. Median debt levels for graduates increased sharply between 1995-96 and 1999-2000, but 2003-04 graduates “were no more deeply in debt than those who had graduated four years earlier,” the report says.

Federal loans remain the largest source of student loans. But the report says private loans are growing more common. Last year, they accounted for 20% of all such borrowing; a decade ago, it was about 4%.

That's “worrisome,” says Robert Shireman of the non-profit Project on Student Debt, because private loans are riskier. “It's more important than ever to ensure that student loans help, rather than hurt, responsible borrowers.”

Spitzer Is Good For Business (WSJ)

By Donald G. Kempf Jr.

The Wall Street Journal, October 25, 2006

Eliot Spitzer looks like a shoo-in to be New York's next governor. Given his reputation, those who operate businesses (or do business) in the state may be fearful that there are dark days ahead. They shouldn't be. Based on my experiences with him, I expect Mr. Spitzer to be a strong -- and successful -- advocate for sound and sensible economic growth. I see good times ahead for business interests, not bad.

Mr. Spitzer has been accused of overreaching as New York's attorney general, operating outside of his areas of expertise when dealing with federal securities laws and such. That's not what I saw as the general counsel of a large New York financial institution. Mr. Spitzer often had a better grasp of the underlying facts, legal implications and policy considerations than many from the federal regulatory agencies. Discussions (sometimes debates) with him on the substance of matters were both focused and fruitful. He was especially constructive when it came to searching for sensible solutions that would facilitate firms resolving problems and getting back to running their businesses for the benefit of customers, employees and shareholders.

Moreover, because he is both smart and self-assured, Mr. Spitzer is willing to engage where others at times seek to hide behind their regulatory status. Ask him, "How can you justify that?" and he will answer you. (Sometimes quite aggressively, to be sure, but he will answer you.) Ask the same of someone from a federal agency involved in the same matter and the reply you're apt to get is often something like, "We don't have to justify (or even explain) our actions to you. We are the ones officially charged with this area of responsibility. We have made our determination and that is the end of it."

Mr. Spitzer does not welsh on deals either -- as some public servants seem wont to do. Their excuse/rationale runs something like this: "We don't represent a 'regular' client -- we represent a 'special' client, the public. Therefore, if we enter into a deal but later think of something else we want to do instead, it's fine for us to renege." Not Mr. Spitzer: When he gives his word, he keeps it. As one senior financial institution executive once put it, "In his dealings with us, Eliot has never done something he said he wouldn't do or failed to do something he said he would do."

Still, the story line runs something like this: Why is this guy Spitzer "meddling" in stuff over which the feds already exercise jurisdiction? The answer, of course, goes all the way back to the founding of the country and the federalist system we adopted back then. At the end of the day, far from being an officious intermeddler, Mr. Spitzer has proven to be a catalyst for constructive change.

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When it comes to fashioning sound public policy in areas where legitimate business interests are at stake, Mr. Spitzer has demonstrated on many occasions that he is neither anti-business nor a knee-jerk reactor. He placed New York among the states that supported the Bush administration's consent decree ending the Microsoft case, rather than among those states that opposed it. He has long been a supporter of and also an advocate for sound reforms in the area of tort law. He has also been actively involved in groups seeking to strike a sensible balance between individual rights and community safety.

The comprehensive strategy Mr. Spitzer outlined last month "to make New York the best place in America to do business" sets forth a number of decidedly business-friendly initiatives. Included are the prospect of lower worker compensation premiums; reform of the archaic Wicks Law, which drives up construction costs in public projects; and a streamlining of the regulatory system to help break the logjam, providing clearer permitting standards and shortening and simplifying the regulations. There's more, of course, and, if he can pull much of it off -- and based on Mr. Spitzer's past performance it seems like a good bet he can -- it spells a healthy and positive business climate for the state.

My political heroes are Ronald Reagan, Newt Gingrich and George Bush -- W., not H.W. So it came as something of a surprise to me that, the more I dealt with Eliot Spitzer, the higher I came to regard him and the more respect I had for him as a public servant. I guess, as they say, the proof of the pudding is in the eating.

Mr. Kempf was executive vice president, chief legal officer and secretary of Morgan Stanley until his retirement in 2005.

Rice Says 'Axis Of Evil' Proven Right (AP)

By Anne Gearan

AP, October 25, 2006

Recent events in Iran and North Korea support President Bush's 2002 claim that those nations were part of an "axis of evil," Secretary of State Condoleezza Rice said Tuesday.

After discussions of the North Korean nuclear test and the anti-Semitic remarks of Iranian President Mahmoud Ahmadinejad, radio host Sean Hannity asked Rice about the axis remark.

"You think of some of the world reaction to the president's use of the word 'axis of evil,' and then you see how events have been unfolding," Hannity remarked.

"It was a pretty good analysis, wasn't it?" Rice replied. "It really was."

Bush used the term to describe Iraq, Iran and North Korea, states he said sponsor terrorism and seek weapons of mass destruction. Iraq's dictator, Saddam Hussein, was toppled the next year in a U.S.-led coup, but autocratic governments remain in place in the other two countries, and both have nuclear programs that alarm the West.

The remark in Bush's State of the Union address drew immediate criticism as too shrill and potentially damaging to U.S. foreign policy. In the case of North Korea, it has been blamed for souring what might have been an opportunity for the U.S. to engage the reclusive Pyongyang leadership and negotiate an end to its nuclear weapons program. The Bush administration says North Korea was determined to cheat and that it pursued a more effective strategy of international diplomacy.

"The president three years ago realized that in order to manage the North Korean nuclear problem, a problem that's been going for decades, we have to have a regional coalition," Rice said in the interview. "This isn't something the United States was going to be able to do alone."

Proof of the strategy's success came when China voted this month to impose sanctions on its neighbor and ally North Korea, she said.

On Iran, Rice said that nation's people deserve a better leader. She predicted the U.N. Security Council will approve sanctions against Iran over its disputed nuclear program "in the next few weeks."

Hannity asked Rice about her career plans, including what Rice has called her dream job of running the NFL. She did not seek the NFL commissioner's job when it came open earlier this year, saying she still had work to do at the State Department.

"Yeah, I lost that, " Rice said. "It came up a little early."

Hannity tried a political question Rice has shot down for months: "You have no intention of running for president?"

"No," Rice said.

"Never?"

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"No."

Bolton: Sanctions 'help Regime Change' (FT)

By Guy Dinmore And Daniel Dombey

Financial Times, October 25, 2006

Imposing economic and political sanctions against Iran and North Korea will help democratic forces in those countries as Washington pursues its "ultimate objective" of regime change, John Bolton, the US ambassador to the United Nations, said on Tuesday.

Mr Bolton's comments, to Fox News, reflect the views of hardliners in the Bush administration who doubt that the threat of nuclear proliferation can be dealt with through negotiations.

Although the US denies it is pursuing a "regime change" policy towards what it calls the "axis of evil", Mr Bolton's linking of sanctions with "democratic forces" are likely to complicate delicate coalition-building efforts by Condoleezza Rice, secretary of state.

Last week Ms Rice went to Japan, South Korea, China and Russia to co-ordinate the implementation of UN sanctions imposed against North Korea in response to its underground nuclear weapon test. This week the focus shifts to New York where the US and Europe are working on a sanctions resolution for Iran.

European diplomats said they had clashed with Mr Bolton, rejecting his attempt to include a provision that would stop Russia supplying nuclear fuel to the Iranian reactor under construction at Bushehr.

Some European officials suggested Mr Bolton was "freelancing" and did not have the backing of Washington for a position that was sure to antagonise Russia. Diplomats said France, Germany and the UK would put forward a narrowly focused draft resolution soon. US officials declined to comment.

Asked by Fox News why the UN did not try to encourage political change in Iran and North Korea, Mr Bolton said talk of changing authoritarian regimes into democracies would "make a lot of countries unhappy".

He went on: "But I think that's something the United States and its friends should be pursuing on their own, because that is our ultimate objective. If you had countries that were responsive to the public will – unlike, say, North Korea or Iran – I think the odds are considerably reduced that they'd want to spend their scarce resources on nuclear weapons."

The US, he said, wanted to mobilise international support to isolate those regimes economically and politically. "That puts pressure on them internally. I think that helps democratic forces in those countries or in their diasporas."

But he also suggested that change would not happen soon.

Analysts in Tehran say his remarks will not encourage Iran to resume talks under the US-imposed precondition that it first suspend its uranium enrichment programme.

The US expressed concern that Iran will start up a second set of enrichment centrifuges at its Natanz plant in defiance of a UN demand for suspension. Iran insists it will only enrich the fuel, under international inspection, to the low level needed for a civilian reactor.

West Wants Iran Technology Sales Banned (AP)

By George Jahn

AP, October 25, 2006

The U.S. and its allies want the U.N. Security Council to ban the sale of missile and atomic technology to Iran and end most U.N. help for its nuclear programs — moves diplomats said Tuesday are narrowly focused in hopes of winning Russian and Chinese backing for sanctions.

The diplomats, who spoke with The Associated Press on condition of anonymity because the draft resolution was not yet public, said the proposal also would commit U.N. member nations to denying entry to Iranian officials involved in developing missiles or nuclear systems.

A Security Council resolution passed last week imposed similar sanctions on the sale or transfer of technology that could contribute to North Korea's nuclear and ballistic missile programs after that nation's test explosion of a nuclear bomb.

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One of the diplomats described all three measures aimed at Iran as moderate in impact, saying that was an attempt to win Russian and Chinese support. Moscow and Beijing could be formally presented with the draft later this week, the diplomat said.

Both Russia and China have agreed in principle to imposing sanctions over Iran's defiance of a council ultimatum to freeze uranium enrichment and sharply improve cooperation with the U.N. probe of suspect Iranian atomic activities.

But both continue to publicly push for dialogue instead of U.N. punishment, despite the collapse last month of a European Union attempt to entice Iran into talks. The EU proposed Iran at least temporarily freeze enrichment as a condition for multilateral talks meant to erase suspicions it may be trying to build nuclear arms in violation of its treaty commitments.

As permanent members of the council, Russia and China hold the power to veto its actions, as do the United States, France and Britain, which drew up the sanctions resolution.

Iran insists it won't halt uranium enrichment, which it says is intended solely to produce fuel for nuclear reactors that will generate electricity. But enrichment also can produce material for nuclear warheads, and the U.S. and others are suspicious of Iran's intentions.

Canceling technical assistance to Iran from the U.N. nuclear watchdog, the Vienna-based International Atomic Energy Agency, would do little to ease such fears. But as the first such withdrawal of IAEA help, it would send a strong signal of international displeasure with Tehran.

IAEA technical programs, which are freely available to all member countries, are restricted to medical or agricultural help, nuclear safety expertise and other peaceful applications that cannot be diverted for weapons purposes.

Typical projects, as listed in a confidential IAEA document seen by AP, involve the disposal of radioactive waste produced by nuclear reactors and the use of narrowly targeted radiotherapy for tumors.

In a bow to Russia, the draft resolution exempts IAEA technical cooperation on operational safety and legal advice at Iran's Bushehr nuclear facility being built by the Russians.

The facility would be Iran's first atomic power plant and the Tehran government recently allocated about $245 million to finish it. The facility is now projected to go on line in late 2007, nearly a year later than originally envisaged.

It was unclear how any eventual sanctions might impact Russia's planned sale of 29 Tor-M1 air defense missile systems to Iran. Analysts in Russia have said Moscow might scuttle the deal as part of a give-and-take with Washington over sanctions.

One of the diplomats who spoke with AP said Washington had wanted to include Bushehr and ban all IAEA technical cooperation but reluctantly agreed with Britain and France that Russia would not go along.

A U.N. official said Tehran would probably depict any sanctions as a U.S.-inspired blow against Iranian programs that aid the poor by using nuclear technology to treat the sick and to increase agricultural yields by reducing crop pests.

Additionally, he said, Iran will argue that no evidence has been found proving it seeks to make nuclear weapons despite more than three years of IAEA probes. As such, Tehran will say it has a continued right to IAEA technical aid as an agency member in good standing, he said.

Iran has shrugged off the threat of sanctions. Diplomats told AP on Monday that experts had begun testing a second enrichment facility at Natanz, in central Iraq, over the past few weeks in defiance of the council's ban on such activities.

Iran produced a small batch of low-enriched uranium — suitable for reactor fuel but not weapons — in February, using its initial cascade of 164 centrifuges at its pilot plant at Natanz.

Iran has said it plans to install 3,000 centrifuges at Natanz by the end of this year, but experts have said industrial-scale production of enriched uranium would require 54,000 centrifuges.

N Korea 'has No Plan Yet' For Second Test (FT)

By Richard McGregor And Anna Fifield

Financial Times, October 25, 2006

China said on Tuesday North Korea had no immediate plans to conduct a second nuclear test, damping speculation of another blast following the imposition of United Nations' sanctions on the reclusive state.

However, a Chinese foreign ministry spokesman suggested that Kim Jong-il, the North Korean leader, had warned in a meeting with a senior Chinese politician last week that Pyongyang could test another bomb if the pressure on it was not eased.

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"He [Kim] indicated that [North Korea] has no plans for a second nuclear test but if other countries impose more pressure, then [North Korea] may take further steps," the spokesman, Liu Jianbao, said.

The South Korean and Japanese governments both said last week that they had detected activity suggesting North Korea might be preparing to conduct a second nuclear test.

This followed reports that US spy satellites had detected "suspicious vehicle movements" that could signal preparations for another test, and a defiant statement from North Korea warning the US "not to miscalculate".

However, such fears have failed to materialise and many analysts think Pyongyang will try to drag out the crisis for as long as possible.

Kim Tae-woo, a nuclear specialist at the Korea Institute of Defence Analyses, said he did not expect a second test in the near future.

"Even though they need more nuclear tests, they will use this as a card to play when they feel really threatened. Then they will conduct a second test," Mr Kim said.

But because the first test was considered a technical failure – the small size of the blast suggested the weapon had not fully detonated – it was likely that North Korea would want to try to iron out the problems then eventually test again, analysts said.

The same applied to the intercontinental ballistic missile that failed shortly after it was launched in July.

In a regular news briefing in Beijing, Mr Liu warned the international community not to do anything that could further escalate tensions on the Korean peninsula.

"All parties should not wilfully interpret or expand the sanctions," he said. "Sanctions are not the end. They should serve the goal of peacefully settling the crisis through dialogue and consultation."

Mr Liu also said he was unaware of any moves by China to reduce its food or energy aid to North Korea, something the US has long encouraged it to do as a lever to bring Pyongyang to heel on the nuclear issue.

Beijing has been critical of Washington's imposition of financial sanctions but otherwise the two sides have been working unusually closely on the nuclear issue.

North Korea has expressed a willingness to return to the six-party talks, which also involve Russia, South Korea and Japan, on its nuclear programme, but only if the US lifts financial sanctions.

China Says N. Korea Not Planning Test (AP)

By Alexa Olesen, Associated Press Writer

AP, October 25, 2006

China gave its first full public account Tuesday of its mission to North Korea, saying it got no apology from top leader Kim Jong Il for the atomic explosion but did receive assurances there were no plans for a second nuclear test.

The North's reclusive leader also expressed a willingness to return to six-nation talks over its nuclear program if financial restrictions levied by the U.S. are first resolved, said Chinese Foreign Ministry spokesman Liu Jianchao.

Chinese State Councilor Tang Jiaxuan met with Kim last week during a trip to Pyongyang with Beijing's top nuclear envoy and vice foreign minister that analysts and diplomats had called a critical opportunity to assess the North's intentions.

The meeting resulted in no breakthroughs, but China cast the discussions in a positive light.

Tang was told during meetings with Kim and other North Korean officials that the regime has no plans currently to carry out a second nuclear test, Liu said. "But if it faces pressure, North Korea reserves the right to take further actions," he added, citing Tang.

A second nuclear test has been widely believed to be a possibility. Earlier this month, U.S. media reported that Pyongyang may be preparing for another blast, citing suspicious activity at a suspected test site in the country's northeast.

But on Tuesday, South Korea's Yonhap news agency reported the U.S. military had not detected signs of preparations for a second atomic test.

Despite the apparently conciliatory tone of the Pyongyang meeting, Liu said Kim did not apologize for his regime's nuclear test, as some South Korean media had reported.

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"These reports are certainly not accurate," Liu said. "We haven't heard any information that Kim Jong Il apologized for the test."

North Korean officials told the Chinese envoy Pyongyang was willing to return to international negotiations on its nuclear program but wants "certain questions, including the matter of U.S. financial sanctions against it, resolved first," Liu said at a regular press briefing.

The U.S. has sought to cut off the North's access to international banking as punishment for alleged counterfeiting of U.S. dollars and other illicit activity. Pyongyang has denied the charges and boycotted six-nation talks on its nuclear program until the U.S. ends the crackdown.

"All countries involved in the six-party talks believe the talks should be resumed but of course the parties do not all agree on how," Liu said, referring to the talks Beijing has hosted since 2003. They include China, the two Koreas, the United States, Russia and Japan.

"Consultations are required to find a way acceptable to all," he said.

The North Koreans also said countries should not "willfully interpret or expand the sanctions" imposed by the United Nations because of the test, according to Liu.

The United States and Japan are among countries that have imposed additional sanctions on the North. Liu said he had no information to indicate that China had already, or was considering, cutting its food and energy assistance to North Korea.

Beijing, as the North's main ally and source of aid, has the greatest leverage over the regime. However, China has been reluctant to pressure the North, in part out of fear that a collapse of social order there would result in a flood of refugees over their shared border.

Instead, it has been involved in a flurry of diplomatic activity aimed at lessening tensions and preventing the crisis from escalating since Pyongyang announced its Oct. 9 nuclear test.

Secretary of State Condoleezza Rice visited Beijing last week and Ban Ki-moon, the next U.N. secretary-general and South Korea's foreign minister, was scheduled to arrive in Beijing on Friday to discuss the standoff with top Chinese leaders.

Ban said he plans to use his new position as U.N. chief, which he'll assume at the beginning of next year, to seek a peaceful resolution of the nuclear issue. He also said Seoul fully backs the U.N. sanctions imposed on the North as punishment for the nuclear test.

South Korea has yet to outline any specific action it plans to take to enforce the sanctions. The U.S. has urged the South to join an anti-proliferation initiative, and to take steps for more accountability in joint economic projects with the North.

Ban said Seoul was still reviewing its policies "to bring them closer in line" with the U.N. measures.

South Korea's unification minister Lee Jong-seok, who is in charge of relations with North Korea, offered to resign on Tuesday to take responsibility for the North's nuclear test, the presidential office said Wednesday. Lee has been a strong supporter of engagement with North Korea, and his critics accuse him of being pro-Pyongyang.

Associated Press writers Jae-soon Chang and Burt Herman in Seoul, South Korea, and Kozo Mizoguchi in Tokyo contributed to this report.

China And US Closing Ranks Over North Korea Issue: US (AFP)

AFP, October 25, 2006

NADI, Fiji - The US and China "have never been closer" in the wake of North Korea's nuclear test earlier this month, US Assistant Secretary of State Christopher Hill said.

Hill, who has responsibility for East Asia and the Pacific, has been travelling recently with US Secretary of State Condoleezza Rice in East Asia to try to ensure a united front on the application of UN sanctions against North Korea after its nuclear test on October 9.

"In China we felt we were speaking with one voice on this issue," Hill told journalists on the sidelines of a meeting of Pacific Island Forum leaders.

"At no time have we felt closer together than we have felt in the wake of these North Korean provocations."

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"I think the Chinese understand that the North Korean provocations, the decision to proceed with a nuclear weapons programme is really something quite beyond the pale and something we need to all speak with one voice about," Hill said.

"It always used to be that the Chinese would ask for more patience and we'd ask the Chinese for less patience but I think today we are really working better together."

"Ultimately the proof of the pudding will be if we can get North Korea back to the negotiating table and out of these programmes."

China is Pyongyang's closest ally and Beijing's foreign ministry said Tuesday that North Korean leader Kim Jong-Il had told Chinese envoy Tang Jiaxuan last week that a second nuclear test was not currently planned.

However, a Chinese foreign ministry spokesman added that increased international pressure could trigger more action.

Rice Proposes Asia Form Security Alliance (WT)

By Nicholas Kralev

The Washington Times, October 25, 2006

BEIJING -- Secretary of State Condoleezza Rice is urging Asian nations to form a regional security organization to address common threats, suggesting that the six-nation forum dealing with North Korea -- which includes China and Russia -- could be a useful starting point.

Such an organization would not come even close to NATO's integrated political and military structures, but it would assure more effective responses to crises such as Pyongyang's recent nuclear test, Miss Rice told reporters in Beijing during a regional tour last week.

A senior State Department official said the secretary will elaborate on the concept during a speech at the Heritage Foundation in Washington today.

"That you've had no way to even have conversations about common security threats is a problem for the region, and it gets exposed when you have something like this," Miss Rice said of the North Korean nuclear issue.

"There are highly developed security arrangements all throughout Europe -- as a matter of fact, some people think too many," Miss Rice said. "I don't think this region is probably going to develop an organizational structure anything like what you have in Europe."

But a more informal group, perhaps growing out of the six-party process that includes the United States, Japan and South Korea, is not only possible, but also necessary, she said. U.S. officials said Australia, Indonesia, the Philippines and other countries also would be good candidates for a security organization.

"Those mechanisms, I think, are going to need to come into being and begin to give the region a way to have this conversation," Miss Rice said, adding that the six-party framework "is a first chance to do some of that."

The Bush administration, which has refused to negotiate with North Korea bilaterally, proposed the six-party talks in 2003 on the grounds that it would be more difficult for Pyongyang to break an agreement that involved several countries, including its benefactor China.

"The fact that we can all talk about proliferation issues with one another, defense issues with one another -- eventually, I think, more articulated versions of all of those -- is something that this region has really lacked," Miss Rice said.

Miss Rice did not say whether North Korea, the other participant in the six-party talks, would be invited. But another official familiar with interagency talks on the issue said membership could be held out as a reward to Pyongyang if it dismantles its nuclear program.

The official said the proposal was first developed four years ago under Secretary of State Colin L. Powell but sidelined by opposition from Vice President Dick Cheney and Defense Secretary Donald H. Rumsfeld.

Some officials remain wary of anything that smacks of rewarding North Korea after its Oct. 9 nuclear test.

Analysts generally agree that a regional security organization in Asia is necessary, and point to the Asia-Pacific Economic Cooperation as a model. APEC heads of state meet each November for a high-profile summit on economic issues. This year's meeting will be held in Vietnam.

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But several diplomats and analysts expressed doubts that China in particular would sign on to a security arrangement that institutionalizes the dominance of the United States in the Asia-Pacific region.

Critics of the plan note that China has refused to invite the United States to join the Shanghai Cooperation Organization, which deals with Central Asian security issues, and has excluded the United States from joining the East Asia Economic Summit.

Many APEC members complained at the 2003 summit in Bangkok that President Bush wanted security to dominate the agenda while they preferred to talk about economics and business.

But U.S. officials said that, had there been a forum at which Asian security could be discussed, Mr. Bush would not have been accused of trying to "hijack" the APEC agenda with issues such as terrorism and proliferation of weapons of mass destruction.

Jamie Metzl, executive vice president of the Asia Society in New York, noted that Asian security also is a topic at the Association of Southeast Asian Nations' Regional Forum, which takes place every summer. But, he said, ASEAN "doesn't have the robustness required to address the region's needs as a whole."

Michael Pillsbury, a specialist on China, said the secretary's proposal will challenge China's government.

"This will fuel the debate in China between hard-liners and the moderates about whether to accept this constructive offer," he said. "This will revive the debate over China's refusal to join the U.S. as a responsible stakeholder."

Michael E. O'Hanlon, senior fellow in foreign policy studies at the Brookings Institution in Washington, said a security organization is a good idea, "but it will have an inauspicious start if we fail utterly to deal with the North Korean nuclear threat using the same putative grouping."

Miss Rice credited the six-party process, and China's participation in particular, with the relative ease with which the United States negotiated a unanimous U.N. Security Council resolution punishing North Korea for its nuclear test.

"Thirty years you haven't been able to get a Security Council resolution on North Korea, and when you get one, it's Chapter 7, it's 15-0, and China is at the center of it," Miss Rice said.

Chapter 7 of the U.N. Charter is invoked only when the 15-member council determines that international peace and security are being threatened. The North Korea resolution imposed trade and financial sanctions related to Pyongyang's weapons of mass destruction programs and banned imports and exports of illicit materials and equipment.

Test Sparks N. Korea Backlash In Japan (AP)

By Hans Greimel

AP, October 25, 2006

When a bamboo grove mysteriously erupted in flames and nearly engulfed an office compound of Japan's biggest pro-North Korean organization, So Chung-on was hardly surprised.

Harassment of Japan's insular North Korean community, the biggest outside the homeland or China, dates back decades. But animosity has flared to new levels since North Korea stunned the world with its nuclear test.

"The atmosphere in Japan is now the worst," said So, director of international affairs at Chongryon, an umbrella group acting as de facto embassy for tens of thousands of ethnic Koreans who live in Asia's richest capitalist society yet see North Korea as home.

No one was hurt in the Oct. 17 arson attack, and the blaze was put out before it could torch local Chongryon offices. But it was one of several outbursts putting people on edge — including angry protests outside Chongryon facilities, threatening phone calls to North Korea-backed private schools and a severed pinkie finger mailed to the group's headquarters with a note promising "punishment from heaven."

North Koreans in Japan have long been vilified as a communist fifth column, but with Tokyo leading a worldwide campaign to sanction Pyongyang for its nuclear test, they now stand in an unwanted spotlight.

Japan, lying within easy range of North Korean missiles, is especially jittery about its neighbor's atomic arsenal. After the Oct. 9 test, Tokyo banned North Korean imports, barred port entry of North Korean ships and prohibited most North Korean nationals from entering the country.

Chongryon has not commented on the nuclear test, but was quick to condemn the backlash.

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The measures will likely strangle North Korean businesses in Japan and divide families with roots in both countries. It could also finally kill off reconciliation between rival camps of North and South Koreans in Japan.

"Koreans who have nothing to do with the nuclear test have become the victim," Chongryon said in a statement. "The ratcheting up of sanctions severely threatens the rights and lifestyle of Koreans in Japan."

There are some 600,000 ethnic Koreans among 127 million Japanese, most of them descendants of people who moved here voluntarily or by force during Japan's 1910-1945 colonial rule of the Korean peninsula. About 200,000 are affiliated with Pyongyang.

All Koreans in Japan face discrimination in Japan. All Koreans were stripped of their Japanese citizenship after World War II and those in Japan found themselves in a society that often looked down on them as former colonial subjects.

Yet given the long-standing animosity between Tokyo and Pyongyang, North Koreans face especially limited economic opportunities, confined to tight-knit community-run businesses. Students who attend North Korean schools find it all but impossible to enter public universities.

Chongryon functions like an embassy because Japan and North Korea have no diplomatic ties. Its walled headquarters in Tokyo is guarded by police. Inside, visitors are greeted by a giant mural of North Korea's founding father Kim Il Sung and his son, current leader Kim Jong Il.

The current backlash began in July, after North Korea conducted internationally condemned missile tests.

Since then, there have been 130 cases of harassment and intimidation against North Korean students, Chongryon said. The pace quickened after the nuclear test, with two arson attacks against Chongryon facilities, including the bamboo incident in the city of Mito.

Tokyo's sanctions are meant to squeeze North Korea's economy and pressure Pyongyang into giving up its nuclear ambitions. But in reality, North Korean trade with Japan tumbled 85 percent from 2001, to a paltry $195 million last year. Analysts say any additional crackdown will have limited impact overseas.

But in Japan, it will dig deep into North Korean businesses that rely on importing manufactured goods like cheap men's suits, marine and agriculture products, like clams and mushrooms, and raw materials such as coal.

Meanwhile, banning North Korean ships will shut the doors on the most popular way for North Koreans to visit relatives back home, and the new immigration restrictions will further limit travel.

Chongryon's future is anything but bright, said David C. Kang, a North Korea expert at Dartmouth University.

Loyalty toward Chongryon started fading in the 1990s when North Korea's economy flat-lined and famines killed an estimated 2 million people. Then, in 2002, Kim Jong Il shocked the world by admitting North Korean agents had been kidnapping Japanese citizens to train communist spies.

Today, many North Koreans simply opt for South Korean or Japanese citizenship to escape the stigma.

Chongryon tried to bolster its support by striking a landmark reconciliation accord with the South Korean association in Japan earlier this year. But the nuclear crisis scuttled that too.

"The North Korean community is dwindling, for both assimilation in Japan and also because it's such a sinking ship," Kang said.

General Says U.S. Could Beat N. Korea (AP)

By Robert Burns

AP, October 25, 2006

The U.S. military would prevail in a war against North Korea but at a greater cost in lives than if the United States were not already fighting in Iraq and Afghanistan, the chairman of the Joint Chiefs of Staff said Tuesday.

"It would not be as clean as we would like it to be, but it would certainly be sure, and the outcome would not be in doubt," said Gen. Peter Pace.

He told a Pentagon news conference that the U.S. military has plenty of people available to fight wars beyond Iraq and Afghanistan, but he acknowledged that U.S.-based ground combat units are not fully equipped.

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"We have 2 million folks who can start protecting this nation anywhere else we need them to tomorrow, if we need them to," Pace said when a reporter asked what sort of threat North Korea's military poses.

The fight, however, would be messier than if the U.S. military did not have 147,000 troops tied up in Iraq and about 20,000 in Afghanistan.

"It would be more brute force, wherever we might have to go next, than it would be if we weren't already involved in the war we have going on in Iraq and Afghanistan," Pace said. "Why? Because you need precision intelligence to drop precision munitions. And a lot of our precision intelligence assets are currently being used in the Gulf region. So some of those would not be available if you had to go someplace else."

As a result there would be more unintended damage inflicted, he added.

"You end up more like a World War II, Korean War campaign," he said, adding that he was not making any predictions. "I'm just saying that, on a scale, you're going to have to use more brute force to get the job done" in North Korea.

Pace said U.S. intelligence can determine the size of the North Korean military but it cannot provide an equally important piece of information in assessing the threat of war: the intent of North Korea's leaders.

"What is not knowable is the intent of the leadership in North Korea to use or not use that power at any given time," he said. "And applying Western logic to the leadership in Korea is not something that I would personally want to get my future on."

Concerns about North Korea's intentions have grown in recent months following its July missile tests and its underground nuclear test, which prompted the U.N. Security Council to impose sanctions on North Korea.

Pace said he had seen no indication that North Korean forces have been placed on a higher state of alert.

"To my knowledge, the North Koreans' status of their armed forces is stable," he said. "I mean, they haven't raised or lowered any particular parts of their readiness to cause any kind of alarm."

Across South Korea, Softer Feelings Toward The North (NYT)

By Martin Fackler

The New York Times, October 25, 2006

BUNDANG, South Korea, Oct. 22 — With news about the North Korean nuclear crisis flashing on the living room television, Kim Yoon-sup unleashed a verbal barrage of his own at the heavily armed Communist nation, some 60 miles north of this wealthy Seoul suburb.

From a sofa in his son's high-rise condominium, the 79-year-old Korean War veteran blasted the North for murdering its domestic opponents, starving its population, and amassing legions of tanks and cannons. Mr. Kim, a retired air force colonel, also criticized his own country's policy of engagement, which had failed to stop the North's nuclear test earlier this month.

But asked if South Korea should sever its growing trade and investment ties with the North, as many in the United States advocate, his answer was a firm no. His country must continue engagement, he said, to avoid either backing the government into a corner or causing further economic hardship for its people.

"We can't be too harsh," he said. "North and South, we share the same blood, after all. Of course, it's good to help them." His son, daughter-in-law and three grandchildren all agreed.

Once fervently anti-Communist, South Korea has slowly parted ways with the United States, its largest ally and wartime protector, on how to deal with the North. Across age groups and political persuasions, most South Koreans now appear to believe that their nation has no choice but to keep building ties with the North, despite the widespread shock and anger here over its nuclear test.

This bedrock of public sentiment underlies the different responses to the crisis by South Korea and the United States. Many in Washington have called for tougher sanctions or even a naval blockade to further isolate the North's impoverished government and force it to relinquish its nuclear ambitions. But Seoul has been reluctant to tighten the economic screws on the North, hoping instead to entice it to the bargaining table with increased links with the outside world.

This softer approach is a result of a deeper evolution in public perception here since the end of the cold war and South Korea's subsequent emergence as an Asian economic powerhouse. The changes were reflected in the personal political odyssey of the Kim family, three generations of whom gathered on a Sunday evening to discuss their perceptions of the North.

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The elder Mr. Kim, the family patriarch, was born in what is now North Korea and fled the brutality of the fledgling Communist government in a grueling winter boat ride. But his grandchildren, who have lived most of their lives in this high-rise community on the outskirts of the bustling South Korean capital, said they saw the North as too distant and poor to be a real threat.

"The nuclear test is scary, but not enough to feel like it has violated everyday life," said a granddaughter, Kim Ta-yon, a 21-year-old university junior in French literature. "None of my friends think North Korea will actually attack."

Her mother, Song Yon-ju, 49, said she remembered the panic caused by military crises in previous decades, when she joined mad rushes to grocery stores to stock up on boxes of dried noodles. There have been no such panics this time, she said, which she attributed to South Koreans having grown weary of living in fear.

She also said the continued desire to engage the North reflected a streak of pragmatism in a country where much of the population lived within range of North Korean artillery. A tougher policy would only push the North into deeper desperation, she said.

"Even a little mouse will bite if it's cornered," she warned quietly.

Similar attitudes appear in recent public opinion polls, which show that while the claimed nuclear detonation hardened attitudes toward the North, a majority of South Koreans still oppose outright confrontation. According to a telephone survey of 800 people last week by the Naeil Shinmun-Hangil Research Center, only 15 percent of respondents called for ending economic ties, compared with 83 percent who supported their continuation. But most supporters agreed the current policy needed revisions, such as making it harder for North Korean leaders to profit from such ties.

Political analysts say a big factor behind the desire to maintain economic ties is a deep ambivalence in South Korean views of the North. While the two Koreas still face each other across the minefields and barbed wire of the demilitarized zone, many South Koreans have come to see the North as nothing more than a destitute, misguided relative.

"South Korean people are caught in a dilemma between perceiving the North as a threat and as a brother," said Lee Nae-young, a political science professor at Korea University in Seoul. "They felt betrayed by the nuclear test, but don't want aggressive sanctions, either."

These conflicting feelings toward the North were apparent in the conversation with the Kims. The elder Mr. Kim, who watched Communist troops gun down critics in his village and spent 20 years in the South Korean Air Force, warned that the North was still armed to the teeth. But he also said South Korea could not just close the door on North Korea and its famine-ravaged population.

"We have no choice," he said. "We can't ignore the more than 20 million Koreans still living up there. They don't have enough rice."

His son, Kim Seok-kyeon, 49, a general manager at an insurance company who was born after the Korean War ended in 1953, agreed that his country could not go back to the confrontation of the cold war. He said there was no need because the North wasn't as fearsome as it used to be.

"They have more airplanes and tanks than we have," he said, "but they have no fuel to put in them."

Another generation down, his son, 11-year-old Kim Dong-hyun, said he didn't worry about North Korea at all. When pressed, he described the country as "crazy and harmless."

His two sisters, both in college, said their textbooks blandly described the North as a starving land where fellow Koreans spoke an antiquated dialect. This was a big change from the era of their father, the insurance executive, who grew up during the military dictatorships of the 1960's and 1970's. He said anti-Communist education ran through his schooling, with monthly homework assignments to make posters demonizing the North.

The three generations of Kims also showed subtle differences in their views of America's role in the nuclear standoff. All agreed that the United States was a friend, and that the crisis had made them appreciate the protection offered by the American nuclear umbrella.

But while the elder Mr. Kim expressed confidence that Washington was working to resolve the crisis, his granddaughters suggested that America bore some blame for the standoff — a common sentiment here.

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"If the U.S. isolates North Korea, it's just silencing someone who has something to say," said Kim Ta-yon, the university junior. "I don't think North Korea did the test to provoke war, but because it wants a voice in international society."

Pre-emptive Attack On Hamas Eyed (WT)

By Joshua Mitnick

The Washington Times, October 25, 2006

TEL AVIV -- Applying a lesson from the recent war against Hezbollah, Israeli leaders are increasingly talking about staging a pre-emptive military offensive in the Gaza Strip in order to avert a Hamas buildup of improved missiles.

Israeli forces already operating in the Gaza Strip Monday killed at least nine Palestinians and wounded 20. But officials and politicians say a broader operation against Hamas is necessary if Israel wants to deny it the ability to stockpile weapons like the Shi'ite militia Hezbollah, which was able to build up its arsenal during six years of relative calm.

"We should not allow Hamas to build in Gaza what Hezbollah built in Lebanon," said Ephraim Sneh, Labor parliamentarian. "[A broad offensive] seems to me almost unavoidable because the accumulation of arms in Gaza in the hands of Hamas and other terror organization is intolerable."

The talk of an escalation in Gaza comes as Israeli Prime Minister Ehud Olmert agreed in principle to bring a far-right party, Yisrael Beitenu, into his coalition.

The move stabilized a coalition whose foundations emerged from the Lebanon war severely shaken. But it also reorients the political constellation of Mr. Olmert's government toward the right.

Israeli army units, which retook the corridor in Gaza along the Egyptian border this week, have uncovered more than a dozen smuggling tunnels used to sneak weapons, money and contraband into Gaza from Egypt.

At the same time, Israeli intelligence officials say they think that Syria and Iran are supplying Hamas with the advanced anti-tank missiles that turned armored vehicles like the Merkava tank into a sitting ducks, according to local press reports.

Hamas is also thought to be receiving longer-range rockets like the Katyusha missiles fired by the hundreds into northern Israeli this past summer.

Defense Minister Amir Peretz has said that Israel cannot allow Gaza to become another Lebanon. At the same time Mr. Peretz, the chairman of coalition partner Labor party, said that Israel has no desire to reconquer the Gaza Strip permanently.

In the Gaza violence Monday, Palestinians reported three civilian deaths while Israel's army said soldiers fired because they felt threatened by gunmen from the northeastern Gaza village of Beit Hanoun.

For now, politicians such as Mr. Peretz want to promote diplomatic attempts to release kidnapped soldier Gilad Shalit, in the hope that a deal would create momentum behind an accord that would avert contributions to Hamas' arms buildup in Gaza.

"What we are hearing from military officers is that they see the obvious need for an operation," said a senior Israeli security source. "The politicians are not thrilled by a military operation, but if it becomes necessary, a military operation will be taken."

Officials say privately they are skeptical whether diplomatic efforts will yield any substantial results in taming the arms buildup and avert a military invasion.

During the monthlong war with Hezbollah, many Israelis questioned why military and government officials allowed the Shi'ite militia to stockpile rockets and build fortifications for so many years.

Barring a deadly militant attack on Israel that gives the government a justification for a Gaza push, Mr. Olmert's government is likely to wait until he returns from meetings in the United States with President Bush.

Kidnapped AP Photographer Freed In Gaza (AP)

By Karin Laub, Associated Press Writer

AP, October 25, 2006

An Associated Press photographer was freed unharmed Tuesday after a harrowing day in the hands of Palestinians who abducted him at gunpoint and dressed him in women's clothes to spirit him from one secret location to another.

Emilio Morenatti was brought before midnight to the office of Palestinian President Mahmoud Abbas by Fatah officials. It was not clear who kidnapped him, though officials said he was taken by criminals. The government and main Palestinian groups denounced the abduction.

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Morenatti, a 37-year-old Spaniard, looked fatigued after his daylong ordeal but said he was unharmed.

"I'm tired but happy to have come back because there were very anguished moments," said Morenatti.

He said the kidnappers held him in a small room, where he was kept for about four hours during which he was visited by masked men. Later he was put in a car dressed as a woman and taken to another location.

"They put a bag on my head and they dressed me up as a woman, as a woman in a long veil," the photographer added.

Morenatti said he was blindfolded for much of the time, and that his captors spoke only Arabic, which he doesn't speak.

"I didn't know at any moment what they were doing," he said. "They moved me but nobody explained anything to me. It was very confusing."

The photographer said he was held in complete darkness for hours. In the second house where he was held, Morenatti said he heard the sounds of a family. He said he was given one meal of cheese and lunch meat early in the day and a portion of fruit later.

Morenatti did not know his captors. Palestinian Prime Minister Ismail Haniyeh's office said in a statement that the identity of the kidnappers was known and they "would be pursued."

Tom Curley, AP's president and chief executive officer, said, "The Associated Press is relieved that Emilio has been released, apparently unharmed. The security of our journalists is always our top concern. We appreciate the assistance offered by so many people in obtaining his release, especially Palestinian and Spanish officials.

"It is crucial, however, that journalists such as Emilio be able to freely report the news in areas of conflict. We will be investigating what happened to assure that he and others can continue their important work," Curley said.

Morenatti's family in Spain rejoiced at news of his release.

"We were all sitting around together and when we heard the news we yelled with joy and then we opened a bottle of rioja (wine) to celebrate," Miguel Angel Morenatti, a brother of the photographer, told the AP.

"I managed to talk with Emilio for about 15 seconds and he told me that he was well both physically and mentally. The most important thing is that he is safe and free,"

Morenatti was seized as he headed out of his Gaza City apartment for an AP car, where Majed Hamdan, an AP driver and translator, was waiting. Hamdan said four gunmen grabbed his keys and cell phone and told him to turn away, pressing a gun to his head and threatening to harm him if he moved.

They took Morenatti, shoving him into a white Volkswagen Golf and driving off, Hamdan said.

Hours later, Morenatti was turned over to Fatah forces.

Abbas is not in Gaza, but his office is a safe Fatah stronghold in the territory, which is in the throes of a sometimes violent power struggle between Abbas' Fatah and the militant Islamic Hamas, which is in charge of the Palestinian government.

In the past two years, militants have frequently kidnapped foreigners as bargaining chips to get relatives released from Palestinian prisons, secure government jobs or settle personal scores. In most cases, the kidnappings were brief and the hostages released unharmed.

But recently, the kidnappers have changed tactics. Two Fox News journalists kidnapped in August were held for two weeks, much longer than previous cases. The men also suffered physical and mental abuse in captivity.

An unknown group calling itself the Holy Jihad Brigades claimed responsibility for the August abduction, and its demand for the release of Muslim prisoners held by the U.S. raised fears that foreign extremists, perhaps al-Qaida, had infiltrated Gaza. But Palestinian security officials said the name was a front for local militants.

The media advocacy groups Reporters Without Borders and the Committee to Protect Journalists condemned Morenatti's kidnapping.

"We're dismayed that journalists have become pawns of Palestinian groups seeking to exploit them for political purposes," said CPJ Executive Director Joel Simon. "These blatant attacks on journalists will have a chilling effect on their ability to do their work and will ultimately deprive the world of information about this critically important story."

Morenatti, from Jerez, Spain, has been based in Jerusalem since April 2005, handling periodic assignments in Gaza and the West Bank. He has been in Gaza since Sunday.

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Morenatti began working for the AP in April 2004, and spent a year in Afghanistan covering the conflict there. He also covered the war in Lebanon and the World Cup soccer tournament in Germany.

In 1992, Morenatti began work as a photographer with EFE, the Spanish news agency, Spain.

The Wrong Partner In Israel (NYT)

The New York Times, October 25, 2006

Badly weakened by criticism of his conduct of this summer's inconclusive war in Lebanon, Israel's prime minister, Ehud Olmert, has chosen to make an unwise and damaging trade-off. Bringing the pro-settler Israel Beiteinu party into his governing coalition reinforces his vulnerable parliamentary majority. But it makes it virtually impossible for Mr. Olmert to carry out the partial West Bank withdrawal program he ran on just seven months ago.

Israel Beiteinu is the political vehicle of Avigdor Lieberman, who advocates annexing West Bank settlements and reassigning Arab Israeli citizens to a rump Palestinian state. Mr. Lieberman, who is set to become a deputy prime minister, has criticized other right-wing leaders, like Ariel Sharon, for evicting settlers from occupied regions.

American and European diplomats have been arguing that the one positive result of the Lebanon war could be new momentum toward a wider Middle East peace. The idea was that a new awareness of the limits of Israeli military power and growing Arab fears of Shiite radicalism would push both sides toward the necessary compromises.

That now seems less likely than ever. The chief Palestinian party, Hamas, refuses to take the most minimal steps required for diplomatic credibility — a clear rejection of terrorism, acceptance of prior agreements and acknowledgment of Israel's legitimacy. Efforts by the Palestinian president, Mahmoud Abbas, to bring Hamas around have not gotten as much support as they should from Israel. With Israel Beiteinu joining Mr. Olmert's coalition, they are likely to get even less.

Creating new obstacles to peace with the Palestinians is the last thing Israel needs after the Lebanon fiasco.

Iran, Syria Rebuild Hezbollah (WT)

By David R. Sands

The Washington Times, October 25, 2006

Iran and Syria are rapidly rearming Hezbollah guerrillas in southern Lebanon as an international peacekeeping force has failed to carry out a U.N. mandate to disarm the Shi'ite militia group, Israeli Deputy Prime Minister Shaul Mofaz said yesterday.

Mr. Mofaz, a former defense minister and chief of general staff in the Israeli Defense Force, also warned that time was growing short for the international community to implement effective sanctions to halt Iran's drive for nuclear weapons.

"We know the policy of the Iranian regime is to buy time by talking" while it pursues a nuclear bomb, Mr. Mofaz said in an interview in his suite at the Renaissance Mayflower Hotel in Washington. "So far they have been very successful."

The hawkish Mr. Mofaz is the transportation minister under the unity government headed by Israeli Prime Minister Ehud Olmert, but he remains a major voice on defense and security issues in Israel.

He met with Secretary of State Condoleezza Rice and Director of National Intelligence John D. Negroponte, among others, on a visit to Washington this week in advance of U.S.-Israel security talks set for December.

Mr. Mofaz said Israel's 34-day war with Hezbollah fighters this summer had dealt the Shi'ite militia a major setback in its southern Lebanese base. But he expressed frustration that the Lebanese army and an enhanced U.N. peacekeeping force had not disarmed Hezbollah or sealed the border to prevent Syria and Iran from rearming their "proxy."

"Arms smuggling across the border from Syria has continued after the war," he said. "We know of the activity but we don't know what types of weapons are involved."

He acknowledged that Israel's armed forces "did not achieve all our goals" in the Lebanon campaign, failing to crush Hezbollah as a fighting force and to win the release of Israeli soldiers held by the Shi'ite group.

But he said the "main issue of discussion" with U.S. officials was Iran.

"Iran poses the biggest threat not only to the state of Israel but to the countries of the West as well," he said. "Under the umbrella provided by a nuclear capability, Iran might be more involved in harboring, supporting and financing terror."

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Mr. Olmert told reporters last week that Iran would have a "price to pay" if it rejected international offers to stop its suspect nuclear programs. But Mr. Mofaz yesterday put greater stress on multilateral efforts to pressure Iran, calling for strong sanctions against Tehran if it refuses to cooperate.

"The time has come for effective sanctions after three years of dialogue without any achievements," he said.

The North Korea nuclear test earlier this month has heightened the need for a tough stand against Iran, Mr. Mofaz said. North Korea has sold Iran missiles that can deliver nuclear warheads, and Mr. Mofaz said Pyongyang's test of a nuclear device means it could now transfer "nuclear assets" to Iran as well.

On Syria, Mr. Mofaz dismissed as a "ploy" recent offers by President Bashar Assad for direct peace talks with Israel, saying Damascus continues to support Hezbollah and militant Palestinian groups battling Israeli forces in the Gaza Strip and the West Bank.

"We believe it is not [Syria's] intention to have a real negotiation," he said. "When we see real intentions for peace in Syria, then we can have a different approach."

Mr. Olmert is expected to travel to Washington next month for talks, and the Bush administration is pressing for new movement on peace talks with the Palestinians.

But Mr. Mofaz said the bloody internal standoff in the Palestinian territories between the Hamas government, which refuses to recognize Israel, and the Fatah party of Palestinian Authority President Mahmoud Abbas leaves Israel with no effective negotiating partner.

Pentagon Official Sentenced In Arms Sale (AP-Y)

By Matt Apuzzo

AP, October 25, 2006

A former Defense Department official was sentenced to 18 months in prison and another pleaded guilty Tuesday to selling military equipment in the Middle East and pocketing hundreds of thousands of dollars.

Most of the equipment was unneeded and scheduled for auction, but prosecutors said the illegal deals also included the sale of Humvees that were still weaponized and were not supposed to have been sold.

Ronald W. Wiseman of New Boston, Texas, was sentenced for violating federal weapons laws. Wiseman worked for the Defense Reutilization and Marketing Service, the Pentagon agency that sells excess military equipment.

The agency contracts with overseas auctioneers to sell the equipment and return the money to the government. Prosecutors said Wiseman and a Saudi Arabian auctioneer agreed to sell some equipment off the books and share in the profits.

Wiseman pleaded guilty in May and agreed to cooperate in a federal investigation. A second U.S. official, Gayden C. Woodson of North Ogden, Utah, pleaded guilty Tuesday to conspiracy to steal government property.

Woodson said that in January 2001, he joined Wiseman's conspiracy and continued it after Wiseman left the Middle East the following year. Woodson admitted in federal court that he made at least 19 illegal transactions and received about $350,000.

U.S. authorities have recovered some of the Humvees and traced others to Spain, the Czech Republic and other countries, according to court documents.

"By putting militarized vehicles into an unregulated stream of foreign commerce, in a part of the world in which United States military personnel are engaged in deadly conflict with insurgency forces, the defendant put those vehicles within reach of adversaries who could use them against our own," prosecutor Laura A. Ingersoll wrote.

Woodson is scheduled to be sentenced Jan. 31.

Chavez Could Support Bolivia As Alternative U.N. Candidate (WSJ/AP)

The Wall Street Journal, October 25, 2006

CARACAS, Venezuela -- Bolivia's president said Tuesday that Venezuelan leader Hugo Chavez would throw his support behind the Andean country if Venezuela is unable to win enough votes to defeat U.S.-backed Guatemala for a seat on the U.N. Security Council.

Bolivian President Evo Morales, a close ally of Mr. Chavez, raised the possibility during a speech in El Alto, Bolivia, while in Caracas Foreign Minister Nicolas Maduro said Venezuela would continue its drive for the rotating Security Council seat.

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A 36th round of voting is scheduled to be held Wednesday, and some countries in the region -- from Brazil to Guyana -- expressed hope of seeking an alternate candidate. Other possibilities mentioned by diplomats included Chile and Uruguay.

Venezuela trailed Guatemala in 34 of the 35 votes so far, and tied the Central American country in one round last week.

Venezuela has denounced what it calls coercive measures by the U.S. government aimed at keeping a critical government off the Security Council.

Mr. Morales said he had spoken by phone with Mr. Chavez on Monday, who told him that if Venezuela does not get the two-thirds majority it needs to win, he will "propose Bolivia as a candidate."

"We're candidates for the Security Council," Mr. Morales said. "I hope we can win a consensus. Our ambassadors should be mobilized in the United Nations."

Mr. Maduro, meanwhile, said Venezuela has a "sovereign and legitimate right" to maintain its candidacy. He said Venezuela would only consider talks on a consensus candidate if Guatemala drops out of the race and the U.S. doesn't try to interfere.

The foreign minister said Venezuela has the support of a large majority of countries across Latin America and the Caribbean.

"Venezuela has always been willing to have a dialogue," Mr. Maduro said. "Bilateral meetings have been held today. We've received a ratification of the vote by a group of countries that have stood by us strongly."

Mr. Maduro said he would travel to New York to lead Venezuela's delegation as the voting resumes.

As for seeking consensus on another country to fill the rotating seat, Mr. Maduro said "we could only consider that option if Guatemala quits, if the United States ceases its crude blackmail to other governments of the world."

Meanwhile, Guyana's foreign minister, Rudy Insanally, said Latin American and Caribbean nations are likely to seek an alternate candidate if neither Guatemala or Venezuela wins enough votes in fresh balloting this week.

He said countries would be meeting to discuss alternatives. "We are hearing Chile or Uruguay. These two are the likely ones," Mr. Insanally said.

Brazilian Foreign Minister Celso Amorin also said Brazil favors a consensus candidate, despite the fact that his nation has expressed support for Venezuela.

Other compromise candidates that have been suggested for the two-year seat include Costa Rica, Panama, the Dominican Republic, Mexico, and Brazil.

Venezuela Denies Ending U.N. Bid (WP)

The Washington Post, October 25, 2006

CARACAS, Venezuela, Oct. 24 -- Venezuelan officials on Tuesday denied Bolivian President Evo Morales's claim that Venezuela had decided to withdraw from the competition for a seat on the U.N. Security Council and would instead nominate his country as a candidate.

Foreign Minister Nicolas Maduro demanded that Guatemala, its rival for the position, and the United States meet three conditions before Venezuela would drop its bid.

Guatemalan Foreign Minister Gert Rosenthal said a Bolivian compromise candidacy "was apparently a unilateral decision by Venezuela, because they have not notified me." He rejected the idea that Guatemala would step aside in favor of Bolivia.

"We have not pulled out, and we have no intention of doing so," he said in Guatemala City.

Latin American U.N. representatives reconvene in New York at noon Wednesday to consider a consensus candidate. Venezuela and Guatemala jockeyed over 35 rounds of voting last week -- the second-longest bid in U.N. history -- to land one of Latin America's two-year rotating seats on the council, but neither got the required two-thirds majority among U.N. members.

"Comandante Chavez called me this morning and said he could not get the two-thirds he needed for the Security Council," Morales said from El Alto, Bolivia, referring to Venezuelan President Hugo Chavez. "Chavez said he will leave the candidacy to Bolivia."

Like Chavez, Morales has strained relations with the Bush administration, which has backed Guatemala for the Security Council seat.

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Maduro said Venezuela required that Guatemala resign its candidacy, that the United States stop "its gross blackmail of the governments of the world, and . . . that we have a transparent process to find some kind of third option to represent the region with dignity."

Venezuela Diatribe Backfires (NYT)

By Warren Hoge

The New York Times, October 25, 2006

UNITED NATIONS, Oct. 24 — Venezuela's populist leader, Hugo Chávez, earned giggles and guffaws at the United Nations last month with his mass appeal diatribe ridiculing President Bush as the devil. Mr. Chávez said he could still smell the telltale scent of sulfur on the General Assembly rostrum where Mr. Bush had spoken the day before.

Now it appears that Mr. Chávez's histrionic performance — styled to win him support from the United States' many detractors at the United Nations — may have cost his country the seat on the Security Council that he has conducted a global campaign to win.

Developing nations make up a vast majority of the 192 countries in the General Assembly and generally warm to rants against Washington. But they also value the United Nations as a place where their voices can be heard in a dignified setting, and both supporters and detractors here say Mr. Chávez may have miscalculated in turning it into his bully pulpit.

Delegates said they also feared that the performance demonstrated the kind of behavior Venezuela might bring to the orderly confines of the Council chamber.

As the General Assembly resumes voting on Wednesday on who should occupy the seat being vacated by Argentina, Venezuela's candidacy is already considered finished. In 35 rounds over three days last week, the ambassadors kept Venezuela's competitor, Guatemala, far in front, though not in ready reach of the two-thirds majority needed to win the seat.

In a twist to Venezuela's quest for the seat, President Evo Morales of Bolivia, Mr. Chávez's closest political ally in South America, said Tuesday that Mr. Chávez had asked him to put Bolivia forward as an alternate candidate to Venezuela. But a spokeswoman for the Venezuelan Foreign Ministry later said the nomination of Bolivia was just one option under consideration. In any case, the decision to select a new candidate would be up to the Latin American and Caribbean group at the United Nations.

Venezuela's poor results came as a surprise, and many people, including those favoring Caracas in the voting, point to Mr. Chávez's performance as the cause.

"The speech played the most important role in what happened," said Riordan Roett, the director of the Latin American Studies Program at Johns Hopkins University. "You can talk like that in Latin America, and people will have a chuckle, but there is traditional respect for protocol, and it was not amusing to a lot of people who see the U.N. as the forum for expressing third world views."

"The speech really hurt his case," said Enrique Berruga, the ambassador of Mexico. "Most members don't want this place to be turned into a mockery. In the General Assembly, there are limits, and he went way beyond them."

Another Latin ambassador, who said he knew of many countries that voted against Venezuela because of the speech, agreed that Mr. Chávez had stepped over a line.

"U.S.-bashing is acceptable, but not the U.N.-bashing that they thought Chávez's speech amounted to because in the end this is everyone's house, and a speech like that goes down the same dirty drain as the bitter criticisms of the U.S.," the envoy said. He asked not to be identified because he was commenting on the leader of another South American country.

Asked if Mr. Chávez's popularity might be flagging closer to home, Mr. Roett pointed out that presidential candidates who have been identified with Mr. Chávez in recent elections in Ecuador, Peru and Mexico all did badly. "For sure he's not gone as a force, but people are less impressed with him than they were four or five years ago," he said.

The expectation at the United Nations has been that the inconclusive balloting will drag on for many days as Venezuela and Guatemala refuse to step down and the Latin American group is consequently unable to turn to a compromise candidate.

The calculus could change if Venezuela does decide to drop out.

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The unseemly process is embarrassing to Latin diplomats who acknowledge that the 33-nation Latin American and Caribbean group at the United Nations has often shown disunity, while the 53-nation African group and the 54-country Asian group yearly produce candidates without dispute.

"We probably have the least amount of time difference between our countries of any group, but we have the greatest difficulties getting together," said Eduardo J. Sevilla Somoza, the ambassador of Nicaragua. His country lost its bid for a Security Council seat last year to Peru.

The disarray that the Venezuela-Guatemala standoff has produced at the United Nations reflects divisions within the region itself.

First, there is the role of the United States, which has lobbied vigorously for Guatemala in an effort to keep Venezuela off the Security Council and whose attempts to influence Latin America have long divided the region.

"Both countries feel victimized, Guatemala because of Venezuela and Venezuela because of the United States," said Ronaldo Sardenberg, the ambassador of Brazil. "It's a very complicated moment."

Another part of the divide is a regional tug-of-war pitting the small countries of Central America and the Caribbean against the large nations of South America.

Guatemala has never been on the Security Council. Venezuela has been a member four times, and the powers of the continent, Brazil and Argentina, have held a seat nine and eight times respectively.

But the division most on the minds of Latin Americans today is the one provoked by Mr. Chávez and his adoption of an authoritarian, state-centered leadership model that he is trying to spread through the region, which has in recent years adopted market economics and democracy.

Kenneth R. Maxwell, a senior fellow at the David Rockefeller Center for Latin American Studies at Harvard, said he believed there was a "tectonic shift" that was dividing Latin America three ways — a northern sphere encompassing Mexico, Central America and the Caribbean; a southern part based in the large countries of South America; and an Andean stretch where indigenous leaders were coming to power.

He said that shift had created an instability that had given Mr. Chávez an opportunity to win over other countries to his thinking, particularly as long as he can tap Venezuela's oil proceeds for his political goals.

Arturo Valenzuela, the director of Georgetown's Center for Latin American Studies, said he thought the divisions were serious, but not as deep as the ideological schism that befell the region during the cold war when many countries were ruled by military dictatorships.

Many Auto Makers Miss Targets For Emissions Cuts In Europe (WSJ)

By William Echikson

The Wall Street Journal, October 25, 2006

BRUSSELS -- About three-quarters of auto makers are failing to improve fuel efficiency to meet Europe's voluntary targets to cut carbon-dioxide emissions, according to an environmental group's study.

The European Federation for Transport and Environment produced the study to heat up a debate over whether the European Commission should impose mandatory emissions cuts for automobiles. The federation backs mandatory controls, while the commission has set only voluntary targets.

"As long as 75% of car makers go unpunished for their failure, we will never make the necessary progress," said Aat Peterse, director of the Clean Cars Program for the transport federation, a nongovernmental group based in Brussels with member organizations in 20 countries.

Any effort to impose new rules on the auto industry is likely to meet resistance from individual governments. The European Parliament's environment committee voted last month to delay compliance with CO2 standards to 2011 from 2008, saying auto makers needed the time to develop technologies.

The spokeswoman for the European Automobile Manufacturers Association, Sigrid de Vries, said she hadn't yet seen the report, but that it was wrong to single out individual companies, explaining that some car makers emphasize large fuel-consuming vehicles, while others concentrate on small, fuel-efficient ones.

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In August, the European Commission, the executive arm of the European Union, told car makers they must do more to cut CO2 emissions in new vehicles and threatened to impose regulations after revealing that 2004 average emissions -- at 12.4% below 1995 levels -- were well below industry commitments to cut emissions 25% by 2008.

"The situation is not satisfactory," said Günter Verheugen, commission vice president and commissioner for enterprise and industry. "We expect that industry sticks to its commitments."

Japanese and German car makers led the new study's list of worst performers. Nissan Motor Co., Suzuki Motor Corp. and Mazda Motor Corp. registered well above the rate of European standard. Volkswagen AG, Europe's biggest car maker by sales, has improved fuel efficiency at less than half the rate needed, the study says.

In contrast, other European and U.S. manufacturers made progress. Fiat SpA, Renault SA, Peugeot SA are on track to meet or exceed targets by 2008. Ford Motor Co. and General Motors Corp.'s Opel division also come out well. In Europe, both companies concentrate on small and midsize cars.

Vietnam's Roaring Economy Is Set For World Stage (NYT)

By Keith Bradsher

The New York Times, October 25, 2006

HO CHI MINH CITY, Vietnam — Nearly four decades ago, South Vietnamese leaders mapped out their battle plans inside the presidential palace here. When they lost the war, the palace became the base for the Ho Chi Minh City People's Committee, which worked to impose tight Communist control.

But in September it was the scene of a very different gathering: a board meeting of the Hongkong and Shanghai Bank.

In the three decades since Vietnam has gone from communism to a form of capitalism, it has begun surpassing many neighbors. It has Asia's second-fastest-growing economy, with 8.4 percent growth last year, trailing only China's, and the pace of exports to the United States is rising faster than even China's.

American companies like Intel and Nike, and investors across the region, are pouring billions of dollars into the country; overseas Vietnamese are returning to run the ventures.

In the latest sign of Vietnam's economic vitality, trade negotiators from around the world are preparing, after more than a decade of talks, to put the finishing touches on an agreement, possibly by Oct. 26, for Vietnam to join the World Trade Organization. President Bush, President Hu Jintao of China, President Vladimir V. Putin of Russia and other heads of state plan to come to Hanoi in mid-November for an Asia-Pacific Economic Cooperation summit meeting.

For Vietnam, the meeting will be a coming-out party, critical to its pride in much the way the 2008 Olympics in Beijing are for China.

"I think they are the next China," said Michael R. P. Smith, chief executive of the Hongkong and Shanghai Banking Corporation. "It's not the scale of China, but it's a significant economy."

Through the end of last year; Vietnam's growth rate exceeded that of Thailand, Malaysia, Taiwan, South Korea and even India, its closest rival.

The latest Asian economic tiger, Vietnam now produces and uses more cement than France, its former colonial ruler. The main index for the Ho Chi Minh City stock market and a smaller exchange in Hanoi have nearly doubled in value this year. Vietnam has become the talk of investment bankers and investors across Asia.

But with such growth has come controversy, here and in the United States. Republicans in Congress are divided over a coming vote soon after the midterm elections: Should the United States grant permanent, full trade relations to Vietnam, given the two countries' history and Vietnam's current position, where it sells almost nine times as much to Americans as it buys?

Corporate America is divided, too, over a Bush administration initiative to win votes for full trade status by throwing a bone late in September to Southern senators representing states where textiles are made. Vietnamese officials are furious with Washington over what they see as a last-minute protectionist attempt to limit the exports of their country's booming garment industry.

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In Vietnam, nearly double-digit growth is starting to produce the same shortages of skilled labor as in India and China. Executives at multinationals like Groupe Lafarge of France and Prudential of Britain say that local accountants, human relations managers and other professionals are so scarce that salaries are soaring 30 percent to 50 percent a year.

Many educated Vietnamese now are like Ha Nguyen, 34, a chemical engineer who is working at his third job in three years, having received big raises each time he changed companies. "Right now, it's easy in Vietnam to find a job," he said, pausing while doing a chemical analysis of cement quality at a corporate laboratory here.

Roads and ports in this country are increasingly choked with cars and ships, the congestion worse than China's but not yet as bad as India's. Yet deep-seated corruption has slowed construction; the government has put the brakes on highway building across northern Vietnam this year after uncovering a graft scandal that led to resignations and detentions all the way to the top of the Transport Ministry.

Balanced against these problems is a government that, like China's, has embraced capitalism after becoming disillusioned with the widespread poverty and sometimes hunger that accompanied tight state control of the economy.

Economic liberalization policies have been pursued in earnest since the early 90's, after poor harvests and economic mismanagement left millions facing malnutrition in 1990.

Among the architects of this change are a handful of bright economists like Le Dang Doanh, a top adviser to the government and the Communist Party who studied in the old Soviet Union and East Germany but became deeply disillusioned with the corruption and inefficiency of state-owned industries.

"The reform is definitely irreversible," Mr. Doanh said. "Any attempt to come back to a centrally planned economy, to overplay the state sector, is economically irrational, inefficient and psychologically is counterproductive."

If anything, Vietnam has leaned in the other direction. The Finance Ministry has just produced a draft personal-taxation law, expected to be approved by January, that offers more tax breaks for the wealthy than the United States does. Inheritances among immediate family members will be entirely exempt from taxation. So will interest on all but the largest bank accounts, and a fierce debate is under way over whether capital gains should be taxed.

And in some ways, Vietnam is more pro-business than China. Reluctant to anger city dwellers, state-owned power companies in China minimize blackouts in residential areas but cut off power to factories as much as three days a week, forcing them to run on costly diesel generators.

Vietnam takes the opposite course. Takashima Masayuki, general director of a Japanese-owned factory that makes shirts and jackets in Bien Hoa city, said the factory did not even have a generator because the authorities never allowed power to be cut off in the industrial zone where it is situated. By contrast, Ho Chi Minh City residents say they have brief power interruptions as often as twice a day.

Like China and India, Vietnam has benefited enormously from the return of a diaspora — people who had fled the country. Thousands of overseas Vietnamese have come home after learning English, gaining entrepreneurial experience and acquiring technical skills.

Phu Than, Intel's country manager for Vietnam and Indochina, was 14 when he was evacuated in the last days before the fall of Saigon, leaving by helicopter with his mother, an employee of the old American Consulate in Danang.

He earned an electrical engineering degree from the University of California, Davis, then joined Intel and now oversees the largest foreign investment in Vietnam, the construction of a semiconductor assembly and test factory that will cost $300 million for the first phase and another $300 million for a likely expansion later.

American businesses are catching on to Vietnam's attractions, but they still lag behind Taiwan companies, which are the biggest foreign investors in Vietnam, followed by Singapore.

Vietnam's appeal to foreign companies rests on its young labor pool. Three-fifths of its 84 million people are under 27. And with a policy of limiting families to two children, as distinct from China's one, Vietnam will continue for many years to have a large proportion of hard-working low-skill employees.

Typical is Nguyen Thi Hong, 30, who rides each morning on her rusty bicycle to stand outside factories and look for work in Bien Hoa, 15 miles northeast of Ho Chi Minh City; in China, factories advertise far and wide even for unskilled workers.

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A brightly patterned kerchief protecting her from air pollution, Mrs. Hong said she and her husband, a mechanic who has found work here, have left their year-old son with his parents in their hometown in the central part of the country.

Vietnam has reduced the percentage of its people living in abject poverty — less than $1 a day — to 8 percent from 51 percent in 1990, a greater advance than either China or India.

But incomes are still far short of Western levels. Few of these Vietnamese can afford to eat American beef or fly in Boeing jets. The country's trade surplus with the United States has soared — it exported $5.56 billion worth of goods to the American market in the first eight months of this year while importing $625.9 million.

That imbalance, much of it in the garment industry, has complicated the Bush administration's effort to persuade lawmakers to approve normal trade relations with Vietnam. The administration tried to shore up support by sending a letter on Sept. 28 to two Republican senators, Elizabeth Dole of North Carolina and Lindsey Graham of South Carolina, saying that the Commerce Department may file its own antidumping cases against low-price shipments of Vietnamese clothing without waiting for American companies to do so.

But the letter has upset retailers and other importers, who worry that they may end up paying any punitive duties that are imposed.

"The retail industry is really split on this," said Brad Figel, the government affairs director at Nike, which remains in favor of the bill and is seeking clarification of administration policy.

Antidumping duties are an emotional issue in Vietnam, after the United States imposed them on catfish exports three years ago and the European Union recently imposed them on Vietnamese and Chinese shoe exports. Vietnamese officials warn that dumping cases could hurt the regulatory environment for American businesses and cause layoffs at garment factories, where most workers are low-income women.

"These people suffered from the war a lot already, and we would not want them to suffer again," said Nguyen Anh Tuan, vice director of Vietnam's Foreign Investment Agency. "American investors should not lose their foothold in Vietnam."

Talk to garment-factory workers in Vietnam these days, though, and they are looking forward to a future where their children live far better than they do. "My parents were very poor," said Nguyen Thu Hoai, 28, said as she folded green Nike jackets in a state-owned factory in Ho Chi Minh City.

"But I will be able to give my son a good education," she said, describing a modest Prudential life insurance policy she bought for her 2-year-old son that includes a savings fund for educational expenses. "He will have more opportunities."

A Mercenary Force For Darfur (WSJ)

By Max Boot

The Wall Street Journal, October 25, 2006

Mercenaries used to dominate warfare. The "Hessians" who served Britain in our War for Independence (many were actually from other German states) became notorious among the colonists, but foreigners formed a major part of every army in the world until the French Revolution. Their outlook was pithily expressed by a 17th-century soldier who said: "We serve our master honestly, it is no matter what master we serve."

And they did provide good service. It was thanks largely to "free lances" (the origin of that now common term) that absolute monarchs managed to consolidate their power in Europe and carve out vast overseas empires. Private entities like the Dutch and English East India Companies even marshaled their own armies and navies to defend their domains.

But with the rise of nationalism in the 19th century, soldiers of fortune fell into disfavor. The assumption became prevalent that it was honorable to fight for one's country, even if compelled to do so via a draft, but dishonorable to fight for a paycheck.

Yet mercenaries remain abundant. Some serve nation states -- for instance the Nepalese Gurkhas in the British and Indian armies. Many more are employed by companies such as DynCorp, Vinnell and Blackwater, all of whom vociferously resist the "mercenary" label; they prefer to be called security companies or private military firms.

Call them what you will, such outfits have grown in importance as the armed forces of the U.S. and other countries downsized after the end of the Cold War. Today, from Afghanistan to Iraq, much of the logistical support for American troops is provided by Halliburton subsidiary KBR.

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Hired hands aren't just serving chow or cleaning latrines. They're also carrying guns to safeguard supply convoys, buildings and VIPs. Even many U.S. ambassadors are protected by private bodyguards. Our man in Baghdad, Zalmay Khalilzad, never leaves home without his heavily armed Blackwater detail.

Peter Singer, a fellow at the Brookings Institution and author of "Corporate Warriors," estimates that at least 20,000 private gunslingers have been employed in Iraq alone. Among foreign troop contingents, they are second in number -- and in casualties -- only to the U.S. military. Mr. Singer quips: "President George W. Bush's 'coalition of the willing' might thus be more aptly described as the 'coalition of the billing.'"

Many of these contractors, largely veterans of Western and Soviet bloc militaries, have performed bravely in trying circumstances. But they have also caused their share of problems. There have been numerous scandals over firms charging too much or not delivering what they promised. Even more pervasive have been complaints about guards running wild. In their black body armor and armored Chevy Suburbans, contractors are notorious for careening through traffic and firing wildly, not caring who gets hurt as long as they reach their destination.

Yet, for all their shortcomings, there is no way to end our reliance on privateers -- at least not without a big increase in military end-strength, which is needed but not likely. And they can actually perform valuable work that we won't send our own troops to do.

Case in point: Darfur. A force of 7,000 lightly armed African Union peacekeepers has been helpless to stop the genocide being carried out in this region of the Sudan. Odds are that a contingent of U.N. blue helmets, if and when they finally arrive, won't do much better. Why not turn to the private sector?

Mercenaries have committed their share of abuses in Africa. (See "The Wild Geese" and "The Dogs of War," both based on real events in the 1950s and 1960s, the heyday of "Mad" Mike Hoare, "Black" Jacques Schramme and other notorious swashbucklers). But they have also been effective in stopping human-rights abuses.

In 1995-96, Executive Outcomes, a South African firm working for the government of Sierra Leone, made short work of a savage rebel movement known as the Revolutionary United Front that was notorious for chopping off the limbs of its victims. As a result, Sierra Leone was able to hold its first free election in decades. The now-defunct Executive Outcomes also helped the Angolan government quell a long-running insurgency by Jonas Savimbi's Unita, leading to the signing of a peace accord in 1994. Another private firm, MPRI, helped to bring peace to the former Yugoslavia in 1995 by organizing the Croatian military offensive that stopped Serbian aggression.

Hired guns could be equally effective in stopping the campaign of rape, murder and ethnic cleansing carried out by the Sudanese government and the janjaweed militia in Darfur. In fact, several firms have already offered their services. They could be employed by an international organization like the U.N. or NATO, by an ad hoc group of concerned nations, or even by philanthropists like Bill Gates or George Soros.

Critics complain that mercenaries didn't provide long-term fixes. Sierra Leone, for instance, fell back into brutal warfare after Executive Outcomes left. But that's because the mercenaries were on short-term contracts; they might have created more lasting stability if they had been given longer-term employment.

Many also worry about abuses committed by mercenaries, who in some cases have tried to plunder or even take over small states. But the record of privateers compares favorably with that of U.N. peacekeeping forces, which have been distinguished more by their propensity for committing sex crimes than by any success in keeping the peace. To deal with potential abuses, private fighters could be hired under a contract that would hold them liable for war crimes in the International Criminal Court or some other jurisdiction. That would make them more accountable than U.N. forces, which operate with almost complete impunity.

Sending mercenaries to Africa isn't politically correct. But it would be a lot more useful than sending more aid money that will be wasted or passing ineffectual resolutions that will be ignored.

Mr. Boot, a senior fellow at the Council on Foreign Relations, is the author of "War Made New: Technology, Warfare, and the Course of History, 1500 to Today," published last week by Gotham Books.

The Really Cold War (NYT)

DOJ_NMG_0086032

By Thomas L. Friedman

The New York Times, October 25, 2006

Berlin

The Berlin Wall fell almost 17 years ago. At the time, the future seemed clear: The fall of the wall would unleash an unstoppable tide of free markets and free people — and for about 15 years it did just that. Today, though, when you stand where the Berlin Wall once stood and look east, you see a countertide coming your way. It is a black tide of petro-authoritarianism emanating from Russia, and it is blunting the Berlin Wall tide of free markets and free people.

Why? Russia is a classic example of what I like to call "the First Law of Petropolitics," which posits that the price of oil and the pace of freedom operate in an inverse relationship in petrolist states — states with weak institutions and a high dependence on oil for their G.D.P. As the price of oil goes down, the pace of freedom goes up. The day the Soviet Union collapsed the price of oil was near $16 a barrel. And as the price of oil goes up the pace of freedom goes down. Today, Russia's president, Vladimir Putin, flush with surging oil and gas profits, is crushing domestic opponents, renationalizing major energy companies, throwing out Western human rights groups and generally making himself the big man on campus in Europe.

When Europeans tell you that they fear a new "cold war," this time they really are talking about the temperature — and the fear that Russia, if it wanted to turn off the gas, could make Europeans very cold. About 40 percent of Europe's natural gas imports come from Russia, and that is expected to grow to 70 percent by 2030.

With prices high, Russia has gone from the sick man of Europe to the boss man. Russia is a having a much bigger impact on Western Europe "with gas pipelines than it ever had with SS-20" long-range nuclear missiles, remarked the German foreign-policy expert Josef Joffe, author of the smart book "Überpower: The Imperial Temptation of America."

"Ten years ago we thought Russia was out of it," Mr. Joffe said. "We knew it was going to come back. But suddenly, out of the blue, with the rise in oil prices, it is back on stage, and this time it's much more skillful. The image we have of Russia is [the port of] Murmansk, where the Russian fleet is rotting — but power comes in many forms." And the most popular form today is oil and gas.

Goodbye NATO, hello Citgo.

The other day, the BBC quoted a senior "E.U. insider" as saying of European Union leaders: "You know what happens when they get in the same room with Putin?" They all prostrate themselves "and say, 'I love you, Vladimir.' " The BBC was reporting about a tense summit meeting last Friday in the Finnish town of Lahti. E.U. leaders reportedly beseeched Mr. Putin to honor contracts with Western oil companies, as well as to ease his crackdown on press freedoms, on human rights groups in Russia and on Georgia, and to investigate the murder of a crusading Russian journalist.

What the E.U. wants, a senior German official explained, is to be able to invest in more Russian oil and gas drilling projects and pipelines upstream, so that Russian and E.U. energy interests will be so intertwined Russia will never consider turning off the gas. Mr. Putin wants Gazprom, the giant Russian gas company, to be able to buy into more downstream consumer operations in Europe. That way Russia could dominate the industry from its oilfields all the way to the gas meters of Berlin and Brussels. Right now, the two sides are in a standoff.

"We cannot allow energy to divide Europe as communism once did," José Manuel Barroso, the European Commission president, told The Financial Times. But it is.

In fairness to Mr. Putin, turnabout is fair play. After the Soviet Union collapsed and Russia was enfeebled, the U.S. and the E.U. crammed NATO expansion down his throat. He's now using petro-power to push back. "Russia is very different from Venezuela or Saudi Arabia," remarked Clemens Wergin, an editorial writer at the German daily Der Tagesspiegel. Russia has nukes and oil, he noted, and therefore has the potential to play a much more domineering geopolitical role in Europe.

German officials don't really think Russia is about to turn off the gas if it doesn't get its way on some issue. After all, it never did that during the old cold war, and Russia today is much more dependent on Western markets. But still, centuries of uneasy relations between Europe and Russia make German officials queasy about how dependent they've grown on the Kremlin to heat their homes and offices. Queasy or not, one thing they know for sure: Russia is back. The gas man cometh.

Europe's Muslims (WP)

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The Washington Post, October 25, 2006

AYEAR AGO this week, riots erupted in mostly Muslim suburbs of Paris and other French cities, underlining the alienation of a subculture that makes up 8 percent of the country's population but has suffered from chronic unemployment and discrimination. One year later, that alienation -- and the threat of violence that comes with it -- appears to have worsened, not only in France but across Western Europe. French police are facing what some call a "permanent intifada" in Muslim neighborhoods, with nearly 2,500 incidents of violence against officers recorded in the first six months of the year. Some of these now take the form of planned ambushes: On Sunday a gang of youths emptied a bus of its passengers, set it on fire, and then stoned the firefighters who responded.

In Britain, the London bombings of 2005, which were executed in part by native-born Muslims, have been succeeded by this summer's arrest of another group of native extremists who allegedly plotted to blow up airliners. Two Lebanese residents of Germany were accused of trying to bomb passenger trains. The threat of violence by Muslims angered by perceived insults, whether from the German-born pope or the director of a Mozart opera, has become more frequent.

Europeans are slowly growing more aware that a major part of the global struggle against Islamic extremism must take place in their own countries -- and not just in faraway Afghanistan or Iraq. But their governments, media and political elites still appear to be a long way from coming to grips with the challenge. Rather than seeking to address the larger alienation of mainstream Muslims, European leaders often appear to do the opposite -- by challenging the culture of Muslims and defending gratuitous insults of Islam.

One recent but hardly isolated example came from Britain's House of Commons leader, Jack Straw, who criticized Muslim women for wearing veils and said he asked those who visited his office to remove them, on the grounds that they impede "communication." It's hard to believe that veils are the biggest obstacle to communication between British politicians and the country's Muslims; and it's even harder to imagine Mr. Straw raising similar objections about Sikh turbans or Orthodox Jewish dress. True, the Labor Party MP was reflecting -- or maybe pandering to -- the concern of many in Britain about the self-segregation of some Muslims. But veils -- which are also under government attack in France and Italy -- are not the cause of that segregation, much less of terrorism. Attacks on Muslim custom by public officials are more likely to reinforce than to ease the community's alienation.

Mr. Straw and other European politicians could contribute far more to combating radical Islam if they focused on those who actually foment intolerance among European Muslims -- as well as those in the mainstream community who promote prejudice against Arabs and South Asians and their descendants. Muslims in Europe should be invited to embrace the countries where they live on their own terms. They should be expected to respect laws and freedoms. But politicians would do better to work on dismantling the barriers Muslims face in getting educations and jobs rather than those that distinguish Islam from the secular majority.

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TERRORISM NEWS:

Gonzales Says U.S. Image Hurt By Actions (FINDLAW/AP)

By Ciaran Giles, Associated Press Writer

AP, October 25, 2006

(AP) - MADRID, Spain-U.S. Attorney General Alberto Gonzales said Tuesday he believes some of the U.S. actions in its war on terror have done damage to the image of the United States abroad, particularly its commitment to the rule of law.

The U.S. has drawn criticism around the world for the Abu Ghraib prison scandal in Iraq, its treatment of detainees and secret renditions of terrorism suspects to clandestine prisons in allied countries where they are allegedly tortured.

"The notion that the United States does not fully support the rule of law is one I find very disappointing," Gonzales told reporters, especially given that President Bush "believes the Unites States is the leader, is a beacon of hope in the world and it's important that our actions should reflect a total commitment to the rule of law."

He blamed the country's deteriorating image on misunderstanding in Europe about what the U.S. is doing to fight terrorism.

"Part of the misunderstanding is the fault of the United States in the sense that we need to be out there more, talking about what we are doing and why," he said.

Gonzales was in Madrid for the sixth meeting of a working group set up two years ago to coordinate the fight against terrorism and other police matters.

Gonzales dismissed criticism that prisoners at the Guantanamo Bay detention facility were in legal limbo and said the recent Military Commissions Act ensured fair trials for terrorists and guarantees that evidence acquired through torture will not be used.

"The Military Commissions Act reflects a careful balance by our Congress to respect the rights of terrorists to receive a fair trial but to do so at a time when we are still at war with the enemy," Gonzales said.

Bush signed the act into law last week after a highly publicized dispute with key Republicans over the terms of the legislation. Civil libertarians and leading Democrats have decried the law as a violation of American values.

Spain, US Agree Greater Anti-terror Cooperation (AFP-Y)

AFP, October 25, 2006

Spain and the United States agreed to ramp up cooperation against terrorism and organized crime during a visit by US Attorney General Alberto Gonzales, the interior ministry said.

The agreement came during talks between Gonzales and Spanish Interior Minister Alfredo Perez Rubalcaba, it said.

Washington offered to make technology which the US Federal Bureau of Investigation uses to index DNA samples available to Spanish police.

Spanish Justice Minister Juan Fernando Lopez Aguilar told reporters after the meeting, which also saw Gonzales confer with Spanish counterpart Candido Conde-Pumpido, that judicial cooperation between the two nations was "excellent."

He added that they were committed to "achieving good long-term results" in fighting terror.

Gonzales said the United States was sometimes "misunderstood" in Europe and it had to "talk more" to explain its position on security.

Asked if Spain was prepared to countenance handing over terror suspects to US military courts, Aguilar told Spanish media that Spain was determined to protect its citizens' rights at all times.

Gonzales did not address a decision last year by the Spanish Supreme Court to overturn a six-year prison sentence for Al-Qaeda membership handed down in October 2005 to a former Spanish inmate at the US base in Guantanamo Bay, Cuba.

In a separate case, the high court this month acquitted a Moroccan former inmate of Guantanamo who also had been accused of Al-Qaeda membership.

Poor Image: Gonzales Knows It's More Than A Misunderstanding (LONGNJ)

Longview (TX) News-Journal, October 25, 2006

Alberto Gonzales, who once made headlines when he authored legal arguments that President Bush had the authority to authorize torture, is now disappointed by our nation's sagging reputation.

Gonzales, then the White House counsel but now the U.S. Attorney General, was in Spain for a meeting of an international working group created two years ago to coordinate the fight against terrorism and deal with other global law enforcement issues. While there, he told reporters, "The notion that the United States does not fully support the rule of law is one I find very disappointing."

According to an Associated Press report, the nation's top lawyer added that Bush "believes the United States is the leader, is a beacon of hope in the world and it's important that our actions should reflect a total commitment to the rule of law."

Of course, Gonzales failed to mention that in order for Bush to live up to his words, he needed to sign legislation last week — the Military Commissions Act — to ensure fair trials for suspected terrorists and assure that evidence garnered through torture will not be used at such trials.

Gonzales told reporters that our country's tarnished image abroad is due to our allies' misunderstandings about what the United States is doing to fight terrorism.

Actually, that tarnished image is due to our allies' growing understanding of measures the United States has taken in its efforts to combat terrorism, including the use of secret prisons abroad, the rendition of prisoners to governments known to use torture and the indefinite detention of people who are suspected but not yet proven terrorists.

Gonzales would like to talk about Bush's "total commitment to the rule of law" but he has often been reticent about discussing the administration's commitment to the spirit of the law. That's because the longtime Bush aide and attorney has played a key role in seeking loopholes that allow the president to sidestep the spirit of the law.

The attorney general's comments were almost laughable when he opined that the way to dispel the "misunderstanding" among our European allies is for the United States "to be out there more, talking about what we are doing and why."

Meanwhile, at home we hear administration officials and supporters raising the specter that members of the media are unpatriotic and possibly traitorous when they report about what the administration is doing — and why.

Of course, when the media reports on the government's actions, the administration loses control of the message. And we all know how important that control is.

It's the administration that decides when retirement accounts are "private" ... until it decides they are personal.

It's the administration that decides how long we will "stay the course" ... until it decides we will no longer do so.

It's also the administration that decides how long we will use the term "cut and run" ... until it is no longer politically profitable to do so.

That's the problem with the Bush administration. We are asked to see things its way, but only as long as its way looks good. If its way of seeing things begins to show some tarnish, then we are told we can no longer see it that way, that it's time to change our point of view.

It's going to be very interesting to see how that approach works if, as many observers of many political viewpoints predict, the Republicans lose control of Congress in the coming election.

Saudi Prisoner Release Gives U.S. Pause (LAT)

By Carol J. Williams, Rich Connell And Robert J. Lopez

The Los Angeles Times, October 25, 2006

U.S. officials, apparently caught off guard by the Saudi government's recent release of more than two dozen former Guantanamo Bay prisoners, are voicing fears that the men will join the camp of violent extremist groups.

The Saudis released the 29 men from jail for observance of Ramadan, the Muslim holy month of fasting and atonement, with instructions to return to custody by the end of this month.

Saudi officials said that although the men were still under investigation for possible terrorist ties, they were not considered serious threats. "Throwing people in jail and letting them rot is not the answer," said Nail Jubeir, spokesman for the Saudi Embassy in Washington.

But the commander at the sprawling camp here for suspected terrorists is skeptical.

"I'm interested in if they go back to the fight," said Rear Adm. Harry B. Harris Jr. He contends that about 50 of 300 men released since Guantanamo became a prison in 2002 for terrorism suspects have resumed plotting against U.S. interests worldwide, but could identify only one confirmed example.

The kingdom's decision to temporarily release the 29 men illustrates the limits of U.S. influence as the Bush administration seeks to shrink the population of Guantanamo by transferring prisoners to other nations. And it underscores how differently the U.S. and other countries, including Britain and Germany, perceive the danger posed by former detainees.

Of the 437 captives at the U.S. naval base in Cuba, 110 have been cleared for release to their home countries, and more are being added to the list. Officials have said fewer than 100 prisoners will face military tribunals, leaving 200 or more to be repatriated.

Guantanamo has come under increasing criticism from U.S. allies and is dogged by allegations of prisoner abuse. Administration officials say that the camp will be needed for the foreseeable future, but that the ultimate goal is to shut it down.

Some nations have refused to accept Guantanamo detainees, denying responsibility for them or balking at U.S. demands for elaborate security measures on transferred prisoners.

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Critics say the problem has been exacerbated by U.S. failure to plan earlier for releasing prisoners. Lawrence Wilkerson, chief of staff to then-Secretary of State Colin L. Powell in President Bush's first term, recalled repeated high-level meetings in which State Department officials pressed the Pentagon to explain its plans for releasing captives from the U.S.-declared war on terrorism.

Wilkerson, now a vocal critic of administration policies on terrorism, said Defense Secretary Donald H. Rumsfeld and Vice President Dick Cheney "refused to deal with it. For these guys, there was never any idea of final disposition."

In the cases of several British citizens, Wilkerson said, Rumsfeld wanted extensive security measures that the British government refused to accept. The British citizens were transferred anyway, and all were released.

Spokespersons for Rumsfeld and Cheney maintained that the administration had worked steadily, in cooperation with U.S. allies, to release or repatriate detainees while trying to ensure they were treated humanely and wouldn't pose threats later.

"The United States government has no desire to hold detainees any longer than necessary," a Defense Department spokesman said.

More recently, the U.S. and its ally have clashed over nine men at Guantanamo who had lived in Britain but were not citizens. A British court case filed on behalf of the men opened a window on the process when top officials had to file statements, copies of which were obtained by The Times.

Earlier this year, according to court records, U.S. and British officials began discussing the possible release of the men. The British officials said the U.S. expected assurances of extensive, open-ended monitoring and surveillance before they would consider returning the men to Britain. The records show that U.S. officials sought guarantees that intelligence officials would know immediately if the men met with Islamic radicals or made threatening statements.

Even if British officials conducted surveillance, used covert agents and intercepted phone calls, the measures would not have satisfied U.S. officials, according to a declaration by William Nye, head of Britain's counter-terrorism and intelligence directorate.

"None of these techniques, individually or collectively, would have been able to provide the sort of guarantees sought by the U.S.," Nye said.

The nine men, Nye told the court, were not considered enough of a danger to warrant diverting intelligence resources "from those who pose a greater threat to national security."

An appeals court in London backed the British government, which also argued that it could not advocate on behalf of the nine detainees because they were not British citizens. The men remain at Guantanamo.

Critics say the ruling served the interests of both U.S. and British officials by creating the appearance that the countries had tried to hammer out a transfer agreement but were thwarted by legal and security constraints.

"This represents a convenient cover for both parties," said Brent Mickum, a Washington lawyer who represents two of the detainees.

British and U.S. officials declined to discuss any specifics of the diplomatic talks.

In another case, that of Murat Kurnaz, a Turk born and raised in Germany, officials in Berlin initially balked at taking him back after the U.S. approved his transfer in 2002. His case languished until this year, when the new German chancellor, Angela Merkel, raised the issue with Bush.

But the transfer was delayed for several more months, in part because of U.S. demands for extensive surveillance and other security measures to keep tabs on Kurnaz's activities, according to interviews and European media reports.

The measures were rejected by German authorities because they would have created "a collision with German law," said Bernhard Docke, the attorney handling Kurnaz's case in Germany.

Kurnaz finally returned to his hometown of Bremen in August and was briefly placed under investigation for possible ties to Islamic extremists. The Germans have since dropped the case.

A spokesman for the German Embassy in Washington declined to comment.

Detainees from Saudi Arabia make up one of the largest groups at Guantanamo Bay. Saudi prisoners have come under particular scrutiny, in part because of the nation's fundamentalist strain of Islam and the fact that 15 of the 19 men who hijacked airliners in the Sept. 11 attacks were Saudi nationals.

So it was not surprising that the releases for Ramadan raised eyebrows among U.S. officials.

"We're certainly hoping they don't come back and haunt us," said a senior State Department official who requested anonymity because of the sensitivity of the matter.

Saudi officials said the men were released to their families to help rehabilitate them. "The idea is to slowly bring them back into the fold of society," said Jubeir, the embassy spokesman.

But Harris, the prison commander, says he has an obligation to know what becomes of the men in his custody. Part of his mission, he said, is to "keep enemy combatants off the battlefield."

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"I take it very seriously whether a detainee is going to get to go home or not," he said.

Court Again Rejects Part Of Canada's Antiterror Laws (NYT)

By Ian Austen

The New York Times, October 25, 2006

OTTAWA, Oct. 24 — An Ontario judge ruled Tuesday that an "essential element" of Canada's antiterrorism laws was unconstitutional.

The decision, by Justice Douglas Rutherford of the Ontario Superior Court, marks the second time in less than a week that a judge at the court has rejected parts of the nation's new antiterrorism laws.

Justice Rutherford found that the laws, introduced after the Sept. 11 attacks in the United States, improperly defined terrorism as a crime committed with religious, ideological or political motives. That definition, he said, is "an essential element that is not only novel in Canadian law, but the impact of which constitutes an infringement of certain fundamental freedoms," including "those of religion, thought, belief, opinion, expression and association."

The constitutional challenge to the laws was brought by the first person to be charged under them, Mohammed Momin Khawaja, a 27-year-old, Canadian-born software developer.

Mr. Khawaja, a former contract employee of Canada's Department of Foreign Affairs, was arrested in Ottawa in 2004 as part of a series of raids coordinated between the British and Canadian police. In Britain, nine other people were arrested and 1,320 pounds of ammonium nitrate fertilizer, a potential bomb ingredient, was seized.

Mr. Khawaja faces seven charges under the new Canadian laws.

He remains in jail, however, because Justice Rutherford struck down only the specific definition of terrorism, without nullifying the law itself. As a result, the impact of Tuesday's decision on Mr. Khawaja's case is not clear, nor are the implications for the 17 other people who were arrested in the Toronto area in June and charged with a number of terrorism-related offenses. Patrick Charette, a spokesman for Canada's Department of Justice, said that because the bulk of the law was preserved, if not the definition of terrorism, the government would go ahead with Mr. Khawaja's trial as planned in January.

But Mr. Khawaja's lawyer, Lawrence Greenspon, said that if the government attempted to try his client, he would ask the Supreme Court of Canada to drop the charges.

"How can you proceed on charges when every one of them is a terrorism charge, but you've taken away that definition?" he said.

The definition of terrorism as a politically or religiously motivated crime, Mr. Greenspon added, has led to abuses by the Canadian police and intelligence officers. "That's why they're knocking on Muslim Canadians' doors and questioning and detaining people who are Arab or followers of Islam," he said.

Last week, another judge struck down portions of Canadian secrecy laws that were included in the antiterrorism legislation. Those parts had been used to raid the home and office of a reporter for The Ottawa Citizen newspaper.

HOMELAND RESPONSE:

FBI Hit For Anthrax 'Dead-ends' (WT)

By Jerry Seper, The Washington Times

The Washington Times, October 25, 2006

A senior member of the Senate Judiciary Committee wants Attorney General Alberto R. Gonzales to explain why the FBI has not made an arrest in its anthrax investigation, citing five years of "dead-ends and a lack of progress."

"There are numerous and serious questions that need to be answered about both the investigation itself and how the FBI has handled it," Sen. Charles E. Grassley, Iowa Republican, said in a letter yesterday to Mr. Gonzales.

"The FBI's refusal to brief Congress over the last several years is an outrageous response to reasonable requests at getting to the bottom of the attacks."

The FBI's anthrax investigation began in October 2001 after Congress became one of the targets in the first bioterrorist attack on the United States. A letter laced with the deadly bacterium was addressed to Tom Daschle, the South Dakota Democrat serving as Senate majority leader.

Anthrax-tainted letters ultimately killed five persons in the U.S. and infected 17 others.

The FBI took primary responsibility for investigating the attacks and has described its "Amerithrax" probe as one of the largest and most complex in the history of law enforcement. The FBI said recently that it was determined to solve the case, had conducted 9,000 interviews and had issued 6,000 subpoenas.

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Nearly 20 FBI agents, working with inspectors from the U.S. Postal Service, continue to pursue the case.

FBI Assistant Director Joseph Persichini Jr., who heads the Washington field office, said last month that FBI and U.S. Postal Service investigators were "fully committed to bringing the perpetrators of these murderous attacks to justice."

Mr. Persichini said the scientific advances gained from the investigation were unprecedented and had strengthened the government's ability to prepare for and prevent biological attacks.

Mr. Grassley said a detailed examination of the probe may reveal the FBI's "institutional resistance to criticism and dissent."

Mr. Grassley, who also serves as chairman of the Senate Finance Committee, said many of the resources devoted to the anthrax probe since 2001 were aimed at attempting to prove that former Army scientist Steven Hatfill, once identified as a "person of interest" in the investigation, was involved in the attacks.

The Justice Department has since said that the strain of anthrax used in the attacks was available to a wider circle of people than initially thought.

Mr. Grassley called "outrageous" the FBI's prohibition of further anthrax briefings to Congress and the suggestion that lawmakers were leaking sensitive information.

"Given the allegations about FBI leaks related to [Steven] Hatfill and its similar leaks related to Richard Jewell in the Centennial Park Bombing Case, for the FBI to withhold information from Congress for fear of leaks seems a bit hypocritical, to say the least," he said.

Mr. Grassley asked, among other things, whether the FBI has been able to narrow the number of "persons of interest" and labs.

Anthrax Mystery And Misery Linger For Postal Workers (WP)

By Courtland Milloy

The Washington Post, October 25, 2006

The envelope containing the anthrax was postmarked Oct. 9, 2001, and arrived at the Brentwood postal facility in Northeast Washington a few days later. The return address read, "4th Grade, Greendale School, Franklin Park, NJ 08852." But the letter had not been mailed by kids. And you could be forgiven for no longer wondering who had mailed it.

Forgiving those who'd forgotten about them -- that's what some postal workers have been trying to do for five years, ever since two of their own, Thomas L. Morris Jr., 55, and Joseph P. Curseen Jr., 47, died Oct. 21 and Oct. 22, 2001, respectively, after inhaling anthrax from that envelope. They want to forgive our forgetting how badly they had been treated. Forgive our not caring that the killer remains at large. Forgive our lack of concern that it could happen again.

They need to forgive lest bitterness and resentment corrode their souls.

"Like soldiers, we continue to work on the front line, sometimes feeling unarmed, in hopes that our health and safety needs are met, and that the culprits are apprehended," Dena Briscoe, president of a postal worker support group called Brentwood Exposed, told a gathering of postal employees at a memorial service last week. "We are not offered an apology from our government leaders for their hesitant reactions during the anthrax attacks, putting the mail first and leaving many still wounded."

The contaminated letter had been addressed to then-Senate Majority Leader Thomas A. Daschle (D-S.D.). The anthrax was discovered after it was opened by one of his staff members Oct. 15. Almost immediately, more than 3,000 Capitol Hill employees were methodically tested for anthrax exposure. But at the Brentwood facility, which sorts mail for the House and Senate, it took days before any of the more than 1,000 postal employees were tested -- and then only after one of them had become ill, from anthrax poisoning.

Making matters worse was the obvious racial disparity: the Capitol Hill employees were predominantly white; the postal workers, predominantly black. Moreover, health officials did not go to the postal workers as they did to those on Capitol Hill; instead, the postal workers were directed to government offices miles away, where they had to line up and wait to get a nasal cavity swab. Curseen and Morris never made it.

The memorial service was held at Israel Baptist Church, not far from the Brentwood postal facility, which has been renamed for Curseen and Morris.

Postal worker Robert Finney sang a stirring rendition of the Lord's Prayer ("And forgive us our trespasses as we forgive those who trespass against us"). Sylvia Berry, a former postal worker who is now a minister in North Carolina, followed up with a message of redemption through forgiving.

"It's easy to have bitterness in your heart when you believe life has been unfair," Berry said. "Some find it difficult to let go. Some never forgive. But now is a time for healing. We must learn to forgive and to love one another."

The challenge of forgiveness was highlighted by a letter from Sen. Barbara A. Mikulski (D-Md.) that was read to the gathering. "I can't believe that we still don't know who is behind these attacks," she wrote. "It is unacceptable that we still have no leads."

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But recent expressions of concern, regret and solidarity from Mikulski and others might have advanced the process.

Rep. Albert R. Wynn (D-Md.) told the gathered postal workers: "You have our condolences, which may sound like empty words, given all that has happened. The government has failed you. To this day, we bear a measure of guilt."

And in an op-ed column for The Washington Post last week, Daschle, now a lawyer in private practice, wrote: "Five years later, the alarm I and many others experienced on that dark day has been replaced by a deep discouragement and dismay. The investigation trail has gone cold. Physical evidence that might have been gathered in the first days and weeks after the attacks is long gone. While the FBI has made gains in its scientific capabilities and understanding of anthrax, its slowness to move and its lack of direction in the early stages of the investigation led to missed opportunities."

At the memorial service, Joseph Persichini Jr., acting assistant director of the FBI's Washington field office, told the postal workers that law enforcement agents had worked extremely hard, round-the-clock, and that the failure to solve the crime had caused much grief and frustration.

"We are federal employees, with families, just like you," he said. "We want to do our jobs and do them well."

His humility seemed to soften the crowd. "The FBI now has a human face," Briscoe said.

But the wounds inflicted five years ago are still raw. And it probably doesn't help the healing that some postal workers still feel terribly vulnerable to attack.

Traveler Program In Demand (USAT)

By Thomas Frank

USA Today, October 25, 2006

WASHINGTON — Ten of the USA's busiest airports have asked the federal government if they can start Registered Traveler programs that would give pre-screened passengers a shortcut through security lines.

Those programs could begin by the end of the year, launching a much-delayed effort to expedite security for travelers who pass background checks.

Atlanta, Chicago O'Hare and Los Angeles airports — the nation's three busiest — have asked the Transportation Security Administration (TSA) to let them run voluntary Registered Traveler programs, along with 19 other airports.

The TSA released a list of interested airports for the first time after a Freedom of Information Act request by USA TODAY. The agency must approve airports and companies that would enroll passengers, provide fingerprint-embedded ID cards and usher registered travelers through security.

Carter Morris, a vice president at the American Association of Airport Executives, said programs could start by the end of the year and expand quickly. “It will be a strong start,” Morris said.

Registered Traveler has faced repeated delays since Congress suggested it shortly after the 9/11 attacks. A recent TSA proposal that would have forced participants to pay about $200 a year prompted an uproar. The annual fee is now likely to be about $100.

People in Registered Traveler would go through reserved security lanes that may waive procedures such as removing shoes and coats. Airports and travel groups say the program must operate at a significant number of places to attract millions of passengers nationwide.

Steven Brill, CEO of a New York company that would run Registered Traveler programs, said 10 large airports would provide a “critical mass to ensure this program launches and flourishes.”

However, some airports that have applied have not decided whether to start the Registered Traveler program, including Baltimore and Washington's Dulles and Reagan.

A dozen small to midsize airports that have applied to start Registered Traveler, including Albany, N.Y., and Huntsville, Ala., “are looking at a way to differentiate themselves and attract business travelers,” said Larry Zmuda, a partner at Unisys, a Pennsylvania company that would run the program.

More 9/11 Remains Found At Ground Zero (AP-Y)

By Sara Kugler

AP, October 25, 2006

Mayor Michael Bloomberg acknowledged Tuesday that the city pushed for a swift cleanup at the World Trade Center but said the fast pace was an effort to return remains to victims' families quickly.

Meanwhile, 36 more bone fragments were found Tuesday in subterranean cavities along the edge of the site as workers continued burrowing into areas that were apparently missed during the initial cleanup.

Bloomberg spoke a day after The Associated Press reported that some officials handling the cleanup in 2002 had recommended a more thorough search for remains but felt rebuffed by a city agency that just wanted to finish the job.

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The agency in charge of the excavation, the Department of Design and Construction, was applauded for its efficiency in 2002 after it whisked away the 10-story pile of trade center rubble in less than a year.

"Were we under time pressure? Absolutely," Bloomberg said Tuesday. "I don't know any family member that didn't want to find out whatever they could about the loved one that they lost. And we did it as fast as we could, consistent with safety and completeness."

Some victims' relatives dismissed the mayor's explanation for the quick cleanup.

"It had very little to do with the families," said Monica Gabrielle, who has no identified remains of her husband, Richard. "This is another spin — it's a diversion away from the issue, which is that management failed, not the workers. And management needs to be held accountable."

Among the officials who said they raised objections during the nine-month recovery effort was Lt. John McArdle, ground zero commander for the New York Police Department.

"There came a point in time when they said, 'We gotta try to wrap this up,' and they tried to expedite it as much as possible, and they jumped the gun, and now you have all of these families hurt, and they're finding all these body parts," he said.

Several large bones were accidentally discovered last week after a utility crew opened up a non-working manhole. Since then, the city has been tearing up the pavement and examining other underground pockets in the same vicinity, which is a service road along the western edge of the 16-acre site.

In the past few days, more than 100 bones and fragments have been recovered. The medical examiner's office is working to match them to victims.

Thousands of pieces recovered during the main excavation still have not yielded matches, leaving more than 40 percent of the attack's 2,749 victims without any trace of remains.

The newly discovered bones are just the latest finding of overlooked remains. Hundreds of bone fragments have been found on the roof of a building just south of the trade center site, and officials are eyeing whether other buildings need to be combed again.

Analysis: Whites Challenged Katrina Insurers More (USAT/AP)

By Rukmini Callimachi And Frank Bass

USA Today, October 25, 2006

NEW ORLEANS — The Little and Kitchens families watched helplessly as Hurricane Katrina battered their homes. Both families waited patiently for an insurance adjuster to settle their losses. And both were sorely disappointed with the outcome.

Then, their paths diverged.

Richard and Cindy Little, a white couple living in a predominantly white neighborhood, filed a complaint with the Louisiana Department of Insurance. Eventually, they won full reimbursement.

Doretha and Roy Kitchens, a black couple living in New Orleans' overwhelmingly black Lower 9th Ward, simply gave up and took what their insurer gave them. They didn't know they could appeal to the state.

Though poor and minority neighborhoods suffered the brunt of Katrina, residents living in white neighborhoods have been three times as likely as homeowners in black neighborhoods to seek state help in resolving insurance disputes, according to an Associated Press computer analysis of Louisiana's insurance complaints settled in the first year after Katrina.

“The blacks didn't complain 'cause they got tired,” said Doretha Kitchens, 58, who recalls numerous phone calls to her insurer. Ultimately, she accepted her insurer's offer of about $34,000 for damage that actually totaled more than $120,000.

The insurance industry and state regulators say they made special efforts to reach out to poor and minority neighborhoods.

“The message doesn't get to everyone,” Louisiana Insurance Commissioner Jim Donelon said.

More than 700,000 insurance claims were filed for Hurricane Katrina damage in Gulf Coast states and to date, only $14.9 billion of $25.3 billion in insured losses has been paid, the national risk modeling company ISO estimates.

In Louisiana, more than 8,000 residents have filed Katrina-related complaints with the state insurance office. The AP obtained the files of more than 3,000 settled complaints and analyzed the outcomes.

Nearly 75% of the settled cases were filed by residents currently living in predominantly white neighborhoods. Twenty-five percent were filed by households in majority-black ZIP codes.

Donelon said his department made an extra effort to reach as many people as possible and let them know the agency was willing to press their case with insurers.

That message never reached the water-stained stoop of Doretha Kitchens' house, which was enveloped in a 9-foot surge of muddy water.

Kitchens didn't know she could appeal Allstate's settlement offer to the state, but doubts it would have changed anything. Her husband, she said, simply lost faith that anyone would help.

"My husband didn't want to be bothered. I asked him, 'Why don't we sue the insurance company?' He said, 'They ain't gonna do nothing no way.' "

Richard and Cindy Little's home in Slidell had extensive damage. When their insurer agreed to pay two-thirds of the repair cost, the Littles used their savings to cover the construction, then began battling Allstate over the settlement. Eventually, their efforts paid off.

"We had money in the bank so we could wait them out," said Cindy Little, 50.

Mike Trevino, a spokesman for Allstate, said the state agency treated minority and white homeowners equally. The figures obtained by the AP support his contention.

Aloyd Edinburgh, 75, who lives in the Lower 9th Ward, couldn't wait it out.

Insurers gave him $35,000 out of a policy worth $85,000.

"The best thing I can do is take the money I did receive and go to work," he says.

Safer, Stronger, Smarter (USAT)

By Norman C. Francis

USA Today, October 25, 2006

On Aug. 29, 2005, the world watched as federal levees failed our city of 450,000 people — leading to 1,400 deaths and flooding tens of thousands of our homes and businesses. Following the most catastrophic engineering breakdown in U.S. history, the Army Corps of Engineers acknowledged that its levees failed in a storm they were engineered to withstand.

In response to this tragedy, we in Louisiana have pledged to acknowledge our risks and rebuild safer, stronger and smarter. This isoftentimes an unpopular position, but we've stuck to that commitment. Governor Kathleen Blanco, the Louisiana Legislature and the Louisiana Recovery Authority went far beyond what was required of us. We adopted a tough, new statewide building code and FEMA's new flood elevation guidelines. With funding from President Bush and Congress, we created programs to allow families to sell us their flood-damaged homes or elevate as they make repairs.

These incentives are helping people do the difficult work of rebuilding to a higher standard of safety.

Nobody lives risk-free in this world. But federal investments of nearly $6 billion to repair and strengthen our levees, combined with our adoption of the international building code and FEMA's flood guidance, means that we are using the best available science to reduce that risk to a manageable level.

What if Washington, D.C., were hit by a hurricane? Would we question whether to rebuild? What if the levees protecting Sacramento failed as ours did? What good is levee protection if homeowners are not allowed to build behind them? The question that should be answered in cases like ours is not whether to rebuild Louisiana, but how to do so safely.

We are answering these questions as we buy out houses in flood-prone areas and help families elevate in compliance with the best flood guidance available. In doing so, we echo the president's adviser on Gulf Coast recovery, Donald Powell, who said, "These advisories will provide a greater degree of certainty and confidence to the citizens of New Orleans, who are anxious to rebuild their homes and businesses … and to help them make sound rebuilding decisions."

Norman C. Francis is chairman of the Louisiana Recovery Authority.

New Orleans Plan: Rebuild In Flood Zones, Hand You The Bill (USAT)

USA Today, October 25, 2006

The definition of insanity, according to Benjamin Franklin, is doing the same thing over and over and expecting different results.

Ben, welcome to New Orleans.

Nearly three-quarters of 14,534 New Orleanians who've applied for federal grants say they'll rebuild their Hurricane Katrina-damaged homes in flood areas — even though city restrictions are unlikely to protect their homes if the levees fail again, USA TODAY's Anne Rochell Konigsmark reported last week.

The latest plan calls for the Louisiana Recovery Authority to dole out grants of up to $150,000 to cover uninsured losses, which residents can use to rebuild or relocate. To qualify, homeowners in and around the city must raise their homes by at least 3 feet and purchase federal flood insurance.

So let's see. Federal taxpayers will be subsidizing reconstruction in flood areas, underwriting the insurance on those homes and will no doubt have to bail out the flood insurance program if the homes get wiped out again. The program collected only $2.2 billion last year in premiums but will pay out more than $20 billion in Katrina claims, leaving taxpayers on the hook for the rest. Worse, the program encourages development in areas subject to flooding — not just in New Orleans, but everywhere — by offering insurance at bargain rates in areas where private insurers fear to tread. That increases the population in vulnerable areas, leading to more costly disasters.

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It is an absurd use of taxpayers' money, to which New Orleans is adding an expensive new twist.

Certainly, the homeowners in and around New Orleans deserve some assistance because of the magnitude of the disaster and the failure of federally constructed levees to protect them. But encouraging rebuilding in the most flood-prone areas is foolhardy.

The 3-foot rule, adopted Sept. 1 by the New Orleans City Council, makes little sense and is a poor substitute for a comprehensive rebuilding plan. An extra yard of elevation isn't needed in areas that didn't flood after Katrina, and it's too low in areas that saw as much as 20 feet of water. Just ask those who had to be rescued from their rooftops. If there's another catastrophic event, thousands of homes could flood again under the new rules, says Federal Emergency Management Agency Deputy Director Doug Bellomo.

To prevent such an event, $6 billion is being spent to upgrade the 350 miles of levees around New Orleans. But parts of that system remain suspect, and work won't be done until 2010 at best. This year's tame hurricane season is no reason for complacency. The truth is, New Orleans won't be safe from a Katrina-scale storm for many years.

Recovery after Katrina is a mammoth undertaking that should be managed at the municipal and state level. But if local authorities allow residents to rebuild in the most dangerous areas, it should be at their own risk. Asking taxpayers around the USA to subsidize, underwrite and bail them out again fits Franklin's definition of nuts.

WAR NEWS:

General Weighs 2nd Troop Shift To Calm Baghdad (NYT)

By John F. Burns

The New York Times, October 25, 2006

BAGHDAD, Oct. 24 — The top American military commander in Iraq said Tuesday that it was possible he might need to call for an increase in American troop levels in Baghdad to reinvigorate a plan to recapture the capital's streets from insurgents and death squads.

In a news conference held after a week of largely bad news from Iraq, Gen. George W. Casey Jr. and Ambassador Zalmay Khalilzad sought to reassure an increasingly restive American public that the war was still winnable.

Mr. Khalilzad laid out a timetable for political measures he said the Iraqi government had agreed to take that the Americans see as crucial to tamping down sectarian violence, and General Casey predicted that Iraqi troops would be able to take over the main burden of the war in 12 to 18 months, allowing American troops to move to a support role. [Military analysis, page A8.]

But the two men, America's top officials in Iraq, did not address what would happen if the government failed to meet the timetable, which includes measures meant to address some of the most intractable issues plaguing the country, including the sectarian militias that have been responsible for much of the worst violence this year.

General Casey declined to specify steps he would take to adjust the Baghdad security plan, which military officials acknowledged last week had failed to stem the violence in the capital. But he said troop increases — on top of several thousand additional American troops deployed when the Baghdad crackdown began in August — were among the options to secure the capital.

"Now, do we need more troops to do that?" he said. "Maybe. And as I've said all along, if we do, I will ask for the troops we need, both coalition and Iraqi."

He said his options could include deploying more Iraqi soldiers, bringing in more American troops to Baghdad from the 141,000 already in Iraq, or getting reinforcements from American troops deployed outside the country.

To increase combat forces further might require calling in some troops on standby in the region or extending the tours of units nearing the end of their 12-month tours in Iraq, which in turn could mean calling up reserves. Such a move would be politically unpopular, particularly in the run-up to an election in which the war has become a highly charged issue.

General Casey said earlier this month that he might need more troops in Iraq, but he gave no indication Tuesday, nor have other senior commanders, that such a request had been made.

Civilian deaths in Baghdad have been at near-record rates, and American casualties are running at their highest level in two years, with 90 troops having lost their lives so far in October. On Tuesday, American troops intensified their search for a soldier the military said had been abducted while visiting relatives in Baghdad on Monday.

In the past 10 days, two Iraqi cities, Balad and Amara, have been briefly taken over by militia gangs after American and British forces withdrew, and the civilian death toll across the country in October has remained at close to the record levels of the summer months, when it reached an average of about 100 a day. The situation has fed uncertainty about the war in the United

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States, prompting President Bush to reaffirm his commitment to the war, but to express a readiness to adjust tactics as the situation demands.

Maj. Gen. J. D. Thurman, commander of the Fourth Infantry Division who is the operational commander for Baghdad, said in an interview with The New York Times earlier this week that his first requirement was more Iraqi troops. He said the Iraqis had promised four battalions for the Baghdad operation, and committed only two. The general said he had not asked for more American troops.

General Casey and Mr. Khalilzad said that Iraqi leaders must set aside sectarian differences to unite behind "a national compact" within the next 12 months that will help overcome sectarian divisions driving the war. Mr. Khalilzad said the crucial issues to be settled included demobilizing sectarian militias, a fair division of national oil revenues, amendments to the 2005 Constitution to guarantee all Iraqis equal rights, and a new deal for former Baath party members to balance "accountability and reconciliation."

Also required, he said, was an increase in the "credibility and capability of Iraqi forces," whose performance, desertion rates and unwillingness to deploy outside their home areas has continued to disappoint American commanders.

"The recent sectarian bloodshed in Iraq causes many to question whether the United States and the Iraqis can succeed," Mr. Khalilzad said in his opening statement. "My message today is straightforward: Despite the difficult challenges we face, success in Iraq is possible and can be achieved by a realistic timetable." But he added a crucial proviso: "Iraqi leaders must step up to achieve key political and security milestones on which they have agreed."

A copy of the timeline Mr. Khalilzad said had been agreed to by Iraqi leaders was made available to The New York Times by American officials. Entitled "notional political timetable," it sets a seven-month schedule, running from this September to March 2007, to complete a 16-point agenda on divisive issues.

But the document provides deadlines only for the Iraqis to establish the legislative and executive framework for action on the most decisive issues, not for the implementation of policies that American officials believe is urgent if the tide in the war is to be reversed. A case in point is the sectarian militias, whose involvement in the killings of thousands of Iraqis this year has been identified by American officials as the most pressing issue of all. Without an end to the militia threat, they have said, no military action by American and Iraqi forces can win the war.

The timeline provided by the Americans sets a December deadline for Iraq's Parliament to pass laws setting terms for an amnesty for those willing to renounce bloodshed, and for other measures governing the demobilization of militias and means of reintegrating their members into civilian life. Iraqi leaders have promised to move against the militias since Iraq resumed sovereignty in June 2004, but three prime ministers, including Nuri Kamal al-Maliki, who took office in May, have repeatedly deferred action.

Even as American and Iraqi troops have battled sectarian militias in the Baghdad crackdown, Mr. Maliki has held firm, saying that persuading the powerful political groups that control the militias to disband them requires a political consensus, not the tough military action favored by American commanders.

For the prime minister, the issue is one of political survival, since the political groups whose power is underpinned by the two main Shiite militias, the Mahdi Army and the Badr Organization, both identified by American commanders as operating death squads, are key partners in the Shiite alliance that controls the government.

The news of the timetable drew reactions in Washington that ran mostly along party lines.

Senator Lindsey Graham, Republican of South Carolina and a member of the Armed Services Committee, called the statements from General Casey and the ambassador "encouraging."

"They understand the security situation is lacking and working with our Iraqi allies, they understand the need to get it right," he said.

But Representative Ike Skelton of Missouri, the senior Democrat on the Armed Services Committee said: "After three and a half years of training, this timetable is too long." He said he had been telling the administration to set a timetable for two years and called General Casey's statements, "a sobering assessment from our top military commander of how much farther Iraq's forces still have to go."

Like Mr. Khalilzad, General Casey alluded to the growing popular and Congressional restiveness toward the war, saying, "I'm sure for the folks back in the United States trying to look at this, it looks very confusing and hard to understand." He said the war had reached "a difficult situation" that was "likely to remain that way over the near term," but offered a more hopeful projection for 2007 and 2008, a period that would carry American troops here to the fifth anniversary of the invasion that overthrew Saddam Hussein.

The American commander said the rebuilding of Iraq's security forces was about 75 percent complete. He said almost 90 of the 112 American-trained Iraqi Army battalions are "in the lead" across Iraq, meaning that they have taken over the primary combat role from Americans.

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"Make no mistake about it, we are in a tough fight here in the center of the country and in Anbar Province" to the west of Baghdad, base to much of the Sunni insurgency, the general said. "But I think it's important to remind people that 90 percent of the sectarian violence in Iraq takes place in about a 30-mile radius from the center of Baghdad, and that, secondly, 90 percent of that violence takes place in five provinces" of the 18 that make up Iraq. "This is not a country that is awash in sectarian violence."

General Casey said that American troop withdrawals can and must be made as Iraqi forces improve. But he refused to set any hard-and-fast deadlines, saying that withdrawals would depend on developments in the war. "The Iraqis are getting better," he said.

"I still very strongly believe that we need to continue to reduce our forces as the Iraqis continue to improve, because we need to get out of their way," the general said.

In other developments on Tuesday, the American military command said that four more American troops had died in rebel attacks in Iraq. With a week to go, October has already become the deadliest month for American troops in 12 months and is on pace to become the third deadliest month of the conflict. Three troops — two marines and a sailor — were killed Monday in Anbar Province, the military said, and a soldier died early Tuesday from wounds he sustained when his patrol was struck by a concealed bomb in Baghdad.

In Falluja on Monday, American troops, responding to a report that a fire truck had been hijacked by insurgents, stopped a fire truck matching the description, the command reported. As the truck's four occupants "exited quickly," the statement said, the troops opened fire, killing them.

American troops later found that the men were actually firefighters responding to an emergency call and were not riding in the hijacked truck.

In Baghdad, an intensive military search continued Tuesday for an American soldier who was reported missing late Monday. Military officials said that the soldier, who is of Iraqi descent and works as an interpreter, appeared to have left the fortified Green Zone on Monday afternoon to visit with family members in Baghdad. A military statement, citing witnesses, said the soldier was at a relative's house when men wearing "dark-colored rags over their noses and mouths" pulled up in three cars, handcuffed the soldier and took him away in one of the vehicles.

The kidnappers later called a relative of the soldier using the victim's cellphone, the statement said.

Hundreds of American and Iraqi security forces, backed by attack helicopters and unmanned aerial surveillance drones, surged into the central Baghdad neighborhood of Karada on Monday night, sealing off roads and bridges, searching vehicles, and raiding homes and offices.

The sweep continued all day Monday, snarling traffic throughout the center of the capital. The American military said that among other locations, its troops had raided the Al Furat television station, which is owned by the Supreme Council for the Islamic Revolution in Iraq, a powerful Shiite party; and Saeed Adrees Mosque, a Shiite mosque.

American officials vowed to continue the search until the missing serviceman was rescued. "We will leverage all available coalition resources to find this soldier," said General Thurman.

More U.S. Troops May Be Iraq-Bound (WP)

By Ellen Knickmeyer

The Washington Post, October 25, 2006

BAGHDAD, Oct. 24 -- The top American commander in Iraq said Tuesday that he may call for more troops to be sent to Baghdad, possibly by increasing the overall U.S. presence in Iraq, as rising bloodshed pushes Iraqi and American deaths to some of their highest levels of the war.

The commander, Gen. George W. Casey Jr., also said he now believed Iraqi forces would be ready to take over security responsibility from the Americans no sooner than late 2007 or early 2008. The announcement of a 12- to 18-month target again pushes back the withdrawal of the bulk of the 145,000 or so U.S. troops in Iraq.

Casey spoke alongside U.S. Ambassador Zalmay Khalilzad at a rare joint news conference in Baghdad's Green Zone, aiming to show that U.S. and Iraqi leaders were confronting surging sectarian violence. Both men acknowledged that both the course and nature of the war have changed this year, as Iraq's Shiite Muslim majority and Sunni minority battle for power, resources and, lately, survival.

"Make no mistake about it: We are in a tough fight here in the center of the country and in Anbar province," Casey said, emphasizing that the worst of the bloodletting was in Baghdad.

"This is not a country that is awash in sectarian violence," Casey said. "The situation's hard, but it's not a country that's awash in sectarian violence."

Casey said later that any additional troops for Baghdad could come from a variety of sources, including from the Iraqi military, from U.S. forces elsewhere in Iraq or from outside the theater.

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Khalilzad framed the Iraqi conflict as part of the struggle for security in the Middle East, which he called "the challenge of our age." He sought to rally flagging public support in the United States for the war and answer calls -- led by Democrats -- to set a timeline for American withdrawal.

"The recent sectarian bloodshed in Iraq causes many to question whether the United States and the Iraqis can succeed," Khalilzad said. "My message today is straightforward: Despite the difficult challenges we face, success in Iraq is possible and can be achieved on a realistic timetable."

But events inside and outside the Green Zone on Tuesday highlighted the stubbornness of the basic problems with which U.S. forces have struggled since the 2003 invasion: security and infrastructure. Killings by insurgents in the western province of Anbar helped push up the October death toll among American troops in Iraq by four service members to 91, the U.S. military said Tuesday, the highest monthly total for American forces in the country in 12 months.

And Casey and Khalilzad, the top U.S. military and civilian leaders in Iraq, were left for several minutes to deliver their remarks in darkness illuminated only by the battery-powered lights of TV camera crews. One of Baghdad's frequent power outages cut electricity to the converted parking garage that houses the U.S. military press center, briefly knocking the internationally broadcast conference off the air.

For Casey and his predecessors, the question of whether President Bush dedicated enough troops to the Iraq war has been one of those most frequently asked -- and hotly debated. While Casey has raised troop strength temporarily as high as 150,000 for Iraqi national elections, his stock answer has been that if he felt additional troops were needed, he would ask for them.

On Tuesday, Casey said he might ask for them. If Iraqi leaders can resolve their differences and if Iraqi security forces improve, "I think [we] can put Iraq in a very good place in 12 months.

"Now, do we need more troops to do that? Maybe."

It is not clear whether Iraqi or U.S. forces in Iraq, which already are stretched thin, could provide substantially more troops for duty in the capital, however.

American commanders have complained, usually privately, that the Iraqi government has failed to provide many of the Iraqi troops they requested earlier to try to stabilize Baghdad. In September, commanders had a weeks-old request for 3,000 more Iraqi troops for the capital; only a few hundred arrived, Maj. Gen. James D. Thurman, the U.S. commander for Baghdad, said last month. Some Iraqi battalions have mutinied rather than answer orders to deploy to Baghdad.

U.S. commanders moved at least 6,000 more American troops to Baghdad over the summer for Operation Together Forward, an effort to arrest the violence in the capital. To get those extra troops, commanders had to take the unpopular step of extending one unit's deployment just as it was going home to its base in Alaska, as well as calling in emergency reserves based in Kuwait.

In all, about 15,000 American troops and 9,000 Iraqi soldiers are now deployed in Baghdad for the special security operation.

Despite the concentration of efforts in the capital, violence here has climbed more than 43 percent since midsummer. Maj. Gen. William B. Caldwell, the top U.S. spokesman in Iraq, said last week that attacks had climbed 22 percent in the first two weeks of the Islamic holy month of Ramadan, which began in late September, compared with the preceding two weeks.

The toll is highest among Iraqi civilians. More than 2,660 Iraqis were killed in Baghdad last month alone, the highest such figure for the war. The average daily number of attacks on Iraqi security forces is also at a high, the U.S. Defense Department said in a report in late August.

Casey said U.S. and Iraqi authorities would adjust their Baghdad military plan to combat the rising attacks. He declined to give specifics.

Iraqis and Americans here face "a difficult situation, and it's likely to remain that way over the near term," Khalilzad said.

U.S. and Iraqi leaders were adjusting political goals in Iraq as well, Khalilzad said, to cope with a conflict that has expanded from an insurgency alone to an insurgency increasingly overshadowed by sectarian violence.

Khalilzad said Iraqi Prime Minister Nouri al-Maliki had agreed to timelines for accomplishing several specific goals, including developing a plan to deal with militias and reforming Iraq's Interior Ministry by the end of the year.

Militias connected to the Shiite religious parties that lead Iraq's government are accused by U.S. officials, Iraqi Sunnis and others of being lead players in increasingly brazen attacks on Sunnis. In the south, where Sunnis are few, Shiite militias fight each other.

According to Khalilzad, Maliki told U.S. officials that Moqtada al-Sadr, the Shiite cleric who leads the most feared militia, had agreed to the creation of a plan for disarming militias.

However, Sadr has said he does not consider his armed followers to be a militia, and thus sees them as outside any plan to break up the militias, according to one diplomat here. It was not clear if Sadr's alleged commitment to Maliki superseded that.

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On Tuesday, Sadr called for an end to religious killings.

"I totally reject any Shiite-Shiite fighting or Sunni-Shiite sectarian fighting in Iraq under any pretext," he said in a speech in the southern holy city of Najaf. "Protecting Iraq is our main goal, and the expulsion of the occupation troops from the country is our objective, too."

Armed bands claiming to be part of Sadr's militia have kept up the violence despite similar calls from Sadr in recent months. At least in part, Sadr appears not fully in command of the thousands of armed men claiming allegiance to him.

Iraq's Interior Ministry also is controlled by the Shiite religious parties, and U.S. commanders concede it is heavily infiltrated by the Shiite militias.

Khalilzad said Iraqi leaders have agreed that, over the next 12 months, they will come up with a national compact for reconciliation and a plan that fairly shares Iraq's oil wealth, have a program on militias in place and work on Iraq's security institutions.

Since taking office in May, Maliki has postponed promised action on militias and on national reconciliation, frustrating American officials as the U.S. toll rises and Iraq's divisions deepen. Khalilzad on Tuesday urged Iraqi leaders to "step up" to their responsibilities.

American commanders also have repeatedly set rough dates for when U.S. troops might start to withdraw, only to roll back those dates as Iraq's troubles worsened.

Casey said last year that he hoped for "fairly significant" withdrawals by spring 2006, but he said Tuesday that rising sectarian violence had made such a drawdown impossible.

In Washington, some Democrats responded to Khalilzad's and Casey's messages by demanding that the United States pull out troops if Iraqis miss their deadlines.

"We need to make clear that American troops will be leaving within a year to force Iraqis to make the tough compromises," Sen. John F. Kerry (Mass.) said in a statement. "Only then do we have a chance to make Iraqis stand up for Iraq and bring our troops home."

"We must accelerate the timeline of training Iraqi security forces" and double the number of U.S. trainers, said Rep. Ike Skelton (Mo.), ranking member of the House Armed Services Committee. "American force readiness is at critically low levels and will only fully recover when significant numbers of personnel and equipment can begin to redeploy from Iraq."

Iraqis To Plan Timeline For Reducing Violence (LAT)

By Louise Roug

The Los Angeles Times, October 25, 2006

BAGHDAD, Iraq — The top U.S. military commander in Iraq said today that more U.S. troops might be needed to quell sectarian violence raging in the capital.

In a news conference with the American ambassador, Gen. George W. Casey Jr. said he was open to requesting more American troops given the conflict's complexity and seriousness, especially in Baghdad.

During October, U.S. and Iraqi forces have come under increased attacks, with at least 90 U.S. troops killed in the highest American monthly death toll this year. Another 300 Iraqi troops have also been killed during the holy month of Ramadan, according to Casey. Most of the U.S. and Iraqi casualties have been killed in Baghdad.

The war in Iraq is a key issue in the Nov. 7 U.S. election and the Bush administration has been keen to play down any shift in Iraq policy. At the same time, President Bush has dropped the refrain that the United States will "stay the course" in Iraq, White House Press Secretary Tony Snow confirmed Monday.

"He stopped using it," Snow said of the phrase, suggesting that it left the impression the administration was not adjusting to conditions in Iraq.

Last week, military spokesman Maj. Gen. William B. Caldwell IV described the continued violence in Baghdad as "disheartening," suggesting that the military was recasting its strategy.

In the past, military officials have described the strategy in Baghdad as "clear, hold and build." While the U.S. military is able to clear neighborhoods of insurgents, holding and building has proved more problematic.

"Do we need more troops to do that? Maybe," Casey said at the news conference. "If we do, I'll ask for the troops we need, both coalition and Iraqis."

There are now 147,000 U.S. troops in Iraq.

Casey acknowledged that he had initially projected a significant reduction of troops this year but that, by late June, it became clear that more U.S. forces were needed to augment Iraqi security forces still being trained.

"It's going to take another 12 to 18 months or so till I believe the Iraqi security forces are completely capable of taking over responsibility for their own security," Casey said, repeating a statement he made last month.

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During the same news conference, U.S. Ambassador Zalmay Khalilzad emphasized a political timetable, saying the Iraqi government has agreed to begin resolving fundamental disputes through a "national compact."

Iraqi politicians differ on issues such as disarming militias and insurgents, revenue sharing and constitutional amendments. "Iraqi officials have agreed to a timeline for making these difficult decisions," Khalilzad said.

However, it was unclear what will happen if the Iraqi politicians fail to meet the agreed upon timeline.

Khalilzad also said the Bush administration has approached some of Iraq's neighbors for help.

"We are reaching out to Arab states, such as Saudi Arabia, the UAE [United Arab Emirates] and Jordan, to help by encouraging these groups to end the violence and work for a united and independent Iraq and to work against Al Qaeda," he said. "These countries have promised to be helpful."

Other neighbors have not been helpful, he said, pointing to Iran and Syria. "Both Iran and Syria continue to be decidedly unhelpful by providing support to the different extremists groups operating in Iraq," Khalilzad said.

U.S. Shifts Onus To Iraqis To Find Political Solution (WSJ)

By Greg Jaffe

The Wall Street Journal, October 25, 2006

With few military options left to counter the violence across Iraq, top U.S. officials are shifting more of the onus onto Baghdad's beleaguered political leaders to broker compromises they hope might stem the rising bloodshed.

In a sign that Washington is turning up pressure on Prime Minister Nouri al-Maliki to act, U.S. officials in Baghdad and Washington yesterday said progress on resolving Iraq's ethnic and religious rifts must come soon.

The focus on Baghdad's fledgling government follows the U.S. military's admission last week that its four-month-old plan to secure the Iraqi capital by concentrating U.S. and Iraqi forces there hasn't worked as hoped. It also comes amid congressional-election campaigns in which Republicans and Democrats are pressing the Bush administration to radically change its approach in Iraq.

But little in Iraq over the past three years offers reason for optimism that the renewed pressure on Mr. Maliki will produce better results. Over that period, the U.S. has tried various military tactics -- having U.S. troops take the lead, having them step back from major cities, inserting them deep into urban conflict zones or having them stay on the perimeters -- only to see the security situation worsen steadily. At the same time, American officials have been disappointed in Mr. Maliki, considering him too passive in addressing Iraq's deep political rifts and too timid in confronting the militias that increasingly pose serious security problems.

Mr. Maliki took office in May after almost five months of postelection political wrangling among Shiite Muslims, Sunni Muslims and Kurds. From the outset, U.S. officials knew his "unity government" had a weak grip on power and a limited ability to achieve deals on exceedingly divisive issues such as distribution of oil revenue, amnesty for Sunni insurgents and the dissolution of Shiite militias.

As sectarian violence worsened during the summer, top U.S. officials decided to flood Baghdad with troops and checkpoints in an effort to stem the chaos and help the weak Maliki government build some much needed credibility with the Iraqi people. According to the plan, helping the government appear stronger would make it easier for Mr. Maliki to forge much-needed compromises that would in turn enhance security. But the crackdown's failure and the lack of good military options that remain are prompting a renewed emphasis on repairing some of the deep sectarian rifts sooner rather than later.

Recent events suggest it will be hard for Mr. Maliki, who took office with support from radical Shiite cleric Moqtada al-Sadr, to force the changes the U.S. wants. For example, less than two days after Mr. Maliki met with Mr. Sadr and Grand Ayatollah Ali al-Sistani, Iraq's most revered Shiite cleric, Mr. Sadr's militia stormed the city of Amara and clashed with local police forces and a rival Shiite militia. The violence was seen by many Iraqis as a sign of Mr. Maliki's inability to bring Mr. Sadr and his militia under control.

Democrats pounced on the shift announced yesterday as a sign of political desperation. "Today, it is no small irony that Republicans -- who desperately fear the voters' wrath in elections just two weeks from today -- have excised 'stay the course' from their vocabulary and announced that the Iraqis have agreed to a timetable for achieving political and security benchmarks," said Maryland Rep. Steny Hoyer, the second-ranking House Democrat.

In a joint news conference in Baghdad, Gen. George Casey and Ambassador Zalmay Khalilzad, the top two U.S. officials there, said Iraqi leaders have agreed to the outlines of a plan to stabilize the country. The goal would be for Iraqi forces to take full control of security in the country in the next 12 to 18 months with "some level" of American support.

Mr. Khalilzad mentioned several areas in which progress would be measured that depend heavily on Iraqi leaders to reach political compromises on such contentious issues as the distribution of oil revenue, the disarming of militias and some sort of

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reconciliation program to bring warring Sunni and Shiite Muslims together. He also called for Iraqi leaders to improve the capability and credibility of their police and army forces -- with U.S. help.

"Iraqi leaders have agreed to a timeline for making the hard decisions needed to resolve these issues," Mr. Khalilzad said. He stopped short of laying out specific dates for the milestones. U.S. officials also have rejected suggestions that the U.S. would threaten to withdraw troops if the goals aren't met.

The apparent shift toward achieving a political solution stems from the limited military options available to the U.S. and Iraqis. Since August, thousands of U.S. and Iraqi troops have been concentrated in Baghdad to quell violence by insurgents and sectarian death squads. The hope was that tamping down violence in the capital would make it possible to bring the rest of the country under control and give Mr. Maliki's government a much needed boost.

In a way, officials now are describing a strategy that reverses the priorities the U.S. had set for itself and its allies in the Iraqi government. Bush administration officials had long theorized that Iraq's security situation needed to be stabilized before its fledgling government would have the breathing space to solve the difficult sectarian splits and regional feuds. Now, the U.S. is proposing that Mr. Maliki needs to do more to establish a government worth defending before a security force can be built to do that job adequately.

In Washington, National Security Adviser Stephen Hadley echoed the message to Mr. Maliki and his government to act now. "I think they've got to do more and they've got to do it faster," Mr. Hadley said in a radio interview at the White House. "And I think if you talked to Prime Minister al-Maliki, he would say to you the same thing."

October has been the deadliest month this year for American forces. The military yesterday announced four more U.S. troops had been killed, raising the U.S. death toll for the month to at least 91 so far. After a brief dip in late August and early September, the number of Iraqis killed in Baghdad also seems to be building again to levels similar to those before the stabilization campaign.

Despite rising casualties, Gen. Casey suggested the extra troops are making a difference. Currently there are about 15,600 American troops, 10,000 Iraqi army troops and 30,000 Iraqi police involved in Operation Forward Together, the joint military effort in the capital. Gen. Casey suggested he might ask for more soldiers to help hold onto areas of Baghdad that the U.S. had cleared of Sunni insurgents and Shiite death squads.

"Do we need more troops to do that? Maybe. And as I've said all along, if we do, I will ask for the troops I need, both coalition and Iraqis," he said.

But it isn't clear whether more troops would indeed be available in large numbers. The U.S. has a relatively small force available in Kuwait that it could call on if needed. But the U.S. Army is so stretched right now by missions in Iraq and Afghanistan that it has few active-duty troops ready and equipped to flow into Iraq. Democratic Sen. Jack Reed of Rhode Island warned in a Senate hearing in August that two-thirds of the Army's active force is unready, while the remainder of the force is largely deployed.

Calling up National Guard troops to ease the pressure is also a problem. To increase significantly the size of the reserve force the Bush administration would have to change longstanding Pentagon policies that allow the Army to call up National Guard and Army Reserve troops for a second Iraq tour. Such a move would be politically unpalatable and could spark further calls from Congress to shift the plan in Iraq. Some U.S. officials also worry that sending in more American soldiers may not help much, unless they are partnered with reliable Iraqi troops who know the terrain.

In addition to laying out political milestones, Gen. Casey also said American and Iraqi officials believed that in 12 to 18 months, Iraqi security forces would be "completely capable of taking over responsibility for their own security. That's still coupled with some level of support from us."

The performance of the Iraqi army and police forces in the current Baghdad security initiative has been mixed. U.S. officials have complained that the police have been significantly infiltrated by Shiite militias. And only two of the six army battalions the Iraqis pledged to the effort have been delivered, according to reports in the New York Times. Some U.S. officials say the performance of the Iraqi forces likely will remain uneven without progress on the political front.

"An insurgency is a political struggle," said Kalev Sepp, a professor at the Naval Postgraduate School who has advised U.S. commanders in Baghdad on counterinsurgency strategy. "You can't create security forces if they don't have a government to fight for."

No Major Troop Cut In Iraq For A Year (USAT)

By Rick Jervis

USA Today, October 25, 2006

BAGHDAD — U.S. officials said Tuesday that Iraq's security forces won't be able to stand on their own for another 12 to 18 months, meaning substantial numbers of U.S. forces will likely remain in Iraq through next year.

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U.S. officials had previously expected to begin significant U.S. troop withdrawals by the end of this year. The reassessment follows an upsurge in sectarian violence in Baghdad and fighting in Anbar province in western Iraq. There are about 140,000 U.S. troops in Iraq.

So far in October, 91 American troops have died, making it the deadliest month for U.S. forces this year.

"It is going to take another 12 to 18 months or so till I believe the Iraqi security forces are completely capable of taking over responsibility for their own security," said Gen. George Casey, the ranking U.S. commander in Iraq.

The U.S. military will provide "some level of support" after that, he said.

He did not rule out bolstering the 15,400 American troops now in Baghdad.

In Washington, Marine Gen. Peter Pace, chairman of the Joint Chiefs of Staff, said commanders continually reassess U.S. troop levels in Iraq based on the strength and capability of Iraqi armed forces.

"Back in August and July, we thought we might be able to reduce the size of U.S. forces by this Christmas," Pace said. "And then the violence in Baghdad increased."

In 2005, Casey said "substantial reductions" in troop levels were possible in 2006.

Casey and other U.S. officials typically qualify their forecasts by saying plans depend on the enemy and abilities of Iraqi forces.

Two weeks before congressional elections, the Bush administration has been under fire from some Republicans and Democrats for not making a course correction in the face of renewed violence in Iraq.

On Tuesday, Casey and U.S. Ambassador Zalmay Khalilzad held a rare news conference in the Green Zone to discuss progress in training Iraqi forces and building the nation's government.

The officials said Iraq's leaders have agreed to establish benchmarks by the end of the year that will measure the fledgling government's progress.

The milestones include cracking down on militias, creating a law to share oil wealth and persuading Sunni insurgents to lay down their arms.

The benchmarks are designed partly to pressure Iraq to move quicker to reach a political solution. Iraq's government is attempting to reach an agreement with militias and some insurgent groups to lay down their weapons. A political agreement is seen as key to ending religious warfare.

"A lot of what we're seeing right now is hasty knee-jerk reaction to the serious deterioration of Iraq," said Wayne White, who formerly headed the State Department's Iraq intelligence team and is a scholar at the Middle East Institute.

Iraqi Takeover Target Set (WT)

By Rowan Scarborough

The Washington Times, October 25, 2006

The top U.S. military commander in Iraq set a timeline yesterday of 18 months for the Iraqi security forces to take over war operations in all the country's provinces "with some level of support from us."

Army Gen. George Casey did not commit to a timeline for removing 147,000 U.S. troops, as House Democratic leaders have demanded and as President Bush has resisted. But achieving Gen. Casey's new benchmark would assuredly mean a smaller American force in Iraq, where about 2,800 U.S. service members have died since the March 2003 invasion. Iraqi forces now control operations in just two of 18 provinces.

At the same Baghdad press conference, U.S. Ambassador Zalmay Khalilzad announced that Iraqi Prime Minister Nouri al-Maliki has agreed to a series of benchmarks for reaching a "national compact" within 12 months to end Sunni-Shi'ite violence and equitably divide the country's wealth.

Mr. Khalilzad said Mr. al-Maliki also has agreed to come up with a plan for controlling various militias, such as the Mahdi Army of firebrand cleric Muqtada al-Sadr, by year's end. But Mr. Khalilzad offered no specifics on how Mr. al-Maliki will accomplish a task he has so far resisted.

"Iraqi leaders must step up to achieve key political and security milestones on which they have agreed," he said. "The prime minister has a timeline of developing a plan by the end of the year, and we support that."

The joint press conference capped a week of intensified rhetoric on Iraq as the Bush administration urges the al-Maliki government to move faster to take over security chores and let U.S. forces go home.

Pressed by Democrats and some Republicans to change course as more than 90 U.S. troops have died in Iraq this month, Mr. Bush telephoned Mr. al-Maliki last week to convey a sense of urgency. Defense Secretary Donald H. Rumsfeld declared last week Iraq must take over more security missions "sooner rather than later."

Gen. Casey, who boosted U.S. troop levels in Iraq from 132,000 to 147,000 in the face of war breaking out in Baghdad, offered no concrete assurances that yesterday's announced plan would result in reductions. He said his forces face a

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"fundamental change" in the enemy from a year ago. Added to the al Qaeda suicide bombers and Iraqi Sunni insurgents is an outgrowth of armed groups under no one's central control who roam the Baghdad area killing civilians.

Gen. Casey's chief spokesman declared last week that a huge influx of security forces into Baghdad the past three months had failed to reduce violence. Gen. Casey took a different view yesterday.

"The Baghdad security plan continues to have a dampening effect on sectarian violence," he said. "The situation is hard, but it's not a country that's awash in sectarian violence."

There are today more than 300,000 Iraqis security forces. The military says six of 10 army divisions are "in the lead," which means they can conduct operations on their own but need U.S. support.

Mr. Khalilzad predicted that by November 2007 he will have a "national compact in place" that better defines the division of oil wealth among Sunnis, majority Shi'ites and Kurds. The compact also would include changes to the ongoing "de-Ba'athification" program to promote reconciliation among some of Saddam Hussein's old party members.

Two other parts of the overall plan are to induce Iraqi political leaders to get armed groups in Baghdad to disarm, and have moderate neighboring states to persuade Sunni leaders to end their insurgency.

House Minority Leader Nancy Pelosi of California was not impressed.

"General Casey, the top U.S. commander in Iraq, confirmed this morning that staying the course -- no matter what slogan this administration chooses to attach to it -- means it will be another 12 to 18 months before the Iraqis will be able to provide security for their country," the Democrat said. "With the war in Iraq now more than 3½ years old, Iraq engulfed in chaos, and U.S. casualties continuing to mount, this is simply unacceptable."

The general made his announcement after a Saturday teleconference from Baghdad with Mr. Bush, Vice President Dick Cheney, Mr. Rumsfeld and other leaders. His announcement is the closest the administration has come to setting a timetable without changing overall war strategy, as critics demand.

Gen. Casey got advice yesterday from House Armed Services Chairman Duncan Hunter of California and 32 other House Republicans. In a letter to Mr. Bush and Mr. Rumsfeld, they urged the two to order more Iraqi battalions into Baghdad.

"Combat experience is gained by one thing -- combat," the letter said. "There is no reason why Iraqi military forces currently deployed in relatively quiet regions of Iraq should not immediately be sent to the fight in Baghdad."

U.S. Says More GIs May Be Needed In Iraq (AP-Y)

By Steven R. Hurst

AP, October 25, 2006

Two weeks before U.S. midterm elections, American officials unveiled a timeline Tuesday for Iraq's Shiite-led government to take specific steps to calm the world's most dangerous capital and said more U.S. troops might be needed to quell the bloodshed.

U.S. officials previously said they were satisfied with troop levels and had expected to make significant reductions by year's end. But a surge in sectarian killings, which welled up this past summer, forced them to reconsider.

At a rare joint news conference with the American ambassador, the top U.S. commander in Iraq, Gen. George Casey, said additional U.S. troops could come from inside or outside Iraq to "improve basic services for the population of Baghdad."

"Now, do we need more troops to do that? Maybe. And, as I've said all along, if we do, I will ask for the troops I need, both coalition and Iraqis," Casey said. There are currently 144,000 U.S. forces in Iraq.

The military has expressed disappointment over its two-month drive to cleanse the capital of Sunni insurgents and Shiite militia fighters and death squads. But the Americans also say that for the situation to improve, the Iraqi government must make political concessions to minority Sunnis.

The timeline grew out of recent Washington meetings at which the Bush administration sought to reshape its Iraq policy amid mounting U.S. deaths and declining domestic support for the 44-month-old war. The plan was made public a day after White House press secretary Tony Snow said the U.S. was adjusting its Iraq strategy but would not issue any ultimatums.

U.S. officials revealed neither specific incentives for the Iraqis to implement the plan nor penalties for their failure to do so. U.S. Ambassador Zalmay Khalilzad said Iraqi leaders had agreed to the timeline, benchmarks heavily laden with enticements to Sunni insurgents.

The lack of any real political consensus even among Shiites, however, has made it extremely difficult for Iraqi leaders to keep deadlines; for example, they missed targeted dates on naming a government and in moving forward on constitutional amendments. Moreover, Tuesday's declarations lacked specifics on how to accomplish the goals.

At the news conference with Casey, Khalilzad said the timeline would require Prime Minister Nouri al-Maliki's government to set dates by the end of the year for completing six key tasks.

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Five of the markers are clearly designed to mollify Sunni Arabs, the Muslim sect that makes up the bulk of the insurgency and is responsible for most American deaths in Iraq.

The plan seeks deadlines for passing a law that would guarantee the sharing of Iraq's oil wealth, amending the constitution, turning an anti-Baathist organization into a reconciliation body, disbanding Shiite militias and setting a date for provincial elections — all key issues for Sunnis.

The de-Baathification Commission was established after the toppling of Saddam Hussein to ensure that members of the dictator's political organization did not hold government positions.

The sixth measure called for "increasing the credibility and capability of Iraqi forces."

Casey said Iraqi forces would be "completely capable" of controlling the country within the next 1 1/2 years.

"We are about 75 percent of the way through a three-step process in building those (Iraqi) forces," the general said. "It is going to take another 12 to 18 months or so until I believe the Iraqi security forces are completely capable of taking over responsibility for their own security. That's still coupled with some level of support from us."

Casey's estimate of when the Iraqi army will be ready was noteworthy because it has not changed even as the security situation in the country has deteriorated. Iraqis are now being killed at a pace of more than 40 each day in sectarian fighting and revenge killing.

Complicating the matter has been the recent outbreak of sustained Shiite-on-Shiite violence in the once relatively calm south of the country.

To curb the spreading and increasingly brutal killings, Khalilzad said the United States was "inducing Iraqi political and religious leaders who can control or influence armed groups in Baghdad to agree to stop sectarian violence," an apparent reference to recent secret talks the United States has conducted with Sunni insurgents.

Al-Maliki has repeatedly said he would rein in Shiite militias but so far has taken little public action beyond a decision to move aside two police commando leaders. He issued a statement on Monday saying the military had been ordered to take action against any illegal armed group, but the declaration, like the timeline introduced on Tuesday, lacked detail.

His national security adviser, Mouwafak al-Rubaie, sought to add weight to the prime minister's directive in an interview with CNN. He was, however, equally fuzzy about what action would be taken.

"The Iraqi security forces are going to take on anyone who challenges" them," al-Rubaie said.

Khalilzad said he had assurances from al-Maliki that radical anti-American Shiite cleric Muqtada al-Sadr would disband his Mahdi Army. But al-Sadr draws much of his power from his control over the heavily armed fighters. And al-Maliki draws much of his support from al-Sadr.

For that reason, disbanding the feared militia group appears to be a promise that is unlikely to be kept in the near term. Such a move would leave the other main Shiite militia, the Badr Brigade of the Supreme Council for the Revolution in Iraq, or SCIRI, in a dominant position.

Al-Sadr and SCIRI leader Abdul-Aziz al-Hakim maintain a sharp rivalry for power over Iraq's Shiite majority. Logic dictates that both militias be disbanded simultaneously, which appears highly unlikely.

While Shiite militias and death squad violence represent a major security problem, curbing them would still leave the other half of the equation unsolved — the continued vibrancy of the Sunni insurgency that has been attacking Americans with a vengeance since summer 2003.

The timeline appeared, therefore, largely directed at luring the Sunni establishment away from violence and into the political process.

October has been the deadliest month this year for American forces. The military Tuesday announced the deaths of two more U.S. Marines, a sailor and a soldier. Since the start of the war, 2,801 U.S. service members have died in Iraq, according to an Associated Press count.

Also Tuesday, the military said it had found no sign of a U.S. Army translator missing after he was believed to have been kidnapped the night before in Baghdad. Troops continued to search the city's downtown on foot and by air.

The military said the soldier, a linguist who was not identified by name, was last seen inside Green Zone on Monday. He was then believed to have left to visit Iraqi relatives in the city.

He was apparently at the relatives' house when three cars carrying masked gunmen arrived. The soldier was handcuffed and driven away. One of the kidnappers then called one of the relatives using the kidnap victim's cell phone, the military said. It didn't say if ransom was demanded.

Across the country, police reported that 11 Iraqis, including two policemen and a soldier, were killed in bombings and shootings; authorities said 14 bodies were found dumped or pulled from the Tigris River.

Iraqi Realities Undermine The Pentagon's Predictions (NYT)

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By Michael R. Gordon

The New York Times, October 25, 2006

BAGHDAD, Oct. 24 — In trying to build support for the American strategy in Iraq, Gen. George W. Casey Jr. said Tuesday that the Iraqi military could be expected to take over the primary responsibility for securing the country within 12 to 18 months.

But that laudable goal seems far removed from the violence-plagued streets of Iraq's capital, where American forces have taken the lead in trying to protect the city and American soldiers substantially outnumber Iraqi ones.

Given the rise in sectarian killings, a Sunni-based insurgency that appears to be as potent as ever and an Iraqi security establishment that continues to have difficulties deploying sufficient numbers of motivated and proficient forces in Baghdad, General Casey's target seems to be an increasingly heroic assumption.

On paper, Iraq has substantial security forces. The Pentagon noted in an August report to Congress that Iraq had more than 277,000 troops and police officers, including some 115,000 army combat soldiers.

But those figures, which have often been cited at Pentagon news conferences as an indicator of progress and a potential exit strategy for American troops, paint a distorted picture. When the deep-seated reluctance of many soldiers to serve outside their home regions, leaves of absence and AWOL rates are taken into account, only a portion of the Iraqi Army is readily available for duty in Baghdad and other hot spots.

The fact that the Ministry of Defense has sent only two of the six additional battalions that American commanders have requested for Baghdad speaks volumes about the difficulty the Iraqi government has encountered in fielding a professional military. The four battalions that American commanders are still waiting for is equivalent to 2,800 soldiers, hardly a large commitment in the abstract but one that the Iraqis are still struggling to meet.

From the start, General Casey's broader strategy for Iraq has been premised on the optimistic assumption that Iraqi forces could soon substitute for American ones. In February 2005, General Casey noted that in the year ahead the United States would begin to "transfer the counterinsurgency mission to the increasingly capable Iraqi security forces across Iraq."

In June 2006, General Casey submitted a confidential plan to the White House projecting American troop withdrawals that would begin in September 2006 and which, conditions permitting, would lead to a more than 50 percent reduction in American combat brigades by December 2007. Iraq's security forces were to fill the gap. In keeping with that strategy, American forces cut back their patrols in Baghdad during the first half of 2006.

It did not take long before the plan had to be shelved and American forces increased to try to tamp down the sectarian killings there. Still, General Casey continued to portray the current surge in fighting as a difficult interlude before the Iraqi security forces could begin to assume the main combat role and some variant of his withdrawal plan for American forces could be put back on track.

As he said Tuesday, "It's going to take another 12 to 18 months or so till, I believe, the Iraqi security forces are completely capable of taking over responsibility for their own security, still probably with some level of support from us, but that will be directly asked for by the Iraqis."

Certainly, the Iraqi security forces have made some gains. The Iraqi military is larger and better trained, and has taken control of more territory in the past year. Some Iraqi soldiers have fought well. But in Baghdad, which American commanders have defined as the central front in the war, it is still a junior partner.

To improve the Iraqi forces, the American military is inserting teams of military advisers with Iraqi units. American officials also say their Iraqi counterparts are trying to use the lure of extra pay to persuade reluctant troops to come to the aid of their capital.

But longstanding problems remain. A quarter or so of a typical Iraqi unit is on leave at any one time. Since Iraq lacks an effective banking system for paying its troops, soldiers are generally given a week's leave each month to bring their pay home.

Desertions and absenteeism are another concern. According to the August Pentagon report, 15 percent of new recruits drop out during initial training. Beyond that, deployment to combat zones, the report adds, sometimes results in additional "absentee spikes of 5 to 8 percent."

As a result, the actual number of Iraqi boots on the ground on a given day is routinely less than the official number. In areas where the risks and hardship are particularly great, the shortfall is sometimes significant. In fiercely contested Anbar Province in western Iraq, the day-to-day strength of the Seventh Iraqi Army Division in August was only about 35 percent of the soldiers on its rolls, while the day-to-day strength of the First Division was 50 percent of its authorized strength.

Another complication is that the even-numbered divisions in the 10-division army have largely been recruited locally and thus generally reflect the ethnic makeup of the regions where they are based. So, much of the Iraqi Army consists of soldiers who are reluctant to serve outside the areas in which they reside. Several battalions have gone AWOL rather then deploy to Baghdad, an American military officer said.

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The Iraqi government is well aware of such problems. Its plan is to increase the overall size of the military by 50,000, calculating that if it assigns extra troops to each unit they can be maintained near full strength when soldiers go on leave or are otherwise absent.

The difficulties with the Iraqi police, who are supposed to play a major role in protecting cleared areas under the Baghdad security plan, are considerable and include corruption and divided loyalties to militias. According to the Pentagon report, the Interior Ministry also lacks an effective management system. The Americans know how many Iraqis have been trained to work as police officers but not how many are still on the job.

The National Police have been a particular worry. One National Police unit has been withdrawn from duty in Baghdad because it was linked to sectarian killings. National Police brigades are now being removed from duty one by one for retraining with an eye to changing, as General Casey put it, the "ethos of these forces."

In the final analysis, the problem is more one of institution building than numbers. Until Iraq has a genuine unity government that its own forces respect and are willing to fight for, it seems likely that the American military will continue to shoulder most of the burden.

More Troops Means More Targets For Snipers (USAT)

By Rick Jervis

USA Today, October 25, 2006

BAGHDAD — Sniper attacks on U.S. troops have risen dramatically as more Americans have been pulled into the capital to patrol on foot and in lightly armored vehicles amid raging religious violence.

Sniper attacks, generally defined as one or two well-aimed shots from a distance, have totaled 36 so far this month in Baghdad, according to U.S. military statistics.

That's up from 23 such attacks in September and 11 in January.

The figures were confirmed by Lt. Gen. Peter Chiarelli, the No. 2 commander of U.S. forces in Iraq. "The total numbers are elevated, and the effectiveness has been greater," he said.

At least eight of the 36 sniper attacks in Baghdad in October have been fatal, according to accounts by hometown newspapers reporting on the deaths of individual soldiers and Marines. Snipers have also killed four U.S. servicemembers in Anbar province this month.

Pentagon practice has been to withhold specifics about the cause of death from news releases about casualties to avoid letting enemy fighters know whether their tactics have been successful. The releases typically attribute deaths in such cases to "small-arms fire" or "combat operations." The military, however, often informs family members of the circumstances of a fatality.

Even with the growing number of sniper attacks, the single largest cause of fatal casualties remains roadside bombs, which the Pentagon calls "improvised explosive devices." The Army has reported 234 deaths this year attributed to IEDs, alone or with other causes, and 57 attributed to "small-arms fire," which includes snipers. The Marines do not report such details.

There have been 621 U.S. troop deaths this year.

Attacks by snipers have increased since June, when the U.S. command shifted troops to Baghdad and assigned them to aggressive joint patrols with Iraqi forces as part of a security crackdown called Operation Together Forward.

There are 15,400 U.S. troops in the capital, up from about 9,000 in July. On Tuesday, Gen. George Casey, the top U.S. commander in Iraq, said more U.S. troops could be sent to Baghdad.

The dense city environment has given snipers the opportunity to fire on U.S. troops and slip away. U.S. troops often can't return fire without risking civilians' lives.

"That could turn the mood of the city against us," said Lt. Col. Steve Stover, a spokesman for U.S. forces.

The upswing in attacks by snipers "is definitely the result of working in an urban area — with many, many more targets out there — that's made the effectiveness of that particular form of attack higher this month than we've seen before," Chiarelli said.

Insurgent groups have prepared instructional manuals and videos to train more snipers. Training materials obtained by U.S. intelligence show that snipers are urged to single out medics, engineers and chaplains for attacks on the theory that those casualties will demoralize entire units.

The manuals have been posted on the Internet. U.S. Central Command has verified the authenticity of at least one such training guide.

One recently captured insurgent sniper had a hole in the trunk of his car, which allowed him to fire at U.S. and Iraqi troops while hidden in the vehicle, said Brig Gen. David Halverson, deputy commander of U.S. forces in and around Baghdad. The sniper also mounted a video camera on his car's rear window.

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Enemy snipers in Iraq have improved their skills, and their attacks have become "well-aimed and well-disciplined," said Col. Michael Beech, commander of the 4th Brigade Combat Team in central Baghdad. His brigade has lost two soldiers to sniper fire since September, he said.

In an attack Oct. 2, a sniper shot and killed a soldier in the turret of a Humvee supporting an Iraqi-led operation in Baghdad's Karradah neighborhood, said Maj. Mark Cheadle, a 4th Brigade spokesman. Days later, another soldier was shot in the face while on patrol. The round passed through his sinus cavity and exited his nose, but he survived, Cheadle said.

Military commanders and other U.S. officials met Monday in Baghdad to discuss how to respond to the increase in sniper attacks, Chiarelli said. He declined to talk about details of the meeting. He also declined to identify any factions responsible for sniper attacks.

The U.S. military has dispatched countersniper teams and advised soldiers to be extra vigilant on patrols, Beech said. Countersniper teams consist of specialists trained to spot enemy snipers and kill them before they can attack.

"You're out on the street, and you take one or two rounds at your patrol that's (on foot), and you look out there and it could come from literally several hundred different windows," Beech said. "And you don't have any idea which one. That's what makes the sniper threat in an urban terrain, in a three-dimensional battlefield like Baghdad, so difficult."

Envoy Says Not All Is Bad In Iraq (AP)

By Hamza Hendawi, Associated Press Writer

AP, October 25, 2006

U.S. Ambassador Zalmay Khalilzad insisted Tuesday that things are not all bad in Iraq, citing the growing number of satellite dishes on rooftops and consumers with cell phones as signs of economic progress.

"Economically, I see an Iraq every day that I do not think the American people know about — where cell phones and satellite dishes, once forbidden, are now common, where economic reform takes place on a regular basis, where agricultural production is rising dramatically, and where the overall economy and the consumer sector is growing," the American envoy told a Baghdad news conference.

Some Iraqis saw things differently.

"We'd prefer he take those back and return just 10 percent of our prewar life," said Mohammed Ibrahim, a 50-year-old government employee from Baghdad. "Saying things like that shows the Americans' contempt for us Iraqis."

Analogies between conditions in Iraq now and life before the 2003 U.S.-led invasion of Iraq are common among Iraqis, angered over what they see as the failure of successive Iraqi governments and their American backers to provide security, services or jobs.

Khalilzad spoke at one of the lowest points in America's involvement in Iraq.

An average of more than 40 Iraqis are being killed every day in October, according to an Associated Press count that is based on AP reporting and considered a minimum. The violence has forced nearly 1 million Iraqis to flee abroad since 2003 and as many as 300,000 more have become refugees in their own country because of sectarian killings.

Mobile phones were introduced in Iraq in 2004 and proved to be an instant hit, with about 1 million subscribers in the Baghdad area alone now. Similarly, satellite dishes, prohibited under Saddam Hussein, also proved popular, and there is hardly a rooftop in Baghdad or elsewhere in Iraq now without at least one.

The advent of the two came as part of the free market economy that spontaneously sprang up in Iraq in the chaos and freewheeling period after Saddam's ouster, filling markets with everything from South American bananas to South Korean electrical goods, Finnish telephones and Iranian biscuits.

But after nearly 13 years of U.N. sanctions that reduced millions of Iraqis to destitution, not everyone was able to enjoy the fruits of the free market. Government employees, about 1 million nationwide, have been the biggest spenders since 2003, thanks to pay raises as high as 100 percent.

Amrah al-Badawi, a Shiite lawmaker and a member of parliament's economic committee, chuckled when told of Khalilzad's comments.

"Iraqis longed for mobile phones and satellite television, but their availability now are of little relevance to the economy," she said. "What we need is economic ventures, and these are not going to happen with security the way it is."

Without substantial economic activity, Iraqis continue to suffer 30 percent unemployment and double-digit inflation.

The price of gasoline, which is often scarce, has increased 12-fold since 2003. Bread prices are up by nearly five-fold and fresh meat by more than 100 percent. Tenuous security means that less farm produce reaches retail markets, causing prices to rise.

Most Iraqis continue to depend on their Saddam-era food ration cards, but many holders say key items like sugar and rice are sometimes unavailable for as long as three months.

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The wide access to satellite dishes and mobile phones also hold some unpleasant ironies.

Mobile phones have been widely used to set off many of the bombs that kill and maim across much of the country, with U.S. and Iraqi forces their primary victims. Satellite dishes also have enabled Iraqis to watch programs perceived to have anti-U.S. content, such as Qatar-based al-Jazeera television and Hezbollah's al-Manar TV.

Baghdad residents say they are spoiled by the large number of channels available on satellite TV, something that keeps them entertained when they huddle at home, afraid to go out for fear of falling victim to the violence.

But killing time in front of television needs electricity and that's one of Iraq's big postwar problems. Power outages in Baghdad are a daily occurrence, and they can last up to three days.

Khalilzad, however, rejected the analogy some Iraqis use on life before and after Saddam.

"The important fact to keep in mind is that, of course, a lot of innocent Iraqis are getting killed, and that's a source of concern to us and to the Iraqis," he said. "But during Saddam, thousands upon thousands of Iraqis were killed as a result of a government policy."

For Alaa Makki of the Iraqi Islamic Party, the country's largest Sunni party: "We ended up with a worse-than-before dictatorship. We now have slaughter, kidnapping and disenfranchisement."

Associated Press writers Sinan Salaheddin, Bushra Juhi and Qassim Abdul-Zahra in Baghdad contributed to this report.

Gen. Pace Optimistic About Iraq Progress (AP-Y)

By Lolita Baldor

AP, October 25, 2006

The top American general said Tuesday he is not discouraged by what other U.S. commanders have described as disappointing progress in securing Baghdad, but he predicted no quick turnaround.

Marine Corps Gen. Peter Pace, chairman of the Joint Chiefs of Staff, told a Pentagon news conference that his optimism about Iraq's future is based on his belief that most Iraqis want peace and stability. He also said Iraqis have plenty of incentive to halt the sectarian violence that threatens to tear their country apart.

"The great incentive inside of Iraq with the Iraqi people is their own self-pride and determination that they want to stand on their own; they want to be free; they want to determine their own way ahead," Pace said.

While military commanders may not be discouraged, Republicans fighting to keep control of Congress are frustrated with the lack of progress in Baghdad so close to the Nov. 7 elections.

In a letter released Tuesday, 33 House Republicans urged Bush to send into Baghdad any proficient Iraqi units available. Five of the Republicans — Reps. Thelma Drake of Virginia, Marilyn Musgrave of Colorado, Geoff Davis of Kentucky, Rob Simmons of Connecticut and John Doolittle of California — are in tight political races.

"It is crucial that both the U.S. and Iraqi governments recognize that as the battle in Iraq has intensified, so has the need to send Iraqi battalions into the heart of battle," the lawmakers wrote. "Now is exactly the time to do so."

Stephen Hadley, the president's national security adviser, said Prime Minister Nouri al-Maliki and the fledging government are starting to take steps aimed at quelling the rising sectarian violence and moving Iraq toward prosperity and peace.

"I think they've got to do more and they've got to do it faster," Hadley said in a radio interview at the White House. "And I think if you talked to Prime Minister (Nouri) al-Maliki he would say, to you, the same thing."

Asked if the U.S. is winning in Iraq, Pace responded in terms of the broader war on terrorism that includes Afghanistan and efforts elsewhere in the world to defeat al-Qaida and other terrorist networks.

"Winning in this war on terrorism is having security in the countries we're trying to help that allows for those governments to function and for their people to function," he said.

In Baghdad, U.S. officials said Iraqi government leaders have agreed to develop a timeline by the end of the year for progress in stabilizing Iraq and reducing violence that has killed 300 Iraqi troops during the Islamic holy month of Ramadan alone.

Gen. George Casey, the top U.S. commander who appeared at a news conference with U.S. Ambassador Zalmay Khalilzad, said Iraqi forces should be able to take control of security in the next 12 to 18 months with minimal American support.

Pace said there was not yet a U.S.-Iraqi agreement on specific benchmarks for progress; he said discussions are ongoing with regard to benchmarks in the political, economic and security areas. Pace said it would not be wise to set specific dates for meeting certain markers.

"Having a very precise date I think is not useful, either from the standpoint of forcing yourself to do something too soon or from giving your enemies too much information," he said.

Casey also said he felt the United States should continue to focus on drawing down the number of American forces in the country, adding that he would not hesitate to ask for more troops if he felt they were necessary.

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"We're not making the progress we would like and that's why we have to look at what we are doing and see what we need to change to get the kind of progress that we need," Hadley told National Public Radio. "You don't need a timetable to be able and willing to say to the Iraqis, `Look, if this is going to work and succeed, you have to step up and make some very difficult choices.'"

He predicted that stability and security will not be achieved in Iraq before Bush leaves the White House.

"Is there going to be peace? Is there going to the end of any violence? Of course not. This violence is going to go on for a long time," Hadley said. "But what you hope for is a situation where Iraqi governmental institutions and Iraqi security forces can manage and contain the violence so that it does not threaten the integrity of the Iraqi state and the ability of the Iraqi state to bring prosperity and economic life to its community."

Democrats said Tuesday the suggestion of a timeline has come too late. "While it is helpful to lay out a timeline for the training of the Iraqi forces, after three and a half years of training, this timeline is too long," said Missouri Rep. Ike Skelton, top Democrat on the House Armed Services Committee.

Lawmakers Warm To Plan For Divided Iraq (HILL)

By Elana Schor

The Hill, October 25, 2006

As more Republicans join Democrats in pushing for a change of strategy in Iraq, lawmakers and candidates are signaling new openness to dividing the war-torn nation into three autonomous regions, a plan closely associated with Sen. Joe Biden (D-Del.).

Biden, one of his party's most trusted foreign policy voices, has turned up the spotlight on his plan for largely self-governing regions in Iraq. The ranking member of the Foreign Relations Committee even launched www.planforiraq.com this month to marshal support for the five-point proposal he co-authored with Council on Foreign Relations President Emeritus Les Gelb.

The dearth of specific alternatives to the current course in Iraq, where U.S. troop deaths are close to a two-year high, has given Biden's plan and his nascent presidential bid for 2008 an infusion of political capital. Rep. Harold Ford (D-Tenn.) has endorsed a similar policy for Iraq in his Senate campaign, calling for three Iraqi regions dominated by Sunnis, Shiites and Kurds, respectively, with a pact to share oil revenues.

Republicans are also beginning to echo Biden's suggestions in the politically pressurized pre-election environment, whether to praise the plan or simply urge that it remain "on the table." This puts GOP lawmakers at odds with the president, who has ruled out any regionalizing of Iraq.

"I think this idea of maybe the three autonomous regions within one country may be the one that we start to move more and more towards," Sen. Sam Brownback (R-Kan.) said during an appearance last week on CNBC.

Brownback used the former nation of Yugoslavia, which was regionally divided by the 1990s Balkan war, as an example of the strategy's potential. Sen. Kay Bailey Hutchison (R-Texas) also cited the Balkans in telling reporters last week that autonomous regions could be the solution to the violent insurgency that threatens to consume Iraq.

Foreign Relations panel Chairman Richard Lugar (R-Ind.) has spoken positively about greater autonomy in Iraq, while stopping short of endorsing Biden's approach. Lugar says U.S. policymakers should ensure the Iraqi parliament moves on the federalism law it passed Oct. 11 over the objections of many Sunni leaders, who fear losing oil revenues.

"All sorts of people, whether they're Republicans or Democrats or independents, believe there's a strong consensus that we need to change course," said a Biden aide. "It's obviously different for them to come out and say this two, three, four weeks before an election."

Other Democrats have hailed the prospect of dividing Iraq in three, including Eric Massa, the retired naval officer challenging Rep. Randy Kuhl (R-N.Y.), and Sen. Charles Schumer (N.Y.), who offered the solution before Biden and Gelb published their first commentary on it in May.

Schumer's office did not return a request for comment on whether his position on autonomous Iraqi regions has changed. Hutchison spokeswoman Jamie Loftus said that the GOP leadership hopeful views a federalist strategy as "one option in Iraq" and prioritized revenue sharing as well as cooperation with Iraq's neighbors.

House Armed Services ranking member Ike Skelton (D-Mo.), speaking with reporters Friday after a dozen House and Senate Democratic leaders released a letter imploring President Bush to change course in Iraq, called the Biden concept "intriguing" and said the plan should be considered despite potential sticking points.

"It would work in some areas, but what do you do with places such as Baghdad, with the three different ethnic groups there?" Skelton said. "How do you allow the Sunnis to share in oil revenues?"

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That Democratic letter points to the Iraqi government's "failure to achieve a political reconciliation plan" without overtly addressing the Biden plan. In the early stages of internal positioning for 2008, any perceived imprimatur from leadership could enflame tensions among other Democrats weighing a White House run.

"Democrats have coalesced around a core set of principles for what we should do. We didn't think it was appropriate in that kind of letter that so many people were signing onto to endorse a particular Democrat's plan," one senior Democratic aide said, adding that Biden concurred with the approach.

Other lawmakers in Biden's party have sought to temper growing talk of the plan's viability. Sen. Jack Reed (D-R.I.), a senior Armed Services Committee member who has served as his leadership's point man on Iraq issues, listed several drawbacks to the federalism approach yesterday at a Center for American Progress event.

"[A] deliberate, conscious policy to separate the country with the idea that this is going to make things easier and let us leave is probably inaccurate," Reed said. He acknowledged that the Iraqis are moving toward their own regional divisions, but expressed "severe reservations that this should be the deliberate policy of the United States."

Jim Manley, spokesman for Senate Minority Leader Harry Reid (D-Nev.), said via e-mail that Biden's willingness to seek an alternative solution underscores Democrats' commitment to resolving the crisis in Iraq.

"It's a thoughtful plan, and an effort to change course, something the president has been unwilling to do," Manley said. "Senator Biden is for change, President Bush is for more of the same. …"

Yet despite Biden's rising stock on Iraq, his emphasis on a bipartisan approach to Iraq could turn off some of the same anti-war Democrats who have criticized Sen. Hillary Rodham Clinton (D-N.Y.) for her unwillingness to disavow her vote to authorize the war.

"I'm not sure how it plays for the base of our party — bipartisanship is probably a dirty word for some of them," said a Democratic aide. "I can understand it, because we've been so beaten over the head by [Republicans]."

The Beltway Retreat (WSJ)

The Wall Street Journal, October 25, 2006

"We need to be realist but not defeatist. We need to understand that there is a need of utmost urgency to deal with many of the problems of Iraq but we must not give in to panic."

So said Iraqi Deputy Prime Minister Barham Salih on Monday, in a BBC interview while in London for talks with Tony Blair. If only such statesmanship prevailed on this side of the Atlantic, where election politics and a spate of critical new books have combined to paint an increasingly desperate -- and false -- picture of what's happening in Iraq.

As the critics describe it, all of Iraq is in chaos, its new government isn't functioning, the U.S. is helpless to act against these inexorable forces, and it is only a matter of time before we must pack up and leave in abject defeat. "We're on the verge of chaos, and the current plan is not working," declares Senator Lindsey Graham, in one of the purer expressions of this elite inconstancy. Just what Mr. Graham would do about this, he doesn't say; but in the land of blind panic, the sound-bite Senator is king.

Yes, the Iraq project is difficult, and its outcome dangerously uncertain. The Bush Administration and its military generals have so far failed to stem insurgent attacks or pacify Baghdad, and the factions comprising Prime Minister Nouri al-Maliki's government have so far failed to make essential political compromises. But the American response to this should be to change military tactics or deployments until they do succeed, and to reassure Iraqi leaders that their hard political choices will result in U.S. support, not precipitous withdrawal.

The current American panic, by contrast, is precisely what the insurgents intend with their surge of October violence. The Baathists and Sadrists can read the U.S. political calendar, and they'd like nothing better than to feed the perception that the violence is intractable. They want our election to be perceived as a referendum on Iraq that will speed the pace of American withdrawal.

The Bush Administration hasn't helped matters of late with its own appearance of indecision, asserting on one day that we must avoid "cut-and-run" while leaking on another that the forthcoming Baker-Hamilton report might be an opportunity for a strategic retreat. President Bush has sounded resolute himself, but many of his own advisers seem to be well along in their own electoral run for cover.

A measure of rationality at least came yesterday out of Baghdad, where General George Casey and U.S. Ambassador Zalmay Khalilzad tried to put the violence in some larger context. The Iraq government is in fact "functioning," as Iraqis continue to get their food rations, and as more than a million civil servants, Iraqi security force members and teachers continue to show up for work every day and get paid. Just this weekend, Iraq's oil minister announced that production had surpassed pre-war levels.

"Economically, I see an Iraq every day that I do not think the American people know about -- where cell phones and satellite dishes, once forbidden, are now common, where economic reform takes place on a regular basis, where agricultural

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production is rising dramatically, and where the overall economy and the consumer sector is growing," said Mr. Khalilzad, who for this attempt at hopeful realism will be derided in some quarters as a Pollyanna.

As for security, two provinces have already been turned over entirely to the control of Iraqi forces, with a total of six or seven scheduled to be under Iraqi control by January. While the police forces remain unreliable, the Iraqi army is making notable progress. The joint Iraqi-U.S. operation to make Baghdad safe hasn't succeeded so far, but Iraqis we talk to say the situation in many specific neighborhoods of the capital has been vastly improved.

And while every terrorist success is broadcast far and wide, acts of bravery by Iraqi forces go unheralded. Only 10 days ago, insurgents staged a huge attack on government and police offices in Mosul, but it was successfully repulsed by Iraqi forces. Dozens of insurgents were killed or captured, and one heroic Iraqi police officer gave his life successfully defending others against a suicide truck bomber.

The truth is that the Sunni insurgents are still capable only of hit-and-run attacks, are slaughtered whenever they gather en masse, and have held down no permanent territory since Fallujah was cleaned out in late 2004. Nor have they been successful in their other goal of keeping their fellow Sunnis out of the political process. Sunnis continue to sit in the current government and parliament, despite being labelled "collaborators" and marked for death.

As General Casey observed yesterday, "we've seen the nature of the conflict evolving from what was an insurgency against us to a struggle for the division of political and economic power among the Iraqis." One of the main challenges now is to reassure the Sunnis that it is safe to compromise with Shiite and Kurdish leaders on issues such as the distribution of oil revenue and the shape of Iraqi federalism. Mr. Maliki must also demobilize -- or at least neutralize -- the militias that grew in his own Shiite community in response to Sunni violence.

But the political truth is that none of this will happen any sooner if Americans look like they are heading for the exits. Timetables and deadlines may sound like realpolitik, but they only feed suspicions that the U.S. will abandon Iraq's leaders once they have walked out onto a political limb. Iraq is not yet in a state of "civil war," and it has a functioning, if imperfect, government. If changes of tactics or force levels are needed, by all means make them. But what Iraqis most need from Washington is reassurance of support for the tough decisions and battles that lie ahead.

Insult To Injury In Iraq (WP)

By Frederick W. Kagan

The Washington Post, October 25, 2006

It's been coming for a long time: the idea that fixing Iraq is the Iraqis' problem, not ours -- that we've done all we can and now it's up to them.

Such arguments have been latent in the Bush administration's Iraq strategy and explicit in Democratic critiques of that strategy for some time. Now Defense Secretary Donald Rumsfeld has declared: "It's their country. . . . They're going to have to govern it, they're going to have to provide security for it, and they're going to have to do it sooner rather than later."

The implication of these arguments is clear: The United States should prepare to leave Iraq, after which the Iraqis will work out their own troubles -- or they won't. In any event, we can no longer help them. This notion is wrong and morally contemptible, and it endangers American security around the world.

The current crisis in Iraq is no more just an Iraqi problem than it has ever been. The U.S. military destroyed Iraq's government and all institutions able to keep civil order. It designated itself an "occupying force," thereby accepting the responsibility to restore and maintain such order. And yet U.S. Central Command never actually made establishing order and security a priority. Its commander throughout the insurgency, Gen. John Abizaid, has instead repeatedly declared that America's role is primarily to train Iraqi forces to put down their own rebellion and maintain order.

By allowing violence and disorder to spread throughout the country, the Bush administration has broken faith with the Iraqi people and ignored its responsibilities. It has placed U.S. security in jeopardy by creating the preconditions for the sort of terrorist safe haven the president repeatedly warns about and by demonstrating that no ally can rely on America to be there when it counts.

A rapid U.S. withdrawal would lead to catastrophe in Iraq. The presence of American troops is vital to restraining Iraqi soldiers -- the Iraqis know not to participate in death squad activities when Americans are around. The fact that large numbers of U.S. troops are not embedded with the Iraqi police is a main reason for the participation of those forces in the killings. When the U.S. troops go, the Iraqi army will probably go the same way.

Nor is there any likelihood that Iraqi Prime Minister Nouri al-Maliki will be able to simultaneously accomplish all the tasks now demanded of him, especially without American help. These include reforming the Interior Ministry and the police, disarming Shiite militias, fighting Sunni Arab insurgents, establishing functioning local and regional governments connected to the central

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government, and rooting out corruption. What are his chances if U.S. forces leave, sectarian violence rises and Iraqis grow ever more pessimistic about the success of their democratic experiment?

Americans believe that all problems are soluble and therefore that people who aren't solving their problems must not be trying. They need to be "incentivized," either through promises or threats. Many on the left have long been advocating a withdrawal of U.S. forces, or the threat of it, as just such an incentive for the Iraqis. But what if even then Iraqis cannot accomplish the goals we have set for them? Can we then declare that, by establishing the Iraqi army and helping Iraq elect and establish its government, we have done all that honor requires?

No, we can't. Both honor and our vital national interest require establishing conditions in Iraq that will allow the government to consolidate and maintain civil peace and good governance. It doesn't matter how many "trained and ready" Iraqi soldiers there are, nor how many provinces are nominally under Iraqi control. If America withdraws its forces before setting the conditions for the success of the Iraqi government, we will have failed in our mission and been defeated in the eyes of our enemies. We will have dishonored ourselves.

Our enemies watched the debacle in Somalia and drew conclusions: America is weak, unable to stomach even the smallest level of casualties and willing to lose rather than fight. The invasions of Afghanistan and Iraq changed the equation. Al-Qaeda leaders did not expect us to attack, and they regarded their unanticipated defeat as a catastrophe. Iran's leaders and North Korea's Kim Jong Il saw the invasion of Iraq as the first phase of an attack on the "axis of evil" and were fearful. But the protracted insurgency and the apparent weakening of U.S. will are emboldening them once again.

In 1991 the United States encouraged rebellions against Saddam Hussein and then abandoned to his inhuman vengeance the Kurds and Shiites who answered the call. That abandonment, still fresh in the minds of many Iraqis, is one reason for the suspicion with which the United States was greeted in 2003. What will happen if we abandon the progressive forces of Iraq once again with the hypocritical declaration that the resultant failure is their own fault? What reasonable moderate in the Muslim world -- or anywhere -- will ever again rely on America?

The comparison is often made between Iraq and Vietnam. One implication is that just as it was possible to lose Vietnam and still win the Cold War, so it is acceptable to lose Iraq. But in the Cold War, Vietnam was a sideshow. Iraq is in the heart of the Muslim world and at the center of the struggle against radical Islamism.

It is also worth keeping in mind that as indirect consequences of America's defeat in Vietnam, the Soviets invaded Afghanistan, the Sandinistas seized power in Nicaragua and Ayatollah Khomeini seized Tehran and American hostages. The "decent interval" between our withdrawal and the collapse of South Vietnam didn't help. Neither will the implausible deniability the Pentagon is now trying to establish in Iraq.

Those who have criticized the administration for failing to send enough troops to fight the war, failing to plan adequately for the postwar crisis and failing to react properly when it came are right. But Democrats should not be so quick to embrace these attacks unless they are willing to accept the corollary: Just because Bush did the wrong thing in 2003 doesn't mean that we can do the wrong thing now.

The writer is a resident scholar at the American Enterprise Institute.

Success In Iraq Possible, Say US Officials (FT)

By Demetri Sevastopulo And Daniel Dombey

Financial Times, October 25, 2006

Top US officials in Baghdad on Tuesday said Iraqi forces should be “completely capable” of taking responsibility for security within 18 months. The assertion came as Republican support for the White House strategy on Iraq continued to erode just two weeks ahead of November’s congressional elections.

Zalmay Khalilzad, the US ambassador, and General George Casey, the top US commander in Iraq, in a rare joint press conference, delivered a unified message: that, despite the images of daily carnage in Baghdad, success was still possible.

In a sign of the growing violence in Baghdad, however, Gen Casey acknowledged that he may have to request more troops. US commanders have previously said they would ask for more soldiers if necessary. But the comments come at a sensitive time for the White House, as October shapes up to be one of the deadliest months for the US military in Iraq.

Reflecting increased pessimism among Republicans that the Iraq war could cost them control of one or both houses of Congress, the White House on Monday said President George W. Bush would no longer use the phrase “stay the course”.

Mr Khalilzad emphasised that the US goal of bringing democracy to Iraq had not changed. He said Iraqi leaders had agreed to develop a timeline of progress on both security and economic issues, including changes to the constitution and disbanding militias.

“They have committed themselves to a timetable for making some of those decisions,” said Mr Khalilzad, adding that he expected significant progress in the coming 12 months.

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Stephen Hadley, the White House national security adviser, on Tuesday said the Iraqi government needed to act more quickly to help improve the situation in the country, although he warned that violence would continue for some time.

"The violence is going to go on for a long time," Mr Hadley told National Public Radio. "But what you hope for is a situation where Iraqi government institutions and Iraqi security forces can manage and contain the violence".

In the latest sign of Republican disatisfaction with the White House, Lindsey Graham, a South Carolina Republican senator and strong supporter of the war, on Tuesday said "We're on the verge of chaos, and the current plan is not working."

Gen Casey dismissed suggestions - most recently by Republican senator Arlen Specter - that Iraq had descended into civil war, insisting that 80 to 90 per cent of the sectarian violence happened in a 30-mile radius of the centre of Baghdad.

The attempt to win back the debate over Iraq comes as the loss of faith in the war reached new highs among the American and British public. A recent CNN poll found that a record 64 per cent of Americans now oppose the conflict.

Officials and analysts in the Middle East have been warning for months that Iraq has been gradually sliding into an uncontrollable civil war, as killings by Shia militias escalate at a faster pace than attacks by Sunni insurgents. Last week, Iraqi Shia and Sunni clerics were invited to the holy city of Mecca in Saudi Arabia to sign a declaration forbidding the shedding of Muslim blood.

The White House has been increasingly forced on to the back foot over Iraq since John Warner, the Republican chairman of the Senate armed services committee, who has been a strong backer of the administration, recently said the situation in Iraq was going "sideways", before warning last weekend that the violence was getting worse.

James Baker, the former secretary of state and Bush family confidante who is leading a bipartisan commission on US policy in Iraq, recently prompted speculation that the White House would gradually move towards a new policy by suggesting that "stay the course" and "cut and run" were not the only two options for Iraq.

The growing doubts about Iraq policy were also aggravated by revelations that the US was increasingly frustrated by the performance of the Iraqi government of Nouri al-Maliki, which had failed to follow through on moves towards national reconciliation with the Sunni minority and was resisting tough action against the Shia militias.

Announcement Draws Skeptical Reaction In U.S. (MCT)

By Ron Hutcheson And Margaret Talev

McClatchy Newspapers, October 25, 2006

WASHINGTON - Judging from the initial reactions, Tuesday's announcement by the top U.S. commander and top U.S. diplomat in Iraq of benchmarks for progress and a loose timetable for drawing down American troops appears unlikely to influence the Nov. 7 congressional elections.

Republicans generally ignored the latest midcourse correction in Iraq, and Democrats denounced it as more of the same. Even the White House seemed to downplay the significance of the news conference by U.S. Ambassador Zalmay Khalilzad and Gen. George Casey.

Casey said he expected Iraqi security forces to take the lead role from American troops over the next 12 to 18 months. Khalilzad said he expected significant progress in the coming year on milestones related to security, economic development and political reconciliation. Both men wrapped their comments in qualifiers and avoided firm predictions, but their tone was unmistakably optimistic.

With congressional elections two weeks away, President Bush is under pressure to ease voters' concerns about the war. A new McClatchy-MSNBC poll of eight Senate battleground states found that Iraq remains by far the dominant issue, despite weeks of news coverage about the page scandal in the House of Representatives, North Korea's nuclear test and record highs in the stock market.

That's bad news for Republicans, because voters who said Iraq was their top concern support Democrats by ratios of 2-to-1 or more. Democrats need to pick up six Senate seats to take control of the chamber, and 15 seats in the House.

"We've been hearing White House promises to turn things over to the Iraqi forces for years - in 2006, in 2005, in 2004, in 2003 - but nothing ever seems to change," Sen. Charles Schumer, D-N.Y., said of Tuesday's announcement in Baghdad. "I don't think the American people are going to take it very seriously."

Others accused the administration of trying to manipulate public opinion for the election.

"Two weeks before the election they're confusing the public by making these conflicting statements. The only thing that's going to change the public's perception of Iraq is a redeployment of our troops and forcing the Iraqis to work this out themselves," said Rep. John Murtha, D-Pa.

Pollsters said voters were much more likely to be influenced by events in Iraq than by policy pronouncements from either political party.

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"Whatever it is the president says has to be backed up by reality on the ground showing things getting better," pollster John Zogby said.

Bush and his allies made no effort to draw attention to the remarks in Baghdad. The president focused on the economy while campaigning for Republican candidates in Florida. Vice President Dick Cheney didn't mention the benchmarks or the timetable in a friendly interview with conservative commentator Sean Hannity.

Administration officials are all too aware that timetables and predictions can come back to haunt the person who makes them. On May 31, 2005, Cheney said the Iraq insurgency was in its last throes.

"I think that was premature," he acknowledged last week in an interview with Time magazine.

Another Bin Laden Victory (WT)

By Michael F. Scheuer

The Washington Times, October 25, 2006

In a world where leading Western experts have consigned Osama bin Laden and al Qaeda to near-irrelevant status, the gangly Saudi is on the verge of seeing the forces he leads and inspires knock off their third infidel government. Not bad for a guy running from rock to rock and cave to cave.

First was the defeat of Spanish Prime Minister Jose Maria Aznar's conservative government after the Islamists' 2003 attack on Madrid's train station. Spanish voters ousted that rarity, a European leader who recognized bin Laden led much more than a criminal gang, and that Islamists would have to be confronted and smashed with a heavy, prolonged application of Western military power. Sadly, Mr. Aznar allowed himself to believe Washington's delusion that war in Iraq would be an effective, tide-turning extension of the battle against Islamist militancy. He paid the ultimate electoral price for indulging that lethal pipe dream, and the West lost a man who had accurately gauged the severity of the Islamist threat.

Next down the drain was the government of Thailand via last month's military coup. After the coup, rumors of deposed Premier Thaksin Shinawatra's corrupt activities spread, but at base the Thai generals seized power because of the increasing intensity of the Islamist separatist revolt in Thailand's three Muslim-dominated southern provinces. Nearly 2,000 people have died there since 2003, the central government is losing its grip in the region, and Mr. Thaksin's military response to the unrest was making little progress.

The Thai generals named a Thai Muslim as the new premier, and he has said it is time to slow military operations and talk about autonomy for the Muslim south. As always, what seems reasonable to the West and the westernized Thai will be seen by Thai Islamists and their backers as a long step toward victory that requires more military aggressiveness.

Bin Laden, his lieutenants and their allies are no doubt pleased by the destruction of the Spanish and Thai governments and the exhilarating message it sends to the worldwide Islamist movement: The infidels are weak, politically divided, terrified of using full military power and think we can be appeased. In short, war works; keep at it.

Even so, bin Laden, et. al, know the biggest prize looms just ahead — the chance that the Republican Party will be ousted from one or both houses of Congress. There are many factors contributing to this possibility: the Foley abomination, other corruption cases, the trumped?up "crisis" over First Amendment rights and the administration's ill-informed and ham-fisted handling of the Iraq and Afghan wars. If the Republicans are ousted, pundits on both sides of the aisle will find the causes strictly in America's navel.

But what will bin Laden and his Islamist allies think? Well, if Republican defeat comes to pass, they will first thank the Almighty — "Allahu Akhbar!" or "God is the greatest!" — for tangible proof of approaching victory. In Spain, Thailand, and Britain — where Prime Minister Tony Blair suffered the fate of Messrs. Aznar and Thaksin for the same reason, but is leaving gracefully — al Qaeda and its allies see politicians winning power who argue: "The military option has been tried and it has failed. We must seek other-than-martial means to defuse the Islamists' appeal and power." As in Europe and Thailand, this has been the refrain of Sens. Nancy Pelosi, Harry Reid, Charles Schumer, Hillary Clinton, Rep. Jane Harman, and a swath of Republicans who value their seats more than U.S. security.

If Americans vote for what sounds like sweet reason from the Democrats, bin Laden and company will rejoice. What they will hear is the death knell for any prospect of effective U.S. military resistance to militant Islam. With the Republicans out, the Islamists will be confident that Democrats will deliver the best of both worlds: less emphasis on military force and a rigid maintenance of U.S. foreign policies that are hated with passion and near-unanimity by 1.3 billion Muslims. If Osama approved of music, he would be whistling "Happy Days Are Here Again!"

What the enemy thinks is not the sole reason on which to base a vote. I will vote for Republicans, as I always do, because some know unborn babies are human beings who should not be murdered with the Democrats' joyful zeal. Enemy perceptions are worth remembering, however, because if Americans elect Democrats believing them likely to defeat al Qaedaism, history suggests they will be wrong.

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The combination of Democratic rhetoric and the indelible fact of the Clinton administration's relentless refusal to try to kill bin Laden — preferring to protect its Arab, arms-buying buddies at the cost of American corpses — ensures that voters will receive what Clinton-era Democrats are best at giving: barely disguised pacifism that has and will continue to allow al-Qaeda and its allies to steadily destroy U.S. security.

Michael F. Scheuer, a 22-year veteran with the CIA, created and served as the chief of the agency's Osama bin Laden unit at the Counterterrorist Center.

Calling Again For Troop Withdrawal (WP)

The Washington Post, October 25, 2006

During the years that he led opposition to the Vietnam War, former senator George S. McGovern (D-S.D.) says, he consoled his family with the proposition that the United States would never again commit such a "tragic mistake," as he put it. But McGovern said in an interview last week that America is headed down "the same road" in Iraq.

McGovern, the 1972 Democratic nominee for president, is out with a new book prescribing what the country ought to do to turn things around. The title neatly summarizes his advice: "Out of Iraq: A Practical Plan for Withdrawal Now."

Co-written with William R. Polk, a former professor and State Department Middle East expert, the 142-page volume calls for a phased withdrawal of 140,000 U.S. troops beginning by year's end and finishing by June 30. The authors say the Iraqi government should request the presence of an international force, including Arab and Muslim troops, to help keep order after the departure of the Americans.

McGovern and Polk call for an aggressive program of U.S. reconstruction aid to rebuild the Iraqi infrastructure destroyed in the war. Among other steps, the two say the United States should "express its condolences" to the Iraqi people for the large number of Iraqis killed, incapacitated, incarcerated or tortured. "A simple gesture of conciliation would go far to shift our relationship from occupation to friendship," they write.

In a telephone interview from his Mitchell, S.D., home, McGovern cast doubt on the assertion by President Bush that withdrawal would embolden U.S. enemies and create a haven for terrorists in the heart of the Middle East. It is the American presence in Iraq, he and Polk believe, that is fueling much of the violence. Their proposal is based on the conviction that the United States will eventually be forced out. Better to leave "in an orderly way" and "in a manner that will prevent further damage to American interests," they write.

At 84, McGovern remains active in civic affairs, speaking on college campuses and addressing the cause that remains his life's passion: world hunger and malnutrition. Along with former senator Robert J. Dole (R-Kan.), McGovern has been promoting an effort to create school lunch programs in developing countries.

Last week, McGovern spent about 50 minutes talking about his ideas for Iraq. Here are excerpts from the telephone interview:

-- Michael Abramowitz

QTell me a little about how this book came about.

AI found that lots of thoughtful people had come to the conclusion that the war was a mistake, but they would say now that we are there, we can't pull out. It's the same argument I combated for 15 years during the Vietnam War. . . . We concluded that instead of reducing terrorism, the [Iraq] war was aggravating it -- that we were in a more dangerous position with regard to Iraq and other countries as a consequence of the invasion.

You interviewed military folk?

Yes, [Polk] did. These are people who are on the job, so they are not eager to have their names attached to a withdrawal plan right now. What he found is that top people in the military don't think this war can be won. . . . How do you end this? You begin to plan a systematic withdrawal. We're not talking about a stampede for the border -- none of this silly business of cut and run.

Reports from Iraq are that the nature of the violence has changed, from a Sunni insurgency to more sectarian violence. Do you think that the book is a little out of date in the sense that any U.S. withdrawal would not affect this kind of violence?

It's possible. We say in the book that we are not promising stability, but . . . we think you are never going to have stability in Iraq as long as a foreign army is in that country.

What are the kinds of similarities that you see between Vietnam and the situation in Iraq?

I think one obvious similarity is that neither Vietnam nor Iraq constituted a threat to America's security in the world. . . . Secondly, we didn't know much about either one. We didn't even have people ready to go into Iraq that spoke Arabic. . . .

All those years we were in the jungle of Vietnam, losing 58,000 young Americans and probably being responsible for a couple of million Vietnamese deaths, my four daughters and my son used to get discouraged about ever ending that war. They

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would say, "What good does that do? You keep sounding off. You run for president, you got smashed in the election, what good does it do?"

I would say: "Look, I am an old history teacher. . . . Even bad things in history usually have some good factor. And in Vietnam, the good thing about it is that it is such a tragic mistake we will never again do that again." . . . But I didn't count on terrorism. . . . I really think we are following the same road in Iraq. This time the fear is not communism -- it is terrorism.

Why do you not see the threat the same way [as Bush]?

I see terrorism as a threat to the United States, but I think it's growing worse in the way we are trying to handle it. That's a problem that is not essentially a military problem. . . . I do fear the terrorists. I feel more threatened by six years of the Bush-Cheney-Rumsfeld plan for fighting it than I did before.

Would you have been okay with an effort to just get rid of Saddam Hussein and leave?

I think it's good that he is gone. Now, having said that, I also wonder if, on balance, we improved our own security. We got rid of an SOB -- we all know that. . . . But what has happened as a consequence of that, Iraq is now in a civil war. People say if we pull out, we'll have a civil war. Well, they have got one going now. Saddam Hussein, for all of his viciousness, would not have permitted that to happen.

Is it your point that we should never try to overthrow a bad guy?

I don't like what is happening in the Sudan now. I don't like what happened in Rwanda. . . . It is a very tough, agonizing issue. But frustrating as it is, I still think we're better off trying to work through the United Nations. It's a frustrating organization. It's bureaucratic. But I still think that's the forum where we ought to press these issues.

What would be your advice to the Democratic Party?

They have got to be more assertive. They can't lay down and go along with policies that many of them know are mistaken. . . . I am disappointed in my old colleagues in the Senate, not all of them. . . . But by and large, the Democrats seem to have been intimidated into silence or kind of a mushy policy on foreign questions.

Is there any figure out there you see as someone who is promising for the Democrats in '08?

I haven't settled on anyone yet. . . . I don't think we have really brought our alternative positions into clear focus yet for the American public.

Running Against Themselves (NYT)

By Maureen Dowd

The New York Times, October 25, 2006

Things have become so dire for the Republicans that now even Bush is distancing himself from Bush.

The president is cutting and running from the president.

In a momentous event at the White House on Monday, Tony Snow made a major announcement about an important new strategy for Iraq. The president will no longer stay the course on the rallying cry “stay the course.”

A presidency built on message discipline (Message: “Stay the course”) is trying to salvage itself with some last-minute un-messaging (Message: “No more stay the course”).

Of course, the administration has never really said what “the course” is, so it was never really apparent what “staying” it meant, anyhow.

It was a wacky moment for Tony Snow, who renounced the slogan while sticking to the policy. “It left the wrong impression about what was going on,” the press secretary said, “and it allowed critics to say, ‘Well, here’s an administration that’s just embarked upon a policy and not looking at what the situation is,’ when, in fact, it’s just the opposite.”

The important thing was that the cliché sounded good to Republicans, strong and virile, for a while. But pollsters for the White House seemed to be the last to learn that even many of the party faithful had soured on the phrase, deeming it inflexible and stupid. Has Karl Rove, who urged G.O.P. candidates to keep the Democrats on the defensive on national security, lost his magic?

In a White House with a Fox News all-spin sensibility, officials don’t think they need to change the strategy as much as they need to change their slogan.

The overworked Bush phrase suggested “burying your head in the sand,” Steve Hinkson, political director at Luntz Research Companies, a G.O.P. public opinion firm, told The Washington Post’s Peter Baker. “The problem is that as the number of people who agree with remaining resolute dwindles, that sort of language doesn’t strike a chord as much as it once did.”

Unwilling to admit mistakes or face the urgent need to go past semantic changes in a protectorate that has fallen into a vicious civil war, in which Americans are merely referees and targets, the White House is falling back on marketing. Just as Andy Card rolled out the war as a marketing event, the Bush team now thinks that all it needs to do is come up with a catchy and chesty new advertising pitch.

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Bay Buchanan assured Wolf Blitzer that the president still intended to stay the course and seek victory, he just wouldn't use that phrase, because it gave people the impression that W. was unwilling to change tactics.

After all, Dick Cheney told Rush Limbaugh last week that the inept Iraqi government was doing "remarkably well."

But given the Republican meltdown, it's obvious that Democrats are having better luck mocking the Republicans for staying the course than Republicans are having mocking the Democrats for cutting and running. But Democrats have no ingenious ideas about how to extricate ourselves from this nasty war either.

Yet W. once more accused the Democrats of wanting to cut and run in Iraq at a campaign stop in Sarasota, Fla., yesterday.

Many frantic Republican lawmakers are also running against themselves, either reneging on their support for the war they started, or railing against Washington, the town they absolutely control, claiming that the capital has forgotten their values, or making ads denouncing the Democrats' "homosexual agenda," even though Republicans are now the party of gay scandal.

It's a hilarious spectacle of a whole party re-enacting the classic scene in Mel Brooks's "Blazing Saddles," in which the sheriff holds the gun to his own head to take himself hostage.

The Bushes don't connect words with action. Action is something that's secretly plotted with the inner circle behind closed doors. The public should stay out of it. The Bushes just connect words with salesmanship. Poppy Bush never meant it when he said "Read my lips: no new taxes" at the 1988 convention. It was just a Clint Eastwood-sounding line in a Peggy Noonan speech, meant to pump up his flighty image.

Just so, his son never paid any mind to his campaign promise not to nation-build, and he didn't come through on his bullhorn pledge to catch the perpetrators of 9/11 or his tough-guy vow to bring in Osama dead or alive.

To W., the words he says to Americans don't matter as much as the words Dick Cheney says to him. He just has to hope that daddy's friend, James Baker, the smooth fixer who is co-chairman of the Iraq Study Group and who has already suggested moving past the meaningless partisan jargon of "cut and run" and "stay the course," comes up with a plan to rescue Junior from a fine mess one more time.

The Hard Way Out (WP)

By David Ignatius

The Washington Post, October 25, 2006

Some months ago, former national security adviser Zbigniew Brzezinski was explaining to a senior Bush administration official his plan for a phased withdrawal of U.S. troops from Iraq over 12 months, in consultation with the Iraqis. "We're going to do the same thing," the senior official confided, "but we're going to call it victory."

This week it became official: The Bush administration's Iraq policy is no longer "stay the course" but, in the phrase of White House spokesman Tony Snow, "a study in constant motion." The reality, as near as I can tell, is that the administration isn't sure yet where to move after the November elections. Nor are most of the administration's critics. Major newspapers carried editorials or op-eds this week advocating some version of "change the course," but they were vaporous when it came to details.

So what are the right guideposts for a gradual American withdrawal from Iraq? How can the United States, in its search for an exit, avoid compounding the mistakes it made in invading Iraq? To help light the way, we are blessed with a deus ex machina in the bipartisan Iraq Study Group, headed by former secretary of state James A. Baker III and ex-congressman Lee Hamilton.

A starting point is to understand what the United States is actually doing in Iraq now. A strategy of phased withdrawal is already underway -- on paper. The latest affirmation was yesterday's proposal by Ambassador Zalmay Khalilzad and Gen. George Casey of a security timetable to transfer control to the Iraqis in 12 to 18 months. The plan envisions a "national compact" among Iraq's different factions. By the end of this year, they would agree on terms for demobilizing militias, sharing oil revenue and easing de-Baathification rules. It all looks sensible -- on paper.

The problem is that this approach hasn't been working. Since January Khalilzad has been prodding Iraqi leaders in the Green Zone to make precisely these compromises. But out in the real world, the hopes for reconciliation have fallen apart, for a simple but terrifying reason: Iraq's Sunnis and Shiites are so enraged that they have stopped believing compromise is possible.

How will withdrawal plans deal with the reality of this sectarian hatred? The administration's answer has been to try to build up the Iraqi military so it can impose a monopoly of force. But that hasn't been working, either. The Iraqi troops simply can't match the brutality of the insurgents and death squads. The U.S. military can do the job, but the cost in American lives is becoming unacceptable. If we are serious about a withdrawal timetable, we will have to accept Iraqi solutions, ragged and violent though they may be.

In the weeks after the election, the debate in Washington will focus on two promising exit ramps. But it's important not to attach unrealistic hopes to either one.

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The first path is a more federal Iraq -- with power devolved to the Shiite, Sunni and Kurdish regions. But this presupposes a national government strong enough to formulate rules for, say, the sharing of oil revenue. If such a national framework existed, Iraq wouldn't be such a mess in the first place. Another tricky problem is stabilizing the Sunni areas that would be a potential safe haven for terrorists. If the Iraqi army can't control these areas, the only alternative may be, in effect, a Sunni militia drawn from the ranks of the insurgency. U.S. officials have been meeting secretly outside Iraq with insurgent leaders in an effort to draw them into such a framework.

The second exit ramp passes through Iran and Syria. Talking with Tehran and Damascus could be helpful in stabilizing Iraq, but we should recognize at the outset that their influence is limited -- and that it may carry an unacceptable price. Iran's goal in Iraq is a decisive Shiite victory and Sunni submission, but that's a formula for continuing civil war -- and in any event, it's not an agenda the United States should endorse. Syria could be helpful in curbing al-Qaeda in Iraq, but there are limits and drawbacks to Syrian power -- as was clear during its long and brutal occupation of Lebanon.

The real opportunity presented by the Baker-Hamilton process is that it's bipartisan. To get most American troops out of Iraq over the next year will require more patience at home, and a lot less partisan bickering. And our politicians will need strong stomachs: They must manage an orderly retreat under fire. There is a path out of this mess, but we will be lying if we call it victory.

The writer co-hosts, with Newsweek's Fareed Zakaria, PostGlobal, an online discussion of international issues.

'All Over The Place' (WP)

By Harold Meyerson

The Washington Post, October 25, 2006

The president has fled the field from "stay the course," signaling not just the unwinnability of his war but the bankruptcy of his political strategy. For as the president and his party grope for an alternative plan of action in Iraq, Karl Rove's bright line between Republican resolve and Democratic defeatism has become irreversibly fuzzed.

"Stay the course," after all, was never intended to have a free-standing existence. Republicans invoked it only in dialectical contrast to "cut and run," their caricature of the Democrats' preference for a phased withdrawal from Iraq, or for partitioning it into three separate quasi-nations, or for redeploying our troops to neighboring states -- or, more simply, of the Democrats' mounting conviction that our presence in Iraq was growing more pointless each day.

In a strenuous attempt to make lemonade from lemons, George Bush attacked the Democrats for failing to articulate a clear, compelling alternative to his war, though his war created so cosmic a debacle that there were no compelling alternatives. Appearing last week with Don Sherwood, one of many embattled Republican congressmen in Pennsylvania, Bush accused the Democrats of being "all over the place" on Iraq.

Over the past several months, though, more and more Republican candidates have taken to voicing the same doubts and suggesting the same alternatives as those Democrat Defeatocrats. Wobbly Joe Biden has been joined by staunch Kay Bailey Hutchison -- Republican of Texas, Bush's own senator -- in calling for a tripartite partition. "People say, 'Well, that would balkanize the country,' " she told the editorial board of the Dallas Morning News. "Well, things are pretty stable in the Balkans right now."

Or consider George Allen, Virginia's own Mr. Malaprop, who as recently as last month was preaching the gospel of Stay the Course and disparaging those who would "second-guess" his votes for the war. In just the past couple of weeks, Allen has allowed as how "mistakes have been made, and progress has been far too slow."

Earlier this month Bush stood alongside Allen at a Richmond fundraiser and complained that the Democrats "would have our country quit in Iraq before the job is done. That's why they are the party of cut and run. We will fight. We will stay. We will win in Iraq." But after Bush left, Allen told reporters he didn't embrace all the president had said: "The president has his ideas on Iraq. John Warner has his, and I have mine."

As Iraq descends into a Hobbesian bloodbath, it's every man for himself within the Grand Old Party. In Connecticut, Rep. Chris Shays, after his 14th visit to Iraq, announced he was "losing faith in how we are fighting this war." In New Jersey, senatorial candidate Tom Kean Jr. called for Don Rumsfeld's resignation. Most wondrous of all, in suburban Philadelphia, Rep. Curt Weldon, vice chairman of the House Armed Services Committee, suggested that the right to make decisions about the future deployment or redeployment of our troops in Iraq should be left to the generals there, rather than remain with Bush, Vice President Cheney and Rumsfeld -- in whose judgment, we must presume, Weldon has lost all confidence. Weldon is under investigation by the FBI over some alleged financial dealings that he and his family have had with Russian businesses. While they're at it, the agents might inquire if Weldon has ever read the Constitution, which designates the president as commander of our armed services.

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If a Democrat offered Weldon's remedy for Iraq, the Republicans would flay him alive. When Weldon went woozy, however, they reacted by continuing to funnel money into his coffers. "Stay the course" has been replaced by "anything goes" -- so long as it helps the Republicans cling to power.

Idle Contractors Add Millions To Iraq Rebuilding (NYT)

By James Glanz

The New York Times, October 25, 2006

Overhead costs have consumed more than half the budget of some reconstruction projects in Iraq, according to a government estimate released yesterday, leaving far less money than expected to provide the oil, water and electricity needed to improve the lives of Iraqis.

The report provided the first official estimate that, in some cases, more money was being spent on housing and feeding employees, completing paperwork and providing security than on actual construction.

Those overhead costs have ranged from under 20 percent to as much as 55 percent of the budgets, according to the report, by the Special Inspector General for Iraq Reconstruction. On similar projects in the United States, those costs generally run to a few percent.

The highest proportion of overhead was incurred in oil-facility contracts won by KBR Inc., the Halliburton subsidiary formerly known as Kellogg Brown & Root, which has frequently been challenged by critics in Congress and elsewhere.

The actual costs for many projects could be even higher than the estimates, the report said, because the United States has not properly tracked how much such expenses have taken from the $18.4 billion of taxpayer-financed reconstruction approved by Congress two years ago.

The report said the prime reason was not the need to provide security, though those costs have clearly risen in the perilous environment, and are a burden that both contractors and American officials routinely blame for such increases.

Instead, the inspector general pointed to a simple bureaucratic flaw: the United States ordered the contractors and their equipment to Iraq and then let them sit idle for months at a time.

The delay between “mobilization,” or assembling the teams in Iraq, and the start of actual construction was as long as nine months.

“The government blew the whistle for these guys to go to Iraq and the meter ran,” said Jim Mitchell, a spokesman for the inspector general’s office. “The government was billed for sometimes nine months before work began.”

The findings are similar to those of a growing list of inspections, audits and investigations that have concluded that the program to rebuild Iraq has often fallen short for the most mundane of reasons: poorly written contracts, ineffective or nonexistent oversight, needless project delays and egregiously poor construction practices.

“This report is the latest chapter in a long, sad and expensive tale about how contracting in Iraq was more about shoveling money out the door than actually getting real results on the ground,” said Stephen Ellis, a vice president at Taxpayers for Common Sense in Washington.

“These contracts were to design and build important items for oil infrastructure, hospitals and education, but in some cases more than half of the money padded corporate coffers instead,” he said.

Although the federal report places much of the burden for the charges squarely on the shoulders of United States officials in Baghdad, the findings varied widely over a sampling of contracts examined by auditors, from a low of under 20 percent for some companies to a high of over 55 percent.

One oil contract awarded to a joint venture between Parsons, an American company, and Worley, from Australia, had overhead costs of at least 43 percent, the report found. One contract held by Parsons alone to build hospitals and prisons had overhead of at least 35 percent; in another, it was 17 percent.

The lowest figure was found for certain contracts won by Lucent, at 11 percent, but the report indicates that substantial portions of the overhead in those cases could not be determined.

The report did not explain why KBR’s overhead costs on those contracts — the contracts totaled about $296 million — were more than 10 percent higher than those at the other companies audited. Despite past criticism of KBR, the Army, which administers those contracts, has generally agreed to pay most of the costs claimed by the company.

Melissa Norcross, a spokeswoman for KBR, said in a written reply to questions, “It is important to note that the special inspector general is not challenging any of KBR’s costs referenced in this report.”

“All of these costs were incurred at the client’s direction and for the client’s benefit,” she said, referring to the Army Corps of Engineers, which is in charge of the oil contract.

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But a frequent Halliburton critic, Representative Henry A. Waxman, a California Democrat who is the ranking minority member of the House Committee on Government Reform, disputed those assurances. “It’s incomprehensible that over $160 million — more than half the value of the contract — was squandered on overhead,” Mr. Waxman said in a written statement.

The majority leader of the same committee, Thomas M. Davis III, a Virginia Republican, declined to comment.

A spokeswoman for Parsons, Erin Kuhlman, said the United States categorized overhead and construction costs differently from contract to contract in Iraq, making it difficult to make direct comparisons. “Parsons incurred, billed and reported actual costs as directed by the government,” she said.

In Iraq, where construction materials are scarce and contractors must provide security for work sites and housing for Western employees, officials have said they expect the overhead to be at least 10 percent, but the contractors and American officials have grudgingly conceded that the true costs have turned out to be higher.

But even the high of 55 percent could be an underestimate, Mr. Mitchell said, because the government often did not begin tracking overhead costs for months after the companies mobilized. He added that because of the haphazard way in which the government tracked the costs, it was not possible to say how well the figures reflected overhead charges in the entire program.

The report’s conclusions were drawn from $1.3 billion in contracts for which United States government overseers actually made an effort to track overhead costs, of the total of $18.4 billion set aside for reconstruction in specific supplemental funding bills for the 2006 fiscal year.

When all American and Iraqi contributions are added up, various estimates for the cost of the rebuilding program range from $30 billion to $45 billion. Language included in the Defense Authorization Act, signed by President Bush last week, states that the inspector general’s office will halt its examination of those expenditures by October of next year.

Maj. Gen. William H. McCoy, who until recently commanded the Persian Gulf region division of the Corps of Engineers, disputed some of the inspector general’s findings in a letter appended to the report. Things like “waiting for concrete to cure” could still be taking place during what seem to be periods of inactivity, General McCoy wrote, so a quiet period “does not mean that the project is not moving forward.”

But many of the delays came during 2004 and took place in response to political developments in Iraq, the inspector general’s report says. The American occupation government, the Coalition Provisional Authority, mobilized many of the companies early that year.

After the authority went out of existence in June 2004, handing sovereignty to the Iraqi government, top American officials then kept the companies idle for months as the officials rewrote the rebuilding plan, and ran up costs as little work was done.

Halliburton Cited For Iraq Overhead (WP)

By Griff Witte

The Washington Post, October 25, 2006

Administrative overhead accounted for more than half the costs that a Halliburton Co. subsidiary passed on to the government under a key contract to restore Iraq's oil industry, a figure that critics said was unusually high.

A report released yesterday by the inspector general's office overseeing Iraq spending found that at least 55 percent, or $163 million, of $296 million in total costs rung up by Halliburton unit KBR went to expenses such as back-office support, transportation and security. That percentage was significantly higher than it was on work by other firms in Iraq, and experts said it is far above what is typically found on a government contract.

The findings are the latest that call into question KBR's work under the deal, which required the company to rehabilitate oil facilities in southern Iraq. Under the contract's terms, KBR is reimbursed for its costs and then receives a percentage for profit on top, an arrangement that critics contend has given the firm an incentive to run up its bills.

According to internal government documents released in March, auditors found that the company had repeatedly overcharged the government by, among other things, billing for work it didn't actually do and paying suppliers more than they were owed. Meanwhile, work schedules slid and company officials balked at requests for accurate cost estimates. At one point, officials threatened to terminate the deal. Instead, KBR -- which has received more money from the Iraq war effort than any other firm -- was allowed to keep the contract and is now winding up work.

In a statement, Halliburton spokeswoman Melissa Norcross defended the company's administrative spending. "All of these costs were incurred at the client's direction and for the client's benefit, and they have been extensively audited and deemed allowable and legitimate," she said.

The Army Corps of Engineers -- which oversaw the contracts -- acknowledged that some of the administrative costs were high. But in a response to the inspector general's findings, the Corps argued that important work was getting done even when money was being spent on administrative matters rather than directly on Corps projects.

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In government contracting, administrative rates can vary widely depending on the kind of work being done and on the circumstances.

Work in Iraq, for instance, often involves high security costs that inflate overhead.

Yesterday's report by the special inspector general for Iraq reconstruction does not directly say whether KBR's overhead costs were excessive. But it does offer a more comprehensive look than was previously available at where the money has gone on the firm's oil contract, as well as on deals involving other companies to construct hospitals and schools. In many cases, contractors have failed to meet expectations, leaving the job of rebuilding critical services in Iraq to the Iraqis.

The United States has devoted more than $20 billion to rehabilitate Iraq, but critics contend that much of the money has been wasted as contractors used the government's checkbook to spend lavishly on hotels, food and employee salaries. Halliburton has come under particularly intense scrutiny because of the volume of work it has done in Iraq and because Vice President Cheney was once the firm's chief executive.

"Halliburton was given a blank check by the Bush Administration and the Republican Congress did nothing to stop the hemorrhaging of taxpayer dollars," said Rep. Henry A. Waxman (D-Calif.), a frequent Halliburton critic, in a statement.

Yesterday's report cites one contract in Iraq that had administrative rates of between 2.3 percent and 17 percent. Of the five contracts that auditors reviewed in depth, rates ranged from a high of 55 percent for the KBR deal to a low of 11 percent. The report cautions, however, that all of the estimates may be too low because of the way they were tabulated.

KBR's "rates are high," said Scott Amey, general counsel of the watchdog group Project on Government Oversight. "They would send up a red flag for me." But Amey said it would take a more thorough review of exactly where the money went to know how much was wasted.

In addition to noting KBR's overhead costs generally, the report focuses on a nine-month stretch between February 2004 -- when KBR was directed by the government to gear up for work -- and November 2004, when substantial work actually began. During that period, KBR spent $53 million on overhead and $13 million on direct project costs.

Report authors said that was due to "poor planning" by the government, which had asked the company to mobilize before key decisions had been made about which projects would be funded.

Halliburton stock jumped $1.58 yesterday, to close at $30.84 after news that the company had beaten Wall Street's expectations for third-quarter revenue and profit.

Halliburton had previously announced that it garnered $611 million in profit last quarter, up from $499 million in the comparable quarter last year.

KBR took in $1.2 billion in revenue for the quarter from Iraq-related work, though the company said the profit margin on that work was just 3.7 percent before corporate expenses and taxes.

Halliburton, which does most of its work in energy services, filed documents yesterday with federal regulators to spin off a portion of KBR as a public company.

Halliburton officials have said in the past that the unit is a drag on the parent company's earnings and share price.

Halliburton Will Sell 17% Of Its KBR Unit (WSJ)

The Wall Street Journal, October 25, 2006

HOUSTON -- Halliburton Co. will sell 17% of its Kellogg, Brown & Root engineering unit in an initial public offering of stock later this year, according to an updated Securities and Exchange Commission filing by the oil-field services company.

The unit, known as KBR, also reported in the IPO filing that an investigation by a magistrate or a public prosecutor in Algeria "may be pending" regarding sole-source contracts awarded to Brown & Root-Condor SpA, a joint venture with Condor Engineering SpA in which KBR had a 49% interest as of June 30. The company didn't offer further details on the matter.

Halliburton, which put its planned IPO of KBR on hold this summer during a tough period for new stocks, said earlier this week that it wants to go ahead with the deal by the end of 2006 now that market conditions have improved. After selling 27.8 million shares to the public, Halliburton will own the remaining 83% of KBR; it plans to spin that stake off to Halliburton shareholders in April.

Iran's Supreme Leader Seeks Calm In Iraq (AP)

By Nasser Karimi, Associated Press Writer

AP, October 25, 2006

Iran's supreme leader Ayatollah Ali Khamenei on Tuesday called for an end to the bloody sectarian conflict tearing apart neighboring Iraq.

DOJ_NMG_0086072

"The Iraqi people should do everything to avoid sectarian conflict," Khamenei told a crowd of thousands, including senior government officials, ringing in the first day of the Eid al-Fitr holiday at a mosque in Tehran. The celebration marks the end of the Muslim holy month of Ramadan.

Iraq's Shiite Muslim-led government has maintained close ties with Washington, as well as Shiite-dominated Iran since the fall of Saddam Hussein's overwhelmingly Sunni Arab regime.

But Iraq teeters on the brink of civil war with Sunni and Shiite factions launching daily attacks against each other and carrying out reprisal killings. The violence has displaced thousands of Iraqis, turning once-mixed neighborhoods into ethnic enclaves.

Many Iraqis believe Tehran has played a role in the unrest since Iran has ties to Iraq's largest Shiite political parties and their militias.

That view was echoed hours after Khamenei's speech when Gen. George Casey, the top U.S. commander in Iraq, lambasted Iran and Syria for trying to undermine the American effort to stabilize Iraq. Casey said both countries had been "decidedly unhelpful."

In his address, Khamenei warned other Middle Eastern countries against cooperating with American initiatives that may be designed to divide the Middle East for Israel's benefit.

"Our nation should be aware. The Lebanese nation should be aware. The Palestinian nation should be aware. Arab nations in the region, Iraq and other Muslim nations should be careful not to play along with these U.S. plots," the supreme leader said, adding that the biggest priority for the U.S. in the Middle East was protecting Israel's interests.

"What is considered success for the U.S. is harming all Islamic nations," Khamenei said.

No Word On Soldier Missing In Baghdad (AP)

By Sinan Salaheddin

AP, October 25, 2006

The U.S. military carried out house-to-house searches in an upscale Baghdad neighborhood for an Army translator missing after reportedly being kidnapped, but said Tuesday they had found no sign of him.

The military said the U.S. soldier, who was not identified by name, was last seen Monday in the heavily guarded Green Zone in central Baghdad, after which he was believed to have left to visit relatives elsewhere in the capital.

U.S. and Iraqi forces threw a security cordon around the central Karradah district Monday night and Iraqis seeking to pass through the downtown area Tuesday were turned away at roadblocks. Army Kiowa OH-58 reconnaissance helicopters circled the area in pairs.

American soldiers patrolling Karradah showed photocopies of the missing man's photograph to residents in a search for leads as they checked houses and buildings across the area, which lies in a bend in the Tigris river.

The military said the soldier was a linguist with the Provincial Reconstruction Team in Baghdad. American troops who raided Baghdad's al-Furat TV on Monday said they were looking for an abducted American officer of Iraqi descent who went to join relatives in Karradah.

"We will leverage all available coalition resources to find this soldier," Maj. Gen. James D. Thurman said in a statement. "Our thoughts and prayers go out to his loved ones, and we are working for his safe return."

The soldier was reportedly at a relative's house when he was grabbed by masked men who handcuffed him and forced him into a vehicle. One of the men then called a relative with the soldier's cell phone, the military said. It did not say whether a ransom demand was made.

The last time U.S. soldiers were reported missing in Iraq was in June, when two Americans were captured in an attack on their checkpoint south of Baghdad. The soldiers were later found dead, their bodies brutalized, the military said. Al-Qaida in Iraq claimed responsibility.

Few American soldiers have been abducted in Iraq, due largely to strict military procedures for those on patrol or at checkpoints.

The U.S. military has rules for soldiers operating outside their bases that are designed to ensure they are under supervision and also to protect them. Soldiers leaving base are supposed to be accompanied by a noncommissioned officer and travel in at least two vehicles.

Military Mounts Search For Missing U.S. Soldier (WP)

By John Ward Anderson

The Washington Post, October 25, 2006

DOJ_NMG_0086073

BAGHDAD, Oct. 24 -- U.S. forces scoured central Baghdad on Tuesday looking for a missing U.S. soldier who was presumed kidnapped by insurgents while visiting his Iraqi relatives. The troops went door-to-door, manned checkpoints, stopped and searched cars and showed pedestrians a picture of their missing comrade, hoping to generate leads on his whereabouts.

The U.S. military said in a statement that the soldier, who was not identified, was an Iraqi American who was assigned to a provisional reconstruction team as a translator.

The soldier apparently has family in Baghdad and left the Green Zone -- the heavily fortified area in the city that is headquarters for the U.S. military, several embassies and the Iraqi government -- to visit relatives Monday to celebrate Eid al-Fitr, one of the biggest holidays of the Muslim year.

While he was at a relative's house, the statement said, three cars pulled up and men with rags over their faces "handcuffed the soldier and forced him into one of the vehicles."

A relative "who claimed to be at the residence when the abduction occurred was reportedly contacted by the kidnappers using the soldier's cell phone," the statement said. It did not say whether a ransom had been demanded or other demands had been made.

"We will leverage all available coalition resources to find this soldier," said Maj. Gen. James D. Thurman, commander of coalition forces in the capital. "Our thoughts and prayers go out to his loved ones."

"The search is ongoing," said Lt. Col. Jonathan Withington, a spokesman for the U.S. military command in the city. "We are committing all available coalition resources to find him."

The military said it searched the offices of al-Furat TV in Baghdad on Monday night. The station is owned by the Supreme Council for the Islamic Revolution in Iraq, the country's top Shiite political party and the dominant party in the government.

An employee at the station told the Associated Press afterward that the soldier's wife, also an Iraqi American, reportedly was in the capital visiting family.

A U.S. military spokesman said the soldier was not authorized to be outside the Green Zone for the visit. His duty status has been listed by the military as "whereabouts unknown," the statement said.

The last time a U.S. soldier was abducted was in June, when two soldiers were seized during an insurgent ambush of a U.S. checkpoint south of Baghdad. The mutilated bodies of the two were found three days later. Al-Qaeda in Iraq asserted responsibility for the attack, in which a third U.S. soldier also was killed.

In an unrelated matter, U.S. forces in Fallujah shot and killed four Iraqi firefighters Tuesday, mistakenly believing that they were insurgents who had commandeered a firetruck, the U.S. military said in a statement.

The statement said that after reports had aired that insurgents had hijacked a truck and crew, soldiers spotted a firetruck responding to a call and pulled it over for an inspection. As the firefighters were quickly exiting their truck, "coalition forces thought they were armed" and opened fire, killing them all, the statement said.

A few minutes later, the statement said, the hijacked firetruck was spotted and pulled over, and the occupants fled.

At least five people were killed and more than 30 were wounded in violence in Baghdad on Tuesday.

Troops Fortify Hold On Plant That Once Housed Insurgents (WP)

By Josh White

The Washington Post, October 25, 2006

YUSUFIYAH, Iraq, Oct. 24 -- When U.S. troops effortlessly occupied an enormous power plant that had been used by insurgents, they found blankets littering the steel risers, one room with the air conditioning running and a pot of tea ready to pour, and machine-gun cartridge cases strewn about. They saw cages -- one containing a pair of shoes and what appeared to be human feces -- on the bottom floor, what U.S. commanders said they believe is an indication that prisoners had been held there and possibly tortured.

U.S. and Iraqi soldiers on Tuesday began fortifying their position inside the plant in this Euphrates River town as part of a concerted effort to deny insurgents a safe haven scarcely 10 miles from Baghdad's southern edge.

The power plant is a half-finished relic. Though it never came close to being operational, it was a major target for the 2nd Brigade Combat Team, 10th Mountain Division, because of its long-standing use as a transient base for insurgent fighters. Its smokestack juts high above the horizon, and its beautiful vistas of the lush Euphrates River valley belie the sometimes chaotic battlefield below.

The move to take the plant comes amid an aggressive operation to push the insurgents out of a haven that has existed for years. U.S. officials said that the area's string of small rural Sunni towns has played host to leaders such as the late Abu Musab al-Zarqawi and that teams of insurgents continue to intimidate the local populace while launching complex and coordinated attacks on U.S. patrol bases.

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Soldiers at the bases, which in the past three weeks have been plunked down right on the edge of the most hostile areas, are now charged with rooting out the insurgents and winning over the local people, a task they acknowledge is not going to be easy.

"We're fighting somebody very smart, a group of people who have been fighting all their lives," said 1st Sgt. David Schumacher, 37, of Watertown, N.Y., who helped lead A Company of the 2nd Battalion, 14th Infantry Regiment, into the power plant this week. "Even with everything we have, we find them and destroy them but we can't find everyone."

The insurgents have found ways to blend in easily with the surrounding communities, in part because the Sunni villagers say they are distrustful of the fledgling Iraqi army units in the area and fear the insurgents and their threats. On Thursday, a group of 20 black-clad insurgents made a run on U.S. positions near the power plant, using machine guns and mortars to attack in a very organized fashion, said Capt. Brendan Hobbs, 30, of Tampa.

On Sunday, a similar group used heavy machine guns, rockets, rocket-propelled grenades and mortars to attack a U.S. base in Rushdi Mullah, a small farming village that represents the front line for U.S. troops. One U.S. soldier was killed in that attack.

But Capt. Chris Vitale, 29, of Washington, Pa., said his B Company, 4th Battalion, 31st Infantry Regiment, is working to connect with residents who live yards away to convince them that the insurgents are their enemy, too. Vitale said that last week the residents came to his unit when a little girl accidentally drank diesel fuel and needed immediate medical attention. After soldiers helped save her, people in the streets openly thanked them.

"They're not afraid to come and talk to us now, and they say they just want to live their lives," Vitale said, adding that men in the neighborhood have recently waved the soldiers down to point out suspicious activity. "Insurgents are coming in and smacking the locals around, going on their roofs, and they don't like it. I think it's a matter of days before we start getting really good intelligence from them."

Attacks, including several powerful roadside bombs and attempted car bombings, have increased in recent days because U.S. troops have been pushing forward and trying to squeeze out the insurgents, said Col. Michael Kershaw, the 2-10 Mountain's commander.

"We've got them up against the river now, and they don't have many options," Kershaw said. He surveyed the region Tuesday from atop the power plant and visited his forward patrol bases. Special Operations Forces also were in the area Tuesday going after insurgents, using helicopters to attack a home in the late afternoon, sending up plumes of smoke visible miles away.

In the most contested region under the 2-10's responsibility, the Iraqi army battalion is still performing at a low level and is probably many months from being able to operate on its own, according to U.S. soldiers. While the Iraqi soldiers said in a brief interview Tuesday at the power plant that they are committed to the fight, the difficulty comes in winning over the local populace.

Juad Kazim, a resident in Mulla Fayyad, a tiny Sunni town a few miles from the power plant, said residents fear leaving their town because of Shiite militias. People are afraid to send their children to school because they have been told the schoolhouses will be targeted, and they fear the Iraqi army, unless they are escorted by U.S. troops, because the units are mostly Shiite.

"All we want is security and safety, that's it," Kazim said through an interpreter.

Military Trains Personnel In Advisory Roles (LAT)

By Peter Spiegel

The Los Angeles Times, October 25, 2006

tt riley, kan. — Within the Army's tightly knit community of counterinsurgency experts, Lt. Col. John Nagl is something of a star.

When the Army and Marine Corps decided to rewrite their field manual on how to fight insurgents last year, Nagl was chosen as one of its authors. His doctoral thesis on guerrilla wars was just republished in paperback with an approving forward by the Army's chief of staff.

But when Nagl's two-year stint in the Pentagon ended this month, he did not, like most accomplished soldiers of his rank, take command of an armored battalion headed back to Iraq. Instead, he shipped out to this sprawling base in rural Kansas where the Army is attempting what some consider its most ambitious structural change since the Vietnam War.

Here, amid rolling fields dotted by scores of quickly built barracks, the Army is building a training base that by early next year will be turning as many as 2,000 of its most promising midlevel officers into military advisors every two months, most of them headed to Iraq.

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The mission reflects the U.S. military's vision of its long-range role in Iraq -- as advisors for local forces who will be doing the actual fighting. But it represents something of a gamble as well: The effort is sucking thousands out of their normal combat deployments at a time when American forces are facing personnel shortages and violence in Iraq is surging.

It is also a signal that, as commanders in Iraq move to re-evaluate tactics in the wake of a faltering Baghdad offensive and rising U.S. casualties, the work of military advisors is likely to emerge as a pillar of any plan to withdraw American troops. In Baghdad on Tuesday, Gen. George W. Casey Jr., commander of U.S. forces in Iraq, said it may take more U.S. troops to quell violence in Baghdad.

Already, there are 3,600 military advisors in Iraq, training, organizing and accompanying Iraqi units into action. But as the effort at Fort Riley ramps up, Army officials acknowledge that number could grow by thousands -- and perhaps tens of thousands, once Afghanistan is added to the program -- in the coming months.

"This is much bigger than ... sending Special Forces teams down to El Salvador or Colombia to work in small groups," said Gen. Richard A. Cody, the Army's vice chief of staff, referring to past U.S. advisory efforts.

The size and the scope of the new effort, which began in June with the arrival at Fort Riley of the first class of prospective advisers, is a sign of how seriously the Army is now taking the mission.

"I feel like we'll be the last men standing at the end of the U.S. presence here," said Brig. Gen. Dana Pittard, the Army officer sent to Baghdad in July to take over the adviser program.

The Army has begun pouring resources into the effort. Gen. Peter J. Schoomaker, the Army's chief of staff, has assigned an entire division headquarters -- the 1st Infantry, one of only 10 divisions in the Army -- to take over the training mission, and has ordered two of its combat brigades to rid themselves of all their tanks and infantrymen to devote their officers exclusively to training advisers.

"The fact he took one of his divisions, at a time he needs divisions, and two heavy brigades, at a time he needs heavy brigades, that by itself speaks volumes of how important this is," said Maj. Gen. Carter F. Ham, the 1st Infantry's new commander.

The Army in April added a series of incentives to convince its best officers to volunteer for the program. The most attractive is a guarantee that volunteers will get an assignment of their choice after a year as an adviser.

The effects of the advisor program are already visible. Kalev Sepp, an instructor at the Naval Postgraduate School, said he was taken aback when, before a recent lecture to Iraq combat veterans going through a course for captains at Fort Knox, he was repeatedly told by officers that they were headed to Fort Riley.

"I finally just said, 'How many people here are going back to Iraq as advisors?' and half the people in the room raised their hand," said Sepp, himself a military adviser in El Salvador as a Special Forces major 17 years ago. "That's extraordinary."

But until the start of the year, the Army's attention to its military advisor program was haphazard at best.

The concept itself started on an ad-hoc basis. Early in the Iraq war, some commanders adapted quickly to fighting a counterinsurgency and set up embedded military adviser teams on the fly.

Most prominently, Lt. Gen. Peter W. Chiarelli -- now the commander of all ground forces in Iraq, but also the commander of the 1st Cavalry Division in Baghdad's Sadr City slums in early 2004 -- took hundreds of his soldiers from their assigned units to create 70 small teams who "lived, ate, and trained with the Iraqi Army," Chiarelli wrote in a summary of his deployment. Maj. Gen. John Batiste, who commanded the 1st Infantry Division the same year, took similar steps in the Sunni Triangle north of Baghdad.

But Chiarelli and Batiste were exceptions to the rule. Most commanders, when ordered to provide soldiers for military training teams -- dubbed MiTT teams in military jargon -- would turn over men who were not needed for essential operations.

"Some took it very seriously and picked very good people," said Pittard. "Some said, 'Well, who can we spare?' "

The result was predictable. When Sepp, who has traveled to Iraq as a counterinsurgency adviser to U.S. commanders, met military trainers in Taji as recently as December, he was "unimpressed with the quality of people."

"The lieutenant colonel that I met there, the first thing on his mind was how much longer he had before he left," remembered Sepp. "He had it down to hours. He was completely uninterested in what they were doing."

Adviser teams were thrown together and, in many cases, did not meet each other until arriving in Iraq -- a drastic change for combat units who normally spend a year together before deployment.

While the huge shift under way at Fort Riley will address many problems, it also raises some new ones.

The Army already is scrounging for soldiers to send to Iraq in combat brigades. Two senior military planners said in interviews that the move to push thousands of officers into adviser roles has exacerbated readiness problems already plaguing the Army.

The military advising mission is particularly debilitating because it is officer-heavy. The typical 11-man U.S. team sent to advise an Iraqi battalion consists of five enlisted officers above the rank of staff sergeant, and six commissioned officers.

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Cody acknowledged the overhaul of the adviser mission will "put added strain on the force." He said the Army is compensating by filling some senior officer jobs with more junior officers, particularly in units that have just returned from Iraq.Perhaps more troubling, however, is the time it has taken to make the adviser program a priority. While Defense Secretary Donald H. Rumsfeld and President Bush have mentioned military advisers as central to plans to hand security duties to Iraqis, it has taken three years to begin to fix the program.

Counterinsurgency experts said that the U.S. must make a long-term commitment to the program and support the Iraqi military with money and American airpower, or risk a catastrophic, Vietnam-like collapse of the Iraqi armed forces.

But it is unclear how long the Army is willing to stay with the program. Ham, the 1st Infantry commander, said he views the training mission to be a two- to three-year commitment. Cody said he is preparing for five years.

But even that might not be long enough. Nagl, the army guerrilla war expert, recalled that the British counterinsurgency that began in 1948 in Malaya lasted 12 years.

"These are long wars," Nagl said. "These are long, hard wars."

Grass-Roots Group Of Troops Petitions Congress For Pullout From Iraq (WP)

By Ann Scott Tyson

The Washington Post, October 25, 2006

More than 100 U.S. service members have signed a rare appeal urging Congress to support the "prompt withdrawal" of all American troops and bases from Iraq, organizers said yesterday.

"Staying in Iraq will not work and is not worth the price. It is time for U.S. troops to come home," reads the statement of a small grass-roots group of active-duty military personnel and reservists that says it aims to give U.S. military members a voice in Iraq war policy.

"As a patriotic American proud to serve the nation in uniform, I respectfully urge my political leaders in Congress to support the prompt withdrawal of American military forces and bases from Iraq," it reads. The group, which aims to collect 2,000 signatures and deliver the message to Congress in January, is sponsored by antiwar activists including Iraq Veterans Against the War, Veterans for Peace and Military Families Speak Out.

The unusual appeal -- the first of its kind in the Iraq war, organizers say -- makes use of a legal protection afforded by the Military Whistle-Blower Protection Act, which provides that members of the military, acting in their capacity as citizens, can send a protected communication to Congress without reprisal.

"Just because you put on the uniform of our country doesn't mean you've given up your rights as a citizen," said J.E. McNeil, a lawyer for the group and executive director for the Center on Conscience & War, a Washington organization that protects the rights of conscientious objectors.

But the service members can exercise this right only while off duty and out of uniform, and they must otherwise make clear they are not speaking for the military. In addition, they cannot say anything disrespectful about their commanders, including the president, McNeil said.

Navy Seaman Jonathan Hutto of Atlanta was the first service member to sign the appeal.

"I hear discussions every day among my shipmates about the war in Iraq and how it doesn't make any sense at this point," said Hutto, who is based in Norfolk and served from September 2005 until March on a ship off Iraq's coast. "There is no victory in sight, and war is still inevitable." He said he opposes the war because of its human and economic tolls, adding that the billions of dollars should be spent on jobs and education at home.

Marine Corps Sgt. Liam Madden, 22, served in Iraq's restive Anbar province from September 2004 until February 2005 and found his opposition to the war intensified after he returned to the United States. "I don't think any more Iraqis or Americans should die because of the U.S. occupation," he said, expressing disappointment that Iraqi elections in January 2005 did not lead to a decline in violence.

"I think some things are worth fighting for, I just don't feel Iraq is one of them," said Madden, of Bellows Falls, Vt. The Quantico-based Marine plans to leave the service to attend college in January.

Madden said he and Hutton met and learned of the vehicle for expressing their views to Congress when they attended a lecture at the YMCA in Norfolk by David Cortright, the author of "Soldiers in Revolt: GI Resistance During the Vietnam War."

War Critics Try To Recruit Military (AP-Y)

By Anne Plummer Flaherty

AP, October 25, 2006

Anti-war groups are trying to rally active troops to speak out against the war in Iraq — a political tactic they hope will sway voters Nov. 7.

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A small group of active-duty members opposed to the war created a Web site last month intended to collect thousands of signatures of other service members. People can submit their name, rank and duty station if they support statements denouncing the U.S. invasion.

The electronic grievances are then passed along to members of Congress, according to the Web site.

"Staying in Iraq will not work and is not worth the price. It is time for U.S. troops to come home," the Web site says.

Jonathan Hutto, a Navy seaman based in Norfolk, Va., who set up the Web site a month ago, said the group has collected 118 names and is trying to verify that they are legitimate service members.

There are 1.4 million troops on active duty, including members of the National Guard and Reserve.

Retired veterans have long waded into politics, including the 2004 presidential campaign when a group of veterans challenged Sen. John Kerry's war record. More recently, several retired military generals have called on Defense Secretary Donald H. Rumsfeld to resign, contending he botched the war and put troops at risk.

Hearing publicly from active-duty troops is rare. Military laws bar officers from denouncing the president and other U.S. leaders, and regulations typically prevent service members from lobbying for a particular cause while on duty or wearing the uniform.

Legal experts who reviewed the Web site said the effort probably would not violate any rules because the site is not a personal attack on members of the administration and allows service members to quietly pass their grievance to Congress in their free time.

Backers of the Web site also cite a "whistle-blower protection" law as added protection. Under the law, service members can file complaints to Congress without reprisal.

But at least two senators — both critical of the administration's handling of the war in Iraq — said they were concerned that service members speaking out against the president may undermine the military's apolitical status.

"We expect our soldiers to follow ... the legitimate orders of their commanders," said Sen. Jack Reed of Rhode Island, who is helping lead Democratic opposition to the war this election season.

"And if you feel a course of action is inappropriate, your choice is just getting out of the service, basically, if you can and making your comments as a civilian," said Reed, a West Point graduate and former Army Ranger and paratrooper.

Sen. Lindsey Graham, a former reserve judge for the Air Force, said vocal complaints by active-duty members represented a "disturbing trend" that threatened to erode the cohesiveness of the military.

"We've had a long tradition making sure the military doesn't engage in political debate," said Graham, R-S.C. "We don't need a Democratic Army and a Republican Army," he added.

Hutto and supporters of his Web site said they see no problem with active-duty military personnel weighing into politics.

"We're doing this on our own time," Hutto said. Also, "We're speaking as American citizens," rather than service members.

Scott Silliman, director of Duke University's Center on Law, Ethics and National Security, said he sees the increasing political noise being made from military members — active and retired — as a relatively new phenomenon resulting from an increasingly unpopular war.

"Fifteen, 20 years ago you wouldn't have seen it happen," Silliman said.

Still, Silliman said, he sees little wrong with troops speaking out on their own time so long as they are not senior-ranking officers needed to carry out the president's orders. "It depends certainly on who it is" ramping up opposition to the executive branch, he said.

Cynthia Smith, a Pentagon spokeswoman, said members can share their views with the press so long as they are not wearing the uniform and make clear that they are not speaking on behalf of the armed forces.

Inside The Beltway (WT)

By John Mccaslin

The Washington Times, October 25, 2006

Out and about

That was Margaret Carlson, the Washington editor of the Week magazine and a longtime Washington figure (she wrote for Time before that, and was managing editor of the New Republic, as well as Washington bureau chief for Esquire magazine, and editor of both Washington Weekly and the Legal Times of Washington) welcoming guests into her Northwest home last evening to toast Slate chief political correspondent John Dickerson and his new book, "On Her Trail: My Mother, Nancy Dickerson, TV News' First Woman Star."

Meanwhile, Washington's younger crowd convened late into the night at the new Hotel Palomar on P Street NW, helping Grey Goose Vodka and Capitol File magazine crown the "Best Bartender in Washington."

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And the winner, as voted by D.C. bargoers: Alex Rivera of Gua-Rapo, the popular Latin American fusion restaurant in Arlington.

Fun facts: By day, Mr. Rivera is a program officer at the Academy for Educational Development. He also was lead singer in the rock band Stars Hide Fire, once featured on MTV. His winning cocktail is called "duck, duck, GOOSE!"

No morality here

Question: What ex-lawmaker, a Newt Gingrich disciple who swept into Congress during the 1994 Republican revolution, was once a roadie for the Allman Brothers band?

Answer: former Rep. Mark Foley, Florida Republican and centerpiece of the congressional page scandal.

Just one intriguing tidbit about Mr. Foley that Inside the Beltway learned yesterday, passed on by veteran investigative reporter Alicia Mundy, the Washington correspondent for the Seattle Times.

Miss Mundy recalled her wide-ranging interview several years ago with Mr. Foley when she worked for E! Online. He had just become Hollywood's point man on Capitol Hill as chairman of the congressional Entertainment Industry Task Force.

"Looking back, I recall wondering at the time why a conservative Republican member of Congress followed Heather Locklear and 'Dynasty.' It was different from other political interviews," she told us.

In fact, Mr. Foley told her about his personal relationships with actors Don Johnson (they used to play golf together) and Julia Roberts, and how he was star-struck with Miss Locklear.

He also spoke about his friendships with Gregg Allman, drummer Butch Trucks and guitarist Dickey Betts of the Allman Brothers (a former Palm Beach, Fla., real estate agent, Mr. Foley even sold Mr. Betts a house), and recalled the time he toured with the band.

"Yeah. It was crazy. I was on the bus. It was wild," said Mr. Foley, adding that when the tour closed, "I ended up at one of the Allman Brothers' houses in Vegas."

Mr. Foley also was asked about his vote to block fellow Republican Rep. Henry J. Hyde's so-called "culture amendment," introduced in the wake of Colorado's Columbine school shootings to curtail the extreme violence seen in some Hollywood films.

"We should not be the ones to tell the public what they should let their children see. We can't be the divining rod for what's moral or what's decent," he replied.

Asked why he didn't march more in step with other Republican leaders on such issues, Mr. Foley said: "I admire William Bennett ... and definitely John McCain. But they're trying to blame society's ills on one aspect only -- entertainment. As for their impact -- hey, I don't think anyone sees a politician as being a moral leader."

Plame game

Even if Republicans can't bring themselves to read David Corn and Michael Isikoff's new book, "Hubris: The Inside Story of Spin, Scandal, and the Selling of the Iraq War," they might find amusing the lengthy written exchange between the latter co-author and columnist Bob Novak in the latest issue of one conservative Washington magazine.

"I was amused, to say the least, to see that my old friends at The Weekly Standard asked Bob Novak to review ... the new book I co-authored with David Corn," writes Mr. Isikoff, who wonders: "Was Scooter Libby unavailable?"

The Newsweek reporter cited "a few inaccuracies and misrepresentations" in the columnist's critique -- from events leading up to former CIA officer Valerie Plame's being "outed" to Mr. Novak's assertion that the book "comes close" to being "an unmitigated apologia" for former Ambassador Joseph C. Wilson IV, Mrs. Plame's husband and critic of the Bush administration.

Finally, Mr. Isikoff takes issue with Mr. Novak's portrayal of Mr. Corn, the Washington editor of the Nation magazine, as a left-wing polemicist more interested in furthering an ideological agenda than seeking the truth.

"If only some conservative journalists showed the same willingness to report stories that conflict with their initial assumptions," he wrote in defense of Mr. Corn.

Mr. Novak?

"I regret that my friend Mike Isikoff, in his letter, is still peddling the story of Scooter Libby and Karl Rove attempting to discredit Wilson by revealing his wife's intelligence background," the columnist writes. "Apparently, he joins David Corn in not being able to accept that the conspiracy theory was demolished by his own book."

War On West Shifts Back To Afghanistan (LAT)

By Sebastian Rotella

The Los Angeles Times, October 25, 2006

The conflict in Iraq is drawing fewer foreign fighters as Muslim extremists aspiring to battle the West turn their attention back to the symbolically important and increasingly violent turf of Afghanistan, European and U.S. anti-terrorism officials say.

The shift of militants to Afghanistan this year suggests that Al Qaeda and its allies, armed with new tactics honed in Iraq, are coming full circle five years after U.S.-led forces ousted the Taliban mullahs.

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Until Sept. 11, 2001, Afghanistan was the land of jihad: hallowed ground where fighters from across the Muslim world helped vanquish the Soviet Union in 1980s, fought alongside the Taliban in the 1990s and filled training camps overseen by Al Qaeda leader Osama bin Laden. Loss of the Afghan sanctuary scattered the networks and sent Bin Laden fleeing toward the Pakistani border region, where many anti-terrorism officials believe he remains.

After the fall of Iraqi President Saddam Hussein in 2003, Muslim extremists from the Arabian Peninsula, North Africa and Europe flocked to confront the U.S.-led coalition in Iraq. Although foreigners have been a minority in the Iraqi insurgency, militants such as Jordanian-born Abu Musab Zarqawi played a major role in suicide attacks and kidnap-killings.

But insurgent leaders in Iraq are now mainly interested in foreign recruits ready to die in suicide attacks, anti-terrorism officials say. Moreover, the conflict is dominated by violence between Sunni and Shiite Muslims. In contrast, an accelerating Afghan offensive by the resurgent Taliban offers a clearer battleground and a wealth of targets: U.S. and other North Atlantic Treaty Organization troops, and the Western-backed government.

As Iraqis have solidified control of their insurgency, the movement of foreign fighters to Iraq has "significantly declined in recent months," said Pierre de Bousquet de Florian, director of the DST, France's lead counter-terrorism agency.

"There is less need for them in Iraq, because there's a need above all for kamikazes and there are not an infinite number of volunteers," Bousquet, whose agency works closely with U.S., European and Arab counterparts, said in a recent interview. "The Iraqi insurgency is now very well organized around Iraqis…. Those who want to fight, but not necessarily to die as martyrs, go elsewhere."

Simultaneously, Bousquet said, anti-terrorism agents have detected a new flow of militants heading to Afghanistan, where more than 1,000 French soldiers are among the approximately 40,000 foreign troops deployed.

Iraq attracted many Arabs, including Saudis, Yemenis and Syrians, Bousquet said. Algerians, Tunisians and other North Africans made up the second-largest group. About 100 fighters from Europe have gone to Iraq over a three-year period, he said.

"Today they return to the route of Afghanistan, or the tribal zones of Pakistan, where clearly they are thriving," Bousquet said. "Certainly there are some Europeans, but very few. In contrast, in Afghanistan there are certainly many Pakistanis and people from Arab countries and some from North Africa."

A leap in violence in Afghanistan this year has featured tactics such as suicide and roadside bombings that are trademarks of the insurgency in Iraq, according to Bousquet and other officials.

Despite decades of warfare, suicide bombings were rare in Afghanistan. But the number has shot up from six in 2004 to at least 78 so far this year.

"Clearly, methods have been transposed in Afghanistan that did not exist during previous wars in Afghanistan," Bousquet said. "Like suicide attacks. And that's directly influenced by what's happening in the Middle East, in Iraq."

Muslim extremists from North Africa make the odyssey to Afghanistan through routes that converge in Pakistan, another senior French anti-terrorism official said.

"There's a new route along which [North Africans] pass through Peshawar and down into Afghanistan to carry out operations," the senior anti-terrorism official said. "And what's new is the suicide operations. That's not at all part of the Afghan mentality."

North Africans have been detected traveling to Koranic schools in Quetta and Peshawar, said Louis Caprioli, who retired as chief of the DST's anti-terrorism division in 2004. The fighters use the schools as covers for their presence in Pakistan and as staging areas to cross into Taliban-dominated areas of Afghanistan, Caprioli said.

Foreign fighters are predominantly Sunni. They increasingly prefer fighting alongside the Taliban to getting embroiled in the Sunni-versus-Shiite bloodshed in Iraq, said Caprioli, who works closely with the intelligence community at the Paris-based GEOS security firm.

"There are a certain number of foreign jihadis who aren't interested in massacring Shiites," Caprioli said. "In Afghanistan, you have NATO troops to fight as well as Americans, all the 'crusaders.' "

In addition, veterans of combat in Iraq have made their way to Afghanistan, officials said.

"There's a definite increase in foreign fighters going to Afghanistan from all over," said a U.S. anti-terrorism official, who spoke on condition of anonymity. "They go through Pakistan. Or they train in Iraq and then keep going to Afghanistan."

U.S. Special Forces officers in Afghanistan learned last year that Arabs were being trained as suicide bombers in Iraq, then traveling through Iran to Pakistan, according to an intelligence document on a computer drive smuggled out of a U.S. base in Afghanistan and sold at a bazaar in April. Extremists transported the aspiring bombers, mostly Yemenis and Syrians, from Quetta across the border into Afghanistan, according to the document on the drive.

The U.S. anti-terrorism official said that militants from as far as away as the Caribbean island of Trinidad, which has a large number of residents of South Asian origin, had traveled to Afghanistan via South Africa.

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Afghan officials blame foreigners for the escalating violence in their country. In several suicide bombings this year, witnesses and officials described attackers as Arabs.

"I think this is true that they are shifting Al Qaeda suicide attackers from Syria, and not only Syria but other countries like it, from other parts of the world, to Afghanistan through Iran and Pakistan and countries like that," said Sayed Anwar, who recently served as deputy chief of the Afghan Interior Ministry's counter-terrorism branch.

Basir Salangi, a police chief in eastern Nangarhar province, said Arabs, Chechens and Pakistanis conduct suicide and other attacks in the border regions, but that attacks in Kabul, the capital, are primarily carried out by Afghans who have been trained in Pakistan. And the combatants in Afghanistan still are overwhelmingly Afghans.

Afghan officials allege that key training centers for the Taliban are in Quetta, Peshawar and Miram Shah, and that militants use mountain routes to cross the border. "There are foreign fighters from several countries who have sanctuary and training in our neighboring country," said Gen. Zahir Azemi, chief spokesman for the Afghan army, referring to Pakistan.

Pakistani officials deny such allegations. This year, Maj. Gen. Shaukat Sultan, a spokesman for the Pakistani military, said the "sweeping statement" that Pakistan harbored training camps for cross-border Taliban networks was "absurd."

The movement of fighters to Iraq began to decline last year as insurgent leaders in Syria, who serve as a conduit to the combat zone, began screening volunteers aggressively, turning them back unless they had strong military skills or were eager to carry out suicide attacks, European anti-terrorism officials said.

Some newcomers were redirected to training camps in North Africa. Others were told to launch attacks in Europe, said a senior Italian anti-terrorism official. He described the confessions of Milan-based Tunisian and Moroccan suspects who got to Syria, but then were sent back: "They said the representative of Zarqawi's group really grilled them: 'Do you have military experience? Here's an AK-47; do you know how to use it? Have you ever fired a mortar? If not, we don't want you.' "

Instead, they were directed to bomb a basilica in Bologna because it displays a painting of the prophet Muhammad as depicted in Dante's Inferno, investigators say. Moroccan and Italian police broke up the alleged plot and arrested the group this spring.

Meanwhile, Afghanistan's historical allure for Islamic militants, the lawlessness of the Pakistani border region and the aggressiveness of the Taliban make for an ominous combination, anti-terrorism officials said.

Besides fighting in Afghanistan, Al Qaeda and its allies could once again use training venues and combat zones in the Afghan-Pakistani borderlands to groom terrorists for attacks in the West, Caprioli said. The suicide bombers who struck the London transport system last year and other British suspects in foiled terrorist plots traveled to Pakistan for training, expertise and direction, anti-terrorism officials say.

"Right now [extremists] go to Afghanistan to fight alongside the Taliban," Caprioli said. "But the concern is that we could return to a situation like the one that existed before 2001, when they went for training and then came back. We have not reached that point yet. But people are beginning to get worried."

Pakistan's Sovereignty (WSJ)

The Wall Street Journal, October 25, 2006

Our finest foreign-policy minds have been abuzz lately trying explain how and why the U.S. and its NATO allies are, as a recent Newsweek International cover has it, "Losing Afghanistan." But no need for deep thoughts here: The largest part of the problem is neighboring Pakistan.

In September, the Pakistan government of Pervez Musharraf agreed to abandon its North Waziristan province -- which shares a long border with Afghanistan -- to the de facto rule of its "tribal elders" and the Taliban and mujahadeen terrorists they harbor. Since then, as Barnett Rubin observes nearby, the number of cross-border raids into Afghanistan has risen threefold.

It's true that the agreement the Pakistan government signed with these elders explicitly forbids such raids. But General Musharraf surely knew that the Taliban would not keep idle in Waziristan for long, especially since he also agreed to the release and pardon of all Taliban prisoners and the return of their confiscated weapons.

From day one in the war on terror, the Bush Administration has said it would make no distinction between terrorists and those who harbor them. So far, Mr. Musharraf has earned an exception to this rule by helping to capture al Qaeda suspects early on, and then by pleading that his government cannot control its unruly tribal areas. But then he cannot also refuse to allow NATO troops and U.S. Predator missiles to do the job for him.

We don't know what General Musharraf promised President Bush and Afghan President Hamid Karzai during their recent conclave in the White House. But we hope it was more tangible cooperation than we have been seeing of late. Sovereignty has responsibilities, and General Musharraf is not exercising them.

A Border Affair (WSJ)

DOJ_NMG_0086081

By Barnett R. Rubin

The Wall Street Journal, October 25, 2006

It will take more than a dinner at the White House -- such as the one held for Pervez Musharraf and Hamid Karzai last month -- to overcome the longstanding antagonism between Pakistan and Afghanistan. Of course, the political clumsiness on the part of the U.S. does not begin or end there. Had we paid more attention to pre-9/11 history, we might not face a rising Taliban insurgency with sanctuary in Pakistan.

U.S., NATO and Afghan intelligence agree that the Taliban leadership's safe haven in Pakistan, especially in the city of Quetta and some tribal agencies, is essential to the insurgency's ability to exploit Afghanistan's internal weaknesses. Gen. Musharraf admitted in Kabul on Sept. 7 that while Pakistan had worked against al Qaeda, "the focus had now shifted to the Taliban." In other words, Pakistan had theretofore done nothing to hinder them.

On Sept. 5, Gen. Musharraf's government signed an agreement in the North Waziristan tribal agency with tribal elders, local mujahadeen, Taliban and ulama (Islamic clergy), under which the Pakistani army would withdraw to bases, and the fighters would end attacks into Afghanistan. The number of such attacks, however, has tripled since the agreement.

Pakistan has never fully acted on U.S. demands to fight the Taliban, not because Gen. Musharraf is "against us" rather than "with us," but because the Pakistan army sees its interests in a regional context, not as part of the U.S. war on terror. The conflict between Pakistan and Afghanistan, the anomalous status of Pakistan's tribal areas, the contest between Talibanization and Pashtun nationalism in the borderlands, the struggle over military control of the Pakistani state, and the refuge for terrorists along the Pakistan-Afghanistan border are all linked, as are the policies that could address these problems.

Except for the five years of Taliban rule in Kabul, Pakistan and Afghanistan have had largely hostile relations since Pakistan was created almost 60 years ago. Even under the Taliban, Afghanistan never accepted the incorporation of Pashtun and Baluch territories into Pakistan. This dispute had led Afghanistan's monarchy to seek Soviet military aid to counter Pakistan's U.S.-aided army, and to align itself diplomatically with India.

Pakistan's military has used jihadi militants to accomplish several goals: to wage asymmetrical warfare in Kashmir and Afghanistan; to spread Islamism among Pashtuns on both sides of the border to counter Pashtun and Baluch nationalists who it feared would break up the country; and to cement its alliance with Islamist parties, whose street power intimidates and marginalizes the centrist parties that have dominated fair elections in Pakistan. The Pashtun tribal agencies (known as the Federally Administered Tribal Areas, or FATA), play a key role in this strategy: The absence of national administration or political institutions creates a space where Islamist militias can organize and train, while the Pakistani state denies responsibility for it.

Pakistan's rulers depict these tribal areas as repositories of ancient traditions, but they are actually relics of colonialism. In 1901, Lord Curzon, viceroy of India, promulgated the Frontier Crimes Regulations under which FATA is still run. The "tribal elders" of whom Gen. Musharraf speaks are not representatives of traditional society, but objects of manipulation by the government's "political agents," who wield slush funds with no accountability. Elders who oppose the Taliban are summarily executed. Such murders are so common that the term used for them, "target killings," was incorporated in English into the Urdu-language text of the Waziristan agreement. Two of these supposedly banned killings took place within a week after the agreement was signed.

Pakistan thus pursues the goal, inherited from the British Empire, of using violence and manipulation to assure that no hostile forces gain a foothold along the border, or in Afghanistan. The main force that concerns Pakistan is India, which has opened consulates in Jalalabad and Qandahar, near the Pakistan border. Pakistan charges that Indian intelligence uses agents to spy on and destabilize Pakistan, for instance by fomenting unrest in Baluchistan, where Islamabad faces the fifth insurgency since its government incorporated the area in 1947.

Gen. Musharraf's ethnic charges -- that the Afghan government is dominated by Tajiks who marginalize Pashtuns like President Karzai and the majority of his cabinet and provincial governors -- are linked to the goal of purging Afghanistan of Indian influence. By "Tajiks," Gen. Musharraf means the remaining officials (head of the intelligence agency and army chief of staff) from the Northern Alliance faction that received aid from Iran, Russia and, worst of all, India, during its resistance to the Pakistani-supported Taliban. At last month's White House dinner, President Karzai refuted these erroneous ethnic charges, while President Bush pointed out that the U.S., not India, is supporting the Afghan military and intelligence services.

This archaic border arrangement has created a space for Pakistan to allow militant parties and former intelligence agents to support the Taliban. Firm pressure to shut down the Taliban command and control must be accompanied by efforts to support democracy and civilian rule in Pakistan, which would empower the centrist and nonsectarian parties that have actually won elections in Pakistan. Democratization should be extended to the tribal areas, where political parties are now outlawed, giving radical militias a political monopoly. Several mainstream Pakistani parties have proposed such reforms.

The U.S. and Afghanistan should also recognize legitimate Pakistani concerns. The sizes of Indian consulates should be limited, and the U.S, Afghanistan and India should agree to confidence-building measures about their roles. Once Pakistan acts

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against Taliban sanctuaries, President Karzai should also take the courageous and politically difficult step to initiate a political dialogue in both Afghanistan and across the border over resolution of all outstanding issues, including the recognition of an open border between the two countries. In return, landlocked Afghanistan will need guaranteed access to Pakistani port facilities.

The U.S. and other NATO countries would have to act as guarantors of this process and provide aid to develop the border area, where unemployment and illiteracy facilitate recruitment to armed groups. These policies would address the roots of instability and violence in this region, and make those on both sides of the frontier genuine partners in protecting both their own security, and ours.

Mr. Rubin is director of studies and senior fellow at the Center on International Cooperation, New York University.

CORPORATE SCANDALS:

First Senior Executive Admits Options Fraud (FT)

By Kevin Allison In San Francisco And Agencies

Financial Times, October 25, 2006

David Kreinberg, the former chief financial officer of Comverse, the voicemail software company, on Tuesday became the first top executive to plead guilty to conspiracy and securities fraud in connection with options backdating.

The guilty plea, part of a deal struck with federal prosecutors, came as the US Securities and Exchange Commission announced that Mr Kreinberg had agreed to pay almost $2.4m to settle civil fraud charges.

Mr Kreinberg, who has been free on $1m bail since he surrendered to the Federal Bureau of Investigations in August, was one of three former Comverse executives to be charged over backdating.

Jacob "Kobi" Alexander, Comverse's founder and chief executive, was arrested in Namibia earlier this month after being branded a fugitive from justice by US authorities. Mr Alexander, who has denied wrongdoing, is fighting extradition to the US, where he could face more than 20 years in jail if convicted.

William Sorin, Comverse's former general counsel, is also facing charges. His lawyers could not be reached for comment on Tuesday.

Mr Kreinberg entered his guilty plea in a federal courtroom in Brooklyn. He told a judge that he "knew at the time that my actions and agreements with others at the company to act as I have were wrong."

Options-granting practices at more than 150 companies have come under scrutiny in one of Silicon Valley's biggest scandals since the dotcom collapse, according to Glass Lewis, an institutional shareholder service.

The FBI and securities regulators are examining whether managers intentionally misled shareholders by manipulating the grant dates of stock options in order to inflate their value.

Mr Alexander is alleged to have led a complex scheme to manipulate the grant dates of stock options at Comverse. Among other offences, Mr Alexander is alleged to have created a secret options slush fund by awarding options to fake employees. Mr Alexander has said he plans to fight the charges if brought to trial.

Mr Kreinberg's guilty plea marked the first concrete legal fallout from the options backdating scandal. Two former top officials from Brocade Communications Systems, a networking equipment maker, have pleaded not guilty to backdating charges.

The SEC said Mr Kreinberg, without admitting or denying wrongdoing, had agreed to pay $2.4m and to accept a permanent ban on serving as a company director or officer.

Although backdating is not in itself illegal, experts say executives who changed the grant dates of stock options without disclosing the practice to shareholders may have fallen foul of securities laws.

Accounting problems arising from the practice have led dozens of companies to announce they will be forced to restate past earnings, some to the tune of billions of dollars.

Forty-five executives and directors have stepped down as a result of backdating, according to Glass Lewis.

Comverse's Former Finance Chief Pleads Guilty (WSJ)

By Paul Davies

The Wall Street Journal, October 25, 2006

NEW YORK -- The former chief financial officer of Comverse Technology Inc. pleaded guilty to securities-fraud charges stemming from a stock-options backdating scheme, making him the first executive to admit criminal wrongdoing in a wide-ranging probe involving more than 100 companies.

David Kreinberg, 41 years old, is cooperating with the government and is fingering the company's former chief executive, Kobi Alexander, as the mastermind of the backdating scheme at the New York voice-mail software maker.

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Mr. Kreinberg has told prosecutors that Mr. Alexander offered him a "name your price" bribe if he would take sole blame for the fraud, according to people familiar with the situation. The alleged bribe started with offers of $2 million and then $5 million, according to prior court documents from prosecutors.

At a hearing yesterday in U.S. District Court in Brooklyn, Mr. Kreinberg admitted to helping Mr. Alexander select particularly favorable dates on which to grant options, using hindsight. "I was asked by the CEO to bring him a printout of the company's trading prices over a past year period to enable him to select the 'as of' date that would be used for the exercise price of the option grant," he said in court.

The scheme understated Comverse's compensation expenses, thus inflating net income on financial statements that Mr. Kreinberg signed and submitted to the Securities and Exchange Commission, he said in court. He added that he knew his actions were "wrong."

Mr. Kreinberg's cooperation strengthens the government's case against Mr. Alexander, who fled the country and was later arrested in the African country of Namibia. Mr. Alexander is free on bail in Namibia. The U.S. government is seeking his extradition to face a 35-count indictment that includes charges of securities fraud, money laundering and bribery.

Robert Morvillo, a defense attorney representing Mr. Alexander, said his client denies that any bribe offer to Mr. Kreinberg took place. He added that Mr. Alexander plans to contest the charges "if and when he comes back."

Mr. Kreinberg faces up to 10 years in prison for securities fraud and a maximum of five years in prison for conspiracy. Prosecutors are seeking an estimated $51 million in restitution. A sentencing date wasn't set. Mr. Kreinberg reached an agreement with the SEC yesterday to give back $2.4 million, according to his attorney, Guy Pertillo.

Mr. Kreinberg's guilty plea comes as prosecutors and regulators continue to investigate the backdating matter. More than 35 executives or directors have lost their jobs.

In addition to Messrs. Kreinberg and Alexander, Comverse's former general counsel William F. Sorin was charged in August with conspiracy to commit mail fraud, securities fraud and wire fraud. He is in plea discussions with the government, according to court papers.

Comverse Ex-CFO Names Jacob Alexander In Guilty Plea (Update3) (BLOOM)

By Patricia Hurtado

Bloomberg, October 25, 2006

Oct. 24 (Bloomberg) -- Comverse Technology Inc. ex-Chief Financial Officer David Kreinberg implicated his former boss as he pleaded guilty to conspiracy and securities fraud in the U.S. probe of illegal manipulation of employee stock option grants.

Kreinberg, 41, is the first executive to plead guilty in the biggest probe of corporate wrongdoing since late trading of mutual funds three years ago led to $4.3 billion in penalties. Almost 150 U.S. companies have disclosed internal or government inquiries into the backdating of options.

Former Comverse Chief Executive Officer Jacob ``Kobi'' Alexander directed a scheme to systematically backdate stock option grants, Kreinberg claimed today in Brooklyn federal court. Contrary to Comverse's securities filings, Kreinberg told U.S. District Judge Nicholas Garaufis ``the company was in fact issuing backdated options with an exercise price lower than the fair market value on the grant date.''

Alexander was arrested in Namibia last month and is the subject of a U.S. extradition request. Kreinberg, who faces a possible 15-year prison sentence, agreed to cooperate with the government in its prosecution of Alexander, and in related civil lawsuits as part of a separate $2.4 million settlement with the U.S. Securities and Exchange Commission.

The U.S. Justice Department is trying to persuade the government of Namibia to return Alexander to the U.S. to face charges related to stock-option backdating, including conspiracy, securities fraud, making false filings to regulators and money laundering.

Namibian Court

Alexander, 54, was freed by a Namibian court Oct. 3 on N$10 million ($1.32 million) bail following his Sept. 27 arrest in the African nation's capital of Windhoek. Assistant U.S. Attorney Linda Lacewell said in an affidavit read in Namibian court that Alexander was negotiating his surrender to U.S. authorities when he fled, eventually traveling to Namibia.

Kreinberg's lawyer, Guy Petrillo, declined to comment following today's plea hearing. Alexander lawyer Robert Morvillo, who was in the same court attempting to get access to more than $40 million of his client's assets frozen by the U.S., said the plea is ``going to have an impact -- the question is whether it's going to have a positive or negative impact.'' He declined to comment further. The judge didn't rule on his request.

At least 149 companies have disclosed investigations into their options grants, and more than 65 have said they found or expect to find additional costs tied to the awards. So far, the revisions and charges exceed $3.6 billion. More than 40 executives

and directors have retired, resigned or were reassigned or fired after options probes, and about 265 lawsuits have been filed against more than 70 companies.

Low Prices

Kreinberg was originally charged on Aug. 8 with one count of conspiracy, along with Alexander and William Sorin, 56, former general counsel of New York-based Comverse, the world's largest maker of voice-mail software.

Prosecutors claim the three men backdated stock option grants so employees could buy shares at low prices and make the maximum profit, prosecutors said. Stock options typically give an employee the right to buy a specified number of company shares at the market price on the option grant date.

On Oct. 12, federal prosecutors in Brooklyn filed a new indictment against Alexander, including charges of attempted bribery and securities fraud. Alexander was accused of obstructing a federal investigation by offering ``millions of dollars'' to buy a witness's silence. That witness wasn't named in the indictment.

Extradition Papers

Alexander offered the unnamed witness $2 million, then $5 million in March, according to prosecutors. The former CEO told the witness he would leave the country instead of going to jail, prosecutors said. In her affidavit, Lacewell said Alexander told the unnamed witness there was no reason both of them ``should go down.'' Lacewell said the individual is cooperating with authorities.

Following the new indictment, U.S. officials submitted documents arguing for Alexander's extradition. Namibian authorities said yesterday they are studying the papers.

Kreinberg may help the extradition effort, said Scott Christie, a former U.S. prosecutor. Some countries, including Namibia, require testimony from someone with first-hand knowledge of the alleged crime as a requirement before granting extradition.

Concealing

``To have the cooperation of someone on the inside who can provide the most relevant and critical facts to assist in convincing the authorities of the country holding the defendant is a measurable advantage to the government,'' Christie said.

During today's hearing, Kreinberg said that, in 1999, Alexander directed the creation of a ``secret options holding account'' that would provide an ``available pool of options with which principally to address employee retention and recruitment challenges,'' Kreinberg said.

Kreinberg assisted Alexander by concealing the account from Comverse's compensation committee and from Deloitte & Touche, the company's accounting firm, he said. Some options held in the account were submitted for committee approval ``under fictitious names.'' Paul Baker, a spokesman for Comverse, wasn't immediately available for comment.

Kreinberg, who had to be prompted by the judge to state his former boss's name, admitted that he approved Alexander's omission of options information in reports to the committee.

$1 Million

Kreinberg said Alexander backdated options by ``selecting a date, with hindsight, to issue the options and notifying either the general counsel or the CEO's assistant, sometimes through me, to prepare paperwork for the compensation committee to approve the grant `as of' the earlier date.'' He didn't name the assistant.

Alexander sometimes asked him to bring ``a printout of the company's trading prices over a past period to enable him to select the `as of' date that would be used,'' Kreinberg said.

Prosecutors in Brooklyn have said they identified almost $1 million in profit that Kreinberg made from allegedly backdated options. The government claimed Sorin earned ``more than $1 million'' from the scheme while Alexander made almost $6.4 million due to backdating.

Kreinberg and Sorin both originally pleaded not guilty and were freed on $1 million bail. Prosecutors have twice asked a magistrate for a delay in the prosecution of the two men to allow for plea negotiations. Sorin's lawyer, James Brochin, wasn't immediately available for comment.

Not Guilty

Lacewell said that, as part of his plea agreement, Kreinberg faces up to 15 years in prison for both counts, fines of up to $1.25 million and restitution of $51 million.

Alexander was the second CEO to be charged in the options backdating scandal. The first was ex-Brocade Communications Systems Inc. CEO Gregory Reyes, 44. In July, federal prosecutors in San Francisco charged Reyes with securities fraud along with Stephanie Jensen, a former Brocade human resources vice president.

Reyes and Jensen, who were indicted by a federal grand jury in San Francisco on Aug. 10, have pleaded not guilty to the charges and are awaiting trial.

Kreinberg is a certified public accountant and former senior manager at Deloitte & Touche. He has an accounting degree from Yeshiva University and a master's degree in finance and international business from Columbia University.

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$2.4 Million

Separately, Kreinberg today agreed to pay $2.4 million to settle a civil lawsuit by the U.S. Securities Exchange Commission, the agency said. The SEC also permanently barred him from acting as a director at a U.S. company.

Kreinberg, who neither admitted nor denied wrongdoing in that settlement, will cooperate in other lawsuits filed by the regulator, the SEC said. The settlement is subject to court approval. The SEC claimed in its complaint that the three former Comverse executives fraudulently granted themselves and others backdated options from 1991 through 2001.

Comverse shares fell 16 cents to $21.61 at 3:29 p.m. in Nasdaq composite trading.

The criminal case against Kreinberg and Sorin is U.S. v. Alexander, 1:06-mj-00817, U.S. District Court, Eastern District of New York (Brooklyn). The case against Alexander is U.S. v. Alexander, 06-CR-00628, U.S. District Court, Eastern District of New York (Brooklyn).

Former Comverse CFO Pleads Guilty To Backdating Scheme (LAW)

By Beth Bar And Tom Perrotta, New York Law Journal

New York Law Journal, October 25, 2006

David Kreinberg, the former CFO of Comverse Technology, pleaded guilty Tuesday to helping engineer a scheme to illegally backdate millions of dollars in stock options.

"I knew at the time that my actions and agreements with others at the company to act as I have were wrong," said Kreinberg at a court hearing Tuesday before Eastern District of New York Judge Nicholas G. Garaufis.

Kreinberg, who has agreed to cooperate with prosecutors in the Eastern District U.S. Attorney's Office, is the first person in the country to plead guilty to illegally backdating stock options. He pleaded guilty to one count of conspiracy to commit securities fraud, mail fraud and wire fraud, and one count of securities fraud. He faces up to 15 years in prison and $1.2 million in fines when he is sentenced Feb. 23. He also could be ordered to pay tens of millions in restitution.

Kreinberg's plea clears the way for him to testify against former CEO Jacob "Kobi" Alexander, who fled the country before charges against him were filed in August. Alexander, a fugitive who was discovered in Namibia last month, has been indicted in connection with charges that include using fictitious names to generate hundreds of thousands of backdated options, which he and others then parked into a secret slush fund.

William F. Sorin, the company's former general counsel, also has been engaged in plea negotiations. Prosecutors have until Nov. 9 to indict Sorin on criminal charges.

Kreinberg has separately settled civil charges against him. As part of an agreement with the SEC, he is permanently suspended from practicing as an accountant and must pay $2.4 million in disgorgement and prejudgment interest.

Former Top Comverse Official Pleads Guilty To Securities Fraud (AFP)

AFP, October 25, 2006

NEW YORK (AFP) - The former chief financial officer of software maker Comverse Technology Inc (CMVT - news) . pleaded guilty to conspiracy and securities fraud for using back-dated stock options, the US Justice Department announced. David Kreinberg pleaded guilty to a two-count felony information charging one count of conspiracy to commit securities fraud, mail fraud and wire fraud, and one count of securities fraud, US Attorney Roslynn Mauskopf of the Eastern District said in a joint statement with a local FBI official. The charges "stem from the stock options backdating and slush fund schemes" at the New York-based company from 1998 to 2006, the statement read. The conspiracy charge carries a sentence of up to five years prison and a 250,000 dollar fine, while the securities fraud charge carries a maximum sentence of 10 years prison and a fine of up to one million dollars. "The charges also require restitution in an amount to be determined by the court at sentencing, currently estimated at 51 million," the statement read. The government said that Kreinberg, former chief executive officer Jacob "Kobi" Alexander, and ex-general counsel William Sorin backdated the options to days when Comverse stock was trading at a low price, and below the market price on the date when the options were actually granted, thereby maximizing their gains. The investigation was led by the Justice Department's Corporate Fraud Task Force, but it was triggered in early March when a Wall Street Journal reporter became suspicious about Comverse's stock option practices.

End Of Enron's Saga Brings Era To A Close (WP)

By Carrie Johnson

The Washington Post, October 25, 2006

HOUSTON, Oct. 24 -- The sentencing Monday of former Enron Corp. chief executive Jeffrey K. Skilling ended the saga of the scandal-ridden Houston energy company and effectively closed the book on an era of high-profile corporate malfeasance.

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Skilling's sentence capped a string of lengthy prison terms handed down to top executives for economic crimes, including WorldCom Inc. founder Bernard J. Ebbers, now serving 25 years, and Adelphia Communications Corp. founder John J. Rigas, facing 15 years pending appeal.

But Enron remains that period's signature scandal. The company's December 2001 breakdown ushered in a wave of corporate collapses that roiled investor confidence and prompted the government to enlist a special band of prosecutors and FBI agents to mount the most complex business fraud investigation in history. Their pursuit of top Enron officials helped change the way corporate wrongdoing is prosecuted and spurred companies to more aggressively police themselves.

Hours after a judge sentenced Skilling to more than 24 years in prison, the leaders of the Enron Task Force announced that they would close up shop, saying their mission was mostly complete. But even as officials packed their files and prepared for other jobs in government and the private sector, there were fresh signals about the direction post-Enron corporate crime enforcement would take.

A new wave of investigations is targeting executive greed, insider trading and investment pools known as hedge funds. On Tuesday, the former finance chief of Comverse Technology Inc. pleaded guilty to covering up a scheme to trigger big paydays for employees by changing the grant dates on stock options. Meanwhile, federal prosecutors charged the former finance chief of Refco Inc. for his role in a $1 billion accounting scandal that hurled the commodities brokerage into bankruptcy proceedings.

"There is an awful lot to do in the world of corporate fraud," said Chip Burrus, assistant director in the FBI's criminal investigation division.

Policing corporate malfeasance after Enron, it seems, won't be slow -- only different. The task-force model, criticized by defense lawyers for its single-minded pursuit of Enron's top officials, is unlikely to be repeated anytime soon. But the governance changes wrought by the company's collapse mean that more chief executives are losing their jobs because of allegations of wrongdoing and that more businesses are paying for costly internal investigations to ferret out fraud on their own.

Over its life span, the Enron Task Force secured guilty pleas from more than 15 executives, including the leaders of three top Enron business units, its finance chief and its chief accounting officer. Their testimony helped win convictions in May against Skilling and company founder Kenneth L. Lay, who died weeks later, of leading an accounting fraud that cost investors and employees billions of dollars.

However, the group's record in trials against lower-level executives has been mixed, legal analysts said.

Last week, the U.S. Court of Appeals for the 5th Circuit rejected a task-force request to re-hear its appeal in a case against former Merrill Lynch & Co. officials convicted of engaging in a sham deal to help Enron meet earnings targets in late 1999. A three-judge panel last summer threw out the conspiracy charges against the Merrill bankers, ruling that they did not deprive the investment bank of their honest services. The government still has the option of asking the Supreme Court to consider the case. The Justice Department's fraud section will pick up any remaining cases from now on, officials said.

Separately, the prosecution of executives in Enron's highly touted Internet broadband unit produced mixed results. A jury acquitted one defendant, former accountant Michael Krautz, and failed to come to a unanimous decision against several others.

Washington defense lawyer Barry Pollack, who won an acquittal in a jury trial for Krautz this year, criticized the task force for using aggressive legal theories and said the group has "precious few convictions after trial to show for its efforts."

"The task force will likely be remembered only for its success in obtaining convictions of Mr. Lay and Mr. Skilling, but its overall record in other cases of not-guilty verdicts and reversals by appeals courts is equally part of its legacy," Pollack said.

Task-force leaders also declined to retry defunct accounting firm Arthur Andersen LLP in its obstruction-of-justice case after the Supreme Court, in a serious setback, unanimously tossed its conviction in 2005. The firm's conviction four years ago nonetheless sounded alarms across the corporate landscape and spurred accountants to become more skeptical of their clients, leading to more rigorous audits and a greater number of restated financial results.

Enron became "the leading symbol of corporate scandal," in the words of U.S. Deputy Attorney General Paul J. McNulty, but the shuttering of the task force will by no means mark the end of regulators' pursuit of business crime, government officials said.

The FBI's Burrus added that while Enron amounted to "an amazing criminal phenomenon," the bureau still has more than 400 open investigations in such areas as stock options backdating, political corruption and related offenses.

Already, federal prosecutors have filed criminal charges against former executives at Comverse and Brocade Communications Systems Inc. for allegedly failing to disclose schemes that triggered bigger payouts for certain employees awarded stock options, which allow workers to buy stock at a set price and a specific time.

At least 30 executives this year have lost their jobs over options scandals, as board members now appear far more willing to fire top executives for questions about the propriety of their behavior, in part because corporate accountability legislation passed after the big-name frauds clarified directors' responsibility to investors.

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But some legacies of the recent scandals may be more short-lived. In early 2002, President Bush created a government-wide panel to combat business fraud, a move that spurred federal prosecutors across the country to pour resources into such investigations. But after Richard M. Scrushy, the founder of HealthSouth Corp., was acquitted by an Alabama jury in 2004 and a criminal case against former Kmart Corp. executives in Michigan was dismissed, the difficulties of bringing and winning such cases became more clear.

As a result, there may be a natural devolution as complex fraud cases congregate once again in such hot spots as New York, San Francisco, Los Angeles and Chicago, said Leslie R. Caldwell, a former federal prosecutor and the first leader of the Enron Task Force.

Moreover, business groups already are pushing back on the regulatory crackdown, attacking accounting strictures in the 2002 Sarbanes-Oxley federal law as too expensive and pushing lawmakers and securities regulators to weaken the rules. Two independent committees, including one led by the U.S. Chamber of Commerce, are studying ways to change the law. Treasury Secretary Henry M. Paulson Jr. has made statements criticizing the rules, as well.

Timothy J. Coleman, a former prosecutor and Justice Department official, predicted that the legions of investigators hired by securities regulators, federal prosecutors and the FBI will pay lasting dividends because they will become a "standing army" ready to target business wrongdoing.

"Whether it's stock options, mutual funds or something else, corporate America should expect a continuing series of major, nationwide investigations for the foreseeable future," said Coleman, now a defense lawyer in Washington.

NEC Probed Over Delay In Filing Results (FT)

By Michiyo Nakamoto In Tokyo

Financial Times, October 25, 2006

NEC, the Japanese electronics group, said on Tuesday it was being investigated by the US Securities and Exchange Commission in connection with its delay in filing results for the last financial year.

NEC said it had received “a letter of informal inquiry from the SEC requesting voluntary production of certain documents” following the delay to its annual results.

The Japanese group gave no further information but said it intended “to co-operate fully with the SEC in connection with this inquiry”.

NEC earlier this month received notice from Nasdaq that it could face de-listing as a result of its failure to provide its annual report for last year. The filing was due not later than October 2 this year.

The Japanese group said it intended to maintain its Nasdaq listing but could not say when it might be able to provide last year’s results under US GAAP.

“We are working on the analysis in order to obtain an auditor’s report and maintain our Nasdaq listing,” NEC said. “At the earliest it will take until the end of November.”

According to its filing with the SEC last month, NEC’s US auditors failed to recognise revenue from certain maintenance and support services.

NEC said it had been unable “to gather the data necessary to complete the audit with respect to the vendor-specific objective evidence of the relative fair value of maintenance and support services”.

It warned further that it was unable to determine whether any adjustments to previously announced financial results would be required as a result of the review.

The group also said that its delayed results filing would reveal that its “disclosure controls and procedures are ineffective”. The filing would also show that NEC “does not have an adequate system of internal control” to ensure that material errors do not occur in the preparation of US GAAP consolidated financial statements.

It said it had identified a number of irregularities during the past two years, including “improper accounting practices for revenue recognition related to two US subsidiaries, fictitious sales transactions occurring for more than three years at a Japanese subsidiary, and several irregularities at certain other business units”.

NEC said it would change its accounting principles for consolidated financial statements for the first half in Japan from US GAAP to Japanese GAAP in order to be able to report its first-half results in Japan.

Going In-House? It Might Be A Wise Move (LAW)

By Janice K. Mandel, Legal Times

Legal Times, October 25, 2006

Corporate scandals and an increased emphasis on ethics have raised the profile of top legal officers

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Earlier this year, Judge J. Michael Luttig of the 4th U.S. Circuit Court of Appeals stunned the legal world by surrendering his lifetime appointment to the bench in favor of the top legal job at Boeing Co. In his letter of resignation, Luttig called the job a "singular opportunity," one that he could not pass up. Luttig's move did not come as a surprise, however, to the in-house bar, which has noted that the career door that used to swing between government and law firms now revolves with a corporate stop as well for many top lawyers.

The demand for top legal talent in in-house departments has been growing as increased regulation and an increasing emphasis on corporate accountability have put greater emphasis on the attorney's role in helping to foster an ethical corporate culture.

In the current environment it is not enough for companies to be ethical and compliant; they have to be seen as such. As a result, companies are evaluating candidates for top in-house positions on the strength of their reputation for scrupulous ethics, judgment and objective decision-making beyond narrowly defined legal issues. In addition, law firms are seeing the benefits of seeking out new partners from in-house ranks because of the perspective on client service (and potential clients) that these lawyers can bring.

The increased demand has brought with it a rise in the stock of in-house counsel. Top lawyers are increasingly interested in exploring in-house careers because of their greater visibility and significance, combined with more competitive compensation. They also know that today, going in-house does not necessarily preclude them from returning to top jobs in private practice or public service. For instance, Deval Patrick, who was general counsel of the Coca-Cola Co. from 1999 to 2004, is now the Democratic candidate for Massachusetts governor.

THE PLAYERS

In the past 18 months, the legal profession has noted the career moves of several other prominent lawyers from noteworthy private-practice and public service positions to in-house positions at some of the nation's most prominent corporations, including the following:

· Larry D. Thompson, former deputy attorney general of the United States, became senior vice president, government affairs and general counsel and secretary at PepsiCo Inc. in early 2005.

· David G. Leitch, former deputy counsel to the president, became general counsel and senior vice president of Ford Motor Co. in April 2005.

· James B. Comey, also former deputy attorney general, was appointed senior vice president and general counsel for Bethesda, Md.-based Lockheed Martin Corp. in August 2005.

· Beth Wilkinson was appointed in February as the new executive vice president, general counsel and corporate secretary for Fannie Mae after serving as a partner in Latham & Watkins' Washington, D.C., office and as a Justice Department prosecutor.

"Although many major companies had in-house lawyers and legal functions of high stature for years, we've certainly seen the prominence of the legal function increase in a lot of companies post-Sarbanes, post-Enron," notes James Wilber, a principal with Altman Weil, a management-consulting firm.

At the same time that corporations are demanding more of their in-house lawyers in terms of managing the company's compliance, regulators and others are also expecting more. For example, the Sarbanes-Oxley Act required, for the first time, that the Securities and Exchange Commission establish formal standards of professional conduct for attorneys representing public companies. And the behavior of in-house lawyers faces scrutiny similar to that placed on other business executives. For example, in the recent scandal involving Hewlett-Packard's use of private investigators to determine the source of boardroom leaks to the press, former general counsel Ann Baskins was called before a congressional subcommittee, and Kevin Hunsaker, former HP chief ethics director and senior legal counsel, was charged with fraud and conspiracy in California earlier this month.

"Typically, lawyers have always had an enhanced concern and recognition of their responsibilities to be vigilant," says Martha Ann Sisson, a former in-house counsel at Mobil Oil Corp. and co-founder of Garrison & Sisson, an attorney-search firm that fills many in-house positions. "There is now external pressure -- board pressure and shareholder pressure and regulator pressure -- in order for that to be accomplished. It's always been a duty, but now it's a business imperative; it's a legal requirement."

MAKING 50 DECISIONS A DAY

From the attorney's point of view, in-house work offers significant attractions and challenges.

When Beth Wilkinson was hired, for example, Fannie Mae was fighting its way back from a major accounting scandal and criticism of what some characterized as an arrogant corporate culture. The offer to join Fannie Mae "kind of landed in my lap," Wilkinson says. "I wasn't sure I would like in-house work because I love trial work and making decisions." Wilkinson was one of the lead Justice Department prosecutors in the case against Oklahoma City bomber Timothy McVeigh. "Ironically, when I got here, I found I make 50 decisions every day. That, I love."

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It falls to in-house lawyers to be proactive in helping corporate clients understand what needs to be done to ensure that the company is aware of its obligations and the pitfalls it should avoid.

"On a day-to-day basis, often it falls upon the law department to help steer the company through those tricky waters encountered when running any major business," says Walfrido "Wally" Martinez. He just returned to Hunton & Williams as worldwide managing partner of the firm after serving as senior vice president and general counsel of Diageo North America, a producer of alcoholic beverages.

Martinez's move from Diageo to Hunton points out another notable change in the perceptions of the in-house career path. Now, more than before, attorneys have the chance to move between private practice and in-house practice, with law firms increasingly interested in hiring in-house counsel. Lawyers who return to law firms say their in-house experience has given them valuable insight into what their clients need from them. It is that insight that makes them particularly attractive to law firms.

Marc Martin, a partner in Kirkpatrick & Lockhart Nicholson Graham's D.C. office, has been able to tap into his experience as founding chief legal officer of three communications companies. "An in-house lawyer has a lot to juggle," he says. "In addition to being at the top of your game substantively, you have to gain and maintain the trust of your internal clients -- who are not obligated to let you in the inner circle merely because you are on the payroll -- and manage both the internal legal team and outside counsel.

"My stint as a general counsel was an invaluable opportunity to view the world from the client's perspective and from the in-house lawyer's perspective," says Martin. This insight, he believes, makes him more effective in collaborating with in-house clients.

Steven Fabrizio agrees. He started out at top-tier firms in New York and Washington before he moved on to start and head the litigation department for the Recording Industry Association of America. There, he gained industry expertise and contacts that he then parlayed into a successful entertainment and new-media practice at Jenner & Block. Fabrizio emphasizes the value the in-house experience brings to his work as outside counsel.

"When I was in-house litigation counsel purchasing legal services, it became clear to me that even the best and most skilled outside counsel fell into two categories: those that internalized the pressures I faced and the interests of my constituents, and those that did not or could not," says Fabrizio. "I only wanted to work with the former. As simple as it sounds, that experience has made me a better private-practice lawyer."

ON THE MONEY

The increased significance of the role of in-house counsel is accompanied by an upward trend in compensation. According to the newly released 2006 Law Department Survey by the management-consulting firm Hildebrandt International, the chief legal officers from the 164 companies nationwide that participated in the survey had a median total cash compensation (salary and bonus) of more than $700,000, with bonuses making up about half of the total.

In the Washington region, chief legal officers at the largest public companies have a median total cash compensation of $1 million or more, according to data gathered from the companies' SEC filings. On top of that, most receive stock awards and stock options that can boost their total direct compensation by several million dollars. General counsel at midsize public companies may have total cash compensation of at least a half-million dollars, as well as significant stock awards and options.

Hildebrandt's data also show median total compensation for chief legal officers increasing by 8.9 percent from 2004 to 2005 and by 6.4 percent from 2005 to 2006.

More than ever before, companies are putting greater emphasis on merit bonuses, consistent with the pay-for-performance corporate model. Lauren Chung, a consultant and law-department-survey editor with Hildebrandt, expects that bonus and noncash incentives will continue to make up a greater portion of total compensation, particularly at the more senior levels of the law department. "While base salaries will rise steadily, the significant earning potential lies with bonuses and noncash or long-term incentives," she says. "Participation in long-term incentives will only increase as many more companies seek methods to retain talent and pay for performance."

No one maintains statistics on the number of in-house counsel, so it is unclear whether the raw number, or the number of companies with in-house counsel, is increasing. Martindale-Hubbell lists some 5,100 in-house lawyers and more than 1,400 organizations with in-house staff in Maryland, Virginia and the District. The Washington Metropolitan Area Corporate Counsel Association, the professional association for in-house counsel in that area, has tripled its membership in the past eight years, from 500 to almost 1,500. At the same time, WMACCA has seen an increased demand for services to meet the needs of both former law firm experts now practicing in-house for large legal departments and the general counsel of small companies.

"The current corporate environment requires sophisticated counsel who possess deep organizational knowledge. Expectations regarding corporate culture have changed, and so have the expectations for in-house counsel," says Eric Reicin, president of WMACCA and vice president and associate general counsel at Sallie Mae Inc. "More than ever before, in-house counsel need to act as business partners who bring to the table the legal perspective on potential risks."

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In the post-Sarbanes-Oxley world, increased emphasis on compliance and corporate accountability has opened doors for lawyers to move among law firms, the government and business. And the professional challenges associated with meeting those requirements help ensure that corporate America will have a high-quality pool of attorneys to draw on for in-house leadership.

Steven Fabrizio notes that in-house counsel work "puts every skill you have as a lawyer to the test every day. You get to -- in fact, you have to -- see individual legal issues as part of a broader constellation of organizational issues in ways that outside lawyers just don't. For people who like to challenge themselves, that is an attractive environment in which to practice law."

Janice K. Mandel is a North Bethesda, Md.-based feature writer who frequently explores business trends. This article was commissioned by the Washington Metropolitan Area Corporate Counsel Association.

Study Finds Options Scandal Has Cost Companies Billions (MERCN)

By Therese Poletti

The San Jose Mercury News, October 25, 2006

A financial advisory firm has released an analysis estimating the stock-option backdating scandal has cost at least 152 companies nationwide about $10.3 billion.

A recent tally by institutional shareholder advisory firm, Glass Lewis in San Francisco, found that at least 152 companies have announced internal reviews, inquiries from the Securities and Exchange Commission or Justice Department subpoenas related to their stock options granting practices.

Glass-Lewis said its internal analysis also showed that the backdating scandal has resulted in an unadjusted initial decline of $5.1 billion in the companies' market value, based on the initial drop in their stock prices. The analysis also pegged an additional $5.2 billion in additional pre-tax compensation costs to the companies.

The firm said that at least 44 executives and directors at 24 companies have been fired or resigned to date. Of the 152 companies nationwide, 42 have headquarters in Silicon Valley.

The analysis was included as an appendix in Glass-Lewis weekly ``Trend Alert'' advisory, dated Monday. The report said the information was current as of Oct. 19.

Many of the companies face federal investigations or internal reviews to determine whether they manipulated stock options by backdating, to give recipients a head start toward profits. Backdating can also lead to overstated company profits by failing to follow the proper accounting and tax rules.

In another development Tuesday, Electronics For Imaging, a developer of technology for high-speed printers and copiers, became the latest Silicon Valley company to announce an investigation into its stock options granting practices.

The Foster City company, also known as EFI, said Tuesday it has begun an independent review of its stock options granting practices, based on errors that management discovered in a recent review of historical grants.

EFI said it has voluntarily contacted the staff of the Securities and Exchange Commission to inform them of the ongoing review. The company disclosed the internal review when it released third quarter earnings Tuesday that were slightly below Wall Street's expectations.

The company also said two shareholder lawsuits, known as derivative lawsuits brought by investors on behalf of the corporation, were filed against EFI in Superior Court in San Mateo. The suits, filed Aug. 16 and Sept. 11, allege current and past officers and directors breached their duty to EFI by backdating certain grants of EFI's stock.

In a conference call with analysts Tuesday, EFI executives declined to comment when asked whether the two lawsuits preceded the company's review of its options granting practices, or visa versa.

In trading after the regular stock market closed, EFI's shares plunged 10.5 percent, falling $2.42 to $20.60. The company also announced a disappointing fourth quarter forecast. Both the third quarter miss and the disappointing forecast were due to some delays of printer products developed by its customers, executives said. EFI develops technology for professional super-wide format printers and copiers.

Throwing Back The Big Fish (NYT)

The New York Times, October 25, 2006

Among the worst impressions the Securities and Exchange Commission could foster is that it pulls punches on delicate matters involving the rich, powerful and politically connected. Now two Senate committees are investigating whether the commission staff, rather than doggedly pursuing possible insider trading by the hedge fund Pequot Capital Management, held back when it came to taking the testimony of a prominent Wall Street player.

A commission investigator, Gary Aguirre, sought permission from higher-ups to question John Mack, who had briefly worked at Pequot, about his dealings with Pequot's founder, Arthur Samberg. As Walt Bogdanich and Gretchen Morgenson

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reported in The Times on Sunday, the tone of the inquiry shifted drastically once it came to light that Mr. Mack was being considered for the job of chief executive at Morgan Stanley.

A supervisor then wrote about Mr. Mack's "juice" and "political clout" in internal e-mail messages. Mr. Aguirre was not permitted to interview Mr. Mack and ultimately was fired — immediately after receiving a merit-based pay raise.

The Senate Finance and Judiciary Committees are pursuing the question of how the Pequot investigation proceeded and why Mr. Aguirre was fired. So far, there is hardly enough information available to jump to conclusions about the conduct of Mr. Mack or Mr. Samberg. The commission has informed both men that it is not seeking enforcement actions against them. What is more important to the public is not the specifics of the case as much as how easily the commission staff can be influenced, whether by reputation, connections or future job prospects.

Senator Charles Grassley, chairman of the Senate Finance Committee, said in a statement that additional questions had arisen because of conflicting statements and documents that had come to light over the course of the Senate panel's inquiry. "My initial concerns haven't been put to rest by what I've learned so far," Mr. Grassley said. Neither have ours. A full airing is in everyone's interest.

CRIMINAL LAW:

Hastert Wants Fast Action On Foley (CHIT)

By Mike Dorning And Richard Clough

Chicago Tribune, October 25, 2006

WASHINGTON -- House Speaker Dennis Hastert testified Tuesday before an ethics subcommittee investigating conflicting accounts of his handling of complaints about a Republican congressman's suggestive messages to underage male congressional pages.

The scandal over former Florida Rep. Mark Foley's sexually explicit electronic communications with teenage pages and House leaders' handling of reports of inappropriate conduct have threatened political support for the speaker and reverberated through the mid-term election campaign.

The testimony from Hastert and two of his top aides—one testified on Monday and the other began his testimony immediately after Hastert—indicated the panel may be wrapping up its investigation. But it is unclear whether the Ethics Committee will issue its report before the Nov. 7 elections.

Speaking briefly to reporters from a prepared statement after his testimony, Hastert said he told the panel "that they needed to move quickly to get to the bottom of this issue, including who knew about the sexually explicit messages and when they knew about it."

Hastert, who testified behind closed doors for just under three hours, added that he answered investigators' questions "to the best of my ability."

Hastert spokesman Ron Bonjean said the speaker would not answer any questions about his testimony.

Republican officials said confidence in Hastert, an Illinois Republican, has ebbed as the controversy over Foley has continued. Foley resigned last month. Though the party establishment concluded weeks ago that an ouster of Hastert prior to the election would be counterproductive, Republican officials privately indicated it would be difficult for Hastert to hold on to his leadership post afterward, even if the party retains the majority.

At least one key Hastert aide recently explored potential new employment, according to a source familiar with the discussion.

The contradictions between the public accounts offered by Hastert and his staff, and those given by other congressional officials—who have spoken publicly about warnings that Foley was behaving inappropriately toward pages—is a major focus of the committee's probe.

Hastert has said he only learned of Foley's suggestive communications as they became public on Sept. 29.

But the House Republicans' national campaign chief, Rep. Tom Reynolds of New York, who testified before the ethics committee earlier in the day, has said he warned Hastert of inappropriate conduct by Foley last spring.

House Majority Leader John Boehner (R-Ohio) also has said he informed Hastert last spring but that the speaker assured him the matter had been "handled."

Hastert has said he does not recall either conversation.

His staff has put out a timeline of events indicating his office received a complaint during fall 2005 about e-mails Foley sent to a former Louisiana page asking the boy for a photo and what he would like for his birthday. But the office's timeline indicates

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that the matter was handled by Deputy Chief of Staff Mike Stokke and Counsel Ted van der Mied without informing Hastert or Hastert's chief of staff, Scott Palmer.

The aides said they referred the matter to then-House Clerk Jeff Trandahl, a Republican patronage appointee, who together with House Page Board Chairman John Shimkus (R-Ill.) met privately with Foley to ask him to cease contact with pages.

Another inconsistency to be resolved by investigators involves a claim by former Foley chief of staff Kirk Fordham that he warned Palmer of Foley's inappropriate behavior several years ago, indicating Hastert's office had an earlier warning.

In a written statement, Palmer denied the claim, saying, "What Kirk Fordham said did not happen." But he has otherwise kept publicly silent.

Another congressman has indicated he provided a warning even earlier. Retiring Rep. Jim Kolbe (R-Ariz.), who was chairman of the page board at the time, said he received a complaint of a suggestive e-mail from Foley to a former page during either 2000 or 2001. He said he referred the matter to Trandahl, the House Clerk.

Palmer testified more than six hours Monday. Stokke began testifying immediately after Hastert and refused to comment after emerging five hours later.

Hastert Urges Quick Action On Foley (AP-Y)

By Andrew Taylor

AP, October 25, 2006

House Speaker Dennis Hastert urged ethics investigators to work quickly to unravel the congressional pages scandal Tuesday, testifying before them just after a GOP lawmaker whose recollections differ from his.

The investigation is focusing on which House leaders were told about sexually explicit messages sent by Rep. Mark Foley to former pages, when leaders were told and what was done in response. Hastert and some other Republicans have suggested revelations about the messages were timed to hurt the GOP in next month's elections.

Tuesday's appearances by Hastert, R-Ill., and House GOP campaign chair Tom Reynolds, R-N.Y., could signal that the four-member ethics committee is nearing the end of its testimony-taking phase. Both men testified behind closed doors as committee rules require.

Hastert said afterward that he had told the committee "that they needed to move quickly to get to the bottom of this issue, including who knew about the sexually explicit messages and when they knew about it."

Hastert has said he first learned of Foley's inappropriate e-mails to a former Louisiana page — and sexually explicit e-mails to another page — just last month as the matter became public and the Florida Republican resigned.

But Hastert's appearance followed that of Reynolds, who has said he learned of Foley's inappropriate e-mails to the Louisiana teen last spring and discussed the matter with Hastert.

Hastert has said he didn't recall that conversation. He has also assured conservative activist Paul Weyrich that Majority Leader John Boehner was wrong when Boehner said he and Hastert discussed Foley's problems last spring.

Hastert said he answered investigators' questions "to the best of my ability."

The Foley scandal continues to weigh on GOP poll numbers just two weeks before midterm elections that could cost the Republicans control of Congress. The ethics committee's top Democrat, Howard Berman of California, would not say in a brief exchange whether the panel would release any findings before Election Day.

What has emerged to date is a pattern in which incidents involving Foley's inappropriate behavior with former pages have been handled by a few staff aides and lawmakers, rather than being referred to the ethics committee or the full membership of the bipartisan board overseeing the page program.

The ethics panel has heard from most of the key witnesses except Foley himself. Since he resigned in disgrace, the ethics committee no longer has jurisdiction. The FBI has opened an inquiry but it's not evident that Foley broke any laws.

One of Foley's attorneys, William Taylor of Washington, declined to comment on whether Foley had been asked to appear before the panel.

There is a separate question as to when Hastert's top aides first learned about Foley's behavior toward pages. An account issued by the speaker's office describes how "over friendly" e-mails to the Louisiana page were handled last fall. Other alleged incidents have since surfaced.

For instance, Foley's former chief of staff Kirk Fordham has testified that at least three years ago he asked top GOP aides, including Hastert's chief of staff Scott Palmer, to intervene to stop Foley's inappropriate behavior. Palmer testified for more than six hours Monday; his only public comment thus far is, "What Kirk Fordham said did not happen."

Fordham has testified about an episode several years ago in which Foley is said to have been drunk and trying to enter the page dorm.

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Former House Clerk Jeff Trandahl and Rep. Jim Kolbe, R-Ariz., learned in 2001 or 2002 of an episode in which Foley sent an ex-page inappropriate e-mails.

The four-member investigative team is also expected to hear this week from Hastert aide Ted Van Der Meid, who was the chief contact between the speaker's office and Trandahl about House operations, including the page program.

A question for the panel to determine is whether Van Der Meid and Palmer knew of the Foley problem prior to the single incident handled by Hastert's office last fall — and if so, how other incidents were handled.

Hastert, Reynolds Testify About GOP's Handling Of Foley Case (WP)

By Jonathan Weisman

The Washington Post, October 25, 2006

House Speaker J. Dennis Hastert (R-Ill.) spent nearly three hours behind closed doors with the House ethics committee yesterday, describing what he knew about then-Rep. Mark Foley's relationships with young male pages and when he knew it.

The extraordinary appearance came just a few hours after the House Republican campaign chief, Rep. Thomas M. Reynolds (N.Y.), went before the committee to reiterate his contention that he personally told Hastert in the spring about suspicious e-mails that Foley had sent to a Louisiana teenager. Hastert has said he has no recollection of that conversation and did not learn of the Foley matter until it surfaced in late September.

"Since I had requested prompt action by the committee, I took the opportunity to thank them for moving expeditiously to look into this matter," Hastert said as he emerged from the committee's Capitol basement hearing room. "I answered every question they asked fully and to the best of my ability."

The twinning of Hastert's appearance with that of Reynolds surprised House Republican and Democratic leadership aides, and it only heightened the drama of the committee's deliberations.

Hastert is the first House speaker to testify before the committee since Newt Gingrich (R-Ga.) discussed a much-criticized book deal in 1997. But in that case, committee members scheduled Gingrich's testimony at night, sparing him a daylight walk through the throng of reporters and camera crews camped outside the hearing room.

Also unlike Gingrich, Hastert had to appear immediately after the chairman of the National Republican Congressional Committee, Reynolds, who had already challenged Hastert's version of events.

"I was happy to voluntarily do my part to assist in their inquiry and answer any questions they had," Reynolds said yesterday. "Earlier this month I had several opportunities to answer your questions and tell you what I know, but the committee has asked us not to share the substance of our discussion.

"I would only add that a full and fair investigation of the facts is vital to ensuring the continued integrity of this institution, which is why I strongly encourage any of my colleagues who have information that may be of relevance to bring it to the committee's attention at once."

House Majority Leader John A. Boehner (R-Ohio) testified last week that he also told Hastert in the spring about concerns stemming from what House leaders have termed "over-friendly" e-mails from Foley to the former page from Louisiana.

Yesterday's drama was the strongest indication yet that the House Committee on Standards of Official Conduct, as the ethics committee is formally known, may be nearing the end of its investigative work. The committee interviewed Hastert's chief of staff, Scott Palmer, on Monday and could call up his deputy chief of staff, Mike Stokke, and his counsel, Ted Van Der Meid, this week.

But neither Democratic nor Republican leadership aides believe that a final report will be released ahead of the Nov. 7 elections, which have been roiled by the Foley matter.

The inquiry has been focused on the handling of Foley by House leaders. As far back as 2000, Foley's advances on former pages over the Internet had come to the attention of one congressman, Rep. Jim Kolbe (R-Ariz.). Kolbe had brought the matter to then-House Clerk Jeff Trandahl, who reported to the speaker's office.

According to sources close to Trandahl, the former clerk repeatedly brought concerns about Foley to the congressman's chief of staff, Kirk Fordham. Fordham told the committee that when he was unable to stop Foley's advances, he asked Palmer to intervene in 2002 or 2003. Palmer has said Fordham's version of events did not happen.

Aides in the speaker's office have said that the matter did not come to their attention until the fall of 2005 and that it was handled without Hastert's involvement.

Hastert tried to deflect attention from GOP leaders yesterday, suggesting, as other Republicans have, that Democrats may have known about Foley's explicit instant messages but did not report them to authorities. Instead, Republicans have said, Democrats shopped them to the news media before the elections.

Hastert said he encouraged the committee "to continue to move forward to get to the bottom of this, including finding out who was aware and when they were aware of the sexually explicit instant messages that were created three years ago."

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Two former pages who were the sources of the instant messages have told The Washington Post that they did not come forward until after ABC News published the suspicious but not the sexual e-mails. A Republican former page said he wanted to expose Foley's more outrageous actions and had no intention of sparking a wider scandal. A Democratic former page, who supplied the messages to The Post, did so several days after ABC News obtained its messages.

Speaker Testifies In Foley Ethics Inquiry (NYT)

By Jeff Zeleny

The New York Times, October 25, 2006

WASHINGTON, Oct. 24 — Speaker J. Dennis Hastert testified before the House ethics committee on Tuesday, answering questions under oath for more than two hours about when he first learned of complaints regarding Representative Mark Foley's behavior toward Congressional pages.

On this day, two weeks before Election Day, Mr. Hastert had planned to be hopscotching from district to district across America, working to preserve Republican control in the House and protect his own seat of power. Instead, he made his way from the speaker's suite to a dim corridor in the basement of the Capitol where the committee was meeting behind closed doors.

With his speakership on the line, even if the Republicans hold their majority, Mr. Hastert hoped to move beyond the scandal by voluntarily appearing before the bipartisan panel, which is working to determine if Republican leaders and their staff members ignored repeated warnings that Mr. Foley, a Florida Republican, was making advances toward the high school students who work as messengers on Capitol Hill.

"I answered all the questions they asked to the best of my ability," Mr. Hastert said after exiting the hearing room. "I also said that they needed to move quickly to get to the bottom of this issue, including who knew about the sexually explicit messages and when they knew about it."

Mr. Hastert has said that he was unaware of suspicions surrounding Mr. Foley until he resigned his seat late last month after an e-mail exchange with a former page became public. Other Republican leaders, though, say they discussed the matter with him last spring.

Mr. Hastert, illuminated by camera flashes and flanked by his lawyer, declined to answer questions as he returned to his office in the Capitol. While he praised the bipartisan panel "for expeditiously looking into this matter," he urged investigators to look into whether anyone in the House — Democrats included — had known about Mr. Foley's explicit online chats with former pages.

"They need to make sure that they ask all the questions of everybody," Mr. Hastert said.

His testimony followed a three-hour appearance by Representative Thomas M. Reynolds, Republican of New York, who leads the party's Congressional campaign committee. Mr. Reynolds, whose own re-election prospects are suddenly less certain, has taken out television advertisements to distance himself from the leadership in this controversy.

Mr. Reynolds has said that he informed Mr. Hastert this year of concerns regarding Mr. Foley. The speaker has said that he cannot recall any such conversations.

As he left the hearing room, Mr. Reynolds called for a "full and fair investigation of the facts." He, too, raised the notion that the inquiry should not be focused only on Republicans, calling on "any of my colleagues who have information that may be of relevance to bring it to the committee's attention at once."

Mr. Reynolds shared a particular link with Mr. Foley: each employed Kirk Fordham as his chief of staff. Mr. Fordham stepped down this month as a senior adviser to Mr. Reynolds after saying that he warned the speaker's office about Mr. Foley's troubling behavior at least three years ago, when he worked for Mr. Foley.

As the ethics inquiry stretched into a third week, one theory was that investigators were trying to determine whether Republican leaders had not acted on concerns about Mr. Foley in part to avoid contending with an open seat in his Florida district.

But the investigation revolves around the speaker's office, which oversees the page program.

In addition to Mr. Hastert, the panel is focusing on three advisers: Scott Palmer, the speaker's chief of staff, who testified Monday; Mike Stokke, the deputy chief of staff, who was questioned Tuesday night; and the chief counsel, Ted Van Der Meid, who is to testify Wednesday.

Mr. Hastert said this month that members of his staff should be fired "if there was a cover-up." Yet he has also said he has no reason to believe they acted improperly after learning of a friendly, but not sexually explicit, exchange between Mr. Foley and a former page from Louisiana.

Early Tuesday evening, Mr. Hastert walked out of the Capitol for one of the last times before Election Day. The longest-serving Republican speaker in United States history, he vows to extend his streak. He said that he was leaving Washington.

His destination? The campaign trail out West.

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Hastert, Reynolds Testify To Ethics Panel (HILL)

By Amy Sherman

The Hill, October 25, 2006

Two senior House leadership officials testified yesterday to the ethics committee about what they know about the Mark Foley page scandal.

Tom Reynolds (R-N.Y.), the National Republican Campaign Committee chairman, and House Speaker Dennis Hastert (R-Ill.), took time out from their busy campaign schedule to meet with the ethics panel during separate appearances.

Hastert sneaked into the ethics committee, avoiding public areas of the Capitol in an apparent move to avoid reporters. As he exited his offices, he utilized the seldom-used Strom Thurmond hallway, and an esoteric attic elevator transported him to the basement.

U.S. Capitol Police officers blocked the staircase between the crypt and the basement. Hastert's entourage, which included all three members of his communications staff, three Capitol police officers and his attorney, escorted him to the ethics committee hearing room.

Hastert attempted to dodge photographers by repeatedly moving behind his staff. The Speaker testified to the ethics committee for two-and-a-half hours.

He then delivered a brief statement: "I thank the committee for promptly acting ... I answered all questions asked to the best of my ability... [I hope they] move quickly to get to the bottom of who knew about the sexually explicit messages and when they knew about it."

Reynolds testified for three hours and then read a short statement to the media: " … I was happy to voluntarily do my part to assist in the inquiry and to answer any questions they had. Earlier this month, I had several opportunities to answer your questions and tell you what I know. But the committee has asked us not to share the substance of our discussions."

Lawmaker's Influence In Land Deals Probed (WP)

By Jonathan Weisman And Dan Eggen

The Washington Post, October 25, 2006

U.S. prosecutors in Arizona have opened a preliminary investigation into whether Rep. Rick Renzi (R-Ariz.) twice pressured landowners to buy a 480-acre parcel owned by his former business partner, a major backer of Renzi's political campaign, according to federal law enforcement sources.

The deal ultimately netted the business partner a $3 million profit, according to Arizona land records.

Renzi is the latest lawmaker whose land deals have come under scrutiny. Senate Minority Leader Harry M. Reid (D-Nev.) and House Speaker J. Dennis Hastert (R-Ill.) have drawn criticism from political opponents for deals with home-state business partners that netted earned them hundreds of thousands of dollars or more.

The Arizona transaction has drawn the interest of the U.S. attorney's office and the FBI's Phoenix field office. Three law enforcement officials said both are investigating Renzi's involvement in two land deals -- one of which was not completed -- designed to put the 480 acres under federal protection from development in exchange for land more fit for commercial development.

One of the officials said the inquiry is at a preliminary stage. No subpoenas have been issued, and public developments are not likely before the Nov. 7 midterm elections, said the official, who along with the other two spoke on the condition of anonymity because the investigation has not been publicly announced.

A spokesman for U.S. Attorney Paul Charlton in Phoenix declined to confirm or deny the existence of an inquiry. Spokesmen for the Justice Department and the FBI in Washington also declined to comment.

The inquiry was revealed by two liberal Arizona blogs last weekend.

Grant Woods, a former Arizona attorney general who is Renzi's lawyer on the matter, said neither he nor Renzi has been contacted by law enforcement officials. He ascribed any inquiry to political gamesmanship by the two-term lawmaker's Democratic opponent, lawyer Ellen Simon.

"When I was attorney general, we dealt with this all the time in the last 30 days before an election, when candidates came to us with an accusation. We had to look at it, but it was designed to use politically," Woods said.

According to sources, the investigation is focusing on whether, in exchange for political contributions and business support, James Sandlin received special treatment from Renzi for a parcel of land that earned him a $3 million profit .

Sandlin bought into Renzi's real estate firm in 2001, then paid about $200,000 for half the business and, after he was elected to Congress, $1 million to $5 million for the rest.

Investigators want to know whether Renzi twice attempted to arrange deals for Sandlin, including once by proposing legislation, two sources with knowledge of the investigations said.

According to land developer Guy Inzalaco, Renzi was approached last year by an investment group that included Inzalaco and former Arizona governor Bruce Babbitt, a Democrat. The group sought legislation that would put environmentally sensitive watershed land under federal protection in exchange for opening other federal land to development.

Renzi said he would back the legislation if the Sandlin tract was included, Inzalaco said.

Woods said Renzi was trying to include a tract of land that environmentalists had been trying to preserve for years and did not know until later that his business partner owned it.

That fall, Renzi announced he would introduce the San Pedro River Land Exchange Act, a bill that would include the Sandlin property. Within days, Sandlin sold the tract to the Inzalaco-Babbitt group, turning a $3 million profit in three years. The land-swap legislation was never enacted.

Inzalaco said yesterday that he knew nothing of Sandlin's connections to Renzi.

Congressman From Arizona Is The Focus Of An Inquiry (NYT)

By David Johnston

The New York Times, October 25, 2006

WASHINGTON, Oct. 24 — Federal authorities in Arizona have opened an inquiry into whether Representative Rick Renzi introduced legislation that benefited a military contractor that employs his father, law enforcement officials said Tuesday.

The officials said the inquiry was at an early stage and that no search warrants had been issued, suggesting that investigators had yet to determine whether there was a basis to open a formal investigation or empanel a grand jury.

Mr. Renzi, 48, a Republican who represents the First Congressional District, is a former insurance executive and real estate investor who was first elected in 2002. Almost from the start, he has been a target of citizen watchdog groups who have accused him of ethical laxity in office.

Law enforcement officials said that the most serious accusation involved Mr. Renzi's sponsorship of legislation in 2003 that appeared to indirectly benefit the ManTech International Corporation, a communications company based in Virginia that employs Mr. Renzi's father, Eugene, a retired Army general, as executive vice president.

Representative Renzi's office did not return a reporter's telephone calls on Tuesday to discuss the inquiry. In the past, Mr. Renzi has dismissed questions about whether his efforts aided ManTech, saying it did not need any assistance from him.

Mr. Renzi's legislation, which was signed into law in November 2003, exempted the Fort Huachuca Army base in Arizona from maintaining water levels in the nearby San Pedro River, as base officials had agreed in a 2002 deal with the United States Fish and Wildlife Service. Environmentalists criticized Mr. Renzi's measure, saying it threatened water levels in one of the last undammed rivers in the West and would benefit private contractors like ManTech that operated at the base and relied on its continued operation.

ManTech has more than $450 million in military contracts at the base, which include classified military work, as well as options for more than $1.1 billion in additional contracts, according to news reports about Mr. Renzi's legislation. Employees of the company were the largest contributors to Mr. Renzi's campaign in 2002 and the second-largest in 2004.

Groups like Citizens for Responsibility and Ethics in Washington have raised additional questions about Mr. Renzi, like his employment of a top staff member in December 2005 who continued to operate a fund-raising consulting business while she worked for Mr. Renzi. House ethics rules limit outside earned income to less than $25,000 a year.

Experts: Ban Won't Stop Online Gambling (AP)

By Adam Goldman, AP Business Writer

AP, October 25, 2006

NEW YORK (AP) -- Gamblers may look over their shoulder now, but experts say a new Internet gambling ban won't keep bettors from ponying up, just turn them on to overseas payment services out of the law's reach.

"It has put a terrible scare into people," said I. Nelson Rose, who teaches gambling law at Whittier Law School. "But it won't by any means wipe out Internet gambling."

The fright swept through the $12 billion industry on the heels of the recent arrests of two gambling company executives and a new law President Bush signed Oct. 13 that seeks to ban most online gambling and criminalizes funds transfers.

The law has wiped out billions of dollars in shareholder value of British companies, leaving the industry's future in doubt as U.S. lawmakers initially trumpeted they had found a way to halt bets coming from America. But serious questions remain about whether the legislation can be effective in stopping U.S. residents from playing poker or betting on sports.

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The "Unlawful Internet Gambling Enforcement Act" goes after the money, not the millions of players, which would be nearly impossible to enforce. It will essentially try to choke off the way Americans fund their gambling habits, hoping to prevent the transfer of dollars to the popular Internet sites.

It's also widely understood that the law has online poker in its gun sights, identifying it as a game of chance - something the poker companies dispute. They believe poker is a game of skill and therefore not subject to the new rules.

But they're fearful nonetheless.

"Their mission is to kill the funding of online poker, and that's what this law does," said Mike Sexton, who hosts the popular World Poker Tour and has won millions as a professional player.

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The new law comes amid an explosion in online gambling, fueled by the Texas Hold 'em craze and widespread access to the Internet. In addition, dozens of Web sites have sprouted up that allow any gambler with a credit card to bet on any sport they choose, for any amount of money they want.

Industry experts say there are an estimated 2,000 Internet sites that take bets for sports and poker. American players have fueled Internet gambling, supplying $6 billion of the $12 billion in revenues generated annually.

"The time has been one of rapid growth," said Sebastian Sinclair, president of Christiansen Capital Advisors, a gambling consultant. "This industry was well on its way to becoming mainstream in a great part of the world. Capital was tripping over itself to fund these companies."

The new law gives the U.S. Treasury and Federal Reserve, along with the Attorney General, 270 days to establish policies and procedures.

"The regulations are clearly going to prevent banks from doing electronic fund transfers to gambling sites, but that is no big deal," Rose said.

Clamping down on the banks won't serve as a panacea, Rose said. In some cases, banks simply move the money to payment processors, known as e-wallets. Non-U.S. payment processors such as the widely used Neteller then transfer the money to the Internet gambling sites.

The U.S. government has no authority over processors like Neteller that are operating legally.

Anthony Cabot, a well-known gambling lawyer in Las Vegas, thinks language used in the bill provides a loophole for the payment processors and the U.S. banks that want to be free to do business with them.

"Unless you have some fairly Draconian measures ... the likelihood of stopping payment to them is small," Cabot said.

Much damage has already been done to the offshore sports betting industry without the looming regulations.

British BetOnSports PLC folded after its chief executive was arrested in July by U.S. authorities. David Carruthers faces 22 counts of fraud and racketeering charges and remains under house arrest in the St. Louis area.

London-based Sportingbet's chairman was detained last month in New York on a state fugitive warrant charging him with illegal online gambling. He was eventually freed.

Both arrests sounded serious alarm bells for those running sports wagering sites that take American bets.

The new legislation has already had a dramatic effect. It supposedly clarifies the 1961 Wire Act, explicitly outlawing Internet gambling, including online poker.

It creates new criminal penalties, which have rattled investors and executives - although Rose said it doesn't expand the act, and there's no indication the Justice Department is about to launch a huge campaign to enforce the law.

Still, the biggest publicly traded names in Internet gambling on the London Stock Exchange and AIM, the exchange's global market for growing companies, could not afford to flout American law. When news broke earlier this month that Congress has passed the bill, Internet gambling companies traded on those exchanges lost a combined $7 billion in market capitalization.

PartyGaming PLC, once the envy of online gambling with its more than $8 billion IPO in 2005, is now trying to figure out how to save its business model. It runs what was once the world's biggest poker site, PartyPoker, and has said it will no longer take payments from the U.S., eliminating nearly 80 percent of its revenue and sending its stock plunging.

Another poker company, 888 Holdings PLC, also said it would stop taking U.S. bets, ensuring its profits will fall dramatically.

Sportingbet and Leisure & Gaming both sold their U.S. operations for a dollar. Sportingbet said its exit from the U.S. market cost it nearly $400 million.

The bleeding didn't stop there. Neteller and FireOne, which owns e-wallet FirePay, also saw their stock price plummet. On Oct. 2, FirePay announced it had stopped doing business with sites that might take U.S. bets, including PokerStars. The decision forced PokerStars, now the biggest poker site in the world and a registered business in Costa Rica, to rely on Neteller to take money for bets headed to its site.

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"There are privately owned operators that will continue to take play as long as they have payment processors that will work with them," said Sue Schneider, publisher of the online gaming magazine Interactive Gaming News. "I think the big question is whether the volume remains the same. But I don't think any of this means there will be less people playing on the Internet."

Neteller has said it is evaluating the law. If Neteller abandons PokerStars and other sites, their bottom lines, no doubt, will be hit hard.

But so far, Neteller's decision to work with PokerStars has amounted to good news for sites not afraid of scorning U.S. law.

Experts say while the new law has forced the public companies out of U.S. market, it has left poker players and bettors gravitating toward private companies.

Both PokerStars and FullTilt have already seen traffic on their Web sites surge, taking advantage of any short-term gain now that some of the competition has been sidelined. On its Web site recently, FullTilt boasted: "We're Here to Stay!" and offered bonuses to sign up.

This isn't the first time the industry has faced a serious setback. In 2001, Visa and MasterCard and other merchant banks stopped allowing money to be sent to Internet gambling sites.

Like then, Sinclair thinks Internet gambling will recover again. It's simply too lucrative.

"There will be a big hit to the industry," Sinclair said. "A big hit. But it's not going to be long term, it's transitory until somebody finds a solution to whatever roadblocks are put in their way. There's too much money for it to go away."

Ex-Refco CFO Accused Of Defrauding Investors Of $1 Billion (AP)

By Larry Neumeister, The Associated Press

AP, October 25, 2006

The former chief financial officer of Refco Inc., one of the world's biggest commodities brokerages, was accused in an indictment Tuesday of defrauding investors in a scheme that resulted in losses of more than $1 billion.

An indictment in U.S. District Court in New York charged Robert C. Trosten with conspiracy, securities fraud, false filings and wire fraud. It also added new charges to the case against Refco's former chief executive officer, Phillip R. Bennett.

Prosecutors said Trosten assisted Bennett in hiding hundreds of millions of dollars of debt owed to Refco by a company controlled by Bennett.

The superseding indictment also added new charges against Bennett concerning fraud against holders of Refco's bonds.

Trosten, 37, of Sarasota, Fla., was scheduled to make his initial court appearance Wednesday. Bennett, 57, of Gladstone, N.J., is free on $50 million bail and subject to electronic monitoring.

A lawyer for Bennett, Gary P. Naftalis, said: "Mr. Bennett reaffirms that he is not guilty of any of the government's charges and looks forward to his day in court."

A lawyer for Trosten did not immediately return a telephone message seeking comment Tuesday.

If convicted, Trosten could face up to 45 years in prison while Bennett could face up to 85 years in prison.

Bennett was already charged with conspiring to commit securities fraud for hiding from auditors and investors losses that Refco and its customers had incurred in the financial markets.

The indictment charged Trosten and Bennett with conspiring to defraud Refco's auditors and investors from the mid-1990s to October 2005, when Refco announced it had discovered it was owed $430 million by a company controlled by Bennett.

The announcement caused the price of Refco stock to plunge. The company, which went public in August 2005, was later delisted by the New York Stock Exchange, and it and many of its subsidiaries filed for bankruptcy a week after the announcement.

According to the indictment, Refco sustained hundreds of millions of dollars in losses through its own and its customers' trading in the mid-1990s, when Refco was privately held and controlled in part by Bennett.

To hide the losses, Bennett transferred them to appear as a debt owed to Refco by a company controlled by Bennett, prosecutors said.

The indictment accused Bennett and Trosten of manipulating the company's financial records from 1999 through 2005 to make it appear as if the debt owed to Refco was owed by a Refco customer.

The indictment charged Trosten with assisting Bennett in carrying out the year-end transactions, including defrauding the purchasers of $600 million in notes issued by Refco in 2004 by hiding from the purchasers the existence and size of the debt owed to Refco.

It also charges Bennett with defrauding the purchasers of $583 million of Refco's common stock when the company went public.

The indictment alleged that Bennett caused Trosten to receive a payment of about $48 million in August 2004, when the leveraged buyout transaction was being handled.

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Drug Raid Yields Los Alamos Documents (SFC/AP)

By Lara Jakes Jordan, Associated Press Writer

San Francisco Chronicle, October 25, 2006

(10-25) 03:06 PDT WASHINGTON (AP) --

A drug bust at a trailer park in New Mexico turned up what appeared to be classified documents taken from the Los Alamos nuclear weapons laboratory, authorities said Tuesday.

Local police found the documents while arresting a man suspected of domestic violence and dealing methamphetamine from his mobile home, said Sgt. Chuck Ney of the Los Alamos, N.M., Municipal Police Department. The documents were discovered during a search of the man's records for evidence of his drug business, Ney said.

Police alerted the FBI to the secret documents, which agents traced back to a woman linked to the drug dealer, officials said. The woman is a contract employee at Los Alamos National Laboratory, according to an FBI official who spoke on condition of anonymity because of the sensitive nature of the case.

The official would not describe the documents except to say that they appeared to contain classified material and were stored on a computer file.

FBI special agent Bill Elwell in Albuquerque, N.M., confirmed that a search warrant was executed on Friday night, but he refused to discuss details.

"We do have an investigation with regard to the matter, but our standard is we do not discuss pending investigations," Elwell said.

A spokesman for the Los Alamos National Laboratory, in Los Alamos, N.M., declined to comment.

Los Alamos has a history of high-profile security problems in the past decade, with the most notable the case of nuclear scientist Wen Ho Lee. After years of accusations, Lee pleaded guilty in a plea bargain to one count of mishandling nuclear secrets at the lab.

In 2004, the lab was essentially shut down after an inventory showed that two computer disks containing nuclear secrets were missing. A year later the lab concluded that it was just a mistake and the disks never existed.

But the incident highlighted sloppy inventory control and security failures at the nuclear weapons lab. And the Energy Department began moving toward a five-year program to create a so-called diskless environment at Los Alamos to prevent any classified material being carried outside the lab.

Even though Los Alamos is now under new management, Danielle Brian, executive director of the watchdog group Project on Government Oversight, said the lab has not done much to clean up its act.

"Los Alamos has always seemed to be rewarded for its screw-ups," Brian said. "We're waiting with bated breath to see if anything has changed."

The idea that police found classified documents at a home where a drug sting was being conducted is disturbing, she said.

"The problem is when you actually have those materials that are supposed to be protected inside the lab and you find them outside the lab in the hands of criminals — that should worry everybody," Brian said.

The FBI and the U.S. attorney's office in Albuquerque were "evaluating the information obtained as a result of the search warrant," Elwell said.

The federal charge of unauthorized removal and retention of classified material is a misdemeanor that carries a maximum sentence of a year in prison and up to a $100,000 fine.

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Associated Press writers Seth Borenstein in Washington and Sue Holmes in Albuquerque contributed to this report.

Safavian Argues For No Jail Time In Abramoff Case (AP)

By Matt Apuzzo

AP, October 25, 2006

WASHINGTON - A Utah congressman and a former aide to a Virginia congressman have written letters in support of former Bush administration official David Safavian, who is trying to avoid jail time in the Jack Abramoff investigation.

Safavian, former chief of staff of the General Services Administration, was convicted in June of lying to investigators about his dealings with Abramoff.

Prosecutors are seeking a three-year prison sentence in Safavian's case, which was the first guilty verdict by a jury in the corruption probe surrounding Abramoff, the Republican lobbyist who pleaded guilty in January in a conspiracy to corrupt public officials.

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In seeking a sentence of probation or house arrest, Safavian's attorneys submitted letters from supporters including a church leader, a former congressional aide and Safavian's former boss, Rep. Chris Cannon, R-Utah.

"When David was my chief of staff, he worked tirelessly in my Washington office. He would come in early, stay late, and devote his undivided attention to the needs of the people in Utah's 3rd Congressional District," Cannon wrote.

The letters are sealed but Safavian's attorney referred to excerpts of some in a court filing Monday.

The list of letter-writers also included Melissa Wojciak, former staff director for Rep. Tom Davis, R-11th, at the Government Reform Committee. Wojciak wrote that Safavian "always ensured that he was responsible in managing the taxpayer's dollars."

Safavian is scheduled to be sentenced Friday. Prosecutors argue that letting him off without prison time would be a "miscarriage of justice."

E-mails presented at trial showed how Abramoff showered Safavian with trips and other perks while badgering him for information about GSA-controlled property the lobbyist wanted - including the historic Old Post Office in downtown Washington.

Defense attorneys wrote that Safavian did not harm anybody and committed no fraudulent acts. They have presented a list of past cases they believe are comparable.

That list includes: Henry Cisneros, the Clinton administration housing secretary who paid a $10,000 fine for lying to the FBI about payments to an ex-mistress; former Rep. Chris Perkins, D-Ky., who was sentenced to three months in a halfway house in 2000 for lying to a probation officer about his income; and businesswoman Martha Stewart, who received five months in prison for lying to investigators about a stock sale.

Cannon Writes Judge On Behalf Of Convicted Former Chief Of Staff (SLT)

By Robert Gehrke, The Salt Lake Tribune

Salt Lake Tribune, October 25, 2006

WASHINGTON -- Rep. Chris Cannon is asking a judge for leniency for his former chief of staff, David Safavian, who was convicted with obstructing a federal investigation into his ties with lobbyist Jack Abramoff.

"When David was my chief of staff, he worked tirelessly in my Washington office. He would come in early, stay late, and devote his undivided attention to the needs of the people in Utah's Third Congressional District," Cannon wrote in a letter quoted by Safavian's attorneys in court filings.

Prosecutors have asked Judge Paul Friedman to sentence Safavian to as many as 37 months in prison. He was convicted of four

Read Cannon's letter regarding Safavian counts of obstruction of justice and false statements for lying to investigators about his relationship with Abramoff.

Safavian's attorney, Barbara Van Gelder, argued that Safavian has been a committed public servant and family man, that his career has been ruined by his arrest and conviction, and asked the judge to impose probation or home confinement.

"The government's caricature cannot detract from the fact that, as acquaintances, supervisors, and colleagues attest, Mr. Safavian's history and character reflects dedication to his family, his community, and country," Van Gelder said.

Prosecutors said it would be a "miscarriage of justice" not to

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impose prison time.

Letters vouching for Safavian's character also were written by Rep. Walter Jones, R-N.C.; Clay Johnson, deputy director at the White House budget office; and a police officer at the Maryland precinct where Safavian did volunteer work.

Safavian was convicted of misleading ethics officials, Senate investigators and the Government Service Administration inspector general about a lavish golf trip he and others took to Scotland with Abramoff and others in 2002, when Safavian was chief of staff at the GSA, which manages federal property.

E-mails used as evidence during the trial show that Abramoff provided numerous gifts and perks to Safavian who provided Abramoff information about two business deals the lobbyist was trying to make through the GSA.

Abramoff has pleaded guilty to five felony counts of fraud and corruption and has been sentenced to nearly 6 years in prison. He has been cooperating in the ongoing Justice Department investigation, but is expected to report to prison in Maryland next month.

Rep. Bob Ney, R-Ohio, who also went on the trip to Scotland, also has pleaded guilty to corruption charges. Also pleading guilty was Neil Volz, Ney's former chief of staff and an Abramoff colleague who was on the trip.

Safavian got his start in lobbying alongside Abramoff before becoming a partner in Janus-Merritt Strategies. He took a leave of absence to become Cannon's chief of staff in 2001, leaving open the door to return to his firm.

During Safavian's tenure with Cannon, the congressman took positions that helped several of Safavian's former clients, including the online gaming industry, telecommunications firms, a media giant and an Indian tribe. Cannon's spokesman has said the two simply agreed on those issues.

E-mails introduced during Safavian's trial indicate that Abramoff was encouraging Safavian to return to lobbying in 2002 and he was in discussions with Abramoff's firm, Greenberg Traurig.

But the firm didn't immediately hire Safavian, and he was offered the position of chief of staff at GSA, hinting he could rejoin Abramoff later. Eventually, Safavian was appointed the top procurement officer at the White House budget office, where he served until just before his arrest late last year.

Suburban Mayor Enters Plea In Bribes Case (CHIT)

Tribune Staff Reports

Chicago Tribune, October 25, 2006

Niles Mayor Nicholas Blase pleaded not guilty Tuesday to a five-count federal indictment charging him with taking more than $420,000 in kickbacks for steering local business owners to buy insurance from a longtime friend and his son.

Blase, Niles' mayor for 45 years, has been free on bail since he was arrested on his 78th birthday in June.

The charges allege that the kickback scheme originated more than 30 years ago with Blase's close friend, Ralph Weiner, who ran an insurance agency bearing his name. After Weiner's death in 2005, his son, Steven Weiner, continued to deliver the monthly bribes to Blase, prosecutors charged.

Blase, an attorney, is accused of using more than $421,000 in bribes to pay the salaries of two employees of his law firm.

Lawyers for Steven Weiner and Paul Zdon, a former employee of the Weiner insurance agency, have said both are cooperating with the FBI and expect to plead guilty to mail-fraud charges. They are scheduled to be arraigned next month.

Niles Mayor Pleads Not Guilty (BVND)

The Belleville News Democrat, October 25, 2006

CHICAGO - Niles Mayor Nicholas Blase pleaded not guilty Tuesday to a federal indictment accusing him of pocketing more than $420,000 in a decades-long kickback scheme.

Blase is charged with coercing businesses in his northwest suburb to buy insurance from an agency operated by his friend. That friend, in return, would then pay Blase kickbacks, prosecutors allege.

He entered the not guilty plea to five counts of mail fraud before U.S. Magistrate Judge Michael T. Mason, the Chicago Sun-Times and Chicago Tribune reported on their Web sites.

Blase, who also is an attorney, has been mayor of Niles for 45 years. He is accused of using the kickbacks to pay the salaries of two employees of his law firm.

Two other men with ties to the insurance agency also were indicted.

The agency's president, Steven Weiner, and employee Paul Zdon are both cooperating with authorities and are expected to plead guilty, prosecutors and defense attorneys have said. Blase and Weiner's now-deceased father, Ralph, concocted the scheme more than 30 years ago, authorities allege.

Verdicts In Murder Of Times Reporter (NYT)

By David Stout

The New York Times, October 25, 2006

WASHINGTON, Oct. 24 — The second of two men accused of killing a retired reporter for The New York Times in January was convicted on Tuesday of murder, robbery and other charges that could put him in prison for the rest of his life.

The defendant, Percey Jordan Jr., 42, was found guilty in the slaying of the reporter, David E. Rosenbaum, 63, who was beaten and robbed near his home in Washington on the night of Jan. 6 and died two days later. An inquiry found that the medical care Mr. Rosenbaum received had been bungled from the beginning.

Mr. Jordan faces at least 30 years in prison and a maximum of life without the possibility of parole when he is sentenced by Judge Erik P. Christian in District of Columbia Superior Court on Jan. 12.

Jurors deliberated for a day before finding Mr. Jordan guilty of first-degree murder or premeditated murder during commission of a felony; second-degree murder; robbery; conspiracy; and credit-card fraud.

The second defendant was Mr. Jordan's cousin Michael C. Hamlin, 24, who pleaded guilty on Sept. 20 to second-degree murder, robbery and conspiracy to commit robbery and testified against Mr. Jordan. Mr. Hamlin faces up to 60 years in prison when he is sentenced, on Dec. 19.

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"This isn't a happy day, really," said the victim's brother, Marcus Rosenbaum of Washington. He described the mood of the Rosenbaum family as one of relief because "justice has been served."

Mr. Hamlin testified that he stole Mr. Rosenbaum's wallet but that his cousin struck the victim over the head with a pipe. The pair divided Mr. Rosenbaum's money and used the credit cards at various stores, where surveillance cameras captured the men's images.

Mr. Rosenbaum was found lying semiconscious on a sidewalk about 9:20 p.m., having gone for a walk after dinner. Because he had been vomiting and smelled of alcohol, police officers, firefighters and ambulance workers assumed that he was drunk, according to a later inquiry by the office of the district inspector general/

The ambulance was late in reaching Mr. Rosenbaum because the driver became lost. Then, thinking that they were dealing with a drunk instead of a man with a brain trauma, the ambulance crew took Mr. Rosenbaum to Howard University Hospital instead of to a much closer hospital. One reason the Howard hospital was chosen was that it was closer to the driver's home, the inquiry found.

At Howard, Mr. Rosenbaum lay unattended to on a stretcher because doctors and nurses were slow to realize that he was gravely injured, the inquiry determined. Mr. Rosenbaum's death was attributed to blunt force trauma to his head, neck and body.

Mr. Hamlin turned himself in after seeing the surveillance-camera images of himself on television. His lawyers said he soon began to cooperate with investigators.

Mayor Anthony A. Williams and Howard University Hospital officials promised to tighten training and discipline at the agencies involved.

D.C. Man Guilty In Reporter's Slaying (WP)

By Henri E. Cauvin

The Washington Post, October 25, 2006

The man accused of killing a 63-year-old journalist in a robbery this year in Northwest Washington was convicted yesterday of first-degree murder and now faces the prospect of a life sentence without the possibility of release.

Percey Jordan, a 42-year-old from Southeast Washington, had decided to take his case to trial even after his cousin, Michael Hamlin, pleaded guilty last month and admitted his role in the Jan. 6 robbery.

It was a gamble for Jordan, who knew his cousin would be testifying against him and who rejected a final plea offer from the government on the eve of his trial in D.C. Superior Court. Now Hamlin, 24, is more likely to walk out of prison one day, having pleaded guilty to second-degree murder, which has no mandatory minimum sentence.

After three days of testimony, the jury began reviewing the case Monday. Jurors deliberated about six hours before finding Jordan guilty in the death of David E. Rosenbaum, a longtime reporter and editor for the New York Times.

Struck in the head with a heavy plastic pipe, Rosenbaum suffered massive hemorrhaging and died two days later.

As the foreman read the verdict, Rosenbaum's daughter, Dorothy, wept, and her brother Dan put his arm over her shoulder.

"We obviously believe that justice has been served," Rosenbaum's brother Marcus said outside the courthouse. But he said the verdict was anything but a happy moment. "It's a lot of wasted life," he said -- his brother's, Hamlin's and Jordan's.

The crime stunned many city residents, particularly those who live in neighborhoods thought to be safe, such as the one where Rosenbaum was robbed and where such random and violent crime is rare. But the surprise and sadness gave way to outrage, as grievous mistakes were uncovered in Rosenbaum's emergency medical care.

During testimony last week, his family listened as prosecutors described Rosenbaum's final minutes "of meaningful life" -- the walk he took to try to shake the hiccups, the fleeting sensation that something was wrong and then the sudden attack shortly after 9 p.m. in the 3800 block of Gramercy Street NW.

The jurors heard the words of Rosenbaum's widow, Virginia, who not long before her death from cancer testified before a grand jury to recount how her husband went out and never came back.

Then they heard from Hamlin, who testified for more than three hours, explaining how he and his cousin ended up attacking the man on the dark, quiet street.

And on the final day of testimony, the jury heard from a drinking buddy of Jordan's who said Jordan told him about the robbery. He decided to testify against Jordan in hopes of a reward.

Defense attorney Michael Starr attacked the testimony of both men.

Hamlin, he said, turned himself in because police were on to him. Hamlin needed to help himself, but his initial lies did not fool the detectives, Starr said. Only when Hamlin implicated Jordan and explained that his cousin had struck Rosenbaum with a pipe did the detectives believe him, Starr said. That's why Hamlin stuck with that account, Starr said, calling it a lie.

The drinking buddy was similarly opportunistic, Starr argued.

But one juror said afterward that the jury largely believed Hamlin and was convinced that Jordan played a role in the robbery.

The prosecutor, Assistant U.S. Attorney Amanda Haines, introduced a trove of security camera surveillance footage that appeared to corroborate Hamlin's account.

The tapes showed Jordan and Hamlin soon after the robbery at an Exxon station on Connecticut Avenue NW, filling up Hamlin's Cadillac and using a credit card stolen from Rosenbaum. The tapes later showed them shopping in a CVS and a Safeway not far from their home in Southeast Washington, again using credit cards from Rosenbaum and from a woman they robbed in Silver Spring the same night.

The footage led to swift charges. About an hour after a clip showing Hamlin was broadcast on local newscasts -- with Hamlin's name visible on the work uniform he was wearing -- he went to police. He was interrogated and eventually arrested. A day later, Jordan went to police and was arrested.

Such quick detective work usually would have been lauded, but in this case the response by the D.C. Fire and Emergency Medical Services Department, D.C. police and Howard University Hospital was roundly condemned.

At the scene, Rosenbaum was misdiagnosed as an intoxicated man, leading dispatchers to send a basic care ambulance from a distant part of the city rather than an advanced care unit that was much closer. Other lapses followed, detailed in a blistering report issued by the D.C. inspector general's office.

Hamlin is to be sentenced Dec. 19. Voluntary sentencing guidelines suggest a 14- to 35-year sentence. Jordan will be sentenced Jan. 12.

Pieces Of Art Collection Were Someone Else's (NYT)

By Dan Barry

The New York Times, October 25, 2006

If it was the desire of the man who called himself William M. V. Kingsland to be remembered in the salons of New York long after he died, to be the subject of the kind of scandal-whiffed conversation he once so enjoyed, to be the one having the last loud laugh, then the man who called himself William M. V. Kingsland has succeeded.

He died in early spring in his one-bedroom apartment on the Upper East Side, surrounded by the hundreds of portraits, paintings and miniatures he admired mostly in solitude, because he allowed very few past the front door. Since then, though, his self-portrait has been peeling slowly from the canvas.

This summer his longtime friends learned that his real name was not William M. V. Kingsland — with the V for Vanderbilt — but Melvyn Kohn. Then, last week, they learned that several pieces in his private art collection were likewise of clouded provenance.

That is: pilfered; stolen; hot.

The Giacometti bust? Stolen from a Midtown gallery in 1967. The John Singleton Copley portrait of the second Earl of Bessborough? Stolen from Harvard in 1971.

The Odilon Redon? The Kurt Schwitters? The two Fairfield Porters?

Stolen, stolen, stolen and stolen.

Now the Federal Bureau of Investigation is digging into the nature of his collection, two auction houses are cleaning up the artistic mess he left behind, and the Office of the Public Administrator for Manhattan is trying to sort out the increasingly muddy Estate of William M. V. Kingsland — né Melvyn Kohn.

A central question for everyone, of course, is Mr. Kingsland's role in all this. Was he a thief, a fence, or just an innocent collector of pretty things that happened to be hot?

Mr. Kingsland died without a will, at the age of either 58 or 62. He often intimated that his blood ran blue, which would explain why he was able to lead gossip-laden walking tours of New York architecture and society. But friends could find no family to claim him, blue-blooded or otherwise.

So they arranged for his burial in April at a historic Manhattan cemetery whose soil is considered a privilege to share, perhaps assuming that this would be the last they heard of dear Will, other than in swapped stories about his slightly shabby attire, his frugal ways, his cutting wit — and his many odd jobs, from genealogical researcher to antique store employee to author of auction columns for an art magazine.

The news of his true name spurred the realization that few knew him well enough to have ever been in his small apartment at 245 East 72nd Street, where artwork covered nearly every inch of shelf and wall. In this room, American; in that room, European; everywhere, eclectic.

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Because no will was found, the public administrator took control of the estate, which included the unkempt, very dusty apartment filled with artwork. “An Aladdin’s cave,” Colin Stair, of the Stair Galleries in Hudson, N.Y., recalled. “Chockablock with interesting treasures.”

The public administrator chose Christie’s to handle the sale of dozens of pieces, including the Giacometti, and the Stair Galleries to handle hundreds of lesser pieces, including many watercolor-on-ivory miniature portraits.

Last month, experts at Christie’s discovered problems of provenance with four paintings: two by the 20th-century American painter Fairfield Porter, and one each by the French painter Odilon Redon and the German collagist Kurt Schwitters. All were reported stolen in the mid-1960’s, officials say.

The auction house also forwarded a photograph of the Giacometti bust to the Alberto Giacometti Foundation in Switzerland. The good news: the bust was indeed an authentic and valuable Giacometti. The bad news: it was stolen nearly 40 years ago.

Christie’s immediately notified an art specialist at the Federal Bureau of Investigation.

Then, a couple of weeks ago, Mr. Stair conducted an auction that included hundreds of items from the Kingsland estate. Among the patrons was Alex Acevedo, the owner of the Alexander Gallery on the Upper East Side, who often saw Kingsland at auctions.

Mr. Acevedo spotted a diamond in the rough, a 1790 portrait by John Singleton Copley of the second Earl of Bessborough, and won the bid at $85,000. He said he estimated that he could make a $400,000 profit on this gem, and recalled thinking, “This is a good score.”

But the more he checked into the painting’s provenance, he said, the more the arrows pointed to Harvard as the owner. He called an F.B.I. agent he knew — the art specialist — and laid out his suspicions. As the conversation wound down, he said, the agent asked, By the way, what was the estate’s name?

“I said, ‘Kingsland,’ ” Mr. Acevedo said. “And he goes: ‘Uh-oh.’ ”

The two auction houses have canceled any sales related to the Kingsland estate. The Harvard Crimson newspaper has reported that the university is working with the authorities to secure the safe return of the Copley and another portrait reported stolen from Harvard in 1968. And the public administrator, Ethel J. Griffin, is treading carefully as she sorts out this vexing Kingsland matter.

“We don’t want to destroy the man’s reputation if in fact he acquired these paintings from someone else,” she said. Still, she added, “This is one for the books.”

Ms. Griffin’s office is also handling the auction of Mr. Kingsland’s apartment, which is being offered in “as is” condition. This includes the hundreds of nails hammered into the bare walls, marking where the previous occupant once displayed his precious pieces of art.

FBI Wants Help Finding Stolen Power Line Maintenance Trucks (AP)

AP, October 25, 2006

YUMA, Ariz. -- Thieves in Yuma County stole three specialized power line maintenance trucks and more than $100,000 in tools used to work on major power lines over the weekend, and the FBI is seeking the public's help tracking down the thieves.

The trucks and tools were stolen from the U.S. Department of Energy's Gila Substation Maintenance Facility sometime between 5 p.m. Friday and 3 p.m. Saturday, the FBI said. The tools and equipment are used to maintain the high-voltage power grid and specialized knowledge is needed to use them.

There is no known terror threat from the theft and young people are known to hang out in the area, said FBI Special Agent Deb McCarley. However, the specialized nature of the equipment and its possible use is raising concerns.

"We don't believe there is any threat to our infrastructure," McCarley said. "However, you don't know that until you find out who did this and why."

The FBI and the Yuma County Sheriff's Office are offering a $10,000 reward for information leading to the arrest and conviction of the persons responsible.

The sheriff's office found one truck burned in the desert near the confluence of the Colorado and Gila Rivers. The other two trucks were a red 2005 Chevrolet 3500 with U.S. government license plate G63-1300B and a gray 2006 Chevrolet 2500 with license plate G63-2847B.

U.S. Launches Probes Into Fraud Cases (MERCN)

By Josh Funk

The San Jose Mercury News, October 25, 2006

DOJ_NMG_0086105

OMAHA, Neb. - The government has launched investigations into fraud cases in which computer hackers apparently manipulated client accounts at two of the nation's largest electronic brokerages, stealing millions of dollars.

Officials at TD Ameritrade Holding Corp. said Tuesday that the fraud cost the company about $4 million in the July-September quarter. Last week, E-Trade Financial Corp. said the company lost about $18 million in a similar scheme during its third quarter.

Both companies reimbursed customers for their losses.

Ameritrade's chief operating officer, Randy MacDonald, said the fraud that his company experienced during the quarter was part of an industrywide problem and that the company was working with the FBI and other law enforcement agencies.

Ameritrade officials said the problem largely occurred overseas when clients were using either wireless networks or public computers infected with spyware, and user IDs and passwords were stolen.

"We're spending a lot of time educating our clients about the need to keep their information secure," MacDonald said. "And we're working with software vendors to develop new techniques for preventing this from even happening at their keyboard level."

Officials at Omaha-based Ameritrade and E-Trade, which is headquartered in New York, said that while hackers manipulated individual accounts, their own computer systems remained secure.

E-Trade Chief Executive Mitchell Caplan told analysts during a conference call last week that the fraud his company saw appeared to be concentrated in eastern Europe and Thailand, according to a transcript provided by Thomson Financial's StreetEvents.

"We believe that we've made a significant number of operational changes and technology changes," Caplan said during the call. "We've seen that level of fraud in the last three weeks or so reduced to almost zero as a result of the changes we're making."

Both E-Trade and Ameritrade have insurance that may cover some of their fraud losses. They reimbursed their clients because both companies offer their clients asset protection guarantees.

The Securities and Exchange Commission, like the FBI, is investigating hacking fraud throughout the online brokerage industry.

SEC spokesman John Heine in Washington declined comment Tuesday on the Ameritrade and E-Trade cases.

Officials of the SEC and other law enforcement agencies, along with representatives of online brokerage firms, were meeting Wednesday to discuss the issue, said John Reed Stark, head of the SEC's Office of Internet Enforcement.

"We've seen an increase in the number of intrusions," Stark said. "These innovative frauds often involve an intricate web of participants that are not only committing securities fraud but are also committing identity theft and hacking as well."

Ameritrade's chief executive, Joe Moglia, said he thinks this latest rash of fraud and identity theft is under control, but it's a problem the industry and society will always have to contend with.

"From the beginning of time, there's always been someone trying to take advantage of someone else," Moglia said.

Financial Firms Join Data-Security Program (WSJ)

By Robert A. Guth

The Wall Street Journal, October 25, 2006

A group of U.S. banks and insurance companies concerned about data security are expanding a program for assessing the security of online banking and related financial services.

The Financial Services Roundtable, an industry trade group, said that five banks have joined an effort to standardize how they judge the security of companies that provide online services. The new participants are Bear Stearns Cos., Goldman Sachs Group Inc., Regions Financial Corp., Wachovia Corp. and Morgan Stanley.

The program, called the Shared Assessment Program, is part of a broader effort by large businesses to pressure software and online services companies to improve security of their products.

The program sets common guidelines that suppliers will need to follow before a participating bank or insurance company will do business with the supplier, which include telecommunications companies and data-service hosting companies.

Some of the guidelines include how often data is backed up and details on other protections, including physical security at companies' data centers.

The effort formalizes procedures that have historically been handled differently by each financial institution, an approach that the members say is costly and isn't as effective in assuring a high level of security. The program was started in February by the Bank of America Corp., Bank of New York Co., Citigroup Inc., J.P. Morgan Chase & Co., U.S. Bancorp, and Wells Fargo & Co.

Service providers participating in the program include Equifax Inc., Yodlee Inc., First Data Corp., Iron Mountain Inc., SunGard Data Systems Inc., Verisign Inc.

The financial institutions' effort is part of a broader power shift between large businesses and their IT suppliers. A rash of viruses, worms and other Internet-borne attacks in recent years raised awareness among consumers and businesses to risk of online commerce. Large buyers of IT gear -- software, computers and online services are now emboldened to lean on companies like Microsoft Corp. to bolster security.

"We're seeing vendors ready to turn over information that will help us validate whether our customers are secure," said Mike Casper, a vice president at Wachovia, which has been testing the program since April.

Florida Man Pleads Guilty To Web Scam (OREG)

By Bryan Denson

The Oregonian, October 25, 2006

A Florida man pleaded guilty Tuesday to heading a Corvallis-based Internet investment scam that victimized 1,500 investors in the United States and Canada.

Frank Hendricks, 46, pleaded guilty in a federal court in Eugene to wire fraud, conspiracy to commit mail and wire fraud, and failing to file a U.S. income tax form for the year 2003, the U.S. attorney's office reported.

When sentenced in February, he faces as long as 26 years in prison and as much as $1.3 million in fines, plus mandatory restitution.

According to court papers, Hendricks and another man, identified as Scott Guenther, created a CD-ROM and electronic book-marketing business named Pacific Achievements International. Guenther is scheduled to plead guilty to some of the charges Dec. 5 in Eugene, authorities say.

A government indictment accuses the two men of raising $13 million in 16 months by assuring potential investors that investments of $5,859 would return $9,720 within one to three weeks, with earnings of more than $1 million a month thereafter.

Hendricks and others promoting Pacific Achievements International used new investment funds to pay off earlier investors, which drew new investors to sign up. Hendricks and another promoter were accused of diverting $2 million from the company to fund their own lifestyles, most of which went to buying homes.

In early 2004, the FBI seized two residences purchased by Hendricks in Shalimar, Fla., and two residences in Gig Harbor, Wash., from a company promoter, federal prosecutors reported.

To generate income, Hendricks and another company official invested money into "high-yield" scams in Lebanon, the Bahamas, Nevada and Texas, losing $2.7 million, according to federal officials.

Hendricks earned $778,000 in 2003 but failed to file a return, costing the government $80,000 to $200,000, officials said.

U.S. Investigates Church Music Director (NYT)

By Alison Leigh Cowan

The New York Times, October 25, 2006

GREENWICH, Conn., Oct. 24 — Federal authorities are investigating whether the longtime music director of a prominent Episcopal church here, who was a mentor to thousands of children, was involved in child pornography, according to people involved in the investigation.

The head of the Federal Bureau of Investigation's cybercrimes squad in New Haven, Tim Egan, said "there is a pending investigation" into the matter, but declined to comment further.

Susan Marks, a spokeswoman for Christ Church, a picturesque church on East Putnam Avenue, said that Robert F. Tate, the music director, had recently resigned, and that the church's membership had been notified. She referred all other questions to the church's lawyer, Eugene J. Riccio. "All I want to say is I cannot comment on this matter at this point," Mr. Riccio said.

It was unclear whether the reputed pornographic images that piqued the criminal investigation were stored on a church-owned computer or not. "It's hard to tell whose computer was whose," said a federal official familiar with the investigation.

Investigators are also trying to determine whether Mr. Tate had any improper contact with any of the minors he may have known through the church, according to someone else familiar with the investigation.

Spokesmen for the Episcopal Diocese of Connecticut did not return calls seeking comment late Tuesday.

Mr. Tate could not be reached for comment. Several phone numbers with which he was previously associated either were disconnected, or calls to them went unanswered. A woman at a home owned by Mr. Tate said that she rented and that he was not there.

A biography of Mr. Tate that until recently was on the Web said he came to Christ Church from the National Cathedral in Washington, where he was assistant organist. He got a master's degree in 1968 from the College of Church Musicians at Washington Cathedral and then studied at the Juilliard School in Manhattan, according to the biography.

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Pornography In The Anglican Church? (NBC)

By Tim Sandler, Producer

NBC News, October 25, 2006

NEW YORK - Federal prosecutors and the FBI in Connecticut are investigating whether a high-ranking staff member at one of the country's most venerable Anglican churches possessed child pornography, sources tell NBC News.

The sources say that earlier this month the FBI searched a building on the grounds of Christ Church in Greenwich, Conn., after obtaining information that allegedly implicates the church's long-time music director, Robert Tate, in a child pornography case.

A grand jury is convening in the case, and NBC has learned that other top church officials have been called to testify. No charges have been filed against Tate or any church officials.

A church representative referred all questions to the church's attorney, Eugene Riccio of Bridgeport, who declined comment. Kevin J. O'Connor, the U.S. attorney for the District of Connecticut, also declined comment, as did the FBI.

Tate has been removed from the church's official Web site.

Located in one of the country's most wealthy communities, Christ Church in Greenwich has attracted an affluent membership since its inception in the 1830s.

Former President George H.W. Bush attended services in his youth and, as president, returned to the church in 1992 for the funeral of his mother, a church member for decades who was married to the late Sen. Prescott Bush, R-Conn.

A Christ Church minister reportedly signed the baptism records of President George W. Bush, who was born in New Haven, Conn., in 1946.

Former Trooper Expected To Plead To Luring Teen (BOSH)

Boston Herald, October 25, 2006

WORCESTER, Mass. - A state trooper charged with trying to solicit sex from an undercover officer he thought was a 14-year-old boy plans to plead guilty in federal court, according to court documents, and has resigned from the force.

Brian O'Hare was charged with using the Internet to entice an individual under 18 for sexual activity. An updated court filing this week indicated O'Hare "intends to plead guilty to the charge(s) contained in the Indictment," the Telegram & Gazette of Worcester reported Tuesday.

A State Police spokesman said O'Hare had resigned, effective Monday.

O'Hare allegedly had several sexually explicit chats with an FBI agent who was posing as a 14-year-old high school boy, and the two arranged to meet at the Medford Mall, authorities said. O'Hare was arrested by FBI agents in February after he showed up.

O'Hare lived in Lancaster and was assigned to the Holden barracks. He served in the Massachusetts National Guard in Afghanistan and Iraq from August 2002 until December 2003. EDT

Crime Drops After Increase In Officers (WP)

By Joshua Partlow

The Washington Post, October 25, 2006

Prince George's County police have attributed a decline in violent crime and property offenses this year to more officers on the streets, the availability of overtime funds to keep experienced officers working and investments in new technology.

Compared with the first nine months of last year, the number of homicides in the county has declined by 28 percent (from 128 to 92), rapes by 11.7 percent (163 to 144) and carjackings by 37 percent (from 565 to 356), police said.

In preliminary statistics compiled by the Maryland State Police that cover the first half of the year, Prince George's showed a total decline in major crimes of 15.1 percent, the largest percentage decrease among the 23 Maryland counties and Baltimore.

"I believe our vision has proven to be a sound one," Prince George's Police Chief Melvin C. High said yesterday at a news conference at police headquarters. "We've maintained the course for many of our initiatives that seemed challenging at the time."

He added: "What is especially gratifying for us is that our trend downward is counter to most of the nation."

Prince George's -- the state's second-most-populous county behind Montgomery -- continues to rank near the top among Maryland jurisdictions in the number of crimes committed. Through June, Prince George's led the state in rapes, larceny theft, motor vehicle theft and total crimes, the state police data show.

Last year was particularly troubling, police said, when the county had its highest homicide total ever, 173.

"We're headed in the right direction," said County Executive Jack B. Johnson (D). "We are not where we want to be. We know we have a lot of work to do."

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The decline in Prince George's reported crime started in the last quarter of 2005 and has continued, gaining strength, through three quarters this year, police said. The $28.5 million increase this year in the police budget, which is now $217 million, helped the department put more officers on the streets, High said. There are 1,393 officers in the department, up from 1,346 in the last fiscal year, according to county statistics. The county is authorized to have 1,597 officers at this point, police said.

"Anytime you have fresh resources, there's a resurgence of energy," said Maj. Daniel Dusseau, commander of the criminal investigations division. Also, the funding for overtime, a $6.5 million increase this year, helped keep more experienced officers on the streets longer, he said. "This is emergency management, it really is. You can't 9-to-5 it."

Although High didn't go into great detail, he said there have been improvements to the county's ability to electronically map crimes and focus on high-crime areas. He said police are testing technologies to detect where gunshots came from and are using license plate scanners in certain spots to track automobile movement.

Percy Alston, president of the Prince George's police union, said police have gone back to officers patrolling smaller beats, rather than the "community service areas" that were less manageable.

"We just did not have the staffing to make it work," he said. "At the beginning of this year, we went back to the strategy that is time tested, and we went back to that and we're reaping the benefits."

Some people in county law enforcement say privately that they are not convinced the crime drop is attributed to police strategy or techniques but that it could be the natural drop-off from an unusually high crime year.

Ohio Executes Cult Leader For 5 Killings (FINDLAW/AP)

By John Mccarthy, Associated Press Writer

AP, October 25, 2006

(AP) - LUCASVILLE, Ohio-Ohio executed a religious cult leader Tuesday for the murder of a family of five followers who were taken one at a time to a barn, bound and shot to death. The youngest was a girl just 7 years old.

Jeffrey Lundgren, 56, died by injection at 10:26 a.m. at the Southern Ohio Correctional Facility for the deaths of the Avery family.

"I profess my love for God, my family, for my children, for Kathy (his wife). I am because you are," Lundgren said in his final statement.

The evidence against Lundgren was compelling.

Upset by what he thought was the Avery family's lack of faith, arranged a dinner hosted by cult members. Afterward, he and his followers led the Averys one by one - the father first, young Karen last - to their deaths while the others unknowingly cleaned up after dinner. A chain saw was used to muffle the gunfire.

Lundgren argued at his trial in 1990 that he was prophet of God and therefore not worthy of the death penalty.

"It's not a figment of my imagination that I can in fact talk to God, that I can hear his voice," he had told the jurors. "I am a prophet of God. I am even more than a prophet."

He was convicted of killing Dennis Avery, 49; his wife, Cheryl, 46; and their daughters, Trina, 15, Rebecca, 13, and 7-year-old Karen.

Lundgren formed the cult with about 20 members in the northeast Ohio town of Kirtland after he was dismissed in 1987 as a lay minister of the Reorganized Church of Jesus Christ of Latter Day Saints, an offshoot of the Mormon church.

Lundgren said God commanded him, through interpretation of Scriptures, to kill the Avery family, who had moved from Missouri in 1987 to follow his teachings.

Lundgren's attorneys had tried to put off the execution, arguing that he should be allowed to join a lawsuit challenging Ohio's use of lethal injection as cruel and unusual punishment. They said his execution had more of a chance of being painful because he was diabetic and overweight at 275 pounds.

Late Monday, the 6th U.S. Circuit Court of Appeals in Cincinnati issued an order allowing the execution to go forward. The U.S. Supreme Court refused a last-minute request to stop his execution Tuesday, and Gov. Bob Taft denied clemency.

Police Reviewing Claims Against Delegate (BSUN)

By Anica Butler

The Baltimore Sun, October 25, 2006

Anne Arundel County police are looking into whether Del. William A. "Tony" McConkey might have engaged in criminal acts during a real estate deal that he is being sued over, although a police spokesman said that the review is not "a full-blown investigation."

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Police said they are reviewing claims by Teresa Milligan, 42, that the Severna Park Republican committed foreclosure-rescue fraud, in violation of a new law that has civil and criminal penalties. She filed a civil suit Monday in Anne Arundel County Circuit Court alleging that McConkey tricked her into signing over her townhouse to him.

The office of Anne Arundel County State's Attorney Frank R. Weathersbee received a complaint about McConkey on the matter, which it forwarded to the county Police Department, according to a police spokesman.

"A detective has been assigned to conduct a preliminary inquiry to determine the facts surrounding the allegations and to determine if a criminal offense has occurred and if so, what law or laws may have been violated," Lt. David Waltemeyer said Tuesday.

After the police inquiry, Waltemeyer said, the Police Department will consult with the state's attorney's office to determine which agency would investigate.

A complaint against McConkey also has been sent to the state attorney general's office, but a spokesman Tuesday said he could not comment on whether the office is investigating.

Reached Tuesday, McConkey said that he had not been informed that police, or anyone else, were looking into the matter.

"I don't see why they would. It's a real estate matter," said McConkey. "I don't think there's any basis for this."

McConkey, 42, has denied any wrongdoing. He maintains that he acquired the home legally and is evicting Milligan and her family -- a 16-year-old daughter and an 8-month-old grandchild -- for failure to pay rent. Her suit, he said, is an attempt to stop the eviction.

The Protection of Homeowners in Foreclosure Act -- which McConkey voted for when it passed the General Assembly last year -- created criminal penalties for those found guilty of foreclosure-rescue fraud. Violating the law is a misdemeanor that carries up to a three-year prison sentence and a $10,000 fine.

In 1994, McConkey received probation before judgment on a burglary charge stemming from a dispute with tenants. In 1995, he agreed to be disbarred as a lawyer after a failed real estate deal in Prince George's County in the late 1980s.

A state delegate since 2003, McConkey is up for re-election Nov. 7. Among his opponents are Democrat Patricia Weathersbee, wife of the state's attorney. Also running in the two-member district in central Anne Arundel County are Republican James King and Democrat Paul G. Rudolph.

McConkey and Chuck Gast, chairman of the Anne Arundel County Republican State Central Committee, said they believe that the civil suit, and subsequent inquiries, are politically motivated.

"Anybody can throw out charges and allegations, and half the time they're meritless and baseless," Gast said, adding that he thought the pending case would have no effect on the election. "It's up to a judge and jury to determine the facts. ... The facts will be borne out at a trial."

A hearing on Milligan's eviction is scheduled for Nov. 2.

No court dates have been set in the civil case because McConkey has 30 days from the time he is served with the civil complaint to respond.

According to court records, McConkey faced a similar suit in July 2005. Neither the plaintiffs nor their attorneys could be reached, and the outcome of the case is unclear from court records. However, state records show that McConkey purchased the home in dispute, in the 1900 block of Tilghman Drive in Crofton, in May 2005 for $330,000 and sold it in July 2006 for $400,000.

"I won it," McConkey said of the lawsuit, without offering details. "And I'll win this one, too, but it will take time."

Creative Crooks As Shoplifters Use High-Tech Scams, Retail Losses Rise (WSJ)

By Ann Zimmerman

The Wall Street Journal, October 25, 2006

William Swanberg had a thing for Legos, but it was hardly child's play.

After he was arrested last November near Portland, Ore., police investigators determined he had stolen more than $600,000 of the Danish building toys over three years from dozens of stores in at least five Western states.

He pilfered the toys by creating counterfeit bar codes that allowed $100 Lego sets, for example, to be rung up for just $19. Then he resold them on a Web site for toy collectors.

"This case was fascinating to me," says Jeff Lesowski, a senior deputy district attorney in Washington County, Ore., who prosecuted Mr. Swanberg. "With these new methods, it can take a long time for a retailer to know he's suffered a large-scale theft, so it takes so much longer to catch up with thieves."

Just as technology has given a big boost to the retail industry, making it more efficient and productive, it has also transformed retail crime. Using sophisticated tactics such as bar-code forgery and fraudulent gift cards, criminals are stealing larger amounts, and it has gotten harder to catch them. Law-enforcement officers say many of the high-tech thieves belong to

organized-crime rings that have turned retail theft into big business. And the Internet has made it easier for them to find buyers for the loot.

Retail crime rose to about $37 billion in 2005 from $31 billion in 2003, according to a study conducted by the University of Florida, increasing almost twice as fast as retail sales over that period. Store employees, who have access to merchandise and familiarity with antitheft systems, account for 48% of retail-crime losses, according to the 2005 study. But professional thieves, many of them using sophisticated new methods, also are responsible for a big part, says Joseph LaRocca, vice president of loss prevention at the National Retail Federation, a trade group.

The value of merchandise snatched in the average shoplifting incident has more than tripled to $855 in 2005, from $265 in 2003, the University of Florida survey reported. In cases of organized retail crime -- where the thieves intend to sell the stolen goods rather than keep them -- the average loss was $46,353 per case in 2005, the survey said. Over that same time period, the size of the average employee theft fell 40% to $1,053, from $1,762.

Organized theft rings have been around for years. In the late 1990s, there was a rise in cases of criminal groups paying thieves to shoplift baby formula, razor blades, teeth whiteners and other high-volume merchandise, according to retailers and law-enforcement officials. The crime rings typically sold the loot to other stores or moved it in flea markets or pawn shops. Some even set up their own convenience stores.

The sophisticated schemes cropping up today generally involve more expensive items: $300 Dyson vacuum cleaners, $400 power saws and $1,000 plasma televisions. Brad Brekke, vice president of assets protection at Target Corp., estimates that more than 50% of theft at the Target chain involves some high-tech twist -- either in how the goods are stolen or how they are unloaded.

Bar-Code Scam

Over six months in 2004, Thomas Westwood, his wife, Jennifer, and mother-in-law, Kathleen Dodson, worked the bar-code scam at Target stores. Using a computer, they scanned bar codes from relatively inexpensive Target items and printed out copies. Then they returned to the store and pasted the fakes onto expensive Dyson vacuum cleaners, DVD players and phones. Cashiers dutifully rang up the wrong prices.

All told, the trio stole more than $100,000 of merchandise, law-enforcement officials say. After a cashier in one store noticed a mispriced item, Target investigators got involved and discovered a pattern of such mispricings. Using video clips, they identified suspects, and the police moved in. Earlier this year, the trio pleaded guilty in a Missouri federal court to conspiracy to commit fraud.

Last December, a Target security guard nabbed a Colorado college student after he purchased a $150 iPod that carried a bar code for $4.99 headphones, according to Mr. Brekke. The thief had fashioned the fake label with a $25 software program called Barcode Magic, which he'd downloaded from the Internet, Mr. Brekke says.

Bar-code swindlers are hard to catch, says Mr. Brekke, a former agent with the Federal Bureau of Investigation. If an alert cashier points out that a bar code is ringing up the wrong price, the thief can either pay the difference or just say he doesn't want the item any more and walk out. "The risk level is very low," he says.

Mr. Brekke has been trying to persuade manufacturers to print prices on boxes or come up with bar codes in assorted sizes, which would be trickier to substitute. In the meantime, Target's loss investigators have begun to monitor sales reports for unusual patterns, trends and anomalies.

In the summer of 2005, they noticed spikes in sales of Legos. Expensive sets were being sold for a pittance. They studied hundreds of hours of surveillance tape, then devised an electronic system to alert in-store antitheft workers when big batches of Legos were rung up.

That's what happened last Nov. 17 at a Target in Hillsboro, Ore., but the security guard got the message too late. Mr. Swanberg had already made his fraudulent purchase and left, according to Mr. Lesowski, the prosecutor. The guard warned co-workers at nearby stores.

Later that day, an employee at a Beaverton, Ore., Target spotted Mr. Swanberg loading his cart with about 10 $100 Star Wars Millennium Falcon Lego sets. He slapped a phony bar code for a $19 Lego set on the top box and headed for the youngest looking cashier he could find, the prosecutor says. The cashier scanned the top box and multiplied it by the number in the stack.

Several burly Target employees surrounded Mr. Swanberg's cart, which he shoved at them in an effort to get away. They tackled him and summoned the police. In his van was a detailed daily itinerary for Target, Wal-Mart and Toys "R" Us stores he planned to hit, the prosecutor says.

Another vexing new problem, retail executives say, is gift-card fraud. Many retailers now issue gift cards in place of paper gift certificates and receipts from returned merchandise. The cards, which resemble credit cards, have been a boon to the retail industry, accounting for $60 billion in sales last year, almost one-third of it during the holiday season.

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But they've also been a boon to thieves. In one scam, crooks copy numbers from gift cards hanging on store racks. After the cards are purchased and activated, buyers use them to shop online by entering the card numbers.

So do the thieves. To figure out which cards have been activated, they phone an 800 number to check on balances for card numbers they've copied. When they discover activated cards, they use the card numbers to buy merchandise on a store's Web site, explains Dan Doyle, vice president of loss prevention at Beall's Inc., a Southeastern department-store chain.

Another swindle involves stealing merchandise, then returning it for store credit in the form of gift cards. In 2003, Herion Karbunara, a Massachusetts man in his mid-20s, paid women $50 to $200 a day to shoplift merchandise from stores ranging from Pottery Barn to Victoria's Secret and then return it for gift cards, according to the Massachusetts attorney general's office. Some stores required receipts for returns, so the women first would buy one of each product they intended to steal, prosecutors say. Mr. Karbunara would scan the receipts into a computer and print counterfeits, they say.

The Internet has emerged as a preferred method for crooks like Mr. Karbunara to unload gift cards. After fraudulently obtaining about 600 such cards, Mr. Karbunara offered them for sale on eBay. The Massachusetts attorney general's office says online sales netted Mr. Karbunara $200,000 over 10 months. In late 2004, he pleaded guilty to three counts of larceny and one count of forgery, and was sentenced to two years in state prison.

Retailers responding to a National Retail Federation survey last year estimated that 70% of gift cards sold in eBay were fraudulently obtained, either through scams like Mr. Karbunara's or purchased with stolen credit cards. Mr. LaRocca, the federation's loss-prevention chief, says the group raised a "big stink" with eBay, which eventually changed its policy. EBay now limits sellers to posting one gift card per week, with a value of no more than $500.

When the National Retail Federation scrutinized gift cards sold on eBay on Sept. 14, says Mr. LaRocca, it identified more than a dozen auctions involving sellers who had violated eBay's policy by listing more than one gift card a week. "Although we have been talking with eBay, the conversations have clearly not been fruitful to date," says Mr. LaRocca.

Hani Durzy, an eBay spokesman, says the company changed its policy in an effort to thwart criminals. Listings are policed by eBay investigators, he says, and its 203 million users also alert the company to potential violations. With upward of 100 million items for sale on eBay at any given time, and seven million new items added every day, staying on top of every listing is difficult, he says.

The Internet has become so popular for moving stolen goods that a term has been coined for the practice -- "efencing." Thieves or fences who sell loot out of a truck or at a flea market typically get 20 to 30 cents per dollar of retail value, according to a 2005 report on organized retail crime commissioned by the National Retail Federation. On the Internet, where their wares are exposed to many more potential buyers, they bring in, on average, 70 cents on the dollar, the report says.

Felonious Twist

Law-enforcement officials say the Web allows thieves to unload merchandise quicker than in the past, and in greater volume. More thieves are taking orders for items to steal -- a felonious twist on just-in-time inventory, these officials say.

"Thieves know this sort of organized retail crime is low-risk and high-profit," says Eric Ives, unit chief the FBI's major theft unit, which oversees investigations of organized retail crime.

After Mr. Swanberg, the Lego thief, was arrested, federal authorities raided the Reno, Nev., home he shared with his elderly mother. He had sold the goods over the Internet, says Mr. Lesowski, who prosecuted him. Investigators found computer records of sales he had made on Bricklink.com, a Web site for Lego fans and collectors. Target's Mr. Brekke figures Mr. Swanberg stole about $200,000 of the sets from its stores alone.

"Our Web site cannot do anything to prevent [the sale of stolen merchandise] from happening because we don't have control over the seller's merchandise," a representative of Bricklink.com said in an email.

Bruce and Laura Wasz, a mother-and-son team, ran an 11-person theft ring in Illinois. They paid people to hit home-improvement chains such as Home Depot Inc. and Sears Holdings Corp.'s the Great Indoors. The thieves stole the old-fashioned way, simply sneaking things out the doors. Accomplices ripped off entire truckloads of products such as chain saws.

They stored the stuff in three shuttered pawn shops and unloaded it on eBay, using numerous different account names, according to Brian Hayes, an assistant U.S. attorney for the Northern District of Illinois. "They held themselves out as honest dealers," says Mr. Hayes. Investigators later determined that in 2003 they sold more than $2 million of sump pumps, Koehler faucets, mosquito exterminators, snow blowers and other merchandise.

They got caught after the manufacturer of the stolen chain saws noticed a bunch of them for sale on the Web, priced below wholesale. Mr. Wasz was sentenced to six years, nine months in federal prison. His mother got five years, eight months.

Shoplifting is usually prosecuted on the state level. In most states, only those caught stealing more than $1,000 face felony charges that require jail time.

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"Organized retail-crime rings utilize the laws to their benefit," says Britt Wood, senior vice president of industry relations at the Retail Industry Leaders Association, a trade group for large mass merchants such as Wal-Mart and Best Buy. "They don't steal a lot from one store at one time. But it adds up, so by the end of the month, they've stolen $100,000."

Retailers are pushing states to stiffen penalties. In January, Congress allotted $5 million for the FBI to establish an organized retail-crime task force.

Increasingly, retailers are setting up investigative units to piece together cases big enough to interest law enforcement. Home Depot put together a unit several years ago that regularly searches the Internet for new merchandise offered at below wholesale prices that matches products stolen from its stores. Earlier this year, the two large retail trade groups created separate databases to track retail-crime activity, in an effort to help build bigger, stronger cases for prosecutors.

Mr. Swanberg, the Lego thief, pleaded guilty in June to three counts of felony theft and was sentenced to 13 months in prison. Federal authorities say they still are investigating Mr. Swanberg for possible mail fraud.

His name still comes up from time to time on Bricklink.com's online forum. Mr. Swanberg was a highly rated vendor on the site, garnering more than 6,000 favorable comments over three years. Two days before he was arrested, one participant noted: "A unique vendor with great inventory."

CIVIL LAW:

Latest Round In Web Porn Law Fight Begins (LAW)

By Shannon P. Duffy, The Legal Intelligencer

Legal Intelligencer, October 25, 2006

It's not all that often that a month-long trial begins in federal court where everyone knows from the start which side is likely to win.

But that was the situation Monday in ACLU v. Gonzales as the final round of litigation got underway in a challenge to the Child Online Protection Act (COPA), a law which threatens criminal penalties for commercial Web site operators that allow children to access material that is "harmful to minors."

Eight years after it was passed, COPA has never gone into effect because Senior U.S. District Judge Lowell A. Reed Jr. granted a preliminary injunction that, after two trips to the U.S. Supreme Court, won the approval of a 5-4 court.

Although the majority was a slim one, the high court's holding was that the ACLU and its co-plaintiffs are "likely to succeed" in proving that COPA is unconstitutional.

But "likely" doesn't mean certainly, and the Justice Department isn't giving up the fight.

In preparation for Monday's trial, Reed ordered lawyers on both sides to file their proposed findings of fact and conclusions of law.

Ordinarily, such briefs are filed after a nonjury trial has concluded to aid the judge in his drafting of an opinion that announces his verdict.

But ACLU v. Gonzales is no ordinary case, and Reed apparently wanted the lawyers to provide a roadmap for the trial, which is expected to boil down to a battle of the experts.

One of the central disputes in the case is whether children can be protected by "filtering" software -- a program added by parents to a computer to block access to sexually explicit Web sites.

The government, in its brief, insists that "filtering software cannot completely protect minors from exposure to sexually explicit material on the World Wide Web. The status quo solution -- filtering software without any government regulation -- fails to protect children adequately."

The better solution, the government argues, is to stop pornography at its source by requiring Web site owners to demand "age verification," such as a credit card, before allowing access to sexually explicit content.

But the plaintiffs lawyers -- a team from the ACLU and Latham & Watkins -- argue that COPA is overbroad and that many legitimate Web sites fear prosecution under the law.

Age verification won't work, the ACLU argues, because Internet users are reluctant to give their identity and Web site owners cannot afford to process credit cards just to allow access to free content.

And even if a credit card system were installed, the ACLU says, it wouldn't prevent children from gaining access since many youngsters have access to their parents' credit cards or even have their own cards.

Instead, the ACLU says, Congress should go back to the drawing board and draft laws designed to enhance the effectiveness of filtering software.

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"Congress could enact a statute that permits the distribution of such material [that is harmful to minors], but instead requires Web site operators to include a rating, label, or code on the Web site that makes clear that harmful to minors material is available on the Web site. Such a rating, label or code could be placed on the initial home page of the site," the ACLU argues in its brief.

"Requiring Web sites to include a harmful-to-minors rating, label or code would make filtering products even more effective and accurate at blocking harmful to minors material," the brief says.

Another way to make filters more effective, the ACLU says, would be a federal law requiring the Justice Department to compile and maintain a list of Web sites that contain material that is harmful to minors.

Such a statute "would provide filtering product companies with the ability to accurately block absolutely all speech that the government believes is harmful to minors. It would also provide parents and other entities with information about the types of material that are on the Web in order to assist parents in determining what protections, if any, are necessary for their children depending on their individual values and circumstances," the brief says.

The ACLU contends in its brief that "filtering product companies would accept a governmentally created list of inappropriate sites; in fact, many have already testified that they would almost certainly comply with any request from a governmental entity to include specific sites on their lists."

But Justice Department lawyers insisted in their brief that "voluntary measures such as a Web site rating system, filtering products, and education, will be effective only if they are used in conjunction with the requirements of COPA, because voluntary measures alone will not prevent children from accessing material harmful to minors."

A rating system simply wouldn't work, the Justice Department says, because Web site operators "would lack an incentive to label their material in a manner that makes it more likely that filters will block access."

The operators, they say, "would have to agree to a uniform system of ratings, or agree to subject themselves to an independent rating body."

And even if such a system were attempted, the Justice Department says, it would prove ineffective because "Web sites are too numerous and change too frequently for the government, or any private business, to effectively separate harmful from nonharmful material."

Instead, the government argues, "Only a solution directed at the source of the problem can provide the incentive necessary to adequately protect children."

In an opinion handed down on Oct. 10, Reed rejected a last-minute bid by the government to have the case dismissed.

In its motion, the government argued that none of the named plaintiffs has standing to challenge the law because they are not "commercial pornographers," and that their fear of being prosecuted under COPA is therefore "too speculative."

But the plaintiffs lawyers argued that plaintiffs such as Salon.com and the Philadelphia Gay News have good reason to fear that they will be targeted for prosecution because the law prohibits any commercial dissemination of material that is deemed to be "harmful to minors."

Reed sided with the plaintiffs, finding that "there is nothing in the statute that limits COPA to commercial pornographers."

The legal test for establishing standing on the basis of a credible threat of prosecution is "quite forgiving," Reed said, and courts "will assume a credible threat of prosecution in the absence of compelling contrary evidence."

Under COPA, a commercial Web site operator faces up to six months in prison and fines of up to $50,000 if found to have allowed minors access to harmful material.

The law defines material that is "harmful to minors" as any "communication, picture, image, graphic image file, article, recording, writing or other matter of any kind that is obscene" or that, if not obscene, meets the law's three-pronged test.

Under the first prong of the test, material violates the law if "the average person, applying contemporary community standards, would find, taking the material as a whole and with respect to minors, is designed to appeal to, or is designed to pander to, the prurient interest."

The second prong calls for proof that the material "depicts, describes, or represents, in a manner patently offensive with respect to minors, an actual or simulated sexual act or sexual contact, an actual or simulated normal or perverted sexual act, or a lewd exhibition of the genitals or post-pubescent female breast."

Finally, the material must be shown to "lack serious literary, artistic, political or scientific value for minors."

With that test in mind, Reed found that the plaintiffs have standing because they "will be able to show at trial that they have a legitimate fear that they could be prosecuted under COPA because their materials could be found to be harmful to minors."

Having reviewed each of the plaintiffs' Web sites, Reed found that many of them include material that "could be found to: have been designed to appeal to the prurient interest of a minor; depict or describe a sexual act or contact or a lewd exhibition of the genitals or post-pubescent female breast in a manner patently offensive with respect to minors; and lack serious literary, artistic, political or scientific value for minors."

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Some of the plaintiffs' materials "are more graphic than others," Reed noted, and "range from erotic homosexual kissing to highly eroticized descriptions or depictions of anal and vaginal sex."

In a footnote, Reed said the term "prurient interest" is most often defined as "a shameful or morbid interest in nudity, sex, or excretion over and beyond that which would be characterized as normal."

But that definition was significantly expanded by the U.S. Supreme Court, Reed noted, in a decision that said materials may appeal to the prurient interest if they are merely "in some sense erotic."

In another footnote, Reed said, "I find that it is possible that some communities would find even minor sexual contact, like kissing, to be prurient in nature and patently offensive if performed by homosexuals."

More FOIA Funds, Staff Needed, Group Says (GOVEXEC)

By Daniel Pulliam

Government Executive, October 25, 2006

A recent Justice Department report on agencies' compliance with a presidential mandate to improve processing of requests for government documents failed to address resource constraints, an independent research institute has charged.

In a letter to Attorney General Alberto Gonzales last week, the National Security Archive, a research institute and library located at The George Washington University, said the report did not acknowledge the scale of the challenge agencies face in reforming their Freedom of Information Act procedures. It avoided mentioning a lack of adequate funding and staffing, as well as the need for cross-agency leadership, the letter stated.

The executive order, signed by President Bush on Dec. 14, 2005, directs agencies to ensure that their FOIA implementation is citizen-centered and results-oriented. They must also appoint chief FOIA officers.

The order states that any changes should be made using "available resources" and "existing agency staff." The FOIA chief can, however, recommend adjustments to agency personnel and funding as "may be necessary to carry out" the order's policies.

Daniel J. Metcalfe, director of the Justice Department's Office of Information and Privacy, said there was little discussion of resources in the Oct. 16 report because the agency FOIA improvement plans reviewed in it were due "only six months after the executive order was signed, in the middle of a budget cycle."

The National Security Archive also charged that, in its own review of agency FOIA improvement plans, it found that many are behind schedule and others don't comply fully with the 1996 Electronic Freedom of Information Act, which amended FOIA.

Metcalfe said the group's characterization that "many agencies" are lagging in complying with the 1996 amendments is a gross overstatement and mischaracterization. Several Government Accountability Office audits show otherwise, he said.

In March 2001, GAO reported (GAO-01-378) that all government agencies had implemented many of the law's provisions, including the governmentwide establishment of electronic reading rooms.

In response to a set of similar letters the National Security Archive sent to House and Senate committee leaders, Tabetha Mueller, a spokeswoman for the House Government Reform Subcommittee on Government Management, Finance and Accountability, said FOIA oversight hearings in February were likely.

"If you look at not complying with [the Electronic Freedom of Information Act], that is just as much a leadership problem from Congress and an oversight problem as it is the agencies' problem," Mueller said.

She said the Justice report provided a fair accounting of the steps agencies have taken to improve administration of FOIA, and gave evidence that agencies are responding to two FOIA hearings held by the subcommittee earlier this year.

But Meredith Fuchs, general counsel for the National Security Archive, said she believes the FOIA executive order was issued to keep Congress from passing legislation amending the law again.

"It's great to have cheerleading, but it is going to take money, hard work and an investment in technology and people to reform FOIA," Fuchs said. "We think that the executive order could have a wonderful impact on FOIA, but the agencies' goals actually have to be implemented."

Senate Judiciary Committee Ranking Member Patrick Leahy, D-Vt., said in a statement that he shares the National Security Archive's concerns regarding compliance with the 1996 amendment.

"Legislative improvements to FOIA are meaningless without adequate resources and training to implement these improvements," Leahy said. "I am also troubled that many federal agencies lack access to the technology needed to implement the amendments. Technology can play an important role in promoting openness in our government."

Legislation moving through the House (H.R. 867) and Senate (S. 394) would impose tighter enforcement of the current 20-day deadline for responding to FOIA requests, create an online and telephone-based system for tracking FOIA requests and create a FOIA ombudsman to mediate disputes between agencies and the public over information requests.

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Rick Blum, coordinator of the Sunshine in Government Initiative, a coalition of media groups, said the Justice report and the agency FOIA improvement plans showed that an executive order is not a substitute for legislation to strengthen the process of handling requests for government documents.

"The report did point out that the executive order really is unique and did go a ways to show that agencies should make some common sense changes," Blum said. "The problem is, where are they going to get the money?"

Patrice McDermott, director of OpenTheGovernment.org, a coalition of journalists and good government groups, said that without legislation tied to agencies' budgets, a substantial improvement in the administration of FOIA is out of reach.

Research Group Questions 'rosy' Report On Agencies' FOIA Progress (FEDTIMES)

By Aimee Curl

Federal Times, October 25, 2006

The National Security Archive, criticizing a recent report by Attorney General Alberto Gonzales, has called on Congress to hold hearings to determine if genuine progress is being made in agency administration of the Freedom of Information Act.

Gonzales' report, issued Oct. 16, highlighted progress agencies are making to comply with a presidential directive, issued last year, that requires agencies to name chief FOIA officers and create improvement plans to streamline the processing of FOIA requests. Gonzales wrote that the executive order "has had an immediate and widespread positive effect on the operations of the federal agencies that administer the FOIA."

In letters to both Gonzales and leaders in the Senate Judiciary and House Government Reform committees, the Washington-based research group — which collects and publishes documents obtained through FOIA requests — called the report "rosy" and said it "ignored critical challenges facing the federal FOIA system."

"While the AG report is optimistic about the agencies' newfound embrace of technology/automation, FOIA request status tracking and backlog reduction, it fails to provide an honest assessment of where agencies' FOIA programs stand today and what it will take to bring their FOIA programs into compliance with the law," the letters said.

Daniel Metcalfe, director of the Office of Information and Privacy at the Justice Department, said the report gives an "accurate appraisal of agency improvement plans."

He noted that this is the first of three reports.

"A key development before the next report is that agencies will report their implementation successes as part of their annual FOIA report," Metcalfe said. "All agencies are now implementing their plans and are going to report on their initial successes as part of this process by Feb. 1. The next attorney general's report will be based on this first phase of plan implementation."

Rep. Todd Platts, R-Pa., chairman of the House Government Reform subcommittee on government management, finance and accountability held a hearing in July to discuss progress on the executive order.

Subcommittee spokeswoman Tabetha Mueller said Platts will hold additional oversight hearings as the letter from the National Security Archive suggests.

"Oversight is very important with something like FOIA," Mueller said. "The only way to guard against agencies not meeting their goals is with vigilant oversight."

In a statement released following his receipt of the letter, Sen. Patrick Leahy, D-Vt., agreed that congressional oversight is critical and also promised to continue to press for future hearings.

Dana Gets More Time For Bonus Plan (DOW)

By Tiffany Kary, Dow Jones Newswires

Dow Jones, October 25, 2006

NEW YORK — Dana Corp. on Tuesday won more time to develop a new legal strategy to obtain a package of bonuses for its chief executive and other top executives.

Judge Burton Lifland of the U.S. Bankruptcy Court in Manhattan, who previously rejected the proposed bonuses, approved the auto-parts suppliers request to further its legal work on a schedule that would permit a Nov. 8 final hearing on its request for a long-term incentive plan for executives.

Even so, Lifland continued to question whether the timeline was too "aggressive" and whether Dana's strategy made sense. "Frankly, I'm not fully comprehensive of the strategy of this motion," Lifland said.

The Toledo, Ohio, company has asked Lifland to reconsider his ruling striking down a program that would have paid Chief Executive Michael J. Burns $9.1 million over the next few years _ including a $6 million bonus once Dana exits Chapter 11 protection.

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The Justice Department has called the request improper because it is in effect asking the court guidance on how to get the bonus plan approved.

"We are not as of yet a part of the growing consensus in this case," said Andrew Velez-Rivera, speaking in court Tuesday as a trial attorney representing the Justice Department's Office of the U.S. Trustee. That office monitors bankruptcy cases to ensure that participants comply with bankruptcy law.

Corinne Ball, an attorney for Dana, said that there has been "growing consensus" between the company and creditors on the executive-compensation plans, and that Dana needs more time to craft non-compete, non-disclosure and non-disparagement clauses for executives.

"We have reached an agreement with the official creditors committee on a long-term incentive plan for six key executives," she said.

Lifland had previously denied the executive bonus program, saying the proposal would have violated provisions of the 2005 bankruptcy law. Those provisions allow retention bonuses only if the employee has a competing offer for equal or higher pay, setting a higher standard than old laws.

Several Dana retirees have sent letters to Lifland _ some of them handwritten _ praising the judge for rejecting the proposed bonuses and pleading with him not to reconsider his decision. The letters have been included in Dana's bankruptcy-court record.

"It again appears that Mr. Michael J. Burns, CEO of Dana Corp. and its board of directors are more intrigued with trying to design an executive compensation plan to reward Mr. Burns and other executives should they be successful to emerge from Chapter 11, or that Dana Corp. be sold," Louis H. Benien, one of the retirees, wrote in one letter.

"It would seem to me that their time would be better spent on how they are going to protect the continued existence of Dana, the jobs of their people (which many of us lost), their retirees, and the best interest for their shareholders," Benien said.

Bankrupt Opposition (WSJ)

The Wall Street Journal, October 25, 2006

When President Bush signed the Bankruptcy Abuse Prevention and Consumer Protection Act last year, Democrats and "consumer" groups not only cried foul but predicted doom. A year after the law was enacted, however, the evidence suggests that their fears were misplaced, not to say cynical.

A modest reform at best, the law was designed to prevent people from having their debts erased regardless of their ability to repay them. Between 1995 and 2004, personal bankruptcies rose 78%. More and more people were running up credit-card and other debt and then seeking Chapter 7 relief, which essentially allowed them to walk away from their obligations.

Under the new law, more of those individuals are required to file for Chapter 13 bankruptcy and submit to a means-tested, court-ordered repayment plan. The law makes exceptions for the poor and elderly, as well as extraordinary cases involving debt that results from medical expenses, military service or divorce.

Not that any of those carve-outs stopped such Democrats as Senator Ted Kennedy from denouncing the reform as "a bill for which the credit-card industry hopes to squeeze an extra few dollars a month out of Americans who are down on their luck." Consumers Union called the legislation a "disaster," and the National Association of Consumer Bank Attorneys said adequate bankruptcy relief would no longer be available to the average person. For the Consumers Union, in particular, this rhetoric fits its pattern of being wrong on nearly every antitrust, consumer finance or telecommunications issue of the day.

Today, the number of bankruptcy filings is down some two-thirds from what it's been in recent years. Partly this has to do with people rushing to file for Chapter 7 before the law took effect last October. But there are also indications that people are responding to the new incentives.

In the past, about 20% of bankruptcy filers have had incomes above the national median. But since the law took effect, nearly all filers are below the median. One plausible explanation is that many past filers were abusing the system. They didn't really need bankruptcy protection, and now that there's a test of their income and assets in place that might compel them to repay their debts, they've decided not to file.

That's good news for businesses and consumers alike. Abuse of the bankruptcy laws drives up the cost of credit for everyone and reduces credit availability at the margin. When people are allowed to exploit the bankruptcy code and burn their lenders, others are left to pick up the tab.

It will probably be another year or so before long-term trends can be projected, and the economy will remain an important factor. But the early returns are promising and show that Congress did the right thing by ignoring the doomsayers.

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CIVIL RIGHTS:

NAACP Decries Fine For Couture (RTD)

By Jim Nolan, TIMES-DISPATCH STAFF WRITER

Richmond (VA) Times-Dispatch, October 25, 2006

Ex-officer convicted of manslaughter in traffic-stop shooting

Leaders of the state and Richmond-area branches of the NAACP yesterday decried the $2,500 fine imposed against a former police officer convicted of manslaughter in the May 29, 2004, shooting death of Santanna Olavarria.

On Friday, a jury convicted Michael Couture, 33, of manslaughter. Two hours later, the jury returned with a recommended sentence of $2,500 and no jail time, which the judge imposed. Couture could have faced up to 10 years in prison.

"This sends a message that black people's lives have very little value to citizens, the criminal justice system and all other institutions in this society," the NAACP leaders said in a joint statement issued at a news conference yesterday afternoon.

The leaders also called for the Justice Department to pursue a civil-rights investigation into the shooting, in which then-officer Couture fatally shot the 21-year-old Olavarria following a traffic stop in the city's East End.

"Life has to be more valued," said Rayfield Vines Jr., head of the Henrico County chapter of the NAACP. "We are going to insist people give life more value."

In February 2005, Police Chief Rodney Monroe forwarded all of the department's police-involved shooting cases to the Justice Department for investigation, including the Olavarria shooting. To date, there have been no federal charges filed in the Olavarria case.

Couture is believed to be the first police officer in the modern history of the city's police department to have been convicted of a homicide while on duty.

After the verdict last Friday, Commonwealth's Attorney Michael N. Herring said he was satisfied with the decision but disappointed with the absence of jail time in the punishment recommended by the jury.

Last fall, Couture's first trial in the Olavarria killing on a second-degree murder charge ended in a hung jury. Herring presented the evidence to a grand jury this year, which returned an indictment of manslaughter against Couture.

King Salim Khalfani, executive director of the Virginia State Conference of the NAACP, had criticized the police training and screening process that made Couture a Richmond officer. He also had criticized Herring for not retrying the second-degree murder charges.

But yesterday, he had to acknowledge that it was a mixed-race jury, not a prosecutor, that gave an ex-officer a fine for a killing.

"It's not just a police issue," Khalfani said. "Citizens made this decision. . . .

"There's a Confederate mentality that even affects black folks, who don't have a love for self."

Contact staff writer Jim Nolan at jnolan@timesdispatch.com or (804) 649-6061.

Two Jailers Indicted, Another Pleads Guilty In Inmate Assaults (AP)

By Holbrook Mohr

AP, October 25, 2006

JACKSON, Miss. - A former jailer at a regional prison in Louisville has pleaded guilty to assaulting an inmate and is working with federal prosecutors in a case against two former correctional supervisors accused of similar crimes, the U.S. Justice Department said Tuesday.

Former Winston-Choctaw County Regional Correctional Facility Deputy Warden Scotty L. Graham and former Captain David G. Mitchell are charged with violating the inmates' civil rights, conspiring to obstruct justice and providing false statements, the Justice Department said.

Former officer Marcus Coleman already has pleaded guilty to similar charges, the Justice Department said, and has agreed to cooperate with federal prosecutors.

An indictment unsealed Tuesday in Washington accuses Graham and Mitchell of assaulting an inmate in October 2001 with a device known as a "shock stick." Mitchell is charged with an additional civil rights violation for allegedly attacking another inmate the same day.

Details of the alleged attacks were not available.

"The details will come out if there's any sort of trial proceeding," said Justice Department spokeswoman Cynthia Magnuson.

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Mitchell and Graham face penalties of 10 years in prison on each civil rights violation and obstruction charges, and a maximum five-year sentence on the conspiracy charges.

Telephone numbers for both men were disconnected on Tuesday.

Coleman told U.S. District Judge Michael Mills in Oxford on Sept. 28 that he and "Mitchell assaulted the inmate and ... Graham encouraged them to continue the assault in a location where there would not be any witnesses," the Justice Department says.

Charles Tillery, chief operating officer of the prison, contacted on Tuesday by The Associated Press, said he was not familiar enough with the charges to comment. He said Warden Ed Hargett was not available.

Sheriff Walter Coburn, who runs the facility as part of an agreement with the Mississippi Department of Corrections, said he was elected in 2003 and the alleged assaults happened before he took office in January 2004.

"I don't mind commenting but I'm not going to do it over the phone," Coburn said. "If you send somebody down here where I can look them in the face, then I'll comment."

MDOC spokeswoman Tara Booth said corrections officials would have no comment.

The Louisville facility opened in March 1999 and houses a combination of about 374 state and county inmates, Tillery said. The facility in Louisville, some 100 miles northeast of Jackson, is one of 11 regional facilities operated by the MDOC and county governments.

It was not immediately clear whether the people assaulted were state prisoners or county inmates.

Federal Oversight Of Mental Health Plan To Be Lifted (HONADV)

By Ken Kobayashi, Advertiser Staff Writer

Honolulu Advertiser, October 25, 2006

A federal judge this morning cleared the way for the lifting on Nov. 30 of the federal oversight over the state's efforts to comply with a community mental health plan to serve Hawai'i's estimated 11,000 seriously mentally ill residents.

U. S. District Judge David Ezra essentially approved the latest federal magistrate's status report on the state efforts.

Although U. S. Magistrate Judge Kevin Chang could not say in his report in August that the state met a June 30 deadline to be in substantial compliance with the plan, he said the state made progress and he recommended the lifting of the oversight on Nov. 30.

"This case will simply terminate (on Nov. 30)," Judge Ezra said.

Attorney General Mark Bennett said even with the lifting of the federal oversight, the state will continue to seek to improve the mental health services.

"We will keep our noses to the grindstone," he said.

The state has been under federal oversight for 15 years as a result of a Justice Department lawsuit alleging violations the constitutional rights of patients at Hawai'i State Hospital.

The hospital emerged from the oversight in late 2004, but the oversight continued over the community plan aimed at providing adequate services to the mentally ill in the community.

Justice Department attorneys agreed to the lifting of the oversight on Nov. 30 after the state raised concerns about whether the federal oversight could continue beyond June 30.

The community plan is aimed at providing adequate treatment, services and housing for the mentally ill.

Reach Ken Kobayashi at kkobayashi@honoluluadvertiser.com or 525-8030.

Studies Look For Reasons Behind Racial Disparities In Health Care (WP)

By Christopher Lee

The Washington Post, October 25, 2006

Racial minorities are less likely to undergo major surgeries at the hospitals where those operations are done best, and black patients at Medicare HMOs fare worse than whites on several health measures regardless of plan quality, according to studies being released today.

The two studies in today's issue of the Journal of the American Medical Association, plus a third showing that black women are less likely than their white counterparts to survive breast cancer, add to the voluminous evidence that the U.S. health-care system works differently for minorities than for whites despite years of efforts to erase racial disparities.

Studies have demonstrated that blacks and other minorities are far less likely than whites to receive many types of care, such as appendectomies, heart bypass surgery, or basic tests and drugs for heart disease and diabetes. Minorities on average are more prone to illness, have more complications and recover more slowly. They also are more likely to die from their illnesses, and to die younger.

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But while the persistent disparities are well-documented, the causes remain the focus of research and debate. One explanation is that minorities tend to be poorer and less educated, with less access to care. And they tend to live in places where doctors and hospitals provide lower quality care than elsewhere. Others suspect cultural or biological differences play a role, and there is a long-running debate about whether subtle racism infects the health-care system.

Major medical organizations, private foundations and government health agencies have begun a host of studies, programs and initiatives in the past decade to try to close the gap.

In one new study, researchers at the UCLA medical school studied 719,608 patients who underwent one of 10 major operations -- including knee replacement, heart bypass and lung cancer surgeries -- over a five-year period.

They found that blacks, Hispanics and Asians were less likely than whites to receive care at hospitals that perform a high volume of the surgeries and excel in them. Minority patients were more likely to have their operations at low-volume hospitals, where mortality rates tend to be higher. The same was true for uninsured and Medicaid patients, who are disproportionately minorities.

"The current study demonstrates a significant disparity in the distribution of patients at high- and low-volume hospitals with respect to race/ethnicity and insurance status," the authors wrote.

The racial disparities remained even after accounting for income, age and how close a person lived to high- and low-volume hospitals. The researchers suggest that inadequate transportation or the lack of knowledge among minorities about hospital quality could be factors. Minorities are underrepresented among surgeons, and physicians who care for black patients are less likely to be board certified in a specialty and may have a harder time getting access to the better hospitals for their patients.

"Everyone wants to improve quality, but it's difficult," said Clifford Y. Ko, a co-author and professor of surgery at UCLA. "Not everyone can go to these high-volume places. . . . I personally think that instead of identifying one out of however many hospitals that people should go to that might have good outcomes, we should try to improve care at all hospitals."

A second study, led by Amal N. Trivedi, assistant professor of community health at Brown University, found that blacks do worse than whites in controlling blood pressure, blood sugar and cholesterol levels despite quality improvements at Medicare HMOs that have succeeded in shrinking gaps in care received by minorities and whites. The study, which looked at more than 430,000 patients in 151 plans, found that the disparity existed in both high- and low-quality Medicare HMOs -- undercutting the theory that blacks fare worse because they receive their care from lower quality providers.

"Across the board, black enrollees have lower performance on these measures," Trivedi said in an interview. "And the gaps were wide. . . . Even high-quality plans do not provide effective medical treatment for all of their patients."

Health plans should examine whether black patients lack access to medication or cannot afford it, because drugs can be effective in controlling conditions such as high cholesterol, blood pressure and blood sugar, Trivedi said. It also is worth trying to figure out whether black enrollees tend to get their care from lower-quality physicians within plans, he said.

"We can't say specifically why the gaps exist in each plan," Trivedi said. "It's probably a shared responsibility of plans, providers and patients. There's probably not one factor that explains all of the disparity, but health plans do play an important role."

In the breast cancer study, published online Monday in the journal Cancer, researchers from the University of Texas M.D. Anderson Cancer Center in Houston examined 2,140 patients who took part in clinical trails at the cancer center from 1975 to 2000. They found that black women had lower survival rates than white and Hispanic women, and that black patients had more advanced cancer at the time of treatment.

Previous studies with similar results have concluded that less frequent screening, less aggressive treatment and different access to care may be factors in lower survival rates for black women. But because all women in the new study received the same treatment, researchers think that breast cancer tumors may be more aggressive and less responsive to treatment in black women.

"These findings should prompt additional research on how we can improve outcomes for African American patients by understanding and addressing tumor biology," said Wendy Woodward, an assistant professor of radiation oncology at the cancer center and lead author of the study.

Virginia Battle On Same-sex 'Marriage' Down To Wire (WT)

By Seth Mclaughlin

The Washington Times, October 25, 2006

RICHMOND -- The fight over a proposed constitutional ban of same-sex "marriage" is heating up as both sides of the debate deliver their final sales pitches two weeks before the Nov. 7 election.

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Yesterday, Gov. Timothy M. Kaine, a Democrat, and his father-in-law, former Gov. A. Linwood Holton Jr., a Republican, encouraged Virginians to oppose the amendment, saying the proposal is excessive because the state already defines marriage as a union between a man and a woman and its "ambiguous" language could lead to unintended consequences for unmarried couples.

"In states that have passed similar language, the ability of partners who are not married to obtain the social service and other protections of family courts have been thrown into jeopardy by this language, and I think that would be a very negative consequence," Mr. Kaine said, before signing with his wife and Mr. Holton, a statement from 200 lawyers and legal scholars in opposition of the amendment.

"We're talking in this amendment about fooling around with [the Virginia Constitution] in a way that will create confusion and unfortunately litigation for two or three generations," said Mr. Holton, who has at times been at odds with Republicans for supporting Democrats. "It just runs a serious risk of messing up our constitution."

Their remarks clash with the opinions of most Republicans, including Lt. Gov. Bill Bolling, Attorney General Bob McDonnell and Sen. George Allen, who say traditional marriage must be protected from "activist judges."

"The proposed amendment preserves marriage as a union solely between one man and one woman, while not limiting or infringing upon the current legal or civil rights of unmarried Virginians," Mr. McDonnell said yesterday. "The argument regarding alleged unintended consequences is completely wrong and legally unsupportable."

Political analysts agree that the amendment could motivate conservatives to turn out for Mr. Allen, who is in a tight race against Democrat James H. Webb Jr. for the U.S. Senate. Mr. Webb opposes the amendment.

A poll conducted by The Washington Post earlier this month showed that 53 percent of Virginians support the marriage amendment, while 43 percent oppose it.

The proposed amendment in Virginia, which the General Assembly overwhelmingly passed in consecutive legislative sessions, has fueled an emotional and costly campaign, according to financial reports filed with the State Board of Elections.

The Commonwealth Coalition, a group of homosexual rights activists and religious and business organizations, has raised $761,089 since July 1 and has spent $390,316 trying to defeat the amendment.

Amendment supporter Va4marriage.org, an affiliate of the Richmond-based Family Foundation, has raised $204,667 and spent $136,915 over the same period.

Nationwide, homosexual rights activists hope the tide turns this year as voters in eight states -- including Virginia, South Carolina, Tennessee and Colorado -- decide Nov. 7 whether to approve similar constitutional bans.

Recent history shows they are going against the odds. So far, voters in 20 states have approved such amendments.

"The proponents of the amendment always have the upper hand," Mr. Kaine said. "So we are all standing here fighting the good fight, recognizing we are fighting an uphill battle."

Anne Holton, Mr. Kaine's wife and a former family court judge, said one of the reasons these amendments have been so successful "is that folks think it is pro-marriage."

"It is false advertising to say this is a pro-marriage amendment," she said. "It does absolutely nothing to protect or strengthen marriage. ... This may be the time when people stand up and say, 'Wait a minute. What ... is this all about?' "

She said the amendment could hurt child-custody laws and undermine the domestic-violence laws for both homosexual and unmarried heterosexual couples.

Politically, the battle has fallen largely along party lines.

At a debate Monday in Richmond, Delegate Robert G. Marshall, Prince William County Republican, reportedly said that "marriage is under attack" and that passing the amendment would "stop the gay agenda."

Last week, Delegates Franklin P. Hall and Dwight Clinton Jones, Richmond Democrats, summed up the opposition of six members of the Richmond delegation.

"We are particularly concerned about removing the protections of our domestic-violence laws from unmarried victims, depriving unmarried couples of the comfort of their loved ones in time of medical crisis, or exposing Virginia businesses ... to an unpredictable risk of litigation and the inability to stay competitive in hiring the best employees in a very competitive job market," they said.

Leaders on both sides of the issue are targeting college campuses, trying to woo young voters. The Associated Press reported that there were more than 400,000 registered voters ages 18 to 25 in Virginia last year, according to the State Board of Elections.

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ANTITRUST:

Carlyle-Led Steel Deal Spotlights Unheralded Side Of Private Equity (WSJ)

By Henny Sender

The Wall Street Journal, October 25, 2006

John Maneely Co., a maker of steel tubing that is owned by private-equity giant Carlyle Group, is expected to announce a merger with Atlas Tube Inc. today in a deal valued at almost $1.5 billion, including stock and debt.

The move to bulk up Maneely comes amid a boom in private-equity transactions, in which groups like Carlyle team up to buy companies they believe are undervalued -- often using elaborate financial arrangements -- with hopes of selling them later at a profit.

While the proposed Maneely transaction is relatively small, it illustrates how not all these deals are about financial maneuvering. In this case, Carlyle is buying a rival manufacturer in order to gain economies of scale. Both Maneely and family-owned Atlas manufacture tubing used in the construction industry.

The merger with Atlas, which is based in Harrow, Ontario, will make Carlyle the parent of the largest North American maker of steel tubing, with sales in excess of $2 billion, the companies say.

When Carlyle Group acquired Maneely earlier this year, it seemed counterintuitive, given that costs for energy and raw materials such as iron ore were soaring, potentially eroding profit margins and making it a high-cost business to get into. At the same time, competition was stiff from lower-cost producers such as China. While the U.S. imposes tariffs on steel, there are none on steel-based products such as tubing.

Carlyle's hope is that there will be a role for local manufacturers if they had enough scale, says Daniel Pryor, a managing director at Carlyle. He described the proposed deal as the first in a series of mergers intended to give the steel-tube maker critical mass.

"We thought if we could improve systems and processes," he says, "we could get the material costs down substantially."

Atlas is a family-owned company whose head, Barry Zekelman, inherited the business at the age of 19 following the death of his father. He built the firm from a company with sales of two million Canadian dollars ($1.77 million) 20 years ago, to a company that last year had revenue of C$1.3 billion. He decided to sell to Carlyle, he says, "because I want to make my company stronger by giving it a more powerful platform." Mr. Zekelman will stay on as head of commercial and manufacturing for the combined entity.

If Sergio Leone Made A Movie About Antitrust . (WSJ)

By HOLMAN W. JENKINS

The Wall Street Journal, October 25, 2006

Holman W. Jenkins Jr. is a member of the editorial board of The Wall Street Journal and writes editorials and the weekly Business World column.

Mr. Jenkins joined the Journal in May 1992 as a writer for the editorial page in New York. In February 1994, he moved to Hong Kong as editor of The Asian Wall Street Journal's editorial page. He returned to the domestic Journal in December 1995 as a member of the paper's editorial board and was based in San Francisco. In April 1997, he returned to the Journal's New York office. Mr. Jenkins won a 1997 Gerald Loeb Award for distinguished business and financial coverage.

Born in Philadelphia, Mr. Jenkins received a bachelor's degree from Hobart and William Smith Colleges in Geneva, N.Y. He received a master's degree in journalism from Northwestern University in Evanston, Ill., and studied at the University of Michigan on a journalism fellowship.

Mr. Jenkins invites comments to holman.jenkins@wsj.com1.

If Sergio Leone Made a Movie About Antitrust . . .

October 25, 2006; Page A15

Stolt-Nielsen is a name that won't ring many bells unless your peculiar interest is ocean shipping or knotty business cases that might tempt the Supreme Court's intervention.

Or perhaps you are a corporate counsel for a major international company who just happened to be wondering, out of idle curiosity, whether the amnesty deals signed by the Justice Department in price-fixing cases are worth the paper they're written on. Just a theoretical interest, of course . . .

Here's Stolt's tale of woe. The company is one of a handful of specialty chemical haulers that are dwarfed in size and clout by their customers, including Dow Chemical, DuPont, Shell and BP. It is deemed an abomination in some circles that these ship

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operators colluded over rates for several years, pocketing in "excess profits" a sum that by now has been vastly exceeded by the legal bills of all involved in the subsequent litigation (legal bills that are naturally passed on to consumers and taxpayers).

Now Stolt finds itself hanging on whether the Supreme Court will hear its plea challenging the Justice Department's right to revoke an amnesty deal granted to Stolt in return for its help in cracking the cartel.

For what follows it's helpful to decide how nefarious you really think the underlying offense is. Advocates of price-fixing prosecutions argue that consumers are harmed by higher prices, but by this standard consumers are harmed by any price above zero.

It seems right to mention that producers are people too and are harmed by lower prices. Whose side should we take? Do consumers have any particular "rights" here? Not that we can see. The only "rights" in jeopardy are those of producers, whose freedom of contract and property are sacrificed on the altar of a theorized higher good, known as "efficiency."

Yet the empirical record of this higher good is murky. In practice, price-fixing seems mainly a temptation to companies seeking to preserve capacity in periods of weak pricing. Take Stolt: It and its rivals colluded at a time when their customers were consolidating and Stolt was piling up debt to bring a new generation of chemical tankers into the marketplace. Indeed, these features seem to be a hallmark of many price-fixing prosecutions: cyclical commodity markets; large customers; suppliers who face high fixed costs to maintain the capacity required by those customers.

What really goes on when companies collude could stand some fresh examination, but trustbusters are not likely to question the provenance of their last breadstick. On the contrary, Justice and its foreign counterparts have become reliant on -- even made a growth business out of -- prosecuting price-fixing as the last, unambiguous antitrust sin.

The new era began in 1993 when a Justice Department amnesty program was retooled to make it more enticing for firms to rat out their fellow miscreants in return for guaranteed leniency. The approach has been nothing if not fruitful: Brought to the bar have been dozens of industries, including bulk vitamins, animal-feed additives, copper concentrate, cement, hydrogen peroxide, sorbic acid, creosote, naphthalene, polyethylene film, citric acid and sodium gluconate.

That's a lot of price fixing, suggesting that intermittent collusion has long been a feature of markets for many industrial inputs and somehow the world has prospered anyway. Yet peer into the heart of the Stolt dispute, and the problem is precisely Justice's tender doubts about the sincerity of Stolt management's remorse for its crimes.

By the time the company showed up on Justice's doorstep, after all, the details of the plot had been well-aired in an executive whistleblower's private lawsuit and, later, in a front-page Journal story. Stolt's approach to Justice, in spirit if not word, was roughly: "The cat's out of the bag. Let's cut our losses by finking on our erstwhile partners and beat them into the amnesty program."

Let it be added that cartel activities have been a shipping tradition since long before antitrust was invented, and continue today in various form under grandfathered exemptions to the antitrust laws. Of Norwegian birth, Stolt is controlled by a shipping family that has been in the business since 1891.

Cynical bargain or not, Justice granted Stolt immunity in return for Stolt coughing up the evidence to allow the successful prosecution of its fellow conspirators (two Norwegian firms, one Japanese). Only after the cases were concluded did Justice renege on grounds that Stolt's management had allowed the collusion to continue for several months between the whistleblower's internal hullabaloo and Stolt's decision to seek amnesty. Of course, Justice had known all this from day one and had chosen to sign the agreement and benefit from Stolt's help anyway.

Nine petitioners, including the U.S. Chamber of Commerce, have joined Stolt in urging the Supreme Court to find that Justice has no business indicting Stolt and its employees until the lower courts have definitively ruled the amnesty deal invalid. In fact, the one federal court that looked into the matter ruled that Stolt had upheld its end of the bargain and ordered Justice to do likewise.

Here's our view: At best, antitrust is a questionable form of economic regulation that places a highly speculative theory of consumer good ahead of the actual, non-controversial rights of producers to sell on terms of their own choosing. Justice has done itself no favors by calling into question the reliability of its amnesty promises. The Gordian knot here is its excessive moralizing of its own position. With its brain a little less clouded by self-righteousness, the department might notice that its campaign to impose its dubious ideal of price regulation on the world might actually be helped if it grew up a little about antitrust.

Thomson Nears Plan To Put Learning Unit On Block (WSJ)

By Dennis K. Berman In New York And Elena Cherney In Toronto

The Wall Street Journal, October 25, 2006

Publishing and information giant Thomson Corp. is near a plan to put its Thomson Learning division on the auction block, in a deal that could fetch somewhere north of $5 billion, said people familiar with the matter.

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A deal would separate the company's second-largest unit as measured both by revenue and operating income. And it would concentrate Thomson's broad operating lines around legal, financial and scientific-information businesses. Analysts have been calling for a sale of Thomson Learning because it doesn't fit with the company's strategy of selling to professionals. The Learning division also wasn't moving as quickly to sales of electronic products as had been hoped.

The company has been a solid performer over the past year, with its shares climbing about 18% year-to-date, versus a 9% rise for an index of publishing companies maintained by data provider Baseline, itself a Thomson unit.

Moving From Historic Roots

In recent years, Thomson has adeptly exited certain businesses that subsequently declined in profitability. Starting in the late 1990s, the company began shedding newspaper assets -- a move away from its historic roots as a Canadian-based newspaper empire -- to refashion itself as an information provider, with more of its services delivered online instead of in print. The sales included The Globe and Mail as well as other smaller dailies.

A company spokesman declined to comment on the planned sale.

Last year, Thomson Learning produced $2.3 billion in revenue and operating income before taxes of $350 million. The unit's earnings before interest, taxes, depreciation and amortization -- a measure commonly used in the publishing industry -- is higher than that figure, people familiar with the matter say. These people said that the business should be able to fetch more than 10 times its annual Ebitda, getting a potential sale price greater than $5 billion.

Thomson Learning's textbooks, testing and certification materials are used by colleges and distance-learning organizations, and include its Thomson Wadsworth, Thomson Gale and Thomson Delmar imprints. The unit also maintains a number of online learning courses and its own university, Universitas 21 Global, which issues graduate degrees through online instruction.

Thomson Learning also maintains a unit called Prometric, which designs and processes tests used inside corporations, for the public sector and counts as clients the National Association of Securities Dealers and the National Board of Medical Examiners.

More recently, Chief Executive Richard Harrington has talked about the company's shift from an information provider to a developer of software and high-end analytics. The company embarked on a cost-cutting program earlier this year to boost efficiency and said it will shed about 1,000 of its 40,000 employees world-wide.

In the second quarter, the company said earnings came to $171 million, down from $301 million because of charges related to cost-cutting in the recent quarter. The previous year's results also included a one-time gain. Quarterly revenue increased 7% to $2.1 billion from $1.97 billion last year.

Demand for Publishing Services

The Legal and Regulatory group increased its revenue by 9% to $923 million, while Thomson Financial, which provides electronic financial information, increased by 6% to $499 million.

The Learning division's revenue was $456 million, or 5% higher than in the same period a year earlier. The business growth was fueled by strong demand for some of the company's publishing services and by textbooks for arts and sciences and for business and economics students. E-learning results, however, were weak, the company said.

The company said that it anticipated stronger performance in the third and fourth quarters, which are typically stronger for the academic lines of business. The company is scheduled to report third-quarter earnings tomorrow.

Write to Dennis K. Berman at dennis.berman@wsj.com1 and Elena Cherney at elena.cherney@wsj.com2

EU Probes Guarantee For Loan To TVO (AP)

AP, October 25, 2006

BRUSSELS, Belgium --EU antitrust regulators on Tuesday opened an investigation into a French state guarantee for a euro570 million (US$716 million) bank loan to Finnish power company Teollisuuden Voima Oy that may have helped a French-German supplier win a contract to build Finland's newest nuclear plant.

The European Commission said the guarantee may have cut TVO's financial costs below normal market levels -- and could have encouraged the company to pick Areva-Siemens to build the first new European reactor in more than 10 years.

"The guarantee may also have lowered the financial costs linked to the Areva/Siemens offer for TVO and, thereby helped the consortium Areva/Siemens to get the contract for the construction of the new nuclear power plant," it said.

The EU executive said it would quiz France about the loan -- the interest rate and the guarantee premium TVO paid the French government -- to find out if it gave TVO a cheaper deal and an unfair advantage over rivals.

It said it was acting on two complaints about the guarantee the French state export credit insurance agency Coface gave to TVO to purchase equipment from France's Areva-Framatome.

Lauri Piekkari, chief financial officer of TVO, said the company had not directly received financial support.

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"The suspicion is whether the French government's guarantee has been too generous," Piekkari told reporters in Helsinki. The investigation won't affect the timetable of the already twice-delayed project, he said.

In July, TVO said completion of Finland's fifth nuclear reactor will be delayed by a year and that the plant would not be in commercial operation until the second quarter of 2010.

The supplier of the 1,600-megawatt reactor, the French-German consortium Areva-Siemens, was unable to complete the project on time because of the size and demands of the construction, TVO said. Earlier, TVO had announced a delay of several months caused by faulty concrete.

Construction of the euro3-billion (US$3.7-billion) atomic reactor at Olkiluoto began last year after the government gave it final approval. It is situated 250 kilometers (155 miles) northwest of the capital, at the site of two 750-megawatt nuclear units.

Besides the Olkiluoto units, there are two 500-megawatt reactors at Loviisa, 90 kilometers (55 miles) east of Helsinki. The four produce more than a quarter of Finland's electricity.

On the Net:

TVO, http://www.tvo.fi

ENVIRONMENT:

Hopes Brighten For Curb On Damaging Ocean Fishing (CSM)

By Peter N. Spotts

The Christian Science Monitor, October 25, 2006

Less than 1 percent of the world's commercial fish catch comes from trawling the ocean floor of the high seas.

But the environmental impact is large - so large that many countries ban or severely restrict the practice within their territorial waters. This week, an international effort to curb bottom-trawling on the open ocean got a significant boost. In a letter to US negotiators at the United Nations on Monday, a top State Department official set out Washington's unambiguous support for a halt to the practice "until such time as conservation and management measures are adopted."

UN negotiators are trying to craft a proposal to submit to the General Assembly for a vote in early December.

Enacting the moratorium "would be a very big deal," says Joshua Reichert, who heads the environment program at the Pew Charitable Trusts in Philadelphia.

Countries have been cracking down on the practice inside their exclusive economic zones. In March, for example, the US banned bottom-trawling in waters covering some 150,000 square miles off the US West Coast. Europeans have banned the practice in the Mediterranean at depths greater than 3,200 feet. But outside the 200-mile exclusive economic zones that nations claim, bottom-trawling continues unabated.

Powerful trawlers drag nets across the ocean bottom at depths of up to 1.5 miles. This enables them to reach once inaccessible habitats such as undersea islands known as sea mounts. The nets, with yawning maws up to 200 feet across, are weighted with large steel "doors" that weigh up to 5 tons each. The idea is to "tickle" the bottom so that fish there rise into the path of the open net. But the doors, as well as rollers or wheels along the bottom of the net's opening, rip up or crush deep-sea coral reefs, colonies of sponges, and other structure-forming bottom dwellers. For instance, in 1997 during a year's fishing along a formation in the Pacific called the South Tasman Rise, 20 trawlers ripped up an estimated 10,000 tons of coral in the process of harvesting 4,000 tons of their target species, orange roughy, according to conservation groups.

"It's like clear-cutting a forest to capture squirrels," Mr. Reichert says.

Such concerns have sparked the interest in a worldwide moratorium on the practice so UN negotiators can work out rules to regulate the practice.

The administration's stance on this critical marine-conservation issue may come as a surprise to some, given what many environmentalists call a shaky White House record on other environmental issues. But the president appears to have a deep personal concern about overfishing, Reichert says. That concern was manifest most recently in June when the president set aside the world's largest marine reserve, stretching some 1,400 miles along the Northwestern Hawaiian Islands.

When President Bush issued a policy statement on bottom-trawling on Oct. 2, some opponents of the moratorium reportedly detected some leeway for a less severe alternative. Monday's letter from Claudia McMurray, assistant secretary of State for oceans and international environmental and scientific affairs, appears to remove any wiggle room, observers say.

A moratorium would have little global economic impact, supporters say. Of nearly 84 million tons of fish hauled from the oceans in 2001, bottom-trawling on the high seas accounted for only 0.2 to 0.25 percent of the total, according to a 2004 report by the World Conservation Union, based in Geneva. Members of the European Community account for the biggest share of the

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high-seas take, with Spain leading the list. For countries using the approach, bottom trawling appears to be the answer to declining fisheries closer to shore. And it is far more efficient - many argue ruthlessly so - than more targeted forms of fishing on the high seas.

Angst over the effects of bottom-trawling dates back hundreds of years, says Roger McManus, senior director of Conservation International's global marine division. But only within the past 10 to 15 years has technology allowed large trawlers to locate and exploit fish that thrive around deep-sea geological features such as sea mounts, underwater canyons, or deep coral reefs.

These isolated features are widely scattered through the oceans. And their ecological health affects the biological productivity of the entire column of water above them, researchers say. These biological hot spots become mid-ocean oases for large fin fish or mammals, such as tuna or whales, that migrate over vast distances and need their version of in-flight refueling. Once a trawler's net bulldozes its way across these habitats, it can take centuries for them to recover, because the organisms there are slow-growing and slow to reproduce, notes Jeremy Collie, an oceanographer at the University of Rhode Island's Graduate School of Oceanography.

Moreover, marine science still knows little about the range of creatures that thrive around these features. Efforts such as the international Census of Marine Life are trying to close the gap, but "we're still in the exploratory phase," Dr. Collie says. "The science is pretty fragmentary."

While some researchers say that the "townies" living in these oases often are species unique to that spot, others suspect that species-exchange among these isolated habitats occurs - a critical point if the UN is to develop rules to manage these ecosystems.

EU, U.S. Meet In Finland To Discuss Climate Change, Environmental Issues (FINDLAW/AP)

AP, October 25, 2006

(AP) - HELSINKI, Finland-Officials from the United States and the European Union - split over the Kyoto protocol - met Tuesday in Finland to discuss ways of improving cooperation on environmental issues.

The EU-U.S. meeting is a follow-up to a summit held in Austria in June, when both sides pledged to work "more closely to address the serious and long-term challenge of climate change, biodiversity loss and air pollution."

Signed in 1997, the Kyoto protocol came into force in February 2005 after it was ratified by the required number of nations, including EU members. It requires signatories to cut emissions of six greenhouse gases to 5 percent below 1990 levels by 2012.

The United States rejected the Kyoto targets as placing an unnecessary burden on its economy, drawing criticism from environmental campaigners who say American pollution is responsible for one-quarter of the world's greenhouse gases.

No decisions will be taken at the Helsinki meeting, hosted by the Environment Ministry, but the aim is to explore ways of increasing trans-Atlantic cooperation on environmental questions, Finnish officials said.

The topics of discussion include reducing greenhouse gas emissions, carbon capture and storage, renewable energy sources and promoting cleaner and more efficient vehicles, the ministry said.

The two-day seminar comes during Finland's six-month rotating presidency of the 25-member European bloc that ends in December.

Oil-, Gas-Lease Sales Halted In Gulf Coast (WSJ)

By Maya Jackson Randall

The Wall Street Journal, October 25, 2006

WASHINGTON -- The state of Louisiana and the U.S. Department of the Interior Tuesday said they have agreed to settle a lawsuit over oil and natural-gas leasing in federal waters off Louisiana's coast, with the agency agreeing to delay future offshore lease sales pending a complete environmental analysis.

Meanwhile, Louisiana, under the pact, won't object to the department issuing leases to energy companies seeking to produce oil and natural gas under Lease Sale 200, which encompasses 20.4 million acres in the Western Gulf of Mexico.

Lease Sale 200 attracted about $341 million in bids from 62 companies looking to produce oil and gas there. Development of the leases could result in as much as 252 million barrels of oil and 1.44 trillion cubic feet of gas, the Interior Department said.

Louisiana had sued the department in July, charging that it did not conduct a proper environmental review for its Lease Sale 200 because it didn't take into account coastal environmental damage caused by drilling as well as that brought on by Hurricanes Katrina and Rita last year.

The move was seen as part of the state's battle to receive a bigger share of the revenue generated by oil and gas produced in federal waters off its coast.

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"Resolving this dispute by agreement rather than litigation benefits our nation's energy security by assuring we can move ahead on the leases issued in Lease Sale 200," Steve Allred, the Interior Department's assistant secretary for land and minerals management, said in a statement.

Louisiana Gov. Kathleen Blanco called the settlement "a historic victory" for Louisiana and states' rights.

"This victory will ensure that our state has a real seat at the table, controlling our own fate as the federal government's number one offshore energy partner," Ms. Blanco said.

Louisiana fought the lease sale, she said, because it didn't want the federal government to "get away with a cookie-cutter environmental assessment" that ignored the devastation to the state's coast during the 2005 hurricane season.

"No exploration plan will even be allowed on Western Gulf Lease Sale 200, which was held in August of this year, until each plan reflects an appropriate environmental analysis and approved by the state," Ms. Blanco said Tuesday.

Although pleased with the settlement, Ms. Blanco continued to press Congress to act on policies that could help her state. U.S. lawmakers should act on a new offshore oil and gas drilling policy that would allow Louisiana to share in a greater portion of the revenues coming from oil and gas production in federal waters off the state's coast, she said, pointing out that the state has already agreed that the new drilling revenues would all go to coastal protection and restoration.

"It's time for Congress to pass a revenue-sharing bill that will allow us to get on with the business of restoring our coast and protecting the communities that support this country's offshore energy policy," Ms. Blanco said.

House and Senate drilling proponents in Congress had hoped to pass a new drilling bill in September, but those plans failed. The bill would expand energy development offshore and would have allowed Gulf States like Louisiana to share some of the revenues. U.S. lawmakers have said they will take up the issue again after the November 7 congressional elections, but it will be difficult to broker a deal on the controversial issue.

Louisiana And U.S. In Accord To Review Gulf Drilling Plans (NYT)

By Adam Nossiter

The New York Times, October 25, 2006

NEW ORLEANS, Oct. 24 — Strengthening Louisiana's hand in its quest for money from Gulf of Mexico oil drilling, state and federal officials announced on Tuesday that stiffer environmental reviews would be conducted before such drilling occurs.

The state hopes that the reviews will bolster its case that it needs more federal money to restore its devastated coast.

The announcement settles a suit that sought to block Washington's sale of offshore tracts for oil and gas exploration. The suit, filed by Gov. Kathleen Babineaux Blanco, was part of the longtime quest for more of the $7 billion in royalties that Washington receives from the oil companies in the gulf.

Local officials put the state's current share at less than 0.5 percent.

Experts say Hurricane Katrina was all the more devastating because so much of the coast protecting New Orleans has been eroded, about 25 square miles a year. Hurricanes Katrina and Rita swept away an additional 217 square miles, the equivalent of 30 years of erosion, over three weeks.

Officials and environmentalists here deem the new accord as a major victory for the state, because it implicitly acknowledges that drilling for oil and gas off Louisiana harms the coastline and contributes to devastating erosion.

That, in turn, strengthens a push by the Louisiana Congressional delegation to obtain more oil and gas royalties out of the gulf, money that the state has said it will use to rebuild the coast.

The Senate has passed a bill that would give Louisiana and other coastal states 37.5 percent of the royalties. The House has yet to agree.

Under the new accord, the Interior Department will "go the extra mile," in the words of a spokesman, in studying at the effects of oil and gas work in the gulf under the state's eye.

The government will have to include the hurricanes' effects on the coast, and new leases will not be issued until the environmental effects are reviewed.

"It's huge," said Prof. Oliver A. Houck, an environmental law specialist at the Tulane University Law School who contributed an affidavit to the suit. "It gives the state a great deal more leverage to insist on a better money solution."

The suit was unusual in the context of a state that through successive governors has sought to appease, rather than confront, the oil and gas industry, which resists the idea that its activities have harmed the environment.

"It was like the calf accusing the cow," Professor Houck said. "The state has never taken that position. Suddenly, everything the environmentalists have been saying, the state was saying."

Governor Is Blunt To Bush (LAT)

By Michael Finnegan And Scott Martelle

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The Los Angeles Times, October 25, 2006

After weeks of subtle jabs at fellow Republicans in Congress and the White House, Gov. Arnold Schwarzenegger turned more blunt Tuesday in a tart letter to President Bush. Chiding the president for ignoring his plea for more leeway to toughen California's vehicle exhaust standards, Schwarzenegger complained about "the absence of a coherent federal policy" to stop global warming.

At the same time, Schwarzenegger's Democratic challenger, state Treasurer Phil Angelides, dismissed the governor's detachment from Bush as a ruse. "Look, the Republicans are going down in this election, and Arnold Schwarzenegger is going with them, because he is part of the same team and has the same agenda," Angelides said Tuesday after a Bay Area speech to a raucous union crowd.

With the California election two weeks away, the back-and-forth captured the contrasting approaches that Schwarzenegger and Angelides are taking in the final stretch.

At tightly staged events this week in San Diego, Glendale and Oakland, Schwarzenegger has all but severed his Republican ties while playing up the value of bipartisan harmony.

He has also taken pains to widen his appeal beyond white Republican men, his most loyal supporters. At every stop, Schwarzenegger has surrounded himself with African Americans or Latinos and stuck to themes that resonate with Democrats, independents and women: the environment and education.

"They need money to refurbish this building here," Schwarzenegger said Tuesday as he toured an Oakland school to promote education bonds on the Nov. 7 ballot. "I mean, this is an old, old building, and I think that those children deserve better than that."

For his part, Angelides has raced around the state making partisan appeals to Democrats this week in an effort to maximize any boost he might get from his party's national surge in the run-up to the midterm election.

Corporate big shots are "doing better and better," but the middle class is "struggling under George Bush and Arnold Schwarzenegger," Angelides told union shop stewards at a labor conference near Oakland.

At a Pasadena picnic with 200 supporters Sunday, Angelides called Schwarzenegger a "Republican thoroughbred" pretending to be a Democrat. "In the closing days of this campaign, you won't find Arnold Schwarzenegger within 100 feet of another Republican," he said.

In what has become a rare nod to a conservative base that he once tended to assiduously, Schwarzenegger plans to appear Friday on "Hannity & Colmes," a Fox News television show to be taped on the Midway, the San Diego Aircraft Carrier Museum.

But that is an exception. For months, the governor has kept a distance from his party, a move seen as a strategic necessity in a state where just a little more than a third of registered voters are Republican. He has avoided public events with other GOP candidates and refused to endorse the party's staunchly conservative U.S. Senate nominee, former state Sen. Dick Mountjoy of Monrovia. And in an interview last week, Schwarzenegger sidestepped the question of how much he cares whether Republicans win other statewide races.

"To be honest with you, my focus right now is on really moving the state of California forward," he said, "and for me to get in there so I can finish all of what I envision for the future of California to be. And if this has a positive effect on the down-ticket, that's great."

As he campaigned Sunday in San Diego at black churches — a historic proving ground for Democrats — Schwarzenegger also dodged the question of whether he wants Republicans to keep control of Congress.

"I think that's a choice that the people have to make," he said. Pressed to state his own view, he said, "I myself will look at the list when I vote for my congressional delegation," and went on to praise members of both major parties.

At Faith Chapel Church of God in Christ, Schwarzenegger took another swipe at Bush and Republican congressional leaders during a doughnuts-and-orange-juice talk with children after a morning service with gospel music. He told them of steps he had taken to fight global warming and cut reliance on Mideast oil by promoting alternative energy, saying, "The sad story is that nationally, we don't have great leadership on that."

His letter to Bush, which was released Tuesday, made that case in surprisingly brusque terms. The state's request for a federal waiver to set vehicle emissions standards has been "ignored with no explanation," Schwarzenegger wrote, despite a personal letter from the governor to Bush in April.

A White House spokeswoman declined to comment directly on the letter, but said Bush had "an aggressive climate change strategy to reduce greenhouse gas intensity 18% by 2012."

The letter followed accusations by Democrats who lead the Legislature that Schwarzenegger took several steps in an executive order last week to undercut the state's new law capping greenhouse gas emissions.

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Through it all, the governor has rarely uttered a word about his rival, letting his television ads portray Angelides as a tax-and-spend politician of a bygone era.

As for Angelides, he has begun keeping a frenetic pace of public events to draw local media coverage to try to help compensate for his more modest TV ad presence. He has campaigned this week in Hollywood, Arcadia, Baldwin Park, Pasadena, Santa Ana, Santa Barbara, Sacramento, Hayward and San Francisco.

His tone is combative, his pitch sharply partisan as he tries to commandeer what he describes as a coast-to-coast "tidal wave" of Democratic victories.

"We are going to end this Republican culture of corruption," he told a crowd of Democratic volunteers and precinct walkers Sunday in Baldwin Park.

To capitalize on a national political climate that favors Democrats, Angelides will appear at a UCLA rally Thursday with party Chairman Howard Dean. On Friday, three of the party's biggest stars are slated to join him at a USC rally: Illinois Sen. Barack Obama, House Minority Leader Nancy Pelosi of San Francisco and Los Angeles Mayor Antonio Villaraigosa. The mayor, who declined for months to endorse Angelides, has not campaigned with him since the day he announced support for Angelides in early September.

The Democratic nominee has also stepped up his appeals to Latinos, in part by linking Schwarzenegger to a racially charged letter discouraging Orange County immigrants from voting — even though the governor has denounced the mailing. At a rally Monday on the steps of Orange County's Old Courthouse in Santa Ana, Angelides called the mailing part of "a consistent pattern of behavior by the Republican Party."

"Gov. Schwarzenegger himself has contributed to this situation," Angelides said, citing the governor's support for Proposition 187, the 1994 ballot measure to cut public services for illegal immigrants, and his support for the Minutemen border patrol force. (In recent months, Schwarzenegger has renounced Proposition 187 and hedged, even Tuesday, on whether the Minutemen are needed.)

"He's made derogatory remarks about Mexican Americans' ability to assimilate," Angelides said. "George Bush and Arnold Schwarzenegger set the wrong tone."

Angelides has also toughened his rhetoric in attacking Schwarzenegger's character. At a Santa Barbara park, where he gathered beneath oak trees with firefighters and other supporters, he denounced the governor's campaign fundraising as "a special interest pig fest" that belied his vow to clean up Sacramento.

"Gov. Schwarzenegger wants you to all believe he's changed," Angelides told the crowd. "You and I know men our age don't really ever change."

L.A. County Beaches Ranked Foulest In State (LAT)

By J. Michael Kennedy, Times Staff Writer

The Los Angeles Times, October 25, 2006

Heal the Bay's summer report card shows new trouble in Long Beach but some improvements elsewhere along the California coast.

Los Angeles County predictably earned the dubious honor Tuesday of having the most polluted beaches in California.

Less predictably, Long Beach jumped out as the worst offender among the worst.

But having made those pronouncements, Heal the Bay, the environmental group that routinely conducts pollution studies along the California coast, declared this one a victory of sorts. The reason: a number of the usual cellar-dwellers passed with flying colors because of recent cleanup efforts.

Mark Gold, the executive director of the Santa Monica-based Heal the Bay, pointed to such perennial polluters as Will Rogers State Beach as examples of cleanup efforts along the coast that were starting to yield results.

"It was always one of the worst offenders," Gold said of Will Rogers, which earned an A rating in the organization's annual "End of Summer Beach Report Card."

The study, which grades more than 450 California beaches, bases its findings on levels of bacterial pollution in the water. Los Angeles County received a grade of F for 29 of its 97 testing stations. San Diego County was next with three F readings, while Orange County had one. There were 37 F ratings in the entire state, compared with 278 monitoring stations that received A ratings.

Gold described Long Beach as the "biggest surprise of the summer" because its beaches normally receive good grades for water quality. But this year, only three of the 25 monitoring stations got an A or B rating. Last year, 21 of 23 stations got either A or B grades.

Gold said the source of the pollution was most likely the Los Angeles River, which dumps into the ocean at Long Beach. He said one possibility is that shifts in sediment at the mouth of the river may have redirected pollution along the coast.

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The city's Marine Stadium, Mother's Beach and Colorado Lagoon have been closed for weeks because of pollutants traced to defective sewer pumps. But Gold said they were too isolated to have had such a widespread effect.

Darryl Sexton, the Long Beach city health officer, said he had not had a chance to examine the report and could not comment on it.

Gold said the next step in cleaning up the state's beaches was dependent on the passage in November of Proposition 84, which would provide $540 million to help maintain coastal waters.

"It's extremely critical," Gold said of the Clean Water and Coastal Protection Bond Act. It would provide $225 million to clean the Santa Monica, San Diego, San Francisco and Monterey bays, watersheds and rivers draining into them. The measure is opposed by several taxpayer organizations, which say it will be a cash cow for environmental groups and that paying back the $5.4-billion bond issue would drain about $350 million a year from the general fund.

Although Gold was upbeat about the report, other areas in Los Angeles County pulled down the grades for that strip of coastline. The Santa Monica and Redondo pier areas both earned Fs in the study, while Dockweiler State Beach and Manhattan Beach at the 28th Street drain earned Ds.

Also receiving poor grades, as it has in the past, was the beach at Avalon on Catalina. It has been plagued by the aging town sewer system, which is in need of repairs and updating.

In another recent study, Heal the Bay also took a more detailed look at the Santa Monica Pier, whose waters tested positive for large amounts of bacteria. The study said the predominant source of the bacteria was most likely the pollution pond in front of the pier storm drain, which is being cleaned up.

In other parts of the state, the beaches of Santa Barbara County suffered a marked decline this year, with six of the 20 monitoring stations receiving fair to poor grades. In Orange County, 90% of the beaches received A ratings, including Doheny Beach, a perennial polluter. Monarch Beach, in Dana Point, improved from an F last year to a B this year.

Overall, most of the state received good grades from Heal the Bay. Receiving A's were San Diego, Ventura, San Luis Obispo, Monterey, Santa Cruz, San Mateo, San Francisco, Sonoma and Humboldt counties.

Heal the Bay is one of the largest nonprofit environmental groups in Los Angeles County.

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FBI/DEA/ATF/USMS:

New E-mail Scam Using FBI Name (AP)

By Lara Jakes Jordan

AP, October 25, 2006

WASHINGTON (AP) — Think twice about answering e-mail from G-man.

A new Internet scam promising cash for responding to a document request claims to be from FBI Director Robert S. Mueller. The top government cop's request is followed by a second e-mail threatening that "failure to comply will result in charges being brought against the individual by the FBI."

"This e-mail is a hoax," the FBI said in an alert to consumers that was posted Tuesday on its Web site. "Do not respond."

The same e-mail address, which was not released, was used to send both messages, the FBI said.

The first, claiming to be penned by Mueller, advises recipients that they are eligible for a large sum of money that they can claim with an FBI Identification Record and a Certificate of Ownership. The e-mail includes official information, taken from the FBI Web site, that defines what the records are and how they can be obtained.

The follow-up e-mail appears to be sent from a lower-level FBI official, who demands that a fee be sent to "FBI Nigeria" which will issue the certificate.

"At this point the message becomes more threatening, stating the FBI has investigative programs which can track down those who fail to provide the requested documentation," the FBI said on its Web site.

The spammed scan is the second in as many months to appear to be from Mueller. In September, authorities were alerted to a circulating e-mail, which referenced Mueller's name and office address, that urged recipients to send money to secure prizes won in an international lottery.

E-Mail Hoax Claims To Be From FBI (ABC)

By Jason Ryan

ABC News, October 25, 2006

WASHINGTON, Oct. 24, 2006 — Just because that e-mail says it comes from the FBI, doesn't mean you should trust it.

The FBI's Internet Crime Complaint Center has warned Internet users and others to be aware of a hoax e-mail that claims to come from FBI Director Robert Mueller and other FBI officials.

According to the Internet Crime Complaint Center — or IC3 — notice, the hoax e-mail advises the recipient that he is the beneficiary of a large sum of money. It states further that in order for him to claim the money, the recipient must provide an FBI Identification Record and a Certificate of Ownership.

The e-mail contains information lifted from the FBI's Web site that descibes what an Identification Record is and how to obtain it from the FBI's Criminal Justice Information Services Division.

The e-mail concludes with a threatening "If you fail to provide the Documents to us, we will charge you with the FBI and take our proper action against you for not proofing to us the legitimate of the fund you are about to receive. Faithfully Yours, FBI Director Robert S. Mueller, III"

FBI officials say the hoax is a typical Nigerian scam, which has become more prevalent in recent years. Many of the people who fall victim to these scams are elderly or foreign-born individuals.

Later, individuals receive a second, more threatening notice, claiming to come from Donna Uzzell, another senior FBI official, which says, "It has come to the attention of our Money Trafficking investigation department, that you have some funds valued at U.S $10.5 Million to your name. … You are under an observational /Investigation in connection with money laundering."

The warning from the FBI's Internet Crime Complaint Center, "At this point the message becomes more threatening, stating the FBI has investigative programs which can track down those who fail to provide the requested documentation. It further states failure to comply will result in charges being brought against the individual by the FBI. THIS E-MAIL IS A HOAX. DO NOT RESPOND. Be cautious when responding to requests or special offers delivered through unsolicited e-mail."

Feds Arrest Three, Seize $27M In Cocaine And Ice (ATBC)

The Atlanta Business Chronicle, October 25, 2006

Federal officials have busted three Mexican citizens living in metro Atlanta on charges of conspiracy to distribute cocaine and crystal methamphetamine ('ice").

The U.S. Drug Enforcement Administration (DEA) and the U.S. Attorney's Office jointly announced the filing of a federal criminal complaint against Leonardo Garcia-Miranda, 30, of Hapeville, Ga.; RamonLuis Soto-Maciel, 29, and Rafael Heredia-Ramos, 42, both of Jonesboro, Ga. and all citizens of Mexico, on charges of conspiracy to distribute cocaine and crystal methamphetamine ('ice").

DEA also seized 145 pounds of ice and 72 kilograms of cocaine -- with a street value of $27 million -- in a house in Clayton County searched in conjunction with the arrests.

According to the Criminal Complaint filed in this case, a joint investigation began about a month ago, DEA and DeKalb County Police on Oct. 23 made a controlled purchase of about 1 kilogram of cocaine from defendant Soto-Maciel. A confidential source and defendant Miranda, who allegedly brokered the deal, were stopped shortly after leaving the site of the transaction. The cocaine was recovered and Miranda was arrested. A subsequent consent search of Miranda's home in Hapeville allegedly resulted in the discovery of approximately 4 ounces of "ice," packaging materials and a scale used to weigh drugs.

DEA agents continued their surveillance on Soto-Maciel after the transaction was completed. After visiting and exiting a house in Clayton County, Soto-Maciel was approached by DEA agents and fled, throwing down a package in the process. He was apprehended and the package recovered. The package allegedly contained "ice."

The third defendant, Ramos, was observed standing in the doorway of the residence from which Soto-Maciel had fled. Ramos was detained. Agents then got written consent to search the house from Soto-Maciel and Ramos, both of whom claimed to live there. In the house, agents allegedly recovered approximately 72 kilograms of cocaine and 145 pounds of "ice."

"Once again good cooperative law enforcement work by federal and local agencies has led to a Mexican drug kingpin's losing millions of dollars worth of meth and cocaine," said U.S. Attorney David E. Nahmias. "These arrests and seizures remind us that metro Atlanta remains a major drug distribution hub. But we will maintain our focus on attacking these drug trafficking organizations until they decide that they don't want to risk operating in our communities."

Neighbors Aghast At Drug Bust Rental House In Clayton Full Of 'Ice' (AJC)

By Kathy Jefcoats, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, October 25, 2006

Neighbors in the otherwise quiet Old South subdivision in eastern Clayton County were stunned to learn Tuesday that the mud brown ranch on the corner was a stash house containing, police say, $27 million in illegal drugs.

"I was just floored, scared for the kids, my family, and saddened at the state of the community is such that I have to educate my kid more about drugs," neighbor Dale Shaw said.

"It's just insane. God knows what goes on right under your nose."

U.S. Drug Enforcement Agency Administration agents raided the well-kept home at the corner of Wood Hollow and Old South lanes Monday. U.S. Attorney David E. Nahmias said agents took 145 pounds of crystal methamphetamine, known as "ice," and 72 kilograms of cocaine from the home.

Three Mexican citizens, Leonardo Garcia-Miranda, 30, of Hapeville and Jonesboro residents Ramon Luis Soto-Maciel, 29, and Rafael Heredia-Ramos, 42, are charged with conspiracy to distribute cocaine and crystal methamphetamine, federal officials said.

Soto-Maciel and Heredia-Ramos rented the Jonesboro home from its owner, a former long-term resident, who now lives in McDonough, said neighbors Coley and Sandra McWilliams.

They said the men had only been there a few weeks. "[The owner] tried to sell it, but no one wants to buy in Clayton County," Coley McWilliams said. "Clayton has become a mecca for crime, it's terrible."

The owner could not be reached for comment Tuesday night.

Neighbors said the men kept to themselves.

"They did a lot of yard work," Sandra McWilliams said. "I never saw a lot of cars or even visitors over there. They weren't noisy or anything."

Clayton County Assistant Police Chief Jeff Turner said the men kept a low profile.

"But that's what you'd expect if you had that amount of drugs and money around," he said. "You'd keep to yourself, not attract any attention."

Although agents reported only finding the drugs, Shaw wondered about the presence of guns, another safety factor.

"With that kind of stash and money, there is usually fully automatic weapons," he said. "That is a definite concern."

On Monday, DEA agents and DeKalb County police made a controlled purchase of about

1 kilogram of cocaine from Soto-Maciel, Nahmias said. A confidential source and Miranda, who allegedly brokered the deal, were stopped shortly after leaving the site of the transaction, he said.

The cocaine was recovered, and Miranda was arrested. A subsequent consent search of Miranda's Hapeville home resulted in the discovery of about 4 ounces of "ice," packaging materials and a scale used to weigh drugs, Nahmias said.

DEA agents continued their surveillance on Soto-Maciel after the transaction was completed. After visiting and exiting the Jonesboro home, Soto-Maciel was approached by DEA agents.

He fled, throwing down a package in the process, authorities said. Soto-Maciel was caught and the package, allegedly containing ice, was recovered.

Ramos was seen standing in the doorway of the Jonesboro home and was detained. Agents then got written consent from Ramos and Soto-Maciel to search the house.

The arrests are the culmination of a monthlong federal investigation by U.S. Department of Drug Enforcement Agency Administration and DeKalb Police Department.

DEA Seizes $27 Million In Meth, Cocaine (ND)

News-Daily, October 24, 2006

The United States Drug Enforcement Administration and a metro-area drug task force has seized 145 pounds of crystal methamphetamine and 72 kilograms of cocaine from a Jonesboro house.

The seized drugs are worth an estimated street value of $27 million, United States Attorney David Nahmias said.

DEA officials believe the drugs, seized in a bust Monday, were being delivered to the house from Mexico and stashed there. They were then being delivered from Mexico to 2829 Wood Hollow Lane in Jonesboro and then distributed from Jonesboro to be sold on the street in Atlanta and in other cities along the East Coast, officials said.

DEA Special Weapons and Tactics unit, assisted by uniformed Clayton County Police officers, DeKalb County Police and the DeKalb County Sheriff's Office, raided the house Monday, arresting three men and seizing the drugs along with drug paraphernalia and large amounts of cash.

The agencies' cooperation led to "a Mexican drug kingpin in Mexico losing millions and millions of dollars," Nahmias said.

The three men were all citizens of Mexico and are allegedly connected to a Mexican drug cartel. Ramon Luis Soto-Maciel, 29, and Rafael Heredia-Ramos, 42, were living in Jonesboro. Leonardo Garcia-Miranda, 30, was living in Hapeville.

The men are facing federal charges of conspiring to distribute meth and cocaine.

DEA Special Agent in Charge Sherri F. Strange said the seizure is a sign that Atlanta continues to be a major hub for drug trafficking, especially meth.

"What we cannot be numb to is there are real people out there using meth," she said. "Let every smuggler hear me loud and clear: DEA and our law enforcement partners will not rest until every dope dealing, poison peddling meth distributor is behind bars."

Fifty to 75 percent of all meth seized on the East Coast is seized in Atlanta, Strange said.

Clayton Police Assistant Chief Jeff Turner said the drug bust is an example of what can be done when law enforcement agencies work together.

"This is just a small amount of effort," Turner said. "This is what we can do if we all work together."

Turner said the Clayton Police had not received any calls about the house because "stash houses" don't have the sort of high-intensity traffic that attracts neighbors' attention to houses where people are dealing drugs.

"Stash houses" can be identified, Strange said, by the fact that no one comes or goes from the house, someone is staked out watching the house and lights are always on.

Turner said Wood Hollow Lane has not been a problem area for Clayton Police. There was an electrical fire at the address a few years ago, but besides that officers had not received calls to the house, Turner said.

"But if you have drugs in Clayton County," Turner said. "We're going to be coming for you. We're coming to get you."

Drug Bust Nets Meth, Thousands In Cash (WSB)

WSB-TV, October 24, 2006

ATLANTA -- Federal agents seize pounds and pounds of meth and cocaine in metro Atlanta – along with thousands of dollars in cash.

This latest drug bust is bringing more than drugs and money – it's also bringing a title Atlanta does not want. Agents tell Channel 2 the metro area is now the largest meth distribution hub on the east coast.

Agents with the Drug Enforcement Administration says it's a balancing act. They say they've reduced the number of local meth labs but are working to also crack down on international shipments which make Atlanta number one for meth distribution on the east coast.

For most people it's hard to understand the impact of getting 145 pounds of methamphetamine off the streets.

"What's noteworthy about this case is the 145 pounds of ICE can easily yield over 300,000 dosage units," said DEA Special Agent Sherri Strange.

That's 300,000 hits of the drug that won't happen now. Good news, especially when you consider where agents say Atlanta ranks as a meth distribution hub.

"I think on the east coast, Atlanta is number one unfortunately," said Special Agent Strange.

That means the crimes associated with distributing the drugs stay here as well. Agents just caught three men linked to the Mexican drug cartel for the drugs – 145 pounds of meth, and 72 kilos of cocaine -- most of them found in a Clayton County home.

The undercover operation that led to the three men who were arrested included DEA agents as well as law enforcement in DeKalb and Clayton counties. Agents say that kind of cooperation will lead to more arrests.

Record Drug Bust In Clayton Co. (WXIA)

WXIA-TV, October 24, 2006

Residents of a Clayton County subdivision were stunned to learn what federal agents found inside a home in their neighborhood.

The Drug Enforcement Agency says they found 145 pounds of ice -- the crystallized form of methamphetamine -- 27 kilos of cocaine, and more than $100,000 in cash.

Investigators say the home was being used as a stash house by three Mexican nationals who were distributing the drugs for a drug kingpin in Mexico.

The DEA says it's another indication Atlanta is a meth hub.

"With the recent seizures of meth and ice in Atlanta, each one being larger than the other one, I don't want us to become numbed by the numbers," said DEA Special Agent-in-charge, Sherri Strange.

It is the third-largest seizure of meth for the DEA in Atlanta.

Some of the drugs were already being distributed on Metro Atlanta streets. It was a street-level undercover buy in Hapeville that lead police and federal agents to the Clayton County home.

Second Internet Pharmacy Closed (NOTP)

By Mark Waller, East Jefferson Bureau

New Orleans Times-Picayune, October 25, 2006

Sales of painkillers draw DEA attention

Federal agents shut down and searched an Elmwood pharmacy they suspect of shady Internet business practices on Tuesday, marking the second crackdown of its kind in East Jefferson this month, officials said.

Agents removed cardboard boxes of drugs while executing a federal search warrant shortly after 2 p.m. at Pharmacy 101 in the Elmwood Plaza Shopping Center on Jefferson Highway at Edwards Avenue. Workers at nearby businesses said they were relieved.

"I couldn't be any happier," about the pharmacy's closing, said Al Alcock, owner of nearby Big Easy Tools. "I think almost everybody here's noticed something weird going on ever since they opened up. Some of the people were questionable whether they were desirable."

Unlike the previously shuttered Elite Pharmacy, located farther west off Jefferson Highway in River Ridge, Pharmacy 101 began as a retail operation about two years ago and later added Internet sales, investigators said.

Elite sold prescription drugs exclusively on the Internet and took no walk-in patients, so when agents arrived there Oct. 10, neighbors said they had never noticed anything troubling.

But similar to Elite, Drug Enforcement Administration officials said huge purchases of painkillers drew their attention to Pharmacy 101. They said the pharmacy was Louisiana's largest purchaser of oxycodone, used in Oxycontin, and the third-biggest purchaser of hydrocodone, found in Lorcet, Lortab and Vicodin.

Officials did not specify the amounts of drugs processed at the pharmacy, but they removed several boxes of Lorcet and Lortab.

They said the pharmacy also had supplies of the anti-anxiety drug alprazolam, known as Xanax, the muscle relaxant carisoprodol, known as Soma, the painkiller hydromorphone, found in Dilaudid, and the painkiller methadone.

William Renton, special agent in charge of the New Orleans DEA office, said the pharmacy raised concerns similar to Elite by filling online prescriptions between doctors and patients in different states, meaning the prescribing doctors could not have properly examined the patients.

He said the handling and storage of controlled substances at Pharmacy 101 was sloppy, including drugs kept in cardboard boxes scattered on the floor.

He said the pharmacy's ownership was hazy, with the business changing hands recently and the new owners failing to secure the state and federal registrations necessary to run a pharmacy.

Both the DEA and the Louisiana Board of Pharmacy investigated Tuesday, as Jefferson Parish sheriff's deputies helped manage the scene. Nobody was arrested.

"We determined that this location is a hazard to the public interest," Renton said, standing in front of the closed pharmacy. "We decided to seize the inventory of this location."

The Louisiana secretary of state lists the pharmacy's directors as Harry H. Harris III and Robert L. Richey. Harris could not be reached Tuesday. Asked about the pharmacy by telephone, Richey said: "I have no comment with regard to that."

The state Pharmacy Board listed Cheryl A. Batiste as the pharmacist in charge at Pharmacy 101. Attempts to reach Batiste were unsuccessful Tuesday.

During the raid, beginning about 9:30 a.m. and lasting all day, several customers arrived at the pharmacy only to be turned away by deputies. The neon "Open" sign was off and the door was locked.

"These are good people," said Margaret Vedrenne of Chalmette, after finding the pharmacy closed and growing irritated by the commotion.

Cassandra Boudreaux of Metairie said the closing prevented her from being able to fill a painkiller prescription because she needed the pharmacy to contact her doctor to verify that it could not provide her medicine, allowing the doctor to write another prescription she could use elsewhere.

"I just need them to void it and fax it back to my doctor," Boudreaux said. "I won't use them no more," she said about the pharmacy

Renton said the raids Tuesday and earlier in the month were part of a nationwide crackdown on Internet pharmacies. Also Tuesday, he said, investigators searched the office and residence of an Internet provider in Houma related to Pharmacy 101.

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Mark Waller can be reached at mwaller@timespicayune.com or (504) 883-7056.

Texas Drug-run Ends In 5 Arrests, Half-ton Of Pot (FWCOM)

By Dionne Waugh

FortWayne.com, October 25, 2006

DOJ_NMG_0086134

Federal prosecutors have accused five men of drug distribution in the transportation of 1,000 pounds of marijuana – packaged in bales – from Texas to Fort Wayne.

Juaquin Tapia, 54, of Brownsville, Texas; Andres Cuellar, 44, of La Rosita Coahullia, Mexico; Jose Ramirez, 57, of Fort Wayne; Jose Hernandez, 40, of Goshen; and Enedeo Rodriguez Jr., 25, of Warsaw were all charged last week with conspiracy to possess with intent to distribute more than 100 kilograms of marijuana. Hernandez has also been charged with possession with intent to distribute more than 100 kilograms of marijuana.

The charges were announced this week.

According to federal court documents, an undercover Texas Immigration and Customs Enforcement agent tipped off authorities to the plan.

According to the agent, Tapia hired him to drive the drugs to Fort Wayne, telling him he would be paid $100 a pound and initially giving him $500. Cuellar told the undercover agent to contact Hernandez when he arrived in Fort Wayne, court records stated.

Under control of customs' agents, the marijuana was transported to Indianapolis and then Fort Wayne on Oct. 16. Surveillance units from customs, Indiana State Police, the federal Drug Enforcement Administration and the Indianapolis Police Department worked together on the case.

In Fort Wayne, the undercover agent contacted Hernandez, who brought the agent and drugs to a house in the 1700 block of Gable Road and that is owned by Ramirez, according to court records.

Hernandez called Ramirez and told him "the girls are in town," which is slang for drugs, court records stated.

Hernandez paid the undercover agent $14,000 in cash and said Ramirez had between $15,000 and $20,000 in the house and would pay him when he arrived, according to court records.

Officers raided the house when the men split up later that night. After searching the house, officers found 83 bundles, or about 1,000 pounds, of marijuana, plus packing materials, scales, $14,500 in cash, a loaded .380-caliber firearm and 20 to 30 additional pounds of marijuana, according to court records.

All five men were arrested. When questioned by agents, Hernandez said he would be paid $10,000 for his role in the delivery, and that he had brought marijuana to Ramirez's house before, court records said.

Hernandez also said that he and Rodriguez were the distributors and Rodriguez was the broker who made the payment, according to court records.

dwaugh@jg.net

4 Face Charges After Raid Of Green Cross Dispensary (DB)

Daily Breeze, October 24, 2006

Federal agents seized about 70 pounds of marijuana along with nearly 100 pot plants, a shotgun and a small amount of cash during last week's raid of a medical marijuana dispensary in Torrance, a Drug Enforcement Administration spokeswoman said Monday.

Though the DEA claimed no arrests, police working for a county task force jailed four people who arrived later that day to sell cannabis to the co-op.

Facing charges of possession and transportation of a controlled substance with intent to sell are Brian Keldoff, 47, of Lawndale; Cory Zila, 20, of Mammoth Lakes; Kelly Culver, 26, of Newport Beach; and John Ornguze, 24, of Ladera Ranch.

Authorities began their search about 2:15 p.m. Thursday in the 22900 block of Hawthorne Boulevard, where Green Cross of Torrance had been in business since April.

Witnesses said police and federal DEA agents blocked the entrances of Green Cross' parking lot before a half-dozen or so officers approached the business with their guns drawn.

Marijuana-laced food was among the items seized, DEA Special Agent Sarah Pullen said.

Following the raid, four people were taken into custody after they allegedly attempted to sell pot to undercover detectives working for LA IMPACT, a countywide task force with an emphasis on drug trafficking.

"Within a five-hour time span, four people came in and essentially offered to sell marijuana to the facility," Torrance police Lt. Rod Irvine said.

That led to the additional confiscation of more than 20 pounds of pot and more than 60 vials of hash oil, a concentrated form of cannabis.

Though state law permits the regulated growth of marijuana for medical use, the would-be vendors were not authorized to cultivate or sell the drug, Irvine said.

Investigators searched the dispensary because they suspect Green Cross director Rafael Chavez and his brother, Edward Chavez, have been illegally selling pot to customers with no medical conditions, according to a DEA affidavit.

Chavez could not be reached for comment Monday, but he has repeatedly defended his establishment, saying it offers "compassion" to patients suffering from chronic pain and disease.

In 1996, California voters passed Proposition 215, allowing doctors to recommend marijuana to patients afflicted with cancer, anorexia, AIDS, glaucoma and other illnesses.

But the state initiative does not supersede federal law, which maintains it is illegal to grow, possess or use the drug.

"For the most part, I don't know what's going on, but I do think it's not good for all these patients that are relying on this," Chavez told the Daily Breeze after the raid last week. "It's legal in California, and I'm being harassed by federal agents."

Green Cross opened its doors in Torrance on April 20, prompting some concern among local officials. On Aug. 1, the City Council responded by passing an ordinance denying business licenses to marijuana dispensaries and other establishments considered out of step with federal law.

With its current license set to expire in December, the dispensary remained open.

In the weeks prior to Thursday's search, investigators surveyed the dispensary at least twice. According to the affidavit, a team of agents and police officers watched 25 customers stop by the co-op during a two-hour span on Oct. 10.

Police pulled over the customers as they drove away, and those who were questioned admitted purchasing various types and quantities of the drug, which ranged from $55 to $70 for an eighth of an ounce.

Pullen, the DEA spokeswoman, said Monday that no charges had been filed as a result of the evidence collected during last week's search. But, she added, the investigation is ongoing.

"Obviously," she said, "we build cases in an attempt to dismantle and disrupt organizations."

Imported Meth: State's New Scourge? (INDYSTAR)

By Paul Bird

The Indianapolis Star, October 25, 2006

'Ice' heats up amid war against Indiana-made drug

Greenwood police have seized $300,000 of methamphetamine -- a drug that police in Indiana have been fighting hard to eradicate -- in a bust involving a highly addictive and often-imported variety called "ice."

About methamphetamine

· Ingestion: Smoked, snorted, swallowed, injected.

· Sample of ingredients: Alcohol; ether; benzene; toluene/paint thinner; Freon; acetone; chloroform; camp stove fuel; anhydrous ammonia; iodine crystals; red phosphorous; black iodine; lye; Drano; battery acid/sulfuric acid; Epsom salts.

· Indiana meth vs. Mexican ice: In Indiana, clandestine labs are operated in many places, including houses, sheds and moving vehicles, and the meth that's made is a very basic form, often diluted with chemicals. The ice methamphetamine originating in Mexico is refined further to form crystals that turn the substance into a purer, more potent drug.

Sources: U.S. Drug Enforcement Administration, Greenwood police, Associated Press

Police say ice, often three times as pure and expensive as its Indiana-made counterpart, typically travels a route that begins in Mexico, crosses the border and then is distributed across the United States.

"They jam our borders with up to a dozen semis at a time, and they know that every one of them can't be checked," said Matt Fillenwarth, investigations commander for Greenwood police. "If four trucks are found loaded with drugs, that means eight more got through."

Greenwood police arrested two men Friday and seized 2 pounds of crystal methamphetamine, nicknamed "ice" on the street because it is almost transparent.

Federal authorities had warned local police that Mexican ice had been found in the northeastern United States and soon would be reaching the Midwest, said Greenwood Police Chief Joe Pitcher.

"This is even more telling, because finding this substance here is telling us the local meth flow is drying up and the users are seeking a foreign source, and we know it is from Mexico," Pitcher said.

Ten Greenwood police officers and a federal Drug Enforcement Administration agent arrested the two suspects after the men traveled to a McDonald's restaurant at 1197 S. Park Drive, just off I-65 in Greenwood, to deliver a pound of the drug. The deal was made through a police informant.

Arrested Friday on charges of dealing methamphetamine were Vincente Linares-Avila, 26, 1900 block of Fox Hill Drive in Indianapolis, and Oscar Medival-Cota, 26, who is thought to be an Arizona resident.

A man agreed by telephone to sell 4 pounds of the drug to an undercover narcotics officer for $12,500 per pound, Fillenwarth said. They arrived at the restaurant about 7 p.m. and were arrested as they were leaving.

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Police found a pound of the drug in the car and another pound at a house near 62nd Street and Michigan Road in Indianapolis, where one of the men lived. The drug was described as highly refined, and DEA chemists in Chicago will examine it.

"That's the most ice I've ever seen in one arrest," Fillenwarth said.

The network that police suspect the two men belong to is predominantly Hispanic, and authorities think the drugs were smuggled from Mexico to Arizona before being transported to Indiana, Fillenwarth said.

Authorities also suspect members of that network to be what are known as "polydrug dealers," because they work in professional labs where they turn out not only ice, but also marijuana, cocaine and black-tar heroin.

Fillenwarth described the ice police seized Friday as being about 90 percent pure, compared with meth produced in Indiana, which is only about 20 percent to 30 percent pure.

"It only takes a fraction of it to get high and addicted," he said. "It is potent stuff."

Dealers often "cut" the drug, or dilute it, to increase their profit.

"This stuff we confiscated could be at least tripled in volume, if not more," Fillenwarth said. "And what was selling for $300 a gram originally now is selling for $900 a gram."

Police think local meth production had been declining recently. They cited a 2005 state law that restricted access to cold and allergy medicines that contained a key ingredient in meth's production. In the year since the law's inception, meth lab seizures dropped 25 percent statewide, from 1,109 to 846.

Fillenwarth said the decline in clandestine labs has enhanced the Mexican drug business.

"These Mexican labs are professional labs and turning out lots of illegal drugs," he said. "Six years ago, the troublesome drug was crack cocaine. Now the problem is ice, and next year it could be something new.

"Ice makes someone crazy when they are coming down after being up without sleep for three or four days straight," he said. "They'll do some terrible things."

Call Star reporter Paul Bird at (317) 444-2709.

Doctor Gets Long Sentence For 'prescription Mill' (FLJOURNAL)

By Kim Crawford

Flint Journal (MI), October 25, 2006

A one-time Flint Township doctor who was convicted earlier this year for distribution of narcotic drugs will spend the rest of his life in prison, a federal judge ruled Monday.

"You were running a prescription mill," U.S. District Judge Paul V. Gadola told Mukunda D. Mukherjee of Fenton, who formerly practiced as an M.D. "What you've done was destructive to people, destructive to families and destructive to society."

Mukherjee, 64, said that he had made "bad decisions" and that his life had gone into "a downward spiral." His wife of more than 30 years also is divorcing him, he said.

Mukherjee was indicted in

June 2004 on one charge of conspiracy to distribute controlled substances and 53 felony and misdemeanor counts of illegal distribution of various prescription pain killers, including Oxycontin, Vicodin, morphine and drugs with codeine.

Patricia Garner, a worker in Mukherjee's office, and her husband, Jason K. Garner, were also indicted.

The investigation had started some four months earlier. Tipped off by a confidential informant, agents of the federal Drug Enforcement Administration and the state-local narcotics units, the Flint Area Narcotics Group and the Bay

Area Narcotics Enforcement Team started a probe. The Genesee County Sheriff's Department was also involved, said the U.S. attorney's office in Detroit in a statement released after the sentencing.

During the investigation, undercover officers saw long lines of people, some from other states, waiting to get into Mukherjee's office on Professional Drive in Flint Township to get prescriptions for powerful pain killers.

The prospective patients paid doctor's office employees to move up on the waiting list to see the doctor. Two undercover officers and the confidential informant were given prescriptions of Vicodin, cough syrup with codeine, a morphine-type drug and other controlled prescription drugs on multiple occasions.

A detective testifying about her dealing with Mukherjee said that she was never examined by the doctor. He typically charged $45 for the first prescription and $90 for a second, postdated prescription, while his employees charged fees of $20, $50 and $60 to people who wanted to get in to see him.

The Garners pleaded guilty in April of this year and were sentenced - she to 2 years in prison, and he to 6 months.

Mukherjee was convicted on 44 of the counts against him in a trial this year.

Mukherjee's combination of 12 consecutive 20-year sentences, 14 consecutive 5-year sentences and 18 1-year sentences, totaling 328 years, will effectively keep him in prison for the rest of his life.

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The doctor's attorney said he would appeal the sentence. Mukherjee protested after the sentencing that he had "brought down by criminals" and that he'd only been trying to help people.

The government also has seized $169,000 from Mukherjee's five bank accounts, according to court documents.

FLINT: Doctor Gets 328 Years For Giving Drugs To Addicts (FREEP)

Detroit Free Press, October 25, 2006

A federal judge has sentenced a Flint-area doctor to 328 years in prison for illegally prescribing prescription drugs, one of the stiffest sentences ever handed down in an illegal prescription case in eastern Michigan.

U.S. District Judge Paul Gadola imposed the sentence Monday on Mukunda Dev Mukherjeree, 64, of Fenton. A jury convicted Mukherjeree in February of 44 counts of illegally prescribing Oxycontin, Vicodin and Phenergan with codeine and morphine at his office in Flint in 2003-04.

The counts carried maximum penalties of 1, 5 and 20 years in prison, and Gadola took the unusual step of making them all consecutive.

Gadola also ordered Mukherjeree to forfeit $150,000 in assets.

U.S. Attorney Stephen Murphy said the severity of the sentence "should be an object lesson to any unethical medical professionals who would use their prescription-writing authority to put dangerous narcotics into the hands of addicts."

The Drug Enforcement Administration, the Bay Area Narcotics Enforcement Team, the Flint Area Narcotics Group and the Genesee County Sheriff's Department investigated the case.

HARRISON TOWNSHIP: Meth lab on wheels has resident facing charges

It seemed like any other red two-door sedan wheeling over Harrison Township roads.

But after a traffic stop, Macomb County Sheriff's deputies soon realized the 1993 Grand Prix was a portable methamphetamine lab.

The woman operating the car, Tina Zilliox, is scheduled for a preliminary exam next Tuesday in 41B District Court in Clinton Township. She faces multiple felony charges, including operating a meth lab.

The charges stem from an incident about 1:30 a.m. Oct. 16, when deputies say they spotted Zilliox, 42, a township resident, driving erratically. When they pulled over the car, they discovered she had an expired registration and an outstanding warrant in Flint for meth and marijuana possession, the sheriff's office said Tuesday.

Inside the trunk was a cooler bag with household products commonly used to cook meth. The traffic stop was then treated as a hazardous-materials scene, requiring assistance from a State Police unit that secures meth labs.

Sheriff's Capt. Tony Wickersham said the items were "all chemicals that you can buy over the counter at any store, but when mixed together and inhaled, can create a dangerous area."

Zilliox is being held in Macomb County Jail in lieu of a $20,000 bond.

SOUTHFIELD: Hearing today on plan to clear trees for church

Just west of the Code House at Mulberry and Civic Center is a woods that could be displaced by a church.

A public hearing on a site plan for the Mitcham A.M.E. Churchall is set for 6:30 p.m. today in the Southfield Pavilion, 26000 Evergreen. A Planning Commission recommendation is to go to the City Council.

The church owns 5 acres, and Southfield owns a 4 1/2-acre woods west of the house, said Nik Banda, planning director.

More than 40% of the trees would be taken to make way for the proposed 9,100-square-foot church, he said.

The city is requiring a wall around three sides of the building to shield residents from lights and noise.

Compiled by David Ashenfelter, Christy Oyama-Arboscello and Julie Edgar.

Alleged Pot Farmer, After A Smug Remark, Hears The Feds' Retort (STNIA)

By John Annese, Staten Island Advance

Staten Island Advance (NY), October 25, 2006

N.C. man facing 10 to life on new charges involving an Island warehouse

More than a year ago, when federal drug agents raided his 600-plant marijuana warehouse in Port Richmond, Scott Lawler said the loss was disappointing, but "it could have been worse," the feds allege.

Now it's worse.

A federal grand jury has indicted the North Carolina man on federal drug manufacturing charges -- charges that could bring him 10 years to life in prison.

On Aug. 29, 2005, agents with the federal Drug Enforcement Administration armed with a search warrant raided a warehouse at 116 Faber St. in Port Richmond, within 300 feet of two churches and 600 feet of a Catholic school.

DOJ_NMG_0086138

Inside, they found about 600 marijuana plants "in various stages of maturity," as well as a number of plants partially flushed down a toilet, according to papers filed in Brooklyn Federal Court.

That day, the feds arrested Grzegorz and Adriana Lyp, the New Jersey couple who were allegedly taking care of the warehouse when the raid took place. Adriana was never charged, while Grzegorz, who waived a grand jury indictment back in May, faces drug manufacture charges.

Lawler, whose name was on the warehouse lease and who paid the security deposit with a personal check, was arrested this summer. The grand jury indicted him this month.

About a week after the raid, law enforcement officials intercepted the Lawler's "it could be worse" conversation, the feds allege. Lawler said he still had some "seeds," and that he'd help start up a new location when he came back to New York for the Christmas holidays.

Lawler's attorney, Bradley D. Simon, declined comment yesterday, and a message left at Lawler's Wilmington, N.C., home was not returned.

The company that owns the warehouse belongs to Pasquale (Pat) Pappalardo, of Joe & Pat's Pizzeria in Castleton Corners.

Pappalardo expressed shock yesterday about the DEA's marijuana find, though he remembered a visit from detectives at his real estate office last year.

Though he didn't recall meeting Lawler, Pappalardo said the warehouse's tenants paid month-to-month and told him they were using it as an art studio to create sculptures.

"Because nobody was ever there, they were the only people in the building, and they were paying on time, there was no reason to question it," he said. "I guess you never know, it's a different business they were in."

The DEA caught wind of the pot-growing operation back in March 2005, when a confidential source who had flipped after a drug conviction tipped them off about the warehouse, according to court papers.

Agents visited the brick two-story Faber Street building several times. It looked abandoned -- the windows were boarded up, according to court papers.

But in April 2005 , the agents saw people visiting the building to drop off construction material. Two agents walked by the building and smelled "a strong skunk-like odor," court papers allege. And later on, a drug-sniffing dog sniffed out traces of a controlled substance at the front doors.

When the DEA checked electricity records, agents found the building spent $1,300 a month on power -- enough power to run a deli six days a week, and certainly more than a boarded-up warehouse would need, the feds allege.

And the city's water inspectors hadn't been able to read the warehouse's water meters for two years, because they couldn't get access to the building, the feds allege.

When the DEA came knocking on Aug. 29, 2005, they spotted Grzegorz Lyp get out of his car and enter the warehouse, according to court papers. His wife, Adriana, waited in the car.

The feds approached her and asked her to call her husband on her cell phone. And even though the agents told her not to tip him off to their presence, Mrs. Lyp immediately blurted out, "The cops are here."

One of the agents talked to Lyp over the phone and asked he come downstairs, and Lyp responded that he'd be out "in one minute," court papers said.

When Lyp didn't emerge, the agents went in. The agents were about to open a steel door on the second floor when Lyp opened the door, revealing the marijuana harvest, the feds say.

"A number of plants were recovered from the toilet, in an apparent attempt to discard of them," DEA agent Gaetano DiPasquale wrote in one court statement.

Lawler has been released on $200,000 bail, and is forbidden from contacting Lyp. Lyp has been released on $400,000 bail.

John Annese is a news reporter for the Advance. He may be reached at annese@siadvance.com.

Convicted Doc Accuses Feds Of Double Cross (MDH)

By Jo Ann Hustis, Herald Reporter

Morris Daily Herald, October 25, 2006

Dr. Edwin to serve 6 months for not tracking painkillers

DWIGHT - Dr. Parambaloth Edwin believes the federal government spent five years and $5 million just to hand him six months in jail.

"A lot of money for nothing," he said Monday, in the wake of his sentencing in federal district court in Chicago for failure to accurately track tens of thousands of tablets of prescription painkillers he dispensed through the years to patients.

"They sentenced me for not accounting for 50,000 pills. They'd taken the records from my computer and such, so there was no record. That's illegal.

"You cannot confiscate records from a practice," he added.

"It was all taken without leaving any records and lists, so we had nothing to go on."

Edwin, 66, a retired physician who practiced 26 years locally and in Wilmington, is to begin serving his sentence in January 2007.

He pled guilty Thursday to failure to keep accurate and complete records of hydroconone, a generic form of Vicodin, an addictive form of painkiller. He was also fined $5,000 in the case.

Grundy County Coroner John Callahan said the physician was brought to the attention of authorities as far back as 2003 through investigations, toxicology screening, and interviews with families by his office and those of other area coroners.

"They had already started the investigation. Our reports, which we turned over to them in Chicago, greatly enhanced their prosecution of the case," he said.

Edwin is a native of India who obtained his medical degree in Switzerland and did his residency in Grant Hospital in Chicago. He pled guilty to felony record-keeping in exchange for dropping more-serious charges of distributing controlled substances.

He said Monday the Drug Enforcement Agency cleaned out his office during the case. He was charged in June 2005 on 17 counts of allegedly dispensing painkillers to patients without a legitimate medical purpose.

The indictment cited Edwin with illegally dispensing 685 hydrocodone tablets in various strengths to 12 unnamed patients between Aug. 14, 2001, and March 18, 2003.

Assistant U.S. District Attor-ney Madeleine Murphy said Thursday, however, prosecutors could not prove Edwin was responsible for the deaths, as the victims had also taken illegal narcotics.

Callahan said it is believed Grundy County had four deaths stemming from prescriptions issued by the doctor.

"And, there could have been more," he noted. "Sometimes people don't keep medications in the bottles in which the prescriptions came. Sometimes these drugs are being sold on the street and so we don't know where they came from."

Edwin said in his 26 years of practice in Illinois, no malpractice judgments were recorded against him in the National Practitioners' Databank.

"They said I killed patients," he said. "(Patients die) in any practice, but these were not due to my care. None of them had any connection with my treatment and medication - there is no proof of anything," he said.

"They died of natural causes due to illicit drug abuse. Usually if (the DEA) has evidence, they don't drop a case. They spent five years and $5 million trying to press a case against me."

Edwin said the investigation into his practice began in 2001.

"They thought we had big drug dealings going on," he said. "In the plea agreement, there was nothing about any drug dealing. They had no proof."

Edwin said he pled guilty because, under the plea agreement, the DEA was to drop all but the record-keeping charges.

"As soon as I signed the agreement, they tried increasing the charges," he added. "I was told it would be a probation. As soon as I signed, they sent the report to the judge, saying I should receive more than six months."

Edwin said he believed he was wronged.

"Some kind of a double-cross," he noted. "It's not appealable. These kinds of pleas are not appealable."

The doctor can apply for reinstatement of his medical license in April 2008. He may do this, he said, because many retired physicians want to maintain their medical license to work part-time.

"To keep up with medicine, not to make money," he said.

Callahan called the issue a bizarre case.

"You'd like to think after someone spends time and effort and years to become a doctor, they wouldn't abuse the privilege of prescribing medication," he said.

"This certainly doesn't reflect on the doctors in our area. But, it's nice to know people like that are being dealt with accordingly."

Edwin said the $5 million to put him behind bars is his estimate.

"A lot of money for nothing. Go and (seize) all these (records) and find nothing behind it. The (DEA) tried to do audits - a criminal investigation. They are not detectives or investigators. I don't know why they didn't put DEA agents on the case. Looking for promotions, I guess," he said.

"The bottom line is, they spent so much money to put some doctor in jail for six months."

Pot Trial Pushes A Hot Button (FRESBEE)

By John Ellis, The Fresno Bee

Fresno Bee, October 25, 2006

Prosecutor says medical marijuana backers should not wear buttons in court.

In the upcoming trial of Merced marijuana activist Dustin Costa, prosecutor Karen Escobar says the federal government — just like the defendant — has the right to a fair trial.

To that end, she is asking a federal judge to prohibit Costa's supporters from wearing buttons, T-shirts or anything else that promotes legalizing medical marijuana.

Such "paraphernalia," she said, could have an "improper influence on jurors required to follow the law."

The request prompted Costa's defense attorney, Robert Rainwater, to point out that Escobar was wearing a lanyard with "DEA" on it, for the Drug Enforcement Administration — which could bias a jury in the opposite direction.

Why should she have that right, Rainwater said, when supporters of Costa and medical marijuana might not.

U.S. District Judge Anthony W. Ishii did not rule on Escobar's request, but said it was in a gray area of First Amendment free-speech rights versus the right to a fair trial.

Monday's exchange in U.S. District Court in Fresno came as both sides hashed out motions before Costa's trial, scheduled to begin Nov. 7.

A three-count indictment charges Costa with growing more than 100 marijuana plants — equivalent to nearly 9 pounds — with the intent to distribute. Costa also faces a charge of possession of a firearm "in furtherance of drug trafficking crime."

But this is more than a simple drug-trafficking case. Costa was president of the Merced Patients Group, a private cannabis club in Merced that claimed 230 members.

In 1996, California voters approved Proposition 215, which gives ill people the right to use marijuana for medicinal purposes when cleared by a doctor.

In June 2005, however, the U.S. Supreme Court ruled that the federal government could prosecute people who use marijuana for medicinal purposes.

Costa was arrested a short time later.

Rainwater already has said Costa believed he was growing and distributing marijuana while it was still legal under state law.

Waiting in line behind Costa at Fresno's federal courthouse are at least one — and possibly two — similar cases. In some hearings, Costa's included, supporters have shown up in T-shirts with slogans such as "Marijuana — better than Ritalin."

In making her case, Escobar referenced a 1995 Superior Court trial in San Jose where a man was convicted of murdering his estranged wife's fiancé. The victim's family sat in the front row of the gallery during the trial, wearing buttons with the murdered man's picture.

The 9th U.S. Circuit Court of Appeals overturned the verdict and ordered a new trial, saying the buttons may have biased jurors.

Ishii acknowledged supporters of either defendants or the prosecution could be affected in the matter: "This is one of those issues that cuts both ways."

The reporter can be reached atjellis@fresnobee.com or (559) 441-6320.

White House To Seek More Colombia Aid (KCS)

By Joshua Goodman

The Kansas City Star, October 25, 2006

BOGOTA, Colombia - President Bush will ask Congress to maintain current aid levels to Colombia - running at more $600 million yearly - to support the Latin American nation's fight against terrorism and drug trafficking, an administration official said Tuesday.

Undersecretary of State Nicholas Burns, leading a high level U.S. delegation to Colombia, said the mostly military aid would remain unchanged through at least 2008.

"For the past few years we've extended about $600 million per year to the Colombian people for all these programs and our administration in Washington will ask Congress to maintain that level in 2007 and 2008," Burns said.

The call for continued funding is a major boost to President Alvaro Uribe, Washington's staunchest ally in Latin America, and comes despite the failure of efforts to reduce the country's cocaine trade.

"In any counterterrorism or counter-narcotics campaign you sometimes have to adjust strategy to be effective as conditions change," Burns said. "We'll be open to any suggestions the Colombian government makes."

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U.S. officials have said recently that aid for the drug eradication strategy known as Plan Colombia, which has cost American taxpayers more than $4 billion since 2000, should be gradually reduced as Colombian authorities take over more duties.

Legislators in both countries have questioned the effectiveness of a relentless aerial spraying campaign of coca plantations that is the cornerstone of the strategy. According to the most recent U.S. government survey, coca production surged 26 percent in 2005 to 355,800 acres.

Burns said the Bush administration would also ask Congress to extend unilateral trade privileges for all four drug-producing Andean nations - Bolivia, Colombia,(AP) - Ecuador and Peru.

Colombia Aid To Stay Same Despite Rights Allegations (MH)

By Sibylla Brodzinsky And Pablo Bachelet

The Miami Herald, October 25, 2006

BOGOTA - The Bush administration plans to keep U.S. aid to the Colombian military at current levels through 2008 despite human rights and corruption scandals that already have delayed some U.S. disbursements, a top official said Tuesday.

"We intend to ask our Congress to maintain the current level of funding" for 2007 and 2008, said Nicholas Burns, the State Department's acting No. 2 official, with the title of under secretary of political affairs.

But Burns also noted that he would raise the recent allegations of corruption scandals and human rights abuses in the army, reported by the media and non-government organizations (NGOs) here, during his two-day visit.

"We raise these issues when there are allegations made by credible NGOs," he told reporters on his arrival, ``and I will be raising them with Colombian officials."

Burns was accompanied by a high-powered delegation of 15 officials that included Anne Patterson, a former U.S. ambassador in Bogotá who now heads the State Department's anti-drug-trafficking programs.

Originally approved as a $1.3 billion, five-year U.S. effort to help finance a counter-drug campaign, Plan Colombia formally ended in late 2005 with outlays topping $4 billion. The U.S. Congress extended the aid this year as the two countries negotiate a longer-term arrangement. The U.S. money has improved the security situation here, but its impact on the cocaine and heroin industries remains unclear.

MONEY PUT ON HOLD

But State Department officials told The Miami Herald that about $55 million earmarked for the Colombian military for the 2006 fiscal year that ended Sept. 30 was put on hold over concerns that President Alvaro Uribe's government has not been aggressive enough in pursuing military officers accused of human rights abuses.

"You need progress, and, frankly, progress hasn't been as fast as we would want," said a State Department official who declined to be quoted by name to speak freely on the subject. ``That's always been part of the problem in Colombia."

The official said there was still enough U.S. money in the pipeline to keep the military programs running for now.

By law, the Bush administration must certify that Colombia is making adequate progress on human rights twice during the year in order to keep the U.S. aid flowing. But this year's certifications have been held up because of the reports of army abuses.

Rights groups consider the certification process a valuable tool to pressure the Uribe administration and the military to move strongly against the violators.

"If you want to see a few cases move, it's much stronger than any noise that the Colombian human rights community is going to be able to make," said Adam Isacson, a Colombia analyst with the Center for International Policy, a Washington-based advocacy group usually critical of the Bush administration.

``There's always the symbolism . . . the fact that Colombia's main military benefactor still has such strong doubts that they can't issue a seal of approval."

SUSPICIOUS EVENTS

In May, 10 members of an elite U.S.-trained counterdrug police were killed by army troops near the southwestern city of Cali. It was initially portrayed as a case of friendly fire, but Colombian prosecutors later alleged the troops were working for drug traffickers.

In Barranquilla, eight army officers and soldiers face criminal charges after six civilians were killed in an operation in August first presented as a kidnap rescue raid. It was later revealed that the deaths were drug related.

Last month, prosecutors opened an investigation of 18 soldiers for the deaths of 29 civilians, whose bodies were allegedly dressed in military fatigues and presented as guerrillas killed in skirmishes.

Local media also revealed details of an investigation into at least two army officers who allegedly paid former guerrillas to stage fake bomb plots in Bogotá ahead of Uribe's August inauguration to a second term. One bomb went off July 31, killing one civilian and wounding 21 others.

DOJ_NMG_0086142

Miami Herald correspondent Pablo Bachelet reported from Washington.

Colombia, US Examine Drug Plan (PRENSA)

Prensa Latina, October 25, 2006

Bogota, Oct 24 (Prensa Latina) Colombian President Alvaro Uribe and US Undersecretary of State Nicholas Burns are analyzing Tuesday results of the Colombia Plan, which many consider has failed in wiping out the drug trade in this nation.

Until Thursday, Burns will be in Colombia on an official visit accompanied by top functionaries of the departments of State, Defense and Justice, of the Agency for International Development and the Office of National Drug Control Policy.

Several analysts and politicians from both countries think the Colombia Plan has also been insufficient in reducing illegal drug crops and eliminating guerrillas in the Andean state.

Local Foreign Minister Maria Consuelo Araujo said that during this visit the two parties will also look at the results of Washington s over $5 billion assistance to the plan.

Araujo pointed out they will tackle US social-military aid to Bogota, their bilateral free trade agreement, tariff preferences, human rights protection, democracy strengthening and advances of the reinsertion process of those demobilized from armed groups, especially from paramilitary guerrillas.

Besides President Uribe, visitors are slated to gather with ministers Araujo, Carlos Holguin, Interior and Justice, and Juan Manuel Santos, Defense, among others.

Rumsfeld Urged To Fight Afghan Opium (AP)

By Dennis Conrad, Associated Press Writer

AP, October 25, 2006

WASHINGTON (AP) - Two GOP congressmen have told Defense Secretary Donald H. Rumsfeld that more needs to be done about Afghanistan's opium crisis because of increased violence and terrorism against coalition forces.

The opium and illicit drug trafficking has greatly increased in recent months and threatens to ``totally corrupt all of the new Afghan democratic institutions we support,'' Illinois Reps. Henry Hyde and Mark Kirk said in an Oct. 12 letter.

Hyde is chairman of the House International Relations Committee and is retiring after a 32-year congressional career. Kirk, now serving his third term in Congress, is a former longtime aide to the committee who also has served as an intelligence officer in the Pentagon's war room.

Rumsfeld had no response to the congressmen's letter as of Tuesday, according to Hyde's committee staff.

A Rumsfeld spokeswoman, Air Force Lt. Col. Karen Finn, said the Pentagon intends to respond. ``We take this matter very seriously,'' she said.

The congressmen suggested that the Drug Enforcement Administration combat the problem by focusing on drug kingpins in Afghanistan, heroin processing labs and drug convoys.

Hyde and Kirk said the convoys that carry the drugs out of the country bring back land mines and modern weapons bought with drug money from the Taliban and other anti-coalition forces.

``We all know the drugs fuel the violence and insurgency, we think that the debate concerning these obvious links is over, and now we need a new policy that addresses both the drugs and related terror, simultaneously,'' they added.

The congressmen cautioned that the DEA cannot do its job in Afghanistan without military support and assistance, including the Defense Department's military operational and tactical air support for some of the DEA's counterdrug missions.

A coordinated approach needs to be accomplished before the start of the 2007 opium crop, the congressmen said.

Finn said that over the past two years the Defense Department has worked to support DEA efforts to combat the narcotics threat in Afghanistan.

``In accordance with our statutory authorities, the secretary has already authorized Operation Enduring Freedom forces to embed nonmilitary counternarcotics personnel (to include DEA) when operating in areas of known or suspected drug-related activity,'' she said.

Senator Seeks Change In Afghan Drug Policy (UPI)

United Press International, October 25, 2006

WASHINGTON, Oct. 24 (UPI) -- A U.S. House leader urged the Defense Department to change strategy against Afghan heroin production, saying the existing policy isn't working.

Rep. Henry Hyde, R-Ill., said in a letter to Defense Secretary Donald Rumsfeld the poppy eradication program in Afghanistan is a failure, USA Today said Tuesday. Hyde urged Rumsfeld to help Drug Enforcement Administration agents seek out drug lords and heroin processing centers rather than focus on poppy farmers.

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Officials said the poppy eradication effort eliminated about 37,807 acres so far this year, about 7 percent of the acreage cultivated, USA Today said.

In the previously unpublished Oct. 12 letter, Hyde said the drug situation has "increased violence and terrorism" against forces stationed in Afghanistan and is threatening to "totally corrupt" new Afghan policies and programs the United States supports, USA Today said. Others officials, including Rumsfeld, voiced similar concerns that drug money is fueling a resurgence of Taliban and al-Qaida forces in Afghanistan.

Rumsfeld has not responded to Hyde's letter, but a Defense Department spokeswoman said the department is treating the matter seriously, USA Today said.

IMMIGRATION:

DNA Testing A Mixed Bag For Immigrants (WP)

By N.c. Aizenman

The Washington Post, October 25, 2006

DNA testing has emerged as a powerful and sometimes controversial tool for U.S. residents seeking to help overseas relatives enter the country legally.

The tests have been invaluable for thousands of citizens or permanent residents who want to sponsor relatives but lack birth certificates or other documents to prove the family relationship. But some immigration lawyers worry that U.S. authorities are increasingly requiring DNA tests even when the paperwork is in order -- adding substantial costs and delays to an arduous process.

"What's troubling is that it seems like the availability of DNA testing is leading to a greater level of mistrust of identity documents that otherwise would have been readily accepted," said Alison Brown, a lawyer based in Silver Spring.

Last year, about 718,000 people were granted permanent residency or a temporary visa on the basis of being a parent, child or sibling of someone who was a U.S. citizen, permanent resident or temporary visa holder.

Officials at the State and Homeland Security departments said they do not track the number of DNA tests submitted by people seeking to sponsor a relative for a visa. But the AABB (formerly the American Association of Blood Banks), the accrediting organization for laboratories that do DNA testing for immigration applications, receives about 12 e-mails or phone calls a day from people seeking referrals for immigration purposes, a spokeswoman said. At Fairfax Identity Laboratories, one of two DNA laboratories in the Washington region accredited to handle immigration cases, the number of requests for tests has increased about 20 percent, to about 2,000, in the past year, said Joe Chimera, senior vice president.

Immigration lawyers interviewed in the Washington area said officials who process visa applications at U.S. consulates overseas appear to be driving the increase in DNA testing.

"In many consulates, DNA testing has really become the norm," said Daniel Park, whose Alexandria-based practice serves mostly clients from Latin America.

Parastoo Zahedi, a lawyer practicing in Tysons Corner, said she became concerned about that possibility seven months ago when an official at the U.S. consulate in Abu Dhabi, the United Arab Emirates, told one of her clients that he had to submit a DNA test to prove he was related to his 65-year-old mother in Virginia, who was sponsoring him for permanent residency.

Zahedi said she was surprised because the client, a 42-year-old Iranian, had all the documentation normally required to prove his relationship to his mother, including a valid Iranian birth certificate. The Department of Homeland Security had already approved the client's petition -- the first step in any visa application. The interview at the consulate was the final step, in which he was supposed to demonstrate that there was no reason to bar his admission to the United States.

"At first, I thought it was something he said in his interview -- maybe some hesitation in one of his answers that raised suspicions," Zahedi said.

But in the ensuing months, she said, two more Iranian clients with solid documentation were told the same thing at the U.S. consulates in Abu Dhabi and Istanbul.

One of Zahedi's clients, Mehdie Halatai, 72, of Oakton, said his 17-year-old son, Mehran, got the word in Abu Dhabi. "My son said the official told him very simply, 'No DNA test, no visa.' . . . There was no explanation," Halatai said.

Testing ultimately proved the relationship -- as it did for Zahedi's two other clients.

But the test cost about $800, and because there is no U.S. consulate in Iran, the family had to pay hundreds of dollars more in travel expenses to send Mehran Halatai back to Abu Dhabi for the test and a second consular interview. The back-and-forth also has added several months to Mehran Halatai's wait.

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Priscilla Labovitz, a lawyer practicing in the District, said a similar situation has delayed a Cameroonian-born client's reunion with his two teenage children in Mali for nearly two years.

"There's no alarm bell that goes off when you look at their documents," she said. "Yet this man has had to put up with hassle after hassle to arrange the DNA tests."

Zahedi wonders why her clients had to submit to them in the first place.

"I think they are being picked on because of where they're from. . . . After all these years of practice, why am I only seeing this coming into use now? It makes no sense unless someone from above is saying that they need to have more scrutiny of people from these places."

Tony Edson, deputy assistant secretary for visa services at the State Department, said consular officials are warned about credibility problems with particular types of documents from particular places. But he said that there is no blanket DNA test requirement for applicants based on nationality and that it is against agency rules for consular officials to require DNA testing in individual cases.

"Our policy is explicitly that it is not required. It is always voluntary," Edson said.

Edson added that a DNA test is one of a variety of types of supporting evidence that consular officers will accept from applicants whose primary documents are deemed insufficient.

"The confusion may arise," Edson said, from the fact that "we do require applicants to prove they are who they say they are. If everything else they present doesn't prove that, then we may suggest genetic testing."

Some lawyers counter that growing awareness of the accuracy of DNA testing -- which has been available since the late 1980s -- has caused consular officials to become unduly mistrustful of other legitimate forms of evidence.

"It seems like in the past they were more accepting of the fact that a lot of Third World countries may not be as sophisticated in their production of documents as the United States," said David Goren, a lawyer based in Silver Spring. "Now, if there's so much as a typo or some whiteout, it's just assumed that it's a fraudulent document."

Others contend that consular officials have good reason to be wary.

"Look, the consulates are just trying to prevent fraud," said Luis Gonzalez, a lawyer based in Falls Church. "A lot of people think that they can just come to the consulate and say this is my son, when really he's the nephew."

Several lawyers said they have had cases in which a client learned from DNA testing that the child being sponsored was not biologically related.

DNA tests can save considerable time and difficulty for someone like Pedro Antonio Monjaras, 47, a naturalized U.S. citizen living in Annandale who recently brought his 20-year-old daughter over from El Salvador. Monjaras said that he has always supported her financially but that he did not sign her birth certificate until five years ago. As a result, that document was not considered sufficient evidence of their relationship.

Monjaras might have been able to prove his case by submitting receipts for the money transfers he has sent his daughter and by obtaining affidavits from previous neighbors. But Monjaras, a delivery truck driver, said it would have taken months.

"You're here, they're over there, and each step takes forever to organize," he said. "I would literally have had to send people money for the pen and paper for each affidavit."

So when his attorney proposed a DNA test, Monjaras leapt at the idea.

"It was like, 'Great! Problem solved,' " he said.

TAX:

Tax Breaks For Football (WP)

By George F. Will

The Washington Post, October 25, 2006

Before Miami police quelled the recent riot involving more than 100 University of Miami and Florida International University football players in the Orange Bowl, fighting erupted among fans in the stands. In two masterpieces of misdirected anxiety, the commissioner of the Atlantic Coast Conference, to which Miami belongs, said the rioting "has no place in college football" and the commissioner of FIU's Sun Belt Conference said "there is no place in higher education for the type of conduct exhibited."

But the question really raised by the barbaric behavior, and by nonviolent but nonetheless lurid behavior by some universities, is: What is the place of high-stakes football in higher education?

Twelve days before the Orange Bowl brawl, Republican Rep. Bill Thomas wrote, as chairman of the tax-writing Ways and Means Committee, an eight-page letter to the president of the National Collegiate Athletic Association, asking awkward questions. Thomas wonders how, or whether, big-time college sports programs, which generate billions of tax-exempt dollars --

CBS pays the NCAA an annual average of $545 million, mainly for the rights to televise the March Madness basketball tournament -- further the purposes for which educational institutions are granted tax-exempt status. Other questions include:

How does the NCAA fulfill its proclaimed purpose of maintaining "the athlete as an integral part of the student body"? Only 55 percent of football players and 38 percent of basketball players at Division I-A schools graduate. The New York Times has reported that at Auburn, a perennial football power, many athletes have received "high grades from the same professor for sociology and criminology courses that required no attendance and little work." Eighteen members of the undefeated 2004 team took a combined 97 hours of those courses while at Auburn. Who believes such behavior is confined to Auburn?

In recent decades the NCAA has increased the number of games that football and men's basketball teams are allowed to play. Thomas wonders how these changes help athletes improve their academic performances. Perhaps these changes have pecuniary purposes?

The NCAA says it aims to "retain a clear line of demarcation between intercollegiate athletics and professional sports." But aside from not compensating the athletes in a way commensurate with the money they generate for the universities, how is that line clear?

Some say the tax-exempt status of college sports is justified by the fact -- and it is a fact -- that successful sports teams often trigger increased applications for admission, and largess from alumni and legislatures. But, Thomas notes, "federal taxpayers have no interest in increasing applicant pools at one school opposed to another." Furthermore, athletic success that causes a surge of giving to universities might decrease giving to worthy charities.

Also, tax exemption is financing an escalation of coaches' salaries. More than 35 college football coaches are paid more than $1 million annually. The University of Colorado athletic department has borrowed $8 million, much of which will be used to buy out the contract of a fired football coach. Noting that several universities pay their men's basketball coaches four to five times what they pay their women's basketball coaches, Thomas wonders: "What additional educational benefit do men's basketball coaches provide beyond that which is provided by women's basketball coaches?" If the disparity has a commercial rather than an educational rationale, why should the commerce be tax-free?

Tax exemption also is a federal subsidy for ever more lavish facilities: Oklahoma State University, which is receiving $165 million from T. Boone Pickens to improve its athletic facilities, was already planning a $102 million upgrade of its football stadium. OSU charges fans a $2,500 "annual donation" just to become eligible to buy tickets for the best seats. The University of Michigan, which has had 198 consecutive sellouts at its stadium -- it now seats 107,501 -- is spending $226 million to add 3,200 luxury seats and 83 suites. The University of Texas at Austin is spending $150 million to add 10,000 seats to its current 85,123 capacity. These may be sound commercial decisions, but why should this commerce be tax-exempt?

Thomas wants to know: How many NCAA members "generate a net profit on the operations of their athletic departments (excluding university subsidies such as student fees or general school funds and services)? Of the institutions that generate a net profit, how many use the profit for purposes unrelated to the athletic department?"

Thomas is retiring, but if Democrats capture control of the House, the new chairman of Ways and Means, Charles Rangel, may hold hearings into the NCAA's tax-free lifestyle. Such hearings will be embarrassing, if people who operate football and basketball factories are capable of embarrassment.

CONGRESS-ADMINISTRATION:

Feds Ease Limits On Same-sex Schools (AP)

By Ben Feller

AP, October 25, 2006

For the first time in a generation, public schools have won broad freedom to teach boys and girls separately, stirring a new debate about equality in the classroom.

The Education Department on Tuesday announced rules that will make it easier to create single-sex classes or schools, a plan that's been expected for almost three years.

The move comes as the value of same-sex education is in doubt. Research shows mixed results, as even the department's own review says.

Yet Education Secretary Margaret Spellings said more parents deserve to have the option. The push began not with the White House, but rather with female senators of both parties.

"Research shows that some students may learn better in single-sex education environments," Spellings said, careful not to offer an outright endorsement.

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"The Department of Education is committed to giving communities more choices in how they go about offering varied learning environments," she said.

The new federal rules may change how schools will look in the future.

To be published Wednesday and take effect Nov. 24, the rules update the enforcement of Title IX, the landmark anti-discrimination law. The current language has stood since 1975.

Until now, single-sex classes have been allowed in only limited cases, such as gym classes and sex education classes.

The new rules will allow same-sex education anytime schools think it will improve students' achievement, expand the diversity of courses, or meet kids' individual needs.

Enrollment must be voluntary. And any children excluded from the class must get a "substantially equal" coed class in the same subject, if not a separate single-sex class.

Districts can also offer an entire school for one gender without doing the same for the other gender, as long as there is a coed school that provides substantially the same thing.

Advocacy groups for women criticized the new rules as a weakening of civil rights.

"That is not a substitute for true equality," argued Jocelyn Samuels, vice president for education and employment at the National Women's Law Center. "It's a very dangerous sign to schools, that they can relax their vigilance in ensuring equal educational opportunities," she said.

As one example, Samuels said, schools can now offer a specialized math class in physics for boys. Would the excluded girls, she wondered, get the same quality in a coed class?

Stephanie Monroe, who oversees civil rights for the Education Department, promised fair enforcement. The department will look at teacher quality, textbooks and other factors to determine if coed classes are essentially the same quality as the single-sex classes.

About 240 public schools offer same-sex education in the United States, up from just three in 1995, according to the National Association for Single Sex Public Education.

Given new federal clarity, "There's no question that we're going to see very dramatic growth in the next year or two," said Leonard Sax, the association's executive director.

He said separate classes can erode stereotypes — not reinforce them — by letting boys and girls explore their interests freely. A same-sex environment might encourage boys to play the flute, or girls to work on assembling computers, he cited as examples. Success requires involving parents and teachers, not just sticking kids in different rooms, he said.

Yet Sax also criticized the Bush administration for taking so long.

Republican Sen. Kay Bailey Hutchison of Texas and Democratic Sen. Hillary Rodham Clinton led the way in 2001, pushing single-sex education options in the No Child Left Behind law.

The department released proposed regulations in March 2004. After 31 months, an unusually long review time, the agency is releasing final rules that are substantially the same.

Monroe said the department wanted to ensure the rules follow the law and the Constitution. Still, Samuels predicted the new rules would be challenged in court.

The changes affect elementary and secondary education, not colleges. The current ban on single-sex vocational education in both classes and schools at the K-12 level will remain.

Federal Rules Back Single-Sex Public Education (NYT)

By Diana Jean Schemo

The New York Times, October 25, 2006

WASHINGTON, Oct. 24— The Bush administration is giving public school districts broad new latitude to expand the number of single-sex classes, and even schools, in what is widely considered the most significant policy change on the issue since a landmark federal law barring sex discrimination in education more than 30 years ago.

Two years in the making, the new rules, announced Tuesday by the Education Department, will allow districts to create single-sex schools and classes as long as enrollment is voluntary. School districts that go that route must also make coeducational schools and classes of “substantially equal” quality available for members of the excluded sex.

The federal action is likely to accelerate efforts by public school systems to experiment with single-sex education, particularly among charter schools. Across the nation, the number of public schools exclusively for boys or girls has risen from 3 in 1995 to 241 today, said Leonard Sax, executive director of the National Association for Single Sex Public Education. That is a tiny fraction of the approximately 93,000 public schools across the country.

“You’re going to see a proliferation of these,” said Paul Vallas, chief of schools in Philadelphia, where there are four single-sex schools and plans to open two more. “There’s a lot of support for this type of school model in Philadelphia.”

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Until now, Mr. Vallas said, there had been a threat of legal challenge that had delayed, for example, a boys charter school from opening in Philadelphia this September. New York City has nine single-sex public schools, most of which opened in the past four years.

While the move was sought by some conservatives and urban educators, and had backing from both sides of the political aisle, a number of civil rights and women's rights groups condemned the change.

"It really is a serious green light from the Department of Education to re-instituting official discrimination in schools around the country," said Marcia Greenberger, a co-president of the National Women's Law Center.

Under Title IX, the 1972 law that banned sex discrimination in educational institutions that receive federal funds, single-sex classes and extracurricular activities are largely limited to physical education classes that include contact sports and to sex education.

To open schools exclusively for boys or girls, a district has until now had to show a "compelling reason," for example, that it was acting to remedy past discrimination.

But a new attitude began to take hold with the passage of the No Child Left Behind law in 2002 when women senators from both parties came out in support of same-sex education and asked the Education Department to draft guidelines to permit their growth.

The new rules, first proposed by the Education Department in 2004, are designed to bring Title IX into conformity with a section of the No Child Left Behind law that called on the department to promote single-sex schools.

The interest in separating boys from girls in the classroom is part of a movement to allow more experimentation in public schools.

Although the research is mixed, some studies suggest low-income children in urban schools learn better when separated from the opposite sex. Concerns about boys' performance in secondary education has also driven some of the interest same-sex education.

Education Secretary Margaret Spellings described the changes as part of a greater effort to expand educational options in the public sector. "Every child should receive a high quality education in America, and every school district deserves the tools to provide it," Ms. Spellings said.

She said that research supported offering single-sex education, and that the changes would not water down the protections of Title IX.

But Stephanie Monroe, who heads the Education Department's office of civil rights, acknowledged the equivocal nature of the department's own research on the issue.

"Educational research, though it's ongoing and shows some mixed results, does suggest that single-sex education can provide some benefits to some students, under certain circumstances," she said.

Although the changes announced Tuesday will not officially take effect until Nov. 24, school districts, including in New York City, had anticipated the new rules and some opened single-sex schools on the presumption of today's changes.

Kelly Devers, a spokeswoman for the New York City schools, said the system's lawyers planned to examine the rules to see how they expanded options for principals. Until now, public school districts that offered a school to one sex generally had to provide a comparable school for students of the other sex. The new rules, however, say districts can simply offer such students the option to attend comparable coeducational schools.

Critics argue that the changes contradicted the intent of Title IX and would not withstand a legal challenge — a point Education Department officials disputed.

Nancy Zirkin, vice president of the Leadership Conference on Civil Rights, an umbrella organization representing about 200 civil rights groups, said the new regulations "violate both Title IX and the equal protection clause of the Constitution."

"Segregation is totally unacceptable in the context of race," she said. "Why in the world in the context of gender would it be acceptable?"

The American Civil Liberties Union signaled it might consider going to court. "We are certainly in many states looking at schools that are segregating students by sex and considering whether any of them are ripe for a challenge," said Emily Martin, deputy director of the Women's Rights Project at the A.C.L.U..

Tom Carroll, chairman and founder of the Brighter Choice Charter School for Boys and the Brighter Choice Charter School for Girls in Albany, said the new regulations gave greater legal protections to single-sex schools that had, until now, operated under the threat of lawsuits by such groups. "The A.C.L.U. now has a dramatically steeper hill to climb to upset the apple cart on single-sex schools," Mr. Carroll said.

He said his schools' research showed boys were stronger in math and girls were stronger in literacy. But in recently released test scores, he said, his schools did better than any other public schools in Albany. "Paradoxically, by educating them

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separately," he said, "we were able to do much to reverse the gender gaps that typically leave girls behind in math and boys behind in literacy."

Schools May Offer More Single-Sex Classes Under New U.S. Regulations (WP)

By Valerie Strauss

The Washington Post, October 25, 2006

New federal regulations announced yesterday give school systems around the nation more flexibility in offering single-sex public education, even though the Department of Education concluded a year ago that there was not enough evidence to definitively evaluate single-sex classes.

Critics contended that the move was an invitation to schools to violate laws prohibiting sex discrimination in federally funded education programs.

The action, announced by Education Secretary Margaret Spellings, gives school systems more freedom to establish single-sex schools and classes, as well as extracurricular activities at the elementary and secondary education levels. The regulations will take effect Nov. 24.

"Research shows that some students may learn better in single-sex education environments," Spellings said in a news release. "The Department of Education is committed to giving communities more choices in how they go about offering varied learning environments to their students."

The agency made the change even though it reported a year ago that there was not enough evidence to say whether single-sex education is beneficial or harmful to students.

Stephanie Monroe, assistant secretary for civil rights in the Education Department, said the agency received more than 5,800 comments from the public about the change.

"We didn't receive comments saying that it in and of itself was wrong," she said. People "were more concerned about the way it was being implemented."

Monroe added, "Students in public schools deserve the same opportunity of other students whose parents can afford to send them to private schools."

Earlier regulations permitted school systems to provide single-sex public schools to students of one sex if there were single-sex public schools for the other. Now school systems may open a single-sex school to students of one sex if there is a substantially equal single-sex or coeducational school for students of the other sex.

The American Civil Liberties Union said the new regulations are an open invitation to schools to violate Title IX, the federal law that prohibits sex discrimination in educational programs that receive federal funding.

"The regulations allow schools to separate girls and boys for virtually any reason they can dream up -- including outdated and dangerous gender stereotypes," Emily Martin, deputy director of the ACLU Women's Rights Project, said in a statement. "And although the administration's regulations claim to make these programs optional, sex segregation can never be truly voluntary."

Single-sex School Restrictions Ease (USAT)

By Greg Toppo

USA Today, October 25, 2006

School districts across the nation this fall will have unprecedented freedom to open up all-girls' or all-boys' schools and classes under sweeping new regulations announced Tuesday by U.S. Education Secretary Margaret Spellings.

The shift is the biggest in 31 years and for the first time allows schools to separate students by gender if they believe it helps — a standard that is under debate in the existing research.

Participation in such programs would be voluntary, but schools choosing to separate a class for one sex wouldn't have to provide an equivalent class for the other sex. They'd simply have to offer a "substantially equal" coed class in the same subject.

The regulations, which take effect Nov. 24, also clarify rules on creating entire single-sex public schools.

Since the current rules went into effect in 1975, single-sex classes have been allowed only on a limited basis, such as in charter schools, sex education courses or gym classes. The Bush administration, supported by Republican Sen. Kay Bailey Hutchison of Texas and Democratic New York Sen. Hillary Rodham Clinton, has favored loosening the rules.

There are 241 public schools offering single-sex coursework, up from just three in 1995, says Leonard Sax of the National Association for Single Sex Public Education. He thinks about 1 in 10 of the USA's 90,000 public schools could decide to become single-sex.

Critics, such as the American Association of University Women and the American Civil Liberties Union, call changes troublesome.

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Emily Martin of the ACLU Women's Rights Project said the new regulations “represent a through-the-looking-glass interpretation” of the federal Title IX law, which prohibits excluding students from school programs on the basis of sex. She noted that schools could now “separate girls and boys for virtually any reason they can dream up — including outdated and dangerous gender stereotypes.”

Spellings said research shows that “some students may learn better” in single-sex environments, but other administration officials Tuesday admitted that the best research offers only tepid support. A 2005 analysis of current research, cited on the department's website, noted that “any positive effects” of single-sex schooling on long-term academic achievement “are not readily apparent.”

The analysis found no differences on college test scores, graduation rates or graduate school attendance and bemoaned “the lack of high-quality research on these important criteria.” And it found no research on how single-sex schooling affects critical factors such as teen pregnancy rates, differential treatment by teachers, parental satisfaction and school bullying.

Speaking to reporters Tuesday, Stephanie Monroe, who heads the department's civil rights office, minimized the research, saying that as a parent she'd want all options available to her child.

“The department believes that this is an option that should be made available,” she said.

Public Schools Sanctioned For Single-sex Classes (WT)

By Joyce Howard Price

The Washington Times, October 25, 2006

The U.S. Department of Education yesterday announced new rules that will allow public schools to create classes, grades and even entire schools that teach students of one sex only.

"Research shows some students may learn better in single-sex educational environments," Education Secretary Margaret Spellings said in announcing changes that will take effect Nov. 24 and that will be voluntary.

"Every child should receive a high-quality education in America, and every school and district deserves the tools to provide it. These final regulations permit communities to establish single-sex schools and classes as another means of meeting the needs of students," the secretary said.

The guidelines have been studied for four years. Education officials began examining policy changes after research indicated that some students learn and behave better in boys-only or girls-only environments.

The American Association of University Women and other groups oppose single-sex schools.

"The research supporting single-sex education is inconclusive. Indeed, in its most recent report, the Department of Education calls ... the benefits of single-sex education equivocal," said Catherine Hill, the association's director of research.

Education Department officials in a teleconference yesterday made it clear that the evidence is mixed.

"The research suggests single-sex education can provide benefits to some students under certain circumstances," said Stephanie Monroe, the department's assistant secretary for civil rights.

"We're not imposing this as a one-size-fits-all mandate. This is an option that can be helpful to some students, and that's what the literature says. Local schools and parents will make the decision on what is appropriate for their students," she said.

The federal rules that will be published today in the Federal Register represent amendments to how the Education Department will enforce the Title IX anti-discrimination law of 1972. That law prohibits sex discrimination in education programs or activities that receive federal funds.

The need to ensure legal compliance was one reason why the regulations took so long to develop, Miss Monroe said. "This is an important issue, and we wanted to make sure the department got it right. ... We made sure [the amendments] are legally sound, are consistent with Title IX, and with the Constitution," she said.

Attorney General Alberto R. Gonzales approved the guidelines after making a few changes that officials described as minor.

Kent Talbert, general counsel for the Education Department, said it "took two to three years" for officials to analyze more than 5,800 public comments on the issue of single-sex education.

Miss Monroe said most who commented "did not think single-sex education is wrong," but many "were concerned about how it would be implemented." She said the department thinks it has "adequately addressed those concerns."

Kim Gandy, president of the National Organization for Women, said in an interview that her group is "very concerned" with the guidelines and repeatedly filed objections.

"Whenever there are efforts to provide separate but equal [programs], it never manages to be equal. Girls invariably get the short end," Mrs. Gandy said.

Single-sex classrooms have become more common, increasing from four public schools in 1998 to at least 228 today, according to the National Association for Single-Sex Public Education.

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In the Washington area, Frederick County's Twin Ridge Elementary School began offering all-boys classes for fourth- and fifth-graders two years ago. The decision was prompted by lagging test scores for boys, the school's principal told the Baltimore Sun in May 2004.

In Baltimore, at least eight city schools offer all-boys classes "taught by black men and designed to present role models to African-American boys," the Sun reported. This fall, Septima Clark Public Charter School in Ward 8 became the District's first all-boys charter school, The Washington Post reported.

Failing Schools Fighting Back (WP)

By Daniel De Vise

The Washington Post, October 25, 2006

Last summer, Sherina Garner was offered a chance that doesn't come often in public education: a free pass for her daughter to leave the neighborhood school for a better one.

She turned it down. Carlisha Garner, 11, returned to Beacon Heights Elementary this fall, even though the Prince George's County school had missed performance targets for the past two years and, under federal education law, the entire student body was entitled to transfer out.

"From what I can see, my child is very bright, and she has been getting a good education at Beacon Heights," Garner said. She didn't want her daughter to switch schools "just because of a test score."

This fall, 10 of the 450 students at Beacon Heights exercised the transfer option offered them under the No Child Left Behind Act -- a mere trickle, compared with the number of students who have left other Prince George's schools in the same predicament in recent years.

Rather than accept the inevitable stigma of being on the wrong side of the law's school choice provision, officials at Riverdale's Beacon Heights and other embattled schools are trying a new tack: fighting back by marketing themselves to parents.

They promote the extra resources afforded to schools after their test scores repeatedly fail to meet standards, the easy proximity of a neighborhood school, the familiarity of friends and even their so-called inadequate results.

Four years into No Child Left Behind, many of the campuses entering the school choice process are actually fairly good schools. Principals point out that the standard for "adequate yearly progress," the measure of success under the 2002 federal law, is a bit higher each year. And a school can be labeled a failure if any one of several statistical subgroups misses the mark. For example, the test scores of special education students or those with limited English skills can open an entire school to transfers.

In Prince George's, the epicenter of choice in Washington's suburbs, the number of elementary and middle schools on Maryland's school improvement list -- signaling two years of missed academic targets -- rose from 55 last year to 63 this year. Yet, new transfers totaled just 612 this fall, down from 955 last year and 1,071 in 2004.

Consistently, about 1 percent of students eligible to transfer nationwide elect to do so. Maryland reported a small decline in transfers in the 2005-06 academic year, after two years of growth, and the number is likely to slip further this year.

Transfers were meant as an exit strategy for parents at chronically low-performing schools in low-income communities. The option is limited to schools that receive federal Title I funds, reserved for high-poverty areas. But the choice program is "swimming upstream" in many communities, said Ann Chafin, a Maryland assistant superintendent of education who oversees school improvement.

The difficulty lies in persuading parents to leave a neighborhood school, even for a better one. "The neighborhood school concept is a very, very big deal," Chafin said.

Two years ago, Beacon Heights Elementary was the toast of Prince George's, the only school in the county to receive a 2004 Blue Ribbon, the highest honor that can be bestowed upon a school by the U.S. Department of Education.

Now, the school sits on the state's watch list, and parents are entitled to transfers. Weak reading scores in two programs -- special education and students of limited English proficiency -- caused Beacon Heights to miss its performance targets in 2005 and 2006. If just three more special education students had passed the state test this spring, the school would have averted transfers.

Letters went home over the summer to all parents, alerting them that they were free to leave and inviting them to a July 18 meeting.

Sherina Garner attended.

"I wanted to listen to what they had to say," she said. "But I already had a presumption inside of me" that Carlisha, entering sixth grade, would remain where she was.

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The school choice option allowed Carlisha to attend any of three other schools, all of which had made adequate yearly progress. One, Bond Mill, is the fourth-best elementary in Prince George's, in terms of advanced performance on the statewide test.

But Garner knew about Beacon Heights's Blue Ribbon. She knew that test scores had not changed much since then and that the school's curriculum remained fundamentally sound. And Carlisha could walk to the school.

Three dozen parents attended the meeting. Some were Spanish speakers under the misimpression that they had to leave the school. School system officials explained how the transfer worked. Then they made their pitch.

They told parents that a transfer would not necessarily deliver students to a better school. One of the three transfer options, Carrollton Elementary, actually had a slightly lower percentage of students rated advanced on the 2006 Maryland School Assessment, and only Bond Mill had significantly higher scores. Beacon Heights was getting a brand-new after-school program and a pair of faculty support specialists, not to mention the army of extra help already provided under various state and federal programs targeting poverty and language needs.

"We pretty much have most of our children in this building covered for extended learning opportunities in grade 2 to grade 6," said Lynne Stuewe, the Beacon Heights principal.

At Bond Mill, a receiving school for Beacon Heights and several other schools under the choice program, Principal Justin FitzGerald has watched transfer activity taper off this fall. Just seven new students entered the school on transfers this year, the smallest number since the program began, leaving the transfer population at 25 in a school of 575 students.

Some falloff is natural, he said, after the explosion of transfers in the first years of the federal program. But he also notes that not one student has transferred in from Beacon Heights.

Five adults joined the 25 students in Carlisha's Beacon Heights classroom on a recent morning: a faculty support specialist, funded by school improvement money; a teacher and assistant, funded by special education; an English for Speakers of Other Languages teacher; and the regular teacher, left with just a handful of students to supervise in a group exercise.

"In fourth grade, I was pleased," Garner said. "Fifth grade, I was pleased. And sixth grade, I'm hoping, will wind up the same way."

Prince George's accounted for 955 of the 1,590 school choice transfers approved in the 2005-06 academic year in Maryland, according to state data. The volume of transfer activity shows both a strength and a weakness of the school system, experts say: The county has a large number of schools performing poorly enough to trigger transfers but enough high-scoring schools to make transfers an appealing option to parents.

The ailing Baltimore school system, in contrast, had twice as many schools eligible for transfers last year but far fewer parents requesting them. In D.C. schools, tens of thousands of students at 81 schools were eligible for transfers last year. But only a few hundred students transferred. The problem, in both of those systems, is finding a school that is meeting its performance goals. One D.C. parent activist likened the transfer option there to shifting "the chairs on the deck of the Titanic."

National Medicaid Transport Probed (WT)

By Jim Mcelhatton

The Washington Times, October 25, 2006

Federal auditors are examining the skyrocketing costs of providing transportation to Medicaid patients across the country, a problem that D.C. officials are struggling to control.

The Office of Inspector General for the U.S. Department of Health and Human Services said it "will determine whether state Medicaid agencies make erroneous payments for transportation services," according to its recently released 2007 work plan.

Medicaid transportation costs across the nation rose by 48 percent from 1999 to 2003, reaching $1.5 billion, according to the work plan.

The District has seen its Medicaid transportation costs rise to more than $20 million overall last year. More than $16 million was spent on van rides alone, according to a report last month by the D.C. Office of the Inspector General.

But the city's Medicaid transportation program, which also pays for public transit and taxis, cost taxpayers $14.3 million in fiscal 2004, according to the D.C. inspector general's 2006 work plan.

The program was also the subject of recent reports by the city's inspector general and the D.C. Council Committee on Health.

The Washington Times on Monday reported that the District last year spent $22.3 million for nonemergency transportation of Medicaid patients -- slightly more than what the city paid for patients to see individual doctors, according to city records.

In the federal work plan, the inspector general does not single out the District or any state in outlining a review of Medicaid transportation services.

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Medicaid, which provides health insurance for the poor, is funded by the federal government and the states, which also manage their programs.

Reimbursement rates and rules for Medicaid transportation vary by state.

"Since so much money is involved here, the federal government certainly has a very keen interest in how it is spent," Donald White, spokesman for the HHS inspector general, said yesterday of the nationwide look at Medicaid transportation costs.

Health care consultant Robin Mathias said that it's not uncommon for Medicaid programs to lose 30 percent to 50 percent of nonemergency transportation spending to fraud and abuse.

"States may identify likely fraud months or years after payment by analyzing claims data, but the effort is often too little, too late," she said.

A few states, such as Illinois, are moving toward contracting with a limited number of companies through competitive bidding, instead of having an unlimited number of providers, Miss Mathias said.

"Transportation fraud is very common," she said. "One of the reasons is that there's no professional certification. You don't have to be a nurse or a physician or a medical practitioner. That opens it up to a much wider range of people."

Last month, D.C. Inspector General Charles J. Willoughby issued a report that uncovered "a serious breach of basic internal controls" in which the city's Medical Assistance Administration failed to document millions of dollars in Medicaid transportation expenditures.

In response, Dr. Gregg A. Pane, director of the D.C. Department of Health, which oversees the MAA, wrote that the current transportation system has "profound management and operational challenges to overcome."

Dr. Pane said that city health officials are "deeply committed to working to resolve these issues as soon as possible."

The Times found that gaining entry into the Medicaid transportation industry in the District has required little more than a driver's license, an inspected van, auto insurance and valid rates on file. The city has more than 200 Medicaid transportation providers.

Neither the city's Department of Health, which oversees Medicaid, nor the Washington Metropolitan Area Transit Commission, which licenses motor carriers, has conducted background checks of company officials in recent years.

The review by The Times of court records and other official documents of transportation companies on the D.C. Medicaid provider directory found company officials with criminal histories and others with numerous driving violations.

The Washington-based Community Transportation Association of America says the District trailed only Alaska in how much it has paid for transporting Medicaid patients, according to D.C. Council documents.

Alaska encompasses more than 581,000 square miles; the District, 63 square miles. Commercial airfares account for more than 90 percent of Alaska's Medicaid transportation costs, while the District relies mostly on a fleet of private van carriers, according to records.

The District pays companies up to $140 per trip. By comparison, a cab ride across the city could cost as much as $40, plus tip.

Panel Plans Ways To Narrow Tax Gap (WSJ)

By Rob Wells

The Wall Street Journal, October 25, 2006

Congress, in a perpetual hunt to raise revenue without appearing to raise taxes, has a new list of ways to fatten the federal Treasury.

One proposal would force brokers to track historical price-basis information on stock sales, which could mean a stiffer capital-gains hit for investors who, intentionally or not, misstate the original purchase price. Another proposal would tighten the interest deduction for some mortgage refinancings. Still another would remove a key tax advantage for many family-owned businesses.

The proposals, released to little fanfare last week by Congress's Joint Committee on Taxation, are viable options for lawmakers looking to offset the cost of future tax cuts, tax experts say. The nonpartisan joint committee estimates the revenue costs of tax measures and is an influential behind-the-scenes player in tax bills.

This list of revenue-boosting options was produced at the request of Senate Finance Committee Chairman Charles Grassley (R., Iowa) and Sen. Max Baucus (D., Mont.), who asked the joint committee to pinpoint ways to close the estimated $290 billion tax gap, a measure of uncollected taxes.

Tax experts believe closing the gap will remain a significant goal of Congress regardless of which party prevails in next month's elections. "Over the long term, a number of the options will get looked at pretty hard because we will need revenues," says C. Clinton Stretch, partner at Deloitte & Touche LLP in Washington.

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Brokerage firms are nervous about a recommendation to force brokers to report to the Internal Revenue Service the adjusted basis of publicly-traded securities sold during the preceding taxable year. Adjusted basis measures the original cost of a security for tax purposes.

While brokers foresee major record-keeping problems, many investors could end up paying higher taxes because the new records could document significant capital gains. The IRS estimates that underreporting of all capital gains resulted in $11 billion in uncollected taxes in 2001.

Some tax experts predict problems tracking records with older stock portfolios, inherited securities or portfolios recently transferred to a new firm. They urge that the requirement be applied to future stock transactions instead.

Ken Busey, a partner at PricewaterhouseCoopers LLP in Washington, says brokerage firms might report a basis figure to the IRS in conflict with a taxpayer's records, he says. Still, Sens. Grassley and Baucus have been examining a bill to require such basis reporting. Sen. Evan Bayh (D., Ind.) introduced a basis reporting bill earlier this year.

IRS taxpayer advocate Nina Olson made a similar recommendation in 2005. "For taxpayers, tracking basis can be extraordinarily complex and many taxpayers seeking to comply with the law find that they simply cannot do so with accuracy, leaving them exposed if audited," Ms. Olson wrote then.

The report also seeks to clear up confusion over timing of a homeowner's interest deduction when they refinance their home. Mortgage interest generally is deductible but there are important qualifications. Points paid on a refinancing generally must be claimed on a prorated basis over the life of the loan. Interest can be deducted on home-equity loans of as much as $100,000. The joint committee said homeowners are confused about mortgage-deduction rules, suggesting some are claiming more generous deductions. The committee is urging clearer details about these limits and timing restrictions for taxpayers.

The scope of erroneous mortgage deductions isn't clear. But since taxpayers are expected to deduct $69.4 billion in interest on homes in 2006, even low levels of avoidance "would involve significant dollar amounts," the report said. And many of such interest-deduction errors likely occurred during the recent mortgage-refinancing boom, says Bill Smith, national tax office director at CBIZ Inc., a Cleveland consulting firm. "I think the vast majority of people out there have no idea there are limits on deductibility on mortgage interest," he says.

The report proposes a significant tax-law change for law firms and family-owned personal-service firms, which may face new self-employment tax obligations. Typically, an executive in a "subchapter S corporation," used by many family businesses, takes a salary and distributes the remaining profit in a dividend that isn't subject to self-employment taxes, Mr. Smith says. The report suggests a new uniform rule to have these entities covered by the same self-employment tax regime as partnerships or sole proprietors.

Not having a uniform rule is a sizable problem: $39 billion of the tax gap was attributable to the self-employment tax and an estimated $15 billion of the tax gap attributable to unemployment taxes. Yet Mr. Smith says in his experience, most people using an S corporation don't pay themselves "ridiculously low" salaries and take the rest in a tax-advantaged dividend distribution. * * *

SOME 39 MILLION TAXPAYERS became ineligible this year for free electronic filing due to new income limits.

The IRS "Free File Alliance," launched in 2003, directs taxpayers from the agency's Web page to free taxfiling services of private-sector tax preparers such as H&R Block.

The firms restricted their free services in 2006 to taxpayers earning $50,000 or less. This limit arose after some tax preparers complained competing firms had lifted all income caps in a bid to boost market share. Some companies threatened to drop out of the alliance unless the IRS agreed to an income limit, negotiated in October 2005.

As a result, Treasury's Inspector General for Tax Administration or TIGTA, said the income limit cut program participation by 23%. It also made 39 million people ineligible for free tax filing and pointed to another problem: Only 38% of taxpayers with incomes less than $25,000 have access to the Internet, TIGTA said.

"Free File Alliance" had nearly four million participants in 2006, down from five million in 2005. * * *

BRIEFS: IRS announces a $15,500 limit for 401(k) contributions in 2007, up from $15,000 the prior year, thanks to a cost-of-living boost...U.S. Attorney General Alberto Gonzales last week praised the Justice Department's pursuit of tax crooks, citing 250 injunctions against tax-fraud promoters since 2001.

Where It's Always Christmas (WP)

By Ruth Marcus

The Washington Post, October 25, 2006

Harry Reid probably didn't give it much thought. When Christmas rolled around and it was time to contribute to the holiday fund for employees at the Ritz-Carlton condominium where he lives while in Washington, the Senate minority leader did what comes naturally to politicians these days: He dipped into his campaign account.

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As recent ethical transgressions go, the Nevada Democrat's actions aren't the biggest deal around. Election rules bar candidates from using campaign funds for personal expenses, but Reid contends that the tips were to thank the staff for the hassle of dealing with a resident dignitary. That's arguable, and after the Associated Press reported on Reid's donor-funded generosity, he repaid the three years of campaign-funded tips, $3,300.

Reid's actions are more important, though, as an illustration of the entrenched, bipartisan congressional mind-set of entitlement. Republicans and Democrats may not agree on much, but their joint operating ethos too often boils down to an attitude of: "It's my due. Why shouldn't I?"

Lawmakers have steadfastly resisted clamping down on privately funded travel. They have refused to do away with free use of corporate jets. They eagerly take freebies such as skybox tickets and expensive meals under the prevailing "don't ask, don't pay" congressional culture in which someone else -- a company, a campaign committee -- is always picking up the tab.

Absolute power may corrupt absolutely, but it also corrupts trivially. What's striking about Congress (aside from flagrantly corrupt members such as former representative Randy "Duke" Cunningham) is the nickel-and-dime nature of the benefits they feel entitled to take, from Reid's acceptance of free boxing tickets from the Nevada Athletic Commission to California Republican Rep. John Doolittle's use of campaign funds to pay the babysitter.

Certainly this attitude is not solely a congressional phenomenon. In a report studded with delicious morsels, the Justice Department's inspector general last week chronicled the exploits of Carl Truscott, former head of the Bureau of Alcohol, Tobacco, Firearms and Explosives -- and the resources Truscott abused were taxpayer dollars, not private funds. While his agency was having to cut back on bulletproof vests for agents, Truscott was arranging for deluxe features in the director's suite of the agency's new building, including a flat-panel television in his private bathroom and a parquet floor modeled on those in the vice president's ceremonial office. Unlike his predecessors, he traveled with an extensive security entourage, and because the director "did not like to wait," security personnel met him at the airport to bypass lines. He violated government ethics rules by using "significant ATF resources" -- about 20 agency employees ended up being drafted to help -- on his nephew's high school project to produce a video about the ATF.

There's something about Congress, though, that may especially invite such grandiosity. As Truscott's escapades show, executive branch officials may be catered to by subservient staff, but there are at least civil service protections for those who dare to complain and inspectors general to expose the most egregious misbehavior. But where are the checks on Congress? In theory, the fear of being dinged by a campaign opponent might restrain lawmakers; in reality, given gerrymandered districts, that might not be much of a deterrent. Instead, lawmakers are surrounded by staff members, lobbyists and others whose only incentives are to satisfy their whims, not resist them.

Cunningham offers a case in point. A summary of his dealings with staffers at the House intelligence committee showed how their compliance enabled him to direct at least $70 million in contracts to corrupt defense contractors. Bullied and cowed by Cunningham, committee staff ignored "red flags" and dutifully satisfied his requests, the report found. After the report was released, I asked the committee spokesman whether any disciplinary action would be taken. He was thunderstruck. What, he asked, was the staff to do in the face of a lawmaker's demands? "Have you ever worked in Congress?" he asked. (No.)

Last week an NBC-Wall Street Journal poll reported the lowest public approval rating for Congress since 1992. What I wondered about was this: Who are the 16 percent who approve?

Diplomacy Turns A Profit (WP)

By Al Kamen

The Washington Post, October 25, 2006

Ambassadorial wives are often hard-pressed to find something to do when overseas.

But it seemed Lisa Vershbow , wife of Alexander Vershbow, the U.S. ambassador to South Korea, had found her niche, picking up on her abilities as a costume jewelry maker.

At diplomatic receptions, she handed out name cards that said "Lisa Vershbow Jewelry Design" and gave her address as the U.S. Embassy residence, according to the Korea Times.

Vershbow set up a workshop in the residence and sold her work through a Seoul gallery. Over a two-week period, the Times reported, the gallery sold $20,000 worth of her pieces and, after deducting sales taxes, split the net with her.

She told the Times that she'd gotten an okay with embassy staff to do the exhibit. But the Korean Immigration Bureau says she didn't get a required work permit, a violation of the Korean Immigration Control Act.

And, she said of her customers, "I always wonder, would people still come if I weren't the U.S. ambassador's wife?"

No.Sex, Lies and the White House

And now, a Loop public service item. This month's special cheesecake edition of Esquire magazine features actress Scarlett Johansson as "The Sexiest Woman Alive." It's part of a fine photo display of "The Women We Love" from various fields -

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- movies, news, television commercials. The section includes "Women We're Ashamed to Love," topped by White House deputy press secretary Dana Perino .

"Hotter than Tony Snow and Scott McClellan combined," Esquire says of Perino. "Plus, the executive branch seems so much more capable in her dulcet voice. Lie to us, Dana. Lie to us."

Oddly, there is no picture of Perino included. So for Loop fans who don't read Esquire:Forgive and Forget

Former president Bill Clinton , talking to Democratic contributors here last week, recounted how he had earlier chatted with Jim Webb , a Virginia former Republican who is running for the Senate as a Democrat.

"He said: 'I can't believe you're going to campaign for me after all the terrible things I said about you,' " Clinton said.

Clinton said he told Webb that "if that was my test, I'd have no one to campaign for."

No doubt. Not even Hillary.Smash-Mouth Politics

It's getting rough out there in Wyoming, where six-term Rep. Barbara Cubin (R) is heavily favored over Democrat Gary Trauner .

During Sunday's televised debate, Libertarian Party candidate Thomas Rankin criticized Cubin for taking contributions from former House majority leader Tom DeLay . Moments after the lights went down, an upset Cubin said to Rankin: "If you weren't sitting in that chair, I'd slap you across the face," the Casper Star-Tribune reported.

Rankin has multiple sclerosis and uses an electric wheelchair.

Cubin publicly apologized yesterday, saying, "It was person to person and it was not an attack on the disabled. In retrospect, I was wrong in what I said and I apologize."

The popular Cubin is a Class of '94 member who pledged to serve no more than six terms.There's a Fox Following the Ambassador

Famed Washington lobbyist Tom Korologos , a Nixon and Ford White House aide and former Senate confirmation guru, is said to be leaving his fine posting as ambassador to Belgium early next year. Korologos, 73, often known as the 101st senator, helped out in Iraq in 2003.

Word is the White House has tapped wealthy St. Louis developer Sam Fox , 77, to replace Korologos. Fox, a major GOP fundraiser, is national chairman of the Jewish Republican Coalition.Five Governments, One Crazy Guy

The press keeps badgering the Bush administration over why it won't negotiate one-on-one with the government of lunatic North Korean dictator Kim Jong Il over the latter's nuclear program.

The reasons are obvious, but reporters just don't get it. CNN's Zain Verjee , in an interview last week with Secretary of State Condoleezza Rice in Beijing, asked: "What do you have to lose?"

"Well, what we have to lose," Rice explained patiently, "is the power of five countries telling the North Koreans . . . that the program is unacceptable. The North Koreans would like nothing better than to divide us so that they can negotiate with each separately and they don't have to face the collective power of the five parties."

Ah, the indomitable power of five. Worked pretty well so far.

White House's Chief Usher Is Bowing Out (WP)

By Lois Romano

The Washington Post, October 25, 2006

Gary Walters, the longtime chief usher at the White House who has kept the secrets of seven first families, will retire at the end of the year after nearly four decades of service.

Walters, 60, who manages the 132-room mansion with a staff of 95 and a $10 million budget, said last night that he told first lady Laura Bush and the president last week of his decision.

"It's been nearly 40 years of not having an opportunity to set my own agenda and never knowing when I'd be home, " Walters said. "It's been wonderful but it just felt like it was time for me to go."

In a statement, President Bush and the first lady praised Walters, who also worked for the first Bush White House, and said that they were "grateful for making our family feel at home."

Walters arrived at the White House in 1970 as a uniformed Secret Service agent. He joined the usher's staff in 1976 and became chief usher in 1986 under President Ronald Reagan.

He has been charged with special diets and teenage parties, tending dogs and overseeing chefs. In addition, he oversees housekeepers, cooks, electricians and carpenters. And everyone knows that he knows. Walters was even called to testify during the Whitewater investigation in the mid-1990s, when billing records that had been subpoenaed two years earlier suddenly appeared at the White House.

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"He's been pushing the buttons at the White House for 21 years, and he will not be an easy gentleman to replace," said Roland Mesnier, who retired as White House pastry chef in 2004. "It is a very difficult job. It's like a double-edged knife. You have to make sure everything is done properly at the institution, and you have to protect the first family. Sometimes it's a tough call."

Walters made one of those calls when the Clintons were departing in 2000. He approached the White House counsel's office to ask whether the family should be taking furnishings that he believed were government property. Although he was told that the items belonged to the Clintons, the items were returned. That was one instance when Walters was not shy about sharing a story with the media.

According to Susan Whitson, a spokeswoman for Laura Bush, Walters said his predecessor had once advised him to give his successor a couple of years to get ready for a new president. With the Bushes leaving the White House in 2009, now was his time to follow that advice.

Walters said he has given some thought to writing a book -- but certainly not a tell-all.

He said that he made suggestions to the Bushes about a process for succession, but he would not disclose whether he had recommended any specific replacement.

Trademark Office To Experiment With Telecommuting (WP)

By Stephen Barr

The Washington Post, October 25, 2006

Want to work for a Washington area agency and live on the Florida coast, or in the Blue Ridge Mountains of North Carolina, or among the bluebonnets of Texas?

As fanciful as that may seem, it will be possible under a telecommuting pilot project developed by the U.S. Patent and Trademark Office -- inside the Beltway in Alexandria -- and one of its unions.

Under the pilot, 10 experienced trademark lawyers with good job-performance ratings will be permitted to move anywhere in the continental United States and work from home.

"To my knowledge, there is no other program like this in the federal government," said Howard Friedman , president of National Treasury Employees Union Chapter 245.

There is a catch. The lawyers must show up once a week at the Alexandria headquarters, at their own expense. That requirement will allow the PTO to keep the employees on the roster at agency headquarters and avoid triggering a law that mandates reimbursement for employee travel and per diems.

The "geographic expansion pilot," as the PTO calls the project, is scheduled to start next year and will be evaluated after six months. If the program is successful, the PTO plans to allow more lawyers to volunteer for it and to seek a waiver from Congress and the Bush administration so that the long-distance telecommuters do not have to report in person each workweek to headquarters.

"Ultimately, we'd like to get to a point where people come in the office less frequently than once a week," said Deborah Cohn , deputy commissioner for trademark operations. "We'll be trying to get to a point where, if they live in North Carolina or Florida, they don't have to come in except on rare occasions."

Cohn said the PTO decided to sponsor the pilot program after hearing from employees who want to be able to move away from the Washington area for family or lifestyle reasons. "Telework is a fabulous retention tool," she said. "We want to keep them; they are good employees."

Cohn and Friedman said the pilot builds on a nearly 10-year-old trademark office program that permits attorneys to work from their homes. About 220 trademark lawyers, out of 265 who are eligible, are telecommuters. Trademark lawyers typically can apply to telecommute after they have worked at the agency more than two years and show they can successfully meet rigorous productivity standards.

Program rules require the telecommuters to live within 110 miles of the PTO -- a limitation Cohn said was designed for an era when the agency installed desktop computers in employees' homes and arranged for cable companies to provide Internet service.

Today, most trademark lawyers work on laptops, and changes in technology have made it easier for them to connect to agency networks from their homes. The advent of Internet-based telephone service also makes it less expensive for trademark lawyers to provide services to companies and others who do business with the agency.

The PTO is in the vanguard of the government's work-at-home movement. In addition to trademark lawyers, about 500 senior patent examiners are telecommuting in a program that began in February. Over time, it could grow to as many as 3,000 examiners.

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Telecommuting has been increasing in the federal government since 2000, but only 7.7 percent of the federal workforce telecommuted in 2004, according to the government's most recent report. The participation rate jumped to 19 percent when measured by the number of jobs that agencies have declared suitable for telecommuting.

Cohn noted that the trademark office has some experience with long-distance telecommuters. The agency has permitted at-home work by an employee in Harrisburg, Pa., and one in Long Island, N.Y., she said. A number of agency telecommuters live in the Annapolis and Baltimore areas, she noted.

The pilot, Friedman said, shows the value of telecommuting, especially for agencies updating contingency plans for redeploying employees if federal offices are closed because of pandemics or terrorist attacks.

Office chatter indicates that some trademark lawyers are interested in moving to Texas, Florida, North Carolina, Delaware and Illinois, Friedman said.

"Our people are chomping at the bit," he said. "I'll be curious to see how many people apply, and curious to see where they move."

Face Facts (NYT)

By Lawrence M. Wein

The New York Times, October 25, 2006

Stanford, Calif.

DESPITE all the attention given to anthrax and smallpox and potential weapons of mass destruction, pandemic influenza is probably the world's most serious near-term public health threat. If a strain similar in effect to the 1918 Spanish flu (which killed tens of millions of people worldwide) emerges in the next several years, it is highly likely that an effective vaccine will not be available during the pandemic's first wave, that we won't have enough antiviral drugs for large-scale prophylactic use, and that hospitals will be too overwhelmed to treat most cases.

Consequently, as in 1918, we will need to combine medical efforts with voluntary and forced social changes — closing schools and churches, canceling public gatherings, keeping workers at home — to hinder the flu's spread. Our government must draw up a plan for educating the public about effective nonpharmaceutical interventions like hand washing and face protection like masks.

A prerequisite for doing so is determining the biggest culprit in spreading influenza: droplet transmission, in which an infected person sneezes or coughs directly into the mouth, nose or eyes of someone who is susceptible); contact transmission, in which virus is transferred via hands either directly, say, through a handshake, or indirectly through an object like a doorknob; and aerosol transmission, in which evaporated virus-containing particles are inhaled.

Remarkably, this issue has not been resolved: the Department of Health and Human Services' Pandemic Influenza Plan states that "the relative clinical importance of each of these modes of transmission is not known." As a result, the government enthusiastically endorses frequent hand washing — which would reduce contact transmission, and costs nothing — but remains noncommittal about face protection. While the government says that it might be beneficial, it doesn't make respirators or masks available. Yet face protection would guard against aerosol and droplet transmission, and even reduce contact transmission by making it difficult to place fingers into one's mouth or nose.

A Stanford graduate student, Michael Atkinson, and I recently performed a detailed study of the routes of transmission, using data on influenza and on rhinovirus, which causes the common cold. Our findings suggest that the dominant mode of transmission for influenza is aerosol — implying that hand washing will make little difference. This is consistent with the views of leading researchers several decades ago, views that have somehow been forgotten by the public health community.

We found that ventilation, like placing a fan in an open window, and humidifiers (most influenza strains survive in the air for much less time when the humidity is raised to about 65 percent) can reduce transmission slightly. Sleeping in separate bedrooms (and working in separate offices) can help even more.

But the single most effective intervention is face protection. And because roughly one-third of influenza transmissions occur before an infected person exhibits symptoms, these precautions should be taken whenever people are in the same room throughout the pandemic period.

There are two kinds of face protection: N95 respirators, as worn by construction workers, for instance, and surgical masks of the sort worn by dental hygienists. (The respirators cost roughly a dollar apiece, the surgical masks 10 cents.) Their efficacy in preventing aerosol transmission depends on three factors: the extent to which the face filter prevents virus particles from passing through, how tightly the device fits and — most important — how long people can be coerced into wearing them.

To our surprise, we found that the filters in surgical masks, although not as good as the filters in N95 respirators, are still quite effective. And although a surgical mask fits much more loosely and allows more leakage, it's also more comfortable — and therefore likely to be effective because it's used more. Wearing nylon hosiery over a surgical mask essentially eliminates the face

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leakage, making this combination a practical, albeit macabre, alternative. The less comfortable N95 respirators would probably result in lower compliance.

The government doesn't stockpile masks and respirators, and the manufacturers aren't able to produce a huge number of them quickly. But the way forward seems clear: the government needs to build up a supply of respirators and masks just as it does with vaccines and antivirals. It should first hire a whiz-bang design company to create, within one month, a surgical mask that comfortably adheres to the face, and then decide on the appropriate mix of respirators and masks. Next, it needs to sign contracts with manufacturers to stockpile masks and respirators, relieving the manufacturers of liability issues.

Although there is very little technological risk involved (masks and respirators are easier to make and safer to use than vaccines), several issues need to be ironed out. First, the effectiveness of N95 respirators and masks varies widely. The government needs to educate the public (the brands are anonymous in the published studies) and should stockpile only the most effective brands.

Also, if respirators and masks are discarded daily, as they are in many hospitals, the national demand during a three-month pandemic could be 10 to 20 billion, and the cost for respirators for a family of four several hundred dollars. Such waste isn't necessary. The virus does not survive longer than a few hours on the material used for masks and respirators, so they should be re-used until they disintegrate.

The government and the public health community must switch mindsets, from the current perspective of protecting workers paid to do a dangerous job everyday, to that of providing citizens with the tools to best protect themselves during a pandemic.

It may take 18 months to build a stockpile of respirators and masks, so there is no time to lose. The American people's faith in their government will be seriously undermined if, along with larger measures like school closings, it cannot provide effective face protection for its citizens during a deadly pandemic. Masks and respirators may be our main lines of defense during a pandemic.

OTHER NEWS:

US Stocks Quiet As Fed Meets (FT)

By Michael Mackenzie

Financial Times, October 25, 2006

US stocks were caught in narrow ranges on Tuesday, as earnings continued flowing while unsettled investors were distracted by the two-day policy meeting of the Federal Reserve.

At the close, the S&P 500 was up 0.36 points, or 0.03 per cent, at 1,377.38 while the Nasdaq Composite was 10.72 points, or 0.5 per cent, lower at 2,344.84. The Dow Jones Industrial Average settled up 10.97 points at 12,127.88, marking its fourth record close in five days.

Some observers warn that the surge in equities since markets bottomed in July might not be sustainable. "The break-neck expansion of the past three months may give way to a needed short-term pause in the coming weeks," noted David Shairp, global strategist at JPMorgan Asset Management.

Among steel-makers Nucor was up $6.47, or 11.74 per cent, at $61.58 and US Steel up $3.61, or 5.4 per cent at $70.19. Carmaker General Motors hit a 52-week peak for the second successive day with investors expecting good earnings on Wednesday as GM executes its turnround plan. GM rose $1, or 2.8 per cent, to $36.19 and is up 86 per cent for the year.

Chemicals group DuPont, trimmed earlier gains, but closed 55 cents, or 1.2 per cent, higher at $46 after posting stronger than expected earnings and reiterating a solid outlook for 2006.

Hurting the Nasdaq was a decline in Qualcomm. Its shares fell $1.37, or 3.6 per cent, to $36.71 on reports that its patent case against Nokia might be reviewed by the courts.

Lucent rose 15 cents, or 6.4 per cent, at $2.49, on earnings of 7 cents per share, above consensus estimates of 4 cents. The telecomms equipment maker is being acquired by France's Alcatel. The deal is expected to close at the end of the year.

Taking a tumble was Tellabs, down 62 cents, or 5.6 per cent, at $10.40 after the company reported a 41 per cent rise in profits, but its broadband division saw sales growth rise just 3 per cent.

TD Ameritrade fell 79 cents, or 4.75 per cent to $15.84 while shares in Omnicom were up $6.23, or 6.6 per cent, at $101.11 after the advertising group delivered earnings of estimates.

Appliance maker Whirlpool cut its estimate for appliance industry unit shipment growth in North America. Its shares were down $2.63, or 2.9 per cent, at $86.70.

Reporting weaker than forecast results for the third quarter was Kraft Foods, which dropped 94 cents or 2.6 per cent, at $35.36.

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Texas Instruments was down $1.36, or 4.3 per cent, at $30.52 after it missed estimates and lowered guidance for the fourth quarter.

First Data shares rose 54 cents, or 2.4 per cent, to $23.49 after the company announced a $700m share buy-back and first quarterly earnings since selling Western Union. Separately, Western Union rose 37 cents, or 1.9 per cent, at $19.95 after its earnings beat estimates.

Dow Edges Higher To Another Record Despite Rising Oil Prices, Fed Concern (WSJ)

By Peter A. Mckay

The Wall Street Journal, October 25, 2006

Investors shied from making big bets ahead of the Federal Reserve's latest interest-rate decision, due out this afternoon.

On a day when major stock indicators ended mixed, the Dow Jones Industrial Average did close at another record, its 11th in the past 16 sessions. The Dow rose 10.97 points, or 0.09%, to end at a high of 12127.88, up 13.2% on the year.

The Standard & Poor's 500-stock index inched up 0.36 point, or 0.03%, to finish at 1377.38. The Nasdaq Composite Index declined 10.72 points, or 0.46%, to 2344.84, up 6.3% on the year.

Fed officials are expected to leave their interest-rate target unchanged at 5.25%, although their written statement, expected at 2:15 p.m. EDT, may offer surprises for Wall Street.

Even without the central bankers' thoughts in hand, investors' hopes for a rate cut by the end of the year have been fading in recent days, amid a generally strong batch of strong third-quarter corporate earnings reports.

Drew Matus, economist at Lehman Brothers Holdings Inc., said there is some risk that the Fed could sound a "hawkish" note about inflation fears, meaning a signal that higher interest rates may yet be needed to stem a general rise in prices throughout the economy. With earnings strong and falling pump prices putting more money in consumers' pockets, Mr. Matus said he sees little chance that the Fed will go the other way and signal a cut anytime soon.

Mr. Matus said he anticipates the "secondary effects" of a slowing housing market, including reduced consumer spending via home-equity loans, won't become evident until sometime in early 2007. "Until we see that, I don't think the Fed is going to go out of its way to convince people to price a rate cut into the markets," he said.

Rising crude-oil prices damped the mood in the stock market. Cold weather in the Northeast drove crude-oil futures for December delivery up 54 cents, or 0.92%, to $59.35 a barrel, off 2.8% on the year at the New York Mercantile Exchange.

Meanwhile, gasoline futures jumped 6.65 cents a gallon, or 4.5%, to $1.5380, though 41% off the Nymex record high of $2.6145, made in August 2005. Heating-oil futures rose 2.62 cents a gallon, or 1.6%, to $1.6952.

In addition to the Fed announcement, investors will watch for fresh data on existing home sales due out from the Commerce Department.

Outside the U.S., stocks rose in dollar terms, including a 5½-year high in London for the FTSE 100 index. The Dow Jones World Stock Index, excluding U.S. shares, rose 0.09%, or 0.2 point, to 226.32.

In U.S. market action:

Stocks were mixed. Total trading volume for stocks listed on the New York Stock Exchange was 2.78 billion shares, as 1,850 stocks advanced and 1,459 fell.

Bond prices rose. The 10-year note rose 1/32 point, or 31.25 cents for each $1,000 invested, pushing the yield down to 4.824%, as yields move inversely to prices. The 30-year bond rose 3/32 to yield 4.946%.

The dollar weakened. Against the Japanese currency, the dollar fell to 119.30 yen, compared with 119.33. The euro rose to $1.2563, compared with 1.2550.

How Much Is Too Much? (WP)

By Nell Henderson

The Washington Post, October 25, 2006

Behind the closed doors of the Federal Reserve's marble temple on Constitution Avenue, a fervent debate is underway this week. The subject might seem, at first glance, to reflect minor differences of opinion.

Should the Fed explicitly tell the public what level of inflation it wants to achieve? And if so, should that goal be in the 1 to 2 percent range, or "comfort zone," expressed by many central bankers in recent years, or should the upper limit be raised to as high as 3 percent?

Close as those numbers may sound, the implications for every American family are substantial. If the Fed enforces a low-inflation goal vs. one that is slightly higher, consider what a pair of pants or a loaf of bread would cost a decade from now, assuming they track the overall inflation rate.

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If inflation runs a modest 1.5 percent a year, typical of the level in the late 1990s, a $70 pair of pants would cost $81.24 in 10 years and a $2.79 loaf of bread would cost $3.24. But if inflation, running at more than 2 percent recently, is allowed to creep up to 3 percent a year, those pants would cost $94.07 in a decade, and the bread would cost $3.75.

How much people's paychecks will buy in the future, how far their retirement money will go, how many people might need to be thrown out of work to achieve a stated inflation goal -- all these outcomes could be influenced by a debate among the nation's central bankers at their meetings yesterday and today, to which the public has no access.

Among the main topics to be discussed is how the Fed might communicate more with the public about its private deliberations, economic forecasts, goals and strategies.

One option, long-advocated by Chairman Ben S. Bernanke, is for the Fed to adopt a formal, numerical inflation goal, a practice called inflation targeting and used by central banks in 25 countries. The Bank of England, for example, is one of several central banks that seeks to keep inflation at or near 2 percent.

Alan Greenspan, Bernanke's predecessor who retired in January, opposed inflation targeting, uneasy with rules that might limit his flexibility. He defined the Fed's goal of "price stability" more vaguely -- as inflation so low it does not influence consumers and businesses.

As long as Greenspan was chairman, inflation targeting was moot at the Fed. That changed overnight with President Bush's selection of Bernanke. His arrival has moved the issue to the top of the Fed's agenda.

The policymaking Federal Open Market Committee includes supporters and skeptics, making a quick decision unlikely. If committee members ultimately decide to adopt a target in principle, the next challenge would be setting the number.

Bernanke is among many Fed policymakers who have said in recent years they prefer to keep inflation in a range of 1 to 2 percent, using the central bank's preferred measure, which excludes volatile food and fuel prices. Such pronouncements about "core inflation" have led financial markets to view this range as the Fed's comfort zone, or informal target.

But some Fed committee and staff members believe the range of 1 to 2 percent may be too low. They think a better range might be 1 to 3 percent, or perhaps 1.5 to 2.5 percent.

Some financial analysts and investors say these views may help explain why Fed policymakers stopped raising interest rates after their June meeting, even though inflation has exceeded 2 percent for more than two years and is forecast to hover above that level through next year.

"Why are they so tolerant of inflation above 2 percent?" asked Laurence H. Meyer, a former member of the Fed Board of Governors. "Maybe because they aren't aiming for 1.5 percent. It's possible that in practice, the midpoint of the range we should infer from their actions is higher than 1.5 percent."

In contrast, Jeffrey M. Lacker, president of the Federal Reserve Bank of Richmond, has said repeatedly that he wants to see inflation average about 1.5 percent over time, varying within the range of 1 to 2 percent. At each of the past two policymaking meetings, where the Fed left its benchmark short-term rate unchanged at 5.25 percent, he cast the sole dissenting vote.

The committee is widely expected to hold the benchmark rate steady today, while leaving the door open to more rate increases if inflation does not come down.

Gary H. Stern, president of the Federal Reserve Bank of Minneapolis, said in an interview last week that "things are a little awkward now" because financial markets are not sure of the committee's inflation objective.

The difference between 1.5 and 3 percent inflation may sound small, but it can have big effects on investors, consumers and the economy. Consumer price inflation erodes the buying power of the dollar. That lowers returns on investments in stocks, bonds and other assets. It also eats away at savings and means a fixed income buys less every year.

High inflation disrupts economic growth by making it difficult for businesses, investors and families to plan, as did ruinous double-digit inflation during the 1970s.

Conversely, central bankers don't like to let inflation get near zero, fearing that prices could cross the line and actually start falling, a phenomenon known as deflation. Deflation discourages consumers and businesses from borrowing and spending, as happened during the Great Depression of the 1930s and in Japan for most of the past decade.

Fed policymakers were delighted in the late 1990s when the economy grew at a strong pace and inflation averaged 1 to 2 percent.

But their thinking shifted after the stock bubble burst, leading to the 2001 recession and an initially weak economic recovery. Mindful of Japan's deflation, Greenspan and others grew worried as inflation drifted toward 1 percent. By May 2003, they announced they would prevent inflation from falling farther; Bernanke, then a member of the Fed Board of Governors, declared that summer that inflation below 1 percent was "undesirable."

By October 2003, Bernanke said in a speech that academic research suggested "something in the vicinity of 2 percent" would be the best long-term average.

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More recently, many analysts and investors say Fed policymakers have already moved their informal inflation goal slightly higher than 1 to 2 percent, but will not say so publicly for fear financial markets will question their inflation-fighting resolve.

The Fed "is acting as if the comfort zone is somewhat higher, just not saying so," said Paul McCulley, managing director of Pacific Investment Management Co.

A recent survey of bond investors by Macroeconomic Advisers LLC found about half of them do not believe the Fed is setting interest rates as though it were trying to keep inflation within the range of 1 to 2 percent.

Financial markets would probably accept a Fed target of 1.5 to 2.5 percent, said David Shulman, a senior economist with the UCLA Anderson Forecast. But if policymakers said they would tolerate 3 percent inflation, he said, "you'll get a sell-off" in the stock and bond markets.

Richard Yamarone, director of economic research at Argus Research Corp., said anything above 2 percent would be "a hard sell" on Wall Street.

"The markets are going to see this and say, 'Wait a sec -- you don't like what you see so you change the rules in the middle of the game?' " he said. "It absolutely crushes the inflation-fighting credibility of the Fed."

If Fed policymakers adopt a formal target, they would have many details to flesh out: Which inflation measure should they use? Should the target be a numerical point or a range? What would be the time frame for achieving the goal?

Stern, the Minneapolis Fed president, said last week he supports a numerical goal, but added, "I haven't decided on what it should be."

Winter-Heating Bills Are Tough To Forecast (WSJ)

By Rebecca Smith

The Wall Street Journal, October 25, 2006

A substantial drop in natural-gas prices won't help some U.S. consumers with their heating bills this winter. As a result, some utilities are waiting to see whether households dial back their thermostats -- and whether that could hurt their earnings.

Some utilities that raised rates significantly last year, in the aftermath of gas-production disruptions along the Gulf Coast, will offer substantial reductions this year because of the fall in gas prices. Others will have modest increases or decreases depending on whether they locked in gas supplies when prices were high or rolled the dice on the spot market. Gas-commodity costs make up 50% to 80% of a common residential bill, and gas heats more than half of all U.S. homes.

Many utilities sock away large quantities of gas in spring and summer so it can be consumed in the winter. The companies then make spot-market purchases, as needed. More utilities are making purchases in other months and are leaning more heavily on financial-hedging tools to protect their customers against price shocks. About 70% of gas utilities enter into financial hedges to protect their customers, according to the American Gas Association, a trade group in Washington, D.C.

The different approaches account for different consumer outcomes in different places. AGL Resources Inc., of Atlanta, said it will offer reductions of 5% to 28% this winter at the five utilities it owns in six states, with the largest decrease in Virginia. That is partly because Virginia is one of the few states that discourages hedging, so it relies more on current market prices.

That has worked out well this year because prices have dropped. In recent trading, a 12-month strip of gas -- a contract for a set supply monthly for a year -- could be purchased on the New York Mercantile Exchange for $7.97 a million British thermal units, compared with $11.67 a million BTUs a year earlier, a decline of 32%. U.S. gas inventories have swelled to 3.44 billion cubic feet, their highest level ever, according to the Energy Information Administration, of Washington, D.C.

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At AGL's Chattanooga Gas Co. in Tennessee, a 24% reduction in the commodity portion of each bill will translate into savings of $29.50 in November and $56.60 in December for the average household. Although that is welcome news, it leaves prices relatively high because rates jumped 39% last winter.

Even though gas-commodity costs are a pass-through expense for utilities, the companies can suffer if their customers suffer. NiSource Inc., of Merrillville, Ind., said in August that it expects to lose 1.2% of its residential customers this year, most due to shutoffs for nonpayment. That is a 10% increase in customer losses from 2005 and is twice as great as what it expected. NiSource owns 10 gas utilities in nine states with 3.8 million metered customers.

Overall, residential-gas use at NiSource companies has fallen 5% this year, on top of a 4% drop last year, Chief Executive Bob Skaggs told investors. He said in August it is "highly unlikely" the company will meet its earnings targets for 2006, as a result of this growing conservation effect.

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NiSource's experience suggests there may be more pain ahead -- both for utilities and customers -- than what the federal government expects. In its annual winter-fuels outlook, the EIA said it expects less conservation this year than last year, because of reduced prices.

Some utilities with successful buying strategies are raising rates. Customers of Northwest Natural Gas Co., of Portland, Ore., will pay 3.5% more for gas this winter. What consumers won't necessarily know is that it could have been far worse. Normally, Northwestern locks in prices for 90% of the gas its customers need, but "we really backed off this year," said Randy Friedman, gas-supply manager, because prices quoted early in the year for deliveries this winter "seemed nuts to us."

It held off on purchases and later was able to buy gas more cheaply. By deviating from its normal plan "we cut the amount of our price increase in half," said Mr. Friedman. This year's increase comes on top of a relatively modest 15% increase last year, when a larger hedging program protected customers against price increases late in the year. Its earnings aren't affected by conservation because the company revised its rate structure in 2002 so it can earn its authorized rate of return even if gas usage drops.

Many utilities are reluctant to change their buying programs, afraid they will be second-guessed by regulators. Consolidated Edison Inc. takes a "disciplined approach" to procurement, says Terry Agriss, vice president of energy management. "We didn't do anything substantially different this year than what we do in any year."

ConEd, of New York, expects the average household to pay about 5% less this year than last. That means a total gas expense of nearly $2,000 from November through March, compared with an average cost of $2,090, $1,658, and $1,415 the prior three years.

Judge Rules Against Boy's Circumcision (CHIT)

By Judy Peres

Chicago Tribune, October 25, 2006

In a case that has been closely watched by anti-circumcision groups nationwide, a Cook County judge ruled Tuesday that the medical benefits of the procedure are not clear enough to compel a 9-year-old Northbrook boy to be circumcised against his will.

The boy's mother and her new husband had claimed the operation was necessary to prevent recurrent episodes of redness and discomfort. The boy's father sought a court order barring the circumcision, which he called an "unnecessary amputation."

The mother has sole custody, but their 2003 parenting agreement gave her ex-husband a say in non-emergency medical decisions. The Tribune is not naming the parents in order to protect the boy's privacy.

In a written opinion handed down Tuesday, Circuit Court Judge Jordan Kaplan said, "The evidence was conflicting and inconclusive as to any past infections or irritations that may have been suffered by the child.

"Moreover," he continued, "this court also finds that the medical evidence as provided by the testimony of the expert witnesses ... is inconclusive as to the medical benefits or non-benefits of circumcision as it relates to the 9-year-old child."

Kaplan said the boy, as a minor, cannot make his own medical decisions but had indicated in a written statement that he does not want to be circumcised.

"The injury to the child as a result of an unnecessary circumcision would be irreversible," Kaplan wrote, adding that his order would remain in effect until the boy turns 18 and can decide for himself whether or not he wants to undergo the procedure.

Because there are no U.S. precedents, other courts could look to this ruling in future cases, said George Hill of Doctors Opposing Circumcision.

Geoffrey Miller, a law professor at New York University, called the ruling a "significant victory" for the growing "intactivist" movement, which has argued circumcision is harmful and violates the rights of children, who can't give informed consent.

Miller conceded Tuesday's decision was "limited by the facts of the case," including the agreement that gives the father the right to be consulted on medical care. Nevertheless, he said, "The fact that a non-custodial parent was able to prevent a custodial parent from having this procedure done is a sign that courts are more receptive to arguments against circumcision than they were in past years."

The father, a 50-year-old building manager from Arlington Heights, said he was relieved by the decision and "so happy."

His lawyer, Alan Toback, said, "We always thought it was not in the child's best interest to have a circumcision at age 9 that was not medically necessary, and the judge agreed."

The mother was not in court Tuesday, and her lawyer, Tracy Rizzo, also was not there because of the death of her father, famed Chicago private investigator Ernie Rizzo. The mother was represented instead by Gail O'Connor, who said, "We're disappointed, of course, but we will abide by the injunction."

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Circumcision, in which the foreskin of the penis is surgically removed, usually before a newborn leaves the hospital, was extremely common in the U.S. during the last century. But the percentage of U.S. babies being circumcised has gone from an estimated 90 percent in 1970 to about 55 percent today. In most other countries, circumcision is performed only for religious reasons.

The boy, who never appeared in court, was represented by attorney David Pasulka, who recommended against circumcision at this time.

The eight-month dispute took some nasty turns. Rizzo charged that the father did not care about the boy's health but feared his ex-wife and her new husband were trying to convert the boy to Judaism.

The father's attorneys hinted that the mother's aim was to spite her ex-husband and please her current husband, who is Jewish.

The boy's stepfather and stepbrother are both circumcised, while the biological parents are Catholic immigrants from Eastern European countries where circumcision is rare.

But Kaplan said he did not address "issues of ethnicity or religious beliefs relative to circumcision" because the parents did not raise them in their legal pleadings.

Dan Strandjord, a self-proclaimed "intactivist" who attended every hearing in the case, was elated Tuesday. "I believe this is a human rights issue," said Strandjord.

Hip-Hop Editor Wins Suit Over Her Firing (WP)

By Peter Carlson, Washington Post Staff Writer

The Washington Post, October 25, 2006

After a tumultuous two-week trial, Kimberly Osorio, a former editor in chief of the Source magazine, won a workplace lawsuit against the popular hip-hop monthly, and a Manhattan jury awarded her $15.5 million.

"This is a victory for women in hip-hop," Osorio told the hip-hop Web site SOHH.com after the verdict Monday night. "I stood up and I won."

Osorio, who was fired by the Source last year, sued the magazine and its founders, David Mays and Raymond Scott, alleging sexual harassment, gender discrimination, defamation, retaliatory discharge and maintaining a hostile work environment. The defendants responded that Osorio was fired in March 2005 for "poor performance," including her decision to publish a cover photo of rapper Nelly without his posse and running a negative review of a CD by rapper Fat Joe.

Osorio, now an editor at BET.com, testified that Scott repeatedly begged her for sex, and that another editor threatened to "knock me upside my [expletive] head."

The jury of six men and two women threw out the discrimination and sexual harassment complaints but found that Osorio was fired in retaliation for complaining to her bosses about discrimination and sexual harassment. In addition, the jury ruled that Scott had defamed Osorio in an interview after her firing.

The defendants quickly announced that they would appeal the verdict.

"This will be knocked out on appeal," Mays said in a telephone interview yesterday. "She won't collect on any of this."

The eight-day trial was enlivened by testimony about life in the Source's offices in New York, which was said to include watching porn videos, graphic threats of violence, and the spreading of rumors that Osorio, Mays and Scott had sexual relations with various rappers.

During the trial in U.S. District Court, Osorio's attorney, Kenneth Thompson, told Judge Jed S. Rakoff that Scott -- who is also a professional rapper known as Benzino -- shouted "Coward! Chump! Uncle Tom!" at him as he walked to the men's room during a recess. Scott denied the charge. The judge gave Scott the choice of staying in the courtroom or being escorted out of the building by a marshal.

"I'll leave," Scott said, and a marshal took him out.

Scott has long been a controversial figure in the rap world. In 2003, he released a Benzino album that included a song attacking rapper Eminem, and the Source promoted it by publishing a cartoon that depicted Benzino holding the bloody severed head of Eminem. "That's all part of hip-hop," Mays explained yesterday. "That's part of the game of being a hip-hop artist."

Both Mays and Scott left the Source in January and recently started a new publication, HipHop Weekly, which published its first issue this week. According to its press release, the magazine includes "exclusive photos of DMX going after the sound man at a recent Long Island concert" and "an exclusive report on Jay Z stating, 'I'm out for dead president Bush' while performing."

Yesterday, Mays praised Scott as "a great man" who was unfairly maligned by Osorio's lawyers during the trial.

"They tried to assassinate his character because he didn't go to Harvard like me," Mays said.

Bush Campaigns On Pocketbook Issues (AP-Y)

DOJ_NMG_0086164

By Jennifer Loven
AP, October 25, 2006

Look around the dinner table and add $500 to your tax bill for each child, President Bush said Tuesday as he sought to convince voters that Democrats would destroy the economy and the family budget if they took over Congress.

"When you go to the voting booth in two weeks, the lever you pull will determine the taxes you pay for years to come," Bush said on a fundraising swing through Florida aimed at adding nearly $1.4 million to GOP coffers. "You will feel the results every April 15."

Each one of the president's recent political speeches has offered new zingers aimed at making more ominous the specter of Democrats in charge of the House or Senate, either on the subject of tax cuts or fighting terrorism. On Tuesday, Bush singled out for special emphasis the gradual doubling of the child tax credit from $500 to $1,000, one of several cuts passed during his administration with expiration dates.

"If you're sitting around a dinner table and there's two children, your taxes just went up $1,000 if they take control," the president said, continuing to do the math for three children, or four.

But he didn't get it quite right. Bush skimmed past the fact that the child tax credit is not yet $1,000 and doesn't reach that level until 2010.

He also ignored that many Democrats now say they want to retain that tax cut. In 2001, when it originally passed by a 282-144 vote, most Democrats voted against it because they said it was part of an overall Bush-backed tax package that provided meager tax relief in the early years, was far more costly than GOP estimates and was tilted toward wealthy taxpayers.

"The question is: Why hasn't the president and his rubber-stamp Republican Congress joined Democrats' efforts to expand the child tax credit?" said Jennifer Crider, spokeswoman for House Minority Leader Nancy Pelosi, D-Calif., referring to Democrats' wishes to make low-income families eligible for the credit.

It was the president's second day in a row emphasizing economic good times — fallen gas prices, low unemployment, a record-setting stock market, rising consumer confidence — as the elections approach.

But polls show the public isn't prepared to give Bush's party the credit. When likely voters were asked earlier this month in an AP-Ipsos poll whom they trusted more to handle the economy, 51 percent said Democrats, 38 percent said Republicans.

Bush made his cash-raising visit for GOP congressional candidate Vern Buchanan cheaper for the Republican businessman's campaign by stopping briefly at Gyrocam Camera Systems. The rules governing how a campaign reimburses the government for an appearance by Bush or another official dictate that scheduling an official event alongside the political one reduces the share of the president's travel costs that must be funded by the candidate.

Gyrocam supplies the military with detectors for roadside bombs in Iraq and Afghanistan. In a company hangar, Bush repeated his argument that a Democratic-led Congress would raise taxes, and noted that the military's use of Gyrocam's detection product helps prove his administration's commitment to adapting the Iraq war to changing circumstances.

Buchanan is in a tight race against Democrat Christine Jennings for the south Florida seat being vacated by Rep. Katherine Harris, who is running an uphill race for the Senate, against her party's wishes. Later Tuesday, Bush raised $1 million for the Republican National Committee at a closed event in a Boca Raton mansion in the district of GOP Rep. Clay Shaw, who is running one of the nation's most difficult re-election races.

Bush has campaigned just two to three days a week throughout October, usually with only a couple of stops each day.

The White House had promised the pace of the president's campaigning would pick up significantly after September, with more events, more of them open to media coverage and the advent of rallies instead of only fundraisers. The White House contends Bush's campaign activity this year is as or more aggressive than before the 2002 midterm elections.

But by the same date in October 2002, a more popular Bush had appeared at eight huge candidate rallies and headlined six open fundraisers. This October, he has so far held 11 open fundraisers but has still, with two weeks left until the Nov. 7 voting, not attended a single rally.

"His campaign, in terms of the number of events, it's been very aggressive," said White House deputy press secretary Tony Fratto.

Fratto also said that any 2007 planning at the White House is not taking into account the possibility of having to work with a Congress at least partially controlled by Democrats.

"We're still in the game, and if you're in the game, you're in it to win," he said. "We're ready to work with a Republican Congress."

The president remained positive as well, even making light of the heightened pre-election speculation.

"The Democrats make a lot of predictions. As a matter of fact, I think they may be measuring the drapes," Bush said. "If their electoral predictions are as reliable as their economic predictions, November 7th is going to be a good day for the Republicans."

In Sarasota, Bush Urges GOP Faithful To Get Out The Vote (HTRIB)

By Jeremy Wallace

The Herald Tribune (Southwest Florida), October 25, 2006

MANATEE COUNTY - During a brief stopover, President George W. Bush exhorted Republicans to show up on election day, saying that a strong GOP turnout is critical to preserving his tax cut package and winning the War in Iraq.

"We're going to do everything we can to protect you before the enemy attacks," Bush told a crowd of about 1,500 supporters at the Sarasota-Bradenton International Convention Center.

Appearing at a $20 a person fundraiser for Republican congressional candidate Vern Buchanan, the president spent a good portion of his speech warning the audience that Democrats, if they gain control of Congress, will discontinue tax cuts and disrupt U.S. efforts in Iraq.

Bush also told voters not to believe Democrats who say they want a tax cut for the middle class.

"You will feel the results every April 15" if Democrats win, Bush said. "Americans should not be fooled by their rhetoric."

After his speech, Bush's motorcade made a stop at Gyrocam Camera Systems, a local company with a $51 million contract to provide the Armed Forces with explosive-detecting cameras that can be mounted on personnel carriers and other military vehicles.

Bush then headed to the airport and boarded Air Force One, which left for Florida's East Coast about 2:45 p.m.

Comments | Permalink

Tuesday, October 24, 2006, 8:11 pm

Worst seat in the house?

Jeremy Wallace

» Read blog: Political Insider

Could there be a worse seat for a United State Senator to have to sit next to me for an hour?

That's exactly what happened today, when U.S. Sen. Mel Martinez, a Republican, sat down to hear President Bush speak at the Sarasota Bradenton International Convention Center.

His reserved seat was next to where Secret Service agents had positioned the media. No press handlers. No staff. Just me and Martinez for an hour.

After reminiscing about his recent campaign stop for Buchanan at a Sarasota bowling alley, the first term senator and I talked about the war in Iraq.

Martinez said it's so difficult to talk about the war because the media is being so aggressive to determine if Republicans are supporting or opposing the president.

Virginia Republican Sen. John Warner, chairman of the Senate Armed Services Committee, seemed to open the floodgates to Republican criticism of Iraq policy this month when he warned after a trip to Iraq that the war was "drifting sideways" and a course correction might soon be warranted.

Martinez said he's more than willing to sit down and explore the situation in Iraq in a thoughtful way, but is convinced the media will seize on one two-word statement like with Warner, and pit him against or with the President.

So, Martinez said he'd just as well prefer to wait until after election day.

Martinez has been hitting the campaign trail for Buchanan pretty hard. This is his third visit to Sarasota in the last 60 days. Prior to that, it had been almost two years since his last public visit.

Martinez told fellow reporter Doug Sword last week that he's in part paying back political IOUs. When Martinez ran for the Senate in 2004, Buchanan was chairman of his fundraising committee.

"It's a result of my gratitude for him, for what he did for me, and the fact that I believe he'd be a good congressman," Martinez said.

Comments | Permalink

Tuesday, October 24, 2006, 6:19 pm

By ASSOCIATED PRESS

Cheney says Hillary Clinton could win presidency

WASHINGTON -- Vice President Dick Cheney said Tuesday he thinks Sen. Hillary Rodham Clinton could win the presidency. He said Sen. Barack Obama might be viewed by voters as too inexperienced.

Cheney handicapped the Democratic field of potential candidates in an interview with conservative talk show host Sean Hannity.

"I think Hillary Clinton is a formidable candidate," Cheney said. "I think she could win. I hope she doesn't. I disagree with her on nearly all the issues, but nobody should underestimate her. She's a very serious candidate for president."

DOJ_NMG_0086166

Cheney said Obama, an Illinois Democrat, was an "attractive guy. Don't know him well, met him a few times. I think at this stage, my initial take on him was he's been two years as a senator. I think people might want a little more experience than that, given the nature of the times we live in. But certainly, he's an attractive candidate. If he decides to run, he'll be a player on the Democratic side."

Obama said Sunday he was considering a run for president in 2008, backing off previous statements that he would not do so.

As for himself, Cheney said he would not budge from his oft-stated decision that he will not run for president. "It's firm, final, fixed, irrevocable," the vice president said. "I don't know how else I can say it. If nominated, I will not run; if elected, I will not serve."

Cheney also said he was optimistic about Republican hopes in the Nov. 7 elections.

"I think we'll hold both the House and the Senate." Last week, Cheney raised eyebrows when he sounded less sure about GOP prospects. "I think we'll hold the Senate and I also think we got a good shot at holding the House," he told Rush Limbaugh.

Comments | Permalink

Tuesday, October 24, 2006, 6:00 pm

By SNN NEWS 6

(SNN NEWS 6)

Cooler temps to continue

SNN News 6's David Karnes says the mercury will dip a little lower overnight Tuesday.

Comments | Watch the video

Tuesday, October 24, 2006, 5:25 pm

By STAFF REPORT

County to pay $15,000 for medical bills for woman hurt in crash with cop

BRADENTON — County commissioners Tuesday agreed to pay $15,000 to cover the medical expenses for a teenager injured when a Manatee County sheriff's patrol car struck her vehicle.

Andrea Malara was 15 years old when the deputy's car, with its lights flashing, ran a red light eastbound on State Road 70 at Tara Boulevard in June 2001.

Malara was a passenger. The driver of the vehicle was not injured. Authorities said the deputy's patrol car flipped several times after the crash.

Malara, county records show, refused to be taken to the hospital by ambulance. Her parents drove her to Manatee Memorial Hospital. Malara said she suffered injuries to her neck, head, shoulders, back and jaw.

The county's agreement to pay $15,000 terminates a lawsuit Malara's attorneys filed against the Sheriff's Office in November 2004. The settlement was reached last month through mediation, court records show.

Comments | Permalink

Tuesday, October 24, 2006, 5:20 pm

By Staff Report

Bradenton man dies from injuries in Sunday wreck that resulted in a fire

BRADENTON — A 51-year-old Bradenton man was killed in a one-vehicle crash this week after his Jeep slammed into a trailer and caught fire, Florida Highway Patrol troopers said.

The man, John E. Geier, was eastbound on Whitfield Avenue on Sunday about 10:15 p.m. when his vehicle struck a trailer in a construction site, authorities said.

Troopers said Geier died Monday afternoon at Tampa General Hospital from injuries sustained in the crash, which happened near Prospect Road. Geier suffered burns to more than 80 percent of his body.

Comments | Permalink

Tuesday, October 24, 2006, 5:09 pm

By : David Karnes, Chief Meteorologist SNN News 6

Cool again Wednesday

Weather First

» Read blog: Weather news

Tuesday morning saw a record low of 51 degrees at SRQ. The old record was 52 degrees back in 1982.

Wednesday morning will be another near record morning with lows dropping into the low 50s along the coast and mid to upper 40s inland.

Wednesday afternoon will be a little warmer than Tuesday was. Highs will still be well below normal, however, in the mid to upper 70s.

We will start to warm back into the low 80s by Thursday, but another front will move through and bring us some showers and storms Friday with another shot of beautiful weather for the weekend.

Comments | Permalink

Tuesday, October 24, 2006, 5:03 pm

By Steve Echeverria Jr.

WSLR Costume Party @ Khrome Cancelled

» Read blog: Entertainment

The Fogartyville Cafe and WSLR (96.5 FM) have cancelled the planned costume party at Club Khrome meant to celebrate the community radio station's Guiness World Record crown for having the "World's Youngest Radio DJ."

The party was planned for Sunday, Oct. 29.

The owner and manager of Khrome were recently arrested on durg possession and money laundering charges.

Instead, WSLR officials will present seven-year-old Joshua Rabow, who hosts "The Saturday Morning Cartoon Show," with an award at the Sarasota Blues Festival between 7-8 p.m.

For more information call (941)741-9755.

Comments | Permalink

Tuesday, October 24, 2006, 4:26 pm

Kitson picked to build Murdock Village

In a bid to end months of frustation, County Commissioners Tuesday chose Kitson & Partners to develop the 1,100-acre Murdock Village site.

Unless the county hits another negotiation snag, Kitson & Partners -- the developers of Babcock Ranch -- will transform the land into a hopping downtown center, possibly anchored with a satellite campus for Florida Gulf Coast University.

A month ago, the county was in negotioation over the same project with Stock Development.

The developer backed down early this month, blaming a slow real estate market for its unwillingness to pay the $94 million it promised in its bid.

Comments | Permalink

Tuesday, October 24, 2006, 4:11 pm

By Susan Rife

A full Book Review section

It's not that often that the New York Times Book Review section is packed with reviews of things I either have already glanced at (and set aside on my "get to right away" pile or have already begun to read), but such was the case on Oct. 15. Of nine fiction reviews, I'd actually already read "Abundance" by Sena Jeter Naslund and put aside "Human Traces" by Sebastian Faulks, "Black Girl/White Girl" by Joyce Carol Oates and "The Light of Evening" by Edna O'Brien.

Several books on the nonfiction list also had already piqued my interest, but at the top was Bill Bryson's memoir, "The Life and Times of the Thunderbolt Kid." Sadly, this book has yet to fall into my greedy little outstretched hands, but reading the review remnded me of how much I loved "A Walk in the Woods," Bryson's hysterically funny book about hiking the Appalachian Trail, and got to me to pull "A Short History of Nearly Everything" off my shelf and renew my interest in it, and also to read his 1989 memoir, "The Lost Continent: Travels in Small-Town America" (Harper Perennial).

Like "A Walk in the Woods," this is a deeply personalized travel journal as Bryson sets out from his native Des Moines in search of the perfect small town. He logs more than 13,000 miles onto his mother's Chevette as he crisscrosses the country, horrified by the strip-malling of America and how generally ugly many places are (this is after he had spent 20 years living in England, so there you have it).

As the reviewer in the Times notes, "The Lost Continent" is convulsively funny: "In fact, I remember reading it on the couch and disturbing my wife in her kitchen-table academic studies with my howls," he writes. "When she asked me what was so funny, I would, in reading the passage aloud to her, inevitably be reduced to body-racking, tear-inducing, de-couching laughter."

That was my experience as well, both with "The Lost Continent" and with "A Walk in the Woods," which I read while flying across that very lost continent, trying to stifle my giggles in order to not overly alarm my seatmates. I highly recommend the book, especially to anyone who's experienced the joy and pain of backpacking.

In "The Lost Continent," Bryson loosely recreates the childhood vacations of his family, when Dad would drive and Mom would navigate and Billy and his sister would duke it out in the back seat. Dad of course would stop only at bona fide historical monuments and never at the kind of roadside attractions kids so dearly love. I can relate, since my dad was that same unhappy guy behind the wheel and I was among the kids crowded three across in the back seat of the station wagon cruising through the west and never once stopping at goofy roadside attractions. National parks, you bet. Anything with a side show, not so much.

Here's Bryson on visiting Gatlinburg, Tennessee.

DOJ_NMG_0086168

"I loved it. When I was growing up, we never got to go to places like Gatlinburg. My father would rather have given himself brain surgery with a Black and Decker drill than spend an hour in such a place. He had just two criteria for gauging the worth of a holiday attraction: Was it educational and was it free? Gatlinburg was patently neither of these... So Gatlinburg to me was a heady experience. I felt like a priest let loose in Las Vegas with a sockful of quarters. All the noise and glitter, and above all the possibilities for running through irresponsible sums of money in a short period, made me giddy.

"I wandered through the crowds, and hesitated at the entrance to the Ripley's Believe It or Not Museum. I could sense my father, a thousand miles away, beginning to rotate slowly in his grave as I looked at the posters. They told me that inside I would see a man who could hold three billiard balls in his mouth at once, a two-headed calf, a human unicorn with a horn protruding from his forehead and hundreds of other riveting oddities from all over the globe collected by the tireless Robert Ripley and crated back to Gatlinburg for the edification of discerning tourists such as myself. The admission fee was five dollars. The pace of my father's rotating quickened as I looked into my wallet and then sped to a whirring blur as I fished out a five-dollar bill and guiltily handed it to the unsmiling woman in the ticket booth. 'What the hell,' I thought as I went inside, 'at least it will give the old man some exercise.'"

Bryson goes on to report that the museum was the ultimate guilty pleasure. As is reading any of his works, all of them subject to the highest levels of comic exaggeration. If you need a break from the grim realities of the world, Bryson's books certainly offer it. I can't wait to get his newest, "The Life and Times of the Thunderbolt Kid." In fact, I think I'll head to the bookstore right now. There's no better way to spend an evening than de-couching oneself with laughter.

Comments | Permalink

Tuesday, October 24, 2006, 3:50 pm

By SNN NEWS 6

(SNN NEWS 6)

Bush, Buchanan speak at rally

Portions of speeches by Congressional Candidate Vern Buchanan and President George W. Bush in Sarasota this afternoon.

Comments | Watch the video

Advertisement

Tuesday, October 24, 2006, 3:40 pm

By STAFF REPORT

Dropping fuel costs to be passed on to FPL customers

STAFF REPORT

There is even more good news on the petroleum front: dropping fuel costs have prompted Florida Power & Light to bolster the cut it plans to customer bills starting in January.

FPL forecast a 1.8 percent drop in September; now it is 5 percent.

That would take the average customer's bill from $108.61 per month to $103.51.

The Juno Beach-based power provider said that it expects a similar drop for business customers.

Comments | Permalink

Tuesday, October 24, 2006, 3:21 pm

By Jeremy Wallace

President Bush delivers remarks at a 'Vern Buchanan for Congress' event in Sarasota. (ASSOCIATED PRESS)

In Sarasota, Bush urges GOP faithful to get out the vote

MANATEE COUNTY - During a brief stopover, President George W. Bush exhorted Republicans to show up on election day, saying that a strong GOP turnout is critical to preserving his tax cut package and winning the War in Iraq.

"We're going to do everything we can to protect you before the enemy attacks," Bush told a crowd of about 1,500 supporters at the Sarasota-Bradenton International Convention Center.

Appearing at a $20 a person fundraiser for Republican congressional candidate Vern Buchanan, the president spent a good portion of his speech warning the audience that Democrats, if they gain control of Congress, will discontinue tax cuts and disrupt U.S. efforts in Iraq.

Bush also told voters not to believe Democrats who say they want a tax cut for the middle class.

"You will feel the results every April 15" if Democrats win, Bush said. "Americans should not be fooled by their rhetoric."

After his speech, Bush's motorcade made a stop at Gyrocam Camera Systems, a local company with a $51 million contract to provide the Armed Forces with explosive-detecting cameras that can be mounted on personnel carriers and other military vehicles.

Bush then headed to the airport and boarded Air Force One, which left for Florida's East Coast about 2:45 p.m.

DOJ_NMG_0086169

Comments | Permalink
Tuesday, October 24, 2006, 2:00 pm
By STAFF REPORT
President Bush, right, waves as he arrives with Florida congressional candidate Vern Buchanan on Tuesday at Sarasota-Bradenton International Airport. (ASSOCIATED PRESS)
Air Force One on the ground at SRQ
President George W. Bush has arrived in Sarasota. He disembarked from Air Force One at Sarasota-Bradenton International Airport a few minutes before 1 p.m.
Bush was joined on the tarmac by Pinellas County resident Tom Cooney. Bush presented Cooney with a Volunteer Service medal for Cooney's 20 years of teaching sign language.
Bush's motorcade then proceeded to the nearby Sarasota-Bradenton International Convention Center, where the President will appear at a fundraiser for Republican Congressional Candidate Vern Buchanan.
Come back to HeraldTribune.com for continuing coverage of the president's visit to Sarasota.
Comments | Permalink
Tuesday, October 24, 2006, 2:00 pm
By SNN NEWS 6
(SNN NEWS 6)
President Bush arrives at SRQ
Herald-Tribune reporter Todd Ruger reports from the tarmac as the President arrives in Sarasota aboard Air Force One.
Comments | Watch the video
Tuesday, October 24, 2006, 7:11 am
By STAFF REPORT
Daybook: What's ahead in the news today
There's nothing like a presidential visit to get a newsroom whipped into a frenzy. Air Force One will be landing at Sarasota-Bradenton International Airport today, and we will of course have reporters from the Herald-Tribune and SNN News 6 on the scene. SNN News 6 will bring you live coverage from the airport a little before 1 p.m., and we will also be reporting from the Vern Buchanan fundraiser President Bush is coming to Sarasota to attend. We'll have lots of picture and video here at HeraldTribune.com later in the day.
Tuberculosis testing begins at Nolan Middle School today, for the 200-plus people exposed to a case of TB there. Results are expected to be available later this week.
CFO candidates Alex Sink and Tom Lee and attorney general candidates Skip Campbell and Bill McCollum will debate later this morning in Key Biscayne.
And at 8 p.m. tonight, candidates for governor Charlie Crist, Jim Davis and Max Linn will debate at Nova Southeastern University in Davie. The debate will air live on public television stations around the state.

President Brings His Clout To Boost Florida Hopefuls (MH)

By Jennifer Mooney Piedra And Lesley Clark
The Miami Herald, October 25, 2006
SARASOTA - This one should have been a cakewalk. Republicans have held the U.S. House seat here since before Rep. Katherine Harris, the former Florida secretary of state, parlayed her celebrity into winning the job.
But polls suggest Democrats are poised to seize control of the House -- in part by possibly picking up this seat and two others in South Florida. President Bush swooped into the cavernous convention center in Sarasota on Tuesday to raise money for the Republican candidate and to label Democrats as "genetically disposed" to increase taxes and weak on fighting terrorism.
Bush's visit to Florida -- in which he touted his record on the economy -- comes just two weeks before a critical midterm election in which Democrats need 15 seats to retake the House.
"The stakes in this election are high," Bush told a crowd of 2,000 at a reception for Republican Vern Buchanan, locked in an unexpectedly tight race to replace Harris, who is vying for Democrat Bill Nelson's U.S. Senate seat. Polls put Harris at least 20 points behind Nelson.
Democrats, Bush noted to laughter, ``have made a lot of predictions. Matter of fact, I think they may be measuring the drapes."
Buchanan promised that with Bush's help, "we will maintain a Republican majority in the House," and a defiant Bush predicted victory.
`A GOOD DAY'

"If their electoral predictions are as reliable as their economic predictions," Bush said of the Democrats, ``Nov. 7 is going to be a good day for the Republicans."

Strategists, though, suggest Democratic prospects have been aided by bleak reports out of Iraq, mixed with distaste for corruption scandals -- topped by U.S. Rep. Mark Foley's resignation last month after graphic Internet exchanges with former House pages were made public.

Foley's Palm Beach-area district -- in which Republican Joe Negron will face Democrat Tim Mahoney -- is among three Florida seats Democrats hope will help their cause. Democrats also are gunning for the the seat long held by Fort Lauderdale Republican Rep. Clay Shaw. Independent polls show the race in a dead heat, as does polling done by Shaw and his Democratic opponent, state Sen. Ron Klein.

Some Democrats suggest it would be particularly satisfying to secure the Republican-leaning Sarasota seat vacated by Harris, who likely would have won a third term.

Buchanan has had trouble gaining traction since he limped out of a bitter primary with 32 percent of the vote amid attacks on his business practices. The millionaire auto dealer and major GOP donor has pumped nearly $4.5 million of his own cash into the campaign, making it one of the nation's costliest.

Internal polls are said to show him trailing Democrat Christine Jennings.

Bush called Buchanan a ``decent, honorable man who deserves to be elected to the United States Congress."

BIG NAMES

Republicans are clearly focused on the race: Vice President Dick Cheney attended a recent fundraiser; Gov. Jeb Bush, U.S. Sen. Mel Martinez and Massachusetts Gov. Mitt Romney campaigned for Buchanan last week; and first lady Laura Bush will speak at a Buchanan fundraiser on Friday.

As for Jennings, Bill Clinton will headline a fundraiser for her campaign next Tuesday in New York, and Sen. Hillary Clinton is to speak at a fundraiser today, also in New York.

"We've got the wave, but it's also candidate recruitment," said Democratic donor Kirk Wagar, a Coconut Grove lawyer who has maintained for a year that the three Democratic candidates would be competitive.

Though the president's popularity ratings are low and Democrats have proven eager to nationalize the Sarasota race and make Bush the issue, Sally Tibbetts, a spokeswoman for Buchanan, said the campaign welcomed the president's support.

"They offered to do whatever they could to help, and we're honored to have the president," she said.

Shaw has worked to position himself as a moderate, in part by distancing himself from Bush. His campaign called a reporter Tuesday to underscore that a Republican National Committee fundraiser in Boca Raton that Bush attended Tuesday had "nothing to do" with Shaw's campaign.

Laura Bush, though, will headline a Shaw fundraiser on Friday.

The Republican faithful in Sarasota waved American flags and cheered Bush on as he spoke. Among the fans: 70-year-old Bob Spencer.

RED, WHITE & BLUE

Spencer, decked out head-to-toe in red white and blue, said he's optimistic the GOP will prevail and that the president's visit helps the cause.

"The president might take this race right over the edge," said Spencer, of Bradenton. ``President Bush is loved by the conservatives as much as Ronald Reagan was -- if not more."

Miami Herald staff writers Erika Bolstad and Beth Reinhard contributed to this report.

President Says Democrats Are 'Disposed' To Increase Taxes (WP)

By Michael Abramowitz

The Washington Post, October 25, 2006

SARASOTA, Fla., Oct. 24 -- President Bush accused Democrats on Tuesday of being "genetically disposed" to raise taxes, as he sharpened his rhetoric on the economy in an effort to rally Republicans to the polls next month.

Appearing here on behalf of GOP congressional hopeful Vern Buchanan, Bush mocked Democrats for what he described as their misplaced pessimism that tax cuts would not stimulate the economy. He said it was only one of many poor predictions by the Democrats and suggested they are making another mistake in their growing confidence that they might take the House next month.

"I think they may be measuring the drapes," Bush said to titters within the crowd of GOP partisans. "If their electoral predictions are as reliable as their economic predictions, November 7th is going to be a good day for the Republicans."

"George Bush sure has a lot to say for a guy who added $3 trillion to the nation's debt," responded Rep. Rahm Emanuel (D-Ill.), chairman of the Democratic Congressional Campaign Committee.

DOJ_NMG_0086171

While the president was in Florida, Vice President Cheney tried to rally the party faithful Tuesday on Sean Hannity's radio talk show. He warned of "some jeopardy, depending on how the election comes out, as to whether or not we'll be able to continue" the administration's national security policies.

Cheney also offered some political commentary, describing Sen. Hillary Rodham Clinton (D-N.Y.) as a potentially "formidable" candidate in the 2008 presidential sweepstakes. "I think she could win," Cheney said. "I disagree with her on nearly all the issues, but nobody should underestimate her. She's a very serious candidate for president."

And he described Sen. Barack Obama (D-Ill.) as an "attractive guy" who will be "a player on the Democratic side" if he decides to run for president. But with only two years as a senator, he said, "I think people might want a little more experience than that, given the nature of the times we live in."

Bush Battles For GOP Dominance (LAT)

By James Gerstenzang

The Los Angeles Times, October 25, 2006

Using mocking language to belittle Democrats, President Bush launched a muscular political attack Tuesday in his campaign to preserve Republican majorities in the House and Senate, challenging the Democrats' economic record and their commitment to fighting terrorism.

Two weeks before an election that threatens to bring upheaval to Capitol Hill, the White House is yielding not a bit to the possibility that come January, Bush might have to deal for the first time with a Democratic majority.

"The Democrats make a lot of predictions. As a matter of fact, I think they may be measuring the drapes," he said.

"If their electoral predictions are as reliable as their economic predictions," Bush said, recalling Democrats' grim projections after Congress enacted his tax cuts, "Nov. 7 is going to be a good day for the Republicans."

The president, who has made the Iraq war a central element in his stump speech as he seeks to convince voters that a Democratic-led Congress would weaken the effort, has also been trying to gain political traction from such upbeat economic news as falling energy prices and a rising stock market.

On Tuesday, he turned to taxes, seeking to raise the prospect that they would go up if Democrats took charge.

"When you go to the voting booth in two weeks, the lever you pull will determine the taxes you pay for years to come," Bush said. "Americans will cast their ballots on Nov. 7, but you will feel the results every April 15."

He cited, as he has in the past, a statement by House Minority Leader Nancy Pelosi (D-San Francisco), the likely speaker if her party wins a majority, expressing Democrats' "love" of tax cuts.

Citing Democratic opposition to tax cuts he had proposed, the president said: "If this is the Democrats' idea of love, I wouldn't want to see what hate looks like."

Democrats have argued that the tax cuts were responsible for the soaring budget deficit, which is now dropping, and have said that they oppose wholesale extension of some of the cuts as they expire in coming years and want to balance them more toward middle-class taxpayers.

"Democrats who have made fiscal responsibility a high ethical standard and middle-class tax cuts a priority must be a frightening prospect for President Bush and his rubber-stamp Congress' failed economic policies and ballooning budget deficits," Pelosi spokeswoman Jennifer Crider said.

The president spoke at a rally here that Republican National Committee spokeswoman Tracey Schmitt said raised $375,000 for Vern Buchanan, a Republican House candidate in a tight race in a Republican-leaning district. Later, Bush spoke at a private party in Boca Raton that Schmitt said raised $1 million for the RNC.

The event here was Bush's first in Sarasota since Sept. 11, 2001. He was in a classroom with elementary school students when he was told a second plane had struck the World Trade Center.

Seeking to use Democrats' opposition to elements of the Patriot Act, which beefed up law enforcement intelligence operations after Sept. 11, and to legislation creating military tribunals to try alleged terrorists, Bush said: "The vast majority of Democrats opposed the right of this administration to have a tool necessary to protect you…. They must not think we're at war. They must think that the best way to protect you is to respond after the attack.

"The vast majority of Democrats voted against giving our professionals the right to interrogate to protect America. These are patriotic souls, but their vision of the world is wrong, and we want to make sure that we continue to control the House of Representatives to provide the protection necessary."

Critics of the measures questioned whether they abrogated defendants' rights and opened the door to unnecessary spying on Americans.

Minutes from the Sarasota airport, Bush made an unannounced stop at Gyrocam Systems, a company that makes cameras used to help soldiers spot roadside bombs in Iraq. The visit illustrated two of the president's themes: the role of small

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business in boosting the economy, and — as he moves away from the phrase "stay the course" to describe his policy in the war — the shifts taking place to counter insurgents.

"Our goal in Iraq has not changed…." he said to reporters. "Our tactics are adjusting."

President's Boca Visit Pulls In $1 Million (PALMBEACHP)

By George Bennett And Michael Laforgia

Palm Beach Post, October 25, 2006

BOCA RATON — President Bush raised more than $1 million for the Republican National Committee during a brief stop here as the costly battle over which party controls Congress entered its final two weeks.

After campaigning in Sarasota with Republican congressional candidate Vern Buchanan earlier in the day, Bush attended a late-afternoon fund-raiser at the home of advertising executive Jordan Zimmerman in The Sanctuary neighborhood between Federal Highway and the Intracoastal Waterway.

The $25,000-a-head event raised more than $1 million for the party, a GOP spokeswoman said. Gov. Jeb Bush and U.S. Sen. Mel Martinez also attended.

Zimmerman is the 50-year-old founder and chairman of Fort Lauderdale-based Zimmerman Advertising, which lists the Miami Dolphins, Lennar Homes and Office Depot among its clients.

Zimmerman is a registered Republican who contributed to Democratic Connecticut Sen. Joe Lieberman's presidential and Senate campaigns and to Democrat Peter Deutsch's 2004 Senate bid in Florida, according to data compiled by the nonprofit Center for Responsive Politics.

Zimmerman also gave $500 apiece to Republican governor candidates Charlie Crist and Tom Gallagher before the September primary.

The president arrived at Fort Lauderdale-Hollywood International Airport around 3:30 p.m. and traveled by 20-vehicle motorcade to the fund-raiser. Bush returned to Fort Lauderdale and departed on Air Force One just before 6:30 p.m.

When Bush arrived in Fort Lauderdale, he presented a volunteer service award to Parkland resident David Greenberger, a mentor with Big Brothers Big Sisters. Bush spent about five minutes greeting supporters, including consultant and Republican money-raiser Tom DeRita of Palm Beach Gardens.

"I just told him to keep going the direction he's going. We love him and he's doing a great job," DeRita said.

"It's always important when the president comes down," he said. "He's going to boost the morale. He's going to get us on target, and the rest is up to us to get the voters out and make sure we win."

In Boca Raton, several onlookers and a handful of antiwar protesters gathered across the street from the entrance to The Sanctuary to watch the president's arrival.

Bush, who helped Republican U.S. Rep. Clay Shaw raise more than $800,000 at a May event in Fort Lauderdale, did not appear with or raise money for any candidates in South Florida on Tuesday.

Shaw's Democratic challenger, Boca Raton state Sen. Ron Klein, has accused Shaw of being too closely allied with Bush.

Shaw spokeswoman Gail Gitcho said there was no significance to the fact that Bush and Shaw didn't appear together Tuesday and noted that first lady Laura Bush is coming to Palm Beach to raise money for Shaw on Friday.

Bush Stops By Boca Raton, Raises A Cool Million For GOP (FLSUNSEN)

By Vanessa Blum

South Florida Sun-Sentinel, October 25, 2006

President Bush passed through Fort Lauderdale on Tuesday to raise last-minute cash in Boca Raton for Republican candidates fighting to hold onto the party's majority in Congress.

On his 44th trip to Florida since becoming president, Bush did not stop to shake hands or tout his administration's policies.

Instead, supporters who gathered at Fort Lauderdale-Hollywood International Airport to see Air Force One touch down received just a quick glimpse of the president before his motorcade sped off to a Boca Raton fundraiser.

The private event held at the mansion of advertising executive Jordan Zimmerman raised $1 million for the Republican National Committee.

The money likely will fuel advertising and get-out-the-vote efforts to motivate the Republican base in districts with close congressional races. That could help counter voter dissatisfaction with the party because of perceived congressional inaction, scandals and the war in Iraq.

On Friday, first lady Laura Bush is expected to attend a Palm Beach fundraiser for U.S. Rep. Clay Shaw, who is in a tight race against Democratic state senator Ron Klein for Florida's 22nd Congressional District.

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Shaw, who has held the seat for 26 years, was notably absent from the small cadre of Republicans who greeted the president on the tarmac.

Palm Beach Gardens Republican Tom DeRita, chairman of Shaw's fundraising efforts, said the candidate had a scheduling conflict.

U.S. Rep. Debbie Wasserman Schultz, D-Weston, said she thought Shaw was keeping his distance for political reasons.

A key part of Klein's campaign strategy has been linking the veteran Republican legislator to Bush as the president's approval ratings dip in the polls, largely over his handling of the war.

"There's nowhere in the country where the president is more unpopular than South Florida," Wasserman Schultz said. "All he is at this point is a cash cow for them."

Democrats need to win 15 seats to gain control of the House, and Florida has three of the nation's most fiercely fought congressional races.

Larry Sabato, a political science professor at the University of Virginia, said the White House recognizes that candidates in politically divided districts like Shaw's may need to distance themselves from Bush to win.

"President Bush is not in high demand this election season, unlike 2002 and 2004," Sabato said.

Still, for Bush supporter Barbara Wing of Coral Springs, who turned out for the president's arrival, just seeing his plane land was "awesomely exciting."

"I don't care if you're a Democrat or a Republican, he's still the president," she said.

After stepping off Air Force One, Bush presented an award to David Greenberger, 42, of Plantation, for his volunteer work with Big Brothers Big Sisters of Broward County.

The president's 3:30 p.m. landing in Fort Lauderdale and 6:15 p.m. departure went smoothly. However, his visit disrupted evening rush hour traffic on Interstates 95 and 595 near the airport.

Earlier in the day, Bush campaigned in Sarasota, a traditional Republican stronghold, for GOP congressional candidate Vern Buchanan. He is in a fierce race for the seat of U.S. Rep. Katherine Harris, who is running for the Senate.

In addition to the Shaw and Harris seats, Republicans are fighting to elect state Rep. Joe Negron to Mark Foley's House district. The disgraced Republican resigned and dropped out of the race after revelations that he sent inappropriate e-mails and text messages to boys who had served as congressional pages.

Bush's remarks in Sarasota focused on the economy and his administration's doubling of the child tax credit.

"When you go to the voting booth in two weeks, the lever you pull will determine the taxes you pay for years to come," Bush said.

It was the president's second consecutive day emphasizing a positive view of the nation's economy. Republicans cite falling gas prices, low unemployment, a record-setting stock market and rising consumer confidence as signs of growth.

Social Security Enters Elections (WP)

By Lori Montgomery

The Washington Post, October 25, 2006

More than a year after Social Security reform faded from the political radar screen, the debate erupted anew yesterday, as Democrats seized on news that President Bush hopes to revive an unpopular proposal to make changes in the national retirement program.

In recent days, Bush has said Social Security remains one of the "big items" he wants to tackle next year and he continues to "believe that a worker, at his or her option, ought to be allowed to put some of their own money . . . in a private savings account, an account that they call their own."

The statement appeared to represent no substantive change for the White House, and it varied little from the president's previous remarks.

But with just two weeks to go until the Nov. 7 congressional elections, Democrats highlighted Bush's comments, seeing an opportunity to remind voters about a Republican proposal that polls have shown is highly unpopular with many voters.

"Just when you thought your Social Security was safe from privatization, George Bush is bringing back his plan to privatize Social Security and cut guaranteed benefits," declared a news release from the Democratic Senatorial Campaign Committee, the party's fundraising arm for Senate races.

Democratic strategists were gleeful about the chance to draw a sharp distinction between the parties on Social Security, an explosive issue among elderly voters. "I couldn't believe it. What an opening," Democratic pollster Celinda Lake said. "I think he had an out-of-body experience."

Some Republicans were equally perplexed by Bush's timing.

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"I guess you could argue if it gets Iraq off the front page, it was probably a good thing at this point," said Rep. Thomas M. Davis III (R-Va.), a top Republican strategist who opposed the president's Social Security plan. But a new White House push on the issue "is not going anywhere. This president never likes to back down. I think he's putting it on the table, but I don't think anybody's going to pick it up."

The administration is trying to mount a new, bipartisan effort to rein in the costs of Social Security, along with Medicare and Medicaid.

Though Bush's plan stalled in Congress last year, the new Treasury secretary, Henry M. Paulson Jr., has said he took the job in part to tackle the rising cost of government health-care and Social Security spending, which he has called "the biggest economic issue facing our country." And Bush regularly mentions his desire to take another stab at the issue.

White House spokesman Tony Fratto yesterday said that the president "is interested in addressing the long-term challenges our country faces, and he's not going to be shy about doing that."

Fratto was traveling with Bush in Florida, where last year's aborted attempt at Social Security reform has been an issue in competitive House races. In South Florida, where Bush attended a Republican National Committee fundraiser, Rep. E. Clay Shaw Jr. (R-Fla.) has touted his opposition to Bush's push for private accounts in a television ad.

"I represent the state of Florida, not a political party," Shaw says in the ad. The 13-term incumbent is locked in a tight race with Democratic state senator Ron Klein.

Republicans elsewhere have also scrambled to distance themselves from the president on the issue. In Ohio, Rep. Deborah Pryce and Sen. Mike DeWine have struggled, under attack, to explain their positions on the president's plan.

DeWine said he opposes using tax dollars for private accounts, according to a candidate survey by AARP, the group formerly known as the American Association of Retired Persons.

And Pryce said in a debate last month that while she still agrees with the concept, she has heeded voter demands to drop the issue, according to news reports. Her campaign has called her strong backing of the Bush plan "ancient history."

AARP yesterday released candidate surveys from 35 competitive House races and 10 competitive Senate races in which Republican candidates overwhelmingly refused to take a definitive stand on private accounts -- or opposed them outright.

One of the few exceptions was Sen. Rick Santorum (R-Pa.), chairman of a Senate subcommittee on Social Security and an outspoken advocate of the president's plan. He is trailing Democrat Robert P. Casey Jr. in recent polls.

Santorum told AARP that he continues to support private accounts, so long as they are voluntary. On the campaign trail, he has lashed out at Casey -- and Democrats in general -- for failing to offer their own ideas for tackling the Social Security problem.

"He won't give you an -- he won't give you an answer on Social Security. He won't give you an answer on anything to make any changes," Santorum said in a television debate last month. "My question to Mr. Casey is: If you're not for personal retirement accounts, which he says he's not, how much are you going to raise their taxes? Or how much are you going to cut benefits to fix the Social Security problem?"

Bush Finding Welcome Mats As G.O.P. Looks For An Edge (NYT)

By Sheryl Gay Stolberg

The New York Times, October 25, 2006

SARASOTA, Fla. Oct. 24—President Bush cannot show up just anywhere in the waning days of this midterm campaign. But there is a certain class of Republicans who are somewhere between eager and willing to have him at their sides.

There are those facing ethical questions or struggling to recover from gaffes. There are those desperate for the cash Mr. Bush can bring in just by showing up for lunch. There are those who need the president to turn out a demoralized base. And there are those who, like Vern Buchanan, the Republican candidate for the House here, are a little bit of all three.

In another year, with another candidate, a Republican would be a shoo-in in Sarasota. But Mr. Buchanan, a wealthy car dealer dogged by accusations of business improprieties, is lagging behind his Democratic opponent, even though the district — currently represented by Representative Katherine Harris, who is running for Senate — tilts Republican and the candidate has poured more than $4 million of his own money into his campaign.

So Mr. Buchanan did what a handful of other Republicans in trouble are doing. He called in Mr. Bush, who zipped through here Tuesday to raise a little money and, more importantly, fire up Republican voters.

“The Democrats have made a lot of predictions.” Mr. Bush told cheering supporters who had gathered in a cavernous warehouse-turned-convention-hall, where tickets to hear him could be had as cheaply as $20. “Matter of fact, I think they may be measuring the drapes. If their electoral predictions are as reliable as their economic predictions, Nov. 7 is going to be a good day for the Republicans.”

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The appearance, which Republican officials said raised $375,000, offers a hint of how White House strategists will use Mr. Bush in the final two weeks of the midterm campaign. With his public approval ratings hovering around 37 percent, Democrats making effective use of advertisements attacking the president and Republicans in many races distancing themselves from him, Mr. Bush is far more limited than he was four years ago in where he can appear.

One Republican strategist close to the White House, granted anonymity to speak candidly about campaign strategy, said some Republicans — among them Senate candidates in tight races in Missouri, Montana, Ohio, Pennsylvania and Tennessee — simply do not want their final campaign images to include Mr. Bush, and have spurned White House offers for help.

Instead, White House strategists are sending Mr. Bush to Republican-leaning districts like Sarasota, where he can help energize the base and increase voter turnout. The president will also appear in swing districts where the Republican candidate has calculated that the last-minute infusion of cash he can bring in is worth more than any bad publicity surrounding the visit.

"You probably won't see him too much in the Northeast or the areas where he has less popularity," said Charlie Black, a Republican strategist who consults regularly with Karl Rove, Mr. Bush's chief political adviser. "But we do have a number of races that are very close, where the president, as champion fund-raiser, can still get some extra money in there and allow us to outspend the opponent."

Then there are those whose campaigns took unfortunate turns. Over the past several weeks, Mr. Bush has come to the aid of Representative Don Sherwood of Pennsylvania, who admitted having an extramarital affair; Senator George Allen of Virginia, whose campaign has been plagued by accusations of racial and ethnic insensitivity; and Representatives Richard W. Pombo and John T. Doolittle of California, both of whom have been touched by corruption scandals in Washington.

Mr. Bush is also still raising money for his party at private events. After his Sarasota appearance on Tuesday, he flew across the state to Boca Raton, where he scooped up $1 million at a private dinner for the Republican National Committee. The committee has been using money raised by Mr. Bush to help candidates around the country, especially in its effort to retain control of the Senate.

On Thursday, Mr. Bush is to campaign in Iowa with a House candidate, Jeff Lamberti, and in Michigan, with Mike Bouchard, who is trying to unseat Senator Debbie Stabenow. On Saturday, he will travel to Indiana to campaign with Representative Mike Sodrel. On Monday, he will attend Republican rallies in Georgia and Texas.

Presidents do not often make return trips during campaigns — ordinarily, it is a big deal to get the commander in chief to come just once — but Mr. Bush has already campaigned for both Mr. Sodrel and Mr. Bouchard. Mr. Sodrel won in 2004 thanks in part to a heavy turnout in his district for Mr. Bush. Republicans say Mr. Bouchard could pull ahead if he had more money.

How much the president can help these candidates is an open question — even among the candidates themselves. In a carefully worded statement, a spokesman for Mr. Bouchard, David All, refrained even from mentioning the president by name when asked why Mr. Bush was coming back.

"Any time we can bring decision makers to Michigan and have the opportunity to talk with them about Michigan's future, regardless of whether they are Republican or Democrat, we're going to take it," Mr. All said.

Here in Sarasota, Mr. Buchanan is running against Christine Jennings, a banker who is positioning herself as someone who will manage taxpayers' money wisely. Analysts of both parties say that message is going over well in this seaside community, where economic conservatives have been critical of deficit spending by the Republican-controlled Congress.

With Democrats trying to make the election a referendum on Mr. Bush, the president is trying to turn the tables and make it a referendum on Democrats. He used his remarks on Tuesday to hit the opposition party hard, calling Democrats "genetically predisposed" to raising taxes and accusing them of thinking that "the best way to protect you is to respond after the attack."

The unstated message, analysts say, is, Vote Republican — no matter who the candidate.

Bush Welcome To Raise Cash, But No Pictures And No Press (WT)

By Joseph Curl

The Washington Times, October 25, 2006

SARASOTA, Fla. -- President Bush has become the Stealth Campaigner.

Candidates across the country, especially those in tight races where the president's power to draw cash is most valuable, want him to drop by for a fundraiser. They just don't want their picture taken with the head of the party -- mainly because they know it will end up in their opponents' television commercials.

So far this year, Mr. Bush has done 10 times as many closed-press fundraising events compared to 2002. He has also not appeared at a single major Republican rally, unlike four years ago, when he did 32.

"What a difference a few years makes," said Democratic National Committee spokesman Stacie Paxton. "Republicans are happy to take his cash, but when it comes to photo-ops and campaign stops, President Bush is persona non grata. ... Clearly, President Bush is toxic to many of the candidates across the country."

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So far this campaign cycle, the president has followed a different path than he did in the last midterm congressional elections in 2002. While he has done about the same number of fundraising events -- 71 in 2002 and 67 so far this cycle -- just three events four years ago were deemed "closed press" by the White House, meaning that no reporters were allowed inside.

This year, the president has barred the press from 33 events, including a Republican National Committee dinner last night in Boca Raton, Fla.

While the White House plays down the marked rise in closed events, candidates are wary of being photographed with the president, whose approval rating has plummeted to record lows.

Democrats in 78 House races nationwide are using images of Mr. Bush and seeking to tie the unpopular president to the local Republican candidate, according to ABC News. In five of the seven Senate races on which the Democrats are making their strongest efforts -- Virginia, Tennessee, Ohio, Rhode Island and Pennsylvania -- Mr. Bush plays a leading role in campaign commercials.

With some projections having Republicans losing as many as 40 House seats this election, one prominent Republican strategist said yesterday that the White House is also wary of weighing in.

"Who wants to have their fingerprints on this mess," the strategist said on the condition of anonymity.

Mr. Bush has kept a very lean schedule of late. The president will attend just two open events this week, two weeks before the election. First lady Laura Bush has had a far more rigorous schedule, as has Vice President Dick Cheney.

By the numbers, from August to mid-October in 2002, Mr. Bush spoke at 29 events with candidates. This year's equivalent number is 15, according to Congress Daily. More incredible, Mr. Bush has yet to show up at a major political rally, although he plans to attend several starting this weekend. By contrast, on Oct. 24, 2002, he did two rallies in the same day -- one in Columbia, S.C., and one in Charlotte, N.C. -- his 11th and 12th rallies of the campaign season.

All told, in 2002 he would do some 32 voter rallies at airports and sports arenas, including three or four a day in the five days before the election.

The closest he has come to a mass rally this year was when thousands of people met him at Salt Lake City International Airport in August for a bipartisan rally to support the troops. It was not a political event, though, but one meant to counter an anti-war protest of Mr. Bush's visit to Utah to speak to the American Legion.

The president stopped yesterday in Sarasota for Vern Buchanan, the Republican who is running for the U.S. House seat currently held by Senate candidate Katherine Harris. Mr. Bush won the district in 2004 by 10 percentage points, but Mr. Buchanan is trailing by three in the latest polls. He decided to have Mr. Bush come down to help his cause -- despite the drawbacks.

"It helps to solidify the base," he said, noting that the district has twice as many Republicans as Democrats. "We have to take the positive with the negative."

The White House notes that new fundraising laws have altered the landscape. In 2002, political rallies could be paid for with a mix of federal and state party cash known as "soft money," but this year, if a congressional candidate is involved in the rally, only "hard" money can be used.

Although many candidates this year prefer to keep a presidential visit under wraps, calls are still flooding into the White House requesting a drop-by by the fundraiser-in-chief. In 2002, Mr. Bush helped pull in $144 million, and so far this cycle, he's collected $124 million for candidates and the RNC.

For example, last night's Boca Raton fundraiser, at a massive stucco mansion in a gated community called the Sanctuary, collected more than $1 million for the RNC.

But most candidates have to make their last press buys Friday, so new money will likely not make it into this year's campaigns.

Top Republicans say the reason for the sparse schedule with just two weeks to go is simple: The party raised plenty of cash early, and is poised for a press blitz in the final days.

"The AP ran a story saying these Democrat congressional candidates outraised their Republican incumbents in the third quarter," senior Bush political adviser Karl Rove told The Washington Times last week. "What they didn't say is part of the reason they did is because we raised the money earlier so people would be able to deploy.

"If you look at the 31 top races ... we've got $31 million cash on hand, they have $15 [million]. That's odds I like. And it doesn't count what you see or what you don't yet see at the national committees," Mr. Rove said. "So you know: having incumbents, the structure, a plan, our financial advantage, all these things are going to come to play in the campaign."

Bush Should Focus On Korea (HILL)

The Hill, October 25, 2006

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President George Bush and Secretary of State Condoleezza Rice have succeeded beyond expectations in lining up China as a strong ally in forcing North Korea to abandon its nuclear ambitions. The New York Times reports that the Chinese are even threatening to ratchet back on their oil shipments to North Korea, which is totally dependent on Beijing for fuel.

But Bush is getting no credit for it and neither are the Republicans. All of the focus has been on the role that Rice and UN Ambassador John Bolton are playing in forcing North Korea back from membership of the nuclear club. President Bush needs to do much more to rivet popular attention on Korea, as opposed to Iraq.

No matter how Bush says that he is going to revise our Iraqi strategy, the war in and around Baghdad will always be a political loser for the Republican Party. But the president always has the power to change the subject. He must use that power to focus attention on a front that promises success as opposed to one that seems to offer only the prospect of more casualties.

There is increasing evidence that the Republican base is returning to the fold, just as Karl Rove, the president's close adviser and electoral strategist, predicted that they would. The state-by-state polls reflect GOP gains in Tennessee, New Jersey, Montana, Missouri, Virginia and in the national generic ballot tests. Since the Democrats must win two of the Senate seats in Tennessee, New Jersey, and Missouri and they are trailing in all three, there is a new possibility that the Republicans could pull out a midterm win. In John Zogby's generic ballot polling, the Democratic margin has collapsed from +9 two weeks ago to only +3 today. (Since America is not a democracy but chooses its House of Representatives in gerrymandered districts, a three-point Democratic win would not give the party control of the House, just as the popular vote win in 2000 failed to guarantee it the White House).

But, as Rove and Co. realize, almost every election features an endgame Democratic uptick as downscale voters, who normally pay no attention to politics, begin to focus on the election. Like non-baseball fans who only pay attention to the national pastime during the World Series, these downscale voters only enter the process in the end. Since downscale voters tend to vote Democrat, this usually gives the party an edge as the election approaches. It was this last-minute move that erased a Bush surge in 1992 and closed the Bush lead over Gore in 2000.

To guard against this Democratic close, Bush needs to distract the country from Iraq, and North Korea offers the best way to do so. Americans are justifiably scared by the prospect of a nuclear North Korea and Bush's efforts to assemble a global coalition to press Pyongyang have shown that Rice has learned how to play the game and win. But the president needs to bring the issue to public attention and use it to save himself from two years of subpoenas and hearings by making the next two weeks about Korea.

Morris and McGann, husband and wife, have written several books together, including "Rewriting History," a rebuttal to "Living History" by Sen. Hillary Rodham Clinton (D-N.Y.).

Bush Advisers Blitz Radio Airwaves (AP)

By Deb Riechmann

The Associated Press, October 25, 2006

President Bush's political top gun Karl Rove gushes with optimism about Election Day. National security adviser Stephen Hadley says the Iraqis need to do more to secure their nation — and do it faster. Presidential confidant Dan Bartlett takes a few verbal punches at Democrats.

It was "Radio Day" at the White House where more than 30 talk show hosts were invited to set up shop in a heated white tent on the North Lawn to quiz senior administration officials. Beginning at 5:30 a.m., the broadcasters chatted live about everything from Iraq to homeland security to the Nov. 7 elections.

Rove predicted the Republicans would retain control of Congress, discounting polls that show the Democrats threatening to take over.

"You heard it here first," Rove declared in his interview with Fox News Radio.

Nearby, Charlie Sykes with WTMJ in Milwaukee, Wis., told White House counselor Bartlett, "I think we're about a minute out."

Bartlett, sitting with earphones hugging his head, also predicted a Republican victory. He said that while the Democrats attack the president, they don't articulate a different direction for America.

"They have yet to make the case about what they are for, and that's why I think they're going to come up short in this election," he said.

Talk about Iraq was buzzing in the tent.

"We are going to adapt," Bartlett said. "We are going to have a dynamic approach to the situation on the ground, but we're not going to throw up our hands and say, 'It's unwinnable.'"

Hadley said Iraqi Prime Minister Nouri al-Maliki and the fledging government are starting to take steps to quell rising sectarian violence to help move Iraq toward prosperity and peace, but he added that they must do so more quickly.

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"We're not making the progress we would like, and that's why we have to look at what we are doing and see what we need to change to get the kind of progress that we need," Hadley told Robert Siegel from National Public Radio.

"I think they've got to do more and they've got to do it faster, and I think if you talked to Prime Minister al-Maliki he would say, to you, the same thing."

Other officials who stopped by the tent or were interviewed at other spots at the White House included Vice President Dick Cheney, Treasury Secretary Henry Paulson, Health and Human Services Secretary Mike Leavitt, Energy Secretary Samuel Bodman, Defense Secretary Donald H. Rumsfeld, Secretary of State Condoleezza Rice and White House press secretary Tony Snow.

Radio Hosts Get Closer To The White House -- If Only Physically (WP)

By Howard Kurtz

The Washington Post, October 25, 2006

It sounded like the kind of friendly interview that administration officials expected when they invited 42 mostly conservative radio hosts to broadcast yesterday from beneath a long, heated white tent on the president's doorstep.

"The American people, in my humble opinion, don't realize we're at war," Neal Boortz, an acerbic libertarian based in Atlanta, told presidential counselor Dan Bartlett. "How do you communicate to the American people that there is a grave threat that must be addressed?"

Moments after Bartlett moved down the rows of folding tables to the next interview, however, Boortz said during a break: "I've adopted the opinion that maybe I'd like to see the Republicans take it in the teeth in this election, lose the House and lick their wounds. They just haven't done enough to be rewarded with continued control in Washington."

For 15 years, the conservatives who dominate talk radio have served as shock troops for the GOP, bashing Democrats, hitting the hot buttons and rallying their listeners. Since the Republicans won back Congress in 1994, a feat in which Rush Limbaugh played a catalyzing role, through the disputed election of 2000 and President Bush's first term, the radio talkers have wielded a powerful megaphone for their ideological side.

But as Bartlett, Karl Rove, Tony Snow, Michael Chertoff and other top administration officials worked the tent during yesterday's day-long event, it became apparent that there are serious cracks in this once-solid wall of support.

"The corps of Bush supporters are just seething, angry and disappointed," said Jan Mickelson, a fixture in Des Moines radio. Iraq, he said, has become "ungovernable," voters are upset about "perceived corruption in the Republican Party," and "social conservatives feel like they've been used again." But in a point echoed by several of the hosts, Mickelson said that "immigration is the number one issue" fostering disgruntlement with the Republicans, because his listeners are "seeing the effects of lack of border control every single day."

Asked whether he wants the Democrats to win the midterm elections, Mickelson said: "I don't really give a rip. The conservatives would say, 'What's the worst that can happen? We're not getting anything we want now. We're getting nothing but frustration and ulcers.' " Charlie Sykes, a Milwaukee host, told Bartlett during an interview: "If the Republicans lose control of the House, they won't have anybody but themselves to blame."

Still, most of the conservative broadcasters are not rooting for a Democratic victory next month. Some say they are just reflecting the unease of their listeners. Others say they cannot abide the thought of a Democratic House or Senate.

"The Republicans certainly deserve to get spanked," said Steve Gill, a Nashville host. "The problem is, if you turn the Senate over to Hillary [Rodham Clinton] and Ted Kennedy, and Nancy Pelosi in the House, it's America that gets spanked."

Sykes said that "we've spent the last nine months being disappointed with the administration and being disillusioned." But now, he said, "people are getting more focused on the choice. . . . I don't think the Democrats have an alternative vision."

Administration officials have periodically blitzed the radio airwaves, where conservatives command big national or regional followings, as a way of circumventing the mainstream media. Progressive radio has made modest inroads in the past two years, but Air America, the fledgling liberal network, declared bankruptcy earlier this month.

Though a handful of liberals, such as Juan Williams of National Public Radio and Fox News, were allowed in the White House tent, others say they were shut out. Rachel Maddow, an Air America host, said the White House did not return her calls when she sought an invitation.

The talkathon enabled Rove, Bartlett and other officials to warn about the consequences of a Democratic takeover of Congress while being questioned in tones ranging from sympathetic to politely skeptical.

Martha Zoller, a host from Gainesville, Ga., said that "national security trumps everything," even though she does not like the administration's position on some domestic issues. "I don't think it does any good to say we're going to punish these guys by putting the other party in power, because it could be 10 to 15 years before we get conservatives back in power," she said.

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The biggest star on the right yesterday was Sean Hannity, who is heard on 515 stations. He was granted interviews with Vice President Cheney, Secretary of State Condoleezza Rice and Defense Secretary Donald H. Rumsfeld, whom Hannity hailed as "a great American."

Even Hannity, who campaigns for GOP candidates, said he has disagreed with the White House on immigration and on the ill-fated Dubai ports deal, "and I think spending has been a little out of control." But he remains a fierce administration defender, calling the Democratic Party "pathetically weak" on defense and terrorism, and dismissing predictions that the House minority leader may soon move into the speaker's office.

"The Democrats and Nancy Pelosi picked out the drapes and carpet a little too early," Hannity said.

White House Hosts Mass Talk Radio Event (USAT)

By David Jackson

USA Today, October 25, 2006

WASHINGTON — Two weeks before a pivotal election, the Bush administration brought some of the Republican Party's conservative base to its front yard Tuesday by inviting talk radio hosts to broadcast from the North Lawn of the White House.

About three dozen radio hosts set up inside a huge tent, interviewing administration stars such as Secretary of State Condoleezza Rice, Defense Secretary Donald Rumsfeld and political guru Karl Rove. The hosts, both national and local, hailed from cities from New York to San Diego. They included a smattering of liberals.

“There are so many talking heads in one tent,” joked Jan Mickelson, a “conservative-slash-libertarian” who hosts a morning show based in Des Moines. “It is not conducive to sound conversation.”

Michael Harrison, publisher of the trade magazine Talkers, said the White House has held “radio days” before, including one President Clinton hosted in 1993 to promote his health care proposal. The Bush White House hosted a radio day less than a week before the elections in 2002.

Harrison said the difference this year is that some conservatives, such as economist Bruce Bartlett and blogger Andrew Sullivan, have been critical of Bush policies on the war in Iraq and federal spending as elections loom Nov. 7.

“Right now, the Bush administration is worried about its conservative base defecting,” Harrison said.

Bush spokesman Tony Snow, himself a former radio talk show host, sat for at least 34 radio interviews in the big white tent. His list included national hosts Glenn Beck and Neal Boortz, as well as Inga Barks of Bakersfield, Calif., and Dave Jaconette of Kalamazoo, Mich.

“The chief objective is to make our case as clearly as possible, to as many people as possible,” Snow said.

According to Talkers magazine, four of the five top talk radio audiences tune into conservatives: Rush Limbaugh, Sean Hannity, Michael Savage and Laura Ingraham. Of those, only Hannity showed up at the White House on Tuesday, and his day included an interview of Vice President Cheney to be run on both his radio and Fox News television programs Tuesday.

Cheney said the election could be decided on local issues. “I think sometimes we overestimate the extent to which these (midterm elections) are national in scope because we try to bring some order and understanding to it,” he told Hannity.

Hannity, who also interviewed Rice, Rumsfeld, Rove and Snow, said the White House is appealing to “new media” because they have a “pretty significant audience.”

Harrison, who reviewed a list of the 38 invited talk shows, said “a majority lean conservative” but noted there were others more moderate and liberal. Juan Williams, a senior correspondent with National Public Radio who has been critical of the administration, also interviewed Cheney.

The White House has used talk radio from time to time to get out its message. Last week, Cheney phoned in to Limbaugh's top-rated program to boast about the economy. In the midst of his campaign for changes to Social Security last year, President Bush gave an interview to Mickelson.

Bush was campaigning Tuesday, so Mickelson said he spoke with Health and Human Services Secretary Mike Leavitt, Homeland Security Secretary Michael Chertoff, Deputy Attorney General Paul McNulty and presidential counselor Dan Bartlett.

Mickelson said his listeners are particularly upset about “not controlling our borders” against illegal immigration.

Some of Bush's base “has abandoned ship, because they perceive he's abandoned them,” Mickelson added. He didn't know if radio day would help Republicans on Election Day: “It's a little late in the game.”

The GOP Leans On A Proven Strategy (WP)

By Peter Baker

The Washington Post, October 25, 2006

DOJ_NMG_0086180

Beset by discouraging polls and division within ideological ranks, the White House is accelerating efforts to woo back disaffected conservatives and energize the Republican base in a reprise of a strategy that succeeded in the last two campaign cycles.

President Bush and Vice President Cheney have given multiple interviews to conservative journalists, senior adviser Karl Rove has telephoned religious and social activists, and the White House has staged signing ceremonies for legislation cracking down on terrorism and illegal immigration. Two weeks before Election Day, Bush aides invited dozens of radio talk show hosts for a marathon broadcast from the White House yesterday to reach conservative listeners.

The message that Bush and others are sending to alienated supporters is that, no matter how upset they have been about various policies or political missteps over the past couple of years, life would be far worse under the Democrats. They name liberal lawmakers who would take charge of key committees and warn conservatives that taxes would go up and protection against terrorists would go down. And they cite, in particular, the confirmation of two conservative Supreme Court justices who might have been blocked by a Democratic Senate.

"The White House strategy is to remind us who would be in leadership in the House and Senate" if Democrats win, said Gary L. Bauer, president of a group called American Values and a Christian conservative who sends a daily e-mail to 100,000 supporters. "The idea is that that's going to be enough to get out most of this vote."

Grover Norquist, president of Americans for Tax Reform and a close Rove associate, said the White House team is blanketing the conservative circuit. "They're out there, they're talking to people, they're at our meetings," he said. "This is a full-court press." Norquist dismissed conservatives who are threatening to stay home on Election Day: "They're not doing anything other than whining."

Some conservatives said it is too late. "They honestly need a baseball bat against the head," said Republican pollster Frank Luntz, who helped Newt Gingrich (R-Ga.) take over Congress in the 1990s. "Because if they don't change the lexicon immediately, as bad as this election is going to be, they're going to lose the presidency in 2008. I've given up on 2006. They've already made so many mistakes, there's no way they can fix it in two weeks. But I'm worried now they're going to lose all the marbles."

The White House courtship of the right paid enormous dividends in the past, but this year it is complicated by a far more skeptical audience than in 2002 and 2004. Conservatives who were key to those victories have grown frustrated with the Bush policies on federal spending, immigration, Iraq and foreign affairs, and uncertain of his commitment to issues such as preventing legalized same-sex marriage. The Mark Foley page scandal did not help reassure "values voters," as strategists call them, nor did the publication of a book by former White House official David Kuo saying that Bush aides dismissed Christian conservatives as "nuts."

Republicans in Washington Post-ABC News polls are unified behind GOP House candidates, but somewhat less so than Democrats are behind theirs. Ten percent of Republicans in the latest survey said they plan to vote Democratic this year, compared with 4 percent of Democrats who intend to cross over. One reason is that Democrats have made some headway among traditionally conservative groups.

In the most recent poll, 29 percent of self-identified conservatives said they plan to vote for Democrats for the House, compared with 17 percent in 2004. Among white evangelical Protestants, 30 percent favor Democrats, compared with 25 percent two years ago. At the same time, Republicans report being as enthusiastic as Democrats about voting this year, belying the assumption that they might stay home.

"This is going to be a very important part of the election," said White House political director Sara Taylor. "In a traditional midterm headwind, Republicans are going to have to make sure they turn out their base. In places where they do that, Republicans are going to win races they're supposed to win. In places where they don't do that, they're going to have a much harder time."

The White House has tried to rev up its base in various ways. Bush has given interviews to Fox News host Bill O'Reilly, the Wall Street Journal's Paul Gigot, and groups of conservative columnists and talk show hosts. Cheney appeared last week on Rush Limbaugh's radio show and yesterday gave an interview to conservative television and radio commentator Sean Hannity.

"Nancy is not in sync with the vast majority of the American people," Cheney said, referring to House Minority Leader Nancy Pelosi (Calif.), who would become speaker if Democrats took over the House. "Nancy represents what I think is that side of the Democratic Party that has not been aggressive of and does not believe in a really robust, aggressive prosecution of the global war on terror."

To maximize the blitz, the White House set up a tent on the North Lawn yesterday and let 42 radio hosts broadcast live during the day. Because it was on government property, "Radio Day" included outlets such as National Public Radio, but "it's mostly conservative talk," White House press secretary Tony Snow said. "This is a chance to talk to people and get heard," said

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Snow, a former talk show host who did more than 20 interviews yesterday and has also been dispatched to talk to conservative Web sites such as the Power Line blog.

Rove wandered into the tent with a piece of paper guiding him to a dozen interviews yesterday. Others on hand included Secretary of State Condoleezza Rice, Defense Secretary Donald H. Rumsfeld, Attorney General Alberto R. Gonzales, Treasury Secretary Henry M. Paulson Jr., Homeland Security Secretary Michael Chertoff, Energy Secretary Samuel W. Bodman, Agriculture Secretary Mike Johanns, Health and Human Services Secretary Mike Leavitt, national security adviser Stephen J. Hadley, presidential counselor Dan Bartlett, White House homeland security adviser Frances Fragos Townsend, and budget director Rob Portman.

Iraq was a subject of discussion as officials tried to explain Bush's evolving rhetoric. Snow minimized the decision to no longer describe Bush's policy as "stay the course," telling Fox that he found only eight times when Bush used the phrase. The liberal Center for American Progress then quickly posted a list of 30 instances when Bush argued to "stay the course." And Rumsfeld told Hannity that it is "nonsense" to say Bush is "backing away from 'stay the course,' " saying he only wants to avoid confusion.

The White House has reached out in other ways, too. Rove hosted a conference call Monday with key conservative leaders, reminding them of the stakes of the elections. And the White House has staged events to highlight Bush's conservative positions. In Scottsdale, Ariz., Bush signed a spending bill that pays for more border patrol agents and the beginning of a new fence along the U.S.-Mexico border, a nod to conservatives who consider him soft on illegal immigration.

At times, though, the White House does not highlight actions that would help it with the right, leaving it to activists to do it themselves. In the same bill, unmentioned by Bush, is a provision banning authorities from confiscating lawfully owned guns during emergencies, a response to reports of firearms taken away in New Orleans after Hurricane Katrina.

"I certainly didn't get a call about a signing ceremony," said National Rifle Association lobbyist Chris Cox. "But quite frankly, it was irrelevant as long as the bill was signed into law." The NRA notified its 4 million members and reminded them, as the group's Web site put it, that it "makes it clear why gun owners can never, ever sit on the sidelines during an election."

Paul M. Weyrich, chairman of the Free Congress Foundation, said the White House is not doing enough to repair relations with the base. "I'm not seeing anything," he said. "Maybe they're doing certain things with people who are closer to them. But in my case, I've not gotten any special treatment or invitations or whatever."

Still, Weyrich said the White House may yet benefit from conservatives coming home. "It'll all come down to conservatives," he said. "For a long time, I've heard nothing but 'I'm not going to vote for these jerks.' Now I'm hearing 'Well, I suppose we'll have to vote the jerks back in and see what we can do.' "

Polling director Jon Cohen contributed to this report.

Republican Base Loses Faith (CSM)

By Jane Lampman

The Christian Science Monitor, October 25, 2006

Ever since George W. Bush named Jesus as his favorite philosopher and positioned himself as a strong man of faith, Republicans have increasingly been viewed as the party sympathetic to religion - with the Democrats found seriously wanting.

That may be changing.

With the Congressional election less than two weeks away, recent surveys show signs of a shift among religious voters that could give Democrats a boost.

A Gallup poll earlier this month found white religious voters "equally as likely to say they will vote Democratic as Republican." And a Pew Research poll last week found just 57 percent of white Evangelicals planning to vote Republican, a drop from 68 percent in 2002 and 74 percent in 2004. Among white Catholics, the decline was even greater.

"The GOP's problems with white Evangelicals are important, but they have even bigger problems with white Catholics," says John Green, senior fellow at Pew Forum on Religion & Public Life. "The survey shows a majority of white Catholics saying they'll vote for a Democratic congressional candidate; that's a return to where white Catholics would have been a decade or two ago."

The shift reflects plummeting support for the Republican administration and Congress over the war in Iraq and multiplying political scandals. But it appears that Democratic candidates' efforts to articulate their faith and values - and tie them to a broader range of issues - are also resonating with voters.

The party has initiated a serious effort to reach out to people of faith. For example, after a series of meetings with religious and lay leaders across the state, the Michigan Democratic Party has written language on the role of faith into its party platform.

Meanwhile, Christian conservatives are working hard to ramp up support for their priority social issues and get out the Republican vote, but they admit there is less enthusiasm this time around.

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"Several factors play into a level of enthusiasm that is less than it was two years ago," says Tony Perkins, president of Family Research Council, a conservative religious group. "It's not a presidential election year, ... the threat [of same-sex marriage] has diminished in the minds of many, and you've had scandal in the Republican party.

"The Foley episode has caused some to step back and say, 'Wait a minute: What are the core values of the Republican party?' " he adds. "That's caused some to ask whether the big-tent strategy has led to the point where we've got a three-ring circus."

The buzzword after the 2004 election was the "values voter." Democratic presidential candidate Sen. John Kerry was criticized for not speaking convincingly in the language of faith, while the party was charged with being hostile to religion.

That opened the door wide for religious folk outside the conservative camp to begin to speak more openly. A host of books by progressive people of faith hit the market asserting that Christian values ranged far beyond what conservatives were promoting, particularly caring for the poor and environmental issues. A number of new organizations formed to galvanize moderate and liberal Christians. 'Christian' doesn't mean 'Republican'

Red Letter Christians - named for the teachings of Jesus printed in red letters in some Bible editions - advocate "an evangelicalism marked by compassion and justice," in the words of cofounder Tony Campolo, professor emeritus at Eastern University, a Baptist-affiliated university in St. David's, Pa.

The Catholic Alliance for the Common Good organized to inform Catholic voters on the "full range of issues" they should consider given Catholic social teachings. Last month the group distributed more than a million voter guides.

Christian Democrats established a new online community, Faithfuldemocrats.com, to engage religious and political leaders and ordinary Americans in discussions on putting faith into action. They aim to show that the Republican party doesn't have a monopoly on values or on being Christian.

"I don't know how many Tennesseans have told me that their pastor or Sunday School teacher told them you cannot be a Democrat and a Christian," says State Sen. Roy Herron, a Democratic leader in the Tennessee legislature and a co-founder of the online community.

He says Democrats bear some responsibility for such perceptions. "The charge that some Democrats have been insensitive to religion is a valid one, and others of us have been keeping our lights under a bushel," he explains. "Some of us have been reluctant to speak of our faith in the political arena ... because we can see a danger that people deeply rooted in faith will seek to use God rather than be used by God." But now it's imperative "to tell the truth about our faith." Democrats play up their faith

In the current campaign, a number of Democratic candidates are seeking to do just that. Prominent party leaders have led the way: Sen. Barack Obama's speech on faith and politics last June won wide play in the press and accolades from the public; Senator Kerry followed with a speech about his own religious convictions that many say he should have given in 2004.

Others in the political fray are opening up. In Ohio, Democratic gubernatorial candidate Ted Strickland has talked regularly about faith and values and is way out in front of his religious conservative opponent, Ken Blackwell. Ohio went for President Bush in 2004, but Republican scandals and a deteriorating economy have put the social issues promoted by conservatives on the back burner for many voters. Instead, raising the state minimum wage is garnering support from more than three-quarters of Ohioans, according to a recent poll.

In Tennessee, Democratic Rep. Harold Ford Jr., who is running for the US Senate, filmed a TV ad from his home church explaining his values and has a faith statement on his website. Pennsylvania state treasurer Bob Casey Jr., an anti-abortion Democrat running against conservative Republican Sen. Rick Santorum, has given the Democrats a different face on the abortion issue.

Such efforts "may help particular Democratic candidates get Evangelical votes, but it might be even more effective with Roman Catholic and mainline Protestants, groups that have been voting Republican but aren't as strongly wedded to the GOP," suggests Dr. Green, a longtime political analyst from Ohio.

Two other innovations may also benefit Democrats as they try to bring religious voters into the fold. A number of Democratic candidates are advertising for the first time on Christian radio. And national and state Democratic parties are working hard on outreach to religious groups. The chief of staff of the Democratic National Committee, in fact, is a Pentecostal pastor. Strategies to change perceptions

Mark Brewer, chair of the Michigan Democratic Party, says their "listening meetings" with faith groups and rewriting of the platform have helped change perceptions. They also have policy initiatives involving faith groups, such as seeking common ground on abortion reduction.

"I want to make sure on an ongoing basis that people of faith feel comfortable participating in the party," Mr. Brewer says.

On a national level, however, this outreach is controversial among some secular party members. And the impact of such efforts remains to be proven.

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Disillusionment among Christian conservatives may also be a factor. Along with the scandals, an explosive new book by David Kuo, former deputy in the White House office for the faith-based initiative, describes an administration that looked down on Christian leaders and chose not to deliver on promises while exploiting the Christian base for political advantage. In "Tempting Faith," Mr. Kuo calls on fellow Christians to go on "a fast" from politics for the next two years.

The religious right has been intensely active in recent weeks, holding a "values summit" and working to energize churches and voters. The Family Research Council sponsored a national TV broadcast from Boston Oct. 15, highlighting the same-sex marriage issue and its potential link to religious liberty.

Yet Mr. Perkins of the FRC is well aware of the changing environment. "The core of the Evangelical community sees voting not just as an opportunity, but as an obligation, so they'll vote," he says. "The real question is how many people they'll call and take to the polls with them."

He also acknowledges Democratic efforts. "It's going to have an impact, but to the degree of getting people to switch to the Democratic party, I doubt it at this point in time," he says. If Democrats begin to establish a track record on issues people care about, they could, he adds, "but it's going to take awhile."

Still, it's notable to hear a religious-right leader long wedded to the Republican camp then add: "I think competition is good for our economy, and it's good for our political environment as well."

Disillusioned Insider's Book Tests Bush's Image As 'Pastor-in-Chief' Campaign Journal Offers Insights About Political Developments From The Front Lines Of The Fall Races Through Election Day. (WSJ)

By Jackie Calmes

The Wall Street Journal, October 25, 2006

LEBANON, Ohio -- On a recent evening, Lori Viars and Jim Winters sit at a table in a dining room, stuffing envelopes and chatting as if about a mutual friend.

Only the "friend" is President Bush. And the old house in the center of this historic town isn't a home any longer. It is undergoing renovations to become Republican Party headquarters for Warren County, north of Cincinnati--reflecting the population growth, and conservatism, of so many exurban counties where the Bush-era Republican Party has staked its fortune.

MIDTERM SURVIVAL GUIDE

· Chief Concerns: Who Heads Key Committees if Democrats Win the House?1

· Review the results of the latest polls2 in hot Senate races, and see what the data could mean for the breakdown of seats in the chamber after Election Day. (Oct. 19)

· Tracking the House Polls: Check recent numbers3 (Oct. 19)

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Jim, the music minister at nearby Grace Baptist Church, wears a wrist band reading, "One Nation Under God." He asks Lori, a party official and mother of two, if she'd heard that the president lately is praying from a new daily devotional book. Lori says she hasn't; Jim can't remember which book it reportedly is. Yet both know that Mr. Bush had been using the long-popular prayer book, "My Utmost for His Highest," by the early 20th century Scottish minister Oswald Chambers.

Meanwhile, they go on stuffing envelopes for would-be voters with brochures for local, state and federal Republican candidates, their enthusiasm seemingly undiminished by persistent bad news and bad polls for the president's party. On a recent Saturday, volunteers—mostly Christian conservatives—made 3,556 calls to potential voters from this old house, urging them to come out on Election Day Nov. 7.

Another Book

The conversation between Mr. Wilson and Mrs. Viars comes amid publication of another book that perhaps should be required reading for evangelical conservatives: "Tempting Faith." Author David Kuo worked in the White House office for the faith-based social initiatives that were a foundation block of Mr. Bush's 2000 platform. The book recounts his disillusionment with officials, up to the president. On his promotional tour, Mr. Kuo is calling for Christians to "fast" from politics for two years.

From pages 229-230: At the White House, "They know 'the nuts' were politically invaluable, but that was the extent of their usefulness.….National Christian leaders received hugs and smiles in person and then were dismissed behind their backs and described as 'ridiculous,' 'out of control,' and just plain 'goofy.'"

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When then-Senate Democratic Leader Tom Daschle called to give a green light to a faith bill, Bush aides, concerned about its cost, said "maybe next year." (p. 196) Privately, aides called the legislation "the f---g faith-based initiative" (p. 243), and the president "knew it was languishing and had no problem with that." (p. 257) The promised $8 billion a year, mostly in tax credits for helping the poor, didn't make it into the Bush tax-cut bills. The White House "was mocking the millions of faithful Christians who put their trust and hope in the president and his administration." (p. 253)

Perhaps understandably, Mr. Kuo's book hasn't gotten the attention of another, best-selling author Bob Woodward's "State of Denial" on the administration's mal-administration of the Iraq-Afghanistan war—the biggest issue on Americans' minds generally these days. Yet even among Christian conservatives, the reaction to the Kuo book—where there is any—is a shoot-the-messenger dismissal.

"David Kuo? Who is he?" asks Paul Weyrich, co-founder with Jerry Falwell of the Christian conservative political movement in the late '70s. "The person at the White House I talk to every week is Tim Goeglein"—a top liaison to Christian conservatives with a long history in evangelical political circles. "I know he does not ridicule us."

Faith in the President

But forget Mr. Goeglein. What's more important, as Mrs. Viars's and Mr. Wilson's chat suggests, is that the Christian conservatives seem to have faith that the president is sincere. And that's what the White House is counting on, as it looks to Christian conservative voters to come out next month and at least blunt the big losses the party almost certainly will suffer.

Not far from here in Ohio, the president of the statewide Christian conservative group Citizens for Community Values, Phil Burress, says, "I do not know the president and I've never to my knowledge been in the same room with him. But I do know a half-dozen people who have been in the room with him, and have been with him in prayer." Moreover, Mr. Burress adds, Mr. Bush's appointments of John Roberts and Samuel Alito to the Supreme Court were "huge" for conservatives dreaming that Roe vs. Wade will someday be overturned.

As a sanguine Karl Rove, Mr. Bush's top strategist, puts it, "It's David Kuo and George W. Bush, and who do you think has greater credibility in the evangelical community?"

Calling from the road, Mr. Kuo (pronounced "kwo") resignedly acknowledges the slings and arrows from his former White House colleagues, and from among the leaders of the Christian conservative political groups. He says one conservative columnist has dubbed him "the axis of evil."

As for those leaders, he says, "Here's the bottom line: Christians have traded in the priceless gift of God for political hay." Going back over the 30 years that the national Republican Party has been making common cause with the religious right, Mr. Kuo says, "Christians have been utterly exploited," but "as long as the politician mentions Jesus, they are happy." He dismisses as not credible the White House's categorical denials that anyone there has ever spoken negatively about Christian conservatives. He will not answer the most frequently asked question: Who exactly called the religious leaders "nuts" and "goofy?"

Given the cynicism that pervaded White House deliberations, he says, "Who didn't say it? Who didn't, in some way or another, say it?"

Mr. Kuo will say that he never heard Mr. Bush say those exact words.

Meanwhile, Mr. Kuo says he isn't surprised that the president is accorded greater credibility than he is. After all, Mr. Kuo says, "the news in the book…is that everything about his public faith"—from the Bushes' church attendance to accounts of his readings—"has been the mostly closely guarded imagery of his presidency. Everything is done to preserve the Christian image—President Bush as pastor-in-chief. Because when he's pastor-in-chief, Christians don't have to think critically."

That said, Mr. Kuo says that Mr. Bush's "faith is real, his empathy is genuine and his compassion is astounding." But the president is, at bottom, "a political person in a political institution trying to achieve political ends." And those, it seems, too often are at odds with the ends that Christians were led to believe the president would seek.

Rove Upbeat About GOP Money, GOTV (HILL)

By Jonathan E. Kaplan

The Hill, October 25, 2006

Karl Rove told Republican supporters last Friday that the media was misreading the political environment — that the combination of money and mobilization of religious conservatives could keep the House in Republican hands after November.

Speaking at a fundraiser for Ohio GOP congressional candidate Joy Padgett at the Old Ebbitt Grill, Rove said polls showed that evangelical Protestant voters were still enthusiastic and suggested that Republicans started with a two- to three-point advantage because of their successful voter turnout operations in 2002 and 2004.

When asked if Rove remains as confident in private about the 2006 election, Padgett said, “Even more so.”

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Despite evidence that voters could direct a barrage of negative public opinion against Republican officeholders on Election Day, Rove and President Bush have been upbeat, making some Democrats nervous about current predictions and worrying some Republicans.

"Even if you know the ship is sinking, you have to act like it's a sunny day," said former Democratic Party Chairman Terry McAuliffe. "You got to keep your folks motivated to get them out to vote."

"Rule Number Six of politics: Don't believe your own spin," said Joe Gaylord, a Republican strategist and aide to former Speaker Newt Gingrich (R-Ga.), who guided the Republicans to victory in 1994.

Nevertheless, Republicans believe their significant financial advantage and the Republican National Committee's get-out-the-vote (GOTV) operation can protect them against the anti-Republican trends reflected in opinion polls.

"Republicans are building on their record," Rove said at the event, referring to the GOP's successful voter turnout efforts in 2002 and 2004. "Democrats are building on theirs."

The RNC's vaunted 72-Hour GOTV program has been in the works for months, taking hundreds of steps to help endangered incumbents, said a GOP lawmaker familiar with the efforts. The RNC even has set aside money and volunteers to dispatch to problem areas.

The party committee spent $350,000 for a GOTV effort in New Hampshire where the state party has been ravaged by scandal and helped register more than 3,000 new voters in GOP Rep. Heather Wilson's congressional district in New Mexico.

In regards to turnout, Rove said a question in a recent New York Times-CBS poll skewed findings that religious conservatives were discouraged. Instead, he pointed to a survey conducted by the Pew Research Center showing that 54 percent of white evangelical Protestants viewed Bush favorably (still, a 20-point drop from 2004) and 57 percent said they supported GOP candidates (a nine-point decline from 2002).

Moreover, a Gallup poll released this month found that the GOP's 22-point advantage among white frequent churchgoers in September had evaporated.

"The situation is exactly the opposite and under-appreciates just how catastrophically bad the situation is for Republicans among independent voters," said David Rhode, a political scientist at Duke University.

Rhode pointed to polls showing that independent voters are breaking toward Republicans. A Washington Post-ABC poll released Tuesday showed that they favored Democrats by a 2-to-1 margin.

Former Rep. Tony Coelho (D-Calif.) said that Rove was speaking in absolutes in order to excite Republican voters. He added that he expected that religious Republicans would turn out to vote, but they would not do so in the numbers they did in 2004.

In 2000, Rove overestimated Bush's showing in the election, predicting Bush would win 320 electoral votes; he won just 271. Four years later, Rove predicted Republicans would pick up seven House seats, but the GOP gained just three.

Democrats Won't Count Votes Before They're Cast (WT)

By Amy Fagan And Ralph Z. Hallow

The Washington Times, October 25, 2006

Democrats, stung by unexpected defeats in the past two national elections, are trying to fend off poll-generated overconfidence by staying on the offensive and focusing on get-out-the-vote efforts.

"We've learned our lessons. The last two elections we thought we'd do better. Nobody's taking their foot off the gas," said Simon Rosenberg, president of the New Democrat Network.

"There's a cautious optimism that's broken out. I don't think anyone's overconfident right now," said Mr. Rosenberg, whose group works on Democratic message and voter turnout.

Danny Briscoe, a campaign media consultant and former Kentucky state Democratic Party chairman, says from party leaders and pundits to grass-roots Democrats, feelings swing between disbelief and superconfidence -- at least when it comes to House control.

"Mostly, our people are afraid to believe it," he said of favorable polling.

"They think [Karl] Rove may have something up his sleeve, they remember exit polls said Kerry beat Bush, they remember Republicans not losing seats in 2002 and 2004 under Bush when history said they should have."

Fighting those feelings of disbelief, House Minority Leader Nancy Pelosi has emphasized that a Democratic takeover of the House isn't definite and that there's still work to be done.

"While the indicators look good, it drives us to work harder," said Jennifer Crider, spokeswoman for the California Democrat.

But Rep. Rahm Emanuel, Illinois Democrat and chairman of the Democratic Congressional Campaign Committee, recently told the New York Times that some Democrats are in "somersault land" already, a luxury he said he doesn't have.

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With polls showing a notable lead for their party, some Democrats have clearly found it impossible to temper their extreme confidence.

Rep. John P. Murtha, Pennsylvania Democrat, predicted at a recent party event that Democrats will exceed the 15-seat net gain they need to retake the House.

"Democrats will take 40 seats in the House, and if the election were held today, we'd take control of the Senate too," he said, according to the Pittsburgh Tribune Review.

Sen. Joseph R. Biden Jr., Delaware Democrat, recently told New Hampshire's Union Leader that he's "very confident" of a House victory for Democrats and "hopeful" of one in the Senate, where Democrats need a net gain of six seats.

And even Mrs. Pelosi laughed and told the Associated Press this month: "I'll have any suite I want" when asked where her office would be if she becomes speaker of the House.

Polls in the past few days have indicated that Democrats lead Republicans by an average of 16.8 percentage points in generic party-preference polls. The latest nonpartisan Cook Political Report poll reported that most likely voters prefer a Democrat-controlled Congress by 22 percentage points.

"Waves come crashing in; they also pull you out," cautioned Chris Redfern, chairman of the Ohio Democratic Party.

"We have to focus on our efforts between now and election night and spend less time focusing on ... the drapes we'll pick out."

There is some evidence that Democrats' confidence may be premature.

Dick Morris, a former strategist for President Clinton, yesterday wrote that the Republican base "seems to be coming back home," according to vague emerging trends in polls.

In the Tennessee Senate race for instance, Republican Bob Corker has taken a lead over Democrat Harold E. Ford Jr., according to Zogby and Rasmussen polls. In New Jersey's Senate race, Republican Tom Kean Jr. now leads Democratic incumbent Robert Menendez in the latest Zogby poll.

The generic Democratic edge is down from nine points a few weeks ago to four points now, according to the Zogby survey -- all of which prompt the two strategists to say control of Congress has shifted from "lean Democrat" to a "tossup."

A Gallup poll over the weekend also found 54 percent think their own representative deserves to be re-elected.

Still, both parties know the ultimate outcome largely hangs on voter turnout.

"You don't count polls; you count heads," Mr. Redfern said.

He said his get-out-the-vote operation is shunning "the unbridled enthusiasm" for Democrats that he sees coming from Washington pundits and pollsters.

In Ohio and elsewhere, Democrats are working this year to match the successful voter turnout program Republicans put in place.

"I've seen no signs of Democratic overconfidence as I travel the country, because overconfidence is when you believe something will happen but don't have a lot of good reasons," said Merrill Matthews, a political analyst for the Texas-based think tank Institute for Policy Innovation.

Democrats May Be Poised To Win, But They're Still Lost (WP)

By Steven Pearlstein

The Washington Post, October 25, 2006

There are lots of reasons why businesses run into trouble, but a few pop up with remarkable regularity.

Misreading or ignoring market signals.

Focusing more on competitors than customers.

Confusing management with leadership, tactics with strategy.

Promoting leaders who misunderstand their jobs and surround themselves with blind loyalists.

It should be no surprise that these business missteps are also common in politics.

They are the key mistakes that led Republicans to overplay their hand and perhaps throw away the chance to renew their political lease on Congress and the White House.

Though the election is still two weeks away, there are signs the Democrats, if they win, are determined to make the same mistakes.

Let's start with the "Six for '06" plan that Democrats promise to ram through the House in the first 100 hours, or 100 days -- I'm a bit confused as to which. The very premise of the document represents a fundamental misreading of the political marketplace.

First, there is no mandate for a Democratic agenda because until last week, there wasn't one. Like most political turning points, including the one in 1994, this election is fundamentally a referendum on the party in power rather than on the promises

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of the opposition. The voters are angry at Republicans, dissatisfied with their programs and disenchanted with their governance. It's less that Democrats will have won this election than Republicans will have lost it.

Second, if Democrats want to show they are different from Republicans in how they would govern, it inspires little confidence that they want to push a Democratic version of former House speaker Newt Gingrich's "Contract with America" through the House without consulting the Senate, the White House or the other party. That's precisely how the House has been run for the past four years, with little to show for it.

Worse still, the Democrats' six-point program is more a compendium of political slogans and ideological hot buttons than a serious policy agenda -- again, the very thing the customers say they don't want.

It may be fun to talk of ending "tax giveaways" to big oil companies and big drug companies and corporations that send U.S. jobs overseas, but people serious about governing know those are complicated issues involving powerful interest groups that can't be resolved in isolation.

Or take rising college tuition, which everyone would agree is a problem. Unfortunately, if Democrats had bothered to consult any good Democratic economist, they would have found that creating an expensive new tax deduction for tuition payments is not only lousy and regressive tax policy but will drive tuitions even higher.

You'll be relieved to know that once the Democrats take power, there will be "no privatization of Social Security, in whole or in part." But don't bother looking for how they plan to make this bedrock social program solvent again. It ain't there.

Certainly, I feel much safer knowing that Democrats plan to "require the Iraqis to take responsibility for their country" -- no details on that one quite yet. And I'll be fascinated to learn how Democrats plan to "double the size of special forces," "rebuild a state-of-the-art military" and screen every car, truck, airplane and cargo container crossing the border while "restoring fiscal discipline." And all that before the Easter recess!

Indeed, reading through the "Six for '06" document, it's pretty clear Democrats have followed Republicans into the trap of thinking more about competition (winning elections) than consumers (voters). Instead of offering a credible strategy for extricating us from the horrible mess in Iraq, confronting difficult fiscal trade-offs and reversing the powerful market forces that are leading us toward economic insecurity and inequality, they offer nothing more than political tactics.

One House member told me this week not to pay much attention to the "Six for '06" plan, that it was just some "easy stuff" designed to build momentum by gaining quick passage in the House. What he and his colleagues seem to miss is that the voters have become disillusioned with the focus on the easy stuff. They're ready to follow politicians with the guts and creativity and honesty to tackle the tough stuff.

The chief architect of Democrats' strategy has been House Minority Leader Nancy Pelosi of California, who would be the first female speaker of the House if the Democrats win control. Pelosi comes honestly to the role of political boss and manager: Her father was a Baltimore mayor and congressman who taught her the art of ward politics, the effective use of the "favor bank" and the bedrock importance of party and personal loyalty.

But it's an open question whether Pelosi can make the transition from being a tough, effective manager of the opposition to leader of the whole House in what will remain a divided government. The times call for a speaker who can stand above the partisan fray, who is wise enough to hold her enemies as close as her friends, and trusted and respected enough by the other party and the other chamber to broker deals and get things done.

For Pelosi, those skills would be a stretch. Even now, she has trouble with Democrats who once opposed her election as majority leader, let alone those who defied her by cooperating with Republicans. And she has surrounded herself with loyal colleagues and staffers who reflect her weaknesses more than compensate for them. She has turned down compromises that might have won half a loaf for her side and refused to stand behind President Bush when national unity was called for. But she has rarely missed an opportunity to pile on when Republicans were down. It's telling that despite a lifetime in politics and six years as opposition leader, Pelosi has never mastered the art of losing gracefully.

In politics as in business, the way to create enduring advantage is not by beating the competition at its game but changing the nature of the game. Up to this point, all Democrats have been doing is beating the Republicans at their game.

Democrat Waxman Could Give The Bush Administration Fits (MCT)

By Steven Thomma

McClatchy Newspapers, October 25, 2006

WASHINGTON - He's not as high profile or as flamboyant as Rep. Nancy Pelosi, D-Calif., who would become the first female speaker of the U.S. House of Representatives if Democrats win control on Election Day.

He doesn't promise the drama of Rep. John Conyers, D-Mich., who would take over the House Judiciary Committee and has talked since 2003 of impeaching President Bush.

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Yet if you want to watch a Democrat who could give the Bush White House hell for the next two years, keep an eye on Rep. Henry Waxman, D-Calif.

You might cheer him on. You might hate him. But you won't be bored.

A stranger to many Americans, the 67-year-old Waxman would become chairman of the House Government Reform Committee if the Democrats take over the House. He's one of the shrewdest, most effective inside players in Congress. And armed with the committee's subpoena power, he'd force the Bush administration to spend much of its last two years in office answering questions about its first six.

For one, he'd haul in the vice president's staff and energy industry executives to find out what went on behind closed doors when Dick Cheney and the industry wrote the administration's energy policy in 2001.

For another, he'd summon the Commerce Department brass to answer reports that they manipulate media coverage of global warming, including steering an MSNBC reporter away from a climate expert who believed the problem is worsening.

And he's certain to probe into abuses by contractors in Iraq, for he has criticized Halliburton and other such firms continually since 2003 for various schemes that he says ripped off U.S. taxpayers.

Giving Waxman the gavel would be a dramatic shift for the House, which all but dropped congressional oversight of the executive branch when a Republican administration was sworn in on Jan. 20, 2001.

It would also be a shift for Waxman, who spent the 1990s largely defending the Clinton administration and accusing the Republican House of overreaching in its investigations.

"When President Clinton was in office, congressional committees were themselves on steroids and investigated every possible allegation of wrongdoing, no matter how small," Waxman said at a recent panel sponsored by the Center for American Progress, a Democratic think tank.

"But when President Bush took over, oversight virtually ceased. No matter how big the issue, Congress now often looks away."

Since then, he said, "we've had an imperial presidency and a subservient Congress for the last five years, and the costs to the nation have been enormous."

Waxman is a veteran of three decades in the House, a member of the large Democratic class elected in 1974 in the wake of the Watergate scandal. A liberal's liberal whose wealthy district includes Beverly Hills, he managed to win expansion of Medicaid health coverage for poor children between 1984 and 1990 - as an unfunded mandate to state governments, which consumed ever-larger chunks of state budgets.

He spent years on the Energy and Commerce Committee, fighting to preserve and then expand clean-air laws so important to his Los Angeles constituents. For years one of the best shows in town was watching Waxman wrangle with Rep. John Dingell, D-Mich., who fought against clean-air laws on behalf of his Detroit hometown's interest, the auto industry.

In the end, Waxman and other environmentalists prevailed and Congress passed a new Clean Air Act - with major help from the first President Bush.

Voters' Doubts About Sharing In Prosperity Send A Danger Signal (WSJ)

By Alan Murray

The Wall Street Journal, October 25, 2006

You don't have to be a political pundit to know that next month's elections aren't about the economy. They're about Iraq, mostly; congressional scandals, secondarily; and a host of regional and local issues after that.

Still, there's something unnerving about watching an anti-incumbent tidal wave roll in at a time when the economy, by most macro measures, is cruising. Unemployment is at a historic low -- 4.6% -- and inflation remains under 3%. The big economic bugaboos of earlier this year -- rising interest rates and soaring oil prices -- have both eased off. Even the Dow Jones Industrial Average is hitting historic highs. Yet a majority of voters who responded to last week's Wall Street Journal/NBC News poll say they disapprove of President Bush's handling of the economy.

Some of this may be the normal noise of midterm elections, when national economic performance is less important than other things. Republicans took control of Congress in 1994 in the midst of an economic expansion. Unemployment that September clocked in at 5.9% and inflation at about 4% -- not as good as today, but not bad.

TALKING BUSINESS

Email business@wsj.com1 and read reader comments Saturday at WSJ.com/TalkingBusiness2.

Still, the economic backdrop for election 2006 should raise a warning flag about the future. Large numbers of Americans seem to have lost their belief in John F. Kennedy's famous aphorism that a rising tide lifts all boats. "They know the economy is white hot," says political analyst Charlie Cook, "but they also know they aren't in it....There's a feeling that some people are getting theirs, but we aren't getting ours."

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There's a well-known litany of reasons for that. Median earnings have been growing at a disturbingly slow pace, even as profits and high-end pay have soared. Health-care costs are not only increasing, they increasingly are being paid by consumers, not by employers or the government. Pensions are disappearing, as is job security -- and any sense of long-term loyalty from employers. As pollster Peter Hart puts it, "there's no gold watch" waiting at the end of a career these days. He cites a cartoon in which the boss says: "Mr. Jones, the reason we are letting you go is because you've given us the best years of your life."

Meanwhile, a thin slice of America is enjoying unprecedented prosperity. CEO pay is one of the most visible manifestations, rising in the past decade at triple the rate of the median worker's pay. In my home town of Greenwich, Conn., skilled financiers bring home eight- and nine-digit paychecks, unimaginable in the not-so-distant past. Americans have never been big on the politics of envy, in part because they hoped someday they would join those at the top. But increasingly, they wonder whether the economic game is rigged, and whether all these riches are the result of backdated options or insider trading or some other trickery that doesn't benefit them.

The danger for business is that the broad social support for pro-business and pro-market policies that has characterized American politics for a quarter century or more could be breaking down. You see tame hints of that in popular Democratic proposals for a minimum-wage increase or for government negotiations to push down drug prices.

A much stronger dose comes from Democratic Rep. Sherrod Brown -- who is given good odds of winning his challenge against Ohio Senator Mike Dewine. He calls for renegotiating the North American Free Trade Agreement and the Permanent Normal Trade Relations agreement with China. "This election's a referendum on the special-interest stranglehold in our government," Rep. Brown said in an interview with NBC's "Meet the Press."

"The drug industry always gets its way, the HMOs always get their way, the oil industry always gets their way, the big companies that outsource jobs always get their way. Who's fighting for the middle class?"

A Democratic wise man told me recently that if he were asked what economic platform would offer a Democratic presidential contender the best chances of success in 2008, he would have to say it's an antitrade, antiglobalization, anti-immigration platform. For now, none of the best-known possible Democratic candidates -- Hillary Clinton, John Kerry, Al Gore or, the latest fad, Barack Obama -- are taking that tack. But the problem here isn't Democratic leaders. It's Democratic followers. If the reservoir of dissatisfaction grows strong enough, it's only a matter of time before some candidate figures out how to tap in.

NRCC Targets 33 Districts (HILL)

By Bob Cusack

The Hill, October 25, 2006

With Democratic momentum mounting and control of the House at stake, senior Republican strategists are urging donors to contribute to 33 GOP members and candidates who are “most in need of support right now.”

The National Republican Congressional Committee’s (NRCC) “Final Push List” consists of 29 Republican seats and only four Democratic seats, indicating that the GOP is playing defense.

The list, obtained by The Hill, provides a rare glimpse of the races that congressional strategists are concentrating on close to Election Day.

NRCC focuses on most but not all toss-up House races in its Final Push roster, dated Oct. 19.

In an e-mail to congressional officials, NRCC PAC Director Jenny Sheffield states, “…it’s crucial at this point to send in some late money to some [of] our campaigns. The funds our candidates receive now will allow them to increase their TV buys and will make the difference on Nov. 7.

“I have attached our Final Push list for those Members and candidates most in need of support right now. If your boss has not maxed out to those on the attached list, please ask him or her to consider sending a check from a leadership PAC and/or reelection account … IMMEDIATELY!”

Republicans have also sent the list to lobbyists, seeking donations. The NRCC list (see chart) has many endangered Republicans, including four each from Ohio and New York, and three from Pennsylvania. It also contains some surprises, such as Rep. Cathy McMorris (R-Wash.), whose seat was considered safe earlier this month.

Conservative GOP candidate Tim Walberg, who defeated centrist Rep. Joe Schwarz (R-Mich.) in a bitter primary earlier this year, is also on the Final Push roster. Even though he has significantly outspent his Democratic opponent, Sharon Renier, Walberg leads the race by just eight points, according to a recent poll.

Renier has $1,379 cash on hand while Walberg has over $85,000 in the bank. President Bush won the district in 2004 with 54 percent of the vote.

Republican incumbents who did not make the Final Push cut include Reps. Chris Chocola (Ind.), Michael Fitzpatrick (Pa.), John Hostettler (Ind.), Nancy Johnson (Conn.), Jon Porter (Nev.), Clay Shaw (Fla.), Christopher Shays (Conn.), and Charles Taylor (N.C.).

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These Republicans are in highly competitive races, but several have major fundraising advantages over their opponents and are not in dire need of NRCC assistance.

But Fitzpatrick, Hostettler, and Taylor have less cash on hand than their Democratic opponents.

Hostettler is in serious jeopardy of losing his seat. The sixth-term incumbent is a lackluster fundraiser and trailed Democratic candidate Joe Donnelly by 23 points in a recent poll.

Taylor is behind in his race against former pro quarterback Health Shuler by single digits, while Fitzpatrick's race is expected to go down to the wire.

NRCC spokesman Ed Patru said the Final Push List "is fluid," suggesting it has been revised since late last week. He noted that Hostettler does not accept PAC money and that Fitzpatrick's opponent, Patrick Murphy, has "greatly underperformed." However, the nonpartisan Cook Political Report recently moved the Fitzpatrick-Murphy race from lean Republican to toss-up.

Asked about Taylor's exclusion from the list, Patru said, "Taylor has always written his own check."

Spokespersons for Fitzpatrick, Hostettler, and Taylor did not comment for this article.

In her e-mail to congressional officials, NRCC's Sheffield suggests she can "tier" the list of 33, adding, "We very much need your help as our most endangered Members and candidates go into the final stretch!!! Your support now could make or break a Republican majority next cycle!!!"

The NRCC seems willing to concede former Rep. Tom DeLay's (R-Texas) seat. Former Rep. Nick Lampson (D-Texas) has $1.7 million cash on hand and Shelley Sekula-Gibbs, the GOP nominee, is not on the ballot, running an uphill write-in campaign.

Rep. Tom Reynolds (R-N.Y.), who heads the NRCC and is in a tight race with Democrat Jack Davis, is not on the Final Push list.

Reynolds has repeatedly said there will be three dozen hotly contested House races this fall, but polls suggest the universe of competitive contests is closer to 50. Most political experts anticipate Democrats will win the necessary 15 seats to gain control of the lower chamber, with some predicting they could gain a net of 30 seats.

Some Republicans who made the NRCC cut already enjoy significant cash advantages over their opponents. Rep. Geoff Davis (R-Ky.) has $1.65 million in the bank compared to his adversary, former Rep. Ken Lucas (D-Ky.), with over $380,000 cash on hand. Rep. Marilyn Musgrave (R-Colo.), also on the list, has a three-to-one cash advantage over her opponent.

Peter Roskam, the GOP nominee to replace retiring Rep. Henry Hyde (R-Ill.) is on the list, even though he has $1.5 million to play with while Democrat Tammy Duckworth has just over $200,000.

These numbers do not include the infusion of cash to candidates from the NRCC and DCCC.

Joe Negron, who is seeking to fill ex-Rep. Mark Foley's (R-Fla.) seat, needs 16th district voters to punch in Foley's name in order for him to win. House Majority Leader John Boehner (R-Ohio) publicly conceded that Republicans are unlikely to win this race, but the NRCC nonetheless has Negron on its list.

The four Democrats that the NRCC is targeting in its Final Push are Reps. John Barrow (Ga.), Melissa Bean (Ill.), Leonard Boswell (Iowa), and Jim Marshall (Ga.). Independent political analysts say Republicans will be fortunate to win one of these races.

Earlier this year, NRCC was targeting Reps. John Spratt (D-S.C.) and Alan Mollohan (D-W. Va.). Republicans now appear to be throwing in the towel on those races by pulling back ads on these two Democrats and not targeting them in their Oct. 19 document.

Open seats that the NRCC is not making a final push for include the competitive contests for retiring Reps. Bob Beauprez (R-Colo.) and Jim Kolbe (R-Ariz.) as well as Rep. Bernie Sanders (I-Vt.), who is running for the Senate. Peter Welch, the Democrat seeking to win Sanders' seat, enjoys a major cash-on-hand advantage over Republican Martha Rainville.

Patru said Rainville is "where she needs to be in fundraising." Rainville's campaign did not return a phone call seeking comment.

The NRCC is concerned about the open seat of retiring Rep. Joel Hefley (R-Colo.). Even though Bush won the district with 66 percent in 2004, GOP candidate Doug Lamborn is struggling and trails the money race to Democrat Jay Fawcett. Hefley has refused to endorse Lamborn, criticizing how Lamborn ran his campaign in the GOP primary. Lamborn was included on the Final Push list.

Similarly, Bush won 68 percent in Idaho's first district, but NRCC wants more resources put into the race. Retiring Rep. Butch Otter (R-Idaho) is running for governor and GOP nominee Bill Sali has struggled to gain traction against political neophyte Larry Grant.

Political observers say that House Republicans are headed for a long election night if they have to worry about seats in these two conservative districts.

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Democratic Congressional Campaign Committee spokesman Bill Burton said, “This list makes clear they have finally caught up with the reality that even in places so Republican that George Bush received 60-70 percent of the vote, their candidates are deeply endangered.”

Of the 33 races on the GOP list, nine are open-seat contests.

A leadership aide familiar with the NRCC Final Push initiative said it has raised $2 million.

Upping The Dosage Fearing A Democratic Victory, Drug Makers Fund Key Races (WSJ)

By John D. Mckinnon

The Wall Street Journal, October 25, 2006

HERSHEY, Pa. -- Few businesses have more at stake in next month's congressional elections than pharmaceutical makers. Assailed by Democrats, drug companies are pouring millions of dollars into close races, giving some Republicans a financial edge. In the process, the industry is becoming not just a campaign backer, but also a campaign issue.

Pennsylvania Republican Rick Santorum is a big beneficiary of the industry's push. He was a leading proponent of the 2003 law that gave seniors Medicare coverage for prescription drugs, and helped shape the law in ways that benefited the industry. Battling to keep his seat in a crucial Senate race, Mr. Santorum's campaign has received almost $500,000 from pharmaceutical interests and their employees, according to the Center for Responsive Politics, a nonpartisan research group. The industry has also helped fund television advertisements and aided get-out-the-vote efforts.

Mr. Santorum's opponent, state treasurer Bob Casey Jr., regularly attacks the Medicare program as "a giveaway to Big Pharma," in part because it bars the government from negotiating prices. He and many fellow Democrats say they will overhaul the benefit if they win control of Congress on Nov. 7. Not surprisingly, Mr. Casey counts just $11,850 in contributions from pharmaceutical interests.

Companies and business groups have long thrown money at candidates to further their interests. But with a Democratic victory increasingly likely, few recent elections have been so critical, particularly for the drug industry. On the campaign trail, Democrats frequently lump "Big Pharma" with "Big Oil" in attacking Republican ties to industry. Within the first 100 hours of taking over the House, promises House Democratic Leader Nancy Pelosi, Democrats will rewrite the prescription-drug benefit to take away most of the advantages it handed to pharmaceutical companies.

HOUSE PAYMENTS

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Businesses are pouring unprecedented sums into this year's midterm congressional elections. Take a look at several key donors2. · Center for Responsive Politics3

"It'll take five minutes" to make the biggest change of all -- the proposal to let the government negotiate prices, Ms. Pelosi told a group of about 100 retirees in Sunrise, Fla., earlier this month. She said the benefit was a product of "corruption, putting pharmaceutical companies and HMOs first at the expense of America's seniors."

Congressional Democrats propose lifting a ban on the broad-scale reimporting of inexpensive drugs and could toughen the drug-approval process. They've talked, too, of holding hearings into conflicts of interest among Republicans now working for the industry.

"All elections are important, but this one is probably more important than most, because of the threats to the Medicare drug benefit," says Ken Johnson, senior vice president of the Pharmaceutical Research and Manufacturers of America, the industry's trade group.

Through early September, drug-company political action committees had given about $8.7 million to campaigns, compared with $7 million for all of 2002, the last midterm election, according to CRP. Employee contributions are up, too, rising to about $5 million from $3.3 million four years ago. About 69% of the industry's campaign contributions are going to Republicans.

Other industries are also pouring money into races in the hopes of protecting their favored candidates. Oil and gas interests worry about a Democratic Congress axing subsidies and have spent $13.6 million on the campaign so far, of which 83% has gone to Republicans. For all of 2002, they and their employees contributed $14.8 million in hard-money donations. Montana's troubled Republican Sen. Conrad Burns is the second-biggest recipient of oil money, according to CRP. He supports drilling in the Arctic National Wildlife Refuge and sits on the Senate Energy and Natural Resources Committee.

His opponent, state Sen. Jon Tester, hammers on the theme in debates and speeches. He opposes drilling in ANWR and advocates more government support for alternative energy sources, such as biofuels, as well as a greater use of coal, which is abundant in his state.

Electric utilities, fearing tougher environmental rules, have contributed $11.9 million, with 66% going to Republicans, compared with $12.8 million in 2002. Commercial banks, bracing for tighter lending standards, account for $19.2 million, 63% of which is going to Republicans. That's already more than 2002's $16.5 million.

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Despite campaign-finance laws designed to limit the influence of big business and unions, the 2006 midterm elections are on track to be the most expensive ever, costing about $2.6 billion, according to a new study by CRP. That compares with about $2.2 billion in 2002. Business interests account for about three-quarters of this year's contributions.

The Republican-controlled Congress has been kind to drug makers. As the prescription-drugs benefit was crafted, Republicans battled not just Democratic critics but also fiscal conservatives in their own party who opposed creating the expensive government program.

Congressional Republican leaders prevented Medicare from negotiating prices with the industry. They also killed a proposal that would have allowed the government to offer its own coverage in competition with those sold by private companies. The industry successfully argued that the government's clout would mess up prices and stifle innovation.

Sen. Jim Talent of Missouri benefited from $900,000 in ads this year touting his role in the prescription-drug benefit, according to a tally by Americans United for Change, a liberal advocacy group with close ties to congressional Democrats. Mr. Talent made a similar pitch in two TV ads as well as in a recent debate with his Democratic challenger, Claire McCaskill.

Ms. McCaskill attacked the drug companies -- and by extension Mr. Talent -- in a recent ad, saying, "it's a senator's job to always put our seniors before big drug companies and Washington special interests."

In previous years, PhRMA, the industry's trade group, has come under fire for its political activities. In 2002, it was criticized for funding TV ad campaigns run by relatively small and little-known nonprofit groups.

PhRMA's president, former Louisiana Republican Rep. Billy Tauzin, says he wants the group to become less confrontational to increase its effectiveness. This year, the industry is working through the U.S. Chamber of Commerce. The chamber's TV ads cost about $10 million, according to chamber officials. While the drug industry hasn't disclosed its share, Mr. Tauzin says it has contributed to the effort. The chamber's last-minute get-out-the-vote effort, which will include emails, fliers and phone banks, will focus on the drug benefit, among other issues, and will cost another $10 million or so.

Pennsylvania is one of the biggest battlegrounds in this year's political drug wars. It has a large concentration of seniors -- second only to Florida -- so Medicare could play an outsized role in the state's campaigns. Seniors are also the most reliable voters and carry extra clout. While people 65 years and older make up 16% of the state's population, they cast more than a quarter of the ballots in 2002.

Pennsylvania is home to a number of pivotal races for both houses of Congress. Democrats need 15 seats to take control of the House and four of their most promising pickups are in Pennsylvania. In late July and early August, drug companies helped pay for the Chamber of Commerce's TV ads on behalf of the four endangered Republicans, thanking them for supporting the Medicare drug bill, even though one, Mike Fitzpatrick, wasn't serving when Congress passed the benefit.

In the Senate, a swing of six seats would tip the balance of who's in charge. Strategists from both parties consider Mr. Santorum one of the Democrats' best targets.

In the campaign, both Mr. Santorum and his opponent are playing up the senator's central role in crafting the Medicare drug benefit. He's the biggest recipient of pharmaceutical money, according to CRP, up from 15th last time he ran in 2000.

"We support folks who agree with us on the issues, and he's been a strong and good supporter," PhRMA's Mr. Tauzin says of Mr. Santorum.

Mr. Casey and his backers have tried hard to use that against Mr. Santorum in the race. Speaking on the sunny front porch of a Clarion, Pa., bed-and-breakfast in August, Mr. Casey lashed out at one of the benefit's most-criticized features -- the "donut hole." The basic plan requires people whose drug costs reach $2,250 to start paying their own bills for the year, until they've spent a total of $3,600, although in practice many of the private-sector insurers providing the benefit have reduced or eliminated the donut hole.

Democrats want to fill the gap with savings earned from allowing the government to negotiate prices with the industry. Many Republicans oppose that move.

Mr. Casey told the crowd of about 100 that the donut hole is "a symbol of the White House and the Congress' failure to enact a real prescription-drug plan for older Americans."

An anti-Santorum advocacy group called the Lantern Project -- with funding from big Pennsylvania Democratic donors -- ran $800,000 of ads over the past year criticizing Mr. Santorum, including one that sniffed: "No wonder the drug lobby gave Santorum committees half a million dollars."

A spokeswoman for Mr. Santorum, Virginia Davis, says the senator supports the drug industry for policy reasons, not political ones. She says he opposes drug importation on safety grounds, for example, and also notes that Pennsylvania is home to about 200,000 pharmaceutical-industry jobs.

On the stump, Mr. Santorum cites the drug benefit as one of his leading accomplishments. At a Harrisburg luncheon in August, he noted that Pennsylvania's Democratic Gov. Ed Rendell had said the senator "delivers." Mr. Santorum ticked off the

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reasons why, starting with "the Medicare bill that we passed that [includes] language in there that saves Pennsylvania almost $200 million a year."

At a September appearance before the Pennsylvania Chamber of Business and Industry in Hershey, Mr. Santorum argued that the program is helping not only retirees, but also businesses dealing with rising health-care costs. It also provides "a very generous benefit" for seniors, especially in combination with state aid, he said in an interview. "I wrote it to do that."

Drug companies helped fund the U.S. Chamber of Commerce's TV ad campaign, which featured gauzy images of happy, active seniors, as well as photos of Mr. Santorum and luminous blue pills in a pharmacist's tray.

Under new federal campaign-finance restrictions, those TV ads had to stop by early September. The chamber's get-out-the-vote mail pieces aren't covered by that law and in the campaign's final days they will tout the prescription-drug benefit. One shows a gray-haired woman in a sweater chatting with her smiling pharmacist. On the other side, a picture of Mr. Santorum is superimposed on a spreading oak tree in full autumn glory. The text urges recipients to "vote for Rick Santorum November 7th."

Polling by the Kaiser Family Foundation, a nonprofit research group focused on health care, showed a sharp turnaround in seniors' views of the program between late 2005 and mid-2006. In December 2005, 50% of seniors said they had an unfavorable impression of the program while just 28% viewed it favorably. By June, after the signup period ended, the unfavorable rating had fallen to 30% and the favorable rating had risen to 32%.

By midsummer, the Kaiser poll showed, about eight out of every 10 seniors who had signed up said they were satisfied with their plans. That result has been confirmed by other polls.

Whether or not this will help Mr. Santorum is far from clear. Recent polls show that while the chamber ads helped Mr. Santorum close the gap with Mr. Casey, he continues to trail by anywhere from five to 13 percentage points.

Trio Of Linked Districts Could Make Florida Pivotal To House Takeover (HILL)

By Aaron Blake

The Hill, October 25, 2006

SARASOTA, Fla. – Republican House candidate Vern Buchanan laced up his rented hot pink and yellow shoes, straightened his ailing back and rolled the heavy ball down the lane. Veering too far left, it caromed off a bumper, and an otherwise-gutterball knocked over seven of 10 pins.

Just as he had intended, Buchanan joked: “That’s that turn I had on the end.”

This campaign season, Buchanan and fellow Florida Republicans are facing another late turn of events on which they had no designs. What have been the top two battleground districts in the state – Buchanan’s 13th and Rep. Clay Shaw’s (R) 22nd – both border former Rep. Mark Foley’s (R) south Florida district, and the month-old scandal surrounding Foley’s communications with House pages has thrown a wrench in the final month of the campaign, Buchanan said.

Foley’s 16th District, now a tight battle between Democrat Tim Mahoney and Republican Joe Negron, lies in south Florida between the Sarasota-based 13th on the west coast and the Fort Lauderdale-based 22nd on the east coast. The Democrats hope to turn the three of them into a blue belt across the peninsula, chipping away at the Republicans’ 18-7 House advantage in this very purple battleground state.

The three would go a long way toward a possible Democratic majority in Congress, and Florida could rival states like Indiana and Ohio, which have long been considered prime pickup territory for the Democrats, as an impact state in 2006.

Two years ago, no race in Florida was decided by fewer than double digits. This year, as many as five seats could be in play, including long shots in Rep. Ric Keller’s (R) 8th District and retiring Rep. Michael Bilirakis’s (R) 9th.

According to a poll released yesterday by Buchanan’s Democratic opponent, Christine Jennings, the 13th is likely to flip in two weeks. Jennings leads Buchanan 52-41 in the poll, which mirrors a previous Jennings poll that had her up 50-38.

Both polls came out since the Foley scandal broke in late September. Buchanan actually broaches the Foley issue unsolicited while talking with reporters, saying it makes things tougher for him with the story frequently in the local media.

The same day he bowled alongside Sen. Mel Martinez (R-Fla.) at Sarasota Lanes here last week, the Sarasota Herald-Tribune broke the story about the clergyman who allegedly abused Foley.

“It’s more local because I share a county with him,” said Buchanan, adding that the Foley scandal killed the momentum he felt coming out of the House Republican Conference in Washington in late September: “I thought we had a positive session, and unfortunately instead of talking about that, we end up talking about the Mark Foley thing.”

While Buchanan faces Jennings in an open-seat battle to replace Senate candidate Rep. Katherine Harris (R), Shaw has been ensconced in his seat for 26 years. And while Buchanan calls his race vital to Republicans maintaining control of the House, Shaw shrugs at the notion that Republicans need a strong showing in Florida to stay in power.

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In fact, Shaw said he doesn't even understand why there is such a fuss about this race. After he won by 600 votes in 2000, redistricting bolstered the Republican advantage in his district. He beat a well-funded challenger 61-38 the following election and won by 28 points in 2004.

Still, a Fort Lauderdale Sun-Sentinel poll released Saturday shows Shaw ahead of Democrat Ron Klein by a slim margin, 48-43, with a 4 percent margin of error. And despite the redistricting, Sen. John Kerry (D-Mass.) won by the same 52-48 margin then-Vice President Al Gore carried in the 2000 presidential election.

"I'm delighted to think that national politics is going to be determined by this district, because I'm going to win," Shaw said. "It's closer than I'd like it to be, but we're not going to have to stay up till 1 o'clock in the morning to find out who won."

One shouldn't mistake Shaw's verbal confidence for over-confidence, however. Klein has raised the third-most money among House challengers at $3.2 million, and Shaw has been a step ahead of him almost every quarter, bringing in $3.9 million.

Shaw has also grown fond of invoking his work with former President Clinton in the 1990s to illustrate his bipartisan credentials.

With Clinton in town for a Klein fundraiser on Friday, Shaw ran a radio ad noting his work with the ex-president. In a debate Friday in Palm Beach, Shaw seemed to be almost longing for Clinton's tenure, repeatedly bringing up the bills he passed and Clinton signed.

"Tonight, President Clinton is coming to town to help his political party," Shaw said at the debate, turning to Klein. "Ron, give him my best."

Klein said Shaw can say what he wants about the former president but that it's simply an effort to "minimize the nasty partisan environment" currently in Washington. He said he mentioned Shaw's strategy to Clinton at a rally several hours after the debate.

"He said, 'Well tell him that's all fine and good, but look what happens when Republicans get in total control: they run the country off the edge,'" Klein said. "So I don't exactly consider that to be a badge of honor."

The 13th District isn't as evenly split, with President Bush winning 56-43 in 2004. Harris has won by 10 points each of the past two elections, but neither included a Democratic opponent who could compete with her financially.

Jennings, for that matter, isn't close to competing financially with Buchanan either. With a net worth reported at more than $50 million, he has plugged nearly $4.5 million of his own money into the campaign. With $4.9 million in receipts, his was the richest House campaign in the country, including incumbents, after the third quarter.

Buchanan's self-funding has made the race to replace Harris is the second-most expensive in the country, according to the Center for Responsive Politics, with Shaw's race third.

Jennings raised a comparatively paltry $1.3 million by the end of the third quarter. But with the support of groups like Emily's List and the Democratic Congressional Campaign Committee, she said she is more than able to compete in the current environment.

"If the incumbents don't know it and if the people running this country don't realize how distressed the American people are with a do-nothing Congress, I don't know what it would take," Jennings said.

GOP Incumbents Use Tough Underdog Tactics (HILL)

By Patrick O'connor

The Hill, October 25, 2006

COLUMBUS, Ohio – Rep. Deborah Pryce (R-Ohio) mounted a flatbed truck outside a downtown office building last week with a bullhorn in hand and Van Halen blaring to challenge her Democratic opponent to a debate.

Her opponent, Mary Jo Kilroy, was miles away at the time, but the stunt is another example of the guerrilla tactics Pryce has embraced this fall as she fights for her political life. Such campaign tactics are usually employed by challengers, not senior leadership officials.

The fourth-ranking Republican in the House is one of the many veteran lawmakers running like an underdog this campaign season. In this environment, Pryce's biggest asset – her leadership post chairing the Republican Conference – has also become a liability.

"For me, it's been a double-edged sword," Pryce said from her campaign headquarters during halftime of the Ohio State-Indiana football game last Saturday. "It's really helped me be able to deliver for this community, but it's also made it easier for the moniker of Bush Rubber Stamp to stick."

Pryce joins National Republican Congressional Committee (NRCC) Chairman Tom Reynolds (N.Y.) and a number of other senior GOP lawmakers who face serious challenges for the first time in years.

Meanwhile, freshman Reps. Geoff Davis (R-Ky.), Mike Fitzpatrick (R-Pa.) and Mike Sodrel (R-Ind.) are performing well in their own tight reelection fights because of the battles they fought just two years ago.

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The expanding field of veteran Republicans in serious danger this October is further evidence of a national wave that appears to be cresting this fall, imperiling the GOP's majorities in both chambers. In some cases, this eroding political landscape has made seniority a millstone rather than an advantage.

The Wave – Both National and Statewide

In Cincinnati, about 100 miles down I-71 from Columbus, Rep. Steve Chabot (R), who came to Congress as part of the historic class of 1994, is one of the many members trying to avoid a similar wave this year in his closely contested rematch with Democrat John Cranley.

On a gray, blustery afternoon outside Paul Brown Stadium on the north bank of the Ohio River, Chabot shook hands with Bengals fans heading into Cincinnati's game with the Carolina Panthers. Wearing a blue blazer over a white Bengals jersey, the six-term incumbent stood with a lone volunteer who hoisted a red, white and blue Chabot-for-Congress sign and another who passed out stickers.

A few yards away, closer to the stadium, Cranley, who also wore a white Bengals jersey over his blue oxford shirt, gleefully shook hands with fans as a team of volunteers flanked him on either side holding blue and neon-yellow Cranley-for-Congress signs.

"This has been the best reaction yet," Cranley said as he bounced from one foot to the other and blew on his hands to warm them against the cold wind. "Now I get a lot of people coming up to shake my hand instead of me approaching them."

Later that day, during a Lions Club pig roast in rural Butler County, Chabot dismissed the effects of a national wave on his own campaign.

"We're not focused on the overall national environment," Chabot said in the smoky assembly hall, surrounded by predominantly Republican voters.

Whatever the drag President Bush and Congress have become this election cycle, incumbent Republicans in Indiana, Kentucky and Ohio have felt the effect of unpopular governors.

In Ohio, Chabot, Pryce and other Republican lawmakers must also overcome the flagging campaigns of gubernatorial candidate Ken Blackwell and Sen. Mike DeWine (R), who both appear to be losing ground against more popular Democratic opponents.

Similarly, Pennsylvania Rep. Melissa Hart (R) seems to be struggling against the strength of campaigns by Ed Rendell, the popular Democratic governor, and Bob Casey Jr., the Democratic state treasurer who looks poised to knock off Republican Sen. Rick Santorum.

The NRCC surprised many observers last week by dropping $170,000 on TV ads in Hart's Pittsburgh-area district criticizing her Democratic opponent, Jason Altmire, an administrator for a local hospital chain. The buy was viewed as a clear sign that the race is much closer than it was expected to be, and Hart's opponent believes the incumbent's perceived inactivity is a big reason the race is competitive.

"I think she made a tactical error by not going up [on television] earlier," Altmire said last week from the booth of an Eat N' Park just off the Pennsylvania Turnpike.

The Freshman

In the struggle to raise money, Davis, Fitzpatrick and Sodrel have become the most prolific fundraisers in their class, thanks in large part to competitive seats.

Davis has raised over $3.2 million for the cycle as compared with the over $1.1 million former Rep. Ken Lucas (D-Ky.) raised in his bid to bounce the Kentucky freshman after a single term.

In the rematch – Lucas narrowly survived a challenge by Davis in 2002 – the Republican Davis had more than $1.2 million in cash-on-hand as of the Sept. 30 filing deadline, and his campaign expects to report in excess of $475,000 from the period between Sept. 30 and Oct. 18, which should allow him to maintain a much stronger television presence in each of the district's four media markets.

Beyond fundraising, incumbency also has its disadvantages.

"Time management is one of the biggest challenges," Sodrel said over his breakfast of biscuits and gravy at the recently opened Big Daddy's Bar-B-Q in Aurora, Ind. "There is an advantage to being a challenger because you can be a candidate 100 percent of the time."

Leader on the ropes

In these final stages of the campaign, Pryce is relying on the fruits of incumbency by highlighting money she has appropriated for the district and using her connections in Washington and the district to help turnout the vote.

Her volunteers back in the Beltway work a phone bank from the Republican National Committee (RNC) every Wednesday night on her behalf, and many of her conference staffers are expected to travel to Ohio for the last weeks of the campaign.

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Pryce volunteers canvassed her upscale Columbus neighborhood last Saturday, passing out absentee ballots using micro-targeted data compiled by the RNC.

The challenge for GOP organizers is to ensure that these likely supporters actually vote. The negative environment, particularly the spate of negative ads, could undermine those efforts.

Kilroy, whose campaign has agreed to a single debate that occurred earlier this month, said she has been "amused" by the incumbent's guerrilla campaigning. "It's a big switch from the game she was talking about the in the beginning when she was talking about my campaign as a nuisance."

Pryce, meanwhile, said she has been frustrated by Kilroy's perceived unwillingness to debate more frequently and attributes the tight contest to the national mood rather than the strength of her opponent.

The conference chairwoman laments not running television commercials in previous cycles, but she did not say she would bow out of the leadership if she hangs on this fall.

"I think this [reelection campaign] will be the biggest challenge," Pryce said. "We'll cross that bridge when we come to it."

Jackie Kucinich contributed to this article.

Hayworth Goads Mr. Nice Guy Into Fight In Arizona-5 (HILL)

By Josephine Hearn

The Hill, October 25, 2006

SCOTTSDALE, Ariz. – When Rep. J.D. Hayworth (R-Ariz.) took the podium from Newt Gingrich at a fundraiser here last week, the decibel level doubled.

"Tell your friends! Tell your neighbors! Get them to the polls!" the 6-foot-5 former sportscaster bellowed into the microphone, employing the high-octane imperatives that have been his trademark in Congress.

At the same time, a dozen miles south, the Democratic candidate Harry Mitchell was also speaking to voters, but he used a decidedly different style. The avuncular former high school civics teacher and Tempe mayor was projecting a softer image to the Kiwanis Club of Tempe, making the race for Arizona's 5th Congressional District a contrast in styles. The contest pits a tough, boisterous Republican from upscale Scottsdale against an easygoing Democratic native son from a university town.

"I'm more low-key. I believe in building consensus and working toward compromise," Mitchell said Monday between fundraising calls. "J.D. is very aggressive, very loud. He's big. He'll invade your private space and I think that's how people view him."

Hayworth countered that Mitchell was too laidback to be effective.

"It's fine to try to project a quiet personality, [but] I walk to the talk and I get things done. If Harry were to go, he would go along to get along. He would be conspicuously inconspicuous."

In television ads and on the stump, the pair carve out stark differences in personality.

Mitchell, 66, sports an ear-to-ear smile, glasses and a grandfatherly gray comb-over. He portrays himself as friendly and accessible in campaign ads, appearing with children and senior citizens amid soft lighting and cheerful hues, a deliberate strategy, said one Democratic aide. He has pushed to make his support of embryonic stem-cell research a key distinction in the race. He welcomed Rep. Diana DeGette (D-Colo.) to a press conference on the issue last week.

He stresses his homegrown roots. His grandfather was a local developer for whom Mitchell Drive, Mitchell Park and the old Mitchell elementary school were named. He has lived in the same house in Tempe for over 40 years. He went to school at Tempe High, went to college just blocks away at Arizona State University (ASU), married his high-school sweetheart, then returned to his high school to teach. He spent 28 years there, simultaneously running for local offices. He served as mayor of Tempe for 16 years and earned such admiration that the town erected a 35-foot steel statue of him outside City Hall, which was renamed the Harry E. Mitchell Government Center. A local bar, Harry's Place, sits across the street.

"I think of him as your neighbor, the every-guy, the beloved ordinary guy," said Richard Herrera, associate professor of political science at ASU. "He's been a mayor but he's also a high school teacher. He's approachable and friendly. He's the opposite of J.D. Hayworth in that he's not bombastic. He's not somebody you would fear."

Hayworth, 48, with his buzz-cut, broad shoulders and booming voice, welcomes the tough-guy image, arguing that he delivers for his constituents. He is a vigorous campaigner with an uncanny memory for names and personal details that is rare even among seasoned politicians. His ads focus on cracking down on illegal immigration, showing him at a cattle ranch talking with worried residents. Images of border patrol vehicles, migrants slipping across the border and a high-speed dirt-road chase appear between jarring flashes of white and orange. One television ad, entitled "Gonna hurt," asserts that Mitchell favors allowing illegal immigrants to collect social security benefits.

That ad, coupled with other negative salvoes, aims to tarnish Mitchell's image as a popular Democratic mayor and "wonderful guy," said Bruce Merrill, a pollster and communications professor at ASU.

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"J.D.'s been very successful in the district. He's not a buffoon. He's really an intelligent guy and he's running pretty vicious attack ads against Harry," Merrill said.

In a district that leans Republican, that strategy can work. Outside of Tempe, Mitchell is less well-known.

The ads prompted Mitchell to retaliate with his own negative ads, pulling him away from his purely positive message. One Mitchell ad showed Hayworth apparently in the crosshairs of a firearm, prompting outrage from the Hayworth camp. Mitchell said he is not afraid of a brawl.

"J.D. is doing everything I expected because I was warned about the way he campaigns beforehand," Mitchell said. "But I am not taking it sitting down."

Recent independent polls show Mitchell gaining on Hayworth. A SurveyUSA poll commissioned by TV station KPNX showed Hayworth leading Mitchell 46 to 43 percent in mid-October, within the survey's margin of error. A similar survey by the same pollster a month earlier had Hayworth ahead by 12 points. During that time, however, Republicans across the country suffered political damage from the teenage page scandal involving former Florida congressman Mark Foley (R).

A Democratic poll conducted in mid-October showed Mitchell trailing by one point.

But Hayworth enjoys an ample lead in fundraising. According to recent disclosure reports, he raised $480,000 in the third quarter and ended with $1.35 million in the bank. Mitchell raised $320,000 and $570,000 in cash. National parties have been active on both sides.

And Hayworth could still use Mitchell's easygoing persona against him.

"Harry is the nicest man you'll ever meet but no one would ever accuse him of being very dynamic," Merrill, the communications professor, said.

Chatting after the Gingrich fundraiser, Hayworth suggested that Mitchell, in the twilight of his career, would not care enough to deliver results.

"The voters will have a choice of who in his mind's eye views this seat in Congress as a reward for a long time in office or someone who says what he means and means what he says and will continue to make things happen," Hayworth said.

Mitchell called that charge "absolutely wrong."

"My whole concern is to represent this district. I'm not going to run for speaker or Senate," he said. Hayworth launched an unsuccessful campaign in 2002 to lead the House Republican conference. He has been mentioned as a contender for statewide office.

"My heart is in this very much, let me tell you, because I think it would not be good to return J.D. to Washington," Mitchell said. "I think he underestimates my desire to run."

Whether Hayworth has underestimated Mitchell is an open question. He sent surrogates to speak at an Oct. 17 forum before the National Council of Jewish Women. Jonathan and Irit Tratt, Jewish friends of Hayworth, struck a sour note with the elderly Jewish crowd, which booed and hissed when the Tratts first appeared, when they mentioned slain journalist Daniel Pearl to underscore the ongoing threat to Jews and when they suggested that Mitchell apologize for putting crosshairs in his ad. At one point, an exasperated Jonathan Tratt gave up.

"I don't have to speak on his behalf if you don't want me to."

"Good!" "Get off the stage!" the hecklers responded.

Though Weakened, New Orleans Lawmaker Is Ebullient And Defiant (NYT)

By Adam Nossiter

The New York Times, October 25, 2006

NEW ORLEANS, Oct. 24 — With a publicized federal bribery investigation bearing down on him and facing a tight race for the first time in 16 years, Representative William J. Jefferson might be expected to show signs of strain in his re-election campaign here.

Yet the elephant in the room is not crowding out Mr. Jefferson, a veteran Democratic politician who still maneuvers with relative ease in the world of New Orleans politics, which he has partly owned since his opponents in the Nov. 7 primary election were barely in high school.

Attracted by the congressman's new vulnerability, 12 challengers have crowded in. Mr. Jefferson dismisses them as "these people" who "think they have an opportunity."

Spurned by House colleagues in Washington and the butt of jokes over $90,000 that the F.B.I. says it found in his freezer, Mr. Jefferson is outwardly projecting confidence in the biggest challenge of a career that stretches over nearly 30 years.

Unlike other incumbents in trouble this year, though, his difficulties have nothing to do with national politics and everything to do with cascading accounts of chicanery that have made local headlines for months.

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Over the congressman's protests, the state Democratic Party endorsed his leading challenger, Karen R. Carter, a state representative with a reputation for seriousness.

Experts reckon that he and Ms. Carter are the likeliest in the field to wind up in a runoff in December, to be held if no candidate receives more than 50 percent of the vote, under the state's idiosyncratic election rules.

Though Mr. Jefferson may be unwanted by fellow Democrats, a warm reception is always just around the corner on his home turf, where a web of relatives and associates has extended for years into many corners of public life.

Questionable financial dealings are rarely a bar to high office in Louisiana. The culture of tolerance means that Mr. Jefferson, an eight-term congressman, cannot be counted out on Election Day, experts say. Even Mayor C. Ray Nagin has endorsed him for re-election.

"I'm praying for you, brother," a woman said to him recently in a coin laundry in a desolate shopping strip in the Gentilly section, throwing her arms around the congressman, as do others.

"I'm on your side!" Paula Felton, shopping at a grocery store, cried out. "Hang in there. Not to worry."

Angrily dismissing the cash in the freezer, a woman at the Guste Home housing project said, "If I want to carry them in a sock, that's my business."

Helen Lang, an activist who introduced Mr. Jefferson to a friendly audience at the project, said: "Let's not get bogged down in all this foolishness. I've been bumping in politics a long time. He's not one who's abused us."

Buoyed by this grass-roots support, Mr. Jefferson is waging an aggressive campaign, strongly criticizing Ms. Carter for having the backing of establishment financial powerhouses like the developer Joseph Canizaro and angrily deflecting questions about the federal inquiry.

"I don't talk about that stuff," he snapped in an interview. "That's for the lawyers."

In court documents, the Federal Bureau of Investigation says Mr. Jefferson took bribes, including the $90,000, in exchange for helping an obscure technology company obtain government contracts here and in Africa.

Documents and interviews have painted an unflattering portrait of a public figure assiduously working for financial advantage for himself and his family through his contacts.

In June, House Democrats voted to strip him of his assignment on the House Ways and Means Committee. Mr. Jefferson, promising a yet-to-be-given "honorable explanation," has denied all wrongdoing and, comparing himself to other accused African-American congressmen, predicted legal vindication and political victory.

His visit to the semiabandoned Gentilly shopping area, once a heartland of the black middle class, now severely diminished here, illustrated the promise and the problems of his struggle. On the one hand the reception was friendly.

"I'm going to vote for you, I'm going to vote for you, I'm going to vote for you," a barber in the strip repeated.

On the other hand, most of the stores were closed, 14 months after Hurricane Katrina, and not many shoppers were there at a prime time, Saturday morning.

"Working against him are the changed demographics," said Susan Howell, a political scientist at the University of New Orleans.

Mr. Jefferson is unlikely to win many white votes. A recent survey found that blacks in New Orleans have fallen to 46 percent of the population, from 67 percent before the hurricane.

Indeed, a white motorist yelled a derisive comment out her window at Mr. Jefferson's campaign workers as they waved signs while awaiting him on Saturday on Elysian Fields Avenue.

Mr. Jefferson may advance to the runoff, experts say, but beyond that his prospects are dim.

"He can't play the race card the way Nagin could," Ms. Howell said, referring to the mayor's re-election in May, "because he'll be in a runoff with an African-American, Karen Carter, who is a very respectable person and has a good reputation. He's going to have a whiter electorate than Nagin, and that's going to work totally for Karen Carter."

Mr. Nagin ran for re-election against a white candidate, Lt. Gov. Mitch Landrieu, in a racially charged contest that drew many black voters who continue to live out of town. The Congressional race is unlikely to draw a similar turnout.

Mr. Jefferson is hardly giving up. To the audience in the housing project, he identified their struggle to return to the city with his own.

"There's some folks who don't want to see us come back home," he said, and he infused his message with themes of faith, suffering and persecution.

At a candidates' forum in the French Quarter, he sharply criticized his opponents, insinuating that they had their own ethics problems while denying his.

"This business about electing ethical people," he said. "In this country, one is presumed innocent. I have not been charged with anything. I am, in fact, an innocent person."

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Ms. Carter responded, "There is only one candidate in this race who is under federal investigation, and it's not Karen Carter."

A Congressional Endorsement (NYT)

The New York Times, October 25, 2006

The most fundamental rule of democracy is that when elected officials fail repeatedly, voters throw them out of office. If the polls are anywhere near accurate, most Americans have concluded that the Republican Party — particularly the Republican majority in the House of Representatives — has failed egregiously. On Iraq. On ethics. On oversight of a reckless White House. But that conviction sometimes comes into conflict with the feeling that a good representative should be rewarded with re-election, without regard to party.

All of that brings us to Representative Christopher Shays, a Republican from Connecticut's Fourth District. Mr. Shays has been in office for nearly 20 years, during which his state has grown increasingly Democratic. This year his race with Diane Farrell, a former first selectwoman of Westport, is regarded as one of the tightest in the nation.

The Times has endorsed Mr. Shays in every race in which he has faced a serious opponent. While this page has disagreed with him on many issues — from tax cuts for the wealthy to warrantless wiretapping — we have admired his independence and respected his leadership on issues like campaign finance reform.

Still, as his party has moved to the right, Mr. Shays has taken more and more stands with which we have profound disagreement. His position on immigration reform is far closer to the crabbed, xenophobic stance of the House Republicans than the fairer, bipartisan approach of the Senate. During the campaign, his remarks about the treatment of prisoners at Abu Ghraib prison — which he minimized as "something less than torture" — were disturbing.

Ms. Farrell, Mr. Shays's opponent, is an excellent candidate. After eight years as first selectwoman, she has a better understanding than most legislators of the impact of federal mandates and tax policy on local government. She is smart and articulate, and her positions on the issues are extremely well thought-out.

When Ms. Farrell first challenged Mr. Shays two years ago, The Times chose to endorse him as a rare voice for moderation within a Republican caucus that seemed bent on distracting the electorate with assaults on gay marriage, flag burning and abortion while running up the deficit, encouraging a ruinous war in Iraq and supporting a White House bent on exalting the power of the president at the expense of the Constitution.

Now it is time to draw the line. Mr. Shays may be a beacon of integrity, but if he is re-elected, he will vote to continue House control by a party that has repeatedly sold out the country to special-interest lobbyists. His position on Iraq, which has gone through tortuous re-evaluations, now seems basically sensible. But if he is re-elected, he will support a Republican leadership that has refused to question even the most ruinous decisions by George Bush, Dick Cheney and Donald Rumsfeld about the conduct of American foreign policy.

Mr. Shays has been a good congressman, but not good enough to overcome the fact that his re-election would help empower a party that is long overdue for a shakeup. This decision is painful, but not difficult, given the high caliber of his opponent. With due respect for Mr. Shays's service, we strongly endorse Diane Farrell for Congress.

Taylor Still Holds Land (HILL)

By Elana Schor

The Hill, October 25, 2006

Public land records in Haywood County, N.C., show that a company registered to Rep. Charles Taylor (R-N.C.) owns 17 plots of land in the mountain community of Maggie Valley, an interest that tax records indicate is worth more than $500,000.

The records raise questions about an assertion Taylor made in an Oct. 12 statement, part of a strong public defense mounted by the House Appropriations "cardinal" after a Wall Street Journal report alleged this month that Taylor steered federal funds to projects that would benefit businesses in which he has an interest.

Taylor's statement was accompanied by a letter from his North Carolina attorneys that called for an apology and retraction from the Journal. Taylor is facing a well-funded Democratic election challenge from former pro football quarterback Heath Shuler.

Singling out 15 elements of the article that Taylor characterized as "innuendos and false statements," the lawmaker wrote that he owns no holdings in two residential subdivisions located in his district's picturesque Maggie Valley area.

"There is no development called Maggie Valley Leisure Estates," Taylor wrote, referring to a subdivision mentioned in the article. "A large development in Maggie Valley is called Wild Acres," Taylor added, where he held land 36 years ago but sold it "over 20 years ago."

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Haywood County land records still list a company called Maggie Valley Leisure Estates, Inc., founded 36 years ago by Taylor and two partners, as the owner of 17 land parcels. Fourteen of those plots are situated in the Wild Acres development and one is situated in a development named Maggie Valley Leisure Estates, according to land maps posted by the county.

Two area Realtors also use the MVLE name to offer online listings for homes in that development.

The North Carolina Secretary of State's office, which records business registrations, has no record of any sale of Taylor's interest in Maggie Valley Leisure Estates Inc., according to its website. The company's registered address with that office and Haywood County is a post office box used by Taylor in county board of elections and Federal Elections Commission filings.

Taylor attorney Robert Long Jr., who drafted the letter to the Journal, said Maggie Valley Leisure Estates' holdings in the Wild Acres area were unfit for residential development. Long referred to the 17 plots as "worthless" and "remnants," adding, "You couldn't build on it even if you tried."

Long said Maggie Valley Leisure Estates had sold the majority of its land in the area by 1990 and that the business was now defunct. Asked whether a development existed with the MVLE name, Long said "they may have called it that" in ensuing years.

The state's Department of Revenue suspended Maggie Valley Leisure Estates' charter in 2003, according to records, for failing to file annual corporate and franchise tax reports. The notification of that decision was sent to the same post office box used by Taylor that appears in county land records.

North Carolina revenue officials said suspended companies are not absolved of outstanding tax obligations, which could be as low as $35 a year if the business had no activity. Haywood County employees confirmed that the business is still a valid landholder despite its state corporate status.

The state keeps no records on the frequency of corporate suspensions. Two other companies incorporated by Taylor in the 1980s with his wife as director, Financial Guaranty Securities and Financial Guaranty Credit Life Corps., also were suspended in 2005 for failing to file tax reports.

"The acreage I have is not even close to [U.S. Highway] 19," which crosses through Maggie Valley, Taylor wrote later in his statement to the Journal.

Haywood County maps show that several of the land parcels owned by Maggie Valley Leisure Estates are within three miles of that highway. Another company, Gaybo, in which the lawmaker owns an interest worth as much as $250,000, according to his latest financial disclosure filing, maintains a 15-acre parcel of land located next to the highway, according to maps posted on the county's website.

Taylor's strongly worded defense comes in the thick of a hard-fought race between the wealthy lawmaker, whose estimated personal assets topped $50 million last year, and Shuler.

Taylor has spent heavily to keep his powerful perch as a senior appropriator, helping Shuler take the lead in cash on hand as of third-quarter fundraising reports. In addition to several ads bought by the National Republican Congressional Committee (NRCC) – one of which assailed Shuler for a company bearing his name that was late in its tax payments – Taylor has taken out $1.6 million in personal loans to help his campaign.

Taylor also used the statement sent alongside his attorney's letter to blast Taxpayers for Common Sense (TCS), a nonpartisan watchdog group known for its exhaustive research into lawmakers' earmarks, for providing the Journal with corroborating information for its article.

TCS, Taylor wrote, "is neither an organization for taxpayers nor for common sense. It is a partisan, ultra-liberal organization whose report is produced in conjunction with the environmental extremist groups Friends of the Earth and U.S. PIRG."

TCS vice president Steve Ellis pointed out that the group has partnered with groups from both sides of the ideological spectrum, including the conservative-leaning Club for Growth and National Taxpayers Union, for previous efforts.

"Like an illusionist, [Taylor] is trying to divert public attention to his parade of irrelevant facts instead of concentrating on and answering to his dubious record," Ellis said in an Oct. 16 statement. "It's not too shocking that a senior appropriator is lashing out at a budget watchdog group. In fact, that is a good indication we are doing our job."

My Friend, Bob Ney (HILL)

By Ellen Ratner

The Hill, October 25, 2006

I happen to be a proud liberal, one who gets to spout off on 300 radio stations every day. I also represent the liberal point of view as a commentator on the Fox News Channel. I oppose the policies of the Bush administration and the Republican congressional leadership (give me at least a full afternoon, and I could begin to share some of the reasons why).

Yet even in the rancid atmosphere that passes for political interaction in Washington these days, one can occasionally reach across the partisan and ideological divide to form genuine friendships with those on the other side. Thankfully, that's what happened with me and my friend, Rep. Bob Ney of Ohio.

As Republicans distance themselves from him and Democrats use him as a campaign tactic, let me say that I'm heartbroken over what's happened to him.

I got to know Bob when, as a freshman congressman, he used to appear opposite me on radio programs in the Ohio River Valley. Most people know the region only from flying overhead or speeding through on Interstate 70, so the place bears description.

Bob grew up in Belmont County, along the Ohio-West Virginia border, in the area close to Wheeling that used to be called the "Steel Belt." Times were better then, as his dad, a TV cameraman, and his mother, a buyer for a local department store, raised him and his sister in a solidly working-class neighborhood. Today, 14 percent of Belmont County's residents live in poverty, 40 percent more than Ohioans as a whole. Incomes average 30 percent below the nation's, and homes sell for about 40 percent less than those statewide.

What first struck me about Bob was how much the poverty in his home region tore at him. This wasn't your typical Republican, nor did my reporter's nose pick up the cynical, "I-feel-your-pain" shallowness you often see in politicians on both sides of the aisle.

No, here was a guy who really did remember where he came from. He knew that the kids he'd grown up with couldn't afford to raise their children in quality housing, and he went to Washington determined to do something about it.

In the four years that he chaired the Subcommittee on Housing, he was relentless: 63 hearings, 22 housing bills signed into law. One bill he spearheaded helped 40,000 lower-income families buy their first homes; another renovated public housing units that had become badly dilapidated after decades of neglect.

The day he lost his House chairmanship he was conducting Katrina housing hearings in New Orleans. I called him to ask how he was feeling about losing the gavel. His reply: "I'm fine, I have a roof over my head and my family. These people in the Gulf have lost everything."

You probably won't read anywhere that Bob Ney spent his youth teaching English as a second language in pre-Khomeini Iran. He's a multi-faceted guy, the only member of Congress fluent in Farsi.

His politics were similarly nuanced and complex. He was one of only three Republicans to vote against the President's Patriot Act when it was first proposed in 2001, and he supported its curtailment five years later. "Everybody's against terrorism, but there has to be reason in the way that we fight it," he told reporters at the time. It was bold, courageous stuff from somebody whose district went 55 percent for Bush in 2000 and 57 percent for the president in 2004. I only wish some Democrats shared his courage.

Now, of course, he's pleaded guilty to corruption in office, but the Bob Ney I know refused even to use his title to get a good table at a local restaurant when the line was out the door. I only wish he'd had a chance to tell his side in a court of law — and, take it from me, there is another side to this.

Today's Justice Department, however, tries its evidence in the public press, not a courtroom, so it can't be challenged or cross-examined. Those accused of high-profile wrongdoing nowadays are put through a grueling and costly ordeal where they are held upside-down by overpriced criminal defense lawyers, who drop them on their heads once all the money has been shaken out of their pockets.

While I'm heartbroken about Bob and angry as hell about the Justice Department's slimy tactics, I don't worry about him. I know my friend will look at incarceration not as the end of the road, but as a detour, a long-overdue chance to seek help for the alcoholism that has taken over more and more of his life these past few years.

He'll be strong, and when all this is over, he'll be a better man, a better husband and father — and he'll still be my friend.

Ellen Ratner is Washington bureau chief for the Talk Radio News Service, and is a commentator on the Fox News Channel. All proceeds of her book,"Ready, Set , Talk!" co-authored by Kathie Scarrah, go to Hurricane Katrina relief.

Poll: Senate Within Dems' Grasp, But Pitfalls Remain (LAT)

By Ronald Brownstein

The Los Angeles Times, October 25, 2006

Washington — Democrats are within range of capturing a Senate majority, but face potentially decisive resistance from rural voters in three critical Republican-leaning states, a series of Times/Bloomberg polls have found.

If Democrats can't break through to win the Senate races in at least two of those three states — Missouri, Tennessee and Virginia — they are unlikely to control the chamber.

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The surveys show Democrats leading in bids to claim hotly contested Republican-held seats in Ohio and Virginia. Republicans lead in Missouri and Tennessee, both also held by the GOP.

In the fifth race surveyed, Democrats maintain a slim advantage in New Jersey, where Republicans are pressing their strongest bid in this year's campaign to gain a Democratic seat.

Underscoring the election's volatility, the candidate leads in all of these contests fall within the margin of error for the polling.

Democrats need a net gain of six seats for a Senate majority. Polls in the other key Senate races show Democratic challengers holding consistent — though in some cases narrow — leads against GOP incumbents in Pennsylvania, Rhode Island and Montana.

If Democrats captured those three seats, won Ohio and held New Jersey, Senate control would hinge on the outcomes in Missouri, Tennessee and Virginia.

If Democrats win two of these three races, they would have a 51-49 Senate majority. If they win just one, the Senate would be split 50-50 between the parties and Vice President Dick Cheney would provide the tie-breaking vote to organize the chamber for Republicans.

The new surveys underscore the trends creating opportunities for Democrats, particularly anxiety about the Iraq war and erosion of support for the GOP among centrists. But the poll findings also highlight the obstacles the Democrats face in converting the national current of discontent into gains in conservative-leaning states.

Especially challenging for Democrats is breaking the GOP grip on socially conservative voters in Missouri, Tennessee and Virginia. In each state, the surveys found that despite extensive doubts about the country's direction, the Republicans are still amassing strong margins among rural voters and whites who regularly attend church.

The Times/Bloomberg polls found that among likely voters:

. In Ohio, the Democratic challenger, Rep. Sherrod Brown, led Republican Sen. Mike DeWine, 47% to 39%.

. In New Jersey, Democratic Sen. Bob Menendez held an edge, 45% to 41%, over his GOP challenger, Tom Kean Jr.

. In Virginia, Democrat James Webb led Republican Sen. George Allen, 47% to 44%.

. In Missouri, Republican Sen. James Talent was ahead of Democrat Claire McCaskill, 48% to 45%.

. In Tennessee, Republican Bob Corker, the former mayor of Chattanooga, led Democratic Rep. Harold Ford Jr., 49% to 44%, for the seat being vacated by a Republican, Senate Majority Leader Bill Frist.

The polls, supervised by Times polling director Susan Pinkus, were conducted Friday through Monday. The surveys have a margin of error of plus or minus four percentage points in Ohio, Missouri and Tennessee, five percentage points in Virginia and 5.5 points in New Jersey.

In most of the states, the results were generally in line with other recent surveys. But in Virginia, this is the first major poll to show Webb leading Allen.

Democrats enjoy many of the same advantages across the five battlegrounds. Top among them are consistent strains of dissatisfaction with the country's direction and the war in Iraq.

In each of the states, three-fifths of the voters or more said they believe the country is on the wrong track. In each state, more voters said they preferred that Democrats rather than Republicans control a majority in Congress after the election.

These attitudes have created several openings for the Democratic Senate candidates.

For instance, each Democrat led among women voters (although the one woman candidate in the group, Missouri's McCaskill, held only a statistically insignificant one percentage point advantage over Talent).

All of the Democrats except Menendez enjoyed comfortable leads among urban voters. Ford, Menendez and Brown also had big advantages among suburban voters, while McCaskill and Webb ran about even with this key voting bloc.

The Democrats also polled well among those in the center of the electorate. Except for Menendez, each of the Democrats attracted support from three-fifths of those categorizing themselves as moderates.

But the polls found that enduring Republican strengths remain a huge barrier for Democrats, especially in Missouri, Tennessee and Virginia. In these states, the Republican coalition is somewhat chipping around the edges: in each, the GOP nominee is capturing a smaller share of support among conservatives than the Democrat is among liberals.

Even so, the surveys point toward substantial stability in the socially conservative electoral coalition that allowed Bush to carry each state in the 2000 and 2004 presidential elections.

Among white men in Missouri, Talent led by 11 percentage points. In Virginia, Allen was ahead by 22 percentage points among this slice of the electorate and in Tennessee, Corker led by 24 points.

Among whites in Missouri who attend church once a week or more, Talent led McCaskill, 65% to 30%. In Tennessee, Ford has stressed his religious faith, but Corker also easily led among whites who regularly attend church, 62% to 29%. Webb in Virginia made a stronger showing among this voting group, trailing Allen 55% to 40%.

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Among rural voters in Virginia, Talent led McCaskill, 56% to 37%. Allen topped Webb, 60% to 33%, and Corker dwarfed Ford, 62% to 27%.

The large suburban population in northern Virginia places Webb in a better position to overcome these disadvantages than his Democratic counterparts in Tennessee and Missouri. But all three face a tough climb to victory if they do not improve their performance among these voting blocs by election day.

One of the most consistent trends in the surveys was the link between attitudes toward Bush and preferences in the Senate contests.

In each state, at least 80% of those who approve of Bush's job performance said they would support the GOP Senate candidate. Meanwhile, those who disapprove of Bush's performance preferred the Democratic candidates at rates ranging from 67% for Menendez to 81% for Ford and Webb.

These findings suggest one imperative for Democrats: especially in Missouri, Tennessee and Virginia, they need to run as well among voters who disapprove of Bush's job in office as their Republican opponents do with those who approve of it.

Other poll results illustrated the long shadow Bush casts over the election. Democratic candidates enjoy their largest Senate leads in the two states where Bush's approval ratings are the lowest — 34% in New Jersey and 39% in Ohio.

Bush is in relatively better shape in the three states looming as the likely pivot of Senate control: his approval rating stands at 44% in Virginia, 47% in Missouri and 49% in Tennessee.

These numbers are weaker than the ones for Bush in the states as election day neared in 2004. In this campaign's final two weeks, perhaps the critical question is whether the president retains enough strength on terrain he once dominated to help Republicans hold back a tide that could end their control of the Senate.

GOP Pumps Money Into Mo., Va. Races (AP-Y)

By Jim Kuhnhenn

AP, October 25, 2006

Republicans pumped money into Missouri and Virginia Senate races this week, part of a GOP strategy to cling to their Senate majority by fending off strong Democratic challenges in Republican-leaning states.

The National Republican Senatorial Committee purchased $1.4 million of television time to air an ad that portrays Democratic candidate Jim Webb as insensitive to women. The ad is the first investment by the Republican Party in the state, reflecting concern among Republican officials that incumbent Sen. George Allen is in a closer contest than they expected.

In Missouri, the Republican National Committee spent $1.78 million on Monday on ads opposing Missouri Democratic Senate candidate Claire McCaskill, who is running against Republican Sen. James Talent. Missouri has been a target for both parties. Democrats have poured $6.37 million into the Senate race and Republicans have spent $5.39 million.

Flush from record September contributions, the parties are entering the final two-week stretch of the campaign with an election map in one hand and a checkbook in the other. Each party is countering the other's moves, putting ads on television, running phone banks and conducting polls.

Last week, Republicans spent $500,000 to run an ad in New Jersey against Democratic Sen. Robert Menendez. The Democratic Senatorial Campaign Committee responded by purchasing $2 million worth of air time to attack Menendez' challenger, Republican Tom Kean Jr.

The Republican ad against Webb in Virginia comes after the DSCC had already spent $1.72 million in the state.

The anti-Webb ad selects quotes from a 1979 article that Webb wrote for Washingtonian magazine where he said women are not fit to lead male soldiers and that the Naval Academy was a "horny woman's dream." During the campaign, Webb has said he now believes women can lead in combat.

"It looks like Chuck Schumer and Howard Dean have directed a lot of resources to Virginia to attack Senator Allen," said National Republican Senatorial Committee spokesman Dan Ronayne, referring to the chairman of the DSCC and the head of the Democratic National Committee. "We aren't going to stand idly by."

DSCC spokesman Phil Singer responded: "It clearly underscores the degree to which they are playing defense going into the final stretch of the campaign."

The party spending reflects some robust fundraising despite 2002 changes in campaign finance law that banned the collection of unlimited amounts of so-called "soft money" from unions corporations and wealthy individuals.

Campaign finance experts say the ability of the parties to exceed their previous fund raising levels is largely due to increased contribution limits in the 2002 law, commonly named after its two Senate sponsors, Sen. John McCain, R-Ariz., and Russ Feingold, D-Wis.

"There is no question that the political parties are raising far more contributions than most analysts thought would be possible under the McCain-Feingold law," Federal Election Commission Chairman Michael Toner said.

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Toner said the higher contribution limits have permitted the "ultrawealthy" to donate a total of $100,000 to candidates and parties. The Internet has also allowed the parties to reach first-time givers at a fraction of the cost of direct mail or phone calls.

"Both parties have seen a steady climb of small donors," said Trevor Potter, a former FEC chairman who has defended the McCain-Feingold law in court.

Senate Could Be Evenly Split Once Again (AP)

By Jim Abrams

The Associated Press, October 25, 2006

Expected Democratic gains in the election raise the possibility that the Senate, for the second time in six years, will end up in a 50-50 tie.

If that happens, Democrats would like to revive a power-sharing deal that was struck in 2001. But partisan passions on Capitol Hill are stronger now than when President Bush took office promising to be "a uniter, not a divider."

Republicans would officially still be the majority party in an evenly divided Senate because Vice President Dick Cheney, in his role as president of the Senate, would give the GOP a tie-breaking vote. But Democrats would surely demand a greater role in determining how the Senate treated Bush's legislative agenda in his final two years in the White House.

Currently Republicans hold 55 seats and the Democrats 44. Sen. James Jeffords, an independent from Vermont who usually votes with the Democrats, is retiring at the end of this session.

The 2000 election resulted in a Senate split down the middle. Democratic leader Tom Daschle of South Dakota became majority leader for just 17 days, between Jan. 3, 2001, when the new Senate was sworn in and Al Gore was still vice president, and the Jan. 20 inauguration of Bush and Cheney.

In returning to the majority leader position, Sen. Trent Lott, R-Miss., negotiated with Daschle a power-sharing arrangement under which the two parties got equal numbers of seats and staff positions on committees. Republicans chose committee chairmen and controlled the agenda on the Senate floor.

Lott took some heat from his Republican colleagues at the time for being overly generous to Democrats, but it paid off four months later when Jeffords bolted from the GOP and became an independent allied with the Democrats. That put the Democrats back in control with Daschle as majority leader.

The Lott-Daschle deal stayed intact until November 2002, when Republican James Talent defeated Missouri's appointed senator, Jean Carnahan, in a special election and Republicans regained power. They've held majorities on Senate committees since then.

This time, Democrats may need the help of two independents to reach parity with the Republicans.

Rep. Bernie Sanders, another Vermont independent, is the front-runner in the race to succeed Jeffords. Sanders has always been a member of the Democratic caucus in the House and his office said he would continue to support the Democrats in the Senate.

Democratic Sen. Joe Lieberman of Connecticut appears likely to return to Congress as an independent after his loss to a Democratic challenger in the primaries. Lieberman, in line to become chairman of the Homeland Security and Governmental Affairs Committee if Democrats capture the Senate, is also committed to staying with the Democratic caucus, his office said.

Jim Manley, press spokesman for Senate Democratic leader Harry Reid of Nevada, said that in the event of a 50-50 breakdown the 2001 Lott-Daschle deal "should serve as a useful guidepost for any negotiations" on power-sharing between Reid and Sen. Mitch McConnell, R-Ky.

But McConnell, the favorite to succeed retiring Sen. Bill Frist, R-Tenn., as Republican leader, and Reid would be negotiating in a far more partisan atmosphere than in 2001, when the new president and the Democrats were talking of cooperation and the idea of senatorial harmony wasn't quite so unattainable.

Much longer ago, the Senate was also deadlocked at 38-38 in 1881 when Republicans, in control of the White House, won the allegiance of a wavering independent by promising him the Agriculture Committee chairmanship. Republicans took over control of the major committees, while Democrats took advantage of GOP disarray to hold onto staff positions such as sergeant at arms and secretary of the Senate.

State legislatures have at times found more congenial ways to deal with ties. The Indiana House in 1988 created co-speakers who presided on alternate days. The Wyoming Senate in 1974 resolved a tie by flipping a coin.

All Eyes On South's Big Race (CSM)

By Linda Feldmann

The Christian Science Monitor, October 25, 2006

LOUDON, TENN.

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In a normal election year, Bob Corker would be the favorite to win the Tennessee Senate seat being vacated by the retiring Republican leader, Bill Frist. Mr. Corker is successful in business, experienced in government - most recently as mayor of Chattanooga - and affable in demeanor.

But this is not a normal year. The GOP's national image is in the tank over Iraq, scandals, and economic insecurity. A majority of Americans want the Democrats to take the reins of Congress. And Corker's opponent is Rep. Harold Ford Jr. (D) - the poster boy for dynamic, young politicians who are taking the national stage by storm.

History could be in the making. If he wins, Mr. Ford would be the first African-American from the South to take a Senate seat since Reconstruction - a victory that could nudge another ambitious black politician, Sen. Barack Obama (D) of Illinois, toward running for president by showing him how to win in the South. As a Democrat comfortable talking about his faith, Ford could show Democrats of all colors how it's done.

A Ford victory could also provide the final seat the Democrats need to win control of the Senate, in a quest that seemed nearly impossible just a few months ago.

It's no wonder "you've got ... press from all over the country, right here on the courthouse steps in Loudon County," Mr. Corker marveled before a crowd of supporters last Sunday afternoon in this small town south of Knoxville, the leaves overhead turning a brilliant shade of Volunteer orange.

Corker knows he can't compete with the 36-year-old Ford on looks or charisma. He says so. But after falling behind in the polls and replacing his campaign manager late in September, he has now settled on his final argument to the people of Tennessee: Vote for me because of my experience and my maturity and because I'm the "real Tennessean."

Corker, his campaign, and national Republicans have also worked hard to drive up Ford's negatives, highlighting some of his relatives' legal troubles, a life spent mostly away from Tennessee, a career in politics, and his bachelor, designer-suit lifestyle.

Ford was elected to represent Tennessee's Ninth Congressional District 10 years ago, following his father, Harold Ford Sr., who held the seat for 22 years.

Now both campaigns say the race is a statistical tie. The sprint to the finish has begun. Ford's message on the stump

Ford's stump speech follows many paths. He has been chiding Corker for saying the US should "stay the course" in Iraq, and on healthcare, and on education, even though Corker distanced himself from "stay the course" months ago, long before President Bush himself did. He calls for the partitioning of Iraq into three areas. He calls for energy independence. He promises, "I won't be 100 percent Democrat; I'm for what's right."

He praises Presidents Truman and Reagan for establishing an American moral authority that was "unquestioned, unassailed." And he makes the pitch for change. "I say it's time for a new direction, a new generation," he says.

Before and after each event, he dispenses hugs easily and poses for countless photographs, pushing his schedule hopelessly behind - like the Democrats' last great campaigner, Bill Clinton.

Ford speaks in the cadence of a Southern preacher, starting slow and building to a crescendo. The references to God and the Bible flow naturally. "When people ask me around this state and around the country, 'How are you guys doing so well?' I say there's a couple reasons - one, we got a big God that we serve...." he says. Voices in the crowd shout back, "All right!" before he can get to point No. 2.

On this Saturday of campaigning around the Nashville area, with popular Democratic Gov. Phil Bredesen at his side, the crowd at each stop is enthusiastic and diverse.

In Gallatin, Tenn., with his largest African-American crowd of the day, he gives the most expansive excursion that day into his religious life. "I learned to go to church the old-fashioned way - I was forced to," he quips, a line he uses in the campaign ad he filmed in his childhood Baptist church in Memphis.

He talks about driving by the Little Rebel Bar and Grill in Jackson, Tenn., one day and how "my God is telling me to stop by" - despite the Confederate flags on the trucks outside. He recalls the words of the pastor he had just met: "There are more answers than problems, and there are more Davids than Goliaths." Ford and his driver walk in and, he says, "a lady got off the stool and gave me a big hug and said, 'Baby, we've been waitin' on you to come by.' "

The racial dimension of the Ford-Corker contest looms large. Pollsters speak of a race effect on surveys- that is, shave off a few percentage points from the black candidate's total, since some white voters tell pollsters what they think they want to hear, that they're willing to vote for a black candidate when in reality they're not.

One Republican activist in Tennessee, who asked not to be identified, says he believes the racial aspect will be a wash in this race: Some whites won't vote for a black man, but turnout in the black community, 16 percent of the electorate, will be higher than usual.

Furthermore, says the activist, "this is a Southern state, but it's not a deep South state, so everything that applies to the South, you can cut a little bit."

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Linda Boyd, a computer assistant in the Clarksville, Tenn., schools who is African-American, says she's been out canvassing for Ford and had people tell her they would never vote for him. "I know what they mean," she says.

Ford's big, political family - some of whom have been prosecuted for corruption - may also hurt him. At the Corker event in Loudon, some of those attending said that even if Ford himself isn't corrupt, he benefits from his family's activities. But among Ford fans, his big, political family is a plus. "The Fords are fighters," says Mary Hoskins of Clarksville. And she's not concerned about some Fords' legal troubles. "Everyone's got someone in their family," she says.

And what about Ford's life outside Tennessee? After his father's first term in Congress, he moved the family to Washington, where Harold Jr. was enrolled at the same elite prep school, St. Albans, that another son of Tennessee, Al Gore, had attended. Ford then attended the University of Pennsylvania and University of Michigan Law School, and at age 26 was elected to Congress. Corker's profile

Corker, in contrast, was born in South Carolina, moved to Tennessee at age 11, and has lived here ever since. In an interview, Corker calls Ford "a nice young man," but adds that "I just know that I more fully represent the values of this state."

After Corker won the primary, against two more-conservative Republicans, he set out to portray Ford as a liberal, but it didn't work. Ford is one of the most conservative members of the Congressional Black Caucus. He opposes gay marriage, so-called partial birth abortion, and what he calls "amnesty for illegals."

Corker, a moderate Republican who at one time supported abortion rights, may have trouble inspiring Christian conservatives to turn out for him. Even though the National Right to Life Committee has endorsed Corker, Tennessee Right to Life has refused.

"That sends a signal to some people," says the Republican activist. "Tennessee Right to Life isn't huge, but in a close election, every vote counts." An expensive contest

And in a close election, with control of the Senate on the line, both parties are spending millions of dollars on ads, some of them suggestive and nasty, leading the candidates to call on their parties to take them down. In a preemptive move, Ford showed up at the Memphis airport last Friday and confronted Corker right before the Republican was due to give a press conference. The Corker campaign has been publicizing the dustup ever since, saying it shows Ford's lack of maturity.

The wealthy Corker also has the option of writing another large check to his campaign. If he does so in the final days, that would make it difficult for Ford to invoke the federal "millionaire's clause," which allows Ford to raise more money from his donors.

Still, the larger forces at play in the campaign haven't changed. "The combination of facing a strong Democrat who's moderate and a year that isn't particularly kind to Republicans - Corker may just lose this thing," says John Geer, a political scientist at Vanderbilt University in Nashville. "But I'm not prepared to make any predictions."

A Contentious Campaign In A Battleground State (WP)

By Shailagh Murray

The Washington Post, October 25, 2006

COALMONT, Tenn. -- John Layne is a 57-year-old white Republican with a long gray beard, no job and advancing emphysema. He arrived an hour early to hear Harold Ford Jr. speak in this struggling mountain town.

"Oh, sure, there's some prejudice," Layne said as he contemplated casting a ballot for a black man. "I wouldn't want my daughter marrying one." But he's more concerned about rising medical costs: When it comes to voting, "you gotta look at the person, not the color."

Ford announced his Senate campaign 18 months ago with three strikes against him: He was a Democrat, he was black, and he carried family baggage. The five-term congressman was wildly popular in his Memphis House district and was viewed as a rising star in the Democratic Party. But statewide office seemed beyond reach in Tennessee, a state with a history of racially divided voting where Republicans had won recent Senate races.

Now this political curiosity has become one of the most intense and bitter contests of the season. With the Nov. 7 elections two weeks away, Ford is locked in a surprisingly close battle with Republican Bob Corker. The latest poll -- released yesterday by Mason-Dixon -- showed the charismatic Ford trailing 45 percent to 43 percent.A Senate Battleground

Tennessee is one of the four remaining Senate battlegrounds, along with Virginia, Missouri and Rhode Island, that operatives in both parties believe are most likely to determine whether Republicans maintain control of the Senate in January. But this race is in a different category because of Ford's profile.

Corker and Ford tangle over all the usual issues, including the war in Iraq, education and energy independence, with both candidates holding mainstream views on most topics. Yet every speech, slogan and campaign ad seems to echo with double meaning.

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"I'm a believer that this moment is a big one," Ford, 36, told the Coalmont crowd, as Layne nodded approvingly from his seat in front of the podium. "I'll make you a good senator. I just want to go up there and do right."

Corker depicts himself as more "senatorial" than Ford but is running an almost entirely negative campaign at this point. He depicts Ford as a smooth-talking city slicker who has deeper roots in Washington, D.C. -- where Ford lived for part of his childhood -- compared with Corker, the self-described "real Tennessean" in the race.

The hardest blows have come from the national GOP. The National Republican Senatorial Committee ridicules Ford's expensive tastes on a "Fancy Ford" Web site, and the Republican National Committee is airing a controversial new ad that features a scantily clad blonde who says she met Ford at a Playboy party. "Harold, call me!" the woman chirps.

The former Chattanooga mayor often appears to be tiptoeing through a rhetorical minefield, eager to discredit his Democratic opponent with the sharpest weapons he can find but wary about accusations of playing racial politics. "Our life experiences could not be more different," Corker said in an interview. "For him, politics is a way of life."

Does the race factor influence his campaign decisions? "I understand the point of your question," Corker responded carefully in a recent interview. Then he shook his head and looked away.A Symbolic Victory?

If Ford pulls it off, he will become the first black senator to represent the South since Reconstruction. Victory in Tennessee also would be particularly symbolic for the Democratic Party, a bookend of sorts to the 1994 "Republican Revolution." That historic election, which gave the GOP control of both chambers of Congress, was tilted by races in the same Upper South states where Democrats are seeking to wrest power from Republicans this year.

One 1994 milestone was the defeat of veteran Senate Democrat Jim Sasser by political newcomer Bill Frist, who rose to become Senate majority leader. In 2000, Vice President Al Gore lost his home state in the general election, costing him the presidency.

But two years later, Tennessee elected a Democratic governor, Phil Bredesen, a pragmatic, low-key former businessman and Nashville mayor. The House delegation flipped to five Democrats and four Republicans. Bredesen is also on the ballot in November, and recent polls show him far ahead of his Republican opponent.

The governor is starring in a Ford campaign ad, and the two are barnstorming around the state. Ford credits him with creating a new Democratic brand. "He's our closer," Ford said. "We're in a position to win, and he's going to push us over the edge."

On May 25, 2005, when the brash young Democrat announced his Senate candidacy, he raised a few eyebrows. A sports junkie known on Capitol Hill for robust socializing, he still seemed a bit young. His ambitions had been obvious from his first days in Congress, and in 2002 he lost a caucus battle to become House minority leader to Rep. Nancy Pelosi (Calif.), who has the job now.

Despite that setback, Ford has fashioned a reputation as a new-generation Democrat, less defined by interest-group politics and with strong opinions of how national Democrats have failed to compete seriously in the South. He is both supremely confident and dead serious. "I will run a very issue-rich, substance-rich campaign," Ford promised in a video that streamed over his new campaign Web site when he announced his Senate run.

On May 26, 2005, his uncle John Ford, a state senator, was indicted on corruption charges. It was a reminder -- though few politically aware people in this state needed one -- that Ford hailed from an illustrious Memphis clan. Fords had served in state and local government for decades, and a few had scrapes with the law.

Ford's father was one of 12 children of a funeral-home entrepreneur; Harold Ford Sr. served 11 terms in the House before his son took over the seat. The elder Ford was acquitted of bank-fraud charges in 1990. Another uncle, Emmett Ford, had resigned from the state legislature in 1981 after being convicted of insurance fraud.

When Ford ran to succeed his father, he billed himself proudly as "Junior." But his role model, as he told the Democratic National Convention in his 2000 keynote address, was former Tennessee senator and vice president Al Gore. He recalled meeting Gore (a fellow graduate of St. Albans School in Washington) in his family kitchen in Memphis.

"It was a time when, on the heels of Vietnam and Watergate, young Americans were turning away from public service. But Al Gore didn't turn away. He jumped feet first into public life," the young congressman recalled.A Fierce Campaigner

Corker, who is 54, spent his early adult years creating a lucrative construction business. He was appointed state finance commissioner during the late 1990s and was elected Chattanooga mayor in 2001. He is credited with the impressive redevelopment of the city's riverfront.

White-haired and compact, with a rich twang, Corker has a friendly rapport with voters but has proven himself over the years to be a fierce competitor. When he ran against Frist in the 1994 GOP primary, Corker was called "pond scum" by Frist campaign manager Tom Perdue for airing an ad that suggested Frist had dodged the draft.

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This year, as Corker slogged through a rough-and-tumble GOP primary with two more conservative opponents, Ford campaign insiders braced for a barrage of attacks. It has been unrelenting. Most of Corker's ads, news releases and campaign speeches are attacks on Ford, addressing such things as his House voting record and his not passing the bar exam.

Ford's rhetorical skills and good looks are particular targets. A new Corker ad features a series of ordinary-looking voters raising questions about Ford, with one woman asking "Has Junior ever had a job outside of politics?" and another noting "He does look good on TV."

Corker's attacks appear to have thrown Ford somewhat off-stride in recent days. The congressman showed up at a recent Corker news conference to insist that he stop criticizing the Ford family, a move Republicans called undignified. But some Republicans are concerned Corker is not working hard enough to whip up support in his party, in particular among the socially conservative voters who preferred his primary opponents, former representatives Van Hilleary and Ed Bryant.

"The differences need to be spelled out aggressively in the next few weeks," Frist said as the Senate majority leader campaigned with Corker in Athens, Tenn. Frist said Corker must convince Tennessee voters that he is "a genuine person who has their values."

While visiting a diner in Oak Ridge, Corker stopped to shake hands with Linda Ramsey, who was having lunch with her husband, Dale, and daughter Kelcee. Ramsey responded with a big smile when Corker asked for her vote. But when he moved to the next table, she conceded she was leaning toward Ford.

Although she supported Corker in the primary, Ramsey explained, "all he wants to do is point fingers. Ford is stepping up above it."

Ford is difficult to typecast -- conservative on some issues and liberal on others. In Coalmont, one of Ford's biggest applause lines came when he called for "character education" in public schools to teach the difference between right and wrong. But he also drew cheers when he suggested that the federal government take a bigger role in education.

Ford filmed a television ad inside the Memphis church he attended as a child, and he fondly recalls the times his maternal grandmother chased after him with a switch.

The state Democratic Party is working particularly hard to rally black voters. State party officials believe African Americans could push Ford over the top if they turn out in large numbers. In addition to clutching Bredesen's coattails, Ford has tethered himself to Rep. Lincoln Davis, a popular two-term Democrat from a rural, white central Tennessee district and the chairman of Ford's campaign.

Davis said he polled his district in July and found Ford trailing 49 percent to 35 percent. "I didn't even tell his campaign," Davis acknowledged.

New numbers came back a few weeks ago showing Ford ahead 49 percent to 39 percent. "He's a rock star, a superstar," Davis said. "And if he wins my district, he's the next senator from Tennessee."

Rush Limbaugh On The Offensive Against Ad With Michael J. Fox (WP)

By David Montgomery

The Washington Post, October 25, 2006

Possibly worse than making fun of someone's disability is saying that it's imaginary. That is not to mock someone's body, but to challenge a person's guts, integrity, sanity.

To Rush Limbaugh on Monday, Michael J. Fox looked like a faker. The actor, who suffers from Parkinson's disease, has done a series of political ads supporting candidates who favor stem cell research, including Maryland Democrat Ben Cardin, who is running against Republican Michael Steele for the Senate seat being vacated by Paul Sarbanes.

"He is exaggerating the effects of the disease," Limbaugh told listeners. "He's moving all around and shaking and it's purely an act. . . . This is really shameless of Michael J. Fox. Either he didn't take his medication or he's acting."

Limbaugh, whose syndicated radio program has a weekly audience of about 10 million, was reacting to Fox's appearance in another one of the spots, for Missouri Democrat Claire McCaskill, running against Republican Sen. James M. Talent.

But the Cardin ad is similar. It is hard to watch, unless, for some reason, you don't believe it. As he speaks, Fox's restless torso weaves and writhes in a private dance. His head bobs from side to side, almost leaving the video frame.

"This is the only time I've ever seen Michael J. Fox portray any of the symptoms of the disease he has," Limbaugh said. "He can barely control himself."

Later Monday, still on the air, Limbaugh would apologize, but reaction to his statements from Parkinson's experts and Fox's supporters was swift and angry.

"It's a shameless statement," John Rogers said yesterday. Rogers, Fox's political adviser, who also serves on the board of the Parkinson's Action Network, added: "It's insulting. It's appallingly sad, at best."

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"Anyone who knows the disease well would regard his movement as classic severe Parkinson's disease," said Elaine Richman, a neuroscientist in Baltimore who co-wrote "Parkinson's Disease and the Family." "Any other interpretation is misinformed."

Fox was campaigning yesterday for Tammy Duckworth, a congressional candidate, outside Chicago, when he alluded to Limbaugh's remarks. "It's ironic, given some of the things that have been said in the last couple of days, that my pills are working really well right now," he said, according to a report on the CBS2 Web site.

After his apology, Limbaugh shifted his ground and renewed his attack on Fox.

"Now people are telling me they have seen Michael J. Fox in interviews and he does appear the same way in the interviews as he does in this commercial," Limbaugh said, according to a transcript on his Web site. "All right then, I stand corrected. . . . So I will bigly, hugely admit that I was wrong, and I will apologize to Michael J. Fox, if I am wrong in characterizing his behavior on this commercial as an act."

Then Limbaugh pivoted to a different critique: "Michael J. Fox is allowing his illness to be exploited and in the process is shilling for a Democratic politician."

Limbaugh's shock at Fox's appearance is a measure of the disease's devastation, advocates say. Contrary to the charge that Fox might not take his medicine to enhance his symptoms, the medicine produces some of the uncontrolled body movements.

"Stem cell research offers hope to millions of Americans with diseases like diabetes, Alzheimer's and Parkinson's," Fox says in the Cardin ad. "But George Bush and Michael Steele would put limits on the most promising stem cell research."

Fox has appeared in ABC's "Boston Legal" this season. In his scenes, taped over the summer, Fox does not shake or loll his head as he does in the Cardin commercial, but does appear to be restraining himself, appearing almost rigid at times.

A source with direct knowledge of Fox's illness who viewed the Cardin ad said Fox is not acting to exaggerate the effects of the disease. The source said Fox's scenes in "Boston Legal" had to be taped around his illness, as he worked to control the tremors associated with Parkinson's for limited periods of time.

Limbaugh Says Actor Fox Exaggerating His Disease As Stem Cell Issue Churns (USAT)

By Andrea Stone

USA Today, October 25, 2006

WASHINGTON — Rush Limbaugh has accused actor Michael J. Fox of exaggerating the physical effects of his Parkinson's disease in political ads urging viewers to vote for Democrats in next month's election.

The conservative radio host told listeners Monday that Fox's lurching, palsied movements in a TV ad for Missouri Senate challenger Claire McCaskill were “an act.” Limbaugh noted that Fox, a longtime advocate for research on embryonic stem cells, has said he sometimes does not take his medication in order to illustrate Parkinson's severe physical effects. Uncontrolled shaking and stiffness are among the symptoms of the nerve disease.

“If this was not an act,” Limbaugh said later on the show, “then I apologize.”

John Rogers, Fox's spokesman, called Limbaugh's remarks “shameful.”

It's an appalling, sad statement,” Rogers said. “Anybody who understands Parkinson's disease knows it's because of the medicine that one experiences” body movements like those seen in the ad.

Fox, who has had Parkinson's for 15 years, is supporting candidates who would vote to expand research using stem cells from human embryos.

Embryonic stem cells are the precursor cells to almost every tissue in the body. Advocates of their use in research say they hold more potential to cure spinal cord injuries, diabetes and other diseases than adult stem cells. Opponents say that the research with embryonic cells, which destroys the embryos, amounts to abortion and that adult stem cells have been used successfully in therapies. This summer, President Bush used his first veto to kill a bill that would have funded research using leftover fertility-clinic embryos that would otherwise have been discarded.

Fox has also made ads for Senate candidate Ben Cardin in Maryland and Wisconsin Gov. Jim Doyle.

In the McCaskill spot (claireonline.com), which aired during Game 1 of baseball's World Series on Saturday, Fox says McCaskill, the state auditor, “shares my hope for cures” while her opponent, GOP Sen. Jim Talent, wants to “criminalize” expanded research. Talent spokesman Rich Chrismer called the ad “false” and says Talent supports “stem cell research that doesn't involve cloning or destroying a human embryo.”

The Fox ads are part of a larger effort by Democrats who are using the issue as another weapon against Republicans already hurting from an unpopular war in Iraq and Bush's low approval ratings.

Democrats and interest groups are using ads, campaign events and celebrities in at least 20 House, Senate and governor races to push for more federal funding for embryonic stem cell research.

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Fox's dramatic ads are "very effective" with suburban voters, seniors and parents, says Evan Tracey of the non-partisan Campaign Media Analysis Group, which tracks political advertising. "It puts the Republicans on the wrong side of hope."

Other TV spots:

·Singer Sheryl Crow, a Missouri native and breast cancer survivor, appears in an ad (www.missouricures.com) sponsored by the Missouri Coalition for Lifesaving Cures, which backs a state ballot initiative to permit research on embryonic stem cells.

·In Arizona, an ad (www .dccc.org/multimedia) sponsored by the Democratic Congressional Campaign Committee features the granddaughter of Morris Udall, a popular congressman who died of Parkinson's disease in 1998. Loren Udall, who has the autoimmune disease lupus, says that "by voting in Congress to restrict stem cell research, (Republican Rep.) J.D. Hayworth has played politics with people's lives."

Brian Nick of the National Republican Senatorial Committee says such "fear-mongering" ads distort the positions of candidates who favor research using adult stem cells. "It's unfortunate they're using a good man like Michael J. Fox as a political pawn to misrepresent people's view."

Sarah Chamberlain Resnick of the Republican Main Street Partnership, whose members back embryonic stem cell research, says of Missouri's senator, "Talent's entire race is going to come down to stem cells. (McCaskill has) been killing him on it."

Making Stem Cell Issue Personal, And Political (NYT)

By Alessandra Stanley

The New York Times, October 25, 2006

The plea is as disturbing — and arresting — as a hostage video from Iraq. In a navy blazer and preppy Oxford shirt, the actor Michael J. Fox calmly asks viewers to support stem cell research by voting for several Democratic candidates in Maryland, Missouri and Wisconsin, while his body sways back and forth uncontrollably like a sailor being tossed around in a full-force gale.

In short, Mr. Fox's display of the toll Parkinson's disease has taken on him turned into one of the most powerful and talked about political advertisements in years.

Republican strategists who saw how quickly the commercial was downloaded, e-mailed and reshown on news broadcasts certainly thought so. Rush Limbaugh rushed in to discredit Mr. Fox, though he mostly hurt himself. Mr. Limbaugh, the conservative radio talk show host, told his listeners that the actor either "didn't take his medication or was acting." Mr. Limbaugh later apologized for accusing Mr. Fox of exaggerating his symptoms, but said that "Michael J. Fox is allowing his illness to be exploited and in the process is shilling for a Democrat politician."

Republicans cobbled together a response ad that did not mention Mr. Fox but attacked the ethics of embryonic stem cell research. It included testimonials by the actress Patricia Heaton ("Everybody Loves Raymond") and James Caviezel, who played Jesus in Mel Gibson's "Passion of the Christ." At least in the advance version shown on YouTube last night, Mr. Caviezel's introduction seemed either garbled or to be in Aramaic.

The issue of embryonic stem cell research is divisive, but Mr. Fox is not. And that is one reason his advertisement had such resonance. He is a popular actor who played a young conservative Republican on the sitcom "Family Ties." His illness was diagnosed in 1991, but he kept it secret until 1998. In 2000, he told his fans that because of his illness, he had to quit the hit sitcom "Spin City." He founded the Michael J. Fox Foundation to advance stem cell research, lobbied Congress and made commercials to rally support for his cause.

But he has rarely looked quite as infirm. Mr. Fox was recently a guest star on several episodes of the ABC drama "Boston Legal," and, presumably thanks to medication, his symptoms there were less noticeable.

If Mr. Fox did forgo medication for the advertisement as Mr. Limbaugh suggested, it could hardly be considered fraudulent: if anything, masking the extent of the disease's ravages is the deception, not revealing them. (A spokesman for Mr. Fox said his tremors were caused by his medication.) It was certainly the most dramatic way Mr. Fox has to personalize the issue; he used his infirmity much the way the late Christopher Reeve did when he lobbied for stem cell research to seek a cure for spinal injuries.

Debate over stem cell research is especially intense in Missouri, where voters are considering a measure that would amend the state's Constitution to protect all federally allowed forms of the research, including embryonic stem cell research. Mr. Fox's words in support of the Democratic Senate candidate, Claire McCaskill, were not nearly as forceful as his condemnation of her Republican opponent.

"Unfortunately, Senator Jim Talent opposes expanding stem cell research," Mr. Fox says in the 30-second spot. "Senator Talent even wanted to criminalize the science that gives us a chance for hope."

The Talent campaign protested Mr. Fox's wording as misleading. "Senator Talent supports medical research including stem cell research that doesn't involve cloning or destroying a human embryo," said the candidate's spokesman, Rich Chrismer.

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But one reason candidates rely so heavily on 30-second spots is that they appeal to visceral emotion, not reason. In the recent past, it has been the Republican advertisements that have tended to be more bold and more memorable: the Willie Horton advertisements that George Bush used against Michael S. Dukakis in 1988 or the specter of stalking wolves that his son, George W. Bush, used to make Senator John Kerry seem weak on terrorism. Democrats usually have to go back to 1964 and Lyndon B. Johnson's "Daisy" attack on Barry Goldwater to find comparably vivid ads. Until now, that is.

These are times in which most actors seem prepared to do anything, and pay any price, to disguise flaws that could harm their careers. So when a famous one exposes the full, frightening extent of his infirmity in the name of saving lives, it tends to get noticed.

With 2 Weeks To Go, Allen, Webb Ad Blitz Hits A Higher Gear (WP)

By Michael D. Shear And Tim Craig

The Washington Post, October 25, 2006

RICHMOND, Oct. 24 -- Virginia's Senate candidates and their national party backers will begin a final, multimillion-dollar advertising blitz Wednesday, flooding the state's airwaves with campaign commercials during the two weeks before Election Day.

The close battle between Republican incumbent George Allen and Democratic challenger James Webb has become a nationally watched race in which the GOP may have to make an unexpected stand to retain control of the Senate.

As a result, neither side is letting up. During the next week, television watchers in Northern Virginia will see an average of five Virginia Senate ads a day. Together, the campaigns and the Senate party committees in Washington are spending $3.45 million over the next week in Northern Virginia.

"Voters are going to see so much stuff," said Stuart Rothenberg, editor of a nonpartisan political newsletter in the District. "If they are not numb already, they ought to shoot their brains full of Novocain."

Voters in other parts of the state will also be deluged with the commercials about Allen and Webb. But most of the money will be flowing to Northern Virginia and its expensive media market, where a week's worth of ads for one candidate costs about $1 million. By contrast, running the same number of ads in the Roanoke media market costs about $89,000.

By Nov. 7, the Virginia Senate candidates will probably spend more than $25 million. And the race, which has become closer than anyone predicted several months ago, has drawn financial resources for both parties away from other competitive states.

"There is a lot of national Democratic money flying into Virginia, and we are not going to stand idly by while it does," said Dan Ronayne, a spokesman for the Republican Senatorial Campaign Committee, which has invested about $1.4 million in Virginia ads.

The Republican committee's first ad attacks Webb for his reaction to the Navy's Tailhook Association scandal, in which women were assaulted at a Las Vegas convention in 1991.

"Jim Webb, he called this scandal a witch hunt and a feminist plot," the female announcer says. "Jim Webb. Right for '06. 1806."

The ad cites a 1992 New York Times article in which Webb said, "A botched internal investigation and the ongoing revelations of inexcusable harassment of women . . . have also left in their wake a witch hunt that threatens to swamp the entire naval service."

Webb campaign officials said the GOP ad is unfair and takes Webb's past statements about Tailhook out of context.

"Like everything that comes out of Republicans these days, it is complete lies and distortions about Jim's record and what Jim has said and done in the past," said Kristian Denny Todd, a Webb spokeswoman. "The bottom line is they are desperate. For a guy who has been in office in this state for 26 years, [Allen] has nothing to offer but this kind of garbage."

Phil Singer, a Democratic Senatorial Campaign Committee spokesman, predicted that the GOP ad would backfire.

"At a time when people are desperate for a change in policy in Iraq and the middle class is feeling squeezed, they want to hear solutions that are going to work and not political potshots and ads like the ones Allen and his allies are putting up that are purely negative," Singer said.

Webb has launched two TV commercials, including one that features former governor Mark R. Warner (D). In that ad, the popular ex-governor describes Webb's background and concludes by urging voters to choose Webb.

"I know Jim Webb," Warner says, looking into the camera. "I know his independence. And I know he'll make us proud."

Dick Wadhams, Allen's campaign manager, said voters "are going to see lots of ads" between now and Nov. 7. "This is a race for the United States Senate. That is what races for the United States Senate have, lots of ads," Wadhams said. "But it is also important to note Senator Allen is traveling across the commonwealth on a very ambitious schedule, which he has done many times in the past."

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Webb has also started running an ad that criticizes Allen's record of opposing increases to the minimum wage and allowing increases in college tuition, charges that Allen's campaign officials have denied.

Meanwhile, the Democratic Senatorial Campaign Committee has begun airing a commercial playing up Allen's loyalty to President Bush. It features Allen saying the phrase "stay the course" as an announcer says that "George Allen supports President Bush 96 percent of the time."

The ad continues: "Staying the course is not a strategy for victory in Iraq. And voting 96 percent with Bush won't move our country forward."

GOP's Kennedy Sticks To Iraq Stance In Unique Ad (MINNST)

By Patrick Condon

Minneapolis Star Tribune, October 25, 2006

As his fellow Republicans around the country try to distance themselves from the increasingly unpopular war in Iraq, Minnesota Senate candidate Mark Kennedy is trying to turn the issue on its head with a new TV ad where he squarely states his support — "even though I know it may not be what you want to hear," he tells voters.

The 30-second ad, running statewide for at least a week, is the latest attempt by the Republican to catch Democratic frontrunner Amy Klobuchar, and may be the only ad of its kind in the country. Staring into the camera, Kennedy acknowledges that "we've made some mistakes in Iraq" but says that "leaving Iraq now will create a breeding ground for new attacks on America."

Political observers said Tuesday they've not seen an ad like it anywhere this election cycle, with the Bush administration and Republicans on the defensive over Iraq. Just a day earlier, the White House acknowledged President Bush had dropped his familiar "stay the course" phrase in talking about the war.

Vin Weber, a former Minnesota congressman with close ties to national GOP leadership, said he believed Kennedy's ad was unique.

"I'd say the desire of most Republicans is to talk about something else," he said.

As a House member the last six years, Kennedy has been a vocal supporter of the Bush administration's foreign policy. He's visited Iraq each of the last three years, and used his support for U.S. policy toward Iraq and terrorism as a signature issue of his successful reelection campaigns in 2002 and 2004.

In resurrecting the issue now, Kennedy is trying to draw a distinction between himself and Klobuchar, whom he criticizes as offering no alternatives to current policy other than an undefined "change of course," as she put it in a new TV ad of her own that mentions Iraq among a litany of campaign issues.

"And this election is about all the sons and daughters of Minnesota serving in Iraq who deserve a change in course," Klobuchar says in her ad. Klobuchar has said invading Iraq was the wrong decision and that the U.S. should begin reducing troop levels. She doesn't support a timed, rapid withdrawal like some Democrats.

Weber, who has advised Kennedy but has no formal role in his campaign, said he hoped voters would respond to Kennedy's forthrightness. "We tend to think you can't tell voters what you really think and you have to treat them like spoiled children who demand to be told what they want to hear," he said.

Kennedy, on a campaign swing Tuesday through southwestern Minnesota, said the U.S. erred in not earlier cracking down on armed militias now causing havoc throughout Iraq. He also said more should be done to block shipments of money and weapons from across the border in Iran.

"Getting rid of the militias is going to be a difficult task," Kennedy said. "I don't want to set some sort of arbitrary deadline that is going to do nothing but give the enemy reason to hope."

Kennedy said the administration has at times faltered in how it characterizes the war on terrorism. He said it should be viewed as more long-term, similar to the Cold War, "not a short war." Still, he does not call for the resignation of Defense Secretary Donald Rumsfeld, as some prominent Republicans have. "That's the president's decision, not mine," he said.

Ben Goldfarb, Klobuchar's campaign manager, said that support for Kennedy is still a vote to "stay the course in Iraq. Amy Klobuchar will do what Kennedy won't: ask tough questions, demand accountability and push for change."

Joel Rivlin, the deputy director of the University of Wisconsin Advertising Project, which tracks political advertising, said Kennedy's approach is an unusual one — but worth a try.

"It's increasingly clear that the Iraq war is going to be at the top of most voters' minds," Rivlin said. "What he seems to be trying to do is reframe the issue in a way that helps voters realize maybe there is another way to think about this — even if they don't see it that way themselves."

A Sense Of Service Sustained By Family, Faith (WP)

DOJ_NMG_0086213

By Katherine Shaver

The Washington Post, October 25, 2006

Almost every Friday, Benjamin L. Cardin gathers with his family -- his wife, daughter, granddaughters, cousins and brother's family -- for dinner celebrating the Jewish Sabbath.

As many as 30 people come. Cardin often bakes the challah or grills the chicken. The group sings, prays and collects money for charity. Then everyone takes turns sharing what made each happiest that week. At one recent Shabbat, the Democrat took a break from campaigning for Maryland's open U.S. Senate seat to join in. He was happy, he told everyone, that Election Day was less than a month away.

During 40 years in public office -- 20 in the General Assembly followed by two decades in Congress -- Cardin has woven his political life into the faith and family that he says sustain him.

He followed his father and uncle into the state legislature. One of his closest political advisers is Myrna, his wife of 40 years, whom he met in elementary school. At one of the lowest points in his life -- when his son committed suicide eight years ago -- Cardin carried out a Jewish custom of mourning for 30 days by gathering Jewish staffers and fellow Congress members in his Capitol Hill office for daily prayers.

His faith informs his actions in the House of Representatives, particularly a six-year membership on the ethics committee, he said.

His office displays none of the usual photographs of a congressman shaking hands with famous people. Instead, the most prominent photo shows his curly-haired granddaughter, Madeline, then 4, sitting beside him during a swearing-in ceremony at the Capitol.

He and his brother, Howard, shared a bedroom for 16 years while growing up. They remained so close after both married that they moved their families several times so they could live near each other -- at one point, across the street from each other for 25 years. He considered his father, Meyer M. Cardin, who died last year two days shy of his 98th birthday, one of his closest friends.

Ben Cardin, 63, said he remains grounded in what his father told him after his election to the General Assembly at 23. "He said I had something people worked a lifetime for," Cardin said, "that I had the opportunity to make a difference and that I should think about that. . . . I think about that frequently, and it affects everything I do in life."

Although Cardin hails from one of Baltimore's most prominent political families, his canvassers say his name draws blank looks from many voters. His Republican rival, Lt. Gov. Michael S. Steele, is a telegenic, polished speaker who has captured attention with catchy TV ads highlighting his love of puppies. Steele hugs his way through a crowd and shares humorous personal stories. Cardin launches straight into serious policy discussions. At rallies, it is hard to tell that he is the star.

"My father-in-law would come to a restaurant and work every table," Myrna Cardin said of Meyer Cardin, who also became a Circuit Court judge. "Ben would sit down and eat and not even think people would want to be bothered during dinner."

Registered Democrats outnumber Republicans 2 to 1 in Maryland, but Cardin isn't taking any chances. After all, many of those Democrats chose a GOP governor four years ago. Nor can he ignore Steele's appeal for some as the first African American elected to statewide office in Maryland. Cardin skipped Shabbat last week, which he is loath to do, to attend an NAACP dinner in Prince George's County.

Cardin -- whose congressional district includes a piece of Baltimore and parts of Howard, Baltimore and Anne Arundel counties -- comes across as a mix of a professor and the nice guy next door, with a finely honed political edge. Political supporters and rivals alike describe him as steady, smart, decent and honest.

As Myrna Cardin said, using a Yiddish term for an upright person, "He runs his life to be a mensch."

Profiles of him never fail to mention that he is short, stout and, but for a few curly wisps of white hair, bald on top. His specialties in Congress -- pension law and Social Security -- gained him a reputation as a serious legislator but often draw yawns beyond the C-SPAN crowd. In stump speeches, Cardin calls for universal health care, a higher minimum wage and federal support for embryonic stem-cell research. He criticizes the Bush administration for trying to privatize Social Security and highlights his vote against sending troops to Iraq.

He is clearly most at ease -- and at his best -- in small groups, where he is warm and, for a man often labeled as dull, surprisingly witty. During lunch with a dozen Washington Post reporters and editors, Cardin mentioned his father's death. "His brother is 96 and just bought a car," Cardin said. He added dryly: "He took the five-year extended warranty. We have good genes in my family."

Supporters play up Cardin's seriousness as his strength.

"He's always thinking about something," said Frank M. Conaway Sr., a Democratic former Assembly colleague of Cardin's and now clerk of Baltimore's Circuit Court. "He's just not a jump-up-and-down kind of politician."

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By contrast, Myrna Cardin is gregarious and bubbly. Crowds warm to her beaming smile. She refers to her husband by his childhood nickname, "Benji."

They grew up in Baltimore, a mile apart in a middle-class neighborhood of first-generation Americans. Cardin's grandparents came from Lithuania and Russia. (Cardin said it's likely that an immigration officer shortened their last name from Kardonsky.) The extended family, including 17 first cousins, lived within a couple blocks.

"The family was always together," said Howard Cardin, a Baltimore defense lawyer. Many went into public service, he said, because "there was a strong feeling of serving public needs."

The men's parents were active in volunteer work, especially among the needy. Myrna Cardin said in an interview that her husband soaked up their example.

"Ben grew up in a very traditional Jewish home, where you gave back," she said. "That's his persona. . . . It's like he inhaled it as a good way to live."

In addition to teaching an ethics course at Johns Hopkins University, Cardin served on the House ethics committee, an often unpopular job because members must pass judgment on colleagues. He helped investigate the House Bank scandal, in which members regularly bounced checks. He was the lead Democrat in crafting a bipartisan punishment for then-House Speaker Newt Gingrich (R-Ga.), who used tax-deductible money for political purposes and provided inaccurate information to House investigators.

"Ethics is the driving equalizer in my life -- to make sure everything I do can be judged as right or wrong," Cardin said in an interview.

It is a quality his wife said she has always admired. When they began dating at 15, she also saw him as happy, fun and full of adventure.

"And he drove a Chevy Impala -- a convertible -- and that didn't hurt," she said with a laugh over a glass of iced tea recently at a Baltimore coffeehouse.

She knew politics came with the package. The Cardin name loomed large in Baltimore's Democratic politics. In addition to his father, Ben's uncle, Maurice Cardin, served in the House of Delegates. Like his uncle and father, Ben would become a lawyer. He graduated first in his class from the University of Maryland's law school.

When his uncle left the General Assembly, local Democrats approached Cardin's father about filling the seat. Ben Cardin said he would run.

"They said: 'We've always had a Cardin on the ticket. We need a Cardin on the ticket,' " Myrna Cardin recalled. Cardin was in law school when he won. He quickly became chairman of the powerful Ways and Means Committee before being chosen one of the youngest House speakers in state history.

"I worked hard in that [first] election," he said, "but I think it's fair to say that without the name, I wouldn't have won."

Family ties haven't always helped. At least one challenger in the late 1980s tried to link Cardin to an older cousin, Jerome Cardin, who was jailed as part of the Maryland savings and loan collapse. Cardin was never implicated.

But Republicans couldn't compete with Cardin's ability to raise money and win votes in heavily Democratic districts. Before Steele, most of his challengers were little-known or first-time candidates running on pennies compared with Cardin's campaign coffers.

Scott Conwell, a Republican lawyer from Crofton who opposed Cardin in 2002, said Cardin spent much more money than he did. Cardin's congressional seat has been so safe for so long that he has never had to run a hard-hitting campaign, which fits his cautious nature, Conwell said. Cardin, he noted, bowed out after initially challenging then-Gov. Parris N. Glendening (D) in 1997.

"His issues are not risk-taking issues," Conwell said. "He's very safe. Even when he spent $1 million against me, no one would ever remember how he spent it because they were nice-guy commercials -- Ben doing this or Ben near the [Chesapeake] Bay -- but they weren't risk-taking commercials. They raised his favorability ratings, but they didn't spark any passion for him."

Cardin seems most passionate about discussing policy. On those issues, he said, he turns to his staff for advice. When it comes to any other difficult decision, political or personal, he asks Myrna.

"She's not the person pulling the strings and shaping policy," said their daughter, Deborah Cardin, 37, who works at the Jewish Museum of Maryland. "But she's fiercely protective of my father. . . . She'll call the person who's driving him and say: 'Has Ben had lunch? Is he getting dinner?' "

If anything could have tested the Cardins' marriage, friends said, it was the death of their son, Michael. Family members said he was a sensitive young man who knew the names of homeless people on his street and loved discussing politics with his father. Myrna Cardin said they thought he might run for Baltimore City Council some day. One night in March 1998, Michael, 30, killed himself in his apartment. He had recently passed the state bar exam and was volunteering with lower-income residents.

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Friends said Michael's death devastated his parents, but Ben didn't display his grief publicly. "They're not the kind of people who need to go to grief counseling," said Rabbi Mitchell Wohlberg of Beth Tfiloh Congregation in Baltimore, who officiated at Michael's funeral. "They had each other for that."

As for possible feelings of guilt, Wohlberg said: "Theirs wasn't the kind of situation where they had to ask themselves: Where did we go wrong? They knew in their heart of hearts [they] hadn't. Something went wrong with Michael."

Cardin said he was "extremely close" to his son -- they met regularly for lunch or dinner -- but neither he nor anyone else saw warning signs of depression or suicide. In learning more about his son's life after his death, Cardin said, he has come to believe that Michael "made a judgment, a wrong judgment, about a circumstance." He declined to elaborate, saying only that the "circumstance" is "not really relevant because it wasn't really major."

Though Myrna teared up on mention of Michael, Cardin broke into a wide, somewhat forced-looking smile.

"It's not a sad thing," Ben Cardin said. "Michael is a happy part of my life. He was an incredible person. . . . He was totally convinced he could change the world one person at a time. He'd go out of his way to find problems so he could help people."

Cardin said later: "You don't lose someone without changing. It's hard to describe how, but it changes your perspective. It's like my father said: You don't lose any opportunities in life."

Whether Cardin can seize the next opportunity -- a lesson born of faith, passed between fathers and sons -- is up to voters.

Michael Steele For U.S. Senate (WT)

The Washington Times, October 25, 2006

The major-party nominees for U.S. Senate from Maryland are a study in contrasts: Rep. Ben Cardin, a veteran of 10 terms in the U.S. House and nearly 40 years in Maryland politics, from a wealthy, powerful Baltimore family. He is very much a quiet, cerebral liberal in the mold of retiring Sen. Paul Sarbanes, who held the seat for 30 years. By contrast, Lt. Gov. Michael Steele, who we enthusiastically endorse for the Senate today, is anything but a conventional politician. As Mr. Steele himself told editors and reporters the other day, "I don't look at this race through conventional glasses."

Indeed, Mr. Steele's openness to new ideas offers a refreshing contrast from the sort of orthodox liberalism represented by Mr. Cardin. And Mr. Steele, the first black candidate elected statewide in Maryland in modern times, offers a compelling personal success story that is in many ways the embodiment of the American Dream.

His mother is a sharecropper's daughter who worked in South Carolina tobacco fields before coming to Washington and working at minimum-wage jobs for nearly half a century. His stepfather was a limousine driver. Mr. Steele, a Roman Catholic born in Prince George's County and reared in Washington, prepared for the priesthood but ultimately chose a career in law. He's even worked with such well-known Washington politicians as Democrats Joe Yeldell and John Ray (a Democrat we once endorsed for mayor).

Cutting your conservative teeth in a blue city and then moving to a blue state and rising to prominence is no small task. Seeing where Mr. Steele stands on key issues explains why he draws support from Republicans and Democrats. In fact, such a briefing proves why his opponent's campaign ads mistakenly try to pass Mr. Steele off as a Republican ideologue, which he isn't, who sees everything through Bush-colored lenses, which he doesn't.

Mr. Steele is staunchly pro-life (parting with many Republicans who support abortion in cases of rape and incest), and he is a free trader. He supports welfare reform and wants to come to Washington to push for policies so low-income Americans can get a pathway to wealth, primarily through homeownership. And while he stands for law and order, his compassionate conservatism calls for rehabilitating some drug offenders and he doesn't stand firmly on the death penalty, either. Mr. Steele also supports tax cuts and welfare reform.

One of the issues Mr. Steele talks breathlessly and compassionately about is education. He has reservations about President Bush's No Child Left Behind Act, and can sound as frustrated as any schoolteacher who feels his hands are tied by the bureaucracy.

Involved in Maryland politics since the late 1980s, Mr. Steele became a political David battling big-government Goliaths. For example, as chairman of the Prince George's County Republican Party (Democrats outnumber Republicans in the county by nearly 5-1), he successfully mobilized opposition to a 1996 initiative pushed by county Democrats that would have raised property taxes. The result was a crushing defeat for then-County Executive Wayne Curry, whose effort to lift the cap was defeated by a landslide.

After the 2000 election, Mr. Steele became chairman of the state Republican Party, where he put together a 10-year plan to expand the party and elect more Republicans. His plan helped the state GOP score a major success four years ago, when voters elected Robert Ehrlich as governor and Mr. Steele as lieutenant governor. (No doubt Mr. Steele's statewide success encouraged Kweisi Mfume to run statewide, too.)

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As lieutenant governor, Mr. Steele's responsibilities included chairing commissions responsible for enhancing opportunities for minority-owned businesses and improving education in the state. The education panel's recommendations, released last year, include plans for strengthening the state's charter school law and encouraging greater parental responsibility in education -- two things which Mr. Steele believes deeply in and will fight for in the Senate. Judging from Mr. Cardin's record, we fully expect that if elected the Baltimore Democrat would join Sens. Ted Kennedy and Barbara Mikulski in trying to water down any efforts to expand educational choice.

Obviously, the Cardin camp has Michael Steele on its mind: While still airing the Steele-is-a-Bush-man ads, Mr. Cardin is cynically attempting to exploit patients of Parkinson's disease by airing television commercials featuring actor Michael J. Fox, his body clearly ravaged by the disease. The ad urges a vote for Mr. Cardin because he supports open-ended public funding of embryonic stem-cell research. Mr. Steele supports adult stem-cell research. The commercial is a cheap shot on Mr. Cardin's part because it omits the inconvenient fact that it is hardly clear from the medical evidence that embryonic stem-cell research offers a cure.

Mr. Steele is a nontraditional candidate who has brought a different style of campaigning to an old-school blue state, and there are no gray areas when he stands on issues. The Washington Times is pleased to endorse Michael Steele for the U.S. Senate.

Report Warns Of Potential Voting Problems In 10 States (WP)

By Amy Goldstein

The Washington Post, October 25, 2006

Two weeks before the midterm elections, at least 10 states, including Maryland, remain ripe for voting problems, according to a study released yesterday by a nonpartisan clearinghouse that tracks electoral reforms across the United States.

The report by Electionline.org says those states, and possibly others, could encounter trouble on Election Day because they have a combustible mix of fledgling voting-machine technology, confusion over voting procedures or recent litigation over election rules -- and close races.

The report cautions that the Nov. 7 elections, which will determine which political party controls the House and Senate, promise "to bring more of what voters have come to expect since the 2000 elections -- a divided body politic, an election system in flux and the possibility -- if not certainty -- of problems at polls nationwide."

In a state-by-state canvass, the 75-page report singles out places, such as Indiana and Arizona, where courts have upheld stringent new laws requiring voters to show poll workers specific forms of identification. It cites states such as Ohio and Pennsylvania, which have switched to electronic voting machines whose accuracy has been challenged. And it points to states such as Colorado and Washington, which have departed from the tradition of polling sites in neighborhood precincts.

The report of the clearinghouse, sponsored by the Pew Charitable Trusts, is the latest of several warnings in recent weeks and months by organizations and scholars who say that electoral problems persist in spite of six years of efforts by the federal government and states to correct voting flaws. The flaws gripped the public's attention after the close 2000 presidential election, which led to recounts in Florida and the intervention of the Supreme Court.

The election shambles of 2000 prompted Congress to pass in 2002 legislation intended to help states make significant election changes, such as by replacing outdated voting equipment. Some of the changes, including making sure that databases of registered voters are accurate, were required to be in effect by this year.

Doug Chapin, director of Electionline.org, said "things are getting better over time." But he said many of the changes in recent years have led to new problems and disputes. For instance, the decisions by many states to convert to electronic voting machines have yielded new concerns about whether they are secure and accurate, about paper records as backup proof and -- this year -- about whether the electronic or paper record should be considered the official tally if a candidate demands a recount.

The report cites Maryland for what it calls a "dismal primary" in September that "included human and machine failures galore," in part because Montgomery County election officials forgot to distribute to polling places the access cards needed for its electronic machines to work. The study raises questions about whether Montgomery officials are prepared for the bigger crowds in the general election and whether large numbers of mistrustful voters will resort to absentee ballots.

Some GOP Lobby Shops Hold Fast As Nov. 7 Looms (HILL)

By Roxana Tiron And Jeffrey Young

The Hill, October 25, 2006

Seasoned Democrats may be in high demand as lobbying outfits and businesses prepare for a possible Democratic takeover of at least one chamber in November, but some top all-Republican firms are not clamoring to hire them.

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Despite a growing sense of urgency in recent months to bring well-positioned Democrats to lobby shops, company government-relations offices and trade associations, several all-GOP and GOP-leaning lobby firms said that they are doing nothing to prepare for a change of congressional power.

"We are a Republican firm and our business model is to provide excellent service for our clients on the Republican side, without engaging in any hypothetical about the elections," said Mark Isakowitz, president of Fierce, Isakowitz & Blalock. "Being a Republican firm is part of who we are."

Isakowitz said clients rely on the firm's ability to provide GOP strategy and expertise. Clients use Democratic lobbyists to work the other side. "That basic dynamic is working," he said.

Remaining Republican during a tight election demonstrates loyalty, said several GOP lobbyists. "We have an election in a couple of weeks and we are part of the [GOP] team," said Isakowitz.

Jim Pitts, one of the founding principals of DC Navigators, is on the same page. Pitts acknowledged that his pitch would be a lot easier from a business perspective if Republicans stay in power.

He does not anticipate losing clients, but says the company will have to be more deliberate in how it grows its business in 2007 and 2008. Pitts expressed concern that a change in leadership could affect the firm's growth potential.

"So far, none of our clients have expressed a need for us to go out and hire a Democrat," Pitts said. "Most of our clients are very happy with the work that we have done for them. We have already had some re-sign for the new fiscal year."

While DC Navigators is not hiring any Democrats, the firm has forged and plans to strengthen strategic relationships with Democratic lobbyists and consultants.

According to Pitts, DC Navigators has been working with Jonathan Sallet at the Glover Park Group, Michael Lewan at Brown Rudnick and Vin Roberti of Roberti Associates and VAR II, LLC, a strategist active in the Democratic Party.

DC Navigators is busy on the campaign trail working with prospective GOP presidential candidates, such as Massachusetts Gov. Mitt Romney and Sen. John McCain (Ariz.), as well as Joe Negron, the GOP hopeful running for the seat left vacant by Rep. Mark Foley (R-Fla.).

"We do not want to make [Democratic employees] uncomfortable when we talk about lobbying and then do something to help so-and-so Republican get elected," Pitts said. "We have had some talks with Democrats about joining the firm but the fit for them was not right, or for us, partly because of the electoral issues."

A flip to Democratic control next year could even provide at least one staunchly Republican firm with a competitive advantage.

While former Attorney General John Ashcroft has been campaigning for Republican candidates and is "certainly not ready to concede that we're going to lose either house," the Ashcroft Group has contemplated what next year might bring, said Juleanna Glover Weiss, a senior advisor at the firm.

"We do anticipate that Capitol Hill will be subpoena central" under Democratic control, she said. Ashcroft's experience as a senator and as the highest-ranking prosecutor in the country would make his firm valuable to any client being hauled before a congressional committee, Glover Weiss said.

Republican-leaning lobbying shops, or clients that have favored GOP representation, would have been smart to begin strategizing for a Democratic Congress months ago, one Republican lobbyist said. "If you wanted to do something, you should have started before now," the lobbyist remarked.

For example, the once all-GOP Federalist Group hired several prominent Democrats this year, including former Rep. Chris John (La.).

But even some firms that have few or no ties to Democratic lawmakers can expect to continue to flourish, particularly if they have close relationships to Republican committee leaders, as opposed to the leaders of the chambers, the Republican lobbyist said.

Mike Dyer, a Republican and a senior principal at Blank Rome Government Relations, said that firm has not made any preparations or plans for a Democratic Congress, but it is looking to recruit new lobbyists as the winners and losers on the Hill shake out in the coming months.

Dyer emphasized that Blank Rome has striven to be a bipartisan firm, "even if we may be perceived from the outside" as Republican. Dyer noted that the firm has brought in veteran Democratic lobbyists such as Peter Peyser and Heather Podesta.

But Blank Rome is expecting its clients' needs to change under a Democratic Congress, Dyer said. The firm's work would shift from offense to defense, or vice versa, depending on the client, he said.

"The workload might shift from one client to another," Dyer said. Still, he predicted, "End of the day, we're still as busy as we were [this] year."

Smart corporations and other interests maintain a steady engagement with both sides, Dyer said.

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The lobbying firms that are the most vulnerable to a change in party control are those that have made their links to the House GOP leadership and the Bush administration their chief selling point, several Republican lobbyists commented.

Republican lobbyists repeatedly cited the now-defunct Alexander Strategy Group, which boasted close ties to ex-Majority Leader Tom DeLay (R-Texas) as an example of the type of firm that would have reasons to be nervous about a Democratic majority.

Compared to the first years of the Bush administration, recently there has been a "very clear trend" to ensure that law firms, lobby shops and government-relations offices have a much more bipartisan representation, said Peter Metzger, the vice chairman of Christian & Timber, an executive-search firm.

Since this spring there has been a great sense of urgency to hire Democrats, said Beth Solomon, director of Christian & Timber's Washington, D.C. office. Many firms are trying to poach experienced Democrats from other firms, she said.

"There is an advantage in bringing in someone who already has the clients and understands the business," she said. "Their price tag has gone up significantly."

But lobby shops may have a harder time, at least in the first year of a Democratic Congress, plucking high-profile staffers. After so many years in the minority, many staffers would want to stay to see Democratic policies put into place.

Several GOP lobbyists pointed out that another election is just two years away.

A winning presidential candidate from either party could sweep congressional candidates along with them, Blank Rome's Dyer said. A strong GOP presidential candidate also could help his or her party reclaim House seats that might be lost this year in historically Republican districts.

For Governor In Maryland (WP)

The Washington Post, October 25, 2006

WHEN HE RAN for governor of Maryland four years ago, Robert L. Ehrlich Jr.'s claim to the job seemed to rest on little more than a sense of entitlement and a telegenic, genial personality. In fits and starts, though, he has grown in the role to become a generally proficient, pragmatic governor, if not always a disciplined or mature one. He has chalked up successes on transportation, the environment and education, among other things. For Mr. Ehrlich, the state's first Republican governor in a generation, those are real achievements -- particularly when weighed against the monolith of Democratic dominance in the state legislature. His opponent in the gubernatorial race, Democrat Martin O'Malley, is a smart, adroit politician who has compiled a creditable record as mayor of Baltimore for the past seven years, but he has not made a compelling case for toppling the incumbent. Our choice is Mr. Ehrlich.

No doubt Mr. Ehrlich has had the good fortune to govern during good times. Having inherited a crushing deficit upon taking office in 2003, he benefited over the next three years from a muscular national economy that lifted Maryland, as it did most states, and pumped up the public coffers in Annapolis. Still, Mr. Ehrlich helped his own cause by raising funds through higher taxes and fees, breaking with his party's knee-jerk anti-tax orthodoxy and using the proceeds constructively. Despite having squandered time, energy and political capital in pushing fruitlessly to expand state-sanctioned gambling in Maryland, the governor did manage a number of victories.

Mr. Ehrlich was able to revive, accelerate and push through approval of a highway to connect interstates 270 and 95 north of the District, which would be the first major road to be built in the Maryland suburbs in years and one that is badly needed. Though it had been on the state's drawing board for decades, the intercounty connector was a dead letter when Mr. Ehrlich took office. On the environment, Mr. Ehrlich rightly claims authorship of the "flush tax" bill, under which households pay a $30 annual fee to finance upgrades in sewage plants that pollute the Chesapeake Bay; it represents an important step toward cleaning the state's waterways.

On education, Mr. Ehrlich pushed through a law to allow charter schools in Maryland, providing more options for parents and students despite the opposition of some local school boards. We have also noted Mr. Ehrlich's courage in issuing more pardons and commutations for convicted criminals than his two predecessors together managed in 16 years in office. In an era when most governors are more preoccupied with punishment and establishing their bona fides as tough guys, Mr. Ehrlich's practice of dispensing mercy is exemplary.

There have been disappointments and dithering during Mr. Ehrlich's term as well, mostly of his own making. Relishing battle and cherishing his status as a besieged underdog, he picked fights needlessly, as in the childish blacklisting of two journalists from the Baltimore Sun. Likewise, his tiresome quarrels with the leaders of the General Assembly look more like clashes of puffed-up egos than hard legislative bargaining. Mr. Ehrlich could be a more effective governor if he applied himself more to the mechanics of governing and less to the skewering of his enemies on talk radio.

Mr. O'Malley, who has run a carefully scripted campaign for governor, has put his plentiful ambition to good use in one of the toughest big-city mayor's jobs in the nation. He made progress in stanching Baltimore's outflow of population, reviving some

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of its more blighted neighborhoods, reducing its level of violent crime, and adapting corporate methods of efficiency and accountability to the functions of government. Mr. O'Malley did not solve the problems of rampant crime and rough schools in Baltimore, but he put a dent in them.

As a candidate, however, Mr. O'Malley, nursing a lead, has been cautious, at times excessively so. He has balked at grappling with the tough budgetary choices he would be likely to face as state spending soars for education and health care. He favors slot-machine gambling, though only at racetracks, and so presents little advantage on that score. He has remained Baltimore-centric, offering little of substance about the Washington area's problems, especially its choked roads and transit systems. While it is easy to admire Mr. O'Malley's fluency as a public speaker and his winning ways on the stump, his campaign is seen by some of his own allies as insular -- a worrisome trait in a governor.

More worrisome yet is the fact that an O'Malley victory would herald a return to the brand of one-party Democratic rule that has served the state poorly in the past. Mr. Ehrlich, for all his faults, has shaken up the old guard in Maryland politics -- while appointing plenty of Democrats to his cabinet and judgeships. If he were wise, he would use a second term to start anew with the legislature and build on his record of achievement.

U.S. Muslims Mostly Democrats (WT)

By Julia Duin

The Washington Times, October 25, 2006

America's Muslim voters are a young, highly educated and prosperous voting bloc that will overwhelmingly back Democrats in November, according to a survey released yesterday by the Council on American-Islamic Relations.

They are also coming of age in terms of political representation. Next month, Democratic nominee Keith Ellison of Minneapolis is poised to become the first Muslim member of the House of Representatives. He says, if elected, he will take his oath of office with his hand on the Koran instead of the Bible.

"After September 11, neither political party wanted anything to do with Muslims," said Mohamed Nimer, research director for the Council on American-Islamic Relations (CAIR). "Now they're receptive to Muslim candidates."

With their large families and socially conservative leanings, Muslims mirror the GOP's demographic profile. Seventy-eight percent of those interviewed were married. Of those respondents, 83 percent had at least one child and 54 percent reported two or three children. Muslims had an average of 4.5 members per family, contrasted with a 2005 Census Bureau figure estimating the number of family members in an average American household at 3.14.

But ideologically, their differences with Republicans are vast. Sixty-six percent favor normalization of relations with Iran, 55 percent are afraid the "war on terror" has morphed into a war on Islam, just 12 percent think the war in Iraq is worthwhile and only 10 percent support the use of the military to spread democracy.

The survey, conducted in August by Genesis Research Associates of Descanso, Calif., polled 1,000 American Muslims; 687 men and 313 women in 42 states. It has a margin of error of 3 percentage points. CAIR said the sex disparity is the result of men being more willing to participate.

The survey showed a voter bloc concentrated in 12 states with the most (20 percent) living in California. Seventy percent of the respondents were born overseas. Of those, 40 percent are from the Middle East; 33 percent from Pakistan, India or Bangladesh; 6 percent from Africa; 5 percent from Iran; and 3 percent from Europe. The rest either refused to name a country or named another part of the globe.

Forty-two percent of those polled said they were Democrats, 17 percent were Republicans and the rest either belonged to another party, no party or refused to answer.

The Democratic National Committee is aware of Muslim interest, a spokeswoman said yesterday, and has hired a part-time Muslim staffer, Hiam Nawas, to focus on soliciting their votes.

Birthplace was a factor on whether the "war on terror" is perceived as a war on Islam. Sixty percent of the foreign-born voters agreed with that statement, compared with 47 percent of those born in this country. Thirty-five percent of American-born Muslims disagreed with that statement.

"If you are born overseas, you'd tend to feel the impact of American policies more strongly because of your overseas experience," Mr. Nimer said. "Your sense of grievance is stronger."

When asked their denominational affiliation, 40 percent said they were "just a Muslim," 36 percent said they were Sunni and 12 percent were Shi'ites. The rest belonged to other branches of Islam.

Muslim voters are younger than the average American. Nearly 80 percent of Muslims are younger than 55, compared with 65 percent of the general public. The survey found 62 percent of the respondents possessing at least a college degree; 16 percent own their own business; 9 percent are engineers; 6 percent are professors or teachers; and 4 percent are doctors or dentists.

Cheney Says Clinton Could Win Presidency (AP)

The Associated Press, October 25, 2006

Vice President Dick Cheney said Tuesday he thinks Sen. Hillary Rodham Clinton could win the presidency. He said Sen. Barack Obama might be viewed by voters as too inexperienced.

Cheney handicapped the Democratic field of potential candidates in an interview with conservative talk show host Sean Hannity.

"I think Hillary Clinton is a formidable candidate," Cheney said. "I think she could win. I hope she doesn't. I disagree with her on nearly all the issues, but nobody should underestimate her. She's a very serious candidate for president."

Cheney said Obama, an Illinois Democrat, was an "attractive guy. Don't know him well, met him a few times. I think at this stage, my initial take on him was he's been two years as a senator. I think people might want a little more experience than that, given the nature of the times we live in. But certainly, he's an attractive candidate. If he decides to run, he'll be a player on the Democratic side."

Obama said Sunday he was considering a run for president in 2008, backing off previous statements that he would not do so.

As for himself, Cheney said he would not budge from his oft-stated decision that he will not run for president. "It's firm, final, fixed, irrevocable," the vice president said. "I don't know how else I can say it. If nominated, I will not run; if elected, I will not serve."

Cheney also said he was optimistic about Republican hopes in the Nov. 7 elections.

"I think we'll hold both the House and the Senate." Last week, Cheney raised eyebrows when he sounded less sure about GOP prospects. "I think we'll hold the Senate and I also think we got a good shot at holding the House," he told Rush Limbaugh.

Karl Rove, President Bush's chief political strategist, dismissed national polls and argued that based on individual polls Republicans will hold onto the House and Senate. He made the comments in an interview with NPR's "All Things Considered."

"I think Iraq and the economy play a role in virtually every race. But there are also local considerations in the local contest between two individuals that at the end of the day matters for great deal of the contest," Rove said.

Cheney: Sen. Clinton Is 'formidable Candidate' (USAT)

USA Today, October 25, 2006

Vice President Cheney said he believes Sen. Hillary Rodham Clinton, D-N.Y., could win the presidency but that Sen. Barack Obama, D-Ill., might be viewed by voters as too inexperienced. Cheney assessed potential Democratic candidates in an interview with conservative talk show host Sean Hannity.

"I think Hillary Clinton is a formidable candidate," Cheney told Hannity.

"I think she could win. I hope she doesn't. I disagree with her on nearly all the issues, but nobody should underestimate her. She's a very serious candidate for president."

Obama said Sunday that he is considering a presidential run in 2008; Clinton also has said she might run.

Cheney said he would not budge from his oft-stated decision that he will not run for president. "It's firm, final, fixed, irrevocable," Cheney said. "I don't know how else I can say it. If nominated, I will not run; if elected, I will not serve."

Senate candidate's name a tight squeeze

Senate candidate Jim Webb's last name has been cut off on part of the electronic ballot in three Virginia cities because of a computer glitch that also affects other candidates with long names, election officials said. The Democrat's full name, James H. "Jim" Webb, appears where voters choose a candidate. The error shows up on the summary page in Alexandria, Falls Church and Charlottesville, where voters are asked to review their selections before hitting the button to record their votes. Webb's opponent, Sen. George Allen, didn't emerge unscathed — his party affiliation is cut off. Jean Jensen, secretary of the Virginia State Board of Elections, pledged to have the issue fixed — in time for the 2007 state elections.

Newt Gingrich plugs Blackwell in Ohio

Former House speaker Newt Gingrich, campaigning for Ohio Republican Ken Blackwell, said Tuesday that the gubernatorial candidate's commitment to lower taxes will create jobs to help the state's struggling economy. Gingrich said Blackwell has a "passion for lower taxes" and that Democrat Ted Strickland has a "record of consistently voting for tax increases."

Strickland campaign spokesman Keith Dailey said Strickland voted to cut taxes 81 times as a member of Congress. "The only thing consistent about that rhetoric is its inconsistency with the truth," Dailey said.

Gingrich was an architect of the Contract with America and led a resounding GOP victory in 1994.

Cubin apologizes to disabled opponent

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Rep. Barbara Cubin, R-Wyo., issued a public apology for a comment she made to a disabled candidate following a testy debate. “In retrospect, I was wrong in what I said, and I apologize,” Cubin said. Libertarian Thomas Rankin, who has multiple sclerosis and uses an electric wheelchair, said that after the debate Sunday night Cubin “walked over to me and said, ‘If you weren't sitting in that chair, I'd slap you across the face.' ” Cubin said she went over to Rankin, challenged his debate assertions and remarked that “if you had said that to anyone else, they probably would have smacked you.” Cubin is in a tight race for a seventh term against Democrat Gary Trauner.

Swann challenges ‘gray lives' comment

Pennsylvania gubernatorial candidate Lynn Swann's campaign demanded an apology from Gov. Ed Rendell for saying that slot-machine gambling brings “brightness and cheer” into the “gray lives” of senior citizens.

“Diminishing the value and the lives of our senior citizens is offensive,” said Leonardo Alcivar, spokesman for Swann, the GOP nominee. Rendell, a Democrat, was defending the legalization of slot machines in Pennsylvania. “These are people who lead very gray lives. … There's not a whole lot of good things that happen in their month,” Rendell said of seniors who bus from Philadelphia to casinos in Atlantic City. “But if you put them on the bus, they're excited. They're happy. They have fun. They see bright lights. They hear music. They pull that slot machine and with each pull they think they have a chance to win.”

Rendell campaign spokesman Dan Fee said Rendell meant that some seniors will play slot machines for entertainment and does not intend to apologize.

Seniors are focus of Rhode Island debate

Democratic challenger Charles Fogarty blamed Republican Rhode Island Gov. Don Carcieri's administration for inadequately inspecting nursing homes, while Carcieri accused Democrats of failing to curb local property taxes for people on fixed incomes. The debate took place during a forum on elderly issues.

Nursing home care became a statewide political issue in 2004 when 87-year-old Germaine Morsilli died after being moved from a nursing home bed where she sometimes lay in her own waste, state inspectors reported. A manager and owner who ran that nursing home were convicted of stealing from the facility and two others. After her death, Fogarty, who is the state's lieutenant governor, and Carcieri pushed legislation tightening nursing home regulations.

Federal judge OKs exit polling in Florida

A federal judge in Miami threw out a Florida law that prohibits exit polling within 100 feet of a voting place, finding there was no evidence the surveys were disruptive or threatened access to voting. Judge Paul Huck said Florida's law was unconstitutional and ordered state officials not to enforce it Nov. 7.

Cheney Says Clinton Could Win Presidency (LAT)

By James Gerstenzang

The Los Angeles Times, October 25, 2006

Vice President Dick Cheney took a look Tuesday at the field of potential Democratic presidential candidates and said Sen. Hillary Rodham Clinton could be the next president. He also suggested a preference for Sen. Joe Lieberman in the race for the U.S. Senate in Connecticut.

And the vice president, famous for having declared in 2005 that the insurgency in Iraq was in its "last throes," acknowledged that the violence had not ended. Speaking with Juan Williams in a National Public Radio interview, Cheney said that with the political process in motion in Iraq, he would have expected "a lower level of violence than we're seeing today."

Cheney made the comments on the Democratic political scene in an interview with Fox News Channel's Sean Hannity. Cheney said that the former first lady "is a formidable candidate."

"I think she could win," the vice president said, adding: "I hope she doesn't. I disagree with her on nearly all the issues, but nobody should underestimate her. She's a very serious candidate for president."

He said that Sen. Barack Obama of Illinois, who on Sunday opened the door to running for the Democratic nomination, is an "attractive guy."

"Don't know him well, met him a few times," Cheney said, in his characteristic staccato speech. Obama was elected in 2004, and the vice president said "people might want a little more experience than that," but if he runs, "he'll be a player on the Democratic side."

Lieberman, who ran for the vice presidency in 2000, has built up a lead as an independent candidate after losing the Democratic primary election in August to Ned Lamont, who made the senator's support for the Iraq war the central issue in the campaign.

Asked whether he was backing Lieberman, whom Cheney presented as "a big supporter of the global war on terror," the vice president said he was reluctant to answer, but tipped his hand nonetheless.

"I don't want to harm Joe's chances or prospects," he said, "so I haven't said anything about his election."

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As for his own position, he acknowledged the dark view critics take of him as, in his words, "the Darth Vader of the administration," and he also said, for the hundredth — or was it the thousandth? — time that he would not run for president.

"It's firm, final, fixed, irrevocable," he said.

Casting For West Wing (LAT)

By Tina Daunt

The Los Angeles Times, October 25, 2006

Just the hint of a possible presidential run by U.S. Sen. Barack Obama — who is in town Friday to promote his book "The Audacity of Hope" — has Hollywood Democrats talking.

The e-mail from actor George Clooney arrived at 1:46 a.m. Pacific time (he's in Europe at the moment).

The subject: Illinois Democrat Obama.

"If SENATOR Obama became PRESIDENTIAL CANDIDATE Obama it would be the most electrifying thing to happen to the Democratic party since Kennedy," Clooney wrote.

Media mogul Haim Saban, however, was less impressed by Obama's disclosure this week that he's thinking about running for president in 2008. Saban is already electrified by another possible Democratic candidate: Sen. Hillary Rodham Clinton of New York.

"Only Hillary," Saban said, via BlackBerry message. "I hope she does announce soon so we can all go to work all out to make sure she wins ... and BIG!!!!!"

The 2006 midterm elections are only two weeks away, but Hollywood is already looking toward 2008 — even though no one has formally joined the race.

"It would be hard for me to pretend that I've not heard some of the talk," Obama said in an interview with The Times. "There's an old joke that every senator is thinking about running for president — all 100 of them."

Obama said that at the moment he's focused on getting Democrats elected on Nov. 7. After that, he'll consider his presidential prospects.

But while he's pondering his options, you can bet that some people in Hollywood are already envisioning his inaugural bash.

Director Rob Reiner compared a possible run by Obama to Abraham Lincoln's victory.

"How poetic would it be that a one-term congressman from the state of Illinois could be elected president and free the slaves," said Reiner, reached on his car phone Monday, "and now a one-term African American senator from that same state could become the next president?"

"Everyone admires him," producer Norman Lear said of the freshman senator. "They are very excited about the possibility that he's in the race. I think the people who are very much with Hillary will remain with Hillary. But the discussion is a good thing for the party."

Almost anyone who has met Obama will tell you that he's charismatic and warm, but not giddy.

"My wife and I have tried not to get caught up in the hype," Obama said. "We still live in Chicago and I go to the same barbershop.... "

But there's no denying that since he rocked the Democratic National Convention in 2004 with an impassioned speech about America, his life has changed. For one, he became an instant political star.

His first book, "Dreams From My Father," released shortly after the 2004 convention, shot to the top of bestseller lists. His new missive promises to be equally as successful. Last week, he was in 15 cities promoting his book and raising money for the Democrats.

On Friday, he will be in Los Angeles to discuss the book at the Urban Issues Breakfast Forum of Greater L.A. and the California African American Museum.

Later that evening, he will attend a fundraiser for the state Democratic Party with gubernatorial candidate Phil Angelides.

"This is an important election," Obama said. "The Democrats will win the House and we could win the Senate."

As he travels, Obama said, he finds that people — regardless of their party affiliations — have similar anxieties. "They're worried about whether they have enough healthcare for their kids, what's happening with the global economy. People have the same hopes and dreams. There's a stubborn self-reliance and optimism in the American people.... And I think people are in a serious mood."

Obama says he appreciates the supports he's been shown by Hollywood Democrats. (Obama, who was born in Hawaii to an American mother and a Kenyan father, counts Clooney and Bono as friends.)

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"There are some celebrities who have really done their homework and know what they are talking about and are terrific advocates for justice and peace and opportunity around the world," he said. "I want all citizens to get involved. Whether they are the secretary in an office building or a movie star, I think the more engaged and interested people are, the better off we all are."

The column explores the intersection of celebrity and politics. Tips and comments can be e-mailed to tina.daunt@latimes.com.

When It Comes To Politics, Charlie Cook Has The Prophecy Market Cornered (WP)

By Dana Milbank

The Washington Post, October 25, 2006

The pharaoh had Joseph. The Greeks had the Oracle at Delphi. Washington has Charlie Cook.

Please tell us, Seer of Future Congresses, how many seats the Democrats will pick up in the House on Election Day.

"Twenty to 35," Cook answers.

And how about in the Senate, OProphet on the Potomac?

"At least four," the man with the crystal ball says. "Most likely five or six."

What fate does the seer see for Sen. George Allen (R-Va.)?

"He wins ugly, but he wins," Cook divines.

And, pray tell, how are the planets aligning for Rep. Curt Weldon (R-Pa.)?

"Gone," he decrees.

The midterm elections are two weeks away, but the powerful cannot wait that long to learn of the outcome. And so they call in Cook, who, for a fee of $5,000 to $20,000, gives his audiences the (very) early returns.

Last week he spoke to pharmaceutical and insurance groups. On Monday, he flew to Las Vegas and back to talk to the American Beverage Association. Later this week it's American Express and a hedge fund in New York and the paper industry in Georgia. Yesterday found Cook at a breakfast with the DLA Piper law firm, lunch with automobile manufacturers and dinner in Boston with a corporate housing group.

All are looking for the same thing: next month's election returns. And Cook has them. "Senators Santorum in Pennsylvania and Mike DeWine in Ohio are pretty much done," he told the Piper audience at the Willard hotel. And the lifelines of Sens. Conrad Burns (R-Mont.) and Lincoln Chafee (R-R.I.) aren't looking any longer. "I'd be surprised if any of those four can survive," Cook informed the crowd of lobbyists, diplomats and journalists.

The firm's representatives treated their visiting sage with great deference. James Blanchard, a former Michigan governor, introduced him as "a renowned expert." Former defense secretary Bill Cohen read Cook's credentials to the audience: "one of the best political handicappers . . . the Picasso of election analysis."

"He's hot," observed Rosemary Freeman, one of the event coordinators.

That's not the first description that comes to mind for Cook, who entered the ballroom lugging an overstuffed canvas bag, a torn, padded envelope and an overflowing blue file folder. Chubby and partial to big eyeglasses, he had the tail of his tie tucked into his shirt. He planted his Starbucks venti caffe latte on the head table, where he was joined by the Canadian ambassador and a former NATO secretary general.

Cook's well-rehearsed speech includes a reference to his posterior, an allusion to the movie "Young Frankenstein," and a tortured metaphor involving storms and levees to compare the 2006 election to the one in 1994. "The wave is bigger, but there are fewer structures on the beach," he forecast.

Cook is not the boldest of election prognosticators (that honor goes to Stuart Rothenberg), nor the most telegenic (washingtonpost.com's Chris Cillizza gets the nod there), but he is surely the most prominent. On contract with NBC, he was on "Meet the Press" on Sunday and taped segments for the "Today Show" and "NBC Nightly News." He commissions his own poll, and his column appears once a week in the National Journal. A Nexis search finds 873 mentions in the past 60 days for him and his company, the Cook Political Report.

And while he's not always on the mark (he admits to having "tread marks on my forehead" after understating the Republican gains in '94) he's close enough that nobody challenges his forecasts. "I'm not as much of an expert as he is, so I have to defer to him," said Dick Gephardt, a former House Democratic leader, after Cook's talk to the Piper firm.

Fortified by another venti caffe latte and a double espresso shot with cream, Cook took a cab to NBC's studio for a hit with anchor Joe Scarborough. While he was in the makeup room, a reporter from the Columbus Dispatch begged him to talk about Ohio's Senate candidates. After his on-air comments, he slipped into "Hardball" producer Tammy Haddad's office to give the staff an update on Senate races in Tennessee (trending Republican) and New Jersey (trending Democratic). "Hardball" host Chris Matthews stopped Cook on the way out to inquire about three Pennsylvania House races.

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A quick cab ride got Cook to the Cannon office building just in time for his luncheon speech to the automobile group. Posters showing a plate and fork advertised "Lunch with Cook." The group's chief, Fred Webber, gave the intro: "To give us a sneak peek of what's going to happen on Election Day, no one -- no one -- is better than Charlie Cook."

Cook gave the same speech about Frankenstein and hurricanes, then offered some presidential prognostication for dessert. "I would give McCain a 60, 65 percent chance of winning the Republican nomination," he disclosed. By contrast, he added, "I'll win the Tour de France before Rudy Giuliani wins the Republican nomination."

The oracle hopped into a waiting sedan to catch his flight to Boston. The car ride gave him the first chance in hours to check his BlackBerry -- and to make some last-minute revisions to his prophecies. "Montana closing more than thought," he typed in an e-mail to a reporter. "Burns might not be dead yet."

Tuition Outpaces Inflation (NYT)

By Jonathan D. Glater

The New York Times, October 25, 2006

WASHINGTON, Oct. 24 — Tuition and other costs at public and private universities rose faster than inflation this year, the College Board said in a report released Tuesday. But the increases were more measured than in recent years.

In the report, the board also found that in the past five years, tuition and fees at public institutions rose more than at any other time in the past 30, increasing by 35 percent to $5,836 this academic year. Tuition and fees at private four-year colleges increased by 11 percent over the same period, though the average price of attending a private institution is $22,218.

“Neither student aid funds nor family incomes are keeping pace with college prices,” Gaston Caperton, president of the board, said at a news conference. “This is a serious problem that must be addressed.”

The tuition and fees figures in the report are the so-called sticker prices, which do not reflect discounts students receive in the form of grant aid and tax benefits. Such aid reached about $9,000 at private four-year institutions, $3,100 at public ones and $2,200 at two-year institutions, the report said.

Although many students do not pay the sticker price, the cost of attending public and private universities has consistently outstripped the rate of inflation. Last year, the Consumer Price Index, a standard measure of changes in the cost of goods and services, rose by 3.4 percent. Tuition, fees, room and board have increased this year by more than 5.5 percent at both public and private four-year institutions.

The price increases at public universities are largely the result of declining federal and state support, the report said.

Margaret Spellings, secretary of education, said in a statement that the report “underscores the need to make colleges and universities more accountable for results and at the same time increase need-based aid.”

Because of cost increases, students and their families are increasingly turning to loans. Private loans, which are not guaranteed by the federal government, generally have less favorable terms than federal loans, but are the fastest-growing option for financing higher education. Last year they totaled more than $17 billion.

At the same time, the average Pell grant, the federal government’s grant to the neediest students, declined last year for the first time in 10 years, falling to $2,354 a year. Sandy Baum, senior policy analyst at the College Board and a professor of economics at Skidmore College in New York, said the decline resulted from a change in the formula for calculating Pell grant awards.

“Grant aid has failed to keep pace with the posted tuition charges,” Robert Shireman, executive director of the Project on Student Debt, which is financed primarily by the Pew Charitable Trusts, said in a statement in response to the College Board report. “Income for most American families has stagnated, leaving students and their parents with little choice but to turn to loans.”

The College Board report, which is compiled annually, drew on a survey of 2,677 public and private nonprofit institutions, as well as data from government agencies and other organizations, like the National Association of State Student Grant and Aid Programs. The survey was sent out in October 2005, and collected by August this year.

In the current academic year, the average cost of tuition, fees, and room and board at public four-year universities, attended by about 35 percent of undergraduates, was $12,796, up 5.6 percent from $12,115 last year, according to the report. At private four-year colleges and universities, attended by 16 percent of undergraduates, those costs were far greater: $30,367, up 5.7 percent from last year.

There are not enough data to measure room and board costs at two-year public institutions, attended by 41 percent of undergraduates, but tuition and fees rose 4.2 percent to $2,272, up from $2,182 last year.

Asked to predict future changes in tuition, Ms. Baum told reporters, “We predict that it will go up, not down.”

Spikes In College Price Tags Not So Sharp (WP)

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By Jay Mathews
The Washington Post, October 25, 2006

Amid partisan finger-pointing over soaring college costs, a national report offered some good news yesterday: Average tuition and fees are not rising as fast as they did a few years ago.

The College Board said the increase in tuition and fees at public four-year colleges, although still higher than the national inflation rate, slowed for the third year in a row. Increases at private four-year colleges have also cooled off in recent years, although the average yearly price of attending a private college is $22,218, far more than the state school average of $5,836.

At least two Washington area institutions are emblematic of the trend. At the University of Maryland, in-state tuition and fees for undergraduates were unchanged this year. At George Washington University, the increase was only 3.9 percent, about equal to national inflation. GW spokeswoman Tracy Schario said it was "our lowest increase in more than two decades."

But the smaller increases this year at many colleges were made possible by major price increases earlier in the decade. Middle-class parents have discovered, to the pain of their wallets, that the general inflation rate and the college inflation rate are out of sync. Overall, the College Board reported, state school prices are up 35 percent from five years ago, even after adjusting for inflation.

This year, average tuition and fees increased 6.3 percent at four-year public colleges and 5.9 percent at four-year private colleges. The annual price for two-year public colleges went up 4.1 percent, to $2,272. The College Board said the national inflation rate for the same period was 3.82 percent.

At the University of Virginia, in-state tuition and fees rose 9.1 percent, to $8,035, and at George Mason University, those costs went up 9 percent, to $6,408. American University's tuition and fees rose 5.7 percent, to $29,673, and Georgetown University's tuition and fees increased about 6 percent.

Kalman A. Chany, author of the Princeton Review book "Paying for College Without Going Broke," said the data show that it remains difficult for families to pay for college, even if this year's increases were not so bad. He said parents and students should consider seeking scholarships and subsidized loans to make sure they do everything possible "to minimize the sticker price."

Leaders of the House Committee on Education and the Workforce gave dueling interpretations of the College Board data. Rep. Howard P. "Buck" McKeon (R-Calif.), the committee chairman, blamed colleges for raising prices whenever Congress increases student aid. Rep. George Miller (D-Calif.), the committee's ranking member, said Congress should cut college loan interest rates and increase the value of federal Pell Grants for low-income students.

In some states this year, political candidates have accused state officials of letting tuition get too high -- a charge that Democratic gubernatorial challenger and Baltimore Mayor Martin O'Malley has hurled at Maryland Gov. Robert L. Ehrlich Jr. (R). The College Board report says that federal grant aid did not keep up with inflation but that total student aid increased 3.7 percent last year even after inflation. Even without factoring in inflation, the report says, the average federal Pell Grant for low-income students fell by $120 per participant.

James A. Boyle, president of the College Parents of America, said: "Unfortunately, schools continue to raise their sticker prices because they can. The demand of college-bound students currently exceeds the supply, as the bulge of the baby boom echo makes its way through American high schools and competes to claim the relatively fixed number of available college seats."

Boyle said that in the next decade, demand will slacken and colleges will have to compete on price. "That is of little comfort to families today, however, whose budgets and levels of patience are being stretched to the breaking point," he said.

The College Board report indicates that few students pay full price for college. On average, full-time students at private four-year institutions receive about $9,000 in aid each year in the form of grants and tax benefits. The aid is about $3,100 a year at public four-year schools and $2,200 at public two-year colleges.

Chany said the College Board data show that families should look out for the possibility that some well-regarded private colleges would cost no more than similarly prestigious out-of-state public universities when all the costs are figured in.

"Average out-of-state tuition and fees at public four-year colleges are 71 percent of average private four-year tuition and fees," the report says. "But adding room and board, the cost of a year for an out-of-state student at a public four-year college is 77 percent of the average tuition, fees, room and board at a private four-year college." Chany said students with good but not great grades in high school might also find more aid available at private than at public schools.

As Tuition Soars, Federal Aid To College Students Falls (WSJ)

By Robert Tomsho
The Wall Street Journal, October 25, 2006

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At a time when employers say that almost every new job in the U.S. will require workers to have more than a high-school education, the chance that students at the bottom of the economic ladder can afford to finish college has taken a turn for the worse.

The College Board's latest annual reports on student aid and college pricing find that over the past five years tuition at public four-year universities has soared by a record-breaking 35% when adjusted for inflation. Meanwhile, spending on Pell Grants -- the biggest source of federal aid for low-income students -- fell for the first time in six years.

"There is no question that the bulk of the impact of that is falling on lower- and lower-middle-income students," says Donald Heller, a Pennsylvania State University professor who has studied access to higher education. "They are getting killed on the aid side, and they are getting killed on the tuition side."

The number of students from all income levels pursuing post-secondary education continues to grow. But to stay in school, educators say, low-income students are taking loans, using high-interest credit cards to pay tuition, working more hours, and opting for two-year schools.

Low-income students are choosing two-year colleges for financial reasons even though studies show more of them are academically qualified for four-year schools due to efforts by school districts to push them into tougher, college-prep courses. But only 23% of community college students earn a bachelor's degree -- a vital credential in today's workplace -- within six years, as compared with 63% of students at four-year institutions, according to the College Board, a New York-based nonprofit that administers the SAT college admissions test and analyzes higher-education data.

The shrinking Pell Grant funding "doesn't give us the chance to attend college and get the degree we need to get the earnings that we should," says Kennel Etienne, a former Pell recipient from Revere, Mass. Mr. Etienne, 23, has been struggling to earn money to return to college since he dropped out of Mount Ida College, in Newton., Mass., for financial reasons two years ago.

Pell Grants are often used as an index of how accessible higher education is to lower-income students. About $12.7 billion in Pell Grants were awarded for the 2005-2006 academic year, down 3% from $13.1 billion the previous academic year. The average grant per recipient slipped to $2,354 from $2,474. The decline came after the Bush administration rejiggered the eligibility formula: It reduced how much money families in many states were assumed to be paying in state and local taxes, which increased their after-tax incomes and made many ineligible for the grants.

The vast majority of the 5.4 million students receiving Pell Grants come from families earning less than $40,000 a year. Despite much debate in Congress, the value of the maximum Pell Grant, $4,050, hasn't budged in three years even as the price tag for attending a four-year public university has soared. The maximum Pell grant met 33% of the average price of tuition, fees, room and board at a public four-year school in 2005-06, down from 42% in 2001-02.

The increase in tuition and fees at the four-year publics was a relatively moderate 6.3% last year, or 2.4% after adjusting for inflation. But College Board data shows that the overall 35% inflation-adjusted increase since 2001-2002 is the biggest five-year jump since it began gathering such data in the 1970s. It's also more than triple the 11% inflation-adjusted increase at private colleges. Private colleges face many of the same cost increases as their public-sector brethren. Over the past five years, utilities costs for colleges and universities have risen by 72%, according to the College Board, while costs for employee benefits are up 31%.

Neither "student-aid funds nor family incomes are keeping pace with college prices," Gaston Caperton, the College Board president, said yesterday. "This is a serious problem that must be addressed."

About 35% of the nation's 15.2 million undergraduates attend four-year public universities and about 16% go to four-year private schools, according to the College Board. About 41% attend two-year public schools, with most of the rest going to for-profit colleges, such as the University of Phoenix.

The steep tuition increases for public colleges come as many state legislatures, facing growing pressure to fund other priorities such as Medicaid, prisons and primary and secondary education, have reduced in recent years appropriations for higher education on a per-student basis. State and local government appropriations were $5,825 per full-time student in 2004-2005, down from $6,846 per student in 2000-2001 after adjusting for inflation, the College Board said.

To compensate for the pressure on appropriations, four-year publics have raised tuition, making bargains harder to find. At the University of Texas at Austin, once considered one of the sector's best buys, tuition has increased by 47% over the past three years. Meanwhile, at California public universities, where the cost of attending was minimal until the 1990s, tuition and fees have soared by 40% in the past five years, to as much as $7,000 a year at the University of California campuses, the state's most selective schools.

The College Board reports come amid increasing debate over higher education policies that appear to favor affluent students. Many universities, seeking to boost their standing in the college rankings, have increasingly used their own resources to award merit aid to top-ranking students who have no financial need.

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According to one recent study, only 10.8% of undergraduates at 19 leading public and private universities come from families in the bottom 25% of annual income. In recent months, both Harvard and Princeton said they planned to drop early admissions, saying that such programs, which are commonplace among selective colleges, favor the already-advantaged.

At the same time, corporate leaders concerned about the nation's future competitiveness are calling for students from a broader range of backgrounds to attend college. "We think it's critically important," says Arthur Rothkopf, senior vice president of the U.S. Chamber of Commerce. "We think 90% of the newly created jobs in this country are going to require some post-secondary education."

College Aid Is Up, But Tuitions Are, Too (USAT)

By Mary Beth Marklein

USA Today, October 25, 2006

WASHINGTON — College tuition prices are up, no surprise. And to a lesser extent, so is total student aid.

But federal Pell Grant funding for low-income students declined for the first time in six years, and students borrowed more from private lenders last year than ever before.

Those are just a few of a wide range of findings related to the cost of attending college that were released Tuesday by the College Board, a non-profit whose members include more than 5,000 schools, colleges and education groups.

Published tuition and fee increases continued to slow, the report says:

·Public four-year university prices for in-state students rose 6.3%, to $5,836, vs. 7.1% last year, after two years of double-digit increases.

·Private four-year university prices were up 5.9%, the same rate of increase as last year, to $22,218.

·Public two-year college prices rose 4.1%, to $2,272, down from the 5.4% increase last year.

The report cautions that pricing patterns vary by region and have grown “increasingly complex,” in part because some colleges charge different amounts depending on what year a student enrolled or what they're majoring in.

Also, the average net prices — that is, the amount students pay after financial aid is factored in — are “significantly lower” than published prices, though they are increasing, too. But the report notes that financial aid averages conceal the wide range of aid awards; some students get a full ride, others pay the full amount. And federal tax benefits and a trend toward non-need-based state and institutional aid benefit middle- and upper-income students more than lower-income students, it says.

While private-university prices are on average higher, public four-year universities have struggled most with controlling the amount students end up paying. Their inflation-adjusted tuition increased 35% over the past five years, compared with 11% for private four-year universities. And net price increased even more dramatically at publics — 69% in inflation-adjusted dollars over that period vs. 9% for privates.

Also, students at public universities on average take longer to graduate (6.2 years vs. 5.3 at private universities). That adds to the cost of attending college, both because of additional tuition charges and loss of potential income.

The report also notes that when related expenses are considered, the differences in the costs of attending two-year and four-year public institutions narrow. Published tuition charges at two-year schools represent 39% of the average four-year school, for example. But when room and board, books and supplies, and transportation are included, the cost of attending two-year college ($12,300) is 75% of the cost of attending a four-year public college ($16,400).

Student aid, including state, institutional and federal grants, increased 3.7% to $134.8 billion in 2005-06, compared with 3% the previous year, the report says. But funding for the Pell Grants, the federal government's main need-based aid program, was down from $13.1 billion in 2004-05 to $12.7 billion last year, and the average amount per recipient dropped $120, from $2,474 to $2,354. Last year, the maximum Pell Grant, $4,050, covered 33% of tuition at public four-year institutions; four years ago, it covered 42%.

The decline was no surprise; the report attributes it mostly to a technical change in the formula for eligibility.

Nevertheless, in light of intensifying concerns about access to college, the drop is “greatly disturbing,” says David Ward, president of the American Council on Education, an umbrella group for colleges and universities.

Education Secretary Margaret Spellings, though, took colleges to task. “Parents and students must understand why costs are so high and what they are getting for their money,” she said. She also said institutions and states must do more to increase need-based aid.

Rep. Howard McKeon, R-Calif., head of the House education committee, also took a swipe. Noting that federal student aid has nearly doubled in the past decade, he said, “No matter how much student aid rises from one year to the next, an equally dramatic spike in college costs follows.”

Median debt levels of graduating students are “almost certain” to have increased in recent years, the report says, because neither grant aid nor family incomes have kept pace with cost hikes. The median student debt for bachelor's degree recipients in

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2003-04, the latest year for which statistics are available, was $19,300. Median debt levels for graduates increased sharply between 1995-96 and 1999-2000, but 2003-04 graduates "were no more deeply in debt than those who had graduated four years earlier," the report says.

Federal loans remain the largest source of student loans. But the report says private loans are growing more common. Last year, they accounted for 20% of all such borrowing; a decade ago, it was about 4%.

That's "worrisome," says Robert Shireman of the non-profit Project on Student Debt, because private loans are riskier. "It's more important than ever to ensure that student loans help, rather than hurt, responsible borrowers."

Spitzer Is Good For Business (WSJ)

By Donald G. Kempf Jr.

The Wall Street Journal, October 25, 2006

Eliot Spitzer looks like a shoo-in to be New York's next governor. Given his reputation, those who operate businesses (or do business) in the state may be fearful that there are dark days ahead. They shouldn't be. Based on my experiences with him, I expect Mr. Spitzer to be a strong -- and successful -- advocate for sound and sensible economic growth. I see good times ahead for business interests, not bad.

Mr. Spitzer has been accused of overreaching as New York's attorney general, operating outside of his areas of expertise when dealing with federal securities laws and such. That's not what I saw as the general counsel of a large New York financial institution. Mr. Spitzer often had a better grasp of the underlying facts, legal implications and policy considerations than many from the federal regulatory agencies. Discussions (sometimes debates) with him on the substance of matters were both focused and fruitful. He was especially constructive when it came to searching for sensible solutions that would facilitate firms resolving problems and getting back to running their businesses for the benefit of customers, employees and shareholders.

Moreover, because he is both smart and self-assured, Mr. Spitzer is willing to engage where others at times seek to hide behind their regulatory status. Ask him, "How can you justify that?" and he will answer you. (Sometimes quite aggressively, to be sure, but he will answer you.) Ask the same of someone from a federal agency involved in the same matter and the reply you're apt to get is often something like, "We don't have to justify (or even explain) our actions to you. We are the ones officially charged with this area of responsibility. We have made our determination and that is the end of it."

Mr. Spitzer does not welsh on deals either -- as some public servants seem wont to do. Their excuse/rationale runs something like this: "We don't represent a 'regular' client -- we represent a 'special' client, the public. Therefore, if we enter into a deal but later think of something else we want to do instead, it's fine for us to renege." Not Mr. Spitzer: When he gives his word, he keeps it. As one senior financial institution executive once put it, "In his dealings with us, Eliot has never done something he said he wouldn't do or failed to do something he said he would do."

Still, the story line runs something like this: Why is this guy Spitzer "meddling" in stuff over which the feds already exercise jurisdiction? The answer, of course, goes all the way back to the founding of the country and the federalist system we adopted back then. At the end of the day, far from being an officious intermeddler, Mr. Spitzer has proven to be a catalyst for constructive change.

When it comes to fashioning sound public policy in areas where legitimate business interests are at stake, Mr. Spitzer has demonstrated on many occasions that he is neither anti-business nor a knee-jerk reactor. He placed New York among the states that supported the Bush administration's consent decree ending the Microsoft case, rather than among those states that opposed it. He has long been a supporter of and also an advocate for sound reforms in the area of tort law. He has also been actively involved in groups seeking to strike a sensible balance between individual rights and community safety.

The comprehensive strategy Mr. Spitzer outlined last month "to make New York the best place in America to do business" sets forth a number of decidedly business-friendly initiatives. Included are the prospect of lower worker compensation premiums; reform of the archaic Wicks Law, which drives up construction costs in public projects; and a streamlining of the regulatory system to help break the logjam, providing clearer permitting standards and shortening and simplifying the regulations. There's more, of course, and, if he can pull much of it off -- and based on Mr. Spitzer's past performance it seems like a good bet he can -- it spells a healthy and positive business climate for the state.

My political heroes are Ronald Reagan, Newt Gingrich and George Bush -- W., not H.W. So it came as something of a surprise to me that, the more I dealt with Eliot Spitzer, the higher I came to regard him and the more respect I had for him as a public servant. I guess, as they say, the proof of the pudding is in the eating.

Mr. Kempf was executive vice president, chief legal officer and secretary of Morgan Stanley until his retirement in 2005.

Rice Says 'Axis Of Evil' Proven Right (AP)

By Anne Gearan

DOJ_NMG_0086229

AP, October 25, 2006

Recent events in Iran and North Korea support President Bush's 2002 claim that those nations were part of an "axis of evil," Secretary of State Condoleezza Rice said Tuesday.

After discussions of the North Korean nuclear test and the anti-Semitic remarks of Iranian President Mahmoud Ahmadinejad, radio host Sean Hannity asked Rice about the axis remark.

"You think of some of the world reaction to the president's use of the word 'axis of evil,' and then you see how events have been unfolding," Hannity remarked.

"It was a pretty good analysis, wasn't it?" Rice replied. "It really was."

Bush used the term to describe Iraq, Iran and North Korea, states he said sponsor terrorism and seek weapons of mass destruction. Iraq's dictator, Saddam Hussein, was toppled the next year in a U.S.-led coup, but autocratic governments remain in place in the other two countries, and both have nuclear programs that alarm the West.

The remark in Bush's State of the Union address drew immediate criticism as too shrill and potentially damaging to U.S. foreign policy. In the case of North Korea, it has been blamed for souring what might have been an opportunity for the U.S. to engage the reclusive Pyongyang leadership and negotiate an end to its nuclear weapons program. The Bush administration says North Korea was determined to cheat and that it pursued a more effective strategy of international diplomacy.

"The president three years ago realized that in order to manage the North Korean nuclear problem, a problem that's been going for decades, we have to have a regional coalition," Rice said in the interview. "This isn't something the United States was going to be able to do alone."

Proof of the strategy's success came when China voted this month to impose sanctions on its neighbor and ally North Korea, she said.

On Iran, Rice said that nation's people deserve a better leader. She predicted the U.N. Security Council will approve sanctions against Iran over its disputed nuclear program "in the next few weeks."

Hannity asked Rice about her career plans, including what Rice has called her dream job of running the NFL. She did not seek the NFL commissioner's job when it came open earlier this year, saying she still had work to do at the State Department.

"Yeah, I lost that, " Rice said. "It came up a little early."

Hannity tried a political question Rice has shot down for months: "You have no intention of running for president?"

"No," Rice said.

"Never?"

"No."

Bolton: Sanctions 'help Regime Change' (FT)

By Guy Dinmore And Daniel Dombey

Financial Times, October 25, 2006

Imposing economic and political sanctions against Iran and North Korea will help democratic forces in those countries as Washington pursues its "ultimate objective" of regime change, John Bolton, the US ambassador to the United Nations, said on Tuesday.

Mr Bolton's comments, to Fox News, reflect the views of hardliners in the Bush administration who doubt that the threat of nuclear proliferation can be dealt with through negotiations.

Although the US denies it is pursuing a "regime change" policy towards what it calls the "axis of evil", Mr Bolton's linking of sanctions with "democratic forces" are likely to complicate delicate coalition-building efforts by Condoleezza Rice, secretary of state.

Last week Ms Rice went to Japan, South Korea, China and Russia to co-ordinate the implementation of UN sanctions imposed against North Korea in response to its underground nuclear weapon test. This week the focus shifts to New York where the US and Europe are working on a sanctions resolution for Iran.

European diplomats said they had clashed with Mr Bolton, rejecting his attempt to include a provision that would stop Russia supplying nuclear fuel to the Iranian reactor under construction at Bushehr.

Some European officials suggested Mr Bolton was "freelancing" and did not have the backing of Washington for a position that was sure to antagonise Russia. Diplomats said France, Germany and the UK would put forward a narrowly focused draft resolution soon. US officials declined to comment.

Asked by Fox News why the UN did not try to encourage political change in Iran and North Korea, Mr Bolton said talk of changing authoritarian regimes into democracies would "make a lot of countries unhappy".

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He went on: “But I think that’s something the United States and its friends should be pursuing on their own, because that is our ultimate objective. If you had countries that were responsive to the public will – unlike, say, North Korea or Iran – I think the odds are considerably reduced that they’d want to spend their scarce resources on nuclear weapons.”

The US, he said, wanted to mobilise international support to isolate those regimes economically and politically. “That puts pressure on them internally. I think that helps democratic forces in those countries or in their diasporas.”

But he also suggested that change would not happen soon.

Analysts in Tehran say his remarks will not encourage Iran to resume talks under the US-imposed precondition that it first suspend its uranium enrichment programme.

The US expressed concern that Iran will start up a second set of enrichment centrifuges at its Natanz plant in defiance of a UN demand for suspension. Iran insists it will only enrich the fuel, under international inspection, to the low level needed for a civilian reactor.

West Wants Iran Technology Sales Banned (AP)

By George Jahn

AP, October 25, 2006

The U.S. and its allies want the U.N. Security Council to ban the sale of missile and atomic technology to Iran and end most U.N. help for its nuclear programs — moves diplomats said Tuesday are narrowly focused in hopes of winning Russian and Chinese backing for sanctions.

The diplomats, who spoke with The Associated Press on condition of anonymity because the draft resolution was not yet public, said the proposal also would commit U.N. member nations to denying entry to Iranian officials involved in developing missiles or nuclear systems.

A Security Council resolution passed last week imposed similar sanctions on the sale or transfer of technology that could contribute to North Korea's nuclear and ballistic missile programs after that nation's test explosion of a nuclear bomb.

One of the diplomats described all three measures aimed at Iran as moderate in impact, saying that was an attempt to win Russian and Chinese support. Moscow and Beijing could be formally presented with the draft later this week, the diplomat said.

Both Russia and China have agreed in principle to imposing sanctions over Iran's defiance of a council ultimatum to freeze uranium enrichment and sharply improve cooperation with the U.N. probe of suspect Iranian atomic activities.

But both continue to publicly push for dialogue instead of U.N. punishment, despite the collapse last month of a European Union attempt to entice Iran into talks. The EU proposed Iran at least temporarily freeze enrichment as a condition for multilateral talks meant to erase suspicions it may be trying to build nuclear arms in violation of its treaty commitments.

As permanent members of the council, Russia and China hold the power to veto its actions, as do the United States, France and Britain, which drew up the sanctions resolution.

Iran insists it won't halt uranium enrichment, which it says is intended solely to produce fuel for nuclear reactors that will generate electricity. But enrichment also can produce material for nuclear warheads, and the U.S. and others are suspicious of Iran's intentions.

Canceling technical assistance to Iran from the U.N. nuclear watchdog, the Vienna-based International Atomic Energy Agency, would do little to ease such fears. But as the first such withdrawal of IAEA help, it would send a strong signal of international displeasure with Tehran.

IAEA technical programs, which are freely available to all member countries, are restricted to medical or agricultural help, nuclear safety expertise and other peaceful applications that cannot be diverted for weapons purposes.

Typical projects, as listed in a confidential IAEA document seen by AP, involve the disposal of radioactive waste produced by nuclear reactors and the use of narrowly targeted radiotherapy for tumors.

In a bow to Russia, the draft resolution exempts IAEA technical cooperation on operational safety and legal advice at Iran's Bushehr nuclear facility being built by the Russians.

The facility would be Iran's first atomic power plant and the Tehran government recently allocated about $245 million to finish it. The facility is now projected to go on line in late 2007, nearly a year later than originally envisaged.

It was unclear how any eventual sanctions might impact Russia's planned sale of 29 Tor-M1 air defense missile systems to Iran. Analysts in Russia have said Moscow might scuttle the deal as part of a give-and-take with Washington over sanctions.

One of the diplomats who spoke with AP said Washington had wanted to include Bushehr and ban all IAEA technical cooperation but reluctantly agreed with Britain and France that Russia would not go along.

A U.N. official said Tehran would probably depict any sanctions as a U.S.-inspired blow against Iranian programs that aid the poor by using nuclear technology to treat the sick and to increase agricultural yields by reducing crop pests.

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Additionally, he said, Iran will argue that no evidence has been found proving it seeks to make nuclear weapons despite more than three years of IAEA probes. As such, Tehran will say it has a continued right to IAEA technical aid as an agency member in good standing, he said.

Iran has shrugged off the threat of sanctions. Diplomats told AP on Monday that experts had begun testing a second enrichment facility at Natanz, in central Iraq, over the past few weeks in defiance of the council's ban on such activities.

Iran produced a small batch of low-enriched uranium — suitable for reactor fuel but not weapons — in February, using its initial cascade of 164 centrifuges at its pilot plant at Natanz.

Iran has said it plans to install 3,000 centrifuges at Natanz by the end of this year, but experts have said industrial-scale production of enriched uranium would require 54,000 centrifuges.

N Korea 'has No Plan Yet' For Second Test (FT)

By Richard McGregor And Anna Fifield

Financial Times, October 25, 2006

China said on Tuesday North Korea had no immediate plans to conduct a second nuclear test, damping speculation of another blast following the imposition of United Nations' sanctions on the reclusive state.

However, a Chinese foreign ministry spokesman suggested that Kim Jong-il, the North Korean leader, had warned in a meeting with a senior Chinese politician last week that Pyongyang could test another bomb if the pressure on it was not eased.

"He [Kim] indicated that [North Korea] has no plans for a second nuclear test but if other countries impose more pressure, then [North Korea] may take further steps," the spokesman, Liu Jianbao, said.

The South Korean and Japanese governments both said last week that they had detected activity suggesting North Korea might be preparing to conduct a second nuclear test.

This followed reports that US spy satellites had detected "suspicious vehicle movements" that could signal preparations for another test, and a defiant statement from North Korea warning the US "not to miscalculate".

However, such fears have failed to materialise and many analysts think Pyongyang will try to drag out the crisis for as long as possible.

Kim Tae-woo, a nuclear specialist at the Korea Institute of Defence Analyses, said he did not expect a second test in the near future.

"Even though they need more nuclear tests, they will use this as a card to play when they feel really threatened. Then they will conduct a second test," Mr Kim said.

But because the first test was considered a technical failure – the small size of the blast suggested the weapon had not fully detonated – it was likely that North Korea would want to try to iron out the problems then eventually test again, analysts said.

The same applied to the intercontinental ballistic missile that failed shortly after it was launched in July.

In a regular news briefing in Beijing, Mr Liu warned the international community not to do anything that could further escalate tensions on the Korean peninsula.

"All parties should not wilfully interpret or expand the sanctions," he said. "Sanctions are not the end. They should serve the goal of peacefully settling the crisis through dialogue and consultation."

Mr Liu also said he was unaware of any moves by China to reduce its food or energy aid to North Korea, something the US has long encouraged it to do as a lever to bring Pyongyang to heel on the nuclear issue.

Beijing has been critical of Washington's imposition of financial sanctions but otherwise the two sides have been working unusually closely on the nuclear issue.

North Korea has expressed a willingness to return to the six-party talks, which also involve Russia, South Korea and Japan, on its nuclear programme, but only if the US lifts financial sanctions.

China Says N. Korea Not Planning Test (AP)

By Alexa Olesen, Associated Press Writer

AP, October 25, 2006

China gave its first full public account Tuesday of its mission to North Korea, saying it got no apology from top leader Kim Jong Il for the atomic explosion but did receive assurances there were no plans for a second nuclear test.

The North's reclusive leader also expressed a willingness to return to six-nation talks over its nuclear program if financial restrictions levied by the U.S. are first resolved, said Chinese Foreign Ministry spokesman Liu Jianchao.

Chinese State Councilor Tang Jiaxuan met with Kim last week during a trip to Pyongyang with Beijing's top nuclear envoy and vice foreign minister that analysts and diplomats had called a critical opportunity to assess the North's intentions.

The meeting resulted in no breakthroughs, but China cast the discussions in a positive light.

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Tang was told during meetings with Kim and other North Korean officials that the regime has no plans currently to carry out a second nuclear test, Liu said. "But if it faces pressure, North Korea reserves the right to take further actions," he added, citing Tang.

A second nuclear test has been widely believed to be a possibility. Earlier this month, U.S. media reported that Pyongyang may be preparing for another blast, citing suspicious activity at a suspected test site in the country's northeast.

But on Tuesday, South Korea's Yonhap news agency reported the U.S. military had not detected signs of preparations for a second atomic test.

Despite the apparently conciliatory tone of the Pyongyang meeting, Liu said Kim did not apologize for his regime's nuclear test, as some South Korean media had reported.

"These reports are certainly not accurate," Liu said. "We haven't heard any information that Kim Jong Il apologized for the test."

North Korean officials told the Chinese envoy Pyongyang was willing to return to international negotiations on its nuclear program but wants "certain questions, including the matter of U.S. financial sanctions against it, resolved first," Liu said at a regular press briefing.

The U.S. has sought to cut off the North's access to international banking as punishment for alleged counterfeiting of U.S. dollars and other illicit activity. Pyongyang has denied the charges and boycotted six-nation talks on its nuclear program until the U.S. ends the crackdown.

"All countries involved in the six-party talks believe the talks should be resumed but of course the parties do not all agree on how," Liu said, referring to the talks Beijing has hosted since 2003. They include China, the two Koreas, the United States, Russia and Japan.

"Consultations are required to find a way acceptable to all," he said.

The North Koreans also said countries should not "willfully interpret or expand the sanctions" imposed by the United Nations because of the test, according to Liu.

The United States and Japan are among countries that have imposed additional sanctions on the North. Liu said he had no information to indicate that China had already, or was considering, cutting its food and energy assistance to North Korea.

Beijing, as the North's main ally and source of aid, has the greatest leverage over the regime. However, China has been reluctant to pressure the North, in part out of fear that a collapse of social order there would result in a flood of refugees over their shared border.

Instead, it has been involved in a flurry of diplomatic activity aimed at lessening tensions and preventing the crisis from escalating since Pyongyang announced its Oct. 9 nuclear test.

Secretary of State Condoleezza Rice visited Beijing last week and Ban Ki-moon, the next U.N. secretary-general and South Korea's foreign minister, was scheduled to arrive in Beijing on Friday to discuss the standoff with top Chinese leaders.

Ban said he plans to use his new position as U.N. chief, which he'll assume at the beginning of next year, to seek a peaceful resolution of the nuclear issue. He also said Seoul fully backs the U.N. sanctions imposed on the North as punishment for the nuclear test.

South Korea has yet to outline any specific action it plans to take to enforce the sanctions. The U.S. has urged the South to join an anti-proliferation initiative, and to take steps for more accountability in joint economic projects with the North.

Ban said Seoul was still reviewing its policies "to bring them closer in line" with the U.N. measures.

South Korea's unification minister Lee Jong-seok, who is in charge of relations with North Korea, offered to resign on Tuesday to take responsibility for the North's nuclear test, the presidential office said Wednesday. Lee has been a strong supporter of engagement with North Korea, and his critics accuse him of being pro-Pyongyang.

Associated Press writers Jae-soon Chang and Burt Herman in Seoul, South Korea, and Kozo Mizoguchi in Tokyo contributed to this report.

China And US Closing Ranks Over North Korea Issue: US (AFP)

AFP, October 25, 2006

NADI, Fiji - The US and China "have never been closer" in the wake of North Korea's nuclear test earlier this month, US Assistant Secretary of State Christopher Hill said.

Hill, who has responsibility for East Asia and the Pacific, has been travelling recently with US Secretary of State Condoleezza Rice in East Asia to try to ensure a united front on the application of UN sanctions against North Korea after its nuclear test on October 9.

"In China we felt we were speaking with one voice on this issue," Hill told journalists on the sidelines of a meeting of Pacific Island Forum leaders.

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"At no time have we felt closer together than we have felt in the wake of these North Korean provocations."

"I think the Chinese understand that the North Korean provocations, the decision to proceed with a nuclear weapons programme is really something quite beyond the pale and something we need to all speak with one voice about," Hill said.

"It always used to be that the Chinese would ask for more patience and we'd ask the Chinese for less patience but I think today we are really working better together."

"Ultimately the proof of the pudding will be if we can get North Korea back to the negotiating table and out of these programmes."

China is Pyongyang's closest ally and Beijing's foreign ministry said Tuesday that North Korean leader Kim Jong-Il had told Chinese envoy Tang Jiaxuan last week that a second nuclear test was not currently planned.

However, a Chinese foreign ministry spokesman added that increased international pressure could trigger more action.

Rice Proposes Asia Form Security Alliance (WT)

By Nicholas Kralev

The Washington Times, October 25, 2006

BEIJING -- Secretary of State Condoleezza Rice is urging Asian nations to form a regional security organization to address common threats, suggesting that the six-nation forum dealing with North Korea -- which includes China and Russia -- could be a useful starting point.

Such an organization would not come even close to NATO's integrated political and military structures, but it would assure more effective responses to crises such as Pyongyang's recent nuclear test, Miss Rice told reporters in Beijing during a regional tour last week.

A senior State Department official said the secretary will elaborate on the concept during a speech at the Heritage Foundation in Washington today.

"That you've had no way to even have conversations about common security threats is a problem for the region, and it gets exposed when you have something like this," Miss Rice said of the North Korean nuclear issue.

"There are highly developed security arrangements all throughout Europe -- as a matter of fact, some people think too many," Miss Rice said. "I don't think this region is probably going to develop an organizational structure anything like what you have in Europe."

But a more informal group, perhaps growing out of the six-party process that includes the United States, Japan and South Korea, is not only possible, but also necessary, she said. U.S. officials said Australia, Indonesia, the Philippines and other countries also would be good candidates for a security organization.

"Those mechanisms, I think, are going to need to come into being and begin to give the region a way to have this conversation," Miss Rice said, adding that the six-party framework "is a first chance to do some of that."

The Bush administration, which has refused to negotiate with North Korea bilaterally, proposed the six-party talks in 2003 on the grounds that it would be more difficult for Pyongyang to break an agreement that involved several countries, including its benefactor China.

"The fact that we can all talk about proliferation issues with one another, defense issues with one another -- eventually, I think, more articulated versions of all of those -- is something that this region has really lacked," Miss Rice said.

Miss Rice did not say whether North Korea, the other participant in the six-party talks, would be invited. But another official familiar with interagency talks on the issue said membership could be held out as a reward to Pyongyang if it dismantles its nuclear program.

The official said the proposal was first developed four years ago under Secretary of State Colin L. Powell but sidelined by opposition from Vice President Dick Cheney and Defense Secretary Donald H. Rumsfeld.

Some officials remain wary of anything that smacks of rewarding North Korea after its Oct. 9 nuclear test.

Analysts generally agree that a regional security organization in Asia is necessary, and point to the Asia-Pacific Economic Cooperation as a model. APEC heads of state meet each November for a high-profile summit on economic issues. This year's meeting will be held in Vietnam.

But several diplomats and analysts expressed doubts that China in particular would sign on to a security arrangement that institutionalizes the dominance of the United States in the Asia-Pacific region.

Critics of the plan note that China has refused to invite the United States to join the Shanghai Cooperation Organization, which deals with Central Asian security issues, and has excluded the United States from joining the East Asia Economic Summit.

Many APEC members complained at the 2003 summit in Bangkok that President Bush wanted security to dominate the agenda while they preferred to talk about economics and business.

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But U.S. officials said that, had there been a forum at which Asian security could be discussed, Mr. Bush would not have been accused of trying to "hijack" the APEC agenda with issues such as terrorism and proliferation of weapons of mass destruction.

Jamie Metzl, executive vice president of the Asia Society in New York, noted that Asian security also is a topic at the Association of Southeast Asian Nations' Regional Forum, which takes place every summer. But, he said, ASEAN "doesn't have the robustness required to address the region's needs as a whole."

Michael Pillsbury, a specialist on China, said the secretary's proposal will challenge China's government.

"This will fuel the debate in China between hard-liners and the moderates about whether to accept this constructive offer," he said. "This will revive the debate over China's refusal to join the U.S. as a responsible stakeholder."

Michael E. O'Hanlon, senior fellow in foreign policy studies at the Brookings Institution in Washington, said a security organization is a good idea, "but it will have an inauspicious start if we fail utterly to deal with the North Korean nuclear threat using the same putative grouping."

Miss Rice credited the six-party process, and China's participation in particular, with the relative ease with which the United States negotiated a unanimous U.N. Security Council resolution punishing North Korea for its nuclear test.

"Thirty years you haven't been able to get a Security Council resolution on North Korea, and when you get one, it's Chapter 7, it's 15-0, and China is at the center of it," Miss Rice said.

Chapter 7 of the U.N. Charter is invoked only when the 15-member council determines that international peace and security are being threatened. The North Korea resolution imposed trade and financial sanctions related to Pyongyang's weapons of mass destruction programs and banned imports and exports of illicit materials and equipment.

Test Sparks N. Korea Backlash In Japan (AP)

By Hans Greimel

AP, October 25, 2006

When a bamboo grove mysteriously erupted in flames and nearly engulfed an office compound of Japan's biggest pro-North Korean organization, So Chung-on was hardly surprised.

Harassment of Japan's insular North Korean community, the biggest outside the homeland or China, dates back decades. But animosity has flared to new levels since North Korea stunned the world with its nuclear test.

"The atmosphere in Japan is now the worst," said So, director of international affairs at Chongryon, an umbrella group acting as de facto embassy for tens of thousands of ethnic Koreans who live in Asia's richest capitalist society yet see North Korea as home.

No one was hurt in the Oct. 17 arson attack, and the blaze was put out before it could torch local Chongryon offices. But it was one of several outbursts putting people on edge — including angry protests outside Chongryon facilities, threatening phone calls to North Korea-backed private schools and a severed pinkie finger mailed to the group's headquarters with a note promising "punishment from heaven."

North Koreans in Japan have long been vilified as a communist fifth column, but with Tokyo leading a worldwide campaign to sanction Pyongyang for its nuclear test, they now stand in an unwanted spotlight.

Japan, lying within easy range of North Korean missiles, is especially jittery about its neighbor's atomic arsenal. After the Oct. 9 test, Tokyo banned North Korean imports, barred port entry of North Korean ships and prohibited most North Korean nationals from entering the country.

Chongryon has not commented on the nuclear test, but was quick to condemn the backlash.

The measures will likely strangle North Korean businesses in Japan and divide families with roots in both countries. It could also finally kill off reconciliation between rival camps of North and South Koreans in Japan.

"Koreans who have nothing to do with the nuclear test have become the victim," Chongryon said in a statement. "The ratcheting up of sanctions severely threatens the rights and lifestyle of Koreans in Japan."

There are some 600,000 ethnic Koreans among 127 million Japanese, most of them descendants of people who moved here voluntarily or by force during Japan's 1910-1945 colonial rule of the Korean peninsula. About 200,000 are affiliated with Pyongyang.

All Koreans in Japan face discrimination in Japan. All Koreans were stripped of their Japanese citizenship after World War II and those in Japan found themselves in a society that often looked down on them as former colonial subjects.

Yet given the long-standing animosity between Tokyo and Pyongyang, North Koreans face especially limited economic opportunities, confined to tight-knit community-run businesses. Students who attend North Korean schools find it all but impossible to enter public universities.

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Chongryon functions like an embassy because Japan and North Korea have no diplomatic ties. Its walled headquarters in Tokyo is guarded by police. Inside, visitors are greeted by a giant mural of North Korea's founding father Kim Il Sung and his son, current leader Kim Jong Il.

The current backlash began in July, after North Korea conducted internationally condemned missile tests.

Since then, there have been 130 cases of harassment and intimidation against North Korean students, Chongryon said. The pace quickened after the nuclear test, with two arson attacks against Chongryon facilities, including the bamboo incident in the city of Mito.

Tokyo's sanctions are meant to squeeze North Korea's economy and pressure Pyongyang into giving up its nuclear ambitions. But in reality, North Korean trade with Japan tumbled 85 percent from 2001, to a paltry $195 million last year. Analysts say any additional crackdown will have limited impact overseas.

But in Japan, it will dig deep into North Korean businesses that rely on importing manufactured goods like cheap men's suits, marine and agriculture products, like clams and mushrooms, and raw materials such as coal.

Meanwhile, banning North Korean ships will shut the doors on the most popular way for North Koreans to visit relatives back home, and the new immigration restrictions will further limit travel.

Chongryon's future is anything but bright, said David C. Kang, a North Korea expert at Dartmouth University.

Loyalty toward Chongryon started fading in the 1990s when North Korea's economy flat-lined and famines killed an estimated 2 million people. Then, in 2002, Kim Jong Il shocked the world by admitting North Korean agents had been kidnapping Japanese citizens to train communist spies.

Today, many North Koreans simply opt for South Korean or Japanese citizenship to escape the stigma.

Chongryon tried to bolster its support by striking a landmark reconciliation accord with the South Korean association in Japan earlier this year. But the nuclear crisis scuttled that too.

"The North Korean community is dwindling, for both assimilation in Japan and also because it's such a sinking ship," Kang said.

General Says U.S. Could Beat N. Korea (AP)

By Robert Burns

AP, October 25, 2006

The U.S. military would prevail in a war against North Korea but at a greater cost in lives than if the United States were not already fighting in Iraq and Afghanistan, the chairman of the Joint Chiefs of Staff said Tuesday.

"It would not be as clean as we would like it to be, but it would certainly be sure, and the outcome would not be in doubt," said Gen. Peter Pace.

He told a Pentagon news conference that the U.S. military has plenty of people available to fight wars beyond Iraq and Afghanistan, but he acknowledged that U.S.-based ground combat units are not fully equipped.

"We have 2 million folks who can start protecting this nation anywhere else we need them to tomorrow, if we need them to," Pace said when a reporter asked what sort of threat North Korea's military poses.

The fight, however, would be messier than if the U.S. military did not have 147,000 troops tied up in Iraq and about 20,000 in Afghanistan.

"It would be more brute force, wherever we might have to go next, than it would be if we weren't already involved in the war we have going on in Iraq and Afghanistan," Pace said. "Why? Because you need precision intelligence to drop precision munitions. And a lot of our precision intelligence assets are currently being used in the Gulf region. So some of those would not be available if you had to go someplace else."

As a result there would be more unintended damage inflicted, he added.

"You end up more like a World War II, Korean War campaign," he said, adding that he was not making any predictions. "I'm just saying that, on a scale, you're going to have to use more brute force to get the job done" in North Korea.

Pace said U.S. intelligence can determine the size of the North Korean military but it cannot provide an equally important piece of information in assessing the threat of war: the intent of North Korea's leaders.

"What is not knowable is the intent of the leadership in North Korea to use or not use that power at any given time," he said. "And applying Western logic to the leadership in Korea is not something that I would personally want to get my future on."

Concerns about North Korea's intentions have grown in recent months following its July missile tests and its underground nuclear test, which prompted the U.N. Security Council to impose sanctions on North Korea.

Pace said he had seen no indication that North Korean forces have been placed on a higher state of alert.

"To my knowledge, the North Koreans' status of their armed forces is stable," he said. "I mean, they haven't raised or lowered any particular parts of their readiness to cause any kind of alarm."

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Across South Korea, Softer Feelings Toward The North (NYT)

By Martin Fackler

The New York Times, October 25, 2006

BUNDANG, South Korea, Oct. 22 — With news about the North Korean nuclear crisis flashing on the living room television, Kim Yoon-sup unleashed a verbal barrage of his own at the heavily armed Communist nation, some 60 miles north of this wealthy Seoul suburb.

From a sofa in his son's high-rise condominium, the 79-year-old Korean War veteran blasted the North for murdering its domestic opponents, starving its population, and amassing legions of tanks and cannons. Mr. Kim, a retired air force colonel, also criticized his own country's policy of engagement, which had failed to stop the North's nuclear test earlier this month.

But asked if South Korea should sever its growing trade and investment ties with the North, as many in the United States advocate, his answer was a firm no. His country must continue engagement, he said, to avoid either backing the government into a corner or causing further economic hardship for its people.

"We can't be too harsh," he said. "North and South, we share the same blood, after all. Of course, it's good to help them." His son, daughter-in-law and three grandchildren all agreed.

Once fervently anti-Communist, South Korea has slowly parted ways with the United States, its largest ally and wartime protector, on how to deal with the North. Across age groups and political persuasions, most South Koreans now appear to believe that their nation has no choice but to keep building ties with the North, despite the widespread shock and anger here over its nuclear test.

This bedrock of public sentiment underlies the different responses to the crisis by South Korea and the United States. Many in Washington have called for tougher sanctions or even a naval blockade to further isolate the North's impoverished government and force it to relinquish its nuclear ambitions. But Seoul has been reluctant to tighten the economic screws on the North, hoping instead to entice it to the bargaining table with increased links with the outside world.

This softer approach is a result of a deeper evolution in public perception here since the end of the cold war and South Korea's subsequent emergence as an Asian economic powerhouse. The changes were reflected in the personal political odyssey of the Kim family, three generations of whom gathered on a Sunday evening to discuss their perceptions of the North.

The elder Mr. Kim, the family patriarch, was born in what is now North Korea and fled the brutality of the fledgling Communist government in a grueling winter boat ride. But his grandchildren, who have lived most of their lives in this high-rise community on the outskirts of the bustling South Korean capital, said they saw the North as too distant and poor to be a real threat.

"The nuclear test is scary, but not enough to feel like it has violated everyday life," said a granddaughter, Kim Ta-yon, a 21-year-old university junior in French literature. "None of my friends think North Korea will actually attack."

Her mother, Song Yon-ju, 49, said she remembered the panic caused by military crises in previous decades, when she joined mad rushes to grocery stores to stock up on boxes of dried noodles. There have been no such panics this time, she said, which she attributed to South Koreans having grown weary of living in fear.

She also said the continued desire to engage the North reflected a streak of pragmatism in a country where much of the population lived within range of North Korean artillery. A tougher policy would only push the North into deeper desperation, she said.

"Even a little mouse will bite if it's cornered," she warned quietly.

Similar attitudes appear in recent public opinion polls, which show that while the claimed nuclear detonation hardened attitudes toward the North, a majority of South Koreans still oppose outright confrontation. According to a telephone survey of 800 people last week by the Naeil Shinmun-Hangil Research Center, only 15 percent of respondents called for ending economic ties, compared with 83 percent who supported their continuation. But most supporters agreed the current policy needed revisions, such as making it harder for North Korean leaders to profit from such ties.

Political analysts say a big factor behind the desire to maintain economic ties is a deep ambivalence in South Korean views of the North. While the two Koreas still face each other across the minefields and barbed wire of the demilitarized zone, many South Koreans have come to see the North as nothing more than a destitute, misguided relative.

"South Korean people are caught in a dilemma between perceiving the North as a threat and as a brother," said Lee Nae-young, a political science professor at Korea University in Seoul. "They felt betrayed by the nuclear test, but don't want aggressive sanctions, either."

These conflicting feelings toward the North were apparent in the conversation with the Kims. The elder Mr. Kim, who watched Communist troops gun down critics in his village and spent 20 years in the South Korean Air Force, warned that the

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North was still armed to the teeth. But he also said South Korea could not just close the door on North Korea and its famine-ravaged population.

"We have no choice," he said. "We can't ignore the more than 20 million Koreans still living up there. They don't have enough rice."

His son, Kim Seok-kyeon, 49, a general manager at an insurance company who was born after the Korean War ended in 1953, agreed that his country could not go back to the confrontation of the cold war. He said there was no need because the North wasn't as fearsome as it used to be.

"They have more airplanes and tanks than we have," he said, "but they have no fuel to put in them."

Another generation down, his son, 11-year-old Kim Dong-hyun, said he didn't worry about North Korea at all. When pressed, he described the country as "crazy and harmless."

His two sisters, both in college, said their textbooks blandly described the North as a starving land where fellow Koreans spoke an antiquated dialect. This was a big change from the era of their father, the insurance executive, who grew up during the military dictatorships of the 1960's and 1970's. He said anti-Communist education ran through his schooling, with monthly homework assignments to make posters demonizing the North.

The three generations of Kims also showed subtle differences in their views of America's role in the nuclear standoff. All agreed that the United States was a friend, and that the crisis had made them appreciate the protection offered by the American nuclear umbrella.

But while the elder Mr. Kim expressed confidence that Washington was working to resolve the crisis, his granddaughters suggested that America bore some blame for the standoff — a common sentiment here.

"If the U.S. isolates North Korea, it's just silencing someone who has something to say," said Kim Ta-yon, the university junior. "I don't think North Korea did the test to provoke war, but because it wants a voice in international society."

Pre-emptive Attack On Hamas Eyed (WT)

By Joshua Mitnick

The Washington Times, October 25, 2006

TEL AVIV -- Applying a lesson from the recent war against Hezbollah, Israeli leaders are increasingly talking about staging a pre-emptive military offensive in the Gaza Strip in order to avert a Hamas buildup of improved missiles.

Israeli forces already operating in the Gaza Strip Monday killed at least nine Palestinians and wounded 20. But officials and politicians say a broader operation against Hamas is necessary if Israel wants to deny it the ability to stockpile weapons like the Shi'ite militia Hezbollah, which was able to build up its arsenal during six years of relative calm.

"We should not allow Hamas to build in Gaza what Hezbollah built in Lebanon," said Ephraim Sneh, Labor parliamentarian. "[A broad offensive] seems to me almost unavoidable because the accumulation of arms in Gaza in the hands of Hamas and other terror organization is intolerable."

The talk of an escalation in Gaza comes as Israeli Prime Minister Ehud Olmert agreed in principle to bring a far-right party, Yisrael Beitenu, into his coalition.

The move stabilized a coalition whose foundations emerged from the Lebanon war severely shaken. But it also reorients the political constellation of Mr. Olmert's government toward the right.

Israeli army units, which retook the corridor in Gaza along the Egyptian border this week, have uncovered more than a dozen smuggling tunnels used to sneak weapons, money and contraband into Gaza from Egypt.

At the same time, Israeli intelligence officials say they think that Syria and Iran are supplying Hamas with the advanced anti-tank missiles that turned armored vehicles like the Merkava tank into a sitting ducks, according to local press reports.

Hamas is also thought to be receiving longer-range rockets like the Katyusha missiles fired by the hundreds into northern Israeli this past summer.

Defense Minister Amir Peretz has said that Israel cannot allow Gaza to become another Lebanon. At the same time Mr. Peretz, the chairman of coalition partner Labor party, said that Israel has no desire to reconquer the Gaza Strip permanently.

In the Gaza violence Monday, Palestinians reported three civilian deaths while Israel's army said soldiers fired because they felt threatened by gunmen from the northeastern Gaza village of Beit Hanoun.

For now, politicians such as Mr. Peretz want to promote diplomatic attempts to release kidnapped soldier Gilad Shalit, in the hope that a deal would create momentum behind an accord that would avert contributions to Hamas' arms buildup in Gaza.

"What we are hearing from military officers is that they see the obvious need for an operation," said a senior Israeli security source. "The politicians are not thrilled by a military operation, but if it becomes necessary, a military operation will be taken."

Officials say privately they are skeptical whether diplomatic efforts will yield any substantial results in taming the arms buildup and avert a military invasion.

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During the monthlong war with Hezbollah, many Israelis questioned why military and government officials allowed the Shi'ite militia to stockpile rockets and build fortifications for so many years.

Barring a deadly militant attack on Israel that gives the government a justification for a Gaza push, Mr. Olmert's government is likely to wait until he returns from meetings in the United States with President Bush.

Kidnapped AP Photographer Freed In Gaza (AP)

By Karin Laub, Associated Press Writer

AP, October 25, 2006

An Associated Press photographer was freed unharmed Tuesday after a harrowing day in the hands of Palestinians who abducted him at gunpoint and dressed him in women's clothes to spirit him from one secret location to another.

Emilio Morenatti was brought before midnight to the office of Palestinian President Mahmoud Abbas by Fatah officials. It was not clear who kidnapped him, though officials said he was taken by criminals. The government and main Palestinian groups denounced the abduction.

Morenatti, a 37-year-old Spaniard, looked fatigued after his daylong ordeal but said he was unharmed.

"I'm tired but happy to have come back because there were very anguished moments," said Morenatti.

He said the kidnappers held him in a small room, where he was kept for about four hours during which he was visited by masked men. Later he was put in a car dressed as a woman and taken to another location.

"They put a bag on my head and they dressed me up as a woman, as a woman in a long veil," the photographer added.

Morenatti said he was blindfolded for much of the time, and that his captors spoke only Arabic, which he doesn't speak.

"I didn't know at any moment what they were doing," he said. "They moved me but nobody explained anything to me. It was very confusing."

The photographer said he was held in complete darkness for hours. In the second house where he was held, Morenatti said he heard the sounds of a family. He said he was given one meal of cheese and lunch meat early in the day and a portion of fruit later.

Morenatti did not know his captors. Palestinian Prime Minister Ismail Haniyeh's office said in a statement that the identity of the kidnappers was known and they "would be pursued."

Tom Curley, AP's president and chief executive officer, said, "The Associated Press is relieved that Emilio has been released, apparently unharmed. The security of our journalists is always our top concern. We appreciate the assistance offered by so many people in obtaining his release, especially Palestinian and Spanish officials.

"It is crucial, however, that journalists such as Emilio be able to freely report the news in areas of conflict. We will be investigating what happened to assure that he and others can continue their important work," Curley said.

Morenatti's family in Spain rejoiced at news of his release.

"We were all sitting around together and when we heard the news we yelled with joy and then we opened a bottle of rioja (wine) to celebrate," Miguel Angel Morenatti, a brother of the photographer, told the AP.

"I managed to talk with Emilio for about 15 seconds and he told me that he was well both physically and mentally. The most important thing is that he is safe and free,"

Morenatti was seized as he headed out of his Gaza City apartment for an AP car, where Majed Hamdan, an AP driver and translator, was waiting. Hamdan said four gunmen grabbed his keys and cell phone and told him to turn away, pressing a gun to his head and threatening to harm him if he moved.

They took Morenatti, shoving him into a white Volkswagen Golf and driving off, Hamdan said.

Hours later, Morenatti was turned over to Fatah forces.

Abbas is not in Gaza, but his office is a safe Fatah stronghold in the territory, which is in the throes of a sometimes violent power struggle between Abbas' Fatah and the militant Islamic Hamas, which is in charge of the Palestinian government.

In the past two years, militants have frequently kidnapped foreigners as bargaining chips to get relatives released from Palestinian prisons, secure government jobs or settle personal scores. In most cases, the kidnappings were brief and the hostages released unharmed.

But recently, the kidnappers have changed tactics. Two Fox News journalists kidnapped in August were held for two weeks, much longer than previous cases. The men also suffered physical and mental abuse in captivity.

An unknown group calling itself the Holy Jihad Brigades claimed responsibility for the August abduction, and its demand for the release of Muslim prisoners held by the U.S. raised fears that foreign extremists, perhaps al-Qaida, had infiltrated Gaza. But Palestinian security officials said the name was a front for local militants.

The media advocacy groups Reporters Without Borders and the Committee to Protect Journalists condemned Morenatti's kidnapping.

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"We're dismayed that journalists have become pawns of Palestinian groups seeking to exploit them for political purposes," said CPJ Executive Director Joel Simon. "These blatant attacks on journalists will have a chilling effect on their ability to do their work and will ultimately deprive the world of information about this critically important story."

Morenatti, from Jerez, Spain, has been based in Jerusalem since April 2005, handling periodic assignments in Gaza and the West Bank. He has been in Gaza since Sunday.

Morenatti began working for the AP in April 2004, and spent a year in Afghanistan covering the conflict there. He also covered the war in Lebanon and the World Cup soccer tournament in Germany.

In 1992, Morenatti began work as a photographer with EFE, the Spanish news agency, Spain.

The Wrong Partner In Israel (NYT)

The New York Times, October 25, 2006

Badly weakened by criticism of his conduct of this summer's inconclusive war in Lebanon, Israel's prime minister, Ehud Olmert, has chosen to make an unwise and damaging trade-off. Bringing the pro-settler Israel Beiteinu party into his governing coalition reinforces his vulnerable parliamentary majority. But it makes it virtually impossible for Mr. Olmert to carry out the partial West Bank withdrawal program he ran on just seven months ago.

Israel Beiteinu is the political vehicle of Avigdor Lieberman, who advocates annexing West Bank settlements and reassigning Arab Israeli citizens to a rump Palestinian state. Mr. Lieberman, who is set to become a deputy prime minister, has criticized other right-wing leaders, like Ariel Sharon, for evicting settlers from occupied regions.

American and European diplomats have been arguing that the one positive result of the Lebanon war could be new momentum toward a wider Middle East peace. The idea was that a new awareness of the limits of Israeli military power and growing Arab fears of Shiite radicalism would push both sides toward the necessary compromises.

That now seems less likely than ever. The chief Palestinian party, Hamas, refuses to take the most minimal steps required for diplomatic credibility — a clear rejection of terrorism, acceptance of prior agreements and acknowledgment of Israel's legitimacy. Efforts by the Palestinian president, Mahmoud Abbas, to bring Hamas around have not gotten as much support as they should from Israel. With Israel Beiteinu joining Mr. Olmert's coalition, they are likely to get even less.

Creating new obstacles to peace with the Palestinians is the last thing Israel needs after the Lebanon fiasco.

Iran, Syria Rebuild Hezbollah (WT)

By David R. Sands

The Washington Times, October 25, 2006

Iran and Syria are rapidly rearming Hezbollah guerrillas in southern Lebanon as an international peacekeeping force has failed to carry out a U.N. mandate to disarm the Shi'ite militia group, Israeli Deputy Prime Minister Shaul Mofaz said yesterday.

Mr. Mofaz, a former defense minister and chief of general staff in the Israeli Defense Force, also warned that time was growing short for the international community to implement effective sanctions to halt Iran's drive for nuclear weapons.

"We know the policy of the Iranian regime is to buy time by talking" while it pursues a nuclear bomb, Mr. Mofaz said in an interview in his suite at the Renaissance Mayflower Hotel in Washington. "So far they have been very successful."

The hawkish Mr. Mofaz is the transportation minister under the unity government headed by Israeli Prime Minister Ehud Olmert, but he remains a major voice on defense and security issues in Israel.

He met with Secretary of State Condoleezza Rice and Director of National Intelligence John D. Negroponte, among others, on a visit to Washington this week in advance of U.S.-Israel security talks set for December.

Mr. Mofaz said Israel's 34-day war with Hezbollah fighters this summer had dealt the Shi'ite militia a major setback in its southern Lebanese base. But he expressed frustration that the Lebanese army and an enhanced U.N. peacekeeping force had not disarmed Hezbollah or sealed the border to prevent Syria and Iran from rearming their "proxy."

"Arms smuggling across the border from Syria has continued after the war," he said. "We know of the activity but we don't know what types of weapons are involved."

He acknowledged that Israel's armed forces "did not achieve all our goals" in the Lebanon campaign, failing to crush Hezbollah as a fighting force and to win the release of Israeli soldiers held by the Shi'ite group.

But he said the "main issue of discussion" with U.S. officials was Iran.

"Iran poses the biggest threat not only to the state of Israel but to the countries of the West as well," he said. "Under the umbrella provided by a nuclear capability, Iran might be more involved in harboring, supporting and financing terror."

Mr. Olmert told reporters last week that Iran would have a "price to pay" if it rejected international offers to stop its suspect nuclear programs. But Mr. Mofaz yesterday put greater stress on multilateral efforts to pressure Iran, calling for strong sanctions against Tehran if it refuses to cooperate.

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"The time has come for effective sanctions after three years of dialogue without any achievements," he said.

The North Korea nuclear test earlier this month has heightened the need for a tough stand against Iran, Mr. Mofaz said. North Korea has sold Iran missiles that can deliver nuclear warheads, and Mr. Mofaz said Pyongyang's test of a nuclear device means it could now transfer "nuclear assets" to Iran as well.

On Syria, Mr. Mofaz dismissed as a "ploy" recent offers by President Bashar Assad for direct peace talks with Israel, saying Damascus continues to support Hezbollah and militant Palestinian groups battling Israeli forces in the Gaza Strip and the West Bank.

"We believe it is not [Syria's] intention to have a real negotiation," he said. "When we see real intentions for peace in Syria, then we can have a different approach."

Mr. Olmert is expected to travel to Washington next month for talks, and the Bush administration is pressing for new movement on peace talks with the Palestinians.

But Mr. Mofaz said the bloody internal standoff in the Palestinian territories between the Hamas government, which refuses to recognize Israel, and the Fatah party of Palestinian Authority President Mahmoud Abbas leaves Israel with no effective negotiating partner.

Pentagon Official Sentenced In Arms Sale (AP-Y)

By Matt Apuzzo

AP, October 25, 2006

A former Defense Department official was sentenced to 18 months in prison and another pleaded guilty Tuesday to selling military equipment in the Middle East and pocketing hundreds of thousands of dollars.

Most of the equipment was unneeded and scheduled for auction, but prosecutors said the illegal deals also included the sale of Humvees that were still weaponized and were not supposed to have been sold.

Ronald W. Wiseman of New Boston, Texas, was sentenced for violating federal weapons laws. Wiseman worked for the Defense Reutilization and Marketing Service, the Pentagon agency that sells excess military equipment.

The agency contracts with overseas auctioneers to sell the equipment and return the money to the government. Prosecutors said Wiseman and a Saudi Arabian auctioneer agreed to sell some equipment off the books and share in the profits.

Wiseman pleaded guilty in May and agreed to cooperate in a federal investigation. A second U.S. official, Gayden C. Woodson of North Ogden, Utah, pleaded guilty Tuesday to conspiracy to steal government property.

Woodson said that in January 2001, he joined Wiseman's conspiracy and continued it after Wiseman left the Middle East the following year. Woodson admitted in federal court that he made at least 19 illegal transactions and received about $350,000.

U.S. authorities have recovered some of the Humvees and traced others to Spain, the Czech Republic and other countries, according to court documents.

"By putting militarized vehicles into an unregulated stream of foreign commerce, in a part of the world in which United States military personnel are engaged in deadly conflict with insurgency forces, the defendant put those vehicles within reach of adversaries who could use them against our own," prosecutor Laura A. Ingersoll wrote.

Woodson is scheduled to be sentenced Jan. 31.

Chavez Could Support Bolivia As Alternative U.N. Candidate (WSJ/AP)

The Wall Street Journal, October 25, 2006

CARACAS, Venezuela -- Bolivia's president said Tuesday that Venezuelan leader Hugo Chavez would throw his support behind the Andean country if Venezuela is unable to win enough votes to defeat U.S.-backed Guatemala for a seat on the U.N. Security Council.

Bolivian President Evo Morales, a close ally of Mr. Chavez, raised the possibility during a speech in El Alto, Bolivia, while in Caracas Foreign Minister Nicolas Maduro said Venezuela would continue its drive for the rotating Security Council seat.

A 36th round of voting is scheduled to be held Wednesday, and some countries in the region -- from Brazil to Guyana -- expressed hope of seeking an alternate candidate. Other possibilities mentioned by diplomats included Chile and Uruguay.

Venezuela trailed Guatemala in 34 of the 35 votes so far, and tied the Central American country in one round last week.

Venezuela has denounced what it calls coercive measures by the U.S. government aimed at keeping a critical government off the Security Council.

Mr. Morales said he had spoken by phone with Mr. Chavez on Monday, who told him that if Venezuela does not get the two-thirds majority it needs to win, he will "propose Bolivia as a candidate."

"We're candidates for the Security Council," Mr. Morales said. "I hope we can win a consensus. Our ambassadors should be mobilized in the United Nations."

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Mr. Maduro, meanwhile, said Venezuela has a "sovereign and legitimate right" to maintain its candidacy. He said Venezuela would only consider talks on a consensus candidate if Guatemala drops out of the race and the U.S. doesn't try to interfere.

The foreign minister said Venezuela has the support of a large majority of countries across Latin America and the Caribbean.

"Venezuela has always been willing to have a dialogue," Mr. Maduro said. "Bilateral meetings have been held today. We've received a ratification of the vote by a group of countries that have stood by us strongly."

Mr. Maduro said he would travel to New York to lead Venezuela's delegation as the voting resumes.

As for seeking consensus on another country to fill the rotating seat, Mr. Maduro said "we could only consider that option if Guatemala quits, if the United States ceases its crude blackmail to other governments of the world."

Meanwhile, Guyana's foreign minister, Rudy Insanally, said Latin American and Caribbean nations are likely to seek an alternate candidate if neither Guatemala or Venezuela wins enough votes in fresh balloting this week.

He said countries would be meeting to discuss alternatives. "We are hearing Chile or Uruguay. These two are the likely ones," Mr. Insanally said.

Brazilian Foreign Minister Celso Amorin also said Brazil favors a consensus candidate, despite the fact that his nation has expressed support for Venezuela.

Other compromise candidates that have been suggested for the two-year seat include Costa Rica, Panama, the Dominican Republic, Mexico, and Brazil.

Venezuela Denies Ending U.N. Bid (WP)

The Washington Post, October 25, 2006

CARACAS, Venezuela, Oct. 24 -- Venezuelan officials on Tuesday denied Bolivian President Evo Morales's claim that Venezuela had decided to withdraw from the competition for a seat on the U.N. Security Council and would instead nominate his country as a candidate.

Foreign Minister Nicolas Maduro demanded that Guatemala, its rival for the position, and the United States meet three conditions before Venezuela would drop its bid.

Guatemalan Foreign Minister Gert Rosenthal said a Bolivian compromise candidacy "was apparently a unilateral decision by Venezuela, because they have not notified me." He rejected the idea that Guatemala would step aside in favor of Bolivia.

"We have not pulled out, and we have no intention of doing so," he said in Guatemala City.

Latin American U.N. representatives reconvene in New York at noon Wednesday to consider a consensus candidate. Venezuela and Guatemala jockeyed over 35 rounds of voting last week -- the second-longest bid in U.N. history -- to land one of Latin America's two-year rotating seats on the council, but neither got the required two-thirds majority among U.N. members.

"Comandante Chavez called me this morning and said he could not get the two-thirds he needed for the Security Council," Morales said from El Alto, Bolivia, referring to Venezuelan President Hugo Chavez. "Chavez said he will leave the candidacy to Bolivia."

Like Chavez, Morales has strained relations with the Bush administration, which has backed Guatemala for the Security Council seat.

Maduro said Venezuela required that Guatemala resign its candidacy, that the United States stop "its gross blackmail of the governments of the world, and . . . that we have a transparent process to find some kind of third option to represent the region with dignity."

Venezuela Diatribe Backfires (NYT)

By Warren Hoge

The New York Times, October 25, 2006

UNITED NATIONS, Oct. 24 — Venezuela's populist leader, Hugo Chávez, earned giggles and guffaws at the United Nations last month with his mass appeal diatribe ridiculing President Bush as the devil. Mr. Chávez said he could still smell the telltale scent of sulfur on the General Assembly rostrum where Mr. Bush had spoken the day before.

Now it appears that Mr. Chávez's histrionic performance — styled to win him support from the United States' many detractors at the United Nations — may have cost his country the seat on the Security Council that he has conducted a global campaign to win.

Developing nations make up a vast majority of the 192 countries in the General Assembly and generally warm to rants against Washington. But they also value the United Nations as a place where their voices can be heard in a dignified setting, and both supporters and detractors here say Mr. Chávez may have miscalculated in turning it into his bully pulpit.

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Delegates said they also feared that the performance demonstrated the kind of behavior Venezuela might bring to the orderly confines of the Council chamber.

As the General Assembly resumes voting on Wednesday on who should occupy the seat being vacated by Argentina, Venezuela's candidacy is already considered finished. In 35 rounds over three days last week, the ambassadors kept Venezuela's competitor, Guatemala, far in front, though not in ready reach of the two-thirds majority needed to win the seat.

In a twist to Venezuela's quest for the seat, President Evo Morales of Bolivia, Mr. Chávez's closest political ally in South America, said Tuesday that Mr. Chávez had asked him to put Bolivia forward as an alternate candidate to Venezuela. But a spokeswoman for the Venezuelan Foreign Ministry later said the nomination of Bolivia was just one option under consideration. In any case, the decision to select a new candidate would be up to the Latin American and Caribbean group at the United Nations.

Venezuela's poor results came as a surprise, and many people, including those favoring Caracas in the voting, point to Mr. Chávez's performance as the cause.

"The speech played the most important role in what happened," said Riordan Roett, the director of the Latin American Studies Program at Johns Hopkins University. "You can talk like that in Latin America, and people will have a chuckle, but there is traditional respect for protocol, and it was not amusing to a lot of people who see the U.N. as the forum for expressing third world views."

"The speech really hurt his case," said Enrique Berruga, the ambassador of Mexico. "Most members don't want this place to be turned into a mockery. In the General Assembly, there are limits, and he went way beyond them."

Another Latin ambassador, who said he knew of many countries that voted against Venezuela because of the speech, agreed that Mr. Chávez had stepped over a line.

"U.S.-bashing is acceptable, but not the U.N.-bashing that they thought Chávez's speech amounted to because in the end this is everyone's house, and a speech like that goes down the same dirty drain as the bitter criticisms of the U.S.," the envoy said. He asked not to be identified because he was commenting on the leader of another South American country.

Asked if Mr. Chávez's popularity might be flagging closer to home, Mr. Roett pointed out that presidential candidates who have been identified with Mr. Chávez in recent elections in Ecuador, Peru and Mexico all did badly. "For sure he's not gone as a force, but people are less impressed with him than they were four or five years ago," he said.

The expectation at the United Nations has been that the inconclusive balloting will drag on for many days as Venezuela and Guatemala refuse to step down and the Latin American group is consequently unable to turn to a compromise candidate.

The calculus could change if Venezuela does decide to drop out.

The unseemly process is embarrassing to Latin diplomats who acknowledge that the 33-nation Latin American and Caribbean group at the United Nations has often shown disunity, while the 53-nation African group and the 54-country Asian group yearly produce candidates without dispute.

"We probably have the least amount of time difference between our countries of any group, but we have the greatest difficulties getting together," said Eduardo J. Sevilla Somoza, the ambassador of Nicaragua. His country lost its bid for a Security Council seat last year to Peru.

The disarray that the Venezuela-Guatemala standoff has produced at the United Nations reflects divisions within the region itself.

First, there is the role of the United States, which has lobbied vigorously for Guatemala in an effort to keep Venezuela off the Security Council and whose attempts to influence Latin America have long divided the region.

"Both countries feel victimized, Guatemala because of Venezuela and Venezuela because of the United States," said Ronaldo Sardenberg, the ambassador of Brazil. "It's a very complicated moment."

Another part of the divide is a regional tug-of-war pitting the small countries of Central America and the Caribbean against the large nations of South America.

Guatemala has never been on the Security Council. Venezuela has been a member four times, and the powers of the continent, Brazil and Argentina, have held a seat nine and eight times respectively.

But the division most on the minds of Latin Americans today is the one provoked by Mr. Chávez and his adoption of an authoritarian, state-centered leadership model that he is trying to spread through the region, which has in recent years adopted market economics and democracy.

Kenneth R. Maxwell, a senior fellow at the David Rockefeller Center for Latin American Studies at Harvard, said he believed there was a "tectonic shift" that was dividing Latin America three ways — a northern sphere encompassing Mexico, Central America and the Caribbean; a southern part based in the large countries of South America; and an Andean stretch where indigenous leaders were coming to power.

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He said that shift had created an instability that had given Mr. Chávez an opportunity to win over other countries to his thinking, particularly as long as he can tap Venezuela's oil proceeds for his political goals.

Arturo Valenzuela, the director of Georgetown's Center for Latin American Studies, said he thought the divisions were serious, but not as deep as the ideological schism that befell the region during the cold war when many countries were ruled by military dictatorships.

Many Auto Makers Miss Targets For Emissions Cuts In Europe (WSJ)

By William Echikson

The Wall Street Journal, October 25, 2006

BRUSSELS -- About three-quarters of auto makers are failing to improve fuel efficiency to meet Europe's voluntary targets to cut carbon-dioxide emissions, according to an environmental group's study.

The European Federation for Transport and Environment produced the study to heat up a debate over whether the European Commission should impose mandatory emissions cuts for automobiles. The federation backs mandatory controls, while the commission has set only voluntary targets.

"As long as 75% of car makers go unpunished for their failure, we will never make the necessary progress," said Aat Peterse, director of the Clean Cars Program for the transport federation, a nongovernmental group based in Brussels with member organizations in 20 countries.

Any effort to impose new rules on the auto industry is likely to meet resistance from individual governments. The European Parliament's environment committee voted last month to delay compliance with CO2 standards to 2011 from 2008, saying auto makers needed the time to develop technologies.

The spokeswoman for the European Automobile Manufacturers Association, Sigrid de Vries, said she hadn't yet seen the report, but that it was wrong to single out individual companies, explaining that some car makers emphasize large fuel-consuming vehicles, while others concentrate on small, fuel-efficient ones.

In August, the European Commission, the executive arm of the European Union, told car makers they must do more to cut CO2 emissions in new vehicles and threatened to impose regulations after revealing that 2004 average emissions -- at 12.4% below 1995 levels -- were well below industry commitments to cut emissions 25% by 2008.

"The situation is not satisfactory," said Günter Verheugen, commission vice president and commissioner for enterprise and industry. "We expect that industry sticks to its commitments."

Japanese and German car makers led the new study's list of worst performers. Nissan Motor Co., Suzuki Motor Corp. and Mazda Motor Corp. registered well above the rate of European standard. Volkswagen AG, Europe's biggest car maker by sales, has improved fuel efficiency at less than half the rate needed, the study says.

In contrast, other European and U.S. manufacturers made progress. Fiat SpA, Renault SA, Peugeot SA are on track to meet or exceed targets by 2008. Ford Motor Co. and General Motors Corp.'s Opel division also come out well. In Europe, both companies concentrate on small and midsize cars.

Vietnam's Roaring Economy Is Set For World Stage (NYT)

By Keith Bradsher

The New York Times, October 25, 2006

HO CHI MINH CITY, Vietnam — Nearly four decades ago, South Vietnamese leaders mapped out their battle plans inside the presidential palace here. When they lost the war, the palace became the base for the Ho Chi Minh City People's Committee, which worked to impose tight Communist control.

But in September it was the scene of a very different gathering: a board meeting of the Hongkong and Shanghai Bank.

In the three decades since Vietnam has gone from communism to a form of capitalism, it has begun surpassing many neighbors. It has Asia's second-fastest-growing economy, with 8.4 percent growth last year, trailing only China's, and the pace of exports to the United States is rising faster than even China's.

American companies like Intel and Nike, and investors across the region, are pouring billions of dollars into the country; overseas Vietnamese are returning to run the ventures.

In the latest sign of Vietnam's economic vitality, trade negotiators from around the world are preparing, after more than a decade of talks, to put the finishing touches on an agreement, possibly by Oct. 26, for Vietnam to join the World Trade Organization. President Bush, President Hu Jintao of China, President Vladimir V. Putin of Russia and other heads of state plan to come to Hanoi in mid-November for an Asia-Pacific Economic Cooperation summit meeting.

For Vietnam, the meeting will be a coming-out party, critical to its pride in much the way the 2008 Olympics in Beijing are for China.

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"I think they are the next China," said Michael R. P. Smith, chief executive of the Hongkong and Shanghai Banking Corporation. "It's not the scale of China, but it's a significant economy."

Through the end of last year; Vietnam's growth rate exceeded that of Thailand, Malaysia, Taiwan, South Korea and even India, its closest rival.

The latest Asian economic tiger, Vietnam now produces and uses more cement than France, its former colonial ruler. The main index for the Ho Chi Minh City stock market and a smaller exchange in Hanoi have nearly doubled in value this year. Vietnam has become the talk of investment bankers and investors across Asia.

But with such growth has come controversy, here and in the United States. Republicans in Congress are divided over a coming vote soon after the midterm elections: Should the United States grant permanent, full trade relations to Vietnam, given the two countries' history and Vietnam's current position, where it sells almost nine times as much to Americans as it buys?

Corporate America is divided, too, over a Bush administration initiative to win votes for full trade status by throwing a bone late in September to Southern senators representing states where textiles are made. Vietnamese officials are furious with Washington over what they see as a last-minute protectionist attempt to limit the exports of their country's booming garment industry.

In Vietnam, nearly double-digit growth is starting to produce the same shortages of skilled labor as in India and China. Executives at multinationals like Groupe Lafarge of France and Prudential of Britain say that local accountants, human relations managers and other professionals are so scarce that salaries are soaring 30 percent to 50 percent a year.

Many educated Vietnamese now are like Ha Nguyen, 34, a chemical engineer who is working at his third job in three years, having received big raises each time he changed companies. "Right now, it's easy in Vietnam to find a job," he said, pausing while doing a chemical analysis of cement quality at a corporate laboratory here.

Roads and ports in this country are increasingly choked with cars and ships, the congestion worse than China's but not yet as bad as India's. Yet deep-seated corruption has slowed construction; the government has put the brakes on highway building across northern Vietnam this year after uncovering a graft scandal that led to resignations and detentions all the way to the top of the Transport Ministry.

Balanced against these problems is a government that, like China's, has embraced capitalism after becoming disillusioned with the widespread poverty and sometimes hunger that accompanied tight state control of the economy.

Economic liberalization policies have been pursued in earnest since the early 90's, after poor harvests and economic mismanagement left millions facing malnutrition in 1990.

Among the architects of this change are a handful of bright economists like Le Dang Doanh, a top adviser to the government and the Communist Party who studied in the old Soviet Union and East Germany but became deeply disillusioned with the corruption and inefficiency of state-owned industries.

"The reform is definitely irreversible," Mr. Doanh said. "Any attempt to come back to a centrally planned economy, to overplay the state sector, is economically irrational, inefficient and psychologically is counterproductive."

If anything, Vietnam has leaned in the other direction. The Finance Ministry has just produced a draft personal-taxation law, expected to be approved by January, that offers more tax breaks for the wealthy than the United States does. Inheritances among immediate family members will be entirely exempt from taxation. So will interest on all but the largest bank accounts, and a fierce debate is under way over whether capital gains should be taxed.

And in some ways, Vietnam is more pro-business than China. Reluctant to anger city dwellers, state-owned power companies in China minimize blackouts in residential areas but cut off power to factories as much as three days a week, forcing them to run on costly diesel generators.

Vietnam takes the opposite course. Takashima Masayuki, general director of a Japanese-owned factory that makes shirts and jackets in Bien Hoa city, said the factory did not even have a generator because the authorities never allowed power to be cut off in the industrial zone where it is situated. By contrast, Ho Chi Minh City residents say they have brief power interruptions as often as twice a day.

Like China and India, Vietnam has benefited enormously from the return of a diaspora — people who had fled the country. Thousands of overseas Vietnamese have come home after learning English, gaining entrepreneurial experience and acquiring technical skills.

Phu Than, Intel's country manager for Vietnam and Indochina, was 14 when he was evacuated in the last days before the fall of Saigon, leaving by helicopter with his mother, an employee of the old American Consulate in Danang.

He earned an electrical engineering degree from the University of California, Davis, then joined Intel and now oversees the largest foreign investment in Vietnam, the construction of a semiconductor assembly and test factory that will cost $300 million for the first phase and another $300 million for a likely expansion later.

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American businesses are catching on to Vietnam's attractions, but they still lag behind Taiwan companies, which are the biggest foreign investors in Vietnam, followed by Singapore.

Vietnam's appeal to foreign companies rests on its young labor pool. Three-fifths of its 84 million people are under 27. And with a policy of limiting families to two children, as distinct from China's one, Vietnam will continue for many years to have a large proportion of hard-working low-skill employees.

Typical is Nguyen Thi Hong, 30, who rides each morning on her rusty bicycle to stand outside factories and look for work in Bien Hoa, 15 miles northeast of Ho Chi Minh City; in China, factories advertise far and wide even for unskilled workers.

A brightly patterned kerchief protecting her from air pollution, Mrs. Hong said she and her husband, a mechanic who has found work here, have left their year-old son with his parents in their hometown in the central part of the country.

Vietnam has reduced the percentage of its people living in abject poverty — less than $1 a day — to 8 percent from 51 percent in 1990, a greater advance than either China or India.

But incomes are still far short of Western levels. Few of these Vietnamese can afford to eat American beef or fly in Boeing jets. The country's trade surplus with the United States has soared — it exported $5.56 billion worth of goods to the American market in the first eight months of this year while importing $625.9 million.

That imbalance, much of it in the garment industry, has complicated the Bush administration's effort to persuade lawmakers to approve normal trade relations with Vietnam. The administration tried to shore up support by sending a letter on Sept. 28 to two Republican senators, Elizabeth Dole of North Carolina and Lindsey Graham of South Carolina, saying that the Commerce Department may file its own antidumping cases against low-price shipments of Vietnamese clothing without waiting for American companies to do so.

But the letter has upset retailers and other importers, who worry that they may end up paying any punitive duties that are imposed.

"The retail industry is really split on this," said Brad Figel, the government affairs director at Nike, which remains in favor of the bill and is seeking clarification of administration policy.

Antidumping duties are an emotional issue in Vietnam, after the United States imposed them on catfish exports three years ago and the European Union recently imposed them on Vietnamese and Chinese shoe exports. Vietnamese officials warn that dumping cases could hurt the regulatory environment for American businesses and cause layoffs at garment factories, where most workers are low-income women.

"These people suffered from the war a lot already, and we would not want them to suffer again," said Nguyen Anh Tuan, vice director of Vietnam's Foreign Investment Agency. "American investors should not lose their foothold in Vietnam."

Talk to garment-factory workers in Vietnam these days, though, and they are looking forward to a future where their children live far better than they do. "My parents were very poor," said Nguyen Thu Hoai, 28, said as she folded green Nike jackets in a state-owned factory in Ho Chi Minh City.

"But I will be able to give my son a good education," she said, describing a modest Prudential life insurance policy she bought for her 2-year-old son that includes a savings fund for educational expenses. "He will have more opportunities."

A Mercenary Force For Darfur (WSJ)

By Max Boot

The Wall Street Journal, October 25, 2006

Mercenaries used to dominate warfare. The "Hessians" who served Britain in our War for Independence (many were actually from other German states) became notorious among the colonists, but foreigners formed a major part of every army in the world until the French Revolution. Their outlook was pithily expressed by a 17th-century soldier who said: "We serve our master honestly, it is no matter what master we serve."

And they did provide good service. It was thanks largely to "free lances" (the origin of that now common term) that absolute monarchs managed to consolidate their power in Europe and carve out vast overseas empires. Private entities like the Dutch and English East India Companies even marshaled their own armies and navies to defend their domains.

But with the rise of nationalism in the 19th century, soldiers of fortune fell into disfavor. The assumption became prevalent that it was honorable to fight for one's country, even if compelled to do so via a draft, but dishonorable to fight for a paycheck.

Yet mercenaries remain abundant. Some serve nation states -- for instance the Nepalese Gurkhas in the British and Indian armies. Many more are employed by companies such as DynCorp, Vinnell and Blackwater, all of whom vociferously resist the "mercenary" label; they prefer to be called security companies or private military firms.

Call them what you will, such outfits have grown in importance as the armed forces of the U.S. and other countries downsized after the end of the Cold War. Today, from Afghanistan to Iraq, much of the logistical support for American troops is provided by Halliburton subsidiary KBR.

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Hired hands aren't just serving chow or cleaning latrines. They're also carrying guns to safeguard supply convoys, buildings and VIPs. Even many U.S. ambassadors are protected by private bodyguards. Our man in Baghdad, Zalmay Khalilzad, never leaves home without his heavily armed Blackwater detail.

Peter Singer, a fellow at the Brookings Institution and author of "Corporate Warriors," estimates that at least 20,000 private gunslingers have been employed in Iraq alone. Among foreign troop contingents, they are second in number -- and in casualties -- only to the U.S. military. Mr. Singer quips: "President George W. Bush's 'coalition of the willing' might thus be more aptly described as the 'coalition of the billing.'"

Many of these contractors, largely veterans of Western and Soviet bloc militaries, have performed bravely in trying circumstances. But they have also caused their share of problems. There have been numerous scandals over firms charging too much or not delivering what they promised. Even more pervasive have been complaints about guards running wild. In their black body armor and armored Chevy Suburbans, contractors are notorious for careening through traffic and firing wildly, not caring who gets hurt as long as they reach their destination.

Yet, for all their shortcomings, there is no way to end our reliance on privateers -- at least not without a big increase in military end-strength, which is needed but not likely. And they can actually perform valuable work that we won't send our own troops to do.

Case in point: Darfur. A force of 7,000 lightly armed African Union peacekeepers has been helpless to stop the genocide being carried out in this region of the Sudan. Odds are that a contingent of U.N. blue helmets, if and when they finally arrive, won't do much better. Why not turn to the private sector?

Mercenaries have committed their share of abuses in Africa. (See "The Wild Geese" and "The Dogs of War," both based on real events in the 1950s and 1960s, the heyday of "Mad" Mike Hoare, "Black" Jacques Schramme and other notorious swashbucklers). But they have also been effective in stopping human-rights abuses.

In 1995-96, Executive Outcomes, a South African firm working for the government of Sierra Leone, made short work of a savage rebel movement known as the Revolutionary United Front that was notorious for chopping off the limbs of its victims. As a result, Sierra Leone was able to hold its first free election in decades. The now-defunct Executive Outcomes also helped the Angolan government quell a long-running insurgency by Jonas Savimbi's Unita, leading to the signing of a peace accord in 1994. Another private firm, MPRI, helped to bring peace to the former Yugoslavia in 1995 by organizing the Croatian military offensive that stopped Serbian aggression.

Hired guns could be equally effective in stopping the campaign of rape, murder and ethnic cleansing carried out by the Sudanese government and the janjaweed militia in Darfur. In fact, several firms have already offered their services. They could be employed by an international organization like the U.N. or NATO, by an ad hoc group of concerned nations, or even by philanthropists like Bill Gates or George Soros.

Critics complain that mercenaries didn't provide long-term fixes. Sierra Leone, for instance, fell back into brutal warfare after Executive Outcomes left. But that's because the mercenaries were on short-term contracts; they might have created more lasting stability if they had been given longer-term employment.

Many also worry about abuses committed by mercenaries, who in some cases have tried to plunder or even take over small states. But the record of privateers compares favorably with that of U.N. peacekeeping forces, which have been distinguished more by their propensity for committing sex crimes than by any success in keeping the peace. To deal with potential abuses, private fighters could be hired under a contract that would hold them liable for war crimes in the International Criminal Court or some other jurisdiction. That would make them more accountable than U.N. forces, which operate with almost complete impunity.

Sending mercenaries to Africa isn't politically correct. But it would be a lot more useful than sending more aid money that will be wasted or passing ineffectual resolutions that will be ignored.

Mr. Boot, a senior fellow at the Council on Foreign Relations, is the author of "War Made New: Technology, Warfare, and the Course of History, 1500 to Today," published last week by Gotham Books.

The Really Cold War (NYT)

By Thomas L. Friedman

The New York Times, October 25, 2006

Berlin

The Berlin Wall fell almost 17 years ago. At the time, the future seemed clear: The fall of the wall would unleash an unstoppable tide of free markets and free people — and for about 15 years it did just that. Today, though, when you stand where the Berlin Wall once stood and look east, you see a countertide coming your way. It is a black tide of petro-authoritarianism emanating from Russia, and it is blunting the Berlin Wall tide of free markets and free people.

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Why? Russia is a classic example of what I like to call "the First Law of Petropolitics," which posits that the price of oil and the pace of freedom operate in an inverse relationship in petrolist states — states with weak institutions and a high dependence on oil for their G.D.P. As the price of oil goes down, the pace of freedom goes up. The day the Soviet Union collapsed the price of oil was near $16 a barrel. And as the price of oil goes up the pace of freedom goes down. Today, Russia's president, Vladimir Putin, flush with surging oil and gas profits, is crushing domestic opponents, renationalizing major energy companies, throwing out Western human rights groups and generally making himself the big man on campus in Europe.

When Europeans tell you that they fear a new "cold war," this time they really are talking about the temperature — and the fear that Russia, if it wanted to turn off the gas, could make Europeans very cold. About 40 percent of Europe's natural gas imports come from Russia, and that is expected to grow to 70 percent by 2030.

With prices high, Russia has gone from the sick man of Europe to the boss man. Russia is a having a much bigger impact on Western Europe "with gas pipelines than it ever had with SS-20" long-range nuclear missiles, remarked the German foreign-policy expert Josef Joffe, author of the smart book "Überpower: The Imperial Temptation of America."

"Ten years ago we thought Russia was out of it," Mr. Joffe said. "We knew it was going to come back. But suddenly, out of the blue, with the rise in oil prices, it is back on stage, and this time it's much more skillful. The image we have of Russia is [the port of] Murmansk, where the Russian fleet is rotting — but power comes in many forms." And the most popular form today is oil and gas.

Goodbye NATO, hello Citgo.

The other day, the BBC quoted a senior "E.U. insider" as saying of European Union leaders: "You know what happens when they get in the same room with Putin?" They all prostrate themselves "and say, 'I love you, Vladimir.' " The BBC was reporting about a tense summit meeting last Friday in the Finnish town of Lahti. E.U. leaders reportedly beseeched Mr. Putin to honor contracts with Western oil companies, as well as to ease his crackdown on press freedoms, on human rights groups in Russia and on Georgia, and to investigate the murder of a crusading Russian journalist.

What the E.U. wants, a senior German official explained, is to be able to invest in more Russian oil and gas drilling projects and pipelines upstream, so that Russian and E.U. energy interests will be so intertwined Russia will never consider turning off the gas. Mr. Putin wants Gazprom, the giant Russian gas company, to be able to buy into more downstream consumer operations in Europe. That way Russia could dominate the industry from its oilfields all the way to the gas meters of Berlin and Brussels. Right now, the two sides are in a standoff.

"We cannot allow energy to divide Europe as communism once did," José Manuel Barroso, the European Commission president, told The Financial Times. But it is.

In fairness to Mr. Putin, turnabout is fair play. After the Soviet Union collapsed and Russia was enfeebled, the U.S. and the E.U. crammed NATO expansion down his throat. He's now using petro-power to push back. "Russia is very different from Venezuela or Saudi Arabia," remarked Clemens Wergin, an editorial writer at the German daily Der Tagesspiegel. Russia has nukes and oil, he noted, and therefore has the potential to play a much more domineering geopolitical role in Europe.

German officials don't really think Russia is about to turn off the gas if it doesn't get its way on some issue. After all, it never did that during the old cold war, and Russia today is much more dependent on Western markets. But still, centuries of uneasy relations between Europe and Russia make German officials queasy about how dependent they've grown on the Kremlin to heat their homes and offices. Queasy or not, one thing they know for sure: Russia is back. The gas man cometh.

Europe's Muslims (WP)

The Washington Post, October 25, 2006

AYEAR AGO this week, riots erupted in mostly Muslim suburbs of Paris and other French cities, underlining the alienation of a subculture that makes up 8 percent of the country's population but has suffered from chronic unemployment and discrimination. One year later, that alienation -- and the threat of violence that comes with it -- appears to have worsened, not only in France but across Western Europe. French police are facing what some call a "permanent intifada" in Muslim neighborhoods, with nearly 2,500 incidents of violence against officers recorded in the first six months of the year. Some of these now take the form of planned ambushes: On Sunday a gang of youths emptied a bus of its passengers, set it on fire, and then stoned the firefighters who responded.

In Britain, the London bombings of 2005, which were executed in part by native-born Muslims, have been succeeded by this summer's arrest of another group of native extremists who allegedly plotted to blow up airliners. Two Lebanese residents of Germany were accused of trying to bomb passenger trains. The threat of violence by Muslims angered by perceived insults, whether from the German-born pope or the director of a Mozart opera, has become more frequent.

Europeans are slowly growing more aware that a major part of the global struggle against Islamic extremism must take place in their own countries -- and not just in faraway Afghanistan or Iraq. But their governments, media and political elites still

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appear to be a long way from coming to grips with the challenge. Rather than seeking to address the larger alienation of mainstream Muslims, European leaders often appear to do the opposite -- by challenging the culture of Muslims and defending gratuitous insults of Islam.

One recent but hardly isolated example came from Britain's House of Commons leader, Jack Straw, who criticized Muslim women for wearing veils and said he asked those who visited his office to remove them, on the grounds that they impede "communication." It's hard to believe that veils are the biggest obstacle to communication between British politicians and the country's Muslims; and it's even harder to imagine Mr. Straw raising similar objections about Sikh turbans or Orthodox Jewish dress. True, the Labor Party MP was reflecting -- or maybe pandering to -- the concern of many in Britain about the self-segregation of some Muslims. But veils -- which are also under government attack in France and Italy -- are not the cause of that segregation, much less of terrorism. Attacks on Muslim custom by public officials are more likely to reinforce than to ease the community's alienation.

Mr. Straw and other European politicians could contribute far more to combating radical Islam if they focused on those who actually foment intolerance among European Muslims -- as well as those in the mainstream community who promote prejudice against Arabs and South Asians and their descendants. Muslims in Europe should be invited to embrace the countries where they live on their own terms. They should be expected to respect laws and freedoms. But politicians would do better to work on dismantling the barriers Muslims face in getting educations and jobs rather than those that distinguish Islam from the secular majority.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Gonzales Believes US Is Misunderstood In War On Terror. The AP (10/25, Giles) reports, "U.S. Attorney General Alberto Gonzales said Tuesday he believes some of the U.S. actions in its war on terror have done damage to the image of the United States abroad, particularly its commitment to the rule of law." The AP continues, "The U.S. has drawn criticism around the world for the Abu Ghraib prison scandal in Iraq, its treatment of detainees and secret renditions of terrorism suspects to clandestine prisons in allied countries where they are allegedly tortured. … 'The notion that the United States does not fully support the rule of law is one I find very disappointing,' Gonzales told reporters, especially given that President Bush 'believes the Unites States is the leader, is a beacon of hope in the world and it's important that our actions should reflect a total commitment to the rule of law.'" The AP adds, "He blamed the country's deteriorating image on misunderstanding in Europe about what the U.S. is doing to fight terrorism. … 'Part of the misunderstanding is the fault of the United States in the sense that we need to be out there more, talking about what we are doing and why,' he said." The AP notes, "Gonzales was in Madrid for the sixth meeting of a working group set up two years ago to coordinate the fight against terrorism and other police matters. … Gonzales dismissed criticism that prisoners at the Guantanamo Bay detention facility were in legal limbo and said the recent Military Commissions Act ensured fair trials for terrorists and guarantees that evidence acquired through torture will not be used."

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FNC On the Record (10/24, 10:47 p.m.) FNC's Harris Faulkner "Attorney General Alberto Gonzales says the U.S. needs to do better job spelling out what it's doing to fight terror and why. On a trip abroad, Gonzales says his trips are an important way to reach his counterparts there about what the U.S. is trying to do to protect America and, in turn, protect the interest of its allies."

US, Spain Agree To Greater Anti-Terror Cooperation. AFP (10/25) reports, "Spain and the United States agreed to ramp up cooperation against terrorism and organized crime during a visit by US Attorney General Alberto Gonzales, the interior ministry said. … The agreement came during talks between Gonzales and Spanish Interior Minister Alfredo Perez Rubalcaba, it said." AFP continues, "Washington offered to make technology which the US Federal Bureau of Investigation uses to index DNA samples available to Spanish police. … Spanish Justice Minister Juan Fernando Lopez Aguilar told reporters after the meeting, which also saw Gonzales confer with Spanish counterpart Candido Conde-Pumpido, that judicial cooperation between the two nations was 'excellent.' … He added that they were committed to 'achieving good long-term results' in fighting terror." AFP adds, "Gonzales said the United States was sometimes 'misunderstood' in Europe and it had to 'talk more' to explain its position on security. … Asked if Spain was prepared to countenance handing over terror suspects to US military courts, Aguilar told Spanish media that Spain was determined to protect its citizens' rights at all times."

More Commentary. The Longview (TX) News-Journal (10/25) reports, "Alberto Gonzales, who once made headlines when he authored legal arguments that President Bush had the authority to authorize torture, is now disappointed by our nation's sagging reputation. … Gonzales, then the White House counsel but now the U.S. Attorney General, was in Spain for a meeting of an international working group created two years ago to coordinate the fight against terrorism and deal with other global law enforcement issues. While there, he told reporters, 'The notion that the United States does not fully support the rule of law is one I find very disappointing.' … According to an Associated Press report, the nation's top lawyer added that Bush 'believes the United States is the leader, is a beacon of hope in the world and it's important that our actions should reflect a total commitment to the rule of law.' … Of course, Gonzales failed to mention that in order for Bush to live up to his words, he needed to sign legislation last week — the Military Commissions Act — to ensure fair trials for suspected terrorists and assure that evidence garnered through torture will not be used at such trials." The News-Journal adds, "Gonzales told reporters that our country's tarnished image abroad is due to our allies' misunderstandings about what the United States is doing to fight terrorism. … Actually, that tarnished image is due to our allies' growing understanding of measures the United States has taken in its efforts to combat terrorism, including the use of secret prisons abroad, the rendition of prisoners to governments known to use torture and the indefinite detention of people who are suspected but not yet proven terrorists. … Gonzales would like to talk about Bush's 'total commitment to the rule of law' but he has often been reticent about discussing the administration's commitment to the spirit of the law. That's because the longtime Bush aide and attorney has played a key role in seeking loopholes that allow the president to sidestep the spirit of the law. … The attorney general's comments were almost laughable when he opined that the way to dispel the 'misunderstanding' among our European allies is for the United States "to be out there more, talking about what we are doing and why." … Meanwhile, at home we hear administration officials and supporters raising the specter that members of the media are unpatriotic and possibly traitorous when they report about what the administration is doing — and why."

US Concerned By Release Of Saudi Prisoners For Ramadan. The Los Angeles Times (10/25, Williams, Connell, Lopez, 918K) reports, "US officials, apparently caught off guard by the Saudi government's recent release of more than two dozen former Guantanamo Bay prisoners, are voicing fears that the men will join the camp of violent extremist groups. The Saudis released the 29 men from jail for observance of Ramadan, the Muslim holy month of fasting and atonement, with instructions to return to custody by the end of this month. Saudi officials said that although the men were still under investigation for possible terrorist ties, they were not considered serious threats." The Times adds that Saudi decision to temporarily release the 29 men "illustrates the limits of US influence as the Bush administration seeks to shrink the population of Guantanamo by transferring prisoners to other nations. And it underscores how differently the US and other countries, including Britain and Germany, perceive the danger posed by former detainees."

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"Essential Element" Of Canadian Anti-Terror Law Ruled Unconstitutional. The New York Times (10/25, Austen, 1.21M) reports, "An Ontario judge ruled Tuesday that an 'essential element' of Canada's antiterrorism laws was unconstitutional. The decision, by Justice Douglas Rutherford of the Ontario Superior Court, marks the second time in less than a week that a judge at the court has rejected parts of the nation's new antiterrorism laws. Justice Rutherford found that the laws, introduced after the Sept. 11 attacks in the United States, improperly defined terrorism as a crime committed with religious, ideological or political motives. That definition, he said, is 'an essential element that is not only novel in Canadian law, but the impact of which constitutes an infringement of certain fundamental freedoms,' including 'those of religion, thought, belief, opinion, expression and association.'"

HOMELAND RESPONSE:

In Letter to Gonzales, Grassley Calls Lack Of Anthrax Probe Briefings "Outrageous." Under the headline "FBI Hit For Anthrax 'Dead-Ends,'" the Washington Times (10/25, Seper, 88K) reports Sen. Charles Grassley "wants Attorney General Alberto R. Gonzales to explain why the FBI has not made an arrest in its anthrax investigation, citing five years of 'dead-ends and a lack of progress.'" Grassley wrote to Gonzales, "The FBI's refusal to brief Congress over the last several years is an outrageous response to reasonable requests at getting to the bottom of the attacks." The Times notes, "FBI Assistant Director Joseph Persichini Jr., who heads the Washington field office, said last month that FBI and U.S. Postal Service investigators were 'fully committed to bringing the perpetrators of these murderous attacks to justice.' … Mr. Grassley said a detailed examination of the probe may reveal the FBI's 'institutional resistance to criticism and dissent.'"

Milloy Says Postal Workers Feel "Forgotten," "Vulnerable." In his Washington Post (10/25, 748K) column, Courtland Milloy writes that postal workers feel "forgotten" in the anthrax saga and notes that Brentwood Exposed president Dena Briscoe said at a memorial service last week for the postal workers killed in the attack, "Like soldiers, we continue to work on the front line, sometimes feeling unarmed, in hopes that our health and safety needs are met, and that the culprits are apprehended." Milloy adds, "The challenge of forgiveness was highlighted by a letter from Sen. Barbara A. Mikulski" to the memorial service, in which she wrote, "It is unacceptable that we still have no leads." However, "Joseph Persichini Jr., acting assistant director of the FBI's Washington field office, told the postal workers that law enforcement agents had worked extremely hard, round-the-clock, and that the failure to solve the crime had caused much grief and frustration. … His humility seemed to soften the crowd," but "the wounds inflicted five years ago are still raw. And it probably doesn't help the healing that some postal workers still feel terribly vulnerable to attack."

Busy US Airports Show Interest In Registered Traveler. USA Today (10/25, 3A, Frank, 2.27M) reports, "Ten of the USA's busiest airports have asked" the TSA to let them run Registered Traveler programs and could start "by the end of the year, launching a much-delayed effort to expedite security for travelers who pass background checks." Among those on "a list of interested airports" released by the TSA after a Freedom of Information Act request by USA TODAY are Atlanta, Chicago O'Hare and Los Angeles airports. "Steven Brill, CEO of a New York company that would run Registered Traveler programs, said 10 large airports would provide a 'critical mass to ensure this program launches and flourishes.'"

More Human Remains Found At WTC Site. The AP (10/24, Kugler) reported that 36 more bone fragments were found Tuesday in subterranean cavities along the edge of the World Trade Center site. Workers found the remains as they "continued burrowing into areas that were apparently missed during the initial cleanup." The AP adds, "The newly discovered bones are just the latest finding of overlooked remains. Hundreds of bone fragments have been found on the roof of a building just south of the trade center site, and officials are eyeing whether other buildings need to be combed again."

White Louisiana Residents More Likely To Seek Help With Insurance Claims. USA Today/AP (10/25, 5A, Callimachi, Bass) reports, "Though poor and minority neighborhoods suffered the brunt of Katrina, residents living in white neighborhoods have been three times as likely as homeowners in black neighborhoods to seek state help in resolving insurance disputes, according to an Associated Press computer analysis of Louisiana's insurance complaints settled in the first year after Katrina."

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Louisiana Insurance Commissioner Jim Donelon "said his department made an extra effort to reach as many people as possible and let them know the agency was willing to press their case with insurers. … Mike Trevino, a spokesman for Allstate, said the state agency treated minority and white homeowners equally. The figures obtained by the AP support his contention."

Quiet Hurricane Season Provides Relief For New Orleans, Insurance Industry. ABC World News (10/24, story 10, 2:50, Gibson, 8.78M) followed up a brief report on Hurricane Paul weakening to a tropical storm with a report on this year's hurricane season, which "has been…unusually quiet." ABC (Koffman) continued that forecasters, who had predicted an active season this year, "admit theirs is an inexact science." Meanwhile, the light season "is very good news for New Orleans, where the Army Corps of Engineers has another year to rebuild levees Hurricane Katrina overran." An inactive season is also good news for the insurance industry, but not for homeowners, who have "seen rates sky rocket. And they won't be coming down."

Recovery Official Says State Is Rebuilding "Safer, Stronger And Smarter." Norman C. Francis, chairman of the Louisiana Recovery Authority, in an op-ed in USA Today (10/25, 12A, 2.27M) writes that in response to the Katrina, "we in Louisiana have pledged to acknowledge our risks and rebuild safer, stronger and smarter. This is oftentimes an unpopular position, but we've stuck to that commitment." The state "adopted a tough, new statewide building code and FEMA's new flood elevation guidelines. With funding from President Bush and Congress, we created programs to allow families to sell us their flood-damaged homes or elevate as they make repairs." Francis states that the question should not be "whether to rebuild Louisiana, but how to do so safely."

In an opposing editorial, USA Today (10/25, 12A, 2.27M) writes, "Federal taxpayers will be subsidizing reconstruction in flood areas, underwriting the insurance on those homes and will no doubt have to bail out the flood insurance program if the homes get wiped out again. The program collected only $2.2 billion last year in premiums but will pay out more than $20 billion in Katrina claims, leaving taxpayers on the hook for the rest." USA Today states that "the homeowners in and around New Orleans deserve some assistance because of the magnitude of the disaster and the failure of federally constructed levees to protect them. But encouraging rebuilding in the most flood-prone areas is foolhardy."

WAR NEWS:

More US Troops May Go To Iraq As Government Agrees To Set Timetable. All three networks led with Iraq and the news that US commander Gen. George W. Casey Jr. says more troops may be needed to stabilize the situation there. Between them, the networks ran just under 19 minutes on Iraq last night. The tone of the stories was generally negative. The CBS Evening News (10/24, 3:40, Couric, 7.66M) opened its broadcast by saying the "US death toll topped 2,800 today as the military announced the deaths of two Marines, a soldier, and a sailor. With these growing numbers, pressure is building on President Bush to find a way out and bring the troops home. But the President says that cannot happen until the Iraqis can handle their own security. So the question is when will that happen?" Casey was shown saying, "We are about 75% of the way through a three-step process in building those forces. And it's going to take another 12 to 18 months or so, until I believe the Iraqi security forces are completely capable." But CBS (Logan) added, "But these uniformed men you see here in handcuffs are the Iraqi security forces. This time, they're prisoners of an American unit instead of partners. That's because these troops from 101st Airborne Division, believe the grenades just fired at them came from the Iraqi soldiers' weapons, and it's not an isolated incident."

NBC Nightly News (10/24, 4:50, Williams, 9.87M) led with what it called "a relentless drumbeat of bad news from Iraq lately, and the message from officials there today was, they will need more time, maybe even more troops in order to fully join the fight to suppress the enemy in Baghdad. On that front today, the US announced the deaths of four more servicemen. That brings the total for October alone to 92. And that's a grim record pace." NBC (Engel) added, "Today was a carefully orchestrated news event to announce that the Iraqi government has accepted a timetable, clearly driven by Washington. As US troops patrolled Baghdad today, the top American officials in Iraq held a rare joint press conference to deliver a clear message: No staying the course here." NBC Nightly News (10/24, story 2, 2:50, 9.87M) followed on that theme in its next story, with anchor Brian Williams saying, "Last night we reported the President will no longer use the words 'stay the course' in his speeches." NBC (Gregory) added, "There are important signals being sent out" from the White House "two weeks before an election. A senior advisor

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told me tonight, we don't want to appear to have our heads stuck in the sand in Iraq."

CBS Evening News (10/24, story 2, 1:15, 7.66M) anchor Katie Couric asked Pentagon correspondent David Martin, "You've got military leaders expressing guarded optimism, and yet, troops on the ground seeming to feel that things are not going the right way. So why the disconnect?" Martin replied, "I think the generals genuinely believe that success is still possible. But what's changed is that I think they also believe that failure is possible, and with each passing day of sectarian violence, failure becomes more of a possibility." ABC World News (10/24, story 2, 2:15, McCarthy, 8.78M) said "any progress" in Iraq "will require strong political leadership."

ABC World News (10/24, 2:30, Gibson, 8.78M), taking a less negative approach, led by saying a "new timetable for when the troops might come home" comes "with the caution that more US troops might be needed before they do." ABC (Karl) said Casey and US Ambassador Zalmay Khalilzad "say that the Iraqi government has agreed to set a time line for resolving major political and economic issues. It's a timeline, they say, that could leave the Iraqis largely self-sufficient within 12 or 18 months. The announcement came at a generally upbeat press conference in Baghdad." But "former generals were skeptical." Retired Maj. Gen. William Nash, Council on Foreign Relations: "If they don't deliver, the time line, undoubtedly, will be extended or we'll withdraw without a political settlement, in which case, we'll leave behind us much more chaos and much more violence."

The New York Times (10/25, Burns, 1.21M) reports in a "news conference held after a week of largely bad news from Iraq," Casey and Khalilzad "sought to reassure an increasingly restive American public that the war was still winnable." But the two men "did not address what would happen if the government failed to meet the timetable, which includes measures meant to address some of the most intractable issues plaguing the country, including the sectarian militias that have been responsible for much of the worst violence this year."

Under the front page headline "More U.S. Troops May Be Iraq-Bound," the Washington Post (10/25, Knickmeyer, 748K) reports Casey said he "may call for more troops to be sent to Baghdad, possibly by increasing the overall U.S. presence in Iraq, as rising bloodshed pushes Iraqi and American deaths to some of their highest levels of the war." The Los Angeles Times (10/25, Roug, 918K) leads a similar story by saying Casey said more US troops "might be needed to quell sectarian violence raging in the capital."

The Wall Street Journal (10/25, Jaffe, 2.03M) takes a different tack in a front page report, saying US officials, with "few military options left to counter the violence" in Iraq, are "shifting more of the onus onto Baghdad's beleaguered political leaders to broker compromises they hope might stem the rising bloodshed." The Journal focuses on the timetable, not the possible US troop increase, but concludes that "little in Iraq over the past three years offers reason for optimism that the renewed pressure" on PM Nouri al-Maliki "will produce better results."

USA Today (10/25, Jervis, 2.27M) headlines its front page story "No Major Troop Cut In Iraq For A Year," and spends much of the report discussing current troop levels. The Washington Times (10/25, Scarborough, 88K) and the AP (10/24, Hurst) have straightforward reports on the Casey/Khalilzad announcement.

Baghdad Violence Said To Belie Casey's "Laudable Goal." The New York Times (10/25, Gordon, 1.21M) says Casey's "laudable goal" of turning over security responsibilities within 18 months "seems far removed from the violence-plagued streets of Iraq's capital, where American forces have taken the lead in trying to protect the city and American soldiers substantially outnumber Iraqi ones." The Times says that with the "rise in sectarian killings, a Sunni-based insurgency that appears to be as potent as ever and an Iraqi security establishment that continues to have difficulties deploying sufficient numbers of motivated and proficient forces in Baghdad, General Casey's target seems to be an increasingly heroic assumption." USA Today (10/25, 8A, Jervis, 2.27M) headlines a story "More Troops Means More Targets For Snipers," writing that sniper attacks on US troops "have risen dramatically as more Americans have been pulled into the capital to patrol on foot and in lightly armored vehicles amid raging religious violence."

Some Iraqis Dispute Khalilzad's Assessment. The AP (10/24, Hendawi) reports that while Khalilzad "insisted" that things "are not all bad in Iraq, citing the growing number of satellite dishes on rooftops and consumers with cell phones as signs of economic progress," some Iraqis "saw things differently." Baghdad resident Mohammed Ibrahim, a government employee, said, "We'd prefer he take those back and return just 10 percent of our prewar life. Saying things like that shows the Americans' contempt for us Iraqis."

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Pace Still Optimistic About Iraq's Future. The AP (10/24, Baldor) reports JCS Chairman Gen. Peter Pace said he is "not discouraged by what other U.S. commanders have described as disappointing progress in securing Baghdad, but he predicted no quick turnaround." Pace "told a Pentagon news conference that his optimism about Iraq's future is based on his belief that most Iraqis want peace and stability. He also said Iraqis have plenty of incentive to halt the sectarian violence that threatens to tear their country apart."

Biden Federalism Plan Slowly Gaining Bipartisan Interest. The Hill (10/25, Schor) writes that lawmakers and candidates from both parties "are signaling new openness to dividing the war-torn nation into three autonomous regions, a plan closely associated with Sen. Joe Biden." Biden, "one of his party's most trusted foreign policy voices, has turned up the spotlight on his plan for largely self-governing regions in Iraq." Biden, appearing on CNN's Larry King Live (10/24), said the Bush Administration's Iraq policy has "been wrong from the beginning. There's been no apparent willingness on the part of the civilians in this administration to change it. … The thing is broken. They need a political solution in Iraq and we need a bipartisan solution at home."

More Commentary. The Wall Street Journal (10/25, A14, 2.03M) editorializes, "Yes, the Iraq project is difficult, and its outcome dangerously uncertain." But while "timetables and deadlines may sound like realpolitik," they "only feed suspicions that the U.S. will abandon Iraq's leaders once they have walked out onto a political limb. Iraq is not yet in a state of 'civil war,' and it has a functioning, if imperfect, government. If changes of tactics or force levels are needed, by all means make them. But what Iraqis most need from Washington is reassurance of support for the tough decisions and battles that lie ahead."

In a Washington Post (10/25, A17, 748K) op-ed, American Enterprise Institute resident scholar Frederick Kagan writes, "It's been coming for a long time: the idea that fixing Iraq is the Iraqis' problem, not ours -- that we've done all we can and now it's up to them. … The implication of these arguments is clear: The United States should prepare to leave Iraq, after which the Iraqis will work out their own troubles -- or they won't. In any event, we can no longer help them. This notion is wrong and morally contemptible, and it endangers American security around the world."

Cheney Says Iraqi Forces Must Take Over Responsibility For Security. Vice President Cheney was asked on NPR (10/24) why the US does not put a larger force on the ground in Iraq. Cheney said, "Because the judgment has been up until now that the key for us in Iraq is to get the Iraqis into the fight. And we've got 140,000 roughly troops there now, US and coalition forces, and we've worked very aggressively to stand up, and we're -- I think George Casey said today, we're about 75 percent of the way there in terms of getting an Iraqi force that's able to provide for their own security. The sooner we do that, the sooner we can reduce our own presence and turn things over to them."

Asked on NPR (10/24) if he still believes the insurgency is in its last throes, Cheney said, "Can't say that. I made it clear earlier that I would have expected that the political process we set in motion, the three national elections and so forth would have resulted in a lower level of violence than we're seeing today. It hasn't happened yet. I can't say that we're over the hump in terms of violence, no."

Snow Says US Is Winning War In Iraq. White House spokesman Tony Snow was asked on MSNBC's Hardball (10/24) if the US is winning the war in Iraq. Snow said, "Yes." Asked if the US will eventually declare victory, Snow said, "I think what's going to happen is the Iraqi people are going to be able to declare victory, because you're going to have a democratic society that in that part of the world is going to be able to set an example."

GOP Said To Evince Ambivalence On Iraq. The Financial Times (10/25, Sevastopulo, Dombey) runs one of the few optimistic headlines this morning, "Success In Iraq Possible, Say US Officials," but its report is less sunny, saying that while "top US officials in Baghdad on Tuesday said Iraqi forces should be 'completely capable' of taking responsibility for security" within a year and a half, "Republican support for the White House strategy on Iraq continued to erode just two weeks ahead of November's congressional elections."

The CBS Evening News (10/24, story 3, 1:20, Axelrod, 7.66M) said, "The White House is quite a bind, because on one hand it has to project some sense of resolve, certainly to keep appealing to its base. On the other hand, they read the polls, and they know that voters want a change in Iraq policy but as far as and significant change a White House official tells me do not expect to see anything significant prior to Election Day." McClatchy (10/25, Hutcheson, Talev) also examines the US election impact, saying that "judging from the initial reactions" at home, the Casey/Khalilzad announcement "appears unlikely to influence the Nov. 7 congressional elections."

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Columnist Says GOP Defeat Would Be Islamist Victory. In his Washington Times (10/25, 88K) column, Michael Scheuer writes, "In a world where leading Western experts have consigned Osama bin Laden and al Qaeda to near-irrelevant status, the gangly Saudi is on the verge of seeing the forces he leads and inspires knock off their third infidel government. Not bad for a guy running from rock to rock and cave to cave." Scheuer faults "Islamist militancy" for the defeat of then-PM Jose Maria Aznar in Spain and the recent coup in Thailand, and says "bin Laden, et. al, know the biggest prize looms just ahead -- the chance that the Republican Party will be ousted from one or both houses of Congress."

Pelosi Says Americans Will Not "Stay The Course." House Minority Leader Nancy Pelosi, appearing on CNBC's Kudlow and Company (10/24), said President Bush "has said 'stay the course.' It was a slogan, not a strategy. Now he is banning 'stay the course.' I don't know if it is banned as a slogan or a strategy. But in any event it's clear that the American people are just not tolerating this course of action. They don't intend to stay the course."

McGovern Says US Headed Down Vietnam "Road" In Iraq. The Washington Post (10/25, A15, 748K) interviews ex-Sen. George McGovern, co-author of "Out of Iraq: A Practical Plan for Withdrawal Now." The Post leads its story by saying that "during the years that he led opposition to the Vietnam War," McGovern says he "consoled his family with the proposition" that the US "would never again commit such a 'tragic mistake,' as he put it." But McGovern said in the interview "that America is headed down 'the same road' in Iraq."

Columnists Examine Retirement Of "Stay The Course." In her New York Times (10/25, 1.21M) column, Maureen Dowd writes, "Things have become so dire for the Republicans that now even Bush is distancing himself from Bush. The president is cutting and running from the president." Bush "will no longer stay the course on the rallying cry 'stay the course.' … Of course, the administration has never really said what 'the course' is, so it was never really apparent what 'staying' it meant, anyhow."

In his Washington Post (10/25, A17, 748K), column, David Ignatius writes, "The Bush administration's Iraq policy is no longer 'stay the course' but, in the phrase of White House spokesman Tony Snow, 'a study in constant motion.' The reality, as near as I can tell, is that the administration isn't sure yet where to move after the November elections. Nor are most of the administration's critics." How can the US, "in its search for an exit, avoid compounding the mistakes it made in invading Iraq? To help light the way, we are blessed with a deus ex machina in the bipartisan Iraq Study Group."

In his Washington Post (10/25, A17, 748K), column, Harold Meyerson writes, "The president has fled the field from 'stay the course,' signaling not just the unwinnability of his war but the bankruptcy of his political strategy. For as the president and his party grope for an alternative plan of action in Iraq, Karl Rove's bright line between Republican resolve and Democratic defeatism has become irreversibly fuzzed. … 'Stay the course' has been replaced by 'anything goes' -- so long as it helps the Republicans cling to power."

Overhead Consumes Large Share Of Iraq Reconstruction Budgets. The New York Times (10/25, Glanz, 1.21M) says a report by the Special Inspector General for Iraq Reconstruction says "overhead costs have consumed more than half the budget of some reconstruction projects," leaving "far less money than expected to provide the oil, water and electricity needed to improve the lives of Iraqis." Overhead expenses including "housing and feeding employees, completing paperwork and providing security" have "ranged from under 20 percent to as much as 55 percent of the budgets."

IG Report Finds Halliburton Passed On "Unusually High" Costs To US. On the front of its business section, the Washington Post (10/25, D1, Witte, 748K) reports, "A report released yesterday by the inspector general's office overseeing Iraq spending found that at least 55 percent, or $163 million, of $296 million in total costs rung up by Halliburton unit KBR" and "passed on to the government under a key contract to restore Iraq's oil industry" were administrative overhead, "a figure that critics said was unusually high," although the report "does not directly say whether KBR's overhead costs were excessive." It is "significantly higher than it was on work by other firms in Iraq, and experts said it is far above what is typically found on a government contract." Halliburton spokeswoman Melissa Norcross "defended the company's administrative spending," and "while the Army Corps of Engineers -- which oversaw the contracts -- acknowledged that some of the administrative costs were high," it "argued that important work was getting done even when money was being spent on administrative matters rather than directly on Corps projects."

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Halliburton To Sell 17% Of KBR In IPO. The Wall Street Journal (10/25, C5, 2.03M) reports, "Halliburton Co. will sell 17% of its Kellogg, Brown & Root engineering unit in an initial public offering of stock later this year, according to an updated Securities and Exchange Commission filing." The filing also said "that an investigation by a magistrate or a public prosecutor in Algeria 'may be pending' regarding sole-source contracts awarded to Brown & Root-Condor SpA, a joint venture with Condor Engineering SpA in which KBR had a 49% interest as of June 30." Following the sale of "27.8 million shares to the public, Halliburton will own the remaining 83% of KBR; it plans to spin that stake off to Halliburton shareholders in April."

Iran's Khamenei Calls For End To Iraq's Sectarian Conflict. The AP (10/24, Karimi) reports, "Iran's supreme leader Ayatollah Ali Khamenei on Tuesday called for an end to the bloody sectarian conflict" in Iraq. At an Eid al-Fitr event in Tehran, Khamenei told a large crowd, "The Iraqi people should do everything to avoid sectarian conflict."

Military Searches Fail To Find Missing Soldier. ABC World News (10/24, story 3, 0:15, Gibson, 8.78M) reported that there is "no sign of a US soldier that went missing" in Baghdad on Monday. The soldier "is a translator, fluent in Arabic. And it is believed he was visiting a relative's house when masked men drove up and grabbed him." The AP (10/24, Salaheddin) says the US military "carried out house-to-house searches in an upscale Baghdad neighborhood" for the missing translator, "but said Tuesday they had found no sign of him." The Washington Post (10/25, A14, Anderson, 748K) says the soldier "apparently has family in Baghdad and left the Green Zone…to visit relatives Monday to celebrate Eid al-Fitr."

US, Iraqi Forces Fortify Position In Retaken Insurgent Base. The Washington Post (10/25, A14, White, 748K) reports on US troops' taking of an "enormous power plant that had been used by insurgents" near the Euphrates. Inside they "saw cages -- one containing a pair of shoes and what appeared to be human feces -- on the bottom floor, what U.S. commanders said they believe is an indication that prisoners had been held there and possibly tortured." US and Iraqi soldiers "began fortifying their position inside the plant…as part of a concerted effort to deny insurgents a safe haven scarcely 10 miles from Baghdad's southern edge."

Army Training Military Advisors For Iraq. Under the headline "Army Is Training Advisors For Iraq," the Los Angeles Times (10/25, Spiegel, 918K) reports that at Fort Riley in Kansas, the Army "is building a training base that by early next year will be turning as many as 2,000 of its most promising midlevel officers into military advisors every two months, most of them headed to Iraq." The mission "reflects the U.S. military's vision of its long-range role in Iraq -- as advisors for local forces who will be doing the actual fighting. But it represents something of a gamble as well: The effort is sucking thousands out of their normal combat deployments at a time when American forces are facing personnel shortages and violence in Iraq is surging."

Service Members Sign Appeal Urging US Withdrawal From Iraq. The Washington Post (10/25, A13, Tyson, 748K) reports, "More than 100 U.S. service members have signed a rare appeal urging Congress to support the 'prompt withdrawal' of all American troops and bases from Iraq," according to organizers. The statement, "sponsored by antiwar activists including Iraq Veterans Against the War, Veterans for Peace and Military Families Speak Out," reads in part, "Staying in Iraq will not work and is not worth the price. It is time for U.S. troops to come home." The "unusual appeal -- the first of its kind in the Iraq war, organizers say -- makes use of a legal protection afforded by the Military Whistle-Blower Protection Act, which provides that members of the military, acting in their capacity as citizens, can send a protected communication to Congress without reprisal."

But the AP (10/24, Flaherty) says "at least two senators -- both critical of the administration's handling of the war in Iraq -- said they were concerned that service members speaking out against the president may undermine the military's apolitical status." Sen. Jack Reed, a West Point graduate, said, "We expect our soldiers to follow…the legitimate orders of their commanders." And Sen. Lindsey Graham said, "We've had a long tradition making sure the military doesn't engage in political debate."

Isikoff Criticizes Weekly Standard For Choosing Novak To Review "Hubris." The Washington Times' "Inside the Beltway" column (10/25, McCaslin) reports on "the lengthy written exchange between"

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Newsweek's Michael Isikoff, coauthor with the Nation's David Corn of "Hubris: The Inside Story of Spin, Scandal, and the Selling of the Iraq War," and conservative columnist Bob Novak, who reviewed "Hubris" for the Weekly Standard. In a letter to the editor of the Standard Isikoff wrote, "I was amused, to say the least, to see that my old friends at The Weekly Standard asked Bob Novak to review" "Hubris." Isikoff asks, "Was Scooter Libby unavailable?" Novak responded, "I regret that my friend Mike Isikoff, in his letter, is still peddling the story of Scooter Libby and Karl Rove attempting to discredit Wilson by revealing his wife's intelligence background. … Apparently, he joins David Corn in not being able to accept that the conspiracy theory was demolished by his own book."

Islamists Seen As Shifting Attention Back To Afghanistan. The Los Angeles Times (10/25, Rotella, 918K) reports, "The conflict in Iraq is drawing fewer foreign fighters as Muslim extremists aspiring to battle the West turn their attention back to the symbolically important and increasingly violent turf of Afghanistan. … The shift of militants to Afghanistan this year suggests that Al Qaeda and its allies, armed with new tactics honed in Iraq, are coming full circle five years after U.S.-led forces ousted the Taliban mullahs." In Iraq, insurgent leaders "are now mainly interested in foreign recruits ready to die in suicide attacks, anti-terrorism officials say. Moreover, the conflict is dominated by violence between Sunni and Shiite Muslims. In contrast, an accelerating Afghan offensive by the resurgent Taliban offers a clearer battleground and a wealth of targets: U.S. and other North Atlantic Treaty Organization troops, and the Western-backed government."

WSJournal Blames Pakistan For Afghanistan's Woes. The Wall Street Journal (10/25, A14, 2.03M) editorializes, "Our finest foreign-policy minds have been abuzz lately trying explain how and why the U.S. and its NATO allies are, as a recent Newsweek International cover has it, 'Losing Afghanistan.' But no need for deep thoughts here: The largest part of the problem is neighboring Pakistan. In September, the Pakistan government of Pervez Musharraf agreed to abandon its North Waziristan province -- which shares a long border with Afghanistan -- to the de facto rule of its 'tribal elders' and the Taliban and mujahadeen terrorists they harbor." Since then, "the number of cross-border raids into Afghanistan has risen threefold. … We don't know what General Musharraf promised President Bush and Afghan President Hamid Karzai during their recent conclave in the White House. But we hope it was more tangible cooperation than we have been seeing of late. Sovereignty has responsibilities, and General Musharraf is not exercising them."

Scholar Urges US-NATO Aid Program On Pakistan-Afghanistan Border. In a Wall Street Journal (10/25, A14, 2.03M) op-ed, Barnett Rubin of the New York University Center on International Cooperation writes, "It will take more than a dinner at the White House…to overcome the longstanding antagonism between Pakistan and Afghanistan. Of course, the political clumsiness on the part of the U.S. does not begin or end there. Had we paid more attention to pre-9/11 history, we might not face a rising Taliban insurgency with sanctuary in Pakistan." Rubin says the US and NATO should "provide aid to develop the border area, where unemployment and illiteracy facilitate recruitment to armed groups" in order to "address the roots of instability and violence in this region, and make those on both sides of the frontier genuine partners in protecting both their own security, and ours."

CORPORATE SCANDALS:

Former Comverse CFO Pleads Guilty To Charges Stemming From Options Backdating Scheme. The Financial Times (10/25, Allison, Agencies) reports David Kreinberg, the former chief financial officer of Comverse, a "voicemail software company, on Tuesday became the first top executive to plead guilty to conspiracy and securities fraud in connection with options backdating. The guilty plea, part of a deal struck with federal prosecutors, came as the US Securities and Exchange Commission announced that Mr Kreinberg had agreed to pay almost $2.4m to settle civil fraud charges." Kreinberg, "who has been free on $1m bail since he surrendered to the Federal Bureau of Investigations in August, was one of three former Comverse executives to be charged over backdating. Jacob 'Kobi' Alexander, Comverse's founder and chief executive, was arrested in Namibia earlier this month after being branded a fugitive from justice by US authorities. Mr Alexander, who has denied wrongdoing, is fighting extradition to the US, where he could face more than 20 years in jail if convicted. William Sorin, Comverse's former general counsel, is also facing charges."

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The Wall Street Journal (10/25, C3, Davies) reports Kreinberg "has told prosecutors that Mr. Alexander offered him a 'name your price' bribe if he would take sole blame for the fraud, according to people familiar with the situation. The alleged bribe started with offers of $2 million and then $5 million, according to prior court documents from prosecutors. At a hearing yesterday in U.S. District Court in Brooklyn, Mr. Kreinberg admitted to helping Mr. Alexander select particularly favorable dates on which to grant options, using hindsight. 'I was asked by the CEO to bring him a printout of the company's trading prices over a past year period to enable him to select the 'as of' date that would be used for the exercise price of the option grant,' he said in court."

Bloomberg (10/25, Hurtado) reports that "Kreinberg implicated his former boss as he pleaded guilty to conspiracy and securities fraud in the U.S. probe of illegal manipulation of employee stock option grants." Bloomberg continues, "Former Comverse Chief Executive Officer Jacob 'Kobi' Alexander directed a scheme to systematically backdate stock option grants, Kreinberg claimed today in Brooklyn federal court. Contrary to Comverse's securities filings, Kreinberg told U.S. District Judge Nicholas Garaufis 'the company was in fact issuing backdated options with an exercise price lower than the fair market value on the grant date.' … Alexander was arrested in Namibia last month and is the subject of a U.S. extradition request. Kreinberg, who faces a possible 15-year prison sentence, agreed to cooperate with the government in its prosecution of Alexander, and in related civil lawsuits as part of a separate $2.4 million settlement with the U.S. Securities and Exchange Commission." Bloomberg notes, "The U.S. Justice Department is trying to persuade the government of Namibia to return Alexander to the U.S. to face charges related to stock-option backdating, including conspiracy, securities fraud, making false filings to regulators and money laundering."

The New York Law Journal (10/25, Bar, Perrotta) reports, "Kreinberg, who has agreed to cooperate with prosecutors in the Eastern District U.S. Attorney's Office, is the first person in the country to plead guilty to illegally backdating stock options. He pleaded guilty to one count of conspiracy to commit securities fraud, mail fraud and wire fraud, and one count of securities fraud. He faces up to 15 years in prison and $1.2 million in fines when he is sentenced Feb. 23. He also could be ordered to pay tens of millions in restitution." The Journal adds, "Kreinberg has separately settled civil charges against him. As part of an agreement with the SEC, he is permanently suspended from practicing as an accountant and must pay $2.4 million in disgorgement and prejudgment interest."

AFP (10/25) reports, "The investigation was led by the Justice Department's Corporate Fraud Task Force, but it was triggered in early March when a Wall Street Journal reporter became suspicious about Comverse's stock option practices."

Skilling Sentence Ends Enron Era, But Corruption Probes Continue. The Washington Post (10/25, D1, Johnson, 748K) reports, "The sentencing Monday of former Enron Corp. chief executive Jeffrey K. Skilling ended the saga of the scandal-ridden Houston energy company and effectively closed the book on an era of high-profile corporate malfeasance. … Hours after a judge sentenced Skilling to more than 24 years in prison, the leaders of the Enron Task Force announced that they would close up shop," but "there were fresh signals about the direction post-Enron corporate crime enforcement would take. A new wave of investigations is targeting executive greed, insider trading and investment pools known as hedge funds. … 'There is an awful lot to do in the world of corporate fraud,' said Chip Burrus, assistant director in the FBI's criminal investigation division. Policing corporate malfeasance after Enron, it seems, won't be slow -- only different." The Post notes, "Timothy J. Coleman, a former prosecutor and Justice Department official, predicted that the legions of investigators hired by securities regulators, federal prosecutors and the FBI will pay lasting dividends because they will become a 'standing army' ready to target business wrongdoing."

NEC Says It IS Subject Of SEC Investigation. The Financial Times (10/25, Nakamoto) reports NEC, "the Japanese electronics group, said on Tuesday it was being investigated by the US Securities and Exchange Commission in connection with its delay in filing results for the last financial year. NEC said it had received 'a letter of informal inquiry from the SEC requesting voluntary production of certain documents' following the delay to its annual results. The Japanese group gave no further information but said it intended 'to co-operate fully with the SEC in connection with this inquiry'. NEC earlier this month received notice from Nasdaq that it could face de-listing as a result of its failure to provide its annual report for last year. … The Japanese group

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said it intended to maintain its Nasdaq listing but could not say when it might be able to provide last year's results under US GAAP."

Corporate Scandals Highlight Work Of General Counsels. The Legal Times (10/25, Mandel) reports, "Earlier this year, Judge J. Michael Luttig of the 4th U.S. Circuit Court of Appeals stunned the legal world by surrendering his lifetime appointment to the bench in favor of the top legal job at Boeing Co. In his letter of resignation, Luttig called the job a 'singular opportunity,' one that he could not pass up. Luttig's move did not come as a surprise, however, to the in-house bar, which has noted that the career door that used to swing between government and law firms now revolves with a corporate stop as well for many top lawyers." The Times continues, "The demand for top legal talent in in-house departments has been growing as increased regulation and an increasing emphasis on corporate accountability have put greater emphasis on the attorney's role in helping to foster an ethical corporate culture. … In the current environment it is not enough for companies to be ethical and compliant; they have to be seen as such. As a result, companies are evaluating candidates for top in-house positions on the strength of their reputation for scrupulous ethics, judgment and objective decision-making beyond narrowly defined legal issues. In addition, law firms are seeing the benefits of seeking out new partners from in-house ranks because of the perspective on client service (and potential clients) that these lawyers can bring."

Study Highlights Cost Of Options Scandal. The San Jose Mercury News (10/25, Poletti) reports, "A financial advisory firm has released an analysis estimating the stock-option backdating scandal has cost at least 152 companies nationwide about $10.3 billion." The News continues, "A recent tally by institutional shareholder advisory firm, Glass Lewis in San Francisco, found that at least 152 companies have announced internal reviews, inquiries from the Securities and Exchange Commission or Justice Department subpoenas related to their stock options granting practices." The News adds, "Glass-Lewis said its internal analysis also showed that the backdating scandal has resulted in an unadjusted initial decline of $5.1 billion in the companies' market value, based on the initial drop in their stock prices. The analysis also pegged an additional $5.2 billion in additional pre-tax compensation costs to the companies. … The firm said that at least 44 executives and directors at 24 companies have been fired or resigned to date. Of the 152 companies nationwide, 42 have headquarters in Silicon Valley." The News notes, "In another development Tuesday, Electronics For Imaging, a developer of technology for high-speed printers and copiers, became the latest Silicon Valley company to announce an investigation into its stock options granting practices."

NYTimes Praises Senate Panels For Investigating SEC Pequot Probe. The New York Times (10/25, 1.21M) says in an editorial, "Among the worst impressions the Securities and Exchange Commission could foster is that it pulls punches on delicate matters involving the rich, powerful and politically connected. Now two Senate committees are investigating whether the commission staff, rather than doggedly pursuing possible insider trading by the hedge fund Pequot Capital Management, held back when it came to taking the testimony of a prominent Wall Street player." A "full airing is in everyone's interest."

CRIMINAL LAW:

Hastert, Reynolds Testify Before House Ethics Subcommittee Investigating Foley Scandal. The CBS Evening News (10/24, story 4, 3:15, Couric, 7.66M) reported, "House Speaker Dennis Hastert testified before the ethics committee, which is investigating Mark Foley's e-mail to former pages. Hastert has said he didn't find out about the nature of the emails until late last month, but Congressman Tom Reynolds, who also testified, claimed he warned Hastert about them this past spring."

The Chicago Tribune (10/25, Dorning, Clough, 623K) reports, "Speaking briefly to reporters from a prepared statement after his testimony, Hastert said he told the panel 'that they needed to move quickly to get to the bottom of this issue, including who knew about the sexually explicit messages and when they knew about it.' Hastert, who testified behind closed doors for just under three hours, added that he answered investigators' questions 'to the best of my ability.'" Hastert spokesman Ron Bonjean "said the speaker would not answer any questions about his testimony." The AP (10/25, Taylor) reports Hastert "urged ethics investigators to work quickly to unravel the congressional pages scandal Tuesday, testifying before them just after a GOP lawmaker whose recollections differ from his."

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Yesterday's testimony from Hastert and NRCC chair Rep. Tom Reynolds "could signal that the four-member ethics committee is nearing the end of its testimony-taking phase." The AP adds, "Hastert has said he first learned of Foley's inappropriate e-mails to a former Louisiana page…just last month. … But Hastert's appearance followed that of Reynolds, who has said he learned of Foley's inappropriate e-mails to the Louisiana teen last spring and discussed the matter with Hastert. Hastert has said he didn't recall that conversation. He has also assured conservative activist Paul Weyrich that Majority Leader John Boehner was wrong when Boehner said he and Hastert discussed Foley's problems last spring." Hastert "and some other Republicans have suggested revelations about the messages were timed to hurt the GOP in next month's elections."

A number of news reports focus on the "drama" surrounding Hastert's appearance. The Washington Post (10/25, A3, Weisman, 748K) reports, "The twinning of Hastert's appearance with that of Reynolds surprised House Republican and Democratic leadership aides, and it only heightened the drama of the committee's deliberations. Hastert is the first House speaker to testify before the committee since Newt Gingrich discussed a much-criticized book deal in 1997. But in that case, committee members scheduled Gingrich's testimony at night, sparing him a daylight walk through the throng of reporters and camera crews camped outside the hearing room."

NBC Nightly News (10/24, story 3, Williams, 9.87M) reported, "Across town a funny thing happened today outside the hearing room of the House ethics committee. The Speaker of the House walked in while stunned reporters looked on. It was thought that Dennis Hastert would testify but his sudden appearance today was a surprise." CNN's The Situation Room (10/24, Blitzer) said Hastert's "arrival on the Hill was a secret, as was his decision today to show up and testify before the House Ethics Committee."

The New York Times (10/25, Zeleny, 1.21M) reports, "On this day, two weeks before Election Day, Mr. Hastert had planned to be hopscotching from district to district across America, working to preserve Republican control in the House and protect his own seat of power."

The Hill (10/25, Sherman) reports Hastert "sneaked into the ethics committee, avoiding public areas of the Capitol in an apparent move to avoid reporters. As he exited his offices, he utilized the seldom-used Strom Thurmond hallway, and an esoteric attic elevator transported him to the basement. U.S. Capitol Police officers blocked the staircase between the crypt and the basement. Hastert's entourage, which included all three members of his communications staff, three Capitol police officers and his attorney, escorted him to the ethics committee hearing room. Hastert attempted to dodge photographers by repeatedly moving behind his staff."

Hastert Seen As Unlikely To Retain Speakership. The Chicago Tribune (10/25, Dorning, Clough, 623K) reports, "Republican officials said confidence in Hastert…has ebbed as the controversy over Foley has continued. Foley resigned last month. Though the party establishment concluded weeks ago that an ouster of Hastert prior to the election would be counterproductive, Republican officials privately indicated it would be difficult for Hastert to hold on to his leadership post afterward, even if the party retains the majority. At least one key Hastert aide recently explored potential new employment, according to a source familiar with the discussion."

CNN Poll Finds 52% Say Republicans Do Not Have High Ethical Standards. CNN's The Situation Room (10/24, Blitzer) reported that "our new poll shows most Americans, 52 percent, say Republicans do not have high ethical standards. But they're not impressed by the other party either. Forty-six percent of those surveyed don't think Democrats have high ethical standards."

FBI Has Not "Substantiated" Allegations Against Harman And AIPAC. The Washington Post (10/25, A6, Eggen, 748K) reports, "Federal law enforcement sources confirmed yesterday that the FBI opened an investigation in 2005 into whether Rep. Jane Harman improperly enlisted the aid of" AIPAC, "but they cautioned that no evidence of wrongdoing was found. The inquiry focused on whether Harman had made promises to…AIPAC in exchange for its support of her desire to become chairman of the House intelligence committee if Democrats take control of the House, several law enforcement sources said. Although the case is still considered open, officials said, the allegations have not been substantiated, and there has been no significant investigative activity on the issue in recent months. The inquiry was first reported by Time magazine."

FBI Investigating Renzi's Role In Arizona Land Sale. The Washington Post (10/25, A4, Weisman, Eggen, 748K) reports, "US prosecutors in Arizona have opened a preliminary investigation into whether Rep. Rick

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Renzi (R-Ariz.) twice pressured landowners to buy a 480-acre parcel owned by his former business partner, a major backer of Renzi's political campaign, according to federal law enforcement sources." The deal "ultimately netted the business partner a $3 million profit, according to Arizona land records." The Arizona transaction "has drawn the interest of the U.S. attorney's office and the FBI's Phoenix field office. Three law enforcement officials said both are investigating Renzi's involvement in two land deals -- one of which was not completed -- designed to put the 480 acres under federal protection from development in exchange for land more fit for commercial development." The inquiry "was revealed by two liberal Arizona blogs last weekend."

The New York Times (10/25, Johnston, 1.21M) reports, "Federal authorities in Arizona have opened an inquiry into whether Representative Rick Renzi introduced legislation that benefited a military contractor that employs his father, law enforcement officials said Tuesday. The officials said the inquiry was at an early stage and that no search warrants had been issued, suggesting that investigators had yet to determine whether there was a basis to open a formal investigation or empanel a grand jury." Law enforcement officials "said that the most serious accusation involved Mr. Renzi's sponsorship of legislation in 2003 that appeared to indirectly benefit the ManTech International Corporation, a communications company based in Virginia that employs Mr. Renzi's father, Eugene, a retired Army general, as executive vice president."

Experts Say Ban Will Not Stop Online Gambling. The AP (10/25, Goldman) reports, "Gamblers may look over their shoulder now, but experts say a new Internet gambling ban won't keep bettors from ponying up, just turn them on to overseas payment services out of the law's reach. … 'It has put a terrible scare into people,' said I. Nelson Rose, who teaches gambling law at Whittier Law School. 'But it won't by any means wipe out Internet gambling.'" The AP continues, "The fright swept through the $12 billion industry on the heels of the recent arrests of two gambling company executives and a new law President Bush signed Oct. 13 that seeks to ban most online gambling and criminalizes funds transfers. … The law has wiped out billions of dollars in shareholder value of British companies, leaving the industry's future in doubt as U.S. lawmakers initially trumpeted they had found a way to halt bets coming from America. But serious questions remain about whether the legislation can be effective in stopping U.S. residents from playing poker or betting on sports." The AP adds, "The 'Unlawful Internet Gambling Enforcement Act' goes after the money, not the millions of players, which would be nearly impossible to enforce. It will essentially try to choke off the way Americans fund their gambling habits, hoping to prevent the transfer of dollars to the popular Internet sites. … It's also widely understood that the law has online poker in its gun sights, identifying it as a game of chance - something the poker companies dispute. They believe poker is a game of skill and therefore not subject to the new rules. … But they're fearful nonetheless."

Former Refco CFO Charged With Defrauding Investors. The AP (10/25, Neumeister) reports, "The former chief financial officer of Refco Inc., one of the world's biggest commodities brokerages, was accused in an indictment Tuesday of defrauding investors in a scheme that resulted in losses of more than $1 billion." The AP continues, "An indictment in U.S. District Court in New York charged Robert C. Trosten with conspiracy, securities fraud, false filings and wire fraud. It also added new charges to the case against Refco's former chief executive officer, Phillip R. Bennett. … Prosecutors said Trosten assisted Bennett in hiding hundreds of millions of dollars of debt owed to Refco by a company controlled by Bennett. … The superseding indictment also added new charges against Bennett concerning fraud against holders of Refco's bonds." The AP adds, "Trosten, 37, of Sarasota, Fla., was scheduled to make his initial court appearance Wednesday. Bennett, 57, of Gladstone, N.J., is free on $50 million bail and subject to electronic monitoring. … A lawyer for Bennett, Gary P. Naftalis, said: 'Mr. Bennett reaffirms that he is not guilty of any of the government's charges and looks forward to his day in court.'"

FBI Investigating LANL Classified Documents Found In Police Drug Raid. In a widely-distributed story, the AP (10/25, Jordan) reports, "A drug bust at a trailer park in New Mexico turned up what appeared to be classified documents taken from the Los Alamos nuclear weapons laboratory, authorities said Tuesday. Local police found the documents while arresting a man suspected of domestic violence and dealing methamphetamine from his mobile home, said Sgt. Chuck Ney of the Los Alamos, N.M., Municipal Police Department. … Police alerted the FBI to the

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secret documents, which agents traced back to a woman linked to the drug dealer, officials said. The woman is a contract employee at Los Alamos National Laboratory, according to an FBI official who spoke on condition of anonymity because of the sensitive nature of the case." The AP notes FBI Special Agent Bill Elwell said that the bureau "and the U.S. attorney's office in Albuquerque were 'evaluating the information obtained as a result of the search warrant.'"

Safavian Defense Submits Support Letters For Friday Sentencing. In a widely-distributed story, the AP (10/25, Apuzzo) reports, "A Utah congressman and a former aide to a Virginia congressman have written letters in support of former Bush administration official David Safavian, who is trying to avoid jail time in the Jack Abramoff investigation." Rep. Chris Cannon wrote the court for Friday's sentencing, "When David was my chief of staff, he worked tirelessly in my Washington office. He would come in early, stay late, and devote his undivided attention to the needs of the people in Utah's 3rd Congressional District." Rep. Tom Davis' former Government Reform Committee staff director Melissa Wojciak "wrote that Safavian 'always ensured that he was responsible in managing the taxpayer's dollars.'" The AP adds, "Defense attorneys wrote that Safavian did not harm anybody and committed no fraudulent acts. They have presented a list of past cases they believe are comparable," including Clinton HUD Sec. Henry Cisneros, "who paid a $10,000 fine for lying to the FBI about payments to an ex-mistres."

Rep. Cannon Asks For Leniency For Former Employee Safavian. The Salt Lake Tribune (10/25, Gehrke) reports, "Rep. Chris Cannon is asking a judge for leniency for his former chief of staff, David Safavian, who was convicted with obstructing a federal investigation into his ties with lobbyist Jack Abramoff. … 'When David was my chief of staff, he worked tirelessly in my Washington office. He would come in early, stay late, and devote his undivided attention to the needs of the people in Utah's Third Congressional District,' Cannon wrote in a letter quoted by Safavian's attorneys in court filings." The Tribune continues, "Prosecutors have asked Judge Paul Friedman to sentence Safavian to as many as 37 months in prison. He was convicted of four counts of obstruction of justice and false statements for lying to investigators about his relationship with Abramoff." The Tribune adds, "Safavian's attorney, Barbara Van Gelder, argued that Safavian has been a committed public servant and family man, that his career has been ruined by his arrest and conviction, and asked the judge to impose probation or home confinement. … 'The government's caricature cannot detract from the fact that, as acquaintances, supervisors, and colleagues attest, Mr. Safavian's history and character reflects dedication to his family, his community, and country,' Van Gelder said. . … Prosecutors said it would be a 'miscarriage of justice' not to impose prison time."

Suburban Chicago Mayor Pleads Not Guilty To Bribery Charges. The Chicago Tribune (10/25, 623K) reports, "Niles Mayor Nicholas Blase pleaded not guilty Tuesday to a five-count federal indictment charging him with taking more than $420,000 in kickbacks for steering local business owners to buy insurance from a longtime friend and his son. … The charges allege that the kickback scheme originated more than 30 years ago with Blase's close friend, Ralph Weiner, who ran an insurance agency bearing his name. After Weiner's death in 2005, his son, Steven Weiner, continued to deliver the monthly bribes to Blase, prosecutors charged." The Tribune notes, "Lawyers for Steven Weiner and Paul Zdon, a former employee of the Weiner insurance agency, have said both are cooperating with the FBI and expect to plead guilty to mail-fraud charges." The AP (10/25) also reports on Blase's plea.

Jury Finds Man Guilty Of Murdering NYTimes Editor. The New York Times (10/25, Stout) reports, "The second of two men accused of killing a retired reporter for The New York Times in January was convicted on Tuesday of murder, robbery and other charges that could put him in prison for the rest of his life. The defendant, Percey Jordan Jr., 42, was found guilty in the slaying of the reporter, David E. Rosenbaum, 63, who was beaten and robbed near his home in Washington on the night of Jan. 6 and died two days later. … Jurors deliberated for a day before finding Mr. Jordan guilty of first-degree murder or premeditated murder during commission of a felony; second-degree murder; robbery; conspiracy; and credit-card fraud. The second defendant was Mr. Jordan's cousin Michael C. Hamlin, 24, who pleaded guilty on Sept. 20 to second-degree murder, robbery and conspiracy to commit robbery and testified against Mr. Jordan."

The Washington Post (10/25, B1, Cauvin) reports, "The crime stunned many city residents, particularly those who live

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in neighborhoods thought to be safe, such as the one where Rosenbaum was robbed and where such random and violent crime is rare."

FBI Investigating Stolen Art In Deceased New Yorker's Collection. The New York Times (10/25, Barry, 1.21M) reports, "If it was the desire of the man who called himself William M. V. Kingsland to be remembered in the salons of New York long after he died, to be the subject of the kind of scandal-whiffed conversation he once so enjoyed…then the man who called himself William M. V. Kingsland has succeeded. He died in early spring in his one-bedroom apartment on the Upper East Side," and "this summer…his longtime friends learned that his real name was…Melvyn Kohn. Then, last week, they learned that several pieces in his private art collection were" stolen. "Now the Federal Bureau of Investigation is digging into the nature of his collection, two auction houses are cleaning up the artistic mess he left behind, and the Office of the Public Administrator for Manhattan is trying to sort out the increasingly muddy Estate." The Times notes, "A central question for everyone, of course, is Mr. Kingsland's role in all this. Was he a thief, a fence, or just an innocent collector of pretty things that happened to be hot?"

FBI, Arizona Police Investigating Theft Of Power Line Maintenance Trucks, Tools. The AP (10/25) reports, "Thieves in Yuma County stole three specialized power line maintenance trucks and more than $100,000 in tools used to work on major power lines over the weekend, and the FBI is seeking the public's help tracking down the thieves. The trucks and tools were stolen from the U.S. Department of Energy's Gila Substation Maintenance Facility," and "specialized knowledge is needed to use them. There is no known terror threat from the theft and young people are known to hang out in the area, said FBI Special Agent Deb McCarley. However, the specialized nature of the equipment and its possible use is raising concerns." The AP notes, "The FBI and the Yuma County Sheriff's Office are offering a $10,000 reward for information leading to the arrest and conviction of the persons responsible."

FBI, SEC Investigating Online Brokerage Account Hackings. In a widely-distributed story, the AP (10/25, Funk) reports, "The government has launched investigations into fraud cases in which computer hackers apparently manipulated client accounts at two of the nation's largest electronic brokerages, stealing millions of dollars." TD Ameritrade COO Randy MacDonald "said the fraud that his company experienced during the quarter was part of an industrywide problem and that the company was working with the FBI and other law enforcement agencies." Ameritrade and E-Trade officials "said that while hackers manipulated individual accounts, their own computer systems remained secure." The AP notes, "The Securities and Exchange Commission, like the FBI, is investigating hacking fraud throughout the online brokerage industry."

US Banks, Insurers Expand Online Security Assessment Program. The Wall Street Journal (10/25, A4, Guth, 2.03M) reports, "A group of U.S. banks and insurance companies concerned about data security are expanding a program for assessing the security of online banking and related financial services. The Financial Services Roundtable, an industry trade group, said that five banks have joined an effort to standardize how they judge the security of companies that provide online services. The new participants are Bear Stearns Cos., Goldman Sachs Group Inc., Regions Financial Corp., Wachovia Corp. and Morgan Stanley." The Journal notes that the Shared Assessment Program "formalizes procedures that have historically been handled differently by each financial institution, an approach that the members say is costly and isn't as effective in assuring a high level of security."

Florida Man Pleads Guilty To Online Investment Fraud. The Oregonian (10/25, Denson, 329K) reports Frank Hendricks of Florida "pleaded guilty Tuesday to heading a Corvallis-based Internet investment scam that victimized 1,500 investors in the United States and Canada. … When sentenced in February, he faces as long as 26 years in prison and as much as $1.3 million in fines, plus mandatory restitution." The Oregonian notes that Hendricks and Scott Guenther allegedly "created a CD-ROM and electronic book-marketing business named Pacific Achievements International. Guenther is scheduled to plead guilty to some of the charges Dec. 5 in Eugene, authorities say." The Oregonian adds, "In early 2004, the FBI seized two residences purchased by Hendricks in Shalimar, Fla., and two residences in Gig Harbor, Wash., from a company promoter, federal prosecutors reported."

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FBI Investigating Child Porn Allegation Against Connecticut Episcopal Music Director. The New York Times (10/25, Cowan, 1.21M) reports from Greenwich, Conn., "Federal authorities are investigating whether the longtime music director of a prominent Episcopal church here, who was a mentor to thousands of children, was involved in child pornography, according to people involved in the investigation. The head of the Federal Bureau of Investigation's cybercrimes squad in New Haven, Tim Egan, said 'there is a pending investigation' into the matter, but declined to comment further. Susan Marks, a spokeswoman for Christ Church…said that Robert F. Tate, the music director, had recently resigned, and that the church's membership had been notified." The Times notes, 'It was unclear whether the reputed pornographic images that piqued the criminal investigation were stored on a church-owned computer or not."

NBC News (10/24, Sandler, 5:51 p.m.) reported on its Web site that "sources say that earlier this month the FBI searched a building on the grounds of Christ Church…after obtaining information that allegedly implicates" Tate. "A grand jury is convening in the case, and NBC has learned that other top church officials have been called to testify." NBC notes, "Located in one of the country's most wealthy communities, Christ Church in Greenwich has attracted an affluent membership since its inception in the 1830s. Former President George H.W. Bush attended services in his youth and, as president, returned to the church in 1992 for the funeral of his mother," and "a Christ Church minister reportedly signed the baptism records of President George W. Bush."

Massachusetts State Trooper To Plead Guilty To Child Enticement Charges. The AP (10/25) reports, "A state trooper charged with trying to solicit sex from an undercover officer he thought was a 14-year-old boy plans to plead guilty in federal court, according to court documents, and has resigned from the force. Brian O'Hare was charged with using the Internet to entice an individual under 18 for sexual activity." The AP notes, "O'Hare allegedly had several sexually explicit chats with an FBI agent who was posing as a 14-year-old high school boy, and the two arranged to meet at the Medford Mall, authorities said. O'Hare was arrested by FBI agents in February after he showed up."

PG County Police Attribute Decline In Crime To Staffing Decisions. The Washington Post (10/25, B2, Partlow) reports Prince George's County police "have attributed a decline in violent crime and property offenses this year to more officers on the streets, the availability of overtime funds to keep experienced officers working and investments in new technology. Compared with the first nine months of last year, the number of homicides in the county has declined by 28 percent (from 128 to 92), rapes by 11.7 percent (163 to 144) and carjackings by 37 percent (from 565 to 356), police said. In preliminary statistics compiled by the Maryland State Police that cover the first half of the year, Prince George's showed a total decline in major crimes of 15.1 percent, the largest percentage decrease among the 23 Maryland counties and Baltimore."

Ohio Executes Cult Leader For Murders Of Five Followers. The AP (10/25, McCarthy) reports, "Ohio executed a religious cult leader Tuesday for the murder of a family of five followers who were taken one at a time to a barn, bound and shot to death. The youngest was a girl just 7 years old." The AP continues, "Jeffrey Lundgren, 56, died by injection at 10:26 a.m. at the Southern Ohio Correctional Facility for the deaths of the Avery family." The AP adds, "The evidence against Lundgren was compelling. … Upset by what he thought was the Avery family's lack of faith, arranged a dinner hosted by cult members. Afterward, he and his followers led the Averys one by one - the father first, young Karen last - to their deaths while the others unknowingly cleaned up after dinner. A chain saw was used to muffle the gunfire. … Lundgren argued at his trial in 1990 that he was prophet of God and therefore not worthy of the death penalty." The AP notes, "Lundgren's attorneys had tried to put off the execution, arguing that he should be allowed to join a lawsuit challenging Ohio's use of lethal injection as cruel and unusual punishment. They said his execution had more of a chance of being painful because he was diabetic and overweight at 275 pounds. … Late Monday, the 6th U.S. Circuit Court of Appeals in Cincinnati issued an order allowing the execution to go forward. The U.S. Supreme Court refused a last-minute request to stop his execution Tuesday, and Gov. Bob Taft denied clemency."

Maryland Delegate Accused Of Foreclosure-Rescue Fraud. The Baltimore Sun (10/25, Butler) reports, "Anne Arundel County police are looking into whether

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Del. William A. 'Tony' McConkey might have engaged in criminal acts during a real estate deal that he is being sued over, although a police spokesman said that the review is not 'a full-blown investigation.' Police said they are reviewing claims by Teresa Milligan, 42, that the Severna Park Republican committed foreclosure-rescue fraud, in violation of a new law that has civil and criminal penalties. She filed a civil suit Monday in Anne Arundel County Circuit Court alleging that McConkey tricked her into signing over her townhouse to him."

New Technologies Spur Wave Of Retail Crime. The Wall Street Journal (10/25, A1, Zimmerman), in a front-page story titled, "Creative Crooks: As Shoplifters Use High-Tech Scams, Retail Losses Rise," reports, "Using sophisticated tactics such as bar-code forgery and fraudulent gift cards, criminals are stealing larger amounts, and it has gotten harder to catch them. Law-enforcement officers say many of the high-tech thieves belong to organized-crime rings that have turned retail theft into big business. And the Internet has made it easier for them to find buyers for the loot. Retail crime rose to about $37 billion in 2005 from $31 billion in 2003, according to a study conducted by the University of Florida, increasing almost twice as fast as retail sales over that period. Store employees, who have access to merchandise and familiarity with antitheft systems, account for 48% of retail-crime losses, according to the 2005 study. But professional thieves, many of them using sophisticated new methods, also are responsible for a big part, says Joseph LaRocca, vice president of loss prevention at the National Retail Federation, a trade group. The value of merchandise snatched in the average shoplifting incident has more than tripled to $855 in 2005, from $265 in 2003, the University of Florida survey reported."

CIVIL LAW:

COPA Litigation Begins Final Round. The Legal Intelligencer (10/25, Duffy) reports, "It's not all that often that a month-long trial begins in federal court where everyone knows from the start which side is likely to win. … But that was the situation Monday in ACLU v. Gonzales as the final round of litigation got underway in a challenge to the Child Online Protection Act (COPA), a law which threatens criminal penalties for commercial Web site operators that allow children to access material that is 'harmful to minors.'" The Intelligencer continues, "Eight years after it was passed, COPA has never gone into effect because Senior U.S. District Judge Lowell A. Reed Jr. granted a preliminary injunction that, after two trips to the U.S. Supreme Court, won the approval of a 5-4 court. … Although the majority was a slim one, the high court's holding was that the ACLU and its co-plaintiffs are 'likely to succeed' in proving that COPA is unconstitutional. … But 'likely' doesn't mean certainly, and the Justice Department isn't giving up the fight." The Intelligencer adds, "In preparation for Monday's trial, Reed ordered lawyers on both sides to file their proposed findings of fact and conclusions of law. … Ordinarily, such briefs are filed after a nonjury trial has concluded to aid the judge in his drafting of an opinion that announces his verdict. … But ACLU v. Gonzales is no ordinary case, and Reed apparently wanted the lawyers to provide a roadmap for the trial, which is expected to boil down to a battle of the experts."

Group Claims More FOIA Resources Needed. Government Executive (10/25, Pulliam) reports, "A recent Justice Department report on agencies' compliance with a presidential mandate to improve processing of requests for government documents failed to address resource constraints, an independent research institute has charged." GE continues, "In a letter to Attorney General Alberto Gonzales last week, the National Security Archive, a research institute and library located at The George Washington University, said the report did not acknowledge the scale of the challenge agencies face in reforming their Freedom of Information Act procedures. It avoided mentioning a lack of adequate funding and staffing, as well as the need for cross-agency leadership, the letter stated. … The executive order, signed by President Bush on Dec. 14, 2005, directs agencies to ensure that their FOIA implementation is citizen-centered and results-oriented. They must also appoint chief FOIA officers." GE adds, "The order states that any changes should be made using 'available resources' and 'existing agency staff.' The FOIA chief can, however, recommend adjustments to agency personnel and funding as "may be necessary to carry out" the order's policies. … Daniel J. Metcalfe, director of the Justice Department's Office of Information and Privacy, said there was little discussion of resources in the Oct. 16 report because the agency FOIA improvement plans reviewed in it were due 'only six months after the executive order was signed, in the middle of a budget cycle.'"

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The Federal Times (10/25, Curl) reports, "The National Security Archive, criticizing a recent report by Attorney General Alberto Gonzales, has called on Congress to hold hearings to determine if genuine progress is being made in agency administration of the Freedom of Information Act." The Times continues, "Gonzales' report, issued Oct. 16, highlighted progress agencies are making to comply with a presidential directive, issued last year, that requires agencies to name chief FOIA officers and create improvement plans to streamline the processing of FOIA requests. Gonzales wrote that the executive order 'has had an immediate and widespread positive effect on the operations of the federal agencies that administer the FOIA.'" The Times adds, "In letters to both Gonzales and leaders in the Senate Judiciary and House Government Reform committees, the Washington-based research group — which collects and publishes documents obtained through FOIA requests — called the report 'rosy' and said it 'ignored critical challenges facing the federal FOIA system.' … 'While the AG report is optimistic about the agencies' newfound embrace of technology/automation, FOIA request status tracking and backlog reduction, it fails to provide an honest assessment of where agencies' FOIA programs stand today and what it will take to bring their FOIA programs into compliance with the law,' the letters said."

Bankruptcy Judge Gives Dana Corp More Time For Bonus Plan. Dow Jones (10/25, Kary) reports, "Dana Corp. on Tuesday won more time to develop a new legal strategy to obtain a package of bonuses for its chief executive and other top executives." Dow Jones continues, "Judge Burton Lifland of the U.S. Bankruptcy Court in Manhattan, who previously rejected the proposed bonuses, approved the auto-parts suppliers request to further its legal work on a schedule that would permit a Nov. 8 final hearing on its request for a long-term incentive plan for executives. … Even so, Lifland continued to question whether the timeline was too 'aggressive' and whether Dana's strategy made sense. 'Frankly, I'm not fully comprehensive of the strategy of this motion,' Lifland said." Dow Jones adds, "The Toledo, Ohio, company has asked Lifland to reconsider his ruling striking down a program that would have paid Chief Executive Michael J. Burns $9.1 million over the next few years _ including a $6 million bonus once Dana exits Chapter 11 protection. … The Justice Department has called the request improper because it is in effect asking the court guidance on how to get the bonus plan approved. … 'We are not as of yet a part of the growing consensus in this case,' said Andrew Velez-Rivera, speaking in court Tuesday as a trial attorney representing the Justice Department's Office of the U.S. Trustee. That office monitors bankruptcy cases to ensure that participants comply with bankruptcy law."

WSJournal Says Bankruptcy Overhaul Law Working. The Wall Street Journal (10/25, 2.03M) says in an editorial, "When President Bush signed the Bankruptcy Abuse Prevention and Consumer Protection Act last year, Democrats and 'consumer' groups not only cried foul but predicted doom. A year after the law was enacted, however, the evidence suggests that their fears were misplaced, not to say cynical." Today, "the number of bankruptcy filings is down some two-thirds from what it's been in recent years. Partly this has to do with people rushing to file for Chapter 7 before the law took effect last October. But there are also indications that people are responding to the new incentives." In the past, "about 20% of bankruptcy filers have had incomes above the national median. But since the law took effect, nearly all filers are below the median. One plausible explanation is that many past filers were abusing the system."

CIVIL RIGHTS:

NAACP Calls For DOJ Probe Of Richmond Police Shooting. The Richmond (VA) Times-Dispatch (10/25, Nolan) reports, "Leaders of the state and Richmond-area branches of the NAACP yesterday decried the $2,500 fine imposed against a former police officer convicted of manslaughter in the May 29, 2004, shooting death of Santanna Olavarria." The Times-Dispatch continues, "On Friday, a jury convicted Michael Couture, 33, of manslaughter. Two hours later, the jury returned with a recommended sentence of $2,500 and no jail time, which the judge imposed. Couture could have faced up to 10 years in prison. … 'This sends a message that black people's lives have very little value to citizens, the criminal justice system and all other institutions in this society,' the NAACP leaders said in a joint statement issued at a news conference yesterday afternoon." The Times-Dispatch adds, "The leaders also called for the Justice Department to pursue a civil-rights investigation into the shooting, in which then-officer Couture fatally shot the 21-year-old Olavarria following a traffic stop in the city's East End. … In February 2005, Police

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Chief Rodney Monroe forwarded all of the department's police-involved shooting cases to the Justice Department for investigation, including the Olavarria shooting. To date, there have been no federal charges filed in the Olavarria case. … Couture is believed to be the first police officer in the modern history of the city's police department to have been convicted of a homicide while on duty."

Two Mississippi Jailers Charged With Inmate Assaults. The AP (10/25, Mohr) reports from Jackson, MS, "A former jailer at a regional prison in Louisville has pleaded guilty to assaulting an inmate and is working with federal prosecutors in a case against two former correctional supervisors accused of similar crimes, the U.S. Justice Department said Tuesday." The AP continues, "Former Winston-Choctaw County Regional Correctional Facility Deputy Warden Scotty L. Graham and former Captain David G. Mitchell are charged with violating the inmates' civil rights, conspiring to obstruct justice and providing false statements, the Justice Department said. … Former officer Marcus Coleman already has pleaded guilty to similar charges, the Justice Department said, and has agreed to cooperate with federal prosecutors." The AP adds, "An indictment unsealed Tuesday in Washington accuses Graham and Mitchell of assaulting an inmate in October 2001 with a device known as a 'shock stick.' Mitchell is charged with an additional civil rights violation for allegedly attacking another inmate the same day. … Details of the alleged attacks were not available. … 'The details will come out if there's any sort of trial proceeding,' said Justice Department spokeswoman Cynthia Magnuson."

Judge To Lift DOJ Oversight Of Hawaii Mental Health Plan. The Honolulu Advertiser (10/25, Kobayashi) reports, "A federal judge this morning cleared the way for the lifting on Nov. 30 of the federal oversight over the state's efforts to comply with a community mental health plan to serve Hawai'i's estimated 11,000 seriously mentally ill residents." The Advertiser continues, "U. S. District Judge David Ezra essentially approved the latest federal magistrate's status report on the state efforts. … Although U. S. Magistrate Judge Kevin Chang could not say in his report in August that the state met a June 30 deadline to be in substantial compliance with the plan, he said the state made progress and he recommended the lifting of the oversight on Nov. 30. … 'This case will simply terminate (on Nov. 30),' Judge Ezra said." The Advertiser adds, "Attorney General Mark Bennett said even with the lifting of the federal oversight, the state will continue to seek to improve the mental health services. … 'We will keep our noses to the grindstone,' he said. … The state has been under federal oversight for 15 years as a result of a Justice Department lawsuit alleging violations the constitutional rights of patients at Hawai'i State Hospital. … The hospital emerged from the oversight in late 2004, but the oversight continued over the community plan aimed at providing adequate services to the mentally ill in the community. … Justice Department attorneys agreed to the lifting of the oversight on Nov. 30 after the state raised concerns about whether the federal oversight could continue beyond June 30."

Studies Finds Racial Disparities In US Health Care. The Washington Post (10/25, Lee, 748K) reports that three new studies "in today's issue of the Journal of the American Medical Association…add to the voluminous evidence that the US health-care system works differently for minorities than for whites despite years of efforts to erase racial disparities." But "while the persistent disparities are well-documented, the causes remain the focus of research and debate. One explanation is that minorities tend to be poorer and less educated, with less access to care. And they tend to live in places where doctors and hospitals provide lower quality care than elsewhere. Others suspect cultural or biological differences play a role, and there is a long-running debate about whether subtle racism infects the health-care system." Now, "major medical organizations, private foundations and government health agencies have begun a host of studies, programs and initiatives in the past decade to try to close the gap."

Battle Over Virginia Gay Marriage Amendment Heats Up. The Washington Times (10/25, McLaughlin, 88K) reports that the battle over a proposed constitutional ban on same sex marriage in Virginia "is heating up as both sides of the debate deliver their final sales pitches two weeks before the Nov. 7 election. … Political analysts agree that the amendment could motivate conservatives to turn out for [GOP Sen. George] Allen, who is in a tight race against Democrat James H. Webb Jr. for the U.S. Senate. Mr. Webb opposes the amendment." The Times adds, "A poll conducted by The Washington Post earlier this month showed that 53 percent of Virginians

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support the marriage amendment, while 43 percent oppose it."

ANTITRUST:

Steel Tubing Firm Owned By Carlyle To Announce Merger. The Wall Street Journal (10/25, C5, Sender) reports, "John Maneely Co., a maker of steel tubing that is owned by private-equity giant Carlyle Group, is expected to announce a merger with Atlas Tube Inc. today in a deal valued at almost $1.5 billion, including stock and debt. The move to bulk up Maneely comes amid a boom in private-equity transactions, in which groups like Carlyle team up to buy companies they believe are undervalued -- often using elaborate financial arrangements -- with hopes of selling them later at a profit. While the proposed Maneely transaction is relatively small, it illustrates how not all these deals are about financial maneuvering. In this case, Carlyle is buying a rival manufacturer in order to gain economies of scale. Both Maneely and family-owned Atlas manufacture tubing used in the construction industry. The merger with Atlas, which is based in Harrow, Ontario, will make Carlyle the parent of the largest North American maker of steel tubing, with sales in excess of $2 billion, the companies say."

DOJ Criticized Over Case Involving Shipping Industry Price-Fixing. The Wall Street Journal's Holman W. Jenkins Jr. (10/25) writes, "Stolt-Nielsen is a name that won't ring many bells unless your peculiar interest is ocean shipping or knotty business cases that might tempt the Supreme Court's intervention. Or perhaps you are a corporate counsel for a major international company who just happened to be wondering, out of idle curiosity, whether the amnesty deals signed by the Justice Department in price-fixing cases are worth the paper they're written on." Stolt "finds itself hanging on whether the Supreme Court will hear its plea challenging the Justice Department's right to revoke an amnesty deal granted to Stolt in return for its help in cracking the cartel. … Justice granted Stolt immunity in return for Stolt coughing up the evidence to allow the successful prosecution of its fellow conspirators (two Norwegian firms, one Japanese). Only after the cases were concluded did Justice renege on grounds that Stolt's management had allowed the collusion to continue for several months between the whistleblower's internal hullabaloo and Stolt's decision to seek amnesty. Of course, Justice had known all this from day one and had chosen to sign the agreement and benefit from Stolt's help anyway. Nine petitioners, including the U.S. Chamber of Commerce, have joined Stolt in urging the Supreme Court to find that Justice has no business indicting Stolt and its employees until the lower courts have definitively ruled the amnesty deal invalid. In fact, the one federal court that looked into the matter ruled that Stolt had upheld its end of the bargain and ordered Justice to do likewise." Jenkins concludes, "With its brain a little less clouded by self-righteousness, the department might notice that its campaign to impose its dubious ideal of price regulation on the world might actually be helped if it grew up a little about antitrust."

Thompson Corp To Put Learning Unit Up For Sale. The Wall Street Journal (10/25, Berman, Cherney) reports, "Publishing and information giant Thomson Corp. is near a plan to put its Thomson Learning division on the auction block, in a deal that could fetch somewhere north of $5 billion, said people familiar with the matter." The Journal continues, "A deal would separate the company's second-largest unit as measured both by revenue and operating income. And it would concentrate Thomson's broad operating lines around legal, financial and scientific-information businesses. Analysts have been calling for a sale of Thomson Learning because it doesn't fit with the company's strategy of selling to professionals. The Learning division also wasn't moving as quickly to sales of electronic products as had been hoped." The Journal adds, "In recent years, Thomson has adeptly exited certain businesses that subsequently declined in profitability. Starting in the late 1990s, the company began shedding newspaper assets -- a move away from its historic roots as a Canadian-based newspaper empire -- to refashion itself as an information provider, with more of its services delivered online instead of in print. The sales included The Globe and Mail as well as other smaller dailies."

EU Probing French Guarantee Loan To TVO. The AP (10/25) reports, "EU antitrust regulators on Tuesday opened an investigation into a French state guarantee for a euro570 million (US$716 million) bank loan to Finnish power company Teollisuuden Voima Oy that may have helped a French-German supplier win a contract to build Finland's newest nuclear plant." The AP continues, "The European Commission said the guarantee may have cut TVO's

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financial costs below normal market levels -- and could have encouraged the company to pick Areva-Siemens to build the first new European reactor in more than 10 years. … 'The guarantee may also have lowered the financial costs linked to the Areva/Siemens offer for TVO and, thereby helped the consortium Areva/Siemens to get the contract for the construction of the new nuclear power plant,' it said." The AP adds, "The EU executive said it would quiz France about the loan -- the interest rate and the guarantee premium TVO paid the French government -- to find out if it gave TVO a cheaper deal and an unfair advantage over rivals. … It said it was acting on two complaints about the guarantee the French state export credit insurance agency Coface gave to TVO to purchase equipment from France's Areva-Framatome."

ENVIRONMENT:

White House Solidly Behind Moratorium On Deep Water Bottom Trawling. The Christian Science Monitor (10/25, Spotts, 58K) reports that while less than one percent "of the world's commercial fish catch comes from trawling the ocean floor of the high seas," the "environmental impact is large - so large that many countries ban or severely restrict the practice within their territorial waters. This week, an international effort to curb bottom-trawling on the open ocean got a significant boost." In a letter to US negotiators "at the United Nations on Monday, a top State Department official set out Washington's unambiguous support for a halt to the practice 'until such time as conservation and management measures are adopted.'" The Administration's "stance on this critical marine-conservation issue may come as a surprise to some, given what many environmentalists call a shaky White House record on other environmental issues. But the president appears to have a deep personal concern about overfishing," says Joshua Reichert, "who heads the environment program at the Pew Charitable Trusts in Philadelphia."

US, EU Officials To Discuss Environmental Issues At Finland Meeting. The AP (10/25) reports, "Officials from the United States and the European Union - split over the Kyoto protocol - met Tuesday in Finland to discuss ways of improving cooperation on environmental issues." The AP continues, "The EU-U.S. meeting is a follow-up to a summit held in Austria in June, when both sides pledged to work 'more closely to address the serious and long-term challenge of climate change, biodiversity loss and air pollution.'" The AP adds, "Signed in 1997, the Kyoto protocol came into force in February 2005 after it was ratified by the required number of nations, including EU members. It requires signatories to cut emissions of six greenhouse gases to 5 percent below 1990 levels by 2012. … The United States rejected the Kyoto targets as placing an unnecessary burden on its economy, drawing criticism from environmental campaigners who say American pollution is responsible for one-quarter of the world's greenhouse gases. … No decisions will be taken at the Helsinki meeting, hosted by the Environment Ministry, but the aim is to explore ways of increasing trans-Atlantic cooperation on environmental questions, Finnish officials said."

Interior Department Delays Gulf Oil And Gas Leases In Settlement With Louisiana. The Wall Street Journal (10/25, Jackson Randall, 2.03M) reports, "The state of Louisiana and the U.S. Department of the Interior Tuesday said they have agreed to settle a lawsuit over oil and natural-gas leasing in federal waters off Louisiana's coast, with the agency agreeing to delay future offshore lease sales pending a complete environmental analysis. Meanwhile, Louisiana, under the pact, won't object to the department issuing leases to energy companies seeking to produce oil and natural gas under Lease Sale 200, which encompasses 20.4 million acres in the Western Gulf of Mexico." The state "sued the department in July, charging that it did not conduct a proper environmental review for its Lease Sale 200 because it didn't take into account coastal environmental damage caused by drilling as well as that brought on by Hurricanes Katrina and Rita last year. The move was seen as part of the state's battle to receive a bigger share of the revenue generated by oil and gas produced in federal waters off its coast."

The New York Times (10/25, Nossiter, 1.21M) says, "The suit, filed by Gov. Kathleen Babineaux Blanco, was part of the longtime quest for more of the $7 billion in royalties that Washington receives from the oil companies in the gulf." Officials and environmentalists in Louisiana "deem the new accord as a major victory for the state, because it implicitly acknowledges that drilling for oil and gas off Louisiana harms the coastline and contributes to devastating erosion. That, in turn, strengthens a push by the Louisiana Congressional delegation to obtain more oil and gas royalties out of the gulf, money that the state has said it will use to rebuild the coast."

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The Times notes, "The Senate has passed a bill that would give Louisiana and other coastal states 37.5 percent of the royalties. The House has yet to agree."

Schwarzenegger Chides Bush Over Global Warming. The Los Angeles Times (10/25, Finnegan, Martelle, 918K) reports that in a "tart" letter to President Bush, California Gov. Arnold Schwarzenegger chided the President "for ignoring his plea for more leeway to toughen California's vehicle exhaust standards, Schwarzenegger complained about 'the absence of a coherent federal policy' to stop global warming. At the same time, Schwarzenegger's Democratic challenger, state Treasurer Phil Angelides, dismissed the governor's detachment from Bush as a ruse." The Times adds, "At tightly staged events this week in San Diego, Glendale and Oakland, Schwarzenegger has all but severed his Republican ties while playing up the value of bipartisan harmony. He has also taken pains to widen his appeal beyond white Republican men, his most loyal supporters. At every stop, Schwarzenegger has surrounded himself with African Americans or Latinos and stuck to themes that resonate with Democrats, independents and women: the environment and education."

Environmentalists Rate California Beaches' Levels Of Pollution. The Los Angeles Times (10/25, Kennedy) reports, "Los Angeles County predictably earned the dubious honor Tuesday of having the most polluted beaches in California. Less predictably, Long Beach jumped out as the worst offender among the worst. But having made those pronouncements, Heal the Bay, the environmental group that routinely conducts pollution studies along the California coast, declared this one a victory of sorts. The reason: a number of the usual cellar-dwellers passed with flying colors because of recent cleanup efforts." Mark Gold, executive director of Heal the Bay, "pointed to such perennial polluters as Will Rogers State Beach as examples of cleanup efforts along the coast that were starting to yield results."

FBI/DEA/ATF/USMS:

New Scam Features Fake Email From Mueller. In a widely-distributed story, the AP (10/25, Jordan) reports, "Think twice about answering e-mail from G-man. A new Internet scam promising cash for responding to a document request claims to be from FBI Director Robert S. Mueller. The top government cop's request is followed by a second e-mail threatening that 'failure to comply will result in charges being brought against the individual by the FBI.' 'This e-mail is a hoax,' the FBI said in an alert to consumers that was posted Tuesday on its Web site. 'Do not respond.'" The AP notes, "The spammed scan is the second in as many months to appear to be from Mueller."

ABC News (10/24, Ryan) reports on its Web site, "The e-mail contains information lifted from the FBI's Web site that descibes what an Identification Record is and how to obtain it from the FBI's Criminal Justice Information Services Division. … FBI officials say the hoax is a typical Nigerian scam, which has become more prevalent in recent years." ABC added that after the Mueller email, "individuals receive a second, more threatening notice, claiming to come from Donna Uzzell, another senior FBI official, which says, 'It has come to the attention of our Money Trafficking investigation department, that you have some funds valued at U.S $10.5 Million to your name. ... You are under an observational /Investigation in connection with money laundering.'"

Local TV News Reports Warn Of Scam. The email scam also was covered by local TV news broadcasts across the country. Some examples: WSB-TV Atlanta, (10/24, 11:10 p.m.) reported, "FBI director Robert Mueller is issuing an e-mail fraud alert tonight. Mueller says two e-mails with his name on them are circulating. First one says the recipient could be eligible for a big cash payment. The second e-mail threatens federal criminal charges if the recipient does not respond to first e-mail." WCPO-TV Cincinnati, (10/24, 11:11 p.m.) reported, "Think twice about answering e-mail from the FBI. A new internet scam promises cash for responding to a document request that claims to be from FBI director Robert Mueller. It is followed by a second email threatening that 'failure to comply will result in charges' and demands that a fee be sent to FBI Nigeria. The FBI says the email is a hoax and do not respond." KXXV-TV Waco, (10/24, 9:58 p.m.) noted, "This is the second scam in two months purporting to come from the top g-man."

$27 Million Worth Of Meth, Cocaine Seized In Georgia, 3 Arrested. The Atlanta Business Chronicle (10/24) reports federal officials "have busted three Mexican citizens living in metro Atlanta on charges of conspiracy to distribute cocaine and crystal methamphetamine ('ice'). The U.S. Drug Enforcement Administration (DEA) and the U.S. Attorney's Office jointly announced the filing of a federal

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criminal complaint. DEA also seized 145 pounds of ice and 72 kilograms of cocaine -- with a street value of $27 million -- in a house in Clayton County searched in conjunction with the arrests."

The Atlanta Journal-Constitution (10/25, Jefcoats) reports Clayton County Assistant Police Chief Jeff Turner "said the men kept a low profile. 'But that's what you'd expect if you had that amount of drugs and money around,' he said. … The arrests are the culmination of a month-long federal investigation by the U.S. Department of Drug Enforcement Administration and DeKalb Police Department."

Jonesboro, Georgia's News-Daily (10/25) reports the DEA and a metro-area drug task force have "seized 145 pounds of crystal methamphetamine and 72 kilograms of cocaine from a Jonesboro house. … DEA officials believe the drugs, seized in a bust Monday, were being delivered to the house from Mexico and stashed there. They were then being delivered from Mexico to …Jonesboro and then distributed from Jonesboro to be sold on the street in Atlanta and in other cities along the East Coast."

On its Web site, WSB-TV, Atlanta (10/24) reports this latest drug bust "is bringing more than drugs and money – it's also bringing a title Atlanta does not want. Agents tell Channel 2 the metro area is now the largest meth distribution hub on the East Coast. Agents with the Drug Enforcement Administration say it's a balancing act. They say they've reduced the number of local meth labs but are working to also crack down on international shipments, which make Atlanta number one for meth distribution on the East Coast."

On its Web site, WXIA-TV, Atlanta (10/24) reports the DEA "says it's another indication Atlanta is a meth hub. 'With the recent seizures of meth and ice in Atlanta, each one being larger than the other one, I don't want us to become numbed by the numbers,' said DEA Special Agent in Charge Sherri Strange. It is the third-largest seizure of meth for the DEA in Atlanta."

Local TV Coverage. WAGA-TV, Atlanta (10/24, 6:00 p.m.) aired, "Federal officials say you are looking at more than $27 million worth of drugs, half cocaine and half methamphetamine."

WGCL-TV, Atlanta (10/24, 11:00 p.m.) aired, "You are looking at Atlanta's dose of reality. Twenty-seven million dollars worth of crystal meth, cocaine and cash, all seized in a single bust."

WSB-TV, Atlanta (10/24, 11:00 p.m.) aired, "Atlanta apparently has become the largest meth distribution hub on the East Coast. Today, federal authorities announced they made a huge dent by seizing drugs worth millions of dollars. About 27 million dollars in meth and cocaine from a home in Clayton County. … Authorities say they arrested three men linked to a Mexican drug ring. … In all they seized 145 pounds of methamphetamines and 72 grams of cocaine. They say that this was one of the largest busts of its kind in the metro area."

WXIA-TV, Atlanta (10/24, 11:00 p.m.) aired, "In Clayton, agents conducted one of the largest drug busts in state history and arrested three men. Nearly 27 million dollars worth of meth and cocaine and thousands in cash were found inside a home in Jonesboro."

Agents Shut Down Pharmacy In Louisiana. The New Orleans Times-Picayune (10/25) reports federal agents "shut down and searched an Elmwood pharmacy they suspect of shady Internet business practices on Tuesday, marking the second crackdown of its kind in East Jefferson this month. … Unlike the previously shuttered Elite Pharmacy…Pharmacy 101 began as a retail operation about two years ago and later added Internet sales, investigators said. … But similar to Elite, Drug Enforcement Administration officials said huge purchases of painkillers drew their attention to Pharmacy 101. They said the pharmacy was Louisiana's largest purchaser of oxycodone, used in OxyContin, and the third-biggest purchaser of hydrocodone, found in Lorcet, Lortab and Vicodin."

Five Face Drug-Distribution Charges In Indiana. The Fort Wayne (IN) Journal Gazette (10/25) reports federal prosecutors "have accused five men of drug distribution in the transportation of 1,000 pounds of marijuana – packaged in bales – from Texas to Fort Wayne. … According to federal court documents, an undercover Texas Immigration and Customs Enforcement agent tipped off authorities to the plan. … All five men were arrested. When questioned by agents, (one man) said he would be paid $10,000 for his role in the delivery."

Four Face Charges Following Marijuana Dispensary Raid In California. Torrance, California's Daily Breeze (10/24) reports federal agents "seized about 70 pounds of marijuana along with nearly 100 pot plants, a shotgun and a small amount of cash during last week's raid of a medical marijuana dispensary in Torrance, a Drug Enforcement Administration spokeswoman said

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Monday. Following the raid at Green Cross, four people "were taken into custody after they allegedly attempted to sell pot to undercover detectives working for LA IMPACT, a countywide task force with an emphasis on drug trafficking."

Meth Seized In Indiana Following Warning By Federal Authorities. The Indianapolis Star (10/24) reports Greenwood police "have seized $300,000 of methamphetamine -- a drug that police in Indiana have been fighting hard to eradicate -- in a bust involving a highly addictive and often-imported variety called 'ice.' … Greenwood police arrested two men Friday and seized two pounds of crystal methamphetamine. Federal authorities had warned local police that Mexican ice had been found in the northeastern United States and soon would be reaching the Midwest, said Greenwood Police Chief Joe Pitcher."

Judge Says Michigan Doctor Ran "Prescription Mill." The Flint (MI) Journal (10/24) reports a one-time Flint Township doctor who "was convicted earlier this year for distribution of narcotic drugs will spend the rest of his life in prison. 'You were running a prescription mill,' U.S. District Judge Paul V. Gadola told Mukunda D. Mukherjee of Fenton, who formerly practiced as an M.D. … Mukherjee was indicted in June 2004 on one charge of conspiracy to distribute controlled substances and 53 felony and misdemeanor counts of illegal distribution of various prescription painkillers, including OxyContin, Vicodin, morphine and drugs with codeine. … The investigation had started some four months earlier. Tipped off by a confidential informant, agents of the federal Drug Enforcement Administration and the state-local narcotics units, the Flint Area Narcotics Group and the Bay Area Narcotics Enforcement Team started a probe."

The Detroit Free Press (10/25) reports a federal judge "has sentenced a Flint-area doctor to 328 years in prison for illegally prescribing prescription drugs, one of the stiffest sentences ever handed down in an illegal prescription case in eastern Michigan. Gadola imposed the sentence Monday on Mukunda Dev Mukherjeree. … Gadola also ordered Mukherjeree to forfeit $150,000 in assets."

North Carolina Man Faces Federal Drug-Manufacturing Charges. The Staten Island Advance (10/24, Annese) reports that more than a year ago, when federal drug agents "raided his 600-plant marijuana warehouse in Port Richmond, Scott Lawler said the loss was disappointing, but 'it could have been worse,' the feds allege." A federal grand jury now has "indicted the North Carolina man on federal drug manufacturing charges -- charges that could bring him 10 years to life in prison. … Lawler, whose name was on the warehouse lease and who paid the security deposit with a personal check, was arrested this summer. The grand jury indicted him this month."

Convicted Doctor Criticizes Federal Investigation In Painkiller Case. The Morris (IL) Daily Herald (10/24) reports Dr. Parambaloth Edwin "believes the federal government spent five years and $5 million just to hand him six months in jail. 'A lot of money for nothing,' he said Monday, in the wake of his sentencing in federal district court in Chicago for failure to accurately track tens of thousands of tablets of prescription painkillers he dispensed through the years to patients. … He said Monday the Drug Enforcement Agency cleaned out his office during the case. He was charged in June 2005 on 17 counts of allegedly dispensing painkillers to patients without a legitimate medical purpose."

In California, Marijuana Activist's Trial Prompts Dispute Over Supporters' T-shirts, Buttons. The Fresno (CA) Bee (10/24) reports that in the upcoming trial of Merced marijuana activist Dustin Costa, prosecutor Karen Escobar "says the federal government — just like the defendant — has the right to a fair trial. To that end, she is asking a federal judge to prohibit Costa's supporters from wearing buttons, T-shirts or anything else that promotes legalizing medical marijuana. … The request prompted Costa's defense attorney, Robert Rainwater, to point out that Escobar was wearing a lanyard with 'DEA' on it, for the Drug Enforcement Administration — which could bias a jury in the opposite direction. Why should she have that right, Rainwater said, when supporters of Costa and medical marijuana might not."

Bush Administration Seeks To Maintain Aid To Colombia. The AP (10/24, Goodman) reports the Bush administration "will ask Congress to maintain current aid levels to Colombia - running at more $600 million yearly - to support the Latin American nation's fight against terrorism and drug trafficking." Undersecretary of State Nicholas Burns "said the mostly military aid would remain unchanged through

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at least 2008. … The call for continued funding is a major boost to President Alvaro Uribe, Washington's staunchest ally in Latin America, and comes despite the failure of efforts to reduce the country's cocaine trade."

In Bogota, the Miami Herald (10/25) reports Plan Colombia formally "ended in late 2005 with outlays topping $4 billion. The U.S. Congress extended the aid this year as the two countries negotiate a longer-term arrangement. The U.S. money has improved the security situation here, but its impact on the cocaine and heroin industries remains unclear."

Also in Bogota, Prensa Latina (10/24) reports Uribe and Burns "are analyzing Tuesday results of the Colombia Plan, which many consider has failed in wiping out the drug trade in this nation. Until Thursday, Burns will be in Colombia on an official visit accompanied by top functionaries of the departments of State, Defense and Justice, of the Agency for International Development and the Office of National Drug Control Policy. Several analysts and politicians from both countries think the Colombia Plan has also been insufficient in reducing illegal drug crops and eliminating guerrillas in the Andean state."

Two Congressmen Urge Rumsfeld To Step Up Afghanistan Anti-Drug Efforts. The AP (10/25) reports two GOP congressmen "have told Defense Secretary Donald H. Rumsfeld that more needs to be done about Afghanistan's opium crisis because of increased violence and terrorism against coalition forces. The opium and illicit drug trafficking has greatly increased in recent months and threatens to 'totally corrupt all of the new Afghan democratic institutions we support,' Illinois Reps. Henry Hyde and Mark Kirk said in an Oct. 12 letter." The congressmen "suggested that the Drug Enforcement Administration combat the problem by focusing on drug kingpins in Afghanistan, heroin processing labs and drug convoys. Hyde and Kirk said the convoys that carry the drugs out of the country bring back land mines and modern weapons bought with drug money from the Taliban and other anti-coalition forces." More than 30 newspapers used the AP story, including the Washington Post, Wall Street Journal, San Francisco Chronicle, Houston Chronicle, Los Angeles Times, and Newsday.

UPI (10/24) cites the USA Today story included in yesterday's briefing and writes, "Others officials, including Rumsfeld, voiced similar concerns that drug money is fueling a resurgence of Taliban and al-Qaida forces in Afghanistan. Rumsfeld has not responded to Hyde's letter, but a Defense Department spokeswoman said the department is treating the matter seriously."

IMMIGRATION:

Role Of DNA Testing In Immigration Examined. The Washington Post (10/25, A1, Aizenman, 748K) reports in a front page article that while the use of DNA testing to prove family relationship in immigration cases has "been invaluable" for those lacking sufficient documentation, "some immigration lawyers worry that US authorities are increasingly requiring DNA tests even when the paperwork is in order -- adding substantial costs and delays to an arduous process." Though State and Homeland Security department officials "said they do not track the number of DNA tests submitted by people seeking to sponsor a relative for a visa," the Post notes that Fairfax Identity Laboratories, one of two DNA laboratories in the Washington region accredited to handle immigration cases, said "the number of requests for tests has increased about 20 percent, to about 2,000, in the past year."

TAX:

Thomas Questions Tax-Exempt Status Of NCAA Athletics. In his column for the Washington Post (10/25, A17) George Will writes that earlier this month, Rep. Bill Thomas, chairman of the House Ways and Means Committee, wrote "an eight-page letter to the president of the National Collegiate Athletic Association, asking awkward questions. Thomas wonders how, or whether, big-time college sports programs, which generate billions of tax-exempt dollars -- CBS pays the NCAA an annual average of $545 million, mainly for the rights to televise the March Madness basketball tournament -- further the purposes for which educational institutions are granted tax-exempt status. … In recent decades the NCAA has increased the number of games that football and men's basketball teams are allowed to play. Thomas wonders how these changes help athletes improve their academic performances. Perhaps these changes have pecuniary purposes?"

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CONGRESS-ADMINISTRATION:

Education Department Eases Restrictions On Single-Sex Classes. The AP (10/25, Feller) reports that the Education Department yesterday "announced rules that will make it easier to create single-sex classes or schools, a plan that's been expected for almost three years." Education Secretary Margaret Spellings "said more parents deserve to have the option. … 'Research shows that some students may learn better in single-sex education environments,' Spellings said, careful not to offer an outright endorsement. 'The Department of Education is committed to giving communities more choices in how they go about offering varied learning environments,' she said." The AP adds, "To be published Wednesday and take effect Nov. 24, the rules update the enforcement of Title IX, the landmark anti-discrimination law. The current language has stood since 1975."

The New York Times (10/25, Schemo, 1.21M) reports that the new rules "will allow districts to create single-sex schools and classes as long as enrollment is voluntary. School districts that go that route must also make coeducational schools and classes of 'substantially equal' quality available for members of the excluded sex." The Times adds, "The federal action is likely to accelerate efforts by public school systems to experiment with single-sex education, particularly among charter schools."

The Washington Post (10/25, A4, Strauss, 748K) reports that the Education Department "made the change even though it reported a year ago that there was not enough evidence to say whether single-sex education is beneficial or harmful to students."

USA Today (10/25, Toppo, 2.27M) reports, "The shift is the biggest in 31 years and for the first time allows schools to separate students by gender if they believe it helps -- a standard that is under debate in the existing research." USA adds, "Spellings said research shows that 'some students may learn better' in single-sex environments, but other administration officials Tuesday admitted that the best research offers only tepid support."

The Washington Times (10/25, Price, 88K) reports, "The guidelines have been studied for four years. Education officials began examining policy changes after research indicated that some students learn and behave better in boys-only or girls-only environments. … Education Department officials in a teleconference yesterday made it clear that the evidence is mixed. 'The research suggests single-sex education can provide benefits to some students under certain circumstances,' said Stephanie Monroe, the department's assistant secretary for civil rights. 'We're not imposing this as a one-size-fits-all mandate. This is an option that can be helpful to some students, and that's what the literature says. Local schools and parents will make the decision on what is appropriate for their students,' she said."

NBC Nightly News (10/24, story 7, 0:30, Williams, 9.87M) reported, "Some women's advocacy groups fear the new rules will end up short-changing girls."

Embattled Schools Try Marketing Themselves To Parents. The Washington Post (10/25, B1, De Vise, 748K) reports that embattled schools, that are falling behind the No Child Left Behind Act's requirements and risk losing students to the transfers allowed by the Act "are trying a new tack: fighting back by marketing themselves to parents. They promote the extra resources afforded to schools after their test scores repeatedly fail to meet standards, the easy proximity of a neighborhood school, the familiarity of friends and even their so-called inadequate results. … Principals point out that the standard for 'adequate yearly progress,' the measure of success under the 2002 federal law, is a bit higher each year. And a school can be labeled a failure if any one of several statistical subgroups misses the mark. For example, the test scores of special education students or those with limited English skills can open an entire school to transfers."

Federal Auditors Probe Costs Of Transporting Medicaid Patients. The Washington Times (10/25, McElhatton, 88K) reports, "Federal auditors are examining the skyrocketing costs of providing transportation to Medicaid patients across the country, a problem that DC officials are struggling to control. The Office of Inspector General for the US Department of Health and Human Services said it 'will determine whether state Medicaid agencies make erroneous payments for transportation services,' according to its recently released 2007 work plan. Medicaid transportation costs across the nation rose by 48 percent from 1999 to 2003, reaching $1.5 billion, according to the work plan."

Senate Finance Committee Produces List Of Possible "Tax Gap" Fixes. The Wall Street Journal

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(10/25, D2, Wells, 2.03M) reports, "Congress, in a perpetual hunt to raise revenue without appearing to raise taxes, has a new list of ways to fatten the federal Treasury. One proposal would force brokers to track historical price-basis information on stock sales, which could mean a stiffer capital-gains hit for investors who, intentionally or not, misstate the original purchase price. Another proposal would tighten the interest deduction for some mortgage refinancings. Still another would remove a key tax advantage for many family-owned businesses. The proposals, released to little fanfare last week by Congress's Joint Committee on Taxation, are viable options for lawmakers looking to offset the cost of future tax cuts, tax experts say. … This list of revenue-boosting options was produced at the request of Senate Finance Committee Chairman Charles Grassley and Sen. Max Baucus, who asked the joint committee to pinpoint ways to close the estimated $290 billion tax gap, a measure of uncollected taxes."

Reid's "Ethical Transgressions" Seen As Evidence Of Congress' "Entitlement" Mind Set. In her Washington Post column (10/25, A17), Ruth Marcus says, "As recent ethical transgressions go," Senate Minority Leader Harry Reid's "actions aren't the biggest deal around. Election rules bar candidates from using campaign funds for personal expenses, but Reid contends that the tips were to thank the staff for the hassle of dealing with a resident dignitary. That's arguable, and after the Associated Press reported on Reid's donor-funded generosity, he repaid the three years of campaign-funded tips, $3,300." Reid's actions are "more important, though, as an illustration of the entrenched, bipartisan congressional mind-set of entitlement. Republicans and Democrats may not agree on much, but their joint operating ethos too often boils down to an attitude of: 'It's my due. Why shouldn't I?'" What's "striking about Congress (aside from flagrantly corrupt members such as former representative Randy 'Duke' Cunningham) is the nickel-and-dime nature of the benefits they feel entitled to take, from Reid's acceptance of free boxing tickets from the Nevada Athletic Commission to California Republican Rep. John Doolittle's use of campaign funds to pay the babysitter."

Perino Featured In Esquire's "Women We're Ashamed To Love" Special. Al Kamen, in his Washington Post "In the Loop" column (10/25) writes that his month's Esquire magazine features a "photo display of 'The Women We Love' from various fields. … The section includes 'Women We're Ashamed to Love,' topped by White House deputy press secretary Dana Perino. 'Hotter than Tony Snow and Scott McClellan combined,' Esquire says of Perino. 'Plus, the executive branch seems so much more capable in her dulcet voice. Lie to us, Dana. Lie to us.'"

White House Chief Usher Retiring. The Washington Post (10/25, A6, Romano, 748K) reports, "Gary Walters, the longtime chief usher at the White House who has kept the secrets of seven first families, will retire at the end of the year after nearly four decades of service." Walters "said last night that he told first lady Laura Bush and the president last week of his decision. … In a statement, President Bush and the first lady praised Walters, who also worked for the first Bush White House, and said that they were 'grateful for making our family feel at home.'"

Patent And Trademark Office Institutes Telecommuting Pilot Project. The Washington Post's "Federal Diary" column (10/25, D4, Barr) reports on "a telecommuting pilot project developed by the U.S. Patent and Trademark Office…and one of its unions. Under the pilot, 10 experienced trademark lawyers with good job-performance ratings will be permitted to move anywhere in the continental United States and work from home. … There is a catch. The lawyers must show up once a week at the Alexandria headquarters, at their own expense. That requirement will allow the PTO to keep the employees on the roster at agency headquarters and avoid triggering a law that mandates reimbursement for employee travel and per diems."

Government Urged To Provide Face Protection In Event Of Flu Outbreak. In a New York Times op-ed (10/25), Lawrence Wein of Stanford's graduate school of business says, "Despite all the attention given to anthrax and smallpox and potential weapons of mass destruction, pandemic influenza is probably the world's most serious near-term public health threat." It is "highly likely that an effective vaccine will not be available during the pandemic's first wave, that we won't have enough antiviral drugs for large-scale prophylactic use, and that hospitals will be too overwhelmed to treat most cases." To prevent the virus' spread, the government "must draw up a plan for educating the public about effective nonpharmaceutical interventions like hand washing and face protection like masks." While the government "says that it might be

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beneficial, it doesn't make respirators or masks available. Yet face protection would guard against aerosol and droplet transmission, and even reduce contact transmission by making it difficult to place fingers into one's mouth or nose."

OTHER NEWS:

Dow Hits New High As Investors Await Federal Reserve Meeting. The Financial Times (10/25, Mackenzie) reports US stocks "were caught in narrow ranges on Tuesday, as earnings continued flowing while unsettled investors were distracted by the two-day policy meeting of the Federal Reserve." The S&P500 "was up 0.36 points, or 0.03 per cent, at 1,377.38 while the Nasdaq Composite was 10.72 points, or 0.5 per cent, lower at 2,344.84. The Dow Jones Industrial Average settled up 10.97 points at 12,127.88, marking its fourth record close in five days." But "some observers warn that the surge in equities since markets bottomed in July might not be sustainable."

NBC Nightly News (10/24, story 5, 0:15, Williams, 9.87M) reported, "Now the Wall Street Now. The Dow was up almost 11points to another record close [to close at 12,127.88]. NASDAQ was down just under 11 points [to close at 2,344.84]."

The Wall Street Journal (10/25, C1, McKay, 2.03M) reports, "Investors shied from making big bets ahead of the Federal Reserve's latest interest-rate decision, due out this afternoon." On a day "when major stock indicators ended mixed, the Dow Jones Industrial Average did close at another record, its 11th in the past 16 sessions." Fed officials are "expected to leave their interest-rate target unchanged at 5.25%, although their written statement, expected at 2:15 p.m. EDT, may offer surprises for Wall Street." Even "without the central bankers' thoughts in hand, investors' hopes for a rate cut by the end of the year have been fading in recent days, amid a generally strong batch of strong third-quarter corporate earnings reports."

Federal Reserve Debating Public Inflation Target. The Washington Post (10/25, D1, Henderson, 748K) reports "a fervent debate is underway this week" at the Federal Reserve: "Should the Fed explicitly tell the public what level of inflation it wants to achieve? And if so, should that goal be in the 1 to 2 percent range, or 'comfort zone,' expressed by many central bankers in recent years, or should the upper limit be raised to as high as 3 percent?" How much "people's paychecks will buy in the future, how far their retirement money will go, how many people might need to be thrown out of work to achieve a stated inflation goal -- all these outcomes could be influenced by a debate among the nation's central bankers at their meetings yesterday and today, to which the public has no access." One option, "long-advocated by Chairman Ben S. Bernanke, is for the Fed to adopt a formal, numerical inflation goal, a practice called inflation targeting and used by central banks in 25 countries. The Bank of England, for example, is one of several central banks that seeks to keep inflation at or near 2 percent." The policymaking Federal Open Market Committee "includes supporters and skeptics, making a quick decision unlikely. If committee members ultimately decide to adopt a target in principle, the next challenge would be setting the number."

Some Heating Bills To Rise Despite Drop In Natural Gas Prices. The Wall Street Journal (10/25, A13, Smith, 2.03M) reports, "A substantial drop in natural-gas prices won't help some U.S. consumers with their heating bills this winter." The Journal says, "Some utilities that raised rates significantly last year, in the aftermath of gas-production disruptions along the Gulf Coast, will offer substantial reductions this year because of the fall in gas prices. Others will have modest increases or decreases depending on whether they locked in gas supplies when prices were high or rolled the dice on the spot market."

Judge Rules Nine-Year-Old Cannot Be Forced To Undergo Circumcision. The Chicago Tribune (10/25, Peres) reports, "In a case that has been closely watched by anti-circumcision groups nationwide, a Cook County judge ruled Tuesday that the medical benefits of the procedure are not clear enough to compel a 9-year-old Northbrook boy to be circumcised against his will. The boy's mother and her new husband had claimed the operation was necessary to prevent recurrent episodes of redness and discomfort. The boy's father sought a court order barring the circumcision, which he called an 'unnecessary amputation.' The mother has sole custody, but their 2003 parenting agreement gave her ex-husband a say in non-emergency medical decisions."

Former Editor Wins Lawsuit Against Music Magazine's Founders. The Washington Post (10/25, C1, Carlson) reports, "After a tumultuous two-week trial, Kimberly Osorio, a former editor in chief of the Source

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magazine, won a workplace lawsuit against the popular hip-hop monthly, and a Manhattan jury awarded her $15.5 million. … Osorio, who was fired by the Source last year, sued the magazine and its founders, David Mays and Raymond Scott, alleging sexual harassment, gender discrimination, defamation, retaliatory discharge and maintaining a hostile work environment."

Bush Says Tax Bills Would Increase Under Democrats. The AP (10/25, Loven) reports, "Look around the dinner table and add $500 to your tax bill for each child, President Bush said Tuesday as he sought to convince voters that Democrats would destroy the economy and the family budget if they took over Congress." During a "fundraising swing through Florida aimed at adding nearly $1.4 million to GOP coffers," Bush said, "When you go to the voting booth in two weeks, the lever you pull will determine the taxes you pay for years to come. You will feel the results every April 15." The AP adds that "each one of the president's recent political speeches has offered new zingers aimed at making more ominous the specter of Democrats in charge of the House or Senate, either on the subject of tax cuts or fighting terrorism. On Tuesday, Bush singled out for special emphasis the gradual doubling of the child tax credit from $500 to $1,000, one of several cuts passed during his administration with expiration dates." But "Bush skimmed past the fact that the child tax credit is not yet $1,000 and doesn't reach that level until 2010," and he "also ignored that many Democrats now say they want to retain that tax cut." The AP adds Bush "made his cash-raising visit for GOP congressional candidate Vern Buchanan cheaper for the Republican businessman's campaign by stopping briefly at Gyrocam Camera Systems."

ABC World News (10/24, story 4, 0:20, Gibson, 8.78M), the only network to report on Bush's trip, said the President "hit the campaign trail visiting Sarasota, Florida, to stump for the Republican for the seat being vacated by Katherine Harris. This is one of the seats around the country that the GOP had considered safe, but are now in play. The President's visit underscores just how concerned his party has become about its prospects this fall."

The Sarasota Herald Tribune (10/25, Wallace) reports Bush "exhorted Republicans to show up on election day, saying that a strong GOP turnout is critical to preserving his tax cut package and winning the War in Iraq." Bush said, "We're going to do everything we can to protect you before the enemy attacks." The Herald Tribune adds, "Appearing at a $20 a person fundraiser for Republican congressional candidate Vern Buchanan, the president spent a good portion of his speech warning the audience that Democrats, if they gain control of Congress, will discontinue tax cuts and disrupt U.S. efforts in Iraq." After his speech, Bush's "motorcade made a stop at Gyrocam Camera Systems, a local company with a $51 million contract to provide the Armed Forces with explosive-detecting cameras that can be mounted on personnel carriers and other military vehicles." Meanwhile, Republican Sen. Mel Martinez "has been hitting the campaign trail for Buchanan pretty hard. This is his third visit to Sarasota in the last 60 days. Prior to that, it had been almost two years since his last public visit."

The Miami Herald (10/25, Piedra, Clark, 310K) reports the Sarasota House seat "should have been a cakewalk." But polls "suggest Democrats are poised to seize control of the House -- in part by possibly picking up this seat and two others in South Florida." Strategists "suggest Democratic prospects have been aided by bleak reports out of Iraq, mixed with distaste for corruption scandals -- topped by U.S. Rep. Mark Foley's resignation last month after graphic Internet exchanges with former House pages were made public." Buchanan has "had trouble gaining traction since he limped out of a bitter primary with 32 percent of the vote amid attacks on his business practices. The millionaire auto dealer and major GOP donor has pumped nearly $4.5 million of his own cash into the campaign, making it one of the nation's costliest." Internal polls "are said to show him trailing Democrat Christine Jennings."

The Washington Post (10/25, A7, Abramowitz, 748K) reports President Bush "accused Democrats on Tuesday of being 'genetically disposed' to raise taxes, as he sharpened his rhetoric on the economy in an effort to rally Republicans to the polls next month." Bush "mocked Democrats for what he described as their misplaced pessimism that tax cuts would not stimulate the economy. He said it was only one of many poor predictions by the Democrats and suggested they are making another mistake in their growing confidence that they might take the House next month."

The Los Angeles Times (10/25, Gerstenzang, 918K) reports Bush used "mocking language to belittle Democrats" as he "launched a new, muscular political attack today in his campaign to preserve Republican majorities in the House and Senate, challenging the Democrats' economic record and their commitment to fighting terrorism and succeeding in Iraq." Bush "brought up, as he has done before, a statement

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by Rep. Nancy Pelosi (D-San Francisco), the likely House speaker if Democrats win a majority, expressing Democrats' 'love' of tax cuts." But citing Democratic "opposition to tax cuts he had proposed, the president said sarcastically: 'Time and time again, she had an opportunity to show her love for taxes. If this is the Democrats' idea of love, I wouldn't want to see what hate looks like.'"

The Palm Beach Post (10/25, Bennett, Laforgia) reports President Bush "raised more than $1 million for the Republican National Committee during a brief stop here as the costly battle over which party controls Congress entered its final two weeks." After campaigning in Sarasota, Bush "attended a late-afternoon fund-raiser at the home of advertising executive Jordan Zimmerman in The Sanctuary neighborhood between Federal Highway and the Intracoastal Waterway." The "$25,000-a-head event raised more than $1 million for the party, a GOP spokeswoman said. Gov. Jeb Bush and U.S. Sen. Mel Martinez also attended."

The South Florida Sun-Sentinel (10/25, Blum, 265K) reports President Bush "passed through Fort Lauderdale on Tuesday to raise last-minute cash in Boca Raton for Republican candidates fighting to hold onto the party's majority in Congress." Supporters who "gathered at Fort Lauderdale-Hollywood International Airport to see Air Force One touch down received just a quick glimpse of the president before his motorcade sped off to a Boca Raton fundraiser. The private event held at the mansion of advertising executive Jordan Zimmerman raised $1 million for the Republican National Committee." On Friday, First Lady Laura Bush is "expected to attend a Palm Beach fundraiser for U.S. Rep. Clay Shaw, who is in a tight race against Democratic state senator Ron Klein for Florida's 22nd Congressional District."

Democrats Seize On Bush Social Security Comments. The Washington Post (10/25, A7, Montgomery, 748K) reports, "More than a year after Social Security reform faded from the political radar screen, the debate erupted anew yesterday, as Democrats seized on news that President Bush hopes to revive an unpopular proposal to make changes in the national retirement program." Bush has recently "said Social Security remains one of the 'big items' he wants to tackle next year and he continues to 'believe that a worker, at his or her option, ought to be allowed to put some of their own money...in a private savings account, an account that they call their own.'" With just "two weeks to go until the Nov. 7 congressional elections, Democrats highlighted Bush's comments, seeing an opportunity to remind voters about a Republican proposal that polls have shown is highly unpopular with many voters." Democratic strategists "were gleeful about the chance to draw a sharp distinction between the parties on Social Security, an explosive issue among elderly voters." Some Republicans "were equally perplexed by Bush's timing." Rep. Thomas Davis III said, "I guess you could argue if it gets Iraq off the front page, it was probably a good thing at this point."

Bush Gets Limited Campaign Exposure In Final Weeks. The New York Times (10/25, Stolberg, 1.21M) reports President Bush's visit to Sarasota, Florida for Republican Vern Buchanan "offers a hint of how White House strategists will use Mr. Bush in the final two weeks of the midterm campaign." A Republican strategist "close to the White House" said "some Republicans — among them Senate candidates in tight races in Missouri, Montana, Ohio, Pennsylvania and Tennessee — simply do not want their final campaign images to include Mr. Bush, and have spurned White House offers for help." Instead, White House strategists "are sending Mr. Bush to Republican-leaning districts like Sarasota, where he can help energize the base and increase voter turnout. The president will also appear in swing districts where the Republican candidate has calculated that the last-minute infusion of cash he can bring in is worth more than any bad publicity surrounding the visit." GOP strategist Charlie Black said, "You probably won't see him too much in the Northeast or the areas where he has less popularity. But we do have a number of races that are very close, where the president, as champion fund-raiser, can still get some extra money in there and allow us to outspend the opponent."

The Washington Times (10/25, Curl, 88K) reports Bush "has become the Stealth Campaigner. Candidates across the country, especially those in tight races where the president's power to draw cash is most valuable, want him to drop by for a fundraiser. They just don't want their picture taken with the head of the party -- mainly because they know it will end up in their opponents' television commercials." So far this year, Bush has "done 10 times as many closed-press fundraising events compared to 2002. He has also not appeared at a single major Republican rally, unlike four years ago, when he did 32."

Bush Advised To Seek Credit On North Korea. In their column in The Hill (10/25), Dick Morris and Eileen McGann say President George Bush and Secretary of State Condoleezza Rice "have succeeded beyond expectations in

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lining up China as a strong ally in forcing North Korea to abandon its nuclear ambitions. The New York Times reports that the Chinese are even threatening to ratchet back on their oil shipments to North Korea, which is totally dependent on Beijing for fuel." But Bush "is getting no credit for it and neither are the Republicans. All of the focus has been on the role that Rice and UN Ambassador John Bolton are playing in forcing North Korea back from membership of the nuclear club. President Bush needs to do much more to rivet popular attention on Korea, as opposed to Iraq." To "guard against" a possible strong Democratic close, Bush "needs to distract the country from Iraq, and North Korea offers the best way to do so."

Huffington Expects Bush To Make Political Hay Over North Korea. In a CBS Evening News (10/24, story 8, 2:05, Couric, 7.66M) commentary segment, liberal commentator Arianna Huffington said, "Don't get me wrong, North Korea testing a nuke is real bad news. Yet, I couldn't help but wonder what political use Karl Rove and the President would put this real bad news to. After all, banging the fear gong and trying to scare the hell out of us has worked like a charm for the President and the GOP."

White House Uses "Radio Day" To Spread Optimistic Message. The AP (10/25, Riechmann) reports, "President Bush's political top gun Karl Rove gushes with optimism about Election Day," while National security adviser Stephen Hadley "says the Iraqis need to do more to secure their nation — and do it faster. Presidential confidant Dan Bartlett takes a few verbal punches at Democrats." It "was 'Radio Day' at the White House where more than 30 talk show hosts were invited to set up shop in a heated white tent on the North Lawn to quiz senior administration officials. Beginning at 5:30 a.m., the broadcasters chatted live about everything from Iraq to homeland security to the Nov. 7 elections." In an interview with Fox News Radio, Rove "predicted the Republicans would retain control of Congress, discounting polls that show the Democrats threatening to take over." In an interview with Charlie Sykes of WTMJ in Milwaukee, Wis., Bartlett "also predicted a Republican victory." The AP adds, "Talk about Iraq was buzzing in the tent." Other officials who stopped by the tent or were interviewed at other spots at the White House included Vice President Dick Cheney, Treasury Secretary Henry Paulson, Health and Human Services Secretary Mike Leavitt, Energy Secretary Samuel Bodman, Defense Secretary Donald H. Rumsfeld, Secretary of State Condoleezza Rice and White House press secretary Tony Snow."

The Washington Post (10/25, A7, Kurtz, 748K) reports that for "15 years, the conservatives who dominate talk radio have served as shock troops for the GOP, bashing Democrats, hitting the hot buttons and rallying their listeners. Since the Republicans won back Congress in 1994, a feat in which Rush Limbaugh played a catalyzing role, through the disputed election of 2000 and President Bush's first term, the radio talkers have wielded a powerful megaphone for their ideological side." But "as Bartlett, Karl Rove, Tony Snow, Michael Chertoff and other top administration officials worked the tent during yesterday's day-long event, it became apparent that there are serious cracks in this once-solid wall of support." Jan Mickelson, "a fixture in Des Moines radio," said, "The corps of Bush supporters are just seething, angry and disappointed." Mickelson said Iraq "has become 'ungovernable,' voters are upset about 'perceived corruption in the Republican Party,' and 'social conservatives feel like they've been used again.' But in a point echoed by several of the hosts, Mickelson said that 'immigration is the number one issue' fostering disgruntlement with the Republicans, because his listeners are 'seeing the effects of lack of border control every single day.'" The "biggest star on the right yesterday was Sean Hannity, who is heard on 515 stations. He was granted interviews with Vice President Cheney, Secretary of State Condoleezza Rice and Defense Secretary Donald H. Rumsfeld, whom Hannity hailed as 'a great American.'"

USA Today (10/25, Jackson, 2.27M) reports the hosts, "both national and local, hailed from cities from New York to San Diego. They included a smattering of liberals." Bush spokesman Tony Snow, "himself a former radio talk show host, sat for at least 34 radio interviews in the big white tent. His list included national hosts Glenn Beck and Neal Boortz, as well as Inga Barks of Bakersfield, Calif., and Dave Jaconette of Kalamazoo, Mich."

White House Reaching Out To Disaffected Conservatives. The Washington Post (10/25, A1, Baker, 748K) reports in a front page story, "Beset by discouraging polls and division within ideological ranks, the White House is accelerating efforts to woo back disaffected conservatives and energize the Republican base in a reprise of a strategy that succeeded in the last two campaign cycles." President Bush and Vice President Cheney "have given multiple

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interviews to conservative journalists, senior adviser Karl Rove has telephoned religious and social activists, and the White House has staged signing ceremonies for legislation cracking down on terrorism and illegal immigration. Two weeks before Election Day, Bush aides invited dozens of radio talk show hosts for a marathon broadcast from the White House yesterday to reach conservative listeners." The "message that Bush and others are sending to alienated supporters is that, no matter how upset they have been about various policies or political missteps over the past couple of years, life would be far worse under the Democrats." But "some conservatives said it is too late." GOP pollster Frank Luntz said, "I've given up on 2006. They've already made so many mistakes, there's no way they can fix it in two weeks. But I'm worried now they're going to lose all the marbles." The Post adds the White House "courtship of the right paid enormous dividends in the past, but this year it is complicated by a far more skeptical audience than in 2002 and 2004."

Republicans Could See Defections Among Religious Voters. The Christian Science Monitor (10/25, Lampman, 58K) reports, "Recent surveys show signs of a shift among religious voters that could give Democrats a boost." An October Gallup poll "found white religious voters 'equally as likely to say they will vote Democratic as Republican.' And a Pew Research poll last week found just 57 percent of white Evangelicals planning to vote Republican, a drop from 68 percent in 2002 and 74 percent in 2004. Among white Catholics, the decline was even greater." Pew Forum on Religion & Public Life fellow John Green said, "The GOP's problems with white Evangelicals are important, but they have even bigger problems with white Catholics." The Monitor adds, "The shift reflects plummeting support for the Republican administration and Congress over the war in Iraq and multiplying political scandals. But it appears that Democratic candidates' efforts to articulate their faith and values - and tie them to a broader range of issues - are also resonating with voters."

Kuo Book Gets Muted Reaction Among Christian Conservatives. In the Wall Street Journal's "Campaign Journal" column (10/25), Jackie Calms reports a book "that perhaps should be required reading for evangelical conservatives" is "Tempting Faith." Author David Kuo "worked in the White House office for the faith-based social initiatives that were a foundation block of Mr. Bush's 2000 platform. The book recounts his disillusionment with officials, up to the president. On his promotional tour, Mr. Kuo is calling for Christians to 'fast' from politics for two years." The book recounts how White House aides cynically treated Christian Conservative leaders and the faith based initiative. Perhaps "understandably, Mr. Kuo's book hasn't gotten the attention of another, best-selling author Bob Woodward's 'State of Denial' on the administration's mal-administration of the Iraq-Afghanistan war -- the biggest issue on Americans' minds generally these days. Yet even among Christian conservatives, the reaction to the Kuo book -- where there is any -- is a shoot-the-messenger dismissal."

Rove Remains Optimistic About GOP Retaining House Majority. The Hill (10/25, Kaplan) reports Karl Rove "told Republican supporters last Friday that the media was misreading the political environment — that the combination of money and mobilization of religious conservatives could keep the House in Republican hands after November." Speaking at a fundraiser "for Ohio GOP congressional candidate Joy Padgett at the Old Ebbitt Grill, Rove said polls showed that evangelical Protestant voters were still enthusiastic and suggested that Republicans started with a two- to three-point advantage because of their successful voter turnout operations in 2002 and 2004." The Hill adds, "Despite evidence that voters could direct a barrage of negative public opinion against Republican officeholders on Election Day, Rove and President Bush have been upbeat, making some Democrats nervous about current predictions and worrying some Republicans."

Snow Predicts Republicans Will Maintain Control Of House. White House spokesman Tony Snow was asked on MSNBC's Hardball (10/24) if Republicans will retain control of the House after this election. Snow said, "Yes, they are." Asked about polls that do not look good for Republicans right now, Snow said, "You know the difference between a generic poll and an individual poll. There are 435 House races. I think you're going to see a couple of things. I think, for instance, the fact that for a long time when it comes to Iraq, people have been focusing like another network did on a sniper taking down an American, rather than the achievements of the Americans. People are going to start thinking what's actually going on there? They are also going to ask about the economy. Who is going to be better off? The president cut taxes. We have been through an amazing run of difficulty in the American economy."

Democrats Leery Of Overconfidence. The Washington Times (10/25, Fagan, Hallow, 88K) reports

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Democrats, "stung by unexpected defeats in the past two national elections, are trying to fend off poll-generated overconfidence by staying on the offensive and focusing on get-out-the-vote efforts." Simon Rosenberg, president of the New Democrat Network, said, "We've learned our lessons. The last two elections we thought we'd do better. Nobody's taking their foot off the gas." The Times adds Danny Briscoe, "a campaign media consultant and former Kentucky state Democratic Party chairman, says from party leaders and pundits to grass-roots Democrats, feelings swing between disbelief and superconfidence -- at least when it comes to House control." Fighting those "feelings of disbelief, House Minority Leader Nancy Pelosi has emphasized that a Democratic takeover of the House isn't definite and that there's still work to be done."

Pelosi Sees Economy As Number One Election Issue. House Minority Leader Nancy Pelosi was asked on CNBC's Kudlow and Company (10/24) what the number on issue in this election is. Pelosi said, "Number one issue -- where the economy isn't. The economy is tremendous issue for middle income families caught in the middle income squeeze. Poorer families in the crunch. We have to have a fair economy where we raise the minimum wage. We give access to higher education. Make it more affordable. Access to quality healthcare. Dignified retirement. Where there is certainty in people's lives so they can be entrepreneurial. They can take economic risks. They can help grow the economy."

Cheney Says Pelosi Is "Not In Sync" With Most Americans. Vice President Dick Cheney was asked on Fox News' Hannity and Colmes (10/24) for his thoughts on House Minority Leader Nancy Pelosi and her claims that Republicans are immoral and corrupt, and that she "wants to restore civility in Washington." Cheney said, "It would seem to be a little inconsistent to use that kind of language on her adversaries and then talk about trying to restore civility. Nancy Pelosi is -- she's the Democratic leader in the House. She earned that post, ran for it, had to compete for it. I think, frankly, she helps our cause with that kind of talk, but also because of what she believes. I think Nancy is not in sync with the vast majority of the American people."

Pearlstein Says Democrats Seemed Poised To Repeat GOP Mistakes. Steven Pearlstein writes in the Washington Post (10/25, D1, 748K), "There are lots of reasons why businesses run into trouble, but a few pop up with remarkable regularity. … It should be no surprise that these business missteps are also common in politics. They are the key mistakes that led Republicans to overplay their hand and perhaps throw away the chance to renew their political lease on Congress and the White House. Though the election is still two weeks away, there are signs the Democrats, if they win, are determined to make the same mistakes." The Democrats' "six-point program is more a compendium of political slogans and ideological hot buttons than a serious policy agenda -- again, the very thing the customers say they don't want. … In politics as in business, the way to create enduring advantage is not by beating the competition at its game but changing the nature of the game. Up to this point, all Democrats have been doing is beating the Republicans at their game."

Thomma Says Waxman Could Cause Trouble For Bush Administration. In his column for McClatchy (10/24), Steven Thomma wrote that "if you want to watch a Democrat who could give the Bush White House hell for the next two years, keep an eye on Rep. Henry Waxman, D-Calif." Waxman "would become chairman of the House Government Reform Committee if the Democrats take over the House. He's one of the shrewdest, most effective inside players in Congress. And armed with the committee's subpoena power, he'd force the Bush administration to spend much of its last two years in office answering questions about its first six." Thomma adds, "Giving Waxman the gavel would be a dramatic shift for the House, which all but dropped congressional oversight of the executive branch when a Republican administration was sworn in on Jan. 20, 2001. It would also be a shift for Waxman, who spent the 1990s largely defending the Clinton administration and accusing the Republican House of overreaching in its investigations."

Lack Of Economic Confidence Could Boost Anti-Business Agenda. In his Wall Street Journal column (10/25, A2), Alan Murray says, "There's something unnerving about watching an anti-incumbent tidal wave roll in at a time when the economy, by most macro measures, is cruising. Unemployment is at a historic low -- 4.6% -- and inflation remains under 3%. The big economic bugaboos of earlier this year -- rising interest rates and soaring oil prices -- have both eased off." But a "majority of voters who responded to last week's Wall Street Journal/NBC News poll say they disapprove of President Bush's handling of the economy." The "economic backdrop for election 2006 should raise a warning flag about the future. Large numbers of Americans

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seem to have lost their belief in John F. Kennedy's famous aphorism that a rising tide lifts all boats." Political analyst Charles Cook said, "They know the economy is white hot, but they also know they aren't in it....There's a feeling that some people are getting theirs, but we aren't getting ours." The "danger for business is that the broad social support for pro-business and pro-market policies that has characterized American politics for a quarter century or more could be breaking down." A Democratic "wise man told me recently that if he were asked what economic platform would offer a Democratic presidential contender the best chances of success in 2008, he would have to say it's an antitrade, antiglobalization, anti-immigration platform."

NRCC Focusing On 33 Key House Races. GOP strategists are urging donors to contribute to 33 key House races in which members and candidates are in need of support. The Hill (10/25, Cusack) reports, "The National Republican Congressional Committee's (NRCC) 'Final Push List' consists of 29 Republican seats and only four Democratic seats, indicating that the GOP is playing defense. The list, obtained by The Hill, provides a rare glimpse of the races that congressional strategists are concentrating on close to Election Day. NRCC focuses on most but not all toss-up House races in its Final Push roster, dated Oct. 19." The Hill adds, "Republican incumbents who did not make the Final Push cut include Reps. Chris Chocola (Ind.), Michael Fitzpatrick (Pa.), John Hostettler (Ind.), Nancy Johnson (Conn.), Jon Porter (Nev.), Clay Shaw (Fla.), Christopher Shays (Conn.), and Charles Taylor (N.C.). These Republicans are in highly competitive races, but several have major fundraising advantages over their opponents and are not in dire need of NRCC assistance."

Drug Industry's Contributions To GOP Candidates Prove Controversial. The Wall Street Journal (10/25, A1, McKinnon, 2.03M) reports in a front page story, "Assailed by Democrats, drug companies are pouring millions of dollars into close races, giving some Republicans a financial edge. In the process, the industry is becoming not just a campaign backer, but also a campaign issue." Pennsylvania Republican Sen. Rick Santorum "is a big beneficiary of the industry's push. He was a leading proponent of the 2003 law that gave seniors Medicare coverage for prescription drugs, and helped shape the law in ways that benefited the industry." Santorum's campaign has "received almost $500,000 from pharmaceutical interests and their employees, according to the Center for Responsive Politics." Democrat Bob Casey Jr. "regularly attacks the Medicare program as 'a giveaway to Big Pharma,' in part because it bars the government from negotiating prices. He and many fellow Democrats say they will overhaul the benefit if they win control of Congress on Nov. 7. Not surprisingly, Mr. Casey counts just $11,850 in contributions from pharmaceutical interests." The Journal adds, "Companies and business groups have long thrown money at candidates to further their interests. But with a Democratic victory increasingly likely, few recent elections have been so critical, particularly for the drug industry."

Democrats Hope To Create "Blue Belt" Across Three Florida Districts. The Hill (10/25, Blake) reports that the two districts that have been battlegrounds in Florida this election season, Rep. Vern Buchanan's 13th and Rep. Clay Shaw's 22nd, "both border former Rep. Mark Foley's (R) south Florida district." According to Buchanan, "the month-old scandal surrounding Foley's communications with House pages has thrown a wrench in the final month of the campaign, Buchanan said. Foley's 16th District, now a tight battle between Democrat Tim Mahoney and Republican Joe Negron, lies in south Florida between the Sarasota-based 13th on the west coast and the Fort Lauderdale-based 22nd on the east coast. The Democrats hope to turn the three of them into a blue belt across the peninsula, chipping away at the Republicans' 18-7 House advantage in this very purple battleground state. The three would go a long way toward a possible Democratic majority in Congress, and Florida could rival states like Indiana and Ohio, which have long been considered prime pickup territory for the Democrats, as an impact state in 2006."

Veteran Republicans Running Like Underdogs. The Hill (10/25, O'Connor) reports that many veteran Republican lawmakers are running like underdogs this election year. The "expanding field of veteran Republicans in serious danger this October is further evidence of a national wave that appears to be cresting this fall, imperiling the GOP's majorities in both chambers. In some cases, this eroding political landscape has made seniority a millstone rather than an advantage."

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In AZ5, Hayworth, Mitchell Display Differences In Personality. The Hill (10/25, Hearn) reports on the race in AZ5, which pits incumbent Rep. J.D. Hayworth, "a tough, boisterous Republican from upscale Scottsdale" against Harry Mitchell, "an easygoing Democratic native son from a university town." According to The Hill, "In television ads and on the stump, the pair carve out stark differences in personality." Mitchell "portrays himself as friendly and accessible in campaign ads, appearing with children and senior citizens amid soft lighting and cheerful hues, a deliberate strategy, said one Democratic aide." Hayworth "welcomes the tough-guy image, arguing that he delivers for his constituents. He is a vigorous campaigner with an uncanny memory for names and personal details that is rare even among seasoned politicians. His ads focus on cracking down on illegal immigration, showing him at a cattle ranch talking with worried residents."

Despite Bribery Probe, Tight Reelection Bid, Jefferson Projects Confidence. The New York Times (10/25, Nossiter, 1.21M) reports that Rep. William Jefferson is unbowed by the pending federal bribery investigation against him and his tight reelection bid. Indeed, Jefferson "still maneuvers with relative ease in the world of New Orleans politics, which he has partly owned since his opponents in the Nov. 7 primary election were barely in high school." Jefferson "is outwardly projecting confidence in the biggest challenge of a career that stretches over nearly 30 years." The Times adds, "Over the congressman's protests, the state Democratic Party endorsed his leading challenger, Karen R. Carter, a state representative with a reputation for seriousness. Experts reckon that he and Ms. Carter are the likeliest in the field to wind up in a runoff in December, to be held if no candidate receives more than 50 percent of the vote, under the state's idiosyncratic election rules."

NYTimes Endorses Shays' Opponent In CT4. In an editorial, the New York Times (10/25, 1.21M) endorses Democrat Diane Farrell in her bid against Republican Rep. Chris Shays in CT4. The Times argues that Farrell "is an excellent candidate," and adds that Shays "may be a beacon of integrity, but if he is re-elected, he will vote to continue House control by a party that has repeatedly sold out the country to special-interest lobbyists. … With due respect for Mr. Shays's service, we strongly endorse Diane Farrell for Congress."

Documents Cast Doubt On Taylor Land Ownership Claims. The Hill (10/25, Schor) reports, "Public land records in Haywood County, N.C., show that a company registered to Rep. Charles Taylor (R-N.C.) owns 17 plots of land in the mountain community of Maggie Valley, an interest that tax records indicate is worth more than $500,000." The records "raise questions about an assertion Taylor made in an Oct. 12 statement, part of a strong public defense mounted by the House Appropriations 'cardinal' after a Wall Street Journal report alleged this month that Taylor steered federal funds to projects that would benefit businesses in which he has an interest." Taylor's "strongly worded defense comes in the thick of a hard-fought race between the wealthy lawmaker, whose estimated personal assets topped $50 million last year, and" Democrat Heath Shuler.

Commentator Criticizes Treatment Of Ney. In an op-ed in The Hill (10/25), Ellen Ratner, Washington bureau chief for the Talk Radio News Service and a commentator on the Fox News Channel, says, "I happen to be a proud liberal, one who gets to spout off on 300 radio stations every day." Yet "even in the rancid atmosphere that passes for political interaction in Washington these days, one can occasionally reach across the partisan and ideological divide to form genuine friendships with those on the other side. Thankfully, that's what happened with me and my friend, Rep. Bob Ney of Ohio." As Republicans "distance themselves from him and Democrats use him as a campaign tactic, let me say that I'm heartbroken over what's happened to him." Ney "was a guy who really did remember where he came from. He knew that the kids he'd grown up with couldn't afford to raise their children in quality housing, and he went to Washington determined to do something about it." Ratner adds, "I only wish he'd had a chance to tell his side in a court of law — and, take it from me, there is another side to this. Today's Justice Department, however, tries its evidence in the public press, not a courtroom, so it can't be challenged or cross-examined."

Senate Polls Show Three GOP States May Deny Democrats Senate Majority. The Los Angeles Times (10/25, Brownstein, 918K) reports Democrats are "within range of capturing a Senate majority, but face potentially decisive resistance from rural voters in three critical Republican-leaning states, a series of

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Times/Bloomberg polls have found." If Democrats "can't break through to win the Senate races in at least two of those three states — Missouri, Tennessee and Virginia — they are unlikely to control the chamber." The surveys "show Democrats leading in bids to claim hotly contested Republican-held seats in Ohio and Virginia. Republicans lead in Missouri and Tennessee, both also held by the GOP." But the Democrats "maintain a slim advantage in New Jersey, where Republicans are pressing their strongest bid in this year's campaign to gain a Democratic seat." Polls in "the other key Senate races show Democratic challengers holding consistent — though in some cases narrow — leads against GOP incumbents in Pennsylvania, Rhode Island and Montana. If Democrats captured those three seats, won Ohio and held New Jersey, Senate control would hinge on the outcomes in Missouri, Tennessee and Virginia." The Times/Bloomberg polls "found that among likely voters:"

- In Ohio, Democrat Sherrod Brown leads Republican Sen. Mike DeWine 47%-39%.
- In New Jersey, Democratic Sen. Bob Menendez leads Republican Tom Kean Jr. 45% to 41%.
- In Virginia, Democrat James Webb leads Republican Sen. George Allen, 47% to 44%.
- In Missouri, Republican Sen. James Talent leads Democrat Claire McCaskill, 48% to 45%.
- In Tennessee, Republican Bob Corker leads Democratic Rep. Harold Ford Jr., 49% to 44%.

GOP Increases Funding For Missouri, Virginia Senate Races. The AP (10/25, Kuhnhenn) reports Republicans "pumped money into Missouri and Virginia Senate races this week, part of a GOP strategy to cling to their Senate majority by fending off strong Democratic challenges in Republican-leaning states." The National Republican Senatorial Committee "purchased $1.4 million of television time to air an ad that portrays Democratic candidate Jim Webb as insensitive to women. The ad is the first investment by the Republican Party in the state, reflecting concern among Republican officials that incumbent Sen. George Allen is in a closer contest than they expected." In Missouri, the Republican National Committee "spent $1.78 million on Monday on ads opposing Missouri Democratic Senate candidate Claire McCaskill, who is running against Republican Sen. James Talent. Missouri has been a target for both parties. Democrats have poured $6.37 million into the Senate race and Republicans have spent $5.39 million."

Democratic Gains Could Result In Evenly Divided Senate. The AP (10/25, Abrams) reports, "Expected Democratic gains in the election raise the possibility that the Senate, for the second time in six years, will end up in a 50-50 tie." In that event, Democrats "would like to revive a power-sharing deal that was struck in 2001. But partisan passions on Capitol Hill are stronger now." Republicans would "officially still be the majority party in an evenly divided Senate because Vice President Dick Cheney, in his role as president of the Senate, would give the GOP a tie-breaking vote. But Democrats would surely demand a greater role in determining how the Senate treated Bush's legislative agenda in his final two years in the White House."

Impact Of Racial Issues On Tennessee Senate Race Considered. The Christian Science Monitor (10/25, Feldmann, 58K) reports that if Rep. Harold Ford Jr. wins the Tennessee Senate race, he "would be the first African-American from the South to take a Senate seat since Reconstruction - a victory that could nudge another ambitious black politician, Sen. Barack Obama (D) of Illinois, toward running for president by showing him how to win in the South." On the other hand, after "falling behind in the polls and replacing his campaign manager late in September," Republican Bob Corker "has now settled on his final argument to the people of Tennessee: Vote for me because of my experience and my maturity and because I'm the 'real Tennessean.'" Corker, "his campaign, and national Republicans have also worked hard to drive up Ford's negatives, highlighting some of his relatives' legal troubles, a life spent mostly away from Tennessee, a career in politics, and his bachelor, designer-suit lifestyle." The "racial dimension of the Ford-Corker contest looms large. Pollsters speak of a race effect on surveys- that is, shave off a few percentage points from the black candidate's total, since some white voters tell pollsters what they think they want to hear, that they're willing to vote for a black candidate when in reality they're not." But one Tennessee Republican activist "says he believes the racial aspect will be a wash in this race: Some whites won't vote for a black man, but turnout in the black community, 16 percent of the electorate, will be higher than usual."

The Washington Post (10/25, A1, Murray, 748K) reports in a front page story that Ford "announced his Senate campaign 18 months ago with three strikes against him: He was a Democrat, he was black, and he carried family

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baggage. The five-term congressman was wildly popular in his Memphis House district and was viewed as a rising star in the Democratic Party. But statewide office seemed beyond reach in Tennessee, a state with a history of racially divided voting where Republicans had won recent Senate races." Corker and Ford "tangle over all the usual issues, including the war in Iraq, education and energy independence, with both candidates holding mainstream views on most topics. Yet every speech, slogan and campaign ad seems to echo with double meaning." Corker "often appears to be tiptoeing through a rhetorical minefield, eager to discredit his Democratic opponent with the sharpest weapons he can find but wary about accusations of playing racial politics." The state Democratic Party "is working particularly hard to rally black voters. State party officials believe African Americans could push Ford over the top if they turn out in large numbers."

GOP Ad Said To Play To Racial Biases. NBC Nightly News (10/24, story 4, 2:55, Mitchell, 9.87M) reported, "Ford could become the first African American elected to the Senate from the South since Reconstruction. But crossing that color barrier might not be easy. Watch this Republican ad for his components." GOP ad, Unidentified female: "I met Harold at the playboy party." Unidentified male: "I'd love to pay higher taxes." Unidentified male: "Canada can take care of North Korea, they're not busy." Unidentified male: "So he took money from porn movie producers. I mean, who hasn't?" Unidentified female voice: "The Republican National Committee is responsible for the content of this advertising." Unidentified male: "Harold, call me." Mitchell: "The NAACP says the ad 'plays to pre-existing prejudices about African American men and white women.' On MSNBC today the party chairman defended it." Ken Mehlman, National Republican Committee Chair: "African American folks, Hispanic folks and myself, we all looked at it, all of us are sensitive to that and we did not have that same reaction to it. So I just think there's disagreement about it." Mitchell: "Advertising experts, like Republican Jerry Della Femina, say it is a blatant racial appeal." Jerry Della Femina, advertising executive: "This is clearly an attempt to attack Harold Ford in a racist way. A blond, a Playboy bunny. It's just wrong."

Ford Says Republicans Are Desperate. Rep. Ford said on MSNBC's Hardball (10/24) that Republicans "are a little desperate and they are doing things you do when you get desperate in a campaign. We've stayed focused on Iraq and North Korea. We've tried to lay out how we can make college more affordable for these kids here, not only at UT, but at University of Tennessee at Chattanooga, the University of Memphis. Kids all across the state deserve a better chance and a more affordable option. And again, we're just working hard and pushing and pounding away. The numbers say good things. But more than that, everybody here is excited about this race for one reason. They know we can be better as a country than what we are right now."

Talent Says He Supports Bush On Some Issues, Disagrees With Him On Others. Sen. Jim Talent was asked on MSNBC's Hardball (10/24) if President Bush helps or hurts his campaign. Talent said, "It depends on what issues that you're talking about. I mean, you talk about economic growth, for example. I mean, look what the economy is doing. He's a strong supporter of renewables. There are other areas where, you know, I disagree with him and I think Missouri does. I think a classic example of that is immigration. I mean, I'm not in favor of an amnesty. I support a border fence, and he's on the other side of those issues. But, sure, there is a whole lot of issues where Missouri is strongly in support of the president."

Limbaugh Accuses Michael J. Fox Of Exaggerating His Illness In Ad. The Washington Post (10/25, C1, Montgomery, 748K) reports that radio host Rush Limbaugh yesterday accused actor Michael J. Fox of exaggerating the effects of his Parkinson's disease in a series of political ads he has done in support of candidates who favor stem cell research. Limbaugh "was reacting to Fox's appearance in another one of the spots, for Missouri Democrat Claire McCaskill, running against Republican Sen. James M. Talent." Limbaugh said, "He is exaggerating the effects of the disease," adding, "He's moving all around and shaking and it's purely an act. ... This is really shameless of Michael J. Fox. Either he didn't take his medication or he's acting." The Post adds, "Later Monday, still on the air, Limbaugh would apologize, but reaction to his statements from Parkinson's experts and Fox's supporters was swift and angry."

USA Today (10/25, Stone, 2.27M) reports that Limbaugh "told listeners Monday that Fox's lurching, palsied movements in a TV ad for Missouri Senate challenger Claire McCaskill were 'an act.' Limbaugh said that Fox, a longtime advocate for research on embryonic stem cells, has said he sometimes does not take his medication in order to illustrate

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Parkinson's severe physical effects. Uncontrolled shaking and stiffness are among the symptoms of the nerve disease."

The New York Times (10/25, Stanley, 1.21M) reports, "Mr. Limbaugh later apologized for accusing Mr. Fox of exaggerating his symptoms, but said that 'Michael J. Fox is allowing his illness to be exploited and in the process is shilling for a Democrat politician.'" The Times adds, "If Mr. Fox did forgo medication for the advertisement as Mr. Limbaugh suggested, it could hardly be considered fraudulent: if anything, masking the extent of the disease's ravages is the deception, not revealing them. (A spokesman for Mr. Fox said his tremors were caused by his medication.) It was certainly the most dramatic way Mr. Fox has to personalize the issue; he used his infirmity much the way the late Christopher Reeve did when he lobbied for stem cell research to seek a cure for spinal injuries."

Talent Camp Says Fox Ad Is False. ABC World News (10/24, story 5, 2:30, Tapper, 8.78M) reported, "Michael J. Fox has been an impassioned advocate for years. Lobbying for embryonic stem cell research, which he argues can help people who suffer as he does from Parkinson's disease. But Fox has never injected himself so directly and so emotionally on the campaign trail and on TV until now." Michael J. Fox: "In Missouri, unfortunately Senator Jim Talent opposes expanding stem cell research. Senator Talent even wanted to criminalize the science that gives us a chance of hope." Tapper: "That's one of three TV ads so far Fox has recorded for candidates this season. This one goes after Republican Senator Jim talent of Missouri, where embryonic stem cell research is also on the ballot as a referendum. Today, the Talent campaign called the Fox ad, false. Since Senator Talent supports stem cell research that doesn't involve destroying a human embryo."

Virginia Candidates, Parties Begin Multi-Million Dollar Ad Blitz. The Washington Post (10/25, B5, Shear, Craig, 748K) reports Virginia's Senate candidates "and their national party backers will begin a final, multimillion-dollar advertising blitz Wednesday, flooding the state's airwaves with campaign commercials during the two weeks before Election Day." During the next week, "television watchers in Northern Virginia will see an average of five Virginia Senate ads a day. Together, the campaigns and the Senate party committees in Washington are spending $3.45 million over the next week in Northern Virginia." Political analyst Stuart Rothenberg said, "Voters are going to see so much stuff. If they are not numb already, they ought to shoot their brains full of Novocain." The Post adds voters "in other parts of the state will also be deluged with the commercials about" Republican Sen. George Allen and Democrat Jim Webb. But "most of the money will be flowing to Northern Virginia and its expensive media market, where a week's worth of ads for one candidate costs about $1 million. By contrast, running the same number of ads in the Roanoke media market costs about $89,000." The Republican Senatorial Campaign Committee's first ad "attacks Webb for his reaction to the Navy's Tailhook Association scandal, in which women were assaulted at a Las Vegas convention in 1991."

Clinton Jokes About Webb's Past Criticism Of Him. Al Kamen, in his Washington Post "In the Loop" column (10/25) writes former president Bill Clinton, "talking to Democratic contributors here last week, recounted how he had earlier chatted with Jim Webb, a Virginia former Republican who is running for the Senate as a Democrat. 'He said: "I can't believe you're going to campaign for me after all the terrible things I said about you,"' Clinton said. Clinton said he told Webb that 'if that was my test, I'd have no one to campaign for.'"

Kennedy States Support For Iraq War In New Ad. The AP (10/24, Condon) reported that in his new TV ad, Minnesota Senate candidate Mark Kennedy "squarely states his support" for the Iraq war, "'even though I know it may not be what you want to hear,' he tells voters." The 30-second ad "is the latest attempt by the Republican to catch Democratic frontrunner Amy Klobuchar, and may be the only ad of its kind in the country. Staring into the camera, Kennedy acknowledges that 'we've made some mistakes in Iraq' but says that 'leaving Iraq now will create a breeding ground for new attacks on America.'" The AP added, "Political observers said Tuesday they've not seen an ad like it anywhere this election cycle, with the Bush administration and Republicans on the defensive over Iraq. Just a day earlier, the White House acknowledged President Bush had dropped his familiar "stay the course" phrase in talking about the war."

Cardin Says Faith And Family Sustain Him. The Washington Post (10/25, Shaver, 748K) reports, "During 40 years in public office -- 20 in the General Assembly followed by two decades in Congress – [Maryland Democratic Senate candidate Benjamin] Cardin has woven

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his political life into the faith and family that he says sustain him." Cardin's faith "informs his actions in the House of Representatives, particularly a six-year membership on the ethics committee, he said." Cardin "said he remains grounded in what his father told him after his election to the General Assembly at 23. 'He said I had something people worked a lifetime for,' Cardin said, 'that I had the opportunity to make a difference and that I should think about that. ... I think about that frequently, and it affects everything I do in life.'"

WTimes Endorses Steele. In an editorial, the Washington Times (10/25, 88K) endorses Republican Michael Steele in the Maryland US Senate race, noting that he is "anything but a conventional politician." Steele's "openness to new ideas offers a refreshing contrast from the sort of orthodox liberalism represented by Mr. Cardin. And Mr. Steele, the first black candidate elected statewide in Maryland in modern times, offers a compelling personal success story that is in many ways the embodiment of the American Dream." The Times adds that Steele "is a nontraditional candidate who has brought a different style of campaigning to an old-school blue state, and there are no gray areas when he stands on issues. The Washington Times is pleased to endorse Michael Steele for the US Senate."

Report Warns Of Potential Voting Problems In 10 States. The Washington Post (10/25, A3, Goldstein, 748K) reports that a study released yesterday by a nonpartisan clearinghouse that tracks electoral reforms across the US warns that at least 10 states are ripe for voting problems in this year's election. The report by Electionline.org "says those states, and possibly others, could encounter trouble on Election Day because they have a combustible mix of fledgling voting-machine technology, confusion over voting procedures or recent litigation over election rules -- and close races. The report cautions that the Nov. 7 elections, which will determine which political party controls the House and Senate, promise 'to bring more of what voters have come to expect since the 2000 elections -- a divided body politic, an election system in flux and the possibility -- if not certainty -- of problems at polls nationwide.'"

GOP Lobbying Firms Not Clamoring To Hire Democrats As Election Nears. The Hill (10/25, Tiron, Young) reports that while seasoned Democrats are in high demand as lobbying shops gear up for a possible Democratic take over of Congress, "some top all-Republican firms are not clamoring to hire them. Despite a growing sense of urgency in recent months to bring well-positioned Democrats to lobby shops, company government-relations offices and trade associations, several all-GOP and GOP-leaning lobby firms said that they are doing nothing to prepare for a change of congressional power." The Hill adds that "some firms that have few or no ties to Democratic lawmakers can expect to continue to flourish, particularly if they have close relationships to Republican committee leaders, as opposed to the leaders of the chambers," a Republican lobbyist said.

WPost Endorses Ehrlich For Reelection. The Washington Post (10/25, A16, 748K) endorses Maryland Gov. Robert Ehrlich for reelection in an editorial this morning. The Post says Ehrlich "has grown in the role to become a generally proficient, pragmatic governor, if not always a disciplined or mature one." The Post adds, "Mr. Ehrlich, for all his faults, has shaken up the old guard in Maryland politics -- while appointing plenty of Democrats to his cabinet and judgeships. If he were wise, he would use a second term to start anew with the legislature and build on his record of achievement."

Anti-Deval Ad May Have Backfired On Healey In Massachusetts. ABC World News (10/24, story 6, 3:05, Gibson, 8.78M) reported, "Massachusetts will either have its first elected female governor or its first African-American governor. The race in the final days, like so many races around the country, is getting very rough." ABC (Berman) added that in the contest between Republican Lt. Gov. Kerry Healey and Democrat Deval Patrick, "his race and her gender don't seem to matter in this election." Frank Phillips, State House Bureau chief, Boston Globe: "It's not an issue in the campaign for governor here that Deval Patrick is an African-American. It's not an issue that Kerry Healy is a woman." Berman: "What are the issues? Both candidates are talking about jobs and education. But lately." Patrick: "They have thrown at us, everything but the kitchen sink. And I expect the kitchen sink any day now." Healey: "Deval Patrick says..." Berman: "Lately it seems that candidates are spending most of the time talking about each other. Patrick is tying Healey to an unpopular Republican governor. And Healey is running an ad on letters that Patrick wrote about a

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convicted rapist." But there "are signs it might be backfiring." A new poll "shows Patrick opening up a 27-point lead. More than double the lead he had just a few weeks ago. And the majority of the people on the poll, say they are turned off by the tone of Kerry Healey's campaign."

Survey Finds US Muslims Likely To Back Democrats. The Washington Times (10/25, Duin, 88K) reports America's Muslim voters "are a young, highly educated and prosperous voting bloc that will overwhelmingly back Democrats in November, according to a survey released yesterday by the Council on American-Islamic Relations." They are "also coming of age in terms of political representation. Next month, Democratic nominee Keith Ellison of Minneapolis is poised to become the first Muslim member of the House of Representatives. He says, if elected, he will take his oath of office with his hand on the Koran instead of the Bible." With their "large families and socially conservative leanings, Muslims mirror the GOP's demographic profile. Seventy-eight percent of those interviewed were married. Of those respondents, 83 percent had at least one child and 54 percent reported two or three children. Muslims had an average of 4.5 members per family, contrasted with a 2005 Census Bureau figure estimating the number of family members in an average American household at 3.14." But ideologically, "their differences with Republicans are vast. Sixty-six percent favor normalization of relations with Iran, 55 percent are afraid the 'war on terror' has morphed into a war on Islam, just 12 percent think the war in Iraq is worthwhile and only 10 percent support the use of the military to spread democracy."

Cheney Says Clinton Would Be A "Formidable" Presidential Candidate. Vice President Dick Cheney said on Fox News' Hannity and Colmes (10/24) that Sen. Hillary Clinton would be a "formidable" presidential candidate. Asked if she can win, Cheney said, "I think she could win. I hope she doesn't. I disagree with her on nearly all the issues, but nobody should underestimate her. She's a very serious candidate for President."

The AP (10/24) reported that Cheney "handicapped the Democratic field of potential candidates in an interview with conservative talk show host Sean Hannity." In addition to his comments on Clinton, Cheney said Sen. Barrack Obama "was an 'attractive guy. Don't know him well, met him a few times. I think at this stage, my initial take on him was he's been two years as a senator. I think people might want a little more experience than that, given the nature of the times we live in. But certainly, he's an attractive candidate." USA Today (10/25, 2.27M) carries the AP story this morning.

The Los Angeles Times (10/25, Gerstenzang, 918K) reports that Cheney said if Obama runs, "he'll be a player on the Democratic side."

Hollywood Democrats Ponder An Obama Presidential Bid. The Los Angeles Times (10/25, Daunt, 918K) reports, "Just the hint of a possible presidential run by US Sen. Barack Obama ...has Hollywood Democrats talking." While Obama is "pondering his options, you can bet that some people in Hollywood are already envisioning his inaugural bash. Director Rob Reiner compared a possible run by Obama to Abraham Lincoln's victory." The Times adds, "Almost anyone who has met Obama will tell you that he's charismatic and warm, but not giddy. … But there's no denying that since he rocked the Democratic National Convention in 2004 with an impassioned speech about America, his life has changed. For one, he became an instant political star." Obama "says he appreciates the supports he's been shown by Hollywood Democrats. … 'There are some celebrities who have really done their homework and know what they are talking about and are terrific advocates for justice and peace and opportunity around the world,' he said. 'I want all citizens to get involved. Whether they are the secretary in an office building or a movie star, I think the more engaged and interested people are, the better off we all are.'"

Cheney Says He Will Not Run For President In 2008. Cheney was asked on Fox News' Hannity and Colmes (10/24) if anyone has approached him about running for president in 2008. Cheney said, "I've made it very clear that I'm not a candidate, won't be a candidate." Cheney added, "I'm not coy about it. I made my decision a long time ago, and it's firm, final, fixed, irrevocable. I don't know how else I can say it. If nominated, I will not run; if elected, I will not serve."

Cook Called Most "Prominent" Political Forecaster. In the Washington Post's "Washington Sketch" column (10/25, A2), Dana Milbank says political analyst Charles Cook , "for a fee of $5,000 to $20,000, gives his audiences the (very) early returns." Last week "he spoke to pharmaceutical and insurance groups. On Monday, he flew to Las Vegas and back to talk to the American Beverage Association. Later this week it's American Express and a

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hedge fund in New York and the paper industry in Georgia. Yesterday found Cook at a breakfast with the DLA Piper law firm, lunch with automobile manufacturers and dinner in Boston with a corporate housing group." All are "looking for the same thing: next month's election returns. And Cook has them. 'Senators Santorum in Pennsylvania and Mike DeWine in Ohio are pretty much done,' he told the Piper audience at the Willard hotel. And the lifelines of Sens. Conrad Burns (R-Mont.) and Lincoln Chafee (R-R.I.) aren't looking any longer." Milbank says Cook is "not the boldest of election prognosticators (that honor goes to Stuart Rothenberg), nor the most telegenic (washingtonpost.com's Chris Cillizza gets the nod there), but he is surely the most prominent."

College Tuition Rising Faster Than Inflation. ABC World News (10/24, story 7, 0:25, Gibson, 8.78M) reported that a new study from the College Board has found "tuition increases at the nation's colleges slowed this year. But still rose faster than inflation. Average tuition and fees at public colleges increased more than 6% to more than $5,800 a year. And the average cost of attending a private college rose 5.9% to more than $22,000."

The CBS Evening News (10/24, story 5, 0:15, Couric, 7.66M) reported, "Now, here's a warning for parents. College costs are still rising faster than the overall inflation rate, which ran about 2% in the fast year. Tuition fees at public colleges are up more 6% from last year, now averaging nearly $6,000 a year. At private four-year college tuition has increased by nearly 6% to $22,000 a year."

The New York Times (10/25, Glater, 1.21M) reports that the report also found that "in the past five years, tuition and fees at public institutions rose more than at any other time in the past 30, increasing by 35 percent to $5,836 this academic year. Tuition and fees at private four-year colleges increased by 11 percent over the same period, though the average price of attending a private institution is $22,218." Education Secretary Margaret Spellings "said in a statement that the report 'underscores the need to make colleges and universities more accountable for results and at the same time increase need-based aid.'"

The Washington Post (10/25, A4, Matthews, 748K) notes that while costs are rising, "tuition and fees are not rising as fast as they did a few years ago. The College Board said the increase in tuition and fees at public four-year colleges, although still higher than the national inflation rate, slowed for the third year in a row. Increases at private four-year colleges have also cooled off in recent years, although the average yearly price of attending a private college is $22,218, far more than the state school average of $5,836."

The Wall Street Journal (10/25, B1, Tomsho, 2.03M) reports, "The number of students from all income levels pursuing post-secondary education continues to grow. But to stay in school, educators say, low-income students are taking loans, using high-interest credit cards to pay tuition, working more hours, and opting for two-year schools. Low-income students are choosing two-year colleges for financial reasons even though studies show more of them are academically qualified for four-year schools due to efforts by school districts to push them into tougher, college-prep courses. But only 23% of community college students earn a bachelor's degree -- a vital credential in today's workplace -- within six years, as compared with 63% of students at four-year institutions, according to the College Board."

Meanwhile, USA Today (10/25, Marklein, 2.27M) reports that "federal Pell Grant funding for low-income students declined for the first time in six years, and students borrowed more from private lenders last year than ever before." The report from the College Board "notes that financial aid averages conceal the wide range of aid awards; some students get a full ride, others pay the full amount. And federal tax benefits and a trend toward non-need-based state and institutional aid benefit middle- and upper-income students more than lower-income students, it says."

Former Morgan Stanley VP Praises Spitzer As "Good For Business." Donald Kempf Jr., retired executive vice president and chief legal officer of Morgan Stanley, writes in the Wall Street Journal (10/25, A14, 2.03M), reassuring that presumptive Gov. Eliot Spitzer will be "good for business" in the state and disagreeing with critics who say he overreached on federal securities law as attorney general. In his experience, Kempf says Spitzer came across as "smart," "self-reliant," and a "catalyst for constructive change." He "often had a better grasp of the underlying facts, legal implications and policy considerations than many from the federal regulatory agencies," Kempf says. In addition, Spitzer is different from other public servants and regulatory agencies because he "does not welsh on deals" and is "willing to engage where others at times seek to hide behind their status." Before stating that his "heroes" include Ronald Regan and George Herbert Walker Bush, Kempf lays outs Spitzer's "comprehensive strategy" for businesses in the state

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and is confident Spitzer will "pull much of it off" because "it spells a healthy and positive business climate."

Rice Defends "Axis Of Evil" Concept. The AP (10/25, Gearan) reports comments by Secretary of State Condoleezza Rice that "recent events in Iran and North Korea support President Bush's 2002 claim that those nations were part of an 'axis of evil.'" When asked if Bush offered "a pretty good analysis" of Iran, Iraq and North Korea, Rice said, "It really was." She is further quoted saying, "The president three years ago realized that in order to manage the North Korean nuclear problem, a problem that's been going for decades, we have to have a regional coalition. This isn't something the United States was going to be able to do alone." The AP continues, "Proof of the strategy's success came when China voted this month to impose sanctions on its neighbor and ally North Korea, she said."

In related reporting, the Financial Times (10/25, Dinmore, Dombey) notes comments by UN Ambassador John Bolton that "imposing economic and political sanctions against Iran and North Korea will help democratic forces in those countries as Washington pursues its 'ultimate objective' of regime change." Those remarks "reflect the views of hardliners in the Bush administration who doubt that the threat of nuclear proliferation can be dealt with through negotiations." The Times says Bolton's "linking of sanctions with 'democratic forces' are likely to complicate delicate coalition-building efforts by" Rice.

Western Allies Move Ahead With Limited Iran Sanctions Plan. CNN's The Situation Room (10/24, Verjee) reported, "A new proposal may be in the works to sanction Iran for its disputed nuclear program. The US, Britain and France purportedly plan to urge the UN Security Council to ban the sale of missile and nuclear to Tehran. Diplomats say the draft resolution is essentially aimed at winning the backing of Russia and China. Iran has said imposing sanctions will backfire."

The AP (10/25, Jahn) reports Washington "and its allies want the [UNSC] to ban the sale of missile and atomic technology to Iran and end most U.N. help for its nuclear programs — moves diplomats said Tuesday are narrowly focused in hopes of winning Russian and Chinese backing for sanctions." AP sources "said the proposal also would commit U.N. member nations to denying entry to Iranian officials involved in developing missiles or nuclear systems," and likened some of the provisions under consideration to UNSCR 1718. "One of the diplomats described all three measures aimed at Iran as moderate in impact, saying that was an attempt to win Russian and Chinese support. Moscow and Beijing could be formally presented with the draft later this week, the diplomat said." The AP adds, "Canceling technical assistance to Iran from the [IAEA] would do little to ease [uranium enrichment] fears. But as the first such withdrawal of IAEA help, it would send a strong signal of international displeasure with Tehran."

Beijing Says Kim Didn't Apologize, But Isn't Planning Second Nuclear Test. The Financial Times (10/25, McGregor, Fifield) reports Beijing "said on Tuesday North Korea had no immediate plans to conduct a second nuclear test, damping speculation of another blast following the imposition of [United Nations Security Council Resolution 1718] on the reclusive state. However, a Chinese foreign ministry spokesman suggested that Kim Jong-il, the North Korean leader, had warned in a meeting with a senior Chinese politician last week that Pyongyang could test another bomb if the pressure on it was not eased." Experts' "fears" last week of a second test "failed to materialise and many analysts think Pyongyang will try to drag out the crisis for as long as possible." The Times says, however, that "because the first test was considered a technical failure – the small size of the blast suggested the weapon had not fully detonated – it was likely that North Korea would want to try to iron out the problems then eventually test again, analysts said."

In lengthy reporting on the Chinese diplomatic mission to Pyongyang, the AP (10/25, Olesen) adds Beijing "gave its first full public account Tuesday of its mission to North Korea, saying it got no apology from top leader Kim Jong Il for the atomic explosion but did receive assurances there were no plans for a second nuclear test." Kim "also expressed a willingness to return to six-nation talks over its nuclear program if financial restrictions levied by the U.S. are first resolved, said Chinese Foreign Ministry spokesman Liu Jianchao." Talks in Pyongyang "resulted in no breakthroughs, but China cast the discussions in a positive light."

AFP (10/25) reports remarks by Assistant Secretary of State Chris Hill that Washington and Beijing "'have never been closer' in the wake of North Korea's nuclear test earlier this month." Hill said of Secretary Rice's Asia trip, "In China we felt we were speaking with one voice on this issue. At no time have we felt closer together than we have felt in the wake

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of these North Korean provocations. … It always used to be that the Chinese would ask for more patience and we'd ask the Chinese for less patience but I think today we are really working better together."

Rice Backs Asian Security Organization, Will Elaborate On Plan Today. The Washington Times (10/25, Kralev, 88K) notes Secretary of State Condoleezza Rice "is urging Asian nations to form a regional security organization to address common threats, suggesting that the six-nation forum dealing with North Korea -- which includes China and Russia -- could be a useful starting point." The Times says Rice believes that forum "would not come even close to NATO's integrated political and military structures, but it would assure more effective responses to crises such as Pyongyang's recent nuclear test." Rice is quoted saying earlier, "There are highly developed security arrangements all throughout Europe -- as a matter of fact, some people think too many. I don't think this region is probably going to develop an organizational structure anything like what you have in Europe." A State Department official "said the secretary will elaborate on the concept during a speech at the Heritage Foundation in Washington today." Regarding North Korea's candidacy for such a grouping, one "official familiar with interagency talks on the issue said membership could be held out as a reward to Pyongyang if it dismantles its nuclear program." The Times adds, "Analysts generally agree that a regional security organization in Asia is necessary, and point to the Asia-Pacific Economic Cooperation as a model." However, "several diplomats and analysts expressed doubts that China in particular would sign on to a security arrangement that institutionalizes the dominance of the United States in the Asia-Pacific region."

Japanese Anger Could Hurt North Korean Expats. The AP (10/25, Greimel) reports, "Harassment of Japan's insular North Korean community, the biggest outside the homeland or China, dates back decades. But animosity has flared to new levels since North Korea stunned the world with its nuclear test." A recent arson attempt against the headquarters of Chongryon, an organization of North Korean expatriates, "was one of several outbursts putting people on edge. … North Koreans in Japan have long been vilified as a communist fifth column, but with Tokyo leading a worldwide campaign to sanction Pyongyang for its nuclear test, they now stand in an unwanted spotlight." The AP says that every one of the 600,000 "Koreans in Japan face discrimination in Japan. All Koreans were stripped of their Japanese citizenship after World War II and those in Japan found themselves in a society that often looked down on them as former colonial subjects. Yet given the long-standing animosity between Tokyo and Pyongyang, North Koreans face especially limited economic opportunities, confined to tight-knit community-run businesses." Economic sanctions imposed by Japan on North Korea "will dig deep into North Korean businesses that rely on importing manufactured goods like cheap men's suits, marine and agriculture products, like clams and mushrooms, and raw materials such as coal."

Joint Chiefs Chairman Says US Victory Over North Korea Would Be Costly. The AP (10/25, Burns) carries remarks by Joint Chiefs Chairman Peter Pace that the "U.S. military would prevail in a war against North Korea but at a greater cost in lives than if the United States were not already fighting in Iraq and Afghanistan." He is quoted saying, "It would not be as clean as we would like it to be, but it would certainly be sure, and the outcome would not be in doubt." Pace "told a Pentagon news conference that the U.S. military has plenty of people available to fight wars beyond Iraq and Afghanistan, but he acknowledged that U.S.-based ground combat units are not fully equipped." Pace "said U.S. intelligence can determine the size of the North Korean military but it cannot provide an equally important piece of information in assessing the threat of war: the intent of North Korea's leaders."

South Korean Public Opposes Confrontation, Rejection Of North. A 1,164-word piece in the New York Times (10/25, Fackler, 1.21M) details solidifying South Korean attitudes towards engagement with North Korea. "Once fervently anti-Communist, South Korea has slowly parted ways with the United States, its largest ally and wartime protector, on how to deal with the North. Across age groups and political persuasions, most South Koreans now appear to believe that their nation has no choice but to keep building ties with the North, despite the widespread shock and anger here over its nuclear test." The Times says that "bedrock of public sentiment" explains the differences in tone between Washington and Seoul, which "has been reluctant to tighten the economic screws on the North, hoping instead to entice it to the bargaining table with increased links with the outside world." South Korea's "softer approach is a result of a deeper evolution in public perception [there] since the end of the cold war and South Korea's subsequent emergence as an Asian economic powerhouse." Recent opinion polling suggests

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"that while the claimed nuclear detonation hardened attitudes toward the North, a majority of South Koreans still oppose outright confrontation." The Times adds, "Political analysts say a big factor behind the desire to maintain economic ties is a deep ambivalence in South Korean views of the North. While the two Koreas still face each other across the minefields and barbed wire of the demilitarized zone, many South Koreans have come to see the North as nothing more than a destitute, misguided relative."

Israel Ponders Preemptive Gaza Strike On Hamas Weapons Stockpiles. The Washington Times (10/25, Mitnick, 88K) reports, "Applying a lesson from the recent war against Hezbollah, Israeli leaders are increasingly talking about staging a pre-emptive military offensive in the Gaza Strip in order to avert a Hamas buildup of improved missiles." Some Israeli "politicians say a broader operation against Hamas is necessary if Israel wants to deny it the ability to stockpile weapons like the Shi'ite militia Hezbollah, which was able to build up its arsenal during six years of relative calm." While Israeli military forces "have uncovered more than a dozen smuggling tunnels used to sneak weapons, money and contraband into Gaza from Egypt," some "intelligence officials say they think that Syria and Iran are supplying Hamas with the advanced anti-tank missiles that turned armored vehicles like the Merkava tank into a sitting ducks, according to local press reports." Defense Minister Amir Peretz "has said that Israel cannot allow Gaza to become another Lebanon. At the same time Mr. Peretz, the chairman of coalition partner Labor party, said that Israel has no desire to reconquer the Gaza Strip permanently."

AP Photographer Released In Gaza. The AP (10/25, Laub) reports AP photographer Emilio Morenatti "was freed unharmed Tuesday after a harrowing day in the hands of Palestinians who abducted him at gunpoint and dressed him in women's clothes to spirit him from one secret location to another." Fatah Party officials brought him to Palestinian President Mahmoud Abbas' office late yesterday. "It was not clear who kidnapped him, though officials said he was taken by criminals. The government and main Palestinian groups denounced the abduction. Morenatti, a 37-year-old Spaniard, looked fatigued after his daylong ordeal but said he was unharmed."

NYTimes Pans Olmert's Coalition Choice. In an editorial today, the New York Times (10/25, 1.21M) says Israeli Prime Minister "Ehud Olmert "has chosen to make an unwise and damaging trade-off. Bringing the pro-settler Israel Beiteinu party into his governing coalition reinforces his vulnerable parliamentary majority. But it makes it virtually impossible for Mr. Olmert to carry out the partial West Bank withdrawal program he ran on just seven months ago." The possibility of a "new momentum toward" a peace settlement "now seems less likely than ever." Palestinian President Mahmoud Abbas' attempts "to bring Hamas around have not gotten as much support as they should from Israel. With Israel Beiteinu joining Mr. Olmert's coalition, they are likely to get even less." The Times concludes, "Creating new obstacles to peace with the Palestinians is the last thing Israel needs after the Lebanon fiasco."

Israeli Official Says Iran And Syria Are Rearming Hezbollah. A Washington Times (10/25, Sands, 88K) interview reports comments by Israeli Deputy Prime Minister Shaul Mofaz that "Iran and Syria are rapidly rearming Hezbollah guerrillas in southern Lebanon as an international peacekeeping force has failed to carry out a U.N. mandate to disarm the Shi'ite militia group." Mofaz "also warned that time was growing short for the international community to implement effective sanctions to halt Iran's drive for nuclear weapons." He "said Israel's 34-day war with Hezbollah fighters this summer had dealt the Shi'ite militia a major setback in its southern Lebanese base. But he expressed frustration that the Lebanese army and an enhanced U.N. peacekeeping force had not disarmed Hezbollah or sealed the border to prevent Syria and Iran from rearming their 'proxy.'" Despite Olmert's criticisms of Iran's nuclear program, Mofaz "put greater stress on multilateral efforts to pressure Iran, calling for strong sanctions against Tehran if it refuses to cooperate. .. The North Korea nuclear test earlier this month has heightened the need for a tough stand against Iran, Mr. Mofaz said." The Times adds, "The hawkish Mr. Mofaz is the transportation minister under the unity government headed by [Olmert], but he remains a major voice on defense and security issues in Israel."

Pentagon Officials Enter Plea On Arms Deals. The AP (10/25, Apuzzo) reports that Ronald W. Wiseman, a former official the Defense Reutilization and Marketing Service, the Pentagon agency that sells excess military equipment, "was sentenced to 18 months in prison" for "selling military equipment in the Middle East and pocketing hundreds of thousands of dollars." He "and a

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Saudi Arabian auctioneer agreed to sell some equipment off the books and share in the profits." While "most of the equipment was unneeded and scheduled for auction," some Humvees "were still weaponized and were not supposed to have been sold." Wiseman previously pleaded guilty "and agreed to cooperate in a federal investigation. A second U.S. official, Gayden C. Woodson of North Ogden, Utah, pleaded guilty Tuesday to conspiracy to steal government property." Woodson, he joined Wiseman's conspiracy in January 2001 "and continued it after Wiseman left the Middle East the following year."

Chavez Continues Security Council Candidacy, Denies He's Backing Bolivia. The AP (10/25) reports Bolivian President Evo Morales "said Tuesday that Venezuelan leader Hugo Chavez would throw his support behind the Andean country if Venezuela is unable to win enough votes to defeat U.S.-backed Guatemala for a" rotating UNSC seat." Morales "said he had spoken by phone with Mr. Chavez on Monday, who told him that if Venezuela does not get the two-thirds majority it needs to win, he will 'propose Bolivia as a candidate.'" While Venezuelan Foreign Minister Nicolas Maduro "said [his nation] would continue its drive for" seat, "a 36th round of voting is scheduled to be held [today], and some countries in the region -- from Brazil to Guyana -- expressed hope of seeking an alternate candidate. Other possibilities mentioned by diplomats included Chile and Uruguay." The Washington Post (10/25, A18, 748K) focuses its coverage on Caracas' plan to continue its candidacy, saying Venezuelan leaders "denied Bolivian President Evo Morales's claim that Venezuela had decided to withdraw from the competition…and would instead nominate his country as a candidate."

Under the headline, "Venezuela Diatribe Backfires," the New York Times (10/25, Hoge, 1.21M) says of Venezuelan President Hugo Chavez's speech last month to the UN General Assembly, "Now it appears that [his] histrionic performance -- styled to win him support from the United States' many detractors at the United Nations — may have cost his country the seat on the Security Council that he has conducted a global campaign to win." While "developing nations make up a vast majority of the 192 countries in the General Assembly and generally warm to rants against Washington," most "also value the United Nations as a place where their voices can be heard in a dignified setting, and both supporters and detractors here say Mr. Chávez may have miscalculated in turning it into his bully pulpit." The Times says "Venezuela's candidacy is already considered finished," and those "poor results came as a surprise," with many analysts noting "Mr. Chávez's performance as the cause." Also, "the unseemly process is embarrassing to Latin diplomats who acknowledge that the 33-nation Latin American and Caribbean group at the United Nations has often shown disunity, while the 53-nation African group and the 54-country Asian group yearly produce candidates without dispute."

Korologos Expected To Resign As Ambassador To Belgium. Al Kamen, in his Washington Post "In the Loop" column (10/25) writes "famed Washington lobbyist" Tom Korologos "is said to be leaving his fine posting as ambassador to Belgium early next year. Korologos, 73, often known as the 101st senator, helped out in Iraq in 2003. Word is the White House has tapped wealthy St. Louis developer Sam Fox, 77, to replace Korologos. Fox, a major GOP fundraiser, is national chairman of the Jewish Republican Coalition."

Study Says Most Automakers Falling Short Of Europe's CO2 Emissions Targets. The Wall Street Journal (10/25, A8, Echikson, 2.03M) reports, "About three-quarters of auto makers are failing to improve fuel efficiency to meet Europe's voluntary targets to cut carbon-dioxide emissions, according to an environmental group's study." The group "produced the study to heat up a debate over whether the European Commission should impose mandatory emissions cuts for automobiles. The federation backs mandatory controls, while the commission has set only voluntary targets." The Journal adds, "Any effort to impose new rules on the auto industry is likely to meet resistance from individual governments. The European Parliament's environment committee voted last month to delay compliance with CO2 standards to 2011 from 2008, saying auto makers needed the time to develop technologies."

Vietnamese Economy Attracts Investment. The New York Times (10/25, Bradsher, 1.21M) reports, "In the three decades since Vietnam has gone from communism to a form of capitalism, it has begun surpassing many neighbors. It has Asia's second-fastest-growing economy, with 8.4 percent growth last year, trailing only China's, and the pace of exports to the United States is rising faster than even China's." It is a "sign of Vietnam's economic vitality" that it has

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nearly completed the WTO accession process. "The latest Asian economic tiger, Vietnam now produces and uses more cement than France, its former colonial ruler. The main index for the Ho Chi Minh City stock market and a smaller exchange in Hanoi have nearly doubled in value this year. Vietnam has become the talk of investment bankers and investors across Asia." In "some ways, Vietnam is more pro-business than China." The Times also reports that "Republicans in Congress are divided over" permanent normal trade relations, and "corporate America is divided, too, over a Bush administration initiative to win votes for full trade status by throwing a bone late in September to Southern senators representing states where textiles are made."

Book Argues Mercenaries Could End Abuses In Darfur. In his column in the Wall Street Journal (10/25, A14, 2.03M), Max Boot says mercenary "outfits have grown in importance as the armed forces of the U.S. and other countries downsized after the end of the Cold War. Today, from Afghanistan to Iraq, much of the logistical support for American troops is provided by Halliburton subsidiary KBR." Noting that "hired hands" work in Iraq "to safeguard supply convoys, buildings and VIPs," Boot says, "Among foreign troop contingents, they are second in number – and in casualties – only to the U.S. military." Mercenaries "can actually perform valuable work that we won't send our own troops to do," including, Book suggests, defending civilian populations in Darfur. Citing cases of mercenary units creating the conditions for peace, Boot adds, "Hired guns could be equally effective in stopping the campaign of rape, murder and ethnic cleansing carried out by the Sudanese government and the janjaweed militia in Darfur." He concludes, "Sending mercenaries to Africa isn't politically correct. But it would be a lot more useful than sending more aid money that will be wasted or passing ineffectual resolutions that will be ignored."

Friedman Say Energy Struggle Reviving Cold War Tensions In Europe. In his column in the New York Times (10/25, 1.21M), Tom Friedman "posits that the price of oil and the pace of freedom operate in an inverse relationship in petrolist states — states with weak institutions and a high dependence on oil for their G.D.P. As the price of oil goes down, the pace of freedom goes up." He says "a black tide of petro-authoritarianism [is] emanating from Russia, and it is blunting the Berlin Wall tide of free markets and free people." Russia under President Vladimir Putin "has gone from the sick man of Europe to the boss man." EU and Russian "energy interests" are "in a standoff," and Friedman says "turnabout is fair play," with Russia "now using petro-power to push back." He concludes, "Centuries of uneasy relations between Europe and Russia make German officials queasy about how dependent they've grown on the Kremlin to heat their homes and offices. Queasy or not, one thing they know for sure: Russia is back. The gas man cometh."

WPost Says Europeans Not Bridging Gap With Muslim Community. Noting the one year anniversary of the suburban Paris riots, a Washington Post (10/25, A16, 748K) editorial says the "alienation" felt by Muslims "appears to have worsened, not only in France but across Western Europe. … Europeans are slowly growing more aware that a major part of the global struggle against Islamic extremism must take place in their own countries -- and not just in faraway Afghanistan or Iraq." However, European elites still appear to be a long way from coming to grips with the challenge. Rather than seeking to address the larger alienation of mainstream Muslims, European leaders often appear to do the opposite -- by challenging the culture of Muslims and defending gratuitous insults of Islam." The Post pans British Commons Leader Jack Straw's recent comments about veiled Muslim women, and says "veils -- which are also under government attack in France and Italy -- are not the cause of [self-] segregation, much less of terrorism. Attacks on Muslim custom by public officials are more likely to reinforce than to ease the community's alienation." Politicians should focus "on those who actually foment intolerance among European Muslims -- as well as those in the mainstream community who promote prejudice against Arabs and South Asians and their descendants." The Post concludes, "Politicians would do better to work on dismantling the barriers Muslims face in getting educations and jobs rather than those that distinguish Islam from the secular majority."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Democrats' Senate Hopes Lie With Rural Voters, Poll Finds."

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"War On West Shifts Back To Afghanistan."
"Army Is Training Advisors For Iraq."
"Making Sabbath A Day At The Beach."
"Governor Is Blunt To Bush."

USA Today:

"By The Numbers."
"Single-Sex School Restrictions Ease."
"When A Heart Attack Goes Undiagnosed."
"No Major Troop Cut In Iraq For A Year."
"Projections."

New York Times:

"General Weighs 2nd Troop Shift To Calm Baghdad."
"Idle Contractors Add Millions To Iraq Rebuilding."
"To Lower Costs, Hospitals Try Free Basic Care For Uninsured."
"Federal Rules Back Single-Sex Public Education."
"Pieces Of Art Collection Were Someone Else's."
"Vietnam's Roaring Economy Is Set For World Stage."

Washington Post:

"More U.S. Troops May Be Iraq-Bound."
"The GOP Leans On A Proven Strategy."
"A Sense Of Service."
"A Contentious Campaign In A Battleground State."
"DNA Testing a Mixed Bag for Immigrants."
"FBI's Fairfax Agents Packing For Pr. William."
"Failing Schools Are Fighting Back."

Washington Times:

"Democrats Won't Count Votes Before They're Cast."
"Iraqi Takeover target Set."
"National Medicaid Transport Probed."
"Virginia Battle On Same-Sex 'Marriage' Down To Wire."
"Rice Proposes Asia Form Security Alliance."
"Tracking device Places Parents In Driver's Seat."

Detroit Free Press:

"Tigers Must Start Hitting-Or Else."

Atlanta Journal-Constitution:

"Potty Talk Ends Shock jock Era In Atlanta."
"Schools Move To Gender Divide."
"Titanic Relics Emerge From Secret Warehouse."
Who'll Pay For Civil Rights Museum."
"Perdue Tax Break Spotlights Legislator."

Houston Chronicle:

"State Tuition Surpasses U.S. Average."
"If These Walls Could Sing."
"Will Skilling Get Prison Of Choice."
"Us May Boost Troop Level In Baghdad."
"Worker For All Jobs And All Seasons."
"Friedman Feels Sting OF Political Attacks."

Story Lineup From Last Night's Network News:

ABC: Iraq Timeline-Changing Course; Iraq War Analysis; Kidnapped Soldier-Iraq; Bush Hits Campaign Trail; Michael J. Fox AD- Anti Stem Cell Research; Massachusetts Governors Race; College Tuition Increase; Heart Attack Risk; Tropical Storm Paul; Light Hurricane Season; Stock Market.
CBS: Iraq Timeline-Changing Course; Iraq war Analysis; Iraq War Analysis; Foley Investigation; College Tuition Increase; Genetic Medicine-Medical Breakthrough; Campaign 2006-Microtargeting; Arianna Huffington Opinion-UN Sanctions; Stock Market; Dead Celebrities; Kenny Rodgers & Baseball.
NBC: : Iraq Timeline Changing Course; Iraq War Analysis; Foley Investigation; Campaign 2006; Stock Market; Flu Shots; Separate Education; Housing Market; Fashion Goes illegal.

Story Lineup From This Morning's Radio News Broadcasts:

CBS: Casey-US Troop Levels In Iraq; Hastert-Ethics Committee Testimony; Study-Health Care Costs; Study-Effects Of Flu Shots On Children; World Series.
NPR: Casey-Us Troop Levels In Iraq; Hastert-Ethics Committee Testimony; Nm-Los Alamos Documents Found; Ethiopia-Somalia Conflict; La-Offshore Drilling; Paulson-Us Economy's Health; World Series.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — Meets with President Leonel Fernandez of the Dominician Republic, Oval Office, pool at bottom.

VICE PRESIDENT CHENEY — Addresses Cincinnati USA Regional Chamber, The Phoenix, Cincinnati.

LAURA BUSH —Delivers remarks at a Michele Bachmann for Congress and Republican Party of Minnesota breakfast, Minneapolis Marriott Southwest, 5801 Opus Parkway, Minnetonka, Minn., open press; delivers remarks at a Minnesota Victory 2006 Rally, Mayo Civic Center, Rochester, Minn., open press; delivers remarks at Indiana Victory 2006 Rally, Bartholomew County 4-H Fairgrounds, Columbus, Ind., open press.

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US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: MILITARY COMMUNICATIONS _ Milcom 2006, the Military Communications Conference, will be held. Theme: ``Networking the Warfighter.'' The conference will include classified and unclassified sessions, discussion panels, and tutorials, focused on advanced technology in military communications. Highlights: 12 p.m. Lunch with Gordon England, Deputy Secretary of Defense. Location: Wardman Park Marriott, 2660 Woodley Road, NW, and Omni Shoreham Hotel, 2500 Calvert Street NW. The classified program will take place in the Ronald Reagan International Trade Center, 1300 Pennsylvania Ave. NW.

US-CHINA _ Five-day meeting of the US-China Economic and Security Review Commission. Location: Hall of the States, 444 N. Capitol St.

BEST COLLEGES _ 9:30 a.m. Education Sector holds discussion on American colleges and universities and whether they're really ``the best.'' Participants include Paul Glastris, Editor-in-Chief, The Washington Monthly; David Dunn, Chief of Staff to the U.S. Secretary of Education; Brian Kelly, Executive Editor, U.S. News & World Report; Patricia McGuire, President, Trinity University; and Kevin Carey, Education Sector. Location: Capital Hilton, 16th and K Sts. NW., Capitol Hilton, 16th and K Sts. NW.

GENETIC DATABANKS _ 9:30 a.m. The American Civil Liberties Union holds a panel discussion on the expansion of forensic DNA databases and their implications for civil liberties and criminal justice, with Barry Scheck of the Innocence Project, Helen Thompson of Genewatch UK, William Thompson of UC, Irvine, Tania Simoncelli, science adviser to the ACLU. Location: Room 2226, Rayburn.

AMTRAK _ 10 a.m. Rep. John Mica, R-Fla., joins D. Hamilton Peterson, Deputy Counsel - Director of Special Investigations, Office of Inspector General, National Railroad Passenger Corporation (Amtrak) for a press conference to release a report on an investigation of Amtrak Contracts With Private Law Offices. The Inspector General's report outlines what it says are serious problems, lack of oversight and excessive charges In awarding millions of dollars In legal contracts. Location: Room 2167, Rayburn House Office Building.

DROPOUT RATE _ 10 a.m. Pew Partnership for Civic Change holds briefing and discussion on ``Why the Dropout Rate Goes Beyond the Schools.'' With Alma Powell, Pew Advisory Board; and representatives from the Joint Center for Political Studies; National Governors Association; National Association of Manufacturers; others. Location: National Press Club, 14th and F Sts. NW.

GAYS-MARRIAGE AMENDMENTS _ 10 a.m. The National Press Club and the National Lesbian and Gay Journalists Association sponsors a newsmaker media briefing, ``The Gay Factor: How Marriage Amendments and the Foley Fallout will Affect the Election.'' Location: National Press Club.

ZOGBY POLL _ 10 a.m. Arab American Institute releases Zogby Battleground Poll of Arab-American Voters in Florida, Michigan, Ohio and Pennsylvania. Location: Capital Hilton, 16th and K Sts. NW.

IRAQ-PROTEST _ 11:30 a.m. There will be telephone news conference on Active-Duty troops launching a campaign to press Congress to end U.S. Occupation of Iraq, with 65 members -- including two who served in Iraq -- sending ``Appeals for Redress under the Military Whistle-blower Protection Act. Contacts: Trevor Fitzgibbon, 202-246-5303. Notes: To participate, call 800-362-0574; password ``Active-Duty.

TOM DAVIS-AWARD _ 11:30 a.m. Rep. Tom Davis (R-VA) receives the Gen. L.V. 'Sonny' Montgomery Award, the National Guard Bureau's highest award. Location: Room 2154 Rayburn.

FOREIGN AGRICULTURAL SERVICE _ 12 p.m. - 2 p.m. Michael Yost, administrator, Foreign Agricultural Service, U.S. Department of Agriculture, addresses a Women in International Trade Agriculture Section luncheon. Topic: ``The Restructuring of the Foreign Agricultural Service -- How Will It Be Impacted?'' Location: Chinatown Garden Restaurant, 618 H St. NW.

ENERGY-BODMAN _ 12:30 p.m. Energy Secretary Bodman speaks on ``Biofuels and the Future of US Energy'' at the US Chamber of Commerce. Location: 1615 H St. NW.

SENATE RACES _ 12:30 p.m. Sens. Elizabeth Dole, R-NC, chair, National Republican Senatorial Committee; and Charles Schumer, D-NY., chair, Democratic Senatorial campaign Committee, participate in a National Press Club Luncheon. Location: National Press Club.

ARLINGTON BURIAL _ 1 p.m. There will be a burial service for Army CW2 Scott Dyer, an Army Special Forces officer killed in Iraq. Location: Arlington National Cemetery.

CHRISTIAN-ZIONISTS-ELECTIONS _ 1 p.m. - 3 p.m. The Council for the National Intertest sponsors a discussion, ``The Armageddon Vote in 2006: Christian Zionists and the

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Midterm Elections." Speaks include Rev. Bob Edgar, General Secretary, National Council of Churches; and Rev. Robert O. Smith, co-author, ``Christians and a Land Called Holy: How Can We Foster Justice, Peace, and Hope?" Location: Room 2168, Rayburn House Office Building.

RICE SPEECH _ 1:30 p.m. Secretary of State Condoleezza Rice speaks on her recent diplomatic mission to Asia, aimed at building consensus in dealing with North Koreas nuclear program. Location: 214 Massachusetts Ave. NE.

US FOREIGN POLICY _ 3 p.m. New America Foundation forum on ``The American Way of Strategy: US Foreign Policy and the American Way of Life." With Michael Lind, author, ``The American Way of Strategy," and Bruce Stokes, New America Foundation director. Location: 1630 Connecticut Ave. NW.

DEMOCRATIC ELECTIONS _ 5 p.m. National Endowment for Democracy holds panel discussion on ``Electoral Systems and Democracy: What Have We Learned?" With Donald Horowitz of Duke University; Larry Diamond, Hoover Institute; others. Location: 1025 F St. NW, Suite 800.

CHINESE TECHNOLOGY _ 5 p.m. American University Professor Douglas Fuller speaks on ``China's Emerging Technology Tracjectory." Location: American University, Butler Board Room, 4400 Massachusetts Ave. NW.

COURAGE AWARDS-JILL CARROLL _ 6 p.m. International Women's Media Foundation's 2006 Courage in Journalism Awards. Winners include Jill Carroll, The Christian Science Monitor, who was held in captivity in Iraq for 82 days; May Chidiac, a journalist with the Lebanese Broadcasting Corporation, who survived a car bomb attack; and Gao Yu of China, pro-democracy reporter who was sentenced to six years in prison for ``leaking state secrets." Lifetime Achievement Award goes to Elena Poniatowska Amor, who's spent much of her career reporting on the lives of poor Mexicans. Location: National Geographic Society, 17th and M sts NW.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: WEDNESDAY, OCTOBER 25, 2006 7:45 AM EDT

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TERRORISM NEWS:

Gonzales Believes US Is Misunderstood In War On Terror. The AP (10/25, Giles) reports, "U.S. Attorney General Alberto Gonzales said Tuesday he believes some of the U.S. actions in its war on terror have done damage to the image of the United States abroad, particularly its commitment to the rule of law." The AP continues, "The U.S. has drawn criticism around the world for the Abu Ghraib prison scandal in Iraq, its treatment of detainees and secret renditions of terrorism suspects to clandestine prisons in allied countries where they are allegedly tortured. … 'The notion that the United States does not fully support the rule of law is one I find very disappointing,' Gonzales told reporters, especially given that President Bush 'believes the Unites States is the leader, is a beacon of hope in the world and it's important that our actions should reflect a total commitment to the rule of law.'" The AP adds, "He blamed the country's deteriorating image on misunderstanding in Europe about what the U.S. is doing to fight terrorism. … 'Part of the misunderstanding is the fault of the United States in the sense that we need to be out there more, talking about what we are doing and why,' he said." The AP notes, "Gonzales was in Madrid for the sixth meeting of a working group set up two years ago to coordinate the fight against terrorism and other police matters. … Gonzales dismissed criticism that prisoners at the Guantanamo Bay detention facility were in legal limbo and said the recent Military Commissions Act ensured fair trials for terrorists and guarantees that evidence acquired through torture will not be used."

FNC On the Record (10/24, 10:47 p.m.) FNC's Harris Faulkner "Attorney General Alberto Gonzales says the U.S. needs to do better job spelling out what it's doing to fight terror and why. On a trip abroad, Gonzales says his trips are an important way to reach his counterparts there about what the U.S. is trying to do to protect America and, in turn, protect the interest of its allies."

US, Spain Agree To Greater Anti-Terror Cooperation. AFP (10/25) reports, "Spain and the United States agreed to ramp up cooperation against terrorism and organized crime during a visit by US Attorney General Alberto Gonzales, the interior ministry said. … The agreement came during talks between Gonzales and Spanish Interior Minister Alfredo Perez Rubalcaba, it said." AFP continues, "Washington offered to make technology which the US Federal Bureau of Investigation uses to index DNA samples available to Spanish police. … Spanish Justice Minister Juan Fernando Lopez Aguilar told reporters after the meeting, which also saw Gonzales confer with Spanish counterpart Candido Conde-Pumpido, that judicial cooperation between the two nations was 'excellent.' … He added that they were committed to 'achieving good long-term results' in fighting terror." AFP adds, "Gonzales said the United States was sometimes 'misunderstood' in Europe and it had to 'talk more' to explain its position on security. … Asked if Spain was prepared to countenance handing over terror suspects to US military courts, Aguilar told Spanish media that Spain was determined to protect its citizens' rights at all times."

More Commentary. The Longview (TX) News-Journal (10/25) reports, "Alberto Gonzales, who once made headlines when he authored legal arguments that President Bush had the authority to authorize torture, is now disappointed by our nation's sagging reputation. … Gonzales, then the White House counsel but now the U.S. Attorney General, was in Spain for a meeting of an international working group created two years ago to coordinate the fight against terrorism and deal with other global law enforcement issues. While there, he told reporters, 'The notion that the United States does not fully support the rule of law is one I find very disappointing.' … According to an Associated Press report, the nation's top lawyer added that Bush 'believes the United States is the leader, is a beacon of hope in the world and it's important that our actions should reflect a total commitment to the rule of law.' … Of course, Gonzales failed to mention that in order for Bush to live up to his words, he needed to sign legislation last week — the Military Commissions Act — to ensure fair trials for suspected terrorists and assure that evidence garnered through torture will not be used at such trials." The News-Journal adds, "Gonzales told reporters that our country's tarnished image abroad is due to our allies' misunderstandings about what the United States is doing to fight terrorism. … Actually, that tarnished image is due to our allies' growing understanding of measures the United States has taken in its efforts to combat terrorism, including the use of secret prisons abroad, the rendition of prisoners to

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governments known to use torture and the indefinite detention of people who are suspected but not yet proven terrorists. … Gonzales would like to talk about Bush's 'total commitment to the rule of law' but he has often been reticent about discussing the administration's commitment to the spirit of the law. That's because the longtime Bush aide and attorney has played a key role in seeking loopholes that allow the president to sidestep the spirit of the law. … The attorney general's comments were almost laughable when he opined that the way to dispel the 'misunderstanding' among our European allies is for the United States "to be out there more, talking about what we are doing and why." … Meanwhile, at home we hear administration officials and supporters raising the specter that members of the media are unpatriotic and possibly traitorous when they report about what the administration is doing — and why."

US Concerned By Release Of Saudi Prisoners For Ramadan. The Los Angeles Times (10/25, Williams, Connell, Lopez, 918K) reports, "US officials, apparently caught off guard by the Saudi government's recent release of more than two dozen former Guantanamo Bay prisoners, are voicing fears that the men will join the camp of violent extremist groups. The Saudis released the 29 men from jail for observance of Ramadan, the Muslim holy month of fasting and atonement, with instructions to return to custody by the end of this month. Saudi officials said that although the men were still under investigation for possible terrorist ties, they were not considered serious threats." The Times adds that Saudi decision to temporarily release the 29 men "illustrates the limits of US influence as the Bush administration seeks to shrink the population of Guantanamo by transferring prisoners to other nations. And it underscores how differently the US and other countries, including Britain and Germany, perceive the danger posed by former detainees."

"Essential Element" Of Canadian Anti-Terror Law Ruled Unconstitutional. The New York Times (10/25, Austen, 1.21M) reports, "An Ontario judge ruled Tuesday that an 'essential element' of Canada's antiterrorism laws was unconstitutional. The decision, by Justice Douglas Rutherford of the Ontario Superior Court, marks the second time in less than a week that a judge at the court has rejected parts of the nation's new antiterrorism laws. Justice Rutherford found that the laws, introduced after the Sept. 11 attacks in the United States, improperly defined terrorism as a crime committed with religious, ideological or political motives. That definition, he said, is 'an essential element that is not only novel in Canadian law, but the impact of which constitutes an infringement of certain fundamental freedoms,' including 'those of religion, thought, belief, opinion, expression and association.'"

HOMELAND RESPONSE:

In Letter to Gonzales, Grassley Calls Lack Of Anthrax Probe Briefings "Outrageous." Under the headline "FBI Hit For Anthrax 'Dead-Ends,'" the Washington Times (10/25, Seper, 88K) reports Sen. Charles Grassley "wants Attorney General Alberto R. Gonzales to explain why the FBI has not made an arrest in its anthrax investigation, citing five years of 'dead-ends and a lack of progress.'" Grassley wrote to Gonzales, "The FBI's refusal to brief Congress over the last several years is an outrageous response to reasonable requests at getting to the bottom of the attacks." The Times notes, "FBI Assistant Director Joseph Persichini Jr., who heads the Washington field office, said last month that FBI and U.S. Postal Service investigators were 'fully committed to bringing the perpetrators of these murderous attacks to justice.' … Mr. Grassley said a detailed examination of the probe may reveal the FBI's 'institutional resistance to criticism and dissent.'"

Milloy Says Postal Workers Feel "Forgotten," "Vulnerable." In his Washington Post (10/25, 748K) column, Courtland Milloy writes that postal workers feel "forgotten" in the anthrax saga and notes that Brentwood Exposed president Dena Briscoe said at a memorial service last week for the postal workers killed in the attack, "Like soldiers, we continue to work on the front line, sometimes feeling unarmed, in hopes that our health and safety needs are met, and that the culprits are apprehended." Milloy adds, "The challenge of forgiveness was highlighted by a letter from Sen. Barbara A. Mikulski" to the memorial service, in which she wrote, "It is unacceptable that we still have no leads." However, "Joseph Persichini Jr., acting assistant director of the FBI's Washington field office, told the postal workers that law enforcement agents had worked extremely hard, round-the-clock, and that the failure to solve the crime had caused much grief and frustration. … His humility seemed to soften the crowd," but "the wounds inflicted five years ago are still raw. And it probably doesn't help the healing that some postal workers still feel terribly vulnerable to attack."

Busy US Airports Show Interest In Registered Traveler. USA Today (10/25, 3A, Frank, 2.27M) reports, "Ten of the USA's busiest airports have asked" the TSA to let them run Registered Traveler programs and could start "by the end of the year, launching a much-delayed effort to expedite security for travelers who pass background checks." Among those on "a list of interested airports" released by the TSA after a Freedom of Information Act request by USA TODAY are Atlanta, Chicago O'Hare and Los Angeles airports. "Steven Brill, CEO of a New York company that would run Registered Traveler programs, said 10 large

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airports would provide a 'critical mass to ensure this program launches and flourishes.'"

More Human Remains Found At WTC Site. The AP (10/24, Kugler) reported that 36 more bone fragments were found Tuesday in subterranean cavities along the edge of the World Trade Center site. Workers found the remains as they "continued burrowing into areas that were apparently missed during the initial cleanup." The AP adds, "The newly discovered bones are just the latest finding of overlooked remains. Hundreds of bone fragments have been found on the roof of a building just south of the trade center site, and officials are eyeing whether other buildings need to be combed again."

White Louisiana Residents More Likely To Seek Help With Insurance Claims. USA Today/AP (10/25, 5A, Callimachi, Bass) reports, "Though poor and minority neighborhoods suffered the brunt of Katrina, residents living in white neighborhoods have been three times as likely as homeowners in black neighborhoods to seek state help in resolving insurance disputes, according to an Associated Press computer analysis of Louisiana's insurance complaints settled in the first year after Katrina." Louisiana Insurance Commissioner Jim Donelon "said his department made an extra effort to reach as many people as possible and let them know the agency was willing to press their case with insurers. … Mike Trevino, a spokesman for Allstate, said the state agency treated minority and white homeowners equally. The figures obtained by the AP support his contention."

Quiet Hurricane Season Provides Relief For New Orleans, Insurance Industry. ABC World News (10/24, story 10, 2:50, Gibson, 8.78M) followed up a brief report on Hurricane Paul weakening to a tropical storm with a report on this year's hurricane season, which "has been…unusually quiet." ABC (Koffman) continued that forecasters, who had predicted an active season this year, "admit theirs is an inexact science." Meanwhile, the light season "is very good news for New Orleans, where the Army Corps of Engineers has another year to rebuild levees Hurricane Katrina overran." An inactive season is also good news for the insurance industry, but not for homeowners, who have "seen rates sky rocket. And they won't be coming down."

Recovery Official Says State Is Rebuilding "Safer, Stronger And Smarter." Norman C. Francis, chairman of the Louisiana Recovery Authority, in an op-ed in USA Today (10/25, 12A, 2.27M) writes that in response to the Katrina, "we in Louisiana have pledged to acknowledge our risks and rebuild safer, stronger and smarter. This is oftentimes an unpopular position, but we've stuck to that commitment." The state "adopted a tough, new statewide building code and FEMA's new flood elevation guidelines. With funding from President Bush and Congress, we created programs to allow families to sell us their flood-damaged homes or elevate as they make repairs." Francis states that the question should not be "whether to rebuild Louisiana, but how to do so safely."

In an opposing editorial, USA Today (10/25, 12A, 2.27M) writes, "Federal taxpayers will be subsidizing reconstruction in flood areas, underwriting the insurance on those homes and will no doubt have to bail out the flood insurance program if the homes get wiped out again. The program collected only $2.2 billion last year in premiums but will pay out more than $20 billion in Katrina claims, leaving taxpayers on the hook for the rest." USA Today states that "the homeowners in and around New Orleans deserve some assistance because of the magnitude of the disaster and the failure of federally constructed levees to protect them. But encouraging rebuilding in the most flood-prone areas is foolhardy."

WAR NEWS:

More US Troops May Go To Iraq As Government Agrees To Set Timetable. All three networks led with Iraq and the news that US commander Gen. George W. Casey Jr. says more troops may be needed to stabilize the situation there. Between them, the networks ran just under 19 minutes on Iraq last night. The tone of the stories was generally negative. The CBS Evening News (10/24, 3:40, Couric, 7.66M) opened its broadcast by saying the "US death toll topped 2,800 today as the military announced the deaths of two Marines, a soldier, and a sailor. With these growing numbers, pressure is building on President Bush to find a way out and bring the troops home. But the President says that cannot happen until the Iraqis can handle their own security. So the question is when will that happen?" Casey was shown saying, "We are about 75% of the way through a three-step process in building those forces. And it's going to take another 12 to 18 months or so, until I believe the Iraqi security forces are completely capable." But CBS (Logan) added, "But these uniformed men you see here in handcuffs are the Iraqi security forces. This time, they're prisoners of an American unit instead of partners. That's because these troops from 101st Airborne Division, believe the grenades just fired at them came from the Iraqi soldiers' weapons, and it's not an isolated incident."

NBC Nightly News (10/24, 4:50, Williams, 9.87M) led with what it called "a relentless drumbeat of bad news from Iraq lately, and the message from officials there today was, they will need more time, maybe even more troops in order to fully join the fight to suppress the enemy in Baghdad. On that front today, the US announced the deaths of four more servicemen. That brings the total for October alone to 92. And that's a grim record pace." NBC (Engel) added, "Today was a carefully orchestrated news event to announce that the

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Iraqi government has accepted a timetable, clearly driven by Washington. As US troops patrolled Baghdad today, the top American officials in Iraq held a rare joint press conference to deliver a clear message: No staying the course here." NBC Nightly News (10/24, story 2, 2:50, 9.87M) followed on that theme in its next story, with anchor Brian Williams saying, "Last night we reported the President will no longer use the words 'stay the course' in his speeches." NBC (Gregory) added, "There are important signals being sent out" from the White House "two weeks before an election. A senior advisor told me tonight, we don't want to appear to have our heads stuck in the sand in Iraq."

CBS Evening News (10/24, story 2, 1:15, 7.66M) anchor Katie Couric asked Pentagon correspondent David Martin, "You've got military leaders expressing guarded optimism, and yet, troops on the ground seeming to feel that things are not going the right way. So why the disconnect?" Martin replied, "I think the generals genuinely believe that success is still possible. But what's changed is that I think they also believe that failure is possible, and with each passing day of sectarian violence, failure becomes more of a possibility." ABC World News (10/24, story 2, 2:15, McCarthy, 8.78M) said "any progress" in Iraq "will require strong political leadership."

ABC World News (10/24, 2:30, Gibson, 8.78M), taking a less negative approach, led by saying a "new timetable for when the troops might come home" comes "with the caution that more US troops might be needed before they do." ABC (Karl) said Casey and US Ambassador Zalmay Khalilzad "say that the Iraqi government has agreed to set a time line for resolving major political and economic issues. It's a timeline, they say, that could leave the Iraqis largely self-sufficient within 12 or 18 months. The announcement came at a generally upbeat press conference in Baghdad." But "former generals were skeptical." Retired Maj. Gen. William Nash, Council on Foreign Relations: "If they don't deliver, the time line, undoubtedly, will be extended or we'll withdraw without a political settlement, in which case, we'll leave behind us much more chaos and much more violence."

The New York Times (10/25, Burns, 1.21M) reports in a "news conference held after a week of largely bad news from Iraq," Casey and Khalilzad "sought to reassure an increasingly restive American public that the war was still winnable." But the two men "did not address what would happen if the government failed to meet the timetable, which includes measures meant to address some of the most intractable issues plaguing the country, including the sectarian militias that have been responsible for much of the worst violence this year."

Under the front page headline "More U.S. Troops May Be Iraq-Bound," the Washington Post (10/25, Knickmeyer, 748K) reports Casey said he "may call for more troops to be sent to Baghdad, possibly by increasing the overall U.S. presence in Iraq, as rising bloodshed pushes Iraqi and American deaths to some of their highest levels of the war." The Los Angeles Times (10/25, Roug, 918K) leads a similar story by saying Casey said more US troops "might be needed to quell sectarian violence raging in the capital."

The Wall Street Journal (10/25, Jaffe, 2.03M) takes a different tack in a front page report, saying US officials, with "few military options left to counter the violence" in Iraq, are "shifting more of the onus onto Baghdad's beleaguered political leaders to broker compromises they hope might stem the rising bloodshed." The Journal focuses on the timetable, not the possible US troop increase, but concludes that "little in Iraq over the past three years offers reason for optimism that the renewed pressure" on PM Nouri al-Maliki "will produce better results."

USA Today (10/25, Jervis, 2.27M) headlines its front page story "No Major Troop Cut In Iraq For A Year," and spends much of the report discussing current troop levels. The Washington Times (10/25, Scarborough, 88K) and the AP (10/24, Hurst) have straightforward reports on the Casey/Khalilzad announcement.

Baghdad Violence Said To Belie Casey's "Laudable Goal." The New York Times (10/25, Gordon, 1.21M) says Casey's "laudable goal" of turning over security responsibilities within 18 months "seems far removed from the violence-plagued streets of Iraq's capital, where American forces have taken the lead in trying to protect the city and American soldiers substantially outnumber Iraqi ones." The Times says that with the "rise in sectarian killings, a Sunni-based insurgency that appears to be as potent as ever and an Iraqi security establishment that continues to have difficulties deploying sufficient numbers of motivated and proficient forces in Baghdad, General Casey's target seems to be an increasingly heroic assumption." USA Today (10/25, 8A, Jervis, 2.27M) headlines a story "More Troops Means More Targets For Snipers," writing that sniper attacks on US troops "have risen dramatically as more Americans have been pulled into the capital to patrol on foot and in lightly armored vehicles amid raging religious violence."

Some Iraqis Dispute Khalilzad's Assessment. The AP (10/24, Hendawi) reports that while Khalilzad "insisted" that things "are not all bad in Iraq, citing the growing number of satellite dishes on rooftops and consumers with cell phones as signs of economic progress," some Iraqis "saw things differently." Baghdad resident Mohammed Ibrahim, a government employee, said, "We'd prefer he take those back and return just 10 percent of our prewar life. Saying things like that shows the Americans' contempt for us Iraqis."

Pace Still Optimistic About Iraq's Future. The AP (10/24, Baldor) reports JCS Chairman Gen. Peter Pace said he is "not discouraged by what other U.S. commanders have described as disappointing progress in securing Baghdad, but he predicted no quick turnaround." Pace "told a

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Pentagon news conference that his optimism about Iraq's future is based on his belief that most Iraqis want peace and stability. He also said Iraqis have plenty of incentive to halt the sectarian violence that threatens to tear their country apart."

Biden Federalism Plan Slowly Gaining Bipartisan Interest. The Hill (10/25, Schor) writes that lawmakers and candidates from both parties "are signaling new openness to dividing the war-torn nation into three autonomous regions, a plan closely associated with Sen. Joe Biden." Biden, "one of his party's most trusted foreign policy voices, has turned up the spotlight on his plan for largely self-governing regions in Iraq." Biden, appearing on CNN's Larry King Live (10/24), said the Bush Administration's Iraq policy has "been wrong from the beginning. There's been no apparent willingness on the part of the civilians in this administration to change it. … The thing is broken. They need a political solution in Iraq and we need a bipartisan solution at home."

More Commentary. The Wall Street Journal (10/25, A14, 2.03M) editorializes, "Yes, the Iraq project is difficult, and its outcome dangerously uncertain." But while "timetables and deadlines may sound like realpolitik," they "only feed suspicions that the U.S. will abandon Iraq's leaders once they have walked out onto a political limb. Iraq is not yet in a state of 'civil war,' and it has a functioning, if imperfect, government. If changes of tactics or force levels are needed, by all means make them. But what Iraqis most need from Washington is reassurance of support for the tough decisions and battles that lie ahead."

In a Washington Post (10/25, A17, 748K) op-ed, American Enterprise Institute resident scholar Frederick Kagan writes, "It's been coming for a long time: the idea that fixing Iraq is the Iraqis' problem, not ours -- that we've done all we can and now it's up to them. … The implication of these arguments is clear: The United States should prepare to leave Iraq, after which the Iraqis will work out their own troubles -- or they won't. In any event, we can no longer help them. This notion is wrong and morally contemptible, and it endangers American security around the world."

Cheney Says Iraqi Forces Must Take Over Responsibility For Security. Vice President Cheney was asked on NPR (10/24) why the US does not put a larger force on the ground in Iraq. Cheney said, "Because the judgment has been up until now that the key for us in Iraq is to get the Iraqis into the fight. And we've got 140,000 roughly troops there now, US and coalition forces, and we've worked very aggressively to stand up, and we're -- I think George Casey said today, we're about 75 percent of the way there in terms of getting an Iraqi force that's able to provide for their own security. The sooner we do that, the sooner we can reduce our own presence and turn things over to them."

Asked on NPR (10/24) if he still believes the insurgency is in its last throes, Cheney said, "Can't say that. I made it clear earlier that I would have expected that the political process we set in motion, the three national elections and so forth would have resulted in a lower level of violence than we're seeing today. It hasn't happened yet. I can't say that we're over the hump in terms of violence, no."

Snow Says US Is Winning War In Iraq. White House spokesman Tony Snow was asked on MSNBC's Hardball (10/24) if the US is winning the war in Iraq. Snow said, "Yes." Asked if the US will eventually declare victory, Snow said, "I think what's going to happen is the Iraqi people are going to be able to declare victory, because you're going to have a democratic society that in that part of the world is going to be able to set an example."

GOP Said To Evince Ambivalence On Iraq. The Financial Times (10/25, Sevastopulo, Dombey) runs one of the few optimistic headlines this morning, "Success In Iraq Possible, Say US Officials," but its report is less sunny, saying that while "top US officials in Baghdad on Tuesday said Iraqi forces should be 'completely capable' of taking responsibility for security" within a year and a half, "Republican support for the White House strategy on Iraq continued to erode just two weeks ahead of November's congressional elections."

The CBS Evening News (10/24, story 3, 1:20, Axelrod, 7.66M) said, "The White House is quite a bind, because on one hand it has to project some sense of resolve, certainly to keep appealing to its base. On the other hand, they read the polls, and they know that voters want a change in Iraq policy but as far as and significant change a White House official tells me do not expect to see anything significant prior to Election Day." McClatchy (10/25, Hutcheson, Talev) also examines the US election impact, saying that "judging from the initial reactions" at home, the Casey/Khalilzad announcement "appears unlikely to influence the Nov. 7 congressional elections."

Columnist Says GOP Defeat Would Be Islamist Victory. In his Washington Times (10/25, 88K) column, Michael Scheuer writes, "In a world where leading Western experts have consigned Osama bin Laden and al Qaeda to near-irrelevant status, the gangly Saudi is on the verge of seeing the forces he leads and inspires knock off their third infidel government. Not bad for a guy running from rock to rock and cave to cave." Scheuer faults "Islamist militancy" for the defeat of then-PM Jose Maria Aznar in Spain and the recent coup in Thailand, and says "bin Laden, et. al, know the biggest prize looms just ahead -- the chance that the Republican Party will be ousted from one or both houses of Congress."

Pelosi Says Americans Will Not "Stay The Course." House Minority Leader Nancy Pelosi, appearing on CNBC's Kudlow and Company (10/24), said President Bush "has said

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'stay the course.' It was a slogan, not a strategy. Now he is banning 'stay the course.' I don't know if it is banned as a slogan or a strategy. But in any event it's clear that the American people are just not tolerating this course of action. They don't intend to stay the course."

McGovern Says US Headed Down Vietnam "Road" In Iraq. The Washington Post (10/25, A15, 748K) interviews ex-Sen. George McGovern, co-author of "Out of Iraq: A Practical Plan for Withdrawal Now." The Post leads its story by saying that "during the years that he led opposition to the Vietnam War," McGovern says he "consoled his family with the proposition" that the US "would never again commit such a 'tragic mistake,' as he put it." But McGovern said in the interview "that America is headed down 'the same road' in Iraq."

Columnists Examine Retirement Of "Stay The Course." In her New York Times (10/25, 1.21M) column, Maureen Dowd writes, "Things have become so dire for the Republicans that now even Bush is distancing himself from Bush. The president is cutting and running from the president." Bush "will no longer stay the course on the rallying cry 'stay the course.' … Of course, the administration has never really said what 'the course' is, so it was never really apparent what 'staying' it meant, anyhow."

In his Washington Post (10/25, A17, 748K), column, David Ignatius writes, "The Bush administration's Iraq policy is no longer 'stay the course' but, in the phrase of White House spokesman Tony Snow, 'a study in constant motion.' The reality, as near as I can tell, is that the administration isn't sure yet where to move after the November elections. Nor are most of the administration's critics." How can the US, "in its search for an exit, avoid compounding the mistakes it made in invading Iraq? To help light the way, we are blessed with a deus ex machina in the bipartisan Iraq Study Group."

In his Washington Post (10/25, A17, 748K), column, Harold Meyerson writes, "The president has fled the field from 'stay the course,' signaling not just the unwinnability of his war but the bankruptcy of his political strategy. For as the president and his party grope for an alternative plan of action in Iraq, Karl Rove's bright line between Republican resolve and Democratic defeatism has become irreversibly fuzzed. … 'Stay the course' has been replaced by 'anything goes' -- so long as it helps the Republicans cling to power."

Overhead Consumes Large Share Of Iraq Reconstruction Budgets. The New York Times (10/25, Glanz, 1.21M) says a report by the Special Inspector General for Iraq Reconstruction says "overhead costs have consumed more than half the budget of some reconstruction projects," leaving "far less money than expected to provide the oil, water and electricity needed to improve the lives of Iraqis." Overhead expenses including "housing and feeding employees, completing paperwork and providing security" have "ranged from under 20 percent to as much as 55 percent of the budgets."

IG Report Finds Halliburton Passed On "Unusually High" Costs To US. On the front of its business section, the Washington Post (10/25, D1, Witte, 748K) reports, "A report released yesterday by the inspector general's office overseeing Iraq spending found that at least 55 percent, or $163 million, of $296 million in total costs rung up by Halliburton unit KBR" and "passed on to the government under a key contract to restore Iraq's oil industry" were administrative overhead, "a figure that critics said was unusually high," although the report "does not directly say whether KBR's overhead costs were excessive." It is "significantly higher than it was on work by other firms in Iraq, and experts said it is far above what is typically found on a government contract." Halliburton spokeswoman Melissa Norcross "defended the company's administrative spending," and "while the Army Corps of Engineers -- which oversaw the contracts -- acknowledged that some of the administrative costs were high," it "argued that important work was getting done even when money was being spent on administrative matters rather than directly on Corps projects."

Halliburton To Sell 17% Of KBR In IPO. The Wall Street Journal (10/25, C5, 2.03M) reports, "Halliburton Co. will sell 17% of its Kellogg, Brown & Root engineering unit in an initial public offering of stock later this year, according to an updated Securities and Exchange Commission filing." The filing also said "that an investigation by a magistrate or a public prosecutor in Algeria 'may be pending' regarding sole-source contracts awarded to Brown & Root-Condor SpA, a joint venture with Condor Engineering SpA in which KBR had a 49% interest as of June 30." Following the sale of "27.8 million shares to the public, Halliburton will own the remaining 83% of KBR; it plans to spin that stake off to Halliburton shareholders in April."

Iran's Khamenei Calls For End To Iraq's Sectarian Conflict. The AP (10/24, Karimi) reports, "Iran's supreme leader Ayatollah Ali Khamenei on Tuesday called for an end to the bloody sectarian conflict" in Iraq. At an Eid al-Fitr event in Tehran, Khamenei told a large crowd, "The Iraqi people should do everything to avoid sectarian conflict."

Military Searches Fail To Find Missing Soldier. ABC World News (10/24, story 3, 0:15, Gibson, 8.78M) reported that there is "no sign of a US soldier that went missing" in Baghdad on Monday. The soldier "is a translator, fluent in Arabic. And it is believed he was visiting a relative's house when masked men drove up and grabbed him." The AP (10/24, Salaheddin) says the US military "carried out house-to-house searches in an upscale Baghdad neighborhood" for the missing translator, "but said Tuesday

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they had found no sign of him." The Washington Post (10/25, A14, Anderson, 748K) says the soldier "apparently has family in Baghdad and left the Green Zone…to visit relatives Monday to celebrate Eid al-Fitr."

US, Iraqi Forces Fortify Position In Retaken Insurgent Base. The Washington Post (10/25, A14, White, 748K) reports on US troops' taking of an "enormous power plant that had been used by insurgents" near the Euphrates. Inside they "saw cages -- one containing a pair of shoes and what appeared to be human feces -- on the bottom floor, what U.S. commanders said they believe is an indication that prisoners had been held there and possibly tortured." US and Iraqi soldiers "began fortifying their position inside the plant…as part of a concerted effort to deny insurgents a safe haven scarcely 10 miles from Baghdad's southern edge."

Army Training Military Advisors For Iraq. Under the headline "Army Is Training Advisors For Iraq," the Los Angeles Times (10/25, Spiegel, 918K) reports that at Fort Riley in Kansas, the Army "is building a training base that by early next year will be turning as many as 2,000 of its most promising midlevel officers into military advisors every two months, most of them headed to Iraq." The mission "reflects the U.S. military's vision of its long-range role in Iraq -- as advisors for local forces who will be doing the actual fighting. But it represents something of a gamble as well: The effort is sucking thousands out of their normal combat deployments at a time when American forces are facing personnel shortages and violence in Iraq is surging."

Service Members Sign Appeal Urging US Withdrawal From Iraq. The Washington Post (10/25, A13, Tyson, 748K) reports, "More than 100 U.S. service members have signed a rare appeal urging Congress to support the 'prompt withdrawal' of all American troops and bases from Iraq," according to organizers. The statement, "sponsored by antiwar activists including Iraq Veterans Against the War, Veterans for Peace and Military Families Speak Out," reads in part, "Staying in Iraq will not work and is not worth the price. It is time for U.S. troops to come home." The "unusual appeal -- the first of its kind in the Iraq war, organizers say -- makes use of a legal protection afforded by the Military Whistle-Blower Protection Act, which provides that members of the military, acting in their capacity as citizens, can send a protected communication to Congress without reprisal."

But the AP (10/24, Flaherty) says "at least two senators -- both critical of the administration's handling of the war in Iraq -- said they were concerned that service members speaking out against the president may undermine the military's apolitical status." Sen. Jack Reed, a West Point graduate, said, "We expect our soldiers to follow…the legitimate orders of their commanders." And Sen. Lindsey Graham said, "We've had a long tradition making sure the military doesn't engage in political debate."

Isikoff Criticizes Weekly Standard For Choosing Novak To Review "Hubris." The Washington Times' "Inside the Beltway" column (10/25, McCaslin) reports on "the lengthy written exchange between" Newsweek's Michael Isikoff, coauthor with the Nation's David Corn of "Hubris: The Inside Story of Spin, Scandal, and the Selling of the Iraq War," and conservative columnist Bob Novak, who reviewed "Hubris" for the Weekly Standard. In a letter to the editor of the Standard Isikoff wrote, "I was amused, to say the least, to see that my old friends at The Weekly Standard asked Bob Novak to review" "Hubris." Isikoff asks, "Was Scooter Libby unavailable?" Novak responded, "I regret that my friend Mike Isikoff, in his letter, is still peddling the story of Scooter Libby and Karl Rove attempting to discredit Wilson by revealing his wife's intelligence background. … Apparently, he joins David Corn in not being able to accept that the conspiracy theory was demolished by his own book."

Islamists Seen As Shifting Attention Back To Afghanistan. The Los Angeles Times (10/25, Rotella, 918K) reports, "The conflict in Iraq is drawing fewer foreign fighters as Muslim extremists aspiring to battle the West turn their attention back to the symbolically important and increasingly violent turf of Afghanistan. … The shift of militants to Afghanistan this year suggests that Al Qaeda and its allies, armed with new tactics honed in Iraq, are coming full circle five years after U.S.-led forces ousted the Taliban mullahs." In Iraq, insurgent leaders "are now mainly interested in foreign recruits ready to die in suicide attacks, anti-terrorism officials say. Moreover, the conflict is dominated by violence between Sunni and Shiite Muslims. In contrast, an accelerating Afghan offensive by the resurgent Taliban offers a clearer battleground and a wealth of targets: U.S. and other North Atlantic Treaty Organization troops, and the Western-backed government."

WSJournal Blames Pakistan For Afghanistan's Woes. The Wall Street Journal (10/25, A14, 2.03M) editorializes, "Our finest foreign-policy minds have been abuzz lately trying explain how and why the U.S. and its NATO allies are, as a recent Newsweek International cover has it, 'Losing Afghanistan.' But no need for deep thoughts here: The largest part of the problem is neighboring Pakistan. In September, the Pakistan government of Pervez Musharraf agreed to abandon its North Waziristan province -- which shares a long border with Afghanistan -- to the de facto rule of its 'tribal elders' and the Taliban and mujahadeen terrorists

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they harbor." Since then, "the number of cross-border raids into Afghanistan has risen threefold. … We don't know what General Musharraf promised President Bush and Afghan President Hamid Karzai during their recent conclave in the White House. But we hope it was more tangible cooperation than we have been seeing of late. Sovereignty has responsibilities, and General Musharraf is not exercising them."

Scholar Urges US-NATO Aid Program On Pakistan-Afghanistan Border. In a Wall Street Journal (10/25, A14, 2.03M) op-ed, Barnett Rubin of the New York University Center on International Cooperation writes, "It will take more than a dinner at the White House…to overcome the longstanding antagonism between Pakistan and Afghanistan. Of course, the political clumsiness on the part of the U.S. does not begin or end there. Had we paid more attention to pre-9/11 history, we might not face a rising Taliban insurgency with sanctuary in Pakistan." Rubin says the US and NATO should "provide aid to develop the border area, where unemployment and illiteracy facilitate recruitment to armed groups" in order to "address the roots of instability and violence in this region, and make those on both sides of the frontier genuine partners in protecting both their own security, and ours."

CORPORATE SCANDALS:

Former Comverse CFO Pleads Guilty To Charges Stemming From Options Backdating Scheme. The Financial Times (10/25, Allison, Agencies) reports David Kreinberg, the former chief financial officer of Comverse, a "voicemail software company, on Tuesday became the first top executive to plead guilty to conspiracy and securities fraud in connection with options backdating. The guilty plea, part of a deal struck with federal prosecutors, came as the US Securities and Exchange Commission announced that Mr Kreinberg had agreed to pay almost $2.4m to settle civil fraud charges." Kreinberg, "who has been free on $1m bail since he surrendered to the Federal Bureau of Investigations in August, was one of three former Comverse executives to be charged over backdating. Jacob 'Kobi' Alexander, Comverse's founder and chief executive, was arrested in Namibia earlier this month after being branded a fugitive from justice by US authorities. Mr Alexander, who has denied wrongdoing, is fighting extradition to the US, where he could face more than 20 years in jail if convicted. William Sorin, Comverse's former general counsel, is also facing charges."

The Wall Street Journal (10/25, C3, Davies) reports Kreinberg "has told prosecutors that Mr. Alexander offered him a 'name your price' bribe if he would take sole blame for the fraud, according to people familiar with the situation. The alleged bribe started with offers of $2 million and then $5 million, according to prior court documents from prosecutors. At a hearing yesterday in U.S. District Court in Brooklyn, Mr. Kreinberg admitted to helping Mr. Alexander select particularly favorable dates on which to grant options, using hindsight. 'I was asked by the CEO to bring him a printout of the company's trading prices over a past year period to enable him to select the 'as of' date that would be used for the exercise price of the option grant,' he said in court."

Bloomberg (10/25, Hurtado) reports that "Kreinberg implicated his former boss as he pleaded guilty to conspiracy and securities fraud in the U.S. probe of illegal manipulation of employee stock option grants." Bloomberg continues, "Former Comverse Chief Executive Officer Jacob 'Kobi' Alexander directed a scheme to systematically backdate stock option grants, Kreinberg claimed today in Brooklyn federal court. Contrary to Comverse's securities filings, Kreinberg told U.S. District Judge Nicholas Garaufis 'the company was in fact issuing backdated options with an exercise price lower than the fair market value on the grant date.' … Alexander was arrested in Namibia last month and is the subject of a U.S. extradition request. Kreinberg, who faces a possible 15-year prison sentence, agreed to cooperate with the government in its prosecution of Alexander, and in related civil lawsuits as part of a separate $2.4 million settlement with the U.S. Securities and Exchange Commission." Bloomberg notes, "The U.S. Justice Department is trying to persuade the government of Namibia to return Alexander to the U.S. to face charges related to stock-option backdating, including conspiracy, securities fraud, making false filings to regulators and money laundering."

The New York Law Journal (10/25, Bar, Perrotta) reports, "Kreinberg, who has agreed to cooperate with prosecutors in the Eastern District U.S. Attorney's Office, is the first person in the country to plead guilty to illegally backdating stock options. He pleaded guilty to one count of conspiracy to commit securities fraud, mail fraud and wire fraud, and one count of securities fraud. He faces up to 15 years in prison and $1.2 million in fines when he is sentenced Feb. 23. He also could be ordered to pay tens of millions in restitution." The Journal adds, "Kreinberg has separately settled civil charges against him. As part of an agreement with the SEC, he is permanently suspended from practicing as an accountant and must pay $2.4 million in disgorgement and prejudgment interest."

AFP (10/25) reports, "The investigation was led by the Justice Department's Corporate Fraud Task Force, but it was triggered in early March when a Wall Street Journal reporter became suspicious about Comverse's stock option practices."

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Skilling Sentence Ends Enron Era, But Corruption Probes Continue. The Washington Post (10/25, D1, Johnson, 748K) reports, "The sentencing Monday of former Enron Corp. chief executive Jeffrey K. Skilling ended the saga of the scandal-ridden Houston energy company and effectively closed the book on an era of high-profile corporate malfeasance. … Hours after a judge sentenced Skilling to more than 24 years in prison, the leaders of the Enron Task Force announced that they would close up shop," but "there were fresh signals about the direction post-Enron corporate crime enforcement would take. A new wave of investigations is targeting executive greed, insider trading and investment pools known as hedge funds. … 'There is an awful lot to do in the world of corporate fraud,' said Chip Burrus, assistant director in the FBI's criminal investigation division. Policing corporate malfeasance after Enron, it seems, won't be slow -- only different." The Post notes, "Timothy J. Coleman, a former prosecutor and Justice Department official, predicted that the legions of investigators hired by securities regulators, federal prosecutors and the FBI will pay lasting dividends because they will become a 'standing army' ready to target business wrongdoing."

NEC Says It IS Subject Of SEC Investigation. The Financial Times (10/25, Nakamoto) reports NEC, "the Japanese electronics group, said on Tuesday it was being investigated by the US Securities and Exchange Commission in connection with its delay in filing results for the last financial year. NEC said it had received 'a letter of informal inquiry from the SEC requesting voluntary production of certain documents' following the delay to its annual results. The Japanese group gave no further information but said it intended 'to co-operate fully with the SEC in connection with this inquiry'. NEC earlier this month received notice from Nasdaq that it could face de-listing as a result of its failure to provide its annual report for last year. … The Japanese group said it intended to maintain its Nasdaq listing but could not say when it might be able to provide last year's results under US GAAP."

Corporate Scandals Highlight Work Of General Counsels. The Legal Times (10/25, Mandel) reports, "Earlier this year, Judge J. Michael Luttig of the 4th U.S. Circuit Court of Appeals stunned the legal world by surrendering his lifetime appointment to the bench in favor of the top legal job at Boeing Co. In his letter of resignation, Luttig called the job a 'singular opportunity,' one that he could not pass up. Luttig's move did not come as a surprise, however, to the in-house bar, which has noted that the career door that used to swing between government and law firms now revolves with a corporate stop as well for many top lawyers." The Times continues, "The demand for top legal talent in in-house departments has been growing as increased regulation and an increasing emphasis on corporate accountability have put greater emphasis on the attorney's role in helping to foster an ethical corporate culture. … In the current environment it is not enough for companies to be ethical and compliant; they have to be seen as such. As a result, companies are evaluating candidates for top in-house positions on the strength of their reputation for scrupulous ethics, judgment and objective decision-making beyond narrowly defined legal issues. In addition, law firms are seeing the benefits of seeking out new partners from in-house ranks because of the perspective on client service (and potential clients) that these lawyers can bring."

Study Highlights Cost Of Options Scandal. The San Jose Mercury News (10/25, Poletti) reports, "A financial advisory firm has released an analysis estimating the stock-option backdating scandal has cost at least 152 companies nationwide about $10.3 billion." The News continues, "A recent tally by institutional shareholder advisory firm, Glass Lewis in San Francisco, found that at least 152 companies have announced internal reviews, inquiries from the Securities and Exchange Commission or Justice Department subpoenas related to their stock options granting practices." The News adds, "Glass-Lewis said its internal analysis also showed that the backdating scandal has resulted in an unadjusted initial decline of $5.1 billion in the companies' market value, based on the initial drop in their stock prices. The analysis also pegged an additional $5.2 billion in additional pre-tax compensation costs to the companies. … The firm said that at least 44 executives and directors at 24 companies have been fired or resigned to date. Of the 152 companies nationwide, 42 have headquarters in Silicon Valley." The News notes, "In another development Tuesday, Electronics For Imaging, a developer of technology for high-speed printers and copiers, became the latest Silicon Valley company to announce an investigation into its stock options granting practices."

NYTimes Praises Senate Panels For Investigating SEC Pequot Probe. The New York Times (10/25, 1.21M) says in an editorial, "Among the worst impressions the Securities and Exchange Commission could foster is that it pulls punches on delicate matters involving the rich, powerful and politically connected. Now two Senate committees are investigating whether the commission staff, rather than doggedly pursuing possible insider trading by the hedge fund Pequot Capital Management, held back when it came to taking the testimony of a prominent Wall Street player." A "full airing is in everyone's interest."

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CRIMINAL LAW:

Hastert, Reynolds Testify Before House Ethics Subcommittee Investigating Foley Scandal. The CBS Evening News (10/24, story 4, 3:15, Couric, 7.66M) reported, "House Speaker Dennis Hastert testified before the ethics committee, which is investigating Mark Foley's e-mail to former pages. Hastert has said he didn't find out about the nature of the emails until late last month, but Congressman Tom Reynolds, who also testified, claimed he warned Hastert about them this past spring."

The Chicago Tribune (10/25, Dorning, Clough, 623K) reports, "Speaking briefly to reporters from a prepared statement after his testimony, Hastert said he told the panel 'that they needed to move quickly to get to the bottom of this issue, including who knew about the sexually explicit messages and when they knew about it.' Hastert, who testified behind closed doors for just under three hours, added that he answered investigators' questions 'to the best of my ability.'" Hastert spokesman Ron Bonjean "said the speaker would not answer any questions about his testimony." The AP (10/25, Taylor) reports Hastert "urged ethics investigators to work quickly to unravel the congressional pages scandal Tuesday, testifying before them just after a GOP lawmaker whose recollections differ from his." Yesterday's testimony from Hastert and NRCC chair Rep. Tom Reynolds "could signal that the four-member ethics committee is nearing the end of its testimony-taking phase." The AP adds, "Hastert has said he first learned of Foley's inappropriate e-mails to a former Louisiana page…just last month. … But Hastert's appearance followed that of Reynolds, who has said he learned of Foley's inappropriate e-mails to the Louisiana teen last spring and discussed the matter with Hastert. Hastert has said he didn't recall that conversation. He has also assured conservative activist Paul Weyrich that Majority Leader John Boehner was wrong when Boehner said he and Hastert discussed Foley's problems last spring." Hastert "and some other Republicans have suggested revelations about the messages were timed to hurt the GOP in next month's elections."

A number of news reports focus on the "drama" surrounding Hastert's appearance. The Washington Post (10/25, A3, Weisman, 748K) reports, "The twinning of Hastert's appearance with that of Reynolds surprised House Republican and Democratic leadership aides, and it only heightened the drama of the committee's deliberations. Hastert is the first House speaker to testify before the committee since Newt Gingrich discussed a much-criticized book deal in 1997. But in that case, committee members scheduled Gingrich's testimony at night, sparing him a daylight walk through the throng of reporters and camera crews camped outside the hearing room."

NBC Nightly News (10/24, story 3, Williams, 9.87M) reported, "Across town a funny thing happened today outside the hearing room of the House ethics committee. The Speaker of the House walked in while stunned reporters looked on. It was thought that Dennis Hastert would testify but his sudden appearance today was a surprise." CNN's The Situation Room (10/24, Blitzer) said Hastert's "arrival on the Hill was a secret, as was his decision today to show up and testify before the House Ethics Committee."

The New York Times (10/25, Zeleny, 1.21M) reports, "On this day, two weeks before Election Day, Mr. Hastert had planned to be hopscotching from district to district across America, working to preserve Republican control in the House and protect his own seat of power."

The Hill (10/25, Sherman) reports Hastert "sneaked into the ethics committee, avoiding public areas of the Capitol in an apparent move to avoid reporters. As he exited his offices, he utilized the seldom-used Strom Thurmond hallway, and an esoteric attic elevator transported him to the basement. U.S. Capitol Police officers blocked the staircase between the crypt and the basement. Hastert's entourage, which included all three members of his communications staff, three Capitol police officers and his attorney, escorted him to the ethics committee hearing room. Hastert attempted to dodge photographers by repeatedly moving behind his staff."

Hastert Seen As Unlikely To Retain Speakership. The Chicago Tribune (10/25, Dorning, Clough, 623K) reports, "Republican officials said confidence in Hastert…has ebbed as the controversy over Foley has continued. Foley resigned last month. Though the party establishment concluded weeks ago that an ouster of Hastert prior to the election would be counterproductive, Republican officials privately indicated it would be difficult for Hastert to hold on to his leadership post afterward, even if the party retains the majority. At least one key Hastert aide recently explored potential new employment, according to a source familiar with the discussion."

CNN Poll Finds 52% Say Republicans Do Not Have High Ethical Standards. CNN's The Situation Room (10/24, Blitzer) reported that "our new poll shows most Americans, 52 percent, say Republicans do not have high ethical standards. But they're not impressed by the other party either. Forty-six percent of those surveyed don't think Democrats have high ethical standards."

FBI Has Not "Substantiated" Allegations Against Harman And AIPAC. The Washington Post (10/25, A6, Eggen, 748K) reports, "Federal law enforcement sources confirmed yesterday that the FBI opened an investigation in 2005 into whether Rep. Jane Harman improperly enlisted the aid of" AIPAC, "but they cautioned

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that no evidence of wrongdoing was found. The inquiry focused on whether Harman had made promises to…AIPAC in exchange for its support of her desire to become chairman of the House intelligence committee if Democrats take control of the House, several law enforcement sources said. Although the case is still considered open, officials said, the allegations have not been substantiated, and there has been no significant investigative activity on the issue in recent months. The inquiry was first reported by Time magazine."

FBI Investigating Renzi's Role In Arizona Land Sale. The Washington Post (10/25, A4, Weisman, Eggen, 748K) reports, "US prosecutors in Arizona have opened a preliminary investigation into whether Rep. Rick Renzi (R-Ariz.) twice pressured landowners to buy a 480-acre parcel owned by his former business partner, a major backer of Renzi's political campaign, according to federal law enforcement sources." The deal "ultimately netted the business partner a $3 million profit, according to Arizona land records." The Arizona transaction "has drawn the interest of the U.S. attorney's office and the FBI's Phoenix field office. Three law enforcement officials said both are investigating Renzi's involvement in two land deals -- one of which was not completed -- designed to put the 480 acres under federal protection from development in exchange for land more fit for commercial development." The inquiry "was revealed by two liberal Arizona blogs last weekend."

The New York Times (10/25, Johnston, 1.21M) reports, "Federal authorities in Arizona have opened an inquiry into whether Representative Rick Renzi introduced legislation that benefited a military contractor that employs his father, law enforcement officials said Tuesday. The officials said the inquiry was at an early stage and that no search warrants had been issued, suggesting that investigators had yet to determine whether there was a basis to open a formal investigation or empanel a grand jury." Law enforcement officials "said that the most serious accusation involved Mr. Renzi's sponsorship of legislation in 2003 that appeared to indirectly benefit the ManTech International Corporation, a communications company based in Virginia that employs Mr. Renzi's father, Eugene, a retired Army general, as executive vice president."

Experts Say Ban Will Not Stop Online Gambling. The AP (10/25, Goldman) reports, "Gamblers may look over their shoulder now, but experts say a new Internet gambling ban won't keep bettors from ponying up, just turn them on to overseas payment services out of the law's reach. … 'It has put a terrible scare into people,' said I. Nelson Rose, who teaches gambling law at Whittier Law School. 'But it won't by any means wipe out Internet gambling.'" The AP continues, "The fright swept through the $12 billion industry on the heels of the recent arrests of two gambling company executives and a new law President Bush signed Oct. 13 that seeks to ban most online gambling and criminalizes funds transfers. … The law has wiped out billions of dollars in shareholder value of British companies, leaving the industry's future in doubt as U.S. lawmakers initially trumpeted they had found a way to halt bets coming from America. But serious questions remain about whether the legislation can be effective in stopping U.S. residents from playing poker or betting on sports." The AP adds, "The 'Unlawful Internet Gambling Enforcement Act' goes after the money, not the millions of players, which would be nearly impossible to enforce. It will essentially try to choke off the way Americans fund their gambling habits, hoping to prevent the transfer of dollars to the popular Internet sites. … It's also widely understood that the law has online poker in its gun sights, identifying it as a game of chance - something the poker companies dispute. They believe poker is a game of skill and therefore not subject to the new rules. … But they're fearful nonetheless."

Former Refco CFO Charged With Defrauding Investors. The AP (10/25, Neumeister) reports, "The former chief financial officer of Refco Inc., one of the world's biggest commodities brokerages, was accused in an indictment Tuesday of defrauding investors in a scheme that resulted in losses of more than $1 billion." The AP continues, "An indictment in U.S. District Court in New York charged Robert C. Trosten with conspiracy, securities fraud, false filings and wire fraud. It also added new charges to the case against Refco's former chief executive officer, Phillip R. Bennett. … Prosecutors said Trosten assisted Bennett in hiding hundreds of millions of dollars of debt owed to Refco by a company controlled by Bennett. … The superseding indictment also added new charges against Bennett concerning fraud against holders of Refco's bonds." The AP adds, "Trosten, 37, of Sarasota, Fla., was scheduled to make his initial court appearance Wednesday. Bennett, 57, of Gladstone, N.J., is free on $50 million bail and subject to electronic monitoring. … A lawyer for Bennett, Gary P. Naftalis, said: 'Mr. Bennett reaffirms that he is not guilty of any of the government's charges and looks forward to his day in court.'"

FBI Investigating LANL Classified Documents Found In Police Drug Raid. In a widely-distributed story, the AP (10/25, Jordan) reports, "A drug bust at a trailer park in New Mexico turned up what appeared to be classified documents taken from the Los Alamos nuclear weapons laboratory, authorities said Tuesday. Local police found the documents while arresting a man suspected of domestic violence and dealing methamphetamine from his mobile

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home, said Sgt. Chuck Ney of the Los Alamos, N.M., Municipal Police Department. … Police alerted the FBI to the secret documents, which agents traced back to a woman linked to the drug dealer, officials said. The woman is a contract employee at Los Alamos National Laboratory, according to an FBI official who spoke on condition of anonymity because of the sensitive nature of the case." The AP notes FBI Special Agent Bill Elwell said that the bureau "and the U.S. attorney's office in Albuquerque were 'evaluating the information obtained as a result of the search warrant.'"

Safavian Defense Submits Support Letters For Friday Sentencing. In a widely-distributed story, the AP (10/25, Apuzzo) reports, "A Utah congressman and a former aide to a Virginia congressman have written letters in support of former Bush administration official David Safavian, who is trying to avoid jail time in the Jack Abramoff investigation." Rep. Chris Cannon wrote the court for Friday's sentencing, "When David was my chief of staff, he worked tirelessly in my Washington office. He would come in early, stay late, and devote his undivided attention to the needs of the people in Utah's 3rd Congressional District." Rep. Tom Davis' former Government Reform Committee staff director Melissa Wojciak "wrote that Safavian 'always ensured that he was responsible in managing the taxpayer's dollars.'" The AP adds, "Defense attorneys wrote that Safavian did not harm anybody and committed no fraudulent acts. They have presented a list of past cases they believe are comparable," including Clinton HUD Sec. Henry Cisneros, "who paid a $10,000 fine for lying to the FBI about payments to an ex-mistres."

Rep. Cannon Asks For Leniency For Former Employee Safavian. The Salt Lake Tribune (10/25, Gehrke) reports, "Rep. Chris Cannon is asking a judge for leniency for his former chief of staff, David Safavian, who was convicted with obstructing a federal investigation into his ties with lobbyist Jack Abramoff. … 'When David was my chief of staff, he worked tirelessly in my Washington office. He would come in early, stay late, and devote his undivided attention to the needs of the people in Utah's Third Congressional District,' Cannon wrote in a letter quoted by Safavian's attorneys in court filings." The Tribune continues, "Prosecutors have asked Judge Paul Friedman to sentence Safavian to as many as 37 months in prison. He was convicted of four counts of obstruction of justice and false statements for lying to investigators about his relationship with Abramoff." The Tribune adds, "Safavian's attorney, Barbara Van Gelder, argued that Safavian has been a committed public servant and family man, that his career has been ruined by his arrest and conviction, and asked the judge to impose probation or home confinement. … 'The government's caricature cannot detract from the fact that, as acquaintances, supervisors, and colleagues attest, Mr. Safavian's history and character reflects dedication to his family, his community, and country,' Van Gelder said. . … Prosecutors said it would be a 'miscarriage of justice' not to impose prison time."

Suburban Chicago Mayor Pleads Not Guilty To Bribery Charges. The Chicago Tribune (10/25, 623K) reports, "Niles Mayor Nicholas Blase pleaded not guilty Tuesday to a five-count federal indictment charging him with taking more than $420,000 in kickbacks for steering local business owners to buy insurance from a longtime friend and his son. … The charges allege that the kickback scheme originated more than 30 years ago with Blase's close friend, Ralph Weiner, who ran an insurance agency bearing his name. After Weiner's death in 2005, his son, Steven Weiner, continued to deliver the monthly bribes to Blase, prosecutors charged." The Tribune notes, "Lawyers for Steven Weiner and Paul Zdon, a former employee of the Weiner insurance agency, have said both are cooperating with the FBI and expect to plead guilty to mail-fraud charges." The AP (10/25) also reports on Blase's plea.

Jury Finds Man Guilty Of Murdering NYTimes Editor. The New York Times (10/25, Stout) reports, "The second of two men accused of killing a retired reporter for The New York Times in January was convicted on Tuesday of murder, robbery and other charges that could put him in prison for the rest of his life. The defendant, Percey Jordan Jr., 42, was found guilty in the slaying of the reporter, David E. Rosenbaum, 63, who was beaten and robbed near his home in Washington on the night of Jan. 6 and died two days later. … Jurors deliberated for a day before finding Mr. Jordan guilty of first-degree murder or premeditated murder during commission of a felony; second-degree murder; robbery; conspiracy; and credit-card fraud. The second defendant was Mr. Jordan's cousin Michael C. Hamlin, 24, who pleaded guilty on Sept. 20 to second-degree murder, robbery and conspiracy to commit robbery and testified against Mr. Jordan."

The Washington Post (10/25, B1, Cauvin) reports, "The crime stunned many city residents, particularly those who live in neighborhoods thought to be safe, such as the one where Rosenbaum was robbed and where such random and violent crime is rare."

FBI Investigating Stolen Art In Deceased New Yorker's Collection. The New York Times (10/25, Barry, 1.21M) reports, "If it was the desire of the man who called himself William M. V. Kingsland to be remembered in the salons of New York long after he died, to be the subject of

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the kind of scandal-whiffed conversation he once so enjoyed…then the man who called himself William M. V. Kingsland has succeeded. He died in early spring in his one-bedroom apartment on the Upper East Side," and "this summer…his longtime friends learned that his real name was…Melvyn Kohn. Then, last week, they learned that several pieces in his private art collection were" stolen. "Now the Federal Bureau of Investigation is digging into the nature of his collection, two auction houses are cleaning up the artistic mess he left behind, and the Office of the Public Administrator for Manhattan is trying to sort out the increasingly muddy Estate." The Times notes, "A central question for everyone, of course, is Mr. Kingsland's role in all this. Was he a thief, a fence, or just an innocent collector of pretty things that happened to be hot?"

FBI, Arizona Police Investigating Theft Of Power Line Maintenance Trucks, Tools. The AP (10/25) reports, "Thieves in Yuma County stole three specialized power line maintenance trucks and more than $100,000 in tools used to work on major power lines over the weekend, and the FBI is seeking the public's help tracking down the thieves. The trucks and tools were stolen from the U.S. Department of Energy's Gila Substation Maintenance Facility," and "specialized knowledge is needed to use them. There is no known terror threat from the theft and young people are known to hang out in the area, said FBI Special Agent Deb McCarley. However, the specialized nature of the equipment and its possible use is raising concerns." The AP notes, "The FBI and the Yuma County Sheriff's Office are offering a $10,000 reward for information leading to the arrest and conviction of the persons responsible."

FBI, SEC Investigating Online Brokerage Account Hackings. In a widely-distributed story, the AP (10/25, Funk) reports, "The government has launched investigations into fraud cases in which computer hackers apparently manipulated client accounts at two of the nation's largest electronic brokerages, stealing millions of dollars." TD Ameritrade COO Randy MacDonald "said the fraud that his company experienced during the quarter was part of an industrywide problem and that the company was working with the FBI and other law enforcement agencies." Ameritrade and E-Trade officials "said that while hackers manipulated individual accounts, their own computer systems remained secure." The AP notes, "The Securities and Exchange Commission, like the FBI, is investigating hacking fraud throughout the online brokerage industry."

US Banks, Insurers Expand Online Security Assessment Program. The Wall Street Journal (10/25, A4, Guth, 2.03M) reports, "A group of U.S. banks and insurance companies concerned about data security are expanding a program for assessing the security of online banking and related financial services. The Financial Services Roundtable, an industry trade group, said that five banks have joined an effort to standardize how they judge the security of companies that provide online services. The new participants are Bear Stearns Cos., Goldman Sachs Group Inc., Regions Financial Corp., Wachovia Corp. and Morgan Stanley." The Journal notes that the Shared Assessment Program "formalizes procedures that have historically been handled differently by each financial institution, an approach that the members say is costly and isn't as effective in assuring a high level of security."

Florida Man Pleads Guilty To Online Investment Fraud. The Oregonian (10/25, Denson, 329K) reports Frank Hendricks of Florida "pleaded guilty Tuesday to heading a Corvallis-based Internet investment scam that victimized 1,500 investors in the United States and Canada. … When sentenced in February, he faces as long as 26 years in prison and as much as $1.3 million in fines, plus mandatory restitution." The Oregonian notes that Hendricks and Scott Guenther allegedly "created a CD-ROM and electronic book-marketing business named Pacific Achievements International. Guenther is scheduled to plead guilty to some of the charges Dec. 5 in Eugene, authorities say." The Oregonian adds, "In early 2004, the FBI seized two residences purchased by Hendricks in Shalimar, Fla., and two residences in Gig Harbor, Wash., from a company promoter, federal prosecutors reported."

FBI Investigating Child Porn Allegation Against Connecticut Episcopal Music Director. The New York Times (10/25, Cowan, 1.21M) reports from Greenwich, Conn., "Federal authorities are investigating whether the longtime music director of a prominent Episcopal church here, who was a mentor to thousands of children, was involved in child pornography, according to people involved in the investigation. The head of the Federal Bureau of Investigation's cybercrimes squad in New Haven, Tim Egan, said 'there is a pending investigation' into the matter, but declined to comment further. Susan Marks, a spokeswoman for Christ Church…said that Robert F. Tate, the music director, had recently resigned, and that the church's membership had been notified." The Times notes, 'It was unclear whether the reputed pornographic images that piqued the criminal investigation were stored on a church-owned computer or not."

NBC News (10/24, Sandler, 5:51 p.m.) reported on its Web site that "sources say that earlier this month the FBI searched a building on the grounds of Christ Church…after obtaining information that allegedly implicates" Tate. "A grand jury is convening in the case, and NBC has learned

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that other top church officials have been called to testify." NBC notes, "Located in one of the country's most wealthy communities, Christ Church in Greenwich has attracted an affluent membership since its inception in the 1830s. Former President George H.W. Bush attended services in his youth and, as president, returned to the church in 1992 for the funeral of his mother," and "a Christ Church minister reportedly signed the baptism records of President George W. Bush."

Massachusetts State Trooper To Plead Guilty To Child Enticement Charges. The AP (10/25) reports, "A state trooper charged with trying to solicit sex from an undercover officer he thought was a 14-year-old boy plans to plead guilty in federal court, according to court documents, and has resigned from the force. Brian O'Hare was charged with using the Internet to entice an individual under 18 for sexual activity." The AP notes, "O'Hare allegedly had several sexually explicit chats with an FBI agent who was posing as a 14-year-old high school boy, and the two arranged to meet at the Medford Mall, authorities said. O'Hare was arrested by FBI agents in February after he showed up."

PG County Police Attribute Decline In Crime To Staffing Decisions. The Washington Post (10/25, B2, Partlow) reports Prince George's County police "have attributed a decline in violent crime and property offenses this year to more officers on the streets, the availability of overtime funds to keep experienced officers working and investments in new technology. Compared with the first nine months of last year, the number of homicides in the county has declined by 28 percent (from 128 to 92), rapes by 11.7 percent (163 to 144) and carjackings by 37 percent (from 565 to 356), police said. In preliminary statistics compiled by the Maryland State Police that cover the first half of the year, Prince George's showed a total decline in major crimes of 15.1 percent, the largest percentage decrease among the 23 Maryland counties and Baltimore."

Ohio Executes Cult Leader For Murders Of Five Followers. The AP (10/25, McCarthy) reports, "Ohio executed a religious cult leader Tuesday for the murder of a family of five followers who were taken one at a time to a barn, bound and shot to death. The youngest was a girl just 7 years old." The AP continues, "Jeffrey Lundgren, 56, died by injection at 10:26 a.m. at the Southern Ohio Correctional Facility for the deaths of the Avery family." The AP adds, "The evidence against Lundgren was compelling. … Upset by what he thought was the Avery family's lack of faith, arranged a dinner hosted by cult members. Afterward, he and his followers led the Averys one by one - the father first, young Karen last - to their deaths while the others unknowingly cleaned up after dinner. A chain saw was used to muffle the gunfire. … Lundgren argued at his trial in 1990 that he was prophet of God and therefore not worthy of the death penalty." The AP notes, "Lundgren's attorneys had tried to put off the execution, arguing that he should be allowed to join a lawsuit challenging Ohio's use of lethal injection as cruel and unusual punishment. They said his execution had more of a chance of being painful because he was diabetic and overweight at 275 pounds. … Late Monday, the 6th U.S. Circuit Court of Appeals in Cincinnati issued an order allowing the execution to go forward. The U.S. Supreme Court refused a last-minute request to stop his execution Tuesday, and Gov. Bob Taft denied clemency."

Maryland Delegate Accused Of Foreclosure-Rescue Fraud. The Baltimore Sun (10/25, Butler) reports, "Anne Arundel County police are looking into whether Del. William A. 'Tony' McConkey might have engaged in criminal acts during a real estate deal that he is being sued over, although a police spokesman said that the review is not 'a full-blown investigation.' Police said they are reviewing claims by Teresa Milligan, 42, that the Severna Park Republican committed foreclosure-rescue fraud, in violation of a new law that has civil and criminal penalties. She filed a civil suit Monday in Anne Arundel County Circuit Court alleging that McConkey tricked her into signing over her townhouse to him."

New Technologies Spur Wave Of Retail Crime. The Wall Street Journal (10/25, A1, Zimmerman), in a front-page story titled, "Creative Crooks: As Shoplifters Use High-Tech Scams, Retail Losses Rise," reports, "Using sophisticated tactics such as bar-code forgery and fraudulent gift cards, criminals are stealing larger amounts, and it has gotten harder to catch them. Law-enforcement officers say many of the high-tech thieves belong to organized-crime rings that have turned retail theft into big business. And the Internet has made it easier for them to find buyers for the loot. Retail crime rose to about $37 billion in 2005 from $31 billion in 2003, according to a study conducted by the University of Florida, increasing almost twice as fast as retail sales over that period. Store employees, who have access to merchandise and familiarity with antitheft systems, account for 48% of retail-crime losses, according to the 2005 study. But professional thieves, many of them using sophisticated new methods, also are responsible for a big part, says Joseph LaRocca, vice president of loss prevention at the National Retail Federation, a trade group. The value of merchandise snatched in the average shoplifting incident has more than tripled to $855 in 2005, from $265 in 2003, the University of Florida survey reported."

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CIVIL LAW:

COPA Litigation Begins Final Round. The Legal Intelligencer (10/25, Duffy) reports, "It's not all that often that a month-long trial begins in federal court where everyone knows from the start which side is likely to win. … But that was the situation Monday in ACLU v. Gonzales as the final round of litigation got underway in a challenge to the Child Online Protection Act (COPA), a law which threatens criminal penalties for commercial Web site operators that allow children to access material that is 'harmful to minors.'" The Intelligencer continues, "Eight years after it was passed, COPA has never gone into effect because Senior U.S. District Judge Lowell A. Reed Jr. granted a preliminary injunction that, after two trips to the U.S. Supreme Court, won the approval of a 5-4 court. … Although the majority was a slim one, the high court's holding was that the ACLU and its co-plaintiffs are 'likely to succeed' in proving that COPA is unconstitutional. … But 'likely' doesn't mean certainly, and the Justice Department isn't giving up the fight." The Intelligencer adds, "In preparation for Monday's trial, Reed ordered lawyers on both sides to file their proposed findings of fact and conclusions of law. … Ordinarily, such briefs are filed after a nonjury trial has concluded to aid the judge in his drafting of an opinion that announces his verdict. … But ACLU v. Gonzales is no ordinary case, and Reed apparently wanted the lawyers to provide a roadmap for the trial, which is expected to boil down to a battle of the experts."

Group Claims More FOIA Resources Needed. Government Executive (10/25, Pulliam) reports, "A recent Justice Department report on agencies' compliance with a presidential mandate to improve processing of requests for government documents failed to address resource constraints, an independent research institute has charged." GE continues, "In a letter to Attorney General Alberto Gonzales last week, the National Security Archive, a research institute and library located at The George Washington University, said the report did not acknowledge the scale of the challenge agencies face in reforming their Freedom of Information Act procedures. It avoided mentioning a lack of adequate funding and staffing, as well as the need for cross-agency leadership, the letter stated. … The executive order, signed by President Bush on Dec. 14, 2005, directs agencies to ensure that their FOIA implementation is citizen-centered and results-oriented. They must also appoint chief FOIA officers." GE adds, "The order states that any changes should be made using 'available resources' and 'existing agency staff.' The FOIA chief can, however, recommend adjustments to agency personnel and funding as "may be necessary to carry out" the order's policies. … Daniel J. Metcalfe, director of the Justice Department's Office of Information and Privacy, said there was little discussion of resources in the Oct. 16 report because the agency FOIA improvement plans reviewed in it were due 'only six months after the executive order was signed, in the middle of a budget cycle.'"

The Federal Times (10/25, Curl) reports, "The National Security Archive, criticizing a recent report by Attorney General Alberto Gonzales, has called on Congress to hold hearings to determine if genuine progress is being made in agency administration of the Freedom of Information Act." The Times continues, "Gonzales' report, issued Oct. 16, highlighted progress agencies are making to comply with a presidential directive, issued last year, that requires agencies to name chief FOIA officers and create improvement plans to streamline the processing of FOIA requests. Gonzales wrote that the executive order 'has had an immediate and widespread positive effect on the operations of the federal agencies that administer the FOIA.'" The Times adds, "In letters to both Gonzales and leaders in the Senate Judiciary and House Government Reform committees, the Washington-based research group — which collects and publishes documents obtained through FOIA requests — called the report 'rosy' and said it 'ignored critical challenges facing the federal FOIA system.' … 'While the AG report is optimistic about the agencies' newfound embrace of technology/automation, FOIA request status tracking and backlog reduction, it fails to provide an honest assessment of where agencies' FOIA programs stand today and what it will take to bring their FOIA programs into compliance with the law,' the letters said."

Bankruptcy Judge Gives Dana Corp More Time For Bonus Plan. Dow Jones (10/25, Kary) reports, "Dana Corp. on Tuesday won more time to develop a new legal strategy to obtain a package of bonuses for its chief executive and other top executives." Dow Jones continues, "Judge Burton Lifland of the U.S. Bankruptcy Court in Manhattan, who previously rejected the proposed bonuses, approved the auto-parts suppliers request to further its legal work on a schedule that would permit a Nov. 8 final hearing on its request for a long-term incentive plan for executives. … Even so, Lifland continued to question whether the timeline was too 'aggressive' and whether Dana's strategy made sense. 'Frankly, I'm not fully comprehensive of the strategy of this motion,' Lifland said." Dow Jones adds, "The Toledo, Ohio, company has asked Lifland to reconsider his ruling striking down a program that would have paid Chief Executive Michael J. Burns $9.1 million over the next few years _ including a $6 million bonus once Dana exits Chapter 11 protection. … The Justice Department has called the request improper because it is in effect asking the court guidance on how to get the bonus plan approved. … 'We are not as of yet a part of the growing consensus in this case,'

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said Andrew Velez-Rivera, speaking in court Tuesday as a trial attorney representing the Justice Department's Office of the U.S. Trustee. That office monitors bankruptcy cases to ensure that participants comply with bankruptcy law."

WSJournal Says Bankruptcy Overhaul Law Working. The Wall Street Journal (10/25, 2.03M) says in an editorial, "When President Bush signed the Bankruptcy Abuse Prevention and Consumer Protection Act last year, Democrats and 'consumer' groups not only cried foul but predicted doom. A year after the law was enacted, however, the evidence suggests that their fears were misplaced, not to say cynical." Today, "the number of bankruptcy filings is down some two-thirds from what it's been in recent years. Partly this has to do with people rushing to file for Chapter 7 before the law took effect last October. But there are also indications that people are responding to the new incentives." In the past, "about 20% of bankruptcy filers have had incomes above the national median. But since the law took effect, nearly all filers are below the median. One plausible explanation is that many past filers were abusing the system."

CIVIL RIGHTS:

NAACP Calls For DOJ Probe Of Richmond Police Shooting. The Richmond (VA) Times-Dispatch (10/25, Nolan) reports, "Leaders of the state and Richmond-area branches of the NAACP yesterday decried the $2,500 fine imposed against a former police officer convicted of manslaughter in the May 29, 2004, shooting death of Santanna Olavarria." The Times-Dispatch continues, "On Friday, a jury convicted Michael Couture, 33, of manslaughter. Two hours later, the jury returned with a recommended sentence of $2,500 and no jail time, which the judge imposed. Couture could have faced up to 10 years in prison. … 'This sends a message that black people's lives have very little value to citizens, the criminal justice system and all other institutions in this society,' the NAACP leaders said in a joint statement issued at a news conference yesterday afternoon." The Times-Dispatch adds, "The leaders also called for the Justice Department to pursue a civil-rights investigation into the shooting, in which then-officer Couture fatally shot the 21-year-old Olavarria following a traffic stop in the city's East End. … In February 2005, Police Chief Rodney Monroe forwarded all of the department's police-involved shooting cases to the Justice Department for investigation, including the Olavarria shooting. To date, there have been no federal charges filed in the Olavarria case. … Couture is believed to be the first police officer in the modern history of the city's police department to have been convicted of a homicide while on duty."

Two Mississippi Jailers Charged With Inmate Assaults. The AP (10/25, Mohr) reports from Jackson, MS, "A former jailer at a regional prison in Louisville has pleaded guilty to assaulting an inmate and is working with federal prosecutors in a case against two former correctional supervisors accused of similar crimes, the U.S. Justice Department said Tuesday." The AP continues, "Former Winston-Choctaw County Regional Correctional Facility Deputy Warden Scotty L. Graham and former Captain David G. Mitchell are charged with violating the inmates' civil rights, conspiring to obstruct justice and providing false statements, the Justice Department said. … Former officer Marcus Coleman already has pleaded guilty to similar charges, the Justice Department said, and has agreed to cooperate with federal prosecutors." The AP adds, "An indictment unsealed Tuesday in Washington accuses Graham and Mitchell of assaulting an inmate in October 2001 with a device known as a 'shock stick.' Mitchell is charged with an additional civil rights violation for allegedly attacking another inmate the same day. … Details of the alleged attacks were not available. … 'The details will come out if there's any sort of trial proceeding,' said Justice Department spokeswoman Cynthia Magnuson."

Judge To Lift DOJ Oversight Of Hawaii Mental Health Plan. The Honolulu Advertiser (10/25, Kobayashi) reports, "A federal judge this morning cleared the way for the lifting on Nov. 30 of the federal oversight over the state's efforts to comply with a community mental health plan to serve Hawai'i's estimated 11,000 seriously mentally ill residents." The Advertiser continues, "U. S. District Judge David Ezra essentially approved the latest federal magistrate's status report on the state efforts. … Although U. S. Magistrate Judge Kevin Chang could not say in his report in August that the state met a June 30 deadline to be in substantial compliance with the plan, he said the state made progress and he recommended the lifting of the oversight on Nov. 30. … 'This case will simply terminate (on Nov. 30),' Judge Ezra said." The Advertiser adds, "Attorney General Mark Bennett said even with the lifting of the federal oversight, the state will continue to seek to improve the mental health services. … 'We will keep our noses to the grindstone,' he said. … The state has been under federal oversight for 15 years as a result of a Justice Department lawsuit alleging violations the constitutional rights of patients at Hawai'i State Hospital. … The hospital emerged from the oversight in late 2004, but the oversight continued over the community plan aimed at providing adequate services to the mentally ill in the community. … Justice Department attorneys agreed to the lifting of the oversight on Nov. 30 after the state raised concerns about whether the federal oversight could continue beyond June 30."

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Studies Finds Racial Disparities In US Health Care. The Washington Post (10/25, Lee, 748K) reports that three new studies "in today's issue of the Journal of the American Medical Association…add to the voluminous evidence that the US health-care system works differently for minorities than for whites despite years of efforts to erase racial disparities." But "while the persistent disparities are well-documented, the causes remain the focus of research and debate. One explanation is that minorities tend to be poorer and less educated, with less access to care. And they tend to live in places where doctors and hospitals provide lower quality care than elsewhere. Others suspect cultural or biological differences play a role, and there is a long-running debate about whether subtle racism infects the health-care system." Now, "major medical organizations, private foundations and government health agencies have begun a host of studies, programs and initiatives in the past decade to try to close the gap."

Battle Over Virginia Gay Marriage Amendment Heats Up. The Washington Times (10/25, McLaughlin, 88K) reports that the battle over a proposed constitutional ban on same sex marriage in Virginia "is heating up as both sides of the debate deliver their final sales pitches two weeks before the Nov. 7 election. … Political analysts agree that the amendment could motivate conservatives to turn out for [GOP Sen. George] Allen, who is in a tight race against Democrat James H. Webb Jr. for the U.S. Senate. Mr. Webb opposes the amendment." The Times adds, "A poll conducted by The Washington Post earlier this month showed that 53 percent of Virginians support the marriage amendment, while 43 percent oppose it."

ANTITRUST:

Steel Tubing Firm Owned By Carlyle To Announce Merger. The Wall Street Journal (10/25, C5, Sender) reports, "John Maneely Co., a maker of steel tubing that is owned by private-equity giant Carlyle Group, is expected to announce a merger with Atlas Tube Inc. today in a deal valued at almost $1.5 billion, including stock and debt. The move to bulk up Maneely comes amid a boom in private-equity transactions, in which groups like Carlyle team up to buy companies they believe are undervalued -- often using elaborate financial arrangements -- with hopes of selling them later at a profit. While the proposed Maneely transaction is relatively small, it illustrates how not all these deals are about financial maneuvering. In this case, Carlyle is buying a rival manufacturer in order to gain economies of scale. Both Maneely and family-owned Atlas manufacture tubing used in the construction industry. The merger with Atlas, which is based in Harrow, Ontario, will make Carlyle the parent of the largest North American maker of steel tubing, with sales in excess of $2 billion, the companies say."

DOJ Criticized Over Case Involving Shipping Industry Price-Fixing. The Wall Street Journal's Holman W. Jenkins Jr. (10/25) writes, "Stolt-Nielsen is a name that won't ring many bells unless your peculiar interest is ocean shipping or knotty business cases that might tempt the Supreme Court's intervention. Or perhaps you are a corporate counsel for a major international company who just happened to be wondering, out of idle curiosity, whether the amnesty deals signed by the Justice Department in price-fixing cases are worth the paper they're written on." Stolt "finds itself hanging on whether the Supreme Court will hear its plea challenging the Justice Department's right to revoke an amnesty deal granted to Stolt in return for its help in cracking the cartel. … Justice granted Stolt immunity in return for Stolt coughing up the evidence to allow the successful prosecution of its fellow conspirators (two Norwegian firms, one Japanese). Only after the cases were concluded did Justice renege on grounds that Stolt's management had allowed the collusion to continue for several months between the whistleblower's internal hullabaloo and Stolt's decision to seek amnesty. Of course, Justice had known all this from day one and had chosen to sign the agreement and benefit from Stolt's help anyway. Nine petitioners, including the U.S. Chamber of Commerce, have joined Stolt in urging the Supreme Court to find that Justice has no business indicting Stolt and its employees until the lower courts have definitively ruled the amnesty deal invalid. In fact, the one federal court that looked into the matter ruled that Stolt had upheld its end of the bargain and ordered Justice to do likewise." Jenkins concludes, "With its brain a little less clouded by self-righteousness, the department might notice that its campaign to impose its dubious ideal of price regulation on the world might actually be helped if it grew up a little about antitrust."

Thompson Corp To Put Learning Unit Up For Sale. The Wall Street Journal (10/25, Berman, Cherney) reports, "Publishing and information giant Thomson Corp. is near a plan to put its Thomson Learning division on the auction block, in a deal that could fetch somewhere north of $5 billion, said people familiar with the matter." The Journal continues, "A deal would separate the company's second-largest unit as measured both by revenue and operating income. And it would concentrate Thomson's broad operating lines around legal, financial and scientific-information businesses. Analysts have been calling for a sale of Thomson Learning because it doesn't fit with the company's strategy of selling to professionals. The Learning division also

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wasn't moving as quickly to sales of electronic products as had been hoped." The Journal adds, "In recent years, Thomson has adeptly exited certain businesses that subsequently declined in profitability. Starting in the late 1990s, the company began shedding newspaper assets -- a move away from its historic roots as a Canadian-based newspaper empire -- to refashion itself as an information provider, with more of its services delivered online instead of in print. The sales included The Globe and Mail as well as other smaller dailies."

EU Probing French Guarantee Loan To TVO. The AP (10/25) reports, "EU antitrust regulators on Tuesday opened an investigation into a French state guarantee for a euro570 million (US$716 million) bank loan to Finnish power company Teollisuuden Voima Oy that may have helped a French-German supplier win a contract to build Finland's newest nuclear plant." The AP continues, "The European Commission said the guarantee may have cut TVO's financial costs below normal market levels -- and could have encouraged the company to pick Areva-Siemens to build the first new European reactor in more than 10 years. … 'The guarantee may also have lowered the financial costs linked to the Areva/Siemens offer for TVO and, thereby helped the consortium Areva/Siemens to get the contract for the construction of the new nuclear power plant,' it said." The AP adds, "The EU executive said it would quiz France about the loan -- the interest rate and the guarantee premium TVO paid the French government -- to find out if it gave TVO a cheaper deal and an unfair advantage over rivals. … It said it was acting on two complaints about the guarantee the French state export credit insurance agency Coface gave to TVO to purchase equipment from France's Areva-Framatome."

ENVIRONMENT:

White House Solidly Behind Moratorium On Deep Water Bottom Trawling. The Christian Science Monitor (10/25, Spotts, 58K) reports that while less than one percent "of the world's commercial fish catch comes from trawling the ocean floor of the high seas," the "environmental impact is large - so large that many countries ban or severely restrict the practice within their territorial waters. This week, an international effort to curb bottom-trawling on the open ocean got a significant boost." In a letter to US negotiators "at the United Nations on Monday, a top State Department official set out Washington's unambiguous support for a halt to the practice 'until such time as conservation and management measures are adopted.'" The Administration's "stance on this critical marine-conservation issue may come as a surprise to some, given what many environmentalists call a shaky White House record on other environmental issues. But the president appears to have a deep personal concern about overfishing," says Joshua Reichert, "who heads the environment program at the Pew Charitable Trusts in Philadelphia."

US, EU Officials To Discuss Environmental Issues At Finland Meeting. The AP (10/25) reports, "Officials from the United States and the European Union - split over the Kyoto protocol - met Tuesday in Finland to discuss ways of improving cooperation on environmental issues." The AP continues, "The EU-U.S. meeting is a follow-up to a summit held in Austria in June, when both sides pledged to work 'more closely to address the serious and long-term challenge of climate change, biodiversity loss and air pollution.'" The AP adds, "Signed in 1997, the Kyoto protocol came into force in February 2005 after it was ratified by the required number of nations, including EU members. It requires signatories to cut emissions of six greenhouse gases to 5 percent below 1990 levels by 2012. … The United States rejected the Kyoto targets as placing an unnecessary burden on its economy, drawing criticism from environmental campaigners who say American pollution is responsible for one-quarter of the world's greenhouse gases. … No decisions will be taken at the Helsinki meeting, hosted by the Environment Ministry, but the aim is to explore ways of increasing trans-Atlantic cooperation on environmental questions, Finnish officials said."

Interior Department Delays Gulf Oil And Gas Leases In Settlement With Louisiana. The Wall Street Journal (10/25, Jackson Randall, 2.03M) reports, "The state of Louisiana and the U.S. Department of the Interior Tuesday said they have agreed to settle a lawsuit over oil and natural-gas leasing in federal waters off Louisiana's coast, with the agency agreeing to delay future offshore lease sales pending a complete environmental analysis. Meanwhile, Louisiana, under the pact, won't object to the department issuing leases to energy companies seeking to produce oil and natural gas under Lease Sale 200, which encompasses 20.4 million acres in the Western Gulf of Mexico." The state "sued the department in July, charging that it did not conduct a proper environmental review for its Lease Sale 200 because it didn't take into account coastal environmental damage caused by drilling as well as that brought on by Hurricanes Katrina and Rita last year. The move was seen as part of the state's battle to receive a bigger share of the revenue generated by oil and gas produced in federal waters off its coast."

The New York Times (10/25, Nossiter, 1.21M) says, "The suit, filed by Gov. Kathleen Babineaux Blanco, was part of the longtime quest for more of the $7 billion in royalties that Washington receives from the oil companies in the gulf."

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Officials and environmentalists in Louisiana "deem the new accord as a major victory for the state, because it implicitly acknowledges that drilling for oil and gas off Louisiana harms the coastline and contributes to devastating erosion. That, in turn, strengthens a push by the Louisiana Congressional delegation to obtain more oil and gas royalties out of the gulf, money that the state has said it will use to rebuild the coast." The Times notes, "The Senate has passed a bill that would give Louisiana and other coastal states 37.5 percent of the royalties. The House has yet to agree."

Schwarzenegger Chides Bush Over Global Warming. The Los Angeles Times (10/25, Finnegan, Martelle, 918K) reports that in a "tart" letter to President Bush, California Gov. Arnold Schwarzenegger chided the President "for ignoring his plea for more leeway to toughen California's vehicle exhaust standards, Schwarzenegger complained about 'the absence of a coherent federal policy' to stop global warming. At the same time, Schwarzenegger's Democratic challenger, state Treasurer Phil Angelides, dismissed the governor's detachment from Bush as a ruse." The Times adds, "At tightly staged events this week in San Diego, Glendale and Oakland, Schwarzenegger has all but severed his Republican ties while playing up the value of bipartisan harmony. He has also taken pains to widen his appeal beyond white Republican men, his most loyal supporters. At every stop, Schwarzenegger has surrounded himself with African Americans or Latinos and stuck to themes that resonate with Democrats, independents and women: the environment and education."

Environmentalists Rate California Beaches' Levels Of Pollution. The Los Angeles Times (10/25, Kennedy) reports, "Los Angeles County predictably earned the dubious honor Tuesday of having the most polluted beaches in California. Less predictably, Long Beach jumped out as the worst offender among the worst. But having made those pronouncements, Heal the Bay, the environmental group that routinely conducts pollution studies along the California coast, declared this one a victory of sorts. The reason: a number of the usual cellar-dwellers passed with flying colors because of recent cleanup efforts." Mark Gold, executive director of Heal the Bay, "pointed to such perennial polluters as Will Rogers State Beach as examples of cleanup efforts along the coast that were starting to yield results."

FBI/DEA/ATF/USMS:

New Scam Features Fake Email From Mueller. In a widely-distributed story, the AP (10/25, Jordan) reports, "Think twice about answering e-mail from G-man. A new Internet scam promising cash for responding to a document request claims to be from FBI Director Robert S. Mueller. The top government cop's request is followed by a second e-mail threatening that 'failure to comply will result in charges being brought against the individual by the FBI.' 'This e-mail is a hoax,' the FBI said in an alert to consumers that was posted Tuesday on its Web site. 'Do not respond.'" The AP notes, "The spammed scan is the second in as many months to appear to be from Mueller."

ABC News (10/24, Ryan) reports on its Web site, "The e-mail contains information lifted from the FBI's Web site that descibes what an Identification Record is and how to obtain it from the FBI's Criminal Justice Information Services Division. … FBI officials say the hoax is a typical Nigerian scam, which has become more prevalent in recent years." ABC added that after the Mueller email, "individuals receive a second, more threatening notice, claiming to come from Donna Uzzell, another senior FBI official, which says, 'It has come to the attention of our Money Trafficking investigation department, that you have some funds valued at U.S $10.5 Million to your name. ... You are under an observational /Investigation in connection with money laundering.'"

Local TV News Reports Warn Of Scam. The email scam also was covered by local TV news broadcasts across the country. Some examples: WSB-TV Atlanta, (10/24, 11:10 p.m.) reported, "FBI director Robert Mueller is issuing an e-mail fraud alert tonight. Mueller says two e-mails with his name on them are circulating. First one says the recipient could be eligible for a big cash payment. The second e-mail threatens federal criminal charges if the recipient does not respond to first e-mail." WCPO-TV Cincinnati, (10/24, 11:11 p.m.) reported, "Think twice about answering e-mail from the FBI. A new internet scam promises cash for responding to a document request that claims to be from FBI director Robert Mueller. It is followed by a second email threatening that 'failure to comply will result in charges' and demands that a fee be sent to FBI Nigeria. The FBI says the email is a hoax and do not respond." KXXV-TV Waco, (10/24, 9:58 p.m.) noted, "This is the second scam in two months purporting to come from the top g-man."

$27 Million Worth Of Meth, Cocaine Seized In Georgia, 3 Arrested. The Atlanta Business Chronicle (10/24) reports federal officials "have busted three Mexican citizens living in metro Atlanta on charges of conspiracy to distribute cocaine and crystal methamphetamine ('ice'). The U.S. Drug Enforcement Administration (DEA) and the U.S. Attorney's Office jointly announced the filing of a federal criminal complaint. DEA also seized 145 pounds of ice and 72 kilograms of cocaine -- with a street value of $27 million -- in a house in Clayton County searched in conjunction with the arrests."

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The Atlanta Journal-Constitution (10/25, Jefcoats) reports Clayton County Assistant Police Chief Jeff Turner "said the men kept a low profile. 'But that's what you'd expect if you had that amount of drugs and money around,' he said. … The arrests are the culmination of a month-long federal investigation by the U.S. Department of Drug Enforcement Administration and DeKalb Police Department."

Jonesboro, Georgia's News-Daily (10/25) reports the DEA and a metro-area drug task force have "seized 145 pounds of crystal methamphetamine and 72 kilograms of cocaine from a Jonesboro house. … DEA officials believe the drugs, seized in a bust Monday, were being delivered to the house from Mexico and stashed there. They were then being delivered from Mexico to …Jonesboro and then distributed from Jonesboro to be sold on the street in Atlanta and in other cities along the East Coast."

On its Web site, WSB-TV, Atlanta (10/24) reports this latest drug bust "is bringing more than drugs and money – it's also bringing a title Atlanta does not want. Agents tell Channel 2 the metro area is now the largest meth distribution hub on the East Coast. Agents with the Drug Enforcement Administration say it's a balancing act. They say they've reduced the number of local meth labs but are working to also crack down on international shipments, which make Atlanta number one for meth distribution on the East Coast."

On its Web site, WXIA-TV, Atlanta (10/24) reports the DEA "says it's another indication Atlanta is a meth hub. 'With the recent seizures of meth and ice in Atlanta, each one being larger than the other one, I don't want us to become numbed by the numbers,' said DEA Special Agent in Charge Sherri Strange. It is the third-largest seizure of meth for the DEA in Atlanta."

Local TV Coverage. WAGA-TV, Atlanta (10/24, 6:00 p.m.) aired, "Federal officials say you are looking at more than $27 million worth of drugs, half cocaine and half methamphetamine."

WGCL-TV, Atlanta (10/24, 11:00 p.m.) aired, "You are looking at Atlanta's dose of reality. Twenty-seven million dollars worth of crystal meth, cocaine and cash, all seized in a single bust."

WSB-TV, Atlanta (10/24, 11:00 p.m.) aired, "Atlanta apparently has become the largest meth distribution hub on the East Coast. Today, federal authorities announced they made a huge dent by seizing drugs worth millions of dollars. About 27 million dollars in meth and cocaine from a home in Clayton County. … Authorities say they arrested three men linked to a Mexican drug ring. … In all they seized 145 pounds of methamphetamines and 72 grams of cocaine. They say that this was one of the largest busts of its kind in the metro area."

WXIA-TV, Atlanta (10/24, 11:00 p.m.) aired, "In Clayton, agents conducted one of the largest drug busts in state history and arrested three men. Nearly 27 million dollars worth of meth and cocaine and thousands in cash were found inside a home in Jonesboro."

Agents Shut Down Pharmacy In Louisiana. The New Orleans Times-Picayune (10/25) reports federal agents "shut down and searched an Elmwood pharmacy they suspect of shady Internet business practices on Tuesday, marking the second crackdown of its kind in East Jefferson this month. … Unlike the previously shuttered Elite Pharmacy…Pharmacy 101 began as a retail operation about two years ago and later added Internet sales, investigators said. … But similar to Elite, Drug Enforcement Administration officials said huge purchases of painkillers drew their attention to Pharmacy 101. They said the pharmacy was Louisiana's largest purchaser of oxycodone, used in OxyContin, and the third-biggest purchaser of hydrocodone, found in Lorcet, Lortab and Vicodin."

Five Face Drug-Distribution Charges In Indiana. The Fort Wayne (IN) Journal Gazette (10/25) reports federal prosecutors "have accused five men of drug distribution in the transportation of 1,000 pounds of marijuana – packaged in bales – from Texas to Fort Wayne. … According to federal court documents, an undercover Texas Immigration and Customs Enforcement agent tipped off authorities to the plan. … All five men were arrested. When questioned by agents, (one man) said he would be paid $10,000 for his role in the delivery."

Four Face Charges Following Marijuana Dispensary Raid In California. Torrance, California's Daily Breeze (10/24) reports federal agents "seized about 70 pounds of marijuana along with nearly 100 pot plants, a shotgun and a small amount of cash during last week's raid of a medical marijuana dispensary in Torrance, a Drug Enforcement Administration spokeswoman said Monday. Following the raid at Green Cross, four people "were taken into custody after they allegedly attempted to sell pot to undercover detectives working for LA IMPACT, a countywide task force with an emphasis on drug trafficking."

Meth Seized In Indiana Following Warning By Federal Authorities. The Indianapolis Star (10/24) reports Greenwood police "have seized $300,000 of methamphetamine -- a drug that police in Indiana have been fighting hard to eradicate -- in a bust involving a highly addictive and often-imported variety called 'ice.' … Greenwood police arrested two men Friday and seized two pounds of crystal methamphetamine. Federal authorities had warned local police that Mexican ice had been found in the northeastern United States and soon would be reaching the Midwest, said Greenwood Police Chief Joe Pitcher."

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Judge Says Michigan Doctor Ran "Prescription Mill." The Flint (MI) Journal (10/24) reports a one-time Flint Township doctor who "was convicted earlier this year for distribution of narcotic drugs will spend the rest of his life in prison. 'You were running a prescription mill,' U.S. District Judge Paul V. Gadola told Mukunda D. Mukherjee of Fenton, who formerly practiced as an M.D. … Mukherjee was indicted in June 2004 on one charge of conspiracy to distribute controlled substances and 53 felony and misdemeanor counts of illegal distribution of various prescription painkillers, including OxyContin, Vicodin, morphine and drugs with codeine. … The investigation had started some four months earlier. Tipped off by a confidential informant, agents of the federal Drug Enforcement Administration and the state-local narcotics units, the Flint Area Narcotics Group and the Bay Area Narcotics Enforcement Team started a probe."

The Detroit Free Press (10/25) reports a federal judge "has sentenced a Flint-area doctor to 328 years in prison for illegally prescribing prescription drugs, one of the stiffest sentences ever handed down in an illegal prescription case in eastern Michigan. Gadola imposed the sentence Monday on Mukunda Dev Mukherjeree. … Gadola also ordered Mukherjeree to forfeit $150,000 in assets."

North Carolina Man Faces Federal Drug-Manufacturing Charges. The Staten Island Advance (10/24, Annese) reports that more than a year ago, when federal drug agents "raided his 600-plant marijuana warehouse in Port Richmond, Scott Lawler said the loss was disappointing, but 'it could have been worse,' the feds allege." A federal grand jury now has "indicted the North Carolina man on federal drug manufacturing charges -- charges that could bring him 10 years to life in prison. … Lawler, whose name was on the warehouse lease and who paid the security deposit with a personal check, was arrested this summer. The grand jury indicted him this month."

Convicted Doctor Criticizes Federal Investigation In Painkiller Case. The Morris (IL) Daily Herald (10/24) reports Dr. Parambaloth Edwin "believes the federal government spent five years and $5 million just to hand him six months in jail. 'A lot of money for nothing,' he said Monday, in the wake of his sentencing in federal district court in Chicago for failure to accurately track tens of thousands of tablets of prescription painkillers he dispensed through the years to patients. … He said Monday the Drug Enforcement Agency cleaned out his office during the case. He was charged in June 2005 on 17 counts of allegedly dispensing painkillers to patients without a legitimate medical purpose."

In California, Marijuana Activist's Trial Prompts Dispute Over Supporters' T-shirts, Buttons. The Fresno (CA) Bee (10/24) reports that in the upcoming trial of Merced marijuana activist Dustin Costa, prosecutor Karen Escobar "says the federal government — just like the defendant — has the right to a fair trial. To that end, she is asking a federal judge to prohibit Costa's supporters from wearing buttons, T-shirts or anything else that promotes legalizing medical marijuana. … The request prompted Costa's defense attorney, Robert Rainwater, to point out that Escobar was wearing a lanyard with 'DEA' on it, for the Drug Enforcement Administration — which could bias a jury in the opposite direction. Why should she have that right, Rainwater said, when supporters of Costa and medical marijuana might not."

Bush Administration Seeks To Maintain Aid To Colombia. The AP (10/24, Goodman) reports the Bush administration "will ask Congress to maintain current aid levels to Colombia - running at more $600 million yearly - to support the Latin American nation's fight against terrorism and drug trafficking." Undersecretary of State Nicholas Burns "said the mostly military aid would remain unchanged through at least 2008. … The call for continued funding is a major boost to President Alvaro Uribe, Washington's staunchest ally in Latin America, and comes despite the failure of efforts to reduce the country's cocaine trade."

In Bogota, the Miami Herald (10/25) reports Plan Colombia formally "ended in late 2005 with outlays topping $4 billion. The U.S. Congress extended the aid this year as the two countries negotiate a longer-term arrangement. The U.S. money has improved the security situation here, but its impact on the cocaine and heroin industries remains unclear."

Also in Bogota, Prensa Latina (10/24) reports Uribe and Burns "are analyzing Tuesday results of the Colombia Plan, which many consider has failed in wiping out the drug trade in this nation. Until Thursday, Burns will be in Colombia on an official visit accompanied by top functionaries of the departments of State, Defense and Justice, of the Agency for International Development and the Office of National Drug Control Policy. Several analysts and politicians from both countries think the Colombia Plan has also been insufficient in reducing illegal drug crops and eliminating guerrillas in the Andean state."

Two Congressmen Urge Rumsfeld To Step Up Afghanistan Anti-Drug Efforts. The AP (10/25) reports two GOP congressmen "have told Defense Secretary Donald H. Rumsfeld that more needs to be done about Afghanistan's opium crisis because of increased violence and terrorism against coalition forces. The opium and illicit drug trafficking has greatly increased in recent months and

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threatens to 'totally corrupt all of the new Afghan democratic institutions we support,' Illinois Reps. Henry Hyde and Mark Kirk said in an Oct. 12 letter." The congressmen "suggested that the Drug Enforcement Administration combat the problem by focusing on drug kingpins in Afghanistan, heroin processing labs and drug convoys. Hyde and Kirk said the convoys that carry the drugs out of the country bring back land mines and modern weapons bought with drug money from the Taliban and other anti-coalition forces." More than 30 newspapers used the AP story, including the Washington Post, Wall Street Journal, San Francisco Chronicle, Houston Chronicle, Los Angeles Times, and Newsday.

UPI (10/24) cites the USA Today story included in yesterday's briefing and writes, "Others officials, including Rumsfeld, voiced similar concerns that drug money is fueling a resurgence of Taliban and al-Qaida forces in Afghanistan. Rumsfeld has not responded to Hyde's letter, but a Defense Department spokeswoman said the department is treating the matter seriously."

IMMIGRATION:

Role Of DNA Testing In Immigration Examined. The Washington Post (10/25, A1, Aizenman, 748K) reports in a front page article that while the use of DNA testing to prove family relationship in immigration cases has "been invaluable" for those lacking sufficient documentation, "some immigration lawyers worry that US authorities are increasingly requiring DNA tests even when the paperwork is in order -- adding substantial costs and delays to an arduous process." Though State and Homeland Security department officials "said they do not track the number of DNA tests submitted by people seeking to sponsor a relative for a visa," the Post notes that Fairfax Identity Laboratories, one of two DNA laboratories in the Washington region accredited to handle immigration cases, said "the number of requests for tests has increased about 20 percent, to about 2,000, in the past year."

TAX:

Thomas Questions Tax-Exempt Status Of NCAA Athletics. In his column for the Washington Post (10/25, A17) George Will writes that earlier this month, Rep. Bill Thomas, chairman of the House Ways and Means Committee, wrote "an eight-page letter to the president of the National Collegiate Athletic Association, asking awkward questions. Thomas wonders how, or whether, big-time college sports programs, which generate billions of tax-exempt dollars -- CBS pays the NCAA an annual average of $545 million, mainly for the rights to televise the March Madness basketball tournament -- further the purposes for which educational institutions are granted tax-exempt status. … In recent decades the NCAA has increased the number of games that football and men's basketball teams are allowed to play. Thomas wonders how these changes help athletes improve their academic performances. Perhaps these changes have pecuniary purposes?"

CONGRESS-ADMINISTRATION:

Education Department Eases Restrictions On Single-Sex Classes. The AP (10/25, Feller) reports that the Education Department yesterday "announced rules that will make it easier to create single-sex classes or schools, a plan that's been expected for almost three years." Education Secretary Margaret Spellings "said more parents deserve to have the option. … 'Research shows that some students may learn better in single-sex education environments,' Spellings said, careful not to offer an outright endorsement. 'The Department of Education is committed to giving communities more choices in how they go about offering varied learning environments,' she said." The AP adds, "To be published Wednesday and take effect Nov. 24, the rules update the enforcement of Title IX, the landmark anti-discrimination law. The current language has stood since 1975."

The New York Times (10/25, Schemo, 1.21M) reports that the new rules "will allow districts to create single-sex schools and classes as long as enrollment is voluntary. School districts that go that route must also make coeducational schools and classes of 'substantially equal' quality available for members of the excluded sex." The Times adds, "The federal action is likely to accelerate efforts by public school systems to experiment with single-sex education, particularly among charter schools."

The Washington Post (10/25, A4, Strauss, 748K) reports that the Education Department "made the change even though it reported a year ago that there was not enough evidence to say whether single-sex education is beneficial or harmful to students."

USA Today (10/25, Toppo, 2.27M) reports, "The shift is the biggest in 31 years and for the first time allows schools to separate students by gender if they believe it helps -- a standard that is under debate in the existing research." USA adds, "Spellings said research shows that 'some students may learn better' in single-sex environments, but other administration officials Tuesday admitted that the best research offers only tepid support."

The Washington Times (10/25, Price, 88K) reports, "The guidelines have been studied for four years. Education officials began examining policy changes after research indicated that some students learn and behave better in boys-only or girls-only environments. … Education

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Department officials in a teleconference yesterday made it clear that the evidence is mixed. 'The research suggests single-sex education can provide benefits to some students under certain circumstances,' said Stephanie Monroe, the department's assistant secretary for civil rights. 'We're not imposing this as a one-size-fits-all mandate. This is an option that can be helpful to some students, and that's what the literature says. Local schools and parents will make the decision on what is appropriate for their students,' she said."

NBC Nightly News (10/24, story 7, 0:30, Williams, 9.87M) reported, "Some women's advocacy groups fear the new rules will end up short-changing girls."

Embattled Schools Try Marketing Themselves To Parents. The Washington Post (10/25, B1, De Vise, 748K) reports that embattled schools, that are falling behind the No Child Left Behind Act's requirements and risk losing students to the transfers allowed by the Act "are trying a new tack: fighting back by marketing themselves to parents. They promote the extra resources afforded to schools after their test scores repeatedly fail to meet standards, the easy proximity of a neighborhood school, the familiarity of friends and even their so-called inadequate results. … Principals point out that the standard for 'adequate yearly progress,' the measure of success under the 2002 federal law, is a bit higher each year. And a school can be labeled a failure if any one of several statistical subgroups misses the mark. For example, the test scores of special education students or those with limited English skills can open an entire school to transfers."

Federal Auditors Probe Costs Of Transporting Medicaid Patients. The Washington Times (10/25, McElhatton, 88K) reports, "Federal auditors are examining the skyrocketing costs of providing transportation to Medicaid patients across the country, a problem that DC officials are struggling to control. The Office of Inspector General for the US Department of Health and Human Services said it 'will determine whether state Medicaid agencies make erroneous payments for transportation services,' according to its recently released 2007 work plan. Medicaid transportation costs across the nation rose by 48 percent from 1999 to 2003, reaching $1.5 billion, according to the work plan."

Senate Finance Committee Produces List Of Possible "Tax Gap" Fixes. The Wall Street Journal (10/25, D2, Wells, 2.03M) reports, "Congress, in a perpetual hunt to raise revenue without appearing to raise taxes, has a new list of ways to fatten the federal Treasury. One proposal would force brokers to track historical price-basis information on stock sales, which could mean a stiffer capital-gains hit for investors who, intentionally or not, misstate the original purchase price. Another proposal would tighten the interest deduction for some mortgage refinancings. Still another would remove a key tax advantage for many family-owned businesses. The proposals, released to little fanfare last week by Congress's Joint Committee on Taxation, are viable options for lawmakers looking to offset the cost of future tax cuts, tax experts say. … This list of revenue-boosting options was produced at the request of Senate Finance Committee Chairman Charles Grassley and Sen. Max Baucus, who asked the joint committee to pinpoint ways to close the estimated $290 billion tax gap, a measure of uncollected taxes."

Reid's "Ethical Transgressions" Seen As Evidence Of Congress' "Entitlement" Mind Set. In her Washington Post column (10/25, A17), Ruth Marcus says, "As recent ethical transgressions go," Senate Minority Leader Harry Reid's "actions aren't the biggest deal around. Election rules bar candidates from using campaign funds for personal expenses, but Reid contends that the tips were to thank the staff for the hassle of dealing with a resident dignitary. That's arguable, and after the Associated Press reported on Reid's donor-funded generosity, he repaid the three years of campaign-funded tips, $3,300." Reid's actions are "more important, though, as an illustration of the entrenched, bipartisan congressional mind-set of entitlement. Republicans and Democrats may not agree on much, but their joint operating ethos too often boils down to an attitude of: 'It's my due. Why shouldn't I?'" What's "striking about Congress (aside from flagrantly corrupt members such as former representative Randy 'Duke' Cunningham) is the nickel-and-dime nature of the benefits they feel entitled to take, from Reid's acceptance of free boxing tickets from the Nevada Athletic Commission to California Republican Rep. John Doolittle's use of campaign funds to pay the babysitter."

Perino Featured In Esquire's "Women We're Ashamed To Love" Special. Al Kamen, in his Washington Post "In the Loop" column (10/25) writes that his month's Esquire magazine features a "photo display of 'The Women We Love' from various fields. … The section includes 'Women We're Ashamed to Love,' topped by White House deputy press secretary Dana Perino. 'Hotter than Tony Snow and Scott McClellan combined,' Esquire says of Perino. 'Plus, the executive branch seems so much more capable in her dulcet voice. Lie to us, Dana. Lie to us.'"

White House Chief Usher Retiring. The Washington Post (10/25, A6, Romano, 748K) reports, "Gary Walters, the longtime chief usher at the White House who has kept the secrets of seven first families, will retire at the end of the year after nearly four decades of service." Walters "said last night that he told first lady Laura Bush and the president last week of his decision. … In a statement,

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President Bush and the first lady praised Walters, who also worked for the first Bush White House, and said that they were 'grateful for making our family feel at home.'"

Patent And Trademark Office Institutes Telecommuting Pilot Project. The Washington Post's "Federal Diary" column (10/25, D4, Barr) reports on "a telecommuting pilot project developed by the U.S. Patent and Trademark Office…and one of its unions. Under the pilot, 10 experienced trademark lawyers with good job-performance ratings will be permitted to move anywhere in the continental United States and work from home. … There is a catch. The lawyers must show up once a week at the Alexandria headquarters, at their own expense. That requirement will allow the PTO to keep the employees on the roster at agency headquarters and avoid triggering a law that mandates reimbursement for employee travel and per diems."

Government Urged To Provide Face Protection In Event Of Flu Outbreak. In a New York Times op-ed (10/25), Lawrence Wein of Stanford's graduate school of business says, "Despite all the attention given to anthrax and smallpox and potential weapons of mass destruction, pandemic influenza is probably the world's most serious near-term public health threat." It is "highly likely that an effective vaccine will not be available during the pandemic's first wave, that we won't have enough antiviral drugs for large-scale prophylactic use, and that hospitals will be too overwhelmed to treat most cases." To prevent the virus' spread, the government "must draw up a plan for educating the public about effective nonpharmaceutical interventions like hand washing and face protection like masks." While the government "says that it might be beneficial, it doesn't make respirators or masks available. Yet face protection would guard against aerosol and droplet transmission, and even reduce contact transmission by making it difficult to place fingers into one's mouth or nose."

OTHER NEWS:

Dow Hits New High As Investors Await Federal Reserve Meeting. The Financial Times (10/25, Mackenzie) reports US stocks "were caught in narrow ranges on Tuesday, as earnings continued flowing while unsettled investors were distracted by the two-day policy meeting of the Federal Reserve." The S&P500 "was up 0.36 points, or 0.03 per cent, at 1,377.38 while the Nasdaq Composite was 10.72 points, or 0.5 per cent, lower at 2,344.84. The Dow Jones Industrial Average settled up 10.97 points at 12,127.88, marking its fourth record close in five days." But "some observers warn that the surge in equities since markets bottomed in July might not be sustainable."

NBC Nightly News (10/24, story 5, 0:15, Williams, 9.87M) reported, "Now the Wall Street Now. The Dow was up almost 11points to another record close [to close at 12,127.88]. NASDAQ was down just under 11 points [to close at 2,344.84]."

The Wall Street Journal (10/25, C1, McKay, 2.03M) reports, "Investors shied from making big bets ahead of the Federal Reserve's latest interest-rate decision, due out this afternoon." On a day "when major stock indicators ended mixed, the Dow Jones Industrial Average did close at another record, its 11th in the past 16 sessions." Fed officials are "expected to leave their interest-rate target unchanged at 5.25%, although their written statement, expected at 2:15 p.m. EDT, may offer surprises for Wall Street." Even "without the central bankers' thoughts in hand, investors' hopes for a rate cut by the end of the year have been fading in recent days, amid a generally strong batch of strong third-quarter corporate earnings reports."

Federal Reserve Debating Public Inflation Target. The Washington Post (10/25, D1, Henderson, 748K) reports "a fervent debate is underway this week" at the Federal Reserve: "Should the Fed explicitly tell the public what level of inflation it wants to achieve? And if so, should that goal be in the 1 to 2 percent range, or 'comfort zone,' expressed by many central bankers in recent years, or should the upper limit be raised to as high as 3 percent?" How much "people's paychecks will buy in the future, how far their retirement money will go, how many people might need to be thrown out of work to achieve a stated inflation goal -- all these outcomes could be influenced by a debate among the nation's central bankers at their meetings yesterday and today, to which the public has no access." One option, "long-advocated by Chairman Ben S. Bernanke, is for the Fed to adopt a formal, numerical inflation goal, a practice called inflation targeting and used by central banks in 25 countries. The Bank of England, for example, is one of several central banks that seeks to keep inflation at or near 2 percent." The policymaking Federal Open Market Committee "includes supporters and skeptics, making a quick decision unlikely. If committee members ultimately decide to adopt a target in principle, the next challenge would be setting the number."

Some Heating Bills To Rise Despite Drop In Natural Gas Prices. The Wall Street Journal (10/25, A13, Smith, 2.03M) reports, "A substantial drop in natural-gas prices won't help some U.S. consumers with their heating bills this winter." The Journal says, "Some utilities that raised rates significantly last year, in the aftermath of gas-production disruptions along the Gulf Coast, will offer substantial reductions this year because of the fall in gas prices. Others

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will have modest increases or decreases depending on whether they locked in gas supplies when prices were high or rolled the dice on the spot market."

Judge Rules Nine-Year-Old Cannot Be Forced To Undergo Circumcision. The Chicago Tribune (10/25, Peres) reports, "In a case that has been closely watched by anti-circumcision groups nationwide, a Cook County judge ruled Tuesday that the medical benefits of the procedure are not clear enough to compel a 9-year-old Northbrook boy to be circumcised against his will. The boy's mother and her new husband had claimed the operation was necessary to prevent recurrent episodes of redness and discomfort. The boy's father sought a court order barring the circumcision, which he called an 'unnecessary amputation.' The mother has sole custody, but their 2003 parenting agreement gave her ex-husband a say in non-emergency medical decisions."

Former Editor Wins Lawsuit Against Music Magazine's Founders. The Washington Post (10/25, C1, Carlson) reports, "After a tumultuous two-week trial, Kimberly Osorio, a former editor in chief of the Source magazine, won a workplace lawsuit against the popular hip-hop monthly, and a Manhattan jury awarded her $15.5 million. … Osorio, who was fired by the Source last year, sued the magazine and its founders, David Mays and Raymond Scott, alleging sexual harassment, gender discrimination, defamation, retaliatory discharge and maintaining a hostile work environment."

Bush Says Tax Bills Would Increase Under Democrats. The AP (10/25, Loven) reports, "Look around the dinner table and add $500 to your tax bill for each child, President Bush said Tuesday as he sought to convince voters that Democrats would destroy the economy and the family budget if they took over Congress." During a "fundraising swing through Florida aimed at adding nearly $1.4 million to GOP coffers," Bush said, "When you go to the voting booth in two weeks, the lever you pull will determine the taxes you pay for years to come. You will feel the results every April 15." The AP adds that "each one of the president's recent political speeches has offered new zingers aimed at making more ominous the specter of Democrats in charge of the House or Senate, either on the subject of tax cuts or fighting terrorism. On Tuesday, Bush singled out for special emphasis the gradual doubling of the child tax credit from $500 to $1,000, one of several cuts passed during his administration with expiration dates." But "Bush skimmed past the fact that the child tax credit is not yet $1,000 and doesn't reach that level until 2010," and he "also ignored that many Democrats now say they want to retain that tax cut." The AP adds Bush "made his cash-raising visit for GOP congressional candidate Vern Buchanan cheaper for the Republican businessman's campaign by stopping briefly at Gyrocam Camera Systems."

ABC World News (10/24, story 4, 0:20, Gibson, 8.78M), the only network to report on Bush's trip, said the President "hit the campaign trail visiting Sarasota, Florida, to stump for the Republican for the seat being vacated by Katherine Harris. This is one of the seats around the country that the GOP had considered safe, but are now in play. The President's visit underscores just how concerned his party has become about its prospects this fall."

The Sarasota Herald Tribune (10/25, Wallace) reports Bush "exhorted Republicans to show up on election day, saying that a strong GOP turnout is critical to preserving his tax cut package and winning the War in Iraq." Bush said, "We're going to do everything we can to protect you before the enemy attacks." The Herald Tribune adds, "Appearing at a $20 a person fundraiser for Republican congressional candidate Vern Buchanan, the president spent a good portion of his speech warning the audience that Democrats, if they gain control of Congress, will discontinue tax cuts and disrupt U.S. efforts in Iraq." After his speech, Bush's "motorcade made a stop at Gyrocam Camera Systems, a local company with a $51 million contract to provide the Armed Forces with explosive-detecting cameras that can be mounted on personnel carriers and other military vehicles." Meanwhile, Republican Sen. Mel Martinez "has been hitting the campaign trail for Buchanan pretty hard. This is his third visit to Sarasota in the last 60 days. Prior to that, it had been almost two years since his last public visit."

The Miami Herald (10/25, Piedra, Clark, 310K) reports the Sarasota House seat "should have been a cakewalk." But polls "suggest Democrats are poised to seize control of the House -- in part by possibly picking up this seat and two others in South Florida." Strategists "suggest Democratic prospects have been aided by bleak reports out of Iraq, mixed with distaste for corruption scandals -- topped by U.S. Rep. Mark Foley's resignation last month after graphic Internet exchanges with former House pages were made public." Buchanan has "had trouble gaining traction since he limped out of a bitter primary with 32 percent of the vote amid attacks on his business practices. The millionaire auto dealer and major GOP donor has pumped nearly $4.5 million of his own cash into the campaign, making it one of the nation's costliest." Internal polls "are said to show him trailing Democrat Christine Jennings."

The Washington Post (10/25, A7, Abramowitz, 748K) reports President Bush "accused Democrats on Tuesday of being 'genetically disposed' to raise taxes, as he sharpened his rhetoric on the economy in an effort to rally Republicans to the polls next month." Bush "mocked Democrats for what he described as their misplaced pessimism that tax cuts

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would not stimulate the economy. He said it was only one of many poor predictions by the Democrats and suggested they are making another mistake in their growing confidence that they might take the House next month."

The Los Angeles Times (10/25, Gerstenzang, 918K) reports Bush used "mocking language to belittle Democrats" as he "launched a new, muscular political attack today in his campaign to preserve Republican majorities in the House and Senate, challenging the Democrats' economic record and their commitment to fighting terrorism and succeeding in Iraq." Bush "brought up, as he has done before, a statement by Rep. Nancy Pelosi (D-San Francisco), the likely House speaker if Democrats win a majority, expressing Democrats' 'love' of tax cuts." But citing Democratic "opposition to tax cuts he had proposed, the president said sarcastically: 'Time and time again, she had an opportunity to show her love for taxes. If this is the Democrats' idea of love, I wouldn't want to see what hate looks like.'"

The Palm Beach Post (10/25, Bennett, Laforgia) reports President Bush "raised more than $1 million for the Republican National Committee during a brief stop here as the costly battle over which party controls Congress entered its final two weeks." After campaigning in Sarasota, Bush "attended a late-afternoon fund-raiser at the home of advertising executive Jordan Zimmerman in The Sanctuary neighborhood between Federal Highway and the Intracoastal Waterway." The "$25,000-a-head event raised more than $1 million for the party, a GOP spokeswoman said. Gov. Jeb Bush and U.S. Sen. Mel Martinez also attended."

The South Florida Sun-Sentinel (10/25, Blum, 265K) reports President Bush "passed through Fort Lauderdale on Tuesday to raise last-minute cash in Boca Raton for Republican candidates fighting to hold onto the party's majority in Congress." Supporters who "gathered at Fort Lauderdale-Hollywood International Airport to see Air Force One touch down received just a quick glimpse of the president before his motorcade sped off to a Boca Raton fundraiser. The private event held at the mansion of advertising executive Jordan Zimmerman raised $1 million for the Republican National Committee." On Friday, First Lady Laura Bush is "expected to attend a Palm Beach fundraiser for U.S. Rep. Clay Shaw, who is in a tight race against Democratic state senator Ron Klein for Florida's 22nd Congressional District."

Democrats Seize On Bush Social Security Comments. The Washington Post (10/25, A7, Montgomery, 748K) reports, "More than a year after Social Security reform faded from the political radar screen, the debate erupted anew yesterday, as Democrats seized on news that President Bush hopes to revive an unpopular proposal to make changes in the national retirement program." Bush has recently "said Social Security remains one of the 'big items' he wants to tackle next year and he continues to 'believe that a worker, at his or her option, ought to be allowed to put some of their own money...in a private savings account, an account that they call their own.'" With just "two weeks to go until the Nov. 7 congressional elections, Democrats highlighted Bush's comments, seeing an opportunity to remind voters about a Republican proposal that polls have shown is highly unpopular with many voters." Democratic strategists "were gleeful about the chance to draw a sharp distinction between the parties on Social Security, an explosive issue among elderly voters." Some Republicans "were equally perplexed by Bush's timing." Rep. Thomas Davis III said, "I guess you could argue if it gets Iraq off the front page, it was probably a good thing at this point."

Bush Gets Limited Campaign Exposure In Final Weeks. The New York Times (10/25, Stolberg, 1.21M) reports President Bush's visit to Sarasota, Florida for Republican Vern Buchanan "offers a hint of how White House strategists will use Mr. Bush in the final two weeks of the midterm campaign." A Republican strategist "close to the White House" said "some Republicans — among them Senate candidates in tight races in Missouri, Montana, Ohio, Pennsylvania and Tennessee — simply do not want their final campaign images to include Mr. Bush, and have spurned White House offers for help." Instead, White House strategists "are sending Mr. Bush to Republican-leaning districts like Sarasota, where he can help energize the base and increase voter turnout. The president will also appear in swing districts where the Republican candidate has calculated that the last-minute infusion of cash he can bring in is worth more than any bad publicity surrounding the visit." GOP strategist Charlie Black said, "You probably won't see him too much in the Northeast or the areas where he has less popularity. But we do have a number of races that are very close, where the president, as champion fund-raiser, can still get some extra money in there and allow us to outspend the opponent."

The Washington Times (10/25, Curl, 88K) reports Bush "has become the Stealth Campaigner. Candidates across the country, especially those in tight races where the president's power to draw cash is most valuable, want him to drop by for a fundraiser. They just don't want their picture taken with the head of the party -- mainly because they know it will end up in their opponents' television commercials." So far this year, Bush has "done 10 times as many closed-press fundraising events compared to 2002. He has also not appeared at a single major Republican rally, unlike four years ago, when he did 32."

Bush Advised To Seek Credit On North Korea. In their column in The Hill (10/25), Dick Morris and Eileen McGann say President George Bush and Secretary of State Condoleezza Rice "have succeeded beyond expectations in lining up China as a strong ally in forcing North Korea to abandon its nuclear ambitions. The New York Times reports

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that the Chinese are even threatening to ratchet back on their oil shipments to North Korea, which is totally dependent on Beijing for fuel." But Bush "is getting no credit for it and neither are the Republicans. All of the focus has been on the role that Rice and UN Ambassador John Bolton are playing in forcing North Korea back from membership of the nuclear club. President Bush needs to do much more to rivet popular attention on Korea, as opposed to Iraq." To "guard against" a possible strong Democratic close, Bush "needs to distract the country from Iraq, and North Korea offers the best way to do so."

Huffington Expects Bush To Make Political Hay Over North Korea. In a CBS Evening News (10/24, story 8, 2:05, Couric, 7.66M) commentary segment, liberal commentator Arianna Huffington said, "Don't get me wrong, North Korea testing a nuke is real bad news. Yet, I couldn't help but wonder what political use Karl Rove and the President would put this real bad news to. After all, banging the fear gong and trying to scare the hell out of us has worked like a charm for the President and the GOP."

White House Uses "Radio Day" To Spread Optimistic Message. The AP (10/25, Riechmann) reports, "President Bush's political top gun Karl Rove gushes with optimism about Election Day," while National security adviser Stephen Hadley "says the Iraqis need to do more to secure their nation — and do it faster. Presidential confidant Dan Bartlett takes a few verbal punches at Democrats." It "was 'Radio Day' at the White House where more than 30 talk show hosts were invited to set up shop in a heated white tent on the North Lawn to quiz senior administration officials. Beginning at 5:30 a.m., the broadcasters chatted live about everything from Iraq to homeland security to the Nov. 7 elections." In an interview with Fox News Radio, Rove "predicted the Republicans would retain control of Congress, discounting polls that show the Democrats threatening to take over." In an interview with Charlie Sykes of WTMJ in Milwaukee, Wis., Bartlett "also predicted a Republican victory." The AP adds, "Talk about Iraq was buzzing in the tent." Other officials who stopped by the tent or were interviewed at other spots at the White House included Vice President Dick Cheney, Treasury Secretary Henry Paulson, Health and Human Services Secretary Mike Leavitt, Energy Secretary Samuel Bodman, Defense Secretary Donald H. Rumsfeld, Secretary of State Condoleezza Rice and White House press secretary Tony Snow."

The Washington Post (10/25, A7, Kurtz, 748K) reports that for "15 years, the conservatives who dominate talk radio have served as shock troops for the GOP, bashing Democrats, hitting the hot buttons and rallying their listeners. Since the Republicans won back Congress in 1994, a feat in which Rush Limbaugh played a catalyzing role, through the disputed election of 2000 and President Bush's first term, the radio talkers have wielded a powerful megaphone for their ideological side." But "as Bartlett, Karl Rove, Tony Snow, Michael Chertoff and other top administration officials worked the tent during yesterday's day-long event, it became apparent that there are serious cracks in this once-solid wall of support." Jan Mickelson, "a fixture in Des Moines radio," said, "The corps of Bush supporters are just seething, angry and disappointed." Mickelson said Iraq "has become 'ungovernable,' voters are upset about 'perceived corruption in the Republican Party,' and 'social conservatives feel like they've been used again.' But in a point echoed by several of the hosts, Mickelson said that 'immigration is the number one issue' fostering disgruntlement with the Republicans, because his listeners are 'seeing the effects of lack of border control every single day.'" The "biggest star on the right yesterday was Sean Hannity, who is heard on 515 stations. He was granted interviews with Vice President Cheney, Secretary of State Condoleezza Rice and Defense Secretary Donald H. Rumsfeld, whom Hannity hailed as 'a great American.'"

USA Today (10/25, Jackson, 2.27M) reports the hosts, "both national and local, hailed from cities from New York to San Diego. They included a smattering of liberals." Bush spokesman Tony Snow, "himself a former radio talk show host, sat for at least 34 radio interviews in the big white tent. His list included national hosts Glenn Beck and Neal Boortz, as well as Inga Barks of Bakersfield, Calif., and Dave Jaconette of Kalamazoo, Mich."

White House Reaching Out To Disaffected Conservatives. The Washington Post (10/25, A1, Baker, 748K) reports in a front page story, "Beset by discouraging polls and division within ideological ranks, the White House is accelerating efforts to woo back disaffected conservatives and energize the Republican base in a reprise of a strategy that succeeded in the last two campaign cycles." President Bush and Vice President Cheney "have given multiple interviews to conservative journalists, senior adviser Karl Rove has telephoned religious and social activists, and the White House has staged signing ceremonies for legislation cracking down on terrorism and illegal immigration. Two weeks before Election Day, Bush aides invited dozens of radio talk show hosts for a marathon broadcast from the White House yesterday to reach conservative listeners." The "message that Bush and others are sending to alienated supporters is that, no matter how upset they have been about various policies or political missteps over the past couple of years, life would be far worse under the Democrats." But "some conservatives said it is too late." GOP pollster Frank Luntz said, "I've given up on 2006. They've already made so many mistakes, there's no way they can fix it in two weeks.

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But I'm worried now they're going to lose all the marbles." The Post adds the White House "courtship of the right paid enormous dividends in the past, but this year it is complicated by a far more skeptical audience than in 2002 and 2004."

Republicans Could See Defections Among Religious Voters. The Christian Science Monitor (10/25, Lampman, 58K) reports, "Recent surveys show signs of a shift among religious voters that could give Democrats a boost." An October Gallup poll "found white religious voters 'equally as likely to say they will vote Democratic as Republican.' And a Pew Research poll last week found just 57 percent of white Evangelicals planning to vote Republican, a drop from 68 percent in 2002 and 74 percent in 2004. Among white Catholics, the decline was even greater." Pew Forum on Religion & Public Life fellow John Green said, "The GOP's problems with white Evangelicals are important, but they have even bigger problems with white Catholics." The Monitor adds, "The shift reflects plummeting support for the Republican administration and Congress over the war in Iraq and multiplying political scandals. But it appears that Democratic candidates' efforts to articulate their faith and values - and tie them to a broader range of issues - are also resonating with voters."

Kuo Book Gets Muted Reaction Among Christian Conservatives. In the Wall Street Journal's "Campaign Journal" column (10/25), Jackie Calms reports a book "that perhaps should be required reading for evangelical conservatives" is "Tempting Faith." Author David Kuo "worked in the White House office for the faith-based social initiatives that were a foundation block of Mr. Bush's 2000 platform. The book recounts his disillusionment with officials, up to the president. On his promotional tour, Mr. Kuo is calling for Christians to 'fast' from politics for two years." The book recounts how White House aides cynically treated Christian Conservative leaders and the faith based initiative. Perhaps "understandably, Mr. Kuo's book hasn't gotten the attention of another, best-selling author Bob Woodward's 'State of Denial' on the administration's mal-administration of the Iraq-Afghanistan war -- the biggest issue on Americans' minds generally these days. Yet even among Christian conservatives, the reaction to the Kuo book -- where there is any -- is a shoot-the-messenger dismissal."

Rove Remains Optimistic About GOP Retaining House Majority. The Hill (10/25, Kaplan) reports Karl Rove "told Republican supporters last Friday that the media was misreading the political environment — that the combination of money and mobilization of religious conservatives could keep the House in Republican hands after November." Speaking at a fundraiser "for Ohio GOP congressional candidate Joy Padgett at the Old Ebbitt Grill, Rove said polls showed that evangelical Protestant voters were still enthusiastic and suggested that Republicans started with a two- to three-point advantage because of their successful voter turnout operations in 2002 and 2004." The Hill adds, "Despite evidence that voters could direct a barrage of negative public opinion against Republican officeholders on Election Day, Rove and President Bush have been upbeat, making some Democrats nervous about current predictions and worrying some Republicans."

Snow Predicts Republicans Will Maintain Control Of House. White House spokesman Tony Snow was asked on MSNBC's Hardball (10/24) if Republicans will retain control of the House after this election. Snow said, "Yes, they are." Asked about polls that do not look good for Republicans right now, Snow said, "You know the difference between a generic poll and an individual poll. There are 435 House races. I think you're going to see a couple of things. I think, for instance, the fact that for a long time when it comes to Iraq, people have been focusing like another network did on a sniper taking down an American, rather than the achievements of the Americans. People are going to start thinking what's actually going on there? They are also going to ask about the economy. Who is going to be better off? The president cut taxes. We have been through an amazing run of difficulty in the American economy."

Democrats Leery Of Overconfidence. The Washington Times (10/25, Fagan, Hallow, 88K) reports Democrats, "stung by unexpected defeats in the past two national elections, are trying to fend off poll-generated overconfidence by staying on the offensive and focusing on get-out-the-vote efforts." Simon Rosenberg, president of the New Democrat Network, said, "We've learned our lessons. The last two elections we thought we'd do better. Nobody's taking their foot off the gas." The Times adds Danny Briscoe, "a campaign media consultant and former Kentucky state Democratic Party chairman, says from party leaders and pundits to grass-roots Democrats, feelings swing between disbelief and superconfidence -- at least when it comes to House control." Fighting those "feelings of disbelief, House Minority Leader Nancy Pelosi has emphasized that a Democratic takeover of the House isn't definite and that there's still work to be done."

Pelosi Sees Economy As Number One Election Issue. House Minority Leader Nancy Pelosi was asked on CNBC's Kudlow and Company (10/24) what the number on issue in this election is. Pelosi said, "Number one issue -- where the economy isn't. The economy is tremendous issue for middle income families caught in the middle income squeeze. Poorer families in the crunch. We have to have a fair economy where we raise the minimum wage. We give access to higher education. Make it more affordable. Access to quality healthcare. Dignified retirement. Where there is certainty in people's lives so they can be entrepreneurial.

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They can take economic risks. They can help grow the economy."

Cheney Says Pelosi Is "Not In Sync" With Most Americans. Vice President Dick Cheney was asked on Fox News' Hannity and Colmes (10/24) for his thoughts on House Minority Leader Nancy Pelosi and her claims that Republicans are immoral and corrupt, and that she "wants to restore civility in Washington." Cheney said, "It would seem to be a little inconsistent to use that kind of language on her adversaries and then talk about trying to restore civility. Nancy Pelosi is -- she's the Democratic leader in the House. She earned that post, ran for it, had to compete for it. I think, frankly, she helps our cause with that kind of talk, but also because of what she believes. I think Nancy is not in sync with the vast majority of the American people."

Pearlstein Says Democrats Seemed Poised To Repeat GOP Mistakes. Steven Pearlstein writes in the Washington Post (10/25, D1, 748K), "There are lots of reasons why businesses run into trouble, but a few pop up with remarkable regularity. … It should be no surprise that these business missteps are also common in politics. They are the key mistakes that led Republicans to overplay their hand and perhaps throw away the chance to renew their political lease on Congress and the White House. Though the election is still two weeks away, there are signs the Democrats, if they win, are determined to make the same mistakes." The Democrats' "six-point program is more a compendium of political slogans and ideological hot buttons than a serious policy agenda -- again, the very thing the customers say they don't want. … In politics as in business, the way to create enduring advantage is not by beating the competition at its game but changing the nature of the game. Up to this point, all Democrats have been doing is beating the Republicans at their game."

Thomma Says Waxman Could Cause Trouble For Bush Administration. In his column for McClatchy (10/24), Steven Thomma wrote that "if you want to watch a Democrat who could give the Bush White House hell for the next two years, keep an eye on Rep. Henry Waxman, D-Calif." Waxman "would become chairman of the House Government Reform Committee if the Democrats take over the House. He's one of the shrewdest, most effective inside players in Congress. And armed with the committee's subpoena power, he'd force the Bush administration to spend much of its last two years in office answering questions about its first six." Thomma adds, "Giving Waxman the gavel would be a dramatic shift for the House, which all but dropped congressional oversight of the executive branch when a Republican administration was sworn in on Jan. 20, 2001. It would also be a shift for Waxman, who spent the 1990s largely defending the Clinton administration and accusing the Republican House of overreaching in its investigations."

Lack Of Economic Confidence Could Boost Anti-Business Agenda. In his Wall Street Journal column (10/25, A2), Alan Murray says, "There's something unnerving about watching an anti-incumbent tidal wave roll in at a time when the economy, by most macro measures, is cruising. Unemployment is at a historic low -- 4.6% -- and inflation remains under 3%. The big economic bugaboos of earlier this year -- rising interest rates and soaring oil prices -- have both eased off." But a "majority of voters who responded to last week's Wall Street Journal/NBC News poll say they disapprove of President Bush's handling of the economy." The "economic backdrop for election 2006 should raise a warning flag about the future. Large numbers of Americans seem to have lost their belief in John F. Kennedy's famous aphorism that a rising tide lifts all boats." Political analyst Charles Cook said, "They know the economy is white hot, but they also know they aren't in it....There's a feeling that some people are getting theirs, but we aren't getting ours." The "danger for business is that the broad social support for pro-business and pro-market policies that has characterized American politics for a quarter century or more could be breaking down." A Democratic "wise man told me recently that if he were asked what economic platform would offer a Democratic presidential contender the best chances of success in 2008, he would have to say it's an antitrade, antiglobalization, anti-immigration platform."

NRCC Focusing On 33 Key House Races. GOP strategists are urging donors to contribute to 33 key House races in which members and candidates are in need of support. The Hill (10/25, Cusack) reports, "The National Republican Congressional Committee's (NRCC) 'Final Push List' consists of 29 Republican seats and only four Democratic seats, indicating that the GOP is playing defense. The list, obtained by The Hill, provides a rare glimpse of the races that congressional strategists are concentrating on close to Election Day. NRCC focuses on most but not all toss-up House races in its Final Push roster, dated Oct. 19." The Hill adds, "Republican incumbents who did not make the Final Push cut include Reps. Chris Chocola (Ind.), Michael Fitzpatrick (Pa.), John Hostettler (Ind.), Nancy Johnson (Conn.), Jon Porter (Nev.), Clay Shaw (Fla.), Christopher Shays (Conn.), and Charles Taylor (N.C.). These Republicans are in highly competitive races, but several have major fundraising advantages over their opponents and are not in dire need of NRCC assistance."

Drug Industry's Contributions To GOP Candidates Prove Controversial. The Wall Street Journal (10/25, A1, McKinnon, 2.03M) reports in a front page story, "Assailed by Democrats, drug companies are pouring millions of dollars into close races, giving some Republicans a financial edge. In the process, the industry is becoming not

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just a campaign backer, but also a campaign issue." Pennsylvania Republican Sen. Rick Santorum "is a big beneficiary of the industry's push. He was a leading proponent of the 2003 law that gave seniors Medicare coverage for prescription drugs, and helped shape the law in ways that benefited the industry." Santorum's campaign has "received almost $500,000 from pharmaceutical interests and their employees, according to the Center for Responsive Politics." Democrat Bob Casey Jr. "regularly attacks the Medicare program as 'a giveaway to Big Pharma,' in part because it bars the government from negotiating prices. He and many fellow Democrats say they will overhaul the benefit if they win control of Congress on Nov. 7. Not surprisingly, Mr. Casey counts just $11,850 in contributions from pharmaceutical interests." The Journal adds, "Companies and business groups have long thrown money at candidates to further their interests. But with a Democratic victory increasingly likely, few recent elections have been so critical, particularly for the drug industry."

Democrats Hope To Create "Blue Belt" Across Three Florida Districts. The Hill (10/25, Blake) reports that the two districts that have been battlegrounds in Florida this election season, Rep. Vern Buchanan's 13th and Rep. Clay Shaw's 22nd, "both border former Rep. Mark Foley's (R) south Florida district." According to Buchanan, "the month-old scandal surrounding Foley's communications with House pages has thrown a wrench in the final month of the campaign, Buchanan said. Foley's 16th District, now a tight battle between Democrat Tim Mahoney and Republican Joe Negron, lies in south Florida between the Sarasota-based 13th on the west coast and the Fort Lauderdale-based 22nd on the east coast. The Democrats hope to turn the three of them into a blue belt across the peninsula, chipping away at the Republicans' 18-7 House advantage in this very purple battleground state. The three would go a long way toward a possible Democratic majority in Congress, and Florida could rival states like Indiana and Ohio, which have long been considered prime pickup territory for the Democrats, as an impact state in 2006."

Veteran Republicans Running Like Underdogs. The Hill (10/25, O'Connor) reports that many veteran Republican lawmakers are running like underdogs this election year. The "expanding field of veteran Republicans in serious danger this October is further evidence of a national wave that appears to be cresting this fall, imperiling the GOP's majorities in both chambers. In some cases, this eroding political landscape has made seniority a millstone rather than an advantage."

In AZ5, Hayworth, Mitchell Display Differences In Personality. The Hill (10/25, Hearn) reports on the race in AZ5, which pits incumbent Rep. J.D. Hayworth, "a tough, boisterous Republican from upscale Scottsdale" against Harry Mitchell, "an easygoing Democratic native son from a university town." According to The Hill, "In television ads and on the stump, the pair carve out stark differences in personality." Mitchell "portrays himself as friendly and accessible in campaign ads, appearing with children and senior citizens amid soft lighting and cheerful hues, a deliberate strategy, said one Democratic aide." Hayworth "welcomes the tough-guy image, arguing that he delivers for his constituents. He is a vigorous campaigner with an uncanny memory for names and personal details that is rare even among seasoned politicians. His ads focus on cracking down on illegal immigration, showing him at a cattle ranch talking with worried residents."

Despite Bribery Probe, Tight Reelection Bid, Jefferson Projects Confidence. The New York Times (10/25, Nossiter, 1.21M) reports that Rep. William Jefferson is unbowed by the pending federal bribery investigation against him and his tight reelection bid. Indeed, Jefferson "still maneuvers with relative ease in the world of New Orleans politics, which he has partly owned since his opponents in the Nov. 7 primary election were barely in high school." Jefferson "is outwardly projecting confidence in the biggest challenge of a career that stretches over nearly 30 years." The Times adds, "Over the congressman's protests, the state Democratic Party endorsed his leading challenger, Karen R. Carter, a state representative with a reputation for seriousness. Experts reckon that he and Ms. Carter are the likeliest in the field to wind up in a runoff in December, to be held if no candidate receives more than 50 percent of the vote, under the state's idiosyncratic election rules."

NYTimes Endorses Shays' Opponent In CT4. In an editorial, the New York Times (10/25, 1.21M) endorses Democrat Diane Farrell in her bid against Republican Rep. Chris Shays in CT4. The Times argues that Farrell "is an excellent candidate," and adds that Shays "may be a beacon of integrity, but if he is re-elected, he will vote to continue House control by a party that has repeatedly sold out the country to special-interest lobbyists. … With due respect for Mr. Shays's service, we strongly endorse Diane Farrell for Congress."

Documents Cast Doubt On Taylor Land Ownership Claims. The Hill (10/25, Schor) reports, "Public land records in Haywood County, N.C., show that a company registered to Rep. Charles Taylor (R-N.C.) owns 17 plots of land in the mountain community of Maggie Valley, an interest that tax records indicate is worth more than $500,000." The records "raise questions about an assertion Taylor made in an Oct. 12 statement, part of a strong public

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defense mounted by the House Appropriations 'cardinal' after a Wall Street Journal report alleged this month that Taylor steered federal funds to projects that would benefit businesses in which he has an interest." Taylor's "strongly worded defense comes in the thick of a hard-fought race between the wealthy lawmaker, whose estimated personal assets topped $50 million last year, and" Democrat Heath Shuler.

Commentator Criticizes Treatment Of Ney. In an op-ed in The Hill (10/25), Ellen Ratner, Washington bureau chief for the Talk Radio News Service and a commentator on the Fox News Channel, says, "I happen to be a proud liberal, one who gets to spout off on 300 radio stations every day." Yet "even in the rancid atmosphere that passes for political interaction in Washington these days, one can occasionally reach across the partisan and ideological divide to form genuine friendships with those on the other side. Thankfully, that's what happened with me and my friend, Rep. Bob Ney of Ohio." As Republicans "distance themselves from him and Democrats use him as a campaign tactic, let me say that I'm heartbroken over what's happened to him." Ney "was a guy who really did remember where he came from. He knew that the kids he'd grown up with couldn't afford to raise their children in quality housing, and he went to Washington determined to do something about it." Ratner adds, "I only wish he'd had a chance to tell his side in a court of law — and, take it from me, there is another side to this. Today's Justice Department, however, tries its evidence in the public press, not a courtroom, so it can't be challenged or cross-examined."

Senate Polls Show Three GOP States May Deny Democrats Senate Majority. The Los Angeles Times (10/25, Brownstein, 918K) reports Democrats are "within range of capturing a Senate majority, but face potentially decisive resistance from rural voters in three critical Republican-leaning states, a series of Times/Bloomberg polls have found." If Democrats "can't break through to win the Senate races in at least two of those three states — Missouri, Tennessee and Virginia — they are unlikely to control the chamber." The surveys "show Democrats leading in bids to claim hotly contested Republican-held seats in Ohio and Virginia. Republicans lead in Missouri and Tennessee, both also held by the GOP." But the Democrats "maintain a slim advantage in New Jersey, where Republicans are pressing their strongest bid in this year's campaign to gain a Democratic seat." Polls in "the other key Senate races show Democratic challengers holding consistent — though in some cases narrow — leads against GOP incumbents in Pennsylvania, Rhode Island and Montana. If Democrats captured those three seats, won Ohio and held New Jersey, Senate control would hinge on the outcomes in Missouri, Tennessee and Virginia." The Times/Bloomberg polls "found that among likely voters:"

- In Ohio, Democrat Sherrod Brown leads Republican Sen. Mike DeWine 47%-39%.
- In New Jersey, Democratic Sen. Bob Menendez leads Republican Tom Kean Jr. 45% to 41%.
- In Virginia, Democrat James Webb leads Republican Sen. George Allen, 47% to 44%.
- In Missouri, Republican Sen. James Talent leads Democrat Claire McCaskill, 48% to 45%.
- In Tennessee, Republican Bob Corker leads Democratic Rep. Harold Ford Jr., 49% to 44%.

GOP Increases Funding For Missouri, Virginia Senate Races. The AP (10/25, Kuhnhenn) reports Republicans "pumped money into Missouri and Virginia Senate races this week, part of a GOP strategy to cling to their Senate majority by fending off strong Democratic challenges in Republican-leaning states." The National Republican Senatorial Committee "purchased $1.4 million of television time to air an ad that portrays Democratic candidate Jim Webb as insensitive to women. The ad is the first investment by the Republican Party in the state, reflecting concern among Republican officials that incumbent Sen. George Allen is in a closer contest than they expected." In Missouri, the Republican National Committee "spent $1.78 million on Monday on ads opposing Missouri Democratic Senate candidate Claire McCaskill, who is running against Republican Sen. James Talent. Missouri has been a target for both parties. Democrats have poured $6.37 million into the Senate race and Republicans have spent $5.39 million."

Democratic Gains Could Result In Evenly Divided Senate. The AP (10/25, Abrams) reports, "Expected Democratic gains in the election raise the possibility that the Senate, for the second time in six years, will end up in a 50-50 tie." In that event, Democrats "would like to revive a power-sharing deal that was struck in 2001. But partisan passions on Capitol Hill are stronger now." Republicans would "officially still be the majority party in an evenly divided Senate because Vice President Dick Cheney, in his role as president of the Senate, would give the GOP a tie-breaking vote. But Democrats would surely demand a greater role in determining how the Senate treated Bush's legislative agenda in his final two years in the White House."

Impact Of Racial Issues On Tennessee Senate Race Considered. The Christian Science Monitor (10/25, Feldmann, 58K) reports that if Rep. Harold Ford Jr. wins the Tennessee Senate race, he "would be the first African-American from the South to take a Senate seat since Reconstruction - a victory that could nudge another ambitious black politician, Sen. Barack Obama (D) of Illinois, toward running for president by showing him how to win in the

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South." On the other hand, after "falling behind in the polls and replacing his campaign manager late in September," Republican Bob Corker "has now settled on his final argument to the people of Tennessee: Vote for me because of my experience and my maturity and because I'm the 'real Tennessean.'" Corker, "his campaign, and national Republicans have also worked hard to drive up Ford's negatives, highlighting some of his relatives' legal troubles, a life spent mostly away from Tennessee, a career in politics, and his bachelor, designer-suit lifestyle." The "racial dimension of the Ford-Corker contest looms large. Pollsters speak of a race effect on surveys- that is, shave off a few percentage points from the black candidate's total, since some white voters tell pollsters what they think they want to hear, that they're willing to vote for a black candidate when in reality they're not." But one Tennessee Republican activist "says he believes the racial aspect will be a wash in this race: Some whites won't vote for a black man, but turnout in the black community, 16 percent of the electorate, will be higher than usual."

The Washington Post (10/25, A1, Murray, 748K) reports in a front page story that Ford "announced his Senate campaign 18 months ago with three strikes against him: He was a Democrat, he was black, and he carried family baggage. The five-term congressman was wildly popular in his Memphis House district and was viewed as a rising star in the Democratic Party. But statewide office seemed beyond reach in Tennessee, a state with a history of racially divided voting where Republicans had won recent Senate races." Corker and Ford "tangle over all the usual issues, including the war in Iraq, education and energy independence, with both candidates holding mainstream views on most topics. Yet every speech, slogan and campaign ad seems to echo with double meaning." Corker "often appears to be tiptoeing through a rhetorical minefield, eager to discredit his Democratic opponent with the sharpest weapons he can find but wary about accusations of playing racial politics." The state Democratic Party "is working particularly hard to rally black voters. State party officials believe African Americans could push Ford over the top if they turn out in large numbers."

GOP Ad Said To Play To Racial Biases. NBC Nightly News (10/24, story 4, 2:55, Mitchell, 9.87M) reported, "Ford could become the first African American elected to the Senate from the South since Reconstruction. But crossing that color barrier might not be easy. Watch this Republican ad for his components." GOP ad, Unidentified female: "I met Harold at the playboy party." Unidentified male: "I'd love to pay higher taxes." Unidentified male: "Canada can take care of North Korea, they're not busy." Unidentified male: "So he took money from porn movie producers. I mean, who hasn't?" Unidentified female voice: "The Republican National Committee is responsible for the content of this advertising." Unidentified male: "Harold, call me." Mitchell: "The NAACP says the ad 'plays to pre-existing prejudices about African American men and white women.' On MSNBC today the party chairman defended it." Ken Mehlman, National Republican Committee Chair: "African American folks, Hispanic folks and myself, we all looked at it, all of us are sensitive to that and we did not have that same reaction to it. So I just think there's disagreement about it." Mitchell: "Advertising experts, like Republican Jerry Della Femina, say it is a blatant racial appeal." Jerry Della Femina, advertising executive: "This is clearly an attempt to attack Harold Ford in a racist way. A blond, a Playboy bunny. It's just wrong."

Ford Says Republicans Are Desperate. Rep. Ford said on MSNBC's Hardball (10/24) that Republicans "are a little desperate and they are doing things you do when you get desperate in a campaign. We've stayed focused on Iraq and North Korea. We've tried to lay out how we can make college more affordable for these kids here, not only at UT, but at University of Tennessee at Chattanooga, the University of Memphis. Kids all across the state deserve a better chance and a more affordable option. And again, we're just working hard and pushing and pounding away. The numbers say good things. But more than that, everybody here is excited about this race for one reason. They know we can be better as a country than what we are right now."

Talent Says He Supports Bush On Some Issues, Disagrees With Him On Others. Sen. Jim Talent was asked on MSNBC's Hardball (10/24) if President Bush helps or hurts his campaign. Talent said, "It depends on what issues that you're talking about. I mean, you talk about economic growth, for example. I mean, look what the economy is doing. He's a strong supporter of renewables. There are other areas where, you know, I disagree with him and I think Missouri does. I think a classic example of that is immigration. I mean, I'm not in favor of an amnesty. I support a border fence, and he's on the other side of those issues. But, sure, there is a whole lot of issues where Missouri is strongly in support of the president."

Limbaugh Accuses Michael J. Fox Of Exaggerating His Illness In Ad. The Washington Post (10/25, C1, Montgomery, 748K) reports that radio host Rush Limbaugh yesterday accused actor Michael J. Fox of exaggerating the effects of his Parkinson's disease in a series of political ads he has done in support of candidates who favor stem cell research. Limbaugh "was reacting to Fox's appearance in another one of the spots, for Missouri Democrat Claire McCaskill, running against Republican Sen. James M. Talent." Limbaugh said, "He is exaggerating the effects of the disease," adding, "He's moving all around and shaking and it's purely an act. ... This is really shameless of

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Michael J. Fox. Either he didn't take his medication or he's acting." The Post adds, "Later Monday, still on the air, Limbaugh would apologize, but reaction to his statements from Parkinson's experts and Fox's supporters was swift and angry."

USA Today (10/25, Stone, 2.27M) reports that Limbaugh "told listeners Monday that Fox's lurching, palsied movements in a TV ad for Missouri Senate challenger Claire McCaskill were 'an act.' Limbaugh said that Fox, a longtime advocate for research on embryonic stem cells, has said he sometimes does not take his medication in order to illustrate Parkinson's severe physical effects. Uncontrolled shaking and stiffness are among the symptoms of the nerve disease."

The New York Times (10/25, Stanley, 1.21M) reports, "Mr. Limbaugh later apologized for accusing Mr. Fox of exaggerating his symptoms, but said that 'Michael J. Fox is allowing his illness to be exploited and in the process is shilling for a Democrat politician.'" The Times adds, "If Mr. Fox did forgo medication for the advertisement as Mr. Limbaugh suggested, it could hardly be considered fraudulent: if anything, masking the extent of the disease's ravages is the deception, not revealing them. (A spokesman for Mr. Fox said his tremors were caused by his medication.) It was certainly the most dramatic way Mr. Fox has to personalize the issue; he used his infirmity much the way the late Christopher Reeve did when he lobbied for stem cell research to seek a cure for spinal injuries."

Talent Camp Says Fox Ad Is False. ABC World News (10/24, story 5, 2:30, Tapper, 8.78M) reported, "Michael J. Fox has been an impassioned advocate for years. Lobbying for embryonic stem cell research, which he argues can help people who suffer as he does from Parkinson's disease. But Fox has never injected himself so directly and so emotionally on the campaign trail and on TV until now." Michael J. Fox: "In Missouri, unfortunately Senator Jim Talent opposes expanding stem cell research. Senator Talent even wanted to criminalize the science that gives us a chance of hope." Tapper: "That's one of three TV ads so far Fox has recorded for candidates this season. This one goes after Republican Senator Jim talent of Missouri, where embryonic stem cell research is also on the ballot as a referendum. Today, the Talent campaign called the Fox ad, false. Since Senator Talent supports stem cell research that doesn't involve destroying a human embryo."

Virginia Candidates, Parties Begin Multi-Million Dollar Ad Blitz. The Washington Post (10/25, B5, Shear, Craig, 748K) reports Virginia's Senate candidates "and their national party backers will begin a final, multimillion-dollar advertising blitz Wednesday, flooding the state's airwaves with campaign commercials during the two weeks before Election Day." During the next week, "television watchers in Northern Virginia will see an average of five Virginia Senate ads a day. Together, the campaigns and the Senate party committees in Washington are spending $3.45 million over the next week in Northern Virginia." Political analyst Stuart Rothenberg said, "Voters are going to see so much stuff. If they are not numb already, they ought to shoot their brains full of Novocain." The Post adds voters "in other parts of the state will also be deluged with the commercials about" Republican Sen. George Allen and Democrat Jim Webb. But "most of the money will be flowing to Northern Virginia and its expensive media market, where a week's worth of ads for one candidate costs about $1 million. By contrast, running the same number of ads in the Roanoke media market costs about $89,000." The Republican Senatorial Campaign Committee's first ad "attacks Webb for his reaction to the Navy's Tailhook Association scandal, in which women were assaulted at a Las Vegas convention in 1991."

Clinton Jokes About Webb's Past Criticism Of Him. Al Kamen, in his Washington Post "In the Loop" column (10/25) writes former president Bill Clinton, "talking to Democratic contributors here last week, recounted how he had earlier chatted with Jim Webb, a Virginia former Republican who is running for the Senate as a Democrat. 'He said: "I can't believe you're going to campaign for me after all the terrible things I said about you,"' Clinton said. Clinton said he told Webb that 'if that was my test, I'd have no one to campaign for.'"

Kennedy States Support For Iraq War In New Ad. The AP (10/24, Condon) reported that in his new TV ad, Minnesota Senate candidate Mark Kennedy "squarely states his support" for the Iraq war, "'even though I know it may not be what you want to hear,' he tells voters." The 30-second ad "is the latest attempt by the Republican to catch Democratic frontrunner Amy Klobuchar, and may be the only ad of its kind in the country. Staring into the camera, Kennedy acknowledges that 'we've made some mistakes in Iraq' but says that 'leaving Iraq now will create a breeding ground for new attacks on America.'" The AP added, "Political observers said Tuesday they've not seen an ad like it anywhere this election cycle, with the Bush administration and Republicans on the defensive over Iraq. Just a day earlier, the White House acknowledged President Bush had dropped his familiar "stay the course" phrase in talking about the war."

Cardin Says Faith And Family Sustain Him. The Washington Post (10/25, Shaver, 748K) reports, "During 40 years in public office -- 20 in the General Assembly followed by two decades in Congress – [Maryland Democratic Senate candidate Benjamin] Cardin has woven his political life into the faith and family that he says sustain him." Cardin's faith "informs his actions in the House of Representatives,

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particularly a six-year membership on the ethics committee, he said." Cardin "said he remains grounded in what his father told him after his election to the General Assembly at 23. 'He said I had something people worked a lifetime for,' Cardin said, 'that I had the opportunity to make a difference and that I should think about that. ... I think about that frequently, and it affects everything I do in life.'"

WTimes Endorses Steele. In an editorial, the Washington Times (10/25, 88K) endorses Republican Michael Steele in the Maryland US Senate race, noting that he is "anything but a conventional politician." Steele's "openness to new ideas offers a refreshing contrast from the sort of orthodox liberalism represented by Mr. Cardin. And Mr. Steele, the first black candidate elected statewide in Maryland in modern times, offers a compelling personal success story that is in many ways the embodiment of the American Dream." The Times adds that Steele "is a nontraditional candidate who has brought a different style of campaigning to an old-school blue state, and there are no gray areas when he stands on issues. The Washington Times is pleased to endorse Michael Steele for the US Senate."

Report Warns Of Potential Voting Problems In 10 States. The Washington Post (10/25, A3, Goldstein, 748K) reports that a study released yesterday by a nonpartisan clearinghouse that tracks electoral reforms across the US warns that at least 10 states are ripe for voting problems in this year's election. The report by Electionline.org "says those states, and possibly others, could encounter trouble on Election Day because they have a combustible mix of fledgling voting-machine technology, confusion over voting procedures or recent litigation over election rules -- and close races. The report cautions that the Nov. 7 elections, which will determine which political party controls the House and Senate, promise 'to bring more of what voters have come to expect since the 2000 elections -- a divided body politic, an election system in flux and the possibility -- if not certainty -- of problems at polls nationwide.'"

GOP Lobbying Firms Not Clamoring To Hire Democrats As Election Nears. The Hill (10/25, Tiron, Young) reports that while seasoned Democrats are in high demand as lobbying shops gear up for a possible Democratic take over of Congress, "some top all-Republican firms are not clamoring to hire them. Despite a growing sense of urgency in recent months to bring well-positioned Democrats to lobby shops, company government-relations offices and trade associations, several all-GOP and GOP-leaning lobby firms said that they are doing nothing to prepare for a change of congressional power." The Hill adds that "some firms that have few or no ties to Democratic lawmakers can expect to continue to flourish, particularly if they have close relationships to Republican committee leaders, as opposed to the leaders of the chambers," a Republican lobbyist said.

WPost Endorses Ehrlich For Reelection. The Washington Post (10/25, A16, 748K) endorses Maryland Gov. Robert Ehrlich for reelection in an editorial this morning. The Post says Ehrlich "has grown in the role to become a generally proficient, pragmatic governor, if not always a disciplined or mature one." The Post adds, "Mr. Ehrlich, for all his faults, has shaken up the old guard in Maryland politics -- while appointing plenty of Democrats to his cabinet and judgeships. If he were wise, he would use a second term to start anew with the legislature and build on his record of achievement."

Anti-Deval Ad May Have Backfired On Healey In Massachusetts. ABC World News (10/24, story 6, 3:05, Gibson, 8.78M) reported, "Massachusetts will either have its first elected female governor or its first African-American governor. The race in the final days, like so many races around the country, is getting very rough." ABC (Berman) added that in the contest between Republican Lt. Gov. Kerry Healey and Democrat Deval Patrick, "his race and her gender don't seem to matter in this election." Frank Phillips, State House Bureau chief, Boston Globe: "It's not an issue in the campaign for governor here that Deval Patrick is an African-American. It's not an issue that Kerry Healy is a woman." Berman: "What are the issues? Both candidates are talking about jobs and education. But lately." Patrick: "They have thrown at us, everything but the kitchen sink. And I expect the kitchen sink any day now." Healey: "Deval Patrick says..." Berman: "Lately it seems that candidates are spending most of the time talking about each other. Patrick is tying Healey to an unpopular Republican governor. And Healey is running an ad on letters that Patrick wrote about a convicted rapist." But there "are signs it might be backfiring." A new poll "shows Patrick opening up a 27-point lead. More than double the lead he had just a few weeks ago. And the majority of the people on the poll, say they are turned off by the tone of Kerry Healey's campaign."

Survey Finds US Muslims Likely To Back Democrats. The Washington Times (10/25, Duin, 88K) reports America's Muslim voters "are a young, highly educated and prosperous voting bloc that will overwhelmingly back Democrats in November, according to a survey released yesterday by the Council on American-Islamic Relations." They are "also coming of age in terms of political representation. Next month, Democratic nominee Keith Ellison of Minneapolis is poised to become the first Muslim member of the House of Representatives. He says, if elected,

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he will take his oath of office with his hand on the Koran instead of the Bible." With their "large families and socially conservative leanings, Muslims mirror the GOP's demographic profile. Seventy-eight percent of those interviewed were married. Of those respondents, 83 percent had at least one child and 54 percent reported two or three children. Muslims had an average of 4.5 members per family, contrasted with a 2005 Census Bureau figure estimating the number of family members in an average American household at 3.14." But ideologically, "their differences with Republicans are vast. Sixty-six percent favor normalization of relations with Iran, 55 percent are afraid the 'war on terror' has morphed into a war on Islam, just 12 percent think the war in Iraq is worthwhile and only 10 percent support the use of the military to spread democracy."

Cheney Says Clinton Would Be A "Formidable" Presidential Candidate. Vice President Dick Cheney said on Fox News' Hannity and Colmes (10/24) that Sen. Hillary Clinton would be a "formidable" presidential candidate. Asked if she can win, Cheney said, "I think she could win. I hope she doesn't. I disagree with her on nearly all the issues, but nobody should underestimate her. She's a very serious candidate for President."

The AP (10/24) reported that Cheney "handicapped the Democratic field of potential candidates in an interview with conservative talk show host Sean Hannity." In addition to his comments on Clinton, Cheney said Sen. Barrack Obama "was an 'attractive guy. Don't know him well, met him a few times. I think at this stage, my initial take on him was he's been two years as a senator. I think people might want a little more experience than that, given the nature of the times we live in. But certainly, he's an attractive candidate." USA Today (10/25, 2.27M) carries the AP story this morning.

The Los Angeles Times (10/25, Gerstenzang, 918K) reports that Cheney said if Obama runs, "he'll be a player on the Democratic side."

Hollywood Democrats Ponder An Obama Presidential Bid. The Los Angeles Times (10/25, Daunt, 918K) reports, "Just the hint of a possible presidential run by US Sen. Barack Obama …has Hollywood Democrats talking." While Obama is "pondering his options, you can bet that some people in Hollywood are already envisioning his inaugural bash. Director Rob Reiner compared a possible run by Obama to Abraham Lincoln's victory." The Times adds, "Almost anyone who has met Obama will tell you that he's charismatic and warm, but not giddy. … But there's no denying that since he rocked the Democratic National Convention in 2004 with an impassioned speech about America, his life has changed. For one, he became an instant political star." Obama "says he appreciates the supports he's been shown by Hollywood Democrats. … 'There are some celebrities who have really done their homework and know what they are talking about and are terrific advocates for justice and peace and opportunity around the world,' he said. 'I want all citizens to get involved. Whether they are the secretary in an office building or a movie star, I think the more engaged and interested people are, the better off we all are.'"

Cheney Says He Will Not Run For President In 2008. Cheney was asked on Fox News' Hannity and Colmes (10/24) if anyone has approached him about running for president in 2008. Cheney said, "I've made it very clear that I'm not a candidate, won't be a candidate." Cheney added, "I'm not coy about it. I made my decision a long time ago, and it's firm, final, fixed, irrevocable. I don't know how else I can say it. If nominated, I will not run; if elected, I will not serve."

Cook Called Most "Prominent" Political Forecaster. In the Washington Post's "Washington Sketch" column (10/25, A2), Dana Milbank says political analyst Charles Cook , "for a fee of $5,000 to $20,000, gives his audiences the (very) early returns." Last week "he spoke to pharmaceutical and insurance groups. On Monday, he flew to Las Vegas and back to talk to the American Beverage Association. Later this week it's American Express and a hedge fund in New York and the paper industry in Georgia. Yesterday found Cook at a breakfast with the DLA Piper law firm, lunch with automobile manufacturers and dinner in Boston with a corporate housing group." All are "looking for the same thing: next month's election returns. And Cook has them. 'Senators Santorum in Pennsylvania and Mike DeWine in Ohio are pretty much done,' he told the Piper audience at the Willard hotel. And the lifelines of Sens. Conrad Burns (R-Mont.) and Lincoln Chafee (R-R.I.) aren't looking any longer." Milbank says Cook is "not the boldest of election prognosticators (that honor goes to Stuart Rothenberg), nor the most telegenic (washingtonpost.com's Chris Cillizza gets the nod there), but he is surely the most prominent."

College Tuition Rising Faster Than Inflation. ABC World News (10/24, story 7, 0:25, Gibson, 8.78M) reported that a new study from the College Board has found "tuition increases at the nation's colleges slowed this year. But still rose faster than inflation. Average tuition and fees at public colleges increased more than 6% to more than $5,800 a year. And the average cost of attending a private college rose 5.9% to more than $22,000."

The CBS Evening News (10/24, story 5, 0:15, Couric, 7.66M) reported, "Now, here's a warning for parents. College costs are still rising faster than the overall inflation rate, which ran about 2% in the fast year. Tuition fees at public colleges are up more 6% from last year, now averaging nearly $6,000 a year. At private four-year college tuition has increased by nearly 6% to $22,000 a year."

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The New York Times (10/25, Glater, 1.21M) reports that the report also found that "in the past five years, tuition and fees at public institutions rose more than at any other time in the past 30, increasing by 35 percent to $5,836 this academic year. Tuition and fees at private four-year colleges increased by 11 percent over the same period, though the average price of attending a private institution is $22,218." Education Secretary Margaret Spellings "said in a statement that the report 'underscores the need to make colleges and universities more accountable for results and at the same time increase need-based aid.'"

The Washington Post (10/25, A4, Matthews, 748K) notes that while costs are rising, "tuition and fees are not rising as fast as they did a few years ago. The College Board said the increase in tuition and fees at public four-year colleges, although still higher than the national inflation rate, slowed for the third year in a row. Increases at private four-year colleges have also cooled off in recent years, although the average yearly price of attending a private college is $22,218, far more than the state school average of $5,836."

The Wall Street Journal (10/25, B1, Tomsho, 2.03M) reports, "The number of students from all income levels pursuing post-secondary education continues to grow. But to stay in school, educators say, low-income students are taking loans, using high-interest credit cards to pay tuition, working more hours, and opting for two-year schools. Low-income students are choosing two-year colleges for financial reasons even though studies show more of them are academically qualified for four-year schools due to efforts by school districts to push them into tougher, college-prep courses. But only 23% of community college students earn a bachelor's degree -- a vital credential in today's workplace -- within six years, as compared with 63% of students at four-year institutions, according to the College Board."

Meanwhile, USA Today (10/25, Marklein, 2.27M) reports that "federal Pell Grant funding for low-income students declined for the first time in six years, and students borrowed more from private lenders last year than ever before." The report from the College Board "notes that financial aid averages conceal the wide range of aid awards; some students get a full ride, others pay the full amount. And federal tax benefits and a trend toward non-need-based state and institutional aid benefit middle- and upper-income students more than lower-income students, it says."

Former Morgan Stanley VP Praises Spitzer As "Good For Business." Donald Kempf Jr., retired executive vice president and chief legal officer of Morgan Stanley, writes in the Wall Street Journal (10/25, A14, 2.03M), reassuring that presumptive Gov. Eliot Spitzer will be "good for business" in the state and disagreeing with critics who say he overreached on federal securities law as attorney general. In his experience, Kempf says Spitzer came across as "smart," "self-reliant," and a "catalyst for constructive change." He "often had a better grasp of the underlying facts, legal implications and policy considerations than many from the federal regulatory agencies," Kempf says. In addition, Spitzer is different from other public servants and regulatory agencies because he "does not welsh on deals" and is "willing to engage where others at times seek to hide behind their status." Before stating that his "heroes" include Ronald Regan and George Herbert Walker Bush, Kempf lays outs Spitzer's "comprehensive strategy" for businesses in the state and is confident Spitzer will "pull much of it off" because "it spells a healthy and positive business climate."

Rice Defends "Axis Of Evil" Concept. The AP (10/25, Gearan) reports comments by Secretary of State Condoleezza Rice that "recent events in Iran and North Korea support President Bush's 2002 claim that those nations were part of an 'axis of evil.'" When asked if Bush offered "a pretty good analysis" of Iran, Iraq and North Korea, Rice said, "It really was." She is further quoted saying, "The president three years ago realized that in order to manage the North Korean nuclear problem, a problem that's been going for decades, we have to have a regional coalition. This isn't something the United States was going to be able to do alone." The AP continues, "Proof of the strategy's success came when China voted this month to impose sanctions on its neighbor and ally North Korea, she said."

In related reporting, the Financial Times (10/25, Dinmore, Dombey) notes comments by UN Ambassador John Bolton that "imposing economic and political sanctions against Iran and North Korea will help democratic forces in those countries as Washington pursues its 'ultimate objective' of regime change." Those remarks "reflect the views of hardliners in the Bush administration who doubt that the threat of nuclear proliferation can be dealt with through negotiations." The Times says Bolton's "linking of sanctions with 'democratic forces' are likely to complicate delicate coalition-building efforts by" Rice.

Western Allies Move Ahead With Limited Iran Sanctions Plan. CNN's The Situation Room (10/24, Verjee) reported, "A new proposal may be in the works to sanction Iran for its disputed nuclear program. The US, Britain and France purportedly plan to urge the UN Security Council to ban the sale of missile and nuclear to Tehran. Diplomats say the draft resolution is essentially aimed at winning the backing of Russia and China. Iran has said imposing sanctions will backfire."

The AP (10/25, Jahn) reports Washington "and its allies want the [UNSC] to ban the sale of missile and atomic technology to Iran and end most U.N. help for its nuclear programs — moves diplomats said Tuesday are narrowly focused in hopes of winning Russian and Chinese backing for

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sanctions." AP sources "said the proposal also would commit U.N. member nations to denying entry to Iranian officials involved in developing missiles or nuclear systems," and likened some of the provisions under consideration to UNSCR 1718. "One of the diplomats described all three measures aimed at Iran as moderate in impact, saying that was an attempt to win Russian and Chinese support. Moscow and Beijing could be formally presented with the draft later this week, the diplomat said." The AP adds, "Canceling technical assistance to Iran from the [IAEA] would do little to ease [uranium enrichment] fears. But as the first such withdrawal of IAEA help, it would send a strong signal of international displeasure with Tehran."

Beijing Says Kim Didn't Apologize, But Isn't Planning Second Nuclear Test. The Financial Times (10/25, McGregor, Fifield) reports Beijing "said on Tuesday North Korea had no immediate plans to conduct a second nuclear test, damping speculation of another blast following the imposition of [United Nations Security Council Resolution 1718] on the reclusive state. However, a Chinese foreign ministry spokesman suggested that Kim Jong-il, the North Korean leader, had warned in a meeting with a senior Chinese politician last week that Pyongyang could test another bomb if the pressure on it was not eased." Experts' "fears" last week of a second test "failed to materialise and many analysts think Pyongyang will try to drag out the crisis for as long as possible." The Times says, however, that "because the first test was considered a technical failure – the small size of the blast suggested the weapon had not fully detonated – it was likely that North Korea would want to try to iron out the problems then eventually test again, analysts said."

In lengthy reporting on the Chinese diplomatic mission to Pyongyang, the AP (10/25, Olesen) adds Beijing "gave its first full public account Tuesday of its mission to North Korea, saying it got no apology from top leader Kim Jong Il for the atomic explosion but did receive assurances there were no plans for a second nuclear test." Kim "also expressed a willingness to return to six-nation talks over its nuclear program if financial restrictions levied by the U.S. are first resolved, said Chinese Foreign Ministry spokesman Liu Jianchao." Talks in Pyongyang "resulted in no breakthroughs, but China cast the discussions in a positive light."

AFP (10/25) reports remarks by Assistant Secretary of State Chris Hill that Washington and Beijing "'have never been closer' in the wake of North Korea's nuclear test earlier this month." Hill said of Secretary Rice's Asia trip, "In China we felt we were speaking with one voice on this issue. At no time have we felt closer together than we have felt in the wake of these North Korean provocations. … It always used to be that the Chinese would ask for more patience and we'd ask the Chinese for less patience but I think today we are really working better together."

Rice Backs Asian Security Organization, Will Elaborate On Plan Today. The Washington Times (10/25, Kralev, 88K) notes Secretary of State Condoleezza Rice "is urging Asian nations to form a regional security organization to address common threats, suggesting that the six-nation forum dealing with North Korea -- which includes China and Russia -- could be a useful starting point." The Times says Rice believes that forum "would not come even close to NATO's integrated political and military structures, but it would assure more effective responses to crises such as Pyongyang's recent nuclear test." Rice is quoted saying earlier, "There are highly developed security arrangements all throughout Europe -- as a matter of fact, some people think too many. I don't think this region is probably going to develop an organizational structure anything like what you have in Europe." A State Department official "said the secretary will elaborate on the concept during a speech at the Heritage Foundation in Washington today." Regarding North Korea's candidacy for such a grouping, one "official familiar with interagency talks on the issue said membership could be held out as a reward to Pyongyang if it dismantles its nuclear program." The Times adds, "Analysts generally agree that a regional security organization in Asia is necessary, and point to the Asia-Pacific Economic Cooperation as a model." However, "several diplomats and analysts expressed doubts that China in particular would sign on to a security arrangement that institutionalizes the dominance of the United States in the Asia-Pacific region."

Japanese Anger Could Hurt North Korean Expats. The AP (10/25, Greimel) reports, "Harassment of Japan's insular North Korean community, the biggest outside the homeland or China, dates back decades. But animosity has flared to new levels since North Korea stunned the world with its nuclear test." A recent arson attempt against the headquarters of Chongryon, an organization of North Korean expatriates, "was one of several outbursts putting people on edge. … North Koreans in Japan have long been vilified as a communist fifth column, but with Tokyo leading a worldwide campaign to sanction Pyongyang for its nuclear test, they now stand in an unwanted spotlight." The AP says that every one of the 600,000 "Koreans in Japan face discrimination in Japan. All Koreans were stripped of their Japanese citizenship after World War II and those in Japan found themselves in a society that often looked down on them as former colonial subjects. Yet given the long-standing animosity between Tokyo and Pyongyang, North Koreans face especially limited economic opportunities, confined to tight-knit community-run businesses." Economic sanctions imposed by Japan on North Korea "will dig deep into North Korean businesses that rely on importing manufactured goods like cheap men's suits, marine and agriculture

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products, like clams and mushrooms, and raw materials such as coal."

Joint Chiefs Chairman Says US Victory Over North Korea Would Be Costly. The AP (10/25, Burns) carries remarks by Joint Chiefs Chairman Peter Pace that the "U.S. military would prevail in a war against North Korea but at a greater cost in lives than if the United States were not already fighting in Iraq and Afghanistan." He is quoted saying, "It would not be as clean as we would like it to be, but it would certainly be sure, and the outcome would not be in doubt." Pace "told a Pentagon news conference that the U.S. military has plenty of people available to fight wars beyond Iraq and Afghanistan, but he acknowledged that U.S.-based ground combat units are not fully equipped." Pace "said U.S. intelligence can determine the size of the North Korean military but it cannot provide an equally important piece of information in assessing the threat of war: the intent of North Korea's leaders."

South Korean Public Opposes Confrontation, Rejection Of North. A 1,164-word piece in the New York Times (10/25, Fackler, 1.21M) details solidifying South Korean attitudes towards engagement with North Korea. "Once fervently anti-Communist, South Korea has slowly parted ways with the United States, its largest ally and wartime protector, on how to deal with the North. Across age groups and political persuasions, most South Koreans now appear to believe that their nation has no choice but to keep building ties with the North, despite the widespread shock and anger here over its nuclear test." The Times says that "bedrock of public sentiment" explains the differences in tone between Washington and Seoul, which "has been reluctant to tighten the economic screws on the North, hoping instead to entice it to the bargaining table with increased links with the outside world." South Korea's "softer approach is a result of a deeper evolution in public perception [there] since the end of the cold war and South Korea's subsequent emergence as an Asian economic powerhouse." Recent opinion polling suggests "that while the claimed nuclear detonation hardened attitudes toward the North, a majority of South Koreans still oppose outright confrontation." The Times adds, "Political analysts say a big factor behind the desire to maintain economic ties is a deep ambivalence in South Korean views of the North. While the two Koreas still face each other across the minefields and barbed wire of the demilitarized zone, many South Koreans have come to see the North as nothing more than a destitute, misguided relative."

Israel Ponders Preemptive Gaza Strike On Hamas Weapons Stockpiles. The Washington Times (10/25, Mitnick, 88K) reports, "Applying a lesson from the recent war against Hezbollah, Israeli leaders are increasingly talking about staging a pre-emptive military offensive in the Gaza Strip in order to avert a Hamas buildup of improved missiles." Some Israeli "politicians say a broader operation against Hamas is necessary if Israel wants to deny it the ability to stockpile weapons like the Shi'ite militia Hezbollah, which was able to build up its arsenal during six years of relative calm." While Israeli military forces "have uncovered more than a dozen smuggling tunnels used to sneak weapons, money and contraband into Gaza from Egypt," some "intelligence officials say they think that Syria and Iran are supplying Hamas with the advanced anti-tank missiles that turned armored vehicles like the Merkava tank into a sitting ducks, according to local press reports." Defense Minister Amir Peretz "has said that Israel cannot allow Gaza to become another Lebanon. At the same time Mr. Peretz, the chairman of coalition partner Labor party, said that Israel has no desire to reconquer the Gaza Strip permanently."

AP Photographer Released In Gaza. The AP (10/25, Laub) reports AP photographer Emilio Morenatti "was freed unharmed Tuesday after a harrowing day in the hands of Palestinians who abducted him at gunpoint and dressed him in women's clothes to spirit him from one secret location to another." Fatah Party officials brought him to Palestinian President Mahmoud Abbas' office late yesterday. "It was not clear who kidnapped him, though officials said he was taken by criminals. The government and main Palestinian groups denounced the abduction. Morenatti, a 37-year-old Spaniard, looked fatigued after his daylong ordeal but said he was unharmed."

NYTimes Pans Olmert's Coalition Choice. In an editorial today, the New York Times (10/25, 1.21M) says Israeli Prime Minister "Ehud Olmert "has chosen to make an unwise and damaging trade-off. Bringing the pro-settler Israel Beiteinu party into his governing coalition reinforces his vulnerable parliamentary majority. But it makes it virtually impossible for Mr. Olmert to carry out the partial West Bank withdrawal program he ran on just seven months ago." The possibility of a "new momentum toward" a peace settlement "now seems less likely than ever." Palestinian President Mahmoud Abbas' attempts "to bring Hamas around have not gotten as much support as they should from Israel. With Israel Beiteinu joining Mr. Olmert's coalition, they are likely to get even less." The Times concludes, "Creating new obstacles to peace with the Palestinians is the last thing Israel needs after the Lebanon fiasco."

Israeli Official Says Iran And Syria Are Rearming Hezbollah. A Washington Times (10/25, Sands, 88K) interview reports comments by Israeli Deputy Prime Minister Shaul Mofaz that "Iran and Syria are rapidly rearming Hezbollah guerrillas in southern Lebanon as an international peacekeeping force has failed to carry out a U.N. mandate to disarm the Shi'ite militia group." Mofaz "also warned that time was growing short for the international community to implement effective sanctions to halt Iran's drive for nuclear weapons." He "said Israel's 34-day war with Hezbollah

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fighters this summer had dealt the Shi'ite militia a major setback in its southern Lebanese base. But he expressed frustration that the Lebanese army and an enhanced U.N. peacekeeping force had not disarmed Hezbollah or sealed the border to prevent Syria and Iran from rearming their 'proxy.'" Despite Olmert's criticisms of Iran's nuclear program, Mofaz "put greater stress on multilateral efforts to pressure Iran, calling for strong sanctions against Tehran if it refuses to cooperate. .. The North Korea nuclear test earlier this month has heightened the need for a tough stand against Iran, Mr. Mofaz said." The Times adds, "The hawkish Mr. Mofaz is the transportation minister under the unity government headed by [Olmert], but he remains a major voice on defense and security issues in Israel."

Pentagon Officials Enter Plea On Arms Deals. The AP (10/25, Apuzzo) reports that Ronald W. Wiseman, a former official the Defense Reutilization and Marketing Service, the Pentagon agency that sells excess military equipment, "was sentenced to 18 months in prison" for "selling military equipment in the Middle East and pocketing hundreds of thousands of dollars." He "and a Saudi Arabian auctioneer agreed to sell some equipment off the books and share in the profits." While "most of the equipment was unneeded and scheduled for auction," some Humvees "were still weaponized and were not supposed to have been sold." Wiseman previously pleaded guilty "and agreed to cooperate in a federal investigation. A second U.S. official, Gayden C. Woodson of North Ogden, Utah, pleaded guilty Tuesday to conspiracy to steal government property." Woodson, he joined Wiseman's conspiracy in January 2001 "and continued it after Wiseman left the Middle East the following year."

Chavez Continues Security Council Candidacy, Denies He's Backing Bolivia. The AP (10/25) reports Bolivian President Evo Morales "said Tuesday that Venezuelan leader Hugo Chavez would throw his support behind the Andean country if Venezuela is unable to win enough votes to defeat U.S.-backed Guatemala for a" rotating UNSC seat." Morales "said he had spoken by phone with Mr. Chavez on Monday, who told him that if Venezuela does not get the two-thirds majority it needs to win, he will 'propose Bolivia as a candidate.'" While Venezuelan Foreign Minister Nicolas Maduro "said [his nation] would continue its drive for" seat, "a 36th round of voting is scheduled to be held [today], and some countries in the region -- from Brazil to Guyana -- expressed hope of seeking an alternate candidate. Other possibilities mentioned by diplomats included Chile and Uruguay." The Washington Post (10/25, A18, 748K) focuses its coverage on Caracas' plan to continue its candidacy, saying Venezuelan leaders "denied Bolivian President Evo Morales's claim that Venezuela had decided to withdraw from the competition…and would instead nominate his country as a candidate."

Under the headline, "Venezuela Diatribe Backfires," the New York Times (10/25, Hoge, 1.21M) says of Venezuelan President Hugo Chavez's speech last month to the UN General Assembly, "Now it appears that [his] histrionic performance -- styled to win him support from the United States' many detractors at the United Nations — may have cost his country the seat on the Security Council that he has conducted a global campaign to win." While "developing nations make up a vast majority of the 192 countries in the General Assembly and generally warm to rants against Washington," most "also value the United Nations as a place where their voices can be heard in a dignified setting, and both supporters and detractors here say Mr. Chávez may have miscalculated in turning it into his bully pulpit." The Times says "Venezuela's candidacy is already considered finished," and those "poor results came as a surprise," with many analysts noting "Mr. Chávez's performance as the cause." Also, "the unseemly process is embarrassing to Latin diplomats who acknowledge that the 33-nation Latin American and Caribbean group at the United Nations has often shown disunity, while the 53-nation African group and the 54-country Asian group yearly produce candidates without dispute."

Korologos Expected To Resign As Ambassador To Belgium. Al Kamen, in his Washington Post "In the Loop" column (10/25) writes "famed Washington lobbyist" Tom Korologos "is said to be leaving his fine posting as ambassador to Belgium early next year. Korologos, 73, often known as the 101st senator, helped out in Iraq in 2003. Word is the White House has tapped wealthy St. Louis developer Sam Fox, 77, to replace Korologos. Fox, a major GOP fundraiser, is national chairman of the Jewish Republican Coalition."

Study Says Most Automakers Falling Short Of Europe's CO2 Emissions Targets. The Wall Street Journal (10/25, A8, Echikson, 2.03M) reports, "About three-quarters of auto makers are failing to improve fuel efficiency to meet Europe's voluntary targets to cut carbon-dioxide emissions, according to an environmental group's study." The group "produced the study to heat up a debate over whether the European Commission should impose mandatory emissions cuts for automobiles. The federation backs mandatory controls, while the commission has set only voluntary targets." The Journal adds, "Any effort to impose new rules on the auto industry is likely to meet resistance from individual governments. The European Parliament's environment committee voted last month to delay compliance

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with CO2 standards to 2011 from 2008, saying auto makers needed the time to develop technologies."

Vietnamese Economy Attracts Investment. The New York Times (10/25, Bradsher, 1.21M) reports, "In the three decades since Vietnam has gone from communism to a form of capitalism, it has begun surpassing many neighbors. It has Asia's second-fastest-growing economy, with 8.4 percent growth last year, trailing only China's, and the pace of exports to the United States is rising faster than even China's." It is a "sign of Vietnam's economic vitality" that it has nearly completed the WTO accession process. "The latest Asian economic tiger, Vietnam now produces and uses more cement than France, its former colonial ruler. The main index for the Ho Chi Minh City stock market and a smaller exchange in Hanoi have nearly doubled in value this year. Vietnam has become the talk of investment bankers and investors across Asia." In "some ways, Vietnam is more pro-business than China." The Times also reports that "Republicans in Congress are divided over" permanent normal trade relations, and "corporate America is divided, too, over a Bush administration initiative to win votes for full trade status by throwing a bone late in September to Southern senators representing states where textiles are made."

Book Argues Mercenaries Could End Abuses In Darfur. In his column in the Wall Street Journal (10/25, A14, 2.03M), Max Boot says mercenary "outfits have grown in importance as the armed forces of the U.S. and other countries downsized after the end of the Cold War. Today, from Afghanistan to Iraq, much of the logistical support for American troops is provided by Halliburton subsidiary KBR." Noting that "hired hands" work in Iraq "to safeguard supply convoys, buildings and VIPs," Boot says, "Among foreign troop contingents, they are second in number – and in casualties – only to the U.S. military." Mercenaries "can actually perform valuable work that we won't send our own troops to do," including, Book suggests, defending civilian populations in Darfur. Citing cases of mercenary units creating the conditions for peace, Boot adds, "Hired guns could be equally effective in stopping the campaign of rape, murder and ethnic cleansing carried out by the Sudanese government and the janjaweed militia in Darfur." He concludes, "Sending mercenaries to Africa isn't politically correct. But it would be a lot more useful than sending more aid money that will be wasted or passing ineffectual resolutions that will be ignored."

Friedman Say Energy Struggle Reviving Cold War Tensions In Europe. In his column in the New York Times (10/25, 1.21M), Tom Friedman "posits that the price of oil and the pace of freedom operate in an inverse relationship in petrolist states — states with weak institutions and a high dependence on oil for their G.D.P. As the price of oil goes down, the pace of freedom goes up." He says "a black tide of petro-authoritarianism [is] emanating from Russia, and it is blunting the Berlin Wall tide of free markets and free people." Russia under President Vladimir Putin "has gone from the sick man of Europe to the boss man." EU and Russian "energy interests" are "in a standoff," and Friedman says "turnabout is fair play," with Russia "now using petro-power to push back." He concludes, "Centuries of uneasy relations between Europe and Russia make German officials queasy about how dependent they've grown on the Kremlin to heat their homes and offices. Queasy or not, one thing they know for sure: Russia is back. The gas man cometh."

WPost Says Europeans Not Bridging Gap With Muslim Community. Noting the one year anniversary of the suburban Paris riots, a Washington Post (10/25, A16, 748K) editorial says the "alienation" felt by Muslims "appears to have worsened, not only in France but across Western Europe. … Europeans are slowly growing more aware that a major part of the global struggle against Islamic extremism must take place in their own countries -- and not just in faraway Afghanistan or Iraq." However, European elites still appear to be a long way from coming to grips with the challenge. Rather than seeking to address the larger alienation of mainstream Muslims, European leaders often appear to do the opposite -- by challenging the culture of Muslims and defending gratuitous insults of Islam." The Post pans British Commons Leader Jack Straw's recent comments about veiled Muslim women, and says "veils -- which are also under government attack in France and Italy -- are not the cause of [self-] segregation, much less of terrorism. Attacks on Muslim custom by public officials are more likely to reinforce than to ease the community's alienation." Politicians should focus "on those who actually foment intolerance among European Muslims -- as well as those in the mainstream community who promote prejudice against Arabs and South Asians and their descendants." The Post concludes, "Politicians would do better to work on dismantling the barriers Muslims face in getting educations and jobs rather than those that distinguish Islam from the secular majority."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Democrats' Senate Hopes Lie With Rural Voters, Poll Finds."
"War On West Shifts Back To Afghanistan."
"Army Is Training Advisors For Iraq."

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"Making Sabbath A Day At The Beach."
"Governor Is Blunt To Bush."

USA Today:
"By The Numbers."
"Single-Sex School Restrictions Ease."
"When A Heart Attack Goes Undiagnosed."
"No Major Troop Cut In Iraq For A Year."
"Projections."

New York Times:
"General Weighs 2nd Troop Shift To Calm Baghdad."
"Idle Contractors Add Millions To Iraq Rebuilding."
"To Lower Costs, Hospitals Try Free Basic Care For Uninsured."
"Federal Rules Back Single-Sex Public Education."
"Pieces Of Art Collection Were Someone Else's."
"Vietnam's Roaring Economy Is Set For World Stage."

Washington Post:
"More U.S. Troops May Be Iraq-Bound."
"The GOP Leans On A Proven Strategy."
"A Sense Of Service."
"A Contentious Campaign In A Battleground State."
"DNA Testing a Mixed Bag for Immigrants."
"FBI's Fairfax Agents Packing For Pr. William."
"Failing Schools Are Fighting Back."

Washington Times:
"Democrats Won't Count Votes Before They're Cast."
"Iraqi Takeover target Set."
"National Medicaid Transport Probed."
"Virginia Battle On Same-Sex 'Marriage' Down To Wire."
"Rice Proposes Asia Form Security Alliance."
"Tracking device Places Parents In Driver's Seat."

Detroit Free Press:
"Tigers Must Start Hitting-Or Else."

Atlanta Journal-Constitution:
"Potty Talk Ends Shock jock Era In Atlanta."
"Schools Move To Gender Divide."
"Titanic Relics Emerge From Secret Warehouse."
Who'll Pay For Civil Rights Museum."
"Perdue Tax Break Spotlights Legislator."

Houston Chronicle:
"State Tuition Surpasses U.S. Average."
"If These Walls Could Sing."
"Will Skilling Get Prison Of Choice."
"Us May Boost Troop Level In Baghdad."
"Worker For All Jobs And All Seasons."
"Friedman Feels Sting OF Political Attacks."

Story Lineup From Last Night's Network News:
ABC: Iraq Timeline-Changing Course; Iraq War Analysis; Kidnapped Soldier-Iraq; Bush Hits Campaign Trail; Michael J. Fox AD- Anti Stem Cell Research; Massachusetts Governors Race; College Tuition Increase; Heart Attack Risk; Tropical Storm Paul; Light Hurricane Season; Stock Market.
CBS: Iraq Timeline-Changing Course; Iraq war Analysis; Iraq War Analysis; Foley Investigation; College Tuition Increase; Genetic Medicine-Medical Breakthrough; Campaign 2006-Microtargeting; Arianna Huffington Opinion-UN Sanctions; Stock Market; Dead Celebrities; Kenny Rodgers & Baseball.
NBC: : Iraq Timeline Changing Course; Iraq War Analysis; Foley Investigation; Campaign 2006; Stock Market; Flu Shots; Separate Education; Housing Market; Fashion Goes illegal.

Story Lineup From This Morning's Radio News Broadcasts:
CBS: Casey-US Troop Levels In Iraq; Hastert-Ethics Committee Testimony; Study-Health Care Costs; Study-Effects Of Flu Shots On Children; World Series.
NPR: Casey-Us Troop Levels In Iraq; Hastert-Ethics Committee Testimony; Nm-Los Alamos Documents Found; Ethiopia-Somalia Conflict; La-Offshore Drilling; Paulson-Us Economy's Health; World Series.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — Meets with President Leonel Fernandez of the Dominician Republic, Oval Office, pool at bottom.

VICE PRESIDENT CHENEY — Addresses Cincinnati USA Regional Chamber, The Phoenix, Cincinnati.

LAURA BUSH —Delivers remarks at a Michele Bachmann for Congress and Republican Party of Minnesota breakfast, Minneapolis Marriott Southwest, 5801 Opus Parkway, Minnetonka, Minn., open press; delivers remarks at a Minnesota Victory 2006 Rally, Mayo Civic Center, Rochester, Minn., open press; delivers remarks at Indiana Victory 2006 Rally, Bartholomew County 4-H Fairgrounds, Columbus, Ind., open press.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: MILITARY COMMUNICATIONS _ Milcom 2006, the Military Communications Conference, will be held. Theme: ``Networking the Warfighter." The conference will include classified and unclassified sessions, discussion panels, and tutorials, focused on advanced technology in military communications. Highlights: 12 p.m. Lunch with Gordon England, Deputy Secretary of Defense. Location: Wardman Park Marriott, 2660 Woodley Road, NW, and Omni Shoreham Hotel, 2500 Calvert Street NW. The classified program will take place in the Ronald Reagan International Trade Center, 1300 Pennsylvania Ave. NW.

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US-CHINA _ Five-day meeting of the US-China Economic and Security Review Commission. Location: Hall of the States, 444 N. Capitol St.

BEST COLLEGES _ 9:30 a.m. Education Sector holds discussion on American colleges and universities and whether they're really ``the best." Participants include Paul Glastris, Editor-in-Chief, The Washington Monthly; David Dunn, Chief of Staff to the U.S. Secretary of Education; Brian Kelly, Executive Editor, U.S. News & World Report; Patricia McGuire, President, Trinity University; and Kevin Carey, Education Sector. Location: Capital Hilton, 16th and K Sts. NW., Capitol Hilton, 16th and K Sts. NW.

GENETIC DATABANKS _ 9:30 a.m. The American Civil Liberties Union holds a panel discussion on the expansion of forensic DNA databases and their implications for civil liberties and criminal justice, with Barry Scheck of the Innocence Project, Helen Thompson of Genewatch UK, William Thompson of UC, Irvine, Tania Simoncelli, science adviser to the ACLU. Location: Room 2226, Rayburn.

AMTRAK _ 10 a.m. Rep. John Mica, R-Fla., joins D. Hamilton Peterson, Deputy Counsel - Director of Special Investigations, Office of Inspector General, National Railroad Passenger Corporation (Amtrak) for a press conference to release a report on an investigation of Amtrak Contracts With Private Law Offices. The Inspector General's report outlines what it says are serious problems, lack of oversight and excessive charges In awarding millions of dollars In legal contracts. Location: Room 2167, Rayburn House Office Building.

DROPOUT RATE _ 10 a.m. Pew Partnership for Civic Change holds briefing and discussion on ``Why the Dropout Rate Goes Beyond the Schools." With Alma Powell, Pew Advisory Board; and representatives from the Joint Center for Political Studies; National Governors Association; National Association of Manufacturers; others. Location: National Press Club, 14th and F Sts. NW.

GAYS-MARRIAGE AMENDMENTS _ 10 a.m. The National Press Club and the National Lesbian and Gay Journalists Association sponsors a newsmaker media briefing, ``The Gay Factor: How Marriage Amendments and the Foley Fallout will Affect the Election." Location: National Press Club.

ZOGBY POLL _ 10 a.m. Arab American Institute releases Zogby Battleground Poll of Arab-American Voters in Florida, Michigan, Ohio and Pennsylvania. Location: Capital Hilton, 16th and K Sts. NW.

IRAQ-PROTEST _ 11:30 a.m. There will be telephone news conference on Active-Duty troops launching a campaign to press Congress to end U.S. Occupation of Iraq, with 65 members -- including two who served in Iraq -- sending ``Appeals for Redress under the Military Whistle-blower Protection Act. Contacts: Trevor Fitzgibbon, 202-246-5303. Notes: To participate, call 800-362-0574; password ``Active-Duty.

TOM DAVIS-AWARD _ 11:30 a.m. Rep. Tom Davis (R-VA) receives the Gen. L.V. 'Sonny' Montgomery Award, the National Guard Bureau's highest award. Location: Room 2154 Rayburn.

FOREIGN AGRICULTURAL SERVICE _ 12 p.m. - 2 p.m. Michael Yost, administrator, Foreign Agricultural Service, U.S. Department of Agriculture, addresses a Women in International Trade Agriculture Section luncheon. Topic: ``The Restructuring of the Foreign Agricultural Service -- How Will It Be Impacted?" Location: Chinatown Garden Restaurant, 618 H St. NW.

ENERGY-BODMAN _ 12:30 p.m. Energy Secretary Bodman speaks on ``Biofuels and the Future of US Energy" at the US Chamber of Commerce. Location: 1615 H St. NW.

SENATE RACES _ 12:30 p.m. Sens. Elizabeth Dole, R-NC, chair, National Republican Senatorial Committee; and Charles Schumer, D-NY., chair, Democratic Senatorial campaign Committee, participate in a National Press Club Luncheon. Location: National Press Club.

ARLINGTON BURIAL _ 1 p.m. There will be a burial service for Army CW2 Scott Dyer, an Army Special Forces officer killed in Iraq. Location: Arlington National Cemetery.

CHRISTIAN-ZIONISTS-ELECTIONS _ 1 p.m. - 3 p.m. The Council for the National Intertest sponsors a discussion, ``The Armageddon Vote in 2006: Christian Zionists and the Midterm Elections." Speaks include Rev. Bob Edgar, General Secretary, National Council of Churches; and Rev. Robert O. Smith, co-author, ``Christians and a Land Called Holy: How Can We Foster Justice, Peace, and Hope?" Location: Room 2168, Rayburn House Office Building.

RICE SPEECH _ 1:30 p.m. Secretary of State Condoleezza Rice speaks on her recent diplomatic mission to Asia, aimed at building consensus in dealing with North Koreas nuclear program. Location: 214 Massachusetts Ave. NE.

US FOREIGN POLICY _ 3 p.m. New America Foundation forum on ``The American Way of Strategy: US Foreign Policy and the American Way of Life." With Michael Lind, author, ``The American Way of Strategy," and Bruce Stokes, New America Foundation director. Location: 1630 Connecticut Ave. NW.

DEMOCRATIC ELECTIONS _ 5 p.m. National Endowment for Democracy holds panel discussion on ``Electoral Systems and Democracy: What Have We Learned?" With Donald Horowitz of Duke University; Larry Diamond, Hoover Institute; others. Location: 1025 F St. NW, Suite 800.

CHINESE TECHNOLOGY _ 5 p.m. American University Professor Douglas Fuller speaks on ``China's Emerging Technology Tracjectory." Location: American

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University, Butler Board Room, 4400 Massachusetts Ave. NW.

COURAGE AWARDS-JILL CARROLL _ 6 p.m. International Women's Media Foundation's 2006 Courage in Journalism Awards. Winners include Jill Carroll, The Christian Science Monitor, who was held in captivity in Iraq for 82 days; May Chidiac, a journalist with the Lebanese Broadcasting Corporation, who survived a car bomb attack; and Gao Yu of China, pro-democracy reporter who was sentenced to six years in prison for ``leaking state secrets.'' Lifetime Achievement Award goes to Elena Poniatowska Amor, who's spent much of her career reporting on the lives of poor Mexicans. Location: National Geographic Society, 17th and M sts NW.

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Subject: PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES ON THE MILITARY COMMISSIONS ACT OF 2006 AT THE GERMAN MARSHALL FUND

Department of Justice

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PREPARED REMARKS OF ATTORNEY GENERAL ALBERTO R. GONZALES ON THE MILITARY COMMISSIONS ACT OF 2006 AT THE GERMAN MARSHALL FUND

BERLIN, GERMANY

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Thank you. I welcome this opportunity to engage in a dialogue with you about the legal challenges that the United States, and our allies in Europe, have faced in fighting terrorism against al Qaeda and its allies.

On September 11, 2001, the world stood witness with shock and horror to images of planes turned into missiles, flying into the World Trade Center and the Pentagon, murdering thousands of innocents. Those images, as well as subsequent images from London, Madrid, Bali and elsewhere have left an indelible mark on citizens throughout the world, and they have fundamentally shaped how the United States is responding to the threat from international terrorism.

When the enemy is willing to sacrifice their own lives to attack our citizens, when their cause is nothing less than territorial domination and a return to the barbarity of the Dark Ages, and when the cost of each tactical success for the enemy is measured in the hundreds and thousands of innocent lives lost, then we face something fundamentally different from crime—we are at war. Every resource of our Nation, including law enforcement, the military, and the intelligence services, must be directed at preventing future attacks before they occur.

By its activity both before and after 9/11—and by its own statements—al Qaeda is clearly in a state of armed conflict with the United States and its allies. The action taken following 9/11 by the United States and its allies in invading Afghanistan was a clear recognition of that state of armed conflict. I recognize that many countries now believe that the conflict is concluded, but the United States does not. Rather, we believe that as al Qaeda has scattered, the battlefield has widened.

There is a fundamental disagreement between the U.S. and some of its allies as to whether we are still at war. But my main point today is that just because the U.S. still believes a state of war exists, that does not mean that the rule of law has no place. To the contrary, it means that a different set of rules is applicable. I hope to be able to explain today how we preserve the rule of law in fighting this conflict.

We believe that, as part of this war, and in order to defend the security of our citizens, as well as the lives of citizens of Europe, we must have the ability to detain and remove terrorists from the battlefields of this conflict; to collect from them the vital intelligence that enables us to capture their associates and break up future terrorist plots; and to create effective and fair procedures that will allow us to prosecute and punish captured terrorists for their war crimes.

The legal doctrines directed at achieving these ends are not the same as those we would employ during peacetime. The United States Supreme Court has recognized this in several of its decisions, including its recent *Hamdan* decision. The United States Congress likewise has endorsed this view, most recently in the Military Commissions Act of 2006.

Over the past five years, the United States and its allies can point to a number of successes in our fight against terrorism. Our intelligence-gathering efforts were instrumental in capturing dozens of Osama bin Laden's closest henchmen, including the mastermind of the 9/11 attacks, Khalid Sheikh Mohammed, as well as Abu

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Zubaydah and Ramzi bin al Shibh. And the capture of those terrorists has led to actionable intelligence that has disrupted many other terrorist plots through both law enforcement and military operations.

We have broken up a cell of 17 Southeast Asian terrorist operatives being groomed for attacks inside the United States; uncovered key operatives in al Qaeda's biological weapons program – including a cell developing anthrax to be used in terrorist attacks. We have stopped planned strikes on U.S. Marines in Djibouti, and on the U.S. consulate in Karachi, and we have foiled a plot to hijack passenger planes and fly them into Heathrow Airport and Canary Wharf in London.

As we know, just this summer, British investigators thwarted an al Qaeda plan to blow up airplanes bound for the United States with common household liquids that could be smuggled aboard in passengers' carry-on luggage and assembled into bombs once onboard.

These successes, and the vigorous prosecution of the armed conflict with al Qaeda, have undoubtedly made us safer, but we cannot delude ourselves. We are not yet safe. Accordingly, we are continuing to work with our allies to identify new ways to contain and combat the ever-changing threat of terrorism.

Today, I would like to address one such way—the Military Commissions Act. This new American law provides for the full and fair trials of captured terrorists; reinforces and clarifies United States obligations under the Geneva Conventions; and buttresses our ability to gather vital intelligence and disrupt future terrorist attacks.

The Detention of Enemy Combatants

With respect to our international obligations, the United States provides individuals detained as enemy combatants at Guantanamo with greater legal rights than those owed to lawful prisoners of war under the Geneva Conventions. As many of you know, the Third Geneva Convention requires that, where there is any doubt regarding a belligerent's status as a prisoner of war, the detaining power must bring the individual before an "Article 5" military tribunal to determine whether the individual warrants the enhanced privileges of prisoners of war. The Geneva Conventions otherwise provide that enemy combatants may be detained for the duration of the hostilities, a fundamental precept of the law of war.

The United States goes well beyond these international obligations in the course of this present conflict. As President Bush has stated, the United States has no interest in serving as the world's jailer, and we have no interest in detaining individuals who do not threaten our citizens. Accordingly, we have released alien enemy combatants to their home countries where those nations have agreed that they will prevent such individuals from returning to combat, and where we have been assured that those nations will treat such individuals humanely. Indeed, we have repeatedly asked our European allies to join us in these efforts by agreeing to take back their citizens detained at Guantanamo or by helping persuade other countries to provide better security and human rights assurances to allow us to increase the number of transfers. But despite demands that Guantanamo

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be closed, the United States has received little help from our European allies regarding the fate of these detainees.

We also put in place procedures to ensure that the individuals we detain are, in fact, enemy combatants. The United States gives Article 5-like "Combatant Status Review Tribunals" to every detainee held at Guantanamo to determine whether they should be detained as an enemy combatant at all. Based on the decisions of these tribunals and based on our parallel efforts to repatriate detainees where appropriate and consistent with our national security, we have transferred approximately 340 individuals from Guantanamo.

The legal rights afforded to detainees do not stop there. Our law provides that each and every detainee has the opportunity to appeal the determination of the Combatant Status Review Tribunal to the federal court of appeals in Washington, D.C. In other words, the United States provides every detainee at Guantanamo Bay the opportunity to challenge his detention not merely before a military tribunal, but also before a civilian court.

These points, it seems to me, are lost in the recent debate over the Act's restrictions on habeas corpus, which allows an individual in police custody to seek his release from detention before a civilian judge. Indeed, the entire debate is premised on several misconceptions. First, habeas corpus is a civilian remedy. Alien enemy combatants captured outside the United States have *never* had the right to file a writ of habeas corpus under the United States Constitution in prior armed conflicts. Thus, the restrictions on habeas corpus do not, and cannot, deprive enemy combatants of any constitutional right that they have ever had under United States law.

Second, as I have explained, the United States already provides enemy combatants with the opportunity to challenge the legality of their detention before a civilian court, by appealing the determinations of our Combatant Status Review Tribunals. This process—which goes well beyond what is required for *lawful* prisoners of war under both international and domestic law—provides the same opportunity to get into federal court that these individuals would claim through the writ of habeas corpus.

Although some critics have focused on detention, the Military Commissions Act is fundamentally about prosecution. The law permits the prosecution of suspected war criminals before military commissions, which have been used during times of war by the United States and other countries. By law, these commissions can be used to try only "unlawful enemy combatants." This definition expressly excludes lawful prisoners of war, and it is carefully defined to include only those unlawful combatants who have taken active and purposeful steps to further hostilities against the United States and its allies not those who may provide an incidental or unintended benefit to the enemy.

Some have questioned why terrorists should be tried as war criminals in the first place. Although the law of war permits us to detain dangerous enemy combatants for the duration of hostilities to keep them from attacking us, we also believe that we must have the capability to bring them to justice for their crimes. Some ask, why not then try these terrorists in civilian courts just like any other individual who commits a crime? Here again, this view reflects a fundamental denial of the existence and the practicalities of this armed conflict.

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In the War on Terror, members of al Qaeda are not merely common criminals. Al Qaeda seeks to employ weapons of mass slaughter as a means of achieving political goals against both the civilian and military capacity of the United States, Europe, and our allies throughout the world. Their members continue to fight our Armed Forces on battlefields across the world, and they will continue to do so until we stop them. Their crimes are nothing less than war crimes.

For hundreds of years, the United States and other nations have used military commissions—not civilian courts—to try enemy combatants under such circumstances. Article 84 of the Geneva Conventions provides that lawful prisoners of war must be tried by military, not civilian, courts. It is entirely fitting that we continue to do so, consistent with our obligations under both international and domestic law.

Equally as important, military commissions are necessary because in many cases, the use of civilian courts would simply be unavailable or impractical. The collection of evidence and the prosecution of terrorists pose a host of difficulties not associated with the civilian justice system. For example, our civilian courts in the United States strictly limit the introduction of hearsay statements, that is, the admission into evidence of the assertions of individuals not present in court. Yet many whose statements we will need for military commissions are likely to be foreign nationals who are not subject to the jurisdiction of a United States tribunal, or who may be unavailable because of military necessity, incarceration, injury, or death. Therefore, if we are to put terrorists on trial, military commissions must be permitted to hear a broad range of evidence, including hearsay evidence where it is reliable. International war crimes tribunals, such as the International Criminal Tribunal for the former Yugoslavia, have similarly adopted broad rules of admissibility.

Finally, our civilian justice system provides for strict rules governing the collection and authentication of evidence. But battlefields and foreign terrorist safe houses are not like typical crime scenes, and the United States military cannot be expected to gather evidence like police officers in the course of fighting the enemy. Again, like international war crimes tribunals, military commissions will consider a broad range of evidence—all evidence that the military judge deems to be reliable and probative of the guilt or innocence of the accused.

Protections Afforded by Military Commissions

Although military commissions are both necessary and appropriate, let me emphasize that they are also venues in which the accused will receive a full and fair trial. The procedures for military commissions, like those of international war crimes tribunals, are adapted to wartime circumstances, but they contain all of the procedural protections that we in the international community regard as fundamental.

Consider the specific protections afforded by the legislation Congress enacted:

- The trial itself will be presided over by an independent military judge, drawn from among the same judges who preside over the courts-martial of U.S. troops, and whose impartiality is protected under law.

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- The accused shall be presumed innocent unless and until the prosecution proves his guilt beyond a reasonable doubt—the highest standard of proof recognized under U.S. law.

- The accused shall have the right to examine and respond to every piece of evidence—including classified evidence—that is introduced before the trier of fact.

- The world community, too, shall have the right to see the evidence and observe the proceedings, because, with a narrow exception for national security, all trial proceedings shall be open and public.

- The Act plainly and unequivocally bars all evidence collected through torture, as under domestic and international law. The United States does not engage in torture, and consistent with our law and practice, no evidence obtained by torture shall be admitted at a commission proceeding.

- For statements of the accused, the law further provides that the judge may admit such evidence only if he finds that the statements are reliable and that their admission would serve the interests of justice. This rule tracks closely Rule 95 of the International Criminal Tribunals for the Former Yugoslavia and for Rwanda, both of which require an inquiry into the reliability of the evidence and its impact on the integrity of the procedures.

    - The law does not, as some have charged, require the admission of coerced evidence. Rather, it simply provides that an impartial judge shall determine under the circumstances whether the evidence is fit to be considered by the trier of fact.

- In addition to these protections at trial, the Act grants convicted terrorists several opportunities to appeal, both to a military review court and to a civilian court of appeals. The Supreme Court also may exercise jurisdiction to review commission judgments. As in the detention context, this access to our domestic courts is another extraordinary protection in the history of armed conflict.

Implementing the Geneva Conventions

The Military Commissions Act thus establishes military commissions in compliance with the law of war, which includes the Geneva Conventions. The Act also contains critical provisions to clarify the meaning of those Conventions.

I do not believe the Geneva Conventions were drafted with the threat of al Qaeda in mind. The drafters of the Conventions understood armed conflict as a choice between two models: international conflicts between nation-states and civil wars within a single State. And last summer, our Supreme Court held that Common Article 3 applies to our conflict with al Qaeda.

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Common Article 3 has been part of the Geneva Conventions since 1949, yet some of its provisions, such as its prohibition upon "outrages upon personal dignity," are not well-defined. What constitutes an "outrage upon personal dignity" or "humiliating and degrading treatment"? International law provides relatively few precedents, and the law which did exist suggested that courts could reach widely varying conclusions. The United States takes its treaty obligations seriously, however, and indeed, we had previously made any violation of Common Article 3 a war crime. The Military Commissions Act reinforces the commitment of the United States to Geneva by providing clarity to the meaning of its terms under our domestic law.

The Act clearly defines nine "grave breaches" of Common Article 3. These include things like murder and torture—all of which were already illegal under United States law, and none of which America has ever condoned. These also include clear and undeniable outrages upon personal dignity, such as rape, sexual abuse, and the performing of human experiments.

Beyond the floor set by these provisions, the Act then provides that the President may issue regulations concerning our understanding of the Geneva Conventions for conduct that falls short of a "grave breach"—for example, conduct that constitutes an "outrage[] upon personal dignity" or "humiliating and degrading treatment." These regulations will be public, and therefore open to congressional and public scrutiny.

Conclusion

I close with a reminder that Germany and the United States are great nations, but neither will succeed in defeating terrorism without the help of the other, and the help of other friends and allies. Though there may be differences in approach, our objectives are the same. It is important that we continue to dialogue, to discuss, to educate. Our friendship is based on trust, and trust is based on understanding and understanding based on communication. Germany and other European countries have more experience dealing with terrorism. I am sure there are lessons we can learn from you. And I hope in our discussions you may learn some things as well.

Germany and the United States have taken great strides in fighting terrorism, but there is still much work left to do. For those of us who work at the United States Department of Justice, everyday is September 12, 2001. Everyday is that day after. Everyday requires renewed commitment to combating and preventing terrorism. And everyday we will look to the Government of Germany and to the German people as our partner in making the world a safer place for our children and grandchildren.

Thank you.

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From: Miller, Charles S
Sent: Wednesday, October 25, 2006 11:06 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 10/25/06 Civil Division News

Latest Round in Web Porn Law Fight Begins

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The Legal Intelligencer
10-25-2006

Latest Round in Web Porn Law Fight Begins

By Shannon P. Duffy

It's not all that often that a month-long trial begins in federal court where everyone knows from the start which side is likely to win.

But that was the situation Monday in *ACLU v. Gonzales* as the final round of litigation got underway in a challenge to the Child Online Protection Act (COPA), a law which threatens criminal penalties for commercial Web site operators that allow children to access material that is "harmful to minors."

Eight years after it was passed, COPA has never gone into effect because Senior U.S. District Judge Lowell A. Reed Jr. granted a preliminary injunction that, after two trips to the U.S. Supreme Court, won the approval of a 5-4 court.

Although the majority was a slim one, the high court's holding was that the ACLU and its co-plaintiffs are "likely to succeed" in proving that COPA is unconstitutional.

But "likely" doesn't mean certainly, and the Justice Department isn't giving up the fight.

In preparation for Monday's trial, Reed ordered lawyers on both sides to file their proposed findings of fact and conclusions of law.

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Ordinarily, such briefs are filed after a nonjury trial has concluded to aid the judge in his drafting of an opinion that announces his verdict.

But *ACLU v. Gonzales* is no ordinary case, and Reed apparently wanted the lawyers to provide a roadmap for the trial, which is expected to boil down to a battle of the experts.

One of the central disputes in the case is whether children can be protected by "filtering" software -- a program added by parents to a computer to block access to sexually explicit Web sites.

The government, in its brief, insists that "filtering software cannot completely protect minors from exposure to sexually explicit material on the World Wide Web. The status quo solution -- filtering software without any government regulation -- fails to protect children adequately."

The better solution, the government argues, is to stop pornography at its source by requiring Web site owners to demand "age verification," such as a credit card, before allowing access to sexually explicit content.

But the plaintiffs lawyers -- a team from the ACLU and Latham & Watkins -- argue that COPA is overbroad and that many legitimate Web sites fear prosecution under the law.

Age verification won't work, the ACLU argues, because Internet users are reluctant to give their identity and Web site owners cannot afford to process credit cards just to allow access to free content.

And even if a credit card system were installed, the ACLU says, it wouldn't prevent children from gaining access since many youngsters have access to their parents' credit cards or even have their own cards.

Instead, the ACLU says, Congress should go back to the drawing board and draft laws designed to enhance the effectiveness of filtering software.

"Congress could enact a statute that permits the distribution of such material [that is harmful to minors], but instead requires Web site operators to include a rating, label, or code on the Web site that makes clear that harmful to minors material is available on the Web site. Such a rating, label or code could be placed on the initial home page of the site," the ACLU argues in its brief.

"Requiring Web sites to include a harmful-to-minors rating, label or code would make filtering products even more effective and accurate at blocking harmful to minors material," the brief says.

Another way to make filters more effective, the ACLU says, would be a federal law requiring the Justice Department to compile and maintain a list of Web sites that contain material that is harmful to minors.

Such a statute "would provide filtering product companies with the ability to accurately block absolutely all speech that the government believes is harmful to minors. It would also provide parents and other entities with information about the types of material that are on the Web in order to assist parents in determining what protections, if any, are necessary for their children depending on their individual values and circumstances," the brief says.

The ACLU contends in its brief that "filtering product companies would accept a governmentally created list of inappropriate sites; in fact, many have already testified that they would almost certainly comply with any request from a governmental entity to include specific sites on their lists."

But Justice Department lawyers insisted in their brief that "voluntary measures such as a Web site rating system, filtering products, and education, will be effective only if they are used in conjunction with the requirements of COPA, because voluntary measures alone will not prevent children from accessing material harmful to minors."

A rating system simply wouldn't work, the Justice Department says, because Web site operators "would lack an incentive to label their material in a manner that makes it more likely that filters will block access."

The operators, they say, "would have to agree to a uniform system of ratings, or agree to subject themselves to an independent rating body."

And even if such a system were attempted, the Justice Department says, it would prove ineffective because "Web sites are too numerous and change too frequently for the government, or any private business, to effectively separate harmful from nonharmful material."

Instead, the government argues, "Only a solution directed at the source of the problem can provide the incentive necessary to adequately protect children."

In an opinion handed down on Oct. 10, Reed rejected a last-minute bid by the government to have the case dismissed.

In its motion, the government argued that none of the named plaintiffs has standing to challenge the law because they are not "commercial pornographers," and that their fear of being prosecuted under COPA is therefore "too speculative."

But the plaintiffs lawyers argued that plaintiffs such as Salon.com and the *Philadelphia Gay News* have good reason to fear that they will be targeted for prosecution because the law prohibits any commercial dissemination of material that is deemed to be "harmful to minors."

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Reed sided with the plaintiffs, finding that "there is nothing in the statute that limits COPA to commercial pornographers."

The legal test for establishing standing on the basis of a credible threat of prosecution is "quite forgiving," Reed said, and courts "will assume a credible threat of prosecution in the absence of compelling contrary evidence."

Under COPA, a commercial Web site operator faces up to six months in prison and fines of up to $50,000 if found to have allowed minors access to harmful material.

The law defines material that is "harmful to minors" as any "communication, picture, image, graphic image file, article, recording, writing or other matter of any kind that is obscene" or that, if not obscene, meets the law's three-pronged test.

Under the first prong of the test, material violates the law if "the average person, applying contemporary community standards, would find, taking the material as a whole and with respect to minors, is designed to appeal to, or is designed to pander to, the prurient interest."

The second prong calls for proof that the material "depicts, describes, or represents, in a manner patently offensive with respect to minors, an actual or simulated sexual act or sexual contact, an actual or simulated normal or perverted sexual act, or a lewd exhibition of the genitals or post-pubescent female breast."

Finally, the material must be shown to "lack serious literary, artistic, political or scientific value for minors."

With that test in mind, Reed found that the plaintiffs have standing because they "will be able to show at trial that they have a legitimate fear that they could be prosecuted under COPA because their materials could be found to be harmful to minors."

Having reviewed each of the plaintiffs' Web sites, Reed found that many of them include material that "could be found to: have been designed to appeal to the prurient interest of a minor; depict or describe a sexual act or contact or a lewd exhibition of the genitals or post-pubescent female breast in a manner patently offensive with respect to minors; and lack serious literary, artistic, political or scientific value for minors."

Some of the plaintiffs' materials "are more graphic than others," Reed noted, and "range from erotic homosexual kissing to highly eroticized descriptions or depictions of anal and vaginal sex."

In a footnote, Reed said the term "prurient interest" is most often defined as "a shameful or morbid interest in nudity, sex, or excretion over and beyond that which would be characterized as normal."

But that definition was significantly expanded by the U.S. Supreme Court, Reed noted, in a decision that said materials may appeal to the prurient interest if they are merely "in some sense erotic."

In another footnote, Reed said, "I find that it is possible that some communities would find even minor sexual contact, like kissing, to be prurient in nature and patently offensive if performed by homosexuals."

END

Boston Globe
October 25, 2006

Curb sought on counsel to detainees; US asks court to restrict talks with lawyers

By Farah Stockman, Globe Staff | October 25, 2006

WASHINGTON -- The US government is seeking to sharply restrict communication between defense lawyers and inmates at Guantanamo Bay prison, asserting that some lawyers have given inmates "inflammatory" material such as reports of abuses at Iraq's Abu Ghraib prison and news articles about terrorist attacks.

The government is seeking judicial approval for new rules that would allow defense lawyers only four visits with their clients, rather than the unlimited number now permitted; control the topics that can be discussed in such meetings; and restrict the types of information that can be exchanged between lawyers and detainees through the mail.

The government filed the new rules in August with the federal appeals court in Washington, D.C., which is currently reviewing them in connection with the case of a Guantanamo detainee. If the court agrees to the limitations, they are expected to be applied to future cases.

Since the first detainees were brought to Guantanamo Bay after the terrorist attacks of Sept. 11, 2001, the Bush administration has battled to keep information about them secret -- including their names -- and to prevent them from having access to defense lawyers.

But defense lawyers won the right to meet with detainees in 2004, when the Supreme Court ruled that about 450 men being held at the Cuban military base could challenge their detention in federal courts.

Last month, Congress passed a law taking away the right to challenge detention in federal court.

But under the law, detainees still have a right to appeal the US military's decision to classify them as "enemy combatants," determinations that are made by military officers at Guantanamo Bay who review the government's evidence and hear testimony from the detainees. Detainees have a right to a limited appeals process, during which they can ask a panel of federal judges in a Washington appeals court to review documents in their cases to determine whether the enemy combatant classification was a mistake.

The proposed new rules would restrict the legal representation for these challenges. It is unclear how they would affect the dozen or so detainees who are expected to be tried before military commissions.

Haji Bismullah , a former Afghan transportation official in the post-Taliban government, is among the first detainees to appeal his enemy combatant designation. Justice Department lawyers filed the proposed new rules governing access to defense attorneys in his case, and have refused to give his lawyers any information about him until they agree to the restrictions.

Justice Department attorneys argued in their filings that stricter rules are needed because some defense lawyers have abused the system by sending detainees news articles about terrorist attacks in London, Iraq, and Israel; by providing a book about abuses of detainees in Iraq's Abu Ghraib prison; and by giving a detainee a transcript of a speech given at a conference held by the human-rights group Amnesty International.

"The speech contained inflammatory information regarding current political events, as it contained information about ongoing efforts in the war on terror," Commander Patrick M. McCarthy , a top military lawyer at Guantanamo Bay, wrote in the filings. "Such information threatens the security of the camp, as it could incite violence among the detainees."

McCarthy also complained that one team of defense lawyers had asked a detainee questions about his case at the behest of the British Broadcasting Corp.

But Barbara Olshansky , a lawyer with the New-York-based Center for Constitutional Rights, a legal advocacy organization that coordinates the representation of Guantanamo Bay detainees, said none of the actions cited by the government amounts to violations of prison rules or threats to prison security.

"Leaving aside core American values like free speech, and whether reading something that is said at Amnesty [International] is going to damage national security, the accusations that they have leveled against us make me incredibly sad," she said. "People haven't been talking about classified stuff. Nothing classified has been leaked in the press. What is the basis of asking for something more onerous when the current rules are working?"

The current rules, which were the result of tough negotiations between defense lawyers and the government in 2004, require that attorneys obtain security clearance before they see classified evidence in a case. But the proposed rules state that in addition to security clearance, an attorney must "need to know" the information that is being sought, a determination that is made by the US government.

Under the current rules, the military must ask a judge for permission to make information off limits for an attorney to discuss with a client. But under the new rules, the military itself would have the power to declare information off limits, although defense lawyers could appeal that determination in court.

Under the current rules, legal mail is reviewed only to ensure that attorneys are not passing on physical contraband. Under the new rules, mail will be reviewed by a committee to screen out unnecessary information about the outside world.

Currently, there are no limits on the number of visits a lawyer can have with a detainee. But the new rules allow a lawyer appealing an enemy-combatant designation one initial visit and a maximum of three additional visits.

Justice Department attorney Robert Loeb said in legal filings that lawyers do not need many meetings to file an appeal.

The fight over limiting access to lawyers comes after President Bush transferred 14 terrorist suspects, including alleged Sept. 11 mastermind Khalid Sheikh Mohammed, to Guantanamo Bay from secret CIA facilities. Administration officials have expressed concern that information about those detainees -- and the conditions under which they were kept in secret prisons -- might leak out through defense attorneys.

END

New York Sun

October 25, 2006

Top GOP Senator Joins Critics of FBI Anthrax Probe

BY JOSH GERSTEIN - Staff Reporter of the Sun

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A powerful Republican senator is adding his voice to a growing chorus of congressional critics who contend that the FBI may have botched its investigation of the anthrax-laden mailings that killed at least five people in 2001 and have not been solved.

Senator Grassley of Iowa wrote to Attorney General Alberto Gonzales late Monday demanding an update on the status of the probe and expressing frustration at a decision by the Justice Department and the FBI to stop briefing Congress about the investigation.

"How do they expect Congress to do our constitutional responsibility of oversight?" Mr. Grassley asked yesterday in an interview with The New York Sun. "Do they think we're not supposed to be part of the checks and balances anymore?"

Last month, the FBI refused a request from Rep. Rush Holt, a Democrat of New Jersey, for a briefing on the status of the probe. The agency said no further briefings would be offered to members of Congress because of press accounts that followed earlier briefings and cited congressional sources.

In his letter, Mr. Grassley said he was "shocked" by the explanation because leaks from FBI sources led to news reports fingering a former Army scientist, Steven Hatfill, who was never charged. "For the FBI to withhold information from Congress for fear of leaks seems a bit hypocritical, to say the least," the senator wrote.

Officials at the FBI and Justice Department said they had received the letter but had no immediate comment. Mr. Grassley said "irritation" with the FBI contributed to his decision to take the matter directly to Mr. Gonzales. "We ought to have an answer as to why this crime hasn't been solved," the senator said.

In a letter last month to Mr. Holt, the FBI disputed reports that it operated for years under the mistaken impression that the anthrax used in the mailings was of a refined type that only a few scientists could have produced.

"The FBI and its partners in this investigation have never been under any misconception about the character of the anthrax used in the attacks," an FBI official, Eleni Kalisch, wrote. She said 17 FBI agents and 10 postal inspectors still were assigned to the nearly five-year-old investigation.

Mr. Grassley said that if Mr. Gonzales does not respond, Congress could consider other approaches, such as subpoenaing the information. "I also think holding up nominations for the Justice Department is a possibility," the senator said.

Mr. Hatfill is pursuing two libel suits over reports tying him to the anthrax attacks. He is also pressing a Privacy Act case against the federal government over alleged leaks. The New York Times, which is the defendant in one of the libel cases, has acknowledged that two of its confidential sources for columns about Mr. Hatfill were FBI employees. Last week, a federal magistrate ordered the Times to identify those sources and others, but the decision is under appeal.

END

San Francisco Chronicle

Oct. 25, 2006

San Francisco Court Backs Atheist Who Fought Pledge

Bob Egelko

An atheist who challenged the phrase "under God" in the Pledge of Allegiance can proceed with a libel suit against a minister who claimed he lied under oath, a state appeals court ruled Tuesday.

Michael Newdow of Sacramento sued the Rev. Austin Miles after Miles, who described himself as an interdenominational chaplain in Contra Costa County, wrote an Internet article about Newdow's case in July 2002. The article quoted Newdow as telling the court that his daughter, an elementary school student, suffered emotional damage because she was required to recite the pledge with the words "under God." That statement was a lie under oath and should be prosecuted as perjury, Miles wrote.

Newdow's lawsuit, filed in 2003, said the quote was a fabrication and had been widely circulated, damaging his reputation. When Miles failed to respond, a judge awarded Newdow $1 million in damages in 2004, but the award was thrown out last year by the appeals court, which said Miles was entitled to defend himself.

Miles then sought to dismiss the suit as an interference with his freedom of speech. But the Court of Appeal in San Francisco, upholding a judge's ruling, noted that libel is not constitutionally protected and said Miles' article was potentially libelous because it accused Newdow of a crime.

Miles wrote his article shortly after a federal appeals court ruled that mandatory recitation of "under God" was an unconstitutional endorsement of religion. The Supreme Court overturned the ruling in 2004, saying Newdow was not entitled to sue on his daughter's behalf because her mother had full custody of the child. Newdow, a lawyer and physician, has filed a new suit on behalf of other parents and children and won an initial ruling from a federal judge, which is now on appeal.

END

CanWest News Service

Oct. 25, 2006

RCMP boss wrong on Arar, says former solicitor general; Liberal cabinet minister denies he was briefed on errors by Mounties

Andrew Mayeda

OTTAWA -- The former head of the department that oversaw the RCMP has disputed testimony by RCMP Commissioner Giuliano Zaccardelli that he briefed his political masters soon after learning that the Mounties spread false information on Maher Arar.

Zaccardelli testified last month before a parliamentary committee that he first learned of the RCMP mistakes sometime after Arar was imprisoned in Syria in the fall of 2002.

He went on to say that the RCMP "had discussions with the minister to inform him of the situation."

But in testimony before the same committee yesterday, former solicitor general Wayne Easter said he was not briefed about the errors, nor about RCMP efforts to correct them.

"I was not so informed. And I will state that again. I was not so informed," said Easter, who served as solicitor general under the former Liberal government. The position was abolished last year after the Public Safety Ministry took over responsibility for the RCMP.

"There is no situation where the RCMP came to me and basically said, 'We screwed up. We provided improper information.'"

Members of the public safety committee, which has been conducting hearings into the Arar case since the release of the explosive O'Connor report last month, were troubled by the apparent discord in testimony between Easter and Zaccardelli.

"I have very, very shaky confidence in [Zaccardelli] and him continuing this role, and this just further undermines that," said Liberal MP Mark Holland. "Given the severity of what happened to Mr. Arar, given the weight of the mistakes made by the RCMP, it's just flabbergasting that they would not have at any point talked to anybody in the political sphere and let them know that they made a mistake."

Arar, an engineer with Canadian and Syrian citizenship, was detained by U.S. authorities after passing through a New York airport in September 2002 and eventually sent to Syria, where he was tortured.

END

AP

October 25, 2006

State to get almost $900,000 from settlement

CHEYENNE, Wyo._Wyoming will receive almost $900,000 as part of a multistate and federal settlement with a company accused of Medicaid billing fraud .

Wyoming Attorney General Pat Crank said Wyoming was one of 30 states, along with the federal government and the District of Columbia, to join in the settlement with Pediatrix Medical Group, Inc. Wyoming's share is almost $893,000.

The governments said Pediatrix improperly billed Medicaid and other programs for neonatal care, listing infants as being critically ill when they weren't, from 1996 through 1999.

"This settlement can serve as a reminder to health care providers in Wyoming that abuse of the system will not be tolerated," Crank said.

END

The Republican

October 25, 2006

Judge freezes Guard lawsuit

By MARLA A. GOLDBERG

SPRINGFIELD - A judge has frozen a lawsuit by Massachusetts National Guard soldiers who said they were never compensated for lodging and out-of-pocket expenses after being activated in 2001 to protect public resources from terrorism.

U.S. District Court Judge Richard G. Stearns ruled on Friday that he will give the National Guard time to finish evaluating the soldiers' claims, and hopes the process "can be satisfactorily brought to a conclusion," within 60 days as proposed by the U.S. attorney's office in Boston.

However, Stearns said that if no resolution is reached, he will rule on two opposing motions: One to dismiss the lawsuit or transfer it to the U.S. Court of Federal Claims; the other to broaden it into a class action.

Lawyer John R. Shek, who represents the four soldiers who filed suit in January, said Stearns' ruling sidestepped core issues. "Our hands are tied, while the government has ... full reins to do whatever it wants," he said.

Shek estimated that 1,200 Massachusetts National Guard soldiers are owed $73 million, based on days worked and "per diem" allowances they should have received. Using those numbers, the soldiers would be owed $60,833 each, but Shek would not confirm an average yesterday, saying terms of service varied greatly.

Motions filed by lawyers, which judges typically allow or deny, were "terminated," by Stearns, and Shek questioned the move. "We don't know what it means," he said.

However, the National Guard touted Friday's ruling as affirming that its "reimbursement workshops" are a good-faith effort to provide the soldiers with any funds they are due.

"The bottom line is that our soldiers worked hard to ensure the people of Massachusetts were safe and they are entitled to full compensation ... it has always been my intent to ensure they get it," stated Brig. Gen. Oliver J. Mason Jr., who is also the guard's adjutant general, in a press release.

Filers of the lawsuit are Sgt. Steven M. Littlefield, of Manomet; Sgt. Wayne R. Gutierrez, of New Bedford; retired Capt. Louis P. Tortorella, of Brookline, N.H.; and Spc. Joseph P. Murphy, of Derry, N.H.

The four cite violation of equal protection rights, along with breach of contract, financial duty and Army regulations. Besides reimbursement, they seek damages and lawyer's fees from the United States, the commonwealth of Massachusetts and the Massachusetts National Guard.

A status report filed by the U.S. attorney's office on Friday states that seven soldiers who attended a reimbursement workshop in September "lacked sufficient information" about their service to fill out travel vouchers. However, staff from the National Guard Joint Force Headquarters in Milton have since reviewed "all the historical files for Operation Noble Eagle," to get such data and add it to information packets for 116 soldiers, the report states.

Headquarters plans to restart the workshops as soon as possible, and is "reviewing the orders for all soldiers who served in Operation Noble Eagle ... to ensure that none are missed."

"Once a soldier is satisfied with his or her travel voucher ... the form will be processed ... for payments," stated the document signed by Assistant U.S. Attorney Mark T. Quinlivan.

Shek said the number of soldiers identified by the National Guard falls far short of those affected, and the travel voucher system isn't proper reimbursement. Instead, Shek said, "the law provides for these men and women to be paid according to per diem schedules" adopted by a military travel committee.

At an Oct. 10 hearing in Springfield, Shek said some soldiers commuted more than 100 miles a day and slept in their cars to protect resources such as the Quabbin Reservoir, because they weren't given money for hotels.

In yesterday's press release, Maj. Anthony Sciaraffa stated that eight months prior to the lawsuit, a formal audit was launched to determine who might be owed additional compensation.

The soldiers did get annual salaries, Sciaraffa said after the Oct. 10 hearing, totaling about $24,000 for a specialist or corporal. A soldier whose station is changed for at least 179 days is also entitled to an annual housing allowance.

END

FindLaw.com

October 25, 2006

The Military Commissions Act of 2006: A Short Primer

By JOANNE MARINER

In the final run-up to the midterm elections, the Republicans are looking to national security to save them from a rout. Exploiting Americans' fears of terrorism, they accuse Democratic candidates of hindering counterterrorism efforts and exposing the public to the threat of further attacks.

Under the heading "America Weakly," the website of the Republican National Committee trumpets the fact that "162 House Democrats voted against authorizing military tribunals for dangerous terrorist suspects, including alleged 9/11 mastermind Khalid Sheikh Mohammad."

The legislation at issue is the Military Commissions Act of 2006 (MCA), a law that even some Republicans have criticized as unconstitutional. Besides authorizing substandard military trials for suspected terrorists, the new law immunizes CIA personnel for past abuses, bars detainees from asserting their right to habeas corpus, and attempts to render the Geneva Conventions unenforceable in court.

In the immediate wake of September 11, when the Patriot Act passed without opposition, a traumatized American public might have been apt to mistake abusive counterterrorism policies for effective ones. But five years later, objective indicators now show that the Bush Administration's response to terrorism has been, in myriad ways, counterproductive. The recently declassified National Intelligence Estimate confirms that U.S. policies have spawned deep-seated Muslim resentment, and that terrorists are using this resentment to draw recruits.

Rather than marking a new approach, the MCA provides congressional sanction for many of the Administration's most short-sighted and dangerous counterterrorism policies. While it does not explicitly legitimate torture or arbitrary detention, it places formidable legal obstacles in the way of detainees who would challenge such abuses. Below, following on a column posted two weeks ago, I discuss some of the worst elements of the new law.

CIA Abuses

The MCA was passed in the wake of the Supreme Court's landmark decision in *Hamdan v. Rumsfeld*, a ruling that called into question the legality of the Administration's secret CIA detention program. *Hamdan* made it clear that abusive interrogation techniques used by the CIA violated international law, and that CIA operatives could be held criminally liable for such abuses.

Reacting to *Hamdan*, the Bush Administration first pushed to redefine the scope of U.S. obligations under the Geneva Conventions, in particular Common Article 3, the provision at issue in *Hamdan*. After opposition from within the Republican Party to such an overt repudiation of universally-accepted international norms, the Administration took a different approach. While the MCA does not explicitly rewrite the Common Article 3, it opens the door to the provision's effective redefinition. It does so by specifying that the War Crimes Act, as amended, satisfies the U.S. obligation to criminalize grave breaches of Common Article 3, and that the president may issue authoritative interpretations of the remainder of the provision.

The law also nullifies the legal impact of the Conventions in domestic courts. Section 5 of the law provides that the Geneva Conventions and related treaties are unenforceable in court in civil cases involving the U.S. government or its agents. It states, specifically, that they may not be invoked "in any habeas corpus or any other civil action or proceeding . . . as a source of rights in any [U.S. or state] court." And another provision of the law bars persons deemed unlawful enemy combatants from invoking these treaties as a source of rights.

Column continues below ↓

Notably, the legislation narrows the scope of the War Crimes Act, decriminalizing certain past acts. Previously, the War Crimes Act criminalized all violations of Common Article 3 of the Geneva Conventions, as well as grave breaches of the Geneva Conventions. Anyone responsible for any Common Article 3 violation, including the cruel, humiliating or degrading treatment of detainees, could be prosecuted under the law.

The MCA revises this portion of the War Crimes Act, replacing the blanket criminalization of Common Article 3 violations with a list of "grave breaches" of Common Article 3, which are specified and defined in the legislation. And the law is

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amended retroactively to November 26, 1997, meaning that perpetrators of several categories of what were war crimes at the time they were committed, can no longer be punished under U.S. law.

Now, under the MCA, torture and cruel and inhuman treatment qualify as "grave breaches," but degrading or humiliating treatment does not. The MCA also eliminates as a war crime the passing of sentences by a court that does not meet international fair trial standards.

A twist in the new legislation is that it includes two separate definitions of cruel and inhuman treatment, one that applies to abuses that occurred prior to the MCA's passage, and another that applies to future conduct. If committed after the passage of the MCA, cruel and inhuman treatment only requires a finding of serious and non-fleeting mental pain or suffering. But for abuses committed prior to the law's passage, the perpetrator can only be penalized if the pain or suffering is "prolonged."

This provision may immunize from prosecution CIA interrogators who have previously employed abusive interrogation techniques such as waterboarding and extended sleep deprivation -- techniques that cause time-limited but severe mental anguish.

Habeas-Stripping

The most-criticized provision of the legislation bars aliens held as enemy combatants from filing suit via the writ of habeas corpus to challenge the legality of their detention or to raise claims of torture and other mistreatment.

This provision covers all non-citizens, including longtime legal residents of the United States, and it applies even if they are held inside the United States. Moreover, the prohibition applies even after detainees have been released. As a result, detainees who have been tortured or otherwise mistreated are forever barred from going to a U.S. court to seek redress and to air what has happened to them.

The habeas-stripping provision raises a host of legal questions. The first is whether enemy combatants enjoy a constitutional right to habeas corpus (not just a statutory right to it), a question left unanswered by the Supreme Court's 2004 opinion in *Rasul v. Bush*. Note that the constitutional claim will probably be deemed stronger for Qatari student Ali Saleh al-Marri, held as an enemy combatant in the territorial United States, than for the Guantanamo detainees. It is likely to be deemed weakest of all for detainees held in Afghanistan and elsewhere abroad.

A second question with regard to Guantanamo detainees is whether the narrow federal court review of administrative proceeding held on Guantanamo allowed under a 2005 law should be considered an "adequate substitute" for habeas. And courts may also end up assessing whether the right to habeas can legitimately be suspended when a person has been deemed an enemy combatant.

Repeal

A post-election Congress should take a hard second look at the new law. While the courts are likely to strike down some of the MCA's worst provisions, a responsible Congress would repeal the law first. The goal of a fair, tough, and effective approach to counterterrorism requires it.

Joanne Mariner is a human rights attorney.

END

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

In Berlin, Gonzales Urges Europeans To Receive Released Detainees. The AP (10/26) reports, "U.S. Attorney General Alberto Gonzales said European countries should do more to take back detainees released from the U.S. military prison at Guantanamo Bay, Cuba, while defending Washington's treatment of prisoners." The AP continues, "Gonzales is touring European capitals to discuss a recently passed U.S. law covering the prosecution of terror suspects. … Speaking in Berlin at an event organized by the German Marshall Fund, he said the United States is 'not interested in serving as the world's jailer,' and urged Europeans to be more willing to repatriate released prisoners, as well as to increase pressure on third countries to do so. … 'Despite demands from others that Guantanamo be closed, the United States has received little help from our European allies regarding the fate of these detainees,' Gonzales said." The AP adds, "Gonzales also detailed the U.S. Military Commissions Act, a law that provides for trials of captured terrorists, saying it was proof that 'just because the U.S. still believes a state of war exists, that does not mean that the rule of law has no place.' … Gonzales was conciliatory toward expressions of frustration from German members of parliament who attended the discussion over what they view as insufficient respect by the United States for international law. … 'We understand the anxiety and the tension this has created,' Gonzales said. However, he urged German and

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other allies to be open for discussion, saying 'we need you in the long haul as partners.'"

Cheney Confirms US Has Used "Water-Boarding" To Question Al Qaeda Detainees. McClatchy (10/26, Landay) reports, "Vice President Dick Cheney has confirmed that US interrogators subjected captured senior al-Qaida suspects to a controversial interrogation technique called 'water-boarding,' which creates a sensation of drowning." Cheney "indicated that the Bush administration doesn't regard water-boarding as torture and allows the CIA to use it. 'It's a no-brainer for me,' Cheney said at one point in an interview." Cheney's comments, "in a White House interview on Tuesday with a conservative radio talk show host, appeared to reflect the Bush administration's view that the president has the constitutional power to do whatever he deems necessary to fight terrorism."

US Proposes Limits To Contacts Between Detainees And Their Lawyers. The AP (10/26, Melia) reports, "The US government has proposed limiting contact between defense lawyers and detainees at Guantanamo Bay, according to court documents." The government "argues that it must restrict the detainees' communications, as news of world events could incite the prisoners to violence." The US "proposed the rules in a filing to a federal appeals court in Washington that was examined by The Associated Press. The case deals with an Afghani detainee but the government wants them to apply to other prisoners at Guantanamo Bay Naval Base in southeast Cuba. The prison camp holds some 430 detainees."

Binalshibh Files Legal Challenge To Detention, Seeks Lawyer. The Washington Post (10/26, A3, Leonnig, Tate, 748K) reports admitted 9/11 planner Ramzi Binalshibh "filed a legal challenge in federal court in Washington on Oct. 10, asserting his rights to contest his detention and requesting that a court-appointed lawyer represent him free of charge. In so doing, Binalshibh brought to life the two arguments at the heart of the recent, furious debate over stripping such habeas corpus rights from so-called enemy combatants: the administration's position that alleged terrorists like him do not deserve access to U.S. courts, and his opponents' assertion that the American justice system is a model for the world precisely because it accords such basic rights to all." The Post notes, "Because of Binalshibh's alleged admission that he was a key player in the Hamburg cell that carried out the attacks, his legal suit may provide the starkest test yet of America's justice system, legal experts said."

Teen Once Detained As Potential Terrorist Says She Faces Mutilation If Deported. In a story taking a sympathetic tone toward 18-year-old Manhattan resident Adama Bah, jailed for six weeks on suspicion of being a potential suicide bomber, the New York Times (10/26, Bernstein, 1.21M) reports that she is "still wearing an electronic ankle bracelet and tethered to a 10 p.m. government curfew, restrictions that were conditions of her release." Bah also faces "deportation to Guinea, where she has not lived since she was 2. Today, at a closed hearing in Manhattan's federal building, she will plead for political asylum from Guinea's entrenched practice of female genital mutilation, which has marked all the women in her extended family, including her mother. … 'I'm worried about being sent back,' Ms. Bah said on Tuesday in her first extended interview about the lasting consequences of a case that briefly became a cause célèbre in the debate over government vigilance and the protection of individual liberties."

HOMELAND RESPONSE:

Federal Agencies Sharpen Surveillance Methods. Government Executive (10/26, Marino) reports, "A senior Coast Guard official on Tuesday praised homeland security and intelligence agencies' efforts to develop new surveillance tools and bolster information sharing." GE continues, "Guy Thomas, the Coast Guard's science and technology adviser, said improved surveillance techniques would help provide better protection against the possibility of attacks launched from boats offshore. … A 60- to 70-foot boat loaded with ordinary explosives and a biological or chemical weapon could deliver and spread a deadly substance - five pounds of anthrax, for example - to coastal areas with thousands of people, Thomas said. 'I don't think I want to live in Los Angeles anymore,' he told guests of the Border Management Summit, which was organized by the Institute for Defense and Government Advancement." GE adds, "Protecting the coastal waters requires improved sensory techniques, an official with a company that provides security solutions said. He said his company has been working on multiple projects aimed at identifying incoming ships from

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farther away to detect suspicious ones. Recent advances mean that even the material from which a ship is built -- whether it is wood, plastic or metal -- can be determined from a distance, he said. … As part of more general efforts to improve surveillance, technology capable of recording biometric identifiers such as leg or facial muscle movement without alerting the subject is being refined. Gait recognition, for instance, is part of the 'long-range surveillance' that the FBI may start using to help track suspects, said Duane Blackburn, the bureau's representative to the National Science and Technology Council. It remains in the research phase, and is being tested at universities, Blackburn said. … Other techniques in development include keystroke analyses of typing rhythms, and the production of video and photographic images clear enough to display biometric patterns. … Like gait surveillance, these remain in the early research stages. 'Video is a real challenge,' said Christopher Miles, senior program manager of the Justice Department's National Institute of Justice."

Grassley Demands FBI Brief Congress On Its Anthrax Investigation. FNC News Live PM (10/25, 2:06 p.m., Jane Skinner) reported, "Five years after those deadly anthrax attacks in this country, there is nobody in custody. The FBI does not seem to be any closer to solving the case. Those attacks killed five people, infected 17 back in 2001. Now, a top Republican is slamming the Justice Department, saying the FBI may actually have botched the investigation. … According to senior Republican, the FBI gave a briefing to Congress on the anthrax case more than two and a half years ago because there were so many leaks in the media. Now Senator Charles Grassley is joining other lawmakers to question whether the bureau has messed up the case and that's the real reason the FBI Is unwilling to talk about it. Senator Grassley has written a letter of complaint to the Attorney General."

At least two local television networks reported that Senator Charles Grassley sent a letter to attorney general Alberto Gonzales, slamming the FBI's refusal to brief Congress on its investigation into the 2001 anthrax attacks. WXIX-TV Cincinnati, (10/25, 10:28 p.m.) broadcasted, "A top ranking Republican wants answers from the FBI about the lack of results from its five-year anthrax investigation. In a letter to attorney general Alberto Gonzales, Iowa Senator Charles Grassley says numerous questions need to be answered both about the investigation itself and how the FBI has handled it. Grassley calls the FBI's refusal to brief Congress over the last several years 'outrageous.'"

KHON-TV Honolulu, (10/25, 5:32 p.m.) broadcasted, "A top ranking Republican wants answers from the FBI about the lack of results from its five- year anthrax investigation. Iowa senator Charles Grassley says numerous questions need to be answered both about the investigation itself and how the FBI has handled it. Grassley calls the FBI's refusal to brief congress over the last several years 'outrageous.'"

Judge Issues Two-Day Stay For NYTimes To Reveal Hatfill Sources. The New York Sun (10/26, Gerstein) reports, "A federal judge gave the New York Times a brief reprieve from an order forcing it to identify confidential sources for columns about the 2001 anthrax attacks, but the paper could still face the possibility of being held in contempt of court as soon as tomorrow. Judge Claude Hilton of Alexandria, Va., issued a two-day stay of a magistrate's order that would have required the Times to name the sources by yesterday" for Steven Hatfill's lawsuit claiming "he was defamed by five columns written by Nicholas Kristof." Judge Hilton said "that he was still reviewing whether the Times should be compelled to identify the sources. … But the Times suffered a setback yesterday when Judge Hilton upheld a magistrate's ruling denying its request to suspend action on the libel suit until the government completes its investigation into the anthrax mailings."

DHS Pushing Mass-Evacuation Planning. The Washington Post (10/26, A23, Hsu, 748K) reports, "Making a familiar case for more roads and using the newer argument of homeland security, a trade association for highway builders and the automotive industry recently gave most of the nation's biggest metropolitan areas failing grades for how well they would evacuate their populations in a disaster." The American Highways Users Alliance gave failed twenty of 37 urban areas, including "New York City, Los Angeles, Chicago, Philadelphia and Washington." The report cards followed a DHS study over released this summer that found mass-evacuation plans "inadequate in about 90 percent of the nation's top 75 cities and 'an area of profound concern.' Pushed by Congress, DHS will award $1.3 billion in homeland security grants next year, partly on the basis of fixing them." However, "many state and local officials warn that Washington is focusing too much on a replay of a Katrina-like disaster instead of drawing broader lessons about preparedness."

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Expert Sees Holes In Freight Rail Security. Kevin M. Lynch, a former captain of police for the Conrail Police Department and a consultant on railroad police practices, in an op-ed in the Washington Times (10/26, 88K) writes that while the US has been successful thus far in "creating a safer air traffic system" following 9/11, the nation's freight railroad infrastructure "remains vulnerable to attack and sabotage." However, "Even since September 11, the freight railroads have continued to trim their police departments." Lynch says the answer to this security issue "is to stop giving lip service to protection and prevention and to fence strategic railroad property and drastically increase the number of sworn railroad police officers across the nation."

Little Progress Seen On TSA ID Programs. In an article appearing on no fewer than 38 news websites, the AP (10/25, Miller) reported, "Two anti-terrorism ID programs have been sent back to the drawing board and a third is being farmed out to private companies after costing hundreds of millions of dollars. … So far, the Transportation Security Administration _ which has been overseeing development of the three programs_ has not gone beyond testing, has issued no IDs and has screened no passengers against terrorist lists." TSA chief Kip Hawley said this week that the Transportation Worker Identity Credential, Secure Flight and Registered Traveler programs "by their very nature use expensive and unreliable advanced technology. All three are back on track, Hawley said." However, documents obtained by The Associated Press, show that on each of the three projects, "the TSA and contractors hired by the agency have spent more than anticipated, missed deadlines and raised questions about their ability to protect the public's privacy and the private sector's commercial interests."

WAR NEWS:

A "Somber" Bush Says He Is "Not Satisfied" With Iraq Situation. The AP (10/26, Hunt) reports, "Acknowledging painful losses in Iraq, President Bush said Wednesday he is not satisfied with the progress of the long and unpopular war, but he still insisted the United States was winning and should not think about withdrawing. Thirteen days before elections in which Republicans fear Iraq could cost them control of the House or Senate, Bush expressed unwavering confidence in Defense Secretary Donald Rumsfeld, the US generals running the war and Iraq's prime minister, Nouri al-Maliki, despite new strains between Baghdad and Washington." Said Bush, "The ultimate accountability rests with me. If people are unhappy about it, look right to the president." In answer to a question, the President said, "I know many Americans are not satisfied with the situation in Iraq. … I'm not satisfied either." However, he added that "the United States was changing tactics to deal with circumstances in Iraq but shouldn't change the overall direction of the war. 'Absolutely we're winning,' the president asserted."

The President's comments received heavy coverage, leading two of the major network newscasts and receiving front page articles in major newspapers. The network news devoted just under 13 minutes to the story in aggregate. Most of the coverage continued to be negative toward the President. There were some exceptions, however, as some media reports an opinion pieces praised Bush's "candor." The CBS Evening News (10/25, lead story, 2:55, Axelrod, 7.66M), for example, said "Bush took the podium with rare candor about the mess in Iraq." However, added CBS, "as soon as the questions began, it was back to familiar territory. Resolute and defiant." And the Los Angeles Times (10/26, 918K), usually very critical of Bush's Iraq policies, editorializes this morning, "If there was good news from President Bush's news conference Wednesday, it's that the president is not adopting a bunker mentality and is addressing the deteriorating conditions in Iraq. The bad news is that the more he talks, the more apparent it becomes that there is no easy way to reverse them." That is "a painful admission for an administration two weeks before a midterm election, so any sense of despair was wrapped in more purposeful language." The Times concludes, "Here's hoping that it won't get much worse in the next two weeks, and that Bush will be more candid about his plans on Nov. 8."

Media coverage generally focuses on what is seen as a new demeanor on Bush's part – described as "somber" in several stories – and also a change in his rhetoric. NBC Nightly News (10/25, lead story, 3:25, Gregory, 9.87M) Gregory) said Bush was "somber as he acknowledged the public's anxiety and anger over Iraq. At the same time he was also insistent that US losses in Iraq are worth it." NBC Nightly News (10/25, story 3, 2:00, Russert, 9.87M) later reported, "The one thing every candidate's, Democratic or Republican polls show is pessimism about Iraq. The President knows that. He had to come forward to reassure the American people that he has a plan. That he is not being overly

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stubborn about Iraq, and that he is not stuck, as he would say, in the ground on Iraq."

The CBS Evening News (10/25, story 3, 1:45, Schieffer, 7.66M) said, "Most polls show the majority believe it was wrong to go there and it's making no difference to keep our troops there. That is what the President is trying to change that attitude." Couric: "While there is all very nuanced today did represent a shift in the President's stance, didn't it?" Schieffer: "I think what it represents is a change in tone." The CBS Evening News (10/25, story 4, 1:55, Couric, 7.66M) also reported, "What are voters saying about the President's latest position on Iraq? The war is a big issue all over this country. Especially in Connecticut. So today I sat down with a group of Democrats and Republicans at a diner in Norwalk to get their take." Tommy Jackson, Pastor: "I've been encouraged by the President's position to pass two to three weeks. I hope this is not an election ploy but one that is sin veer." Alex Savvidis, dinner owner, was asked, "Are you encouraged by the President's words? No?" Savvidis: "No." Couric: "Why not?" Savvidis: "Just words. I want to see it. When I see it, I'll believe it."

Bush's "tone" is being linked to the homestretch of the midterm campaigns. The New York Times (10/26, Broder, 1.21M) says that with his "shift in tone and the suggestion of flexibility on tactics in Iraq," Bush "gambled Wednesday that he could rescue Republican candidates who are having a hard time defending the war and an even harder time running away from it." Bush's "decision to address the war and its problems so prominently carries the risk that he will strengthen the Democrats' case that the midterm election is primarily a referendum on his own handling of the war."

More negative is another New York Times piece (10/26, Stanley) that couples Bush's appearance with that of Madonna on the Oprah Winfrey Show. Both, says the Times, "are famous people famously under fire for a ruckus overseas. Both are famous for never bending to public opprobrium and for pushing their agendas with single-minded assurance. The president and the pop star went on television yesterday looking more like victims of circumstances beyond their control than visionaries." Both "showed viewers an unfamiliar side of themselves. The president, whose political identity is founded on an image of unwavering cowboy resolve, looked uncertain and chastened behind the lectern, at one moment staring downward and gnawing his lip in a rare tableau of weary anxiety."

But in several reports, Bush is accused of changing his rhetoric without altering the substance of his Iraq policies. MSNBC (10/25, Shuster) reported "a sober President Bush admitted what most Americans have been saying for a year: that the Iraq war is not going well. … But the only change from President Bush today seemed to be his words, not his policy. The President did not offer a new strategy for stopping the loss of American lives or preventing an all-out Iraqi civil war. … Now just 13 days before the Congressional elections, the President is caught between his own party getting bludgeoned over the Iraq war and suggestions he is making changes only because of domestic politics."

Along similar lines, ABC World News (10/25, story 3, 2:45, Stephanopoulos, 8.78M) said the President "displayed a variety of moods. Somber," as well as "assured" and "combative." Stephanopoulos added, "The President pushed today, flexibility." Stephanopoulos added, "The only evidence in the change in tactics is the President's promise that he is working with the Iraqi government to develop benchmarks for progress on security, reconstruction and political reconciliation. But he refused to spell out any consequences if those goals are not met." The Washington Post (10/26, A17, Ricks, 748K) makes a similar point, reporting, "The text of President Bush's news conference yesterday ran to nearly 10,000 words, but what may have been more significant were the things he did not say. The president talked repeatedly about 'benchmarks' for progress in Iraq, using that word 13 times." But "he did not discuss the consequences of the Iraqi government missing those targets. Such a question, he said, was 'hypothetical.'" That response "left unclear how the benchmarks would be different from previous times when the United States has set out intentions, only to back down."

In a front page article, the New York Times (10/26, A1, Rutenberg, 1.21M) describes Bush's remarks as "the latest iteration in a recent rhetorical evolution that has seen him move from vowing to 'stay the course' in Iraq to promising flexibility." Still, "Bush indicated no major changes in his overall strategy in Iraq, saying he continued to support Defense Secretary Donald H. Rumsfeld and the generals overseeing the war." He also "urged Americans to look beyond the violence…and avoid disillusionment over a war he said was being won."

Also in a front page story, the Washington Post (10/26, Baker, 748K) focuses on the President's assertion the US is winning, reporting the President was "trying to walk a careful line between optimism and pessimism" and "balance a

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variety of competing ideas." The Los Angeles Times (10/16, Gerstenzang, 918K) headlines its story "Bush Takes Sober Iraq Tone but Says Goals 'Unchanging,'" and describes Bush's remarks as "a strenuous attempt to shore up pre-election support for the Iraq war, acknowledged three years of setbacks Wednesday and expressed dissatisfaction over a frustrating and deadly month." The Wall Street Journal (10/26, Pulizzi, 2.03M) says "with the debate over the strategy in Iraq heating up two weeks ahead of the mid-term Congressional elections, Wednesday's press conference was billed as a chance for Mr. Bush to give the public an update on the war."

The Financial Times (10/26, Daniel) also describes the press conference as "sombre," and says Bush "spent nearly 15 minutes in an opening statement trying to knit together often-contradictory arguments." He "moved from expressing 'serious concern' about Iraq, while emphasising progress was being made, to being resolute about the ultimate outcome in the country but flexible about military tactics to attain that end."

The Washington Times (10/26, Curl, 88K), meanwhile, says Bush was "combative and defensive at times," adding "Democrats on Capitol Hill immediately took aim at Mr. Bush. 'President Bush's Iraq policy has been a dismal failure. The president has abandoned his "stay the course" slogan; it is long past time he abandon his "stay the course," policy,' House Minority Leader Nancy Pelosi said." Added Senate Minority Leader Harry Reid, "The Bush administration's Iraq policy, like Iraq itself, is in complete disarray. One day, the administration calls for a timetable, the next day, Iraqi Prime Minister Maliki objects to it. ... One day, it's stay the course, the next day, it's change the course."

Appearing on MSNBC's Hardball (10/25, Matthews), Democratic Sen. Richard Durbin echoed those criticism, saying, "The only change I saw is the President started to acknowledge the position that the Democrats have held for a long time, a position which suggests this would be a year of change, that we would be talking to the Iraqi government in no uncertain terms about their responsibility to defend their own country, talking about timetables. But it was a lot of brave talk two weeks before an election, but no real change in strategy, in terms of where he's going."

USA Today (10/26, 2.27M), meanwhile, says in an editorial, "There is little doubting the sincerity of…Bush's commitment to the mission in Iraq. On Wednesday, amid sinking public approval less than two weeks before congressional elections, Bush set out yet another course for a victory he optimistically predicted was achievable." The President's "conviction is obvious. But whether it's supported by facts -- and whether there's a real path to victory as he defines it -- is dubious. There continues to be a yawning gap between his rhetoric and reality."

Snow Defends US Flexibility In Iraq. Tony Snow, the White House press secretary, writes in USA Today (10/26, 2.27M), "It seems odd to be defending the commanding general and the US ambassador to Iraq from charges that they don't understand the situation in the country in which they work, especially when the complaining sages live thousands of miles from the battlefront. The business of war requires constant vigilance, enterprise and determination. Our goal and a key to our security at home: to help Iraq sustain, govern and defend itself, and emerge as a key ally in the war on terror. We have pursued that aim according to the challenges on the ground and have adjusted to shifting realities -- from the early resistance by Saddam Hussein's armies, to early battles in such places as Fallujah to today's Iraq, where 14 of 18 provinces live in relative peace. Gen. George Casey noted earlier this week that 90% of the violence in Iraq now occurs within a 30-mile radius of Baghdad. … The combined Iraqi-U.S. forces will win that fight, as they have every other engagement of the war. But peace in Iraq will require more than superiority of arms. Iraqis need some other basics for good and free lives — a political system that will guarantee rights and representation for all, and an economy that can provide jobs." Snow adds that when the enemy adjust its "tactics, we must adjust ours, taking the fight to them. That is what we have done and what we will continue to do. And we will win."

Iraq Seen As A Negative For Republican Candidates. The Washington Post (10/26, A1, Slevin, Powell, 748K) reports, "Just three months ago, Republican strategists believed that doubts about Iraq could be contained -- or even turned into an electoral advantage -- if the battle was framed as a vital front in the war against terrorism. Voters would be invited to choose: Stand firm or capitulate." But "the issue is not playing out that way. In both parties, a consensus now exists -- buttressed by polls -- that disaffection with a war grown costly and difficult to manage is the gravest threat to continued Republican rule." Iraq "is not only a potent issue in its own right, but is also a resonant metaphor for doubts about the competence and accountability of the Republican Party."

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The AP (10/25) reports Senate Majority Leader Bill Frist, visiting New Hampshire, said if Republicans "want to succeed on Election Day, they should turn their focus away from the Iraq war." Frist said, "The challenge is to get Americans to focus on pocketbook issues, and not on the Iraq and terror issue."

Maliki Says He Did Not Agree To US Timelines. NBC Nightly News (10/25, story 2, 2:30, Williams, 9.87M) reported, "There appears to be something of a disconnect between what we heard from the White House today and what is going on the ground." NBC (Engel) added, "Certainly a disconnect. Yesterday the top US officials in Iraq announced the Iraqi government had accepted a planned time line. Today the Iraqi prime minister said not so and accused Washington of trying to bully him. Anger and defiance today on the streets of Baghdad and from the prime minister. … Maliki went on the defensive claiming he did not approve the raid. … Then Maliki went further, yesterday US officials claimed his government developed a timetable for economic and political process. Maliki today said this government represents the will of the people and no one has the right to impose a timetable on us."

ABC World News (10/25, story 4, 2:10, McCarthy, 8.78M) reported, "About-face. Only yesterday, the US Ambassador announced Prime Minister Maliki had signed off on a timetable for change. Today, Maliki said he had agreed to no such thing. … Maliki went further, saying the US timetable giving him 12 to 18 months to take over security was influenced by the upcoming US elections. Truth is, he wants to be seen as his own man. The Prime Minister demanded an explanation for a US led raid, launched this morning in Baghdad's Sadr City."

The CBS Evening News (10/25, story 2, 2:10, Loganc, 7.66M) reported, "The Prime Minister has repeatedly promised to disarm militias, a promise that so far has seen no results. Not surprising, considering every major political group in the Iraqi government has its own militia."

The AP (10/26, Bodeen) described Maliki as "angry," while the Washington Post (10/26, A15, Anderson, 748K) says he "lashed out at the United States on Wednesday, saying his popularly elected government would not bend to U.S.-imposed benchmarks and timelines." He "accused US officials of election-year grandstanding, saying that deadlines were not logical." Maliki also "distanced himself from and criticized a U.S.-Iraqi military "deadly early-morning…raid in Sadr City" intended to capture the leader of a Shiite death squad "that left at least five people dead and 20 wounded."

McClatchy (10/26, Youssef) describes US and Iraqi officials as "increasingly at odds over strategy and goals, a division that American officials in Iraq say is making it harder to pursue their objectives in Iraq." The New York Times (10/26, Tavernise, 1.21M) also says Malikis's comments "pointed to a widening schism between the Shiite-led Iraqi government and the Americans who support it." Maliki "tailored his remarks to a domestic audience, reassuring the millions of Shiites who form his power base that he would not bend to pressure by the American government," as "the very forces that elevated him to power and whose support he must retain — religious Shiite parties with their own militias — are complicit in the violence." He is "forced to navigate between the rising tide of frustration among Shiites who form his base and the American government that wields the power." Makili's stance "fits snugly inside the circle of hardening Shiite sentiment that the American military, in keeping full control of security, has not given the Iraqi government full power to intervene when Sunni militias or insurgents carry out sectarian cleansing."

The Financial Times (10/26, Negus) lead that Maliki "dismissed Washington's claim that Iraqi politicians had agreed a timetable." The "statements were a challenge to US officials" and "suggest that Mr Maliki either believes that Washington has no option but to continue backing his government, or feels that he cannot afford to alienate other members of his Shia-led coalition."

In a separate front page story focusing on the President's comments on Iraq, the Washington Post (10/26, A1, Baker, 748K) reports that Bush and Maliki's "dueling messages" have "exposed rising tensions between Washington and Baghdad as the fighting worsens." In another New York Times (10/26, Rutenberg, 1.21M) also on the President's Iraq comments, Bush "expressed general support for Prime Minister Nuri Kamal al-Maliki of Iraq, even as Mr. Maliki used his own news conference to distance himself from the United States." The US and Iraq's "political tumult…carries the potential to drive them further apart."

USA Today (10/26, Jackson, Jervis, 2.27M) runs a similar report under the headline "Iraqi Leader Bristles At Idea Of Timetable." The Washington Times/AP (10/26, Yacoub),among other newspapers, also runs a story on Maliki's comments.

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US-Led Forces Raid Sadr City. The Los Angeles Times (10/26, Roug, 918K) reports US-led forces battled insurgents in Baghdad's Sadr City "during a rare foray into the capital's vast Shiite Muslim slum. Troops searching for an alleged death squad leader called in airstrikes when they came under attack, killing four people, according to Iraqi authorities." While the US military said the raid "had been authorized by the Iraqi government," PM Nouri al-Maliki "quickly renounced the operation. He told reporters at a news conference that the raid was an example of the continued lack of coordination between Iraqi and American officials." Maliki said, "We are going to request some explanations from the multinational forces to prevent a similar incident and to ensure coordination with the Iraqi security forces."

Author Suggests Bin Laden Wants US To Pull Out Of Iraq. In a New York Times (10/26, 1.21M) op-ed, the New America Foundation's Peter Bergen, author of "The Osama bin Laden I Know: An Oral History of Al Qaeda's Leader," writes under the headline "What Osama Wants" that for the US to "pull entirely out" of Iraq now "would be to snatch an unqualified disaster from the jaws of an enormous blunder. … Vietnam often looms large in the debate over Iraq, but the better analogy is what happened in Afghanistan since the Soviet invasion," when the end of US aid helped lead to the "rise of the Taliban and its Qaeda allies. We can't make the same mistake again in Iraq. A total withdrawal from Iraq would play into the hands of the jihadist terrorists."

Situation In Iraq Said To Strengthen Syria Domestically, Internationally. The Washington Post (10/26, A18, Knickmeyer, 748K) reports, "Horror at the bloodshed accompanying the U.S. effort to bring democracy to Iraq has accomplished what human rights activists, analysts and others say Syrian President Bashar al-Assad had been unable to do by himself: silence public demands for democratic reforms here." After "Iraq's descent into sectarian and ethnic war… even Syrian activists concede that the country's feeble rights movement is moribund." Now, "Advocates of democracy are equated now with supporters of America, even 'traitors.'" Additionally, "the erosion of U.S. stature over Iraq and Lebanon has put Syria in position to try to improve its regional and world standing without giving in to the reform demands of the United States, diplomats and analysts said." While "the United States and the European Union have officially isolated Syria since the February 2005 bombing that killed former Lebanese prime minister Rafiq al-Hariri in Beirut," after this summer's conflict in Lebanon, "Spain, Italy and Germany have renewed contacts…calling Syria's help vital to averting further conflict there."

NYTimes Slams "Contracting Fiascos" In Iraq Reconstruction. The New York Times (10/26, 1.21M) editorializes, "When the full encyclopedia of Bush administration misfeasance in Iraq is compiled, it will have to include a lengthy section on the contracting fiascos that wasted billions of taxpayer dollars in the name of rebuilding the country. It isn't only money that was lost. Washington's disgraceful failure to deliver on its promises to restore electricity, water and oil distribution, and to rebuild education and health facilities, turned millions of once sympathetic Iraqis against the American presence. Their discovery that the world's richest, most technologically advanced country could not restore basic services to minimal prewar levels left an impression of American weakness and, worse, of indifference to the well-being of ordinary Iraqis. That further poisoned a situation already soured by White House intelligence breakdowns, military misjudgments and political blunders."

NBC's Engel Has Covered War Since It Began. In the Washington Post (10/26, C1, 748K), Howard Kurtz profiles NBC's Richard Engel, who "has logged more time in Iraq than any other television correspondent, chronicling 3 1/2 years of carnage." NBC anchor Brian Williams said of Engel, "In an era of instant media criticism, he calls balls and strikes in the middle of a war zone. He is completely unbothered by any Web site that may have problems with his reporting while he's over in Iraq dodging bullets. … He is the most agenda-less person I've met in our business, I think, in the past 20 years."

Taliban Consolidates Control In Pakistani Region. The Washington Times (10/26, Wilkinson, 88K) reports, "Taliban militias in Pakistan have set up offices, introduced taxes and taken control of justice in the tribal agency of North Waziristan, where last month the government signed a peace agreement with militants." And in "violation of the agreement, a Taliban shura, or council, distributed pamphlets of its policies while militants patrolled the area's streets. They have already killed numerous 'American spies.'"

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Veterans Call For Mandatory Public Service Program. In a USA Today (10/26, 2.27M) op-ed, professor Hodding Carter and attorney Ronald Goldfarb, both veterans, write, "As with so many Americans of our generation, we went into military service because that was what you were expected to do. We may have groused at the time, but we are proud of having served our country. It carved a few years out of our lives in the 1950s and '60s, but strengthened our understanding of the country we served and the people with whom we served. … On the campaign trail these days, there are few fresh ideas, and in the wake of the fifth 9/11 anniversary, there are still not enough calls for public sacrifice beyond that made by our troops. … What does the citizen owe the state? Answer: mandated public service without exemptions."

Author Calls For Expansion Of GI Bill Benefits. In a Los Angeles Times (10/26, 918K) op-ed, Edward Humes, author of "Over Here: How the GI Bill Transformed the American Dream," calls for "A GI Bill For The 21st Century," says the 1944 GI Bill "transformed the nation and the very nature of the American dream, opening up the colleges, raising suburbs out of bean fields, creating a new middle class and providing the medical, engineering and scientific prowess that conquered long-feared diseases, ushered in the Information Age and helped win the Cold War. There was never anything like the GI Bill. There's nothing like it on the horizon. And that's a problem. Today's veterans are getting shortchanged. Instead of a full ride to any college, the modern GI Bill's education support tops out at $36,000 for a four-year degree -- barely enough to cover the average state university. … Forget about the private colleges once covered by the GI Bill -- $36,000 would pay for only a year at many of them. Reservists and National Guard troops in Iraq receive even less. … But this is not simply a story of slighted veterans, scandalous as that may be. This is a story of a United States no longer investing it its future. The GI Bill was an engine of opportunity for all of us."

Fallen Soldiers Remembered. The CBS Evening News (10/25, story 11, 2:45, Couric, 7.66M) said, "As we hear about the rising American death toll in Iraq, we sometimes forget that these are not just statistics. They're sons and daughters, husbands and wives, fathers and mothers." After profiling the family of Army Cpl. David Unger of Kansas, CBS (Pitts) added, "The Pentagon's released the names of scores of American soldiers killed in Iraq this month. They came from 29 states and Puerto Rico from Derek Jones of Salem Oregon to Nicholas Arvantis of Salem New Hampshire. Most were 25 years old or younger."

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Acosta Sworn In As South Florida US Attorney. The AP (10/26, Anderson) reports, "R. Alexander Acosta was formally sworn in Wednesday as South Florida's top federal prosecutor by Supreme Court Justice Samuel Alito Jr., for whom Acosta clerked shortly after graduating from Harvard Law School." The AP continues, "Alito recalled that during his clerkship in 1994 at the 3rd U.S. Circuit Court of Appeals, Acosta appeared to exercise good judgment and common sense at a young age and that 'and it has developed since then.' Alito, who is a big baseball fan, compared Acosta to players adept at all phases of the game. … 'He reminds me of one of those baseball players who can do everything,' Alito said." The AP adds, "Acosta, 37, a Miami native of Cuban ancestry, was confirmed by the U.S. Senate for the Southern District of Florida post on June 9. Before returning to Florida, he was assistant attorney general for civil rights at the U.S. Justice Department in Washington and prior to that was a member of the National Labor Relations Board. … The Miami job is one of the most prominent and busiest in the country, covering a district that is home to some 6 million people in nine counties. Its major recent cases range from alleged al-Qaida operative Jose Padilla to disgraced lobbyist Jack Abramoff to the Colombian brothers who ran the Cali cocaine cartel."

The Miami Herald (10/26, Weaver) reports, "Alito said that for all his formidable legal talent, Acosta betrayed one 'weakness' when he served as a law clerk in 1994 for the then-federal appellate judge. … 'Alex's knowledge of sports was a little bit lacking,' Alito deadpanned before a standing-room-only gathering of judges, prosecutors and defense lawyers in the historic central courtroom of the Miami federal courthouse." The Herald adds, "Alito, a self-professed baseball fan, joked that Acosta probably didn't know the difference between the Florida Marlins and the Miami Dolphins. … All joking aside, Acosta's star has risen quickly in Republican circles. He served on the National Labor Relations Board and then became the first Hispanic to lead the Justice Department's civil rights office. … He temporarily replaced outgoing U.S. Attorney Marcos Jimenez in June

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2005 and was nominated for the job by President Bush earlier this year at age 37. The Senate confirmed Acosta in August, making him one of the nation's youngest top prosecutors."

CORPORATE SCANDALS:

SEC Files Civil Charges Against Two In Fraud Scheme Targeting Korean Speakers. Dow Jones (10/26, Hughes) reports, "The Securities and Exchange Commission has filed civil-fraud charges against two men who allegedly took at least $3 million from Korean speakers in Southern California from 2003 through August 2005 through two firms that they portrayed as legitimate securities firms." Dow Jones continues, "The SEC on Wednesday announced the charges against Kangsan Kim, the owner of money-manager Unus Capital Management Inc., and Hyun Soo Jang, the owner of PeopleN Investment Corp., the brokerage firm that was supposed to execute trades for Unus. The two men face civil penalties and orders to return the money to investors. … 'This case provides an unfortunate example of the dangers presented by those seeking to exploit the trust of members of their own community,' said Randall Lee, director of the SEC's office in Los Angeles. 'Such schemes are reprehensible, and the SEC is committed to vigorously prosecuting those who betray that trust for their own profit.'" Dow Jones adds, "Kim was arrested in July on federal mail-fraud and wire-fraud charges, according to a Justice Department press release. He doesn't have a lawyer, according to the SEC, and he couldn't be located. The SEC said it believes Jang is in South Korea."

Judge Issues Secret Ruling In Nacchio Case. The AP (10/26, Shore) reports, "A federal judge has issued a secret ruling about the relevance of classified government documents that former Qwest Chief Executive Officer Joe Nacchio wants to use in his defense against insider trading charges." The AP continues, "In his memorandum and order, which were filed with the court late Tuesday, U.S. District Judge Edward Nottingham said he explained his decision regarding the documents but the bulk of it, 25 pages, was sealed under the Classified Information Procedures Act. … Nottingham's ruling came about two weeks after he met behind closed doors with prosecutors and Nacchio's attorneys to discuss the classified information." The AP adds, "Nacchio is charged with 42 counts of insider trading, accused of selling stock in 2001 based on inside knowledge that Qwest Communications International Inc. would be unable to meet revenue targets. … Each count against Nacchio carries a penalty of up to 10 years in prison and a $1 million (â,¬800,000) fine. The trial is set for March 19 and is expected to last about 30 days." The AP notes, "At issue is whether the classified information will help explain what Nacchio might have known at the time the trades occurred. … The defense has said Nacchio was aware of classified government contracts awarded to Qwest and of plans for future government business dealings with the Denver-based company."

SEC Launches Probe Of Mutual-Fund Firms After Kickback Case Settlement. The Wall Street Journal (10/26, A1, Lauricella) reports, "The Securities and Exchange Commission has launched an investigation of 27 mutual-fund companies that the agency says have accepted kickbacks totaling hundreds of millions of dollars in recent years." The Journal continues, "The investigation centers on alleged arrangements in which independent contractors agreed to pay rebates to mutual-fund companies in order to win lucrative contracts for jobs like producing shareholder reports and prospectuses. The probe stems from a $21.4 million settlement the SEC reached last month with Bisys Fund Services Inc., an administrative-services provider owned by Bisys Group Inc. … Regulators say Bisys, which is based in Roseland, N.J., paid a total of $230 million in kickbacks between July 1999 and June 2004 as part of an effort to win work from mutual funds. Bisys settled the civil charges without admitting or denying wrongdoing." The Journal adds, "While the alleged kickbacks would have taken only a tiny toll on individual investors, perhaps shaving a few hundredths of a percent a year off their fund accounts and returns, the latest investigation comes as the fund industry is struggling to rebuild its reputation after a series of trading scandals that triggered regulatory crackdowns and fines totaling more than $1 billion. … Critics have long complained about fund companies using shareholder money for their own benefit. For example, funds are allowed to use trading commissions, which are deducted from shareholder funds, to pay for research that may not benefit individual fund investors. They can also levy fees on their investors for marketing, although attracting more investors benefits the fund company and not necessarily its existing shareholders. Both these practices are highly regulated to prevent abuses. Nonetheless, regulators and other observers say the latest

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scandal is part of a distressing pattern of fund companies misusing shareholder money."

NASD Fines James River CEO For Market Timing Violations. The AP (10/26, Gordon) reports, "Securities regulators have imposed a record $2.25 million fine on the chairman and CEO of hedge fund James River Capital Corp. for allegedly using deceptive practices in trading in the long-term investments known as variable annuities." The AP continues, "The National Association of Securities Dealers, the brokerage industry's self-policing organization, on Wednesday announced the civil penalty against Paul Saunders, a broker who is the chairman, CEO and majority owner of Richmond, Va.-based James River. Saunders neither admitted nor denied the NASD's allegations in agreeing to the settlement, under which he also will be suspended for 60 days from working as a broker." The AP adds, "The NASD said the $2.25 million penalty was the largest fine it has ever imposed on an individual for alleged improper market timing -- frequent 'in-and-out' trading. It includes restitution of some $750,000 in illicit profits that Saunders allegedly personally made. … In June 2004, the organization fined the brokerage Davenport & Co. $450,000 and ordered it to pay some $288,000 in restitution for allegedly allowing James River and another hedge fund, TFS Capital, to engage in improper market timing in variable annuities. That was the first case against a brokerage for allowing clients to improperly engage in market timing of variable annuities, often described as mutual funds wrapped in an insurance policy. Federal and state securities regulators have brought a number of cases for improper market timing of mutual funds in recent years."

US Argues Former AOL Officials Lied To Auditors. The AP (10/26, Westley) reports, "Two former America Online executives and top officials at a defunct Las Vegas software maker lied to auditors as part of a scheme to boost both companies' revenue as the dot-com boom fizzled in 2001, government lawyers argued Tuesday." The AP continues, "Kent Wakeford, former executive director at AOL's business affairs unit, and John Tuli, a former vice president in AOL's NetBusiness unit, are among the four defendants on trial at U.S. District Court in Alexandria. … The men, along with two former executives at PurchasePro, are charged with securities fraud, making false statements to auditors and wire fraud. The defendants deny wrongdoing." The AP adds, "In opening statements Tuesday, prosecutors alleged that PurchasePro gave AOL a stake in its company in 2000. In exchange, AOL helped sell PurchasePro's core product, a 'marketplace license,' which is software designed to facilitate business-to-business transactions. … But the licenses were a tough sell for AOL. The Dulles-based company was only able to convince companies to make a purchase by cutting secret side deals, including free online advertisements, Assistant U.S. Attorney Charles Connolly told jurors. … The executives engaged in various forms of deception to make it appear the licenses had been sold in the first quarter of 2001 so PurchasePro could meet its quarterly revenue goals and create the illusion of success to its shareholders, Connolly said."

Austria Charges Nine In Refco Probe. The Wall Street Journal (10/26, C4, Crawford, Mollenkamp) reports, "Prosecutors in Vienna have charged nine men, including the former chief executive officer of Bawag PSK, on charges ranging from embezzlement to fraud amid an Austrian probe into ties between U.S. commodity brokerage Refco Inc. and the Vienna bank." The Journal continues, "Among those charged was the former CEO of Bawag, Helmut Elsner, and Wolfgang Flöttl, who traded on behalf of Bawag from New York and is the son of another former Bawag CEO, Walter Flöttl. Robert Reiter, a former auditor at KPMG Alpen-Treuhand GmbH, which oversaw Bawag's books, also was charged. In the indictment, which was made public yesterday in Vienna, prosecutors allege the nine men 'intentionally abused their positions of trust at Bawag' and engaged in transactions that cost the bank €1.44 billion ($1.81 billion)." The Journal adds, "The charges come a year after Refco, a large New York broker of commodities and other securities that catered to corporations, government agencies and hedge funds, disclosed that then-CEO Phillip R. Bennett had used a scheme to hide bad debt from Refco investors. Refco investors and U.S. prosecutors allege the scheme included Bawag, which sought to hide its own bad debt that largely was a result of Wolfgang Flöttl's trading losses. … Mr. Bennett has been charged1 with conspiracy, securities fraud, wire fraud and making false filings with the Securities and Exchange Commission. He pleaded not guilty to the charges yesterday in a U.S. district court in Manhattan. His lawyer, David Frankel, declined comment on the charges in Austria and said Mr. Bennett continues to deny any wrongdoing."

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CRIMINAL LAW:

Republicans Grumble About DOJ Pre-Election Probes. Roll Call (10/26, Bresnahan) reports, "For House Republicans, it seems that every week brings a new report about a GOP lawmaker under investigation by the Justice Department for alleged corruption. And with the elections just 12 days away, Republicans are crying foul, complaining bitterly that the negative press spurred by the public disclosure of those criminal probes could help cost them their House majority." Roll Call continues, "While a Justice Department run by Republican appointees who were nominated by a conservative Republican president would normally get the benefit of the doubt from GOP lawmakers and staffers, some party insiders are privately wondering whether 'rogue elements' within the department — and more specifically the Public Integrity Unit, where corruption cases are handled — are trying to tip the election to Democrats by leaking news of these investigations so late in the cycle. … 'It would seem that the Public Integrity Unit of the Justice Department is running wild,' maintained a top Republican political operative, who would only speak on the condition of anonymity. 'They're trying to have some effect' on the midterm elections. … A House GOP leadership aide suggested that 'rogue elements' within DOJ's bureaucracy are 'working for a Democratic victory' on Nov. 7. … Another senior GOP staffer speculated that it was 'residual anger' from Speaker Dennis Hastert's (R-Ill.) public criticism of the June 20 FBI raid on Rep. William Jefferson's (D-La.) office that is feeding the 'campaign' against House Republicans. … But with the revelations seeming to hit a new Republican target almost weekly, senior Justice Department officials suddenly have found themselves barraged with questions about the leaks, although they strongly deny any suggestion that the department is meddling in political contests. … 'What I can say with great confidence is that the men and women in the Department of Justice and all of its investigative agencies do not take political considerations into play when it comes to discharging their duty,' said Deputy Attorney General Paul McNulty at a news conference last week."

Jurisdictional Issues Arise In Federal Probes Of Congressional Members. Roll Call (10/26, Kane, Bresnahan) reports, "The Justice Department has employed a sprawling lineup of investigators and prosecutors to conduct its ever-expanding roster of Congressional investigations, and in the process created a patchwork of probes across the nation." Roll Call continues, "With at least 17 Members of the 109th Congress coming under federal investigation, Justice has used a pair of offices in its Washington, D.C., headquarters to conduct probes while at the same time coordinating with the offices of at least seven U.S. attorneys and roughly as many FBI offices to serve as ground troops for the inquiries. … Aides at Justice, along with other experts and former prosecutors, said the process of sorting out which offices lead investigations and prosecutions can be a sometimes messy division of labor that focuses on questions of jurisdiction and resources. … 'There's no cookie-cutter approach to it,' said Bryan Sierra, spokesman for the Justice Department. … 'There is not any one protocol on who does what — it was designed to be handled on a case-by-case basis,' said Dick Thornburgh, who served as attorney general from 1988 to 1991. … That case-by-case process has led to at least a quartet of Members being investigated the past two years by Justice's Public Integrity Unit, while another half-dozen Members have come under the prosecutorial glare of U.S. attorneys, almost always their local federal prosecutor. … While the Congressional corruption cases are some of the most sensitive for any prosecutor, they also bring with them the kind of big headlines that can make a prosecutor's career. And some U.S. attorneys have been known to employ sharp elbows when competing with other federal prosecutors to lead a probe, initially flooding a case with their agents to demonstrate they've done the most work and stake claim to a case." Roll Call notes, "Sierra said jurisdiction is the most important aspect in determining which office will initially handle a case, leading to U.S. attorneys taking the lead when it involves circumstances such as a Member and a local contributor or contractor seeking favors. That was the case with ex-Rep. Duke Cunningham (R-Calif.), now serving a 100-month prison term for orchestrating the largest bribery scheme ever perpetrated by a single Member of Congress."

Gay Rights Group Fires Employee Who First Posted Foley Emails. The New York Times (10/26, Kirkpatrick, 1.21M) reports the "liberal gay rights group" Human Rights Campaign "said Wednesday that one of its employees, acting anonymously, had created the Web site that first published copies of unusually solicitous e-mail messages to teenagers from former Representative Mark Foley, which led to his resignation." A spokesman for the

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group "said it first learned of its employee's role this week and immediately fired him for misusing the group's resources." Some Republicans "have speculated that the e-mail messages were planted by a Democrat." Human Rights Campaign spokesman David Smith said "the employee, whose name he declined to disclose, was a junior staff member hired last month to help mobilize the organization's members in Michigan."

Hastert Aide Testifies Before House Ethics Committee. The AP (10/26, Taylor) reports Ted Van Der Meid, an aide to House Speaker Dennis Hastert, "went before ethics investigators in private to explain how the office handled complaints about former Rep. Mark Foley's behavior toward former pages." Van Der Meid, "who oversaw the page program for Hastert, R-Ill., appears to be one of the last witnesses. The House ethics panel is investigating whether lawmakers and staff aides acted properly when learning of Foley's too-friendly messages to ex-pages and other possible inappropriate behavior." The panel is "in its third week of hearing testimony and seems unlikely to complete its probe before the Nov. 7 elections." Van Der Meid "was a central figure in the handling of a complaint last fall from a former page from Louisiana" about Foley's emails.

Second Altar Boy Claims Abuse By Priest Cited By Foley. The Washington Post/AP (10/26, A2) reports, "Another former altar boy says he was sexually abused in the 1970s by the same retired Catholic priest who acknowledged fondling former congressman Mark Foley when Foley was a teenager, the man's attorney said Wednesday." The new allegations "against Anthony Mercieca were made by a man who lived in North Miami and was an altar boy at St. James Catholic Church, where Mercieca worked, attorney Jeffrey Herman said." Herman said "he plans to file a lawsuit against the Archdiocese of Miami. His client, now 40 and identified in the lawsuit only as John Doe No. 26, says Mercieca abused him when he was about 12 years old."

Police Chiefs Discuss Rise In Crime At White House Meeting. The Wall Steet Journal (10/26), in its online "Washington Wire" blog, reports, "Facing a rise in murders, drug shootings and armed robberies, more than a dozen police chiefs met senior White House officials on Wednesday to argue that there's a national epidemic of violent crime and they need federal money to fight it. The 15 police chiefs said that during the 90-minute meeting with Rob Portman, director of the Office of Management and Budget, and several members of President Bush's domestic policy team, they stressed that they needed flexibility in funding to fight both terrorists and criminals, and that each community faced different risks." White House "officials say they are well aware of a spike in violent crime statistics over the last year and are already been considering programs to fight the trade in methamphetamine, which is fueling the crime rise in some cities like Las Vegas. But the violence varies from city to city: Chicago and Miami haven't had increases; in Boston, homicides have hit a 10-year high and in Cincinnati a 20-year high, according to local crime statistics analyzed by the Police Executive Research Forum, or PERF, a think tank and police lobby group."

FBI Investigating LANL Classified Material Found In Drug Raid. ABC World News (10/25, story 7, 0:20, Gibson, 8.78M) reported, "Tonight, the FBI is investigating how classified documents from New Mexico's Los Alamos nuclear weapons lab ended up in a suspected drug dealer's mobile home. Police stumbled on the computer files, which could hold sensitive information, while conducting a methamphetamine bust." The Washington Times (10/26, Seper, 88K) adds, "'This appears to be a new low: Even drug dealers can get classified information out of Los Alamos,' said Danielle Brian, executive director of the Project On Government Oversight, a watchdog that has exposed seven incidents involving the mishandling or loss of classified information at nuclear-weapons facilities since 2002. Authorities said the Los Alamos information was located on a computer flash drive," which "have been banned from the…laboratory for the past two years."

The Washington Post (10/26, A12, Eggen, 748K) reports that the LANL "contract employee at the center of a possible security breach…had a high-level clearance that may have given her special access to intelligence intercepts and other closely held national secrets, sources familiar with the case said yesterday. The FBI is examining at least three computer disks that police…discovered last week during a search of a suspected drug dealer's trailer home, according to the FBI and other agencies. … Authorities said the disks appear to contain classified material." The Post notes that the incident "is the latest potential embarrassment for the Los Alamos lab, which is under new management and undergoing changes designed to improve security."

Bloomberg (10/26, Schmidt) reports, "U.S. Energy Secretary Samuel Bodman told reporters in Washington the

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former employee was a woman and had worked as an archivist. 'We take this matter very seriously,' Bodman said. 'It is on my priority list.' He said the former employee had worked on 'archiving data from past history and making that available in electronic form so that it could be stored and accessed.'"

Gun Collector Jailed In Wales Murder Probe Seeks Venue Change. The AP (10/26) reports, "A gun collector once jailed as a material witness in the assassination of a federal prosecutor is seeking a change of venue for an unrelated weapons charge." Albert Kwan "says he cannot get a fair trial on the charge -- possession of an unregistered machine gun -- because in the public's mind, his case 'is inseparably intertwined with that of the murder investigation of Assistant United States Attorney Thomas C. Wales,' his lawyers wrote in a court filing this week." However, Kwan lawyer Joe Conte "said Wednesday he did not expect U.S. District Judge Thomas Zilly to move Kwan's trial on the weapons charge out of the Western District of Washington."

New Charges Filed In PRC Military Secrets Case. The AP (10/26, Flaccus) reports, "Five members of a family accused of scheming to send sensitive information about Navy warships to China were indicted Wednesday on new conspiracy charges, prosecutors said. The indictment, handed down by a federal grand jury, added counts of conspiracy to export U.S. defense articles to China; possession of property in aid of a foreign government and making false statements to federal investigators. Named in the supplemental indictment were Chi Mak, a U.S. citizen who worked for Anaheim defense contractor Power Paragon; his wife, Rebecca Laiwah Chiu; his brother, Tai Mak; Tai Mak's wife, Fuk Heung Li; and their son, Billy Yui Mak." The AP notes, "The FBI originally arrested Chi Mak and his wife for investigation of conspiracy to steal U.S. government documents. That allegation was never charged, and no one has been charged with espionage in the case."

The Los Angeles Times (10/26, Reza, 918K) reports, "Federal prosecutors acknowledged last year that the information Chi Mak and the others gathered was not classified. In fact, much of it can be found on the Internet. Wednesday's indictment, however, says the president has the authority 'to control the import and export of defense articles' by placing them on the United States Munitions List, apparently even if they are readily accessible to the public. Articles placed on the list can be exported only by agents of a foreign government registered with the Defense Department, according to the indictment. The court document does not say whether the articles the defendants allegedly conspired to export to China were on the government's munitions list, or when they might have been placed there."

Philadelphia Mob Enforcer Arrested In Illegal Gambling Probe. The Philadelphia Inquirer (10/26, Anastasia, 399K) reports, "Bodybuilder and mob enforcer Vincent 'Big Vincent' Filipelli was ordered held without bail yesterday for allegedly threatening an undercover New Jersey State Police trooper involved in an organized-crime gambling investigation. Authorities said Filipelli, 53, made the threat at a South Philadelphia 'gentleman's club' where a meeting had been set up to discuss a gambling debt he was attempting to collect." Filipelli "was unaware that the two men he was meeting with were both undercover state troopers and that one of them was wearing a body wire. … 'Filipelli [said] that he would track him down and put him in the hospital for a year,' according to an affidavit filed by FBI agent James A. Titcombe, who worked the case with the state police. Later, as he was driving back to Cherry Hill with one of the undercover officials, Filipelli boasted that he was a 'made' member of the Philadelphia mob, according to the document."

The AP (10/26) notes, "State police, working with the FBI's Philadelphia office, arrested" Filipelli at his home on Tuesday, seizing "anabolic steroids and drug paraphernalia valued at $10,000, two stun guns, gambling records and cash, according to state police. … According to state police, Filipelli was a former bodyguard for John Stanfa, boss of the Philadelphia La Cosa Nostra organized crime family."

Gotti Told Federal Investigators NYPD Detective Helped Mob Murder. The New York Sun (10/26, Capeci) reports in its "Gangland" column, "At a secret session with the feds last year, John 'Junior' Gotti fingered a former NYPD detective as a money-hungry rogue who gave up confidential information about a 1983 barroom murder — information that Gambino wiseguys used to kill a witness whose death has been officially ruled a suicide for more than two decades, Gang Land has learned. Law enforcement sources said Gotti attributed his stunning account about the death by hanging of Vinny Cennamo to what he was told

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several years after the fact by mobster Angelo Ruggiero, a close ally of Gotti's late father who died of cancer in 1989. Police reports state that Cennamo, a friend of the murder victim, fingered Mark Caputo…as the killer and said he left the bar with Junior. … At the time of the conversation" with Caputo, "Junior told the feds, Ruggiero was on the outs with the Dapper Don, who…had placed Ruggiero 'on the shelf,' a designation that essentially stripped him of all his rights and responsibilities as a wiseguy."

Pellicano Says He Has Rejected Repeated Plea Bargain Offers. In a widely-distributed story, the AP (10/26, Risling) reports, "Imprisoned private investigator Anthony Pellicano said Wednesday he rejected numerous attempts by federal prosecutors to negotiate a plea bargain in his Hollywood wiretap case because he didn't want to break the trust of celebrities, lawyers and other former clients. 'At least 10 times in this case I've been offered a plea bargain. It's not going to happen,' Pellicano told The Associated Press in a phone interview from federal prison. Pellicano said he intended to remain silent, even though he said Hollywood is infested with 'great white sharks' who don't play by the rules and constantly lie to get what they want." The AP adds, "Pellicano said encrypted audio files taken from his office during FBI raids won't lead to charges against any Hollywood power players. The tapes 'will do nobody any good to learn about my family life and my client life,' he said."

Former California Bank Manager Sentenced To Prison For Embezzlement. The AP (10/26) reports, "A former manager of a Silicon Valley bank was sentenced Wednesday to nearly a year and a half in federal prison for embezzling $1.13 million from her employer over a decade. U.S. District Court Judge Jeremy Fogel ordered Rose Magpantay Valdez…to serve 33 months, followed by three years of supervised release, and also to pay back all of the money she stole. Valdez pleaded guilty to embezzlement in July, after an investigation by the FBI." She "told investigators she began stealing money in 1995, moving funds from one general ledger account to another." Bay City News Wire (10/25) noted, "The investigation in the case was carried out by the FBI together with the bank's security personnel."

Texas Church Employee Sentenced To 12 Years For Child Porn Possession. The Lufkin Daily News (10/26, Savage) reports, "A former Lufkin church employee was sentenced to more than 12 years in federal prison Wednesday for viewing child pornography on the job, according to a federal court document. Troy Matthew Phillips, 32, who had worked at First Assembly of God…was handed a 151-month prison sentence by a U.S. District judge after he was convicted of possessing more than 2,100 images of child porn on a work computer, court documents stated." After a fellow employee grew suspicious, "senior church officials confronted Phillips, who admitted he was addicted to porn," and "a day later…church officials turned over the computer to FBI investigators. Investigators found 'numerous images' of children under age 12, including about 20 that were of infants or toddlers."

Florida Executes Man For 1990 Killings Of Five Students. The New York Times (10/26, Goodnough) reports, "The serial killer who gruesomely murdered five college students here in 1990 was put to death on Wednesday by lethal injection, and relatives of his victims said afterward that they could finally feel the beginnings of relief." The Times continues, "Danny H. Rolling, 52, was pronounced dead at 6:13 p.m. at Florida State Prison in Starke, about 30 miles northeast of Gainesville. Witnesses said he stared toward them and sang a hymn-type song just before the drugs were administered." The Times adds, "Mr. Rolling was 36 when he arrived in Gainesville shortly before the fall semester began at the University of Florida, a drifter with a criminal past who pitched a tent in some woods near campus. He followed two freshman roommates, Sonja Larson, 18, and Christina Powell, 17, to their off-campus apartment, raped Miss Powell, repeatedly stabbed both women with a hunting knife and mutilated their bodies. … The police discovered them on Aug. 26, after Miss Powell's parents reported that their daughter was not answering her door or phone. Later that night, the police found Christa Hoyt, 18, dead in her off-campus duplex. Mr. Rolling had raped and stabbed her, severed her head and placed it on a shelf. … The next day, Tracy Paules and Manuel Taboada, both 23, were discovered stabbed to death in their apartment, not far from where the other killings took place. Mr. Rolling attacked Mr. Taboada, a former high school football player, as he slept, then killed Miss Paules. All of the victims were University of Florida students except for Miss Hoyt, who was attending a nearby community college."

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DC Police Web Site Plots Crime In Street-By-Street Detail. The Washington Post (10/26, B1, Klein) reports, "D.C. police have launched a new crime-mapping tool on the department's Web site, allowing anyone to create a map of a sliver of the city and immediately see what crimes have happened there this year." The Post continues, "Cartoonish icons are used to pinpoint crimes. If you map your neighborhood, you do not want the Zorro-like mask to pop up -- it indicates an armed holdup. Or worse, the red figure of a person lying in the street, which denotes a homicide. The site also features goblin-looking masks for muggings, money sacks for thefts, gas cans for arsons and cracked houses for burglaries. … But it's the easy access to the information, not the symbols, that authorities believe will draw people to http://crimemap.dc.gov . For example, it takes only a few clicks to discover that during the past six months there have been 15 robberies, 72 thefts and 18 vehicles stolen within 1,000 feet of Chinatown's Verizon Center." The Post adds, "Most police departments make crime numbers available to residents, and many have Web sites that allow people to search for the number of crimes in specific areas. But few can match the District's new site, with its searchable fields that include museums, stadiums, gas stations and check-cashing locations. The site's level of detail rivals or surpasses those of departments in Baltimore, Chicago and Los Angeles."

DOJ Webcast Helps Local Police Departments With Recruitment Issues. The Palo Alto (CA) Daily News (10/26, Babcock) reports, "Police departments struggling to hire and retain qualified police officers participated in a U.S. Department of Justice webcast Tuesday to discuss strategies for addressing the problem." The News continues, "While there was a time when departments had the flexibility to reject would-be recruits, a new generation of qualified potential officers isn't interested in the profession, which many regard as short on pay and benefits. … 'Most of us have been in this profession for a while,' said East Palo Alto Police Chief Ron Davis, who took part in the hour-and-a-half webcast. 'Not to date ourselves, but we come from a different era. ... The job became your life and I think, probably for good reasons, this generation looks at a more balanced and tempered approach.'" The News adds, "About 25,000 people logged on to watch mayors and police chiefs from San Diego to Hattiesburg, Miss., discuss ways to grab and keep the attention of potential police officers. … As the panel jumped from topic to topic, a major theme of the webcast was the new generation's wants and needs. The panel discussed ideas such as speeding up the hiring process, which can take up to nine months, and using different techniques and technologies, such as the Internet, to recruit new officers."

CIVIL LAW:

Philip Morris Case Seen As Showing Roberts Court's Hand On Business Issues. In the New York Times editorial observer column (10/26), Adam Cohen says, "When Jesse Williams died of lung cancer, his widow sued Philip Morris, claiming it misled him about the danger of smoking. A jury agreed, awarding her $79.5 million in punitive damages. The Oregon Supreme Court affirmed the award, calling Philip Morris's decades of deception 'extraordinarily reprehensible.'" The Supreme Court is "hearing arguments in the case next week, and the broader business community has joined Philip Morris in asking the court to sharply reduce the damages. They are relying on a controversial line of recent cases in which the court struck down punitive damages awards that it deemed 'excessive.'" The Philip Morris case "will tell us a lot about the John Roberts court, which may be the most pro-business court in decades. It is a test of whether the court will abandon its conservative principles to be activist and 'rights-making' when the party that needs help is a large corporation. It will also reveal whether the court will continue on its current disturbing path of giving corporations more protection from excessive punishment than it gives to people."

Warsaw, IN, Seen As Center Of Orthopedic Device Industry. The Wall Street Journal (10/26, B1, Aeppel) reports from Warsaw, IN, "Silicon Valley has computers. Detroit has cars. But in orthopedic devices, the undisputed world capital is Warsaw, a city of 12,500 with a silver-domed 19th-century courthouse and pickups angled into the curb on Main Street. … Three of the world's five largest makers of artificial joints and related surgical tools have their headquarters here amid the lakes and fields of northeastern Indiana. The local industry has grown so much that it's now a regional force, with orthopedics companies popping up in nearby farm towns and the suburbs of Fort Wayne, about 50 miles to the east." The Journal adds, "Memphis, Tenn., and northern New Jersey are other industry

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hotspots, but none rivals Warsaw for sheer concentration. And while major orthopedics companies are looking overseas for cheaper places to produce items such as basic bone screws and metal plates, the U.S. retains a firm grip on the industry. … A big reason is that the U.S., with its population of fast-aging baby boomers, injury-prone weekend athletes and overweight people, is by far the world's biggest market for artificial hips and knees. The U.S. represents an estimated $14 billion of the annual spending in a global market of $22.9 billion, according to Knowledge Enterprises Inc., a Chagrin Falls, Ohio, market research firm." The Journal adds, "The U.S. also effectively protects manufacturers in the sector with strict regulations for devices that go inside the human body. Rather than risk problems -- and crippling lawsuits -- U.S. health-care providers buy their artificial joints from companies they know, which generally means buying American. … Profits are so good in the orthopedics industry that there isn't much pressure on suppliers to shave costs by going to low-cost countries. … To be sure, the industry's dynamics may be starting to change. Health-care providers are starting to push back against the industry's steady price increases, raising concerns among investors about whether profits for Warsaw companies and others can keep up the brisk growth. … There are other shadows over Warsaw's future. The U.S. Justice Department has opened two probes of orthopedics makers in the past two years, including an antitrust investigation in which Smith & Nephew PLC, of the U.K., has confirmed that one of its independent sales representatives tried to initiate an industry-pricing strategy in response to a U.S. hospital's bid request. Other producers, including those in Warsaw, have said they didn't respond to the suggestion."

CIVIL RIGHTS:

Required Voter Lists Often Contain Errors. The AP (10/25, Hastings) reports, "Between every registered voter and the voting booth is The List. And if you're not on it, you might not be able to cast a ballot." The AP continues, "One of the biggest changes wrought by the Help America Vote Act is the mandate that every state must have a voter registration database up and working by the Nov. 7 general election. But a dozen states missed the Jan. 1 deadline for finishing their databases, which produce lists of registered voters for every precinct. And four states have been sued by the Justice Department. … That leaves a confusing array of systems that may or may not work come Election Day, voting rights groups say. And it creates a growing anxiety that registered voters with every right to cast a ballot will be turned away because their names are not on the list for a variety of reasons, including something as innocuous as a typo." The AP adds, "The regulation was designed to assure that each state would have a central, independent repository for all registered voters - created by cross-checking voter registrations with existing state records to make sure dead people, incarcerated felons and others not eligible to cast a ballot were removed from the rolls. It was also supposed to make it easier to vote by having a single list instead of scores of county-based rolls. … Using driver license data and Social Security numbers, state officials were supposed to match that data to voter registration cards. It didn't take long for unforeseen problems to pop up. Someone may use a middle initial on his/her voter registration card, but not on his/her driver license. Married women may change their names, but not on every form of identification. Data entry errors can, and often do, occur. … In September 2004, New York City decided to do a trial run. The board of elections sent 15,000 registration records to the Department of Motor Vehicles to match license numbers on the voter cards to those in the DMV. The results? Nearly 20 percent couldn't be matched because of typos made by city employees. … Earlier this year, the Department of Justice sued New York, Alabama, New Jersey and Maine for failing to implement statewide lists. The states have reached agreements with the Justice Department, most in the form of interim databases."

Georgia Election Board Roiled By Voter ID Letter Dispute. The Atlanta Journal-Constitution (10/26, Suggs) reports, "Key leaders of two of Georgia's strongest black organizations are calling for the resignations of three members of the State Election Board for mailing letters to voters that suggested photo ID would be required to cast a ballot Nov. 7." The AJC continues, "At a news conference on the steps of the state Capitol, officials from the Georgia State Conference of the NAACP and the Coalition for the People's Agenda urged Republican-appointed members Tex McIver, Randy Evans and Jeff Israel to resign from the election board for their part in sending out about 300,000 letters that they say were designed to suppress minority turnout on election day." The AJC adds, "David Worley, a Democratic appointment to the five-member board, and Secretary of State Cathy Cox, who is also a Democrat and serves as the board's chair, were not asked to resign. … 'We believe this was a deliberate

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attempt to confuse the voters. A deliberate attempt to further disenfranchise voters,' said NAACP President Edward O. DuBose. 'The damage has already been done and we are asking those board members to resign.' … McIver, vice chairman of the board who headed up the letter campaign, said he intends to stay in office until his term expires in 2008." The AJC notes, "The election board, under threat of a civil suit filed by former Gov. Roy Barnes, voted this month to mail a second letter clarifying that photo ID is not required to vote in Georgia. … For many, that is not enough. Rep. John Lewis (D-Atlanta) has asked U.S. Attorney General Alberto Gonzales for a federal investigation into the mailings, and the Rev. Jesse Jackson is pushing the issue at a conference he is conducting this week in Atlanta."

Manassas, VA, May Face Second Suit Over Permit Bias. The Washington Post (10/26, PW01, Miroff) reports, "The Manassas City Council's decision this week to reject the home business permit application of a part-time massage therapist has raised the possibility the city could face another lawsuit alleging discrimination." The Post continues, "West Street homeowner Howard Daniel, who is gay, says that a climate of homophobia pervaded the council's consideration of his application. The 4 to 3 vote Monday to deny his application has prompted him to consider legal action against the city, he said. … 'There's little doubt that we're going to pursue this,' said Daniel, who attended the meeting accompanied by a lawyer. 'It's not over.'" The Post adds, "The threat of civil litigation hangs heavily over Manassas with the city already under investigation by the Justice Department for allegedly discriminating against Hispanic residents in violation of the Fair Housing Act. Some council members said they were frustrated that the decision on Daniel's application was being construed as discriminatory, saying that the matter was strictly a zoning issue."

New Jersey Court Rules Gay Couples Have Same Rights As Heterosexual Couples. ABC World News (10/25, lead story, 2:20, Gibson, 8.78M) reported, "It is one of the most controversial questions of our age. Should same-sex couples be allowed to marry? Today, New Jersey's Supreme Court stepped right into that debate, ruling that 'same-sex couples must be afforded the same rights and benefits enjoyed by married opposite-sex couples.' But the state's court stopped short of actually approving gay marriage." ABC (Tapper) added, "The New Jersey Supreme Court ruled today that Sarah and Suyin Lael, and other same-sex couples in New Jersey, are entitled to the same rights and benefits as heterosexual couples." The court "gave the state legislature six months to either amend the statutes to include same-sex couples or create a parallel arrangement that gives same-sex couples the rights and benefits as married, straight couples. The court stopped short of requiring that it be called it marriage, but gay rights groups celebrated the ruling."

The CBS Evening News (10/25, story 7, 0:15, Couric, 7.66M) mentioned the ruling briefly, saying "New Jersey's highest court today stopped short of legalizing gay marriage, but it did say that committed same- sex couples must be given the same rights and privileges as heterosexual married couples." NBC Nightly News (10/25, story 7, 0:25, Williams, 9.87M) ran a similar story, reporting the court "ruled that same sex couples in the state must be given all of the same legal protections and now it is up to the state legislature to make that happen."

Much of the coverage last night and this morning deals with the potential political repercussions of the ruling. A number of reports suggest the issue could possibly help Republicans in some close races. The AP (10/26, Crary) reports Bill Donohue, president of the Catholic League, "called the ruling 'a plus' on the premise it would stir up resentment of 'arrogant judges' and boost conservative election prospects. … To conservative activists, the logic is that right-of-center voters who may have felt alienated by events such as the House page scandal involving former Rep. Mark Foley will now be motivated to go to the polls. And those voters will be more inclined to pull the lever for Republican candidates in key races such as that of GOP Sen. George Allen in Virginia."

On ABC World News (10/25, story 2, 2:30, Gibson, 8.78M) George Stephanopoulos analyzed the decision's impact on key Senate races. In New Jersey, he said, "the candidates had similar positions on gay marriage, except now, the Republican candidate is coming out for a constitutional amendment banning it. And he is hoping this motivates social conservatives for him. In Tennessee, both candidates the Democrat and the Republican, have the same position on gay marriage. They're for a constitutional amendment banning it. The biggest impact could be in the state of Virginia. This could be the first break that George Allen has had in a long time. He's for the ban on gay marriage in Virginia. His opponent, James Webb, is against

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it. Social conservatives could be mobilized down there." ABC (Gibson) added, "It puts the issue front and center in a lot of states if not in the entire country."

The Wall Street Journal (10/26, A3, Bravin, Cummings, 2.03M) reports Sen. Robert Menendez, a Democrat, "is seen as his party's most vulnerable incumbent. In a statement, Mr. Menendez backed the court decision." Republicans "hope yesterday's decision will draw attention to ballot initiatives in eight states -- Arizona, Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin -- that would ban same-sex marriage."

On CNN's The Situation Room (10/25), analyst Jeff Greenfield said the issue of gay marriage "is on the ballot in eight states, including Virginia and Tennessee where there are two very close Senate races that could decide whether Democrats take the Senate. And we should note that while Americans over the years have become more accepting of gay rights, the issue of marriage still elicits opposition."

Under the headline "Ruling On Gays May Echo At Polls," USA Today (10/26, Jones, Stone, 2.27M) reports "conservative activist Gary Bauer, head of the group American Values, said the ruling could swell the turnout of conservative Republicans in general." But Sherry Bebitch Jeffe, "a political scientist at the University of Southern California, said the ruling 'will remind people in those eight states that the question is alive' but doubted it will energize conservative voters elsewhere."

Most stories say the ruling was greeted with enthusiasm by gay activists. The AP (10/26, Mulvihill) reports the court "opened the door Wednesday to making the state the second in the nation to allow gay marriage," adding "gay rights activists had seen New Jersey as a promising place because it is a largely Democratic state in the Northeast." The New York Times (10/26, Liptak, 1.21M) reports Susan L. Sommer, a lawyer with the Lambda Legal Defense and Education Fund, which represents the couples involved in the case, said of the ruling, "It's a win. … We would have liked marriage tomorrow, but this is great progress." The New York Times (10/26, Kocieniewski, 1.21M) also runs a story titled "Gay Marriage Backers Plan Big Push To Sway Trenton Lawmakers," on the expected process in New Jersey.

However, as the New York Times (10/26, Chen, 1.21M) reports, the New Jersey court "did not go as far as Massachusetts, which in 2003 became the first state to permit gay marriage. Instead, it could be considered the new Vermont, which created civil unions for gay couples in 2000, in the politically, legally and culturally charged world of same-sex marriage." The New York Times (10/26, Kocieniewski, 1.21M) also runs a story titled "Gay Marriage Backers Plan Big Push To Sway Trenton Lawmakers," on the expected process in New Jersey. McClatchy (10/26) reports "cases similar to New Jersey's are pending in California, Connecticut, Iowa and Maryland." The Los Angeles Times (10/26, Barry, 918K) runs a similar story under the headline "NJ Court Grants Rights, Not Marriage, To Gays." The Washington Times (10/26, Wetzstein, 88K) carries a similar report.

The New York Times (10/26, Mansnerus, 1.21M), in a story on the New Jersey Court, says "it is not always easy to identify partisan fault lines in New Jersey. In the New Jersey Supreme Court, it is all but impossible, and nothing reflects that more clearly than Wednesday's 4-to-3 decision on same-sex marriage." Three justices "appointed by a Republican governor would recognize the full status of marriage for same-sex couples. And of the three justices appointed by a Democrat -- a gay Democrat, at that -- none would go that far, and they joined in the majority opinion." New Jersey's highest court "has often been described as liberal, and, what is probably more important to the other branches of state government here, assertive."

The New York Times (10/26, Chen, 1.21M) also reports, "That was the reaction of former Gov. James E. McGreevey when asked on Wednesday whether he would marry his partner if the New Jersey Legislature -- in the aftermath of the State Supreme Court decision that same-sex couples are entitled to the same rights as heterosexuals -- decides that gay marriage will be honored. After gathering his thoughts, Mr. McGreevey said that while he had no plans to marry his partner immediately, he did feel that a ceremony would be in his future."

The New Jersey Law Journal (10/26, Booth) reports, "The state's high court, while declaring unconstitutional state laws that deny same-sex couples the financial and social benefits and privileges given to married heterosexuals, held that fixing the problem is a legislative task -- and gave lawmakers 180 days in which to do it. … 'At this point, we do not consider whether committed same-sex couples should be allowed to marry, but only whether those couples are entitled to the same rights and benefits afforded to married heterosexual couples,' a divided court wrote in Lewis v. Harris, A68-05. … 'Cast in that light, the issue is not about the transformation of the traditional definition of marriage, but

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about the unequal dispensation of benefits and privileges to one of two similarly situated classes of people.'" The Journal notes, "The justices did not require the Legislature to amend the civil marriage statutes to include same-sex couples but only to come up with a statutory scheme that affords same-sex couples the same rights and benefits as those statutes. … The court offered the Legislature the option of either amending the marriage statutes to include same-sex couples or enacting a parallel statutory structure by another name."

NYTimes, WPost Praise Ruling. Under the headline "A Ruling For Equality In New Jersey," the New York Times (10/26, 1.21M) editorializes, "The New Jersey Supreme Court brought the United States a little closer to the ideal of equality yesterday when it ruled that the state's Constitution requires that committed same-sex couples be accorded the same rights as married heterosexual couples. … The court ruling secures important rights, and paves the way for the full equality that will no doubt come."

The Washington Post (10/26, A24, 748K), in an editorial titled "New Jersey's Step Forward" says "this nuanced decision risks getting lost beneath angry rhetoric about activist judges and protecting marriage. That would be unfortunate. No reasonable reading of this decision could argue for, say, changing Virginia's constitution to ban same-sex marriages that are already illegal there or for adding a noxious amendment to the federal Constitution." It "argues only for letting the residents of New Jersey digest what their court has said and decide how best to make same-sex couples equal under the law."

Civil Liberties Endangered By Expanded DNA Collection, Experts Warn. The Austin American-Statesman (10/26, Relerford) reports, "Dramatic expansions in the collection and retention of DNA by state and local law enforcement officials threatens individual privacy rights and racial justice, a panel of legal experts concluded Wednesday." The A-S continues, "A four-member panel of lawyers and DNA experts, including New York lawyer Barry Scheck and Helen Wallace of Genewatch UK, spoke about the subject as part of a discussion sponsored by the American Civil Liberties Union." The A-S adds, "Experts characterized law enforcement officials' efforts to add samples to DNA databases as a slippery slope regarding privacy rights, and they criticized expansions at the state and local level of what they referred to as permanent, rogue databases not tied into the FBI's national DNA index. … 'You've got to be smart about crime, smart about using these databases and smart about protecting civil liberties,' Scheck said." The A-S notes, "Panel members, including the ACLU's science advisor, Tania Simoncelli, said expansion efforts are eroding the performance of crime labs, which already face months or years of backlogged evidence. … Scheck also pointed to a scandal surrounding the Houston Police Department's crime lab as proof that DNA evidence is not impenetrable. … This summer, independent investigator Michael Bromwich concluded that crime lab officials in Houston failed to report the results of DNA tests that did not corroborate suspects identified by police in more than 20 cases beginning in the 1980s. … Bromwich, a former U.S. Justice Department official, was selected to investigate the crime lab in 2005. Houston's lab was closed for more than three years after errors were exposed in the lab divisions that test firearms, body fluids and controlled substances."

Close Vote Expected On South Dakota Abortion Referendum. USA Today (10/26, Keen, 2.27M) reports on the South Dakota "referendum on the Nov. 7 ballot that will decide whether the USA's toughest abortion restrictions will become law or be repealed. … If voters uphold the law, which also would make it a felony for doctors to perform abortions unless the woman's life is in jeopardy, Planned Parenthood plans a lawsuit asserting the ban is unconstitutional. Supporters of the ban would use the case to challenge Roe v. Wade, the landmark 1973 Supreme Court decision that legalized abortion nationwide." Republican Gov. Mike Rounds "signed the law in March. Opponents gathered signatures to put the issue on the ballot. The latest statewide poll in July showed 47% of voters opposed the ban and 39% supported it; 14% were undecided. Both sides expect a close vote."

New Voting Equipment Could Cause Election Day Problems. The Wall Street Journal (10/26, Kronholz, 2.03M) reports the Help America Vote Act "gave the states $3.8 billion to replace punch-card and mechanical-lever voting machines, and to set up statewide voter lists to resolve election-day questions over who could vote and where." States and counties "bought a variety of new voting systems with the federal money, including optical scanners that read paper ballots and, in at least 34 states, touch-screen machines." With the elections looming, "voting-equipment makers and many election clerks say the new

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technology will eliminate lost or spoiled ballots and buoy voter confidence." But groups "that track voting laws and practices are warning of problems that could cost or lose votes. A Princeton University study has ignited additional worries that a hacker could alter results on the touch screens, although voting-machine makers -- led by Diebold Inc., the largest of a half-dozen manufacturers -- reject the possibility." The Journal also outlines several potential equipment problems that could arise on election day.

Maryland Voting Machines Had Defective Component. The Washington Post (10/26, B5, Barr, 748K) reports the maker "of Maryland's electronic voting system replaced a flawed electronic component in several thousand touch-screen voting machines in 2005, state election officials acknowledged this week." To "eliminate unpredictable 'screen freezes' that have occurred since the machines were first used in Maryland in 2002, Diebold Election Systems installed new system boards in about 4,700 voting machines from four Maryland counties: Allegany, Dorchester, Montgomery and Prince George's."

Target Sued By Advocacy Group For Blind Over Web Site. USA Today (10/26, Parker) reports, "Bruce Sexton is blind. He would like to shop on Target's website, but says he can't 'read' it. He says the site lacks certain coding — found on many other websites — that would activate software to allow blind computer users to hear audio descriptions of what is on Internet pages." USA continues, "Sexton, 24, who lives in Berkeley, Calif., and the National Federation of the Blind are suing Target on behalf of the 1.3 million blind people in the USA. The suit alleges that the giant retailer discriminates against the visually impaired by violating state and federal laws that protect the disabled." USA adds, "The case draws national attention because it could have implications for virtually every retailer and business in the USA that operates a website. The case also fuels a wider debate starting to play out in courtrooms: whether anti-discrimination laws apply to the Internet. … It's a key question in lawsuits across the nation. Craigslist.org, a popular advertising and networking website, is being sued in federal court in Chicago over allegations it has allowed ads for apartments and other housing that discriminate on the basis of race, sex, class, religion or familial status."

NAACP Chairman, Judge Brown To Attend White House Fellowship Program Meeting. The Washington Times (10/26, McCaslin, 88K) reports in its "Inside the Beltway" column, "Inside the Beltway has learned that NAACP Chairman Julian Bond, who has repeatedly denounced the Republican Party and conservative black leaders alike, will come face-to-face this evening with US Court of Appeals Judge Janice Rogers Brown. Judge Brown was nominated to her position by President Bush and is frequently mentioned as a possible Supreme Court nominee." The two are "among three prominent black leaders being saluted at a reception for the White House Fellowships program, hosted by conservative commentator Armstrong Williams in his Northeast Washington home. Renowned neurosurgeon Dr. Benjamin Carson of Johns Hopkins Hospital fame is the third honoree."

ANTITRUST:

FCC Seen Likely To Avoid Net Neutrality Debate In AT&T-BellSouth Ruling. The San Antonio Express-News (10/26, Nowlin) reports, "As the Federal Communications Commission mulls conditions on AT&T Inc.'s $83 billion merger with BellSouth Corp., the commission faces pressure to turn the process into a fight over network neutrality, the concept that Internet service providers like AT&T should treat all traffic the same. .. It's pressure, experts add, that the FCC is likely to resist." The Express-News continues, "Net neutrality proponents — consumer groups and Internet companies like Google, among them — worry San Antonio-based AT&T wants to create a two-tiered Internet where it picks which sites thrive and which flounder. … And some now view the debate over deal conditions as their golden opportunity to make AT&T sign off on net neutrality protections before it closes the largest telecom deal in history. … '(AT&T) wants this merger to happen before the end of the year,' said Gigi Sohn, president of Public Knowledge, which filed comments Tuesday asking the FCC to make AT&T treat all Internet content equally. 'I think that's the biggest card we hold.'" TheExpress-News notes, "The FCC originally was set to rule on the merger Oct. 12, but pushed back its vote to Nov. 3 after commissioners reached an impasse over what conditions, if any, to impose on the deal. Republican FCC Chairman Kevin Martin proposed approving the merger without conditions, but the two Democrats commissioners said they wanted to see consumer-friendly safeguards. … In response, AT&T offered a set of conditions to which it would agree, including making

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speedy Web access available for $10 a month if bundled with phone service and not increasing rates competitors pay to access its networks. … Competitors and consumer groups had until Tuesday to file remarks about the AT&T proposals. … Analysts said they would be surprised if the FCC deviates too far from the conditions AT&T has already offered up — especially into territory as controversial as net neutrality. So far, the Justice Department and 18 states have approved the transaction, making the FCC its last regulatory hurdle to clear."

Constellation, FPL Abandon Merger Plans. The Baltimore Sun (10/26, Adams) reports, "Constellation Energy Group Inc. and Florida's FPL Group Inc. officially gave up on their merger plans Wednesday after executives concluded the deal was hopelessly mired in a populist political debate in Maryland over deregulation and rising electricity rates." The Sun continues, "The move means control over Constellation and its BGE utility will remain in local hands, rather than shifting to Florida. But it weakens the hand of lawmakers and regulators, who were expecting to use the merger's approval as leverage to extract more concessions to offset a 72 percent BGE rate increase." The Sun adds, "Constellation asked to pull out of the $12.4 billion deal and FPL agreed, ending weeks of speculation that the end was near. The companies had suspended integration activities in May, and two weeks ago FPL Chief Executive Lewis Hay III made it clear in a conversation with analysts that his patience was wearing thin. … Hay had said he would assess the deal's prospects after the governor's election, but the two companies concluded that the outcome probably would not have made any difference in regulatory treatment of the deal." The Sun notes, "The merger would have created a Fortune 100 company with an estimated $28 billion in annual revenue and operations stretching from Maine to California. It would have been the largest seller of wholesale power to large industrial users, municipalities and utilities in markets where competition is allowed. … But the utilities agreed to their deal just months before electricity rate caps were about to come off at BGE as part of the transition to a deregulated market. Citing soaring energy costs, BGE announced a 72 percent rate increase, which was approved by the PSC without hearings. Outraged legislators later passed a law temporarily lowering the increase and firing the PSC, which had authority to rule on the merger."

The Wall Street Journal (10/26, A12, Dowell, Buurma) reports, "The merger, announced in December, faltered after being caught up in partisan battles between Maryland Gov. Robert Ehrlich and the Democrat-controlled state Legislature. In June, state lawmakers passed a law that disbanded the Ehrlich-appointed Maryland Public Service Commission after the commission approved a 72% rate rise for Constellation's utility subsidiary, Baltimore Gas & Electric. … In September, the Maryland Court of Appeals ruled that the Legislature couldn't fire the commissioners. But the court left intact a provision of the law that prevents the commission from ruling on the FPL-Constellation deal until its members are replaced, leaving regulatory review of the merger uncertain."

The Washington Post (10/26, D1, Mufson) reports, "The proposed takeover, unveiled in December, has been at the center of a political brawl in Maryland, made more intense by a request this year by Constellation's Baltimore Gas and Electric Co. unit for a 72 percent increase in electric rates. Litigation was continuing, and Maryland's Public Service Commission still needed to approve the FPL merger. … 'It's been a long time in coming, and I'm not surprised,' Maryland Gov. Robert L. Ehrlich Jr. (R) said yesterday. He blamed Democratic legislative leaders for creating uncertainty with a law that temporarily lowered rates and dismissed the state's utility regulators. Maryland's highest court later reinstated the PSC members but let stand a provision of the legislation that prevented those members from ruling on the merger." The Post notes, "The coming elections were unlikely to alter the outlook. Democrats are expected to retain control of the state legislature. And Baltimore Mayor Martin O'Malley, Ehrlich's Democratic challenger, has vowed to fire the PSC members, who he said yesterday had showed an 'utter lack of leadership and professionalism.' … The end of the merger does not mean any relief for Maryland ratepayers, who still face sharply higher energy costs in a deregulated electricity market."

Yankee Candle Agrees To $1.4 Billion Buyout By Equity Firm. The Wall Street Journal (10/26, A14, Covert) reports, "Yankee Candle Co. agreed to be acquired by a private-equity firm for $1.4 billion, plus the assumption of $300 million of debt." The Journal continues, "The South Deerfield, Mass., maker of scented candles and home fragrances said Madison Dearborn Partners LLC will buy it for $34.75 a share, in a deal expected to close in the first quarter. Yankee Candle shares soared $5.01, or 17%, to

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$33.73 apiece in 4 p.m. New York Stock Exchange composite trading. … The company in July said it had hired Lehman Brothers to help it explore alternatives, including a possible sale. Yesterday, Yankee Candle's chief financial officer, Bruce Besanko, said the auction attracted 'multiple interested parties,' but he declined to be more specific." The Journal adds, "Credit Suisse analyst Paul Lejuez said the deal came sooner than expected and the price was surprisingly high, possibly 'an indication that private equity is willing to accept a lower rate of return than one would typically assume.'"

Administration To Issue Position On Dot-Com IPO Class Action Case. The Wall Street Journal (10/26) says in an editorial, "Milberg Weiss is under federal indictment, but that doesn't mean the class-action specialist isn't still making legal mischief. A case in point is Billing v. Credit Suisse First Boston, in which Milberg has even managed to get part of the Bush Administration on its side. Someone in the White House should be embarrassed about this one." In Billing, Milberg is "suing investment banks on behalf of investors who participated in dot-com era IPOs that later went south." The Justice Department's Antitrust Division "has sided with Milberg, even as the SEC has submitted briefs in defense of the banks." Sometime "in the next few days," the Solicitor Generals' "office will file a brief recommending that the Supremes overturn the appeals court -- meaning, in short, that the SEC will have won the turf war. But the brief is being circulated within the Administration, so things could still change."

Clear Channel Radio Chain Said To Be Up For Sale. The New York Times (10/26, Belson, Sorkin) reports, "The Mays Family, which built Clear Channel Communications into the country's largest network of radio stations through decades of acquisitions, is in negotiations to be taken private by a consortium of investors for more than $18.5 billion, people involved in the talks said yesterday." The Times continues, "The investors, who have been in discussions with Clear Channel for months, include Providence Equity Partners, the Blackstone Group and Kohlberg Kravis Roberts & Company, these people said." The Times adds, "The negotiations come as family- controlled media companies across the nation explore the possibility of selling their companies or taking them private. Cox Communications, the cable company based in Atlanta, went private in 2004. Cablevision, which is controlled by the Dolan family, is in the middle of negotiations to become private. … Clear Channel said yesterday in a statement that it was 'evaluating various strategic alternatives to enhance shareholder value.' The company has hired Goldman, Sachs & Company as its financial adviser. … Other potential suitors have emerged in recent days. They include Cerberus Capital Management, Oak Hill Capital Partners and Thomas H. Lee Partners, people briefed on the negotiations said. Now that the company is seeking alternatives, other suitors, including big media companies, could surface."

Dewey, Orrick Close To Merger. The New York Times (10/26, De La Merced) reports, "Two major law firms — Dewey Ballantine and Orrick, Herrington & Sutcliffe — came closer to walking down the aisle yesterday." The Times continues, "Top committees of the two firms recommended a deal, the two said yesterday. The combined firm would be called Dewey Orrick, with 1,500 lawyers and offices around the world. Together, they would form the seventh-largest law office in New York, and have revenue around $1 billion, the firms said in a joint statement. … The merger would be the latest in a wave of consolidation among law firms." The Times adds, "A merger 'gives us a stronger geographical reach, complementary practice areas and gives us financial strength to continue to build practice areas,' the chairman of the management and executive committees, Morton A. Pierce, said. … Orrick's chairman, Ralph H. Baxter Jr., said: 'This will create a new and highly unusual, if not unique, value proposition for our clients. Few firms will match the depth we'll have.'" The Times notes, "Some terms of the deal are not yet final, and it is subject to approval by each firm's partners. Mr. Pierce said the firms hoped to obtain approval by mid-December, paving the way for Dewey Orrick by Jan. 1."

Blackstone Group To Expand Private-Equity Fund. The Wall Street Journal (10/26, C1, Singer, Sender) reports, "Accelerating the buyout boom and putting some of the world's biggest public companies in reach, Blackstone Group has decided to increase the size of the world's largest private-equity fund to $20 billion." The Journal continues, "The move by Blackstone, which already had raised a record $15.6 billion for the fund from investors, secures bragging rights for now in an industry that has several other giants looking to create funds of $15 billion or more. … But there is

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much more than pride at stake: Private-equity firms have been on a tear lately, buying up publicly traded businesses with the intention of making them more profitable -- frequently by aggressively cutting costs -- and then selling them for big gains, either to other companies or to public shareholders via new stock listings. Fifteen out of the top 20 buyouts on record have been announced in the past 18 months, and private-equity firms this year have accounted for 17% of all major mergers and acquisitions." The Journal adds, 'Now, all but the largest public companies are potential acquisition targets, especially given the growing trend of "club deals" involving multiple private-equity firms. Their increased financial firepower -- aided by heavy borrowing at low rates by companies they own -- has giant buyout firms already eyeing takeover targets with stock-market values of $50 billion or more, say people familiar with the matter."

NYSE To Purchase Rest Of American Stock Exchange Stake. The Wall Street Journal (10/26, C5, Lucchetti) reports, "NYSE Group Inc. plans to buy the one third of its technology unit that it doesn't own for about $40 million from the American Stock Exchange, according to people familiar with the matter." The Journal continues, "NYSE, which operates the New York Stock Exchange, will become full owner of Securities Industry Automation Corp., or SIAC, with the transaction. Amex and NYSE have been negotiating for months to complete a deal. … Both markets see the move as necessary as electronic trading and technology become crucial to gaining business for exchanges now structured as for-profit companies. In that environment, the sharing of technology between two exchange rivals became unpalatable." The Journal adds, "NYSE wanted full control of the subsidiary, which handles the exchanges' communications networks and computer systems among other things. Amex gets cash to build its own technology, which it is hoping to roll out later this year after getting regulatory approval. … The deal will make it easier for NYSE to integrate its communications and market-data operations with those of Archipelago Holdings Inc., the electronic-exchange operator that the Big Board merged with in March. Analysts say cost cutting and layoffs are possible at the unit as NYSE tries to expand profit. A deal could close as soon as next month. … NYSE is also hoping to merge with pan-European exchange operator Euronext NV, and a good chunk of the more than $250 million in cost savings anticipated from that deal will come from reducing the number of technology platforms."

German Antitrust Regulators Nix Coherent's Proposed Excel Buy. The AP (10/26) reports, "Coherent Inc., a Santa Clara, Calif.-based maker of lasers for commercial and scientific uses, said Wednesday German regulators are prohibiting its $376 million acquisition of Excel Technology Inc." The AP continues, "Although the acquisition had passed U.S. antitrust authorities, the German Federal Cartel Office issued a prohibition order on the deal. … 'While we are clearly very disappointed and disagree with the FCO's decision, we remain committed to accomplishing acquisitions that meet all our criteria for growth, diversification and financial performance,' said John Ambroseo, Coherent's president and chief executive, in a statement." The AP adds, "The deal, announced in February, valued Excel, a maker of electro-optical and laser systems used for scientific, industrial and medical purposes, at $30 per share. … The acquisition was expected to close in the June quarter."

Wal-Mart's German Expansion Approved. The AP (10/26) reports, "Metro AG's deal to buy Wal-Mart Stores Inc.'s German operations received approval Wednesday from Germany's antitrust regulator, clearing the way for an acquisition that will expand Metro's presence in its home market." The AP continues, "The Federal Cartel Office approved the deal after deciding the addition of the 85 Wal-Mart stores would not give Metro a dominant position in the market. … The deal calls for Duesseldorf-based Metro to take over 19 pieces of Wal-Mart real estate and lease the remaining locations. Neither company has disclosed the deal's value." The AP adds, "Metro will fold the stores, which had sales of nearly euro2 billion in 2005, into its Real hypermarket brand. The first conversions are set to be finished before Christmas, and the rest should be integrated by mid-2007. … The addition of Wal-Mart's warehouses and logistics systems is expected to strengthen the position of Metro's existing 550 Real stores in the German market. … The deal, announced in July, marked Wal-Mart's second withdrawal from a major foreign market."

ENVIRONMENT/INDIAN AFFAIRS:

US Tells 9th Circuit Hawaii Stryker Unit Is Vital. The Honolulu Star-Bulletin (10/26, Kakesako) reports, "Government lawyers say that halting Schofield Barracks' $1.5

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billion Stryker unit would do 'irreparable harm' to the Army, soldiers of the 2nd Brigade and the nation's security. … They oppose a motion by island environmentalists and Hawaiian activists who want the 9th U.S. Circuit Court of Appeals to approve a temporary order halting all work on Stryker-related activities in Hawaii." The Star-Bulletin continues, "U.S. Justice Department attorneys Andrew Mergen and Michael Gray on Monday said 'national security concerns' are more compelling today than they were on Nov. 5, 2004, when a federal court judge rejected environmentalists' first petition for a preliminary injunction. … The Army argued that the 2nd Brigade is scheduled to become a 'fully manned, trained and equipped Stryker Brigade Combat Team, ready for deployment by November 2007.'" The Star-Bulletin adds, "Lt. Gen. John Brown, who heads Army troops in the Pacific, wrote in a letter published Monday in the Honolulu Star-Bulletin that the combat deployment will be to Iraq. This will be the second time the 25th Infantry Division's 2nd Brigade will pull combat duty there. … David Henkin, attorney with Earthjustice, said he expects the 9th Circuit in San Francisco will rule on its request for a temporary injunction by Tuesday. … Henkin said Earthjustice wants to temporarily stop the project so the environmental group and the Army can discuss what activities can proceed."

Russia Threatens Criminal Charges Over Shell Natural Gas Project. The New York Times (10/26, Kramer) reports Yuri Trutnev, Russia's minister of natural resources, "threatened criminal prosecutions against employees of Royal Dutch Shell, ratcheting up pressure" on the Sakhalin-2 project." The Times says, "The remarks suggested a further unraveling of the relationship between Western energy companies and the Russian government, which is intent on gaining control of the energy sector. Shell and two Japanese partners were accused of violating Russian environmental law at their Sakhalin 2 project." The Times notes, "Lower-ranked Russian officials had threatened criminal charges earlier this month. The statement by Mr. Trutnev, however, carried more force and suggested an escalation because he is a member of the cabinet." Trutnev said his ministry's September inspection of Sakhalin-2 "provided enough grounds to revoke a major environmental permit. He had said the permit would very likely be canceled this week. He delayed a decision on that permit, however, by one month for further study."

NYTimes Criticizes Bush Recess Appointment For Mine Safety Agency. The New York Times (10/26, 1.21M) says in an editorial, "Despite being twice rebuffed by the Senate, President Bush has named Richard Stickler, a stolid mining industry careerist, to run the mine safety agency whose serial ineptitude has been laid bare this year by the deaths of 42 mineworkers. Waiting until the Senate left town for the elections, Mr. Bush resorted to a recess appointment to place Mr. Stickler at the heart of enforcing new safety reforms that, in earlier hearings, the appointee himself had claimed were not at all that necessary." But lawmakers "should demand a bulldog enforcement director rather than another industry lapdog."

Apache Police Chief, Tribal Officer Arrested On Embezzlement Charges. The AP (10/26) reports, "The White Mountain Apache tribal police chief and another officer have been charged with manipulating records in a federal investigation after the FBI began looking into the use of departmental funds at casinos. Police Chief Lincoln Perry and Officer Tim Goode pleaded not guilty Wednesday in U.S. District Court, said Wyn Hornbuckle, spokesman for the U.S. Attorney's Office. They were each arraigned on one count of conspiracy to falsify records and 17 counts of falsifying records." The AP notes, "Federal officials alleged the two men embezzled between $10,000 and $20,000 over a five-year period" from an account "used for undercover purchases and payment to informants. … Hornbuckle said Perry and Goode submitted fake receipts to tribal police in response to FBI agents looking into the bank account."

FBI/DEA/ATF/USMS:

Maine Civil Liberties Union Releases Peace Group Emails Collected By FBI. WCSH-TV Portland, ME (10/25, Erskine) reports on its Web site from a story broadcast yesterday, "The FBI has apparently been keeping files on the emails of peace activists in Maine." The Maine Civil Liberties Union on Wednesday released "18 pages of emails that the FBI had in its files" and were obtained through a FOIA request. "Those emails were put out by 'Peace Action Maine,' the 'Maine Center for Peace and Justice' and 'Veterans for Peace' as they were organizing for two different protests. Activists say they were shocked that their government was 'spying' on them." WCHS added, "A

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spokesperson for the FBI, Nenette Day, says the agency does not monitor or investigate peace groups in Maine. Day says the emails were likely forwarded to the FBI, then placed in a file."

The AP (10/26) reports, "Obtaining the e-mails…is a waste of FBI resources, and it has a chilling effect on people who want to speak out against government policies, said Shenna Bellows, executive director of the MCLU. It also brings to mind the FBI's clandestine surveillance in decades past of Martin Luther King Jr., John Lennon and civil rights organizations, she said." However, the AP notes, Day said that "it is incorrect to suggest that the FBI was spying on the Maine peace groups or intercepting their e-mails electronically," and she "said a federal court order would be required to obtain them electronically. The FBI would request such a court order only if it had evidence that a crime or an act of violence was going to be committed, or that national security was being compromised, she said. 'We do not investigate individuals engaged in their constitutional rights, including the right to free speech and assembly,' Day said."

FBI Arrests Chicago Police Officers In Drug Money Theft Sting. The Chicago Tribune (10/26, Coen, 623K) reports, "Two Chicago police officers believed they were stealing from drug dealers who had stashed money in a Grand Avenue storage locker, but in fact, FBI agents had planted the cash to snare them, federal prosecutors said Wednesday." Richard Doroniuk and Mahmoud Shamah "allegedly stole more than $31,000 from the locker. Doroniuk and Shamah were arrested Wednesday and appeared in federal court before U.S. Magistrate Judge Nan Nolan, who ordered them held pending a detention hearing next week." The Tribune notes that an FBI informant "help set up the officers and tapped telephones to monitor conversations about their plans. Agents were listening when Doroniuk allegedly told Shamah they needed to be careful to hide the cash." The Chicago Sun-Times (10/2, Main) adds, "They also planned to conduct a home invasion on one of the drug dealers whose lockers they targeted, but the ripoff was never carried out, officials said. They intended to buy a diamond necklace or something else valuable for an unidentified person who was going to help them with the robbery, authorities said."

In a widely-distributed story, the AP (10/26, Robinson) reports, "Doroniuk attorney Robert Clarke said the officer 'is going to get his full day in court and that's what he wants,' while Shamah attorney Anthony Pinelli declined to comment because he was still studying the case." The AP notes, "Officials said the officers used information from a third defendant, Larry 'Peanut' Cross…to obtain search warrants for the lockers. According to the complaint, the officers failed to report any of the money seized from a locker in June and only part of the cash taken in a second theft in August. … A criminal complaint unsealed following the arrests charged all three men with conspiracy to steal government funds."

California Jailer Snared By FBI Bribery Sting. The AP (10/26) reports, "A federal grand jury indicted a jail guard Wednesday on charges he accepted $6,000 from an inmate in exchange for smuggling in banned cell phones." Santa Ana City jailer Jose Abel Flores "was being held on $100,000 bond and was scheduled to be arraigned Nov. 6." The AP notes, "Flores accepted two $3,000 bribes in exchange for bringing cellular telephones to a federal inmate being held in jail on narcotics and weapons charges, according to the indictment. The bribes were paid from a purported friend of Flores, but in fact the friend was an undercover FBI agent, authorities said."

Authorities Say Colorado Ring Hid Meth Inside Elmo Doll, Other Toys. There are more than 100 media references to the investigation of a Colorado meth ring in which the accused leader reportedly tried to dominate the meth trade in the northern part of the state. For example, the AP (10/26) reports agents "broke up an aggressive northern Colorado ring that shipped methamphetamine hidden in Elmo dolls and other toys, authorities said Wednesday. The alleged ringleader was among 19 people in custody. Agents said they seized more than 45 pounds of what they described as high-quality methamphetamine worth $864,000 and capable of supplying 4 million doses." According to the AP, officials said alleged ringleader Rigoverto Valle-Sierra "was trying to take over the methamphetamine trade in northern Colorado with an operation that used night-vision goggles and bulletproof vests." In a separate AP (10/25) story, the AP notes Jeffrey D. Sweetin, regional DEA special agent in charge, "said the operation was selling methamphetamine that was about 99 percent pure." News outlets that used a version of the AP story include ABC News, FOX News, the New York Times, Washington Post, Los Angeles Times, Houston Chronicle, Chicago Tribune, Seattle Post Intelligencer, and Coloradoan.

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The Denver Post (10/25) reports agents "raided a number of homes and a business in Greeley Monday and Tuesday, arresting 10 people and confiscating more than 45 pounds of methamphetamine. … Agents from the Drug Enforcement Administration and officers from the Weld County Drug Task Force confiscated $59,000 in cash, four weapons, one of which had been stolen, a bullet-proof vest and a night-vision goggles." Sweetin "said the methamphetamine was made in California and transported to Colorado."

In a separate story, the Denver Post (10/26) writes that smugglers "used various means to hide the meth, including putting it in plastic bags and stuffing it into tires and an Elmo Sesame Street doll. Drugs were transported from Mexico through Los Angeles to Greeley, which served as the hub city, and then to Wyoming, Nebraska and Virginia," according to authorities. Denver DEA agent Dennis Follett said the 21 suspects "represent the upper tier of a drug operation in which hundreds of dealers, including Greeley gang members, distributed the meth to customers that included school-age children."

The Rocky Mountain News (10/26) reports, "Twelve of the 21 people indicted, including one with at least 10 aliases, were in the country illegally. … 'Most meth is seized in ounces. This was a monstrous amount,' said Sweetin. 'This will have an impact for decades in Greeley.'"

The Greeley (CO) Tribune (10/25) reports the investigation, which "began in September 2005, resulted in the seizure of more than 45 pounds of ICE methamphetamine, 1.1 kilos of cocaine and $59,000 in cash. The organization used buses and cars to transport the high-quality meth from California to Colorado. … DEA agents and Weld County Drug Task Force officers arrested 10 people this week, including Rigoverto Valle-Sierra, the alleged leader of the organization."

Local TV Coverage. KCNC-TV, Denver (10/25, 6:00 p.m.) aired, "This morning, agents showed us how this group hid some of the drugs on the road trip from the Mexican border in California to right here in Weld County. … Elmo is not just a child's toy. In the hands of sinister people, it's a concealment device to smuggle methamphetamine. An Elmo doll like this holds meth hidden in the stuffing. … The task force worked with federal DEA agents over the past 13 months, an effort they hope sends a warning to other drug traffickers."

KDVR-TV, Denver (10/25, 9:00 p.m.) aired, "Agents are still looking for two people connected to the case. They say 12 of the 21 indictments are for people in this country illegally."

KUSA-TV, Denver (10/25, 10:00 p.m.) aired, "A drug ring in Colorado used toys to hide meth. The suspects shipped the drugs inside Elmo dolls and other toys; agents seized more than 45 pounds of what they describe as high quality methamphetamine worth 800,000 dollars. ... Investigators are still looking for two more suspects."

DEA Agent Accused Of Tipping Off Friends About Cocaine-Trafficking Investigation. In Memphis, Tennessee, the Commercial Appeal (10/26) reports a DEA agent "was indicted Wednesday on charges that he tipped off former high school classmates that one of them was a target in a large cocaine-trafficking case…in August. Tommie Purifoy II of West Memphis turned himself in to federal authorities in South Florida where he was assigned as a special agent in the Drug Enforcement Administration's Miami field office. … Purifoy…allegedly passed sensitive DEA information along to Christopher Ivy, who called Sean Williams, who called his cousin, Brian Nicholas Williams, an alleged drug trafficker. All attended West Memphis High School together and had been friends since at least 1996."

Also in Memphis, the AP (10/26) reports, "Despite the tip, three days later authorities made the largest drug bust in the area for the year, when they seized more than 88 pounds of cocaine and over $500,000 cash. Brian Williams and 10 others were charged in connection with the drug ring."

WPTY-TV, Memphis (10/26) reports on its Web site that Purifoy "is charged with obstruction of justice and disclosure of electronic surveillance. Federal authorities say Purifoy and two other men were indicted Wednesday for telling a Mid-South drug dealer he was being investigated by the DEA."

WMC-TV, Memphis (10/25) reports on its Web site that according to the indictment, Purifoy "set aside his duties as a special agent for the DEA to warn his friends about a pending drug bust, a wire tap investigation Purifoy learned about while visiting the DEA office in Memphis."

FBI, California Police Arrest 15 In Crackdown On Violent Drug Gang. The San Francisco Chronicle (10/26, Lee, 405K) reports, "About 200 federal and local law-enforcement officers targeting a street gang known for drug activity swooped down on North Richmond"

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Wednesday, "arresting 15 people and seizing nearly a pound of methamphetamine. … Contra Costa County sheriff's deputies, Richmond police and FBI SWAT team members dressed in camouflage jumpsuits served at least a dozen federal search warrants." The Chronicle notes, "Many of the suspects sought today were named in sealed federal indictments on various drug and gang-related charges, said Special Agent Joseph Schadler, FBI spokesman in San Francisco. … 'It's a continual process to make this community safer,' said David Johnson, assistant special agent in charge of the FBI in San Francisco." Bay City News Wires (10/25) reported, "Authorities were targeting people believed to be established gang leaders of the Project Trojans street gang, Schadler said. 'The key to this is we're trying to take the head off the organization,' Schadler said. … Wiretap and undercover operations ended in February and the first raid was conducted in March, Schadler said. At that time nine people were arrested for manufacturing and distributing cocaine, crack and methamphetamine."

US Charges New York Man With "Club Drug" Smuggling. The Rochester (NY) Democrat & Chronicle (10/26, Daneman) reports, "A Pittsford man is one of 10 people indicted on federal drug trafficking charges for allegedly smuggling 'club drugs' into the United States." The D&C continues, "The U.S. Attorney's Office for the Western District of New York announced the charges, which came after an investigation of nearly two years into what the U.S. Justice Department called 'a large scale drug smuggling and trafficking group operating in and around Buffalo and Rochester.'" The D&C adds, "The drug ring allegedly smuggled such club drugs as Ecstasy, GHB, ketamine and crystal methamphetamine from Toronto. … Jeffrey Parasida, 28, of Pittsford was charged with a pair of violations under the federal Controlled Substances Act, as were nine other defendants from the Buffalo region, according to the Justice Department."

Owner Of New York Pharmacy Accused Of Illegally Distributing Painkiller. In White Plains, the Journal News (10/25) reports the owner of a pharmacy "is accused of illegally dispensing tens of thousands of doses of the generic form of the…painkiller Vicodin. Syed Zahid Ali, 58, owner of Post Pharmacy…is due in court next week to face charges he illegally distributed hydrocodone as well as a stimulant used to treat sleep disorders." He "cannot account for 100,000 tablets of the painkiller, federal authorities said. He is also accused of refilling prescriptions for the drug despite the bottles being marked 'no refill.'"

Trial Date Set In Sacramento For Accused "Drug Kingpin." Vacaville, California's Reporter (10/26) writes that a 2007 trial date "has been set in federal court for a Fairfield man described as a regional drug kingpin by the Drug Enforcement Administration. Federal magistrate Lawrence K. Karlton on Tuesday scheduled…Jan. 23 for the trial of…Eduardo Pichardo - also known as Eddie Nunez - in Eastern District Federal Court in Sacramento. … Pichardo was arrested by DEA agents on June 21 on suspicion of distribution and conspiracy to distribute cocaine and methamphetamine. A DEA spokesman said the arrest culminated a seven-year investigation into a drug-trafficking network that stretched from Northern California to Arizona and Alabama."

Big-City Mayors Lead Efforts To Curb Gun Violence. The AP (10/25, D'Alessio) reports from Chicago, "New York Mayor Michael Bloomberg, Chicago Mayor Richard Daley and Milwaukee Mayor Thomas Barrett had harsh words Wednesday for the Bush administration and the gun lobby's influence on Congress. … 'When Washington makes bad decisions to protect criminals rather than the public, we suffer the consequences,' Bloomberg said at a news conference outlining the agenda for Thursday's Midwestern summit of Mayors Against Illegal Guns, a group Bloomberg founded with Boston Mayor Thomas Menino." The AP adds, "Bloomberg said he had hoped to have 50 of the nation's mayors on board by the end of this year, but 109 mayors from 44 states already have joined. … 'These cities represent more than 44 million Americans,' the New York Republican said." The AP notes, "Daley, Bloomberg and Barrett, accompanied by counterparts from a number of smaller cities, complained that inaction by the federal executive branch and the influence of the gun lobby, particularly the National Rifle Association, on Congress have left local officials to combat the problem of illegal weapons. … 'Mayors know that illegal guns have nothing to do with the Second Amendment and everything to do with law enforcement,' Bloomberg said. 'But cities can lead where Congress won't.' … He added that the goal of the mayors' group is to 'hold Congress' feet to the fire.' … White House spokesman Tony Fratto said violent crime has been reduced

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significantly in recent years, especially in many large cities. … 'A lot of the credit for that goes to mayors and law enforcement personnel and cooperation at the local, state and federal levels,' Fratto said in an e-mailed statement. 'Enforcing gun laws that are on the books is an essential facet of our efforts. The president and Attorney General (Alberto) Gonzales are committed to making sure that existing laws are enforced.'" The AP notes, "Bloomberg said the Federal Bureau of Alcohol, Tobacco, Firearms and Explosives keeps its own records of multiple firearms purchases and attempted purchases but denies that information to local authorities."

Texas Gun Dealer Pleads Guilty To Illegal Firearm Sales. The Longview (TX) News-Journal (10/26) reports, "A gun dealer in Gladewater faces up to five years in prison and a fine of up to $250,000 after pleading guilty to falsifying records needed to purchase a firearm, said U.S. Attorney Matthew D. Orwin in a Wednesday media release." The News-Journal continues, "According to court records, Michael Zirkle, 41, agreed to allow an ATF confidential informant to use someone else's identity on the forms necessary to purchase a .40-caliber pistol. … Zirkle has surrendered his gun dealer's license and forfeited 47 firearms, valued at approximately $19,000, as part of the plea agreement. As a convicted felon he is not permitted to possess a firearm again."

The Tyler (TX) Morning Telegraph (10/26, Knaupp) reports, "On Jan. 6 in Gregg County, a confidential informant for the Bureau of Alcohol, Tobacco, Firearms and Explosives entered the 'Ace of Pawn' pawn shop in Gladewater, owned by Zirkle. He told the defendant he wanted to buy a .40-caliber pistol for himself, but he wanted to use the identity and personal information of another person when filling out the required ATF form. Zirkle agreed, according to court documents. … U.S. Magistrate Judge John Love allowed Zirkle to continue to remain out of jail on bond pending his sentencing hearing after there were no objections from Assistant U.S. Attorney Jim Noble." The Telegraph adds, "Zirkle surrendered his firearm license and forfeited 47 guns - 31 rifles, six pistols, eight shotguns, a revolver and a machine gun rifle - he possessed as a firearms dealer, defense attorney F.R. 'Buck' Files Jr. said during the hearing. … In the plea agreement, Zirkle agreed that the 47 weapons were used to perpetrate the violations stated in the indictment, which includes selling firearms to felons."

Old West Town Still Plagued By Guns, Now Carried By Gangs. The AP (10/25, Fisher) reports from Dodge City, KS, "Dodge City has a rich history as an Old West frontier town, where cowboys and gunslingers could take a break from the trail and get their fill of saloons and brothels. … Today, the tidy town built on meatpacking and rodeos is again plagued by gunfighters. But this time they're in street gangs, some of which have second-generation members as young as 11. The drug of choice is methamphetamine and the weapons range from automatic rifles to baseball bats." The AP continues, "Street gangs, often thought of as a big-city problem, have been turning up in rural areas across the country since the 1980s, frightening residents and straining smaller law enforcement departments. Rural gangs are often more transitory than their urban counterparts, but they appear to have a foothold in several communities. … About 24,000 gangs operate around the country, according to the U.S. Department of Justice, which estimates there are about 760,000 members in 2,900 communities." The AP adds, "The 2004 Youth Gang Survey conducted by the Justice Department, 82 percent of large cities surveyed, 42 percent of suburban counties, 27 percent of smaller cities and 14 percent of rural counties reported active youth gangs. … In Ottumwa, Iowa, Chief of Police Jim Clark says gangs are starting to show up in his town of about 25,000. Five years ago, Ottumwa had an occasional visit from a gang member from Los Angeles or Chicago. Now, Clark estimates there about 100 gang members in town. Some moved to Ottumwa with their families. Others have been sent to live with relatives to escape gangs in bigger cities, Clark said."

Fugitive Killed In Georgia While Pointing Shoe At Agents. In Lithonia, the AP (10/25) reports federal agents "fatally shot a fugitive early Wednesday after the man refused to put down what they thought was a gun but turned out to be a shoe. Agents went to an apartment complex in suburban Atlanta to arrest 24-year-old Youwiers Vilpie, said U.S. Marshal Richard Mecum. They were serving a warrant from the Drug Enforcement Administration office in south Florida. Vilpie also was wanted for questioning in two homicides in Ft. Myers, Fla., Mecum said." The Washington Post and Miami Herald used the AP story.

The Atlanta Journal-Constitution (10/25) reports a similar story.

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IMMIGRATION:

Immigration Officials Arrest California Man Linked To Murder Of Salvadoran Priests. The Los Angeles Times (10/26, Becerra) reports, "Gonzalo Guevara Cerritos was a decorated, American-trained officer in the Salvadoran army. … But for the last year, the 43-year-old toiled away as a janitor at a West L.A.-area motel, a man with a secret who was always looking over his shoulder, his common law wife said." The Times continues, "His clandestine existence came to an end Wednesday, when federal authorities announced his arrest -- branding him a human-rights violator who was in the U.S. illegally. … The Immigration and Customs Enforcement agency said Guevara Cerritos was among nine Salvadoran officers and soldiers implicated in one of the most notorious massacres in El Salvador's history: the 1989 death-squad murders of six Jesuit priests." The Times adds, "Guevara Cerritos was convicted in El Salvador for his role in the slayings. In 1993, he was granted a pardon as part of a general amnesty that occurred after the country's 12-year civil war. … His wife, Eusebia Mejia, 45, said her husband could never escape the shadow of the massacre and fled to the United States in hopes of getting a new start. … But when he arrived in Los Angeles -- home to more than 250,000 Salvadorans -- he quickly realized he would not find peace. Fearing that someone would recognize him on the streets of Los Angeles, he kept his head down and rarely went out. … But the strategy apparently didn't work: Federal authorities said it was a tip from the public that put them on Guevara Cerritos' trail. … He was taken into custody last Thursday as part of an effort by U.S. immigration agents to catch and deport human-rights violators."

Arizona Seen As Microcosm For Nation On Immigration Debate. The Christian Science Monitor (10/26, Chaddock, 58K) reports that while "much of America hit the pause button this fall on the flaming debate over illegal immigration, once it became clear Congress would not act before the election. But not Arizona." In a "state where the wave of border crossers is so great that it washes over every aspect of life, illegal immigration is a flash point in virtually every political race this fall. Moreover, there's a candidate for every view - from those saying 'send 'em back and bar the door' to those who'd provide a path for citizenship for some undocumented workers." Republican Randy Graf, who takes a "tough stance" on immigration, is "in an uphill battle to hold the Eighth Congressional District for the Republicans." Outgoing Rep. Jim Kolbe "holds a more moderate view of immigration reform, as does Graf's Democratic challenger, Gabrielle Giffords. But Graf is banking that a majority of voters in this district feel as he does - and there are signs that Arizonans are, indeed, worked up over illegal immigration." But the state's "all-Republican congressional delegation - some of whom are in unexpectedly close contests for reelection - is deeply divided on the immigration issue. Sharing Representative Kolbe's view are Rep. Jeff Flake, in the upscale Phoenix suburb of Mesa, and the very popular Sen. John McCain." On the other side "are Graf and Rep. J.D. Hayworth, who represents the also-upscale Fifth Congressional District in Scottsdale. They say their colleagues' plan amounts to amnesty for illegal immigrants and would reward people for breaking the law." Farrell Quinlan, a spokesman for the Arizona Chamber of Commerce in Phoenix, said, "Arizona is a microcosm of the nation when it comes to views on this issue. We're ground zero for the debate. Our economy is growing, and a lot of industries have grown to rely on that source of labor."

TAX:

Charitable Giving By Wealthy Said To Be Immune To Tax Changes. The Wall Street Journal (10/26, D3, Beatty) reports, "Many wealthy people would still give a lot to charity even if Congress wiped out popular breaks for donating, a study suggests. While these high-net-worth Americans already contribute two-thirds of household charitable giving, donating $126 billion last year alone, they would give more if nonprofits could rein in administrative costs and better demonstrate the impact of donations." The Journal continues, "The researchers at the Center on Philanthropy at Indiana University, underwritten by Bank of America Corp., distributed 30,000 surveys between June and September in neighborhoods where the average household had liquid assets of $3 million or more. Responses from 945 were used in the analysis. The survey, designed as a nationally representative random sample, defined high-net-worth households as those with incomes of greater than $200,000 or assets over $1 million. Such homes represent 3.1% of U.S. households, the researchers said." The Journal adds, '"The results are at odds with several stereotypes about

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how and why rich people give to charity. Patrick Rooney, director of research at the center, said previous research has shown that giving declines generally when the value of tax deductions on the donation declines. But 52% of responding households said their giving would stay the same if they received no income-tax deductions for it. And 38% said such giving would somewhat decrease, but only 7% said it would dramatically decrease."

IRS Help Line May Not Be Much Help, Audit Finds. USA Today (10/26, McCoy) reports, "Got a complex tax problem? Phoning an IRS Taxpayer Assistance Center for an appointment won't necessarily produce a solution, a federal audit shows." USA continues, "The Treasury Department inspector general overseeing the IRS called 50 assistance centers — 36 with tax account problems and 14 with tax law questions. Auditors reported that eight phone messages weren't returned, and five weren't returned within two business days as IRS guidelines require. … Moreover, auditors managed to schedule appointments for just five of the 36 calls that involved tax account problems, the type of complex tax issues that often require a face-to-face session to resolve." USA adds, "That performance, outlined in an audit released late last week, undermined the centers' mission, the auditors concluded. They stressed that the 'convenience of scheduling appointments could encourage taxpayers to try to resolve tax account problems earlier, thus reducing taxpayer burden.' … The IRS maintains 400 Taxpayer Assistance Centers nationwide. It encourages taxpayers to request face-to-face appointments for tax account issues that are difficult to resolve over the telephone. … Designated taxpayer phone lines in the offices logged about 500,000 calls during the 2006 federal tax season, from January through mid-April, the audit reported."

CONGRESS-ADMINISTRATION:

Portman Says A Democratic Congress Would Boost Spending, Raise Taxes. The Financial Times (10/26, Guha) reports, "A Democrat victory in next month's midterm elections would jeopardise efforts to contain government spending, put upward pressure on taxes and undermine -America's ability to negotiate free trade agreements, Rob Portman, the White House budget director, claimed on Wednesday." In an interview with the Financial Times, Portman "said voters had an economic choice to make at the polls on November 7. 'There is a clear distinction between Republicans and Democrats, both on the revenue side and on the spending side.' Portman told the Financial Times that "if the Democrats took control of Congress, there would be more pressure for higher spending on non-defence discretionary expenditure." He "warned voters against assuming that President George W. Bush could veto all extra spending proposals. 'Yes, the president has veto power, and could use it more frequently. But we also need to get these bills done. It is always a matter of negotiation,' he said." Portman also "suggested that Mr Bush might not veto an increase in the minimum wage proposed by a Democrat Congress, provided it was part of a 'package' that included relief for small businesses." On taxes, Portman said of Democrats, "They are not going to make the tax cuts permanent." He also "claimed a Democrat-run Congress would seek to raise taxes in other areas to offset reform of the Alternative Minimum Tax."

OMB Set To Roll "Smart Card" IDs For Federal Employees. Under the headline, "Entering The Era Of Smart Card ID," the Washington Post's (10/26, D1, Barr) "Federal Diary" section reports, "The government begins issuing a new identification card tomorrow, the kickoff of a multiyear effort to provide all government workers and many contractors with a 'smart card' that can be used to verify their identity when they enter a building or log onto computer networks." The chip can show "a person's name and agency," and "contain personal data, such as images from two fingerprints, a special identification number and digital certificates that permit access to places and systems." The Post adds that the "goal is to have government employees carry one ID card, replacing the multiple cards many employees must use to get into offices or obtain sensitive information." The Post adds, "Groups concerned about privacy rights" are watching the "card project, in part because it may provide lessons for ongoing debates on whether Americans should carry a national identification card." OMB officials "hope to see the cards roll out tomorrow in cities with large numbers of federal employees, such as Washington, Atlanta, Denver, Seattle and New York."

OTHER NEWS:

Fed Leaves Interest Rates Unchanged. ABC World News (10/25, story 8, 0:15, Gibson, 8.78M) reported, "In

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economic news tonight, interest rates are staying put for now, for the third meeting in a row. The Federal Reserve voted to keep the key Fed funds rate at 5.25%."

NBC Nightly News(10/25, story 9, 0:15, Williams, 9.87M) reported the Fed statement "said the economy has slowed but the growth will probably pick up in the coming months." USA Today (10/26, Kirchhoff, 2.27M), meanwhile, notes "the central bank cautioned that inflation remains a threat given the tight job market, even after the recent fall in energy prices." Fed Chairman Ben "Bernanke and other officials have said they expect inflation to gradually moderate as growth slows. However, they repeated their warning that incoming data will determine whether they need to raise rates again."

The Wall Street Journal (10/26, Ip, 2.03M) reports, "Since Ben Bernanke became Fed chairman in February, he has faced, first, the threat of rising inflation and then a housing-led economic slowdown. The latest data, and the statement released by the Fed after its meeting yesterday, suggest that the central bank sees the risks on both sides diminishing. That makes it less likely that rates will change in either direction in coming months." The Journal adds, "For the third straight meeting, Federal Reserve Bank of Richmond President Jeffrey Lacker cast the lone dissent among the 11 voting members of the Federal Open Market Committee. He argued in favor of a quarter-percentage point rate increase in the target federal-funds rate, charged on overnight loans between banks."

The New York Times (10/26, Leonhardt, 1.21M) notes "the statement accompanying the Fed's decision on interest rates was nearly identical the one that the Fed released after its policy meeting last month. Since then, the economy has continued to slow, but at a stable pace, giving Fed officials reason to hope that they have achieved a soft landing, in which interest-rate hikes bring down inflation without causing a recession." But "a sharp drop in oil prices — with gasoline falling this week to $2.20 a gallon on average, from more than $3 in early August — appears to have reduced the chances that the slowdown could turn into something more severe, economists say. A Labor Department report earlier this month also showed this summer's job market to be healthier than had been earlier believed."

The Washington Post (10/26, D2, Henderson, 748K) reports that while inflation "has fallen as fuel prices have tumbled since mid-August," economists also "look for signs of underlying inflation by studying core measures that exclude volatile food and fuel prices. The core CPI rose 0.2 percent last month and 2.9 percent from September 2005 -- the highest 12-month increase in a decade."

Housing Markets Continues Slide. NBC Nightly News (10/25, story 8, 0:25, Williams, 9.87M) reported, "There is news on the economy. The housing market continues to slide. Sales of existing homes last month fell by 1.9%. It is the sixth month in a row that sales have dropped. Home prices fell as well by 2.5%. What is notable here, that is the largest price drop on record."

The Wall Street Journal (10/26, Hagerty, 2.03M) reports, "The latest report is likely to encourage many potential buyers to hold off in the hope of further price declines." USA Today (10/26, Knox, 2.27M) runs a similar report under the headline "Sellers Sing The Blues As Price Drop Sets Record." The Washington Post (10/26, D1, Downey, 748K), in a story titled "A Record Drop In Home Prices," says "prices fell everywhere in the country, with the Northeast and West most affected. Declines were more moderate in the South, which includes the Washington area."

Dow Reaches New High After Modest Gains. NBC Nightly News (10/25, story 10, 0:15, Williams, 9.87M) reported, "On Wall Street today modest gains at the end of the day. The Dow was up almost 7 points [to close at 12,134.68]. NASDAQ was up almost 12 points [to close at 2,256.59] on today's trading." USA Today (10/26, 2.27M) notes the Standard & Poor's 500 "set another 2006 high as it rose 4.84 points to 1382.22 and stretched its gain for the year to 10.7%." The Wall Street Journal (10/26, C1, McKay, 2.03M) says "the stock market rallied on news that the Federal Reserve isn't raising rates but gains were held in check by a jump in crude-oil prices, which typically hurts stocks."

Report Faults Amtrak For Management Of Outside Counsel. The Wall Street Journal (10/26, Koppel, Jones) reports, "Amtrak has been careless in managing law firms that have billed it millions in legal fees, according to a report released Wednesday by federal investigators." The Journal continues, "The report, issued jointly by Amtrak's Office of Inspector General and the U.S. Department of Transportation Inspector General, said that the law department of the passenger railroad, for example, failed consistently to request and manage budgets for legal work. Also, law firms engaged in 'block billing,' in which firms lump tasks under one entry of an invoice rather than showing the costs of each task. The practice is prohibited by Amtrak's

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billing guidelines, the report says." The Journal adds, "Amtrak, which is federally subsidized, has been struggling to reverse years of losses and has faced Bush administration calls to sharply reduce its long-distance train service. … A letter addressed to Rep. (John) Mica and released Wednesday from the chairman of Amtrak's board, David Laney, said Amtrak reduced annual legal fees by 26%, or $8 million, since 2003, and in the past five years, working with outside law firms, recovered $79 million in cash from legal settlements. 'Still … the report should provide us with valuable guidance as we continue to improve Law Department operations,' the letter said."

Poll Finds Majority Believe Democrats Will Retake House Majority. USA Today (10/26, Page, 2.27M) reports most Americans "predict Democrats will win control of the House of Representatives in the elections Nov. 7, and they expect big things to follow — some good, some not — if Democrats take over the Senate, too, a USA TODAY/Gallup Poll shows." If Democrats "take over the House and Senate in January, more than 8 in 10 say, Congress would probably set a timetable to withdraw U.S. troops from Iraq, a step favored by nearly two-thirds." An expected move that is "less popular: Nearly two-thirds expect a Democratic Congress would raise federal income taxes. Three-fourths disapprove of that." The survey "of 1,002 adults Friday through Sunday underscores the high expectations and some trepidations around the prospect that Democrats could regain control of Congress for the first time since 1994. A 54% majority, including 1 in 4 Republicans, say a takeover of the House is likely."

GOP House Prospects Seen As Hurt By Scandals, "Developing Wave." In his Roll Call column (10/26), Stuart Rothenberg says, "Two factors have come together to enhance Democratic prospects for a major House sweep — and neither one has much to do with the quality of Democratic recruiting in the two dozen or so top-tier Democratic House opportunities." First, a "handful of Republican House nominees with considerable political baggage have created competitive races for Democrats in places they couldn't have anticipated. And second, even relatively weak second- and third-tier Democratic candidates are in competitive races because of the developing political wave." By "traditional measures, Republicans have a long list of well-qualified, well-prepared Congressional candidates, many of them incumbents. Unfortunately for them, many voters don't seem to care much about credentials this year. They just want to send a message, and they don't care about the messenger as long as he or she has a 'D' behind his or her name." It is "remarkable how similar this group of Democratic candidates is to the GOP class of 1994, when, by my count, 37 freshmen were elected without having held a previous elective office."

Republicans Raise Specter Of "Speaker Pelosi" In Closing Days Of Campaign. The Financial Times (10/26, Yeager) reports that in the "waning days of the campaign, Republicans have stepped up their attention to" House Minority Leader Nancy Pelosi, "calling her a San Francisco liberal and warning about the wrong-headed policies of a 'Perilous Pelosi Majority.'" They have "hammered away at what they say is her weak stance on security," and Vice President Dick Cheney "told an interviewer that Mrs Pelosi 'is not in sync with the vast majority of the American people,' and represents "that side of the Democratic party that has not been supportive of and does not believe in a really robust, aggressive prosecution of the global war on terror.'"

USA Today (10/26, Kirchhoff, 2.27M) reports if the Democrats flip the House, "liberal Charles Rangel of New York, an outspoken critic of President Bush's sweeping tax cuts, will chair the powerful Ways and Means Committee, overseeing taxes, trade and Social Security." So it's "no surprise that Republicans from Bush on down warn that a Democratic victory would spell higher taxes and slower growth." While the "war in Iraq, congressional page and influence-peddling scandals and parochial concerns have been top issues this campaign season, the election could have big implications for the business agenda — taxes, trade, regulation and spending — which has been set in recent years by a GOP White House and Congress." Republicans, "lagging in some key House and Senate races, are making the case that a Democratic victory would endanger economic gains. Voters don't seem to agree; USA TODAY/Gallup and other surveys show Americans by a wide margin trust Democrats more to manage the economy." USA also examines particulars of the Democratic agenda on issues such as the minimum wage, trade, the budget and taxes, and others.

Bush Jokes About People "Dancing In The Endzone," "Measuring Their Drapes." The Washington Times (10/26, Dinan, 88K) reports that in a press conference

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yesterday, President Bush weighed in on the midterm elections. He "staked the Republican agenda for the final two years of his administration to tax cuts and Iraq, saying next month's election is a referendum on both, and chided Democrats for 'dancing in the end zone' to celebrate victory prematurely." Said Bush, "The two issues I see in the campaign can be boiled down to who best to protect this country and who best to keep taxes low. That's what the referendum's about." The Times adds, "For a president who in 2003 famously said he doesn't read newspapers, Mr. Bush appears to have closely followed news reports this year and seemed amused at the amount of attention being paid to Democratic leaders who would hold top positions if power changed hands. 'We got some people dancing in the end zone here in Washington, D.C. They got them measuring their drapes,' he said. 'They're going over to the Capitol and saying, well, "My new office looks beautiful. I think I'm going to have this size drape there or this color."'" That "was an apparent reference to House Minority Leader Nancy Pelosi, who could become the next speaker of the House, and who joked to the Associated Press recently that she could then have any office suite she wanted."

Wall Street Handicaps Winners, Losers Should Democrats Control Congress. USA Today (10/26, Shell, 2.27M) reports Democrats "aren't big fans of Wal-Mart. Nor are they fond of Halliburton, due to the energy firm's activities in Iraq and ties to Vice President Cheney. Democrats aren't chummy with tobacco companies such as Altria, either." That's why "those companies' stocks might be hurt if Democrats sweep the upcoming midterm elections and seize control of the Senate and House of Representatives from Republicans, say UBS analysts in a report." Wall Street analysts "have been handicapping which stocks and industry sectors will go up and which will go down, depending on the outcome of the vote." But even "the scenario that will result in the biggest change — a Democratic sweep — is unlikely to result in the type of major policy changes that could seriously rattle financial markets, says Thomas Doerflinger, strategist at UBS." Doerflinger adds the reason is that if "Democrats win, they will likely hold slim majorities and will avoid appearing too liberal to improve their chances of winning the presidential election in 2008." The likely "result would be legislative 'gridlock,' which historically has been bullish for stocks, notes Mark Riepe of the Schwab Center for Investment Research."

Republican Advantage On Cultural Issues Examined. In a USA Today op-ed (10/26), Amy Sullivan, a contributing editor for The Washington Monthly magazine, says, "On the surface, solid majorities of Americans agree with Democratic Party values. They want universal health care, support increasing the minimum wage, believe stricter environmental regulations are needed and worth paying for, and think the best way to achieve peace is through diplomacy." But while Democrats "should be beating Republicans at the ballot box…precisely the opposite has happened in the past few national elections." One answer "is that national security is still a major issue, generally favoring Republicans. But more important is the fact that abortion and gay marriage are proxies for deeply held cultural concerns." Most voters "worry about escalating challenges to family stability and the losing battle to instill good values in their children instead of the materialism and coarseness peddled by popular culture. They fear that our society has developed a casualness about life, especially as science has made it easier to manipulate and create beings. Banning gay marriage and outlawing abortion don't directly address those anxieties. But proposals like these at least acknowledge that the concerns exist and are valid. So while Republicans offer the wrong prescriptions, they get the diagnosis right. And they win because most of the time, Democrats won't admit that anything is wrong."

Democrats Hope To Win Upstate New York House Races. The New York Times (10/26, Hernandez, 1.21M) reports, "Once pessimistic about making gains in the Republican bastion of upstate New York, Democrats have now made the region a focal point in their campaign to retake Congress, pouring money and troops into several districts where they believe the Republican incumbents are vulnerable." The Democratic Congressional Campaign Committee is "financing hard-hitting advertisements in three districts that criticize the Republicans for ethical lapses, supporting the war in Iraq and advancing President Bush's agenda. It has spent $2 million in races in the state so far." There are "also extensive get-out-the-vote campaigns being organized in at least four Republican-held districts, with Democratic challengers receiving heavy support from national and state party operatives, as well as legions of volunteers and workers from unions, third parties and liberal advocacy groups like MoveOn.org." Former President Bill Clinton "is scheduled to swing through New York on

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Thursday, when he will headline airport rallies for three Democratic candidates from Albany to Syracuse." Democrats "feel that their best opportunity" is the 24th CD race between Republican state Sen. Raymond A. Meier and Democrat Michael A. Arcuri. In the 26th CD, Democrats are targeting Rep. Thomas Reynolds, "who is trailing his Democratic challenger, Jack Davis, in recent polls after facing questions about whether he responded vigorously enough after learning about e-mail exchanges between" Rep. Mark Foley and a congressional page. In three "other New York races, Democrats say that their chances are less certain, but still believe they are within striking range if there is a powerful Democratic tide on Election Day." John Randy Kuhl Jr. "faces a challenge from Eric Massa in the 29th Congressional District in the Southern Tier region of the state; James T. Walsh who is battling Dan Maffei in the 25th District in the Syracuse region; and John E. Sweeney who is in a race against Kirsten Gillibrand in the 20th District outside Albany."

Kentucky's 4th CD Race A Test For Democrats' Effort To Nationalize Campaign. In his syndicated column, run in the Washington Post (10/26, A25, 748K), Robert Novak analyzes the 4th CD race in Kentucky between Republican Rep. Geoff Davis and former Democratic Rep. Ken Lucas. Lucas "looked like he would rather be any place other than Kentucky's public television studios Monday night as he debated" Davis. A "moderate conservative, Lucas was not going deep into the Democratic Congressional Campaign Committee (DCCC) liberal playbook that is intended to nationalize midterm congressional elections." Lucas showed Monday night that this has not been a happy campaign for him. While Democratic candidates nationwide pillory George W. Bush, Lucas did not mention the president's name and appeared uncomfortable with the DCCC attack litany." Democrats "must win seats such as this one to achieve a substantial working majority in the House. But Republicans have limited the election in Kentucky's 4th Congressional District to a 'choice' between two candidates instead of a 'referendum' on an unpopular Republican president and Congress. That demonstrates that the struggle for Congress is not really a national election but is about 50 hotly contested local ones."

GOP Faces Hostile Political Environment In Ohio. The Washington Times (10/26, Dinan, 88K) reports that in Ohio's 15th CD, Republican Rep. Deborah Pryce "has cruised to victory" the "past six times with at least 60 percent of the vote, in a dead-heat district where President Bush and Sen. John Kerry just about split the vote in 2004." But with "Bush sliding into disastrous levels in the polls and Republicans in Ohio imploding amid corruption charges and unpopular policies, she is struggling against a boilerplate Democratic candidate whose attacks are similar to those being used across the nation by Democratic challengers." Mary Jo Kilroy, "a Franklin County commissioner from the left wing of the Democratic Party," said, "This is a referendum on the policies of this current administration." The Times adds Democrats "expect major victories up and down the Ohio ballot, leading off with Ted Strickland, a Democratic congressman who is on the verge of trouncing Republican Ken Blackwell in the governor's race." Republicans' "problems in Ohio are not primarily the national mood or antipathy toward Mr. Bush, who polls above 40 percent in approval ratings, higher than his national average. Instead, it is local -- a mixture of a faltering economy, state Republicans who pushed through huge tax increases, a school system that few voters seem pleased with, and Bob Taft, the departing Republican governor, who pleaded no contest last year to violating state ethics laws."

GOP Woes Leave DeWine At Risk. NBC Nightly News (10/25, story 6, 3:55, Williams, 9.87M) reported in Ohio, "some here are stunned to see Republican Senator Mike DeWine in trouble. The latest poll has him down by eight to his opponent." DeWine, "conservative to moderate, he voted for the war but not always in lock step with President Bush. He knows he sees the issue heading south, along with the President's approval rating." Democrat Sherrod Brown "is a former Eagle Scout who majored in Russian studies at Yale. He is pro abortion rights and anti-free trade. He doesn't like the way the war on terror is being fought."

On CNN's The Situation Room (10/25), Rep. Sherrod Brown said, "I don't think the Administration's listening to the generals enough. The President's comments and Mike DeWine's comments consistently are 'stay the course, stay the course, stay the course.' And if people want to stay the course in Iraq, they should vote for Mike DeWine, but I don't think they do."

Also on CNN's The Situation Room (10/25), RNC Chairman Ken Mehlman said, "We're spending millions of dollars in the final days of the campaign in Ohio. We're spending it on television ads. We're spending it in turning out the vote. We're spending it in mailing and contacting the

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voters working with the state party. Look, I think Mike DeWine will get re-elected."

Trade Issues The Focus Of North Carolina 8th CD Race. The New York Times (10/26, Weisman, 1.21M) reports on the North Carolina 8th CD race between Republican Rep. Robin Hayes and Democrat Larry Kissell, whose "campaign is organized around the threat of foreign competition and Mr. Hayes's tiebreaking vote last year for a trade accord with Central America." Kissell said, "The No. 1 issue voters care about this year is jobs. We have lost 10,000 jobs in the textile industry here in the last several years. Free trade has not been good for this district." The Times adds, "By most accounts, Mr. Kissell has an uphill battle in trying to unseat Mr. Hayes, who has withstood challenges on the trade issue in the past." But Kissell is "one of a dozen Democratic candidates for the House, and a few for the Senate, who are making at least some headway in tapping voter anxiety about trade." If "many pro-trade Republicans lose on Election Day, President Bush, who has had trouble winning approval of trade deals in the past, could face even tougher odds."

Herbert Says Indiana 2nd CD Voters Lack Confidence In Both Parties. In his New York Times column (10/26), Bob Herbert says that in Indiana's 2nd CD, Republican Rep. Chris Chocola "is in big political trouble and he knows that President Bush is much more the cause than the solution. Any mention of the Bush administration tends to turn local Republicans as chilly as the dusting of lake-effect snow that fell over South Bend the other night." Bush has "come into this northern Indiana district to raise money for the Chocola campaign but he has not been asked to appear with the congressman publicly to rally the dispirited troops." Chocola said, "I don't know that it would help me." He "candidly acknowledged that being seen as aligned with Mr. Bush 'is not as much of a positive as it used to be.'" Herbert adds that with "control of the House at stake, the G.O.P. can hardly afford to lose Mr. Chocola's seat. Two years ago he defeated his Democratic opponent, Joe Donnelly, by roughly nine percentage points." Donnelly is "his opponent again this year, and a recent public poll showed him leading Mr. Chocola by about five points. Mr. Chocola said his own internal polls showed the race as a dead heat." But the "overwhelming sense I took away from interviews with voters in and around South Bend was a feeling of disillusionment with government. Republicans and Democrats spoke sourly about the Bush administration, but no one expected dramatic changes if the Democrats gained control of one or both houses of Congress." 2nd CD resident Vernon DeWitt said, "People say the Democrats are weak, and frankly, I think they are. I'm fed up with everybody." Herbert concludes, "There are only two major parties. Where do troubled voters turn if the country is in a serious fix and neither party is seen as having an adequate solution?"

Schumer Surprised At Extent Of Democrats' Senate Prospects. The Washington Times (10/26, Pfeiffer, 88K) reports Democratic Senatorial Campaign Committee Chairman Charles Schumer "says he is just as surprised as anyone that Democrats have a legitimate shot at taking control of the Senate in the November election." At a National Press Club appearance with National Republican Senatorial Committee Chairman Elizabeth Dole, said, "In 2005, most people were predicting we'd be lucky just to keep our 45 [seats]. And now, I'd be disappointed if we just hold." The Times adds Dole "acknowledged the negative draw President Bush's Iraq policy is having on her party's candidates, but she asked what leaving Iraq now would accomplish and questioned the national security credentials of Democrats." Dole said, "If Democrats were to take over the Senate, you're going to see a weaker security situation."

RNC Pulls Controversial Tennessee Senate Ad. ABC World News (10/25, story 5, 2:30, Gibson, 8.78M) reported the Tennessee Senate race "has just about everything. Hints of sex. Allegations of racism. And the possibility that a Southern state could elect a black senator for the first time since Reconstruction." ABC (Reynolds) added, "Bob Corker should be coasting. A Republican running in a conservative red state that was carried twice by President Bush, his prospects should be looking good." But Democrat Harold Ford "has proven to be a more adept campaigner, insinuating at every stop that Corker's undeniable wealth includes ill-gotten gains and tying Corker to an unpopular war and an unpopular President." Faced with "the loss of a must-win Senate seat, the Republicans decided to down-shift away from Ford's politics to his persona. Drawing on Ford's attendance at a 'Playboy' magazine Super Bowl party last year, the national GOP is running this commercial, what many see as racial overtones. First, they lampoon Ford's positions. Then, a woman in a suggestive pose says this." Unidentified female: "I met Harold at the 'Playboy' party."

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Reynolds: "And she adds this to drive the point home." Unidentified female: "Harold, call me." Reynolds: "To many, the message is clear, and in parts of Tennessee, potentially incendiary." Prof. John Greer, Vanderbilt University: "It's talking about interracial sex relations and it's amazing. It's not the kind of ad you would expect somebody to be running if they thought they were ahead or in a tie." Reynolds: "Late today, officials at the Republican National Committee says the ad in question has received a lot of negative attention. And they have decided to stop running it here."

The New York Times (10/26, Toner, 1.21M) reports the Tennessee Senate race, "one of the most competitive and potentially decisive battles of the midterm election, became even more unpredictable this week after a furor over a Republican television commercial that stood out even in a year of negative advertising." The ad "featured a series of people in mock man-on-the street interviews talking sarcastically about Mr. Ford and his stands on issues including the estate tax and national security." Critics "asserted that the advertisement was a clear effort to play to racial stereotypes and fears, essentially, playing the race card in an election where Mr. Ford is trying to break a century of history and become the first black senator from the South since Reconstruction." Hilary Shelton, director of the NAACP's Washington bureau, "said the spot took aim at the sensitivities many Americans still have about interracial dating."

On CNN's The Situation Room (10/25), RNC Chairman Ken Mehlman said, "I think what our party is doing is working to focus on the issues. The ad is down now, and the focus, I think, is going to be on taxes, it's going to be on defense, it is going to be on judges and issues like that in the Senate race."

Appearing on MSNBC's Hardball (10/25, Matthews), Sen. Richard Durbin said, "Some of the ads that are up on the air now on the Republican side really go way beyond the pale. Running ads against Tammy Duckworth, a disabled veteran from the Iraqi war, in the Chicagoland area. The ads that they've run against Sherrod Brown that have been totally discredited. Now I think they've reached to the bottom of the barrel with this ad against Harold Ford. I'm glad they had the good sense to pull it."

During an interview about the midterm elections on Fox News' Hannity and Colmes (10/25), Jack Kemp said, "I'm going to tell the Republican National Committee to take out that dumb ad on the air against Harold Ford."

Demographic Shift Gives Ford A Boost. The Wall Street Journal (10/26, A1, Dade, Deogun, 2.03M) reports in a front page story that parts "of the upper South -- including Tennessee, Virginia and North Carolina -- are attracting significant numbers of people from other parts of the country who aren't steeped in the region's traditions but are drawn to good jobs, lower taxes, top-notch universities and affordable real estate." This "migratory shift is scrambling the region's electoral politics. It is raising Democratic hopes that some parts of the South may no longer be as monolithic in their support of the Republican Party and may be more accepting of African-American candidates." That "helps explain why" Ford "is in a statistical dead heat with his Republican opponent in the race for the U.S. Senate seat being vacated by Majority Leader Bill Frist. If Mr. Ford wins, he will become the first black senator from the South since Reconstruction. One major factor may be an unheralded demographic shift."

Ford Campaign Seen As Playbook For Other Southern Democrats. In a Wall Street Journal column (10/26, A19), editorial board member Kimberly Strassel says, "Ford is dogging Mr. Corker at the polls, threatening an upset in a race that could determine the balance of power in the Senate. Over the past year the Democrat has run right on social issues and defense, neutralizing two areas that so often hurt Democrats. That has freed him up to run a more populist campaign on economic issues. The calculation is proving a winner, and offers some lessons to national Democrats still interested in again becoming viable in the South."

Unusual Number Of Conservative Democrats Running For House. The Los Angeles Times (10/26, Hook, 918K) reports Heath Shuler "is part of a phalanx of unusually conservative Democratic candidates who may deliver crucial victories over GOP incumbents and help their party win control of the House." Republicans are "ringing alarms about what the House would be like if the GOP lost control: a throwback to the unreconstructed liberalism of big-government activism, tax increases and a weak-kneed defense policy. They point with Halloween-season horror to the likely lineup of Democratic committee chairs, including Henry A. Waxman (D-Los Angeles) and other liberal old-timers." But, like Shuler, "many of the Democratic candidates most likely to be elected are cut from a different cloth. Sixteen of them have been endorsed by the Blue Dogs, a coalition of conservative

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Democrats." With "so many conservative-leaning candidates at the forefront of the Democratic effort, House Democratic leader Nancy Pelosi (D-San Francisco) has, at least for now, stuck to a minimalist agenda that steers clear of grand, liberal ambitions. Instead, Democratic leaders are focusing — and almost all serious Democratic candidates are campaigning on — a more limited, six-point agenda that includes raising the minimum wage, repealing tax breaks for oil companies, restoring college tuition tax breaks, cutting Medicare drug costs and other plans they believe could draw bipartisan support."

Controversy Over Michael J. Fox Ad Raises Stem Cell Issue Into National Debate. The CBS Evening News (10/25, story 5, 0:15, Couric, 7.66M) reported, "The issue of embryonic stem cell research has suddenly exploded again in the middle this campaign. Missouri is holding a referendum on whether to guarantee that research in its Constitution. And everyone from movie stars to star athletes is joining the fight." CBS (Bowers) added, "When St. Louis cardinal pitcher Jeff Suppan takes the mound tonight, he's not only pitching for a World Series win, he's also going to bat for conservatives on the hot button issue of stem cell research." He is "joined by a number of local sports heroes and even the man who played Jesus in Mel Gibson's passion of the Christ. A conservative group produced it to fight back against a series of hard-hitting and poignant ads put out by actor Michael J. Fox." Michael J. Fox: "Senator Talent even wanted to criminalize the science that gives us a chance for hope." Bowers: "The ads shown locally here in Missouri during the first three games of the World Series, a visibly shaking Fox urges fans to vote yes to stem cell research and Democratic challenger Claire McCaskill and no to the Republican incumbent. Senator Jim Talent was out campaigning today, and his office declined comment but his opponent is enjoying the unexpected attention." McCaskill "credits conservative talk show host Rush Limbaugh for that because what had been a limited ad campaign targeting a few Senate races in a few key states like this one where stem cells are an issue suddenly went national when Limbaugh suggested Fox was exaggerating the symptoms of his Parkinson's disease."

On Fox News' On The Record (10/25), correspondent Carl Cameron said the stem cell issue is, "particularly in Missouri, potentially very big. That battle you see amongst those two ads is being fought out between the two Senate candidates. Claire McCaskill, the Democrat, is very pro-embryonic stem cell research. Jim Talent is against embryonic stem cell research but is in favor of adult stem cell research and various different other alternatives. And most of the Missouri polls suggest that the public is in favor of the ballot initiative. And as a consequence, that could help Claire McCaskill and Democratic candidates. It's going to make it a little bit tougher for Jim Talent."

USA Today (10/26, Lawrence, 2.27M) reports, "Opponents of a Missouri ballot measure that would amend the state constitution to allow research using embryonic stem cells have produced a star-studded TV ad to press their cause. The ad features former St. Louis Rams quarterback and Super Bowl hero Kurt Warner, St. Louis Cardinals pitcher Jeff Suppan, Kansas City Royals baseball player Mike Sweeney, Everybody Loves Raymond actress Patricia Heaton and The Passion of the Christ star James Caviezel." Supporters of the measure "have been running ads featuring singer Sheryl Crow, a Missouri native. And Democratic Senate candidate Claire McCaskill's campaign is airing ads featuring a quivering Michael J. Fox, who has Parkinson's disease, urging voters to elect her because of her support for stem cell research."

The Los Angeles Times (10/26, Simon, 918K) reports the stem cell research ad "has drawn more attention than the 2004 ads because Fox looks so debilitated. His body jerks so violently in the 30-second spot that conservative talk show host Rush Limbaugh mockingly mimicked the tremors and suggested that Fox was exaggerating his symptoms. Limbaugh later apologized, but the uproar over his remarks made the Fox ad the talk of the political world — and prompted thousands of people to view it online."

"Passion Of The Christ" Star Uses Biblical Language. The Washington Times (10/26, Bellantoni, 88K) reports the actor "who played Jesus in 'The Passion of the Christ' is drawing on his knowledge of that film's Aramaic language and his image as Christ for his latest role -- using Jesus' words to ask Missouri voters to oppose a stem-cell research measure on the Nov. 7 ballot." Actor Jim Caviezel "opens the political ad with a brief statement in Aramaic, the common tongue of biblical-era Palestine and the language of Mel Gibson's blockbuster movie, saying: 'Le-bar nash be-neshak.'" Bill Fulco, "the Loyola Marymount professor who translated Mr. Gibson's script for 'Passion' and coached the actors on the ancient language, told The Washington Times yesterday the phrase means: 'You betray the Son of Man with

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a kiss,' a reference to Judas' betraying Christ and a phrase used in the Greek of Luke's Gospel." Tom Schreiner, "a professor of New Testament interpretation at the Southern Baptist Theological Seminary, said yesterday Mr. Caviezel is implying the amendment may seem "loving and kind" to its supporters, but when read closely, it is "actually a betrayal.'"

NRSC To Spend $3.5 Million On Ads In Closing Days Of New Jersey Senate Race. The New York Times (10/26, Rutenberg, 1.21M) reports, "National Republican campaign strategists are beginning an intensive last-minute offensive in New Jersey, seizing on the tight race between Senator Robert Menendez, a Democrat, and his Republican challenger, Thomas H. Kean Jr." NRSC officials "said they were putting $3.5 million into the race in its final 12 days to pay for television advertisements attacking Mr. Menendez that were expected to be on major stations by Thursday morning." NRSC spokesman Brian Nick "said Mr. Kean had remained at least competitive with Mr. Menendez -- though trailing in two recent polls -- despite being outspent. Mr. Nick said the committee believed that the new advertising, produced by a quasi-independent arm of the committee created under federal campaign finance law, had the potential to change the dynamic of the race." RNC spokesman Brian Jones "said the party would provide an extra push for Mr. Kean with an aggressive drive to get out the vote. 'We feel that there's a real opportunity in New Jersey,' Mr. Jones said. The $3.5 million advertising outlay is a major investment in two of the most expensive media markets in the nation, New York and Philadelphia, both of which transmit into New Jersey."

Steele, Cardin Clash In "Tempestuous" Debate. The Baltimore Sun (10/26, Skalka, 262K) reports that in the "most tempestuous encounter to date of Maryland's U.S. Senate contest, Lt. Gov. Michael S. Steele and Rep. Benjamin L. Cardin played a heated game of gotcha during a televised debate Wednesday, with Steele pressed into offering his clear support for the war in Iraq and Cardin stumbling when queried about the location of a planned Metro line in the vote-rich Washington suburbs." The candidates "sparred for an hour, talking over each other from the start and bickering about their views on embryonic stem cell research, health care and the Iraq conflict. Each contender claimed he could better bring change to Washington and that his opponent is beholden to party bosses." Cardin said, "George Bush helped finance his [Steele's] campaign for the United States Senate. The lieutenant governor agrees with George Bush's agenda on Social Security, on health care, the war in Iraq." The Sun adds that Steele "snapped back: 'This gentleman, this congressman has been running against George Bush for over a year. Haven't you noticed, sir, he's not represented on this stage.'" Steele added, "You were hand-picked by Congressman Steny Hoyer to get in this race. If you weren't, Kweisi Mfume should be sitting here."

The Washington Post (10/25, Mosk, Marimow, 748K) reported that Steele attempted "to quiz" Cardin "on the route of the proposed Metro rail Purple Line. After starting to hazard a guess, sputtering out 'Chevy Chase,' Cardin snapped, 'I'm not going to answer your question,' and pushed back at Steele, asking him about national health insurance. Later, Cardin was asked repeatedly by reporters if he knew the Purple Line route and while he insisted that he did, he refused to risk an answer. 'I support the Purple Line,' he said, then added, 'I'm not sure they've settled on specific sites.'" During "the debate, Cardin pressed Steele on his initial support for the Iraq war. Steele responded by calling it 'heartening to see the president move to where the American people have been for some time.' 'How would you have voted in Congress if you'd had the chance?' Cardin pressed, adding that he believes Steele would have supported the president. 'Do not disrespect me and tell me what I would have done at the time,' Steele replied. He then acknowledged he did support going into Iraq."

The Washington Times (10/26, Ward, 88K) relates that Steele "reiterated his support for stem-cell research using adult stem cells and his opposition to embryonic research, which he considers abortion. Mr. Cardin said he supports embryonic research. … At one point, Mr. Steele, sitting next to Mr. Cardin, said the 10-term congressman had failed as a leader. 'For 20 years, sir, you have sat in the [congressional] seat and wasted the opportunity to lead,' he said." The AP (10/26) reports, "The debate also included third-party candidate Kevin Zeese, who said both Steele and Cardin cannot be independent senators because they've taken contributions from business interests. … The candidates will also debate Thursday in Charles County and Sunday on NBC's 'Meet The Press.'"

Black Democratic Leaders Not Criticizing Steele. The Washington Times (10/26, DeBose, Ward, 88K) reports, "Local black Democratic leaders will not attack Maryland Lt. Gov. Michael S. Steele in his U.S. Senate race, even as they

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campaign and appear in ads for his opponent -- Rep. Benjamin L. Cardin, a fellow Democrat." Del. Eleanor Holmes Norton said, "I think that is a tactical decision. If [Mr. Steele] has a large or fairly large black vote, why or how could you alienate that vote by going after him doing personal attacks? There is just no way." The Times adds former Prince George's County Executive Wayne K. Curry, "who has not yet endorsed anyone in the Senate race, said it is wise for black politicians to avoid criticizing Mr. Steele, a Republican and the first black to win a statewide election in Maryland."

Allen, Webb Both Support Revisions To No Child Left Behind. The Washington Post (10/26, B6, Glod, 748K) reports that in a "state skeptical of federal intrusion in local school affairs, Virginia Sen. George Allen and challenger James Webb each say they support the goals of No Child Left Behind but quarrel with how the federal law has played out." Webb says "schools need more federal funding to fulfill mandates to test students and narrow achievement gaps. The Republican incumbent, who voted for the landmark legislation five years ago, now argues that states need more flexibility in how they grade schools. But neither candidate supports an outright repeal of the law." The winner of the race "will have a vote when Congress debates whether to renew the controversial law, which aims to push students in a range of grades to attain near-universal proficiency in reading and math by 2014." As Virginia governor "in the mid-1990s, Allen was chief architect of the school accountability program that measures progress using the Standards of Learning tests. Since voting for No Child Left Behind, he has become critical of the federal initiative. State officials in that time have also complained about aspects of the law."

Wilder Backs Webb To Send Message Over Iraq War. The Washington Post (10/26, B5, Craig, Rein, 748K) reports Webb "campaigned yesterday in Northern Virginia with the state's current governor at his side, and hours later he picked up a key endorsement from a former governor in Richmond." Webb, "joined by Gov. Timothy M. Kaine (D), appealed to retirees and students at stops in Fairfax and Prince William counties before heading to Richmond to appear with former Gov. L. Douglas Wilder, now the mayor of Richmond and a popular figure among African American voters." Sen. Allen "stumped through southwestern Virginia yesterday with Kentucky Sen. Mitch McConnell (R), the majority whip. The Allen campaign also released a radio commercial featuring Allen's most prominent black supporter, state Sen. Benjamin J. Lambert III (D-Richmond)." The Post adds Allen and Webb had each "courted Wilder for his support. Wilder, a Democrat, is independent-minded and likes to build suspense for his endorsements by waiting until late in a campaign to announce his choices. His support isn't always guaranteed; in 1997, he declined to endorse Democrat Donald S. Beyer Jr. for governor." Wilder "said voters should choose Webb to send the message that they are opposed to the war in Iraq and Republican economic policies. He said he would do all he could, including campaign events and TV ads, to support Webb." Wilder said he "considers Allen a 'close friend' but cannot support him because he is a reliable vote for GOP leaders in Congress. Wilder called Allen yesterday morning."

The New York Times/AP (10/26) reports Wilder "promised to help Mr. Webb, a Democrat, with voter turnout in the weeks leading to the Nov. 7 election. He said Mr. Webb could beat Mr. Allen, a Republican, if he got a large voter turnout in Hampton Roads and Richmond." Wilder, "who remains the nation's first and only elected black governor, said he was angry at the way President Bush had handled the Iraq war."

The Washington Times (10/26, McLaughlin, Bellantoni, 88K) reports Wilder's "endorsement comes at a crucial time for Mr. Webb, with most polls showing that he still trails" Sen. Allen. Wilder said he "is endorsing Mr. Webb, a former Navy secretary under President Reagan, because he will fight against the 'pattern of inefficiency, ineptitude and scandal' in the Republican-controlled Congress." The Allen campaign "said the endorsement was no surprise. They noted their radio ad featuring state Sen. Benjamin J. Lambert III, a black Richmond Democrat who has endorsed Mr. Allen. In the ad, Mr. Lambert notes Mr. Allen's support for black farmers and the Voting Rights Act."

Allen's Racial Views Examined. The Washington Post (10/26, A1, Turque, 748K) profiles Sen. Allen in a front page story, noting that in the "sun-splashed Los Angeles suburbs," some of Allen's "classmates at Palos Verdes High School recall a lone tobacco-chewing teenage cowboy who was disliked, even feared." Don Gause, a wide receiver on the football team, said, "George was not what I would call mainstream." One reason, Gause said, "was that Allen used anti-black epithets and 'ran with a group of guys off the football field' who used the same language." Gause said, "George took some hard lines in that area." The Post adds,

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"Who George Allen was, and who he is today after 23 years in politics, remains an issue as the Virginia Republican seeks reelection. Supporters say the pilgrimage was one leg of a journey that has led to genuine maturation for Allen, 54, whose style melds Ronald Reagan's optimism with George W. Bush's Texas swagger." But the "macaca" incident "raises a question: Has Allen really evolved, or did his true nature slip into public view?" Those "closest to him say that Allen is no bigot and that partisan enemies have seized on murky 30-year-old anecdotes and meaningless lapses in political correctness to damage him." Others "from Allen's past said they saw a distressingly familiar, coldly taunting hatred when they viewed the macaca tape."

Republicans Hope For Upset In Michigan Senate Race. The Washington Times (10/26, Hurt, 88K) reports Republicans are "turning to Michigan in the final days of the campaign in search of a major upset that would protect their majority in the U.S. Senate." Mike Bouchard, "the popular Republican sheriff of Michigan's second-largest county, trails Democratic incumbent Sen. Debbie Stabenow. But recent polls suggest that Mr. Bouchard may be closing the gap, with two surveys indicating a single-digit difference." Republican "heavy-hitters, such as former New York Mayor Rudolph W. Giuliani, Sen. John McCain of Arizona and Massachusetts Gov. Mitt Romney have been to the state to campaign for Mr. Bouchard. President Bush travels there today." The NRSC "spent $1 million on the" Bouchard campaign's "behalf, one of only three states where the national Republicans have gone on the offense. Also, members of the conservative group Club for Growth donated more than $250,000."

Both Parties Seek Advantage From Poor Michigan Economy. USA Today (10/26, Wolf, 2.27M) reports that in 'an election dominated by the war in Iraq, the impact of an economy recovering from recession is less clear. Democrats note that wages have not kept up with some prices, particularly for health care and college tuition. That, they say, should help their party. Others cite three years of job creation, a 4.6% national unemployment rate, declining gas prices and high stock prices as evidence the country is on the right course — a plus for Republicans." President Bush, "who arrives in the Detroit suburbs today to raise money for GOP Senate candidate Mike Bouchard, has spent much of the week highlighting the economy as a strong point for Republican candidates." Yet "even if the economy works to the benefit of Republicans, it may not do so in Michigan." Democratic Gov. Jennifer Granholm "is struggling with a difficult state economy — only Mississippi, wracked by Hurricane Katrina, has a higher jobless rate (7.2%) — but she is leading narrowly in recent polls, and incumbent Democratic Sen. Debbie Stabenow enjoys a bigger lead over Bouchard."

DeVos Criticized For Failing To Provide Economic Vision For State. In a Wall Street Journal op-ed (10/26, A18), Shikha Dalmia of the Reason Foundation says, "Besides the Tigers, the main thing on the minds of Michigan residents is the state's tanking economy. So when the state's most prominent Republican businessman entered the gubernatorial fray promising to turn things around, it should have been a home run. Instead, 10 days before the election, Dick DeVos has lost his 15-point summer lead over Jennifer Granholm, the Democratic incumbent, and is now trailing by more than eight points in most polls. The fault is not in his stars but in himself: At a time when Michigan needs economic leadership, he has so far shown little charisma, creativity -- or courage of convictions." DeVos "has done little to challenge" Granholm "on economic fundamentals -- her big vulnerability given that two-thirds of Michigan voters believe that the state has been going in the wrong economic direction under her."

Connecticut Senate Race Seen As Harbinger For US Involvement In Iraq. In his Washington Post column (10/26, A25), David Broder says, "When the three candidates in Connecticut's celebrated Senate race met for their final debate on Monday night in New London, only one of them appeared to be having a good time." It was "not Ned Lamont, the tense and fidgety businessman who had captured the Democratic nomination as an opponent of the Iraq war." It was "certainly not Joseph Lieberman, the three-term Democratic senator who had lost the primary to Lamont because of his support of that war and is running as an independent. Lieberman looked exhausted and exasperated by his situation, even though polls show him to be in front." Rather, the "only person who was relaxed, good-humored and reveling in the moment was Alan Schlesinger, the bulky Republican nominee whom no one gives a chance of winning. He jabbed humorously and effectively at both his opponents, noting how ironic it was that 'a Greenwich multimillionaire' such as Lamont was running as a Democrat, while Lieberman, whose long list of liberal positions

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Schlesinger cited, was 'masquerading as a Republican.'" But the race "constitutes perhaps the nation's clearest test on the Iraq war." A Lieberman win "would slow, if not reverse, growing pressure from the Democrats for an early pullout of U.S. forces." A Lamont win "would add immeasurably to the momentum of the antiwar forces."

Sophisticated "Google Bombing" Campaign Targets 50 Republicans. The New York Times (10/26, Zeller, 1.21M) reports if things "go as planned for liberal bloggers in the next few weeks, searching Google for 'Jon Kyl,' the Republican senator from Arizona now running for re-election, will produce high among the returns a link to an April 13 article from The Phoenix New Times, an alternative weekly." Kyl "'has spent his time in Washington kowtowing to the Bush administration and the radical right,' the article suggests, 'very often to the detriment of Arizonans.'" Searching Google "for 'Peter King,' the Republican congressman from Long Island, would bring up a link to a Newsday article headlined 'King Endorses Ethnic Profiling.'" The Times adds, "Fifty or so other Republican candidates have also been made targets in a sophisticated 'Google bombing' campaign intended to game the search engine's ranking algorithms. By flooding the Web with references to the candidates and repeatedly cross-linking to specific articles and sites on the Web, it is possible to take advantage of Google's formula and force those articles to the top of the list of search results." The project "was originally aimed at 70 Republican candidates but was scaled back to roughly 50 because Chris Bowers, who conceived it, thought some of the negative articles too partisan."

Poll Finds Majorities Of Arab Americans Backing Democratic Candidates. The Washington Times (10/26, Pfeiffer, 88K) reports a "new poll of Arab Americans in four battleground states shows a large shift in voter preferences that now favors Democratic candidates. If true, it represents a major shift from as recently as the 2000 presidential election, when then-Gov. George Bush won nearly 50 percent of Arab Americans' votes." The survey, "conducted by Zogby International for the Arab American Institute (AAI), of likely voters in Ohio, Florida and Pennsylvania found that Arab Americans are supporting Democrat gubernatorial and Senate candidates by close to 3-1 margins." With a "number of close races potentially shifting the control of Congress, the major shift of even a small ethnic bloc could give one side the edge."

Woman Claims Bribe Offer Made Over Allegations Of Gibbons Assault. USA Today (10/26, Kasindorf, 2.27M) reports a Las Vegas cocktail waitress said "she was offered money to recant allegations that a Republican congressman running for Nevada governor assaulted and propositioned her." The "alleged bribery attempt that Chrissy Mazzeo, 32, described at a news conference reignited a sex-tinged controversy that Rep. Jim Gibbons says could influence his tight contest with Democratic state Sen. Dina Titus." Gibbon's lawyer, Don Campbell, "later at a news conference called Mazzeo 'an exceedingly troubled young woman' with a 'troubled past,' who was making 'wild and reckless allegations.'" Gibbons, 61, "who is married, has denied the allegations."

Late Campaign Stress Leads Candidates To Make Ill-Advised Statements. The New York Times (10/26, Hulse, 1.21M) reports, "Fighting for their jobs in an increasingly frenzied political environment, several candidates are showing signs of strain, uttering words they later wish they could take back, running last-ditch advertisements that push the envelope and taking other actions that are out of the political ordinary. The gaffes can have real consequences, coming when voters are paying the closest attention." Rep. Barbara Cubin, "facing a strong challenge in what should be a safe seat, this week told an opponent who uses a wheelchair that she would slap him were he not disabled." Rep. Christopher Shays, "normally a low-key moderate, portrayed the treatment of Iraqis at the Abu Ghraib prison as the product of a sex ring rather than of abuse." And Rep. Steny H. Hoyer of Maryland, "the No. 2 Democrat in the House, accused a black Senate candidate of 'slavishly' supporting Republican policies and later apologized for a poor choice of words." GOP strategist Ed Rollins said, "It is definitely the funny season. When everybody thinks they are in jeopardy, whether they are or not, there is real panic. All these Republicans who thought they were in safe seats have seen their numbers drop dramatically. They are freaked."

Doubts About Hillary Clinton's "Authenticity" Said To Remain. The Financial Times (10/26, Luce) reports, under the headline "Hillary

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Clinton Wins Minds But Not Yet Hearts," that "there are reasons to believe the Republicans might be too sanguine about how easy it would be for their candidate to defeat Mrs Clinton in 2008, regardless of which party wins the mid-term congressional elections on November 7." Watching Clinton, "on the campaign trail in Long Island explains why many people who used to be hostile to her have become more open-minded." Clinton has "worked assiduously to win federal contracts and funding for communities in her state," and she "campaigns tirelessly to get better treatment for the fire and police employees who were affected by the dust at Ground Zero." But in "spite of her evident crowd-pulling abilities, doubts about her authenticity are unlikely to fade." Clinton has been "dogged by two recurring questions. Will she still be a senator six years from now when her term elapses? And how can she criticise Mr Bush for invading Iraq when she supported the congressional resolution which authorised it?" She "evades both with lawyerly consistency."

US Said To Be Facing Growing Skills Gap. The Financial Times (10/26, Guerrera, Waters, Knight) reports, "Azim Premji, chairman of Wipro, the Indian outsourcing group, has warned that the US faces a more acute skills shortage in information technology than India, blaming failings in America's education system and restrictive immigration policies." Premji, "a Stanford University graduate, said the US education system was not doing enough to attract mathematics and science teachers or to steer students towards those subjects." Microsoft's Bill Gates has also "been warning about the evaporation of interest in computer science at US universities for more than two years." And GE's Jeffrey Immelt "told a Washington audience in January that the US was on its way to becoming 'the massage capital of the world', with more students graduating in sports sciences than electrical engineering."

Brooks Says US Entering Era Of Ideological Dealignment. In his New York Times column (10/26), David Brooks says, "In some eras there is no dominant political tendency. The 1970's were such a period. That decade was marked not by a change in political winds so much as by disillusionment and a scrambling of political categories. People who once had been liberals drifted away. Voters became cynical about politics itself. The pendulum swung not only from left to right but from politics to antipolitics. Jimmy Carter promised a break from the normal methods of political life. We're about to enter another of those periods without a dominant ideology. It's clear that this election will mark the end of conservative dominance. This election is a period, not a comma in political history." Conservatives "have exhausted their agenda," are "beset by scandals, the kind of institutional decay that afflicts movements at the end of their political lives. Third, the Reagan coalition is splintering, with the factions going off in wildly different directions." Fourth, there "is no viable orthodox conservative candidate for the 2008 Republican presidential nomination."

Liberal Radio Network Seen As Evading Campaign Contribution Limits. In a Washington Times op-ed (10/26), John R. Lott Jr., dean's visiting professor at SUNY-Binghamton, and Bradley A. Smith of Capital University Law School, says, "When is a campaign donation not a campaign donation? Apparently if you spend the money to run a radio program instead of paying for campaign ads that run on that same program. Just look at Air America. With $41 million in losses since 2004, and $9.8 million owed just to Robert Glaser, RealNetworks chairman, Democrats who bankrolled this 'company' weren't so much investors as campaign contributors. The losses are seen as simple business ineptitude, but Air America effectively, and perhaps intentionally, cleverly avoided the campaign finance limits which Democrats had worked so hard to pass." Since Air America "started, successful radio entrepreneurs — most notably Rush Limbaugh — have argued that Air America never had a business model that made sense. But perhaps it had a model that made political sense. It's hardly a coincidence that Air America debuted in time for the 2004 presidential campaign or that the bankruptcy filing was put off long enough so that creditors actions won't stop broadcasts before the Nov. 7 election. As if the willingness to lose money weren't already obvious, over a year ago the network started asking listeners to donate money to keep the programs on the air."

Bush "Assassination" Movie Faces Marketing Challenges. USA Today (10/26, Breznican, 2.27M) reports, "How do you get people to go to a movie that sounds like it's committing treason? That's the challenge facing Newmarket Films' new Death of a President, a fictional documentary about what could happen if President Bush were assassinated." Richard Abramowitz, marketing director for Newmarket, said, "The film does not

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promote violence on any level. It no more advocates for assassination of the president than Silence of the Lambs advocates for cannibalism." USA adds Death of a President, "from British director and co-writer Gabriel Range, has raised hackles ever since it premiered in September at the Toronto Film Festival. Some large theater chains balked at featuring it, and the film will open Friday in about 100 theaters, mostly art houses. CNN and Fox News refused to run ads for the movie."

WPost Backs DC-Beijing Flights. The Washington Post (10/26, A24, 748K) reports, "The quality of communication between the Washington area and Beijing could influence global stability. But there is no direct flight between the two capitals. Over the next couple of months, the Transportation Department will consider whether that should change. For economic reasons as well as geopolitical ones, the department should back a United Airlines proposal to launch daily service to Beijing from Dulles International Airport."

WSJournal Says Decline In Oil Prices Shows Folly Of "Windfall Profits" Tax. In an editorial, the Wall Street Journal (10/26, 2.03M) writes, "Exxon Mobil, Royal Dutch Shell, BP and other members of the vast energy conspiracy may have a hard time keeping their run of profit growth going now that oil prices have fallen to $60 or so a barrel from upwards of $80." The decline in oil prices is "proof of the folly of a 'windfall profits' tax or similar punitive measures against Big Oil favored by so many politicians. Only this week, however, Democratic Leader Nancy Pelosi repeated her pledge to soak the oil companies if her party takes over the House next month." The Journal says, "Her policy seems to be that when oil prices decline, oil company shareholders must absorb all the market risk and the lower profits. But when oil prices rise, the companies must hand over a cut of their profits to Members of Congress to spend as they like. The only 'windfall' is for the political class."

US, European Allies At Odds Over Iran Resolution. The Washington Post (10/26, A20, Lynch, Kessler, 748K) reports, "The United States and its European allies split Wednesday over the terms of a U.N. resolution calling for a ban on Iranian trade in ballistic missiles and nuclear materials." While "the Bush administration supports the Europeans' broad aims of sanctioning Tehran for refusing to halt nuclear activities," it feels the resolution "would be too weak to constrain Iran from developing nuclear weapons." Although the resolution "requires states to 'prevent the supply, sale or transfer' of Iran's nuclear and ballistic programs and would halt Tehran's ability to secure financing and technical assistance for them" and would "ban travel and freeze the assets of individuals associated with the weapons programs," it still "exempts Russia from the trade embargo, allowing it to continue a previously approved nuclear energy agreement to support the construction of Iran's Bushehr nuclear power plant." The Europeans also rejected U.S. amendments "that characterized Iran's nuclear activities as a threat to international peace and security," saying the resolution the US wishes "may have provoked a Russian veto." The "European negotiators thought they had secured U.S. backing for the proposal to exempt Russia from the trade ban at a meeting of political directors in late September." Still, the European negotiators agreed "to include a proposal by U.S. Ambassador John R. Bolton to invoke a provision known as Article 41, which obliges states to enforce U.N. sanctions."

The Wall Street Journal (10/26, A6, King, 2.03M) adds, "The Bush administration has raised sharp but unspecified objections," as "administration officials yesterday declined to provide details on how they would like the draft resolution altered, other than to say it isn't yet stringent enough." One "U.S. official who reviewed the draft said, 'The Europeans have a fundamental difference with us on how to proceed."

The New York Times (10/26, Cooper, Shanker, 1.21M) downplays the differences between the US and Europe, writing that "the bickering of late has largely been tactical." While Ambassador John R. Bolton "demanded that the draft resolution bar Russia from continuing to build Iran's first nuclear power plant," other American officials acknowledged that a provision against all work on Bushehr was unrealistic," and European diplomats said "Mr. Bolton wanted to put it on the table as a bargaining chip to get other Russian concessions." Still, "Bush administration officials and their European counterparts have been squabbling over details of the draft resolution for the past week, and the horse-trading will probably increase now that the Russians and the Chinese have been given the draft." While "Secretary of State Condoleezza Rice urged the Security Council to move rapidly to adopt the resolution, saying the authority and standing of the international community were at stake," following "five months of missed deadlines, counterproposals and diplomatic overtures on Iran, few officials from any of the six

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countries involved were willing to predict when a final sanctions resolution might pass the Security Council."

The Financial Times (10/26, Bozorgmeh, Dinmore) follows the New York Times' tone, reporting "Nicholas Burns, US under secretary of state, said he did not think the Bushehr issue would be a major stumbling block." Meanwhile, "Iran was reported on Wednesday to be accelerating its uranium enrichment process" as "Iran's semi-official student news agency, ISNA, quoted an unnamed Iranian official who said a second network, or cascade, of centrifuges used to produce enriched uranium was installed last week, and that injection of the gas feed would take place this week." Some experts "believe Iran's installation of the second cascade is intended to signal its defiance of sanctions that have been threatened."

Iranian Journalist Notes Comforts Enjoyed By Wealthy Disincline Them To Political Change. Farouz Farzami, the pseudonym of a journalist who is forbidden to publish in Iran, writes in an op-ed in the Wall Street Journal (10/26, A18, 2.03M) "the well-to-do Iranian drinks and reads and watches what he wishes. He does as he pleases behind the walls of his private mansions and villas. In return for his private comforts, the affluent Iranian is happy to sacrifice freedom of speech, most of his civil rights, and his freedom of association. The upper-middle class has been bought off by this pact, which makes a virtue of hypocrisy." As one well-off Iranian notes, "We may be forfeiting our freedoms, as you say, but when the price of avoiding the authorities is so affordable, why would we risk everything to take on the regime?" In fact, "it is only the principled intellectuals of moderate means who suffer."

WSJournal Criticizes ElBaradei's Objectivity. The Wall Street Journal (10/26, A18, 2.03M) editorializes that lately Mohamed ElBaradei has "been sounding more like the real life Jimmy Carter than" Jack Webb. He said, "I don't think sanctions work as a penalty," for North Korea "after meeting with Condoleezza Rice, and "for Iran, 'the jury is still out on whether they are developing a nuclear weapon.'" His assurances that "the IAEA can be trusted to be 'continuously objective and impartial'" now "look disingenuous," as he "is offering confident judgments, well above his pay grade, about Kim Jong Il's motives -- and cautious ones about Mahmoud Ahmadinejad's. It's even harder to believe given the selective leaks and political hits the IAEA has recently practiced against the Bush Administration and its allies in Congress." Meanwhile, if "Mr. ElBaradei been doing his real job, he might have made a more strenuous effort at pointing out publicly Iran's failures to comply with its obligations, rather than offer grand pronouncements on diplomacy and making partisan intrusions into American politics."

Argentine Prosecutor Calls For Arrest Of Former Iranian President. The Washington Post/AP (10/26, A19, Serrat) reports, "Argentine prosecutors asked a federal judge on Wednesday to order the arrest of former Iranian president Akbar Hashemi Rafsanjani and seven others in the 1994 bombing of a Jewish cultural center that killed 85," saying that "the decision to attack the center 'was undertaken in 1993 by the highest authorities of the then-government of Iran'" and "was entrusted to the Lebanon-based group Hezbollah." Prosecutors "said they suspected that Hezbollah undertook activities outside Lebanon only 'under orders directly emanating from the regime in Tehran.'" They also requested the "arrest of two former commanders of Iran's Revolutionary Guards, two former Iranian diplomats and a former Hezbollah security chief," and "asked the judge to detain other former Iranian officials, including an intelligence chief, Ali Fallahijan, and a foreign minister, Ali Ar Velayati." USA Today/AP (10/26, 11A, Serrat) runs an abbreviated version of the AP story.

McClatchy Newspapers (10/26, Sanchez, Chang, Hall) adds that Prosecutor Alberto Nisman "charged that the plot involved not only top political officials, but also lower-level diplomats in the Iranian Embassy in Buenos Aires." He said it was a "well-calculated plan that was part of a 'terrorist matrix' that included assassinations in France, Germany and Switzerland." Nisman "is the first Argentine official to publicly accuse officials in Tehran of involvement in the attack," and these charges "lend credence to longstanding American claims that Iran and Hezbollah are sponsors of international terrorism."

Rice Prods South Korea On Sanctions. The AP (10/26, Gearan) reports, "Secretary of State Condoleezza Rice gently prodded South Korea on Wednesday to show a strong commitment to international sanctions imposed against North Korea for its nuclear test this month," saying that while "the U.S. has no wish to tell Seoul how it should coexist with its neighbor," the North's "test of a nuclear device Oct. 9 'requires a strong response,' and said that adherence to a U.N. resolution banning the sale of weapons material, luxury goods and more to North Korea is key." She added, "North Korea's behavior poses a regional challenge and it must be addressed in a regional context," and "South Korea must be part of the solution, as should Japan and China and Russia."

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South Korean Unification Minister Resigns. The Washington Times (10/26, Salmon, 88K) reports that Lee Jong-seok, South Korea's unification minister, "resigned yesterday, the highest-profile casualty yet in a battle over the government's North Korea policy after an Oct. 9 nuclear test by Pyongyang." He was "a strong advocate of engagement and reconciliation with the communist North." According to Lee, "efforts to achieve 'peace and security and inter-Korean reconciliation on the peninsula are being recklessly politicized.'"

Rice "Plays Down" Putin's Remarks That Nuclear Test Was Response To Being Cornered. The AFP (10/26) reports, "The United States brushed aside a complaint by Russian President Vladimir Putin that North Korea tested a nuclear weapon because it had been backed into a corner by its rivals." Secretary Rice "played down" Putin's comments, "In what was seen as veiled criticism of the aggressive US policy on North Korea,…that one of the reasons Pyongyang chose to set off its first nuclear explosion was that "not all participants in the (six-party) talks process could find the right tone in the talks.'"

Japan Denies Report That It Seeks Nuclear Meeting. The AP (10/26, Greimel) reports, "Japan's foreign ministry Thursday denied a news report that the government is planning a meeting with the U.S. and South Korea as early as next month to solidify a common stance on the North Korean nuclear standoff." Kyodo News agency, had, "citing unidentified government officials, said the meeting among the allies will likely be held in Seoul" as "Japan wants the trilateral meeting to reaffirm the demand that the North Korean nuclear crisis be resolved through six-party talks that include North Korea, South Korea, the United States, Japan, China and Russia."

North Korea Threatens South Over Sanctions. The AP (10/26, Chang) reports that North Korea's the Committee for the Peaceful Reunification of the Fatherland "warned South Korea against joining international sanctions, saying Wednesday that its neighbor would 'pay a high price' if it joins the U.S.-led drive to punish the reclusive communist nation for its nuclear test." However, "President Bush dismissed North Korea's threats, saying leader Kim Jong Il was probing for weaknesses in the international community." As for South Korea, "there was no immediate response to Wednesday's statement."

Former Assistant Secretary Of Defense Advocates Negotiations. Henry S. Rowen, the assistant secretary of defense from 1989-91 and currently senior fellow of the Hoover Institution and director emeritus of Stanford University's Shorenstein Asia Pacific Research Center, writes in an op-ed in the Wall Street Journal (10/26, A18, 2.03M), "The United Nations sanctions on North Korea are useful, but unless China and South Korea change their policies, these sanctions will not have much effect." We should "be braced for more North Korean tests," as the Chinese don't see "Pyongyang's programs as seriously damaging to its own interests." They "don't want chaos in North Korea with millions of refugees coming across the border; and they don't want American forces on their border, either. We and the South Koreans urgently need to discuss these matters with the Chinese -- along with the contingency known, colloquially, as 'loose nukes.'" After all, "a serious divergence of perceived interests" between the US and China "would not be good for either of us," and "it is distressing to contemplate the possibility of members of Congress coming to see China's help to North Korea as supporting a major security threat to the U.S." Additionally, "South Korea has been part of the problem" and "there is the potential here for a disastrous breach between Washington and Seoul."

Bush, Dominican Leader Agree To Push Trade Accord. The AP (10/26, Riechmann) reports, "President Bush and the leader of the Dominican Republic agreed on Wednesday to jump-start a delayed free trade agreement to remove barriers to commerce between the two nations." In an Oval Office meeting, Bush "told Leonel Fernandez, the president of the Caribbean nation, that the United States will implement the Central American Free Trade Agreement as soon as possible. 'To that end, I had my trade minister, Ambassador Susan Schwab here, to make sure that we both heard the message of the president -- that this was a very important piece of legislation,' Bush said."

Putin Says He Won't Run Again, But Vows To Remain Influential. The New York Times (10/26, Kramer, 1.21M) reports that Russian President Vladimir V. Putin "said Wednesday that he would continue to 'influence the life in our country' after his second term is up in 2008, but that he would not run for president again" and "would step down 'even though I like my work.'" While "a third consecutive term is forbidden under Russia's 1993 Constitution, his supporters have called for a referendum to do away with that ban." Despite "much speculation about his future, Mr. Putin

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did not elaborate." Still, the comments are "a strong hint that Mr. Putin, who has quashed most dissent here, would remain in politics in some fashion after 2008. Analysts say Mr. Putin has several options, including assuming the leadership of the party he founded, United Russia, becoming speaker of Parliament or the chairman of Gazprom." In his "town-hall-style show," Putin also "criticized North Korea for testing a nuclear device" and on Georgia "said that Russia recognized its territorial integrity but noted that two separatist regions, South Ossetia and Abkhazia, were not historically part of Georgia when that country was annexed by the Russian empire. He said Georgia's attempts to regain control would lead to 'bloodshed.'"

The Washington Post (10/26, A21, Finn, 748K) adds that Putin had "his trademark indefatigability and command of detail," and his "session reinforces the popular perception here of Putin as an open, capable and responsive leader." The Post focuses less than the New York Times on his announcement about not amending the constitution to run again. "Putin condemned the targeting of Georgians living here by Russian law enforcement agencies," saying "I cannot approve of selective actions on ethnic grounds. On the contrary, I am calling on all law enforcement bodies and administrative bodies to refrain from such actions."

The Financial Times (10/26, Buckley) notes "Vyacheslav Nikonov, a political consultant close to the Kremlin, noted on Russia Today news channel the constitution would allow Mr Putin to stand for president in 2012 after a four-year break." After the broadcast "Putin told reporters…he would name a suggested successor in due course but 'the Russian people must decide who is the strongest candidate'. Speculation centres on two deputy prime ministers – Dmitry Medvedev, who heads several multi-billion dollar social development programmes, and Sergei Ivanov, defence minister – as likely successors. But analysts believe a dark horse candidate could emerge, such as Vladimir Yakunin, head of Russian railways and a friend of the president." The Washington Times/AP (10/26, Meyer) and Los Angeles Times (10/25, Holley, 918K) run similar reports.

Contest For Latin American Security Council Seat Still Stalled. The AP (10/26, Lederer) reports, "The vote has been repeated — over and over, 41 times — and with each count, there is no winner in the diplomatic battle over Latin America's seat on the UN Security Council. The two contenders -- US-backed Guatemala and Venezuela, led by its fiercely anti-American President Hugo Chavez -- refuse to budge, though it has been clear since the early ballots that neither can gain the needed two-thirds support in the 192-nation UN General Assembly." The AP adds, "Frustrated diplomats from Latin America and the Caribbean met Wednesday, hoping to find a solution that would avoid another fruitless confrontation in the General Assembly."

The Financial Times (10/26, Webb-Vidal) says Venezuela and Guatemala "appeared ready to agree to find a consensus candidate to fill a temporary seat on the United Nations Security Council after a 40th round of voting failed to break a week-long diplomatic deadlock." Chávez "conceded on Wednesday that his government had virtually no chance of being able to win the seat, but he claimed to have captured the moral high ground in his ongoing sparring effort with Washington. 'It's going to be very difficult for us to win two-thirds of the vote,' Mr Chávez said. 'But we have achieved a great moral victory that no-one can take away from us.'"

The New York Times (10/26, Hoge, 1.21M), however, says "Venezuela has put forward Bolivia as a substitute, but Guatemala has made it clear the choice is unacceptable." In "the six rounds of balloting on Wednesday, Guatemala averaged 104 votes and Venezuela averaged 79, much the same outcome as after last week's 35 rounds of voting. A two-thirds majority of those voting and not abstaining, or roughly 124, is needed to win."

US Officials Concerned By Rights Abuses In Colombia. The Washington Post (10/26, A18, Forero, 748K) report from Colombias, "Beyond the hearty handshakes, a high-level US delegation that visited here this week raised concerns with President Álvaro Uribe's government about human rights abuses by the army and about the scandal-plagued effort to disarm paramilitary groups." R. Nicholas Burns, undersecretary of state for political affairs, "led 15 Bush administration officials from six agencies for meetings with virtually every top Colombian ministry. In reiterating support for Uribe, whose government receives more US assistance than any country outside the Middle East, Burns told the Colombians that Washington would continue providing about $600 million a year through 2008 for programs from aerial fumigation of drug crops to training of the army." But "the delegation's two-day mission, which ended Wednesday, also confronted a string of reports that Colombia's army has been embroiled in drug-related

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scandals and murdered dozens of peasant farmers, only to pass them off as dead guerrillas."

Nicaraguan Congress Expected To Ban All Abortions. The Los Angeles Times (10/26, Tobar, 918K) reports, "Nicaragua's legislature Thursday is expected to approve a law that outlaws all forms of abortion, including those procedures intended to save the life of a pregnant mother." The measure "has been supported by most major political parties, heading into the Nov. 5 presidential election, as they seek to win over voters in this overwhelmingly Catholic country. Leaders of the Roman Catholic Church helped draft the bill and have mobilized followers to support it." However, "medical associations in Nicaragua and international human-rights groups have strongly criticized the proposal." The Times adds, "Since the late 1980s,Latin America's El Salvador and Chile have adopted similar measures. At least 34 countries, mostly in Africa and the Middle East, prohibit all abortions, without exception, according to the Center for Reproductive Rights, a nonprofit advocacy group based in New York." The law "would establish prison sentences of 6 to 30 years for women who abort their pregnancies and the doctors who perform the procedure."

Brutal War Between Drug Gangs Underway In Mexico. The New York Times (10/26, McKinley, 1.21M) reports, "An underworld war between drug gangs is raging in Mexico, medieval in its barbarity, its foot soldiers operating with little fear of interference from the police, its scope and brutality unprecedented, even in a country accustomed to high levels of drug violence." In recent months "the violence has included a total of two dozen beheadings, a raid on a local police station by men with grenades and a bazooka, and daytime kidnappings of top law enforcement officials. At least 123 law enforcement officials, among them 2 judges and 3 prosecutors, have been gunned down or tortured to death. Five police officers were among those beheaded." In all, "the violence has claimed more than 1,700 civilian lives this year, and federal officials say the killings are on course to top the estimated 1,800 underworld killings last year."

South African Political Analyst Denied Entry Into US. The Washington Post (10/26, A20, Timberg, 748K) reports Adam Habib, executive director of the Democracy and Governance Research Program for South Africa's Human Sciences Research Council, "said Wednesday that US border agents had denied him entry into the United States and questioned him about his views on terrorism." He said the agents, who detained him after he arrived at John F. Kennedy International Airport in New York, "did not give him a reason. A US Embassy spokesman, Mark M. Schlachter, confirmed the incident but said he did not know why Habib had been denied entry. … The Human Sciences Research Council has asked the US Embassy in Pretoria to investigate, and Habib said he had written the US Customs and Border Protection office in Washington seeking an explanation."

Activists Urge UN Action Against Regime In Burma. Pu Chin Sian Thang and U Thein Pe, members of Burma's parliament, "which was chosen in the country's last democratic elections but has never been permitted to meet," write in today's Washington Post (10/26, A25, 748K), "Last month the UN Security Council formally discussed the situation in Burma for the first time. For Burmese people such as us, who live under the country's oppressive regime, this was a welcome development." However, "much of the world has failed to understand the gravity of the crisis in our country. It is shocking that the Security Council has taken so long to get involved. No fewer than 3,000 villages have been destroyed or dislocated by the military regime in eastern Burma in the past decade. During the regime's systematic attacks on ethnic populations, women have been raped, children conscripted as child soldiers and rice supplies burned. Recently the regime instituted a practice of using soldiers' bayonets to pierce the bottoms of rice bowls, leaving villagers unable to cook their most basic foodstuff." They add that "there is overwhelming evidence that the people of Burma want an end to the dictatorship that has been forced upon them. Without this understanding and without a Security Council resolution, the United Nations is likely to fail in Burma yet again."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Bush Insists He'll Stand By His Iraq Goals."
"Perils Among The Palms."
"Taurus Approaches The End Of Its Road."

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"N.J. Justices Clear The Way For Gay Unions."
"A Right Kind Of Democrat."
"Janitor's Secret Past: A Death Squad."

USA Today:
"IRS Help Can Be Hard To Get, Audit Says."
"Sellers Sing The Blues As Price Drop Sets Record."
"Ruling On Gays May Echo At Polls."
"On The Ballot."

New York Times:
"New Jersey Court Backs Full Rights For Gay Couples."
"Conceding Missteps, Bush Urges Patience On Iraq."
"Study Sees Gain On Lung Cancer."
"In Tight Race, Ad On Black Candidate Stirs Furor."
"With Beheadings, Drug Gangs Terrorize Mexico."

Washington Post:
"More U.S. Troops May Be Iraq-Bound."
"The GOP Leans On A Proven Strategy."
"A Sense Of Service."
"A Contentious Campaign In A Battleground State."
"DNA Testing A Mixed Bag For Immigrants."
"FBI's Fairfax Agents Packing For Pr. William."
"Failing Schools Are Fighting Back In Md."

Washington Times:
"Black Democrats Pull Punches In Maryland Race."
"Jersey Court Orders Ok Of Gay Unions."
"S. Korea Official Quits Over North Policy."
"Obesity Drives Up US Fuel Appetite."
"Bush Backs Setting 'Benchmarks' In Iraq."
"A Hard Year To Be An Ohio Republican."

Atlanta Journal-Constitution:
"Senator Criticizes Use Of CDC Jet."
"Feds Pass Up Tips On Immigrant Violators."
"'I'm Not Satisfied Either.'"
"Libertarian Candidate Makes Some Noise."

Houston Chronicle:
"New Tensions Between U.S., Iraq."
"Republican Oil Their Successful Turnout Machine."
"Caregiver Charged In Mother's Death."
"Small Signs Of Acceptance."
"Strayhorn Never Saw Hill She Couldn't Climb."

Story Lineup From Last Night's Network News:
ABC: Gay Marriage; Gay Marriage Analysis; Bush& Iraq; Maliki's Response To Timetable; Tennessee Senate Race; Separate Education; Classified Documents Found; Interest Rates; CAT Scans For Smokers; Playing Tag Banned.
CBS: Bush & Iraq; Maliki's Response To Timeline; Bush & Iraq Analysis; American Voters-Iraq; Stem Cell research Debate; CBS: Cost Of Campaign 2006; Gay Marriage; Risk Of Shingles; Cancer Screening; Separate Education; Fallen Soldiers-Iraq.
NBC: Bush & Iraq; Maliki's Response To Timeline; Iraq War Analysis; Cancer Screening; Risk OF Shingles; Ohio Senate Race; Gay Marriage; Housing Market; Interest Rates; Stock Market; Madonna's Adoption; Separate Education.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — Signs HR 6061, the Secure Fence Act of 2006, Roosevelt Room; attends Lamberti for Congress and Iowa Victory 2006 reception, Iowa State Fairgrounds, Des Moines, Iowa, pool for cameras; attends a Bouchard for US Senate reception, Mabry Banquet and Convention Center, Warren, Mich., pool for cameras.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: US-CHINA _ Five-day meeting of the US-China Economic and Security Review Commission. Location: Hall of the States, 444 N. Capitol St.

POLAR SATELLITES _ NOAA holds Polar Max 2006, a forum for US and global users of polar-orbiting satellite data. Highlights: 8:10 a.m. Mary Kicza, deputy assistant administrator for NOAA's Satellite and Information Service. 8:45 a.m. Col. Dan Stockton, program director, NPOESS. Location: NOAA Science Center, 1301 East West Highway, Silver Spring.

LEGAL REFORM _ 8:45 a.m. - 5 p.m. US Chamber of Commerce holds 4th annual Legal Reform Summit. Participants include Iowa Attorney General Tom Miller; Utah Attorney General Mark Shurtleff; columnist Stuart Rothenberg; others. Location: 1615 H St. NW.

ELECTIONS-VOTING SYSTEMS _ 10 a.m. - 4 p.m. National Election Assistance Commission meets to discuss Voting System Testing and the Certification Program. Panel members, representatives of the National Institute of Standards and Technology (NIST), testing laboratories,

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equipment manufacturers, election officials, and certification specialists will receive presentations and hear public comments. Location: EAC Offices, 1225 New York Ave. NW, Suite 150.

EYONG _ 9 a.m. Arraignment for Njock Eyong before U.S. District Judge John Bates on charges of impersonating a federal official, possession of fraudulent visa documents and fraud by wire scheme. Location: Courtroom 8, U.S. District Court, 3rd St. and Constitution Ave. NW.

GREENSPAN SPEECH _ 9 a.m. Former Federal Reserve Chairman Alan Greenspan speaks to annual convention of the Commercial Finance Association at 9 a.m. APPROX. Location: Marriott Wardman Park Hotel, 2660 Woodley Road.

AFRICAN-AMERICAN VOTERS _ 10:30 a.m. Joint Center for Political and Economic Studies holds briefing on what factors will influence African-American voter turnout for the upcoming elections, and how the black vote will impact the outcome. With David Bositis, senior political analyst. Location: 1090 Vermont Avenue, NW, Suite 1100.

CLEAN ENERGY-LIST _ 11 a.m. Coalition of environmental, labor, and consumer groups unveils list of the Ten Best Opportunities for a New Energy Future. List is based on a new report by the U.S. Public Interest Research Group. Location: University of the District of Columbia, Van Ness campus between Bldg 46 West and Bldg 47.

CIGARETTE POLL _ 11:30 a.m. Teleconference call to release Drug Policy Alliance's Zogby Poll. Survey asked 1,200 Americans if they'd support federal legislation making cigarettes illegal. Contacts: Tony Newman, 646-335-5384. Notes: Call 877-270-2156; password: Zogby.

CHAO-DISABILITIES EMPLOYMENT _ 11:45 a.m. Secretary of Labor Elaine L. Chao will host a New Freedom Initiatives Awards ceremony to mark National Disabilities Employment Awareness Month. Awards will be presented to four non-profit groups, four companies and one individual for outstanding efforts in supporting the employment of people with disabilities. Location: Washington Renaissance Hotel, 999 9th St. NW.

CRACK COCAINE-SENTENCING REPORT _ 12 p.m. ACLU issues report on discriminatory criminal justice policies to mark 20th anniversary of the Anti-Drug Abuse Act of 1986. Report is titled ``Cracks in the System: Twenty Years of the Unjust Federal Crack Cocaine Law" and will be discussed in conference call briefing. Contacts: Elizabeth Rose, 202-675-2303. Notes: Dial-In Number: 800-816-4134; 69922.

IRAQ WAR VETS _ 12:30 p.m. Iraq war veterans with VoteVets.org hold conference call on new ad calling for defeat of Reps. Gutknecht, Porter, Sweeney, and Doolittle. Contacts: Eric Schmeltzer, 646-290-8586. Notes: Call 641-985-1000; access code: 451701.

REED-IRAQ _ 12:30 p.m. - 1:30 p.m. The Saban Center holds a ``Statesman's Forum: A Conversation on Iraq with Sen. Jack Reed, D-R.I." Reed will discuss his meetings with U.S. troops, military commanders, Afghan and Iraqi officials; the resurgent Taliban in Afghanistan; sectarian violence in Iraq; current reconstruction efforts in both countries; and the options for redeploying U.S. troops from Iraq in a safe and timely manner. The session will be moderated by Martin Indyk, director of the Saban Center for Middle East Policy. Location: Brookings Institution, Falk Auditorium, 1775 Massachusetts Ave. NW.

IRAN-ISLAM _ 3 p.m. Council on Foreign Relations holds conference call on ``Hidden Iran: Paradox and Power in the Islamic Republic." With Ray Takeyh, senior fellow for Middle Eastern studies. Contacts: Darin Kingston, 212-434-9677. Notes: Call 800-247-5110; passcode: TAKEYH.

DEMOCRACY IN IRAN _ 3:30 p.m. Radio Free Europe/Radio Liberty briefing by Mariam Memarsadeghi, senior program Manager for the Middle East & North Africa, Freedom House. Topics include democracy and human rights in Iran. Location: 1201 Connecticut Ave. NW.

BUSH-RICE _ 7 p.m. Elisabeth Bumiller, formerly of the New York Times, and Steve Weisman of the Times discuss the problems covering President Bush and Secretary of State Rice, sponsored by the National Press Club and SPJ. Location: National Press Club.

ELECTIONS-SLATE _ 8 p.m. George Washington University and Slate host panel discussion on the mid-term elections. With John Dickerson, Slate's chief political correspondentl; Mickey Kaus, Slate's ``Kausfiles"; others. Location: GWU, Morton Audit., 805 21st St. NW.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: THURSDAY, OCTOBER 26, 2006 7:45 AM EDT

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TERRORISM NEWS:

In Berlin, Gonzales Urges Europeans To Receive Released Detainees. The AP (10/26) reports, "U.S. Attorney General Alberto Gonzales said European countries should do more to take back detainees released from the U.S. military prison at Guantanamo Bay, Cuba, while defending Washington's treatment of prisoners." The AP continues, "Gonzales is touring European capitals to discuss a recently passed U.S. law covering the prosecution of terror suspects. … Speaking in Berlin at an event organized by the German Marshall Fund, he said the United States is 'not interested in serving as the world's jailer,' and urged Europeans to be more willing to repatriate released prisoners, as well as to increase pressure on third countries to do so. … 'Despite demands from others that Guantanamo be closed, the United States has received little help from our European allies regarding the fate of these detainees,' Gonzales said." The AP adds, "Gonzales also detailed the U.S. Military Commissions Act, a law that provides for trials of captured terrorists, saying it was proof that 'just because the U.S. still believes a state of war exists, that does not mean that the rule of law has no place.' … Gonzales was conciliatory toward expressions of frustration from German members of parliament who attended the discussion over what they view as insufficient respect by the United States for international law. … 'We understand the anxiety and the tension this has created,' Gonzales said. However, he urged German and other allies to be open for discussion, saying 'we need you in the long haul as partners.'"

Cheney Confirms US Has Used "Water-Boarding" To Question Al Qaeda Detainees. McClatchy (10/26, Landay) reports, "Vice President Dick Cheney has confirmed that US interrogators subjected captured senior al-Qaida suspects to a controversial interrogation technique called 'water-boarding,' which creates a sensation of drowning." Cheney "indicated that the Bush administration doesn't regard water-boarding as torture and allows the CIA to use it. 'It's a no-brainer for me,' Cheney said at one point in an interview." Cheney's comments, "in a White House interview on Tuesday with a conservative radio talk show host, appeared to reflect the Bush administration's view that the president has the constitutional power to do whatever he deems necessary to fight terrorism."

US Proposes Limits To Contacts Between Detainees And Their Lawyers. The AP (10/26, Melia) reports, "The US government has proposed limiting contact between defense lawyers and detainees at Guantanamo Bay, according to court documents." The government "argues that it must restrict the detainees' communications, as news of world events could incite the prisoners to violence." The US "proposed the rules in a filing to a federal appeals court in Washington that was examined by The Associated Press. The case deals with an Afghani detainee but the government wants them to apply to other prisoners at Guantanamo Bay Naval Base in southeast Cuba. The prison camp holds some 430 detainees."

Binalshibh Files Legal Challenge To Detention, Seeks Lawyer. The Washington Post (10/26, A3, Leonnig, Tate, 748K) reports admitted 9/11 planner Ramzi Binalshibh "filed a legal challenge in federal court in Washington on Oct. 10, asserting his rights to contest his detention and requesting that a court-appointed lawyer represent him free of charge. In so doing, Binalshibh brought to life the two arguments at the heart of the recent, furious debate over stripping such habeas corpus rights from so-called enemy combatants: the administration's position that alleged terrorists like him do not deserve access to U.S. courts, and his opponents' assertion that the American justice system is a model for the world precisely because it accords such basic rights to all." The Post notes, "Because of Binalshibh's alleged admission that he was a key player in the Hamburg cell that carried out the attacks, his legal suit may provide the starkest test yet of America's justice system, legal experts said."

Teen Once Detained As Potential Terrorist Says She Faces Mutilation If Deported. In a story taking a sympathetic tone toward 18-year-old Manhattan resident Adama Bah, jailed for six weeks on suspicion of being a potential suicide bomber, the New York Times (10/26, Bernstein, 1.21M) reports that she is "still wearing an electronic ankle bracelet and tethered to a 10 p.m. government curfew, restrictions that were conditions of her release." Bah also faces "deportation to Guinea, where she

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has not lived since she was 2. Today, at a closed hearing in Manhattan's federal building, she will plead for political asylum from Guinea's entrenched practice of female genital mutilation, which has marked all the women in her extended family, including her mother. … 'I'm worried about being sent back,' Ms. Bah said on Tuesday in her first extended interview about the lasting consequences of a case that briefly became a cause célèbre in the debate over government vigilance and the protection of individual liberties."

HOMELAND RESPONSE:

Federal Agencies Sharpen Surveillance Methods. Government Executive (10/26, Marino) reports, "A senior Coast Guard official on Tuesday praised homeland security and intelligence agencies' efforts to develop new surveillance tools and bolster information sharing." GE continues, "Guy Thomas, the Coast Guard's science and technology adviser, said improved surveillance techniques would help provide better protection against the possibility of attacks launched from boats offshore. … A 60- to 70-foot boat loaded with ordinary explosives and a biological or chemical weapon could deliver and spread a deadly substance - five pounds of anthrax, for example - to coastal areas with thousands of people, Thomas said. 'I don't think I want to live in Los Angeles anymore,' he told guests of the Border Management Summit, which was organized by the Institute for Defense and Government Advancement." GE adds, "Protecting the coastal waters requires improved sensory techniques, an official with a company that provides security solutions said. He said his company has been working on multiple projects aimed at identifying incoming ships from farther away to detect suspicious ones. Recent advances mean that even the material from which a ship is built -- whether it is wood, plastic or metal -- can be determined from a distance, he said. … As part of more general efforts to improve surveillance, technology capable of recording biometric identifiers such as leg or facial muscle movement without alerting the subject is being refined. Gait recognition, for instance, is part of the 'long-range surveillance' that the FBI may start using to help track suspects, said Duane Blackburn, the bureau's representative to the National Science and Technology Council. It remains in the research phase, and is being tested at universities, Blackburn said. … Other techniques in development include keystroke analyses of typing rhythms, and the production of video and photographic images clear enough to display biometric patterns. … Like gait surveillance, these remain in the early research stages. 'Video is a real challenge,' said Christopher Miles, senior program manager of the Justice Department's National Institute of Justice."

Grassley Demands FBI Brief Congress On Its Anthrax Investigation. FNC News Live PM (10/25, 2:06 p.m., Jane Skinner) reported, "Five years after those deadly anthrax attacks in this country, there is nobody in custody. The FBI does not seem to be any closer to solving the case. Those attacks killed five people, infected 17 back in 2001. Now, a top Republican is slamming the Justice Department, saying the FBI may actually have botched the investigation. … According to senior Republican, the FBI gave a briefing to Congress on the anthrax case more than two and a half years ago because there were so many leaks in the media. Now Senator Charles Grassley is joining other lawmakers to question whether the bureau has messed up the case and that's the real reason the FBI Is unwilling to talk about it. Senator Grassley has written a letter of complaint to the Attorney General."

At least two local television networks reported that Senator Charles Grassley sent a letter to attorney general Alberto Gonzales, slamming the FBI's refusal to brief Congress on its investigation into the 2001 anthrax attacks. WXIX-TV Cincinnati, (10/25, 10:28 p.m.) broadcasted, "A top ranking Republican wants answers from the FBI about the lack of results from its five-year anthrax investigation. In a letter to attorney general Alberto Gonzales, Iowa Senator Charles Grassley says numerous questions need to be answered both about the investigation itself and how the FBI has handled it. Grassley calls the FBI's refusal to brief Congress over the last several years 'outrageous.'"

KHON-TV Honolulu, (10/25, 5:32 p.m.) broadcasted, "A top ranking Republican wants answers from the FBI about the lack of results from its five- year anthrax investigation. Iowa senator Charles Grassley says numerous questions need to be answered both about the investigation itself and how the FBI has handled it. Grassley calls the FBI's refusal to brief congress over the last several years 'outrageous.'"

Judge Issues Two-Day Stay For NYTimes To Reveal Hatfill Sources. The New York Sun (10/26, Gerstein) reports, "A federal judge gave the New York Times a brief reprieve from an order forcing it to identify confidential sources for columns about the 2001 anthrax attacks, but the paper could still face the possibility of being held in contempt of court as soon as tomorrow. Judge Claude Hilton of Alexandria, Va., issued a two-day stay of a magistrate's order that would have required the Times to name the sources by yesterday" for Steven Hatfill's lawsuit claiming "he was defamed by five columns written by Nicholas Kristof." Judge Hilton said "that he was still reviewing whether the Times should be compelled to identify the sources. … But the Times suffered a setback yesterday when Judge Hilton upheld a magistrate's ruling denying its request to suspend action on the libel suit until the government completes its investigation into the anthrax mailings."

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DHS Pushing Mass-Evacuation Planning. The Washington Post (10/26, A23, Hsu, 748K) reports, "Making a familiar case for more roads and using the newer argument of homeland security, a trade association for highway builders and the automotive industry recently gave most of the nation's biggest metropolitan areas failing grades for how well they would evacuate their populations in a disaster." The American Highways Users Alliance gave failed twenty of 37 urban areas, including "New York City, Los Angeles, Chicago, Philadelphia and Washington." The report cards followed a DHS study over released this summer that found mass-evacuation plans "inadequate in about 90 percent of the nation's top 75 cities and 'an area of profound concern.' Pushed by Congress, DHS will award $1.3 billion in homeland security grants next year, partly on the basis of fixing them." However, "many state and local officials warn that Washington is focusing too much on a replay of a Katrina-like disaster instead of drawing broader lessons about preparedness."

Expert Sees Holes In Freight Rail Security. Kevin M. Lynch, a former captain of police for the Conrail Police Department and a consultant on railroad police practices, in an op-ed in the Washington Times (10/26, 88K) writes that while the US has been successful thus far in "creating a safer air traffic system" following 9/11, the nation's freight railroad infrastructure "remains vulnerable to attack and sabotage." However, "Even since September 11, the freight railroads have continued to trim their police departments." Lynch says the answer to this security issue "is to stop giving lip service to protection and prevention and to fence strategic railroad property and drastically increase the number of sworn railroad police officers across the nation."

Little Progress Seen On TSA ID Programs. In an article appearing on no fewer than 38 news websites, the AP (10/25, Miller) reported, "Two anti-terrorism ID programs have been sent back to the drawing board and a third is being farmed out to private companies after costing hundreds of millions of dollars. … So far, the Transportation Security Administration _ which has been overseeing development of the three programs_ has not gone beyond testing, has issued no IDs and has screened no passengers against terrorist lists." TSA chief Kip Hawley said this week that the Transportation Worker Identity Credential, Secure Flight and Registered Traveler programs "by their very nature use expensive and unreliable advanced technology. All three are back on track, Hawley said." However, documents obtained by The Associated Press, show that on each of the three projects, "the TSA and contractors hired by the agency have spent more than anticipated, missed deadlines and raised questions about their ability to protect the public's privacy and the private sector's commercial interests."

WAR NEWS:

A "Somber" Bush Says He Is "Not Satisfied" With Iraq Situation. The AP (10/26, Hunt) reports, "Acknowledging painful losses in Iraq, President Bush said Wednesday he is not satisfied with the progress of the long and unpopular war, but he still insisted the United States was winning and should not think about withdrawing. Thirteen days before elections in which Republicans fear Iraq could cost them control of the House or Senate, Bush expressed unwavering confidence in Defense Secretary Donald Rumsfeld, the US generals running the war and Iraq's prime minister, Nouri al-Maliki, despite new strains between Baghdad and Washington." Said Bush, "The ultimate accountability rests with me. If people are unhappy about it, look right to the president." In answer to a question, the President said, "I know many Americans are not satisfied with the situation in Iraq. … I'm not satisfied either." However, he added that "the United States was changing tactics to deal with circumstances in Iraq but shouldn't change the overall direction of the war. 'Absolutely we're winning,' the president asserted."

The President's comments received heavy coverage, leading two of the major network newscasts and receiving front page articles in major newspapers. The network news devoted just under 13 minutes to the story in aggregate. Most of the coverage continued to be negative toward the President. There were some exceptions, however, as some media reports an opinion pieces praised Bush's "candor." The CBS Evening News (10/25, lead story, 2:55, Axelrod, 7.66M), for example, said "Bush took the podium with rare candor about the mess in Iraq." However, added CBS, "as soon as the questions began, it was back to familiar territory. Resolute and defiant." And the Los Angeles Times (10/26, 918K), usually very critical of Bush's Iraq policies, editorializes this morning, "If there was good news from President Bush's news conference Wednesday, it's that the president is not adopting a bunker mentality and is addressing the deteriorating conditions in Iraq. The bad news is that the more he talks, the more apparent it becomes that there is no easy way to reverse them." That is "a painful admission for an administration two weeks before a midterm election, so any sense of despair was wrapped in more purposeful language." The Times concludes, "Here's hoping that it won't get much worse in the next two weeks, and that Bush will be more candid about his plans on Nov. 8."

Media coverage generally focuses on what is seen as a new demeanor on Bush's part – described as "somber" in several stories – and also a change in his rhetoric. NBC Nightly News (10/25, lead story, 3:25, Gregory, 9.87M) Gregory) said Bush was "somber as he acknowledged the

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public's anxiety and anger over Iraq. At the same time he was also insistent that US losses in Iraq are worth it." NBC Nightly News (10/25, story 3, 2:00, Russert, 9.87M) later reported, "The one thing every candidate's, Democratic or Republican polls show is pessimism about Iraq. The President knows that. He had to come forward to reassure the American people that he has a plan. That he is not being overly stubborn about Iraq, and that he is not stuck, as he would say, in the ground on Iraq."

The CBS Evening News (10/25, story 3, 1:45, Schieffer, 7.66M) said, "Most polls show the majority believe it was wrong to go there and it's making no difference to keep our troops there. That is what the President is trying to change that attitude." Couric: "While there is all very nuanced today did represent a shift in the President's stance, didn't it?" Schieffer: "I think what it represents is a change in tone." The CBS Evening News (10/25, story 4, 1:55, Couric, 7.66M) also reported, "What are voters saying about the President's latest position on Iraq? The war is a big issue all over this country. Especially in Connecticut. So today I sat down with a group of Democrats and Republicans at a diner in Norwalk to get their take." Tommy Jackson, Pastor: "I've been encouraged by the President's position to pass two to three weeks. I hope this is not an election ploy but one that is sin veer." Alex Savvidis, dinner owner, was asked, "Are you encouraged by the President's words? No?" Savvidis: "No." Couric: "Why not?" Savvidis: "Just words. I want to see it. When I see it, I'll believe it."

Bush's "tone" is being linked to the homestretch of the midterm campaigns. The New York Times (10/26, Broder, 1.21M) says that with his "shift in tone and the suggestion of flexibility on tactics in Iraq," Bush "gambled Wednesday that he could rescue Republican candidates who are having a hard time defending the war and an even harder time running away from it." Bush's "decision to address the war and its problems so prominently carries the risk that he will strengthen the Democrats' case that the midterm election is primarily a referendum on his own handling of the war."

More negative is another New York Times piece (10/26, Stanley) that couples Bush's appearance with that of Madonna on the Oprah Winfrey Show. Both, says the Times, "are famous people famously under fire for a ruckus overseas. Both are famous for never bending to public opprobrium and for pushing their agendas with single-minded assurance. The president and the pop star went on television yesterday looking more like victims of circumstances beyond their control than visionaries." Both "showed viewers an unfamiliar side of themselves. The president, whose political identity is founded on an image of unwavering cowboy resolve, looked uncertain and chastened behind the lectern, at one moment staring downward and gnawing his lip in a rare tableau of weary anxiety."

But in several reports, Bush is accused of changing his rhetoric without altering the substance of his Iraq policies. MSNBC (10/25, Shuster) reported "a sober President Bush admitted what most Americans have been saying for a year: that the Iraq war is not going well. … But the only change from President Bush today seemed to be his words, not his policy. The President did not offer a new strategy for stopping the loss of American lives or preventing an all-out Iraqi civil war. … Now just 13 days before the Congressional elections, the President is caught between his own party getting bludgeoned over the Iraq war and suggestions he is making changes only because of domestic politics."

Along similar lines, ABC World News (10/25, story 3, 2:45, Stephanopoulos, 8.78M) said the President "displayed a variety of moods. Somber," as well as "assured" and "combative." Stephanopoulos added, "The President pushed today, flexibility." Stephanopoulos added, "The only evidence in the change in tactics is the President's promise that he is working with the Iraqi government to develop benchmarks for progress on security, reconstruction and political reconciliation. But he refused to spell out any consequences if those goals are not met." The Washington Post (10/26, A17, Ricks, 748K) makes a similar point, reporting, "The text of President Bush's news conference yesterday ran to nearly 10,000 words, but what may have been more significant were the things he did not say. The president talked repeatedly about 'benchmarks' for progress in Iraq, using that word 13 times." But "he did not discuss the consequences of the Iraqi government missing those targets. Such a question, he said, was 'hypothetical.'" That response "left unclear how the benchmarks would be different from previous times when the United States has set out intentions, only to back down."

In a front page article, the New York Times (10/26, A1, Rutenberg, 1.21M) describes Bush's remarks as "the latest iteration in a recent rhetorical evolution that has seen him move from vowing to 'stay the course' in Iraq to promising flexibility." Still, "Bush indicated no major changes in his overall strategy in Iraq, saying he continued to support Defense Secretary Donald H. Rumsfeld and the generals overseeing the war." He also "urged Americans to look beyond the violence…and avoid disillusionment over a war he said was being won."

Also in a front page story, the Washington Post (10/26, Baker, 748K) focuses on the President's assertion the US is winning, reporting the President was "trying to walk a careful line between optimism and pessimism" and "balance a variety of competing ideas." The Los Angeles Times (10/16, Gerstenzang, 918K) headlines its story "Bush Takes Sober Iraq Tone but Says Goals 'Unchanging,'" and describes Bush's remarks as "a strenuous attempt to shore up pre-election support for the Iraq war, acknowledged three years of setbacks Wednesday and expressed dissatisfaction over a frustrating and deadly month." The Wall Street Journal

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(10/26, Pulizzi, 2.03M) says "with the debate over the strategy in Iraq heating up two weeks ahead of the mid-term Congressional elections, Wednesday's press conference was billed as a chance for Mr. Bush to give the public an update on the war."

The Financial Times (10/26, Daniel) also describes the press conference as "sombre," and says Bush "spent nearly 15 minutes in an opening statement trying to knit together often-contradictory arguments." He "moved from expressing 'serious concern' about Iraq, while emphasising progress was being made, to being resolute about the ultimate outcome in the country but flexible about military tactics to attain that end."

The Washington Times (10/26, Curl, 88K), meanwhile, says Bush was "combative and defensive at times," adding "Democrats on Capitol Hill immediately took aim at Mr. Bush. 'President Bush's Iraq policy has been a dismal failure. The president has abandoned his "stay the course" slogan; it is long past time he abandon his "stay the course," policy,' House Minority Leader Nancy Pelosi said." Added Senate Minority Leader Harry Reid, "The Bush administration's Iraq policy, like Iraq itself, is in complete disarray. One day, the administration calls for a timetable, the next day, Iraqi Prime Minister Maliki objects to it. ... One day, it's stay the course, the next day, it's change the course."

Appearing on MSNBC's Hardball (10/25, Matthews), Democratic Sen. Richard Durbin echoed those criticism, saying, "The only change I saw is the President started to acknowledge the position that the Democrats have held for a long time, a position which suggests this would be a year of change, that we would be talking to the Iraqi government in no uncertain terms about their responsibility to defend their own country, talking about timetables. But it was a lot of brave talk two weeks before an election, but no real change in strategy, in terms of where he's going."

USA Today (10/26, 2.27M), meanwhile, says in an editorial, "There is little doubting the sincerity of…Bush's commitment to the mission in Iraq. On Wednesday, amid sinking public approval less than two weeks before congressional elections, Bush set out yet another course for a victory he optimistically predicted was achievable." The President's "conviction is obvious. But whether it's supported by facts -- and whether there's a real path to victory as he defines it -- is dubious. There continues to be a yawning gap between his rhetoric and reality."

Snow Defends US Flexibility In Iraq. Tony Snow, the White House press secretary, writes in USA Today (10/26, 2.27M), "It seems odd to be defending the commanding general and the US ambassador to Iraq from charges that they don't understand the situation in the country in which they work, especially when the complaining sages live thousands of miles from the battlefront. The business of war requires constant vigilance, enterprise and determination. Our goal and a key to our security at home: to help Iraq sustain, govern and defend itself, and emerge as a key ally in the war on terror. We have pursued that aim according to the challenges on the ground and have adjusted to shifting realities -- from the early resistance by Saddam Hussein's armies, to early battles in such places as Fallujah to today's Iraq, where 14 of 18 provinces live in relative peace. Gen. George Casey noted earlier this week that 90% of the violence in Iraq now occurs within a 30-mile radius of Baghdad. … The combined Iraqi-U.S. forces will win that fight, as they have every other engagement of the war. But peace in Iraq will require more than superiority of arms. Iraqis need some other basics for good and free lives — a political system that will guarantee rights and representation for all, and an economy that can provide jobs." Snow adds that when the enemy adjust its "tactics, we must adjust ours, taking the fight to them. That is what we have done and what we will continue to do. And we will win."

Iraq Seen As A Negative For Republican Candidates. The Washington Post (10/26, A1, Slevin, Powell, 748K) reports, "Just three months ago, Republican strategists believed that doubts about Iraq could be contained -- or even turned into an electoral advantage -- if the battle was framed as a vital front in the war against terrorism. Voters would be invited to choose: Stand firm or capitulate." But "the issue is not playing out that way. In both parties, a consensus now exists -- buttressed by polls -- that disaffection with a war grown costly and difficult to manage is the gravest threat to continued Republican rule." Iraq "is not only a potent issue in its own right, but is also a resonant metaphor for doubts about the competence and accountability of the Republican Party."

The AP (10/25) reports Senate Majority Leader Bill Frist, visiting New Hampshire, said if Republicans "want to succeed on Election Day, they should turn their focus away from the Iraq war." Frist said, "The challenge is to get Americans to focus on pocketbook issues, and not on the Iraq and terror issue."

Maliki Says He Did Not Agree To US Timelines.

NBC Nightly News (10/25, story 2, 2:30, Williams, 9.87M) reported, "There appears to be something of a disconnect between what we heard from the White House today and what is going on the ground." NBC (Engel) added, "Certainly a disconnect. Yesterday the top US officials in Iraq announced the Iraqi government had accepted a planned time line. Today the Iraqi prime minister said not so and accused Washington of trying to bully him. Anger and defiance today on the streets of Baghdad and from the prime minister. … Maliki went on the defensive claiming he did not approve the raid. … Then Maliki went further, yesterday US officials claimed his government developed a timetable for economic and political process. Maliki today said this

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government represents the will of the people and no one has the right to impose a timetable on us."

ABC World News (10/25, story 4, 2:10, McCarthy, 8.78M) reported, "About-face. Only yesterday, the US Ambassador announced Prime Minister Maliki had signed off on a timetable for change. Today, Maliki said he had agreed to no such thing. … Maliki went further, saying the US timetable giving him 12 to 18 months to take over security was influenced by the upcoming US elections. Truth is, he wants to be seen as his own man. The Prime Minister demanded an explanation for a US led raid, launched this morning in Baghdad's Sadr City."

The CBS Evening News (10/25, story 2, 2:10, Loganc, 7.66M) reported, "The Prime Minister has repeatedly promised to disarm militias, a promise that so far has seen no results. Not surprising, considering every major political group in the Iraqi government has its own militia."

The AP (10/26, Bodeen) described Maliki as "angry," while the Washington Post (10/26, A15, Anderson, 748K) says he "lashed out at the United States on Wednesday, saying his popularly elected government would not bend to U.S.-imposed benchmarks and timelines." He "accused US officials of election-year grandstanding, saying that deadlines were not logical." Maliki also "distanced himself from and criticized a U.S.-Iraqi military "deadly early-morning…raid in Sadr City" intended to capture the leader of a Shiite death squad "that left at least five people dead and 20 wounded."

McClatchy (10/26, Youssef) describes US and Iraqi officials as "increasingly at odds over strategy and goals, a division that American officials in Iraq say is making it harder to pursue their objectives in Iraq." The New York Times (10/26, Tavernise, 1.21M) also says Malikis's comments "pointed to a widening schism between the Shiite-led Iraqi government and the Americans who support it." Maliki "tailored his remarks to a domestic audience, reassuring the millions of Shiites who form his power base that he would not bend to pressure by the American government," as "the very forces that elevated him to power and whose support he must retain — religious Shiite parties with their own militias — are complicit in the violence." He is "forced to navigate between the rising tide of frustration among Shiites who form his base and the American government that wields the power." Makili's stance "fits snugly inside the circle of hardening Shiite sentiment that the American military, in keeping full control of security, has not given the Iraqi government full power to intervene when Sunni militias or insurgents carry out sectarian cleansing."

The Financial Times (10/26, Negus) lead that Maliki "dismissed Washington's claim that Iraqi politicians had agreed a timetable." The "statements were a challenge to US officials" and "suggest that Mr Maliki either believes that Washington has no option but to continue backing his government, or feels that he cannot afford to alienate other members of his Shia-led coalition."

In a separate front page story focusing on the President's comments on Iraq, the Washington Post (10/26, A1, Baker, 748K) reports that Bush and Maliki's "dueling messages" have "exposed rising tensions between Washington and Baghdad as the fighting worsens." In another New York Times (10/26, Rutenberg, 1.21M) also on the President's Iraq comments, Bush "expressed general support for Prime Minister Nuri Kamal al-Maliki of Iraq, even as Mr. Maliki used his own news conference to distance himself from the United States." The US and Iraq's "political tumult…carries the potential to drive them further apart."

USA Today (10/26, Jackson, Jervis, 2.27M) runs a similar report under the headline "Iraqi Leader Bristles At Idea Of Timetable." The Washington Times/AP (10/26, Yacoub),among other newspapers, also runs a story on Maliki's comments.

US-Led Forces Raid Sadr City. The Los Angeles Times (10/26, Roug, 918K) reports US-led forces battled insurgents in Baghdad's Sadr City "during a rare foray into the capital's vast Shiite Muslim slum. Troops searching for an alleged death squad leader called in airstrikes when they came under attack, killing four people, according to Iraqi authorities." While the US military said the raid "had been authorized by the Iraqi government," PM Nouri al-Maliki "quickly renounced the operation. He told reporters at a news conference that the raid was an example of the continued lack of coordination between Iraqi and American officials." Maliki said, "We are going to request some explanations from the multinational forces to prevent a similar incident and to ensure coordination with the Iraqi security forces."

Author Suggests Bin Laden Wants US To Pull Out Of Iraq. In a New York Times (10/26, 1.21M) op-ed, the New America Foundation's Peter Bergen, author of "The Osama bin Laden I Know: An Oral History of Al Qaeda's Leader," writes under the headline "What Osama Wants" that for the US to "pull entirely out" of Iraq now "would be to snatch an unqualified disaster from the jaws of an enormous blunder. … Vietnam often looms large in the debate over Iraq, but the better analogy is what happened in Afghanistan since the Soviet invasion," when the end of US aid helped lead to the "rise of the Taliban and its Qaeda allies. We can't make the same mistake again in Iraq. A total withdrawal from Iraq would play into the hands of the jihadist terrorists."

Situation In Iraq Said To Strengthen Syria Domestically, Internationally. The Washington Post (10/26, A18, Knickmeyer, 748K) reports, "Horror at the bloodshed accompanying the U.S. effort to bring democracy to Iraq has accomplished what human rights activists,

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analysts and others say Syrian President Bashar al-Assad had been unable to do by himself: silence public demands for democratic reforms here." After "Iraq's descent into sectarian and ethnic war… even Syrian activists concede that the country's feeble rights movement is moribund." Now, "Advocates of democracy are equated now with supporters of America, even 'traitors.'" Additionally, "the erosion of U.S. stature over Iraq and Lebanon has put Syria in position to try to improve its regional and world standing without giving in to the reform demands of the United States, diplomats and analysts said." While "the United States and the European Union have officially isolated Syria since the February 2005 bombing that killed former Lebanese prime minister Rafiq al-Hariri in Beirut," after this summer's conflict in Lebanon, "Spain, Italy and Germany have renewed contacts…calling Syria's help vital to averting further conflict there."

NYTimes Slams "Contracting Fiascos" In Iraq Reconstruction. The New York Times (10/26, 1.21M) editorializes, "When the full encyclopedia of Bush administration misfeasance in Iraq is compiled, it will have to include a lengthy section on the contracting fiascos that wasted billions of taxpayer dollars in the name of rebuilding the country. It isn't only money that was lost. Washington's disgraceful failure to deliver on its promises to restore electricity, water and oil distribution, and to rebuild education and health facilities, turned millions of once sympathetic Iraqis against the American presence. Their discovery that the world's richest, most technologically advanced country could not restore basic services to minimal prewar levels left an impression of American weakness and, worse, of indifference to the well-being of ordinary Iraqis. That further poisoned a situation already soured by White House intelligence breakdowns, military misjudgments and political blunders."

NBC's Engel Has Covered War Since It Began. In the Washington Post (10/26, C1, 748K), Howard Kurtz profiles NBC's Richard Engel, who "has logged more time in Iraq than any other television correspondent, chronicling 3 1/2 years of carnage." NBC anchor Brian Williams said of Engel, "In an era of instant media criticism, he calls balls and strikes in the middle of a war zone. He is completely unbothered by any Web site that may have problems with his reporting while he's over in Iraq dodging bullets. … He is the most agenda-less person I've met in our business, I think, in the past 20 years."

Taliban Consolidates Control In Pakistani Region. The Washington Times (10/26, Wilkinson, 88K) reports, "Taliban militias in Pakistan have set up offices, introduced taxes and taken control of justice in the tribal agency of North Waziristan, where last month the government signed a peace agreement with militants." And in "violation of the agreement, a Taliban shura, or council, distributed pamphlets of its policies while militants patrolled the area's streets. They have already killed numerous 'American spies.'"

Veterans Call For Mandatory Public Service Program. In a USA Today (10/26, 2.27M) op-ed, professor Hodding Carter and attorney Ronald Goldfarb, both veterans, write, "As with so many Americans of our generation, we went into military service because that was what you were expected to do. We may have groused at the time, but we are proud of having served our country. It carved a few years out of our lives in the 1950s and '60s, but strengthened our understanding of the country we served and the people with whom we served. … On the campaign trail these days, there are few fresh ideas, and in the wake of the fifth 9/11 anniversary, there are still not enough calls for public sacrifice beyond that made by our troops. … What does the citizen owe the state? Answer: mandated public service without exemptions."

Author Calls For Expansion Of GI Bill Benefits. In a Los Angeles Times (10/26, 918K) op-ed, Edward Humes, author of "Over Here: How the GI Bill Transformed the American Dream," calls for "A GI Bill For The 21st Century," says the 1944 GI Bill "transformed the nation and the very nature of the American dream, opening up the colleges, raising suburbs out of bean fields, creating a new middle class and providing the medical, engineering and scientific prowess that conquered long-feared diseases, ushered in the Information Age and helped win the Cold War. There was never anything like the GI Bill. There's nothing like it on the horizon. And that's a problem. Today's veterans are getting shortchanged. Instead of a full ride to any college, the modern GI Bill's education support tops out at $36,000 for a four-year degree -- barely enough to cover the average state university. … Forget about the private colleges once covered by the GI Bill -- $36,000 would pay for only a year at many of them. Reservists and National Guard troops in Iraq receive even less. … But this is not simply a story of slighted veterans, scandalous as that may be. This is a story of a United States no longer investing it its future. The GI Bill was an engine of opportunity for all of us."

Fallen Soldiers Remembered. The CBS Evening News (10/25, story 11, 2:45, Couric, 7.66M) said, "As we hear about the rising American death toll in Iraq, we sometimes forget that these are not just statistics. They're sons and daughters, husbands and wives, fathers and mothers." After profiling the family of Army Cpl. David Unger of Kansas, CBS (Pitts) added, "The Pentagon's released the names of scores of American soldiers killed in Iraq this month. They came

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from 29 states and Puerto Rico from Derek Jones of Salem Oregon to Nicholas Arvantis of Salem New Hampshire. Most were 25 years old or younger."

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Acosta Sworn In As South Florida US Attorney. The AP (10/26, Anderson) reports, "R. Alexander Acosta was formally sworn in Wednesday as South Florida's top federal prosecutor by Supreme Court Justice Samuel Alito Jr., for whom Acosta clerked shortly after graduating from Harvard Law School." The AP continues, "Alito recalled that during his clerkship in 1994 at the 3rd U.S. Circuit Court of Appeals, Acosta appeared to exercise good judgment and common sense at a young age and that 'and it has developed since then.' Alito, who is a big baseball fan, compared Acosta to players adept at all phases of the game. … 'He reminds me of one of those baseball players who can do everything,' Alito said." The AP adds, "Acosta, 37, a Miami native of Cuban ancestry, was confirmed by the U.S. Senate for the Southern District of Florida post on June 9. Before returning to Florida, he was assistant attorney general for civil rights at the U.S. Justice Department in Washington and prior to that was a member of the National Labor Relations Board. … The Miami job is one of the most prominent and busiest in the country, covering a district that is home to some 6 million people in nine counties. Its major recent cases range from alleged al-Qaida operative Jose Padilla to disgraced lobbyist Jack Abramoff to the Colombian brothers who ran the Cali cocaine cartel."

The Miami Herald (10/26, Weaver) reports, "Alito said that for all his formidable legal talent, Acosta betrayed one 'weakness' when he served as a law clerk in 1994 for the then-federal appellate judge. … 'Alex's knowledge of sports was a little bit lacking,' Alito deadpanned before a standing-room-only gathering of judges, prosecutors and defense lawyers in the historic central courtroom of the Miami federal courthouse." The Herald adds, "Alito, a self-professed baseball fan, joked that Acosta probably didn't know the difference between the Florida Marlins and the Miami Dolphins. … All joking aside, Acosta's star has risen quickly in Republican circles. He served on the National Labor Relations Board and then became the first Hispanic to lead the Justice Department's civil rights office. … He temporarily replaced outgoing U.S. Attorney Marcos Jimenez in June 2005 and was nominated for the job by President Bush earlier this year at age 37. The Senate confirmed Acosta in August, making him one of the nation's youngest top prosecutors."

CORPORATE SCANDALS:

SEC Files Civil Charges Against Two In Fraud Scheme Targeting Korean Speakers. Dow Jones (10/26, Hughes) reports, "The Securities and Exchange Commission has filed civil-fraud charges against two men who allegedly took at least $3 million from Korean speakers in Southern California from 2003 through August 2005 through two firms that they portrayed as legitimate securities firms." Dow Jones continues, "The SEC on Wednesday announced the charges against Kangsan Kim, the owner of money-manager Unus Capital Management Inc., and Hyun Soo Jang, the owner of PeopleN Investment Corp., the brokerage firm that was supposed to execute trades for Unus. The two men face civil penalties and orders to return the money to investors. … 'This case provides an unfortunate example of the dangers presented by those seeking to exploit the trust of members of their own community,' said Randall Lee, director of the SEC's office in Los Angeles. 'Such schemes are reprehensible, and the SEC is committed to vigorously prosecuting those who betray that trust for their own profit.'" Dow Jones adds, "Kim was arrested in July on federal mail-fraud and wire-fraud charges, according to a Justice Department press release. He doesn't have a lawyer, according to the SEC, and he couldn't be located. The SEC said it believes Jang is in South Korea."

Judge Issues Secret Ruling In Nacchio Case. The AP (10/26, Shore) reports, "A federal judge has issued a secret ruling about the relevance of classified government documents that former Qwest Chief Executive Officer Joe Nacchio wants to use in his defense against insider trading charges." The AP continues, "In his memorandum and order, which were filed with the court late Tuesday, U.S. District Judge Edward Nottingham said he explained his decision regarding the documents but the bulk of it, 25 pages, was sealed under the Classified Information Procedures Act. … Nottingham's ruling came about two weeks after he met behind closed doors with prosecutors and Nacchio's attorneys to discuss the classified information." The AP adds, "Nacchio is charged with 42 counts of insider trading, accused of selling stock in 2001 based on inside knowledge that Qwest Communications International Inc. would be unable to meet revenue targets. … Each count against Nacchio carries a penalty of up to 10 years in prison and a $1 million (â‚¬800,000) fine. The trial is set for March 19 and is expected to last about 30 days." The AP notes, "At issue is whether the classified information will help explain what Nacchio might have known at the time the trades occurred. … The defense has said Nacchio was aware of classified government contracts awarded to Qwest and of plans for

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future government business dealings with the Denver-based company."

SEC Launches Probe Of Mutual-Fund Firms After Kickback Case Settlement. The Wall Street Journal (10/26, A1, Lauricella) reports, "The Securities and Exchange Commission has launched an investigation of 27 mutual-fund companies that the agency says have accepted kickbacks totaling hundreds of millions of dollars in recent years." The Journal continues, "The investigation centers on alleged arrangements in which independent contractors agreed to pay rebates to mutual-fund companies in order to win lucrative contracts for jobs like producing shareholder reports and prospectuses. The probe stems from a $21.4 million settlement the SEC reached last month with Bisys Fund Services Inc., an administrative-services provider owned by Bisys Group Inc. … Regulators say Bisys, which is based in Roseland, N.J., paid a total of $230 million in kickbacks between July 1999 and June 2004 as part of an effort to win work from mutual funds. Bisys settled the civil charges without admitting or denying wrongdoing." The Journal adds, "While the alleged kickbacks would have taken only a tiny toll on individual investors, perhaps shaving a few hundredths of a percent a year off their fund accounts and returns, the latest investigation comes as the fund industry is struggling to rebuild its reputation after a series of trading scandals that triggered regulatory crackdowns and fines totaling more than $1 billion. … Critics have long complained about fund companies using shareholder money for their own benefit. For example, funds are allowed to use trading commissions, which are deducted from shareholder funds, to pay for research that may not benefit individual fund investors. They can also levy fees on their investors for marketing, although attracting more investors benefits the fund company and not necessarily its existing shareholders. Both these practices are highly regulated to prevent abuses. Nonetheless, regulators and other observers say the latest scandal is part of a distressing pattern of fund companies misusing shareholder money."

NASD Fines James River CEO For Market Timing Violations. The AP (10/26, Gordon) reports, "Securities regulators have imposed a record $2.25 million fine on the chairman and CEO of hedge fund James River Capital Corp. for allegedly using deceptive practices in trading in the long-term investments known as variable annuities." The AP continues, "The National Association of Securities Dealers, the brokerage industry's self-policing organization, on Wednesday announced the civil penalty against Paul Saunders, a broker who is the chairman, CEO and majority owner of Richmond, Va.-based James River. Saunders neither admitted nor denied the NASD's allegations in agreeing to the settlement, under which he also will be suspended for 60 days from working as a broker." The AP adds, "The NASD said the $2.25 million penalty was the largest fine it has ever imposed on an individual for alleged improper market timing -- frequent 'in-and-out' trading. It includes restitution of some $750,000 in illicit profits that Saunders allegedly personally made. … In June 2004, the organization fined the brokerage Davenport & Co. $450,000 and ordered it to pay some $288,000 in restitution for allegedly allowing James River and another hedge fund, TFS Capital, to engage in improper market timing in variable annuities. That was the first case against a brokerage for allowing clients to improperly engage in market timing of variable annuities, often described as mutual funds wrapped in an insurance policy. Federal and state securities regulators have brought a number of cases for improper market timing of mutual funds in recent years."

US Argues Former AOL Officials Lied To Auditors. The AP (10/26, Westley) reports, "Two former America Online executives and top officials at a defunct Las Vegas software maker lied to auditors as part of a scheme to boost both companies' revenue as the dot-com boom fizzled in 2001, government lawyers argued Tuesday." The AP continues, "Kent Wakeford, former executive director at AOL's business affairs unit, and John Tuli, a former vice president in AOL's NetBusiness unit, are among the four defendants on trial at U.S. District Court in Alexandria. … The men, along with two former executives at PurchasePro, are charged with securities fraud, making false statements to auditors and wire fraud. The defendants deny wrongdoing." The AP adds, "In opening statements Tuesday, prosecutors alleged that PurchasePro gave AOL a stake in its company in 2000. In exchange, AOL helped sell PurchasePro's core product, a 'marketplace license,' which is software designed to facilitate business-to-business transactions. … But the licenses were a tough sell for AOL. The Dulles-based company was only able to convince companies to make a purchase by cutting secret side deals, including free online advertisements, Assistant U.S. Attorney Charles Connolly told jurors. … The executives engaged in various forms of deception to make it appear the licenses had been sold in the first quarter of 2001 so PurchasePro could meet its quarterly revenue goals and create the illusion of success to its shareholders, Connolly said."

Austria Charges Nine In Refco Probe. The Wall Street Journal (10/26, C4, Crawford, Mollenkamp) reports, "Prosecutors in Vienna have charged nine men, including the former chief executive officer of Bawag PSK, on charges ranging from embezzlement to fraud amid an Austrian probe into ties between U.S. commodity brokerage Refco Inc. and the Vienna bank." The Journal continues, "Among those

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charged was the former CEO of Bawag, Helmut Elsner, and Wolfgang Flöttl, who traded on behalf of Bawag from New York and is the son of another former Bawag CEO, Walter Flöttl. Robert Reiter, a former auditor at KPMG Alpen-Treuhand GmbH, which oversaw Bawag's books, also was charged. In the indictment, which was made public yesterday in Vienna, prosecutors allege the nine men 'intentionally abused their positions of trust at Bawag' and engaged in transactions that cost the bank €1.44 billion ($1.81 billion)." The Journal adds, "The charges come a year after Refco, a large New York broker of commodities and other securities that catered to corporations, government agencies and hedge funds, disclosed that then-CEO Phillip R. Bennett had used a scheme to hide bad debt from Refco investors. Refco investors and U.S. prosecutors allege the scheme included Bawag, which sought to hide its own bad debt that largely was a result of Wolfgang Flöttl's trading losses. … Mr. Bennett has been charged1 with conspiracy, securities fraud, wire fraud and making false filings with the Securities and Exchange Commission. He pleaded not guilty to the charges yesterday in a U.S. district court in Manhattan. His lawyer, David Frankel, declined comment on the charges in Austria and said Mr. Bennett continues to deny any wrongdoing."

CRIMINAL LAW:

Republicans Grumble About DOJ Pre-Election Probes. Roll Call (10/26, Bresnahan) reports, "For House Republicans, it seems that every week brings a new report about a GOP lawmaker under investigation by the Justice Department for alleged corruption. And with the elections just 12 days away, Republicans are crying foul, complaining bitterly that the negative press spurred by the public disclosure of those criminal probes could help cost them their House majority." Roll Call continues, "While a Justice Department run by Republican appointees who were nominated by a conservative Republican president would normally get the benefit of the doubt from GOP lawmakers and staffers, some party insiders are privately wondering whether 'rogue elements' within the department — and more specifically the Public Integrity Unit, where corruption cases are handled — are trying to tip the election to Democrats by leaking news of these investigations so late in the cycle. … 'It would seem that the Public Integrity Unit of the Justice Department is running wild,' maintained a top Republican political operative, who would only speak on the condition of anonymity. 'They're trying to have some effect' on the midterm elections. … A House GOP leadership aide suggested that 'rogue elements' within DOJ's bureaucracy are 'working for a Democratic victory' on Nov. 7. … Another senior GOP staffer speculated that it was 'residual anger' from Speaker Dennis Hastert's (R-Ill.) public criticism of the June 20 FBI raid on Rep. William Jefferson's (D-La.) office that is feeding the 'campaign' against House Republicans. … But with the revelations seeming to hit a new Republican target almost weekly, senior Justice Department officials suddenly have found themselves barraged with questions about the leaks, although they strongly deny any suggestion that the department is meddling in political contests. … 'What I can say with great confidence is that the men and women in the Department of Justice and all of its investigative agencies do not take political considerations into play when it comes to discharging their duty,' said Deputy Attorney General Paul McNulty at a news conference last week."

Jurisdictional Issues Arise In Federal Probes Of Congressional Members. Roll Call (10/26, Kane, Bresnahan) reports, "The Justice Department has employed a sprawling lineup of investigators and prosecutors to conduct its ever-expanding roster of Congressional investigations, and in the process created a patchwork of probes across the nation." Roll Call continues, "With at least 17 Members of the 109th Congress coming under federal investigation, Justice has used a pair of offices in its Washington, D.C., headquarters to conduct probes while at the same time coordinating with the offices of at least seven U.S. attorneys and roughly as many FBI offices to serve as ground troops for the inquiries. … Aides at Justice, along with other experts and former prosecutors, said the process of sorting out which offices lead investigations and prosecutions can be a sometimes messy division of labor that focuses on questions of jurisdiction and resources. … 'There's no cookie-cutter approach to it,' said Bryan Sierra, spokesman for the Justice Department. … 'There is not any one protocol on who does what — it was designed to be handled on a case-by-case basis,' said Dick Thornburgh, who served as attorney general from 1988 to 1991. … That case-by-case process has led to at least a quartet of Members being investigated the past two years by Justice's Public Integrity Unit, while another half-dozen Members have come under the prosecutorial glare of U.S. attorneys, almost always their local federal prosecutor. … While the Congressional corruption cases are some of the most sensitive for any prosecutor, they also bring with them the kind of big headlines that can make a prosecutor's career. And some U.S. attorneys have been known to employ sharp elbows when competing with other federal prosecutors to lead a probe, initially flooding a case with their agents to demonstrate they've done the most work and stake claim to a case." Roll Call notes, "Sierra said jurisdiction is the most important aspect in determining which office will initially handle a case, leading to U.S. attorneys taking the lead when it involves circumstances such as a Member and a local contributor or contractor seeking favors. That was the case with ex-Rep. Duke Cunningham (R-Calif.), now serving a 100-month prison term for orchestrating the largest bribery scheme ever perpetrated by a single Member of Congress."

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Gay Rights Group Fires Employee Who First Posted Foley Emails. The New York Times (10/26, Kirkpatrick, 1.21M) reports the "liberal gay rights group" Human Rights Campaign "said Wednesday that one of its employees, acting anonymously, had created the Web site that first published copies of unusually solicitous e-mail messages to teenagers from former Representative Mark Foley, which led to his resignation." A spokesman for the group "said it first learned of its employee's role this week and immediately fired him for misusing the group's resources." Some Republicans "have speculated that the e-mail messages were planted by a Democrat." Human Rights Campaign spokesman David Smith said "the employee, whose name he declined to disclose, was a junior staff member hired last month to help mobilize the organization's members in Michigan."

Hastert Aide Testifies Before House Ethics Committee. The AP (10/26, Taylor) reports Ted Van Der Meid, an aide to House Speaker Dennis Hastert, "went before ethics investigators in private to explain how the office handled complaints about former Rep. Mark Foley's behavior toward former pages." Van Der Meid, "who oversaw the page program for Hastert, R-Ill., appears to be one of the last witnesses. The House ethics panel is investigating whether lawmakers and staff aides acted properly when learning of Foley's too-friendly messages to ex-pages and other possible inappropriate behavior." The panel is "in its third week of hearing testimony and seems unlikely to complete its probe before the Nov. 7 elections." Van Der Meid "was a central figure in the handling of a complaint last fall from a former page from Louisiana" about Foley's emails.

Second Altar Boy Claims Abuse By Priest Cited By Foley. The Washington Post/AP (10/26, A2) reports, "Another former altar boy says he was sexually abused in the 1970s by the same retired Catholic priest who acknowledged fondling former congressman Mark Foley when Foley was a teenager, the man's attorney said Wednesday." The new allegations "against Anthony Mercieca were made by a man who lived in North Miami and was an altar boy at St. James Catholic Church, where Mercieca worked, attorney Jeffrey Herman said." Herman said "he plans to file a lawsuit against the Archdiocese of Miami. His client, now 40 and identified in the lawsuit only as John Doe No. 26, says Mercieca abused him when he was about 12 years old."

Police Chiefs Discuss Rise In Crime At White House Meeting. The Wall Steet Journal (10/26), in its online "Washington Wire" blog, reports, "Facing a rise in murders, drug shootings and armed robberies, more than a dozen police chiefs met senior White House officials on Wednesday to argue that there's a national epidemic of violent crime and they need federal money to fight it. The 15 police chiefs said that during the 90-minute meeting with Rob Portman, director of the Office of Management and Budget, and several members of President Bush's domestic policy team, they stressed that they needed flexibility in funding to fight both terrorists and criminals, and that each community faced different risks." White House "officials say they are well aware of a spike in violent crime statistics over the last year and are already been considering programs to fight the trade in methamphetamine, which is fueling the crime rise in some cities like Las Vegas. But the violence varies from city to city: Chicago and Miami haven't had increases; in Boston, homicides have hit a 10-year high and in Cincinnati a 20-year high, according to local crime statistics analyzed by the Police Executive Research Forum, or PERF, a think tank and police lobby group."

FBI Investigating LANL Classified Material Found In Drug Raid. ABC World News (10/25, story 7, 0:20, Gibson, 8.78M) reported, "Tonight, the FBI is investigating how classified documents from New Mexico's Los Alamos nuclear weapons lab ended up in a suspected drug dealer's mobile home. Police stumbled on the computer files, which could hold sensitive information, while conducting a methamphetamine bust." The Washington Times (10/26, Seper, 88K) adds, "'This appears to be a new low: Even drug dealers can get classified information out of Los Alamos,' said Danielle Brian, executive director of the Project On Government Oversight, a watchdog that has exposed seven incidents involving the mishandling or loss of classified information at nuclear-weapons facilities since 2002. Authorities said the Los Alamos information was located on a computer flash drive," which "have been banned from the…laboratory for the past two years."

The Washington Post (10/26, A12, Eggen, 748K) reports that the LANL "contract employee at the center of a possible security breach…had a high-level clearance that may have given her special access to intelligence intercepts and other closely held national secrets, sources familiar with the case said yesterday. The FBI is examining at least three computer disks that police…discovered last week during a search of a suspected drug dealer's trailer home, according to the FBI and other agencies. … Authorities said the disks appear to contain classified material." The Post notes that the incident "is the latest potential embarrassment for the Los Alamos lab, which is under new management and undergoing changes designed to improve security."

Bloomberg (10/26, Schmidt) reports, "U.S. Energy Secretary Samuel Bodman told reporters in Washington the former employee was a woman and had worked as an archivist. 'We take this matter very seriously,' Bodman said. 'It is on my priority list.' He said the former employee had worked on 'archiving data from past history and making that

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available in electronic form so that it could be stored and accessed.'"

Gun Collector Jailed In Wales Murder Probe Seeks Venue Change. The AP (10/26) reports, "A gun collector once jailed as a material witness in the assassination of a federal prosecutor is seeking a change of venue for an unrelated weapons charge." Albert Kwan "says he cannot get a fair trial on the charge -- possession of an unregistered machine gun -- because in the public's mind, his case 'is inseparably intertwined with that of the murder investigation of Assistant United States Attorney Thomas C. Wales,' his lawyers wrote in a court filing this week." However, Kwan lawyer Joe Conte "said Wednesday he did not expect U.S. District Judge Thomas Zilly to move Kwan's trial on the weapons charge out of the Western District of Washington."

New Charges Filed In PRC Military Secrets Case. The AP (10/26, Flaccus) reports, "Five members of a family accused of scheming to send sensitive information about Navy warships to China were indicted Wednesday on new conspiracy charges, prosecutors said. The indictment, handed down by a federal grand jury, added counts of conspiracy to export U.S. defense articles to China; possession of property in aid of a foreign government and making false statements to federal investigators. Named in the supplemental indictment were Chi Mak, a U.S. citizen who worked for Anaheim defense contractor Power Paragon; his wife, Rebecca Laiwah Chiu; his brother, Tai Mak; Tai Mak's wife, Fuk Heung Li; and their son, Billy Yui Mak." The AP notes, "The FBI originally arrested Chi Mak and his wife for investigation of conspiracy to steal U.S. government documents. That allegation was never charged, and no one has been charged with espionage in the case."

The Los Angeles Times (10/26, Reza, 918K) reports, "Federal prosecutors acknowledged last year that the information Chi Mak and the others gathered was not classified. In fact, much of it can be found on the Internet. Wednesday's indictment, however, says the president has the authority 'to control the import and export of defense articles' by placing them on the United States Munitions List, apparently even if they are readily accessible to the public. Articles placed on the list can be exported only by agents of a foreign government registered with the Defense Department, according to the indictment. The court document does not say whether the articles the defendants allegedly conspired to export to China were on the government's munitions list, or when they might have been placed there."

Philadelphia Mob Enforcer Arrested In Illegal Gambling Probe. The Philadelphia Inquirer (10/26, Anastasia, 399K) reports, "Bodybuilder and mob enforcer Vincent 'Big Vincent' Filipelli was ordered held without bail yesterday for allegedly threatening an undercover New Jersey State Police trooper involved in an organized-crime gambling investigation. Authorities said Filipelli, 53, made the threat at a South Philadelphia 'gentleman's club' where a meeting had been set up to discuss a gambling debt he was attempting to collect." Filipelli "was unaware that the two men he was meeting with were both undercover state troopers and that one of them was wearing a body wire. … 'Filipelli [said] that he would track him down and put him in the hospital for a year,' according to an affidavit filed by FBI agent James A. Titcombe, who worked the case with the state police. Later, as he was driving back to Cherry Hill with one of the undercover officials, Filipelli boasted that he was a 'made' member of the Philadelphia mob, according to the document."

The AP (10/26) notes, "State police, working with the FBI's Philadelphia office, arrested" Filipelli at his home on Tuesday, seizing "anabolic steroids and drug paraphernalia valued at $10,000, two stun guns, gambling records and cash, according to state police. … According to state police, Filipelli was a former bodyguard for John Stanfa, boss of the Philadelphia La Cosa Nostra organized crime family."

Gotti Told Federal Investigators NYPD Detective Helped Mob Murder. The New York Sun (10/26, Capeci) reports in its "Gangland" column, "At a secret session with the feds last year, John 'Junior' Gotti fingered a former NYPD detective as a money-hungry rogue who gave up confidential information about a 1983 barroom murder — information that Gambino wiseguys used to kill a witness whose death has been officially ruled a suicide for more than two decades, Gang Land has learned. Law enforcement sources said Gotti attributed his stunning account about the death by hanging of Vinny Cennamo to what he was told several years after the fact by mobster Angelo Ruggiero, a close ally of Gotti's late father who died of cancer in 1989. Police reports state that Cennamo, a friend of the murder victim, fingered Mark Caputo…as the killer and said he left the bar with Junior. … At the time of the conversation" with Caputo, "Junior told the feds, Ruggiero was on the outs with the Dapper Don, who…had placed Ruggiero 'on the shelf,' a designation that essentially stripped him of all his rights and responsibilities as a wiseguy."

Pellicano Says He Has Rejected Repeated Plea Bargain Offers. In a widely-distributed story, the AP (10/26, Risling) reports, "Imprisoned private investigator Anthony Pellicano said Wednesday he rejected numerous attempts by federal prosecutors to negotiate a plea bargain in his Hollywood wiretap case because he didn't want to break

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the trust of celebrities, lawyers and other former clients. 'At least 10 times in this case I've been offered a plea bargain. It's not going to happen,' Pellicano told The Associated Press in a phone interview from federal prison. Pellicano said he intended to remain silent, even though he said Hollywood is infested with 'great white sharks' who don't play by the rules and constantly lie to get what they want." The AP adds, "Pellicano said encrypted audio files taken from his office during FBI raids won't lead to charges against any Hollywood power players. The tapes 'will do nobody any good to learn about my family life and my client life,' he said."

Former California Bank Manager Sentenced To Prison For Embezzlement. The AP (10/26) reports, "A former manager of a Silicon Valley bank was sentenced Wednesday to nearly a year and a half in federal prison for embezzling $1.13 million from her employer over a decade. U.S. District Court Judge Jeremy Fogel ordered Rose Magpantay Valdez…to serve 33 months, followed by three years of supervised release, and also to pay back all of the money she stole. Valdez pleaded guilty to embezzlement in July, after an investigation by the FBI." She "told investigators she began stealing money in 1995, moving funds from one general ledger account to another." Bay City News Wire (10/25) noted, "The investigation in the case was carried out by the FBI together with the bank's security personnel."

Texas Church Employee Sentenced To 12 Years For Child Porn Possession. The Lufkin Daily News (10/26, Savage) reports, "A former Lufkin church employee was sentenced to more than 12 years in federal prison Wednesday for viewing child pornography on the job, according to a federal court document. Troy Matthew Phillips, 32, who had worked at First Assembly of God…was handed a 151-month prison sentence by a U.S. District judge after he was convicted of possessing more than 2,100 images of child porn on a work computer, court documents stated." After a fellow employee grew suspicious, "senior church officials confronted Phillips, who admitted he was addicted to porn," and "a day later…church officials turned over the computer to FBI investigators. Investigators found 'numerous images' of children under age 12, including about 20 that were of infants or toddlers."

Florida Executes Man For 1990 Killings Of Five Students. The New York Times (10/26, Goodnough) reports, "The serial killer who gruesomely murdered five college students here in 1990 was put to death on Wednesday by lethal injection, and relatives of his victims said afterward that they could finally feel the beginnings of relief." The Times continues, "Danny H. Rolling, 52, was pronounced dead at 6:13 p.m. at Florida State Prison in Starke, about 30 miles northeast of Gainesville. Witnesses said he stared toward them and sang a hymn-type song just before the drugs were administered." The Times adds, "Mr. Rolling was 36 when he arrived in Gainesville shortly before the fall semester began at the University of Florida, a drifter with a criminal past who pitched a tent in some woods near campus. He followed two freshman roommates, Sonja Larson, 18, and Christina Powell, 17, to their off-campus apartment, raped Miss Powell, repeatedly stabbed both women with a hunting knife and mutilated their bodies. … The police discovered them on Aug. 26, after Miss Powell's parents reported that their daughter was not answering her door or phone. Later that night, the police found Christa Hoyt, 18, dead in her off-campus duplex. Mr. Rolling had raped and stabbed her, severed her head and placed it on a shelf. … The next day, Tracy Paules and Manuel Taboada, both 23, were discovered stabbed to death in their apartment, not far from where the other killings took place. Mr. Rolling attacked Mr. Taboada, a former high school football player, as he slept, then killed Miss Paules. All of the victims were University of Florida students except for Miss Hoyt, who was attending a nearby community college."

DC Police Web Site Plots Crime In Street-By-Street Detail. The Washington Post (10/26, B1, Klein) reports, "D.C. police have launched a new crime-mapping tool on the department's Web site, allowing anyone to create a map of a sliver of the city and immediately see what crimes have happened there this year." The Post continues, "Cartoonish icons are used to pinpoint crimes. If you map your neighborhood, you do not want the Zorro-like mask to pop up -- it indicates an armed holdup. Or worse, the red figure of a person lying in the street, which denotes a homicide. The site also features goblin-looking masks for muggings, money sacks for thefts, gas cans for arsons and cracked houses for burglaries. … But it's the easy access to the information, not the symbols, that authorities believe will draw people to http://crimemap.dc.gov . For example, it takes only a few clicks to discover that during the past six months there have been 15 robberies, 72 thefts and 18 vehicles stolen within 1,000 feet of Chinatown's Verizon Center." The Post adds, "Most police departments make crime numbers available to residents, and many have Web sites that allow people to search for the number of crimes in specific areas. But few can match the District's new site, with its searchable fields that include museums, stadiums, gas stations and check-cashing locations. The site's level of detail rivals or surpasses those of departments in Baltimore, Chicago and Los Angeles."

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DOJ Webcast Helps Local Police Departments With Recruitment Issues. The Palo Alto (CA) Daily News (10/26, Babcock) reports, "Police departments struggling to hire and retain qualified police officers participated in a U.S. Department of Justice webcast Tuesday to discuss strategies for addressing the problem." The News continues, "While there was a time when departments had the flexibility to reject would-be recruits, a new generation of qualified potential officers isn't interested in the profession, which many regard as short on pay and benefits. … 'Most of us have been in this profession for a while,' said East Palo Alto Police Chief Ron Davis, who took part in the hour-and-a-half webcast. 'Not to date ourselves, but we come from a different era. ... The job became your life and I think, probably for good reasons, this generation looks at a more balanced and tempered approach.'" The News adds, "About 25,000 people logged on to watch mayors and police chiefs from San Diego to Hattiesburg, Miss., discuss ways to grab and keep the attention of potential police officers. … As the panel jumped from topic to topic, a major theme of the webcast was the new generation's wants and needs. The panel discussed ideas such as speeding up the hiring process, which can take up to nine months, and using different techniques and technologies, such as the Internet, to recruit new officers."

CIVIL LAW:

Philip Morris Case Seen As Showing Roberts Court's Hand On Business Issues. In the New York Times editorial observer column (10/26), Adam Cohen says, "When Jesse Williams died of lung cancer, his widow sued Philip Morris, claiming it misled him about the danger of smoking. A jury agreed, awarding her $79.5 million in punitive damages. The Oregon Supreme Court affirmed the award, calling Philip Morris's decades of deception 'extraordinarily reprehensible.'" The Supreme Court is "hearing arguments in the case next week, and the broader business community has joined Philip Morris in asking the court to sharply reduce the damages. They are relying on a controversial line of recent cases in which the court struck down punitive damages awards that it deemed 'excessive.'" The Philip Morris case "will tell us a lot about the John Roberts court, which may be the most pro-business court in decades. It is a test of whether the court will abandon its conservative principles to be activist and 'rights-making' when the party that needs help is a large corporation. It will also reveal whether the court will continue on its current disturbing path of giving corporations more protection from excessive punishment than it gives to people."

Warsaw, IN, Seen As Center Of Orthopedic Device Industry. The Wall Street Journal (10/26, B1, Aeppel) reports from Warsaw, IN, "Silicon Valley has computers. Detroit has cars. But in orthopedic devices, the undisputed world capital is Warsaw, a city of 12,500 with a silver-domed 19th-century courthouse and pickups angled into the curb on Main Street. … Three of the world's five largest makers of artificial joints and related surgical tools have their headquarters here amid the lakes and fields of northeastern Indiana. The local industry has grown so much that it's now a regional force, with orthopedics companies popping up in nearby farm towns and the suburbs of Fort Wayne, about 50 miles to the east." The Journal adds, "Memphis, Tenn., and northern New Jersey are other industry hotspots, but none rivals Warsaw for sheer concentration. And while major orthopedics companies are looking overseas for cheaper places to produce items such as basic bone screws and metal plates, the U.S. retains a firm grip on the industry. … A big reason is that the U.S., with its population of fast-aging baby boomers, injury-prone weekend athletes and overweight people, is by far the world's biggest market for artificial hips and knees. The U.S. represents an estimated $14 billion of the annual spending in a global market of $22.9 billion, according to Knowledge Enterprises Inc., a Chagrin Falls, Ohio, market research firm." The Journal adds, "The U.S. also effectively protects manufacturers in the sector with strict regulations for devices that go inside the human body. Rather than risk problems -- and crippling lawsuits -- U.S. health-care providers buy their artificial joints from companies they know, which generally means buying American. … Profits are so good in the orthopedics industry that there isn't much pressure on suppliers to shave costs by going to low-cost countries. … To be sure, the industry's dynamics may be starting to change. Health-care providers are starting to push back against the industry's steady price increases, raising concerns among investors about whether profits for Warsaw companies and others can keep up the brisk growth. … There are other shadows over Warsaw's future. The U.S. Justice Department has opened two probes of orthopedics makers in the past two years, including an antitrust investigation in which Smith & Nephew PLC, of the U.K., has confirmed that one of its independent sales representatives tried to initiate an industry-pricing strategy in response to a U.S. hospital's bid request. Other producers, including those in Warsaw, have said they didn't respond to the suggestion."

CIVIL RIGHTS:

Required Voter Lists Often Contain Errors. The AP (10/25, Hastings) reports, "Between every registered voter and the voting booth is The List. And if you're not on it, you

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might not be able to cast a ballot." The AP continues, "One of the biggest changes wrought by the Help America Vote Act is the mandate that every state must have a voter registration database up and working by the Nov. 7 general election. But a dozen states missed the Jan. 1 deadline for finishing their databases, which produce lists of registered voters for every precinct. And four states have been sued by the Justice Department. … That leaves a confusing array of systems that may or may not work come Election Day, voting rights groups say. And it creates a growing anxiety that registered voters with every right to cast a ballot will be turned away because their names are not on the list for a variety of reasons, including something as innocuous as a typo." The AP adds, "The regulation was designed to assure that each state would have a central, independent repository for all registered voters - created by cross-checking voter registrations with existing state records to make sure dead people, incarcerated felons and others not eligible to cast a ballot were removed from the rolls. It was also supposed to make it easier to vote by having a single list instead of scores of county-based rolls. … Using driver license data and Social Security numbers, state officials were supposed to match that data to voter registration cards. It didn't take long for unforeseen problems to pop up. Someone may use a middle initial on his/her voter registration card, but not on his/her driver license. Married women may change their names, but not on every form of identification. Data entry errors can, and often do, occur. … In September 2004, New York City decided to do a trial run. The board of elections sent 15,000 registration records to the Department of Motor Vehicles to match license numbers on the voter cards to those in the DMV. The results? Nearly 20 percent couldn't be matched because of typos made by city employees. … Earlier this year, the Department of Justice sued New York, Alabama, New Jersey and Maine for failing to implement statewide lists. The states have reached agreements with the Justice Department, most in the form of interim databases."

Georgia Election Board Roiled By Voter ID Letter Dispute. The Atlanta Journal-Constitution (10/26, Suggs) reports, "Key leaders of two of Georgia's strongest black organizations are calling for the resignations of three members of the State Election Board for mailing letters to voters that suggested photo ID would be required to cast a ballot Nov. 7." The AJC continues, "At a news conference on the steps of the state Capitol, officials from the Georgia State Conference of the NAACP and the Coalition for the People's Agenda urged Republican-appointed members Tex McIver, Randy Evans and Jeff Israel to resign from the election board for their part in sending out about 300,000 letters that they say were designed to suppress minority turnout on election day." The AJC adds, "David Worley, a Democratic appointment to the five-member board, and Secretary of State Cathy Cox, who is also a Democrat and serves as the board's chair, were not asked to resign. … 'We believe this was a deliberate attempt to confuse the voters. A deliberate attempt to further disenfranchise voters,' said NAACP President Edward O. DuBose. 'The damage has already been done and we are asking those board members to resign.' … McIver, vice chairman of the board who headed up the letter campaign, said he intends to stay in office until his term expires in 2008." The AJC notes, "The election board, under threat of a civil suit filed by former Gov. Roy Barnes, voted this month to mail a second letter clarifying that photo ID is not required to vote in Georgia. … For many, that is not enough. Rep. John Lewis (D-Atlanta) has asked U.S. Attorney General Alberto Gonzales for a federal investigation into the mailings, and the Rev. Jesse Jackson is pushing the issue at a conference he is conducting this week in Atlanta."

Manassas, VA, May Face Second Suit Over Permit Bias. The Washington Post (10/26, PW01, Miroff) reports, "The Manassas City Council's decision this week to reject the home business permit application of a part-time massage therapist has raised the possibility the city could face another lawsuit alleging discrimination." The Post continues, "West Street homeowner Howard Daniel, who is gay, says that a climate of homophobia pervaded the council's consideration of his application. The 4 to 3 vote Monday to deny his application has prompted him to consider legal action against the city, he said. … 'There's little doubt that we're going to pursue this,' said Daniel, who attended the meeting accompanied by a lawyer. 'It's not over.'" The Post adds, "The threat of civil litigation hangs heavily over Manassas with the city already under investigation by the Justice Department for allegedly discriminating against Hispanic residents in violation of the Fair Housing Act. Some council members said they were frustrated that the decision on Daniel's application was being construed as discriminatory, saying that the matter was strictly a zoning issue."

New Jersey Court Rules Gay Couples Have Same Rights As Heterosexual Couples. ABC World News (10/25, lead story, 2:20, Gibson, 8.78M) reported, "It is one of the most controversial questions of our age. Should same-sex couples be allowed to marry? Today, New Jersey's Supreme Court stepped right into that debate, ruling that 'same-sex couples must be afforded the same rights and benefits enjoyed by married opposite-sex couples.' But the state's court stopped short of actually approving gay marriage." ABC (Tapper) added, "The New Jersey Supreme Court ruled today that Sarah and Suyin Lael, and other same-sex couples in New Jersey, are entitled to the same rights

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and benefits as heterosexual couples." The court "gave the state legislature six months to either amend the statutes to include same-sex couples or create a parallel arrangement that gives same-sex couples the rights and benefits as married, straight couples. The court stopped short of requiring that it be called it marriage, but gay rights groups celebrated the ruling."

The CBS Evening News (10/25, story 7, 0:15, Couric, 7.66M) mentioned the ruling briefly, saying "New Jersey's highest court today stopped short of legalizing gay marriage, but it did say that committed same- sex couples must be given the same rights and privileges as heterosexual married couples." NBC Nightly News (10/25, story 7, 0:25, Williams, 9.87M) ran a similar story, reporting the court "ruled that same sex couples in the state must be given all of the same legal protections and now it is up to the state legislature to make that happen."

Much of the coverage last night and this morning deals with the potential political repercussions of the ruling. A number of reports suggest the issue could possibly help Republicans in some close races. The AP (10/26, Crary) reports Bill Donohue, president of the Catholic League, "called the ruling 'a plus' on the premise it would stir up resentment of 'arrogant judges' and boost conservative election prospects. … To conservative activists, the logic is that right-of-center voters who may have felt alienated by events such as the House page scandal involving former Rep. Mark Foley will now be motivated to go to the polls. And those voters will be more inclined to pull the lever for Republican candidates in key races such as that of GOP Sen. George Allen in Virginia."

On ABC World News (10/25, story 2, 2:30, Gibson, 8.78M) George Stephanopoulos analyzed the decision's impact on key Senate races. In New Jersey, he said, "the candidates had similar positions on gay marriage, except now, the Republican candidate is coming out for a constitutional amendment banning it. And he is hoping this motivates social conservatives for him. In Tennessee, both candidates the Democrat and the Republican, have the same position on gay marriage. They're for a constitutional amendment banning it. The biggest impact could be in the state of Virginia. This could be the first break that George Allen has had in a long time. He's for the ban on gay marriage in Virginia. His opponent, James Webb, is against it. Social conservatives could be mobilized down there." ABC (Gibson) added, "It puts the issue front and center in a lot of states if not in the entire country."

The Wall Street Journal (10/26, A3, Bravin, Cummings, 2.03M) reports Sen. Robert Menendez, a Democrat, "is seen as his party's most vulnerable incumbent. In a statement, Mr. Menendez backed the court decision." Republicans "hope yesterday's decision will draw attention to ballot initiatives in eight states -- Arizona, Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin -- that would ban same-sex marriage."

On CNN's The Situation Room (10/25), analyst Jeff Greenfield said the issue of gay marriage "is on the ballot in eight states, including Virginia and Tennessee where there are two very close Senate races that could decide whether Democrats take the Senate. And we should note that while Americans over the years have become more accepting of gay rights, the issue of marriage still elicits opposition."

Under the headline "Ruling On Gays May Echo At Polls," USA Today (10/26, Jones, Stone, 2.27M) reports "conservative activist Gary Bauer, head of the group American Values, said the ruling could swell the turnout of conservative Republicans in general." But Sherry Bebitch Jeffe, "a political scientist at the University of Southern California, said the ruling 'will remind people in those eight states that the question is alive' but doubted it will energize conservative voters elsewhere."

Most stories say the ruling was greeted with enthusiasm by gay activists. The AP (10/26, Mulvihill) reports the court "opened the door Wednesday to making the state the second in the nation to allow gay marriage," adding "gay rights activists had seen New Jersey as a promising place because it is a largely Democratic state in the Northeast." The New York Times (10/26, Liptak, 1.21M) reports Susan L. Sommer, a lawyer with the Lambda Legal Defense and Education Fund, which represents the couples involved in the case, said of the ruling, "It's a win. … We would have liked marriage tomorrow, but this is great progress." The New York Times (10/26, Kocieniewski, 1.21M) also runs a story titled "Gay Marriage Backers Plan Big Push To Sway Trenton Lawmakers," on the expected process in New Jersey.

However, as the New York Times (10/26, Chen, 1.21M) reports, the New Jersey court "did not go as far as Massachusetts, which in 2003 became the first state to permit gay marriage. Instead, it could be considered the new Vermont, which created civil unions for gay couples in 2000, in the politically, legally and culturally charged world of same-sex marriage." The New York Times (10/26, Kocieniewski, 1.21M) also runs a story titled "Gay Marriage Backers Plan Big Push To Sway Trenton Lawmakers," on the expected process in New Jersey. McClatchy (10/26) reports "cases similar to New Jersey's are pending in California, Connecticut, Iowa and Maryland." The Los Angeles Times (10/26, Barry, 918K) runs a similar story under the headline "NJ Court Grants Rights, Not Marriage, To Gays." The Washington Times (10/26, Wetzstein, 88K) carries a similar report.

The New York Times (10/26, Mansnerus, 1.21M), in a story on the New Jersey Court, says "it is not always easy to identify partisan fault lines in New Jersey. In the New Jersey Supreme Court, it is all but impossible, and nothing reflects that more clearly than Wednesday's 4-to-3 decision on same-

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sex marriage." Three justices "appointed by a Republican governor would recognize the full status of marriage for same-sex couples. And of the three justices appointed by a Democrat -- a gay Democrat, at that -- none would go that far, and they joined in the majority opinion." New Jersey's highest court "has often been described as liberal, and, what is probably more important to the other branches of state government here, assertive."

The New York Times (10/26, Chen, 1.21M) also reports, "That was the reaction of former Gov. James E. McGreevey when asked on Wednesday whether he would marry his partner if the New Jersey Legislature -- in the aftermath of the State Supreme Court decision that same-sex couples are entitled to the same rights as heterosexuals -- decides that gay marriage will be honored. After gathering his thoughts, Mr. McGreevey said that while he had no plans to marry his partner immediately, he did feel that a ceremony would be in his future."

The New Jersey Law Journal (10/26, Booth) reports, "The state's high court, while declaring unconstitutional state laws that deny same-sex couples the financial and social benefits and privileges given to married heterosexuals, held that fixing the problem is a legislative task -- and gave lawmakers 180 days in which to do it. … 'At this point, we do not consider whether committed same-sex couples should be allowed to marry, but only whether those couples are entitled to the same rights and benefits afforded to married heterosexual couples,' a divided court wrote in Lewis v. Harris, A68-05. … 'Cast in that light, the issue is not about the transformation of the traditional definition of marriage, but about the unequal dispensation of benefits and privileges to one of two similarly situated classes of people.'" The Journal notes, "The justices did not require the Legislature to amend the civil marriage statutes to include same-sex couples but only to come up with a statutory scheme that affords same-sex couples the same rights and benefits as those statutes. … The court offered the Legislature the option of either amending the marriage statutes to include same-sex couples or enacting a parallel statutory structure by another name."

NYTimes, WPost Praise Ruling. Under the headline "A Ruling For Equality In New Jersey," the New York Times (10/26, 1.21M) editorializes, "The New Jersey Supreme Court brought the United States a little closer to the ideal of equality yesterday when it ruled that the state's Constitution requires that committed same-sex couples be accorded the same rights as married heterosexual couples. … The court ruling secures important rights, and paves the way for the full equality that will no doubt come."

The Washington Post (10/26, A24, 748K), in an editorial titled "New Jersey's Step Forward" says "this nuanced decision risks getting lost beneath angry rhetoric about activist judges and protecting marriage. That would be unfortunate. No reasonable reading of this decision could argue for, say, changing Virginia's constitution to ban same-sex marriages that are already illegal there or for adding a noxious amendment to the federal Constitution." It "argues only for letting the residents of New Jersey digest what their court has said and decide how best to make same-sex couples equal under the law."

Civil Liberties Endangered By Expanded DNA Collection, Experts Warn. The Austin American-Statesman (10/26, Relerford) reports, "Dramatic expansions in the collection and retention of DNA by state and local law enforcement officials threatens individual privacy rights and racial justice, a panel of legal experts concluded Wednesday." The A-S continues, "A four-member panel of lawyers and DNA experts, including New York lawyer Barry Scheck and Helen Wallace of Genewatch UK, spoke about the subject as part of a discussion sponsored by the American Civil Liberties Union." The A-S adds, "Experts characterized law enforcement officials' efforts to add samples to DNA databases as a slippery slope regarding privacy rights, and they criticized expansions at the state and local level of what they referred to as permanent, rogue databases not tied into the FBI's national DNA index. … 'You've got to be smart about crime, smart about using these databases and smart about protecting civil liberties,' Scheck said." The A-S notes, "Panel members, including the ACLU's science advisor, Tania Simoncelli, said expansion efforts are eroding the performance of crime labs, which already face months or years of backlogged evidence. … Scheck also pointed to a scandal surrounding the Houston Police Department's crime lab as proof that DNA evidence is not impenetrable. … This summer, independent investigator Michael Bromwich concluded that crime lab officials in Houston failed to report the results of DNA tests that did not corroborate suspects identified by police in more than 20 cases beginning in the 1980s. … Bromwich, a former U.S. Justice Department official, was selected to investigate the crime lab in 2005. Houston's lab was closed for more than three years after errors were exposed in the lab divisions that test firearms, body fluids and controlled substances."

Close Vote Expected On South Dakota Abortion Referendum. USA Today (10/26, Keen, 2.27M) reports on the South Dakota "referendum on the Nov. 7 ballot that will decide whether the USA's toughest abortion restrictions will become law or be repealed. … If voters uphold the law, which also would make it a felony for doctors to perform abortions unless the woman's life is in jeopardy, Planned Parenthood plans a lawsuit asserting the ban is unconstitutional. Supporters of the ban would use the case to challenge Roe v. Wade, the landmark 1973 Supreme Court decision that legalized abortion nationwide." Republican

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Gov. Mike Rounds "signed the law in March. Opponents gathered signatures to put the issue on the ballot. The latest statewide poll in July showed 47% of voters opposed the ban and 39% supported it; 14% were undecided. Both sides expect a close vote."

New Voting Equipment Could Cause Election Day Problems. The Wall Street Journal (10/26, Kronholz, 2.03M) reports the Help America Vote Act "gave the states $3.8 billion to replace punch-card and mechanical-lever voting machines, and to set up statewide voter lists to resolve election-day questions over who could vote and where." States and counties "bought a variety of new voting systems with the federal money, including optical scanners that read paper ballots and, in at least 34 states, touch-screen machines." With the elections looming, "voting-equipment makers and many election clerks say the new technology will eliminate lost or spoiled ballots and buoy voter confidence." But groups "that track voting laws and practices are warning of problems that could cost or lose votes. A Princeton University study has ignited additional worries that a hacker could alter results on the touch screens, although voting-machine makers -- led by Diebold Inc., the largest of a half-dozen manufacturers -- reject the possibility." The Journal also outlines several potential equipment problems that could arise on election day.

Maryland Voting Machines Had Defective Component. The Washington Post (10/26, B5, Barr, 748K) reports the maker "of Maryland's electronic voting system replaced a flawed electronic component in several thousand touch-screen voting machines in 2005, state election officials acknowledged this week." To "eliminate unpredictable 'screen freezes' that have occurred since the machines were first used in Maryland in 2002, Diebold Election Systems installed new system boards in about 4,700 voting machines from four Maryland counties: Allegany, Dorchester, Montgomery and Prince George's."

Target Sued By Advocacy Group For Blind Over Web Site. USA Today (10/26, Parker) reports, "Bruce Sexton is blind. He would like to shop on Target's website, but says he can't 'read' it. He says the site lacks certain coding — found on many other websites — that would activate software to allow blind computer users to hear audio descriptions of what is on Internet pages." USA continues, "Sexton, 24, who lives in Berkeley, Calif., and the National Federation of the Blind are suing Target on behalf of the 1.3 million blind people in the USA. The suit alleges that the giant retailer discriminates against the visually impaired by violating state and federal laws that protect the disabled." USA adds, "The case draws national attention because it could have implications for virtually every retailer and business in the USA that operates a website. The case also fuels a wider debate starting to play out in courtrooms: whether anti-discrimination laws apply to the Internet. … It's a key question in lawsuits across the nation. Craigslist.org, a popular advertising and networking website, is being sued in federal court in Chicago over allegations it has allowed ads for apartments and other housing that discriminate on the basis of race, sex, class, religion or familial status."

NAACP Chairman, Judge Brown To Attend White House Fellowship Program Meeting. The Washington Times (10/26, McCaslin, 88K) reports in its "Inside the Beltway" column, "Inside the Beltway has learned that NAACP Chairman Julian Bond, who has repeatedly denounced the Republican Party and conservative black leaders alike, will come face-to-face this evening with US Court of Appeals Judge Janice Rogers Brown. Judge Brown was nominated to her position by President Bush and is frequently mentioned as a possible Supreme Court nominee." The two are "among three prominent black leaders being saluted at a reception for the White House Fellowships program, hosted by conservative commentator Armstrong Williams in his Northeast Washington home. Renowned neurosurgeon Dr. Benjamin Carson of Johns Hopkins Hospital fame is the third honoree."

ANTITRUST:

FCC Seen Likely To Avoid Net Neutrality Debate In AT&T-BellSouth Ruling. The San Antonio Express-News (10/26, Nowlin) reports, "As the Federal Communications Commission mulls conditions on AT&T Inc.'s $83 billion merger with BellSouth Corp., the commission faces pressure to turn the process into a fight over network neutrality, the concept that Internet service providers like AT&T should treat all traffic the same. .. It's pressure, experts add, that the FCC is likely to resist." The Express-News continues, "Net neutrality proponents — consumer groups and Internet companies like Google, among them — worry San Antonio-based AT&T wants to create a two-tiered Internet where it picks which sites thrive and which flounder. … And some now view the debate over deal conditions as their golden opportunity to make AT&T sign off on net neutrality protections before it closes the largest telecom deal in history. … '(AT&T) wants this merger to happen before the end of the year,' said Gigi Sohn, president of Public Knowledge, which filed comments Tuesday asking the FCC to make AT&T treat all Internet content equally. 'I think that's the biggest card we hold.'" TheExpress-News notes, "The FCC originally was set to rule on the merger Oct. 12, but pushed back its vote to Nov. 3 after commissioners reached an impasse over what

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conditions, if any, to impose on the deal. Republican FCC Chairman Kevin Martin proposed approving the merger without conditions, but the two Democrats commissioners said they wanted to see consumer-friendly safeguards. … In response, AT&T offered a set of conditions to which it would agree, including making speedy Web access available for $10 a month if bundled with phone service and not increasing rates competitors pay to access its networks. … Competitors and consumer groups had until Tuesday to file remarks about the AT&T proposals. … Analysts said they would be surprised if the FCC deviates too far from the conditions AT&T has already offered up — especially into territory as controversial as net neutrality. So far, the Justice Department and 18 states have approved the transaction, making the FCC its last regulatory hurdle to clear."

Constellation, FPL Abandon Merger Plans. The Baltimore Sun (10/26, Adams) reports, "Constellation Energy Group Inc. and Florida's FPL Group Inc. officially gave up on their merger plans Wednesday after executives concluded the deal was hopelessly mired in a populist political debate in Maryland over deregulation and rising electricity rates." The Sun continues, "The move means control over Constellation and its BGE utility will remain in local hands, rather than shifting to Florida. But it weakens the hand of lawmakers and regulators, who were expecting to use the merger's approval as leverage to extract more concessions to offset a 72 percent BGE rate increase." The Sun adds, "Constellation asked to pull out of the $12.4 billion deal and FPL agreed, ending weeks of speculation that the end was near. The companies had suspended integration activities in May, and two weeks ago FPL Chief Executive Lewis Hay III made it clear in a conversation with analysts that his patience was wearing thin. … Hay had said he would assess the deal's prospects after the governor's election, but the two companies concluded that the outcome probably would not have made any difference in regulatory treatment of the deal." The Sun notes, "The merger would have created a Fortune 100 company with an estimated $28 billion in annual revenue and operations stretching from Maine to California. It would have been the largest seller of wholesale power to large industrial users, municipalities and utilities in markets where competition is allowed. … But the utilities agreed to their deal just months before electricity rate caps were about to come off at BGE as part of the transition to a deregulated market. Citing soaring energy costs, BGE announced a 72 percent rate increase, which was approved by the PSC without hearings. Outraged legislators later passed a law temporarily lowering the increase and firing the PSC, which had authority to rule on the merger."

The Wall Street Journal (10/26, A12, Dowell, Buurma) reports, "The merger, announced in December, faltered after being caught up in partisan battles between Maryland Gov. Robert Ehrlich and the Democrat-controlled state Legislature. In June, state lawmakers passed a law that disbanded the Ehrlich-appointed Maryland Public Service Commission after the commission approved a 72% rate rise for Constellation's utility subsidiary, Baltimore Gas & Electric. … In September, the Maryland Court of Appeals ruled that the Legislature couldn't fire the commissioners. But the court left intact a provision of the law that prevents the commission from ruling on the FPL-Constellation deal until its members are replaced, leaving regulatory review of the merger uncertain."

The Washington Post (10/26, D1, Mufson) reports, "The proposed takeover, unveiled in December, has been at the center of a political brawl in Maryland, made more intense by a request this year by Constellation's Baltimore Gas and Electric Co. unit for a 72 percent increase in electric rates. Litigation was continuing, and Maryland's Public Service Commission still needed to approve the FPL merger. … 'It's been a long time in coming, and I'm not surprised,' Maryland Gov. Robert L. Ehrlich Jr. (R) said yesterday. He blamed Democratic legislative leaders for creating uncertainty with a law that temporarily lowered rates and dismissed the state's utility regulators. Maryland's highest court later reinstated the PSC members but let stand a provision of the legislation that prevented those members from ruling on the merger." The Post notes, "The coming elections were unlikely to alter the outlook. Democrats are expected to retain control of the state legislature. And Baltimore Mayor Martin O'Malley, Ehrlich's Democratic challenger, has vowed to fire the PSC members, who he said yesterday had showed an 'utter lack of leadership and professionalism.' … The end of the merger does not mean any relief for Maryland ratepayers, who still face sharply higher energy costs in a deregulated electricity market."

Yankee Candle Agrees To $1.4 Billion Buyout By Equity Firm. The Wall Street Journal (10/26, A14, Covert) reports, "Yankee Candle Co. agreed to be acquired by a private-equity firm for $1.4 billion, plus the assumption of $300 million of debt." The Journal continues, "The South Deerfield, Mass., maker of scented candles and home fragrances said Madison Dearborn Partners LLC will buy it for $34.75 a share, in a deal expected to close in the first quarter. Yankee Candle shares soared $5.01, or 17%, to $33.73 apiece in 4 p.m. New York Stock Exchange composite trading. … The company in July said it had hired Lehman Brothers to help it explore alternatives, including a possible sale. Yesterday, Yankee Candle's chief financial officer, Bruce Besanko, said the auction attracted 'multiple interested parties,' but he declined to be more specific." The Journal adds, "Credit Suisse analyst Paul Lejuez said the deal came sooner than expected and the price was surprisingly high, possibly 'an indication that private equity is

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willing to accept a lower rate of return than one would typically assume.'"

Administration To Issue Position On Dot-Com IPO Class Action Case. The Wall Street Journal (10/26) says in an editorial, "Milberg Weiss is under federal indictment, but that doesn't mean the class-action specialist isn't still making legal mischief. A case in point is Billing v. Credit Suisse First Boston, in which Milberg has even managed to get part of the Bush Administration on its side. Someone in the White House should be embarrassed about this one." In Billing, Milberg is "suing investment banks on behalf of investors who participated in dot-com era IPOs that later went south." The Justice Department's Antitrust Division "has sided with Milberg, even as the SEC has submitted briefs in defense of the banks." Sometime "in the next few days," the Solicitor Generals' "office will file a brief recommending that the Supremes overturn the appeals court -- meaning, in short, that the SEC will have won the turf war. But the brief is being circulated within the Administration, so things could still change."

Clear Channel Radio Chain Said To Be Up For Sale. The New York Times (10/26, Belson, Sorkin) reports, "The Mays Family, which built Clear Channel Communications into the country's largest network of radio stations through decades of acquisitions, is in negotiations to be taken private by a consortium of investors for more than $18.5 billion, people involved in the talks said yesterday." The Times continues, "The investors, who have been in discussions with Clear Channel for months, include Providence Equity Partners, the Blackstone Group and Kohlberg Kravis Roberts & Company, these people said." The Times adds, "The negotiations come as family- controlled media companies across the nation explore the possibility of selling their companies or taking them private. Cox Communications, the cable company based in Atlanta, went private in 2004. Cablevision, which is controlled by the Dolan family, is in the middle of negotiations to become private. … Clear Channel said yesterday in a statement that it was 'evaluating various strategic alternatives to enhance shareholder value.' The company has hired Goldman, Sachs & Company as its financial adviser. … Other potential suitors have emerged in recent days. They include Cerberus Capital Management, Oak Hill Capital Partners and Thomas H. Lee Partners, people briefed on the negotiations said. Now that the company is seeking alternatives, other suitors, including big media companies, could surface."

Dewey, Orrick Close To Merger. The New York Times (10/26, De La Merced) reports, "Two major law firms — Dewey Ballantine and Orrick, Herrington & Sutcliffe — came closer to walking down the aisle yesterday." The Times continues, "Top committees of the two firms recommended a deal, the two said yesterday. The combined firm would be called Dewey Orrick, with 1,500 lawyers and offices around the world. Together, they would form the seventh-largest law office in New York, and have revenue around $1 billion, the firms said in a joint statement. … The merger would be the latest in a wave of consolidation among law firms." The Times adds, "A merger 'gives us a stronger geographical reach, complementary practice areas and gives us financial strength to continue to build practice areas,' the chairman of the management and executive committees, Morton A. Pierce, said. … Orrick's chairman, Ralph H. Baxter Jr., said: 'This will create a new and highly unusual, if not unique, value proposition for our clients. Few firms will match the depth we'll have.'" The Times notes, "Some terms of the deal are not yet final, and it is subject to approval by each firm's partners. Mr. Pierce said the firms hoped to obtain approval by mid-December, paving the way for Dewey Orrick by Jan. 1."

Blackstone Group To Expand Private-Equity Fund. The Wall Street Journal (10/26, C1, Singer, Sender) reports, "Accelerating the buyout boom and putting some of the world's biggest public companies in reach, Blackstone Group has decided to increase the size of the world's largest private-equity fund to $20 billion." The Journal continues, "The move by Blackstone, which already had raised a record $15.6 billion for the fund from investors, secures bragging rights for now in an industry that has several other giants looking to create funds of $15 billion or more. … But there is much more than pride at stake: Private-equity firms have been on a tear lately, buying up publicly traded businesses with the intention of making them more profitable -- frequently by aggressively cutting costs -- and then selling them for big gains, either to other companies or to public shareholders via new stock listings. Fifteen out of the top 20 buyouts on record have been announced in the past 18 months, and private-equity firms this year have accounted for 17% of all major mergers and acquisitions." The Journal adds, 'Now, all but the largest public companies are potential acquisition targets, especially given the growing trend of "club deals" involving multiple private-equity firms. Their increased financial firepower -- aided by heavy borrowing at low rates by companies they own -- has giant buyout firms already eyeing takeover targets with stock-market values of $50 billion or more, say people familiar with the matter."

NYSE To Purchase Rest Of American Stock Exchange Stake. The Wall Street Journal (10/26, C5, Lucchetti) reports, "NYSE Group Inc. plans to buy the one third of its technology unit that it doesn't own for about $40 million from the American Stock Exchange, according to people familiar with the matter." The Journal continues,

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"NYSE, which operates the New York Stock Exchange, will become full owner of Securities Industry Automation Corp., or SIAC, with the transaction. Amex and NYSE have been negotiating for months to complete a deal. … Both markets see the move as necessary as electronic trading and technology become crucial to gaining business for exchanges now structured as for-profit companies. In that environment, the sharing of technology between two exchange rivals became unpalatable." The Journal adds, "NYSE wanted full control of the subsidiary, which handles the exchanges' communications networks and computer systems among other things. Amex gets cash to build its own technology, which it is hoping to roll out later this year after getting regulatory approval. … The deal will make it easier for NYSE to integrate its communications and market-data operations with those of Archipelago Holdings Inc., the electronic-exchange operator that the Big Board merged with in March. Analysts say cost cutting and layoffs are possible at the unit as NYSE tries to expand profit. A deal could close as soon as next month. … NYSE is also hoping to merge with pan-European exchange operator Euronext NV, and a good chunk of the more than $250 million in cost savings anticipated from that deal will come from reducing the number of technology platforms."

German Antitrust Regulators Nix Coherent's Proposed Excel Buy. The AP (10/26) reports, "Coherent Inc., a Santa Clara, Calif.-based maker of lasers for commercial and scientific uses, said Wednesday German regulators are prohibiting its $376 million acquisition of Excel Technology Inc." The AP continues, "Although the acquisition had passed U.S. antitrust authorities, the German Federal Cartel Office issued a prohibition order on the deal. … 'While we are clearly very disappointed and disagree with the FCO's decision, we remain committed to accomplishing acquisitions that meet all our criteria for growth, diversification and financial performance,' said John Ambroseo, Coherent's president and chief executive, in a statement." The AP adds, "The deal, announced in February, valued Excel, a maker of electro-optical and laser systems used for scientific, industrial and medical purposes, at $30 per share. … The acquisition was expected to close in the June quarter."

Wal-Mart's German Expansion Approved. The AP (10/26) reports, "Metro AG's deal to buy Wal-Mart Stores Inc.'s German operations received approval Wednesday from Germany's antitrust regulator, clearing the way for an acquisition that will expand Metro's presence in its home market." The AP continues, "The Federal Cartel Office approved the deal after deciding the addition of the 85 Wal-Mart stores would not give Metro a dominant position in the market. … The deal calls for Duesseldorf-based Metro to take over 19 pieces of Wal-Mart real estate and lease the remaining locations. Neither company has disclosed the deal's value." The AP adds, "Metro will fold the stores, which had sales of nearly euro2 billion in 2005, into its Real hypermarket brand. The first conversions are set to be finished before Christmas, and the rest should be integrated by mid-2007. … The addition of Wal-Mart's warehouses and logistics systems is expected to strengthen the position of Metro's existing 550 Real stores in the German market. … The deal, announced in July, marked Wal-Mart's second withdrawal from a major foreign market."

ENVIRONMENT/INDIAN AFFAIRS:

US Tells 9th Circuit Hawaii Stryker Unit Is Vital. The Honolulu Star-Bulletin (10/26, Kakesako) reports, "Government lawyers say that halting Schofield Barracks' $1.5 billion Stryker unit would do 'irreparable harm' to the Army, soldiers of the 2nd Brigade and the nation's security. … They oppose a motion by island environmentalists and Hawaiian activists who want the 9th U.S. Circuit Court of Appeals to approve a temporary order halting all work on Stryker-related activities in Hawaii." The Star-Bulletin continues, "U.S. Justice Department attorneys Andrew Mergen and Michael Gray on Monday said 'national security concerns' are more compelling today than they were on Nov. 5, 2004, when a federal court judge rejected environmentalists' first petition for a preliminary injunction. … The Army argued that the 2nd Brigade is scheduled to become a 'fully manned, trained and equipped Stryker Brigade Combat Team, ready for deployment by November 2007.'" The Star-Bulletin adds, "Lt. Gen. John Brown, who heads Army troops in the Pacific, wrote in a letter published Monday in the Honolulu Star-Bulletin that the combat deployment will be to Iraq. This will be the second time the 25th Infantry Division's 2nd Brigade will pull combat duty there. … David Henkin, attorney with Earthjustice, said he expects the 9th Circuit in San Francisco will rule on its request for a temporary injunction by Tuesday. … Henkin said Earthjustice wants to temporarily stop the project so the environmental group and the Army can discuss what activities can proceed."

Russia Threatens Criminal Charges Over Shell Natural Gas Project. The New York Times (10/26, Kramer) reports Yuri Trutnev, Russia's minister of natural resources, "threatened criminal prosecutions against employees of Royal Dutch Shell, ratcheting up pressure" on the Sakhalin-2 project." The Times says, "The remarks suggested a further unraveling of the relationship between Western energy companies and the Russian government, which is intent on gaining control of the energy sector. Shell and two Japanese partners were accused of violating

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Russian environmental law at their Sakhalin 2 project." The Times notes, "Lower-ranked Russian officials had threatened criminal charges earlier this month. The statement by Mr. Trutnev, however, carried more force and suggested an escalation because he is a member of the cabinet." Trutnev said his ministry's September inspection of Sakhalin-2 "provided enough grounds to revoke a major environmental permit. He had said the permit would very likely be canceled this week. He delayed a decision on that permit, however, by one month for further study."

NYTimes Criticizes Bush Recess Appointment For Mine Safety Agency. The New York Times (10/26, 1.21M) says in an editorial, "Despite being twice rebuffed by the Senate, President Bush has named Richard Stickler, a stolid mining industry careerist, to run the mine safety agency whose serial ineptitude has been laid bare this year by the deaths of 42 mineworkers. Waiting until the Senate left town for the elections, Mr. Bush resorted to a recess appointment to place Mr. Stickler at the heart of enforcing new safety reforms that, in earlier hearings, the appointee himself had claimed were not at all that necessary." But lawmakers "should demand a bulldog enforcement director rather than another industry lapdog."

Apache Police Chief, Tribal Officer Arrested On Embezzlement Charges. The AP (10/26) reports, "The White Mountain Apache tribal police chief and another officer have been charged with manipulating records in a federal investigation after the FBI began looking into the use of departmental funds at casinos. Police Chief Lincoln Perry and Officer Tim Goode pleaded not guilty Wednesday in U.S. District Court, said Wyn Hornbuckle, spokesman for the U.S. Attorney's Office. They were each arraigned on one count of conspiracy to falsify records and 17 counts of falsifying records." The AP notes, "Federal officials alleged the two men embezzled between $10,000 and $20,000 over a five-year period" from an account "used for undercover purchases and payment to informants. … Hornbuckle said Perry and Goode submitted fake receipts to tribal police in response to FBI agents looking into the bank account."

FBI/DEA/ATF/USMS:

Maine Civil Liberties Union Releases Peace Group Emails Collected By FBI. WCSH-TV Portland, ME (10/25, Erskine) reports on its Web site from a story broadcast yesterday, "The FBI has apparently been keeping files on the emails of peace activists in Maine." The Maine Civil Liberties Union on Wednesday released "18 pages of emails that the FBI had in its files" and were obtained through a FOIA request. "Those emails were put out by 'Peace Action Maine,' the 'Maine Center for Peace and Justice' and 'Veterans for Peace' as they were organizing for two different protests. Activists say they were shocked that their government was 'spying' on them." WCHS added, "A spokesperson for the FBI, Nenette Day, says the agency does not monitor or investigate peace groups in Maine. Day says the emails were likely forwarded to the FBI, then placed in a file."

The AP (10/26) reports, "Obtaining the e-mails…is a waste of FBI resources, and it has a chilling effect on people who want to speak out against government policies, said Shenna Bellows, executive director of the MCLU. It also brings to mind the FBI's clandestine surveillance in decades past of Martin Luther King Jr., John Lennon and civil rights organizations, she said." However, the AP notes, Day said that "it is incorrect to suggest that the FBI was spying on the Maine peace groups or intercepting their e-mails electronically," and she "said a federal court order would be required to obtain them electronically. The FBI would request such a court order only if it had evidence that a crime or an act of violence was going to be committed, or that national security was being compromised, she said. 'We do not investigate individuals engaged in their constitutional rights, including the right to free speech and assembly,' Day said."

FBI Arrests Chicago Police Officers In Drug Money Theft Sting. The Chicago Tribune (10/26, Coen, 623K) reports, "Two Chicago police officers believed they were stealing from drug dealers who had stashed money in a Grand Avenue storage locker, but in fact, FBI agents had planted the cash to snare them, federal prosecutors said Wednesday." Richard Doroniuk and Mahmoud Shamah "allegedly stole more than $31,000 from the locker. Doroniuk and Shamah were arrested Wednesday and appeared in federal court before U.S. Magistrate Judge Nan Nolan, who ordered them held pending a detention hearing next week." The Tribune notes that an FBI informant "help set up the officers and tapped telephones to monitor conversations about their plans. Agents were listening when Doroniuk allegedly told Shamah they needed to be careful to hide the cash." The Chicago Sun-Times (10/2, Main) adds, "They also planned to conduct a home invasion on one of the drug dealers whose lockers they targeted, but the ripoff was never carried out, officials said. They intended to buy a diamond necklace or something else valuable for an unidentified person who was going to help them with the robbery, authorities said."

In a widely-distributed story, the AP (10/26, Robinson) reports, "Doroniuk attorney Robert Clarke said the officer 'is going to get his full day in court and that's what he wants,' while Shamah attorney Anthony Pinelli declined to comment

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because he was still studying the case." The AP notes, "Officials said the officers used information from a third defendant, Larry 'Peanut' Cross…to obtain search warrants for the lockers. According to the complaint, the officers failed to report any of the money seized from a locker in June and only part of the cash taken in a second theft in August. … A criminal complaint unsealed following the arrests charged all three men with conspiracy to steal government funds."

California Jailer Snared By FBI Bribery Sting. The AP (10/26) reports, "A federal grand jury indicted a jail guard Wednesday on charges he accepted $6,000 from an inmate in exchange for smuggling in banned cell phones." Santa Ana City jailer Jose Abel Flores "was being held on $100,000 bond and was scheduled to be arraigned Nov. 6." The AP notes, "Flores accepted two $3,000 bribes in exchange for bringing cellular telephones to a federal inmate being held in jail on narcotics and weapons charges, according to the indictment. The bribes were paid from a purported friend of Flores, but in fact the friend was an undercover FBI agent, authorities said."

Authorities Say Colorado Ring Hid Meth Inside Elmo Doll, Other Toys. There are more than 100 media references to the investigation of a Colorado meth ring in which the accused leader reportedly tried to dominate the meth trade in the northern part of the state. For example, the AP (10/26) reports agents "broke up an aggressive northern Colorado ring that shipped methamphetamine hidden in Elmo dolls and other toys, authorities said Wednesday. The alleged ringleader was among 19 people in custody. Agents said they seized more than 45 pounds of what they described as high-quality methamphetamine worth $864,000 and capable of supplying 4 million doses." According to the AP, officials said alleged ringleader Rigoverto Valle-Sierra "was trying to take over the methamphetamine trade in northern Colorado with an operation that used night-vision goggles and bulletproof vests." In a separate AP (10/25) story, the AP notes Jeffrey D. Sweetin, regional DEA special agent in charge, "said the operation was selling methamphetamine that was about 99 percent pure." News outlets that used a version of the AP story include ABC News, FOX News, the New York Times, Washington Post, Los Angeles Times, Houston Chronicle, Chicago Tribune, Seattle Post Intelligencer, and Coloradoan.

The Denver Post (10/25) reports agents "raided a number of homes and a business in Greeley Monday and Tuesday, arresting 10 people and confiscating more than 45 pounds of methamphetamine. … Agents from the Drug Enforcement Administration and officers from the Weld County Drug Task Force confiscated $59,000 in cash, four weapons, one of which had been stolen, a bullet-proof vest and a night-vision goggles." Sweetin "said the methamphetamine was made in California and transported to Colorado."

In a separate story, the Denver Post (10/26) writes that smugglers "used various means to hide the meth, including putting it in plastic bags and stuffing it into tires and an Elmo Sesame Street doll. Drugs were transported from Mexico through Los Angeles to Greeley, which served as the hub city, and then to Wyoming, Nebraska and Virginia," according to authorities. Denver DEA agent Dennis Follett said the 21 suspects "represent the upper tier of a drug operation in which hundreds of dealers, including Greeley gang members, distributed the meth to customers that included school-age children."

The Rocky Mountain News (10/26) reports, "Twelve of the 21 people indicted, including one with at least 10 aliases, were in the country illegally. … 'Most meth is seized in ounces. This was a monstrous amount,' said Sweetin. 'This will have an impact for decades in Greeley.'"

The Greeley (CO) Tribune (10/25) reports the investigation, which "began in September 2005, resulted in the seizure of more than 45 pounds of ICE methamphetamine, 1.1 kilos of cocaine and $59,000 in cash. The organization used buses and cars to transport the high-quality meth from California to Colorado. … DEA agents and Weld County Drug Task Force officers arrested 10 people this week, including Rigoverto Valle-Sierra, the alleged leader of the organization."

Local TV Coverage. KCNC-TV, Denver (10/25, 6:00 p.m.) aired, "This morning, agents showed us how this group hid some of the drugs on the road trip from the Mexican border in California to right here in Weld County. … Elmo is not just a child's toy. In the hands of sinister people, it's a concealment device to smuggle methamphetamine. An Elmo doll like this holds meth hidden in the stuffing. … The task force worked with federal DEA agents over the past 13 months, an effort they hope sends a warning to other drug traffickers."

KDVR-TV, Denver (10/25, 9:00 p.m.) aired, "Agents are still looking for two people connected to the case. They say 12 of the 21 indictments are for people in this country illegally."

KUSA-TV, Denver (10/25, 10:00 p.m.) aired, "A drug ring in Colorado used toys to hide meth. The suspects shipped the drugs inside Elmo dolls and other toys; agents seized more than 45 pounds of what they describe as high quality methamphetamine worth 800,000 dollars. ... Investigators are still looking for two more suspects."

DEA Agent Accused Of Tipping Off Friends About Cocaine-Trafficking Investigation. In Memphis, Tennessee, the Commercial Appeal (10/26) reports a DEA agent "was indicted Wednesday on charges

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that he tipped off former high school classmates that one of them was a target in a large cocaine-trafficking case…in August. Tommie Purifoy II of West Memphis turned himself in to federal authorities in South Florida where he was assigned as a special agent in the Drug Enforcement Administration's Miami field office. … Purifoy…allegedly passed sensitive DEA information along to Christopher Ivy, who called Sean Williams, who called his cousin, Brian Nicholas Williams, an alleged drug trafficker. All attended West Memphis High School together and had been friends since at least 1996."

Also in Memphis, the AP (10/26) reports, "Despite the tip, three days later authorities made the largest drug bust in the area for the year, when they seized more than 88 pounds of cocaine and over $500,000 cash. Brian Williams and 10 others were charged in connection with the drug ring."

WPTY-TV, Memphis (10/26) reports on its Web site that Purifoy "is charged with obstruction of justice and disclosure of electronic surveillance. Federal authorities say Purifoy and two other men were indicted Wednesday for telling a Mid-South drug dealer he was being investigated by the DEA."

WMC-TV, Memphis (10/25) reports on its Web site that according to the indictment, Purifoy "set aside his duties as a special agent for the DEA to warn his friends about a pending drug bust, a wire tap investigation Purifoy learned about while visiting the DEA office in Memphis."

FBI, California Police Arrest 15 In Crackdown On Violent Drug Gang. The San Francisco Chronicle (10/26, Lee, 405K) reports, "About 200 federal and local law-enforcement officers targeting a street gang known for drug activity swooped down on North Richmond" Wednesday, "arresting 15 people and seizing nearly a pound of methamphetamine. … Contra Costa County sheriff's deputies, Richmond police and FBI SWAT team members dressed in camouflage jumpsuits served at least a dozen federal search warrants." The Chronicle notes, "Many of the suspects sought today were named in sealed federal indictments on various drug and gang-related charges, said Special Agent Joseph Schadler, FBI spokesman in San Francisco. … 'It's a continual process to make this community safer,' said David Johnson, assistant special agent in charge of the FBI in San Francisco." Bay City News Wires (10/25) reported, "Authorities were targeting people believed to be established gang leaders of the Project Trojans street gang, Schadler said. 'The key to this is we're trying to take the head off the organization,' Schadler said. … Wiretap and undercover operations ended in February and the first raid was conducted in March, Schadler said. At that time nine people were arrested for manufacturing and distributing cocaine, crack and methamphetamine."

US Charges New York Man With "Club Drug" Smuggling. The Rochester (NY) Democrat & Chronicle (10/26, Daneman) reports, "A Pittsford man is one of 10 people indicted on federal drug trafficking charges for allegedly smuggling 'club drugs' into the United States." The D&C continues, "The U.S. Attorney's Office for the Western District of New York announced the charges, which came after an investigation of nearly two years into what the U.S. Justice Department called 'a large scale drug smuggling and trafficking group operating in and around Buffalo and Rochester.'" The D&C adds, "The drug ring allegedly smuggled such club drugs as Ecstasy, GHB, ketamine and crystal methamphetamine from Toronto. … Jeffrey Parasida, 28, of Pittsford was charged with a pair of violations under the federal Controlled Substances Act, as were nine other defendants from the Buffalo region, according to the Justice Department."

Owner Of New York Pharmacy Accused Of Illegally Distributing Painkiller. In White Plains, the Journal News (10/25) reports the owner of a pharmacy "is accused of illegally dispensing tens of thousands of doses of the generic form of the…painkiller Vicodin. Syed Zahid Ali, 58, owner of Post Pharmacy…is due in court next week to face charges he illegally distributed hydrocodone as well as a stimulant used to treat sleep disorders." He "cannot account for 100,000 tablets of the painkiller, federal authorities said. He is also accused of refilling prescriptions for the drug despite the bottles being marked 'no refill.'"

Trial Date Set In Sacramento For Accused "Drug Kingpin." Vacaville, California's Reporter (10/26) writes that a 2007 trial date "has been set in federal court for a Fairfield man described as a regional drug kingpin by the Drug Enforcement Administration. Federal magistrate Lawrence K. Karlton on Tuesday scheduled…Jan. 23 for the trial of…Eduardo Pichardo - also known as Eddie Nunez - in Eastern District Federal Court in Sacramento. … Pichardo was arrested by DEA agents on June 21 on suspicion of distribution and conspiracy to distribute cocaine and methamphetamine. A DEA spokesman said the arrest culminated a seven-year investigation into a drug-trafficking network that stretched from Northern California to Arizona and Alabama."

Big-City Mayors Lead Efforts To Curb Gun Violence. The AP (10/25, D'Alessio) reports from Chicago, "New York Mayor Michael Bloomberg, Chicago Mayor Richard Daley and Milwaukee Mayor Thomas Barrett had harsh words Wednesday for the Bush administration and the gun lobby's influence on Congress. … 'When Washington makes bad decisions to protect criminals rather than the

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public, we suffer the consequences,' Bloomberg said at a news conference outlining the agenda for Thursday's Midwestern summit of Mayors Against Illegal Guns, a group Bloomberg founded with Boston Mayor Thomas Menino." The AP adds, "Bloomberg said he had hoped to have 50 of the nation's mayors on board by the end of this year, but 109 mayors from 44 states already have joined. … 'These cities represent more than 44 million Americans,' the New York Republican said." The AP notes, "Daley, Bloomberg and Barrett, accompanied by counterparts from a number of smaller cities, complained that inaction by the federal executive branch and the influence of the gun lobby, particularly the National Rifle Association, on Congress have left local officials to combat the problem of illegal weapons. … 'Mayors know that illegal guns have nothing to do with the Second Amendment and everything to do with law enforcement,' Bloomberg said. 'But cities can lead where Congress won't.' … He added that the goal of the mayors' group is to 'hold Congress' feet to the fire.' … White House spokesman Tony Fratto said violent crime has been reduced significantly in recent years, especially in many large cities. … 'A lot of the credit for that goes to mayors and law enforcement personnel and cooperation at the local, state and federal levels,' Fratto said in an e-mailed statement. 'Enforcing gun laws that are on the books is an essential facet of our efforts. The president and Attorney General (Alberto) Gonzales are committed to making sure that existing laws are enforced.'" The AP notes, "Bloomberg said the Federal Bureau of Alcohol, Tobacco, Firearms and Explosives keeps its own records of multiple firearms purchases and attempted purchases but denies that information to local authorities."

Texas Gun Dealer Pleads Guilty To Illegal Firearm Sales. The Longview (TX) News-Journal (10/26) reports, "A gun dealer in Gladewater faces up to five years in prison and a fine of up to $250,000 after pleading guilty to falsifying records needed to purchase a firearm, said U.S. Attorney Matthew D. Orwin in a Wednesday media release." The News-Journal continues, "According to court records, Michael Zirkle, 41, agreed to allow an ATF confidential informant to use someone else's identity on the forms necessary to purchase a .40-caliber pistol. … Zirkle has surrendered his gun dealer's license and forfeited 47 firearms, valued at approximately $19,000, as part of the plea agreement. As a convicted felon he is not permitted to possess a firearm again."

The Tyler (TX) Morning Telegraph (10/26, Knaupp) reports, "On Jan. 6 in Gregg County, a confidential informant for the Bureau of Alcohol, Tobacco, Firearms and Explosives entered the 'Ace of Pawn' pawn shop in Gladewater, owned by Zirkle. He told the defendant he wanted to buy a .40-caliber pistol for himself, but he wanted to use the identity and personal information of another person when filling out the required ATF form. Zirkle agreed, according to court documents. … U.S. Magistrate Judge John Love allowed Zirkle to continue to remain out of jail on bond pending his sentencing hearing after there were no objections from Assistant U.S. Attorney Jim Noble." The Telegraph adds, "Zirkle surrendered his firearm license and forfeited 47 guns - 31 rifles, six pistols, eight shotguns, a revolver and a machine gun rifle - he possessed as a firearms dealer, defense attorney F.R. 'Buck' Files Jr. said during the hearing. … In the plea agreement, Zirkle agreed that the 47 weapons were used to perpetrate the violations stated in the indictment, which includes selling firearms to felons."

Old West Town Still Plagued By Guns, Now Carried By Gangs. The AP (10/25, Fisher) reports from Dodge City, KS, "Dodge City has a rich history as an Old West frontier town, where cowboys and gunslingers could take a break from the trail and get their fill of saloons and brothels. … Today, the tidy town built on meatpacking and rodeos is again plagued by gunfighters. But this time they're in street gangs, some of which have second-generation members as young as 11. The drug of choice is methamphetamine and the weapons range from automatic rifles to baseball bats." The AP continues, "Street gangs, often thought of as a big-city problem, have been turning up in rural areas across the country since the 1980s, frightening residents and straining smaller law enforcement departments. Rural gangs are often more transitory than their urban counterparts, but they appear to have a foothold in several communities. … About 24,000 gangs operate around the country, according to the U.S. Department of Justice, which estimates there are about 760,000 members in 2,900 communities." The AP adds, "The 2004 Youth Gang Survey conducted by the Justice Department, 82 percent of large cities surveyed, 42 percent of suburban counties, 27 percent of smaller cities and 14 percent of rural counties reported active youth gangs. … In Ottumwa, Iowa, Chief of Police Jim Clark says gangs are starting to show up in his town of about 25,000. Five years ago, Ottumwa had an occasional visit from a gang member from Los Angeles or Chicago. Now, Clark estimates there about 100 gang members in town. Some moved to Ottumwa with their families. Others have been sent to live with relatives to escape gangs in bigger cities, Clark said."

Fugitive Killed In Georgia While Pointing Shoe At Agents. In Lithonia, the AP (10/25) reports federal agents "fatally shot a fugitive early Wednesday after the man refused to put down what they thought was a gun but turned out to be a shoe. Agents went to an apartment complex in

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suburban Atlanta to arrest 24-year-old Youwiers Vilpie, said U.S. Marshal Richard Mecum. They were serving a warrant from the Drug Enforcement Administration office in south Florida. Vilpie also was wanted for questioning in two homicides in Ft. Myers, Fla., Mecum said." The Washington Post and Miami Herald used the AP story.

The Atlanta Journal-Constitution (10/25) reports a similar story.

IMMIGRATION:

Immigration Officials Arrest California Man Linked To Murder Of Salvadoran Priests. The Los Angeles Times (10/26, Becerra) reports, "Gonzalo Guevara Cerritos was a decorated, American-trained officer in the Salvadoran army. … But for the last year, the 43-year-old toiled away as a janitor at a West L.A.-area motel, a man with a secret who was always looking over his shoulder, his common law wife said." The Times continues, "His clandestine existence came to an end Wednesday, when federal authorities announced his arrest -- branding him a human-rights violator who was in the U.S. illegally. … The Immigration and Customs Enforcement agency said Guevara Cerritos was among nine Salvadoran officers and soldiers implicated in one of the most notorious massacres in El Salvador's history: the 1989 death-squad murders of six Jesuit priests." The Times adds, "Guevara Cerritos was convicted in El Salvador for his role in the slayings. In 1993, he was granted a pardon as part of a general amnesty that occurred after the country's 12-year civil war. … His wife, Eusebia Mejia, 45, said her husband could never escape the shadow of the massacre and fled to the United States in hopes of getting a new start. … But when he arrived in Los Angeles -- home to more than 250,000 Salvadorans -- he quickly realized he would not find peace. Fearing that someone would recognize him on the streets of Los Angeles, he kept his head down and rarely went out. … But the strategy apparently didn't work: Federal authorities said it was a tip from the public that put them on Guevara Cerritos' trail. … He was taken into custody last Thursday as part of an effort by U.S. immigration agents to catch and deport human-rights violators."

Arizona Seen As Microcosm For Nation On Immigration Debate. The Christian Science Monitor (10/26, Chaddock, 58K) reports that while "much of America hit the pause button this fall on the flaming debate over illegal immigration, once it became clear Congress would not act before the election. But not Arizona." In a "state where the wave of border crossers is so great that it washes over every aspect of life, illegal immigration is a flash point in virtually every political race this fall. Moreover, there's a candidate for every view - from those saying 'send 'em back and bar the door' to those who'd provide a path for citizenship for some undocumented workers." Republican Randy Graf, who takes a "tough stance" on immigration, is "in an uphill battle to hold the Eighth Congressional District for the Republicans." Outgoing Rep. Jim Kolbe "holds a more moderate view of immigration reform, as does Graf's Democratic challenger, Gabrielle Giffords. But Graf is banking that a majority of voters in this district feel as he does - and there are signs that Arizonans are, indeed, worked up over illegal immigration." But the state's "all-Republican congressional delegation - some of whom are in unexpectedly close contests for reelection - is deeply divided on the immigration issue. Sharing Representative Kolbe's view are Rep. Jeff Flake, in the upscale Phoenix suburb of Mesa, and the very popular Sen. John McCain." On the other side "are Graf and Rep. J.D. Hayworth, who represents the also-upscale Fifth Congressional District in Scottsdale. They say their colleagues' plan amounts to amnesty for illegal immigrants and would reward people for breaking the law." Farrell Quinlan, a spokesman for the Arizona Chamber of Commerce in Phoenix, said, "Arizona is a microcosm of the nation when it comes to views on this issue. We're ground zero for the debate. Our economy is growing, and a lot of industries have grown to rely on that source of labor."

TAX:

Charitable Giving By Wealthy Said To Be Immune To Tax Changes. The Wall Street Journal (10/26, D3, Beatty) reports, "Many wealthy people would still give a lot to charity even if Congress wiped out popular breaks for donating, a study suggests. While these high-net-worth Americans already contribute two-thirds of household charitable giving, donating $126 billion last year alone, they would give more if nonprofits could rein in administrative costs and better demonstrate the impact of donations." The Journal continues, "The researchers at the Center on Philanthropy at Indiana University, underwritten by Bank of America Corp., distributed 30,000 surveys between June and September in neighborhoods where the average household had liquid assets of $3 million or more. Responses from 945 were used in the analysis. The survey, designed as a nationally representative random sample, defined high-net-worth households as those with incomes of greater than $200,000 or assets over $1 million. Such homes represent 3.1% of U.S. households, the researchers said." The Journal adds, '"The results are at odds with several stereotypes about how and why rich people give to charity. Patrick Rooney, director of research at the center, said previous research has shown that giving declines generally when the value of tax deductions on the donation declines. But 52% of responding

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households said their giving would stay the same if they received no income-tax deductions for it. And 38% said such giving would somewhat decrease, but only 7% said it would dramatically decrease."

IRS Help Line May Not Be Much Help, Audit Finds. USA Today (10/26, McCoy) reports, "Got a complex tax problem? Phoning an IRS Taxpayer Assistance Center for an appointment won't necessarily produce a solution, a federal audit shows." USA continues, "The Treasury Department inspector general overseeing the IRS called 50 assistance centers — 36 with tax account problems and 14 with tax law questions. Auditors reported that eight phone messages weren't returned, and five weren't returned within two business days as IRS guidelines require. … Moreover, auditors managed to schedule appointments for just five of the 36 calls that involved tax account problems, the type of complex tax issues that often require a face-to-face session to resolve." USA adds, "That performance, outlined in an audit released late last week, undermined the centers' mission, the auditors concluded. They stressed that the 'convenience of scheduling appointments could encourage taxpayers to try to resolve tax account problems earlier, thus reducing taxpayer burden.' … The IRS maintains 400 Taxpayer Assistance Centers nationwide. It encourages taxpayers to request face-to-face appointments for tax account issues that are difficult to resolve over the telephone. … Designated taxpayer phone lines in the offices logged about 500,000 calls during the 2006 federal tax season, from January through mid-April, the audit reported."

CONGRESS-ADMINISTRATION:

Portman Says A Democratic Congress Would Boost Spending, Raise Taxes. The Financial Times (10/26, Guha) reports, "A Democrat victory in next month's midterm elections would jeopardise efforts to contain government spending, put upward pressure on taxes and undermine -America's ability to negotiate free trade agreements, Rob Portman, the White House budget director, claimed on Wednesday." In an interview with the Financial Times, Portman "said voters had an economic choice to make at the polls on November 7. 'There is a clear distinction between Republicans and Democrats, both on the revenue side and on the spending side.' Portman told the Financial Times that "if the Democrats took control of Congress, there would be more pressure for higher spending on non-defence discretionary expenditure." He "warned voters against assuming that President George W. Bush could veto all extra spending proposals. 'Yes, the president has veto power, and could use it more frequently. But we also need to get these bills done. It is always a matter of negotiation,' he said." Portman also "suggested that Mr Bush might not veto an increase in the minimum wage proposed by a Democrat Congress, provided it was part of a 'package' that included relief for small businesses." On taxes, Portman said of Democrats, "They are not going to make the tax cuts permanent." He also "claimed a Democrat-run Congress would seek to raise taxes in other areas to offset reform of the Alternative Minimum Tax."

OMB Set To Roll "Smart Card" IDs For Federal Employees. Under the headline, "Entering The Era Of Smart Card ID," the Washington Post's (10/26, D1, Barr) "Federal Diary" section reports, "The government begins issuing a new identification card tomorrow, the kickoff of a multiyear effort to provide all government workers and many contractors with a 'smart card' that can be used to verify their identity when they enter a building or log onto computer networks." The chip can show "a person's name and agency," and "contain personal data, such as images from two fingerprints, a special identification number and digital certificates that permit access to places and systems." The Post adds that the "goal is to have government employees carry one ID card, replacing the multiple cards many employees must use to get into offices or obtain sensitive information." The Post adds, "Groups concerned about privacy rights" are watching the "card project, in part because it may provide lessons for ongoing debates on whether Americans should carry a national identification card." OMB officials "hope to see the cards roll out tomorrow in cities with large numbers of federal employees, such as Washington, Atlanta, Denver, Seattle and New York."

OTHER NEWS:

Fed Leaves Interest Rates Unchanged. ABC World News (10/25, story 8, 0:15, Gibson, 8.78M) reported, "In economic news tonight, interest rates are staying put for now, for the third meeting in a row. The Federal Reserve voted to keep the key Fed funds rate at 5.25%."

NBC Nightly News(10/25, story 9, 0:15, Williams, 9.87M) reported the Fed statement "said the economy has slowed but the growth will probably pick up in the coming months." USA Today (10/26, Kirchhoff, 2.27M), meanwhile, notes "the central bank cautioned that inflation remains a threat given the tight job market, even after the recent fall in energy prices." Fed Chairman Ben "Bernanke and other officials have said they expect inflation to gradually moderate as growth slows. However, they repeated their warning that incoming data will determine whether they need to raise rates again."

The Wall Street Journal (10/26, lp, 2.03M) reports, "Since Ben Bernanke became Fed chairman in February, he

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has faced, first, the threat of rising inflation and then a housing-led economic slowdown. The latest data, and the statement released by the Fed after its meeting yesterday, suggest that the central bank sees the risks on both sides diminishing. That makes it less likely that rates will change in either direction in coming months." The Journal adds, "For the third straight meeting, Federal Reserve Bank of Richmond President Jeffrey Lacker cast the lone dissent among the 11 voting members of the Federal Open Market Committee. He argued in favor of a quarter-percentage point rate increase in the target federal-funds rate, charged on overnight loans between banks."

The New York Times (10/26, Leonhardt, 1.21M) notes "the statement accompanying the Fed's decision on interest rates was nearly identical the one that the Fed released after its policy meeting last month. Since then, the economy has continued to slow, but at a stable pace, giving Fed officials reason to hope that they have achieved a soft landing, in which interest-rate hikes bring down inflation without causing a recession." But "a sharp drop in oil prices — with gasoline falling this week to $2.20 a gallon on average, from more than $3 in early August — appears to have reduced the chances that the slowdown could turn into something more severe, economists say. A Labor Department report earlier this month also showed this summer's job market to be healthier than had been earlier believed."

The Washington Post (10/26, D2, Henderson, 748K) reports that while inflation "has fallen as fuel prices have tumbled since mid-August," economists also "look for signs of underlying inflation by studying core measures that exclude volatile food and fuel prices. The core CPI rose 0.2 percent last month and 2.9 percent from September 2005 -- the highest 12-month increase in a decade."

Housing Markets Continues Slide. NBC Nightly News (10/25, story 8, 0:25, Williams, 9.87M) reported, "There is news on the economy. The housing market continues to slide. Sales of existing homes last month fell by 1.9%. It is the sixth month in a row that sales have dropped. Home prices fell as well by 2.5%. What is notable here, that is the largest price drop on record."

The Wall Street Journal (10/26, Hagerty, 2.03M) reports, "The latest report is likely to encourage many potential buyers to hold off in the hope of further price declines." USA Today (10/26, Knox, 2.27M) runs a similar report under the headline "Sellers Sing The Blues As Price Drop Sets Record." The Washington Post (10/26, D1, Downey, 748K), in a story titled "A Record Drop In Home Prices," says "prices fell everywhere in the country, with the Northeast and West most affected. Declines were more moderate in the South, which includes the Washington area."

Dow Reaches New High After Modest Gains. NBC Nightly News (10/25, story 10, 0:15, Williams, 9.87M) reported, "On Wall Street today modest gains at the end of the day. The Dow was up almost 7 points [to close at 12,134.68]. NASDAQ was up almost 12 points [to close at 2,256.59] on today's trading." USA Today (10/26, 2.27M) notes the Standard & Poor's 500 "set another 2006 high as it rose 4.84 points to 1382.22 and stretched its gain for the year to 10.7%." The Wall Street Journal (10/26, C1, McKay, 2.03M) says "the stock market rallied on news that the Federal Reserve isn't raising rates but gains were held in check by a jump in crude-oil prices, which typically hurts stocks."

Report Faults Amtrak For Management Of Outside Counsel. The Wall Street Journal (10/26, Koppel, Jones) reports, "Amtrak has been careless in managing law firms that have billed it millions in legal fees, according to a report released Wednesday by federal investigators." The Journal continues, "The report, issued jointly by Amtrak's Office of Inspector General and the U.S. Department of Transportation Inspector General, said that the law department of the passenger railroad, for example, failed consistently to request and manage budgets for legal work. Also, law firms engaged in 'block billing,' in which firms lump tasks under one entry of an invoice rather than showing the costs of each task. The practice is prohibited by Amtrak's billing guidelines, the report says." The Journal adds, "Amtrak, which is federally subsidized, has been struggling to reverse years of losses and has faced Bush administration calls to sharply reduce its long-distance train service. … A letter addressed to Rep. (John) Mica and released Wednesday from the chairman of Amtrak's board, David Laney, said Amtrak reduced annual legal fees by 26%, or $8 million, since 2003, and in the past five years, working with outside law firms, recovered $79 million in cash from legal settlements. 'Still … the report should provide us with valuable guidance as we continue to improve Law Department operations,' the letter said."

Poll Finds Majority Believe Democrats Will Retake House Majority. USA Today (10/26, Page, 2.27M) reports most Americans "predict Democrats will win control of the House of Representatives in the elections Nov. 7, and they expect big things to follow — some good, some not — if Democrats take over the Senate, too, a USA TODAY/Gallup Poll shows." If Democrats "take over the House and Senate in January, more than 8 in 10 say, Congress would probably set a timetable to withdraw U.S. troops from Iraq, a step favored by nearly two-thirds." An expected move that is "less popular: Nearly two-thirds expect a Democratic Congress would raise federal income taxes. Three-fourths disapprove of that." The survey "of 1,002 adults Friday through Sunday underscores the high expectations and some trepidations around the prospect that

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Democrats could regain control of Congress for the first time since 1994. A 54% majority, including 1 in 4 Republicans, say a takeover of the House is likely."

GOP House Prospects Seen As Hurt By Scandals, "Developing Wave." In his Roll Call column (10/26), Stuart Rothenberg says, "Two factors have come together to enhance Democratic prospects for a major House sweep — and neither one has much to do with the quality of Democratic recruiting in the two dozen or so top-tier Democratic House opportunities." First, a "handful of Republican House nominees with considerable political baggage have created competitive races for Democrats in places they couldn't have anticipated. And second, even relatively weak second- and third-tier Democratic candidates are in competitive races because of the developing political wave." By "traditional measures, Republicans have a long list of well-qualified, well-prepared Congressional candidates, many of them incumbents. Unfortunately for them, many voters don't seem to care much about credentials this year. They just want to send a message, and they don't care about the messenger as long as he or she has a 'D' behind his or her name." It is "remarkable how similar this group of Democratic candidates is to the GOP class of 1994, when, by my count, 37 freshmen were elected without having held a previous elective office."

Republicans Raise Specter Of "Speaker Pelosi" In Closing Days Of Campaign. The Financial Times (10/26, Yeager) reports that in the "waning days of the campaign, Republicans have stepped up their attention to" House Minority Leader Nancy Pelosi, "calling her a San Francisco liberal and warning about the wrong-headed policies of a 'Perilous Pelosi Majority.'" They have "hammered away at what they say is her weak stance on security," and Vice President Dick Cheney "told an interviewer that Mrs Pelosi 'is not in sync with the vast majority of the American people,' and represents "that side of the Democratic party that has not been supportive of and does not believe in a really robust, aggressive prosecution of the global war on terror.'"

USA Today (10/26, Kirchhoff, 2.27M) reports if the Democrats flip the House, "liberal Charles Rangel of New York, an outspoken critic of President Bush's sweeping tax cuts, will chair the powerful Ways and Means Committee, overseeing taxes, trade and Social Security." So it's "no surprise that Republicans from Bush on down warn that a Democratic victory would spell higher taxes and slower growth." While the "war in Iraq, congressional page and influence-peddling scandals and parochial concerns have been top issues this campaign season, the election could have big implications for the business agenda — taxes, trade, regulation and spending — which has been set in recent years by a GOP White House and Congress." Republicans, "lagging in some key House and Senate races, are making the case that a Democratic victory would endanger economic gains. Voters don't seem to agree; USA TODAY/Gallup and other surveys show Americans by a wide margin trust Democrats more to manage the economy." USA also examines particulars of the Democratic agenda on issues such as the minimum wage, trade, the budget and taxes, and others.

Bush Jokes About People "Dancing In The Endzone," "Measuring Their Drapes." The Washington Times (10/26, Dinan, 88K) reports that in a press conference yesterday, President Bush weighed in on the midterm elections. He "staked the Republican agenda for the final two years of his administration to tax cuts and Iraq, saying next month's election is a referendum on both, and chided Democrats for 'dancing in the end zone' to celebrate victory prematurely." Said Bush, "The two issues I see in the campaign can be boiled down to who best to protect this country and who best to keep taxes low. That's what the referendum's about." The Times adds, "For a president who in 2003 famously said he doesn't read newspapers, Mr. Bush appears to have closely followed news reports this year and seemed amused at the amount of attention being paid to Democratic leaders who would hold top positions if power changed hands. 'We got some people dancing in the end zone here in Washington, D.C. They got them measuring their drapes,' he said. 'They're going over to the Capitol and saying, well, "My new office looks beautiful. I think I'm going to have this size drape there or this color."'" That "was an apparent reference to House Minority Leader Nancy Pelosi, who could become the next speaker of the House, and who joked to the Associated Press recently that she could then have any office suite she wanted."

Wall Street Handicaps Winners, Losers Should Democrats Control Congress. USA Today (10/26, Shell, 2.27M) reports Democrats "aren't big fans of Wal-Mart. Nor are they fond of Halliburton, due to the energy firm's activities in Iraq and ties to Vice President Cheney. Democrats aren't chummy with tobacco companies such as Altria, either." That's why "those companies' stocks might be hurt if Democrats sweep the upcoming midterm elections and seize control of the Senate and House of Representatives from Republicans, say UBS analysts in a report." Wall Street analysts "have been handicapping which stocks and industry sectors will go up and which will go down, depending on the outcome of the vote." But even "the scenario that will result in the biggest change — a Democratic sweep — is unlikely to result in the type of major policy changes that could seriously rattle financial markets, says Thomas Doerflinger, strategist at UBS." Doerflinger adds the reason is that if "Democrats win, they will likely hold slim majorities and will avoid appearing too liberal to improve their chances of winning the presidential

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election in 2008." The likely "result would be legislative 'gridlock,' which historically has been bullish for stocks, notes Mark Riepe of the Schwab Center for Investment Research."

Republican Advantage On Cultural Issues Examined. In a USA Today op-ed (10/26), Amy Sullivan, a contributing editor for The Washington Monthly magazine, says, "On the surface, solid majorities of Americans agree with Democratic Party values. They want universal health care, support increasing the minimum wage, believe stricter environmental regulations are needed and worth paying for, and think the best way to achieve peace is through diplomacy." But while Democrats "should be beating Republicans at the ballot box…precisely the opposite has happened in the past few national elections." One answer "is that national security is still a major issue, generally favoring Republicans. But more important is the fact that abortion and gay marriage are proxies for deeply held cultural concerns." Most voters "worry about escalating challenges to family stability and the losing battle to instill good values in their children instead of the materialism and coarseness peddled by popular culture. They fear that our society has developed a casualness about life, especially as science has made it easier to manipulate and create beings. Banning gay marriage and outlawing abortion don't directly address those anxieties. But proposals like these at least acknowledge that the concerns exist and are valid. So while Republicans offer the wrong prescriptions, they get the diagnosis right. And they win because most of the time, Democrats won't admit that anything is wrong."

Democrats Hope To Win Upstate New York House Races. The New York Times (10/26, Hernandez, 1.21M) reports, "Once pessimistic about making gains in the Republican bastion of upstate New York, Democrats have now made the region a focal point in their campaign to retake Congress, pouring money and troops into several districts where they believe the Republican incumbents are vulnerable." The Democratic Congressional Campaign Committee is "financing hard-hitting advertisements in three districts that criticize the Republicans for ethical lapses, supporting the war in Iraq and advancing President Bush's agenda. It has spent $2 million in races in the state so far." There are "also extensive get-out-the-vote campaigns being organized in at least four Republican-held districts, with Democratic challengers receiving heavy support from national and state party operatives, as well as legions of volunteers and workers from unions, third parties and liberal advocacy groups like MoveOn.org." Former President Bill Clinton "is scheduled to swing through New York on Thursday, when he will headline airport rallies for three Democratic candidates from Albany to Syracuse." Democrats "feel that their best opportunity" is the 24th CD race between Republican state Sen. Raymond A. Meier and Democrat Michael A. Arcuri. In the 26th CD, Democrats are targeting Rep. Thomas Reynolds, "who is trailing his Democratic challenger, Jack Davis, in recent polls after facing questions about whether he responded vigorously enough after learning about e-mail exchanges between" Rep. Mark Foley and a congressional page. In three "other New York races, Democrats say that their chances are less certain, but still believe they are within striking range if there is a powerful Democratic tide on Election Day." John Randy Kuhl Jr. "faces a challenge from Eric Massa in the 29th Congressional District in the Southern Tier region of the state; James T. Walsh who is battling Dan Maffei in the 25th District in the Syracuse region; and John E. Sweeney who is in a race against Kirsten Gillibrand in the 20th District outside Albany."

Kentucky's 4th CD Race A Test For Democrats' Effort To Nationalize Campaign. In his syndicated column, run in the Washington Post (10/26, A25, 748K), Robert Novak analyzes the 4th CD race in Kentucky between Republican Rep. Geoff Davis and former Democratic Rep. Ken Lucas. Lucas "looked like he would rather be any place other than Kentucky's public television studios Monday night as he debated" Davis. A "moderate conservative, Lucas was not going deep into the Democratic Congressional Campaign Committee (DCCC) liberal playbook that is intended to nationalize midterm congressional elections." Lucas showed Monday night that this has not been a happy campaign for him. While Democratic candidates nationwide pillory George W. Bush, Lucas did not mention the president's name and appeared uncomfortable with the DCCC attack litany." Democrats "must win seats such as this one to achieve a substantial working majority in the House. But Republicans have limited the election in Kentucky's 4th Congressional District to a 'choice' between two candidates instead of a 'referendum' on an unpopular Republican president and Congress. That demonstrates that the struggle for Congress is not really a national election but is about 50 hotly contested local ones."

GOP Faces Hostile Political Environment In Ohio. The Washington Times (10/26, Dinan, 88K) reports that in Ohio's 15th CD, Republican Rep. Deborah Pryce "has cruised to victory" the "past six times with at least 60 percent of the vote, in a dead-heat district where President Bush and Sen. John Kerry just about split the vote in 2004." But with "Bush sliding into disastrous levels in the polls and Republicans in Ohio imploding amid corruption charges and unpopular policies, she is struggling against a boilerplate Democratic candidate whose attacks are similar to those being used across the nation by Democratic challengers." Mary Jo Kilroy, "a Franklin County commissioner from the left

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wing of the Democratic Party," said, "This is a referendum on the policies of this current administration." The Times adds Democrats "expect major victories up and down the Ohio ballot, leading off with Ted Strickland, a Democratic congressman who is on the verge of trouncing Republican Ken Blackwell in the governor's race." Republicans' "problems in Ohio are not primarily the national mood or antipathy toward Mr. Bush, who polls above 40 percent in approval ratings, higher than his national average. Instead, it is local -- a mixture of a faltering economy, state Republicans who pushed through huge tax increases, a school system that few voters seem pleased with, and Bob Taft, the departing Republican governor, who pleaded no contest last year to violating state ethics laws."

GOP Woes Leave DeWine At Risk. NBC Nightly News (10/25, story 6, 3:55, Williams, 9.87M) reported in Ohio, "some here are stunned to see Republican Senator Mike DeWine in trouble. The latest poll has him down by eight to his opponent." DeWine, "conservative to moderate, he voted for the war but not always in lock step with President Bush. He knows he sees the issue heading south, along with the President's approval rating." Democrat Sherrod Brown "is a former Eagle Scout who majored in Russian studies at Yale. He is pro abortion rights and anti-free trade. He doesn't like the way the war on terror is being fought."

On CNN's The Situation Room (10/25), Rep. Sherrod Brown said, "I don't think the Administration's listening to the generals enough. The President's comments and Mike DeWine's comments consistently are 'stay the course, stay the course, stay the course.' And if people want to stay the course in Iraq, they should vote for Mike DeWine, but I don't think they do."

Also on CNN's The Situation Room (10/25), RNC Chairman Ken Mehlman said, "We're spending millions of dollars in the final days of the campaign in Ohio. We're spending it on television ads. We're spending it in turning out the vote. We're spending it in mailing and contacting the voters working with the state party. Look, I think Mike DeWine will get re-elected."

Trade Issues The Focus Of North Carolina 8th CD Race. The New York Times (10/26, Weisman, 1.21M) reports on the North Carolina 8th CD race between Republican Rep. Robin Hayes and Democrat Larry Kissell, whose "campaign is organized around the threat of foreign competition and Mr. Hayes's tiebreaking vote last year for a trade accord with Central America." Kissell said, "The No. 1 issue voters care about this year is jobs. We have lost 10,000 jobs in the textile industry here in the last several years. Free trade has not been good for this district." The Times adds, "By most accounts, Mr. Kissell has an uphill battle in trying to unseat Mr. Hayes, who has withstood challenges on the trade issue in the past." But Kissell is "one of a dozen Democratic candidates for the House, and a few for the Senate, who are making at least some headway in tapping voter anxiety about trade." If "many pro-trade Republicans lose on Election Day, President Bush, who has had trouble winning approval of trade deals in the past, could face even tougher odds."

Herbert Says Indiana 2nd CD Voters Lack Confidence In Both Parties. In his New York Times column (10/26), Bob Herbert says that in Indiana's 2nd CD, Republican Rep. Chris Chocola "is in big political trouble and he knows that President Bush is much more the cause than the solution. Any mention of the Bush administration tends to turn local Republicans as chilly as the dusting of lake-effect snow that fell over South Bend the other night." Bush has "come into this northern Indiana district to raise money for the Chocola campaign but he has not been asked to appear with the congressman publicly to rally the dispirited troops." Chocola said, "I don't know that it would help me." He "candidly acknowledged that being seen as aligned with Mr. Bush 'is not as much of a positive as it used to be.'" Herbert adds that with "control of the House at stake, the G.O.P. can hardly afford to lose Mr. Chocola's seat. Two years ago he defeated his Democratic opponent, Joe Donnelly, by roughly nine percentage points." Donnelly is "his opponent again this year, and a recent public poll showed him leading Mr. Chocola by about five points. Mr. Chocola said his own internal polls showed the race as a dead heat." But the "overwhelming sense I took away from interviews with voters in and around South Bend was a feeling of disillusionment with government. Republicans and Democrats spoke sourly about the Bush administration, but no one expected dramatic changes if the Democrats gained control of one or both houses of Congress." 2nd CD resident Vernon DeWitt said, "People say the Democrats are weak, and frankly, I think they are. I'm fed up with everybody." Herbert concludes, "There are only two major parties. Where do troubled voters turn if the country is in a serious fix and neither party is seen as having an adequate solution?"

Schumer Surprised At Extent Of Democrats' Senate Prospects. The Washington Times (10/26, Pfeiffer, 88K) reports Democratic Senatorial Campaign Committee Chairman Charles Schumer "says he is just as surprised as anyone that Democrats have a legitimate shot at taking control of the Senate in the November election." At a National Press Club appearance with National Republican Senatorial Committee Chairman Elizabeth Dole, said, "In 2005, most people were predicting we'd be lucky just to keep our 45 [seats]. And now, I'd be disappointed if we just hold." The Times adds Dole "acknowledged the negative draw

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President Bush's Iraq policy is having on her party's candidates, but she asked what leaving Iraq now would accomplish and questioned the national security credentials of Democrats." Dole said, "If Democrats were to take over the Senate, you're going to see a weaker security situation."

RNC Pulls Controversial Tennessee Senate Ad. ABC World News (10/25, story 5, 2:30, Gibson, 8.78M) reported the Tennessee Senate race "has just about everything. Hints of sex. Allegations of racism. And the possibility that a Southern state could elect a black senator for the first time since Reconstruction." ABC (Reynolds) added, "Bob Corker should be coasting. A Republican running in a conservative red state that was carried twice by President Bush, his prospects should be looking good." But Democrat Harold Ford "has proven to be a more adept campaigner, insinuating at every stop that Corker's undeniable wealth includes ill-gotten gains and tying Corker to an unpopular war and an unpopular President." Faced with "the loss of a must-win Senate seat, the Republicans decided to down-shift away from Ford's politics to his persona. Drawing on Ford's attendance at a 'Playboy' magazine Super Bowl party last year, the national GOP is running this commercial, what many see as racial overtones. First, they lampoon Ford's positions. Then, a woman in a suggestive pose says this." Unidentified female: "I met Harold at the 'Playboy' party." Reynolds: "And she adds this to drive the point home." Unidentified female: "Harold, call me." Reynolds: "To many, the message is clear, and in parts of Tennessee, potentially incendiary." Prof. John Greer, Vanderbilt University: "It's talking about interracial sex relations and it's amazing. It's not the kind of ad you would expect somebody to be running if they thought they were ahead or in a tie." Reynolds: "Late today, officials at the Republican National Committee says the ad in question has received a lot of negative attention. And they have decided to stop running it here."

The New York Times (10/26, Toner, 1.21M) reports the Tennessee Senate race, "one of the most competitive and potentially decisive battles of the midterm election, became even more unpredictable this week after a furor over a Republican television commercial that stood out even in a year of negative advertising." The ad "featured a series of people in mock man-on-the street interviews talking sarcastically about Mr. Ford and his stands on issues including the estate tax and national security." Critics "asserted that the advertisement was a clear effort to play to racial stereotypes and fears, essentially, playing the race card in an election where Mr. Ford is trying to break a century of history and become the first black senator from the South since Reconstruction." Hilary Shelton, director of the NAACP's Washington bureau, "said the spot took aim at the sensitivities many Americans still have about interracial dating."

On CNN's The Situation Room (10/25), RNC Chairman Ken Mehlman said, "I think what our party is doing is working to focus on the issues. The ad is down now, and the focus, I think, is going to be on taxes, it's going to be on defense, it is going to be on judges and issues like that in the Senate race."

Appearing on MSNBC's Hardball (10/25, Matthews), Sen. Richard Durbin said, "Some of the ads that are up on the air now on the Republican side really go way beyond the pale. Running ads against Tammy Duckworth, a disabled veteran from the Iraqi war, in the Chicagoland area. The ads that they've run against Sherrod Brown that have been totally discredited. Now I think they've reached to the bottom of the barrel with this ad against Harold Ford. I'm glad they had the good sense to pull it."

During an interview about the midterm elections on Fox News' Hannity and Colmes (10/25), Jack Kemp said, "I'm going to tell the Republican National Committee to take out that dumb ad on the air against Harold Ford."

Demographic Shift Gives Ford A Boost. The Wall Street Journal (10/26, A1, Dade, Deogun, 2.03M) reports in a front page story that parts "of the upper South -- including Tennessee, Virginia and North Carolina -- are attracting significant numbers of people from other parts of the country who aren't steeped in the region's traditions but are drawn to good jobs, lower taxes, top-notch universities and affordable real estate." This "migratory shift is scrambling the region's electoral politics. It is raising Democratic hopes that some parts of the South may no longer be as monolithic in their support of the Republican Party and may be more accepting of African-American candidates." That "helps explain why" Ford "is in a statistical dead heat with his Republican opponent in the race for the U.S. Senate seat being vacated by Majority Leader Bill Frist. If Mr. Ford wins, he will become the first black senator from the South since Reconstruction. One major factor may be an unheralded demographic shift."

Ford Campaign Seen As Playbook For Other Southern Democrats. In a Wall Street Journal column (10/26, A19), editorial board member Kimberly Strassel says, "Ford is dogging Mr. Corker at the polls, threatening an upset in a race that could determine the balance of power in the Senate. Over the past year the Democrat has run right on social issues and defense, neutralizing two areas that so often hurt Democrats. That has freed him up to run a more populist campaign on economic issues. The calculation is proving a winner, and offers some lessons to national Democrats still interested in again becoming viable in the South."

Unusual Number Of Conservative Democrats Running For House. The Los Angeles Times (10/26,

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Hook, 918K) reports Heath Shuler "is part of a phalanx of unusually conservative Democratic candidates who may deliver crucial victories over GOP incumbents and help their party win control of the House." Republicans are "ringing alarms about what the House would be like if the GOP lost control: a throwback to the unreconstructed liberalism of big-government activism, tax increases and a weak-kneed defense policy. They point with Halloween-season horror to the likely lineup of Democratic committee chairs, including Henry A. Waxman (D-Los Angeles) and other liberal old-timers." But, like Shuler, "many of the Democratic candidates most likely to be elected are cut from a different cloth. Sixteen of them have been endorsed by the Blue Dogs, a coalition of conservative Democrats." With "so many conservative-leaning candidates at the forefront of the Democratic effort, House Democratic leader Nancy Pelosi (D-San Francisco) has, at least for now, stuck to a minimalist agenda that steers clear of grand, liberal ambitions. Instead, Democratic leaders are focusing — and almost all serious Democratic candidates are campaigning on — a more limited, six-point agenda that includes raising the minimum wage, repealing tax breaks for oil companies, restoring college tuition tax breaks, cutting Medicare drug costs and other plans they believe could draw bipartisan support."

Controversy Over Michael J. Fox Ad Raises Stem Cell Issue Into National Debate. The CBS Evening News (10/25, story 5, 0:15, Couric, 7.66M) reported, "The issue of embryonic stem cell research has suddenly exploded again in the middle this campaign. Missouri is holding a referendum on whether to guarantee that research in its Constitution. And everyone from movie stars to star athletes is joining the fight." CBS (Bowers) added, "When St. Louis cardinal pitcher Jeff Suppan takes the mound tonight, he's not only pitching for a World Series win, he's also going to bat for conservatives on the hot button issue of stem cell research." He is "joined by a number of local sports heroes and even the man who played Jesus in Mel Gibson's passion of the Christ. A conservative group produced it to fight back against a series of hard-hitting and poignant ads put out by actor Michael J. Fox." Michael J. Fox: "Senator Talent even wanted to criminalize the science that gives us a chance for hope." Bowers: "The ads shown locally here in Missouri during the first three games of the World Series, a visibly shaking Fox urges fans to vote yes to stem cell research and Democratic challenger Claire McCaskill and no to the Republican incumbent. Senator Jim Talent was out campaigning today, and his office declined comment but his opponent is enjoying the unexpected attention." McCaskill "credits conservative talk show host Rush Limbaugh for that because what had been a limited ad campaign targeting a few Senate races in a few key states like this one where stem cells are an issue suddenly went national when Limbaugh suggested Fox was exaggerating the symptoms of his Parkinson's disease."

On Fox News' On The Record (10/25), correspondent Carl Cameron said the stem cell issue is, "particularly in Missouri, potentially very big. That battle you see amongst those two ads is being fought out between the two Senate candidates. Claire McCaskill, the Democrat, is very pro-embryonic stem cell research. Jim Talent is against embryonic stem cell research but is in favor of adult stem cell research and various different other alternatives. And most of the Missouri polls suggest that the public is in favor of the ballot initiative. And as a consequence, that could help Claire McCaskill and Democratic candidates. It's going to make it a little bit tougher for Jim Talent."

USA Today (10/26, Lawrence, 2.27M) reports, "Opponents of a Missouri ballot measure that would amend the state constitution to allow research using embryonic stem cells have produced a star-studded TV ad to press their cause. The ad features former St. Louis Rams quarterback and Super Bowl hero Kurt Warner, St. Louis Cardinals pitcher Jeff Suppan, Kansas City Royals baseball player Mike Sweeney, Everybody Loves Raymond actress Patricia Heaton and The Passion of the Christ star James Caviezel." Supporters of the measure "have been running ads featuring singer Sheryl Crow, a Missouri native. And Democratic Senate candidate Claire McCaskill's campaign is airing ads featuring a quivering Michael J. Fox, who has Parkinson's disease, urging voters to elect her because of her support for stem cell research."

The Los Angeles Times (10/26, Simon, 918K) reports the stem cell research ad "has drawn more attention than the 2004 ads because Fox looks so debilitated. His body jerks so violently in the 30-second spot that conservative talk show host Rush Limbaugh mockingly mimicked the tremors and suggested that Fox was exaggerating his symptoms. Limbaugh later apologized, but the uproar over his remarks made the Fox ad the talk of the political world — and prompted thousands of people to view it online."

"Passion Of The Christ" Star Uses Biblical Language. The Washington Times (10/26, Bellantoni, 88K) reports the actor "who played Jesus in 'The Passion of the Christ' is drawing on his knowledge of that film's Aramaic language and his image as Christ for his latest role -- using Jesus' words to ask Missouri voters to oppose a stem-cell research measure on the Nov. 7 ballot." Actor Jim Caviezel "opens the political ad with a brief statement in Aramaic, the common tongue of biblical-era Palestine and the language of Mel Gibson's blockbuster movie, saying: 'Le-bar nash be-neshak.'" Bill Fulco, "the Loyola Marymount professor who translated Mr. Gibson's script for 'Passion' and coached the actors on the ancient language, told The Washington Times yesterday the phrase means: 'You betray the Son of Man

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with a kiss,' a reference to Judas' betraying Christ and a phrase used in the Greek of Luke's Gospel." Tom Schreiner, "a professor of New Testament interpretation at the Southern Baptist Theological Seminary, said yesterday Mr. Caviezel is implying the amendment may seem "loving and kind" to its supporters, but when read closely, it is "actually a betrayal.'"

NRSC To Spend $3.5 Million On Ads In Closing Days Of New Jersey Senate Race. The New York Times (10/26, Rutenberg, 1.21M) reports, "National Republican campaign strategists are beginning an intensive last-minute offensive in New Jersey, seizing on the tight race between Senator Robert Menendez, a Democrat, and his Republican challenger, Thomas H. Kean Jr." NRSC officials "said they were putting $3.5 million into the race in its final 12 days to pay for television advertisements attacking Mr. Menendez that were expected to be on major stations by Thursday morning." NRSC spokesman Brian Nick "said Mr. Kean had remained at least competitive with Mr. Menendez -- though trailing in two recent polls -- despite being outspent. Mr. Nick said the committee believed that the new advertising, produced by a quasi-independent arm of the committee created under federal campaign finance law, had the potential to change the dynamic of the race." RNC spokesman Brian Jones "said the party would provide an extra push for Mr. Kean with an aggressive drive to get out the vote. 'We feel that there's a real opportunity in New Jersey,' Mr. Jones said. The $3.5 million advertising outlay is a major investment in two of the most expensive media markets in the nation, New York and Philadelphia, both of which transmit into New Jersey."

Steele, Cardin Clash In "Tempestuous" Debate. The Baltimore Sun (10/26, Skalka, 262K) reports that in the "most tempestuous encounter to date of Maryland's U.S. Senate contest, Lt. Gov. Michael S. Steele and Rep. Benjamin L. Cardin played a heated game of gotcha during a televised debate Wednesday, with Steele pressed into offering his clear support for the war in Iraq and Cardin stumbling when queried about the location of a planned Metro line in the vote-rich Washington suburbs." The candidates "sparred for an hour, talking over each other from the start and bickering about their views on embryonic stem cell research, health care and the Iraq conflict. Each contender claimed he could better bring change to Washington and that his opponent is beholden to party bosses." Cardin said, "George Bush helped finance his [Steele's] campaign for the United States Senate. The lieutenant governor agrees with George Bush's agenda on Social Security, on health care, the war in Iraq." The Sun adds that Steele "snapped back: 'This gentleman, this congressman has been running against George Bush for over a year. Haven't you noticed, sir, he's not represented on this stage.'" Steele added, "You were hand-picked by Congressman Steny Hoyer to get in this race. If you weren't, Kweisi Mfume should be sitting here."

The Washington Post (10/25, Mosk, Marimow, 748K) reported that Steele attempted "to quiz" Cardin "on the route of the proposed Metro rail Purple Line. After starting to hazard a guess, sputtering out 'Chevy Chase,' Cardin snapped, 'I'm not going to answer your question,' and pushed back at Steele, asking him about national health insurance. Later, Cardin was asked repeatedly by reporters if he knew the Purple Line route and while he insisted that he did, he refused to risk an answer. 'I support the Purple Line,' he said, then added, 'I'm not sure they've settled on specific sites.'" During "the debate, Cardin pressed Steele on his initial support for the Iraq war. Steele responded by calling it 'heartening to see the president move to where the American people have been for some time.' 'How would you have voted in Congress if you'd had the chance?' Cardin pressed, adding that he believes Steele would have supported the president. 'Do not disrespect me and tell me what I would have done at the time,' Steele replied. He then acknowledged he did support going into Iraq."

The Washington Times (10/26, Ward, 88K) relates that Steele "reiterated his support for stem-cell research using adult stem cells and his opposition to embryonic research, which he considers abortion. Mr. Cardin said he supports embryonic research. … At one point, Mr. Steele, sitting next to Mr. Cardin, said the 10-term congressman had failed as a leader. 'For 20 years, sir, you have sat in the [congressional] seat and wasted the opportunity to lead,' he said." The AP (10/26) reports, "The debate also included third-party candidate Kevin Zeese, who said both Steele and Cardin cannot be independent senators because they've taken contributions from business interests. … The candidates will also debate Thursday in Charles County and Sunday on NBC's 'Meet The Press.'"

Black Democratic Leaders Not Criticizing Steele. The Washington Times (10/26, DeBose, Ward, 88K) reports, "Local black Democratic leaders will not attack Maryland Lt. Gov. Michael S. Steele in his U.S. Senate race, even as they campaign and appear in ads for his opponent -- Rep. Benjamin L. Cardin, a fellow Democrat." Del. Eleanor Holmes Norton said, "I think that is a tactical decision. If [Mr. Steele] has a large or fairly large black vote, why or how could you alienate that vote by going after him doing personal attacks? There is just no way." The Times adds former Prince George's County Executive Wayne K. Curry, "who has not yet endorsed anyone in the Senate race, said it is wise for black politicians to avoid criticizing Mr. Steele, a Republican and the first black to win a statewide election in Maryland."

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Allen, Webb Both Support Revisions To No Child Left Behind. The Washington Post (10/26, B6, Glod, 748K) reports that in a "state skeptical of federal intrusion in local school affairs, Virginia Sen. George Allen and challenger James Webb each say they support the goals of No Child Left Behind but quarrel with how the federal law has played out." Webb says "schools need more federal funding to fulfill mandates to test students and narrow achievement gaps. The Republican incumbent, who voted for the landmark legislation five years ago, now argues that states need more flexibility in how they grade schools. But neither candidate supports an outright repeal of the law." The winner of the race "will have a vote when Congress debates whether to renew the controversial law, which aims to push students in a range of grades to attain near-universal proficiency in reading and math by 2014." As Virginia governor "in the mid-1990s, Allen was chief architect of the school accountability program that measures progress using the Standards of Learning tests. Since voting for No Child Left Behind, he has become critical of the federal initiative. State officials in that time have also complained about aspects of the law."

Wilder Backs Webb To Send Message Over Iraq War. The Washington Post (10/26, B5, Craig, Rein, 748K) reports Webb "campaigned yesterday in Northern Virginia with the state's current governor at his side, and hours later he picked up a key endorsement from a former governor in Richmond." Webb, "joined by Gov. Timothy M. Kaine (D), appealed to retirees and students at stops in Fairfax and Prince William counties before heading to Richmond to appear with former Gov. L. Douglas Wilder, now the mayor of Richmond and a popular figure among African American voters." Sen. Allen "stumped through southwestern Virginia yesterday with Kentucky Sen. Mitch McConnell (R), the majority whip. The Allen campaign also released a radio commercial featuring Allen's most prominent black supporter, state Sen. Benjamin J. Lambert III (D-Richmond)." The Post adds Allen and Webb had each "courted Wilder for his support. Wilder, a Democrat, is independent-minded and likes to build suspense for his endorsements by waiting until late in a campaign to announce his choices. His support isn't always guaranteed; in 1997, he declined to endorse Democrat Donald S. Beyer Jr. for governor." Wilder "said voters should choose Webb to send the message that they are opposed to the war in Iraq and Republican economic policies. He said he would do all he could, including campaign events and TV ads, to support Webb." Wilder said he "considers Allen a 'close friend' but cannot support him because he is a reliable vote for GOP leaders in Congress. Wilder called Allen yesterday morning."

The New York Times/AP (10/26) reports Wilder "promised to help Mr. Webb, a Democrat, with voter turnout in the weeks leading to the Nov. 7 election. He said Mr. Webb could beat Mr. Allen, a Republican, if he got a large voter turnout in Hampton Roads and Richmond." Wilder, "who remains the nation's first and only elected black governor, said he was angry at the way President Bush had handled the Iraq war."

The Washington Times (10/26, McLaughlin, Bellantoni, 88K) reports Wilder's "endorsement comes at a crucial time for Mr. Webb, with most polls showing that he still trails" Sen. Allen. Wilder said he "is endorsing Mr. Webb, a former Navy secretary under President Reagan, because he will fight against the 'pattern of inefficiency, ineptitude and scandal' in the Republican-controlled Congress." The Allen campaign "said the endorsement was no surprise. They noted their radio ad featuring state Sen. Benjamin J. Lambert III, a black Richmond Democrat who has endorsed Mr. Allen. In the ad, Mr. Lambert notes Mr. Allen's support for black farmers and the Voting Rights Act."

Allen's Racial Views Examined. The Washington Post (10/26, A1, Turque, 748K) profiles Sen. Allen in a front page story, noting that in the "sun-splashed Los Angeles suburbs," some of Allen's "classmates at Palos Verdes High School recall a lone tobacco-chewing teenage cowboy who was disliked, even feared." Don Gause, a wide receiver on the football team, said, "George was not what I would call mainstream." One reason, Gause said, "was that Allen used anti-black epithets and 'ran with a group of guys off the football field' who used the same language." Gause said, "George took some hard lines in that area." The Post adds, "Who George Allen was, and who he is today after 23 years in politics, remains an issue as the Virginia Republican seeks reelection. Supporters say the pilgrimage was one leg of a journey that has led to genuine maturation for Allen, 54, whose style melds Ronald Reagan's optimism with George W. Bush's Texas swagger." But the "macaca" incident "raises a question: Has Allen really evolved, or did his true nature slip into public view?" Those "closest to him say that Allen is no bigot and that partisan enemies have seized on murky 30-year-old anecdotes and meaningless lapses in political correctness to damage him." Others "from Allen's past said they saw a distressingly familiar, coldly taunting hatred when they viewed the macaca tape."

Republicans Hope For Upset In Michigan Senate Race. The Washington Times (10/26, Hurt, 88K) reports Republicans are "turning to Michigan in the final days of the campaign in search of a major upset that would protect their majority in the U.S. Senate." Mike Bouchard, "the popular Republican sheriff of Michigan's second-largest county, trails Democratic incumbent Sen. Debbie Stabenow. But recent polls suggest that Mr. Bouchard may be closing the gap, with two surveys indicating a single-digit difference."

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Republican "heavy-hitters, such as former New York Mayor Rudolph W. Giuliani, Sen. John McCain of Arizona and Massachusetts Gov. Mitt Romney have been to the state to campaign for Mr. Bouchard. President Bush travels there today." The NRSC "spent $1 million on the" Bouchard campaign's "behalf, one of only three states where the national Republicans have gone on the offense. Also, members of the conservative group Club for Growth donated more than $250,000."

Both Parties Seek Advantage From Poor Michigan Economy. USA Today (10/26, Wolf, 2.27M) reports that in 'an election dominated by the war in Iraq, the impact of an economy recovering from recession is less clear. Democrats note that wages have not kept up with some prices, particularly for health care and college tuition. That, they say, should help their party. Others cite three years of job creation, a 4.6% national unemployment rate, declining gas prices and high stock prices as evidence the country is on the right course — a plus for Republicans." President Bush, "who arrives in the Detroit suburbs today to raise money for GOP Senate candidate Mike Bouchard, has spent much of the week highlighting the economy as a strong point for Republican candidates." Yet "even if the economy works to the benefit of Republicans, it may not do so in Michigan." Democratic Gov. Jennifer Granholm "is struggling with a difficult state economy — only Mississippi, wracked by Hurricane Katrina, has a higher jobless rate (7.2%) — but she is leading narrowly in recent polls, and incumbent Democratic Sen. Debbie Stabenow enjoys a bigger lead over Bouchard."

DeVos Criticized For Failing To Provide Economic Vision For State. In a Wall Street Journal op-ed (10/26, A18), Shikha Dalmia of the Reason Foundation says, "Besides the Tigers, the main thing on the minds of Michigan residents is the state's tanking economy. So when the state's most prominent Republican businessman entered the gubernatorial fray promising to turn things around, it should have been a home run. Instead, 10 days before the election, Dick DeVos has lost his 15-point summer lead over Jennifer Granholm, the Democratic incumbent, and is now trailing by more than eight points in most polls. The fault is not in his stars but in himself: At a time when Michigan needs economic leadership, he has so far shown little charisma, creativity -- or courage of convictions." DeVos "has done little to challenge" Granholm "on economic fundamentals -- her big vulnerability given that two-thirds of Michigan voters believe that the state has been going in the wrong economic direction under her."

Connecticut Senate Race Seen As Harbinger For US Involvement In Iraq. In his Washington Post column (10/26, A25), David Broder says, "When the three candidates in Connecticut's celebrated Senate race met for their final debate on Monday night in New London, only one of them appeared to be having a good time." It was "not Ned Lamont, the tense and fidgety businessman who had captured the Democratic nomination as an opponent of the Iraq war." It was "certainly not Joseph Lieberman, the three-term Democratic senator who had lost the primary to Lamont because of his support of that war and is running as an independent. Lieberman looked exhausted and exasperated by his situation, even though polls show him to be in front." Rather, the "only person who was relaxed, good-humored and reveling in the moment was Alan Schlesinger, the bulky Republican nominee whom no one gives a chance of winning. He jabbed humorously and effectively at both his opponents, noting how ironic it was that 'a Greenwich multimillionaire' such as Lamont was running as a Democrat, while Lieberman, whose long list of liberal positions Schlesinger cited, was 'masquerading as a Republican.'" But the race "constitutes perhaps the nation's clearest test on the Iraq war." A Lieberman win "would slow, if not reverse, growing pressure from the Democrats for an early pullout of U.S. forces." A Lamont win "would add immeasurably to the momentum of the antiwar forces."

Sophisticated "Google Bombing" Campaign Targets 50 Republicans. The New York Times (10/26, Zeller, 1.21M) reports if things "go as planned for liberal bloggers in the next few weeks, searching Google for 'Jon Kyl,' the Republican senator from Arizona now running for re-election, will produce high among the returns a link to an April 13 article from The Phoenix New Times, an alternative weekly." Kyl "'has spent his time in Washington kowtowing to the Bush administration and the radical right,' the article suggests, 'very often to the detriment of Arizonans.'" Searching Google "for 'Peter King,' the Republican congressman from Long Island, would bring up a link to a Newsday article headlined 'King Endorses Ethnic Profiling.'" The Times adds, "Fifty or so other Republican candidates have also been made targets in a sophisticated 'Google bombing' campaign intended to game the search engine's ranking algorithms. By flooding the Web with references to the candidates and repeatedly cross-linking to specific articles and sites on the Web, it is possible to take advantage of Google's formula and force those articles to the top of the list of search results." The project "was originally aimed at 70 Republican candidates but was scaled back to roughly 50 because Chris Bowers, who conceived it, thought some of the negative articles too partisan."

Poll Finds Majorities Of Arab Americans Backing Democratic Candidates. The Washington Times (10/26, Pfeiffer, 88K) reports a "new poll of Arab Americans in four battleground states shows a large shift in voter preferences that now favors Democratic candidates. If

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true, it represents a major shift from as recently as the 2000 presidential election, when then-Gov. George Bush won nearly 50 percent of Arab Americans' votes." The survey, "conducted by Zogby International for the Arab American Institute (AAI), of likely voters in Ohio, Florida and Pennsylvania found that Arab Americans are supporting Democrat gubernatorial and Senate candidates by close to 3-1 margins." With a "number of close races potentially shifting the control of Congress, the major shift of even a small ethnic bloc could give one side the edge."

Woman Claims Bribe Offer Made Over Allegations Of Gibbons Assault. USA Today (10/26, Kasindorf, 2.27M) reports a Las Vegas cocktail waitress said "she was offered money to recant allegations that a Republican congressman running for Nevada governor assaulted and propositioned her." The "alleged bribery attempt that Chrissy Mazzeo, 32, described at a news conference reignited a sex-tinged controversy that Rep. Jim Gibbons says could influence his tight contest with Democratic state Sen. Dina Titus." Gibbon's lawyer, Don Campbell, "later at a news conference called Mazzeo 'an exceedingly troubled young woman' with a 'troubled past,' who was making 'wild and reckless allegations.'" Gibbons, 61, "who is married, has denied the allegations."

Late Campaign Stress Leads Candidates To Make Ill-Advised Statements. The New York Times (10/26, Hulse, 1.21M) reports, "Fighting for their jobs in an increasingly frenzied political environment, several candidates are showing signs of strain, uttering words they later wish they could take back, running last-ditch advertisements that push the envelope and taking other actions that are out of the political ordinary. The gaffes can have real consequences, coming when voters are paying the closest attention." Rep. Barbara Cubin, "facing a strong challenge in what should be a safe seat, this week told an opponent who uses a wheelchair that she would slap him were he not disabled." Rep. Christopher Shays, "normally a low-key moderate, portrayed the treatment of Iraqis at the Abu Ghraib prison as the product of a sex ring rather than of abuse." And Rep. Steny H. Hoyer of Maryland, "the No. 2 Democrat in the House, accused a black Senate candidate of 'slavishly' supporting Republican policies and later apologized for a poor choice of words." GOP strategist Ed Rollins said, "It is definitely the funny season. When everybody thinks they are in jeopardy, whether they are or not, there is real panic. All these Republicans who thought they were in safe seats have seen their numbers drop dramatically. They are freaked."

Doubts About Hillary Clinton's "Authenticity" Said To Remain. The Financial Times (10/26, Luce) reports, under the headline "Hillary Clinton Wins Minds But Not Yet Hearts," that "there are reasons to believe the Republicans might be too sanguine about how easy it would be for their candidate to defeat Mrs Clinton in 2008, regardless of which party wins the mid-term congressional elections on November 7." Watching Clinton, "on the campaign trail in Long Island explains why many people who used to be hostile to her have become more open-minded." Clinton has "worked assiduously to win federal contracts and funding for communities in her state," and she "campaigns tirelessly to get better treatment for the fire and police employees who were affected by the dust at Ground Zero." But in "spite of her evident crowd-pulling abilities, doubts about her authenticity are unlikely to fade." Clinton has been "dogged by two recurring questions. Will she still be a senator six years from now when her term elapses? And how can she criticise Mr Bush for invading Iraq when she supported the congressional resolution which authorised it?" She "evades both with lawyerly consistency."

US Said To Be Facing Growing Skills Gap. The Financial Times (10/26, Guerrera, Waters, Knight) reports, "Azim Premji, chairman of Wipro, the Indian outsourcing group, has warned that the US faces a more acute skills shortage in information technology than India, blaming failings in America's education system and restrictive immigration policies." Premji, "a Stanford University graduate, said the US education system was not doing enough to attract mathematics and science teachers or to steer students towards those subjects." Microsoft's Bill Gates has also "been warning about the evaporation of interest in computer science at US universities for more than two years." And GE's Jeffrey Immelt "told a Washington audience in January that the US was on its way to becoming 'the massage capital of the world', with more students graduating in sports sciences than electrical engineering."

Brooks Says US Entering Era Of Ideological Dealignment. In his New York Times column (10/26), David Brooks says, "In some eras there is no dominant political tendency. The 1970's were such a period. That decade was marked not by a change in political winds so much as by disillusionment and a scrambling of political categories. People who once had been liberals drifted away. Voters became cynical about politics itself. The pendulum swung not only from left to right but from politics to antipolitics. Jimmy Carter promised a break from the normal methods of political life. We're about to enter another of those periods without a dominant ideology. It's clear that this election will mark the end of conservative dominance. This

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election is a period, not a comma in political history." Conservatives "have exhausted their agenda," are "beset by scandals, the kind of institutional decay that afflicts movements at the end of their political lives. Third, the Reagan coalition is splintering, with the factions going off in wildly different directions." Fourth, there "is no viable orthodox conservative candidate for the 2008 Republican presidential nomination."

Liberal Radio Network Seen As Evading Campaign Contribution Limits. In a Washington Times op-ed (10/26), John R. Lott Jr., dean's visiting professor at SUNY-Binghamton, and Bradley A. Smith of Capital University Law School, says, "When is a campaign donation not a campaign donation? Apparently if you spend the money to run a radio program instead of paying for campaign ads that run on that same program. Just look at Air America. With $41 million in losses since 2004, and $9.8 million owed just to Robert Glaser, RealNetworks chairman, Democrats who bankrolled this 'company' weren't so much investors as campaign contributors. The losses are seen as simple business ineptitude, but Air America effectively, and perhaps intentionally, cleverly avoided the campaign finance limits which Democrats had worked so hard to pass." Since Air America "started, successful radio entrepreneurs — most notably Rush Limbaugh — have argued that Air America never had a business model that made sense. But perhaps it had a model that made political sense. It's hardly a coincidence that Air America debuted in time for the 2004 presidential campaign or that the bankruptcy filing was put off long enough so that creditors actions won't stop broadcasts before the Nov. 7 election. As if the willingness to lose money weren't already obvious, over a year ago the network started asking listeners to donate money to keep the programs on the air."

Bush "Assassination" Movie Faces Marketing Challenges. USA Today (10/26, Breznican, 2.27M) reports, "How do you get people to go to a movie that sounds like it's committing treason? That's the challenge facing Newmarket Films' new Death of a President, a fictional documentary about what could happen if President Bush were assassinated." Richard Abramowitz, marketing director for Newmarket, said, "The film does not promote violence on any level. It no more advocates for assassination of the president than Silence of the Lambs advocates for cannibalism." USA adds Death of a President, "from British director and co-writer Gabriel Range, has raised hackles ever since it premiered in September at the Toronto Film Festival. Some large theater chains balked at featuring it, and the film will open Friday in about 100 theaters, mostly art houses. CNN and Fox News refused to run ads for the movie."

WPost Backs DC-Beijing Flights. The Washington Post (10/26, A24, 748K) reports, "The quality of communication between the Washington area and Beijing could influence global stability. But there is no direct flight between the two capitals. Over the next couple of months, the Transportation Department will consider whether that should change. For economic reasons as well as geopolitical ones, the department should back a United Airlines proposal to launch daily service to Beijing from Dulles International Airport."

WSJournal Says Decline In Oil Prices Shows Folly Of "Windfall Profits" Tax. In an editorial, the Wall Street Journal (10/26, 2.03M) writes, "Exxon Mobil, Royal Dutch Shell, BP and other members of the vast energy conspiracy may have a hard time keeping their run of profit growth going now that oil prices have fallen to $60 or so a barrel from upwards of $80." The decline in oil prices is "proof of the folly of a 'windfall profits' tax or similar punitive measures against Big Oil favored by so many politicians. Only this week, however, Democratic Leader Nancy Pelosi repeated her pledge to soak the oil companies if her party takes over the House next month." The Journal says, "Her policy seems to be that when oil prices decline, oil company shareholders must absorb all the market risk and the lower profits. But when oil prices rise, the companies must hand over a cut of their profits to Members of Congress to spend as they like. The only 'windfall' is for the political class."

US, European Allies At Odds Over Iran Resolution. The Washington Post (10/26, A20, Lynch, Kessler, 748K) reports, "The United States and its European allies split Wednesday over the terms of a U.N. resolution calling for a ban on Iranian trade in ballistic missiles and nuclear materials." While "the Bush administration supports the Europeans' broad aims of sanctioning Tehran for refusing to halt nuclear activities," it feels the resolution "would be too weak to constrain Iran from developing nuclear weapons." Although the resolution "requires states to 'prevent the supply, sale or transfer' of Iran's nuclear and ballistic programs and would halt Tehran's ability to secure financing and technical assistance for them" and would "ban travel and freeze the assets of individuals associated with the weapons programs," it still "exempts Russia from the trade embargo, allowing it to continue a previously approved nuclear energy agreement to support the construction of Iran's Bushehr nuclear power plant." The Europeans also rejected U.S. amendments "that characterized Iran's nuclear activities as a threat to international peace and security," saying the resolution the US wishes "may have provoked a Russian veto." The "European negotiators thought they had secured U.S. backing for the proposal to exempt Russia from the

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trade ban at a meeting of political directors in late September." Still, the European negotiators agreed "to include a proposal by U.S. Ambassador John R. Bolton to invoke a provision known as Article 41, which obliges states to enforce U.N. sanctions."

The Wall Street Journal (10/26, A6, King, 2.03M) adds, "The Bush administration has raised sharp but unspecified objections," as "administration officials yesterday declined to provide details on how they would like the draft resolution altered, other than to say it isn't yet stringent enough." One "U.S. official who reviewed the draft said, 'The Europeans have a fundamental difference with us on how to proceed."

The New York Times (10/26, Cooper, Shanker, 1.21M) downplays the differences between the US and Europe, writing that "the bickering of late has largely been tactical." While Ambassador John R. Bolton "demanded that the draft resolution bar Russia from continuing to build Iran's first nuclear power plant," other American officials acknowledged that a provision against all work on Bushehr was unrealistic," and European diplomats said "Mr. Bolton wanted to put it on the table as a bargaining chip to get other Russian concessions." Still, "Bush administration officials and their European counterparts have been squabbling over details of the draft resolution for the past week, and the horse-trading will probably increase now that the Russians and the Chinese have been given the draft." While "Secretary of State Condoleezza Rice urged the Security Council to move rapidly to adopt the resolution, saying the authority and standing of the international community were at stake," following "five months of missed deadlines, counterproposals and diplomatic overtures on Iran, few officials from any of the six countries involved were willing to predict when a final sanctions resolution might pass the Security Council."

The Financial Times (10/26, Bozorgmeh, Dinmore) follows the New York Times' tone, reporting "Nicholas Burns, US under secretary of state, said he did not think the Bushehr issue would be a major stumbling block." Meanwhile, "Iran was reported on Wednesday to be accelerating its uranium enrichment process" as "Iran's semi-official student news agency, ISNA, quoted an unnamed Iranian official who said a second network, or cascade, of centrifuges used to produce enriched uranium was installed last week, and that injection of the gas feed would take place this week." Some experts "believe Iran's installation of the second cascade is intended to signal its defiance of sanctions that have been threatened."

Iranian Journalist Notes Comforts Enjoyed By Wealthy Disincline Them To Political Change. Farouz Farzami, the pseudonym of a journalist who is forbidden to publish in Iran, writes in an op-ed in the Wall Street Journal (10/26, A18, 2.03M) "the well-to-do Iranian drinks and reads and watches what he wishes. He does as he pleases behind the walls of his private mansions and villas. In return for his private comforts, the affluent Iranian is happy to sacrifice freedom of speech, most of his civil rights, and his freedom of association. The upper-middle class has been bought off by this pact, which makes a virtue of hypocrisy." As one well-off Iranian notes, "We may be forfeiting our freedoms, as you say, but when the price of avoiding the authorities is so affordable, why would we risk everything to take on the regime?" In fact, "it is only the principled intellectuals of moderate means who suffer."

WSJournal Criticizes ElBaradei's Objectivity. The Wall Street Journal (10/26, A18, 2.03M) editorializes that lately Mohamed ElBaradei has "been sounding more like the real life Jimmy Carter than" Jack Webb. He said, "I don't think sanctions work as a penalty," for North Korea "after meeting with Condoleezza Rice, and "for Iran, 'the jury is still out on whether they are developing a nuclear weapon.'" His assurances that "the IAEA can be trusted to be 'continuously objective and impartial'" now "look disingenuous," as he "is offering confident judgments, well above his pay grade, about Kim Jong Il's motives -- and cautious ones about Mahmoud Ahmadinejad's. It's even harder to believe given the selective leaks and political hits the IAEA has recently practiced against the Bush Administration and its allies in Congress." Meanwhile, if "Mr. ElBaradei been doing his real job, he might have made a more strenuous effort at pointing out publicly Iran's failures to comply with its obligations, rather than offer grand pronouncements on diplomacy and making partisan intrusions into American politics."

Argentine Prosecutor Calls For Arrest Of Former Iranian President. The Washington Post/AP (10/26, A19, Serrat) reports, "Argentine prosecutors asked a federal judge on Wednesday to order the arrest of former Iranian president Akbar Hashemi Rafsanjani and seven others in the 1994 bombing of a Jewish cultural center that killed 85," saying that "the decision to attack the center 'was undertaken in 1993 by the highest authorities of the then-government of Iran'" and "was entrusted to the Lebanon-based group Hezbollah." Prosecutors "said they suspected that Hezbollah undertook activities outside Lebanon only 'under orders directly emanating from the regime in Tehran.'" They also requested the "arrest of two former commanders of Iran's Revolutionary Guards, two former Iranian diplomats and a former Hezbollah security chief," and "asked the judge to detain other former Iranian officials, including an intelligence chief, Ali Fallahijan, and a foreign minister, Ali Ar Velayati." USA Today/AP (10/26, 11A, Serrat) runs an abbreviated version of the AP story.

McClatchy Newspapers (10/26, Sanchez, Chang, Hall) adds that Prosecutor Alberto Nisman "charged that the plot involved not only top political officials, but also lower-level diplomats in the Iranian Embassy in Buenos Aires." He said it was a "well-calculated plan that was part of a 'terrorist matrix' that included assassinations in France, Germany and Switzerland." Nisman "is the first Argentine official to publicly

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accuse officials in Tehran of involvement in the attack," and these charges "lend credence to longstanding American claims that Iran and Hezbollah are sponsors of international terrorism."

Rice Prods South Korea On Sanctions. The AP (10/26, Gearan) reports, "Secretary of State Condoleezza Rice gently prodded South Korea on Wednesday to show a strong commitment to international sanctions imposed against North Korea for its nuclear test this month," saying that while "the U.S. has no wish to tell Seoul how it should coexist with its neighbor," the North's "test of a nuclear device Oct. 9 'requires a strong response,' and said that adherence to a U.N. resolution banning the sale of weapons material, luxury goods and more to North Korea is key." She added, "North Korea's behavior poses a regional challenge and it must be addressed in a regional context," and "South Korea must be part of the solution, as should Japan and China and Russia."

South Korean Unification Minister Resigns. The Washington Times (10/26, Salmon, 88K) reports that Lee Jong-seok, South Korea's unification minister, "resigned yesterday, the highest-profile casualty yet in a battle over the government's North Korea policy after an Oct. 9 nuclear test by Pyongyang." He was "a strong advocate of engagement and reconciliation with the communist North." According to Lee, "efforts to achieve 'peace and security and inter-Korean reconciliation on the peninsula are being recklessly politicized.'"

Rice "Plays Down" Putin's Remarks That Nuclear Test Was Response To Being Cornered. The AFP (10/26) reports, "The United States brushed aside a complaint by Russian President Vladimir Putin that North Korea tested a nuclear weapon because it had been backed into a corner by its rivals." Secretary Rice "played down" Putin's comments, "In what was seen as veiled criticism of the aggressive US policy on North Korea,…that one of the reasons Pyongyang chose to set off its first nuclear explosion was that "not all participants in the (six-party) talks process could find the right tone in the talks.'"

Japan Denies Report That It Seeks Nuclear Meeting. The AP (10/26, Greimel) reports, "Japan's foreign ministry Thursday denied a news report that the government is planning a meeting with the U.S. and South Korea as early as next month to solidify a common stance on the North Korean nuclear standoff." Kyodo News agency, had, "citing unidentified government officials, said the meeting among the allies will likely be held in Seoul" as "Japan wants the trilateral meeting to reaffirm the demand that the North Korean nuclear crisis be resolved through six-party talks that include North Korea, South Korea, the United States, Japan, China and Russia."

North Korea Threatens South Over Sanctions. The AP (10/26, Chang) reports that North Korea's the Committee for the Peaceful Reunification of the Fatherland "warned South Korea against joining international sanctions, saying Wednesday that its neighbor would 'pay a high price' if it joins the U.S.-led drive to punish the reclusive communist nation for its nuclear test." However, "President Bush dismissed North Korea's threats, saying leader Kim Jong Il was probing for weaknesses in the international community." As for South Korea, "there was no immediate response to Wednesday's statement."

Former Assistant Secretary Of Defense Advocates Negotiations. Henry S. Rowen, the assistant secretary of defense from 1989-91 and currently senior fellow of the Hoover Institution and director emeritus of Stanford University's Shorenstein Asia Pacific Research Center, writes in an op-ed in the Wall Street Journal (10/26, A18, 2.03M), "The United Nations sanctions on North Korea are useful, but unless China and South Korea change their policies, these sanctions will not have much effect." We should "be braced for more North Korean tests," as the Chinese don't see "Pyongyang's programs as seriously damaging to its own interests." They "don't want chaos in North Korea with millions of refugees coming across the border; and they don't want American forces on their border, either. We and the South Koreans urgently need to discuss these matters with the Chinese -- along with the contingency known, colloquially, as 'loose nukes.'" After all, "a serious divergence of perceived interests" between the US and China "would not be good for either of us," and "it is distressing to contemplate the possibility of members of Congress coming to see China's help to North Korea as supporting a major security threat to the U.S." Additionally, "South Korea has been part of the problem" and "there is the potential here for a disastrous breach between Washington and Seoul."

Bush, Dominican Leader Agree To Push Trade Accord. The AP (10/26, Riechmann) reports, "President Bush and the leader of the Dominican Republic agreed on Wednesday to jump-start a delayed free trade agreement to remove barriers to commerce between the two nations." In an Oval Office meeting, Bush "told Leonel Fernandez, the president of the Caribbean nation, that the United States will implement the Central American Free Trade Agreement as soon as possible. 'To that end, I had my trade minister, Ambassador Susan Schwab here, to make sure that we both heard the message of the president -- that this was a very important piece of legislation,' Bush said."

Putin Says He Won't Run Again, But Vows To Remain Influential. The New York Times (10/26, Kramer, 1.21M) reports that Russian President Vladimir V.

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Putin "said Wednesday that he would continue to 'influence the life in our country' after his second term is up in 2008, but that he would not run for president again" and "would step down 'even though I like my work.'" While "a third consecutive term is forbidden under Russia's 1993 Constitution, his supporters have called for a referendum to do away with that ban." Despite "much speculation about his future, Mr. Putin did not elaborate." Still, the comments are "a strong hint that Mr. Putin, who has quashed most dissent here, would remain in politics in some fashion after 2008. Analysts say Mr. Putin has several options, including assuming the leadership of the party he founded, United Russia, becoming speaker of Parliament or the chairman of Gazprom." In his "town-hall-style show," Putin also "criticized North Korea for testing a nuclear device" and on Georgia "said that Russia recognized its territorial integrity but noted that two separatist regions, South Ossetia and Abkhazia, were not historically part of Georgia when that country was annexed by the Russian empire. He said Georgia's attempts to regain control would lead to 'bloodshed.'"

The Washington Post (10/26, A21, Finn, 748K) adds that Putin had "his trademark indefatigability and command of detail," and his "session reinforces the popular perception here of Putin as an open, capable and responsive leader." The Post focuses less than the New York Times on his announcement about not amending the constitution to run again. "Putin condemned the targeting of Georgians living here by Russian law enforcement agencies," saying "I cannot approve of selective actions on ethnic grounds. On the contrary, I am calling on all law enforcement bodies and administrative bodies to refrain from such actions."

The Financial Times (10/26, Buckley) notes "Vyacheslav Nikonov, a political consultant close to the Kremlin, noted on Russia Today news channel the constitution would allow Mr Putin to stand for president in 2012 after a four-year break." After the broadcast "Putin told reporters…he would name a suggested successor in due course but 'the Russian people must decide who is the strongest candidate'. Speculation centres on two deputy prime ministers – Dmitry Medvedev, who heads several multi-billion dollar social development programmes, and Sergei Ivanov, defence minister – as likely successors. But analysts believe a dark horse candidate could emerge, such as Vladimir Yakunin, head of Russian railways and a friend of the president." The Washington Times/AP (10/26, Meyer) and Los Angeles Times (10/25, Holley, 918K) run similar reports.

Contest For Latin American Security Council Seat Still Stalled. The AP (10/26, Lederer) reports, "The vote has been repeated — over and over, 41 times — and with each count, there is no winner in the diplomatic battle over Latin America's seat on the UN Security Council. The two contenders -- US-backed Guatemala and Venezuela, led by its fiercely anti-American President Hugo Chavez -- refuse to budge, though it has been clear since the early ballots that neither can gain the needed two-thirds support in the 192-nation UN General Assembly." The AP adds, "Frustrated diplomats from Latin America and the Caribbean met Wednesday, hoping to find a solution that would avoid another fruitless confrontation in the General Assembly."

The Financial Times (10/26, Webb-Vidal) says Venezuela and Guatemala "appeared ready to agree to find a consensus candidate to fill a temporary seat on the United Nations Security Council after a 40th round of voting failed to break a week-long diplomatic deadlock." Chávez "conceded on Wednesday that his government had virtually no chance of being able to win the seat, but he claimed to have captured the moral high ground in his ongoing sparring effort with Washington. 'It's going to be very difficult for us to win two-thirds of the vote,' Mr Chávez said. 'But we have achieved a great moral victory that no-one can take away from us.'"

The New York Times (10/26, Hoge, 1.21M), however, says "Venezuela has put forward Bolivia as a substitute, but Guatemala has made it clear the choice is unacceptable." In "the six rounds of balloting on Wednesday, Guatemala averaged 104 votes and Venezuela averaged 79, much the same outcome as after last week's 35 rounds of voting. A two-thirds majority of those voting and not abstaining, or roughly 124, is needed to win."

US Officials Concerned By Rights Abuses In Colombia. The Washington Post (10/26, A18, Forero, 748K) report from Colombias, "Beyond the hearty handshakes, a high-level US delegation that visited here this week raised concerns with President Álvaro Uribe's government about human rights abuses by the army and about the scandal-plagued effort to disarm paramilitary groups." R. Nicholas Burns, undersecretary of state for political affairs, "led 15 Bush administration officials from six agencies for meetings with virtually every top Colombian ministry. In reiterating support for Uribe, whose government receives more US assistance than any country outside the Middle East, Burns told the Colombians that Washington would continue providing about $600 million a year through 2008 for programs from aerial fumigation of drug crops to training of the army." But "the delegation's two-day mission, which ended Wednesday, also confronted a string of reports that Colombia's army has been embroiled in drug-related scandals and murdered dozens of peasant farmers, only to pass them off as dead guerrillas."

Nicaraguan Congress Expected To Ban All Abortions. The Los Angeles Times (10/26, Tobar, 918K)

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reports, "Nicaragua's legislature Thursday is expected to approve a law that outlaws all forms of abortion, including those procedures intended to save the life of a pregnant mother." The measure "has been supported by most major political parties, heading into the Nov. 5 presidential election, as they seek to win over voters in this overwhelmingly Catholic country. Leaders of the Roman Catholic Church helped draft the bill and have mobilized followers to support it." However, "medical associations in Nicaragua and international human-rights groups have strongly criticized the proposal." The Times adds, "Since the late 1980s,Latin America's El Salvador and Chile have adopted similar measures. At least 34 countries, mostly in Africa and the Middle East, prohibit all abortions, without exception, according to the Center for Reproductive Rights, a nonprofit advocacy group based in New York." The law "would establish prison sentences of 6 to 30 years for women who abort their pregnancies and the doctors who perform the procedure."

Brutal War Between Drug Gangs Underway In Mexico. The New York Times (10/26, McKinley, 1.21M) reports, "An underworld war between drug gangs is raging in Mexico, medieval in its barbarity, its foot soldiers operating with little fear of interference from the police, its scope and brutality unprecedented, even in a country accustomed to high levels of drug violence." In recent months "the violence has included a total of two dozen beheadings, a raid on a local police station by men with grenades and a bazooka, and daytime kidnappings of top law enforcement officials. At least 123 law enforcement officials, among them 2 judges and 3 prosecutors, have been gunned down or tortured to death. Five police officers were among those beheaded." In all, "the violence has claimed more than 1,700 civilian lives this year, and federal officials say the killings are on course to top the estimated 1,800 underworld killings last year."

South African Political Analyst Denied Entry Into US. The Washington Post (10/26, A20, Timberg, 748K) reports Adam Habib, executive director of the Democracy and Governance Research Program for South Africa's Human Sciences Research Council, "said Wednesday that US border agents had denied him entry into the United States and questioned him about his views on terrorism." He said the agents, who detained him after he arrived at John F. Kennedy International Airport in New York, "did not give him a reason. A US Embassy spokesman, Mark M. Schlachter, confirmed the incident but said he did not know why Habib had been denied entry. … The Human Sciences Research Council has asked the US Embassy in Pretoria to investigate, and Habib said he had written the US Customs and Border Protection office in Washington seeking an explanation."

Activists Urge UN Action Against Regime In Burma. Pu Chin Sian Thang and U Thein Pe, members of Burma's parliament, "which was chosen in the country's last democratic elections but has never been permitted to meet," write in today's Washington Post (10/26, A25, 748K), "Last month the UN Security Council formally discussed the situation in Burma for the first time. For Burmese people such as us, who live under the country's oppressive regime, this was a welcome development." However, "much of the world has failed to understand the gravity of the crisis in our country. It is shocking that the Security Council has taken so long to get involved. No fewer than 3,000 villages have been destroyed or dislocated by the military regime in eastern Burma in the past decade. During the regime's systematic attacks on ethnic populations, women have been raped, children conscripted as child soldiers and rice supplies burned. Recently the regime instituted a practice of using soldiers' bayonets to pierce the bottoms of rice bowls, leaving villagers unable to cook their most basic foodstuff." They add that "there is overwhelming evidence that the people of Burma want an end to the dictatorship that has been forced upon them. Without this understanding and without a Security Council resolution, the United Nations is likely to fail in Burma yet again."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Bush Insists He'll Stand By His Iraq Goals."
"Perils Among The Palms."
"Taurus Approaches The End Of Its Road."
"N.J. Justices Clear The Way For Gay Unions."
"A Right Kind Of Democrat."
"Janitor's Secret Past: A Death Squad."

USA Today:
"IRS Help Can Be Hard To Get, Audit Says."
"Sellers Sing The Blues As Price Drop Sets Record."
"Ruling On Gays May Echo At Polls."
"On The Ballot."

New York Times:
"New Jersey Court Backs Full Rights For Gay Couples."
"Conceding Missteps, Bush Urges Patience On Iraq."
"Study Sees Gain On Lung Cancer."
"In Tight Race, Ad On Black Candidate Stirs Furor."
"With Beheadings, Drug Gangs Terrorize Mexico."

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Washington Post:
"More U.S. Troops May Be Iraq-Bound."
"The GOP Leans On A Proven Strategy."
"A Sense Of Service."
"A Contentious Campaign In A Battleground State."
"DNA Testing A Mixed Bag For Immigrants."
"FBI's Fairfax Agents Packing For Pr. William."
"Failing Schools Are Fighting Back In Md."

Washington Times:
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"Jersey Court Orders Ok Of Gay Unions."
"S. Korea Official Quits Over North Policy."
"Obesity Drives Up US Fuel Appetite."
"Bush Backs Setting 'Benchmarks' In Iraq."
"A Hard Year To Be An Ohio Republican."

Atlanta Journal-Constitution:
"Senator Criticizes Use Of CDC Jet."
"Feds Pass Up Tips On Immigrant Violators."
"'I'm Not Satisfied Either.'"
"Libertarian Candidate Makes Some Noise."

Houston Chronicle:
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"Republican Oil Their Successful Turnout Machine."
"Caregiver Charged In Mother's Death."
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Story Lineup From Last Night's Network News:
ABC: Gay Marriage; Gay Marriage Analysis; Bush& Iraq; Maliki's Response To Timetable; Tennessee Senate Race; Separate Education; Classified Documents Found; Interest Rates; CAT Scans For Smokers; Playing Tag Banned.
CBS: Bush & Iraq; Maliki's Response To Timeline; Bush & Iraq Analysis; American Voters-Iraq; Stem Cell research Debate; CBS: Cost Of Campaign 2006; Gay Marriage; Risk Of Shingles; Cancer Screening; Separate Education; Fallen Soldiers-Iraq.
NBC: Bush & Iraq; Maliki's Response To Timeline; Iraq War Analysis; Cancer Screening; Risk OF Shingles; Ohio Senate Race; Gay Marriage; Housing Market; Interest Rates; Stock Market; Madonna's Adoption; Separate Education.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — Signs HR 6061, the Secure Fence Act of 2006, Roosevelt Room; attends Lamberti for Congress and Iowa Victory 2006 reception, Iowa State Fairgrounds, Des Moines, Iowa, pool for cameras; attends a Bouchard for US Senate reception, Mabry Banquet and Convention Center, Warren, Mich., pool for cameras.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: US-CHINA _ Five-day meeting of the US-China Economic and Security Review Commission. Location: Hall of the States, 444 N. Capitol St.

POLAR SATELLITES _ NOAA holds Polar Max 2006, a forum for US and global users of polar-orbiting satellite data. Highlights: 8:10 a.m. Mary Kicza, deputy assistant administrator for NOAA's Satellite and Information Service. 8:45 a.m. Col. Dan Stockton, program director, NPOESS. Location: NOAA Science Center, 1301 East West Highway, Silver Spring.

LEGAL REFORM _ 8:45 a.m. - 5 p.m. US Chamber of Commerce holds 4th annual Legal Reform Summit. Participants include Iowa Attorney General Tom Miller; Utah Attorney General Mark Shurtleff; columnist Stuart Rothenberg; others. Location: 1615 H St. NW.

ELECTIONS-VOTING SYSTEMS _ 10 a.m. - 4 p.m. National Election Assistance Commission meets to discuss Voting System Testing and the Certification Program. Panel members, representatives of the National Institute of Standards and Technology (NIST), testing laboratories, equipment manufacturers, election officials, and certification specialists will receive presentations and hear public comments. Location: EAC Offices, 1225 New York Ave. NW, Suite 150.

EYONG _ 9 a.m. Arraignment for Njock Eyong before U.S. District Judge John Bates on charges of impersonating a federal official, possession of fraudulent visa documents and fraud by wire scheme. Location: Courtroom 8, U.S. District Court, 3rd St. and Constitution Ave. NW.

GREENSPAN SPEECH _ 9 a.m. Former Federal Reserve Chairman Alan Greenspan speaks to annual convention of the Commercial Finance Association at 9 a.m. APPROX. Location: Marriott Wardman Park Hotel, 2660 Woodley Road.

AFRICAN-AMERICAN VOTERS _ 10:30 a.m. Joint Center for Political and Economic Studies holds briefing on what factors will influence African-American voter turnout for the upcoming elections, and how the black vote will impact the outcome. With David Bositis, senior political analyst. Location: 1090 Vermont Avenue, NW, Suite 1100.

CLEAN ENERGY-LIST _ 11 a.m. Coalition of environmental, labor, and consumer groups unveils list of the Ten Best Opportunities for a New Energy Future. List is based on a new report by the U.S. Public Interest Research Group. Location: University of the District of Columbia, Van Ness campus between Bldg 46 West and Bldg 47.

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CIGARETTE POLL _ 11:30 a.m. Teleconference call to release Drug Policy Alliance's Zogby Poll. Survey asked 1,200 Americans if they'd support federal legislation making cigarettes illegal. Contacts: Tony Newman, 646-335-5384. Notes: Call 877-270-2156; password: Zogby.

CHAO-DISABILITIES EMPLOYMENT _ 11:45 a.m. Secretary of Labor Elaine L. Chao will host a New Freedom Initiatives Awards ceremony to mark National Disabilities Employment Awareness Month. Awards will be presented to four non-profit groups, four companies and one individual for outstanding efforts in supporting the employment of people with disabilities. Location: Washington Renaissance Hotel, 999 9th St. NW.

CRACK COCAINE-SENTENCING REPORT _ 12 p.m. ACLU issues report on discriminatory criminal justice policies to mark 20th anniversary of the Anti-Drug Abuse Act of 1986. Report is titled ``Cracks in the System: Twenty Years of the Unjust Federal Crack Cocaine Law'' and will be discussed in conference call briefing. Contacts: Elizabeth Rose, 202-675-2303. Notes: Dial-In Number: 800-816-4134; 69922.

IRAQ WAR VETS _ 12:30 p.m. Iraq war veterans with VoteVets.org hold conference call on new ad calling for defeat of Reps. Gutknecht, Porter, Sweeney, and Doolittle. Contacts: Eric Schmeltzer, 646-290-8586. Notes: Call 641-985-1000; access code: 451701.

REED-IRAQ _ 12:30 p.m. - 1:30 p.m. The Saban Center holds a ``Statesman's Forum: A Conversation on Iraq with Sen. Jack Reed, D-R.I.'' Reed will discuss his meetings with U.S. troops, military commanders, Afghan and Iraqi officials; the resurgent Taliban in Afghanistan; sectarian violence in Iraq; current reconstruction efforts in both countries; and the options for redeploying U.S. troops from Iraq in a safe and timely manner. The session will be moderated by Martin Indyk, director of the Saban Center for Middle East Policy. Location: Brookings Institution, Falk Auditorium, 1775 Massachusetts Ave. NW.

IRAN-ISLAM _ 3 p.m. Council on Foreign Relations holds conference call on ``Hidden Iran: Paradox and Power in the Islamic Republic.'' With Ray Takeyh, senior fellow for Middle Eastern studies. Contacts: Darin Kingston, 212-434-9677. Notes: Call 800-247-5110; passcode: TAKEYH.

DEMOCRACY IN IRAN _ 3:30 p.m. Radio Free Europe/Radio Liberty briefing by Mariam Memarsadeghi, senior program Manager for the Middle East & North Africa, Freedom House. Topics include democracy and human rights in Iran. Location: 1201 Connecticut Ave. NW.

BUSH-RICE _ 7 p.m. Elisabeth Bumiller, formerly of the New York Times, and Steve Weisman of the Times discuss the problems covering President Bush and Secretary of State Rice, sponsored by the National Press Club and SPJ. Location: National Press Club.

ELECTIONS-SLATE _ 8 p.m. George Washington University and Slate host panel discussion on the mid-term elections. With John Dickerson, Slate's chief political correspondentl; Mickey Kaus, Slate's ``Kausfiles''; others. Location: GWU, Morton Audit., 805 21st St. NW.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Gonzales Criticizes Europeans For Refusing To Receive Guantanamo Detainees (AP)

AP, October 26, 2006

BERLIN (AP) — U.S. Attorney General Alberto Gonzales said European countries should do more to take back detainees released from the U.S. military prison at Guantanamo Bay, Cuba, while defending Washington's treatment of prisoners.

Gonzales is touring European capitals to discuss a recently passed U.S. law covering the prosecution of terror suspects.

Speaking in Berlin at an event organized by the German Marshall Fund, he said the United States is "not interested in serving as the world's jailer," and urged Europeans to be more willing to repatriate released prisoners, as well as to increase pressure on third countries to do so.

"Despite demands from others that Guantanamo be closed, the United States has received little help from our European allies regarding the fate of these detainees," Gonzales said.

Chancellor Angela Merkel has been among the critics of the U.S. military prison, which opened nearly five years ago.

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About 450 detainees are being held at Guantanamo on suspicion of links to al-Qaeda or Afghanistan's ousted Taliban regime.

In August, a German-born Turkish citizen was released from Guantanamo after lengthy negotiations between Berlin and Washington. Murat Kurnaz, 24, is again living in the northern German city of Bremen.

Gonzales also detailed the U.S. Military Commissions Act, a law that provides for trials of captured terrorists, saying it was proof that "just because the U.S. still believes a state of war exists, that does not mean that the rule of law has no place."

U.S. President George W. Bush signed the act into law last week. Civil libertarians and leading Democrats have decried the law as a violation of American values.

Gonzales was conciliatory toward expressions of frustration from German members of parliament who attended the discussion over what they view as insufficient respect by the United States for international law.

"We understand the anxiety and the tension this has created," Gonzales said. However, he urged German and other allies to be open for discussion, saying "we need you in the long haul as partners."

Cheney Confirms That Detainees Were Subjected To Water-boarding (MCT)

By Jonathan S. Landay

McClatchy Newspapers, October 26, 2006

WASHINGTON - Vice President Dick Cheney has confirmed that U.S. interrogators subjected captured senior al-Qaida suspects to a controversial interrogation technique called "water-boarding," which creates a sensation of drowning.

Cheney indicated that the Bush administration doesn't regard water-boarding as torture and allows the CIA to use it. "It's a no-brainer for me," Cheney said at one point in an interview.

Cheney's comments, in a White House interview on Tuesday with a conservative radio talk show host, appeared to reflect the Bush administration's view that the president has the constitutional power to do whatever he deems necessary to fight terrorism.

The U.S. Army, senior Republican lawmakers, human rights experts and many experts on the laws of war, however, consider water-boarding cruel, inhumane and degrading treatment that's banned by U.S. law and by international treaties that prohibit torture. Some intelligence professionals argue that it often provides false or misleading information because many subjects will tell their interrogators what they think they want to hear to make the water-boarding stop.

Republican Sens. John Warner of Virginia, John McCain of Arizona and Lindsey Graham of South Carolina have said that a law Bush signed last month prohibits water-boarding. The three are the sponsors of the Military Commissions Act, which authorized the administration to continue its interrogations of enemy combatants.

The radio interview Tuesday was the first time that a senior Bush administration official has confirmed that U.S. interrogators used water-boarding against important al-Qaida suspects, including Khalid Sheikh Mohammed, the alleged chief architect of the Sept. 11, 2001, attacks. Mohammad was captured in Pakistan on March 1, 2003, and turned over to the CIA.

Water-boarding means holding a person's head under water or pouring water on cloth or cellophane placed over the nose and mouth to simulate drowning until the subject agrees to talk or confess.

Lee Ann McBride, a spokeswoman for Cheney, denied that Cheney confirmed that U.S. interrogators used water-boarding or endorsed the technique.

"What the vice president was referring to was an interrogation program without torture," she said. "The vice president never goes into what may or may not be techniques or methods of questioning."

In the interview on Tuesday, Scott Hennen of WDAY Radio in Fargo, N.D., told Cheney that listeners had asked him to "let the vice president know that if it takes dunking a terrorist in water, we're all for it, if it saves American lives."

"Again, this debate seems a little silly given the threat we face, would you agree?" Hennen said.

"I do agree," Cheney replied, according to a transcript of the interview released Wednesday. "And I think the terrorist threat, for example, with respect to our ability to interrogate high-value detainees like Khalid Sheikh Mohammed, that's been a very important tool that we've had to be able to secure the nation."

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Cheney added that Mohammed had provided "enormously valuable information about how many (al-Qaida members) there are, about how they plan, what their training processes are and so forth. We've learned a lot. We need to be able to continue that."

"Would you agree that a dunk in water is a no-brainer if it can save lives?" asked Hennen.

"It's a no-brainer for me, but for a while there, I was criticized as being the vice president `for torture.' We don't torture. That's not what we're involved in," Cheney replied. "We live up to our obligations in international treaties that we're party to and so forth. But the fact is, you can have a fairly robust interrogation program without torture, and we need to be able to do that."

The interview transcript was posted on the White House Web site. Interview of the Vice President by Scott Hennen, WDAY.

CIA spokeswoman Michelle Neff said, "While we do not discuss specific interrogation methods, the techniques we use have been reviewed by the Department of Justice and are in keeping with our laws and treaty obligations. We neither conduct nor condone torture."

U.S. Seeks To Limit Detainees' Contact (AP)

By Michael Melia

AP, October 26, 2006

The U.S. government has proposed limiting contact between defense lawyers and detainees at Guantanamo Bay, according to court documents.

The government argues that it must restrict the detainees' communications, as news of world events could incite the prisoners to violence.

The U.S. proposed the rules in a filing to a federal appeals court in Washington that was examined by The Associated Press. The case deals with an Afghani detainee but the government wants them to apply to other prisoners at Guantanamo Bay Naval Base in southeast Cuba. The prison camp holds some 430 detainees.

The rules, which would apply to detainees pursuing court challenges to their designations as "enemy combatants," would tighten censorship of mail from attorneys and give the military more control over what lawyers can discuss with their clients, according to the filing.

The number of face-to-face meetings between defense attorneys and detainees would be limited to four total. There are now no restrictions on the number of times they can meet, although lawyers' access to the base is already hampered because it is so remote.

The government says current rules have allowed detainees to receive books or articles about terrorist attacks in Iraq, London and Israel, as well as details of the prisoner abuse investigation at Iraq's Abu Ghraib prison.

In the court filing, which was first reported Wednesday by The Boston Globe, a military lawyer said security at Guantanamo Bay has been threatened by the introduction of a book on Abu Ghraib, a speech given at an Amnesty International conference about the war on terror, and other materials.

"Such materials could incite detainees to violence, leading to a destabilization of the camp," wrote Navy Cmdr. Patrick M. McCarthy.

The government petition was filed in August in the case of Haji Bismullah, an Afghanistan native who is among several Guantanamo detainees represented by the New York-based Center for Constitutional Rights.

Currently, mail from lawyers is examined only for physical contraband. The proposed rules call for all of a detainee's mail to be examined for forbidden information.

Wells Dixon, an attorney at the Center for Constitutional Rights, said he suspects the proposal is aimed at controlling the information coming out of Guantanamo. Accounts from defense lawyers who have visited Guantanamo have cast doubt on government assertions that most detainees are hardened terrorists, Dixon said.

"What's happening is the government wants to hide this indisputable fact," he said "They're not happy we've been able to bring a lot of these developments to light."

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In 2004, the Supreme Court said detainees can contest the legality of their detentions. A law signed by President Bush on Oct. 17 bars detainees from protesting their detentions in court, but they still have a right to challenge their designations as "enemy combatants." The new rules would restrict legal representation for those challenges.

Sept. 11 Plotter Asks Court For Lawyer, Trial (WP)

By Carol D. Leonnig And Julie Tate

The Washington Post, October 26, 2006

Ramzi Binalshibh, an admitted al-Qaeda planner of the Sept. 11 attacks, tried four times to join the terrorist hijackers who flew planes into the World Trade Center and the Pentagon in 2001 and has acknowledged his goal of killing as many Americans as possible.

Now the Yemeni man is seeking the help of the U.S. court system to address his complaint that he has been wrongfully imprisoned and treated unfairly by the U.S. government. He filed a legal challenge in federal court in Washington on Oct. 10, asserting his rights to contest his detention and requesting that a court-appointed lawyer represent him free of charge.

In so doing, Binalshibh brought to life the two arguments at the heart of the recent, furious debate over stripping such habeas corpus rights from so-called enemy combatants: the administration's position that alleged terrorists like him do not deserve access to U.S. courts, and his opponents' assertion that the American justice system is a model for the world precisely because it accords such basic rights to all.

One of the most bitterly fought provisions of the legislation President Bush signed Oct. 17 to establish a system of military trials, or "commissions," for accused enemy combatants eliminated those rights for the captives at the U.S. prison in Guantanamo Bay, Cuba. Suspending habeas rights is a step that has been taken only four times previously in U.S. history, and its legality this time will almost certainly be decided by the Supreme Court.

Because of Binalshibh's alleged admission that he was a key player in the Hamburg cell that carried out the attacks, his legal suit may provide the starkest test yet of America's justice system, legal experts said.

"It is how our system treats the worst of the worst, the most reviled of the reviled, that shows how true we are to our principles, " said David H. Remes, who has represented 17 detainees, mostly from Yemen, and coordinated defense arguments to the Supreme Court in the successful Hamdan case.

Binalshibh may never get the hearing he is seeking. His is one of hundreds of cases the government asked the courts to dismiss immediately after Bush signed the new law. For his part, Binalshibh did little more than assert his habeas rights and ask for a lawyer.

Binalshibh is part of a select group of detainees that even defense lawyers acknowledge may be guilty -- 14 suspected terrorists the government deemed "high-value detainees," some of whom have allegedly admitted high-level roles in the al-Qaeda attacks. President Bush cited the 14 men, selected from more than 100 terrorist suspects who had been held for years in secret CIA-run prisons, when he successfully lobbied for the military commission law.

Bush sought Congress's approval after the Supreme Court ruled in Hamdan v. Rumsfeld in June that the administration lacked the authority to establish the military trials on its own. He pressed for the legislation as the government transferred the 14 men to a unit of the military prison in Guantanamo Bay and singled out Binalshibh -- along with Sept. 11 mastermind Khalid Sheik Mohammed.

Binalshibh's family's decision to seek help in a U.S. court also highlights a growing tension within the defense bar about the ethical and practical dilemmas of representing detainees who likely played a role in slaughtering thousands of Americans.

Binalshibh's brother filed a petition on his behalf and asked the federal court to appoint a public defender to represent him. The Center for Constitutional Rights, a civil liberties group that sued last year to represent the remaining detainees in Guantanamo Bay who lack representation, is not currently representing him. A group official said he could not comment on the reason because of potential attorney-client privilege.

Tina Foster, a civil liberties lawyer who previously helped coordinate the work of dozens of law firms representing hundreds of Guantanamo detainees, said it would be a "challenge" to find a pro bono lawyer for Binalshibh because he has been virtually

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convicted in media reports as a Sept. 11 plotter. Remes said there is an "understandable reluctance" among large commercial law firms to champion Binalshibh's cause.

"You wouldn't be rushing to file a habeas claim for Ramzi Binalshibh," Foster said. "Most of the folks down there are "no-value" detainees -- they shouldn't even be there -- and those are the ones you'd want to push in the court."

Binalshibh was captured by the United States in Pakistan in 2002 and taken to secret detention facilities. According to the Sept. 11 commission, he told interrogators that he was supposed to pilot another hijacked airliner on the day of the attacks but was repeatedly refused a visa to enter the United States.

His transformation to a terrorist began in 1997 when he became friends with future hijackers Mohamed Atta, Marwan al-Shehhi and Ziad Jarrah while living in Germany on a student visa. He later pledged allegiance to Osama bin Laden while training with his friends in Afghanistan in 1999.

Instead of participating in the attack, Binalshibh relayed messages between the hijackers and Mohammed, met with Atta for briefings on attack planning and allegedly helped transfer money to the hijackers.

Young Woman Fears Deportation, And Mutilation (NYT)

By Nina Bernstein

The New York Times, October 26, 2006

Adama Bah's schoolmates were jubilant when she returned to 10th grade at Heritage High School in Manhattan in May 2005 after six weeks in a distant juvenile detention center. Her release put to rest the federal government's unexplained assertion that Adama, a popular 16-year-old who wore jeans under her Islamic garb, was a potential suicide bomber.

But a year and a half later, with many of her friends planning proms and applying to college, Ms. Bah, now 18, was still wearing an electronic ankle bracelet and tethered to a 10 p.m. government curfew, restrictions that were conditions of her release. And she was still facing deportation to Guinea, where she has not lived since she was 2.

Today, at a closed hearing in Manhattan's federal building, she will plead for political asylum from Guinea's entrenched practice of female genital mutilation, which has marked all the women in her extended family, including her mother. An immigration judge could decide her fate on the spot.

"I'm worried about being sent back," Ms. Bah said on Tuesday in her first extended interview about the lasting consequences of a case that briefly became a cause célèbre in the debate over government vigilance and the protection of individual liberties. "I'm worried about being separated from my family. This is all I have left now — what hasn't been taken."

Officially, she and a 16-year-old Bangladeshi girl arrested in Queens the same day were detained solely because their childhood visas were no longer valid. That remains the only reason Ms. Bah is in deportation proceedings, and the sole legal basis for an order last year that released the other girl, Tashnuba Hayder, on the condition that she leave the country immediately.

Even now, Ms. Bah says she has no idea whether her slight acquaintance with Ms. Hayder was what caused agents of the Federal Bureau of Investigation to hold her for questioning. Though a document provided by a federal agent at the time said the F.B.I. considered the girls "an imminent threat" to national security, it provided no evidence, and officials refused to discuss the matter.

"Why me?" she asked, before her volunteer lawyers warned that a judicial order limits what she can say about the experience. "Nobody answers, why me?"

She has had little time to dwell on the question, however, because she has been struggling to replace her father as the family's primary breadwinner. Her father, a cabdriver who was arrested along with her and held on immigration violations, stayed in detention until his deportation last month. Her mother, illiterate and speaking little English, soon lost the family business, a trinket stand.

But under the strictures of the government's curfew, Ms. Bah found she could not continue her education and at the same time earn enough to feed her four younger siblings, all American citizens. Last year, she dropped out of Heritage High, where teachers had praised her intellectual curiosity and generous spirit, and took up office work at Bellevue Hospital Center for $6.75 an hour.

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Her income fell far short of needs. And though a few community agencies tried to help with diapers for the youngest and trips to a food pantry, she said, the financial crisis deepened. In the end, it was an Islamic political activist in Maryland who came through, taking three of Ms. Bah's siblings into his home for the summer, and paying $500 a month toward household expenses so she could attend summer school and re-enroll in Heritage this fall.

"We were looking for other options, but nothing was working out," Ms. Bah said. She added that she knew little about the politics of the activist, Mauri Saalakhan, 53, whom she met for the first time last fall when she and her mother stopped to pray at a downtown mosque after a session with lawyers at Hughes, Hubbard & Reed, which is handling her asylum case without fee.

Her family's association with Mr. Saalakhan raised eyebrows this spring when he invited her to join spectators at the trial of a Pakistani immigrant accused — and eventually convicted — of plotting to blow up the Herald Square subway station in 2004. Ms. Bah, who was recognized by some reporters in the courtroom, said later that she went out of curiosity because people told her that the young man's case was like hers. It was not, she said, and when she realized that, she did not go back.

Mainstream Islamic groups have looked askance at her family's link to Mr. Saalakhan, an African-American who often accuses such groups of timidity, and whose criticism of government policies dates to a youthful stint with the Black Panthers. But, she said, "He's somebody who stepped up and helped" when others seemed afraid or only offered services like counseling instead of money to pay the rent.

For his part, Mr. Saalakhan says he is "a provocateur for truth and justice," who loves America and has police officers in his family. He was happy to have Ms. Bah's siblings Mohamed, 14, Mariama, 12, and Abdoul, 8, join him, his wife and teenage daughter for the summer near Washington, where he directs the Peace and Justice Foundation, "a grass-roots human rights organization."

"What our government has put this family through is unconscionable," he said.

But the volunteer lawyers who took over Ms. Bah's asylum case last fall are leery of any effort to make her emblematic of larger issues, when government lawyers are raising no national security questions.

"Right now all we have is a straightforward asylum claim," said Bryan Lonegan, a lawyer with the Legal Aid Society's immigration unit who is advising Hughes, Hubbard lawyers on the case. "This is a life and death situation for her."

The petition draws a grim picture of what she would face in Guinea as a young woman with intact genitalia who opposes the painful and dangerous practice of female genital mutilation.

In Guinea, "If a girl's genitals are not mutilated, she is considered dirty, repulsive, unfit for marriage and motherhood, and devoid of morals and monetary value," an expert, Hanny Lightfoot-Klein, wrote in an affidavit. Male relatives consider themselves dishonored, and will beat her until she submits, the affidavit added. "Elder women perform the procedure on dimly lit floors, with dull kitchen knives, glass shards, scissors or razor blades," the affidavit said.

Ms. Bah's mother, Aissatou Dalanda Bah, who has separately applied for asylum, had her clitoris excised by her grandmother with a kitchen knife when she was about 10, the court papers said. Later, she watched helplessly as one of Adama's cousins bled to death from the procedure.

For Ms. Bah, who grew up absorbing American values and believing she was a legal immigrant, the prospect is terrifying and unreal. Genital mutilation "has nothing to do with my religion," she said. "You can't just circumcise a woman against her will, to take away her pleasure. That's my right as a woman." Her fear has become one more part of a day-to-day struggle to hold the family together, she said, as she repeatedly interrupted the interview to respond to her youngest brother, Saeed, 2.

"It's hard to concentrate in school," she said, explaining that she has missed many days this fall tending to the needs of her siblings, who now get public aid.

"In front of people," she added, "you have to be this happy person, even though inside, it hurts." At night, alone, she said, she allows herself to cry when she thinks about her family's collapse, and about her judge: "Somebody who's meeting me once, and making a decision for my lifetime."

HOMELAND RESPONSE:

Intelligence, Homeland Security Agencies Sharpen Surveillance Methods (GOVEXEC)

By Jonathan Marino

Government Executive, October 26, 2006

A senior Coast Guard official on Tuesday praised homeland security and intelligence agencies' efforts to develop new surveillance tools and bolster information sharing.

Guy Thomas, the Coast Guard's science and technology adviser, said improved surveillance techniques would help provide better protection against the possibility of attacks launched from boats offshore.

A 60- to 70-foot boat loaded with ordinary explosives and a biological or chemical weapon could deliver and spread a deadly substance - five pounds of anthrax, for example - to coastal areas with thousands of people, Thomas said. "I don't think I want to live in Los Angeles anymore," he told guests of the Border Management Summit, which was organized by the Institute for Defense and Government Advancement.

Protecting the coastal waters requires improved sensory techniques, an official with a company that provides security solutions said. He said his company has been working on multiple projects aimed at identifying incoming ships from farther away to detect suspicious ones. Recent advances mean that even the material from which a ship is built -- whether it is wood, plastic or metal -- can be determined from a distance, he said.

As part of more general efforts to improve surveillance, technology capable of recording biometric identifiers such as leg or facial muscle movement without alerting the subject is being refined. Gait recognition, for instance, is part of the "long-range surveillance" that the FBI may start using to help track suspects, said Duane Blackburn, the bureau's representative to the National Science and Technology Council. It remains in the research phase, and is being tested at universities, Blackburn said.

Other techniques in development include keystroke analyses of typing rhythms, and the production of video and photographic images clear enough to display biometric patterns.

Like gait surveillance, these remain in the early research stages. "Video is a real challenge," said Christopher Miles, senior program manager of the Justice Department's National Institute of Justice.

When intelligence is gathered, more needs to be done to ensure it is shared among intelligence and homeland security officials, Thomas said. "Ninety-five percent of [information and intelligence] needs to stay [unclassified]," he said.

New York Times Gets Two Extra Days To Disclose Confidential Sources (NYS)

By Josh Gerstein, Staff Reporter of the Sun

New York Sun, October 26, 2006

A federal judge gave the New York Times a brief reprieve from an order forcing it to identify confidential sources for columns about the 2001 anthrax attacks, but the paper could still face the possibility of being held in contempt of court as soon as tomorrow.

Judge Claude Hilton of Alexandria, Va., issued a two-day stay of a magistrate's order that would have required the Times to name the sources by yesterday. The order came in a libel suit filed by a former Army scientist, Steven Hatfill, who claims he was defamed by five columns written by Nicholas Kristof in 2002.

According to a lawyer involved in the dispute, Judge Hilton said yesterday that he was still reviewing whether the Times should be compelled to identify the sources. He told attorneys that he planned to rule on the issue by Friday.

But the Times suffered a setback yesterday when Judge Hilton upheld a magistrate's ruling denying its request to suspend action on the libel suit until the government completes its investigation into the anthrax mailings, which killed at least five people. While investigators searched a home and storage locker belonging to Mr. Hatfill, no criminal charges were brought.

The newspaper wanted to defend against the libel suit by gaining access to the records of the government probe, but the Justice Department has refused to cooperate. The magistrate assigned to the suit, Liam O'Grady, declined to force the disclosure of details of the investigation, which the FBI contends is ongoing.

Caution Flag For Evacuation Plans (WP)

By Spencer S. Hsu

The Washington Post, October 26, 2006

Worried about evacuating your city in an emergency?

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Move to Kansas City.

Making a familiar case for more roads and using the newer argument of homeland security, a trade association for highway builders and the automotive industry recently gave most of the nation's biggest metropolitan areas failing grades for how well they would evacuate their populations in a disaster.

Twenty of 37 urban areas received an F from the American Highways Users Alliance. The list included usual suspects such as New York City, Los Angeles, Chicago, Philadelphia and Washington.

Only Kansas City got an A.

The Bush administration and Congress have emphasized mass-evacuation planning since Hurricane Katrina and the destruction of much of New Orleans. The Department of Homeland Security this summer found such plans inadequate in about 90 percent of the nation's top 75 cities and "an area of profound concern." Pushed by Congress, DHS will award $1.3 billion in homeland security grants next year, partly on the basis of fixing them.

Washington area governments recently gave a million-dollar contract to a private firm to coordinate regional evacuation plans, joining many urban areas nationwide, and Congress has ordered Pennsylvania and West Virginia to take part in planning for an exodus of the capital region.

But many state and local officials warn that Washington is focusing too much on a replay of a Katrina-like disaster instead of drawing broader lessons about preparedness. Some recall a similar pattern after the Sept. 11, 2001, attacks, when attention shifted to terrorism at the expense of preparation for a natural disaster.

"I think it's a classic example of generals planning for the last war," said Richard A. Andrews, former head of California's emergency management office and a former member of the president's Homeland Security Advisory Council. "Because this happened with Katrina, now every city needs to have evacuation plans so they're not the city of New Orleans?"

The alliance's grades were based on three factors: each city's internal congestion, percentage of automobile ownership and percentage of vehicles that local highways could move in 12 hours. It recommended national standards, better planning and more roads and car ownership.

The federal government is pushing coastal states to do some of that. The Transportation Department reviewed evacuation plans for five Gulf Coast states. DHS prepared to move 141,000 people by bus, train or plane from New Orleans if necessary, while arguing with Louisiana about sheltering 150,000 others, setting collection points and identifying vulnerable groups such as the sick and elderly.

Outside hurricane country and high-threat cities such as New York and Washington, however, experts are hard-pressed to envision scenarios in which officials would want to evacuate an entire metropolitan area in 12 hours.

The best response to a radiological "dirty" bomb or chemical release might be to take cover or at most to evacuate people from a specific plume area. In a doomsday scenario involving a nuclear bomb, planners say, it cannot be assumed that local authorities would have credible warning, time to act and confidence that they would not be sending people into harm's way before an event -- or that they would be able to respond effectively afterward.

Andrews recalled the Federal Emergency Management Agency's bad experience with an aborted $4.2 billion Crisis Relocation Planning program in the early 1980s, which called for plans to evacuate 400 U.S. cities before a nuclear attack.

"It became very clear it just wasn't in the cards. You just can't do it," Andrews said. "What was then the Civil Defense program lost a lot of credibility, because it just didn't make sense. There are an awful lot of things we could be better spending our time on than evacuation plans."

For instance, Milwaukee has an international port on Lake Michigan and is home to 12 Fortune 500 companies, so it takes a catastrophic threat seriously. But it faces bigger risks from tornadoes and ice storms, said the city's emergency coordinator, Daniel Alexander, and more urgent needs such as improving radio systems so first responders and nearby cities can talk in a disaster.

"There is an inordinate amount of attention paid to one threat or vulnerability that is not applicable to all areas of the country," Alexander said. "The money, time and energy that's being devoted to regional evacuation planning, while important in some parts of the country, there are other more pressing issues. One of them is interoperable communications."

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David Riggleman, spokesman for Las Vegas, agreed. "We are not quite sure what the scenario would be," he said. "We're in the middle of the Mojave Desert. For us to evacuate 1.8 million people, where are we going to evacuate them to?"

Daniel Burns, southern Nevada emergency manager for the state Department of Public Safety, added: "I guess if there's a volcano, but you really have to stretch to get to cause a full evacuation in 12 hours." A bigger concern is receiving an exodus of Southern Californians in case of a large earthquake 300 miles away.

George W. Foresman, DHS undersecretary for preparedness, agreed that the "one-size-fits-all" approach does not work for different populations, transportation networks and risks in each city. But he said the highway users study is a bit of a straw man, because evacuation plans encompass preparations that would be useful in all kinds of emergencies, such as providing shelter and housing, improving communications, distributing medicine and health care, or setting up public alert and warning systems.

"We are not doing it at the expense of scenarios that have a higher probability of occurring," Foresman said. "We are not talking about the ability to evacuate every metro area to where it's a ghost town. . . . There is a different level of focus to what each area is putting into evacuation planning."

In any case, Foresman said, Congress has said it wants another survey of preparedness nationwide about this time next year.

Another Post-September 11 Reality (WT)

By Kevin M. Lynch

The Washington Times, October 26, 2006

In the wake of the September 11 attacks, many people asked with great urgency: Why didn't someone connect the dots? Why didn't we see the attacks coming? And, how do we prevent other attacks?

The response was a classic example of protecting against the last threat and not "thinking outside the box" about that next threat. We have flung ourselves headlong into creating a safer air traffic system and so far it has been working. Another threat, which has reared its ugly and deadly head in Madrid, London, Chechnya and India, is the threat to the railroads.

We received threats against our railroads, and the major commuter railroads and subway systems were blanketed by police. Nothing happened, and that is a good thing. However, the bigger threat to our nation's railroads comes not from the potential to repeat those attacks on passenger rail around the world, but upon railroad infrastructure itself, which is primarily freight railroad in the United States.

Except along the Northeast Corridor from Boston to Washington, Amtrak runs on the tracks of the various freight railroads, as do most commuter railroads. A network of nearly 200,000 miles of railroad stretches across America with thousands upon thousands of switches, turnouts, crossovers, bridges, trestles, tunnels and hundreds of railroad yards and thousands upon thousands of railcars and locomotives.

All are vulnerable to attack and sabotage and given al Qaeda's penchant for multiple, simultaneous attacks, any such attacks against the freight railroad infrastructure or the targeting of hazardous commodities in transit could spell disastrous consequences for local communities across the nation and could deliver a crippling blow to our economy. In addition, such attacks are easy and cheap to carry out.

Are we prepared to defend against such attacks? Sadly, the answer is a resounding "no." While the British Transport Police in Great Britain fields more than 3,500 officers to protect the rail system in that country, there are fewer than 1,400 railroad police officers in the United States, down from more than 4,000 20 years ago. Even since September 11, the freight railroads have continued to trim their police departments. Instead of fielding uniformed officers 24/7 across their systems, the freight railroads rely on "special agents" who are assigned 200 to 700 miles of railroad to protect. There are only a handful of marked railroad police cars across the United States.

Each year in the United States about 500 persons are killed while trespassing on railroad property and another 500 or so are injured. That is indicative of just how open and vulnerable our railroads are. Most of the 200,000 miles of railroad are not fenced either. For the most part, railroads operate on the honor system. That could be virtually stopped by vastly increasing the number of railroad police officers, making them much more visible and available to prevent trespassing and to protect railroad property. By eliminating casual trespassers, those intent upon doing harm will be stopped. Additionally, good, specially designed

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fences would go a great way in keeping trespassers off railroad property and prevent them from being killed or injured and protect railroad property from theft, vandalism and sabotage.

Major railroad accidents where hazardous materials have spilled have killed people in communities along the railroads and have led to a number of major evacuations of those who live near the railroads. What is the current railroad response to these threats? Simply this: Eventually compensate those dislocated and injured and the families of those killed. The assumption one can make is that paying claims must be cheaper than paying for cops, fences and other protective measures. That is unacceptable.

The only real answer is to stop giving lip service to protection and prevention and to fence strategic railroad property and drastically increase the number of sworn railroad police officers across the nation.

The railroads, through Operation Lifesaver, acknowledge that the three "E's," engineering, education and enforcement, are essential in protecting railroad property, the passengers and freight they carry and the communities through which they travel. But they have failed to acknowledge the fourth "E," enabling -- that is, actually putting their money where their mouths are and making protection of our nation's railroads a reality.

In this post-September 11 world we must connect the dots. Nothing less is acceptable. Our lives depend upon it.

Kevin M. Lynch of New York is a former captain of police for the Conrail Police Department and a consultant on railroad police practices. He also is an expert witness in railroad injury and death cases.

ID Plan Sent Back To Drawing Board (AP)

By Leslie Miller

The AP, October 25, 2006

WASHINGTON -- Two anti-terrorism ID programs have been sent back to the drawing board and a third is being farmed out to private companies after costing hundreds of millions of dollars.

Begun after the Sept. 11, 2001, hijackings, the programs were supposed to help prevent catastrophic terrorist attacks on the U.S. transportation system by checking airline passenger names against watch lists and providing special identification cards to every worker with access to airports, railroads, seaports or trucks.

So far, the Transportation Security Administration _ which has been overseeing development of the three programs_ has not gone beyond testing, has issued no IDs and has screened no passengers against terrorist lists.

TSA chief Kip Hawley defended the agency's efforts this week, saying the projects by their very nature use expensive and unreliable advanced technology.

All three are back on track, Hawley said. "Massive changes have happened here," he said. "We have a good acquisitions team and a good process."

According to documents obtained by The Associated Press, the agency has spent more than $200 million on the Transportation Worker Identity Credential, Secure Flight and Registered Traveler programs.

On all three, the TSA and contractors hired by the agency have spent more than anticipated, missed deadlines and raised questions about their ability to protect the public's privacy and the private sector's commercial interests.

Congressional investigators have warned repeatedly that the agency is mismanaging the programs.

"Five years after 9/11, the Bush Administration and TSA are stuck in neutral on critical security measures," said Massachusetts Rep. Ed Markey, a senior Democrat on the Homeland Security Committee.

"The lack of oversight by this Republican Congress on this program and countless others is just another reason Americans are ready to head in a new direction in November," Markey said.

Hawley called Secure Flight the most important of the three projects. It is envisioned as a computer-based program to check all airline passengers' names against terrorist watch lists before they board an airplane.

Airlines already check names against the lists and alert TSA officials when a passenger's name appears similar to one on a watch list. The system has led to thousands of false identifications. More than 30,000 people who are not terrorists have asked TSA to remove their names from the lists since Sept. 11, 2001.

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The TSA for four years tried to develop a technology system to take over the task of checking names against watch lists. The major contractors on the project were IBM, Lockheed Martin and Eagle Force Associates. Also involved in testing were Acxiom Corp., HNC Software, Infoglide Software, and Ascent Technology.

In February, the Government Accountability Office found security vulnerabilities with Secure Flight and it was suspended for retooling _ after $110 million had been spent.

Hawley said the project stalled because of debate about whether it should try to identify unknown terrorists _ which raises civil liberties concerns _ or simply match names against watch lists.

"That debate was played out," he said. "Congress said this is simply going to be watch-list matching."

The Transportation Workers Identity Credential, or TWIC, is an ID card to be issued to about 6 million longshoremen, mechanics, airport workers, locomotive engineers and truck drivers _ if they pass government background checks. The card will use a biometric identifier _ fingerprint or eye scan, for example.

Bearing Point, a Virginia consulting firm, did the bulk of TWIC development so far.

But years after the first cards were supposed to be issued, a contractor hasn't been chosen, a technical standard hasn't been issued for the card reader and regulations haven't been written to describe who will be required to get the card.

On Friday, the GAO reported that TSA must test the program to make sure the technology can work in harsh outdoor environments and that it won't delay the movement of goods.

"That is moving along and it is going to work," said Hawley, adding that TSA is pursuing a card that can be read without making physical contact with a machine. "This is cutting-edge technology," he said.

Registered Traveler is supposed to be a smart card program for frequent flyers in which they pay for a background check and a biometric ID card so they can wait in shorter security lines.

The government tested Registered Traveler in five airports and let a private company _ Verified Identity Pass Inc. _ test it in Orlando, Fla. Contractors for the pilot project were Unisys and EDS.

Frequent flyers who enrolled in the test said they liked Registered Traveler. The TSA found it didn't compromise security. The test, though, was staged in so few airports that its benefits were limited.

The TSA pulled the plug on the government tests in September 2005 because that year's funding ran out. Two months later TSA said Registered Traveler would be up and running in June 2006. It would be turned over to a consortium of private companies to develop and operate.

On Monday, Hawley said the TSA had decided Registered Traveler was a low priority but that it would be ready by the end of November.

Some security experts say Congress never should have ordered the TSA to undertake such complex information technology projects because they're far more expensive than anyone imagined, and probably will not work as envisioned.

"I blame Congress," said James Carafano, homeland security fellow at the Heritage Foundation, a Washington think tank.

Congress dictates deadlines for untested projects without ever analyzing if it is a good requirement or whether it can be accomplished, Carafano said.

WAR NEWS:

Bush Unsatisfied With Iraq War Progress (AP-Y)

By Terence Hunt

AP, October 26, 2006

Acknowledging painful losses in Iraq, President Bush said Wednesday he is not satisfied with the progress of the long and unpopular war, but he still insisted the United States was winning and should not think about withdrawing.

Thirteen days before elections in which Republicans fear Iraq could cost them control of the House or Senate, Bush expressed unwavering confidence in Defense Secretary Donald Rumsfeld, the U.S. generals running the war and Iraq's prime minister, Nouri al-Maliki, despite new strains between Baghdad and Washington.

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"The ultimate accountability rests with me," Bush said of Iraq. "If people are unhappy about it, look right to the president." He spoke in the East Room at an hour-long news conference dominated by Iraq questions.

Despite polls suggesting a Democratic takeover of at least the House, Bush said he was confident Republicans would prevail. Dismissing Democrats' hopes, Bush said, "We've got some people dancing in the end zone here in Washington, D.C. ... measuring their drapes."

Now in its fourth year, the war is the top campaign issue. A majority of Americans are opposed to Bush's handling of Iraq, and increasing numbers of Republican candidates have signaled impatience with the president's policies as U.S. deaths have climbed above 2,800. Bush indicated he shared the public's frustration even as he pushed back against calls for troop withdrawals.

"I know many Americans are not satisfied with the situation in Iraq," he said in a lengthy statement before taking questions. "I'm not satisfied either." October has been the deadliest month this year for American forces, and the war soon will have lasted longer than U.S. involvement in World War II.

"The events of the past month have been a serious concern to me and a serious concern to the American people," the president said.

Bush said the United States was changing tactics to deal with circumstances in Iraq but shouldn't change the overall direction of the war.

"Absolutely we're winning," the president asserted.

Bush voiced confidence in al-Maliki, calling him "the right man" for Iraq now.

In Baghdad, the Iraqi leader took a hard slap at the United States for a raid by U.S. and Iraqi forces on the stronghold of a Shiite militia led by a radical anti-American cleric on whom Al-Maliki relies for political support. Al-Maliki said the raid "will not be repeated."

Al-Maliki also criticized the top U.S. military and diplomatic representatives in Iraq for saying his government needed to set a timetable to curb violence in the country. "I affirm that this government represents the will of the people and no one has the right to impose a timetable on it," he said.

Bush said he had asked for a transcript of al-Maliki's remarks before coming into the East Room. Al-Maliki was correct in saying mandates could not be imposed on Iraq, Bush said. He suggested there had been a miscommunication between U.S. and Iraqi officials.

Despite criticism that al-Maliki has failed to stop sectarian violence, Bush said, "We'll push him, but we're not going to push him to the point where he can't achieve the objective." At the same time, Bush said Iraq's government "must respect the fact that we've got patience, but not unlimited patience."

Democrats said Bush's appearance was evidence that the war had shaken voters and the administration needed to salvage its reputation on national security. Sen. John Kerry, D-Mass., called the news conference an election-season "performance" to "convince Americans he has a plan for Iraq. But the president can't sell what he doesn't have."

Senate Minority Leader Harry Reid, D-Nev., accused Bush of changing his tune. "One day, our senior military leaders indicate more troops may be needed, the next day the president discounts that option. One day, it's stay the course, the next day it's change the course."

Bush rejected Democratic calls for a timetable for troop withdrawals. Currently there are 144,000 U.S. forces in Iraq.

"We cannot allow our dissatisfaction to turn into disillusionment about our purpose in this war," the president said.

He said a fixed timetable for withdrawal "means defeat. You can't leave until the job is done." Bush said he would send more troops if Gen. George Casey, the top U.S. commander in Baghdad, said more were needed to win. A day earlier, Casey said he might need an increase in U.S. forces in Baghdad to stop the rising bloodshed.

"We're winning and we will win, unless we leave before the job is done," Bush said. He said Rumsfeld — whose resignation has been urged by some Democrats and Republicans — had done everything asked of him. "He is a smart, tough, capable administrator," the president said.

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Bush said he looked forward to a report after the election from a blue-ribbon commission exploring U.S. options in Iraq. Bush said he would consider any option but cautioned, "The road to victory will not be easy. We should not expect a simple solution."

On other subjects, Bush said:

_He has not given up on trying to win immigration, Social Security and tax reform legislation. He said there was a better chance of getting them through a Republican Congress rather than a Democratic Congress — although it hasn't worked out that way yet.

_North Korea was trying to test the will of five countries that are aligned in negotiations to pressure Pyongyang to abandon its nuclear weapons. Earlier, North Korea warned South Korea it would "pay a high price" if it joins the U.S.-led drive to punish North Korea for its nuclear test. "The leader of North Korea likes to threaten," Bush said.

Iraq Reality Check (LAT)

The Los Angeles Times, October 26, 2006

IF THERE WAS GOOD NEWS from President Bush's news conference Wednesday, it's that the president is not adopting a bunker mentality and is addressing the deteriorating conditions in Iraq. The bad news is that the more he talks, the more apparent it becomes that there is no easy way to reverse them.

That is a painful admission for an administration two weeks before a midterm election, so any sense of despair was wrapped in more purposeful language. Washington is issuing benchmarks — don't call them timetables — to Baghdad. The administration routinely changes course in pursuit of its goals. Progress is being made. And so on.

The president at one point said Americans will "support the war as long as they see a path to victory." It is a curious formulation. If Bush believes the war in Iraq is central to the war on terror, why is support for it dependent on how winnable it is? Perhaps the formulation is unavoidable during election season. It would be unrealistic to expect Bush to say that because the U.S. has no choice but to "win," he is doubling the number of American troops in Iraq.

So the next round of Washington's ongoing battle of semantics may entail defining "victory" downward. If the war was initially supposed to bequeath the Middle East a proverbial shining city on a hill — an Arab middle-class democracy that would transform the region — the goal now seems to be to leave Iraq intact, if bloodied. Or to prevent the country from becoming a broken state that is a haven to terrorists. Victory, in the end, may simply be a matter of avoiding a worst-case scenario.

To be fair to Bush, U.S. woes are partly a function of the degree to which the administration has ceded sovereignty to the Iraqi people. There is an awkward tension now between Iraqi self-determination and U.S. responsibility for what transpires in the country. If Iraq's majority Shiite leaders want to use their democratically acquired power to settle scores with a long-dominant minority and engage in ethnic cleansing, what is the proper response of the United States? Reassert control of the country, or walk away?

Such blunt questions may be premature. But they underlie the tension between Washington and Iraqi Prime Minister Nouri Maliki, who held his own news conference Wednesday to criticize U.S. forces for conducting a raid in Sadr City, apparently without Iraqi government approval.

Bush is walking a tightrope, trying to browbeat Maliki, the head of a sovereign state, into cracking down on one of his political allies, the radical Shiite cleric Muqtada Sadr. Sadr controls 30 seats in parliament and two ministries. He despises the West. Without appearing to dictate to his Iraqi counterpart, Bush has to make Maliki realize that he can't allow his supporters to run death squads that prey on Sunnis.

That won't be easy. Nothing in Iraq is, and it gets more difficult with each passing day. Here's hoping that it won't get much worse in the next two weeks, and that Bush will be more candid about his plans on Nov. 8.

Bush's Gamble: Turning The Spotlight On The Iraq War As Republicans Try To Dim It (NYT)

By John M. Broder

The New York Times, October 26, 2006

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WASHINGTON, Oct. 25 — With a shift in tone and the suggestion of flexibility on tactics in Iraq, President Bush gambled Wednesday that he could rescue Republican candidates who are having a hard time defending the war and an even harder time running away from it.

With less than two weeks until Election Day, Mr. Bush's decision to address the war and its problems so prominently carries the risk that he will strengthen the Democrats' case that the midterm election is primarily a referendum on his own handling of the war.

Republican candidates around the country have been trying for months to de-emphasize the war as an issue, and to distance themselves from Mr. Bush more generally. In an interview with The Concord Monitor in New Hampshire on Tuesday, the Senate majority leader, Bill Frist, said his party's challenge "is to get Americans to focus on pocketbook issues, and not on the Iraq and terror issue."

If his party's candidates want to change the subject, Mr. Bush surely did not help them on Wednesday. While the deteriorating situation in Iraq and the tumult over the war has already thrust the issue to the center of the political stage, Mr. Bush spent more than an hour discussing Iraq with reporters at the White House, acknowledging the overriding importance of the issue and stating flatly that he should ultimately be held accountable.

What came across was a president more candid than in the past about the military and political problems in Iraq and more willing to admit misjudgments about America's enemies and allies there. He said that in many cases Iraqi troops were not up to the job of defending their own country and that he was not satisfied with progress toward a resolution of the political and sectarian conflicts raging across the country.

But Mr. Bush, like other wartime presidents before him, remained grimly determined to press on in the face of mounting casualties and growing domestic discontent.

"The fact that the fighting is tough does not mean our efforts in Iraq are not worth it," the president said. "To the contrary; the consequences in Iraq will have a decisive impact on the security of our country, because defeating the terrorists in Iraq is essential to turning back the cause of extremism in the Middle East."

Some beleaguered Republican candidates welcomed the president's new realism and the flexibility he sought to project in how he would try to achieve victory.

"We are on the verge of chaos, and the current approach is clearly not working," said Jill Hazelbaker, spokeswoman for Thomas H. Kean Jr., the Republican candidate for the United States Senate in New Jersey. "We've seen an enormous amount of violence in Iraq, and Kean thinks it's a responsibility of the U.S. to determine: are there other strategies we can pursue? So, in that sense, yes, we welcome tactical changes."

But other Republicans were skeptical. Tony Fabrizio, a pollster working for several Republican candidates, said the president did his party more harm than good by highlighting a troublesome issue and seeming to change course so close to Election Day.

"It makes it look like they have a confused policy," he said. "Now the question will be, every day, what are the parameters of flexibility?"

Senior Democrats in Congress said the president presented little more than an old policy in new garb.

Senator Carl Levin, the ranking Democrat on the Senate Armed Services Committee, said Mr. Bush gave little ground on Wednesday and was unlikely to reap any political benefit.

"I don't see any reason to believe the president is any more realistic," Mr. Levin said. "What he said was an effort to get himself past the election by telling the American people that he's changing course while telling the Iraqis he's not changing course."

It is too early to say whether this is a major turning point in the president's thinking about the conduct of the war. But he said he was willing to consider altering his policy when he received the recommendations of a bipartisan panel led by James A. Baker III, the Republican former secretary of state, and Lee H. Hamilton, a former Democratic representative from Indiana, later this year.

The moment is reminiscent of early 1968, when President Lyndon B. Johnson convened a panel of wise men to advise him on the Vietnam War, which by then was killing hundreds of Americans a month with little military progress to show for it. Mr.

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Johnson insisted that American credibility was at stake and believed that a leader in wartime had to show resolve in the face of an implacable enemy and loud domestic criticism.

That spring, he capitulated, announcing plans to begin to de-escalate the war and declaring that he would not seek re-election. It took seven more years for Presidents Nixon and Ford to extricate the United States fully from Vietnam.

Mr. Bush may be facing a similar moment of truth, when the steadiness applauded by the American public after Sept. 11, 2001, begins to look like stubbornness and a refusal to recognize reality, according to Bruce W. Jentleson, professor of public policy at Duke University.

"This rush to make all these changes on the eve of the election isn't going to help that much," said Mr. Jentleson, who has advised Democratic candidates but is not affiliated with any campaign this fall. "The question is, what does he do after he gets this electoral outcome? Is he willing to change course and find a solution that avoids total disaster in Iraq?"

George C. Edwards III, a presidential scholar at Texas A&M University, said the president's appearance on Wednesday was both an act of political desperation and a possible turning point in the war. He cautioned, however, that little in Mr. Bush's record indicated he was capable of a radical change of direction.

"Many factors have come together to force him to re-evaluate," Professor Edwards said. "But we also have a long history of him being obdurate, while we don't have a long history of his being a particularly insightful decision maker about these things. We still should have some skepticism."

Face The Nation: Demure Madonna And Anxious President (NYT)

By Alessandra Stanley

The New York Times, October 26, 2006

Both are famous people famously under fire for a ruckus overseas. Both are famous for never bending to public opprobrium and for pushing their agendas with single-minded assurance.

The president and the pop star went on television yesterday looking more like victims of circumstances beyond their control than visionaries.

Madonna went on "The Oprah Winfrey Show" to assure a skeptical public that she didn't snatch an African baby on a fashionably philanthropic whim. President Bush held a news conference to assure a skeptical public that he is inflexible in his willingness to be flexible in managing the Iraq war.

"Our goals are unchanging," Mr. Bush said. "We are flexible in our methods to achieving those goals."

Both showed viewers an unfamiliar side of themselves. The president, whose political identity is founded on an image of unwavering cowboy resolve, looked uncertain and chastened behind the lectern, at one moment staring downward and gnawing his lip in a rare tableau of weary anxiety.

The singer known for saucy aplomb was as prim and cautious as a politician, even if her clipped duty-free British diction undercut some of the poignancy of her appeal.

"I'm disappointed because it discourages other people from doing the same thing," Madonna told Ms. Winfrey via satellite from London. "I feel the media is doing a great disservice to all the orphans of Africa, period, not just the orphans of Malawi."

She said she learned that she was at the center of a global scandal only when she returned home. "I don't read newspapers or watch television, but all of my friends have let me know what everybody's talking about and what's going on in the news," Madonna said. "So it really didn't hit me until I got back to England. It's pretty shocking."

Madonna's fracas began earlier this month, when she started adoption procedures for a 13-month-old boy, David, from an orphanage in Malawi, in southeast Africa, and reporters learned that the child's father is still alive but said he was too poor to feed and rear his child. After the news broke, tabloid newspapers quoted the father, Yohane Banda, as saying he felt duped by the superstar. Madonna came off as a Lady Bountiful-come-lately, trying to compete with Bono in the world of philanthropy in Africa and with Angelina Jolie in the arena of celebrity mothers without borders.

Her explanation to Ms. Winfrey was plausible: she said she was told by officials in Malawi that the baby had been in the orphanage since he was 2 weeks old, and survived TB and malaria without any visits or show of concern from family members.

"From my perspective," she said, wearing a blue print outfit, "there was no one looking after David's welfare."

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She had a point. Her description of a stampeding herd of tabloid hyenas hounding and confusing the boy's father, an unsophisticated African subsistence farmer — leading to front-page headlines like "She Stole My Baby" in The New York Post — certainly rang true.

But it was interesting to see the entertainer who made her name by courting and provoking the press now blaming reporters for her publicity woes.

The president, on the other hand, has often taken reporters to task for focusing on bad news in Iraq. But yesterday he avoided placing blame on the news media while skirting a direct admission that his overall strategy in Iraq needs a course correction. "This is a tough war in Iraq," Mr. Bush told White House reporters. "I mean, it's a hard fight, no question about it. All you've got to do is turn on your TV. But I believe that the military strategy we have is going to work."

He added: "We've made changes throughout the war, we'll continue to make changes throughout the war. But the important thing is whether or not we have the right strategy and the tactics necessary to achieve that goal. And I believe we do."

Mr. Bush, who prides himself on independence from his father's foreign policy, yesterday promised Americans that he would henceforth be guided on Iraq by his father's consigliere, James A. Baker III. "My administration will carefully consider any proposal that will help us achieve victory," the president said. The man who campaigned on a "humble" foreign policy tried to convey a new humility about his statesmanship. Madonna, who built a career on hubris, humbly thanked Ms. Winfrey for giving her a chance to tell her side of the story. The woman famous for never respecting boundaries wanted to work her way back into the confines of respectability.

Bush's Proposal Of 'Benchmarks' For Iraq Sounds Familiar (WP)

By Thomas E. Ricks

The Washington Post, October 26, 2006

The text of President Bush's news conference yesterday ran to nearly 10,000 words, but what may have been more significant were the things he did not say.

The president talked repeatedly about "benchmarks" for progress in Iraq, using that word 13 times. But he did not discuss the consequences of the Iraqi government missing those targets. Such a question, he said, was "hypothetical."

That response left unclear how the benchmarks would be different from previous times when the United States has set out intentions, only to back down. For example, the original war plan envisioned the U.S. troop presence in Iraq being cut to 30,000 by the fall of 2003. Last year, some top U.S. commanders thought they would be able to significantly cut the U.S. troop level in Iraq this year -- a hope now officially abandoned. More recently, the U.S. military all but withdrew from Baghdad, only to have to have to reenter the capital as security evaporated from its streets and Iraqi forces proved unable to restore calm by themselves.

President Bush also spoke several times yesterday about his flexibility, apparently as a way of countering critics calling for a major change in his approach to Iraq. But he made it clear that he was talking about tactical adjustments, rather than the kind of sweeping strategic revision being mulled by the Iraq Study Group led by former secretary of state James A. Baker III and former representative Lee H. Hamilton, and also being urged by a host of members of Congress and political pundits.

More briefly, he touched upon establishing Iraqi security forces. But he did not use his old favorite phrase about U.S. troops "standing down as they stand up." He mentioned the goal of training about 325,000 Iraqi soldiers and police officers, but he did not address the paradox that as that goal is neared, violence has intensified and the insurgency appears as robust as ever. Nor did he note that after U.S. forces stood down in Baghdad, they had to stand back up again. Instead, without offering much explanation, he said that "we are refining our training strategy for the Iraqi security forces."

At the same time, the president's tone has changed markedly. Gone was the talk of past Bush administration news conferences about "steady progress" in Iraq and all the good news that the media was said to be ignoring there. Instead he began yesterday's session with a straightforward and even grim account of the events of the past month in Iraq. He noted the deaths of 93 U.S. soldiers over the past 25 days. "I know many Americans are not satisfied with the situation in Iraq," he said. "I'm not satisfied either." So, he said, the American effort in Iraq is "constantly adjusting our tactics."

Yet under his sober mien and a newfound insistence on adaptability, he appeared to be quietly digging in his heels. "Our goals are unchanging," he emphasized in his opening remarks. "We are flexible in our methods to achieving those goals."

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His bottom line was that "we'll work as fast as we can get the job done." That open-ended commitment to an unchanging goal doesn't seem different from the answer being given by Bush administration officials three years and 2,802 U.S. military deaths ago -- that the U.S. effort in Iraq would last "as long as it takes."

Sen. Carl M. Levin (D-Mich.), the ranking minority member on the Armed Services Committee and a member of the intelligence committee, said Bush "has dropped the rhetoric, but the policies are the same."

Kurt Campbell, a Clinton-era Pentagon official and co-author of a new book on defense politics, interpreted the president's comments as an effort to patch up differences within the Republican Party over Iraq and to aid candidates facing close elections in two weeks. "It was meant to appeal to both the 'stay the course' crowd and the 'we need a responsible change' crowd," he said. But Campbell said he expected a major strategic revision on Iraq soon after that vote, predicting that "the political dynamics are going to change radically after the election."

Vin Weber, a lobbyist and former Republican member of Congress with ties to the White House, said he thought the president more broadly was trying to appeal to the American public as it loses faith in his Iraq policy. "Basically, the bottom has fallen out," he said. "The public is on the verge of throwing up its hands over Iraq." He agreed with Campbell that the domestic politics of the Iraq situation are going to alter in a few weeks, perhaps in unpredictable ways that will be shaped by the outcome of the midterm elections.

But former New York governor Mario M. Cuomo (D) said he thought that the president actually was laying the groundwork for disengaging from Iraq. "I think the war is virtually over," he said. By emphasizing benchmarks, Cuomo said, "what he is saying is, 'We are going to leave it to the Iraqis.' "

Under a barrage of sharp questions from reporters, pointing again and again to contradictions and problems in his stance on Iraq, President Bush clung to his most basic line of defense -- his own faith and confidence in his approach. He used the word "believe" 21 times in the course of the hour-long news conference.

"I believe that the military strategy we have is going to work, that's what I believe," he said to one reporter.

Conceding Missteps, Bush Urges Patience On Iraq (NYT)

By Jim Rutenberg

The New York Times, October 26, 2006

WASHINGTON, Oct. 25 — Facing public dismay over the war in Iraq, President Bush on Wednesday somberly acknowledged the broad scope of American setbacks and missteps there. But he urged Americans to look beyond the violence on their TV screens and avoid disillusionment over a war he said was being won.

Mr. Bush's comments, in a news conference at the White House, were a stark indication of concern within the West Wing over eroding support for the war. The violence in Iraq has reached near-record peaks just as voters are considering their final choices for Congress in midterm elections less than two weeks from now, a contest that Mr. Bush has cast in part as a national referendum on the conflict.

While most Republican candidates have sought to turn voters' attention away from the war, Mr. Bush chose to address it head-on, adopting a subdued tone, a new emphasis on tactical flexibility, and directly acknowledging the public's reservations. [News analysis, Page A10.]

"I know many Americans are not satisfied with the situation in Iraq; I'm not satisfied, either," Mr. Bush said. "That is why we're taking new steps to help secure Baghdad, and constantly adjusting our tactics across the country to meet the changing threat."

Mr. Bush expressed general support for Prime Minister Nuri Kamal al-Maliki of Iraq, even as Mr. Maliki used his own news conference to distance himself from the United States. Speaking in Baghdad, Mr. Maliki said he had not endorsed an American notion of a time line for stabilizing Iraq, and he criticized a raid carried out by American forces. [Page A11.]

With Mr. Bush and Mr. Maliki clearly focused on their domestic political audiences, the political tumult in both countries carries the potential to drive them further apart.

Mr. Bush's comments were the latest iteration in a recent rhetorical evolution that has seen him move from vowing to "stay the course" in Iraq to promising flexibility. But Mr. Bush also said, "We cannot allow our dissatisfaction to turn into disillusionment

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about our purpose in this war." He said eight separate times, in various formulations, that he was committed to getting the job done.

When asked whether the United States was winning in Iraq, Mr. Bush said, "Absolutely, we're winning" — a declaration that prompted a volley of statements from Democratic leaders, who accused Mr. Bush of being "in denial" about Iraqi violence.

Mr. Bush indicated no major changes in his overall strategy in Iraq, saying he continued to support Defense Secretary Donald H. Rumsfeld and the generals overseeing the war. But he also spoke in terms of a conflict that would be long, hard and bloody. Asked whether the United States would seek permanent military bases in Iraq, Mr. Bush said that would be up to the Iraqi government, adding, "Frankly, it's not in much of a position to be thinking about what the world is going to look like 5 or 10 years from now."

It was the second time this month that Mr. Bush had held a news conference at which he took pains to explain his war plan, which has come under increasing criticism even from fellow Republicans. Many of them fear that the administration's failure to squelch the violence in Iraq is seriously harming the party's prospects for retaining control of Congress. Mr. Bush on Wednesday emphasized that he was well aware of the graphic images Americans were seeing nightly, as well as the many unfulfilled promises and predictions made by his administration over the course of the conflict.

"We overestimated the capability of the civil service in Iraq to continue to provide essential services to the Iraqi people," Mr. Bush said. "We did not expect the Iraqi Army, including the Republican Guard, to melt away in the way that it did in the face of advancing coalition forces."

Mr. Bush said that as of last spring, he had expected that he would be able to reduce the American troop commitment by early next year. There are currently more than 140,000 troops in Iraq. He portrayed the decision against reducing troops by early next year as an example of his willingness to alter his approach.

Before taking questions from reporters, Mr. Bush offered an opening statement that amounted to a kind of scorecard for Iraq, in which he acknowledged disappointments as well as successes. Among successes, he listed the capture of Saddam Hussein, free elections, and economic progress for farms and small businesses. Among the developments he called "not encouraging," he listed "the bombing of the U.N. headquarters in Baghdad, the fact that we did not find stockpiles of weapons of mass destruction, and the continued loss of some of America's finest sons and daughters."

Mr. Bush alluded to a theory embraced by White House aides that the public would support a conflict in which it could see a clear path to victory. "It's my responsibility to provide the American people with a candid assessment on the way forward. There is tough fighting ahead," Mr. Bush said, adding, "The fact that the fighting is tough does not mean our efforts in Iraq are not worth it."

Campaigning in Cincinnati on Wednesday, Vice President Dick Cheney echoed the president's remarks. "We'll be flexible," he said. "We'll do all we can to adapt to conditions on the ground. We'll make every change that is necessary to do the job, to finish the job, and to bring the troops home with the honor they've earned."

Aides to Mr. Bush have acknowledged that the rising violence in Iraq was depressing support for the war. And the bad news was being amplified in Democratic campaign ads declaring the war a failure. In all, Democrats have had 220 ads mentioning Iraq, running them 46,402 times at a cost of at least $41.6 million since January, according to an analysis by the Campaign Media Analysis Group. Republicans have run 48 ads on the Iraq campaign 11,677 times, costing at least $8.5 million.

Asked about debate among Republicans over whether the president was helping by calling attention to Iraq, the White House spokesman, Tony Snow, said that Mr. Bush was obliged to do so. "Everybody's talking about it, everybody's writing about it, all of his critics are on television talking about it," he said. "It's important for the president's voice to be heard in his own words."

While Mr. Bush has said repeatedly that the two parties' approaches to Iraq should be a major issue in November, he acknowledged Wednesday that ultimately one person should be held responsible for progress in the war. "The ultimate accountability," Mr. Bush said, "rests with me."

Bush Is Reassuring On Iraq But Says He's 'Not Satisfied' (WP)

By Peter Baker

The Washington Post, October 26, 2006

DOJ_NMG_0086487

President Bush declared yesterday that the United States is winning the war in Iraq despite the deadliest month for U.S. troops in a year, but he added that he is not satisfied with the situation and vowed to press Iraqi leaders to do more to stabilize their country on their own.

Trying to walk a careful line between optimism and pessimism less than two weeks before midterm elections, Bush lamented the "unspeakable violence" raging in Iraq while trying to reassure American voters that he is adapting his approach to address it. He vowed to "carefully consider any proposal that will help us achieve victory" as long as it does not involve withdrawing troops prematurely.

"Absolutely, we're winning," Bush said when pressed at an East Room news conference. At the same time, he said, "I know many Americans are not satisfied with the situation in Iraq. I'm not satisfied either. And that is why we're taking new steps to help secure Baghdad and constantly adjusting our tactics across the country to meet the changing threat." He said that he is pushing Iraqi leaders "to take bold measures to save their country" and emphasized that his patience "is not unlimited."

Bush's appearance, made hours after a news conference by Iraqi Prime Minister Nouri al-Maliki, exposed rising tensions between Washington and Baghdad as the fighting worsens. Maliki upbraided U.S. officials a day after they announced benchmarks for the Iraqi government to meet over the next 12 to 18 months, dismissing the plan as "the result of elections taking place right now that do not involve us."

The dueling messages come as U.S. casualties mount in Iraq and the Bush administration faces the prospect of Democrats taking over one or both houses of Congress in the Nov. 7 elections on the back of public disillusionment with the war. At least 93 U.S. troops have been killed in October, and commanders in Iraq have conceded that their latest effort to stem the violence in Baghdad has not succeeded.

Democrats quickly seized on Bush's comments and called them an act of political desperation. "This is a struggle on the part of the administration to look as though they're really trying to change course without saying they're changing course," Sen. Carl M. Levin (Mich.), the ranking Democrat on the Armed Services Committee, said in a conference call with reporters. The congressional elections, he added, "will be a referendum on Iraq policy to a significant degree in many of our states and districts."

Rep. Ike Skelton (Mo.), Levin's counterpart in the House, said Bush needs to define his benchmarks for progress. He said he proposed goals to Bush a year ago. "I recommended that for every three Iraqi brigades that were fully capable, that we'd redeploy one American brigade." In response, Skelton said, the president wrote back that his recommendation "was too rigid."

Bush made the unusual move of calling a second news conference in as many weeks to address the public concern, and then opened the event with a 16-minute speech, knowing television networks would carry it live. He said that he had hoped this spring to bring many U.S. troops home this year but that events made doing so impossible. Although he maintained that there has been "very important progress," he acknowledged that Iraq is "in the midst of an incredibly violent period."

The president tried to balance a variety of competing ideas. He insisted on keeping U.S. troops in Iraq "until the job is done" but also talked about changing course to meet an adapting enemy. He promoted benchmarks for Iraqi leaders to meet in terms of taking over security of their country while distinguishing that from Democratic-proposed timetables for withdrawal of U.S. troops. He said he is pushing Maliki to do more but expressed confidence in the Iraqi leader as "the right man to achieve the goal."

Most important, he tried to reassure the public that he knows what to do to win because, as he said, "if the people think we don't have a plan for victory, they're not going to support the effort." At the same time, he tried to identify with public frustration over the direction of the war by expressing his own "dissatisfaction."

Asked by a reporter whether the United States is winning the war, Bush offered a discussion of the nation's role in the broader struggle against Islamic extremists.

The reporter pressed for a direct answer. "Are we winning?"

"Absolutely, we're winning," Bush said. "Al-Qaeda is on the run. As a matter of fact, the mastermind, or the people who they think is the mastermind of the September the 11th attacks, is in our custody." He then circled back and seemed to make clear that he meant the United States is winning in Iraq specifically. "We're winning, and we will win unless we leave before the job is done. And the crucial battle right now is Iraq."

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Asked afterward whether Bush meant that the United States is winning in Iraq specifically or in the fight against terrorism, White House press secretary Tony Snow said: "In Iraq."

Bush repeatedly said this summer that the United States was winning in Iraq. "You're winning this war," he told troops at Fort Bragg, N.C., on July 4. Three days later, at a fundraiser in Chicago, he said: "Americans are wondering whether or not we can win. And to those Americans, I say: Not only can we win, we are winning."

But in nearly four months since then, he has avoided repeating that assertion as violence has escalated to new heights, saying instead that the United States is winning the battle against terrorism or that he is confident that the nation will eventually win in Iraq. Asked at an Oct. 16 briefing whether the United States is winning in Iraq, Snow said: "I don't know. How do you define winning? . . . Let me put it this way: The president's made it obvious we're going to win."

Bush, who has adamantly resisted calls for timetables in Iraq, said that the benchmarks his team announced in Baghdad on Tuesday are not the same thing. "That is substantially different . . . from people saying, 'We want a time certain to get out of Iraq,' " he said. "As a matter of fact, the benchmarks will make it more likely we win. Withdrawing on an artificial timetable means we lose."

Bush declined to rule out seeking permanent bases in Iraq, an especially sensitive point among Iraqis and Arabs who accuse the United States of waging the war to establish a military foothold in the region. "Any decisions about permanency in Iraq will be made by the Iraqi government," he said.

Although Bush agreed that the war has not gone as he had hoped and that he was "not satisfied," he defended his decision not to fire Defense Secretary Donald H. Rumsfeld or any other member of his national security team.

"I've asked him to do some difficult tasks as the secretary of defense -- one, wage war in two different theaters of this war on terror, Afghanistan and Iraq, and at the same time, asked him to transform our military posture around the world and our military readiness here at home," Bush said. "I'm satisfied of how he's done all his jobs. He is a smart, tough, capable administrator."

As for whether anyone else should be held responsible for the missteps in Iraq, Bush said, "The ultimate accountability . . . rests with me. It's what the 2004 campaign was about. If people want to -- if people are unhappy about it, look right to the president."

He acknowledged that voters may do so in 12 days, agreeing that the congressional elections are shaping up as a referendum on his national security and economic policies. But he said Democrats were declaring victory prematurely.

"We've got some people dancing in the end zone here in Washington, D.C.," he said. "They've got them measuring their drapes. They're going over to the Capitol and saying, 'My new office looks beautiful, I think I'm going to have this size drape there, or this color.' But the American people are going to decide, and they're going to decide this race based upon who best to protect the American people and who best to keep the taxes low."

Staff writer Walter Pincus and research director Lucy Shackelford contributed to this report.

Bush Insists He'll Stand By His Iraq Goals (LAT)

By James Gerstenzang, Times Staff Writer

The Los Angeles Times, October 26, 2006

The president acknowledges setbacks in battle.

President Bush, seeking to shore up sagging preelection support for the Iraq war, acknowledged three years of setbacks Wednesday and expressed dissatisfaction over a frustrating and deadly month. But he insisted that he would stand by his goal of helping foster a government that can "sustain itself, govern itself and defend itself."

With the U.S. congressional election on Nov. 7 appearing increasingly to be a referendum on the war he started in March 2003, the president sought to clarify his Iraq policy at a time when violence has been escalating, U.S. casualties increasing, and political breakthroughs in Baghdad proving elusive.

"The events of the past month have been a serious concern to me, and a serious concern to the American people," Bush said at a White House news conference 13 days before the midterm U.S. balloting. "We've got patience, but not unlimited patience."

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Bush, who in recent days has altered his disciplined "stay-the-course" message, endorsed a schedule of benchmarks for political progress and greater Iraqi control, while condemning those who called for timetables for troop withdrawals.

Meanwhile, in Baghdad, Iraqi Prime Minister Nouri Maliki said he would not accept any timelines imposed by the Americans. He also criticized a new U.S. military effort to disrupt Shiite Muslim militant groups in the Baghdad slum of Sadr City, a stronghold of one of his allies, anti-American cleric Muqtada Sadr.

Speaking at a news conference before Bush spoke in Washington, Maliki declared that "the Americans have the right to review their policies, but we do not believe in a timetable, and no one will impose one on us."

Bush is under pressure to begin pulling troops out of Iraq in the face of unrelenting sectarian violence between Sunni Arab and Shiite Muslims and continuing attacks on U.S. forces. Americans, he said, "have no intention of taking sides in a sectarian struggle or standing in the crossfire between rival factions."

At the same time, he defended U.S. attempts to calm Baghdad, where one-third of the more than 90 U.S. deaths this month took place.

October has been the deadliest month for American troops this year.

Despite his unusually sober assessment, Bush also said that U.S. goals for a stable, democratic and prosperous Iraq were "unchanging," and he declared, "Absolutely, we're winning."

A deadline for withdrawing troops, Bush said, "means defeat."

Calling for patience, he declared in the White House East Room: "We cannot allow our dissatisfaction to turn into disillusionment about our purpose in this war. We must not look at every success of the enemy as a mistake on our part, cause for an investigation, or a reason to call for our troops to come home."

For one hour — one-fourth of it taken up by his opening statement — Bush spelled out what he sees as the stakes in Iraq and the stakes in the election, in which Democrats are widely believed to have their best chance for gaining a majority since Republicans took control of the House in 1994.

He sought to convince a doubting public that he is pursuing a necessary course, and is ready to adjust tactics to meet new challenges. But he also emphasized that he would not give up his overarching goal after more than three years of war, the deaths of nearly 3,000 U.S. troops and many thousands of Iraqis.

Even as he avoided saying that he would "stay the course," he presented a plan that did not yield to demands that he set a specific timetable for withdrawal, or even that he set the United States on a specific course to a reduced presence in Iraq.

"I know we're not going to succeed, however, if we set artificial timetables for withdrawal, or we get out of there, or we say to the enemy: 'Just keep fighting. We'll leave soon,' " he said.

"I know many Americans are not satisfied with the situation in Iraq," he said. "I'm not satisfied, either."

With Democrats hammering Republican incumbents for their support of the war in congressional districts throughout much of the country, Bush sought to throw a cloak of presidential protection over his allies.

"The ultimate accountability," he said, rests not with the generals or Defense Secretary Donald H. Rumsfeld — whom Bush again endorsed, calling him "a smart, tough, capable administrator."

Rather, the president said, accountability "rests right here."

"If people are unhappy about it, look right to the president," he said.

Bush's austere assessment of the war came as polls have found that Americans are growing gloomier about the outlook in Iraq.

A USA Today/Gallup Poll released Wednesday found that Americans are as pessimistic about the war as they were in April 2004, during an insurgent uprising in Fallouja that saw the bodies of civilian U.S. workers dragged through the streets.

Fifty-eight percent said the war was "a mistake," more than six in 10 Americans said things were going badly in Iraq, and a majority said the situation was "out of control."

For the first time, as many Americans said the insurgents were winning the war as said the United States and its allies were winning.

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Assessing problems and obstacles in Iraq, Bush cited multiple mistakes and setbacks, some of which he has acknowledged before: the failure to find unconventional weapons, the 2003 insurgent bombing of the U.N. headquarters in Baghdad, the inability of some Iraqi units to perform as expected and the continued loss of American lives.

Bush repeated several times that the United States was shifting its tactics in Iraq, noting the dispatch of additional troops to Baghdad to counter sectarian violence.

"My point to the American people is … that we're constantly adjusting our tactics to achieve victory," Bush said.

He said that regardless of the devastation and obstacles, Americans must recognize that their security "depends on ensuring that Iraq is an ally in the war on terror and does not become a terrorist haven, like Afghanistan under the Taliban."

The extent to which Iraq has come to dominate the public face of the Bush presidency and the election was demonstrated by the amount of time devoted to it at the news conference. All but two of the questions dealt to one degree or another with Iraq, much as the war took up nearly all of his news conference two weeks ago.

On the issue of North Korea, the president said that despite signs of reluctance by China and South Korea to enforce U.N. Security Council sanctions against the government in Pyongyang in response to its announcement of a nuclear test, "the coalition remains firm."

At the heart of the latest shift in U.S. policy in Iraq is the plan to use "benchmarks" to demonstrate progress toward the president's broader goal of a stable and democratic Iraq. The plan was announced Tuesday in a news conference by Army Gen. George W. Casey Jr. and the U.S. ambassador to Iraq, Zalmay Khalilzad. No Iraqi officials were present.

Maliki's objections Wednesday complicated the notion.

Bush, at his news conference, insisted that there was a difference between benchmarks and a timetable for withdrawal.

Senate Minority Leader Harry Reid (D-Nev.) said later that the new turn reflected a policy "in complete disarray."

"One day the administration calls for a timetable," and the Iraqi prime minister objects, Reid said in a written statement. "One day, our senior military leaders indicate more troops may be needed, the next day the president discounts that option. One day it's stay the course, the next day it's change the course."

"It is increasingly clear that the president does not know what to do to stop the escalating violence in Iraq and that his so-called 'National Strategy for Victory in Iraq' has failed," Reid said.

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Times staff writers Paul Richter and Julian E. Barnes contributed to this report.

Bush Says Iraq Strategy Is Flexible (WSJ)

By Henry J. Pulizzi

The Wall Street Journal, October 26, 2006

WASHINGTON -- President Bush acknowledged Wednesday the heavy bloodshed in Iraq this month, but sought to give assurances that the U.S. is continually refining its tactics to help the country's nascent government bolster its security forces and stop the violence.

"The events of the past month have been a serious concern to me and a serious concern to the American people," Mr. Bush said at a press conference in the East Room of the White House. (Text of the speech1)

The president departed starkly from a practice of not talking about specific deaths in Iraq, acknowledging that this month has been the bloodiest in Iraq since October 2005. "There has been heavy fighting, many enemy fighters have been killed or captured and we've suffered casualties of our own," he said. "This month we've lost 93 American service members in Iraq. During roughly the same period, more than 300 Iraqi security personnel have given their lives in battle. Iraqi civilians have suffered unspeakable violence at the hands of the terrorists, insurgents, illegal militias, armed groups and criminals."

With the debate over the strategy in Iraq heating up two weeks ahead of the mid-term Congressional elections, Wednesday's press conference was billed as a chance for Mr. Bush to give the public an update on the war. In recent days, the administration has emphasized that its methods on the ground are changing to address continuing violence. Under pressure to shift strategy, the White House has stopped using the term "stay the course" to describe its stance.

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"Our goals are unchanging," Mr. Bush said Wednesday. "We are flexible in our methods to achieving those goals." He said U.S. commanders are refining their training strategy for Iraqi security forces and increasing the number of coalition advisers in the Iraqi ministries of Defense and Interior, among other things.

Mr. Bush said that as those killing Americans and Iraqi troops change tactics, so, too, will the U.S. military. "Americans have no intention of taking sides in a sectarian struggle or standing in the crossfire between rival factions," Mr. Bush said.

The top U.S. commander in Iraq, Gen. George W. Casey Jr., said Tuesday that he may ask for more forces to be sent to Baghdad, potentially by boosting the overall presence in Iraq rather than shifting troops into the capital from other parts of the country. Gen. Casey, who briefed reporters in Baghdad with U.S. Ambassador Zalmay Khalilzad, said Iraqi forces won't be ready to assume security responsibility until late next year or early 2008.

Mr. Bush said the U.S. is pushing Iraq's leaders to make bold moves. "We're making it clear that America's patience is not unlimited," he said. "Yet we also understand the difficult challenges Iraq's leader's face and we will not put more pressure on the Iraqi government than it can bear. The way to succeed in Iraq is to help Iraq's government grow in strength and assume more control over its country as quickly as possible."

Mr. Bush mentioned neither troop additions nor withdrawals at Wednesday's briefing, but conceded he'd boost troop levels if Gen. Casey made such a request. "That's the way I've been running this war," Mr. Bush said.

The White House said this week that it's working with the Iraqi government on a long-running to-do list of security, economic and political benchmarks, but denied it has imposed any ultimatums on Prime Minister Nouri al-Maliki. Mr. Bush said there's a "significant difference" between deadlines and benchmarks.

Mr. Bush's focus on Iraq comes as polls suggest the war will damage Republican candidates in the Nov. 7 election, possibly swinging control of Congress away from the GOP. The Democrats need to win 15 seats in the House and six in the Senate to win control.

With Iraq on voters' minds, Mr. Bush has sought to assure the public that the administration has adopted a flexible strategy, but remains resolute. Democrats complain Bush's changes on Iraq have been mainly rhetorical and are demanding a more dramatic shift. Sen. John Kerry, (D., Mass.), has called for a one-year deadline for Iraq to meet certain goals before U.S. forces are withdrawn.

Polls suggest Mr. Bush is having little luck convincing voters the war effort is on the right track. According to the latest Wall Street Journal-NBC News poll, one-third of voters approve of Mr. Bush's handling of the war, while 63% disapprove. An even worse omen for the GOP is that 39% say Democrats could better deal with Iraq, compared with 31% who side with Republicans.

Mr. Bush noted that an independent panel led by former Secretary of State James Baker and former Congressman Lee Hamilton will make recommendations on Iraq in an upcoming report. "I welcome these efforts," the president said. "My administration will carefully consider any proposal that will help us achieve victory."

Mr. Bush, who said he owed "an explanation to the American people" of his war strategy, expressed confidence about Iraq and the broader war on terror, but admitted that the fight will be long and difficult. "I'm confident we'll succeed in Iraq. And the reason I'm confident we'll succeed in Iraq is because the Iraqis want to succeed in Iraq," Mr. Bush said.

Asked specifically if the U.S. is winning, Mr. Bush said: "Absolutely we're winning." Nonetheless, Mr. Bush said he's "not satisfied" with the situation in Iraq.

He gave Mr. Maliki an endorsement, saying he's the right man for a difficult job. "He's got a hard job," Mr. Bush said. "Look, he's got to deal with sectarian violence, he's got to deal with criminals, he's got to deal with al Qaeda; all of whom are lethal. These are people that will kill. And he wants to achieve the same objective I want to achieve. And he's making tough decisions."

Donald Rumsfeld won a similar endorsement. Mr. Bush praised his defense secretary for waging two wars and transforming the military. "And I'm satisfied of how he's done all his jobs. He is a smart, tough, capable administrator," Mr. Bush said, rejecting calls for Mr. Rumsfeld to be fired.

For all his fervor about the importance of the military mission in Iraq, Mr. Bush sidestepped when asked whether the elections should be viewed as a referendum on the war. "The election is a referendum on which party has a plan to make the economy grow, and which party has a plan to make the American people safe," he said. "If we succeed in Iraq, the country (the United States) is more secure. If we don't succeed in Iraq, the country is less secure."

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On the looming elections, Mr. Bush again said he thinks Republicans will retain control of Congress, and indicated he hasn't given up on three of his top domestic priorities -- Social Security reform, an overhaul of the tax code and comprehensive immigration reform.

"I firmly believe it is more likely to achieve those three objectives with a Republican-controlled Congress and a Republican-controlled Senate," Mr. Bush said. "And I believe I will be working with a Republican-controlled Congress and a Republican-controlled Senate."

He accused some in Washington of dancing in the end zone before they've scored a touchdown.

The economy, which Mr. Bush says along with national security will be a top issue in the election, is another area where the White House has gotten little traction. Despite buoyant stock markets, falling gasoline prices and steady economic growth, most Americans aren't happy with Mr. Bush's stewardship of the economy, according to polls. "The two issues I see in the campaign can be boiled down to who best to protect this country and who best to keep taxes low," Mr. Bush said.

Bush Tells US 'I'm Not Happy With Iraq' (FT)

By Caroline Daniel In Washington

Financial Times, October 26, 2006

President George W. Bush on Wednesday sought to align himself with US public opinion when he said he was "not satisfied either" with rising violence in Iraq. But he warned that US troops were needed to "prevent a full-scale civil war".

Although Mr Bush said he had no intention of "standing in the crossfire between rival factions in Iraq", officials and analysts in the Middle East – and some Republican loyalists – are saying US troops already face that direct challenge.

In a sombre press conference on Wednesday, the president spent nearly 15 minutes in an opening statement trying to knit together often-contradictory arguments.

He moved from expressing "serious concern" about Iraq, while emphasising progress was being made, to being resolute about the ultimate outcome in the country but flexible about military tactics to attain that end.

He stressed his role as commander-in-chief – "the ultimate accountability rests with me" – even as he deferred to the commanders on the ground to dictate troop levels.

The Bush administration has consistently rejected timetables for withdrawal, accusing proponents of being defeatists. However, on Tuesday US officials said the Iraqis should take full control of security within 18 months. The Iraqis had "committed themselves to a timetable for making some of those decisions", said -Zalmay Khalizad, US ambassador to Iraq.

Although Mr Bush for the first time embraced the idea of "benchmarks", saying they would make victory more likely, he continued to assert he did not support a fixed timetable. There were "significant differences between benchmarks for a government to achieve and a timetable for withdrawal", he said.

The press conference marked Mr Bush's latest attempt to control the debate about Iraq, amid mounting criticism even from Republican loyalists. The administration has struggled to redefine both the terms and goals of its engagement in Iraq. On Monday, officials said they would stop using the phrase "stay the course".

The concept of victory in Iraq has been scaled back, to an Iraq that can "defend, govern and sustain itself". Mr Bush acknowledged the US's most immediate goal was "to prevent a full-scale civil war from happening in the first place".

That is some way from the definitions set out in November in the Victory in Iraq document. It said the short-term view of victory was an "Iraq that is making steady progress in fighting terrorists, meeting political milestones, building democratic institutions, and standing up security forces". The medium-term goal was to have a "fully constitutional government in place".

Mr Bush said he would consider any "proposal that will help us achieve victory" but declined to say whether he would directly engage with Iran and Syria to resolve tensions.

"Iran and Syria understand full well that the world expects them to help Iraq," he said.

Mr Bush offered his -support to two embattled figures. He said Nouri al-Maliki, prime minister, was "the right man to achieve the goal in Iraq", and called Donald Rumsfeld, secretary of defence, "a smart, tough, capable administrator".

Bush Backs Setting 'Benchmarks' In Iraq (WT)

By Joseph Curl

DOJ_NMG_0086493

The Washington Times, October 26, 2006

President Bush yesterday firmly supported setting "benchmarks" in Iraq to move toward stability and security in the war-torn country, and warned Iraqi leaders that the United States has "got patience, but not unlimited patience."

Making frank admissions of overestimations, underperformance and flat-out errors, the president used a hastily called press conference to try to assuage angry voters, who by most election strategists' accounts plan to vote Republicans out of control of Congress in just two weeks.

"We overestimated the capability of the civil service in Iraq to continue to provide essential services to the Iraqi people. We did not expect the Iraqi army, including the Republican Guard, to melt away in the way that it did in the face of advancing coalition forces," Mr. Bush said.

Gen. George Casey, the top U.S. commander in Iraq, said Tuesday that Iraqi forces should be able to take control of security in 12 to 18 months with "some level" of U.S. support. Top U.S. military commanders laid out a series of "benchmarks" for the fledgling Iraqi government.

But Iraqi Prime Minister Nouri al-Maliki took umbrage yesterday at the new talk of "benchmarks" for his government to reach.

"I affirm that this government represents the will of the people and no one has the right to impose a timetable on it," Mr. al-Maliki said at a Baghdad press conference, where he dismissed U.S. talk of timelines as driven by the upcoming midterm elections.

"I am positive that this is not the official policy of the American government but rather a result of the ongoing election campaign. And that does not concern us much," he said.

Asked yesterday for the first time since the "benchmarks" were laid out, the president -- who has steadfastly opposed setting a "timetable" for the withdrawal of U.S. troops -- endorsed the 12- to 18-month concept, with a few caveats such as objecting to a reporter's question that used "benchmarks" and "timetable" interchangeably.

"There is a significant difference between benchmarks for a government to achieve and a timetable for withdrawal. ... We're working with the Iraqi government to have certain benchmarks to meet as a way to determine whether or not they're making the hard decisions necessary to achieve peace. I believe that's what you're referring to. And we're working with the Iraqi government to come up with benchmarks."

But the president, who was combative and defensive at times in the hourlong press conference in the White House East Room, said "Americans have no intention of taking sides in a sectarian struggle or standing in the crossfire between rival factions."

In supporting the idea of "benchmarks" for the new Iraqi government to reach as it takes over security operations, Mr. Bush warned Mr. al-Maliki that the United States must see action on a number of fronts.

"We'll respect the fact that the Iraq government is sovereign, and they must respect the fact that we've got patience, but not unlimited patience," he said.

Democrats on Capitol Hill immediately took aim at Mr. Bush. "President Bush's Iraq policy has been a dismal failure. The president has abandoned his 'stay the course' slogan; it is long past time he abandon his 'stay the course' policy," House Minority Leader Nancy Pelosi said.

Added Senate Minority Leader Harry Reid: "The Bush administration's Iraq policy, like Iraq itself, is in complete disarray. One day, the administration calls for a timetable, the next day, Iraqi Prime Minister Maliki objects to it. ... One day, it's stay the course, the next day, it's change the course."

But Mr. Bush said benchmarks will help show the American people that Iraqis are moving forward.

"It's a condition, a base estimate. And that's important for the American people to know. This notion about, you know, fixed timetable of withdrawal, in my judgment, is a -- means defeat. You can't leave until the job is done. Our mission is to get the job done as quickly as possible," he said.

In his 15-minute opening statement, Mr. Bush said the time has come for the Iraqi government to begin moving quickly toward responsibility for its own fate.

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"We're pressing Iraq's leaders to take bold measures to save their country. We're making it clear that America's patience is not unlimited. Yet we also understand the difficult challenges Iraq's leaders face, and we will not put more pressure on the Iraqi government than it can bear," he said.

Bush's Conviction On Iraq Exceeds His Plan's Credibility (USAT)

USA Today, October 26, 2006

There is little doubting the sincerity of President Bush's commitment to the mission in Iraq. On Wednesday, amid sinking public approval less than two weeks before congressional elections, Bush set out yet another course for a victory he optimistically predicted was achievable.

The president's conviction is obvious. But whether it's supported by facts — and whether there's a real path to victory as he defines it — is dubious.

There continues to be a yawning gap between his rhetoric and reality:

•"Absolutely we're winning," Bush said. But only 19% of Americans in last weekend's USA TODAY/Gallup Poll agree. And just 14% of Iraqis surveyed recently say the U.S. impact on their country is mostly positive.

•The United States has "no intention of … standing in the crossfire between rival factions," the president said. But that's exactly where American troops in Baghdad now find themselves.

•Prime Minister Nouri al-Maliki is "the right man," he said, though shortly before Bush's news conference the Iraqi leader denounced a U.S. raid on one of the many militias drawing Iraq deeper into civil war.

For all of Bush's claims to consistency in his policy, the definition of "victory" has also shifted. At first, he thought invasion alone would light the fires of democracy. Then it became a longer-term fight to suppress terrorists and spread freedom in the Arab Middle East. Now, political rhetoric aside, it is simply to get out while leaving a functioning, U.S.-allied government behind.

The battle to secure Baghdad, billed as make-or-break, has been going poorly. October has been the deadliest month for U.S. forces in two years. Bush has abandoned a well-worn "stay the course" mantra for talk of U.S. tactical flexibility.

The United States will now ask the Iraqi government to meet benchmarks, such as getting a grip on the militias. What will happen if they're not achieved is left unsaid, but few would argue that they'll be easily attained. It's possible that the administration is laying a path for a U.S. withdrawal that would blame the Iraqis for failing to meet the benchmarks. Bush pointedly said Wednesday that U.S. patience is "not unlimited."

Policymakers grasping at straws have focused on an Iraq report, due after the November elections, from a bipartisan group co-chaired by Bush family friend and former secretary of State James Baker. There's an irrational sense that it can deliver some kind of magic salvation. Bush played to those hopes by saying he's ready to listen.

No doubt the group will back sensible ideas that should have been tried years ago — such as engaging neighbors Iran and Syria (Bush refuses to talk directly to either) and some kind of muscular international involvement. Those, however, are long shots.

Whatever happens next, the Iraq mess won't be resolved by new slogans, speeches, news conferences or Power Point presentations. After 3½ years, nearly the same length as U.S. involvement in World War II, the only meaningful progress in Iraq is clear and convincing success on the ground.

Wars Are Hard, But We'll Win (USAT)

By Tony Snow

USA Today, October 26, 2006

It seems odd to be defending the commanding general and the U.S. ambassador to Iraq from charges that they don't understand the situation in the country in which they work, especially when the complaining sages live thousands of miles from the battlefront.

The business of war requires constant vigilance, enterprise and determination. Our goal and a key to our security at home: to help Iraq sustain, govern and defend itself, and emerge as a key ally in the war on terror.

We have pursued that aim according to the challenges on the ground and have adjusted to shifting realities — from the early resistance by Saddam Hussein's armies, to early battles in such places as Fallujah totoday's Iraq, where 14 of 18 provinces

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live in relative peace. Gen. George Casey noted earlier this week that 90% of the violence in Iraq now occurs within a 30-mile radius of Baghdad. Coalition forces have been assisting Iraqi army and police in taking on the perpetrators of that violence, and they have adopted the tactic of trying to clear, hold and rebuild neighborhoods wracked by terror.

The combined Iraqi-U.S. forces will win that fight, as they have every other engagement of the war. But peace in Iraq will require more than superiority of arms. Iraqis need some other basics for good and free lives — a political system that will guarantee rights and representation for all, and an economy that can provide jobs.

President Bush and Prime Minister al-Maliki have been working on those objectives since the prime minister's accession to power. In the past month, al-Maliki has pursued national reconciliation. The Iraqi parliament is streamlining the legislative process, refining the constitution, considering key issues of federalism, and passing a “hydrocarbons law” that would provide for the general distribution of oil and natural gas revenues.

The Iraqi economy continues to grow, electricity production continues to rise, businesses are springing to life, and the nation's standard of living has grown.

But the reality is that wars are hard. Our enemies are determined and utterly contemptuous of innocent human life. And just because the enemy appears to make some progress, that doesn't mean we should leave — quite the opposite.

When they adjust tactics, we must adjust ours, taking the fight to them. That is what we have done and what we will continue to do. And we will win.

War Now Works Against GOP (WP)

By Peter Slevin And Michael Powell

The Washington Post, October 26, 2006

DOYLESTOWN, Pa. -- A visitor to Rep. Michael G. Fitzpatrick's campaign Web site will immediately hear a 20-second audio clip of a contentious television interview about Iraq with his Democratic challenger, Patrick Murphy. The clip ends: "Tough times demand honest answers, not Pat Murphy."

Fitzpatrick, a freshman Republican, hoped to throttle Murphy on an issue critical to the 2004 victories of President Bush and the Republican Congress. But Murphy, a 33-year-old West Point graduate and a veteran of the war, has battled his way into contention by directly attacking Fitzpatrick and Bush on their party's handling of Iraq itself.

"When we went there in 2003, we had a mission to get rid of Saddam Hussein and weapons of mass destruction. We're still in Iraq 3 1/2 years later and the mission isn't clear," Murphy told an audience here last week. "Together we can change it. We can change what we're doing in Iraq."

Just three months ago, Republican strategists believed that doubts about Iraq could be contained -- or even turned into an electoral advantage -- if the battle was framed as a vital front in the war against terrorism. Voters would be invited to choose: Stand firm or capitulate.

But the issue is not playing out that way. In both parties, a consensus now exists -- buttressed by polls -- that disaffection with a war grown costly and difficult to manage is the gravest threat to continued Republican rule.

Iraq is not only a potent issue in its own right, but is also a resonant metaphor for doubts about the competence and accountability of the Republican Party.

In the most competitive races, Iraq echoes in varying ways, but almost always for Republicans it is a problem to be navigated and for Democrats a stick to be brandished. In Ohio, it helped put incumbent Sen. Mike DeWine (R) on the defensive. In House races in Pennsylvania and Illinois, it gave three Democratic war veterans and novice politicians an opening.

"We are telling our candidates not to be afraid to talk about it," said Sen. Charles E. Schumer (N.Y.), chairman of the Democratic Senatorial Campaign Committee. "Who would have thought two years ago the Democrats would be affirmatively putting ads on television about Iraq and Republicans would be avoiding it?"

Showing how the tables have turned, Senate Majority Leader Bill Frist (R-Tenn.) told interviewers in New Hampshire this week that Republican candidates should steer away from the war.

"The challenge," Frist said, "is to get Americans to focus on pocketbook issues, and not on the Iraq and terror issue."

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In Connecticut and Ohio, in Pennsylvania and New Mexico, critical swaths of voters tell pollsters they are using the war as a lens to assess -- and in many cases punish -- the party in control of the White House and both houses of Congress. This appears particularly true of independents, who are considered most likely to determine whether the House and Senate change hands.

A Pew Research Center poll this month found that 50 percent of independents listed Iraq among their top two national concerns, compared with 36 percent of Republicans and 68 percent of Democrats. Overall, 58 percent of respondents said the war is not going well and only 38 percent said the battle for Iraq is helping the war on terrorism.

Voter dissatisfaction with Iraq has taken years to build, not least because few Americans fear a draft, unlike the Vietnam era. But the war is intruding on the public conversation.

"Iraq is at the top of the agenda, and it's largely among those people who say they are largely voting Democratic," said Andrew Kohut, the Pew Research Center's president. "It's not the only issue, but it's the one that has most given people a sense of unease about the state of the nation."

Independents, said Kohut, "are going to decide this election."

Recent Washington Post-ABC News polls, including one released this week, found that growing skepticism about the administration's performance since Sept. 11, 2001, has put the two parties at parity on combating terrorism -- formerly a winning Republican issue by a large margin.

Less than two weeks before Election Day, the figures represent a severe challenge to the GOP strategy of painting Democrats as weak on national security. They also help explain the boldness of Democratic candidates in challenging Republicans on the war.

"I'm getting less and less happy with way Bush is handling things," fifth-grade teacher Denise Hall said in Doylestown on a crystalline autumn morning. Iraq is "definitely a factor" as she considers backing Democrats this year after twice voting for Bush. "Things seem to keep getting worse."

Hall said she is troubled not only by the war deaths -- 93 Americans killed this month, the highest total in a year -- but also by what the Bush administration's approach to Iraq tells her about its ability to manage other crises. "My real concern is North Korea," she said. "That scares the heck out of me. Would we go in somewhere else and think we could straighten it out?"

In Connecticut's 5th District, Republican Rep. Nancy L. Johnson volunteers information on pretty much everything except the war. Her campaign Web site lists her positions on 12 "key issues," none of which includes Iraq. She talks of her "social moderation" and discusses her stances on the environment, health care and jobs.

Johnson believes the war echoes especially strongly in her race because of the battle for the Senate seat held by Joseph I. Lieberman, who was defeated by antiwar candidate Ned Lamont in the Democratic primary and is running as an independent. She contends that most candidates, Republican or Democrat, are not far apart in believing the Iraq war is off track.

Nearby, Democrat Diane Farrell is hammering repeatedly at Rep. Christopher Shays (R) for his support of the war. Recent polls show her with a narrow lead over Shays, who has visited Iraq 13 times and contends that victory remains possible.

"Christopher is such an ardent defender of the war and he holds himself out as an expert," Farrell said. "It makes it easier to hit on this issue."

It became clear in late summer that Iraq was working against Republican candidates, despite the well-telegraphed strategy of Bush and presidential adviser Karl Rove to link criticism of the war to weakness on national security. On Aug. 28, Vice President Cheney warned darkly of "self-defeating pessimism," but he found that some critics were solid Republicans.

GOP candidates are often keeping a distance from Bush, trying to define themselves as "independent." Ed Patru, a spokesman for the National Republican Congressional Committee, said this is not a year to enforce party discipline.

"We encourage and expect every candidate to do the things they need to do to connect with the electorate," Patru said. One common GOP approach is to acknowledge that the war is not going well and to challenge voters to distinguish among the candidates' solutions.

"At least it becomes a wash," Patru said.

The NRCC has spent $8.5 million defending three Republican members of Congress near Philadelphia and $3.3 million on three competitive Connecticut races. Other candidates for the House and Senate are buying their own time on the issue.

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In South Florida, a newspaper advertisement for Democrat Ron Klein challenges Rep. E. Clay Shaw Jr. (R) for not doing more on Iraq.

"Clay Shaw refuses to hold the Bush administration accountable when it comes to the war on Iraq," the ad proclaims. "Whether it's a plan to win the peace, bring our troops home or account for a dime of the $300 billion we have spent, Shaw will not stand up to Bush or ask tough questions on Iraq. That's not leadership."

In Tennessee, Rep. Harold E. Ford Jr. (D) is running an ad in his Senate campaign against Republican Bob Corker that declares: "I support our troops and I voted for the war, but we shouldn't stay the course, as Mr. Corker wants."

Connecticut is home to what may be the most intently watched war debate, in the race between Lamont and Lieberman. Lamont, a millionaire from Greenwich, won the primary and national attention by pounding almost exclusively on Lieberman's backing of the Bush administration on the war. Yet recent polls show Lamont's candidacy tumbling.

Farrell, stopping in western Connecticut, said in a voice grown raspy by campaigning that the war alone will not carry a candidacy. She believes her quest to defeat Shays has been fueled by a "double shot" of public desire to send a message on Iraq and dethrone the Republican leadership in Congress.

"They are both Democrats -- voters don't have to reject Joe to get a Democratic Senate," she said. "The difference in my district is that it's about the war and control of the majority of the House of Representatives. You need both -- the war and control of Congress -- to work together for voters."

Mark Matthews, a political independent and school custodian, has a newspaper under his arm as he walks into a Fast Stop Food Shop in Norwalk. For him, at least, frustration with the war is enough to steer him to Lamont and Farrell.

"All these young kids, our boys, are dying over there," Matthews said. "For what? It's ridiculous. We've lost focus and I've had enough."

Sen. John F. Kerry (D-Mass.) has donated $1 million to the campaigns of 18 military veterans. That includes $220,000 to Tammy Duckworth, seeking the suburban Chicago seat vacated by Rep. Henry J. Hyde (R), and $130,000 each to Murphy and to Joseph A. Sestak Jr., who is challenging Rep. Curt Weldon (R) in suburban Philadelphia.

After campaigning for Michigan Gov. Jennifer Granholm and Sen. Debbie Stabenow in Flint last week, Kerry maintained that the Iraq war has become a national proxy for other worries about GOP leadership.

"I believe there is a continuum of incompetence and outright misleading that characterizes this administration on everything," Kerry said. "There is no disagreement that it's been mishandled and mismanaged and that we need a change. It runs very, very deep."

To emphasize the war, Kerry will attend with Murphy a Thursday rally among veterans. Murphy has made his military training and the war the centerpiece of his campaign against Fitzpatrick, 43, the GOP incumbent, who spent 10 years on the Bucks County Commission.

"It's forward-thinking: You anticipate what your enemy might do next. It's leadership," Murphy, a lawyer who served with the Army's 82nd Airborne Division, said in an unsubtle slap at Republicans. Yet in an MSNBC television interview as he launched his candidacy, he repeatedly refused to say how he would have voted on the 2002 Iraq war resolution -- an awkward moment he calls "a lesson learned."

Murphy now calls for all U.S. troops to be withdrawn within 12 months, with a strike force of 30,000 left in remote Iraq or Kuwait. He said 8,000 to 10,000 troops should be redeployed to Afghanistan. Fitzpatrick opposes setting a timetable.

At a recent debate, each candidate was permitted to ask the other a final question.

Fitzpatrick asked: "Pat, how many school districts are there in Bucks County and what are their names?"

Murphy asked: "Congressman Fitzpatrick, when are you going to give the American public the straight story on where you are with the war in Iraq?"

Powell reported from Connecticut. Staff writers Kari Lydersen in Chicago and Robin Shulman in New York and political researcher Zachary A. Goldfarb in Washington contributed to this report.

Frist To GOP Hopefuls: Don't Stress Iraq (AP-Y)

AP, October 26, 2006

DOJ_NMG_0086498

Senate Majority Leader Bill Frist says if Republican candidates want to succeed on Election Day, they should turn their focus away from the Iraq war.

"The challenge is to get Americans to focus on pocketbook issues, and not on the Iraq and terror issue," Frist said in an interview with the Concord Monitor on Tuesday.

Frist suggested that Republicans remind voters of subjects like tax cuts and lower gas prices, the result, he said, of the energy bill passed by Congress last year.

"These are all things the media has not covered," Frist said. "People don't say, 'This Congress passed tax cuts.' But that means something to every American."

Frist, a possible candidate for the presidency in 2008, visited New Hampshire on Tuesday to help local Republicans running for office and to accompany his wife, Karyn, on a promotional tour for her new book.

Frist, who is retiring from the Senate when his term expires at the end of this year, said he has been campaigning for candidates in his native Tennessee, Missouri, Iowa and New Hampshire. He said those trips have shown him a "worried, discontented and confused" electorate, with voters fed up with the politics of Washington.

Frist suggested two issues that Republicans should use to highlight their differences with Democrats: homeland security and taxes. He criticized Democratic opposition to renewing the Patriot Act as "not equipping the government and military with the best tools to defeat terrorists." He also said proposals by Democrats to repeal tax cuts for the wealthiest Americans would be a drain on all taxpayers.

Defiant Iraqi PM Disavows Timetable (AP-Y)

By Christopher Bodeen, Associated Press Writer

AP, October 26, 2006

An angry Prime Minister Nouri al-Maliki disavowed a joint U.S.-Iraqi raid in the capital's Sadr City slum Wednesday, and criticized the top U.S. military and diplomatic representatives in Iraq for saying his government needs to set a timetable to curb violence in the country.

Al-Maliki spoke at a news conference a day after U.S. Ambassador Zalmay Khalilzad said Iraqi leaders had agreed to set deadlines by year's end for achieving specific political and security goals laid out by the United States, including reining in militia groups.

"I affirm that this government represents the will of the people and no one has the right to impose a timetable on it," the prime minister said.

The prime minister dismissed U.S. talk of timelines as driven by the coming midterm elections in the United States. "I am positive that this is not the official policy of the American government but rather a result of the ongoing election campaign. And that does not concern us much," he said.

Al-Maliki complained that he was not consulted beforehand about the Sadr City offensive. The raid was conducted by Iraqi special forces backed by U.S. advisers and was aimed at capturing a top militia commander wanted for running a Shiite death squad.

"We will ask for clarification to what has happened," al-Maliki said. "We will review this issue with the Multinational Forces so that it will not be repeated."

Mouwafak al-Rubaie, his national security adviser, later told The Associated Press that al-Maliki's anger grew out of a misunderstanding that had since been cleared up with Gen. George Casey, the top U.S. commander in Iraq.

While the U.S. military said the raid had been cleared in advance with al-Maliki's government, President Bush acknowledged that al-Maliki himself may not have been consulted.

"We need coordinate with him. That makes sense to me. And there's a lot of operations taking place which means sometimes communications are not as good as they should be. And we'll continue to work very closely with the government to make sure communications are solid," Bush said at his own news conference.

Military action in Sadr City is especially sensitive for the prime minister.

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Until Wednesday, U.S. and Iraqi forces had largely avoided the densely populated slum, a grid of rutted streets and tumble-down housing that is home to 2.5 million Shiites and under the control of anti-American cleric Muqtada's al-Sadr's Mahdi Army.

Reining in the Mahdi Army and the other major militia, the Badr Brigades, remains one of the thorniest problems facing al-Maliki. His fragile Shiite-dominated government derives much of its power from the al-Sadr's faction and from the Supreme Council for the Revolution in Iraq, or SCIRI, which operates the Badr Brigades.

The U.S. military said Mahdi Army militiamen fought back in the Sadr City raid and that the Americans called in an air strike and cordoned the sprawling east Baghdad region.

Late Wednesday the military said it had killed 10 suspected militia fighters and wounded two in the battle. It did not identify the wanted militia leader or say whether he was still at large. Earlier, police and hospital officials said four people were killed and at least 18 wounded.

The military also said it had raided a mosque in Sadr City looking for a missing U.S. soldier and his kidnappers. The soldier was not found but three suspects were detained.

Residents living near Sadr City said gunfire and air strikes began about 11 p.m. Tuesday and continued for hours. The neighborhood was sealed to outsiders before dawn.

Groups of young men in black fatigues favored by the Mahdi Army were seen driving toward the area to join the fight. Explosions and automatic weapons fire were heard above the noise of U.S. helicopters circling overhead firing flares.

Crowds of Shiite men, some carrying pistols and others hoisting giant posters of al-Sadr, swarmed onto the district's streets Wednesday morning, chanting, "America has insulted us."

Throughout the day and into the night, U.S. F-16 jet fighters growled across the Baghdad sky, and at one point the report of tank cannon fire echoed across the city five times in quick succession.

Streets were empty and shops closed, although the district still had electricity from the national power grid.

Well after nightfall, residents said all roads into the slum remained blocked by U.S. and Iraqi forces. U.S. soldiers were searching all cars.

A frustrated motorist waiting at one checkpoint jumped out of his car and called for al-Maliki to resign.

"Where is al-Maliki? It would be more honorable for him to resign. Why is he letting the Americans do this to us," the driver could be heard to scream.

Falah Hassan Shanshal, a lawmaker from al-Sadr's political bloc, said women and children had been killed, although videotape pictures of the bodies from the neighborhood taken at the local morgue showed only male victims.

"If there was an arrest operation, it should have been carried out by the Iraqi authorities, and not like this where air cover is used as if we were in a war zone," Shanshal said in an interview with the government's al-Iraqiya television station.

Iraqi Premier Denies U.S. Assertion He Agreed To Timelines (WP)

By John Ward Anderson

The Washington Post, October 26, 2006

BAGHDAD, Oct. 25 -- Iraqi Prime Minister Nouri al-Maliki lashed out at the United States on Wednesday, saying his popularly elected government would not bend to U.S.-imposed benchmarks and timelines and criticizing a U.S.-Iraqi military operation in a Shiite slum in Baghdad that left at least five people dead and 20 wounded.

Maliki's comments came a day after U.S. Ambassador Zalmay Khalilzad said the prime minister had agreed to timelines for accomplishing several critical goals, including developing plans to deal with militias, amend the constitution and equitably distribute Iraq's oil revenue.

"I affirm that this government represents the will of the people, and no one has the right to impose a timetable on it," Maliki said at a nationally televised news conference Wednesday. "The Americans have the right to review their policies, but we do not believe in a timetable."

With less than two weeks to go before critical midterm elections in the United States, Maliki accused U.S. officials of election-year grandstanding, saying that deadlines were not logical and were "the result of elections taking place right now that do not involve us."

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In a conference call with reporters, two senior Democratic members of the Senate Armed Services Committee focused on Maliki's statements on the Bush administration benchmarks.

Sen. Carl M. Levin (D-Mich.), ranking member of the panel, said, "I think the page we are on differs and is rewritten day to day to try to get past the elections here."

Sen. Jack Reed (D-R.I.), a West Point graduate who just returned from Iraq, said Maliki's comment "deliberately repudiates what the president's saying." He called it "disheartening" but said it "might be a function of politics of Iraq as much as a function of politics of the United States. But it does not appear they're even at the level of how to talk about the problem."

Maliki's comments followed a deadly early-morning military raid in Sadr City, a teeming Shiite slum in eastern Baghdad with more than 2 million residents loyal to the charismatic anti-U.S. cleric Moqtada al-Sadr. The aim of the operation was to capture the leader of a Shiite death squad, according to a U.S. military statement. It was unclear whether the target was among the casualties.

Sadr heads a large Shiite political party that is a key member of Maliki's government. He also heads a powerful militia, the Mahdi Army, that has fought several prolonged battles against American troops. U.S. officials, Sunni Arabs and independent observers say that the Mahdi Army is a driving force behind death squads that have slaughtered thousands of Sunnis and that Maliki's government has done little to halt the attacks or disarm the group.

Although a U.S. military statement on the operation did not mention the Mahdi Army or Sadr by name, the implication that the target was a member of the militia was unmistakable.

Iraqi army special forces, supported by U.S. advisers, "conducted a raid authorized by the Government of Iraq . . . to capture a top illegal armed group commander directing widespread death-squad activity throughout eastern Baghdad," the statement said. It also said Iraqi forces came under fire during the raid and "requested support from Coalition aircraft, which used precision gunfire only to eliminate the enemy threat."

At his news conference, Maliki distanced himself from the raid, saying his government would "ask for clarification about what has happened in Sadr City" and "review the issue with the multinational forces so that it will not be repeated."

Sahib al-Amiry, a top aide to Sadr, denied that any of the casualties were members of a death squad, saying they were simple people trying to scratch out a living. Speaking in Najaf, where Sadr has his headquarters, Amiry accused the United States of trying to provoke a bigger clash with Sadr's forces, but he said the cleric had ordered his followers not to rise to the bait.

Sadr "gave an order to calm down and be patient, because the occupation forces want to drag the Mahdi Army into an internal fight, especially in Baghdad," Amiry said. He said Sadr "is calling for calm, but the occupation forces are insisting on escalating the situation."

Meanwhile, the office of Gen. George W. Casey Jr., the top U.S. military official in Iraq, issued a statement Wednesday clarifying that he has not asked for more U.S. troops to be sent to Iraq. The statement said reports of Casey's comments at the joint news conference with Khalilzad on Tuesday "inferred" that Casey said more troops might be needed to quell violence in Iraq. "Quite frankly, that is the wrong impression," the statement said.

"There is no intent to bring more U.S. troops into Iraq at this time," the statement said. "The General was merely saying, as he has said consistently since taking command of the Multi-National Force Iraq, that all options are on the table. He will ask for what is needed. He has made no such request to date."

In his remarks Tuesday, Casey said he did not want to go into specifics about how better security and services would be brought to Baghdad, adding: "Now, do we need more troops to do that? Maybe. And as I've said all along, if we do, I will ask for the troops I need, both coalition and Iraqis."

Casey elaborated later, saying that if he needed more troops, he could draw them from Iraqi forces, U.S. forces already in Iraq or U.S. forces outside the theater.

Despite Maliki's tough reaction to suggestions that his government would bow to benchmarks and timelines to rein in militias, the prime minister reiterated at his news conference Wednesday, for the second time in as many days, the government's intention to crack down on illegal armed groups.

"The state is the only one that has the right to carry weapons," he said. "We will deal with anybody who is outside the law. Everyone now realizes that the existence of armed groups and militias harms the stability and unity of the state."

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He also appealed to Iraq's neighbors to stop meddling in his country's affairs, and he blamed foreign fighters and supporters of ousted president Saddam Hussein for fomenting the current violence.

"I would like to state here that the root of the battle we are fighting in Iraq and the root of the bloody cycle that we are undergoing is the presence of terror organizations that have arrived in the country," Maliki said.

Maliki Distances Himself From American Strategies In Iraq (MCT)

By Nancy A. Youssef

McClatchy Newspapers, October 26, 2006

BAGHDAD, Iraq - U.S. officials and Iraqi Prime Minister Nouri al Maliki are increasingly at odds over strategy and goals, a division that American officials in Iraq say is making it harder to pursue their objectives in Iraq.

On Wednesday, Maliki denounced an American bombing mission in the Baghdad neighborhood of Sadr City that the U.S. said had killed a notorious Shiite Muslim death-squad member. He also rejected a call Tuesday by the two top American officials in Iraq for a timetable for his government to tackle the nation's most intractable problems.

"This government is one of popular will and national unity, and it is nobody's right to put timetables before it," Maliki said.

It was at least the third time in recent weeks that Maliki had publicly contradicted American positions, and it underscored that he draws much of his support from the very militia groups that the U.S. is pressing him to dismantle.

The differences with the Bush administration were also evident during President Bush's news conference in Washington on Wednesday.

"I know many Americans are not satisfied with the situation in Iraq," Bush said in an opening statement. "I'm not satisfied, either."

He said the U.S. was pressing Maliki to move more quickly and warned that "America's patience is not unlimited."

But Bush also said the administration wouldn't press too hard. "Look, we'll push him," he said, "but we're not going to push him to the point where he can't achieve the objective."

With less than two weeks before congressional elections, a clamor has been growing among Democrats and some Republicans for a timetable that would require the Iraqi government to resolve certain issues or face a possible withdrawal of U.S. troops. Polls indicate that Republicans could lose control of the House of Representatives and possibly the Senate, largely over dissatisfaction with developments in Iraq.

Bush acknowledged that the war has become a top-tier issue with voters, and noted that 93 American soldiers have been killed so far this month, a rare mention by the president of the war's death toll.

But he said it was Maliki's responsibility to find a solution to the violence and that the United States wouldn't be drawn into supporting one side over the other in a civil war.

"Americans have no intention of taking sides in a sectarian struggle or standing in the crossfire between rival factions," he said. "Our mission is to help the elected government in Iraq defeat common enemies, bring peace and stability to Iraq and to make our nation more secure."

Identifying the common enemies has proved to be one of the most difficult tasks for American officials, however.

U.S. military officers and civilian officials have warned for months that Shiite militias are responsible for most of the civilian deaths in Iraq, and U.S. Ambassador Zalmay Khalilzad in May called them the biggest threat to Iraq's security.

But the militias, notably the Mahdi Army, led by fiery cleric Muqtada al Sadr, are also key to Maliki's support, and the prime minister has objected on several occasions to U.S. efforts to rein them in.

On Wednesday, Maliki said American officials didn't get his approval before they conducted the bombing raid in Sadr City, where his core supporters and many members of Sadr's Mahdi Army live.

"In fact, we will ask for a clarification of what happened, and this is an issue we will review with the multinational forces so it won't happen again," Maliki said.

U.S. military officials here disputed Maliki's claim, saying they never enter Sadr City without coordinating with his government.

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According to a U.S. statement, Iraqi soldiers were conducting the raid in Sadr City when they came under fire and requested support from American aircraft. The aircraft "used precision gunfire only to eliminate the enemy threat," the statement said.

Still, U.S. officials said they weren't surprised by Maliki's comments.

"We were expecting it," said one top American military aide who asked to go nameless because of the sensitivity of the subject.

Last week, Maliki ordered the United States to release a Mahdi Army member it had seized in a raid for death-squad involvement. In August, Maliki publicly berated the Americans for a raid on Sadr City.

The tension between Maliki and U.S. officials also was evident Tuesday during a news conference in Baghdad by Ambassador Khalilzad and Gen. William Casey, the top American military commander in Iraq.

Khalilzad and Casey said they'd won approval from the Iraqi government for a timetable to consider some of Iraq's pressing issues, including disarming the militias, revamping the constitution and setting a date for parliamentary elections.

In elaborating on that agreement, Khalilzad said the commitment came from President Jalal Talabani. He didn't mention Maliki except to say that he took the prime minister at his word when he promised to negotiate with Sadr.

Talabani, an ethnic Kurd, is a strong U.S. ally, but it's unclear whether he has the authority to agree to a timetable on behalf of the government. Iraq's Constitution is vague about the responsibilities of the president and prime minister, although it appears that the prime minister - not the president - must approve agreements with other nations.

For many Iraqis, there's no surprise that American officials and Maliki don't see eye to eye. Before his appointment as prime minister, Maliki had a reputation as a staunch advocate for his fellow Shiites.

In the weeks-long battle earlier this year over who'd be prime minister, Maliki drew key backing from Sadr supporters, who hold more seats than any other group in parliament. He's since appointed Sadr supporters to government ministries such as health and education.

Some experts think that Maliki would be forced from power if he adhered to U.S. insistence that he move against Sadr.

"I'm not sure Maliki can do anything to improve Bush's position," said Judith Yaphe, a Persian Gulf expert at Washington's National Defense University.

The prime minister, she noted, sits atop a central government that was designed to be weak because Shiites and Kurds wanted it that way.

Maliki is in "an extraordinarily weak position," Yaphe said. "He doesn't give the impression of being the person who's in charge."

The latest divisions between Maliki and the U.S. left the Bush administration open to Democratic attack.

Citing the differences over a timetable, Senate Minority Leader Harry Reid, D-Nev., issued a statement Wednesday that said, "The Bush administration's Iraq policy, like Iraq itself, is in complete disarray."

"It is increasingly clear that the president does not know what to do to stop the escalating violence in Iraq and that his so-called `National Strategy for Victory' in Iraq has failed," the statement said.

"It's disheartening," said Sen. Jack Reed, D-R.I., a member of the Senate Armed Services Committee. "This might be a function of the politics of Iraq as much as the politics of the United States, but it does not appear - even at the level of how to talk about this thing - that there's a meeting of the minds."

McClatchy correspondents William Douglas and Margaret Talev contributed to this report from Washington.

Iraq's Leader Jabs At U.S. On Timetables And Militias (NYT)

By Sabrina Tavernise

The New York Times, October 26, 2006

BAGHDAD, Oct. 25 — Prime Minister Nuri Kamal al-Maliki put himself at odds on Wednesday with the American government that backs him, distancing himself from the American notion of a timetable for stabilizing Iraq and criticizing an American-backed raid on a Shiite militia enclave.

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Speaking in Baghdad just hours before President Bush held a news conference in Washington, Mr. Maliki tailored his remarks to a domestic audience, reassuring the millions of Shiites who form his power base that he would not bend to pressure by the American government over how to conduct internal Iraqi affairs.

His comments stood in stark contrast to the message given Tuesday by the top two United States officials in Iraq, Gen. George W. Casey Jr. and Ambassador Zalmay Khalilzad, who said the timetable for political measures had been accepted by the Iraqi government.

"I want to stress that this is a government of the people's will, and no one has the right to set a timetable for it," Mr. Maliki said at a news conference broadcast on national television.

"This is an elected government, and only the people who elected the government have the right to make time limitations or amendments," he said, stabbing the air with his hand.

The remarks pointed to a widening schism between the Shiite-led Iraqi government and the Americans who support it.

As the violence here increases and midterm elections in the United States approach, Mr. Maliki has come under pressure from the Bush administration to step up efforts to control the violence. But the very forces that elevated him to power and whose support he must retain — religious Shiite parties with their own militias — are complicit in the violence.

That tension was on display in his remarks on Wednesday. While acknowledging the problems presented by militias and death squads — groups of men with guns that American military officials say are some of the primary culprits in the new phase of bloodletting here — Mr. Maliki said pointedly that the main factor driving the violence was insurgents and militant fighters, largely Sunni, who have been killing Shiites for more than three years.

"Saddamists and terrorist groups are responsible for what is going on this country and the reactions," he said, in a reference to retaliatory killing by Shiite militias that began after the February bombing of a shrine sacred to Shiites. "We should contain the reactions."

Mr. Maliki's stance differs sharply from views presented by American officials, who speak of Shiite death squads as an evil equal to that of the Sunni insurgents. But it fits snugly inside the circle of hardening Shiite sentiment that the American military, in keeping full control of security, has not given the Iraqi government full power to intervene when Sunni militias or insurgents carry out sectarian cleansing.

"Most of the officials feel like their hands are tied," said one Shiite politician, who insisted on anonymity. "They can't take critical decisions at critical times."

The politician cited the example of Saab al Bour, a largely Shiite town with Sunni outskirts northwest of Baghdad, from which hundreds of Shiite families have fled in the past month after attacks by Sunni insurgents. Shiites were "crying for help," he said, but the government could not come to their aid because of confusion over which country's troops were responsible for the area.

Americans have held onto control over security partly because they do not believe that the Iraqi forces are up to the job. They also fear selective enforcement by the government in favor of Shiites, who form a large part of Iraq's security forces, particularly the police, whose ranks are infiltrated by militias.

Mr. Maliki is stuck in the middle, forced to navigate between the rising tide of frustration among Shiites who form his base and the American government that wields the power.

Evidence of that increasing discomfort showed in Mr. Maliki's reaction to an American raid on a suspected Shiite death squad leader early Wednesday morning.

The raid took place at dawn in Sadr City, a vast district of cinderblock houses that is the stronghold of the Mahdi Army, a large Shiite militia that fought two battles against the American military under the command of a radical Shiite cleric, Moktada al-Sadr.

Iraqi forces and American advisers entered the far northern tip of the district, the domain of a Shiite guerilla leader known by his Iraqi nickname, Abu Dera, and immediately came under fire. The military called in air support, and aircraft fired high-caliber guns at militiamen on the ground, a military official said.

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The American military reported that 10 militiamen were killed and two were wounded in the fight, which residents said lasted several hours. The Iraqi authorities put the total wounded at 20. Soldiers continued to a nearby mosque, where the military suspected that the kidnappers of a missing American soldier were located, and detained three suspects.

"We will ask for a clarification on that from the multinational forces," Mr. Maliki said. "This is an issue we will review together so that it will not happen again. The Iraqi government should know about and have a role in these military operations."

It was not clear whether Mr. Maliki was posturing publicly to play to his Shiite base, or whether he had genuinely been taken by surprise. The raid was carried out by Iraqi forces and backed by Americans. But in nearly all cases, Americans initiate secret raids.

"The Iraqi government is a prisoner in the Green Zone, it's helpless," said Jaleel al-Nuri, an aide to Mr. Sadr. "They are like puppets moved by the coalition forces."

The American military, for its part, said the Iraqi government had approved the raid, which was directed at "a top illegal armed group commander directing widespread death squad activities." It said 10 suspects were detained but did not say whether the target was among them.

Residents said Abu Dera, whose real name is Ismail al-Zerjawi, was not among those captured, though his son was wounded and his cousin killed. Once loyal to Mr. Sadr, he broke away in 2004 and now runs his own influential crime ring. He is popular among hard-line Shiites, who put his image on cellphones and call him the Zarqawi of the Shiites, a reference to Abu Musab al-Zarqawi, the former Qaeda leader who urged Sunnis to kill Shiites.

Mr. Maliki has acted before to assert Shiite influence over American military decision-making. In a similar raid last week, an aide to Mr. Sadr was arrested, and released a day later at the request of Mr. Maliki, who was about to visit Mr. Sadr.

General Casey said Tuesday that he personally allowed the release. Perhaps the most vivid illustration of just how uncomfortable Shiites have become with full American control is a new push to amend the terms of the United Nations agreement that extends the mandate of the multinational forces in Iraq, essentially providing the legal basis for the United States and other countries to have their militaries here.

Mowaffak al-Rubaie, Iraq's national security adviser, said the government would like to speed up the process of handing over Iraqi troops to Iraqi control. Two provinces are controlled by Iraqis, and Iraqis are in full charge of 2 of 10 Iraqi Army divisions.

Mr. Maliki said Wednesday that the government would draw up a new agreement to allow the government to move Iraqi Army units and run security operations in "Sadr City or any other tense area."

"We don't want to give the coalition forces the absolute authority to take the security responsibility all over the country," Mr. Rubaie said. "We think we can do things better and it's the time now."

"We need to be given the opportunity to make mistakes."

The push by the Iraqi authorities for more control over their own security comes as American military officials have scaled back estimates of the readiness of Iraqi troops. General Casey said Tuesday that it would be another 12 to 18 months before Iraqi troops would take control, longer than originally predicted.

Maliki Resists US Pressure To Take Key Decisions (FT)

By Steve Negus, Iraq Correspondent

Financial Times, October 26, 2006

Iraqi Prime Minister Nouri al-Maliki on Wednesday dismissed Washington's claim that Iraqi politicians had agreed a timetable to reach key compromises and lashed out at a US-supervised raid on a militia target in the Shia slum of Sadr City.

His statements were a challenge to US officials who say that progress depends on Iraqi politicians swiftly taking decisions on issues that have divided Sunni and Shia and fed sectarian tensions.

The comments suggest that Mr Maliki either believes that Washington has no option but to continue backing his government, or feels that he cannot afford to alienate other members of his Shia-led coalition by authorising operations against Shia militias as the Americans would like.

Mr Maliki spoke at a press conference following a US-Iraqi raid on the massive Shia slum of Sadr City, the support base of the radical Shia Mahdi Army militia, in which residents said at least four people were killed by airstrikes and gunfire.

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According to a US military statement, Iraqi special forces backed by US advisers conducted a raid "authorised by the government of Iraq... to capture a top illegal armed group commander directing widespread death-squad activity".

The prime minister however, who in an interview last week said he would block large-scale US operations in the crowded district, denied that he had been informed of the raid. "We will ask for clarification about what has happened in Sadr City. We will review this issue with the multinational forces so that it will not be repeated," he said.

Mr Maliki also disavowed a statement on Tuesday by US ambassador Zalmay Khalilzad that Iraqi politicians had set a timetable to reach agreement on divisive issues. "I affirm that this government represents the will of the people and no one has the right to impose a timetable on it," Mr Maliki said.

He said that talk of timelines was probably driven by the November 7 US elections, and that "we are not much concerned by it".

Mr Khalilzad had said that Iraqi leaders would take decisions on how to share Iraq's oil revenues, on amending the constitution, on changing the committee charged with purging former members of the ruling Ba'ath party into an "accountability and reconciliation programme", on implementing a plan to address militias and death squads, and on other issues.

Most of these are of particular importance to Sunni leaders, who want to change the constitution to prevent their oil-poor heartland in central Iraq from being denied oil revenue. Mr Maliki has come under US pressure to reach out to the Sunni community.

He reiterated his government's pledge to crack down on militias deemed responsible for sectarian killings. There is no place for militias alongside the state. The existence of militias harms the state and I've given instructions to our armed forces that they be firm with them," he said.

Iraqi Leader Bristles At Idea Of Timetable (USAT)

By David Jackson And Rick Jervis

USA Today, October 26, 2006

WASHINGTON — Bush administration efforts to pressure Iraq's government by establishing a timeline to disarm militias and stand on its own have run into resistance from Iraqi Prime Minister Nouri al-Maliki.

In a news conference Wednesday, Bush vowed to push Iraqi leaders to accept more responsibility to govern their divided nation. In Iraq, al-Maliki rejected U.S. calls made 24 hours earlier for Iraq to set a timetable to quell sectarian violence.

Al-Maliki dismissed comments by Gen. George Casey, the chief U.S. commander in Iraq, and U.S. Ambassador Zalmay Khalilzad as driven by Bush administration concerns about the elections Nov. 7.

"I affirm that this government represents the will of the people, and no one has the right to impose a timetable on it," al-Maliki said in Baghdad. "I am sure this is not the official policy of the U.S. government, but it is a result of the election campaign."

Al-Maliki also denied prior knowledge of a raid by U.S. and Iraqi forces Wednesday in Sadr City, the stronghold of a Shiite militia led by militant cleric Muqtada al-Sadr. Al-Maliki said he had not been consulted and such an action "will not be repeated."

Al-Maliki's tough talk against U.S. initiatives is a public effort to appeal to the power base in his tenuous coalition government — mainly al-Sadr's movement and the rival Shiite faction, the Supreme Council for Islamic Revolution in Iraq, or SCIRI, said Chris Toensing, director of the Washington-based Middle East Research and Information Project. "By disavowing any role in the raid, he's talking to the Sadrists, and by dismissing timetables, he's talking to SCIRI and (al-Maliki's own party) Dawa," Toensing said. "It's a pretty narrow tightrope to walk."

In a statement, the U.S. military said Iraqi special forces with coalition advisers conducted two raids in Sadr City. The raids were aimed at capturing a death squad leader and suspects in the kidnapping of a U.S. soldier.

Bush, speaking to reporters at the White House, agreed with al-Maliki that conditions could not be forced upon Iraq's sovereign government. He made clear, however, that U.S. patience with al-Maliki is not infinite. "I speak to him quite frequently, and I remind him we're with him so long as he continues to make tough decisions. That's what we expect," Bush said. "We'll push him, but we're not going to push him to the point where he can't achieve the objective" of a stable Iraq.

The United States wants al-Maliki to reach an agreement with militias to lay down their arms. Al-Maliki has repeatedly pledged to deal with the militias but has resisted issuing firm ultimatums.

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Bush acknowledged Wednesday that U.S. forces are taking heavy casualties in Iraq and that many Americans "are not satisfied with the situation."

"I'm not satisfied either," he said.

He continued to dismiss Democratic calls to set a fixed timetable to begin withdrawing U.S. troops from Iraq. He repeated his contention that victory in Iraq is essential to the larger battle against terrorism. "We're winning and we will win, unless we leave before the job is done," he said.

Bush said last spring he had thought he might be able to "reduce our troop presence" early next year but conditions in Iraq now would not permit it. A premature withdrawal, Bush said, risks turning Iraq into a terrorist state, an echo of Afghanistan under the Taliban — only with oil revenue to spend.

Bush cited successes in Iraq such as the capture of Saddam Hussein in December 2003 and successful elections. He also listed failures, including loss of American lives and not finding weapons of mass destruction. "The ultimate accountability," Bush said, "rests with me."

Leading Democrats, who believe voter concern about the war could fuel Republican losses in the congressional elections, said the apparent disconnect between Bush and al-Maliki reflected White House confusion about Iraq.

"The Bush administration's Iraq policy, like Iraq itself, is in complete disarray," Senate Minority Leader Harry Reid, D-Nev., said in a statement. "One day, the administration calls for a timetable, the next day Iraqi Prime Minister Maliki objects to it."

The most recent USA TODAY/Gallup Poll, taken Friday-Sunday, found voters are more focused on national issues than in any previous congressional election and are pessimistic about the war in Iraq. Nineteen percent of those surveyed said the United States is winning in Iraq, an all-time low.

At his news conference Wednesday, Al-Maliki appealed to neighboring states to cease meddling in Iraq's domestic affairs. The United States has accused Iran and Syria of aiding Sunni and Shiite armed groups. Al-Maliki blamed foreign fighters in groups such as al-Qaeda in Iraq and loyalists of Saddam's Baath Party for driving the violence.

Al-Maliki Hits U.S. Calls For A Timetable (WT/AP)

By Sameer N. Yacoub

The Washington Times, October 26, 2006

BAGHDAD -- A defiant Iraqi Prime Minister Nouri al-Maliki yesterday slammed the top U.S. military and diplomatic representatives in Iraq for saying his government needed to set a timetable to curb violence ravaging the country.

"I affirm that this government represents the will of the people, and no one has the right to impose a timetable on it," Mr. al-Maliki said at a press conference.

On Tuesday, U.S. Ambassador Zalmay Khalilzad said Mr. al-Maliki had agreed to a timeline.

Mr. al-Maliki also disavowed a joint raid by U.S. and Iraqi forces at the Baghdad stronghold of a Shi'ite militia led by radical anti-American cleric Muqtada al-Sadr in search of a death-squad leader.

Mr. al-Maliki, who relies on political support from the cleric, said the strike against a figure in Sheik al-Sadr's Mahdi's Army militia in Sadr City "will not be repeated."

The prime minister dismissed U.S. talk of timelines as driven by the upcoming midterm elections in the United States.

"I am positive that this is not the official policy of the American government, but rather a result of the ongoing election campaign. And that does not concern us much," he said.

Mr. al-Maliki's comments followed remarks Tuesday by Gen. George Casey, the top American commander in Iraq, and Mr. Khalilzad, who said Iraqi leaders had agreed to a timeline for achieving key political and security goals, including reining in such groups.

Mr. Khalilzad revealed neither specific deadlines for achieving those goals nor penalties for their failure to do so, and Mr. al-Maliki said no deadlines had been put to his government.

"I would like to assert that everyone knows my government is a government that came to power through the will of the people. And it is no one's business to give it timelines," he said.

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Mr. Khalilzad said Mr. al-Maliki had agreed to the timeline concept, which calls for specific deadlines to be set by year's end. Gen Casey said the Iraqi forces could be in a position to take over operations in all the country's provinces within 18 months "with some level of support" from coalition forces.

In Washington, President Bush sought to delineate a middle ground in terms of pressing the Iraqis to accept more of the responsibility for their own fate.

"We are making it clear that America's patience is not unlimited," he said at a press conference yesterday. "We will not put more pressure on the Iraqi government than it can bear."

Tank cannons boomed out over the city five times in rapid succession yesterday afternoon, and U.S. F-16 jet fighters screamed low overhead as the conflict in Sadr City continued into the day.

Four persons were killed and 18 wounded in overnight fighting in the overwhelmingly Shi'ite eastern district, according to police and hospital officials.

The U.S. military said Iraqi army special forces, backed up by U.S. advisers, carried out a raid to capture a "top illegal armed group commander directing widespread death-squad activity throughout eastern Baghdad," the military said.

Mr. al-Maliki, who is commander in chief of Iraq's army, firmly denied that he knew anything about the raid.

"We will ask for clarification about what has happened in Sadr City. We will review this issue with the multinational forces so that it will not be repeated," he said. "The Iraqi government should be aware and part of any military operation. Coordination is needed between Iraqi government and multinational forces."

Sadr City Raid Targets Death Squad Leader (LAT)

By Louise Roug

The Los Angeles Times, October 26, 2006

BAGHDAD — American-led forces battled gunmen in Sadr City today during a rare foray into the capital's vast Shiite Muslim slum. Troops searching for an alleged death squad leader called in airstrikes when they came under attack, killing four people, according to Iraqi authorities.

While the U.S. military said in a statement that the raid had been authorized by the Iraqi government, Prime Minister Nouri Maliki quickly renounced the operation. He told reporters at a news conference that the raid was an example of the continued lack of coordination between Iraqi and American officials.

"We are going to request some explanations from the multinational forces to prevent a similar incident and to ensure coordination with the Iraqi security forces," the Iraqi leader said.

Maliki distanced himself further from the U.S. by refuting American talk of a timetable by which the Iraqi government needs to solve some of the country's most intractable issues, including disarming the militias.

"This government is one of popular will and national unity and it is nobody's right to put timetables before it," Maliki said, suggesting that statements by U.S. officials here had less to do with Iraq and more to do with U.S. electoral politics.

On Tuesday, U.S. Ambassador Zalmay Khalilzad told reporters that the Iraqi government had agreed to a series of "benchmarks" by which to resolve major domestic problems. The remarks came during a rare joint news conference with the top U.S. military commander in Iraq, Gen. George W. Casey Jr.

Maliki also went out of his way to praise the anti-American Shiite cleric Muqtada Sadr for seemingly rejecting violence against other Muslims. Sadr has not renounced killing U.S. troops. American commanders believe that his militia, the Al Mahdi army, is behind most of the attacks against their troops.

October has been the bloodiest month of the year for U.S. forces, with at least 91 American troops killed this month.

While Maliki has been under pressure from the U.S. to rein in Shiite militias, notably the Mahdi army, the prime minister relies on the young cleric for political support. In addition to controlling the largest Shiite militia in Iraq, Sadr controls 30 seats in parliament.

In today's raid on Sadr City, troops set out to capture a "top illegal armed group commander directing widespread death squad activity throughout eastern Baghdad," the U.S. military said in a statement. It was unclear whether they caught the cell leader.

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What Osama Wants (NYT)

By Peter Bergen

The New York Times, October 26, 2006

Washington

THE French saying, often attributed to Talleyrand, that "this is worse than a crime, it's a blunder," could easily describe America's invasion of Iraq. But for the United States to pull entirely out of that country right now, as is being demanded by a growing chorus of critics, would be to snatch an unqualified disaster from the jaws of an enormous blunder.

To understand why, look to history. Vietnam often looms large in the debate over Iraq, but the better analogy is what happened in Afghanistan since the Soviet invasion. During the 1980's, Washington poured billions of dollars into the Afghan resistance. Around the time of Moscow's withdrawal in 1989, however, the United States shut its embassy in Kabul and largely ignored the ensuing civil war and the rise of the Taliban and its Qaeda allies. We can't make the same mistake again in Iraq.

A total withdrawal from Iraq would play into the hands of the jihadist terrorists. As Osama bin Laden's deputy, Ayman al-Zawahri, made clear shortly after 9/11 in his book "Knights Under the Prophet's Banner," Al Qaeda's most important short-term strategic goal is to seize control of a state, or part of a state, somewhere in the Muslim world. "Confronting the enemies of Islam and launching jihad against them require a Muslim authority, established on a Muslim land," he wrote. "Without achieving this goal our actions will mean nothing." Such a jihadist state would be the ideal launching pad for future attacks on the West.

And there is no riper spot than the Sunni-majority areas of central and western Iraq. Abu Musab al-Zarqawi — the most feared insurgent commander in Iraq — was issuing an invitation to Mr. bin Laden when he named his group Al Qaeda in Iraq. When Mr. Zarqawi was killed this year, his successor, Abu Hamza al-Muhajer, also swore allegiance to Al Qaeda's chief.

Another problem with a total American withdrawal is that it would fit all too neatly into Osama bin Laden's master narrative about American foreign policy. His theme is that America is a paper tiger that cannot tolerate body bags coming home; to back it up, he cites President Ronald Reagan's 1984 withdrawal of United States troops from Lebanon and President Bill Clinton's decision nearly a decade later to pull troops from Somalia. A unilateral pullout from Iraq would only confirm this analysis of American weakness among his jihadist allies.

Indeed, in 2005 Mr. Zawahri sent Mr. Zarqawi a letter, which was intercepted by the United States military, exhorting him to start preparing for the impending American withdrawal similar to that of Vietnam 30 years ago. "The aftermath of the collapse of American power in Vietnam — and how they ran and left their agents — is noteworthy," Mr. Zawahri said. "Because of that, we must be ready starting now, before events overtake us, and before we are surprised by the conspiracies of the Americans and the United Nations and their plans to fill the void behind them."

Yes, there is little doubt that the botched American occupation of Iraq was the critical factor that fueled the Iraqi insurgency. But for the United States to wash its hands of the country now would give Al Qaeda's leaders what they want.

This does not mean simply holding course. America should abandon its pretensions that it can make Iraq a functioning democracy and halt the civil war. Instead, we should focus on a minimalist definition of our interests in Iraq, which is to prevent a militant Sunni jihadist mini-state from emerging and allowing Al Qaeda to regroup.

While withdrawing a substantial number of American troops from Iraq would probably tamp down the insurgency and should be done as soon as is possible, a significant force must remain in Iraq for many years to destroy Al Qaeda in Iraq.

That can be accomplished by making the American presence less visible; withdrawing American troops to bases in central and western Iraq; and relying on contingents of Special Forces to hunt militants. To do otherwise would be to ignore the lessons of history, lessons that Al Qaeda's leaders certainly haven't forgotten.

In Syria, Iraq's Fate Silences Rights Activists (WP)

By Ellen Knickmeyer

The Washington Post, October 26, 2006

DAMASCUS, Syria -- Horror at the bloodshed accompanying the U.S. effort to bring democracy to Iraq has accomplished what human rights activists, analysts and others say Syrian President Bashar al-Assad had been unable to do by himself: silence public demands for democratic reforms here.

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The idea of the government as a bulwark of stability and security has long been the watchword of Syrian bureaucrats and village elders. But since Iraq's descent into sectarian and ethnic war -- and after Israel's war with Hezbollah in Lebanon, on the other side of Syria -- even Syrian activists concede that the country's feeble rights movement is moribund.

Advocates of democracy are equated now with supporters of America, even "traitors," said Maan Abdul Salam, 36, a Damascus publisher who has coordinated conferences on women's rights and similar topics.

"Now, talking about democracy and freedom has become very difficult and sensitive," Salam said. "The people are not believing these thoughts anymore. When the U.S. came to Iraq, it came in the name of democracy and freedom. But all we see are bodies, bodies, bodies."

Ordinary people in Syria are hunkering down, and probably rightly so, said Omar Amiralay, a well-known Syrian filmmaker whose documentaries are quietly critical of Assad's one-family rule.

"If democracy brings such chaos in the region, and especially the destruction of society, as it did in Iraq and in Lebanon, it's absolutely normal, and I think it's absolutely a wise position from the people to be afraid to imagine how it would be in Syria," Amiralay said. "I think that people at the end said, 'Well, it is better to keep this government. We know them, and we don't want to go to this civil war, and to live this apocalyptic image of change, with civil war and sectarianism and blood.' "

In 2003, a few people in Damascus were bold enough to raise their glasses in cafes to toast the American tanks then rolling into Baghdad to overthrow Saddam Hussein. They were dreaming of the changes that might happen next here, in the only remaining government led by the Baath Party, a prominent writer in the capital said, speaking on condition of anonymity for fear of being jailed a second time.

"The Americans came to Iraq to make it an example to the other countries to ask for change," the writer said. "But what happened was the opposite. Now everyone is saying we do not want to be like Iraq."

Yet while Assad's government has fulfilled its pledge of stability, it has put off acting on any of its promises on democratic reform. In fact, as the U.S. effort in Iraq goes increasingly awry, Syria has cracked down even harder, activists said.

In May, the government jailed at least 12 people for signing a petition calling for better relations with Lebanon, according to Human Rights Watch. In July, Syrian courts sentenced three bloggers to up to four years in prison for writing too freely. The jail terms led Reporters Without Borders to declare Syria "the Middle East's biggest jail for cyber-dissidents."

Also in July, security and intelligence services imposed a foreign travel ban on scores of Syrian artists, rights workers and others. Activists learned of the ban one by one, when they showed up at the border or the airport with passport and suitcase, only to be refused permission to leave the country. Some democracy groups and forums have been shut down since last year.

Amiralay, 62, was stopped at the Syrian border in September as he headed to Jordan for a workshop on filmmaking. Middle East satellite television networks had recently broadcast his latest work, an understated documentary showing Baath Party rule across the generations in a Syrian village.

Syrian officials clapped the noted filmmaker in handcuffs and brought him back to Damascus. Security officers screened his latest work frame by frame, demanding his explanation of any shot that suggested untoward symbolism, he said. Reports of his detention on Arabic-language television helped win his quick release.

Amiralay's prominence has helped him cope. Another critic, the once-outspoken writer, said he has opted to watch his words more carefully. And Salam, the publisher and conference organizer, voted with his feet, moving to Canada just after his interview in Damascus.

Before he left, Salam spoke darkly of the prospects for the Middle East. Iraq was in ruins, he said. Lebanon was in peril of civil war. In Syria, Assad would either stay in power or destroy the country first if he was forced out.

In Egypt, Yemen and Libya, strongmen were preparing their sons to succeed them, while the United States and other avowed promoters of democracy in the Middle East looked the other way. "I don't see the situation getting better," Salam said. "Young people are trying to leave Syria -- to Canada, to Europe, to any place."

Internationally, as well, the erosion of U.S. stature over Iraq and Lebanon has put Syria in position to try to improve its regional and world standing without giving in to the reform demands of the United States, diplomats and analysts said.

The United States and the European Union have officially isolated Syria since the February 2005 bombing that killed former Lebanese prime minister Rafiq al-Hariri in Beirut. The United States and others suspected Syrian involvement.

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But Spain, Italy and Germany have renewed contacts since the war in Lebanon this summer, calling Syria's help vital to averting further conflict there. Britain, a staunch U.S. ally, continues to observe diplomatic silence with regard to Syria, but even its ambassador, Peter Ford, said in an interview here that the bid to shut out Syria had not accomplished its aims and may no longer be the best move. Former U.S. secretary of state James A. Baker III, co-chairman of a bipartisan panel seeking alternative strategies for Iraq, has suggested he may recommend U.S. talks with both Syria and Iran.

In Damascus, Baath Party legislator Georges Jabbour laughed when asked about the success of the U.S. policy toward Syria. Interviewed by telephone, he pointed to the two-day state visit to Damascus then being undertaken by Spanish Foreign Minister Miguel Ã•ngel Moratinos. A year ago, Spain was still bowing to U.S. pressure to isolate Syria, and the Spanish foreign minister limited a Damascus visit to an unnecessary refueling stop for furtive meetings with Syrian officials, Jabbour said.

Meanwhile, Syria's people remain spectators of their government's maneuvering, free to watch it but not to speak.

They enjoy the small freedoms that their neighbors in dangerous Iraq no longer do -- such as the ability to go out after dark. This month, after breaking the daily Ramadan fast, families chugged in their cars up the steep roads of Mount Cassion to stroll, sip colas and fruit drinks and take in the view of Damascus spread out below.

Seated on a plastic chair on the road with a friend, real estate salesman Mohammed Yousif gestured toward the city. Green lights of mosques glowed among the white lights of a capital fully powered and at peace. Speaking to a foreign journalist, the 42-year-old salesman measured his words carefully, answering questions with the blandness often seen in Iraq before Hussein was toppled.

"We are talking and enjoying ourselves," Yousif said, waving the nozzle of the traditional water pipe he and his friend were using to smoke flavored tobacco. "This is our democracy. This is our freedom."

Money Down The Drain In Iraq (NYT)

The New York Times, October 26, 2006

When the full encyclopedia of Bush administration misfeasance in Iraq is compiled, it will have to include a lengthy section on the contracting fiascos that wasted billions of taxpayer dollars in the name of rebuilding the country. It isn't only money that was lost. Washington's disgraceful failure to deliver on its promises to restore electricity, water and oil distribution, and to rebuild education and health facilities, turned millions of once sympathetic Iraqis against the American presence.

Their discovery that the world's richest, most technologically advanced country could not restore basic services to minimal prewar levels left an impression of American weakness and, worse, of indifference to the well-being of ordinary Iraqis. That further poisoned a situation already soured by White House intelligence breakdowns, military misjudgments and political blunders.

The latest contracting revelations came in a report issued Tuesday by the office of the Special Inspector General for Iraq Reconstruction. The office reviewed records covering $1.3 billion out of the $18.4 billion that Congress voted for Iraq reconstruction two years ago. Reported overhead costs ran from a low of 11 percent for several contracts awarded to Lucent to a high of 55 percent for, you guessed it, the Halliburton subsidiary, KBR Inc.

On similar projects in the United States, overhead is typically just a few percent. Given the difficult security environment in Iraq, overhead was expected to run closer to 10 percent. But in many of the contracts examined, it ran much, much higher, in some cases consuming over half the allocated funds. And the report may have actually underestimated total overhead because the government agencies that were supposed to be supervising these reconstruction projects sometimes failed to systematically track overhead expenses.

The main explanation for these excessive overhead rates turned out to be not special security costs but simply the costly down time that resulted from sending workers and equipment to Iraq months before there was any actual work for them to do. That is yet another example of the shoddy contract writing, lax oversight and absent supervision that has consistently characterized Washington's approach to Iraq reconstruction from the start.

Bush administration incompetence, not corporate greed, is the chief culprit. Still, these charges are one more example of how the favored American companies lucky enough to be awarded reconstruction contracts made large sums of money while the Iraqis failed to get most of the promised benefits.

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As Americans now look for explanations of how things went so horribly wrong in Iraq, they should not overlook the shameful breakdowns in reconstruction contracting. They need to insist that Congress impose tough new rules on the Pentagon to ensure more competitive bidding, tighter contract writing and more rigorous supervision. That is the best way to ensure that such a costly and damaging failure never happens again.

For NBC Reporter, The Job That Won't Go Away (WP)

By Howard Kurtz

The Washington Post, October 26, 2006

NEW YORK -- After struggling for years to make it as a Middle East journalist, Richard Engel was living in Cairo, married to his college girlfriend and itching for a new adventure.

As the Bush administration geared up to invade Iraq, Engel decided he had to be there and bought an illegal visa. Once in Iraq, he became so absorbed in the conflict that his marriage became a casualty of war.

"There is no personal life," he says. "This is what I do all the time. It's not a solitary existence like I'm riding a camel in the desert, but you just don't have any personal space."

At 33, the baby-faced Engel has logged more time in Iraq than any other television correspondent, chronicling 3 1/2 years of carnage for NBC and shrugging off several close calls. As nearly all television correspondents rotate in and out of Iraq, Engel has stayed .

"In an era of instant media criticism, he calls balls and strikes in the middle of a war zone," says NBC anchor Brian Williams. "He is completely unbothered by any Web site that may have problems with his reporting while he's over in Iraq dodging bullets. . . . He is the most agenda-less person I've met in our business, I think, in the past 20 years."

On a rare visit home, Engel looks slighter than he does in flak-jacketed appearances from Baghdad, as if he doesn't quite fill out his suit. He speaks with an air of resignation about the worst that human beings can do to each other.

Earlier this month he interviewed a woman whose 13-year-old son was kidnapped. After she paid the $12,000 ransom, the boy was tortured and killed anyway.

"It's horrible," Engel says. "I've seen hundreds of dead bodies -- rotting bodies, bodies buried in shallow graves. One time I watched a dog carry a severed human head in its mouth. You're smelling bodies, you're seeing people who are so angry and insanely distraught. The people who are being killed are too old, too stupid, too poor, too young or too weak, socially or otherwise, to leave."

Engel frequently hits the punching bag as a form of therapy. "There are images that I would rather not have in my head," he says. "You can't let your guard down. . . . You have to go out every day assuming you're being hunted, that people want to take you for ransom."

Among the small circle of journalists who risk their lives in the region, Engel commands considerable respect.

"I admire Richard because he's passionate about the story, and he cares," Lara Logan, CBS's chief foreign correspondent, says from Iraq. "When he was a freelancer with no real support, he wasn't afraid to stay on his own in Baghdad for 'shock and awe.' He's also a really decent guy."

Why does he stay? When NBC made Engel its Middle East bureau chief over the summer, he agreed to a new contract and moved to the relative calm of Beirut. Days later he found himself covering a fierce war between Israel and Hezbollah -- and was suddenly reenergized. This, for better or worse, is what he does.

Not that Engel necessarily approves of military conflict.

"I think war should be illegal," he says. "I'm basically a pacifist."

* * *

Engel was taping a standup last week on Haifa Street, in one of Baghdad's most dangerous neighborhoods, where he was traveling with the 172nd Stryker Brigade.

Suddenly shots rang out. The unit was under sniper fire. "Let's go, go, go, go, go, go!" one soldier shouted. Engel scrambled for cover, but completed his report a few minutes later.

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He has little patience for the notion that the media are suffering from Iraq fatigue because the story -- day after day of death and destruction -- has gotten so repetitive.

"Whether you agree with the war or not, I have a very soft spot for the guys who are out there. These guys have saved my life on more than one occasion, and they are dying at the rate of two a day, and they deserve to be talked about."

Danger lurks everywhere for Western correspondents in Iraq. Engel has survived two kidnapping attempts, one of which occurred when a pair of cars surrounded his vehicle, forcing his driver to make an evasive maneuver at 90 miles per hour with a third car in hot pursuit. And journalists' hotels are a periodic target. Engel's hotel room has been blown up three times in insurgent attacks, once collapsing the ceiling and another time blowing off the door as shrapnel filled the room.

"There's a fine line between fearless and crazy," Williams says. "Richard is not crazy. He has distilled risk to a science."

Few would have predicted that Engel would become an intrepid war correspondent when he was growing up on Manhattan's East 86th Street. He suffered from dyslexia and struggled in school.

"He was down in the mouth and low on self-confidence," says his mother, Nina Engel. "He lived in the shadow of his older brother, Mr. Perfect," who is now a cardiologist. In fact, she had only "a very faint hope" that he would be able to go to college.

When he was 13, Engel asked his parents to send him to a wilderness survival program in Wyoming. Frustrated by his learning disabilities, he was eager to escape the comforts of Upper East Side life and try a tougher environment.

He says he was "scared to death," especially when given a gun to hunt small game. Nina Engel remembers getting a letter from her son: "I just returned from my survival hike. I clubbed a bird to death and ate it." When the teenager returned, he told his mother: "I learned a lot about myself."

Engel says the experience began a transformation that largely enabled him to overcome his dyslexia and school problems. Despite his learning difficulties, he showed early promise in other ways.

"He was a great writer," says Ross Peet, who was a classmate at Riverdale Country School in the Bronx. "But he struggled with anything that had a number on it."

At 16, Engel spent a year as an exchange student in Sicily. After graduating from Stanford in 1996 with a degree in international relations, Engel says, he decided that "the Middle East would be the story of my generation." He announced to his parents that he was moving to Cairo, where the family had once taken a trip.

"Are you insane?" Nina Engel recalls asking him. "Do you remember what a hellhole it was?" When her son said he was also considering Damascus, she allowed as how Cairo was not really that bad.

The aspiring reporter took his $2,000 in savings, moved to Cairo, enrolled in Arabic classes and found an apartment in a neighborhood where donkeys and dogs roamed the dirt roads.

Engel did some local freelancing and caught an early break when he was asked to take over the English-language Middle East Times after the staff walked out in the wake of the editor's firing. He wrote all the articles -- making plenty of mistakes in the process -- and took the proofs each week to a printing press in Athens, as a way to avoid Egyptian censorship laws.

Engel ran into trouble anyway as he began reporting on the group that would become al-Qaeda. He says Egyptian authorities started following him and bugging his phone. Once, after a weekend trip, an official called to ask how he had liked staying in Room 17 of a hotel in Alexandria. Engel reported the surveillance to the U.S. embassy, to no avail.

"The embassy was useless," he says. "It was my first lesson that you cannot rely on anyone else. No one is coming to help you."

In 1999, Agence France-Presse hired Engel to go to Jerusalem and cover the Palestinians. As the intifada protests against Israel turned violent, he says, "I spent the next three years on my stomach, getting tear-gassed and shot at with rubber bullets."

Most people might consider that a miserable existence. But Engel brightens at the thought: "I was lucky enough to be on the fault line as history shifts and moves."

Friends were not surprised at his constant need for an adrenaline fix. "He has no interest in a 9-to-5 job," Peet says. "He's very much into living on the edge. I don't think he has much interest in having a normal life."

By late 2002, as war with Iraq loomed, ABC News and the BBC had hired Engel as a freelancer. But even though he spoke Arabic, Engel wasn't on anyone's list to get an Iraqi visa. The networks were concentrating their efforts on their bigger stars.

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Undeterred, Engel took $20,000, went to Jordan and bought a human shield visa, meaning that he was pledging to chain himself to an Iraqi facility as a deterrent against U.S. bombing. Engel got the visa from an Iraqi official who knew full well he was a journalist but was swayed by a few hundred dollars and some baby clothing that Engel had bought for extra persuasion.

Once in Iraq, Engel bought a generator and some crowbars, souped up two Volkswagens so he could move fast without being conspicuous, and hired an off-duty police officer. On the eve of the Western invasion, most of the networks pulled out their correspondents for safety reasons, a decision that Engel could not fathom.

"You knew it was going to be horrible -- that's why you're there," he says.

As other journalists either withdrew, were expelled or clamored to get in, Engel was for a brief time the only American television reporter in Iraq. He found himself much in demand by ABC, which still identified him as a freelancer. He did the videotaping himself with a small camcorder. Once Saddam Hussein was toppled, ABC and NBC both offered to hire Engel. He retained a top New York agent and decided he would prefer a fresh start with NBC, "coming in the front door as opposed to climbing up the fire escape and breaking in the back door."

In the invasion's aftermath, Engel would drive each week to such cities as Najaf and Fallujah, poking around to find stories. But that gradually changed as the security situation deteriorated. Now, unless he is embedded with a military unit, Engel usually finds himself confined to the safer precincts of Baghdad, an experience he describes as "a noose tightening around us." He increasingly relies on Iraqi staffers who are from certain neighborhoods or members of the same ethnic group as a given area's residents. But even that can be problematic. "I've gotten rid of the ones who I think cannot be trusted," Engel says.

Not everything he covers involves bombs and bullets. Engel did a piece earlier this year on the plight of children at a Baghdad orphanage, which drew so much public reaction that "NBC Nightly News" aired it a second time.

"I don't look for good-news stories or bad-news stories. I don't have an abacus," he says.

But bad news has a way of finding journalists in Iraq. On Memorial Day, Engel heard a nearby explosion. He soon learned that CBS correspondent Kimberly Dozier had been badly wounded and her two crew members, Paul Douglas and James Brolan, killed by the blast.

His mother sent him an e-mail: "YOU ARE UNDER HOUSE ARREST UNTIL YOU CAN BOOK A FLIGHT OUT OF THERE . . . Mom's orders."

She writes him every day, but he has not followed her evacuation instructions. Still, there are psychological effects. Riding in an Army Humvee, Engel looked down at his legs and thought how fragile they looked. What if he lost them?

"You worry about how many lives you have and how many I've already used up," Engel says. "I don't think I'm invincible."

An Opportunity For Shared Sacrifice (USAT)

By Hodding Carter And Ronald Goldfarb

USA Today, October 26, 2006

As with so many Americans of our generation, we went into military service because that was what you were expected to do. We may have groused at the time, but we are proud of having served our country. It carved a few years out of our lives in the 1950s and '60s, but strengthened our understanding of the country we served and the people with whom we served.

Of course, while public service now seems self-evident to us, it does not to most of our children's generation. It is not that they turn away from duty to the civil society. Millions have chosen the military, of course. Many serve in the government and voluntary service organizations, working among the urban poor and rural landless. A large number tell pollsters they believe in volunteerism. But the idea of public service as a universal duty is another story.

On the campaign trail these days, there are few fresh ideas, and in the wake of the fifth 9/11 anniversary, there are still not enough calls for public sacrifice beyond that made by our troops. National service isn't a new idea. It arises from one of the oldest themes of U.S. history. What does the citizen owe the state? Answer: mandated public service without exemptions.

Mandatory national service could appeal to Americans' natural inclination toward patriotism and provide an antidote to the cynical public attitude that characterizes recent politics. It would bring out the best in young Americans and rekindle a sense of shared national purpose. And it isn't right or left, Democratic or Republican.

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The death of the military draft was hailed in the Vietnam War era by liberals and conservatives alike, not necessarily for shared reasons but with shared acclaim. With today's professionalized military, the many are protected; the relative few fight and die in the name of the whole.

The best approach to mandatory national service would be to require every 18-year-old man and woman, and every young immigrant seeking citizenship, to spend 18 months to two years in public service. Their service could be in the military or in the Homeland Security Department, or be in programs similar to President Franklin Roosevelt's Civilian Conservation Corps, Sargent Shriver's Peace Corps or President Clinton's AmeriCorps — any work experience that is in the public interest.

According to the Bureau of Labor Statistics, there are about 4 million 18-year-olds who might fill our proposed first class. Some 2.7 million youths graduated from high school from 2004 through 2005. Just under 60,000 are in the military. Others hold jobs, are in school or are in jail. About 17% are unemployed.

There are great costs attributable to this class, economic and others. The cost of public service would be a wise investment. After completing national service, these young people would enter their next phase in life more mature and more knowledgeable about the rich variety of America's peoples and the breadth of the nation's unfinished business.

National service is not a partisan concept. Sen. John McCain, R-Ariz., has praised Clinton's AmeriCorps program. It also need not be the exclusive province of government. Private-public interest organizations, including churches and other faith-based groups, could qualify as sponsors and providers of public service. Diversity, rather than bureaucratic uniformity, would be encouraged.

But the bottom line would be the reinstitution of a notion as old as the nation. Just as all share in the benefits of freedom, all should share in shoring it up.

Hodding Carter is a professor and former journalist; he served in the Marines and State Department. Ronald Goldfarb is an attorney and author; he served in the Air Force and Justice Department.

A GI Bill For The 21st Century (LAT)

By Edward Humes

The Los Angeles Times, October 26, 2006

IMAGINE TELLING the members of an entire generation they could receive a free college education at any school that accepted them — Cal State, Harvard, the Sorbonne — courtesy of Uncle Sam. Throw in a monthly stipend and textbooks. After graduation, there are government-backed home loans, no money down — buy a house cheaper than renting. Throw in subsidized business loans, farm loans, job training, medical care and up to a year's worth of unemployment checks.

What insane politician would ever propose such a costly boondoggle, such outright social engineering? It would be the most enormous, far-reaching, life-changing government program in the history of the world.

And so it was. We know it today as the original GI Bill.

Today's unthinkable was yesterday's matter of course. FDR and Congress adopted the humbly named Servicemen's Readjustment Act of 1944 with bipartisan fervor. The stated goal was simple: to help 16 million veterans and their families resume their lives after the scourge of World War II.

But this investment in the nation's future powered far more than a return to the status quo. It transformed the nation and the very nature of the American dream, opening up the colleges, raising suburbs out of bean fields, creating a new middle class and providing the medical, engineering and scientific prowess that conquered long-feared diseases, ushered in the Information Age and helped win the Cold War.

There was never anything like the GI Bill. There's nothing like it on the horizon. And that's a problem.

Today's veterans are getting shortchanged. Instead of a full ride to any college, the modern GI Bill's education support tops out at $36,000 for a four-year degree — barely enough to cover the average state university and well short of UCLA's $19,500 annual tuition, room and board. Forget about the private colleges once covered by the GI Bill — $36,000 would pay for only a year at many of them.

Reservists and National Guard troops in Iraq receive even less — only 27% of the education benefits that regular troops receive. President Bush has opposed closing this gap, considering it a budget buster. Indeed, in a quest to minimize projected

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war costs, the administration used prewar statistics to craft its budget for another pillar of the GI Bill — healthcare. Now veterans hospitals caring for the wounded of Iraq and Afghanistan are $3 billion short.

But this is not simply a story of slighted veterans, scandalous as that may be. This is a story of a United States no longer investing it its future. The GI Bill was an engine of opportunity for all of us. It powered U.S. prosperity after World War II, turning a nation of renters into a nation of homeowners, transforming college from an elite bastion into almost an entitlement and making a tiny middle class into America's leading demographic.

The "greatest generation" endured depression and war, but its members also ended up our most privileged generation, gifted with more government largesse than any group in history. More than 7 million veterans took advantage of the education benefits alone for college or trade schools. This proved a costly but sound investment: For every dollar paid out under the original GI Bill, there was a $7 return to the economy in terms of increased earnings, consumer spending and tax revenue, according to a 1988 congressional study.

Three presidents — George H.W. Bush, Gerald Ford and Jimmy Carter — dozens of congressmen, 14 Nobel Prize winners, giants of literature, Broadway and Hollywood and hundreds of thousands of teachers, doctors, nurses and businessmen got their starts with the help of the GI Bill. "Biggest piece of legislation the country ever passed," says former Sen. Bob Dole, a war hero and GI Bill beneficiary. "Maybe we need something like it again."

Which begs the question: What happened to the Washington that created something so magnificent? Why do we no longer expect — or demand — greatness from Americans' joint enterprise, our government? In the 1960s, before Watergate and Vietnam, most Americans believed that their government usually did the right thing. Now we've accepted Ronald Reagan's old formulation about the nine most dangerous words in the English language: "I'm from the government and I'm here to help." How ironic that a member of the GI Bill generation would sell his countrymen on that idea. But it's not a truism; it's self-fulfilling prophecy. We expect our government to fail, and it meets our expectations.

The original GI Bill was powerful because it touched a whole generation, and the ripple effects washed over the entire nation, not just veterans. Today's GI Bill reaches less than 1% of the population. It is no longer an engine for greatness, and Americans desperately need such an engine. We have always been the nation where the children can expect a better life than the parents; we no longer believe this is likely.

Before he died, FDR offered a solution that did not require a world war and a military draft. He proposed a program of national service, in which young people earned education, medical, housing and pension benefits. Not just veterans but all young people. It was, in essence, a peacetime civilian GI Bill — an investment in the future and in civic service. Polls suggested a receptive public, but the idea died with Roosevelt. President Clinton tried a modest resurrection with his AmeriCorps project. Much more is needed.

Would such a program be expensive? Absolutely — about what we've spent so far on the war in Iraq. But spending hundreds of billions at home to generate opportunities for future doctors, scientists, teachers, leaders and productive, healthy citizens would be a far sounder investment, with a proven rate of return. Where would you rather spend your tax dollars?

In an era in which college is a skyrocketing financial burden for many families, when homeownership is less affordable than ever, when the nation is losing its competitive edge in advanced degrees and when the American dream so generously nurtured after World War II is under siege, it is time to expect greatness from our government once again. Our children deserve it.

DOJ:

Alito Swears In Acosta As Miami's Top Federal Prosecutor (AP)

By Curt Anderson, The Associated Press

AP, October 26, 2006

MIAMI - R. Alexander Acosta was formally sworn in Wednesday as South Florida's top federal prosecutor by Supreme Court Justice Samuel Alito Jr., for whom Acosta clerked shortly after graduating from Harvard Law School.

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Alito recalled that during his clerkship in 1994 at the 3rd U.S. Circuit Court of Appeals, Acosta appeared to exercise good judgment and common sense at a young age and that "and it has developed since then." Alito, who is a big baseball fan, compared Acosta to players adept at all phases of the game.

"He reminds me of one of those baseball players who can do everything," Alito said.

Acosta, 37, a Miami native of Cuban ancestry, was confirmed by the U.S. Senate for the Southern District of Florida post on June 9. Before returning to Florida, he was assistant attorney general for civil rights at the U.S. Justice Department in Washington and prior to that was a member of the National Labor Relations Board.

The Miami job is one of the most prominent and busiest in the country, covering a district that is home to some 6 million people in nine counties. Its major recent cases range from alleged al-Qaida operative Jose Padilla to disgraced lobbyist Jack Abramoff to the Colombian brothers who ran the Cali cocaine cartel.

Acosta was joined at the ceremony by the district's federal judges, prosecutors and dozens of defense lawyers as well as his wife, Jan, mother and other well-wishers. In brief remarks, he said cases that have "quality and impact" would be the focus of his office.

"Our job is, and must be, to bring high-impact cases," he said. "I appreciate and am deeply honored by the opportunity to serve the citizens of South Florida."

Alito Protégé Sworn In As U.S. Attorney In Miami (MH)

By Jay Weaver

The Miami Herald, October 26, 2006

Samuel A. Alito, the U.S. Supreme Court's newest justice, praised one of his protégés, R. Alexander Acosta, on Wednesday as he swore him in as the U.S. attorney for the Southern District of Florida.

But Alito said that for all his formidable legal talent, Acosta betrayed one "weakness" when he served as a law clerk in 1994 for the then-federal appellate judge.

"Alex's knowledge of sports was a little bit lacking," Alito deadpanned before a standing-room-only gathering of judges, prosecutors and defense lawyers in the historic central courtroom of the Miami federal courthouse.

Alito, a self-professed baseball fan, joked that Acosta probably didn't know the difference between the Florida Marlins and the Miami Dolphins.

All joking aside, Acosta's star has risen quickly in Republican circles. He served on the National Labor Relations Board and then became the first Hispanic to lead the Justice Department's civil rights office.

He temporarily replaced outgoing U.S. Attorney Marcos Jimenez in June 2005 and was nominated for the job by President Bush earlier this year at age 37. The Senate confirmed Acosta in August, making him one of the nation's youngest top prosecutors.

Acosta -- now officially in charge of a 220-lawyer office that extends from Fort Pierce to Key West -- singled out the extraordinary role of South Florida's law enforcement community in some of the nation's biggest prosecutions.

He cited the recent convictions of Washington lobbyist Jack Abramoff in the SunCruz Casinos fraud case and of Cali Cartel founders Gilberto and Miguel Rodriguez Orejuela. He also said his office is prosecuting a major terror suspect, Jose Padilla.

Acosta, flanked by his wife, Jan, thanked his Cuban exile parents for sacrificing to put him through Gulliver Preparatory School and Harvard University, where he earned his undergraduate and law degrees.

Acosta seemed in awe of the legal elite gathered in the courtroom, saying his own story was not that unusual: ``The fact that there are so many stories in this room is a testament to the nation's freedom and opportunities."

CORPORATE SCANDALS:

UPDATE: SEC Says Two Defrauded Korean Community In Calif. (DOW)

By Siobhan Hughes, Of DOW JONES NEWSWIRES

Dow Jones, October 26, 2006

DOJ_NMG_0086517

WASHINGTON -(Dow Jones)- The Securities and Exchange Commission has filed civil-fraud charges against two men who allegedly took at least $3 million from Korean speakers in Southern California from 2003 through August 2005 through two firms that they portrayed as legitimate securities firms.

The SEC on Wednesday announced the charges against Kangsan Kim, the owner of money-manager Unus Capital Management Inc., and Hyun Soo Jang, the owner of PeopleN Investment Corp., the brokerage firm that was supposed to execute trades for Unus. The two men face civil penalties and orders to return the money to investors.

"This case provides an unfortunate example of the dangers presented by those seeking to exploit the trust of members of their own community," said Randall Lee, director of the SEC's office in Los Angeles. "Such schemes are reprehensible, and the SEC is committed to vigorously prosecuting those who betray that trust for their own profit."

Kim was arrested in July on federal mail-fraud and wire-fraud charges, according to a Justice Department press release. He doesn't have a lawyer, according to the SEC, and he couldn't be located. The SEC said it believes Jang is in South Korea.

Unus attracted investors from the Korean community by sponsoring daily morning stock reports on Korean-language radio broadcasts in Los Angeles, the SEC said. The firm asked clients to enter agreements under which Unus managed their accounts and executed trades through PeopleN, the SEC said.

Instead of investing the $4.5 million raised from investors, Jang misappropriated more than $3 million, the SEC said, and gave $500,000 of that amount to Kim and Unus. The SEC said that Unus withdrew its investment advisor registration in 2004, and that PeopleN wasn't registered to do business as a brokerage firm, even though both firms told investors that they were regulated businesses.

Judge Issues Secret Ruling About Secrets In Nacchio Case (FINDLAW/AP)

By Sandy Shore, Ap Business Writer

AP, October 26, 2006

(AP) - DENVER-A federal judge has issued a secret ruling about the relevance of classified government documents that former Qwest Chief Executive Officer Joe Nacchio wants to use in his defense against insider trading charges.

In his memorandum and order, which were filed with the court late Tuesday, U.S. District Judge Edward Nottingham said he explained his decision regarding the documents but the bulk of it, 25 pages, was sealed under the Classified Information Procedures Act.

Nottingham's ruling came about two weeks after he met behind closed doors with prosecutors and Nacchio's attorneys to discuss the classified information.

A spokesman for the U.S. attorney's office declined comment Wednesday. Nacchio's attorneys have said they will not comment on the case outside the courtroom.

Nacchio is charged with 42 counts of insider trading, accused of selling stock in 2001 based on inside knowledge that Qwest Communications International Inc. would be unable to meet revenue targets.

Each count against Nacchio carries a penalty of up to 10 years in prison and a $1 million (â,¬800,000) fine. The trial is set for March 19 and is expected to last about 30 days.

At issue is whether the classified information will help explain what Nacchio might have known at the time the trades occurred.

The defense has said Nacchio was aware of classified government contracts awarded to Qwest and of plans for future government business dealings with the Denver-based company.

Qwest, the primary phone service provider in 14 mostly Western states, reported total revenue of $19.6 billion in 2001, the year of the trades in question. Of that, $322 million was attributed to federal contracts, and less than half of that came from classified contracts, according to court filings.

Nacchio also is one of several former Qwest executives accused by the Securities and Exchange Commission in a civil case alleging they orchestrated a financial fraud that forced the company to restate billions of dollars in revenue.

The Classified Information Procedures Act was enacted several decades ago to counter a strategy used by defendants charged with spying who would threaten to expose national secrets unless the charges were dropped.

It allows the attorneys and judges to review such information behind closed doors to determine if it is significant enough to be included at trial.

SEC Probes Mutual-Fund Firms After Settlement In Kickback Case (WSJ)

By Tom Lauricella

The Wall Street Journal, October 26, 2006

The Securities and Exchange Commission has launched an investigation of 27 mutual-fund companies that the agency says have accepted kickbacks totaling hundreds of millions of dollars in recent years.

The investigation centers on alleged arrangements in which independent contractors agreed to pay rebates to mutual-fund companies in order to win lucrative contracts for jobs like producing shareholder reports and prospectuses. The probe stems from a $21.4 million settlement the SEC reached last month with Bisys Fund Services Inc., an administrative-services provider owned by Bisys Group Inc.

Regulators say Bisys, which is based in Roseland, N.J., paid a total of $230 million in kickbacks between July 1999 and June 2004 as part of an effort to win work from mutual funds. Bisys settled the civil charges without admitting or denying wrongdoing.

While the alleged kickbacks would have taken only a tiny toll on individual investors, perhaps shaving a few hundredths of a percent a year off their fund accounts and returns, the latest investigation comes as the fund industry is struggling to rebuild its reputation after a series of trading scandals that triggered regulatory crackdowns and fines totaling more than $1 billion.

Critics have long complained about fund companies using shareholder money for their own benefit. For example, funds are allowed to use trading commissions, which are deducted from shareholder funds, to pay for research that may not benefit individual fund investors. They can also levy fees on their investors for marketing, although attracting more investors benefits the fund company and not necessarily its existing shareholders. Both these practices are highly regulated to prevent abuses. Nonetheless, regulators and other observers say the latest scandal is part of a distressing pattern of fund companies misusing shareholder money.

"This is far worse conduct" than previous fund-trading scandals, said Mercer Bullard, a law professor at the University of Mississippi who specializes in mutual-fund matters. "Receiving a kickback that comes indirectly out of the pockets of shareholders is the functional equivalent of embezzlement."

In part based on information from Bisys, the SEC has sent letters to some of the 27 fund companies asking them to provide details about their ties to Bisys, according to people familiar with the probe. They didn't identify any of the companies. However, the investigation is unlikely to include many of the very largest fund companies, which tend to have in-house units that handle administrative functions.

Most of Bisys's clients were bank-run funds, many of which tended to be smaller firms with several billion of dollars under management. A handful of banks, however, do rank among the larger fund managers.

The SEC says the alleged kickbacks involving Bisys and other service providers worked with the help of secret side agreements. The service providers charged shareholder accounts for administrative services but, unbeknownst to the funds' investors or independent board members, the providers agreed to rebate part of that money to fund advisers, who would then use it to cover their marketing expenses. In exchange for the kickbacks, the advisers would recommend to their funds' boards that the service providers' contracts be renewed.

At issue in the probe is whether fund companies misused their investors' money and misled their boards about why they were hiring certain service providers, according to people familiar with the probe. "These matters raise questions about whether there was a breach of duty to shareholders," said Philip Khinda, an attorney who represents a number of fund boards that have been investigating their funds' arrangements with Bisys.

In its complaint against Bisys, the SEC described the actions of one fund company, which it referred to as "Adviser A," that allegedly demanded millions of dollars in kickbacks in return for recommending that Bisys's contract be renewed. Another 26 fund families had similar deals -- some written, and some only oral -- with the firm, the SEC said.

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The agency didn't identify any of the fund companies in the complaint but, according to people familiar with the investigation, "Adviser A" is AmSouth Funds, which was then a unit of AmSouth Bancorp of Birmingham, Ala.

AmSouth Bancorp declined to comment on whether or not it is the company referred to as "Adviser A," but it said it is cooperating with the SEC.

In 2005, after the alleged arrangement with Bisys had ended, the AmSouth Funds, which then totaled $5.5 billion in assets, were sold to Pioneer Investments. A spokesman for Pioneer declined to comment.

The SEC's Bisys complaint says a senior executive at "Adviser A" told Bisys in 1999 that if it didn't agree to a kickback arrangement, one of its competitors would. Indeed, the SEC alleged in its complaint that "other administrators" besides Bisys cut such deals.

Bisys's main competitor is SEI Investments Co. A spokesman for SEI, which is based in Oaks, Pa., said that as a matter of policy the company wouldn't comment on whether it had received inquiries from the SEC nor on whether it had similar rebate agreements with fund companies.

Bisys accepted the deal with "Adviser A," and over the next five years, funds totaling $17.3 million were deducted from shareholder accounts at the fund company, according to the SEC. The money was used by "Adviser A" mainly to cover marketing costs that would normally come out of its own pocket. The adviser also used some of the money to pay the initiation fee and monthly dues at a country club, the SEC's complaint says.

In the arrangement with "Adviser A," Bisys would be paid 0.20% of fund's assets, the SEC said. However, Bisys kept only roughly one-quarter of that amount. About one-third was paid to "Adviser A" in an above-board contract, the SEC says, while the remainder was kicked back to the adviser through a "marketing budget."

In its settlement with the SEC, Bisys agreed to terminate such agreements and change its policies. It disciplined or fired a number of employees.

Last summer, AmSouth gave its own version of its dealings with Bisys. At the time, it disclosed that the SEC had informed the bank it intended to bring civil charges against it related to the service provider. It said that the probe related to "past arrangements under which Bisys used a portion of the fees paid to it by the fund family to pay for marketing and other expenses."

The mutual-fund industry has been dogged by scandals in recent years. In 2003, it came under fire after revelations that a number of big companies let favored clients conduct short-term trading, earning profits at the expense of ordinary shareholders. The following year, regulators cracked down on fund companies that used stock-trading commissions, which are deducted from shareholder accounts, to pay for marketing activities the companies would otherwise have had to cover themselves.

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NASD Fines James River CEO $2.25M For Alleged Improper Market Timing (LAW/AP)

By Marcy Gordon, The Associated Press

AP, October 26, 2006

Securities regulators have imposed a record $2.25 million fine on the chairman and CEO of hedge fund James River Capital Corp. for allegedly using deceptive practices in trading in the long-term investments known as variable annuities.

The National Association of Securities Dealers, the brokerage industry's self-policing organization, on Wednesday announced the civil penalty against Paul Saunders, a broker who is the chairman, CEO and majority owner of Richmond, Va.-based James River. Saunders neither admitted nor denied the NASD's allegations in agreeing to the settlement, under which he also will be suspended for 60 days from working as a broker.

The NASD said the $2.25 million penalty was the largest fine it has ever imposed on an individual for alleged improper market timing -- frequent "in-and-out" trading. It includes restitution of some $750,000 in illicit profits that Saunders allegedly personally made.

In June 2004, the organization fined the brokerage Davenport & Co. $450,000 and ordered it to pay some $288,000 in restitution for allegedly allowing James River and another hedge fund, TFS Capital, to engage in improper market timing in variable annuities. That was the first case against a brokerage for allowing clients to improperly engage in market timing of

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variable annuities, often described as mutual funds wrapped in an insurance policy. Federal and state securities regulators have brought a number of cases for improper market timing of mutual funds in recent years.

Market timing is not illegal but is widely restricted because it tends to skim profits from other shareholders.

James River is general partner and trading manager of the Jazzman Fund, a hedge fund set up specifically to engage in market timing, according to the NASD. After personally investing in Jazzman, Saunders through James River created 19 partnerships under Jazzman to better enable the hedge fund to engage in market timing of variable annuities, the NASD said.

While each Jazzman partnership appeared to be a separate entity, they all had common owners -- a fact that Saunders failed to disclose to the insurance companies that sold the variable annuities, the NASD said. The insurance companies place investors' money in special accounts that invest in mutual funds.

The NASD said that from October 2001 through September 2003, Saunders used the Jazzman partnerships to evade the insurers' attempts to block or restrict his market timing in those accounts. Saunders' deceptive techniques were said to have included opening 20 different accounts for the Jazzman partnerships at one brokerage firm and market timing in variable annuities accounts, sometimes simultaneously buying contracts and trading in the same annuity through several partnerships.

In recent years, the NASD has taken scores of disciplinary actions against brokers and investment firms for alleged abuses in sales of variable annuities, which are tax-deferred and a popular way to save for retirement. They are contracts between an investor and the company selling it in which the company agrees to make periodic payments to the investor, beginning immediately or at some future date. The payments to the annuity holder vary and are determined by the performance of the underlying investments.

Former AOL Execs Said Lied To Auditors (FINDLAW/AP)

By Brian Westley, Associated Press Writer

AP, October 26, 2006

(AP) - ALEXANDRIA, Va.-Two former America Online executives and top officials at a defunct Las Vegas software maker lied to auditors as part of a scheme to boost both companies' revenue as the dot-com boom fizzled in 2001, government lawyers argued Tuesday.

Kent Wakeford, former executive director at AOL's business affairs unit, and John Tuli, a former vice president in AOL's NetBusiness unit, are among the four defendants on trial at U.S. District Court in Alexandria.

The men, along with two former executives at PurchasePro, are charged with securities fraud, making false statements to auditors and wire fraud. The defendants deny wrongdoing.

In opening statements Tuesday, prosecutors alleged that PurchasePro gave AOL a stake in its company in 2000. In exchange, AOL helped sell PurchasePro's core product, a "marketplace license," which is software designed to facilitate business-to-business transactions.

But the licenses were a tough sell for AOL. The Dulles-based company was only able to convince companies to make a purchase by cutting secret side deals, including free online advertisements, Assistant U.S. Attorney Charles Connolly told jurors.

The executives engaged in various forms of deception to make it appear the licenses had been sold in the first quarter of 2001 so PurchasePro could meet its quarterly revenue goals and create the illusion of success to its shareholders, Connolly said.

"In short, it is a case about lies and cover-ups," Connolly said. "Much of the revenue was bogus because the products were given away for free."

In one instance, prosecutors claim a fax machine was tampered with so that deals made in April would appear with an earlier date.

"They were trying to stop the clock from ticking and the pages of the calendar from turning," Connolly said.

At the time the fraud is alleged to have occurred, PurchasePro's stock was in free fall, dropping from a high of about $160 a share in March 2000 to about $10 by April 2001, prosecutors said.

AOL, which was to earn a 50 percent commission for each license it sold, also felt pressure to sell more licenses to meet revenue goals.

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The PurchasePro executives charged are Charles "Junior" Johnson, the company's former CEO; and Christopher Benyo, a former senior vice president of marketing.

The trial is expected to involve hundreds of intricate financial transactions and could last up to two months. Six other former PurchasePro executives, including the co-founder, have previously pleaded guilty and could testify during the trial.

One by one Tuesday, defense attorneys for the former executives delivered their opening statements, refuting the government's charges.

"There is so much to disagree with, I don't even know where to begin," said Tuli's lawyer, Mark Hulkower. He said that the deals in question are complicated and cannot always be easily judged by outsiders.

Johnson's attorney, Preston Burton, said his client was being made a scapegoat by others within PurchasePro, who resented Johnson because he would not permit them to sell their stock after the company went public in 1999, resulting in the loss of millions of dollars.

"He rode the Internet bubble all the way up ... and he rode it all the way down," Burton said of Johnson, a high-profile businessman who counts casino mogul Steve Wynn among his friends.

Wakeford's lawyer, Henry Asbill, said prosecutors also were making his client a fall guy for decisions that were made by high-level executives.

Asbill said that more than 80 people with a title of manager or higher at AOL worked on the PurchasePro deal, and that Wakeford spent less than 5 percent of his working time on it.

"He was a junior executive," Asbill said of Wakeford. "Ask yourself why the real AOL insiders are not here."

Jurors also heard testimony Tuesday from the government's first witness, Bigstep.com founder Andrew Beebe, who said AOL persuaded him to buy a PurchasePro license for $1.1 million in early 2001 - even though AOL had already given Bigstep a license for free.

Beebe said he agreed to buy the license only because AOL and PurchasePro agreed to provide $2.8 million in reciprocal deals.

"We had no interest at all in a second license," Beebe said. "we were still waiting for someone to tell us what to do with the first one."

Associated Press Writer Matthew Barakat contributed to this story.

Austria Charges Nine In Probe Of Refco-Bawag Ties (WSJ)

By David Crawford And Carrick Mollenkamp

The Wall Street Journal, October 26, 2006

Prosecutors in Vienna have charged nine men, including the former chief executive officer of Bawag PSK, on charges ranging from embezzlement to fraud amid an Austrian probe into ties between U.S. commodity brokerage Refco Inc. and the Vienna bank.

Among those charged was the former CEO of Bawag, Helmut Elsner, and Wolfgang Flöttl, who traded on behalf of Bawag from New York and is the son of another former Bawag CEO, Walter Flöttl. Robert Reiter, a former auditor at KPMG Alpen-Treuhand GmbH, which oversaw Bawag's books, also was charged. In the indictment, which was made public yesterday in Vienna, prosecutors allege the nine men "intentionally abused their positions of trust at Bawag" and engaged in transactions that cost the bank €1.44 billion ($1.81 billion).

The charges come a year after Refco, a large New York broker of commodities and other securities that catered to corporations, government agencies and hedge funds, disclosed that then-CEO Phillip R. Bennett had used a scheme to hide bad debt from Refco investors. Refco investors and U.S. prosecutors allege the scheme included Bawag, which sought to hide its own bad debt that largely was a result of Wolfgang Flöttl's trading losses.

Mr. Bennett has been charged1 with conspiracy, securities fraud, wire fraud and making false filings with the Securities and Exchange Commission. He pleaded not guilty to the charges yesterday in a U.S. district court in Manhattan. His lawyer, David Frankel, declined comment on the charges in Austria and said Mr. Bennett continues to deny any wrongdoing.

After the October 2005 disclosure, Refco fell into bankruptcy proceedings and investigators in the U.S. and Austria launched investigations. Refco's former chief financial officer, Robert Trosten, yesterday pleaded not guilty in New York for his role in the alleged scheme. Mr. Trosten was charged with conspiracy, securities fraud and two counts of wire fraud.

In Vienna, prosecutors allege that Mr. Elsner hired Wolfgang Flöttl to trade in currency markets. Initially, the trading was successful but ultimately led to massive losses. Wolfgang Flöttl handled much of the trading in the New York area, while at the same time establishing himself as a benefactor of New York arts and charities.

Austrian prosecutors allege that Mr. Elsner then used a complex coverup with the assistance of Wolfgang Flöttl, senior Bawag officials, the chairman of the Bawag supervisory board and a former senior KPMG auditor, Mr. Reiter. Mr. Elsner is charged with embezzlement and fraud, according to the indictment. Wolfgang Flöttl, Mr. Reiter and the other Bawag officials are charged with embezzlement, according to the indictment.

Vienna prosecution spokesman Gerhard Jarosch said the charges have been filed with an investigatory magistrate, who may approve the indictment for presentation to the accused, under Austrian legal procedure. Lawyers for the defendants will then have 14 days to accept the charges leading to a trial, to ask for an amendment of the charges, or to contest the charges in their entirety. An appeal of the charges could postpone a trial for an additional four weeks to six weeks, the prosecution spokesman said.

If convicted, the accused could be sentenced to between one year and 10 years in prison.

Wolfgang Schubert, a lawyer for Mr. Elsner, said his client is innocent. Mr. Elsner, who has been in France for the past several months, earlier had been told by Austrian authorities to return to Austria to face questions in the probe. His lawyer is fighting that request.

A lawyer for Wolfgang Flöttl declined to comment and a person in Mr. Flöttl's office said he wasn't available for comment.

A Bawag spokesman said the bank is cooperating with investigators.

A spokeswoman for KPMG Austria GmbH, the parent of the unit where Mr. Reiter worked, said Mr. Reiter, the former auditor, has left the firm and KPMG is cooperating with investigators. Mr. Reiter said he hadn't yet seen the indictment and declined to comment.

Martin Wagner, a senior partner at KPMG Austria GmbH, said KPMG believes Mr. Reiter is innocent.

CRIMINAL LAW:

Pre-Vote Leaks Rankle GOP (RC)

By John Bresnahan, Roll Call Staff

Roll Call, October 26, 2006

For House Republicans, it seems that every week brings a new report about a GOP lawmaker under investigation by the Justice Department for alleged corruption. And with the elections just 12 days away, Republicans are crying foul, complaining bitterly that the negative press spurred by the public disclosure of those criminal probes could help cost them their House majority.

Within just the past two weeks, Reps. Curt Weldon (R-Pa.) and Rick Renzi (R-Ariz.) have faced unwanted headlines blaring the fact that they are under scrutiny by federal prosecutors and the FBI. Both lawmakers have publicly denied any wrongdoing, but Weldon, who was already mired in a tough re-election campaign, has had to deal with the added problem of FBI raids on his daughter's home, as well as the office of a longtime political ally. Federal agents also searched the Florida offices of a Russian energy company that did business with Karen Weldon's lobbying firm.

Renzi is being probed by the U.S. attorney's office in Phoenix for involvement in an Oct. 2005 land sale that helped net his former business partner more than $4 million, according to The Associated Press. The New York Times also reported that DOJ officials are looking into a 2003 bill Renzi introduced that indirectly benefited the company where his father worked.

While a Justice Department run by Republican appointees who were nominated by a conservative Republican president would normally get the benefit of the doubt from GOP lawmakers and staffers, some party insiders are privately wondering

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whether "rogue elements" within the department — and more specifically the Public Integrity Unit, where corruption cases are handled — are trying to tip the election to Democrats by leaking news of these investigations so late in the cycle.

"It would seem that the Public Integrity Unit of the Justice Department is running wild," maintained a top Republican political operative, who would only speak on the condition of anonymity. "They're trying to have some effect" on the midterm elections.

A House GOP leadership aide suggested that "rogue elements" within DOJ's bureaucracy are "working for a Democratic victory" on Nov. 7.

"Of course, we all want to root out corruption at all levels of government," said the aide, who said he was "afraid to speak publicly" since it may spur more leaks about Republican lawmakers. "At the same time, when word of Congressional investigations are continually thrown out in the media late in the cycle, then it smacks of a campaign against Republicans."

Another senior GOP staffer speculated that it was "residual anger" from Speaker Dennis Hastert's (R-Ill.) public criticism of the June 20 FBI raid on Rep. William Jefferson's (D-La.) office that is feeding the "campaign" against House Republicans.

"I think there are people within the Justice Department who are angry with Hastert and the [GOP] leadership" over the Congressional response to the Jefferson raid. "This is all payback, that's all."

This source also pointed to the fact that "someone in the Justice Department or FBI" leaked a story to ABC News shortly after Hastert criticized the Jefferson search suggesting that Hastert himself was under investigation by the Justice Department. DOJ officials quickly released a statement calling the ABC story wrong.

Democrats have not escaped unscathed from the recent Justice Department revelations, although the political fallout for the minority party has been much less severe, at least so far.

In addition to Jefferson's situation, Time magazine reported this week that Rep. Jane Harman (D-Calif.), ranking member of the House Intelligence Committee, urged officials from the American Israel Public Affairs Committee to lobby House Minority Leader Nancy Pelosi (D-Calif.) last year to allow Harman to retain the top Democratic spot on the panel. The FBI began an investigation into whether Harman promised AIPAC she would help the group deal with its own Justice Department investigation. Both Harman and AIPAC deny the allegation and the investigation appears to have stalled out months ago.

But with the revelations seeming to hit a new Republican target almost weekly, senior Justice Department officials suddenly have found themselves barraged with questions about the leaks, although they strongly deny any suggestion that the department is meddling in political contests.

"What I can say with great confidence is that the men and women in the Department of Justice and all of its investigative agencies do not take political considerations into play when it comes to discharging their duty," said Deputy Attorney General Paul McNulty at a news conference last week.

"And that's the way we run this department and the way we always will run the department. But beyond that, I'm not going to talk about the timing of anything happening."

Bryan Sierra, a spokesman for the Justice Department, declined to comment about any of the specific cases related to recent developments with Weldon, Harman or Renzi, but noted that traditionally the department and investigative agents are supposed to halt overt, public actions when an election is approaching.

"Particularly close to an election, of course there's a concern about leaks," Sierra said.

When a competitive campaign involves a potential target close to Election Day, Sierra said, "It is unlikely that you will see a flurry of public activity related to a criminal investigation."

"We specifically do not want to give the appearance of getting involved in the political process," Sierra added.

Sierra also cautioned that sometimes leaks or revelations about probes aren't accurate, and that many times they don't mean any new path or direction has taken hold among DOJ officials, but merely that some ongoing, previously unknown investigation has broken into the public domain.

"The fact that they're happening close to an election doesn't necessarily alter the criminal investigation," Sierra said.

But even Republicans who have served in the Justice Department under President Bush admit that the spate of recent news stories regarding federal corruption probes of sitting GOP lawmakers disturbs them, particularly this close to an election.

"It's a huge problem for the department because it casts an unsavory light on all the investigations," said Mark Corallo, who served as public affairs director at Justice from 2002 to 2005. "I have heard lots of complaints from Republicans about what is going on. It's natural for people to be suspicious."

Combating the allegations of widespread corruption within the party also is costing the GOP gobs of money needed elsewhere to defend its majority.

As of this week, the National Republican Congressional Committee had spent more than $16 million to defend nine seats either now held, or recently held, by GOP incumbents faced with legal or ethical problems, according to a Roll Call survey of the committee's independent expenditures. These include Weldon's race, as well as the special election won by now-Rep. Brian Bilbray (R-Calif.) for the seat held by former Rep. Duke Cunningham (R), who went to jail earlier this year after pleading guilty to bribery, fraud and tax evasion charges.

The corruption charges are appearing at a particularly bad juncture for Hastert and other GOP leaders, as they have been battered by allegations that they covered up or deliberately ignored warnings that former Rep. Mark Foley (R-Fla.) was acting inappropriately in his dealings with male Congressional pages. Foley resigned from Congress on Sept. 29, and Hastert, Majority Leader John Boehner (R-Ohio), and National Republican Congressional Committee Chairman Tom Reynolds (R-N.Y.) all testified before the House ethics committee on the scandal this week, bringing more negative news coverage.

Weldon, for his part, initially blamed a "liberal conspiracy," pointing in particular to the watchdog group Citizens for Responsibility and Ethics in Washington, with somehow being behind the Justice Department investigation. CREW dismissed Weldon's allegation as ridiculous.

The Pennsylvania Republican is now trumpeting a column written by conservative activist Paul Weyrich. Weyrich argued that Weldon has angered "the Establishment" by publicly pushing the theory that the Pentagon could have stopped the Sept. 11, 2001, terrorist attacks, but failed to do so, a claim that has been vehemently denied by Defense Department officials. Weldon's campaign posted Weyrich's article on its Web site on Wednesday.

"I think certain forces do not want to see Weldon as Chairman or Ranking Minority Member of the [House Armed Services] Committee," Weyrich wrote. Weyrich acknowledged in the article that he did not know whether Weldon had broken any laws in his dealings with his daughter's firm but added "I do not believe in most conspiracy theories.

However, perhaps we have a conspiracy here."

Renzi and his attorney, former Arizona Attorney General Grant Woods, have denied any knowledge of a federal investigation of the lawmaker while also asserting that he did nothing improper or unethical.

Paul Kane and Lauren W. Whittington contributed to this report.

Jurisdictional Issues Dog Member Probes (RC)

By Paul Kane And John Bresnahan, Roll Call Staff

Roll Call, October 26, 2006

The Justice Department has employed a sprawling lineup of investigators and prosecutors to conduct its ever-expanding roster of Congressional investigations, and in the process created a patchwork of probes across the nation.

With at least 17 Members of the 109th Congress coming under federal investigation, Justice has used a pair of offices in its Washington, D.C., headquarters to conduct probes while at the same time coordinating with the offices of at least seven U.S. attorneys and roughly as many FBI offices to serve as ground troops for the inquiries.

Aides at Justice, along with other experts and former prosecutors, said the process of sorting out which offices lead investigations and prosecutions can be a sometimes messy division of labor that focuses on questions of jurisdiction and resources.

"There's no cookie-cutter approach to it," said Bryan Sierra, spokesman for the Justice Department.

"There is not any one protocol on who does what — it was designed to be handled on a case-by-case basis," said Dick Thornburgh, who served as attorney general from 1988 to 1991.

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That case-by-case process has led to at least a quartet of Members being investigated the past two years by Justice's Public Integrity Unit, while another half-dozen Members have come under the prosecutorial glare of U.S. attorneys, almost always their local federal prosecutor.

While the Congressional corruption cases are some of the most sensitive for any prosecutor, they also bring with them the kind of big headlines that can make a prosecutor's career. And some U.S. attorneys have been known to employ sharp elbows when competing with other federal prosecutors to lead a probe, initially flooding a case with their agents to demonstrate they've done the most work and stake claim to a case.

Sierra said jurisdiction is the most important aspect in determining which office will initially handle a case, leading to U.S. attorneys taking the lead when it involves circumstances such as a Member and a local contributor or contractor seeking favors. That was the case with ex-Rep. Duke Cunningham (R-Calif.), now serving a 100-month prison term for orchestrating the largest bribery scheme ever perpetrated by a single Member of Congress.

The Cunningham case was led by the U.S. attorney's office for Southern California, based in San Diego, a natural base of operations since the main portion of his more than $2.4 million in bribes involved the sale of one home and the purchase of another in the San Diego area, orchestrated by a defense contractor and his co-conspirators.

An offshoot of the Cunningham investigation has been the probe into House Appropriations Chairman Jerry Lewis (R-Calif.) and his ties to defense contractors and municipalities in and around his district to the north of Cunningham's former seat, which is now being led the U.S. attorney's office in Los Angeles. While the probe is examining Lewis' ties to lobbyist and former Rep. Bill Lowery and earmarks from Defense spending bills, the money has predominantly flowed into the suburban Los Angeles area near Lewis' district.

These are cases of U.S. attorneys taking the lead because the prosecutors and local FBI agents are closest to "where the crime took place," Sierra said.

But sometimes officials in Washington will have to step in because of conflicts of interest regarding a U.S. attorney's office and the Member of Congress under the microscope.

Recently, for example, Sen. Arlen Specter (R-Pa.) has come under investigation for appropriations earmarks he steered to municipalities and entities which were clients of a lobbyist whose spouse, Vicki Siegel, was a top appropriations staffer for Specter. Some of those clients of Siegel's husband are in Philadelphia, but the investigation has so far not involved U.S. Attorney Patrick Meehan, the top federal prosecutor in the city of Brotherly Love.

Meehan was a longtime counsel on Specter's Senate staff and won his spot as a U.S. attorney in 2001 largely because of Specter's patronage.

Instead, the review of Specter's appropriations work has been handled by the FBI's Washington Field Office, agents who actually work in a Falls Church, Va., office.

Public Integrity — a unit based in Justice's Washington headquarters with less than 30 attorneys — is running an investigation in Alaska into Veco, an energy services company that paid more than $250,000 to state Sen. Ben Stevens (R) for consulting services in recent years. The son of powerful Sen. Ted Stevens (R-Alaska), Ben Stevens had his legislative offices raided Aug. 31 as part of the Veco probe.

Nelson Cohen, the new U.S. attorney for Alaska, has been recused from that case along with many other prosecutors in that office. Instead, Sierra said, a few prosecutors there are working with local FBI agents and Public Integrity prosecutors handling the case. Sierra declined to explain why Cohen was recused.

Unlike other U.S. attorneys, who often rely on home-state Senators for their appointments, Cohen was appointed top federal prosecutor in Alaska in late August over the objections of Ted Stevens, who had been publicly pleading for an Alaska native to get the post. Cohen came to the job from being assistant U.S. attorney in Western Pennsylvania.

Recusals, for whatever reason, aren't always limited to political corruption cases. In the Enron investigation, the entire U.S. attorney's office in Houston was walled off from the case because so many prosecutors had ties to the energy giant, whether through their past employment at firms that represented Enron or through family members working for the company.

Joe Whitley, who oversaw the Criminal Division at Justice during the late 1980s, said sometimes the level of experience and resources in U.S. attorneys' offices can lead to cases being centralized in Washington.

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"You are looking at the experience level of the offices involved," Whitely said, especially whether prosecutors in a particular U.S. attorney's office have ever successfully tried a corruption case involving a high-profile politician.

Public Integrity also has run the most prominent Congressional corruption investigation in recent years, the ongoing probe of felon-lobbyist Jack Abramoff. Sierra acknowledged that Public Integrity is in charge of that case because a large portion of the alleged crimes — including the giving of bribes in the form of meals and drinks at Abramoff's restaurants, tickets in his suites to sporting events, private jets to exotic vacations and legislative provisions in return — occurred in Washington.

Some investigations are based out of Washington, D.C., simply because that's where the cases originate, according to officials. Recently, Rep. Curt Weldon (R-Pa.) was confirmed to be under federal investigation for his daughter's role in lobbying and consulting for Eastern European companies, which was immediately followed by a public raid on her suburban Philadelphia home and office.

All indications are that the Weldon probe was hatched by Justice and is being run by Public Integrity, not Meehan's prosecutors in Philadelphia.

Other corruption cases are run by federal prosecutors whose roles simply aren't clear. Such is the case with Rep. William Jefferson (D-La.), whose home and Congressional offices have been raided at various points by FBI officials conducting a long-running investigation into his ties with companies looking to do business in Africa.

The Jefferson probe has been overseen by the U.S. attorney's office in Eastern Virginia, based in Alexandria, not by Public Integrity or by local federal prosecutors in Jefferson's hometown of New Orleans. Some of the alleged crimes in the Jefferson probe have occurred in Virginia, such as the FBI raid on his Virginia home uncovering $90,000 in alleged bribe money in his freezer.

Sierra declined to say why prosecutors in Alexandria — long considered a more hospitable climate for jury trials involving federal officials than the District — are running this probe, saying to explain that rationale might reveal some of the investigation's details.

"The Congressman has not been charged yet," Sierra said. "Not all of the facts of that investigation are publicly known."

Rights Group Fires Publisher Of Foley E-Mail (NYT)

By David D. Kirkpatrick

The New York Times, October 26, 2006

WASHINGTON, Oct. 25 — A liberal gay rights group said Wednesday that one of its employees, acting anonymously, had created the Web site that first published copies of unusually solicitous e-mail messages to teenagers from former Representative Mark Foley, which led to his resignation.

A spokesman for the group, the Human Rights Campaign, said it first learned of its employee's role this week and immediately fired him for misusing the group's resources. The scandal surrounding Mr. Foley, a Florida Republican, has been a burdensome distraction for members of his party in the month before the midterm elections, and some Republicans have speculated that the e-mail messages were planted by a Democrat.

The rights campaign's spokesman, David Smith, said the employee, whose name he declined to disclose, was a junior staff member hired last month to help mobilize the organization's members in Michigan. "The minute we learned about it we took decisive action," Mr. Smith said.

The Miami Herald and other news organizations have acknowledged obtaining copies of the same e-mail messages months ago but declining to publish them because of their potentially ambiguous contents.

After the messages appeared on the Web, at stopsexpredators.blogspot.com, the Web site of ABC News followed with its own independent report. The ABC News report resulted in the disclosure of more sexually explicit electronic messages that Mr. Foley sent to other former Congressional pages.

In the aftermath of the scandal, the creator of the sex predators Web site declined requests sent by e-mail to identify himself. Instead, he posted a message urging the news media to ask questions about "when the Republican leadership knew about it, what they did, how they were connected, what favors took place, etc."

The posting continued: "The true hero here is the page who reported the e-mails in the first place."

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Hastert Aide Goes Before Ethics Panel (AP-Y)

By Andrew Taylor

AP, October 26, 2006

An aide to House Speaker Dennis Hastert on Wednesday went before ethics investigators in private to explain how the office handled complaints about former Rep. Mark Foley's behavior toward former pages.

Ted Van Der Meid, who oversaw the page program for Hastert, R-Ill., appears to be one of the last witnesses. The House ethics panel is investigating whether lawmakers and staff aides acted properly when learning of Foley's too-friendly messages to ex-pages and other possible inappropriate behavior.

The panel is in its third week of hearing testimony and seems unlikely to complete its probe before the Nov. 7 elections.

Van Der Meid was a central figure in the handling of a complaint last fall from a former page from Louisiana. Hastert's office was alerted to the "over friendly" e-mails and dispatched then-Clerk of the House Jeff Trandahl and Rep. John Shimkus, R-Ill., to confront Foley, R-Fla.

Former top Foley aide Kirk Fordham has told the committee that Hastert's chief of staff, Scott Palmer, knew of earlier incidents involving Foley.

Foley abruptly resigned Sept. 29 after being confronted with sexually explicit e-mails sent in 2003 to a former page from Oklahoma.

No lawmaker has acknowledged knowing of sexually graphic e-mails. They surfaced only after news broke that Foley last fall had sent a too-friendly message to the former Louisiana page. But a small group of lawmakers and top GOP staff aides have known for years of inappropriate messages and rumors of bad behavior by Foley toward pages.

Rather than investigating Foley, the four-member investigative panel is trying to determine who knew about his behavior toward pages and whether more should have been done to stop it.

Trandahl was appointed to the clerk's post — with responsibility over the page program a prominent responsibility — and was in frequent contact with Hastert's office.

A key question for investigators is who else knew about Foley. Fordham's account has been disputed by Palmer, but Trandahl reportedly has backed up Fordham's story.

The panel may want to know what Van Der Meid knew about earlier incidents regarding Foley.

For example, the panel has been asked to look into rumors that several years ago Foley tried to enter the page dorm while drunk, an incident that Fordham has testified about.

Trandahl and Rep. Jim Kolbe, R-Ariz., learned in 2001 or 2002 of an episode in which Foley sent an ex-page inappropriate e-mails.

In those instances, Foley's inappropriate behavior with former pages have been handled by a few staff aides and lawmakers, rather than being investigated more fully. Foley's misbehavior did not cease.

The panel heard Tuesday from Hastert, who urged it to wrap up its investigation quickly. He said he answered questions to the best of his ability, but his recollection differs from other GOP leaders.

Majority Leader John Boehner, R-Ohio, and House GOP campaign chairman Tom Reynolds of New York have said they discussed with Hastert the "over friendly" e-mails from Foley to the Louisiana teen; the speaker says he does not recall the conversations.

Separately, Foley's attorney's revealed Wednesday that he is being treated for alcoholism at a facility in Tucson, Ariz. Foley has been in a 30-day treatment program at the Sierra Tucson treatment center since Oct. 1.

Second Man Accuses Former Priest Who Abused Foley (WP/AP)

The Washington Post, October 26, 2006

MIAMI, Oct. 25 -- Another former altar boy says he was sexually abused in the 1970s by the same retired Catholic priest who acknowledged fondling former congressman Mark Foley when Foley was a teenager, the man's attorney said Wednesday.

The new allegations against Anthony Mercieca were made by a man who lived in North Miami and was an altar boy at St. James Catholic Church, where Mercieca worked, attorney Jeffrey Herman said.

Herman said he plans to file a lawsuit against the Archdiocese of Miami. His client, now 40 and identified in the lawsuit only as John Doe No. 26, says Mercieca abused him when he was about 12 years old.

"He had been thinking about it before Foley came forward, and then when Foley came out and the church encouraged other victims to come forward, he decided to come forward," Herman said.

The man said "all of my nightmares came back" when Mercieca's picture appeared on the news last week amid Foley's allegations that the priest had molested him.

Foley (R-Fla.) resigned amid accusations that he sent sexually explicit electronic messages to teenage boys who had worked as pages on Capitol Hill.

Mercieca, 69, now lives on the Maltese island of Gozo in the Mediterranean. No one answered the phone at his home.

Archdiocese spokeswoman Mary Ross Agosta said: "Any of this type of behavior by Father Mercieca was unknown to the archdiocese and we had absolutely no information to indicate that the father did or would engage in any type of inappropriate or abusive behavior."

Washington Wire (WSJ)

Wall Street Journal, October 26, 2006

Taxpayer-subsidized Amtrak — which faces calls to sharply reduce its long-distance train service — has been careless in managing law firms that have billed it millions in legal fees, according to a report released Wednesday by federal investigators.

The report, issued jointly by Amtrak's Office of Inspector General and the U.S. Department of Transportation Inspector General, said that the law department of the passenger railroad, for example, failed consistently to request and manage budgets for legal work. Also, law firms engaged in "block billing," in which firms lump tasks under one entry of an invoice rather than showing the costs of each task. The practice is prohibited by Amtrak's billing guidelines, the report says. "About 30% of the billings were block billed, which is actually not allowed," says U.S. Rep. John Mica (R., Fla.), a member of the House Committee on Transportation and Infrastructure who requested the probe.

From 2002 to 2005, according to the report, Amtrak paid more than $100 million in legal fees — $40 million of which went to 10 firms, which are listed in the report. In response, the chairman of Amtrak's board, David Laney, said Amtrak reduced annual legal fees by 26%, or $8 million, since 2003, and in the past five years, working with outside law firms, recovered $79 million in cash from legal settlements. Read the full article, download the report or see the full list of lawyers at Law Blog. – Nathan Koppel and Ashby Jones

Read more: Global, Domestic Policy

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October 25, 2006, 6:58 pm Police Chiefs Push for Federal Money

Facing a rise in murders, drug shootings and armed robberies, more than a dozen police chiefs met senior White House officials on Wednesday to argue that there's a national epidemic of violent crime and they need federal money to fight it.

The 15 police chiefs said that during the 90-minute meeting with Rob Portman, director of the Office of Management and Budget, and several members of President Bush's domestic policy team, they stressed that they needed flexibility in funding to fight both terrorists and criminals, and that each community faced different risks.

"We didn't want them to think so much about homeland security that they forget about hometown security," said Atlanta Chief Richard J. Pennington. "I think they got the message."

The meeting comes two weeks ahead of the midterm elections, and the police chiefs said the rise in crime was becoming a political issue in some communities.

White House officials say they are well aware of a spike in violent crime statistics over the last year and are already been considering programs to fight the trade in methamphetamine, which is fueling the crime rise in some cities like Las Vegas. But the violence varies from city to city: Chicago and Miami haven't had increases; in Boston, homicides have hit a 10-year high and in Cincinnati a 20-year high, according to local crime statistics analyzed by the Police Executive Research Forum, or PERF, a think tank and police lobby group.

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"We discussed crime rates, the counter-intuitive fact that as federal funding has declined so have crime rates, and the current situation of historically low crime rates combined with spikes of violent crimes in selected cities. It's the kind of discussion that is valuable to have with those whose job is to put policy into action," said OMB spokesman Scott Milburn.

The White House said it would continue the discussions and would work with PERF to look for ways to address police concerns.

"We left the meeting hopeful that number they recognize the problems and number two they want to do something about it," said Chuck Wexler, the executive director of the group. – Robert Block

Read more: Global, Budget, Spending and Taxes, Domestic Policy

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October 25, 2006, 6:53 pm VoteVets Makes Ad Buys

Democratic-leaning special interest group VoteVets, which was behind a dramatic body armor ad used to some effect in several Senate races, has now made ad buys in four House districts to complain that the Republican incumbents haven't done enough for Iraq war veterans.

The new ad features Tomas Young, an Iraq war veteran and anti-war activist who was paralyzed from the waist down in Baghdad. Young has been an outspoken activist, particularly for veterans rights, and in this ad, he takes lawmakers, including Minnesota Republican Rep. Gil Gutknecht, to task for voting a pay raise for themselves but not increasing health-care benefits for veterans.

According to Daily Kos, a similar version of the ad will also run until Election Day in the districts of Republican congressmen John Doolittle in California, Jon Porter of Nevada and John Sweeney in New York. The ad hasn't shown up yet on the group's Web site yet. –Amy Schatz

Read more: Global, Campaign 2006, Congress, Foreign Policy

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October 25, 2006, 4:56 pm Oh, That Editorial

The Early Bird, the Pentagon's clipping service of all news military, carried an odd item today: A letter to the New York Times (which the newspaper hasn't published) about a Times editorial Tuesday that called for Defense Secretary Donald Rumsfeld's firing.

Unlike the unpublished letter, the Early Bird chose not to carry the published editorial in its clippings. The letter, signed by Dorrance Smith, assistant secretary of defense for public affairs, gives the drift: "Today's editorial claims: 'There have never been enough troops, the result of Mr. Rumsfeld's negligent decision to use Iraq as a proving ground for his pet military theories, rather than listen to his generals.' Whether or not the Times believes there were enough troops in Iraq, the claim that any troop level in Iraq is the result of Secretary Rumsfeld 'not listening to his generals' is demonstrably untrue." It goes on to list what a number of generals have had to say on the matter.

That got us pondering the Early Bird's mission statement: "… daily compilations of published articles and commentary concerning significant defense and defense-related national security issues. The publications aim to represent how the public, Congress and the press see military and defense programs and issues. They are internal management tools intended to serve the informational needs of senior DoD officials in the continuing assessment of defense policies, programs and actions…" –Greg Jaffe

Read more: Foreign Policy, Iraq, White House

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October 25, 2006, 4:39 pm Adjusting, Flexible, Changing, Dynamic Iraq Tactics

Eager to show that he's not simply staying the course on Iraq, President Bush used some variant of "flexible" five times, "adjust" six times, and "change" no fewer than 18 times in his hour-long news conference in the ceremonial East Room this morning. "This war, and other wars, they're not static. They're dynamic events," Bush said. "And we must adjust to meet those events, and we are." He also insisted that the U.S. and its allies are winning on a number of scores.

Bush

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Democrats quickly rebutted his claims. "The White House may be changing its rhetoric about staying the course…but the policies are the same," said Sen. Carl Levin of Michigan, in a conference call with reporters. Although the White House has been trying to avoid the phrase "stay the course" for months, Democrats in recent days have sought to pin the label on the administration, as a way of reinforcing voter impressions of a quagmire in Iraq. The advocacy group Americans United announced it will run a TV ad campaign entitled "Change the Course," aimed at three Republican incumbents.

Bush's news conference was aimed at easing voter dissatisfaction with the war less than two weeks before the Nov. 7 election. It came a day after U.S. officials in Iraq laid out timetables for political progress and predicted that Iraqi troops would be able to take over most of the war effort in a year to 18 months. Wednesday's event also gave Bush a chance to repeat in blunt terms what he views as the rising stakes in the Middle East if the U.S. abandons oil-rich Iraq to its enemies. "It's a serious business," he said.

At other times, he playfully chided pundits who've awarded the election to Democrats, and suggested that Democrats themselves are "dancing in the end zone" and "measuring their drapes" in Capitol offices prematurely.

"See you on the campaign trail," he said as he finished up. –John D. McKinnon

Video: Bush press conference | Transcript

Read more: Global, Foreign Policy, White House

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October 25, 2006, 4:26 pm How Should We Put This?

The Federal Reserve's meeting this week was a two-day affair, lengthened from the originally planned one day so that the 18 members of the Federal Open Market Committee (one seat is vacant) could discuss how to improve their communications with the outside world. Carl Tannenbaum, chief economist at LaSalle Bank, cracked that if the policy statement released after the meeting – which was almost identical to September's - is any indication, the early signs are not encouraging. "After a half day to talk about communications, we got a statement that inserted one clause and removed another. This evolution in communications is definitely a slow process."

In truth, the Fed is unlikely to announce a shift in communications strategy in its policy statement. Minutes to the meeting, to be released Nov. 15, should shed more light on what was discussed this week. But it appears Fed officials are months away from announcing any substantive change to current practices. –Greg Ip

Parsing the Fed: How the October, September Fed statements differed

Fed Keeps Interest Rates Unchanged

Read more: Economy

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October 25, 2006, 2:07 pm Eligibility at Issue in Md. Attorney General Race

The candidates for attorney general in Maryland are practicing their legal moves.

A lawsuit filed last week by a state resident, who is represented by none other than Republican candidate Scott Rolle's campaign manager, challenges Democrat Doug Gansler's qualifications to appear on the ballot. The lawsuit argues that Gansler, the Montgomery County state's attorney, hasn't practiced law in Maryland for the required 10 years. In Anne Arundel County Circuit Court today, a morning hearing on the case was still in progress in the middle of the afternoon.

In an article in the Baltimore Sun about a Gansler-Rolle debate on Maryland Public Television last night, Gansler was quoted calling the lawsuit a "frivolous, silly, desperate" complaint lodged because Rolle "is 30 points behind in the polls." The Sun reported that after the debate, Rolle was asked whether he supports the lawsuit. "I am not condoning it," he said, then quickly added, "It is a legitimate issue."

The same issue doomed the attorney general aspirations of Democrat Thomas Perez in the September primary. –Mary Lu Carnevale

Read more: Campaign 2006

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October 25, 2006, 12:08 pm A Ways to Go

Just how long might the U.S. be in Iraq?

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President Bush, at today's news conference, wouldn't answer directly. "You can't leave until the job is done," he said. "Our mission is to get the job done as quickly as possible."

But his response to a question about whether the U.S. wants to maintain permanent bases in Iraq indicated it could be years.

"Any decisions about permanency in Iraq will be made by the Iraqi government," Bush began. "And, frankly, it's not in much of a position to be thinking about what the world's going to look like five or 10 years from now. They are working to make sure that we succeed in the short term. And they need our help. And that's where our focus is.

"But remember, when you're talking about bases and troops, we're dealing with a sovereign government. Now, we entered into an agreement with the Karzai government [in Afghanistan]. They weren't called permanent bases, but they were called arrangements that will help this government understand that there will be a U.S. presence so long as they want them there. And at the appropriate time, I'm confident we'll be willing to sit down and discuss, you know, the long-term security of Iraq. But right now we're discussing how to bring security to Baghdad and what do we do in al-Anbar Province, where al Qaeda still uses violent methods to achieve political objectives." –Mary Lu Carnevale

Video: Bush press conference | Transcript

Read more: Global, White House

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October 25, 2006, 11:08 am Get Ready, Catholic Church Tells Immigrants

The Catholic Church is advising illegal immigrants to get ready for the day they're allowed to file for legal residency. "It may take a long time" for any legalization proposal to pass into law, notes the Catholic Legal Immigration Network Inc., a project of the U.S. Conference of Catholic Bishops. But illegal immigrants should nevertheless start assembling the documentation they'll need to support their petition for legal status, it adds.

Among other things, the church's online posting at www.cliniclegal.org, advises illegal immigrants to get involved in their children's schools and in community and volunteer organizations, to enlist with their draft board and to pay income taxes. Those moves "can prove good moral character," a possible requirement of a legalization process, it says.

It also advises illegal immigrants to assemble documents that prove when and how they arrived in the U.S.—important evidence if Congress decides to legalize only those immigrants who arrived before a certain date. The church suggests collecting pay stubs, apartment leases, medical records, auto registrations, utility bills and postmarked letters addressed to them since their arrival.

It advises against being too bold about seeking official government identification, though. An illegal immigrant faces the risk of deportation "if s/he comes to the attention of the U.S. government," it says.

The House and Senate passed starkly different immigration bills this year, but neither bill one has any likelihood of passing into law this year. That means that both houses will have to introduce new bills when a new Congress is seated in January.

The House and Senate passed starkly different immigration bills this year, but neither bill one has any likelihood of passing into law this year. That means that both houses will have to introduce new bills when a new Congress is seated in January. Although President Bush has promoted pro-immigrant legislation, a bill would face better chances of passage if electoral gains next month give Democrats control of the House, where Republicans now lead a vocal anti-immigrant caucus. –June Kronholz

Read more: Global

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October 25, 2006, 8:31 am Politicians Grow Wary of Survey

Project Vote Smart is being undermined by the same negative forces it's trying to combat. Working out of a former dude ranch in Montana, Vote Smart runs a Web site and a toll-free number that tracks more than 10,000 candidates running for federal and state offices. Along with gathering voluminous data on voting records, speeches and endorsements, the nonprofit conducts an exhaustive survey of the candidates' positions on issues ranging from abortion to welfare.

For years, the survey was catching on with incumbents and challengers alike. But lately, the number of candidates taking the survey has dropped dramatically. The reason: Many are afraid their opponents will use the information against them in attack

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ads. “We tell our candidates not to do it,” says Rep. Anne Gannon, the Democratic leader pro tempore of the Florida House of Representatives. “It sets them up for a hit piece.” Read the full article. – Peter Grant

Read more: Global, Campaign 2006

Permalink | Comments (1) | Trackbacks (1)

October 25, 2006, 8:30 am Danger Signals From Voters Amid Prosperity

There’s something unnerving about watching an anti-incumbent tidal wave roll in at a time when the economy, by most macro measures, is cruising. The big economic bugaboos of earlier this year — rising interest rates and soaring oil prices — have both eased off. Even the Dow Jones Industrial Average is hitting historic highs. Yet a majority of voters who responded to last week’s Wall Street Journal/NBC News poll say they disapprove of President Bush’s handling of the economy.

Still, the economic backdrop for election 2006 should raise a warning flag about the future. Large numbers of Americans seem to have lost their belief in John F. Kennedy’s famous aphorism that a rising tide lifts all boats. “They know the economy is white hot,” says political analyst Charlie Cook, “but they also know they aren’t in it….There’s a feeling that some people are getting theirs, but we aren’t getting ours.” Read the full column. – Alan Murray

Video: Alan Murray says that it’s extraordinary for polls to reflect strong disatisfaction with the goverment’s economic leadership, given that economy is actually doing quite well.

FBI Eyes Contractor In Los Alamos Leak (WT)

By Jerry Seper

The Washington Times, October 26, 2006

The FBI is focusing on a subcontractor at the Los Alamos National Laboratory as the possible source of classified information from the nuclear-weapons facility discovered during the arrest of a New Mexico man on drug charges.

Federal authorities said yesterday that the subcontractor, Jessica Quintana, was questioned after Los Alamos police discovered the classified data during a search for evidence of a drug business after the arrest of Justin Stone, 20, Friday.

Miss Quintana, who authorities said shared the mobile home with Mr. Stone, has not been charged in the case.

"This appears to be a new low: Even drug dealers can get classified information out of Los Alamos," said Danielle Brian, executive director of the Project On Government Oversight, a watchdog that has exposed seven incidents involving the mishandling or loss of classified information at nuclear-weapons facilities since 2002.

Authorities said the Los Alamos information was located on a computer flash drive, a portable flash memory card that plugs into a computer's Universal Serial Bus, or USB, port and functions as a hard drive. Flash drives have been banned from the Los Alamos laboratory for the past two years.

Linton F. Brooks, chief of the National Nuclear Security Administration, said yesterday that "extraordinary efforts" have been made in the past three years to put strong security procedures in place at Los Alamos and other national laboratories to ensure that sensitive information is not compromised.

"Our job now is to assess what happened at Los Alamos, to determine whether procedures have been diligently observed, and to decide whether additional steps need to be taken," he said, adding that the agency's chief of defense nuclear security will "personally investigate the facts at Los Alamos."

Los Alamos Police Department Sgt. Chuck Ney said the classified information was located Friday at a trailer park in the city after officers responded to a domestic disturbance call. Police also found hazardous methamphetamine lab components.

Police then notified the FBI, and federal authorities began a separate investigation.

FBI Special Agent Bill Elwell in Albuquerque said a now-sealed search warrant was served in the case by agents, but he declined to discuss details of the ongoing investigation. He said the U.S. attorney's office in Albuquerque is "evaluating the information."

Los Alamos has a long history of security breaches. In December 1999, Wen Ho Lee, a Taiwanese-American scientist who worked at the laboratory, was accused of stealing secrets on the U.S. nuclear arsenal for China. After investigators dropped a 59-count complaint, Mr. Lee pleaded guilty to improper handling of restricted data.

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In June, the government and five news organizations -- The Washington Post, Los Angeles Times, New York Times, ABC News and the Associated Press -- announced a $1.6 million settlement with Mr. Lee over accusations that government leaks violated his privacy.

In 2004, Los Alamos was shut down after an inventory found that two computer disks with nuclear secrets were missing. A year later, the lab concluded the disks never existed.

Los Alamos Disks May Hold U.S. Secrets (WP)

By Dan Eggen

The Washington Post, October 26, 2006

The contract employee at the center of a possible security breach at Los Alamos National Laboratory had a high-level clearance that may have given her special access to intelligence intercepts and other closely held national secrets, sources familiar with the case said yesterday.

The FBI is examining at least three computer disks that police in Los Alamos, N.M., discovered last week during a search of a suspected drug dealer's trailer home, according to the FBI and other agencies. A woman who was living at the home and worked for a Los Alamos subcontractor has been linked to the disks by investigators, officials said.

Authorities said the disks appear to contain classified material. An FBI search warrant filed in connection with the case has been sealed.

The investigation -- which was revealed publicly on Tuesday -- is the latest potential embarrassment for the Los Alamos lab, which is under new management and undergoing changes designed to improve security. The lab is one of the nation's three nuclear-weapons-research facilities.

Los Alamos Director Michael Anastasio confirmed the potential breach of security in a statement yesterday. He said that the lab is cooperating with the FBI and is implementing extra security measures.

"This is a serious matter, and we are taking immediate steps to address it," Anastasio said, adding that "we intend to do everything possible to guard against any criminal activity, particularly where a breach of security may be involved."

The National Nuclear Security Administration, which oversees Los Alamos, said it has begun its own investigation and has sent a "cyber security team" to New Mexico to review procedures.

The case began after the Los Alamos Police Department responded to an Oct. 17 domestic dispute complaint at the home. Officers found drug paraphernalia and other evidence of methamphetamine trafficking, officials said. A search through records in the home revealed the computer disks, and the FBI was notified.

FBI spokesman Bill Elwell in Albuquerque said no charges have been filed.

"We are at the stage of going through the evidence and assessing its importance," he said.

Former Los Alamos Subcontract Worker Probed In Breach (Update1) (BLOOM)

By Robert Schmidt

Bloomberg, October 26, 2006

Oct. 25 (Bloomberg) -- The FBI is investigating a possible security breach at Los Alamos National Laboratory in New Mexico after people familiar with the matter said local police found what may be classified information while searching a residence for drugs.

The potential security breach involves a former employee of a subcontractor at the nuclear-weapons laboratory, lab director Michael Anastasio said in a statement. He didn't identify the ex- employee or give further details. U.S. Energy Secretary Samuel Bodman told reporters in Washington the former employee was a woman and had worked as an archivist.

``We take this matter very seriously," Bodman said. ``It is on my priority list." He said the former employee had worked on ``archiving data from past history and making that available in electronic form so that it could be stored and accessed."

Special Agent Bill Elwell of the Federal Bureau of Investigation's Albuquerque office said local police called the bureau after finding ``evidence they thought would be of interest to us" while searching for methamphetamines at a private residence. The officers went to the home Oct. 17 in response to a call about a domestic dispute, and the FBI conducted a search Oct. 20, Elwell said.

Two law-enforcement officials who asked not to be identified said the evidence appeared to be classified information, stored in a computer file, from the Los Alamos lab.

Storage Devices

According to Los Alamos Police Department records, officers searching the home in a trailer park confiscated drug paraphernalia as well as three portable computer storage devices that allow users to transfer and carry data. Justin Stone, 20, was arrested on a warrant for a probation violation, police records said.

Anastasio's statement said the lab is ``fully cooperating with the FBI on this matter and we intend to do everything possible to guard against any criminal activity, particularly where a breach of security may be involved."

The Los Alamos facility has had security issues in the past. In 2004, work at the lab was halted when two computer disks with classified information were reported missing. It was later learned the disks never existed.

The laboratory also fired scientist Wen Ho Lee in 1999 after he was accused of passing nuclear secrets to China. Lee, who spent nine months in solitary confinement, was never charged with espionage and later pleaded guilty to one count of mishandling classified information. A federal judge apologized to Lee for the government's conduct in the case.

Man Once Held In Wales' Death Seeks New Venue For Gun Charge (AP)

AP, October 26, 2006

SEATTLE - A gun collector once jailed as a material witness in the assassination of a federal prosecutor is seeking a change of venue for an unrelated weapons charge.

Albert K. Kwan, of suburban Bellevue, says he cannot get a fair trial on the charge - possession of an unregistered machine gun - because in the public's mind, his case "is inseparably intertwined with that of the murder investigation of Assistant United States Attorney Thomas C. Wales," his lawyers wrote in a court filing this week.

Wales, an 18-year veteran of the U.S. attorney's office in Seattle and the president of the gun-control group Washington CeaseFire, was shot as he worked in the basement of his home in Seattle's Queen Anne Hill neighborhood on Oct. 11, 2001. The murder weapon was a Makarov pistol outfitted with a replacement barrel.

A nationwide search for the gun led the FBI to Kwan, who, agents say, purchased two of the barrels from a Minnesota company but has only turned over one of them. Kwan says he doesn't recall ever purchasing a second barrel.

In searching Kwan's home in January 2005, agents found what they say was an illegal, unregistered M-14. Kwan was charged with the gun count last month, although his attorneys say the weapon didn't meet the definition of a machine gun because parts had been welded to prevent it from firing automatically. They also insist the government brought the charge to "squeeze" him and ensure his cooperation with the grand jury investigating the Wales crime.

Last week, Kwan's lawyers filed court papers saying he would fully cooperate with the grand jury and take a lie-detector test.

Kwan's lead attorney, Joe Conte, said Wednesday he did not expect U.S. District Judge Thomas Zilly to move Kwan's trial on the weapons charge out of the Western District of Washington.

"It's very hard to win a venue change," he said.

Kwan was held for three weeks in January 2005 as a material witness in the Wales case. Conte said in the court filing that because of the news coverage, potential jurors are likely to "equate defendant's prosecution with the first killing of a federal prosecutor in our nation's history."

Conte has said his client was not involved in Wales' death.

The U.S. attorney's office did not have any immediate response to the request, said spokeswoman Emily Langlie.

An attachment to a separate filing by Kwan's lawyers sheds light on the FBI's search for Makarov replacement barrels.

The attachment, a letter from special prosecutor Steven Clymer to Assistant U.S. Attorney Bill Redkey in Seattle, says that the two barrels Kwan is alleged to have purchased were among 69 shipped by the Minnesota company, Federal Arms Corp., to addresses within a 50-mile radius of Wales' home. As of January 2005, when Kwan's house was searched, the FBI had yet to locate 30 of them.

The FBI said this month it has located and test-fired about half of the 3,600 Makarov barrels that Federal Arms sold nationwide prior to the killing.

DOJ_NMG_0086535

Family Faces New Charges In Military Secrets-to-China Case (MERCN)

By Gillian Flaccus

The San Jose Mercury News, October 26, 2006

SANTA ANA, Calif. - Five members of a family accused of scheming to send sensitive information about Navy warships to China were indicted Wednesday on new conspiracy charges, prosecutors said.

The indictment, handed down by a federal grand jury, added counts of conspiracy to export U.S. defense articles to China; possession of property in aid of a foreign government and making false statements to federal investigators.

Named in the supplemental indictment were Chi Mak, a U.S. citizen who worked for Anaheim defense contractor Power Paragon; his wife, Rebecca Laiwah Chiu; his brother, Tai Mak; Tai Mak's wife, Fuk Heung Li; and their son, Billy Yui Mak.

Li, 49, and her 26-year-old son already faced charges of making false statements and acting as agents of a foreign government, namely China, without prior notification to the U.S. attorney general.

Chi Mak, 66, Tai Wang Mak, 57, and Rebecca Laiwah Chiu, 62, were previously charged with one count of failing to register as a foreign agent.

The government claims that Chi Mak passed information about U.S. naval technology from his employer to his brother and that his nephew, Billy Mak, then helped encrypt the files onto CD-ROM computer disk. That disk was found hidden the luggage of Tai Mak and his wife after they were arrested in October 2005 at Los Angeles International Airport as they prepared to travel to Hong Kong and Guangzhou, China, authorities said.

Attorneys for the Maks said they were not aware of the new indictment until contacted by The Associated Press.

Ronald Kaye, an attorney for Chi Mak, said his client worked with sensitive information as part of his daily job, but never misused it or stole intelligence.

"My client is involved in an area of technology that is not classified - is not even prohibited from distribution," Kaye said. "It's a strong sign that they are desperately trying to find whatever counts can stick. They've overcharged this case consistently."

Stanley Greenberg, an attorney for Rebecca Chiu, also said his client was innocent.

"It really doesn't matter how they keep changing the format of the charges. The evidence will eventually show she's not guilty, because it all grows out of the same facts," Greenberg said.

John Early, an attorney for Tai Mak, said he had not seen the indictment and couldn't comment. Attorneys for Fuk Li and Billy Mak and the Mak family attorney didn't immediately return calls left after business hours Wednesday.

According to the FBI, Chi Mak told investigators his brother was giving the information to a researcher at the a Chinese university center that conducts operations research for and receives funding from the People's Liberation Army.

Prosecutors have said previously that authorities recovered from the disk restricted documents on the DDX Destroyer, an advanced technology warship. They also allege that they found two tasking lists in Chinese asking Mak to get documents about submarine torpedo technology, electromagnetic artillery systems, weapon standardization, early warning technology used to detect incoming missiles, and defenses used against nuclear attack.

The FBI originally arrested Chi Mak and his wife for investigation of conspiracy to steal U.S. government documents. That allegation was never charged, and no one has been charged with espionage in the case.

The new indictment includes three counts of actual and attempted unlawful export of defense articles for Chi Mak; one count of possession of property in aid of a foreign government for Tai Mak; one count each against Chi Mak, Tai Mak and Rebecca Chiu for making false statements; and one count against all five family members for conpsiracy to export defense articles.

Chi Mak is in custody pending a March 20 trial. The other four are scheduled for trial on May 15. Tai Mak and Billy Mak are in custody; Fuk Li and Rebecca Chiu are free on bail.

A hearing on several defense motions is scheduled for Nov. 17.

5 In Family Charged With Military Data Conspiracy (LAT)

By H.g. Reza, Times Staff Writer

The Los Angeles Times, October 26, 2006

DOJ_NMG_0086536

One was an engineer on a submarine propulsion project. Defense lawyers say the government is straining to make a case.

Five family members already facing charges for allegedly failing to register as agents of the Chinese government faced new charges Wednesday after a federal grand jury indicted them on charges of conspiring to export sensitive military information.

The 15-count indictment unsealed in Santa Ana includes allegations raised last year against lead defendant Chi Mak and three of his relatives but never pursued by the government until now. Instead, Mak, his wife, Rebecca Laiwah Chiu, and his brother, Tai Wang Mak, were charged Nov. 15, 2005, with failing to register as agents of a foreign government.

The new indictment accuses them of conspiring to export technical data regarding sensitive submarine and warship technology to China, and possessing military-related articles aimed at aiding that country. They are also accused of lying to federal investigators.

Also named in the indictment are Tai Mak's wife, Fuk Heung Li, and their son, Yui Mak. The five family members live in Downey and Alhambra.

Prosecutors did not return telephone calls Wednesday but previously had said Chi Mak received requests for specific military information from unnamed Chinese officials. In the conspiracy alleged by the government, Chi Mak and his wife copied the material onto CD-ROM disks and gave them to Tai Mak. Yui Mak encrypted the data and his parents allegedly tried to take them to China in October 2005.

Chi Mak, 66 and a naturalized U.S. citizen, was the lead project engineer on a contract to develop a quiet electric-drive propulsion system for U.S. Navy submarines at Paragon Power in Anaheim.

Authorities said he had security clearance that gave him access to sensitive technical information.

His wife, Chiu, 63, is also a naturalized citizen. Both are originally from China, as are the other defendants.

Federal prosecutors acknowledged last year that the information Chi Mak and the others gathered was not classified. In fact, much of it can be found on the Internet.

Wednesday's indictment, however, says the president has the authority "to control the import and export of defense articles" by placing them on the United States Munitions List, apparently even if they are readily accessible to the public. Articles placed on the list can be exported only by agents of a foreign government registered with the Defense Department, according to the indictment.

The court document does not say whether the articles the defendants allegedly conspired to export to China were on the government's munitions list, or when they might have been placed there.

Attorney Ron Kaye, who represents Chi Mak, said none of the information in his client's possession was restricted.

"The government has a history of overstating this case," he said. "They said he stole government property and retracted the charge. They said he was engaged in espionage and they retracted the charge. They're throwing everything at him, hoping something will stick."

Early in the case, prosecutors also alleged that Chi Mak had obtained plans for a nuclear power plant in New York. Later, however, they said it was merely directions from the airport to the plant that he had downloaded. According to Kaye, Chi Mak's company had a contract with the facility.

John Early, who represents Tai Mak, said the government was "having a hard time picking a charge."

"If it took them a year to figure out that the information was on a restricted list, I'll be interested to see the government's evidence to support the charges," Early said.

Chi Mak, Tai Mak, 57, and Yui Mak, 26, are being held without bail.

hgreza@latimes.com

Enforcer Faces Charges In Trooper Threat (PHI)

By George Anastasia

The Philadelphia Inquirer, October 26, 2006

Bodybuilder and mob enforcer Vincent "Big Vincent" Filipelli was ordered held without bail yesterday for allegedly threatening an undercover New Jersey State Police trooper involved in an organized-crime gambling investigation.

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Authorities said Filipelli, 53, made the threat at a South Philadelphia "gentleman's club" where a meeting had been set up to discuss a gambling debt he was attempting to collect.

The onetime competitive weight-lifter was unaware that the two men he was meeting with were both undercover state troopers and that one of them was wearing a body wire.

The meeting occurred in May at the Crazy Horse Too, an upscale go-go bar and restaurant on South Columbus Boulevard, according to a document made public during a federal court hearing in Camden yesterday.

Filipelli allegedly told the undercover investigator who owed the money that he would be hurt if he did not pay up.

"Filipelli [said] that he would track him down and put him in the hospital for a year," according to an affidavit filed by FBI agent James A. Titcombe, who worked the case with the state police.

Later, as he was driving back to Cherry Hill with one of the undercover officials, Filipelli boasted that he was a "made" member of the Philadelphia mob, according to the document.

"He was rather brazen," said state police detective Salvatore DeGirolamo.

DeGirolamo, assigned to the casino unit of the State Police Organized Crime Control Bureau South, declined to comment further about the investigation, which began in August 2005 and targeted a mob-run gambling ring. The FBI joined the probe in February, according to court documents.

Filipelli was taking bets and making collections for a South Philadelphia-based mob bookmaker, according to one source familiar with the probe. He and the bookmaker unwittingly began taking bets from the undercover trooper as part of a sting operation.

No one else has been charged in the case, which is built around secretly recorded conversations and extensive surveillance. Authorities emphasized yesterday that the investigation was continuing. More arrests are expected.

Filipelli, who spent Tuesday night in the Camden County Jail, appeared yesterday before U.S. Magistrate Judge Anne Marie Donio. The judge set a bail hearing for Monday and ruled that Filipelli would remain in federal custody until then.

Filipelli was charged with gambling, extortion and traveling interstate - from Cherry Hill to Philadelphia for the meeting at the Crazy Horse Too - to commit a crime of violence.

Assistant U.S. Attorney Jacqueline Carle, in seeking to have Filipelli held without bail, argued that he was a danger to the community. The tape in which he threatened the undercover trooper may be played at Monday's hearing to support that argument.

Donald Manno, Filipelli's attorney, argued that his client was not a threat. He pointed out that the alleged incident had occurred in May and that authorities had left Filipelli on the streets until his arrest Tuesday.

Filipelli also faces additional gambling, loan-sharking and money-laundering charges lodged by the state police. Authorities are expected to expand those charges to include weapons and drug offenses.

Detectives found a stun gun and what appeared to be vials containing steroids during a search of Filipelli's home in the 500 block of New York Avenue in Cherry Hill on Tuesday, according to the state police.

Manno said he suspected the federal charges were "part of something bigger." He said his client had rejected an offer to cooperate.

"He's not cooperating and he's not likely to cooperate," Manno said. "It just isn't in him."

Filipelli served more than four years in prison after pleading guilty to federal and state extortion charges in 1995.

At a sentencing hearing in 1996, a federal prosecutor described him as an "international-class athlete [who] basically became a thug" for the mob.

Authorities Arrest Reputed Mobster On Federal Charges (NSDY/AP)

Long Island Newsday, October 26, 2006

CAMDEN, N.J. (AP) _ Authorities have arrested a reputed organized crime family member on charges stemming from an investigation into illegal sports gambling, state police said Wednesday.

State police, working with the FBI's Philadelphia office, arrested Vincent Filipelli, 53, at his Cherry Hill home on Tuesday. They seized anabolic steroids and drug paraphernalia valued at $10,000, two stun guns, gambling records and cash, according to state police.

Filipelli faces state and federal charges related to a sports betting operation and the distribution of illegal drugs, specifically anabolic steroids, said state police Sgt. Stephen Jones.

He was being held without bail Wednesday at the Camden County jail, pending a federal hearing.

According to state police, Filipelli was a former bodyguard for John Stanfa, boss of the Philadelphia La Cosa Nostra organized crime family.

During an undercover investigation that included two state police detectives, Filipelli threatened one of the undercover detectives, whom he believed owed him a debt, telling him he would put him in the hospital for a year, according to state police.

Gotti Says Detective Helped In Killing Of A Witness (NYS)

By Jerry Capeci

New York Sun, October 26, 2006

At a secret session with the feds last year, John "Junior" Gotti fingered a former NYPD detective as a money-hungry rogue who gave up confidential information about a 1983 barroom murder — information that Gambino wiseguys used to kill a witness whose death has been officially ruled a suicide for more than two decades, Gang Land has learned.

Law enforcement sources said Gotti attributed his stunning account about the death by hanging of Vinny Cennamo to what he was told several years after the fact by mobster Angelo Ruggiero, a close ally of Gotti's late father who died of cancer in 1989.

Police reports state that Cennamo, a friend of the murder victim, fingered Mark Caputo, a burly 6-foot-2-inch, 300-pound "bodyguard" whom the elder John Gotti had assigned to watch over his son, as the killer and said he left the bar with Junior.

According to what Junior told the feds, Ruggiero said that he and two other cronies of the elder Gotti used crucial background information supplied by the detective to whack Cennamo and make it appear to be a suicide, the sources said.

At the time of the conversation, Junior told the feds, Ruggiero was on the outs with the Dapper Don, who was boss of the crime family by then and had placed Ruggiero "on the shelf," a designation that essentially stripped him of all his rights and responsibilities as a wiseguy.

In 1983,though, Ruggiero was a close cohort and fierce ally of the elder Gotti, and a man whom 19-year-old Junior often referred to as his "uncle." It was to Uncle Angelo's house that Junior went in the early hours of March 12, 1983, immediately after the fatal 2 a.m. stabbing of Danny Silva at the Silver Fox Bar in Ozone Park.

A day or two later, Junior told the feds, he drove Ruggiero to a meeting at the Sherwood Diner in Lawrence, L.I., where he saw Ruggiero give detective John Daly a $25,000 bribe as "insurance" that Junior, who had been at the bar but was not implicated in the slaying by any witnesses, would not become a focus of the murder probe, the sources said.

According to the sources, Junior said he watched from his car as Ruggiero gave Mr. Daly a brown paper bag that contained $25,000 during a brief meeting behind the diner. When the meeting broke up, Mr. Daly, who had interviewed Gotti about the brawl, acknowledged Gotti as he walked past the car and left the area.

Private Eye Says He Rejected Plea Deals (MH)

By Greg Risling

The Miami Herald, October 26, 2006

LOS ANGELES - Imprisoned private investigator Anthony Pellicano said Wednesday he rejected numerous attempts by federal prosecutors to negotiate a plea bargain in his Hollywood wiretap case because he didn't want to break the trust of celebrities, lawyers and other former clients.

"At least 10 times in this case I've been offered a plea bargain. It's not going to happen," Pellicano told The Associated Press in a phone interview from federal prison.

Pellicano said he intended to remain silent, even though he said Hollywood is infested with "great white sharks" who don't play by the rules and constantly lie to get what they want.

Pellicano, 62, has pleaded not guilty to racketeering and wiretapping charges and is scheduled for trial next year.

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He is the accused ringleader of a wiretapping scheme used to get dirt to aid clients in legal disputes. Prosecutors said Pellicano enlisted the aid of law enforcement and phone company employees by bribing them to collect information.

Scant details of the operation have been released. But prosecutors contend Pellicano illegally wiretapped Sylvester Stallone and had police officers run the names of more than 60 people, including comedians Garry Shandling and Kevin Nealon, through government databases.

Federal prosecutors said months ago that at least one more indictment was coming. But no new defendants have been named since "Die Hard" director John McTiernan was charged in early April. He has pleaded guilty to making false statements to an FBI agent and is awaiting sentencing.

Pellicano claimed the 112-count indictment brought against him and six other defendants was the work of an "overzealous" prosecutor.

"I don't think the government wants me badly, it's the prosecutor," Pellicano said. "Perhaps this prosecutor thought this would be a stepping stone to make him popular, get a feather in his cap."

The prosecutor, Assistant U.S. Attorney Dan Saunders, declined to comment.

Pellicano said encrypted audio files taken from his office during FBI raids won't lead to charges against any Hollywood power players.

The tapes "will do nobody any good to learn about my family life and my client life," he said.

Fourteen people have been charged in the case, with six pleading guilty to a variety of charges, including conspiracy and wire fraud. Charges are still pending against Pellicano and six others. One former SBC employee was acquitted by a jury last month.

Federal authorities also have questioned prominent entertainment attorney Bert Fields and studio bosses Brad Grey of Paramount Pictures and Ron Meyer of Universal Studios about their connections to Pellicano. All three denied wrongdoing.

Pellicano built his career by working for a galaxy of Hollywood stars. He found the remains of Elizabeth Taylor's third husband after they were stolen from a cemetery in a case that brought him widespread acclaim. He also worked for Michael Jackson when the pop singer was first accused of molesting a boy in 1993.

The federal government once relied on his expertise as an audio forensics specialist in several major trials, including the 1963 killing of four black girls in the bombing of a Baptist church in Birmingham, Ala.

Pellicano called that case the "shining moment" in his career.

He said people often accept plea bargains to save themselves.

"I won't be a rat for anyone no matter what the consequence is to me," Pellicano said. "If I spend the rest of my life in prison, so be it."

Silicon Valley Bank Manager Sentenced For Embezzling $1.13M (SDUT/AP)

Associated Press

The San Diego Union-Tribune, October 26, 2006

SAN JOSE – A former manager of a Silicon Valley bank was sentenced Wednesday to nearly a year and a half in federal prison for embezzling $1.13 million from her employer over a decade.

U.S. District Court Judge Jeremy Fogel ordered Rose Magpantay Valdez, 44, to serve 33 months, followed by three years of supervised release, and also to pay back all of the money she stole.

Valdez pleaded guilty to embezzlement in July, after an investigation by the FBI.

The San Jose resident worked for the Silicon Valley Bank from 1984 until 2005, serving as a department manager in the Santa Clara branch from 1995 until 2005. Valdez told investigators she began stealing money in 1995, moving funds from one general ledger account to another.

In her plea, Valdez acknowledged filling out debit and credit slips with barely legible, fictitious names. She'd initial the slips and submit them to another authorized employee to approve and initial. When the employee would return the slips, Valdez would replace the deposit slips with her own slips in the same dollar amount into her personal SVB account.

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Valdez continued depositing them in her personal SVB account for the next 10 years, with a brief hiatus in 1997, prosecutors said.

FORMER SJ BANK MANAGER SENTENCED FOR EMBEZZLEMENT (BCNW)

Bay City News Wire, October 26, 2006

SAN JOSE (BCN) -- A former longtime bank manager was sentenced in federal court in San Jose today to two years and nine months in prison and ordered to pay $1.1 million in restitution for embezzlement from her employer.

Rose Valdez, 44, of San Jose, worked for Silicon Valley Bank from 1984 to 2005. From 1995 to 2005, she was manager of the structured finance department at the bank's office on Tasman Drive in Santa Clara.

She pleaded guilty in July to one count of bank embezzlement.

U.S. Attorney Kevin Ryan said Valdez admitted in her guilty plea to stealing funds and placing them in her own account at the bank by taking advantage of a weakness in the security systems then in place.

As a manager, Valdez had the authority to move funds from one from general ledger account to another, with the approval of one of several other authorized bank employees.

Ryan said Valdez admitted to scribbling illegible names on credit and debit slips, getting other employees to initial the slips, and then substituting deposit slips for her own account for the phony slips.

The sentence was pronounced by U.S. District Judge Jeremy Fogel, who also ordered Valdez to serve three years on supervised release after completing her prison term.

The investigation in the case was carried out by the FBI together with the bank's security personnel.

Man Gets 12 Years For Porn (LUFDN)

By Jessica Savage, The Lufkin Daily News

Lufkin Daily News, October 26, 2006

Former church employee had more than 2,100 images of children on his work computer

A former Lufkin church employee was sentenced to more than 12 years in federal prison Wednesday for viewing child pornography on the job, according to a federal court document.

Troy Matthew Phillips, 32, who had worked at First Assembly of God, 2021 S. John Redditt Drive, was handed a 151-month prison sentence by a U.S. District judge after he was convicted of possessing more than 2,100 images of child porn on a work computer, court documents stated.

"This hefty sentence speaks volumes as to the seriousness of this crime," U.S. Attorney Matthew D. Orwig said in a press release announcing the sentence. "These crimes are not victimless. The exploitation of children makes it a tragic case for everyone involved."

In December 2005, a church employee noticed Phillips "acting very strange" at work while intently looking his computer screen, according to a court document. She suspected he was viewing porn on the screen, the document stated.

After senior church officials learned of the incident, they logged onto Phillips' password-protected computer after hours and found some images of nude children, including a photo of a nude child sitting in the lap of a nude male adult, the document stated.

Senior church officials confronted Phillips, who admitted he was addicted to porn, the document stated. A day later, his employment was terminated and church officials turned over the computer to FBI investigators.

Investigators found "numerous images" of children under age 12, including about 20 that were of infants or toddlers, the document stated. Approximately 80 images were considered sadistic in nature, the document stated.

There was also some evidence that Phillips had shared the porn on his computer with other people with use of the Internet, the document stated.

The Lufkin Daily News was unable to contact anyone at First Assembly of God late Wednesday for comment on Phillips' sentence.

As of 5 p.m. Wednesday, Phillips was being held in the Angelina County Jail awaiting transport to a federal prison.

DOJ_NMG_0086541

Killer Of 5 Florida Students Is Executed (NYT)

By Abby Goodnough

The New York Times, October 26, 2006

GAINESVILLE, Fla., Oct. 25 — The serial killer who gruesomely murdered five college students here in 1990 was put to death on Wednesday by lethal injection, and relatives of his victims said afterward that they could finally feel the beginnings of relief.

Danny H. Rolling, 52, was pronounced dead at 6:13 p.m. at Florida State Prison in Starke, about 30 miles northeast of Gainesville. Witnesses said he stared toward them and sang a hymn-type song just before the drugs were administered.

"Maybe now that we don't have this on us," said Dianna Hoyt, the stepmother of one victim, "we can try and relax and live with the memories we have of our children and be at peace."

Mr. Rolling was 36 when he arrived in Gainesville shortly before the fall semester began at the University of Florida, a drifter with a criminal past who pitched a tent in some woods near campus. He followed two freshman roommates, Sonja Larson, 18, and Christina Powell, 17, to their off-campus apartment, raped Miss Powell, repeatedly stabbed both women with a hunting knife and mutilated their bodies.

The police discovered them on Aug. 26, after Miss Powell's parents reported that their daughter was not answering her door or phone. Later that night, the police found Christa Hoyt, 18, dead in her off-campus duplex. Mr. Rolling had raped and stabbed her, severed her head and placed it on a shelf.

The next day, Tracy Paules and Manuel Taboada, both 23, were discovered stabbed to death in their apartment, not far from where the other killings took place. Mr. Rolling attacked Mr. Taboada, a former high school football player, as he slept, then killed Miss Paules. All of the victims were University of Florida students except for Miss Hoyt, who was attending a nearby community college.

Gainesville, a small city of pretty homes and live oaks, was crippled with dread. The campus shut down for a week and many of the 34,000 students scrambled home, some never to return. Others bought baseball bats and Mace, put triple locks on their doors or slept in shifts.

Helicopters with searchlights soared over the city by night. Sorority houses hired full-time security guards, gun sales soared and some townspeople never left their doors unlocked again.

"There aren't words to explain the fear," said Jane Hamby of Pomona Park, Fla., whose son was attending the university at the time and who traveled to the prison for the execution, standing in a field across the road. "We didn't know what his next move would be, but the ones of us who could get to our children got them out of Gainesville."

A long investigation ensued, with 6,500 leads and 1,500 pieces of evidence. At first, the police focused on a mentally ill student who had been evicted from the apartment complex where Miss Paules and Mr. Taboada lived.

But in January 1991, the police discovered Mr. Rolling in a county jail south of Gainesville, awaiting trial in a supermarket robbery. He initially denied committing the murders, but DNA tests ultimately showed he was responsible. He pleaded guilty on the eve of his trial in 1994, telling the judge, "There are some things that you just can't run from."

Mr. Rolling was also believed guilty of three slayings in his hometown, Shreveport, La., but was never tried for those crimes. He attributed his behavior to abuse by his father, a police officer, and to an evil alter ego.

In prison, he drew disturbing pictures and wrote a graphic book, "The Making of a Serial Killer," with a woman who was his fiancée for a time. For his last meal, he asked for lobster tail and butterfly shrimp, prison officials said.

Across the road from the prison, dozens of onlookers gathered into groups for and against the death penalty. It was perhaps the largest turnout for an execution here since that of Ted Bundy, who was put to death at Florida State Prison in 1989 after being suspected of murdering more than 30 young women across the nation.

Two University of Florida students who had driven up from Gainesville said they were generally against the death penalty, but not in Mr. Rolling's case. They were only 6 when the murders happened, they said, but read all about them on the Internet after enrolling at the university.

"We feel connected to these murders," said Allison Kirkpatrick, 22, a senior. "It was a random year, it was random people, but it could have been our year, it could have been us."

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A wall near campus is painted with the names of the victims, hearts and “Remember 1990.”

Mr. Rolling was the third death row inmate executed here in recent weeks, and like the others he had filed a late appeal claiming that the lethal injection procedure was so painful as to be unconstitutional.

But Bill Cervone, the state attorney for the Eighth Judicial Circuit and a witness to the execution, said Mr. Rolling’s death did not seem punishing enough.

“To watch his death in such an antiseptic and clinical environment convinces me that the punishment does not fit that crime,” Mr. Cervone said. “We are, however, a society of laws, and the law governed what we carried out this evening.”

Laurie Lahey, the sister of Tracy Paules, said she had been reluctant to witness Mr. Rolling’s death but felt exhilarated afterward.

“Once everything quiets down, I’ll think about Tracy and I’ll be sad,” she said. “But right now, he’s gone. He’s gone.”

Plotting Crime, Street By Street (WP)

By Allison Klein

The Washington Post, October 26, 2006

D.C. police have launched a new crime-mapping tool on the department's Web site, allowing anyone to create a map of a sliver of the city and immediately see what crimes have happened there this year.

Cartoonish icons are used to pinpoint crimes. If you map your neighborhood, you do not want the Zorro-like mask to pop up -- it indicates an armed holdup. Or worse, the red figure of a person lying in the street, which denotes a homicide. The site also features goblin-looking masks for muggings, money sacks for thefts, gas cans for arsons and cracked houses for burglaries.

But it's the easy access to the information, not the symbols, that authorities believe will draw people to http://crimemap.dc.gov . For example, it takes only a few clicks to discover that during the past six months there have been 15 robberies, 72 thefts and 18 vehicles stolen within 1,000 feet of Chinatown's Verizon Center.

Most police departments make crime numbers available to residents, and many have Web sites that allow people to search for the number of crimes in specific areas. But few can match the District's new site, with its searchable fields that include museums, stadiums, gas stations and check-cashing locations. The site's level of detail rivals or surpasses those of departments in Baltimore, Chicago and Los Angeles.

"Some people may think that if you tell people about crime in their neighborhood, they will be scared off," said D.C. police spokesman Kevin Morison. "We think if we give people information, they will be prepared."

Police Chief Charles H. Ramsey said he believes increasing the level of crime awareness will make neighborhoods safer. The information gets residents involved, he said, "so they can be even stronger partners in community policing."

When Long & Foster Real Estate agent Michael Dillon learned of the online maps yesterday, he joked that he might prefer to stay in the dark about crime. "It's kind of scary," he said. "Maybe I don't want to know."

But Dillon quickly noted that it will be useful for him to direct home buyers to the Web site when they ask the inevitable question: "Is it safe to live here?"

"We can't answer that. They have to look for themselves," Dillon said. "Everybody has a different threshold for crime."

Like most law enforcement agencies, D.C. police have been mapping crimes internally for years. They have used the information to look for trends and to help with officer deployment. Additionally, D.C. police have shared the data with residents at community meetings. But the department just started making the information available to the public on a widespread basis, largely in response to demand.

"They really wanted to handle inquiries about crime data," said Barney Krucoff, director of geographic information systems for the District and one of the creators of the online maps. "The benefit to them is they don't need to handle those in e-mail and paper."

Most crime information is updated daily, but homicides can take up to a week to appear. Most major crimes are included in the search using the department's preliminary data. Crimes such as drug dealing, prostitution, disorderly conduct and vandalism are not included.

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Krucoff said he thinks he has a good "first version" of the technology but is working on updating the program to include more information, such as arrests. The program took about four months to develop and was made by the city's technology department without specified grant or funding, Krucoff said.

Other cities that have crime mapping technology generally use colored dots to differentiate among crimes. Krucoff said his team decided to use the icons, which look like they are straight out of a 1980s video game, simply because they could.

"Maybe we're more creative than the other cities," he said. "We're a little prettier."

Police said they have not gotten any complaints yet about the symbols being too flippant for the serious subject matter.

The crime maps, which are not accessible using some browsers, are mostly tailored to home in on a neighborhood and will only show crimes in chunks of the city, rather than citywide. The largest area that can be queried online is a police district, and data can be searched as far back as two years.

And there are other limitations. The system will not map an area if a search draws more than 500 crimes, meaning that it is impossible to map a month of crime in the entire 3rd Police District, because there were 607 reported crimes there in the past 30 days. Instead, clicking on that district, which includes neighborhoods north of downtown such as Adams Morgan, Dupont Circle and the U Street corridor, will turn up a list of crimes broken down by offense.

Some police departments in the region want to add technology similar to that used in the District.

In Montgomery County, police spokeswoman Melanie Hadley said that the department is gearing up to provide crime data on online maps, but the system will not be available until the agency fully transitions to a new crime reporting system.

D.C. police said they have gotten positive feedback since the maps went online, and the suggestions they have gotten mostly have had the same theme.

"People want more data, presented in more sophisticated ways," Morison said.

Staff writers Ruben Castaneda, Tom Jackman, Ernesto LondoÃ±o and Theresa Vargas contributed to this report.

Justice Department Webcast Focuses On Hiring, Retaining New Police Officers (PADN)

By Brian Babcock

Palo Alto (CA) Daily News, October 26, 2006

Police departments struggling to hire and retain qualified police officers participated in a U.S. Department of Justice webcast Tuesday to discuss strategies for addressing the problem.

While there was a time when departments had the flexibility to reject would-be recruits, a new generation of qualified potential officers isn't interested in the profession, which many regard as short on pay and benefits.

"Most of us have been in this profession for a while," said East Palo Alto Police Chief Ron Davis, who took part in the hour-and-a-half webcast. "Not to date ourselves, but we come from a different era. ... The job became your life and I think, probably for good reasons, this generation looks at a more balanced and tempered approach."

About 25,000 people logged on to watch mayors and police chiefs from San Diego to Hattiesburg, Miss., discuss ways to grab and keep the attention of potential police officers.

As the panel jumped from topic to topic, a major theme of the webcast was the new generation's wants and needs. The panel discussed ideas such as speeding up the hiring process, which can take up to nine months, and using different techniques and technologies, such as the Internet, to recruit new officers.

"This is a generation that's used to instant results," said Maj. Jim Previtera of the Hillsborough, Fla., County Sheriff's Department. He said police departments have been too slow in utilizing tools the private sector uses to recruit new employees.

Previtera said his department reached out to the marketing firm that does the Outback Steakhouse commercials to help with its recruiting.

Davis said police departments need to ask themselves if the qualifications they ask recruits to have are unreasonable. Davis gave the example of denying a potential recruit because they'd tried marijuana once when they were in their teens.

"Our process is so unrealistic that we are encouraging our candidates to lie," he said. "Then we have a polygraph test to catch them lying and then ask them why they lied."

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Davis said he doesn't want to lower the standards for officers but wants to re-examine the hiring process. He also said departments might need to relax standards for facial hair and body piercings.

"We need to accept that they're different," Davis said. "They're not bad or worse."

The East Palo Alto Police Department is suffering from a high attrition rate. Within the last couple of months, the department has lost about six officers for various reasons and has hired two San Mateo County Sheriff's Department deputies. Davis has said he expects to hire as many as 12 officers within the next 12 months to flesh out the force.

Ed Daley, city manager of Winchester, Va., said in a taped feature that he doesn't believe there is a best practice for recruiting new officers. He said this generation has different priorities and police departments and city officials need to identify those needs.

"If we're going to be competitive ... then I think you either flex, change, adapt or perish," Davis said. "I think it's that simple."

E-mail Brian Babcock at bbabcock@dailynewsgroup.com.

CIVIL LAW:

The Supreme Court's Crusade: Fairness For The Powerful (NYT)

By Adam Cohen

The New York Times, October 26, 2006

When Jesse Williams died of lung cancer, his widow sued Philip Morris, claiming it misled him about the danger of smoking. A jury agreed, awarding her $79.5 million in punitive damages. The Oregon Supreme Court affirmed the award, calling Philip Morris's decades of deception "extraordinarily reprehensible."

The United States Supreme Court is hearing arguments in the case next week, and the broader business community has joined Philip Morris in asking the court to sharply reduce the damages. They are relying on a controversial line of recent cases in which the court struck down punitive damages awards that it deemed "excessive."

The Philip Morris case will tell us a lot about the John Roberts court, which may be the most pro-business court in decades. It is a test of whether the court will abandon its conservative principles to be activist and "rights-making" when the party that needs help is a large corporation. It will also reveal whether the court will continue on its current disturbing path of giving corporations more protection from excessive punishment than it gives to people.

The court began its punitive damages crusade in 1996, in the case of a man who sued BMW for failing to tell him that the new car he bought had been damaged and repainted. The man won $4,000 in compensatory damages and $2 million in punitive damages. The Supreme Court set aside the punitive damages award as so "grossly excessive" that it violated due process, but the court declined to lay out any clear standards for when an award was too high.

In 2003, in a fraud case against State Farm Insurance by a policyholder, the court struck down $145 million in punitive damages. It held that the award was excessive since compensatory damages were only $1 million. That 145-to-1 ratio was unacceptable. Due process generally required, the court held, a "single-digit ratio" between punitive and compensatory damages.

These rulings are remarkably "activist" by all the traditional measures. They take a vaguely worded constitutional guarantee — that no one shall be deprived of property without "due process of law" — and translate it into a right that is not at all apparent from the words' plain meaning. They attempt to turn the guarantee into a precise mathematical formula. And they substitute the judges' worldview for that of elected officials. If Oregonians believe punitive damages are too high, their legislature can impose a legal cap.

These activist decisions, which give corporations valuable constitutional privileges, relied on the votes of conservative justices, who are supposedly skeptical of "judge-made" rights. Justices Sandra Day O'Connor and Anthony Kennedy provided key votes for BMW. Justice Kennedy wrote the State Farm "single-digit ratio" opinion, and Justice O'Connor and former Chief Justice William Rehnquist joined it.

The contrast with the court's decisions on punishment of human wrongdoers is stark. In 2003, the court considered the sad case of Leandro Andrade, a father of three who was given a minimum of 50 years in prison under California's tough "three strikes"

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sentencing law, for shoplifting $153.53 worth of videotapes from Kmart. He argued that his prison term violated the Eighth Amendment. The Supreme Court — in a majority joined by Justices O'Connor and Kennedy and Chief Justice Rehnquist — could find nothing excessive in the punishment.

Based on the Constitution's words, Mr. Andrade certainly had a stronger case than BMW or State Farm. The Eighth Amendment expressly bars "cruel and unusual punishments," which might reasonably be interpreted to cover imprisoning a man from age 37 to 87 for stealing $153.53. The companies claimed only that the punitive damages awards violated their "due process" rights, a far greater textual stretch.

On the issue of what is "excessive" punishment, Mr. Andrade's claim is also stronger. It is hard to see how it is excessive to make Philip Morris, whose market capitalization is $166 billion, pay a mere $79.5 million for "extraordinarily reprehensive" and lethal conduct, but not excessive to make Mr. Andrade spend what is likely to be the entire second half of his life in prison for a petty theft.

The question of whether there should be constitutional limits on punitive damages has proved difficult to resolve, and it has caused divisions in both the court's liberal and conservative blocs. (It is one of the very few issues in which John Paul Stevens votes with corporations and Antonin Scalia votes against them.) Whatever the court decides, it should develop a constitutional theory of excessive punishment that covers human and corporate wrongdoers equally, as the Duke Law School Professor Erwin Chemerinsky and others have urged.

The current doctrines make no sense, least of all by the standards of conservative constitutional interpretation. Conservatives like to talk about the "framers' intent." The framers were deeply concerned about excessive punishment, and set forth their views on it in the Eighth Amendment. They would be perplexed that the high court they created believes their Constitution permits a father to remain in jail for 50 years for petty theft, but does not tolerate taking a fraction of the wealth from a company that kills people.

Sticks And Stones May Break Bones, But Warsaw, Ind., Makes Replacements (WSJ)

By Timothy Aeppel

Wall Street Journal, October 26, 2006

WARSAW, Ind. -- When Don Running and his two partners decided to start up a company specializing in orthopedic plates and screws to mend broken wrists two years ago, it was a given that they would set up shop here.

Silicon Valley has computers. Detroit has cars. But in orthopedic devices, the undisputed world capital is Warsaw, a city of 12,500 with a silver-domed 19th-century courthouse and pickups angled into the curb on Main Street.

Part of a replacement knee from Zimmer Holdings, the largest orthopedics employer in the industry capital, Warsaw, Ind.

Three of the world's five largest makers of artificial joints and related surgical tools have their headquarters here amid the lakes and fields of northeastern Indiana. The local industry has grown so much that it's now a regional force, with orthopedics companies popping up in nearby farm towns and the suburbs of Fort Wayne, about 50 miles to the east.

"How many orthopedic-implant engineers do you find walking around most places?" asks Mr. Running. "Well around here, you bump into them in the supermarket."

Memphis, Tenn., and northern New Jersey are other industry hotspots, but none rivals Warsaw for sheer concentration. And while major orthopedics companies are looking overseas for cheaper places to produce items such as basic bone screws and metal plates, the U.S. retains a firm grip on the industry.

A big reason is that the U.S., with its population of fast-aging baby boomers, injury-prone weekend athletes and overweight people, is by far the world's biggest market for artificial hips and knees. The U.S. represents an estimated $14 billion of the annual spending in a global market of $22.9 billion, according to Knowledge Enterprises Inc., a Chagrin Falls, Ohio, market research firm.

The U.S. also effectively protects manufacturers in the sector with strict regulations for devices that go inside the human body. Rather than risk problems -- and crippling lawsuits -- U.S. health-care providers buy their artificial joints from companies they know, which generally means buying American.

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Profits are so good in the orthopedics industry that there isn't much pressure on suppliers to shave costs by going to low-cost countries. "The reason this business is in Warsaw and not Mexico is because margins are 70% or better," says Ron Clark, an orthopedic surgeon who founded his own company in Fort Wayne, which is on the other side of the state from his home in Valparaiso, in part so he could be closer to Warsaw. Dr. Clark says savings from going abroad just aren't worth it.

A worker (top) at Zimmer; surgeons (bottom) practice joint replacements there.

To be sure, the industry's dynamics may be starting to change. Health-care providers are starting to push back against the industry's steady price increases, raising concerns among investors about whether profits for Warsaw companies and others can keep up the brisk growth.

There are other shadows over Warsaw's future. The U.S. Justice Department has opened two probes of orthopedics makers in the past two years, including an antitrust investigation in which Smith & Nephew PLC, of the U.K., has confirmed that one of its independent sales representatives tried to initiate an industry-pricing strategy in response to a U.S. hospital's bid request. Other producers, including those in Warsaw, have said they didn't respond to the suggestion.

The big implant makers also received a separate batch of subpoenas in early 2005 regarding an investigation of any financial ties between them and surgeons who recommend their products. Doctors work closely with device makers to develop and refine artificial joints, and the companies have long paid surgeons as consultants and designers.

At least for now, though, Warsaw's orthopedics businesses continue to hum. The industry got its start here over a century ago, when a Canadian pharmacist, Revra DePuy, came up with the idea of making flexible splints to replace the wooden barrel staves then used to set broken bones.

The company he created thrived and exists today as DePuy Inc., a unit of Johnson & Johnson. It eventually spawned other companies, as people left to start competing operations. Indeed, Warsaw's largest employer is Zimmer Holdings Inc., founded by a DePuy salesman who broke out on his own in the 1920s. Today, about 60% of the workers who live within seven miles of Warsaw are directly or indirectly engaged in orthopedics manufacturing, says Joy McCarthy-Sessing, president of the local chamber of commerce.

Such a concentration of one industry in such a small town is unusual, but the larger phenomenon isn't unusual at all. Many of the strongest U.S. manufacturers set up production far away from urban centers, with their high taxes, labor, and utility costs, and instead look for locations in small towns, close to major highways and railways. Proximity to transportation hubs allows for smooth logistics in an age of just-in-time deliveries. Warsaw, for instance, sits astride a highway, U.S. 30, connecting Fort Wayne and Chicago.

Economists have long known that businesses thrive when they congregate in one place. Think of Hollywood movie studios, or the Route 128 technology ring around Boston. The same holds true in manufacturing. "Companies that operate in clusters have greater access to talent," explains Jeffrey Grogan, partner at the Monitor Group, a Boston strategy consulting firm. They also serve as fertile ground for start-ups.

Mr. Running's company, Deo Volente Orthopaedics LLC, is a prime example. Mr. Running first met his partners, Rod Mayer and Jeff Ondrla, when the three were working together at DePuy in the early 1990s. Mr. Running and Mr. Ondrla are engineers and inventors, and Mr. Mayer's background is in sales.

Mr. Mayer got the idea for the company after seeing that the market for "extremity" devices, such as plates and screws for fixing broken wrists, wasn't then as developed as it was for major joints, such as hips and knees. The three were eager to get away from big-company bureaucracy.

And as often happens in the close confines of Warsaw, the partners' connections stretch into their personal lives: They were attending the same evangelical church in 2004 when they launched the company. Deo Volente means "God willing" in Latin.

The three men agree it is a hefty advantage to have so much of what they need at their fingertips. "It's a lot easier to drive across town and visit a supplier then it is to pick up the phone and try to talk through some complicated issue," says Mr. Ondrla.

Warsaw is dotted with small support businesses, from packaging firms that specialize in super-clean processes to machine shops. There are even multiple manufacturers of the plastic trays and cases needed to pack orthopedic kits. A total hip replacement, for instance, can require up to 22 cases of equipment and each case and tray is specially designed.

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The region surrounding Warsaw has long been home to the U.S. automotive and machinery industries, churning out a stream of skilled machinists, toolmakers and industrial engineers. Orthopedics makers opening up shop in Warsaw found a ready supply of skilled workers, particularly in recent years as the more-traditional sectors have slumped.

Whole companies in the region have switched over to serving the orthopedics industry in recent years, including the small factory contracted to do most of the production for Deo Volente: Three years ago, Micropulse Inc., of nearby Columbia City, Ind., stopped doing any work for the automotive and other old-line industries -- which once accounted for over half of its business -- to focus on orthopedics.

"Half of our customers were closing, so we divorced them all," says Brian Emerick, president of Micropulse. His company is now growing 25% a year, he says.

CIVIL RIGHTS:

List Errors Might Impede Voters (AP)

By Deborah Hastings

AP, October 26, 2006

Between every registered voter and the voting booth is The List. And if you're not on it, you might not be able to cast a ballot.

One of the biggest changes wrought by the Help America Vote Act is the mandate that every state must have a voter registration database up and working by the Nov. 7 general election. But a dozen states missed the Jan. 1 deadline for finishing their databases, which produce lists of registered voters for every precinct. And four states have been sued by the Justice Department.

That leaves a confusing array of systems that may or may not work come Election Day, voting rights groups say. And it creates a growing anxiety that registered voters with every right to cast a ballot will be turned away because their names are not on the list for a variety of reasons, including something as innocuous as a typo.

"No issue is more important on Election Day than the quality of the list," said Doug Chapin of the nonpartisan reform group electionline.org. "Those databases are the final say on whether a person gets to vote."

The regulation was designed to assure that each state would have a central, independent repository for all registered voters - created by cross-checking voter registrations with existing state records to make sure dead people, incarcerated felons and others not eligible to cast a ballot were removed from the rolls. It was also supposed to make it easier to vote by having a single list instead of scores of county-based rolls.

Using driver license data and Social Security numbers, state officials were supposed to match that data to voter registration cards. It didn't take long for unforeseen problems to pop up. Someone may use a middle initial on his/her voter registration card, but not on his/her driver license. Married women may change their names, but not on every form of identification. Data entry errors can, and often do, occur.

"In theory, it looks like a really good idea," said Chapin. "But it's not as easy to match information on databases as they originally thought."

In September 2004, New York City decided to do a trial run. The board of elections sent 15,000 registration records to the Department of Motor Vehicles to match license numbers on the voter cards to those in the DMV. The results? Nearly 20 percent couldn't be matched because of typos made by city employees.

Earlier this year, the Department of Justice sued New York, Alabama, New Jersey and Maine for failing to implement statewide lists. The states have reached agreements with the Justice Department, most in the form of interim databases.

In March, the Brennan Center for Justice at New York University released a nationwide survey of voter registration databases. "Making the List" concluded the new list requirement could result "in millions of eligible voters being denied access to the polls."

Sometimes it's not the database that's the problem. Sometimes it's the technology for looking at the database.

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In Maryland's September primary, some precincts couldn't access the state database because of computer software glitches, and there were no printouts to consult. Some machines mysteriously rebooted without warning. Both caused voting delays. Officials said those problems will be rectified by Nov. 7.

But in some small counties, in states with smaller populations, databases are no trouble at all.

"We already know everybody here, so it's not a problem," said election official Bill Conway, who oversees the voting of about 7,000 people in Arkansas' Desha County. "I know everybody in the county, and they know me. We do our own database. We already know everybody who's going to vote."

See: www.electionline.org www.brennancenter.org

Black Groups Urge 3 To Resign From Ga. Election Board (AJC)

By Ernie Suggs, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, October 26, 2006

Key leaders of two of Georgia's strongest black organizations are calling for the resignations of three members of the State Election Board for mailing letters to voters that suggested photo ID would be required to cast a ballot Nov. 7.

At a news conference on the steps of the state Capitol, officials from the Georgia State Conference of the NAACP and the Coalition for the People's Agenda urged Republican-appointed members Tex McIver, Randy Evans and Jeff Israel to resign from the election board for their part in sending out about 300,000 letters that they say were designed to suppress minority turnout on election day.

David Worley, a Democratic appointment to the five-member board, and Secretary of State Cathy Cox, who is also a Democrat and serves as the board's chair, were not asked to resign.

"We believe this was a deliberate attempt to confuse the voters. A deliberate attempt to further disenfranchise voters," said NAACP President Edward O. DuBose. "The damage has already been done and we are asking those board members to resign."

McIver, vice chairman of the board who headed up the letter campaign, said he intends to stay in office until his term expires in 2008.

"I was voted in by the Georgia state Senate. Everyone in that room, including Democrats, voted for me," McIver said. "And I intend to serve until my term is up. I very much regret that politics continue to creep into the good works of the SEB. We are trying to get people to the polls as best we can. That is our mission."

Calls to Evans and Israel were not immediately returned.

Twice this fall, the board sent letters to 300,000 potential voters believed to not have a valid driver's licence or state-issued ID. The first letter, mailed in September, explained how to get a free photo ID, and suggested one was required to vote Nov. 7. About 200,000 of the first batch of letters were sent after a judge voided the state's new photo ID voting requirement Sept. 19.

The election board, under threat of a civil suit filed by former Gov. Roy Barnes, voted this month to mail a second letter clarifying that photo ID is not required to vote in Georgia.

For many, that is not enough. Rep. John Lewis (D-Atlanta) has asked U.S. Attorney General Alberto Gonzales for a federal investigation into the mailings, and the Rev. Jesse Jackson is pushing the issue at a conference he is conducting this week in Atlanta.

When the original 300,000 letters were being prepared to be sent out — before the judge's ruling — the election board unanimously approved the initial mailing. But after the judge's decision, nearly 200,000 of the letters went out under the direction of McIver. Evans drafted the letter. Worley has said the mailing should have been stopped after the judge declared the law unconstitutional.

"Politics have mussed up the election process," said Helen Butler, executive director of the Coalition for the Peoples' Agenda, an alliance of more than 20 civic organizations and churches. "The board has violated the trust of the citizens of Georgia."

Manassas May Face 2nd Lawsuit (WP)

By Nick Miroff, Washington Post Staff Writer

The Washington Post, October 26, 2006

DOJ_NMG_0086549

Discrimination Alleged Over Rejected Permit

The Manassas City Council's decision this week to reject the home business permit application of a part-time massage therapist has raised the possibility the city could face another lawsuit alleging discrimination.

West Street homeowner Howard Daniel, who is gay, says that a climate of homophobia pervaded the council's consideration of his application. The 4 to 3 vote Monday to deny his application has prompted him to consider legal action against the city, he said.

"There's little doubt that we're going to pursue this," said Daniel, who attended the meeting accompanied by a lawyer. "It's not over."

The threat of civil litigation hangs heavily over Manassas with the city already under investigation by the Justice Department for allegedly discriminating against Hispanic residents in violation of the Fair Housing Act. Some council members said they were frustrated that the decision on Daniel's application was being construed as discriminatory, saying that the matter was strictly a zoning issue.

"Most of the people who protested against him made it clear they like him as a neighbor," said Jackson H. Miller (R), who voted against Daniel's application. "What they don't want is a home-based business in their neighborhood."

Daniel, 44, is a licensed massage therapist who treats patients on a part-time basis in their homes and at Prince William Hospital. He applied to the city in July for a special-use permit that would allow him to see clients in the home he shares with his partner, Richard Devine, three blocks from the commercial district of Manassas's Old Town.

Since the City Council had approved permits for both of the other massage therapy home business requests it had received in the past, and Daniel's proposed client load was smaller, Daniel said he was encouraged to apply by the city planning office, which later recommended approval by the City Council. Daniel's immediate neighbors then signed a petition supporting his application.

But when the city had a public hearing Sept. 18, nearly two dozen city residents spoke against Daniel's request, expressing concerns about increased traffic, children's safety and the presence of "unknown" people in the neighborhood. Many were members of a local church, All Saints Catholic Church, who do not live in the neighborhood. An anti-gay message was later written on the car of one of Daniel's supporters, further escalating tensions.

Daniel has maintained that all of his opponents' concerns are addressed in his business plan, which limits his part-time practice to one patient every 1 1/2 hours, and specifies that clients will park in his driveway. But as council member Miller announced just before Monday's vote, the council had received another petition earlier in the day with the signatures of 20 additional West Street residents opposed to Daniel's request.

That wasn't the only last-minute issue. The council also received a letter from the American Civil Liberties Union of Virginia warning its members not to deny Daniel a permit on the basis of his sexual orientation because that would violate the Equal Protection Clause of the Constitution. Virginia ACLU legal director Rebecca K. Glenberg said the letter wasn't a threat to sue, but "people are free to construe it that way."

"It's unfortunate to see this business permit denied based on what appear to be discriminatory reasons and arising on the heels of Manassas's problems of housing discrimination against Latino Americans," Glenberg said.

During the meeting, Mayor Douglas S. Waldron (R) warned council members to be "very careful" about what they said, given the legal and media scrutiny brought by the case and the allegations.

"We all struggled with this vote and have gotten e-mails from all over the country," council member Steven S. Smith (R) said just before the vote. "And here we are."

Council members Andrew L. Harrover (R), Harry J. Parrish (R) and J. Steven Randolph (I) voted for Daniel's permit. Voting against it were Miller, Marc T. Aveni (R), Smith and Waldron, who cast the tiebreaking vote.

Right Hopes For Boost From N.J. Ruling (FWNS)

By David Crary

The Fort Wayne News-Sentinel, October 26, 2006

DOJ_NMG_0086550

The New Jersey Supreme Court ruling Wednesday that ordered equal rights for same-sex couples was instantly hailed by gay-rights leaders, but it also energized their conservative adversaries, who predicted a backlash in their favor in the Nov. 7 election.

"This is a wake-up call for people who believe that marriage doesn't need constitutional protection," said Glen Lavy, senior counsel for the Alliance Defense Fund, which has opposed same-sex marriage in numerous court cases nationwide.

Bill Donohue, president of the Catholic League, called the ruling "a plus" on the premise it would stir up resentment of "arrogant judges" and boost conservative election prospects.

Eight states - Arizona, Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin - will be voting Nov. 7 on constitutional amendments that would ban same-sex marriages and, in most cases, civil unions as well.

To conservative activists, the logic is that right-of-center voters who may have felt alienated by events such as the House page scandal involving former Rep. Mark Foley will now be motivated to go to the polls. And those voters will be more inclined to pull the lever for Republican candidates in key races such as that of GOP Sen. George Allen in Virginia.

Gay rights leaders disagree, saying gay marriage is not as volatile an issue as it was in the 2004 election, which took place only months after the nation's first legal gay marriages in Massachusetts.

Joe Solmonese, president of the Human Rights Campaign, noted that the New Jersey high court had given the state legislature 180 days to decide whether to offer same-sex couples marriage or some other form of partnership such as civil unions.

"The ability of the radical right to whip their base into a frenzy is limited," Solmonese said. "Voters are angry - they're looking for their leaders to talk about issues like the war in Iraq, and aren't having any part of throwing a group of Americans out there as a wedge issue."

Evan Wolfson, a gay-rights lawyer who heads Freedom to Marry, said the eight anti-gay marriage amendments likely would have passed even without the New Jersey ruling.

"It's always been an uphill fight to defeat any of these attack measures," he said. "I don't think today's ruling will make much difference. If we see margins of defeat smaller than before, that will be sign of progress."

Twenty states have previously passed constitutional amendments aimed at blocking gay marriage, mostly by large margins. But gay-rights activists have nurtured hopes of breaking that streak in one or more of the eight states with marriage ballot measures this year.

Hopes for an upset victory have been particularly high in Wisconsin, where a broad coalition of unions, church leaders, students and others has been opposing the proposed ban.

Mike Tate, campaign leader for the anti-ban group Fair Wisconsin, was hopeful that voters would not overreact to the New Jersey ruling.

"I don't think this decision is going to help the other side mobilize its base," he said. "They will try, but I don't think today changes one iota and one vote in Wisconsin."

However, Julaine Appling, head of the campaign advocating the marriage ban, said the court ruling only helped what she already considered a winning cause.

"At the expense of the people of New Jersey, this is the very best example of what our amendment is trying to prevent," she said. "This is a court redefining marriage without any input directly or indirectly from the people."

Matt Daniels, who as head of the Alliance for Marriage has been seeking a federal constitutional ban on gay marriage, said the New Jersey ruling would re-energize his cause - even if Democrats gain seats in Congress and thus diminish the prospects for such an amendment.

"We're not going to fold up our tents and go home," Daniels said. "This is going to be settled at the national level, one way or the other. We can't have a cohesive society if it's left to the option of the states."

New Jersey Court Orders Equality For Gay Couples (WSJ)

By Jess Bravin And Jeanne Cummings

The Wall Street Journal, October 26, 2006

DOJ_NMG_0086551

New Jersey's Supreme Court ordered legal equality for same-sex couples, in a politically charged ruling that the state constitution gives them the same rights as married heterosexuals. But the court left it to the Legislature to decide whether to formally recognize such unions as marriage.

In an opinion seeking to balance a sexual minority's rights with the social mores of the majority, Justice Barry Albin distinguished between the "right to marry" and the "rights of marriage," ruling that New Jersey's constitution guarantees same-sex couples the substantive elements of the latter, but not the symbolic meaning of the former.

THE COURT'S DECISION

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Read the court's statement (pdf file)2 issued with its decision in Lewis v. Harris, by arrangement with FindLaw3.

"Although we cannot find that a fundamental right to same-sex marriage exists in this state, the unequal dispensation of rights and benefits to committed same-sex partners can no longer be tolerated," Justice Albin wrote for the majority in the 4-3 decision. New Jersey had adopted several laws codifying gay rights, including a 2004 law giving same-sex couples many of the rights of married couples.

The three dissenters contended that the majority didn't go far enough, arguing that gays were entitled to the label as well as the rights of marriage.

Coming less than two weeks before midterm elections, the ruling quickly entered the political fray, with Republicans hoping it would energize their base of social conservative voters.

New Jersey Sen. Robert Menendez, a Democrat, is seen as his party's most vulnerable incumbent. In a statement, Mr. Menendez backed the court decision. "I have always believed marriage is between a man and a woman," he said, but gay couples "with a lifetime commitment to each other" should enjoy full legal rights.

The Republican challenger for the U.S. Senate, state Sen. Tom Kean Jr., opposed New Jersey's 2004 Domestic Partnership Act and said the state constitution should be amended to overturn the court ruling, according to a spokeswoman.

Republicans hope yesterday's decision will draw attention to ballot initiatives in eight states -- Arizona, Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin -- that would ban same-sex marriage. Twenty states already have adopted such constitutional provisions; an Ohio initiative is credited with giving President Bush a critical edge in the 2004 presidential race.

But the New Jersey decision gives Republicans little ammunition to argue their judicial nominees will hold the line on gay rights. All three dissenters, who found that the state constitution requires full gay marriage, were appointed by a Republican governor, Christine Todd Whitman. One Whitman appointee joined the more-conservative majority, along with three appointees of former Gov. James McGreevey, a Democrat who resigned in 2004 after acknowledging his own homosexuality.

The New Jersey ruling modified a 2005 lower-court decision that likewise found no right to gay marriage, but stopped short of ordering the Legislature to equalize the rights of same-sex couples with heterosexuals. The 2005 opinion suggested gay couples could challenge specific laws that denied them the same rights as married couples.

The decision gives the Legislature 180 days to include gays within the definition of marriage or grant them equal rights under some other name. It follows the lead set by Vermont and Connecticut, which provide gay civil unions equality with marriage. Massachusetts, under a ruling of its highest court, is the only state to permit gay marriage.

The New Jersey court said it recognized "the cultural clash over same-sex marriage" and that the term "marriage" holds "an evocative and important meaning to both parties." In granting homosexuals the substance but not the symbolism of marriage, Justice Albin wrote, "We do not have to take...[an] all or nothing approach."

Prof. Frank Askin, at Rutgers Law School in Newark, N.J., said the ruling could cost employers who likely would be required to treat gay couples equally with married couples. "If benefits are provided to spouses, I think they will have to be provided to homosexual couples as well," he said.

Ruling On Gays May Echo At Polls (USAT)

By Charisse Jones And Andrea Stone

USA Today, October 26, 2006

DOJ_NMG_0086552

Same-sex couples in New Jersey must be given all the benefits and rights enjoyed by married men and women, but state lawmakers will have to decide whether they can officially wed, the state's highest court ruled Wednesday.

The ruling leaves open the possibility that state lawmakers will follow the lead of Vermont and Connecticut and allow "civil unions." Such unions afford same-sex couples the same state rights as marriage but not the title. New Jersey lawmakers have 180 days to respond to the court's mandate. Massachusetts, which authorized same-sex marriage in 2003, remains the only state that allows gays to legally wed.

The New Jersey ruling comes less than two weeks before the Nov. 7 elections in which Republicans are battling to retain control of Congress.

Tony Perkins of the conservative Family Research Council predicted that the ruling would "give momentum" to efforts in eight states to pass constitutional amendments outlawing same-sex marriages.

Conservative activist Gary Bauer, head of the group American Values, said the ruling could swell the turnout of conservative Republicans in general.

"We're already noticing that those voters are getting more engaged, so there could be a surprise on Election Day," Bauer said. "This decision, particularly because it's a court decision, reminds voters that who controls the Senate makes a difference."

Sherry Bebitch Jeffe, a political scientist at the University of Southern California, said the ruling "will remind people in those eight states that the question is alive" but doubted it will energize conservative voters elsewhere.

Forty-five states have laws or constitutional amendments barring gay marriage. New Jersey has neither.

The case the New Jersey court ruled on Wednesday was filed on behalf of seven gay couples who argued that being denied the right to marry violated equal-protection guarantees in the state's constitution. "Although we cannot find that a fundamental right to same-sex marriage exists in this state, the unequal dispensation of rights and benefits to committed same-sex partners can no longer be tolerated under our state constitution," Associate Justice Barry Albin wrote in the decision by the court.

"This is very much a victory for same-sex couples in New Jersey because the court has sent a clear message that they deserve the same protections as all the long-term, committed heterosexual couples in that state," said Joe Solmonese, president of the Human Rights Campaign, a national gay civil rights group.

The ruling throws another issue into the close race between Sen. Robert Menendez, D-N.J., and his Republican challenger, state Sen. Tom Kean. The race is critical to which party controls the Senate.

It forces them to "talk about an issue they would prefer not to, a complex value issue on which reasonable people disagree," said David Rebovich of the Rider Institute for New Jersey Politics.

Menendez and Kean said they believe marriage is between a man and a woman. "I would support an amendment to the state constitution reaffirming that," Kean said. Menendez said he supports civil unions.

N.J. Court Opens Door To Gay Marriage (AP-Y)

By Geoff Mulvihill

AP, October 26, 2006

New Jersey's highest court opened the door Wednesday to making the state the second in the nation to allow gay marriage, ruling that lawmakers must offer same-sex couples either marriage or something like it, such as civil unions.

In a ruling that fell short of what either side wanted or most feared, the state Supreme Court declared that gay couples are entitled to the same rights as heterosexual ones. The justices gave lawmakers 180 days to rewrite the laws.

The ruling is similar to the 1999 high-court ruling in Vermont that led the state to create civil unions, which confer all of the rights and benefits available to married couples under state law.

"Although we cannot find that a fundamental right to same-sex marriage exists in this state, the unequal dispensation of rights and benefits to committed same-sex partners can no longer be tolerated under our state Constitution," Justice Barry T. Albin wrote for the four-member majority.

The court said the Legislature "must either amend the marriage statutes to include same-sex couples or create a parallel statutory structure" that gives gays all the privileges and obligations married couples have.

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The vote was 4-3, with the three dissenting justices arguing that the majority did not go far enough. They asserted that gay couples should have the "right to the title of marriage" as well as its benefits.

Gay rights activists had seen New Jersey as a promising place because it is a largely Democratic state in the Northeast. The only state to allow gay marriage is Massachusetts. The only states allowing civil unions are Vermont and Connecticut. New Jersey is also one of just five states that have no law or constitutional amendment expressly banning gay marriage.

If the court had legalized gay marriage outright, the effect could have been more far-reaching, and New Jersey could have become more of a magnet for gay couples than Massachusetts, which has a law barring out-of-state couples from marrying there if their marriages would not be recognized in their home states. New Jersey has no such law.

A clear-cut ruling legalizing gay marriage this close to Election Day could also have been a political bombshell, galvanizing Republicans and the religious right. Eight states have gay marriage bans on their ballots in November.

New Jersey Republicans, who are in the minority in the Legislature, said they would work to ban same-sex unions by enacting a constitutional amendment.

For gay rights advocates, there was debate over whether the ruling was a victory.

Lara Schwartz, legal director of Human Rights Campaign, said if legislators have to choose between civil unions and marriage, it is a no-lose situation for gay couples. "They get to decide whether it's chocolate or double-chocolate chip," Schwartz said.

Steven Goldstein, executive director of Garden State Equality, New Jersey's main gay rights group, said his organization wants nothing short of marriage. "We get to go from the back of the bus to the middle of the bus," he complained.

The New Jersey high court castigated the treatment same-sex couples receive under the law.

"The seeming ordinariness of plaintiffs' lives is belied by the social indignities and economic difficulties that they daily face due to the inferior legal standing of their relationships compared to that of married couples," the court said.

Outside the court, news of the ruling caused confusion, with many of the roughly 100 gay marriage supporters outside asking each other what it meant.

"I'm definitely encouraged," said Chris Lodewyks, one of the plaintiffs who gathered at a Newark law office. But he added, "I'm not sure what this exactly means in terms of marriage."

Another plaintiff, Saundra Toby-Heath, was more effusive: "I feel they were listening and paying attention to us as human beings who wanted to have the same rights."

Garden State Equality, New Jersey's main gay political organization, quickly announced that three lawmakers would introduce a bill in the Legislature to give full marriage rights to gay couples.

"New Jersey is a progressive state and has a tradition of tolerance," said one of the lawmakers, Democratic Assemblyman Reed Gusciora.

GOP Assemblyman Richard Merkt said he would seek to have all seven justices impeached. "Neither the framers of New Jersey's 1947 constitution, nor the voters who ratified it, ever remotely contemplated the possibility of same-sex marriage," Merkt said.

Gay couples in New Jersey can already apply for domestic partnerships under a law passed in 2004. Among other things, domestic partnerships give couples the right to inherit possessions if there is no will and health care coverage for partners of state employees.

Democratic Gov. Jon S. Corzine supports domestic partnerships, but not gay marriage.

Former Gov. James E. McGreevey, who resigned in 2004 after announcing that he was gay and had an affair with a male staff member, praised the court's decision. "I applaud the court's courage," McGreevey said. "I regret not having had the fortitude to embrace this right during my tenure as governor."

Supporters pushing for full gay marriage have had a two-year losing streak in state courts, including those in New York, Washington state, and both Nebraska and Georgia, where voter-approved bans on gay marriage were reinstated.

They also have suffered at the ballot boxes in 20 states where constitutions have been amended to ban same-sex unions.

Cases similar to the one ruled on Wednesday, which was filed by seven gay New Jersey couples, are pending in California, Connecticut, Iowa and Maryland.

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New Jersey's Justices Agree On All But The 'M' Word (NYT)

By Adam Liptak

The New York Times, October 26, 2006

It was a 4-to-3 decision, but all that divided the two sides in yesterday's New Jersey Supreme Court ruling on how the state should treat gay couples was a single word: marriage.

"What's in a name?" Justice Barry T. Albin mused in the majority decision.

The answer, it seems, is a lot.

All seven justices were in vehement agreement that gay and lesbian unions must be guaranteed all of the rights and benefits that come with heterosexual marriages. And all agreed that it was the court's role, in interpreting the State Constitution, to ensure that gay partnerships were in every legal particular equal in status to marriage.

But the vocabulary, the majority continued, must be committed to politics. "If the age-old definition of marriage is to be discarded," Justice Albin wrote in the decision, "such change must come from the crucible of the democratic process."

The court gave the State Legislature 180 days to come up with legislation guaranteeing gay people a legal mechanism to have their unions recognized in identical practical terms as those afforded to heterosexual marriages. It left for another day the question of whether the contours of and, more important, the label attached to that mechanism would satisfy the State Constitution.

The three dissenting justices would have gone further and faster, insisting that gay people are entitled not only to the particulars of marriage but also to the symbolism that surrounds it. "We must not underestimate the power of language," Chief Justice Deborah T. Poritz wrote for the dissenters.

The majority opinion, legal experts said, has found a political sweet spot.

"This makes sense as statesmanship," said Andrew Koppelman, a law professor at Northwestern University and the author of "Same Sex, Different States." "The word 'marriage' seems to push people's buttons in a major way."

The high court in Massachusetts, the only state that allows gay marriage, ruled that civil unions were not an adequate substitute. In a 2004 decision, one of its justices boiled the dispute down to a single letter. "We have a pitched battle over who gets to use the 'm' word," Justice Martha B. Sosman wrote in a dissent.

Though the seven gay couples who sued for the right to marry in New Jersey had insisted that nothing less would suffice and that marriage by another name was stigmatizing and discriminatory, their lawyers expressed satisfaction with yesterday's result on a practical level.

"It's a win," said Susan L. Sommer, a lawyer with the Lambda Legal Defense and Education Fund, which represents the couples. "We would have liked marriage tomorrow, but this is great progress."

Opponents of gay marriage said they were troubled by what the court left open. "I sort of think this is a temporary reprieve," said Maggie Gallagher, the president of the Institute for Marriage and Public Policy. "The Legislature could do civil unions, but the court has reserved the right to rule two or five years down the road that that's not good enough."

As they looked forward, though, the two sides were focused on symbols as much as on legal rights.

The meaning of marriage is special, said Evan Wolfson, the executive director of Freedom to Marry, a nonpartisan gay rights group.

"You wear it on your hand," he said. "Language matters. Symbols matter. One of the main protections that comes with marriage is the vocabulary that everyone understands."

Ms. Gallagher used similar phrases to reach an opposite conclusion. "Ideas matter," she said. "Marriage as a legal structure is not nearly as important as it is as an instrument of civil society."

The major shortcoming in the majority decision, she added, was its failure to engage some of the possible values and social implications of marriage. "The court really refused to consider the idea that marriage has anything to do with procreation and paternity," she said.

High courts in New York and Washington relied on those interests to justify bans on gay marriage in their states, but the New Jersey attorney general's office, to the dismay of many opponents of gay marriage, did not press those arguments.

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Should the State Legislature ultimately give gay unions a name other than marriage, Mr. Wolfson said, it would amount to discrimination. "I don't think there is an American in the country," he said, "who would cash in their marriage in exchange for a civil union."

Mr. Wolfson said that the New Jersey Legislature should "end discrimination in marriage, not repackage it."

In their dueling opinions yesterday, the two sets of justices agreed on at least this much: the meaning of a single word is now a crucial battleground in the culture wars.

What they disagreed about is who should decide what it means. The majority said it was the Legislature; the dissenters said the courts.

In an aside, though, Justice Albin noted that in any event, "same-sex couples will be free to call their relationship by the name they choose."

The dissenting justices suggested the court's failure to require gay marriage as such was tantamount to the endorsement of pernicious discrimination.

"Labels set people apart as surely as physical separation on a bus or in school facilities," Chief Justice Poritz wrote.

Justice Albin responded that courts can do only so much. "Plaintiffs seek not just legal standing," he wrote, "but also social acceptance."

Gay Marriage Backers Plan Big Push To Sway Trenton Lawmakers (NYT)

By David Kocieniewski

The New York Times, October 26, 2006

TRENTON, Oct. 25 — The New Jersey Supreme Court may have conferred the rights of married couples to same-sex partners in a long-awaited decision on Wednesday, but it also made it clear that the fight for gay marriage did not end with its decision.

The next appeal for gay rights advocates, the court emphasized, "must be to their fellow citizens whose voices are heard through their popularly elected representatives."

The issue revolves around a single word — whether to call this newly constructed relationship, which has all the rights and obligations of marriage — a marriage.

But it will be far from simple when the issue lands a few blocks away at the State House, where the governor and the Legislature have 180 days, according to the court, to come up with an answer.

Gay rights advocates say they will press hard to call this new legal relationship a marriage and not something else, such as a civil union. Many conservatives, meanwhile, have promised to push for a constitutional amendment to ban gay marriage — just as some lawmakers are doing now in Massachusetts, where that state's Supreme Judicial Court validated a right to gay marriage in 2003.

And one Republican lawmaker in New Jersey has promised to seek the impeachment of all seven justices — an unlikely quest in the Democratic-controlled Legislature.

Gov. Jon S. Corzine and top legislative leaders — all Democrats — are on record as opposing gay marriage and saying they view marriage as a union between a man and a woman.

Two years ago, New Jersey Democrats managed to sidestep the gay marriage issue when they passed a domestic partnership law that offered same-sex couples some — but not all — of the rights that married couples have.

Now the issue is back, and there appears to be no getting around it. And for lawmakers, it comes as all 120 members of the Legislature face re-election in 2007.

Governor Corzine said he welcomed the court's conclusions, adding, "I look forward to the legislative process implementing the court's decision."

But in a joint statement, Richard J. Codey, the Senate president, and Joseph J. Roberts Jr., the Assembly speaker, indicated that Democrats would not go the extra step of defining the new legal partnership as a marriage.

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Another top Democrat, Senator Raymond J. Lesniak of Union County, echoed that point. He said that he and other members of the party's caucus had discussed a compromise, which would extend the marriage rights to gay couples but classify their relationships as "civil unions."

"Marriage has been a religious institution adopted by the government and a lot of religions have defined it in a way that that excludes gays," Mr. Lesniak said. "That's not what the government does, and the court clearly demands that we offer gay couples the same rights and obligations that heterosexual couples have under our marriage laws. But we can do it in a way that respects people's religious beliefs."

A similar approach was used by Vermont legislators after that state's high court struck down gay marriage law according to William N. Eskridge Jr., a Yale Law School professor who has written extensively on the issue.

But partisans of both sides of the gay marriage divide say they would not be satisfied with that approach. Garden State Equality, which has lobbied for gay marriage rights, began airing a television commercial asking for "marriage equality."

Republicans, meanwhile, indicated that they will be wary about attempts to alter New Jersey's current domestic partnership law. State Senator Leonard Lance, the minority leader, said he thought the court was overstepping its bounds by ordering legislators to rewrite the law.

Although the battlefront has shifted to the State Legislature, the ruling nonetheless had some spillover into New Jersey's tight race for the United States Senate.

Both Senator Robert Menendez, a Democrat, and State Senator Thomas H. Kean Jr., his Republican challenger, oppose gay marriage, so it has not been an issue in their campaigns. But Mr. Kean responded to Wednesday's court decision by saying that he would favor a constitutional amendment to ban gay marriage. Mr. Menendez said that he supported civil unions and would oppose any constitutional amendment that would take away people's legal rights.

But the immediate response to the court's decision, he said, "is now up to the Legislature to decide."

New Jersey Court Backs Full Rights For Gay Couples (NYT)

By David W. Chen

The New York Times, October 26, 2006

TRENTON, Oct. 25 — New Jersey's highest court ruled on Wednesday that gay couples are entitled to the same legal rights and financial benefits as heterosexual couples, but ordered the Legislature to decide whether their unions must be called marriage or could be known by another name.

In a decision filled with bold and sweeping pronouncements about equality, the New Jersey Supreme Court gave the Democratic-controlled Legislature 180 days to either expand existing laws or come up with new ones to provide gay couples benefits including tuition assistance, survivors' benefits under workers' compensation laws, and spousal privilege in criminal trials.

All seven justices agreed that the state's Constitution demands full legal rights for same-sex partners. But its ruling, 4 to 3, revealed a split in how to proceed. The majority said that lawmakers, not the court, should decide whether to call those arrangements a marriage, a civil union or something else. The three dissenters went further, asserting that gay couples, like their heterosexual counterparts, must be allowed to wed.

The New Jersey court did not go as far as Massachusetts, which in 2003 became the first state to permit gay marriage. Instead, it could be considered the new Vermont, which created civil unions for gay couples in 2000, in the politically, legally and culturally charged world of same-sex marriage.

"Our decision today significantly advances the civil rights of gays and lesbians," Justice Barry T. Albin wrote for the majority. "We have decided that our State Constitution guarantees that every statutory right and benefit conferred to heterosexual couples through civil marriage must be made available to committed same-sex couples."

But the ruling passed along the thorniest question, of whether true equality demands the same name, to the Legislature, saying "such change must come from the crucible of the democratic process."

Within minutes of the court's 3 p.m. announcement, three Democratic Assemblymen, working with Garden State Equality, a gay rights organization, said they would introduce a bill demanding marriage.

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But reaction from their fellow legislators was guarded, with some saying privately that civil unions, not marriage, would be the likely result. In a joint statement, the Assembly speaker, Joseph J. Roberts Jr., and the Senate president, Richard J. Codey, both Democrats, called the 180-day deadline "unreasonable" and said, "The only remaining issues now confronting the Legislature are ones of terminology and clarification."

For people involved in the legal battle over gay marriage, the decision is an important shift from recent court rulings in New York, Washington state and California that essentially rejected gay couples' claims on marriage and the benefits it confers. And by issuing a nuanced and complicated 90-page ruling that left observers struggling to declare who won and who lost, the court may have neutralized gay marriage as an issue in the Nov. 7 elections, when eight states will consider ballot measures to ban same-sex marriage.

"The decision certainly minimizes what the radical right thought they might have had as a mobilizing tool in the last days of the election," said Joe Solmonese, president of the Human Rights Campaign, a gay advocacy organization.

Nathaniel Persily, who teaches law and political science at the University of Pennsylvania and was a co-author of a recent paper titled "Gay Marriage, Public Opinion and the Courts," praised the justices for "an incredibly smart and politically astute opinion."

"The court has placed itself exactly where a majority of the American people are," Professor Persily said. "A majority of Americans are in favor of equal rights for gays tantamount to marriage, but a majority is also against calling that relationship marriage."

At the same time, he added: "This must be seen as a win for gay rights. They did not get the name they want, but they are getting more rights than could have been imaginable just a few years ago. Who would have thought 50, 20, even 10 years ago that a unanimous state supreme court would have said that gay relationships are entitled to equal rights as heterosexual relationships?"

But conservative groups opposed to same-sex marriage blasted the ruling as an example of the justices essentially trading judicial robes for legislative pens.

"The court is holding a legal gun to the head of the State Legislature, and saying, 'Listen, there are two bullets, you get to pick the bullet: either gay marriage or civil unions,' " said Matt Daniels, president of Alliance for Marriage, an organization based in the Washington area that supports a federal Constitutional amendment banning same-sex marriage. "And that is not democracy. That is court-imposed policy-making that takes this out of the hands of the people."

Until now, courts in many other states — including the Court of Appeals in New York in July — had rejected similar lawsuits by same-sex couples, with the common rationale being that only the legislative branch can define or redefine marriage. No legislature has yet done that, though several states, including New Jersey, and dozens of cities and towns have enacted domestic partnership laws to grant gay couples some benefits in recent years.

Nineteen states have adopted constitutional amendments banning same-sex marriage. Most others have statutory bans, but New Jersey and four other states do not. In addition to Massachusetts, where more than 8,000 gay couples have married in the past three years, Vermont and Connecticut authorize civil unions, which generally offer the same legal protections, if not the same societal status, as marriage.

Wednesday's ruling caps a legal journey begun in 2002, when seven couples who had been denied marriage licenses in their towns filed the lawsuit now officially known as Lewis v. Harris. Two lower courts rejected their constitutional claim, with the Appellate Division ruling in June 2005 that marriage between members of the same sex was neither a fundamental right nor one covered by the constitution's equal-protection clause.

Many gay-marriage advocates thought New Jersey's high court, which heard the case Feb 15, was their best shot at victory.

It is regarded as one of the most liberal and independent in the country, having been among the first to strike down a ban on sodomy and rule in favor of adoption rights for gay couples.

The 4-3 split on Wednesday did not break along traditional political lines: the majority included all three justices appointed by a Democratic former governor, while the three dissenters, who backed the more far-reaching solution of opening marriage to gays, were named by a Republican.

"We do not have to take that all-or-nothing approach," Justice Albin wrote of the marriage question in the majority opinion.

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"We cannot find a legitimate public need for an unequal legal scheme of benefits and privileges that disadvantages same-sex couples," he said. "We cannot find that a right to same-sex marriage is so deeply rooted in the traditions, history, and conscience of the people of this state that it ranks as a fundamental right."

The court also expounded about the importance of equal treatment to protect children, diverging from the rulings of other state courts, which had said protecting procreation was one rationale for limiting marriage to heterosexual couples.

"There is something distinctly unfair about the state recognizing the right of same-sex couples to raise natural and adopted children and placing foster children with those couples," Justice Albin said, "and yet denying those children the financial and social benefits and privileges available to children in heterosexual households."

In the dissenting opinion, Chief Justice Deborah T. Poritz argued that the semantic distinction of marriage versus civil unions was itself a meaningful one, arguing that the institution "bestows enormous private and social advantages."

Agreeing that same-sex couples deserve the same rights and benefits as heterosexual ones, she wrote that she "can find no principled basis, however, on which to distinguish those rights and benefits from the right to the title of marriage."

As the case now moves from the domain of the courts to that of the legislature, some parties are gearing up for a fight.

Several Republican legislators — including State Senator Thomas H. Kean Jr., who is in a close race to unseat United States Senator Robert Menendez — said on Wednesday that they would like to see an amendment to the State Constitution banning same-sex marriage. But with the Democrats in control of both legislative chambers, and Mr. Codey and Mr. Roberts voicing opposition, such a ban seems unlikely.

At the same time, Garden State Equality, the gay rights group, began its lobbying campaign for marriage immediately after the decision, buying several weeks of television time for a new advertisement that began appearing on cable Wednesday night.

The ad features a cancer-stricken police officer, Lt. Laurel Hester, recalling her fight for death benefits for her female partner. Ms. Hester, bald and struggling to breathe, taped the commercial before she died early this year. The ad concludes with words appearing on the screen that read, "Support marriage equality. Your gay neighbors are depending on you."

New Jersey Says Gay Couples Have The Same Rights As Straight Couples (KCS)

The Kansas City Star, October 26, 2006

By Stevenson Swanson

Chicago Tribune

(MCT)

NEW YORK - In a ruling that could make New Jersey the second state to legalize gay marriage, the state supreme court said Wednesday that gay couples have the same right to the benefits of marriage as heterosexual couples.

The court, whose decision had been awaited for months by advocates on both sides of the contentious debate over same-sex unions, said the state constitution's guarantee of equal rights applied to gay and lesbian couples, but it stopped short of ordering state officials to legalize gay marriage.

Instead, it gave the legislature until April to amend the state's marriage statute to include same-sex couples or to pass a civil union law that provides those couples the same benefits as marriage.

"We do not consider whether committed same-sex couples should be allowed to marry, but only whether those couples are entitled to the same rights and benefits afforded to married heterosexual couples," Justice Barry Albin wrote for the 4-3 majority. "Cast in that light, the issue is not about the transformation of the traditional definition of marriage, but about the unequal dispensation of benefits and privileges to one of two similarly situated classes of people."

The ruling is similar to a 1999 decision by Vermont's supreme court, which resulted in a civil union law. A 2003 ruling by Massachusetts' highest court was more sweeping, making that state the first - and so far only - state with legalized gay marriage, starting in 2004.

Connecticut also allows civil unions between same-sex couples, the result of legislative action that was not prompted by a court ruling.

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The case that resulted in the latest ruling was brought by seven same-sex couples who were denied marriage licenses in New Jersey. The dissenting justices, led by Chief Justice Deborah Poritz, argued that the majority did not go far enough, saying that only marriage would allow gay couples to achieve equal benefits.

In making its ruling, the court reflected on the changes that have transformed marriage during the last 200 years, such as granting women greater rights within marriage.

"The institution of marriage reflects society's changing social mores and values," the majority said in its opinion. "Although courts can ensure equal treatment, they cannot guarantee social acceptance, which must come through the evolving ethos of a maturing society."

After setbacks earlier this year in state courts in New York, Nebraska, Washington and Georgia, gay-marriage advocates greeted Wednesday's decision with relief.

"We received a unanimous decision on one aspect, which is that all seven justices agreed that it violates the guarantee of equal protection not to give same-sex couples the same benefits as heterosexual couples," said Jon Davidson, legal director of the gay-rights advocacy group Lambda Legal, which argued the case on behalf of the plaintiffs. "So now the struggle in New Jersey moves to the legislature."

Cases similar to New Jersey's are pending in California, Connecticut, Iowa and Maryland.

Opponents of gay marriage said the New Jersey court had shown the same judicial arrogance as the Vermont and Massachusetts courts.

"It amounts to taking the future of marriage out of the hands of the people of New Jersey," said Matt Daniels, director of the Alliance for Marriage, which advocates amending the U.S. Constitution to define marriage as the union of a man and a woman. "Nationally, it will add momentum to the marriage amendments that are on the ballots across the country, and more importantly, it will add momentum to the marriage amendment in the Congress."

That amendment, which President Bush has endorsed, failed to garner support in two votes in the Republican-controlled Congress.

Political observers said the New Jersey decision, coming less than two weeks before the Nov. 7 midterm elections, could rally evangelical Christians and other conservative voters to turn out in heavier numbers than expected in the eight states where constitutional amendments defining marriage as a union between a man and woman are on the ballot.

Two of those states, Virginia and Tennessee, are seen as key battlegrounds in the struggle for control of the Senate.

But because the justices stopped short of ordering New Jersey officials to legalize gay marriage, the ruling's impact on the election could be diluted, even in the Garden State, which is in the midst of its own tight Senate race. Incumbent Sen. Bob Menendez, a Democrat, is being challenged by Republican Tom Kean Jr.

"There was a sense that this could really reshape the Senate race here," said Tim Vercellotti, of the Eagleton Institute for Public Interest Polling at Rutgers University. "But this is a much more muted effect. I think it's going to be a close race, and I don't think this ruling is going to affect that."

Reacting to the ruling, Kean called for the state legislature to pass an amendment to the New Jersey constitution defining marrriage as a heterosexual union, similar to amendments that voters in 20 states have approved already.

Menendez said he believes marriage should be reserved for a man and a woman, but added that he supports civil unions for same-sex couples.

Three New Jersey legislators said they would introduce a bill to legalize gay marriage. The state already has a domestic partnership statute, which grants some rights to same-sex couples, such as the right to make medical decisions for each other and to file joint state income-tax returns.

Gov. Jon Corzine has said he supports domestic partnerships for same-sex couples, but has also said he would not sign a bill prohibiting same-sex marriage.

A June poll by Rutgers' Eagleton Institute found that New Jersey voters are almost evenly divided on gay marriage, with 49 percent of those polled supporting it and 44 percent opposed.

Support for civil unions was far stronger, with 66 percent in favor and 29 percent opposed.

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NJ Court Grants Rights, Not Marriage, To Gays (LAT)

By Ellen Barry

The Los Angeles Times, October 26, 2006

NEWARK — New Jersey's highest court ruled today that same-sex couples deserve the same rights as married people, but stopped short of calling their partnerships "marriage," saying that decision should fall to the state Legislature.

"Raised here is the perplexing question — 'What's in a name?'" wrote Justice Barry T. Albin in the majority opinion. "We will not presume that a difference in name alone is of constitutional magnitude."

The 4-3 ruling comes as a partial victory for gay rights advocates, who had hoped New Jersey would legalize gay marriage outright, as Massachusetts' Supreme Judicial Court did in 2003. Instead, the court's decision gives New Jersey lawmakers six months to create the necessary statutes for same-sex partnerships, which may be called "marriage" or, as in Vermont, "civil unions."

Monte Stewart of the Marriage Law Foundation, which opposes gay marriage, said the ruling is further proof that the Massachusetts court was not representative.

"The courts increasingly are understanding that man-woman marriage is a vital social institution, and because meanings matter, they're not going to radically alter those meanings," he said.

In a sharply worded opinion that dissented with a portion of the majority decision, Chief Justice Deborah Poritz said the court should not sidestep the question of the word "marriage."

"Labels set people apart as surely as physical separation on a bus or in school facilities. Labels are used to perpetuate prejudice about differences that, in this case, are embedded in the law," she wrote. "Ultimately, the message is that what same-sex couples have is not as important or as significant as 'real' marriage."

In 2003, when Massachusetts' Supreme Judicial Court ruled that gay couples had the constitutional right to marry, many foresaw a legal domino effect, but since then, high courts in several states have rejected the notion.

The most recent rulings came in July, when high courts in Washington and New York upheld state laws limiting marriage to one man and one woman. In both cases, the majority opinion held that the state legislature should settle the matter rather than the courts. Majorities in each case found that there was a rational basis, based on procreation, to limiting marriage to heterosexuals.

Meanwhile, voters in 20 states sought to preempt pro-gay marriage rulings by explicitly banning the practice in their state constitutions. In November, seven more states will vote on statewide bans and seven more are considering such a move. The Legislature in Massachusetts — still the only state in the union to issue marriage licenses to gay couples -- may approve a citizen initiative against gay marriage, allowing voters to weigh in on the practice in 2008.

Still, gay rights advocates have achieved victories. In California and Maryland, judges have ruled that same-sex marriage was protected by the state constitution. Last September, California's Legislature passed a bill legalizing same-sex marriage but Gov. Arnold Schwarzenegger vetoed the measure, saying a higher court should decide it.

Court challenges are pending in California, Connecticut, Iowa, Maryland, Nebraska and Oklahoma.

Many observers — on both sides of the issue — have seen New Jersey as the state most likely to follow Massachusetts' lead.

The case, Lewis vs. Harris, began in 2002, when seven same-sex couples applied for marriage licenses and were denied. The couples then sued the officials who denied them, arguing that the state Constitution guaranteed their rights.

In November 2003 — a few days before the landmark Massachusetts decision — a Superior Court judge refused to strike down the ban, reasoning that though the right to marry is fundamental, based on tradition, the right to marry someone of the same sex is not "deeply rooted in our nation's history." In June 2005, a panel of three appellate judges ruled 2-1 that only the Legislature could enact a law allowing gays to marry.

Despite those setbacks, advocates have been optimistic about a ruling by the state's Supreme Court, which has made several noteworthy rulings in favor of gay rights. The Supreme Court has ruled that the Boy Scouts could not bar gay troop leaders — a decision that was overturned by the U.S. Supreme Court. Moreover, the state has not advanced arguments against gay marriage that are based on procreation or child-rearing.

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Much suspense has surrounded the release of the decision, which took place on the day Chief Justice Poritz turned 70, mandatory retirement age, and prepares to leave the court. During oral arguments in February, Poritz asked pointed questions of defendants about the "deep-rooted tradition" argument underlying their lower court victory.

"For a long time, women were property in the marriage relationship. For a long time, women could not make a claim of rape against a husband," she said. "There've been lots of ways in which the traditional idea of marriage has changed, so why would we simply defer? It's historical. It's over."

Jersey Court Orders OK Of Gay Unions (WT)

By Cheryl Wetzstein

The Washington Times, October 26, 2006

The New Jersey Supreme Court yesterday said that although there was no right to same-sex "marriage" in the state constitution, homosexual couples were treated unequally by the state and that lawmakers must find a way to correct this.

"Although we cannot find that a fundamental right to same-sex marriage exists in this state, the unequal dispensation of rights and benefits to committed same-sex partners can no longer be tolerated under our state Constitution," said Justice Barry T. Albin, who wrote the 4-3 decision in Lewis v. Harris.

Justice Albin said the democratic process must decide "whether marriage or some other term" will be used to name the rights and benefits, but the high court gave state lawmakers 180 days to "amend the marriage statutes to include same-sex couples" or "create a parallel statutory structure" that will give such couples "on equal terms" the rights, benefits and obligations borne by married couples.

The long-awaited ruling was a disappointment to homosexual rights advocates, who were hoping the court would make New Jersey the second state after Massachusetts to legalize same-sex "marriage."

"Those who would view today's Supreme Court ruling as a victory for same-sex couples are dead wrong," said Steven Goldstein, head of Garden State Equality, a homosexual rights group in New Jersey.

However, he said, three state lawmakers are poised to introduce a bill to legalize same-sex "marriage" and "thousands of us will now hit the streets, the phones and the hallways to get this legislation passed."

All seven justices agreed that the current situation was unconstitutional, but the three dissenters wanted the court to directly create a marriage right for homosexuals.

Retiring Chief Justice Deborah T. Poritz led the dissenters, saying that she could "find no principled basis, however, on which to distinguish those rights and benefits from the right to the title of marriage," adding that denying the homosexual couples the symbolism surrounding the word "marriage" was to "demean" them.

David Buckel of Lambda Legal, who represented the seven homosexual couple plaintiffs, was more optimistic, saying, "The bottom line here is that the entire court said that there must be a remedy for the inequality that bars same-sex couples from marriage."

It should be easy for the legislature to pass full marriage rights for same-sex couples, given the public's widespread support for the issue, he added.

Many social and religious conservatives described yesterday's decision as another loss for homosexual "marriage," but no one called it a total victory for their side either.

"This is a wake-up call for people who believe that marriage doesn't need constitutional protection," said Glen Lavy, a lawyer with the Alliance Defense Fund.

"This is probably the best decision we could have hoped for out of New Jersey, the court that thought it could order the Boy Scouts to accept gay scoutmasters," said Maggie Gallagher, president of the Institute for Marriage and Public Policy.

The high court "pulled a Vermont," said Len Deo, president of the New Jersey Family Policy Council, referring to the Vermont Supreme Court's 1999 ruling that forced state lawmakers to either enact same-sex "marriage" or a parallel system of benefits for same-sex couples. The ruling resulted in the nation's first civil union law.

In his majority opinion, Justice Albin said there was no constitutional right to same-sex "marriage."

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"Only rights that are deeply rooted in the traditions, history and conscience of the people are deemed to be fundamental," he wrote.

The New Jersey Legislature, which has a Democratic majority in both chambers, already has enacted a domestic-partner law that gives same-sex couples hospital-visitation rights and health and pension benefits for state employees.

State lawmakers should "do the simplest, fairest and most sensible thing: include gay and lesbian couples within the existing framework of civil marriage," said Lee Swislow, executive director of Gay & Lesbian Advocates & Defenders.

However, John Tomicki, head of the New Jersey Coalition to Preserve and Protect Marriage, said his allies will work to both stop enactment of same-sex "marriage" and put a constitutional marriage amendment on the November 2007 ballot.

Party Lines Are No Guide To Opinions By Justices (NYT)

By Laura Mansnerus

The New York Times, October 26, 2006

TRENTON, Oct. 25 — It is not always easy to identify partisan fault lines in New Jersey. In the New Jersey Supreme Court, it is all but impossible, and nothing reflects that more clearly than Wednesday's 4-to-3 decision on same-sex marriage.

Three justices appointed by a Republican governor would recognize the full status of marriage for same-sex couples. And of the three justices appointed by a Democrat — a gay Democrat, at that — none would go that far, and they joined in the majority opinion.

To obscure any partisan alliances even more, each contingent included Republican and Democratic justices.

Their opinions in Lewis v. Harris, the case decided on Wednesday, showed once again that, as one former associate justice, Peter J. Verniero, put it, "the political label dissipates very quickly when someone is appointed to the Supreme Court."

New Jersey's highest court has often been described as liberal, and, what is probably more important to the other branches of state government here, assertive. In its history, the court has gone where few others have in prescribing educational programs and state aid for poor school districts, for example, and in ordering the state's 566 municipalities to accept their "fair share" of low-cost housing.

Wednesday's decision, said Laurence H. Tribe, a constitutional scholar at Harvard Law School, "is consistent with the best traditions of the New Jersey court, not simply following what some perceive as a trend, but reasoning independently."

The court's independence, some analysts say, is notable because so many of its members over the last several decades have come from the state's executive branch.

Of the seven members of the court, Chief Justice Deborah T. Poritz served for a time as Gov. Christie Whitman's attorney general, and Justice Jaynee LaVecchia was Mrs. Whitman's commissioner of banking and insurance. And two of the justices served under Gov. Brendan T. Byrne: Virginia Long, also as commissioner of banking, and James R. Zazzali as attorney general. All were appointed by Governor Whitman.

Gov. James E. McGreevey, who is gay, appointed three of the justices: Barry T. Albin, who was a criminal defense lawyer; John E. Wallace Jr., who served as a Superior Court judge; and Roberto A. Rivera-Soto, who had spent his career in private practice.

By tradition, the court is balanced between Republicans and Democrats, and appointments have generally alternated between the parties regardless of who is governor. But the court that ruled in this decision was slightly out of balance by having two Republicans, Chief Justice Poritz and Justice Rivera-Soto; one who is unaffiliated, Justice LaVecchia; and four Democrats.

The court's membership will shift slightly upon Chief Justice Poritz's retirement on Thursday, her 70th birthday. Justice Zazzali, a Democrat, is to replace her, while the newest appointee, Helen E. Hoens, a Republican, will take his seat.

But while party identifications matter in the selection of justices, Mr. Verniero said, "it's just very difficult to predict how individual members are going to decide issues."

"If you listen to arguments before the court and close your eyes," he added, "it's difficult to tell which justice asking the questions is a Republican and which is a Democrat."

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In Wednesday's decision, two McGreevey appointees and Justice LaVecchia joined the other McGreevey appointee, Justice Albin, in his majority opinion, while Chief Justice Poritz, who wrote a separate concurring and dissenting opinion, was joined by Justices Long and Zazzali.

During her 10-year tenure, Chief Justice Poritz has been generally known as a consensus builder on the court. Yet she sometimes dismayed Republican legislators, most notably when she wrote a unanimous opinion allowing the Democratic Party to replace Senator Robert G. Torricelli's name on the ballot a month before Election Day in 2002, making way for the election of Frank R. Lautenberg.

Chief Justice Poritz was also the author of a 1999 decision, later reversed by the United States Supreme Court, requiring the Boy Scouts of America to retain a gay assistant scoutmaster. And she wrote for the majority in a 2000 opinion striking down a parental notice requirement for minors seeking abortions.

An 'I Do' From McGreevey? He Would. (NYT)

By David W. Chen

The New York Times, October 26, 2006

TRENTON, Oct. 25 — Yes, he would.

That was the reaction of former Gov. James E. McGreevey when asked on Wednesday whether he would marry his partner if the New Jersey Legislature — in the aftermath of the State Supreme Court decision that same-sex couples are entitled to the same rights as heterosexuals — decides that gay marriage will be honored.

After gathering his thoughts, Mr. McGreevey said that while he had no plans to marry his partner immediately, he did feel that a ceremony would be in his future.

"Yes," said Mr. McGreevey, who now lives in Plainfield with Mark O'Donnell, an Australian businessman. "Marriage would offer the ability to bless our relationship in a committed way."

Beyond discussing his own plans, Mr. McGreevey, 49, also predicted that the ruling would have a major effect on young people struggling with social mores and sexuality, much as he did while growing up.

"What it means, personally to me, for my partner, traveling around the country, talking to gay youth, is the basic notion that when the court embraces the constitutionality of gay marriage, there's a fundamental understanding that gay relationships are quote, unquote, as good as straight relationships," he said.

Mr. McGreevey acknowledged that he was a "gay American" when he resigned as governor in 2004. And in his best-selling memoir, "The Confession," he discussed the lengths to which he went to mask the fact that he was gay for four decades.

When he was governor, Mr. McGreevey opposed same-sex marriage, although he did support domestic partnership legislation that was approved in 2004. He said he now regrets his lack of initiative then.

"I only wish I had had the fortitude to embrace this basic right when I was governor," he said.

As for marrying Mr. O'Donnell, 43, his partner since September 2005, friends said that there were certain considerations. First of all, they said, Mr. McGreevey would have to be legally divorced from Dina Matos, his second wife.

N.J. Supreme Court Punts Same-Sex Marriage To Legislature (LAW)

By Michael Booth, New Jersey Law Journal

New Jersey Law Journal, October 26, 2006

New Jersey on Wednesday stopped short of becoming the second state in the nation to legalize same-sex marriage by judicial fiat.

The state's high court, while declaring unconstitutional state laws that deny same-sex couples the financial and social benefits and privileges given to married heterosexuals, held that fixing the problem is a legislative task -- and gave lawmakers 180 days in which to do it.

"At this point, we do not consider whether committed same-sex couples should be allowed to marry, but only whether those couples are entitled to the same rights and benefits afforded to married heterosexual couples," a divided court wrote in Lewis v. Harris, A68-05.

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"Cast in that light, the issue is not about the transformation of the traditional definition of marriage, but about the unequal dispensation of benefits and privileges to one of two similarly situated classes of people."

The justices did not require the Legislature to amend the civil marriage statutes to include same-sex couples but only to come up with a statutory scheme that affords same-sex couples the same rights and benefits as those statutes.

The court offered the Legislature the option of either amending the marriage statutes to include same-sex couples or enacting a parallel statutory structure by another name.

"We will not presume that a separate statutory scheme, which uses a title other than marriage, contravenes equal protection principles, so long as the rights and benefits of civil marriage are made equally available to same-sex couples," Justice Barry Albin wrote for the 4-3 court. "The name to be given to the statutory scheme that provides full rights and benefits to same-sex couples, whether marriage or some other term, is a matter left to the democratic process."

The court warned that the state cannot make entry into a same-sex civil union any more difficult than it is for heterosexual couples to enter marriage, but said any parallel scheme can be regulated, similarly to marriage, to restrict civil unions based on age and consanguinity and to prohibit polygamous relationships.

Chief Justice Deborah Poritz, on the day of her retirement from the court, filed a partial dissent joined by two other justices. The dissenters disagreed with the majority's conclusion that there is no fundamental due process right to same-sex marriage encompassed within the concept of "liberty" guaranteed by article I, paragraph 1 of the state constitution.

The justices modified but affirmed dismissal of the suit, brought by seven same-sex couples, most of whom have children, that were denied marriage licenses by local clerks or vital-statistics registrars in 2002. The suit charged that New Jersey laws restricting marriage to male-female unions violate equal protection of law and fundamental rights.

The court found that denying marital-type rights to same-sex couples bears no substantial relationship to a legitimate governmental purpose, the standard of judicial review for encroachments on the equal protection clause of Article I, Paragraph 1, of the New Jersey Constitution.

The courts below had found no legal or historical basis for same-sex marriage nor anything to suggest that the framers of the federal or state constitutions considered it a fundamental right to be accorded special protection. Furthermore, the federal Defense of Marriage Act eschews the concept, raising the prospect that same-sex marriage decrees would not be accorded full faith and credit nationwide.

The state attorney general had argued that New Jersey's 2004 Domestic Partnership Act conveyed rights synonymous with those of married couples and thus satisfied constitutional requirements. By that statute, similar to laws in Vermont and Hawaii, New Jersey recognized civil unions among same-sex couples and some heterosexual couples.

The attorney general also argued that changing marital laws that have pre-existed the nation's founding required an act of the Legislature, and the court agreed.

To date, all but one state Supreme Court that has considered the issue -- Massachusetts -- has disagreed. Courts in Arizona, Washington, D.C., Indiana, Kentucky, Minnesota, New York, Washington state and most recently California have rejected challenges.

The Hawaii Supreme Court held in 1993 that the limitation of marriage to opposite-sex couples established a sex-based classification that required strict scrutiny under equal protection analysis. On remand, a trial court held the limitation in violation of the state constitution, but the case was halted when the electorate approved a constitutional amendment banning same-sex marriage.

In 2000, the Vermont Supreme Court likewise punted to the state's Legislature, holding that denial of benefits incidental to marriage to same-sex couples violated the state constitution's "common benefits" provision but that the violation could be remedied by legislation extending the benefits flowing from marriage to same-sex couples. The Vermont Legislature responded with a civil-union law in 2004.

A Ruling For Equality In New Jersey (NYT)

The New York Times, October 26, 2006

DOJ_NMG_0086565

The New Jersey Supreme Court brought the United States a little closer to the ideal of equality yesterday when it ruled that the state's Constitution requires that committed same-sex couples be accorded the same rights as married heterosexual couples. It stopped short, however, of ruling that same-sex couples have a right to "marry," leaving the question of what to call same-sex unions up to the State Legislature.

That omission will disappoint some gay-rights advocates, but there is no reason for lawmakers not to apply the term marriage to these committed relationships, and they should do so swiftly. Meanwhile, the court decision is an important step forward.

New Jersey already has a civil-unions law, but it gives same-sex couples fewer rights than married couples. Same-sex couples are penalized financially, in areas like employer-provided health benefits and inheritance taxes. They are also disadvantaged socially and in practical, day-to-day ways. One of the plaintiffs in the case had trouble getting her partner into a hospital emergency room with her when she was sick.

The court required the Legislature to level the playing field in every respect but one. It said lawmakers can call relationships between partners of the same sex marriage, or something else. This page supports gay marriage, but we also know it will not be recognized instantly. New Jersey's delay is unfortunate, but at least it makes it hard for anti-gay forces in the state to mobilize against the decision. The court ruling secures important rights, and paves the way for the full equality that will no doubt come.

New Jersey's Step Forward (WP)

The Washington Post, October 26, 2006

IN REQUIRING that state law grant the same benefits to same-sex couples that it gives to married ones, the New Jersey Supreme Court has given the Garden State a nudge down a road it was already traveling. For those, like us, who support same-sex marriage, such steps are welcome. There is no good reason why same-sex couples in loving and committed relationships should not be granted affirmative recognition from state governments -- recognition that carries with it the rights and responsibilities of marriage. The New Jersey court unanimously pushed in a direction we would like to see all states ultimately go.

What role judges should play in that process is always a difficult question, and yesterday's decision will no doubt spark controversy. So it is worth emphasizing that the judicial impetus here is actually a gentle one. New Jersey's legal landscape -- both its case law and the statutes passed by its legislature -- was already fairly advanced. The state has a robust set of anti-discrimination protections for gay men and lesbians, and it has a domestic partnership law that confers many of the benefits of marriage on same-sex couples.

What's more, the court specifically declined to require that marriage itself be available to same-sex couples -- provoking a dissent from three justices who would have gone further and simply mandated marriage rights. Instead the judges distinguished between the right to marriage and the rights and benefits flowing from marriage. They argued that it makes no sense "on the one hand, [to give] gays and lesbians full civil rights in their status as individuals, and, on the other, [to give] them an incomplete set of rights when they . . . enter into committed same-sex relationships."

The New Jersey legislature has not -- as was the legislature in Massachusetts after its court acted in 2003 -- been denied the democratic prerogative of deciding state policy on this question. It could, if it chooses, do as little as extend the state's domestic partnership law to confer additional rights on same-sex couples. Or, it could create civil unions or extend marriage rights themselves. Like all actions by state supreme courts, the decision affects nobody outside New Jersey and is ultimately subject to the will of the people of that state, who are free to change their constitution if they dislike their court's view of it -- as many other states have done on this issue. In other words, the court has required only a modest step, one to which the people's representatives will decide how to respond.

Coming, unfortunately, only two weeks before the Nov. 7 elections, this nuanced decision risks getting lost beneath angry rhetoric about activist judges and protecting marriage. That would be unfortunate. No reasonable reading of this decision could argue for, say, changing Virginia's constitution to ban same-sex marriages that are already illegal there or for adding a noxious amendment to the federal Constitution. It argues only for letting the residents of New Jersey digest what their court has said and decide how best to make same-sex couples equal under the law.

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Expanded DNA Collection Eroding Civil Liberties, Panel Says (AAS)

By Patrice Relerford, WASHINGTON BUREAU

Austin American-Statesman, October 26, 2006

Efforts can invade privacy, put stress on already overworked crime labs.

WASHINGTON — Dramatic expansions in the collection and retention of DNA by state and local law enforcement officials threatens individual privacy rights and racial justice, a panel of legal experts concluded Wednesday.

A four-member panel of lawyers and DNA experts, including New York lawyer Barry Scheck and Helen Wallace of Genewatch UK, spoke about the subject as part of a discussion sponsored by the American Civil Liberties Union.

Experts characterized law enforcement officials' efforts to add samples to DNA databases as a slippery slope regarding privacy rights, and they criticized expansions at the state and local level of what they referred to as permanent, rogue data bases not tied into the FBI's national DNA index.

"You've got to be smart about crime, smart about using these databases and smart about protecting civil liberties," Scheck said.

Panel members, including the ACLU's science advisor, Tania Simoncelli, said expansion efforts are eroding the performance of crime labs, which already face months or years of backlogged evidence.

"If you put that stress on them they're going to cut corners," said Scheck of overworked lab workers.

Scheck also pointed to a scandal surrounding the Houston Police Department's crime lab as proof that DNA evidence is not impenetrable.

This summer, independent investigator Michael Bromwich concluded that crime lab officials in Houston failed to report the results of DNA tests that did not corroborate suspects identified by police in more than 20 cases beginning in the 1980s.

Bromwich, a former U.S. Justice Department official, was selected to investigate the crime lab in 2005. Houston's lab was closed for more than three years after errors were exposed in the lab divisions that test firearms, body fluids and controlled substances.

Scheck said two men were released from prison based on the lab's misconduct, and he praised the department's efforts to identify problems.

Last year, Gov. Rick Perry signed a law that established the Texas Forensic Science Commission to investigate the quality of forensic evidence. The move is expected to help the state qualify for federal forensic science improvement grants.

"I think the answer is putting more teeth into these types of institutions," Scheck said. "Someone should look at Texas."

Abortion Ban Looms Large On S.D. Ballot (USAT)

By Judy Keen

USA Today, October 26, 2006

IRENE, S.D. — Georgia Kaufman is against abortion. She's torn, though, about the referendum on the Nov. 7 ballot that will decide whether the USA's toughest abortion restrictions will become law or be repealed.

“I personally do not believe in abortion,” says Kaufman. “I'm very proud that South Dakota is the first state to step forward and say ‘no.’ ”

Still, she thinks it's wrong to make abortion illegal for women who have been raped or are victims of incest. The law would allow an abortion only if a woman's life is at risk. “I'm wrestling with that tremendously,” says Kaufman, 37, a waitress at the Irene Bar & Grill.

How Kaufman votes and the outcome of the referendum will reverberate outside conservative South Dakota. If voters uphold the law, which also would make it a felony for doctors to perform abortions unless the woman's life is in jeopardy, Planned Parenthood plans a lawsuit asserting the ban is unconstitutional. Supporters of the ban would use the case to challenge Roe v. Wade, the landmark 1973 Supreme Court decision that legalized abortion nationwide.

California and Oregon have ballot measures that would require parental consent for minors to have abortions, and voters here will vote on gay marriage and allowing medical use of marijuana. The abortion ban, though, has generated the most debate and passion.

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Republican Gov. Mike Rounds signed the law in March. Opponents gathered signatures to put the issue on the ballot. The latest statewide poll in July showed 47% of voters opposed the ban and 39% supported it; 14% were undecided. Both sides expect a close vote.

The latest round of ads has each side calling the other liars. The lead group supporting the law, Vote Yes for Life, is running TV and radio ads and mailing postcards that say it gives women "the option of terminating pregnancies that are the result of rape or incest."

The South Dakota Campaign for Healthy Families, which organized the repeal vote, says the law would allow rape and incest victims to use emergency contraception before a pregnancy could be detected, since they would not be able to have legal abortions.

At the Pump 'N' Stuff gas station and coffee shop in this town of 400, a half-dozen men crowd around the only table and explain their mixed feelings.

"I heard that if a woman gets cancer, she can't take chemo" under the law because it might harm the fetus, says Dale Korslund 68. "It should be a private deal, not a state or federal thing." Daryl Erickson, 50, isn't sure how he'll vote. "If the gal's raped, then (abortion) should be done," he says. "If not, no." Bill Ryken, 74, says the debate "gets to you after awhile."

National groups that support abortion rights have sent staffers to South Dakota. At the commons at the University of South Dakota in Vermillion, Kelsey Collier-Wise, 25, a law school student, was registering voters with help from Jessie Raeder of Los Angeles, who works for the Feminist Majority Foundation. Monday was the final day to register to vote in November's election. The table had stickers and flyers saying the ban "threatens women's lives." Collier-Wise says they have registered "hundreds of students" since August.

Sophomore Gina Cooper, 19, registered and left no doubt about her vote: "I believe firmly from past experiences with friends that abortion needs to be an option for women."

Ruth Herman is just as emphatic. She spends a couple hours every day helping at the headquarters of Vote Yes for Life in Sioux Falls. Herman, 56, who lives in Hartford, had an unplanned pregnancy 38 years ago and the baby was adopted. She's grateful abortion wasn't an option, because if she had one, "I would have regretted that the rest of my life. I see no reason for an abortion unless of course the mother's life is in danger, and this law will cover that."

Leslee Unruh, campaign manager of Vote Yes for Life, believes her side "has the momentum." Women who have had abortions and regret it are calling voters. Aqua-and-white yard signs reading "Vote Yes for Life" are ubiquitous even on country roads.

Most of the group's donations are from South Dakotans, she says, and she's not getting much help from national groups. Abortion opponents are "no longer looking at national leadership," she says. "They're thinking they can do it themselves in their own state."

Jan Nicolay, a former state legislator who runs South Dakotans for Healthy Families, says the group has sought donations from national abortion rights groups and their supporters. On Election Day, Planned Parenthood will test a text-messaging system that will send results to supporters across the nation.

Neither Nicolay nor Unruh will say how much they have raised or spent; campaign-finance reports are due next week. Nicolay expects a close vote. "We said from the beginning this would be challenging," she says. "It's very emotional, it's very personal."

Outside South Dakota's only abortion clinic, on the west side of Sioux Falls, protesters carry signs with photos of a dismembered fetus and take photos of everyone who enters the Planned Parenthood facility. The pictures will be posted later on a website.

Inside, about a dozen women sit in the waiting room. The clinic performs about 800 abortions a year, says Kate Looby, Planned Parenthood's state director. "While this election may have national implications," she says, "right now all that matters is that we maintain access to safe and legal abortion for the women of South Dakota."

Back in Irene, Kaufman knows the stakes are high: "I can see both sides. My decision could still go either way."

New Voting Systems Face Midterm Exam (WSJ)

DOJ_NMG_0086568

By June Kronholz

The Wall Street Journal, October 26, 2006

November 7 may be the most problem-free Election Day ever -- or maybe not.

Four years ago, still stinging from the "hanging chad" troubles of the 2000 presidential vote, Congress passed the Help America Vote Act. The new law gave the states $3.8 billion to replace punch-card and mechanical-lever voting machines, and to set up statewide voter lists to resolve election-day questions over who could vote and where.

States and counties bought a variety of new voting systems with the federal money, including optical scanners that read paper ballots and, in at least 34 states, touch-screen machines.

Two weeks before elections, voting-equipment makers and many election clerks say the new technology will eliminate lost or spoiled ballots and buoy voter confidence. "It gets better each time" voters use the new equipment, says Betty Ireland, West Virginia's secretary of state.

But groups that track voting laws and practices are warning of problems that could cost or lose votes. A Princeton University study has ignited additional worries that a hacker could alter results on the touch screens, although voting-machine makers -- led by Diebold Inc., the largest of a half-dozen manufacturers -- reject the possibility.

Here are some scenarios that could spell trouble on Election Day:

New equipment, elderly poll workers: Although Congress gave the states until next month to use the federal money, many either ordered or received equipment only this year. That means that 88 million potential voters will be casting ballots on unfamiliar machines, says R. Doug Lewis, director of the Election Center, an association of election officials.

That isn't likely to create problems for most voters. Touch screens lead voters through the ballot with a series of easy prompts. After Georgia installed Diebold touch screens in 2002, Diebold says the state's error rate -- the percentage of uncountable votes -- dropped to 0.4% from 3.5% in 2000.

In recent elections, though, the new equipment has sometimes baffled election workers, who are often retirees. In 2004, Carteret County, N.C., poll workers didn't notice the warning lights indicating a touch screen's memory was full, for example, and lost 4,438 votes.

Ohio, like many states, included a demand this year for paper ballots recording each vote cast on a touch screen. But in Cuyahoga County this spring, poll workers loaded the paper incorrectly, and -- because the paper ballot is the official tally in Ohio -- lost 10% of the votes.

Tarrant County, Texas, recorded 100,000 extra votes in 2004 because of software programming errors, says New York University's Brennan Center, which studies voting issues. In Florida's Palm Beach County in 2004, circuits became overloaded, backup batteries on the voting machines wore down and some votes were lost before anyone noticed, the Brennan Center says.

Larry Norden, a lawyer with the center, says the glitch that worries him most is the one "that goes undetected." In Mercer County, Ohio, this fall, votes cast for Democrats went instead to Libertarians because of a programming error. That was relatively easy to catch, he says, but a glitch that gave a few thousand Democratic votes to Republicans or vice versa might be harder to notice.

That is worrisome because many races are close, and control of Congress hinges on relatively few seats. Ohio State University's Moritz College of Law, which tracks election issues, says touch screens are being used in 22 of the 27 congressional races it estimates are the closest.

Voters who can't vote: In Montgomery County, Md., this fall, election officials neglected to equip polling stations with voter cards -- the electronic swipes that allow voters to access their ballots on a touch screen. Faced with long waits, some voters left in frustration.

Election groups warn that could happen elsewhere if equipment failures, poll-worker inexperience or new identification requirements create delays that discourage voters. The biggest bottleneck could be the statewide voter lists, which states are developing by compiling their county voter lists, matching them with Social Security and drivers-license databases, and purging the new list of voters who have moved or died.

But the job is complicated, and many state voter lists are being used for the first time. When New York tested a preliminary list in 2004, it found data-entry mistakes in 20% of the registrations, says Justin Levitt of the Brennan Center.

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Most states plan to flag the name of a voter when databases don't agree -- when birth dates don't match, for example -- and let the voter correct the discrepancy at the polls or later, at the county elections office. But public-interest law groups say they will file lawsuits if lots of voters are kept from casting ballots by mistake.

New recount delays: Wary about losing votes on their new touch screens, 27 states recently passed laws requiring a "paper trail" as part of the technology. Diebold -- typical of other manufacturers -- equipped its voting machines with a roll of banking ATM paper. After a voter casts a touch-screen ballot, it's printed for the voter to see, then spooled into the machine.

But there's no technology to machine-read the paper ballots, which instead must be unspooled and read by election workers. In Ohio, recounting 300 of the thousands of primary-elections spools took two days. Nevada election workers said they needed four hours to recount one spool of 64 ballots.

In a disputed election it could be days or weeks before a winner is declared. "That's not going to enhance voter confidence; it will diminish it," says Ohio State law professor Daniel Tokaji.

A hack attack: Bloggers have long warned that a hacker could infect touch screens with a virus that alters the vote totals. That scenario took on new seriousness last month when a Princeton University computer professor showed a congressional committee how he infected the memory on a Diebold touch screen -- causing votes to automatically switch from one candidate to another -- after opening the machine with a key he bought on the Internet.

Diebold has dismissed the Princeton demonstration, saying it was on an early model touch screen with old software and that it ignored "normal security procedures" like broken security tags that would alert election workers to a break-in. "These things are tested to the hilt" for security vulnerabilities, says Mark Radke, marketing director for Diebold's election-products unit.

But other computer scientists and security experts have criticized Diebold for denying them access to its software for testing and for dismissing the possibility of a "rogue" election worker tampering with a touch-screen's software. That warning was renewed this week when a former Maryland legislator received an anonymous package containing the reportedly stolen computer code that ran the state's 2004 poll.

Voting Machines Had Defective Part (WP)

By Cameron W. Barr

The Washington Post, October 26, 2006

The maker of Maryland's electronic voting system replaced a flawed electronic component in several thousand touch-screen voting machines in 2005, state election officials acknowledged this week.

To eliminate unpredictable "screen freezes" that have occurred since the machines were first used in Maryland in 2002, Diebold Election Systems installed new system boards in about 4,700 voting machines from four Maryland counties: Allegany, Dorchester, Montgomery and Prince George's.

The screen freezes do not cause votes to be lost, officials said, but they confuse voters and election judges who sometimes wonder whether votes cast on a frozen machine will be counted.

The acknowledgment of the repairs came in response to queries from The Washington Post and sheds further light on Maryland's troubled transition to electronic voting. Critics said it raises concerns about whether the state and company officials have kept the public adequately informed about problems with a system that cost taxpayers $106 million.

State officials said this week that they learned after the November 2004 election that a flawed system board was the source of the screen-freeze problem. But documents show that Diebold had diagnosed the problem early that year.

Ross Goldstein, deputy state elections administrator, defended Diebold's handling of the problem. "They have updated all the units, and the problem has been resolved," he said.

Mike Morrill, Diebold's Maryland spokesman, said the company had not completed its research into screen freezes until early 2005, when it agreed to replace all the system boards as the only way to guarantee that the problem would not recur.

He said the flawed system boards were confined to the four counties because other counties received machines with updated system boards. Montgomery experienced screen freezes more often than the others, Morrill said.

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The screen freezes are unrelated to the problems experienced in September's primary, when Diebold's electronic voter-registration machines rebooted without warning in every Maryland precinct. The rebooting was caused by a software defect, which Diebold says has been corrected.

Even so, the two leading candidates for governor -- Gov. Robert L. Ehrlich Jr. (R) and Baltimore Mayor Martin O'Malley (D) -- have called on voters to use absentee ballots in the election, citing uncertainties about the reliability of Maryland's system.Disclosure Issues

State and Diebold officials have been discreet in discussing the replacement of the system boards -- the core electronic component of the voting machines -- to address the screen freezes.

Morrill, the Diebold spokesman, said the company had "publicly disclosed" information about the problem and its solution in communications with the State Board of Elections staff, including a six-page letter from an executive to state Administrator of Elections Linda H. Lamone written in reply to her questions about the system boards.

But the minutes of the July 12, 2005, meeting of the election board said only that a "technology refresh" would be conducted to bring voting units from the four counties "up to the same specifications as the equipment in the later phases of the implementation." The minutes did not mention the replacement of thousands of system boards.

Board Chairman Gilles W. Burger and members Joan Beck and A. Susan Widerman said they do not recall being told that system boards would be replaced as part of the technology refresh.

Burger said Lamone should have brought the replacement of the system boards to the board's attention. "If she withheld this information from the body she reports to, I think she is not carrying out her duties as a public official," said Burger, who in 2004 sought with other Ehrlich appointees to oust Lamone, a move that was blocked in court.

Goldstein said board members could have learned the details of the technology refresh. "If they had asked, we would have told them," he said.

Within the company's Maryland offices, executives tried to keep confidential any discussion of the need to replace system boards, according to four former Diebold contractors interviewed in recent weeks.

On Dec. 6, 2004, Tom Feehan, Diebold's Maryland project manager, replied to a subordinate's e-mail that referred to Diebold engineers in Ohio replacing system boards in "failed units" from Montgomery. Feehan's three-sentence reply was sent to the subordinate and two other employees who had received the original message.

"All, Please delete all copies of this e-mail," said Feehan's message, a copy of which was obtained by The Post. "It should have been sent confidential. Call me for further specifics."

Morrill said Feehan was concerned that the original e-mail "portrayed a decision as if it had been a final decision when in fact it was not made yet." Morrill said that "there was no secrecy" attached to the review of the system board problem and that at the time of the e-mail, Feehan was discussing the problem with state board staff members.

Diebold's upper echelon also appeared reluctant to discuss problems, according to several Maryland legislators who met privately with company executives in February 2006.

The executives attended an off-the-record session with members of the election law subcommittee of the House of Delegates to discuss the feasibility of Maryland switching to a system that would provide a paper record of each vote in time for this year's elections.

Del. Jean B. Cryor (R-Montgomery) said she asked the Diebold executives several questions, including whether there had been hardware defects in Maryland voting machines. "They assured us that everything is fine," she said.

Del. LeRoy E. Myers Jr. (R-Washington) said that as at other sessions with executives of the company, "it was always 'no problem, no problem, no problem.' "

Morrill said Diebold executives have always made clear that "we've upgraded technology constantly on our machines, both in Maryland and in other states."A Record of Trouble

Under a 2001 contract with the state, Diebold sent nearly 4,700 electronic voting machines to the four counties in the first phase of Maryland's transition to a uniform electronic voting system.

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In Sept. 10, 2002, primary elections, the machines had their first outing in Maryland. Montgomery's Board of Elections received 59 calls from precincts to report machines out of service. In the 2002 general election, the board received 53 such calls. Many of the machines were shut down after their screens froze, county officials said.

On February 1, 2004, Diebold's Maryland office issued a document, "Weekly Update of Montgomery County Root Cause Failure Analysis," that said the screen-freeze error "has been identified as a 'hardware' failure." The memo said no definitive single cause had been isolated but added that "replacement of the system board did resolve the problem."

The memo was obtained from the State Board of Elections through a lawsuit filed by Linda Schade, an activist with a group called TrueVoteMD. The group has tried to push Maryland to adopt a system that provides a verifiable paper trail of each vote cast.

A second Diebold memo provided by the board to Schade, dated March 28, 2004, blamed a "specific batch of RAM chips used in the manufacture of a quantity of system boards." It added that "batch-level tracking" was not used in the manufacturing process, so "it is impossible to identify or predict the occurrence of [system board] failures."

The second memo said 156 system boards had been replaced to address a variety of problems. Relative to the 16,000 Diebold voting machines in Maryland at the time, the memo said the 156 replacements represent a failure rate of 0.97 percent. "This is not a case of defective production units being released for shipment," the memo said. (A 2005 Diebold letter revised the number of system boards replaced to 129.)

Maintenance records obtained by The Post show that Diebold technicians in Ohio replaced an additional 133 system boards from June to November 2004, including those in machines that had experienced screen freezes.

By the 2004 general election, the screen-freeze problem had not been solved. Montgomery reported 106 screen freezes on Election Day, meaning that 4 percent of the 2,500 machines deployed in the county were affected.

The problems prompted another "root cause failure analysis" by Diebold. In February 2005, the screen-freeze problem was again identified as a "hardware issue," according to a memo. A March memo promised that the company would "implement permanent corrective or preventive action."

National Federation Of The Blind Files Target Lawsuit (USAT)

By Laura Parker

USA Today, October 26, 2006

Bruce Sexton is blind. He would like to shop on Target's website, but says he can't "read" it. He says the site lacks certain coding — found on many other websites — that would activate software to allow blind computer users to hear audio descriptions of what is on Internet pages.

Sexton, 24, who lives in Berkeley, Calif., and the National Federation of the Blind are suing Target on behalf of the 1.3 million blind people in the USA. The suit alleges that the giant retailer discriminates against the visually impaired by violating state and federal laws that protect the disabled.

The case draws national attention because it could have implications for virtually every retailer and business in the USA that operates a website. The case also fuels a wider debate starting to play out in courtrooms: whether anti-discrimination laws apply to the Internet.

It's a key question in lawsuits across the nation. Craigslist.org, a popular advertising and networking website, is being sued in federal court in Chicago over allegations it has allowed ads for apartments and other housing that discriminate on the basis of race, sex, class, religion or familial status.

In court papers, Craigslist argues it is protected by the federal law that protects website owners from liability for content posted by the sites' users. Craigslist CEO Jim Buckmaster has said it would be impossible for the site's staff to review the 2 million free housing ads posted to the site each month. A hearing in the case is scheduled for Nov. 13.

In the Target case, the retailer contends that the federal Americans with Disabilities Act and two California laws cited by Sexton apply only to its brick-and-mortar stores and do not extend to the Internet.

Last month, a federal judge disagreed with Target and rejected its bid to dismiss the suit. The case is proceeding toward trial, but no court date has been set.

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The recent ruling was "very significant," says Brian Blair, an Orlando lawyer who specializes in defending companies accused of violating laws that protect people with disabilities.

"For any business that has a physical location and a website, (the ruling) says you need to take reasonable steps to permit accessibility for the disabled," says Blair, who is not involved in the dispute.

Blind or visually impaired people are able to use the Internet by installing "reader" software on their computers that searches for codes embedded on websites.

The codes enable text and graphics to be read or described audibly. The software also lets the blind navigate sites by using keystrokes instead of a mouse. Such functions have not been available to blind users of target.com, court papers say. Because Target's website has required the use of a mouse, blind customers have been unable to make purchases on the site.

Target.com has "thousands of access barriers that make it difficult, if not impossible, for blind customers" to use the site, the suit says.

The Americans with Disabilities Act requires stores, restaurants and other businesses to provide access to people with mental and physical disabilities. Since the Internet emerged, several lawsuits have focused on what site owners should be required to do to make their pages accessible to the disabled.

A lawsuit filed by the National Federation of the Blind against America Online in 1999 was dropped after AOL agreed to design new versions of its software to accommodate disabled users.

In 2002, Southwest Airlines fended off a similar challenge after a Miami judge found that federal disability law did not apply to the airline's website because a "virtual" ticket counter is not a physical place. Southwest's Brandy King says the airline opposed the lawsuit because it believed its website complied with federal disability law. Since then, she says, Southwest has added more coding to the site to help the blind.

Andrew Langer, manager of regulatory policy for the National Federation of Independent Business in Washington, said the cost of changing a website to accommodate disabled viewers often is not significant for large companies. He said companies often fight such lawsuits for philosophical reasons.

Businesses want to attract customers, he says, "but they want to do it on their own terms. You want to make decisions for your business without being coerced."

Langer says that as retailers get more savvy about the Internet, "more are going to be making sure their websites are readily accessible to the blind," he says.

Carolyn Brookter, a Target spokeswoman, declined to discuss the lawsuit. In an e-mailed statement, Brookter said the retailer is "making online enhancements that will benefit all our guests, including those with disabilities." She added that "one of the things the enhancements will do is further increase the usability of the website for guests with sight disabilities." She did not elaborate or say when the changes would be made.

Sexton says he visited Target's site two weeks ago to see whether it had been improved. "They've made some minor changes," he says. "But they haven't made it an easy or enjoyable experience for me."

Inside The Beltway (WT)

By John Mccaslin

The Washington Times, October 26, 2006

Bury the hatchet

Inside the Beltway has learned that NAACP Chairman Julian Bond, who has repeatedly denounced the Republican Party and conservative black leaders alike, will come face-to-face this evening with U.S. Court of Appeals Judge Janice Rogers Brown. Judge Brown was nominated to her position by President Bush and is frequently mentioned as a possible Supreme Court nominee.

The two are among three prominent black leaders being saluted at a reception for the White House Fellowships program, hosted by conservative commentator Armstrong Williams in his Northeast Washington home.

Renowned neurosurgeon Dr. Benjamin Carson of Johns Hopkins Hospital fame is the third honoree.

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Mr. Williams, who sits on the President's Commission on White House Fellowships, was unavailable for comment yesterday, however a spokesman in his office stressed that "there will be no gauntlet -- politics will be put to the side for this celebration of White House fellows."

To the best of his knowledge, the spokesman said this will be the first time Mr. Bond and Judge Brown have met.

Mullah rocks

That was syndicated columnist Mark Steyn -- "The man who likes to poke the world in the eye," blared one recent headline -- belting out a Rod Stewart classic while a guest on "Bill Bennett's Morning in America" radio show this week.

Discussing his gloomy new book, "America Alone: The End of the World as We Know It," Mr. Steyn was waxing on the hypocrisy of Islamism and recalled how U.S. military forces discovered vintage eight-track tapes of Mr. Stewart's music in Taliban leader Mullah Omar's compound after the liberation of Afghanistan in 2001.

Suddenly, Mr. Steyn broke into song, riffing on the Stewart hit, "Da Ya Think I'm Sexy."

Mr. Bennett's producer, Seth Leibsohn, told the Beltway: "It was a unique moment for a talk show, but not so unique for Bennett's show, where the former education secretary often breaks into song given his love of '50s rock and roll."

Audio of Mr. Steyn's spontaneous performance can be heard at bennettmornings.com.

Tacky reporting

Sheryl Stolberg, White House correspondent for the New York Times, learned the hard way this week to stick to reporting on President Bush and keep her interior-decorating critiques to herself.

"Your [reporting] pool is informed that some readers took offense to the previous pool report's description of the pool hold in Boca [Raton, Fla.], which shall not be repeated here. Upon reflection, it seems an apology is in order to those who open their homes so that we might do our jobs. Please excuse your pool's lack of graciousness. Good manners sometimes slip away after a tiring day."

What on earth did she file in her initial White House pool report about Mr. Bush's trip to Florida? Read for yourself:

"Fancy gated neighborhood called The Sanctuary, with big stucco houses. Jordan Zimmerman, founder and chairman of Zimmerman advertising, was the host. Your pool was holed up at the next door neighbor's house, where there was a verrrrrry expensive Bentley and a less expensive Mercedes in the garage. We were in the pool room. Very big, but tacky decor, in the humble view of your pool."

Place your bets

The 2008 presidential elections are still two years away, but as President Bush observed at his press conference yesterday, every possible major party candidate and then some are being weighed by all the pundits and their mothers.

Will Sen. Hillary Rodham Clinton, New York Democrat, run and become the first woman president? Or might Illinois Sen. Barack Obama win his party's nomination and become the nation's first black commander in chief?

Obviously, it's anybody's guess -- including who the ultimate Republican nominee will be. Still, it's always fun to ponder, as political analysts at Intertops.com do with their updated odds on who will become the next president:

ANTITRUST:

FCC Likely To Avoid 'net Neutrality' Debate In AT&T-BellSouth Merger Decision (SAEN)

By Sanford Nowlin, Express-News Business Writer

San Antonio Express-News, October 26, 2006

As the Federal Communications Commission mulls conditions on AT&T Inc.'s $83 billion merger with BellSouth Corp., the commission faces pressure to turn the process into a fight over network neutrality, the concept that Internet service providers like AT&T should treat all traffic the same.

It's pressure, experts add, that the FCC is likely to resist.

Net neutrality proponents — consumer groups and Internet companies like Google, among them — worry San Antonio-based AT&T wants to create a two-tiered Internet where it picks which sites thrive and which flounder.

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And some now view the debate over deal conditions as their golden opportunity to make AT&T sign off on net neutrality protections before it closes the largest telecom deal in history.

"(AT&T) wants this merger to happen before the end of the year," said Gigi Sohn, president of Public Knowledge, which filed comments Tuesday asking the FCC to make AT&T treat all Internet content equally. "I think that's the biggest card we hold."

The FCC originally was set to rule on the merger Oct. 12, but pushed back its vote to Nov. 3 after commissioners reached an impasse over what conditions, if any, to impose on the deal. Republican FCC Chairman Kevin Martin proposed approving the merger without conditions, but the two Democrats commissioners said they wanted to see consumer-friendly safeguards.

In response, AT&T offered a set of conditions to which it would agree, including making speedy Web access available for $10 a month if bundled with phone service and not increasing rates competitors pay to access its networks.

Competitors and consumer groups had until Tuesday to file remarks about the AT&T proposals.

Analysts said they would be surprised if the FCC deviates too far from the conditions AT&T has already offered up — especially into territory as controversial as net neutrality. So far, the Justice Department and 18 states have approved the transaction, making the FCC its last regulatory hurdle to clear.

"I think pretty much what AT&T proposed will be accepted," said Patrick Comack, telecom analyst for Zachary Investment Research in Miami. "The Democrats on the FCC want to show they won something for consumers, but they aren't going to end up pushing AT&T around too much, especially on net neutrality."

While the FCC faces pressure to do something about net neutrality, analysts say the AT&T-BellSouth merger is unlikely to be the forum where it chooses to do so. Congress debated net neutrality this year amid heavy lobbying from the telecom and tech industries but never brought legislation to a floor vote.

"The FCC is not going to set policy for a whole industry based on concessions on one merger," Frost Bank analyst Le Keough said.

AT&T blasted the net neutrality demands, saying that they "smack of public relations-driven opportunism as opposed to a thoughtful approach to policymaking." In its proposed conditions, AT&T said it would abide for 30 months by net neutrality rules the FCC adopted last year.

"The proper place to be debating the pros and cons of net neutrality is in the U.S. Congress or in an industry-wide proceeding at the FCC," said Jim Cicconi, AT&T senior executive vice president external affairs.

Even some merger critics said they're not holding out hope that the FCC will make the company sign off on stringent new net neutrality guarantees. More realistic to expect, they add, are conditions that would offer consumers low-cost broadband and protect rivals that sell to business customers inside the merged AT&T-BellSouth's territory.

"This particular FCC has basically done nothing to stop these mergers," said Bruce Kushnick of watchdog group TeleTruth. "They're not going to make any controversial requirements at this point, especially not on something like net neutrality."

The FCC is split 3-2 in favor of Republicans, but one Republican commissioner, Robert McDowell, will abstain from the vote since he previously worked for a group that represented AT&T and BellSouth competitors. That gives the panel an even partisan split.

FPL Group, Constellation Energy Call Off Their $12.5 Billion Deal (WSJ)

By Andrew Dowell And Christine Buurma

The Wall Street Journal, October 26, 2006

FPL Group and Constellation Energy Group called off their $12.5 billion merger, as state regulators' concerns about rising power prices scuttled another major utility deal.

The decision follows Exelon Corp.'s move Sept. 14 to scrap its $17 billion acquisition of Public Service Enterprise Group for similar reasons and makes clear that any deal making in the sector faces a high hurdle.

FPL said it will focus on organic growth rather than mergers in the wake of the failed deal. FPL spokeswoman Mary Lou Kromer said the company will consider acquiring nuclear-power plants and wind farms to build out its wholesale power-generation business.

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Shares of Baltimore-based Constellation were down 19 cents, or 0.3%, to $62.37, while shares of Juno Beach, Fla.-based FPL were up $1.60, or 3.3%, to $49.77 in 4 p.m. composite trading on the New York Stock Exchange.

Constellation, the company being acquired in the transaction, asked to call it off because of uncertainty over whether the deal could win regulatory approval in Maryland, the companies said.

The companies both said they have strong prospects as separate operations.

The merger, announced in December, faltered after being caught up in partisan battles between Maryland Gov. Robert Ehrlich and the Democrat-controlled state Legislature. In June, state lawmakers passed a law that disbanded the Ehrlich-appointed Maryland Public Service Commission after the commission approved a 72% rate rise for Constellation's utility subsidiary, Baltimore Gas & Electric.

In September, the Maryland Court of Appeals ruled that the Legislature couldn't fire the commissioners. But the court left intact a provision of the law that prevents the commission from ruling on the FPL-Constellation deal until its members are replaced, leaving regulatory review of the merger uncertain.

Investment bankers and utilities expected a series of mergers in the fragmented industry, after a Depression-era law limiting utility mergers was repealed last year. The biggest obstacle to deals getting done has proved to be state officials seeking large concessions from utilities over concerns about record electricity rates.

Plug Pulled On Md. Utility Deal (WP)

By Steven Mufson

The Washington Post, October 26, 2006

Political uproar in Maryland over rising electric utility rates has derailed plans for the $12.4 billion takeover of Constellation Energy Group Inc., owner of the state's largest utility, by a Florida company.

FPL Group Inc., owner of Florida's biggest utility, yesterday abandoned its proposed acquisition after Constellation of Baltimore suggested that the two companies drop the merger because of "continued uncertainty over regulatory and judicial matters in Maryland and the potential for a protracted and open-ended merger review process."

The proposed takeover, unveiled in December, has been at the center of a political brawl in Maryland, made more intense by a request this year by Constellation's Baltimore Gas and Electric Co. unit for a 72 percent increase in electric rates. Litigation was continuing, and Maryland's Public Service Commission still needed to approve the FPL merger.

"It's been a long time in coming, and I'm not surprised," Maryland Gov. Robert L. Ehrlich Jr. (R) said yesterday. He blamed Democratic legislative leaders for creating uncertainty with a law that temporarily lowered rates and dismissed the state's utility regulators. Maryland's highest court later reinstated the PSC members but let stand a provision of the legislation that prevented those members from ruling on the merger.

The coming elections were unlikely to alter the outlook. Democrats are expected to retain control of the state legislature. And Baltimore Mayor Martin O'Malley, Ehrlich's Democratic challenger, has vowed to fire the PSC members, who he said yesterday had showed an "utter lack of leadership and professionalism."

The end of the merger does not mean any relief for Maryland ratepayers, who still face sharply higher energy costs in a deregulated electricity market. Though rate increases were limited by the legislature this year, the full amount of higher costs will take effect Jan. 1, 2008. Moreover, ratepayers will not receive $21.4 million a year in cost savings from the merger that Constellation had promised to pass on during the next decade. Those savings were supposed to show up starting in January. Cancellation of the merger also makes it more likely that Constellation will reopen negotiations with the legislature on another $386 million in dispute.

But consumer groups critical of Constellation said that the sum would deflect only a small portion of the full rate increases that will be phased in over the next 14 months and that BGE customers were better off without the merger.

Johanna Neumann, a policy advocate at Maryland Public Interest Research Group, said "the blocked merger is a victory for BGE ratepayers." She said the merger "would have created an energy giant large and powerful enough to dictate electric rates" and that "the risk of skyrocketing electric bills far exceeded Constellation's paltry pass-on of savings."

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The collapse of the FPL-Constellation deal highlights the difficulty of merging two utilities, despite the 2005 repeal of the Depression-era Public Utilities Holding Company Act (PUHCA) that many experts had predicted would lead to a major consolidation of the industry. Last month, Exelon Corp. dropped its $17.8 billion bid for Public Service Enterprise Group Inc . after failing to come to an accord with New Jersey regulators.

"There was a lot of enthusiasm after the repeal of PUHCA that all the barriers [to mergers] were gone," said Robert Burns, senior researcher at the National Regulatory Research Institute at Ohio State University. "That is simply not the case. There are still regulatory hurdles to go over and a lot of those hurdles are appropriate. State commissions want to make sure their ratepayers are protected."

Though many analysts had anticipated the merger's cancellation, it was not clear why it occurred now. "There was no particular tipping point or precipitating event," said Paul Allen, senior vice president of corporate affairs at Constellation. "There was no clearly identifiable path forward for obtaining approval. We needed to get on with running our business."

Some sources close to the companies said the collapse of the merger took place during a culture clash between the button-down Constellation and the more freewheeling FPL, especially in dealing with Maryland legislators. FPL chief executive Lewis Hay III said at a conference last month in New York that FPL had "limited patience" left with the Maryland legislature, and on Oct. 4 FPL filed suit against the state and the PSC to force a timely review of the merger.

Hay and Constellation chief executive Mayo A. Shattuck III were "like Felix and Oscar," said one person familiar with the companies who spoke on condition of anonymity to protect his business relationship with them.

But the two chief executives praised each other yesterday in a joint statement, and a Constellation executive said style or corporate culture had nothing to do with the merger's cancellation. "With any two companies, you are going to be able to find differences of style and approach," Constellation's Allen said. "But the deal was a good idea. The transaction made sense. We just couldn't see a path to getting it done."

Constellation and FPL have reorganized over the past few years to take advantage of the partial deregulation of electric utilities. While local utilities used to own their power-generating plants, those plants have now been spun off into companies or, in the case of Constellation and FPL, subsidiaries. With high energy costs, those power generators have been demanding higher prices from utilities, which must then pass them on to customers long used to stable rates. The result has been big profits for power generators and wholesalers, and rate shock for consumers.

By taking over Constellation, FPL would have greatly expanded its reach, and Constellation would have gained financial muscle.

"FPL and Constellation didn't make any bones about it. FPL wasn't interested in the local [Baltimore] utility," said Theresa Czarski, the deputy at the Office of the People's Counsel. "It was interested in Constellation's generating assets."

After spending tens of millions of dollars on lawyers and investment bankers, the two firms are going separate ways.

Analysts say that Constellation remains an attractive business on its own. It has a fleet of relatively low-cost power generation plants, including nuclear, and its energy wholesale business markets electricity across the country to industrial and big commercial customers.

"On a stand-alone basis, we believe the stock is undervalued," Citigroup Inc. analyst Greg Gordon said in a report issued yesterday. He said the main risks to the company were the volatility of energy prices and further legislation limiting rate increases in Maryland.

FPL also asserted that it would grow on its own. Like Constellation, it has a large and profitable energy wholesaling business and its Florida Power and Light utility has been adding about 100,000 customers a year; it now has 4.4 million customers. FPL also has a unit in the wind-farm business.

"We are very much focused on continuing to grow those businesses and will be able to continue to provide shareholder value for some time," said Mary Lou Kromer, FPL's vice president for marketing and communications.

Constellation shares closed yesterday at $62.37, down 19 cents a share. FPL shares closed at $49.77, up $1.60 a share.

Yankee Candle Agrees To $1.4 Billion Buyout (WSJ)

By James Covert

DOJ_NMG_0086577

The Wall Street Journal, October 26, 2006

Yankee Candle Co. agreed to be acquired by a private-equity firm for $1.4 billion, plus the assumption of $300 million of debt.

The South Deerfield, Mass., maker of scented candles and home fragrances said Madison Dearborn Partners LLC will buy it for $34.75 a share, in a deal expected to close in the first quarter. Yankee Candle shares soared $5.01, or 17%, to $33.73 apiece in 4 p.m. New York Stock Exchange composite trading.

The company in July said it had hired Lehman Brothers to help it explore alternatives, including a possible sale. Yesterday, Yankee Candle's chief financial officer, Bruce Besanko, said the auction attracted "multiple interested parties," but he declined to be more specific.

Credit Suisse analyst Paul Lejuez said the deal came sooner than expected and the price was surprisingly high, possibly "an indication that private equity is willing to accept a lower rate of return than one would typically assume."

Madison Dearborn managing director Rob Selati said the Chicago private-equity firm will work with the company's current management to "build on Yankee's brand strength and to capitalize on the significant growth opportunities ahead."

Yankee Candle also said third-quarter net income fell 3.2% to $14.9 million, from $15.4 million a year earlier. With fewer shares outstanding in the latest period, per-share earnings improved to 37 cents from 35 cents. Sales rose 17% to $159.6 million, with same-store sales, or sales at stores open at least a year, up 8%.

Milberg, Weiss & Bush (WSJ)

The Wall Street Journal, October 26, 2006

Milberg Weiss is under federal indictment, but that doesn't mean the class-action specialist isn't still making legal mischief. A case in point is Billing v. Credit Suisse First Boston, in which Milberg has even managed to get part of the Bush Administration on its side. Someone in the White House should be embarrassed about this one.

In Billing, Milberg is suing investment banks on behalf of investors who participated in dot-com era IPOs that later went south. The case has been dismissed once, only to be reinstated by the Second Circuit Court of Appeals and is now headed for the Supreme Court. But the Justice Department's Antitrust Division has sided with Milberg, even as the SEC has submitted briefs in defense of the banks.

The Supreme Court has asked the Solicitor General to provide the government's view of the case -- but the question is, which arm of the government? Our sources say that, sometime in the next few days, the SG's office will file a brief recommending that the Supremes overturn the appeals court -- meaning, in short, that the SEC will have won the turf war. But the brief is being circulated within the Administration, so things could still change.

To understand how the SEC and Justice ended up on different sides, some background is in order. The plaintiffs allege that investment banks during the dot-com era engaged in anticompetitive practices violating the Sherman Antitrust Act. Some of the alleged collusion sounds like standard IPO underwriting -- creating a syndicate, building a pre-IPO order book, et cetera.

Some of it, if true, probably crosses the line. In this second category are activities such as requiring IPO investors to buy additional shares after the stock starts trading, punishing those who sell quickly by denying them access to future IPOs. But here's the rub: Such behavior is already barred by securities regulations handed down by the SEC. Milberg Weiss's innovation was to sue on behalf of investors in an antitrust class-action, rather than under securities laws. This creates the nifty potential of a treble-damage award for the plaintiffs (and their lawyers, natch).

The trial judge threw the case out on grounds that this was a securities-law problem, not an antitrust action. When Milberg Weiss appealed, the Second Circuit -- which is vying with the Ninth Circuit in creative law-making -- asked Justice and the SEC for their views. They took different sides, and the Second Circuit ruled for Milberg and the Antitrust Division.

Beltway turf battles are nothing new, but grown-ups in the executive branch are supposed to settle them. For a Bush Administration that has long called for reining in the trial lawyers, allowing its own Antitrust Division to aid Milberg in another abuse of the tort system is an amazing legal and political abdication. We hope somebody at Justice is making sure that the Solicitor General's brief in Billing argues against giving the trial bar an expansion into the antitrust field.

Radio Chain Said To Weigh Selling Itself (NYT)

DOJ_NMG_0086578

By Ken Belson And Andrew Ross Sorkin

The New York Times, October 26, 2006

The Mays Family, which built Clear Channel Communications into the country's largest network of radio stations through decades of acquisitions, is in negotiations to be taken private by a consortium of investors for more than $18.5 billion, people involved in the talks said yesterday.

The investors, who have been in discussions with Clear Channel for months, include Providence Equity Partners, the Blackstone Group and Kohlberg Kravis Roberts & Company, these people said.

The negotiations come as family- controlled media companies across the nation explore the possibility of selling their companies or taking them private. Cox Communications, the cable company based in Atlanta, went private in 2004. Cablevision, which is controlled by the Dolan family, is in the middle of negotiations to become private.

Clear Channel said yesterday in a statement that it was "evaluating various strategic alternatives to enhance shareholder value." The company has hired Goldman, Sachs & Company as its financial adviser.

Other potential suitors have emerged in recent days. They include Cerberus Capital Management, Oak Hill Capital Partners and Thomas H. Lee Partners, people briefed on the negotiations said. Now that the company is seeking alternatives, other suitors, including big media companies, could surface.

As of yesterday, Clear Channel had a market capitalization of $16.1 billion, thanks partly to an 18 percent surge in the company's stock since Aug. 9 amid speculation about a sale. Yesterday, shares of Clear Channel rose 15 cents, to $32.35.

Even with the rise in the company's shares, the company could still receive a 15 percent premium through a sale, according to Eileen Furukawa, who covers the company for Citigroup Global Markets. That would represent an offer of about $37.30 per share.

Clear Channel's shares, however, have declined during the last half-decade, reflecting the steady defection of radio listeners who are spending more time listening to iPods and visiting Web sites and writing e-mail messages. Radio stations are also under threat from subscriber-based networks like XM Radio and Sirius Satellite Radio.

More than 9 out of 10 Americans still listen to traditional radio stations, but the amount of time people tune in has slid 14 percent over the last decade, according to Arbitron ratings.

The steady dilution of radio listeners is a far cry from 1972, when Lowry Mays, the company's chairman, founded Clear Channel. A former investment banker, he bought several channels in San Antonio, where the company still has its headquarters. In 1984, the company went public and earned a reputation for turning around depressed stations.

The Federal Communications Commission in 1992 loosened rules on owning radio stations, paving the way for Clear Channel to sweep up more stations. The company now has more than 1,200 stations, and owns a substantial number of billboards and other outdoor advertising.

The company generated $6.6 billion in sales in 2005. Its stations include Z100 in New York and KISS-FM in Los Angeles.

As Clear Channel has grown, it has come under attack for homogenizing radio entertainment by standardizing playlists, playing too many commercials and not running enough local news. This in part spurred the growth of satellite-based subscription services like XM Radio.

In 2004, L. Lowry Mays stepped down as chief executive and one of his sons, Mark, took over. Another son, Randall is the company's chief financial officer. Before joining Clear Channel, he worked in the mergers and acquisitions department at Goldman Sachs.

Last year, Clear Channel sold 10 percent of Clear Channel Outdoor Holdings, its advertising unit, in an initial public offering. The company also spun off Clear Channel Entertainment, an events producer, to shareholders.

Big Law Firms From 2 Coasts Move Closer To A Merger (NYT)

By Michael J. De La Merced

The New York Times, October 26, 2006

Two major law firms — Dewey Ballantine and Orrick, Herrington & Sutcliffe — came closer to walking down the aisle yesterday.

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Top committees of the two firms recommended a deal, the two said yesterday. The combined firm would be called Dewey Orrick, with 1,500 lawyers and offices around the world. Together, they would form the seventh-largest law office in New York, and have revenue around $1 billion, the firms said in a joint statement.

The merger would be the latest in a wave of consolidation among law firms.

A merger "gives us a stronger geographical reach, complementary practice areas and gives us financial strength to continue to build practice areas," the chairman of the management and executive committees, Morton A. Pierce, said.

Orrick's chairman, Ralph H. Baxter Jr., said: "This will create a new and highly unusual, if not unique, value proposition for our clients. Few firms will match the depth we'll have."

Some terms of the deal are not yet final, and it is subject to approval by each firm's partners. Mr. Pierce said the firms hoped to obtain approval by mid-December, paving the way for Dewey Orrick by Jan. 1. The Wall Street Journal reported the move by the firms' top committees yesterday.

Based on details released yesterday, while Dewey's name will have first billing, the new partnership will retain Orrick's signature green "O" logo. Mr. Morton and Mr. Baxter will serve as co-chairmen, with Mr. Baxter taking the additional title of presiding partner.

At a glance, Dewey and Orrick seem like opposite-coast reflections of each other. Both have long histories: Dewey's name is that of the former New York governor and presidential candidate Thomas E. Dewey, while Orrick is one of San Francisco's oldest law firms, founded in 1863.

Dewey Ballantine, a 550-lawyer firm with 11 offices, earned $392 million in revenue and $1.24 in profit per equity partner last year, according to the May issue of The American Lawyer. Orrick, with 950 lawyers in 18 offices, reported $554 million in revenue and $1.24 million in profit per equity partner in the same period.

Both have prominent corporate deal making and litigation practices. Dewey is considered a specialist in mergers and acquisitions; it advised the hospital operator HCA in its $33 billion leveraged buyout, and the Walt Disney Company in its $7.4 billion purchase of Pixar Animation.

A main Orrick niche is in advising companies on debt financing, leading The American Lawyer's list for advising municipal bond underwriting deals. Its clients on several capital market transactions and restructurings last year included Bear Stearns, Banc of America Securities and J. P. Morgan Chase.

Growing Funds Fuel Buyout Boom (WSJ)

By Jason Singer And Henny Sender

The Wall Street Journal, October 26, 2006

Already Biggest, Blackstone Pool Will Raise Additional $4.4 Billion As Firms Seek Larger Targets

Accelerating the buyout boom and putting some of the world's biggest public companies in reach, Blackstone Group has decided to increase the size of the world's largest private-equity fund to $20 billion.

The move by Blackstone, which already had raised a record $15.6 billion for the fund from investors, secures bragging rights for now in an industry that has several other giants looking to create funds of $15 billion or more.

But there is much more than pride at stake: Private-equity firms have been on a tear lately, buying up publicly traded businesses with the intention of making them more profitable -- frequently by aggressively cutting costs -- and then selling them for big gains, either to other companies or to public shareholders via new stock listings. Fifteen out of the top 20 buyouts on record have been announced in the past 18 months, and private-equity firms this year have accounted for 17% of all major mergers and acquisitions.

Now, all but the largest public companies are potential acquisition targets, especially given the growing trend of "club deals" involving multiple private-equity firms. Their increased financial firepower -- aided by heavy borrowing at low rates by companies they own -- has giant buyout firms already eyeing takeover targets with stock-market values of $50 billion or more, say people familiar with the matter.

Investment strategists who compile lists of potential targets in recent weeks have pointed to hardware giant Home Depot Inc., computer maker Dell Inc., and semiconductor maker Texas Instruments Inc. In Europe, investment bankers point to other

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big names, including Vivendi SA of France, BT Group PLC, the British telecommunications company, or even food giant Unilever, which is based in the U.K. and the Netherlands.

The largest-ever private-equity purchase remains the iconic $25.1 billion acquisition in 1988 of RJR Nabisco by Kohlberg Kravis Roberts & Co. Close behind: this year's agreement by KKR, Bain Capital LLC and Merrill Lynch & Co.'s private-equity arm to purchase U.S.-based hospital chain HCA Inc. for $21.3 billion.

Just a year ago, the biggest private-equity funds had little more than $5 billion. Blackstone's previous fund, one of the world's largest at the time, was $6.45 billion, raised in 2002. Blackstone declined comment.

Private-equity firms raise money from deep-pocketed investors, including pension funds, university endowments and wealthy families. The firm's managers make money through fees imposed on their clients -- usually about 1.5% of how much they invested -- and on their companies, along with dividends they have those companies pay. Then they get a big cut of the profits when they sell companies, frequently via lucrative new initial public offerings of stock.

The firms used to raise new funds every five years or so, but now that pace has quickened to as often as every two years, keeping a constant flow of new money pouring in as old investments are cashed out. "We are seeing a significant privatization of corporate America," said James Westra, a lawyer with the Boston office of Weil, Gotshal & Manges LLP, who works closely with private-equity firms.

So far this year, about $159 billion has been secured for new buyout funds world-wide, according to Thomson Financial. The firms have spent $421 billion on buying companies this year, up from $253 billion in all of 2005.

Over the past decade, private-equity funds have average investment returns of 17% a year, Thomson Financial data show, though the biggest funds generally do much better.

Blackstone's move likely will ramp up the race for bigger funds. Carlyle Group of Washington, D.C., is targeting a single fund of $15 billion, but may now opt for a larger size. KKR of New York has several initiatives going which will raise a total of as much as $25 billion, though not in a single fund. Texas Pacific Group has a new $15.2 billion fund. Spokesmen for Carlyle, KKR and TPG all declined to comment.

Martin Halusa, chief executive of private-equity firm Apax Partners Worldwide LLP of London, has said that a $100 billion fund is foreseeable.

Founded in 1985, Blackstone now employs 750 people world-wide. In addition to running private-equity funds, it offers investors slices of hedge funds, and operates a group that helps revamp troubled companies.

It decided to reopen its new $15.6 billion fund to investors because it was approaching a limit on how much it can spend each year. The firm promises its clients that it won't invest more than 40% of its money a year to avoid betting too much at once.

Among institutions that have invested in the new fund: Government of Singapore Investment Corp.; CALSTRS, or the California State Teachers' Retirement System; Calpers, or California Public Employees Retirement System; and the Canada Pension Plan.

The new megafunds likely are to intensify criticisms among some investors, especially about the fees that private-equity firms charge. Several investors in Blackstone's previous funds say they are opting out of this one, citing those fees.

Some investors say the fees allow private-equity firms to prosper even if their deals tank, separating investors' interests from the firms'.

"A lot of models are set up just to generate fees," said Joe Landy, co-head of New York private-equity firm Warburg Pincus LLC, at a recent conference. Warburg doesn't charge the companies it controls such fees.

These firms are subject to increasing public scrutiny. Several firms have received preliminary inquiries from the U.S. Department of Justice regarding possible collusion on deals involving multiple funds teaming up. Blackstone hasn't received an inquiry, a person familiar with the matter says.

Private-equity firms used to be disadvantaged in bidding wars for companies, because buyers in the target's industry could wring greater cost efficiencies out of their purchases, so they could afford to bid more. That is what happened last year when private-equity firm Ripplewood Holdings LLC bid for Maytag but was beat out by Whirlpool Corp.

That balance recently has swung in favor of private-equity firms, which in turn will fuel their ability to buy ever-bigger companies. The reason: The debt markets are extending financing to the private-equity firms at a cheaper rate and on more

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flexible terms, allowing the private-equity firms to offer more. Private-equity firms recently have paid as much as 20% over their acquisition's current share price.

Many in the industry say things will only slow down when lenders raise rates or stiffen terms.

"What drives private equity today is how much leverage you can put on your companies," says Robert Kindler, head of mergers and acquisitions for Morgan Stanley. "At some point the merry-go-round has to stop."

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NYSE To Buy Rest Of Amex Tech Stake (WSJ)

By Aaron Lucchetti

The Wall Street Journal, October 26, 2006

NYSE Group Inc. plans to buy the one third of its technology unit that it doesn't own for about $40 million from the American Stock Exchange, according to people familiar with the matter.

NYSE, which operates the New York Stock Exchange, will become full owner of Securities Industry Automation Corp., or SIAC, with the transaction. Amex and NYSE have been negotiating for months to complete a deal.

Both markets see the move as necessary as electronic trading and technology become crucial to gaining business for exchanges now structured as for-profit companies. In that environment, the sharing of technology between two exchange rivals became unpalatable.

NYSE wanted full control of the subsidiary, which handles the exchanges' communications networks and computer systems among other things. Amex gets cash to build its own technology, which it is hoping to roll out later this year after getting regulatory approval.

The deal will make it easier for NYSE to integrate its communications and market-data operations with those of Archipelago Holdings Inc., the electronic-exchange operator that the Big Board merged with in March. Analysts say cost cutting and layoffs are possible at the unit as NYSE tries to expand profit. A deal could close as soon as next month.

NYSE is also hoping to merge with pan-European exchange operator Euronext NV, and a good chunk of the more than $250 million in cost savings anticipated from that deal will come from reducing the number of technology platforms.

SIAC may be further restructured if NYSE finishes its deal with Euronext, which depends on a shareholder vote and is facing some political opposition in Europe.

Write to Aaron Lucchetti at aaron.lucchetti@wsj.com1

German Regulators Say No To Coherent Buy (AP-YBIZ)

AP, October 26, 2006

German Regulators Say No to Coherent's Proposed $376M Acquisition of Excel

NEW YORK (AP) -- Coherent Inc., a Santa Clara, Calif.-based maker of lasers for commercial and scientific uses, said Wednesday German regulators are prohibiting its $376 million acquisition of Excel Technology Inc.

Although the acquisition had passed U.S. antitrust authorities, the German Federal Cartel Office issued a prohibition order on the deal.

"While we are clearly very disappointed and disagree with the FCO's decision, we remain committed to accomplishing acquisitions that meet all our criteria for growth, diversification and financial performance," said John Ambroseo, Coherent's president and chief executive, in a statement.

The deal, announced in February, valued Excel, a maker of electro-optical and laser systems used for scientific, industrial and medical purposes, at $30 per share.

The acquisition was expected to close in the June quarter.

Shares of Coherent were trading at $35.60 in the after-hours session, down 9 cents from Wednesday's closing price of $35.69 on the Nasdaq. Excel shares finished the Nasdaq session unchanged at $29.

German Regulator OKs Metro-Wal-Mart Deal (AP)

AP, October 26, 2006

DOJ_NMG_0086582

FRANKFURT, Germany --Metro AG's deal to buy Wal-Mart Stores Inc.'s German operations received approval Wednesday from Germany's antitrust regulator, clearing the way for an acquisition that will expand Metro's presence in its home market.

The Federal Cartel Office approved the deal after deciding the addition of the 85 Wal-Mart stores would not give Metro a dominant position in the market.

The deal calls for Duesseldorf-based Metro to take over 19 pieces of Wal-Mart real estate and lease the remaining locations. Neither company has disclosed the deal's value.

Metro will fold the stores, which had sales of nearly euro2 billion in 2005, into its Real hypermarket brand. The first conversions are set to be finished before Christmas, and the rest should be integrated by mid-2007.

The addition of Wal-Mart's warehouses and logistics systems is expected to strengthen the position of Metro's existing 550 Real stores in the German market.

Metro operates more than 2,100 stores in 30 countries worldwide.

The deal, announced in July, marked Wal-Mart's second withdrawal from a major foreign market.

In May, it pulled out of the highly competitive South Korean market. The Bentonville, Arkansas-based retailer is concentrating on expanding in China and Central America.

Wal-Mart entered the German market in 1997 with the acquisition of the Wertkauf and Interspar hypermarket chains. But the German stores, which employ 11,000 people, struggled to break into the local market.

Shares of Metro were down less than half a percent to euro45.64 (US$57.24) in Frankfurt trading.

ENVIRONMENT/INDIAN AFFAIRS:

Military Tells Panel Stryker Unit Is Vital (HSB)

By Gregg K. Kakesako

Honolulu Star-Bulletin, October 26, 2006

An environmental group and Hawaiian activists want a halt to all related activities

Government lawyers say that halting Schofield Barracks' $1.5 billion Stryker unit would do "irreparable harm" to the Army, soldiers of the 2nd Brigade and the nation's security.

They oppose a motion by island environmentalists and Hawaiian activists who want the 9th U.S. Circuit Court of Appeals to approve a temporary order halting all work on Stryker-related activities in Hawaii.

U.S. Justice Department attorneys Andrew Mergen and Michael Gray on Monday said "national security concerns" are more compelling today than they were on Nov. 5, 2004, when a federal court judge rejected environmentalists' first petition for a preliminary injunction.

The Army argued that the 2nd Brigade is scheduled to become a "fully manned, trained and equipped Stryker Brigade Combat Team, ready for deployment by November 2007."

Lt. Gen. John Brown, who heads Army troops in the Pacific, wrote in a letter published Monday in the Honolulu Star-Bulletin that the combat deployment will be to Iraq. This will be the second time the 25th Infantry Division's 2nd Brigade will pull combat duty there.

David Henkin, attorney with Earthjustice, said he expects the 9th Circuit in San Francisco will rule on its request for a temporary injunction by Tuesday.

Henkin said Earthjustice wants to temporarily stop the project so the environmental group and the Army can discuss what activities can proceed.

On Oct. 5 by a 2-1 vote, a three-judge federal appeals panel ruled that the Army's environmental impact statement was inadequate because it didn't consider other training sites where the 328, 19-ton, eight-wheeled combat vehicles could be located.

Henkin said Earthjustice wants a permanent injunction preventing the Army from proceeding with 28 Stryker-related construction projects, totaling $693 million.

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Henkin said Earthjustice wants the federal court to rule by Tuesday because the Army wants to start construction on a Schofield Barracks Battle Area Complex training area on the next day.

ZapataEngineering was awarded a nearly $5 million contract two years ago to clear 941 acres for gunnery training and weapons qualifications.

In its response, Army lawyers rejected Earthjustice's arguments that the 2nd Brigade could finish its training in Alaska or Washington because the Stryker units assigned to those Army posts would be back from Iraq.

"Training at another location would also requiring transporting ... personnel, equipment and vehicles to that installation that require 80 percent of the Air Force's transport capacity and would consume 40 out of 270 available training days," the Army lawyers wrote.

Government lawyers also said moving the 2nd Brigade out of Hawaii to complete its training would "reduce the Army's posture to deter conflict and meet treaty obligations in the Pacific region including the Republic of Korea."

Shell Could Face Criminal Charges In Russia (NYT)

By Andrew E. Kramer

The New York Times, October 26, 2006

MOSCOW, Oct. 25 — A Russian official threatened criminal prosecutions against employees of Royal Dutch Shell, ratcheting up pressure on the company's $22 billion oil and gas project on Sakhalin Island on Wednesday.

The remarks suggested a further unraveling of the relationship between Western energy companies and the Russian government, which is intent on gaining control of the energy sector.

Shell and two Japanese partners were accused of violating Russian environmental law at their Sakhalin 2 project. The project consists of two offshore platforms, a pipeline, the world's largest liquefied natural gas plant and an oil terminal. A Russian state company, Gazprom, wants a 25 percent share. Mitsui and Mitsubishi, of Japan, are minority owners.

"The breaches at Sakhalin 2 fall under five articles of the criminal code," Yuri Trutnev, the minister of natural resources, said after touring a pipeline Wednesday, in remarks shown on Russian television news. "This falls under criminal law and we think it's necessary to apply it. All the relevant documents should be sent to the prosecutor general within two weeks."

Lower-ranked Russian officials had threatened criminal charges earlier this month. The statement by Mr. Trutnev, however, carried more force and suggested an escalation because he is a member of the cabinet.

Mr. Trutnev said the ministry would calculate the cost of environmental damage from Sakhalin 2 within four months. He also said work on some pipeline sections should halt immediately and that he was preparing to cancel a water use permit, needed by the company.

President Vladimir V. Putin denied during a question-and-answer session on Russian television Wednesday that environmental laws were being selectively enforced against foreign energy companies.

Mr. Trutnev, whose ministry inspected Sakhalin 2 in August and again in September, had said the second inspection provided enough grounds to revoke a major environmental permit. He had said the permit would very likely be canceled this week. He delayed a decision on that permit, however, by one month for further study.

On Wednesday, Shell provided the ministry with its response to the August inspection; the company said 98 percent of the infractions cited had been rectified.

"I am pleased that Minister Trutnev has taken the time to visit Sakhalin to see firsthand the work in progress," Ian Craig, chief executive of Sakhalin Energy, the operating company, said in a statement Wednesday. "There is no question of our commitment to correct any errors that we or our contractors may have made," he said.

A company spokesman, Ivan O. Chernyakhovsky, said he could not respond to the threats of criminal prosecution made by Mr. Trutnev. "A lot was said today; we aren't ready to comment on it all in detail," he said. "We think we have complied with Russian legislation."

Weakening The Fight For Mine Safety (NYT)

The New York Times, October 26, 2006

DOJ_NMG_0086584

Despite being twice rebuffed by the Senate, President Bush has named Richard Stickler, a stolid mining industry careerist, to run the mine safety agency whose serial ineptitude has been laid bare this year by the deaths of 42 mineworkers. Waiting until the Senate left town for the elections, Mr. Bush resorted to a recess appointment to place Mr. Stickler at the heart of enforcing new safety reforms that, in earlier hearings, the appointee himself had claimed were not at all that necessary.

To the contrary, these reforms became a crying need brought home to the nation from the depths of the Sago mine disaster in West Virginia, where 12 workers died in January. Sago presented a clinic in failed government oversight. The new law would double a miner's emergency oxygen to two hours; mandate electronic devices to track trapped miners; and repair the damage originally done by the administration in cutting more than 200 mine safety inspectors in the name of budget economy.

Mr. Stickler points to his six years as Pennsylvania mine safety chief to rebut criticism that he is the latest example in the administration's dangerous history of packing safety agencies with pro- industry regulators. But the bulk of his career was in corporate management of mines. Miners and lawmakers have cited the federal agency's own data in warning that injury rates at his mines were higher than the national average. The administration's pro-industry tack is a running scandal exemplified by Steven Griles, a mining lobbyist who was appointed deputy secretary of the interior. Mr. Griles devoted four years to rolling back mine regulations and then returned to lobbying for an industry long known for its patronage clout with politicians.

Senate opposition to Mr. Stickler reached the point that the nomination was twice withheld. The Republican majority leader, Bill Frist, said that if the president resorted to a recess appointment — a device guaranteeing Mr. Stickler at least a year in office — the Senate would schedule a showdown vote in response. Senator Frist must be held to his promise. Lawmakers should demand a bulldog enforcement director rather than another industry lapdog.

Tribal Police Chief, Officer Face Federal Charges (AP)

AP, October 26, 2006

PHOENIX -- The White Mountain Apache tribal police chief and another officer have been charged with manipulating records in a federal investigation after the FBI began looking into the use of departmental funds at casinos.

Police Chief Lincoln Perry and Officer Tim Goode pleaded not guilty Wednesday in U.S. District Court, said Wyn Hornbuckle, spokesman for the U.S. Attorney's Office. They were each arraigned on one count of conspiracy to falsify records and 17 counts of falsifying records.

Perry and Goode are scheduled to stand trial Dec. 5 in Prescott, according to Hornbuckle.

Federal officials alleged the two men embezzled between $10,000 and $20,000 over a five-year period. According to authorities, Perry and Goode were the only ones allowed to sign on a bank account maintained by the tribal police investigations unit. The account is used for undercover purchases and payment to informants. Perry was already on suspension when the charges were filed.

In February, FBI investigators became aware of the account. A review of records gave rise to a probe into possible embezzlement and theft, Hornbuckle said. In April, a federal grand jury subpoena was issued for bank records dating back to January 2001.

Hornbuckle said Perry and Goode submitted fake receipts to tribal police in response to FBI agents looking into the bank account.

The records showed multiple withdrawals from the account from casinos in Las Vegas, Scottsdale, Hon-Dah, Camp Verde and San Carlos, Hornbuckle said.

After their court appearance Wednesday, Perry and Goode were released and barred from using firearms, gambling, traveling outside the state and contacting tribal police about their case.

FBI/DEA/ATF/USMS:

MCLU Says FBI Is Spying On Peace Activists (WCSH)

WCSH-TV, October 26, 2006

DOJ_NMG_0086585

The FBI has apparently been keeping files on the emails of peace activists in Maine. Last year, the Maine Civil Liberties Union filed a Freedom of Information Act request from the FBI.

Wednesday morning, it released the results, 18 pages of emails that the FBI had in its files.

Those emails were put out by "Peace Action Maine," the "Maine Center for Peace and Justice" and "Veterans for Peace" as they were organizing for two different protests.

Activists say they were shocked that their government was "spying" on them.

"I was surprised. And maybe I'm naive or idealistic, but I think that in America, the first amendment stands for freedom of speech and association. If someone is expressing their views in a peaceful way, they should be free from suspicion and should not be under surveillance or interrogation by the government," said Shenna Bellows from the MCLU.

A spokesperson for the FBI, Nenette Day, says the agency does not monitor or investigate peace groups in Maine. Day says the emails were likely forwarded to the FBI, then placed in a file.

Peace Groups Say FBI Monitored Their E-mails (AP)

AP, October 26, 2006

PORTLAND, Maine - The FBI has turned over e-mails it obtained from members of two Maine peace organizations containing information about demonstrations at the Brunswick Naval Air Station and Bath Iron Works, the Maine Civil Liberties Union said Wednesday.

The e-mails were turned over in response to a Freedom of Information request that the MCLU filed last year.

Obtaining the e-mails of Peace Action Maine and Veterans for Peace is a waste of FBI resources, and it has a chilling effect on people who want to speak out against government policies, said Shenna Bellows, executive director of the MCLU.

It also brings to mind the FBI's clandestine surveillance in decades past of Martin Luther King Jr., John Lennon and civil rights organizations, she said.

"History seems to be repeating itself," she said at a press conference at the Peace and Justice Center.

An FBI spokeswoman said the agency gets its information from a myriad of sources, including concerned citizens who send along correspondence they've obtained.

But it is incorrect to suggest that the FBI was spying on the Maine peace groups or intercepting their e-mails electronically, said Nenette Day of the Boston FBI office.

Day did not know exactly how the FBI came into possession of the e-mails, but said a federal court order would be required to obtain them electronically. The FBI would request such a court order only if it had evidence that a crime or an act of violence was going to be committed, or that national security was being compromised, she said.

"We do not investigate individuals engaged in their constitutional rights, including the right to free speech and assembly," Day said.

The MCLU filed a Freedom of Information request last year on behalf of Peace Action Maine, Veterans for Peace, five other organizations and 15 individuals.

In January, the FBI confirmed that it possessed some e-mails from the Maine Coalition for Peace and Justice, the MCLU said.

Late last month, the MCLU received copies of e-mails the FBI had obtained from Peace Action Maine, Veterans for Peace and two individuals connected to peace groups. The e-mail messages were redacted so they didn't contain names or information considered to be classified.

The e-mails discussed plans for a demonstration of the Blue Angels air show at Brunswick Naval Air Station on Sept. 10, 2005, and about a protest at the christening of a Navy destroyer at Bath Iron Works on July 23, 2005.

Some of the e-mails that were released were written by John "Jack" Bussell, a board member of Veterans for Peace. Bussell, who served in the Army from 1959-79, said peace groups have long suspected their activities are being scrutinized.

"But to see it is shocking," he said.

Cops Arrested For Allegedly Stealing $31,000 (CHIST)

By Frank Main, Crime Reporter

DOJ_NMG_0086586

Chicago Sun-Times, October 26, 2006

Officers Richard E. Doroniuk, 30, and Officer Mahmoud "Mike" Shamah, 27, were picked up at their homes this morning without a struggle. A civilian, Larry "Peanut" Cross, also is implicated. They are charged with conspiracy to commit theft.

Doroniuk allegedly was caught on an Aug. 17 wiretap — the day before one of their ripoffs — discussing that he needed to be careful because other cops had recently been busted.

» Click to enlarge image

They also planned to conduct a home invasion on one of the drug dealers whose lockers they targeted, but the ripoff was never carried out, officials said. They intended to buy a diamond necklace or something else valuable for an unidentified person who was going to help them with the robbery, authorities said.

"Today's arrests result from the department's ongoing commitment to remove bad cops from the streets," said police Supt. Phil Cline.

The arrests come just a month after four police officers were arrested for allegedly invading homes and robbing people of valuables. More cops are expected to be arrested in that case. Earlier this month, the Chicago Police Department launched an evaluation of officers with 20 or more complaints lodged against them to identify problem cops.

The FBI and the police Internal Affairs Division conducted the sting. The FBI learned from an informant that Cross was discussing ripoffs by Doroniuk and Shamah. Cross allegedly asked the informant to provide information about locations for the officers to commit thefts, authorities said.

The FBI directed the informant to tell Cross about the Grand-Pulaski Self Storage facility, where undercover agents rented a unit and left a black backpack-style bag containing $20,000, according to an FBI affidavit.

On June 13, Doroniuk and Shamah allegedly went to the storage unit with a search warrant and two other unidentified officers. Surveillance agents allegedly saw them enter and exit the unit carrying bolt cutters. When they left, the money was allegedly missing.

As of early October, there were no police records showing the money was seized or inventoried, authorities said.

On Aug. 18, the FBI set up another sting at a storage facility at Grand and Kilbourn, where the FBI informant told Cross there were drugs and at least $30,000 in cash from drug sales, authorities said. The FBI put $18,100 in the locker.

Doroniuk, Shamah and four unidentified officers went to the storage unit with a search warrant and seized the money, authorities said. They turned in $7,000 as evidence from the search and allegedly stole the remaining $11,100. Cross told the informant the officers gave him $800, authorities said.

During a wiretapped conversation on Aug. 17, Doroniuk allegedly discussed the arrest with Shamah, saying "We got to be ... real smart about this ... man." Doroniuk also was caught on tape talking about the arrest of other officers with an unidentified accomplice.

Doroniuk joined the department in January 2000 and Shamah's been a Chicago Police officer since August 2001. Both officers are tactical officers in the Morgan Park District on the Southwest Side.

It was unclear whether any of the unidentified officers who participated in the seizures face any disciplinary action.

They are expected to appear before U.S. Magistrate Judge Nan Nolan at 3:30 p.m. today.

2 Chicago Police Officers Charged In Narcotics Case (BVND)

By Mike Robinson

The Belleville News Democrat, October 26, 2006

CHICAGO - Two Chicago police officers were charged Wednesday for allegedly conspiring with a narcotics dealer to steal $31,100 in what they mistakenly believed was drug money.

Officers Richard E. Doroniuk, 30, and Mahmoud "Mike" Shamah, 27, both members of a South Side tactical unit, were arrested without incident in their homes early Wednesday, federal officials said.

The two officers appeared Wednesday afternoon before U.S. Magistrate Judge Nan R. Nolan, who set a bond hearing for Tuesday.

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Doroniuk attorney Robert Clarke said the officer "is going to get his full day in court and that's what he wants," while Shamah attorney Anthony Pinelli declined to comment because he was still studying the case.

Federal officials said the money had been planted in self-storage lockers as part of a sting operated jointly by FBI agents and Chicago police internal affairs investigators.

Officials said the officers used information from a third defendant, Larry "Peanut" Cross, 55, to obtain search warrants for the lockers.

According to the complaint, the officers failed to report any of the money seized from a locker in June and only part of the cash taken in a second theft in August.

They took the money believing they were ripping off a drug dealer, federal officials said. They said Cross already was in state custody.

A criminal complaint unsealed following the arrests charged all three men with conspiracy to steal government funds.

Police Superintendent Phil Cline said the charges "should send a clear message to the public and the department's 13,600 honorable men and women that officers who violate the public trust will be held accountable."

"Today's arrests result from the department's ongoing commitment to remove bad cops from the streets," Cline said in a statement.

Doroniuk has been a police officer since January 2000 and Shamah since August 2001, federal officials said.

Jail Guard Charged With Accepting Bribes From Inmate (AP)

AP, October 26, 2006

SANTA ANA, October 25, 2006 - A federal grand jury indicted a jail guard Wednesday on charges he accepted $6,000 from an inmate in exchange for smuggling in banned cell phones.

Also on abc7.com:

Daily Newsletter | Breaking News Alerts | Eyewitness News team Bios Jose Abel Flores, 37, of Corona, was arrested Oct. 17 at his work, the Santa Ana City Jail. He was being held on $100,000 bond and was scheduled to be arraigned Nov. 6.

If convicted of two bribery counts, Flores faces a maximum sentence of 30 years in federal prison.

Flores accepted two $3,000 bribes in exchange for bringing cellular telephones to a federal inmate being held in jail on narcotics and weapons charges, according to the indictment. The bribes were paid from a purported friend of Flores, but in fact the friend was an undercover FBI agent, authorities said.

Ring Allegedly Hid Meth In Elmo Dolls (AP)

AP, October 26, 2006

DENVER -- Drug agents broke up an aggressive northern Colorado ring that shipped methamphetamine hidden in Elmo dolls and other toys, authorities said Wednesday.

The alleged ringleader was among 19 people in custody, authorities said. Agents said they seized more than 45 pounds of what they described as high-quality methamphetamine worth $864,000 and capable of supplying 4 million doses.

U.S. Attorney Troy Eid said the alleged ringleader, Rigoverto Valle-Sierra, was arrested Tuesday in Greeley after a yearlong investigation that stretched from Colorado to California.

Jeffrey D. Sweetin, special agent in charge of the federal Drug Enforcement Administration's Rocky Mountain Region, said Valle-Sierra was working with about five methamphetamine rings.

"I've never seen a meth arrest have more impact than this one," he said.

Officials said Valle-Sierra was trying to take over the methamphetamine trade in northern Colorado with an operation that used night-vision goggles and bulletproof vests.

Sweetin said agents believe Valle-Sierra bought methamphetamine in the Los Angeles area but it was probably made in a large lab in Mexico.

Colorado Meth Ring Smuggled Drugs Inside Elmo Dolls And Other Toys, DEA Says (AP)

AP, October 26, 2006

DENVER — Authorities said Wednesday that they have broken up a methamphetamine ring that shipped the drug in toys including an Elmo doll.

Agents said 19 people were in custody, including the alleged leader of the northern Colorado drug ring, and that they seized more than 45 pounds of what they described as high-quality methamphetamine.

Officials released photos of an Elmo doll found in a car in Barstow, Calif., with a caption saying 4 pounds of methamphetamine was found inside. Eid said he could not discuss what happened because the doll of the "Sesame Street" character was evidence in the case.

• Crack the case in FOXNews.com's Crime Center.

Authorities said other toys also were used to hide drugs but did not elaborate. Other photos showed drugs shipped in a suitcase and tucked inside a tire.

U.S. Attorney Troy Eid said the alleged ringleader, Rigoverto Valle-Sierra, was arrested Tuesday in Greeley after a yearlong investigation.

(Story continues below)

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Jeffrey D. Sweetin, regional Drug Enforcement Administration special agent in charge, said the operation was selling methamphetamine that was about 99 percent pure, while most methamphetamine sold on the street is about 30 to 40 percent pure. Authorities said the seized drugs, valued at $864,000, amounted to about 4 million doses.

Of the 21 people named in a federal indictment, 12 are suspected illegal immigrants, Eid said. Two suspects remain at large, he said.

Cops Take 45 Lbs. Of Meth In Greeley (DENP)

Denver Post, October 25, 2006

Drug agents raided a number of homes and a business in Greeley Monday and Tuesday, arresting 10 people and confiscating more than 45 pounds of methamphetamine.

Federal agents said the people arrested were part of a large drug ring which had been under surveillance for more than a year.

Last week, a federal grand jury indicted 21 people, including the 10 arrested this week. Another 9 people were already in custody on state charges and 2 people are fugitives.

Agents from the Drug Enforcement Administration and officers from the Weld County Drug Task Force confiscated $59,000 in cash, four weapons, one of which had been stolen, a bullet-proof vest and a night-vision goggles.

DEA agent-in-charge Jeffrey Sweetin said the methamphetamine was made in California and transported to Colorado.

Meth Arrests Put Greeley Cartel On Ice (DENP)

Denver Post, October 26, 2006

Authorities say they have dismantled a drug cartel headquartered in Greeley that moved millions of dollars in high-quality "ice" methamphetamine in buses and packed inside stuffed toys.

Stretching from Los Angeles to Roanoke, Va., the operation primarily sought to monopolize the methamphetamine trade in northern Colorado by relying on a product that was an "unheard of" 99 percent pure, federal and local law enforcement officers said Wednesday.

After a 13-month investigation, agents reportedly seized more methamphetamine in this one operation than was taken in all of 2005 across Colorado.

The potent white powder was mass-produced in Mexican drug factories - an example of a trend away from making smaller batches in scattered trailers, apartments and motel rooms.

With U.S. authorities tightening up on the availability of the over-the-counter medications used to make methamphetamine, drug sellers more often are getting supplies from other nations, said Jeffrey D. Sweetin, special agent in charge of the federal Drug Enforcement Administration's Rocky Mountain division.

On Oct. 18, a federal grand jury returned an indictment charging 21 people - including alleged cartel leader Rigoverto Valle-Sierra - on drug-trafficking charges that could bring sentences ranging from 10 years to life in federal prison, U.S. Attorney Troy Eid said Wednesday in a Denver news conference.

Nineteen of the 21 suspects have been arrested, and five search warrants were served at three homes, a business and a storage unit in Greeley, Eid said. Agents arrested Valle-Sierra without incident Tuesday in Greeley.

"The impact is huge," Sweetin said. "There is a lot less dope in Colorado."

The investigation began in September 2005 and eventually included agents from the DEA, police from Greeley and Los Angeles, and deputies from the Weld County Sheriff's Office.

Officers began making large drug seizures in May in Greeley, Los Angeles and points in between. They ultimately confiscated 53 pounds of methamphetamine with a street value as high as $2.4 million, said Dennis Follett, a Denver DEA agent.

They also seized $12,000 in cash bound in $1,000 stacks, a bulletproof vest, night-vision goggles and four weapons.

Still, the seizures represent only the "tip of the iceberg" of the ice methamphetamine that the drug organization sold on Greeley streets, Sweetin said.

Smugglers used various means to hide the meth, including putting it in plastic bags and stuffing it into tires and an Elmo Sesame Street doll.

Drugs were transported from Mexico through Los Angeles to Greeley, which served as the hub city, and then to Wyoming, Nebraska and Virginia, Eid said.

The 21 suspects represent the upper tier of a drug operation in which hundreds of dealers, including Greeley gang members, distributed the meth to customers that included school-age children and people of all races and economic levels, Follett said.

Twelve of the suspects are in the country illegally, Eid said.

The drug cartel was using the high quality of its product to capture the methamphetamine trade in northern Colorado, Sweetin said. Sellers offered their 99-percent-pure ice at the same price as lower-quality drugs with only 30 to 40 percent purity, he said.

Weld County Sheriff John Cooke said the drugs were flowing to the Greeley area because of a growing population, including a large segment of illegal immigrants. "The supply is coming to the demand," he said.

Meth Ring Broken Up (RMN)

Rocky Mountain News, October 26, 2006

A methamphetamine distribution ring with tentacles across northern Colorado has been smashed and the kingpin arrested, law enforcement authorities announced Wednesday.

A federal grand jury indicted 21 people Oct. 18 on drug-trafficking charges that could result in federal prison sentences for life, officials said at a press conference at the U.S. Attorney's Office in Denver.

Twelve of the 21 people indicted, including one with at least 10 aliases, were in the country illegally.

Officials said more than 45 pounds of high-purity methamphetamine, 1.1 kilos of cocaine and $59,000 were seized during a 13-month investigation. The wholesale value of the methamphetamine was about $865,000, with a street value in the millions, the officials said.

Another 8 pounds of methamphetamine, $12,000, four weapons, a bulletproof vest and a set of night-vision goggles were found in the sweep of arrests in the Greeley area this week.

"Most meth is seized in ounces. This was a monstrous amount," said Jeffrey D. Sweetin, special agent in charge of the Drug Enforcement Administration in the Rocky Mountain states. "This will have an impact for decades in Greeley."

Weld County Sheriff John Cooke said Greeley has emerged as a major point for methamphetamine sales and distribution because of the population growth on the northern Front Range, which includes a large community of illegal immigrants.

"The supply is coming to the demand," the sheriff said.

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Officials said the organization used buses and private vehicles to ferry the illegal drug from southern California to Las Vegas and on to Greeley, bypassing potential markets in cities and resorts along the route. From Greeley, where agents documented links to gangs, most of the methamphetamine was sold in northern Colorado.

However, some of the drug was sent to traffickers in southeastern Wyoming, western Nebraska and as far east as Virginia.

In at least once case, the traffickers stuffed a child's Elmo doll with four pounds of methamphetamine to hide the illicit cargo, Sweetin said.

The alleged leader of the organization, Rigoverto Valle-Sierra, was arrested without incident Tuesday in Greeley, officials said. Weld County Drug Task Force officers and DEA agents arrested nine others earlier this week. Nine more already were in custody on state charges, and two are fugitives.

Trials may not begin for more than a year, but each defendant could face at least 10 years, and up to life, in federal prison, on charges of conspiring to distribute methamphetamine and of distributing the drug, according to the U.S. Attorney's Office. Each defendant also is charged with other drug-trafficking crimes.

U.S. Attorney Troy Eid said the arrests illustrate the trend that methamphetamines are being manufactured in high-volume plants elsewhere and shipped to Colorado. Previously, methamphetamines were cooked in mom-and-pop laboratories for local sale.

The alleged traffickers were organized in overlapping circles of distributors and sellers at various levels in a high-volume trade, as opposed to a vertical structure in which each soldier had a specific duty.

Major meth bust, by the numbers

21 People indicted on charges of transporting methamphetamine from southern California for sale in northern Colorado, with Greeley as the hub.

45 Amount in pounds of meth seized during a 13-month investigation, including 4 pounds packed in a child's Elmo doll.

$865,000 Estimated wholesale value

99% Purity of meth seized

700 Number of small labs that would have to be raided to equal the quantity seized in this sweep.

Ten Arrested In Big Weld Drug Bust (GT)

Greeley Tribune, October 25, 2006

A major multi-agency drug bust resulted in 10 arrests Monday and Tuesday in Weld County, adding to the nine people already in custody on state charges.

Several agencies today announced that a large methamphetamine distribution organization based in Greely has been dismantled by the Drug Enforcement Administration and the Weld County Drug Task Force.

The investigation, which began in September 2005, resulted in the seizure of more than 45 pounds of ICE methamphetamine, 1.1 kilos of cocaine and $59,000 in cash. The organization used buses and cars to transport the high-quality meth from California to Colorado.

On Oct. 18, a federal grand jury in Denver returned an indictment charging 21 individuals with various drug-trafficking crimes, including conspiracy to possess with intent to distribute and to distribute methamphetamine. DEA agents and Weld County Drug Task Force officers arrested 10 people this week, including Rigoverto Valle-Sierra, the alleged leader of the organization.

Two of the 21 individuals are fugitives.

Officers also executive five search warrants at three residences, a business and a storage unit in Greeley.

The case, also involving the Greeley and Evans police departments, Weld County Sheriff's Office and the U.S. Immigration and Customs Enforcement, is being prosecuted by the U.S. Attorney's Office.

Local Agent Tipped Off Friends, DEA Says (CA)

Commercial Appeal, October 26, 2006

A federal DEA agent was indicted Wednesday on charges that he tipped off former high school classmates that one of them was a target in a large cocaine trafficking case here in August.

Tommie Purifoy II of West Memphis turned himself in to federal authorities in South Florida where he was assigned as a special agent in the Drug Enforcement Administration's Miami field office.

"It gives me great pain in the pit of my stomach," said Sherri Strange, DEA special agent in charge in Atlanta. "The temptations for agents are great. They handle millions of dollars in cash and contraband, but they cannot compromise the integrity of the office."

She and U.S. Atty. David Kustoff noted that the DEA identified the problem and conducted the investigation that led to Purifoy's indictment.

Purifoy, a Memphis police officer from 2001 to 2004, allegedly passed sensitive DEA information along to Christopher Ivy, who called Sean Williams, who called his cousin, Brian Nicholas Williams, an alleged drug trafficker.

All attended West Memphis High School together and had been friends since at least 1996.

Despite being tipped off to the yearlong investigation, Brian Williams and 10 others were arrested here three days later on Aug. 24 on cocaine trafficking charges.

More than 88 pounds of cocaine and over $500,000 in cash was seized, according to authorities, who called it the largest local drug bust of the year.

According to the indictment, Purifoy was in Memphis on personal business on Aug. 21 and stopped by the DEA office where an ongoing wiretap was being conducted.

When he saw a chart of several driver's licenses in a pyramid-type format, he remarked that he had attended high school with some of the suspects, including Brian Williams.

Later that day, the indictment says, Purifoy called Ivy and told him Brian Williams was the target of a DEA drug investigation.

Ivy then contacted Sean Williams who in turn contacted his cousin, telling him he was at "the top of the food chain."

Purifoy, Ivy and Sean Williams were charged with obstruction of justice.

Purifoy also was charged with unlawful disclosure of electronic surveillance, while Ivy and Williams also were charged with making false statements to federal officers.

The charges against Purifoy carry up to 25 years in prison. He has been suspended without pay.

Kustoff said Ivy worked at a school in Memphis, though he would not identify the school or Ivy's position. Sean Williams worked for a trucking company in Fayetteville, Ark.

DEA Agent Indicted On Charges He Tipped Off Suspect (BRAH)

The Bradenton Herald, October 26, 2006

MEMPHIS, Tenn. - A Drug Enforcement Administration agent who worked in Miami has been indicted on charges of tipping off a former high school classmate who was a target in a drug trafficking investigation.

Tommie Purifoy II turned himself in to the Miami field office, authorities said Wednesday. He has been suspended without pay.

Purifoy is originally from West Memphis, Ark., and was a police officer in Memphis from 2001 to 2004. He was in Memphis on personal business on Aug. 21 and stopped by the local DEA office during a wiretap operation, according to the indictment.

A chart of people suspected in a major cocaine trafficking ring was posted and he remarked that he went to high school with one of the suspects, Brian Nicholas Williams.

Purifoy is accused of passing the information to his friend Christopher Ivy, who passed it along to Sean Williams, the cousin of suspect Brian Nicholas Williams.

Despite the tip, three days later authorities made the largest drug bust in the area for the year, when they seized more than 88 pounds of cocaine and over $500,000 cash. Brian Williams and 10 others were charged in connection with the drug ring.

Purifoy is charged with obstruction of justice and unlawful disclosure of electronic surveillance and could face up to 25 years in prison. Ivy and Sean Williams are charged with obstruction of justice and making false statements to federal officers.

"It gives me great pain in the pit of my stomach," said Sherri Strange, DEA special agent in charge in Atlanta. "The temptations for agents are great. They handle millions of dollars in cash and contraband, but they cannot compromise the integrity of the office."

U.S. Attorney David Kustoff and Strange said the tip was discovered and investigated by the DEA.

MPD Cop Turned DEA Agent Gets Indicted (WPTY)

WPTY-TV, October 25, 2006

DEA Special Agent Tommie Purifoy, II, is charged with obstruction of justice and disclosure of electronic surveillance.

Federal authorities say Purifoy and two other men were indicted Wednesday for telling a Mid-South drug dealer he was being investigated by the DEA.

"The one characteristic of a narcotics agent that can never be compromised," says Sherri Strange, the Special Agent in charge of the investigation, "is his or her integrity."

Strange says Purifoy joined the DEA in 2004 after working for the Memphis Police Department for three years.

Purifoy was assigned to the DEA's Miami bureau. But during a visit home in August he made a trip to the Memphis DEA office.

Investigators say Purifoy was in a wire-tap room and noticed a pyramid of pictures on the wall. The top picture was one of Purifoy's boyhood friends, Brian Williams, a man under investigation for cocaine trafficking.

Williams and Purifoy attended West Memphis High School together in 1996. Their friendship, say investigators, dates back at least a decade.

Here's what the feds say happened next. On August 21st, at 6:15 P.M., Purifoy called another high school buddy, Christopher Ivy, and told him the DEA was watching Williams.

At 7:45 that night, the feds say Ivy called another West Memphis High School pal, Sean Williams. Williams is Brian Williams' cousin and investigators say the two talked soon after Ivy's call.

At 9:59 P.M., the feds say Sean Williams called Brian Williams to tell him he was the target of a federal drug investigation.

The warning didn't matter. Three days later, on August 24th, federal authorities arrested Brian Williams and 10 other people on drug charges. They confiscated 40 kilos of cocaine and more than $500,000 in cash. Investigators say it's the largest coke bust in Memphis this year.

Two months have passed since then. And now Tommie Purifoy, Christopher Ivy and Sean Williams are indicted and charged with interfering with a federal investigation.

Purifoy turned himself in to authorities in Florida Wednesday. Ivy and Williams were in federal court in Memphis on Wednesday. All three are out on bond. They are expected to be arraigned on November 1st at 9:30 A.M.

Investigators say they were able to find out who tipped Brian Williams off because they had placed a wire-tap on Wililams' cellphone.

Federal Agents Bust One Of Their Own For Helping Dealers (WMC)

WMC-TV, October 26, 2006

A member of the Drug Enforcement Agency is on the other side of the law. Tommie Purifoy started working for the DEA in March of 2004 and he was assigned to the Miami Office. But instead of upholding his oath as an agent, he's accused of showing loyalty to his high school friends, who turned out to be drug dealers.

According to the indictment, Tommie Purifoy set aside his duties as a Special Agent for the DEA to warn his friends about a pending drug bust, a wire tap investigation Purifoy learned about while visiting the DEA office in Memphis.

"Purifoy left the office and soon after contacted his friends," said federal investigators. They say Purifoy's friends turned out to be drug traffickers who ran a cocaine distribution ring that was busted up in late August.

More than 40 kilograms were seized in the largest drug bust of the year. Most of the cocaine and cash in the investigation were found in a house on Meadowview Road in Memphis. That's when the DEA learned it had a leak and Tommie Purifoy's days as a special agent became numbered.

"Within 60 days, this man has been indicted by a grand jury and a lot of work has been done to bring the prosecution as quickly as it's moved," said U.S. Attorney David Kustoff.

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Purifoy turned himself in to authorities in Florida where he was assigned to work. He's expected to be released on a signature bond. Two others were indicted today, along with Purifoy. All face obstruction charges. Purifoy is expected to appear in federal court here in about four weeks.

15 Arrested In Richmond Drug Raids (SFC)

By Henry K. Lee, Chronicle Staff Writer

San Francisco Chronicle, October 26, 2006

(10-25) 12:45 PDT RICHMOND -- About 200 federal and local law-enforcement officers targeting a street gang known for drug activity swooped down on North Richmond today, arresting 15 people and seizing nearly a pound of methamphetamine.

The arrests took place during simultaneous 10 a.m. raids in Richmond and unincorporated North Richmond. Contra Costa County sheriff's deputies, Richmond police and FBI SWAT team members dressed in camouflage jumpsuits served at least a dozen federal search warrants.

As sheriff's helicopter Star Two circled overhead, several people were detained in the area of Fifth and Market streets in North Richmond, an unincorporated community of 4,000 residents that police say is a hotbed for drug sales, shootings and violence.

"Our goal is to take the violence out of North Richmond," Contra Costa County sheriff's Lt. Kitty Parker said at the scene.

Many of the suspects sought today were named in sealed federal indictments on various drug and gang-related charges, said Special Agent Joseph Schadler, FBI spokesman in San Francisco. Others were arrested on state charges.

The names of those arrested on federal charges weren't released today pending their appearances Thursday in U.S. District Court in Oakland.

Some people sought today are alleged members or associates of the Project Trojans street gang. On March 14, a similar raid by FBI agents and local police resulted in the arrests of 15 people affiliated with the gang. They were indicted by a federal grand jury in Oakland on charges of cocaine and methamphetamine trafficking.

Police say the 300 or so members of the Project Trojans, classified by the U.S. Department of Justice as one of the most violent African American street gangs in Northern California, are responsible for much of the area's bloodshed, including hundreds of killings.

The gang, also called PJT, has long been selling drugs on North Richmond's streets, and feuds over turf and drug sales have sparked violence, according to police,

A group of residents standing at the corner of Fifth and Market today voiced displeasure at the operation. One woman, who declined to give her name, said officers should be spending time solving homicides. "It don't make no sense," she said.

But authorities said the recent raids in North Richmond were aimed at stemming the tide of violence that is associated with drug and gang activity.

"It's a continual process to make this community safer," said David Johnson, assistant special agent in charge of the FBI in San Francisco. "It's going to take some time to make inroads in this particular community."

E-mail Henry K. Lee at hlee@sfchronicle.com.

15 SUSPECTED GANG MEMBERS ARRESTED IN NORTH RICHMOND (BCNW)

Bay City News Wires, October 26, 2006

Federal, state and local law enforcement agencies arrested 15 suspected gang members in a coordinated raid in unincorporated North Richmond today, according to spokesman for the San Francisco FBI Field Office Joseph Schadler.

More than 200 FBI agents, Contra Costa County sheriff's deputies, Richmond police officers and agents from the West Contra Costa Narcotic Enforcement Team rolled into North Richmond at 10:15 a.m. today and arrested people selling drugs on street corners then stormed 19 buildings simultaneously on federal search warrants.

SWAT teams from Portland, Sacramento, Los Angeles and San Francisco raided the 19 locations and threw flash-bang grenades to flush out the occupants, Schadler said.

Authorities were targeting people believed to be established gang leaders of the Project Trojans street gang, Schadler said.

"The key to this is we're trying to take the head off the organization," Schadler said.

The raid was part of an investigation that began in 2004 into the gang's activities. Wiretap and undercover operations ended in February and the first raid was conducted in March, Schadler said. At that time nine people were arrested for manufacturing and distributing cocaine, crack and methamphetamine.

The charges against the people arrested today will remain sealed until Thursday when the suspects will be brought before a U.S. magistrate judge in Oakland, Schadler said.

No injuries and no incidents were reported during the raid.

Pittsford Man Charged In Federal 'club Drug' Case (RDC)

By Matthew Daneman, Staff writer

Rochester (NY) Democrat & Chronicle, October 26, 2006

A Pittsford man is one of 10 people indicted on federal drug trafficking charges for allegedly smuggling "club drugs" into the United States.

The U.S. Attorney's Office for the Western District of New York announced the charges, which came after an investigation of nearly two years into what the U.S. Justice Department called "a large scale drug smuggling and trafficking group operating in and around Buffalo and Rochester."

The drug ring allegedly smuggled such club drugs as Ecstasy, GHB, ketamine and crystal methamphetamine from Toronto.

Jeffrey Parasida, 28, of Pittsford was charged with a pair of violations under the federal Controlled Substances Act, as were nine other defendants from the Buffalo region, according to the Justice Department.

White Plains Pharmacist Facing Federal Drug Charge (JN)

The Journal News, October 25, 2006

WHITE PLAINS - The owner of a White Plains pharmacy is accused of illegally dispensing tens of thousands of doses of the generic form of the highly addictive painkiller Vicodin, federal authorities said.

Syed Zahid Ali, 58, owner of Post Pharmacy at 82 East Post Road, is due in court next week to face charges he illegally distributed hydrocodone as well as a stimulant used to treat sleep disorders. The Saddle River, N.J., man cannot account for 100,000 tablets of the painkiller, federal authorities said. He is also accused of refilling prescriptions for the drug despite the bottles being marked "no refill."

Ali denied the charges in an interview yesterday at the counter of his pharmacy, which remains open for business.

"I didn't do anything wrong," he said.

Ali said he can account for all the hydrocodone that he has dispensed over the more than six years that he has owned the pharmacy. The tablets were never missing, but his files were, he said.

The illegal trade of prescription painkillers like hydrocodone is "very high and increasing," according to an annual assessment released in January by the National Drug Intelligence Center.

Drug Enforcement Administration agents raided the Post Pharmacy on April 19, 2005, according to court papers filed in federal court in White Plains. They seized Ali's records. After comparing the store's prescription records and inventory with Ali's purchases of the drug from suppliers, they determined 100,000 pills missing.

Ali's purchases of the drug were more than twice the combined total of two other pharmacies in White Plains - a much larger Duane Reade store and Express Drugs, a pharmacy about the size of Post Pharmacy, according to a criminal complaint filed by DEA Agent Stephen Loftus.

Ali said all the hydrocodone he bought went to fill the prescriptions that he received.

"I don't know how much business they're doing," he said of the other pharmacies. "I have the prescriptions."

Ali said that after the DEA raid, he founds five files in the back of his pharmacy that agents missed. The files contained more than 4,000 prescriptions for hydrocodone. Those files square his purchases with his filled prescriptions, he said.

"I calculated how much I bought and how much I dispensed and it came out 100 percent right," he said.

Ali said his lawyer advised him against turning the records over to the DEA. He said he was confident when those records are presented in court, he'll be cleared.

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Herbert Hadad, a spokesman for U.S. Attorney Michael Garcia, declined to comment.

Ali also denied he ever refilled prescriptions that carried a prohibition against refill. But undercover White Plains police officers got five such refills in August and September 2004 for hydrocodone and Provigil prescriptions that were single-use or refill-barred, according to the criminal complaint. Provigil is a stimulant used to treat sleep disorders like narcolepsy.

Ali, a licensed pharmacist since 1977, faces up to five years in prison if convicted. He said he has not changed the way he does business since the raids. He still dispenses hydrocodone and Provigil.

"I have deliberately done nothing different," he said.

Trial Date Set In Drug Case (TRE)

The Reporter, October 25, 2006

A 2007 trial date has been set in federal court for a Fairfield man described as a regional drug kingpin by the Drug Enforce-ment Administration.

Federal magistrate Lawrence K. Karlton on Tuesday scheduled 1 p.m. Jan. 23 for the trial of 32-year-old defendant Eduardo Pichardo - also known as Eddie Nunez - in Eastern District Federal Court in Sacramento. In addition, Judge Karlton set 9:30 a.m. Dec. 12 for pre-trial motions in the case.

Pichardo was arrested by DEA agents on June 21 on suspicion of distribution and conspiracy to distribute cocaine and methamphetamine. A DEA spokesman said the arrest culminated a seven-year investigation into a drug trafficking network that stretched from Northern California to Arizona and Alabama.

Last week, Pichardo was indicted on additional charges of money laundering.

Pichardo has pleaded not guilty to all charges. He remains in federal custody.

Bloomberg, Daley Lead Mayors In Coalition Against Gun Violence (AP)

By F.N. D'ALESSIO, The Associated Press

AP, October 26, 2006

CHICAGO (AP) — New York Mayor Michael Bloomberg, Chicago Mayor Richard Daley and Milwaukee Mayor Thomas Barrett had harsh words Wednesday for the Bush administration and the gun lobby's influence on Congress.

"When Washington makes bad decisions to protect criminals rather than the public, we suffer the consequences," Bloomberg said at a news conference outlining the agenda for Thursday's Midwestern summit of Mayors Against Illegal Guns, a group Bloomberg founded with Boston Mayor Thomas Menino.

Bloomberg said he had hoped to have 50 of the nation's mayors on board by the end of this year, but 109 mayors from 44 states already have joined.

"These cities represent more than 44 million Americans," the New York Republican said.

Daley, Bloomberg and Barrett, accompanied by counterparts from a number of smaller cities, complained that inaction by the federal executive branch and the influence of the gun lobby, particularly the National Rifle Association, on Congress have left local officials to combat the problem of illegal weapons.

"Mayors know that illegal guns have nothing to do with the Second Amendment and everything to do with law enforcement," Bloomberg said. "But cities can lead where Congress won't."

He added that the goal of the mayors' group is to "hold Congress' feet to the fire."

White House spokesman Tony Fratto said violent crime has been reduced significantly in recent years, especially in many large cities.

"A lot of the credit for that goes to mayors and law enforcement personnel and cooperation at the local, state and federal levels," Fratto said in an e-mailed statement. "Enforcing gun laws that are on the books is an essential facet of our efforts. The president and Attorney General (Alberto) Gonzales are committed to making sure that existing laws are enforced."

NRA spokesman Andrew Arulanandam said: "If the mayors were serious about reducing crime, what they would do is they would work with city prosecutors to enforce gun laws as opposed to having press conferences."

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Daley, a Democrat, said Chicago police have confiscated 10,803 illegal handguns and assault weapons this year. He said the city still steers firearms violators into the federal court system whenever possible because federal sentences tend to be harsher, but he agreed the gun lobby has a disproportionate influence at the federal level.

"We've had to work hard to keep Congress from making things even worse," said Daley referring, among other things, to federal attempts to restrict cities' access to tracing firearms data.

Bloomberg said the Federal Bureau of Alcohol, Tobacco, Firearms and Explosives keeps its own records of multiple firearms purchases and attempted purchases but denies that information to local authorities.

Democrat Barrett said mayors are closer to the problem and have a better view of it than legislators.

"We are the individuals who receive the phone calls from the police saying someone has been murdered," Barrett said. "We are the ones who attend the funerals."

The mayors, including Tulsa, Okla., Mayor Kathy Taylor and Rockford, Ill., Mayor Lawrence Morrisey, spoke at Chicago police headquarters from behind a table loaded with illegal firearms seized by police in recent months. Most were rapid-fire automatic pistols, but there also were automatic shotguns, military-style assault rifles and even a Prohibition-style Thompson submachine gun.

The Midwestern mayors were to meet in an all-day conference Thursday to discuss legal and technological strategies. Bloomberg said Menino would hold a similar conference in Boston on Nov. 9 and Atlanta Mayor Shirley Franklin would hold one in her city Nov. 30.

Gladewater Gun Dealer Faces 5 Years In Prison, $250,000 Fine (LONGNJ)

Longview (TX) News-Journal, October 26, 2006

A gun dealer in Gladewater faces up to five years in prison and a fine of up to $250,000 after pleading guilty to falsifying records needed to purchase a firearm, said U.S. Attorney Matthew D. Orwin in a Wednesday media release.

According to court records, Michael Zirkle, 41, agreed to allow an ATF confidential informant to use someone else's identity on the forms necessary to purchase a .40-caliber pistol.

Zirkle has surrendered his gun dealer's license and forfeited 47 firearms, valued at approximately $19,000, as part of the plea agreement. As a convicted felon he is not permitted to possess a firearm again.

STORE OWNER ADMITS TO ILLEGAL FIREARMS SALES (TMT)

By CASEY KNAUPP, Staff Writer

Tyler (TX) Morning Telegraph, October 26, 2006

A Gladewater pawn shop owner and gun dealer who allegedly sold firearms to felons pleaded guilty Wednesday in federal court.

Michael Zirkle, 39, Gladewater, pleaded guilty to making false statements into the records of a federal firearms licensee. He faces up to five years in prison and could be ordered to pay restitution to the victims or to the community.

On Jan. 6 in Gregg County, a confidential informant for the Bureau of Alcohol, Tobacco, Firearms and Explosives entered the "Ace of Pawn" pawn shop in Gladewater, owned by Zirkle. He told the defendant he wanted to buy a .40-caliber pistol for himself, but he wanted to use the identity and personal information of another person when filling out the required ATF form. Zirkle agreed, according to court documents.

U.S. Magistrate Judge John Love allowed Zirkle to continue to remain out of jail on bond pending his sentencing hearing after there were no objections from Assistant U.S. Attorney Jim Noble.

Zirkle surrendered his firearm license and forfeited 47 guns - 31 rifles, six pistols, eight shotguns, a revolver and a machine gun rifle - he possessed as a firearms dealer, defense attorney F.R. "Buck" Files Jr. said during the hearing.

In the plea agreement, Zirkle agreed that the 47 weapons were used to perpetrate the violations stated in the indictment, which includes selling firearms to felons. "The defendant shall not, in any manner, participate in, nor shall aid, assist, support, facilitate, or finance another, in the purchase or sale of any firearm for any purpose, the plea agreement states.

Files said his client listened to all of the audio recordings of conversations between Zirkle and a confidential informant and decided to plead guilty.

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Zirkle was indicted on three counts of false statements of a federal firearms licensee, false statements in the attempted acquisition of a firearm, failure to record sale of firearm and failure to conduct a background search. He was also indicted on five counts of selling a firearm to a felon, failure to record and maintain records of receipt and disposition of firearms and failure to maintain records to receipt and disposition of firearms.

Casey Knaupp covers county, state and federal courts. She can be reached at 903.596.6289. e-mail: news@tylerpaper.com

Old West Leaves Dodge City; Guns Remain (AP-Y)

By Maria Sudekum Fisher, Associated Press Writer

AP, October 26, 2006

Dodge City has a rich history as an Old West frontier town, where cowboys and gunslingers could take a break from the trail and get their fill of saloons and brothels.

Today, the tidy town built on meatpacking and rodeos is again plagued by gunfighters. But this time they're in street gangs, some of which have second-generation members as young as 11. The drug of choice is methamphetamine and the weapons range from automatic rifles to baseball bats.

"When it was old Dodge City, it was cowboys coming off the range and ending up in Dodge and raising hell and letting things go," said John Ball, Dodge City chief of police. "This is entirely different. There is no comparison.

"The gangs, these are people who are choosing to commit dangerous and criminal acts and they're choosing it as a lifestyle that is criminal and wrong. There is no regard for anyone in the community, and I can't begin to explain their rationale."

Street gangs, often thought of as a big-city problem, have been turning up in rural areas across the country since the 1980s, frightening residents and straining smaller law enforcement departments. Rural gangs are often more transitory than their urban counterparts, but they appear to have a foothold in several communities.

About 24,000 gangs operate around the country, according to the U.S. Department of Justice, which estimates there are about 760,000 members in 2,900 communities.

The 2004 Youth Gang Survey conducted by the Justice Department, 82 percent of large cities surveyed, 42 percent of suburban counties, 27 percent of smaller cities and 14 percent of rural counties reported active youth gangs.

In Ottumwa, Iowa, Chief of Police Jim Clark says gangs are starting to show up in his town of about 25,000. Five years ago, Ottumwa had an occasional visit from a gang member from Los Angeles or Chicago. Now, Clark estimates there about 100 gang members in town. Some moved to Ottumwa with their families. Others have been sent to live with relatives to escape gangs in bigger cities, Clark said.

"But then they start up the same kind of violence," he said.

For now, Ottumwa gangs are mostly involved in petty violence, graffiti and gang fights.

"But my concern is that we stay on top of it so it doesn't get so out of hand that we start having drive-by shootings," Clark said.

Rural gangs are often more locally grown than urban gangs, said Arlen Egley Jr., senior research associate at the National Youth Gang Center in Tallahassee, Fla. But if they are attached to a national gang, like the Crips or the Bloods, they're more likely to "cut and paste" from those gang traditions.

"You'll find Bloods wearing blue," Egley said, when they traditionally wear red. These "hybrid" gangs are more prevalent in the Midwest, he said.

Gang activity in Dodge City started in the 1980s. Ball said he now estimates the town of 25,000 has more than 300 gang members, most of whom are Hispanic. Dodge City is one of the few western Kansas towns that has been growing, largely due to the influx of Latinos drawn to the meatpacking industry in southwest Kansas.

A recent uptick in gang violence over the summer caught the town's attention. From Aug. 19 to Sept. 22, the city recorded seven drive-by shootings. No one was killed, but police made nine gang-related arrests after the shootings, and houses that weren't intended as targets were sprayed with bullets.

Ball said the violence not only threatens residents, but also ties up the police department, which has about 50 officers.

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"We don't have some of the resources or the manpower that other bigger departments do," he said.

Vickie Mercado, a longtime Dodge City resident, wants her hometown to get a handle on gangs. Mercado's 18-year-old son, Justin, who was not in a gang, was shot to death by a 14-year-old gang member who is eligible for parole in 2011 for Justin's death.

That was 10 years ago. Before Justin's death, Mercado and her family always felt safe at home.

Justin's death galvanized the community — for a while. An organization, Stop the Violence, was started to educate Dodge City residents about gangs. But interest in the group has tapered off.

"I think it'll take another tragedy for people to come forward and get involved again," Mercado said.

But another tragedy is what she wants to avoid.

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On the Net:

The National Youth Gang Center: http://www.iir.com/nygc/

Fugitive Fatally Shot Was Holding Shoe, Not Gun (AP)

AP, October 25, 2006

LITHONIA, Ga. - Federal agents fatally shot a fugitive early Wednesday after the man refused to put down what they thought was a gun but turned out to be a shoe.

Agents went to an apartment complex in suburban Atlanta to arrest 24-year-old Youwiers Vilpie, said U.S. Marshal Richard Mecum. They were serving a warrant from the Drug Enforcement Administration office in south Florida. Vilpie also was wanted for questioning in two homicides in Ft. Myers, Fla., Mecum said.

Agents first tried to use a Taser to stun him, but it wasn't effect, Mecum said.

advertisement

He said Vilpie at some point emerged with "something in his hand and he pointed it at them."

"They weren't sure what it was because it was dark, and they thought it was a gun," Mecum said. "They told him several times, 'Put it down, put it down, put it down,' and he wouldn't put it down and kept pointing it at them."

After the shooting, the agents discovered Vilpie had had his hand inside a shoe.

Suspect Killed After Confrontation With U.S. Marshal (AJC)

The Atlanta Journal-Constitution, October 26, 2006

Federal agents shot and killed a fugitive from south Florida early Wednesday when he refused to put down what they thought was a gun, but turned out to be a shoe.

Agents from the Southeast Regional Fugitive Task Force went to the Hillandale Park apartments near Lithonia about 4 a.m. to arrest 24-year-old Youwus Vilpre, said Richard Mecum, U.S. Marshal for North Georgia.

John Spink / AJC

IMMIGRATION:

A Former Salvadoran Army Officer Convicted Of Killing Priests Is Arrested In L.A. As A Human Rights Violator (LAT)

By Hector Becerra, Times Staff Writer

The Los Angeles Times, October 26, 2006

A former Salvadoran army officer convicted of killing priests is arrested in L.A. as a human rights violator.

Gonzalo Guevara Cerritos was a decorated, American-trained officer in the Salvadoran army.

But for the last year, the 43-year-old toiled as a janitor at a West Los Angeles-area motel, a man with a secret who was always looking over his shoulder, his girlfriend said.

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His clandestine existence came to an end Wednesday, when federal authorities announced that they had arrested him as an illegal immigrant who was a human rights violator.

The Immigration and Customs Enforcement agency said Guevara Cerritos was one of nine Salvadoran officers and soldiers implicated in one of the most notorious massacres in El Salvador's history: the 1989 death squad murders of six Jesuit priests whom some in the army viewed as subversives.

A sublieutenant with the Atlacatl Battalion during El Salvador's war against the Farabundo Marti National Liberation Front, a leftist guerrilla group, Guevara Cerritos was convicted for his role in the slayings.

In 1993, he received a pardon as part of a general amnesty that was granted after the country's 12-year civil war.

His girlfriend, Eusebia Mejia, 45, said Guevara Cerritos could never escape the shadow of the massacre and fled to the United States in hopes of a new start.

But when he arrived in Los Angeles — home to more than 250,000 Salvadorans — he quickly realized he would not find peace. Fearing that someone would recognize him on the streets of Los Angeles, he kept his head down and rarely went out.

"He was a real homebody," said Mejia, of Watts, who has lived in L.A. for 11 years and met Guevara Cerritos after he arrived in the city. "For him, it was from home to work, and from work to home. And every Sunday to church."

But the strategy apparently didn't work: Federal authorities said it was a tip from the public that put them on Guevara Cerritos' trail.

He was taken into custody Oct. 19 as part of an effort by U.S. immigration agents to catch and deport human rights violators.

"We will not allow the United States to be a place of refuge for aliens seeking to escape a violent criminal past," said Robert Schoch, a special agent for the federal immigration office in Los Angeles.

In 2003, the agency formed a unit to investigate individuals who were involved in crimes such as genocide, war crimes and persecution.

Guevara Cerritos' arrest resonated among Los Angeles' Salvadorans, many of whom fled human rights abuses during the civil war.

"This goes to show that no one escapes God's justice," said Aquiles Magaña of Carecen, an El Salvadoran immigrant rights organization.

The priests' murders created a worldwide furor in part because Guevara Cerritos and the other assailants had received training from the U.S. government, taking courses at the School of the Americas at Ft. Benning, Ga.

The bloodshed occurred before dawn, Nov. 16, 1989, at the rectory of El Salvador's Jesuit-run University of Central America. All but one of the priests were in nightclothes and slippers when they were shot. A dormitory cook and her teenage daughter also were killed.

Salvadoran courts ultimately ruled that Guevara Cerritos did not fire any of the fatal shots, but found that he was part of the conspiracy. He was convicted of conspiring to commit acts of terrorism and placed under house arrest for two years.

When the amnesty set him and many other army officials free, Mejia said, his life didn't get easy.

She said Guevara Cerritos lived in fear that someone would eventually seek revenge in El Salvador. Every year, the priests' killings were re-created in his hometown of San Salvador and soldiers involved in the incident were burned in effigy.

"He didn't come to the U.S. to hide from justice. He came for asylum, trying to seek refuge," said his attorney, Fernando Romo. "He said he was always looking behind his back, always concerned people would recognize him. Now he's definitely worried they're going to send him back."

Guevara Cerritos is being held at a detention facility in Lancaster pending a deportation hearing.

Romo said Guevara Cerritos' training as a lieutenant in the Salvadoran army helped him cross the rugged Arizona desert last year with the help of a coyote.

Mejia said the U.S. government is wrong about Guevara Cerritos. Rather than being a human rights abuser, she described him as a loving father figure to her children and a gentle, God-fearing man.

"He was a good man," she said.

His attorney also disputed the government contention that a tip led them to Guevara Cerritos.

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He says his client was trying to seek asylum and that someone in the government matched his name using the Internet and informed immigration officials, who declined to provide details about the tip.

Other Salvadorans are less sympathetic to Guevara Cerritos' plight.

"He probably thought that by coming to the U.S., things would be better," said Carlos Vaquerano, a Salvadoran activist who said he lost three brothers to the death squads. "He probably thought he could escape his past. That nobody would notice him."

Vaquerano said it was not unheard of for people who were involved in the paramilitary squads to come to the U.S.

Some even became active in churches, he added, "as a way of getting forgiveness."

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Voters On Immigration: Action, Please (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, October 26, 2006

BENSON, ARIZ.

Much of America hit the pause button this fall on the flaming debate over illegal immigration, once it became clear Congress would not act before the election. But not Arizona.

Here in a state where the wave of border crossers is so great that it washes over every aspect of life, illegal immigration is a flash point in virtually every political race this fall. Moreover, there's a candidate for every view - from those saying "send 'em back and bar the door" to those who'd provide a path for citizenship for some undocumented workers.

Randy Graf, a Republican who hopes to win the open seat in a House district that sits on the border, is one who takes a tough stance. As he led a biker rally against illegal immigration on Sunday, someone handed him a frayed denim vest that "used to belong to an illegal alien." When Mr. Graf put it on, the crowd cheered. But the theatrics went too far, and his face blanked when the giver joked: "It has a bullet hole in the back."

Graf is in an uphill battle to hold the Eighth Congressional District for the Republicans. Predecessor Rep. Jim Kolbe, who is retiring, holds a more moderate view of immigration reform, as does Graf's Democratic challenger, Gabrielle Giffords. But Graf is banking that a majority of voters in this district feel as he does - and there are signs that Arizonans are, indeed, worked up over illegal immigration.

"Our surveys show that immigration is the most important issue for likely voters in this state," says Fred Solop, a political scientist at Northern Arizona University and director of the Social Research Laboratory there. But voters aren't distinguishing between competing proposals, he adds: "They just want something to be done."

The state's all-Republican congressional delegation - some of whom are in unexpectedly close contests for reelection - is deeply divided on the immigration issue. Sharing Representative Kolbe's view are Rep. Jeff Flake, in the upscale Phoenix suburb of Mesa, and the very popular Sen. John McCain. They'd like to see an approach to immigration reform that includes a path to citizenship for some of the 12 million people now in the US illegally.

On the other side are Graf and Rep. J.D. Hayworth, who represents the also-upscale Fifth Congressional District in Scottsdale. They say their colleagues' plan amounts to amnesty for illegal immigrants and would reward people for breaking the law. The nation must secure its borders first, they say. Then there's Sen. Jon Kyl, up for reelection this year, who favors expanding a guestworker program but who would also require undocumented workers to leave the US before applying for citizenship.

"Arizona is a microcosm of the nation when it comes to views on this issue. We're ground zero for the debate," says Farrell Quinlan, a spokesman for the Arizona Chamber of Commerce in Phoenix. "Our economy is growing, and a lot of industries have grown to rely on that source of labor."

Senator McCain's approach is to put party loyalty ahead of immigration differences. He has endorsed both Graf and Representative Hayworth, rather than candidates whose views on immigration are closer to his own. He is also stumping for Senator Kyl. Immigration's toll on Arizona

In peak migration season, more than 8,000 immigrants cross from Mexico into Arizona every day, according to the National Border Patrol Council. Many find jobs in the state's booming construction, tourism, and farm industries. But the surge in

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newcomers exacts a heavy toll on schools, hospitals, and law enforcement, as well as on the migrants themselves, who in summer months perish by the scores in Arizona's harsh border regions.

"Politicians have very little will to change the current system because they're beholden to corporate interests who want the status quo maintained," says T.J. Bonner, president of the National Border Patrol Council of the AFL-CIO.

Arizonans will also vote next month on four ballot initiatives concerning illegal immigration. These include moves to deny bail to illegal immigrants charged with serious felonies, to refuse punitive damage awards to illegals involved in civil lawsuits, to make English the state's official language, and to bar undocumented people from receiving in-state tuition rates, state-funded childcare assistance, and other educational services.

On Friday, the US Supreme Court threw out an order by a federal appeals court that blocked Arizona from enforcing Proposition 200, which requires voters to have voter identification. The governor's seat

Besides McCain, Arizona's other key player in the immigration debate is Gov. Janet Napolitano (D). While she has vetoed GOP bills that would have allowed local police to screen and deport undocumented people, she also makes the case that immigration is a federal responsibility and that Washington should do more to relieve costs borne by border states. In August 2005, she declared a border emergency and has stepped up cooperation with Mexico on issues such as human trafficking and those making fraudulent IDs.

On Nov. 7, she faces Republican Len Munsil, who promises to spend $515 million on border security during his first term as governor, and Libertarian Barry Hess, who says he would give the 110th Congress just 60 days to come up with a plan to secure the border. He also supports cooperating with citizen militias such as the Minutemen.

"It's been very helpful for us to have a governor in Arizona who has a strong record on immigration," says Kate Bedingfield, a spokeswoman for the Democratic Congressional Campaign Committee. The race for the Eighth district

A founding member of the Minuteman Project and a former state legislator, Graf says his primary goal, if elected, is to stop illegal immigration. While President Bush has increased the border patrol to 14,000 agents by the end of this year, "it will take 40,000 to 50,000 more officers to secure the borders," he said Saturday at a town-hall meeting at a retirement community in Tucson.

National GOP leaders had urged Graf not to run because, they say, he is too hard-core on this issue for the Eight District.

Ms. Giffords, a state senator, is leading Graf in recent polls by double digits. She says Americans do not have confidence in the US House of Representatives, especially its ability to solve the immigration crisis.

"We are shouldering the cost of what is a national problem," she said at the same Tucson meeting on Saturday. Giffords prefers a more comprehensive approach to reform legislation, to open more legal avenues for work "so the border patrol can focus on drug smugglers." A surprise contest in the Fifth

In one of the surprises of the electoral season, Representative Hayworth finds himself in a race that's too close to call. Ordinarily, Hayworth is a fixture on the GOP talk circuit, sent to places where Republican colleagues are in tight races, but he has been staying close to home this time, aides say. His lead in the polls over Democratic challenger Harry Mitchell - once in the double digits - is now down to two or three points. Each camp says its own private poll gives its candidate a slight edge.

"A lot of money is going into that race," says Mr. Solop, the pollster. "Both national parties are in there now."

In a virtuoso debate appearance in Scottsdale on Monday, Hayworth reminded constituents that he is the only Arizonan in history to have served on the powerful House Ways and Means Committee - a role that has allowed him to help the district. Two weeks ago, President Bush signed the Homeland Security Appropriations Act for fiscal year 2007, including funding for a fence along the border with Mexico, in Scottsdale, he said.

Mr. Mitchell, for his part, said Washington has the wrong priorities and that the nation needs a tough, realistic immigration plan.

"The enthusiasm is on our side," said Mitchell at a fundraiser on Friday, shouting over the thunk-thunk-thunk of the music of alternative pop rockers Jimmy Eat World and the Format. Tickets sold out in three days, mainly to students.

"J.D. is really out of touch," Mitchell says of his opponent. "He wants to only seal the border and make everyone a felon. It's just plain not realistic."

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Mitchell, who helped lead Tempe's redevelopment and has a statue in his honor, adds: "The state has a 3.6 percent unemployment rate, and it depends on tourism, hospitality, and construction, and they need these workers."

Edward Hermes, a student representative on the Arizona Board of Regents, came to the fundraiser to check out Mitchell's message. "We're tired of all the positioning," he says. "We want a solution."

On Monday, Arizona State University students in Tempe marched to Phoenix in protest over Proposition 300 - the ballot initiative that denies education services and child-care benefits to illegal immigrants.

"Some 60,000 to 100,000 students apply to the university every year. If you spend 20 minutes on each one, you would need 17 full-time positions to deal with Prop. 300," says Jean Moreau. "Tuition goes up every year, and I don't see how we're going to get the money without cutting more classes."

"Voters are in a very ugly mood, on issues ranging from the war, scandals in Washington, the apparent loss of a moral compass, and the economy," says pollster Earl DeBerge of the Rocky Mountain Poll in Flagstaff, Ariz.

TAX:

Survey Finds Giving By Wealthy Largely Immune To Tax Changes (WSJ)

By Sally Beatty

The Wall Street Journal, October 26, 2006

Many wealthy people would still give a lot to charity even if Congress wiped out popular breaks for donating, a study suggests. While these high-net-worth Americans already contribute two-thirds of household charitable giving, donating $126 billion last year alone, they would give more if nonprofits could rein in administrative costs and better demonstrate the impact of donations.

The researchers at the Center on Philanthropy at Indiana University, underwritten by Bank of America Corp., distributed 30,000 surveys between June and September in neighborhoods where the average household had liquid assets of $3 million or more. Responses from 945 were used in the analysis. The survey, designed as a nationally representative random sample, defined high-net-worth households as those with incomes of greater than $200,000 or assets over $1 million. Such homes represent 3.1% of U.S. households, the researchers said.

The results are at odds with several stereotypes about how and why rich people give to charity. Patrick Rooney, director of research at the center, said previous research has shown that giving declines generally when the value of tax deductions on the donation declines. But 52% of responding households said their giving would stay the same if they received no income-tax deductions for it. And 38% said such giving would somewhat decrease, but only 7% said it would dramatically decrease.

In addition, 56% said the amount they would leave to charity in an estate plan would remain the same if the estate tax were repealed. Politicians and charity officials have been arguing for years about whether a repeal of the estate tax would be good or bad for charity and society at large. Some wealthy Americans, including investor-philanthropists George Soros and Warren Buffett, have argued that doing so could hurt philanthropy by removing incentives to give to charity. But in the study, only a small percentage of high-net-worth households, 1.6%, said repealing the estate tax would dramatically decrease their charitable giving, while 3.9% said it would somewhat decrease giving. Prof. Rooney said that suggests the very rich are less sensitive to tax rates.

The arts, meanwhile, have long been associated with the very rich. But the households surveyed said they give just 11% of their charity dollars to the arts. Nearly double that amount went both to religion and education, each getting about 22% of donations from these households.

Other recent surveys conducted by the center have found that Americans generally give far more in percentage terms -- a full 60% -- to religion. But these households give a lower percentage to education, health and the arts than the wealthy, the center has found.

Charities are under pressure to contain administrative costs and demonstrate the impact of their work. Nearly 75% of the wealthy surveyed said they would give more if less money was spent on administration, and nearly 60% said they would give more if they were able to determine the impact of their gifts.

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The study also found that 41% use wills to give away money, and almost 20% use foundations. A large majority of the wealthy (nearly 80%) do volunteer work, and a majority (61%) serve on charity boards. Only 8% say they give as a way to limit funds that will go to their heirs.

"Maybe part of what is driving this lack of reported tax motivation is that this group feels like they are primarily motivated by altruism and giving back to society," said Prof. Rooney.

IRS Help Can Be Hard To Get, Audit Says (USAT)

By Kevin Mccoy

USA Today, October 26, 2006

Got a complex tax problem? Phoning an IRS Taxpayer Assistance Center for an appointment won't necessarily produce a solution, a federal audit shows.

The Treasury Department inspector general overseeing the IRS called 50 assistance centers — 36 with tax account problems and 14 with tax law questions. Auditors reported that eight phone messages weren't returned, and five weren't returned within two business days as IRS guidelines require.

Moreover, auditors managed to schedule appointments for just five of the 36 calls that involved tax account problems, the type of complex tax issues that often require a face-to-face session to resolve.

That performance, outlined in an audit released late last week, undermined the centers' mission, the auditors concluded. They stressed that the "convenience of scheduling appointments could encourage taxpayers to try to resolve tax account problems earlier, thus reducing taxpayer burden."

"When the IRS doesn't provide proper customer service, it's harder for honest taxpayers to pay their taxes correctly," said Carol Guthrie, a spokeswoman for Sen. Max Baucus, D-Mont., the ranking minority member on the Senate Finance Committee.

"The IRS has made it clear it would like taxpayers to go to its website" for help, said Colleen Kelley, head of the National Treasury Employees Union, which represents IRS workers. "That works for some people, but not for others."

The IRS maintains 400 Taxpayer Assistance Centers nationwide. It encourages taxpayers to request face-to-face appointments for tax account issues that are difficult to resolve over the telephone.

Designated taxpayer phone lines in the offices logged about 500,000 calls during the 2006 federal tax season, from January through mid-April, the audit reported.

Sixty-eight of the centers had been scheduled to close under an IRS budget-cutting plan announced in 2005.

The agency reversed that plan last year after some members of Congress, the IRS employee union and the National Taxpayer Advocate's office argued that shutdowns would hurt the poor, the elderly and others who have limited access to tax counseling.

The new audit blamed the difficulty of getting return calls and appointments on IRS employees who either failed to follow, or were unfamiliar with, agency guidelines. Moreover, the audit characterized some IRS regulations as unclear and obsolete.

"There are no criteria for the Taxpayer Assistance Center employees to follow to determine if an appointment should be made for any tax account issue, or if an appointment can be made only for complex issues that cannot be resolved over the telephone," the audit reported.

Auditors recommended that the IRS update the guidelines and develop new controls to ensure that taxpayer calls are returned.

In a formal response, Richard Morgante, head of the IRS Wage and Investment Division, wrote that the agency agreed to implement the recommendations.

"We will ensure our employees understand we will not refuse an appointment to any taxpayer," Morgante wrote.

CONGRESS-ADMINISTRATION:

FT Interview: Rob Portman (FT)

By Krishna Guha In Washington

DOJ_NMG_0086604

Financial Times, October 26, 2006

A Democrat victory in next month's midterm elections would jeopardise efforts to contain government spending, put upward pressure on taxes and undermine -America's ability to negotiate free trade agreements, Rob Portman, the White House budget director, claimed on Wednesday.

In an interview with the Financial Times, Mr Portman said voters had an economic choice to make at the polls on November 7.

"There is a clear distinction between Republicans and Democrats, both on the revenue side and on the spending side."

Mr Portman, a former US trade representative, said that "unfortunately" there was also a clear choice on free trade, with Republicans in favour and Democrats largely against.

However, he said he was hopeful that the two parties could come together for a serious attempt to reform Social Security and Medicare after the election, regardless of who won.

His comments come as the Bush administration tries to put the economy at the -centre of the election debate, hoping to capitalise on low unemployment, rising wages, falling petrol prices and a strong stock market.

Mr Portman told the Financial Times that if the Democrats took control of Congress, there would be more pressure for higher spending on non-defence discretionary expenditure. He said the alternative budget for 2007 put forward by Democrats in the House of Representatives increased spending by $177bn (€140bn, £94.5bn) over five years.

"That was positioned as a moderate budget," he said.

He warned voters against assuming that President George W. Bush could veto all extra spending proposals.

"Yes, the president has veto power, and could use it more frequently. But we also need to get these bills done. It is always a matter of negotiation," he said. Mr Portman also suggested that Mr Bush might not veto an increase in the minimum wage proposed by a Democrat Congress, provided it was part of a "package" that included relief for small businesses.

On taxes, Mr Portman asserted that "the Democrat leadership says different things at different times".

He said some congressional Democrats wanted to let all the Bush tax cuts expire, while some wanted to let the tax cuts for bigger earners expire, along with the dividend and capital gains tax cuts.

"They are not going to make the tax cuts permanent."

But he conceded that even a majority Republican Congress might not find the votes to make all the tax cuts permanent. He said the argument had been shifting in favour of this, with revenues now above their 40-year average of 18.2 per cent of gross domestic product.

Mr Portman claimed a Democrat-run Congress would seek to raise taxes in other areas to offset reform of the Alternative Minimum Tax.

He regretted that trade had become a partisan issue.

"If you look at Republicans vs Democrats, there is a very clear delineation now, unfortunately, on trade. The Democrat leadership is against trade agreements. I don't mean Nafta and big agreements – they seem to be against them all."

A Democrat win next month would make it "more difficult, definitely" for the administration to secure an extension for its fast-track Trade Promotion Authority.

However, he said a renewed push on reform of Social Security and Medicare would still be possible, even if Congress changed hands. A growing number of Democrats as well as Republicans in Congress recognised the need to slow the growth of entitlement spending.

"I think it is possible regardless," he said.

Entering The Era Of Smart Card ID (WP)

By Stephen Barr

The Washington Post, October 26, 2006

The government begins issuing a new identification card tomorrow, the kickoff of a multiyear effort to provide all government workers and many contractors with a "smart card" that can be used to verify their identity when they enter a building or log onto computer networks.

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In addition to showing a person's name and agency, an electronic chip in the card will contain personal data, such as images from two fingerprints, a special identification number and digital certificates that permit access to places and systems.

President Bush issued a homeland security directive in 2004 requiring that agencies issue the cards and install software that will allow them to be recognized across the government. The goal is to have government employees carry one ID card, replacing the multiple cards many employees must use to get into offices or obtain sensitive information.

Issuing the cards and upgrading equipment to read them will probably take three to five years, said Karen Evans , the administrator for electronic government and technology at the Office of Management and Budget. The ambitious effort, she said, will improve national security and ensure "that we give access to who we should."

Groups concerned about privacy rights and database security are watching the Bush administration's card project, in part because it may provide lessons for ongoing debates on whether Americans should carry a national identification card.

Evans said personal data on government employees and contractors would not be compiled in one vast database. However, it seems likely that some large records-keeping systems will be created or expanded with the advent of the new card.

There is no tally of how many smart cards will be handed out across the government, but they will number in the millions. The Defense Department, for example, has 3.2 million "common access cards" in circulation and will replace them as they expire -- a five-year project that includes deployment of new software.

There's also no estimate of how many federal employees will be issued the new smart card tomorrow.

Officials at the Office of Management and Budget hope to see the cards roll out tomorrow in cities with large numbers of federal employees, such as Washington, Atlanta, Denver, Seattle and New York. OMB has asked agencies to send in a photocopy of a card they have issued, with appropriate privacy redactions, so that the White House knows they have put a smart-card program in place.

The General Services Administration and the Interior Department are issuing the smart cards on behalf of numerous agencies and departments. Some, such as Defense and the Social Security Administration, will run their own card programs.

The Social Security Administration said it issued a smart card to Jo Anne Barnhart , the agency's commissioner, last week, and plans to issue about 100,000 of the cards over the next two years.

The Defense Department issues about 10,000 ID cards every day. Matt Boehmer , director of the joint advertising market research and studies program at the Defense Human Resources Agency, has volunteered to take on the ceremonial role of first Defense recipient of the next-generation ID card, said Lynne Prince , acting director for the department's access card office.

Bush called for "secure and reliable forms of identification" to be developed for government workers as part of the administration's efforts to stop terrorists, criminals and unauthorized persons from getting into federal buildings and hacking into computer systems.

Employees receiving the smart card undergo a credit and criminal background check.

The process set up by the GSA, which is providing card services to 38 federal agencies and departments, takes a person's fingerprints, checks them against FBI records and enters them into a database, along with a photograph and other personal data.

The GSA had enrolled more than 70 people as of yesterday, an official said.

"We have assured our clients that one person from every participating agency will receive a credential on Friday. We probably will be issuing more than one, but that is our minimum target," said Michel Kareis , the GSA program manager.

Kareis said the GSA smart-card database will cover at least 400,000 people, and probably more because information on how many contractors will need the card is incomplete.

The GSA cards will cost the agencies $110 for each initial issuance and $52 annually for card and database maintenance. If more than 500,000 cards are issued, the GSA will be able to take advantage of the volume and lower prices, Kareis said.

She said the GSA plans to set up about 200 enrollment stations throughout the nation, starting next year, to get the new ID cards out to federal employees.

OTHER NEWS:

Fed Leaves Rates Alone For The Third Time (USAT)

DOJ_NMG_0086606

By Sue Kirchhoff

USA Today, October 26, 2006

WASHINGTON — The Federal Reserve, holding interest rates steady Wednesday for the third consecutive meeting, says it expects economic growth to continue, despite the widespread slump in the housing market.

But the central bank cautioned that inflation remains a threat given the tight job market, even after the recent fall in energy prices.

"Economic growth has slowed over the course of the year, partly reflecting a cooling of the housing market," the Fed said in a statement at the conclusion of its two-day meeting. "Going forward, the economy seems likely to expand at a moderate pace."

The Fed kept its target for short-term interest rates steady at 5.25%, the highest in nearly six years. Although the Fed does not directly set mortgage or other private-sector loan rates, its short-term rate target is used as a benchmark when banks price consumer and business loans.

Fed Chairman Ben Bernanke and other officials have said they expect inflation to gradually moderate as growth slows. However, they repeated their warning that incoming data will determine whether they need to raise rates again.

"We don't think there will be any more rate hikes," Global Insight chief economist Nariman Behravesh told clients. Economists at the firm expect the Fed to cut rates next year, possibly as early as March.

More than half of 53 top economists surveyed by USA TODAY Oct. 13-18 expect the Fed to hold steady for months, then reduce rates in the first half of 2007. The economists, on average, expect one rate cut.

But some economists cautioned against complacency, pointing out that inflation was still too high. The core consumer price index, an inflation measure that excludes food and energy, is up 2.9% in the past 12 months, above the Fed's informal 1%-2% comfort range.

"We continue to look for the next move from the Fed to be a hike in rates," John Ryding of Bear Stearns said in a note to clients, adding the timing of any move was unclear.

The central bank raised rates 17 times in quarter-point increments from June 2004 to June 2006. The effort was designed to remove excess stimulus from the economy and keep inflation under wraps.

The economy expanded at a brisk 5.6% annual rate in the first quarter of the year but slowed to a 2.6% pace in the second. The government will announce its third-quarter growth estimate on Friday. Behravesh expects growth to have cooled to a 1.5% annual rate, which he says would be the low before a moderate pickup.

Richmond Fed President Jeffrey Lacker dissented for a third meeting, preferring a quarter-point rate increase to combat inflation. Lacker is the first Fed official to do so since 1998, Moody's Economy.com. says.

Fed Again Leaves Rates Unchanged (WSJ)

By Greg Ip

The Wall Street Journal, October 26, 2006

WASHINGTON -- The Federal Reserve held short-term interest rates steady for its third consecutive meeting as it continued to bet on a moderation of both inflation and economic growth.

Even as it left rates at 5.25% yesterday, the Fed again warned that it is worried about inflation.

Since Ben Bernanke became Fed chairman in February, he has faced, first, the threat of rising inflation and then a housing-led economic slowdown. The latest data, and the statement released by the Fed after its meeting yesterday, suggest that the central bank sees the risks on both sides diminishing. That makes it less likely that rates will change in either direction in coming months.

Both the rate action and statement were largely expected. Bond prices rallied and bond yields, which move in the opposite direction to prices, fell, apparently because investors had expected more hints of a possible rate increase.

Futures markets' expectations of Fed actions have swung sharply in the past month, from betting on several rate cuts starting as soon as December to seeing a small probability that the Fed might raise rates.

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In its statement, the Fed said growth has slowed in part because of a "cooling" housing market. "Going forward, the economy seems likely to expand at a moderate pace," it said, a notable addition to its statement released after last month's meeting.

Core inflation, which excludes food and energy, remains "elevated" but inflation pressures are likely to moderate thanks to lower energy prices, "contained" inflation expectations, and the impact of previous rate increases, the Fed said.

"Some inflation risks remain," the Fed said, but whether rates would rise again depends on the outlook and "incoming information."

For the third straight meeting, Federal Reserve Bank of Richmond President Jeffrey Lacker cast the lone dissent among the 11 voting members of the Federal Open Market Committee. He argued in favor of a quarter-percentage point rate increase in the target federal-funds rate, charged on overnight loans between banks. (One voting seat is empty and seven other members don't vote.)

Mr. Bernanke has faced shifting challenges since taking office. Core inflation has risen to 2.9% from 2.1%, the highest level in a decade. Although inflation by the Fed's preferred price index is lower, it, too, is above the 2% level many Fed officials have said they are comfortable with. That led the Fed to raise rates at its first three meetings under Mr. Bernanke.

Then later economic growth, under the weight of falling home and automobile sales, began to slow, to an estimated annual rate of about 2% in the third quarter. That would be the second-lowest level since 2003. The official growth figure will be reported tomorrow.

In recent weeks, though, both inflation and growth worries have eased. Energy prices have plunged, and the Fed expects the indirect impact of that drop to pull down core inflation in the coming year or so. Yesterday's Fed statement dropped a reference from the previous month to energy and commodity prices as a source of inflation pressure.

There is little sign the economy outside housing and cars has slowed much. Some economists said the housing market has shown tentative signs of hitting bottom.

Yesterday, the National Association of Realtors said existing-home sales fell 2% in September to an annual rate of 6.18 million, from August. The inventory of existing homes remained at about 7.3 months of sales for the third consecutive month.

"We might be having what some colleagues have described as a false landing rather than soft landing," said Carl Tannenbaum, chief economist at LaSalle Bank. He said growth could rebound to 3% in the current quarter as the housing correction ends and consumers benefit from a 25% to 40% drop in gasoline prices.

"The Fed must ask itself: Did things slow down long enough and far enough to reduce pressure on capacity? I think the next move [on rates] is probably up."

Rajeev Dhawan, director of the Economic Forecasting Center at Georgia State University, predicted the Fed would cut rates by January. With long-term rates well below short-term rates -- a relationship that in the past has foreshadowed recession -- "the risk factors are too high," he said.

The shifting momentum of growth from strong to weak and back to moderate reflects the remarkable stability the U.S. economy now enjoys, said John Makin, a scholar at the American Enterprise Institute. "As has often been the case over the past five years, the slowdown itself has set into motion market adjustments that may mitigate or even reverse it," he wrote in a report.

For example, the Fed's decision to pause as the housing market weakened led investors to drive down long-term rates on bonds and mortgages. That, with a lag, has helped put a floor under housing.

Online lender Quicken Loans Inc.'s pipeline of mortgage applications has grown 20% to 25% since rates began to ease in late June, said the company's chief economist, Bob Walters. The increase has been driven mostly by refinancing applications, while the number of applications for new-home purchases remains steady. "Whether we've seen the bottom or not, remains to be seen," he said.

Fed Holds Key Rate Steady At 5.25% (WP)

By Nell Henderson

The Washington Post, October 26, 2006

DOJ_NMG_0086608

Federal Reserve policymakers decided to hold short-term interest rates steady yesterday but left the door open to raising them in coming months if inflation stays too high.

The economy has lost steam this year, partly because of the sharp downturn in the housing market, the central bank's policymaking Federal Open Market Committee said in a statement after a two-day meeting.

That slowdown should eventually help ease inflation, but unemployment remains low and factories remain busy, which could fan price pressures in the shorter term.

"Some inflation risks remain," the central bankers said, making it clear they might move interest rates higher if inflation proves more stubborn than they forecast.

Even so, the committee had an upbeat outlook, saying it expects the economy to "expand at a moderate pace" -- a sign that it doesn't expect the housing slump to drag the rest of the economy into a recession.

"It seems like we have rising odds of a soft landing," said Elizabeth Weymouth, a global investment specialist at J.P. Morgan Private Bank. "The risk of a recession has faded dramatically, and inflation appears headed back down."

Stocks rose shortly after the Fed's announcement, as investors welcomed that message and concluded the central bank will leave interest rates on hold for a while.

The committee left its benchmark federal funds rate, the overnight rate charged on loans between banks, at 5.25 percent. The Fed has held the benchmark rate at that level since June, after raising it gradually from 1 percent over two years.

One of the committee's 11 voting members voted against the decision. Jeffrey M. Lacker, president of the Federal Reserve Bank of Richmond, in his third dissent in as many Fed meetings, would have preferred to raise the funds rate to 5.5 percent.

"The longer inflation remains elevated, the more difficult it will be to bring it back down," Lacker said in a speech in Washington two weeks ago, explaining that he thinks another rate increase is needed to lower inflation more quickly.

Inflation surged earlier this year as oil prices peaked above $77 a barrel in July, and as prices climbed for education, medical care, rental housing and other items.

But inflation has fallen as fuel prices have tumbled since mid-August. The Labor Department's consumer price index declined 0.5 percent in September, and was up 2.1 percent in the 12 months ended in September.

However, economists also look for signs of underlying inflation by studying core measures that exclude volatile food and fuel prices. The core CPI rose 0.2 percent last month and 2.9 percent from September 2005 -- the highest 12-month increase in a decade.

The Fed expects inflation to fall over time because of lower fuel prices, slower economic growth and other factors, the statement said.

But some analysts were more skeptical, noting that falling gasoline prices have helped spur consumer spending, that the labor market remains tight and that wages have been rising -- all potential sources of inflationary pressure.

Fed policymakers "are betting on energy prices to basically do their work for them," said Drew Matus, a senior economist with Lehman Brothers Inc., which predicts the central bank will lift its benchmark rate once more to 5.5 percent before it is done.

"We expect the slowdown in growth will not be sufficient to pull down inflation on its own. You'll need a little extra boost" in interest rates," Matus said.

The Fed seeks to control inflation and encourage economic growth by adjusting interest rates. Tighter credit discourages consumers and businesses from borrowing and spending, which dampens growth and price pressures; easier credit does the opposite.

The Fed's benchmark rate directly influences other short-term rates, such as those charged on credit cards and home-equity loans. But it only indirectly influences long-term rates, which are determined more by global financial markets. Mortgage rates, for example, have declined in recent months.

The Fed spent some of its two-day meeting discussing its communication policies. Members of the group had agreed in August that they wanted to find better ways to inform the public about their economic goals. The Fed announced no changes yesterday on that issue.

Home Prices Keep Sliding; Buyers Sit Tight (WSJ)

DOJ_NMG_0086609

By James R. Hagerty

The Wall Street Journal, October 26, 2006

The air continues to seep out of the U.S. housing market, according to the latest data, and some economists are warning that prices will keep declining through much of 2007.

The National Association of Realtors yesterday reported the biggest drop in home prices since the trade group began compiling price data in 1968. Specifically, the association said the median price for home sales completed in September was $220,000, down 2.2% from a year earlier. That matched a revised 2.2% decline in August. In addition to being the largest price drops in at least 38 years, the back-to-back declines are the first time median home prices have fallen since 1995.

Other data gathered by The Wall Street Journal show large inventories of unsold homes and declining price trends in most major metropolitan areas.

"Housing is still contracting," says Gregory Miller, chief economist at SunTrust Banks Inc. in Atlanta. "We haven't yet found the bottom." Mr. Miller doesn't expect house prices to resume their usual rising trend until 2008.

The latest report is likely to encourage many potential buyers to hold off in the hope of further price declines. "There's no rush," says Robert Cook, a procurement manager living in Whitehall, Pa., who is looking to buy a larger home for his family in Pennsylvania's Lehigh Valley.

Rather than slash their prices, some sellers are taking homes off the market until they see stronger demand. Audrey Heckaman, a pharmaceutical sales representative in Cleveland, bought a new condo in a golfing community in Naples, Fla., in 2004 for $221,000. Early this year, she put it on the market for $429,000. But she found that too many other units in the same development were on the market. After cutting her price to $384,000, she yanked the home from the market in June and found renters for part of the year. In the long run, she figures, demand from retiring baby boomers will drive prices back up.

For those who want to buy now, sellers are dangling lots of incentives. A developer in Dadeland, Fla., near Miami, is offering $5,000 of furniture as an inducement for buyers of new condominiums, says Ronald A. Shuffield, president of the brokerage firm Esslinger-Wooten-Maxwell Inc. Other developers offer to pay some of the fees and other costs usually borne by home purchasers.

Some people who are forced to sell quickly are suffering huge losses. At an auction in Naples last weekend, the highest bid for a three-bedroom lakefront house was $440,000, including commissions and auction fees. The house had sold in July 2005 for $690,000.

Despite the recent drop-off, house prices remain far above the levels of five years ago, and they continue to rise in some areas, including Seattle, Houston and Raleigh, N.C. But they are falling sharply in other places. In Massachusetts, the median price for single-family homes in September was down 8.3% from a year before, according to Warren Group Inc., a publisher and data collector in Boston. In Phoenix, the median price dropped 4.8% in September, the local Realtors association reported.

In some areas, prices are only just beginning to fall back toward realistic levels, says Thomas Lawler, a housing economist in Vienna, Va. He believes that prices could fall more than 10% from their peak levels in markets such as Sacramento, Calif.; San Diego; Las Vegas; Reno, Nev.; Phoenix and parts of northern Virginia and Florida.

Nationwide, sales of previously occupied homes in September were at a seasonally adjusted annual rate of 6.2 million, down 1.9% from August and 14% from a year earlier, the Realtors group reported.

In a mildly positive sign for home sellers, the number of homes listed for sale at the end of September declined 2.4% from a month earlier to 3.75 million. But that was smaller than the usual decline in September, when the resumption of school and the approach of the holidays typically begin to reduce the number of for-sale signs. Over the past decade, inventories of home sales have declined an average of 3.6% in September from the previous month.

Inventories in September were up about 35% from a year earlier. A surge in inventories, fueled partly by investors rushing for the exits, began chilling the housing market in mid-2005 after a five-year boom that more than doubled prices in many areas.

Despite the spreading weakness in house prices, few experts expect anything approaching a collapse. The economy continues to expand, though at a slower rate, and a recent drop in interest rates helps make mortgage costs more affordable.

To gauge residential real-estate prospects for 27 major metro areas, The Wall Street Journal gathered data on inventories of homes for sale at the end of the second quarter from a variety of local sources; pricing trends based on surveys of real-estate

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agents by Daniel Oppenheim, an analyst at Banc of America Securities in New York, a unit of Bank of America Corp.; and data on late mortgage payments and job-creation prospects from Moody's Economy.com, a research firm in West Chester, Pa. Employment trends tend to drive demand for housing.

Metropolitan areas with large increases in homes on the market and weak job-growth projections include Detroit, New York and Los Angeles. Inventories have more than doubled from a year earlier in the Miami, Orlando, Tampa and Phoenix metro areas, but strong job and population growth should help to soak up excess supply in the next few years.

Even within metro areas, price trends vary considerably depending on neighborhoods and types of housing. In northern New Jersey, for instance, prices for homes below about $400,000 may start rising again slightly by next spring if interest rates remain around current levels, says Jeffrey Otteau, president of Otteau Valuation Group Inc., an appraisal and research firm in East Brunswick, N.J. At that price level, "there's virtually zero construction," he says. But he says there is such a glut of luxury housing in the area that prices of such homes won't recover before 2008.

Tom Doyle, an agent at Naples Realty Services who compiles market data on his Web site (www.naplesinsider.com), estimates that prices for typical homes in the area are down 15% to 20% from their peak a year ago. Inventory has doubled during that time, but many of the homes on the market are priced so high that they have "only a lottery's chance of selling," he says. Looking ahead to this winter's selling season, Mr. Doyle says he expects prices to be flat to lower because of the large supply of homes for sale.

Seattle has been one of the strongest markets in recent months but is showing signs of losing some steam as inventories of unsold homes rise. In 17 counties of western and central Washington State covered by the Northwest Multiple Listing Service, the median price in September was up 9.4% from a year earlier, the first single-digit increase in two years.

Mike Skahen, owner of real-estate brokerage Lake & Co. in Seattle, says inventory is still lean in good neighborhoods near the area's biggest employers. But the overall market is slowing to a more normal pace as "buyers are feeling they can be more selective."

Houston's market is benefiting from job growth at energy and technology companies and draws newcomers because of its low home prices. The median price in the second quarter was $152,700, compared with a national median of $227,500, according to the National Association of Realtors.

In North Carolina, Charlotte, Raleigh and some other areas have been strong lately as moderate weather and relatively low housing costs attract employers and retirees. Pat Riley, president of Allen Tate Realtors in Charlotte, has noticed increasing numbers of people moving to North Carolina from Florida to flee congestion and high housing and insurance costs. One hitch: Some people moving to Charlotte are having trouble selling their homes elsewhere and so are delaying purchases.

The median price of new and previously occupied homes sold in the eight-county Charlotte region was $182,000 in the third quarter, up 6% from a year earlier, according to Market Opportunity Research Enterprises, a research firm in Rocky Mount, N.C. But the Charlotte market may be starting to cool a bit. The Charlotte Regional Realtors Association reported that home sales in September slipped 2% from a year earlier, while the average price edged down 0.2%.

The California Association of Realtors last week forecast that the median home price in the state will slip 2% to $550,000 in 2007, after rising 7% in 2006 and 16% in 2005. That would mark the first California-wide decline since 1996. California's last house-price slump lasted from 1992 through 1996.

Leslie Appleton-Young, the California Realtors' chief economist, says she doesn't expect the current downturn to be as severe as the one in the 1990s because she thinks the job market will be healthier this time. Many people don't need to sell and will withdraw their homes from the market until demand recovers, she says. Still, she adds, some investors who bought near the top and took on too much debt "are going to get into trouble."

Sellers Sing The Blues As Price Drop Sets Record (USAT)

By Noelle Knox

USA Today, October 26, 2006

Then: San Diego's housing market was so hot that the town house next to Jeff Cruce's was flipped from buyer to seller three times in three years. The owners, who never moved in, didn't even need to put up a “For Sale” sign.

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Now: Since August, Cruce and seven of his neighbors have put their town houses on the market (that's nearly 20% of the units in the complex). All have cut their prices, including Cruce, who chopped his price last month by $30,000 to $559,000. Not one has received an offer yet. Each time one owner would lower the asking price, it put pressure on the others to follow, says Cruce, 38, a salesman who's moving to Atlanta.

That domino effect, rippling through neighborhoods across the country, pushed down the nation's median home price in September by the largest amount on record, the National Association of Realtors (NAR) said Wednesday.

The median price for a single-family home slipped 2.5% from September last year to $219,800, the sharpest annual drop since the NAR began tracking the data in 1969. The median-priced condominium fell 2.8% to $219,800, the fourth annual decline in a row.

At the same time, the volume of home sales fell for the sixth straight month, tumbling 14% in September compared with a year ago.

In the softest real estate markets, sellers are waking up to the harsh reality that they can't get anywhere near what their neighbors sold their homes for last year. So they're grudgingly reducing their asking prices and offering to pay closing costs.

At the same time, many buyers, emboldened by the transformed market, are low-balling sellers and getting deals they couldn't have imagined last year.

Just ask Sevan Derderian and Reggie Johnson.

In 2004, Derderian bought a house in Las Vegas as an investment for $281,000. He found tenants, but he kicked them out after 10 months because their rent was always late.

“I found that it's really hard to be a landlord from a state or two away,” says Derderian, 43, a salesman in Los Angeles. He held onto the property for another year, hoping prices would keep going up. Once the market turned south, though, he panicked.

He listed the house in the summer for $305,000. Having owned real estate only during boom years, he assumed it would sell in about a week. After a month, he cut the price to $289,900. Another week went by. He offered to pay nearly $9,000 toward a buyer's closing costs.

Then along came Johnson, a 38-year-old truck driver, who snapped up the house and boasts, “I got a great deal.”

Derderian, in the meantime, lost about $25,000 from paying the mortgage on an empty home.

That's a risk confronting sellers in 56 metro areas, including Las Vegas, San Diego, Phoenix, New York and Miami, that are expected to suffer annual price drops, according to a study this month by Moody's Economy.com.

Prices in a few markets, such as Las Vegas and Portland, Ore., won't bottom out until 2009, the study projected, and in many areas prices will stay flat through the end of the decade. (For a full list, see www.money.usatoday.com.)

“It was surprising just how quickly the market seemed to turn,” says Mark Zandi, chief economist for Economy.com. “It was like, boom, boom, bust. It was like, ‘What happened?' The psychology in the marketplace unraveled very rapidly.”

In fact, about half of American homeowners who thought of selling their homes in the past year have delayed putting their homes on the market, according to a USA TODAY/Gallup poll conducted this month.

And roughly one-third of those who had considered selling have abandoned the idea. (The poll of 1,007 adults has a margin of error of plus or minus 3 percentage points.)

Of course, home prices aren't going to fall in every market. About one-third of the nation is expected to see moderate price growth for the rest of the year. Those areas include Dallas, Austin, Newark, Del., and Birmingham, Ala. — areas where prices didn't test the stratosphere during the boom.

Even in the once-sizzling markets, homeowners and investors who bought their properties more than two years ago should still see modest gains if they sell in the current market.

But it's clearly a buyer's market now. The number of homes for sale has bulged to a 7.3-month supply compared with 4.6 months last September. The backlog of homes for sale is thickest in the areas that witnessed the fastest price growth and investor activity.

“It's frustrating,” says Cindy Holliday, a high school math teacher who recently took a job in Chicago. “Homes were selling for so much more a few months ago, and now nothing's selling at all.”

Holliday and her husband were house hunting in Chicago in June when they put their home in Ocala, Fla., up for sale.

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"Before we put our house on the market, houses were selling so fast we didn't think we'd have a problem selling our house at all," says Holliday, 31.

"When we got back down there (to Ocala), just about every other house on our street was for sale. It was very depressing."

Though their house probably would have fetched nearly $200,000 earlier this year, they listed it at $179,000. A couple of weeks ago, they trimmed the price to $174,500.

But it's no easier for sellers in Chicago, says Javier Diaz. He's made several profitable real estate investments, but the three-unit apartment building he bought in Chicago earlier this year wasn't one of them.

"I figured this year the property would go up 30 or 40 grand, but that didn't happen," says Diaz, 28.

He put it up for sale in September, asking $415,000. He's already cut the price twice, to $375,000. That's less than he owes on his loan, which means that if Diaz sells at that price, he'll have to pull $5,000 out of his own pocket to pay the bank.

Being a mortgage broker, Diaz knows some investors who used their home equity like debit cards. He says of the quick decline in real estate, "It's coming like a culture shock to many."

Vicki di Bernardo agrees. "It taught us a lesson," she says of the downturn in Las Vegas. "It was a little risky, but we got caught up in it. Everyone was doing it. … (Now) everyone is very, very nervous here about the real estate market."

She recalls buying a single-family home in the Las Vegas suburb of Summerlin as an investment in 2003.

"We were on a huge waiting list, and our names came up, and we had to go in with a check and give it to them within a couple of hours or they'd go to the next on the list."

She rented the house out for two years. But when her tenants moved out in February, she put it on the market for $574,000.

"In the first three months, we didn't have one showing — not one," says di Bernardo, 60, who works in human resources. At the end of May, she dropped the price to $519,000. Three weeks later, she came down to $499,000. Even then, only looky-loos came by.

"There was so much inventory" on the market, di Bernardo recalls. "So many builders had offered huge incentives, like no mortgage payments for 12 months or a swimming pool. We had it on the market for $479,000 when an offer came in at $460,000."

She grabbed it. She still made $175,000, but that's about $100,000 less than she'd have made if she sold last year.

Builders, with no emotional attachment to their homes, have become one of the biggest financial threats to individual sellers. New-home sales are down 16% this year. Building permits for single-family homes are off by 20%. Faced with a huge number of cancellations, builders began trying to lure buyers with eye-catching deals, such as free vacations, media rooms and landscaping.

That's what's hurting Bryan Rauch. In January, he bought a home in Anthem, Ariz., where Pulte Homes is offering a slew of incentives, including advice from re-sale experts to help buyers fix up and sell their current homes.

"The plan was to renovate it and flip it," says Rauch, 37, a nurse-turned-real-estate-investor.

He put the home back on the market in February, at $284,000, then lowered the price repeatedly until he hit $270,000. Still no buyers. After six months, he rented it out at a $500-a-month loss.

"The problem is the builder is giving away homes," Rauch says. "Properties like this are now selling for the low $200s."

But Rauch needs to cut his losses. So he's putting the home back on the market at $260,000 and crossing his fingers — like a lot of other sellers around the country.

A Record Drop In Home Prices (WP)

By Kirstin Downey

The Washington Post, October 26, 2006

The price of existing homes last month fell 2.2 percent, the largest monthly decline in the almost four decades the number has been tracked, according to an industry report released yesterday.

Nationwide, the number of existing single-family homes sold fell 14.2 percent in September compared with September 2005, according to the report from the National Association of Realtors. The number of sales has fallen each month since March.

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Prices fell everywhere in the country, with the Northeast and West most affected. Declines were more moderate in the South, which includes the Washington area.

The median price nationally of an existing single-family home in September was $220,000, down from $225,000 a year earlier. It was the largest monthly decline since the Realtors began monitoring prices monthly in 1968. It was the second month in a row that home prices fell compared with a year earlier. The median is the point at which half of the homes cost more and half cost less.

One reason prices are dropping is that sellers are having a harder time finding buyers.

Nazirahk Amen, 39, a natural medicine practitioner and acupuncturist, thought a buyer would snap up his three-bedroom, three-bath Cape Cod in Takoma Park. He was so confident that his organic garden and greenhouse would be a particularly strong lure in that community that he bought another house nearby and moved. For the past two months, he has been making two mortgage payments, and recently reduced the price $25,000 to attract a bidder.

"Of course it's frustrating," Amen said. "I'm looking for this to end. It's frustrating, to say the least."

Realtors' association officials blame the continuing slump on what Lawrence Yun, the group's senior economist, called "confidence issues." Yun said buyers are waiting until they think the market has hit bottom, particularly because high prices have made houses less affordable.

"Psychological factors have people on the sidelines," Yun said. "They are waiting to time the market."

Yun saw reason for optimism, and thinks an upturn is at hand. He said the September figures represent a "trough in the market," because for the past two months, the inventory of unsold homes has fallen slightly.

"Supply was artificially elevated" earlier in the year when real estate investors bailed out of the market, Yun said.

Thomas M. Stevens, a Vienna-based real estate broker who serves as president of the national trade group, said in a statement that he was heartened by the decline in properties coming onto the market, which he said would lead to a better "supply balance."

Charles W. McMillion, an economist and president of District-based MBG Information Services, said he saw little sign that the decline was ending. "I don't see stability when sales continue to decline sharply and price continued to decline sharply," McMillion said. "It's pretty hard to argue we've reached a sustainable level."

Peter Morici, an economist at the University of Maryland, said reduced inventory of unsold houses may mean "frustrated buyers are removing their homes from the market." Morici said that major price adjustments will be needed to bring the market back into balance.

"The speculative frenzy of recent years is causing a major adjustment, and the happy talk of Realtors is prolonging the process," Morici said. "The absence of realistic analysis about the extent of overvaluation is characteristic in an industry that sees nothing but an upward progression for values, but houses like any other asset can be overpriced. . . . Things are likely to get worse before they get better."

According to yesterday's report, prices in the Northeast in September dropped 5.1 percent compared with a year earlier and those in the West dropped 4.3 percent. In the South, they were down 1.6 percent.

The federal government is scheduled to release figures today on sales of new homes, which have also been falling this year. That weakness has been reflected in the earnings reports of national home builders. This week, for instance, Dallas-based builder Centex Corp., which has 40 projects in the Washington area, reported that its earnings in the quarter ended Sept. 30 fell 59 percent. "We have been aggressively responding to deteriorating market conditions" by reducing land purchases and cutting staff, Timothy R. Eller, Centex's chairman and chief executive, said in a statement.

Dow Hits High After Fed Keeps Rates Steady (USAT)

USA Today, October 26, 2006

NEW YORK — The Dow Jones industrial notched its third consecutive record Wednesday — its third such winning streak in three weeks — after the Federal Reserve did as expected and left interest rates unchanged (story, 1B).

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The Dow rose 6.80 points to 12,134.68. While that was less than 0.1%, it was a new closing high and extended the Dow's 2006 gain to 13.2%. The Standard & Poor's 500 set another 2006 high as it rose 4.84 points to 1382.22 and stretched its gain for the year to 10.7%. The Nasdaq composite remained the laggard. It gained 11.75 points to 2356.59 for a 6.9% 2006 gain.

The Fed's Open Market Committee kept its benchmark rate unchanged at 5.25% for a third straight meeting, but it noted in its accompanying policy statement that recent readings on inflation have moved higher recently.

Stocks waffled after the Fed's decision was released as investors worried that inflation concerns could prompt the central bank to resume its rate increases in the future. There may also have been some disappointment because "It's not a sign that the Fed is going to be cutting rates anytime soon," says Drew Matus, senior economist at Lehman Bros.

Highlights:

Amazon.com jumped $4.05, or 12%, to $37.68. Late Tuesday, the online retailer reported better-than-expected third-quarter results and gave bullish guidance for the current period.

•Adobe Systems added 85 cents to $38.94. The software company boosted its fourth-quarter earnings guidance based on a gain from the recent sale of an equity investment.

•Altria rose $2.28 to $82.10. The cigarette giant posted a small drop in third-quarter profit and said its board would announce in January plans for a possible divestiture of Kraft Foods. Kraft fell 2 cents to $35.34.

•GateHouse Media closed at $21.17, up 18% from the $18 at which the newspaper publisher went public.

•Yankee Candle climbed $5.01, or 17%, to $33.73 on news Madison Dearborn Partners is buying the retailer for $34.75 a share, or $1.4 billion in cash.

•LifeCell plunged $8.02, or 25%, to $23.82. The maker of products from human tissue for use in surgeries said third-quarter profit more than doubled but lowered its 2006 outlook.

•DaimlerChrysler climbed $2.35 to $54.68. The automaker posted 37% lower third-quarter profit but still beat estimates (story, 3B). General Motors fell $1.48 to $34.71. It posted a smaller loss in the third quarter (story, 1B).

Stocks Rise On Fed News But Crude Curbs Gains (WSJ)

By Peter A. Mckay

The Wall Street Journal, October 26, 2006

The stock market rallied on news that the Federal Reserve isn't raising rates but gains were held in check by a jump in crude-oil prices, which typically hurts stocks.

In its weekly report on U.S. stockpiles of various energy products like gasoline and heating oil, the Energy Department said crude storage was down nearly 1% to 332.3 million barrels for the period ended Friday, contrary to traders' expectations for a rise.

As a result, crude contracts for December delivery leapt $2.05, or 3.5%, to $61.40 a barrel. The rally pushed prices back into positive territory for the year, up 0.6% on the New York Mercantile Exchange.

The Dow Jones Industrial Average rose 6.80 points, or 0.1%, to 12134.68, up 13.2% for the year. Among the blue-chip measure's 30 component companies, Exxon Mobil rallied 1.6% because of crude's run-up. But weak third-quarter results at both Boeing and General Motors pushed their shares down more than 3% each.

The broad Standard & Poor's 500-stock index gained 0.4%, or 4.84 points, to 1382.22, up 10.7% for the year. The technology-heavy Nasdaq Composite Index rose 0.5%, or 11.75 points, to 2356.59, up 6.9% for the year.

As expected, the Fed left its key rate target unchanged at 5.25%. In its statement, the Fed deleted its previous mention of energy prices and other commodities, which have generally fallen since policy makers met last month and identified them as a potential source of inflation. The Fed included a new sentence: "Going forward, the economy seems likely to expand at a moderate pace."

Elizabeth Weymouth, global investment specialist at J.P. Morgan Private Bank, said the statement supported the growing sentiment on Wall Street this week that a rate cut is unlikely in the near future. She said it also bolstered investment advice that her firm has been touting to clients this week -- that economic growth should remain strong enough into early 2007 to support strong profit growth at big-name U.S. companies.

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"We think this is a time for investors to add some risk to their portfolios," via stocks in the Russell 1000-stock index, said Ms. Weymouth.

In a recent report to clients, economists at Credit Suisse said the Fed is likely to maintain "a tightening bias" for some time. But that doesn't necessarily mean a rate boost is imminent, they said. Rather, central bankers could merely be discouraging traders from betting on a rate cut, or they could be leaving themselves leeway while they consider their next move, Credit Suisse economist Kathleen Stephansen said in an interview. "They may have some fine-tuning to do at some point, but you won't see a tightening cycle," including several increases in a row, she predicted.

In other news, sales of existing homes in the U.S. fell 1.9% in September. The median price of a single-family home slipped to $219,800, down 2.5% from a year ago, the biggest price drop on record, according to the National Association of Realtors.

In major U.S. market action:

Bond prices rose. The 10-year note gained 14/32 point, or $4.375 for each $1,000 invested, pushing the yield down to 4.767%. The 30-year bond rose 28/32 to yield 4.888%.

The dollar weakened. Against the Japanese currency, the dollar fell to 119.02 yen, compared with 119.30 yen. The euro rose to $1.2610 from $1.2563.

Amtrak Careless In Managing Outside Counsel, Report Says (WSJ)

By Nathan Koppel And Ashby Jones

The Wall Street Journal, October 26, 2006

Amtrak has been careless in managing law firms that have billed it millions in legal fees, according to a report released Wednesday by federal investigators.

The report, issued jointly by Amtrak's Office of Inspector General and the U.S. Department of Transportation Inspector General, said that the law department of the passenger railroad, for example, failed consistently to request and manage budgets for legal work. Also, law firms engaged in "block billing," in which firms lump tasks under one entry of an invoice rather than showing the costs of each task. The practice is prohibited by Amtrak's billing guidelines, the report says.

MORE INFORMATION

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Read the report2 on Amtrak's management of outside legal services. (Adobe Acrobat3 required.)

"About 30% of the billings were block billed, which is actually not allowed," says U.S. Rep. John Mica (R., Fla.), a member of the House Committee on Transportation and Infrastructure who requested the probe.

Amtrak, which is federally subsidized, has been struggling to reverse years of losses and has faced Bush administration calls to sharply reduce its long-distance train service.

A letter addressed to Rep. Mica and released Wednesday from the chairman of Amtrak's board, David Laney, said Amtrak reduced annual legal fees by 26%, or $8 million, since 2003, and in the past five years, working with outside law firms, recovered $79 million in cash from legal settlements. "Still … the report should provide us with valuable guidance as we continue to improve Law Department operations," the letter said.

From 2002 to 2005, according to the report, Amtrak paid more than $100 million in legal fees -- $40 million of which went to 10 firms, which are listed in the report. The firms with the highest billings were Landman Corsi Ballaine & Ford P.C. ($11.6 million); Manatt, Phelps & Phillips LLP ($7.4 million) and DLA Piper LLP ($4.1 million). The firms did not immediately respond to requests for comment. (See the full list of firms, at the Law Blog4.)

While finding fault with Amtrak, the report did not criticize law firms by name. But all of the firms listed failed to follow at least some of Amtrak's guidelines, according to John Toothman, a professional legal-fee auditor who was hired by Amtrak's Office of Inspector General to assist it in its investigation of billing practices.

Americans Expect Major Changes If Dems Win Nov. 7 (USAT)

By Susan Page

USA Today, October 26, 2006

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WASHINGTON — Most Americans predict Democrats will win control of the House of Representatives in the elections Nov. 7, and they expect big things to follow — some good, some not — if Democrats take over the Senate, too, a USA TODAY/Gallup Poll shows.

If Democrats take over the House and Senate in January, more than 8 in 10 say, Congress would probably set a timetable to withdraw U.S. troops from Iraq, a step favored by nearly two-thirds.

Less popular: Nearly two-thirds expect a Democratic Congress would raise federal income taxes. Three-fourths disapprove of that.

Any such legislation would have to be signed by President Bush to take effect. Or Congress would need two-thirds majorities in both chambers to override any veto.

The survey of 1,002 adults Friday through Sunday underscores the high expectations and some trepidations around the prospect that Democrats could regain control of Congress for the first time since 1994. A 54% majority, including 1 in 4 Republicans, say a takeover of the House is likely.

If so, some analysts say, Democratic leaders would need to take care not to overreach.

"Key Democrats are acutely aware that when they got the White House in 1993, they went on a left-wing binge (with) Hillary's health care and … scared the devil out of the American people and caused them to lose their congressional majority" two years later, says former congressman Dick Armey, who became House majority leader when Republicans took over.

House Minority Leader Nancy Pelosi, D-Calif., in line to be the first female speaker if her party prevails, has outlined a plan for a Democratic-led House's first 100 hours. She promises Democrats would put in place rules to limit the influence of lobbyists, then enact all the recommendations made by the bipartisan commission that investigated the 9/11 attacks.

The next steps would be to raise the federal minimum wage to $7.25 an hour, cut the interest rate on student loans in half and lift a ban that has prevented the government from negotiating directly with pharmaceutical companies for lower drug prices for Medicare patients.

She also would face the pent-up demands of partisan Democrats. Michigan Rep. John Conyers, the senior Democrat on the Judiciary Committee, has called for impeachment hearings against the president, which Pelosi has ruled out.

Party identification shapes attitudes toward what a Democratic Congress would probably do, the poll shows.

Democrats were twice as likely as Republicans to say a new Congress would implement the 9/11 Commission's recommendations. They also were more likely to say a Democratic Congress would provide health care to all who lack it.

Republicans surveyed were twice as likely as Democrats to predict the new Congress would cut back on anti-terrorism efforts, raise taxes and take steps to make same-sex marriage legal.

Candidates Matter Some Places, But Not Everywhere (RC)

By Stuart Rothenberg

Roll Call, October 26, 2006

Two factors have come together to enhance Democratic prospects for a major House sweep — and neither one has much to do with the quality of Democratic recruiting in the two dozen or so top-tier Democratic House opportunities.

First, a handful of Republican House nominees with considerable political baggage have created competitive races for Democrats in places they couldn't have anticipated. And second, even relatively weak second- and third-tier Democratic candidates are in competitive races because of the developing political wave.

If the GOP loses seats in places such as Idaho's 1st district, Colorado's 5th and Michigan's 7th, you are going to hear plenty of complaining by moderate and establishment Republicans about the Club for Growth.

The club, which supports anti-tax conservatives, helped Bill Sali win the Republican nomination in Idaho, Doug Lamborn win in Colorado and Tim Walberg topple incumbent Rep. Joe Schwarz (R) in Michigan — each in a district that should not be competitive in a normal general election. But 2006 isn't a normal year, and while all three GOP nominees could well win in November, the contests aren't slam dunks.

Sali, who seems to take pride in not being a team player, may well lose some Republican votes to attorney Larry Grant (D). Colorado conservative Lamborn hasn't been endorsed by outgoing Rep. Joel Hefley (R), who believes that the Republican

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nominee ran such an unseemly primary campaign that he isn't backing Lamborn over Democrat Jay Fawcett. And in Michigan, Walberg angered some Republicans when he ran against a sitting Congressman, though he certainly should be able to beat Sharon Renier, a fourth-tier Democrat who had raised less than $40,000 through Oct. 18.

Elsewhere, at least a couple of other Republicans who also should be headed for certain victory are suffering from self-inflicted wounds or serious political baggage.

In Florida's 13th district, Vern Buchanan, who made some enemies as a businessman and during the GOP Congressional primary, has yet to unify his party. And in Wyoming, the state's at-large Representative, Barbara Cubin, has done what she can to turn a laugher into a serious contest.

The "bigger candidate" problem for Republicans is that this cycle, candidate quality doesn't mean what it did in the past.

By traditional measures, Republicans have a long list of well-qualified, well-prepared Congressional candidates, many of them incumbents. Unfortunately for them, many voters don't seem to care much about credentials this year. They just want to send a message, and they don't care about the messenger as long as he or she has a "D" behind his or her name.

In 2002 and 2004, voters were concerned about terrorism and homeland security, and they seemed inclined to prefer political hopefuls with experience and proven accomplishments. Why take a chance on an amateur who had to make important decisions about the economy and the nation's security?

This year, many of the Democrats making a serious run at Republican incumbents and open seats never have held elective office and have no experience in a legislative body. By many measures, they are relatively weak.

Perhaps the starkest contrast in credentials can be seen in three GOP open seats in the Midwest — in Minnesota's 6th, Illinois' 6th and Wisconsin's 8th, where the three GOP nominees, Michele Bachmann, Peter Roskam and John Gard, are state legislators, while the Democrats in the three contests, Patty Wetterling, Tammy Duckworth and Steve Kagen, never have held elective office.

But that's just the tip of the iceberg. In California's 4th, Charlie Brown (D) is a 26-year veteran of the Air Force who served on the professional staff of the Roseville Police Department. His "elective" experience, according to his Web site, is limited to service chairing the "Supervisory Committee" of a credit union.

In California's 11th district, Democrat Jerry McNerney has been an engineer and energy consultant and is now CEO of a start-up company that manufactures wind turbines. In Washington's 8th district, Democratic nominee Darcy Burner was a former manager at Microsoft.

Heath Shuler (D) in North Carolina's 11th is a former football player and a real estate agent. Democrat Joe Donnelly, in Indiana's 2nd district, is an attorney and businessman who lost bids for the state Senate and for Congress; he never has held elective office. The same goes for businessman Jack Davis, the Democrat who's taking on GOP Rep. Tom Reynolds in New York's 26th district.

And I'm not done yet. Democrats Ellen Simon (Arizona's 1st), Charlie Stuart (Florida's 8th), Christine Jennings (Florida's 13th), Tim Walz (Minnesota's 1st), Victoria Wulsin (Ohio's 2nd), Lois Murphy (Pennsylvania's 6th), Joe Sestak (Pennsylvania's 7th), Patrick Murphy (Pennsylvania's 8th) and Chris Carney (Pennsylvania's 10th) also never have held elective office. There are others, but you get the drift.

I'm certainly not suggesting that all of these Democrats lack qualifications to be in Congress. Many current Members held no previous elective office, and a background in politics or government doesn't guarantee success in Congress. Obviously, businessmen, lawyers and community activists can be — and have been — successful in legislative bodies.

But it is remarkable how similar this group of Democratic candidates is to the GOP class of 1994, when, by my count, 37 freshmen were elected without having held a previous elective office.

Some of those Republicans, including now-Sens. John Ensign (Nev.) and Richard Burr (N.C.), Rep. Sue Kelly (N.Y.) and former Rep. George Nethercutt (Wash.), developed into respected, successful legislators. But others, including former Reps. Wes Cooley (Ore.), Enid Greene Waldholtz (Utah) and Steve Stockman (Texas), were disasters.

Every cycle is different. Often, voters are looking for candidates with legislative experience and who are Washington, D.C., savvy. This year, those assets appear to be liabilities. And that's another reason why Republicans are finding the going tougher than expected in House races.

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Democratic House Leader Under GOP Attack (FT)

By Holly Yeager In Washington

Financial Times, October 26, 2006

Republicans have found a strange new weapon as they fight to maintain control of Congress: Nancy Pelosi.

Mrs Pelosi, Democratic leader in the House of Representatives, is poised to become Speaker of the House – third in line for the presidency and the first woman to hold that post – if her party takes the majority in the midterm elections on November 7.

In the waning days of the campaign, Republicans have stepped up their attention to her, calling her a San Francisco liberal and warning about the wrong-headed policies of a "Perilous Pelosi Majority".

They have hammered away at what they say is her weak stance on security, highlighting comments she made last month that capturing Osama bin Laden would be "five years too late . . . even to capture him now I don't think makes us any safer".

Dick Cheney, the vice-president, told an interviewer that Mrs Pelosi "is not in sync with the vast majority of the American people", and represents "that side of the Democratic party that has not been supportive of and does not believe in a really robust, aggressive prosecution of the global war on terror".

Deborah Pryce, a Republican from Ohio embroiled in a tough re-election campaign, declared that a Democratic majority under Mrs Pelosi would "take us back to the failed economic policies of the past, including massive tax increases and wasteful government spending". A television advertisement for a Republican in Georgia declares that she will "reward illegal aliens with welfare, food-stamps, and free education".

Whether the Republican strategy will be effective is hard to gauge. A Newsweek poll this week found that 25 per cent had a favourable view of her and 26 per cent unfavourable. But another 26 per cent said they had never heard of her and 23 per cent were unsure.

Mrs Pelosi's office brushed aside the recent attacks. "Republicans' scare tactics and distortions are a sign of their desperation to keep their power," a spokeswoman said.

Elected to Congress in 1987, Ms Pelosi is the scion of a political family. Her father was a member of Congress and mayor of Baltimore, Maryland – a position also held by one of her brothers.

She has won high marks for keeping Democrats in line and is a frequent, and often harsh, critic of her Republican colleagues and the Bush White House. When reminded in a CBS interview this week that she had called Republicans "im-moral" and "corrupt", she replied: "Well, actually, when I called them those names, I was being gentle. There are much worse things I could've said about them." Despite that, she has vowed to return civility to the House, pledging to allow the minority party to offer amendments and participate in debates in ways that Republicans have not.

In the first 100 hours of a Democratic majority, she has vowed to rewrite House lobbying rules, increase the minimum wage, reduce interest rates on student loans, adopt the homeland security recommendations made by the bipartisan 9/11 Commission and give the government the power to negotiate with drugs companies for lower prices for the Medicare prescription drug programme.

And, despite pressure from some liberal activists, she has also ruled out the impeachment of President George W. Bush over Iraq. "Making them lame ducks is good enough for me."

Stakes Are High For Business Community In Nov. Elections (USAT)

By Sue Kirchhoff

USA Today, October 26, 2006

WASHINGTON — If Democrats pick up the 15 seats they need to gain a House majority on Nov. 7, liberal Charles Rangel of New York, an outspoken critic of President Bush's sweeping tax cuts, will chair the powerful Ways and Means Committee, overseeing taxes, trade and Social Security.

So it's no surprise that Republicans from Bush on down warn that a Democratic victory would spell higher taxes and slower growth. A six-seat swing in the Senate would give Democrats a majority there.

"The last time they (Democrats) had control of Congress, in 1993, they passed a massive tax increase. They'll do it again if they can," Vice President Cheney told a recent fundraiser for Rep. Barbara Cubin, R-Wyo., criticizing Rangel by name.

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While the war in Iraq, congressional page and influence-peddling scandals and parochial concerns have been top issues this campaign season, the election could have big implications for the business agenda — taxes, trade, regulation and spending — which has been set in recent years by a GOP White House and Congress.

Republicans, lagging in some key House and Senate races, are making the case that a Democratic victory would endanger economic gains. Voters don't seem to agree; USA TODAY/Gallup and other surveys show Americans by a wide margin trust Democrats more to manage the economy.

Nariman Behravesh, chief economist of Global Insight, says a return to divided government could improve the outlook by forcing the White House and Congress to compromise on such issues as immigration and reducing budget deficits. David Rosenberg of Merrill Lynch, however, advises his clients that "protectionist, pro-labor populist policies favoring the proletariat at the expense of the capitalist" are in store if Democrats win.

Rangel calls the White House rhetoric overblown, saying he has no plans to retroactively alter the Bush tax cuts and wants cooperation, not confrontation. A first move as chairman, he says, would be to seek a meeting with Treasury Secretary Henry Paulson, former Clinton Treasury Secretary Robert Rubin and others to find common ground.

"The biggest mountain that I have to climb is getting credibility, getting something done in a bipartisan way," Rangel says, adding that "The atmosphere of cooperation to a large degree is going to be created by the president or not created by the president."

While trying not to be overconfident, House and Senate Democrats have laid out an agenda for their possible first days in power that includes: no congressional pay increases until the minimum wage is raised; ending some tax breaks for oil and gas firms; reopening the Medicare prescription drug law to negotiate lower prices with manufacturers; and offering college tuition tax breaks.

That differs from Bush's top priorities, which include extending individual and business tax cuts that expire in 2010 and pushing ahead on new trade deals. Bush has also said he would like to try again to create private accounts under Social Security.

"We have been able to do great things with our economy, despite some of the worst obstacles that we have ever faced," Commerce Secretary Carlos Gutierrez said in an interview outlining the stakes of the election. "We need to recognize that and not change strategies … a change of strategy at this point would be a tax increase."

A Democratic victory in the Senate would give Edward Kennedy of Massachusetts the chairmanship of the Education and Labor Committee; Max Baucus of Montana, the Finance panel; and Chris Dodd of Connecticut could helm the Banking panel.

Respondents to an Oct. 6-8 USA TODAY/Gallup poll gave Democrats a 54% to 36% edge when asked which party could better handle the economy, and high marks on issues such as energy and health care. "Everything is going up but the wages," says Ellen Morel of Florida, a poll respondent who is supporting Democrats.

Still, some voters worry Democrats might not be up to the task, and Democrats acknowledge the numbers could erode before election day. An Oct. 20-22 USA TODAY/Gallup poll found 86% of voters would approve of Democratic efforts to raise the minimum wage, but only 23% would back an income tax increase. More than 60% expect Democrats to boost taxes.

"The first thing they (Democrats) will want to do is raise taxes," says Richard Bothwell of Longview, Texas, an independent. "I'm not saying Republicans have done a great job. … They've spent more, obviously. But you've got to consider they're fighting a war."

Michael Donohue of the National Federation of Independent Business, which represents small firms, predicts the most likely outcome of any regime change would be stalemate, as a lame-duck GOP president fights a more assertive Democratic party. Until July, when he vetoed legislation to expand federally supported stem cell research, Bush had never vetoed a bill.

To date, 69% of pharmaceutical and health care donations and 83% of oil and gas funds have gone to the GOP this election cycle, according to the non-profit Center for Responsive Politics. Insurance and banking interests are heavily supporting the GOP.

But Democrats, running about even with the GOP in the technology and securities industries, and ahead in the entertainment sector, say firms are hedging their bets.

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"As the potential chairman of the Financial Services Committee, I have picked up a lot of new friends without being any nicer," says Rep. Barney Frank, D-Mass. "It started in the spring, but it's picked up. It's better than a Dale Carnegie course."

Democratic gains could reshape the agenda on a host of issues

Minimum wage

Senate Democrats, with a core group of Republicans, this year mustered more than a 50-vote majority for an up-or-down vote on raising the minimum wage, which has been $5.15 an hour since 1997. Still, they were shy of the 60 votes needed to limit debate and allow passage.

This fall, pressured from their own ranks, Republicans offered an alternative plan pairing a minimum wage increase to $7.25 an hour with a bill to eliminate estate taxes on estates of up to $5 million or $10 million for married couples and to liberalize taxes on larger estates. Most House Democrats opposed the bill, which died in the Senate, calling the tax provisions a poison pill.

"We would expect we'd present a vote to increase the minimum wage very early in the session. That's not a mystery to anybody," says Rep. George Miller, a California Democrat in line to become chairman of the House Committee on Education and the Workforce. "There are constraints, but we think there are huge opportunities … to get rid of some of the toxic poison in the system and reach across the aisle."

Current committee chairman Rep. Buck McKeon, R-Calif., says if his party retains power, future legislation would probably look like the previous minimum wage/estate tax package.

"We did vote to raise the minimum wage. … The feeling was that they (Democrats) would rather have the issue than to do the things that they talk about," McKeon says.

McKeon says Democratic colleagues pulled him aside before the House adjourned this fall, seeking favors for next year on the assumption they would continue in the minority. "Nothing is going to change," he says.

Trade

House Republicans last year extended the voting on the U.S.-Central American Free Trade Agreement (CAFTA) long after the standard 15 minutes had expired, twisting arms until they picked up enough GOP votes to eke out a 217-215 victory. Just 15 Democrats voted "yes" for the deal, which was opposed by labor unions.

Several trade votes are pending, including legislation to extend the administration's special authority to negotiate trade deals, as well as pacts with Peru, Malaysia and South Korea. Talks on a global trade deal are continuing.

"The trade environment is a difficult one, anyway," says Bill Miller of the U.S. Chamber of Commerce. "Certainly, Republicans were the bulk of the votes in the House and the Senate to move the CAFTA bill."

Miller worries the election could result in punitive actions toward China, which has a huge trade surplus with the USA. Democrats and several Republicans want China to move faster on changing its currency policies. Rep. John Dingell, D-Mich., who would become chairman of the Energy and Commerce Committee, is one of those seeking action against China and other nations he accuses of manipulating their currencies.

Rangel says he's willing to work with the White House and Republicans on trade initiatives, but acknowledges it could be tough to bring Democrats along, given partisan tensions of recent years.

"Most of the new members on the committee, Democrats and Republicans, have never worked together," Rangel says.

Budget and taxes

Since the 2000 election, Bush has won a broad array of business and personal tax cuts. His victories on the economic front also include legislation to overhaul the private pension system, trade deals, an overhaul of bankruptcy laws and reduced business regulation. The White House says those policies have led to low unemployment, steady expansion and record corporate profits.

Democrats paint a less rosy picture, pointing out that inflation-adjusted wages have been stagnant, while long-term unemployment remains high. The federal budget has moved from a $236 billion surplus in fiscal 2000 to years of consecutive deficits, including a $250 billion shortfall in 2006. The non-partisan Congressional Budget Office has projected that the 2007 deficit will be $286 billion.

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Democrats have vowed to return to budget rules requiring new tax cuts or spending programs to be offset elsewhere in the budget. Rangel says he has no plans to go after the Bush tax cuts but warns that initiatives such as tax reform or eliminating the alternative minimum tax (which was designed to ensure the wealthy did not evade taxes, but is ensnaring middle-class taxpayers) have to be paid for.

"We did raise taxes on the wealthy (in the 1990s). … What happened as a result was the best economy in U.S. history. Democrats will not renew some of the tax cuts. … In some cases, we will provide more relief," says Frank, in line to chair the Financial Services Committee, which oversees banking.

Republicans say letting current tax cuts expire amounts to a tax increase.

House Majority Leader John Boehner, R-Ohio, in a recent memo to Republicans, called the Democratic position on taxes the party's "biggest vulnerability" and said Republicans should "relentlessly hammer" at the issue.

"We must remind every American about the Democrats' tax hike agenda and its destructive consequences for our economy," Boehner said in the Oct. 16 memo.

Democrats could find it tough to live within their promised budget rules and fulfill their promises to increase funding for education, a technology initiative, select tax breaks and other proposals.

Other issues

Aside from the top priorities, Frank wants to get the government back into building affordable housing, based on a private/public model.

He would bring in Federal Reserve and World Bank officials for hearings on income inequality.

Other initiatives include energy legislation focused on conservation and alternative fuels, increased oversight of the Food and Drug Administration and Federal Communications Commission, and legislation to increase data privacy and mortgage lending.

Pharmaceutical companies are warning that Democratic plans to allow the government to negotiate prices under the Medicare drug plan would hurt the program.

"Price controls have never succeeded in keeping down costs or expanding access to needed medicines," the Pharmaceutical Research and Manufacturers Association of America said this week.

Bush Calls Nov. 7 Referendum On Iraq, Taxes (WT)

By Stephen Dinan

The Washington Times, October 26, 2006

President Bush yesterday staked the Republican agenda for the final two years of his administration to tax cuts and Iraq, saying next month's election is a referendum on both, and chided Democrats for "dancing in the end zone" to celebrate victory prematurely.

"The two issues I see in the campaign can be boiled down to who best to protect this country and who best to keep taxes low. That's what the referendum's about," Mr. Bush said at a morning press conference at the White House.

He said he also will push the unfinished business of his second term -- reforming Social Security, overhauling the tax code and pushing for a broad immigration bill -- and is "more likely to achieve those three objectives with a Republican-controlled Congress and a Republican-controlled Senate."

For a president who in 2003 famously said he doesn't read newspapers, Mr. Bush appears to have closely followed news reports this year and seemed amused at the amount of attention being paid to Democratic leaders who would hold top positions if power changed hands.

"We got some people dancing in the end zone here in Washington, D.C. They got them measuring their drapes," he said. "They're going over to the Capitol and saying, well, 'My new office looks beautiful. I think I'm going to have this size drape there or this color.' "

That was an apparent reference to House Minority Leader Nancy Pelosi, who could become the next speaker of the House, and who joked to the Associated Press recently that she could then have any office suite she wanted. Mr. Bush also

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seemed to take aim at Sen. Barack Obama, Illinois Democrat, who recently earned a cover story in Time magazine titled "Why Barack Obama could be the next president."

"Magazines have got all kinds of new stars emerging when they haven't even won the votes yet," Mr. Bush said.

Mrs. Pelosi's office said Democrats are not overconfident.

"There's not a tape measure in sight," said spokeswoman Jennifer Crider. "We're not taking anything for granted."

She said this year's election for Democrats is a referendum on Iraq and the economy, but also on Mr. Bush's push to reform Social Security and on a broader quest for change at the top levels of government.

Democrats also tried to turned the tax attack back on Republicans, arguing that by leaving town without extending the college-tuition tax credit or sales-tax deductions the majority party has also fostered a tax increase.

Republicans had insisted on coupling those tax cuts with a broader package that included permanent elimination of the estate tax -- something Democrats refused to do.

Mr. Bush did little to dispel reports that he and his top advisers are confident about next month's outcome.

"We're organized," he said. "We've got a fantastic grass-roots organization to turn out the vote."

The president also said he does not resent those Republicans who are running by criticizing his Iraq policy, "nor am I resentful that a lot of Democrats are using my picture. All I ask is that they pick out a good one."

Wall Street Handicaps Stocks, Sectors As Voting Nears (USAT)

By Adam Shell

USA Today, October 26, 2006

NEW YORK — Democrats aren't big fans of Wal-Mart. Nor are they fond of Halliburton, due to the energy firm's activities in Iraq and ties to Vice President Cheney. Democrats aren't chummy with tobacco companies such as Altria, either.

That's why those companies' stocks might be hurt if Democrats sweep the upcoming midterm elections and seize control of the Senate and House of Representatives from Republicans, say UBS analysts in a report.

In every national election, there are winners and losers on Capitol Hill and Wall Street. The Nov. 7 congressional election is no exception. Wall Street analysts have been handicapping which stocks and industry sectors will go up and which will go down, depending on the outcome of the vote.

Ironically, even the scenario that will result in the biggest change — a Democratic sweep — is unlikely to result in the type of major policy changes that could seriously rattle financial markets, says Thomas Doerflinger, strategist at UBS.

The reason: If Democrats win, they will likely hold slim majorities and will avoid appearing too liberal to improve their chances of winning the presidential election in 2008, he adds.

What's more, “Faced with a Democratic majority in Congress, President Bush would utilize his veto pen a little more readily,” says Jerry Webman, chief economist at Oppenheimer Funds.

The likely result would be legislative “gridlock,” which historically has been bullish for stocks, notes Mark Riepe of the Schwab Center for Investment Research. His analysis of election years dating to 1953 shows that the average return of the Standard & Poor's 500 index was 14.1% per year in gridlock years, vs. a 10.4% gain when one party controlled the presidency and both chambers of Congress.

However, Riepe argues that elections have less impact on the stock market than people think. Politicians, he says, have little control over the key drivers of asset prices, such as interest rate policy, geopolitics and health of the economy.

Perhaps the biggest influence on stocks if Democrats win both chambers is the expected change in “tone” on Capitol Hill, UBS says. With Democrats likely to take control of influential committees, they will be able to shape the tenor of the political debate.

In a recent report, UBS said Democrats would likely exert pressure on Republicans by holding high-profile hearings on controversial topics, such as “global warming, Halliburton's activities in Iraq, Wal-Mart's employment practices and allegedly excessive pharmaceutical prices.”

If “government by subpoena” occurs, it would create “headline risk” for a number of key industries and companies, says Jason Cole, federal affairs manager at UBS.

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If the Democrats take over Congress, energy and health care stocks could be losers, given the possibility of new legislation to tax energy firms' "excess profits," and imposing "price controls" on health care, noted Schwab's director of sector analysis Brad Sorensen in a report titled "Do Elections Matter for the Market?"

On the flip side, if Republicans retain control of Congress, it boosts the chances that tax cuts set to expire in 2010 will be extended. That would be a plus for energy, technology, telecom and industrial companies, because it would make it easier for them to plan for the future, says Sorensen.

Another possible outcome is a split decision, with the Democrats taking the House but the Republicans hanging on to the Senate, says Joseph Quinlan, chief market strategist at Bank of America.

A wild card to how the U.S. market reacts once the polls close are foreign investors, Quinlan stresses.

A Democratic win, he says, could "unnerve foreign investors," who would likely view the results as a sign of growing U.S. protectionism and less support for globalization.

"None of this is supportive of the U.S. dollar and … U.S. securities," adds Quinlan. "Foreigners vote with their wallets. Given their hefty ownership of U.S. stocks and bonds," their vote counts.

Why Democrats Are Losing The Culture War (USAT)

By Amy Sullivan

USA Today, October 26, 2006

On the surface, solid majorities of Americans agree with Democratic Party values. They want universal health care, support increasing the minimum wage, believe stricter environmental regulations are needed and worth paying for, and think the best way to achieve peace is through diplomacy.

By contrast, only 12% say abortion and gay marriage are more important issues than poverty and universal health care, according to a recent survey by the Center for American Values in Public Life, a project funded by the liberal group People For the American Way. And a paltry 5% of Americans identified abortion and gay marriage as their top issues.

Based on these numbers, Democrats should be beating Republicans at the ballot box. But precisely the opposite has happened in the past few national elections.

One answer is that national security is still a major issue, generally favoring Republicans. But more important is the fact that abortion and gay marriage are proxies for deeply held cultural concerns. They tell voters something about the character of a candidate — or a party.

Most voters worry about escalating challenges to family stability and the losing battle to instill good values in their children instead of the materialism and coarseness peddled by popular culture. They fear that our society has developed a casualness about life, especially as science has made it easier to manipulate and create beings.

Banning gay marriage and outlawing abortion don't directly address those anxieties. But proposals like these at least acknowledge that the concerns exist and are valid. So while Republicans offer the wrong prescriptions, they get the diagnosis right. And they win because most of the time, Democrats won't admit that anything is wrong. In politics, as in most areas of life, something always beats nothing.

Despite the uproar over Janet Jackson's wardrobe malfunction a couple of years ago, most parents don't fret that the accidental sighting of a breast or hearing of a swear word will scar their children. They're more concerned about the unrealistic ideas kids get from popular culture about consumption and body image and violence as a way of handling conflict.

Sadly, too many liberals react to complaints about popular culture as if they're teenagers. They either jut out their chins and growl, "If you don't like it, don't watch it," or they stay silent for fear of looking like prudes. Given the ridicule that Tipper Gore faced for promoting warning labels for explicit music lyrics and the derision that followed Hillary Clinton's effort to keep violent video games away from kids, perhaps it's no surprise that most keep their mouths shut. That silence, however, hands conservatives a victory. As David Callahan points out in his book The Moral Center, "When the right complains about the media's descent into tawdriness, it puts them on the side of most Americans."

Even an issue on which Democrats seem to have the winning position can turn out to be a loser for the party in the long run. Most Americans now believe that research on stem cells should be allowed. But as Noam Scheiber recently pointed out in The

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New Republic magazine, the polls also suggest that they have serious concerns about the morality of unrestricted scientific research. They don't want to wake up tomorrow and discover that we're cloning humans without ever having a conversation as a society about the moral issues involved. By framing the debate as a choice between theology or science, Democrats essentially argued that anyone who has qualms about scientific progress is a troglodyte. That puts them on the losing side of the moral question, even as they win the specific policy debate.

There's promising evidence, though, that this moral tone-deafness of Democrats may be about to change. Abortion, perhaps the most contentious moral issue of them all, is also the one area in which Democrats are poised to move past the political debate and address the real concerns of Americans. Over the past two years, a growing number of Democrats in the House and Senate have gotten behind "abortion reduction" efforts that seek to prevent unwanted pregnancies and provide support to women who want to carry their pregnancies to term.

This new approach reduces abortions without putting women in jeopardy or jail. The average American doesn't want to overturn Roe v. Wade or start locking up doctors. But neither does she buy the liberal line that 1.3 million abortions per year are just the price you pay for living in a free and modern society.

Democrats are right when they argue that their party's position on issues such as poverty, health care and job creation reflect a powerful moral value — helping those who have less. But they're wrong to think that's enough to win back the cultural voters they've lost.

Abortion and gay marriage — and the deep-seated cultural anxieties they represent — are threshold issues for voters. If a candidate can show he understands voters' concerns about the culture, then they'll listen to what else he has to say. If he tells them instead that there's nothing to worry about and tries to change the subject, they've already tuned out.

The good news for Democrats is that if the party can just get past the threshold, it stands a much better chance of connecting with voters who already agree with them on the pressing issues that should decide elections.

Amy Sullivan, a contributing editor for The Washington Monthly magazine, is writing a book about religion and the left.

Democrats Eyeing Upstate Races In Their Effort To Retake Congress (NYT)

By Raymond Hernandez

The New York Times, October 26, 2006

AUBURN, N.Y., Oct. 25 — Once pessimistic about making gains in the Republican bastion of upstate New York, Democrats have now made the region a focal point in their campaign to retake Congress, pouring money and troops into several districts where they believe the Republican incumbents are vulnerable.

With less than two weeks to go before the midterm election, the Democratic Congressional Campaign Committee is financing hard-hitting advertisements in three districts that criticize the Republicans for ethical lapses, supporting the war in Iraq and advancing President Bush's agenda. It has spent $2 million in races in the state so far.

There are also extensive get-out-the-vote campaigns being organized in at least four Republican-held districts, with Democratic challengers receiving heavy support from national and state party operatives, as well as legions of volunteers and workers from unions, third parties and liberal advocacy groups like MoveOn.org.

And former President Bill Clinton, who has campaigned relentlessly for Democratic candidates locked in tight races elsewhere in the country, is scheduled to swing through New York on Thursday, when he will headline airport rallies for three Democratic candidates from Albany to Syracuse.

Republican congressmen in the upstate region have long benefited from being in districts that have been drawn to tilt in their favor. But in recent weeks, several Republicans — including Rep. Thomas Reynolds from Erie County, the fourth-ranking Republican in the House of Representatives — have found themselves on the defensive largely because of Mr. Bush's continued unpopularity, grim reports out of Iraq and the disclosure of sexually explicit e-mail messages between a Republican lawmaker and young male Congressional pages.

More than that, even some Republicans privately acknowledge that the overwhelming leads held by Attorney General Eliot Spitzer, the Democratic candidate for governor, and Senator Hillary Rodham Clinton may dampen spirits among Republican voters and boost Democratic turnout across the state.

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But while many Republicans say that they are worried about the political climate, they assert that the contests will be decided on local issues as well as on the personalities and reputation of the candidates.

The situation in New York appears to reflect a shift in the playing field that is occurring nationally as more once-safe Republican Congressional seats seem to be coming into play. The Democrats need to pick up 15 seats to regain control of the House. The new push upstate reflects a shift of expectations by the Democrats. As the fall campaign season opened six weeks ago, the Democrats had all but given up hope of scoring major gains in New York after having predicted in the spring that they could pick up as many as five seats there.

Now, with evidence of Democratic strength reflected in fund-raising and in internal polls, Democratic leaders in Washington say they see an opportunity to provide additional momentum to candidates in New York who had once been considered long shots.

"The national climate is seen more clearly in a state like New York where opportunities have increased as voters have made it more and more clear that they're sick of the status quo in Washington," said Bill Burton, a spokesman for the Democratic Congressional Campaign Committee.

Kevin Madden, a Republican strategist in Washington who was involved in New York politics for years, dismissed Democratic efforts in New York as little more than a political ruse intended to create the impression that there are more seats in play than there are. He predicted that this strategy would backfire.

"It's not a particularly wise head-fake because Democrats will end up wasting resources in New York that they could have spent in competitive races in Pennsylvania and Ohio," he said. "Fundamentally, these races in New York are contests between individuals."

Democrats feel that their best opportunity for taking a Republican seat is the race for New York's 24th Congressional District, which cuts a U-shaped swath through central New York south of Syracuse. The race pits State Senator Raymond A. Meier, a Republican, against the Democrat, Michael A. Arcuri, the Oneida County district attorney, in a battle to succeed Representative Sherwood L. Boehlert, a moderate Republican who is retiring after 24 years in the House.

The contest is so fierce that the Democratic and Republican Congressional re-election committees have spent more than $2.4 million on advertising here. That is on top of the nearly $1.5 million that the Arcuri and Meier campaigns reported spending in their latest financial disclosure statements, at the end of September.

Another Republican incumbent who is high on the Democrats' list of targets is Mr. Reynolds, who is trailing his Democratic challenger, Jack Davis, in recent polls after facing questions about whether he responded vigorously enough after learning about e-mail exchanges between Representative Mark Foley, a Florida Republican, and a young Congressional page.

The Democratic Congressional Campaign Committee recently began running an advertisement that, while never mentioning the scandal directly, accuses Mr. Reynolds of "bad judgment" for his refusal to vote for bonus pay for troops while voting to increase his own pay in Congress. Republican strategists to the Reynolds campaign said the advertisement is false and meant to deflect attention from the weakness of the Democrats' own candidate in the race.

In three other New York races, Democrats say that their chances are less certain, but still believe they are within striking range if there is a powerful Democratic tide on Election Day.

The Republican incumbents who are targets in these races are John Randy Kuhl Jr., who faces a challenge from Eric Massa in the 29th Congressional District in the Southern Tier region of the state; James T. Walsh who is battling Dan Maffei in the 25th District in the Syracuse region; and John E. Sweeney who is in a race against Kirsten Gillibrand in the 20th District outside Albany.

Though the 24th has roughly 40,000 more registered Republicans than Democrats, experts say the race is a tossup. Mr. Arcuri, attempting to tap voter dismay with the direction of the country, wants to present himself as a "Boehlert moderate" on issues like the environment and someone who opposes many of the policies of President Bush and his conservative allies on Capitol Hill.

"He is extremely conservative," Mr. Arcuri said of Mr. Meier in a recent interview.

Mr. Meier is running as a results-oriented politician with a long record of delivering state aid for the district, a strategy on display the other day when he was honored at a senior citizen center in Kirkland for $50,000 he secured in Albany for the center.

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In an interview afterward, Mr. Meier acknowledged that it is a tough climate for Republicans, particularly given Mr. Bush's sagging approval ratings. But he argued that voters would ultimately judge him on his record. "People still view this as a local race," he said. "It's a choice between me and my opponent and not a referendum on anything else."

As for the renewed optimism Democrats have about their prospect in New York, perhaps the clearest example is the race in the neighboring district pitting Mr. Walsh, a Republican fixture in the Syracuse region, and Mr. Maffei, a former aide to Senator Daniel Patrick Moynihan who is making his first run for public office.

Only a few weeks ago, Mr. Maffei was openly critical of party leaders in Washington for not investing enough money in his race. Now, the Democratic Congressional Campaign Committee, closely eyeing his district, says it is set to spend tens of thousands of dollars on the race, and major party figures, including Mr. Spitzer and both Clintons, have been rushing to campaign with him.

Mike Whyland, a spokesman for Mr. Maffei, said he welcomed the support from Washington, though he added it would have been helpful if it had come earlier. "Why is the D.C.C.C. getting involved now?" he said. "They might have internal polling that shows what we already know — that this race is tight and getting tighter."

Liberalism's Limits In Kentucky (WP)

By Robert D. Novak

The Washington Post, October 26, 2006

FLORENCE, Ky. -- Democratic candidate Ken Lucas looked like he would rather be any place other than Kentucky's public television studios Monday night as he debated freshman Republican Rep. Geoff Davis. A moderate conservative, Lucas was not going deep into the Democratic Congressional Campaign Committee (DCCC) liberal playbook that is intended to nationalize midterm congressional elections.

Lucas had been coaxed out of political retirement at age 73 to run for the northern Kentucky congressional seat he held for three terms. That put Davis, a conservative 25 years Lucas's junior and highly regarded among House Republicans, on the endangered list, trailing in early polls. But Lucas showed Monday night that this has not been a happy campaign for him. While Democratic candidates nationwide pillory George W. Bush, Lucas did not mention the president's name and appeared uncomfortable with the DCCC attack litany.

Democrats must win seats such as this one to achieve a substantial working majority in the House. But Republicans have limited the election in Kentucky's 4th Congressional District to a "choice" between two candidates instead of a "referendum" on an unpopular Republican president and Congress. That demonstrates that the struggle for Congress is not really a national election but is about 50 hotly contested local ones.

Registered Democrats are still a majority in the 4th District, thanks to rural areas where voters maintain their ancestral political faith. But Cincinnati's burgeoning Kentucky suburbs are Catholic, Republican and conservative. They elected Republican Jim Bunning to six terms before he went to the Senate in 1998. Lucas, a popular local official, replaced him as one of the more conservative Democrats in the House -- with a 71 percent lifetime American Conservative Union (ACU) rating.

Lucas survived a surprisingly close call in 2002 against an underfunded Davis. Raised in Pittsburgh, Davis came to Kentucky in 1989 following graduation from West Point and 10 years as an Army officer. Lucas kept his pledge to leave after three terms, and Davis won in 2004 against radio personality Nick Clooney (father of actor George

Clooney).

Rep. Rahm Emanuel, the celebrated DCCC chairman, scored a recruiting coup the next year by getting Lucas to run. Returning the 4th District to Democratic hands was part of a national grand design. The problem was fitting Lucas's square conservative peg into the liberal hole of the DCCC game plan.

Lucas tried in Monday night's debate. He taunted Davis for voting the Republican line 96 percent of the time as "a pawn of your party" and attacked "a culture of corruption" (while never mentioning the Mark Foley scandal). Lucas missed the party line on Iraq, asserting: "We must win the war in Iraq. We have no other choice." Commenting on North Korea's dictator Kim Jong Il, Lucas said: "He seems to be very popular with his people."

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Lucas in the debate twice derisively called attention to the use of big words by Davis. Indeed, Davis is a policy wonk, considered by colleagues on the conservative Republican Study Committee to be one of the best-informed members of Congress. As for being a pawn, Davis noted his opposition to President Bush's Social Security reform. But the ACU rated him at 88 percent, and he is a

social conservative. Asked his views on abortion by a student at Pendleton County High School the day after the debate, Davis replied: "I'm 100 percent pro-life."

But Davis spends more time dispensing pork than preaching the conservative gospel. Traveling through nominally Democratic rural areas Tuesday, Davis stopped in Berry (population 310) for presentation of a $209,891 check from the federal government to establish broadband access there. The little town is 83 percent Democratic, but Davis figures to carry it. Gary Taylor, a local bank officer, told me he is a registered Democrat but is voting for Davis "because he has helped us, and we haven't heard from Ken

Lucas."

With Kentucky returns coming early election night, the reports from the 4th District will be a harbinger. A victory by Lucas probably would be part of a Democratic wave and a Republican disaster. A win by Davis would entrench a Republican conservative in Congress far into the future. It would also mark the limits of nationalizing congressional

elections.

A Hard Year To Be An Ohio Republican (WT)

By Stephen Dinan

The Washington Times, October 26, 2006

One of an occasional series

COLUMBUS, Ohio -- Any other year, Rep. Deborah Pryce would have wrapped up her race for re-election months ago.

The fourth-ranking House Republican and self-proclaimed "moderate," Mrs. Pryce has cruised to victory in Ohio's 15th Congressional District the past six times with at least 60 percent of the vote, in a dead-heat district where President Bush and Sen. John Kerry just about split the vote in 2004.

But this year, with Mr. Bush sliding into disastrous levels in the polls and Republicans in Ohio imploding amid corruption charges and unpopular policies, she is struggling against a boilerplate Democratic candidate whose attacks are similar to those being used across the nation by Democratic challengers.

"This is a referendum on the policies of this current administration," says that candidate -- Mary Jo Kilroy, a Franklin County commissioner from the left wing of the Democratic Party.

Defining moment

The battle for control of the U.S. House runs right through the Midwest, with Democrats making a major bid for two or three Republican-held House seats each in Ohio, Kentucky and Indiana. That means the fate of Republicans' House majority should be clear soon after 7:30 p.m. on Nov. 7, the closing time for Ohio's polls, the latest of those three states.

It promises to be a watershed election for Ohio. If Democrats do well, it means this state is the ultimate swing state. But the elections will cement Ohio's Republican credentials if the Democrats fail to capture any of the major prizes.

Every statewide constitutional office here is held by Republicans as are both U.S. Senate seats and 12 of the 18 U.S. House seats. They include national party leaders Mrs. Pryce, the House Republican Conference chairman, and House Majority Leader John A. Boehner. Republicans also have sizable majorities in both state legislative chambers.

This year, though, Democrats expect major victories up and down the Ohio ballot, leading off with Ted Strickland, a Democratic congressman who is on the verge of trouncing Republican Ken Blackwell in the governor's race.

Democrat Sherrod Brown also holds a lead in the U.S. Senate race against incumbent Republican Sen. Mike DeWine -- one of the seven races likely to determine control of the Senate.

Mr. Brown has attacked the Republican for lost jobs in the state and for his support of the Iraq war in Washington. Mr. DeWine argues that the Democrat has little to show for his seven terms in Congress. A Mason-Dixon poll released Tuesday showed Mr. Brown with a lead of eight percentage points.

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All politics is local

Unlike other parts of the country, Republicans' problems in Ohio are not primarily the national mood or antipathy toward Mr. Bush, who polls above 40 percent in approval ratings, higher than his national average.

Instead, it is local -- a mixture of a faltering economy, state Republicans who pushed through huge tax increases, a school system that few voters seem pleased with, and Bob Taft, the departing Republican governor, who pleaded no contest last year to violating state ethics laws.

Adding to that, Rep. Bob Ney, a Republican, announced two months ago that he wouldn't seek re-election, forcing Republicans to scramble to fill his slot on the ballot. Then, two weeks ago, Ney pleaded guilty to corruption charges stemming from the investigation into lobbyist Jack Abramoff.

"It's a combination of the state and the national mood. We have had our troubles here in Ohio -- our governor's numbers are very low, we've had our own set of scandals, and the same is true in Washington, so you have a fairly soured public and Rahm Emanuel just saw opportunity here," Mrs. Pryce said, referring to the Democratic Congressional Campaign Committee chairman.

Still, those opportunities are less than they could have been.

Democrats had hoped to capture up to eight House seats here, but that list has been reduced. There are now three solid Democratic opportunities -- Mrs. Pryce's 15th district, Ney's 18th district and the 2nd Congressional District, where first-term Rep. Jean Schmidt won a special election last year.

They also have a longer shot at Rep. Steve Chabot, a Republican from Cincinnati.

Guilt by association

The race for Ney's seat is emblematic of Republican challenges.

The Democratic candidate, Zack Space, is running a clean-government campaign against national and state Republican leaders.

That worked well when his opponent was Ney, and he is trying to adapt it to new Republican candidate Joy Padgett, accusing her of having ties to corrupt figures.

"From convicted Ohio Governor Bob Taft, to disgraced Congressman Bob Ney, to House Speaker Dennis Hastert now under fire for 'Foleygate' -- or most recently Karl Rove, who has agreed to host a $5,000 per PAC fundraiser in Washington D.C. -- Padgett refuses to break her ties to corruption," Mr. Space said on the day Ney pleaded guilty.

This district is the most reliably Republican in the state, having delivered 57 percent of its vote in 2004 to Mr. Bush, and in any other year, Mrs. Padgett would have a built-in advantage over Mr. Space.

But Mrs. Padgett, a state senator, only started running after winning a special primary election after Ney gave up his bid in August. Her red campaign yard signs -- which repeat her last name three times -- seem to capture her biggest challenge: building up name recognition.

She said she doesn't see voters penalizing her for Mr. Taft or Mr. Bush, but stresses that she has voted against Mr. Taft in the legislature and will be willing to buck Mr. Bush in Congress.

"The president is president, he's got his role. I'm not in his administration. I will be in Congress," she told reporters after accepting the U.S. Chamber of Commerce endorsement two weeks ago.

The bigger issues

As for Ney, it's not clear how much of a drag he will be, especially because the charges play differently on the ground in Ohio than they do among the politicos in Washington.

Dr. John Antalis, an ophthalmologist in Cambridge who usually all but ignores politics, said he would probably have voted for Ney because someone he trusts vouches for Ney.

But Dr. Antalis, watching his son's football practice one afternoon, said he's so angry about the Iraq war that he won't support any Republicans who support Mr. Bush.

"I'm going to vote against Republicans until there's a change in the House, just because of that one issue," he said.

Democrats have several ace cards this year, including a statewide ballot question on raising the minimum wage that will energize key labor voters.

And Democrats here are still energized by the 2004 presidential election results, which many think were tinkered with by Mr. Blackwell, the secretary of state.

Ohio became the pivotal state in those elections, when Democratic candidate Mr. Kerry refused to concede the race on election night because of the slim margin here and rumors of voting irregularities. Democrats' fury settled on Mr. Blackwell, one of the nation's most prominent black Republicans, who they argue worked overtime to complicate voting in 2004.

Getting personal

In Mrs. Pryce's district, though, the race is just a verbal slug-fest of names and labels.

The most recent barb was Mrs. Kilroy's ads, run on Christian radio, accusing Mrs. Pryce of failing to do enough to investigate former Rep. Mark Foley, who resigned Sept. 29 amid charges that he had made inappropriate advances to teenagers who had been in the House page program.

Mrs. Pryce, who has called Mr. Foley a friend, said the charges did hurt her somewhat.

"We had a week of distraction. In close campaigns, you never need that. We had polling that showed it was significant," she said, although she said the debate two weeks ago helped to refocus the campaign.

Mrs. Kilroy's most consistent attack has been that Mrs. Pryce is "a right-wing apologist, and she's been serving a right-wing agenda" by supporting national Republicans on the war in Iraq, spending, tax cuts and Social Security reform.

For her part, Mrs. Pryce may be the only candidate anywhere -- Republican or Democrat -- eager to tie herself to Sen. Robert Menendez, the New Jersey Democrat who is reportedly under investigation for corruption.

Mrs. Pryce touted her work with him on health care legislation as an example of how she has bridged partisan divides.

She also puts herself in the camp of Sen. Joe Lieberman, the Connecticut Democrat who lost his party's primary this year and is running as an independent, and tries to turn that back on Mrs. Kilroy.

"Her wing of her party drove him out, threw him out," she said.

The two women clearly don't care much for each other, and the tone of the race is harsh. Mrs. Pryce even felt the need to apologize to her mother when the two met at the Columbus Metropolitan Club debate, which aired on WOSU radio and television.

"My mother's mad at me, but I had no choice," she said, adding that she had to respond in kind after liberal interest groups sponsored attack ads and phone-bank calls.

"As soon as we recover, we'll be back on the positive," she said, prompting Mrs. Kilroy to note that Mrs. Pryce is "going to have negative ads for a long time, then."

In Old Textile District, The Free-Trade Issue Dominates (NYT)

By Steven R. Weisman

The New York Times, October 26, 2006

KANNAPOLIS, N.C., Oct. 23 — It has been three years since the old brick textile mill here shut down, throwing 4,800 people out of work. Yet the mill, which once made pillowcases and closed in part because of competition from imports, casts a shadow over the heated race for Congress in this once booming industrial enclave of North Carolina.

As if by chance, though probably not, both candidates are linked to the old mill. Charles Cannon, legendary founder of the Cannon textile empire and grandfather of Representative Robin Hayes, the Republican incumbent, built it in the 1920's, and Mr. Hayes worked summers there as a youth.

Larry Kissell, his Democratic opponent, worked there for 27 years before becoming a high school teacher in 2001, when, he says, he saw "the handwriting on the wall" about its future. Now his campaign is organized around the threat of foreign competition and Mr. Hayes's tiebreaking vote last year for a trade accord with Central America.

"The No. 1 issue voters care about this year is jobs," Mr. Kissell said Monday as he campaigned door to door in a neighborhood near the rubble-strewn field where the Kannapolis mill once stood. "We have lost 10,000 jobs in the textile industry here in the last several years. Free trade has not been good for this district."

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By most accounts, Mr. Kissell has an uphill battle in trying to unseat Mr. Hayes, who has withstood challenges on the trade issue in the past. In 2001, he was put on the defensive for casting another tiebreaking vote for a trade measure, after a last-minute reversal accompanied by his weeping on the House floor.

But Mr. Kissell is one of a dozen Democratic candidates for the House, and a few for the Senate, who are making at least some headway in tapping voter anxiety about trade.

In Ohio, Senator Mike DeWine, a Republican in a race against Representative Sherrod Brown, is being hammered for his support of trade bills. In upstate New York, Representative Thomas M. Reynolds, chairman of the House Republicans' campaign committee, faces stiff opposition over the same issue.

If many pro-trade Republicans lose on Election Day, President Bush, who has had trouble winning approval of trade deals in the past, could face even tougher odds.

"If the Democrats do as well as it appears, you're going to see more resistance to trade agreements," said Mickey Kantor, a top trade negotiator under President Bill Clinton, who corralled a hundred or so Democrats for the trade deals of the 1990's.

By contrast, only a handful of Democrats voted for the deals negotiated by Mr. Bush, in an environment of Congressional economic populism that has led to other fights, including widespread criticism of China's economic practices and broad opposition to foreign purchases of American companies.

The antitrade climate has recently persuaded Republicans to avoid putting lawmakers like Mr. Hayes on the spot. In September, they pulled bills opening up trade with Vietnam, Peru and a number of poor countries. There is talk that especially if the Democrats win a majority in either chamber, Republicans may try to pass these bills in a lame-duck session before the new Congress arrives in January.

"At the very least, Democrats are going to demand new requirements on enforcement of labor, environmental and corruption problems with our trading partners," Mr. Kantor said. "I would welcome that."

Trade is not the only issue here in North Carolina's Eighth Congressional District, which spreads across the piedmont in the center of the state and encompasses old and new high-tech industries, farms, the prosperous banking corridors of Charlotte and people who work at Fort Bragg, where support for the Iraq war and for Republicans remains high.

Even some Democrats concede that Mr. Hayes has done well for many of his constituents, especially farmers and the defense industry. He also points with pride to his efforts in getting state and county financing for Castle & Cooke and the Dole Food Company to build a corporate research center on the site of the razed Kannapolis mill.

Further, his record on free trade is not easy to simplify. The Democratic campaign has focused on his last-minute decision to cast the deciding vote for the Central American Free Trade Agreement last year, when he yielded to blandishments from Republican leaders after vowing to vote no. Mr. Kissell says the vote was a "flip-flop" that broke faith with constituents, but Mr. Hayes argues that the late concessions he wrung from the Bush administration changed the nature of what he was voting for.

Among the promises, he says, was one that led to an agreement with China later in the year imposing American quotas on 36 types of textile imports. Another brought a clause in the Central America accord that requires that future clothing imports from Nicaragua include interior lining made in the remaining mills of his home state.

"I got commitments the length and breadth of which I had never seen for my district," Mr. Hayes said. "So it's not a flip-flop. I voted for a whole different piece of legislation than the one that had been discussed up to that point. It was a tremendous leap in the right direction for this district."

The congressman says his views on trade have evolved over the years from one of reflexive opposition to one of accepting some of the reality of global competition.

"When I first went to Congress," said Mr. Hayes, who is now concluding his fourth term, "my outlook was to vote no and stop these trade agreements. Well, obviously that wasn't working. Do you take something that's not working and hope for better results? I don't think so. Or do you slow down free trade and in the meantime bring additional opportunities to the district?"

To demonstrate, Mr. Hayes stumped the farm areas of his district on Monday with Agriculture Secretary Mike Johanns to tell voters that the Central America agreement had cleared the way for more soybeans, cotton, hogs and chickens to be exported.

"It's awfully easy to denigrate free trade," Mr. Johanns told a farm group in Monroe, southeast of Kannapolis. "This agreement was very much in favor of the United States farmer."

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Though Mr. Kissell's chances may not be great, Democrats say he could pull an upset, given his creative insurgent tactics. He got a lot of publicity, for example, from a stunt selling gasoline at $1.22 a gallon to remind voters of the price when his opponent first took office eight years ago.

And when news reports showed that Mr. Kissell had $88.94 in his campaign account, compared with $1 million for Mr. Hayes, he merrily announced that he was sorry it was not zero. An additional $150,000 quickly came in, along with promises of help from two popular North Carolina Democrats, former Senator John Edwards and former Gov. Jim Hunt.

In interviews, both candidates said national issues like the scandals in Congress and the Iraq war were not foremost in the minds of constituents. Mr. Kissell treads lightly on the war, and also takes a hard-line stance on immigration, opposing legalized status for any illegal immigrants.

Mr. Hayes looks confident, a man who can draw on his family's role here. Traveling across the area in a pickup truck, he loves to point out landmarks: the hometown of the country singer Randy Travis, a friend's agricultural processing plant, a new titanium factory.

"Welcome to Oakboro, where they have the biggest Fourth of July parade in the district," he said as the place whizzed by. "There's Stanly High School, where we just stood up an R.O.T.C. unit the other day."

Asked about the mood of the district, he said with a smile, "Well, they like their congressman."

In the 19th century the piedmont was a place of farming, and in the 20th a place of manufacturing. In the 21st century, he said, it will retool to new industries and businesses.

The campaign against him, he said, is out of a Democratic playbook.

" 'You got to attack Hayes on trade,' " he said. " 'That's the way to get him.' Whoever the candidate is, they latch on to that.

"Meanwhile, we continue doing the same thing. We're here, we talk to them, we listen. They don't necessarily think you'll solve their problems, but they want to know you're interested."

Fed Up With Everybody (NYT)

By Bob Herbert

The New York Times, October 26, 2006

South Bend, Indiana

In the campaign headquarters of Representative Chris Chocola, a Republican running for re-election in Indiana's bellwether Second Congressional District, there is a large photo of Ronald Reagan on the wall, but no picture of President Bush.

Mr. Bush, once such an asset for Republican candidates, has become a potentially devastating liability for campaigns like Mr. Chocola's.

"He's not as popular as he was," the congressman said in an interview, "but I would say he's still respected."

Mr. Chocola is in big political trouble and he knows that President Bush is much more the cause than the solution. Any mention of the Bush administration tends to turn local Republicans as chilly as the dusting of lake-effect snow that fell over South Bend the other night.

Lucy McKee, a 40-year-old part-time supermarket clerk, told me, "I voted for Bush twice. Now I just want him gone."

Mr. Bush has come into this northern Indiana district to raise money for the Chocola campaign but he has not been asked to appear with the congressman publicly to rally the dispirited troops.

"I don't know that it would help me," said Mr. Chocola. He candidly acknowledged that being seen as aligned with Mr. Bush "is not as much of a positive as it used to be."

With control of the House at stake, the G.O.P. can hardly afford to lose Mr. Chocola's seat. Two years ago he defeated his Democratic opponent, Joe Donnelly, by roughly nine percentage points. Mr. Donnelly is his opponent again this year, and a recent public poll showed him leading Mr. Chocola by about five points. Mr. Chocola said his own internal polls showed the race as a dead heat.

Democrats seem confident they will win control of the House on Nov. 7, and Mr. Chocola is not convinced they are wrong. "If you listen to the news every night," he said, "it would be hard to say that's not possible."

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His district, which has been hurt by the downturn in the auto industry, is more of a bellwether than most. “If I win,” said Mr. Chocola, “then I think there is a reasonable chance we will hold the House. If I don’t, I think there’s a reasonable chance we won’t.”

To win, Mr. Chocola and the G.O.P. will have to deal with the unhappiness of voters like Ms. McKee and like Jeri Niazi, a 60-year-old South Bend resident who works as a security monitor at the University of Notre Dame and describes herself as a “lifelong registered Republican.”

“What’s happening now is frightening to me,” she said. “The war. The deficit. The cronyism. I’m the kind of Republican who signed on for balanced budgets, minimal government and letting people go about their lives. I feel like somebody has thrown away that playbook.”

Ms. Niazi said she is pro-business but she “never dreamed” that corporate interests would achieve the kind of overwhelming and corrosive influence on the federal government that they have under President Bush.

“They are cleaning up,” she said, “while people here are having a tough time making ends meet.”

The overwhelming sense I took away from interviews with voters in and around South Bend was a feeling of disillusionment with government. Republicans and Democrats spoke sourly about the Bush administration, but no one expected dramatic changes if the Democrats gained control of one or both houses of Congress. “People say the Democrats are weak, and frankly, I think they are,” said Vernon DeWitt, who recently moved to Mishawaka from St. Louis. “I’m fed up with everybody.”

The big issue here, as in most of the country, is Iraq, which will have claimed close to 3,000 American lives by the end of this year, and which has lasted almost as long as the U.S. involvement in World War II.

“The war creates stress on the electorate,” said Congressman Chocola. “I think it wears people’s patience. They don’t see a clear light at the end of the tunnel. They see every night on the news the bad things going on, and they almost never see any of the good things going on.”

It’s understood that this is a very tough political environment for Republicans. People want change. But the lack of great enthusiasm for the Democrats is an indication that the system itself is not working well, and that would be a problem more serious than even Iraq.

There are only two major parties. Where do troubled voters turn if the country is in a serious fix and neither party is seen as having an adequate solution?

Schumer Upbeat On Democrats' Senate Odds (WT)

By Eric Pfeiffer

The Washington Times, October 26, 2006

Sen. Charles E. Schumer, chairman of the Democratic Senatorial Campaign Committee, says he is just as surprised as anyone that Democrats have a legitimate shot at taking control of the Senate in the November election.

"Here we are, two weeks from Election Day, in a position we'd never thought we'd be in," the New York Democrat said yesterday during a National Press Club appearance with his Republican counterpart, North Carolina Sen. Elizabeth Dole.

"In 2005, most people were predicting we'd be lucky just to keep our 45 [seats]," Mr. Schumer said. "And now, I'd be disappointed if we just hold."

Mrs. Dole, chairwoman of the National Republican Senatorial Committee, acknowledged the negative draw President Bush's Iraq policy is having on her party's candidates, but she asked what leaving Iraq now would accomplish and questioned the national security credentials of Democrats.

"If Democrats were to take over the Senate, you're going to see a weaker security situation," she said.

Mr. Schumer brushed off the national security criticism, saying Republicans were resorting to name-calling out of desperation.

"The Republican candidates have nowhere to run," he joked. "It's as if they are in a small room where all the exit doors are locked."

Mrs. Dole said her party's weak showing in pre-election polls was the typical byproduct of an incumbent presidency.

"A midterm is always tough," she said. "The incumbent party almost always loses a significant number of seats."

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That trend was bucked by Democrats in 1998 and Republicans in 2002.

With Democrats targeting seven Republican incumbents, polling data suggests it is most likely that races in Virginia, Tennessee and Missouri will determine who controls the Senate. Most polls also show the Democrats leading in the Republican-held states of Montana, Ohio, Rhode Island and Pennsylvania.

Nonetheless, Mrs. Dole said that Republicans have a $14 million cash-on-hand fundraising advantage in those states and that Democrats must defend a few seats of their own in Maryland and New Jersey.

"I'm sure they never imagined they would be fighting to retain seats like these," she said. "We'll continue to fight for all of our incumbents."

Since 2002, Republicans have enjoyed a significant advantage in voter turnout, thanks to what party activists call the "72-hour strategy."

"We know that the Republicans have a very good turnout machine," Mr. Schumer said.

He said, however, that in addition to a more favorable political climate, Democrats have been upgrading their turnout plans.

"The gap is going to be considerably less," he said. "People are more open to the Democratic message."

This year, the DSCC has broken its annual fundraising losing streak to the NRSC, according to campaign-finance records.

Mr. Schumer said that's because voter trends are working in his party's favor.

"We're in a much stronger position heading into November than we thought we'd be," he said. Still, he was quick to add, "It's not a done deal. No one on our side is breaking out the champagne."

In Tight Race, Ad On Black Candidate Stirs Furor (NYT)

By Robin Toner

The New York Times, October 26, 2006

KNOXVILLE, Tenn., Oct. 25 — The Tennessee Senate race, one of the most competitive and potentially decisive battles of the midterm election, became even more unpredictable this week after a furor over a Republican television commercial that stood out even in a year of negative advertising.

The commercial, financed by the Republican National Committee, was aimed at Representative Harold E. Ford Jr., the black Democrat from Memphis whose campaign for the Senate this year has kept the Republicans on the defensive in a state where they never expected to have trouble holding the seat.

The spot, which was first broadcast last week and was disappearing from the air on Wednesday, featured a series of people in mock man-on-the street interviews talking sarcastically about Mr. Ford and his stands on issues including the estate tax and national security.

The controversy erupted over one of the people featured: an attractive white woman, bare-shouldered, who declares that she met Mr. Ford at a “Playboy party,” and closes the commercial by looking into the camera and saying, with a wink, “Harold, call me.”

A spokeswoman for Mr. Ford, who is single, said he was one of 3,000 people who attended a Playboy party at the Super Bowl last year in Jacksonville, Fla.

Critics asserted that the advertisement was a clear effort to play to racial stereotypes and fears, essentially, playing the race card in an election where Mr. Ford is trying to break a century of history and become the first black senator from the South since Reconstruction.

Hilary Shelton, director of the N.A.A.C.P.’s Washington bureau, said the spot took aim at the sensitivities many Americans still have about interracial dating.

John Geer, a professor at Vanderbilt University and a specialist in political advertising, said that it “is playing to a lot of fears” and “frankly makes the Willie Horton ad look like child’s play.”

Professor Geer was alluding to the case of a convicted black murderer used in Republican commercials contending that the 1988 Democratic nominee for president, Michael S. Dukakis, was soft on crime.

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Mr. Ford has been campaigning as an independent, new generation Democrat dedicated to changing the atmosphere in Washington; to putting more attention on the needs of the middle class and on bread and butter issues like health care and to bringing a fresh approach to the war in Iraq. He has strongly resisted Republican efforts to pigeonhole him as a liberal.

Bob Corker, the Republican candidate, offers himself as committed to Tennessee values, with a track record in business and public life of solving problems, in contrast to what he asserts is Mr. Ford's "total life experience" in Washington politics and serving the Ford political dynasty in Memphis.

The debate over the spot was more impassioned on the campaign trail Wednesday, when Mr. Ford and his allies took their bus across a wide swath of eastern and middle Tennessee, campaigning in small towns and courthouse squares.

Representative Lincoln Davis, the conservative Democrat from the heavily rural district in the state's midsection, introduced Mr. Ford at a rally in Crossville with a fierce attack on the advertisement.

"I'm ashamed at what I see Republicans putting out today," Mr. Davis declared, as an overwhelmingly white audience of more than a hundred cheered on the small town square. "You tell Karl Rove that we don't want this stuff on TV in Tennessee. We don't want our kids seeing that."

Mr. Ford told his audience here, and elsewhere in recent days, that the attacks were simply a sign of desperation, a sign the Republicans have nothing else to say. He added, "You know your opponent is scared when his main opposition against you is, 'My opponent likes girls.' " The audience erupted in laughter.

"You know it's a big problem if at the end of a race, if the best they can come up with is this sleaze they're putting up," he said.

In an interview, Mr. Ford demurred when asked if he thought the advertisement was injecting race into the campaign. "You need to ask those people over there what they tried to do with that ad," he said. "It's tasteless, but I've come to expect that from my opponent."

Mr. Corker, a former mayor of Chattanooga, quickly tried to distance his campaign from the advertisement. The Corker campaign had been claiming momentum in recent days, citing a flurry of recent polls indicating the Republican had regained a slight lead after steadying its message and its campaign organization.

A spokesman for the Corker campaign, Todd Womack, said the campaign was pleased that the spot had been taken off the air. "It was tacky, over the top," Mr. Womack said. "Tennesseans deserve better."

The spot was paid for by the Republican National Committee but was produced by an independent expenditure group that is supposed to have an arm's length relationship with the actual campaigns. As a result, Ken Mehlman, chairman of the Republican National Committee, said he did not see the spot before it was broadcast and did not have the power to order it removed.

Even so, Mr. Mehlman said he did not see a racial subtext to the ad. "I will tell you that when I looked at the ad, that was not my reaction," he said. "I hear and respect people who had a different reaction, and I hope they respect me, too."

Moreover, Republican spokesmen said they did not believe the advertisement had been taken off the air in response to the controversy, but had simply, in the words of one, "run its course."

The furor puts Mr. Mehlman in a difficult position. He has spent considerable time as the national chairman preaching the inclusiveness of the Republican Party and its openness to black candidates and black voters. He said in an interview Wednesday night that he did not believe that this would damage his Republican outreach efforts.

Officials with the Republican independent expenditure committee, who include longtime allies of the Bush political circle, did not respond to requests for comment.

The Senate race here is one of three, along with Missouri and Virginia, that are pivotal to control of the Senate, and all three are considered neck-and-neck. Mr. Ford and Mr. Corker are seeking the seat left vacant by the Senate majority leader, Bill Frist, who is retiring.

A Los Angeles Times/Bloomberg poll published this week showed Mr. Corker leading Mr. Ford, 49 percent to 44 percent. The poll was conducted last Friday through Monday, and had a margin of sampling error of plus or minus four percentage points.

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If he wins, the campaign Mr. Ford has been running here will be considered a roadmap for Democrats in conservative and rural areas. Mr. Davis invariably introduced him this week as a man who would never "take away your Bible or your gun," but would raise the minimum wage so people could afford them.

With just 13 days to go, Mr. Ford is generating an intense response on the campaign trail as elderly white women reach for his hand and tell him they are praying for him, and he is swamped by autograph hunters and picture takers.

At one point, Mr. Davis's eyes welled up as Mr. Ford worked his way through a crowd — largely friendly, although not entirely so — at a heavily Republican barbecue. "You're watching history," Mr. Davis said.

Mr. Ford said later that he was not thinking history. "I'm trying to win a race," he said, before he jumped into his bus, whose destination sign read, "success express."

Contentious Race Republicans' Hold On The South Gets Test In Tennessee (WSJ)

By Corey Dade And Nikhil Deogun

The Wall Street Journal, October 26, 2006

KNOXVILLE, Tenn. -- Race has long been a deciding factor in Southern politics, helping determine who is picked to represent the region in Washington. Now, parts of the upper South -- including Tennessee, Virginia and North Carolina -- are attracting significant numbers of people from other parts of the country who aren't steeped in the region's traditions but are drawn to good jobs, lower taxes, top-notch universities and affordable real estate.

This migratory shift is scrambling the region's electoral politics. It is raising Democratic hopes that some parts of the South may no longer be as monolithic in their support of the Republican Party and may be more accepting of African-American candidates.

That helps explain why Harold Ford Jr., a 36-year-old congressman and scion of a famed African-American political dynasty, is in a statistical dead heat with his Republican opponent in the race for the U.S. Senate seat being vacated by Majority Leader Bill Frist. If Mr. Ford wins, he will become the first black senator from the South since Reconstruction. One major factor may be an unheralded demographic shift.

Over lunch at The Tomato Head restaurant, local attorney Bert Ritchie, a 67-year-old who moved here from Chicago five years ago and voted twice for George W. Bush, says he plans to vote for Mr. Ford because he thinks Republicans "abused their ascendancy a little bit." His lunch-mate, Mark Heinz, is agonizing over his own decision. After voting for Mr. Ford's opponent, Bob Corker, in the Republican primary in August, Mr. Heinz, a 37-year-old Philadelphia native, is having second thoughts.

Messrs. Heinz and Ritchie, who are both white, say race isn't a factor, in part because they hail from cities that have had black mayors. "When I came here for college in 1988 I was really shocked at how racially divided it was," says Mr. Heinz, who attended the University of Tennessee. "But I think in the last 15 years or so, with transplants coming in, people are becoming more accepting."

Tennessee has the 16th-largest population among U.S. states but posted the 10th-fastest growth rate from 2004 to 2005. The percentage of native Tennesseans has dipped to 62%, down from 70% in 1990, according to the U.S. Census Bureau.

Virginia and Tennessee are in "the midst of a non-Southern demographic makeover," says William Frey, a demographer at the Brookings Institution. Last year, the population of Tennessee included almost 20% who were born outside the South, versus 13.5% in 1990. "The tipping point may not be there yet in terms of making [Tennessee] from a red state to a blue state but it's moving in that direction."

WHAT THE SENATE POLLS SAY

1 • See a graphic2 of how the balance of power in the Senate will shift after the 2006 election, if the results of current polls are borne out on Nov. 7.

• Graphic: The Senate's Uncertain Seats3

• Charts: African Americans in Congress

The Tennessee race is considered an important test of how strong the Republican hold is on the South. In recent weeks, the campaign has become increasingly bitter as Democrats accuse Republicans of injecting race into a campaign that had

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been largely free of it. They allege that frequent references in campaign commercials to the Memphis political dynasty from which Mr. Ford hails and to his dating life are designed to play on racial fears.

Republicans deny the charge. "I've been doing this since 1974 and I've never gone there," says Tom Ingram, Mr. Corker's campaign manager.

How Mr. Ford does may well decide the fate of the Senate -- and it also may signal how seriously to take the prospect of Sen. Barack Obama, the Illinois Democrat, as a viable presidential candidate.

"This becomes an indicator of how feasible it is for an African-American politician, or a Latino politician, to think in terms of appealing to a broader constituency," says Bruce Oppenheimer, a political science professor at Vanderbilt University in Nashville.

Signs of Acceptance

There are already signs of such acceptance. In Georgia, the attorney general for the past nine years has been a black Democrat, as is the labor commissioner. That state also elected a black Supreme Court chief justice. The northeast corner of Tennessee, known as Tri-Cities (for Kingsport, Bristol and Johnson City), is the archetypical GOP stronghold and 96% white, but its state representative is an African-American Democrat who is so popular that he faces no Republican opposition in November.

As more people move from elsewhere to Tennessee, "it has leavened and hybridized the society here," making a candidate's background less important, says Gov. Phil Bredesen, who grew up in upstate New York and graduated from Harvard University before moving to Tennessee in 1975.

In his earlier runs for office, a major hurdle was "being born and brought up on the wrong side of the Mason-Dixon Line," says Mr. Bredesen, a Democrat. This year, he is expected to cruise to re-election, and while "there are still people who won't vote for me because I'm a Yankee, and I'm sure there are people who would not vote for Ford because he is an African-American...it's not been an overwhelming issue."

Nowhere is the shift in population more visible than in Nashville, both the geographic and political center of the state. Wedged between the pillars of liberal, majority-black Memphis in the west and conservative, predominantly white Knoxville in the east, the capital city and its suburbs are experiencing the sort of dynamic change that transformed other southern cities, such as Atlanta and Charlotte, N.C. Loft apartments are being erected and trendy bars hum with activity. At Radius10, a new restaurant overlooking downtown, a customer favorite is the $18 foie gras appetizer.

In the 1980s and 1990s, Southern states became a magnet for auto companies and other manufacturers looking to set up plants in right-to-work states. Tennessee was among the first to benefit from this shift, when Nissan Motor Co. in 1981 opened a plant in Smyrna, Tenn. Today, the auto industry employs nearly 127,000 people in Tennessee. Workers at the area auto plants who followed their companies from Michigan and elsewhere in the Midwest fill the Gaylord Entertainment Center when the Nashville Predators hockey team hosts the Detroit Red Wings. Disapproving locals nicknamed those with divided loyalties "PredWings" fans.

These days, the city is benefiting from an influx of white-collar jobs. Nine company headquarters, bringing 4,635 jobs, have moved here in four years.

The latest is Nissan, which has relocated its North American headquarters from California to the Nashville area, bringing with it about 500 white-collar employees. The company has since added hundreds more employees. Until it builds its new headquarters in Franklin, Tenn., the company's temporary head office is in downtown Nashville in the BellSouth tower, a building affectionately called the "Bat" tower because of two giant spires that rise from the top of the structure in a shape resembling the cowl worn by Batman.

While it's impossible to know the politics of the new transplants, a number of them eagerly shook hands with Mr. Ford one day last month as they filed into work, with several of the women taking pictures on their cellphones and gushing about his good looks. (A bachelor, he was named a few years ago as one of People magazine's 50 most beautiful people.)

Mr. Ford, who was educated in a Washington prep school while his father served in Congress, is particularly adept at appealing to his liberal base while reaching out to conservative voters. He is a frequent guest on Fox News and Don Imus's television and syndicated radio show. He speaks often about loving Jesus and highlights his conservative position on some social issues -- such as banning gay marriage and supporting a constitutional amendment to outlaw flag-burning.

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At a two-hour prayer breakfast last week at the Hilton hotel in downtown Nashville, Mr. Ford basked in the adulation as preacher after preacher exhorted the mostly African-American audience to vote for him.

An hour later, Mr. Ford was in front of a totally different audience: the Tennessee Sheriffs' Association. With the exception of a couple of black sheriffs, the audience was all white males, mostly middle-aged or older. Mr. Ford told his life story, frequently highlighting his conservative credentials, such as how he voted for the toughest anti-immigration measure brought before the House.

Sheriff Terry Ashe, of Lebanon, Tenn., later said he plans to support Mr. Ford because he believes it's important to have someone with Washington experience dealing with Iraq and other major issues. "He won't have a learning curve -- just give him a Snickers bar and a Coke, and he'll be at work tomorrow," said Sheriff Ashe, who voted for Presidents Reagan and Clinton.

Race, said Sheriff Ashe, who is white, is "a quiet issue" that could determine the election. "I just hope Tennessee has moved beyond those days."

Mr. Ford was happy with the reception he got from the sheriffs. "The perception that there are people here who wouldn't vote for me because of who I am -- I've never accepted that," Mr. Ford said in an interview after meeting with them. "I'm trying to win every county in the state. Take a look at those sheriffs. I think if they don't vote for us, I think they'll at least think long and hard and listen closely to the issues."

Unlike some African-American politicians, Mr. Ford rarely brings up race or talks about issues long championed by black politicians, such as affirmative action. "I don't focus" on race, he says. "I do know that on Saturday when we play Alabama and Erik Ainge throws that first pass, as long as the guy is wearing an orange jersey we won't care what color the guy is underneath the jersey," he adds, referring to the University of Tennessee quarterback, who is white. "When I get to the Senate, they'll introduce me as the senator from Tennessee and my job is to represent Tennesseans."

Indeed, some whites say they haven't voted for black candidates in past statewide contests because they weren't strong candidates or their positions on issues didn't align with their own. One reason Mr. Ford is attracting wide support, they say, is because he is moderate on social issues and has shown a willingness to challenge his own party.

By one demographic factor, Mr. Ford should be far behind in the polls. Tennessee has one of the lowest African-American populations in the South -- about 16%. Logically, that should put African-American candidates at a disadvantage for statewide office because they can't count on a massive bloc of votes to give them a head start in a statewide election. But political scientists say the reverse may be true: In states with smaller black populations, whites don't feel as threatened and the state isn't as polarized. For instance, African-Americans make up a very high percentage of Mississippi and Alabama -- 36.5% and 26%, respectively -- and black voters tend to vote Democrat while white voters go for Republicans. The "blacker" the state, the larger President Bush's margin of victory in 2004.

The Real Test

The real test will come on Nov. 7. Polls have often shown African-American candidates scoring well in the polls only to fail to clinch the election. In 1990, former Atlanta Mayor Andrew Young drew wide support from white business leaders in his run for Georgia governor but lost in the Democratic primary. The same year, former Charlotte Mayor Harvey Gantt challenged Sen. Jesse Helms -- one of the South's most vocal opponents of racial integration and Dr. Martin Luther King Jr. in the 1960s -- and was well ahead in the polls but nevertheless lost. Even former Virginia Gov. L. Douglas Wilder, who is the only black elected to a governorship in the U.S., won in 1989 by a much narrower margin -- half a percentage point -- than the 10% indicated in exit polls.

Some political scientists and strategists refer to it as the "15% lie" -- when whites, bowing to societal pressure, tell pollsters they intend to vote for a black candidate but fail to do so in the voting booths. Indeed, several political experts believe that despite Mr. Ford's strong showing in the polls, some whites may desert him at the last minute. "We'll get the non-surprise surprise when Ford doesn't get the vote," says Thomas F. Schaller, an associate professor of political science at the University of Maryland and author of a new book, "Whistling Past Dixie," which argues that most of the South is beyond Democrats' reach.

While race has been largely absent from the campaign, that's changed of late. A group called Tennesseans for Truth aired a radio ad in the town of Gallatin, which said that Mr. Ford and the other members of the Congressional Black Caucus "represent

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the interests of black people above all others" and secretly submit an annual federal budget "to fund aid to black Americans. Discrimination at its worst," the narrator says.

The Ford campaign contacted the Corker camp and urged the campaign to denounce the ad. Mr. Corker did so and asked the radio station to discontinue the ad.

Just yesterday, after mounting criticism, including from Mr. Corker himself, the Republican National Committee said that it will no longer run a television ad featuring a blonde woman baring her shoulders and saying, "I met Harold at a Playboy party." Democrats complained the ad was meant to invoke old taboos about interracial relationships. Mr. Ford has acknowledged attending a party sponsored by Playboy at the Super Bowl last year, telling reporters, "I like football and I like girls." The National Republican Senatorial Committee, meanwhile, has a Web site, www.fancyford.com4, which chronicles what it calls Mr. Ford's lavish lifestyle.

Another flashpoint has been references made by the Corker campaign and Republican groups to Mr. Ford's family, which helped run Memphis's political machine. Mr. Ford's father was acquitted of federal bank fraud, an uncle has been indicted for allegedly taking bribes -- charges he denies -- and an aunt's election to the state legislature was declared invalid after voting irregularities. "It's not personal about the members of the family. It's an issue about power and political greed and issues that everybody in the state is familiar with," says Mr. Ingram, from the Corker campaign.

Democrats worry that the Republican ad blitz will keep white voters away. Nathan Vaughn, the black Democrat who represents the conservative and overwhelmingly white Tri-Cities area in the state legislature and is campaigning for Mr. Ford, says he has received "good feedback" about the congressman's candidacy. "He's an intellect...but you have these campaign handlers who are basically throwing bombs into the crowd with these stereotypical terms like 'slick.' If you do that enough, people will think it's true if they don't hear anything to the contrary."

Ford Foundation (WSJ)

By Kimberley A. Strassel

The Wall Street Journal, October 26, 2006

KNOXVILLE, Tenn. -- If Bob Corker's campaign has a favorite phrase these days, it's "clear choice." Warming up for a press conference, the Republican Senate candidate tells reporters that this race offers a "clear choice" between himself and Rep. Harold Ford, Jr., his Democratic opponent. Lamar Alexander shows up to note "a real choice" come November. "Yes," says Mr. Corker. "I would like to emphasize that there is a clear choice . . ."

Mr. Corker is clearly hoping that if he says it enough, voters might start to believe him. They haven't so far, which explains why Mr. Ford has the Republican Party worried. A year ago, nobody would have given the 36-year-old Democrat a chance. The South isn't exactly friendly territory for the left; Tennessee hasn't elected a Democrat to the Senate since 1990.

Long odds. Yet today Mr. Ford is dogging Mr. Corker at the polls, threatening an upset in a race that could determine the balance of power in the Senate. Over the past year the Democrat has run right on social issues and defense, neutralizing two areas that so often hurt Democrats. That has freed him up to run a more populist campaign on economic issues. The calculation is proving a winner, and offers some lessons to national Democrats still interested in again becoming viable in the South.

At least some of Mr. Ford's advantages are experience and luck. A political family scion, he's had 10 years in the House to develop a charisma that TV cameras love and plays well against his more buttoned-up opponent. The Democrat was basically unchallenged for the nomination, allowing him to pump out his message early while Mr. Corker was locked in a vicious three-way primary. And then there's the storm cloud raging around the GOP -- Mark Foley, the war, corruption -- which has discouraged Tennessee Republicans. Some are casting about for an alternative, some for a reason to vote at all.

Luck aside, good candidates take advantage of their environment -- and Mr. Ford is good. His big goal has been to firmly identify with this buckle of the Bible belt, talking up his faith and conservative views on social issues. He points to his recent votes for bans on partial birth abortion, flag desecration and gay marriage. A cofounder of the House Faith-Based Caucus, Mr. Ford filmed one of his campaign ads in a church. Mr. Ford tells me -- with a satisfied look that would surely make Howard Dean squirm -- that he even has the support of Mr. Corker's former rector.

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Many Tennesseans -- including Republicans -- miss the part about how Mr. Ford's faith is also his justification for more liberal economic positions in the name of "social justice." Also lending credibility is the fact -- endlessly trumpeted -- that he has taken these conservative positions despite flack from his party, and despite representing the most liberal district in Tennessee, urban Memphis.

On trickier issues, Mr. Ford has perfected the art of Third Way-ism, presenting himself as an "independent" thinker on issues such as the Iraq war. He knows many Republicans are uncomfortable with the current situation, but that they also won't get behind a cut-and-run Democrat. He's been generally supportive of the war, but also highly critical of the strategy, for which he suggests a new approach: partition of the country. There's nothing new about the idea of dividing Iraq; but Mr. Ford's votes for the war in Congress, and his willingness to talk about the need for it, has certainly resonated better than have the "credentials" of the many war vets Democrats recruited to run elsewhere. "[Mr. Corker] can't name a single issue where I'm a liberal," Mr. Ford says. "They've had a hard time putting me in a box. That's been very frustrating for Republicans."

No more so than Mr. Corker, who has struggled to put daylight between himself and his rival -- on the war, immigration, social issues. His job is all the harder given that he doesn't have a record that allows him to gain traction on issues where Mr. Ford is vulnerable. Taxes are a good example, as Mr. Ford is on record as saying he'd raise them on the rich, and has voted against key Bush tax cuts. His line that his pro-tax votes were in the name of balanced budgets isn't one that always washes with voters.

Yet Mr. Corker hasn't wanted to talk about taxes, lest the past be revived. He was state finance czar under Gov. Don Sundquist, who earned voters' ire for pushing a new income tax. As Chattanooga mayor, Mr. Corker himself raised property taxes. While the Republican has carved out key policy differences in areas such as health care or education reform, they've figured little in the debate.

Tom Ingram, Mr. Corker's campaign manger, admits drawing a liberal-conservative comparison didn't work: "It's tough to pin labels on either of these guys," he says. "The message we've got now is that on the one hand we have an experienced, accomplished Tennessean, and on the other hand a Washington politician who is perpetuating the Ford political dynasty." In other words, biography, usually the last refuge of the desperate -- though Mr. Corker may win despite this. His campaign will get a big infusion of cash now the national party is focused on a Tennessee victory.

More important, Republicans are catching on to Mr. Ford's weakness -- voters' suspicion that he isn't as conservative as he says. You hear "closet liberal" intimations that his votes in recent years were planned with an eye for a Senate run, as well as examples of flip-floppery on issues like partial birth abortion (he voted against a ban in 1997) and the Kelo property rights decision. Tennesseans have seen this before, and are wary: They elected Jim Sasser as a conservative Democrat and watched him vote liberal. Ditto Al Gore.

Overcoming these fears is Mr. Ford's challenge, though what matters is that he is trying to do just that -- and making headway. The Democratic Party has been aware of its weaknesses on social issues and national defense for years, but with Howard Dean and Nancy Pelosi in charge, it has refused to budge from a liberal stance that resonates mainly in New York and California. Mr. Ford has shown that voters elsewhere will respond to Democrats who aren't afraid to really talk with them -- and vote with them -- on God and guns.

A Right Kind Of Democrat (LAT)

By Janet Hook

The Los Angeles Times, October 26, 2006

He is pro-business and antiabortion. He is an evangelical Christian and an avid hunter. But, unexpectedly, Heath Shuler is a Democrat, and he is running for Congress in North Carolina.

Shuler is part of a phalanx of unusually conservative Democratic candidates who may deliver crucial victories over GOP incumbents and help their party win control of the House.

Republicans are ringing alarms about what the House would be like if the GOP lost control: a throwback to the unreconstructed liberalism of big-government activism, tax increases and a weak-kneed defense policy. They point with

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Halloween-season horror to the likely lineup of Democratic committee chairs, including Henry A. Waxman (D-Los Angeles) and other liberal old-timers.

But, like Shuler, many of the Democratic candidates most likely to be elected are cut from a different cloth. Sixteen of them have been endorsed by the Blue Dogs, a coalition of conservative Democrats. Several used to be Republicans. Shuler was recruited to run as a Republican a few years ago but opted not to.

In the waning days of the election campaign, candidates are increasingly debating what a Democratic-controlled Congress would be like: Would the tone and agenda be set by the Heath Shulers of the party, or its Henry Waxmans?

With so many conservative-leaning candidates at the forefront of the Democratic effort, House Democratic leader Nancy Pelosi (D-San Francisco) has, at least for now, stuck to a minimalist agenda that steers clear of grand, liberal ambitions. Instead, Democratic leaders are focusing — and almost all serious Democratic candidates are campaigning on — a more limited, six-point agenda that includes raising the minimum wage, repealing tax breaks for oil companies, restoring college tuition tax breaks, cutting Medicare drug costs and other plans they believe could draw bipartisan support.

The limited agenda has won endorsements even from Democrats as conservative as candidate Ken Lucas of Kentucky — a former House member who, before he left Congress in 2004, voted "present" rather than vote for Pelosi in the traditional party-line vote for House speaker.

Republicans charge that the apparent moderation in Democratic candidates is a smokescreen meant to obscure their support for a party steered by liberals and initiatives such as tax increases.

"They claim to be pro-life, pro-gun and anti-tax, yet their first vote in Congress would be to elect the most liberal speaker in American history," said Jonathan Collegio, spokesman for the National Republican Congressional Committee, which aims to enlarge the GOP majority in the House. "In the first hundred hours they will roll back tax cuts and open investigations into the administration."

Even some centrist Democrats privately fret that the chairmen-in-waiting may be harboring pent-up desires for a robust liberal agenda and partisan investigations that could hurt the party. "There's a desperate need for fresh blood, a general changing of the guard," said one moderate Democrat who asked not to be named.

An influx of new blood from the party's right wing could test party leaders' ability to maintain the remarkable unity they have forged during their years in the minority. Among the party's House challengers, 33 are conservative enough to be endorsed by either the Blue Dogs or the political arm of the centrist Democratic Leadership Council. Nearly all are on the Cook Political Report's latest list of Democrats most likely to win seats now held by Republicans. The party needs to pick up 15 seats to win a majority in the House.

With more conservative Democrats in the House, President Bush could have a new opening to reach across the aisle. But so far, he shows no signs of preparing to do so. One of the few issues he cites as a priority for next year is his plan to overhaul Social Security — a nonstarter among Democrats of all political stripes.

Bush's senior advisors have been meeting to plan next year's agenda, but apparently none of those discussions have focused on contingency planning for a Congress led by Democrats.

"I believe I'll be working with a Republican-controlled Congress and a Republican-controlled Senate," Bush said at a Wednesday news conference.

If they won a majority in the House, Democrats would be severely limited in what they could accomplish legislatively without control of the Senate and with Bush in office. Still, even a slim majority would give committee chairmen power to conduct investigations and issue subpoenas — tools they want to use to scrutinize Bush's policy on Iraq and other issues they believe the GOP bypassed.

In line to assume those powers is a cadre of unapologetic liberals of an older generation. John D. Dingell (D-Mich.), first elected to the House in 1955, is poised to return to the Energy and Commerce chairmanship he held before Republicans won the House in 1994. David R. Obey (D-Wis.) would return as Appropriations chairman. Waxman is in line to be chairman of the Government Reform Committee, an important venue for investigations.

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In addition, minority-group members would gain great power in a Democratic House. African Americans are in line to become chairmen of the committees on taxation (Charles B. Rangel of New York), the judiciary (John Conyers Jr. of Michigan) and intelligence (Alcee L. Hastings of Florida).

Republicans are spotlighting that lineup, portraying it as extremist. They jumped on Conyers for calling for impeachment hearings against Bush, an idea Pelosi flatly dismisses. Republicans delight in pointing out that Hastings, before becoming a House member, was impeached as a federal judge.

Democrats say they believe such tactics are designed to mobilize conservatives and will not eclipse their efforts to present a more moderate face to swing voters. The Democratic Congressional Campaign Committee last year made a point of recruiting conservative candidates and even some former Republicans for this year's midterm election, in some cases muscling out more-liberal contenders who seemed likely to lose in Republican-leaning territory.

"The Democrats are going to retake the House of Representatives by electing conservative and moderate Democrats," said Rep. Mike Ross (D-Ark.), a member of the Blue Dog Coalition. "We're going to move our party back to the middle."

Republicans, in ads and elsewhere, have tried to discredit Democrats' conservative credentials — mostly by linking them to Pelosi.

In Indiana, GOP Rep. John Hostettler is running behind Democrat Brad Ellsworth, a sheriff who opposes abortion rights and same-sex marriage. But a new Hostettler radio ad says a vote for Ellsworth would be a vote for Pelosi.

"Pelosi will then put in motion her radical plan to advance the homosexual agenda," the ad says.

In Kentucky, ads by GOP Rep. Ron Lewis call attention to the fact that his Democratic opponent, retired Army Col. Mike Weaver, has accepted donations from Pelosi. "He is not a certified conservative," Lewis said.

But Weaver, a state representative, is against abortion, gun control and same-sex marriage. He founded a conservative group in the state Legislature to push his party to the right.

In North Carolina, Shuler, who is running against GOP Rep. Charles H. Taylor, turned down encouragement to run for the House in 2002 as a Republican, despite his conservative views.

Shuler, a former quarterback for the Washington Redskins and New Orleans Saints, stuck with the Democratic Party, his spokesman said, because he wanted to "help those who cannot help themselves — and that's the Democratic Party."

But Shuler dodges the question of whether he would support Pelosi as speaker, saying he wants to interview all candidates for that post.

Celebrities Face Off On Stem Cell Issue In Mo. (USAT)

USA Today, October 26, 2006

Opponents of a Missouri ballot measure that would amend the state constitution to allow research using embryonic stem cells have produced a star-studded TV ad to press their cause. The ad features former St. Louis Rams quarterback and Super Bowl hero Kurt Warner, St. Louis Cardinals pitcher Jeff Suppan, Kansas City Royals baseball player Mike Sweeney, Everybody Loves Raymond actress Patricia Heaton and The Passion of the Christ star James Caviezel.

Supporters of the measure have been running ads featuring singer Sheryl Crow, a Missouri native. And Democratic Senate candidate Claire McCaskill's campaign is airing ads featuring a quivering Michael J. Fox, who has Parkinson's disease, urging voters to elect her because of her support for stem cell research. Conservative radio talk show host Rush Limbaugh criticized the ad and suggested Fox was either off his medication or acting. Limbaugh later apologized.

The ballot measure has been a major issue in McCaskill's too-close-to-call battle to unseat GOP Sen. Jim Talent, who opposes the measure.

Schumer, Dole at odds on fate of Senate

New York Sen. Charles Schumer, head of the Democrats' Senate campaign committee, said his party is “on the edge” of taking control of the chamber in elections Nov. 7. His GOP counterpart, North Carolina Sen. Elizabeth Dole, countered him at a National Press Club lunch, saying the GOP will hold its majority. Dole said a poll Wednesday shows GOP candidate Michael Steele has closed to within 3 percentage points of Democrat Ben Cardin in Maryland. She rejected Schumer's claim that

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Republicans are running from foreign policy issues. If Democrats control the Senate, “you're going to see a weaker security system,” she said.

Schumer said GOP attacks on Democrats aren't working because voters are unhappy with President Bush and “they don't want a rubber-stamp Congress.” — Jill Lawrence

Pa. senator shifts TV ads to cable channels

GOP Sen. Rick Santorum's re-election campaign in Pennsylvania has moved most of its TV ads from broadcast TV to cable channels such as CNN, A&E and the Discovery Channel, Santorum media consultant John Brabender said. He said the move is a strategic one as the race against Democrat Bob Casey, who leads in polls, heads to the final days. “We're buying as heavily on cable as we can,” he said. “This is about reaching undecided voters.” G. Terry Madonna, a political science professor at Franklin & Marshall College, said it sounded more like a cash-saving move: “Why would you give up commercial TV if you can afford it?”

Political Pitches At The World Series (LAT)

By Stephanie Simon

The Los Angeles Times, October 26, 2006

A political ad featuring actor Michael J. Fox — his body jerking uncontrollably from Parkinson's disease — has touched off an unusual war of celebrity sound bites against the backdrop of the World Series.

St. Louis Cardinals fans watching the first game of the baseball championship last week saw Fox, racked with tremors, urging them to vote for Missouri's Democratic candidate for Senate, Claire McCaskill, who backs a ballot measure to protect embryonic stem cell research.

In response, opponents of the measure rushed to assemble their own celebrity commercial. The 60-second spot, due to air during Game 4 of the World Series, features the Cardinals' starting pitcher, Jeff Suppan. (The game was postponed Wednesday due to rain and is now scheduled for tonight.)

Athletes and actors have long lent their star power to political campaigns. Days after leading the Boston Red Sox to a World Series title in 2004, pitcher Curt Schilling began stumping for President Bush, endorsing him in recorded phone calls to New England voters and appearing by his side at rallies.

Hollywood came out in force for Democratic challenger Sen. John F. Kerry: Danny DeVito drove voters to the polls in Florida, Sharon Stone rallied crowds in Maine and Leonardo DiCaprio hit the campaign trail in Ohio.

But national celebrities don't often take the leap of filming ads for candidates or political causes.

"They give money. They attend fundraisers. But for the most part, they tend not to lend their likeness to political spots," said Evan Tracey, chief operating officer of TMS Media Intelligence/Campaign Media Analysis Group, an Arlington, Va., firm that tracks political ads.

Fox has been an exception. He filmed ads for Kerry and for the successful California campaign for a ballot initiative promoting stem cell research. (The California campaign also featured a commercial made by paralyzed actor Christopher Reeve just days before his death in October 2004.)

This year's spot has drawn more attention than the 2004 ads because Fox looks so debilitated. His body jerks so violently in the 30-second spot that conservative talk show host Rush Limbaugh mockingly mimicked the tremors and suggested that Fox was exaggerating his symptoms. Limbaugh later apologized, but the uproar over his remarks made the Fox ad the talk of the political world — and prompted thousands of people to view it online.

Some scientists believe that embryonic stem cell research could produce treatments for diseases such as Parkinson's, a progressive disorder that affects nerve cells in the brain, impairing motor control. Missouri's ballot measure would enshrine the right to conduct such research in the state constitution.

Opponents in Missouri and on the federal level have sought to block research on embryos because they consider the cluster of cells a human being and recoil at the idea of destroying that nascent life in scientific experiments. Opponents also argue that the research is exploitative because scientists sometimes pay women to donate their eggs.

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The Missouri committee opposing the stem cell ballot initiative has emphasized the exploitation argument and has asserted that the measure would open the door to human cloning.

Even before the Fox ad aired, the group had been working with actor James Caviezel, who played Jesus in the film "The Passion of the Christ," to identify celebrities who supported their cause. The Fox spot spurred them to hurry their efforts. On Tuesday, they picked up footage from Suppan, who was so eager to help that he videotaped his own remarks, said Austin Ruse, a spokesman for Missourians Against Human Cloning.

Arizona Cardinals quarterback Kurt Warner, who led the St. Louis Rams to the Super Bowl in 2000, also joined the effort.

The ad was scheduled to air twice on Missouri TV stations during Game 4. It's a coveted slot for a political ad. But political analyst Tobe Berkovitz said he wasn't sure it would be nearly as effective as the Fox pitch, which tugged at viewers' hearts.

"What you do in Missouri matters to millions of Americans — Americans like me," said Fox, who has suffered from Parkinson's for 15 years. He has made similar commercials for Democratic candidates in Maryland and Wisconsin.

The ad opposing the ballot initiative is much less emotional. Suppan, Warner, Caviezel and others look directly into the camera and assert that the measure is a fraud that will open the door to human cloning. "Don't be deceived," says Suppan, who is not wearing his baseball uniform.

"For every celebrity ad that works, there are probably three that don't, because voters don't connect the celebrity to the cause," said Berkovitz, interim dean of the College of Communication at Boston University. The latest polls show the measure to protect stem cell research winning handily in Missouri. McCaskill is locked in a tight race with incumbent Jim Talent, a Republican who opposes the ballot measure.

Jesus' Words Used Vs. Stem-cell Initiative (WT)

By Christina Bellantoni

The Washington Times, October 26, 2006

The actor who played Jesus in "The Passion of the Christ" is drawing on his knowledge of that film's Aramaic language and his image as Christ for his latest role -- using Jesus' words to ask Missouri voters to oppose a stem-cell research measure on the Nov. 7 ballot.

Actor Jim Caviezel opens the political ad with a brief statement in Aramaic, the common tongue of biblical-era Palestine and the language of Mel Gibson's blockbuster movie, saying: "Le-bar nash be-neshak."

Bill Fulco, the Loyola Marymount professor who translated Mr. Gibson's script for "Passion" and coached the actors on the ancient language, told The Washington Times yesterday the phrase means: "You betray the Son of Man with a kiss," a reference to Judas' betraying Christ and a phrase used in the Greek of Luke's Gospel.

Cathy Cleaver Ruse, a spokeswoman for Missourians Against Human Cloning, which produced the ad, said the group had Mr. Caviezel say the Aramaic phrase in a contemporary setting but without subtitles "to make the ad a little more intriguing."

When presented with Mr. Fulco's translation, which was confirmed by several other Aramaic scholars, the group agreed to release the exact translation exclusively to The Times.

"It means 'You betray me with a kiss,' which means Amendment Two is a betrayal because it is deceptive," Ms. Ruse said. "It promises one thing and delivers another."

Tom Schreiner, a professor of New Testament interpretation at the Southern Baptist Theological Seminary, said yesterday Mr. Caviezel is implying the amendment may seem "loving and kind" to its supporters, but when read closely, it is "actually a betrayal."

Nathan Jastram, a biblical scholar from Concordia University in Wisconsin, agreed, saying it implies "murder is being planned under the guise of compassion."

"Just as Judas betrayed Jesus to death while testifying with a kiss that he was his friend, so stem-cell researchers are causing the death of embryos while testifying to the public that they are searching for ways to promote life," he said.

The 60-second ad, scheduled for airing during the World Series game between the St. Louis Cardinals and the Detroit Tigers last night, also features Cardinals pitcher Jeff Suppan and former St. Louis Rams quarterback Kurt Warner. It has been played more than 160,000 times on YouTube.com since its release Tuesday night to the media.

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Mr. Suppan and Mr. Warner say voters shouldn't be "tricked." Mr. Caviezel finishes out the ad, this time in English: "You know now. Don't do it. Vote No on Two."

Mr. Suppan and Mr. Caviezel are both Roman Catholics; Mr. Warner is an evangelical.

The ad was produced in response to Michael J. Fox, the Parkinson's-afflicted actor who asks voters in a television ad to choose pro-stem cell research candidate Democrat Claire McCaskill on Nov. 7.

"What you do in Missouri matters to millions of Americans. Americans like me," Mr. Fox says in the ad, which has been played more than 1 million times on YouTube.

Conservative radio talk-show host Rush Limbaugh suggested Mr. Fox was deliberately not taking his medication to enhance his symptoms for the benefit of the camera, something Mr. Fox has acknowledged doing in the past. Mr. Limbaugh has since apologized, but he is standing by his criticism of the Fox ad as misleading.

The celebrity back-and-forth on Missouri's stem-cell measure is the latest chapter in what has been a long debate involving Mrs. McCaskill and incumbent Republican Sen. Jim Talent, who opposes the ballot initiative.

Most polls show the ballot measure, which needs a simple majority to pass, with a strong lead. Ms. Ruse said the ad will run statewide with an aim to educate the many undecided voters in the final 12 days before the election.

Rabbi Shmuel Herzfeld of the National Synagogue in Washington said he finds the Caviezel ad "distasteful."

"There's another religious approach that embraces research on stem cells because it saves lives," he said. "There should be a discussion about that."

Republicans Intensify Push In New Jersey (NYT)

By Jim Rutenberg

The New York Times, October 26, 2006

WASHINGTON, Oct. 25 — National Republican campaign strategists are beginning an intensive last-minute offensive in New Jersey, seizing on the tight race between Senator Robert Menendez, a Democrat, and his Republican challenger, Thomas H. Kean Jr.

Officials with the National Republican Senatorial Committee said they were putting $3.5 million into the race in its final 12 days to pay for television advertisements attacking Mr. Menendez that were expected to be on major stations by Thursday morning.

Brian Nick, a spokesman for the committee, said Mr. Kean had remained at least competitive with Mr. Menendez — though trailing in two recent polls — despite being outspent. Mr. Nick said the committee believed that the new advertising, produced by a quasi-independent arm of the committee created under federal campaign finance law, had the potential to change the dynamic of the race.

“We’re coming in with financial resources to help get parity in spending,” Mr. Nick said. “And when that happens, Kean will win.”

Brian Jones, a spokesman for the Republican National Committee, said the party would provide an extra push for Mr. Kean with an aggressive drive to get out the vote.

“We feel that there’s a real opportunity in New Jersey,” Mr. Jones said.

The $3.5 million advertising outlay is a major investment in two of the most expensive media markets in the nation, New York and Philadelphia, both of which transmit into New Jersey.

Mr. Kean had spent $2.5 million through Sept. 30, with $3.2 million left on hand for his final push, according to campaign finance records. Mr. Menendez had spent $6.5 million and had $5.5 million left as of Sept. 30, according to the filings.

The new push in New Jersey reflects the state’s status as the Republicans’ great hope this year. Mr. Menendez’s Senate seat is the only one now held by a Democrat that Republicans in Washington believe they can steal away this year.

Democrats need to gain six seats to win control of the Senate next year, a goal that several polls show to be within the realm of possibility.

Though New Jersey tends to vote Democratic, it has a history of selecting moderate Republicans like Mr. Kean, a state senator whose father was New Jersey governor and more recently was a chairman of the Sept. 11 commission.

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Mr. Kean has run an extremely tough race, despite the advantages that Mr. Menendez has as an incumbent and prominent fund-raiser for his party. The race has been so competitive that Democratic leaders, who have managed to keep Republican Senate candidates on the run elsewhere, acknowledge that this is the one Democratic-held Senate seat that is vulnerable.

Mr. Kean has sought to portray Mr. Menendez as an unethical politician who has his roots in the notorious Hudson County political machine. He has, for example, pointed to a nonprofit agency that paid more than $320,000 to lease a building in Union City from Mr. Menendez for nearly a decade while he helped the agency, the North Hudson Community Action Corporation, secure millions of dollars in federal grants. Mr. Menendez has said that the rent was comparable to market rates at the time and that he has done nothing wrong.

Mr. Menendez has sought to tie Mr. Kean to the policies of President Bush, whose popularity polls show is unpopular in New Jersey. He has also tried linking Mr. Kean to a jailed Hudson County Democrat whom Mr. Kean's campaign had contacted in hopes of undercutting Mr. Menendez.

Mr. Kean has attempted to distance himself from the Bush administration, recently calling for the resignation of Defense Secretary Donald H. Rumsfeld.

Democrats had not expected to find themselves playing defense this year in New Jersey, a solidly Democratic state in recent statewide elections. State voters have not elected a Republican to the United States Senate since 1972 .

Last year, Jon S. Corzine, who was the senior senator at the time, left office after being elected governor. He chose Mr. Menendez, a United States representative for Hudson County at the time, to complete the remainder of his term.

Phil Singer, a spokesman for Democratic Senatorial Campaign Committee, said his committee had spent $7.5 million on the race in New Jersey, and had a $4 million advertising campaign running now.

And he suggested that the Republican push in New Jersey represented a bluff. "They've got no place else to go," he said.

Matt Miller, a spokesman for Mr. Menendez, said his campaign was not concerned, as it has millions more dollars in the bank than Mr. Kean does. And he said several recent polls showed Mr. Menendez ahead in the race, including a Gannett poll showing Mr. Menendez up by nine percentage points.

But a Los Angeles Times poll released on Tuesday showed Mr. Menendez just four percentage points ahead of Mr. Kean.

Cardin, Steele Play Gotcha In Three-way Debate (BSUN)

By Jennifer Skalka

The Baltimore Sun, October 26, 2006

ARLINGTON, Va. -- In the most tempestuous encounter to date of Maryland's U.S. Senate contest, Lt. Gov. Michael S. Steele and Rep. Benjamin L. Cardin played a heated game of gotcha during a televised debate Wednesday, with Steele pressed into offering his clear support for the war in Iraq and Cardin stumbling when queried about the location of a planned Metro line in the vote-rich Washington suburbs.

The candidates sparred for an hour, talking over each other from the start and bickering about their views on embryonic stem cell research, health care and the Iraq conflict. Each contender claimed he could better bring change to Washington and that his opponent is beholden to party bosses.

"George Bush helped finance his campaign for the United States Senate," Cardin, a 10-term congressman, said of Steele. "The lieutenant governor agrees with George Bush's agenda on Social Security, on health care, the war in Iraq."

Steele snapped back: "This gentleman, this congressman has been running against George Bush for over a year. Haven't you noticed, sir, he's not represented on this stage."

"You were hand-picked by Congressman Steny Hoyer to get in this race," Steele continued, referring to the House minority leader who represents Southern Maryland and who has campaigned extensively for Cardin. "If you weren't, Kweisi Mfume should be sitting here," referring to Cardin's Democratic primary opponent

Kevin Zeese, the third-party candidate who joined Steele and Cardin for the debate taped at the News Channel 8 studio and broadcast Wednesday night on Maryland Public Television, said both men are products of a broken political system.

"I'm the only one not in bed with the special interests," said Zeese, who is the nominee of the Green, Libertarian and Populist parties.

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Debate moderator Bruce DePuyt said at the outset that the debate would have no rules, and though the candidates sat next to each other in armchairs instead of behind podiums, what ensued was a conversation in which they could barely conceal their personal disdain for each other. One exchange between Cardin and Steele about the Iraq war showed that tensions are high with less than two weeks to go until the Nov. 7 election.

"I just wish the congressman would get off his talking points and listen to what I'm saying and listen to what I've said on this issue and stop trying to drill home a dead point that doesn't reflect my reality," Steele said, when Cardin tried to tie Steele's support for the war to President Bush's policy of maintaining military presence in Iraq. "I know the words that come out of my mouth," Cardin interrupted Steele. "It's a very simple question, very simple question, very simple question," he said.

"What is the question?" Steele responded.

"Should we have gone into Iraq?" Cardin asked.

"Yes, we should have, to deal with the terror that was there," Steele said.

Cardin voted against the 2002 Iraq war resolution but has supported subsequent funding initiatives to provide the troops with the equipment and gear they need to get the job done. During the Senate campaign he has called for 10,000 troops to be sent home monthly from the region. Steele said Wednesday that the government needs to "put in place the mechanisms for our troops to come home," but he called Cardin's original vote against the war "wrong-headed."

"You guys are both wrong on the war, I tell you," Zeese said, adding that the U.S. needs "to get out of Iraq rapidly and responsibly."

The Maryland Senate contest made national news this week when actor Michael J. Fox, who starred in the sitcoms Family Ties and Spin City, cut a television ad for Cardin. Fox has Parkinson's disease, a degenerative ailment that many scientists believe could benefit from treatments derived from embryonic stem cell research. Cardin supports federal funding for such efforts. Steele does not.

During Wednesday's debate, Steele said, "I am four square for stem cell research, absolutely we should be funding stem cell research and accelerating that funding certainly with respect to cord blood and adult stem cells. Where I draw the line is when it comes to embryonic stem cell research. I do not support measures that would destroy that embryo because I respect the life that that embryo represents and is."

Cardin said embryonic stem cell research "holds out tremendous promise" for those suffering.

"Mr. Steele and I have a fundamental disagreement," Cardin said. "I'm in favor of moving forward with embryonic stem cell research; he opposes it."

This week, conservative commentator Rush Limbaugh criticized the Fox ad, saying about Fox, whose head and body jerk about during the spot: "Either he didn't take his medication or he's acting." Limbaugh later apologized. Fox appears in similar spots for Democrats running in Missouri and New Jersey.

DePuyt asked Steele how he felt about Limbaugh's characterization. Steele said at first that he had not heard Limbaugh's full comments so DePuyt replayed them for the lieutenant governor. Steele then called the radio personality "more than over the line." On that count the leading Senate candidates agreed. Cardin called Limbaugh's remarks "outrageous."

Cardin and Steele butted heads when Steele brought up a planned Metro route in the Washington suburbs called the Purple line, which would link a 14-mile stretch between New Carrollton and Bethesda.

"Sir, with all due respect could you tell me where the Purple Line is planning to run,?" Steele, a Prince George's resident, asked Cardin. "Could you tell me about the plan to build out the Metro system in the metropolitan region. Where do we plan to take it?"

"I'm very familiar with the Purple Line," Cardin said before stammering and stalling and mentioning something about Chevy Chase before realizing he was under no obligation to answer to Steele.

"I'm not going to answer your question," Cardin barked.

Steele pounced. "This gentleman has no clue about metro traffic congestion in this region," Steele said, calling for Cardin's plan to deal with the issue.

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The debate marked the second time the candidates have met on the same stage at the same time. They are tentatively scheduled to face off Thursday in a forum hosted by the National Association for the Advancement of Colored People in Charles County and again Sunday on NBC's Meet the Press with Tim Russert.

Steele rushed out of the lobby of the Arlington high-rise without taking questions from reporters, saying only that the debate was "fun." Cardin told reporters that Steele's political allegiance is obvious. "He clearly aligned himself with George Bush on the war in Iraq," Cardin said.

Zeese declared himself the winner.

Cardin, Steele Face Off In Contentious Debate (WP)

By Matthew Mosk And Ann E. Marimow

The Washington Post, October 26, 2006

U.S. Senate candidate Benjamin Cardin (D) appeared caught off guard during a freewheeling debate on News Channel 8 this afternoon when his opponent, Republican Michael S. Steele tried to quiz him on the route of the proposed Metro rail Purple Line.

After starting to hazard a guess, sputtering out "Chevy Chase," Cardin snapped, "I'm not going to answer your question," and pushed back at Steele, asking him about national health insurance.

Later, Cardin was asked repeatedly by reporters if he knew the Purple Line route and while he insisted that he did, he refused to risk an answer. "I support the Purple Line," he said, then added, "I'm not sure they've settled on specific sites."

For the record, the line is proposed to run from Bethesda to the New Carrollton Metro Station. The unanswered question, Steele said, was a pointed illustration of how little the Baltimore area congressman knows about suburban Washington issues.

"I appreciate Ben finally locating where Prince George's County is . . . and finally using the words Purple Line," Steele said.

The hour-long debate, which ranged over subjects including stem cell research to the war in Iraq to health insurance reform, at times seemed more of a shouting match. There were no rules, and through much of the sparring, Bruce DePuyt, who hosts the WJLA program "News Talk Live," sat back and let it unfold.

The debate is one of three this week that will pit Cardin against Steele and independent candidate Kevin Zeese. The campaign for Maryland's open Senate seat, which is in its final two week stretch, appears to remain a close contest, with polls showing Cardin leading Steele.

In one segment of the debate, Cardin pressed Steele on his initial support for the Iraq war.

Steele responded by calling it "heartening to see the president move to where the American people have been for some time."

"How would you have voted in Congress if you'd had the chance?" Cardin pressed, adding that he believes Steele would have supported the president.

"Do not disrespect me and tell me what I would have done at the time," Steele replied. He then acknowledged he did support going into Iraq.

DePuyt asked Steele about a recent flap over actor Michael J. Fox's appearance in a campaign ad, in which he urges people to back Cardin because of his support for embryonic stem cell research.

In the spot, Fox showed startling signs of Parkinson's disease, contorting as he spoke.

The host asked Steele what he thought of conservative commentator Rush Limbaugh's suggestion that Fox was "acting" and exaggerating the symptoms of his disease.

Steele called the talk show host's remarks "a little bit over the line," but said he really didn't hear Limbaugh's comments. DePuyt then played the remarks for viewers.

"That's a little more than over the line," Steele said.

Senate Hopefuls Squabble, Call Each Other 'Handpicked' (WT)

By Jon Ward

The Washington Times, October 26, 2006

DOJ_NMG_0086648

Maryland Lt. Gov. Michael S. Steele and Rep. Benjamin L. Cardin yesterday wrangled over the origins of their U.S. Senate campaigns, with each accusing the other of being "handpicked" by their parties' leaders.

"The lieutenant governor was recruited by George Bush," said Mr. Cardin, a Democrat. "George Bush helped finance his campaign."

Mr. Steele, 48, said that Mr. Cardin "has been running against George Bush for a year and a half. ..."

"You talk about handpicked," Mr. Steele, a Republican, told Mr. Cardin. "You were handpicked by [House Democratic Whip] Steny Hoyer to get in this race. ..."

"If you weren't [handpicked], Kweisi Mfume should've been sitting here," he added, referring to the past president of the National Association for the Advancement of Colored People, who lost the Democratic primary to Mr. Cardin last month.

A visibly flustered Mr. Cardin said, "I won a competitive primary. ... Kweisi Mfume is supporting me."

The debate at NewsChannel 8 studios in Rosslyn, which included Green Party nominee Kevin Zeese, was the first of three between Mr. Steele and Mr. Cardin that will culminate Sunday on NBC's "Meet the Press."

The war in Iraq, embryonic stem-cell research and mass transit were other dominant issues in the debate.

When pressed, Mr. Steele said that U.S. forces should have invaded Iraq in 2003 "to deal with the terrorist threat."

Mr. Cardin, 63, voted against sending troops to Iraq, but Mr. Zeese attacked Mr. Cardin for voting several times to finance the war.

"After your first vote, you have been wrong, wrong, wrong," Mr. Zeese said.

Mr. Cardin also appeared unaware of exactly where Metro plans to begin and end the Purple Line, which Mr. Steele used to portray him as out of touch.

Mr. Steele reiterated his support for stem-cell research using adult stem cells and his opposition to embryonic research, which he considers abortion. Mr. Cardin said he supports embryonic research.

After the debate, Mr. Cardin complained that the open format allowed too many interruptions.

At one point, Mr. Steele, sitting next to Mr. Cardin, said the 10-term congressman had failed as a leader. "For 20 years, sir, you have sat in the [congressional] seat and wasted the opportunity to lead," he said.

Mr. Steele, who is black, is hoping for support from black voters, especially in Prince George's County and Baltimore.

Though Mr. Cardin, who is white, won the overall primary, Mr. Mfume bested him in those two jurisdictions. According to the State Board of Elections, Mr. Mfume won 74,637 votes, and Mr. Cardin 19,824 in Prince George's County. In Baltimore, Mr. Mfume won 52,335 votes and Mr. Cardin 25,051.

Since then, Mr. Mfume has made only one appearance in support of Mr. Cardin, during which he noted the lack of diversity in the Maryland Democratic ticket.

During the primary season, Mr. Mfume accused Mr. Hoyer and state Senate President Thomas V. Mike Miller Jr., both of whom are white, of trying to force him out of the contest.

The Senate nominees are scheduled to debate today in Charles County, where five white men in 2004 set fire to more than two dozen homes owned mostly by black families in the state's biggest residential arson case.

"I specifically asked for [the debate] to be there," Mr. Steele told reporters and editors at The Washington Times on Monday.

Meanwhile, two polls yesterday provided different pictures of the race.

The National Republican Senatorial Committee released a poll showing the race to be a dead heat. Mr. Cardin had 41.3 percent of the vote, and Mr. Steele 38.7 percent.

The poll of 602 likely voters was conducted by Houston-based Voter Consumer Research and has a margin of error of 3.9 percentage points.

A poll by the District-based Garin-Hart-Yang Research Group showed Mr. Cardin with 52 percent of the vote and Mr. Steele with 40 percent.

Iraq, Stem Cell Research Topics At Second Senate Debate (AP)

AP, October 25, 2006

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ARLINGTON, Va. -- Maryland's Senate candidates debated for a second time Wednesday afternoon, and the war in Iraq and stem cell research were the main topics of conversation.

Democratic Rep. Ben Cardin said he supported embryonic stem cell research. His campaign has put out a televised endorsement from actor Michael J. Fox on the matter.

Republican Lt. Gov. Michael Steele said he did not approve of destroying embryos in the name of research. But, he added that he thinks the government should fund other types of stem cell research.

The candidates sparred on Iraq as well.

Steele at first said he "applauded" Cardin for voting against the war. When the moderator expressed surprise, Steele then said it was "wrong-headed."

The Republican said he would have voted for the war initially but called for a new approach to the conflict now.

The debate also included third-party candidate Kevin Zeese, who said both Steele and Cardin cannot be independent senators because they've taken contributions from business interests.

The debate will be replayed statewide Wednesday night on public television.

The candidates will also debate Thursday in Charles County and Sunday on NBC's "Meet The Press."

Black Democrats Pull Punches In Maryland Race (WT)

By Brian Debose And Jon Ward

The Washington Times, October 26, 2006

Local black Democratic leaders will not attack Maryland Lt. Gov. Michael S. Steele in his U.S. Senate race, even as they campaign and appear in ads for his opponent -- Rep. Benjamin L. Cardin, a fellow Democrat.

"I think that is a tactical decision," said Delegate Eleanor Holmes Norton, the District's nonvoting congressional representative. "If [Mr. Steele] has a large or fairly large black vote, why or how could you alienate that vote by going after him doing personal attacks? There is just no way."

Former Prince George's County Executive Wayne K. Curry, who has not yet endorsed anyone in the Senate race, said it is wise for black politicians to avoid criticizing Mr. Steele, a Republican and the first black to win a statewide election in Maryland.

"Obviously, that would make good sense because Michael is not disdained among African-Americans," said Mr. Curry, who has attended a campaign event for Mr. Steele but not for Mr. Cardin.

Rep. Elijah E. Cummings supported Kweisi Mfume, past president of the National Association for the Advancement of Colored People, in the Democratic primary for the Senate. He said there is no need to pillory Mr. Steele because his positions on various issues are unappealing among most black voters.

"I don't think you have to attack Steele," said Mr. Cummings, of Baltimore. "All you have to do is ask him where he is on issues like the Iraq war, universal health care, stem-cell research, college-tuition assistance, and who are going to be our judges, and on President Bush's policies."

Race has been prominent in the Maryland Senate contest, as Democrats have tried to blunt Mr. Steele's appeal among blacks, their most loyal -- and, some say, neglected -- voting bloc.

Early in the campaign season, pollster Cornell Belcher identified an "emerging black swing vote" and advised Democrats in a memo to portray Mr. Steele as a "typical Republican in the eyes of voters, as opposed to an African-American candidate."

A key battleground in the Maryland Senate race will be Prince George's County, which has the highest concentration of blacks and registered Democrats in the state.

At The Washington Times on Monday, Mr. Steele -- who was raised in Petworth -- said that he supports full congressional voting rights for the District.

Mrs. Norton, who is working with Rep. Thomas M. Davis III, Virginia Republican, on a bill that would give the District a vote in the House, noted the significance of Mr. Steele's support for the effort.

"We gave Maryland its black middle class, and they completely and totally identify with and understand that D.C. has no voting rights," she said, "and so what Steele has done is identify himself with a traditional African-American political issue."

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But Mr. Curry said that Mr. Steele's commercials have not addressed black voters' concerns on issues such as education and that the lieutenant governor still has some work to do to "galvanize" black voters.

"For one, he's got to prove to people he wouldn't be another Clarence Thomas," Mr. Curry said, referring to the U.S. Supreme Court justice.

Meanwhile, black Democratic leaders' support for Mr. Cardin has appeared muted, at best.

Mr. Mfume, whom Mr. Cardin defeated in last month's primary, has made only one appearance in support of the nominee, during which he noted the lack of diversity in the state party's ticket by saying it "looks like the Democratic ticket for state office in 1956."

He has since been out of sight and contact, but his son, Michael, has endorsed Mr. Steele.

Mrs. Norton said that she has not been contacted to record an ad for Mr. Cardin but added that she hopes someone from the region has, "because many of his people are our people."

Rep. Albert R. Wynn of Prince George's County said he recorded a radio ad weeks ago for Mr. Cardin but was not sure when it would run.

Mr. Cardin yesterday said he was not aware of the Wynn ad.

Allen, Webb Stake Out Positions On 'No Child' (WP)

By Maria Glod

The Washington Post, October 26, 2006

In a state skeptical of federal intrusion in local school affairs, Virginia Sen. George Allen and challenger James Webb each say they support the goals of No Child Left Behind but quarrel with how the federal law has played out.

The Democratic challenger says schools need more federal funding to fulfill mandates to test students and narrow achievement gaps. The Republican incumbent, who voted for the landmark legislation five years ago, now argues that states need more flexibility in how they grade schools. But neither candidate supports an outright repeal of the law.

Whoever wins Nov. 7 will have a vote when Congress debates whether to renew the controversial law, which aims to push students in a range of grades to attain near-universal proficiency in reading and math by 2014. The law requires testing for all students from grades 3 through 8 and once during high school, and it requires schools to show that students in racial, ethnic and other groups are making adequate progress. Schools that fall short can face sanctions up to the threat of state intervention.

As Virginia governor in the mid-1990s, Allen was chief architect of the school accountability program that measures progress using the Standards of Learning tests. Since voting for No Child Left Behind, he has become critical of the federal initiative. State officials in that time have also complained about aspects of the law.

In a speech at Patrick Henry College in Purcellville this month, Allen told students that the federal law is "forcing Virginia schools to dumb down our curriculum." He later said that whereas the federal law focuses on reading and math, Virginia's testing system is "more comprehensive" and includes science and social studies.

Allen has proposed to amend the law by allowing states that have accountability programs to be granted waivers from certain federal requirements. His bill also would require states to expand testing to include U.S. history and civics.

In an interview this month with Washington Post reporters and editors, Webb said that the "intentions" of the No Child law are good but that Washington has not provided enough money. Congressional Democrats charge that the Bush administration and Republican-led Congress have delivered tens of billions of dollars less than the law authorized in education aid.

"You have federal requirements that are being put into place without the full amount of funding so that local jurisdictions are having to make up the difference, which is taking money away from other things they could be doing," Webb said. He also said the law places too much focus on teaching "toward standards" instead of teaching students to "think and adapt."

Kristian Denny Todd, a spokeswoman for Webb, said he hasn't decided whether he would vote to renew the law. "In terms of a vote for reauthorization," she said, "he's going to have to take a look at it and make sure the funds are dedicated."

The law has popped up as a campaign issue in various states. In Maryland, Lt. Gov. Michael S. Steele, the Republican candidate for Senate, alluded to No Child Left Behind in a television advertisement that said his party "built a system that teaches

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to a test." Rep. Benjamin L. Cardin, Steele's Democratic opponent, voted for the law in the House in 2001 but now -- like Webb -- says it has been underfunded.

Analysts said education does not appear to be a driving issue in a Virginia Senate race dominated by debate over taxes, the war in Iraq and questions of character.

"The differences between the candidates appear quite subtle to most voters and not substantial enough to make any real difference except perhaps with a small number of committed educational professionals," said Mark J. Rozell, a professor of public policy at George Mason University.

"It's the lost issue in this campaign," said Robert D. Holsworth, a political scientist at Virginia Commonwealth University.

On his campaign Web site, Webb, a former Navy secretary, devotes 11 paragraphs to the Iraq war and two to education.

In a recent TV ad, Allen's wife, Susan, said the senator is a "father first" and has worked "hard to raise academic standards." But the spot did not mention his concerns about the law.

Holsworth said he was surprised that Allen hasn't used his critique of the law to demonstrate independence from President Bush.

"It's an area where he can easily deflect the argument that he's attached at the hip to the president," Holsworth said.

The candidates are split on another educational controversy: school vouchers. Webb's spokeswoman said the Democrat opposes public funding to help pay private school tuition -- a position that helped him win the endorsement of the Virginia Education Association, a teachers union that is an affiliate of the National Education Association. Allen voted in 2004 for a spending bill that launched an experimental voucher program in the District. "There should not be a federal prohibition" on vouchers, he said.

On higher education, Webb's spokeswoman said one of his priorities would be to help U.S. troops involved in fighting terrorism attend college after leaving the military. Denny Todd said Webb envisions a plan modeled after the post-World War II G.I. Bill. She said Webb would seek government funding for tuition and other expenses.

Allen, who often talks about the need for more engineers and scientists, has touted his support of proposals to provide $250 million in technology grants for historically black colleges, tribal colleges and other institutions that serve minority students.

Allen, Webb Tour Va.; Wilder Backs Webb (WP)

By Tim Craig And Lisa Rein

The Washington Post, October 26, 2006

Democratic U.S. Senate candidate James Webb campaigned yesterday in Northern Virginia with the state's current governor at his side, and hours later he picked up a key endorsement from a former governor in Richmond.

Webb, joined by Gov. Timothy M. Kaine (D), appealed to retirees and students at stops in Fairfax and Prince William counties before heading to Richmond to appear with former Gov. L. Douglas Wilder, now the mayor of Richmond and a popular figure among African American voters.

Webb's opponent, incumbent Sen. George Allen (R), stumped through southwestern Virginia yesterday with Kentucky Sen. Mitch McConnell (R), the majority whip. The Allen campaign also released a radio commercial featuring Allen's most prominent black supporter, state Sen. Benjamin J. Lambert III (D-Richmond).

Allen and Webb had courted Wilder for his support. Wilder, a Democrat, is independent-minded and likes to build suspense for his endorsements by waiting until late in a campaign to announce his choices. His support isn't always guaranteed; in 1997, he declined to endorse Democrat Donald S. Beyer Jr. for governor.

Two years ago, he stood with Allen to condemn then-Gov. Mark R. Warner's proposed tax increases and urged the Democratic governor to put the idea to a vote of the people. Later that year, Wilder was the keynote speaker at a retreat for the state GOP.

But yesterday, he said voters should choose Webb to send the message that they are opposed to the war in Iraq and Republican economic policies. He said he would do all he could, including campaign events and TV ads, to support Webb.

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"I think the time is now to take the action necessary to help turn around the ill-fated direction the country has taken," said Wilder, who was governor from 1990 to 1994. "For that reason, I will support an individual who served in combat for his nation . . . and will fight to represent the needs of the common man . . . to put this country back on course."

Allen and Webb have been vying for votes from African Americans in a campaign marred by accusations of racism. Allen has been dogged by questions about his racial sensitivity, and Webb has been put on the defensive over a magazine article he wrote in 1979 opposing women in combat, which some have said was demeaning to women.

The Democratic Senatorial Campaign Committee, which is spending millions to bolster Webb, has been running radio ads on black stations highlighting Allen's fondness as a young man for Confederate heritage and allegations that he used racial slurs in college. The Allen campaign and the Republican Senatorial Campaign Committee responded yesterday with Lambert's ad, which will air on several African American radio stations.

Lambert urges listeners to discount charges about Allen's past and focus on his support for historically black colleges, black farmers and the Voting Rights Act.

"I have fought racism all my life, and I've learned to judge people by what they do now, not what they have done 30 years ago," Lambert said.

McConnell, in an interview, said that Virginians would see a large tax increase if Webb is elected, referring to past statements by Webb that he would let some of President Bush's tax cuts expire. "You cannot let the tax cuts expire without having a rather large increase," McConnell said.

But Wilder said yesterday that Bush's economic policies have benefited the rich while doing little for the poor and middle class.

"We need someone who will look out for individuals in all walks of life," Wilder said.

Wilder said he considers Allen a "close friend" but cannot support him because he is a reliable vote for GOP leaders in Congress. Wilder called Allen yesterday morning.

"I said to Senator Allen, I do not want to see two more years of absolute control by Republicans owning both houses [of Congress], because it will send the wrong message to the president that he is doing right, and what he is doing, in my judgment, is wrong," Wilder said.

Dick Wadhams, Allen's campaign manager, said that the senator understood.

"I don't think it is a big surprise that the Democratic mayor of Richmond would endorse the Democratic nominee for the U.S. Senate," Wadhams said. "But Senator Allen still respects Mayor Wilder and looks forward to working with him on issues as he had in the past."

Kaine and Warner have also cleared their schedules for the race's closing days to stump for Webb.

"This is a person who probably never thought about running for political office," Kaine told about 100 senior citizens gathered yesterday at the Fairfax, a community for retired military officers near Fort Belvoir. "But the times compelled him to step forward."

The retirees at the Fairfax were a mix of Democrats and Republicans, but they spoke Webb's language. The former Marine who led a platoon in Vietnam and was Navy secretary under President Ronald Reagan was introduced as "Mr. Secretary." When Webb said he had lived in "33 different houses" by the time he graduated from high school, many nodded.

Virginia Mayor Endorses Senator's Opponent (NYT/AP)

By The Associated Press

The New York Times, October 26, 2006

RICHMOND, Va., Oct. 25 (AP) — Mayor L. Douglas Wilder on Wednesday endorsed Jim Webb and his challenge of Senator George Allen.

Mr. Wilder, the Virginia governor from 1990 to 1994, promised to help Mr. Webb, a Democrat, with voter turnout in the weeks leading to the Nov. 7 election. He said Mr. Webb could beat Mr. Allen, a Republican, if he got a large voter turnout in Hampton Roads and Richmond.

"Those are the battlegrounds," Mr. Wilder said. "A lot will depend on the turnout in those areas."

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Mr. Allen's campaign has been plagued by controversy. He has been accused of using racially insensitive language and has appeared to bristle at the recent revelation that his mother was born Jewish.

Mr. Webb said he had sought Mr. Wilder's counsel in the campaign. "There is no living American who understands the demographics of Virginia like Douglas Wilder," he said.

Mr. Wilder, who remains the nation's first and only elected black governor, said he was angry at the way President Bush had handled the Iraq war. "I think the Iraq war has been wrong from the beginning," Mr. Wilder said. "We've been in this terrible quagmire for four years. The American people have been sold a bill of goods."

Mr. Wilder remains an influential figure among Virginia's minority voters. In 2004, he was elected mayor with 80 percent of the vote in the majority black capital city.

Denise Elder, a Richmond resident, said she thought Mr. Allen's "macaca" comment, an obscure racial slur directed toward a Webb volunteer of Indian descent at a campaign rally in August, would have more of an impact on minority voters than Mr. Wilder's endorsement.

"With the name-calling, people were already ready to vote" against Mr. Allen, Ms. Elder said.

Though a Democrat, Mr. Wilder has an unpredictable, often conservative streak that means Democrats can never take his backing for granted.

Wilder Backs Webb In Race (WT)

By Seth Mclaughlin And Christina Bellantoni

The Washington Times, October 26, 2006

Richmond Mayor L. Douglas Wilder, a former governor whose endorsement has had significant impact in several elections, yesterday said fellow Democrat James H. Webb Jr. is the best choice for Virginians because he is independent-minded and will fight for "the common man."

"I think Jim Webb is the right man for Virginia at this time. I think he can win and will win," said Mr. Wilder, who became the nation's first black governor in 1990.

Mr. Wilder's endorsement comes at a crucial time for Mr. Webb, with most polls showing that he still trails Sen. George Allen, a Republican. A Mason-Dixon poll released Tuesday showed Mr. Allen pulling away from Mr. Webb after a previous poll had shown them in a dead heat.

Mr. Wilder said he is endorsing Mr. Webb, a former Navy secretary under President Reagan, because he will fight against the "pattern of inefficiency, ineptitude and scandal" in the Republican-controlled Congress.

"The direction of the war is wrong, the direction of the economy is wrong, the divide is too deep between the haves and have-nots," Mr. Wilder told reporters in Richmond yesterday. "We need to reinvest our resources in the American people, and I think this is the man to do it."

Mr. Webb said that Mr. Wilder, a grandson of slaves, is "a historical figure in our country for his own professional journey," including his service as a soldier in the Korean War.

"This endorsement is much more than an endorsement directed at the African-American community," said Mr. Webb, a former Republican. "This is an individual who has tremendous respect all across the different ethnic and regional groups in Virginia. It's a very important endorsement for me."

The Allen campaign said the endorsement was no surprise. They noted their radio ad featuring state Sen. Benjamin J. Lambert III, a black Richmond Democrat who has endorsed Mr. Allen. In the ad, Mr. Lambert notes Mr. Allen's support for black farmers and the Voting Rights Act.

Allen campaign manager Dick Wadhams brushed aside the relevance of the Wilder endorsement. He said it came "apparently reluctantly" since the mayor waited until the final 13 days of the campaign.

"Mayor Wilder is a Democrat, and it would be expected that he would support the Democratic nominee for Senate," Mr. Wadhams said.

Mr. Wilder is well-known for withholding his endorsement for the final weeks of a race, elevating its importance.

Last fall, Mr. Wilder endorsed Timothy M. Kaine less than a week before the Democrat won the governor's race.

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"It's huge," Mr. Kaine said yesterday of the endorsement. "He is a person who retains a high degree of popularity, and Virginians have great affection for him. ... It's a boost."

Mr. Wilder has not always supported his party's nominee or elected leader. In 2004, he criticized Gov. Mark Warner for proposing a tax increase. Mr. Wilder had said he never would have endorsed Mr. Warner had he known the Democrat would raise taxes.

Last fall, Mr. Wilder declined to make an endorsement in the attorney general's race, which Democratic state Sen. R. Creigh Deeds, after a recount, lost by a scant 323 votes.

Black voters could be key on Nov. 7. Twenty percent of Virginia's population is black, a 2004 census shows.

Mr. Allen won 20 percent of the black vote when elected in 1993 to succeed Mr. Wilder as governor, and 17 percent in his 2000 race when he unseated Democratic Sen. Charles S. Robb, whom Mr. Wilder endorsed.

This time, Mr. Allen has been dogged by accusations of racism since he was taped calling an Indian-American Webb volunteer "macaca" at a campaign stop in August.

Some former University of Virginia classmates claimed they recalled Mr. Allen frequently using the "N-word." Mr. Allen denies the racial slur was ever part of his vocabulary.

Mr. Allen, who has been scrutinized for years for his past affection for the Confederate battle flag and for once displaying a hangman's noose in his law office, has been endorsed by several black pastors and by a black Richmond newspaper.

Mr. Webb also has faced criticism over comments he made that affirmative action should be scaled back for just blacks or opened up to poor whites. He has since tempered his comments and recently received the endorsement of the state's Legislative Black Caucus.

Mr. Wilder said both men should be judged on where they stand on the issues and who they are today. "Many of us evolve," he said.

Also yesterday, the Webb campaign said actor Michael J. Fox will appear with the Democrat Nov. 2 in Arlington. Mr. Fox, who is afflicted with Parkinson's disease, has supported Democrats who favor embryonic stem-cell research.

An Ascent Shadowed By Questions On Race (WP)

By Bill Turque

The Washington Post, October 26, 2006

In February 2004, Sen. George Allen was on a bus taking him from Birmingham to Selma, Ala. On a video screen in front of him was "Eyes on the Prize," the acclaimed documentary chronicling the civil rights movement.

Allen "knew very little" about the history of that struggle, according to his seatmate, Paul Gillis, former president of the Virginia NAACP. But Gillis, once a bitter critic and now one of his few prominent black supporters, was impressed with Allen's willingness to take a three-day pilgrimage, sponsored by the nonpartisan Faith & Politics Institute, to visit the battlegrounds of that era and listen to the testimony of those who spilled their blood.

It was many miles from the sun-splashed Los Angeles suburbs, where some classmates at Palos Verdes High School recall a lone tobacco-chewing teenage cowboy who was disliked, even feared.

"George was not what I would call mainstream," said Don Gause, a wide receiver who caught Allen's passes for the Sea Kings. One reason, Gause said, was that Allen used anti-black epithets and "ran with a group of guys off the football field" who used the same language.

"George took some hard lines in that area," said Gause, a real estate executive in Orange County, Calif. His sense, though, was that it was more for attention than out of any racial animus.

"He was immature, like most of us," Gause said. "He was looking for who he was."

Who George Allen was, and who he is today after 23 years in politics, remains an issue as the Virginia Republican seeks reelection. Supporters say the pilgrimage was one leg of a journey that has led to genuine maturation for Allen, 54, whose style melds Ronald Reagan's optimism with George W. Bush's Texas swagger.

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Popular as a governor and a senator, with a genial presence on the campaign trail, Allen has considered running for president. But a series of events have revived lingering questions about his attitudes on race and have helped turn what was expected to be an easy path to reelection into a fight for his political career.

At an August rally in southwest Virginia, Allen interrupted a routine stump speech and pointed to a man of Indian descent who was videotaping the event for his Democratic opponent, James Webb, and called the aide "macaca," a genus of monkey. Some of Allen's former football teammates at the University of Virginia came forward later to say that he routinely used racist language. Asked at a debate last month about reports of his Jewish roots, he denounced the accounts as "aspersions" before confirming them a day later.

The episodes unraveled an effort by Allen to mend a reputation for racial insensitivity that has pursued him through his steady rise from Palos Verdes to college athlete, lawyer, state legislator, governor and, in 2000, U.S. senator. Allen has, for example, had to explain his fondness for the Confederate flag and the presence of a hangman's noose in his Charlottesville law office.

In his first Senate term, he has taken three civil rights pilgrimages, co-sponsored a resolution apologizing to lynching victims and their descendants, and proposed allocating a half-billion dollars to historically black colleges.

But "macaca" raises a question: Has Allen really evolved, or did his true nature slip into public view?

Allen, who denies using racist language, declined requests for an interview, asking instead for written questions. By yesterday, his campaign had not provided answers.

Those closest to him say that Allen is no bigot and that partisan enemies have seized on murky 30-year-old anecdotes and meaningless lapses in political correctness to damage him.

"Politics has become more of a contact sport than football," said Allen's brother Bruce, general manager of the Tampa Bay Buccaneers. "I know the person. I know the man."

Others from Allen's past said they saw a distressingly familiar, coldly taunting hatred when they viewed the macaca tape.

"So let's give a welcome to macaca here," Allen said, pointing a finger. "Welcome to America and the real world of Virginia." Allen later said he didn't know what the word meant and apologized to the Webb volunteer, S.R. Sidarth.

"I saw how he looked, that attitude of condescension and superiority," said Ed Sabornie, a former Virginia player and now a professor of special education at North Carolina State University.

"That rang a bell for me."'Greasers, Surfers, Crew-Cutters'

There was darkness on the edges of the world of privilege and glamour in which Allen grew up.

His father, George Allen, was the milk-chugging NFL Hall of Famer who took the Washington Redskins to their first Super Bowl in 1973. He compiled a 116-47-5 record over 12 seasons as a coach with the Los Angeles Rams and the Redskins but made room for little else in his life.

"If a man is going to succeed in anything, he must neglect everything else, whether it is his wife, his children or himself," he told an interviewer in 1970.

Even when he took his sons to the Rams' summer training camp, they spent most of their time with Allen's assistants and friendly players such as Deacon Jones, said Gause, who accompanied the younger Allen one year.

When the coach was at their Mediterranean-style home on a cul-de-sac with jaw-dropping views of the Pacific Ocean, the family's spirits rose and fell with the fortunes of the team.

After a painful 1968 loss, George and his brother Gregory elected to go home with neighbors rather than face their father's black mood. In her vivid family memoir, "Fifth Quarter," his sister Jennifer Allen described violence at home, including her father breaking Gregory's nose in a fight at the dinner table after a 1969 playoff loss.

Neither Jennifer nor Gregory Allen responded to requests for interviews. Bruce Allen, who said he doesn't remember the incident, said his sister's book was written "from a little girl's eyes" and should not be taken literally.

Allen's mother, Henrietta, known as Etty, is a gracious woman with a bitter and sometimes fiercely vindictive side, especially when it comes to protecting her husband's reputation. She effectively raised the Allen children on her own.

"Etty ran the show," said Melvin Durslag, a columnist for the now-defunct Los Angeles Herald Examiner and a longtime family friend.

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She also carried the pain of her own turbulent childhood. Born in Tunis to French-Jewish parents, Etty Lumbroso endured the 1942-43 Nazi occupation and Allied bombing that destroyed her home. She watched her father, Felix, a wine importer, taken to a labor camp by the Germans. She met Allen in 1950 while visiting friends in Sioux City, Iowa, where he was coaching at Morningside College. They married a year later.

On summer evenings when the coach and the boys were at training camp, Jennifer Allen wrote, Etty would sip wine and lament the death in a motorcycle accident of a French fiancÃ© she called "the love of my life."

Etty told The Washington Post last month that her husband, who died in 1990, asked her to conceal her Jewish identity from his family and that she and Allen wanted to protect their children from the fear she experienced during the war. It remained a secret between her and her husband, she said, until a dinner conversation with George in August.

There was a price to pay for the long years of keeping the secret. Her daughter hints at the private pain in the form of boxes from Tunis and France, stacked in the garage in Palos Verdes. Etty told Jennifer she would never unpack them. Jennifer wrote that she always looked at her mother's life before she met her father as "an unopened box."

Young George and his two brothers filled the gaps at home with friends Jennifer described as "greasers, surfers, crew-cutters" who were "toughs."

"My brothers led each pack," she said. As the oldest, George was sometimes the enforcer. When Jennifer refused to go to bed, he dragged her upstairs by her hair.

One of Allen's friends, Deke Applegate, said Allen's crowd was rough-and-tumble but disputes Gause's recollection of racism. "That's not the guy I hung out with," said Applegate, a Las Vegas businessman.

Allen and Applegate did share an affinity for the Confederate flag. Yearbook pictures show them with pins on their collars. Applegate said it was a "symbol of rebellion against the establishment," nothing more.

Others say Allen acted out at school. Tim Good, a classmate, said he had to confront the 6-foot-plus Allen after his younger brother reported that Allen had stolen his bicycle.

"George Allen was a big bully," said Good, now an accountant in Torrance, Calif. Allen denied stealing the bike, but Good said it reappeared at school the next day.

One morning, students arrived to see workers removing graffiti spray-painted on an outside wall. It was the day of a basketball game with the lone majority-black school in Palos Verdes's athletic conference, Morningside High in Inglewood.

The graffiti included the phrase "Kill Whitey," said Good, who added that former students have said that Allen was responsible. In a 2000 interview with The Post, Allen said there was an incident at school but declined to discuss the details. "I did something wrong when I was young that I regret," he said.

After a year at the University of California at Los Angeles, Allen followed his family east in 1971, when his father was named coach of the Redskins. His football teammates at the University of Virginia said they found some of the same racial insensitivity.

"People gave him a wide berth," said Ken Shelton, one of three former Cavaliers who told Salon magazine in September that Allen regularly used racial slurs for blacks.

Shelton, a North Carolina radiologist, said in an interview that in Newcomb Hall, the student center, Allen would spit tobacco juice "anywhere -- on the walls, on the floors, in the elevators" and habitually shouldered people aside as he walked by.

Change was beginning to stir in Charlottesville, long a clubby redoubt for the sons of Virginia's white establishment. Blacks and women had started to shake up the campus culture. The football team included the first four African Americans to receive full athletic scholarships.

It was a challenging environment for the athletes. Harrison Davis, the Cavaliers' first black starter at quarterback, who regularly received hate mail, said he never heard Allen use racial slurs. Nor did Stanley Land, a defensive tackle. But Land, a Houston chemical executive, said he was offended by the Confederate flags he saw in Allen's van and his campus apartment, especially when some of his teammates were under such pressure.

"To me, that showed a lack of real respect for his African American teammates," Land said.

'Not the Man He Once Was'

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In 1979, Roy Parks's land-use and design firm in Charlottesville needed more room. He spoke to George Allen about renting space in the building he owned on Market Street, where he'd set up his law practice. As the negotiations came to naught, Parks said, their conversations drifted to politics.

Allen, getting ready to make his first run for the state legislature, allowed that he had supported a Democrat, Edward Lane, for state attorney general in 1977. Lane had been a segregationist in the 1950s, an architect of Virginia's "massive resistance" movement in which communities closed schools rather than comply with court orders to integrate. He lost to Republican J. Marshall Coleman.

"When I questioned George further, he said that Lane, like him, was an advocate for states' rights and was only a man of his time," said Parks, who was stunned by Allen's admission.

Lane, now 82 and ill with Parkinson's disease, was unable to comment. His wife, Jean, said she has no memory of Allen's support.

As a state legislator in 1984, Allen was one of 27 members of the House of Delegates to oppose a holiday honoring Martin Luther King Jr. During his 1993 gubernatorial campaign, he acknowledged displaying the Confederate flag in his living room, calling it part of a flag collection. A hangman's noose, which he said was part of a Western memorabilia collection, hung in his law office.

As governor, Allen appointed one black cabinet member, Kay Coles James, as secretary of health and human resources, and a Latino, Transportation Secretary Robert E. Martinez. Midway through his term, the number of African Americans in senior posts had declined by half from the tenure of L. Douglas Wilder, the state's first black governor, according to an audit by a state watchdog agency. For three years, he incensed black leaders with an annual Confederate History Month proclamation that failed to mention slavery.

Allen had an active term as governor. He abolished the state's parole system, replacing it with a "truth in sentencing" law that requires those convicted of crimes to serve the bulk of their sentence. He pushed through changes in welfare and education policy and signed a measure requiring parental notification for minors seeking abortions.

As he launched his 2000 Senate campaign, Allen began some attempts to mend racial fences. He backed Gov. James S. Gilmore's proposal for an MLK holiday in Virginia. After defeating Charles S. Robb, his first floor speech was in support of the appointment of Richmond lawyer Roger Gregory, an African American, to the 4th Circuit federal appeals court. Then came the 2004 pilgrimage, the first of three that he took.

"None of us can presume to know what the motivation is" for Allen's civil rights trips, said the Rev. Douglas Tanner, who recently retired as president and chief executive of the Faith & Politics Institute. "For someone in politics, it's always likely to be a mixture of genuine interest and whatever the political advantage is."

Gillis, who has supported other Republicans, said that he doesn't know whether Allen used racist language but that, in the end, it's not that important. "I've had white friends who've used those words in the heat of passion," he said. "It's a time past. He's not the man he once was."

Allen remains an opponent of affirmative action. In 2005, the NAACP said he supported legislation deemed to be in its interest 15 percent of the time.

More often, his advocacy is in initiatives such as his co-sponsorship of the resolution apologizing to lynching victims and their descendants. In other areas, he has co-authored legislation blocking federal taxes on Internet access and online sales. He also collaborated on the National Nanotechnology Initiative, which invests $3.7 billion in research.

His appearances before black audiences are a delicate dance. At the NAACP state conference in Hampton on Friday night, he got no questions about "macaca" or other recent revelations.

When the moderator presented Allen with an application for a lifetime membership, he happily took the opportunity for a positive gesture.

Later, answering a question about racial profiling, Allen explained that he opposed the practice. When someone in the audience said "Amen," Allen was briefly startled.

"Did I say that right?" he asked.

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Metro researcher Meg Smith, researcher Rena Kirsch and director of information resources Lucy Shackelford contributed to this report.

GOP Sees Hope In Michigan Race (WT)

By Charles Hurt

The Washington Times, October 26, 2006

Republicans are turning to Michigan in the final days of the campaign in search of a major upset that would protect their majority in the U.S. Senate.

Mike Bouchard, the popular Republican sheriff of Michigan's second-largest county, trails Democratic incumbent Sen. Debbie Stabenow. But recent polls suggest that Mr. Bouchard may be closing the gap, with two surveys indicating a single-digit difference.

"In many of our states, we're battling a national climate that is quite difficult," Brian Nick, spokesman for the National Republican Senatorial Committee (NRSC), said yesterday. "The climate in Michigan makes it an opportunity unlike any other state in the country."

Across the country, polls show a deep anti-incumbent resentment among voters exhausted from six years of Republican dominance in Washington and tired of the war in Iraq.

In Michigan, voters are more concerned about finding jobs. The economy there, inexorably linked to the ailing auto industry, is sputtering with an unemployment rate of nearly twice the national average. And it's Democrats who hold the governor's mansion and both Senate seats.

That's not to say Mr. Bouchard has an easy task ahead of him. While two polls show him trailing by seven points or less, others show the gap as much as 18 percent.

But this year, that's enough for hope among Republicans in this state. Many view Mrs. Stabenow as vulnerable and are pleased with Mr. Bouchard's campaign.

Republican heavy-hitters, such as former New York Mayor Rudolph W. Giuliani, Sen. John McCain of Arizona and Massachusetts Gov. Mitt Romney have been to the state to campaign for Mr. Bouchard. President Bush travels there today.

The Bouchard campaign also has been the beneficiary of a national fundraising effort. The NRSC spent $1 million on the campaign's behalf, one of only three states where the national Republicans have gone on the offense. Also, members of the conservative group Club for Growth donated more than $250,000.

All this national attention cuts both ways, said Stabenow spokesman Brett Colburn, referring to Mr. Bush's visit today.

"Asking George Bush to campaign for you right now is like asking the captain of the Titanic to take your boat out for a spin," he said. "If the Republicans actually think Michigan is one of their best bets for a win in the Senate, they really are headed for an ugly Election Day."

Despite Mr. Bush's low poll numbers, Bouchard campaign spokesman David All said the campaign welcomes the national attention and Mr. Bush's visit, especially because it's slated for just hours after the president signs a bill to construct 700 miles of fencing along the U.S.-Mexico border.

"As a 20-year lawman, Sheriff Bouchard is pleased to see a measure signed into law, which will help secure the border," Mr. All said.

Races In Mich. Explore Economy's Electoral Impact (USAT)

By Richard Wolf

USA Today, October 26, 2006

SOUTH LYON, Mich. — Tanya Nevitt sits in the back of the Java House Café as Republican gubernatorial candidate Dick DeVos makes his standard pitch for change. She doesn't need much convincing.

“It's been a rough few years,” says Nevitt, 32, the mother of three young children. She now buys their clothes at Target and Wal-Mart rather than The Gap. “Regardless of who is in charge right now, I am prone to vote for a challenger.”

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A few miles away in Novi, just outside Detroit, a group of women facing the same economic malaise sit around a table at the Picasso Café with Democratic Gov. Jennifer Granholm. They don't blame her for the state's 7.1% jobless rate. It's more the fault of President Bush and Republican policies in Washington, they say.

"I don't believe in tax cut, tax cut, tax cut, tax cut," says Gwen Markham, 53, a piano teacher. "I have a 19-year-old and a 15-year-old who are going to pay for that."

In an election dominated by the war in Iraq, the impact of an economy recovering from recession is less clear. Democrats note that wages have not kept up with some prices, particularly for health care and college tuition. That, they say, should help their party. Others cite three years of job creation, a 4.6% national unemployment rate, declining gas prices and high stock prices as evidence the country is on the right course — a plus for Republicans.

President Bush, who arrives in the Detroit suburbs today to raise money for GOP Senate candidate Mike Bouchard, has spent much of the week highlighting the economy as a strong point for Republican candidates. Beyond the war on terrorism, he said Wednesday, the key issue in next month's elections should be "Who best to keep taxes low?" He said Tuesday in Sarasota, Fla., that Democrats "are genetically disposed to raise your taxes."

Yet even if the economy works to the benefit of Republicans, it may not do so in Michigan. Granholm is struggling with a difficult state economy — only Mississippi, wracked by Hurricane Katrina, has a higher jobless rate (7.2%) — but she is leading narrowly in recent polls, and incumbent Democratic Sen. Debbie Stabenow enjoys a bigger lead over Bouchard.

"It's not the unemployment rate," Granholm says. "It's the fact that people's personal income has dropped. We're seeing it play out here in spades."

Both parties in Washington believe the economy will help them at the polls Nov. 7.

Americans, Democrats say, can't pay for college tuition or health insurance, much less save enough for retirement. "Most Americans have been treading water economically," says Rep. Sandy Levin, D-Mich., whose district Bush visits today.

Unions and others aligned with Democrats have been seeking to highlight that. Communities United to Strengthen America, an outgrowth of the labor movement, has reached out to 800,000 households in 11 congressional districts from Connecticut to Colorado that Democrats hope to capture next month. "People are still faced with stagnating wages and rising living costs," spokesman Harrison Schmitt says.

That's not the economy that White House budget director Rob Portman sees when he travels on behalf of GOP candidates, even in his native Ohio and the struggling Midwest. "There's a lot of good news out there," Portman says. The question for voters, he says, is "do you want to put this at risk by increasing taxes at this time?"

David Littmann, senior economist at the Mackinac Center for Public Policy in Michigan, says all the economic signs are positive for Republicans. Wages are outpacing inflation; interest rates remain low; the federal deficit is declining.

"There's a lot of fiction out there," he says. "The majority are much better off than they were two to three years ago."

A USA TODAY/Gallup Poll taken last weekend shows 44% of Americans rate the economy good or excellent, the highest percentage since the Sept. 11 terrorist attacks in 2001. Fifty-five percent rate it fair or poor.

DeVos calls attention to the economy wherever he goes. The Amway heir, who has pumped $14 million of his own money into the governor's race, is spending the last two weeks in a customized bus emblazoned with phrases such as "Michigan is the ONLY state losing jobs" and "Personal bankruptcy rates are at an all-time high." He campaigns as an economic Mr. Fix-It. "I'm not a talker," he says. "I'm just a doer."

Granholm has maintained a slight lead in polls by campaigning at a frenetic pace, often in a GM Suburban dressed up like an ear of corn and powered by ethanol. Pelted with questions on the economy, health care, education and other pocketbook concerns, she ticks off a list of initiatives designed to diversify the state's auto-dominated economy.

With a Republican president and a Democratic governor, residents of the hard-hit state have a choice of whom to blame. Some, such as Al Rasegan, 64, a General Motors retiree, say it's not Bush's fault. Without the tax cuts, he says, things would have been worse. "I think Bush ought to get credit for turning the economy around," he says.

Others say that while Granholm remains under fire here, Republicans who have controlled Washington for longer than she's been in Lansing are equally at fault.

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"There's a sense of disappointment with both the White House and Congress," says Rich Studley, executive vice president of the Michigan Chamber of Commerce. "Conservatives in Congress are as much a part of the problem as anyone else."

For many, the problem isn't with Democrats or Republicans but their refusal to work together.

"I think there needs to be more cooperation," says Ottilie Nott, 88, of Walled Lake, wearing a Detroit Tigers pennant fever T-shirt at her Milford senior center. "They need to work better together."

Michigan's Messy DeVos (WSJ)

By Shikha Dalmia

The Wall Street Journal, October 26, 2006

DETROIT -- Besides the Tigers, the main thing on the minds of Michigan residents is the state's tanking economy. So when the state's most prominent Republican businessman entered the gubernatorial fray promising to turn things around, it should have been a home run. Instead, 10 days before the election, Dick DeVos has lost his 15-point summer lead over Jennifer Granholm, the Democratic incumbent, and is now trailing by more than eight points in most polls. The fault is not in his stars but in himself: At a time when Michigan needs economic leadership, he has so far shown little charisma, creativity -- or courage of convictions.

That Michigan has become the Mississippi of the Midwest is no secret (actually, Mississippi is doing better than Michigan right now). While the rest of the country is experiencing real overall growth of 3.2%, Michigan is in a single-state recession. Its unemployment rate, at 7.1%, is twice the national average; it was the only state last year not hit by a hurricane to lose jobs. Personal per capita income is 7% below the national average. Home foreclosure rates have doubled this year. And over the last four years, 200,000 economic refugees have left the state, a trend that will only accelerate as the ongoing downsizing of the Big Three forces other auto-related industries to lay off workers.

Ms. Granholm's chief strategy for dealing with Michigan's grim economic situation, comically enough, is to blame Mr. DeVos, even though the last -- and only -- time he held elected office was as a member of the State Board of Education a decade ago. She has lambasted Amway, his company, which does business in 90 countries, for opening offices in China and "outsourcing" Michigan jobs. She has accused him of personally "allowing" the sexual abuse of mentally ill elder citizens because he had a 1% stake in a publicly traded nursing home chain where some incidents were recently discovered. And just when one thought this Hollywood-starlet-turned-Harvard-lawyer couldn't get any nastier, she did another hit job in their last debate, accusing him of tax evasion for incorporating some of Amway's overseas subsidiaries in Bermuda. "I have never seen a sitting governor run so many negative attacks against an opponent," notes Bill Ballenger, publisher of the respected non-partisan political newsletter Inside Michigan Politics. "She has few accomplishments to list so she knows that if she allows this election to become a referendum on her, she'll lose."

Although Mr. DeVos, who has spent $30 million of his own money on the campaign, has recovered from his initial shell-shock and become better at deflecting such attacks, he has done little to challenge her on economic fundamentals -- her big vulnerability given that two-thirds of Michigan voters believe that the state has been going in the wrong economic direction under her. No one expects a candidate in a union state to win as a free trader. But Mr. DeVos has granted Ms. Granholm's protectionist premises. He has countered her attacks against his company's overseas operations by accusing her of not doing enough to convince Honda officials to locate in Michigan -- as if it were a governor's job to negotiate business deals. Worse, instead of staying focused on creating an attractive business climate by cutting taxes and government, his plan to make Michigan globally competitive involves opening offices in 10 countries to promote trade and tourism.

The fundamental reason why not a single non-U.S. auto maker has ever opened a major plant in Michigan -- notes David L. Littmann, a senior economist at the Mackinac Center for Public Policy -- is not a lack of these offices, but that it costs too much to generate wealth in this state. Thanks to the strong union presence, Michigan's labor costs relative to productivity are the second-highest in the nation. Normally, an economy might adapt to such realities by "diversifying" -- to use a buzzword that both candidates bandy -- into non-unionized service industries. But Michigan's onerous combination of redistributive regulations and high taxes has prevented even this from happening, making it more vulnerable to the imploding auto industry.

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It is not surprising that a big-government careerist like Ms. Granholm has few ideas for addressing these issues beyond an old industrial policy of accelerating infrastructure-rebuilding -- "Every orange cone means a job," she beams into the TV camera! -- and issuing bonds to invest in government-picked start-ups. But for someone whose main campaign theme is that as a businessman he understands the challenges facing Michigan's businesses, Mr. DeVos's proposals, so far, are disappointing, to say the least.

He recently endorsed a law raising the minimum wage, disregarding that it will contribute to growing unemployment while making it harder for small businesses to remain profitable. He does insist -- correctly -- that lowering Michigan's tax burden, which is much above the national average on a per capita basis, ought to be priority No. 1. But apart from calling for the repeal of an already repealed Single Business Tax that assessed businesses on their payrolls as opposed to profits, his only other suggestion so far is scrapping the Personal Property Tax. This tax discourages businesses from making capital investments by taxing new machines, equipment and furniture. But the problem is that it is one item in a laundry list of petty programs -- not embedded in any consistent policy vision.

While Mr. DeVos's failure to enunciate such a vision is likely calculated to position him as a moderate, in reality it is only making him less believable to independent voters. Meanwhile, his conservative base is dispirited because he has diluted his commitment to school choice and is opposing a ballot proposal banning the government from using racial preferences. "He has to stop playing safe and take bolder positions," warns Tim Shields, a GOP political consultant. "Otherwise, his base might well decide that it does not make a difference who gets elected and stay home."

But articulating a vision is not just about attracting voters, it is also about obtaining a mandate to govern successfully. A vision will give him the clout and clarity, should he squeeze out a late-inning comeback, to resist the inevitable calls by Democrats to replace the business tax cuts with new taxes, and to insist, instead, on spending restraint to unshackle Michigan's economy.

Ms. Dalmia is a senior analyst at the Reason Foundation, a free-market think tank.

Connecticut Crucible For A War Debate (WP)

By David S. Broder

The Washington Post, October 26, 2006

When the three candidates in Connecticut's celebrated Senate race met for their final debate on Monday night in New London, only one of them appeared to be having a good time.

It was not Ned Lamont, the tense and fidgety businessman who had captured the Democratic nomination as an opponent of the Iraq war. It was certainly not Joseph Lieberman, the three-term Democratic senator who had lost the primary to Lamont because of his support of that war and is running as an independent. Lieberman looked exhausted and exasperated by his situation, even though polls show him to be in front.

No, the only person who was relaxed, good-humored and reveling in the moment was Alan Schlesinger, the bulky Republican nominee whom no one gives a chance of winning. He jabbed humorously and effectively at both his opponents, noting how ironic it was that "a Greenwich multimillionaire" such as Lamont was running as a Democrat, while Lieberman, whose long list of liberal positions Schlesinger cited, was "masquerading as a Republican."

When a raucous bunch of zealots in the theater audience interrupted Lieberman's closing statement, and the feeble shushing of the senator and moderator George Stephanopoulos failed to silence them, it was Schlesinger who stepped to the edge of the stage and, with his size and commanding voice, ordered them to pipe down -- receiving thanks from Lieberman for his intervention.

It is not clear what the performance by the underfinanced Schlesinger, who has been officially abandoned as a candidate by the state and national GOP organizations, will do to the race. Lamont strategists hope he will attract more voters from the Republican base and thereby deprive Lieberman of support he might get from Republicans grateful for his sticking with President Bush on the war.

Lamont has no appeal to those Republicans and is also losing to Lieberman among independents, who respond to the senator's claim that he follows his conscience on national policy and delivers for the state. Polls also show that Lieberman has

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been taking more than one-third of the Democratic vote from Lamont. Reducing that percentage has become the chief objective for the Lamont campaign.

Schlesinger threw down a challenge to both his opponents by taking a question about morality and foreign policy as an opportunity to unload on the topic of illegal immigration. Stephanopoulos tried to steer him back to the subject matter of the question, but Schlesinger was not to be deterred from joining the chorus of Republicans in other states, including embattled Pennsylvania Sen. Rick Santorum, decrying Bush's policies and demanding that the border be closed.

Neither Lieberman nor Lamont took the bait, preferring to continue their own debate on Iraq.

The outcome of their fight is important nationally for the meaning that will be attached. While other states such as Missouri, Tennessee, Ohio and Virginia will decide whether Republicans or Democrats control the Senate, this Connecticut race constitutes perhaps the nation's clearest test on the Iraq war.

Lieberman insists he is not wholly in the Bush camp but still argues that a victory in Iraq is possible and essential for American security -- whatever that may mean. "I'm not ready to give up on the Muslim world," he said, adding that a democratic Iraq could serve as a model for the Middle East. His winning and returning to the Senate and its Democratic caucus would slow, if not reverse, growing pressure from the Democrats for an early pullout of U.S. forces.

On the other hand, should Lamont repeat his primary win over Lieberman and capture the seat, it would add immeasurably to the momentum of the antiwar forces. He says that he is running in order to end the nightmare of "140,000 of our brave troops stuck in the middle of a bloody civil war."

Lamont himself is not a strong figure or a compelling politician; he looks like a juvenile in a drawing room comedy, and he is competitive mainly because he has sunk much of his fortune into this race. Lieberman is an exhausted veteran, barely able to conceal his irritation at having to fight for a seat he feels that he owns. When challenged on his record, he turns testy.

Their weaknesses were exposed by Schlesinger's good humor. But theirs is the fight that counts -- and it counts a lot.

A New Campaign Tactic: Manipulating Google Data (NYT)

By Tom Zeller Jr.

The New York Times, October 26, 2006

If things go as planned for liberal bloggers in the next few weeks, searching Google for “Jon Kyl,” the Republican senator from Arizona now running for re-election, will produce high among the returns a link to an April 13 article from The Phoenix New Times, an alternative weekly.

Mr. Kyl “has spent his time in Washington kowtowing to the Bush administration and the radical right,” the article suggests, “very often to the detriment of Arizonans.”

Searching Google for “Peter King,” the Republican congressman from Long Island, would bring up a link to a Newsday article headlined “King Endorses Ethnic Profiling.”

Fifty or so other Republican candidates have also been made targets in a sophisticated “Google bombing” campaign intended to game the search engine’s ranking algorithms. By flooding the Web with references to the candidates and repeatedly cross-linking to specific articles and sites on the Web, it is possible to take advantage of Google’s formula and force those articles to the top of the list of search results.

The project was originally aimed at 70 Republican candidates but was scaled back to roughly 50 because Chris Bowers, who conceived it, thought some of the negative articles too partisan.

The articles to be used “had to come from news sources that would be widely trusted in the given district,” said Mr. Bowers, a contributor at MyDD.com (Direct Democracy), a liberal group blog. “We wanted actual news reports so it would be clear that we weren’t making anything up.”

Each name is associated with one article. Those articles are embedded in hyperlinks that are now being distributed widely among the left-leaning blogosphere. In an entry at MyDD.com this week, Mr. Bowers said: “When you discuss any of these races in the future, please, use the same embedded hyperlink when reprinting the Republican’s name. Then, I suppose, we will see what happens.”

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An accompanying part of the project is intended to buy up Google Adwords, so that searches for the candidates' names will bring up advertisements that point to the articles as well. But Mr. Bowers said his hopes for this were fading, because he was very busy.

The ability to manipulate the search engine's results has been demonstrated in the past. Searching for "miserable failure," for example, produces the official Web site of President Bush.

But it is far from clear whether this particular campaign will be successful. Much depends on the extent of political discussion already tied to a particular candidate's name.

It will be harder to manipulate results for searches of the name of a candidate who has already been widely covered in the news and widely discussed in the blogosphere, because so many links and so many pages already refer to that particular name. Search results on lesser-known candidates, with a smaller body of references and links, may be easier to change.

"We don't condone the practice of Google bombing, or any other action that seeks to affect the integrity of our search results," said Ricardo Reyes, a Google spokesman. "A site's ranking in Google's search results is automatically determined by computer algorithms using thousands of factors to calculate a page's relevance to a given query."

The company's faith in its system has produced a hands-off policy when it comes to correcting for the effects of Google bombs in the past. Over all, Google says, the integrity of the search product remains intact.

Writing in the company's blog last year, Marissa Mayer, Google's director of consumer Web products, suggested that pranks might be "distracting to some, but they don't affect the overall quality of our search service, whose objectivity, as always, remains the core of our mission."

Still, some conservative blogs have condemned Mr. Bowers's tactic. These include Outside the Beltway, which has called him "unscrupulous," and Hot Air, which declared the effort "fascinatingly evil."

But Mr. Bowers suggested that he was acting with complete transparency and said he hoped political campaigns would take up the tactic, which he called "search engine optimization," as a standard part of their arsenal.

"I did this out in the open using my real name, using my own Web site," he said. "There's no hidden agenda. One of the reasons for this is to show that campaigns should be doing this on their own."

Indeed, if all campaigns were doing it, the playing field might well be leveled.

Mr. Bowers said he did not believe the practice would actually deceive most Internet users.

"I think Internet users are very smart and most are aware of what a Google bomb is," he said, "and they will be aware that results can be massaged a bit."

Arab Americans Trending Democratic In Swing States (WT)

By Eric Pfeiffer

The Washington Times, October 26, 2006

A new poll of Arab Americans in four battleground states shows a large shift in voter preferences that now favors Democratic candidates. If true, it represents a major shift from as recently as the 2000 presidential election, when then-Gov. George Bush won nearly 50 percent of Arab Americans' votes.

The survey, conducted by Zogby International for the Arab American Institute (AAI), of likely voters in Ohio, Florida and Pennsylvania found that Arab Americans are supporting Democrat gubernatorial and Senate candidates by close to 3-1 margins.

"This first started in early 2002," said AAI President James Zogby. "It enlarged in 2004, and now, in 2006, has grown to very large majorities." And with a number of close races potentially shifting the control of Congress, the major shift of even a small ethnic bloc could give one side the edge.

According to the AAI, the Arab American community is projected to cast a likely turnout of 510,000 voters who represent "up to" 5 percent of all voters in Michigan, 2 percent in Ohio and Florida and more than 1.5 percent in Pennsylvania.

Among those half-million voters, 45 percent self-identify as Democrats, while 31 percent call themselves Republicans. In all four states, the Democrats are leading among Arab Americans by large margins, with Florida's gubernatorial race being the exception.

"Clearly, there is a trend in the Democrats' direction," Mr. Zogby said. "Clearly, there is a vote for change."

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Gov. Edward G. Rendell, Pennsylvania Democrat, leads his Republican opponent Lynn Swann 67 percent to 22 percent, according to the poll. Similarly, in Ohio, Democrat gubernatorial candidate Ted Strickland leads Republican J. Kenneth Blackwell 60 percent to 21 percent.

This is also true in Michigan, even though the Republican Senate candidate, Michael Bouchard, is the grandson of Lebanese immigrants. The Zogby poll showed Mr. Bouchard trailing among Arab American voters to Democrat Sen. Debbie Stabenow 54 percent to 31 percent.

The numbers are a far cry from as recently as 2000, when Mr. Zogby says President Bush won the support of 46 percent of Arab Americans, compared with 38 percent who went for Al Gore. Independent candidate Ralph Nader, who is Lebanese, received 13 percent of the vote.

Pollster John Zogby, James Zogby's brother, said that his initial data on Arab-American voting trends, conducted between 1981 and 1984, showed "a fairly even balance" in voter identification between Democrats, Republicans and independents. For the most part, that trend continued through the late 1990s.

"In 1996, that parity was present," Mr. Zogby said. There has been a 12-point shift away from the Republicans over the past decade, he said.

However, Mr. Zogby said the shift toward Democrats was not necessarily a permanent one. "I'm not convinced those numbers are locked in place," he said. "John Kerry got 3-to-1 over George Bush, and he didn't earn it."

Mr. Zogby said the door could be open for a 2008 Republican presidential candidate who offers "a dramatic shift in policy" from the current administration. Democrats are benefiting mostly from being the opposition party. "In Ohio, it's because [Senate candidate Rep.] Sherrod Brown is not the Republican," he said.

Election May Turn On What Happened In Vegas (USAT)

By Martin Kasindorf

USA Today, October 26, 2006

A Las Vegas cocktail waitress said Wednesday she was offered money to recant allegations that a Republican congressman running for Nevada governor assaulted and propositioned her.

Less than two weeks before the Nov. 7 election, the alleged bribery attempt that Chrissy Mazzeo, 32, described at a news conference reignited a sex-tinged controversy that Rep. Jim Gibbons says could influence his tight contest with Democratic state Sen. Dina Titus.

Gibbon's lawyer, Don Campbell, later at a news conference called Mazzeo “an exceedingly troubled young woman” with a “troubled past,” who was making “wild and reckless allegations.”

Gibbons, 61, who is married, has denied the allegations.

Mazzeo, who is raising a 3-year-old daughter alone, made three 911 calls on Oct. 13, then told police that Gibbons grabbed her arms in a parking garage, pushed her against a wall and pressured her for sex after drinking with her and four companions in a restaurant.

A police report quotes Gibbons as saying he had grabbed the arm of the woman, who “might have been tipsy,” to catch her from tripping and falling as he was helping her find her truck. Police reports say Gibbons and Mazzeo said they had been drinking wine.

Mazzeo told police Oct. 14 she didn't want to “go up against” Gibbons. She declined to press criminal charges but did not retract her allegations.

After accounts of the alleged incident appeared in local news media, Gibbons strongly denied the allegations publicly.

Clark County Sheriff Bill Young, a political supporter of Gibbons, urged voters to consider possible political motivations for the sexual misconduct allegations so close to the election.

Mazzeo's lawyer, Richard Wright, said Wednesday that Gibbons had thrown the woman's credibility into question. “I want all the truth to come out,” Mazzeo said.

Wright said a friend of Mazzeo had offered her money to sign a statement for Gibbons saying that nothing untoward had happened.

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Wright said he wants the Clark County district attorney's office to conduct an independent investigation.

Wednesday night, county District Attorney David Roger told KLAS-TV in Las Vegas that he is willing to pursue an investigation provided he has full cooperation from Mazzeo. Wright has said Mazzeo would cooperate and has offered to take a polygraph test.

Gibbons told the Reno Gazette-Journal on Monday that the incident "is going to have an impact on our campaign," but he said he would win.

The most recent public poll, conducted by Zogby International for The Wall Street Journal and released Friday, showed Gibbons leading Titus by 5 percentage points. The poll had a margin of error of +/-4 percentage points.

"If the public sees it as a reflection of bad judgment (by Gibbons), it can't help but have an impact on the campaign," Titus told the Reno newspaper Tuesday. "I have not commented, because I think it speaks for itself. It points to bad judgment, regardless of what happened."

Candidates Show Strain Of Tough Election Season (NYT)

By Carl Hulse

The New York Times, October 26, 2006

WASHINGTON, Oct. 25 — With the finish line looming in one of the most intense Congressional election seasons in years, candidates are moving into take-no-prisoners mode. Some might consider taking a deep breath instead.

Fighting for their jobs in an increasingly frenzied political environment, several candidates are showing signs of strain, uttering words they later wish they could take back, running last-ditch advertisements that push the envelope and taking other actions that are out of the political ordinary. The gaffes can have real consequences, coming when voters are paying the closest attention.

Representative Barbara Cubin, a Wyoming Republican facing a strong challenge in what should be a safe seat, this week told an opponent who uses a wheelchair that she would slap him were he not disabled.

Representative Christopher Shays, Republican of Connecticut, normally a low-key moderate, portrayed the treatment of Iraqis at the Abu Ghraib prison as the product of a sex ring rather than of abuse. Representative Steny H. Hoyer of Maryland, the No. 2 Democrat in the House, accused a black Senate candidate of "slavishly" supporting Republican policies and later apologized for a poor choice of words.

Senator Conrad Burns, a Republican fighting for his seat in Montana, hinted that there was a secret party plan for the war in Iraq. Representative Harold E. Ford Jr. of Tennessee used his campaign bus to interrupt a news conference of his opponent in the Senate race. Representative John Hostetler, an embattled Indiana Republican, broadcast a radio advertisement accusing the House Democratic leader, Representative Nancy Pelosi, of harboring a radical homosexual agenda.

John Raese, a businessman running against Senator Robert C. Byrd, a West Virginia Democrat who is 88, disparaged Mr. Byrd's physical condition. Mr. Byrd had suggested earlier that his opponent's late father would be ashamed of his son's candidacy.

"Thank God there are only 13 days left," said Tom Gavin, a spokesman for Mr. Byrd.

Political veterans say they are not surprised that some candidates are losing their cool.

"It is definitely the funny season," said Ed Rollins, a longtime Republican strategist. "When everybody thinks they are in jeopardy, whether they are or not, there is real panic. All these Republicans who thought they were in safe seats have seen their numbers drop dramatically. They are freaked."

Mr. Rollins and others attributed some of the missteps to the exhaustion of candidates who are running on fumes, the pressure of facing real competition for the first time in years, a desire to leave no stone unturned and a surly attitude that can overtake difficult campaigns in their final days.

"You hate your opponent, the press and the local politicos," said James Carville, an adviser to former President Bill Clinton and other candidates. "The combination of fatigue and pressure and everything causes people to do ridiculous things." Mr. Carville said that campaign operatives tended to overschedule late in the game. "Oftentimes," he said, "the campaigns and candidates would say, 'What do you think I should do?' And my answer is one word: less."

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After a debate on Sunday night in Casper, Wyo., Ms. Cubin approached the libertarian candidate, Thomas Rankin, who had questioned her on taking campaign aid from Tom DeLay, the former majority leader, and suggested that if Mr. Rankin, who has multiple sclerosis, did not use a wheelchair, "I'd slap you across the face."

Recounting the exchange Wednesday, Mr. Rankin said, "I feel that she is very worried about losing percentage points in the polls." He noted that the race included a third candidate, a Democrat, nipping at Ms. Cubin's heels.

Ms. Cubin's campaign did not respond to a request for comment on Wednesday, but she has offered an apology in local news interviews and attributed the remark to the stress and frustration of the campaign.

Mr. Shays, locked in a very difficult re-election campaign, also later backed away from his characterization this month of the Abu Ghraib scandal as the result of a sex ring among the military jailers.

But he has not retracted another remark that has drawn attention. Defending Speaker J. Dennis Hastert's handling of the Mark Foley Congressional page scandal, Mr. Shays said that Mr. Hastert "did not drive over a bridge and leave a young person in the water," a reference to a 1969 car accident involving Senator Edward M. Kennedy, Democrat of Massachusetts, in which a female passenger died. Mr. Kennedy had campaigned for Mr. Shays's opponent, Diane Farrell.

Many considered the acid comments by Mr. Shays to be out of character. "The pressure, I think, was getting to him," said John Orman, a politics professor at Fairfield University and a former Congressional candidate.

Mr. Burns, the outspoken Montana senator who has been involved in a series of verbal dust-ups this year, drew comparisons this month to Richard M. Nixon during the Vietnam War when he chided his Democratic opponent, Jon Tester, over Iraq and said Mr. Bush had a plan for victory he was not sharing with Democrats. Mr. Burns later acknowledged that he occasionally spoke without thinking.

Senator Elizabeth Dole of North Carolina, chairwoman of the National Republican Senatorial Committee, agreed with him on that point on Wednesday.

"Now, you know, occasionally he may say something that he shouldn't say," Mrs. Dole said during an appearance at the National Press Club. "He's an honest guy, and so that may happen."

With time running out and their seats in jeopardy, candidates are also reaching for their toughest advertisements. The one-minute radio spot being broadcast by Mr. Hostetler in Indiana warns that a Democratic victory will allow Ms. Pelosi to move forward with a radical homosexual agenda, assisted by Representative Barney Frank of Massachusetts, an openly gay member who was reprimanded by the House in 1990 for ethical breaches involving his relationship with a male prostitute.

Mr. Hostetler's campaign did not respond to a request to discuss the advertisement, but Ms. Pelosi's office did.

"It reeks of desperation," said Brendan Daly, a spokesman for the Democratic leader. "It is just the time of year when people go crazy and do crazy things, but it is not going to help them."

In West Virginia, Mr. Raese, who had previously avoided the subject of Mr. Byrd's advancing years and his occasional reliance on two canes, on Monday asked the editorial board of The Charleston Daily Mail, "Would you hire Robert Byrd if he came in and asked for a job?"

Gary Abernathy, a spokesman for Mr. Raese, said the comment reflected the candidate's frank style. "We have not made Senator Byrd's age or faculties part of the campaign rhetoric," he said. "But John feels it is obviously a factor that is a legitimate question when are you are discussing this race."

Mr. Gavin, the spokesman for Mr. Byrd, said the senator was not all that offended by the gibe. "Thankfully, Senator Byrd is not looking to take a job with Mr. Raese's companies," he said. "He will have a job for six more years."

Hillary Clinton Wins Minds But Not Yet Hearts (FT)

By Edward Luce In Washington

Financial Times, October 26, 2006

Hillary Clinton summoned a patient laugh. Having just been asked whether she had ever undergone plastic surgery, she replied: "You can look at these wrinkles – they're real."

John Spencer, the Republican whose senatorial campaign against Mrs Clinton looks more like a kamikaze mission each day, had suggested as much to one of New York's tabloids.

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"You seen pictures of her back then? Phew," said Mr Spencer. "I don't know why Bill married her."

Some suggest his real goal is to serve the larger Republican interest by ensuring that Mrs Clinton's victory next month is so emphatic she will gather unstoppable momentum to become the Democratic presidential candidate for 2008.

But there are reasons to believe the Republicans might be too sanguine about how easy it would be for their candidate to defeat Mrs Clinton in 2008, regardless of which party wins the mid-term congressional elections on November 7. A recent opinion poll in Time magazine put Mrs Clinton neck and neck with John McCain, the most likely Republican contender in the 2008 election, at 47 per cent apiece.

Watching Mrs Clinton, who turns 59 today, on the campaign trail in Long Island explains why many people who used to be hostile to her have become more open-minded.

Six years ago, when the then First Lady was selected as the Democratic candidate for New York, many saw her move as a brief stopover en route to a larger prize.

But Mrs Clinton has worked assiduously to win federal contracts and funding for communities in her state. For example, she successfully prevented the closure of a military base at Niagara and clinched $20bn (€15.5bn, £10.5bn) of immediate funding for New York after the September 11 2001 attacks.

Now she campaigns tirelessly to get better treatment for the fire and police employees who were affected by the dust at Ground Zero.

"Six years ago this room was not exactly a hothouse of support for me," said Mrs Clinton at the Suffolk Benevolent Association, a police station in suburban Long Island. Flanked by the type of hard-faced cops who would not give the time of day to a liberal, she was evidently among supporters.

"We are endorsing Mrs Clinton for the Senate because she understands us and stands up for our interests," said the local police spokesman.

At an event to rename a federal post office after a local Navy Special Forces officer killed last year fighting the Taliban in Afghanistan, Mrs Clinton spoke convincingly about military valour to hundreds of Long Island veterans.

Her speech betrayed years of diligent activity on the Senate armed services committee – Mrs Clinton's favourite platform on Capitol Hill.

"I have to admire her intelligence," said Thomas Tarragon, a retired major who said he was viscerally opposed to Mrs Clinton because she had allegedly "lied" to protect the then president Bill Clinton from the consequences of his infidelities in the White House. "The speech she gave today could have been given word-for-word by George Bush. The difference is that Mr Bush would have meant it."

In spite of her evident crowd-pulling abilities, doubts about her authenticity are unlikely to fade.

During the two senatorial debates and at press conferences on the campaign trail, Mrs Clinton has been dogged by two recurring questions.

Will she still be a senator six years from now when her term elapses? And how can she criticise Mr Bush for invading Iraq when she supported the congressional resolution which authorised it?

Mrs Clinton evades both with lawyerly consistency. "I have made no decision [about 2008]," says Mrs Clinton, although the fact she has raised close to $50m – far more than any other Democrat – for a senatorial race she could win for free keeps doubts simmering.

On Iraq, she says she thought the October 2002 resolution authorising force meant that it would never have to be used – an interpretation few others shared at the time. "I regret the way the president has used his authority," she says.

Meanwhile, Mrs Clinton's large staff, who jokingly refer to themselves as "Hillaryland", permit only homoeopathic doses of unscripted exposure.

Given the harsh tabloid scrutiny that Mrs Clinton has faced – barely a day passes without someone criticising what she is wearing or hinting at something about her husband – such protectiveness is understandable.

But even some of the veterans Mrs Clinton has won over say that her "message discipline" might become a liability during a presidential campaign.

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"Nobody really knows what she believes," said one bemedalled veteran, who was nevertheless happy that Mrs Clinton's speech had hit all the right notes about sacrifice on the battlefield.

US Faces 'bigger Skills Gap' Than India (FT)

By Francesco Guerrera, Richard Waters And Rebecca Knight

Financial Times, October 26, 2006

Azim Premji, chairman of Wipro, the Indian outsourcing group, has warned that the US faces a more acute skills shortage in information technology than India, blaming failings in America's education system and restrictive immigration policies.

The comments will bolster arguments by US companies such as Microsoft, General Electric, Google and Intel, which have urged Washington to act to reverse the steady erosion in the stock of domestic IT talent.

"There is a scarcity of IT professionals in the US," Mr Premji told the Financial Times. "Engineering is not growing talent, and that is a cause of concern."

He said Indian groups would confound expectations of a looming skills shortage in the country and continue to draw on lower-cost, highly trained graduates to retain their technological edge.

However, he said Wipro would also continue to expand outside India to serve non-English speaking countries and could open a base in Russia within 18 months.

Mr Premji, a Stanford University graduate, said the US education system was not doing enough to attract mathematics and science teachers or to steer students towards those subjects.

"Math is not considered as important, and students are not getting a premium when they graduate as engineers," he said. The US produces about 70,000 engineering graduates a year, a fraction of India's 400,000, though that number is boosted by holders of three-year diplomas.

Willard Daggett, president of the International Center for Leadership in Education, said: "The problem is not that our schools aren't what they used to be; the problem is that our schools are what they used to be."

Mr Premji said US skill shortages have been made more acute by visa rules that have cut the number of science students and professionals allowed into the US. He said the curbs made it difficult for outsourcing companies to serve US-based customers and warned that the powerful Indian IT industry could lobby the Indian government to impose retaliatory measures on the US.

Bill Gates, Microsoft's founder, has been warning about the evaporation of interest in computer science at US universities for more than two years.

Jeffrey Immelt, GE's chief, told a Washington audience in January that the US was on its way to becoming "the massage capital of the world", with more students graduating in sports sciences than electrical engineering.

The Era Of What's Next (NYT)

By David Brooks

The New York Times, October 26, 2006

Wooster, Ohio

Sometimes liberalism is dominant and sometimes conservatism is dominant, but sometimes there is no dominant ideology.

Between 1932 and 1968, liberalism dominated American politics. The big accomplishments were liberal accomplishments — Social Security, Medicare, the civil rights movement. Even if Republicans sometimes held the White House, the general drift of things was still to the left.

Between 1980 and 2006, conservatism was dominant. The big accomplishments were conservative accomplishments — the defeat of communism, the reinvigoration of the economy through deregulation, tax reform and monetarism, the rebalancing of the culture to emphasize family, work and individual responsibility. Even if Democrats sometimes held the White House, the general drift of things was to the right.

But in some eras there is no dominant political tendency. The 1970's were such a period. That decade was marked not by a change in political winds so much as by disillusionment and a scrambling of political categories. People who once had been

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liberals drifted away. Voters became cynical about politics itself. The pendulum swung not only from left to right but from politics to antipolitics. Jimmy Carter promised a break from the normal methods of political life.

We're about to enter another of those periods without a dominant ideology. It's clear that this election will mark the end of conservative dominance. This election is a period, not a comma in political history.

That's clear not only because Republicans could lose their majorities, but for several other reasons. First, conservatives have exhausted their agenda. They have little new left to propose and have lost their edge on issues like fiscal discipline and foreign policy. Second, conservatives are beset by scandals, the kind of institutional decay that afflicts movements at the end of their political lives. Third, the Reagan coalition is splintering, with the factions going off in wildly different directions.

Fourth, there is no viable orthodox conservative candidate for the 2008 Republican presidential nomination. Orthodox conservatives like Allen, Frist and Santorum are fading, and only heterodox figures like McCain, Giuliani and Romney are rising.

If you look at the political landscape, identification with the Republican Party is falling but identification with the Democratic Party is not rising. Instead, there is a spike in the number of people who do not identify with either. People correctly perceive that neither party has a coherent agenda this year.

In the near term, the candidates who thrive will be those who offer a new way of politics. This might be the maverick independence of McCain, or the ostentatiously deliberative style of Obama, or it could be the manner of somebody whom none of us are even thinking about. Candidates who seem conventional will have a tough time. This includes Hillary Clinton.

Process issues will come to the fore, issues that have to do with the way politics is conducted. So will issues of character and decision-making style. George Bush's secretive and declarative method will soon seem archaic — like the silent picture acting style in the age of sound. Instead, voters will look for candidates as interactive as the technology around them.

The center of political gravity will shift. In the liberal era, the urban Northeast dominated the landscape. In the conservative era, it was in the South and in bedroom communities like those in Southern California. In the coming era, the center of gravity will move to the West and the Midwestern plains, and to the pragmatic, untethered office park suburbs sprouting up there.

The people who will be most important are those who can most precisely identify the new era's defining problems. The first is the continuing rise of Islamic fundamentalism. It's clear the categories of the nation-state era — rollback and containment — are not working to reverse extremism, but what will? The second big problem is entitlement spending and the stultification of government.

The third challenge is the emergence of China and India — seizing the opportunities afforded by those new workers, mitigating the pain associated with tougher competition and managing the fiscal imbalances. The fourth is the growing importance of cognitive skills and cultural capital, the need to surround people, especially children, with stable relationships if they are to flourish.

One party will become distracted by passing squalls, but the other will focus on those issues. Then, a new period of dominance will begin.

Special Treatment For Air America (WT)

By John R. Lott Jr. And Bradley A. Smith

The Washington Times, October 26, 2006

When is a campaign donation not a campaign donation? Apparently if you spend the money to run a radio program instead of paying for campaign ads that run on that same program. Just look at Air America. With $41 million in losses since 2004, and $9.8 million owed just to Robert Glaser, RealNetworks chairman, Democrats who bankrolled this "company" weren't so much investors as campaign contributors. The losses are seen as simple business ineptitude,but Air America effectively, and perhaps intentionally, cleverly avoided the campaign finance limits which Democrats had worked so hard to pass.

With McCain-Feingold's "hard money" donation limits of $2,000 per candidate and "soft money" limits to party campaign committees of $57,500, there is no way that Mr. Glaser or other wealthy Democratic donors could have legally given such large sums directly to Democrats. But Air America provided a vehicle for their multimillion-dollar political campaigns.

Take Al Franken's show last Friday, the very day the network was declaring bankruptcy. The program devoted two-and-a-half hours to "Meet the Democrats," where five U.S. House and Senate candidates explained why they were the people for the

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job. Two-and-a-half hours straight of candidates talking is hardly stirring radio, but it is the Democrats' version of religious radio. Hardly meant to make a profit, but there to inspire the troops. After all, when the network started in 2004, Al Franken announced that: "I'm doing this because I want to use my energies to get Bush unelected."

Since Air America started, successful radio entrepreneurs — most notably Rush Limbaugh — have argued that Air America never had a business model that made sense. But perhaps it had a model that made political sense.

It's hardly a coincidence that Air America debuted in time for the 2004 presidential campaign or that the bankruptcy filing was put off long enough so that creditors actions won't stop broadcasts before the Nov. 7 election. As if the willingness to lose money weren't already obvious, over a year ago the network started asking listeners to donate money to keep the programs on the air.

Air America merely follows a grand tradition of circumvention by the very people who have supported campaign-finance regulation. George Soros donated millions to help pass McCain-Feingold, but was quick to work around it so that his big dollars could keep flowing. During the 2004 presidential campaign,Mr. Soros was prohibited from giving money directly to his preferred candidate, Howard Dean, so he gave $15 million to MoveOn.org so that it could raise the money for Mr. Dean.

The big innovation for Air America was using the bankruptcy laws to turn non-Democrats into involuntary campaign donors. Not only are Democratic "investors" out in the cold, but landlords, limo services, law firms, stations that sold Air America air time and state governments are owed money. Apparently, the network still owes the Gloria Wise Boys and Girls Club, a New York City program for poor kids, a whopping $875,000 — money that was transferred from the club by its former director. But even while these people are being stiffed, since the bankruptcy Air America's founders brazenly announced they are starting a new left-wing radio network.

More importantly, though, Air America shows what a mess campaign finance regulations are in. As Justice Anthony Scalia noted during the oral arguments on McCain-Feingold's constitutionality: "if history teaches us anything, [it] is that when you plug one means of expression, the money will go to whatever means of expression are left." One such means is the press: broadcast stations, magazines and newspapers are exempt from the law.

But the term "news media" is difficult to define. When McCain-Feingold first passed in 2002, the National Rifle Association generated outrage when it talked about buying a TV station, so that like other media, it could mention a candidate's name during the 60 days before the general election. Sen. John Kerry demanded that the Federal Election Commission block any attempt by the NRA to get a media exemption, stating, "We urge you to prevent the NRA from hijacking America's airwaves with the gun lobby's money." There is no record of Mr. Kerry objecting to Air America's expenditures.

Unfortunately, the contradictions may soon be getting a lot worse. Recently two Seattle radio talk-show hosts were found guilty of violating the Washington State's campaign finance regulations. The monetary value of their commentary on an initiative exceeded campaign contribution limits.Their sin was apparently to fight for lower taxes. What's next? A monetary value assigned to positive news stories in newspapers?

News organizations will rightly claim that they cannot do their jobs if campaign-finance regulations are applied to them. Hopefully even the majority on the Supreme Court, which supported McCain-Feingold, will realize that regulating the content of news stories and regulating who is part of the media goes too far.

How to solve this problem? One solution — we'll call it the First Amendment solution — is to deregulate the system, let the voters hear what people (even those with "big money") have to say, and trust the voters to choose wisely. The alternative is to extend restrictions to the press. If the latter course is chosen, Mr. Soros and his friends risk finally bringing to America the strict government control of the news he witnessed firsthand as a boy growing up under Nazi and communist dictators.

John R. Lott Jr., the dean's visiting professor at SUNY-Binghamton, served as an unpaid expert witness for the plaintiffs in the McCain-Feingold case.Bradley A. Smith, chairman of the Center for Competitive Politics, is a law professor at Capital University Law School and a former chairman of the Federal Election Commission.

Kiss Of Death For 'President'? (USAT)

By Anthony Breznican

USA Today, October 26, 2006

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How do you get people to go to a movie that sounds like it's committing treason?

That's the challenge facing Newmarket Films' new Death of a President, a fictional documentary about what could happen if President Bush were assassinated.

Simply joking about killing a sitting president is a quick way to get a visit from the Secret Service. Could the theme make potential moviegoers skittish?

"It's not a crime to see the movie," jokes Richard Abramowitz, marketing director for Newmarket, which also released the controversial The Passion of the Christ. "The film does not promote violence on any level. It no more advocates for assassination of the president than Silence of the Lambs advocates for cannibalism."

Death of a President, from British director and co-writer Gabriel Range, has raised hackles ever since it premiered in September at the Toronto Film Festival.

Some large theater chains balked at featuring it, and the film will open Friday in about 100 theaters, mostly art houses. CNN and Fox News refused to run ads for the movie.

"There's a provocative element to it, particularly in synopsis," Abramowitz says. "A one-sentence logline makes the film sound more incendiary than it is."

The film starts with the faux assassination in 2007 and features fictional Secret Service agents, speechwriters, investigators and journalists discussing the events and their repercussions.

One of the suspects has ties to Syria, which leads the newly inaugurated President Cheney to threaten military force.

Range, who has made similar theoretical films about the "collapse" of Britain's transportation and banking systems, says he used Bush instead of a fictional substitute because the story would have been powerless without the trappings of current events.

"This film is about the world we live in," he says. "It's about the consequences of the climate of fear."

Though it won the International Critics Award in Toronto, reviews have been divided.

Jim Emerson, who is filling in for the ailing Roger Ebert at the Chicago Sun-Times, wrote that the use of real characters is "seamless, intelligent and maybe even necessary to an understanding of George W. Bush's role in the world." The Hollywood Reporter's Kirk Honeycutt called Range's manipulation of real footage a "morally dubious tactic."

Conservatives and liberals alike have condemned the subject matter. Sen. Hillary Rodham Clinton called the film "despicable."

Though the White House is obviously displeased with his film, Range says he was contacted only once by the Secret Service, when he was shooting motorcade scenes in Chicago.

Range says Secret Service agents did not ask him to submit a script for review. "I think it was clear to them that the film was being made, and no way was it going to incite anyone to do this."

A Capital Connection (WP)

The Washington Post, October 26, 2006

THE QUALITY of communication between the Washington area and Beijing could influence global stability. But there is no direct flight between the two capitals. Over the next couple of months, the Transportation Department will consider whether that should change. For economic reasons as well as geopolitical ones, the department should back a United Airlines proposal to launch daily service to Beijing from Dulles International Airport.

Because the Chinese government restricts direct flights into Beijing and Shanghai, the number of American cities with nonstop access has to be rationed. At present, there are direct connections to Shanghai, Beijing or both from San Francisco, Los Angeles, Chicago, New York and Newark. Under an agreement with the Chinese, the Transportation Department can give out one more direct link. Washington is competing for the prize with Newark, Detroit and Dallas. All contestants pad their case with scrolls of politicians' signatures and learned economic studies.

Newark serves a large region full of globe-trotters, but it already has direct service to Shanghai and there are daily nonstop flights to Beijing from New York's John F. Kennedy International Airport. Detroit and Dallas lack direct flights, but their populations are 5.4 million and 6.2 million, respectively; the Washington metro area (including Baltimore) has 8.2 million. Washingtonians are more prone to visit China, too. In 2005, according to Transportation Department data, 49,200 people flew (indirectly) from

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Washington to Beijing. But only 29,510 travelers flew the Detroit-Shanghai route that Northwest Airlines would like to serve. And only 13,390 flew from Dallas to Beijing, the route proposed by American Airlines.

The critics of the Washington route complain that United Airlines already hogs four direct flights to China a day, and awarding it a fifth would give it an unfair lead on its competitors. But United would have only a third of the nonstop flights to China. Moreover, in a market in which regulation creates artificial scarcity, what matters is not just the variety of suppliers but the quantity of the supply. Because United is proposing to use a bigger aircraft than its competitors, awarding the route to Washington would probably do more to hold down prices than awarding it to one of the other bidders.

Washington is the nation's fourth most-populous metro area after New York, Los Angeles and Chicago. That makes it the biggest without direct flights to China. For the Transportation Department, this shouldn't be a hard decision.

Not So Big Oil (WSJ)

The Wall Street Journal, October 26, 2006

Our favorite headline this week has to be "Big Worries for Big Oil," reporting that oil company profits are under pressure as oil prices decline. Exxon Mobil, Royal Dutch Shell, BP and other members of the vast energy conspiracy may have a hard time keeping their run of profit growth going now that oil prices have fallen to $60 or so a barrel from upwards of $80.

Imagine that: Oil companies are subject to market forces. They may make big profits when the price of oil rises, but those profits invariably fall back down to Earth when oil prices decline. This is also what happened in the 1990s, as oil crashed below $20 a barrel after the heights reached in the 1970s. The companies and their shareholders swallowed those declines, as they should have.

This cycle is typical of commodity markets, and is part of the risk of doing business. The run-up in oil prices over the past couple of years was rooted in worries about supply related to hurricanes, Middle East tensions and low stockpiles, as well as growing demand in a strong global economy and the Federal Reserve's easy money policy. As supply fears and demand have ebbed and the Fed has tightened, prices have fallen back down, albeit still to higher levels than a decade ago.

The recent price decline is also proof of the folly of a "windfall profits" tax or similar punitive measures against Big Oil favored by so many politicians. Only this week, however, Democratic Leader Nancy Pelosi repeated her pledge to soak the oil companies if her party takes over the House next month.

Her policy seems to be that when oil prices decline, oil company shareholders must absorb all the market risk and the lower profits. But when oil prices rise, the companies must hand over a cut of their profits to Members of Congress to spend as they like. The only "windfall" is for the political class.

Chad Says Sudan Is Arming Rebels (NYT)

By Lydia Polgreen

The New York Times, October 26, 2006

NDJAMENA, Chad, Oct. 25 — The Chadian government on Wednesday accused Sudan of supplying rebel groups seeking to overthrow President Idriss Déby with weapons and providing them cover to operate in Sudanese territory.

The accusation, made by government and military officials as a rebel group moved toward the capital, heightened the already tense relations between the neighboring countries. They have been at odds over the rebellion in Darfur, which Sudan accuses Chad's government of supporting.

"These rebels entered Chad from Sudan, and they could only have procured this type of military equipment within the sight of and with the knowledge of the Sudanese authorities," the Chadian foreign minister, Ahmar Allami, told Agence France-Presse. "Sudan cannot deny it."

Lt. Col. Mahamat Hassane, a spokesman for the Chadian military, said the rebel group had reached the provincial town of Am Timan, but had not gone any further.

The loose coalition of several rebel factions opposed to Mr. Déby's government have advanced from the eastern part of the country toward the capital, but appear to have stalled. The government has sent reinforcements to Mongo, hoping to prevent the rebels from marching into the capital.

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Government officials and diplomats feared a replay of the coup attempt in April, when hundreds of troops drove across the eastern scrubland into Ndjamena, and fierce firefights broke out. About 300 people were killed in the fighting, though the coup attempt failed.

In the current standoff, there have been no confrontations between the rebels and the army. The rebel group has occupied at least two towns, but their location, the size of their force and their intentions remain unclear. The group appears to be well armed — it fired a SAM-7 ground-to-air missile at a French military plane, according to the French government, but did not hit it.

Chad and Sudan have been trading accusations over the past year that each country supports rebel movements in the other. The countries appeared to reconcile this summer under a nonaggression pact brokered by Libya. Sudan's president, Omar al-Bashir, attended the inauguration of Mr. Déby, who was re-elected in May after changing the Constitution to allow him to run for a third term.

The increased conflict along the porous border between Chad and Sudan has stymied aid operations to help the estimated 250,000 Sudanese refugees in Chad and 2.5 million displaced Darfurians inside Sudan. It has also forced tens of thousands of Chadians to flee their homes, some into war-ravaged Darfur.

U.S. Faults Europeans' Proposed Iran Sanctions (WSJ)

By Neil King Jr.

The Wall Street Journal, October 26, 2006

The Bush administration has raised sharp but unspecified objections to a draft package of sanctions against Iran floated by European countries.

The resolution, proposed by Britain, France and Germany under the aegis of the United Nations, seeks to cut off most outside support to Iran's nuclear and ballistic-missile programs, while limiting the travel of top Iranian military officials, European diplomats said yesterday.

Iran's uranium-enrichment program has raised suspicions that it aims to develop atomic weapons, though Tehran maintains it has only civilian-energy goals. The Europeans, who have led the diplomacy with Iran for nearly three years, are trying to craft an initial package of economic penalties that will win the support of Washington, which wants tougher punishments, as well as Russia and China, which are leery of sanctioning Iran.

A U.S. official who reviewed the draft said, "The Europeans have a fundamental difference with us on how to proceed, and this draft reflects that difference."

This first sanctions package is meant to be part of a series of increasingly stern resolutions if Iran continues to steam ahead on its nuclear program. Yet the difficulty in forging consensus on this first step shows how hard it will be to win agreement on a second sanctions plan.

Bush administration officials yesterday declined to provide details on how they would like the draft resolution altered, other than to say it isn't yet stringent enough. They cautioned that negotiations on specific language are at an early stage, and differences could be resolved in coming days. Russian and Chinese diplomats said they were still reviewing the draft and declined to comment.

Top officials in Moscow and Beijing have expressed reservations about imposing any measures that would encourage the Iranians to pull out of the nuclear Non-Proliferation Treaty or to reject future cooperation with the International Atomic Energy Agency. Iran signed the treaty in the 1960s, forswearing nuclear weapons in exchange for access to technology that could be used for an energy program.

One issue particularly sensitive to Moscow is the future of the Russian-led work on Iran's Bushehr nuclear-power plant, which Russia doesn't want to see canceled. The draft would allow that work to continue, but without Russia supplying the reactor with fuel. U.S. officials said they would like the language on Bushehr to be altered, but declined to provide details of what Washington wants.

A U.N. resolution in July threatened to impose sanctions on Iran if it didn't suspend uranium enrichment and agree to return to negotiations by the end of August. Since then, the U.S., Russia, China, France and Britain -- the five veto-wielding members of the U.N. Security Council -- have wrestled with what sort of penalties might bring Tehran back to the table.

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The Bush administration has hoped that concerns about North Korea's nuclear test earlier this month might galvanize support for a more muscular approach toward Tehran. Yet Iran's oil wealth and complex commercial interactions with Europe, Russia and China make the U.N. diplomatic effort more complex.

European and U.S. diplomats said negotiations over the draft resolution could drag into next week or beyond.

Write to Neil King Jr. at neil.king@wsj.com1

Draft Iran Resolution Would Restrict Students (NYT)

By Helene Cooper And Thom Shanker

The New York Times, October 26, 2006

WASHINGTON, Oct. 25 — The United States and three European allies have given Russia and China a draft text for a Security Council resolution against Iran's nuclear program. The proposal includes the extraordinary step of preventing Iranian students from studying nuclear physics at foreign universities and colleges.

The draft resolution would also prohibit any technical or financial assistance that could benefit Iran's nuclear program, and would impose a visa ban on any Iranians involved in nuclear activities, according to European diplomats involved in the negotiations.

Bush administration officials and their European counterparts have been squabbling over details of the draft resolution for the past week, and the horse-trading will probably increase now that the Russians and the Chinese have been given the draft.

United Nations ambassadors from the six countries — the five permanent members of the Security Council and Germany — are scheduled to meet Thursday to debate the resolution, officials said.

Secretary of State Condoleezza Rice urged the Security Council to move rapidly to adopt the resolution, saying the authority and standing of the international community were at stake.

"For the international community to be credible, it must pass a resolution now that holds Iran accountable for its defiance," Ms. Rice said during a speech on Asia policy at the Heritage Foundation, a conservative Washington policy research organization.

She said that Iran and North Korea had challenged international attempts to halt the proliferation of unconventional weapons, and cautioned that the Iranian leadership was assessing how strictly the world community would enforce recent United Nations sanctions on North Korea.

"The Iranian regime is watching how the world responds to North Korea's behavior, and it can now see that the international community will confront this threat," she said. "Iran can see that the path North Korea is choosing is not leading to more prestige and more prosperity or more security; it's leading to just the opposite."

But after five months of missed deadlines, counterproposals and diplomatic overtures on Iran, few officials from any of the six countries involved were willing to predict when a final sanctions resolution might pass the Security Council. "A matter of weeks," one senior Bush administration official said. "Maybe."

"Will it be the resolution that we would have if we had written it by ourselves? Probably not, but that's part of multilateral diplomacy," Sean McCormack, the State Department spokesman, said. "We fully support this draft, and we look forward to its adoption."

As is customary in diplomatic negotiations, officials who were most up to date on the talks would not allow themselves to be publicly identified by name or nationality. Those who discussed it on background came from several nations involved in the talks.

It was unclear just how far-reaching the proposed ban against nuclear education for Iranian students abroad would be, and the diplomats involved in the negotiations did not seem to have resolved that issue.

The prohibition would ban any training and education of Iranian citizens if it could eventually contribute to nuclear and ballistic missile programs. But whether such a ban would extend to all physics courses, or even to mathematics and other courses, remained undetermined.

The bickering of late has largely been tactical, with the United States on one side and Europe on the other, with both sides trying to decide how best to get the Russians and Chinese to sign on to tough sanctions.

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The American ambassador to the United Nations, John R. Bolton, for instance demanded that the draft resolution bar Russia from continuing to build Iran's first nuclear power plant — at Bushehr, in the southwest of the country — American and European negotiators said. While some American officials acknowledged that a provision against all work on Bushehr was unrealistic, Mr. Bolton wanted to put it on the table as a bargaining chip to get other Russian concessions, European diplomats said.

The French and British, however, disagreed with that approach, arguing that Bushehr was a "red line" for the Russian foreign minister, Sergey Lavrov, and there was no point in putting something in the draft that would come out anyway.

"It's like a flea market," said one European diplomat. "The Americans say, 'We have to make the text even stronger because we know the Russians will water it down.' But that's not a productive way of thinking."

The draft resolution states that sanctions would apply to fuel at Bushehr but not construction, diplomats said.

Iran Said To Be Stepping Up Nuclear Programme (FT)

By Najmeh Bozorgmeh In Tehran And Guy Dinmore In Washington

Financial Times, October 26, 2006

Iran was reported on Wednesday to be accelerating its uranium enrichment process even as Europe took the first steps at the United Nations Security Council towards obtaining a resolution that would impose sanctions on Iran for refusing to suspend its nuclear fuel programme.

Iran's semi-official student news agency, ISNA, quoted an unnamed Iranian official who said a second network, or cascade, of centrifuges used to produce enriched uranium was installed last week, and that injection of the gas feed would take place this week.

"The product of the second cascade will be achieved soon after gas injection," the official said.

Iran began running one cascade of 164 centrifuges at its Natanz facility under UN inspection in January. It denies it has a weapons programme and says the uranium will only be enriched to the low level needed to fuel a civilian nuclear reactor.

Experts in Tehran believe Iran's installation of the second cascade is intended to signal its defiance of sanctions that have been threatened following the Islamic republic's refusal to heed a UN security council demand to suspend the programme that set an August 31 deadline.

"It's a significant part of Iran's policy… to show 'stick policy' will lead only to escalation of [the] crisis and won't hurt Iran's irreversible path," commented Aftab website which is close to Hassan Rowhani, the former nuclear negotiator.

Regime insiders say Iran's top leadership is not particularly worried about nuclear-related sanctions.

On Wednesday France, Germany and the UK – the so-called EU3 that had been negotiating with Iran – presented a draft sanctions resolution to the US, Russia and China for discussion.

Diplomats said one issue at dispute between the EU3 and the US was the future of the Bushehr reactor under construction by Russia in southern Iran. The draft says the "construction" of Bushehr is exempt from the sanctions, but the US has sought to block Russia's planned supply of nuclear fuel next year.

Nicholas Burns, US under secretary of state, said he did not think the Bushehr issue would be a major stumbling block.

The European proposal would seek to prohibit nuclear and ballistic missile cooperation with Iran - unless exempted - by taking "necessary measures" to prevent the supply, sale or transfer of materials and technology. It would also halt related financial transactions, block international travel for Iranians connected to those activities and freeze their overseas assets.

A list is to be drawn up of individuals subject to the travel ban and asset freeze. It is not clear how far up the political hierarchy such a list might go.

Discussions among the five permanent members of the Security Souncil and Germany are to start on Thursday.

Tony Blair, the UK prime minister, told parliament that the UK was working closely with other veto-wielding Security Council members to get a "proper, binding resolution".

The US and Europe say the proposed resolution is intended as a first step, and would be followed by steadily escalating measures if Iran did not comply.

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At the same time, diplomats are worried that the process could end up replicating the crisis with North Korea whereby Iran would respond to threats by expelling UN inspectors and quitting the nuclear Non Proliferation Treaty. For this reason Europe – including the Russians who have a $1bn contract – are insisting that the Bushehr project should be allowed to continue.

European officials hope negotiations will resume with Iran but on the precondition that it first suspend its enrichment programme.

President George W. Bush reiterated on Wednesday that the US would be ready to join Europe in negotiations following verifiable suspension.

"We've got a lot of issues with Iran," Mr Bush told a news conference. "The first is whether or not they will help this young democracy succeed," he said, referring to Iraq. He said the "second issue" was whether Iran would help the Lebanese government, and that the "big issue" was "whether or not Iran will end up with a nuclear weapon".

Secretary Of State ElBaradei (WSJ)

The Wall Street Journal, October 26, 2006

Mohamed ElBaradei, the director general of the U.N.'s International Atomic Energy Agency, is supposed to be the Jack Webb of the nuclear nonproliferation scene, a "just the facts" man who reports his findings to his political superiors in the U.N. Security Council. Lately, however, he's been sounding more like the real life Jimmy Carter than the fictional TV detective.

"I don't think sanctions work as a penalty," Mr. ElBaradei opined after meeting with Condoleezza Rice on Monday. The director general was talking about North Korea, of whose leaders he took the forgiving view that they are testing nuclear weapons because "they feel isolated, they feel they are not getting the security they need." As for Iran, "the jury is still out on whether they are developing a nuclear weapon." However, he was quite certain that "at the end of the day, we have to bite the bullet and talk to North Korea and Iran." No doubt Condi was grateful for this free public chiding.

Leave aside for now the substance of Mr. ElBaradei's policy views; at stake here is the question of whether the IAEA can be trusted to be "continuously objective and impartial," words the director general has used elsewhere to describe his organization. That's also the line he took when he was lobbying in 2005 for an unprecedented third term against the opposition of then Undersecretary of State John Bolton, keeping the job after Ms. Rice and the White House acquiesced while asking Mr. ElBaradei to be tough on Iran.

These assurances look disingenuous now that Mr. ElBaradei is offering confident judgments, well above his pay grade, about Kim Jong Il's motives -- and cautious ones about Mahmoud Ahmadinejad's. It's even harder to believe given the selective leaks and political hits the IAEA has recently practiced against the Bush Administration and its allies in Congress.

Consider a recent imbroglio between Mr. ElBaradei and Pete Hoekstra, Chairman of the House's Permanent Select Committee on Intelligence. In the last year, and initially with bipartisan agreement, Mr. Hoekstra's committee has published regular reports on threats to American security, including on al Qaeda, North Korea and Iran. These reports are generally based on reputable open sources and are intended for broad public distribution and debate. They also repeatedly acknowledge that "the United States . . . [lacks] critical information needed for analysts to make some key judgments."

In other words, there's not much to get worked up about here. At least not until the IAEA decided to leak to the press an ostensibly private letter to Mr. Hoekstra detailing its objections to a report on Iran, which the agency variously labeled "outrageous," "dishonest," "erroneous" and "misleading."

And what was so dreadful about the report, which had bipartisan blessing? Aside from huffing over two committee "errors" -- one of them trivial, the other semantic -- the IAEA took furious exception over the committee's statement that the IAEA had decided to remove Chris Charlier, its chief weapons' inspector for Iran, after Mr. Charlier said publicly that he thought the Iranians were intent on building a nuclear weapon.

The IAEA insists that it was Iran, not the IAEA, that demanded Mr. Charlier's removal, and that Iran is within its legal rights to do so. That's true. But it is also true that Iran has repeatedly -- and illegally -- denied IAEA inspectors the multiple-entry visas they need to do their job.

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"Iran has consistently been in non-compliance with its safeguards agreement on this point," a former IAEA official recently told the Platts news agency. "And until now the IAEA has been unwilling to draw international attention to that fact." Our sources tell us that, in addition to Mr. Charlier, Iran denied entry to two other IAEA weapons inspectors in August alone.

This is no small thing. Under Mr. ElBaradei's leadership the IAEA has presented itself as the ultimate arbiter on questions of nuclear proliferation, despite its failures to detect Iraq's nuclear-weapons programs in the 1980s and Libya's in the early part of this decade. Yet if the IAEA cannot get its personnel unimpeded into Iran -- and especially if Iran can bar the toughest, most skeptical inspectors -- the quality of the IAEA's information and the reliability of its judgments are bound to deteriorate.

Had Mr. ElBaradei been doing his real job, he might have made a more strenuous effort at pointing out publicly Iran's failures to comply with its obligations, rather than offer grand pronouncements on diplomacy and making partisan intrusions into American politics by critiquing Congressional white papers and Administration policy. As it is, we have Mr. Hoekstra to thank for bringing to light yet another instance of Iran's bad faith, and of the U.N.'s unreliability.

Iranian Ex-Leader Sought In Argentina (WP/AP)

By Oscar Serrat

The Washington Post, October 26, 2006

BUENOS AIRES, Oct. 25 -- Argentine prosecutors asked a federal judge on Wednesday to order the arrest of former Iranian president Ali Akbar Hashemi Rafsanjani and seven other people in the 1994 suicide bombing of a Jewish community center here that killed 85 people.

The decision to attack the center "was undertaken in 1993 by the highest authorities of the then-government of Iran," prosecutor Alberto Nisman said at a news conference. He said the actual attack was entrusted to the Lebanon-based group Hezbollah.

The detonation of an explosives-laden vehicle near the Jewish center in Buenos Aires was among the worst terrorist attacks ever on Argentine soil. In addition to killing 85 people, the attack injured more than 200.

Iran's government has vehemently denied any involvement in the bombing, following repeated accusations by Jewish community leaders and others here. Iranian authorities in Buenos Aires declined to comment.

Prosecutors urged the judge to seek international and national arrest orders for Rafsanjani, who was Iran's president from 1989 to 1997. They also asked the judge to detain former intelligence chief Ali Fallahijan and former foreign minister Ali Akbar Velayati.

In addition, they urged the arrest of two former commanders of Iran's Revolutionary Guards, two former Iranian diplomats and a former Hezbollah security chief for external affairs.

Nisman and fellow prosecutor Marcelo MartÃ-nez Burgos said they suspected that Hezbollah undertook activities outside Lebanon only "under orders directly emanating from the regime in Tehran."

Federal Judge Rodolfo Canicoba Corral made no public comments after the news conference. Under Argentine law, the judge is allowed an indefinite period to accept or reject such recommendations.

The two prosecutors head a special investigative unit probing the attack on the Jewish center, since rebuilt into a heavily guarded fortress-like compound.

Nisman announced in November 2005 that investigators believed a 21-year-old Lebanese member of Hezbollah was the suicide bomber.

The attack on the seven-story center, a symbol of Argentina's more than 200,000-strong Jewish population, was the second of two attacks against Jews in Argentina during the 1990s.

In March 1992, a blast destroyed the Israeli Embassy in Buenos Aires. Twenty-nine people died in that attack, which has also been blamed on Hezbollah.

Some people here speculated that the embassy bombing was inspired by Argentina's support for the U.S.-led coalition that expelled Iraqi forces from Kuwait during the Persian Gulf War in 1991. Others said Argentina's Jewish community, one of the largest in Latin America, represented an obvious target for Israel's opponents.

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Although Jewish community leaders and others have said they suspect the involvement of Middle East terrorists in the 1994 attack, lack of progress in tracking down the organizers has made families of the victims increasingly bitter. In 2004, about a dozen former police officers and an accused trafficker in stolen vehicles were acquitted of charges that they had formed a "local connection" in the bombing.

Argentina Seeks Arrest Of Former Iranian Leader (USAT/AP)

By Oscar Serrat

USA Today, October 26, 2006

BUENOS AIRES — Argentine prosecutors asked a federal judge on Wednesday to order the arrest of former Iranian president Akbar Hashemi Rafsanjani and seven others in the 1994 bombing of a Jewish cultural center that killed 85.

The decision to attack the center "was undertaken in 1993 by the highest authorities of the then-government of Iran," prosecutor Alberto Nisman said. He said the attack was carried out by the Lebanon-based group Hezbollah.

The bombing of the Jewish cultural center in Buenos Aires killed 85 people and injured more than 200 when a vehicle laden with explosives detonated near the building. It was the worst terrorist attack in Argentine history.

Iran's government has vehemently denied any involvement in the attack following repeated accusations by Jewish community and other leaders here. Iranian authorities here contacted by the Associated Press had no comment.

Prosecutors urged the judge to seek international and national arrest orders for Rafsanjani, Iran's president from 1989 to 1997. They also asked the judge to detain other former Iranian officials, including an intelligence chief, Ali Fallahijan, and a foreign minister, Ali Ar Velayati.

The prosecutors urged the arrest of two former commanders of Iran's Revolutionary Guards, two former Iranian diplomats and a former Hezbollah security chief.

Nisman and fellow prosecutor Marcelo Martinez Burgos said they suspected that Hezbollah undertook activities outside Lebanon only "under orders directly emanating from the regime in Tehran."

Federal Judge Rodolfo Canicoba Corral had no comment. He has an indefinite amount of time to accept or reject the recommendations.

The current investigation began after Argentina's federal courts in 2004 halted a botched investigation into the case.

Nisman announced last November that investigators believed a suspected 21-year-old Lebanese Hezbollah militant had been identified as the suicide bomber.

Jewish center leaders said Wednesday that they had no immediate statement.

The attack on the seven-story Jewish center, a symbol of Argentina's more than 200,000-strong Jewish population, was the second of two attacks targeting Jews in Argentina during the 1990s.

A March 1992 blast destroyed the Israeli Embassy in Buenos Aires, killing 29 people.

Argentine Prosecutor Ties Iran To Bombing Of Jewish Center (MCT)

By Claudia Sanchez, Jack Chang And Kevin G. Hall

McClatchy Newspapers, October 26, 2006

BUENOS AIRES, Argentina - An Argentine prosecutor on Wednesday sought the arrest of former Iranian President Akbar Hashemi Rafsanjani, accusing him of approving the 1994 car bombing that killed 85 people at a Jewish community center in the Argentine capital.

Prosecutor Alberto Nisman charged that six other Iranians and a Lebanese were involved in the attack, including a top Hezbollah figure, Imad Fayez Mugniyah. Mugniyah is already wanted by the United States for allegedly plotting the 1983 bombing of the U.S. Marine barracks in Beirut and the 1985 hijacking of a TWA airliner, which resulted in the murder of U.S. Navy diver Robert Stethem.

Nisman said the accused met on Aug. 13, 1993, in Mashad, one of Iran's holiest cities, to approve the attack. He charged that the plot involved not only top political officials, but also lower-level diplomats in the Iranian Embassy in Buenos Aires.

"It wasn't a decision taken around a coffee table one day to the next by five or six gentlemen," said Nisman. He called it a well-calculated plan that was part of a "terrorist matrix" that included assassinations in France, Germany and Switzerland.

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Nisman is the first Argentine official to publicly accuse officials in Tehran of involvement in the attack, which many here consider the Argentine equivalent of Sept. 11, and his charges lend credence to longstanding American claims that Iran and Hezbollah are sponsors of international terrorism.

But they aren't likely to result in arrests anytime soon. Judge Rodolfo Canicoba Corral must first approve Nisman's findings and issue arrest warrants. Then Argentina would have to seek the suspects' extradition from Iran - a request Iran is unlikely to honor.

Warrants could, however, prevent the suspects from traveling freely outside Iran; they'd be subject to arrest under international police agreements.

Nisman, who spoke to reporters in Buenos Aires, released few details of his investigation. A full report was given to Canicoba on a CD because of the volume of the material. It's unknown when Canicoba will rule on the matter.

How Nisman traced the bombing to a specific meeting attended by Rafsanjani is also unknown. In Washington, Vincent Cannistraro, a former head of counterterrorism operations and analysis for the CIA, said he doesn't know of anyone who can confirm the meeting.

"From an intelligence point of view, we know Mugniyah directed the operation," Cannistraro said. "There's been no confirmation of any meeting. ... No one has that precise intelligence. I do know there is not a hard source that is credible and attended that meeting."

Rafsanjani was the president of Iran from 1989 to 1997 and remains a powerful political force there. He ran for president last year, but was defeated by the current president, Mahmoud Ahmadinejad. He currently serves as chairman of the Expediency Discernment Council, a powerful body that attempts to resolve policy differences between the government and the clerics who must approve all government actions.

In 1997, German prosecutors said they believed Rafsanjani ordered the murder of an Iranian-Kurdish leader there, but Rafsanjani was never charged.

Rafsanjani also was the go-between in the arms-for-hostages deals that gave rise to the Iran-contra affair during Ronald Reagan's presidency.

Mugniyah has an extensive terrorist resume. He was indicted in the United States for Stethem's murder and is on the European Union's list of most wanted terrorists. He's variously described as Hezbollah's head of security and a founder of the organization. In addition to the Marines barracks bombing, he's thought to have been involved in the 1983 bombing of the U.S. Embassy in Beirut and the kidnapping of journalist Terry Anderson there.

The United States has offered a $5 million reward for his capture.

The bombing of the AMIA Jewish center here has remained an open wound, with accusations of bungling and cover-ups being levied against successive Argentine governments. The only people tried in the case were two Argentine police officers accused of helping terrorists obtain a van used to carry a hidden bomb. Both were cleared.

Adding to the mystery, a former Iranian spy alleged in 2003 that Carlos Saul Menem, Argentina's president at the time of the bombing, received $10 million in a secret Swiss bank account as payment from Iran to quash the investigation. Menem, of Syrian descent, acknowledged the secret account but denied the hush money.

Later that same year, as Argentina tried to have Great Britain extradite Hadi Soleimanpour, Iran's former ambassador to Argentina, news reports emerged that the chief Argentine judge investigating the bombing - Juan Jose Galeano - paid a witness $400,000 for testimony and that he was writing a book on the case. He was removed from the case in 2004, and Nisman was appointed to investigate.

Against that backdrop, families of the victims had their doubts Wednesday.

"After more than 12 years, we had hoped for more results," said Sofia Guterman, whose 28-year-old daughter, Andrea, perished in the attack, which also injured more than 200. "I don't think it'll be very easy to extradite those people."

Lawyers representing the victims were a bit more upbeat. Marta Nercellas, who's investigated the Iranian connection even when her government wouldn't, told McClatchy Newspapers that there's new evidence in Nisman's case.

Nercellas said Nisman's report includes testimony from former Iranian spies and ex-Hezbollah fighters who now reside in Europe.

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"There are new and different testimonies," she said.

McClatchy Newspapers special correspondent Sanchez reported from Buenos Aires, Chang from Rio de Janeiro and Hall from Washington.

Rice Presses South Korea On Sanctions (AP-Y)

By Anne Gearan, Ap Diplomatic Writer

AP, October 26, 2006

Secretary of State Condoleezza Rice gently prodded South Korea on Wednesday to show a strong commitment to international sanctions imposed against North Korea for its nuclear test this month.

Rice said the U.S. has no wish to tell Seoul how it should coexist with its neighbor and noted the vigorous debate in South Korea over the future of its "sunshine policy" of partial rapprochement.

But she said North Korea's test of a nuclear device Oct. 9 "requires a strong response," and said that adherence to a U.N. resolution banning the sale of weapons material, luxury goods and more to North Korea is key. The sanctions also seek interception of ships believed to be carrying suspect materials.

"It requires a strong commitment by South Korea," she told the conservative Heritage Foundation. "Any activities need to be seen in the light of making certain to implement that resolution."

South Korea so far has balked at taking strong measures to support the sanctions, mindful of Pyongyang's massive armed forces poised at the border, its family and cultural ties with the North and its wish to expand economic relations with its neighbor.

"We understand that this is a complicated set of issues for South Korea," she said. "South Koreans don't need us to tell them what to do about their policies."

Rice returned Sunday from a weeklong trip to Asia and Moscow to line up support for the U.N. resolution, approved five days after the North's nuclear test.

"North Korea's behavior poses a regional challenge and it must be addressed in a regional context," she said. "South Korea must be part of the solution, as should Japan and China and Russia.

"These countries all share an interest in a denuclearized Korean Peninsula. They all have leverage to help bring it about. And they must all accept their share of the responsibility to help," Rice said.

S. Korea Official Quits Over North Policy (WT)

By Andrew Salmon

The Washington Times, October 26, 2006

SEOUL -- South Korea's unification minister resigned yesterday, the highest-profile casualty yet in a battle over the government's North Korea policy after an Oct. 9 nuclear test by Pyongyang.

"I am confident about the results our North Korean engagement policy achieved," said Lee Jong-seok, who became unification minister in February.

A strong advocate of engagement and reconciliation with the communist North, Mr. Lee said, "Faced with North Korea's nuclear test, I apologize to the people and to the president."

He said efforts to achieve "peace and security and inter-Korean reconciliation on the peninsula are being recklessly politicized."

Policy toward North Korea has been the subject of fierce debate after Pyongyang's underground nuclear detonation.

In the immediate wake of the test -- conducted despite repeated warnings from Seoul -- opinion polls suggested a strong public reaction against the government's engagement policy toward the North.

Other key supporters of the policy also are departing the government of President Roh Moo-hyun.

Defense Minister Yoon Kwang-ung resigned Monday, citing strained negotiations over the command of U.S. forces during wartime, and Foreign Minister Ban Ki-moon, the U.N. secretary-general-designate, is expected to depart his post in the near future.

The U.N. Security Council unanimously adopted sanctions against North Korea less than a week after the nuclear test, but South Korea has been reluctant to punish Pyongyang for fear of angering the often-hostile neighbor.

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South Korean investments, which have earned the North about $1 billion in foreign currency, are under scrutiny.

The main projects include a South Korean-financed industrial park and a South Korean tourist project in the North.

North Korea yesterday warned the South not to participate in the U.N. sanctions, calling it a "declaration of confrontation against its own people" and threatening to "take corresponding measures" if the South goes along.

The sanctions include a requirement to inspect cargo ships thought to be holding missile- and nuclear-related materials.

President Bush dismissed the North's rhetoric.

"The leader of North Korea likes to threaten," Mr. Bush told reporters in Washington, referring to the North's Kim Jong-il.

Kim Myung-whai of the Institute of Korean Studies noted the shift in public opinion since the nuclear test.

"The engagement policy is not popular among people; many politicians and the public think it has to be changed," he said.

Peter Beck, who heads the International Crisis Group's Seoul office, said there is little evidence that South Korea's government will change its policy toward the North.

"Government seems unwilling to link North-South cooperation with the broader goal of putting an end to North Korea's nuclear arms," Mr. Beck said.

Rice Plays Down Veiled Putin Criticism Of US Handling Of NKorea Crisis (AFP-Y)

AFP, October 26, 2006

The United States brushed aside a complaint by Russian President Vladimir Putin that North Korea tested a nuclear weapon because it had been backed into a corner by its rivals.

US Secretary of State Condoleezza Rice, who met Putin last week in Moscow, said she had extensive discussions on the North Korean issue with Russian leaders and agreed on the need to implement UN sanctions against Pyongyang over its October 9 test.

The goal of the resolution, she said, is to force North Korea back into six-party talks on giving up its nuclear program in exchange for aid and improved relations with the international community.

"It is true that people are concerned that North Korea have a path out if it decides to choose that path out," she said when asked about Putin's remarks during an appearance at the conservative Heritage Foundation think tank.

"And I think we have established that there is indeed a path, which is the six-party talks -- that all North Korea needs to do is return to those and return to them seriously," she said.

In what was seen as veiled criticism of the aggressive US policy on North Korea, Putin said earlier on Russian television that one of the reasons Pyongyang chose to set off its first nuclear explosion was that "not all participants in the (six-party) talks process could find the right tone in the talks".

"You never need to push a situation into a dead end. You never put one of the participants in negotiations in such a situation where it has almost no exit, except one -- to escalate the situation," Putin said.

Rice played down the remarks.

"I don't read anything into concerns that you worry about North Korea being locked into a corner, because everybody understands that they've got to implement the resolution," she said.

The six-party talks include China, Japan, Russia, South Korea, the United States and North Korea.

Tokyo Denies Report It Wants Nuke Meet (AP)

By Hans Greimel, Associated Press Writer

AP, October 26, 2006

Japan's foreign ministry Thursday denied a news report that the government is planning a meeting with the U.S. and South Korea as early as next month to solidify a common stance on the North Korean nuclear standoff.

The report comes amid growing concerns that South Korea has been hesitant to join the United States and Japan in punishing North Korea for conducting its first-ever nuclear test earlier this month.

Kyodo News agency, citing unidentified government officials, said the meeting among the allies will likely be held in Seoul, the South Korean capital, and include the nations' chief delegates on the North Korean nuclear crisis.

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The goal is to lay the groundwork for working-level meetings with the three and Russia and China, on the sidelines of November's Asia Pacific Economic Cooperation forum in Vietnam, Kyodo said.

Japan wants the trilateral meeting to reaffirm the demand that the North Korean nuclear crisis be resolved through six-party talks that include North Korea, South Korea, the United States, Japan, China and Russia, according to the report.

A Foreign Ministry spokeswoman denied the report. She spoke on condition of anonymity, citing ministry protocol.

North Korea has rejected the six-party format, saying it first wants the United States to lift financial restrictions imposed against the country. It has also been pushing for direct bilateral talks with Washington, a demand the United States has refused.

On Wednesday, South Korea said it formed a task force to look at how to impose U.N. sanctions on North Korea for its nuclear test, while the communist nation warned it would take countermeasures against any such move by the South.

The U.N. Security Council unanimously adopted a resolution sanctioning the North for its Oct. 9 nuclear test, but South Korea — a major aid provider to the impoverished North — has been reluctant to adopt stern measures against its volatile neighbor.

The U.N. resolution calls for all member countries to state how they plan to implement sanctions on the North within 30 days from its Oct. 14 adoption.

Later Wednesday, U.S. Secretary of State Condoleezza Rice gently prodded Seoul to show a strong commitment to the sanctions.

N. Korea Warns South Against Sanctions (AP-Y)

By Jae-soon Chang

AP, October 26, 2006

North Korea warned South Korea against joining international sanctions, saying Wednesday that its neighbor would "pay a high price" if it joins the U.S.-led drive to punish the reclusive communist nation for its nuclear test.

The statement from the North's Committee for the Peaceful Reunification of the Fatherland came as South Korea struggles to determine how it should enforce the U.N. sanctions, including whether to help interdict North Korean cargo ships suspected of transporting materials for unconventional weapons.

"If the South Korean authorities end up joining U.S.-led moves to sanction and stifle (the North) we will regard it as a declaration of confrontation against its own people ... and take corresponding measures," the North's Committee for the Peaceful Reunification of the Fatherland said in a statement.

President Bush dismissed North Korea's threats, saying leader Kim Jong Il was probing for weaknesses in the international community.

"The leader of North Korea likes to threaten," Bush told reporters in Washington. "In my judgment, what he's doing is testing the will of the five countries that are working together to convince him there's a better way forward for his people."

The U.N. Security Council unanimously adopted a sanctions resolution five days after the North's Oct. 9 test, and a South Korean task force met this week to determine how the country should address the measures, including what to do about joint economic projects with the North.

South Korea's participation in the sanctioning the North is important because the country is one of the main aid providers to the impoverished communist nation, along with China.

But both countries have been reluctant to impose stern measures against their volatile neighbor. China, North Korea's closest ally, voted for the U.N. resolution but is concerned that excessive measures could worsen the situation. South Korea has expressed similar concerns, although there was no immediate response to Wednesday's statement from North Korea.

"If North-South relations collapse due to reckless and imprudent sanctions against us the South Korean authorities will be fully responsible for it and will have to pay a high price," said the statement, carried by the North's official Korean Central News Agency.

A top U.S. diplomat said North Korea's test has brought China and the United States closer together and both countries want a unified response.

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"China has been in a very important relationship with us for many years and at no time did we feel any closer together with China than we felt in the wake of the North Korea provocation," Assistant Secretary of State Christopher Hill told reporters during a meeting of Pacific leaders in Fiji.

"I think the Chinese understand that the North Korean ... decision to proceed with a nuclear weapons program is really something quite beyond the pale and something we need to all speak with one voice about," said Hill, the chief U.S. envoy to six-nation talks on North Korea's nuclear program.

The U.N. resolution gave member countries 30 days from its Oct. 14 adoption to report on implementing the sanctions.

The South Korean panel, which met for the first time Tuesday, also is trying to decide how to handle the interdiction of North Korean cargo ships and what to do about the economic projects that have been criticized for providing hard currency to the North. The United States suspects the funds might have helped the North's arms programs.

One is a tourism program run by South Korea at North Korea's Diamond Mountain and the other is a South Korean-run industrial complex in the North Korean city of Kaesong. The North has received at least $900 million under the projects since the 1990s.

South Korea prizes the projects as symbols of reconciliation and has been unwilling to halt them. But it plans to make adjustments to meet Seoul's requirements under the U.N. sanctions.

Also at issue was whether South Korea would expand its participation in a U.S.-led drive to interdict North Korean ships and aircraft suspected of carrying weapons of mass destruction or related material.

South Korea has been reluctant to participate fully in the Proliferation Security Initiative because of concerns it could lead to clashes with North Korea and undermine efforts to persuade the communist state to give up its nuclear ambitions through diplomacy.

South Korea has only sent observers and attended briefings on the program.

South Korean Unification Minister Lee Jong-seok, a strong supporter of engagement with North Korea, offered to resign Wednesday because of the nuclear test. Critics have accused Lee of being too supportive of North Korea, but even if his resignation is accepted, it is not likely to lead to any immediate change in the South's engagement policy.

Russian President Vladimir Putin, meanwhile, also warned that pressuring the North could backfire.

"One should never lead the situation into an impasse, one should never put one of the negotiating sides in a position from which it virtually has no way out but one: an escalation of the situation," Putin said in televised comments broadcast in Moscow.

A U.S. Embassy In Pyongyang (WSJ)

By Henry S. Rowen

The Wall Street Journal, October 26, 2006

The United Nations sanctions on North Korea are useful, but unless China and South Korea change their policies, these sanctions will not have much effect on Pyongyang's weapons programs. On the contrary, be braced for more North Korean tests.

Beijing, with an assist from Seoul, has been keeping the North on life support. If it saw Pyongyang's programs as seriously damaging to its own interests, it has the means to stop them. While the Chinese say they told Kim Jong Il not to do it, they don't want chaos in North Korea with millions of refugees coming across the border; and they don't want American forces on their border, either. We and the South Koreans urgently need to discuss these matters with the Chinese -- along with the contingency known, colloquially, as "loose nukes."

A few years ago, some of us thought that Beijing would block the North's nuclear weapons because these programs would put pressure on the Japanese to get weapons of their own. Do the Chinese believe that Japan will get nuclear weapons anyway, or is that they do not care what Tokyo does? It's a puzzle.

There are some coincident, and some conflicting, interests between Washington and Beijing, but there is a larger anomaly: The country with the greatest influence in North Korea is China, while the one most at risk (so we think) is the U.S. A serious divergence of perceived interests here would not be good for either of us. As someone who regards the China-U.S. relationship as basically win-win, it is distressing to contemplate the possibility of members of Congress coming to see China's help to North Korea as supporting a major security threat to the U.S.

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South Korea has been part of the problem. Residents of Seoul are ever conscious of their vulnerability to shelling from across the DMZ. Seoul also wants to avoid chaos in the North and is trying to open it up economically and politically. And it sees itself competing with China for influence there. All this has led to large subsidies to the North under its "sunshine policy," without much to show for it. The South supports a regime whose weapons can destroy it and threaten its protector, the U.S. Worse, South Korean President Roh Moo Hyun evidently sees the U.S as more dangerous than the North. There is the potential here for a disastrous breach between Washington and Seoul.

Matters are now in flux. Even before the test, Mr. Roh and his Uri party had become very unpopular. According to a post-test poll by the JoongAng Ilbo daily, 65% of respondents said they favor South Korea getting nuclear weapons and that the policy of engaging the North had failed. These views might not last, but if they persist maybe sunshine subsidies will be cut and support for a South Korean bomb will build.

This situation is now so serious that we and the South Koreans need to work hard to come together. What should we try to accomplish regarding the North's weapons? Having worked on them for over 30 years, getting nuclear weapons seems to be in the North's DNA, although it has been expressed in fits and starts over time. The Kim family's chosen isolation, with attendant poverty and growing military weakness, has made WMDs central to its survival.

These weapons pose two main dangers to us. One is a nuclear attack by the North -- which would result in its destruction. The other, much greater, threat is the sale of weapons materials to anyone who will pay. Therefore, President Bush has said that while the U.S. has no intention of attacking North Korea, "the transfer of nuclear weapons or material . . . to states or non-state entities would be considered a grave threat to the United States and we would hold North Korea fully accountable of the consequences of such action." Think, although not exclusively, of Iran and Hezbollah, with the U.S. and Israel as the prime targets.

Without a change in position by Beijing and Seoul, there is little chance of getting rid of the North's weapons. Another challenge, with better odds, is stopping the completion of the large reactor under construction, that will make much more plutonium available for sale. If it comes into production, we face the daunting task of deterring sales -- a task for which we would need help from many others, including the Chinese, as well as military options. * * *

What about diplomacy? It is elementary that we need both sticks and carrots in such a situation. In 1994, the credible threat of an American attack on its Yongbyon reactor, combined with a package of benefits, produced an agreement that slowed the North's program for nearly a decade. (Though it didn't keep Pyongyang from circumventing it by starting a uranium enrichment effort -- it's that DNA again.)

More immediately relevant sticks include not only the Security Council endorsed sanctions, but also our actions against banks that help the North's counterfeiting and other nefarious financial transactions, as well as our efforts to disrupt sales of drugs and arms. They are good in themselves, and add some muscle to diplomacy.

The Bush administration must find it irritating to be told by such lightweights as Kofi Annan that it should deal directly with Kim Jong Il (although more substantial figures such as James Baker are also saying this). Despite such endorsements, this position should be taken seriously. The administration's stance that the North's neighbors, who are in the six-party talks, should be at the table, is correct but incomplete.

There are two distinct propositions here. One is having diplomatic relations with Pyongyang. We should have them with every state, no matter how evil. We did it with Stalin's Soviet Union, but don't want to with Kim Jong Il's North Korea. An American delegation in Pyongyang might find itself isolated; but it might learn some things, and having a presence in what looks like an inherently unstable country could have a useful payoff if parts start to break loose.

As for one-on-one negotiations, there is a case for naming an experienced political heavyweight as our negotiator (enter the name of your favorite candidate here). Most of the items on the agenda have been around for some time, but it would be foolish to pretend that nothing major has occurred, and that there aren't new items such as the sanctions. This is an unsettled time with dangers and perhaps opportunities. Expectations need to be kept under control, but the game of getting something useful in exchange for giving something should not be scorned.

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Of course, there is the argument that to do such things now signals that any state that sets off a bomb or launches a long-range missile can win recognition from us. Avoiding such awkwardness is a good reason for dealing with everybody in the first place, and, in the present instance, for having skilled diplomats to manage our switch.

Mr. Rowen, senior fellow of the Hoover Institution and director emeritus of Stanford University's Shorenstein Asia Pacific Research Center, was assistant secretary of defense from 1989-91.

Bush Pushes For Trade Agreement (AP-Y)

By Deb Riechmann

AP, October 26, 2006

President Bush and the leader of the Dominican Republic agreed on Wednesday to jump-start a delayed free trade agreement to remove barriers to commerce between the two nations.

In an Oval Office meeting, Bush told Leonel Fernandez, the president of the Caribbean nation, that the United States will implement the Central American Free Trade Agreement as soon as possible.

"To that end, I had my trade minister, Ambassador Susan Schwab here, to make sure that we both heard the message of the president — that this was a very important piece of legislation," Bush said.

The Dominican Republic is one of six Latin American signatories to CAFTA, which is part of the administration's push to strike free trade deals with nations around the world as a way to boost U.S. exports. The free trade agreement has taken effect in Guatemala, Honduras, Nicaragua and El Salvador, but not in Costa Rica or the Dominican Republic.

The pact was supposed to take effect in the Dominican Republic on Jan. 1, but the country has not passed legislation needed to implement parts of the deal. Some of the delays stem from conflicts between U.S. and Dominican intellectual property law, including issues related to pharmaceutical manufacturing.

"We are now in the final phase," Fernandez said. "This is a bill now before our own congress in the Dominican Republic. We are dealing with some minor legal amendments, and our two teams have been working very hard to obtain a speedy implementation."

After the meeting, Fernandez talked with reporters about the open Latin American seat on the U.N. Security Council.

There is a deadlock between Guatemala and Venezuela, which are bidding for the spot, and the Dominican Republic is on a list of compromise candidates. Guatemala has led Venezuela in nearly three dozen rounds of voting, but it can't muster the necessary two-thirds majority in the 192-nation General Assembly to win the seat. Venezuela has refused to withdraw, saying that would mean ceding victory to the United States, which has campaigned against it.

"After 35 consecutive rounds with no result, obviously it's causing a degree of concern," Fernandez told reporters outside the West Wing. "Up to this end, the Dominican Republic was not formally asked to be a candidate. We will be watching how the events evolve in the future."

Putin Promises To Remain Influential (NYT)

By Andrew E. Kramer

The New York Times, October 26, 2006

MOSCOW, Oct. 25 — President Vladimir V. Putin, a former spy who is still popular in Russia after six years in office, said Wednesday that he would continue to “influence the life in our country” after his second term is up in 2008, but that he would not run for president again.

Mr. Putin said he would step down “even though I like my work.” Although a third consecutive term is forbidden under Russia’s 1993 Constitution, his supporters have called for a referendum to do away with that ban.

Though there is much speculation about his future, Mr. Putin did not elaborate during a televised question-and-answer session for Russian citizens.

The town-hall-style show has become an annual tradition in Russian politics under Mr. Putin, at a time when many forms of political expression are no longer possible. He said he used the call-in show to respond directly to voters.

Operators screened roughly a million calls, e-mail and cellphone text messages and passed a few dozen to Mr. Putin to answer during the nearly three-hour program.

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Most were bread-and-butter domestic issues, like teachers' and doctors' salaries. But he also weighed in on the sexual-assault charges facing Israel's president and chided North Korea for testing a nuclear device near Russia's border.

Early on in the program, Arkady Kokayev, a truck driver from the steppe town of Podgornaya-Pokrovka, asked Mr. Putin, "What will happen to us and this country after you leave?"

"Arkady, I think everything will be all right," Mr. Putin said, striking a folksy tone.

"As for myself, as I have said, the Constitution — even though I like my work — the Constitution does not give me the right to stand for a third consecutive term," Mr. Putin said.

He went on to say: "I shall be able to retain the most important thing that a man in politics should value: your confidence. And using it, you and I, we shall be able to influence the life in our country."

It was a strong hint that Mr. Putin, who has quashed most dissent here, would remain in politics in some fashion after 2008. Analysts say Mr. Putin has several options, including assuming the leadership of the party he founded, United Russia, becoming speaker of Parliament or the chairman of Gazprom.

Later in the program, Mr. Putin revisited some puzzling, coarse comments he made in a meeting with the Israeli prime minister, Ehud Olmert, last week. A microphone inadvertently left on captured Mr. Putin saying of President Moshe Katsav of Israel, who faces rape and assault charges: "He turned out to be quite a powerful man. He raped 10 women. I never expected it from him. He surprised all of us. We all envy him."

A Kremlin spokesman at the time characterized Mr. Putin's words as a joke that lost its humor in translation. Mr. Putin on Wednesday did not dispute the quotation but suggested that journalists reported a remark not intended to be public.

"In regard to representatives of the press, I can say, as we joked when I worked for an entirely different organization," Mr. Putin said in reference to his time at the K.G.B., "they were sent to peek but eavesdropped instead. It's not proper."

Mr. Putin condemned violence against women, but said that "The Israeli instance is special" and ventured that it was a form of political fallout after the war in Lebanon this summer.

"In my view, and many experts agree with me, a significant part of Israeli society was not satisfied with their leadership's action in the Lebanon conflict," Mr. Putin said. "Using instruments like defense of women's rights to solve unrelated political questions is unacceptable."

On other foreign policy matters, Mr. Putin criticized North Korea for testing a nuclear device about 100 miles from the Russian border, but he assured Russians that the prevailing winds in North Korea blew out to sea.

On Georgia, he said that Russia recognized its territorial integrity but noted that two separatist regions, South Ossetia and Abkhazia, were not historically part of Georgia when that country was annexed by the Russian empire. He said Georgia's attempts to regain control would lead to "bloodshed."

Mr. Putin demonstrated his trademark command of details and numbers. He said that Russia's economy was growing at a fast clip — 6.6 percent so far this year — but that it had failed to diversify away from dependence on oil and gas.

He also vowed to solve a string of recent contract murders, including the slaying of Anna Politkovskaya, an investigative journalist. He said, however, that murder for hire, the ultimate Russian system of settling disputes, had declined under his watch as the authorities became more successful at solving the crimes.

Putin Says He'll Retain Influence In Russia After Term Ends In '08 (WP)

By Peter Finn

The Washington Post, October 26, 2006

MOSCOW, Oct. 25 -- With his trademark indefatigability and command of detail, President Vladimir Putin fielded questions from Russians for nearly three hours Wednesday in an annual televised session that has become a ritual of presidential stagecraft here.

Putin, who has sworn off amending the constitution to allow himself a third term, reiterated his determination to step down in 2008 but said he would continue to influence the country's direction.

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"Even having lost the powers and the levers of presidential power and not tailoring the basic law according to my personal interests, I will manage to retain the most important thing that a person involved in politics must cherish -- your trust," Putin said. "And using that, you and I will be able to exert influence on the life of our country and guarantee its development."

Each year, Russians are invited to send in questions by e-mail, phone and text message for Putin to answer, and this year more than 2 million questions poured in. Putin selects some questions, and others are chosen by the two national television stations that broadcast the event. People from across Russia also pose questions live.

The session reinforces the popular perception here of Putin as an open, capable and responsive leader. The latest opinion poll by the independent Levada Center gave the president a 77 percent approval rating.

Many questions dealt with local or bread-and-butter issues, and Putin, speaking directly into the camera without notes, cited one fact or statistic after another to highlight progress in areas from medical care to road-building. Answering a question about the poor quality of roads in Russia's Far East, for instance, he recalled that a black gravel layer was being laid on the Chita-Khabarovsk highway and that an asphalt layer would be finished by 2010.

On Georgia, Putin said Russia's policies toward its southern neighbor were primarily motivated by a desire to prevent bloodshed over the status of two breakaway regions of Georgia that are seeking independence. Georgia has accused Russia of fueling separatism in those zones.

Putin condemned the targeting of Georgians living here by Russian law enforcement agencies, which a Russian television anchor called a "hunt" after reports that police were demanding lists of schoolchildren with Georgian names.

"You know the Russian saying, 'Make a fool pray to God, and he will smash his head praying,' " Putin said. "I cannot approve of selective actions on ethnic grounds. On the contrary, I am calling on all law enforcement bodies and administrative bodies to refrain from such actions."

Human rights groups have charged that Putin inflamed passions here when he said that wholesale markets, where many members of ethnic minorities work, should be monitored "to protect the interests of Russian producers and population, the native Russian population."

Putin said contract killings, the bane of Russian life in the 1990s, had declined in recent years, despite the murders in the past two months of a central banker, a leading journalist and a mayoral candidate.

"The obligation of the state is to bring any such investigation to the end. This concerns the killings of mass media representatives and killings in the economic sphere," Putin said.

Putin also said jocular comments he made about allegations that Israeli President Moshe Katsav had raped 10 women were reported by journalists who "were already leaving the room and heard only dimly what was said about it and then they started speculating on the topic." He said he condemns violence against women.

During a meeting with Israeli Prime Minister Ehud Olmert last week, Putin was reported by the Russian newspaper Kommersant to have said: "Greetings to your president. What a powerful man he turns out to be! He raped 10 women. I would never have expected this from him. He surprised us all. We all envy him."

On Wednesday, Putin said: "Ten women announced there that the president had raped them, and corruption allegations have recently been leveled at the prime minister. In my view, this can be explained by the fact that a significant number of Israelis are dissatisfied with their leadership's actions in the conflict with Lebanon."

As for the journalists who overheard him, Putin, a former KGB officer, said: "I could tell you a joke that we used when I worked in an absolutely different outfit: They were sent to keep an eye on us, and instead they are eavesdropping on us. It's a shame."

Putin Hints At His Political Future (FT)

By Neil Buckley In Moscow

Financial Times, October 26, 2006

Vladimir Putin, Russian president, said on Wednesday he would retain influence in the country even after he steps down as president in 2008, hinting at a possible continuing political role.

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Answering Russian viewers' questions during a three-hour TV phone-in, Mr Putin reiterated that he would not seek to change the constitution to enable him to stand for a third presidential term "even though I like the job".

"But even when I no longer have governing power and the levers of presidential rule, I think that, without adjusting the fundamental law to my personal interests, I will be able to keep your trust," he told a questioner from southern Russia. "And, using that, we will together be able to influence life in our country, guarantee its further development, and exert influence on what happens in Russia."

Mr Putin still enjoys 75 per cent approval ratings after six years as president and will be only 55 when he steps down. Analysts said his comments suggested he might aspire to the kind of guiding role Deng Ziaoping played in China from the late 1970s to the early 1990s.

Vyacheslav Nikonov, a political consultant close to the Kremlin, noted on Russia Today news channel the constitution would allow Mr Putin to stand for president in 2012 after a four-year break.

"He can be a politician for quite a while, like Winston Churchill, for example, who was the leading politician in Britain for half a century, coming back and forth ... or comrade Deng Xiaoping," Mr Nikonov said.

Mr Putin told reporters after the broadcast he would name a suggested successor in due course but "the Russian people must decide who is the strongest candidate".

Speculation centres on two deputy prime ministers – Dmitry Medvedev, who heads several multi-billion dollar social development programmes, and Sergei Ivanov, defence minister – as likely successors. But analysts believe a dark horse candidate could emerge, such as Vladimir Yakunin, head of Russian railways and a friend of the president.

Much of Mr Putin's annual phone-in was devoted to domestic policy, with the president highlighting Russia's continued strong economic growth, forecast at 6.6 per cent this year. But venturing into foreign policy, Mr Putin insisted Russia's suspension of transport links with neighbouring Georgia was not a punishment for the former Soviet republic's ambitions to join Nato.

He said Moscow's actions were aimed at ensuring Georgia did not try to use military force to regain control of two Russian-backed separatist regions, South Ossetia and Abkhazia.

Putin Vows Not To Seek 3rd Term (WT/AP)

By Henry Meyer

The Washington Times, October 26, 2006

MOSCOW -- President Vladimir Putin reaffirmed yesterday that he would not try to run for another term but said he would retain influence over Russia even after leaving office in 2008.

The immensely popular Mr. Putin is constitutionally barred from seeking a third consecutive term, but supporters have called for a referendum to amend the country's laws to allow him to stay in power.

"Despite the fact that I like my job, the constitution doesn't allow me to run a third time in a row," Mr. Putin said during a nationally televised question-and-answer session.

With his popularity high, Mr. Putin sees the session -- his fifth since taking office in 2000 -- as an opportunity to show that he can respond directly to voters' concerns. He said the trust that Russians have in him will allow him to keep influencing the country after his presidency.

"Even having lost the powers and the levers of presidential power and not tailoring the basic law according to my personal interests, I will manage to retain the most important thing that a person involved in politics must cherish -- your trust," he said. "And using that, you and I will be able to exert influence on the life of our country and guarantee its development."

After the question-and-answer session, Russian news agencies quoted Mr. Putin as telling reporters that he was not prepared to name his successor but that when he was, he would make his choice known through the press.

Speculation on the successor is focused on Defense Minister Sergey Ivanov and Deputy Prime Minister Dmitry Medvedev.

The Russian leader also hailed the oil-rich country's robust economic growth rate of about 7 percent and vowed that the killers of a top Central Bank regulator and a well-known investigative journalist would be brought to justice.

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During the broadcast, Mr. Putin reeled off statistics, chided North Korea for its nuclear test, pledged to protect agricultural producers and vowed that his government would strictly monitor all companies, including foreign ones, for environmental violations.

Dressed in a dark blue suit and striped tie and seated at a rectangular table, the Russian president gestured and pointed as he fielded questions, as if giving a lecture.

The killings of Central Bank regulator Andrei Kozlov and investigative journalist Anna Politkovskaya have stoked fears that Russia is returning to the violence of the 1990s, when business disputes were commonly resolved through shootings and bombings.

Mr. Putin said that contract killings had declined in recent years and that authorities were becoming more successful in cracking down on financial crimes.

He answered questions posed by correspondents from the state-run television network speaking for small crowds in cities across the vast country, as well as questions sent via phone, e-mail and text messaging.

It was impossible to tell whether the questions were arranged in advance or questioners coached. During past question-and-answer sessions, critics said authorities and state television reporters screened questions and selected audiences to go live with Mr. Putin.

Putin Suggests He Will Remain A Force After Leaving Office (LAT)

By David Holley

The Los Angeles Times, October 26, 2006

Russian President Vladimir V. Putin on Wednesday reaffirmed his intention to leave office in 2008 at the end of his second term as required by the constitution, but suggested that he might continue to wield influence.

The Russian leader's comment was taken by some observers as an indication that he might seek to exercise power from another position, such as prime minister, or that he envisioned a role such as that played by Deng Xiaoping after the late Chinese leader retired from his official positions.

Putin's statement came during a live, nationally televised session of nearly three hours during which he took more than 50 citizens' questions, submitted via telephone, video feed, the Internet and text message. The annual event has become a key means for Putin to project an image as a leader responsive to his people.

"Although I like my job, the constitution denies me the right to run for a third term in succession," Putin said in response to a question about Russia's fate after he leaves office.

"But even when I no longer have governing power and the levers of presidential rule," he continued, "I think that without adjusting the fundamental law to my personal interests, I will be able to keep the most important thing that anyone engaged in politics should cherish: that is, your trust. And using that, together we will be able to influence life in our country so as to guarantee its progress and exert influence on what is happening in Russia."

Liliya Shevtsova, an analyst at the Carnegie Moscow Center, said she interpreted Putin's remarks as an indication that he was "seriously pondering" an attempt to move into a kind of unofficial paramount leader role modeled after Deng.

"The way I understood him, he doesn't want to become a party leader, a constitutional court chairman or parliamentary speaker," she said. "He knows that all these positions in today's Russia are miniature compared to the presidency. That is why he is really thinking about laying down a new tradition in the style of Deng Xiaoping."

In his wide-ranging comments, Putin also defended a rapid increase in Russian military spending, implicitly criticized U.S. handling of nuclear negotiations with North Korea and warned Georgia not to try to regain control of two pro-Russian separatist regions through use of force. He expressed satisfaction with the state of Russia's economy, which has averaged about 7% annual growth since he took office in 2000, and said the country must reduce the gap between rich and poor.

Although the annual event is designed to give some appearance of spontaneity, critics say it is stage-managed to present Putin in the best possible light.

Some questions posed via Internet and cellphone messages were presented by the studio hosts, and others chosen earlier and read by Putin himself. They were among more than 2 million questions that were submitted, organizers said.

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The questions via video feed came from small groups of people gathered in village or city squares around the country, together with correspondents. Some correspondents made comments implying that questioners had not been pre-selected, then walked straight to some individuals to give them the microphone. Questions dealt with everything from international relations and domestic policy to concerns about crime, gambling and education.

"Putin quite confidently played the role of 'the good czar,' " said Mikhail G. Delyagin, chairman of the Institute of Globalization Studies, a Moscow think tank. "In conditions where democracy in Russia is curbed in many aspects, Putin talks directly to the people, as if asking, 'What lack of democracy?' And people must accept this as proof of real democracy, and another proof that no one in the foreseeable future can run this country better than Putin."

One questioner asked why the country had boosted military spending. "Who are we going to fight against?" she asked. "Our relations with the United States are good, aren't they?"

Putin first replied that "it is hard to please everybody" because in previous events of this nature he was asked why Russia wasn't paying more attention to its army. He went on to say that the military budget is now 3.5 times what it was in 2000, but that American defense spending is 25 times that of Russia.

Putin said Russia was secure despite spending much less than the U.S. and China, mainly because of military technology retained from Soviet times.

Asked about North Korea's Oct. 9 test of a nuclear device, Putin cited Russia's support for a United Nations resolution condemning the test, and described the Pyongyang government's action as "impermissible." But he also took an apparent jab at Washington, suggesting it had taken too tough a stance in negotiations.

The international community should try to understand why the nuclear test occurred, Putin said.

"I think one of the reasons is that far from all the participants in the negotiating process were able to find the right tone during those talks," he continued, in apparent reference to the U.S. and some other participants in six-party talks that include Russia, China, Japan, South Korea and North Korea.

"One should never drive the situation into an impasse," he said. "No party should ever be put in such a situation where the only way out is the aggravation of tensions."

North Korea is now signaling its readiness to return to the negotiating table provided that its national security interests and ability to develop civilian nuclear power are ensured, Putin said.

Vote For Security Council Seat Stalled (AP)

By Edith M. Lederer

AP, October 26, 2006

The vote has been repeated — over and over, 41 times — and with each count, there is no winner in the diplomatic battle over Latin America's seat on the U.N. Security Council.

The two contenders — U.S.-backed Guatemala and Venezuela, led by its fiercely anti-American President Hugo Chavez — refuse to budge, though it has been clear since the early ballots that neither can gain the needed two-thirds support in the 192-nation U.N. General Assembly.

Frustrated diplomats from Latin America and the Caribbean met Wednesday, hoping to find a solution that would avoid another fruitless confrontation in the General Assembly.

But Ecuador's U.N. Ambassador Diego Cordovez, who chairs the 34-nation regional group, reported there was no imminent solution. Wednesday afternoon's voting, he said, would have to go ahead.

It did, for six rounds, and mirrored previous results: Guatemala led Venezuela but couldn't win a two-thirds majority. Voting resumes on Thursday.

Cordovez said, however, there is hope a solution may be found.

He held talks with the Guatemalan and Venezuelan ambassadors "in a very good atmosphere," and he said negotiations will continue Thursday with the foreign ministers of both countries.

"My expectation is that we are going to have — perhaps not tomorrow because these are very difficult things — but that we are going to have an agreement," Cordovez said.

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He said that agreement would indicate what both countries are going to do themselves and a decision on a compromise candidate.

Mexico's U.N. Ambassador Enrique Berruga said he was "hopeful more than optimistic" that the two foreign ministers will come up with a quick solution. That's because of "their entrenched positions," with each saying "no you quit first," he said.

"Our expectation is that they can come to an agreement — and that that agreement is the way forward," he said after Wednesday's voting in which Guatemala received between 100 and 109 votes while Venezuela got between 72 and 84 votes.

Berruga outlined three scenarios: that one of the two countries withdraws in favor of the other, that both quit and recommend a compromise candidate be adopted by consensus, or that both agree to quit but pass the ball on choosing a third candidate to the Latin American and Caribbean Group.

Venezuela's U.N. Ambassador Francisco Arias Cardenas said he expects that out of the foreign ministers' meeting "will come positive agreement that will facilitate a dignified and constructive solution."

Many U.N. members — not just the Latin Americans — hope that proves to be true.

The Guatemala-Venezuela voting is already the third longest in the U.N.'s 61-year history.

The second highest number of ballots was 52, set in 1960. After that, the General Assembly agreed to allow Poland and Turkey to serve on the council for one year each.

The record number is 155 rounds of voting, set in 1980. The General Assembly gave up on Cuba and Colombia after 154 rounds, and chose Mexico on the 155th, in early January of that year.

Brazil's U.N. Ambassador Ronaldo Mota Sardenberg said the message at the closed-door meeting was that the group needs to reach agreement on a candidate for the Security Council.

"We encouraged them to reach a solution quickly," he said, expressing hope that the Venezuelan and Guatemalan foreign ministers "will achieve some kind of a consensus."

"If they do, our group then can go for a consensus — can adopt a consensual solution," he said. "But first we need them — the two of them — to get together and present a name, present the name of a country."

Sardenberg said Brazil — which has been mentioned along with Bolivia, Costa Rica, Uruguay, Chile and others as a possible third option — "is not a candidate and we are ready to join any consensus."

Venezuela proposed Bolivia as an alternative in hopes of breaking the deadlock.

That nation said it would agree to be a candidate if it helped reach a consensus. But it remains to be seen if other nations in the region would agree on Bolivia, whose President Evo Morales is among Chavez's closest allies.

Venezuela's Arias Cardenas told Venezuelan radio network FFF that he understood Guatemala has suggested Costa Rica as an option.

But Guatemalan Foreign Minister Gert Rosenthal denied that, saying: "We've never proposed an alternative country."

Mexico's Berruga said Latin America needs to establish a system to avoid future diplomatic battles over seats on the U.N.'s most powerful body.

He said he also feels "a little bit ashamed because ... we're paralyzing the work of the General Assembly with this exercise" when there are pressing global issues to tackle.

Venezuela Would Back Bolivia For UN Security Seat (FT)

By Andy Webb-vidal In Caracas

Financial Times, October 26, 2006

Venezuela and Guatemala on Wednesday appeared ready to agree to find a consensus candidate to fill a temporary seat on the United Nations Security Council after a 40th round of voting failed to break a week-long diplomatic deadlock.

Neither of the two countries has been able to secure the two-thirds majority needed to win one of the two seats on the council allotted to a Latin American government since voting sessions began in the General Assembly last week.

However, Guatemala, which is strongly backed by the US, has led Venezuela in all but one of the voting rounds by a consistent margin of around 30 votes. Wednesday's final ballot left Guatemala with 105 votes and Venezuela with 78.

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President Hugo Chávez conceded on Wednesday that his government had virtually no chance of being able to win the seat, but he claimed to have captured the moral high ground in his ongoing sparring effort with Washington.

"It's going to be very difficult for us to win two-thirds of the vote," Mr Chávez said. "But we have achieved a great moral victory that no-one can take away from us."

The ongoing stalemate has markedly increased the chances that Latin American diplomats will now search for a consensus nation to resolve the impasse.

Uruguay and the Dominican Republic have been repeatedly rumoured as potential candidates.

Earlier yesterday, Nicolás Maduro, the Venezuelan foreign minister, said that while Caracas would not yet step down, it would back Bolivia as a consensus candidate if Guatemala first withdrew its bid.

"We are maintaining our candidature . . . [but] we are open to dialogue," Mr Maduro said. "The candidature of Bolivia is on the table, and to us it looks like an option."

In an unexpected turn on Tuesday, Bolivian president Evo Morales said that Mr Chávez had called him to say that Caracas would back La Paz.

"Chávez said he will leave the candidature to Bolivia," he said.

But what level of diplomatic backing Bolivia would garner as a Latin American consensus candidate for the council seat was not immediately clear on Wednesday.

Mr Morales is a close political ally of Mr Chávez, an alliance that would likely leave Bolivia open to accusations that its candidature would be politically influenced by Caracas.

Venezuela meanwhile has repeatedly accused Guatemala of being under the political tutelage of Washington.

John Bolton, the US ambassador to the UN, was last week actively lobbying to block the bid by Caracas, Venezuelan diplomats have said.

The Security Council seat will be vacated by Argentina at the end of year. Peru currently holds the other Latin American seat.

After 41 U.N. Ballots, Venezuela-Guatemala Logjam Persists (NYT)

By Warren Hoge

The New York Times, October 26, 2006

UNITED NATIONS, Oct. 25 — Venezuela and Guatemala on Wednesday were unable to break the stalemate over which Latin American country should join the Security Council next year, and the General Assembly completed its 41st round of inconclusive balloting on the issue.

Diplomats expressed hope that a meeting in New York on Thursday between the foreign ministers of the countries, Gert Rosenthal of Guatemala and Nicolas Maduro of Venezuela, could lead to the choice of a compromise candidate.

"Any consensus of the Latin American-Caribbean group depends upon agreement between the two candidates, and that is why the meeting of the candidates' foreign ministers tomorrow is so important," said Heraldo Muñoz, the ambassador of Chile.

The decision to resume voting on the issue was made after the ambassadors of the two countries, Jorge Skinner-Klée of Guatemala and Francisco Arias Cárdenas of Venezuela, failed to reach any agreement in a meeting held in the mission of Ecuador, which is the current president of the 33-nation Latin American and Caribbean group.

The two countries are competing for the two-year term seat being vacated by Argentina.

United Nations rules allow for indefinite voting, and the General Assembly announced Wednesday evening that it had provisionally set aside time for additional ballots through the middle of November.

Venezuela has conducted a global campaign for the position, which the country's United States-baiting president, Hugo Chávez, has said he would devote to trying to shift the balance of power at the United Nations toward the poor countries of the developing world.

But Venezuela has failed to rally those countries, which are in a majority at the United Nations, and performed unexpectedly badly.

The United States has simultaneously lobbied vigorously against Venezuela.

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In the six rounds of balloting on Wednesday, Guatemala averaged 104 votes and Venezuela averaged 79, much the same outcome as after last week's 35 rounds of voting. A two-thirds majority of those voting and not abstaining, or roughly 124, is needed to win.

Both countries have said they will talk about the possibility of leaving the race in favor of a compromise candidate, but each has said it will not be the first to quit.

Guatemala argues that as the leader, it should not be obliged to step aside. Venezuela says giving up would hand a victory to the United States.

Venezuela has put forward Bolivia as a substitute, but Guatemala has made it clear the choice is unacceptable. Bolivia's president, Evo Morales, is a close ally of Mr. Chávez, whom he calls "comandante." In a speech in Caracas on Wednesday, Mr. Chávez referred to Mr. Morales as "comrade."

Other countries mentioned as possible third candidates are Costa Rica, Chile, Uruguay, Paraguay, the Dominican Republic and Panama.

Concerns Accompany U.S. Support For Uribe (WP)

By Juan Forero

The Washington Post, October 26, 2006

BOGOTA, Colombia, Oct. 25 -- Beyond the hearty handshakes, a high-level U.S. delegation that visited here this week raised concerns with President Ã•lvaro Uribe's government about human rights abuses by the army and about the scandal-plagued effort to disarm paramilitary groups.

R. Nicholas Burns, undersecretary of state for political affairs, led 15 Bush administration officials from six agencies for meetings with virtually every top Colombian ministry. In reiterating support for Uribe, whose government receives more U.S. assistance than any country outside the Middle East, Burns told the Colombians that Washington would continue providing about $600 million a year through 2008 for programs from aerial fumigation of drug crops to training of the army.

But the delegation's two-day mission, which ended Wednesday, also confronted a string of reports that Colombia's army has been embroiled in drug-related scandals and murdered dozens of peasant farmers, only to pass them off as dead guerrillas.

"They're concerned that these issues haven't been resolved, that they continue to draw criticism from human rights groups, from the United Nations and presumably from some of their own diplomats," said Mark Schneider, senior vice president of the International Crisis Group, a policy analysis organization that regularly assesses the Colombian conflict.

"They're not blind to what's going on," said Schneider, who met with Burns on Monday in Washington before the diplomat left for Colombia.

In one particularly disturbing episode earlier this year, an army patrol with suspected ties to cocaine traffickers ambushed and killed 10 members of an elite anti-narcotics police unit trained by U.S. officials. Colombia's intelligence service is also trying to reform itself after allegations that rogue agents collaborated with paramilitary members to assassinate leftist union activists and provided secret information to drug traffickers.

The State Department has been concerned by reports that paramilitary commanders, despite having ostensibly laid down their arms, are killing hundreds of civilians while infiltrating government institutions. On Tuesday, two Colombian senators and a congressman were forced to give depositions at the Supreme Court after they were accused of working with paramilitary units.

In meetings with reporters on Tuesday, Burns stressed that U.S. support remains unwavering for Uribe and his "democratic security" policies, which are designed to take back a once-chaotic country from Marxist rebels, paramilitary groups and drug traffickers.

"But it is also true that there are big concerns raised about possible human rights violations," Burns said. "We are a friend of Colombia, and so, of course, we raise these issues."

The visit by the delegation, considered the highest-level visit by U.S. officials in years, occurred as Uribe's governing coalition has been hobbled by infighting and by concern that Marxist rebels remain a potent force. Last week, a powerful car bomb was set off inside one of the army's most important bases. That infuriated Uribe, who blamed leftist guerrillas and immediately cut off talks that could have led the rebels to release dozens of captives, including three Americans.

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Despite the setbacks, the White House considers Uribe, who was reelected to a second four-year term in May, a stabilizing force and a Latin American success story.

Colombia was on the brink of calamity four years ago, but violence is decreasing and the economy is growing stronger. Nearly 400 drug traffickers have been extradited to the United States under Uribe's government, and the country is now considered a linchpin in an unstable region marked by rising populism and deepening poverty.

Still, some U.S. legislators, even supporters of Uribe, are increasingly pushing for better results. After providing more than $4 billion in aid, most of it for military and anti-drug programs, U.S. policymakers are concerned that as much coca is being cultivated in Colombia now as when aerial spraying of the drug crop began six years ago.

The message was increasingly pressed upon Burns and other State Department officials before his visit, said human rights activists, congressional aides and others who met with him recently.

"We've given them $4 billion since 1999, and there were people from Congress who felt that it would lead to more dramatic results," said Myles Frechette, a former U.S. ambassador here who remains in close contact with American diplomats.

"Congress has given this money, and things are not working the way they're supposed to work," said Frechette, who despite the criticism counts himself as a backer of Uribe.

Burns stressed that in Washington he had met with Human Rights Watch and the International Crisis Group, both of which have been critical of Uribe's policies. He also said on Tuesday that he had meetings scheduled with Colombian human rights groups.

"He knows the situation is not what it should be, given the huge financial investment the U.S. has made," said Tim Rieser, foreign policy aide to Sen. Patrick J. Leahy (D-Vt.), ranking member of the Appropriations subcommittee on foreign operations. "There's been a lot of criticism, and they recognize there are problems that need to be dealt with."

The International Crisis Group, which issued a report last week on Colombia, says it is crucial for the country to focus more of its resources on creating a functioning state in rural areas where armed groups often hold sway. After providing billions in aid, Schneider said, many in the U.S. Congress would like to see the Uribe government generate more of its own resources toward the effort.

"There are a lot of lawmakers at the Capitol who are concerned that Colombian taxpayers are not making the same sacrifice that American taxpayers have made to provide foreign assistance to Colombia," he said.

Nicaragua To Join Nations Banning All Abortions (LAT)

By Hector Tobar

The Los Angeles Times, October 26, 2006

MEXICO CITY — Nicaragua's legislature Thursday is expected to approve a law that outlaws all forms of abortion, including those procedures intended to save the life of a pregnant mother.

The measure has been supported by most major political parties, heading into the Nov. 5 presidential election, as they seek to win over voters in this overwhelmingly Catholic country. Leaders of the Roman Catholic Church helped draft the bill and have mobilized followers to support it.

Medical associations in Nicaragua and international human-rights groups have strongly criticized the proposal.

Since the late 1980s,Latin America's El Salvador and Chile have adopted similar measures. At least 34 countries, mostly in Africa and the Middle East, prohibit all abortions, without exception, according to the Center for Reproductive Rights, a non profit advocacy group based in New York.

The law would establish prison sentences of 6 to 30 years for women who abort their pregnancies and the doctors who perform the procedure.

Leaders of the leftist Sandinista National Liberation Front and the ruling right-wing Liberal Alliance have said their representatives would vote for the proposal. The two groups control all but one of the seats in the 92-member legislature.

"The current law allows a small door in which abortions can be performed, and we are trying to close that door," said Dr. Rafael Cabrera, an obstetrician and leader of the Yes to Life Movement. "We don't believe a child should be destroyed under the pretext that a woman might die."

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Cabrera and other backers of the law argue that medical science has advanced sufficiently to allow doctors to bring a fetus to the point of viability without endangering a woman's life.

But doctors with the Nicaraguan Society of Gynecology and Obstetrics told a Managua news conference Tuesday that the measure would endanger the lives of women and make doctors reluctant to perform life-saving procedures.

"When a woman arrives at a hospital with vaginal bleeding ... we're going to be afraid to do anything," society president Efrain Toruno said, according to the newspaper El Nuevo Diario. "If we treat her we could be prosecuted, and if we don't we could also be prosecuted."

Women's groups in Nicaragua charge the proposed law is a cynical pre-election ploy that panders to the influence of the Roman Catholic Church. The text of the law, they point out, is almost identical to a church proposal drafted earlier this year.

Outgoing President Bolanos fast-tracked the bill, using his authority to present emergency legislation to the National Assembly.

"The worst message of this proposed law is that the lives of women don't matter to this president, or to the government or the church," said Marta Maria Blandon, Central American Director of Ipas, a U.S.-based reproductive rights group.

Ipas estimates that 32,000 illegal abortions are performed in Nicaragua each year, many under unsafe conditions. Only 24 abortions authorized by law have been performed in Nicaragua in the past three years.

In 2004, a 9-year-old rape victim received an abortion under the current law's provisions.

Nearly all Latin American countries outlaw abortion, but most, including Nicaragua, allow the procedure in cases of rape and to preserve the life of the mother. Many countries, including Mexico, are working to make abortion more accessible to women who qualify for such exceptions.

Jose Maria Vivanco, Americas director of the U.S.-based Human Rights Watch, said the law could.

With Beheadings, Drug Gangs Terrorize Mexico (NYT)

By James C. Mckinley Jr.

The New York Times, October 26, 2006

URUAPAN, Mexico — Norteño music was blaring at the Sol y Sombra bar on Sept. 6 when several men in military garb broke up the late night party. Waving high-powered machine guns, they screamed at the crowd to stay put and then dumped the contents of a heavy plastic bag on the dance floor.

Five human heads rolled to a bloody stop.

“This is not something you see every day,” said a bartender, who asked not to be named for fear of losing his own head. “Very ugly.”

An underworld war between drug gangs is raging in Mexico, medieval in its barbarity, its foot soldiers operating with little fear of interference from the police, its scope and brutality unprecedented, even in a country accustomed to high levels of drug violence.

In recent months the violence has included a total of two dozen beheadings, a raid on a local police station by men with grenades and a bazooka, and daytime kidnappings of top law enforcement officials. At least 123 law enforcement officials, among them 2 judges and 3 prosecutors, have been gunned down or tortured to death. Five police officers were among those beheaded.

In all, the violence has claimed more than 1,700 civilian lives this year, and federal officials say the killings are on course to top the estimated 1,800 underworld killings last year. Those death tolls compare with 1,304 in 2004 and 1,080 in 2001, these officials say.

Mexico’s law enforcement officials maintain that the violence is a sign that they have made progress dismantling the major organized crime families in the country. The arrests of several drug cartel leaders and their top lieutenants have set off a violent struggle among second-rank mobsters for trade routes, federal prosecutors say. The old order has been fractured, and the remaining drug dealers are killing one another or making new alliances.

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"These alliances are happening because none of the organizations can control, on its own, the territory it used to control, and that speaks to the crisis that they are in," said José Luis Santiago Vasconcelos, the top federal prosecutor for organized crime.

Attorney General Daniel Cabeza de Vaca said a steadily rising tide of drug addiction within Mexico had spurred some of the murders, as dealers fought for local markets. At the same time, more and more honest police officers are trying to enforce the law rather than turn a blind eye to drug traffickers, often paying with their lives, prosecutors say.

But those assessments, other authorities say, are overly rosy and may explain only part of the picture. Some experts say the Mexican police forces, weakened by corruption and cowed by assassinations, are simply not up to the task of countering the underworld feuds unleashed by the arrests of cartel leaders over the last six years.

Many of the dead made their living in the drug trade and perished in a larger struggle for territory between a federation of cartels based in Sinaloa, on the Pacific Ocean, and the Gulf Cartel from the northeastern state of Tamaulipas, federal prosecutors say.

The five men beheaded in Uruapan, in Michoacán, were street-level methamphetamine dealers, addicted themselves to the synthetic drug. They were linked loosely to the Valencia family, which once controlled most of the drug trade in the state and is a part of the Sinaloa group, the police say. The killers came from a gang called The Family, believed to be allied with the Gulf Cartel.

A day before, the killers had kidnapped the five men from a mechanic's shop they had been using as a front for selling "ice," as crystal methamphetamine is called on the street. They sawed their victims' heads off with a bowie knife while they were still alive shortly before going to the bar, law enforcement officials said.

"You don't do something like that unless you want to send a big message," said one United States law enforcement official here, speaking on the condition of anonymity.

The beheadings, in fact, have become a signature form of intimidation aimed at both criminal rivals and federal and local authorities. In the tourist town of Acapulco, killers from one drug gang decapitated the commander of a special strike force, Mario Núñez Magaña, in April, along with one of his agents, Jesús Alberto Ibarra Velázquez.

They jammed the heads in a fence in front of the municipal police station. "So you will learn to respect," said a red note next to them.

"This year has been one to forget, a black year," said Jorge Valdez, a spokesman for the Acapulco police. "It's the most violent year in the last 50 years, and the acts are barbaric, bloody, with no trace of humanity."

The violence is by no means limited to Acapulco. In mid-July, about 15 gunmen attacked a small-town police station in Tabasco State at dawn with grenades, a bazooka and machine guns in an attempt to liberate two of their gang members, who were arrested after a bar fight the night before.

Two police officers died in the assault. The authorities said the attackers were dressed in the commando outfits of federal agents and belonged to the Zetas, former soldiers who work for the Gulf Cartel.

One reason for the wave of law enforcement killings is that the Mexican police do a poor job of protecting their own. Arrests have been made in only a handful of the assassinations of police officers this year. The overwhelming majority remain unsolved because witnesses fear testifying against drug traffickers. Even seasoned investigators are afraid to dig too deep into the murders.

"There is an atmosphere that affects us, of distrust, of terror inside the police force," said Jesús Alemán del Carmen, the head of the state police in Guerrero, where 22 law enforcement officials have been brutally assassinated this year.

One of the officers killed was Gonzalo Domínguez Díaz, the state police commander in Pátzcuaro, Michoacán. In February, he received a death threat from a local businessman who law enforcement officials say has links to the Valencia crime family.

The threat came just minutes after Commander Domínguez arrested two men on weapons possession charges. He arrived home that night pale and shaken, said his widow, Fanny Carranza Domínguez. His anxiety grew over time, after prosecutors released the men he had arrested, for a lack of evidence, his wife said.

In early May, he told his wife that he had heard on the street that gunmen were looking for him. "He said, 'I know that if I arrest them I am risking my life,' " she recalled. " 'I bring them to the capital, and they let them go.' "

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On May 8, a car cut off Commander Domínguez's police car as he was driving home alone about 6:30 p.m. Within minutes, he was shot point blank in the head with a 12-gauge shotgun and twice in the chest with an AK-47. He never unholstered his sidearm. So far, prosecutors have made no progress in solving his murder. He was 47, the father of three.

"I think the commanders that haven't been killed are in the game, and the ones that have been killed, it is because they attacked crime," Mrs. Carranza Domínguez said.

"The prosecutor seems asleep here," she added. "He doesn't do anything but collect his salary and go home."

Commander Domínguez was one of 16 state and federal police commanders assassinated this year across Mexico, along with 2 judges handling drug cases and 2 federal prosecutors. Local police chiefs have also been targets. Eight have been murdered, most of them in Michoacán.

Most were ambushed in their cars or outside their homes by men with machine guns. A few were kidnapped by men posing as federal agents. In these cases, the bodies were found later, shot full of holes, often showing signs of torture.

Commander Cándido Vargas, 40, the second in command of the state police in Uruapan, died that way in August. Prosecutors say he was walking to his car when he was surrounded by about 15 heavily armed men dressed in black commando outfits like those used by federal agents. It was 3:30 in the afternoon, and he was just 100 yards from the police headquarters.

The men hustled him into one of their vehicles and sped off. He was found the next day on a nearby ranch, shot 25 times. A sign next to his body read: "For playing with two bands."

No one from the police department visited his wife and three children, who live in another town, to tell them of his death. "We found out through the newspaper," said Paula Vargas, his wife of 23 years. "It was as if the whole world fell down on me."

The state prosecutor in Uruapan, Ramón Ponce, says he has found no evidence of Commander Vargas's being corrupt. Neither does he have any leads, he said. "The atmosphere is very tense," Mr. Ponce said. "It's very difficult."

While attacks on the police have risen, they have been far outpaced by grisly gangland killings. In Michoacán, The Family is believed to be responsible for the beheadings of a dozen people besides the ones they delivered to the Sol y Sombra bar. The heads have often been accompanied by cryptic messages declaring the killings divine justice, accusing the victims of crimes, or daring their rivals to send more henchmen.

Nearly every day, new victims are found in states along the major drug shipment routes, especially Quintana Roo, Michoacán, Guerrero, Tamaulipas and Baja California. Most are bound, gagged and shot to death, their bodies dumped on lonely roads.

In the towns hardest hit by the gangland warfare, the fear is palpable. For two years now, Nuevo Laredo has been the main battleground for a fight between gunmen loyal to Joaquín (Chapo) Guzmán of Sinaloa and the remnants of the Gulf Cartel, whose leader, Osiel Cárdenas, is in prison awaiting trial.

"I wouldn't be human if I said I wasn't afraid," acknowledged Elizabeth Hernández Arredone, a state prosecutor in Nuevo Laredo who has taped to her door a photograph of a female judge who recently disappeared.

The effects are everywhere. Many local journalists have stopped covering drug violence for fear they may become targets themselves. Tourists used to spill across the border from Laredo, Tex., to swig tequila, buy trinkets and run wild. Not anymore.

Church attendance is down, said the Rev. Alberto Monteras Monjarás of Santo Niño Church, because even a Sunday morning can be dangerous.

"People used to sleep outside on the porch if it got too hot," he said. "Not anymore. You stay inside, and you put three or four locks on the door."

Prominent S. African Denied Entry Into U.S. (WP)

By Craig Timberg

The Washington Post, October 26, 2006

JOHANNESBURG, Oct. 25 -- A prominent South African political analyst said Wednesday that U.S. border agents had denied him entry into the United States and questioned him about his views on terrorism.

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Adam Habib, executive director of the Democracy and Governance Research Program for South Africa's Human Sciences Research Council, was taken to a holding room at John F. Kennedy International Airport on Saturday after his arrival for meetings in New York and Washington, he said in an interview.

Seven hours later, his visa had been canceled and he was escorted by an armed guard to a return flight to Johannesburg.

Habib said the border agents did not give him a reason. A U.S. Embassy spokesman, Mark M. Schlachter, confirmed the incident but said he did not know why Habib had been denied entry.

Habib, who is Muslim, said that most of the dozens of people in the holding room had dark skin and appeared to be Muslim, by virtue of their language or dress. He added that U.S. security measures, though in some cases justified by the Sept. 11, 2001, terrorist attacks, threaten to create resentment among Muslims worldwide.

"If you do this in a way that alienates large portions of the world and creates enmity, then you are compromising your medium-term security in pursuing your short-term security," Habib said from his office in Pretoria.

Habib said that most of the questions seemed routine, though they included some about his views on terrorism. The rest of the South African delegation continued to a series of meetings with the World Bank, the National Institutes of Health, the Bill and Melinda Gates Foundation and other groups.

The Human Sciences Research Council has asked the U.S. Embassy in Pretoria to investigate, and Habib said he had written the U.S. Customs and Border Protection office in Washington seeking an explanation.

In Burma, A Cry For U.N. Help (WP)

By U Pu Chin Sian Thang And U Thein Pe

The Washington Post, October 26, 2006

Last month the U.N. Security Council formally discussed the situation in Burma for the first time. For Burmese people such as us, who live under the country's oppressive regime, this was a welcome development.

The Security Council discussion is incredibly important. Over the past 10 years we have watched with dismay as our country's military ruler has repeatedly hoodwinked a stream of U.N. envoys and ignored the world body's actions. Twenty-eight resolutions from the U.N.'s General Assembly and its former Commission on Human Rights, four consecutive human rights special rapporteurs and two successive special envoys representing U.N. Secretary General Kofi Annan have failed to produce political change, dialogue or national reconciliation in Burma.

Meanwhile, much of the world has failed to understand the gravity of the crisis in our country. It is shocking that the Security Council has taken so long to get involved. No fewer than 3,000 villages have been destroyed or dislocated by the military regime in eastern Burma in the past decade. During the regime's systematic attacks on ethnic populations, women have been raped, children conscripted as child soldiers and rice supplies burned. Recently the regime instituted a practice of using soldiers' bayonets to pierce the bottoms of rice bowls, leaving villagers unable to cook their most basic foodstuff.

Fleeing the cruelty of this regime, leaving smoldering villages behind, our fellow citizens run for their lives, often to inhospitable territories where the junta awaits. The cycle of terror seems without end. Because of the regime's practices, mortality rates in eastern Burma have risen to the levels of the worst conflict zones in Africa. Children are chronically malnourished, infant mortality rates are soaring, and the most common ailments have become death sentences for thousands.

We know the Security Council has responded to other cases in which there are horrendous problems with refugees and internally displaced populations, in which rape is widespread and conscripting child soldiers is the norm. Burma, with 70,000 child soldiers, waits for a similar response and resolve from the Security Council. We simply cannot understand why the council has not taken the same sort of action in Burma as it has elsewhere. Now that it has taken up the issue of Burma, it must go further and pass a

resolution.

Clearly, efforts outside the Security Council have not worked. After Ibrahim Gambari, a U.N. undersecretary of political affairs and envoy to Burma, visited the country in May, the military regime doubled the sentence imposed on Aung San Suu Kyi, the world's only imprisoned Nobel Peace Prize recipient, and increased its attacks on ethnic minorities. The heightened military

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offensive against these communities has resulted in thousands more refugees streaming across the borders into neighboring countries.

The regime has not stopped its brutal campaign of terror, in part because the secretary general is unable to act without the mandate of a Security Council resolution. Only a council resolution will provide the United Nations with what it needs to confront this situation.

Just last month the Burmese military arrested five of the most prominent members of our movement, including Burma's second most-famous political leader, Min Ko Naing. By writing this opinion piece, we, too, are risking our lives. Our freedom is worth the risk.

We hope that attention at the Security Council will do more to shed light on the important cultural and political context of our struggle and the threat destabilizing the region. The U.N. diplomatic corps must understand that, unlike other countries, in which factors such as religion or historical rivalries weaken public support for democracy, Burma is a nation in which the people have clearly and repeatedly articulated what they want: a democratic society. That is why the National League for Democracy and allied parties won 82 percent of the seats in parliament in our last elections, and why tens of thousands of people risk their lives to participate in our movement.

Put simply, there is overwhelming evidence that the people of Burma want an end to the dictatorship that has been forced upon them. Without this understanding and without a Security Council resolution, the United Nations is likely to fail in Burma yet again.

The writers are members of Burma's parliament, which was chosen in the country's last democratic elections but has never been permitted to meet.

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TERRORISM NEWS:

Gonzales Criticizes Europeans For Refusing To Receive Guantanamo Detainees (AP)

AP, October 26, 2006

BERLIN (AP) — U.S. Attorney General Alberto Gonzales said European countries should do more to take back detainees released from the U.S. military prison at Guantanamo Bay, Cuba, while defending Washington's treatment of prisoners.

Gonzales is touring European capitals to discuss a recently passed U.S. law covering the prosecution of terror suspects.

Speaking in Berlin at an event organized by the German Marshall Fund, he said the United States is "not interested in serving as the world's jailer," and urged Europeans to be more willing to repatriate released prisoners, as well as to increase pressure on third countries to do so.

"Despite demands from others that Guantanamo be closed, the United States has received little help from our European allies regarding the fate of these detainees," Gonzales said.

Chancellor Angela Merkel has been among the critics of the U.S. military prison, which opened nearly five years ago.

About 450 detainees are being held at Guantanamo on suspicion of links to al-Qaeda or Afghanistan's ousted Taliban regime.

In August, a German-born Turkish citizen was released from Guantanamo after lengthy negotiations between Berlin and Washington. Murat Kurnaz, 24, is again living in the northern German city of Bremen.

Gonzales also detailed the U.S. Military Commissions Act, a law that provides for trials of captured terrorists, saying it was proof that "just because the U.S. still believes a state of war exists, that does not mean that the rule of law has no place."

U.S. President George W. Bush signed the act into law last week. Civil libertarians and leading Democrats have decried the law as a violation of American values.

Gonzales was conciliatory toward expressions of frustration from German members of parliament who attended the discussion over what they view as insufficient respect by the United States for international law.

"We understand the anxiety and the tension this has created," Gonzales said. However, he urged German and other allies to be open for discussion, saying "we need you in the long haul as partners."

Cheney Confirms That Detainees Were Subjected To Water-boarding (MCT)

By Jonathan S. Landay

McClatchy Newspapers, October 26, 2006

WASHINGTON - Vice President Dick Cheney has confirmed that U.S. interrogators subjected captured senior al-Qaida suspects to a controversial interrogation technique called "water-boarding," which creates a sensation of drowning.

Cheney indicated that the Bush administration doesn't regard water-boarding as torture and allows the CIA to use it. "It's a no-brainer for me," Cheney said at one point in an interview.

Cheney's comments, in a White House interview on Tuesday with a conservative radio talk show host, appeared to reflect the Bush administration's view that the president has the constitutional power to do whatever he deems necessary to fight terrorism.

The U.S. Army, senior Republican lawmakers, human rights experts and many experts on the laws of war, however, consider water-boarding cruel, inhumane and degrading treatment that's banned by U.S. law and by international treaties that prohibit torture. Some intelligence professionals argue that it often provides false or misleading information because many subjects will tell their interrogators what they think they want to hear to make the water-boarding stop.

Republican Sens. John Warner of Virginia, John McCain of Arizona and Lindsey Graham of South Carolina have said that a law Bush signed last month prohibits water-boarding. The three are the sponsors of the Military Commissions Act, which authorized the administration to continue its interrogations of enemy combatants.

The radio interview Tuesday was the first time that a senior Bush administration official has confirmed that U.S. interrogators used water-boarding against important al-Qaida suspects, including Khalid Sheikh Mohammed, the alleged chief architect of the Sept. 11, 2001, attacks. Mohammad was captured in Pakistan on March 1, 2003, and turned over to the CIA.

Water-boarding means holding a person's head under water or pouring water on cloth or cellophane placed over the nose and mouth to simulate drowning until the subject agrees to talk or confess.

Lee Ann McBride, a spokeswoman for Cheney, denied that Cheney confirmed that U.S. interrogators used water-boarding or endorsed the technique.

"What the vice president was referring to was an interrogation program without torture," she said. "The vice president never goes into what may or may not be techniques or methods of questioning."

In the interview on Tuesday, Scott Hennen of WDAY Radio in Fargo, N.D., told Cheney that listeners had asked him to "let the vice president know that if it takes dunking a terrorist in water, we're all for it, if it saves American lives."

"Again, this debate seems a little silly given the threat we face, would you agree?" Hennen said.

"I do agree," Cheney replied, according to a transcript of the interview released Wednesday. "And I think the terrorist threat, for example, with respect to our ability to interrogate high-value detainees like Khalid Sheikh Mohammed, that's been a very important tool that we've had to be able to secure the nation."

Cheney added that Mohammed had provided "enormously valuable information about how many (al-Qaida members) there are, about how they plan, what their training processes are and so forth. We've learned a lot. We need to be able to continue that."

"Would you agree that a dunk in water is a no-brainer if it can save lives?" asked Hennen.

"It's a no-brainer for me, but for a while there, I was criticized as being the vice president `for torture.' We don't torture. That's not what we're involved in," Cheney replied. "We live up to our obligations in international treaties that we're party to and so forth. But the fact is, you can have a fairly robust interrogation program without torture, and we need to be able to do that."

The interview transcript was posted on the White House Web site. Interview of the Vice President by Scott Hennen, WDAY.

CIA spokeswoman Michelle Neff said, "While we do not discuss specific interrogation methods, the techniques we use have been reviewed by the Department of Justice and are in keeping with our laws and treaty obligations. We neither conduct nor condone torture."

U.S. Seeks To Limit Detainees' Contact (AP)

By Michael Melia

AP, October 26, 2006

The U.S. government has proposed limiting contact between defense lawyers and detainees at Guantanamo Bay, according to court documents.

The government argues that it must restrict the detainees' communications, as news of world events could incite the prisoners to violence.

The U.S. proposed the rules in a filing to a federal appeals court in Washington that was examined by The Associated Press. The case deals with an Afghani detainee but the government wants them to apply to other prisoners at Guantanamo Bay Naval Base in southeast Cuba. The prison camp holds some 430 detainees.

The rules, which would apply to detainees pursuing court challenges to their designations as "enemy combatants," would tighten censorship of mail from attorneys and give the military more control over what lawyers can discuss with their clients, according to the filing.

The number of face-to-face meetings between defense attorneys and detainees would be limited to four total. There are now no restrictions on the number of times they can meet, although lawyers' access to the base is already hampered because it is so remote.

The government says current rules have allowed detainees to receive books or articles about terrorist attacks in Iraq, London and Israel, as well as details of the prisoner abuse investigation at Iraq's Abu Ghraib prison.

In the court filing, which was first reported Wednesday by The Boston Globe, a military lawyer said security at Guantanamo Bay has been threatened by the introduction of a book on Abu Ghraib, a speech given at an Amnesty International conference about the war on terror, and other materials.

"Such materials could incite detainees to violence, leading to a destabilization of the camp," wrote Navy Cmdr. Patrick M. McCarthy.

The government petition was filed in August in the case of Haji Bismullah, an Afghanistan native who is among several Guantanamo detainees represented by the New York-based Center for Constitutional Rights.

Currently, mail from lawyers is examined only for physical contraband. The proposed rules call for all of a detainee's mail to be examined for forbidden information.

Wells Dixon, an attorney at the Center for Constitutional Rights, said he suspects the proposal is aimed at controlling the information coming out of Guantanamo. Accounts from defense lawyers who have visited Guantanamo have cast doubt on government assertions that most detainees are hardened terrorists, Dixon said.

"What's happening is the government wants to hide this indisputable fact," he said "They're not happy we've been able to bring a lot of these developments to light."

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In 2004, the Supreme Court said detainees can contest the legality of their detentions. A law signed by President Bush on Oct. 17 bars detainees from protesting their detentions in court, but they still have a right to challenge their designations as "enemy combatants." The new rules would restrict legal representation for those challenges.

Sept. 11 Plotter Asks Court For Lawyer, Trial (WP)

By Carol D. Leonnig And Julie Tate

The Washington Post, October 26, 2006

Ramzi Binalshibh, an admitted al-Qaeda planner of the Sept. 11 attacks, tried four times to join the terrorist hijackers who flew planes into the World Trade Center and the Pentagon in 2001 and has acknowledged his goal of killing as many Americans as possible.

Now the Yemeni man is seeking the help of the U.S. court system to address his complaint that he has been wrongfully imprisoned and treated unfairly by the U.S. government. He filed a legal challenge in federal court in Washington on Oct. 10, asserting his rights to contest his detention and requesting that a court-appointed lawyer represent him free of charge.

In so doing, Binalshibh brought to life the two arguments at the heart of the recent, furious debate over stripping such habeas corpus rights from so-called enemy combatants: the administration's position that alleged terrorists like him do not deserve access to U.S. courts, and his opponents' assertion that the American justice system is a model for the world precisely because it accords such basic rights to all.

One of the most bitterly fought provisions of the legislation President Bush signed Oct. 17 to establish a system of military trials, or "commissions," for accused enemy combatants eliminated those rights for the captives at the U.S. prison in Guantanamo Bay, Cuba. Suspending habeas rights is a step that has been taken only four times previously in U.S. history, and its legality this time will almost certainly be decided by the Supreme Court.

Because of Binalshibh's alleged admission that he was a key player in the Hamburg cell that carried out the attacks, his legal suit may provide the starkest test yet of America's justice system, legal experts said.

"It is how our system treats the worst of the worst, the most reviled of the reviled, that shows how true we are to our principles, " said David H. Remes, who has represented 17 detainees, mostly from Yemen, and coordinated defense arguments to the Supreme Court in the successful Hamdan case.

Binalshibh may never get the hearing he is seeking. His is one of hundreds of cases the government asked the courts to dismiss immediately after Bush signed the new law. For his part, Binalshibh did little more than assert his habeas rights and ask for a lawyer.

Binalshibh is part of a select group of detainees that even defense lawyers acknowledge may be guilty -- 14 suspected terrorists the government deemed "high-value detainees," some of whom have allegedly admitted high-level roles in the al-Qaeda attacks. President Bush cited the 14 men, selected from more than 100 terrorist suspects who had been held for years in secret CIA-run prisons, when he successfully lobbied for the military commission law.

Bush sought Congress's approval after the Supreme Court ruled in Hamdan v. Rumsfeld in June that the administration lacked the authority to establish the military trials on its own. He pressed for the legislation as the government transferred the 14 men to a unit of the military prison in Guantanamo Bay and singled out Binalshibh -- along with Sept. 11 mastermind Khalid Sheik Mohammed.

Binalshibh's family's decision to seek help in a U.S. court also highlights a growing tension within the defense bar about the ethical and practical dilemmas of representing detainees who likely played a role in slaughtering thousands of Americans.

Binalshibh's brother filed a petition on his behalf and asked the federal court to appoint a public defender to represent him. The Center for Constitutional Rights, a civil liberties group that sued last year to represent the remaining detainees in Guantanamo Bay who lack representation, is not currently representing him. A group official said he could not comment on the reason because of potential attorney-client privilege.

Tina Foster, a civil liberties lawyer who previously helped coordinate the work of dozens of law firms representing hundreds of Guantanamo detainees, said it would be a "challenge" to find a pro bono lawyer for Binalshibh because he has been virtually convicted in media reports as a Sept. 11 plotter. Remes said there is an "understandable reluctance" among large commercial law firms to champion Binalshibh's cause.

"You wouldn't be rushing to file a habeas claim for Ramzi Binalshibh," Foster said. "Most of the folks down there are "no-value" detainees -- they shouldn't even be there -- and those are the ones you'd want to push in the court."

Binalshibh was captured by the United States in Pakistan in 2002 and taken to secret detention facilities. According to the Sept. 11 commission, he told interrogators that he was supposed to pilot another hijacked airliner on the day of the attacks but was repeatedly refused a visa to enter the United States.

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His transformation to a terrorist began in 1997 when he became friends with future hijackers Mohamed Atta, Marwan al-Shehhi and Ziad Jarrah while living in Germany on a student visa. He later pledged allegiance to Osama bin Laden while training with his friends in Afghanistan in 1999.

Instead of participating in the attack, Binalshibh relayed messages between the hijackers and Mohammed, met with Atta for briefings on attack planning and allegedly helped transfer money to the hijackers.

Young Woman Fears Deportation, And Mutilation (NYT)

By Nina Bernstein

The New York Times, October 26, 2006

Adama Bah's schoolmates were jubilant when she returned to 10th grade at Heritage High School in Manhattan in May 2005 after six weeks in a distant juvenile detention center. Her release put to rest the federal government's unexplained assertion that Adama, a popular 16-year-old who wore jeans under her Islamic garb, was a potential suicide bomber.

But a year and a half later, with many of her friends planning proms and applying to college, Ms. Bah, now 18, was still wearing an electronic ankle bracelet and tethered to a 10 p.m. government curfew, restrictions that were conditions of her release. And she was still facing deportation to Guinea, where she has not lived since she was 2.

Today, at a closed hearing in Manhattan's federal building, she will plead for political asylum from Guinea's entrenched practice of female genital mutilation, which has marked all the women in her extended family, including her mother. An immigration judge could decide her fate on the spot.

"I'm worried about being sent back," Ms. Bah said on Tuesday in her first extended interview about the lasting consequences of a case that briefly became a cause célèbre in the debate over government vigilance and the protection of individual liberties. "I'm worried about being separated from my family. This is all I have left now — what hasn't been taken."

Officially, she and a 16-year-old Bangladeshi girl arrested in Queens the same day were detained solely because their childhood visas were no longer valid. That remains the only reason Ms. Bah is in deportation proceedings, and the sole legal basis for an order last year that released the other girl, Tashnuba Hayder, on the condition that she leave the country immediately.

Even now, Ms. Bah says she has no idea whether her slight acquaintance with Ms. Hayder was what caused agents of the Federal Bureau of Investigation to hold her for questioning. Though a document provided by a federal agent at the time said the F.B.I. considered the girls "an imminent threat" to national security, it provided no evidence, and officials refused to discuss the matter.

"Why me?" she asked, before her volunteer lawyers warned that a judicial order limits what she can say about the experience. "Nobody answers, why me?"

She has had little time to dwell on the question, however, because she has been struggling to replace her father as the family's primary breadwinner. Her father, a cabdriver who was arrested along with her and held on immigration violations, stayed in detention until his deportation last month. Her mother, illiterate and speaking little English, soon lost the family business, a trinket stand.

But under the strictures of the government's curfew, Ms. Bah found she could not continue her education and at the same time earn enough to feed her four younger siblings, all American citizens. Last year, she dropped out of Heritage High, where teachers had praised her intellectual curiosity and generous spirit, and took up office work at Bellevue Hospital Center for $6.75 an hour.

Her income fell far short of needs. And though a few community agencies tried to help with diapers for the youngest and trips to a food pantry, she said, the financial crisis deepened. In the end, it was an Islamic political activist in Maryland who came through, taking three of Ms. Bah's siblings into his home for the summer, and paying $500 a month toward household expenses so she could attend summer school and re-enroll in Heritage this fall.

"We were looking for other options, but nothing was working out," Ms. Bah said. She added that she knew little about the politics of the activist, Mauri Saalakhan, 53, whom she met for the first time last fall when she and her mother stopped to pray at a downtown mosque after a session with lawyers at Hughes, Hubbard & Reed, which is handling her asylum case without fee.

Her family's association with Mr. Saalakhan raised eyebrows this spring when he invited her to join spectators at the trial of a Pakistani immigrant accused — and eventually convicted — of plotting to blow up the Herald Square subway station in 2004. Ms. Bah, who was recognized by some reporters in the courtroom, said later that she went out of curiosity because people told her that the young man's case was like hers. It was not, she said, and when she realized that, she did not go back.

Mainstream Islamic groups have looked askance at her family's link to Mr. Saalakhan, an African-American who often accuses such groups of timidity, and whose criticism of government policies dates to a youthful stint with the Black Panthers. But,

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she said, “He’s somebody who stepped up and helped” when others seemed afraid or only offered services like counseling instead of money to pay the rent.

For his part, Mr. Saalakhan says he is “a provocateur for truth and justice,” who loves America and has police officers in his family. He was happy to have Ms. Bah’s siblings Mohamed, 14, Mariama, 12, and Abdoul, 8, join him, his wife and teenage daughter for the summer near Washington, where he directs the Peace and Justice Foundation, “a grass-roots human rights organization.”

“What our government has put this family through is unconscionable,” he said.

But the volunteer lawyers who took over Ms. Bah’s asylum case last fall are leery of any effort to make her emblematic of larger issues, when government lawyers are raising no national security questions.

“Right now all we have is a straightforward asylum claim,” said Bryan Lonegan, a lawyer with the Legal Aid Society’s immigration unit who is advising Hughes, Hubbard lawyers on the case. “This is a life and death situation for her.”

The petition draws a grim picture of what she would face in Guinea as a young woman with intact genitalia who opposes the painful and dangerous practice of female genital mutilation.

In Guinea, “If a girl’s genitals are not mutilated, she is considered dirty, repulsive, unfit for marriage and motherhood, and devoid of morals and monetary value,” an expert, Hanny Lightfoot-Klein, wrote in an affidavit. Male relatives consider themselves dishonored, and will beat her until she submits, the affidavit added. “Elder women perform the procedure on dimly lit floors, with dull kitchen knives, glass shards, scissors or razor blades,” the affidavit said.

Ms. Bah’s mother, Aissatou Dalanda Bah, who has separately applied for asylum, had her clitoris excised by her grandmother with a kitchen knife when she was about 10, the court papers said. Later, she watched helplessly as one of Adama’s cousins bled to death from the procedure.

For Ms. Bah, who grew up absorbing American values and believing she was a legal immigrant, the prospect is terrifying and unreal. Genital mutilation “has nothing to do with my religion,” she said. “You can’t just circumcise a woman against her will, to take away her pleasure. That’s my right as a woman.” Her fear has become one more part of a day-to-day struggle to hold the family together, she said, as she repeatedly interrupted the interview to respond to her youngest brother, Saeed, 2.

“It’s hard to concentrate in school,” she said, explaining that she has missed many days this fall tending to the needs of her siblings, who now get public aid.

“In front of people,” she added, “you have to be this happy person, even though inside, it hurts.” At night, alone, she said, she allows herself to cry when she thinks about her family’s collapse, and about her judge: “Somebody who’s meeting me once, and making a decision for my lifetime.”

HOMELAND RESPONSE:

Intelligence, Homeland Security Agencies Sharpen Surveillance Methods (GOVEXEC)

By Jonathan Marino

Government Executive, October 26, 2006

A senior Coast Guard official on Tuesday praised homeland security and intelligence agencies' efforts to develop new surveillance tools and bolster information sharing.

Guy Thomas, the Coast Guard's science and technology adviser, said improved surveillance techniques would help provide better protection against the possibility of attacks launched from boats offshore.

A 60- to 70-foot boat loaded with ordinary explosives and a biological or chemical weapon could deliver and spread a deadly substance - five pounds of anthrax, for example - to coastal areas with thousands of people, Thomas said. "I don't think I want to live in Los Angeles anymore," he told guests of the Border Management Summit, which was organized by the Institute for Defense and Government Advancement.

Protecting the coastal waters requires improved sensory techniques, an official with a company that provides security solutions said. He said his company has been working on multiple projects aimed at identifying incoming ships from farther away to detect suspicious ones. Recent advances mean that even the material from which a ship is built -- whether it is wood, plastic or metal -- can be determined from a distance, he said.

As part of more general efforts to improve surveillance, technology capable of recording biometric identifiers such as leg or facial muscle movement without alerting the subject is being refined. Gait recognition, for instance, is part of the "long-range surveillance" that the FBI may start using to help track suspects, said Duane Blackburn, the bureau's representative to the National Science and Technology Council. It remains in the research phase, and is being tested at universities, Blackburn said.

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Other techniques in development include keystroke analyses of typing rhythms, and the production of video and photographic images clear enough to display biometric patterns.

Like gait surveillance, these remain in the early research stages. "Video is a real challenge," said Christopher Miles, senior program manager of the Justice Department's National Institute of Justice.

When intelligence is gathered, more needs to be done to ensure it is shared among intelligence and homeland security officials, Thomas said. "Ninety-five percent of [information and intelligence] needs to stay [unclassified]," he said.

New York Times Gets Two Extra Days To Disclose Confidential Sources (NYS)

By Josh Gerstein, Staff Reporter of the Sun

New York Sun, October 26, 2006

A federal judge gave the New York Times a brief reprieve from an order forcing it to identify confidential sources for columns about the 2001 anthrax attacks, but the paper could still face the possibility of being held in contempt of court as soon as tomorrow.

Judge Claude Hilton of Alexandria, Va., issued a two-day stay of a magistrate's order that would have required the Times to name the sources by yesterday. The order came in a libel suit filed by a former Army scientist, Steven Hatfill, who claims he was defamed by five columns written by Nicholas Kristof in 2002.

According to a lawyer involved in the dispute, Judge Hilton said yesterday that he was still reviewing whether the Times should be compelled to identify the sources. He told attorneys that he planned to rule on the issue by Friday.

But the Times suffered a setback yesterday when Judge Hilton upheld a magistrate's ruling denying its request to suspend action on the libel suit until the government completes its investigation into the anthrax mailings, which killed at least five people. While investigators searched a home and storage locker belonging to Mr. Hatfill, no criminal charges were brought.

The newspaper wanted to defend against the libel suit by gaining access to the records of the government probe, but the Justice Department has refused to cooperate. The magistrate assigned to the suit, Liam O'Grady, declined to force the disclosure of details of the investigation, which the FBI contends is ongoing.

Caution Flag For Evacuation Plans (WP)

By Spencer S. Hsu

The Washington Post, October 26, 2006

Worried about evacuating your city in an emergency?

Move to Kansas City.

Making a familiar case for more roads and using the newer argument of homeland security, a trade association for highway builders and the automotive industry recently gave most of the nation's biggest metropolitan areas failing grades for how well they would evacuate their populations in a disaster.

Twenty of 37 urban areas received an F from the American Highways Users Alliance. The list included usual suspects such as New York City, Los Angeles, Chicago, Philadelphia and Washington.

Only Kansas City got an A.

The Bush administration and Congress have emphasized mass-evacuation planning since Hurricane Katrina and the destruction of much of New Orleans. The Department of Homeland Security this summer found such plans inadequate in about 90 percent of the nation's top 75 cities and "an area of profound concern." Pushed by Congress, DHS will award $1.3 billion in homeland security grants next year, partly on the basis of fixing them.

Washington area governments recently gave a million-dollar contract to a private firm to coordinate regional evacuation plans, joining many urban areas nationwide, and Congress has ordered Pennsylvania and West Virginia to take part in planning for an exodus of the capital region.

But many state and local officials warn that Washington is focusing too much on a replay of a Katrina-like disaster instead of drawing broader lessons about preparedness. Some recall a similar pattern after the Sept. 11, 2001, attacks, when attention shifted to terrorism at the expense of preparation for a natural disaster.

"I think it's a classic example of generals planning for the last war," said Richard A. Andrews, former head of California's emergency management office and a former member of the president's Homeland Security Advisory Council. "Because this happened with Katrina, now every city needs to have evacuation plans so they're not the city of New Orleans?"

The alliance's grades were based on three factors: each city's internal congestion, percentage of automobile ownership and percentage of vehicles that local highways could move in 12 hours. It recommended national standards, better planning and more roads and car ownership.

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The federal government is pushing coastal states to do some of that. The Transportation Department reviewed evacuation plans for five Gulf Coast states. DHS prepared to move 141,000 people by bus, train or plane from New Orleans if necessary, while arguing with Louisiana about sheltering 150,000 others, setting collection points and identifying vulnerable groups such as the sick and elderly.

Outside hurricane country and high-threat cities such as New York and Washington, however, experts are hard-pressed to envision scenarios in which officials would want to evacuate an entire metropolitan area in 12 hours.

The best response to a radiological "dirty" bomb or chemical release might be to take cover or at most to evacuate people from a specific plume area. In a doomsday scenario involving a nuclear bomb, planners say, it cannot be assumed that local authorities would have credible warning, time to act and confidence that they would not be sending people into harm's way before an event -- or that they would be able to respond effectively afterward.

Andrews recalled the Federal Emergency Management Agency's bad experience with an aborted $4.2 billion Crisis Relocation Planning program in the early 1980s, which called for plans to evacuate 400 U.S. cities before a nuclear attack.

"It became very clear it just wasn't in the cards. You just can't do it," Andrews said. "What was then the Civil Defense program lost a lot of credibility, because it just didn't make sense. There are an awful lot of things we could be better spending our time on than evacuation plans."

For instance, Milwaukee has an international port on Lake Michigan and is home to 12 Fortune 500 companies, so it takes a catastrophic threat seriously. But it faces bigger risks from tornadoes and ice storms, said the city's emergency coordinator, Daniel Alexander, and more urgent needs such as improving radio systems so first responders and nearby cities can talk in a disaster.

"There is an inordinate amount of attention paid to one threat or vulnerability that is not applicable to all areas of the country," Alexander said. "The money, time and energy that's being devoted to regional evacuation planning, while important in some parts of the country, there are other more pressing issues. One of them is interoperable communications."

David Riggleman, spokesman for Las Vegas, agreed. "We are not quite sure what the scenario would be," he said. "We're in the middle of the Mojave Desert. For us to evacuate 1.8 million people, where are we going to evacuate them to?"

Daniel Burns, southern Nevada emergency manager for the state Department of Public Safety, added: "I guess if there's a volcano, but you really have to stretch to get to cause a full evacuation in 12 hours." A bigger concern is receiving an exodus of Southern Californians in case of a large earthquake 300 miles away.

George W. Foresman, DHS undersecretary for preparedness, agreed that the "one-size-fits-all" approach does not work for different populations, transportation networks and risks in each city. But he said the highway users study is a bit of a straw man, because evacuation plans encompass preparations that would be useful in all kinds of emergencies, such as providing shelter and housing, improving communications, distributing medicine and health care, or setting up public alert and warning systems.

"We are not doing it at the expense of scenarios that have a higher probability of occurring," Foresman said. "We are not talking about the ability to evacuate every metro area to where it's a ghost town. . . . There is a different level of focus to what each area is putting into evacuation planning."

In any case, Foresman said, Congress has said it wants another survey of preparedness nationwide about this time next year.

Another Post-September 11 Reality (WT)

By Kevin M. Lynch

The Washington Times, October 26, 2006

In the wake of the September 11 attacks, many people asked with great urgency: Why didn't someone connect the dots? Why didn't we see the attacks coming? And, how do we prevent other attacks?

The response was a classic example of protecting against the last threat and not "thinking outside the box" about that next threat. We have flung ourselves headlong into creating a safer air traffic system and so far it has been working. Another threat, which has reared its ugly and deadly head in Madrid, London, Chechnya and India, is the threat to the railroads.

We received threats against our railroads, and the major commuter railroads and subway systems were blanketed by police. Nothing happened, and that is a good thing. However, the bigger threat to our nation's railroads comes not from the potential to repeat those attacks on passenger rail around the world, but upon railroad infrastructure itself, which is primarily freight railroad in the United States.

Except along the Northeast Corridor from Boston to Washington, Amtrak runs on the tracks of the various freight railroads, as do most commuter railroads. A network of nearly 200,000 miles of railroad stretches across America with thousands upon thousands of switches, turnouts, crossovers, bridges, trestles, tunnels and hundreds of railroad yards and thousands upon thousands of railcars and locomotives.

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All are vulnerable to attack and sabotage and given al Qaeda's penchant for multiple, simultaneous attacks, any such attacks against the freight railroad infrastructure or the targeting of hazardous commodities in transit could spell disastrous consequences for local communities across the nation and could deliver a crippling blow to our economy. In addition, such attacks are easy and cheap to carry out.

Are we prepared to defend against such attacks? Sadly, the answer is a resounding "no." While the British Transport Police in Great Britain fields more than 3,500 officers to protect the rail system in that country, there are fewer than 1,400 railroad police officers in the United States, down from more than 4,000 20 years ago. Even since September 11, the freight railroads have continued to trim their police departments. Instead of fielding uniformed officers 24/7 across their systems, the freight railroads rely on "special agents" who are assigned 200 to 700 miles of railroad to protect. There are only a handful of marked railroad police cars across the United States.

Each year in the United States about 500 persons are killed while trespassing on railroad property and another 500 or so are injured. That is indicative of just how open and vulnerable our railroads are. Most of the 200,000 miles of railroad are not fenced either. For the most part, railroads operate on the honor system. That could be virtually stopped by vastly increasing the number of railroad police officers, making them much more visible and available to prevent trespassing and to protect railroad property. By eliminating casual trespassers, those intent upon doing harm will be stopped. Additionally, good, specially designed fences would go a great way in keeping trespassers off railroad property and prevent them from being killed or injured and protect railroad property from theft, vandalism and sabotage.

Major railroad accidents where hazardous materials have spilled have killed people in communities along the railroads and have led to a number of major evacuations of those who live near the railroads. What is the current railroad response to these threats? Simply this: Eventually compensate those dislocated and injured and the families of those killed. The assumption one can make is that paying claims must be cheaper than paying for cops, fences and other protective measures. That is unacceptable.

The only real answer is to stop giving lip service to protection and prevention and to fence strategic railroad property and drastically increase the number of sworn railroad police officers across the nation.

The railroads, through Operation Lifesaver, acknowledge that the three "E's," engineering, education and enforcement, are essential in protecting railroad property, the passengers and freight they carry and the communities through which they travel. But they have failed to acknowledge the fourth "E," enabling -- that is, actually putting their money where their mouths are and making protection of our nation's railroads a reality.

In this post-September 11 world we must connect the dots. Nothing less is acceptable. Our lives depend upon it.

Kevin M. Lynch of New York is a former captain of police for the Conrail Police Department and a consultant on railroad police practices. He also is an expert witness in railroad injury and death cases.

ID Plan Sent Back To Drawing Board (AP)

By Leslie Miller

The AP, October 25, 2006

WASHINGTON -- Two anti-terrorism ID programs have been sent back to the drawing board and a third is being farmed out to private companies after costing hundreds of millions of dollars.

Begun after the Sept. 11, 2001, hijackings, the programs were supposed to help prevent catastrophic terrorist attacks on the U.S. transportation system by checking airline passenger names against watch lists and providing special identification cards to every worker with access to airports, railroads, seaports or trucks.

So far, the Transportation Security Administration _ which has been overseeing development of the three programs_ has not gone beyond testing, has issued no IDs and has screened no passengers against terrorist lists.

TSA chief Kip Hawley defended the agency's efforts this week, saying the projects by their very nature use expensive and unreliable advanced technology.

All three are back on track, Hawley said. "Massive changes have happened here," he said. "We have a good acquisitions team and a good process."

According to documents obtained by The Associated Press, the agency has spent more than $200 million on the Transportation Worker Identity Credential, Secure Flight and Registered Traveler programs.

On all three, the TSA and contractors hired by the agency have spent more than anticipated, missed deadlines and raised questions about their ability to protect the public's privacy and the private sector's commercial interests.

Congressional investigators have warned repeatedly that the agency is mismanaging the programs.

"Five years after 9/11, the Bush Administration and TSA are stuck in neutral on critical security measures," said Massachusetts Rep. Ed Markey, a senior Democrat on the Homeland Security Committee.

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"The lack of oversight by this Republican Congress on this program and countless others is just another reason Americans are ready to head in a new direction in November," Markey said.

Hawley called Secure Flight the most important of the three projects. It is envisioned as a computer-based program to check all airline passengers' names against terrorist watch lists before they board an airplane.

Airlines already check names against the lists and alert TSA officials when a passenger's name appears similar to one on a watch list. The system has led to thousands of false identifications. More than 30,000 people who are not terrorists have asked TSA to remove their names from the lists since Sept. 11, 2001.

The TSA for four years tried to develop a technology system to take over the task of checking names against watch lists. The major contractors on the project were IBM, Lockheed Martin and Eagle Force Associates. Also involved in testing were Acxiom Corp., HNC Software, Infoglide Software, and Ascent Technology.

In February, the Government Accountability Office found security vulnerabilities with Secure Flight and it was suspended for retooling _ after $110 million had been spent.

Hawley said the project stalled because of debate about whether it should try to identify unknown terrorists _ which raises civil liberties concerns _ or simply match names against watch lists.

"That debate was played out," he said. "Congress said this is simply going to be watch-list matching."

The Transportation Workers Identity Credential, or TWIC, is an ID card to be issued to about 6 million longshoremen, mechanics, airport workers, locomotive engineers and truck drivers _ if they pass government background checks. The card will use a biometric identifier _ fingerprint or eye scan, for example.

Bearing Point, a Virginia consulting firm, did the bulk of TWIC development so far.

But years after the first cards were supposed to be issued, a contractor hasn't been chosen, a technical standard hasn't been issued for the card reader and regulations haven't been written to describe who will be required to get the card.

On Friday, the GAO reported that TSA must test the program to make sure the technology can work in harsh outdoor environments and that it won't delay the movement of goods.

"That is moving along and it is going to work," said Hawley, adding that TSA is pursuing a card that can be read without making physical contact with a machine. "This is cutting-edge technology," he said.

Registered Traveler is supposed to be a smart card program for frequent flyers in which they pay for a background check and a biometric ID card so they can wait in shorter security lines.

The government tested Registered Traveler in five airports and let a private company _ Verified Identity Pass Inc. _ test it in Orlando, Fla. Contractors for the pilot project were Unisys and EDS.

Frequent flyers who enrolled in the test said they liked Registered Traveler. The TSA found it didn't compromise security. The test, though, was staged in so few airports that its benefits were limited.

The TSA pulled the plug on the government tests in September 2005 because that year's funding ran out. Two months later TSA said Registered Traveler would be up and running in June 2006. It would be turned over to a consortium of private companies to develop and operate.

On Monday, Hawley said the TSA had decided Registered Traveler was a low priority but that it would be ready by the end of November.

Some security experts say Congress never should have ordered the TSA to undertake such complex information technology projects because they're far more expensive than anyone imagined, and probably will not work as envisioned.

"I blame Congress," said James Carafano, homeland security fellow at the Heritage Foundation, a Washington think tank.

Congress dictates deadlines for untested projects without ever analyzing if it is a good requirement or whether it can be accomplished, Carafano said.

WAR NEWS:

Bush Unsatisfied With Iraq War Progress (AP-Y)

By Terence Hunt

AP, October 26, 2006

Acknowledging painful losses in Iraq, President Bush said Wednesday he is not satisfied with the progress of the long and unpopular war, but he still insisted the United States was winning and should not think about withdrawing.

Thirteen days before elections in which Republicans fear Iraq could cost them control of the House or Senate, Bush expressed unwavering confidence in Defense Secretary Donald Rumsfeld, the U.S. generals running the war and Iraq's prime minister, Nouri al-Maliki, despite new strains between Baghdad and Washington.

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"The ultimate accountability rests with me," Bush said of Iraq. "If people are unhappy about it, look right to the president." He spoke in the East Room at an hour-long news conference dominated by Iraq questions.

Despite polls suggesting a Democratic takeover of at least the House, Bush said he was confident Republicans would prevail. Dismissing Democrats' hopes, Bush said, "We've got some people dancing in the end zone here in Washington, D.C. ... measuring their drapes."

Now in its fourth year, the war is the top campaign issue. A majority of Americans are opposed to Bush's handling of Iraq, and increasing numbers of Republican candidates have signaled impatience with the president's policies as U.S. deaths have climbed above 2,800. Bush indicated he shared the public's frustration even as he pushed back against calls for troop withdrawals.

"I know many Americans are not satisfied with the situation in Iraq," he said in a lengthy statement before taking questions. "I'm not satisfied either." October has been the deadliest month this year for American forces, and the war soon will have lasted longer than U.S. involvement in World War II.

"The events of the past month have been a serious concern to me and a serious concern to the American people," the president said.

Bush said the United States was changing tactics to deal with circumstances in Iraq but shouldn't change the overall direction of the war.

"Absolutely we're winning," the president asserted.

Bush voiced confidence in al-Maliki, calling him "the right man" for Iraq now.

In Baghdad, the Iraqi leader took a hard slap at the United States for a raid by U.S. and Iraqi forces on the stronghold of a Shiite militia led by a radical anti-American cleric on whom Al-Maliki relies for political support. Al-Maliki said the raid "will not be repeated."

Al-Maliki also criticized the top U.S. military and diplomatic representatives in Iraq for saying his government needed to set a timetable to curb violence in the country. "I affirm that this government represents the will of the people and no one has the right to impose a timetable on it," he said.

Bush said he had asked for a transcript of al-Maliki's remarks before coming into the East Room. Al-Maliki was correct in saying mandates could not be imposed on Iraq, Bush said. He suggested there had been a miscommunication between U.S. and Iraqi officials.

Despite criticism that al-Maliki has failed to stop sectarian violence, Bush said, "We'll push him, but we're not going to push him to the point where he can't achieve the objective." At the same time, Bush said Iraq's government "must respect the fact that we've got patience, but not unlimited patience."

Democrats said Bush's appearance was evidence that the war had shaken voters and the administration needed to salvage its reputation on national security. Sen. John Kerry, D-Mass., called the news conference an election-season "performance" to "convince Americans he has a plan for Iraq. But the president can't sell what he doesn't have."

Senate Minority Leader Harry Reid, D-Nev., accused Bush of changing his tune. "One day, our senior military leaders indicate more troops may be needed, the next day the president discounts that option. One day, it's stay the course, the next day it's change the course."

Bush rejected Democratic calls for a timetable for troop withdrawals. Currently there are 144,000 U.S. forces in Iraq.

"We cannot allow our dissatisfaction to turn into disillusionment about our purpose in this war," the president said.

He said a fixed timetable for withdrawal "means defeat. You can't leave until the job is done." Bush said he would send more troops if Gen. George Casey, the top U.S. commander in Baghdad, said more were needed to win. A day earlier, Casey said he might need an increase in U.S. forces in Baghdad to stop the rising bloodshed.

"We're winning and we will win, unless we leave before the job is done," Bush said. He said Rumsfeld — whose resignation has been urged by some Democrats and Republicans — had done everything asked of him. "He is a smart, tough, capable administrator," the president said.

Bush said he looked forward to a report after the election from a blue-ribbon commission exploring U.S. options in Iraq. Bush said he would consider any option but cautioned, "The road to victory will not be easy. We should not expect a simple solution."

On other subjects, Bush said:

_He has not given up on trying to win immigration, Social Security and tax reform legislation. He said there was a better chance of getting them through a Republican Congress rather than a Democratic Congress — although it hasn't worked out that way yet.

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_North Korea was trying to test the will of five countries that are aligned in negotiations to pressure Pyongyang to abandon its nuclear weapons. Earlier, North Korea warned South Korea it would "pay a high price" if it joins the U.S.-led drive to punish North Korea for its nuclear test. "The leader of North Korea likes to threaten," Bush said.

Iraq Reality Check (LAT)

The Los Angeles Times, October 26, 2006

IF THERE WAS GOOD NEWS from President Bush's news conference Wednesday, it's that the president is not adopting a bunker mentality and is addressing the deteriorating conditions in Iraq. The bad news is that the more he talks, the more apparent it becomes that there is no easy way to reverse them.

That is a painful admission for an administration two weeks before a midterm election, so any sense of despair was wrapped in more purposeful language. Washington is issuing benchmarks — don't call them timetables — to Baghdad. The administration routinely changes course in pursuit of its goals. Progress is being made. And so on.

The president at one point said Americans will "support the war as long as they see a path to victory." It is a curious formulation. If Bush believes the war in Iraq is central to the war on terror, why is support for it dependent on how winnable it is? Perhaps the formulation is unavoidable during election season. It would be unrealistic to expect Bush to say that because the U.S. has no choice but to "win," he is doubling the number of American troops in Iraq.

So the next round of Washington's ongoing battle of semantics may entail defining "victory" downward. If the war was initially supposed to bequeath the Middle East a proverbial shining city on a hill — an Arab middle-class democracy that would transform the region — the goal now seems to be to leave Iraq intact, if bloodied. Or to prevent the country from becoming a broken state that is a haven to terrorists. Victory, in the end, may simply be a matter of avoiding a worst-case scenario.

To be fair to Bush, U.S. woes are partly a function of the degree to which the administration has ceded sovereignty to the Iraqi people. There is an awkward tension now between Iraqi self-determination and U.S. responsibility for what transpires in the country. If Iraq's majority Shiite leaders want to use their democratically acquired power to settle scores with a long-dominant minority and engage in ethnic cleansing, what is the proper response of the United States? Reassert control of the country, or walk away?

Such blunt questions may be premature. But they underlie the tension between Washington and Iraqi Prime Minister Nouri Maliki, who held his own news conference Wednesday to criticize U.S. forces for conducting a raid in Sadr City, apparently without Iraqi government approval.

Bush is walking a tightrope, trying to browbeat Maliki, the head of a sovereign state, into cracking down on one of his political allies, the radical Shiite cleric Muqtada Sadr. Sadr controls 30 seats in parliament and two ministries. He despises the West. Without appearing to dictate to his Iraqi counterpart, Bush has to make Maliki realize that he can't allow his supporters to run death squads that prey on Sunnis.

That won't be easy. Nothing in Iraq is, and it gets more difficult with each passing day. Here's hoping that it won't get much worse in the next two weeks, and that Bush will be more candid about his plans on Nov. 8.

Bush's Gamble: Turning The Spotlight On The Iraq War As Republicans Try To Dim It (NYT)

By John M. Broder

The New York Times, October 26, 2006

WASHINGTON, Oct. 25 — With a shift in tone and the suggestion of flexibility on tactics in Iraq, President Bush gambled Wednesday that he could rescue Republican candidates who are having a hard time defending the war and an even harder time running away from it.

With less than two weeks until Election Day, Mr. Bush's decision to address the war and its problems so prominently carries the risk that he will strengthen the Democrats' case that the midterm election is primarily a referendum on his own handling of the war.

Republican candidates around the country have been trying for months to de-emphasize the war as an issue, and to distance themselves from Mr. Bush more generally. In an interview with The Concord Monitor in New Hampshire on Tuesday, the Senate majority leader, Bill Frist, said his party's challenge "is to get Americans to focus on pocketbook issues, and not on the Iraq and terror issue."

If his party's candidates want to change the subject, Mr. Bush surely did not help them on Wednesday. While the deteriorating situation in Iraq and the tumult over the war has already thrust the issue to the center of the political stage, Mr. Bush spent more than an hour discussing Iraq with reporters at the White House, acknowledging the overriding importance of the issue and stating flatly that he should ultimately be held accountable.

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What came across was a president more candid than in the past about the military and political problems in Iraq and more willing to admit misjudgments about America's enemies and allies there. He said that in many cases Iraqi troops were not up to the job of defending their own country and that he was not satisfied with progress toward a resolution of the political and sectarian conflicts raging across the country.

But Mr. Bush, like other wartime presidents before him, remained grimly determined to press on in the face of mounting casualties and growing domestic discontent.

"The fact that the fighting is tough does not mean our efforts in Iraq are not worth it," the president said. "To the contrary; the consequences in Iraq will have a decisive impact on the security of our country, because defeating the terrorists in Iraq is essential to turning back the cause of extremism in the Middle East."

Some beleaguered Republican candidates welcomed the president's new realism and the flexibility he sought to project in how he would try to achieve victory.

"We are on the verge of chaos, and the current approach is clearly not working," said Jill Hazelbaker, spokeswoman for Thomas H. Kean Jr., the Republican candidate for the United States Senate in New Jersey. "We've seen an enormous amount of violence in Iraq, and Kean thinks it's a responsibility of the U.S. to determine: are there other strategies we can pursue? So, in that sense, yes, we welcome tactical changes."

But other Republicans were skeptical. Tony Fabrizio, a pollster working for several Republican candidates, said the president did his party more harm than good by highlighting a troublesome issue and seeming to change course so close to Election Day.

"It makes it look like they have a confused policy," he said. "Now the question will be, every day, what are the parameters of flexibility?"

Senior Democrats in Congress said the president presented little more than an old policy in new garb.

Senator Carl Levin, the ranking Democrat on the Senate Armed Services Committee, said Mr. Bush gave little ground on Wednesday and was unlikely to reap any political benefit.

"I don't see any reason to believe the president is any more realistic," Mr. Levin said. "What he said was an effort to get himself past the election by telling the American people that he's changing course while telling the Iraqis he's not changing course."

It is too early to say whether this is a major turning point in the president's thinking about the conduct of the war. But he said he was willing to consider altering his policy when he received the recommendations of a bipartisan panel led by James A. Baker III, the Republican former secretary of state, and Lee H. Hamilton, a former Democratic representative from Indiana, later this year.

The moment is reminiscent of early 1968, when President Lyndon B. Johnson convened a panel of wise men to advise him on the Vietnam War, which by then was killing hundreds of Americans a month with little military progress to show for it. Mr. Johnson insisted that American credibility was at stake and believed that a leader in wartime had to show resolve in the face of an implacable enemy and loud domestic criticism.

That spring, he capitulated, announcing plans to begin to de-escalate the war and declaring that he would not seek re-election. It took seven more years for Presidents Nixon and Ford to extricate the United States fully from Vietnam.

Mr. Bush may be facing a similar moment of truth, when the steadiness applauded by the American public after Sept. 11, 2001, begins to look like stubbornness and a refusal to recognize reality, according to Bruce W. Jentleson, professor of public policy at Duke University.

"This rush to make all these changes on the eve of the election isn't going to help that much," said Mr. Jentleson, who has advised Democratic candidates but is not affiliated with any campaign this fall. "The question is, what does he do after he gets this electoral outcome? Is he willing to change course and find a solution that avoids total disaster in Iraq?"

George C. Edwards III, a presidential scholar at Texas A&M University, said the president's appearance on Wednesday was both an act of political desperation and a possible turning point in the war. He cautioned, however, that little in Mr. Bush's record indicated he was capable of a radical change of direction.

"Many factors have come together to force him to re-evaluate," Professor Edwards said. "But we also have a long history of him being obdurate, while we don't have a long history of his being a particularly insightful decision maker about these things. We still should have some skepticism."

Face The Nation: Demure Madonna And Anxious President (NYT)

By Alessandra Stanley

The New York Times, October 26, 2006

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Both are famous people famously under fire for a ruckus overseas. Both are famous for never bending to public opprobrium and for pushing their agendas with single-minded assurance.

The president and the pop star went on television yesterday looking more like victims of circumstances beyond their control than visionaries.

Madonna went on "The Oprah Winfrey Show" to assure a skeptical public that she didn't snatch an African baby on a fashionably philanthropic whim. President Bush held a news conference to assure a skeptical public that he is inflexible in his willingness to be flexible in managing the Iraq war.

"Our goals are unchanging," Mr. Bush said. "We are flexible in our methods to achieving those goals."

Both showed viewers an unfamiliar side of themselves. The president, whose political identity is founded on an image of unwavering cowboy resolve, looked uncertain and chastened behind the lectern, at one moment staring downward and gnawing his lip in a rare tableau of weary anxiety.

The singer known for saucy aplomb was as prim and cautious as a politician, even if her clipped duty-free British diction undercut some of the poignancy of her appeal.

"I'm disappointed because it discourages other people from doing the same thing," Madonna told Ms. Winfrey via satellite from London. "I feel the media is doing a great disservice to all the orphans of Africa, period, not just the orphans of Malawi."

She said she learned that she was at the center of a global scandal only when she returned home. "I don't read newspapers or watch television, but all of my friends have let me know what everybody's talking about and what's going on in the news," Madonna said. "So it really didn't hit me until I got back to England. It's pretty shocking."

Madonna's fracas began earlier this month, when she started adoption procedures for a 13-month-old boy, David, from an orphanage in Malawi, in southeast Africa, and reporters learned that the child's father is still alive but said he was too poor to feed and rear his child. After the news broke, tabloid newspapers quoted the father, Yohane Banda, as saying he felt duped by the superstar. Madonna came off as a Lady Bountiful-come-lately, trying to compete with Bono in the world of philanthropy in Africa and with Angelina Jolie in the arena of celebrity mothers without borders.

Her explanation to Ms. Winfrey was plausible: she said she was told by officials in Malawi that the baby had been in the orphanage since he was 2 weeks old, and survived TB and malaria without any visits or show of concern from family members.

"From my perspective," she said, wearing a blue print outfit, "there was no one looking after David's welfare."

She had a point. Her description of a stampeding herd of tabloid hyenas hounding and confusing the boy's father, an unsophisticated African subsistence farmer — leading to front-page headlines like "She Stole My Baby" in The New York Post — certainly rang true.

But it was interesting to see the entertainer who made her name by courting and provoking the press now blaming reporters for her publicity woes.

The president, on the other hand, has often taken reporters to task for focusing on bad news in Iraq. But yesterday he avoided placing blame on the news media while skirting a direct admission that his overall strategy in Iraq needs a course correction. "This is a tough war in Iraq," Mr. Bush told White House reporters. "I mean, it's a hard fight, no question about it. All you've got to do is turn on your TV. But I believe that the military strategy we have is going to work."

He added: "We've made changes throughout the war, we'll continue to make changes throughout the war. But the important thing is whether or not we have the right strategy and the tactics necessary to achieve that goal. And I believe we do."

Mr. Bush, who prides himself on independence from his father's foreign policy, yesterday promised Americans that he would henceforth be guided on Iraq by his father's consigliere, James A. Baker III. "My administration will carefully consider any proposal that will help us achieve victory," the president said. The man who campaigned on a "humble" foreign policy tried to convey a new humility about his statesmanship. Madonna, who built a career on hubris, humbly thanked Ms. Winfrey for giving her a chance to tell her side of the story. The woman famous for never respecting boundaries wanted to work her way back into the confines of respectability.

Bush's Proposal Of 'Benchmarks' For Iraq Sounds Familiar (WP)

By Thomas E. Ricks

The Washington Post, October 26, 2006

The text of President Bush's news conference yesterday ran to nearly 10,000 words, but what may have been more significant were the things he did not say.

The president talked repeatedly about "benchmarks" for progress in Iraq, using that word 13 times. But he did not discuss the consequences of the Iraqi government missing those targets. Such a question, he said, was "hypothetical."

That response left unclear how the benchmarks would be different from previous times when the United States has set out intentions, only to back down. For example, the original war plan envisioned the U.S. troop presence in Iraq being cut to 30,000

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by the fall of 2003. Last year, some top U.S. commanders thought they would be able to significantly cut the U.S. troop level in Iraq this year -- a hope now officially abandoned. More recently, the U.S. military all but withdrew from Baghdad, only to have to have to reenter the capital as security evaporated from its streets and Iraqi forces proved unable to restore calm by themselves.

President Bush also spoke several times yesterday about his flexibility, apparently as a way of countering critics calling for a major change in his approach to Iraq. But he made it clear that he was talking about tactical adjustments, rather than the kind of sweeping strategic revision being mulled by the Iraq Study Group led by former secretary of state James A. Baker III and former representative Lee H. Hamilton, and also being urged by a host of members of Congress and political pundits.

More briefly, he touched upon establishing Iraqi security forces. But he did not use his old favorite phrase about U.S. troops "standing down as they stand up." He mentioned the goal of training about 325,000 Iraqi soldiers and police officers, but he did not address the paradox that as that goal is neared, violence has intensified and the insurgency appears as robust as ever. Nor did he note that after U.S. forces stood down in Baghdad, they had to stand back up again. Instead, without offering much explanation, he said that "we are refining our training strategy for the Iraqi security forces."

At the same time, the president's tone has changed markedly. Gone was the talk of past Bush administration news conferences about "steady progress" in Iraq and all the good news that the media was said to be ignoring there. Instead he began yesterday's session with a straightforward and even grim account of the events of the past month in Iraq. He noted the deaths of 93 U.S. soldiers over the past 25 days. "I know many Americans are not satisfied with the situation in Iraq," he said. "I'm not satisfied either." So, he said, the American effort in Iraq is "constantly adjusting our tactics."

Yet under his sober mien and a newfound insistence on adaptability, he appeared to be quietly digging in his heels. "Our goals are unchanging," he emphasized in his opening remarks. "We are flexible in our methods to achieving those goals."

His bottom line was that "we'll work as fast as we can get the job done." That open-ended commitment to an unchanging goal doesn't seem different from the answer being given by Bush administration officials three years and 2,802 U.S. military deaths ago -- that the U.S. effort in Iraq would last "as long as it takes."

Sen. Carl M. Levin (D-Mich.), the ranking minority member on the Armed Services Committee and a member of the intelligence committee, said Bush "has dropped the rhetoric, but the policies are the same."

Kurt Campbell, a Clinton-era Pentagon official and co-author of a new book on defense politics, interpreted the president's comments as an effort to patch up differences within the Republican Party over Iraq and to aid candidates facing close elections in two weeks. "It was meant to appeal to both the 'stay the course' crowd and the 'we need a responsible change' crowd," he said. But Campbell said he expected a major strategic revision on Iraq soon after that vote, predicting that "the political dynamics are going to change radically after the election."

Vin Weber, a lobbyist and former Republican member of Congress with ties to the White House, said he thought the president more broadly was trying to appeal to the American public as it loses faith in his Iraq policy. "Basically, the bottom has fallen out," he said. "The public is on the verge of throwing up its hands over Iraq." He agreed with Campbell that the domestic politics of the Iraq situation are going to alter in a few weeks, perhaps in unpredictable ways that will be shaped by the outcome of the midterm elections.

But former New York governor Mario M. Cuomo (D) said he thought that the president actually was laying the groundwork for disengaging from Iraq. "I think the war is virtually over," he said. By emphasizing benchmarks, Cuomo said, "what he is saying is, 'We are going to leave it to the Iraqis.' "

Under a barrage of sharp questions from reporters, pointing again and again to contradictions and problems in his stance on Iraq, President Bush clung to his most basic line of defense -- his own faith and confidence in his approach. He used the word "believe" 21 times in the course of the hour-long news conference.

"I believe that the military strategy we have is going to work, that's what I believe," he said to one reporter.

Conceding Missteps, Bush Urges Patience On Iraq (NYT)

By Jim Rutenberg

The New York Times, October 26, 2006

WASHINGTON, Oct. 25 — Facing public dismay over the war in Iraq, President Bush on Wednesday somberly acknowledged the broad scope of American setbacks and missteps there. But he urged Americans to look beyond the violence on their TV screens and avoid disillusionment over a war he said was being won.

Mr. Bush's comments, in a news conference at the White House, were a stark indication of concern within the West Wing over eroding support for the war. The violence in Iraq has reached near-record peaks just as voters are considering their final choices for Congress in midterm elections less than two weeks from now, a contest that Mr. Bush has cast in part as a national referendum on the conflict.

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While most Republican candidates have sought to turn voters' attention away from the war, Mr. Bush chose to address it head-on, adopting a subdued tone, a new emphasis on tactical flexibility, and directly acknowledging the public's reservations. [News analysis, Page A10.]

"I know many Americans are not satisfied with the situation in Iraq; I'm not satisfied, either," Mr. Bush said. "That is why we're taking new steps to help secure Baghdad, and constantly adjusting our tactics across the country to meet the changing threat."

Mr. Bush expressed general support for Prime Minister Nuri Kamal al-Maliki of Iraq, even as Mr. Maliki used his own news conference to distance himself from the United States. Speaking in Baghdad, Mr. Maliki said he had not endorsed an American notion of a time line for stabilizing Iraq, and he criticized a raid carried out by American forces. [Page A11.]

With Mr. Bush and Mr. Maliki clearly focused on their domestic political audiences, the political tumult in both countries carries the potential to drive them further apart.

Mr. Bush's comments were the latest iteration in a recent rhetorical evolution that has seen him move from vowing to "stay the course" in Iraq to promising flexibility. But Mr. Bush also said, "We cannot allow our dissatisfaction to turn into disillusionment about our purpose in this war." He said eight separate times, in various formulations, that he was committed to getting the job done.

When asked whether the United States was winning in Iraq, Mr. Bush said, "Absolutely, we're winning" — a declaration that prompted a volley of statements from Democratic leaders, who accused Mr. Bush of being "in denial" about Iraqi violence.

Mr. Bush indicated no major changes in his overall strategy in Iraq, saying he continued to support Defense Secretary Donald H. Rumsfeld and the generals overseeing the war. But he also spoke in terms of a conflict that would be long, hard and bloody. Asked whether the United States would seek permanent military bases in Iraq, Mr. Bush said that would be up to the Iraqi government, adding, "Frankly, it's not in much of a position to be thinking about what the world is going to look like 5 or 10 years from now."

It was the second time this month that Mr. Bush had held a news conference at which he took pains to explain his war plan, which has come under increasing criticism even from fellow Republicans. Many of them fear that the administration's failure to squelch the violence in Iraq is seriously harming the party's prospects for retaining control of Congress. Mr. Bush on Wednesday emphasized that he was well aware of the graphic images Americans were seeing nightly, as well as the many unfulfilled promises and predictions made by his administration over the course of the conflict.

"We overestimated the capability of the civil service in Iraq to continue to provide essential services to the Iraqi people," Mr. Bush said. "We did not expect the Iraqi Army, including the Republican Guard, to melt away in the way that it did in the face of advancing coalition forces."

Mr. Bush said that as of last spring, he had expected that he would be able to reduce the American troop commitment by early next year. There are currently more than 140,000 troops in Iraq. He portrayed the decision against reducing troops by early next year as an example of his willingness to alter his approach.

Before taking questions from reporters, Mr. Bush offered an opening statement that amounted to a kind of scorecard for Iraq, in which he acknowledged disappointments as well as successes. Among successes, he listed the capture of Saddam Hussein, free elections, and economic progress for farms and small businesses. Among the developments he called "not encouraging," he listed "the bombing of the U.N. headquarters in Baghdad, the fact that we did not find stockpiles of weapons of mass destruction, and the continued loss of some of America's finest sons and daughters."

Mr. Bush alluded to a theory embraced by White House aides that the public would support a conflict in which it could see a clear path to victory. "It's my responsibility to provide the American people with a candid assessment on the way forward. There is tough fighting ahead," Mr. Bush said, adding, "The fact that the fighting is tough does not mean our efforts in Iraq are not worth it."

Campaigning in Cincinnati on Wednesday, Vice President Dick Cheney echoed the president's remarks. "We'll be flexible," he said. "We'll do all we can to adapt to conditions on the ground. We'll make every change that is necessary to do the job, to finish the job, and to bring the troops home with the honor they've earned."

Aides to Mr. Bush have acknowledged that the rising violence in Iraq was depressing support for the war. And the bad news was being amplified in Democratic campaign ads declaring the war a failure. In all, Democrats have had 220 ads mentioning Iraq, running them 46,402 times at a cost of at least $41.6 million since January, according to an analysis by the Campaign Media Analysis Group. Republicans have run 48 ads on the Iraq campaign 11,677 times, costing at least $8.5 million.

Asked about debate among Republicans over whether the president was helping by calling attention to Iraq, the White House spokesman, Tony Snow, said that Mr. Bush was obliged to do so. "Everybody's talking about it, everybody's writing about it, all of his critics are on television talking about it," he said. "It's important for the president's voice to be heard in his own words."

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While Mr. Bush has said repeatedly that the two parties' approaches to Iraq should be a major issue in November, he acknowledged Wednesday that ultimately one person should be held responsible for progress in the war. "The ultimate accountability," Mr. Bush said, "rests with me."

Bush Is Reassuring On Iraq But Says He's 'Not Satisfied' (WP)

By Peter Baker

The Washington Post, October 26, 2006

President Bush declared yesterday that the United States is winning the war in Iraq despite the deadliest month for U.S. troops in a year, but he added that he is not satisfied with the situation and vowed to press Iraqi leaders to do more to stabilize their country on their own.

Trying to walk a careful line between optimism and pessimism less than two weeks before midterm elections, Bush lamented the "unspeakable violence" raging in Iraq while trying to reassure American voters that he is adapting his approach to address it. He vowed to "carefully consider any proposal that will help us achieve victory" as long as it does not involve withdrawing troops prematurely.

"Absolutely, we're winning," Bush said when pressed at an East Room news conference. At the same time, he said, "I know many Americans are not satisfied with the situation in Iraq. I'm not satisfied either. And that is why we're taking new steps to help secure Baghdad and constantly adjusting our tactics across the country to meet the changing threat." He said that he is pushing Iraqi leaders "to take bold measures to save their country" and emphasized that his patience "is not unlimited."

Bush's appearance, made hours after a news conference by Iraqi Prime Minister Nouri al-Maliki, exposed rising tensions between Washington and Baghdad as the fighting worsens. Maliki upbraided U.S. officials a day after they announced benchmarks for the Iraqi government to meet over the next 12 to 18 months, dismissing the plan as "the result of elections taking place right now that do not involve us."

The dueling messages come as U.S. casualties mount in Iraq and the Bush administration faces the prospect of Democrats taking over one or both houses of Congress in the Nov. 7 elections on the back of public disillusionment with the war. At least 93 U.S. troops have been killed in October, and commanders in Iraq have conceded that their latest effort to stem the violence in Baghdad has not succeeded.

Democrats quickly seized on Bush's comments and called them an act of political desperation. "This is a struggle on the part of the administration to look as though they're really trying to change course without saying they're changing course," Sen. Carl M. Levin (Mich.), the ranking Democrat on the Armed Services Committee, said in a conference call with reporters. The congressional elections, he added, "will be a referendum on Iraq policy to a significant degree in many of our states and districts."

Rep. Ike Skelton (Mo.), Levin's counterpart in the House, said Bush needs to define his benchmarks for progress. He said he proposed goals to Bush a year ago. "I recommended that for every three Iraqi brigades that were fully capable, that we'd redeploy one American brigade." In response, Skelton said, the president wrote back that his recommendation "was too rigid."

Bush made the unusual move of calling a second news conference in as many weeks to address the public concern, and then opened the event with a 16-minute speech, knowing television networks would carry it live. He said that he had hoped this spring to bring many U.S. troops home this year but that events made doing so impossible. Although he maintained that there has been "very important progress," he acknowledged that Iraq is "in the midst of an incredibly violent period."

The president tried to balance a variety of competing ideas. He insisted on keeping U.S. troops in Iraq "until the job is done" but also talked about changing course to meet an adapting enemy. He promoted benchmarks for Iraqi leaders to meet in terms of taking over security of their country while distinguishing that from Democratic-proposed timetables for withdrawal of U.S. troops. He said he is pushing Maliki to do more but expressed confidence in the Iraqi leader as "the right man to achieve the goal."

Most important, he tried to reassure the public that he knows what to do to win because, as he said, "if the people think we don't have a plan for victory, they're not going to support the effort." At the same time, he tried to identify with public frustration over the direction of the war by expressing his own "dissatisfaction."

Asked by a reporter whether the United States is winning the war, Bush offered a discussion of the nation's role in the broader struggle against Islamic extremists.

The reporter pressed for a direct answer. "Are we winning?"

"Absolutely, we're winning," Bush said. "Al-Qaeda is on the run. As a matter of fact, the mastermind, or the people who they think is the mastermind of the September the 11th attacks, is in our custody." He then circled back and seemed to make clear that he meant the United States is winning in Iraq specifically. "We're winning, and we will win unless we leave before the job is done. And the crucial battle right now is Iraq."

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Asked afterward whether Bush meant that the United States is winning in Iraq specifically or in the fight against terrorism, White House press secretary Tony Snow said: "In Iraq."

Bush repeatedly said this summer that the United States was winning in Iraq. "You're winning this war," he told troops at Fort Bragg, N.C., on July 4. Three days later, at a fundraiser in Chicago, he said: "Americans are wondering whether or not we can win. And to those Americans, I say: Not only can we win, we are winning."

But in nearly four months since then, he has avoided repeating that assertion as violence has escalated to new heights, saying instead that the United States is winning the battle against terrorism or that he is confident that the nation will eventually win in Iraq. Asked at an Oct. 16 briefing whether the United States is winning in Iraq, Snow said: "I don't know. How do you define winning? . . . Let me put it this way: The president's made it obvious we're going to win."

Bush, who has adamantly resisted calls for timetables in Iraq, said that the benchmarks his team announced in Baghdad on Tuesday are not the same thing. "That is substantially different . . . from people saying, 'We want a time certain to get out of Iraq,' " he said. "As a matter of fact, the benchmarks will make it more likely we win. Withdrawing on an artificial timetable means we lose."

Bush declined to rule out seeking permanent bases in Iraq, an especially sensitive point among Iraqis and Arabs who accuse the United States of waging the war to establish a military foothold in the region. "Any decisions about permanency in Iraq will be made by the Iraqi government," he said.

Although Bush agreed that the war has not gone as he had hoped and that he was "not satisfied," he defended his decision not to fire Defense Secretary Donald H. Rumsfeld or any other member of his national security team.

"I've asked him to do some difficult tasks as the secretary of defense -- one, wage war in two different theaters of this war on terror, Afghanistan and Iraq, and at the same time, asked him to transform our military posture around the world and our military readiness here at home," Bush said. "I'm satisfied of how he's done all his jobs. He is a smart, tough, capable administrator."

As for whether anyone else should be held responsible for the missteps in Iraq, Bush said, "The ultimate accountability . . . rests with me. It's what the 2004 campaign was about. If people want to -- if people are unhappy about it, look right to the president."

He acknowledged that voters may do so in 12 days, agreeing that the congressional elections are shaping up as a referendum on his national security and economic policies. But he said Democrats were declaring victory prematurely.

"We've got some people dancing in the end zone here in Washington, D.C.," he said. "They've got them measuring their drapes. They're going over to the Capitol and saying, 'My new office looks beautiful, I think I'm going to have this size drape there, or this color.' But the American people are going to decide, and they're going to decide this race based upon who best to protect the American people and who best to keep the taxes low."

Staff writer Walter Pincus and research director Lucy Shackelford contributed to this report.

Bush Insists He'll Stand By His Iraq Goals (LAT)

By James Gerstenzang, Times Staff Writer

The Los Angeles Times, October 26, 2006

The president acknowledges setbacks in battle.

President Bush, seeking to shore up sagging preelection support for the Iraq war, acknowledged three years of setbacks Wednesday and expressed dissatisfaction over a frustrating and deadly month. But he insisted that he would stand by his goal of helping foster a government that can "sustain itself, govern itself and defend itself."

With the U.S. congressional election on Nov. 7 appearing increasingly to be a referendum on the war he started in March 2003, the president sought to clarify his Iraq policy at a time when violence has been escalating, U.S. casualties increasing, and political breakthroughs in Baghdad proving elusive.

"The events of the past month have been a serious concern to me, and a serious concern to the American people," Bush said at a White House news conference 13 days before the midterm U.S. balloting. "We've got patience, but not unlimited patience."

Bush, who in recent days has altered his disciplined "stay-the-course" message, endorsed a schedule of benchmarks for political progress and greater Iraqi control, while condemning those who called for timetables for troop withdrawals.

Meanwhile, in Baghdad, Iraqi Prime Minister Nouri Maliki said he would not accept any timelines imposed by the Americans. He also criticized a new U.S. military effort to disrupt Shiite Muslim militant groups in the Baghdad slum of Sadr City, a stronghold of one of his allies, anti-American cleric Muqtada Sadr.

Speaking at a news conference before Bush spoke in Washington, Maliki declared that "the Americans have the right to review their policies, but we do not believe in a timetable, and no one will impose one on us."

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Bush is under pressure to begin pulling troops out of Iraq in the face of unrelenting sectarian violence between Sunni Arab and Shiite Muslims and continuing attacks on U.S. forces. Americans, he said, "have no intention of taking sides in a sectarian struggle or standing in the crossfire between rival factions."

At the same time, he defended U.S. attempts to calm Baghdad, where one-third of the more than 90 U.S. deaths this month took place.

October has been the deadliest month for American troops this year.

Despite his unusually sober assessment, Bush also said that U.S. goals for a stable, democratic and prosperous Iraq were "unchanging," and he declared, "Absolutely, we're winning."

A deadline for withdrawing troops, Bush said, "means defeat."

Calling for patience, he declared in the White House East Room: "We cannot allow our dissatisfaction to turn into disillusionment about our purpose in this war. We must not look at every success of the enemy as a mistake on our part, cause for an investigation, or a reason to call for our troops to come home."

For one hour — one-fourth of it taken up by his opening statement — Bush spelled out what he sees as the stakes in Iraq and the stakes in the election, in which Democrats are widely believed to have their best chance for gaining a majority since Republicans took control of the House in 1994.

He sought to convince a doubting public that he is pursuing a necessary course, and is ready to adjust tactics to meet new challenges. But he also emphasized that he would not give up his overarching goal after more than three years of war, the deaths of nearly 3,000 U.S. troops and many thousands of Iraqis.

Even as he avoided saying that he would "stay the course," he presented a plan that did not yield to demands that he set a specific timetable for withdrawal, or even that he set the United States on a specific course to a reduced presence in Iraq.

"I know we're not going to succeed, however, if we set artificial timetables for withdrawal, or we get out of there, or we say to the enemy: 'Just keep fighting. We'll leave soon,' " he said.

"I know many Americans are not satisfied with the situation in Iraq," he said. "I'm not satisfied, either."

With Democrats hammering Republican incumbents for their support of the war in congressional districts throughout much of the country, Bush sought to throw a cloak of presidential protection over his allies.

"The ultimate accountability," he said, rests not with the generals or Defense Secretary Donald H. Rumsfeld — whom Bush again endorsed, calling him "a smart, tough, capable administrator."

Rather, the president said, accountability "rests right here."

"If people are unhappy about it, look right to the president," he said.

Bush's austere assessment of the war came as polls have found that Americans are growing gloomier about the outlook in Iraq.

A USA Today/Gallup Poll released Wednesday found that Americans are as pessimistic about the war as they were in April 2004, during an insurgent uprising in Fallouja that saw the bodies of civilian U.S. workers dragged through the streets.

Fifty-eight percent said the war was "a mistake," more than six in 10 Americans said things were going badly in Iraq, and a majority said the situation was "out of control."

For the first time, as many Americans said the insurgents were winning the war as said the United States and its allies were winning.

Assessing problems and obstacles in Iraq, Bush cited multiple mistakes and setbacks, some of which he has acknowledged before: the failure to find unconventional weapons, the 2003 insurgent bombing of the U.N. headquarters in Baghdad, the inability of some Iraqi units to perform as expected and the continued loss of American lives.

Bush repeated several times that the United States was shifting its tactics in Iraq, noting the dispatch of additional troops to Baghdad to counter sectarian violence.

"My point to the American people is … that we're constantly adjusting our tactics to achieve victory," Bush said.

He said that regardless of the devastation and obstacles, Americans must recognize that their security "depends on ensuring that Iraq is an ally in the war on terror and does not become a terrorist haven, like Afghanistan under the Taliban."

The extent to which Iraq has come to dominate the public face of the Bush presidency and the election was demonstrated by the amount of time devoted to it at the news conference. All but two of the questions dealt to one degree or another with Iraq, much as the war took up nearly all of his news conference two weeks ago.

On the issue of North Korea, the president said that despite signs of reluctance by China and South Korea to enforce U.N. Security Council sanctions against the government in Pyongyang in response to its announcement of a nuclear test, "the coalition remains firm."

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At the heart of the latest shift in U.S. policy in Iraq is the plan to use "benchmarks" to demonstrate progress toward the president's broader goal of a stable and democratic Iraq. The plan was announced Tuesday in a news conference by Army Gen. George W. Casey Jr. and the U.S. ambassador to Iraq, Zalmay Khalilzad. No Iraqi officials were present.

Maliki's objections Wednesday complicated the notion.

Bush, at his news conference, insisted that there was a difference between benchmarks and a timetable for withdrawal.

Senate Minority Leader Harry Reid (D-Nev.) said later that the new turn reflected a policy "in complete disarray."

"One day the administration calls for a timetable," and the Iraqi prime minister objects, Reid said in a written statement. "One day, our senior military leaders indicate more troops may be needed, the next day the president discounts that option. One day it's stay the course, the next day it's change the course."

"It is increasingly clear that the president does not know what to do to stop the escalating violence in Iraq and that his so-called 'National Strategy for Victory in Iraq' has failed," Reid said.

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Times staff writers Paul Richter and Julian E. Barnes contributed to this report.

Bush Says Iraq Strategy Is Flexible (WSJ)

By Henry J. Pulizzi

The Wall Street Journal, October 26, 2006

WASHINGTON -- President Bush acknowledged Wednesday the heavy bloodshed in Iraq this month, but sought to give assurances that the U.S. is continually refining its tactics to help the country's nascent government bolster its security forces and stop the violence.

"The events of the past month have been a serious concern to me and a serious concern to the American people," Mr. Bush said at a press conference in the East Room of the White House. (Text of the speech1)

The president departed starkly from a practice of not talking about specific deaths in Iraq, acknowledging that this month has been the bloodiest in Iraq since October 2005. "There has been heavy fighting, many enemy fighters have been killed or captured and we've suffered casualties of our own," he said. "This month we've lost 93 American service members in Iraq. During roughly the same period, more than 300 Iraqi security personnel have given their lives in battle. Iraqi civilians have suffered unspeakable violence at the hands of the terrorists, insurgents, illegal militias, armed groups and criminals."

With the debate over the strategy in Iraq heating up two weeks ahead of the mid-term Congressional elections, Wednesday's press conference was billed as a chance for Mr. Bush to give the public an update on the war. In recent days, the administration has emphasized that its methods on the ground are changing to address continuing violence. Under pressure to shift strategy, the White House has stopped using the term "stay the course" to describe its stance.

"Our goals are unchanging," Mr. Bush said Wednesday. "We are flexible in our methods to achieving those goals." He said U.S. commanders are refining their training strategy for Iraqi security forces and increasing the number of coalition advisers in the Iraqi ministries of Defense and Interior, among other things.

Mr. Bush said that as those killing Americans and Iraqi troops change tactics, so, too, will the U.S. military. "Americans have no intention of taking sides in a sectarian struggle or standing in the crossfire between rival factions," Mr. Bush said.

The top U.S. commander in Iraq, Gen. George W. Casey Jr., said Tuesday that he may ask for more forces to be sent to Baghdad, potentially by boosting the overall presence in Iraq rather than shifting troops into the capital from other parts of the country. Gen. Casey, who briefed reporters in Baghdad with U.S. Ambassador Zalmay Khalilzad, said Iraqi forces won't be ready to assume security responsibility until late next year or early 2008.

Mr. Bush said the U.S. is pushing Iraq's leaders to make bold moves. "We're making it clear that America's patience is not unlimited," he said. "Yet we also understand the difficult challenges Iraq's leader's face and we will not put more pressure on the Iraqi government than it can bear. The way to succeed in Iraq is to help Iraq's government grow in strength and assume more control over its country as quickly as possible."

Mr. Bush mentioned neither troop additions nor withdrawals at Wednesday's briefing, but conceded he'd boost troop levels if Gen. Casey made such a request. "That's the way I've been running this war," Mr. Bush said.

The White House said this week that it's working with the Iraqi government on a long-running to-do list of security, economic and political benchmarks, but denied it has imposed any ultimatums on Prime Minister Nouri al-Maliki. Mr. Bush said there's a "significant difference" between deadlines and benchmarks.

Mr. Bush's focus on Iraq comes as polls suggest the war will damage Republican candidates in the Nov. 7 election, possibly swinging control of Congress away from the GOP. The Democrats need to win 15 seats in the House and six in the Senate to win control.

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With Iraq on voters' minds, Mr. Bush has sought to assure the public that the administration has adopted a flexible strategy, but remains resolute. Democrats complain Bush's changes on Iraq have been mainly rhetorical and are demanding a more dramatic shift. Sen. John Kerry, (D., Mass.), has called for a one-year deadline for Iraq to meet certain goals before U.S. forces are withdrawn.

Polls suggest Mr. Bush is having little luck convincing voters the war effort is on the right track. According to the latest Wall Street Journal-NBC News poll, one-third of voters approve of Mr. Bush's handling of the war, while 63% disapprove. An even worse omen for the GOP is that 39% say Democrats could better deal with Iraq, compared with 31% who side with Republicans.

Mr. Bush noted that an independent panel led by former Secretary of State James Baker and former Congressman Lee Hamilton will make recommendations on Iraq in an upcoming report. "I welcome these efforts," the president said. "My administration will carefully consider any proposal that will help us achieve victory."

Mr. Bush, who said he owed "an explanation to the American people" of his war strategy, expressed confidence about Iraq and the broader war on terror, but admitted that the fight will be long and difficult. "I'm confident we'll succeed in Iraq. And the reason I'm confident we'll succeed in Iraq is because the Iraqis want to succeed in Iraq," Mr. Bush said.

Asked specifically if the U.S. is winning, Mr. Bush said: "Absolutely we're winning." Nonetheless, Mr. Bush said he's "not satisfied" with the situation in Iraq.

He gave Mr. Maliki an endorsement, saying he's the right man for a difficult job. "He's got a hard job," Mr. Bush said. "Look, he's got to deal with sectarian violence, he's got to deal with criminals, he's got to deal with al Qaeda; all of whom are lethal. These are people that will kill. And he wants to achieve the same objective I want to achieve. And he's making tough decisions."

Donald Rumsfeld won a similar endorsement. Mr. Bush praised his defense secretary for waging two wars and transforming the military. "And I'm satisfied of how he's done all his jobs. He is a smart, tough, capable administrator," Mr. Bush said, rejecting calls for Mr. Rumsfeld to be fired.

For all his fervor about the importance of the military mission in Iraq, Mr. Bush sidestepped when asked whether the elections should be viewed as a referendum on the war. "The election is a referendum on which party has a plan to make the economy grow, and which party has a plan to make the American people safe," he said. "If we succeed in Iraq, the country (the United States) is more secure. If we don't succeed in Iraq, the country is less secure."

On the looming elections, Mr. Bush again said he thinks Republicans will retain control of Congress, and indicated he hasn't given up on three of his top domestic priorities -- Social Security reform, an overhaul of the tax code and comprehensive immigration reform.

"I firmly believe it is more likely to achieve those three objectives with a Republican-controlled Congress and a Republican-controlled Senate," Mr. Bush said. "And I believe I will be working with a Republican-controlled Congress and a Republican-controlled Senate."

He accused some in Washington of dancing in the end zone before they've scored a touchdown.

The economy, which Mr. Bush says along with national security will be a top issue in the election, is another area where the White House has gotten little traction. Despite buoyant stock markets, falling gasoline prices and steady economic growth, most Americans aren't happy with Mr. Bush's stewardship of the economy, according to polls. "The two issues I see in the campaign can be boiled down to who best to protect this country and who best to keep taxes low," Mr. Bush said.

Bush Tells US 'I'm Not Happy With Iraq' (FT)

By Caroline Daniel In Washington

Financial Times, October 26, 2006

President George W. Bush on Wednesday sought to align himself with US public opinion when he said he was "not satisfied either" with rising violence in Iraq. But he warned that US troops were needed to "prevent a full-scale civil war".

Although Mr Bush said he had no intention of "standing in the crossfire between rival factions in Iraq", officials and analysts in the Middle East – and some Republican loyalists – are saying US troops already face that direct challenge.

In a sombre press conference on Wednesday, the president spent nearly 15 minutes in an opening statement trying to knit together often-contradictory arguments.

He moved from expressing "serious concern" about Iraq, while emphasising progress was being made, to being resolute about the ultimate outcome in the country but flexible about military tactics to attain that end.

He stressed his role as commander-in-chief – "the ultimate accountability rests with me" – even as he deferred to the commanders on the ground to dictate troop levels.

The Bush administration has consistently rejected timetables for withdrawal, accusing proponents of being defeatists. However, on Tuesday US officials said the Iraqis should take full control of security within 18 months. The Iraqis had "committed themselves to a timetable for making some of those decisions", said -Zalmay Khalizad, US ambassador to Iraq.

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Although Mr Bush for the first time embraced the idea of “benchmarks”, saying they would make victory more likely, he continued to assert he did not support a fixed timetable. There were “significant differences between benchmarks for a government to achieve and a timetable for withdrawal”, he said.

The press conference marked Mr Bush’s latest attempt to control the debate about Iraq, amid mounting criticism even from Republican loyalists. The administration has struggled to redefine both the terms and goals of its engagement in Iraq. On Monday, officials said they would stop using the phrase “stay the course”.

The concept of victory in Iraq has been scaled back, to an Iraq that can “defend, govern and sustain itself”. Mr Bush acknowledged the US’s most immediate goal was “to prevent a full-scale civil war from happening in the first place”.

That is some way from the definitions set out in November in the Victory in Iraq document. It said the short-term view of victory was an “Iraq that is making steady progress in fighting terrorists, meeting political milestones, building democratic institutions, and standing up security forces”. The medium-term goal was to have a “fully constitutional government in place”.

Mr Bush said he would consider any “proposal that will help us achieve victory” but declined to say whether he would directly engage with Iran and Syria to resolve tensions.

“Iran and Syria understand full well that the world expects them to help Iraq,” he said.

Mr Bush offered his -support to two embattled figures. He said Nouri al-Maliki, prime minister, was “the right man to achieve the goal in Iraq”, and called Donald Rumsfeld, secretary of defence, “a smart, tough, capable administrator”.

Bush Backs Setting 'Benchmarks' In Iraq (WT)

By Joseph Curl

The Washington Times, October 26, 2006

President Bush yesterday firmly supported setting "benchmarks" in Iraq to move toward stability and security in the war-torn country, and warned Iraqi leaders that the United States has "got patience, but not unlimited patience."

Making frank admissions of overestimations, underperformance and flat-out errors, the president used a hastily called press conference to try to assuage angry voters, who by most election strategists' accounts plan to vote Republicans out of control of Congress in just two weeks.

"We overestimated the capability of the civil service in Iraq to continue to provide essential services to the Iraqi people. We did not expect the Iraqi army, including the Republican Guard, to melt away in the way that it did in the face of advancing coalition forces," Mr. Bush said.

Gen. George Casey, the top U.S. commander in Iraq, said Tuesday that Iraqi forces should be able to take control of security in 12 to 18 months with "some level" of U.S. support. Top U.S. military commanders laid out a series of "benchmarks" for the fledgling Iraqi government.

But Iraqi Prime Minister Nouri al-Maliki took umbrage yesterday at the new talk of "benchmarks" for his government to reach.

"I affirm that this government represents the will of the people and no one has the right to impose a timetable on it," Mr. al-Maliki said at a Baghdad press conference, where he dismissed U.S. talk of timelines as driven by the upcoming midterm elections.

"I am positive that this is not the official policy of the American government but rather a result of the ongoing election campaign. And that does not concern us much," he said.

Asked yesterday for the first time since the "benchmarks" were laid out, the president -- who has steadfastly opposed setting a "timetable" for the withdrawal of U.S. troops -- endorsed the 12- to 18-month concept, with a few caveats such as objecting to a reporter's question that used "benchmarks" and "timetable" interchangeably.

"There is a significant difference between benchmarks for a government to achieve and a timetable for withdrawal. ... We're working with the Iraqi government to have certain benchmarks to meet as a way to determine whether or not they're making the hard decisions necessary to achieve peace. I believe that's what you're referring to. And we're working with the Iraqi government to come up with benchmarks."

But the president, who was combative and defensive at times in the hourlong press conference in the White House East Room, said "Americans have no intention of taking sides in a sectarian struggle or standing in the crossfire between rival factions."

In supporting the idea of "benchmarks" for the new Iraqi government to reach as it takes over security operations, Mr. Bush warned Mr. al-Maliki that the United States must see action on a number of fronts.

"We'll respect the fact that the Iraq government is sovereign, and they must respect the fact that we've got patience, but not unlimited patience," he said.

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Democrats on Capitol Hill immediately took aim at Mr. Bush. "President Bush's Iraq policy has been a dismal failure. The president has abandoned his 'stay the course' slogan; it is long past time he abandon his 'stay the course' policy," House Minority Leader Nancy Pelosi said.

Added Senate Minority Leader Harry Reid: "The Bush administration's Iraq policy, like Iraq itself, is in complete disarray. One day, the administration calls for a timetable, the next day, Iraqi Prime Minister Maliki objects to it. ... One day, it's stay the course, the next day, it's change the course."

But Mr. Bush said benchmarks will help show the American people that Iraqis are moving forward.

"It's a condition, a base estimate. And that's important for the American people to know. This notion about, you know, fixed timetable of withdrawal, in my judgment, is a -- means defeat. You can't leave until the job is done. Our mission is to get the job done as quickly as possible," he said.

In his 15-minute opening statement, Mr. Bush said the time has come for the Iraqi government to begin moving quickly toward responsibility for its own fate.

"We're pressing Iraq's leaders to take bold measures to save their country. We're making it clear that America's patience is not unlimited. Yet we also understand the difficult challenges Iraq's leaders face, and we will not put more pressure on the Iraqi government than it can bear," he said.

Bush's Conviction On Iraq Exceeds His Plan's Credibility (USAT)

USA Today, October 26, 2006

There is little doubting the sincerity of President Bush's commitment to the mission in Iraq. On Wednesday, amid sinking public approval less than two weeks before congressional elections, Bush set out yet another course for a victory he optimistically predicted was achievable.

The president's conviction is obvious. But whether it's supported by facts — and whether there's a real path to victory as he defines it — is dubious.

There continues to be a yawning gap between his rhetoric and reality:

·"Absolutely we're winning," Bush said. But only 19% of Americans in last weekend's USA TODAY/Gallup Poll agree. And just 14% of Iraqis surveyed recently say the U.S. impact on their country is mostly positive.

·The United States has "no intention of … standing in the crossfire between rival factions," the president said. But that's exactly where American troops in Baghdad now find themselves.

·Prime Minister Nouri al-Maliki is "the right man," he said, though shortly before Bush's news conference the Iraqi leader denounced a U.S. raid on one of the many militias drawing Iraq deeper into civil war.

For all of Bush's claims to consistency in his policy, the definition of "victory" has also shifted. At first, he thought invasion alone would light the fires of democracy. Then it became a longer-term fight to suppress terrorists and spread freedom in the Arab Middle East. Now, political rhetoric aside, it is simply to get out while leaving a functioning, U.S.-allied government behind.

The battle to secure Baghdad, billed as make-or-break, has been going poorly. October has been the deadliest month for U.S. forces in two years. Bush has abandoned a well-worn "stay the course" mantra for talk of U.S. tactical flexibility.

The United States will now ask the Iraqi government to meet benchmarks, such as getting a grip on the militias. What will happen if they're not achieved is left unsaid, but few would argue that they'll be easily attained. It's possible that the administration is laying a path for a U.S. withdrawal that would blame the Iraqis for failing to meet the benchmarks. Bush pointedly said Wednesday that U.S. patience is "not unlimited."

Policymakers grasping at straws have focused on an Iraq report, due after the November elections, from a bipartisan group co-chaired by Bush family friend and former secretary of State James Baker. There's an irrational sense that it can deliver some kind of magic salvation. Bush played to those hopes by saying he's ready to listen.

No doubt the group will back sensible ideas that should have been tried years ago — such as engaging neighbors Iran and Syria (Bush refuses to talk directly to either) and some kind of muscular international involvement. Those, however, are long shots.

Whatever happens next, the Iraq mess won't be resolved by new slogans, speeches, news conferences or Power Point presentations. After 3½ years, nearly the same length as U.S. involvement in World War II, the only meaningful progress in Iraq is clear and convincing success on the ground.

Wars Are Hard, But We'll Win (USAT)

By Tony Snow

USA Today, October 26, 2006

DOJ_NMG_0086725

It seems odd to be defending the commanding general and the U.S. ambassador to Iraq from charges that they don't understand the situation in the country in which they work, especially when the complaining sages live thousands of miles from the battlefront.

The business of war requires constant vigilance, enterprise and determination. Our goal and a key to our security at home: to help Iraq sustain, govern and defend itself, and emerge as a key ally in the war on terror.

We have pursued that aim according to the challenges on the ground and have adjusted to shifting realities — from the early resistance by Saddam Hussein's armies, to early battles in such places as Fallujah totoday's Iraq, where 14 of 18 provinces live in relative peace. Gen. George Casey noted earlier this week that 90% of the violence in Iraq now occurs within a 30-mile radius of Baghdad. Coalition forces have been assisting Iraqi army and police in taking on the perpetrators of that violence, and they have adopted the tactic of trying to clear, hold and rebuild neighborhoods wracked by terror.

The combined Iraqi-U.S. forces will win that fight, as they have every other engagement of the war. But peace in Iraq will require more than superiority of arms. Iraqis need some other basics for good and free lives — a political system that will guarantee rights and representation for all, and an economy that can provide jobs.

President Bush and Prime Minister al-Maliki have been working on those objectives since the prime minister's accession to power. In the past month, al-Maliki has pursued national reconciliation. The Iraqi parliament is streamlining the legislative process, refining the constitution, considering key issues of federalism, and passing a “hydrocarbons law” that would provide for the general distribution of oil and natural gas revenues.

The Iraqi economy continues to grow, electricity production continues to rise, businesses are springing to life, and the nation's standard of living has grown.

But the reality is that wars are hard. Our enemies are determined and utterly contemptuous of innocent human life. And just because the enemy appears to make some progress, that doesn't mean we should leave — quite the opposite.

When they adjust tactics, we must adjust ours, taking the fight to them. That is what we have done and what we will continue to do. And we will win.

War Now Works Against GOP (WP)

By Peter Slevin And Michael Powell

The Washington Post, October 26, 2006

DOYLESTOWN, Pa. -- A visitor to Rep. Michael G. Fitzpatrick's campaign Web site will immediately hear a 20-second audio clip of a contentious television interview about Iraq with his Democratic challenger, Patrick Murphy. The clip ends: "Tough times demand honest answers, not Pat Murphy."

Fitzpatrick, a freshman Republican, hoped to throttle Murphy on an issue critical to the 2004 victories of President Bush and the Republican Congress. But Murphy, a 33-year-old West Point graduate and a veteran of the war, has battled his way into contention by directly attacking Fitzpatrick and Bush on their party's handling of Iraq itself.

"When we went there in 2003, we had a mission to get rid of Saddam Hussein and weapons of mass destruction. We're still in Iraq 3 1/2 years later and the mission isn't clear," Murphy told an audience here last week. "Together we can change it. We can change what we're doing in Iraq."

Just three months ago, Republican strategists believed that doubts about Iraq could be contained -- or even turned into an electoral advantage -- if the battle was framed as a vital front in the war against terrorism. Voters would be invited to choose: Stand firm or capitulate.

But the issue is not playing out that way. In both parties, a consensus now exists -- buttressed by polls -- that disaffection with a war grown costly and difficult to manage is the gravest threat to continued Republican rule.

Iraq is not only a potent issue in its own right, but is also a resonant metaphor for doubts about the competence and accountability of the Republican Party.

In the most competitive races, Iraq echoes in varying ways, but almost always for Republicans it is a problem to be navigated and for Democrats a stick to be brandished. In Ohio, it helped put incumbent Sen. Mike DeWine (R) on the defensive. In House races in Pennsylvania and Illinois, it gave three Democratic war veterans and novice politicians an opening.

"We are telling our candidates not to be afraid to talk about it," said Sen. Charles E. Schumer (N.Y.), chairman of the Democratic Senatorial Campaign Committee. "Who would have thought two years ago the Democrats would be affirmatively putting ads on television about Iraq and Republicans would be avoiding it?"

Showing how the tables have turned, Senate Majority Leader Bill Frist (R-Tenn.) told interviewers in New Hampshire this week that Republican candidates should steer away from the war.

"The challenge," Frist said, "is to get Americans to focus on pocketbook issues, and not on the Iraq and terror issue."

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In Connecticut and Ohio, in Pennsylvania and New Mexico, critical swaths of voters tell pollsters they are using the war as a lens to assess -- and in many cases punish -- the party in control of the White House and both houses of Congress. This appears particularly true of independents, who are considered most likely to determine whether the House and Senate change hands.

A Pew Research Center poll this month found that 50 percent of independents listed Iraq among their top two national concerns, compared with 36 percent of Republicans and 68 percent of Democrats. Overall, 58 percent of respondents said the war is not going well and only 38 percent said the battle for Iraq is helping the war on terrorism.

Voter dissatisfaction with Iraq has taken years to build, not least because few Americans fear a draft, unlike the Vietnam era. But the war is intruding on the public conversation.

"Iraq is at the top of the agenda, and it's largely among those people who say they are largely voting Democratic," said Andrew Kohut, the Pew Research Center's president. "It's not the only issue, but it's the one that has most given people a sense of unease about the state of the nation."

Independents, said Kohut, "are going to decide this election."

Recent Washington Post-ABC News polls, including one released this week, found that growing skepticism about the administration's performance since Sept. 11, 2001, has put the two parties at parity on combating terrorism -- formerly a winning Republican issue by a large margin.

Less than two weeks before Election Day, the figures represent a severe challenge to the GOP strategy of painting Democrats as weak on national security. They also help explain the boldness of Democratic candidates in challenging Republicans on the war.

"I'm getting less and less happy with way Bush is handling things," fifth-grade teacher Denise Hall said in Doylestown on a crystalline autumn morning. Iraq is "definitely a factor" as she considers backing Democrats this year after twice voting for Bush. "Things seem to keep getting worse."

Hall said she is troubled not only by the war deaths -- 93 Americans killed this month, the highest total in a year -- but also by what the Bush administration's approach to Iraq tells her about its ability to manage other crises. "My real concern is North Korea," she said. "That scares the heck out of me. Would we go in somewhere else and think we could straighten it out?"

In Connecticut's 5th District, Republican Rep. Nancy L. Johnson volunteers information on pretty much everything except the war. Her campaign Web site lists her positions on 12 "key issues," none of which includes Iraq. She talks of her "social moderation" and discusses her stances on the environment, health care and jobs.

Johnson believes the war echoes especially strongly in her race because of the battle for the Senate seat held by Joseph I. Lieberman, who was defeated by antiwar candidate Ned Lamont in the Democratic primary and is running as an independent. She contends that most candidates, Republican or Democrat, are not far apart in believing the Iraq war is off track.

Nearby, Democrat Diane Farrell is hammering repeatedly at Rep. Christopher Shays (R) for his support of the war. Recent polls show her with a narrow lead over Shays, who has visited Iraq 13 times and contends that victory remains possible.

"Christopher is such an ardent defender of the war and he holds himself out as an expert," Farrell said. "It makes it easier to hit on this issue."

It became clear in late summer that Iraq was working against Republican candidates, despite the well-telegraphed strategy of Bush and presidential adviser Karl Rove to link criticism of the war to weakness on national security. On Aug. 28, Vice President Cheney warned darkly of "self-defeating pessimism," but he found that some critics were solid Republicans.

GOP candidates are often keeping a distance from Bush, trying to define themselves as "independent." Ed Patru, a spokesman for the National Republican Congressional Committee, said this is not a year to enforce party discipline.

"We encourage and expect every candidate to do the things they need to do to connect with the electorate," Patru said. One common GOP approach is to acknowledge that the war is not going well and to challenge voters to distinguish among the candidates' solutions.

"At least it becomes a wash," Patru said.

The NRCC has spent $8.5 million defending three Republican members of Congress near Philadelphia and $3.3 million on three competitive Connecticut races. Other candidates for the House and Senate are buying their own time on the issue.

In South Florida, a newspaper advertisement for Democrat Ron Klein challenges Rep. E. Clay Shaw Jr. (R) for not doing more on Iraq.

"Clay Shaw refuses to hold the Bush administration accountable when it comes to the war on Iraq," the ad proclaims. "Whether it's a plan to win the peace, bring our troops home or account for a dime of the $300 billion we have spent, Shaw will not stand up to Bush or ask tough questions on Iraq. That's not leadership."

In Tennessee, Rep. Harold E. Ford Jr. (D) is running an ad in his Senate campaign against Republican Bob Corker that declares: "I support our troops and I voted for the war, but we shouldn't stay the course, as Mr. Corker wants."

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Connecticut is home to what may be the most intently watched war debate, in the race between Lamont and Lieberman. Lamont, a millionaire from Greenwich, won the primary and national attention by pounding almost exclusively on Lieberman's backing of the Bush administration on the war. Yet recent polls show Lamont's candidacy tumbling.

Farrell, stopping in western Connecticut, said in a voice grown raspy by campaigning that the war alone will not carry a candidacy. She believes her quest to defeat Shays has been fueled by a "double shot" of public desire to send a message on Iraq and dethrone the Republican leadership in Congress.

"They are both Democrats -- voters don't have to reject Joe to get a Democratic Senate," she said. "The difference in my district is that it's about the war and control of the majority of the House of Representatives. You need both -- the war and control of Congress -- to work together for voters."

Mark Matthews, a political independent and school custodian, has a newspaper under his arm as he walks into a Fast Stop Food Shop in Norwalk. For him, at least, frustration with the war is enough to steer him to Lamont and Farrell.

"All these young kids, our boys, are dying over there," Matthews said. "For what? It's ridiculous. We've lost focus and I've had enough."

Sen. John F. Kerry (D-Mass.) has donated $1 million to the campaigns of 18 military veterans. That includes $220,000 to Tammy Duckworth, seeking the suburban Chicago seat vacated by Rep. Henry J. Hyde (R), and $130,000 each to Murphy and to Joseph A. Sestak Jr., who is challenging Rep. Curt Weldon (R) in suburban Philadelphia.

After campaigning for Michigan Gov. Jennifer Granholm and Sen. Debbie Stabenow in Flint last week, Kerry maintained that the Iraq war has become a national proxy for other worries about GOP leadership.

"I believe there is a continuum of incompetence and outright misleading that characterizes this administration on everything," Kerry said. "There is no disagreement that it's been mishandled and mismanaged and that we need a change. It runs very, very deep."

To emphasize the war, Kerry will attend with Murphy a Thursday rally among veterans. Murphy has made his military training and the war the centerpiece of his campaign against Fitzpatrick, 43, the GOP incumbent, who spent 10 years on the Bucks County Commission.

"It's forward-thinking: You anticipate what your enemy might do next. It's leadership," Murphy, a lawyer who served with the Army's 82nd Airborne Division, said in an unsubtle slap at Republicans. Yet in an MSNBC television interview as he launched his candidacy, he repeatedly refused to say how he would have voted on the 2002 Iraq war resolution -- an awkward moment he calls "a lesson learned."

Murphy now calls for all U.S. troops to be withdrawn within 12 months, with a strike force of 30,000 left in remote Iraq or Kuwait. He said 8,000 to 10,000 troops should be redeployed to Afghanistan. Fitzpatrick opposes setting a timetable.

At a recent debate, each candidate was permitted to ask the other a final question.

Fitzpatrick asked: "Pat, how many school districts are there in Bucks County and what are their names?"

Murphy asked: "Congressman Fitzpatrick, when are you going to give the American public the straight story on where you are with the war in Iraq?"

Powell reported from Connecticut. Staff writers Kari Lydersen in Chicago and Robin Shulman in New York and political researcher Zachary A. Goldfarb in Washington contributed to this report.

Frist To GOP Hopefuls: Don't Stress Iraq (AP-Y)

AP, October 26, 2006

Senate Majority Leader Bill Frist says if Republican candidates want to succeed on Election Day, they should turn their focus away from the Iraq war.

"The challenge is to get Americans to focus on pocketbook issues, and not on the Iraq and terror issue," Frist said in an interview with the Concord Monitor on Tuesday.

Frist suggested that Republicans remind voters of subjects like tax cuts and lower gas prices, the result, he said, of the energy bill passed by Congress last year.

"These are all things the media has not covered," Frist said. "People don't say, 'This Congress passed tax cuts.' But that means something to every American."

Frist, a possible candidate for the presidency in 2008, visited New Hampshire on Tuesday to help local Republicans running for office and to accompany his wife, Karyn, on a promotional tour for her new book.

Frist, who is retiring from the Senate when his term expires at the end of this year, said he has been campaigning for candidates in his native Tennessee, Missouri, Iowa and New Hampshire. He said those trips have shown him a "worried, discontented and confused" electorate, with voters fed up with the politics of Washington.

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Frist suggested two issues that Republicans should use to highlight their differences with Democrats: homeland security and taxes. He criticized Democratic opposition to renewing the Patriot Act as "not equipping the government and military with the best tools to defeat terrorists." He also said proposals by Democrats to repeal tax cuts for the wealthiest Americans would be a drain on all taxpayers.

Defiant Iraqi PM Disavows Timetable (AP-Y)

By Christopher Bodeen, Associated Press Writer

AP, October 26, 2006

An angry Prime Minister Nouri al-Maliki disavowed a joint U.S.-Iraqi raid in the capital's Sadr City slum Wednesday, and criticized the top U.S. military and diplomatic representatives in Iraq for saying his government needs to set a timetable to curb violence in the country.

Al-Maliki spoke at a news conference a day after U.S. Ambassador Zalmay Khalilzad said Iraqi leaders had agreed to set deadlines by year's end for achieving specific political and security goals laid out by the United States, including reining in militia groups.

"I affirm that this government represents the will of the people and no one has the right to impose a timetable on it," the prime minister said.

The prime minister dismissed U.S. talk of timelines as driven by the coming midterm elections in the United States. "I am positive that this is not the official policy of the American government but rather a result of the ongoing election campaign. And that does not concern us much," he said.

Al-Maliki complained that he was not consulted beforehand about the Sadr City offensive. The raid was conducted by Iraqi special forces backed by U.S. advisers and was aimed at capturing a top militia commander wanted for running a Shiite death squad.

"We will ask for clarification to what has happened," al-Maliki said. "We will review this issue with the Multinational Forces so that it will not be repeated."

Mouwafak al-Rubaie, his national security adviser, later told The Associated Press that al-Maliki's anger grew out of a misunderstanding that had since been cleared up with Gen. George Casey, the top U.S. commander in Iraq.

While the U.S. military said the raid had been cleared in advance with al-Maliki's government, President Bush acknowledged that al-Maliki himself may not have been consulted.

"We need coordinate with him. That makes sense to me. And there's a lot of operations taking place which means sometimes communications are not as good as they should be. And we'll continue to work very closely with the government to make sure communications are solid," Bush said at his own news conference.

Military action in Sadr City is especially sensitive for the prime minister.

Until Wednesday, U.S. and Iraqi forces had largely avoided the densely populated slum, a grid of rutted streets and tumble-down housing that is home to 2.5 million Shiites and under the control of anti-American cleric Muqtada's al-Sadr's Mahdi Army.

Reining in the Mahdi Army and the other major militia, the Badr Brigades, remains one of the thorniest problems facing al-Maliki. His fragile Shiite-dominated government derives much of its power from the al-Sadr's faction and from the Supreme Council for the Revolution in Iraq, or SCIRI, which operates the Badr Brigades.

The U.S. military said Mahdi Army militiamen fought back in the Sadr City raid and that the Americans called in an air strike and cordoned the sprawling east Baghdad region.

Late Wednesday the military said it had killed 10 suspected militia fighters and wounded two in the battle. It did not identify the wanted militia leader or say whether he was still at large. Earlier, police and hospital officials said four people were killed and at least 18 wounded.

The military also said it had raided a mosque in Sadr City looking for a missing U.S. soldier and his kidnappers. The soldier was not found but three suspects were detained.

Residents living near Sadr City said gunfire and air strikes began about 11 p.m. Tuesday and continued for hours. The neighborhood was sealed to outsiders before dawn.

Groups of young men in black fatigues favored by the Mahdi Army were seen driving toward the area to join the fight. Explosions and automatic weapons fire were heard above the noise of U.S. helicopters circling overhead firing flares.

Crowds of Shiite men, some carrying pistols and others hoisting giant posters of al-Sadr, swarmed onto the district's streets Wednesday morning, chanting, "America has insulted us."

Throughout the day and into the night, U.S. F-16 jet fighters growled across the Baghdad sky, and at one point the report of tank cannon fire echoed across the city five times in quick succession.

Streets were empty and shops closed, although the district still had electricity from the national power grid.

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Well after nightfall, residents said all roads into the slum remained blocked by U.S. and Iraqi forces. U.S. soldiers were searching all cars.

A frustrated motorist waiting at one checkpoint jumped out of his car and called for al-Maliki to resign.

"Where is al-Maliki? It would be more honorable for him to resign. Why is he letting the Americans do this to us," the driver could be heard to scream.

Falah Hassan Shanshal, a lawmaker from al-Sadr's political bloc, said women and children had been killed, although videotape pictures of the bodies from the neighborhood taken at the local morgue showed only male victims.

"If there was an arrest operation, it should have been carried out by the Iraqi authorities, and not like this where air cover is used as if we were in a war zone," Shanshal said in an interview with the government's al-Iraqiya television station.

Iraqi Premier Denies U.S. Assertion He Agreed To Timelines (WP)

By John Ward Anderson

The Washington Post, October 26, 2006

BAGHDAD, Oct. 25 -- Iraqi Prime Minister Nouri al-Maliki lashed out at the United States on Wednesday, saying his popularly elected government would not bend to U.S.-imposed benchmarks and timelines and criticizing a U.S.-Iraqi military operation in a Shiite slum in Baghdad that left at least five people dead and 20 wounded.

Maliki's comments came a day after U.S. Ambassador Zalmay Khalilzad said the prime minister had agreed to timelines for accomplishing several critical goals, including developing plans to deal with militias, amend the constitution and equitably distribute Iraq's oil revenue.

"I affirm that this government represents the will of the people, and no one has the right to impose a timetable on it," Maliki said at a nationally televised news conference Wednesday. "The Americans have the right to review their policies, but we do not believe in a timetable."

With less than two weeks to go before critical midterm elections in the United States, Maliki accused U.S. officials of election-year grandstanding, saying that deadlines were not logical and were "the result of elections taking place right now that do not involve us."

In a conference call with reporters, two senior Democratic members of the Senate Armed Services Committee focused on Maliki's statements on the Bush administration benchmarks.

Sen. Carl M. Levin (D-Mich.), ranking member of the panel, said, "I think the page we are on differs and is rewritten day to day to try to get past the elections here."

Sen. Jack Reed (D-R.I.), a West Point graduate who just returned from Iraq, said Maliki's comment "deliberately repudiates what the president's saying." He called it "disheartening" but said it "might be a function of politics of Iraq as much as a function of politics of the United States. But it does not appear they're even at the level of how to talk about the problem."

Maliki's comments followed a deadly early-morning military raid in Sadr City, a teeming Shiite slum in eastern Baghdad with more than 2 million residents loyal to the charismatic anti-U.S. cleric Moqtada al-Sadr. The aim of the operation was to capture the leader of a Shiite death squad, according to a U.S. military statement. It was unclear whether the target was among the casualties.

Sadr heads a large Shiite political party that is a key member of Maliki's government. He also heads a powerful militia, the Mahdi Army, that has fought several prolonged battles against American troops. U.S. officials, Sunni Arabs and independent observers say that the Mahdi Army is a driving force behind death squads that have slaughtered thousands of Sunnis and that Maliki's government has done little to halt the attacks or disarm the group.

Although a U.S. military statement on the operation did not mention the Mahdi Army or Sadr by name, the implication that the target was a member of the militia was unmistakable.

Iraqi army special forces, supported by U.S. advisers, "conducted a raid authorized by the Government of Iraq . . . to capture a top illegal armed group commander directing widespread death-squad activity throughout eastern Baghdad," the statement said. It also said Iraqi forces came under fire during the raid and "requested support from Coalition aircraft, which used precision gunfire only to eliminate the enemy threat."

At his news conference, Maliki distanced himself from the raid, saying his government would "ask for clarification about what has happened in Sadr City" and "review the issue with the multinational forces so that it will not be repeated."

Sahib al-Amiry, a top aide to Sadr, denied that any of the casualties were members of a death squad, saying they were simple people trying to scratch out a living. Speaking in Najaf, where Sadr has his headquarters, Amiry accused the United States of trying to provoke a bigger clash with Sadr's forces, but he said the cleric had ordered his followers not to rise to the bait.

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Sadr "gave an order to calm down and be patient, because the occupation forces want to drag the Mahdi Army into an internal fight, especially in Baghdad," Amiry said. He said Sadr "is calling for calm, but the occupation forces are insisting on escalating the situation."

Meanwhile, the office of Gen. George W. Casey Jr., the top U.S. military official in Iraq, issued a statement Wednesday clarifying that he has not asked for more U.S. troops to be sent to Iraq. The statement said reports of Casey's comments at the joint news conference with Khalilzad on Tuesday "inferred" that Casey said more troops might be needed to quell violence in Iraq. "Quite frankly, that is the wrong impression," the statement said.

"There is no intent to bring more U.S. troops into Iraq at this time," the statement said. "The General was merely saying, as he has said consistently since taking command of the Multi-National Force Iraq, that all options are on the table. He will ask for what is needed. He has made no such request to date."

In his remarks Tuesday, Casey said he did not want to go into specifics about how better security and services would be brought to Baghdad, adding: "Now, do we need more troops to do that? Maybe. And as I've said all along, if we do, I will ask for the troops I need, both coalition and Iraqis."

Casey elaborated later, saying that if he needed more troops, he could draw them from Iraqi forces, U.S. forces already in Iraq or U.S. forces outside the theater.

Despite Maliki's tough reaction to suggestions that his government would bow to benchmarks and timelines to rein in militias, the prime minister reiterated at his news conference Wednesday, for the second time in as many days, the government's intention to crack down on illegal armed groups.

"The state is the only one that has the right to carry weapons," he said. "We will deal with anybody who is outside the law. Everyone now realizes that the existence of armed groups and militias harms the stability and unity of the state."

He also appealed to Iraq's neighbors to stop meddling in his country's affairs, and he blamed foreign fighters and supporters of ousted president Saddam Hussein for fomenting the current violence.

"I would like to state here that the root of the battle we are fighting in Iraq and the root of the bloody cycle that we are undergoing is the presence of terror organizations that have arrived in the country," Maliki said.

Maliki Distances Himself From American Strategies In Iraq (MCT)

By Nancy A. Youssef

McClatchy Newspapers, October 26, 2006

BAGHDAD, Iraq - U.S. officials and Iraqi Prime Minister Nouri al Maliki are increasingly at odds over strategy and goals, a division that American officials in Iraq say is making it harder to pursue their objectives in Iraq.

On Wednesday, Maliki denounced an American bombing mission in the Baghdad neighborhood of Sadr City that the U.S. said had killed a notorious Shiite Muslim death-squad member. He also rejected a call Tuesday by the two top American officials in Iraq for a timetable for his government to tackle the nation's most intractable problems.

"This government is one of popular will and national unity, and it is nobody's right to put timetables before it," Maliki said.

It was at least the third time in recent weeks that Maliki had publicly contradicted American positions, and it underscored that he draws much of his support from the very militia groups that the U.S. is pressing him to dismantle.

The differences with the Bush administration were also evident during President Bush's news conference in Washington on Wednesday.

"I know many Americans are not satisfied with the situation in Iraq," Bush said in an opening statement. "I'm not satisfied, either."

He said the U.S. was pressing Maliki to move more quickly and warned that "America's patience is not unlimited."

But Bush also said the administration wouldn't press too hard. "Look, we'll push him," he said, "but we're not going to push him to the point where he can't achieve the objective."

With less than two weeks before congressional elections, a clamor has been growing among Democrats and some Republicans for a timetable that would require the Iraqi government to resolve certain issues or face a possible withdrawal of U.S. troops. Polls indicate that Republicans could lose control of the House of Representatives and possibly the Senate, largely over dissatisfaction with developments in Iraq.

Bush acknowledged that the war has become a top-tier issue with voters, and noted that 93 American soldiers have been killed so far this month, a rare mention by the president of the war's death toll.

But he said it was Maliki's responsibility to find a solution to the violence and that the United States wouldn't be drawn into supporting one side over the other in a civil war.

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"Americans have no intention of taking sides in a sectarian struggle or standing in the crossfire between rival factions," he said. "Our mission is to help the elected government in Iraq defeat common enemies, bring peace and stability to Iraq and to make our nation more secure."

Identifying the common enemies has proved to be one of the most difficult tasks for American officials, however.

U.S. military officers and civilian officials have warned for months that Shiite militias are responsible for most of the civilian deaths in Iraq, and U.S. Ambassador Zalmay Khalilzad in May called them the biggest threat to Iraq's security.

But the militias, notably the Mahdi Army, led by fiery cleric Muqtada al Sadr, are also key to Maliki's support, and the prime minister has objected on several occasions to U.S. efforts to rein them in.

On Wednesday, Maliki said American officials didn't get his approval before they conducted the bombing raid in Sadr City, where his core supporters and many members of Sadr's Mahdi Army live.

"In fact, we will ask for a clarification of what happened, and this is an issue we will review with the multinational forces so it won't happen again," Maliki said.

U.S. military officials here disputed Maliki's claim, saying they never enter Sadr City without coordinating with his government.

According to a U.S. statement, Iraqi soldiers were conducting the raid in Sadr City when they came under fire and requested support from American aircraft. The aircraft "used precision gunfire only to eliminate the enemy threat," the statement said.

Still, U.S. officials said they weren't surprised by Maliki's comments.

"We were expecting it," said one top American military aide who asked to go nameless because of the sensitivity of the subject.

Last week, Maliki ordered the United States to release a Mahdi Army member it had seized in a raid for death-squad involvement. In August, Maliki publicly berated the Americans for a raid on Sadr City.

The tension between Maliki and U.S. officials also was evident Tuesday during a news conference in Baghdad by Ambassador Khalilzad and Gen. William Casey, the top American military commander in Iraq.

Khalilzad and Casey said they'd won approval from the Iraqi government for a timetable to consider some of Iraq's pressing issues, including disarming the militias, revamping the constitution and setting a date for parliamentary elections.

In elaborating on that agreement, Khalilzad said the commitment came from President Jalal Talabani. He didn't mention Maliki except to say that he took the prime minister at his word when he promised to negotiate with Sadr.

Talabani, an ethnic Kurd, is a strong U.S. ally, but it's unclear whether he has the authority to agree to a timetable on behalf of the government. Iraq's Constitution is vague about the responsibilities of the president and prime minister, although it appears that the prime minister - not the president - must approve agreements with other nations.

For many Iraqis, there's no surprise that American officials and Maliki don't see eye to eye. Before his appointment as prime minister, Maliki had a reputation as a staunch advocate for his fellow Shiites.

In the weeks-long battle earlier this year over who'd be prime minister, Maliki drew key backing from Sadr supporters, who hold more seats than any other group in parliament. He's since appointed Sadr supporters to government ministries such as health and education.

Some experts think that Maliki would be forced from power if he adhered to U.S. insistence that he move against Sadr.

"I'm not sure Maliki can do anything to improve Bush's position," said Judith Yaphe, a Persian Gulf expert at Washington's National Defense University.

The prime minister, she noted, sits atop a central government that was designed to be weak because Shiites and Kurds wanted it that way.

Maliki is in "an extraordinarily weak position," Yaphe said. "He doesn't give the impression of being the person who's in charge."

The latest divisions between Maliki and the U.S. left the Bush administration open to Democratic attack.

Citing the differences over a timetable, Senate Minority Leader Harry Reid, D-Nev., issued a statement Wednesday that said, "The Bush administration's Iraq policy, like Iraq itself, is in complete disarray."

"It is increasingly clear that the president does not know what to do to stop the escalating violence in Iraq and that his so-called `National Strategy for Victory' in Iraq has failed," the statement said.

"It's disheartening," said Sen. Jack Reed, D-R.I., a member of the Senate Armed Services Committee. "This might be a function of the politics of Iraq as much as the politics of the United States, but it does not appear - even at the level of how to talk about this thing - that there's a meeting of the minds."

McClatchy correspondents William Douglas and Margaret Talev contributed to this report from Washington.

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Iraq's Leader Jabs At U.S. On Timetables And Militias (NYT)

By Sabrina Tavernise

The New York Times, October 26, 2006

BAGHDAD, Oct. 25 — Prime Minister Nuri Kamal al-Maliki put himself at odds on Wednesday with the American government that backs him, distancing himself from the American notion of a timetable for stabilizing Iraq and criticizing an American-backed raid on a Shiite militia enclave.

Speaking in Baghdad just hours before President Bush held a news conference in Washington, Mr. Maliki tailored his remarks to a domestic audience, reassuring the millions of Shiites who form his power base that he would not bend to pressure by the American government over how to conduct internal Iraqi affairs.

His comments stood in stark contrast to the message given Tuesday by the top two United States officials in Iraq, Gen. George W. Casey Jr. and Ambassador Zalmay Khalilzad, who said the timetable for political measures had been accepted by the Iraqi government.

"I want to stress that this is a government of the people's will, and no one has the right to set a timetable for it," Mr. Maliki said at a news conference broadcast on national television.

"This is an elected government, and only the people who elected the government have the right to make time limitations or amendments," he said, stabbing the air with his hand.

The remarks pointed to a widening schism between the Shiite-led Iraqi government and the Americans who support it.

As the violence here increases and midterm elections in the United States approach, Mr. Maliki has come under pressure from the Bush administration to step up efforts to control the violence. But the very forces that elevated him to power and whose support he must retain — religious Shiite parties with their own militias — are complicit in the violence.

That tension was on display in his remarks on Wednesday. While acknowledging the problems presented by militias and death squads — groups of men with guns that American military officials say are some of the primary culprits in the new phase of bloodletting here — Mr. Maliki said pointedly that the main factor driving the violence was insurgents and militant fighters, largely Sunni, who have been killing Shiites for more than three years.

"Saddamists and terrorist groups are responsible for what is going on this country and the reactions," he said, in a reference to retaliatory killing by Shiite militias that began after the February bombing of a shrine sacred to Shiites. "We should contain the reactions."

Mr. Maliki's stance differs sharply from views presented by American officials, who speak of Shiite death squads as an evil equal to that of the Sunni insurgents. But it fits snugly inside the circle of hardening Shiite sentiment that the American military, in keeping full control of security, has not given the Iraqi government full power to intervene when Sunni militias or insurgents carry out sectarian cleansing.

"Most of the officials feel like their hands are tied," said one Shiite politician, who insisted on anonymity. "They can't take critical decisions at critical times."

The politician cited the example of Saab al Bour, a largely Shiite town with Sunni outskirts northwest of Baghdad, from which hundreds of Shiite families have fled in the past month after attacks by Sunni insurgents. Shiites were "crying for help," he said, but the government could not come to their aid because of confusion over which country's troops were responsible for the area.

Americans have held onto control over security partly because they do not believe that the Iraqi forces are up to the job. They also fear selective enforcement by the government in favor of Shiites, who form a large part of Iraq's security forces, particularly the police, whose ranks are infiltrated by militias.

Mr. Maliki is stuck in the middle, forced to navigate between the rising tide of frustration among Shiites who form his base and the American government that wields the power.

Evidence of that increasing discomfort showed in Mr. Maliki's reaction to an American raid on a suspected Shiite death squad leader early Wednesday morning.

The raid took place at dawn in Sadr City, a vast district of cinderblock houses that is the stronghold of the Mahdi Army, a large Shiite militia that fought two battles against the American military under the command of a radical Shiite cleric, Moktada al-Sadr.

Iraqi forces and American advisers entered the far northern tip of the district, the domain of a Shiite guerilla leader known by his Iraqi nickname, Abu Dera, and immediately came under fire. The military called in air support, and aircraft fired high-caliber guns at militiamen on the ground, a military official said.

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The American military reported that 10 militiamen were killed and two were wounded in the fight, which residents said lasted several hours. The Iraqi authorities put the total wounded at 20. Soldiers continued to a nearby mosque, where the military suspected that the kidnappers of a missing American soldier were located, and detained three suspects.

"We will ask for a clarification on that from the multinational forces," Mr. Maliki said. "This is an issue we will review together so that it will not happen again. The Iraqi government should know about and have a role in these military operations."

It was not clear whether Mr. Maliki was posturing publicly to play to his Shiite base, or whether he had genuinely been taken by surprise. The raid was carried out by Iraqi forces and backed by Americans. But in nearly all cases, Americans initiate secret raids.

"The Iraqi government is a prisoner in the Green Zone, it's helpless," said Jaleel al-Nuri, an aide to Mr. Sadr. "They are like puppets moved by the coalition forces."

The American military, for its part, said the Iraqi government had approved the raid, which was directed at "a top illegal armed group commander directing widespread death squad activities." It said 10 suspects were detained but did not say whether the target was among them.

Residents said Abu Dera, whose real name is Ismail al-Zerjawi, was not among those captured, though his son was wounded and his cousin killed. Once loyal to Mr. Sadr, he broke away in 2004 and now runs his own influential crime ring. He is popular among hard-line Shiites, who put his image on cellphones and call him the Zarqawi of the Shiites, a reference to Abu Musab al-Zarqawi, the former Qaeda leader who urged Sunnis to kill Shiites.

Mr. Maliki has acted before to assert Shiite influence over American military decision-making. In a similar raid last week, an aide to Mr. Sadr was arrested, and released a day later at the request of Mr. Maliki, who was about to visit Mr. Sadr.

General Casey said Tuesday that he personally allowed the release. Perhaps the most vivid illustration of just how uncomfortable Shiites have become with full American control is a new push to amend the terms of the United Nations agreement that extends the mandate of the multinational forces in Iraq, essentially providing the legal basis for the United States and other countries to have their militaries here.

Mowaffak al-Rubaie, Iraq's national security adviser, said the government would like to speed up the process of handing over Iraqi troops to Iraqi control. Two provinces are controlled by Iraqis, and Iraqis are in full charge of 2 of 10 Iraqi Army divisions.

Mr. Maliki said Wednesday that the government would draw up a new agreement to allow the government to move Iraqi Army units and run security operations in "Sadr City or any other tense area."

"We don't want to give the coalition forces the absolute authority to take the security responsibility all over the country," Mr. Rubaie said. "We think we can do things better and it's the time now."

"We need to be given the opportunity to make mistakes."

The push by the Iraqi authorities for more control over their own security comes as American military officials have scaled back estimates of the readiness of Iraqi troops. General Casey said Tuesday that it would be another 12 to 18 months before Iraqi troops would take control, longer than originally predicted.

Maliki Resists US Pressure To Take Key Decisions (FT)

By Steve Negus, Iraq Correspondent

Financial Times, October 26, 2006

Iraqi Prime Minister Nouri al-Maliki on Wednesday dismissed Washington's claim that Iraqi politicians had agreed a timetable to reach key compromises and lashed out at a US-supervised raid on a militia target in the Shia slum of Sadr City.

His statements were a challenge to US officials who say that progress depends on Iraqi politicians swiftly taking decisions on issues that have divided Sunni and Shia and fed sectarian tensions.

The comments suggest that Mr Maliki either believes that Washington has no option but to continue backing his government, or feels that he cannot afford to alienate other members of his Shia-led coalition by authorising operations against Shia militias as the Americans would like.

Mr Maliki spoke at a press conference following a US-Iraqi raid on the massive Shia slum of Sadr City, the support base of the radical Shia Mahdi Army militia, in which residents said at least four people were killed by airstrikes and gunfire.

According to a US military statement, Iraqi special forces backed by US advisers conducted a raid "authorised by the government of Iraq... to capture a top illegal armed group commander directing widespread death-squad activity".

The prime minister however, who in an interview last week said he would block large-scale US operations in the crowded district, denied that he had been informed of the raid. "We will ask for clarification about what has happened in Sadr City. We will review this issue with the multinational forces so that it will not be repeated," he said.

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Mr Maliki also disavowed a statement on Tuesday by US ambassador Zalmay Khalilzad that Iraqi politicians had set a timetable to reach agreement on divisive issues. "I affirm that this government represents the will of the people and no one has the right to impose a timetable on it," Mr Maliki said.

He said that talk of timelines was probably driven by the November 7 US elections, and that "we are not much concerned by it".

Mr Khalilzad had said that Iraqi leaders would take decisions on how to share Iraq's oil revenues, on amending the constitution, on changing the committee charged with purging former members of the ruling Ba'ath party into an "accountability and reconciliation programme", on implementing a plan to address militias and death squads, and on other issues.

Most of these are of particular importance to Sunni leaders, who want to change the constitution to prevent their oil-poor heartland in central Iraq from being denied oil revenue. Mr Maliki has come under US pressure to reach out to the Sunni community.

He reiterated his government's pledge to crack down on militias deemed responsible for sectarian killings. There is no place for militias alongside the state. The existence of militias harms the state and I've given instructions to our armed forces that they be firm with them," he said.

Iraqi Leader Bristles At Idea Of Timetable (USAT)

By David Jackson And Rick Jervis

USA Today, October 26, 2006

WASHINGTON — Bush administration efforts to pressure Iraq's government by establishing a timeline to disarm militias and stand on its own have run into resistance from Iraqi Prime Minister Nouri al-Maliki.

In a news conference Wednesday, Bush vowed to push Iraqi leaders to accept more responsibility to govern their divided nation. In Iraq, al-Maliki rejected U.S. calls made 24 hours earlier for Iraq to set a timetable to quell sectarian violence.

Al-Maliki dismissed comments by Gen. George Casey, the chief U.S. commander in Iraq, and U.S. Ambassador Zalmay Khalilzad as driven by Bush administration concerns about the elections Nov. 7.

"I affirm that this government represents the will of the people, and no one has the right to impose a timetable on it," al-Maliki said in Baghdad. "I am sure this is not the official policy of the U.S. government, but it is a result of the election campaign."

Al-Maliki also denied prior knowledge of a raid by U.S. and Iraqi forces Wednesday in Sadr City, the stronghold of a Shiite militia led by militant cleric Muqtada al-Sadr. Al-Maliki said he had not been consulted and such an action "will not be repeated."

Al-Maliki's tough talk against U.S. initiatives is a public effort to appeal to the power base in his tenuous coalition government — mainly al-Sadr's movement and the rival Shiite faction, the Supreme Council for Islamic Revolution in Iraq, or SCIRI, said Chris Toensing, director of the Washington-based Middle East Research and Information Project. "By disavowing any role in the raid, he's talking to the Sadrists, and by dismissing timetables, he's talking to SCIRI and (al-Maliki's own party) Dawa," Toensing said. "It's a pretty narrow tightrope to walk."

In a statement, the U.S. military said Iraqi special forces with coalition advisers conducted two raids in Sadr City. The raids were aimed at capturing a death squad leader and suspects in the kidnapping of a U.S. soldier.

Bush, speaking to reporters at the White House, agreed with al-Maliki that conditions could not be forced upon Iraq's sovereign government. He made clear, however, that U.S. patience with al-Maliki is not infinite. "I speak to him quite frequently, and I remind him we're with him so long as he continues to make tough decisions. That's what we expect," Bush said. "We'll push him, but we're not going to push him to the point where he can't achieve the objective" of a stable Iraq.

The United States wants al-Maliki to reach an agreement with militias to lay down their arms. Al-Maliki has repeatedly pledged to deal with the militias but has resisted issuing firm ultimatums.

Bush acknowledged Wednesday that U.S. forces are taking heavy casualties in Iraq and that many Americans "are not satisfied with the situation."

"I'm not satisfied either," he said.

He continued to dismiss Democratic calls to set a fixed timetable to begin withdrawing U.S. troops from Iraq. He repeated his contention that victory in Iraq is essential to the larger battle against terrorism. "We're winning and we will win, unless we leave before the job is done," he said.

Bush said last spring he had thought he might be able to "reduce our troop presence" early next year but conditions in Iraq now would not permit it. A premature withdrawal, Bush said, risks turning Iraq into a terrorist state, an echo of Afghanistan under the Taliban — only with oil revenue to spend.

Bush cited successes in Iraq such as the capture of Saddam Hussein in December 2003 and successful elections. He also listed failures, including loss of American lives and not finding weapons of mass destruction. "The ultimate accountability," Bush said, "rests with me."

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Leading Democrats, who believe voter concern about the war could fuel Republican losses in the congressional elections, said the apparent disconnect between Bush and al-Maliki reflected White House confusion about Iraq.

"The Bush administration's Iraq policy, like Iraq itself, is in complete disarray," Senate Minority Leader Harry Reid, D-Nev., said in a statement. "One day, the administration calls for a timetable, the next day Iraqi Prime Minister Maliki objects to it."

The most recent USA TODAY/Gallup Poll, taken Friday-Sunday, found voters are more focused on national issues than in any previous congressional election and are pessimistic about the war in Iraq. Nineteen percent of those surveyed said the United States is winning in Iraq, an all-time low.

At his news conference Wednesday, Al-Maliki appealed to neighboring states to cease meddling in Iraq's domestic affairs. The United States has accused Iran and Syria of aiding Sunni and Shiite armed groups. Al-Maliki blamed foreign fighters in groups such as al-Qaeda in Iraq and loyalists of Saddam's Baath Party for driving the violence.

Al-Maliki Hits U.S. Calls For A Timetable (WT/AP)

By Sameer N. Yacoub

The Washington Times, October 26, 2006

BAGHDAD -- A defiant Iraqi Prime Minister Nouri al-Maliki yesterday slammed the top U.S. military and diplomatic representatives in Iraq for saying his government needed to set a timetable to curb violence ravaging the country.

"I affirm that this government represents the will of the people, and no one has the right to impose a timetable on it," Mr. al-Maliki said at a press conference.

On Tuesday, U.S. Ambassador Zalmay Khalilzad said Mr. al-Maliki had agreed to a timeline.

Mr. al-Maliki also disavowed a joint raid by U.S. and Iraqi forces at the Baghdad stronghold of a Shi'ite militia led by radical anti-American cleric Muqtada al-Sadr in search of a death-squad leader.

Mr. al-Maliki, who relies on political support from the cleric, said the strike against a figure in Sheik al-Sadr's Mahdi's Army militia in Sadr City "will not be repeated."

The prime minister dismissed U.S. talk of timelines as driven by the upcoming midterm elections in the United States.

"I am positive that this is not the official policy of the American government, but rather a result of the ongoing election campaign. And that does not concern us much," he said.

Mr. al-Maliki's comments followed remarks Tuesday by Gen. George Casey, the top American commander in Iraq, and Mr. Khalilzad, who said Iraqi leaders had agreed to a timeline for achieving key political and security goals, including reining in such groups.

Mr. Khalilzad revealed neither specific deadlines for achieving those goals nor penalties for their failure to do so, and Mr. al-Maliki said no deadlines had been put to his government.

"I would like to assert that everyone knows my government is a government that came to power through the will of the people. And it is no one's business to give it timelines," he said.

Mr. Khalilzad said Mr. al-Maliki had agreed to the timeline concept, which calls for specific deadlines to be set by year's end. Gen Casey said the Iraqi forces could be in a position to take over operations in all the country's provinces within 18 months "with some level of support" from coalition forces.

In Washington, President Bush sought to delineate a middle ground in terms of pressing the Iraqis to accept more of the responsibility for their own fate.

"We are making it clear that America's patience is not unlimited," he said at a press conference yesterday. "We will not put more pressure on the Iraqi government than it can bear."

Tank cannons boomed out over the city five times in rapid succession yesterday afternoon, and U.S. F-16 jet fighters screamed low overhead as the conflict in Sadr City continued into the day.

Four persons were killed and 18 wounded in overnight fighting in the overwhelmingly Shi'ite eastern district, according to police and hospital officials.

The U.S. military said Iraqi army special forces, backed up by U.S. advisers, carried out a raid to capture a "top illegal armed group commander directing widespread death-squad activity throughout eastern Baghdad," the military said.

Mr. al-Maliki, who is commander in chief of Iraq's army, firmly denied that he knew anything about the raid.

"We will ask for clarification about what has happened in Sadr City. We will review this issue with the multinational forces so that it will not be repeated," he said. "The Iraqi government should be aware and part of any military operation. Coordination is needed between Iraqi government and multinational forces."

Sadr City Raid Targets Death Squad Leader (LAT)

By Louise Roug

DOJ_NMG_0086736

The Los Angeles Times, October 26, 2006

BAGHDAD — American-led forces battled gunmen in Sadr City today during a rare foray into the capital's vast Shiite Muslim slum. Troops searching for an alleged death squad leader called in airstrikes when they came under attack, killing four people, according to Iraqi authorities.

While the U.S. military said in a statement that the raid had been authorized by the Iraqi government, Prime Minister Nouri Maliki quickly renounced the operation. He told reporters at a news conference that the raid was an example of the continued lack of coordination between Iraqi and American officials.

"We are going to request some explanations from the multinational forces to prevent a similar incident and to ensure coordination with the Iraqi security forces," the Iraqi leader said.

Maliki distanced himself further from the U.S. by refuting American talk of a timetable by which the Iraqi government needs to solve some of the country's most intractable issues, including disarming the militias.

"This government is one of popular will and national unity and it is nobody's right to put timetables before it," Maliki said, suggesting that statements by U.S. officials here had less to do with Iraq and more to do with U.S. electoral politics.

On Tuesday, U.S. Ambassador Zalmay Khalilzad told reporters that the Iraqi government had agreed to a series of "benchmarks" by which to resolve major domestic problems. The remarks came during a rare joint news conference with the top U.S. military commander in Iraq, Gen. George W. Casey Jr.

Maliki also went out of his way to praise the anti-American Shiite cleric Muqtada Sadr for seemingly rejecting violence against other Muslims. Sadr has not renounced killing U.S. troops. American commanders believe that his militia, the Al Mahdi army, is behind most of the attacks against their troops.

October has been the bloodiest month of the year for U.S. forces, with at least 91 American troops killed this month.

While Maliki has been under pressure from the U.S. to rein in Shiite militias, notably the Mahdi army, the prime minister relies on the young cleric for political support. In addition to controlling the largest Shiite militia in Iraq, Sadr controls 30 seats in parliament.

In today's raid on Sadr City, troops set out to capture a "top illegal armed group commander directing widespread death squad activity throughout eastern Baghdad," the U.S. military said in a statement. It was unclear whether they caught the cell leader.

What Osama Wants (NYT)

By Peter Bergen

The New York Times, October 26, 2006

Washington

THE French saying, often attributed to Talleyrand, that “this is worse than a crime, it’s a blunder,” could easily describe America’s invasion of Iraq. But for the United States to pull entirely out of that country right now, as is being demanded by a growing chorus of critics, would be to snatch an unqualified disaster from the jaws of an enormous blunder.

To understand why, look to history. Vietnam often looms large in the debate over Iraq, but the better analogy is what happened in Afghanistan since the Soviet invasion. During the 1980’s, Washington poured billions of dollars into the Afghan resistance. Around the time of Moscow’s withdrawal in 1989, however, the United States shut its embassy in Kabul and largely ignored the ensuing civil war and the rise of the Taliban and its Qaeda allies. We can’t make the same mistake again in Iraq.

A total withdrawal from Iraq would play into the hands of the jihadist terrorists. As Osama bin Laden’s deputy, Ayman al-Zawahri, made clear shortly after 9/11 in his book “Knights Under the Prophet’s Banner,” Al Qaeda’s most important short-term strategic goal is to seize control of a state, or part of a state, somewhere in the Muslim world. “Confronting the enemies of Islam and launching jihad against them require a Muslim authority, established on a Muslim land,” he wrote. “Without achieving this goal our actions will mean nothing.” Such a jihadist state would be the ideal launching pad for future attacks on the West.

And there is no riper spot than the Sunni-majority areas of central and western Iraq. Abu Musab al-Zarqawi — the most feared insurgent commander in Iraq — was issuing an invitation to Mr. bin Laden when he named his group Al Qaeda in Iraq. When Mr. Zarqawi was killed this year, his successor, Abu Hamza al-Muhajer, also swore allegiance to Al Qaeda’s chief.

Another problem with a total American withdrawal is that it would fit all too neatly into Osama bin Laden’s master narrative about American foreign policy. His theme is that America is a paper tiger that cannot tolerate body bags coming home; to back it up, he cites President Ronald Reagan’s 1984 withdrawal of United States troops from Lebanon and President Bill Clinton’s decision nearly a decade later to pull troops from Somalia. A unilateral pullout from Iraq would only confirm this analysis of American weakness among his jihadist allies.

Indeed, in 2005 Mr. Zawahri sent Mr. Zarqawi a letter, which was intercepted by the United States military, exhorting him to start preparing for the impending American withdrawal similar to that of Vietnam 30 years ago. “The aftermath of the collapse of

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American power in Vietnam — and how they ran and left their agents — is noteworthy," Mr. Zawahri said. "Because of that, we must be ready starting now, before events overtake us, and before we are surprised by the conspiracies of the Americans and the United Nations and their plans to fill the void behind them."

Yes, there is little doubt that the botched American occupation of Iraq was the critical factor that fueled the Iraqi insurgency. But for the United States to wash its hands of the country now would give Al Qaeda's leaders what they want.

This does not mean simply holding course. America should abandon its pretensions that it can make Iraq a functioning democracy and halt the civil war. Instead, we should focus on a minimalist definition of our interests in Iraq, which is to prevent a militant Sunni jihadist mini-state from emerging and allowing Al Qaeda to regroup.

While withdrawing a substantial number of American troops from Iraq would probably tamp down the insurgency and should be done as soon as is possible, a significant force must remain in Iraq for many years to destroy Al Qaeda in Iraq.

That can be accomplished by making the American presence less visible; withdrawing American troops to bases in central and western Iraq; and relying on contingents of Special Forces to hunt militants. To do otherwise would be to ignore the lessons of history, lessons that Al Qaeda's leaders certainly haven't forgotten.

In Syria, Iraq's Fate Silences Rights Activists (WP)

By Ellen Knickmeyer

The Washington Post, October 26, 2006

DAMASCUS, Syria -- Horror at the bloodshed accompanying the U.S. effort to bring democracy to Iraq has accomplished what human rights activists, analysts and others say Syrian President Bashar al-Assad had been unable to do by himself: silence public demands for democratic reforms here.

The idea of the government as a bulwark of stability and security has long been the watchword of Syrian bureaucrats and village elders. But since Iraq's descent into sectarian and ethnic war -- and after Israel's war with Hezbollah in Lebanon, on the other side of Syria -- even Syrian activists concede that the country's feeble rights movement is moribund.

Advocates of democracy are equated now with supporters of America, even "traitors," said Maan Abdul Salam, 36, a Damascus publisher who has coordinated conferences on women's rights and similar topics.

"Now, talking about democracy and freedom has become very difficult and sensitive," Salam said. "The people are not believing these thoughts anymore. When the U.S. came to Iraq, it came in the name of democracy and freedom. But all we see are bodies, bodies, bodies."

Ordinary people in Syria are hunkering down, and probably rightly so, said Omar Amiralay, a well-known Syrian filmmaker whose documentaries are quietly critical of Assad's one-family rule.

"If democracy brings such chaos in the region, and especially the destruction of society, as it did in Iraq and in Lebanon, it's absolutely normal, and I think it's absolutely a wise position from the people to be afraid to imagine how it would be in Syria," Amiralay said. "I think that people at the end said, 'Well, it is better to keep this government. We know them, and we don't want to go to this civil war, and to live this apocalyptic image of change, with civil war and sectarianism and blood.' "

In 2003, a few people in Damascus were bold enough to raise their glasses in cafes to toast the American tanks then rolling into Baghdad to overthrow Saddam Hussein. They were dreaming of the changes that might happen next here, in the only remaining government led by the Baath Party, a prominent writer in the capital said, speaking on condition of anonymity for fear of being jailed a second time.

"The Americans came to Iraq to make it an example to the other countries to ask for change," the writer said. "But what happened was the opposite. Now everyone is saying we do not want to be like Iraq."

Yet while Assad's government has fulfilled its pledge of stability, it has put off acting on any of its promises on democratic reform. In fact, as the U.S. effort in Iraq goes increasingly awry, Syria has cracked down even harder, activists said.

In May, the government jailed at least 12 people for signing a petition calling for better relations with Lebanon, according to Human Rights Watch. In July, Syrian courts sentenced three bloggers to up to four years in prison for writing too freely. The jail terms led Reporters Without Borders to declare Syria "the Middle East's biggest jail for cyber-dissidents."

Also in July, security and intelligence services imposed a foreign travel ban on scores of Syrian artists, rights workers and others. Activists learned of the ban one by one, when they showed up at the border or the airport with passport and suitcase, only to be refused permission to leave the country. Some democracy groups and forums have been shut down since last year.

Amiralay, 62, was stopped at the Syrian border in September as he headed to Jordan for a workshop on filmmaking. Middle East satellite television networks had recently broadcast his latest work, an understated documentary showing Baath Party rule across the generations in a Syrian village.

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Syrian officials clapped the noted filmmaker in handcuffs and brought him back to Damascus. Security officers screened his latest work frame by frame, demanding his explanation of any shot that suggested untoward symbolism, he said. Reports of his detention on Arabic-language television helped win his quick release.

Amiralay's prominence has helped him cope. Another critic, the once-outspoken writer, said he has opted to watch his words more carefully. And Salam, the publisher and conference organizer, voted with his feet, moving to Canada just after his interview in Damascus.

Before he left, Salam spoke darkly of the prospects for the Middle East. Iraq was in ruins, he said. Lebanon was in peril of civil war. In Syria, Assad would either stay in power or destroy the country first if he was forced out.

In Egypt, Yemen and Libya, strongmen were preparing their sons to succeed them, while the United States and other avowed promoters of democracy in the Middle East looked the other way. "I don't see the situation getting better," Salam said. "Young people are trying to leave Syria -- to Canada, to Europe, to any place."

Internationally, as well, the erosion of U.S. stature over Iraq and Lebanon has put Syria in position to try to improve its regional and world standing without giving in to the reform demands of the United States, diplomats and analysts said.

The United States and the European Union have officially isolated Syria since the February 2005 bombing that killed former Lebanese prime minister Rafiq al-Hariri in Beirut. The United States and others suspected Syrian involvement.

But Spain, Italy and Germany have renewed contacts since the war in Lebanon this summer, calling Syria's help vital to averting further conflict there. Britain, a staunch U.S. ally, continues to observe diplomatic silence with regard to Syria, but even its ambassador, Peter Ford, said in an interview here that the bid to shut out Syria had not accomplished its aims and may no longer be the best move. Former U.S. secretary of state James A. Baker III, co-chairman of a bipartisan panel seeking alternative strategies for Iraq, has suggested he may recommend U.S. talks with both Syria and Iran.

In Damascus, Baath Party legislator Georges Jabbour laughed when asked about the success of the U.S. policy toward Syria. Interviewed by telephone, he pointed to the two-day state visit to Damascus then being undertaken by Spanish Foreign Minister Miguel Ã ngel Moratinos. A year ago, Spain was still bowing to U.S. pressure to isolate Syria, and the Spanish foreign minister limited a Damascus visit to an unnecessary refueling stop for furtive meetings with Syrian officials, Jabbour said.

Meanwhile, Syria's people remain spectators of their government's maneuvering, free to watch it but not to speak.

They enjoy the small freedoms that their neighbors in dangerous Iraq no longer do -- such as the ability to go out after dark. This month, after breaking the daily Ramadan fast, families chugged in their cars up the steep roads of Mount Cassion to stroll, sip colas and fruit drinks and take in the view of Damascus spread out below.

Seated on a plastic chair on the road with a friend, real estate salesman Mohammed Yousif gestured toward the city. Green lights of mosques glowed among the white lights of a capital fully powered and at peace. Speaking to a foreign journalist, the 42-year-old salesman measured his words carefully, answering questions with the blandness often seen in Iraq before Hussein was toppled.

"We are talking and enjoying ourselves," Yousif said, waving the nozzle of the traditional water pipe he and his friend were using to smoke flavored tobacco. "This is our democracy. This is our freedom."

Money Down The Drain In Iraq (NYT)

The New York Times, October 26, 2006

When the full encyclopedia of Bush administration misfeasance in Iraq is compiled, it will have to include a lengthy section on the contracting fiascos that wasted billions of taxpayer dollars in the name of rebuilding the country. It isn't only money that was lost. Washington's disgraceful failure to deliver on its promises to restore electricity, water and oil distribution, and to rebuild education and health facilities, turned millions of once sympathetic Iraqis against the American presence.

Their discovery that the world's richest, most technologically advanced country could not restore basic services to minimal prewar levels left an impression of American weakness and, worse, of indifference to the well-being of ordinary Iraqis. That further poisoned a situation already soured by White House intelligence breakdowns, military misjudgments and political blunders.

The latest contracting revelations came in a report issued Tuesday by the office of the Special Inspector General for Iraq Reconstruction. The office reviewed records covering $1.3 billion out of the $18.4 billion that Congress voted for Iraq reconstruction two years ago. Reported overhead costs ran from a low of 11 percent for several contracts awarded to Lucent to a high of 55 percent for, you guessed it, the Halliburton subsidiary, KBR Inc.

On similar projects in the United States, overhead is typically just a few percent. Given the difficult security environment in Iraq, overhead was expected to run closer to 10 percent. But in many of the contracts examined, it ran much, much higher, in some cases consuming over half the allocated funds. And the report may have actually underestimated total overhead because

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the government agencies that were supposed to be supervising these reconstruction projects sometimes failed to systematically track overhead expenses.

The main explanation for these excessive overhead rates turned out to be not special security costs but simply the costly down time that resulted from sending workers and equipment to Iraq months before there was any actual work for them to do. That is yet another example of the shoddy contract writing, lax oversight and absent supervision that has consistently characterized Washington's approach to Iraq reconstruction from the start.

Bush administration incompetence, not corporate greed, is the chief culprit. Still, these charges are one more example of how the favored American companies lucky enough to be awarded reconstruction contracts made large sums of money while the Iraqis failed to get most of the promised benefits.

As Americans now look for explanations of how things went so horribly wrong in Iraq, they should not overlook the shameful breakdowns in reconstruction contracting. They need to insist that Congress impose tough new rules on the Pentagon to ensure more competitive bidding, tighter contract writing and more rigorous supervision. That is the best way to ensure that such a costly and damaging failure never happens again.

For NBC Reporter, The Job That Won't Go Away (WP)

By Howard Kurtz

The Washington Post, October 26, 2006

NEW YORK -- After struggling for years to make it as a Middle East journalist, Richard Engel was living in Cairo, married to his college girlfriend and itching for a new adventure.

As the Bush administration geared up to invade Iraq, Engel decided he had to be there and bought an illegal visa. Once in Iraq, he became so absorbed in the conflict that his marriage became a casualty of war.

"There is no personal life," he says. "This is what I do all the time. It's not a solitary existence like I'm riding a camel in the desert, but you just don't have any personal space."

At 33, the baby-faced Engel has logged more time in Iraq than any other television correspondent, chronicling 3 1/2 years of carnage for NBC and shrugging off several close calls. As nearly all television correspondents rotate in and out of Iraq, Engel has stayed .

"In an era of instant media criticism, he calls balls and strikes in the middle of a war zone," says NBC anchor Brian Williams. "He is completely unbothered by any Web site that may have problems with his reporting while he's over in Iraq dodging bullets. . . . He is the most agenda-less person I've met in our business, I think, in the past 20 years."

On a rare visit home, Engel looks slighter than he does in flak-jacketed appearances from Baghdad, as if he doesn't quite fill out his suit. He speaks with an air of resignation about the worst that human beings can do to each other.

Earlier this month he interviewed a woman whose 13-year-old son was kidnapped. After she paid the $12,000 ransom, the boy was tortured and killed anyway.

"It's horrible," Engel says. "I've seen hundreds of dead bodies -- rotting bodies, bodies buried in shallow graves. One time I watched a dog carry a severed human head in its mouth. You're smelling bodies, you're seeing people who are so angry and insanely distraught. The people who are being killed are too old, too stupid, too poor, too young or too weak, socially or otherwise, to leave."

Engel frequently hits the punching bag as a form of therapy. "There are images that I would rather not have in my head," he says. "You can't let your guard down. . . . You have to go out every day assuming you're being hunted, that people want to take you for ransom."

Among the small circle of journalists who risk their lives in the region, Engel commands considerable respect.

"I admire Richard because he's passionate about the story, and he cares," Lara Logan, CBS's chief foreign correspondent, says from Iraq. "When he was a freelancer with no real support, he wasn't afraid to stay on his own in Baghdad for 'shock and awe.' He's also a really decent guy."

Why does he stay? When NBC made Engel its Middle East bureau chief over the summer, he agreed to a new contract and moved to the relative calm of Beirut. Days later he found himself covering a fierce war between Israel and Hezbollah -- and was suddenly reenergized. This, for better or worse, is what he does.

Not that Engel necessarily approves of military conflict.

"I think war should be illegal," he says. "I'm basically a pacifist."

* * *

Engel was taping a standup last week on Haifa Street, in one of Baghdad's most dangerous neighborhoods, where he was traveling with the 172nd Stryker Brigade.

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Suddenly shots rang out. The unit was under sniper fire. "Let's go, go, go, go, go, go!" one soldier shouted. Engel scrambled for cover, but completed his report a few minutes later.

He has little patience for the notion that the media are suffering from Iraq fatigue because the story -- day after day of death and destruction -- has gotten so repetitive.

"Whether you agree with the war or not, I have a very soft spot for the guys who are out there. These guys have saved my life on more than one occasion, and they are dying at the rate of two a day, and they deserve to be talked about."

Danger lurks everywhere for Western correspondents in Iraq. Engel has survived two kidnapping attempts, one of which occurred when a pair of cars surrounded his vehicle, forcing his driver to make an evasive maneuver at 90 miles per hour with a third car in hot pursuit. And journalists' hotels are a periodic target. Engel's hotel room has been blown up three times in insurgent attacks, once collapsing the ceiling and another time blowing off the door as shrapnel filled the room.

"There's a fine line between fearless and crazy," Williams says. "Richard is not crazy. He has distilled risk to a science."

Few would have predicted that Engel would become an intrepid war correspondent when he was growing up on Manhattan's East 86th Street. He suffered from dyslexia and struggled in school.

"He was down in the mouth and low on self-confidence," says his mother, Nina Engel. "He lived in the shadow of his older brother, Mr. Perfect," who is now a cardiologist. In fact, she had only "a very faint hope" that he would be able to go to college.

When he was 13, Engel asked his parents to send him to a wilderness survival program in Wyoming. Frustrated by his learning disabilities, he was eager to escape the comforts of Upper East Side life and try a tougher environment.

He says he was "scared to death," especially when given a gun to hunt small game. Nina Engel remembers getting a letter from her son: "I just returned from my survival hike. I clubbed a bird to death and ate it." When the teenager returned, he told his mother: "I learned a lot about myself."

Engel says the experience began a transformation that largely enabled him to overcome his dyslexia and school problems. Despite his learning difficulties, he showed early promise in other ways.

"He was a great writer," says Ross Peet, who was a classmate at Riverdale Country School in the Bronx. "But he struggled with anything that had a number on it."

At 16, Engel spent a year as an exchange student in Sicily. After graduating from Stanford in 1996 with a degree in international relations, Engel says, he decided that "the Middle East would be the story of my generation." He announced to his parents that he was moving to Cairo, where the family had once taken a trip.

"Are you insane?" Nina Engel recalls asking him. "Do you remember what a hellhole it was?" When her son said he was also considering Damascus, she allowed as how Cairo was not really that bad.

The aspiring reporter took his $2,000 in savings, moved to Cairo, enrolled in Arabic classes and found an apartment in a neighborhood where donkeys and dogs roamed the dirt roads.

Engel did some local freelancing and caught an early break when he was asked to take over the English-language Middle East Times after the staff walked out in the wake of the editor's firing. He wrote all the articles -- making plenty of mistakes in the process -- and took the proofs each week to a printing press in Athens, as a way to avoid Egyptian censorship laws.

Engel ran into trouble anyway as he began reporting on the group that would become al-Qaeda. He says Egyptian authorities started following him and bugging his phone. Once, after a weekend trip, an official called to ask how he had liked staying in Room 17 of a hotel in Alexandria. Engel reported the surveillance to the U.S. embassy, to no avail.

"The embassy was useless," he says. "It was my first lesson that you cannot rely on anyone else. No one is coming to help you."

In 1999, Agence France-Presse hired Engel to go to Jerusalem and cover the Palestinians. As the intifada protests against Israel turned violent, he says, "I spent the next three years on my stomach, getting tear-gassed and shot at with rubber bullets."

Most people might consider that a miserable existence. But Engel brightens at the thought: "I was lucky enough to be on the fault line as history shifts and moves."

Friends were not surprised at his constant need for an adrenaline fix. "He has no interest in a 9-to-5 job," Peet says. "He's very much into living on the edge. I don't think he has much interest in having a normal life."

By late 2002, as war with Iraq loomed, ABC News and the BBC had hired Engel as a freelancer. But even though he spoke Arabic, Engel wasn't on anyone's list to get an Iraqi visa. The networks were concentrating their efforts on their bigger stars.

Undeterred, Engel took $20,000, went to Jordan and bought a human shield visa, meaning that he was pledging to chain himself to an Iraqi facility as a deterrent against U.S. bombing. Engel got the visa from an Iraqi official who knew full well he was a journalist but was swayed by a few hundred dollars and some baby clothing that Engel had bought for extra persuasion.

Once in Iraq, Engel bought a generator and some crowbars, souped up two Volkswagens so he could move fast without being conspicuous, and hired an off-duty police officer. On the eve of the Western invasion, most of the networks pulled out their correspondents for safety reasons, a decision that Engel could not fathom.

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"You knew it was going to be horrible -- that's why you're there," he says.

As other journalists either withdrew, were expelled or clamored to get in, Engel was for a brief time the only American television reporter in Iraq. He found himself much in demand by ABC, which still identified him as a freelancer. He did the videotaping himself with a small camcorder. Once Saddam Hussein was toppled, ABC and NBC both offered to hire Engel. He retained a top New York agent and decided he would prefer a fresh start with NBC, "coming in the front door as opposed to climbing up the fire escape and breaking in the back door."

In the invasion's aftermath, Engel would drive each week to such cities as Najaf and Fallujah, poking around to find stories. But that gradually changed as the security situation deteriorated. Now, unless he is embedded with a military unit, Engel usually finds himself confined to the safer precincts of Baghdad, an experience he describes as "a noose tightening around us." He increasingly relies on Iraqi staffers who are from certain neighborhoods or members of the same ethnic group as a given area's residents. But even that can be problematic. "I've gotten rid of the ones who I think cannot be trusted," Engel says.

Not everything he covers involves bombs and bullets. Engel did a piece earlier this year on the plight of children at a Baghdad orphanage, which drew so much public reaction that "NBC Nightly News" aired it a second time.

"I don't look for good-news stories or bad-news stories. I don't have an abacus," he says.

But bad news has a way of finding journalists in Iraq. On Memorial Day, Engel heard a nearby explosion. He soon learned that CBS correspondent Kimberly Dozier had been badly wounded and her two crew members, Paul Douglas and James Brolan, killed by the blast.

His mother sent him an e-mail: "YOU ARE UNDER HOUSE ARREST UNTIL YOU CAN BOOK A FLIGHT OUT OF THERE . . . Mom's orders."

She writes him every day, but he has not followed her evacuation instructions. Still, there are psychological effects. Riding in an Army Humvee, Engel looked down at his legs and thought how fragile they looked. What if he lost them?

"You worry about how many lives you have and how many I've already used up," Engel says. "I don't think I'm invincible."

An Opportunity For Shared Sacrifice (USAT)

By Hodding Carter And Ronald Goldfarb

USA Today, October 26, 2006

As with so many Americans of our generation, we went into military service because that was what you were expected to do. We may have groused at the time, but we are proud of having served our country. It carved a few years out of our lives in the 1950s and '60s, but strengthened our understanding of the country we served and the people with whom we served.

Of course, while public service now seems self-evident to us, it does not to most of our children's generation. It is not that they turn away from duty to the civil society. Millions have chosen the military, of course. Many serve in the government and voluntary service organizations, working among the urban poor and rural landless. A large number tell pollsters they believe in volunteerism. But the idea of public service as a universal duty is another story.

On the campaign trail these days, there are few fresh ideas, and in the wake of the fifth 9/11 anniversary, there are still not enough calls for public sacrifice beyond that made by our troops. National service isn't a new idea. It arises from one of the oldest themes of U.S. history. What does the citizen owe the state? Answer: mandated public service without exemptions.

Mandatory national service could appeal to Americans' natural inclination toward patriotism and provide an antidote to the cynical public attitude that characterizes recent politics. It would bring out the best in young Americans and rekindle a sense of shared national purpose. And it isn't right or left, Democratic or Republican.

The death of the military draft was hailed in the Vietnam War era by liberals and conservatives alike, not necessarily for shared reasons but with shared acclaim. With today's professionalized military, the many are protected; the relative few fight and die in the name of the whole.

The best approach to mandatory national service would be to require every 18-year-old man and woman, and every young immigrant seeking citizenship, to spend 18 months to two years in public service. Their service could be in the military or in the Homeland Security Department, or be in programs similar to President Franklin Roosevelt's Civilian Conservation Corps, Sargent Shriver's Peace Corps or President Clinton's AmeriCorps — any work experience that is in the public interest.

According to the Bureau of Labor Statistics, there are about 4 million 18-year-olds who might fill our proposed first class. Some 2.7 million youths graduated from high school from 2004 through 2005. Just under 60,000 are in the military. Others hold jobs, are in school or are in jail. About 17% are unemployed.

There are great costs attributable to this class, economic and others. The cost of public service would be a wise investment. After completing national service, these young people would enter their next phase in life more mature and more knowledgeable about the rich variety of America's peoples and the breadth of the nation's unfinished business.

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National service is not a partisan concept. Sen. John McCain, R-Ariz., has praised Clinton's AmeriCorps program. It also need not be the exclusive province of government. Private-public interest organizations, including churches and other faith-based groups, could qualify as sponsors and providers of public service. Diversity, rather than bureaucratic uniformity, would be encouraged.

But the bottom line would be the reinstitution of a notion as old as the nation. Just as all share in the benefits of freedom, all should share in shoring it up.

Hodding Carter is a professor and former journalist; he served in the Marines and State Department. Ronald Goldfarb is an attorney and author; he served in the Air Force and Justice Department.

A GI Bill For The 21st Century (LAT)

By Edward Humes

The Los Angeles Times, October 26, 2006

IMAGINE TELLING the members of an entire generation they could receive a free college education at any school that accepted them — Cal State, Harvard, the Sorbonne — courtesy of Uncle Sam. Throw in a monthly stipend and textbooks. After graduation, there are government-backed home loans, no money down — buy a house cheaper than renting. Throw in subsidized business loans, farm loans, job training, medical care and up to a year's worth of unemployment checks.

What insane politician would ever propose such a costly boondoggle, such outright social engineering? It would be the most enormous, far-reaching, life-changing government program in the history of the world.

And so it was. We know it today as the original GI Bill.

Today's unthinkable was yesterday's matter of course. FDR and Congress adopted the humbly named Servicemen's Readjustment Act of 1944 with bipartisan fervor. The stated goal was simple: to help 16 million veterans and their families resume their lives after the scourge of World War II.

But this investment in the nation's future powered far more than a return to the status quo. It transformed the nation and the very nature of the American dream, opening up the colleges, raising suburbs out of bean fields, creating a new middle class and providing the medical, engineering and scientific prowess that conquered long-feared diseases, ushered in the Information Age and helped win the Cold War.

There was never anything like the GI Bill. There's nothing like it on the horizon. And that's a problem.

Today's veterans are getting shortchanged. Instead of a full ride to any college, the modern GI Bill's education support tops out at $36,000 for a four-year degree — barely enough to cover the average state university and well short of UCLA's $19,500 annual tuition, room and board. Forget about the private colleges once covered by the GI Bill — $36,000 would pay for only a year at many of them.

Reservists and National Guard troops in Iraq receive even less — only 27% of the education benefits that regular troops receive. President Bush has opposed closing this gap, considering it a budget buster. Indeed, in a quest to minimize projected war costs, the administration used prewar statistics to craft its budget for another pillar of the GI Bill — healthcare. Now veterans hospitals caring for the wounded of Iraq and Afghanistan are $3 billion short.

But this is not simply a story of slighted veterans, scandalous as that may be. This is a story of a United States no longer investing it its future. The GI Bill was an engine of opportunity for all of us. It powered U.S. prosperity after World War II, turning a nation of renters into a nation of homeowners, transforming college from an elite bastion into almost an entitlement and making a tiny middle class into America's leading demographic.

The "greatest generation" endured depression and war, but its members also ended up our most privileged generation, gifted with more government largesse than any group in history. More than 7 million veterans took advantage of the education benefits alone for college or trade schools. This proved a costly but sound investment: For every dollar paid out under the original GI Bill, there was a $7 return to the economy in terms of increased earnings, consumer spending and tax revenue, according to a 1988 congressional study.

Three presidents — George H.W. Bush, Gerald Ford and Jimmy Carter — dozens of congressmen, 14 Nobel Prize winners, giants of literature, Broadway and Hollywood and hundreds of thousands of teachers, doctors, nurses and businessmen got their starts with the help of the GI Bill. "Biggest piece of legislation the country ever passed," says former Sen. Bob Dole, a war hero and GI Bill beneficiary. "Maybe we need something like it again."

Which begs the question: What happened to the Washington that created something so magnificent? Why do we no longer expect — or demand — greatness from Americans' joint enterprise, our government? In the 1960s, before Watergate and Vietnam, most Americans believed that their government usually did the right thing. Now we've accepted Ronald Reagan's old formulation about the nine most dangerous words in the English language: "I'm from the government and I'm here to help." How

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ironic that a member of the GI Bill generation would sell his countrymen on that idea. But it's not a truism; it's self-fulfilling prophecy. We expect our government to fail, and it meets our expectations.

The original GI Bill was powerful because it touched a whole generation, and the ripple effects washed over the entire nation, not just veterans. Today's GI Bill reaches less than 1% of the population. It is no longer an engine for greatness, and Americans desperately need such an engine. We have always been the nation where the children can expect a better life than the parents; we no longer believe this is likely.

Before he died, FDR offered a solution that did not require a world war and a military draft. He proposed a program of national service, in which young people earned education, medical, housing and pension benefits. Not just veterans but all young people. It was, in essence, a peacetime civilian GI Bill — an investment in the future and in civic service. Polls suggested a receptive public, but the idea died with Roosevelt. President Clinton tried a modest resurrection with his AmeriCorps project. Much more is needed.

Would such a program be expensive? Absolutely — about what we've spent so far on the war in Iraq. But spending hundreds of billions at home to generate opportunities for future doctors, scientists, teachers, leaders and productive, healthy citizens would be a far sounder investment, with a proven rate of return. Where would you rather spend your tax dollars?

In an era in which college is a skyrocketing financial burden for many families, when homeownership is less affordable than ever, when the nation is losing its competitive edge in advanced degrees and when the American dream so generously nurtured after World War II is under siege, it is time to expect greatness from our government once again. Our children deserve it.

DOJ:

Alito Swears In Acosta As Miami's Top Federal Prosecutor (AP)

By Curt Anderson, The Associated Press

AP, October 26, 2006

MIAMI - R. Alexander Acosta was formally sworn in Wednesday as South Florida's top federal prosecutor by Supreme Court Justice Samuel Alito Jr., for whom Acosta clerked shortly after graduating from Harvard Law School.

Alito recalled that during his clerkship in 1994 at the 3rd U.S. Circuit Court of Appeals, Acosta appeared to exercise good judgment and common sense at a young age and that "and it has developed since then." Alito, who is a big baseball fan, compared Acosta to players adept at all phases of the game.

"He reminds me of one of those baseball players who can do everything," Alito said.

Acosta, 37, a Miami native of Cuban ancestry, was confirmed by the U.S. Senate for the Southern District of Florida post on June 9. Before returning to Florida, he was assistant attorney general for civil rights at the U.S. Justice Department in Washington and prior to that was a member of the National Labor Relations Board.

The Miami job is one of the most prominent and busiest in the country, covering a district that is home to some 6 million people in nine counties. Its major recent cases range from alleged al-Qaida operative Jose Padilla to disgraced lobbyist Jack Abramoff to the Colombian brothers who ran the Cali cocaine cartel.

Acosta was joined at the ceremony by the district's federal judges, prosecutors and dozens of defense lawyers as well as his wife, Jan, mother and other well-wishers. In brief remarks, he said cases that have "quality and impact" would be the focus of his office.

"Our job is, and must be, to bring high-impact cases," he said. "I appreciate and am deeply honored by the opportunity to serve the citizens of South Florida."

Alito Protégé Sworn In As U.S. Attorney In Miami (MH)

By Jay Weaver

The Miami Herald, October 26, 2006

Samuel A. Alito, the U.S. Supreme Court's newest justice, praised one of his protégés, R. Alexander Acosta, on Wednesday as he swore him in as the U.S. attorney for the Southern District of Florida.

But Alito said that for all his formidable legal talent, Acosta betrayed one "weakness" when he served as a law clerk in 1994 for the then-federal appellate judge.

"Alex's knowledge of sports was a little bit lacking," Alito deadpanned before a standing-room-only gathering of judges, prosecutors and defense lawyers in the historic central courtroom of the Miami federal courthouse.

Alito, a self-professed baseball fan, joked that Acosta probably didn't know the difference between the Florida Marlins and the Miami Dolphins.

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All joking aside, Acosta's star has risen quickly in Republican circles. He served on the National Labor Relations Board and then became the first Hispanic to lead the Justice Department's civil rights office.

He temporarily replaced outgoing U.S. Attorney Marcos Jimenez in June 2005 and was nominated for the job by President Bush earlier this year at age 37. The Senate confirmed Acosta in August, making him one of the nation's youngest top prosecutors.

Acosta -- now officially in charge of a 220-lawyer office that extends from Fort Pierce to Key West -- singled out the extraordinary role of South Florida's law enforcement community in some of the nation's biggest prosecutions.

He cited the recent convictions of Washington lobbyist Jack Abramoff in the SunCruz Casinos fraud case and of Cali Cartel founders Gilberto and Miguel Rodriguez Orejuela. He also said his office is prosecuting a major terror suspect, Jose Padilla.

Acosta, flanked by his wife, Jan, thanked his Cuban exile parents for sacrificing to put him through Gulliver Preparatory School and Harvard University, where he earned his undergraduate and law degrees.

Acosta seemed in awe of the legal elite gathered in the courtroom, saying his own story was not that unusual: ``The fact that there are so many stories in this room is a testament to the nation's freedom and opportunities."

CORPORATE SCANDALS:

UPDATE: SEC Says Two Defrauded Korean Community In Calif. (DOW)

By Siobhan Hughes, Of DOW JONES NEWSWIRES

Dow Jones, October 26, 2006

WASHINGTON -(Dow Jones)- The Securities and Exchange Commission has filed civil-fraud charges against two men who allegedly took at least $3 million from Korean speakers in Southern California from 2003 through August 2005 through two firms that they portrayed as legitimate securities firms.

The SEC on Wednesday announced the charges against Kangsan Kim, the owner of money-manager Unus Capital Management Inc., and Hyun Soo Jang, the owner of PeopleN Investment Corp., the brokerage firm that was supposed to execute trades for Unus. The two men face civil penalties and orders to return the money to investors.

"This case provides an unfortunate example of the dangers presented by those seeking to exploit the trust of members of their own community," said Randall Lee, director of the SEC's office in Los Angeles. "Such schemes are reprehensible, and the SEC is committed to vigorously prosecuting those who betray that trust for their own profit."

Kim was arrested in July on federal mail-fraud and wire-fraud charges, according to a Justice Department press release. He doesn't have a lawyer, according to the SEC, and he couldn't be located. The SEC said it believes Jang is in South Korea.

Unus attracted investors from the Korean community by sponsoring daily morning stock reports on Korean-language radio broadcasts in Los Angeles, the SEC said. The firm asked clients to enter agreements under which Unus managed their accounts and executed trades through PeopleN, the SEC said.

Instead of investing the $4.5 million raised from investors, Jang misappropriated more than $3 million, the SEC said, and gave $500,000 of that amount to Kim and Unus. The SEC said that Unus withdrew its investment advisor registration in 2004, and that PeopleN wasn't registered to do business as a brokerage firm, even though both firms told investors that they were regulated businesses.

Judge Issues Secret Ruling About Secrets In Nacchio Case (FINDLAW/AP)

By Sandy Shore, Ap Business Writer

AP, October 26, 2006

(AP) - DENVER-A federal judge has issued a secret ruling about the relevance of classified government documents that former Qwest Chief Executive Officer Joe Nacchio wants to use in his defense against insider trading charges.

In his memorandum and order, which were filed with the court late Tuesday, U.S. District Judge Edward Nottingham said he explained his decision regarding the documents but the bulk of it, 25 pages, was sealed under the Classified Information Procedures Act.

Nottingham's ruling came about two weeks after he met behind closed doors with prosecutors and Nacchio's attorneys to discuss the classified information.

A spokesman for the U.S. attorney's office declined comment Wednesday. Nacchio's attorneys have said they will not comment on the case outside the courtroom.

Nacchio is charged with 42 counts of insider trading, accused of selling stock in 2001 based on inside knowledge that Qwest Communications International Inc. would be unable to meet revenue targets.

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Each count against Nacchio carries a penalty of up to 10 years in prison and a $1 million (â,¬800,000) fine. The trial is set for March 19 and is expected to last about 30 days.

At issue is whether the classified information will help explain what Nacchio might have known at the time the trades occurred.

The defense has said Nacchio was aware of classified government contracts awarded to Qwest and of plans for future government business dealings with the Denver-based company.

Qwest, the primary phone service provider in 14 mostly Western states, reported total revenue of $19.6 billion in 2001, the year of the trades in question. Of that, $322 million was attributed to federal contracts, and less than half of that came from classified contracts, according to court filings.

Nacchio also is one of several former Qwest executives accused by the Securities and Exchange Commission in a civil case alleging they orchestrated a financial fraud that forced the company to restate billions of dollars in revenue.

The Classified Information Procedures Act was enacted several decades ago to counter a strategy used by defendants charged with spying who would threaten to expose national secrets unless the charges were dropped.

It allows the attorneys and judges to review such information behind closed doors to determine if it is significant enough to be included at trial.

SEC Probes Mutual-Fund Firms After Settlement In Kickback Case (WSJ)

By Tom Lauricella

The Wall Street Journal, October 26, 2006

The Securities and Exchange Commission has launched an investigation of 27 mutual-fund companies that the agency says have accepted kickbacks totaling hundreds of millions of dollars in recent years.

The investigation centers on alleged arrangements in which independent contractors agreed to pay rebates to mutual-fund companies in order to win lucrative contracts for jobs like producing shareholder reports and prospectuses. The probe stems from a $21.4 million settlement the SEC reached last month with Bisys Fund Services Inc., an administrative-services provider owned by Bisys Group Inc.

Regulators say Bisys, which is based in Roseland, N.J., paid a total of $230 million in kickbacks between July 1999 and June 2004 as part of an effort to win work from mutual funds. Bisys settled the civil charges without admitting or denying wrongdoing.

While the alleged kickbacks would have taken only a tiny toll on individual investors, perhaps shaving a few hundredths of a percent a year off their fund accounts and returns, the latest investigation comes as the fund industry is struggling to rebuild its reputation after a series of trading scandals that triggered regulatory crackdowns and fines totaling more than $1 billion.

Critics have long complained about fund companies using shareholder money for their own benefit. For example, funds are allowed to use trading commissions, which are deducted from shareholder funds, to pay for research that may not benefit individual fund investors. They can also levy fees on their investors for marketing, although attracting more investors benefits the fund company and not necessarily its existing shareholders. Both these practices are highly regulated to prevent abuses. Nonetheless, regulators and other observers say the latest scandal is part of a distressing pattern of fund companies misusing shareholder money.

"This is far worse conduct" than previous fund-trading scandals, said Mercer Bullard, a law professor at the University of Mississippi who specializes in mutual-fund matters. "Receiving a kickback that comes indirectly out of the pockets of shareholders is the functional equivalent of embezzlement."

In part based on information from Bisys, the SEC has sent letters to some of the 27 fund companies asking them to provide details about their ties to Bisys, according to people familiar with the probe. They didn't identify any of the companies. However, the investigation is unlikely to include many of the very largest fund companies, which tend to have in-house units that handle administrative functions.

Most of Bisys's clients were bank-run funds, many of which tended to be smaller firms with several billion of dollars under management. A handful of banks, however, do rank among the larger fund managers.

The SEC says the alleged kickbacks involving Bisys and other service providers worked with the help of secret side agreements. The service providers charged shareholder accounts for administrative services but, unbeknownst to the funds' investors or independent board members, the providers agreed to rebate part of that money to fund advisers, who would then use it to cover their marketing expenses. In exchange for the kickbacks, the advisers would recommend to their funds' boards that the service providers' contracts be renewed.

At issue in the probe is whether fund companies misused their investors' money and misled their boards about why they were hiring certain service providers, according to people familiar with the probe. "These matters raise questions about whether

there was a breach of duty to shareholders," said Philip Khinda, an attorney who represents a number of fund boards that have been investigating their funds' arrangements with Bisys.

In its complaint against Bisys, the SEC described the actions of one fund company, which it referred to as "Adviser A," that allegedly demanded millions of dollars in kickbacks in return for recommending that Bisys's contract be renewed. Another 26 fund families had similar deals -- some written, and some only oral -- with the firm, the SEC said.

The agency didn't identify any of the fund companies in the complaint but, according to people familiar with the investigation, "Adviser A" is AmSouth Funds, which was then a unit of AmSouth Bancorp of Birmingham, Ala.

AmSouth Bancorp declined to comment on whether or not it is the company referred to as "Adviser A," but it said it is cooperating with the SEC.

In 2005, after the alleged arrangement with Bisys had ended, the AmSouth Funds, which then totaled $5.5 billion in assets, were sold to Pioneer Investments. A spokesman for Pioneer declined to comment.

The SEC's Bisys complaint says a senior executive at "Adviser A" told Bisys in 1999 that if it didn't agree to a kickback arrangement, one of its competitors would. Indeed, the SEC alleged in its complaint that "other administrators" besides Bisys cut such deals.

Bisys's main competitor is SEI Investments Co. A spokesman for SEI, which is based in Oaks, Pa., said that as a matter of policy the company wouldn't comment on whether it had received inquiries from the SEC nor on whether it had similar rebate agreements with fund companies.

Bisys accepted the deal with "Adviser A," and over the next five years, funds totaling $17.3 million were deducted from shareholder accounts at the fund company, according to the SEC. The money was used by "Adviser A" mainly to cover marketing costs that would normally come out of its own pocket. The adviser also used some of the money to pay the initiation fee and monthly dues at a country club, the SEC's complaint says.

In the arrangement with "Adviser A," Bisys would be paid 0.20% of fund's assets, the SEC said. However, Bisys kept only roughly one-quarter of that amount. About one-third was paid to "Adviser A" in an above-board contract, the SEC says, while the remainder was kicked back to the adviser through a "marketing budget."

In its settlement with the SEC, Bisys agreed to terminate such agreements and change its policies. It disciplined or fired a number of employees.

Last summer, AmSouth gave its own version of its dealings with Bisys. At the time, it disclosed that the SEC had informed the bank it intended to bring civil charges against it related to the service provider. It said that the probe related to "past arrangements under which Bisys used a portion of the fees paid to it by the fund family to pay for marketing and other expenses."

The mutual-fund industry has been dogged by scandals in recent years. In 2003, it came under fire after revelations that a number of big companies let favored clients conduct short-term trading, earning profits at the expense of ordinary shareholders. The following year, regulators cracked down on fund companies that used stock-trading commissions, which are deducted from shareholder accounts, to pay for marketing activities the companies would otherwise have had to cover themselves.

Write to Tom Lauricella at tom.lauricella@wsj.com1

NASD Fines James River CEO $2.25M For Alleged Improper Market Timing (LAW/AP)

By Marcy Gordon, The Associated Press

AP, October 26, 2006

Securities regulators have imposed a record $2.25 million fine on the chairman and CEO of hedge fund James River Capital Corp. for allegedly using deceptive practices in trading in the long-term investments known as variable annuities.

The National Association of Securities Dealers, the brokerage industry's self-policing organization, on Wednesday announced the civil penalty against Paul Saunders, a broker who is the chairman, CEO and majority owner of Richmond, Va.-based James River. Saunders neither admitted nor denied the NASD's allegations in agreeing to the settlement, under which he also will be suspended for 60 days from working as a broker.

The NASD said the $2.25 million penalty was the largest fine it has ever imposed on an individual for alleged improper market timing -- frequent "in-and-out" trading. It includes restitution of some $750,000 in illicit profits that Saunders allegedly personally made.

In June 2004, the organization fined the brokerage Davenport & Co. $450,000 and ordered it to pay some $288,000 in restitution for allegedly allowing James River and another hedge fund, TFS Capital, to engage in improper market timing in variable annuities. That was the first case against a brokerage for allowing clients to improperly engage in market timing of variable annuities, often described as mutual funds wrapped in an insurance policy. Federal and state securities regulators have brought a number of cases for improper market timing of mutual funds in recent years.

Market timing is not illegal but is widely restricted because it tends to skim profits from other shareholders.

James River is general partner and trading manager of the Jazzman Fund, a hedge fund set up specifically to engage in market timing, according to the NASD. After personally investing in Jazzman, Saunders through James River created 19 partnerships under Jazzman to better enable the hedge fund to engage in market timing of variable annuities, the NASD said.

While each Jazzman partnership appeared to be a separate entity, they all had common owners -- a fact that Saunders failed to disclose to the insurance companies that sold the variable annuities, the NASD said. The insurance companies place investors' money in special accounts that invest in mutual funds.

The NASD said that from October 2001 through September 2003, Saunders used the Jazzman partnerships to evade the insurers' attempts to block or restrict his market timing in those accounts. Saunders' deceptive techniques were said to have included opening 20 different accounts for the Jazzman partnerships at one brokerage firm and market timing in variable annuities accounts, sometimes simultaneously buying contracts and trading in the same annuity through several partnerships.

In recent years, the NASD has taken scores of disciplinary actions against brokers and investment firms for alleged abuses in sales of variable annuities, which are tax-deferred and a popular way to save for retirement. They are contracts between an investor and the company selling it in which the company agrees to make periodic payments to the investor, beginning immediately or at some future date. The payments to the annuity holder vary and are determined by the performance of the underlying investments.

Former AOL Execs Said Lied To Auditors (FINDLAW/AP)

By Brian Westley, Associated Press Writer

AP, October 26, 2006

(AP) - ALEXANDRIA, Va.-Two former America Online executives and top officials at a defunct Las Vegas software maker lied to auditors as part of a scheme to boost both companies' revenue as the dot-com boom fizzled in 2001, government lawyers argued Tuesday.

Kent Wakeford, former executive director at AOL's business affairs unit, and John Tuli, a former vice president in AOL's NetBusiness unit, are among the four defendants on trial at U.S. District Court in Alexandria.

The men, along with two former executives at PurchasePro, are charged with securities fraud, making false statements to auditors and wire fraud. The defendants deny wrongdoing.

In opening statements Tuesday, prosecutors alleged that PurchasePro gave AOL a stake in its company in 2000. In exchange, AOL helped sell PurchasePro's core product, a "marketplace license," which is software designed to facilitate business-to-business transactions.

But the licenses were a tough sell for AOL. The Dulles-based company was only able to convince companies to make a purchase by cutting secret side deals, including free online advertisements, Assistant U.S. Attorney Charles Connolly told jurors.

The executives engaged in various forms of deception to make it appear the licenses had been sold in the first quarter of 2001 so PurchasePro could meet its quarterly revenue goals and create the illusion of success to its shareholders, Connolly said.

"In short, it is a case about lies and cover-ups," Connolly said. "Much of the revenue was bogus because the products were given away for free."

In one instance, prosecutors claim a fax machine was tampered with so that deals made in April would appear with an earlier date.

"They were trying to stop the clock from ticking and the pages of the calendar from turning," Connolly said.

At the time the fraud is alleged to have occurred, PurchasePro's stock was in free fall, dropping from a high of about $160 a share in March 2000 to about $10 by April 2001, prosecutors said.

AOL, which was to earn a 50 percent commission for each license it sold, also felt pressure to sell more licenses to meet revenue goals.

The PurchasePro executives charged are Charles "Junior" Johnson, the company's former CEO; and Christopher Benyo, a former senior vice president of marketing.

The trial is expected to involve hundreds of intricate financial transactions and could last up to two months. Six other former PurchasePro executives, including the co-founder, have previously pleaded guilty and could testify during the trial.

One by one Tuesday, defense attorneys for the former executives delivered their opening statements, refuting the government's charges.

"There is so much to disagree with, I don't even know where to begin," said Tuli's lawyer, Mark Hulkower. He said that the deals in question are complicated and cannot always be easily judged by outsiders.

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Johnson's attorney, Preston Burton, said his client was being made a scapegoat by others within PurchasePro, who resented Johnson because he would not permit them to sell their stock after the company went public in 1999, resulting in the loss of millions of dollars.

"He rode the Internet bubble all the way up ... and he rode it all the way down," Burton said of Johnson, a high-profile businessman who counts casino mogul Steve Wynn among his friends.

Wakeford's lawyer, Henry Asbill, said prosecutors also were making his client a fall guy for decisions that were made by high-level executives.

Asbill said that more than 80 people with a title of manager or higher at AOL worked on the PurchasePro deal, and that Wakeford spent less than 5 percent of his working time on it.

"He was a junior executive," Asbill said of Wakeford. "Ask yourself why the real AOL insiders are not here."

Jurors also heard testimony Tuesday from the government's first witness, Bigstep.com founder Andrew Beebe, who said AOL persuaded him to buy a PurchasePro license for $1.1 million in early 2001 - even though AOL had already given Bigstep a license for free.

Beebe said he agreed to buy the license only because AOL and PurchasePro agreed to provide $2.8 million in reciprocal deals.

"We had no interest at all in a second license," Beebe said. "we were still waiting for someone to tell us what to do with the first one."

Associated Press Writer Matthew Barakat contributed to this story.

Austria Charges Nine In Probe Of Refco-Bawag Ties (WSJ)

By David Crawford And Carrick Mollenkamp

The Wall Street Journal, October 26, 2006

Prosecutors in Vienna have charged nine men, including the former chief executive officer of Bawag PSK, on charges ranging from embezzlement to fraud amid an Austrian probe into ties between U.S. commodity brokerage Refco Inc. and the Vienna bank.

Among those charged was the former CEO of Bawag, Helmut Elsner, and Wolfgang Flöttl, who traded on behalf of Bawag from New York and is the son of another former Bawag CEO, Walter Flöttl. Robert Reiter, a former auditor at KPMG Alpen-Treuhand GmbH, which oversaw Bawag's books, also was charged. In the indictment, which was made public yesterday in Vienna, prosecutors allege the nine men "intentionally abused their positions of trust at Bawag" and engaged in transactions that cost the bank €1.44 billion ($1.81 billion).

The charges come a year after Refco, a large New York broker of commodities and other securities that catered to corporations, government agencies and hedge funds, disclosed that then-CEO Phillip R. Bennett had used a scheme to hide bad debt from Refco investors. Refco investors and U.S. prosecutors allege the scheme included Bawag, which sought to hide its own bad debt that largely was a result of Wolfgang Flöttl's trading losses.

Mr. Bennett has been charged1 with conspiracy, securities fraud, wire fraud and making false filings with the Securities and Exchange Commission. He pleaded not guilty to the charges yesterday in a U.S. district court in Manhattan. His lawyer, David Frankel, declined comment on the charges in Austria and said Mr. Bennett continues to deny any wrongdoing.

After the October 2005 disclosure, Refco fell into bankruptcy proceedings and investigators in the U.S. and Austria launched investigations. Refco's former chief financial officer, Robert Trosten, yesterday pleaded not guilty in New York for his role in the alleged scheme. Mr. Trosten was charged with conspiracy, securities fraud and two counts of wire fraud.

In Vienna, prosecutors allege that Mr. Elsner hired Wolfgang Flöttl to trade in currency markets. Initially, the trading was successful but ultimately led to massive losses. Wolfgang Flöttl handled much of the trading in the New York area, while at the same time establishing himself as a benefactor of New York arts and charities.

Austrian prosecutors allege that Mr. Elsner then used a complex coverup with the assistance of Wolfgang Flöttl, senior Bawag officials, the chairman of the Bawag supervisory board and a former senior KPMG auditor, Mr. Reiter. Mr. Elsner is charged with embezzlement and fraud, according to the indictment. Wolfgang Flöttl, Mr. Reiter and the other Bawag officials are charged with embezzlement, according to the indictment.

Vienna prosecution spokesman Gerhard Jarosch said the charges have been filed with an investigatory magistrate, who may approve the indictment for presentation to the accused, under Austrian legal procedure. Lawyers for the defendants will then have 14 days to accept the charges leading to a trial, to ask for an amendment of the charges, or to contest the charges in their entirety. An appeal of the charges could postpone a trial for an additional four weeks to six weeks, the prosecution spokesman said.

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If convicted, the accused could be sentenced to between one year and 10 years in prison.

Wolfgang Schubert, a lawyer for Mr. Elsner, said his client is innocent. Mr. Elsner, who has been in France for the past several months, earlier had been told by Austrian authorities to return to Austria to face questions in the probe. His lawyer is fighting that request.

A lawyer for Wolfgang Flöttl declined to comment and a person in Mr. Flöttl's office said he wasn't available for comment.

A Bawag spokesman said the bank is cooperating with investigators.

A spokeswoman for KPMG Austria GmbH, the parent of the unit where Mr. Reiter worked, said Mr. Reiter, the former auditor, has left the firm and KPMG is cooperating with investigators. Mr. Reiter said he hadn't yet seen the indictment and declined to comment.

Martin Wagner, a senior partner at KPMG Austria GmbH, said KPMG believes Mr. Reiter is innocent.

CRIMINAL LAW:

Pre-Vote Leaks Rankle GOP (RC)

By John Bresnahan, Roll Call Staff

Roll Call, October 26, 2006

For House Republicans, it seems that every week brings a new report about a GOP lawmaker under investigation by the Justice Department for alleged corruption. And with the elections just 12 days away, Republicans are crying foul, complaining bitterly that the negative press spurred by the public disclosure of those criminal probes could help cost them their House majority.

Within just the past two weeks, Reps. Curt Weldon (R-Pa.) and Rick Renzi (R-Ariz.) have faced unwanted headlines blaring the fact that they are under scrutiny by federal prosecutors and the FBI. Both lawmakers have publicly denied any wrongdoing, but Weldon, who was already mired in a tough re-election campaign, has had to deal with the added problem of FBI raids on his daughter's home, as well as the office of a longtime political ally. Federal agents also searched the Florida offices of a Russian energy company that did business with Karen Weldon's lobbying firm.

Renzi is being probed by the U.S. attorney's office in Phoenix for involvement in an Oct. 2005 land sale that helped net his former business partner more than $4 million, according to The Associated Press. The New York Times also reported that DOJ officials are looking into a 2003 bill Renzi introduced that indirectly benefited the company where his father worked.

While a Justice Department run by Republican appointees who were nominated by a conservative Republican president would normally get the benefit of the doubt from GOP lawmakers and staffers, some party insiders are privately wondering whether "rogue elements" within the department — and more specifically the Public Integrity Unit, where corruption cases are handled — are trying to tip the election to Democrats by leaking news of these investigations so late in the cycle.

"It would seem that the Public Integrity Unit of the Justice Department is running wild," maintained a top Republican political operative, who would only speak on the condition of anonymity. "They're trying to have some effect" on the midterm elections.

A House GOP leadership aide suggested that "rogue elements" within DOJ's bureaucracy are "working for a Democratic victory" on Nov. 7.

"Of course, we all want to root out corruption at all levels of government," said the aide, who said he was "afraid to speak publicly" since it may spur more leaks about Republican lawmakers. "At the same time, when word of Congressional investigations are continually thrown out in the media late in the cycle, then it smacks of a campaign against Republicans."

Another senior GOP staffer speculated that it was "residual anger" from Speaker Dennis Hastert's (R-Ill.) public criticism of the June 20 FBI raid on Rep. William Jefferson's (D-La.) office that is feeding the "campaign" against House Republicans.

"I think there are people within the Justice Department who are angry with Hastert and the [GOP] leadership" over the Congressional response to the Jefferson raid. "This is all payback, that's all."

This source also pointed to the fact that "someone in the Justice Department or FBI" leaked a story to ABC News shortly after Hastert criticized the Jefferson search suggesting that Hastert himself was under investigation by the Justice Department. DOJ officials quickly released a statement calling the ABC story wrong.

Democrats have not escaped unscathed from the recent Justice Department revelations, although the political fallout for the minority party has been much less severe, at least so far.

In addition to Jefferson's situation, Time magazine reported this week that Rep. Jane Harman (D-Calif.), ranking member of the House Intelligence Committee, urged officials from the American Israel Public Affairs Committee to lobby House Minority Leader Nancy Pelosi (D-Calif.) last year to allow Harman to retain the top Democratic spot on the panel. The FBI began an

investigation into whether Harman promised AIPAC she would help the group deal with its own Justice Department investigation. Both Harman and AIPAC deny the allegation and the investigation appears to have stalled out months ago.

But with the revelations seeming to hit a new Republican target almost weekly, senior Justice Department officials suddenly have found themselves barraged with questions about the leaks, although they strongly deny any suggestion that the department is meddling in political contests.

"What I can say with great confidence is that the men and women in the Department of Justice and all of its investigative agencies do not take political considerations into play when it comes to discharging their duty," said Deputy Attorney General Paul McNulty at a news conference last week.

"And that's the way we run this department and the way we always will run the department. But beyond that, I'm not going to talk about the timing of anything happening."

Bryan Sierra, a spokesman for the Justice Department, declined to comment about any of the specific cases related to recent developments with Weldon, Harman or Renzi, but noted that traditionally the department and investigative agents are supposed to halt overt, public actions when an election is approaching.

"Particularly close to an election, of course there's a concern about leaks," Sierra said.

When a competitive campaign involves a potential target close to Election Day, Sierra said, "It is unlikely that you will see a flurry of public activity related to a criminal investigation."

"We specifically do not want to give the appearance of getting involved in the political process," Sierra added.

Sierra also cautioned that sometimes leaks or revelations about probes aren't accurate, and that many times they don't mean any new path or direction has taken hold among DOJ officials, but merely that some ongoing, previously unknown investigation has broken into the public domain.

"The fact that they're happening close to an election doesn't necessarily alter the criminal investigation," Sierra said.

But even Republicans who have served in the Justice Department under President Bush admit that the spate of recent news stories regarding federal corruption probes of sitting GOP lawmakers disturbs them, particularly this close to an election.

"It's a huge problem for the department because it casts an unsavory light on all the investigations," said Mark Corallo, who served as public affairs director at Justice from 2002 to 2005. "I have heard lots of complaints from Republicans about what is going on. It's natural for people to be suspicious."

Combating the allegations of widespread corruption within the party also is costing the GOP gobs of money needed elsewhere to defend its majority.

As of this week, the National Republican Congressional Committee had spent more than $16 million to defend nine seats either now held, or recently held, by GOP incumbents faced with legal or ethical problems, according to a Roll Call survey of the committee's independent expenditures. These include Weldon's race, as well as the special election won by now-Rep. Brian Bilbray (R-Calif.) for the seat held by former Rep. Duke Cunningham (R), who went to jail earlier this year after pleading guilty to bribery, fraud and tax evasion charges.

The corruption charges are appearing at a particularly bad juncture for Hastert and other GOP leaders, as they have been battered by allegations that they covered up or deliberately ignored warnings that former Rep. Mark Foley (R-Fla.) was acting inappropriately in his dealings with male Congressional pages. Foley resigned from Congress on Sept. 29, and Hastert, Majority Leader John Boehner (R-Ohio), and National Republican Congressional Committee Chairman Tom Reynolds (R-N.Y.) all testified before the House ethics committee on the scandal this week, bringing more negative news coverage.

Weldon, for his part, initially blamed a "liberal conspiracy," pointing in particular to the watchdog group Citizens for Responsibility and Ethics in Washington, with somehow being behind the Justice Department investigation. CREW dismissed Weldon's allegation as ridiculous.

The Pennsylvania Republican is now trumpeting a column written by conservative activist Paul Weyrich. Weyrich argued that Weldon has angered "the Establishment" by publicly pushing the theory that the Pentagon could have stopped the Sept. 11, 2001, terrorist attacks, but failed to do so, a claim that has been vehemently denied by Defense Department officials. Weldon's campaign posted Weyrich's article on its Web site on Wednesday.

"I think certain forces do not want to see Weldon as Chairman or Ranking Minority Member of the [House Armed Services] Committee," Weyrich wrote. Weyrich acknowledged in the article that he did not know whether Weldon had broken any laws in his dealings with his daughter's firm but added "I do not believe in most conspiracy theories.

However, perhaps we have a conspiracy here."

Renzi and his attorney, former Arizona Attorney General Grant Woods, have denied any knowledge of a federal investigation of the lawmaker while also asserting that he did nothing improper or unethical.

Paul Kane and Lauren W. Whittington contributed to this report.

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Jurisdictional Issues Dog Member Probes (RC)

By Paul Kane And John Bresnahan, Roll Call Staff

Roll Call, October 26, 2006

The Justice Department has employed a sprawling lineup of investigators and prosecutors to conduct its ever-expanding roster of Congressional investigations, and in the process created a patchwork of probes across the nation.

With at least 17 Members of the 109th Congress coming under federal investigation, Justice has used a pair of offices in its Washington, D.C., headquarters to conduct probes while at the same time coordinating with the offices of at least seven U.S. attorneys and roughly as many FBI offices to serve as ground troops for the inquiries.

Aides at Justice, along with other experts and former prosecutors, said the process of sorting out which offices lead investigations and prosecutions can be a sometimes messy division of labor that focuses on questions of jurisdiction and resources.

"There's no cookie-cutter approach to it," said Bryan Sierra, spokesman for the Justice Department.

"There is not any one protocol on who does what — it was designed to be handled on a case-by-case basis," said Dick Thornburgh, who served as attorney general from 1988 to 1991.

That case-by-case process has led to at least a quartet of Members being investigated the past two years by Justice's Public Integrity Unit, while another half-dozen Members have come under the prosecutorial glare of U.S. attorneys, almost always their local federal prosecutor.

While the Congressional corruption cases are some of the most sensitive for any prosecutor, they also bring with them the kind of big headlines that can make a prosecutor's career. And some U.S. attorneys have been known to employ sharp elbows when competing with other federal prosecutors to lead a probe, initially flooding a case with their agents to demonstrate they've done the most work and stake claim to a case.

Sierra said jurisdiction is the most important aspect in determining which office will initially handle a case, leading to U.S. attorneys taking the lead when it involves circumstances such as a Member and a local contributor or contractor seeking favors. That was the case with ex-Rep. Duke Cunningham (R-Calif.), now serving a 100-month prison term for orchestrating the largest bribery scheme ever perpetrated by a single Member of Congress.

The Cunningham case was led by the U.S. attorney's office for Southern California, based in San Diego, a natural base of operations since the main portion of his more than $2.4 million in bribes involved the sale of one home and the purchase of another in the San Diego area, orchestrated by a defense contractor and his co-conspirators.

An offshoot of the Cunningham investigation has been the probe into House Appropriations Chairman Jerry Lewis (R-Calif.) and his ties to defense contractors and municipalities in and around his district to the north of Cunningham's former seat, which is now being led the U.S. attorney's office in Los Angeles. While the probe is examining Lewis' ties to lobbyist and former Rep. Bill Lowery and earmarks from Defense spending bills, the money has predominantly flowed into the suburban Los Angeles area near Lewis' district.

These are cases of U.S. attorneys taking the lead because the prosecutors and local FBI agents are closest to "where the crime took place," Sierra said.

But sometimes officials in Washington will have to step in because of conflicts of interest regarding a U.S. attorney's office and the Member of Congress under the microscope.

Recently, for example, Sen. Arlen Specter (R-Pa.) has come under investigation for appropriations earmarks he steered to municipalities and entities which were clients of a lobbyist whose spouse, Vicki Siegel, was a top appropriations staffer for Specter. Some of those clients of Siegel's husband are in Philadelphia, but the investigation has so far not involved U.S. Attorney Patrick Meehan, the top federal prosecutor in the city of Brotherly Love.

Meehan was a longtime counsel on Specter's Senate staff and won his spot as a U.S. attorney in 2001 largely because of Specter's patronage.

Instead, the review of Specter's appropriations work has been handled by the FBI's Washington Field Office, agents who actually work in a Falls Church, Va., office.

Public Integrity — a unit based in Justice's Washington headquarters with less than 30 attorneys — is running an investigation in Alaska into Veco, an energy services company that paid more than $250,000 to state Sen. Ben Stevens (R) for consulting services in recent years. The son of powerful Sen. Ted Stevens (R-Alaska), Ben Stevens had his legislative offices raided Aug. 31 as part of the Veco probe.

Nelson Cohen, the new U.S. attorney for Alaska, has been recused from that case along with many other prosecutors in that office. Instead, Sierra said, a few prosecutors there are working with local FBI agents and Public Integrity prosecutors handling the case. Sierra declined to explain why Cohen was recused.

Unlike other U.S. attorneys, who often rely on home-state Senators for their appointments, Cohen was appointed top federal prosecutor in Alaska in late August over the objections of Ted Stevens, who had been publicly pleading for an Alaska native to get the post. Cohen came to the job from being assistant U.S. attorney in Western Pennsylvania.

Recusals, for whatever reason, aren't always limited to political corruption cases. In the Enron investigation, the entire U.S. attorney's office in Houston was walled off from the case because so many prosecutors had ties to the energy giant, whether through their past employment at firms that represented Enron or through family members working for the company.

Joe Whitley, who oversaw the Criminal Division at Justice during the late 1980s, said sometimes the level of experience and resources in U.S. attorneys' offices can lead to cases being centralized in Washington.

"You are looking at the experience level of the offices involved," Whitely said, especially whether prosecutors in a particular U.S. attorney's office have ever successfully tried a corruption case involving a high-profile politician.

Public Integrity also has run the most prominent Congressional corruption investigation in recent years, the ongoing probe of felon-lobbyist Jack Abramoff. Sierra acknowledged that Public Integrity is in charge of that case because a large portion of the alleged crimes — including the giving of bribes in the form of meals and drinks at Abramoff's restaurants, tickets in his suites to sporting events, private jets to exotic vacations and legislative provisions in return — occurred in Washington.

Some investigations are based out of Washington, D.C., simply because that's where the cases originate, according to officials. Recently, Rep. Curt Weldon (R-Pa.) was confirmed to be under federal investigation for his daughter's role in lobbying and consulting for Eastern European companies, which was immediately followed by a public raid on her suburban Philadelphia home and office.

All indications are that the Weldon probe was hatched by Justice and is being run by Public Integrity, not Meehan's prosecutors in Philadelphia.

Other corruption cases are run by federal prosecutors whose roles simply aren't clear. Such is the case with Rep. William Jefferson (D-La.), whose home and Congressional offices have been raided at various points by FBI officials conducting a long-running investigation into his ties with companies looking to do business in Africa.

The Jefferson probe has been overseen by the U.S. attorney's office in Eastern Virginia, based in Alexandria, not by Public Integrity or by local federal prosecutors in Jefferson's hometown of New Orleans. Some of the alleged crimes in the Jefferson probe have occurred in Virginia, such as the FBI raid on his Virginia home uncovering $90,000 in alleged bribe money in his freezer.

Sierra declined to say why prosecutors in Alexandria — long considered a more hospitable climate for jury trials involving federal officials than the District — are running this probe, saying to explain that rationale might reveal some of the investigation's details.

"The Congressman has not been charged yet," Sierra said. "Not all of the facts of that investigation are publicly known."

Rights Group Fires Publisher Of Foley E-Mail (NYT)

By David D. Kirkpatrick

The New York Times, October 26, 2006

WASHINGTON, Oct. 25 — A liberal gay rights group said Wednesday that one of its employees, acting anonymously, had created the Web site that first published copies of unusually solicitous e-mail messages to teenagers from former Representative Mark Foley, which led to his resignation.

A spokesman for the group, the Human Rights Campaign, said it first learned of its employee's role this week and immediately fired him for misusing the group's resources. The scandal surrounding Mr. Foley, a Florida Republican, has been a burdensome distraction for members of his party in the month before the midterm elections, and some Republicans have speculated that the e-mail messages were planted by a Democrat.

The rights campaign's spokesman, David Smith, said the employee, whose name he declined to disclose, was a junior staff member hired last month to help mobilize the organization's members in Michigan. "The minute we learned about it we took decisive action," Mr. Smith said.

The Miami Herald and other news organizations have acknowledged obtaining copies of the same e-mail messages months ago but declining to publish them because of their potentially ambiguous contents.

After the messages appeared on the Web, at stopsexpredators.blogspot.com, the Web site of ABC News followed with its own independent report. The ABC News report resulted in the disclosure of more sexually explicit electronic messages that Mr. Foley sent to other former Congressional pages.

In the aftermath of the scandal, the creator of the sex predators Web site declined requests sent by e-mail to identify himself. Instead, he posted a message urging the news media to ask questions about "when the Republican leadership knew about it, what they did, how they were connected, what favors took place, etc."

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The posting continued: “The true hero here is the page who reported the e-mails in the first place.”

Hastert Aide Goes Before Ethics Panel (AP-Y)

By Andrew Taylor

AP, October 26, 2006

An aide to House Speaker Dennis Hastert on Wednesday went before ethics investigators in private to explain how the office handled complaints about former Rep. Mark Foley's behavior toward former pages.

Ted Van Der Meid, who oversaw the page program for Hastert, R-Ill., appears to be one of the last witnesses. The House ethics panel is investigating whether lawmakers and staff aides acted properly when learning of Foley's too-friendly messages to ex-pages and other possible inappropriate behavior.

The panel is in its third week of hearing testimony and seems unlikely to complete its probe before the Nov. 7 elections.

Van Der Meid was a central figure in the handling of a complaint last fall from a former page from Louisiana. Hastert's office was alerted to the "over friendly" e-mails and dispatched then-Clerk of the House Jeff Trandahl and Rep. John Shimkus, R-Ill., to confront Foley, R-Fla.

Former top Foley aide Kirk Fordham has told the committee that Hastert's chief of staff, Scott Palmer, knew of earlier incidents involving Foley.

Foley abruptly resigned Sept. 29 after being confronted with sexually explicit e-mails sent in 2003 to a former page from Oklahoma.

No lawmaker has acknowledged knowing of sexually graphic e-mails. They surfaced only after news broke that Foley last fall had sent a too-friendly message to the former Louisiana page. But a small group of lawmakers and top GOP staff aides have known for years of inappropriate messages and rumors of bad behavior by Foley toward pages.

Rather than investigating Foley, the four-member investigative panel is trying to determine who knew about his behavior toward pages and whether more should have been done to stop it.

Trandahl was appointed to the clerk's post — with responsibility over the page program a prominent responsibility — and was in frequent contact with Hastert's office.

A key question for investigators is who else knew about Foley. Fordham's account has been disputed by Palmer, but Trandahl reportedly has backed up Fordham's story.

The panel may want to know what Van Der Meid knew about earlier incidents regarding Foley.

For example, the panel has been asked to look into rumors that several years ago Foley tried to enter the page dorm while drunk, an incident that Fordham has testified about.

Trandahl and Rep. Jim Kolbe, R-Ariz., learned in 2001 or 2002 of an episode in which Foley sent an ex-page inappropriate e-mails.

In those instances, Foley's inappropriate behavior with former pages have been handled by a few staff aides and lawmakers, rather than being investigated more fully. Foley's misbehavior did not cease.

The panel heard Tuesday from Hastert, who urged it to wrap up its investigation quickly. He said he answered questions to the best of his ability, but his recollection differs from other GOP leaders.

Majority Leader John Boehner, R-Ohio, and House GOP campaign chairman Tom Reynolds of New York have said they discussed with Hastert the "over friendly" e-mails from Foley to the Louisiana teen; the speaker says he does not recall the conversations.

Separately, Foley's attorney's revealed Wednesday that he is being treated for alcoholism at a facility in Tucson, Ariz. Foley has been in a 30-day treatment program at the Sierra Tucson treatment center since Oct. 1.

Second Man Accuses Former Priest Who Abused Foley (WP/AP)

The Washington Post, October 26, 2006

MIAMI, Oct. 25 -- Another former altar boy says he was sexually abused in the 1970s by the same retired Catholic priest who acknowledged fondling former congressman Mark Foley when Foley was a teenager, the man's attorney said Wednesday.

The new allegations against Anthony Mercieca were made by a man who lived in North Miami and was an altar boy at St. James Catholic Church, where Mercieca worked, attorney Jeffrey Herman said.

Herman said he plans to file a lawsuit against the Archdiocese of Miami. His client, now 40 and identified in the lawsuit only as John Doe No. 26, says Mercieca abused him when he was about 12 years old.

"He had been thinking about it before Foley came forward, and then when Foley came out and the church encouraged other victims to come forward, he decided to come forward," Herman said.

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The man said "all of my nightmares came back" when Mercieca's picture appeared on the news last week amid Foley's allegations that the priest had molested him.

Foley (R-Fla.) resigned amid accusations that he sent sexually explicit electronic messages to teenage boys who had worked as pages on Capitol Hill.

Mercieca, 69, now lives on the Maltese island of Gozo in the Mediterranean. No one answered the phone at his home.

Archdiocese spokeswoman Mary Ross Agosta said: "Any of this type of behavior by Father Mercieca was unknown to the archdiocese and we had absolutely no information to indicate that the father did or would engage in any type of inappropriate or abusive behavior."

Washington Wire (WSJ)

Wall Street Journal, October 26, 2006

Taxpayer-subsidized Amtrak — which faces calls to sharply reduce its long-distance train service — has been careless in managing law firms that have billed it millions in legal fees, according to a report released Wednesday by federal investigators.

The report, issued jointly by Amtrak's Office of Inspector General and the U.S. Department of Transportation Inspector General, said that the law department of the passenger railroad, for example, failed consistently to request and manage budgets for legal work. Also, law firms engaged in "block billing," in which firms lump tasks under one entry of an invoice rather than showing the costs of each task. The practice is prohibited by Amtrak's billing guidelines, the report says. "About 30% of the billings were block billed, which is actually not allowed," says U.S. Rep. John Mica (R., Fla.), a member of the House Committee on Transportation and Infrastructure who requested the probe.

From 2002 to 2005, according to the report, Amtrak paid more than $100 million in legal fees — $40 million of which went to 10 firms, which are listed in the report. In response, the chairman of Amtrak's board, David Laney, said Amtrak reduced annual legal fees by 26%, or $8 million, since 2003, and in the past five years, working with outside law firms, recovered $79 million in cash from legal settlements. Read the full article, download the report or see the full list of lawyers at Law Blog. – Nathan Koppel and Ashby Jones

Read more: Global, Domestic Policy

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October 25, 2006, 6:58 pm Police Chiefs Push for Federal Money

Facing a rise in murders, drug shootings and armed robberies, more than a dozen police chiefs met senior White House officials on Wednesday to argue that there's a national epidemic of violent crime and they need federal money to fight it.

The 15 police chiefs said that during the 90-minute meeting with Rob Portman, director of the Office of Management and Budget, and several members of President Bush's domestic policy team, they stressed that they needed flexibility in funding to fight both terrorists and criminals, and that each community faced different risks.

"We didn't want them to think so much about homeland security that they forget about hometown security," said Atlanta Chief Richard J. Pennington. "I think they got the message."

The meeting comes two weeks ahead of the midterm elections, and the police chiefs said the rise in crime was becoming a political issue in some communities.

White House officials say they are well aware of a spike in violent crime statistics over the last year and are already been considering programs to fight the trade in methamphetamine, which is fueling the crime rise in some cities like Las Vegas. But the violence varies from city to city: Chicago and Miami haven't had increases; in Boston, homicides have hit a 10-year high and in Cincinnati a 20-year high, according to local crime statistics analyzed by the Police Executive Research Forum, or PERF, a think tank and police lobby group.

"We discussed crime rates, the counter-intuitive fact that as federal funding has declined so have crime rates, and the current situation of historically low crime rates combined with spikes of violent crimes in selected cities. It's the kind of discussion that is valuable to have with those whose job is to put policy into action," said OMB spokesman Scott Milburn.

The White House said it would continue the discussions and would work with PERF to look for ways to address police concerns.

"We left the meeting hopeful that number they recognize the problems and number two they want to do something about it," said Chuck Wexler, the executive director of the group. – Robert Block

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October 25, 2006, 6:53 pm VoteVets Makes Ad Buys

DOJ_NMG_0086755

Democratic-leaning special interest group VoteVets, which was behind a dramatic body armor ad used to some effect in several Senate races, has now made ad buys in four House districts to complain that the Republican incumbents haven't done enough for Iraq war veterans.

The new ad features Tomas Young, an Iraq war veteran and anti-war activist who was paralyzed from the waist down in Baghdad. Young has been an outspoken activist, particularly for veterans rights, and in this ad, he takes lawmakers, including Minnesota Republican Rep. Gil Gutknecht, to task for voting a pay raise for themselves but not increasing health-care benefits for veterans.

According to Daily Kos, a similar version of the ad will also run until Election Day in the districts of Republican congressmen John Doolittle in California, Jon Porter of Nevada and John Sweeney in New York. The ad hasn't shown up yet on the group's Web site yet. –Amy Schatz

Read more: Global, Campaign 2006, Congress, Foreign Policy

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October 25, 2006, 4:56 pm Oh, That Editorial

The Early Bird, the Pentagon's clipping service of all news military, carried an odd item today: A letter to the New York Times (which the newspaper hasn't published) about a Times editorial Tuesday that called for Defense Secretary Donald Rumsfeld's firing.

Unlike the unpublished letter, the Early Bird chose not to carry the published editorial in its clippings. The letter, signed by Dorrance Smith, assistant secretary of defense for public affairs, gives the drift: "Today's editorial claims: 'There have never been enough troops, the result of Mr. Rumsfeld's negligent decision to use Iraq as a proving ground for his pet military theories, rather than listen to his generals.' Whether or not the Times believes there were enough troops in Iraq, the claim that any troop level in Iraq is the result of Secretary Rumsfeld 'not listening to his generals' is demonstrably untrue." It goes on to list what a number of generals have had to say on the matter.

That got us pondering the Early Bird's mission statement: "… daily compilations of published articles and commentary concerning significant defense and defense-related national security issues. The publications aim to represent how the public, Congress and the press see military and defense programs and issues. They are internal management tools intended to serve the informational needs of senior DoD officials in the continuing assessment of defense policies, programs and actions…" –Greg Jaffe

Read more: Foreign Policy, Iraq, White House

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October 25, 2006, 4:39 pm Adjusting, Flexible, Changing, Dynamic Iraq Tactics

Eager to show that he's not simply staying the course on Iraq, President Bush used some variant of "flexible" five times, "adjust" six times, and "change" no fewer than 18 times in his hour-long news conference in the ceremonial East Room this morning. "This war, and other wars, they're not static. They're dynamic events," Bush said. "And we must adjust to meet those events, and we are." He also insisted that the U.S. and its allies are winning on a number of scores.

Bush

Democrats quickly rebutted his claims. "The White House may be changing its rhetoric about staying the course…but the policies are the same," said Sen. Carl Levin of Michigan, in a conference call with reporters. Although the White House has been trying to avoid the phrase "stay the course" for months, Democrats in recent days have sought to pin the label on the administration, as a way of reinforcing voter impressions of a quagmire in Iraq. The advocacy group Americans United announced it will run a TV ad campaign entitled "Change the Course," aimed at three Republican incumbents.

Bush's news conference was aimed at easing voter dissatisfaction with the war less than two weeks before the Nov. 7 election. It came a day after U.S. officials in Iraq laid out timetables for political progress and predicted that Iraqi troops would be able to take over most of the war effort in a year to 18 months. Wednesday's event also gave Bush a chance to repeat in blunt terms what he views as the rising stakes in the Middle East if the U.S. abandons oil-rich Iraq to its enemies. "It's a serious business," he said.

At other times, he playfully chided pundits who've awarded the election to Democrats, and suggested that Democrats themselves are "dancing in the end zone" and "measuring their drapes" in Capitol offices prematurely.

"See you on the campaign trail," he said as he finished up. –John D. McKinnon

Video: Bush press conference | Transcript

Read more: Global, Foreign Policy, White House

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October 25, 2006, 4:26 pm How Should We Put This?

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The Federal Reserve's meeting this week was a two-day affair, lengthened from the originally planned one day so that the 18 members of the Federal Open Market Committee (one seat is vacant) could discuss how to improve their communications with the outside world. Carl Tannenbaum, chief economist at LaSalle Bank, cracked that if the policy statement released after the meeting – which was almost identical to September's - is any indication, the early signs are not encouraging. "After a half day to talk about communications, we got a statement that inserted one clause and removed another. This evolution in communications is definitely a slow process."

In truth, the Fed is unlikely to announce a shift in communications strategy in its policy statement. Minutes to the meeting, to be released Nov. 15, should shed more light on what was discussed this week. But it appears Fed officials are months away from announcing any substantive change to current practices. –Greg Ip

Parsing the Fed: How the October, September Fed statements differed

Fed Keeps Interest Rates Unchanged

Read more: Economy

Permalink | Comments (1) | Trackbacks

October 25, 2006, 2:07 pm Eligibility at Issue in Md. Attorney General Race

The candidates for attorney general in Maryland are practicing their legal moves.

A lawsuit filed last week by a state resident, who is represented by none other than Republican candidate Scott Rolle's campaign manager, challenges Democrat Doug Gansler's qualifications to appear on the ballot. The lawsuit argues that Gansler, the Montgomery County state's attorney, hasn't practiced law in Maryland for the required 10 years. In Anne Arundel County Circuit Court today, a morning hearing on the case was still in progress in the middle of the afternoon.

In an article in the Baltimore Sun about a Gansler-Rolle debate on Maryland Public Television last night, Gansler was quoted calling the lawsuit a "frivolous, silly, desperate" complaint lodged because Rolle "is 30 points behind in the polls." The Sun reported that after the debate, Rolle was asked whether he supports the lawsuit. "I am not condoning it," he said, then quickly added, "It is a legitimate issue."

The same issue doomed the attorney general aspirations of Democrat Thomas Perez in the September primary. –Mary Lu Carnevale

Read more: Campaign 2006

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October 25, 2006, 12:08 pm A Ways to Go

Just how long might the U.S. be in Iraq?

President Bush, at today's news conference, wouldn't answer directly. "You can't leave until the job is done," he said. "Our mission is to get the job done as quickly as possible."

But his response to a question about whether the U.S. wants to maintain permanent bases in Iraq indicated it could be years.

"Any decisions about permanency in Iraq will be made by the Iraqi government," Bush began. "And, frankly, it's not in much of a position to be thinking about what the world's going to look like five or 10 years from now. They are working to make sure that we succeed in the short term. And they need our help. And that's where our focus is.

"But remember, when you're talking about bases and troops, we're dealing with a sovereign government. Now, we entered into an agreement with the Karzai government [in Afghanistan]. They weren't called permanent bases, but they were called arrangements that will help this government understand that there will be a U.S. presence so long as they want them there. And at the appropriate time, I'm confident we'll be willing to sit down and discuss, you know, the long-term security of Iraq. But right now we're discussing how to bring security to Baghdad and what do we do in al-Anbar Province, where al Qaeda still uses violent methods to achieve political objectives." –Mary Lu Carnevale

Video: Bush press conference | Transcript

Read more: Global, White House

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October 25, 2006, 11:08 am Get Ready, Catholic Church Tells Immigrants

The Catholic Church is advising illegal immigrants to get ready for the day they're allowed to file for legal residency. "It may take a long time" for any legalization proposal to pass into law, notes the Catholic Legal Immigration Network Inc., a project of the U.S. Conference of Catholic Bishops. But illegal immigrants should nevertheless start assembling the documentation they'll need to support their petition for legal status, it adds.

Among other things, the church's online posting at www.cliniclegal.org, advises illegal immigrants to get involved in their children's schools and in community and volunteer organizations, to enlist with their draft board and to pay income taxes. Those moves "can prove good moral character," a possible requirement of a legalization process, it says.

It also advises illegal immigrants to assemble documents that prove when and how they arrived in the U.S.—important evidence if Congress decides to legalize only those immigrants who arrived before a certain date. The church suggests collecting pay stubs, apartment leases, medical records, auto registrations, utility bills and postmarked letters addressed to them since their arrival.

It advises against being too bold about seeking official government identification, though. An illegal immigrant faces the risk of deportation "if s/he comes to the attention of the U.S. government," it says.

The House and Senate passed starkly different immigration bills this year, but neither bill one has any likelihood of passing into law this year. That means that both houses will have to introduce new bills when a new Congress is seated in January.

The House and Senate passed starkly different immigration bills this year, but neither bill one has any likelihood of passing into law this year. That means that both houses will have to introduce new bills when a new Congress is seated in January. Although President Bush has promoted pro-immigrant legislation, a bill would face better chances of passage if electoral gains next month give Democrats control of the House, where Republicans now lead a vocal anti-immigrant caucus. –June Kronholz

Read more: Global

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October 25, 2006, 8:31 am Politicians Grow Wary of Survey

Project Vote Smart is being undermined by the same negative forces it's trying to combat. Working out of a former dude ranch in Montana, Vote Smart runs a Web site and a toll-free number that tracks more than 10,000 candidates running for federal and state offices. Along with gathering voluminous data on voting records, speeches and endorsements, the nonprofit conducts an exhaustive survey of the candidates' positions on issues ranging from abortion to welfare.

For years, the survey was catching on with incumbents and challengers alike. But lately, the number of candidates taking the survey has dropped dramatically. The reason: Many are afraid their opponents will use the information against them in attack ads. "We tell our candidates not to do it," says Rep. Anne Gannon, the Democratic leader pro tempore of the Florida House of Representatives. "It sets them up for a hit piece." Read the full article. – Peter Grant

Read more: Global, Campaign 2006

Permalink | Comments (1) | Trackbacks (1)

October 25, 2006, 8:30 am Danger Signals From Voters Amid Prosperity

There's something unnerving about watching an anti-incumbent tidal wave roll in at a time when the economy, by most macro measures, is cruising. The big economic bugaboos of earlier this year — rising interest rates and soaring oil prices — have both eased off. Even the Dow Jones Industrial Average is hitting historic highs. Yet a majority of voters who responded to last week's Wall Street Journal/NBC News poll say they disapprove of President Bush's handling of the economy.

Still, the economic backdrop for election 2006 should raise a warning flag about the future. Large numbers of Americans seem to have lost their belief in John F. Kennedy's famous aphorism that a rising tide lifts all boats. "They know the economy is white hot," says political analyst Charlie Cook, "but they also know they aren't in it….There's a feeling that some people are getting theirs, but we aren't getting ours." Read the full column. – Alan Murray

Video: Alan Murray says that it's extraordinary for polls to reflect strong disatisfaction with the goverment's economic leadership, given that economy is actually doing quite well.

FBI Eyes Contractor In Los Alamos Leak (WT)

By Jerry Seper

The Washington Times, October 26, 2006

The FBI is focusing on a subcontractor at the Los Alamos National Laboratory as the possible source of classified information from the nuclear-weapons facility discovered during the arrest of a New Mexico man on drug charges.

Federal authorities said yesterday that the subcontractor, Jessica Quintana, was questioned after Los Alamos police discovered the classified data during a search for evidence of a drug business after the arrest of Justin Stone, 20, Friday.

Miss Quintana, who authorities said shared the mobile home with Mr. Stone, has not been charged in the case.

"This appears to be a new low: Even drug dealers can get classified information out of Los Alamos," said Danielle Brian, executive director of the Project On Government Oversight, a watchdog that has exposed seven incidents involving the mishandling or loss of classified information at nuclear-weapons facilities since 2002.

Authorities said the Los Alamos information was located on a computer flash drive, a portable flash memory card that plugs into a computer's Universal Serial Bus, or USB, port and functions as a hard drive. Flash drives have been banned from the Los Alamos laboratory for the past two years.

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Linton F. Brooks, chief of the National Nuclear Security Administration, said yesterday that "extraordinary efforts" have been made in the past three years to put strong security procedures in place at Los Alamos and other national laboratories to ensure that sensitive information is not compromised.

"Our job now is to assess what happened at Los Alamos, to determine whether procedures have been diligently observed, and to decide whether additional steps need to be taken," he said, adding that the agency's chief of defense nuclear security will "personally investigate the facts at Los Alamos."

Los Alamos Police Department Sgt. Chuck Ney said the classified information was located Friday at a trailer park in the city after officers responded to a domestic disturbance call. Police also found hazardous methamphetamine lab components.

Police then notified the FBI, and federal authorities began a separate investigation.

FBI Special Agent Bill Elwell in Albuquerque said a now-sealed search warrant was served in the case by agents, but he declined to discuss details of the ongoing investigation. He said the U.S. attorney's office in Albuquerque is "evaluating the information."

Los Alamos has a long history of security breaches. In December 1999, Wen Ho Lee, a Taiwanese-American scientist who worked at the laboratory, was accused of stealing secrets on the U.S. nuclear arsenal for China. After investigators dropped a 59-count complaint, Mr. Lee pleaded guilty to improper handling of restricted data.

In June, the government and five news organizations -- The Washington Post, Los Angeles Times, New York Times, ABC News and the Associated Press -- announced a $1.6 million settlement with Mr. Lee over accusations that government leaks violated his privacy.

In 2004, Los Alamos was shut down after an inventory found that two computer disks with nuclear secrets were missing. A year later, the lab concluded the disks never existed.

Los Alamos Disks May Hold U.S. Secrets (WP)

By Dan Eggen

The Washington Post, October 26, 2006

The contract employee at the center of a possible security breach at Los Alamos National Laboratory had a high-level clearance that may have given her special access to intelligence intercepts and other closely held national secrets, sources familiar with the case said yesterday.

The FBI is examining at least three computer disks that police in Los Alamos, N.M., discovered last week during a search of a suspected drug dealer's trailer home, according to the FBI and other agencies. A woman who was living at the home and worked for a Los Alamos subcontractor has been linked to the disks by investigators, officials said.

Authorities said the disks appear to contain classified material. An FBI search warrant filed in connection with the case has been sealed.

The investigation -- which was revealed publicly on Tuesday -- is the latest potential embarrassment for the Los Alamos lab, which is under new management and undergoing changes designed to improve security. The lab is one of the nation's three nuclear-weapons-research facilities.

Los Alamos Director Michael Anastasio confirmed the potential breach of security in a statement yesterday. He said that the lab is cooperating with the FBI and is implementing extra security measures.

"This is a serious matter, and we are taking immediate steps to address it," Anastasio said, adding that "we intend to do everything possible to guard against any criminal activity, particularly where a breach of security may be involved."

The National Nuclear Security Administration, which oversees Los Alamos, said it has begun its own investigation and has sent a "cyber security team" to New Mexico to review procedures.

The case began after the Los Alamos Police Department responded to an Oct. 17 domestic dispute complaint at the home. Officers found drug paraphernalia and other evidence of methamphetamine trafficking, officials said. A search through records in the home revealed the computer disks, and the FBI was notified.

FBI spokesman Bill Elwell in Albuquerque said no charges have been filed.

"We are at the stage of going through the evidence and assessing its importance," he said.

Former Los Alamos Subcontract Worker Probed In Breach (Update1) (BLOOM)

By Robert Schmidt

Bloomberg, October 26, 2006

Oct. 25 (Bloomberg) -- The FBI is investigating a possible security breach at Los Alamos National Laboratory in New Mexico after people familiar with the matter said local police found what may be classified information while searching a residence for drugs.

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The potential security breach involves a former employee of a subcontractor at the nuclear-weapons laboratory, lab director Michael Anastasio said in a statement. He didn't identify the ex- employee or give further details. U.S. Energy Secretary Samuel Bodman told reporters in Washington the former employee was a woman and had worked as an archivist.

``We take this matter very seriously," Bodman said. ``It is on my priority list." He said the former employee had worked on ``archiving data from past history and making that available in electronic form so that it could be stored and accessed."

Special Agent Bill Elwell of the Federal Bureau of Investigation's Albuquerque office said local police called the bureau after finding ``evidence they thought would be of interest to us" while searching for methamphetamines at a private residence. The officers went to the home Oct. 17 in response to a call about a domestic dispute, and the FBI conducted a search Oct. 20, Elwell said.

Two law-enforcement officials who asked not to be identified said the evidence appeared to be classified information, stored in a computer file, from the Los Alamos lab.

Storage Devices

According to Los Alamos Police Department records, officers searching the home in a trailer park confiscated drug paraphernalia as well as three portable computer storage devices that allow users to transfer and carry data. Justin Stone, 20, was arrested on a warrant for a probation violation, police records said.

Anastasio's statement said the lab is ``fully cooperating with the FBI on this matter and we intend to do everything possible to guard against any criminal activity, particularly where a breach of security may be involved."

The Los Alamos facility has had security issues in the past. In 2004, work at the lab was halted when two computer disks with classified information were reported missing. It was later learned the disks never existed.

The laboratory also fired scientist Wen Ho Lee in 1999 after he was accused of passing nuclear secrets to China. Lee, who spent nine months in solitary confinement, was never charged with espionage and later pleaded guilty to one count of mishandling classified information. A federal judge apologized to Lee for the government's conduct in the case.

Man Once Held In Wales' Death Seeks New Venue For Gun Charge (AP)

AP, October 26, 2006

SEATTLE - A gun collector once jailed as a material witness in the assassination of a federal prosecutor is seeking a change of venue for an unrelated weapons charge.

Albert K. Kwan, of suburban Bellevue, says he cannot get a fair trial on the charge - possession of an unregistered machine gun - because in the public's mind, his case "is inseparably intertwined with that of the murder investigation of Assistant United States Attorney Thomas C. Wales," his lawyers wrote in a court filing this week.

Wales, an 18-year veteran of the U.S. attorney's office in Seattle and the president of the gun-control group Washington CeaseFire, was shot as he worked in the basement of his home in Seattle's Queen Anne Hill neighborhood on Oct. 11, 2001. The murder weapon was a Makarov pistol outfitted with a replacement barrel.

A nationwide search for the gun led the FBI to Kwan, who, agents say, purchased two of the barrels from a Minnesota company but has only turned over one of them. Kwan says he doesn't recall ever purchasing a second barrel.

In searching Kwan's home in January 2005, agents found what they say was an illegal, unregistered M-14. Kwan was charged with the gun count last month, although his attorneys say the weapon didn't meet the definition of a machine gun because parts had been welded to prevent it from firing automatically. They also insist the government brought the charge to "squeeze" him and ensure his cooperation with the grand jury investigating the Wales crime.

Last week, Kwan's lawyers filed court papers saying he would fully cooperate with the grand jury and take a lie-detector test.

Kwan's lead attorney, Joe Conte, said Wednesday he did not expect U.S. District Judge Thomas Zilly to move Kwan's trial on the weapons charge out of the Western District of Washington.

"It's very hard to win a venue change," he said.

Kwan was held for three weeks in January 2005 as a material witness in the Wales case. Conte said in the court filing that because of the news coverage, potential jurors are likely to "equate defendant's prosecution with the first killing of a federal prosecutor in our nation's history."

Conte has said his client was not involved in Wales' death.

The U.S. attorney's office did not have any immediate response to the request, said spokeswoman Emily Langlie.

An attachment to a separate filing by Kwan's lawyers sheds light on the FBI's search for Makarov replacement barrels.

The attachment, a letter from special prosecutor Steven Clymer to Assistant U.S. Attorney Bill Redkey in Seattle, says that the two barrels Kwan is alleged to have purchased were among 69 shipped by the Minnesota company, Federal Arms Corp., to

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addresses within a 50-mile radius of Wales' home. As of January 2005, when Kwan's house was searched, the FBI had yet to locate 30 of them.

The FBI said this month it has located and test-fired about half of the 3,600 Makarov barrels that Federal Arms sold nationwide prior to the killing.

Family Faces New Charges In Military Secrets-to-China Case (MERCN)

By Gillian Flaccus

The San Jose Mercury News, October 26, 2006

SANTA ANA, Calif. - Five members of a family accused of scheming to send sensitive information about Navy warships to China were indicted Wednesday on new conspiracy charges, prosecutors said.

The indictment, handed down by a federal grand jury, added counts of conspiracy to export U.S. defense articles to China; possession of property in aid of a foreign government and making false statements to federal investigators.

Named in the supplemental indictment were Chi Mak, a U.S. citizen who worked for Anaheim defense contractor Power Paragon; his wife, Rebecca Laiwah Chiu; his brother, Tai Mak; Tai Mak's wife, Fuk Heung Li; and their son, Billy Yui Mak.

Li, 49, and her 26-year-old son already faced charges of making false statements and acting as agents of a foreign government, namely China, without prior notification to the U.S. attorney general.

Chi Mak, 66, Tai Wang Mak, 57, and Rebecca Laiwah Chiu, 62, were previously charged with one count of failing to register as a foreign agent.

The government claims that Chi Mak passed information about U.S. naval technology from his employer to his brother and that his nephew, Billy Mak, then helped encrypt the files onto CD-ROM computer disk. That disk was found hidden the luggage of Tai Mak and his wife after they were arrested in October 2005 at Los Angeles International Airport as they prepared to travel to Hong Kong and Guangzhou, China, authorities said.

Attorneys for the Maks said they were not aware of the new indictment until contacted by The Associated Press.

Ronald Kaye, an attorney for Chi Mak, said his client worked with sensitive information as part of his daily job, but never misused it or stole intelligence.

"My client is involved in an area of technology that is not classified - is not even prohibited from distribution," Kaye said. "It's a strong sign that they are desperately trying to find whatever counts can stick. They've overcharged this case consistently."

Stanley Greenberg, an attorney for Rebecca Chiu, also said his client was innocent.

"It really doesn't matter how they keep changing the format of the charges. The evidence will eventually show she's not guilty, because it all grows out of the same facts," Greenberg said.

John Early, an attorney for Tai Mak, said he had not seen the indictment and couldn't comment. Attorneys for Fuk Li and Billy Mak and the Mak family attorney didn't immediately return calls left after business hours Wednesday.

According to the FBI, Chi Mak told investigators his brother was giving the information to a researcher at the a Chinese university center that conducts operations research for and receives funding from the People's Liberation Army.

Prosecutors have said previously that authorities recovered from the disk restricted documents on the DDX Destroyer, an advanced technology warship. They also allege that they found two tasking lists in Chinese asking Mak to get documents about submarine torpedo technology, electromagnetic artillery systems, weapon standardization, early warning technology used to detect incoming missiles, and defenses used against nuclear attack.

The FBI originally arrested Chi Mak and his wife for investigation of conspiracy to steal U.S. government documents. That allegation was never charged, and no one has been charged with espionage in the case.

The new indictment includes three counts of actual and attempted unlawful export of defense articles for Chi Mak; one count of possession of property in aid of a foreign government for Tai Mak; one count each against Chi Mak, Tai Mak and Rebecca Chiu for making false statements; and one count against all five family members for conpsiracy to export defense articles.

Chi Mak is in custody pending a March 20 trial. The other four are scheduled for trial on May 15. Tai Mak and Billy Mak are in custody; Fuk Li and Rebecca Chiu are free on bail.

A hearing on several defense motions is scheduled for Nov. 17.

5 In Family Charged With Military Data Conspiracy (LAT)

By H.g. Reza, Times Staff Writer

The Los Angeles Times, October 26, 2006

One was an engineer on a submarine propulsion project. Defense lawyers say the government is straining to make a case.

DOJ_NMG_0086761

Five family members already facing charges for allegedly failing to register as agents of the Chinese government faced new charges Wednesday after a federal grand jury indicted them on charges of conspiring to export sensitive military information.

The 15-count indictment unsealed in Santa Ana includes allegations raised last year against lead defendant Chi Mak and three of his relatives but never pursued by the government until now. Instead, Mak, his wife, Rebecca Laiwah Chiu, and his brother, Tai Wang Mak, were charged Nov. 15, 2005, with failing to register as agents of a foreign government.

The new indictment accuses them of conspiring to export technical data regarding sensitive submarine and warship technology to China, and possessing military-related articles aimed at aiding that country. They are also accused of lying to federal investigators.

Also named in the indictment are Tai Mak's wife, Fuk Heung Li, and their son, Yui Mak. The five family members live in Downey and Alhambra.

Prosecutors did not return telephone calls Wednesday but previously had said Chi Mak received requests for specific military information from unnamed Chinese officials. In the conspiracy alleged by the government, Chi Mak and his wife copied the material onto CD-ROM disks and gave them to Tai Mak. Yui Mak encrypted the data and his parents allegedly tried to take them to China in October 2005.

Chi Mak, 66 and a naturalized U.S. citizen, was the lead project engineer on a contract to develop a quiet electric-drive propulsion system for U.S. Navy submarines at Paragon Power in Anaheim.

Authorities said he had security clearance that gave him access to sensitive technical information.

His wife, Chiu, 63, is also a naturalized citizen. Both are originally from China, as are the other defendants.

Federal prosecutors acknowledged last year that the information Chi Mak and the others gathered was not classified. In fact, much of it can be found on the Internet.

Wednesday's indictment, however, says the president has the authority "to control the import and export of defense articles" by placing them on the United States Munitions List, apparently even if they are readily accessible to the public. Articles placed on the list can be exported only by agents of a foreign government registered with the Defense Department, according to the indictment.

The court document does not say whether the articles the defendants allegedly conspired to export to China were on the government's munitions list, or when they might have been placed there.

Attorney Ron Kaye, who represents Chi Mak, said none of the information in his client's possession was restricted.

"The government has a history of overstating this case," he said. "They said he stole government property and retracted the charge. They said he was engaged in espionage and they retracted the charge. They're throwing everything at him, hoping something will stick."

Early in the case, prosecutors also alleged that Chi Mak had obtained plans for a nuclear power plant in New York. Later, however, they said it was merely directions from the airport to the plant that he had downloaded. According to Kaye, Chi Mak's company had a contract with the facility.

John Early, who represents Tai Mak, said the government was "having a hard time picking a charge."

"If it took them a year to figure out that the information was on a restricted list, I'll be interested to see the government's evidence to support the charges," Early said.

Chi Mak, Tai Mak, 57, and Yui Mak, 26, are being held without bail.

hgreza@latimes.com

Enforcer Faces Charges In Trooper Threat (PHI)

By George Anastasia

The Philadelphia Inquirer, October 26, 2006

Bodybuilder and mob enforcer Vincent "Big Vincent" Filipelli was ordered held without bail yesterday for allegedly threatening an undercover New Jersey State Police trooper involved in an organized-crime gambling investigation.

Authorities said Filipelli, 53, made the threat at a South Philadelphia "gentleman's club" where a meeting had been set up to discuss a gambling debt he was attempting to collect.

The onetime competitive weight-lifter was unaware that the two men he was meeting with were both undercover state troopers and that one of them was wearing a body wire.

The meeting occurred in May at the Crazy Horse Too, an upscale go-go bar and restaurant on South Columbus Boulevard, according to a document made public during a federal court hearing in Camden yesterday.

Filipelli allegedly told the undercover investigator who owed the money that he would be hurt if he did not pay up.

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"Filipelli [said] that he would track him down and put him in the hospital for a year," according to an affidavit filed by FBI agent James A. Titcombe, who worked the case with the state police.

Later, as he was driving back to Cherry Hill with one of the undercover officials, Filipelli boasted that he was a "made" member of the Philadelphia mob, according to the document.

"He was rather brazen," said state police detective Salvatore DeGirolamo.

DeGirolamo, assigned to the casino unit of the State Police Organized Crime Control Bureau South, declined to comment further about the investigation, which began in August 2005 and targeted a mob-run gambling ring. The FBI joined the probe in February, according to court documents.

Filipelli was taking bets and making collections for a South Philadelphia-based mob bookmaker, according to one source familiar with the probe. He and the bookmaker unwittingly began taking bets from the undercover trooper as part of a sting operation.

No one else has been charged in the case, which is built around secretly recorded conversations and extensive surveillance. Authorities emphasized yesterday that the investigation was continuing. More arrests are expected.

Filipelli, who spent Tuesday night in the Camden County Jail, appeared yesterday before U.S. Magistrate Judge Anne Marie Donio. The judge set a bail hearing for Monday and ruled that Filipelli would remain in federal custody until then.

Filipelli was charged with gambling, extortion and traveling interstate - from Cherry Hill to Philadelphia for the meeting at the Crazy Horse Too - to commit a crime of violence.

Assistant U.S. Attorney Jacqueline Carle, in seeking to have Filipelli held without bail, argued that he was a danger to the community. The tape in which he threatened the undercover trooper may be played at Monday's hearing to support that argument.

Donald Manno, Filipelli's attorney, argued that his client was not a threat. He pointed out that the alleged incident had occurred in May and that authorities had left Filipelli on the streets until his arrest Tuesday.

Filipelli also faces additional gambling, loan-sharking and money-laundering charges lodged by the state police. Authorities are expected to expand those charges to include weapons and drug offenses.

Detectives found a stun gun and what appeared to be vials containing steroids during a search of Filipelli's home in the 500 block of New York Avenue in Cherry Hill on Tuesday, according to the state police.

Manno said he suspected the federal charges were "part of something bigger." He said his client had rejected an offer to cooperate.

"He's not cooperating and he's not likely to cooperate," Manno said. "It just isn't in him."

Filipelli served more than four years in prison after pleading guilty to federal and state extortion charges in 1995.

At a sentencing hearing in 1996, a federal prosecutor described him as an "international-class athlete [who] basically became a thug" for the mob.

Authorities Arrest Reputed Mobster On Federal Charges (NSDY/AP)

Long Island Newsday, October 26, 2006

CAMDEN, N.J. (AP) _ Authorities have arrested a reputed organized crime family member on charges stemming from an investigation into illegal sports gambling, state police said Wednesday.

State police, working with the FBI's Philadelphia office, arrested Vincent Filipelli, 53, at his Cherry Hill home on Tuesday. They seized anabolic steroids and drug paraphernalia valued at $10,000, two stun guns, gambling records and cash, according to state police.

Filipelli faces state and federal charges related to a sports betting operation and the distribution of illegal drugs, specifically anabolic steroids, said state police Sgt. Stephen Jones.

He was being held without bail Wednesday at the Camden County jail, pending a federal hearing.

According to state police, Filipelli was a former bodyguard for John Stanfa, boss of the Philadelphia La Cosa Nostra organized crime family.

During an undercover investigation that included two state police detectives, Filipelli threatened one of the undercover detectives, whom he believed owed him a debt, telling him he would put him in the hospital for a year, according to state police.

Gotti Says Detective Helped In Killing Of A Witness (NYS)

By Jerry Capeci

New York Sun, October 26, 2006

DOJ_NMG_0086763

At a secret session with the feds last year, John "Junior" Gotti fingered a former NYPD detective as a money-hungry rogue who gave up confidential information about a 1983 barroom murder — information that Gambino wiseguys used to kill a witness whose death has been officially ruled a suicide for more than two decades, Gang Land has learned.

Law enforcement sources said Gotti attributed his stunning account about the death by hanging of Vinny Cennamo to what he was told several years after the fact by mobster Angelo Ruggiero, a close ally of Gotti's late father who died of cancer in 1989.

Police reports state that Cennamo, a friend of the murder victim, fingered Mark Caputo, a burly 6-foot-2-inch, 300-pound "bodyguard" whom the elder John Gotti had assigned to watch over his son, as the killer and said he left the bar with Junior.

According to what Junior told the feds, Ruggiero said that he and two other cronies of the elder Gotti used crucial background information supplied by the detective to whack Cennamo and make it appear to be a suicide, the sources said.

At the time of the conversation, Junior told the feds, Ruggiero was on the outs with the Dapper Don, who was boss of the crime family by then and had placed Ruggiero "on the shelf," a designation that essentially stripped him of all his rights and responsibilities as a wiseguy.

In 1983,though, Ruggiero was a close cohort and fierce ally of the elder Gotti, and a man whom 19-year-old Junior often referred to as his "uncle." It was to Uncle Angelo's house that Junior went in the early hours of March 12, 1983, immediately after the fatal 2 a.m. stabbing of Danny Silva at the Silver Fox Bar in Ozone Park.

A day or two later, Junior told the feds, he drove Ruggiero to a meeting at the Sherwood Diner in Lawrence, L.I., where he saw Ruggiero give detective John Daly a $25,000 bribe as "insurance" that Junior, who had been at the bar but was not implicated in the slaying by any witnesses, would not become a focus of the murder probe, the sources said.

According to the sources, Junior said he watched from his car as Ruggiero gave Mr. Daly a brown paper bag that contained $25,000 during a brief meeting behind the diner. When the meeting broke up, Mr. Daly, who had interviewed Gotti about the brawl, acknowledged Gotti as he walked past the car and left the area.

Private Eye Says He Rejected Plea Deals (MH)

By Greg Risling

The Miami Herald, October 26, 2006

LOS ANGELES - Imprisoned private investigator Anthony Pellicano said Wednesday he rejected numerous attempts by federal prosecutors to negotiate a plea bargain in his Hollywood wiretap case because he didn't want to break the trust of celebrities, lawyers and other former clients.

"At least 10 times in this case I've been offered a plea bargain. It's not going to happen," Pellicano told The Associated Press in a phone interview from federal prison.

Pellicano said he intended to remain silent, even though he said Hollywood is infested with "great white sharks" who don't play by the rules and constantly lie to get what they want.

Pellicano, 62, has pleaded not guilty to racketeering and wiretapping charges and is scheduled for trial next year.

He is the accused ringleader of a wiretapping scheme used to get dirt to aid clients in legal disputes. Prosecutors said Pellicano enlisted the aid of law enforcement and phone company employees by bribing them to collect information.

Scant details of the operation have been released. But prosecutors contend Pellicano illegally wiretapped Sylvester Stallone and had police officers run the names of more than 60 people, including comedians Garry Shandling and Kevin Nealon, through government databases.

Federal prosecutors said months ago that at least one more indictment was coming. But no new defendants have been named since "Die Hard" director John McTiernan was charged in early April. He has pleaded guilty to making false statements to an FBI agent and is awaiting sentencing.

Pellicano claimed the 112-count indictment brought against him and six other defendants was the work of an "overzealous" prosecutor.

"I don't think the government wants me badly, it's the prosecutor," Pellicano said. "Perhaps this prosecutor thought this would be a stepping stone to make him popular, get a feather in his cap."

The prosecutor, Assistant U.S. Attorney Dan Saunders, declined to comment.

Pellicano said encrypted audio files taken from his office during FBI raids won't lead to charges against any Hollywood power players.

The tapes "will do nobody any good to learn about my family life and my client life," he said.

Fourteen people have been charged in the case, with six pleading guilty to a variety of charges, including conspiracy and wire fraud. Charges are still pending against Pellicano and six others. One former SBC employee was acquitted by a jury last month.

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Federal authorities also have questioned prominent entertainment attorney Bert Fields and studio bosses Brad Grey of Paramount Pictures and Ron Meyer of Universal Studios about their connections to Pellicano. All three denied wrongdoing.

Pellicano built his career by working for a galaxy of Hollywood stars. He found the remains of Elizabeth Taylor's third husband after they were stolen from a cemetery in a case that brought him widespread acclaim. He also worked for Michael Jackson when the pop singer was first accused of molesting a boy in 1993.

The federal government once relied on his expertise as an audio forensics specialist in several major trials, including the 1963 killing of four black girls in the bombing of a Baptist church in Birmingham, Ala.

Pellicano called that case the "shining moment" in his career.

He said people often accept plea bargains to save themselves.

"I won't be a rat for anyone no matter what the consequence is to me," Pellicano said. "If I spend the rest of my life in prison, so be it."

Silicon Valley Bank Manager Sentenced For Embezzling $1.13M (SDUT/AP)

Associated Press

The San Diego Union-Tribune, October 26, 2006

SAN JOSE – A former manager of a Silicon Valley bank was sentenced Wednesday to nearly a year and a half in federal prison for embezzling $1.13 million from her employer over a decade.

U.S. District Court Judge Jeremy Fogel ordered Rose Magpantay Valdez, 44, to serve 33 months, followed by three years of supervised release, and also to pay back all of the money she stole.

Valdez pleaded guilty to embezzlement in July, after an investigation by the FBI.

The San Jose resident worked for the Silicon Valley Bank from 1984 until 2005, serving as a department manager in the Santa Clara branch from 1995 until 2005. Valdez told investigators she began stealing money in 1995, moving funds from one general ledger account to another.

In her plea, Valdez acknowledged filling out debit and credit slips with barely legible, fictitious names. She'd initial the slips and submit them to another authorized employee to approve and initial. When the employee would return the slips, Valdez would replace the deposit slips with her own slips in the same dollar amount into her personal SVB account.

Valdez continued depositing them in her personal SVB account for the next 10 years, with a brief hiatus in 1997, prosecutors said.

FORMER SJ BANK MANAGER SENTENCED FOR EMBEZZLEMENT (BCNW)

Bay City News Wire, October 26, 2006

SAN JOSE (BCN) -- A former longtime bank manager was sentenced in federal court in San Jose today to two years and nine months in prison and ordered to pay $1.1 million in restitution for embezzlement from her employer.

Rose Valdez, 44, of San Jose, worked for Silicon Valley Bank from 1984 to 2005. From 1995 to 2005, she was manager of the structured finance department at the bank's office on Tasman Drive in Santa Clara.

She pleaded guilty in July to one count of bank embezzlement.

U.S. Attorney Kevin Ryan said Valdez admitted in her guilty plea to stealing funds and placing them in her own account at the bank by taking advantage of a weakness in the security systems then in place.

As a manager, Valdez had the authority to move funds from one from general ledger account to another, with the approval of one of several other authorized bank employees.

Ryan said Valdez admitted to scribbling illegible names on credit and debit slips, getting other employees to initial the slips, and then substituting deposit slips for her own account for the phony slips.

The sentence was pronounced by U.S. District Judge Jeremy Fogel, who also ordered Valdez to serve three years on supervised release after completing her prison term.

The investigation in the case was carried out by the FBI together with the bank's security personnel.

Man Gets 12 Years For Porn (LUFDN)

By Jessica Savage, The Lufkin Daily News

Lufkin Daily News, October 26, 2006

Former church employee had more than 2,100 images of children on his work computer

A former Lufkin church employee was sentenced to more than 12 years in federal prison Wednesday for viewing child pornography on the job, according to a federal court document.

Troy Matthew Phillips, 32, who had worked at First Assembly of God, 2021 S. John Redditt Drive, was handed a 151-month prison sentence by a U.S. District judge after he was convicted of possessing more than 2,100 images of child porn on a work computer, court documents stated.

"This hefty sentence speaks volumes as to the seriousness of this crime," U.S. Attorney Matthew D. Orwig said in a press release announcing the sentence. "These crimes are not victimless. The exploitation of children makes it a tragic case for everyone involved."

In December 2005, a church employee noticed Phillips "acting very strange" at work while intently looking his computer screen, according to a court document. She suspected he was viewing porn on the screen, the document stated.

After senior church officials learned of the incident, they logged onto Phillips' password-protected computer after hours and found some images of nude children, including a photo of a nude child sitting in the lap of a nude male adult, the document stated.

Senior church officials confronted Phillips, who admitted he was addicted to porn, the document stated. A day later, his employment was terminated and church officials turned over the computer to FBI investigators.

Investigators found "numerous images" of children under age 12, including about 20 that were of infants or toddlers, the document stated. Approximately 80 images were considered sadistic in nature, the document stated.

There was also some evidence that Phillips had shared the porn on his computer with other people with use of the Internet, the document stated.

The Lufkin Daily News was unable to contact anyone at First Assembly of God late Wednesday for comment on Phillips' sentence.

As of 5 p.m. Wednesday, Phillips was being held in the Angelina County Jail awaiting transport to a federal prison.

Killer Of 5 Florida Students Is Executed (NYT)

By Abby Goodnough

The New York Times, October 26, 2006

GAINESVILLE, Fla., Oct. 25 — The serial killer who gruesomely murdered five college students here in 1990 was put to death on Wednesday by lethal injection, and relatives of his victims said afterward that they could finally feel the beginnings of relief.

Danny H. Rolling, 52, was pronounced dead at 6:13 p.m. at Florida State Prison in Starke, about 30 miles northeast of Gainesville. Witnesses said he stared toward them and sang a hymn-type song just before the drugs were administered.

“Maybe now that we don’t have this on us,” said Dianna Hoyt, the stepmother of one victim, “we can try and relax and live with the memories we have of our children and be at peace.”

Mr. Rolling was 36 when he arrived in Gainesville shortly before the fall semester began at the University of Florida, a drifter with a criminal past who pitched a tent in some woods near campus. He followed two freshman roommates, Sonja Larson, 18, and Christina Powell, 17, to their off-campus apartment, raped Miss Powell, repeatedly stabbed both women with a hunting knife and mutilated their bodies.

The police discovered them on Aug. 26, after Miss Powell’s parents reported that their daughter was not answering her door or phone. Later that night, the police found Christa Hoyt, 18, dead in her off-campus duplex. Mr. Rolling had raped and stabbed her, severed her head and placed it on a shelf.

The next day, Tracy Paules and Manuel Taboada, both 23, were discovered stabbed to death in their apartment, not far from where the other killings took place. Mr. Rolling attacked Mr. Taboada, a former high school football player, as he slept, then killed Miss Paules. All of the victims were University of Florida students except for Miss Hoyt, who was attending a nearby community college.

Gainesville, a small city of pretty homes and live oaks, was crippled with dread. The campus shut down for a week and many of the 34,000 students scrambled home, some never to return. Others bought baseball bats and Mace, put triple locks on their doors or slept in shifts.

Helicopters with searchlights soared over the city by night. Sorority houses hired full-time security guards, gun sales soared and some townspeople never left their doors unlocked again.

“There aren’t words to explain the fear,” said Jane Hamby of Pomona Park, Fla., whose son was attending the university at the time and who traveled to the prison for the execution, standing in a field across the road. “We didn’t know what his next move would be, but the ones of us who could get to our children got them out of Gainesville.”

A long investigation ensued, with 6,500 leads and 1,500 pieces of evidence. At first, the police focused on a mentally ill student who had been evicted from the apartment complex where Miss Paules and Mr. Taboada lived.

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But in January 1991, the police discovered Mr. Rolling in a county jail south of Gainesville, awaiting trial in a supermarket robbery. He initially denied committing the murders, but DNA tests ultimately showed he was responsible. He pleaded guilty on the eve of his trial in 1994, telling the judge, “There are some things that you just can’t run from.”

Mr. Rolling was also believed guilty of three slayings in his hometown, Shreveport, La., but was never tried for those crimes. He attributed his behavior to abuse by his father, a police officer, and to an evil alter ego.

In prison, he drew disturbing pictures and wrote a graphic book, “The Making of a Serial Killer,” with a woman who was his fiancée for a time. For his last meal, he asked for lobster tail and butterfly shrimp, prison officials said.

Across the road from the prison, dozens of onlookers gathered into groups for and against the death penalty. It was perhaps the largest turnout for an execution here since that of Ted Bundy, who was put to death at Florida State Prison in 1989 after being suspected of murdering more than 30 young women across the nation.

Two University of Florida students who had driven up from Gainesville said they were generally against the death penalty, but not in Mr. Rolling’s case. They were only 6 when the murders happened, they said, but read all about them on the Internet after enrolling at the university.

“We feel connected to these murders,” said Allison Kirkpatrick, 22, a senior. “It was a random year, it was random people, but it could have been our year, it could have been us.”

A wall near campus is painted with the names of the victims, hearts and “Remember 1990.”

Mr. Rolling was the third death row inmate executed here in recent weeks, and like the others he had filed a late appeal claiming that the lethal injection procedure was so painful as to be unconstitutional.

But Bill Cervone, the state attorney for the Eighth Judicial Circuit and a witness to the execution, said Mr. Rolling’s death did not seem punishing enough.

“To watch his death in such an antiseptic and clinical environment convinces me that the punishment does not fit that crime,” Mr. Cervone said. “We are, however, a society of laws, and the law governed what we carried out this evening.”

Laurie Lahey, the sister of Tracy Paules, said she had been reluctant to witness Mr. Rolling’s death but felt exhilarated afterward.

“Once everything quiets down, I’ll think about Tracy and I’ll be sad,” she said. “But right now, he’s gone. He’s gone.”

Plotting Crime, Street By Street (WP)

By Allison Klein

The Washington Post, October 26, 2006

D.C. police have launched a new crime-mapping tool on the department's Web site, allowing anyone to create a map of a sliver of the city and immediately see what crimes have happened there this year.

Cartoonish icons are used to pinpoint crimes. If you map your neighborhood, you do not want the Zorro-like mask to pop up -- it indicates an armed holdup. Or worse, the red figure of a person lying in the street, which denotes a homicide. The site also features goblin-looking masks for muggings, money sacks for thefts, gas cans for arsons and cracked houses for burglaries.

But it's the easy access to the information, not the symbols, that authorities believe will draw people to http://crimemap.dc.gov . For example, it takes only a few clicks to discover that during the past six months there have been 15 robberies, 72 thefts and 18 vehicles stolen within 1,000 feet of Chinatown's Verizon Center.

Most police departments make crime numbers available to residents, and many have Web sites that allow people to search for the number of crimes in specific areas. But few can match the District's new site, with its searchable fields that include museums, stadiums, gas stations and check-cashing locations. The site's level of detail rivals or surpasses those of departments in Baltimore, Chicago and Los Angeles.

"Some people may think that if you tell people about crime in their neighborhood, they will be scared off," said D.C. police spokesman Kevin Morison. "We think if we give people information, they will be prepared."

Police Chief Charles H. Ramsey said he believes increasing the level of crime awareness will make neighborhoods safer. The information gets residents involved, he said, "so they can be even stronger partners in community policing."

When Long & Foster Real Estate agent Michael Dillon learned of the online maps yesterday, he joked that he might prefer to stay in the dark about crime. "It's kind of scary," he said. "Maybe I don't want to know."

But Dillon quickly noted that it will be useful for him to direct home buyers to the Web site when they ask the inevitable question: "Is it safe to live here?"

"We can't answer that. They have to look for themselves," Dillon said. "Everybody has a different threshold for crime."

Like most law enforcement agencies, D.C. police have been mapping crimes internally for years. They have used the information to look for trends and to help with officer deployment. Additionally, D.C. police have shared the data with residents at

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community meetings. But the department just started making the information available to the public on a widespread basis, largely in response to demand.

"They really wanted to handle inquiries about crime data," said Barney Krucoff, director of geographic information systems for the District and one of the creators of the online maps. "The benefit to them is they don't need to handle those in e-mail and paper."

Most crime information is updated daily, but homicides can take up to a week to appear. Most major crimes are included in the search using the department's preliminary data. Crimes such as drug dealing, prostitution, disorderly conduct and vandalism are not included.

Krucoff said he thinks he has a good "first version" of the technology but is working on updating the program to include more information, such as arrests. The program took about four months to develop and was made by the city's technology department without specified grant or funding, Krucoff said.

Other cities that have crime mapping technology generally use colored dots to differentiate among crimes. Krucoff said his team decided to use the icons, which look like they are straight out of a 1980s video game, simply because they could.

"Maybe we're more creative than the other cities," he said. "We're a little prettier."

Police said they have not gotten any complaints yet about the symbols being too flippant for the serious subject matter.

The crime maps, which are not accessible using some browsers, are mostly tailored to home in on a neighborhood and will only show crimes in chunks of the city, rather than citywide. The largest area that can be queried online is a police district, and data can be searched as far back as two years.

And there are other limitations. The system will not map an area if a search draws more than 500 crimes, meaning that it is impossible to map a month of crime in the entire 3rd Police District, because there were 607 reported crimes there in the past 30 days. Instead, clicking on that district, which includes neighborhoods north of downtown such as Adams Morgan, Dupont Circle and the U Street corridor, will turn up a list of crimes broken down by offense.

Some police departments in the region want to add technology similar to that used in the District.

In Montgomery County, police spokeswoman Melanie Hadley said that the department is gearing up to provide crime data on online maps, but the system will not be available until the agency fully transitions to a new crime reporting system.

D.C. police said they have gotten positive feedback since the maps went online, and the suggestions they have gotten mostly have had the same theme.

"People want more data, presented in more sophisticated ways," Morison said.

Staff writers Ruben Castaneda, Tom Jackman, Ernesto LondoÃ±o and Theresa Vargas contributed to this report.

Justice Department Webcast Focuses On Hiring, Retaining New Police Officers (PADN)

By Brian Babcock

Palo Alto (CA) Daily News, October 26, 2006

Police departments struggling to hire and retain qualified police officers participated in a U.S. Department of Justice webcast Tuesday to discuss strategies for addressing the problem.

While there was a time when departments had the flexibility to reject would-be recruits, a new generation of qualified potential officers isn't interested in the profession, which many regard as short on pay and benefits.

"Most of us have been in this profession for a while," said East Palo Alto Police Chief Ron Davis, who took part in the hour-and-a-half webcast. "Not to date ourselves, but we come from a different era. ... The job became your life and I think, probably for good reasons, this generation looks at a more balanced and tempered approach."

About 25,000 people logged on to watch mayors and police chiefs from San Diego to Hattiesburg, Miss., discuss ways to grab and keep the attention of potential police officers.

As the panel jumped from topic to topic, a major theme of the webcast was the new generation's wants and needs. The panel discussed ideas such as speeding up the hiring process, which can take up to nine months, and using different techniques and technologies, such as the Internet, to recruit new officers.

"This is a generation that's used to instant results," said Maj. Jim Previtera of the Hillsborough, Fla., County Sheriff's Department. He said police departments have been too slow in utilizing tools the private sector uses to recruit new employees.

Previtera said his department reached out to the marketing firm that does the Outback Steakhouse commercials to help with its recruiting.

Davis said police departments need to ask themselves if the qualifications they ask recruits to have are unreasonable. Davis gave the example of denying a potential recruit because they'd tried marijuana once when they were in their teens.

"Our process is so unrealistic that we are encouraging our candidates to lie," he said. "Then we have a polygraph test to catch them lying and then ask them why they lied."

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Davis said he doesn't want to lower the standards for officers but wants to re-examine the hiring process. He also said departments might need to relax standards for facial hair and body piercings.

"We need to accept that they're different," Davis said. "They're not bad or worse."

The East Palo Alto Police Department is suffering from a high attrition rate. Within the last couple of months, the department has lost about six officers for various reasons and has hired two San Mateo County Sheriff's Department deputies. Davis has said he expects to hire as many as 12 officers within the next 12 months to flesh out the force.

Ed Daley, city manager of Winchester, Va., said in a taped feature that he doesn't believe there is a best practice for recruiting new officers. He said this generation has different priorities and police departments and city officials need to identify those needs.

"If we're going to be competitive ... then I think you either flex, change, adapt or perish," Davis said. "I think it's that simple."

E-mail Brian Babcock at bbabcock@dailynewsgroup.com.

CIVIL LAW:

The Supreme Court's Crusade: Fairness For The Powerful (NYT)

By Adam Cohen

The New York Times, October 26, 2006

When Jesse Williams died of lung cancer, his widow sued Philip Morris, claiming it misled him about the danger of smoking. A jury agreed, awarding her $79.5 million in punitive damages. The Oregon Supreme Court affirmed the award, calling Philip Morris's decades of deception "extraordinarily reprehensible."

The United States Supreme Court is hearing arguments in the case next week, and the broader business community has joined Philip Morris in asking the court to sharply reduce the damages. They are relying on a controversial line of recent cases in which the court struck down punitive damages awards that it deemed "excessive."

The Philip Morris case will tell us a lot about the John Roberts court, which may be the most pro-business court in decades. It is a test of whether the court will abandon its conservative principles to be activist and "rights-making" when the party that needs help is a large corporation. It will also reveal whether the court will continue on its current disturbing path of giving corporations more protection from excessive punishment than it gives to people.

The court began its punitive damages crusade in 1996, in the case of a man who sued BMW for failing to tell him that the new car he bought had been damaged and repainted. The man won $4,000 in compensatory damages and $2 million in punitive damages. The Supreme Court set aside the punitive damages award as so "grossly excessive" that it violated due process, but the court declined to lay out any clear standards for when an award was too high.

In 2003, in a fraud case against State Farm Insurance by a policyholder, the court struck down $145 million in punitive damages. It held that the award was excessive since compensatory damages were only $1 million. That 145-to-1 ratio was unacceptable. Due process generally required, the court held, a "single-digit ratio" between punitive and compensatory damages.

These rulings are remarkably "activist" by all the traditional measures. They take a vaguely worded constitutional guarantee — that no one shall be deprived of property without "due process of law" — and translate it into a right that is not at all apparent from the words' plain meaning. They attempt to turn the guarantee into a precise mathematical formula. And they substitute the judges' worldview for that of elected officials. If Oregonians believe punitive damages are too high, their legislature can impose a legal cap.

These activist decisions, which give corporations valuable constitutional privileges, relied on the votes of conservative justices, who are supposedly skeptical of "judge-made" rights. Justices Sandra Day O'Connor and Anthony Kennedy provided key votes for BMW. Justice Kennedy wrote the State Farm "single-digit ratio" opinion, and Justice O'Connor and former Chief Justice William Rehnquist joined it.

The contrast with the court's decisions on punishment of human wrongdoers is stark. In 2003, the court considered the sad case of Leandro Andrade, a father of three who was given a minimum of 50 years in prison under California's tough "three strikes" sentencing law, for shoplifting $153.53 worth of videotapes from Kmart. He argued that his prison term violated the Eighth Amendment. The Supreme Court — in a majority joined by Justices O'Connor and Kennedy and Chief Justice Rehnquist — could find nothing excessive in the punishment.

Based on the Constitution's words, Mr. Andrade certainly had a stronger case than BMW or State Farm. The Eighth Amendment expressly bars "cruel and unusual punishments," which might reasonably be interpreted to cover imprisoning a man

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from age 37 to 87 for stealing $153.53. The companies claimed only that the punitive damages awards violated their "due process" rights, a far greater textual stretch.

On the issue of what is "excessive" punishment, Mr. Andrade's claim is also stronger. It is hard to see how it is excessive to make Philip Morris, whose market capitalization is $166 billion, pay a mere $79.5 million for "extraordinarily reprehensive" and lethal conduct, but not excessive to make Mr. Andrade spend what is likely to be the entire second half of his life in prison for a petty theft.

The question of whether there should be constitutional limits on punitive damages has proved difficult to resolve, and it has caused divisions in both the court's liberal and conservative blocs. (It is one of the very few issues in which John Paul Stevens votes with corporations and Antonin Scalia votes against them.) Whatever the court decides, it should develop a constitutional theory of excessive punishment that covers human and corporate wrongdoers equally, as the Duke Law School Professor Erwin Chemerinsky and others have urged.

The current doctrines make no sense, least of all by the standards of conservative constitutional interpretation. Conservatives like to talk about the "framers' intent." The framers were deeply concerned about excessive punishment, and set forth their views on it in the Eighth Amendment. They would be perplexed that the high court they created believes their Constitution permits a father to remain in jail for 50 years for petty theft, but does not tolerate taking a fraction of the wealth from a company that kills people.

Sticks And Stones May Break Bones, But Warsaw, Ind., Makes Replacements (WSJ)

By Timothy Aeppel

Wall Street Journal, October 26, 2006

WARSAW, Ind. -- When Don Running and his two partners decided to start up a company specializing in orthopedic plates and screws to mend broken wrists two years ago, it was a given that they would set up shop here.

Silicon Valley has computers. Detroit has cars. But in orthopedic devices, the undisputed world capital is Warsaw, a city of 12,500 with a silver-domed 19th-century courthouse and pickups angled into the curb on Main Street.

Part of a replacement knee from Zimmer Holdings, the largest orthopedics employer in the industry capital, Warsaw, Ind.

Three of the world's five largest makers of artificial joints and related surgical tools have their headquarters here amid the lakes and fields of northeastern Indiana. The local industry has grown so much that it's now a regional force, with orthopedics companies popping up in nearby farm towns and the suburbs of Fort Wayne, about 50 miles to the east.

"How many orthopedic-implant engineers do you find walking around most places?" asks Mr. Running. "Well around here, you bump into them in the supermarket."

Memphis, Tenn., and northern New Jersey are other industry hotspots, but none rivals Warsaw for sheer concentration. And while major orthopedics companies are looking overseas for cheaper places to produce items such as basic bone screws and metal plates, the U.S. retains a firm grip on the industry.

A big reason is that the U.S., with its population of fast-aging baby boomers, injury-prone weekend athletes and overweight people, is by far the world's biggest market for artificial hips and knees. The U.S. represents an estimated $14 billion of the annual spending in a global market of $22.9 billion, according to Knowledge Enterprises Inc., a Chagrin Falls, Ohio, market research firm.

The U.S. also effectively protects manufacturers in the sector with strict regulations for devices that go inside the human body. Rather than risk problems -- and crippling lawsuits -- U.S. health-care providers buy their artificial joints from companies they know, which generally means buying American.

Profits are so good in the orthopedics industry that there isn't much pressure on suppliers to shave costs by going to low-cost countries. "The reason this business is in Warsaw and not Mexico is because margins are 70% or better," says Ron Clark, an orthopedic surgeon who founded his own company in Fort Wayne, which is on the other side of the state from his home in Valparaiso, in part so he could be closer to Warsaw. Dr. Clark says savings from going abroad just aren't worth it.

A worker (top) at Zimmer; surgeons (bottom) practice joint replacements there.

To be sure, the industry's dynamics may be starting to change. Health-care providers are starting to push back against the industry's steady price increases, raising concerns among investors about whether profits for Warsaw companies and others can keep up the brisk growth.

There are other shadows over Warsaw's future. The U.S. Justice Department has opened two probes of orthopedics makers in the past two years, including an antitrust investigation in which Smith & Nephew PLC, of the U.K., has confirmed that one of its independent sales representatives tried to initiate an industry-pricing strategy in response to a U.S. hospital's bid request. Other producers, including those in Warsaw, have said they didn't respond to the suggestion.

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The big implant makers also received a separate batch of subpoenas in early 2005 regarding an investigation of any financial ties between them and surgeons who recommend their products. Doctors work closely with device makers to develop and refine artificial joints, and the companies have long paid surgeons as consultants and designers.

At least for now, though, Warsaw's orthopedics businesses continue to hum. The industry got its start here over a century ago, when a Canadian pharmacist, Revra DePuy, came up with the idea of making flexible splints to replace the wooden barrel staves then used to set broken bones.

The company he created thrived and exists today as DePuy Inc., a unit of Johnson & Johnson. It eventually spawned other companies, as people left to start competing operations. Indeed, Warsaw's largest employer is Zimmer Holdings Inc., founded by a DePuy salesman who broke out on his own in the 1920s. Today, about 60% of the workers who live within seven miles of Warsaw are directly or indirectly engaged in orthopedics manufacturing, says Joy McCarthy-Sessing, president of the local chamber of commerce.

Such a concentration of one industry in such a small town is unusual, but the larger phenomenon isn't unusual at all. Many of the strongest U.S. manufacturers set up production far away from urban centers, with their high taxes, labor, and utility costs, and instead look for locations in small towns, close to major highways and railways. Proximity to transportation hubs allows for smooth logistics in an age of just-in-time deliveries. Warsaw, for instance, sits astride a highway, U.S. 30, connecting Fort Wayne and Chicago.

Economists have long known that businesses thrive when they congregate in one place. Think of Hollywood movie studios, or the Route 128 technology ring around Boston. The same holds true in manufacturing. "Companies that operate in clusters have greater access to talent," explains Jeffrey Grogan, partner at the Monitor Group, a Boston strategy consulting firm. They also serve as fertile ground for start-ups.

Mr. Running's company, Deo Volente Orthopaedics LLC, is a prime example. Mr. Running first met his partners, Rod Mayer and Jeff Ondrla, when the three were working together at DePuy in the early 1990s. Mr. Running and Mr. Ondrla are engineers and inventors, and Mr. Mayer's background is in sales.

Mr. Mayer got the idea for the company after seeing that the market for "extremity" devices, such as plates and screws for fixing broken wrists, wasn't then as developed as it was for major joints, such as hips and knees. The three were eager to get away from big-company bureaucracy.

And as often happens in the close confines of Warsaw, the partners' connections stretch into their personal lives: They were attending the same evangelical church in 2004 when they launched the company. Deo Volente means "God willing" in Latin.

The three men agree it is a hefty advantage to have so much of what they need at their fingertips. "It's a lot easier to drive across town and visit a supplier then it is to pick up the phone and try to talk through some complicated issue," says Mr. Ondrla.

Warsaw is dotted with small support businesses, from packaging firms that specialize in super-clean processes to machine shops. There are even multiple manufacturers of the plastic trays and cases needed to pack orthopedic kits. A total hip replacement, for instance, can require up to 22 cases of equipment and each case and tray is specially designed.

The region surrounding Warsaw has long been home to the U.S. automotive and machinery industries, churning out a stream of skilled machinists, toolmakers and industrial engineers. Orthopedics makers opening up shop in Warsaw found a ready supply of skilled workers, particularly in recent years as the more-traditional sectors have slumped.

Whole companies in the region have switched over to serving the orthopedics industry in recent years, including the small factory contracted to do most of the production for Deo Volente: Three years ago, Micropulse Inc., of nearby Columbia City, Ind., stopped doing any work for the automotive and other old-line industries -- which once accounted for over half of its business -- to focus on orthopedics.

"Half of our customers were closing, so we divorced them all," says Brian Emerick, president of Micropulse. His company is now growing 25% a year, he says.

CIVIL RIGHTS:

List Errors Might Impede Voters (AP)

By Deborah Hastings

AP, October 26, 2006

Between every registered voter and the voting booth is The List. And if you're not on it, you might not be able to cast a ballot.

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One of the biggest changes wrought by the Help America Vote Act is the mandate that every state must have a voter registration database up and working by the Nov. 7 general election. But a dozen states missed the Jan. 1 deadline for finishing their databases, which produce lists of registered voters for every precinct. And four states have been sued by the Justice Department.

That leaves a confusing array of systems that may or may not work come Election Day, voting rights groups say. And it creates a growing anxiety that registered voters with every right to cast a ballot will be turned away because their names are not on the list for a variety of reasons, including something as innocuous as a typo.

"No issue is more important on Election Day than the quality of the list," said Doug Chapin of the nonpartisan reform group electionline.org. "Those databases are the final say on whether a person gets to vote."

The regulation was designed to assure that each state would have a central, independent repository for all registered voters - created by cross-checking voter registrations with existing state records to make sure dead people, incarcerated felons and others not eligible to cast a ballot were removed from the rolls. It was also supposed to make it easier to vote by having a single list instead of scores of county-based rolls.

Using driver license data and Social Security numbers, state officials were supposed to match that data to voter registration cards. It didn't take long for unforeseen problems to pop up. Someone may use a middle initial on his/her voter registration card, but not on his/her driver license. Married women may change their names, but not on every form of identification. Data entry errors can, and often do, occur.

"In theory, it looks like a really good idea," said Chapin. "But it's not as easy to match information on databases as they originally thought."

In September 2004, New York City decided to do a trial run. The board of elections sent 15,000 registration records to the Department of Motor Vehicles to match license numbers on the voter cards to those in the DMV. The results? Nearly 20 percent couldn't be matched because of typos made by city employees.

Earlier this year, the Department of Justice sued New York, Alabama, New Jersey and Maine for failing to implement statewide lists. The states have reached agreements with the Justice Department, most in the form of interim databases.

In March, the Brennan Center for Justice at New York University released a nationwide survey of voter registration databases. "Making the List" concluded the new list requirement could result "in millions of eligible voters being denied access to the polls."

Sometimes it's not the database that's the problem. Sometimes it's the technology for looking at the database.

In Maryland's September primary, some precincts couldn't access the state database because of computer software glitches, and there were no printouts to consult. Some machines mysteriously rebooted without warning. Both caused voting delays. Officials said those problems will be rectified by Nov. 7.

But in some small counties, in states with smaller populations, databases are no trouble at all.

"We already know everybody here, so it's not a problem," said election official Bill Conway, who oversees the voting of about 7,000 people in Arkansas' Desha County. "I know everybody in the county, and they know me. We do our own database. We already know everybody who's going to vote."

See: www.electionline.org www.brennancenter.org

Black Groups Urge 3 To Resign From Ga. Election Board (AJC)

By Ernie Suggs, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, October 26, 2006

Key leaders of two of Georgia's strongest black organizations are calling for the resignations of three members of the State Election Board for mailing letters to voters that suggested photo ID would be required to cast a ballot Nov. 7.

At a news conference on the steps of the state Capitol, officials from the Georgia State Conference of the NAACP and the Coalition for the People's Agenda urged Republican-appointed members Tex McIver, Randy Evans and Jeff Israel to resign from the election board for their part in sending out about 300,000 letters that they say were designed to suppress minority turnout on election day.

David Worley, a Democratic appointment to the five-member board, and Secretary of State Cathy Cox, who is also a Democrat and serves as the board's chair, were not asked to resign.

"We believe this was a deliberate attempt to confuse the voters. A deliberate attempt to further disenfranchise voters," said NAACP President Edward O. DuBose. "The damage has already been done and we are asking those board members to resign."

McIver, vice chairman of the board who headed up the letter campaign, said he intends to stay in office until his term expires in 2008.

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"I was voted in by the Georgia state Senate. Everyone in that room, including Democrats, voted for me," McIver said. "And I intend to serve until my term is up. I very much regret that politics continue to creep into the good works of the SEB. We are trying to get people to the polls as best we can. That is our mission."

Calls to Evans and Israel were not immediately returned.

Twice this fall, the board sent letters to 300,000 potential voters believed to not have a valid driver's licence or state-issued ID. The first letter, mailed in September, explained how to get a free photo ID, and suggested one was required to vote Nov. 7. About 200,000 of the first batch of letters were sent after a judge voided the state's new photo ID voting requirement Sept. 19.

The election board, under threat of a civil suit filed by former Gov. Roy Barnes, voted this month to mail a second letter clarifying that photo ID is not required to vote in Georgia.

For many, that is not enough. Rep. John Lewis (D-Atlanta) has asked U.S. Attorney General Alberto Gonzales for a federal investigation into the mailings, and the Rev. Jesse Jackson is pushing the issue at a conference he is conducting this week in Atlanta.

When the original 300,000 letters were being prepared to be sent out — before the judge's ruling — the election board unanimously approved the initial mailing. But after the judge's decision, nearly 200,000 of the letters went out under the direction of McIver. Evans drafted the letter. Worley has said the mailing should have been stopped after the judge declared the law unconstitutional.

"Politics have mussed up the election process," said Helen Butler, executive director of the Coalition for the Peoples' Agenda, an alliance of more than 20 civic organizations and churches. "The board has violated the trust of the citizens of Georgia."

Manassas May Face 2nd Lawsuit (WP)

By Nick Miroff, Washington Post Staff Writer

The Washington Post, October 26, 2006

Discrimination Alleged Over Rejected Permit

The Manassas City Council's decision this week to reject the home business permit application of a part-time massage therapist has raised the possibility the city could face another lawsuit alleging discrimination.

West Street homeowner Howard Daniel, who is gay, says that a climate of homophobia pervaded the council's consideration of his application. The 4 to 3 vote Monday to deny his application has prompted him to consider legal action against the city, he said.

"There's little doubt that we're going to pursue this," said Daniel, who attended the meeting accompanied by a lawyer. "It's not over."

The threat of civil litigation hangs heavily over Manassas with the city already under investigation by the Justice Department for allegedly discriminating against Hispanic residents in violation of the Fair Housing Act. Some council members said they were frustrated that the decision on Daniel's application was being construed as discriminatory, saying that the matter was strictly a zoning issue.

"Most of the people who protested against him made it clear they like him as a neighbor," said Jackson H. Miller (R), who voted against Daniel's application. "What they don't want is a home-based business in their neighborhood."

Daniel, 44, is a licensed massage therapist who treats patients on a part-time basis in their homes and at Prince William Hospital. He applied to the city in July for a special-use permit that would allow him to see clients in the home he shares with his partner, Richard Devine, three blocks from the commercial district of Manassas's Old Town.

Since the City Council had approved permits for both of the other massage therapy home business requests it had received in the past, and Daniel's proposed client load was smaller, Daniel said he was encouraged to apply by the city planning office, which later recommended approval by the City Council. Daniel's immediate neighbors then signed a petition supporting his application.

But when the city had a public hearing Sept. 18, nearly two dozen city residents spoke against Daniel's request, expressing concerns about increased traffic, children's safety and the presence of "unknown" people in the neighborhood. Many were members of a local church, All Saints Catholic Church, who do not live in the neighborhood. An anti-gay message was later written on the car of one of Daniel's supporters, further escalating tensions.

Daniel has maintained that all of his opponents' concerns are addressed in his business plan, which limits his part-time practice to one patient every 1 1/2 hours, and specifies that clients will park in his driveway. But as council member Miller announced just before Monday's vote, the council had received another petition earlier in the day with the signatures of 20 additional West Street residents opposed to Daniel's request.

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That wasn't the only last-minute issue. The council also received a letter from the American Civil Liberties Union of Virginia warning its members not to deny Daniel a permit on the basis of his sexual orientation because that would violate the Equal Protection Clause of the Constitution. Virginia ACLU legal director Rebecca K. Glenberg said the letter wasn't a threat to sue, but "people are free to construe it that way."

"It's unfortunate to see this business permit denied based on what appear to be discriminatory reasons and arising on the heels of Manassas's problems of housing discrimination against Latino Americans," Glenberg said.

During the meeting, Mayor Douglas S. Waldron (R) warned council members to be "very careful" about what they said, given the legal and media scrutiny brought by the case and the allegations.

"We all struggled with this vote and have gotten e-mails from all over the country," council member Steven S. Smith (R) said just before the vote. "And here we are."

Council members Andrew L. Harrover (R), Harry J. Parrish (R) and J. Steven Randolph (I) voted for Daniel's permit. Voting against it were Miller, Marc T. Aveni (R), Smith and Waldron, who cast the tiebreaking vote.

Right Hopes For Boost From N.J. Ruling (FWNS)

By David Crary

The Fort Wayne News-Sentinel, October 26, 2006

The New Jersey Supreme Court ruling Wednesday that ordered equal rights for same-sex couples was instantly hailed by gay-rights leaders, but it also energized their conservative adversaries, who predicted a backlash in their favor in the Nov. 7 election.

"This is a wake-up call for people who believe that marriage doesn't need constitutional protection," said Glen Lavy, senior counsel for the Alliance Defense Fund, which has opposed same-sex marriage in numerous court cases nationwide.

Bill Donohue, president of the Catholic League, called the ruling "a plus" on the premise it would stir up resentment of "arrogant judges" and boost conservative election prospects.

Eight states - Arizona, Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin - will be voting Nov. 7 on constitutional amendments that would ban same-sex marriages and, in most cases, civil unions as well.

To conservative activists, the logic is that right-of-center voters who may have felt alienated by events such as the House page scandal involving former Rep. Mark Foley will now be motivated to go to the polls. And those voters will be more inclined to pull the lever for Republican candidates in key races such as that of GOP Sen. George Allen in Virginia.

Gay rights leaders disagree, saying gay marriage is not as volatile an issue as it was in the 2004 election, which took place only months after the nation's first legal gay marriages in Massachusetts.

Joe Solmonese, president of the Human Rights Campaign, noted that the New Jersey high court had given the state legislature 180 days to decide whether to offer same-sex couples marriage or some other form of partnership such as civil unions.

"The ability of the radical right to whip their base into a frenzy is limited," Solmonese said. "Voters are angry - they're looking for their leaders to talk about issues like the war in Iraq, and aren't having any part of throwing a group of Americans out there as a wedge issue."

Evan Wolfson, a gay-rights lawyer who heads Freedom to Marry, said the eight anti-gay marriage amendments likely would have passed even without the New Jersey ruling.

"It's always been an uphill fight to defeat any of these attack measures," he said. "I don't think today's ruling will make much difference. If we see margins of defeat smaller than before, that will be sign of progress."

Twenty states have previously passed constitutional amendments aimed at blocking gay marriage, mostly by large margins. But gay-rights activists have nurtured hopes of breaking that streak in one or more of the eight states with marriage ballot measures this year.

Hopes for an upset victory have been particularly high in Wisconsin, where a broad coalition of unions, church leaders, students and others has been opposing the proposed ban.

Mike Tate, campaign leader for the anti-ban group Fair Wisconsin, was hopeful that voters would not overreact to the New Jersey ruling.

"I don't think this decision is going to help the other side mobilize its base," he said. "They will try, but I don't think today changes one iota and one vote in Wisconsin."

However, Julaine Appling, head of the campaign advocating the marriage ban, said the court ruling only helped what she already considered a winning cause.

"At the expense of the people of New Jersey, this is the very best example of what our amendment is trying to prevent," she said. "This is a court redefining marriage without any input directly or indirectly from the people."

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Matt Daniels, who as head of the Alliance for Marriage has been seeking a federal constitutional ban on gay marriage, said the New Jersey ruling would re-energize his cause - even if Democrats gain seats in Congress and thus diminish the prospects for such an amendment.

"We're not going to fold up our tents and go home," Daniels said. "This is going to be settled at the national level, one way or the other. We can't have a cohesive society if it's left to the option of the states."

New Jersey Court Orders Equality For Gay Couples (WSJ)

By Jess Bravin And Jeanne Cummings

The Wall Street Journal, October 26, 2006

New Jersey's Supreme Court ordered legal equality for same-sex couples, in a politically charged ruling that the state constitution gives them the same rights as married heterosexuals. But the court left it to the Legislature to decide whether to formally recognize such unions as marriage.

In an opinion seeking to balance a sexual minority's rights with the social mores of the majority, Justice Barry Albin distinguished between the "right to marry" and the "rights of marriage," ruling that New Jersey's constitution guarantees same-sex couples the substantive elements of the latter, but not the symbolic meaning of the former.

THE COURT'S DECISION

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Read the court's statement (pdf file)2 issued with its decision in Lewis v. Harris, by arrangement with FindLaw3.

"Although we cannot find that a fundamental right to same-sex marriage exists in this state, the unequal dispensation of rights and benefits to committed same-sex partners can no longer be tolerated," Justice Albin wrote for the majority in the 4-3 decision. New Jersey had adopted several laws codifying gay rights, including a 2004 law giving same-sex couples many of the rights of married couples.

The three dissenters contended that the majority didn't go far enough, arguing that gays were entitled to the label as well as the rights of marriage.

Coming less than two weeks before midterm elections, the ruling quickly entered the political fray, with Republicans hoping it would energize their base of social conservative voters.

New Jersey Sen. Robert Menendez, a Democrat, is seen as his party's most vulnerable incumbent. In a statement, Mr. Menendez backed the court decision. "I have always believed marriage is between a man and a woman," he said, but gay couples "with a lifetime commitment to each other" should enjoy full legal rights.

The Republican challenger for the U.S. Senate, state Sen. Tom Kean Jr., opposed New Jersey's 2004 Domestic Partnership Act and said the state constitution should be amended to overturn the court ruling, according to a spokeswoman.

Republicans hope yesterday's decision will draw attention to ballot initiatives in eight states -- Arizona, Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin -- that would ban same-sex marriage. Twenty states already have adopted such constitutional provisions; an Ohio initiative is credited with giving President Bush a critical edge in the 2004 presidential race.

But the New Jersey decision gives Republicans little ammunition to argue their judicial nominees will hold the line on gay rights. All three dissenters, who found that the state constitution requires full gay marriage, were appointed by a Republican governor, Christine Todd Whitman. One Whitman appointee joined the more-conservative majority, along with three appointees of former Gov. James McGreevey, a Democrat who resigned in 2004 after acknowledging his own homosexuality.

The New Jersey ruling modified a 2005 lower-court decision that likewise found no right to gay marriage, but stopped short of ordering the Legislature to equalize the rights of same-sex couples with heterosexuals. The 2005 opinion suggested gay couples could challenge specific laws that denied them the same rights as married couples.

The decision gives the Legislature 180 days to include gays within the definition of marriage or grant them equal rights under some other name. It follows the lead set by Vermont and Connecticut, which provide gay civil unions equality with marriage. Massachusetts, under a ruling of its highest court, is the only state to permit gay marriage.

The New Jersey court said it recognized "the cultural clash over same-sex marriage" and that the term "marriage" holds "an evocative and important meaning to both parties." In granting homosexuals the substance but not the symbolism of marriage, Justice Albin wrote, "We do not have to take...[an] all or nothing approach."

Prof. Frank Askin, at Rutgers Law School in Newark, N.J., said the ruling could cost employers who likely would be required to treat gay couples equally with married couples. "If benefits are provided to spouses, I think they will have to be provided to homosexual couples as well," he said.

Ruling On Gays May Echo At Polls (USAT)

DOJ_NMG_0086775

By Charisse Jones And Andrea Stone
USA Today, October 26, 2006

Same-sex couples in New Jersey must be given all the benefits and rights enjoyed by married men and women, but state lawmakers will have to decide whether they can officially wed, the state's highest court ruled Wednesday.

The ruling leaves open the possibility that state lawmakers will follow the lead of Vermont and Connecticut and allow "civil unions." Such unions afford same-sex couples the same state rights as marriage but not the title. New Jersey lawmakers have 180 days to respond to the court's mandate. Massachusetts, which authorized same-sex marriage in 2003, remains the only state that allows gays to legally wed.

The New Jersey ruling comes less than two weeks before the Nov. 7 elections in which Republicans are battling to retain control of Congress.

Tony Perkins of the conservative Family Research Council predicted that the ruling would "give momentum" to efforts in eight states to pass constitutional amendments outlawing same-sex marriages.

Conservative activist Gary Bauer, head of the group American Values, said the ruling could swell the turnout of conservative Republicans in general.

"We're already noticing that those voters are getting more engaged, so there could be a surprise on Election Day," Bauer said. "This decision, particularly because it's a court decision, reminds voters that who controls the Senate makes a difference."

Sherry Bebitch Jeffe, a political scientist at the University of Southern California, said the ruling "will remind people in those eight states that the question is alive" but doubted it will energize conservative voters elsewhere.

Forty-five states have laws or constitutional amendments barring gay marriage. New Jersey has neither.

The case the New Jersey court ruled on Wednesday was filed on behalf of seven gay couples who argued that being denied the right to marry violated equal-protection guarantees in the state's constitution. "Although we cannot find that a fundamental right to same-sex marriage exists in this state, the unequal dispensation of rights and benefits to committed same-sex partners can no longer be tolerated under our state constitution," Associate Justice Barry Albin wrote in the decision by the court.

"This is very much a victory for same-sex couples in New Jersey because the court has sent a clear message that they deserve the same protections as all the long-term, committed heterosexual couples in that state," said Joe Solmonese, president of the Human Rights Campaign, a national gay civil rights group.

The ruling throws another issue into the close race between Sen. Robert Menendez, D-N.J., and his Republican challenger, state Sen. Tom Kean. The race is critical to which party controls the Senate.

It forces them to "talk about an issue they would prefer not to, a complex value issue on which reasonable people disagree," said David Rebovich of the Rider Institute for New Jersey Politics.

Menendez and Kean said they believe marriage is between a man and a woman. "I would support an amendment to the state constitution reaffirming that," Kean said. Menendez said he supports civil unions.

N.J. Court Opens Door To Gay Marriage (AP-Y)

By Geoff Mulvihill
AP, October 26, 2006

New Jersey's highest court opened the door Wednesday to making the state the second in the nation to allow gay marriage, ruling that lawmakers must offer same-sex couples either marriage or something like it, such as civil unions.

In a ruling that fell short of what either side wanted or most feared, the state Supreme Court declared that gay couples are entitled to the same rights as heterosexual ones. The justices gave lawmakers 180 days to rewrite the laws.

The ruling is similar to the 1999 high-court ruling in Vermont that led the state to create civil unions, which confer all of the rights and benefits available to married couples under state law.

"Although we cannot find that a fundamental right to same-sex marriage exists in this state, the unequal dispensation of rights and benefits to committed same-sex partners can no longer be tolerated under our state Constitution," Justice Barry T. Albin wrote for the four-member majority.

The court said the Legislature "must either amend the marriage statutes to include same-sex couples or create a parallel statutory structure" that gives gays all the privileges and obligations married couples have.

The vote was 4-3, with the three dissenting justices arguing that the majority did not go far enough. They asserted that gay couples should have the "right to the title of marriage" as well as its benefits.

Gay rights activists had seen New Jersey as a promising place because it is a largely Democratic state in the Northeast. The only state to allow gay marriage is Massachusetts. The only states allowing civil unions are Vermont and Connecticut. New Jersey is also one of just five states that have no law or constitutional amendment expressly banning gay marriage.

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If the court had legalized gay marriage outright, the effect could have been more far-reaching, and New Jersey could have become more of a magnet for gay couples than Massachusetts, which has a law barring out-of-state couples from marrying there if their marriages would not be recognized in their home states. New Jersey has no such law.

A clear-cut ruling legalizing gay marriage this close to Election Day could also have been a political bombshell, galvanizing Republicans and the religious right. Eight states have gay marriage bans on their ballots in November.

New Jersey Republicans, who are in the minority in the Legislature, said they would work to ban same-sex unions by enacting a constitutional amendment.

For gay rights advocates, there was debate over whether the ruling was a victory.

Lara Schwartz, legal director of Human Rights Campaign, said if legislators have to choose between civil unions and marriage, it is a no-lose situation for gay couples. "They get to decide whether it's chocolate or double-chocolate chip," Schwartz said.

Steven Goldstein, executive director of Garden State Equality, New Jersey's main gay rights group, said his organization wants nothing short of marriage. "We get to go from the back of the bus to the middle of the bus," he complained.

The New Jersey high court castigated the treatment same-sex couples receive under the law.

"The seeming ordinariness of plaintiffs' lives is belied by the social indignities and economic difficulties that they daily face due to the inferior legal standing of their relationships compared to that of married couples," the court said.

Outside the court, news of the ruling caused confusion, with many of the roughly 100 gay marriage supporters outside asking each other what it meant.

"I'm definitely encouraged," said Chris Lodewyks, one of the plaintiffs who gathered at a Newark law office. But he added, "I'm not sure what this exactly means in terms of marriage."

Another plaintiff, Saundra Toby-Heath, was more effusive: "I feel they were listening and paying attention to us as human beings who wanted to have the same rights."

Garden State Equality, New Jersey's main gay political organization, quickly announced that three lawmakers would introduce a bill in the Legislature to give full marriage rights to gay couples.

"New Jersey is a progressive state and has a tradition of tolerance," said one of the lawmakers, Democratic Assemblyman Reed Gusciora.

GOP Assemblyman Richard Merkt said he would seek to have all seven justices impeached. "Neither the framers of New Jersey's 1947 constitution, nor the voters who ratified it, ever remotely contemplated the possibility of same-sex marriage," Merkt said.

Gay couples in New Jersey can already apply for domestic partnerships under a law passed in 2004. Among other things, domestic partnerships give couples the right to inherit possessions if there is no will and health care coverage for partners of state employees.

Democratic Gov. Jon S. Corzine supports domestic partnerships, but not gay marriage.

Former Gov. James E. McGreevey, who resigned in 2004 after announcing that he was gay and had an affair with a male staff member, praised the court's decision. "I applaud the court's courage," McGreevey said. "I regret not having had the fortitude to embrace this right during my tenure as governor."

Supporters pushing for full gay marriage have had a two-year losing streak in state courts, including those in New York, Washington state, and both Nebraska and Georgia, where voter-approved bans on gay marriage were reinstated.

They also have suffered at the ballot boxes in 20 states where constitutions have been amended to ban same-sex unions.

Cases similar to the one ruled on Wednesday, which was filed by seven gay New Jersey couples, are pending in California, Connecticut, Iowa and Maryland.

New Jersey's Justices Agree On All But The 'M' Word (NYT)

By Adam Liptak

The New York Times, October 26, 2006

It was a 4-to-3 decision, but all that divided the two sides in yesterday's New Jersey Supreme Court ruling on how the state should treat gay couples was a single word: marriage.

"What's in a name?" Justice Barry T. Albin mused in the majority decision.

The answer, it seems, is a lot.

All seven justices were in vehement agreement that gay and lesbian unions must be guaranteed all of the rights and benefits that come with heterosexual marriages. And all agreed that it was the court's role, in interpreting the State Constitution, to ensure that gay partnerships were in every legal particular equal in status to marriage.

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But the vocabulary, the majority continued, must be committed to politics. “If the age-old definition of marriage is to be discarded,” Justice Albin wrote in the decision, “such change must come from the crucible of the democratic process.”

The court gave the State Legislature 180 days to come up with legislation guaranteeing gay people a legal mechanism to have their unions recognized in identical practical terms as those afforded to heterosexual marriages. It left for another day the question of whether the contours of and, more important, the label attached to that mechanism would satisfy the State Constitution.

The three dissenting justices would have gone further and faster, insisting that gay people are entitled not only to the particulars of marriage but also to the symbolism that surrounds it. “We must not underestimate the power of language,” Chief Justice Deborah T. Poritz wrote for the dissenters.

The majority opinion, legal experts said, has found a political sweet spot.

“This makes sense as statesmanship,” said Andrew Koppelman, a law professor at Northwestern University and the author of “Same Sex, Different States.” “The word ‘marriage’ seems to push people’s buttons in a major way.”

The high court in Massachusetts, the only state that allows gay marriage, ruled that civil unions were not an adequate substitute. In a 2004 decision, one of its justices boiled the dispute down to a single letter. “We have a pitched battle over who gets to use the ‘m’ word,” Justice Martha B. Sosman wrote in a dissent.

Though the seven gay couples who sued for the right to marry in New Jersey had insisted that nothing less would suffice and that marriage by another name was stigmatizing and discriminatory, their lawyers expressed satisfaction with yesterday’s result on a practical level.

“It’s a win,” said Susan L. Sommer, a lawyer with the Lambda Legal Defense and Education Fund, which represents the couples. “We would have liked marriage tomorrow, but this is great progress.”

Opponents of gay marriage said they were troubled by what the court left open. “I sort of think this is a temporary reprieve,” said Maggie Gallagher, the president of the Institute for Marriage and Public Policy. “The Legislature could do civil unions, but the court has reserved the right to rule two or five years down the road that that’s not good enough.”

As they looked forward, though, the two sides were focused on symbols as much as on legal rights.

The meaning of marriage is special, said Evan Wolfson, the executive director of Freedom to Marry, a nonpartisan gay rights group.

“You wear it on your hand,” he said. “Language matters. Symbols matter. One of the main protections that comes with marriage is the vocabulary that everyone understands.”

Ms. Gallagher used similar phrases to reach an opposite conclusion. “Ideas matter,” she said. “Marriage as a legal structure is not nearly as important as it is as an instrument of civil society.”

The major shortcoming in the majority decision, she added, was its failure to engage some of the possible values and social implications of marriage. “The court really refused to consider the idea that marriage has anything to do with procreation and paternity,” she said.

High courts in New York and Washington relied on those interests to justify bans on gay marriage in their states, but the New Jersey attorney general’s office, to the dismay of many opponents of gay marriage, did not press those arguments.

Should the State Legislature ultimately give gay unions a name other than marriage, Mr. Wolfson said, it would amount to discrimination. “I don’t think there is an American in the country,” he said, “who would cash in their marriage in exchange for a civil union.”

Mr. Wolfson said that the New Jersey Legislature should “end discrimination in marriage, not repackage it.”

In their dueling opinions yesterday, the two sets of justices agreed on at least this much: the meaning of a single word is now a crucial battleground in the culture wars.

What they disagreed about is who should decide what it means. The majority said it was the Legislature; the dissenters said the courts.

In an aside, though, Justice Albin noted that in any event, “same-sex couples will be free to call their relationship by the name they choose.”

The dissenting justices suggested the court’s failure to require gay marriage as such was tantamount to the endorsement of pernicious discrimination.

“Labels set people apart as surely as physical separation on a bus or in school facilities,” Chief Justice Poritz wrote.

Justice Albin responded that courts can do only so much. “Plaintiffs seek not just legal standing,” he wrote, “but also social acceptance.”

Gay Marriage Backers Plan Big Push To Sway Trenton Lawmakers (NYT)

By David Kocieniewski

DOJ_NMG_0086778

The New York Times, October 26, 2006

TRENTON, Oct. 25 — The New Jersey Supreme Court may have conferred the rights of married couples to same-sex partners in a long-awaited decision on Wednesday, but it also made it clear that the fight for gay marriage did not end with its decision.

The next appeal for gay rights advocates, the court emphasized, "must be to their fellow citizens whose voices are heard through their popularly elected representatives."

The issue revolves around a single word — whether to call this newly constructed relationship, which has all the rights and obligations of marriage — a marriage.

But it will be far from simple when the issue lands a few blocks away at the State House, where the governor and the Legislature have 180 days, according to the court, to come up with an answer.

Gay rights advocates say they will press hard to call this new legal relationship a marriage and not something else, such as a civil union. Many conservatives, meanwhile, have promised to push for a constitutional amendment to ban gay marriage — just as some lawmakers are doing now in Massachusetts, where that state's Supreme Judicial Court validated a right to gay marriage in 2003.

And one Republican lawmaker in New Jersey has promised to seek the impeachment of all seven justices — an unlikely quest in the Democratic-controlled Legislature.

Gov. Jon S. Corzine and top legislative leaders — all Democrats — are on record as opposing gay marriage and saying they view marriage as a union between a man and a woman.

Two years ago, New Jersey Democrats managed to sidestep the gay marriage issue when they passed a domestic partnership law that offered same-sex couples some — but not all — of the rights that married couples have.

Now the issue is back, and there appears to be no getting around it. And for lawmakers, it comes as all 120 members of the Legislature face re-election in 2007.

Governor Corzine said he welcomed the court's conclusions, adding, "I look forward to the legislative process implementing the court's decision."

But in a joint statement, Richard J. Codey, the Senate president, and Joseph J. Roberts Jr., the Assembly speaker, indicated that Democrats would not go the extra step of defining the new legal partnership as a marriage.

Another top Democrat, Senator Raymond J. Lesniak of Union County, echoed that point. He said that he and other members of the party's caucus had discussed a compromise, which would extend the marriage rights to gay couples but classify their relationships as "civil unions."

"Marriage has been a religious institution adopted by the government and a lot of religions have defined it in a way that that excludes gays," Mr. Lesniak said. "That's not what the government does, and the court clearly demands that we offer gay couples the same rights and obligations that heterosexual couples have under our marriage laws. But we can do it in a way that respects people's religious beliefs."

A similar approach was used by Vermont legislators after that state's high court struck down gay marriage law according to William N. Eskridge Jr., a Yale Law School professor who has written extensively on the issue.

But partisans of both sides of the gay marriage divide say they would not be satisfied with that approach. Garden State Equality, which has lobbied for gay marriage rights, began airing a television commercial asking for "marriage equality."

Republicans, meanwhile, indicated that they will be wary about attempts to alter New Jersey's current domestic partnership law. State Senator Leonard Lance, the minority leader, said he thought the court was overstepping its bounds by ordering legislators to rewrite the law.

Although the battlefront has shifted to the State Legislature, the ruling nonetheless had some spillover into New Jersey's tight race for the United States Senate.

Both Senator Robert Menendez, a Democrat, and State Senator Thomas H. Kean Jr., his Republican challenger, oppose gay marriage, so it has not been an issue in their campaigns. But Mr. Kean responded to Wednesday's court decision by saying that he would favor a constitutional amendment to ban gay marriage. Mr. Menendez said that he supported civil unions and would oppose any constitutional amendment that would take away people's legal rights.

But the immediate response to the court's decision, he said, "is now up to the Legislature to decide."

New Jersey Court Backs Full Rights For Gay Couples (NYT)

By David W. Chen

The New York Times, October 26, 2006

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TRENTON, Oct. 25 — New Jersey's highest court ruled on Wednesday that gay couples are entitled to the same legal rights and financial benefits as heterosexual couples, but ordered the Legislature to decide whether their unions must be called marriage or could be known by another name.

In a decision filled with bold and sweeping pronouncements about equality, the New Jersey Supreme Court gave the Democratic-controlled Legislature 180 days to either expand existing laws or come up with new ones to provide gay couples benefits including tuition assistance, survivors' benefits under workers' compensation laws, and spousal privilege in criminal trials.

All seven justices agreed that the state's Constitution demands full legal rights for same-sex partners. But its ruling, 4 to 3, revealed a split in how to proceed. The majority said that lawmakers, not the court, should decide whether to call those arrangements a marriage, a civil union or something else. The three dissenters went further, asserting that gay couples, like their heterosexual counterparts, must be allowed to wed.

The New Jersey court did not go as far as Massachusetts, which in 2003 became the first state to permit gay marriage. Instead, it could be considered the new Vermont, which created civil unions for gay couples in 2000, in the politically, legally and culturally charged world of same-sex marriage.

"Our decision today significantly advances the civil rights of gays and lesbians," Justice Barry T. Albin wrote for the majority. "We have decided that our State Constitution guarantees that every statutory right and benefit conferred to heterosexual couples through civil marriage must be made available to committed same-sex couples."

But the ruling passed along the thorniest question, of whether true equality demands the same name, to the Legislature, saying "such change must come from the crucible of the democratic process."

Within minutes of the court's 3 p.m. announcement, three Democratic Assemblymen, working with Garden State Equality, a gay rights organization, said they would introduce a bill demanding marriage.

But reaction from their fellow legislators was guarded, with some saying privately that civil unions, not marriage, would be the likely result. In a joint statement, the Assembly speaker, Joseph J. Roberts Jr., and the Senate president, Richard J. Codey, both Democrats, called the 180-day deadline "unreasonable" and said, "The only remaining issues now confronting the Legislature are ones of terminology and clarification."

For people involved in the legal battle over gay marriage, the decision is an important shift from recent court rulings in New York, Washington state and California that essentially rejected gay couples' claims on marriage and the benefits it confers. And by issuing a nuanced and complicated 90-page ruling that left observers struggling to declare who won and who lost, the court may have neutralized gay marriage as an issue in the Nov. 7 elections, when eight states will consider ballot measures to ban same-sex marriage.

"The decision certainly minimizes what the radical right thought they might have had as a mobilizing tool in the last days of the election," said Joe Solmonese, president of the Human Rights Campaign, a gay advocacy organization.

Nathaniel Persily, who teaches law and political science at the University of Pennsylvania and was a co-author of a recent paper titled "Gay Marriage, Public Opinion and the Courts," praised the justices for "an incredibly smart and politically astute opinion."

"The court has placed itself exactly where a majority of the American people are," Professor Persily said. "A majority of Americans are in favor of equal rights for gays tantamount to marriage, but a majority is also against calling that relationship marriage."

At the same time, he added: "This must be seen as a win for gay rights. They did not get the name they want, but they are getting more rights than could have been imaginable just a few years ago. Who would have thought 50, 20, even 10 years ago that a unanimous state supreme court would have said that gay relationships are entitled to equal rights as heterosexual relationships?"

But conservative groups opposed to same-sex marriage blasted the ruling as an example of the justices essentially trading judicial robes for legislative pens.

"The court is holding a legal gun to the head of the State Legislature, and saying, 'Listen, there are two bullets, you get to pick the bullet: either gay marriage or civil unions,' " said Matt Daniels, president of Alliance for Marriage, an organization based in the Washington area that supports a federal Constitutional amendment banning same-sex marriage. "And that is not democracy. That is court-imposed policy-making that takes this out of the hands of the people."

Until now, courts in many other states — including the Court of Appeals in New York in July — had rejected similar lawsuits by same-sex couples, with the common rationale being that only the legislative branch can define or redefine marriage. No legislature has yet done that, though several states, including New Jersey, and dozens of cities and towns have enacted domestic partnership laws to grant gay couples some benefits in recent years.

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Nineteen states have adopted constitutional amendments banning same-sex marriage. Most others have statutory bans, but New Jersey and four other states do not. In addition to Massachusetts, where more than 8,000 gay couples have married in the past three years, Vermont and Connecticut authorize civil unions, which generally offer the same legal protections, if not the same societal status, as marriage.

Wednesday's ruling caps a legal journey begun in 2002, when seven couples who had been denied marriage licenses in their towns filed the lawsuit now officially known as Lewis v. Harris. Two lower courts rejected their constitutional claim, with the Appellate Division ruling in June 2005 that marriage between members of the same sex was neither a fundamental right nor one covered by the constitution's equal-protection clause.

Many gay-marriage advocates thought New Jersey's high court, which heard the case Feb 15, was their best shot at victory.

It is regarded as one of the most liberal and independent in the country, having been among the first to strike down a ban on sodomy and rule in favor of adoption rights for gay couples.

The 4-3 split on Wednesday did not break along traditional political lines: the majority included all three justices appointed by a Democratic former governor, while the three dissenters, who backed the more far-reaching solution of opening marriage to gays, were named by a Republican.

"We do not have to take that all-or-nothing approach," Justice Albin wrote of the marriage question in the majority opinion.

"We cannot find a legitimate public need for an unequal legal scheme of benefits and privileges that disadvantages same-sex couples," he said. "We cannot find that a right to same-sex marriage is so deeply rooted in the traditions, history, and conscience of the people of this state that it ranks as a fundamental right."

The court also expounded about the importance of equal treatment to protect children, diverging from the rulings of other state courts, which had said protecting procreation was one rationale for limiting marriage to heterosexual couples.

"There is something distinctly unfair about the state recognizing the right of same-sex couples to raise natural and adopted children and placing foster children with those couples," Justice Albin said, "and yet denying those children the financial and social benefits and privileges available to children in heterosexual households."

In the dissenting opinion, Chief Justice Deborah T. Poritz argued that the semantic distinction of marriage versus civil unions was itself a meaningful one, arguing that the institution "bestows enormous private and social advantages."

Agreeing that same-sex couples deserve the same rights and benefits as heterosexual ones, she wrote that she "can find no principled basis, however, on which to distinguish those rights and benefits from the right to the title of marriage."

As the case now moves from the domain of the courts to that of the legislature, some parties are gearing up for a fight.

Several Republican legislators — including State Senator Thomas H. Kean Jr., who is in a close race to unseat United States Senator Robert Menendez — said on Wednesday that they would like to see an amendment to the State Constitution banning same-sex marriage. But with the Democrats in control of both legislative chambers, and Mr. Codey and Mr. Roberts voicing opposition, such a ban seems unlikely.

At the same time, Garden State Equality, the gay rights group, began its lobbying campaign for marriage immediately after the decision, buying several weeks of television time for a new advertisement that began appearing on cable Wednesday night.

The ad features a cancer-stricken police officer, Lt. Laurel Hester, recalling her fight for death benefits for her female partner. Ms. Hester, bald and struggling to breathe, taped the commercial before she died early this year. The ad concludes with words appearing on the screen that read, "Support marriage equality. Your gay neighbors are depending on you."

New Jersey Says Gay Couples Have The Same Rights As Straight Couples (KCS)

The Kansas City Star, October 26, 2006

By Stevenson Swanson

Chicago Tribune

(MCT)

NEW YORK - In a ruling that could make New Jersey the second state to legalize gay marriage, the state supreme court said Wednesday that gay couples have the same right to the benefits of marriage as heterosexual couples.

The court, whose decision had been awaited for months by advocates on both sides of the contentious debate over same-sex unions, said the state constitution's guarantee of equal rights applied to gay and lesbian couples, but it stopped short of ordering state officials to legalize gay marriage.

Instead, it gave the legislature until April to amend the state's marriage statute to include same-sex couples or to pass a civil union law that provides those couples the same benefits as marriage.

"We do not consider whether committed same-sex couples should be allowed to marry, but only whether those couples are entitled to the same rights and benefits afforded to married heterosexual couples," Justice Barry Albin wrote for the 4-3 majority.

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"Cast in that light, the issue is not about the transformation of the traditional definition of marriage, but about the unequal dispensation of benefits and privileges to one of two similarly situated classes of people."

The ruling is similar to a 1999 decision by Vermont's supreme court, which resulted in a civil union law. A 2003 ruling by Massachusetts' highest court was more sweeping, making that state the first - and so far only - state with legalized gay marriage, starting in 2004.

Connecticut also allows civil unions between same-sex couples, the result of legislative action that was not prompted by a court ruling.

The case that resulted in the latest ruling was brought by seven same-sex couples who were denied marriage licenses in New Jersey. The dissenting justices, led by Chief Justice Deborah Poritz, argued that the majority did not go far enough, saying that only marriage would allow gay couples to achieve equal benefits.

In making its ruling, the court reflected on the changes that have transformed marriage during the last 200 years, such as granting women greater rights within marriage.

"The institution of marriage reflects society's changing social mores and values," the majority said in its opinion. "Although courts can ensure equal treatment, they cannot guarantee social acceptance, which must come through the evolving ethos of a maturing society."

After setbacks earlier this year in state courts in New York, Nebraska, Washington and Georgia, gay-marriage advocates greeted Wednesday's decision with relief.

"We received a unanimous decision on one aspect, which is that all seven justices agreed that it violates the guarantee of equal protection not to give same-sex couples the same benefits as heterosexual couples," said Jon Davidson, legal director of the gay-rights advocacy group Lambda Legal, which argued the case on behalf of the plaintiffs. "So now the struggle in New Jersey moves to the legislature."

Cases similar to New Jersey's are pending in California, Connecticut, Iowa and Maryland.

Opponents of gay marriage said the New Jersey court had shown the same judicial arrogance as the Vermont and Massachusetts courts.

"It amounts to taking the future of marriage out of the hands of the people of New Jersey," said Matt Daniels, director of the Alliance for Marriage, which advocates amending the U.S. Constitution to define marriage as the union of a man and a woman. "Nationally, it will add momentum to the marriage amendments that are on the ballots across the country, and more importantly, it will add momentum to the marriage amendment in the Congress."

That amendment, which President Bush has endorsed, failed to garner support in two votes in the Republican-controlled Congress.

Political observers said the New Jersey decision, coming less than two weeks before the Nov. 7 midterm elections, could rally evangelical Christians and other conservative voters to turn out in heavier numbers than expected in the eight states where constitutional amendments defining marriage as a union between a man and woman are on the ballot.

Two of those states, Virginia and Tennessee, are seen as key battlegrounds in the struggle for control of the Senate.

But because the justices stopped short of ordering New Jersey officials to legalize gay marriage, the ruling's impact on the election could be diluted, even in the Garden State, which is in the midst of its own tight Senate race. Incumbent Sen. Bob Menendez, a Democrat, is being challenged by Republican Tom Kean Jr.

"There was a sense that this could really reshape the Senate race here," said Tim Vercellotti, of the Eagleton Institute for Public Interest Polling at Rutgers University. "But this is a much more muted effect. I think it's going to be a close race, and I don't think this ruling is going to affect that."

Reacting to the ruling, Kean called for the state legislature to pass an amendment to the New Jersey constitution defining marrriage as a heterosexual union, similar to amendments that voters in 20 states have approved already.

Menendez said he believes marriage should be reserved for a man and a woman, but added that he supports civil unions for same-sex couples.

Three New Jersey legislators said they would introduce a bill to legalize gay marriage. The state already has a domestic partnership statute, which grants some rights to same-sex couples, such as the right to make medical decisions for each other and to file joint state income-tax returns.

Gov. Jon Corzine has said he supports domestic partnerships for same-sex couples, but has also said he would not sign a bill prohibiting same-sex marriage.

A June poll by Rutgers' Eagleton Institute found that New Jersey voters are almost evenly divided on gay marriage, with 49 percent of those polled supporting it and 44 percent opposed.

Support for civil unions was far stronger, with 66 percent in favor and 29 percent opposed.

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NJ Court Grants Rights, Not Marriage, To Gays (LAT)

By Ellen Barry

The Los Angeles Times, October 26, 2006

NEWARK — New Jersey's highest court ruled today that same-sex couples deserve the same rights as married people, but stopped short of calling their partnerships "marriage," saying that decision should fall to the state Legislature.

"Raised here is the perplexing question — 'What's in a name?'" wrote Justice Barry T. Albin in the majority opinion. "We will not presume that a difference in name alone is of constitutional magnitude."

The 4-3 ruling comes as a partial victory for gay rights advocates, who had hoped New Jersey would legalize gay marriage outright, as Massachusetts' Supreme Judicial Court did in 2003. Instead, the court's decision gives New Jersey lawmakers six months to create the necessary statutes for same-sex partnerships, which may be called "marriage" or, as in Vermont, "civil unions."

Monte Stewart of the Marriage Law Foundation, which opposes gay marriage, said the ruling is further proof that the Massachusetts court was not representative.

"The courts increasingly are understanding that man-woman marriage is a vital social institution, and because meanings matter, they're not going to radically alter those meanings," he said.

In a sharply worded opinion that dissented with a portion of the majority decision, Chief Justice Deborah Poritz said the court should not sidestep the question of the word "marriage."

"Labels set people apart as surely as physical separation on a bus or in school facilities. Labels are used to perpetuate prejudice about differences that, in this case, are embedded in the law," she wrote. "Ultimately, the message is that what same-sex couples have is not as important or as significant as 'real' marriage."

In 2003, when Massachusetts' Supreme Judicial Court ruled that gay couples had the constitutional right to marry, many foresaw a legal domino effect, but since then, high courts in several states have rejected the notion.

The most recent rulings came in July, when high courts in Washington and New York upheld state laws limiting marriage to one man and one woman. In both cases, the majority opinion held that the state legislature should settle the matter rather than the courts. Majorities in each case found that there was a rational basis, based on procreation, to limiting marriage to heterosexuals.

Meanwhile, voters in 20 states sought to preempt pro-gay marriage rulings by explicitly banning the practice in their state constitutions. In November, seven more states will vote on statewide bans and seven more are considering such a move. The Legislature in Massachusetts — still the only state in the union to issue marriage licenses to gay couples -- may approve a citizen initiative against gay marriage, allowing voters to weigh in on the practice in 2008.

Still, gay rights advocates have achieved victories. In California and Maryland, judges have ruled that same-sex marriage was protected by the state constitution. Last September, California's Legislature passed a bill legalizing same-sex marriage but Gov. Arnold Schwarzenegger vetoed the measure, saying a higher court should decide it.

Court challenges are pending in California, Connecticut, Iowa, Maryland, Nebraska and Oklahoma.

Many observers — on both sides of the issue — have seen New Jersey as the state most likely to follow Massachusetts' lead.

The case, Lewis vs. Harris, began in 2002, when seven same-sex couples applied for marriage licenses and were denied. The couples then sued the officials who denied them, arguing that the state Constitution guaranteed their rights.

In November 2003 — a few days before the landmark Massachusetts decision — a Superior Court judge refused to strike down the ban, reasoning that though the right to marry is fundamental, based on tradition, the right to marry someone of the same sex is not "deeply rooted in our nation's history." In June 2005, a panel of three appellate judges ruled 2-1 that only the Legislature could enact a law allowing gays to marry.

Despite those setbacks, advocates have been optimistic about a ruling by the state's Supreme Court, which has made several noteworthy rulings in favor of gay rights. The Supreme Court has ruled that the Boy Scouts could not bar gay troop leaders — a decision that was overturned by the U.S. Supreme Court. Moreover, the state has not advanced arguments against gay marriage that are based on procreation or child-rearing.

Much suspense has surrounded the release of the decision, which took place on the day Chief Justice Poritz turned 70, mandatory retirement age, and prepares to leave the court. During oral arguments in February, Poritz asked pointed questions of defendants about the "deep-rooted tradition" argument underlying their lower court victory.

"For a long time, women were property in the marriage relationship. For a long time, women could not make a claim of rape against a husband," she said. "There've been lots of ways in which the traditional idea of marriage has changed, so why would we simply defer? It's historical. It's over."

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Jersey Court Orders OK Of Gay Unions (WT)

By Cheryl Wetzstein

The Washington Times, October 26, 2006

The New Jersey Supreme Court yesterday said that although there was no right to same-sex "marriage" in the state constitution, homosexual couples were treated unequally by the state and that lawmakers must find a way to correct this.

"Although we cannot find that a fundamental right to same-sex marriage exists in this state, the unequal dispensation of rights and benefits to committed same-sex partners can no longer be tolerated under our state Constitution," said Justice Barry T. Albin, who wrote the 4-3 decision in Lewis v. Harris.

Justice Albin said the democratic process must decide "whether marriage or some other term" will be used to name the rights and benefits, but the high court gave state lawmakers 180 days to "amend the marriage statutes to include same-sex couples" or "create a parallel statutory structure" that will give such couples "on equal terms" the rights, benefits and obligations borne by married couples.

The long-awaited ruling was a disappointment to homosexual rights advocates, who were hoping the court would make New Jersey the second state after Massachusetts to legalize same-sex "marriage."

"Those who would view today's Supreme Court ruling as a victory for same-sex couples are dead wrong," said Steven Goldstein, head of Garden State Equality, a homosexual rights group in New Jersey.

However, he said, three state lawmakers are poised to introduce a bill to legalize same-sex "marriage" and "thousands of us will now hit the streets, the phones and the hallways to get this legislation passed."

All seven justices agreed that the current situation was unconstitutional, but the three dissenters wanted the court to directly create a marriage right for homosexuals.

Retiring Chief Justice Deborah T. Poritz led the dissenters, saying that she could "find no principled basis, however, on which to distinguish those rights and benefits from the right to the title of marriage," adding that denying the homosexual couples the symbolism surrounding the word "marriage" was to "demean" them.

David Buckel of Lambda Legal, who represented the seven homosexual couple plaintiffs, was more optimistic, saying, "The bottom line here is that the entire court said that there must be a remedy for the inequality that bars same-sex couples from marriage."

It should be easy for the legislature to pass full marriage rights for same-sex couples, given the public's widespread support for the issue, he added.

Many social and religious conservatives described yesterday's decision as another loss for homosexual "marriage," but no one called it a total victory for their side either.

"This is a wake-up call for people who believe that marriage doesn't need constitutional protection," said Glen Lavy, a lawyer with the Alliance Defense Fund.

"This is probably the best decision we could have hoped for out of New Jersey, the court that thought it could order the Boy Scouts to accept gay scoutmasters," said Maggie Gallagher, president of the Institute for Marriage and Public Policy.

The high court "pulled a Vermont," said Len Deo, president of the New Jersey Family Policy Council, referring to the Vermont Supreme Court's 1999 ruling that forced state lawmakers to either enact same-sex "marriage" or a parallel system of benefits for same-sex couples. The ruling resulted in the nation's first civil union law.

In his majority opinion, Justice Albin said there was no constitutional right to same-sex "marriage."

"Only rights that are deeply rooted in the traditions, history and conscience of the people are deemed to be fundamental," he wrote.

The New Jersey Legislature, which has a Democratic majority in both chambers, already has enacted a domestic-partner law that gives same-sex couples hospital-visitation rights and health and pension benefits for state employees.

State lawmakers should "do the simplest, fairest and most sensible thing: include gay and lesbian couples within the existing framework of civil marriage," said Lee Swislow, executive director of Gay & Lesbian Advocates & Defenders.

However, John Tomicki, head of the New Jersey Coalition to Preserve and Protect Marriage, said his allies will work to both stop enactment of same-sex "marriage" and put a constitutional marriage amendment on the November 2007 ballot.

Party Lines Are No Guide To Opinions By Justices (NYT)

By Laura Mansnerus

The New York Times, October 26, 2006

TRENTON, Oct. 25 — It is not always easy to identify partisan fault lines in New Jersey. In the New Jersey Supreme Court, it is all but impossible, and nothing reflects that more clearly than Wednesday's 4-to-3 decision on same-sex marriage.

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Three justices appointed by a Republican governor would recognize the full status of marriage for same-sex couples. And of the three justices appointed by a Democrat — a gay Democrat, at that — none would go that far, and they joined in the majority opinion.

To obscure any partisan alliances even more, each contingent included Republican and Democratic justices.

Their opinions in Lewis v. Harris, the case decided on Wednesday, showed once again that, as one former associate justice, Peter J. Verniero, put it, "the political label dissipates very quickly when someone is appointed to the Supreme Court."

New Jersey's highest court has often been described as liberal, and, what is probably more important to the other branches of state government here, assertive. In its history, the court has gone where few others have in prescribing educational programs and state aid for poor school districts, for example, and in ordering the state's 566 municipalities to accept their "fair share" of low-cost housing.

Wednesday's decision, said Laurence H. Tribe, a constitutional scholar at Harvard Law School, "is consistent with the best traditions of the New Jersey court, not simply following what some perceive as a trend, but reasoning independently."

The court's independence, some analysts say, is notable because so many of its members over the last several decades have come from the state's executive branch.

Of the seven members of the court, Chief Justice Deborah T. Poritz served for a time as Gov. Christie Whitman's attorney general, and Justice Jaynee LaVecchia was Mrs. Whitman's commissioner of banking and insurance. And two of the justices served under Gov. Brendan T. Byrne: Virginia Long, also as commissioner of banking, and James R. Zazzali as attorney general. All were appointed by Governor Whitman.

Gov. James E. McGreevey, who is gay, appointed three of the justices: Barry T. Albin, who was a criminal defense lawyer; John E. Wallace Jr., who served as a Superior Court judge; and Roberto A. Rivera-Soto, who had spent his career in private practice.

By tradition, the court is balanced between Republicans and Democrats, and appointments have generally alternated between the parties regardless of who is governor. But the court that ruled in this decision was slightly out of balance by having two Republicans, Chief Justice Poritz and Justice Rivera-Soto; one who is unaffiliated, Justice LaVecchia; and four Democrats.

The court's membership will shift slightly upon Chief Justice Poritz's retirement on Thursday, her 70th birthday. Justice Zazzali, a Democrat, is to replace her, while the newest appointee, Helen E. Hoens, a Republican, will take his seat.

But while party identifications matter in the selection of justices, Mr. Verniero said, "it's just very difficult to predict how individual members are going to decide issues."

"If you listen to arguments before the court and close your eyes," he added, "it's difficult to tell which justice asking the questions is a Republican and which is a Democrat."

In Wednesday's decision, two McGreevey appointees and Justice LaVecchia joined the other McGreevey appointee, Justice Albin, in his majority opinion, while Chief Justice Poritz, who wrote a separate concurring and dissenting opinion, was joined by Justices Long and Zazzali.

During her 10-year tenure, Chief Justice Poritz has been generally known as a consensus builder on the court. Yet she sometimes dismayed Republican legislators, most notably when she wrote a unanimous opinion allowing the Democratic Party to replace Senator Robert G. Torricelli's name on the ballot a month before Election Day in 2002, making way for the election of Frank R. Lautenberg.

Chief Justice Poritz was also the author of a 1999 decision, later reversed by the United States Supreme Court, requiring the Boy Scouts of America to retain a gay assistant scoutmaster. And she wrote for the majority in a 2000 opinion striking down a parental notice requirement for minors seeking abortions.

An 'I Do' From McGreevey? He Would. (NYT)

By David W. Chen

The New York Times, October 26, 2006

TRENTON, Oct. 25 — Yes, he would.

That was the reaction of former Gov. James E. McGreevey when asked on Wednesday whether he would marry his partner if the New Jersey Legislature — in the aftermath of the State Supreme Court decision that same-sex couples are entitled to the same rights as heterosexuals — decides that gay marriage will be honored.

After gathering his thoughts, Mr. McGreevey said that while he had no plans to marry his partner immediately, he did feel that a ceremony would be in his future.

"Yes," said Mr. McGreevey, who now lives in Plainfield with Mark O'Donnell, an Australian businessman. "Marriage would offer the ability to bless our relationship in a committed way."

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Beyond discussing his own plans, Mr. McGreevey, 49, also predicted that the ruling would have a major effect on young people struggling with social mores and sexuality, much as he did while growing up.

"What it means, personally to me, for my partner, traveling around the country, talking to gay youth, is the basic notion that when the court embraces the constitutionality of gay marriage, there's a fundamental understanding that gay relationships are quote, unquote, as good as straight relationships," he said.

Mr. McGreevey acknowledged that he was a "gay American" when he resigned as governor in 2004. And in his best-selling memoir, "The Confession," he discussed the lengths to which he went to mask the fact that he was gay for four decades.

When he was governor, Mr. McGreevey opposed same-sex marriage, although he did support domestic partnership legislation that was approved in 2004. He said he now regrets his lack of initiative then.

"I only wish I had had the fortitude to embrace this basic right when I was governor," he said.

As for marrying Mr. O'Donnell, 43, his partner since September 2005, friends said that there were certain considerations. First of all, they said, Mr. McGreevey would have to be legally divorced from Dina Matos, his second wife.

N.J. Supreme Court Punts Same-Sex Marriage To Legislature (LAW)

By Michael Booth, New Jersey Law Journal

New Jersey Law Journal, October 26, 2006

New Jersey on Wednesday stopped short of becoming the second state in the nation to legalize same-sex marriage by judicial fiat.

The state's high court, while declaring unconstitutional state laws that deny same-sex couples the financial and social benefits and privileges given to married heterosexuals, held that fixing the problem is a legislative task -- and gave lawmakers 180 days in which to do it.

"At this point, we do not consider whether committed same-sex couples should be allowed to marry, but only whether those couples are entitled to the same rights and benefits afforded to married heterosexual couples," a divided court wrote in Lewis v. Harris, A68-05.

"Cast in that light, the issue is not about the transformation of the traditional definition of marriage, but about the unequal dispensation of benefits and privileges to one of two similarly situated classes of people."

The justices did not require the Legislature to amend the civil marriage statutes to include same-sex couples but only to come up with a statutory scheme that affords same-sex couples the same rights and benefits as those statutes.

The court offered the Legislature the option of either amending the marriage statutes to include same-sex couples or enacting a parallel statutory structure by another name.

"We will not presume that a separate statutory scheme, which uses a title other than marriage, contravenes equal protection principles, so long as the rights and benefits of civil marriage are made equally available to same-sex couples," Justice Barry Albin wrote for the 4-3 court. "The name to be given to the statutory scheme that provides full rights and benefits to same-sex couples, whether marriage or some other term, is a matter left to the democratic process."

The court warned that the state cannot make entry into a same-sex civil union any more difficult than it is for heterosexual couples to enter marriage, but said any parallel scheme can be regulated, similarly to marriage, to restrict civil unions based on age and consanguinity and to prohibit polygamous relationships.

Chief Justice Deborah Poritz, on the day of her retirement from the court, filed a partial dissent joined by two other justices. The dissenters disagreed with the majority's conclusion that there is no fundamental due process right to same-sex marriage encompassed within the concept of "liberty" guaranteed by article I, paragraph 1 of the state constitution.

The justices modified but affirmed dismissal of the suit, brought by seven same-sex couples, most of whom have children, that were denied marriage licenses by local clerks or vital-statistics registrars in 2002. The suit charged that New Jersey laws restricting marriage to male-female unions violate equal protection of law and fundamental rights.

The court found that denying marital-type rights to same-sex couples bears no substantial relationship to a legitimate governmental purpose, the standard of judicial review for encroachments on the equal protection clause of Article I, Paragraph 1, of the New Jersey Constitution.

The courts below had found no legal or historical basis for same-sex marriage nor anything to suggest that the framers of the federal or state constitutions considered it a fundamental right to be accorded special protection. Furthermore, the federal Defense of Marriage Act eschews the concept, raising the prospect that same-sex marriage decrees would not be accorded full faith and credit nationwide.

The state attorney general had argued that New Jersey's 2004 Domestic Partnership Act conveyed rights synonymous with those of married couples and thus satisfied constitutional requirements. By that statute, similar to laws in Vermont and Hawaii, New Jersey recognized civil unions among same-sex couples and some heterosexual couples.

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The attorney general also argued that changing marital laws that have pre-existed the nation's founding required an act of the Legislature, and the court agreed.

To date, all but one state Supreme Court that has considered the issue -- Massachusetts -- has disagreed. Courts in Arizona, Washington, D.C., Indiana, Kentucky, Minnesota, New York, Washington state and most recently California have rejected challenges.

The Hawaii Supreme Court held in 1993 that the limitation of marriage to opposite-sex couples established a sex-based classification that required strict scrutiny under equal protection analysis. On remand, a trial court held the limitation in violation of the state constitution, but the case was halted when the electorate approved a constitutional amendment banning same-sex marriage.

In 2000, the Vermont Supreme Court likewise punted to the state's Legislature, holding that denial of benefits incidental to marriage to same-sex couples violated the state constitution's "common benefits" provision but that the violation could be remedied by legislation extending the benefits flowing from marriage to same-sex couples. The Vermont Legislature responded with a civil-union law in 2004.

A Ruling For Equality In New Jersey (NYT)

The New York Times, October 26, 2006

The New Jersey Supreme Court brought the United States a little closer to the ideal of equality yesterday when it ruled that the state's Constitution requires that committed same-sex couples be accorded the same rights as married heterosexual couples. It stopped short, however, of ruling that same-sex couples have a right to "marry," leaving the question of what to call same-sex unions up to the State Legislature.

That omission will disappoint some gay-rights advocates, but there is no reason for lawmakers not to apply the term marriage to these committed relationships, and they should do so swiftly. Meanwhile, the court decision is an important step forward.

New Jersey already has a civil-unions law, but it gives same-sex couples fewer rights than married couples. Same-sex couples are penalized financially, in areas like employer-provided health benefits and inheritance taxes. They are also disadvantaged socially and in practical, day-to-day ways. One of the plaintiffs in the case had trouble getting her partner into a hospital emergency room with her when she was sick.

The court required the Legislature to level the playing field in every respect but one. It said lawmakers can call relationships between partners of the same sex marriage, or something else. This page supports gay marriage, but we also know it will not be recognized instantly. New Jersey's delay is unfortunate, but at least it makes it hard for anti-gay forces in the state to mobilize against the decision. The court ruling secures important rights, and paves the way for the full equality that will no doubt come.

New Jersey's Step Forward (WP)

The Washington Post, October 26, 2006

IN REQUIRING that state law grant the same benefits to same-sex couples that it gives to married ones, the New Jersey Supreme Court has given the Garden State a nudge down a road it was already traveling. For those, like us, who support same-sex marriage, such steps are welcome. There is no good reason why same-sex couples in loving and committed relationships should not be granted affirmative recognition from state governments -- recognition that carries with it the rights and responsibilities of marriage. The New Jersey court unanimously pushed in a direction we would like to see all states ultimately go.

What role judges should play in that process is always a difficult question, and yesterday's decision will no doubt spark controversy. So it is worth emphasizing that the judicial impetus here is actually a gentle one. New Jersey's legal landscape -- both its case law and the statutes passed by its legislature -- was already fairly advanced. The state has a robust set of anti-discrimination protections for gay men and lesbians, and it has a domestic partnership law that confers many of the benefits of marriage on same-sex couples.

What's more, the court specifically declined to require that marriage itself be available to same-sex couples -- provoking a dissent from three justices who would have gone further and simply mandated marriage rights. Instead the judges distinguished between the right to marriage and the rights and benefits flowing from marriage. They argued that it makes no sense "on the one hand, [to give] gays and lesbians full civil rights in their status as individuals, and, on the other, [to give] them an incomplete set of rights when they . . . enter into committed same-sex relationships."

The New Jersey legislature has not -- as was the legislature in Massachusetts after its court acted in 2003 -- been denied the democratic prerogative of deciding state policy on this question. It could, if it chooses, do as little as extend the state's domestic partnership law to confer additional rights on same-sex couples. Or, it could create civil unions or extend marriage

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rights themselves. Like all actions by state supreme courts, the decision affects nobody outside New Jersey and is ultimately subject to the will of the people of that state, who are free to change their constitution if they dislike their court's view of it -- as many other states have done on this issue. In other words, the court has required only a modest step, one to which the people's representatives will decide how to respond.

Coming, unfortunately, only two weeks before the Nov. 7 elections, this nuanced decision risks getting lost beneath angry rhetoric about activist judges and protecting marriage. That would be unfortunate. No reasonable reading of this decision could argue for, say, changing Virginia's constitution to ban same-sex marriages that are already illegal there or for adding a noxious amendment to the federal Constitution. It argues only for letting the residents of New Jersey digest what their court has said and decide how best to make same-sex couples equal under the law.

Expanded DNA Collection Eroding Civil Liberties, Panel Says (AAS)

By Patrice Relerford, WASHINGTON BUREAU

Austin American-Statesman, October 26, 2006

Efforts can invade privacy, put stress on already overworked crime labs.

WASHINGTON — Dramatic expansions in the collection and retention of DNA by state and local law enforcement officials threatens individual privacy rights and racial justice, a panel of legal experts concluded Wednesday.

A four-member panel of lawyers and DNA experts, including New York lawyer Barry Scheck and Helen Wallace of Genewatch UK, spoke about the subject as part of a discussion sponsored by the American Civil Liberties Union.

Experts characterized law enforcement officials' efforts to add samples to DNA databases as a slippery slope regarding privacy rights, and they criticized expansions at the state and local level of what they referred to as permanent, rogue databases not tied into the FBI's national DNA index.

"You've got to be smart about crime, smart about using these databases and smart about protecting civil liberties," Scheck said.

Panel members, including the ACLU's science advisor, Tania Simoncelli, said expansion efforts are eroding the performance of crime labs, which already face months or years of backlogged evidence.

"If you put that stress on them they're going to cut corners," said Scheck of overworked lab workers.

Scheck also pointed to a scandal surrounding the Houston Police Department's crime lab as proof that DNA evidence is not impenetrable.

This summer, independent investigator Michael Bromwich concluded that crime lab officials in Houston failed to report the results of DNA tests that did not corroborate suspects identified by police in more than 20 cases beginning in the 1980s.

Bromwich, a former U.S. Justice Department official, was selected to investigate the crime lab in 2005. Houston's lab was closed for more than three years after errors were exposed in the lab divisions that test firearms, body fluids and controlled substances.

Scheck said two men were released from prison based on the lab's misconduct, and he praised the department's efforts to identify problems.

Last year, Gov. Rick Perry signed a law that established the Texas Forensic Science Commission to investigate the quality of forensic evidence. The move is expected to help the state qualify for federal forensic science improvement grants.

"I think the answer is putting more teeth into these types of institutions," Scheck said. "Someone should look at Texas."

Abortion Ban Looms Large On S.D. Ballot (USAT)

By Judy Keen

USA Today, October 26, 2006

IRENE, S.D. — Georgia Kaufman is against abortion. She's torn, though, about the referendum on the Nov. 7 ballot that will decide whether the USA's toughest abortion restrictions will become law or be repealed.

“I personally do not believe in abortion,” says Kaufman. “I'm very proud that South Dakota is the first state to step forward and say ‘no.' ”

Still, she thinks it's wrong to make abortion illegal for women who have been raped or are victims of incest. The law would allow an abortion only if a woman's life is at risk. “I'm wrestling with that tremendously,” says Kaufman, 37, a waitress at the Irene Bar & Grill.

How Kaufman votes and the outcome of the referendum will reverberate outside conservative South Dakota. If voters uphold the law, which also would make it a felony for doctors to perform abortions unless the woman's life is in jeopardy, Planned Parenthood plans a lawsuit asserting the ban is unconstitutional. Supporters of the ban would use the case to challenge Roe v. Wade, the landmark 1973 Supreme Court decision that legalized abortion nationwide.

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California and Oregon have ballot measures that would require parental consent for minors to have abortions, and voters here will vote on gay marriage and allowing medical use of marijuana. The abortion ban, though, has generated the most debate and passion.

Republican Gov. Mike Rounds signed the law in March. Opponents gathered signatures to put the issue on the ballot. The latest statewide poll in July showed 47% of voters opposed the ban and 39% supported it; 14% were undecided. Both sides expect a close vote.

The latest round of ads has each side calling the other liars. The lead group supporting the law, Vote Yes for Life, is running TV and radio ads and mailing postcards that say it gives women "the option of terminating pregnancies that are the result of rape or incest."

The South Dakota Campaign for Healthy Families, which organized the repeal vote, says the law would allow rape and incest victims to use emergency contraception before a pregnancy could be detected, since they would not be able to have legal abortions.

At the Pump 'N' Stuff gas station and coffee shop in this town of 400, a half-dozen men crowd around the only table and explain their mixed feelings.

"I heard that if a woman gets cancer, she can't take chemo" under the law because it might harm the fetus, says Dale Korslund 68. "It should be a private deal, not a state or federal thing." Daryl Erickson, 50, isn't sure how he'll vote. "If the gal's raped, then (abortion) should be done," he says. "If not, no." Bill Ryken, 74, says the debate "gets to you after awhile."

National groups that support abortion rights have sent staffers to South Dakota. At the commons at the University of South Dakota in Vermillion, Kelsey Collier-Wise, 25, a law school student, was registering voters with help from Jessie Raeder of Los Angeles, who works for the Feminist Majority Foundation. Monday was the final day to register to vote in November's election. The table had stickers and flyers saying the ban "threatens women's lives." Collier-Wise says they have registered "hundreds of students" since August.

Sophomore Gina Cooper, 19, registered and left no doubt about her vote: "I believe firmly from past experiences with friends that abortion needs to be an option for women."

Ruth Herman is just as emphatic. She spends a couple hours every day helping at the headquarters of Vote Yes for Life in Sioux Falls. Herman, 56, who lives in Hartford, had an unplanned pregnancy 38 years ago and the baby was adopted. She's grateful abortion wasn't an option, because if she had one, "I would have regretted that the rest of my life. I see no reason for an abortion unless of course the mother's life is in danger, and this law will cover that."

Leslee Unruh, campaign manager of Vote Yes for Life, believes her side "has the momentum." Women who have had abortions and regret it are calling voters. Aqua-and-white yard signs reading "Vote Yes for Life" are ubiquitous even on country roads.

Most of the group's donations are from South Dakotans, she says, and she's not getting much help from national groups. Abortion opponents are "no longer looking at national leadership," she says. "They're thinking they can do it themselves in their own state."

Jan Nicolay, a former state legislator who runs South Dakotans for Healthy Families, says the group has sought donations from national abortion rights groups and their supporters. On Election Day, Planned Parenthood will test a text-messaging system that will send results to supporters across the nation.

Neither Nicolay nor Unruh will say how much they have raised or spent; campaign-finance reports are due next week. Nicolay expects a close vote. "We said from the beginning this would be challenging," she says. "It's very emotional, it's very personal."

Outside South Dakota's only abortion clinic, on the west side of Sioux Falls, protesters carry signs with photos of a dismembered fetus and take photos of everyone who enters the Planned Parenthood facility. The pictures will be posted later on a website.

Inside, about a dozen women sit in the waiting room. The clinic performs about 800 abortions a year, says Kate Looby, Planned Parenthood's state director. "While this election may have national implications," she says, "right now all that matters is that we maintain access to safe and legal abortion for the women of South Dakota."

Back in Irene, Kaufman knows the stakes are high: "I can see both sides. My decision could still go either way."

New Voting Systems Face Midterm Exam (WSJ)

By June Kronholz

The Wall Street Journal, October 26, 2006

November 7 may be the most problem-free Election Day ever -- or maybe not.

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Four years ago, still stinging from the "hanging chad" troubles of the 2000 presidential vote, Congress passed the Help America Vote Act. The new law gave the states $3.8 billion to replace punch-card and mechanical-lever voting machines, and to set up statewide voter lists to resolve election-day questions over who could vote and where.

States and counties bought a variety of new voting systems with the federal money, including optical scanners that read paper ballots and, in at least 34 states, touch-screen machines.

Two weeks before elections, voting-equipment makers and many election clerks say the new technology will eliminate lost or spoiled ballots and buoy voter confidence. "It gets better each time" voters use the new equipment, says Betty Ireland, West Virginia's secretary of state.

But groups that track voting laws and practices are warning of problems that could cost or lose votes. A Princeton University study has ignited additional worries that a hacker could alter results on the touch screens, although voting-machine makers -- led by Diebold Inc., the largest of a half-dozen manufacturers -- reject the possibility.

Here are some scenarios that could spell trouble on Election Day:

New equipment, elderly poll workers: Although Congress gave the states until next month to use the federal money, many either ordered or received equipment only this year. That means that 88 million potential voters will be casting ballots on unfamiliar machines, says R. Doug Lewis, director of the Election Center, an association of election officials.

That isn't likely to create problems for most voters. Touch screens lead voters through the ballot with a series of easy prompts. After Georgia installed Diebold touch screens in 2002, Diebold says the state's error rate -- the percentage of uncountable votes -- dropped to 0.4% from 3.5% in 2000.

In recent elections, though, the new equipment has sometimes baffled election workers, who are often retirees. In 2004, Carteret County, N.C., poll workers didn't notice the warning lights indicating a touch screen's memory was full, for example, and lost 4,438 votes.

Ohio, like many states, included a demand this year for paper ballots recording each vote cast on a touch screen. But in Cuyahoga County this spring, poll workers loaded the paper incorrectly, and -- because the paper ballot is the official tally in Ohio -- lost 10% of the votes.

Tarrant County, Texas, recorded 100,000 extra votes in 2004 because of software programming errors, says New York University's Brennan Center, which studies voting issues. In Florida's Palm Beach County in 2004, circuits became overloaded, backup batteries on the voting machines wore down and some votes were lost before anyone noticed, the Brennan Center says.

Larry Norden, a lawyer with the center, says the glitch that worries him most is the one "that goes undetected." In Mercer County, Ohio, this fall, votes cast for Democrats went instead to Libertarians because of a programming error. That was relatively easy to catch, he says, but a glitch that gave a few thousand Democratic votes to Republicans or vice versa might be harder to notice.

That is worrisome because many races are close, and control of Congress hinges on relatively few seats. Ohio State University's Moritz College of Law, which tracks election issues, says touch screens are being used in 22 of the 27 congressional races it estimates are the closest.

Voters who can't vote: In Montgomery County, Md., this fall, election officials neglected to equip polling stations with voter cards -- the electronic swipes that allow voters to access their ballots on a touch screen. Faced with long waits, some voters left in frustration.

Election groups warn that could happen elsewhere if equipment failures, poll-worker inexperience or new identification requirements create delays that discourage voters. The biggest bottleneck could be the statewide voter lists, which states are developing by compiling their county voter lists, matching them with Social Security and drivers-license databases, and purging the new list of voters who have moved or died.

But the job is complicated, and many state voter lists are being used for the first time. When New York tested a preliminary list in 2004, it found data-entry mistakes in 20% of the registrations, says Justin Levitt of the Brennan Center.

Most states plan to flag the name of a voter when databases don't agree -- when birth dates don't match, for example -- and let the voter correct the discrepancy at the polls or later, at the county elections office. But public-interest law groups say they will file lawsuits if lots of voters are kept from casting ballots by mistake.

New recount delays: Wary about losing votes on their new touch screens, 27 states recently passed laws requiring a "paper trail" as part of the technology. Diebold -- typical of other manufacturers -- equipped its voting machines with a roll of banking ATM paper. After a voter casts a touch-screen ballot, it's printed for the voter to see, then spooled into the machine.

But there's no technology to machine-read the paper ballots, which instead must be unspooled and read by election workers. In Ohio, recounting 300 of the thousands of primary-elections spools took two days. Nevada election workers said they needed four hours to recount one spool of 64 ballots.

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In a disputed election it could be days or weeks before a winner is declared. "That's not going to enhance voter confidence; it will diminish it," says Ohio State law professor Daniel Tokaji.

A hack attack: Bloggers have long warned that a hacker could infect touch screens with a virus that alters the vote totals. That scenario took on new seriousness last month when a Princeton University computer professor showed a congressional committee how he infected the memory on a Diebold touch screen -- causing votes to automatically switch from one candidate to another -- after opening the machine with a key he bought on the Internet.

Diebold has dismissed the Princeton demonstration, saying it was on an early model touch screen with old software and that it ignored "normal security procedures" like broken security tags that would alert election workers to a break-in. "These things are tested to the hilt" for security vulnerabilities, says Mark Radke, marketing director for Diebold's election-products unit.

But other computer scientists and security experts have criticized Diebold for denying them access to its software for testing and for dismissing the possibility of a "rogue" election worker tampering with a touch-screen's software. That warning was renewed this week when a former Maryland legislator received an anonymous package containing the reportedly stolen computer code that ran the state's 2004 poll.

Voting Machines Had Defective Part (WP)

By Cameron W. Barr

The Washington Post, October 26, 2006

The maker of Maryland's electronic voting system replaced a flawed electronic component in several thousand touch-screen voting machines in 2005, state election officials acknowledged this week.

To eliminate unpredictable "screen freezes" that have occurred since the machines were first used in Maryland in 2002, Diebold Election Systems installed new system boards in about 4,700 voting machines from four Maryland counties: Allegany, Dorchester, Montgomery and Prince George's.

The screen freezes do not cause votes to be lost, officials said, but they confuse voters and election judges who sometimes wonder whether votes cast on a frozen machine will be counted.

The acknowledgment of the repairs came in response to queries from The Washington Post and sheds further light on Maryland's troubled transition to electronic voting. Critics said it raises concerns about whether the state and company officials have kept the public adequately informed about problems with a system that cost taxpayers $106 million.

State officials said this week that they learned after the November 2004 election that a flawed system board was the source of the screen-freeze problem. But documents show that Diebold had diagnosed the problem early that year.

Ross Goldstein, deputy state elections administrator, defended Diebold's handling of the problem. "They have updated all the units, and the problem has been resolved," he said.

Mike Morrill, Diebold's Maryland spokesman, said the company had not completed its research into screen freezes until early 2005, when it agreed to replace all the system boards as the only way to guarantee that the problem would not recur.

He said the flawed system boards were confined to the four counties because other counties received machines with updated system boards. Montgomery experienced screen freezes more often than the others, Morrill said.

The screen freezes are unrelated to the problems experienced in September's primary, when Diebold's electronic voter-registration machines rebooted without warning in every Maryland precinct. The rebooting was caused by a software defect, which Diebold says has been corrected.

Even so, the two leading candidates for governor -- Gov. Robert L. Ehrlich Jr. (R) and Baltimore Mayor Martin O'Malley (D) -- have called on voters to use absentee ballots in the election, citing uncertainties about the reliability of Maryland's system.Disclosure Issues

State and Diebold officials have been discreet in discussing the replacement of the system boards -- the core electronic component of the voting machines -- to address the screen freezes.

Morrill, the Diebold spokesman, said the company had "publicly disclosed" information about the problem and its solution in communications with the State Board of Elections staff, including a six-page letter from an executive to state Administrator of Elections Linda H. Lamone written in reply to her questions about the system boards.

But the minutes of the July 12, 2005, meeting of the election board said only that a "technology refresh" would be conducted to bring voting units from the four counties "up to the same specifications as the equipment in the later phases of the implementation." The minutes did not mention the replacement of thousands of system boards.

Board Chairman Gilles W. Burger and members Joan Beck and A. Susan Widerman said they do not recall being told that system boards would be replaced as part of the technology refresh.

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Burger said Lamone should have brought the replacement of the system boards to the board's attention. "If she withheld this information from the body she reports to, I think she is not carrying out her duties as a public official," said Burger, who in 2004 sought with other Ehrlich appointees to oust Lamone, a move that was blocked in court.

Goldstein said board members could have learned the details of the technology refresh. "If they had asked, we would have told them," he said.

Within the company's Maryland offices, executives tried to keep confidential any discussion of the need to replace system boards, according to four former Diebold contractors interviewed in recent weeks.

On Dec. 6, 2004, Tom Feehan, Diebold's Maryland project manager, replied to a subordinate's e-mail that referred to Diebold engineers in Ohio replacing system boards in "failed units" from Montgomery. Feehan's three-sentence reply was sent to the subordinate and two other employees who had received the original message.

"All, Please delete all copies of this e-mail," said Feehan's message, a copy of which was obtained by The Post. "It should have been sent confidential. Call me for further specifics."

Morrill said Feehan was concerned that the original e-mail "portrayed a decision as if it had been a final decision when in fact it was not made yet." Morrill said that "there was no secrecy" attached to the review of the system board problem and that at the time of the e-mail, Feehan was discussing the problem with state board staff members.

Diebold's upper echelon also appeared reluctant to discuss problems, according to several Maryland legislators who met privately with company executives in February 2006.

The executives attended an off-the-record session with members of the election law subcommittee of the House of Delegates to discuss the feasibility of Maryland switching to a system that would provide a paper record of each vote in time for this year's elections.

Del. Jean B. Cryor (R-Montgomery) said she asked the Diebold executives several questions, including whether there had been hardware defects in Maryland voting machines. "They assured us that everything is fine," she said.

Del. LeRoy E. Myers Jr. (R-Washington) said that as at other sessions with executives of the company, "it was always 'no problem, no problem, no problem.' "

Morrill said Diebold executives have always made clear that "we've upgraded technology constantly on our machines, both in Maryland and in other states."A Record of Trouble

Under a 2001 contract with the state, Diebold sent nearly 4,700 electronic voting machines to the four counties in the first phase of Maryland's transition to a uniform electronic voting system.

In Sept. 10, 2002, primary elections, the machines had their first outing in Maryland. Montgomery's Board of Elections received 59 calls from precincts to report machines out of service. In the 2002 general election, the board received 53 such calls. Many of the machines were shut down after their screens froze, county officials said.

On February 1, 2004, Diebold's Maryland office issued a document, "Weekly Update of Montgomery County Root Cause Failure Analysis," that said the screen-freeze error "has been identified as a 'hardware' failure." The memo said no definitive single cause had been isolated but added that "replacement of the system board did resolve the problem."

The memo was obtained from the State Board of Elections through a lawsuit filed by Linda Schade, an activist with a group called TrueVoteMD. The group has tried to push Maryland to adopt a system that provides a verifiable paper trail of each vote cast.

A second Diebold memo provided by the board to Schade, dated March 28, 2004, blamed a "specific batch of RAM chips used in the manufacture of a quantity of system boards." It added that "batch-level tracking" was not used in the manufacturing process, so "it is impossible to identify or predict the occurrence of [system board] failures."

The second memo said 156 system boards had been replaced to address a variety of problems. Relative to the 16,000 Diebold voting machines in Maryland at the time, the memo said the 156 replacements represent a failure rate of 0.97 percent. "This is not a case of defective production units being released for shipment," the memo said. (A 2005 Diebold letter revised the number of system boards replaced to 129.)

Maintenance records obtained by The Post show that Diebold technicians in Ohio replaced an additional 133 system boards from June to November 2004, including those in machines that had experienced screen freezes.

By the 2004 general election, the screen-freeze problem had not been solved. Montgomery reported 106 screen freezes on Election Day, meaning that 4 percent of the 2,500 machines deployed in the county were affected.

The problems prompted another "root cause failure analysis" by Diebold. In February 2005, the screen-freeze problem was again identified as a "hardware issue," according to a memo. A March memo promised that the company would "implement permanent corrective or preventive action."

National Federation Of The Blind Files Target Lawsuit (USAT)

By Laura Parker
USA Today, October 26, 2006

Bruce Sexton is blind. He would like to shop on Target's website, but says he can't "read" it. He says the site lacks certain coding — found on many other websites — that would activate software to allow blind computer users to hear audio descriptions of what is on Internet pages.

Sexton, 24, who lives in Berkeley, Calif., and the National Federation of the Blind are suing Target on behalf of the 1.3 million blind people in the USA. The suit alleges that the giant retailer discriminates against the visually impaired by violating state and federal laws that protect the disabled.

The case draws national attention because it could have implications for virtually every retailer and business in the USA that operates a website. The case also fuels a wider debate starting to play out in courtrooms: whether anti-discrimination laws apply to the Internet.

It's a key question in lawsuits across the nation. Craigslist.org, a popular advertising and networking website, is being sued in federal court in Chicago over allegations it has allowed ads for apartments and other housing that discriminate on the basis of race, sex, class, religion or familial status.

In court papers, Craigslist argues it is protected by the federal law that protects website owners from liability for content posted by the sites' users. Craigslist CEO Jim Buckmaster has said it would be impossible for the site's staff to review the 2 million free housing ads posted to the site each month. A hearing in the case is scheduled for Nov. 13.

In the Target case, the retailer contends that the federal Americans with Disabilities Act and two California laws cited by Sexton apply only to its brick-and-mortar stores and do not extend to the Internet.

Last month, a federal judge disagreed with Target and rejected its bid to dismiss the suit. The case is proceeding toward trial, but no court date has been set.

The recent ruling was "very significant," says Brian Blair, an Orlando lawyer who specializes in defending companies accused of violating laws that protect people with disabilities.

"For any business that has a physical location and a website, (the ruling) says you need to take reasonable steps to permit accessibility for the disabled," says Blair, who is not involved in the dispute.

Blind or visually impaired people are able to use the Internet by installing "reader" software on their computers that searches for codes embedded on websites.

The codes enable text and graphics to be read or described audibly. The software also lets the blind navigate sites by using keystrokes instead of a mouse. Such functions have not been available to blind users of target.com, court papers say. Because Target's website has required the use of a mouse, blind customers have been unable to make purchases on the site.

Target.com has "thousands of access barriers that make it difficult, if not impossible, for blind customers" to use the site, the suit says.

The Americans with Disabilities Act requires stores, restaurants and other businesses to provide access to people with mental and physical disabilities. Since the Internet emerged, several lawsuits have focused on what site owners should be required to do to make their pages accessible to the disabled.

A lawsuit filed by the National Federation of the Blind against America Online in 1999 was dropped after AOL agreed to design new versions of its software to accommodate disabled users.

In 2002, Southwest Airlines fended off a similar challenge after a Miami judge found that federal disability law did not apply to the airline's website because a "virtual" ticket counter is not a physical place. Southwest's Brandy King says the airline opposed the lawsuit because it believed its website complied with federal disability law. Since then, she says, Southwest has added more coding to the site to help the blind.

Andrew Langer, manager of regulatory policy for the National Federation of Independent Business in Washington, said the cost of changing a website to accommodate disabled viewers often is not significant for large companies. He said companies often fight such lawsuits for philosophical reasons.

Businesses want to attract customers, he says, "but they want to do it on their own terms. You want to make decisions for your business without being coerced."

Langer says that as retailers get more savvy about the Internet, "more are going to be making sure their websites are readily accessible to the blind," he says.

Carolyn Brookter, a Target spokeswoman, declined to discuss the lawsuit. In an e-mailed statement, Brookter said the retailer is "making online enhancements that will benefit all our guests, including those with disabilities." She added that "one of the things the enhancements will do is further increase the usability of the website for guests with sight disabilities." She did not elaborate or say when the changes would be made.

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Sexton says he visited Target's site two weeks ago to see whether it had been improved. “They've made some minor changes,” he says. “But they haven't made it an easy or enjoyable experience for me.”

Inside The Beltway (WT)

By John Mccaslin

The Washington Times, October 26, 2006

Bury the hatchet

Inside the Beltway has learned that NAACP Chairman Julian Bond, who has repeatedly denounced the Republican Party and conservative black leaders alike, will come face-to-face this evening with U.S. Court of Appeals Judge Janice Rogers Brown. Judge Brown was nominated to her position by President Bush and is frequently mentioned as a possible Supreme Court nominee.

The two are among three prominent black leaders being saluted at a reception for the White House Fellowships program, hosted by conservative commentator Armstrong Williams in his Northeast Washington home.

Renowned neurosurgeon Dr. Benjamin Carson of Johns Hopkins Hospital fame is the third honoree.

Mr. Williams, who sits on the President's Commission on White House Fellowships, was unavailable for comment yesterday, however a spokesman in his office stressed that "there will be no gauntlet -- politics will be put to the side for this celebration of White House fellows."

To the best of his knowledge, the spokesman said this will be the first time Mr. Bond and Judge Brown have met.

Mullah rocks

That was syndicated columnist Mark Steyn -- "The man who likes to poke the world in the eye," blared one recent headline -- belting out a Rod Stewart classic while a guest on "Bill Bennett's Morning in America" radio show this week.

Discussing his gloomy new book, "America Alone: The End of the World as We Know It," Mr. Steyn was waxing on the hypocrisy of Islamism and recalled how U.S. military forces discovered vintage eight-track tapes of Mr. Stewart's music in Taliban leader Mullah Omar's compound after the liberation of Afghanistan in 2001.

Suddenly, Mr. Steyn broke into song, riffing on the Stewart hit, "Da Ya Think I'm Sexy."

Mr. Bennett's producer, Seth Leibsohn, told the Beltway: "It was a unique moment for a talk show, but not so unique for Bennett's show, where the former education secretary often breaks into song given his love of '50s rock and roll."

Audio of Mr. Steyn's spontaneous performance can be heard at bennettmornings.com.

Tacky reporting

Sheryl Stolberg, White House correspondent for the New York Times, learned the hard way this week to stick to reporting on President Bush and keep her interior-decorating critiques to herself.

"Your [reporting] pool is informed that some readers took offense to the previous pool report's description of the pool hold in Boca [Raton, Fla.], which shall not be repeated here. Upon reflection, it seems an apology is in order to those who open their homes so that we might do our jobs. Please excuse your pool's lack of graciousness. Good manners sometimes slip away after a tiring day."

What on earth did she file in her initial White House pool report about Mr. Bush's trip to Florida? Read for yourself:

"Fancy gated neighborhood called The Sanctuary, with big stucco houses. Jordan Zimmerman, founder and chairman of Zimmerman advertising, was the host. Your pool was holed up at the next door neighbor's house, where there was a verrrrrry expensive Bentley and a less expensive Mercedes in the garage. We were in the pool room. Very big, but tacky decor, in the humble view of your pool."

Place your bets

The 2008 presidential elections are still two years away, but as President Bush observed at his press conference yesterday, every possible major party candidate and then some are being weighed by all the pundits and their mothers.

Will Sen. Hillary Rodham Clinton, New York Democrat, run and become the first woman president? Or might Illinois Sen. Barack Obama win his party's nomination and become the nation's first black commander in chief?

Obviously, it's anybody's guess -- including who the ultimate Republican nominee will be. Still, it's always fun to ponder, as political analysts at Intertops.com do with their updated odds on who will become the next president:

ANTITRUST:

FCC Likely To Avoid 'net Neutrality' Debate In AT&T-BellSouth Merger Decision (SAEN)

By Sanford Nowlin, Express-News Business Writer

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San Antonio Express-News, October 26, 2006

As the Federal Communications Commission mulls conditions on AT&T Inc.'s $83 billion merger with BellSouth Corp., the commission faces pressure to turn the process into a fight over network neutrality, the concept that Internet service providers like AT&T should treat all traffic the same.

It's pressure, experts add, that the FCC is likely to resist.

Net neutrality proponents — consumer groups and Internet companies like Google, among them — worry San Antonio-based AT&T wants to create a two-tiered Internet where it picks which sites thrive and which flounder.

And some now view the debate over deal conditions as their golden opportunity to make AT&T sign off on net neutrality protections before it closes the largest telecom deal in history.

"(AT&T) wants this merger to happen before the end of the year," said Gigi Sohn, president of Public Knowledge, which filed comments Tuesday asking the FCC to make AT&T treat all Internet content equally. "I think that's the biggest card we hold."

The FCC originally was set to rule on the merger Oct. 12, but pushed back its vote to Nov. 3 after commissioners reached an impasse over what conditions, if any, to impose on the deal. Republican FCC Chairman Kevin Martin proposed approving the merger without conditions, but the two Democrats commissioners said they wanted to see consumer-friendly safeguards.

In response, AT&T offered a set of conditions to which it would agree, including making speedy Web access available for $10 a month if bundled with phone service and not increasing rates competitors pay to access its networks.

Competitors and consumer groups had until Tuesday to file remarks about the AT&T proposals.

Analysts said they would be surprised if the FCC deviates too far from the conditions AT&T has already offered up — especially into territory as controversial as net neutrality. So far, the Justice Department and 18 states have approved the transaction, making the FCC its last regulatory hurdle to clear.

"I think pretty much what AT&T proposed will be accepted," said Patrick Comack, telecom analyst for Zachary Investment Research in Miami. "The Democrats on the FCC want to show they won something for consumers, but they aren't going to end up pushing AT&T around too much, especially on net neutrality."

While the FCC faces pressure to do something about net neutrality, analysts say the AT&T-BellSouth merger is unlikely to be the forum where it chooses to do so. Congress debated net neutrality this year amid heavy lobbying from the telecom and tech industries but never brought legislation to a floor vote.

"The FCC is not going to set policy for a whole industry based on concessions on one merger," Frost Bank analyst Le Keough said.

AT&T blasted the net neutrality demands, saying that they "smack of public relations-driven opportunism as opposed to a thoughtful approach to policymaking." In its proposed conditions, AT&T said it would abide for 30 months by net neutrality rules the FCC adopted last year.

"The proper place to be debating the pros and cons of net neutrality is in the U.S. Congress or in an industry-wide proceeding at the FCC," said Jim Cicconi, AT&T senior executive vice president external affairs.

Even some merger critics said they're not holding out hope that the FCC will make the company sign off on stringent new net neutrality guarantees. More realistic to expect, they add, are conditions that would offer consumers low-cost broadband and protect rivals that sell to business customers inside the merged AT&T-BellSouth's territory.

"This particular FCC has basically done nothing to stop these mergers," said Bruce Kushnick of watchdog group TeleTruth. "They're not going to make any controversial requirements at this point, especially not on something like net neutrality."

The FCC is split 3-2 in favor of Republicans, but one Republican commissioner, Robert McDowell, will abstain from the vote since he previously worked for a group that represented AT&T and BellSouth competitors. That gives the panel an even partisan split.

FPL Group, Constellation Energy Call Off Their $12.5 Billion Deal (WSJ)

By Andrew Dowell And Christine Buurma

The Wall Street Journal, October 26, 2006

FPL Group and Constellation Energy Group called off their $12.5 billion merger, as state regulators' concerns about rising power prices scuttled another major utility deal.

The decision follows Exelon Corp.'s move Sept. 14 to scrap its $17 billion acquisition of Public Service Enterprise Group for similar reasons and makes clear that any deal making in the sector faces a high hurdle.

FPL said it will focus on organic growth rather than mergers in the wake of the failed deal. FPL spokeswoman Mary Lou Kromer said the company will consider acquiring nuclear-power plants and wind farms to build out its wholesale power-generation business.

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Shares of Baltimore-based Constellation were down 19 cents, or 0.3%, to $62.37, while shares of Juno Beach, Fla.-based FPL were up $1.60, or 3.3%, to $49.77 in 4 p.m. composite trading on the New York Stock Exchange.

Constellation, the company being acquired in the transaction, asked to call it off because of uncertainty over whether the deal could win regulatory approval in Maryland, the companies said.

The companies both said they have strong prospects as separate operations.

The merger, announced in December, faltered after being caught up in partisan battles between Maryland Gov. Robert Ehrlich and the Democrat-controlled state Legislature. In June, state lawmakers passed a law that disbanded the Ehrlich-appointed Maryland Public Service Commission after the commission approved a 72% rate rise for Constellation's utility subsidiary, Baltimore Gas & Electric.

In September, the Maryland Court of Appeals ruled that the Legislature couldn't fire the commissioners. But the court left intact a provision of the law that prevents the commission from ruling on the FPL-Constellation deal until its members are replaced, leaving regulatory review of the merger uncertain.

Investment bankers and utilities expected a series of mergers in the fragmented industry, after a Depression-era law limiting utility mergers was repealed last year. The biggest obstacle to deals getting done has proved to be state officials seeking large concessions from utilities over concerns about record electricity rates.

Plug Pulled On Md. Utility Deal (WP)

By Steven Mufson

The Washington Post, October 26, 2006

Political uproar in Maryland over rising electric utility rates has derailed plans for the $12.4 billion takeover of Constellation Energy Group Inc., owner of the state's largest utility, by a Florida company.

FPL Group Inc., owner of Florida's biggest utility, yesterday abandoned its proposed acquisition after Constellation of Baltimore suggested that the two companies drop the merger because of "continued uncertainty over regulatory and judicial matters in Maryland and the potential for a protracted and open-ended merger review process."

The proposed takeover, unveiled in December, has been at the center of a political brawl in Maryland, made more intense by a request this year by Constellation's Baltimore Gas and Electric Co. unit for a 72 percent increase in electric rates. Litigation was continuing, and Maryland's Public Service Commission still needed to approve the FPL merger.

"It's been a long time in coming, and I'm not surprised," Maryland Gov. Robert L. Ehrlich Jr. (R) said yesterday. He blamed Democratic legislative leaders for creating uncertainty with a law that temporarily lowered rates and dismissed the state's utility regulators. Maryland's highest court later reinstated the PSC members but let stand a provision of the legislation that prevented those members from ruling on the merger.

The coming elections were unlikely to alter the outlook. Democrats are expected to retain control of the state legislature. And Baltimore Mayor Martin O'Malley, Ehrlich's Democratic challenger, has vowed to fire the PSC members, who he said yesterday had showed an "utter lack of leadership and professionalism."

The end of the merger does not mean any relief for Maryland ratepayers, who still face sharply higher energy costs in a deregulated electricity market. Though rate increases were limited by the legislature this year, the full amount of higher costs will take effect Jan. 1, 2008. Moreover, ratepayers will not receive $21.4 million a year in cost savings from the merger that Constellation had promised to pass on during the next decade. Those savings were supposed to show up starting in January. Cancellation of the merger also makes it more likely that Constellation will reopen negotiations with the legislature on another $386 million in dispute.

But consumer groups critical of Constellation said that the sum would deflect only a small portion of the full rate increases that will be phased in over the next 14 months and that BGE customers were better off without the merger.

Johanna Neumann, a policy advocate at Maryland Public Interest Research Group, said "the blocked merger is a victory for BGE ratepayers." She said the merger "would have created an energy giant large and powerful enough to dictate electric rates" and that "the risk of skyrocketing electric bills far exceeded Constellation's paltry pass-on of savings."

The collapse of the FPL-Constellation deal highlights the difficulty of merging two utilities, despite the 2005 repeal of the Depression-era Public Utilities Holding Company Act (PUHCA) that many experts had predicted would lead to a major consolidation of the industry. Last month, Exelon Corp. dropped its $17.8 billion bid for Public Service Enterprise Group Inc. after failing to come to an accord with New Jersey regulators.

"There was a lot of enthusiasm after the repeal of PUHCA that all the barriers [to mergers] were gone," said Robert Burns, senior researcher at the National Regulatory Research Institute at Ohio State University. "That is simply not the case. There are still regulatory hurdles to go over and a lot of those hurdles are appropriate. State commissions want to make sure their ratepayers are protected."

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Though many analysts had anticipated the merger's cancellation, it was not clear why it occurred now. "There was no particular tipping point or precipitating event," said Paul Allen, senior vice president of corporate affairs at Constellation. "There was no clearly identifiable path forward for obtaining approval. We needed to get on with running our business."

Some sources close to the companies said the collapse of the merger took place during a culture clash between the button-down Constellation and the more freewheeling FPL, especially in dealing with Maryland legislators. FPL chief executive Lewis Hay III said at a conference last month in New York that FPL had "limited patience" left with the Maryland legislature, and on Oct. 4 FPL filed suit against the state and the PSC to force a timely review of the merger.

Hay and Constellation chief executive Mayo A. Shattuck III were "like Felix and Oscar," said one person familiar with the companies who spoke on condition of anonymity to protect his business relationship with them.

But the two chief executives praised each other yesterday in a joint statement, and a Constellation executive said style or corporate culture had nothing to do with the merger's cancellation. "With any two companies, you are going to be able to find differences of style and approach," Constellation's Allen said. "But the deal was a good idea. The transaction made sense. We just couldn't see a path to getting it done."

Constellation and FPL have reorganized over the past few years to take advantage of the partial deregulation of electric utilities. While local utilities used to own their power-generating plants, those plants have now been spun off into companies or, in the case of Constellation and FPL, subsidiaries. With high energy costs, those power generators have been demanding higher prices from utilities, which must then pass them on to customers long used to stable rates. The result has been big profits for power generators and wholesalers, and rate shock for consumers.

By taking over Constellation, FPL would have greatly expanded its reach, and Constellation would have gained financial muscle.

"FPL and Constellation didn't make any bones about it. FPL wasn't interested in the local [Baltimore] utility," said Theresa Czarski, the deputy at the Office of the People's Counsel. "It was interested in Constellation's generating assets."

After spending tens of millions of dollars on lawyers and investment bankers, the two firms are going separate ways.

Analysts say that Constellation remains an attractive business on its own. It has a fleet of relatively low-cost power generation plants, including nuclear, and its energy wholesale business markets electricity across the country to industrial and big commercial customers.

"On a stand-alone basis, we believe the stock is undervalued," Citigroup Inc. analyst Greg Gordon said in a report issued yesterday. He said the main risks to the company were the volatility of energy prices and further legislation limiting rate increases in Maryland.

FPL also asserted that it would grow on its own. Like Constellation, it has a large and profitable energy wholesaling business and its Florida Power and Light utility has been adding about 100,000 customers a year; it now has 4.4 million customers. FPL also has a unit in the wind-farm business.

"We are very much focused on continuing to grow those businesses and will be able to continue to provide shareholder value for some time," said Mary Lou Kromer, FPL's vice president for marketing and communications.

Constellation shares closed yesterday at $62.37, down 19 cents a share. FPL shares closed at $49.77, up $1.60 a share.

Yankee Candle Agrees To $1.4 Billion Buyout (WSJ)

By James Covert

The Wall Street Journal, October 26, 2006

Yankee Candle Co. agreed to be acquired by a private-equity firm for $1.4 billion, plus the assumption of $300 million of debt.

The South Deerfield, Mass., maker of scented candles and home fragrances said Madison Dearborn Partners LLC will buy it for $34.75 a share, in a deal expected to close in the first quarter. Yankee Candle shares soared $5.01, or 17%, to $33.73 apiece in 4 p.m. New York Stock Exchange composite trading.

The company in July said it had hired Lehman Brothers to help it explore alternatives, including a possible sale. Yesterday, Yankee Candle's chief financial officer, Bruce Besanko, said the auction attracted "multiple interested parties," but he declined to be more specific.

Credit Suisse analyst Paul Lejuez said the deal came sooner than expected and the price was surprisingly high, possibly "an indication that private equity is willing to accept a lower rate of return than one would typically assume."

Madison Dearborn managing director Rob Selati said the Chicago private-equity firm will work with the company's current management to "build on Yankee's brand strength and to capitalize on the significant growth opportunities ahead."

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Yankee Candle also said third-quarter net income fell 3.2% to $14.9 million, from $15.4 million a year earlier. With fewer shares outstanding in the latest period, per-share earnings improved to 37 cents from 35 cents. Sales rose 17% to $159.6 million, with same-store sales, or sales at stores open at least a year, up 8%.

Milberg, Weiss & Bush (WSJ)

The Wall Street Journal, October 26, 2006

Milberg Weiss is under federal indictment, but that doesn't mean the class-action specialist isn't still making legal mischief. A case in point is Billing v. Credit Suisse First Boston, in which Milberg has even managed to get part of the Bush Administration on its side. Someone in the White House should be embarrassed about this one.

In Billing, Milberg is suing investment banks on behalf of investors who participated in dot-com era IPOs that later went south. The case has been dismissed once, only to be reinstated by the Second Circuit Court of Appeals and is now headed for the Supreme Court. But the Justice Department's Antitrust Division has sided with Milberg, even as the SEC has submitted briefs in defense of the banks.

The Supreme Court has asked the Solicitor General to provide the government's view of the case -- but the question is, which arm of the government? Our sources say that, sometime in the next few days, the SG's office will file a brief recommending that the Supremes overturn the appeals court -- meaning, in short, that the SEC will have won the turf war. But the brief is being circulated within the Administration, so things could still change.

To understand how the SEC and Justice ended up on different sides, some background is in order. The plaintiffs allege that investment banks during the dot-com era engaged in anticompetitive practices violating the Sherman Antitrust Act. Some of the alleged collusion sounds like standard IPO underwriting -- creating a syndicate, building a pre-IPO order book, et cetera.

Some of it, if true, probably crosses the line. In this second category are activities such as requiring IPO investors to buy additional shares after the stock starts trading, punishing those who sell quickly by denying them access to future IPOs. But here's the rub: Such behavior is already barred by securities regulations handed down by the SEC. Milberg Weiss's innovation was to sue on behalf of investors in an antitrust class-action, rather than under securities laws. This creates the nifty potential of a treble-damage award for the plaintiffs (and their lawyers, natch).

The trial judge threw the case out on grounds that this was a securities-law problem, not an antitrust action. When Milberg Weiss appealed, the Second Circuit -- which is vying with the Ninth Circuit in creative law-making -- asked Justice and the SEC for their views. They took different sides, and the Second Circuit ruled for Milberg and the Antitrust Division.

Beltway turf battles are nothing new, but grown-ups in the executive branch are supposed to settle them. For a Bush Administration that has long called for reining in the trial lawyers, allowing its own Antitrust Division to aid Milberg in another abuse of the tort system is an amazing legal and political abdication. We hope somebody at Justice is making sure that the Solicitor General's brief in Billing argues against giving the trial bar an expansion into the antitrust field.

Radio Chain Said To Weigh Selling Itself (NYT)

By Ken Belson And Andrew Ross Sorkin

The New York Times, October 26, 2006

The Mays Family, which built Clear Channel Communications into the country's largest network of radio stations through decades of acquisitions, is in negotiations to be taken private by a consortium of investors for more than $18.5 billion, people involved in the talks said yesterday.

The investors, who have been in discussions with Clear Channel for months, include Providence Equity Partners, the Blackstone Group and Kohlberg Kravis Roberts & Company, these people said.

The negotiations come as family- controlled media companies across the nation explore the possibility of selling their companies or taking them private. Cox Communications, the cable company based in Atlanta, went private in 2004. Cablevision, which is controlled by the Dolan family, is in the middle of negotiations to become private.

Clear Channel said yesterday in a statement that it was "evaluating various strategic alternatives to enhance shareholder value." The company has hired Goldman, Sachs & Company as its financial adviser.

Other potential suitors have emerged in recent days. They include Cerberus Capital Management, Oak Hill Capital Partners and Thomas H. Lee Partners, people briefed on the negotiations said. Now that the company is seeking alternatives, other suitors, including big media companies, could surface.

As of yesterday, Clear Channel had a market capitalization of $16.1 billion, thanks partly to an 18 percent surge in the company's stock since Aug. 9 amid speculation about a sale. Yesterday, shares of Clear Channel rose 15 cents, to $32.35.

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Even with the rise in the company's shares, the company could still receive a 15 percent premium through a sale, according to Eileen Furukawa, who covers the company for Citigroup Global Markets. That would represent an offer of about $37.30 per share.

Clear Channel's shares, however, have declined during the last half-decade, reflecting the steady defection of radio listeners who are spending more time listening to iPods and visiting Web sites and writing e-mail messages. Radio stations are also under threat from subscriber-based networks like XM Radio and Sirius Satellite Radio.

More than 9 out of 10 Americans still listen to traditional radio stations, but the amount of time people tune in has slid 14 percent over the last decade, according to Arbitron ratings.

The steady dilution of radio listeners is a far cry from 1972, when Lowry Mays, the company's chairman, founded Clear Channel. A former investment banker, he bought several channels in San Antonio, where the company still has its headquarters. In 1984, the company went public and earned a reputation for turning around depressed stations.

The Federal Communications Commission in 1992 loosened rules on owning radio stations, paving the way for Clear Channel to sweep up more stations. The company now has more than 1,200 stations, and owns a substantial number of billboards and other outdoor advertising.

The company generated $6.6 billion in sales in 2005. Its stations include Z100 in New York and KISS-FM in Los Angeles.

As Clear Channel has grown, it has come under attack for homogenizing radio entertainment by standardizing playlists, playing too many commercials and not running enough local news. This in part spurred the growth of satellite-based subscription services like XM Radio.

In 2004, L. Lowry Mays stepped down as chief executive and one of his sons, Mark, took over. Another son, Randall is the company's chief financial officer. Before joining Clear Channel, he worked in the mergers and acquisitions department at Goldman Sachs.

Last year, Clear Channel sold 10 percent of Clear Channel Outdoor Holdings, its advertising unit, in an initial public offering. The company also spun off Clear Channel Entertainment, an events producer, to shareholders.

Big Law Firms From 2 Coasts Move Closer To A Merger (NYT)

By Michael J. De La Merced

The New York Times, October 26, 2006

Two major law firms — Dewey Ballantine and Orrick, Herrington & Sutcliffe — came closer to walking down the aisle yesterday.

Top committees of the two firms recommended a deal, the two said yesterday. The combined firm would be called Dewey Orrick, with 1,500 lawyers and offices around the world. Together, they would form the seventh-largest law office in New York, and have revenue around $1 billion, the firms said in a joint statement.

The merger would be the latest in a wave of consolidation among law firms.

A merger "gives us a stronger geographical reach, complementary practice areas and gives us financial strength to continue to build practice areas," the chairman of the management and executive committees, Morton A. Pierce, said.

Orrick's chairman, Ralph H. Baxter Jr., said: "This will create a new and highly unusual, if not unique, value proposition for our clients. Few firms will match the depth we'll have."

Some terms of the deal are not yet final, and it is subject to approval by each firm's partners. Mr. Pierce said the firms hoped to obtain approval by mid-December, paving the way for Dewey Orrick by Jan. 1. The Wall Street Journal reported the move by the firms' top committees yesterday.

Based on details released yesterday, while Dewey's name will have first billing, the new partnership will retain Orrick's signature green "O" logo. Mr. Morton and Mr. Baxter will serve as co-chairmen, with Mr. Baxter taking the additional title of presiding partner.

At a glance, Dewey and Orrick seem like opposite-coast reflections of each other. Both have long histories: Dewey's name is that of the former New York governor and presidential candidate Thomas E. Dewey, while Orrick is one of San Francisco's oldest law firms, founded in 1863.

Dewey Ballantine, a 550-lawyer firm with 11 offices, earned $392 million in revenue and $1.24 in profit per equity partner last year, according to the May issue of The American Lawyer. Orrick, with 950 lawyers in 18 offices, reported $554 million in revenue and $1.24 million in profit per equity partner in the same period.

Both have prominent corporate deal making and litigation practices. Dewey is considered a specialist in mergers and acquisitions; it advised the hospital operator HCA in its $33 billion leveraged buyout, and the Walt Disney Company in its $7.4 billion purchase of Pixar Animation.

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A main Orrick niche is in advising companies on debt financing, leading The American Lawyer's list for advising municipal bond underwriting deals. Its clients on several capital market transactions and restructurings last year included Bear Stearns, Banc of America Securities and J. P. Morgan Chase.

Growing Funds Fuel Buyout Boom (WSJ)

By Jason Singer And Henny Sender

The Wall Street Journal, October 26, 2006

Already Biggest, Blackstone Pool Will Raise Additional $4.4 Billion As Firms Seek Larger Targets

Accelerating the buyout boom and putting some of the world's biggest public companies in reach, Blackstone Group has decided to increase the size of the world's largest private-equity fund to $20 billion.

The move by Blackstone, which already had raised a record $15.6 billion for the fund from investors, secures bragging rights for now in an industry that has several other giants looking to create funds of $15 billion or more.

But there is much more than pride at stake: Private-equity firms have been on a tear lately, buying up publicly traded businesses with the intention of making them more profitable -- frequently by aggressively cutting costs -- and then selling them for big gains, either to other companies or to public shareholders via new stock listings. Fifteen out of the top 20 buyouts on record have been announced in the past 18 months, and private-equity firms this year have accounted for 17% of all major mergers and acquisitions.

Now, all but the largest public companies are potential acquisition targets, especially given the growing trend of "club deals" involving multiple private-equity firms. Their increased financial firepower -- aided by heavy borrowing at low rates by companies they own -- has giant buyout firms already eyeing takeover targets with stock-market values of $50 billion or more, say people familiar with the matter.

Investment strategists who compile lists of potential targets in recent weeks have pointed to hardware giant Home Depot Inc., computer maker Dell Inc., and semiconductor maker Texas Instruments Inc. In Europe, investment bankers point to other big names, including Vivendi SA of France, BT Group PLC, the British telecommunications company, or even food giant Unilever, which is based in the U.K. and the Netherlands.

The largest-ever private-equity purchase remains the iconic $25.1 billion acquisition in 1988 of RJR Nabisco by Kohlberg Kravis Roberts & Co. Close behind: this year's agreement by KKR, Bain Capital LLC and Merrill Lynch & Co.'s private-equity arm to purchase U.S.-based hospital chain HCA Inc. for $21.3 billion.

Just a year ago, the biggest private-equity funds had little more than $5 billion. Blackstone's previous fund, one of the world's largest at the time, was $6.45 billion, raised in 2002. Blackstone declined comment.

Private-equity firms raise money from deep-pocketed investors, including pension funds, university endowments and wealthy families. The firm's managers make money through fees imposed on their clients -- usually about 1.5% of how much they invested -- and on their companies, along with dividends they have those companies pay. Then they get a big cut of the profits when they sell companies, frequently via lucrative new initial public offerings of stock.

The firms used to raise new funds every five years or so, but now that pace has quickened to as often as every two years, keeping a constant flow of new money pouring in as old investments are cashed out. "We are seeing a significant privatization of corporate America," said James Westra, a lawyer with the Boston office of Weil, Gotshal & Manges LLP, who works closely with private-equity firms.

So far this year, about $159 billion has been secured for new buyout funds world-wide, according to Thomson Financial. The firms have spent $421 billion on buying companies this year, up from $253 billion in all of 2005.

Over the past decade, private-equity funds have average investment returns of 17% a year, Thomson Financial data show, though the biggest funds generally do much better.

Blackstone's move likely will ramp up the race for bigger funds. Carlyle Group of Washington, D.C., is targeting a single fund of $15 billion, but may now opt for a larger size. KKR of New York has several initiatives going which will raise a total of as much as $25 billion, though not in a single fund. Texas Pacific Group has a new $15.2 billion fund. Spokesmen for Carlyle, KKR and TPG all declined to comment.

Martin Halusa, chief executive of private-equity firm Apax Partners Worldwide LLP of London, has said that a $100 billion fund is foreseeable.

Founded in 1985, Blackstone now employs 750 people world-wide. In addition to running private-equity funds, it offers investors slices of hedge funds, and operates a group that helps revamp troubled companies.

It decided to reopen its new $15.6 billion fund to investors because it was approaching a limit on how much it can spend each year. The firm promises its clients that it won't invest more than 40% of its money a year to avoid betting too much at once.

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Among institutions that have invested in the new fund: Government of Singapore Investment Corp.; CALSTRS, or the California State Teachers' Retirement System; Calpers, or California Public Employees Retirement System; and the Canada Pension Plan.

The new megafunds likely are to intensify criticisms among some investors, especially about the fees that private-equity firms charge. Several investors in Blackstone's previous funds say they are opting out of this one, citing those fees.

Some investors say the fees allow private-equity firms to prosper even if their deals tank, separating investors' interests from the firms'.

"A lot of models are set up just to generate fees," said Joe Landy, co-head of New York private-equity firm Warburg Pincus LLC, at a recent conference. Warburg doesn't charge the companies it controls such fees.

These firms are subject to increasing public scrutiny. Several firms have received preliminary inquiries from the U.S. Department of Justice regarding possible collusion on deals involving multiple funds teaming up. Blackstone hasn't received an inquiry, a person familiar with the matter says.

Private-equity firms used to be disadvantaged in bidding wars for companies, because buyers in the target's industry could wring greater cost efficiencies out of their purchases, so they could afford to bid more. That is what happened last year when private-equity firm Ripplewood Holdings LLC bid for Maytag but was beat out by Whirlpool Corp.

That balance recently has swung in favor of private-equity firms, which in turn will fuel their ability to buy ever-bigger companies. The reason: The debt markets are extending financing to the private-equity firms at a cheaper rate and on more flexible terms, allowing the private-equity firms to offer more. Private-equity firms recently have paid as much as 20% over their acquisition's current share price.

Many in the industry say things will only slow down when lenders raise rates or stiffen terms.

"What drives private equity today is how much leverage you can put on your companies," says Robert Kindler, head of mergers and acquisitions for Morgan Stanley. "At some point the merry-go-round has to stop."

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NYSE To Buy Rest Of Amex Tech Stake (WSJ)

By Aaron Lucchetti

The Wall Street Journal, October 26, 2006

NYSE Group Inc. plans to buy the one third of its technology unit that it doesn't own for about $40 million from the American Stock Exchange, according to people familiar with the matter.

NYSE, which operates the New York Stock Exchange, will become full owner of Securities Industry Automation Corp., or SIAC, with the transaction. Amex and NYSE have been negotiating for months to complete a deal.

Both markets see the move as necessary as electronic trading and technology become crucial to gaining business for exchanges now structured as for-profit companies. In that environment, the sharing of technology between two exchange rivals became unpalatable.

NYSE wanted full control of the subsidiary, which handles the exchanges' communications networks and computer systems among other things. Amex gets cash to build its own technology, which it is hoping to roll out later this year after getting regulatory approval.

The deal will make it easier for NYSE to integrate its communications and market-data operations with those of Archipelago Holdings Inc., the electronic-exchange operator that the Big Board merged with in March. Analysts say cost cutting and layoffs are possible at the unit as NYSE tries to expand profit. A deal could close as soon as next month.

NYSE is also hoping to merge with pan-European exchange operator Euronext NV, and a good chunk of the more than $250 million in cost savings anticipated from that deal will come from reducing the number of technology platforms.

SIAC may be further restructured if NYSE finishes its deal with Euronext, which depends on a shareholder vote and is facing some political opposition in Europe.

Write to Aaron Lucchetti at aaron.lucchetti@wsj.com1

German Regulators Say No To Coherent Buy (AP-YBIZ)

AP, October 26, 2006

German Regulators Say No to Coherent's Proposed $376M Acquisition of Excel

NEW YORK (AP) -- Coherent Inc., a Santa Clara, Calif.-based maker of lasers for commercial and scientific uses, said Wednesday German regulators are prohibiting its $376 million acquisition of Excel Technology Inc.

Although the acquisition had passed U.S. antitrust authorities, the German Federal Cartel Office issued a prohibition order on the deal.

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"While we are clearly very disappointed and disagree with the FCO's decision, we remain committed to accomplishing acquisitions that meet all our criteria for growth, diversification and financial performance," said John Ambroseo, Coherent's president and chief executive, in a statement.

The deal, announced in February, valued Excel, a maker of electro-optical and laser systems used for scientific, industrial and medical purposes, at $30 per share.

The acquisition was expected to close in the June quarter.

Shares of Coherent were trading at $35.60 in the after-hours session, down 9 cents from Wednesday's closing price of $35.69 on the Nasdaq. Excel shares finished the Nasdaq session unchanged at $29.

German Regulator OKs Metro-Wal-Mart Deal (AP)

AP, October 26, 2006

FRANKFURT, Germany --Metro AG's deal to buy Wal-Mart Stores Inc.'s German operations received approval Wednesday from Germany's antitrust regulator, clearing the way for an acquisition that will expand Metro's presence in its home market.

The Federal Cartel Office approved the deal after deciding the addition of the 85 Wal-Mart stores would not give Metro a dominant position in the market.

The deal calls for Duesseldorf-based Metro to take over 19 pieces of Wal-Mart real estate and lease the remaining locations. Neither company has disclosed the deal's value.

Metro will fold the stores, which had sales of nearly euro2 billion in 2005, into its Real hypermarket brand. The first conversions are set to be finished before Christmas, and the rest should be integrated by mid-2007.

The addition of Wal-Mart's warehouses and logistics systems is expected to strengthen the position of Metro's existing 550 Real stores in the German market.

Metro operates more than 2,100 stores in 30 countries worldwide.

The deal, announced in July, marked Wal-Mart's second withdrawal from a major foreign market.

In May, it pulled out of the highly competitive South Korean market. The Bentonville, Arkansas-based retailer is concentrating on expanding in China and Central America.

Wal-Mart entered the German market in 1997 with the acquisition of the Wertkauf and Interspar hypermarket chains. But the German stores, which employ 11,000 people, struggled to break into the local market.

Shares of Metro were down less than half a percent to euro45.64 (US$57.24) in Frankfurt trading.

ENVIRONMENT/INDIAN AFFAIRS:

Military Tells Panel Stryker Unit Is Vital (HSB)

By Gregg K. Kakesako

Honolulu Star-Bulletin, October 26, 2006

An environmental group and Hawaiian activists want a halt to all related activities

Government lawyers say that halting Schofield Barracks' $1.5 billion Stryker unit would do "irreparable harm" to the Army, soldiers of the 2nd Brigade and the nation's security.

They oppose a motion by island environmentalists and Hawaiian activists who want the 9th U.S. Circuit Court of Appeals to approve a temporary order halting all work on Stryker-related activities in Hawaii.

U.S. Justice Department attorneys Andrew Mergen and Michael Gray on Monday said "national security concerns" are more compelling today than they were on Nov. 5, 2004, when a federal court judge rejected environmentalists' first petition for a preliminary injunction.

The Army argued that the 2nd Brigade is scheduled to become a "fully manned, trained and equipped Stryker Brigade Combat Team, ready for deployment by November 2007."

Lt. Gen. John Brown, who heads Army troops in the Pacific, wrote in a letter published Monday in the Honolulu Star-Bulletin that the combat deployment will be to Iraq. This will be the second time the 25th Infantry Division's 2nd Brigade will pull combat duty there.

David Henkin, attorney with Earthjustice, said he expects the 9th Circuit in San Francisco will rule on its request for a temporary injunction by Tuesday.

Henkin said Earthjustice wants to temporarily stop the project so the environmental group and the Army can discuss what activities can proceed.

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On Oct. 5 by a 2-1 vote, a three-judge federal appeals panel ruled that the Army's environmental impact statement was inadequate because it didn't consider other training sites where the 328, 19-ton, eight-wheeled combat vehicles could be located.

Henkin said Earthjustice wants a permanent injunction preventing the Army from proceeding with 28 Stryker-related construction projects, totaling $693 million.

Henkin said Earthjustice wants the federal court to rule by Tuesday because the Army wants to start construction on a Schofield Barracks Battle Area Complex training area on the next day.

ZapataEngineering was awarded a nearly $5 million contract two years ago to clear 941 acres for gunnery training and weapons qualifications.

In its response, Army lawyers rejected Earthjustice's arguments that the 2nd Brigade could finish its training in Alaska or Washington because the Stryker units assigned to those Army posts would be back from Iraq.

"Training at another location would also requiring transporting ... personnel, equipment and vehicles to that installation that require 80 percent of the Air Force's transport capacity and would consume 40 out of 270 available training days," the Army lawyers wrote.

Government lawyers also said moving the 2nd Brigade out of Hawaii to complete its training would "reduce the Army's posture to deter conflict and meet treaty obligations in the Pacific region including the Republic of Korea."

Shell Could Face Criminal Charges In Russia (NYT)

By Andrew E. Kramer

The New York Times, October 26, 2006

MOSCOW, Oct. 25 — A Russian official threatened criminal prosecutions against employees of Royal Dutch Shell, ratcheting up pressure on the company's $22 billion oil and gas project on Sakhalin Island on Wednesday.

The remarks suggested a further unraveling of the relationship between Western energy companies and the Russian government, which is intent on gaining control of the energy sector.

Shell and two Japanese partners were accused of violating Russian environmental law at their Sakhalin 2 project. The project consists of two offshore platforms, a pipeline, the world's largest liquefied natural gas plant and an oil terminal. A Russian state company, Gazprom, wants a 25 percent share. Mitsui and Mitsubishi, of Japan, are minority owners.

"The breaches at Sakhalin 2 fall under five articles of the criminal code," Yuri Trutnev, the minister of natural resources, said after touring a pipeline Wednesday, in remarks shown on Russian television news. "This falls under criminal law and we think it's necessary to apply it. All the relevant documents should be sent to the prosecutor general within two weeks."

Lower-ranked Russian officials had threatened criminal charges earlier this month. The statement by Mr. Trutnev, however, carried more force and suggested an escalation because he is a member of the cabinet.

Mr. Trutnev said the ministry would calculate the cost of environmental damage from Sakhalin 2 within four months. He also said work on some pipeline sections should halt immediately and that he was preparing to cancel a water use permit, needed by the company.

President Vladimir V. Putin denied during a question-and-answer session on Russian television Wednesday that environmental laws were being selectively enforced against foreign energy companies.

Mr. Trutnev, whose ministry inspected Sakhalin 2 in August and again in September, had said the second inspection provided enough grounds to revoke a major environmental permit. He had said the permit would very likely be canceled this week. He delayed a decision on that permit, however, by one month for further study.

On Wednesday, Shell provided the ministry with its response to the August inspection; the company said 98 percent of the infractions cited had been rectified.

"I am pleased that Minister Trutnev has taken the time to visit Sakhalin to see firsthand the work in progress," Ian Craig, chief executive of Sakhalin Energy, the operating company, said in a statement Wednesday. "There is no question of our commitment to correct any errors that we or our contractors may have made," he said.

A company spokesman, Ivan O. Chernyakhovsky, said he could not respond to the threats of criminal prosecution made by Mr. Trutnev. "A lot was said today; we aren't ready to comment on it all in detail," he said. "We think we have complied with Russian legislation."

Weakening The Fight For Mine Safety (NYT)

The New York Times, October 26, 2006

Despite being twice rebuffed by the Senate, President Bush has named Richard Stickler, a stolid mining industry careerist, to run the mine safety agency whose serial ineptitude has been laid bare this year by the deaths of 42 mineworkers. Waiting until

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the Senate left town for the elections, Mr. Bush resorted to a recess appointment to place Mr. Stickler at the heart of enforcing new safety reforms that, in earlier hearings, the appointee himself had claimed were not at all that necessary.

To the contrary, these reforms became a crying need brought home to the nation from the depths of the Sago mine disaster in West Virginia, where 12 workers died in January. Sago presented a clinic in failed government oversight. The new law would double a miner's emergency oxygen to two hours; mandate electronic devices to track trapped miners; and repair the damage originally done by the administration in cutting more than 200 mine safety inspectors in the name of budget economy.

Mr. Stickler points to his six years as Pennsylvania mine safety chief to rebut criticism that he is the latest example in the administration's dangerous history of packing safety agencies with pro- industry regulators. But the bulk of his career was in corporate management of mines. Miners and lawmakers have cited the federal agency's own data in warning that injury rates at his mines were higher than the national average. The administration's pro-industry tack is a running scandal exemplified by Steven Griles, a mining lobbyist who was appointed deputy secretary of the interior. Mr. Griles devoted four years to rolling back mine regulations and then returned to lobbying for an industry long known for its patronage clout with politicians.

Senate opposition to Mr. Stickler reached the point that the nomination was twice withheld. The Republican majority leader, Bill Frist, said that if the president resorted to a recess appointment — a device guaranteeing Mr. Stickler at least a year in office — the Senate would schedule a showdown vote in response. Senator Frist must be held to his promise. Lawmakers should demand a bulldog enforcement director rather than another industry lapdog.

Tribal Police Chief, Officer Face Federal Charges (AP)

AP, October 26, 2006

PHOENIX -- The White Mountain Apache tribal police chief and another officer have been charged with manipulating records in a federal investigation after the FBI began looking into the use of departmental funds at casinos.

Police Chief Lincoln Perry and Officer Tim Goode pleaded not guilty Wednesday in U.S. District Court, said Wyn Hornbuckle, spokesman for the U.S. Attorney's Office. They were each arraigned on one count of conspiracy to falsify records and 17 counts of falsifying records.

Perry and Goode are scheduled to stand trial Dec. 5 in Prescott, according to Hornbuckle.

Federal officials alleged the two men embezzled between $10,000 and $20,000 over a five-year period. According to authorities, Perry and Goode were the only ones allowed to sign on a bank account maintained by the tribal police investigations unit. The account is used for undercover purchases and payment to informants. Perry was already on suspension when the charges were filed.

In February, FBI investigators became aware of the account. A review of records gave rise to a probe into possible embezzlement and theft, Hornbuckle said. In April, a federal grand jury subpoena was issued for bank records dating back to January 2001.

Hornbuckle said Perry and Goode submitted fake receipts to tribal police in response to FBI agents looking into the bank account.

The records showed multiple withdrawals from the account from casinos in Las Vegas, Scottsdale, Hon-Dah, Camp Verde and San Carlos, Hornbuckle said.

After their court appearance Wednesday, Perry and Goode were released and barred from using firearms, gambling, traveling outside the state and contacting tribal police about their case.

FBI/DEA/ATF/USMS:

MCLU Says FBI Is Spying On Peace Activists (WCSH)

WCSH-TV, October 26, 2006

The FBI has apparently been keeping files on the emails of peace activists in Maine. Last year, the Maine Civil Liberties Union filed a Freedom of Information Act request from the FBI.

Wednesday morning, it released the results, 18 pages of emails that the FBI had in its files.

Those emails were put out by "Peace Action Maine," the "Maine Center for Peace and Justice" and "Veterans for Peace" as they were organizing for two different protests.

Activists say they were shocked that their government was "spying" on them.

"I was surprised. And maybe I'm naive or idealistic, but I think that in America, the first amendment stands for freedom of speech and association. If someone is expressing their views in a peaceful way, they should be free from suspicion and should not be under surveillance or interrogation by the government," said Shenna Bellows from the MCLU.

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A spokesperson for the FBI, Nenette Day, says the agency does not monitor or investigate peace groups in Maine. Day says the emails were likely forwarded to the FBI, then placed in a file.

Peace Groups Say FBI Monitored Their E-mails (AP)

AP, October 26, 2006

PORTLAND, Maine - The FBI has turned over e-mails it obtained from members of two Maine peace organizations containing information about demonstrations at the Brunswick Naval Air Station and Bath Iron Works, the Maine Civil Liberties Union said Wednesday.

The e-mails were turned over in response to a Freedom of Information request that the MCLU filed last year.

Obtaining the e-mails of Peace Action Maine and Veterans for Peace is a waste of FBI resources, and it has a chilling effect on people who want to speak out against government policies, said Shenna Bellows, executive director of the MCLU.

It also brings to mind the FBI's clandestine surveillance in decades past of Martin Luther King Jr., John Lennon and civil rights organizations, she said.

"History seems to be repeating itself," she said at a press conference at the Peace and Justice Center.

An FBI spokeswoman said the agency gets its information from a myriad of sources, including concerned citizens who send along correspondence they've obtained.

But it is incorrect to suggest that the FBI was spying on the Maine peace groups or intercepting their e-mails electronically, said Nenette Day of the Boston FBI office.

Day did not know exactly how the FBI came into possession of the e-mails, but said a federal court order would be required to obtain them electronically. The FBI would request such a court order only if it had evidence that a crime or an act of violence was going to be committed, or that national security was being compromised, she said.

"We do not investigate individuals engaged in their constitutional rights, including the right to free speech and assembly," Day said.

The MCLU filed a Freedom of Information request last year on behalf of Peace Action Maine, Veterans for Peace, five other organizations and 15 individuals.

In January, the FBI confirmed that it possessed some e-mails from the Maine Coalition for Peace and Justice, the MCLU said.

Late last month, the MCLU received copies of e-mails the FBI had obtained from Peace Action Maine, Veterans for Peace and two individuals connected to peace groups. The e-mail messages were redacted so they didn't contain names or information considered to be classified.

The e-mails discussed plans for a demonstration of the Blue Angels air show at Brunswick Naval Air Station on Sept. 10, 2005, and about a protest at the christening of a Navy destroyer at Bath Iron Works on July 23, 2005.

Some of the e-mails that were released were written by John "Jack" Bussell, a board member of Veterans for Peace. Bussell, who served in the Army from 1959-79, said peace groups have long suspected their activities are being scrutinized.

"But to see it is shocking," he said.

Cops Arrested For Allegedly Stealing $31,000 (CHIST)

By Frank Main, Crime Reporter

Chicago Sun-Times, October 26, 2006

Officers Richard E. Doroniuk, 30, and Officer Mahmoud "Mike" Shamah, 27, were picked up at their homes this morning without a struggle. A civilian, Larry "Peanut" Cross, also is implicated. They are charged with conspiracy to commit theft.

Doroniuk allegedly was caught on an Aug. 17 wiretap — the day before one of their ripoffs — discussing that he needed to be careful because other cops had recently been busted.

» Click to enlarge image

They also planned to conduct a home invasion on one of the drug dealers whose lockers they targeted, but the ripoff was never carried out, officials said. They intended to buy a diamond necklace or something else valuable for an unidentified person who was going to help them with the robbery, authorities said.

"Today's arrests result from the department's ongoing commitment to remove bad cops from the streets," said police Supt. Phil Cline.

The arrests come just a month after four police officers were arrested for allegedly invading homes and robbing people of valuables. More cops are expected to be arrested in that case. Earlier this month, the Chicago Police Department launched an evaluation of officers with 20 or more complaints lodged against them to identify problem cops.

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The FBI and the police Internal Affairs Division conducted the sting. The FBI learned from an informant that Cross was discussing ripoffs by Doroniuk and Shamah. Cross allegedly asked the informant to provide information about locations for the officers to commit thefts, authorities said.

The FBI directed the informant to tell Cross about the Grand-Pulaski Self Storage facility, where undercover agents rented a unit and left a black backpack-style bag containing $20,000, according to an FBI affidavit.

On June 13, Doroniuk and Shamah allegedly went to the storage unit with a search warrant and two other unidentified officers. Surveillance agents allegedly saw them enter and exit the unit carrying bolt cutters. When they left, the money was allegedly missing.

As of early October, there were no police records showing the money was seized or inventoried, authorities said.

On Aug. 18, the FBI set up another sting at a storage facility at Grand and Kilbourn, where the FBI informant told Cross there were drugs and at least $30,000 in cash from drug sales, authorities said. The FBI put $18,100 in the locker.

Doroniuk, Shamah and four unidentified officers went to the storage unit with a search warrant and seized the money, authorities said. They turned in $7,000 as evidence from the search and allegedly stole the remaining $11,100. Cross told the informant the officers gave him $800, authorities said.

During a wiretapped conversation on Aug. 17, Doroniuk allegedly discussed the arrest with Shamah, saying “We got to be ... real smart about this ... man.” Doroniuk also was caught on tape talking about the arrest of other officers with an unidentified accomplice.

Doroniuk joined the department in January 2000 and Shamah’s been a Chicago Police officer since August 2001. Both officers are tactical officers in the Morgan Park District on the Southwest Side.

It was unclear whether any of the unidentified officers who participated in the seizures face any disciplinary action.

They are expected to appear before U.S. Magistrate Judge Nan Nolan at 3:30 p.m. today.

2 Chicago Police Officers Charged In Narcotics Case (BVND)

By Mike Robinson

The Belleville News Democrat, October 26, 2006

CHICAGO - Two Chicago police officers were charged Wednesday for allegedly conspiring with a narcotics dealer to steal $31,100 in what they mistakenly believed was drug money.

Officers Richard E. Doroniuk, 30, and Mahmoud "Mike" Shamah, 27, both members of a South Side tactical unit, were arrested without incident in their homes early Wednesday, federal officials said.

The two officers appeared Wednesday afternoon before U.S. Magistrate Judge Nan R. Nolan, who set a bond hearing for Tuesday.

Doroniuk attorney Robert Clarke said the officer "is going to get his full day in court and that's what he wants," while Shamah attorney Anthony Pinelli declined to comment because he was still studying the case.

Federal officials said the money had been planted in self-storage lockers as part of a sting operated jointly by FBI agents and Chicago police internal affairs investigators.

Officials said the officers used information from a third defendant, Larry "Peanut" Cross, 55, to obtain search warrants for the lockers.

According to the complaint, the officers failed to report any of the money seized from a locker in June and only part of the cash taken in a second theft in August.

They took the money believing they were ripping off a drug dealer, federal officials said. They said Cross already was in state custody.

A criminal complaint unsealed following the arrests charged all three men with conspiracy to steal government funds.

Police Superintendent Phil Cline said the charges "should send a clear message to the public and the department's 13,600 honorable men and women that officers who violate the public trust will be held accountable."

"Today's arrests result from the department's ongoing commitment to remove bad cops from the streets," Cline said in a statement.

Doroniuk has been a police officer since January 2000 and Shamah since August 2001, federal officials said.

Jail Guard Charged With Accepting Bribes From Inmate (AP)

AP, October 26, 2006

SANTA ANA, October 25, 2006 - A federal grand jury indicted a jail guard Wednesday on charges he accepted $6,000 from an inmate in exchange for smuggling in banned cell phones.

Also on abc7.com:

Daily Newsletter | Breaking News Alerts | Eyewitness News team Bios Jose Abel Flores, 37, of Corona, was arrested Oct. 17 at his work, the Santa Ana City Jail. He was being held on $100,000 bond and was scheduled to be arraigned Nov. 6.

If convicted of two bribery counts, Flores faces a maximum sentence of 30 years in federal prison.

Flores accepted two $3,000 bribes in exchange for bringing cellular telephones to a federal inmate being held in jail on narcotics and weapons charges, according to the indictment. The bribes were paid from a purported friend of Flores, but in fact the friend was an undercover FBI agent, authorities said.

Ring Allegedly Hid Meth In Elmo Dolls (AP)

AP, October 26, 2006

DENVER -- Drug agents broke up an aggressive northern Colorado ring that shipped methamphetamine hidden in Elmo dolls and other toys, authorities said Wednesday.

The alleged ringleader was among 19 people in custody, authorities said. Agents said they seized more than 45 pounds of what they described as high-quality methamphetamine worth $864,000 and capable of supplying 4 million doses.

U.S. Attorney Troy Eid said the alleged ringleader, Rigoverto Valle-Sierra, was arrested Tuesday in Greeley after a yearlong investigation that stretched from Colorado to California.

Jeffrey D. Sweetin, special agent in charge of the federal Drug Enforcement Administration's Rocky Mountain Region, said Valle-Sierra was working with about five methamphetamine rings.

"I've never seen a meth arrest have more impact than this one," he said.

Officials said Valle-Sierra was trying to take over the methamphetamine trade in northern Colorado with an operation that used night-vision goggles and bulletproof vests.

Sweetin said agents believe Valle-Sierra bought methamphetamine in the Los Angeles area but it was probably made in a large lab in Mexico.

Colorado Meth Ring Smuggled Drugs Inside Elmo Dolls And Other Toys, DEA Says (AP)

AP, October 26, 2006

DENVER — Authorities said Wednesday that they have broken up a methamphetamine ring that shipped the drug in toys including an Elmo doll.

Agents said 19 people were in custody, including the alleged leader of the northern Colorado drug ring, and that they seized more than 45 pounds of what they described as high-quality methamphetamine.

Officials released photos of an Elmo doll found in a car in Barstow, Calif., with a caption saying 4 pounds of methamphetamine was found inside. Eid said he could not discuss what happened because the doll of the "Sesame Street" character was evidence in the case.

· Crack the case in FOXNews.com's Crime Center.

Authorities said other toys also were used to hide drugs but did not elaborate. Other photos showed drugs shipped in a suitcase and tucked inside a tire.

U.S. Attorney Troy Eid said the alleged ringleader, Rigoverto Valle-Sierra, was arrested Tuesday in Greeley after a yearlong investigation.

(Story continues below)

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Jeffrey D. Sweetin, regional Drug Enforcement Administration special agent in charge, said the operation was selling methamphetamine that was about 99 percent pure, while most methamphetamine sold on the street is about 30 to 40 percent pure. Authorities said the seized drugs, valued at $864,000, amounted to about 4 million doses.

Of the 21 people named in a federal indictment, 12 are suspected illegal immigrants, Eid said. Two suspects remain at large, he said.

Cops Take 45 Lbs. Of Meth In Greeley (DENP)

Denver Post, October 25, 2006

Drug agents raided a number of homes and a business in Greeley Monday and Tuesday, arresting 10 people and confiscating more than 45 pounds of methamphetamine.

Federal agents said the people arrested were part of a large drug ring which had been under surveillance for more than a year.

Last week, a federal grand jury indicted 21 people, including the 10 arrested this week. Another 9 people were already in custody on state charges and 2 people are fugitives.

Agents from the Drug Enforcement Administration and officers from the Weld County Drug Task Force confiscated $59,000 in cash, four weapons, one of which had been stolen, a bullet-proof vest and a night-vision goggles.

DEA agent-in-charge Jeffrey Sweetin said the methamphetamine was made in California and transported to Colorado.

Meth Arrests Put Greeley Cartel On Ice (DENP)

Denver Post, October 26, 2006

Authorities say they have dismantled a drug cartel headquartered in Greeley that moved millions of dollars in high-quality "ice" methamphetamine in buses and packed inside stuffed toys.

Stretching from Los Angeles to Roanoke, Va., the operation primarily sought to monopolize the methamphetamine trade in northern Colorado by relying on a product that was an "unheard of" 99 percent pure, federal and local law enforcement officers said Wednesday.

After a 13-month investigation, agents reportedly seized more methamphetamine in this one operation than was taken in all of 2005 across Colorado.

The potent white powder was mass-produced in Mexican drug factories - an example of a trend away from making smaller batches in scattered trailers, apartments and motel rooms.

With U.S. authorities tightening up on the availability of the over-the-counter medications used to make methamphetamine, drug sellers more often are getting supplies from other nations, said Jeffrey D. Sweetin, special agent in charge of the federal Drug Enforcement Administration's Rocky Mountain division.

On Oct. 18, a federal grand jury returned an indictment charging 21 people - including alleged cartel leader Rigoverto Valle-Sierra - on drug-trafficking charges that could bring sentences ranging from 10 years to life in federal prison, U.S. Attorney Troy Eid said Wednesday in a Denver news conference.

Nineteen of the 21 suspects have been arrested, and five search warrants were served at three homes, a business and a storage unit in Greeley, Eid said. Agents arrested Valle-Sierra without incident Tuesday in Greeley.

"The impact is huge," Sweetin said. "There is a lot less dope in Colorado."

The investigation began in September 2005 and eventually included agents from the DEA, police from Greeley and Los Angeles, and deputies from the Weld County Sheriff's Office.

Officers began making large drug seizures in May in Greeley, Los Angeles and points in between. They ultimately confiscated 53 pounds of methamphetamine with a street value as high as $2.4 million, said Dennis Follett, a Denver DEA agent.

They also seized $12,000 in cash bound in $1,000 stacks, a bulletproof vest, night-vision goggles and four weapons.

Still, the seizures represent only the "tip of the iceberg" of the ice methamphetamine that the drug organization sold on Greeley streets, Sweetin said.

Smugglers used various means to hide the meth, including putting it in plastic bags and stuffing it into tires and an Elmo Sesame Street doll.

Drugs were transported from Mexico through Los Angeles to Greeley, which served as the hub city, and then to Wyoming, Nebraska and Virginia, Eid said.

The 21 suspects represent the upper tier of a drug operation in which hundreds of dealers, including Greeley gang members, distributed the meth to customers that included school-age children and people of all races and economic levels, Follett said.

Twelve of the suspects are in the country illegally, Eid said.

The drug cartel was using the high quality of its product to capture the methamphetamine trade in northern Colorado, Sweetin said. Sellers offered their 99-percent-pure ice at the same price as lower-quality drugs with only 30 to 40 percent purity, he said.

Weld County Sheriff John Cooke said the drugs were flowing to the Greeley area because of a growing population, including a large segment of illegal immigrants. "The supply is coming to the demand," he said.

Meth Ring Broken Up (RMN)

Rocky Mountain News, October 26, 2006

A methamphetamine distribution ring with tentacles across northern Colorado has been smashed and the kingpin arrested, law enforcement authorities announced Wednesday.

A federal grand jury indicted 21 people Oct. 18 on drug-trafficking charges that could result in federal prison sentences for life, officials said at a press conference at the U.S. Attorney's Office in Denver.

Twelve of the 21 people indicted, including one with at least 10 aliases, were in the country illegally.

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Officials said more than 45 pounds of high-purity methamphetamine, 1.1 kilos of cocaine and $59,000 were seized during a 13-month investigation. The wholesale value of the methamphetamine was about $865,000, with a street value in the millions, the officials said.

Another 8 pounds of methamphetamine, $12,000, four weapons, a bulletproof vest and a set of night-vision goggles were found in the sweep of arrests in the Greeley area this week.

"Most meth is seized in ounces. This was a monstrous amount," said Jeffrey D. Sweetin, special agent in charge of the Drug Enforcement Administration in the Rocky Mountain states. "This will have an impact for decades in Greeley."

Weld County Sheriff John Cooke said Greeley has emerged as a major point for methamphetamine sales and distribution because of the population growth on the northern Front Range, which includes a large community of illegal immigrants.

"The supply is coming to the demand," the sheriff said.

Officials said the organization used buses and private vehicles to ferry the illegal drug from southern California to Las Vegas and on to Greeley, bypassing potential markets in cities and resorts along the route. From Greeley, where agents documented links to gangs, most of the methamphetamine was sold in northern Colorado.

However, some of the drug was sent to traffickers in southeastern Wyoming, western Nebraska and as far east as Virginia.

In at least once case, the traffickers stuffed a child's Elmo doll with four pounds of methamphetamine to hide the illicit cargo, Sweetin said.

The alleged leader of the organization, Rigoverto Valle-Sierra, was arrested without incident Tuesday in Greeley, officials said. Weld County Drug Task Force officers and DEA agents arrested nine others earlier this week. Nine more already were in custody on state charges, and two are fugitives.

Trials may not begin for more than a year, but each defendant could face at least 10 years, and up to life, in federal prison, on charges of conspiring to distribute methamphetamine and of distributing the drug, according to the U.S. Attorney's Office. Each defendant also is charged with other drug-trafficking crimes.

U.S. Attorney Troy Eid said the arrests illustrate the trend that methamphetamines are being manufactured in high-volume plants elsewhere and shipped to Colorado. Previously, methamphetamines were cooked in mom-and-pop laboratories for local sale.

The alleged traffickers were organized in overlapping circles of distributors and sellers at various levels in a high-volume trade, as opposed to a vertical structure in which each soldier had a specific duty.

Major meth bust, by the numbers

21 People indicted on charges of transporting methamphetamine from southern California for sale in northern Colorado, with Greeley as the hub.

45 Amount in pounds of meth seized during a 13-month investigation, including 4 pounds packed in a child's Elmo doll.

$865,000 Estimated wholesale value

99% Purity of meth seized

700 Number of small labs that would have to be raided to equal the quantity seized in this sweep.

Ten Arrested In Big Weld Drug Bust (GT)

Greeley Tribune, October 25, 2006

A major multi-agency drug bust resulted in 10 arrests Monday and Tuesday in Weld County, adding to the nine people already in custody on state charges.

Several agencies today announced that a large methamphetamine distribution organization based in Greely has been dismantled by the Drug Enforcement Administration and the Weld County Drug Task Force.

The investigation, which began in September 2005, resulted in the seizure of more than 45 pounds of ICE methamphetamine, 1.1 kilos of cocaine and $59,000 in cash. The organization used buses and cars to transport the high-quality meth from California to Colorado.

On Oct. 18, a federal grand jury in Denver returned an indictment charging 21 individuals with various drug-trafficking crimes, including conspiracy to possess with intent to distribute and to distribute methamphetamine. DEA agents and Weld County Drug Task Force officers arrested 10 people this week, including Rigoverto Valle-Sierra, the alleged leader of the organization.

Two of the 21 individuals are fugitives.

Officers also executive five search warrants at three residences, a business and a storage unit in Greeley.

The case, also involving the Greeley and Evans police departments, Weld County Sheriff's Office and the U.S. Immigration and Customs Enforcement, is being prosecuted by the U.S. Attorney's Office.

Local Agent Tipped Off Friends, DEA Says (CA)

Commercial Appeal, October 26, 2006

A federal DEA agent was indicted Wednesday on charges that he tipped off former high school classmates that one of them was a target in a large cocaine trafficking case here in August.

Tommie Purifoy II of West Memphis turned himself in to federal authorities in South Florida where he was assigned as a special agent in the Drug Enforcement Administration's Miami field office.

"It gives me great pain in the pit of my stomach," said Sherri Strange, DEA special agent in charge in Atlanta. "The temptations for agents are great. They handle millions of dollars in cash and contraband, but they cannot compromise the integrity of the office."

She and U.S. Atty. David Kustoff noted that the DEA identified the problem and conducted the investigation that led to Purifoy's indictment.

Purifoy, a Memphis police officer from 2001 to 2004, allegedly passed sensitive DEA information along to Christopher Ivy, who called Sean Williams, who called his cousin, Brian Nicholas Williams, an alleged drug trafficker.

All attended West Memphis High School together and had been friends since at least 1996.

Despite being tipped off to the yearlong investigation, Brian Williams and 10 others were arrested here three days later on Aug. 24 on cocaine trafficking charges.

More than 88 pounds of cocaine and over $500,000 in cash was seized, according to authorities, who called it the largest local drug bust of the year.

According to the indictment, Purifoy was in Memphis on personal business on Aug. 21 and stopped by the DEA office where an ongoing wiretap was being conducted.

When he saw a chart of several driver's licenses in a pyramid-type format, he remarked that he had attended high school with some of the suspects, including Brian Williams.

Later that day, the indictment says, Purifoy called Ivy and told him Brian Williams was the target of a DEA drug investigation.

Ivy then contacted Sean Williams who in turn contacted his cousin, telling him he was at "the top of the food chain."

Purifoy, Ivy and Sean Williams were charged with obstruction of justice.

Purifoy also was charged with unlawful disclosure of electronic surveillance, while Ivy and Williams also were charged with making false statements to federal officers.

The charges against Purifoy carry up to 25 years in prison. He has been suspended without pay.

Kustoff said Ivy worked at a school in Memphis, though he would not identify the school or Ivy's position. Sean Williams worked for a trucking company in Fayetteville, Ark.

DEA Agent Indicted On Charges He Tipped Off Suspect (BRAH)

The Bradenton Herald, October 26, 2006

MEMPHIS, Tenn. - A Drug Enforcement Administration agent who worked in Miami has been indicted on charges of tipping off a former high school classmate who was a target in a drug trafficking investigation.

Tommie Purifoy II turned himself in to the Miami field office, authorities said Wednesday. He has been suspended without pay.

Purifoy is originally from West Memphis, Ark., and was a police officer in Memphis from 2001 to 2004. He was in Memphis on personal business on Aug. 21 and stopped by the local DEA office during a wiretap operation, according to the indictment.

A chart of people suspected in a major cocaine trafficking ring was posted and he remarked that he went to high school with one of the suspects, Brian Nicholas Williams.

Purifoy is accused of passing the information to his friend Christopher Ivy, who passed it along to Sean Williams, the cousin of suspect Brian Nicholas Williams.

Despite the tip, three days later authorities made the largest drug bust in the area for the year, when they seized more than 88 pounds of cocaine and over $500,000 cash. Brian Williams and 10 others were charged in connection with the drug ring.

Purifoy is charged with obstruction of justice and unlawful disclosure of electronic surveillance and could face up to 25 years in prison. Ivy and Sean Williams are charged with obstruction of justice and making false statements to federal officers.

"It gives me great pain in the pit of my stomach," said Sherri Strange, DEA special agent in charge in Atlanta. "The temptations for agents are great. They handle millions of dollars in cash and contraband, but they cannot compromise the integrity of the office."

U.S. Attorney David Kustoff and Strange said the tip was discovered and investigated by the DEA.

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MPD Cop Turned DEA Agent Gets Indicted (WPTY)

WPTY-TV, October 25, 2006

DEA Special Agent Tommie Purifoy, II, is charged with obstruction of justice and disclosure of electronic surveillance.

Federal authorities say Purifoy and two other men were indicted Wednesday for telling a Mid-South drug dealer he was being investigated by the DEA.

"The one characteristic of a narcotics agent that can never be compromised," says Sherri Strange, the Special Agent in charge of the investigation, "is his or her integrity."

Strange says Purifoy joined the DEA in 2004 after working for the Memphis Police Department for three years.

Purifoy was assigned to the DEA's Miami bureau. But during a visit home in August he made a trip to the Memphis DEA office.

Investigators say Purifoy was in a wire-tap room and noticed a pyramid of pictures on the wall. The top picture was one of Purifoy's boyhood friends, Brian Williams, a man under investigation for cocaine trafficking.

Williams and Purifoy attended West Memphis High School together in 1996. Their friendship, say investigators, dates back at least a decade.

Here's what the feds say happened next. On August 21st, at 6:15 P.M., Purifoy called another high school buddy, Christopher Ivy, and told him the DEA was watching Williams.

At 7:45 that night, the feds say Ivy called another West Memphis High School pal, Sean Williams. Williams is Brian Williams' cousin and investigators say the two talked soon after Ivy's call.

At 9:59 P.M., the feds say Sean Williams called Brian Williams to tell him he was the target of a federal drug investigation.

The warning didn't matter. Three days later, on August 24th, federal authorities arrested Brian Williams and 10 other people on drug charges. They confiscated 40 kilos of cocaine and more than $500,000 in cash. Investigators say it's the largest coke bust in Memphis this year.

Two months have passed since then. And now Tommie Purifoy, Christopher Ivy and Sean Williams are indicted and charged with interfering with a federal investigation.

Purifoy turned himself in to authorities in Florida Wednesday. Ivy and Williams were in federal court in Memphis on Wednesday. All three are out on bond. They are expected to be arraigned on November 1st at 9:30 A.M.

Investigators say they were able to find out who tipped Brian Williams off because they had placed a wire-tap on Wililams' cellphone.

Federal Agents Bust One Of Their Own For Helping Dealers (WMC)

WMC-TV, October 26, 2006

A member of the Drug Enforcement Agency is on the other side of the law. Tommie Purifoy started working for the DEA in March of 2004 and he was assigned to the Miami Office. But instead of upholding his oath as an agent, he's accused of showing loyalty to his high school friends, who turned out to be drug dealers.

According to the indictment, Tommie Purifoy set aside his duties as a Special Agent for the DEA to warn his friends about a pending drug bust, a wire tap investigation Purifoy learned about while visiting the DEA office in Memphis.

"Purifoy left the office and soon after contacted his friends," said federal investigators. They say Purifoy's friends turned out to be drug traffickers who ran a cocaine distribution ring that was busted up in late August.

More than 40 kilograms were seized in the largest drug bust of the year. Most of the cocaine and cash in the investigation were found in a house on Meadowview Road in Memphis. That's when the DEA learned it had a leak and Tommie Purifoy's days as a special agent became numbered.

"Within 60 days, this man has been indicted by a grand jury and a lot of work has been done to bring the prosecution as quickly as it's moved," said U.S. Attorney David Kustoff.

Purifoy turned himself in to authorities in Florida where he was assigned to work. He's expected to be released on a signature bond. Two others were indicted today, along with Purifoy. All face obstruction charges. Purifoy is expected to appear in federal court here in about four weeks.

15 Arrested In Richmond Drug Raids (SFC)

By Henry K. Lee, Chronicle Staff Writer

San Francisco Chronicle, October 26, 2006

(10-25) 12:45 PDT RICHMOND -- About 200 federal and local law-enforcement officers targeting a street gang known for drug activity swooped down on North Richmond today, arresting 15 people and seizing nearly a pound of methamphetamine.

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The arrests took place during simultaneous 10 a.m. raids in Richmond and unincorporated North Richmond. Contra Costa County sheriff's deputies, Richmond police and FBI SWAT team members dressed in camouflage jumpsuits served at least a dozen federal search warrants.

As sheriff's helicopter Star Two circled overhead, several people were detained in the area of Fifth and Market streets in North Richmond, an unincorporated community of 4,000 residents that police say is a hotbed for drug sales, shootings and violence.

"Our goal is to take the violence out of North Richmond," Contra Costa County sheriff's Lt. Kitty Parker said at the scene.

Many of the suspects sought today were named in sealed federal indictments on various drug and gang-related charges, said Special Agent Joseph Schadler, FBI spokesman in San Francisco. Others were arrested on state charges.

The names of those arrested on federal charges weren't released today pending their appearances Thursday in U.S. District Court in Oakland.

Some people sought today are alleged members or associates of the Project Trojans street gang. On March 14, a similar raid by FBI agents and local police resulted in the arrests of 15 people affiliated with the gang. They were indicted by a federal grand jury in Oakland on charges of cocaine and methamphetamine trafficking.

Police say the 300 or so members of the Project Trojans, classified by the U.S. Department of Justice as one of the most violent African American street gangs in Northern California, are responsible for much of the area's bloodshed, including hundreds of killings.

The gang, also called PJT, has long been selling drugs on North Richmond's streets, and feuds over turf and drug sales have sparked violence, according to police,

A group of residents standing at the corner of Fifth and Market today voiced displeasure at the operation. One woman, who declined to give her name, said officers should be spending time solving homicides. "It don't make no sense," she said.

But authorities said the recent raids in North Richmond were aimed at stemming the tide of violence that is associated with drug and gang activity.

"It's a continual process to make this community safer," said David Johnson, assistant special agent in charge of the FBI in San Francisco. "It's going to take some time to make inroads in this particular community."

E-mail Henry K. Lee at hlee@sfchronicle.com.

15 SUSPECTED GANG MEMBERS ARRESTED IN NORTH RICHMOND (BCNW)

Bay City News Wires, October 26, 2006

Federal, state and local law enforcement agencies arrested 15 suspected gang members in a coordinated raid in unincorporated North Richmond today, according to spokesman for the San Francisco FBI Field Office Joseph Schadler.

More than 200 FBI agents, Contra Costa County sheriff's deputies, Richmond police officers and agents from the West Contra Costa Narcotic Enforcement Team rolled into North Richmond at 10:15 a.m. today and arrested people selling drugs on street corners then stormed 19 buildings simultaneously on federal search warrants.

SWAT teams from Portland, Sacramento, Los Angeles and San Francisco raided the 19 locations and threw flash-bang grenades to flush out the occupants, Schadler said.

Authorities were targeting people believed to be established gang leaders of the Project Trojans street gang, Schadler said.

"The key to this is we're trying to take the head off the organization," Schadler said.

The raid was part of an investigation that began in 2004 into the gang's activities. Wiretap and undercover operations ended in February and the first raid was conducted in March, Schadler said. At that time nine people were arrested for manufacturing and distributing cocaine, crack and methamphetamine.

The charges against the people arrested today will remain sealed until Thursday when the suspects will be brought before a U.S. magistrate judge in Oakland, Schadler said.

No injuries and no incidents were reported during the raid.

Pittsford Man Charged In Federal 'club Drug' Case (RDC)

By Matthew Daneman, Staff writer

Rochester (NY) Democrat & Chronicle, October 26, 2006

A Pittsford man is one of 10 people indicted on federal drug trafficking charges for allegedly smuggling "club drugs" into the United States.

The U.S. Attorney's Office for the Western District of New York announced the charges, which came after an investigation of nearly two years into what the U.S. Justice Department called "a large scale drug smuggling and trafficking group operating in and around Buffalo and Rochester."

DOJ_NMG_0086812

The drug ring allegedly smuggled such club drugs as Ecstasy, GHB, ketamine and crystal methamphetamine from Toronto.

Jeffrey Parasida, 28, of Pittsford was charged with a pair of violations under the federal Controlled Substances Act, as were nine other defendants from the Buffalo region, according to the Justice Department.

White Plains Pharmacist Facing Federal Drug Charge (JN)

The Journal News, October 25, 2006

WHITE PLAINS - The owner of a White Plains pharmacy is accused of illegally dispensing tens of thousands of doses of the generic form of the highly addictive painkiller Vicodin, federal authorities said.

Syed Zahid Ali, 58, owner of Post Pharmacy at 82 East Post Road, is due in court next week to face charges he illegally distributed hydrocodone as well as a stimulant used to treat sleep disorders. The Saddle River, N.J., man cannot account for 100,000 tablets of the painkiller, federal authorities said. He is also accused of refilling prescriptions for the drug despite the bottles being marked "no refill."

Ali denied the charges in an interview yesterday at the counter of his pharmacy, which remains open for business.

"I didn't do anything wrong," he said.

Ali said he can account for all the hydrocodone that he has dispensed over the more than six years that he has owned the pharmacy. The tablets were never missing, but his files were, he said.

The illegal trade of prescription painkillers like hydrocodone is "very high and increasing," according to an annual assessment released in January by the National Drug Intelligence Center.

Drug Enforcement Administration agents raided the Post Pharmacy on April 19, 2005, according to court papers filed in federal court in White Plains. They seized Ali's records. After comparing the store's prescription records and inventory with Ali's purchases of the drug from suppliers, they determined 100,000 pills missing.

Ali's purchases of the drug were more than twice the combined total of two other pharmacies in White Plains - a much larger Duane Reade store and Express Drugs, a pharmacy about the size of Post Pharmacy, according to a criminal complaint filed by DEA Agent Stephen Loftus.

Ali said all the hydrocodone he bought went to fill the prescriptions that he received.

"I don't know how much business they're doing," he said of the other pharmacies. "I have the prescriptions."

Ali said that after the DEA raid, he founds five files in the back of his pharmacy that agents missed. The files contained more than 4,000 prescriptions for hydrocodone. Those files square his purchases with his filled prescriptions, he said.

"I calculated how much I bought and how much I dispensed and it came out 100 percent right," he said.

Ali said his lawyer advised him against turning the records over to the DEA. He said he was confident when those records are presented in court, he'll be cleared.

Herbert Hadad, a spokesman for U.S. Attorney Michael Garcia, declined to comment.

Ali also denied he ever refilled prescriptions that carried a prohibition against refill. But undercover White Plains police officers got five such refills in August and September 2004 for hydrocodone and Provigil prescriptions that were single-use or refill-barred, according to the criminal complaint. Provigil is a stimulant used to treat sleep disorders like narcolepsy.

Ali, a licensed pharmacist since 1977, faces up to five years in prison if convicted. He said he has not changed the way he does business since the raids. He still dispenses hydrocodone and Provigil.

"I have deliberately done nothing different," he said.

Trial Date Set In Drug Case (TRE)

The Reporter, October 25, 2006

A 2007 trial date has been set in federal court for a Fairfield man described as a regional drug kingpin by the Drug Enforce -ment Administration.

Federal magistrate Lawrence K. Karlton on Tuesday scheduled 1 p.m. Jan. 23 for the trial of 32-year-old defendant Eduardo Pichardo - also known as Eddie Nunez - in Eastern District Federal Court in Sacramento. In addition, Judge Karlton set 9:30 a.m. Dec. 12 for pre-trial motions in the case.

Pichardo was arrested by DEA agents on June 21 on suspicion of distribution and conspiracy to distribute cocaine and methamphetamine. A DEA spokesman said the arrest culminated a seven-year investigation into a drug trafficking network that stretched from Northern California to Arizona and Alabama.

Last week, Pichardo was indicted on additional charges of money laundering.

Pichardo has pleaded not guilty to all charges. He remains in federal custody.

DOJ_NMG_0086813

Bloomberg, Daley Lead Mayors In Coalition Against Gun Violence (AP)

By F.N. D'ALESSIO, The Associated Press

AP, October 26, 2006

CHICAGO (AP) — New York Mayor Michael Bloomberg, Chicago Mayor Richard Daley and Milwaukee Mayor Thomas Barrett had harsh words Wednesday for the Bush administration and the gun lobby's influence on Congress.

"When Washington makes bad decisions to protect criminals rather than the public, we suffer the consequences," Bloomberg said at a news conference outlining the agenda for Thursday's Midwestern summit of Mayors Against Illegal Guns, a group Bloomberg founded with Boston Mayor Thomas Menino.

Bloomberg said he had hoped to have 50 of the nation's mayors on board by the end of this year, but 109 mayors from 44 states already have joined.

"These cities represent more than 44 million Americans," the New York Republican said.

Daley, Bloomberg and Barrett, accompanied by counterparts from a number of smaller cities, complained that inaction by the federal executive branch and the influence of the gun lobby, particularly the National Rifle Association, on Congress have left local officials to combat the problem of illegal weapons.

"Mayors know that illegal guns have nothing to do with the Second Amendment and everything to do with law enforcement," Bloomberg said. "But cities can lead where Congress won't."

He added that the goal of the mayors' group is to "hold Congress' feet to the fire."

White House spokesman Tony Fratto said violent crime has been reduced significantly in recent years, especially in many large cities.

"A lot of the credit for that goes to mayors and law enforcement personnel and cooperation at the local, state and federal levels," Fratto said in an e-mailed statement. "Enforcing gun laws that are on the books is an essential facet of our efforts. The president and Attorney General (Alberto) Gonzales are committed to making sure that existing laws are enforced."

NRA spokesman Andrew Arulanandam said: "If the mayors were serious about reducing crime, what they would do is they would work with city prosecutors to enforce gun laws as opposed to having press conferences."

Daley, a Democrat, said Chicago police have confiscated 10,803 illegal handguns and assault weapons this year. He said the city still steers firearms violators into the federal court system whenever possible because federal sentences tend to be harsher, but he agreed the gun lobby has a disproportionate influence at the federal level.

"We've had to work hard to keep Congress from making things even worse," said Daley referring, among other things, to federal attempts to restrict cities' access to tracing firearms data.

Bloomberg said the Federal Bureau of Alcohol, Tobacco, Firearms and Explosives keeps its own records of multiple firearms purchases and attempted purchases but denies that information to local authorities.

Democrat Barrett said mayors are closer to the problem and have a better view of it than legislators.

"We are the individuals who receive the phone calls from the police saying someone has been murdered," Barrett said. "We are the ones who attend the funerals."

The mayors, including Tulsa, Okla., Mayor Kathy Taylor and Rockford, Ill., Mayor Lawrence Morrisey, spoke at Chicago police headquarters from behind a table loaded with illegal firearms seized by police in recent months. Most were rapid-fire automatic pistols, but there also were automatic shotguns, military-style assault rifles and even a Prohibition-style Thompson submachine gun.

The Midwestern mayors were to meet in an all-day conference Thursday to discuss legal and technological strategies. Bloomberg said Menino would hold a similar conference in Boston on Nov. 9 and Atlanta Mayor Shirley Franklin would hold one in her city Nov. 30.

Gladewater Gun Dealer Faces 5 Years In Prison, $250,000 Fine (LONGNJ)

Longview (TX) News-Journal, October 26, 2006

A gun dealer in Gladewater faces up to five years in prison and a fine of up to $250,000 after pleading guilty to falsifying records needed to purchase a firearm, said U.S. Attorney Matthew D. Orwin in a Wednesday media release.

According to court records, Michael Zirkle, 41, agreed to allow an ATF confidential informant to use someone else's identity on the forms necessary to purchase a .40-caliber pistol.

Zirkle has surrendered his gun dealer's license and forfeited 47 firearms, valued at approximately $19,000, as part of the plea agreement. As a convicted felon he is not permitted to possess a firearm again.

STORE OWNER ADMITS TO ILLEGAL FIREARMS SALES (TMT)

By CASEY KNAUPP, Staff Writer

DOJ_NMG_0086814

Tyler (TX) Morning Telegraph, October 26, 2006

A Gladewater pawn shop owner and gun dealer who allegedly sold firearms to felons pleaded guilty Wednesday in federal court.

Michael Zirkle, 39, Gladewater, pleaded guilty to making false statements into the records of a federal firearms licensee. He faces up to five years in prison and could be ordered to pay restitution to the victims or to the community.

On Jan. 6 in Gregg County, a confidential informant for the Bureau of Alcohol, Tobacco, Firearms and Explosives entered the "Ace of Pawn" pawn shop in Gladewater, owned by Zirkle. He told the defendant he wanted to buy a .40-caliber pistol for himself, but he wanted to use the identity and personal information of another person when filling out the required ATF form. Zirkle agreed, according to court documents.

U.S. Magistrate Judge John Love allowed Zirkle to continue to remain out of jail on bond pending his sentencing hearing after there were no objections from Assistant U.S. Attorney Jim Noble.

Zirkle surrendered his firearm license and forfeited 47 guns - 31 rifles, six pistols, eight shotguns, a revolver and a machine gun rifle - he possessed as a firearms dealer, defense attorney F.R. "Buck" Files Jr. said during the hearing.

In the plea agreement, Zirkle agreed that the 47 weapons were used to perpetrate the violations stated in the indictment, which includes selling firearms to felons. "The defendant shall not, in any manner, participate in, nor shall aid, assist, support, facilitate, or finance another, in the purchase or sale of any firearm for any purpose, the plea agreement states.

Files said his client listened to all of the audio recordings of conversations between Zirkle and a confidential informant and decided to plead guilty.

Zirkle was indicted on three counts of false statements of a federal firearms licensee, false statements in the attempted acquisition of a firearm, failure to record sale of firearm and failure to conduct a background search. He was also indicted on five counts of selling a firearm to a felon, failure to record and maintain records of receipt and disposition of firearms and failure to maintain records to receipt and disposition of firearms.

Casey Knaupp covers county, state and federal courts. She can be reached at 903.596.6289. e-mail: news@tylerpaper.com

Old West Leaves Dodge City; Guns Remain (AP-Y)

By Maria Sudekum Fisher, Associated Press Writer

AP, October 26, 2006

Dodge City has a rich history as an Old West frontier town, where cowboys and gunslingers could take a break from the trail and get their fill of saloons and brothels.

Today, the tidy town built on meatpacking and rodeos is again plagued by gunfighters. But this time they're in street gangs, some of which have second-generation members as young as 11. The drug of choice is methamphetamine and the weapons range from automatic rifles to baseball bats.

"When it was old Dodge City, it was cowboys coming off the range and ending up in Dodge and raising hell and letting things go," said John Ball, Dodge City chief of police. "This is entirely different. There is no comparison.

"The gangs, these are people who are choosing to commit dangerous and criminal acts and they're choosing it as a lifestyle that is criminal and wrong. There is no regard for anyone in the community, and I can't begin to explain their rationale."

Street gangs, often thought of as a big-city problem, have been turning up in rural areas across the country since the 1980s, frightening residents and straining smaller law enforcement departments. Rural gangs are often more transitory than their urban counterparts, but they appear to have a foothold in several communities.

About 24,000 gangs operate around the country, according to the U.S. Department of Justice, which estimates there are about 760,000 members in 2,900 communities.

The 2004 Youth Gang Survey conducted by the Justice Department, 82 percent of large cities surveyed, 42 percent of suburban counties, 27 percent of smaller cities and 14 percent of rural counties reported active youth gangs.

In Ottumwa, Iowa, Chief of Police Jim Clark says gangs are starting to show up in his town of about 25,000. Five years ago, Ottumwa had an occasional visit from a gang member from Los Angeles or Chicago. Now, Clark estimates there about 100 gang members in town. Some moved to Ottumwa with their families. Others have been sent to live with relatives to escape gangs in bigger cities, Clark said.

"But then they start up the same kind of violence," he said.

For now, Ottumwa gangs are mostly involved in petty violence, graffiti and gang fights.

"But my concern is that we stay on top of it so it doesn't get so out of hand that we start having drive-by shootings," Clark said.

DOJ_NMG_0086815

Rural gangs are often more locally grown than urban gangs, said Arlen Egley Jr., senior research associate at the National Youth Gang Center in Tallahassee, Fla. But if they are attached to a national gang, like the Crips or the Bloods, they're more likely to "cut and paste" from those gang traditions.

"You'll find Bloods wearing blue," Egley said, when they traditionally wear red. These "hybrid" gangs are more prevalent in the Midwest, he said.

Gang activity in Dodge City started in the 1980s. Ball said he now estimates the town of 25,000 has more than 300 gang members, most of whom are Hispanic. Dodge City is one of the few western Kansas towns that has been growing, largely due to the influx of Latinos drawn to the meatpacking industry in southwest Kansas.

A recent uptick in gang violence over the summer caught the town's attention. From Aug. 19 to Sept. 22, the city recorded seven drive-by shootings. No one was killed, but police made nine gang-related arrests after the shootings, and houses that weren't intended as targets were sprayed with bullets.

Ball said the violence not only threatens residents, but also ties up the police department, which has about 50 officers.

"We don't have some of the resources or the manpower that other bigger departments do," he said.

Vickie Mercado, a longtime Dodge City resident, wants her hometown to get a handle on gangs. Mercado's 18-year-old son, Justin, who was not in a gang, was shot to death by a 14-year-old gang member who is eligible for parole in 2011 for Justin's death.

That was 10 years ago. Before Justin's death, Mercado and her family always felt safe at home.

Justin's death galvanized the community — for a while. An organization, Stop the Violence, was started to educate Dodge City residents about gangs. But interest in the group has tapered off.

"I think it'll take another tragedy for people to come forward and get involved again," Mercado said.

But another tragedy is what she wants to avoid.

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On the Net:

The National Youth Gang Center: http://www.iir.com/nygc/

Fugitive Fatally Shot Was Holding Shoe, Not Gun (AP)

AP, October 25, 2006

LITHONIA, Ga. - Federal agents fatally shot a fugitive early Wednesday after the man refused to put down what they thought was a gun but turned out to be a shoe.

Agents went to an apartment complex in suburban Atlanta to arrest 24-year-old Youwiers Vilpie, said U.S. Marshal Richard Mecum. They were serving a warrant from the Drug Enforcement Administration office in south Florida. Vilpie also was wanted for questioning in two homicides in Ft. Myers, Fla., Mecum said.

Agents first tried to use a Taser to stun him, but it wasn't effect, Mecum said.

advertisement

He said Vilpie at some point emerged with "something in his hand and he pointed it at them."

"They weren't sure what it was because it was dark, and they thought it was a gun," Mecum said. "They told him several times, 'Put it down, put it down, put it down,' and he wouldn't put it down and kept pointing it at them."

After the shooting, the agents discovered Vilpie had had his hand inside a shoe.

Suspect Killed After Confrontation With U.S. Marshal (AJC)

The Atlanta Journal-Constitution, October 26, 2006

Federal agents shot and killed a fugitive from south Florida early Wednesday when he refused to put down what they thought was a gun, but turned out to be a shoe.

Agents from the Southeast Regional Fugitive Task Force went to the Hillandale Park apartments near Lithonia about 4 a.m. to arrest 24-year-old Youwus Vilpre, said Richard Mecum, U.S. Marshal for North Georgia.

John Spink / AJC

IMMIGRATION:

A Former Salvadoran Army Officer Convicted Of Killing Priests Is Arrested In L.A. As A Human Rights Violator (LAT)

By Hector Becerra, Times Staff Writer

DOJ_NMG_0086816

The Los Angeles Times, October 26, 2006

A former Salvadoran army officer convicted of killing priests is arrested in L.A. as a human rights violator.

Gonzalo Guevara Cerritos was a decorated, American-trained officer in the Salvadoran army.

But for the last year, the 43-year-old toiled as a janitor at a West Los Angeles-area motel, a man with a secret who was always looking over his shoulder, his girlfriend said.

His clandestine existence came to an end Wednesday, when federal authorities announced that they had arrested him as an illegal immigrant who was a human rights violator.

The Immigration and Customs Enforcement agency said Guevara Cerritos was one of nine Salvadoran officers and soldiers implicated in one of the most notorious massacres in El Salvador's history: the 1989 death squad murders of six Jesuit priests whom some in the army viewed as subversives.

A sublieutenant with the Atlacatl Battalion during El Salvador's war against the Farabundo Marti National Liberation Front, a leftist guerrilla group, Guevara Cerritos was convicted for his role in the slayings.

In 1993, he received a pardon as part of a general amnesty that was granted after the country's 12-year civil war.

His girlfriend, Eusebia Mejia, 45, said Guevara Cerritos could never escape the shadow of the massacre and fled to the United States in hopes of a new start.

But when he arrived in Los Angeles — home to more than 250,000 Salvadorans — he quickly realized he would not find peace. Fearing that someone would recognize him on the streets of Los Angeles, he kept his head down and rarely went out.

"He was a real homebody," said Mejia, of Watts, who has lived in L.A. for 11 years and met Guevara Cerritos after he arrived in the city. "For him, it was from home to work, and from work to home. And every Sunday to church."

But the strategy apparently didn't work: Federal authorities said it was a tip from the public that put them on Guevara Cerritos' trail.

He was taken into custody Oct. 19 as part of an effort by U.S. immigration agents to catch and deport human rights violators.

"We will not allow the United States to be a place of refuge for aliens seeking to escape a violent criminal past," said Robert Schoch, a special agent for the federal immigration office in Los Angeles.

In 2003, the agency formed a unit to investigate individuals who were involved in crimes such as genocide, war crimes and persecution.

Guevara Cerritos' arrest resonated among Los Angeles' Salvadorans, many of whom fled human rights abuses during the civil war.

"This goes to show that no one escapes God's justice," said Aquiles Magaña of Carecen, an El Salvadoran immigrant rights organization.

The priests' murders created a worldwide furor in part because Guevara Cerritos and the other assailants had received training from the U.S. government, taking courses at the School of the Americas at Ft. Benning, Ga.

The bloodshed occurred before dawn, Nov. 16, 1989, at the rectory of El Salvador's Jesuit-run University of Central America. All but one of the priests were in nightclothes and slippers when they were shot. A dormitory cook and her teenage daughter also were killed.

Salvadoran courts ultimately ruled that Guevara Cerritos did not fire any of the fatal shots, but found that he was part of the conspiracy. He was convicted of conspiring to commit acts of terrorism and placed under house arrest for two years.

When the amnesty set him and many other army officials free, Mejia said, his life didn't get easy.

She said Guevara Cerritos lived in fear that someone would eventually seek revenge in El Salvador. Every year, the priests' killings were re-created in his hometown of San Salvador and soldiers involved in the incident were burned in effigy.

"He didn't come to the U.S. to hide from justice. He came for asylum, trying to seek refuge," said his attorney, Fernando Romo. "He said he was always looking behind his back, always concerned people would recognize him. Now he's definitely worried they're going to send him back."

Guevara Cerritos is being held at a detention facility in Lancaster pending a deportation hearing.

Romo said Guevara Cerritos' training as a lieutenant in the Salvadoran army helped him cross the rugged Arizona desert last year with the help of a coyote.

Mejia said the U.S. government is wrong about Guevara Cerritos. Rather than being a human rights abuser, she described him as a loving father figure to her children and a gentle, God-fearing man.

"He was a good man," she said.

His attorney also disputed the government contention that a tip led them to Guevara Cerritos.

He says his client was trying to seek asylum and that someone in the government matched his name using the Internet and informed immigration officials, who declined to provide details about the tip.

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Other Salvadorans are less sympathetic to Guevara Cerritos' plight.

"He probably thought that by coming to the U.S., things would be better," said Carlos Vaquerano, a Salvadoran activist who said he lost three brothers to the death squads. "He probably thought he could escape his past. That nobody would notice him."

Vaquerano said it was not unheard of for people who were involved in the paramilitary squads to come to the U.S.

Some even became active in churches, he added, "as a way of getting forgiveness."

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Voters On Immigration: Action, Please (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, October 26, 2006

BENSON, ARIZ.

Much of America hit the pause button this fall on the flaming debate over illegal immigration, once it became clear Congress would not act before the election. But not Arizona.

Here in a state where the wave of border crossers is so great that it washes over every aspect of life, illegal immigration is a flash point in virtually every political race this fall. Moreover, there's a candidate for every view - from those saying "send 'em back and bar the door" to those who'd provide a path for citizenship for some undocumented workers.

Randy Graf, a Republican who hopes to win the open seat in a House district that sits on the border, is one who takes a tough stance. As he led a biker rally against illegal immigration on Sunday, someone handed him a frayed denim vest that "used to belong to an illegal alien." When Mr. Graf put it on, the crowd cheered. But the theatrics went too far, and his face blanked when the giver joked: "It has a bullet hole in the back."

Graf is in an uphill battle to hold the Eighth Congressional District for the Republicans. Predecessor Rep. Jim Kolbe, who is retiring, holds a more moderate view of immigration reform, as does Graf's Democratic challenger, Gabrielle Giffords. But Graf is banking that a majority of voters in this district feel as he does - and there are signs that Arizonans are, indeed, worked up over illegal immigration.

"Our surveys show that immigration is the most important issue for likely voters in this state," says Fred Solop, a political scientist at Northern Arizona University and director of the Social Research Laboratory there. But voters aren't distinguishing between competing proposals, he adds: "They just want something to be done."

The state's all-Republican congressional delegation - some of whom are in unexpectedly close contests for reelection - is deeply divided on the immigration issue. Sharing Representative Kolbe's view are Rep. Jeff Flake, in the upscale Phoenix suburb of Mesa, and the very popular Sen. John McCain. They'd like to see an approach to immigration reform that includes a path to citizenship for some of the 12 million people now in the US illegally.

On the other side are Graf and Rep. J.D. Hayworth, who represents the also-upscale Fifth Congressional District in Scottsdale. They say their colleagues' plan amounts to amnesty for illegal immigrants and would reward people for breaking the law. The nation must secure its borders first, they say. Then there's Sen. Jon Kyl, up for reelection this year, who favors expanding a guestworker program but who would also require undocumented workers to leave the US before applying for citizenship.

"Arizona is a microcosm of the nation when it comes to views on this issue. We're ground zero for the debate," says Farrell Quinlan, a spokesman for the Arizona Chamber of Commerce in Phoenix. "Our economy is growing, and a lot of industries have grown to rely on that source of labor."

Senator McCain's approach is to put party loyalty ahead of immigration differences. He has endorsed both Graf and Representative Hayworth, rather than candidates whose views on immigration are closer to his own. He is also stumping for Senator Kyl. Immigration's toll on Arizona

In peak migration season, more than 8,000 immigrants cross from Mexico into Arizona every day, according to the National Border Patrol Council. Many find jobs in the state's booming construction, tourism, and farm industries. But the surge in newcomers exacts a heavy toll on schools, hospitals, and law enforcement, as well as on the migrants themselves, who in summer months perish by the scores in Arizona's harsh border regions.

"Politicians have very little will to change the current system because they're beholden to corporate interests who want the status quo maintained," says T.J. Bonner, president of the National Border Patrol Council of the AFL-CIO.

Arizonans will also vote next month on four ballot initiatives concerning illegal immigration. These include moves to deny bail to illegal immigrants charged with serious felonies, to refuse punitive damage awards to illegals involved in civil lawsuits, to

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make English the state's official language, and to bar undocumented people from receiving in-state tuition rates, state-funded childcare assistance, and other educational services.

On Friday, the US Supreme Court threw out an order by a federal appeals court that blocked Arizona from enforcing Proposition 200, which requires voters to have voter identification. The governor's seat

Besides McCain, Arizona's other key player in the immigration debate is Gov. Janet Napolitano (D). While she has vetoed GOP bills that would have allowed local police to screen and deport undocumented people, she also makes the case that immigration is a federal responsibility and that Washington should do more to relieve costs borne by border states. In August 2005, she declared a border emergency and has stepped up cooperation with Mexico on issues such as human trafficking and those making fraudulent IDs.

On Nov. 7, she faces Republican Len Munsil, who promises to spend $515 million on border security during his first term as governor, and Libertarian Barry Hess, who says he would give the 110th Congress just 60 days to come up with a plan to secure the border. He also supports cooperating with citizen militias such as the Minutemen.

"It's been very helpful for us to have a governor in Arizona who has a strong record on immigration," says Kate Bedingfield, a spokeswoman for the Democratic Congressional Campaign Committee. The race for the Eighth district

A founding member of the Minuteman Project and a former state legislator, Graf says his primary goal, if elected, is to stop illegal immigration. While President Bush has increased the border patrol to 14,000 agents by the end of this year, "it will take 40,000 to 50,000 more officers to secure the borders," he said Saturday at a town-hall meeting at a retirement community in Tucson.

National GOP leaders had urged Graf not to run because, they say, he is too hard-core on this issue for the Eight District.

Ms. Giffords, a state senator, is leading Graf in recent polls by double digits. She says Americans do not have confidence in the US House of Representatives, especially its ability to solve the immigration crisis.

"We are shouldering the cost of what is a national problem," she said at the same Tucson meeting on Saturday. Giffords prefers a more comprehensive approach to reform legislation, to open more legal avenues for work "so the border patrol can focus on drug smugglers." A surprise contest in the Fifth

In one of the surprises of the electoral season, Representative Hayworth finds himself in a race that's too close to call. Ordinarily, Hayworth is a fixture on the GOP talk circuit, sent to places where Republican colleagues are in tight races, but he has been staying close to home this time, aides say. His lead in the polls over Democratic challenger Harry Mitchell - once in the double digits - is now down to two or three points. Each camp says its own private poll gives its candidate a slight edge.

"A lot of money is going into that race," says Mr. Solop, the pollster. "Both national parties are in there now."

In a virtuoso debate appearance in Scottsdale on Monday, Hayworth reminded constituents that he is the only Arizonan in history to have served on the powerful House Ways and Means Committee - a role that has allowed him to help the district. Two weeks ago, President Bush signed the Homeland Security Appropriations Act for fiscal year 2007, including funding for a fence along the border with Mexico, in Scottsdale, he said.

Mr. Mitchell, for his part, said Washington has the wrong priorities and that the nation needs a tough, realistic immigration plan.

"The enthusiasm is on our side," said Mitchell at a fundraiser on Friday, shouting over the thunk-thunk-thunk of the music of alternative pop rockers Jimmy Eat World and the Format. Tickets sold out in three days, mainly to students.

"J.D. is really out of touch," Mitchell says of his opponent. "He wants to only seal the border and make everyone a felon. It's just plain not realistic."

Mitchell, who helped lead Tempe's redevelopment and has a statue in his honor, adds: "The state has a 3.6 percent unemployment rate, and it depends on tourism, hospitality, and construction, and they need these workers."

Edward Hermes, a student representative on the Arizona Board of Regents, came to the fundraiser to check out Mitchell's message. "We're tired of all the positioning," he says. "We want a solution."

On Monday, Arizona State University students in Tempe marched to Phoenix in protest over Proposition 300 - the ballot initiative that denies education services and child-care benefits to illegal immigrants.

"Some 60,000 to 100,000 students apply to the university every year. If you spend 20 minutes on each one, you would need 17 full-time positions to deal with Prop. 300," says Jean Moreau. "Tuition goes up every year, and I don't see how we're going to get the money without cutting more classes."

"Voters are in a very ugly mood, on issues ranging from the war, scandals in Washington, the apparent loss of a moral compass, and the economy," says pollster Earl DeBerge of the Rocky Mountain Poll in Flagstaff, Ariz.

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TAX:

Survey Finds Giving By Wealthy Largely Immune To Tax Changes (WSJ)

By Sally Beatty

The Wall Street Journal, October 26, 2006

Many wealthy people would still give a lot to charity even if Congress wiped out popular breaks for donating, a study suggests. While these high-net-worth Americans already contribute two-thirds of household charitable giving, donating $126 billion last year alone, they would give more if nonprofits could rein in administrative costs and better demonstrate the impact of donations.

The researchers at the Center on Philanthropy at Indiana University, underwritten by Bank of America Corp., distributed 30,000 surveys between June and September in neighborhoods where the average household had liquid assets of $3 million or more. Responses from 945 were used in the analysis. The survey, designed as a nationally representative random sample, defined high-net-worth households as those with incomes of greater than $200,000 or assets over $1 million. Such homes represent 3.1% of U.S. households, the researchers said.

The results are at odds with several stereotypes about how and why rich people give to charity. Patrick Rooney, director of research at the center, said previous research has shown that giving declines generally when the value of tax deductions on the donation declines. But 52% of responding households said their giving would stay the same if they received no income-tax deductions for it. And 38% said such giving would somewhat decrease, but only 7% said it would dramatically decrease.

In addition, 56% said the amount they would leave to charity in an estate plan would remain the same if the estate tax were repealed. Politicians and charity officials have been arguing for years about whether a repeal of the estate tax would be good or bad for charity and society at large. Some wealthy Americans, including investor-philanthropists George Soros and Warren Buffett, have argued that doing so could hurt philanthropy by removing incentives to give to charity. But in the study, only a small percentage of high-net-worth households, 1.6%, said repealing the estate tax would dramatically decrease their charitable giving, while 3.9% said it would somewhat decrease giving. Prof. Rooney said that suggests the very rich are less sensitive to tax rates.

The arts, meanwhile, have long been associated with the very rich. But the households surveyed said they give just 11% of their charity dollars to the arts. Nearly double that amount went both to religion and education, each getting about 22% of donations from these households.

Other recent surveys conducted by the center have found that Americans generally give far more in percentage terms -- a full 60% -- to religion. But these households give a lower percentage to education, health and the arts than the wealthy, the center has found.

Charities are under pressure to contain administrative costs and demonstrate the impact of their work. Nearly 75% of the wealthy surveyed said they would give more if less money was spent on administration, and nearly 60% said they would give more if they were able to determine the impact of their gifts.

The study also found that 41% use wills to give away money, and almost 20% use foundations. A large majority of the wealthy (nearly 80%) do volunteer work, and a majority (61%) serve on charity boards. Only 8% say they give as a way to limit funds that will go to their heirs.

"Maybe part of what is driving this lack of reported tax motivation is that this group feels like they are primarily motivated by altruism and giving back to society," said Prof. Rooney.

IRS Help Can Be Hard To Get, Audit Says (USAT)

By Kevin Mccoy

USA Today, October 26, 2006

Got a complex tax problem? Phoning an IRS Taxpayer Assistance Center for an appointment won't necessarily produce a solution, a federal audit shows.

The Treasury Department inspector general overseeing the IRS called 50 assistance centers — 36 with tax account problems and 14 with tax law questions. Auditors reported that eight phone messages weren't returned, and five weren't returned within two business days as IRS guidelines require.

Moreover, auditors managed to schedule appointments for just five of the 36 calls that involved tax account problems, the type of complex tax issues that often require a face-to-face session to resolve.

That performance, outlined in an audit released late last week, undermined the centers' mission, the auditors concluded. They stressed that the “convenience of scheduling appointments could encourage taxpayers to try to resolve tax account problems earlier, thus reducing taxpayer burden.”

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"When the IRS doesn't provide proper customer service, it's harder for honest taxpayers to pay their taxes correctly," said Carol Guthrie, a spokeswoman for Sen. Max Baucus, D-Mont., the ranking minority member on the Senate Finance Committee.

"The IRS has made it clear it would like taxpayers to go to its website" for help, said Colleen Kelley, head of the National Treasury Employees Union, which represents IRS workers. "That works for some people, but not for others."

The IRS maintains 400 Taxpayer Assistance Centers nationwide. It encourages taxpayers to request face-to-face appointments for tax account issues that are difficult to resolve over the telephone.

Designated taxpayer phone lines in the offices logged about 500,000 calls during the 2006 federal tax season, from January through mid-April, the audit reported.

Sixty-eight of the centers had been scheduled to close under an IRS budget-cutting plan announced in 2005.

The agency reversed that plan last year after some members of Congress, the IRS employee union and the National Taxpayer Advocate's office argued that shutdowns would hurt the poor, the elderly and others who have limited access to tax counseling.

The new audit blamed the difficulty of getting return calls and appointments on IRS employees who either failed to follow, or were unfamiliar with, agency guidelines. Moreover, the audit characterized some IRS regulations as unclear and obsolete.

"There are no criteria for the Taxpayer Assistance Center employees to follow to determine if an appointment should be made for any tax account issue, or if an appointment can be made only for complex issues that cannot be resolved over the telephone," the audit reported.

Auditors recommended that the IRS update the guidelines and develop new controls to ensure that taxpayer calls are returned.

In a formal response, Richard Morgante, head of the IRS Wage and Investment Division, wrote that the agency agreed to implement the recommendations.

"We will ensure our employees understand we will not refuse an appointment to any taxpayer," Morgante wrote.

CONGRESS-ADMINISTRATION:

FT Interview: Rob Portman (FT)

By Krishna Guha In Washington

Financial Times, October 26, 2006

A Democrat victory in next month's midterm elections would jeopardise efforts to contain government spending, put upward pressure on taxes and undermine -America's ability to negotiate free trade agreements, Rob Portman, the White House budget director, claimed on Wednesday.

In an interview with the Financial Times, Mr Portman said voters had an economic choice to make at the polls on November 7.

"There is a clear distinction between Republicans and Democrats, both on the revenue side and on the spending side."

Mr Portman, a former US trade representative, said that "unfortunately" there was also a clear choice on free trade, with Republicans in favour and Democrats largely against.

However, he said he was hopeful that the two parties could come together for a serious attempt to reform Social Security and Medicare after the election, regardless of who won.

His comments come as the Bush administration tries to put the economy at the -centre of the election debate, hoping to capitalise on low unemployment, rising wages, falling petrol prices and a strong stock market.

Mr Portman told the Financial Times that if the Democrats took control of Congress, there would be more pressure for higher spending on non-defence discretionary expenditure. He said the alternative budget for 2007 put forward by Democrats in the House of Representatives increased spending by $177bn (€140bn, £94.5bn) over five years.

"That was positioned as a moderate budget," he said.

He warned voters against assuming that President George W. Bush could veto all extra spending proposals.

"Yes, the president has veto power, and could use it more frequently. But we also need to get these bills done. It is always a matter of negotiation," he said. Mr Portman also suggested that Mr Bush might not veto an increase in the minimum wage proposed by a Democrat Congress, provided it was part of a "package" that included relief for small businesses.

On taxes, Mr Portman asserted that "the Democrat leadership says different things at different times".

He said some congressional Democrats wanted to let all the Bush tax cuts expire, while some wanted to let the tax cuts for bigger earners expire, along with the dividend and capital gains tax cuts.

"They are not going to make the tax cuts permanent."

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But he conceded that even a majority Republican Congress might not find the votes to make all the tax cuts permanent. He said the argument had been shifting in favour of this, with revenues now above their 40-year average of 18.2 per cent of gross domestic product.

Mr Portman claimed a Democrat-run Congress would seek to raise taxes in other areas to offset reform of the Alternative Minimum Tax.

He regretted that trade had become a partisan issue.

"If you look at Republicans vs Democrats, there is a very clear delineation now, unfortunately, on trade. The Democrat leadership is against trade agreements. I don't mean Nafta and big agreements – they seem to be against them all."

A Democrat win next month would make it "more difficult, definitely" for the administration to secure an extension for its fast-track Trade Promotion Authority.

However, he said a renewed push on reform of Social Security and Medicare would still be possible, even if Congress changed hands. A growing number of Democrats as well as Republicans in Congress recognised the need to slow the growth of entitlement spending.

"I think it is possible regardless," he said.

Entering The Era Of Smart Card ID (WP)

By Stephen Barr

The Washington Post, October 26, 2006

The government begins issuing a new identification card tomorrow, the kickoff of a multiyear effort to provide all government workers and many contractors with a "smart card" that can be used to verify their identity when they enter a building or log onto computer networks.

In addition to showing a person's name and agency, an electronic chip in the card will contain personal data, such as images from two fingerprints, a special identification number and digital certificates that permit access to places and systems.

President Bush issued a homeland security directive in 2004 requiring that agencies issue the cards and install software that will allow them to be recognized across the government. The goal is to have government employees carry one ID card, replacing the multiple cards many employees must use to get into offices or obtain sensitive information.

Issuing the cards and upgrading equipment to read them will probably take three to five years, said Karen Evans , the administrator for electronic government and technology at the Office of Management and Budget. The ambitious effort, she said, will improve national security and ensure "that we give access to who we should."

Groups concerned about privacy rights and database security are watching the Bush administration's card project, in part because it may provide lessons for ongoing debates on whether Americans should carry a national identification card.

Evans said personal data on government employees and contractors would not be compiled in one vast database. However, it seems likely that some large records-keeping systems will be created or expanded with the advent of the new card.

There is no tally of how many smart cards will be handed out across the government, but they will number in the millions. The Defense Department, for example, has 3.2 million "common access cards" in circulation and will replace them as they expire -- a five-year project that includes deployment of new software.

There's also no estimate of how many federal employees will be issued the new smart card tomorrow.

Officials at the Office of Management and Budget hope to see the cards roll out tomorrow in cities with large numbers of federal employees, such as Washington, Atlanta, Denver, Seattle and New York. OMB has asked agencies to send in a photocopy of a card they have issued, with appropriate privacy redactions, so that the White House knows they have put a smart-card program in place.

The General Services Administration and the Interior Department are issuing the smart cards on behalf of numerous agencies and departments. Some, such as Defense and the Social Security Administration, will run their own card programs.

The Social Security Administration said it issued a smart card to Jo Anne Barnhart , the agency's commissioner, last week, and plans to issue about 100,000 of the cards over the next two years.

The Defense Department issues about 10,000 ID cards every day. Matt Boehmer , director of the joint advertising market research and studies program at the Defense Human Resources Agency, has volunteered to take on the ceremonial role of first Defense recipient of the next-generation ID card, said Lynne Prince , acting director for the department's access card office.

Bush called for "secure and reliable forms of identification" to be developed for government workers as part of the administration's efforts to stop terrorists, criminals and unauthorized persons from getting into federal buildings and hacking into computer systems.

Employees receiving the smart card undergo a credit and criminal background check.

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The process set up by the GSA, which is providing card services to 38 federal agencies and departments, takes a person's fingerprints, checks them against FBI records and enters them into a database, along with a photograph and other personal data.

The GSA had enrolled more than 70 people as of yesterday, an official said.

"We have assured our clients that one person from every participating agency will receive a credential on Friday. We probably will be issuing more than one, but that is our minimum target," said Michel Kareis , the GSA program manager.

Kareis said the GSA smart-card database will cover at least 400,000 people, and probably more because information on how many contractors will need the card is incomplete.

The GSA cards will cost the agencies $110 for each initial issuance and $52 annually for card and database maintenance. If more than 500,000 cards are issued, the GSA will be able to take advantage of the volume and lower prices, Kareis said.

She said the GSA plans to set up about 200 enrollment stations throughout the nation, starting next year, to get the new ID cards out to federal employees.

OTHER NEWS:

Fed Leaves Rates Alone For The Third Time (USAT)

By Sue Kirchhoff

USA Today, October 26, 2006

WASHINGTON — The Federal Reserve, holding interest rates steady Wednesday for the third consecutive meeting, says it expects economic growth to continue, despite the widespread slump in the housing market.

But the central bank cautioned that inflation remains a threat given the tight job market, even after the recent fall in energy prices.

"Economic growth has slowed over the course of the year, partly reflecting a cooling of the housing market," the Fed said in a statement at the conclusion of its two-day meeting. "Going forward, the economy seems likely to expand at a moderate pace."

The Fed kept its target for short-term interest rates steady at 5.25%, the highest in nearly six years. Although the Fed does not directly set mortgage or other private-sector loan rates, its short-term rate target is used as a benchmark when banks price consumer and business loans.

Fed Chairman Ben Bernanke and other officials have said they expect inflation to gradually moderate as growth slows. However, they repeated their warning that incoming data will determine whether they need to raise rates again.

"We don't think there will be any more rate hikes," Global Insight chief economist Nariman Behravesh told clients. Economists at the firm expect the Fed to cut rates next year, possibly as early as March.

More than half of 53 top economists surveyed by USA TODAY Oct. 13-18 expect the Fed to hold steady for months, then reduce rates in the first half of 2007. The economists, on average, expect one rate cut.

But some economists cautioned against complacency, pointing out that inflation was still too high. The core consumer price index, an inflation measure that excludes food and energy, is up 2.9% in the past 12 months, above the Fed's informal 1%-2% comfort range.

"We continue to look for the next move from the Fed to be a hike in rates," John Ryding of Bear Stearns said in a note to clients, adding the timing of any move was unclear.

The central bank raised rates 17 times in quarter-point increments from June 2004 to June 2006. The effort was designed to remove excess stimulus from the economy and keep inflation under wraps.

The economy expanded at a brisk 5.6% annual rate in the first quarter of the year but slowed to a 2.6% pace in the second. The government will announce its third-quarter growth estimate on Friday. Behravesh expects growth to have cooled to a 1.5% annual rate, which he says would be the low before a moderate pickup.

Richmond Fed President Jeffrey Lacker dissented for a third meeting, preferring a quarter-point rate increase to combat inflation. Lacker is the first Fed official to do so since 1998, Moody's Economy.com. says.

Fed Again Leaves Rates Unchanged (WSJ)

By Greg Ip

The Wall Street Journal, October 26, 2006

WASHINGTON -- The Federal Reserve held short-term interest rates steady for its third consecutive meeting as it continued to bet on a moderation of both inflation and economic growth.

Even as it left rates at 5.25% yesterday, the Fed again warned that it is worried about inflation.

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Since Ben Bernanke became Fed chairman in February, he has faced, first, the threat of rising inflation and then a housing-led economic slowdown. The latest data, and the statement released by the Fed after its meeting yesterday, suggest that the central bank sees the risks on both sides diminishing. That makes it less likely that rates will change in either direction in coming months.

Both the rate action and statement were largely expected. Bond prices rallied and bond yields, which move in the opposite direction to prices, fell, apparently because investors had expected more hints of a possible rate increase.

Futures markets' expectations of Fed actions have swung sharply in the past month, from betting on several rate cuts starting as soon as December to seeing a small probability that the Fed might raise rates.

In its statement, the Fed said growth has slowed in part because of a "cooling" housing market. "Going forward, the economy seems likely to expand at a moderate pace," it said, a notable addition to its statement released after last month's meeting.

Core inflation, which excludes food and energy, remains "elevated" but inflation pressures are likely to moderate thanks to lower energy prices, "contained" inflation expectations, and the impact of previous rate increases, the Fed said.

"Some inflation risks remain," the Fed said, but whether rates would rise again depends on the outlook and "incoming information."

For the third straight meeting, Federal Reserve Bank of Richmond President Jeffrey Lacker cast the lone dissent among the 11 voting members of the Federal Open Market Committee. He argued in favor of a quarter-percentage point rate increase in the target federal-funds rate, charged on overnight loans between banks. (One voting seat is empty and seven other members don't vote.)

Mr. Bernanke has faced shifting challenges since taking office. Core inflation has risen to 2.9% from 2.1%, the highest level in a decade. Although inflation by the Fed's preferred price index is lower, it, too, is above the 2% level many Fed officials have said they are comfortable with. That led the Fed to raise rates at its first three meetings under Mr. Bernanke.

Then later economic growth, under the weight of falling home and automobile sales, began to slow, to an estimated annual rate of about 2% in the third quarter. That would be the second-lowest level since 2003. The official growth figure will be reported tomorrow.

In recent weeks, though, both inflation and growth worries have eased. Energy prices have plunged, and the Fed expects the indirect impact of that drop to pull down core inflation in the coming year or so. Yesterday's Fed statement dropped a reference from the previous month to energy and commodity prices as a source of inflation pressure.

There is little sign the economy outside housing and cars has slowed much. Some economists said the housing market has shown tentative signs of hitting bottom.

Yesterday, the National Association of Realtors said existing-home sales fell 2% in September to an annual rate of 6.18 million, from August. The inventory of existing homes remained at about 7.3 months of sales for the third consecutive month.

"We might be having what some colleagues have described as a false landing rather than soft landing," said Carl Tannenbaum, chief economist at LaSalle Bank. He said growth could rebound to 3% in the current quarter as the housing correction ends and consumers benefit from a 25% to 40% drop in gasoline prices.

"The Fed must ask itself: Did things slow down long enough and far enough to reduce pressure on capacity? I think the next move [on rates] is probably up."

Rajeev Dhawan, director of the Economic Forecasting Center at Georgia State University, predicted the Fed would cut rates by January. With long-term rates well below short-term rates -- a relationship that in the past has foreshadowed recession -- "the risk factors are too high," he said.

The shifting momentum of growth from strong to weak and back to moderate reflects the remarkable stability the U.S. economy now enjoys, said John Makin, a scholar at the American Enterprise Institute. "As has often been the case over the past five years, the slowdown itself has set into motion market adjustments that may mitigate or even reverse it," he wrote in a report.

For example, the Fed's decision to pause as the housing market weakened led investors to drive down long-term rates on bonds and mortgages. That, with a lag, has helped put a floor under housing.

Online lender Quicken Loans Inc.'s pipeline of mortgage applications has grown 20% to 25% since rates began to ease in late June, said the company's chief economist, Bob Walters. The increase has been driven mostly by refinancing applications, while the number of applications for new-home purchases remains steady. "Whether we've seen the bottom or not, remains to be seen," he said.

Fed Holds Key Rate Steady At 5.25% (WP)

By Nell Henderson

The Washington Post, October 26, 2006

DOJ_NMG_0086824

Federal Reserve policymakers decided to hold short-term interest rates steady yesterday but left the door open to raising them in coming months if inflation stays too high.

The economy has lost steam this year, partly because of the sharp downturn in the housing market, the central bank's policymaking Federal Open Market Committee said in a statement after a two-day meeting.

That slowdown should eventually help ease inflation, but unemployment remains low and factories remain busy, which could fan price pressures in the shorter term.

"Some inflation risks remain," the central bankers said, making it clear they might move interest rates higher if inflation proves more stubborn than they forecast.

Even so, the committee had an upbeat outlook, saying it expects the economy to "expand at a moderate pace" -- a sign that it doesn't expect the housing slump to drag the rest of the economy into a recession.

"It seems like we have rising odds of a soft landing," said Elizabeth Weymouth, a global investment specialist at J.P. Morgan Private Bank. "The risk of a recession has faded dramatically, and inflation appears headed back down."

Stocks rose shortly after the Fed's announcement, as investors welcomed that message and concluded the central bank will leave interest rates on hold for a while.

The committee left its benchmark federal funds rate, the overnight rate charged on loans between banks, at 5.25 percent. The Fed has held the benchmark rate at that level since June, after raising it gradually from 1 percent over two years.

One of the committee's 11 voting members voted against the decision. Jeffrey M. Lacker, president of the Federal Reserve Bank of Richmond, in his third dissent in as many Fed meetings, would have preferred to raise the funds rate to 5.5 percent.

"The longer inflation remains elevated, the more difficult it will be to bring it back down," Lacker said in a speech in Washington two weeks ago, explaining that he thinks another rate increase is needed to lower inflation more quickly.

Inflation surged earlier this year as oil prices peaked above $77 a barrel in July, and as prices climbed for education, medical care, rental housing and other items.

But inflation has fallen as fuel prices have tumbled since mid-August. The Labor Department's consumer price index declined 0.5 percent in September, and was up 2.1 percent in the 12 months ended in September.

However, economists also look for signs of underlying inflation by studying core measures that exclude volatile food and fuel prices. The core CPI rose 0.2 percent last month and 2.9 percent from September 2005 -- the highest 12-month increase in a decade.

The Fed expects inflation to fall over time because of lower fuel prices, slower economic growth and other factors, the statement said.

But some analysts were more skeptical, noting that falling gasoline prices have helped spur consumer spending, that the labor market remains tight and that wages have been rising -- all potential sources of inflationary pressure.

Fed policymakers "are betting on energy prices to basically do their work for them," said Drew Matus, a senior economist with Lehman Brothers Inc., which predicts the central bank will lift its benchmark rate once more to 5.5 percent before it is done.

"We expect the slowdown in growth will not be sufficient to pull down inflation on its own. You'll need a little extra boost" in interest rates," Matus said.

The Fed seeks to control inflation and encourage economic growth by adjusting interest rates. Tighter credit discourages consumers and businesses from borrowing and spending, which dampens growth and price pressures; easier credit does the opposite.

The Fed's benchmark rate directly influences other short-term rates, such as those charged on credit cards and home-equity loans. But it only indirectly influences long-term rates, which are determined more by global financial markets. Mortgage rates, for example, have declined in recent months.

The Fed spent some of its two-day meeting discussing its communication policies. Members of the group had agreed in August that they wanted to find better ways to inform the public about their economic goals. The Fed announced no changes yesterday on that issue.

Home Prices Keep Sliding; Buyers Sit Tight (WSJ)

By James R. Hagerty

The Wall Street Journal, October 26, 2006

The air continues to seep out of the U.S. housing market, according to the latest data, and some economists are warning that prices will keep declining through much of 2007.

The National Association of Realtors yesterday reported the biggest drop in home prices since the trade group began compiling price data in 1968. Specifically, the association said the median price for home sales completed in September was

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$220,000, down 2.2% from a year earlier. That matched a revised 2.2% decline in August. In addition to being the largest price drops in at least 38 years, the back-to-back declines are the first time median home prices have fallen since 1995.

Other data gathered by The Wall Street Journal show large inventories of unsold homes and declining price trends in most major metropolitan areas.

"Housing is still contracting," says Gregory Miller, chief economist at SunTrust Banks Inc. in Atlanta. "We haven't yet found the bottom." Mr. Miller doesn't expect house prices to resume their usual rising trend until 2008.

The latest report is likely to encourage many potential buyers to hold off in the hope of further price declines. "There's no rush," says Robert Cook, a procurement manager living in Whitehall, Pa., who is looking to buy a larger home for his family in Pennsylvania's Lehigh Valley.

Rather than slash their prices, some sellers are taking homes off the market until they see stronger demand. Audrey Heckaman, a pharmaceutical sales representative in Cleveland, bought a new condo in a golfing community in Naples, Fla., in 2004 for $221,000. Early this year, she put it on the market for $429,000. But she found that too many other units in the same development were on the market. After cutting her price to $384,000, she yanked the home from the market in June and found renters for part of the year. In the long run, she figures, demand from retiring baby boomers will drive prices back up.

For those who want to buy now, sellers are dangling lots of incentives. A developer in Dadeland, Fla., near Miami, is offering $5,000 of furniture as an inducement for buyers of new condominiums, says Ronald A. Shuffield, president of the brokerage firm Esslinger-Wooten-Maxwell Inc. Other developers offer to pay some of the fees and other costs usually borne by home purchasers.

Some people who are forced to sell quickly are suffering huge losses. At an auction in Naples last weekend, the highest bid for a three-bedroom lakefront house was $440,000, including commissions and auction fees. The house had sold in July 2005 for $690,000.

Despite the recent drop-off, house prices remain far above the levels of five years ago, and they continue to rise in some areas, including Seattle, Houston and Raleigh, N.C. But they are falling sharply in other places. In Massachusetts, the median price for single-family homes in September was down 8.3% from a year before, according to Warren Group Inc., a publisher and data collector in Boston. In Phoenix, the median price dropped 4.8% in September, the local Realtors association reported.

In some areas, prices are only just beginning to fall back toward realistic levels, says Thomas Lawler, a housing economist in Vienna, Va. He believes that prices could fall more than 10% from their peak levels in markets such as Sacramento, Calif.; San Diego; Las Vegas; Reno, Nev.; Phoenix and parts of northern Virginia and Florida.

Nationwide, sales of previously occupied homes in September were at a seasonally adjusted annual rate of 6.2 million, down 1.9% from August and 14% from a year earlier, the Realtors group reported.

In a mildly positive sign for home sellers, the number of homes listed for sale at the end of September declined 2.4% from a month earlier to 3.75 million. But that was smaller than the usual decline in September, when the resumption of school and the approach of the holidays typically begin to reduce the number of for-sale signs. Over the past decade, inventories of home sales have declined an average of 3.6% in September from the previous month.

Inventories in September were up about 35% from a year earlier. A surge in inventories, fueled partly by investors rushing for the exits, began chilling the housing market in mid-2005 after a five-year boom that more than doubled prices in many areas.

Despite the spreading weakness in house prices, few experts expect anything approaching a collapse. The economy continues to expand, though at a slower rate, and a recent drop in interest rates helps make mortgage costs more affordable.

To gauge residential real-estate prospects for 27 major metro areas, The Wall Street Journal gathered data on inventories of homes for sale at the end of the second quarter from a variety of local sources; pricing trends based on surveys of real-estate agents by Daniel Oppenheim, an analyst at Banc of America Securities in New York, a unit of Bank of America Corp.; and data on late mortgage payments and job-creation prospects from Moody's Economy.com, a research firm in West Chester, Pa. Employment trends tend to drive demand for housing.

Metropolitan areas with large increases in homes on the market and weak job-growth projections include Detroit, New York and Los Angeles. Inventories have more than doubled from a year earlier in the Miami, Orlando, Tampa and Phoenix metro areas, but strong job and population growth should help to soak up excess supply in the next few years.

Even within metro areas, price trends vary considerably depending on neighborhoods and types of housing. In northern New Jersey, for instance, prices for homes below about $400,000 may start rising again slightly by next spring if interest rates remain around current levels, says Jeffrey Otteau, president of Otteau Valuation Group Inc., an appraisal and research firm in East Brunswick, N.J. At that price level, "there's virtually zero construction," he says. But he says there is such a glut of luxury housing in the area that prices of such homes won't recover before 2008.

Tom Doyle, an agent at Naples Realty Services who compiles market data on his Web site (www.naplesinsider.com), estimates that prices for typical homes in the area are down 15% to 20% from their peak a year ago. Inventory has doubled

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during that time, but many of the homes on the market are priced so high that they have "only a lottery's chance of selling," he says. Looking ahead to this winter's selling season, Mr. Doyle says he expects prices to be flat to lower because of the large supply of homes for sale.

Seattle has been one of the strongest markets in recent months but is showing signs of losing some steam as inventories of unsold homes rise. In 17 counties of western and central Washington State covered by the Northwest Multiple Listing Service, the median price in September was up 9.4% from a year earlier, the first single-digit increase in two years.

Mike Skahen, owner of real-estate brokerage Lake & Co. in Seattle, says inventory is still lean in good neighborhoods near the area's biggest employers. But the overall market is slowing to a more normal pace as "buyers are feeling they can be more selective."

Houston's market is benefiting from job growth at energy and technology companies and draws newcomers because of its low home prices. The median price in the second quarter was $152,700, compared with a national median of $227,500, according to the National Association of Realtors.

In North Carolina, Charlotte, Raleigh and some other areas have been strong lately as moderate weather and relatively low housing costs attract employers and retirees. Pat Riley, president of Allen Tate Realtors in Charlotte, has noticed increasing numbers of people moving to North Carolina from Florida to flee congestion and high housing and insurance costs. One hitch: Some people moving to Charlotte are having trouble selling their homes elsewhere and so are delaying purchases.

The median price of new and previously occupied homes sold in the eight-county Charlotte region was $182,000 in the third quarter, up 6% from a year earlier, according to Market Opportunity Research Enterprises, a research firm in Rocky Mount, N.C. But the Charlotte market may be starting to cool a bit. The Charlotte Regional Realtors Association reported that home sales in September slipped 2% from a year earlier, while the average price edged down 0.2%.

The California Association of Realtors last week forecast that the median home price in the state will slip 2% to $550,000 in 2007, after rising 7% in 2006 and 16% in 2005. That would mark the first California-wide decline since 1996. California's last house-price slump lasted from 1992 through 1996.

Leslie Appleton-Young, the California Realtors' chief economist, says she doesn't expect the current downturn to be as severe as the one in the 1990s because she thinks the job market will be healthier this time. Many people don't need to sell and will withdraw their homes from the market until demand recovers, she says. Still, she adds, some investors who bought near the top and took on too much debt "are going to get into trouble."

Sellers Sing The Blues As Price Drop Sets Record (USAT)

By Noelle Knox

USA Today, October 26, 2006

Then: San Diego's housing market was so hot that the town house next to Jeff Cruce's was flipped from buyer to seller three times in three years. The owners, who never moved in, didn't even need to put up a “For Sale” sign.

Now: Since August, Cruce and seven of his neighbors have put their town houses on the market (that's nearly 20% of the units in the complex). All have cut their prices, including Cruce, who chopped his price last month by $30,000 to $559,000. Not one has received an offer yet. Each time one owner would lower the asking price, it put pressure on the others to follow, says Cruce, 38, a salesman who's moving to Atlanta.

That domino effect, rippling through neighborhoods across the country, pushed down the nation's median home price in September by the largest amount on record, the National Association of Realtors (NAR) said Wednesday.

The median price for a single-family home slipped 2.5% from September last year to $219,800, the sharpest annual drop since the NAR began tracking the data in 1969. The median-priced condominium fell 2.8% to $219,800, the fourth annual decline in a row.

At the same time, the volume of home sales fell for the sixth straight month, tumbling 14% in September compared with a year ago.

In the softest real estate markets, sellers are waking up to the harsh reality that they can't get anywhere near what their neighbors sold their homes for last year. So they're grudgingly reducing their asking prices and offering to pay closing costs.

At the same time, many buyers, emboldened by the transformed market, are low-balling sellers and getting deals they couldn't have imagined last year.

Just ask Sevan Derderian and Reggie Johnson.

In 2004, Derderian bought a house in Las Vegas as an investment for $281,000. He found tenants, but he kicked them out after 10 months because their rent was always late.

“I found that it's really hard to be a landlord from a state or two away,” says Derderian, 43, a salesman in Los Angeles. He held onto the property for another year, hoping prices would keep going up. Once the market turned south, though, he panicked.

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He listed the house in the summer for $305,000. Having owned real estate only during boom years, he assumed it would sell in about a week. After a month, he cut the price to $289,900. Another week went by. He offered to pay nearly $9,000 toward a buyer's closing costs.

Then along came Johnson, a 38-year-old truck driver, who snapped up the house and boasts, “I got a great deal.”

Derderian, in the meantime, lost about $25,000 from paying the mortgage on an empty home.

That's a risk confronting sellers in 56 metro areas, including Las Vegas, San Diego, Phoenix, New York and Miami, that are expected to suffer annual price drops, according to a study this month by Moody's Economy.com.

Prices in a few markets, such as Las Vegas and Portland, Ore., won't bottom out until 2009, the study projected, and in many areas prices will stay flat through the end of the decade. (For a full list, see www.money.usatoday.com.)

“It was surprising just how quickly the market seemed to turn,” says Mark Zandi, chief economist for Economy.com. “It was like, boom, boom, bust. It was like, ‘What happened?' The psychology in the marketplace unraveled very rapidly.”

In fact, about half of American homeowners who thought of selling their homes in the past year have delayed putting their homes on the market, according to a USA TODAY/Gallup poll conducted this month.

And roughly one-third of those who had considered selling have abandoned the idea. (The poll of 1,007 adults has a margin of error of plus or minus 3 percentage points.)

Of course, home prices aren't going to fall in every market. About one-third of the nation is expected to see moderate price growth for the rest of the year. Those areas include Dallas, Austin, Newark, Del., and Birmingham, Ala. — areas where prices didn't test the stratosphere during the boom.

Even in the once-sizzling markets, homeowners and investors who bought their properties more than two years ago should still see modest gains if they sell in the current market.

But it's clearly a buyer's market now. The number of homes for sale has bulged to a 7.3-month supply compared with 4.6 months last September. The backlog of homes for sale is thickest in the areas that witnessed the fastest price growth and investor activity.

“It's frustrating,” says Cindy Holliday, a high school math teacher who recently took a job in Chicago. “Homes were selling for so much more a few months ago, and now nothing's selling at all.”

Holliday and her husband were house hunting in Chicago in June when they put their home in Ocala, Fla., up for sale.

“Before we put our house on the market, houses were selling so fast we didn't think we'd have a problem selling our house at all,” says Holliday, 31.

“When we got back down there (to Ocala), just about every other house on our street was for sale. It was very depressing.”

Though their house probably would have fetched nearly $200,000 earlier this year, they listed it at $179,000. A couple of weeks ago, they trimmed the price to $174,500.

But it's no easier for sellers in Chicago, says Javier Diaz. He's made several profitable real estate investments, but the three-unit apartment building he bought in Chicago earlier this year wasn't one of them.

“I figured this year the property would go up 30 or 40 grand, but that didn't happen,” says Diaz, 28.

He put it up for sale in September, asking $415,000. He's already cut the price twice, to $375,000. That's less than he owes on his loan, which means that if Diaz sells at that price, he'll have to pull $5,000 out of his own pocket to pay the bank.

Being a mortgage broker, Diaz knows some investors who used their home equity like debit cards. He says of the quick decline in real estate, “It's coming like a culture shock to many.”

Vicki di Bernardo agrees. “It taught us a lesson,” she says of the downturn in Las Vegas. “It was a little risky, but we got caught up in it. Everyone was doing it. … (Now) everyone is very, very nervous here about the real estate market.”

She recalls buying a single-family home in the Las Vegas suburb of Summerlin as an investment in 2003.

“We were on a huge waiting list, and our names came up, and we had to go in with a check and give it to them within a couple of hours or they'd go to the next on the list.”

She rented the house out for two years. But when her tenants moved out in February, she put it on the market for $574,000.

“In the first three months, we didn't have one showing — not one,” says di Bernardo, 60, who works in human resources. At the end of May, she dropped the price to $519,000. Three weeks later, she came down to $499,000. Even then, only looky-loos came by.

“There was so much inventory” on the market, di Bernardo recalls. “So many builders had offered huge incentives, like no mortgage payments for 12 months or a swimming pool. We had it on the market for $479,000 when an offer came in at $460,000.”

She grabbed it. She still made $175,000, but that's about $100,000 less than she'd have made if she sold last year.

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Builders, with no emotional attachment to their homes, have become one of the biggest financial threats to individual sellers. New-home sales are down 16% this year. Building permits for single-family homes are off by 20%. Faced with a huge number of cancellations, builders began trying to lure buyers with eye-catching deals, such as free vacations, media rooms and landscaping.

That's what's hurting Bryan Rauch. In January, he bought a home in Anthem, Ariz., where Pulte Homes is offering a slew of incentives, including advice from re-sale experts to help buyers fix up and sell their current homes.

“The plan was to renovate it and flip it,” says Rauch, 37, a nurse-turned-real-estate-investor.

He put the home back on the market in February, at $284,000, then lowered the price repeatedly until he hit $270,000. Still no buyers. After six months, he rented it out at a $500-a-month loss.

“The problem is the builder is giving away homes,” Rauch says. “Properties like this are now selling for the low $200s.”

But Rauch needs to cut his losses. So he's putting the home back on the market at $260,000 and crossing his fingers — like a lot of other sellers around the country.

A Record Drop In Home Prices (WP)

By Kirstin Downey

The Washington Post, October 26, 2006

The price of existing homes last month fell 2.2 percent, the largest monthly decline in the almost four decades the number has been tracked, according to an industry report released yesterday.

Nationwide, the number of existing single-family homes sold fell 14.2 percent in September compared with September 2005, according to the report from the National Association of Realtors. The number of sales has fallen each month since March.

Prices fell everywhere in the country, with the Northeast and West most affected. Declines were more moderate in the South, which includes the Washington area.

The median price nationally of an existing single-family home in September was $220,000, down from $225,000 a year earlier. It was the largest monthly decline since the Realtors began monitoring prices monthly in 1968. It was the second month in a row that home prices fell compared with a year earlier. The median is the point at which half of the homes cost more and half cost less.

One reason prices are dropping is that sellers are having a harder time finding buyers.

Nazirahk Amen, 39, a natural medicine practitioner and acupuncturist, thought a buyer would snap up his three-bedroom, three-bath Cape Cod in Takoma Park. He was so confident that his organic garden and greenhouse would be a particularly strong lure in that community that he bought another house nearby and moved. For the past two months, he has been making two mortgage payments, and recently reduced the price $25,000 to attract a bidder.

"Of course it's frustrating," Amen said. "I'm looking for this to end. It's frustrating, to say the least."

Realtors' association officials blame the continuing slump on what Lawrence Yun, the group's senior economist, called "confidence issues." Yun said buyers are waiting until they think the market has hit bottom, particularly because high prices have made houses less affordable.

"Psychological factors have people on the sidelines," Yun said. "They are waiting to time the market."

Yun saw reason for optimism, and thinks an upturn is at hand. He said the September figures represent a "trough in the market," because for the past two months, the inventory of unsold homes has fallen slightly.

"Supply was artificially elevated" earlier in the year when real estate investors bailed out of the market, Yun said.

Thomas M. Stevens, a Vienna-based real estate broker who serves as president of the national trade group, said in a statement that he was heartened by the decline in properties coming onto the market, which he said would lead to a better "supply balance."

Charles W. McMillion, an economist and president of District-based MBG Information Services, said he saw little sign that the decline was ending. "I don't see stability when sales continue to decline sharply and price continued to decline sharply," McMillion said. "It's pretty hard to argue we've reached a sustainable level."

Peter Morici, an economist at the University of Maryland, said reduced inventory of unsold houses may mean "frustrated buyers are removing their homes from the market." Morici said that major price adjustments will be needed to bring the market back into balance.

"The speculative frenzy of recent years is causing a major adjustment, and the happy talk of Realtors is prolonging the process," Morici said. "The absence of realistic analysis about the extent of overvaluation is characteristic in an industry that sees nothing but an upward progression for values, but houses like any other asset can be overpriced. . . . Things are likely to get worse before they get better."

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According to yesterday's report, prices in the Northeast in September dropped 5.1 percent compared with a year earlier and those in the West dropped 4.3 percent. In the South, they were down 1.6 percent.

The federal government is scheduled to release figures today on sales of new homes, which have also been falling this year. That weakness has been reflected in the earnings reports of national home builders. This week, for instance, Dallas-based builder Centex Corp., which has 40 projects in the Washington area, reported that its earnings in the quarter ended Sept. 30 fell 59 percent. "We have been aggressively responding to deteriorating market conditions" by reducing land purchases and cutting staff, Timothy R. Eller, Centex's chairman and chief executive, said in a statement.

Dow Hits High After Fed Keeps Rates Steady (USAT)

USA Today, October 26, 2006

NEW YORK — The Dow Jones industrial notched its third consecutive record Wednesday — its third such winning streak in three weeks — after the Federal Reserve did as expected and left interest rates unchanged (story, 1B).

The Dow rose 6.80 points to 12,134.68. While that was less than 0.1%, it was a new closing high and extended the Dow's 2006 gain to 13.2%. The Standard & Poor's 500 set another 2006 high as it rose 4.84 points to 1382.22 and stretched its gain for the year to 10.7%. The Nasdaq composite remained the laggard. It gained 11.75 points to 2356.59 for a 6.9% 2006 gain.

The Fed's Open Market Committee kept its benchmark rate unchanged at 5.25% for a third straight meeting, but it noted in its accompanying policy statement that recent readings on inflation have moved higher recently.

Stocks waffled after the Fed's decision was released as investors worried that inflation concerns could prompt the central bank to resume its rate increases in the future. There may also have been some disappointment because “It's not a sign that the Fed is going to be cutting rates anytime soon,” says Drew Matus, senior economist at Lehman Bros.

Highlights:

Amazon.com jumped $4.05, or 12%, to $37.68. Late Tuesday, the online retailer reported better-than-expected third-quarter results and gave bullish guidance for the current period.

·Adobe Systems added 85 cents to $38.94. The software company boosted its fourth-quarter earnings guidance based on a gain from the recent sale of an equity investment.

·Altria rose $2.28 to $82.10. The cigarette giant posted a small drop in third-quarter profit and said its board would announce in January plans for a possible divestiture of Kraft Foods. Kraft fell 2 cents to $35.34.

·GateHouse Media closed at $21.17, up 18% from the $18 at which the newspaper publisher went public.

·Yankee Candle climbed $5.01, or 17%, to $33.73 on news Madison Dearborn Partners is buying the retailer for $34.75 a share, or $1.4 billion in cash.

·LifeCell plunged $8.02, or 25%, to $23.82. The maker of products from human tissue for use in surgeries said third-quarter profit more than doubled but lowered its 2006 outlook.

·DaimlerChrysler climbed $2.35 to $54.68. The automaker posted 37% lower third-quarter profit but still beat estimates (story, 3B). General Motors fell $1.48 to $34.71. It posted a smaller loss in the third quarter (story, 1B).

Stocks Rise On Fed News But Crude Curbs Gains (WSJ)

By Peter A. Mckay

The Wall Street Journal, October 26, 2006

The stock market rallied on news that the Federal Reserve isn't raising rates but gains were held in check by a jump in crude-oil prices, which typically hurts stocks.

In its weekly report on U.S. stockpiles of various energy products like gasoline and heating oil, the Energy Department said crude storage was down nearly 1% to 332.3 million barrels for the period ended Friday, contrary to traders' expectations for a rise.

As a result, crude contracts for December delivery leapt $2.05, or 3.5%, to $61.40 a barrel. The rally pushed prices back into positive territory for the year, up 0.6% on the New York Mercantile Exchange.

The Dow Jones Industrial Average rose 6.80 points, or 0.1%, to 12134.68, up 13.2% for the year. Among the blue-chip measure's 30 component companies, Exxon Mobil rallied 1.6% because of crude's run-up. But weak third-quarter results at both Boeing and General Motors pushed their shares down more than 3% each.

The broad Standard & Poor's 500-stock index gained 0.4%, or 4.84 points, to 1382.22, up 10.7% for the year. The technology-heavy Nasdaq Composite Index rose 0.5%, or 11.75 points, to 2356.59, up 6.9% for the year.

As expected, the Fed left its key rate target unchanged at 5.25%. In its statement, the Fed deleted its previous mention of energy prices and other commodities, which have generally fallen since policy makers met last month and identified them as a

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potential source of inflation. The Fed included a new sentence: "Going forward, the economy seems likely to expand at a moderate pace."

Elizabeth Weymouth, global investment specialist at J.P. Morgan Private Bank, said the statement supported the growing sentiment on Wall Street this week that a rate cut is unlikely in the near future. She said it also bolstered investment advice that her firm has been touting to clients this week -- that economic growth should remain strong enough into early 2007 to support strong profit growth at big-name U.S. companies.

"We think this is a time for investors to add some risk to their portfolios," via stocks in the Russell 1000-stock index, said Ms. Weymouth.

In a recent report to clients, economists at Credit Suisse said the Fed is likely to maintain "a tightening bias" for some time. But that doesn't necessarily mean a rate boost is imminent, they said. Rather, central bankers could merely be discouraging traders from betting on a rate cut, or they could be leaving themselves leeway while they consider their next move, Credit Suisse economist Kathleen Stephansen said in an interview. "They may have some fine-tuning to do at some point, but you won't see a tightening cycle," including several increases in a row, she predicted.

In other news, sales of existing homes in the U.S. fell 1.9% in September. The median price of a single-family home slipped to $219,800, down 2.5% from a year ago, the biggest price drop on record, according to the National Association of Realtors.

In major U.S. market action:

Bond prices rose. The 10-year note gained 14/32 point, or $4.375 for each $1,000 invested, pushing the yield down to 4.767%. The 30-year bond rose 28/32 to yield 4.888%.

The dollar weakened. Against the Japanese currency, the dollar fell to 119.02 yen, compared with 119.30 yen. The euro rose to $1.2610 from $1.2563.

Amtrak Careless In Managing Outside Counsel, Report Says (WSJ)

By Nathan Koppel And Ashby Jones

The Wall Street Journal, October 26, 2006

Amtrak has been careless in managing law firms that have billed it millions in legal fees, according to a report released Wednesday by federal investigators.

The report, issued jointly by Amtrak's Office of Inspector General and the U.S. Department of Transportation Inspector General, said that the law department of the passenger railroad, for example, failed consistently to request and manage budgets for legal work. Also, law firms engaged in "block billing," in which firms lump tasks under one entry of an invoice rather than showing the costs of each task. The practice is prohibited by Amtrak's billing guidelines, the report says.

MORE INFORMATION

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Read the report2 on Amtrak's management of outside legal services. (Adobe Acrobat3 required.)

"About 30% of the billings were block billed, which is actually not allowed," says U.S. Rep. John Mica (R., Fla.), a member of the House Committee on Transportation and Infrastructure who requested the probe.

Amtrak, which is federally subsidized, has been struggling to reverse years of losses and has faced Bush administration calls to sharply reduce its long-distance train service.

A letter addressed to Rep. Mica and released Wednesday from the chairman of Amtrak's board, David Laney, said Amtrak reduced annual legal fees by 26%, or $8 million, since 2003, and in the past five years, working with outside law firms, recovered $79 million in cash from legal settlements. "Still … the report should provide us with valuable guidance as we continue to improve Law Department operations," the letter said.

From 2002 to 2005, according to the report, Amtrak paid more than $100 million in legal fees -- $40 million of which went to 10 firms, which are listed in the report. The firms with the highest billings were Landman Corsi Ballaine & Ford P.C. ($11.6 million); Manatt, Phelps & Phillips LLP ($7.4 million) and DLA Piper LLP ($4.1 million). The firms did not immediately respond to requests for comment. (See the full list of firms, at the Law Blog4.)

While finding fault with Amtrak, the report did not criticize law firms by name. But all of the firms listed failed to follow at least some of Amtrak's guidelines, according to John Toothman, a professional legal-fee auditor who was hired by Amtrak's Office of Inspector General to assist it in its investigation of billing practices.

Americans Expect Major Changes If Dems Win Nov. 7 (USAT)

By Susan Page

USA Today, October 26, 2006

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WASHINGTON — Most Americans predict Democrats will win control of the House of Representatives in the elections Nov. 7, and they expect big things to follow — some good, some not — if Democrats take over the Senate, too, a USA TODAY/Gallup Poll shows.

If Democrats take over the House and Senate in January, more than 8 in 10 say, Congress would probably set a timetable to withdraw U.S. troops from Iraq, a step favored by nearly two-thirds.

Less popular: Nearly two-thirds expect a Democratic Congress would raise federal income taxes. Three-fourths disapprove of that.

Any such legislation would have to be signed by President Bush to take effect. Or Congress would need two-thirds majorities in both chambers to override any veto.

The survey of 1,002 adults Friday through Sunday underscores the high expectations and some trepidations around the prospect that Democrats could regain control of Congress for the first time since 1994. A 54% majority, including 1 in 4 Republicans, say a takeover of the House is likely.

If so, some analysts say, Democratic leaders would need to take care not to overreach.

"Key Democrats are acutely aware that when they got the White House in 1993, they went on a left-wing binge (with) Hillary's health care and … scared the devil out of the American people and caused them to lose their congressional majority" two years later, says former congressman Dick Armey, who became House majority leader when Republicans took over.

House Minority Leader Nancy Pelosi, D-Calif., in line to be the first female speaker if her party prevails, has outlined a plan for a Democratic-led House's first 100 hours. She promises Democrats would put in place rules to limit the influence of lobbyists, then enact all the recommendations made by the bipartisan commission that investigated the 9/11 attacks.

The next steps would be to raise the federal minimum wage to $7.25 an hour, cut the interest rate on student loans in half and lift a ban that has prevented the government from negotiating directly with pharmaceutical companies for lower drug prices for Medicare patients.

She also would face the pent-up demands of partisan Democrats. Michigan Rep. John Conyers, the senior Democrat on the Judiciary Committee, has called for impeachment hearings against the president, which Pelosi has ruled out.

Party identification shapes attitudes toward what a Democratic Congress would probably do, the poll shows.

Democrats were twice as likely as Republicans to say a new Congress would implement the 9/11 Commission's recommendations. They also were more likely to say a Democratic Congress would provide health care to all who lack it.

Republicans surveyed were twice as likely as Democrats to predict the new Congress would cut back on anti-terrorism efforts, raise taxes and take steps to make same-sex marriage legal.

Candidates Matter Some Places, But Not Everywhere (RC)

By Stuart Rothenberg

Roll Call, October 26, 2006

Two factors have come together to enhance Democratic prospects for a major House sweep — and neither one has much to do with the quality of Democratic recruiting in the two dozen or so top-tier Democratic House opportunities.

First, a handful of Republican House nominees with considerable political baggage have created competitive races for Democrats in places they couldn't have anticipated. And second, even relatively weak second- and third-tier Democratic candidates are in competitive races because of the developing political wave.

If the GOP loses seats in places such as Idaho's 1st district, Colorado's 5th and Michigan's 7th, you are going to hear plenty of complaining by moderate and establishment Republicans about the Club for Growth.

The club, which supports anti-tax conservatives, helped Bill Sali win the Republican nomination in Idaho, Doug Lamborn win in Colorado and Tim Walberg topple incumbent Rep. Joe Schwarz (R) in Michigan — each in a district that should not be competitive in a normal general election. But 2006 isn't a normal year, and while all three GOP nominees could well win in November, the contests aren't slam dunks.

Sali, who seems to take pride in not being a team player, may well lose some Republican votes to attorney Larry Grant (D). Colorado conservative Lamborn hasn't been endorsed by outgoing Rep. Joel Hefley (R), who believes that the Republican nominee ran such an unseemly primary campaign that he isn't backing Lamborn over Democrat Jay Fawcett. And in Michigan, Walberg angered some Republicans when he ran against a sitting Congressman, though he certainly should be able to beat Sharon Renier, a fourth-tier Democrat who had raised less than $40,000 through Oct. 18.

Elsewhere, at least a couple of other Republicans who also should be headed for certain victory are suffering from self-inflicted wounds or serious political baggage.

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In Florida's 13th district, Vern Buchanan, who made some enemies as a businessman and during the GOP Congressional primary, has yet to unify his party. And in Wyoming, the state's at-large Representative, Barbara Cubin, has done what she can to turn a laugher into a serious contest.

The "bigger candidate" problem for Republicans is that this cycle, candidate quality doesn't mean what it did in the past.

By traditional measures, Republicans have a long list of well-qualified, well-prepared Congressional candidates, many of them incumbents. Unfortunately for them, many voters don't seem to care much about credentials this year. They just want to send a message, and they don't care about the messenger as long as he or she has a "D" behind his or her name.

In 2002 and 2004, voters were concerned about terrorism and homeland security, and they seemed inclined to prefer political hopefuls with experience and proven accomplishments. Why take a chance on an amateur who had to make important decisions about the economy and the nation's security?

This year, many of the Democrats making a serious run at Republican incumbents and open seats never have held elective office and have no experience in a legislative body. By many measures, they are relatively weak.

Perhaps the starkest contrast in credentials can be seen in three GOP open seats in the Midwest — in Minnesota's 6th, Illinois' 6th and Wisconsin's 8th, where the three GOP nominees, Michele Bachmann, Peter Roskam and John Gard, are state legislators, while the Democrats in the three contests, Patty Wetterling, Tammy Duckworth and Steve Kagen, never have held elective office.

But that's just the tip of the iceberg. In California's 4th, Charlie Brown (D) is a 26-year veteran of the Air Force who served on the professional staff of the Roseville Police Department. His "elective" experience, according to his Web site, is limited to service chairing the "Supervisory Committee" of a credit union.

In California's 11th district, Democrat Jerry McNerney has been an engineer and energy consultant and is now CEO of a start-up company that manufactures wind turbines. In Washington's 8th district, Democratic nominee Darcy Burner was a former manager at Microsoft.

Heath Shuler (D) in North Carolina's 11th is a former football player and a real estate agent. Democrat Joe Donnelly, in Indiana's 2nd district, is an attorney and businessman who lost bids for the state Senate and for Congress; he never has held elective office. The same goes for businessman Jack Davis, the Democrat who's taking on GOP Rep. Tom Reynolds in New York's 26th district.

And I'm not done yet. Democrats Ellen Simon (Arizona's 1st), Charlie Stuart (Florida's 8th), Christine Jennings (Florida's 13th), Tim Walz (Minnesota's 1st), Victoria Wulsin (Ohio's 2nd), Lois Murphy (Pennsylvania's 6th), Joe Sestak (Pennsylvania's 7th), Patrick Murphy (Pennsylvania's 8th) and Chris Carney (Pennsylvania's 10th) also never have held elective office. There are others, but you get the drift.

I'm certainly not suggesting that all of these Democrats lack qualifications to be in Congress. Many current Members held no previous elective office, and a background in politics or government doesn't guarantee success in Congress. Obviously, businessmen, lawyers and community activists can be — and have been — successful in legislative bodies.

But it is remarkable how similar this group of Democratic candidates is to the GOP class of 1994, when, by my count, 37 freshmen were elected without having held a previous elective office.

Some of those Republicans, including now-Sens. John Ensign (Nev.) and Richard Burr (N.C.), Rep. Sue Kelly (N.Y.) and former Rep. George Nethercutt (Wash.), developed into respected, successful legislators. But others, including former Reps. Wes Cooley (Ore.), Enid Greene Waldholtz (Utah) and Steve Stockman (Texas), were disasters.

Every cycle is different. Often, voters are looking for candidates with legislative experience and who are Washington, D.C., savvy. This year, those assets appear to be liabilities. And that's another reason why Republicans are finding the going tougher than expected in House races.

Democratic House Leader Under GOP Attack (FT)

By Holly Yeager In Washington

Financial Times, October 26, 2006

Republicans have found a strange new weapon as they fight to maintain control of Congress: Nancy Pelosi.

Mrs Pelosi, Democratic leader in the House of Representatives, is poised to become Speaker of the House – third in line for the presidency and the first woman to hold that post – if her party takes the majority in the midterm elections on November 7.

In the waning days of the campaign, Republicans have stepped up their attention to her, calling her a San Francisco liberal and warning about the wrong-headed policies of a "Perilous Pelosi Majority".

They have hammered away at what they say is her weak stance on security, highlighting comments she made last month that capturing Osama bin Laden would be "five years too late . . . even to capture him now I don't think makes us any safer".

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Dick Cheney, the vice-president, told an interviewer that Mrs Pelosi "is not in sync with the vast majority of the American people", and represents "that side of the Democratic party that has not been supportive of and does not believe in a really robust, aggressive prosecution of the global war on terror".

Deborah Pryce, a Republican from Ohio embroiled in a tough re-election campaign, declared that a Democratic majority under Mrs Pelosi would "take us back to the failed economic policies of the past, including massive tax increases and wasteful government spending". A television advertisement for a Republican in Georgia declares that she will "reward illegal aliens with welfare, food-stamps, and free education".

Whether the Republican strategy will be effective is hard to gauge. A Newsweek poll this week found that 25 per cent had a favourable view of her and 26 per cent unfavourable. But another 26 per cent said they had never heard of her and 23 per cent were unsure.

Mrs Pelosi's office brushed aside the recent attacks. "Republicans' scare tactics and distortions are a sign of their desperation to keep their power," a spokeswoman said.

Elected to Congress in 1987, Ms Pelosi is the scion of a political family. Her father was a member of Congress and mayor of Baltimore, Maryland – a position also held by one of her brothers.

She has won high marks for keeping Democrats in line and is a frequent, and often harsh, critic of her Republican colleagues and the Bush White House. When reminded in a CBS interview this week that she had called Republicans "im-moral" and "corrupt", she replied: "Well, actually, when I called them those names, I was being gentle. There are much worse things I could've said about them." Despite that, she has vowed to return civility to the House, pledging to allow the minority party to offer amendments and participate in debates in ways that Republicans have not.

In the first 100 hours of a Democratic majority, she has vowed to rewrite House lobbying rules, increase the minimum wage, reduce interest rates on student loans, adopt the homeland security recommendations made by the bipartisan 9/11 Commission and give the government the power to negotiate with drugs companies for lower prices for the Medicare prescription drug programme.

And, despite pressure from some liberal activists, she has also ruled out the impeachment of President George W. Bush over Iraq. "Making them lame ducks is good enough for me."

Stakes Are High For Business Community In Nov. Elections (USAT)

By Sue Kirchhoff

USA Today, October 26, 2006

WASHINGTON — If Democrats pick up the 15 seats they need to gain a House majority on Nov. 7, liberal Charles Rangel of New York, an outspoken critic of President Bush's sweeping tax cuts, will chair the powerful Ways and Means Committee, overseeing taxes, trade and Social Security.

So it's no surprise that Republicans from Bush on down warn that a Democratic victory would spell higher taxes and slower growth. A six-seat swing in the Senate would give Democrats a majority there.

"The last time they (Democrats) had control of Congress, in 1993, they passed a massive tax increase. They'll do it again if they can," Vice President Cheney told a recent fundraiser for Rep. Barbara Cubin, R-Wyo., criticizing Rangel by name.

While the war in Iraq, congressional page and influence-peddling scandals and parochial concerns have been top issues this campaign season, the election could have big implications for the business agenda — taxes, trade, regulation and spending — which has been set in recent years by a GOP White House and Congress.

Republicans, lagging in some key House and Senate races, are making the case that a Democratic victory would endanger economic gains. Voters don't seem to agree; USA TODAY/Gallup and other surveys show Americans by a wide margin trust Democrats more to manage the economy.

Nariman Behravesh, chief economist of Global Insight, says a return to divided government could improve the outlook by forcing the White House and Congress to compromise on such issues as immigration and reducing budget deficits. David Rosenberg of Merrill Lynch, however, advises his clients that "protectionist, pro-labor populist policies favoring the proletariat at the expense of the capitalist" are in store if Democrats win.

Rangel calls the White House rhetoric overblown, saying he has no plans to retroactively alter the Bush tax cuts and wants cooperation, not confrontation. A first move as chairman, he says, would be to seek a meeting with Treasury Secretary Henry Paulson, former Clinton Treasury Secretary Robert Rubin and others to find common ground.

"The biggest mountain that I have to climb is getting credibility, getting something done in a bipartisan way," Rangel says, adding that "The atmosphere of cooperation to a large degree is going to be created by the president or not created by the president."

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While trying not to be overconfident, House and Senate Democrats have laid out an agenda for their possible first days in power that includes: no congressional pay increases until the minimum wage is raised; ending some tax breaks for oil and gas firms; reopening the Medicare prescription drug law to negotiate lower prices with manufacturers; and offering college tuition tax breaks.

That differs from Bush's top priorities, which include extending individual and business tax cuts that expire in 2010 and pushing ahead on new trade deals. Bush has also said he would like to try again to create private accounts under Social Security.

"We have been able to do great things with our economy, despite some of the worst obstacles that we have ever faced," Commerce Secretary Carlos Gutierrez said in an interview outlining the stakes of the election. "We need to recognize that and not change strategies … a change of strategy at this point would be a tax increase."

A Democratic victory in the Senate would give Edward Kennedy of Massachusetts the chairmanship of the Education and Labor Committee; Max Baucus of Montana, the Finance panel; and Chris Dodd of Connecticut could helm the Banking panel.

Respondents to an Oct. 6-8 USA TODAY/Gallup poll gave Democrats a 54% to 36% edge when asked which party could better handle the economy, and high marks on issues such as energy and health care. "Everything is going up but the wages," says Ellen Morel of Florida, a poll respondent who is supporting Democrats.

Still, some voters worry Democrats might not be up to the task, and Democrats acknowledge the numbers could erode before election day. An Oct. 20-22 USA TODAY/Gallup poll found 86% of voters would approve of Democratic efforts to raise the minimum wage, but only 23% would back an income tax increase. More than 60% expect Democrats to boost taxes.

"The first thing they (Democrats) will want to do is raise taxes," says Richard Bothwell of Longview, Texas, an independent. "I'm not saying Republicans have done a great job. … They've spent more, obviously. But you've got to consider they're fighting a war."

Michael Donohue of the National Federation of Independent Business, which represents small firms, predicts the most likely outcome of any regime change would be stalemate, as a lame-duck GOP president fights a more assertive Democratic party. Until July, when he vetoed legislation to expand federally supported stem cell research, Bush had never vetoed a bill.

To date, 69% of pharmaceutical and health care donations and 83% of oil and gas funds have gone to the GOP this election cycle, according to the non-profit Center for Responsive Politics. Insurance and banking interests are heavily supporting the GOP.

But Democrats, running about even with the GOP in the technology and securities industries, and ahead in the entertainment sector, say firms are hedging their bets.

"As the potential chairman of the Financial Services Committee, I have picked up a lot of new friends without being any nicer," says Rep. Barney Frank, D-Mass. "It started in the spring, but it's picked up. It's better than a Dale Carnegie course."

Democratic gains could reshape the agenda on a host of issues

Minimum wage

Senate Democrats, with a core group of Republicans, this year mustered more than a 50-vote majority for an up-or-down vote on raising the minimum wage, which has been $5.15 an hour since 1997. Still, they were shy of the 60 votes needed to limit debate and allow passage.

This fall, pressured from their own ranks, Republicans offered an alternative plan pairing a minimum wage increase to $7.25 an hour with a bill to eliminate estate taxes on estates of up to $5 million or $10 million for married couples and to liberalize taxes on larger estates. Most House Democrats opposed the bill, which died in the Senate, calling the tax provisions a poison pill.

"We would expect we'd present a vote to increase the minimum wage very early in the session. That's not a mystery to anybody," says Rep. George Miller, a California Democrat in line to become chairman of the House Committee on Education and the Workforce. "There are constraints, but we think there are huge opportunities … to get rid of some of the toxic poison in the system and reach across the aisle."

Current committee chairman Rep. Buck McKeon, R-Calif., says if his party retains power, future legislation would probably look like the previous minimum wage/estate tax package.

"We did vote to raise the minimum wage. … The feeling was that they (Democrats) would rather have the issue than to do the things that they talk about," McKeon says.

McKeon says Democratic colleagues pulled him aside before the House adjourned this fall, seeking favors for next year on the assumption they would continue in the minority. "Nothing is going to change," he says.

Trade

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House Republicans last year extended the voting on the U.S.-Central American Free Trade Agreement (CAFTA) long after the standard 15 minutes had expired, twisting arms until they picked up enough GOP votes to eke out a 217-215 victory. Just 15 Democrats voted "yes" for the deal, which was opposed by labor unions.

Several trade votes are pending, including legislation to extend the administration's special authority to negotiate trade deals, as well as pacts with Peru, Malaysia and South Korea. Talks on a global trade deal are continuing.

"The trade environment is a difficult one, anyway," says Bill Miller of the U.S. Chamber of Commerce. "Certainly, Republicans were the bulk of the votes in the House and the Senate to move the CAFTA bill."

Miller worries the election could result in punitive actions toward China, which has a huge trade surplus with the USA. Democrats and several Republicans want China to move faster on changing its currency policies. Rep. John Dingell, D-Mich., who would become chairman of the Energy and Commerce Committee, is one of those seeking action against China and other nations he accuses of manipulating their currencies.

Rangel says he's willing to work with the White House and Republicans on trade initiatives, but acknowledges it could be tough to bring Democrats along, given partisan tensions of recent years.

"Most of the new members on the committee, Democrats and Republicans, have never worked together," Rangel says.

Budget and taxes

Since the 2000 election, Bush has won a broad array of business and personal tax cuts. His victories on the economic front also include legislation to overhaul the private pension system, trade deals, an overhaul of bankruptcy laws and reduced business regulation. The White House says those policies have led to low unemployment, steady expansion and record corporate profits.

Democrats paint a less rosy picture, pointing out that inflation-adjusted wages have been stagnant, while long-term unemployment remains high. The federal budget has moved from a $236 billion surplus in fiscal 2000 to years of consecutive deficits, including a $250 billion shortfall in 2006. The non-partisan Congressional Budget Office has projected that the 2007 deficit will be $286 billion.

Democrats have vowed to return to budget rules requiring new tax cuts or spending programs to be offset elsewhere in the budget. Rangel says he has no plans to go after the Bush tax cuts but warns that initiatives such as tax reform or eliminating the alternative minimum tax (which was designed to ensure the wealthy did not evade taxes, but is ensnaring middle-class taxpayers) have to be paid for.

"We did raise taxes on the wealthy (in the 1990s). … What happened as a result was the best economy in U.S. history. Democrats will not renew some of the tax cuts. … In some cases, we will provide more relief," says Frank, in line to chair the Financial Services Committee, which oversees banking.

Republicans say letting current tax cuts expire amounts to a tax increase.

House Majority Leader John Boehner, R-Ohio, in a recent memo to Republicans, called the Democratic position on taxes the party's "biggest vulnerability" and said Republicans should "relentlessly hammer" at the issue.

"We must remind every American about the Democrats' tax hike agenda and its destructive consequences for our economy," Boehner said in the Oct. 16 memo.

Democrats could find it tough to live within their promised budget rules and fulfill their promises to increase funding for education, a technology initiative, select tax breaks and other proposals.

Other issues

Aside from the top priorities, Frank wants to get the government back into building affordable housing, based on a private/public model.

He would bring in Federal Reserve and World Bank officials for hearings on income inequality.

Other initiatives include energy legislation focused on conservation and alternative fuels, increased oversight of the Food and Drug Administration and Federal Communications Commission, and legislation to increase data privacy and mortgage lending.

Pharmaceutical companies are warning that Democratic plans to allow the government to negotiate prices under the Medicare drug plan would hurt the program.

"Price controls have never succeeded in keeping down costs or expanding access to needed medicines," the Pharmaceutical Research and Manufacturers Association of America said this week.

Bush Calls Nov. 7 Referendum On Iraq, Taxes (WT)

By Stephen Dinan

The Washington Times, October 26, 2006

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President Bush yesterday staked the Republican agenda for the final two years of his administration to tax cuts and Iraq, saying next month's election is a referendum on both, and chided Democrats for "dancing in the end zone" to celebrate victory prematurely.

"The two issues I see in the campaign can be boiled down to who best to protect this country and who best to keep taxes low. That's what the referendum's about," Mr. Bush said at a morning press conference at the White House.

He said he also will push the unfinished business of his second term -- reforming Social Security, overhauling the tax code and pushing for a broad immigration bill -- and is "more likely to achieve those three objectives with a Republican-controlled Congress and a Republican-controlled Senate."

For a president who in 2003 famously said he doesn't read newspapers, Mr. Bush appears to have closely followed news reports this year and seemed amused at the amount of attention being paid to Democratic leaders who would hold top positions if power changed hands.

"We got some people dancing in the end zone here in Washington, D.C. They got them measuring their drapes," he said. "They're going over to the Capitol and saying, well, 'My new office looks beautiful. I think I'm going to have this size drape there or this color.' "

That was an apparent reference to House Minority Leader Nancy Pelosi, who could become the next speaker of the House, and who joked to the Associated Press recently that she could then have any office suite she wanted. Mr. Bush also seemed to take aim at Sen. Barack Obama, Illinois Democrat, who recently earned a cover story in Time magazine titled "Why Barack Obama could be the next president."

"Magazines have got all kinds of new stars emerging when they haven't even won the votes yet," Mr. Bush said.

Mrs. Pelosi's office said Democrats are not overconfident.

"There's not a tape measure in sight," said spokeswoman Jennifer Crider. "We're not taking anything for granted."

She said this year's election for Democrats is a referendum on Iraq and the economy, but also on Mr. Bush's push to reform Social Security and on a broader quest for change at the top levels of government.

Democrats also tried to turned the tax attack back on Republicans, arguing that by leaving town without extending the college-tuition tax credit or sales-tax deductions the majority party has also fostered a tax increase.

Republicans had insisted on coupling those tax cuts with a broader package that included permanent elimination of the estate tax -- something Democrats refused to do.

Mr. Bush did little to dispel reports that he and his top advisers are confident about next month's outcome.

"We're organized," he said. "We've got a fantastic grass-roots organization to turn out the vote."

The president also said he does not resent those Republicans who are running by criticizing his Iraq policy, "nor am I resentful that a lot of Democrats are using my picture. All I ask is that they pick out a good one."

Wall Street Handicaps Stocks, Sectors As Voting Nears (USAT)

By Adam Shell

USA Today, October 26, 2006

NEW YORK — Democrats aren't big fans of Wal-Mart. Nor are they fond of Halliburton, due to the energy firm's activities in Iraq and ties to Vice President Cheney. Democrats aren't chummy with tobacco companies such as Altria, either.

That's why those companies' stocks might be hurt if Democrats sweep the upcoming midterm elections and seize control of the Senate and House of Representatives from Republicans, say UBS analysts in a report.

In every national election, there are winners and losers on Capitol Hill and Wall Street. The Nov. 7 congressional election is no exception. Wall Street analysts have been handicapping which stocks and industry sectors will go up and which will go down, depending on the outcome of the vote.

Ironically, even the scenario that will result in the biggest change — a Democratic sweep — is unlikely to result in the type of major policy changes that could seriously rattle financial markets, says Thomas Doerflinger, strategist at UBS.

The reason: If Democrats win, they will likely hold slim majorities and will avoid appearing too liberal to improve their chances of winning the presidential election in 2008, he adds.

What's more, “Faced with a Democratic majority in Congress, President Bush would utilize his veto pen a little more readily,” says Jerry Webman, chief economist at Oppenheimer Funds.

The likely result would be legislative “gridlock,” which historically has been bullish for stocks, notes Mark Riepe of the Schwab Center for Investment Research. His analysis of election years dating to 1953 shows that the average return of the Standard & Poor's 500 index was 14.1% per year in gridlock years, vs. a 10.4% gain when one party controlled the presidency and both chambers of Congress.

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However, Riepe argues that elections have less impact on the stock market than people think. Politicians, he says, have little control over the key drivers of asset prices, such as interest rate policy, geopolitics and health of the economy.

Perhaps the biggest influence on stocks if Democrats win both chambers is the expected change in "tone" on Capitol Hill, UBS says. With Democrats likely to take control of influential committees, they will be able to shape the tenor of the political debate.

In a recent report, UBS said Democrats would likely exert pressure on Republicans by holding high-profile hearings on controversial topics, such as "global warming, Halliburton's activities in Iraq, Wal-Mart's employment practices and allegedly excessive pharmaceutical prices."

If "government by subpoena" occurs, it would create "headline risk" for a number of key industries and companies, says Jason Cole, federal affairs manager at UBS.

If the Democrats take over Congress, energy and health care stocks could be losers, given the possibility of new legislation to tax energy firms' "excess profits," and imposing "price controls" on health care, noted Schwab's director of sector analysis Brad Sorensen in a report titled "Do Elections Matter for the Market?"

On the flip side, if Republicans retain control of Congress, it boosts the chances that tax cuts set to expire in 2010 will be extended. That would be a plus for energy, technology, telecom and industrial companies, because it would make it easier for them to plan for the future, says Sorensen.

Another possible outcome is a split decision, with the Democrats taking the House but the Republicans hanging on to the Senate, says Joseph Quinlan, chief market strategist at Bank of America.

A wild card to how the U.S. market reacts once the polls close are foreign investors, Quinlan stresses.

A Democratic win, he says, could "unnerve foreign investors," who would likely view the results as a sign of growing U.S. protectionism and less support for globalization.

"None of this is supportive of the U.S. dollar and … U.S. securities," adds Quinlan. "Foreigners vote with their wallets. Given their hefty ownership of U.S. stocks and bonds," their vote counts.

Why Democrats Are Losing The Culture War (USAT)

By Amy Sullivan

USA Today, October 26, 2006

On the surface, solid majorities of Americans agree with Democratic Party values. They want universal health care, support increasing the minimum wage, believe stricter environmental regulations are needed and worth paying for, and think the best way to achieve peace is through diplomacy.

By contrast, only 12% say abortion and gay marriage are more important issues than poverty and universal health care, according to a recent survey by the Center for American Values in Public Life, a project funded by the liberal group People For the American Way. And a paltry 5% of Americans identified abortion and gay marriage as their top issues.

Based on these numbers, Democrats should be beating Republicans at the ballot box. But precisely the opposite has happened in the past few national elections.

One answer is that national security is still a major issue, generally favoring Republicans. But more important is the fact that abortion and gay marriage are proxies for deeply held cultural concerns. They tell voters something about the character of a candidate — or a party.

Most voters worry about escalating challenges to family stability and the losing battle to instill good values in their children instead of the materialism and coarseness peddled by popular culture. They fear that our society has developed a casualness about life, especially as science has made it easier to manipulate and create beings.

Banning gay marriage and outlawing abortion don't directly address those anxieties. But proposals like these at least acknowledge that the concerns exist and are valid. So while Republicans offer the wrong prescriptions, they get the diagnosis right. And they win because most of the time, Democrats won't admit that anything is wrong. In politics, as in most areas of life, something always beats nothing.

Despite the uproar over Janet Jackson's wardrobe malfunction a couple of years ago, most parents don't fret that the accidental sighting of a breast or hearing of a swear word will scar their children. They're more concerned about the unrealistic ideas kids get from popular culture about consumption and body image and violence as a way of handling conflict.

Sadly, too many liberals react to complaints about popular culture as if they're teenagers. They either jut out their chins and growl, "If you don't like it, don't watch it," or they stay silent for fear of looking like prudes. Given the ridicule that Tipper Gore faced for promoting warning labels for explicit music lyrics and the derision that followed Hillary Clinton's effort to keep violent video games away from kids, perhaps it's no surprise that most keep their mouths shut. That silence, however, hands

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conservatives a victory. As David Callahan points out in his book The Moral Center, "When the right complains about the media's descent into tawdriness, it puts them on the side of most Americans."

Even an issue on which Democrats seem to have the winning position can turn out to be a loser for the party in the long run. Most Americans now believe that research on stem cells should be allowed. But as Noam Scheiber recently pointed out in The New Republic magazine, the polls also suggest that they have serious concerns about the morality of unrestricted scientific research. They don't want to wake up tomorrow and discover that we're cloning humans without ever having a conversation as a society about the moral issues involved. By framing the debate as a choice between theology or science, Democrats essentially argued that anyone who has qualms about scientific progress is a troglodyte. That puts them on the losing side of the moral question, even as they win the specific policy debate.

There's promising evidence, though, that this moral tone-deafness of Democrats may be about to change. Abortion, perhaps the most contentious moral issue of them all, is also the one area in which Democrats are poised to move past the political debate and address the real concerns of Americans. Over the past two years, a growing number of Democrats in the House and Senate have gotten behind "abortion reduction" efforts that seek to prevent unwanted pregnancies and provide support to women who want to carry their pregnancies to term.

This new approach reduces abortions without putting women in jeopardy or jail. The average American doesn't want to overturn Roe v. Wade or start locking up doctors. But neither does she buy the liberal line that 1.3 million abortions per year are just the price you pay for living in a free and modern society.

Democrats are right when they argue that their party's position on issues such as poverty, health care and job creation reflect a powerful moral value — helping those who have less. But they're wrong to think that's enough to win back the cultural voters they've lost.

Abortion and gay marriage — and the deep-seated cultural anxieties they represent — are threshold issues for voters. If a candidate can show he understands voters' concerns about the culture, then they'll listen to what else he has to say. If he tells them instead that there's nothing to worry about and tries to change the subject, they've already tuned out.

The good news for Democrats is that if the party can just get past the threshold, it stands a much better chance of connecting with voters who already agree with them on the pressing issues that should decide elections.

Amy Sullivan, a contributing editor for The Washington Monthly magazine, is writing a book about religion and the left.

Democrats Eyeing Upstate Races In Their Effort To Retake Congress (NYT)

By Raymond Hernandez

The New York Times, October 26, 2006

AUBURN, N.Y., Oct. 25 — Once pessimistic about making gains in the Republican bastion of upstate New York, Democrats have now made the region a focal point in their campaign to retake Congress, pouring money and troops into several districts where they believe the Republican incumbents are vulnerable.

With less than two weeks to go before the midterm election, the Democratic Congressional Campaign Committee is financing hard-hitting advertisements in three districts that criticize the Republicans for ethical lapses, supporting the war in Iraq and advancing President Bush's agenda. It has spent $2 million in races in the state so far.

There are also extensive get-out-the-vote campaigns being organized in at least four Republican-held districts, with Democratic challengers receiving heavy support from national and state party operatives, as well as legions of volunteers and workers from unions, third parties and liberal advocacy groups like MoveOn.org.

And former President Bill Clinton, who has campaigned relentlessly for Democratic candidates locked in tight races elsewhere in the country, is scheduled to swing through New York on Thursday, when he will headline airport rallies for three Democratic candidates from Albany to Syracuse.

Republican congressmen in the upstate region have long benefited from being in districts that have been drawn to tilt in their favor. But in recent weeks, several Republicans — including Rep. Thomas Reynolds from Erie County, the fourth-ranking Republican in the House of Representatives — have found themselves on the defensive largely because of Mr. Bush's continued unpopularity, grim reports out of Iraq and the disclosure of sexually explicit e-mail messages between a Republican lawmaker and young male Congressional pages.

More than that, even some Republicans privately acknowledge that the overwhelming leads held by Attorney General Eliot Spitzer, the Democratic candidate for governor, and Senator Hillary Rodham Clinton may dampen spirits among Republican voters and boost Democratic turnout across the state.

But while many Republicans say that they are worried about the political climate, they assert that the contests will be decided on local issues as well as on the personalities and reputation of the candidates.

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The situation in New York appears to reflect a shift in the playing field that is occurring nationally as more once-safe Republican Congressional seats seem to be coming into play. The Democrats need to pick up 15 seats to regain control of the House. The new push upstate reflects a shift of expectations by the Democrats. As the fall campaign season opened six weeks ago, the Democrats had all but given up hope of scoring major gains in New York after having predicted in the spring that they could pick up as many as five seats there.

Now, with evidence of Democratic strength reflected in fund-raising and in internal polls, Democratic leaders in Washington say they see an opportunity to provide additional momentum to candidates in New York who had once been considered long shots.

"The national climate is seen more clearly in a state like New York where opportunities have increased as voters have made it more and more clear that they're sick of the status quo in Washington," said Bill Burton, a spokesman for the Democratic Congressional Campaign Committee.

Kevin Madden, a Republican strategist in Washington who was involved in New York politics for years, dismissed Democratic efforts in New York as little more than a political ruse intended to create the impression that there are more seats in play than there are. He predicted that this strategy would backfire.

"It's not a particularly wise head-fake because Democrats will end up wasting resources in New York that they could have spent in competitive races in Pennsylvania and Ohio," he said. "Fundamentally, these races in New York are contests between individuals."

Democrats feel that their best opportunity for taking a Republican seat is the race for New York's 24th Congressional District, which cuts a U-shaped swath through central New York south of Syracuse. The race pits State Senator Raymond A. Meier, a Republican, against the Democrat, Michael A. Arcuri, the Oneida County district attorney, in a battle to succeed Representative Sherwood L. Boehlert, a moderate Republican who is retiring after 24 years in the House.

The contest is so fierce that the Democratic and Republican Congressional re-election committees have spent more than $2.4 million on advertising here. That is on top of the nearly $1.5 million that the Arcuri and Meier campaigns reported spending in their latest financial disclosure statements, at the end of September.

Another Republican incumbent who is high on the Democrats' list of targets is Mr. Reynolds, who is trailing his Democratic challenger, Jack Davis, in recent polls after facing questions about whether he responded vigorously enough after learning about e-mail exchanges between Representative Mark Foley, a Florida Republican, and a young Congressional page.

The Democratic Congressional Campaign Committee recently began running an advertisement that, while never mentioning the scandal directly, accuses Mr. Reynolds of "bad judgment" for his refusal to vote for bonus pay for troops while voting to increase his own pay in Congress. Republican strategists to the Reynolds campaign said the advertisement is false and meant to deflect attention from the weakness of the Democrats' own candidate in the race.

In three other New York races, Democrats say that their chances are less certain, but still believe they are within striking range if there is a powerful Democratic tide on Election Day.

The Republican incumbents who are targets in these races are John Randy Kuhl Jr., who faces a challenge from Eric Massa in the 29th Congressional District in the Southern Tier region of the state; James T. Walsh who is battling Dan Maffei in the 25th District in the Syracuse region; and John E. Sweeney who is in a race against Kirsten Gillibrand in the 20th District outside Albany.

Though the 24th has roughly 40,000 more registered Republicans than Democrats, experts say the race is a tossup. Mr. Arcuri, attempting to tap voter dismay with the direction of the country, wants to present himself as a "Boehlert moderate" on issues like the environment and someone who opposes many of the policies of President Bush and his conservative allies on Capitol Hill.

"He is extremely conservative," Mr. Arcuri said of Mr. Meier in a recent interview.

Mr. Meier is running as a results-oriented politician with a long record of delivering state aid for the district, a strategy on display the other day when he was honored at a senior citizen center in Kirkland for $50,000 he secured in Albany for the center.

In an interview afterward, Mr. Meier acknowledged that it is a tough climate for Republicans, particularly given Mr. Bush's sagging approval ratings. But he argued that voters would ultimately judge him on his record. "People still view this as a local race," he said. "It's a choice between me and my opponent and not a referendum on anything else."

As for the renewed optimism Democrats have about their prospect in New York, perhaps the clearest example is the race in the neighboring district pitting Mr. Walsh, a Republican fixture in the Syracuse region, and Mr. Maffei, a former aide to Senator Daniel Patrick Moynihan who is making his first run for public office.

Only a few weeks ago, Mr. Maffei was openly critical of party leaders in Washington for not investing enough money in his race. Now, the Democratic Congressional Campaign Committee, closely eyeing his district, says it is set to spend tens of

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thousands of dollars on the race, and major party figures, including Mr. Spitzer and both Clintons, have been rushing to campaign with him.

Mike Whyland, a spokesman for Mr. Maffei, said he welcomed the support from Washington, though he added it would have been helpful if it had come earlier. “Why is the D.C.C.C. getting involved now?” he said. “They might have internal polling that shows what we already know — that this race is tight and getting tighter.”

Liberalism's Limits In Kentucky (WP)

By Robert D. Novak

The Washington Post, October 26, 2006

FLORENCE, Ky. -- Democratic candidate Ken Lucas looked like he would rather be any place other than Kentucky's public television studios Monday night as he debated freshman Republican Rep. Geoff Davis. A moderate conservative, Lucas was not going deep into the Democratic Congressional Campaign Committee (DCCC) liberal playbook that is intended to nationalize midterm congressional elections.

Lucas had been coaxed out of political retirement at age 73 to run for the northern Kentucky congressional seat he held for three terms. That put Davis, a conservative 25 years Lucas's junior and highly regarded among House Republicans, on the endangered list, trailing in early polls. But Lucas showed Monday night that this has not been a happy campaign for him. While Democratic candidates nationwide pillory George W. Bush, Lucas did not mention the president's name and appeared uncomfortable with the DCCC attack litany.

Democrats must win seats such as this one to achieve a substantial working majority in the House. But Republicans have limited the election in Kentucky's 4th Congressional District to a "choice" between two candidates instead of a "referendum" on an unpopular Republican president and Congress. That demonstrates that the struggle for Congress is not really a national election but is about 50 hotly contested local ones.

Registered Democrats are still a majority in the 4th District, thanks to rural areas where voters maintain their ancestral political faith. But Cincinnati's burgeoning Kentucky suburbs are Catholic, Republican and conservative. They elected Republican Jim Bunning to six terms before he went to the Senate in 1998. Lucas, a popular local official, replaced him as one of the more conservative Democrats in the House -- with a 71 percent lifetime American Conservative Union (ACU) rating.

Lucas survived a surprisingly close call in 2002 against an underfunded Davis. Raised in Pittsburgh, Davis came to Kentucky in 1989 following graduation from West Point and 10 years as an Army officer. Lucas kept his pledge to leave after three terms, and Davis won in 2004 against radio personality Nick Clooney (father of actor George

Clooney).

Rep. Rahm Emanuel, the celebrated DCCC chairman, scored a recruiting coup the next year by getting Lucas to run. Returning the 4th District to Democratic hands was part of a national grand design. The problem was fitting Lucas's square conservative peg into the liberal hole of the DCCC game plan.

Lucas tried in Monday night's debate. He taunted Davis for voting the Republican line 96 percent of the time as "a pawn of your party" and attacked "a culture of corruption" (while never mentioning the Mark Foley scandal). Lucas missed the party line on Iraq, asserting: "We must win the war in Iraq. We have no other choice." Commenting on North Korea's dictator Kim Jong Il, Lucas said: "He seems to be very popular with his people."

Lucas in the debate twice derisively called attention to the use of big words by Davis. Indeed, Davis is a policy wonk, considered by colleagues on the conservative Republican Study Committee to be one of the best-informed members of Congress. As for being a pawn, Davis noted his opposition to President Bush's Social Security reform. But the ACU rated him at 88 percent, and he is a

social conservative. Asked his views on abortion by a student at Pendleton County High School the day after the debate, Davis replied: "I'm 100 percent pro-life."

But Davis spends more time dispensing pork than preaching the conservative gospel. Traveling through nominally Democratic rural areas Tuesday, Davis stopped in Berry (population 310) for presentation of a $209,891 check from the federal government to establish broadband access there. The little town is 83 percent Democratic, but Davis figures to carry it. Gary Taylor, a local bank officer, told me he is a registered Democrat but is voting for Davis "because he has helped us, and we haven't heard from Ken

Lucas."

With Kentucky returns coming early election night, the reports from the 4th District will be a harbinger. A victory by Lucas probably would be part of a Democratic wave and a Republican disaster. A win by Davis would entrench a Republican conservative in Congress far into the future. It would also mark the limits of nationalizing congressional

elections.

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A Hard Year To Be An Ohio Republican (WT)

By Stephen Dinan

The Washington Times, October 26, 2006

One of an occasional series

COLUMBUS, Ohio -- Any other year, Rep. Deborah Pryce would have wrapped up her race for re-election months ago.

The fourth-ranking House Republican and self-proclaimed "moderate," Mrs. Pryce has cruised to victory in Ohio's 15th Congressional District the past six times with at least 60 percent of the vote, in a dead-heat district where President Bush and Sen. John Kerry just about split the vote in 2004.

But this year, with Mr. Bush sliding into disastrous levels in the polls and Republicans in Ohio imploding amid corruption charges and unpopular policies, she is struggling against a boilerplate Democratic candidate whose attacks are similar to those being used across the nation by Democratic challengers.

"This is a referendum on the policies of this current administration," says that candidate -- Mary Jo Kilroy, a Franklin County commissioner from the left wing of the Democratic Party.

Defining moment

The battle for control of the U.S. House runs right through the Midwest, with Democrats making a major bid for two or three Republican-held House seats each in Ohio, Kentucky and Indiana. That means the fate of Republicans' House majority should be clear soon after 7:30 p.m. on Nov. 7, the closing time for Ohio's polls, the latest of those three states.

It promises to be a watershed election for Ohio. If Democrats do well, it means this state is the ultimate swing state. But the elections will cement Ohio's Republican credentials if the Democrats fail to capture any of the major prizes.

Every statewide constitutional office here is held by Republicans as are both U.S. Senate seats and 12 of the 18 U.S. House seats. They include national party leaders Mrs. Pryce, the House Republican Conference chairman, and House Majority Leader John A. Boehner. Republicans also have sizable majorities in both state legislative chambers.

This year, though, Democrats expect major victories up and down the Ohio ballot, leading off with Ted Strickland, a Democratic congressman who is on the verge of trouncing Republican Ken Blackwell in the governor's race.

Democrat Sherrod Brown also holds a lead in the U.S. Senate race against incumbent Republican Sen. Mike DeWine -- one of the seven races likely to determine control of the Senate.

Mr. Brown has attacked the Republican for lost jobs in the state and for his support of the Iraq war in Washington. Mr. DeWine argues that the Democrat has little to show for his seven terms in Congress. A Mason-Dixon poll released Tuesday showed Mr. Brown with a lead of eight percentage points.

All politics is local

Unlike other parts of the country, Republicans' problems in Ohio are not primarily the national mood or antipathy toward Mr. Bush, who polls above 40 percent in approval ratings, higher than his national average.

Instead, it is local -- a mixture of a faltering economy, state Republicans who pushed through huge tax increases, a school system that few voters seem pleased with, and Bob Taft, the departing Republican governor, who pleaded no contest last year to violating state ethics laws.

Adding to that, Rep. Bob Ney, a Republican, announced two months ago that he wouldn't seek re-election, forcing Republicans to scramble to fill his slot on the ballot. Then, two weeks ago, Ney pleaded guilty to corruption charges stemming from the investigation into lobbyist Jack Abramoff.

"It's a combination of the state and the national mood. We have had our troubles here in Ohio -- our governor's numbers are very low, we've had our own set of scandals, and the same is true in Washington, so you have a fairly soured public and Rahm Emanuel just saw opportunity here," Mrs. Pryce said, referring to the Democratic Congressional Campaign Committee chairman.

Still, those opportunities are less than they could have been.

Democrats had hoped to capture up to eight House seats here, but that list has been reduced. There are now three solid Democratic opportunities -- Mrs. Pryce's 15th district, Ney's 18th district and the 2nd Congressional District, where first-term Rep. Jean Schmidt won a special election last year.

They also have a longer shot at Rep. Steve Chabot, a Republican from Cincinnati.

Guilt by association

The race for Ney's seat is emblematic of Republican challenges.

The Democratic candidate, Zack Space, is running a clean-government campaign against national and state Republican leaders.

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That worked well when his opponent was Ney, and he is trying to adapt it to new Republican candidate Joy Padgett, accusing her of having ties to corrupt figures.

"From convicted Ohio Governor Bob Taft, to disgraced Congressman Bob Ney, to House Speaker Dennis Hastert now under fire for 'Foleygate' -- or most recently Karl Rove, who has agreed to host a $5,000 per PAC fundraiser in Washington D.C. -- Padgett refuses to break her ties to corruption," Mr. Space said on the day Ney pleaded guilty.

This district is the most reliably Republican in the state, having delivered 57 percent of its vote in 2004 to Mr. Bush, and in any other year, Mrs. Padgett would have a built-in advantage over Mr. Space.

But Mrs. Padgett, a state senator, only started running after winning a special primary election after Ney gave up his bid in August. Her red campaign yard signs -- which repeat her last name three times -- seem to capture her biggest challenge: building up name recognition.

She said she doesn't see voters penalizing her for Mr. Taft or Mr. Bush, but stresses that she has voted against Mr. Taft in the legislature and will be willing to buck Mr. Bush in Congress.

"The president is president, he's got his role. I'm not in his administration. I will be in Congress," she told reporters after accepting the U.S. Chamber of Commerce endorsement two weeks ago.

The bigger issues

As for Ney, it's not clear how much of a drag he will be, especially because the charges play differently on the ground in Ohio than they do among the politicos in Washington.

Dr. John Antalis, an ophthalmologist in Cambridge who usually all but ignores politics, said he would probably have voted for Ney because someone he trusts vouches for Ney.

But Dr. Antalis, watching his son's football practice one afternoon, said he's so angry about the Iraq war that he won't support any Republicans who support Mr. Bush.

"I'm going to vote against Republicans until there's a change in the House, just because of that one issue," he said.

Democrats have several ace cards this year, including a statewide ballot question on raising the minimum wage that will energize key labor voters.

And Democrats here are still energized by the 2004 presidential election results, which many think were tinkered with by Mr. Blackwell, the secretary of state.

Ohio became the pivotal state in those elections, when Democratic candidate Mr. Kerry refused to concede the race on election night because of the slim margin here and rumors of voting irregularities. Democrats' fury settled on Mr. Blackwell, one of the nation's most prominent black Republicans, who they argue worked overtime to complicate voting in 2004.

Getting personal

In Mrs. Pryce's district, though, the race is just a verbal slug-fest of names and labels.

The most recent barb was Mrs. Kilroy's ads, run on Christian radio, accusing Mrs. Pryce of failing to do enough to investigate former Rep. Mark Foley, who resigned Sept. 29 amid charges that he had made inappropriate advances to teenagers who had been in the House page program.

Mrs. Pryce, who has called Mr. Foley a friend, said the charges did hurt her somewhat.

"We had a week of distraction. In close campaigns, you never need that. We had polling that showed it was significant," she said, although she said the debate two weeks ago helped to refocus the campaign.

Mrs. Kilroy's most consistent attack has been that Mrs. Pryce is "a right-wing apologist, and she's been serving a right-wing agenda" by supporting national Republicans on the war in Iraq, spending, tax cuts and Social Security reform.

For her part, Mrs. Pryce may be the only candidate anywhere -- Republican or Democrat -- eager to tie herself to Sen. Robert Menendez, the New Jersey Democrat who is reportedly under investigation for corruption.

Mrs. Pryce touted her work with him on health care legislation as an example of how she has bridged partisan divides.

She also puts herself in the camp of Sen. Joe Lieberman, the Connecticut Democrat who lost his party's primary this year and is running as an independent, and tries to turn that back on Mrs. Kilroy.

"Her wing of her party drove him out, threw him out," she said.

The two women clearly don't care much for each other, and the tone of the race is harsh. Mrs. Pryce even felt the need to apologize to her mother when the two met at the Columbus Metropolitan Club debate, which aired on WOSU radio and television.

"My mother's mad at me, but I had no choice," she said, adding that she had to respond in kind after liberal interest groups sponsored attack ads and phone-bank calls.

"As soon as we recover, we'll be back on the positive," she said, prompting Mrs. Kilroy to note that Mrs. Pryce is "going to have negative ads for a long time, then."

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In Old Textile District, The Free-Trade Issue Dominates (NYT)

By Steven R. Weisman

The New York Times, October 26, 2006

KANNAPOLIS, N.C., Oct. 23 — It has been three years since the old brick textile mill here shut down, throwing 4,800 people out of work. Yet the mill, which once made pillowcases and closed in part because of competition from imports, casts a shadow over the heated race for Congress in this once booming industrial enclave of North Carolina.

As if by chance, though probably not, both candidates are linked to the old mill. Charles Cannon, legendary founder of the Cannon textile empire and grandfather of Representative Robin Hayes, the Republican incumbent, built it in the 1920's, and Mr. Hayes worked summers there as a youth.

Larry Kissell, his Democratic opponent, worked there for 27 years before becoming a high school teacher in 2001, when, he says, he saw "the handwriting on the wall" about its future. Now his campaign is organized around the threat of foreign competition and Mr. Hayes's tiebreaking vote last year for a trade accord with Central America.

"The No. 1 issue voters care about this year is jobs," Mr. Kissell said Monday as he campaigned door to door in a neighborhood near the rubble-strewn field where the Kannapolis mill once stood. "We have lost 10,000 jobs in the textile industry here in the last several years. Free trade has not been good for this district."

By most accounts, Mr. Kissell has an uphill battle in trying to unseat Mr. Hayes, who has withstood challenges on the trade issue in the past. In 2001, he was put on the defensive for casting another tiebreaking vote for a trade measure, after a last-minute reversal accompanied by his weeping on the House floor.

But Mr. Kissell is one of a dozen Democratic candidates for the House, and a few for the Senate, who are making at least some headway in tapping voter anxiety about trade.

In Ohio, Senator Mike DeWine, a Republican in a race against Representative Sherrod Brown, is being hammered for his support of trade bills. In upstate New York, Representative Thomas M. Reynolds, chairman of the House Republicans' campaign committee, faces stiff opposition over the same issue.

If many pro-trade Republicans lose on Election Day, President Bush, who has had trouble winning approval of trade deals in the past, could face even tougher odds.

"If the Democrats do as well as it appears, you're going to see more resistance to trade agreements," said Mickey Kantor, a top trade negotiator under President Bill Clinton, who corralled a hundred or so Democrats for the trade deals of the 1990's.

By contrast, only a handful of Democrats voted for the deals negotiated by Mr. Bush, in an environment of Congressional economic populism that has led to other fights, including widespread criticism of China's economic practices and broad opposition to foreign purchases of American companies.

The antitrade climate has recently persuaded Republicans to avoid putting lawmakers like Mr. Hayes on the spot. In September, they pulled bills opening up trade with Vietnam, Peru and a number of poor countries. There is talk that especially if the Democrats win a majority in either chamber, Republicans may try to pass these bills in a lame-duck session before the new Congress arrives in January.

"At the very least, Democrats are going to demand new requirements on enforcement of labor, environmental and corruption problems with our trading partners," Mr. Kantor said. "I would welcome that."

Trade is not the only issue here in North Carolina's Eighth Congressional District, which spreads across the piedmont in the center of the state and encompasses old and new high-tech industries, farms, the prosperous banking corridors of Charlotte and people who work at Fort Bragg, where support for the Iraq war and for Republicans remains high.

Even some Democrats concede that Mr. Hayes has done well for many of his constituents, especially farmers and the defense industry. He also points with pride to his efforts in getting state and county financing for Castle & Cooke and the Dole Food Company to build a corporate research center on the site of the razed Kannapolis mill.

Further, his record on free trade is not easy to simplify. The Democratic campaign has focused on his last-minute decision to cast the deciding vote for the Central American Free Trade Agreement last year, when he yielded to blandishments from Republican leaders after vowing to vote no. Mr. Kissell says the vote was a "flip-flop" that broke faith with constituents, but Mr. Hayes argues that the late concessions he wrung from the Bush administration changed the nature of what he was voting for.

Among the promises, he says, was one that led to an agreement with China later in the year imposing American quotas on 36 types of textile imports. Another brought a clause in the Central America accord that requires that future clothing imports from Nicaragua include interior lining made in the remaining mills of his home state.

"I got commitments the length and breadth of which I had never seen for my district," Mr. Hayes said. "So it's not a flip-flop. I voted for a whole different piece of legislation than the one that had been discussed up to that point. It was a tremendous leap in the right direction for this district."

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The congressman says his views on trade have evolved over the years from one of reflexive opposition to one of accepting some of the reality of global competition.

"When I first went to Congress," said Mr. Hayes, who is now concluding his fourth term, "my outlook was to vote no and stop these trade agreements. Well, obviously that wasn't working. Do you take something that's not working and hope for better results? I don't think so. Or do you slow down free trade and in the meantime bring additional opportunities to the district?"

To demonstrate, Mr. Hayes stumped the farm areas of his district on Monday with Agriculture Secretary Mike Johanns to tell voters that the Central America agreement had cleared the way for more soybeans, cotton, hogs and chickens to be exported.

"It's awfully easy to denigrate free trade," Mr. Johanns told a farm group in Monroe, southeast of Kannapolis. "This agreement was very much in favor of the United States farmer."

Though Mr. Kissell's chances may not be great, Democrats say he could pull an upset, given his creative insurgent tactics. He got a lot of publicity, for example, from a stunt selling gasoline at $1.22 a gallon to remind voters of the price when his opponent first took office eight years ago.

And when news reports showed that Mr. Kissell had $88.94 in his campaign account, compared with $1 million for Mr. Hayes, he merrily announced that he was sorry it was not zero. An additional $150,000 quickly came in, along with promises of help from two popular North Carolina Democrats, former Senator John Edwards and former Gov. Jim Hunt.

In interviews, both candidates said national issues like the scandals in Congress and the Iraq war were not foremost in the minds of constituents. Mr. Kissell treads lightly on the war, and also takes a hard-line stance on immigration, opposing legalized status for any illegal immigrants.

Mr. Hayes looks confident, a man who can draw on his family's role here. Traveling across the area in a pickup truck, he loves to point out landmarks: the hometown of the country singer Randy Travis, a friend's agricultural processing plant, a new titanium factory.

"Welcome to Oakboro, where they have the biggest Fourth of July parade in the district," he said as the place whizzed by. "There's Stanly High School, where we just stood up an R.O.T.C. unit the other day."

Asked about the mood of the district, he said with a smile, "Well, they like their congressman."

In the 19th century the piedmont was a place of farming, and in the 20th a place of manufacturing. In the 21st century, he said, it will retool to new industries and businesses.

The campaign against him, he said, is out of a Democratic playbook.

" 'You got to attack Hayes on trade,' " he said. " 'That's the way to get him.' Whoever the candidate is, they latch on to that.

"Meanwhile, we continue doing the same thing. We're here, we talk to them, we listen. They don't necessarily think you'll solve their problems, but they want to know you're interested."

Fed Up With Everybody (NYT)

By Bob Herbert

The New York Times, October 26, 2006

South Bend, Indiana

In the campaign headquarters of Representative Chris Chocola, a Republican running for re-election in Indiana's bellwether Second Congressional District, there is a large photo of Ronald Reagan on the wall, but no picture of President Bush.

Mr. Bush, once such an asset for Republican candidates, has become a potentially devastating liability for campaigns like Mr. Chocola's.

"He's not as popular as he was," the congressman said in an interview, "but I would say he's still respected."

Mr. Chocola is in big political trouble and he knows that President Bush is much more the cause than the solution. Any mention of the Bush administration tends to turn local Republicans as chilly as the dusting of lake-effect snow that fell over South Bend the other night.

Lucy McKee, a 40-year-old part-time supermarket clerk, told me, "I voted for Bush twice. Now I just want him gone."

Mr. Bush has come into this northern Indiana district to raise money for the Chocola campaign but he has not been asked to appear with the congressman publicly to rally the dispirited troops.

"I don't know that it would help me," said Mr. Chocola. He candidly acknowledged that being seen as aligned with Mr. Bush "is not as much of a positive as it used to be."

With control of the House at stake, the G.O.P. can hardly afford to lose Mr. Chocola's seat. Two years ago he defeated his Democratic opponent, Joe Donnelly, by roughly nine percentage points. Mr. Donnelly is his opponent again this year, and a recent public poll showed him leading Mr. Chocola by about five points. Mr. Chocola said his own internal polls showed the race as a dead heat.

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Democrats seem confident they will win control of the House on Nov. 7, and Mr. Chocola is not convinced they are wrong. “If you listen to the news every night,” he said, “it would be hard to say that’s not possible.”

His district, which has been hurt by the downturn in the auto industry, is more of a bellwether than most. “If I win,” said Mr. Chocola, “then I think there is a reasonable chance we will hold the House. If I don’t, I think there’s a reasonable chance we won’t.”

To win, Mr. Chocola and the G.O.P. will have to deal with the unhappiness of voters like Ms. McKee and like Jeri Niazi, a 60-year-old South Bend resident who works as a security monitor at the University of Notre Dame and describes herself as a “lifelong registered Republican.”

“What’s happening now is frightening to me,” she said. “The war. The deficit. The cronyism. I’m the kind of Republican who signed on for balanced budgets, minimal government and letting people go about their lives. I feel like somebody has thrown away that playbook.”

Ms. Niazi said she is pro-business but she “never dreamed” that corporate interests would achieve the kind of overwhelming and corrosive influence on the federal government that they have under President Bush.

“They are cleaning up,” she said, “while people here are having a tough time making ends meet.”

The overwhelming sense I took away from interviews with voters in and around South Bend was a feeling of disillusionment with government. Republicans and Democrats spoke sourly about the Bush administration, but no one expected dramatic changes if the Democrats gained control of one or both houses of Congress. “People say the Democrats are weak, and frankly, I think they are,” said Vernon DeWitt, who recently moved to Mishawaka from St. Louis. “I’m fed up with everybody.”

The big issue here, as in most of the country, is Iraq, which will have claimed close to 3,000 American lives by the end of this year, and which has lasted almost as long as the U.S. involvement in World War II.

“The war creates stress on the electorate,” said Congressman Chocola. “I think it wears people’s patience. They don’t see a clear light at the end of the tunnel. They see every night on the news the bad things going on, and they almost never see any of the good things going on.”

It’s understood that this is a very tough political environment for Republicans. People want change. But the lack of great enthusiasm for the Democrats is an indication that the system itself is not working well, and that would be a problem more serious than even Iraq.

There are only two major parties. Where do troubled voters turn if the country is in a serious fix and neither party is seen as having an adequate solution?

Schumer Upbeat On Democrats' Senate Odds (WT)

By Eric Pfeiffer

The Washington Times, October 26, 2006

Sen. Charles E. Schumer, chairman of the Democratic Senatorial Campaign Committee, says he is just as surprised as anyone that Democrats have a legitimate shot at taking control of the Senate in the November election.

"Here we are, two weeks from Election Day, in a position we'd never thought we'd be in," the New York Democrat said yesterday during a National Press Club appearance with his Republican counterpart, North Carolina Sen. Elizabeth Dole.

"In 2005, most people were predicting we'd be lucky just to keep our 45 [seats]," Mr. Schumer said. "And now, I'd be disappointed if we just hold."

Mrs. Dole, chairwoman of the National Republican Senatorial Committee, acknowledged the negative draw President Bush's Iraq policy is having on her party's candidates, but she asked what leaving Iraq now would accomplish and questioned the national security credentials of Democrats.

"If Democrats were to take over the Senate, you're going to see a weaker security situation," she said.

Mr. Schumer brushed off the national security criticism, saying Republicans were resorting to name-calling out of desperation.

"The Republican candidates have nowhere to run," he joked. "It's as if they are in a small room where all the exit doors are locked."

Mrs. Dole said her party's weak showing in pre-election polls was the typical byproduct of an incumbent presidency.

"A midterm is always tough," she said. "The incumbent party almost always loses a significant number of seats."

That trend was bucked by Democrats in 1998 and Republicans in 2002.

With Democrats targeting seven Republican incumbents, polling data suggests it is most likely that races in Virginia, Tennessee and Missouri will determine who controls the Senate. Most polls also show the Democrats leading in the Republican-held states of Montana, Ohio, Rhode Island and Pennsylvania.

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Nonetheless, Mrs. Dole said that Republicans have a $14 million cash-on-hand fundraising advantage in those states and that Democrats must defend a few seats of their own in Maryland and New Jersey.

"I'm sure they never imagined they would be fighting to retain seats like these," she said. "We'll continue to fight for all of our incumbents."

Since 2002, Republicans have enjoyed a significant advantage in voter turnout, thanks to what party activists call the "72-hour strategy."

"We know that the Republicans have a very good turnout machine," Mr. Schumer said.

He said, however, that in addition to a more favorable political climate, Democrats have been upgrading their turnout plans.

"The gap is going to be considerably less," he said. "People are more open to the Democratic message."

This year, the DSCC has broken its annual fundraising losing streak to the NRSC, according to campaign-finance records.

Mr. Schumer said that's because voter trends are working in his party's favor.

"We're in a much stronger position heading into November than we thought we'd be," he said. Still, he was quick to add, "It's not a done deal. No one on our side is breaking out the champagne."

In Tight Race, Ad On Black Candidate Stirs Furor (NYT)

By Robin Toner

The New York Times, October 26, 2006

KNOXVILLE, Tenn., Oct. 25 — The Tennessee Senate race, one of the most competitive and potentially decisive battles of the midterm election, became even more unpredictable this week after a furor over a Republican television commercial that stood out even in a year of negative advertising.

The commercial, financed by the Republican National Committee, was aimed at Representative Harold E. Ford Jr., the black Democrat from Memphis whose campaign for the Senate this year has kept the Republicans on the defensive in a state where they never expected to have trouble holding the seat.

The spot, which was first broadcast last week and was disappearing from the air on Wednesday, featured a series of people in mock man-on-the street interviews talking sarcastically about Mr. Ford and his stands on issues including the estate tax and national security.

The controversy erupted over one of the people featured: an attractive white woman, bare-shouldered, who declares that she met Mr. Ford at a “Playboy party,” and closes the commercial by looking into the camera and saying, with a wink, “Harold, call me.”

A spokeswoman for Mr. Ford, who is single, said he was one of 3,000 people who attended a Playboy party at the Super Bowl last year in Jacksonville, Fla.

Critics asserted that the advertisement was a clear effort to play to racial stereotypes and fears, essentially, playing the race card in an election where Mr. Ford is trying to break a century of history and become the first black senator from the South since Reconstruction.

Hilary Shelton, director of the N.A.A.C.P.’s Washington bureau, said the spot took aim at the sensitivities many Americans still have about interracial dating.

John Geer, a professor at Vanderbilt University and a specialist in political advertising, said that it “is playing to a lot of fears” and “frankly makes the Willie Horton ad look like child’s play.”

Professor Geer was alluding to the case of a convicted black murderer used in Republican commercials contending that the 1988 Democratic nominee for president, Michael S. Dukakis, was soft on crime.

Mr. Ford has been campaigning as an independent, new generation Democrat dedicated to changing the atmosphere in Washington; to putting more attention on the needs of the middle class and on bread and butter issues like health care and to bringing a fresh approach to the war in Iraq. He has strongly resisted Republican efforts to pigeonhole him as a liberal.

Bob Corker, the Republican candidate, offers himself as committed to Tennessee values, with a track record in business and public life of solving problems, in contrast to what he asserts is Mr. Ford’s “total life experience” in Washington politics and serving the Ford political dynasty in Memphis.

The debate over the spot was more impassioned on the campaign trail Wednesday, when Mr. Ford and his allies took their bus across a wide swath of eastern and middle Tennessee, campaigning in small towns and courthouse squares.

Representative Lincoln Davis, the conservative Democrat from the heavily rural district in the state’s midsection, introduced Mr. Ford at a rally in Crossville with a fierce attack on the advertisement.

“I’m ashamed at what I see Republicans putting out today,” Mr. Davis declared, as an overwhelmingly white audience of more than a hundred cheered on the small town square. “You tell Karl Rove that we don’t want this stuff on TV in Tennessee. We don’t want our kids seeing that.”

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Mr. Ford told his audience here, and elsewhere in recent days, that the attacks were simply a sign of desperation, a sign the Republicans have nothing else to say. He added, "You know your opponent is scared when his main opposition against you is, 'My opponent likes girls.' " The audience erupted in laughter.

"You know it's a big problem if at the end of a race, if the best they can come up with is this sleaze they're putting up," he said.

In an interview, Mr. Ford demurred when asked if he thought the advertisement was injecting race into the campaign. "You need to ask those people over there what they tried to do with that ad," he said. "It's tasteless, but I've come to expect that from my opponent."

Mr. Corker, a former mayor of Chattanooga, quickly tried to distance his campaign from the advertisement. The Corker campaign had been claiming momentum in recent days, citing a flurry of recent polls indicating the Republican had regained a slight lead after steadying its message and its campaign organization.

A spokesman for the Corker campaign, Todd Womack, said the campaign was pleased that the spot had been taken off the air. "It was tacky, over the top," Mr. Womack said. "Tennesseans deserve better."

The spot was paid for by the Republican National Committee but was produced by an independent expenditure group that is supposed to have an arm's length relationship with the actual campaigns. As a result, Ken Mehlman, chairman of the Republican National Committee, said he did not see the spot before it was broadcast and did not have the power to order it removed.

Even so, Mr. Mehlman said he did not see a racial subtext to the ad. "I will tell you that when I looked at the ad, that was not my reaction," he said. "I hear and respect people who had a different reaction, and I hope they respect me, too."

Moreover, Republican spokesmen said they did not believe the advertisement had been taken off the air in response to the controversy, but had simply, in the words of one, "run its course."

The furor puts Mr. Mehlman in a difficult position. He has spent considerable time as the national chairman preaching the inclusiveness of the Republican Party and its openness to black candidates and black voters. He said in an interview Wednesday night that he did not believe that this would damage his Republican outreach efforts.

Officials with the Republican independent expenditure committee, who include longtime allies of the Bush political circle, did not respond to requests for comment.

The Senate race here is one of three, along with Missouri and Virginia, that are pivotal to control of the Senate, and all three are considered neck-and-neck. Mr. Ford and Mr. Corker are seeking the seat left vacant by the Senate majority leader, Bill Frist, who is retiring.

A Los Angeles Times/Bloomberg poll published this week showed Mr. Corker leading Mr. Ford, 49 percent to 44 percent. The poll was conducted last Friday through Monday, and had a margin of sampling error of plus or minus four percentage points.

If he wins, the campaign Mr. Ford has been running here will be considered a roadmap for Democrats in conservative and rural areas. Mr. Davis invariably introduced him this week as a man who would never "take away your Bible or your gun," but would raise the minimum wage so people could afford them.

With just 13 days to go, Mr. Ford is generating an intense response on the campaign trail as elderly white women reach for his hand and tell him they are praying for him, and he is swamped by autograph hunters and picture takers.

At one point, Mr. Davis's eyes welled up as Mr. Ford worked his way through a crowd — largely friendly, although not entirely so — at a heavily Republican barbecue. "You're watching history," Mr. Davis said.

Mr. Ford said later that he was not thinking history. "I'm trying to win a race," he said, before he jumped into his bus, whose destination sign read, "success express."

Contentious Race Republicans' Hold On The South Gets Test In Tennessee (WSJ)

By Corey Dade And Nikhil Deogun

The Wall Street Journal, October 26, 2006

KNOXVILLE, Tenn. -- Race has long been a deciding factor in Southern politics, helping determine who is picked to represent the region in Washington. Now, parts of the upper South -- including Tennessee, Virginia and North Carolina -- are attracting significant numbers of people from other parts of the country who aren't steeped in the region's traditions but are drawn to good jobs, lower taxes, top-notch universities and affordable real estate.

This migratory shift is scrambling the region's electoral politics. It is raising Democratic hopes that some parts of the South may no longer be as monolithic in their support of the Republican Party and may be more accepting of African-American candidates.

That helps explain why Harold Ford Jr., a 36-year-old congressman and scion of a famed African-American political dynasty, is in a statistical dead heat with his Republican opponent in the race for the U.S. Senate seat being vacated by Majority

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Leader Bill Frist. If Mr. Ford wins, he will become the first black senator from the South since Reconstruction. One major factor may be an unheralded demographic shift.

Over lunch at The Tomato Head restaurant, local attorney Bert Ritchie, a 67-year-old who moved here from Chicago five years ago and voted twice for George W. Bush, says he plans to vote for Mr. Ford because he thinks Republicans "abused their ascendancy a little bit." His lunch-mate, Mark Heinz, is agonizing over his own decision. After voting for Mr. Ford's opponent, Bob Corker, in the Republican primary in August, Mr. Heinz, a 37-year-old Philadelphia native, is having second thoughts.

Messrs. Heinz and Ritchie, who are both white, say race isn't a factor, in part because they hail from cities that have had black mayors. "When I came here for college in 1988 I was really shocked at how racially divided it was," says Mr. Heinz, who attended the University of Tennessee. "But I think in the last 15 years or so, with transplants coming in, people are becoming more accepting."

Tennessee has the 16th-largest population among U.S. states but posted the 10th-fastest growth rate from 2004 to 2005. The percentage of native Tennesseans has dipped to 62%, down from 70% in 1990, according to the U.S. Census Bureau.

Virginia and Tennessee are in "the midst of a non-Southern demographic makeover," says William Frey, a demographer at the Brookings Institution. Last year, the population of Tennessee included almost 20% who were born outside the South, versus 13.5% in 1990. "The tipping point may not be there yet in terms of making [Tennessee] from a red state to a blue state but it's moving in that direction."

WHAT THE SENATE POLLS SAY

1 · See a graphic2 of how the balance of power in the Senate will shift after the 2006 election, if the results of current polls are borne out on Nov. 7.

· Graphic: The Senate's Uncertain Seats3

· Charts: African Americans in Congress

The Tennessee race is considered an important test of how strong the Republican hold is on the South. In recent weeks, the campaign has become increasingly bitter as Democrats accuse Republicans of injecting race into a campaign that had been largely free of it. They allege that frequent references in campaign commercials to the Memphis political dynasty from which Mr. Ford hails and to his dating life are designed to play on racial fears.

Republicans deny the charge. "I've been doing this since 1974 and I've never gone there," says Tom Ingram, Mr. Corker's campaign manager.

How Mr. Ford does may well decide the fate of the Senate -- and it also may signal how seriously to take the prospect of Sen. Barack Obama, the Illinois Democrat, as a viable presidential candidate.

"This becomes an indicator of how feasible it is for an African-American politician, or a Latino politician, to think in terms of appealing to a broader constituency," says Bruce Oppenheimer, a political science professor at Vanderbilt University in Nashville.

Signs of Acceptance

There are already signs of such acceptance. In Georgia, the attorney general for the past nine years has been a black Democrat, as is the labor commissioner. That state also elected a black Supreme Court chief justice. The northeast corner of Tennessee, known as Tri-Cities (for Kingsport, Bristol and Johnson City), is the archetypical GOP stronghold and 96% white, but its state representative is an African-American Democrat who is so popular that he faces no Republican opposition in November.

As more people move from elsewhere to Tennessee, "it has leavened and hybridized the society here," making a candidate's background less important, says Gov. Phil Bredesen, who grew up in upstate New York and graduated from Harvard University before moving to Tennessee in 1975.

In his earlier runs for office, a major hurdle was "being born and brought up on the wrong side of the Mason-Dixon Line," says Mr. Bredesen, a Democrat. This year, he is expected to cruise to re-election, and while "there are still people who won't vote for me because I'm a Yankee, and I'm sure there are people who would not vote for Ford because he is an African-American...it's not been an overwhelming issue."

Nowhere is the shift in population more visible than in Nashville, both the geographic and political center of the state. Wedged between the pillars of liberal, majority-black Memphis in the west and conservative, predominantly white Knoxville in the east, the capital city and its suburbs are experiencing the sort of dynamic change that transformed other southern cities, such as Atlanta and Charlotte, N.C. Loft apartments are being erected and trendy bars hum with activity. At Radius10, a new restaurant overlooking downtown, a customer favorite is the $18 foie gras appetizer.

In the 1980s and 1990s, Southern states became a magnet for auto companies and other manufacturers looking to set up plants in right-to-work states. Tennessee was among the first to benefit from this shift, when Nissan Motor Co. in 1981 opened a plant in Smyrna, Tenn. Today, the auto industry employs nearly 127,000 people in Tennessee. Workers at the area auto plants who followed their companies from Michigan and elsewhere in the Midwest fill the Gaylord Entertainment Center when the

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Nashville Predators hockey team hosts the Detroit Red Wings. Disapproving locals nicknamed those with divided loyalties "PredWings" fans.

These days, the city is benefiting from an influx of white-collar jobs. Nine company headquarters, bringing 4,635 jobs, have moved here in four years.

The latest is Nissan, which has relocated its North American headquarters from California to the Nashville area, bringing with it about 500 white-collar employees. The company has since added hundreds more employees. Until it builds its new headquarters in Franklin, Tenn., the company's temporary head office is in downtown Nashville in the BellSouth tower, a building affectionately called the "Bat" tower because of two giant spires that rise from the top of the structure in a shape resembling the cowl worn by Batman.

While it's impossible to know the politics of the new transplants, a number of them eagerly shook hands with Mr. Ford one day last month as they filed into work, with several of the women taking pictures on their cellphones and gushing about his good looks. (A bachelor, he was named a few years ago as one of People magazine's 50 most beautiful people.)

Mr. Ford, who was educated in a Washington prep school while his father served in Congress, is particularly adept at appealing to his liberal base while reaching out to conservative voters. He is a frequent guest on Fox News and Don Imus's television and syndicated radio show. He speaks often about loving Jesus and highlights his conservative position on some social issues -- such as banning gay marriage and supporting a constitutional amendment to outlaw flag-burning.

At a two-hour prayer breakfast last week at the Hilton hotel in downtown Nashville, Mr. Ford basked in the adulation as preacher after preacher exhorted the mostly African-American audience to vote for him.

An hour later, Mr. Ford was in front of a totally different audience: the Tennessee Sheriffs' Association. With the exception of a couple of black sheriffs, the audience was all white males, mostly middle-aged or older. Mr. Ford told his life story, frequently highlighting his conservative credentials, such as how he voted for the toughest anti-immigration measure brought before the House.

Sheriff Terry Ashe, of Lebanon, Tenn., later said he plans to support Mr. Ford because he believes it's important to have someone with Washington experience dealing with Iraq and other major issues. "He won't have a learning curve -- just give him a Snickers bar and a Coke, and he'll be at work tomorrow," said Sheriff Ashe, who voted for Presidents Reagan and Clinton.

Race, said Sheriff Ashe, who is white, is "a quiet issue" that could determine the election. "I just hope Tennessee has moved beyond those days."

Mr. Ford was happy with the reception he got from the sheriffs. "The perception that there are people here who wouldn't vote for me because of who I am -- I've never accepted that," Mr. Ford said in an interview after meeting with them. "I'm trying to win every county in the state. Take a look at those sheriffs. I think if they don't vote for us, I think they'll at least think long and hard and listen closely to the issues."

Unlike some African-American politicians, Mr. Ford rarely brings up race or talks about issues long championed by black politicians, such as affirmative action. "I don't focus" on race, he says. "I do know that on Saturday when we play Alabama and Erik Ainge throws that first pass, as long as the guy is wearing an orange jersey we won't care what color the guy is underneath the jersey," he adds, referring to the University of Tennessee quarterback, who is white. "When I get to the Senate, they'll introduce me as the senator from Tennessee and my job is to represent Tennesseans."

Indeed, some whites say they haven't voted for black candidates in past statewide contests because they weren't strong candidates or their positions on issues didn't align with their own. One reason Mr. Ford is attracting wide support, they say, is because he is moderate on social issues and has shown a willingness to challenge his own party.

By one demographic factor, Mr. Ford should be far behind in the polls. Tennessee has one of the lowest African-American populations in the South -- about 16%. Logically, that should put African-American candidates at a disadvantage for statewide office because they can't count on a massive bloc of votes to give them a head start in a statewide election. But political scientists say the reverse may be true: In states with smaller black populations, whites don't feel as threatened and the state isn't as polarized. For instance, African-Americans make up a very high percentage of Mississippi and Alabama -- 36.5% and 26%, respectively -- and black voters tend to vote Democrat while white voters go for Republicans. The "blacker" the state, the larger President Bush's margin of victory in 2004.

The Real Test

The real test will come on Nov. 7. Polls have often shown African-American candidates scoring well in the polls only to fail to clinch the election. In 1990, former Atlanta Mayor Andrew Young drew wide support from white business leaders in his run for Georgia governor but lost in the Democratic primary. The same year, former Charlotte Mayor Harvey Gantt challenged Sen. Jesse Helms -- one of the South's most vocal opponents of racial integration and Dr. Martin Luther King Jr. in the 1960s -- and was well ahead in the polls but nevertheless lost. Even former Virginia Gov. L. Douglas Wilder, who is the only black elected to a

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governorship in the U.S., won in 1989 by a much narrower margin -- half a percentage point -- than the 10% indicated in exit polls.

Some political scientists and strategists refer to it as the "15% lie" -- when whites, bowing to societal pressure, tell pollsters they intend to vote for a black candidate but fail to do so in the voting booths. Indeed, several political experts believe that despite Mr. Ford's strong showing in the polls, some whites may desert him at the last minute. "We'll get the non-surprise surprise when Ford doesn't get the vote," says Thomas F. Schaller, an associate professor of political science at the University of Maryland and author of a new book, "Whistling Past Dixie," which argues that most of the South is beyond Democrats' reach.

While race has been largely absent from the campaign, that's changed of late. A group called Tennesseans for Truth aired a radio ad in the town of Gallatin, which said that Mr. Ford and the other members of the Congressional Black Caucus "represent the interests of black people above all others" and secretly submit an annual federal budget "to fund aid to black Americans. Discrimination at its worst," the narrator says.

The Ford campaign contacted the Corker camp and urged the campaign to denounce the ad. Mr. Corker did so and asked the radio station to discontinue the ad.

Just yesterday, after mounting criticism, including from Mr. Corker himself, the Republican National Committee said that it will no longer run a television ad featuring a blonde woman baring her shoulders and saying, "I met Harold at a Playboy party." Democrats complained the ad was meant to invoke old taboos about interracial relationships. Mr. Ford has acknowledged attending a party sponsored by Playboy at the Super Bowl last year, telling reporters, "I like football and I like girls." The National Republican Senatorial Committee, meanwhile, has a Web site, www.fancyford.com4, which chronicles what it calls Mr. Ford's lavish lifestyle.

Another flashpoint has been references made by the Corker campaign and Republican groups to Mr. Ford's family, which helped run Memphis's political machine. Mr. Ford's father was acquitted of federal bank fraud, an uncle has been indicted for allegedly taking bribes -- charges he denies -- and an aunt's election to the state legislature was declared invalid after voting irregularities. "It's not personal about the members of the family. It's an issue about power and political greed and issues that everybody in the state is familiar with," says Mr. Ingram, from the Corker campaign.

Democrats worry that the Republican ad blitz will keep white voters away. Nathan Vaughn, the black Democrat who represents the conservative and overwhelmingly white Tri-Cities area in the state legislature and is campaigning for Mr. Ford, says he has received "good feedback" about the congressman's candidacy. "He's an intellect...but you have these campaign handlers who are basically throwing bombs into the crowd with these stereotypical terms like 'slick.' If you do that enough, people will think it's true if they don't hear anything to the contrary."

Ford Foundation (WSJ)

By Kimberley A. Strassel

The Wall Street Journal, October 26, 2006

KNOXVILLE, Tenn. -- If Bob Corker's campaign has a favorite phrase these days, it's "clear choice." Warming up for a press conference, the Republican Senate candidate tells reporters that this race offers a "clear choice" between himself and Rep. Harold Ford, Jr., his Democratic opponent. Lamar Alexander shows up to note "a real choice" come November. "Yes," says Mr. Corker. "I would like to emphasize that there is a clear choice . . ."

Mr. Corker is clearly hoping that if he says it enough, voters might start to believe him. They haven't so far, which explains why Mr. Ford has the Republican Party worried. A year ago, nobody would have given the 36-year-old Democrat a chance. The South isn't exactly friendly territory for the left; Tennessee hasn't elected a Democrat to the Senate since 1990.

Long odds. Yet today Mr. Ford is dogging Mr. Corker at the polls, threatening an upset in a race that could determine the balance of power in the Senate. Over the past year the Democrat has run right on social issues and defense, neutralizing two areas that so often hurt Democrats. That has freed him up to run a more populist campaign on economic issues. The calculation is proving a winner, and offers some lessons to national Democrats still interested in again becoming viable in the South.

At least some of Mr. Ford's advantages are experience and luck. A political family scion, he's had 10 years in the House to develop a charisma that TV cameras love and plays well against his more buttoned-up opponent. The Democrat was basically unchallenged for the nomination, allowing him to pump out his message early while Mr. Corker was locked in a vicious three-way primary. And then there's the storm cloud raging around the GOP -- Mark Foley, the war, corruption -- which has discouraged Tennessee Republicans. Some are casting about for an alternative, some for a reason to vote at all.

Luck aside, good candidates take advantage of their environment -- and Mr. Ford is good. His big goal has been to firmly identify with this buckle of the Bible belt, talking up his faith and conservative views on social issues. He points to his recent votes for bans on partial birth abortion, flag desecration and gay marriage. A cofounder of the House Faith-Based Caucus, Mr. Ford

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filmed one of his campaign ads in a church. Mr. Ford tells me -- with a satisfied look that would surely make Howard Dean squirm -- that he even has the support of Mr. Corker's former rector.

Many Tennesseans -- including Republicans -- miss the part about how Mr. Ford's faith is also his justification for more liberal economic positions in the name of "social justice." Also lending credibility is the fact -- endlessly trumpeted -- that he has taken these conservative positions despite flack from his party, and despite representing the most liberal district in Tennessee, urban Memphis.

On trickier issues, Mr. Ford has perfected the art of Third Way-ism, presenting himself as an "independent" thinker on issues such as the Iraq war. He knows many Republicans are uncomfortable with the current situation, but that they also won't get behind a cut-and-run Democrat. He's been generally supportive of the war, but also highly critical of the strategy, for which he suggests a new approach: partition of the country. There's nothing new about the idea of dividing Iraq; but Mr. Ford's votes for the war in Congress, and his willingness to talk about the need for it, has certainly resonated better than have the "credentials" of the many war vets Democrats recruited to run elsewhere. "[Mr. Corker] can't name a single issue where I'm a liberal," Mr. Ford says. "They've had a hard time putting me in a box. That's been very frustrating for Republicans."

No more so than Mr. Corker, who has struggled to put daylight between himself and his rival -- on the war, immigration, social issues. His job is all the harder given that he doesn't have a record that allows him to gain traction on issues where Mr. Ford is vulnerable. Taxes are a good example, as Mr. Ford is on record as saying he'd raise them on the rich, and has voted against key Bush tax cuts. His line that his pro-tax votes were in the name of balanced budgets isn't one that always washes with voters.

Yet Mr. Corker hasn't wanted to talk about taxes, lest the past be revived. He was state finance czar under Gov. Don Sundquist, who earned voters' ire for pushing a new income tax. As Chattanooga mayor, Mr. Corker himself raised property taxes. While the Republican has carved out key policy differences in areas such as health care or education reform, they've figured little in the debate.

Tom Ingram, Mr. Corker's campaign manger, admits drawing a liberal-conservative comparison didn't work: "It's tough to pin labels on either of these guys," he says. "The message we've got now is that on the one hand we have an experienced, accomplished Tennessean, and on the other hand a Washington politician who is perpetuating the Ford political dynasty." In other words, biography, usually the last refuge of the desperate -- though Mr. Corker may win despite this. His campaign will get a big infusion of cash now the national party is focused on a Tennessee victory.

More important, Republicans are catching on to Mr. Ford's weakness -- voters' suspicion that he isn't as conservative as he says. You hear "closet liberal" intimations that his votes in recent years were planned with an eye for a Senate run, as well as examples of flip-floppery on issues like partial birth abortion (he voted against a ban in 1997) and the Kelo property rights decision. Tennesseans have seen this before, and are wary: They elected Jim Sasser as a conservative Democrat and watched him vote liberal. Ditto Al Gore.

Overcoming these fears is Mr. Ford's challenge, though what matters is that he is trying to do just that -- and making headway. The Democratic Party has been aware of its weaknesses on social issues and national defense for years, but with Howard Dean and Nancy Pelosi in charge, it has refused to budge from a liberal stance that resonates mainly in New York and California. Mr. Ford has shown that voters elsewhere will respond to Democrats who aren't afraid to really talk with them -- and vote with them -- on God and guns.

A Right Kind Of Democrat (LAT)

By Janet Hook

The Los Angeles Times, October 26, 2006

He is pro-business and antiabortion. He is an evangelical Christian and an avid hunter. But, unexpectedly, Heath Shuler is a Democrat, and he is running for Congress in North Carolina.

Shuler is part of a phalanx of unusually conservative Democratic candidates who may deliver crucial victories over GOP incumbents and help their party win control of the House.

Republicans are ringing alarms about what the House would be like if the GOP lost control: a throwback to the unreconstructed liberalism of big-government activism, tax increases and a weak-kneed defense policy. They point with Halloween-season horror to the likely lineup of Democratic committee chairs, including Henry A. Waxman (D-Los Angeles) and other liberal old-timers.

But, like Shuler, many of the Democratic candidates most likely to be elected are cut from a different cloth. Sixteen of them have been endorsed by the Blue Dogs, a coalition of conservative Democrats. Several used to be Republicans. Shuler was recruited to run as a Republican a few years ago but opted not to.

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In the waning days of the election campaign, candidates are increasingly debating what a Democratic-controlled Congress would be like: Would the tone and agenda be set by the Heath Shulers of the party, or its Henry Waxmans?

With so many conservative-leaning candidates at the forefront of the Democratic effort, House Democratic leader Nancy Pelosi (D-San Francisco) has, at least for now, stuck to a minimalist agenda that steers clear of grand, liberal ambitions. Instead, Democratic leaders are focusing — and almost all serious Democratic candidates are campaigning on — a more limited, six-point agenda that includes raising the minimum wage, repealing tax breaks for oil companies, restoring college tuition tax breaks, cutting Medicare drug costs and other plans they believe could draw bipartisan support.

The limited agenda has won endorsements even from Democrats as conservative as candidate Ken Lucas of Kentucky — a former House member who, before he left Congress in 2004, voted "present" rather than vote for Pelosi in the traditional party-line vote for House speaker.

Republicans charge that the apparent moderation in Democratic candidates is a smokescreen meant to obscure their support for a party steered by liberals and initiatives such as tax increases.

"They claim to be pro-life, pro-gun and anti-tax, yet their first vote in Congress would be to elect the most liberal speaker in American history," said Jonathan Collegio, spokesman for the National Republican Congressional Committee, which aims to enlarge the GOP majority in the House. "In the first hundred hours they will roll back tax cuts and open investigations into the administration."

Even some centrist Democrats privately fret that the chairmen-in-waiting may be harboring pent-up desires for a robust liberal agenda and partisan investigations that could hurt the party. "There's a desperate need for fresh blood, a general changing of the guard," said one moderate Democrat who asked not to be named.

An influx of new blood from the party's right wing could test party leaders' ability to maintain the remarkable unity they have forged during their years in the minority. Among the party's House challengers, 33 are conservative enough to be endorsed by either the Blue Dogs or the political arm of the centrist Democratic Leadership Council. Nearly all are on the Cook Political Report's latest list of Democrats most likely to win seats now held by Republicans. The party needs to pick up 15 seats to win a majority in the House.

With more conservative Democrats in the House, President Bush could have a new opening to reach across the aisle. But so far, he shows no signs of preparing to do so. One of the few issues he cites as a priority for next year is his plan to overhaul Social Security — a nonstarter among Democrats of all political stripes.

Bush's senior advisors have been meeting to plan next year's agenda, but apparently none of those discussions have focused on contingency planning for a Congress led by Democrats.

"I believe I'll be working with a Republican-controlled Congress and a Republican-controlled Senate," Bush said at a Wednesday news conference.

If they won a majority in the House, Democrats would be severely limited in what they could accomplish legislatively without control of the Senate and with Bush in office. Still, even a slim majority would give committee chairmen power to conduct investigations and issue subpoenas — tools they want to use to scrutinize Bush's policy on Iraq and other issues they believe the GOP bypassed.

In line to assume those powers is a cadre of unapologetic liberals of an older generation. John D. Dingell (D-Mich.), first elected to the House in 1955, is poised to return to the Energy and Commerce chairmanship he held before Republicans won the House in 1994. David R. Obey (D-Wis.) would return as Appropriations chairman. Waxman is in line to be chairman of the Government Reform Committee, an important venue for investigations.

In addition, minority-group members would gain great power in a Democratic House. African Americans are in line to become chairmen of the committees on taxation (Charles B. Rangel of New York), the judiciary (John Conyers Jr. of Michigan) and intelligence (Alcee L. Hastings of Florida).

Republicans are spotlighting that lineup, portraying it as extremist. They jumped on Conyers for calling for impeachment hearings against Bush, an idea Pelosi flatly dismisses. Republicans delight in pointing out that Hastings, before becoming a House member, was impeached as a federal judge.

Democrats say they believe such tactics are designed to mobilize conservatives and will not eclipse their efforts to present a more moderate face to swing voters. The Democratic Congressional Campaign Committee last year made a point of recruiting conservative candidates and even some former Republicans for this year's midterm election, in some cases muscling out more-liberal contenders who seemed likely to lose in Republican-leaning territory.

"The Democrats are going to retake the House of Representatives by electing conservative and moderate Democrats," said Rep. Mike Ross (D-Ark.), a member of the Blue Dog Coalition. "We're going to move our party back to the middle."

Republicans, in ads and elsewhere, have tried to discredit Democrats' conservative credentials — mostly by linking them to Pelosi.

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In Indiana, GOP Rep. John Hostettler is running behind Democrat Brad Ellsworth, a sheriff who opposes abortion rights and same-sex marriage. But a new Hostettler radio ad says a vote for Ellsworth would be a vote for Pelosi.

"Pelosi will then put in motion her radical plan to advance the homosexual agenda," the ad says.

In Kentucky, ads by GOP Rep. Ron Lewis call attention to the fact that his Democratic opponent, retired Army Col. Mike Weaver, has accepted donations from Pelosi. "He is not a certified conservative," Lewis said.

But Weaver, a state representative, is against abortion, gun control and same-sex marriage. He founded a conservative group in the state Legislature to push his party to the right.

In North Carolina, Shuler, who is running against GOP Rep. Charles H. Taylor, turned down encouragement to run for the House in 2002 as a Republican, despite his conservative views.

Shuler, a former quarterback for the Washington Redskins and New Orleans Saints, stuck with the Democratic Party, his spokesman said, because he wanted to "help those who cannot help themselves — and that's the Democratic Party."

But Shuler dodges the question of whether he would support Pelosi as speaker, saying he wants to interview all candidates for that post.

Celebrities Face Off On Stem Cell Issue In Mo. (USAT)

USA Today, October 26, 2006

Opponents of a Missouri ballot measure that would amend the state constitution to allow research using embryonic stem cells have produced a star-studded TV ad to press their cause. The ad features former St. Louis Rams quarterback and Super Bowl hero Kurt Warner, St. Louis Cardinals pitcher Jeff Suppan, Kansas City Royals baseball player Mike Sweeney, Everybody Loves Raymond actress Patricia Heaton and The Passion of the Christ star James Caviezel.

Supporters of the measure have been running ads featuring singer Sheryl Crow, a Missouri native. And Democratic Senate candidate Claire McCaskill's campaign is airing ads featuring a quivering Michael J. Fox, who has Parkinson's disease, urging voters to elect her because of her support for stem cell research. Conservative radio talk show host Rush Limbaugh criticized the ad and suggested Fox was either off his medication or acting. Limbaugh later apologized.

The ballot measure has been a major issue in McCaskill's too-close-to-call battle to unseat GOP Sen. Jim Talent, who opposes the measure.

Schumer, Dole at odds on fate of Senate

New York Sen. Charles Schumer, head of the Democrats' Senate campaign committee, said his party is “on the edge” of taking control of the chamber in elections Nov. 7. His GOP counterpart, North Carolina Sen. Elizabeth Dole, countered him at a National Press Club lunch, saying the GOP will hold its majority. Dole said a poll Wednesday shows GOP candidate Michael Steele has closed to within 3 percentage points of Democrat Ben Cardin in Maryland. She rejected Schumer's claim that Republicans are running from foreign policy issues. If Democrats control the Senate, “you're going to see a weaker security system,” she said.

Schumer said GOP attacks on Democrats aren't working because voters are unhappy with President Bush and “they don't want a rubber-stamp Congress.” — Jill Lawrence

Pa. senator shifts TV ads to cable channels

GOP Sen. Rick Santorum's re-election campaign in Pennsylvania has moved most of its TV ads from broadcast TV to cable channels such as CNN, A&E and the Discovery Channel, Santorum media consultant John Brabender said. He said the move is a strategic one as the race against Democrat Bob Casey, who leads in polls, heads to the final days. “We're buying as heavily on cable as we can,” he said. “This is about reaching undecided voters.” G. Terry Madonna, a political science professor at Franklin & Marshall College, said it sounded more like a cash-saving move: “Why would you give up commercial TV if you can afford it?”

Political Pitches At The World Series (LAT)

By Stephanie Simon

The Los Angeles Times, October 26, 2006

A political ad featuring actor Michael J. Fox — his body jerking uncontrollably from Parkinson's disease — has touched off an unusual war of celebrity sound bites against the backdrop of the World Series.

St. Louis Cardinals fans watching the first game of the baseball championship last week saw Fox, racked with tremors, urging them to vote for Missouri's Democratic candidate for Senate, Claire McCaskill, who backs a ballot measure to protect embryonic stem cell research.

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In response, opponents of the measure rushed to assemble their own celebrity commercial. The 60-second spot, due to air during Game 4 of the World Series, features the Cardinals' starting pitcher, Jeff Suppan. (The game was postponed Wednesday due to rain and is now scheduled for tonight.)

Athletes and actors have long lent their star power to political campaigns. Days after leading the Boston Red Sox to a World Series title in 2004, pitcher Curt Schilling began stumping for President Bush, endorsing him in recorded phone calls to New England voters and appearing by his side at rallies.

Hollywood came out in force for Democratic challenger Sen. John F. Kerry: Danny DeVito drove voters to the polls in Florida, Sharon Stone rallied crowds in Maine and Leonardo DiCaprio hit the campaign trail in Ohio.

But national celebrities don't often take the leap of filming ads for candidates or political causes.

"They give money. They attend fundraisers. But for the most part, they tend not to lend their likeness to political spots," said Evan Tracey, chief operating officer of TMS Media Intelligence/Campaign Media Analysis Group, an Arlington, Va., firm that tracks political ads.

Fox has been an exception. He filmed ads for Kerry and for the successful California campaign for a ballot initiative promoting stem cell research. (The California campaign also featured a commercial made by paralyzed actor Christopher Reeve just days before his death in October 2004.)

This year's spot has drawn more attention than the 2004 ads because Fox looks so debilitated. His body jerks so violently in the 30-second spot that conservative talk show host Rush Limbaugh mockingly mimicked the tremors and suggested that Fox was exaggerating his symptoms. Limbaugh later apologized, but the uproar over his remarks made the Fox ad the talk of the political world — and prompted thousands of people to view it online.

Some scientists believe that embryonic stem cell research could produce treatments for diseases such as Parkinson's, a progressive disorder that affects nerve cells in the brain, impairing motor control. Missouri's ballot measure would enshrine the right to conduct such research in the state constitution.

Opponents in Missouri and on the federal level have sought to block research on embryos because they consider the cluster of cells a human being and recoil at the idea of destroying that nascent life in scientific experiments. Opponents also argue that the research is exploitative because scientists sometimes pay women to donate their eggs.

The Missouri committee opposing the stem cell ballot initiative has emphasized the exploitation argument and has asserted that the measure would open the door to human cloning.

Even before the Fox ad aired, the group had been working with actor James Caviezel, who played Jesus in the film "The Passion of the Christ," to identify celebrities who supported their cause. The Fox spot spurred them to hurry their efforts. On Tuesday, they picked up footage from Suppan, who was so eager to help that he videotaped his own remarks, said Austin Ruse, a spokesman for Missourians Against Human Cloning.

Arizona Cardinals quarterback Kurt Warner, who led the St. Louis Rams to the Super Bowl in 2000, also joined the effort.

The ad was scheduled to air twice on Missouri TV stations during Game 4. It's a coveted slot for a political ad. But political analyst Tobe Berkovitz said he wasn't sure it would be nearly as effective as the Fox pitch, which tugged at viewers' hearts.

"What you do in Missouri matters to millions of Americans — Americans like me," said Fox, who has suffered from Parkinson's for 15 years. He has made similar commercials for Democratic candidates in Maryland and Wisconsin.

The ad opposing the ballot initiative is much less emotional. Suppan, Warner, Caviezel and others look directly into the camera and assert that the measure is a fraud that will open the door to human cloning. "Don't be deceived," says Suppan, who is not wearing his baseball uniform.

"For every celebrity ad that works, there are probably three that don't, because voters don't connect the celebrity to the cause," said Berkovitz, interim dean of the College of Communication at Boston University. The latest polls show the measure to protect stem cell research winning handily in Missouri. McCaskill is locked in a tight race with incumbent Jim Talent, a Republican who opposes the ballot measure.

Jesus' Words Used Vs. Stem-cell Initiative (WT)

By Christina Bellantoni

The Washington Times, October 26, 2006

The actor who played Jesus in "The Passion of the Christ" is drawing on his knowledge of that film's Aramaic language and his image as Christ for his latest role -- using Jesus' words to ask Missouri voters to oppose a stem-cell research measure on the Nov. 7 ballot.

Actor Jim Caviezel opens the political ad with a brief statement in Aramaic, the common tongue of biblical-era Palestine and the language of Mel Gibson's blockbuster movie, saying: "Le-bar nash be-neshak."

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Bill Fulco, the Loyola Marymount professor who translated Mr. Gibson's script for "Passion" and coached the actors on the ancient language, told The Washington Times yesterday the phrase means: "You betray the Son of Man with a kiss," a reference to Judas' betraying Christ and a phrase used in the Greek of Luke's Gospel.

Cathy Cleaver Ruse, a spokeswoman for Missourians Against Human Cloning, which produced the ad, said the group had Mr. Caviezel say the Aramaic phrase in a contemporary setting but without subtitles "to make the ad a little more intriguing."

When presented with Mr. Fulco's translation, which was confirmed by several other Aramaic scholars, the group agreed to release the exact translation exclusively to The Times.

"It means 'You betray me with a kiss,' which means Amendment Two is a betrayal because it is deceptive," Ms. Ruse said. "It promises one thing and delivers another."

Tom Schreiner, a professor of New Testament interpretation at the Southern Baptist Theological Seminary, said yesterday Mr. Caviezel is implying the amendment may seem "loving and kind" to its supporters, but when read closely, it is "actually a betrayal."

Nathan Jastram, a biblical scholar from Concordia University in Wisconsin, agreed, saying it implies "murder is being planned under the guise of compassion."

"Just as Judas betrayed Jesus to death while testifying with a kiss that he was his friend, so stem-cell researchers are causing the death of embryos while testifying to the public that they are searching for ways to promote life," he said.

The 60-second ad, scheduled for airing during the World Series game between the St. Louis Cardinals and the Detroit Tigers last night, also features Cardinals pitcher Jeff Suppan and former St. Louis Rams quarterback Kurt Warner. It has been played more than 160,000 times on YouTube.com since its release Tuesday night to the media.

Mr. Suppan and Mr. Warner say voters shouldn't be "tricked." Mr. Caviezel finishes out the ad, this time in English: "You know now. Don't do it. Vote No on Two."

Mr. Suppan and Mr. Caviezel are both Roman Catholics; Mr. Warner is an evangelical.

The ad was produced in response to Michael J. Fox, the Parkinson's-afflicted actor who asks voters in a television ad to choose pro-stem cell research candidate Democrat Claire McCaskill on Nov. 7.

"What you do in Missouri matters to millions of Americans. Americans like me," Mr. Fox says in the ad, which has been played more than 1 million times on YouTube.

Conservative radio talk-show host Rush Limbaugh suggested Mr. Fox was deliberately not taking his medication to enhance his symptoms for the benefit of the camera, something Mr. Fox has acknowledged doing in the past. Mr. Limbaugh has since apologized, but he is standing by his criticism of the Fox ad as misleading.

The celebrity back-and-forth on Missouri's stem-cell measure is the latest chapter in what has been a long debate involving Mrs. McCaskill and incumbent Republican Sen. Jim Talent, who opposes the ballot initiative.

Most polls show the ballot measure, which needs a simple majority to pass, with a strong lead. Ms. Ruse said the ad will run statewide with an aim to educate the many undecided voters in the final 12 days before the election.

Rabbi Shmuel Herzfeld of the National Synagogue in Washington said he finds the Caviezel ad "distasteful."

"There's another religious approach that embraces research on stem cells because it saves lives," he said. "There should be a discussion about that."

Republicans Intensify Push In New Jersey (NYT)

By Jim Rutenberg

The New York Times, October 26, 2006

WASHINGTON, Oct. 25 — National Republican campaign strategists are beginning an intensive last-minute offensive in New Jersey, seizing on the tight race between Senator Robert Menendez, a Democrat, and his Republican challenger, Thomas H. Kean Jr.

Officials with the National Republican Senatorial Committee said they were putting $3.5 million into the race in its final 12 days to pay for television advertisements attacking Mr. Menendez that were expected to be on major stations by Thursday morning.

Brian Nick, a spokesman for the committee, said Mr. Kean had remained at least competitive with Mr. Menendez — though trailing in two recent polls — despite being outspent. Mr. Nick said the committee believed that the new advertising, produced by a quasi-independent arm of the committee created under federal campaign finance law, had the potential to change the dynamic of the race.

“We’re coming in with financial resources to help get parity in spending,” Mr. Nick said. “And when that happens, Kean will win.”

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Brian Jones, a spokesman for the Republican National Committee, said the party would provide an extra push for Mr. Kean with an aggressive drive to get out the vote.

"We feel that there's a real opportunity in New Jersey," Mr. Jones said.

The $3.5 million advertising outlay is a major investment in two of the most expensive media markets in the nation, New York and Philadelphia, both of which transmit into New Jersey.

Mr. Kean had spent $2.5 million through Sept. 30, with $3.2 million left on hand for his final push, according to campaign finance records. Mr. Menendez had spent $6.5 million and had $5.5 million left as of Sept. 30, according to the filings.

The new push in New Jersey reflects the state's status as the Republicans' great hope this year. Mr. Menendez's Senate seat is the only one now held by a Democrat that Republicans in Washington believe they can steal away this year.

Democrats need to gain six seats to win control of the Senate next year, a goal that several polls show to be within the realm of possibility.

Though New Jersey tends to vote Democratic, it has a history of selecting moderate Republicans like Mr. Kean, a state senator whose father was New Jersey governor and more recently was a chairman of the Sept. 11 commission.

Mr. Kean has run an extremely tough race, despite the advantages that Mr. Menendez has as an incumbent and prominent fund-raiser for his party. The race has been so competitive that Democratic leaders, who have managed to keep Republican Senate candidates on the run elsewhere, acknowledge that this is the one Democratic-held Senate seat that is vulnerable.

Mr. Kean has sought to portray Mr. Menendez as an unethical politician who has his roots in the notorious Hudson County political machine. He has, for example, pointed to a nonprofit agency that paid more than $320,000 to lease a building in Union City from Mr. Menendez for nearly a decade while he helped the agency, the North Hudson Community Action Corporation, secure millions of dollars in federal grants. Mr. Menendez has said that the rent was comparable to market rates at the time and that he has done nothing wrong.

Mr. Menendez has sought to tie Mr. Kean to the policies of President Bush, whose popularity polls show is unpopular in New Jersey. He has also tried linking Mr. Kean to a jailed Hudson County Democrat whom Mr. Kean's campaign had contacted in hopes of undercutting Mr. Menendez.

Mr. Kean has attempted to distance himself from the Bush administration, recently calling for the resignation of Defense Secretary Donald H. Rumsfeld.

Democrats had not expected to find themselves playing defense this year in New Jersey, a solidly Democratic state in recent statewide elections. State voters have not elected a Republican to the United States Senate since 1972 .

Last year, Jon S. Corzine, who was the senior senator at the time, left office after being elected governor. He chose Mr. Menendez, a United States representative for Hudson County at the time, to complete the remainder of his term.

Phil Singer, a spokesman for Democratic Senatorial Campaign Committee, said his committee had spent $7.5 million on the race in New Jersey, and had a $4 million advertising campaign running now.

And he suggested that the Republican push in New Jersey represented a bluff. "They've got no place else to go," he said.

Matt Miller, a spokesman for Mr. Menendez, said his campaign was not concerned, as it has millions more dollars in the bank than Mr. Kean does. And he said several recent polls showed Mr. Menendez ahead in the race, including a Gannett poll showing Mr. Menendez up by nine percentage points.

But a Los Angeles Times poll released on Tuesday showed Mr. Menendez just four percentage points ahead of Mr. Kean.

Cardin, Steele Play Gotcha In Three-way Debate (BSUN)

By Jennifer Skalka

The Baltimore Sun, October 26, 2006

ARLINGTON, Va. -- In the most tempestuous encounter to date of Maryland's U.S. Senate contest, Lt. Gov. Michael S. Steele and Rep. Benjamin L. Cardin played a heated game of gotcha during a televised debate Wednesday, with Steele pressed into offering his clear support for the war in Iraq and Cardin stumbling when queried about the location of a planned Metro line in the vote-rich Washington suburbs.

The candidates sparred for an hour, talking over each other from the start and bickering about their views on embryonic stem cell research, health care and the Iraq conflict. Each contender claimed he could better bring change to Washington and that his opponent is beholden to party bosses.

"George Bush helped finance his campaign for the United States Senate," Cardin, a 10-term congressman, said of Steele. "The lieutenant governor agrees with George Bush's agenda on Social Security, on health care, the war in Iraq."

Steele snapped back: "This gentleman, this congressman has been running against George Bush for over a year. Haven't you noticed, sir, he's not represented on this stage."

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"You were hand-picked by Congressman Steny Hoyer to get in this race," Steele continued, referring to the House minority leader who represents Southern Maryland and who has campaigned extensively for Cardin. "If you weren't, Kweisi Mfume should be sitting here," referring to Cardin's Democratic primary opponent

Kevin Zeese, the third-party candidate who joined Steele and Cardin for the debate taped at the News Channel 8 studio and broadcast Wednesday night on Maryland Public Television, said both men are products of a broken political system.

"I'm the only one not in bed with the special interests," said Zeese, who is the nominee of the Green, Libertarian and Populist parties.

Debate moderator Bruce DePuyt said at the outset that the debate would have no rules, and though the candidates sat next to each other in armchairs instead of behind podiums, what ensued was a conversation in which they could barely conceal their personal disdain for each other. One exchange between Cardin and Steele about the Iraq war showed that tensions are high with less than two weeks to go until the Nov. 7 election.

"I just wish the congressman would get off his talking points and listen to what I'm saying and listen to what I've said on this issue and stop trying to drill home a dead point that doesn't reflect my reality," Steele said, when Cardin tried to tie Steele's support for the war to President Bush's policy of maintaining military presence in Iraq. "I know the words that come out of my mouth," Cardin interrupted Steele. "It's a very simple question, very simple question, very simple question," he said.

"What is the question?" Steele responded.

"Should we have gone into Iraq?" Cardin asked.

"Yes, we should have, to deal with the terror that was there," Steele said.

Cardin voted against the 2002 Iraq war resolution but has supported subsequent funding initiatives to provide the troops with the equipment and gear they need to get the job done. During the Senate campaign he has called for 10,000 troops to be sent home monthly from the region. Steele said Wednesday that the government needs to "put in place the mechanisms for our troops to come home," but he called Cardin's original vote against the war "wrong-headed."

"You guys are both wrong on the war, I tell you," Zeese said, adding that the U.S. needs "to get out of Iraq rapidly and responsibly."

The Maryland Senate contest made national news this week when actor Michael J. Fox, who starred in the sitcoms Family Ties and Spin City, cut a television ad for Cardin. Fox has Parkinson's disease, a degenerative ailment that many scientists believe could benefit from treatments derived from embryonic stem cell research. Cardin supports federal funding for such efforts. Steele does not.

During Wednesday's debate, Steele said, "I am four square for stem cell research, absolutely we should be funding stem cell research and accelerating that funding certainly with respect to cord blood and adult stem cells. Where I draw the line is when it comes to embryonic stem cell research. I do not support measures that would destroy that embryo because I respect the life that that embryo represents and is."

Cardin said embryonic stem cell research "holds out tremendous promise" for those suffering.

"Mr. Steele and I have a fundamental disagreement," Cardin said. "I'm in favor of moving forward with embryonic stem cell research; he opposes it."

This week, conservative commentator Rush Limbaugh criticized the Fox ad, saying about Fox, whose head and body jerk about during the spot: "Either he didn't take his medication or he's acting." Limbaugh later apologized. Fox appears in similar spots for Democrats running in Missouri and New Jersey.

DePuyt asked Steele how he felt about Limbaugh's characterization. Steele said at first that he had not heard Limbaugh's full comments so DePuyt replayed them for the lieutenant governor. Steele then called the radio personality "more than over the line." On that count the leading Senate candidates agreed. Cardin called Limbaugh's remarks "outrageous."

Cardin and Steele butted heads when Steele brought up a planned Metro route in the Washington suburbs called the Purple line, which would link a 14-mile stretch between New Carrollton and Bethesda.

"Sir, with all due respect could you tell me where the Purple Line is planning to run,?" Steele, a Prince George's resident, asked Cardin. "Could you tell me about the plan to build out the Metro system in the metropolitan region. Where do we plan to take it?"

"I'm very familiar with the Purple Line," Cardin said before stammering and stalling and mentioning something about Chevy Chase before realizing he was under no obligation to answer to Steele.

"I'm not going to answer your question," Cardin barked.

Steele pounced. "This gentleman has no clue about metro traffic congestion in this region," Steele said, calling for Cardin's plan to deal with the issue.

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The debate marked the second time the candidates have met on the same stage at the same time. They are tentatively scheduled to face off Thursday in a forum hosted by the National Association for the Advancement of Colored People in Charles County and again Sunday on NBC's Meet the Press with Tim Russert.

Steele rushed out of the lobby of the Arlington high-rise without taking questions from reporters, saying only that the debate was "fun." Cardin told reporters that Steele's political allegiance is obvious. "He clearly aligned himself with George Bush on the war in Iraq," Cardin said.

Zeese declared himself the winner.

Cardin, Steele Face Off In Contentious Debate (WP)

By Matthew Mosk And Ann E. Marimow

The Washington Post, October 26, 2006

U.S. Senate candidate Benjamin Cardin (D) appeared caught off guard during a freewheeling debate on News Channel 8 this afternoon when his opponent, Republican Michael S. Steele tried to quiz him on the route of the proposed Metro rail Purple Line.

After starting to hazard a guess, sputtering out "Chevy Chase," Cardin snapped, "I'm not going to answer your question," and pushed back at Steele, asking him about national health insurance.

Later, Cardin was asked repeatedly by reporters if he knew the Purple Line route and while he insisted that he did, he refused to risk an answer. "I support the Purple Line," he said, then added, "I'm not sure they've settled on specific sites."

For the record, the line is proposed to run from Bethesda to the New Carrollton Metro Station. The unanswered question, Steele said, was a pointed illustration of how little the Baltimore area congressman knows about suburban Washington issues.

"I appreciate Ben finally locating where Prince George's County is . . . and finally using the words Purple Line," Steele said.

The hour-long debate, which ranged over subjects including stem cell research to the war in Iraq to health insurance reform, at times seemed more of a shouting match. There were no rules, and through much of the sparring, Bruce DePuyt, who hosts the WJLA program "News Talk Live," sat back and let it unfold.

The debate is one of three this week that will pit Cardin against Steele and independent candidate Kevin Zeese. The campaign for Maryland's open Senate seat, which is in its final two week stretch, appears to remain a close contest, with polls showing Cardin leading Steele.

In one segment of the debate, Cardin pressed Steele on his initial support for the Iraq war.

Steele responded by calling it "heartening to see the president move to where the American people have been for some time."

"How would you have voted in Congress if you'd had the chance?" Cardin pressed, adding that he believes Steele would have supported the president.

"Do not disrespect me and tell me what I would have done at the time," Steele replied. He then acknowledged he did support going into Iraq.

DePuyt asked Steele about a recent flap over actor Michael J. Fox's appearance in a campaign ad, in which he urges people to back Cardin because of his support for embryonic stem cell research.

In the spot, Fox showed startling signs of Parkinson's disease, contorting as he spoke.

The host asked Steele what he thought of conservative commentator Rush Limbaugh's suggestion that Fox was "acting" and exaggerating the symptoms of his disease.

Steele called the talk show host's remarks "a little bit over the line," but said he really didn't hear Limbaugh's comments. DePuyt then played the remarks for viewers.

"That's a little more than over the line," Steele said.

Senate Hopefuls Squabble, Call Each Other 'Handpicked' (WT)

By Jon Ward

The Washington Times, October 26, 2006

Maryland Lt. Gov. Michael S. Steele and Rep. Benjamin L. Cardin yesterday wrangled over the origins of their U.S. Senate campaigns, with each accusing the other of being "handpicked" by their parties' leaders.

"The lieutenant governor was recruited by George Bush," said Mr. Cardin, a Democrat. "George Bush helped finance his campaign."

Mr. Steele, 48, said that Mr. Cardin "has been running against George Bush for a year and a half. ..."

"You talk about handpicked," Mr. Steele, a Republican, told Mr. Cardin. "You were handpicked by [House Democratic Whip] Steny Hoyer to get in this race. ..."

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"If you weren't [handpicked], Kweisi Mfume should've been sitting here," he added, referring to the past president of the National Association for the Advancement of Colored People, who lost the Democratic primary to Mr. Cardin last month.

A visibly flustered Mr. Cardin said, "I won a competitive primary. ... Kweisi Mfume is supporting me."

The debate at NewsChannel 8 studios in Rosslyn, which included Green Party nominee Kevin Zeese, was the first of three between Mr. Steele and Mr. Cardin that will culminate Sunday on NBC's "Meet the Press."

The war in Iraq, embryonic stem-cell research and mass transit were other dominant issues in the debate.

When pressed, Mr. Steele said that U.S. forces should have invaded Iraq in 2003 "to deal with the terrorist threat."

Mr. Cardin, 63, voted against sending troops to Iraq, but Mr. Zeese attacked Mr. Cardin for voting several times to finance the war.

"After your first vote, you have been wrong, wrong, wrong," Mr. Zeese said.

Mr. Cardin also appeared unaware of exactly where Metro plans to begin and end the Purple Line, which Mr. Steele used to portray him as out of touch.

Mr. Steele reiterated his support for stem-cell research using adult stem cells and his opposition to embryonic research, which he considers abortion. Mr. Cardin said he supports embryonic research.

After the debate, Mr. Cardin complained that the open format allowed too many interruptions.

At one point, Mr. Steele, sitting next to Mr. Cardin, said the 10-term congressman had failed as a leader. "For 20 years, sir, you have sat in the [congressional] seat and wasted the opportunity to lead," he said.

Mr. Steele, who is black, is hoping for support from black voters, especially in Prince George's County and Baltimore.

Though Mr. Cardin, who is white, won the overall primary, Mr. Mfume bested him in those two jurisdictions. According to the State Board of Elections, Mr. Mfume won 74,637 votes, and Mr. Cardin 19,824 in Prince George's County. In Baltimore, Mr. Mfume won 52,335 votes and Mr. Cardin 25,051.

Since then, Mr. Mfume has made only one appearance in support of Mr. Cardin, during which he noted the lack of diversity in the Maryland Democratic ticket.

During the primary season, Mr. Mfume accused Mr. Hoyer and state Senate President Thomas V. Mike Miller Jr., both of whom are white, of trying to force him out of the contest.

The Senate nominees are scheduled to debate today in Charles County, where five white men in 2004 set fire to more than two dozen homes owned mostly by black families in the state's biggest residential arson case.

"I specifically asked for [the debate] to be there," Mr. Steele told reporters and editors at The Washington Times on Monday.

Meanwhile, two polls yesterday provided different pictures of the race.

The National Republican Senatorial Committee released a poll showing the race to be a dead heat. Mr. Cardin had 41.3 percent of the vote, and Mr. Steele 38.7 percent.

The poll of 602 likely voters was conducted by Houston-based Voter Consumer Research and has a margin of error of 3.9 percentage points.

A poll by the District-based Garin-Hart-Yang Research Group showed Mr. Cardin with 52 percent of the vote and Mr. Steele with 40 percent.

Iraq, Stem Cell Research Topics At Second Senate Debate (AP)

AP, October 25, 2006

ARLINGTON, Va. -- Maryland's Senate candidates debated for a second time Wednesday afternoon, and the war in Iraq and stem cell research were the main topics of conversation.

Democratic Rep. Ben Cardin said he supported embryonic stem cell research. His campaign has put out a televised endorsement from actor Michael J. Fox on the matter.

Republican Lt. Gov. Michael Steele said he did not approve of destroying embryos in the name of research. But, he added that he thinks the government should fund other types of stem cell research.

The candidates sparred on Iraq as well.

Steele at first said he "applauded" Cardin for voting against the war. When the moderator expressed surprise, Steele then said it was "wrong-headed."

The Republican said he would have voted for the war initially but called for a new approach to the conflict now.

The debate also included third-party candidate Kevin Zeese, who said both Steele and Cardin cannot be independent senators because they've taken contributions from business interests.

The debate will be replayed statewide Wednesday night on public television.

The candidates will also debate Thursday in Charles County and Sunday on NBC's "Meet The Press."

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Black Democrats Pull Punches In Maryland Race (WT)

By Brian Debose And Jon Ward

The Washington Times, October 26, 2006

Local black Democratic leaders will not attack Maryland Lt. Gov. Michael S. Steele in his U.S. Senate race, even as they campaign and appear in ads for his opponent -- Rep. Benjamin L. Cardin, a fellow Democrat.

"I think that is a tactical decision," said Delegate Eleanor Holmes Norton, the District's nonvoting congressional representative. "If [Mr. Steele] has a large or fairly large black vote, why or how could you alienate that vote by going after him doing personal attacks? There is just no way."

Former Prince George's County Executive Wayne K. Curry, who has not yet endorsed anyone in the Senate race, said it is wise for black politicians to avoid criticizing Mr. Steele, a Republican and the first black to win a statewide election in Maryland.

"Obviously, that would make good sense because Michael is not disdained among African-Americans," said Mr. Curry, who has attended a campaign event for Mr. Steele but not for Mr. Cardin.

Rep. Elijah E. Cummings supported Kweisi Mfume, past president of the National Association for the Advancement of Colored People, in the Democratic primary for the Senate. He said there is no need to pillory Mr. Steele because his positions on various issues are unappealing among most black voters.

"I don't think you have to attack Steele," said Mr. Cummings, of Baltimore. "All you have to do is ask him where he is on issues like the Iraq war, universal health care, stem-cell research, college-tuition assistance, and who are going to be our judges, and on President Bush's policies."

Race has been prominent in the Maryland Senate contest, as Democrats have tried to blunt Mr. Steele's appeal among blacks, their most loyal -- and, some say, neglected -- voting bloc.

Early in the campaign season, pollster Cornell Belcher identified an "emerging black swing vote" and advised Democrats in a memo to portray Mr. Steele as a "typical Republican in the eyes of voters, as opposed to an African-American candidate."

A key battleground in the Maryland Senate race will be Prince George's County, which has the highest concentration of blacks and registered Democrats in the state.

At The Washington Times on Monday, Mr. Steele -- who was raised in Petworth -- said that he supports full congressional voting rights for the District.

Mrs. Norton, who is working with Rep. Thomas M. Davis III, Virginia Republican, on a bill that would give the District a vote in the House, noted the significance of Mr. Steele's support for the effort.

"We gave Maryland its black middle class, and they completely and totally identify with and understand that D.C. has no voting rights," she said, "and so what Steele has done is identify himself with a traditional African-American political issue."

But Mr. Curry said that Mr. Steele's commercials have not addressed black voters' concerns on issues such as education and that the lieutenant governor still has some work to do to "galvanize" black voters.

"For one, he's got to prove to people he wouldn't be another Clarence Thomas," Mr. Curry said, referring to the U.S. Supreme Court justice.

Meanwhile, black Democratic leaders' support for Mr. Cardin has appeared muted, at best.

Mr. Mfume, whom Mr. Cardin defeated in last month's primary, has made only one appearance in support of the nominee, during which he noted the lack of diversity in the state party's ticket by saying it "looks like the Democratic ticket for state office in 1956."

He has since been out of sight and contact, but his son, Michael, has endorsed Mr. Steele.

Mrs. Norton said that she has not been contacted to record an ad for Mr. Cardin but added that she hopes someone from the region has, "because many of his people are our people."

Rep. Albert R. Wynn of Prince George's County said he recorded a radio ad weeks ago for Mr. Cardin but was not sure when it would run.

Mr. Cardin yesterday said he was not aware of the Wynn ad.

Allen, Webb Stake Out Positions On 'No Child' (WP)

By Maria Glod

The Washington Post, October 26, 2006

In a state skeptical of federal intrusion in local school affairs, Virginia Sen. George Allen and challenger James Webb each say they support the goals of No Child Left Behind but quarrel with how the federal law has played out.

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The Democratic challenger says schools need more federal funding to fulfill mandates to test students and narrow achievement gaps. The Republican incumbent, who voted for the landmark legislation five years ago, now argues that states need more flexibility in how they grade schools. But neither candidate supports an outright repeal of the law.

Whoever wins Nov. 7 will have a vote when Congress debates whether to renew the controversial law, which aims to push students in a range of grades to attain near-universal proficiency in reading and math by 2014. The law requires testing for all students from grades 3 through 8 and once during high school, and it requires schools to show that students in racial, ethnic and other groups are making adequate progress. Schools that fall short can face sanctions up to the threat of state intervention.

As Virginia governor in the mid-1990s, Allen was chief architect of the school accountability program that measures progress using the Standards of Learning tests. Since voting for No Child Left Behind, he has become critical of the federal initiative. State officials in that time have also complained about aspects of the law.

In a speech at Patrick Henry College in Purcellville this month, Allen told students that the federal law is "forcing Virginia schools to dumb down our curriculum." He later said that whereas the federal law focuses on reading and math, Virginia's testing system is "more comprehensive" and includes science and social studies.

Allen has proposed to amend the law by allowing states that have accountability programs to be granted waivers from certain federal requirements. His bill also would require states to expand testing to include U.S. history and civics.

In an interview this month with Washington Post reporters and editors, Webb said that the "intentions" of the No Child law are good but that Washington has not provided enough money. Congressional Democrats charge that the Bush administration and Republican-led Congress have delivered tens of billions of dollars less than the law authorized in education aid.

"You have federal requirements that are being put into place without the full amount of funding so that local jurisdictions are having to make up the difference, which is taking money away from other things they could be doing," Webb said. He also said the law places too much focus on teaching "toward standards" instead of teaching students to "think and adapt."

Kristian Denny Todd, a spokeswoman for Webb, said he hasn't decided whether he would vote to renew the law. "In terms of a vote for reauthorization," she said, "he's going to have to take a look at it and make sure the funds are dedicated."

The law has popped up as a campaign issue in various states. In Maryland, Lt. Gov. Michael S. Steele, the Republican candidate for Senate, alluded to No Child Left Behind in a television advertisement that said his party "built a system that teaches to a test." Rep. Benjamin L. Cardin, Steele's Democratic opponent, voted for the law in the House in 2001 but now -- like Webb -- says it has been underfunded.

Analysts said education does not appear to be a driving issue in a Virginia Senate race dominated by debate over taxes, the war in Iraq and questions of character.

"The differences between the candidates appear quite subtle to most voters and not substantial enough to make any real difference except perhaps with a small number of committed educational professionals," said Mark J. Rozell, a professor of public policy at George Mason University.

"It's the lost issue in this campaign," said Robert D. Holsworth, a political scientist at Virginia Commonwealth University.

On his campaign Web site, Webb, a former Navy secretary, devotes 11 paragraphs to the Iraq war and two to education.

In a recent TV ad, Allen's wife, Susan, said the senator is a "father first" and has worked "hard to raise academic standards." But the spot did not mention his concerns about the law.

Holsworth said he was surprised that Allen hasn't used his critique of the law to demonstrate independence from President Bush.

"It's an area where he can easily deflect the argument that he's attached at the hip to the president," Holsworth said.

The candidates are split on another educational controversy: school vouchers. Webb's spokeswoman said the Democrat opposes public funding to help pay private school tuition -- a position that helped him win the endorsement of the Virginia Education Association, a teachers union that is an affiliate of the National Education Association. Allen voted in 2004 for a spending bill that launched an experimental voucher program in the District. "There should not be a federal prohibition" on vouchers, he said.

On higher education, Webb's spokeswoman said one of his priorities would be to help U.S. troops involved in fighting terrorism attend college after leaving the military. Denny Todd said Webb envisions a plan modeled after the post-World War II G.I. Bill. She said Webb would seek government funding for tuition and other expenses.

Allen, who often talks about the need for more engineers and scientists, has touted his support of proposals to provide $250 million in technology grants for historically black colleges, tribal colleges and other institutions that serve minority students.

Allen, Webb Tour Va.; Wilder Backs Webb (WP)

By Tim Craig And Lisa Rein

The Washington Post, October 26, 2006

DOJ_NMG_0086862

Democratic U.S. Senate candidate James Webb campaigned yesterday in Northern Virginia with the state's current governor at his side, and hours later he picked up a key endorsement from a former governor in Richmond.

Webb, joined by Gov. Timothy M. Kaine (D), appealed to retirees and students at stops in Fairfax and Prince William counties before heading to Richmond to appear with former Gov. L. Douglas Wilder, now the mayor of Richmond and a popular figure among African American voters.

Webb's opponent, incumbent Sen. George Allen (R), stumped through southwestern Virginia yesterday with Kentucky Sen. Mitch McConnell (R), the majority whip. The Allen campaign also released a radio commercial featuring Allen's most prominent black supporter, state Sen. Benjamin J. Lambert III (D-Richmond).

Allen and Webb had courted Wilder for his support. Wilder, a Democrat, is independent-minded and likes to build suspense for his endorsements by waiting until late in a campaign to announce his choices. His support isn't always guaranteed; in 1997, he declined to endorse Democrat Donald S. Beyer Jr. for governor.

Two years ago, he stood with Allen to condemn then-Gov. Mark R. Warner's proposed tax increases and urged the Democratic governor to put the idea to a vote of the people. Later that year, Wilder was the keynote speaker at a retreat for the state GOP.

But yesterday, he said voters should choose Webb to send the message that they are opposed to the war in Iraq and Republican economic policies. He said he would do all he could, including campaign events and TV ads, to support Webb.

"I think the time is now to take the action necessary to help turn around the ill-fated direction the country has taken," said Wilder, who was governor from 1990 to 1994. "For that reason, I will support an individual who served in combat for his nation . . . and will fight to represent the needs of the common man . . . to put this country back on course."

Allen and Webb have been vying for votes from African Americans in a campaign marred by accusations of racism. Allen has been dogged by questions about his racial sensitivity, and Webb has been put on the defensive over a magazine article he wrote in 1979 opposing women in combat, which some have said was demeaning to women.

The Democratic Senatorial Campaign Committee, which is spending millions to bolster Webb, has been running radio ads on black stations highlighting Allen's fondness as a young man for Confederate heritage and allegations that he used racial slurs in college. The Allen campaign and the Republican Senatorial Campaign Committee responded yesterday with Lambert's ad, which will air on several African American radio stations.

Lambert urges listeners to discount charges about Allen's past and focus on his support for historically black colleges, black farmers and the Voting Rights Act.

"I have fought racism all my life, and I've learned to judge people by what they do now, not what they have done 30 years ago," Lambert said.

McConnell, in an interview, said that Virginians would see a large tax increase if Webb is elected, referring to past statements by Webb that he would let some of President Bush's tax cuts expire. "You cannot let the tax cuts expire without having a rather large increase," McConnell said.

But Wilder said yesterday that Bush's economic policies have benefited the rich while doing little for the poor and middle class.

"We need someone who will look out for individuals in all walks of life," Wilder said.

Wilder said he considers Allen a "close friend" but cannot support him because he is a reliable vote for GOP leaders in Congress. Wilder called Allen yesterday morning.

"I said to Senator Allen, I do not want to see two more years of absolute control by Republicans owning both houses [of Congress], because it will send the wrong message to the president that he is doing right, and what he is doing, in my judgment, is wrong," Wilder said.

Dick Wadhams, Allen's campaign manager, said that the senator understood.

"I don't think it is a big surprise that the Democratic mayor of Richmond would endorse the Democratic nominee for the U.S. Senate," Wadhams said. "But Senator Allen still respects Mayor Wilder and looks forward to working with him on issues as he had in the past."

Kaine and Warner have also cleared their schedules for the race's closing days to stump for Webb.

"This is a person who probably never thought about running for political office," Kaine told about 100 senior citizens gathered yesterday at the Fairfax, a community for retired military officers near Fort Belvoir. "But the times compelled him to step forward."

The retirees at the Fairfax were a mix of Democrats and Republicans, but they spoke Webb's language. The former Marine who led a platoon in Vietnam and was Navy secretary under President Ronald Reagan was introduced as "Mr. Secretary." When Webb said he had lived in "33 different houses" by the time he graduated from high school, many nodded.

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Virginia Mayor Endorses Senator's Opponent (NYT/AP)

By The Associated Press

The New York Times, October 26, 2006

RICHMOND, Va., Oct. 25 (AP) — Mayor L. Douglas Wilder on Wednesday endorsed Jim Webb and his challenge of Senator George Allen.

Mr. Wilder, the Virginia governor from 1990 to 1994, promised to help Mr. Webb, a Democrat, with voter turnout in the weeks leading to the Nov. 7 election. He said Mr. Webb could beat Mr. Allen, a Republican, if he got a large voter turnout in Hampton Roads and Richmond.

"Those are the battlegrounds," Mr. Wilder said. "A lot will depend on the turnout in those areas."

Mr. Allen's campaign has been plagued by controversy. He has been accused of using racially insensitive language and has appeared to bristle at the recent revelation that his mother was born Jewish.

Mr. Webb said he had sought Mr. Wilder's counsel in the campaign. "There is no living American who understands the demographics of Virginia like Douglas Wilder," he said.

Mr. Wilder, who remains the nation's first and only elected black governor, said he was angry at the way President Bush had handled the Iraq war. "I think the Iraq war has been wrong from the beginning," Mr. Wilder said. "We've been in this terrible quagmire for four years. The American people have been sold a bill of goods."

Mr. Wilder remains an influential figure among Virginia's minority voters. In 2004, he was elected mayor with 80 percent of the vote in the majority black capital city.

Denise Elder, a Richmond resident, said she thought Mr. Allen's "macaca" comment, an obscure racial slur directed toward a Webb volunteer of Indian descent at a campaign rally in August, would have more of an impact on minority voters than Mr. Wilder's endorsement.

"With the name-calling, people were already ready to vote" against Mr. Allen, Ms. Elder said.

Though a Democrat, Mr. Wilder has an unpredictable, often conservative streak that means Democrats can never take his backing for granted.

Wilder Backs Webb In Race (WT)

By Seth Mclaughlin And Christina Bellantoni

The Washington Times, October 26, 2006

Richmond Mayor L. Douglas Wilder, a former governor whose endorsement has had significant impact in several elections, yesterday said fellow Democrat James H. Webb Jr. is the best choice for Virginians because he is independent-minded and will fight for "the common man."

"I think Jim Webb is the right man for Virginia at this time. I think he can win and will win," said Mr. Wilder, who became the nation's first black governor in 1990.

Mr. Wilder's endorsement comes at a crucial time for Mr. Webb, with most polls showing that he still trails Sen. George Allen, a Republican. A Mason-Dixon poll released Tuesday showed Mr. Allen pulling away from Mr. Webb after a previous poll had shown them in a dead heat.

Mr. Wilder said he is endorsing Mr. Webb, a former Navy secretary under President Reagan, because he will fight against the "pattern of inefficiency, ineptitude and scandal" in the Republican-controlled Congress.

"The direction of the war is wrong, the direction of the economy is wrong, the divide is too deep between the haves and have-nots," Mr. Wilder told reporters in Richmond yesterday. "We need to reinvest our resources in the American people, and I think this is the man to do it."

Mr. Webb said that Mr. Wilder, a grandson of slaves, is "a historical figure in our country for his own professional journey," including his service as a soldier in the Korean War.

"This endorsement is much more than an endorsement directed at the African-American community," said Mr. Webb, a former Republican. "This is an individual who has tremendous respect all across the different ethnic and regional groups in Virginia. It's a very important endorsement for me."

The Allen campaign said the endorsement was no surprise. They noted their radio ad featuring state Sen. Benjamin J. Lambert III, a black Richmond Democrat who has endorsed Mr. Allen. In the ad, Mr. Lambert notes Mr. Allen's support for black farmers and the Voting Rights Act.

Allen campaign manager Dick Wadhams brushed aside the relevance of the Wilder endorsement. He said it came "apparently reluctantly" since the mayor waited until the final 13 days of the campaign.

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"Mayor Wilder is a Democrat, and it would be expected that he would support the Democratic nominee for Senate," Mr. Wadhams said.

Mr. Wilder is well-known for withholding his endorsement for the final weeks of a race, elevating its importance.

Last fall, Mr. Wilder endorsed Timothy M. Kaine less than a week before the Democrat won the governor's race.

"It's huge," Mr. Kaine said yesterday of the endorsement. "He is a person who retains a high degree of popularity, and Virginians have great affection for him. ... It's a boost."

Mr. Wilder has not always supported his party's nominee or elected leader. In 2004, he criticized Gov. Mark Warner for proposing a tax increase. Mr. Wilder had said he never would have endorsed Mr. Warner had he known the Democrat would raise taxes.

Last fall, Mr. Wilder declined to make an endorsement in the attorney general's race, which Democratic state Sen. R. Creigh Deeds, after a recount, lost by a scant 323 votes.

Black voters could be key on Nov. 7. Twenty percent of Virginia's population is black, a 2004 census shows.

Mr. Allen won 20 percent of the black vote when elected in 1993 to succeed Mr. Wilder as governor, and 17 percent in his 2000 race when he unseated Democratic Sen. Charles S. Robb, whom Mr. Wilder endorsed.

This time, Mr. Allen has been dogged by accusations of racism since he was taped calling an Indian-American Webb volunteer "macaca" at a campaign stop in August.

Some former University of Virginia classmates claimed they recalled Mr. Allen frequently using the "N-word." Mr. Allen denies the racial slur was ever part of his vocabulary.

Mr. Allen, who has been scrutinized for years for his past affection for the Confederate battle flag and for once displaying a hangman's noose in his law office, has been endorsed by several black pastors and by a black Richmond newspaper.

Mr. Webb also has faced criticism over comments he made that affirmative action should be scaled back for just blacks or opened up to poor whites. He has since tempered his comments and recently received the endorsement of the state's Legislative Black Caucus.

Mr. Wilder said both men should be judged on where they stand on the issues and who they are today. "Many of us evolve," he said.

Also yesterday, the Webb campaign said actor Michael J. Fox will appear with the Democrat Nov. 2 in Arlington. Mr. Fox, who is afflicted with Parkinson's disease, has supported Democrats who favor embryonic stem-cell research.

An Ascent Shadowed By Questions On Race (WP)

By Bill Turque

The Washington Post, October 26, 2006

In February 2004, Sen. George Allen was on a bus taking him from Birmingham to Selma, Ala. On a video screen in front of him was "Eyes on the Prize," the acclaimed documentary chronicling the civil rights movement.

Allen "knew very little" about the history of that struggle, according to his seatmate, Paul Gillis, former president of the Virginia NAACP. But Gillis, once a bitter critic and now one of his few prominent black supporters, was impressed with Allen's willingness to take a three-day pilgrimage, sponsored by the nonpartisan Faith & Politics Institute, to visit the battlegrounds of that era and listen to the testimony of those who spilled their blood.

It was many miles from the sun-splashed Los Angeles suburbs, where some classmates at Palos Verdes High School recall a lone tobacco-chewing teenage cowboy who was disliked, even feared.

"George was not what I would call mainstream," said Don Gause, a wide receiver who caught Allen's passes for the Sea Kings. One reason, Gause said, was that Allen used anti-black epithets and "ran with a group of guys off the football field" who used the same language.

"George took some hard lines in that area," said Gause, a real estate executive in Orange County, Calif. His sense, though, was that it was more for attention than out of any racial animus.

"He was immature, like most of us," Gause said. "He was looking for who he was."

Who George Allen was, and who he is today after 23 years in politics, remains an issue as the Virginia Republican seeks reelection. Supporters say the pilgrimage was one leg of a journey that has led to genuine maturation for Allen, 54, whose style melds Ronald Reagan's optimism with George W. Bush's Texas swagger.

Popular as a governor and a senator, with a genial presence on the campaign trail, Allen has considered running for president. But a series of events have revived lingering questions about his attitudes on race and have helped turn what was expected to be an easy path to reelection into a fight for his political career.

At an August rally in southwest Virginia, Allen interrupted a routine stump speech and pointed to a man of Indian descent who was videotaping the event for his Democratic opponent, James Webb, and called the aide "macaca," a genus of monkey.

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Some of Allen's former football teammates at the University of Virginia came forward later to say that he routinely used racist language. Asked at a debate last month about reports of his Jewish roots, he denounced the accounts as "aspersions" before confirming them a day later.

The episodes unraveled an effort by Allen to mend a reputation for racial insensitivity that has pursued him through his steady rise from Palos Verdes to college athlete, lawyer, state legislator, governor and, in 2000, U.S. senator. Allen has, for example, had to explain his fondness for the Confederate flag and the presence of a hangman's noose in his Charlottesville law office.

In his first Senate term, he has taken three civil rights pilgrimages, co-sponsored a resolution apologizing to lynching victims and their descendants, and proposed allocating a half-billion dollars to historically black colleges.

But "macaca" raises a question: Has Allen really evolved, or did his true nature slip into public view?

Allen, who denies using racist language, declined requests for an interview, asking instead for written questions. By yesterday, his campaign had not provided answers.

Those closest to him say that Allen is no bigot and that partisan enemies have seized on murky 30-year-old anecdotes and meaningless lapses in political correctness to damage him.

"Politics has become more of a contact sport than football," said Allen's brother Bruce, general manager of the Tampa Bay Buccaneers. "I know the person. I know the man."

Others from Allen's past said they saw a distressingly familiar, coldly taunting hatred when they viewed the macaca tape.

"So let's give a welcome to macaca here," Allen said, pointing a finger. "Welcome to America and the real world of Virginia." Allen later said he didn't know what the word meant and apologized to the Webb volunteer, S.R. Sidarth.

"I saw how he looked, that attitude of condescension and superiority," said Ed Sabornie, a former Virginia player and now a professor of special education at North Carolina State University.

"That rang a bell for me."'Greasers, Surfers, Crew-Cutters'

There was darkness on the edges of the world of privilege and glamour in which Allen grew up.

His father, George Allen, was the milk-chugging NFL Hall of Famer who took the Washington Redskins to their first Super Bowl in 1973. He compiled a 116-47-5 record over 12 seasons as a coach with the Los Angeles Rams and the Redskins but made room for little else in his life.

"If a man is going to succeed in anything, he must neglect everything else, whether it is his wife, his children or himself," he told an interviewer in 1970.

Even when he took his sons to the Rams' summer training camp, they spent most of their time with Allen's assistants and friendly players such as Deacon Jones, said Gause, who accompanied the younger Allen one year.

When the coach was at their Mediterranean-style home on a cul-de-sac with jaw-dropping views of the Pacific Ocean, the family's spirits rose and fell with the fortunes of the team.

After a painful 1968 loss, George and his brother Gregory elected to go home with neighbors rather than face their father's black mood. In her vivid family memoir, "Fifth Quarter," his sister Jennifer Allen described violence at home, including her father breaking Gregory's nose in a fight at the dinner table after a 1969 playoff loss.

Neither Jennifer nor Gregory Allen responded to requests for interviews. Bruce Allen, who said he doesn't remember the incident, said his sister's book was written "from a little girl's eyes" and should not be taken literally.

Allen's mother, Henrietta, known as Etty, is a gracious woman with a bitter and sometimes fiercely vindictive side, especially when it comes to protecting her husband's reputation. She effectively raised the Allen children on her own.

"Etty ran the show," said Melvin Durslag, a columnist for the now-defunct Los Angeles Herald Examiner and a longtime family friend.

She also carried the pain of her own turbulent childhood. Born in Tunis to French-Jewish parents, Etty Lumbroso endured the 1942-43 Nazi occupation and Allied bombing that destroyed her home. She watched her father, Felix, a wine importer, taken to a labor camp by the Germans. She met Allen in 1950 while visiting friends in Sioux City, Iowa, where he was coaching at Morningside College. They married a year later.

On summer evenings when the coach and the boys were at training camp, Jennifer Allen wrote, Etty would sip wine and lament the death in a motorcycle accident of a French fiancÃ© she called "the love of my life."

Etty told The Washington Post last month that her husband, who died in 1990, asked her to conceal her Jewish identity from his family and that she and Allen wanted to protect their children from the fear she experienced during the war. It remained a secret between her and her husband, she said, until a dinner conversation with George in August.

There was a price to pay for the long years of keeping the secret. Her daughter hints at the private pain in the form of boxes from Tunis and France, stacked in the garage in Palos Verdes. Etty told Jennifer she would never unpack them. Jennifer wrote that she always looked at her mother's life before she met her father as "an unopened box."

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Young George and his two brothers filled the gaps at home with friends Jennifer described as "greasers, surfers, crew-cutters" who were "toughs."

"My brothers led each pack," she said. As the oldest, George was sometimes the enforcer. When Jennifer refused to go to bed, he dragged her upstairs by her hair.

One of Allen's friends, Deke Applegate, said Allen's crowd was rough-and-tumble but disputes Gause's recollection of racism. "That's not the guy I hung out with," said Applegate, a Las Vegas businessman.

Allen and Applegate did share an affinity for the Confederate flag. Yearbook pictures show them with pins on their collars. Applegate said it was a "symbol of rebellion against the establishment," nothing more.

Others say Allen acted out at school. Tim Good, a classmate, said he had to confront the 6-foot-plus Allen after his younger brother reported that Allen had stolen his bicycle.

"George Allen was a big bully," said Good, now an accountant in Torrance, Calif. Allen denied stealing the bike, but Good said it reappeared at school the next day.

One morning, students arrived to see workers removing graffiti spray-painted on an outside wall. It was the day of a basketball game with the lone majority-black school in Palos Verdes's athletic conference, Morningside High in Inglewood.

The graffiti included the phrase "Kill Whitey," said Good, who added that former students have said that Allen was responsible. In a 2000 interview with The Post, Allen said there was an incident at school but declined to discuss the details. "I did something wrong when I was young that I regret," he said.

After a year at the University of California at Los Angeles, Allen followed his family east in 1971, when his father was named coach of the Redskins. His football teammates at the University of Virginia said they found some of the same racial insensitivity.

"People gave him a wide berth," said Ken Shelton, one of three former Cavaliers who told Salon magazine in September that Allen regularly used racial slurs for blacks.

Shelton, a North Carolina radiologist, said in an interview that in Newcomb Hall, the student center, Allen would spit tobacco juice "anywhere -- on the walls, on the floors, in the elevators" and habitually shouldered people aside as he walked by.

Change was beginning to stir in Charlottesville, long a clubby redoubt for the sons of Virginia's white establishment. Blacks and women had started to shake up the campus culture. The football team included the first four African Americans to receive full athletic scholarships.

It was a challenging environment for the athletes. Harrison Davis, the Cavaliers' first black starter at quarterback, who regularly received hate mail, said he never heard Allen use racial slurs. Nor did Stanley Land, a defensive tackle. But Land, a Houston chemical executive, said he was offended by the Confederate flags he saw in Allen's van and his campus apartment, especially when some of his teammates were under such pressure.

"To me, that showed a lack of real respect for his African American teammates," Land said.

'Not the Man He Once Was'

In 1979, Roy Parks's land-use and design firm in Charlottesville needed more room. He spoke to George Allen about renting space in the building he owned on Market Street, where he'd set up his law practice. As the negotiations came to naught, Parks said, their conversations drifted to politics.

Allen, getting ready to make his first run for the state legislature, allowed that he had supported a Democrat, Edward Lane, for state attorney general in 1977. Lane had been a segregationist in the 1950s, an architect of Virginia's "massive resistance" movement in which communities closed schools rather than comply with court orders to integrate. He lost to Republican J. Marshall Coleman.

"When I questioned George further, he said that Lane, like him, was an advocate for states' rights and was only a man of his time," said Parks, who was stunned by Allen's admission.

Lane, now 82 and ill with Parkinson's disease, was unable to comment. His wife, Jean, said she has no memory of Allen's support.

As a state legislator in 1984, Allen was one of 27 members of the House of Delegates to oppose a holiday honoring Martin Luther King Jr. During his 1993 gubernatorial campaign, he acknowledged displaying the Confederate flag in his living room, calling it part of a flag collection. A hangman's noose, which he said was part of a Western memorabilia collection, hung in his law office.

As governor, Allen appointed one black cabinet member, Kay Coles James, as secretary of health and human resources, and a Latino, Transportation Secretary Robert E. Martinez. Midway through his term, the number of African Americans in senior posts had declined by half from the tenure of L. Douglas Wilder, the state's first black governor, according to an audit by a state watchdog agency. For three years, he incensed black leaders with an annual Confederate History Month proclamation that failed to mention slavery.

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Allen had an active term as governor. He abolished the state's parole system, replacing it with a "truth in sentencing" law that requires those convicted of crimes to serve the bulk of their sentence. He pushed through changes in welfare and education policy and signed a measure requiring parental notification for minors seeking abortions.

As he launched his 2000 Senate campaign, Allen began some attempts to mend racial fences. He backed Gov. James S. Gilmore's proposal for an MLK holiday in Virginia. After defeating Charles S. Robb, his first floor speech was in support of the appointment of Richmond lawyer Roger Gregory, an African American, to the 4th Circuit federal appeals court. Then came the 2004 pilgrimage, the first of three that he took.

"None of us can presume to know what the motivation is" for Allen's civil rights trips, said the Rev. Douglas Tanner, who recently retired as president and chief executive of the Faith & Politics Institute. "For someone in politics, it's always likely to be a mixture of genuine interest and whatever the political advantage is."

Gillis, who has supported other Republicans, said that he doesn't know whether Allen used racist language but that, in the end, it's not that important. "I've had white friends who've used those words in the heat of passion," he said. "It's a time past. He's not the man he once was."

Allen remains an opponent of affirmative action. In 2005, the NAACP said he supported legislation deemed to be in its interest 15 percent of the time.

More often, his advocacy is in initiatives such as his co-sponsorship of the resolution apologizing to lynching victims and their descendants. In other areas, he has co-authored legislation blocking federal taxes on Internet access and online sales. He also collaborated on the National Nanotechnology Initiative, which invests $3.7 billion in research.

His appearances before black audiences are a delicate dance. At the NAACP state conference in Hampton on Friday night, he got no questions about "macaca" or other recent revelations.

When the moderator presented Allen with an application for a lifetime membership, he happily took the opportunity for a positive gesture.

Later, answering a question about racial profiling, Allen explained that he opposed the practice. When someone in the audience said "Amen," Allen was briefly startled.

"Did I say that right?" he asked.

Metro researcher Meg Smith, researcher Rena Kirsch and director of information resources Lucy Shackelford contributed to this report.

GOP Sees Hope In Michigan Race (WT)

By Charles Hurt

The Washington Times, October 26, 2006

Republicans are turning to Michigan in the final days of the campaign in search of a major upset that would protect their majority in the U.S. Senate.

Mike Bouchard, the popular Republican sheriff of Michigan's second-largest county, trails Democratic incumbent Sen. Debbie Stabenow. But recent polls suggest that Mr. Bouchard may be closing the gap, with two surveys indicating a single-digit difference.

"In many of our states, we're battling a national climate that is quite difficult," Brian Nick, spokesman for the National Republican Senatorial Committee (NRSC), said yesterday. "The climate in Michigan makes it an opportunity unlike any other state in the country."

Across the country, polls show a deep anti-incumbent resentment among voters exhausted from six years of Republican dominance in Washington and tired of the war in Iraq.

In Michigan, voters are more concerned about finding jobs. The economy there, inexorably linked to the ailing auto industry, is sputtering with an unemployment rate of nearly twice the national average. And it's Democrats who hold the governor's mansion and both Senate seats.

That's not to say Mr. Bouchard has an easy task ahead of him. While two polls show him trailing by seven points or less, others show the gap as much as 18 percent.

But this year, that's enough for hope among Republicans in this state. Many view Mrs. Stabenow as vulnerable and are pleased with Mr. Bouchard's campaign.

Republican heavy-hitters, such as former New York Mayor Rudolph W. Giuliani, Sen. John McCain of Arizona and Massachusetts Gov. Mitt Romney have been to the state to campaign for Mr. Bouchard. President Bush travels there today.

The Bouchard campaign also has been the beneficiary of a national fundraising effort. The NRSC spent $1 million on the campaign's behalf, one of only three states where the national Republicans have gone on the offense. Also, members of the conservative group Club for Growth donated more than $250,000.

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All this national attention cuts both ways, said Stabenow spokesman Brett Colburn, referring to Mr. Bush's visit today.

"Asking George Bush to campaign for you right now is like asking the captain of the Titanic to take your boat out for a spin," he said. "If the Republicans actually think Michigan is one of their best bets for a win in the Senate, they really are headed for an ugly Election Day."

Despite Mr. Bush's low poll numbers, Bouchard campaign spokesman David All said the campaign welcomes the national attention and Mr. Bush's visit, especially because it's slated for just hours after the president signs a bill to construct 700 miles of fencing along the U.S.-Mexico border.

"As a 20-year lawman, Sheriff Bouchard is pleased to see a measure signed into law, which will help secure the border," Mr. All said.

Races In Mich. Explore Economy's Electoral Impact (USAT)

By Richard Wolf

USA Today, October 26, 2006

SOUTH LYON, Mich. — Tanya Nevitt sits in the back of the Java House Café as Republican gubernatorial candidate Dick DeVos makes his standard pitch for change. She doesn't need much convincing.

"It's been a rough few years," says Nevitt, 32, the mother of three young children. She now buys their clothes at Target and Wal-Mart rather than The Gap. "Regardless of who is in charge right now, I am prone to vote for a challenger."

A few miles away in Novi, just outside Detroit, a group of women facing the same economic malaise sit around a table at the Picasso Café with Democratic Gov. Jennifer Granholm. They don't blame her for the state's 7.1% jobless rate. It's more the fault of President Bush and Republican policies in Washington, they say.

"I don't believe in tax cut, tax cut, tax cut, tax cut," says Gwen Markham, 53, a piano teacher. "I have a 19-year-old and a 15-year-old who are going to pay for that."

In an election dominated by the war in Iraq, the impact of an economy recovering from recession is less clear. Democrats note that wages have not kept up with some prices, particularly for health care and college tuition. That, they say, should help their party. Others cite three years of job creation, a 4.6% national unemployment rate, declining gas prices and high stock prices as evidence the country is on the right course — a plus for Republicans.

President Bush, who arrives in the Detroit suburbs today to raise money for GOP Senate candidate Mike Bouchard, has spent much of the week highlighting the economy as a strong point for Republican candidates. Beyond the war on terrorism, he said Wednesday, the key issue in next month's elections should be "Who best to keep taxes low?" He said Tuesday in Sarasota, Fla., that Democrats "are genetically disposed to raise your taxes."

Yet even if the economy works to the benefit of Republicans, it may not do so in Michigan. Granholm is struggling with a difficult state economy — only Mississippi, wracked by Hurricane Katrina, has a higher jobless rate (7.2%) — but she is leading narrowly in recent polls, and incumbent Democratic Sen. Debbie Stabenow enjoys a bigger lead over Bouchard.

"It's not the unemployment rate," Granholm says. "It's the fact that people's personal income has dropped. We're seeing it play out here in spades."

Both parties in Washington believe the economy will help them at the polls Nov. 7.

Americans, Democrats say, can't pay for college tuition or health insurance, much less save enough for retirement. "Most Americans have been treading water economically," says Rep. Sandy Levin, D-Mich., whose district Bush visits today.

Unions and others aligned with Democrats have been seeking to highlight that. Communities United to Strengthen America, an outgrowth of the labor movement, has reached out to 800,000 households in 11 congressional districts from Connecticut to Colorado that Democrats hope to capture next month. "People are still faced with stagnating wages and rising living costs," spokesman Harrison Schmitt says.

That's not the economy that White House budget director Rob Portman sees when he travels on behalf of GOP candidates, even in his native Ohio and the struggling Midwest. "There's a lot of good news out there," Portman says. The question for voters, he says, is "do you want to put this at risk by increasing taxes at this time?"

David Littmann, senior economist at the Mackinac Center for Public Policy in Michigan, says all the economic signs are positive for Republicans. Wages are outpacing inflation; interest rates remain low; the federal deficit is declining.

"There's a lot of fiction out there," he says. "The majority are much better off than they were two to three years ago."

A USA TODAY/Gallup Poll taken last weekend shows 44% of Americans rate the economy good or excellent, the highest percentage since the Sept. 11 terrorist attacks in 2001. Fifty-five percent rate it fair or poor.

DeVos calls attention to the economy wherever he goes. The Amway heir, who has pumped $14 million of his own money into the governor's race, is spending the last two weeks in a customized bus emblazoned with phrases such as "Michigan is the

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ONLY state losing jobs" and "Personal bankruptcy rates are at an all-time high." He campaigns as an economic Mr. Fix-It. "I'm not a talker," he says. "I'm just a doer."

Granholm has maintained a slight lead in polls by campaigning at a frenetic pace, often in a GM Suburban dressed up like an ear of corn and powered by ethanol. Pelted with questions on the economy, health care, education and other pocketbook concerns, she ticks off a list of initiatives designed to diversify the state's auto-dominated economy.

With a Republican president and a Democratic governor, residents of the hard-hit state have a choice of whom to blame. Some, such as Al Rasegan, 64, a General Motors retiree, say it's not Bush's fault. Without the tax cuts, he says, things would have been worse. "I think Bush ought to get credit for turning the economy around," he says.

Others say that while Granholm remains under fire here, Republicans who have controlled Washington for longer than she's been in Lansing are equally at fault.

"There's a sense of disappointment with both the White House and Congress," says Rich Studley, executive vice president of the Michigan Chamber of Commerce. "Conservatives in Congress are as much a part of the problem as anyone else."

For many, the problem isn't with Democrats or Republicans but their refusal to work together.

"I think there needs to be more cooperation," says Ottilie Nott, 88, of Walled Lake, wearing a Detroit Tigers pennant fever T-shirt at her Milford senior center. "They need to work better together."

Michigan's Messy DeVos (WSJ)

By Shikha Dalmia

The Wall Street Journal, October 26, 2006

DETROIT -- Besides the Tigers, the main thing on the minds of Michigan residents is the state's tanking economy. So when the state's most prominent Republican businessman entered the gubernatorial fray promising to turn things around, it should have been a home run. Instead, 10 days before the election, Dick DeVos has lost his 15-point summer lead over Jennifer Granholm, the Democratic incumbent, and is now trailing by more than eight points in most polls. The fault is not in his stars but in himself: At a time when Michigan needs economic leadership, he has so far shown little charisma, creativity -- or courage of convictions.

That Michigan has become the Mississippi of the Midwest is no secret (actually, Mississippi is doing better than Michigan right now). While the rest of the country is experiencing real overall growth of 3.2%, Michigan is in a single-state recession. Its unemployment rate, at 7.1%, is twice the national average; it was the only state last year not hit by a hurricane to lose jobs. Personal per capita income is 7% below the national average. Home foreclosure rates have doubled this year. And over the last four years, 200,000 economic refugees have left the state, a trend that will only accelerate as the ongoing downsizing of the Big Three forces other auto-related industries to lay off workers.

Ms. Granholm's chief strategy for dealing with Michigan's grim economic situation, comically enough, is to blame Mr. DeVos, even though the last -- and only -- time he held elected office was as a member of the State Board of Education a decade ago. She has lambasted Amway, his company, which does business in 90 countries, for opening offices in China and "outsourcing" Michigan jobs. She has accused him of personally "allowing" the sexual abuse of mentally ill elder citizens because he had a 1% stake in a publicly traded nursing home chain where some incidents were recently discovered. And just when one thought this Hollywood-starlet-turned-Harvard-lawyer couldn't get any nastier, she did another hit job in their last debate, accusing him of tax evasion for incorporating some of Amway's overseas subsidiaries in Bermuda. "I have never seen a sitting governor run so many negative attacks against an opponent," notes Bill Ballenger, publisher of the respected non-partisan political newsletter Inside Michigan Politics. "She has few accomplishments to list so she knows that if she allows this election to become a referendum on her, she'll lose."

Although Mr. DeVos, who has spent $30 million of his own money on the campaign, has recovered from his initial shell-shock and become better at deflecting such attacks, he has done little to challenge her on economic fundamentals -- her big vulnerability given that two-thirds of Michigan voters believe that the state has been going in the wrong economic direction under her. No one expects a candidate in a union state to win as a free trader. But Mr. DeVos has granted Ms. Granholm's protectionist premises. He has countered her attacks against his company's overseas operations by accusing her of not doing enough to convince Honda officials to locate in Michigan -- as if it were a governor's job to negotiate business deals. Worse, instead of staying focused on creating an attractive business climate by cutting taxes and government, his plan to make Michigan globally competitive involves opening offices in 10 countries to promote trade and tourism.

The fundamental reason why not a single non-U.S. auto maker has ever opened a major plant in Michigan -- notes David L. Littmann, a senior economist at the Mackinac Center for Public Policy -- is not a lack of these offices, but that it costs too much to generate wealth in this state. Thanks to the strong union presence, Michigan's labor costs relative to productivity are the second-highest in the nation. Normally, an economy might adapt to such realities by "diversifying" -- to use a buzz word that both

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candidates bandy -- into non-unionized service industries. But Michigan's onerous combination of redistributive regulations and high taxes has prevented even this from happening, making it more vulnerable to the imploding auto industry.

It is not surprising that a big-government careerist like Ms. Granholm has few ideas for addressing these issues beyond an old industrial policy of accelerating infrastructure-rebuilding -- "Every orange cone means a job," she beams into the TV camera! -- and issuing bonds to invest in government-picked start-ups. But for someone whose main campaign theme is that as a businessman he understands the challenges facing Michigan's businesses, Mr. DeVos's proposals, so far, are disappointing, to say the least.

He recently endorsed a law raising the minimum wage, disregarding that it will contribute to growing unemployment while making it harder for small businesses to remain profitable. He does insist -- correctly -- that lowering Michigan's tax burden, which is much above the national average on a per capita basis, ought to be priority No. 1. But apart from calling for the repeal of an already repealed Single Business Tax that assessed businesses on their payrolls as opposed to profits, his only other suggestion so far is scrapping the Personal Property Tax. This tax discourages businesses from making capital investments by taxing new machines, equipment and furniture. But the problem is that it is one item in a laundry list of petty programs -- not embedded in any consistent policy vision.

While Mr. DeVos's failure to enunciate such a vision is likely calculated to position him as a moderate, in reality it is only making him less believable to independent voters. Meanwhile, his conservative base is dispirited because he has diluted his commitment to school choice and is opposing a ballot proposal banning the government from using racial preferences. "He has to stop playing safe and take bolder positions," warns Tim Shields, a GOP political consultant. "Otherwise, his base might well decide that it does not make a difference who gets elected and stay home."

But articulating a vision is not just about attracting voters, it is also about obtaining a mandate to govern successfully. A vision will give him the clout and clarity, should he squeeze out a late-inning comeback, to resist the inevitable calls by Democrats to replace the business tax cuts with new taxes, and to insist, instead, on spending restraint to unshackle Michigan's economy.

Ms. Dalmia is a senior analyst at the Reason Foundation, a free-market think tank.

Connecticut Crucible For A War Debate (WP)

By David S. Broder

The Washington Post, October 26, 2006

When the three candidates in Connecticut's celebrated Senate race met for their final debate on Monday night in New London, only one of them appeared to be having a good time.

It was not Ned Lamont, the tense and fidgety businessman who had captured the Democratic nomination as an opponent of the Iraq war. It was certainly not Joseph Lieberman, the three-term Democratic senator who had lost the primary to Lamont because of his support of that war and is running as an independent. Lieberman looked exhausted and exasperated by his situation, even though polls show him to be in front.

No, the only person who was relaxed, good-humored and reveling in the moment was Alan Schlesinger, the bulky Republican nominee whom no one gives a chance of winning. He jabbed humorously and effectively at both his opponents, noting how ironic it was that "a Greenwich multimillionaire" such as Lamont was running as a Democrat, while Lieberman, whose long list of liberal positions Schlesinger cited, was "masquerading as a Republican."

When a raucous bunch of zealots in the theater audience interrupted Lieberman's closing statement, and the feeble shushing of the senator and moderator George Stephanopoulos failed to silence them, it was Schlesinger who stepped to the edge of the stage and, with his size and commanding voice, ordered them to pipe down -- receiving thanks from Lieberman for his intervention.

It is not clear what the performance by the underfinanced Schlesinger, who has been officially abandoned as a candidate by the state and national GOP organizations, will do to the race. Lamont strategists hope he will attract more voters from the Republican base and thereby deprive Lieberman of support he might get from Republicans grateful for his sticking with President Bush on the war.

Lamont has no appeal to those Republicans and is also losing to Lieberman among independents, who respond to the senator's claim that he follows his conscience on national policy and delivers for the state. Polls also show that Lieberman has been taking more than one-third of the Democratic vote from Lamont. Reducing that percentage has become the chief objective for the Lamont campaign.

Schlesinger threw down a challenge to both his opponents by taking a question about morality and foreign policy as an opportunity to unload on the topic of illegal immigration. Stephanopoulos tried to steer him back to the subject matter of the

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question, but Schlesinger was not to be deterred from joining the chorus of Republicans in other states, including embattled Pennsylvania Sen. Rick Santorum, decrying Bush's policies and demanding that the border be closed.

Neither Lieberman nor Lamont took the bait, preferring to continue their own debate on Iraq.

The outcome of their fight is important nationally for the meaning that will be attached. While other states such as Missouri, Tennessee, Ohio and Virginia will decide whether Republicans or Democrats control the Senate, this Connecticut race constitutes perhaps the nation's clearest test on the Iraq war.

Lieberman insists he is not wholly in the Bush camp but still argues that a victory in Iraq is possible and essential for American security -- whatever that may mean. "I'm not ready to give up on the Muslim world," he said, adding that a democratic Iraq could serve as a model for the Middle East. His winning and returning to the Senate and its Democratic caucus would slow, if not reverse, growing pressure from the Democrats for an early pullout of U.S. forces.

On the other hand, should Lamont repeat his primary win over Lieberman and capture the seat, it would add immeasurably to the momentum of the antiwar forces. He says that he is running in order to end the nightmare of "140,000 of our brave troops stuck in the middle of a bloody civil war."

Lamont himself is not a strong figure or a compelling politician; he looks like a juvenile in a drawing room comedy, and he is competitive mainly because he has sunk much of his fortune into this race. Lieberman is an exhausted veteran, barely able to conceal his irritation at having to fight for a seat he feels that he owns. When challenged on his record, he turns testy.

Their weaknesses were exposed by Schlesinger's good humor. But theirs is the fight that counts -- and it counts a lot.

A New Campaign Tactic: Manipulating Google Data (NYT)

By Tom Zeller Jr.

The New York Times, October 26, 2006

If things go as planned for liberal bloggers in the next few weeks, searching Google for “Jon Kyl,” the Republican senator from Arizona now running for re-election, will produce high among the returns a link to an April 13 article from The Phoenix New Times, an alternative weekly.

Mr. Kyl “has spent his time in Washington kowtowing to the Bush administration and the radical right,” the article suggests, “very often to the detriment of Arizonans.”

Searching Google for “Peter King,” the Republican congressman from Long Island, would bring up a link to a Newsday article headlined “King Endorses Ethnic Profiling.”

Fifty or so other Republican candidates have also been made targets in a sophisticated “Google bombing” campaign intended to game the search engine’s ranking algorithms. By flooding the Web with references to the candidates and repeatedly cross-linking to specific articles and sites on the Web, it is possible to take advantage of Google’s formula and force those articles to the top of the list of search results.

The project was originally aimed at 70 Republican candidates but was scaled back to roughly 50 because Chris Bowers, who conceived it, thought some of the negative articles too partisan.

The articles to be used “had to come from news sources that would be widely trusted in the given district,” said Mr. Bowers, a contributor at MyDD.com (Direct Democracy), a liberal group blog. “We wanted actual news reports so it would be clear that we weren’t making anything up.”

Each name is associated with one article. Those articles are embedded in hyperlinks that are now being distributed widely among the left-leaning blogosphere. In an entry at MyDD.com this week, Mr. Bowers said: “When you discuss any of these races in the future, please, use the same embedded hyperlink when reprinting the Republican’s name. Then, I suppose, we will see what happens.”

An accompanying part of the project is intended to buy up Google Adwords, so that searches for the candidates’ names will bring up advertisements that point to the articles as well. But Mr. Bowers said his hopes for this were fading, because he was very busy.

The ability to manipulate the search engine’s results has been demonstrated in the past. Searching for “miserable failure,” for example, produces the official Web site of President Bush.

But it is far from clear whether this particular campaign will be successful. Much depends on the extent of political discussion already tied to a particular candidate’s name.

It will be harder to manipulate results for searches of the name of a candidate who has already been widely covered in the news and widely discussed in the blogosphere, because so many links and so many pages already refer to that particular name. Search results on lesser-known candidates, with a smaller body of references and links, may be easier to change.

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"We don't condone the practice of Google bombing, or any other action that seeks to affect the integrity of our search results," said Ricardo Reyes, a Google spokesman. "A site's ranking in Google's search results is automatically determined by computer algorithms using thousands of factors to calculate a page's relevance to a given query."

The company's faith in its system has produced a hands-off policy when it comes to correcting for the effects of Google bombs in the past. Over all, Google says, the integrity of the search product remains intact.

Writing in the company's blog last year, Marissa Mayer, Google's director of consumer Web products, suggested that pranks might be "distracting to some, but they don't affect the overall quality of our search service, whose objectivity, as always, remains the core of our mission."

Still, some conservative blogs have condemned Mr. Bowers's tactic. These include Outside the Beltway, which has called him "unscrupulous," and Hot Air, which declared the effort "fascinatingly evil."

But Mr. Bowers suggested that he was acting with complete transparency and said he hoped political campaigns would take up the tactic, which he called "search engine optimization," as a standard part of their arsenal.

"I did this out in the open using my real name, using my own Web site," he said. "There's no hidden agenda. One of the reasons for this is to show that campaigns should be doing this on their own."

Indeed, if all campaigns were doing it, the playing field might well be leveled.

Mr. Bowers said he did not believe the practice would actually deceive most Internet users.

"I think Internet users are very smart and most are aware of what a Google bomb is," he said, "and they will be aware that results can be massaged a bit."

Arab Americans Trending Democratic In Swing States (WT)

By Eric Pfeiffer

The Washington Times, October 26, 2006

A new poll of Arab Americans in four battleground states shows a large shift in voter preferences that now favors Democratic candidates. If true, it represents a major shift from as recently as the 2000 presidential election, when then-Gov. George Bush won nearly 50 percent of Arab Americans' votes.

The survey, conducted by Zogby International for the Arab American Institute (AAI), of likely voters in Ohio, Florida and Pennsylvania found that Arab Americans are supporting Democrat gubernatorial and Senate candidates by close to 3-1 margins.

"This first started in early 2002," said AAI President James Zogby. "It enlarged in 2004, and now, in 2006, has grown to very large majorities." And with a number of close races potentially shifting the control of Congress, the major shift of even a small ethnic bloc could give one side the edge.

According to the AAI, the Arab American community is projected to cast a likely turnout of 510,000 voters who represent "up to" 5 percent of all voters in Michigan, 2 percent in Ohio and Florida and more than 1.5 percent in Pennsylvania.

Among those half-million voters, 45 percent self-identify as Democrats, while 31 percent call themselves Republicans. In all four states, the Democrats are leading among Arab Americans by large margins, with Florida's gubernatorial race being the exception.

"Clearly, there is a trend in the Democrats' direction," Mr. Zogby said. "Clearly, there is a vote for change."

Gov. Edward G. Rendell, Pennsylvania Democrat, leads his Republican opponent Lynn Swann 67 percent to 22 percent, according to the poll. Similarly, in Ohio, Democrat gubernatorial candidate Ted Strickland leads Republican J. Kenneth Blackwell 60 percent to 21 percent.

This is also true in Michigan, even though the Republican Senate candidate, Michael Bouchard, is the grandson of Lebanese immigrants. The Zogby poll showed Mr. Bouchard trailing among Arab American voters to Democrat Sen. Debbie Stabenow 54 percent to 31 percent.

The numbers are a far cry from as recently as 2000, when Mr. Zogby says President Bush won the support of 46 percent of Arab Americans, compared with 38 percent who went for Al Gore. Independent candidate Ralph Nader, who is Lebanese, received 13 percent of the vote.

Pollster John Zogby, James Zogby's brother, said that his initial data on Arab-American voting trends, conducted between 1981 and 1984, showed "a fairly even balance" in voter identification between Democrats, Republicans and independents. For the most part, that trend continued through the late 1990s.

"In 1996, that parity was present," Mr. Zogby said. There has been a 12-point shift away from the Republicans over the past decade, he said.

However, Mr. Zogby said the shift toward Democrats was not necessarily a permanent one. "I'm not convinced those numbers are locked in place," he said. "John Kerry got 3-to-1 over George Bush, and he didn't earn it."

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Mr. Zogby said the door could be open for a 2008 Republican presidential candidate who offers "a dramatic shift in policy" from the current administration. Democrats are benefiting mostly from being the opposition party. "In Ohio, it's because [Senate candidate Rep.] Sherrod Brown is not the Republican," he said.

Election May Turn On What Happened In Vegas (USAT)

By Martin Kasindorf

USA Today, October 26, 2006

A Las Vegas cocktail waitress said Wednesday she was offered money to recant allegations that a Republican congressman running for Nevada governor assaulted and propositioned her.

Less than two weeks before the Nov. 7 election, the alleged bribery attempt that Chrissy Mazzeo, 32, described at a news conference reignited a sex-tinged controversy that Rep. Jim Gibbons says could influence his tight contest with Democratic state Sen. Dina Titus.

Gibbon's lawyer, Don Campbell, later at a news conference called Mazzeo “an exceedingly troubled young woman” with a “troubled past,” who was making “wild and reckless allegations.”

Gibbons, 61, who is married, has denied the allegations.

Mazzeo, who is raising a 3-year-old daughter alone, made three 911 calls on Oct. 13, then told police that Gibbons grabbed her arms in a parking garage, pushed her against a wall and pressured her for sex after drinking with her and four companions in a restaurant.

A police report quotes Gibbons as saying he had grabbed the arm of the woman, who “might have been tipsy,” to catch her from tripping and falling as he was helping her find her truck. Police reports say Gibbons and Mazzeo said they had been drinking wine.

Mazzeo told police Oct. 14 she didn't want to “go up against” Gibbons. She declined to press criminal charges but did not retract her allegations.

After accounts of the alleged incident appeared in local news media, Gibbons strongly denied the allegations publicly.

Clark County Sheriff Bill Young, a political supporter of Gibbons, urged voters to consider possible political motivations for the sexual misconduct allegations so close to the election.

Mazzeo's lawyer, Richard Wright, said Wednesday that Gibbons had thrown the woman's credibility into question. “I want all the truth to come out,” Mazzeo said.

Wright said a friend of Mazzeo had offered her money to sign a statement for Gibbons saying that nothing untoward had happened.

Wright said he wants the Clark County district attorney's office to conduct an independent investigation.

Wednesday night, county District Attorney David Roger told KLAS-TV in Las Vegas that he is willing to pursue an investigation provided he has full cooperation from Mazzeo. Wright has said Mazzeo would cooperate and has offered to take a polygraph test.

Gibbons told the Reno Gazette-Journal on Monday that the incident “is going to have an impact on our campaign,” but he said he would win.

The most recent public poll, conducted by Zogby International for The Wall Street Journal and released Friday, showed Gibbons leading Titus by 5 percentage points. The poll had a margin of error of +/-4 percentage points.

“If the public sees it as a reflection of bad judgment (by Gibbons), it can't help but have an impact on the campaign,” Titus told the Reno newspaper Tuesday. “I have not commented, because I think it speaks for itself. It points to bad judgment, regardless of what happened.”

Candidates Show Strain Of Tough Election Season (NYT)

By Carl Hulse

The New York Times, October 26, 2006

WASHINGTON, Oct. 25 — With the finish line looming in one of the most intense Congressional election seasons in years, candidates are moving into take-no-prisoners mode. Some might consider taking a deep breath instead.

Fighting for their jobs in an increasingly frenzied political environment, several candidates are showing signs of strain, uttering words they later wish they could take back, running last-ditch advertisements that push the envelope and taking other actions that are out of the political ordinary. The gaffes can have real consequences, coming when voters are paying the closest attention.

Representative Barbara Cubin, a Wyoming Republican facing a strong challenge in what should be a safe seat, this week told an opponent who uses a wheelchair that she would slap him were he not disabled.

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Representative Christopher Shays, Republican of Connecticut, normally a low-key moderate, portrayed the treatment of Iraqis at the Abu Ghraib prison as the product of a sex ring rather than of abuse. Representative Steny H. Hoyer of Maryland, the No. 2 Democrat in the House, accused a black Senate candidate of "slavishly" supporting Republican policies and later apologized for a poor choice of words.

Senator Conrad Burns, a Republican fighting for his seat in Montana, hinted that there was a secret party plan for the war in Iraq. Representative Harold E. Ford Jr. of Tennessee used his campaign bus to interrupt a news conference of his opponent in the Senate race. Representative John Hostetler, an embattled Indiana Republican, broadcast a radio advertisement accusing the House Democratic leader, Representative Nancy Pelosi, of harboring a radical homosexual agenda.

John Raese, a businessman running against Senator Robert C. Byrd, a West Virginia Democrat who is 88, disparaged Mr. Byrd's physical condition. Mr. Byrd had suggested earlier that his opponent's late father would be ashamed of his son's candidacy.

"Thank God there are only 13 days left," said Tom Gavin, a spokesman for Mr. Byrd.

Political veterans say they are not surprised that some candidates are losing their cool.

"It is definitely the funny season," said Ed Rollins, a longtime Republican strategist. "When everybody thinks they are in jeopardy, whether they are or not, there is real panic. All these Republicans who thought they were in safe seats have seen their numbers drop dramatically. They are freaked."

Mr. Rollins and others attributed some of the missteps to the exhaustion of candidates who are running on fumes, the pressure of facing real competition for the first time in years, a desire to leave no stone unturned and a surly attitude that can overtake difficult campaigns in their final days.

"You hate your opponent, the press and the local politicos," said James Carville, an adviser to former President Bill Clinton and other candidates. "The combination of fatigue and pressure and everything causes people to do ridiculous things." Mr. Carville said that campaign operatives tended to overschedule late in the game. "Oftentimes," he said, "the campaigns and candidates would say, 'What do you think I should do?' And my answer is one word: less."

After a debate on Sunday night in Casper, Wyo., Ms. Cubin approached the libertarian candidate, Thomas Rankin, who had questioned her on taking campaign aid from Tom DeLay, the former majority leader, and suggested that if Mr. Rankin, who has multiple sclerosis, did not use a wheelchair, "I'd slap you across the face."

Recounting the exchange Wednesday, Mr. Rankin said, "I feel that she is very worried about losing percentage points in the polls." He noted that the race included a third candidate, a Democrat, nipping at Ms. Cubin's heels.

Ms. Cubin's campaign did not respond to a request for comment on Wednesday, but she has offered an apology in local news interviews and attributed the remark to the stress and frustration of the campaign.

Mr. Shays, locked in a very difficult re-election campaign, also later backed away from his characterization this month of the Abu Ghraib scandal as the result of a sex ring among the military jailers.

But he has not retracted another remark that has drawn attention. Defending Speaker J. Dennis Hastert's handling of the Mark Foley Congressional page scandal, Mr. Shays said that Mr. Hastert "did not drive over a bridge and leave a young person in the water," a reference to a 1969 car accident involving Senator Edward M. Kennedy, Democrat of Massachusetts, in which a female passenger died. Mr. Kennedy had campaigned for Mr. Shays's opponent, Diane Farrell.

Many considered the acid comments by Mr. Shays to be out of character. "The pressure, I think, was getting to him," said John Orman, a politics professor at Fairfield University and a former Congressional candidate.

Mr. Burns, the outspoken Montana senator who has been involved in a series of verbal dust-ups this year, drew comparisons this month to Richard M. Nixon during the Vietnam War when he chided his Democratic opponent, Jon Tester, over Iraq and said Mr. Bush had a plan for victory he was not sharing with Democrats. Mr. Burns later acknowledged that he occasionally spoke without thinking.

Senator Elizabeth Dole of North Carolina, chairwoman of the National Republican Senatorial Committee, agreed with him on that point on Wednesday.

"Now, you know, occasionally he may say something that he shouldn't say," Mrs. Dole said during an appearance at the National Press Club. "He's an honest guy, and so that may happen."

With time running out and their seats in jeopardy, candidates are also reaching for their toughest advertisements. The one-minute radio spot being broadcast by Mr. Hostetler in Indiana warns that a Democratic victory will allow Ms. Pelosi to move forward with a radical homosexual agenda, assisted by Representative Barney Frank of Massachusetts, an openly gay member who was reprimanded by the House in 1990 for ethical breaches involving his relationship with a male prostitute.

Mr. Hostetler's campaign did not respond to a request to discuss the advertisement, but Ms. Pelosi's office did.

"It reeks of desperation," said Brendan Daly, a spokesman for the Democratic leader. "It is just the time of year when people go crazy and do crazy things, but it is not going to help them."

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In West Virginia, Mr. Raese, who had previously avoided the subject of Mr. Byrd's advancing years and his occasional reliance on two canes, on Monday asked the editorial board of The Charleston Daily Mail, "Would you hire Robert Byrd if he came in and asked for a job?"

Gary Abernathy, a spokesman for Mr. Raese, said the comment reflected the candidate's frank style. "We have not made Senator Byrd's age or faculties part of the campaign rhetoric," he said. "But John feels it is obviously a factor that is a legitimate question when are you are discussing this race."

Mr. Gavin, the spokesman for Mr. Byrd, said the senator was not all that offended by the gibe. "Thankfully, Senator Byrd is not looking to take a job with Mr. Raese's companies," he said. "He will have a job for six more years."

Hillary Clinton Wins Minds But Not Yet Hearts (FT)

By Edward Luce In Washington

Financial Times, October 26, 2006

Hillary Clinton summoned a patient laugh. Having just been asked whether she had ever undergone plastic surgery, she replied: "You can look at these wrinkles – they're real."

John Spencer, the Republican whose senatorial campaign against Mrs Clinton looks more like a kamikaze mission each day, had suggested as much to one of New York's tabloids.

"You seen pictures of her back then? Phew," said Mr Spencer. "I don't know why Bill married her."

Some suggest his real goal is to serve the larger Republican interest by ensuring that Mrs Clinton's victory next month is so emphatic she will gather unstoppable momentum to become the Democratic presidential candidate for 2008.

But there are reasons to believe the Republicans might be too sanguine about how easy it would be for their candidate to defeat Mrs Clinton in 2008, regardless of which party wins the mid-term congressional elections on November 7. A recent opinion poll in Time magazine put Mrs Clinton neck and neck with John McCain, the most likely Republican contender in the 2008 election, at 47 per cent apiece.

Watching Mrs Clinton, who turns 59 today, on the campaign trail in Long Island explains why many people who used to be hostile to her have become more open-minded.

Six years ago, when the then First Lady was selected as the Democratic candidate for New York, many saw her move as a brief stopover en route to a larger prize.

But Mrs Clinton has worked assiduously to win federal contracts and funding for communities in her state. For example, she successfully prevented the closure of a military base at Niagara and clinched $20bn (€15.5bn, £10.5bn) of immediate funding for New York after the September 11 2001 attacks.

Now she campaigns tirelessly to get better treatment for the fire and police employees who were affected by the dust at Ground Zero.

"Six years ago this room was not exactly a hothouse of support for me," said Mrs Clinton at the Suffolk Benevolent Association, a police station in suburban Long Island. Flanked by the type of hard-faced cops who would not give the time of day to a liberal, she was evidently among supporters.

"We are endorsing Mrs Clinton for the Senate because she understands us and stands up for our interests," said the local police spokesman.

At an event to rename a federal post office after a local Navy Special Forces officer killed last year fighting the Taliban in Afghanistan, Mrs Clinton spoke convincingly about military valour to hundreds of Long Island veterans.

Her speech betrayed years of diligent activity on the Senate armed services committee – Mrs Clinton's favourite platform on Capitol Hill.

"I have to admire her intelligence," said Thomas Tarragon, a retired major who said he was viscerally opposed to Mrs Clinton because she had allegedly "lied" to protect the then president Bill Clinton from the consequences of his infidelities in the White House. "The speech she gave today could have been given word-for-word by George Bush. The difference is that Mr Bush would have meant it."

In spite of her evident crowd-pulling abilities, doubts about her authenticity are unlikely to fade.

During the two senatorial debates and at press conferences on the campaign trail, Mrs Clinton has been dogged by two recurring questions.

Will she still be a senator six years from now when her term elapses? And how can she criticise Mr Bush for invading Iraq when she supported the congressional resolution which authorised it?

Mrs Clinton evades both with lawyerly consistency. "I have made no decision [about 2008]," says Mrs Clinton, although the fact she has raised close to $50m – far more than any other Democrat – for a senatorial race she could win for free keeps doubts simmering.

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On Iraq, she says she thought the October 2002 resolution authorising force meant that it would never have to be used – an interpretation few others shared at the time. "I regret the way the president has used his authority," she says.

Meanwhile, Mrs Clinton's large staff, who jokingly refer to themselves as "Hillaryland", permit only homoeopathic doses of unscripted exposure.

Given the harsh tabloid scrutiny that Mrs Clinton has faced – barely a day passes without someone criticising what she is wearing or hinting at something about her husband – such protectiveness is understandable.

But even some of the veterans Mrs Clinton has won over say that her "message discipline" might become a liability during a presidential campaign.

"Nobody really knows what she believes," said one bemedalled veteran, who was nevertheless happy that Mrs Clinton's speech had hit all the right notes about sacrifice on the battlefield.

US Faces 'bigger Skills Gap' Than India (FT)

By Francesco Guerrera, Richard Waters And Rebecca Knight

Financial Times, October 26, 2006

Azim Premji, chairman of Wipro, the Indian outsourcing group, has warned that the US faces a more acute skills shortage in information technology than India, blaming failings in America's education system and restrictive immigration policies.

The comments will bolster arguments by US companies such as Microsoft, General Electric, Google and Intel, which have urged Washington to act to reverse the steady erosion in the stock of domestic IT talent.

"There is a scarcity of IT professionals in the US," Mr Premji told the Financial Times. "Engineering is not growing talent, and that is a cause of concern."

He said Indian groups would confound expectations of a looming skills shortage in the country and continue to draw on lower-cost, highly trained graduates to retain their technological edge.

However, he said Wipro would also continue to expand outside India to serve non-English speaking countries and could open a base in Russia within 18 months.

Mr Premji, a Stanford University graduate, said the US education system was not doing enough to attract mathematics and science teachers or to steer students towards those subjects.

"Math is not considered as important, and students are not getting a premium when they graduate as engineers," he said. The US produces about 70,000 engineering graduates a year, a fraction of India's 400,000, though that number is boosted by holders of three-year diplomas.

Willard Daggett, president of the International Center for Leadership in Education, said: "The problem is not that our schools aren't what they used to be; the problem is that our schools are what they used to be."

Mr Premji said US skill shortages have been made more acute by visa rules that have cut the number of science students and professionals allowed into the US. He said the curbs made it difficult for outsourcing companies to serve US-based customers and warned that the powerful Indian IT industry could lobby the Indian government to impose retaliatory measures on the US.

Bill Gates, Microsoft's founder, has been warning about the evaporation of interest in computer science at US universities for more than two years.

Jeffrey Immelt, GE's chief, told a Washington audience in January that the US was on its way to becoming "the massage capital of the world", with more students graduating in sports sciences than electrical engineering.

The Era Of What's Next (NYT)

By David Brooks

The New York Times, October 26, 2006

Wooster, Ohio

Sometimes liberalism is dominant and sometimes conservatism is dominant, but sometimes there is no dominant ideology.

Between 1932 and 1968, liberalism dominated American politics. The big accomplishments were liberal accomplishments — Social Security, Medicare, the civil rights movement. Even if Republicans sometimes held the White House, the general drift of things was still to the left.

Between 1980 and 2006, conservatism was dominant. The big accomplishments were conservative accomplishments — the defeat of communism, the reinvigoration of the economy through deregulation, tax reform and monetarism, the rebalancing of the culture to emphasize family, work and individual responsibility. Even if Democrats sometimes held the White House, the general drift of things was to the right.

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But in some eras there is no dominant political tendency. The 1970's were such a period. That decade was marked not by a change in political winds so much as by disillusionment and a scrambling of political categories. People who once had been liberals drifted away. Voters became cynical about politics itself. The pendulum swung not only from left to right but from politics to antipolitics. Jimmy Carter promised a break from the normal methods of political life.

We're about to enter another of those periods without a dominant ideology. It's clear that this election will mark the end of conservative dominance. This election is a period, not a comma in political history.

That's clear not only because Republicans could lose their majorities, but for several other reasons. First, conservatives have exhausted their agenda. They have little new left to propose and have lost their edge on issues like fiscal discipline and foreign policy. Second, conservatives are beset by scandals, the kind of institutional decay that afflicts movements at the end of their political lives. Third, the Reagan coalition is splintering, with the factions going off in wildly different directions.

Fourth, there is no viable orthodox conservative candidate for the 2008 Republican presidential nomination. Orthodox conservatives like Allen, Frist and Santorum are fading, and only heterodox figures like McCain, Giuliani and Romney are rising.

If you look at the political landscape, identification with the Republican Party is falling but identification with the Democratic Party is not rising. Instead, there is a spike in the number of people who do not identify with either. People correctly perceive that neither party has a coherent agenda this year.

In the near term, the candidates who thrive will be those who offer a new way of politics. This might be the maverick independence of McCain, or the ostentatiously deliberative style of Obama, or it could be the manner of somebody whom none of us are even thinking about. Candidates who seem conventional will have a tough time. This includes Hillary Clinton.

Process issues will come to the fore, issues that have to do with the way politics is conducted. So will issues of character and decision-making style. George Bush's secretive and declarative method will soon seem archaic — like the silent picture acting style in the age of sound. Instead, voters will look for candidates as interactive as the technology around them.

The center of political gravity will shift. In the liberal era, the urban Northeast dominated the landscape. In the conservative era, it was in the South and in bedroom communities like those in Southern California. In the coming era, the center of gravity will move to the West and the Midwestern plains, and to the pragmatic, untethered office park suburbs sprouting up there.

The people who will be most important are those who can most precisely identify the new era's defining problems. The first is the continuing rise of Islamic fundamentalism. It's clear the categories of the nation-state era — rollback and containment — are not working to reverse extremism, but what will? The second big problem is entitlement spending and the stultification of government.

The third challenge is the emergence of China and India — seizing the opportunities afforded by those new workers, mitigating the pain associated with tougher competition and managing the fiscal imbalances. The fourth is the growing importance of cognitive skills and cultural capital, the need to surround people, especially children, with stable relationships if they are to flourish.

One party will become distracted by passing squalls, but the other will focus on those issues. Then, a new period of dominance will begin.

Special Treatment For Air America (WT)

By John R. Lott Jr. And Bradley A. Smith

The Washington Times, October 26, 2006

When is a campaign donation not a campaign donation? Apparently if you spend the money to run a radio program instead of paying for campaign ads that run on that same program. Just look at Air America. With $41 million in losses since 2004, and $9.8 million owed just to Robert Glaser, RealNetworks chairman, Democrats who bankrolled this "company" weren't so much investors as campaign contributors. The losses are seen as simple business ineptitude,but Air America effectively, and perhaps intentionally, cleverly avoided the campaign finance limits which Democrats had worked so hard to pass.

With McCain-Feingold's "hard money" donation limits of $2,000 per candidate and "soft money" limits to party campaign committees of $57,500, there is no way that Mr. Glaser or other wealthy Democratic donors could have legally given such large sums directly to Democrats. But Air America provided a vehicle for their multimillion-dollar political campaigns.

Take Al Franken's show last Friday, the very day the network was declaring bankruptcy. The program devoted two-and-a-half hours to "Meet the Democrats," where five U.S. House and Senate candidates explained why they were the people for the job. Two-and-a-half hours straight of candidates talking is hardly stirring radio, but it is the Democrats' version of religious radio. Hardly meant to make a profit, but there to inspire the troops. After all, when the network started in 2004, Al Franken announced that: "I'm doing this because I want to use my energies to get Bush unelected."

Since Air America started, successful radio entrepreneurs — most notably Rush Limbaugh — have argued that Air America never had a business model that made sense. But perhaps it had a model that made political sense.

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It's hardly a coincidence that Air America debuted in time for the 2004 presidential campaign or that the bankruptcy filing was put off long enough so that creditors actions won't stop broadcasts before the Nov. 7 election. As if the willingness to lose money weren't already obvious, over a year ago the network started asking listeners to donate money to keep the programs on the air.

Air America merely follows a grand tradition of circumvention by the very people who have supported campaign-finance regulation. George Soros donated millions to help pass McCain-Feingold, but was quick to work around it so that his big dollars could keep flowing. During the 2004 presidential campaign,Mr. Soros was prohibited from giving money directly to his preferred candidate, Howard Dean, so he gave $15 million to MoveOn.org so that it could raise the money for Mr. Dean.

The big innovation for Air America was using the bankruptcy laws to turn non-Democrats into involuntary campaign donors. Not only are Democratic "investors" out in the cold, but landlords, limo services, law firms, stations that sold Air America air time and state governments are owed money. Apparently, the network still owes the Gloria Wise Boys and Girls Club, a New York City program for poor kids, a whopping $875,000 — money that was transferred from the club by its former director. But even while these people are being stiffed, since the bankruptcy Air America's founders brazenly announced they are starting a new left-wing radio network.

More importantly, though, Air America shows what a mess campaign finance regulations are in. As Justice Anthony Scalia noted during the oral arguments on McCain-Feingold's constitutionality: "if history teaches us anything, [it] is that when you plug one means of expression, the money will go to whatever means of expression are left." One such means is the press: broadcast stations, magazines and newspapers are exempt from the law.

But the term "news media" is difficult to define. When McCain-Feingold first passed in 2002, the National Rifle Association generated outrage when it talked about buying a TV station, so that like other media, it could mention a candidate's name during the 60 days before the general election. Sen. John Kerry demanded that the Federal Election Commission block any attempt by the NRA to get a media exemption, stating, "We urge you to prevent the NRA from hijacking America's airwaves with the gun lobby's money." There is no record of Mr. Kerry objecting to Air America's expenditures.

Unfortunately, the contradictions may soon be getting a lot worse. Recently two Seattle radio talk-show hosts were found guilty of violating the Washington State's campaign finance regulations. The monetary value of their commentary on an initiative exceeded campaign contribution limits.Their sin was apparently to fight for lower taxes. What's next? A monetary value assigned to positive news stories in newspapers?

News organizations will rightly claim that they cannot do their jobs if campaign-finance regulations are applied to them. Hopefully even the majority on the Supreme Court, which supported McCain-Feingold, will realize that regulating the content of news stories and regulating who is part of the media goes too far.

How to solve this problem? One solution — we'll call it the First Amendment solution — is to deregulate the system, let the voters hear what people (even those with "big money") have to say, and trust the voters to choose wisely. The alternative is to extend restrictions to the press. If the latter course is chosen, Mr. Soros and his friends risk finally bringing to America the strict government control of the news he witnessed firsthand as a boy growing up under Nazi and communist dictators.

John R. Lott Jr., the dean's visiting professor at SUNY-Binghamton, served as an unpaid expert witness for the plaintiffs in the McCain-Feingold case.Bradley A. Smith, chairman of the Center for Competitive Politics, is a law professor at Capital University Law School and a former chairman of the Federal Election Commission.

Kiss Of Death For 'President'? (USAT)

By Anthony Breznican

USA Today, October 26, 2006

How do you get people to go to a movie that sounds like it's committing treason?

That's the challenge facing Newmarket Films' new Death of a President, a fictional documentary about what could happen if President Bush were assassinated.

Simply joking about killing a sitting president is a quick way to get a visit from the Secret Service. Could the theme make potential moviegoers skittish?

"It's not a crime to see the movie," jokes Richard Abramowitz, marketing director for Newmarket, which also released the controversial The Passion of the Christ. "The film does not promote violence on any level. It no more advocates for assassination of the president than Silence of the Lambs advocates for cannibalism."

Death of a President, from British director and co-writer Gabriel Range, has raised hackles ever since it premiered in September at the Toronto Film Festival.

Some large theater chains balked at featuring it, and the film will open Friday in about 100 theaters, mostly art houses. CNN and Fox News refused to run ads for the movie.

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"There's a provocative element to it, particularly in synopsis," Abramowitz says. "A one-sentence logline makes the film sound more incendiary than it is."

The film starts with the faux assassination in 2007 and features fictional Secret Service agents, speechwriters, investigators and journalists discussing the events and their repercussions.

One of the suspects has ties to Syria, which leads the newly inaugurated President Cheney to threaten military force.

Range, who has made similar theoretical films about the "collapse" of Britain's transportation and banking systems, says he used Bush instead of a fictional substitute because the story would have been powerless without the trappings of current events.

"This film is about the world we live in," he says. "It's about the consequences of the climate of fear."

Though it won the International Critics Award in Toronto, reviews have been divided.

Jim Emerson, who is filling in for the ailing Roger Ebert at the Chicago Sun-Times, wrote that the use of real characters is "seamless, intelligent and maybe even necessary to an understanding of George W. Bush's role in the world." The Hollywood Reporter's Kirk Honeycutt called Range's manipulation of real footage a "morally dubious tactic."

Conservatives and liberals alike have condemned the subject matter. Sen. Hillary Rodham Clinton called the film "despicable."

Though the White House is obviously displeased with his film, Range says he was contacted only once by the Secret Service, when he was shooting motorcade scenes in Chicago.

Range says Secret Service agents did not ask him to submit a script for review. "I think it was clear to them that the film was being made, and no way was it going to incite anyone to do this."

A Capital Connection (WP)

The Washington Post, October 26, 2006

THE QUALITY of communication between the Washington area and Beijing could influence global stability. But there is no direct flight between the two capitals. Over the next couple of months, the Transportation Department will consider whether that should change. For economic reasons as well as geopolitical ones, the department should back a United Airlines proposal to launch daily service to Beijing from Dulles International Airport.

Because the Chinese government restricts direct flights into Beijing and Shanghai, the number of American cities with nonstop access has to be rationed. At present, there are direct connections to Shanghai, Beijing or both from San Francisco, Los Angeles, Chicago, New York and Newark. Under an agreement with the Chinese, the Transportation Department can give out one more direct link. Washington is competing for the prize with Newark, Detroit and Dallas. All contestants pad their case with scrolls of politicians' signatures and learned economic studies.

Newark serves a large region full of globe-trotters, but it already has direct service to Shanghai and there are daily nonstop flights to Beijing from New York's John F. Kennedy International Airport. Detroit and Dallas lack direct flights, but their populations are 5.4 million and 6.2 million, respectively; the Washington metro area (including Baltimore) has 8.2 million. Washingtonians are more prone to visit China, too. In 2005, according to Transportation Department data, 49,200 people flew (indirectly) from Washington to Beijing. But only 29,510 travelers flew the Detroit-Shanghai route that Northwest Airlines would like to serve. And only 13,390 flew from Dallas to Beijing, the route proposed by American Airlines.

The critics of the Washington route complain that United Airlines already hogs four direct flights to China a day, and awarding it a fifth would give it an unfair lead on its competitors. But United would have only a third of the nonstop flights to China. Moreover, in a market in which regulation creates artificial scarcity, what matters is not just the variety of suppliers but the quantity of the supply. Because United is proposing to use a bigger aircraft than its competitors, awarding the route to Washington would probably do more to hold down prices than awarding it to one of the other bidders.

Washington is the nation's fourth most-populous metro area after New York, Los Angeles and Chicago. That makes it the biggest without direct flights to China. For the Transportation Department, this shouldn't be a hard decision.

Not So Big Oil (WSJ)

The Wall Street Journal, October 26, 2006

Our favorite headline this week has to be "Big Worries for Big Oil," reporting that oil company profits are under pressure as oil prices decline. Exxon Mobil, Royal Dutch Shell, BP and other members of the vast energy conspiracy may have a hard time keeping their run of profit growth going now that oil prices have fallen to $60 or so a barrel from upwards of $80.

Imagine that: Oil companies are subject to market forces. They may make big profits when the price of oil rises, but those profits invariably fall back down to Earth when oil prices decline. This is also what happened in the 1990s, as oil crashed below $20 a barrel after the heights reached in the 1970s. The companies and their shareholders swallowed those declines, as they should have.

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This cycle is typical of commodity markets, and is part of the risk of doing business. The run-up in oil prices over the past couple of years was rooted in worries about supply related to hurricanes, Middle East tensions and low stockpiles, as well as growing demand in a strong global economy and the Federal Reserve's easy money policy. As supply fears and demand have ebbed and the Fed has tightened, prices have fallen back down, albeit still to higher levels than a decade ago.

The recent price decline is also proof of the folly of a "windfall profits" tax or similar punitive measures against Big Oil favored by so many politicians. Only this week, however, Democratic Leader Nancy Pelosi repeated her pledge to soak the oil companies if her party takes over the House next month.

Her policy seems to be that when oil prices decline, oil company shareholders must absorb all the market risk and the lower profits. But when oil prices rise, the companies must hand over a cut of their profits to Members of Congress to spend as they like. The only "windfall" is for the political class.

Chad Says Sudan Is Arming Rebels (NYT)

By Lydia Polgreen

The New York Times, October 26, 2006

NDJAMENA, Chad, Oct. 25 — The Chadian government on Wednesday accused Sudan of supplying rebel groups seeking to overthrow President Idriss Déby with weapons and providing them cover to operate in Sudanese territory.

The accusation, made by government and military officials as a rebel group moved toward the capital, heightened the already tense relations between the neighboring countries. They have been at odds over the rebellion in Darfur, which Sudan accuses Chad's government of supporting.

"These rebels entered Chad from Sudan, and they could only have procured this type of military equipment within the sight of and with the knowledge of the Sudanese authorities," the Chadian foreign minister, Ahmar Allami, told Agence France-Presse. "Sudan cannot deny it."

Lt. Col. Mahamat Hassane, a spokesman for the Chadian military, said the rebel group had reached the provincial town of Am Timan, but had not gone any further.

The loose coalition of several rebel factions opposed to Mr. Déby's government have advanced from the eastern part of the country toward the capital, but appear to have stalled. The government has sent reinforcements to Mongo, hoping to prevent the rebels from marching into the capital.

Government officials and diplomats feared a replay of the coup attempt in April, when hundreds of troops drove across the eastern scrubland into Ndjamena, and fierce firefights broke out. About 300 people were killed in the fighting, though the coup attempt failed.

In the current standoff, there have been no confrontations between the rebels and the army. The rebel group has occupied at least two towns, but their location, the size of their force and their intentions remain unclear. The group appears to be well armed — it fired a SAM-7 ground-to-air missile at a French military plane, according to the French government, but did not hit it.

Chad and Sudan have been trading accusations over the past year that each country supports rebel movements in the other. The countries appeared to reconcile this summer under a nonaggression pact brokered by Libya. Sudan's president, Omar al-Bashir, attended the inauguration of Mr. Déby, who was re-elected in May after changing the Constitution to allow him to run for a third term.

The increased conflict along the porous border between Chad and Sudan has stymied aid operations to help the estimated 250,000 Sudanese refugees in Chad and 2.5 million displaced Darfurians inside Sudan. It has also forced tens of thousands of Chadians to flee their homes, some into war-ravaged Darfur.

U.S. Faults Europeans' Proposed Iran Sanctions (WSJ)

By Neil King Jr.

The Wall Street Journal, October 26, 2006

The Bush administration has raised sharp but unspecified objections to a draft package of sanctions against Iran floated by European countries.

The resolution, proposed by Britain, France and Germany under the aegis of the United Nations, seeks to cut off most outside support to Iran's nuclear and ballistic-missile programs, while limiting the travel of top Iranian military officials, European diplomats said yesterday.

Iran's uranium-enrichment program has raised suspicions that it aims to develop atomic weapons, though Tehran maintains it has only civilian-energy goals. The Europeans, who have led the diplomacy with Iran for nearly three years, are trying to craft an initial package of economic penalties that will win the support of Washington, which wants tougher punishments, as well as Russia and China, which are leery of sanctioning Iran.

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A U.S. official who reviewed the draft said, "The Europeans have a fundamental difference with us on how to proceed, and this draft reflects that difference."

This first sanctions package is meant to be part of a series of increasingly stern resolutions if Iran continues to steam ahead on its nuclear program. Yet the difficulty in forging consensus on this first step shows how hard it will be to win agreement on a second sanctions plan.

Bush administration officials yesterday declined to provide details on how they would like the draft resolution altered, other than to say it isn't yet stringent enough. They cautioned that negotiations on specific language are at an early stage, and differences could be resolved in coming days. Russian and Chinese diplomats said they were still reviewing the draft and declined to comment.

Top officials in Moscow and Beijing have expressed reservations about imposing any measures that would encourage the Iranians to pull out of the nuclear Non-Proliferation Treaty or to reject future cooperation with the International Atomic Energy Agency. Iran signed the treaty in the 1960s, forswearing nuclear weapons in exchange for access to technology that could be used for an energy program.

One issue particularly sensitive to Moscow is the future of the Russian-led work on Iran's Bushehr nuclear-power plant, which Russia doesn't want to see canceled. The draft would allow that work to continue, but without Russia supplying the reactor with fuel. U.S. officials said they would like the language on Bushehr to be altered, but declined to provide details of what Washington wants.

A U.N. resolution in July threatened to impose sanctions on Iran if it didn't suspend uranium enrichment and agree to return to negotiations by the end of August. Since then, the U.S., Russia, China, France and Britain -- the five veto-wielding members of the U.N. Security Council -- have wrestled with what sort of penalties might bring Tehran back to the table.

The Bush administration has hoped that concerns about North Korea's nuclear test earlier this month might galvanize support for a more muscular approach toward Tehran. Yet Iran's oil wealth and complex commercial interactions with Europe, Russia and China make the U.N. diplomatic effort more complex.

European and U.S. diplomats said negotiations over the draft resolution could drag into next week or beyond.

Write to Neil King Jr. at neil.king@wsj.com1

Draft Iran Resolution Would Restrict Students (NYT)

By Helene Cooper And Thom Shanker

The New York Times, October 26, 2006

WASHINGTON, Oct. 25 — The United States and three European allies have given Russia and China a draft text for a Security Council resolution against Iran's nuclear program. The proposal includes the extraordinary step of preventing Iranian students from studying nuclear physics at foreign universities and colleges.

The draft resolution would also prohibit any technical or financial assistance that could benefit Iran's nuclear program, and would impose a visa ban on any Iranians involved in nuclear activities, according to European diplomats involved in the negotiations.

Bush administration officials and their European counterparts have been squabbling over details of the draft resolution for the past week, and the horse-trading will probably increase now that the Russians and the Chinese have been given the draft.

United Nations ambassadors from the six countries — the five permanent members of the Security Council and Germany — are scheduled to meet Thursday to debate the resolution, officials said.

Secretary of State Condoleezza Rice urged the Security Council to move rapidly to adopt the resolution, saying the authority and standing of the international community were at stake.

"For the international community to be credible, it must pass a resolution now that holds Iran accountable for its defiance," Ms. Rice said during a speech on Asia policy at the Heritage Foundation, a conservative Washington policy research organization.

She said that Iran and North Korea had challenged international attempts to halt the proliferation of unconventional weapons, and cautioned that the Iranian leadership was assessing how strictly the world community would enforce recent United Nations sanctions on North Korea.

"The Iranian regime is watching how the world responds to North Korea's behavior, and it can now see that the international community will confront this threat," she said. "Iran can see that the path North Korea is choosing is not leading to more prestige and more prosperity or more security; it's leading to just the opposite."

But after five months of missed deadlines, counterproposals and diplomatic overtures on Iran, few officials from any of the six countries involved were willing to predict when a final sanctions resolution might pass the Security Council. "A matter of weeks," one senior Bush administration official said. "Maybe."

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"Will it be the resolution that we would have if we had written it by ourselves? Probably not, but that's part of multilateral diplomacy," Sean McCormack, the State Department spokesman, said. "We fully support this draft, and we look forward to its adoption."

As is customary in diplomatic negotiations, officials who were most up to date on the talks would not allow themselves to be publicly identified by name or nationality. Those who discussed it on background came from several nations involved in the talks.

It was unclear just how far-reaching the proposed ban against nuclear education for Iranian students abroad would be, and the diplomats involved in the negotiations did not seem to have resolved that issue.

The prohibition would ban any training and education of Iranian citizens if it could eventually contribute to nuclear and ballistic missile programs. But whether such a ban would extend to all physics courses, or even to mathematics and other courses, remained undetermined.

The bickering of late has largely been tactical, with the United States on one side and Europe on the other, with both sides trying to decide how best to get the Russians and Chinese to sign on to tough sanctions.

The American ambassador to the United Nations, John R. Bolton, for instance demanded that the draft resolution bar Russia from continuing to build Iran's first nuclear power plant — at Bushehr, in the southwest of the country — American and European negotiators said. While some American officials acknowledged that a provision against all work on Bushehr was unrealistic, Mr. Bolton wanted to put it on the table as a bargaining chip to get other Russian concessions, European diplomats said.

The French and British, however, disagreed with that approach, arguing that Bushehr was a "red line" for the Russian foreign minister, Sergey Lavrov, and there was no point in putting something in the draft that would come out anyway.

"It's like a flea market," said one European diplomat. "The Americans say, 'We have to make the text even stronger because we know the Russians will water it down.' But that's not a productive way of thinking."

The draft resolution states that sanctions would apply to fuel at Bushehr but not construction, diplomats said.

Iran Said To Be Stepping Up Nuclear Programme (FT)

By Najmeh Bozorgmeh In Tehran And Guy Dinmore In Washington

Financial Times, October 26, 2006

Iran was reported on Wednesday to be accelerating its uranium enrichment process even as Europe took the first steps at the United Nations Security Council towards obtaining a resolution that would impose sanctions on Iran for refusing to suspend its nuclear fuel programme.

Iran's semi-official student news agency, ISNA, quoted an unnamed Iranian official who said a second network, or cascade, of centrifuges used to produce enriched uranium was installed last week, and that injection of the gas feed would take place this week.

"The product of the second cascade will be achieved soon after gas injection," the official said.

Iran began running one cascade of 164 centrifuges at its Natanz facility under UN inspection in January. It denies it has a weapons programme and says the uranium will only be enriched to the low level needed to fuel a civilian nuclear reactor.

Experts in Tehran believe Iran's installation of the second cascade is intended to signal its defiance of sanctions that have been threatened following the Islamic republic's refusal to heed a UN security council demand to suspend the programme that set an August 31 deadline.

"It's a significant part of Iran's policy… to show 'stick policy' will lead only to escalation of [the] crisis and won't hurt Iran's irreversible path," commented Aftab website which is close to Hassan Rowhani, the former nuclear negotiator.

Regime insiders say Iran's top leadership is not particularly worried about nuclear-related sanctions.

On Wednesday France, Germany and the UK – the so-called EU3 that had been negotiating with Iran – presented a draft sanctions resolution to the US, Russia and China for discussion.

Diplomats said one issue at dispute between the EU3 and the US was the future of the Bushehr reactor under construction by Russia in southern Iran. The draft says the "construction" of Bushehr is exempt from the sanctions, but the US has sought to block Russia's planned supply of nuclear fuel next year.

Nicholas Burns, US under secretary of state, said he did not think the Bushehr issue would be a major stumbling block.

The European proposal would seek to prohibit nuclear and ballistic missile cooperation with Iran - unless exempted - by taking "necessary measures" to prevent the supply, sale or transfer of materials and technology. It would also halt related financial transactions, block international travel for Iranians connected to those activities and freeze their overseas assets.

A list is to be drawn up of individuals subject to the travel ban and asset freeze. It is not clear how far up the political hierarchy such a list might go.

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Discussions among the five permanent members of the Security Souncil and Germany are to start on Thursday.

Tony Blair, the UK prime minister, told parliament that the UK was working closely with other veto-wielding Security Council members to get a “proper, binding resolution”.

The US and Europe say the proposed resolution is intended as a first step, and would be followed by steadily escalating measures if Iran did not comply.

At the same time, diplomats are worried that the process could end up replicating the crisis with North Korea whereby Iran would respond to threats by expelling UN inspectors and quitting the nuclear Non Proliferation Treaty. For this reason Europe – including the Russians who have a $1bn contract – are insisting that the Bushehr project should be allowed to continue.

European officials hope negotiations will resume with Iran but on the precondition that it first suspend its enrichment programme.

President George W. Bush reiterated on Wednesday that the US would be ready to join Europe in negotiations following verifiable suspension.

“We’ve got a lot of issues with Iran,” Mr Bush told a news conference. “The first is whether or not they will help this young democracy succeed,” he said, referring to Iraq. He said the “second issue” was whether Iran would help the Lebanese government, and that the “big issue” was “whether or not Iran will end up with a nuclear weapon”.

Secretary Of State ElBaradei (WSJ)

The Wall Street Journal, October 26, 2006

Mohamed ElBaradei, the director general of the U.N.'s International Atomic Energy Agency, is supposed to be the Jack Webb of the nuclear nonproliferation scene, a "just the facts" man who reports his findings to his political superiors in the U.N. Security Council. Lately, however, he's been sounding more like the real life Jimmy Carter than the fictional TV detective.

"I don't think sanctions work as a penalty," Mr. ElBaradei opined after meeting with Condoleezza Rice on Monday. The director general was talking about North Korea, of whose leaders he took the forgiving view that they are testing nuclear weapons because "they feel isolated, they feel they are not getting the security they need." As for Iran, "the jury is still out on whether they are developing a nuclear weapon." However, he was quite certain that "at the end of the day, we have to bite the bullet and talk to North Korea and Iran." No doubt Condi was grateful for this free public chiding.

Leave aside for now the substance of Mr. ElBaradei's policy views; at stake here is the question of whether the IAEA can be trusted to be "continuously objective and impartial," words the director general has used elsewhere to describe his organization. That's also the line he took when he was lobbying in 2005 for an unprecedented third term against the opposition of then Undersecretary of State John Bolton, keeping the job after Ms. Rice and the White House acquiesced while asking Mr. ElBaradei to be tough on Iran.

These assurances look disingenuous now that Mr. ElBaradei is offering confident judgments, well above his pay grade, about Kim Jong Il's motives -- and cautious ones about Mahmoud Ahmadinejad's. It's even harder to believe given the selective leaks and political hits the IAEA has recently practiced against the Bush Administration and its allies in Congress.

Consider a recent imbroglio between Mr. ElBaradei and Pete Hoekstra, Chairman of the House's Permanent Select Committee on Intelligence. In the last year, and initially with bipartisan agreement, Mr. Hoekstra's committee has published regular reports on threats to American security, including on al Qaeda, North Korea and Iran. These reports are generally based on reputable open sources and are intended for broad public distribution and debate. They also repeatedly acknowledge that "the United States . . . [lacks] critical information needed for analysts to make some key judgments."

In other words, there's not much to get worked up about here. At least not until the IAEA decided to leak to the press an ostensibly private letter to Mr. Hoekstra detailing its objections to a report on Iran, which the agency variously labeled "outrageous," "dishonest," "erroneous" and "misleading."

And what was so dreadful about the report, which had bipartisan blessing? Aside from huffing over two committee "errors" -- one of them trivial, the other semantic -- the IAEA took furious exception over the committee's statement that the IAEA had decided to remove Chris Charlier, its chief weapons' inspector for Iran, after Mr. Charlier said publicly that he thought the Iranians were intent on building a nuclear weapon.

The IAEA insists that it was Iran, not the IAEA, that demanded Mr. Charlier's removal, and that Iran is within its legal rights to do so. That's true. But it is also true that Iran has repeatedly -- and illegally -- denied IAEA inspectors the multiple-entry visas they need to do their job.

"Iran has consistently been in non-compliance with its safeguards agreement on this point," a former IAEA official recently told the Platts news agency. "And until now the IAEA has been unwilling to draw international attention to that fact." Our sources tell us that, in addition to Mr. Charlier, Iran denied entry to two other IAEA weapons inspectors in August alone.

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This is no small thing. Under Mr. ElBaradei's leadership the IAEA has presented itself as the ultimate arbiter on questions of nuclear proliferation, despite its failures to detect Iraq's nuclear-weapons programs in the 1980s and Libya's in the early part of this decade. Yet if the IAEA cannot get its personnel unimpeded into Iran -- and especially if Iran can bar the toughest, most skeptical inspectors -- the quality of the IAEA's information and the reliability of its judgments are bound to deteriorate.

Had Mr. ElBaradei been doing his real job, he might have made a more strenuous effort at pointing out publicly Iran's failures to comply with its obligations, rather than offer grand pronouncements on diplomacy and making partisan intrusions into American politics by critiquing Congressional white papers and Administration policy. As it is, we have Mr. Hoekstra to thank for bringing to light yet another instance of Iran's bad faith, and of the U.N.'s unreliability.

Iranian Ex-Leader Sought In Argentina (WP/AP)

By Oscar Serrat

The Washington Post, October 26, 2006

BUENOS AIRES, Oct. 25 -- Argentine prosecutors asked a federal judge on Wednesday to order the arrest of former Iranian president Ali Akbar Hashemi Rafsanjani and seven other people in the 1994 suicide bombing of a Jewish community center here that killed 85 people.

The decision to attack the center "was undertaken in 1993 by the highest authorities of the then-government of Iran," prosecutor Alberto Nisman said at a news conference. He said the actual attack was entrusted to the Lebanon-based group Hezbollah.

The detonation of an explosives-laden vehicle near the Jewish center in Buenos Aires was among the worst terrorist attacks ever on Argentine soil. In addition to killing 85 people, the attack injured more than 200.

Iran's government has vehemently denied any involvement in the bombing, following repeated accusations by Jewish community leaders and others here. Iranian authorities in Buenos Aires declined to comment.

Prosecutors urged the judge to seek international and national arrest orders for Rafsanjani, who was Iran's president from 1989 to 1997. They also asked the judge to detain former intelligence chief Ali Fallahijan and former foreign minister Ali Akbar Velayati.

In addition, they urged the arrest of two former commanders of Iran's Revolutionary Guards, two former Iranian diplomats and a former Hezbollah security chief for external affairs.

Nisman and fellow prosecutor Marcelo MartÃ-nez Burgos said they suspected that Hezbollah undertook activities outside Lebanon only "under orders directly emanating from the regime in Tehran."

Federal Judge Rodolfo Canicoba Corral made no public comments after the news conference. Under Argentine law, the judge is allowed an indefinite period to accept or reject such recommendations.

The two prosecutors head a special investigative unit probing the attack on the Jewish center, since rebuilt into a heavily guarded fortress-like compound.

Nisman announced in November 2005 that investigators believed a 21-year-old Lebanese member of Hezbollah was the suicide bomber.

The attack on the seven-story center, a symbol of Argentina's more than 200,000-strong Jewish population, was the second of two attacks against Jews in Argentina during the 1990s.

In March 1992, a blast destroyed the Israeli Embassy in Buenos Aires. Twenty-nine people died in that attack, which has also been blamed on Hezbollah.

Some people here speculated that the embassy bombing was inspired by Argentina's support for the U.S.-led coalition that expelled Iraqi forces from Kuwait during the Persian Gulf War in 1991. Others said Argentina's Jewish community, one of the largest in Latin America, represented an obvious target for Israel's opponents.

Although Jewish community leaders and others have said they suspect the involvement of Middle East terrorists in the 1994 attack, lack of progress in tracking down the organizers has made families of the victims increasingly bitter. In 2004, about a dozen former police officers and an accused trafficker in stolen vehicles were acquitted of charges that they had formed a "local connection" in the bombing.

Argentina Seeks Arrest Of Former Iranian Leader (USAT/AP)

By Oscar Serrat

USA Today, October 26, 2006

BUENOS AIRES — Argentine prosecutors asked a federal judge on Wednesday to order the arrest of former Iranian president Akbar Hashemi Rafsanjani and seven others in the 1994 bombing of a Jewish cultural center that killed 85.

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The decision to attack the center "was undertaken in 1993 by the highest authorities of the then-government of Iran," prosecutor Alberto Nisman said. He said the attack was carried out by the Lebanon-based group Hezbollah.

The bombing of the Jewish cultural center in Buenos Aires killed 85 people and injured more than 200 when a vehicle laden with explosives detonated near the building. It was the worst terrorist attack in Argentine history.

Iran's government has vehemently denied any involvement in the attack following repeated accusations by Jewish community and other leaders here. Iranian authorities here contacted by the Associated Press had no comment.

Prosecutors urged the judge to seek international and national arrest orders for Rafsanjani, Iran's president from 1989 to 1997. They also asked the judge to detain other former Iranian officials, including an intelligence chief, Ali Fallahijan, and a foreign minister, Ali Ar Velayati.

The prosecutors urged the arrest of two former commanders of Iran's Revolutionary Guards, two former Iranian diplomats and a former Hezbollah security chief.

Nisman and fellow prosecutor Marcelo Martinez Burgos said they suspected that Hezbollah undertook activities outside Lebanon only "under orders directly emanating from the regime in Tehran."

Federal Judge Rodolfo Canicoba Corral had no comment. He has an indefinite amount of time to accept or reject the recommendations.

The current investigation began after Argentina's federal courts in 2004 halted a botched investigation into the case.

Nisman announced last November that investigators believed a suspected 21-year-old Lebanese Hezbollah militant had been identified as the suicide bomber.

Jewish center leaders said Wednesday that they had no immediate statement.

The attack on the seven-story Jewish center, a symbol of Argentina's more than 200,000-strong Jewish population, was the second of two attacks targeting Jews in Argentina during the 1990s.

A March 1992 blast destroyed the Israeli Embassy in Buenos Aires, killing 29 people.

Argentine Prosecutor Ties Iran To Bombing Of Jewish Center (MCT)

By Claudia Sanchez, Jack Chang And Kevin G. Hall

McClatchy Newspapers, October 26, 2006

BUENOS AIRES, Argentina - An Argentine prosecutor on Wednesday sought the arrest of former Iranian President Akbar Hashemi Rafsanjani, accusing him of approving the 1994 car bombing that killed 85 people at a Jewish community center in the Argentine capital.

Prosecutor Alberto Nisman charged that six other Iranians and a Lebanese were involved in the attack, including a top Hezbollah figure, Imad Fayez Mugniyah. Mugniyah is already wanted by the United States for allegedly plotting the 1983 bombing of the U.S. Marine barracks in Beirut and the 1985 hijacking of a TWA airliner, which resulted in the murder of U.S. Navy diver Robert Stethem.

Nisman said the accused met on Aug. 13, 1993, in Mashad, one of Iran's holiest cities, to approve the attack. He charged that the plot involved not only top political officials, but also lower-level diplomats in the Iranian Embassy in Buenos Aires.

"It wasn't a decision taken around a coffee table one day to the next by five or six gentlemen," said Nisman. He called it a well-calculated plan that was part of a "terrorist matrix" that included assassinations in France, Germany and Switzerland.

Nisman is the first Argentine official to publicly accuse officials in Tehran of involvement in the attack, which many here consider the Argentine equivalent of Sept. 11, and his charges lend credence to longstanding American claims that Iran and Hezbollah are sponsors of international terrorism.

But they aren't likely to result in arrests anytime soon. Judge Rodolfo Canicoba Corral must first approve Nisman's findings and issue arrest warrants. Then Argentina would have to seek the suspects' extradition from Iran - a request Iran is unlikely to honor.

Warrants could, however, prevent the suspects from traveling freely outside Iran; they'd be subject to arrest under international police agreements.

Nisman, who spoke to reporters in Buenos Aires, released few details of his investigation. A full report was given to Canicoba on a CD because of the volume of the material. It's unknown when Canicoba will rule on the matter.

How Nisman traced the bombing to a specific meeting attended by Rafsanjani is also unknown. In Washington, Vincent Cannistraro, a former head of counterterrorism operations and analysis for the CIA, said he doesn't know of anyone who can confirm the meeting.

"From an intelligence point of view, we know Mugniyah directed the operation," Cannistraro said. "There's been no confirmation of any meeting. ... No one has that precise intelligence. I do know there is not a hard source that is credible and attended that meeting."

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Rafsanjani was the president of Iran from 1989 to 1997 and remains a powerful political force there. He ran for president last year, but was defeated by the current president, Mahmoud Ahmadinejad. He currently serves as chairman of the Expediency Discernment Council, a powerful body that attempts to resolve policy differences between the government and the clerics who must approve all government actions.

In 1997, German prosecutors said they believed Rafsanjani ordered the murder of an Iranian-Kurdish leader there, but Rafsanjani was never charged.

Rafsanjani also was the go-between in the arms-for-hostages deals that gave rise to the Iran-contra affair during Ronald Reagan's presidency.

Mugniyah has an extensive terrorist resume. He was indicted in the United States for Stethem's murder and is on the European Union's list of most wanted terrorists. He's variously described as Hezbollah's head of security and a founder of the organization. In addition to the Marines barracks bombing, he's thought to have been involved in the 1983 bombing of the U.S. Embassy in Beirut and the kidnapping of journalist Terry Anderson there.

The United States has offered a $5 million reward for his capture.

The bombing of the AMIA Jewish center here has remained an open wound, with accusations of bungling and cover-ups being levied against successive Argentine governments. The only people tried in the case were two Argentine police officers accused of helping terrorists obtain a van used to carry a hidden bomb. Both were cleared.

Adding to the mystery, a former Iranian spy alleged in 2003 that Carlos Saul Menem, Argentina's president at the time of the bombing, received $10 million in a secret Swiss bank account as payment from Iran to quash the investigation. Menem, of Syrian descent, acknowledged the secret account but denied the hush money.

Later that same year, as Argentina tried to have Great Britain extradite Hadi Soleimanpour, Iran's former ambassador to Argentina, news reports emerged that the chief Argentine judge investigating the bombing - Juan Jose Galeano - paid a witness $400,000 for testimony and that he was writing a book on the case. He was removed from the case in 2004, and Nisman was appointed to investigate.

Against that backdrop, families of the victims had their doubts Wednesday.

"After more than 12 years, we had hoped for more results," said Sofia Guterman, whose 28-year-old daughter, Andrea, perished in the attack, which also injured more than 200. "I don't think it'll be very easy to extradite those people."

Lawyers representing the victims were a bit more upbeat. Marta Nercellas, who's investigated the Iranian connection even when her government wouldn't, told McClatchy Newspapers that there's new evidence in Nisman's case.

Nercellas said Nisman's report includes testimony from former Iranian spies and ex-Hezbollah fighters who now reside in Europe.

"There are new and different testimonies," she said.

McClatchy Newspapers special correspondent Sanchez reported from Buenos Aires, Chang from Rio de Janeiro and Hall from Washington.

Rice Presses South Korea On Sanctions (AP-Y)

By Anne Gearan, Ap Diplomatic Writer

AP, October 26, 2006

Secretary of State Condoleezza Rice gently prodded South Korea on Wednesday to show a strong commitment to international sanctions imposed against North Korea for its nuclear test this month.

Rice said the U.S. has no wish to tell Seoul how it should coexist with its neighbor and noted the vigorous debate in South Korea over the future of its "sunshine policy" of partial rapprochement.

But she said North Korea's test of a nuclear device Oct. 9 "requires a strong response," and said that adherence to a U.N. resolution banning the sale of weapons material, luxury goods and more to North Korea is key. The sanctions also seek interception of ships believed to be carrying suspect materials.

"It requires a strong commitment by South Korea," she told the conservative Heritage Foundation. "Any activities need to be seen in the light of making certain to implement that resolution."

South Korea so far has balked at taking strong measures to support the sanctions, mindful of Pyongyang's massive armed forces poised at the border, its family and cultural ties with the North and its wish to expand economic relations with its neighbor.

"We understand that this is a complicated set of issues for South Korea," she said. "South Koreans don't need us to tell them what to do about their policies."

Rice returned Sunday from a weeklong trip to Asia and Moscow to line up support for the U.N. resolution, approved five days after the North's nuclear test.

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"North Korea's behavior poses a regional challenge and it must be addressed in a regional context," she said. "South Korea must be part of the solution, as should Japan and China and Russia.

"These countries all share an interest in a denuclearized Korean Peninsula. They all have leverage to help bring it about. And they must all accept their share of the responsibility to help," Rice said.

S. Korea Official Quits Over North Policy (WT)

By Andrew Salmon

The Washington Times, October 26, 2006

SEOUL -- South Korea's unification minister resigned yesterday, the highest-profile casualty yet in a battle over the government's North Korea policy after an Oct. 9 nuclear test by Pyongyang.

"I am confident about the results our North Korean engagement policy achieved," said Lee Jong-seok, who became unification minister in February.

A strong advocate of engagement and reconciliation with the communist North, Mr. Lee said, "Faced with North Korea's nuclear test, I apologize to the people and to the president."

He said efforts to achieve "peace and security and inter-Korean reconciliation on the peninsula are being recklessly politicized."

Policy toward North Korea has been the subject of fierce debate after Pyongyang's underground nuclear detonation.

In the immediate wake of the test -- conducted despite repeated warnings from Seoul -- opinion polls suggested a strong public reaction against the government's engagement policy toward the North.

Other key supporters of the policy also are departing the government of President Roh Moo-hyun.

Defense Minister Yoon Kwang-ung resigned Monday, citing strained negotiations over the command of U.S. forces during wartime, and Foreign Minister Ban Ki-moon, the U.N. secretary-general-designate, is expected to depart his post in the near future.

The U.N. Security Council unanimously adopted sanctions against North Korea less than a week after the nuclear test, but South Korea has been reluctant to punish Pyongyang for fear of angering the often-hostile neighbor.

South Korean investments, which have earned the North about $1 billion in foreign currency, are under scrutiny.

The main projects include a South Korean-financed industrial park and a South Korean tourist project in the North.

North Korea yesterday warned the South not to participate in the U.N. sanctions, calling it a "declaration of confrontation against its own people" and threatening to "take corresponding measures" if the South goes along.

The sanctions include a requirement to inspect cargo ships thought to be holding missile- and nuclear-related materials.

President Bush dismissed the North's rhetoric.

"The leader of North Korea likes to threaten," Mr. Bush told reporters in Washington, referring to the North's Kim Jong-il.

Kim Myung-whai of the Institute of Korean Studies noted the shift in public opinion since the nuclear test.

"The engagement policy is not popular among people; many politicians and the public think it has to be changed," he said.

Peter Beck, who heads the International Crisis Group's Seoul office, said there is little evidence that South Korea's government will change its policy toward the North.

"Government seems unwilling to link North-South cooperation with the broader goal of putting an end to North Korea's nuclear arms," Mr. Beck said.

Rice Plays Down Veiled Putin Criticism Of US Handling Of NKorea Crisis (AFP-Y)

AFP, October 26, 2006

The United States brushed aside a complaint by Russian President Vladimir Putin that North Korea tested a nuclear weapon because it had been backed into a corner by its rivals.

US Secretary of State Condoleezza Rice, who met Putin last week in Moscow, said she had extensive discussions on the North Korean issue with Russian leaders and agreed on the need to implement UN sanctions against Pyongyang over its October 9 test.

The goal of the resolution, she said, is to force North Korea back into six-party talks on giving up its nuclear program in exchange for aid and improved relations with the international community.

"It is true that people are concerned that North Korea have a path out if it decides to choose that path out," she said when asked about Putin's remarks during an appearance at the conservative Heritage Foundation think tank.

"And I think we have established that there is indeed a path, which is the six-party talks -- that all North Korea needs to do is return to those and return to them seriously," she said.

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In what was seen as veiled criticism of the aggressive US policy on North Korea, Putin said earlier on Russian television that one of the reasons Pyongyang chose to set off its first nuclear explosion was that "not all participants in the (six-party) talks process could find the right tone in the talks".

"You never need to push a situation into a dead end. You never put one of the participants in negotiations in such a situation where it has almost no exit, except one -- to escalate the situation," Putin said.

Rice played down the remarks.

"I don't read anything into concerns that you worry about North Korea being locked into a corner, because everybody understands that they've got to implement the resolution," she said.

The six-party talks include China, Japan, Russia, South Korea, the United States and North Korea.

Tokyo Denies Report It Wants Nuke Meet (AP)

By Hans Greimel, Associated Press Writer

AP, October 26, 2006

Japan's foreign ministry Thursday denied a news report that the government is planning a meeting with the U.S. and South Korea as early as next month to solidify a common stance on the North Korean nuclear standoff.

The report comes amid growing concerns that South Korea has been hesitant to join the United States and Japan in punishing North Korea for conducting its first-ever nuclear test earlier this month.

Kyodo News agency, citing unidentified government officials, said the meeting among the allies will likely be held in Seoul, the South Korean capital, and include the nations' chief delegates on the North Korean nuclear crisis.

The goal is to lay the groundwork for working-level meetings with the three and Russia and China, on the sidelines of November's Asia Pacific Economic Cooperation forum in Vietnam, Kyodo said.

Japan wants the trilateral meeting to reaffirm the demand that the North Korean nuclear crisis be resolved through six-party talks that include North Korea, South Korea, the United States, Japan, China and Russia, according to the report.

A Foreign Ministry spokeswoman denied the report. She spoke on condition of anonymity, citing ministry protocol.

North Korea has rejected the six-party format, saying it first wants the United States to lift financial restrictions imposed against the country. It has also been pushing for direct bilateral talks with Washington, a demand the United States has refused.

On Wednesday, South Korea said it formed a task force to look at how to impose U.N. sanctions on North Korea for its nuclear test, while the communist nation warned it would take countermeasures against any such move by the South.

The U.N. Security Council unanimously adopted a resolution sanctioning the North for its Oct. 9 nuclear test, but South Korea — a major aid provider to the impoverished North — has been reluctant to adopt stern measures against its volatile neighbor.

The U.N. resolution calls for all member countries to state how they plan to implement sanctions on the North within 30 days from its Oct. 14 adoption.

Later Wednesday, U.S. Secretary of State Condoleezza Rice gently prodded Seoul to show a strong commitment to the sanctions.

N. Korea Warns South Against Sanctions (AP-Y)

By Jae-soon Chang

AP, October 26, 2006

North Korea warned South Korea against joining international sanctions, saying Wednesday that its neighbor would "pay a high price" if it joins the U.S.-led drive to punish the reclusive communist nation for its nuclear test.

The statement from the North's Committee for the Peaceful Reunification of the Fatherland came as South Korea struggles to determine how it should enforce the U.N. sanctions, including whether to help interdict North Korean cargo ships suspected of transporting materials for unconventional weapons.

"If the South Korean authorities end up joining U.S.-led moves to sanction and stifle (the North) we will regard it as a declaration of confrontation against its own people ... and take corresponding measures," the North's Committee for the Peaceful Reunification of the Fatherland said in a statement.

President Bush dismissed North Korea's threats, saying leader Kim Jong Il was probing for weaknesses in the international community.

"The leader of North Korea likes to threaten," Bush told reporters in Washington. "In my judgment, what he's doing is testing the will of the five countries that are working together to convince him there's a better way forward for his people."

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The U.N. Security Council unanimously adopted a sanctions resolution five days after the North's Oct. 9 test, and a South Korean task force met this week to determine how the country should address the measures, including what to do about joint economic projects with the North.

South Korea's participation in the sanctioning the North is important because the country is one of the main aid providers to the impoverished communist nation, along with China.

But both countries have been reluctant to impose stern measures against their volatile neighbor. China, North Korea's closest ally, voted for the U.N. resolution but is concerned that excessive measures could worsen the situation. South Korea has expressed similar concerns, although there was no immediate response to Wednesday's statement from North Korea.

"If North-South relations collapse due to reckless and imprudent sanctions against us the South Korean authorities will be fully responsible for it and will have to pay a high price," said the statement, carried by the North's official Korean Central News Agency.

A top U.S. diplomat said North Korea's test has brought China and the United States closer together and both countries want a unified response.

"China has been in a very important relationship with us for many years and at no time did we feel any closer together with China than we felt in the wake of the North Korea provocation," Assistant Secretary of State Christopher Hill told reporters during a meeting of Pacific leaders in Fiji.

"I think the Chinese understand that the North Korean ... decision to proceed with a nuclear weapons program is really something quite beyond the pale and something we need to all speak with one voice about," said Hill, the chief U.S. envoy to six-nation talks on North Korea's nuclear program.

The U.N. resolution gave member countries 30 days from its Oct. 14 adoption to report on implementing the sanctions.

The South Korean panel, which met for the first time Tuesday, also is trying to decide how to handle the interdiction of North Korean cargo ships and what to do about the economic projects that have been criticized for providing hard currency to the North. The United States suspects the funds might have helped the North's arms programs.

One is a tourism program run by South Korea at North Korea's Diamond Mountain and the other is a South Korean-run industrial complex in the North Korean city of Kaesong. The North has received at least $900 million under the projects since the 1990s.

South Korea prizes the projects as symbols of reconciliation and has been unwilling to halt them. But it plans to make adjustments to meet Seoul's requirements under the U.N. sanctions.

Also at issue was whether South Korea would expand its participation in a U.S.-led drive to interdict North Korean ships and aircraft suspected of carrying weapons of mass destruction or related material.

South Korea has been reluctant to participate fully in the Proliferation Security Initiative because of concerns it could lead to clashes with North Korea and undermine efforts to persuade the communist state to give up its nuclear ambitions through diplomacy.

South Korea has only sent observers and attended briefings on the program.

South Korean Unification Minister Lee Jong-seok, a strong supporter of engagement with North Korea, offered to resign Wednesday because of the nuclear test. Critics have accused Lee of being too supportive of North Korea, but even if his resignation is accepted, it is not likely to lead to any immediate change in the South's engagement policy.

Russian President Vladimir Putin, meanwhile, also warned that pressuring the North could backfire.

"One should never lead the situation into an impasse, one should never put one of the negotiating sides in a position from which it virtually has no way out but one: an escalation of the situation," Putin said in televised comments broadcast in Moscow.

A U.S. Embassy In Pyongyang (WSJ)

By Henry S. Rowen

The Wall Street Journal, October 26, 2006

The United Nations sanctions on North Korea are useful, but unless China and South Korea change their policies, these sanctions will not have much effect on Pyongyang's weapons programs. On the contrary, be braced for more North Korean tests.

Beijing, with an assist from Seoul, has been keeping the North on life support. If it saw Pyongyang's programs as seriously damaging to its own interests, it has the means to stop them. While the Chinese say they told Kim Jong Il not to do it, they don't want chaos in North Korea with millions of refugees coming across the border; and they don't want American forces on their border, either. We and the South Koreans urgently need to discuss these matters with the Chinese -- along with the contingency known, colloquially, as "loose nukes."

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A few years ago, some of us thought that Beijing would block the North's nuclear weapons because these programs would put pressure on the Japanese to get weapons of their own. Do the Chinese believe that Japan will get nuclear weapons anyway, or is that they do not care what Tokyo does? It's a puzzle.

There are some coincident, and some conflicting, interests between Washington and Beijing, but there is a larger anomaly: The country with the greatest influence in North Korea is China, while the one most at risk (so we think) is the U.S. A serious divergence of perceived interests here would not be good for either of us. As someone who regards the China-U.S. relationship as basically win-win, it is distressing to contemplate the possibility of members of Congress coming to see China's help to North Korea as supporting a major security threat to the U.S.

South Korea has been part of the problem. Residents of Seoul are ever conscious of their vulnerability to shelling from across the DMZ. Seoul also wants to avoid chaos in the North and is trying to open it up economically and politically. And it sees itself competing with China for influence there. All this has led to large subsidies to the North under its "sunshine policy," without much to show for it. The South supports a regime whose weapons can destroy it and threaten its protector, the U.S. Worse, South Korean President Roh Moo Hyun evidently sees the U.S as more dangerous than the North. There is the potential here for a disastrous breach between Washington and Seoul.

Matters are now in flux. Even before the test, Mr. Roh and his Uri party had become very unpopular. According to a post-test poll by the JoongAng Ilbo daily, 65% of respondents said they favor South Korea getting nuclear weapons and that the policy of engaging the North had failed. These views might not last, but if they persist maybe sunshine subsidies will be cut and support for a South Korean bomb will build.

This situation is now so serious that we and the South Koreans need to work hard to come together. What should we try to accomplish regarding the North's weapons? Having worked on them for over 30 years, getting nuclear weapons seems to be in the North's DNA, although it has been expressed in fits and starts over time. The Kim family's chosen isolation, with attendant poverty and growing military weakness, has made WMDs central to its survival.

These weapons pose two main dangers to us. One is a nuclear attack by the North -- which would result in its destruction. The other, much greater, threat is the sale of weapons materials to anyone who will pay. Therefore, President Bush has said that while the U.S. has no intention of attacking North Korea, "the transfer of nuclear weapons or material . . . to states or non-state entities would be considered a grave threat to the United States and we would hold North Korea fully accountable of the consequences of such action." Think, although not exclusively, of Iran and Hezbollah, with the U.S. and Israel as the prime targets.

Without a change in position by Beijing and Seoul, there is little chance of getting rid of the North's weapons. Another challenge, with better odds, is stopping the completion of the large reactor under construction, that will make much more plutonium available for sale. If it comes into production, we face the daunting task of deterring sales -- a task for which we would need help from many others, including the Chinese, as well as military options. * * *

What about diplomacy? It is elementary that we need both sticks and carrots in such a situation. In 1994, the credible threat of an American attack on its Yongbyon reactor, combined with a package of benefits, produced an agreement that slowed the North's program for nearly a decade. (Though it didn't keep Pyongyang from circumventing it by starting a uranium enrichment effort -- it's that DNA again.)

More immediately relevant sticks include not only the Security Council endorsed sanctions, but also our actions against banks that help the North's counterfeiting and other nefarious financial transactions, as well as our efforts to disrupt sales of drugs and arms. They are good in themselves, and add some muscle to diplomacy.

The Bush administration must find it irritating to be told by such lightweights as Kofi Annan that it should deal directly with Kim Jong Il (although more substantial figures such as James Baker are also saying this). Despite such endorsements, this position should be taken seriously. The administration's stance that the North's neighbors, who are in the six-party talks, should be at the table, is correct but incomplete.

There are two distinct propositions here. One is having diplomatic relations with Pyongyang. We should have them with every state, no matter how evil. We did it with Stalin's Soviet Union, but don't want to with Kim Jong Il's North Korea. An American delegation in Pyongyang might find itself isolated; but it might learn some things, and having a presence in what looks like an inherently unstable country could have a useful payoff if parts start to break loose.

As for one-on-one negotiations, there is a case for naming an experienced political heavyweight as our negotiator (enter the name of your favorite candidate here). Most of the items on the agenda have been around for some time, but it would be foolish to pretend that nothing major has occurred, and that there aren't new items such as the sanctions. This is an unsettled time with dangers and perhaps opportunities. Expectations need to be kept under control, but the game of getting something useful in exchange for giving something should not be scorned.

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Of course, there is the argument that to do such things now signals that any state that sets off a bomb or launches a long-range missile can win recognition from us. Avoiding such awkwardness is a good reason for dealing with everybody in the first place, and, in the present instance, for having skilled diplomats to manage our switch.

Mr. Rowen, senior fellow of the Hoover Institution and director emeritus of Stanford University's Shorenstein Asia Pacific Research Center, was assistant secretary of defense from 1989-91.

Bush Pushes For Trade Agreement (AP-Y)

By Deb Riechmann

AP, October 26, 2006

President Bush and the leader of the Dominican Republic agreed on Wednesday to jump-start a delayed free trade agreement to remove barriers to commerce between the two nations.

In an Oval Office meeting, Bush told Leonel Fernandez, the president of the Caribbean nation, that the United States will implement the Central American Free Trade Agreement as soon as possible.

"To that end, I had my trade minister, Ambassador Susan Schwab here, to make sure that we both heard the message of the president — that this was a very important piece of legislation," Bush said.

The Dominican Republic is one of six Latin American signatories to CAFTA, which is part of the administration's push to strike free trade deals with nations around the world as a way to boost U.S. exports. The free trade agreement has taken effect in Guatemala, Honduras, Nicaragua and El Salvador, but not in Costa Rica or the Dominican Republic.

The pact was supposed to take effect in the Dominican Republic on Jan. 1, but the country has not passed legislation needed to implement parts of the deal. Some of the delays stem from conflicts between U.S. and Dominican intellectual property law, including issues related to pharmaceutical manufacturing.

"We are now in the final phase," Fernandez said. "This is a bill now before our own congress in the Dominican Republic. We are dealing with some minor legal amendments, and our two teams have been working very hard to obtain a speedy implementation."

After the meeting, Fernandez talked with reporters about the open Latin American seat on the U.N. Security Council.

There is a deadlock between Guatemala and Venezuela, which are bidding for the spot, and the Dominican Republic is on a list of compromise candidates. Guatemala has led Venezuela in nearly three dozen rounds of voting, but it can't muster the necessary two-thirds majority in the 192-nation General Assembly to win the seat. Venezuela has refused to withdraw, saying that would mean ceding victory to the United States, which has campaigned against it.

"After 35 consecutive rounds with no result, obviously it's causing a degree of concern," Fernandez told reporters outside the West Wing. "Up to this end, the Dominican Republic was not formally asked to be a candidate. We will be watching how the events evolve in the future."

Putin Promises To Remain Influential (NYT)

By Andrew E. Kramer

The New York Times, October 26, 2006

MOSCOW, Oct. 25 — President Vladimir V. Putin, a former spy who is still popular in Russia after six years in office, said Wednesday that he would continue to “influence the life in our country” after his second term is up in 2008, but that he would not run for president again.

Mr. Putin said he would step down “even though I like my work.” Although a third consecutive term is forbidden under Russia’s 1993 Constitution, his supporters have called for a referendum to do away with that ban.

Though there is much speculation about his future, Mr. Putin did not elaborate during a televised question-and-answer session for Russian citizens.

The town-hall-style show has become an annual tradition in Russian politics under Mr. Putin, at a time when many forms of political expression are no longer possible. He said he used the call-in show to respond directly to voters.

Operators screened roughly a million calls, e-mail and cellphone text messages and passed a few dozen to Mr. Putin to answer during the nearly three-hour program.

Most were bread-and-butter domestic issues, like teachers’ and doctors’ salaries. But he also weighed in on the sexual-assault charges facing Israel’s president and chided North Korea for testing a nuclear device near Russia’s border.

Early on in the program, Arkady Kokayev, a truck driver from the steppe town of Podgornaya-Pokrovka, asked Mr. Putin, “What will happen to us and this country after you leave?”

“Arkady, I think everything will be all right,” Mr. Putin said, striking a folksy tone.

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"As for myself, as I have said, the Constitution — even though I like my work — the Constitution does not give me the right to stand for a third consecutive term," Mr. Putin said.

He went on to say: "I shall be able to retain the most important thing that a man in politics should value: your confidence. And using it, you and I, we shall be able to influence the life in our country."

It was a strong hint that Mr. Putin, who has quashed most dissent here, would remain in politics in some fashion after 2008. Analysts say Mr. Putin has several options, including assuming the leadership of the party he founded, United Russia, becoming speaker of Parliament or the chairman of Gazprom.

Later in the program, Mr. Putin revisited some puzzling, coarse comments he made in a meeting with the Israeli prime minister, Ehud Olmert, last week. A microphone inadvertently left on captured Mr. Putin saying of President Moshe Katsav of Israel, who faces rape and assault charges: "He turned out to be quite a powerful man. He raped 10 women. I never expected it from him. He surprised all of us. We all envy him."

A Kremlin spokesman at the time characterized Mr. Putin's words as a joke that lost its humor in translation. Mr. Putin on Wednesday did not dispute the quotation but suggested that journalists reported a remark not intended to be public.

"In regard to representatives of the press, I can say, as we joked when I worked for an entirely different organization," Mr. Putin said in reference to his time at the K.G.B., "they were sent to peek but eavesdropped instead. It's not proper."

Mr. Putin condemned violence against women, but said that "The Israeli instance is special" and ventured that it was a form of political fallout after the war in Lebanon this summer.

"In my view, and many experts agree with me, a significant part of Israeli society was not satisfied with their leadership's action in the Lebanon conflict," Mr. Putin said. "Using instruments like defense of women's rights to solve unrelated political questions is unacceptable."

On other foreign policy matters, Mr. Putin criticized North Korea for testing a nuclear device about 100 miles from the Russian border, but he assured Russians that the prevailing winds in North Korea blew out to sea.

On Georgia, he said that Russia recognized its territorial integrity but noted that two separatist regions, South Ossetia and Abkhazia, were not historically part of Georgia when that country was annexed by the Russian empire. He said Georgia's attempts to regain control would lead to "bloodshed."

Mr. Putin demonstrated his trademark command of details and numbers. He said that Russia's economy was growing at a fast clip — 6.6 percent so far this year — but that it had failed to diversify away from dependence on oil and gas.

He also vowed to solve a string of recent contract murders, including the slaying of Anna Politkovskaya, an investigative journalist. He said, however, that murder for hire, the ultimate Russian system of settling disputes, had declined under his watch as the authorities became more successful at solving the crimes.

Putin Says He'll Retain Influence In Russia After Term Ends In '08 (WP)

By Peter Finn

The Washington Post, October 26, 2006

MOSCOW, Oct. 25 -- With his trademark indefatigability and command of detail, President Vladimir Putin fielded questions from Russians for nearly three hours Wednesday in an annual televised session that has become a ritual of presidential stagecraft here.

Putin, who has sworn off amending the constitution to allow himself a third term, reiterated his determination to step down in 2008 but said he would continue to influence the country's direction.

"Even having lost the powers and the levers of presidential power and not tailoring the basic law according to my personal interests, I will manage to retain the most important thing that a person involved in politics must cherish -- your trust," Putin said. "And using that, you and I will be able to exert influence on the life of our country and guarantee its development."

Each year, Russians are invited to send in questions by e-mail, phone and text message for Putin to answer, and this year more than 2 million questions poured in. Putin selects some questions, and others are chosen by the two national television stations that broadcast the event. People from across Russia also pose questions live.

The session reinforces the popular perception here of Putin as an open, capable and responsive leader. The latest opinion poll by the independent Levada Center gave the president a 77 percent approval rating.

Many questions dealt with local or bread-and-butter issues, and Putin, speaking directly into the camera without notes, cited one fact or statistic after another to highlight progress in areas from medical care to road-building. Answering a question about the poor quality of roads in Russia's Far East, for instance, he recalled that a black gravel layer was being laid on the Chita-Khabarovsk highway and that an asphalt layer would be finished by 2010.

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On Georgia, Putin said Russia's policies toward its southern neighbor were primarily motivated by a desire to prevent bloodshed over the status of two breakaway regions of Georgia that are seeking independence. Georgia has accused Russia of fueling separatism in those zones.

Putin condemned the targeting of Georgians living here by Russian law enforcement agencies, which a Russian television anchor called a "hunt" after reports that police were demanding lists of schoolchildren with Georgian names.

"You know the Russian saying, 'Make a fool pray to God, and he will smash his head praying,' " Putin said. "I cannot approve of selective actions on ethnic grounds. On the contrary, I am calling on all law enforcement bodies and administrative bodies to refrain from such actions."

Human rights groups have charged that Putin inflamed passions here when he said that wholesale markets, where many members of ethnic minorities work, should be monitored "to protect the interests of Russian producers and population, the native Russian population."

Putin said contract killings, the bane of Russian life in the 1990s, had declined in recent years, despite the murders in the past two months of a central banker, a leading journalist and a mayoral candidate.

"The obligation of the state is to bring any such investigation to the end. This concerns the killings of mass media representatives and killings in the economic sphere," Putin said.

Putin also said jocular comments he made about allegations that Israeli President Moshe Katsav had raped 10 women were reported by journalists who "were already leaving the room and heard only dimly what was said about it and then they started speculating on the topic." He said he condemns violence against women.

During a meeting with Israeli Prime Minister Ehud Olmert last week, Putin was reported by the Russian newspaper Kommersant to have said: "Greetings to your president. What a powerful man he turns out to be! He raped 10 women. I would never have expected this from him. He surprised us all. We all envy him."

On Wednesday, Putin said: "Ten women announced there that the president had raped them, and corruption allegations have recently been leveled at the prime minister. In my view, this can be explained by the fact that a significant number of Israelis are dissatisfied with their leadership's actions in the conflict with Lebanon."

As for the journalists who overheard him, Putin, a former KGB officer, said: "I could tell you a joke that we used when I worked in an absolutely different outfit: They were sent to keep an eye on us, and instead they are eavesdropping on us. It's a shame."

Putin Hints At His Political Future (FT)

By Neil Buckley In Moscow

Financial Times, October 26, 2006

Vladimir Putin, Russian president, said on Wednesday he would retain influence in the country even after he steps down as president in 2008, hinting at a possible continuing political role.

Answering Russian viewers' questions during a three-hour TV phone-in, Mr Putin reiterated that he would not seek to change the constitution to enable him to stand for a third presidential term "even though I like the job".

"But even when I no longer have governing power and the levers of presidential rule, I think that, without adjusting the fundamental law to my personal interests, I will be able to keep your trust," he told a questioner from southern Russia. "And, using that, we will together be able to influence life in our country, guarantee its further development, and exert influence on what happens in Russia."

Mr Putin still enjoys 75 per cent approval ratings after six years as president and will be only 55 when he steps down. Analysts said his comments suggested he might aspire to the kind of guiding role Deng Ziaoping played in China from the late 1970s to the early 1990s.

Vyacheslav Nikonov, a political consultant close to the Kremlin, noted on Russia Today news channel the constitution would allow Mr Putin to stand for president in 2012 after a four-year break.

"He can be a politician for quite a while, like Winston Churchill, for example, who was the leading politician in Britain for half a century, coming back and forth ... or comrade Deng Xiaoping," Mr Nikonov said.

Mr Putin told reporters after the broadcast he would name a suggested successor in due course but "the Russian people must decide who is the strongest candidate".

Speculation centres on two deputy prime ministers – Dmitry Medvedev, who heads several multi-billion dollar social development programmes, and Sergei Ivanov, defence minister – as likely successors. But analysts believe a dark horse candidate could emerge, such as Vladimir Yakunin, head of Russian railways and a friend of the president.

Much of Mr Putin's annual phone-in was devoted to domestic policy, with the president highlighting Russia's continued strong economic growth, forecast at 6.6 per cent this year. But venturing into foreign policy, Mr Putin insisted Russia's

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suspension of transport links with neighbouring Georgia was not a punishment for the former Soviet republic's ambitions to join Nato.

He said Moscow's actions were aimed at ensuring Georgia did not try to use military force to regain control of two Russian-backed separatist regions, South Ossetia and Abkhazia.

Putin Vows Not To Seek 3rd Term (WT/AP)

By Henry Meyer

The Washington Times, October 26, 2006

MOSCOW -- President Vladimir Putin reaffirmed yesterday that he would not try to run for another term but said he would retain influence over Russia even after leaving office in 2008.

The immensely popular Mr. Putin is constitutionally barred from seeking a third consecutive term, but supporters have called for a referendum to amend the country's laws to allow him to stay in power.

"Despite the fact that I like my job, the constitution doesn't allow me to run a third time in a row," Mr. Putin said during a nationally televised question-and-answer session.

With his popularity high, Mr. Putin sees the session -- his fifth since taking office in 2000 -- as an opportunity to show that he can respond directly to voters' concerns. He said the trust that Russians have in him will allow him to keep influencing the country after his presidency.

"Even having lost the powers and the levers of presidential power and not tailoring the basic law according to my personal interests, I will manage to retain the most important thing that a person involved in politics must cherish -- your trust," he said. "And using that, you and I will be able to exert influence on the life of our country and guarantee its development."

After the question-and-answer session, Russian news agencies quoted Mr. Putin as telling reporters that he was not prepared to name his successor but that when he was, he would make his choice known through the press.

Speculation on the successor is focused on Defense Minister Sergey Ivanov and Deputy Prime Minister Dmitry Medvedev.

The Russian leader also hailed the oil-rich country's robust economic growth rate of about 7 percent and vowed that the killers of a top Central Bank regulator and a well-known investigative journalist would be brought to justice.

During the broadcast, Mr. Putin reeled off statistics, chided North Korea for its nuclear test, pledged to protect agricultural producers and vowed that his government would strictly monitor all companies, including foreign ones, for environmental violations.

Dressed in a dark blue suit and striped tie and seated at a rectangular table, the Russian president gestured and pointed as he fielded questions, as if giving a lecture.

The killings of Central Bank regulator Andrei Kozlov and investigative journalist Anna Politkovskaya have stoked fears that Russia is returning to the violence of the 1990s, when business disputes were commonly resolved through shootings and bombings.

Mr. Putin said that contract killings had declined in recent years and that authorities were becoming more successful in cracking down on financial crimes.

He answered questions posed by correspondents from the state-run television network speaking for small crowds in cities across the vast country, as well as questions sent via phone, e-mail and text messaging.

It was impossible to tell whether the questions were arranged in advance or questioners coached. During past question-and-answer sessions, critics said authorities and state television reporters screened questions and selected audiences to go live with Mr. Putin.

Putin Suggests He Will Remain A Force After Leaving Office (LAT)

By David Holley

The Los Angeles Times, October 26, 2006

Russian President Vladimir V. Putin on Wednesday reaffirmed his intention to leave office in 2008 at the end of his second term as required by the constitution, but suggested that he might continue to wield influence.

The Russian leader's comment was taken by some observers as an indication that he might seek to exercise power from another position, such as prime minister, or that he envisioned a role such as that played by Deng Xiaoping after the late Chinese leader retired from his official positions.

Putin's statement came during a live, nationally televised session of nearly three hours during which he took more than 50 citizens' questions, submitted via telephone, video feed, the Internet and text message. The annual event has become a key means for Putin to project an image as a leader responsive to his people.

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"Although I like my job, the constitution denies me the right to run for a third term in succession," Putin said in response to a question about Russia's fate after he leaves office.

"But even when I no longer have governing power and the levers of presidential rule," he continued, "I think that without adjusting the fundamental law to my personal interests, I will be able to keep the most important thing that anyone engaged in politics should cherish: that is, your trust. And using that, together we will be able to influence life in our country so as to guarantee its progress and exert influence on what is happening in Russia."

Liliya Shevtsova, an analyst at the Carnegie Moscow Center, said she interpreted Putin's remarks as an indication that he was "seriously pondering" an attempt to move into a kind of unofficial paramount leader role modeled after Deng.

"The way I understood him, he doesn't want to become a party leader, a constitutional court chairman or parliamentary speaker," she said. "He knows that all these positions in today's Russia are miniature compared to the presidency. That is why he is really thinking about laying down a new tradition in the style of Deng Xiaoping."

In his wide-ranging comments, Putin also defended a rapid increase in Russian military spending, implicitly criticized U.S. handling of nuclear negotiations with North Korea and warned Georgia not to try to regain control of two pro-Russian separatist regions through use of force. He expressed satisfaction with the state of Russia's economy, which has averaged about 7% annual growth since he took office in 2000, and said the country must reduce the gap between rich and poor.

Although the annual event is designed to give some appearance of spontaneity, critics say it is stage-managed to present Putin in the best possible light.

Some questions posed via Internet and cellphone messages were presented by the studio hosts, and others chosen earlier and read by Putin himself. They were among more than 2 million questions that were submitted, organizers said.

The questions via video feed came from small groups of people gathered in village or city squares around the country, together with correspondents. Some correspondents made comments implying that questioners had not been pre-selected, then walked straight to some individuals to give them the microphone. Questions dealt with everything from international relations and domestic policy to concerns about crime, gambling and education.

"Putin quite confidently played the role of 'the good czar,' " said Mikhail G. Delyagin, chairman of the Institute of Globalization Studies, a Moscow think tank. "In conditions where democracy in Russia is curbed in many aspects, Putin talks directly to the people, as if asking, 'What lack of democracy?' And people must accept this as proof of real democracy, and another proof that no one in the foreseeable future can run this country better than Putin."

One questioner asked why the country had boosted military spending. "Who are we going to fight against?" she asked. "Our relations with the United States are good, aren't they?"

Putin first replied that "it is hard to please everybody" because in previous events of this nature he was asked why Russia wasn't paying more attention to its army. He went on to say that the military budget is now 3.5 times what it was in 2000, but that American defense spending is 25 times that of Russia.

Putin said Russia was secure despite spending much less than the U.S. and China, mainly because of military technology retained from Soviet times.

Asked about North Korea's Oct. 9 test of a nuclear device, Putin cited Russia's support for a United Nations resolution condemning the test, and described the Pyongyang government's action as "impermissible." But he also took an apparent jab at Washington, suggesting it had taken too tough a stance in negotiations.

The international community should try to understand why the nuclear test occurred, Putin said.

"I think one of the reasons is that far from all the participants in the negotiating process were able to find the right tone during those talks," he continued, in apparent reference to the U.S. and some other participants in six-party talks that include Russia, China, Japan, South Korea and North Korea.

"One should never drive the situation into an impasse," he said. "No party should ever be put in such a situation where the only way out is the aggravation of tensions."

North Korea is now signaling its readiness to return to the negotiating table provided that its national security interests and ability to develop civilian nuclear power are ensured, Putin said.

Vote For Security Council Seat Stalled (AP)

By Edith M. Lederer

AP, October 26, 2006

The vote has been repeated — over and over, 41 times — and with each count, there is no winner in the diplomatic battle over Latin America's seat on the U.N. Security Council.

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The two contenders — U.S.-backed Guatemala and Venezuela, led by its fiercely anti-American President Hugo Chavez — refuse to budge, though it has been clear since the early ballots that neither can gain the needed two-thirds support in the 192-nation U.N. General Assembly.

Frustrated diplomats from Latin America and the Caribbean met Wednesday, hoping to find a solution that would avoid another fruitless confrontation in the General Assembly.

But Ecuador's U.N. Ambassador Diego Cordovez, who chairs the 34-nation regional group, reported there was no imminent solution. Wednesday afternoon's voting, he said, would have to go ahead.

It did, for six rounds, and mirrored previous results: Guatemala led Venezuela but couldn't win a two-thirds majority. Voting resumes on Thursday.

Cordovez said, however, there is hope a solution may be found.

He held talks with the Guatemalan and Venezuelan ambassadors "in a very good atmosphere," and he said negotiations will continue Thursday with the foreign ministers of both countries.

"My expectation is that we are going to have — perhaps not tomorrow because these are very difficult things — but that we are going to have an agreement," Cordovez said.

He said that agreement would indicate what both countries are going to do themselves and a decision on a compromise candidate.

Mexico's U.N. Ambassador Enrique Berruga said he was "hopeful more than optimistic" that the two foreign ministers will come up with a quick solution. That's because of "their entrenched positions," with each saying "no you quit first," he said.

"Our expectation is that they can come to an agreement — and that that agreement is the way forward," he said after Wednesday's voting in which Guatemala received between 100 and 109 votes while Venezuela got between 72 and 84 votes.

Berruga outlined three scenarios: that one of the two countries withdraws in favor of the other, that both quit and recommend a compromise candidate be adopted by consensus, or that both agree to quit but pass the ball on choosing a third candidate to the Latin American and Caribbean Group.

Venezuela's U.N. Ambassador Francisco Arias Cardenas said he expects that out of the foreign ministers' meeting "will come positive agreement that will facilitate a dignified and constructive solution."

Many U.N. members — not just the Latin Americans — hope that proves to be true.

The Guatemala-Venezuela voting is already the third longest in the U.N.'s 61-year history.

The second highest number of ballots was 52, set in 1960. After that, the General Assembly agreed to allow Poland and Turkey to serve on the council for one year each.

The record number is 155 rounds of voting, set in 1980. The General Assembly gave up on Cuba and Colombia after 154 rounds, and chose Mexico on the 155th, in early January of that year.

Brazil's U.N. Ambassador Ronaldo Mota Sardenberg said the message at the closed-door meeting was that the group needs to reach agreement on a candidate for the Security Council.

"We encouraged them to reach a solution quickly," he said, expressing hope that the Venezuelan and Guatemalan foreign ministers "will achieve some kind of a consensus."

"If they do, our group then can go for a consensus — can adopt a consensual solution," he said. "But first we need them — the two of them — to get together and present a name, present the name of a country."

Sardenberg said Brazil — which has been mentioned along with Bolivia, Costa Rica, Uruguay, Chile and others as a possible third option — "is not a candidate and we are ready to join any consensus."

Venezuela proposed Bolivia as an alternative in hopes of breaking the deadlock.

That nation said it would agree to be a candidate if it helped reach a consensus. But it remains to be seen if other nations in the region would agree on Bolivia, whose President Evo Morales is among Chavez's closest allies.

Venezuela's Arias Cardenas told Venezuelan radio network FFF that he understood Guatemala has suggested Costa Rica as an option.

But Guatemalan Foreign Minister Gert Rosenthal denied that, saying: "We've never proposed an alternative country."

Mexico's Berruga said Latin America needs to establish a system to avoid future diplomatic battles over seats on the U.N.'s most powerful body.

He said he also feels "a little bit ashamed because ... we're paralyzing the work of the General Assembly with this exercise" when there are pressing global issues to tackle.

Venezuela Would Back Bolivia For UN Security Seat (FT)

By Andy Webb-vidal In Caracas

Financial Times, October 26, 2006

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Venezuela and Guatemala on Wednesday appeared ready to agree to find a consensus candidate to fill a temporary seat on the United Nations Security Council after a 40th round of voting failed to break a week-long diplomatic deadlock.

Neither of the two countries has been able to secure the two-thirds majority needed to win one of the two seats on the council allotted to a Latin American government since voting sessions began in the General Assembly last week.

However, Guatemala, which is strongly backed by the US, has led Venezuela in all but one of the voting rounds by a consistent margin of around 30 votes. Wednesday's final ballot left Guatemala with 105 votes and Venezuela with 78.

President Hugo Chávez conceded on Wednesday that his government had virtually no chance of being able to win the seat, but he claimed to have captured the moral high ground in his ongoing sparring effort with Washington.

"It's going to be very difficult for us to win two-thirds of the vote," Mr Chávez said. "But we have achieved a great moral victory that no-one can take away from us."

The ongoing stalemate has markedly increased the chances that Latin American diplomats will now search for a consensus nation to resolve the impasse.

Uruguay and the Dominican Republic have been repeatedly rumoured as potential candidates.

Earlier yesterday, Nicolás Maduro, the Venezuelan foreign minister, said that while Caracas would not yet step down, it would back Bolivia as a consensus candidate if Guatemala first withdrew its bid.

"We are maintaining our candidature . . . [but] we are open to dialogue," Mr Maduro said. "The candidature of Bolivia is on the table, and to us it looks like an option."

In an unexpected turn on Tuesday, Bolivian president Evo Morales said that Mr Chávez had called him to say that Caracas would back La Paz.

"Chávez said he will leave the candidature to Bolivia," he said.

But what level of diplomatic backing Bolivia would garner as a Latin American consensus candidate for the council seat was not immediately clear on Wednesday.

Mr Morales is a close political ally of Mr Chávez, an alliance that would likely leave Bolivia open to accusations that its candidature would be politically influenced by Caracas.

Venezuela meanwhile has repeatedly accused Guatemala of being under the political tutelage of Washington.

John Bolton, the US ambassador to the UN, was last week actively lobbying to block the bid by Caracas, Venezuelan diplomats have said.

The Security Council seat will be vacated by Argentina at the end of year. Peru currently holds the other Latin American seat.

After 41 U.N. Ballots, Venezuela-Guatemala Logjam Persists (NYT)

By Warren Hoge

The New York Times, October 26, 2006

UNITED NATIONS, Oct. 25 — Venezuela and Guatemala on Wednesday were unable to break the stalemate over which Latin American country should join the Security Council next year, and the General Assembly completed its 41st round of inconclusive balloting on the issue.

Diplomats expressed hope that a meeting in New York on Thursday between the foreign ministers of the countries, Gert Rosenthal of Guatemala and Nicolas Maduro of Venezuela, could lead to the choice of a compromise candidate.

"Any consensus of the Latin American-Caribbean group depends upon agreement between the two candidates, and that is why the meeting of the candidates' foreign ministers tomorrow is so important," said Heraldo Muñoz, the ambassador of Chile.

The decision to resume voting on the issue was made after the ambassadors of the two countries, Jorge Skinner-Klée of Guatemala and Francisco Arias Cárdenas of Venezuela, failed to reach any agreement in a meeting held in the mission of Ecuador, which is the current president of the 33-nation Latin American and Caribbean group.

The two countries are competing for the two-year term seat being vacated by Argentina.

United Nations rules allow for indefinite voting, and the General Assembly announced Wednesday evening that it had provisionally set aside time for additional ballots through the middle of November.

Venezuela has conducted a global campaign for the position, which the country's United States-baiting president, Hugo Chávez, has said he would devote to trying to shift the balance of power at the United Nations toward the poor countries of the developing world.

But Venezuela has failed to rally those countries, which are in a majority at the United Nations, and performed unexpectedly badly.

The United States has simultaneously lobbied vigorously against Venezuela.

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In the six rounds of balloting on Wednesday, Guatemala averaged 104 votes and Venezuela averaged 79, much the same outcome as after last week's 35 rounds of voting. A two-thirds majority of those voting and not abstaining, or roughly 124, is needed to win.

Both countries have said they will talk about the possibility of leaving the race in favor of a compromise candidate, but each has said it will not be the first to quit.

Guatemala argues that as the leader, it should not be obliged to step aside. Venezuela says giving up would hand a victory to the United States.

Venezuela has put forward Bolivia as a substitute, but Guatemala has made it clear the choice is unacceptable. Bolivia's president, Evo Morales, is a close ally of Mr. Chávez, whom he calls "comandante." In a speech in Caracas on Wednesday, Mr. Chávez referred to Mr. Morales as "comrade."

Other countries mentioned as possible third candidates are Costa Rica, Chile, Uruguay, Paraguay, the Dominican Republic and Panama.

Concerns Accompany U.S. Support For Uribe (WP)

By Juan Forero

The Washington Post, October 26, 2006

BOGOTA, Colombia, Oct. 25 -- Beyond the hearty handshakes, a high-level U.S. delegation that visited here this week raised concerns with President Ã lvaro Uribe's government about human rights abuses by the army and about the scandal-plagued effort to disarm paramilitary groups.

R. Nicholas Burns, undersecretary of state for political affairs, led 15 Bush administration officials from six agencies for meetings with virtually every top Colombian ministry. In reiterating support for Uribe, whose government receives more U.S. assistance than any country outside the Middle East, Burns told the Colombians that Washington would continue providing about $600 million a year through 2008 for programs from aerial fumigation of drug crops to training of the army.

But the delegation's two-day mission, which ended Wednesday, also confronted a string of reports that Colombia's army has been embroiled in drug-related scandals and murdered dozens of peasant farmers, only to pass them off as dead guerrillas.

"They're concerned that these issues haven't been resolved, that they continue to draw criticism from human rights groups, from the United Nations and presumably from some of their own diplomats," said Mark Schneider, senior vice president of the International Crisis Group, a policy analysis organization that regularly assesses the Colombian conflict.

"They're not blind to what's going on," said Schneider, who met with Burns on Monday in Washington before the diplomat left for Colombia.

In one particularly disturbing episode earlier this year, an army patrol with suspected ties to cocaine traffickers ambushed and killed 10 members of an elite anti-narcotics police unit trained by U.S. officials. Colombia's intelligence service is also trying to reform itself after allegations that rogue agents collaborated with paramilitary members to assassinate leftist union activists and provided secret information to drug traffickers.

The State Department has been concerned by reports that paramilitary commanders, despite having ostensibly laid down their arms, are killing hundreds of civilians while infiltrating government institutions. On Tuesday, two Colombian senators and a congressman were forced to give depositions at the Supreme Court after they were accused of working with paramilitary units.

In meetings with reporters on Tuesday, Burns stressed that U.S. support remains unwavering for Uribe and his "democratic security" policies, which are designed to take back a once-chaotic country from Marxist rebels, paramilitary groups and drug traffickers.

"But it is also true that there are big concerns raised about possible human rights violations," Burns said. "We are a friend of Colombia, and so, of course, we raise these issues."

The visit by the delegation, considered the highest-level visit by U.S. officials in years, occurred as Uribe's governing coalition has been hobbled by infighting and by concern that Marxist rebels remain a potent force. Last week, a powerful car bomb was set off inside one of the army's most important bases. That infuriated Uribe, who blamed leftist guerrillas and immediately cut off talks that could have led the rebels to release dozens of captives, including three Americans.

Despite the setbacks, the White House considers Uribe, who was reelected to a second four-year term in May, a stabilizing force and a Latin American success story.

Colombia was on the brink of calamity four years ago, but violence is decreasing and the economy is growing stronger. Nearly 400 drug traffickers have been extradited to the United States under Uribe's government, and the country is now considered a linchpin in an unstable region marked by rising populism and deepening poverty.

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Still, some U.S. legislators, even supporters of Uribe, are increasingly pushing for better results. After providing more than $4 billion in aid, most of it for military and anti-drug programs, U.S. policymakers are concerned that as much coca is being cultivated in Colombia now as when aerial spraying of the drug crop began six years ago.

The message was increasingly pressed upon Burns and other State Department officials before his visit, said human rights activists, congressional aides and others who met with him recently.

"We've given them $4 billion since 1999, and there were people from Congress who felt that it would lead to more dramatic results," said Myles Frechette, a former U.S. ambassador here who remains in close contact with American diplomats.

"Congress has given this money, and things are not working the way they're supposed to work," said Frechette, who despite the criticism counts himself as a backer of Uribe.

Burns stressed that in Washington he had met with Human Rights Watch and the International Crisis Group, both of which have been critical of Uribe's policies. He also said on Tuesday that he had meetings scheduled with Colombian human rights groups.

"He knows the situation is not what it should be, given the huge financial investment the U.S. has made," said Tim Rieser, foreign policy aide to Sen. Patrick J. Leahy (D-Vt.), ranking member of the Appropriations subcommittee on foreign operations. "There's been a lot of criticism, and they recognize there are problems that need to be dealt with."

The International Crisis Group, which issued a report last week on Colombia, says it is crucial for the country to focus more of its resources on creating a functioning state in rural areas where armed groups often hold sway. After providing billions in aid, Schneider said, many in the U.S. Congress would like to see the Uribe government generate more of its own resources toward the effort.

"There are a lot of lawmakers at the Capitol who are concerned that Colombian taxpayers are not making the same sacrifice that American taxpayers have made to provide foreign assistance to Colombia," he said.

Nicaragua To Join Nations Banning All Abortions (LAT)

By Hector Tobar

The Los Angeles Times, October 26, 2006

MEXICO CITY — Nicaragua's legislature Thursday is expected to approve a law that outlaws all forms of abortion, including those procedures intended to save the life of a pregnant mother.

The measure has been supported by most major political parties, heading into the Nov. 5 presidential election, as they seek to win over voters in this overwhelmingly Catholic country. Leaders of the Roman Catholic Church helped draft the bill and have mobilized followers to support it.

Medical associations in Nicaragua and international human-rights groups have strongly criticized the proposal.

Since the late 1980s,Latin America's El Salvador and Chile have adopted similar measures. At least 34 countries, mostly in Africa and the Middle East, prohibit all abortions, without exception, according to the Center for Reproductive Rights, a nonprofit advocacy group based in New York.

The law would establish prison sentences of 6 to 30 years for women who abort their pregnancies and the doctors who perform the procedure.

Leaders of the leftist Sandinista National Liberation Front and the ruling right-wing Liberal Alliance have said their representatives would vote for the proposal. The two groups control all but one of the seats in the 92-member legislature.

"The current law allows a small door in which abortions can be performed, and we are trying to close that door," said Dr. Rafael Cabrera, an obstetrician and leader of the Yes to Life Movement. "We don't believe a child should be destroyed under the pretext that a woman might die."

Cabrera and other backers of the law argue that medical science has advanced sufficiently to allow doctors to bring a fetus to the point of viability without endangering a woman's life.

But doctors with the Nicaraguan Society of Gynecology and Obstetrics told a Managua news conference Tuesday that the measure would endanger the lives of women and make doctors reluctant to perform life-saving procedures.

"When a woman arrives at a hospital with vaginal bleeding ... we're going to be afraid to do anything," society president Efrain Toruno said, according to the newspaper El Nuevo Diario. "If we treat her we could be prosecuted, and if we don't we could also be prosecuted."

Women's groups in Nicaragua charge the proposed law is a cynical pre-election ploy that panders to the influence of the Roman Catholic Church. The text of the law, they point out, is almost identical to a church proposal drafted earlier this year.

Outgoing President Bolanos fast-tracked the bill, using his authority to present emergency legislation to the National Assembly.

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"The worst message of this proposed law is that the lives of women don't matter to this president, or to the government or the church," said Marta Maria Blandon, Central American Director of Ipas, a U.S.-based reproductive rights group.

Ipas estimates that 32,000 illegal abortions are performed in Nicaragua each year, many under unsafe conditions. Only 24 abortions authorized by law have been performed in Nicaragua in the past three years.

In 2004, a 9-year-old rape victim received an abortion under the current law's provisions.

Nearly all Latin American countries outlaw abortion, but most, including Nicaragua, allow the procedure in cases of rape and to preserve the life of the mother. Many countries, including Mexico, are working to make abortion more accessible to women who qualify for such exceptions.

Jose Maria Vivanco, Americas director of the U.S.-based Human Rights Watch, said the law could.

With Beheadings, Drug Gangs Terrorize Mexico (NYT)

By James C. Mckinley Jr.

The New York Times, October 26, 2006

URUAPAN, Mexico — Norteño music was blaring at the Sol y Sombra bar on Sept. 6 when several men in military garb broke up the late night party. Waving high-powered machine guns, they screamed at the crowd to stay put and then dumped the contents of a heavy plastic bag on the dance floor.

Five human heads rolled to a bloody stop.

“This is not something you see every day,” said a bartender, who asked not to be named for fear of losing his own head. “Very ugly.”

An underworld war between drug gangs is raging in Mexico, medieval in its barbarity, its foot soldiers operating with little fear of interference from the police, its scope and brutality unprecedented, even in a country accustomed to high levels of drug violence.

In recent months the violence has included a total of two dozen beheadings, a raid on a local police station by men with grenades and a bazooka, and daytime kidnappings of top law enforcement officials. At least 123 law enforcement officials, among them 2 judges and 3 prosecutors, have been gunned down or tortured to death. Five police officers were among those beheaded.

In all, the violence has claimed more than 1,700 civilian lives this year, and federal officials say the killings are on course to top the estimated 1,800 underworld killings last year. Those death tolls compare with 1,304 in 2004 and 1,080 in 2001, these officials say.

Mexico’s law enforcement officials maintain that the violence is a sign that they have made progress dismantling the major organized crime families in the country. The arrests of several drug cartel leaders and their top lieutenants have set off a violent struggle among second-rank mobsters for trade routes, federal prosecutors say. The old order has been fractured, and the remaining drug dealers are killing one another or making new alliances.

“These alliances are happening because none of the organizations can control, on its own, the territory it used to control, and that speaks to the crisis that they are in,” said José Luis Santiago Vasconcelos, the top federal prosecutor for organized crime.

Attorney General Daniel Cabeza de Vaca said a steadily rising tide of drug addiction within Mexico had spurred some of the murders, as dealers fought for local markets. At the same time, more and more honest police officers are trying to enforce the law rather than turn a blind eye to drug traffickers, often paying with their lives, prosecutors say.

But those assessments, other authorities say, are overly rosy and may explain only part of the picture. Some experts say the Mexican police forces, weakened by corruption and cowed by assassinations, are simply not up to the task of countering the underworld feuds unleashed by the arrests of cartel leaders over the last six years.

Many of the dead made their living in the drug trade and perished in a larger struggle for territory between a federation of cartels based in Sinaloa, on the Pacific Ocean, and the Gulf Cartel from the northeastern state of Tamaulipas, federal prosecutors say.

The five men beheaded in Uruapan, in Michoacán, were street-level methamphetamine dealers, addicted themselves to the synthetic drug. They were linked loosely to the Valencia family, which once controlled most of the drug trade in the state and is a part of the Sinaloa group, the police say. The killers came from a gang called The Family, believed to be allied with the Gulf Cartel.

A day before, the killers had kidnapped the five men from a mechanic’s shop they had been using as a front for selling “ice,” as crystal methamphetamine is called on the street. They sawed their victims’ heads off with a bowie knife while they were still alive shortly before going to the bar, law enforcement officials said.

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"You don't do something like that unless you want to send a big message," said one United States law enforcement official here, speaking on the condition of anonymity.

The beheadings, in fact, have become a signature form of intimidation aimed at both criminal rivals and federal and local authorities. In the tourist town of Acapulco, killers from one drug gang decapitated the commander of a special strike force, Mario Núñez Magaña, in April, along with one of his agents, Jesús Alberto Ibarra Velázquez.

They jammed the heads in a fence in front of the municipal police station. "So you will learn to respect," said a red note next to them.

"This year has been one to forget, a black year," said Jorge Valdez, a spokesman for the Acapulco police. "It's the most violent year in the last 50 years, and the acts are barbaric, bloody, with no trace of humanity."

The violence is by no means limited to Acapulco. In mid-July, about 15 gunmen attacked a small-town police station in Tabasco State at dawn with grenades, a bazooka and machine guns in an attempt to liberate two of their gang members, who were arrested after a bar fight the night before.

Two police officers died in the assault. The authorities said the attackers were dressed in the commando outfits of federal agents and belonged to the Zetas, former soldiers who work for the Gulf Cartel.

One reason for the wave of law enforcement killings is that the Mexican police do a poor job of protecting their own. Arrests have been made in only a handful of the assassinations of police officers this year. The overwhelming majority remain unsolved because witnesses fear testifying against drug traffickers. Even seasoned investigators are afraid to dig too deep into the murders.

"There is an atmosphere that affects us, of distrust, of terror inside the police force," said Jesús Alemán del Carmen, the head of the state police in Guerrero, where 22 law enforcement officials have been brutally assassinated this year.

One of the officers killed was Gonzalo Domínguez Díaz, the state police commander in Pátzcuaro, Michoacán. In February, he received a death threat from a local businessman who law enforcement officials say has links to the Valencia crime family.

The threat came just minutes after Commander Domínguez arrested two men on weapons possession charges. He arrived home that night pale and shaken, said his widow, Fanny Carranza Domínguez. His anxiety grew over time, after prosecutors released the men he had arrested, for a lack of evidence, his wife said.

In early May, he told his wife that he had heard on the street that gunmen were looking for him. "He said, 'I know that if I arrest them I am risking my life,' " she recalled. " 'I bring them to the capital, and they let them go.' "

On May 8, a car cut off Commander Domínguez's police car as he was driving home alone about 6:30 p.m. Within minutes, he was shot point blank in the head with a 12-gauge shotgun and twice in the chest with an AK-47. He never unholstered his sidearm. So far, prosecutors have made no progress in solving his murder. He was 47, the father of three.

"I think the commanders that haven't been killed are in the game, and the ones that have been killed, it is because they attacked crime," Mrs. Carranza Domínguez said.

"The prosecutor seems asleep here," she added. "He doesn't do anything but collect his salary and go home."

Commander Domínguez was one of 16 state and federal police commanders assassinated this year across Mexico, along with 2 judges handling drug cases and 2 federal prosecutors. Local police chiefs have also been targets. Eight have been murdered, most of them in Michoacán.

Most were ambushed in their cars or outside their homes by men with machine guns. A few were kidnapped by men posing as federal agents. In these cases, the bodies were found later, shot full of holes, often showing signs of torture.

Commander Cándido Vargas, 40, the second in command of the state police in Uruapan, died that way in August. Prosecutors say he was walking to his car when he was surrounded by about 15 heavily armed men dressed in black commando outfits like those used by federal agents. It was 3:30 in the afternoon, and he was just 100 yards from the police headquarters.

The men hustled him into one of their vehicles and sped off. He was found the next day on a nearby ranch, shot 25 times. A sign next to his body read: "For playing with two bands."

No one from the police department visited his wife and three children, who live in another town, to tell them of his death. "We found out through the newspaper," said Paula Vargas, his wife of 23 years. "It was as if the whole world fell down on me."

The state prosecutor in Uruapan, Ramón Ponce, says he has found no evidence of Commander Vargas's being corrupt. Neither does he have any leads, he said. "The atmosphere is very tense," Mr. Ponce said. "It's very difficult."

While attacks on the police have risen, they have been far outpaced by grisly gangland killings. In Michoacán, The Family is believed to be responsible for the beheadings of a dozen people besides the ones they delivered to the Sol y Sombra bar. The heads have often been accompanied by cryptic messages declaring the killings divine justice, accusing the victims of crimes, or daring their rivals to send more henchmen.

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Nearly every day, new victims are found in states along the major drug shipment routes, especially Quintana Roo, Michoacán, Guerrero, Tamaulipas and Baja California. Most are bound, gagged and shot to death, their bodies dumped on lonely roads.

In the towns hardest hit by the gangland warfare, the fear is palpable. For two years now, Nuevo Laredo has been the main battleground for a fight between gunmen loyal to Joaquín (Chapo) Guzmán of Sinaloa and the remnants of the Gulf Cartel, whose leader, Osiel Cárdenas, is in prison awaiting trial.

"I wouldn't be human if I said I wasn't afraid," acknowledged Elizabeth Hernández Arredone, a state prosecutor in Nuevo Laredo who has taped to her door a photograph of a female judge who recently disappeared.

The effects are everywhere. Many local journalists have stopped covering drug violence for fear they may become targets themselves. Tourists used to spill across the border from Laredo, Tex., to swig tequila, buy trinkets and run wild. Not anymore.

Church attendance is down, said the Rev. Alberto Monteras Monjarás of Santo Niño Church, because even a Sunday morning can be dangerous.

"People used to sleep outside on the porch if it got too hot," he said. "Not anymore. You stay inside, and you put three or four locks on the door."

Prominent S. African Denied Entry Into U.S. (WP)

By Craig Timberg

The Washington Post, October 26, 2006

JOHANNESBURG, Oct. 25 -- A prominent South African political analyst said Wednesday that U.S. border agents had denied him entry into the United States and questioned him about his views on terrorism.

Adam Habib, executive director of the Democracy and Governance Research Program for South Africa's Human Sciences Research Council, was taken to a holding room at John F. Kennedy International Airport on Saturday after his arrival for meetings in New York and Washington, he said in an interview.

Seven hours later, his visa had been canceled and he was escorted by an armed guard to a return flight to Johannesburg.

Habib said the border agents did not give him a reason. A U.S. Embassy spokesman, Mark M. Schlachter, confirmed the incident but said he did not know why Habib had been denied entry.

Habib, who is Muslim, said that most of the dozens of people in the holding room had dark skin and appeared to be Muslim, by virtue of their language or dress. He added that U.S. security measures, though in some cases justified by the Sept. 11, 2001, terrorist attacks, threaten to create resentment among Muslims worldwide.

"If you do this in a way that alienates large portions of the world and creates enmity, then you are compromising your medium-term security in pursuing your short-term security," Habib said from his office in Pretoria.

Habib said that most of the questions seemed routine, though they included some about his views on terrorism. The rest of the South African delegation continued to a series of meetings with the World Bank, the National Institutes of Health, the Bill and Melinda Gates Foundation and other groups.

The Human Sciences Research Council has asked the U.S. Embassy in Pretoria to investigate, and Habib said he had written the U.S. Customs and Border Protection office in Washington seeking an explanation.

In Burma, A Cry For U.N. Help (WP)

By U Pu Chin Sian Thang And U Thein Pe

The Washington Post, October 26, 2006

Last month the U.N. Security Council formally discussed the situation in Burma for the first time. For Burmese people such as us, who live under the country's oppressive regime, this was a welcome development.

The Security Council discussion is incredibly important. Over the past 10 years we have watched with dismay as our country's military ruler has repeatedly hoodwinked a stream of U.N. envoys and ignored the world body's actions. Twenty-eight resolutions from the U.N.'s General Assembly and its former Commission on Human Rights, four consecutive human rights special rapporteurs and two successive special envoys representing U.N. Secretary General Kofi Annan have failed to produce political change, dialogue or national reconciliation in Burma.

Meanwhile, much of the world has failed to understand the gravity of the crisis in our country. It is shocking that the Security Council has taken so long to get involved. No fewer than 3,000 villages have been destroyed or dislocated by the military regime in eastern Burma in the past decade. During the regime's systematic attacks on ethnic populations, women have been raped, children conscripted as child soldiers and rice supplies burned. Recently the regime instituted a practice of using soldiers' bayonets to pierce the bottoms of rice bowls, leaving villagers unable to cook their most basic foodstuff.

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Fleeing the cruelty of this regime, leaving smoldering villages behind, our fellow citizens run for their lives, often to inhospitable territories where the junta awaits. The cycle of terror seems without end. Because of the regime's practices, mortality rates in eastern Burma have risen to the levels of the worst conflict zones in Africa. Children are chronically malnourished, infant mortality rates are soaring, and the most common ailments have become death sentences for thousands.

We know the Security Council has responded to other cases in which there are horrendous problems with refugees and internally displaced populations, in which rape is widespread and conscripting child soldiers is the norm. Burma, with 70,000 child soldiers, waits for a similar response and resolve from the Security Council. We simply cannot understand why the council has not taken the same sort of action in Burma as it has elsewhere. Now that it has taken up the issue of Burma, it must go further and pass a

resolution.

Clearly, efforts outside the Security Council have not worked. After Ibrahim Gambari, a U.N. undersecretary of political affairs and envoy to Burma, visited the country in May, the military regime doubled the sentence imposed on Aung San Suu Kyi, the world's only imprisoned Nobel Peace Prize recipient, and increased its attacks on ethnic minorities. The heightened military offensive against these communities has resulted in thousands more refugees streaming across the borders into neighboring countries.

The regime has not stopped its brutal campaign of terror, in part because the secretary general is unable to act without the mandate of a Security Council resolution. Only a council resolution will provide the United Nations with what it needs to confront this situation.

Just last month the Burmese military arrested five of the most prominent members of our movement, including Burma's second most-famous political leader, Min Ko Naing. By writing this opinion piece, we, too, are risking our lives. Our freedom is worth the risk.

We hope that attention at the Security Council will do more to shed light on the important cultural and political context of our struggle and the threat destabilizing the region. The U.N. diplomatic corps must understand that, unlike other countries, in which factors such as religion or historical rivalries weaken public support for democracy, Burma is a nation in which the people have clearly and repeatedly articulated what they want: a democratic society. That is why the National League for Democracy and allied parties won 82 percent of the seats in parliament in our last elections, and why tens of thousands of people risk their lives to participate in our movement.

Put simply, there is overwhelming evidence that the people of Burma want an end to the dictatorship that has been forced upon them. Without this understanding and without a Security Council resolution, the United Nations is likely to fail in Burma yet again.

The writers are members of Burma's parliament, which was chosen in the country's last democratic elections but has never been permitted to meet.

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Miller, Charles S

From: Miller, Charles S
Sent: Thursday, October 26, 2006 10:43 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 10/26/06 Civil Division News

Sept. 11 Plotter Asks Court for Lawyer, Trial; Case Embodies Debate Over Habeas Rights

Raytheon Sues Government Over USMC Contract

Press Release: CREW Files Appeal to Force Agency to Release Communications Regarding Destruction of Abramoff Secret Service Visitor Records; National Archives and Records Administration Appears to be Under Direct Orders from Bush Admin. to Keep Records Private

Court to hear arguments in OOIDA's HOS challenge Dec. 4

Opinion:An American atrocity

Washington Post

October 26, 2006

Sept. 11 Plotter Asks Court for Lawyer, Trial; Case Embodies Debate Over Habeas Rights

By Carol D. Leonnig and Julie Tate
Washington Post Staff Writers

Ramzi Binalshibh, an admitted al-Qaeda planner of the Sept. 11 attacks, tried four times to join the terrorist hijackers who flew planes into the World Trade Center and the Pentagon in 2001 and has acknowledged his goal of killing as many Americans as possible.

Now the Yemeni man is seeking the help of the U.S. court system to address his complaint that he has been wrongfully imprisoned and treated unfairly by the U.S. government. He filed a legal challenge in

federal court in Washington on Oct. 10, asserting his rights to contest his detention and requesting that a court-appointed lawyer represent him free of charge.

In so doing, Binalshibh brought to life the two arguments at the heart of the recent, furious debate over stripping such habeas corpus rights from so-called enemy combatants: the administration's position that alleged terrorists like him do not deserve access to U.S. courts, and his opponents' assertion that the American justice system is a model for the world precisely because it accords such basic rights to all.

One of the most bitterly fought provisions of the legislation President Bush signed Oct. 17 to establish a system of military trials, or "commissions," for accused enemy combatants eliminated those rights for the captives at the U.S. prison in Guantanamo Bay, Cuba. Suspending habeas rights is a step that has been taken only four times previously in U.S. history, and its legality this time will almost certainly be decided by the Supreme Court.

Because of Binalshibh's alleged admission that he was a key player in the Hamburg cell that carried out the attacks, his legal suit may provide the starkest test yet of America's justice system, legal experts said.

"It is how our system treats the worst of the worst, the most reviled of the reviled, that shows how true we are to our principles, " said David H. Remes, who has represented 17 detainees, mostly from Yemen, and coordinated defense arguments to the Supreme Court in the successful Hamdan case.

Binalshibh may never get the hearing he is seeking. His is one of hundreds of cases the government asked the courts to dismiss immediately after Bush signed the new law. For his part, Binalshibh did little more than assert his habeas rights and ask for a lawyer.

Binalshibh is part of a select group of detainees that even defense lawyers acknowledge may be guilty -- 14 suspected terrorists the government deemed "high-value detainees," some of whom have allegedly admitted high-level roles in the al-Qaeda attacks. President Bush cited the 14 men, selected from more than 100 terrorist suspects who had been held for years in secret CIA-run prisons, when he successfully lobbied for the military commission law.

Bush sought Congress's approval after the Supreme Court ruled in *Hamdan v. Rumsfeld* in June that the administration lacked the authority to establish the military trials on its own. He pressed for the legislation as the government transferred the 14 men to a unit of the military prison in Guantanamo Bay and singled out Binalshibh -- along with Sept. 11 mastermind Khalid Sheik Mohammed.

Binalshibh's family's decision to seek help in a U.S. court also highlights a growing tension within the defense bar about the ethical and practical dilemmas of representing detainees who likely played a role in slaughtering thousands of Americans.

Binalshibh's brother filed a petition on his behalf and asked the federal court to appoint a public defender to represent him. The Center for Constitutional Rights, a civil liberties group that sued last year to represent the remaining detainees in Guantanamo Bay who lack representation, is not currently representing him. A group official said he could not comment on the reason because of potential attorney-client privilege.

Tina Foster, a civil liberties lawyer who previously helped coordinate the work of dozens of law firms representing hundreds of Guantanamo detainees, said it would be a "challenge" to find a pro bono lawyer for Binalshibh because he has been virtually convicted in media reports as a Sept. 11 plotter. Remes said there is an "understandable reluctance" among large commercial law firms to champion Binalshibh's cause.

"You wouldn't be rushing to file a habeas claim for Ramzi Binalshibh," Foster said. "Most of the folks down there are "no-value" detainees -- they shouldn't even be there -- and those are the ones you'd want to push in the court."

Binalshibh was captured by the United States in Pakistan in 2002 and taken to secret detention facilities.

According to the Sept. 11 commission, he told interrogators that he was supposed to pilot another hijacked airliner on the day of the attacks but was repeatedly refused a visa to enter the United States.

His transformation to a terrorist began in 1997 when he became friends with future hijackers Mohamed Atta, Marwan al-Shehhi and Ziad Jarrah while living in Germany on a student visa. He later pledged allegiance to Osama bin Laden while training with his friends in Afghanistan in 1999.

Instead of participating in the attack, Binalshibh relayed messages between the hijackers and Mohammed, met with Atta for briefings on attack planning and allegedly helped transfer money to the hijackers.

END

Inside the Pentagon

October 26, 2006

Raytheon Sues Government Over USMC Contract

Raytheon has filed a lawsuit with the U.S. Court of Federal Claims to fight the Marine Corps' decision to take away a $36 million contract and award it instead to L-3 Communications, Inside the Navy reports.

By filing the lawsuit, Raytheon turns up the volume on its objection after submitting a protest Sept. 27 to the Government Accountability Office.

At issue is a contract to develop thermal imaging systems for amphibious assault vehicles. Marine Corps spokeswoman Dedra Jones told ITN the lawsuit aims to block L-3 from building sights "urgently needed by the Marines for Iraq."

A U.S. Court of Federal Claims official confirmed Raytheon filed the lawsuit Oct. 18. Judge Loren Smith has been assigned to preside over the case, the official said. On Oct. 19, the parties participated in a status conference, the official said. Oral arguments are slated to begin Nov. 9, according to the official.

The official said Raytheon's legal filings are not publicly available because they contain proprietary and confidential information. MUNDT SAYS JOINT WARRIOR-PREDATOR IDEA NOT IN FY-08 POM: The Army and Air Force have made progress on potentially folding the Warrior and Predator unmanned aerial vehicle programs into a single joint venture -- but not enough to include such a framework in the Pentagon's next six-year spending plan, Inside the Air Force reports.

"We have come a long, long way" but the services have yet to ink a memorandum of agreement on creating a joint program office, Army Brig. Gen. Stephen Mundt told ITAF on Oct. 18.

At issue is an effort aimed at finding a way to make the Army's Warrior unmanned aerial vehicle program and the Air Force-led Predator initiative a joint venture. The services have yet to break a months-long impasse on the issue.

The services missed a May deadline for forging a way ahead on a joint Warrior-Predator office they set in response to a directive by the Office of the Secretary of Defense to explore a dual-service structure. That OSD order came after the Army selected General Atomics Aeronautical Systems' longer-range Predator for its Extended-Range/Multi-Purpose program, now called the Warrior.

An Air Force spokeswoman last month said there had been no movement for quite some time in reaching a Warrior-Predator pact. ARMY OFFICIAL SAYS FUTURE AIRLIFTER PLAN TO BE CRAFTED: Brig. Gen. Stephen Mundt, the Army Aviation Task Force director, says before the services can proceed with

the development of the Defense Department's next generation of transport aircraft, department leaders need to examine how conceptual platforms like the Joint Heavy-Lift and "Advanced Mobility Concept" aircraft would complement one another, reports Inside the Army. Alternatively their requirements might be melded into a single concept, he said.

Speaking with reporters after an Oct. 18 American Helicopter Society dinner, Mundt said it is unclear if JHL, in a concept design and analysis phase, will materialize into a funded program because a joint requirement has not been established, and because more than one service would have to pony up program dollars.

To date, the Army is footing the bill for the JHL initiative but Mundt said the service would not forge ahead with JHL development without financial backing from the other services.

Initial, conservative cost estimates, according to Mundt, place a $2 billion price tag on building a "couple" of JHL demos that would be used to determine if such an aircraft is feasible.

"I've got to have enough money right now to finish the concept refinement, bring that to fruition, do a good [initial capabilities document] and take this program to a milestone A decision. At that point, because it's joint, it needs to get into" the Joint Requirement Oversight Council, the one-star said. MARINE CORPS SEEKS MEANS TO DEFEAT IED THREAT: To address the ever-changing threat of improvised explosives in Iraq and elsewhere, the Marine Corps is pursuing not only existing commercial solutions but also new developmental technology, program officials told Inside the Navy last week.

The Marine Counter Improvised Explosive Device Technology Directorate works with the Joint IED Defeat Organization at the Pentagon to provide a plethora of technologies -- ranging from body armor to jammers -- to reduce the IED threat to forward-deployed troops.

"Our requirements come from the operating forces and basically if they need something we're going to go out and find a quick solution that goes through the requirements process," Joseph Murgo, director of the Marine Corps' Counter IED Technology Directorate, told ITN Oct. 18. "It's not like a normal acquisition. If it's a joint universal needs statement, we're going to react pretty fast."

"Fast" means fielding the technology in three to six months, Murgo explained. Nonetheless, sometimes it takes more than a year to modify commercial-off-the-shelf technology or develop new technology to meet requirements, he said.

"We are taking a parallel approach to the changing threat," said Murgo. F-35 PARTNER NATIONS CONSIDER EARLY PACT APPROVAL: Two of the nine nations participating in the Joint Strike Fighter coalition could ratify language on a vital procurement pact one month ahead of an anticipated December deadline, reports Inside the Air Force.

Defense officials from the United Kingdom and the Netherlands "have expressed interest" in signing the international memorandum of understanding (MOU) as early as next month, JSF Program Executive Officer Brig. Gen Charles Davis said.

"We will have some guys that are going to sign in November," the one-star told reporters during a recent conference in Washington. "The Dutch have expressed interest in doing that [and] I think the Brits are looking to sign at a fairly early time frame."

The memorandum of understanding is expected to lay out a set of principles that will formally articulate the international fighter effort's production schedule. It also is expected to cover sustainment and follow-on development issues for the next-generation, multibillion-dollar program, according to U.S. defense officials.

Perhaps more importantly, the MOU could dictate terms and an overall number of component and system transfers that would be granted to the U.S. allies participating in the F-35 program.

Italy, Turkey, Australia, Canada, Norway and Denmark are the other nations involved in the JSF program. PENTAGON USING FCS TO MODERNIZE CHEM-BIO DEFENSES: In its quest to modernize chemical and biological defense capabilities, the Pentagon is using the Army's Future Combat System program as a catalyst to test and develop revolutionary concepts for defenses against chemical and biological agents before applying them to other Defense Department platforms, Inside the Army reports.

The JPEO is working on modeling and simulation initiatives to make those new chem-bio defense technologies more "modular," Douglas Bryce, the deputy joint program executive officer for chemical and biological defense, told ITA Oct. 18 at an asymmetric warfare conference sponsored by the Institute for Defense and Government Advancement.

"FCS has been where we have put a lot of our experimentation -- our concepts, our ideas -- in place, and we'll prove them," Bryce said. "And then, hopefully, you can just export them to the other major defense acquisition programs," including ships and other land vehicles, he said.

By the end of the calendar year, the JPEO should have an idea of whether its theories and processes will work, he said.

"We think we will have enough information to say, 'Our concepts and theories work; therefore we can go out and buy some things we can go out and test,'" Bryce said. PENTAGON CANCELS MARINE CORPS' H-1 HELO REVIEW: The Defense Department has dropped plans to review the H-1 helicopter program this month at a Defense Acquisition Board meeting, which would have been overseen by DOD acquisition executive Kenneth Krieg, Inside the Navy reports.

Plans for the late October review were scrapped at the Navy's request, but there will still be another DAB meeting next year before officials decide whether to buy a fourth batch of helicopters in the low-rate-initial production phase of the program, said a service official who spoke on condition of anonymity.

The H-1 program is supposed to provide both light utility (UH-1) and attack (AH-1) helicopters to the Marine Corps. But the program has suffered delayed deliveries and increased costs.

In May, Krieg decided to continue the program, but also directed officials to continue examining potential alternatives to the program. He codified his decision in a memo signed June 22. The memo said Krieg would reconvene the DAB this month to conduct another in-process review of the program.

More recently, however, the Navy maintained it would be unnecessary to hold a DAB meeting now and the Office of the Secretary of Defense agreed, the service official said. For the moment, Bell Helicopter Textron appears to be on schedule in terms of efforts to get the program back on track, the official said. LOCKHEED TO SLOW JASSM-ER TESTING FOLLOWING FUNDING CUT: Facing a $20 million reduction handed down by lawmakers in the fiscal year 2007 Defense Appropriations Act, officials plan to slow the testing schedule for the extended-range variant of the Joint Air-to-Surface Standoff Missile, reports Inside the Air Force.

Lockheed Martin, the munition's prime contractor, was forced to postpone a live warhead test of the JASSM-ER initially scheduled for last month, Jennifer Allen, a spokeswoman for the defense giant said in an Oct. 17 e-mail.

The Senate Appropriations Committee, in a July report on its version of the defense legislation, expressed concern with JASSM-ER testing concurrency and proposed a $40 million reduction to the Air Force's budget request for the program. House appropriators fully funded the Pentagon's JASSM procurement request in their version of the bill.

During a September conference on the bill, House and Senate appropriators agreed to a $20 million reduction for the JASSM request. President Bush signed the bill on Sept. 29.

During deliberations on the legislation, Lockheed Martin discussed program changes to JASSM-ER with lawmakers.

"We worked with our Air Force customer and the [Senate Appropriations] Committee to slow the program to mitigate that concern and to conserve funds in the event funding was not restored in conference," Allen said.

Lawmakers fully funded the Air Force's JASSM procurement request in the FY-07 defense authorization bill, which the president signed into law on Oct. 17. ARMY OFFICE TAKES UP ELECTRONIC WARFARE INITIATIVES: The Army has created a new division within its Asymmetric Warfare Office that will take the lead in preparing U.S. ground forces to dominate the electromagnetic spectrum -- a key to countering the threat from improvised explosive devices, reports Inside the Army.

Col. Laurie Buckhout, the chief of the Electronic Warfare Division in the Army's Asymmetric Warfare Office, laid out the service's plans during an Oct. 17 presentation at an Institute for Defense and Government Advancement conference.

While the definition of asymmetric warfare is evolving, Buckhout said it generally involves conflicts in which a less-capable enemy fights across the spectrum of political, economic, social and military activity, often disregarding the laws of war. Suicide bombers, improvised explosive devices and kidnappings are all examples of asymmetric weapons.

Conventional U.S. military forces can expect to see this type of activity in every future operation, said Buckhout. She added that the asymmetric office will serve as the focal point of the service's shift from a force-on-force emphasis of conventional warfare to asymmetric threats.

Electronic warfare is considered any military action involving the use of the electromagnetic spectrum and directed energy to control the battlespace and/or attack the enemy. Much of this effort is concentrated on broadband jamming equipment designed to disrupt enemy communications and radar systems, Buckhout said. MARINE CORPS PICKS SYSTEM FOR UNMANNED DRONE DEMO: The Marine Corps has decided to award MTC Technologies of Dayton, OH, a contract to provide an unmanned drone for a demonstration effort that will inform a new Navy and Marine Corps program, reports Inside the Navy.

In an interview, Capt. Dave Funkhouser, the unmanned aerial systems branch head at the Marine Corps Warfighting Lab, said MTC is working with the unmanned drone developer Arcturus, which makes the T-16 drone.

Images of Arcturus' T-16 system posted online (www.arcturus-uav.com) show it is a fixed-wing drone with a propeller on the nose.

MTC was selected from a pool of six bidders to provide the Tier II concept demonstrator.

Looking ahead, the program will undergo factory acceptance testing, Funkhouser said. The system also will have to obtain a flight clearance from Naval Air Systems Command. Further, the system will undergo a limited technical assessment to see if it really meets military requirements, he said. Beyond that, there would be an extended user assessment, he said.

This is a concept demonstration effort, not a program of record, Funkhouser noted.

The demonstration will inform a Navy and Marine Corps program of record, a joint effort formed by the merger of the Marine Corps' Tier II initiative and the Navy's new Small Tactical Unmanned Air System initiative, he said. The program of record is supposed to produce drones that achieve an initial operational capability around 2010, he added. AFSOC OFFICIALS MULLING POSSIBLE 'LOW-VISIBILITY AIRCRAFT': Air Force Special Operations Command officials are eying a new fleet of small airlifters that could ferry military teams into nations where an obvious U.S. military presence might breed political problems for the host government, Inside the Air Force reports.

"We're researching the feasibility of using a lighter cargo aircraft" instead of larger airlifters currently in the AFSOC fleet, such as its MC-130s, Deputy Commander Brig. Gen. Donny Wurster said recently.

"Some missions don't require the full capabilities of a MC-130," he said. His comments came on Oct. 3 during an industry conference in Ft. Walton Beach, FL.

AFSOC sometimes will send small teams of personnel into a nation to assist a government with some kind of mission or for other clandestine tasks.

Though willing to accept help or training from U.S. special operators, that nation "might not want a C-130 with American markings sitting on the ramp for a few days," Wurster told the conference.

AFSOC officials are still in the early phases of answering several key questions, including: whether they will eventually pursue a new airlifter acquisition program, how many low-visibility airframes the outfit might need and what kind of plane the command should buy. ARMY GETS HALF OF REQUESTED FUNDS FOR FOLIAGE PENETRATING RADAR: Following a protest by the Defense Department, House and Senate appropriations conferees have rejected a Senate move to cut all funding in fiscal year 2007 for an Army radar program that DOD contends is capable of detecting tactical targets in foliage, and improvised explosive devices and other threats in urban clutter, reports Inside the Army.

According to the Army, the Foliage Penetrating Radar completed the final year of a three-year advanced concept technology demonstration in FY-06. The Army plans to leverage that work, sponsored by the Office of the Secretary of Defense, and adapt it for one of the service's UAVs. The radar was deployed for a first limited military utility assessment to the U.S. Southern Command area of operations in June 2005.

In July, the Senate Appropriations defense subcommittee eliminated the $25 million the Army requested for the radar project when it approved its version of the FY-07 defense appropriations bill. DOD subsequently sent an appeal to House and Senate appropriations conferees arguing that the technology is "desperately needed" by both Southern Command and U.S. Central Command.

SOUTHCOM's 2005 demonstration showed the radar's ability to support real-world operations, DOD said. "It provided a critical layer of intelligence information not previously available and provided the last 10 percent that compelled field commander's decision-making and significantly enhanced the mission planning process," the department told conferees.

Last month, the conferees agreed to fund the radar project at slightly more than $13 million in FY-07, $12 million below the Army's request. President Bush signed the FY-07 defense appropriations bill into law on Sept. 29.

END

Citizens for Responsibility and Ethics in Washington

October 25, 2006

Press Release: CREW Files Appeal to Force Agency to Release Communications Regarding Destruction of Abramoff Secret Service Visitor Records; National Archives and Records Administration Appears to be Under Direct Orders from Bush Admin. to Keep Records Private

Washington, DC – Today Citizens for Responsibility and Ethics in Washington (CREW) filed an administrative appeal with the National Archives and Records Administration (NARA) for failing to disclose communications regarding the handling of Secret Service visitor records. CREW is seeking

records of communications NARA had with the Secret Service regarding the agency's practice of destroying visitor records to the White House. According to the Secret Service, it stopped destroying records in October 2004 at NARA's direction. NARA has refused to disclose the documents, claiming they are protected by the deliberative process privilege and exempt from the Freedom of Information Act (FOIA).

CREW is already in litigation with the Secret Service over its refusal to produce all records of White House visits made by Jack Abramoff and his associates.

In a separate case filed by The Washington Post, the Secret Service has taken the position that all White House visitor records are presidential records controlled exclusively by the White House and, therefore, are exempt from the FOIA. It now appears that the White House is also preventing NARA from disclosing documents that would contradict the White House's claim that it has absolute custody and control over the visitor records.

In the past the Secret Service has taken a very different position, recognizing that visitor records are under the agency's control. During the Clinton administration, for example, the Secret Service provided such records to Judicial Watch in litigation over Filegate. The records that NARA has refused to disclose to CREW would document this radical shift in position.

CREW's executive director Melanie Sloan said today, "For months the Bush administration has been working to prevent the American public from learning of any contacts between administration officials and lobbyists, including Jack Abramoff." Sloan continued, "In its continued efforts to hide the truth, it now appears that the White House has ordered NARA not to comply with CREW's FOIA. CREW will continue to litigate this issue to ensure that the American public gets all the facts."

END

The Trucker Magazine

October 26, 2006

Court to hear arguments in OOIDA's HOS challenge Dec. 4

GRAIN VALLEY, Mo. – The U.S. Court of Appeals for the District of Columbia Circuit will hear oral arguments Dec. 4 in OOIDA's court challenge of the Hours of Service regulations for truck drivers.

The Owner-Operator Independent Drivers Association filed the challenge of the current regulations after Federal Motor Carrier Safety Administration officials denied a petition to reconsider the rule.

OOIDA filed a petition Aug. 29, 2005, asking the government to reconsider changes to the sleeper-berth exception. In that petition, OOIDA asked for two changes.

Under the current sleeper-berth exception, drivers have to take a minimum of eight consecutive hours off in the sleeper berth plus at least an additional two hours off duty.

OOIDA sought in its petition to allow team drivers to split sleeper-berth time into something smaller than one consecutive eight-hour stretch and another two-hour break.

The second change OOIDA petitioned for was to allow solo drivers the ability to count the two-hour portion of the sleeper-berth exception as off-duty.

Under the current exception, truckers count two-hour breaks as off-duty time, but it does not stop the 14-hour clock. OOIDA requested these breaks stop the duty clock just as the eight-hour portion of the

split does.

The Association's petition for both of these changes was denied by FMCSA. The Association followed up the denied petition with the current court challenge of the regulation in January.

Several groups joined the lawsuit on OOIDA's behalf — including the California Trucking Association and the International Brotherhood of Teamsters.

OOIDA, the interveners and FMCSA have been filing written arguments and various other court-required documents since the suit commenced. The oral arguments will be taken under advisement by the appeals panel and a ruling will be issued at a later date.

END

Baltimore Sun

Oct. 26, 2006

Opinion:An American atrocity

By Myron Beckenstein

October 26, 2006

The nightmare still isn't finished for Maher Arar and, through him, for those who care about what is happening to what once were considered bedrock American values - such naive concepts as liberty, trial by jury and innocent until proved guilty. The latest spasm showed up this month, four years after something that never should have happened had long passed the stage where it should have been over.

One of the reasons too many of us are willing to look the other way as these democratic frills are scrap-heaped in the so-called war on terrorism is that the people who are most affected have no names or faces. We can't visualize them. But Maher Arar gave us a name and a face.

Maher Arar is a Canadian citizen born in Syria. In 2002, he was returning to Canada from an overseas trip, and this required a brief stopover at John F. Kennedy Airport in New York. He was not planning to even leave the airport. But he was seized by U.S. agents as a threat to American security, held for several days and then sent to Syria, where he was jailed and tortured for a year before being allowed to return home to Canada.

The U.S. said it acted on information from Ottawa that Mr. Arar might be considered dangerous. But if he were dangerous, why didn't Washington just make sure he got on that plane and let the Canadians deal with him? Why did it have to jump into the picture and send him off to certain torture? The Canadians were not even consulted before this was done.

The picture became more complicated by the recent revelation that days before Mr. Arar was flown to Syria, Ottawa had notified the FBI that the information it had posted on him was wrong. It could find nothing linking him to terrorism.

So we have a man with no known terrorist ties being arbitrarily, nonjudicially convicted of having terrorist ties and sent off to a punishment that until recently was deemed unconscionable.

The Canadian government set up a panel to investigate its role in the affair and, after two years, released a 1,200-page report. It was critical of the Canadian authorities but also found no evidence that Ottawa participated in or agreed to the U.S. decision to send one of its citizens to Syria. The report also urged

Ottawa to formally protest the matter with Washington.

Washington's reaction has been neither apology nor even concern. Attorney General Alberto R. Gonzales said he had not read the report and didn't know that Mr. Arar had been tortured, although this fact had been public for years. Mr. Gonzales added, "Well, we were not responsible for his removal to Syria."

The United States had shipped an innocent man to torture in a foreign country, but "we were not responsible." A day later, a clarification was issued: When Mr. Gonzales said "we," he was not speaking of the U.S. but just of his own Justice Department.

The deportation was carried out by the Immigration and Naturalization Service, which in 2002 was part of the Justice Department. But now it is part of the Department of Homeland Security. Thus the Justice Department cannot be responsible for INS actions, even if they happened on its watch. And obviously DHS can't be responsible for something that happened before it was created. Responsibility has fallen safely into the bureaucratic cracks.

But it turns out the Justice Department did know. The deportation order was signed by Deputy Attorney General Larry D. Thompson. Even John Ashcroft, the attorney general at the time, knew. When Canada learned of Mr. Arar's deportation and protested, Mr. Ashcroft assured Ottawa that Syria had assured him that Mr. Arar would not be tortured.

Last week, Mr. Arar was quoted as saying that an INS agent was on hand as he was being put aboard the plane to Syria. When he told the agent that he would be tortured there, he says the INS agent responded, "The INS is not the body or the agency that signed the Geneva Convention against torture."

As the details continue to come out, a White House spokesman said the other day that he couldn't comment on the case because Mr. Arar may be suing the United States.

After all he has gone through, Mr. Arar is still not in the clear. A human rights organization, the Institute for Policy Studies, was planning to honor him in Washington last week with its human rights award. But the sponsors could not get assurance from Mr. Gonzalez, or any member of the U.S. government, that Mr. Arar's name is not still on a watch list and that he wouldn't be arrested again if he entered this country. "We do not disclose names on watch lists," a Department of Homeland Security official said.

Although the Arar situation should be troubling to the government, it doesn't seem to be the least bit concerned. But what about the public? Are U.S. citizens upset about what is being done in the name of fighting terrorism? Or will the public keep looking the other way because the person involved is someone with an Arabic name, and after all, it couldn't happen to me?

END

USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

U.S. AG Says He May Consider Proposal To Investigate Updating Geneva Conventions (AP)

By Mike Corder, Associated Press

AP, October 27, 2006

THE HAGUE, Netherlands (AP) - U.S. Attorney General Alberto Gonzales said Thursday the Bush administration may consider a Dutch proposal to set up an international group to investigate updating the Geneva Conventions or establishing a new treaty to deal with the threat of global terrorism.

In a speech Tuesday at Georgetown University in Washington, D.C., Dutch Foreign Minister Ben Bot said it was legitimate to question whether international law _ framed mainly to deal with armed conflict between nations and conventional armies _ needs updating.

"Suggestions to explore such options as an additional protocol to the Geneva Conventions or a new ... Terrorism Convention or Treaty, cannot be dismissed out of hand," Bot said. "As I have suggested to Dutch Parliament, we should create a trans-Atlantic group of eminent experts to identify these possibilities."

After visiting Dutch ministers in The Hague, Gonzales told reporters Washington was not formally investigating updating international law, but he added: "We are not averse to looking at that."

"Obviously, we assess every day what is effective in dealing with the threat against the United States, in dealing with the threat against our friends and allies around the world," Gonzales said. "And this would be another thing I think that we would look at to see: do we have the necessary legal tools to deal effectively with terrorism?"

Facing a barrage of criticism from opponents and human rights groups about its incarceration of terror suspects at the Guantanamo Bay naval base in Cuba and the system of military tribunals set up to try them, Gonzales stressed that the Bush administration still fully supports current international law aimed at protecting the rights of those captured during armed conflicts.

"Obviously we want to be careful in not sending the message that we are in any way backing away from the principles of, say, the Geneva Conventions in terms of the protection of basic human rights," he said. "That's something we believe very strongly in and re-examination of Geneva would have to be done ... with the understanding that we all remain committed to the basic principles of the Geneva Conventions."

Gonzales is touring European capitals discussing Washington's new law paving the way for trials of terror suspects being held at Guantanamo Bay in Cuba.

The administration's original legal framework for trying the suspects at military tribunals was rejected by the Supreme Court as unconstitutional, leading Washington to revamp the process.

U.S. President George W. Bush signed the act into law last week after a highly publicized dispute with key Republicans over the terms of the legislation. Civil libertarians and leading Democrats have decried the law as a violation of American values.

In Germany, U.S. Official Addresses Rift With Allies (NYT)

By Mark Landler

The New York Times, October 26, 2006

BERLIN, Oct. 25 — Seeking to heal one of the deepest rifts between the United States and its European allies, Attorney General Alberto R. Gonzales said here on Wednesday that the Bush administration had done a poor job of explaining its legal principles in its effort to prevent terrorism.

But he also faulted European countries, which have criticized the American military prison at Guantánamo Bay, Cuba. He said they were reluctant to take back their own citizens when released and had been insufficiently helpful in negotiating with other countries for the safe return of prisoners facing mistreatment in their own lands.

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"We have repeatedly asked our European allies to join in these efforts," Mr. Gonzales said in a speech to a polite, skeptical invited audience. "But despite demands that Guantánamo be closed, the United States has received little help from our European allies regarding the fate of these detainees."

The diplomatic initiative by Mr. Gonzales comes amid growing concern over the conduct of German soldiers, including photographs that surfaced on Wednesday that appeared to show German troops in Afghanistan posing with a human skull.

Mr. Gonzales declined to name the countries he said were being uncooperative with regard to returned prisoners — especially, he said, while standing on a podium "in this great country."

His comment, delivered with a thin smile, seemed to suggest that Germany was among those the United States regarded as laggards.

Germany's responsiveness has come under scrutiny in the case of Murat Kurnaz, a Turkish-German man who was imprisoned at Guantánamo for more than four years, partly because of Germany's reluctance to take him back. Last August, Mr. Kurnaz was finally returned home, eight months after a new chancellor, Angela Merkel, raised his case in a meeting with President Bush.

In general, however, Mr. Gonzales seemed intent on reaching out to Europeans rather than rebuking them.

"There has been a lot of friction" in the trans-Atlantic relationship, he said. "We are partly to blame for that. We didn't do as good a job as we should have from the outset in explaining ourselves."

Mr. Gonzales, the legal architect of some of the Bush administration's toughest policies toward suspected terrorists, said he was deeply disappointed that many people overseas did not believe that the United States, or Mr. Bush himself, were committed to protecting the rule of law.

He defended American policies on the detention of "enemy combatants," the rights afforded them by military commissions, and the role of the Geneva Conventions in the treatment of prisoners.

Mr. Gonzales's European tour, which includes stops in Spain and the Netherlands, coincides with a growing concern here that Germany has compromised its own principles in helping the United States in its worldwide effort against terrorism. It also comes at a time when Germany published a proposed new defense policy that would pave the way for the country to play a bigger role in international peacekeeping missions.

There are no fewer than five formal investigations under way here relating to terrorism and the German military. The issues raised include accusations that the Central Intelligence Agency transferred prisoners to secret prisons in Eastern Europe, and questions about whether the German government was aware of such transfers, as well as whether German soldiers mistreated Mr. Kurnaz in Afghanistan, as he contends, before he was sent to Guantánamo.

The Defense Ministry denies that German soldiers abused Mr. Kurnaz. But the military has opened an investigation into his accusations.

"Our guys are supposed to be in Afghanistan to help stabilize things, not to kick around prisoners," said Volker Perthes, director of the German Institute for International and Security Affairs. "This embarrasses us and qualifies a bit our discussion about what American soldiers are doing in Abu Ghraib."

The photos that appear to show the German troops posing with a human skull have added to the concerns. Some of the photos, published Wednesday in the mass-market newspaper Bild, depict the soldiers placing the skull on the hood of a jeep as a grisly emblem.

Bild did not say how it had obtained the photos. The paper said they were taken in 2003 near Kabul, and involved German troops serving as part of the international security force in Afghanistan.

The defense minister, Franz Josef Jung, has ordered an investigation. "Such activities are diametrically opposed to the values and behavior we teach our troops," he said to Bild.

Reports of military abuse carry an obvious historical echo in Germany, Mr. Perthes said, and could generate opposition in Parliament to the country's continuing involvement in Afghanistan.

In particular, there are questions about the deployment of soldiers belonging to an elite rapid-response unit of the German Army known as the KSK. The activities of these troops in Afghanistan are cloaked in mystery.

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Parliament is also investigating whether the German government was aware of the possible C.I.A. activities in Europe. That has put Mrs. Merkel in an awkward position, since her foreign minister, Frank-Walter Steinmeier, was a high-level adviser to her predecessor, Gerhard Schröder.

The previous government is also under scrutiny in the case of Khaled el-Masri, a German citizen who was abducted in Macedonia in 2003 and turned over to American agents, who flew him to Afghanistan, on the mistaken belief that he was involved in terrorism.

George Bush Talks About 'The Next Attack On America' (WSJ)

By Daniel Henninger

The Wall Street Journal, October 27, 2006

ABOUT DANIEL HENNINGER

Daniel Henninger is deputy editor of The Wall Street Journal's editorial page. Mr. Henninger joined Dow Jones in 1971 as a staff writer for the National Observer. He became an editorial-page writer for the Journal in 1977, arts editor in 1978 and editorial features editor in 1980. He was appointed assistant editor of the editorial page in 1983 and chief editorial writer and senior assistant editor in October 1986, with daily responsibility for the "Review & Outlook" columns. In November 1989 he became deputy editor of the editorial page.

Mr. Henninger was a finalist for a Pulitzer Prize in editorial writing in 1987 and 1996, and shared in the Journal's Pulitzer Prize in 2002 for the paper's coverage of the attacks on September 11. He won the Gerald Loeb Award for commentary in 1985. In 1998 he received the Scripps Howard Foundation's Walker Stone Award for editorial writing, for editorials on a range of issues, including the International Monetary Fund, presidential politics and cloning. He won the 1995 American Society of Newspaper Editors' Distinguished Writing Award for editorial writing, and he was a finalist in that award in 1985, 1986 and 1993. A native of Cleveland, Mr. Henninger graduated from Georgetown University with a bachelor's degree from the School of Foreign Service.

Mr. Henninger invites comments to henninger@wsj.com.

Somewhere it is written in the Book of Politics that when the race gets tight, the leaders call in the Scribes. It is for this reason that I found myself at LaGuardia Airport Wednesday enroute to an afternoon meeting in the Oval Office with President Bush. That would be followed by lunch the next day with the vice president. The airport deserves mention because the very small group of writers who sat with the president was in fact exponentially larger than the number of travelers there who stopped to watch his 10:30 a.m. news conference on the TV monitors.

Two weeks from an election, perhaps their minds are made up. The president's certainly is. "This war is different than the other wars we've been in," Mr. Bush said a few hours after his news conference while sitting beneath a portrait of George Washington. "If we leave, they will follow us here."

Meetings with the president at election time are overtly political, but the remarkable irony here was how little election politics came up in our discussion. Mr. Bush talked expansively about Iraq, the Maliki government, Iran, Syria, North Korea and the broader war on terror. When his own party's infatuation with immigration was raised, Mr. Bush briefly ticked off his own thoughts on immigration policy and swung back to this:

"I'm campaigning like mad, and I'm looking at people in the eye and saying, you better have a government that does everything in its power to protect you from attack. You're right here in the office where I get briefed every morning and I'm telling you it's on my mind, and I can't keep it off my mind. I was affected deeply by the attacks of September the 11th. It became clear to me that day that we were at war. I know we're at war."

The room in which Mr. Bush is briefed every morning on the war, the Oval Office, is a cheerful room, full of light along high lemon-yellow walls. There are fine busts of Abraham Lincoln, Winston Churchill and Dwight Eisenhower, and the Washington painting. These icons of Mr. Bush's political formation no doubt were chosen after his first inauguration. But it is hard not to notice that the room today is occupied full time by three former war presidents and a prime minister of war.

The Oval Office today is a war room, and this is a war presidency. In these most partisan of times, Mr. Bush barely mentions the media and not once utters the word "Democrats." But as in 2004, we are again going to the polls to vote on national security. With Baghdad a cauldron of violence, this is the fight the Democrats say they want, and the one they are going to get

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Nov. 7. However many Republican candidates are separating themselves from Mr. Bush's war, the president is guaranteeing that the subject goes to the voters.

What struck me Wednesday was how Mr. Bush's public news conference was almost wholly about the Iraqis and their government, and how his private conversation with us was mostly about the stakes for the American people. Over these war years, there should have been more of the latter. Admittedly, it is difficult to convey in public the urgency about the war on terror that Mr. Bush conveys in private. But it is obvious that he regards the threat to the American people as palpable.

"My biggest issue that I think about all the time," Mr. Bush says, "is the next attack on America, because I am fully aware that there are people out there that would like nothing more than to have another spectacular moment by killing American people. And they're coming. And we've got to do everything we can to stop them. That's why we need to be on offense all the time." This, he insists, is the justification for the terrorist wiretaps, the Patriot Act, the interrogations and the Iraq war.

Mr. Bush goes on offense himself in the kind of plain speech that maddens his detractors but may endear him in the heartland: "Maybe it's not nuanced enough for some of the thinkers and all that stuff -- that's fine. But that's exactly what a lot of people like me think."

On the nation's sense of frustration: "You don't have to tell me people are out there looking for something. I'm from Texas. My buddies are saying, 'Are you doing enough?' -- not, 'Are you doing too little?' They want to know, 'Are we winning?' They want to know, this mighty country, are we doing what it takes to win?"

The burden of war, however, has not sapped Mr. Bush physically as it did Lyndon Johnson and Richard Nixon. Recalling the deep toll that war and partisanship imposed on their presidencies, I looked closely at Mr. Bush for similar evidence: none. The hair's gone gray, but there is little sign of fatigue in his face or demeanor. I asked how he stays normal: "Prayer and exercise."

He dismisses the notion that Iraq is a mistake or a distraction: "This stuff about how Iraq is causing the enemy . . . whatever excuse they need, they have made up their mind to attack and they grab onto things to justify. If it's not Iraq, it's Israel. If it's not Israel, it's the Crusades. If it's not the Crusades, it is the cartoon."

Still, it's evident that Baghdad's sectarian violence has sent the U.S mood into a trough. The next day in a similar conversation with Vice President Cheney -- ballast to the energy of his president -- I ask if he senses a nation veering again toward the disillusion of the Vietnam War. He says no. "9/11 changes a lot. It's a watershed event and makes it more difficult for someone to argue that if we just bring the troops home we'll be safe and secure behind our oceans. The threat is there and it's real."

No matter the election results, it's obvious this president won't step back. He says, "We will press and press and press to protect ourselves. . . . If this country lets down its guard, it will be a fatal mistake."

Maybe it's too much. Maybe the country, or most of it this fall, doesn't share Mr. Bush's desire to be on offense all the time. Maybe they think he's exaggerating the threat for political effect. Maybe. But with or without a Republican Congress, if the country has a commander in chief who feels this deeply about protecting American soil from another 9/11 for at least another two years, it's fine by me.

Cheney Endorses Simulated Drowning (FT)

By Demetri Sevastopulo In Washington

Financial Times, October 27, 2006

Dick Cheney, US vice-president, has endorsed the use of “water boarding” for terror suspects and confirmed that the controversial interrogation technique was used on Khaled Sheikh Mohammed, the senior al-Qaeda operative now being held at Guantánamo Bay.

Mr Cheney was responding to a conservative radio interviewer who asked whether water boarding, which involves simulated drowning, was a “no-brainer” if the information it yielded would save American lives. “It’s a no-brainer for me,” Mr Cheney replied.

The comments by the vice-president, who has been one of the leading advocates of reducing limitations on what interrogation techniques can be used in the war on terror, are the first public confirmation that water boarding has been used on suspects held in US custody.

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A spokeswoman for Mr Cheney denied that he had endorsed or confirmed the use of water-boarding.

"The VP was talking about the interrogation programme, clearly noting that we do not torture and we live up to our international treaty obligations. He does not discuss any techniques or methods that may or may not be used in questioning," said Lea Anne McBride.

Mr Cheney said recent legislation passed by Congress allowed the White House to continue its aggressive interrogation programme.

But his remarks appear to stand at odds with the views of three key Republican senators who helped draft the recently passed Military Commission Act, and who argue that water boarding is not permitted according to that law.

"[It's] a direct affront to the primary authors of the Military Commission Act in the Senate – John McCain, Lindsey Graham and John Warner – all of whom have publicly stated that the legislation signed by the president last week makes water boarding a war crime," said Jennifer Daskal, advocacy director at Human Rights Watch. "This is Cheney ignoring the consensus of his own Pentagon," she said, referring to comments by senior officials that harsh interrogation techniques do not produce reliable intelligence.

John Bellinger, the State Department legal adviser, last week declined to answer specific questions on water boarding, saying Congress would have to determine whether specific interrogation techniques were permissible under the Geneva -conventions.

The Bush administration was forced to work with Congress to pass the Military Commissions Act after the Supreme Court ruled that al-Qaeda suspects were entitled to some protections under the Geneva convention. "Any procedures going forward would have to comply with the standards of Common Article 3 [of the Geneva conventions], including the prohibition on cruel, inhuman and degrading treatment . . . ," Mr Bellinger said. "Congress would have to agree that they are permitted under the law."

Asked in the radio interview whether he would agree that the debate over terrorist interrogations and water boarding was "a little silly", Mr Cheney responded: "I do agree".

"I think the terrorist threat, for example, with respect to our ability to interrogate high-value detainees like Khaled Sheikh Mohammed, that's been a very important tool that we've had to be able to secure the nation," he said.

Cheney's Remarks Fuel Torture Debate (WP)

By Dan Eggen

The Washington Post, October 27, 2006

Vice President Cheney said this week that dunking terrorism suspects in water during questioning was a "no-brainer," prompting complaints from human rights advocates that he was endorsing the use of a controversial technique known as waterboarding on prisoners held by the United States.

In an interview Tuesday with Scott Hennen, a conservative radio show host from Fargo, N.D., Cheney agreed with Hennen's assertion that "a dunk in water" may yield valuable intelligence from terrorism suspects. He also referred to information gleaned from Khalid Sheik Mohammed, the captured architect of the Sept. 11, 2001, attacks, but stopped short of explicitly saying what techniques were used.

"Would you agree a dunk in water is a no-brainer if it can save lives?" Hennen asked.

"Well, it's a no-brainer for me," Cheney said, "but for a while there, I was criticized as being the vice president for torture. We don't torture. That's not what we're involved in."

The comments underscore continuing uncertainty over precisely which techniques can be used legally during CIA interrogations of terrorism suspects. Sen. John McCain (R-Ariz.) and other lawmakers have said recent legislation that established ground rules for interrogations should effectively bar waterboarding and other methods that are viewed as violations of the Geneva Conventions and U.S. criminal law.

Bush administration officials have repeatedly declined to say which techniques they believe are permitted under the new law and have steadfastly declined to discuss methods used in the past.

Numerous sources have said that the CIA subjected Mohammed and other "high-value" terrorism suspects to waterboarding, a technique that gives the prisoner the sensation of drowning.

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A Cheney spokeswoman said yesterday that he was not confirming the use of any specific interrogation techniques.

"He was talking about the interrogation program without torture," spokeswoman Lee Anne McBride said. "The vice president does not discuss any techniques or methods that may or may not have been used in questioning."

Congress passed legislation last month putting limits on interrogation techniques that can be used on prisoners declared to be "unlawful enemy combatants." Lawmakers largely left it to the executive branch to decide whether many techniques would be legal.

The U.S. Army revised its field manual last month to ban waterboarding and other techniques as "cruel, inhuman and degrading treatment" outlawed by the Geneva accords. Military officials said experience had shown that abusive techniques do not work in yielding reliable intelligence from prisoners.

John Sifton, a senior researcher on terrorism and counterterrorism at Human Rights Watch, said Cheney's comments seem to both endorse waterboarding and suggest its use on Mohammed and other prisoners.

"I think the context is clear that he's agreeing that what the interviewer suggested -- dunking people in water to interrogate them -- is a no-brainer," Sifton said. "Basically, what the vice president did is inject ambiguity into a situation in which Congress and the military thinks there is no ambiguity."

Neal Sonnett, chairman of an American Bar Association task force on enemy combatants, said Cheney's comments were "a little equivocal" on details but clear in their overall meaning.

"It may be too much to characterize it as a direct admission," Sonnett said. "But he is certainly suggesting that he doesn't see anything wrong with waterboarding."

In waterboarding -- one of a number of drowning-simulation techniques that date to the Spanish Inquisition -- a prisoner is generally strapped down with his feet higher than his head. Water is then poured on his face while his nose and mouth are covered by a cloth. The technique produces an intense sensation of being close to suffocation and drowning, according to interrogation experts and human rights advocates.

The Khmer Rouge and other outlaw regimes have employed the method, and it has been condemned by many human rights and military lawyers as a clear example of illegal torture.

In 1947, the United States prosecuted a Japanese soldier for war crimes and sentenced him to 15 years hard labor for using the technique on a U.S. prisoner.

Israeli Agent Tells How Suspect Admitted Meeting Terrorists (AP)

AP, October 27, 2006

October 26, 2006 (CHICAGO) - An Israeli security agent told a courtroom cleared of spectators Thursday how a suburban Chicago grocer admitted under days of questioning that he had met secretly with Palestinian terrorist leaders.

"Did you think that he had information that could lead to an imminent threat to human life?" Assistant U.S. Attorney Reid J. Schar asked. "Yes," said the agent who testified under the one-name alias Nadav rather than his real name out of concern for possible reprisals. The testimony came at the racketeering trial of Muhammad Salah, 53, of suburban Bridgeview and former university professor Abdelhaleem Ashqar, 48, of Alexandria, Va. They are accused of bankrolling Hamas terrorists and have pleaded not guilty to the indictment. Prosecutors say they were part of a U.S.-based cell that furnished money and fresh recruits to the group that wants to overthrow the State of Israel and replace it with a Palestinian government.

Nadav was granted permission not only to testify under an alias but to appear on the stand in disguise. Reporters were able to see the prosecutor and listen to the testimony, through a translator, on television in a separate courtroom where the audio was sometimes less than sharp.

Before even entering the separate courtroom, five floors from where the trial was taking place, reporters were required to pass through a metal detector. Comet, an explosives-sniffing Labrador retriever who is a familiar face at the courthouse, shuttled between the two rooms.

Salah was arrested in January 1993 as he tried to enter Israel from the Gaza Strip and served four and a half years in prison after making a series of admissions about his ties to the Hamas terrorist organization.

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The same admissions obtained by Nadav and other interrogators are now being used as evidence by federal prosecutors at the racketeering trial.

Salah says that the admissions were tortured out of him.

By contrast Nadav testified he built a close rapport with Salah and that the two men ate salad and drank tea together between questionings.

Salah's attorneys maintain that Israel's Shin Bet security service, of which Nadav is a member, used a so-called good-cop, bad-cop technique in which one interrogator is very tough while the other professes friendship.

They say Nadav was the so-called good cop.

Nadav testified that Salah readily admitted meeting with Adil Awadallah, allegedly the Hamas military leader in the Ramallah area.

"Did the defendant Salah tell you about a second meeting with Adil Awadallah?" Schar asked. Nadav said that he did.

"Did he tell you about providing any money to Awadallah?" Schar asked.

"Yes," Nadav said. He said Salah told him he agreed to provide the alleged Hamas commander with $60,000 and "this is what actually happened."

Nadav said Salah also told of meeting with other terrorist leaders.

Salah defense attorney Erica Thompson objected, saying the message to the jury was that Salah knew high-level terrorists. Salah maintains he was actually delivering money to Palestinian charities.

"This is insidious," Thompson said. Judge Amy J. St. Eve told the jury the testimony was not being offered as proof that the individuals named were actually terrorists but only to show what Nadav believed.

After his arrest, Israeli security men searched Salah's East Jerusalem hotel room and found $100,000 in cash.

Nadav testified that at the end of January, he made a deal with Salah who agreed to provide a map to the whereabouts of the remains of an Israeli soldier who had been kidnapped and murdered by Hamas terrorists.

But he said that Salah's wife told him in a telephone conversation that the map had been destroyed. Salah drew a version of the map from memory and an all-night search followed but the remains were not found.

Nadav testified that the Israelis agreed in return for help in finding the body to return the $100,000 and free a number of female prisoners.

Ga. Terror Case Files To Stay Open (AJC)

By Bill Torpy, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, October 27, 2006

A federal magistrate Thursday denied prosecutors' attempts to seal court documents containing unclassified material in the case of two Atlanta area men held on terrorism-related charges.

Magistrate Judge Gerrilyn G. Brill ruled that prosecutors' requests were too broad and "would seal (at least initially) virtually all filings" and impose a "significant administrative burden on the court."

Prosecutors in the case of Syed Haris Ahmed and Ehsanul Islam Sadequee, who are charged with providing material support to terrorists, had argued that unclassified but "sensitive" information handed over to defense attorneys could not be used in further court pleadings unless first put under seal. The judge then would have had to determine what could be released to the public and what could not.

Prosecutors said such "sensitive" information might disclose ongoing investigations, implicate people who are not charged with crimes and shine light on foreign governments' operations.

Brill wrote that, if the government wants unclassified information to remain under seal, it must "narrowly tailor" its arguments for doing so — not seek a blanket order.

Classified information that is turned over to the defense will be kept in a secure room where lawyers can go to view it. If defense attorneys want to quote any classified information in their motions, they must turn the documents over to a court security officer, who's charged with producing filtered versions for the public file.

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The case highlights the difficulty of trying suspects in terrorism-related cases using foreign intelligence and other sensitive and classified information.

Tom Clyde, attorney for The Atlanta Journal-Constitution, the Associated Press and WSB-TV, said that the prosecution's arguments for enhanced secrecy was a "reversal of the presumption of openness" and "is plainly unworkable."

"The order reflects that fact that our court system is founded on a principle of openness," Clyde said Thursday. "Even in a terrorism case, the government does not get a free pass to litigate the case in secret. If the government wants to have records sealed, it is going to have to demonstrate why that is necessary."

Sadequee, 20, of Roswell, and Ahmed, 21, a former Georgia Tech student, are accused of traveling to Canada in March 2005 and meeting with others to discuss "violent jihad." The two men allegedly took "casing videos" of potential targets in Washington in April 2005 and discussed an attack on Dobbins Air Reserve Base in Marietta.

Suspected Terrorists To Face Hearings (FINDLAW/AP)

By Lolita C. Baldor, Associated Press Writer

AP, October 27, 2006

(AP) - GUANTANAMO BAY NAVAL BASE, Cuba-Fourteen high-profile suspected terrorists recently transferred to the Guantanamo detention center are expected to face hearings soon, military officials said Wednesday.

Brig. Gen. Ed Leacock, deputy commander of detention operations at Guantanamo Bay, said officials are gathering evidence for the hearings now. Officials have also identified individuals who could work with the men as their representatives during the hearings, but no appointments have been made yet.

It was not clear Wednesday whether any of the 14 men have been questioned by the military interrogators. The hearings - officially called Combatant Status Review Tribunals - for the 14 men would determine whether or not they are enemy combatants, and therefore subject to a military trial.

The 14 men include Khalid Sheikh Mohammed, who allegedly planned the Sept. 11 attacks on the United States, as well as the alleged architect of the 2000 bombing of the USS Cole and the alleged plotter of the 1998 U.S. Embassy bombings in Kenya and Tanzania.

They had been held in CIA custody at secret locations, and were transferred several weeks ago to the Guantanamo Bay detention center in southeastern Cuba.

Military leaders, who took a few reporters on a tour of the detention center Wednesday, said the 14 high-profile detainees have not created any problems for the guards. And they said other detainees know the men are there, but have had little reaction to that.

The defense officials, including Cully Stimson, the deputy assistant secretary of defense for detainee affairs, also would not say where the men are being held at the facility - which includes five separate camps and a sixth one to be completed in a few months, a maximum security building. Some portions of the camps are not being used because of ongoing repairs and upgrades, including fixing damage done during an uprising by some 20 detainees earlier this year.

Stimson also said he expects military tribunals for some of the other detainees could begin as early as next spring. Officials have drafted new rules and procedures for the military trial that were authorized by a law signed last week by President Bush.

The Supreme Court ruled in June that trying detainees in military tribunals violated U.S. and international law, so Bush urged Congress to change the law. Six weeks later, after a highly publicized dispute with key Republicans over the terms of the bill, Bush signed the new law.

Leacock said engineers and planners have been at the facility this week and would be making recommendations for a courthouse complex for the military commissions when they begin next year.

The plans would include housing and media facilities, as well as added security.

Two options would be presented to Pentagon leaders that could include anywhere from a few to 10 new courtrooms. Stimson said there was "very little difference between the two" options.

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Members of Congress would also weigh in on the decision because appropriators would have to find funding for the construction. Staff from the appropriations committees are planning to visit the facility soon. Defense officials had no cost estimates.

Construction will take longer than other similar projects because all the materials will have to be delivered by barge to Guantanamo Bay, said Leacock.

Previously 10 detainees had been charged with war crimes, and it is expected that they would be charged again under the new law. Officials expect to charge another 60 to 80 detainees, and bring them to trial.

The Guantanamo tour came just one week after the military began a new investigation into alleged prisoner abuse at the detention facility. Army Col. Richard Basset is looking into allegations, made by a Marine sergeant, that guards she met bragged about hitting detainees and denying them water.

There are currently 435 detainees at the prison, most considered enemy combatants. About 120 have been approved for transfer to either their home countries or another nation that was willing to accept them.

On the Net:

Defense Department: http://www.defenselink.mil

U.S. Seeks To Limit Detainees' Contact (FINDLAW/AP)

By Michael Melia, Associated Press Writer

AP, October 27, 2006

(AP) - SAN JUAN, Puerto Rico-The U.S. government has proposed limiting contact between defense lawyers and detainees at Guantanamo Bay, according to court documents.

The government argues that it must restrict the detainees' communications, as news of world events could incite the prisoners to violence.

The U.S. proposed the rules in a filing to a federal appeals court in Washington that was examined by The Associated Press. The case deals with an Afghani detainee but the government wants them to apply to other prisoners at Guantanamo Bay Naval Base in southeast Cuba. The prison camp holds some 430 detainees.

The rules, which would apply to detainees pursuing court challenges to their designations as "enemy combatants," would tighten censorship of mail from attorneys and give the military more control over what lawyers can discuss with their clients, according to the filing.

The number of face-to-face meetings between defense attorneys and detainees would be limited to four total. There are now no restrictions on the number of times they can meet, although lawyers' access to the base is already hampered because it is so remote.

The government says current rules have allowed detainees to receive books or articles about terrorist attacks in Iraq, London and Israel, as well as details of the prisoner abuse investigation at Iraq's Abu Ghraib prison.

In the court filing, which was first reported Wednesday by The Boston Globe, a military lawyer said security at Guantanamo Bay has been threatened by the introduction of a book on Abu Ghraib, a speech given at an Amnesty International conference about the war on terror, and other materials.

"Such materials could incite detainees to violence, leading to a destabilization of the camp," wrote Navy Cmdr. Patrick M. McCarthy.

The government petition was filed in August in the case of Haji Bismullah, an Afghanistan native who is among several Guantanamo detainees represented by the New York-based Center for Constitutional Rights.

Currently, mail from lawyers is examined only for physical contraband. The proposed rules call for all of a detainee's mail to be examined for forbidden information.

Wells Dixon, an attorney at the Center for Constitutional Rights, said he suspects the proposal is aimed at controlling the information coming out of Guantanamo. Accounts from defense lawyers who have visited Guantanamo have cast doubt on government assertions that most detainees are hardened terrorists, Dixon said.

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"What's happening is the government wants to hide this indisputable fact," he said "They're not happy we've been able to bring a lot of these developments to light."

In 2004, the Supreme Court said detainees can contest the legality of their detentions. A law signed by President Bush on Oct. 17 bars detainees from protesting their detentions in court, but they still have a right to challenge their designations as "enemy combatants." The new rules would restrict legal representation for those challenges.

The Paradox Behind The Paralysis On Security (WP)

By David Ignatius

The Washington Post, October 27, 2006

A theory that explains the chaotic world of 2006 -- one where people from Baghdad to Beijing seem unable to cooperate on projects that would make them better off -- was written more than 40 years ago by an obscure American economist named Mancur Olson Jr. His short 1965 book, "The Logic of Collective Action," explained why big groups, including nation-states, cannot agree on actions that are in their common interest.

You can see this perverse "logic" at work in nearly all the conflicts that vex the planet today. The divisive political dynamic that blocks collective solutions -- what Olson described as the "surprising tendency for the exploitation of the great by the small" -- is apparent even in the United States. But I'm going to stick to foreign examples.

Start with Iraq, the conflict that is grinding up U.S. soldiers and Iraqi civilians in horrifying numbers. Iraqis know they would all be better off if they could agree on a national compact that would subordinate sectarian differences to the larger national interests of stability and prosperity. Their leaders keep pledging support for this goal, but it doesn't happen.

Why? Olson, who taught at the University of Maryland until he died in 1998, explained the underlying problem this way: "Unless the number of individuals in a group is quite small, or unless there is coercion or some other special device to make individuals act in their common interest, rational, self-interested individuals will not act to achieve their common or group interests."

The problem, he said, is that although everyone would benefit from the collective good of, say, greater security, it's irrational for any individual to make voluntary sacrifices to achieve it.

I put a version of this dilemma to L. Paul Bremer in Baghdad in January 2004, when he was head of the Coalition Provisional Authority. In an interview in the Green Zone, I said that although people were describing him as an imperial proconsul, his situation seemed closer to that of a bankruptcy trustee: If one of his three big creditors -- the Shiites, the Sunnis and the Kurds -- decided to push for unilateral advantage and "call their loans," they would drive the enterprise into ruin. But if Bremer could coax the parties toward an agreement, everyone would emerge better off.

Bremer's initial response to the bankruptcy analogy was unforgettable: "Is that Chapter 7, or Chapter 11?" he asked. He went on to say that, like a bankruptcy trustee, he had to believe that the parties around the table were rational.

But individual rationality often pushes us toward solutions that are collectively ruinous. That was Olson's point. He was writing at a time when most social scientists embraced upbeat theories about the inherent cohesiveness of politics. He showed why this optimism was misplaced. It was, in fact, irrational for any individual to pay taxes voluntarily to support an army; better to let your neighbor pay, and get the benefit for free. Groups that acted voluntarily for the common interest were "composed of either altruistic individuals or irrational individuals," he wrote.

Iran illustrates the Olson problem. Every Iranian I encountered on a recent trip there expressed a belief that this is Iran's moment to emerge as a leading political and economic force in the Middle East. But to get this collective benefit every Iranian wants, the country's leaders will have to limit a nuclear program that some Iranians want. Olson would tell us that, absent compulsion, it isn't going to happen: Powerful pressure groups will prevent the collective good.

An Olson problem also afflicts North Korea's neighbors as they deal with its nuclear weapons program. China, Russia, Japan, South Korea and the United States would all be better off if they had stopped Kim Jong Il before he detonated a bomb. But it's like fixing potholes. It was easier to wait for someone else to do it -- for Washington to wait for Beijing and vice versa. And, of course, the job never got done.

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Olson's escape from this conundrum was his recognition that it's necessary to compel the collective behavior that is in everyone's interest. Workers must be compelled to join a union; otherwise, they'll freeload. Citizens must be required by law to pay taxes; otherwise, they won't do it. Sectarian groups must be forced to obey the national government; otherwise they will create anarchy. And individual nations must be compelled to obey rules limiting the spread of nuclear technology and other threats to common security. Otherwise, we will have unending wars.

In the international arena, the appropriate instrument of compulsion is not, as the Bush administration has believed, the United States. It is the United Nations. Making the United Nations effective enough that it can compel the common good is the right answer to Olson's paradox.

HOMELAND RESPONSE:

FBI Chief Says Politics Ignored In Rise Of Corruption Probes (AP)

By Ron Jenkins, Associated Press Writer

AP, October 27, 2006

OKLAHOMA CITY - The FBI has stepped up public corruption investigations since the Sept. 11, 2001 terrorists attacks and is pursuing current probes with no thought of the upcoming elections, FBI Director Robert Mueller said Thursday.

Story continues below advertisement

Mueller, in Oklahoma City for a rare visit, his second since becoming director five years ago, said when the FBI prioritized its national security mission after 9-11, it also made public corruption its No. 1 priority in criminal investigations.

The result has been a surge in public corruption convictions. "In the last two years, we have had upward of 1,070 convictions of public officials who have abused the (public) trust."

"Having made that a priority, each of the divisions has looked for areas in which there has been or appear to be public corruption and addressed it with investigations followed up with successful prosecutions."

The FBI also has established a separate Web site for the public to report suspected corruption.

Mueller declined to address questions on specific investigations, such as the congressional page scandal that led to Rep. Mark Foley, R-Fla., entering alcohol treatment after disclosure he had made sexually implicit text messages to teenage male pages.

He would not speculate on how long the page scandal probe would last.

But he said politics "does not influence" the course of FBI corruption investigations.

"We continue our investigations, regardless of the politics of the time. Investigations have gone on as if there were no elections coming up."

Oklahoma interest in the page scandal has been peaked by the disclosure that Jordan Edmund, former deputy campaign manager for GOP gubernatorial candidate Ernest Istook, may have received suggestive text messages from Foley.

Edmund was interviewed for 2 1/2 hours by FBI agents in Oklahoma City earlier this month.

Mueller said the FBI is increasing its presence abroad in order to fulfill its primary mission of protecting American citizens at home.

"Increasingly, we find that which adversely impacts us in the United States is being initiated overseas and for us to be successful, we have to be a worldwide organization," he said.

He referred specifically to two "computer worms" that caused havoc in the United States _ one caused by a teenager in Morocco and one by an individual in Turkey.

"I see us as a bridge between that which is happening within the United States and that which is occurring overseas that may adversely affect us here," he said.

Asked about the agencies interrogation methods, he said: "What I will tell you is the FBI adheres to its protocol for interrogations, which over a period of time has been in place and does not allow coercion. That has been our protocol and we adhere to that protocol."

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Oklahoma City was the site of the country's worse domestic terrorist act in 1995 when a federal building was blown up. The explosion killed 168 people and injured hundreds. Timothy McVeigh was executed for his role in the bombing plot and Terry Nichols, a former Army buddy of McVeigh's, was given a life sentence.

When asked about former Attorney General John Ashcroft's criticism of prosecutors in the bombing case in his book, Mueller said it was wrong for authors of books on the attack to say federal authorities botched the case.

"While there may have been some glitches in the prosecution, in terms of the documents, nonetheless, all documents that conceivably could have been exculpatory were turned over to the defense counsel and the case has taken its course and McVeigh has been executed.

"And so it's been a successful investigation and successful prosecution and an exceptionally unfortunate and horrible terrorist attack."

He said the various conspiracy theories that keep popping up are "a fact of life."

"You have those conspiracies that will be out there, regardless of the weight of the evidence as it has been shown in public trials."

Rep. Dana Rohrabacher, R-Calif., has announced that he will begin hearings about Nov. 15 with a focus on "possible foreign connections" to the Oklahoma City bombing.

No Extra Prison Time For Terror Hoax (CHIT)

By Jeff Coen, Tribune Staff Reporter

Chicago Tribune, October 27, 2006

A federal judge today handed down a 41-month sentence for a man who pleaded guilty to falsely telling the FBI about a terror plot against a company's Chicago headquarters.

Gilbert Romero, 31, was sentenced by U.S. District Judge Elaine Bucklo for the hoax.

Bucklo said she wanted to send a message that the incident was serious, even though Romero is expected to serve the sentence concurrently with a 12-year state prison sentence on prior burglary convictions.

Romero, whose last known address was in Northlake, did not make a statement in court.

Assistant U.S. Atty. Edward Siskel said false statements like the ones in the Romero case are disruptive to the FBI, which has limited resources to use in terror investigations.

"(The hoax) was taken extremely seriously by the FBI," Siskel said, adding that agents spent a month running down leads.

Siskel said Romero's apparent motivation was to be transferred from a county jail to federal custody.

Romero's lawyer, Thomas Brandstrader, said Romero had "a bad idea, and the execution was even worse."

The defendant pleaded guilty June 30 to "conveying false information about the use of a weapon of mass destruction against property in the United States" and making false statements to federal agents.

Romero had a string of prior burglary convictions and has been in and out of state custody since the early 1990s, according to state records.

In June 2005, Romero told the FBI that a terrorist attack was to be carried out against the Chicago headquarters of a U.S. company. The claim came after Romero was detained in Lake County on state charges, according to his plea agreement.

He said the attack was to be carried out by an individual who was recruiting other terrorists for a strike on U.S. soil, the indictment against him stated. Prosecutors did not reveal the individual's identity or the name of the company.

According to the indictment, Romero falsely told federal agents he and three others would team with the supposed terrorist.

The phony terrorism team purported it would fund the plot either through the anticipated awards of a medical malpractice suit or by taking hostages—specifically owners of currency exchanges and jewelry stores—and holding them for ransom, the indictment alleges.

The hoax that Romero allegedly sketched out involved enormous violence. In addition to destroying the company with a fertilizer-and-fuel bomb, Romero told agents the terrorists would gun down any police officers who intervened, the indictment alleges.

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Romero said the guns, AK-47s and Mac-10 machine pistols, would come from Romero's street gang, according to the charges.

Prison Sentence For Man Who Lied To FBI About Chicago Terror Plot (AP)

AP, October 27, 2006

CHICAGO - A federal judge gave a 41-month sentence Thursday to a 31-year-old man who pleaded guilty in July to telling the FBI about a fictitious terror plot to bomb a company's Chicago headquarters.

U.S. District Court Judge Elaine Bucklo said she wanted to send a message that the incident was serious, even though Gilbert Romero is expected to serve the sentence concurrently with a 12-year state prison sentence for prior burglary convictions.

Romero, of suburban Northlake, was charged with making false statements and reporting a hoax terrorism threat.

Authorities said Romero was an inmate at the Cook County Jail in June 2005 when he allegedly told officials he had information about an upcoming attack.

FBI agents interviewed Romero, who had been jailed for a parole violation, authorities said. He had been paroled from state prison in February after being convicted for burglary, according to state records.

Assistant State's Attorney Edward Siskel said Romero's apparent motive was to be transferred from a county jail to federal custody.

Romero's lawyer, Thomas Brandstrader, told the Chicago Tribune that Romero had "a bad idea, and the execution was even worse."

Romero told the agents the attack would be carried out by an individual who was recruiting others for a supposed strike on a U.S. target with a fertilizer and fuel bomb, according to the indictment. He also allegedly told agents the terrorists would kill any police officers who intervened. The indictment did not give further details of the fictional plot.

Siskel said false statements like the ones in the Romero case are disruptive to the FBI, which has limited resources to use in terror investigations.

Liquid Ban Causes Airline Earnings To Spring A Leak (USAT)

By Marilyn Adams

USA Today, October 27, 2006

The government's abrupt ban on liquids in plane cabins last summer slammed third-quarter earnings of U.S. airlines as potential customers changed travel plans rather than deal with the tighter rules.

US Airways and AirTran Airways on Thursday became the latest of several large carriers to blame the terrorism-related ban for major hits to results for the quarter ended Sept. 30.

Tempe, Ariz.-based US Airways said the restriction cost it between $30 million and $40 million in lost ticket sales, and Orlando-based AirTran put its lost revenue as high as $12 million. Last week, No. 1 American Airlines cited a $50 million hit to its revenue, and discount leader Southwest put the number at $40 million.

The ban added to airlines' costs in various ways, including worker overtime. But the airlines have only quantified lost revenue.

“We saw a cessation of bookings over that first weekend,” AirTran CEO Joe Leonard said. “We have returned to normal booking levels, but we never made up that loss.”

On Aug. 10, hours after British authorities arrested suspected would-be plane bombers in London, officials in the USA and Britain prohibited passengers from carrying almost any liquids or gels onto airplanes. The terrorists had been plotting to bring liquid explosives onto planes to blow up trans-Atlantic flights, authorities said.

Airport security lines mushroomed because of stricter searches and passenger confusion. Many passengers missed flights. The amount of checked baggage soared because passengers could not pack liquids in carry-ons. Airlines were forced to pay workers overtime to try to keep up with the increase.

The TSA has since relaxed the rules so passengers can bring aboard containers of liquids 3 ounces or less that are carried inside a clear plastic bag. But even as recently as Sept. 30, checked luggage at US Airways was still running 20% higher

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than before the ban, US Airways spokeswoman Andrea Rader said. AirTran's checked luggage is still running 9% higher than normal.

AirTran reported a third-quarter loss of $4.3 million, or 5 cents per share, vs. a profit of $1 million a year earlier. US Airways posted a $78 million net loss, or 88 cents per share, vs. a $99 million loss a year earlier. Excluding special items, US Airways earned $101 million.

Terrorizing Congress (WSJ)

The Wall Street Journal, October 27, 2006

The U.S. hasn't been hit by a terror attack in five years, but that hasn't stopped the insurance industry from hitting up Congress again and again for more terror insurance subsidies. Keep this in mind the next time someone claims a new federal program will be "temporary."

Congress passed the Terrorism Risk Insurance Act (TRIA) ostensibly to assist the insurance industry through a "transitional period." In return for insurers offering terrorism coverage to their commercial policyholders, the feds agreed to cover the bulk of any losses from future terror attacks. The problem is that this federal backstop is no longer needed, if it ever was. It's true some insurers exited the market after 9/11, but others were still able to raise capital after the attacks. And by the time Congress passed TRIA in November 2002, premium rates were falling.

If anyone needs further evidence that TRIA deserves a proper burial, we recommend a recent U.S. Treasury report on the terrorism risk insurance market. According to the report, the percentage of companies buying terrorism coverage has climbed to 58% in 2005 from 27% in 2003, even as the cost of coverage has fallen to "roughly 3 to 5 percent of total property insurance coverage."

The report adds that the "financial health and capacity of insurers" has also bounced back, disasters like Katrina notwithstanding. Since 9/11, "policyholder surpluses in the property and casualty industry have risen, as the industry has remained profitable (even with the 2005 hurricane season losses) and has benefited from increased rates of return on investments." In short, this industry is doing just fine without any taxpayer guarantees.

Already renewed once, TRIA expires at the end of 2007, and the program's backers in the insurance, real-estate and financial services industries are out in force arguing that it be made permanent. Hank Greenberg, the former AIG chief, calls TRIA "essential." And Aaron Davis of Aon Corp. claims that "the private market for terrorism risk insurance cannot operate without some form of public-private partnership."

But that gets it exactly backward. As the Treasury report explains, TRIA "appears to negatively affect the emergence of private sector reinsurance capacity because it dilutes demand for private sector reinsurance." We'll never know what the private sector reinsurance market is capable of so long as Uncle Sam is providing the service for free. TRIA also creates a moral hazard. By shifting coverage costs from property owners to taxpayers, the program potentially creates higher overall costs by reducing incentives for property owners to invest in risk mitigation efforts.

So far the White House has been steadfast in insisting that TRIA eventually be allowed to sunset. And in a letter submitted with the new report to Senator Richard Shelby, whose Banking Committee would lead any reauthorization of the law, Treasury Secretary Hank Paulson reiterated that "TRIA was not intended to be permanent, but rather was intended to help stabilize the insurance industry. It has been successful in that regard."

It certainly has. But that doesn't mean the Bush Administration isn't in for a fight next year with Washington's formidable insurance lobby. Government programs -- even hastily conceived ones like TRIA -- just keep going, and going, and going . . .

WAR NEWS:

Don't Mistake Iraq Timelines For Deadlines, Rumsfeld Says (USAT/AP)

USA Today, October 27, 2006

WASHINGTON — Defense Secretary Donald Rumsfeld said Thursday that critics should “just back off” on demands for deadlines for progress in Iraq and that it is difficult to predict when Iraqis will assume control of their country.

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At a Pentagon news conference, Rumsfeld said U.S. and Iraqi officials have been discussing benchmarks for Iraq's security, politics and economy. Such benchmarks are valuable, he said, because “you are in effect establishing priorities.”

However, he said the timelines have no specific deadlines, nor do they spell out consequences if the goals are not met.

“You're looking for some sort of a guillotine to come falling down if some date isn't met. That is not what this is about,” Rumsfeld said.

“They've been discussing the way forward through the rest of this year and next year,” Rumsfeld said of discussions between U.S. and Iraqi officials. “As they do that, they then discuss, ‘Well, when might something happen?' And it isn't a date. And it isn't a penalty if it doesn't” happen.

“You ought to just back off, take a look at it, relax, understand that it's complicated, it's difficult,” Rumsfeld said regarding talk of deadlines. “Honorable people are working on these things together.”

U.S. Ambassador Zalmay Khalilzad said in Baghdad on Tuesday that Iraqi leaders had agreed to have a plan by the end of the year laying out the times by which they want certain things accomplished.

On Wednesday, however, Iraqi Prime Minster Nouri al-Maliki said his government had not agreed to anything.

Later Wednesday, President Bush said al-Maliki was correct in saying mandates could not be imposed on Iraq. He added, “We'll push him, but we're not going to push him to the point where he can't achieve the objective.”

Rumsfeld Tells Iraq Critics To 'Back Off' (WP)

By Jonathan Weisman And Ann Scott Tyson, Washington Post Staff Writers

The Washington Post, October 27, 2006

With his chorus of critics expanding deeper into Republican ranks, Defense Secretary Donald H. Rumsfeld told detractors yesterday to pull back as U.S. and Iraqi officials grapple with the uncertainties of laying out Iraq's course.

"You ought to just back off, take a look at it, relax, understand that it's complicated, it's difficult," Rumsfeld said, appearing unusually combative as he sparred with reporters at the Pentagon. "Honorable people are working on these things together," he said, adding emphatically that "no daylight" exists between the U.S. and Iraqi sides.

But with just 12 days before the Nov. 7 elections, bipartisan criticism of the war appears to be gaining momentum, despite Rumsfeld's pugnacious defense of the Bush administration's Iraq strategy. The office of Senate Minority Leader Harry M. Reid (D-Nev.) mocked Rumsfeld's admonition on a day when October's death toll of U.S. troops in Iraq reached 96, the highest monthly total in a year.

More troubling for President Bush, the cracks in the Republican Party's support for the war are widening. In recent days, Rep. Anne M. Northup (Ky.) and Sen. Mike DeWine (Ohio) have called for Rumsfeld's resignation, and Rep. John E. Sweeney (N.Y.) and Tennessee's Republican Senate candidate, Bob Corker, have declared that "stay the course" is not a viable strategy. Sen. Kay Bailey Hutchison (Tex.) has said she would not have authorized the invasion if she knew then what she knows now; and Rep. Curt Weldon (Pa.) has demanded that generals -- not the White House -- draft a plan for withdrawal.

Bush declared Wednesday that the United States is winning the war in Iraq, but acknowledged that he is not satisfied with the situation and vowed to press Iraqi leaders to do more to stabilize their country on their own.

"Everyone's trying to make a little mischief out of this, and . . . turn it into a political football," Rumsfeld said yesterday of the ongoing talks over goals by the Iraqi leadership, U.S. Ambassador Zalmay Khalilzad and Gen. George W. Casey Jr., the senior U.S. commander in Iraq. He denied reports that Casey sought to increase U.S. troops in the country, and he said a majority of the 310,000 Iraqi security forces are "in the lead" and "bearing the brunt of the battle" in Iraq.

Rumsfeld said setting benchmarks for the Iraqi government to assume greater control over security and the operation of public institutions does not imply strict deadlines. "You're looking for some sort of guillotine to come falling down if some date isn't met. That is not what this is about," he said.

Four months ago, House Republican leaders orchestrated an 11-hour floor debate, hoping to put Democrats on record as opposing Bush's stand to see the war through until "the mission to create a sovereign, free, secure and united Iraq" has been reached. Over the summer, a trickle of Republicans voiced concern that the war was not going the way the White House was portraying it. Now, many more Republicans are adding their voices.

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"You can have a bad week, you can have two bad weeks, but when you have two bad months, you have to reassess," Northup said this week as she called for Rumsfeld's replacement. "You cannot afford to lose the numbers we are losing now and just keep slugging away."

Sweeney told the Glen Falls, N.Y., Kiwanis Club last week: "I think that the strategy of 'staying the course' is not a strategy at all. It doesn't work."

Rumsfeld "would not be my secretary of defense if I was the president of the United States," the embattled DeWine told CNN. "He has, you know, made huge mistakes. And I think history will judge him very harshly."

"I can't defend how the president laid out the need for [going to war in Iraq]. I don't support Rumsfeld," Rep. Pat Tiberi (R-Ohio) said recently in a local newspaper.

"We can't set a hard timetable, but we can ramp up pressure on the Iraqis to take responsibility," Rep. Nancy L. Johnson (R-Conn.) told the Danbury News-Times editorial board.

Such statements about an unpopular war may seem logical from candidates locked in perhaps the most difficult political campaigns of their lives. But in recent days, the sentiments have come from Republicans breezing toward reelection or not even in a race this year.

Hutchison, a White House stalwart who is not up for reelection, broke from Republican talking points, saying: "If I knew then what I had known now, on the weapons of mass destruction, which was a key reason I voted the way I did, I would not have voted to go into Iraq."

Sen. Olympia J. Snowe (R-Maine), who is leading her Democratic opponent in the most recent poll, 73 percent to 10 percent, declared: "Staying the course is neither an option nor a plan. Congress must be willing to reassess and re-chart our future military presence in Iraq."

Republicans had once hoped to frame Iraq as a vital front in the fight against terrorism and to pound Democratic critics for being weak on national security. But with just days left to campaign, Democrats are turning the war against Republicans in dozens of closely contested races around the country.

The calls for Rumsfeld's resignation and the criticism of the conduct of the war by Northup, DeWine and others are "a reflection of just how difficult it has been for Republican candidates to separate themselves from the president and the war," said Amy Walter, a House analyst with the nonpartisan Cook Political Report.

"With 12 days left, they've attacked the Democrats. It didn't work. They've talked about their greatest strengths: taxes, terrorism and immigration. It didn't work. Now they're saying, 'Well, we'll try this.' "

"They have to respond to their constituents," said Frank Luntz, a Republican pollster and campaign strategist.

"In the end, voters need to know they understand the public's frustration and concern," he said. "Does it undermine the support for the war? Yes. But does it help these Republican campaigns? Also yes."

Rumsfeld Says Iraq Goals Not Deadlines (WT)

By Rowan Scarborough

The Washington Times, October 27, 2006

Defense Secretary Donald H. Rumsfeld waded yesterday into the debate over benchmarks for political progress in Iraq, saying the goals laid out this week in Baghdad by U.S. officials are not firm deadlines as asserted by the Iraqi prime minister.

In a combative press conference at the Pentagon during which he urged reporters to "back off," he noted the intense atmosphere in Washington by saying, "It's a political season, and everyone's trying to make a little mischief out of this."

He said his top commander in Iraq, Army Gen. George Casey, and U.S. Ambassador Zalmay Khalilzad, have been in continuing discussions to set markers for accelerating the takeover by Iraqi security forces and reaching peace between ruling Shi'ites and minority Sunnis.

"They then discuss, 'well, when might something happen?'," Mr. Rumsfeld said. "And it isn't a date and it isn't a penalty if it doesn't. I mean, you're trying to add a degree of formality and finality and punishment to something. My goodness."

Last week, Mr. Rumsfeld said Iraq had to assume more security missions "sooner rather than later."

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Mr. Rumsfeld admonished the press for what he says is an attempt to create division between the administration and Iraqi Prime Minister Nouri al-Maliki, even while the Iraqi himself has rebuked Washington.

"This is complicated stuff," Mr. Rumsfeld said. "No one can predict the future with absolute certainty. So you ought to just back off, take a look at it, relax."

President Bush on Wednesday, and Mr. Rumsfeld yesterday, took pains to explain the benchmark process announced in Baghdad in the face of strident criticism from Mr. al-Maliki.

Earlier this week, Gen. Casey announced a timeline for having Iraqi security forces take control of all 18 provinces in 18 months. They have been put in control of two. Mr. Khalilzad said he wanted a political compact in place within a year that divided up Iraqi oil wealth and brought militias under government control. This would include the Mahdi Army controlled by radical Shi'ite cleric Muqtada al-Sadr, a political ally of Mr. al-Maliki's

Asked how the United States will deal with Sheik al-Sadr, Mr. Rumsfeld said, "It is something that the sovereign Iraqi government is wrestling with."

When a reporter asserted that "Every time a benchmark has been laid down in terms of security forces and the like the Iraqis have been unable to meet them," Mr. Rumsfeld became testy.

"That is just false," he shot back, before listing missions they had accomplished.

Defense sources have told The Washington Times that Sheik al-Sadr lost control of a large number of militiamen, who formed autonomous death squads that hunt down Sunni civilians around Baghdad.

Mr. Rumsfeld said the press was trying to corner the administration into setting firm deadlines. "And then of course you can point with alarm and say, 'Oh my goodness, you didn't make it.' And you can have a front-page article and everyone will have a good time," he said. "And then the ones that we make earlier than we thought, we'll never see it on the front page."

Real Timetables For Iraq (NYT)

The New York Times, October 27, 2006

Funny how a few weeks before the election Bush administration officials start hinting at timetables for getting American troops out of Iraq. But spinning out implausible scenarios — like the claim that it might take only 12 to 18 more months for the Iraqis to be able to defend themselves — won't get Iraq any closer to containing the mayhem, nor this country any closer to extricating itself.

What is needed is an explicit, credible and public set of deadlines — for Iraq's leaders but also for President Bush — to confront the most difficult problems, including disarming sectarian militias, stabilizing Baghdad, protecting minority rights, and apportioning the country's oil wealth.

That's the only way Iraqis and Americans can judge whether progress is being made and whether the effort is worth the cost.

The American ambassador in Baghdad, Zalmay Khalilzad, seemed to be moving down that road this week when he announced that Iraq's leaders had agreed to a timeline for "making the hard decisions" necessary to reduce sectarian bloodletting. The Times's review of the unpublished "notional political timetable" suggests that it is a lot less demanding than advertised.

For example, it gives the Iraqi Parliament until December to outline the terms for demobilizing militias. But it sets no deadline by which Prime Minister Nuri Kamal al-Maliki — whose government is backed by two religious parties with powerful militias — must disarm the militias. The day after Mr. Khalilzad announced the existence of a timetable, Mr. Maliki held his own news conference denying that he had agreed to anything.

The Iraqis weren't the only ones backpedaling. A day after the top American general in Iraq, George Casey, acknowledged that more troops may be needed to help stabilize Baghdad, his office issued a "clarification" saying that wasn't really what he meant.

And while General Casey suggested that the Iraqis should be able to provide their own security in 12 to 18 months, President Bush let slip that he had a far different timeline in mind. When asked at a news conference whether he would renounce

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any claim to permanent bases in Iraq, Mr. Bush said that was something for the Iraqi government to decide. He added, "And, frankly, it's not in much of a position to be thinking about what the world is going to look like five or 10 years from now."

This week we described what we believe must be done immediately to lessen the chances of chaos in Iraq after American troops withdraw. The Iraqis need to begin national reconciliation talks and disarm the militias. The Americans need to make a credible push to secure Baghdad and elicit the help of Iraq's neighbors.

There's no time left for notional timetables. Mr. Bush said the other day that "we're making it clear to the Iraqis that America's patience is not unlimited." We hope it's clear to Mr. Bush that Americans have already lost patience with his bumbling conduct of this war, and the remaining grace period can be measured in months, not years. That's a real deadline, for concrete progress, not for more rosy notions of victory.

Maliki And The GI (WSJ)

The Wall Street Journal, October 27, 2006

One of the toughest jobs confronting Iraqi Prime Minister Nouri al-Maliki is disarming the Shiite militias. The kidnapping Monday in Baghdad of an American soldier by vigilantes claiming to be from the so-called "Mahdi Army" underscores the urgency of the problem, and Mr. Maliki's response has been inadequate at best.

Not only has he criticized American and Iraqi operations in Sadr City aimed at freeing the captive, he also appeared to accept at face value yesterday the Sadrists' denial that they are holding an American. "We asked the Sadr movement to look for him and they swear they know nothing about him," Mr. Maliki told [a news agency] in an interview, adding that Sunni insurgents sometimes pose as Mahdi fighters.

But a well-placed source tells us it's becoming clearer that the American was in fact kidnapped by Shiite vigilantes and may have been moved from Sadr City in Baghdad to an area south of the capital. Mr. Maliki also got the details of the kidnapping wrong -- the soldier (who is of Iraqi descent) was not with his brother, as the Prime Minister told [a news agency] -- suggesting he has not been very engaged on the issue.

Mr. Maliki obviously has concerns about confronting the Sadrists, who hold about 30 seats in parliament and backed his bid for the premiership (as did the Bush Administration). But he also needs to understand that this incident could prove a turning point in his relationship with the American forces who protect his government. Those troops need to see him exerting maximum effort behind the scenes to free their comrade. A public appeal for the American soldier's release is the least Mr. Maliki could do.

On the broader issue of what to do about Mahdi Army violence in general, there's no easy answer. Moqtada al-Sadr could and should have been arrested several years ago when a warrant was issued in connection with the murder of moderate cleric Abdul Majid al-Khoei after the U.S. invasion in spring of 2003. But at this point it may be smarter to go after the worst of the Mahdi troublemakers in smaller operations, as U.S. and Iraqi forces are now doing, and hope that their nominal leader's political influence will wane.

Mr. Maliki also says he is working with Mr. Sadr on a political solution to the problem, and he deserves a chance to try. But if Sadrist forces ask him to choose between them and his obligations to a unified Iraq worthy of U.S. support -- as the Sadrists appear to have done with this kidnapping -- he should know there will be consequences for picking the wrong side.

Mr. Maliki's moves here will affect his relationship with Iraq's Sunni community as well. One key to striking a political compromise across religious communities is convincing Sunnis that Shiite death squads won't be tolerated by the government. If Sunnis see him unwilling to confront the Sadrists on behalf of the Americans to whom he indirectly owes his job, what reason do they have to believe he will act against militia violence on their behalf?

Analysis: Bad Reviews For Iraq Policy (AP-Y)

By Steven R. Hurst

AP, October 27, 2006

'Stay the course' is gone. In its place: 'constant readjustment' of tactics, a timeline to crush Shiite death squads and inducements like unconditional amnesty for Sunni insurgents.

Polls of Iraqis show them eager for American troops to leave. U.S. public opinion surveys find that only about 34 percent of voters support the war effort.

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With such broad disaffection and midterm elections coming Nov. 7, the Bush administration has spent the past few weeks in an intense search for a new face to put on the conflict, in which more than 2,800 U.S. troops now have died.

While American voters will make their judgement of the administration effort in less than two weeks, the newly burnished policy already is getting bad reviews in Baghdad. Iraqi Prime Minister Nouri al-Maliki took issue only a day after it was unveiled, implying portions of it were a challenge the sovereingty of his five-month-old government.

First, he rejected U.S. talk of an ill-defined timeline to curb violence.

"I affirm that this government represents the will of the people and no one has the right to impose a timetable on it."

Then he said the plan was prompted by American electoral politics:

"I am sure that this is not the official policy of the U.S. government, but it is a results of the election race going on and we are not much concerned with it."

It was not known if al-Maliki raised the objections out of conviction or to mollify his Shiite Muslim political base — or both. Maliki's political position is a delicate balance, one that sometimes frustrates his U.S. backers.

At a Wednesday news conference, President Bush said Iraq's government "must respect the fact that we've got patience, but not unlimited patience."

Even before that veiled warning, al-Maliki felt compelled earlier this month to ask Bush if he were in danger of losing American backing. Bush reported that he reassured the Iraqi leader that he had no plans to pull troops out of Iraq and told him to ignore rumors the United States intended to enforce a deadline for Baghdad to rein in sectarian violence.

But al-Maliki's concern was not unfounded, given remarks by Secretary of State Condoleezza Rice at the start of her Iraq tour at the start of the month.

"The security situation is not one that can be tolerated and it is not one that is being helped by political inaction," Rice said.

Officials close to Al-Maliki, speaking on condition of anonymity because of the sensitivity of the issue, said he had been told by the Americans that he had until the end of the year to make significant progress in ridding the streets of sectarian death squads or face the quiet withdrawal of U.S. backing.

If true, it would be a tough move for the United States given its stated objective of leaving behind a democratic Iraq. If only rumor, it still reflected the precariousness of the U.S.-Iraqi relationship.

The administration appears to be losing patience in the 44th month of the war partly because of the big jump in U.S. deaths. As of Thursday, 96 service members had been killed in combat this month, the highest toll since October 2005, when the same number of U.S. troops died. Only three months have seen higher death figures since the war began.

As the toll mounted, administration officials and the U.S. military increasingly sought to blame at least a portion of the skyrocketing bloodshed on the political savvy of insurgent forces.

Their argument holds that Sunni fighters had stepped up attacks to kill more Americans in a bid to turn U.S. voters more deeply against the conflict, and thus harm Republican chances and weaken Bush. Further, the reasoning claims, insurgents believed a Democratic-controlled Congress would more quickly force an end to U.S. involvement.

"In regards to this spike in violence ... it's no coincidence that the surge in attacks against coalition forces and the subsequent increase in U.S. casualties coincides with our increased presence on the streets of Baghdad and the run-up to the American midterm elections," U.S. military spokesman Gen. William B. Caldwell said a week ago.

"The enemy knows that killing innocent people and Americans will garner headlines and create a sense of frustration."

Last week, Bush agreed that a New York Times columnist might have been right to compare surging Iraqi violence to the 1968 Tet offensive in Vietnam.

The Viet Cong drive against American and South Vietnamese soldiers was seen as a turning point in U.S. public opinion against that war and responsible for President Lyndon Johnson's decision months later not to seek a second term.

"He could be right," the president said of analogy drawn by Thomas Friedman. "There's certainly a stepped-up level of violence, and we're heading into an election."

But some who closely follow the war find that explanation insufficient, if not a distortion of the facts.

"Iraqis are fighting Iraqis for Iraqi reasons, not to influence elections or force the U.S. out of Iraq," Center for Strategic and International Studies scholar Anthony Cordesman said in a recent paper.

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"This has built up for more than two years, and any reference to a 'Tet offensive' requires both a massive ignorance of the realities in Iraq and an equal ignorance of the realities in Vietnam," he said.

Democrats Are Divided On A Solution For Iraq (NYT)

By John M. Broder

The New York Times, October 27, 2006

WASHINGTON, Oct. 26 — If the Nov. 7 election in the United States is a referendum on the Iraq war, what are the choices?

President Bush admitted Wednesday that things were not going as well as he had hoped in Iraq and that he was adjusting tactics on the ground to deal with the continuing military and political problems there. He said his overarching goal — victory — remained unchanged, but he gave no sense of what it would take to achieve it.

Democratic leaders and candidates are virtually unanimous in opposing the president's conduct of the war, and most advocate American disengagement — either quickly or slowly. But most are not calling for an immediate withdrawal of American forces or offering a vision of what postwar Iraq should look like. They say they stand for change, but the variety of formulations is dizzying.

Nineteen House members sponsored a bill to cut off funds for the war. The Democratic Senate candidate in Pennsylvania opposes a deadline for ending American involvement in Iraq. The Democratic candidate for Senate in Ohio wants all the troops out within two years. Representative Nancy Pelosi of California, the current minority leader who is likely to be the next speaker of the House if Democrats win back the chamber, is calling for immediate steps to begin to remove American forces, with all of them out of Iraq by the end of 2007.

"We haven't coalesced around a single plan," Senator Debbie Stabenow, a Michigan Democrat who is up for re-election this year, acknowledged in an interview on Thursday. "But, we're in general agreement on the basic principles."

The range of proposals in part reflects the military, political and sectarian maze that Iraq has become. With virtually no one contending that an exit would be easy, no one wants to be responsible for a decision that would leave Iraq a smoldering ruin of civil war.

But the range of proposals also illustrates the state of the Democratic Party, which has not held executive power for six years or controlled the Congress for twice that long. There is no dominant figure in the party to formulate a policy position, so a hundred schools of thought contend. And even if the Democrats win one or both houses of Congress, they will not have the authority to change the course of the war significantly.

"The republic is being offered a choice between muck and murk," said David R. Gergen, an adviser to Republican and Democratic presidents and now a professor of public policy at the Kennedy School of Government at Harvard. "Neither party is offering a clear path ahead in Iraq."

A number of Democratic policy analysts and elected officials who are not facing re-election this year have drafted quite detailed proposals for untangling the Iraq knot. Senator Joseph R. Biden Jr., the Delaware Democrat, has proposed a plan to divide Iraq into three semi-autonomous regions — for the Kurds, the Shiites and the Sunnis — with the United States providing a security umbrella for a time.

Senators Carl Levin of Michigan and Jack Reed of Rhode Island are urging a plan, endorsed by a majority of Senate Democrats, to begin withdrawing troops within the next few months to impress upon Iraqi leaders that the American presence is not open-ended.

Richard C. Holbrooke, who was the ambassador to the United Nations under President Bill Clinton, this week offered an amalgam of the two plans. His proposal would give each of the three major population groups more autonomy and would provide for the beginning of a phased withdrawal with no firm timetable for completion.

But most Democrats standing for election are not as detailed or categorical. If the election has become a referendum on Iraq, it is one without a definitive choice. With less than two weeks to Election Day, both Republicans and Democrats appear to be fudging their positions to avoid alienating voters. Polls indicate that the public, hungry for a change, prefers the Democratic approach, unspecific as it is, to a continuation of the Bush policies.

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Republicans regularly express frustration at what they see as the Democrats' ability to get away with criticizing the conduct of the war without being pressed to offer their own solution.

"To the degree that they're trying to be none of the above, they find it useful," said Stuart Stevens, a Republican strategist who worked on Mr. Bush's 2004 campaign and represents several candidates this year. "But they're offering more of a weather report than a foreign policy position."

Democratic leaders in Congress say that voters are not demanding that candidates present a coherent plan to end the war. It is beyond the power of Congress to conduct military operations or order troop withdrawals in any case. But, they say, voters are flocking to the party because it offers an alternative to what Democrats call the failed Bush administration policy.

"The public understands also we're not the commander in chief," said Senator Charles E. Schumer, the New York Democrat who heads the party's senatorial campaign committee. "If we were to get the majority, we could do a lot more to get George Bush to change direction."

Mr. Holbrooke said that it was the administration, not the Democrats, that was in disarray on Iraq. The Democrats, he said, are united in their desire for disengagement. Disputes over when and where the troops would go are merely technical, he said.

"The Democrats stand for disengagement and de-escalation," Mr. Holbrooke said. "It's the Republicans who are all over the lot."

Yet in debates and interviews, Democratic candidates for Congress offer a wide range of formulations within the broad rubric of opposition to the war. Bob Casey Jr., the Democrat who is challenging Rick Santorum, Republican of Pennsylvania, for his Senate seat, said he would have voted to authorize the war in 2002 if he had been in the Senate, although he said he now believes the intelligence on which senators voted was faulty.

Representative Sherrod Brown, a Democrat who is trying to unseat Republican Senator Mike DeWine of Ohio, said he wants the military to come up with a plan to provide for an "orderly and safe" withdrawal of American troops within the next two years. "It's a practical plan, and I think the public agrees with it overwhelmingly," Mr. Brown said in an interview Thursday.

Representative James P. McGovern, Democrat of Massachusetts, sponsored the bill last year to cut off funding for the Iraq war. Eighteen other House Democrats co-sponsored the measure.

The Democrats have a plethora of proposals to extricate the United States from Iraq but no unified approach, said Marshall Wittman of the Progressive Policy Institute, a centrist Democratic research organization. "The overriding dynamic in this election is the war," he said. "The paradox is that once they take control of Congress, there is little they can do. That's the great irony of this election."

Staying The Course Right Over A Cliff (NYT)

By George Lakoff

The New York Times, October 27, 2006

Berkeley, Calif.

THE Bush administration has finally been caught in its own language trap.

"That is not a stay-the-course policy," Tony Snow, the White House press secretary, declared on Monday.

The first rule of using negatives is that negating a frame activates the frame. If you tell someone not to think of an elephant, he'll think of an elephant. When Richard Nixon said, "I am not a crook" during Watergate, the nation thought of him as a crook.

"Listen, we've never been stay the course, George," President Bush told George Stephanopoulos of ABC News a day earlier. Saying that just reminds us of all the times he said "stay the course."

What the president is discovering is that it's not so easy to rewrite linguistic history. The laws of language are hard to defy.

"The characterization of, you know, 'it's stay the course' is about a quarter right," the president said at an Oct. 11 news conference. " 'Stay the course' means keep doing what you're doing. My attitude is, don't do what you're doing if it's not working — change. 'Stay the course' also means don't leave before the job is done."

A week or so later, he tried another shift: "We have been — we will complete the mission, we will do our job and help achieve the goal, but we're constantly adjusting the tactics. Constantly."

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To fully understand why the president's change in linguistic strategy won't work, it's helpful to consider why "stay the course" possesses such power. The answer lies in metaphorical thought.

Metaphors are more than language; they can govern thought and behavior. A recent University of Toronto study, for example, demonstrated the power of metaphors that connect morality and purity: People who washed their hands after contemplating an unethical act were less troubled by their thoughts than those who didn't, the researchers found.

"Stay the course" is a particularly powerful metaphor because it can activate so many of our emotions. Because physical actions require movement, we commonly understand action as motion. Because achieving goals so often requires going to a particular place — to the refrigerator to get a cold beer, say — we think of goals as reaching destinations.

Another widespread — and powerful — metaphor is that moral action involves staying on a prescribed path, and straying from the path is immoral. In modern conservative discourse, "character" is seen through the metaphor of moral strength, being unbending in the face of immoral forces. "Backbone," we call it.

In the context of a metaphorical war against evil, "stay the course" evoked all these emotion-laden metaphors. The phrase enabled the president to act the way he'd been acting — and to demonstrate that it was his strong character that enabled him to stay on the moral path.

To not stay the course evokes the same metaphors, but says you are not steadfast, not morally strong. In addition, it means not getting to your destination — that is, not achieving your original purpose. In other words, you are lacking in character and strength; you are unable to "complete the mission" and "achieve the goal."

"Stay the course" was for years a trap for those who disagreed with the president's policies in Iraq. To disagree was weak and immoral. It meant abandoning the fight against evil. But now the president himself is caught in that trap. To keep staying the course, given obvious reality, is to get deeper into disaster in Iraq, while not staying the course is to abandon one's moral authority as a conservative. Either way, the president loses.

And if the president loses, does that mean the Democrats will win? Perhaps. But if they do, it will be because of Republican missteps and not because they've acted with strategic brilliance. Their "new direction" slogan offers no values and no positive vision. It is taken from a standard poll question, "Do you like the direction the nation is headed in?"

This is a shame. The Democrats are giving up a golden opportunity to accurately frame their values and deepest principles (even on national security), to forge a public identity that fits those values — and perhaps to win more close races by being positive and having a vision worth voting for.

Right now, though, no language articulating a Democratic vision seems in the offing. If the Democrats don't find a more assertive strategy, their gains will be short-lived. They, too, will learn the pitfalls of staying the course.

The Arithmetic Of Failure (NYT)

By Paul Krugman

The New York Times, October 27, 2006

Iraq is a lost cause. It's just a matter of arithmetic: given the violence of the environment, with ethnic groups and rival militias at each other's throats, American forces there are large enough to suffer terrible losses, but far too small to stabilize the country.

We're so undermanned that we're even losing our ability to influence events: earlier this week, Prime Minister Nuri Kamal al-Maliki brusquely rejected American efforts to set a timetable for reining in the militias.

Afghanistan, on the other hand, is a war we haven't yet lost, and it's just possible that a new commitment of forces there might turn things around.

The moral is clear — we need to get out of Iraq, not because we want to cut and run, but because our continuing presence is doing nothing but wasting American lives. And if we do free up our forces (and those of our British allies), we might still be able to save Afghanistan.

The classic analysis of the arithmetic of insurgencies is a 1995 article by James T. Quinlivan, an analyst at the Rand Corporation. "Force Requirements in Stability Operations," published in Parameters, the journal of the U.S. Army War College, looked at the number of troops that peacekeeping forces have historically needed to maintain order and cope with insurgencies. Mr. Quinlivan's comparisons suggested that even small countries might need large occupying forces.

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Specifically, in some cases it was possible to stabilize countries with between 4 and 10 troops per 1,000 inhabitants. But examples like the British campaign against communist guerrillas in Malaya and the fight against the Irish Republican Army in Northern Ireland indicated that establishing order and stability in a difficult environment could require about 20 troops per 1,000 inhabitants.

The implication was clear: "Many countries are simply too big to be plausible candidates for stabilization by external forces," Mr. Quinlivan wrote.

Maybe, just maybe, the invasion and occupation of Iraq could have been managed in such a way that a force the United States was actually capable of sending would have been enough to maintain order and stability. But that didn't happen, and at this point Iraq is a cauldron of violence, far worse than Malaya or Ulster ever was. And that means that stabilizing Iraq would require a force of at least 20 troops per 1,000 Iraqis — that is, 500,000 soldiers and marines.

We don't have that kind of force. The combined strength of the U.S. Army and Marine Corps is less than 700,000 — and the combination of America's other commitments plus the need to rotate units home for retraining means that only a fraction of those forces can be deployed for stability operations at any given time. Even maintaining the forces we now have deployed in Iraq, which are less than a third as large as the Quinlivan analysis suggests is necessary, is slowly breaking the Army.

Meanwhile, what about Afghanistan?

Given the way the Bush administration relegated Afghanistan to sideshow status, it comes as something of a shock to realize that Afghanistan has a larger population than Iraq. If Afghanistan were in as bad shape as Iraq, stabilizing it would require at least 600,000 troops — an obvious impossibility.

However, things in Afghanistan aren't yet as far gone as they are in Iraq, and it's possible that a smaller force — one in that range of 4 to 10 per 1,000 that has been sufficient in some cases — might be enough to stabilize the situation. But right now, the forces trying to stabilize Afghanistan are absurdly small: we're trying to provide security to 30 million people with a force of only 32,000 Western troops and 77,000 Afghan national forces.

If we stopped trying to do the impossible in Iraq, both we and the British would be able to put more troops in a place where they might still do some good. But we have to do something soon: the commander of NATO forces in Afghanistan says that most of the population will switch its allegiance to a resurgent Taliban unless things get better by this time next year.

It's hard to believe that the world's only superpower is on the verge of losing not just one but two wars. But the arithmetic of stability operations suggests that unless we give up our futile efforts in Iraq, we're on track to do just that.

U.S. Deaths In Iraq Near Peak Months (WP)

By Ellen Knickmeyer And John Ward Anderson

The Washington Post, October 27, 2006

BAGHDAD, Oct. 26 -- Unrelenting daily attacks in Baghdad and the western province of Anbar have made October the deadliest month of the Iraq war for U.S. troops in combat since the all-out American offensives on Fallujah in April and November of 2004, according to U.S. military figures. The military on Thursday reported five more American troops killed, raising the toll for U.S. deaths in hostile action so far this month to 92.

The latest reported deaths -- those of four Marines and a sailor -- occurred Wednesday in Anbar province, an insurgent stronghold. The increasing death toll in Anbar comes after months in which U.S. and Iraqi commanders had said that sectarian warfare between Sunnis and Shiites was their prime concern and that Baghdad was the focus of their efforts.

Maj. Gen. William B. Caldwell, the U.S. military spokesman in Baghdad, attributed the resurgence in American deaths in the western province to "very conscious and deliberate operations" in Ramadi, Anbar's capital.

"It's an aggressive, offensive approach to taking back the city of Ramadi, to return it back to Iraqi security forces," Caldwell said on Thursday.

U.S. and Iraqi forces have been battling Sunni Arab insurgent groups in the heart of Ramadi on a daily basis since early this year, and Caldwell's words -- "taking back" -- reflected the degree to which guerrillas have asserted control over the city.

The insurgent groups include both foreign-led organizations such as al-Qaeda in Iraq and Iraqi resistance groups. U.S. officers said this past summer that they could claim sure control only over a few blocks immediately around Ramadi's town hall,

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as well as forward operating bases and other American outposts in the lawless city. U.S. troops, especially since summer, have moved more aggressively out into the city, pushing back against insurgents but also putting themselves at greater risk.

It was not clear whether Wednesday's killings were all in Ramadi, and the military gave no details about how they occurred. Local leaders in Ramadi reported that a series of planted bombs and suicide car bombs had targeted American forces around Anbar on Wednesday.

In 2004, thousands of American troops were involved in two concentrated offensives against Sunni Arab insurgents in Fallujah, and the toll in April of that year also included deaths in heavy fighting against forces of Shiite cleric Moqtada al-Sadr in southern Iraq. The number of Americans killed in action that month was 126; in November 2004, 125.

In contrast, American deaths this month have come singly or in twos, threes or fours, mostly from roadside bombs and small-arms fire targeting patrols, checkpoints and other day-to-day operations.

Sources within the two militaries, as well as Iraqi militiamen and foreign fighters, cite many of the same reasons for the current increase in violence in Anbar.

After American warplanes killed al-Qaeda in Iraq leader Abu Musab al-Zarqawi in June, his successor, Abu Ayyub al-Masri, called on followers to concentrate attacks on U.S. troops and Shiite militiamen, soldiers and police. In September, Masri urged every insurgent in Iraq to kill at least one American within 15 days.

The Egyptian-born Masri wanted redoubled attacks "to have a great effect on the American elections," said Abu Islam al-Arabi, a local al-Qaeda leader reached by telephone Thursday in Anbar province.

Arabi, an Iraqi, suggested other reasons for the surge in attacks: the desire of guerrillas to have their deaths come in the Islamic holy month of Ramadan, when some Muslims believe martyrdom will earn them special grace in paradise, and what he said was a new influx of foreign fighters, who he said had already made possible dozens of suicide attacks during Ramadan alone.

Except for that last reason, American officers have given all the same possible causes.

Of Iraq's 18 provinces, Anbar is by far the deadliest for U.S. troops: About 1,022 service members have been killed there since the war began, compared with 733 in Baghdad and 281 in Salahuddin province north of the capital, according to the Web site iCasualties.org.

So far in October, not including the most recent American deaths, 35 U.S. troops have been killed in Anbar, 42 in Baghdad and seven in Salahuddin, accounting for 88 percent of the U.S. fatalities, according to the Web site.

In all, 96 American troops have died of all causes -- including accidents and attacks -- since October began. The count is the highest overall toll in a year.

American deaths in the war are dwarfed by those of Iraqi civilians and troops, however.

During the recently concluded month of Ramadan, attacks killed about 300 Iraqi police officers, soldiers and other security forces, Army Gen. George W. Casey Jr., the U.S. commander in Iraq, said this week.

Civilians have died in even larger numbers. Violence killed more than 2,660 last month in Baghdad alone, reflecting a toll that has more than doubled since late spring. Before the U.S. invasion of Iraq in 2003, the number of victims of violent death received by the city morgue averaged 10 a month.

On Thursday, gun battles in the northern town of Baqubah killed at least five policemen and six civilians. Baqubah is home to many Sunni insurgents, but Shiite militiamen also are reported to have flooded into the area lately, and it was not clear who was responsible for Thursday's fighting.

It appeared, however, that the gunmen might have been attempting to win the release of jailed comrades. Maj. Gen. Shakha Hyllil al-Kabi, an Iraqi army commander, said authorities in Baqubah released 53 detainees, keeping only 10 behind. "This is an answer for all the terrorists: We only keep those involved" in crimes, said Kabi, who said authorities also returned some confiscated cars.

Month's Toll Most For U.S. In A Year (WT/AP)

By Qassim Abdul-zahra

The Washington Times, October 27, 2006

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BAGHDAD -- The number of American troops killed in Iraq in October reached the highest monthly total in a year yesterday after four Marines and a sailor died of wounds suffered while fighting in the same Sunni insurgent stronghold.

The U.S. military said 96 American troops have died in October, the most in one month since October 2005, when the same number were killed.

In other violence, 12 police officers were killed in fighting with suspected militia gunmen in Baqouba, northeast of Baghdad, officials said. Eighteen militants also were killed, police said.

The deadliest month for U.S. forces in Iraq was November 2004, when military offenses primarily in the then-insurgent stronghold of Fallujah, 40 miles west of Baghdad, left 137 troops dead, 126 of them in combat. In January 2005, 107 U.S. troops were killed.

The U.S. military said the five service members killed in the volatile Anbar province included a sailor assigned to the 3rd Naval Construction Regiment. Two of the Marines were attached to Regimental Combat Team 5, and two to Regimental Combat Team 7. All died from wounds suffered in attacks Wednesday.

Army Maj. Gen. William B. Caldwell, the U.S. military spokesman, said there had been a marked decrease in violence in Baghdad since the end of Ramadan, the Muslim month of fasting, earlier this week.

Gen. Caldwell said violence has tended to spike during that month, then fall off. He also said increased U.S. patrols and roadblocks in the search for a missing American soldier could be having an effect.

Fighting continued yesterday with clashes between Iraqi security forces and militia groups linked to major Shi'ite political parties, part of an ominous trend adding to the violence wrought by the Sunni-led insurgency against U.S. coalition forces and their Iraqi allies.

At least 12 policemen were killed in fighting near Baqouba with gunmen of the Mahdi Army militia, who are loyal to fiery anti-American Shi'ite cleric Muqtada al-Sadr.

Mahdi militiamen have flooded into the area 35 miles northeast of Baghdad, forcing large numbers of residents belonging to Iraq's Sunni Arab minority to flee their homes. Mahdi fighters killed scores of Sunnis in massacres last week in the nearby city of Balad, forcing U.S. troops to return to the area after Iraqi security forces were unable to stem the bloodshed.

Army Gen. George Casey, the top U.S. commander in Iraq, said that about 300 Iraqi police and soldiers died during Ramadan, and more than 961 Iraqis altogether have been killed in war-related violence this month, the highest level since the Associated Press began tracking civilian deaths in April 2005.

That amounts to an average of almost 40 every day, compared with a daily average of about 27 since April 2005, as more Iraqis fall prey to sectarian death squads affiliated with the militias.

Army To Spread Burden Of Combat (USAT)

By Tom Vanden Brook

USA Today, October 27, 2006

WASHINGTON — The prospect of combat in Iraq for at least another four years is prompting the Army to realign its forces to prevent a small slice of soldiers who are shouldering much of the fighting from wearing out.

Pentagon records show one-fifth of the Army's active-duty troops have served multiple tours of war duty while more than 40% haven't been deployed to Iraq or Afghanistan.

That disparity is behind the Army's plans to shift some soldiers to high-demand wartime specialties that could ease the burden on combat forces.

The Army announced this month that it plans to maintain its current force level in Iraq through 2010. There are about 105,000 soldiers in Iraq, 15,000 in Kuwait and 16,000 in Afghanistan.

The Army is moving soldiers from specialties such as artillery and air defense to high-demand roles: infantry, engineering, military police and intelligence, Special Forces, civil affairs and psychological operations, said Lt. Gen. Michael Rochelle, deputy chief of staff for Army personnel.

The Army has more soldiers deployed in Iraq and Afghanistan than the other services combined. It expects to complete the realignment by 2011.

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Marine Gen. Peter Pace, chairman of the Joint Chiefs of Staff, acknowledged this week that the Pentagon is sending active-duty troops overseas more frequently than it wants to, which is once in three years.

About 42% of the Army's 500,000 active-duty soldiers have not deployed to Iraq or Afghanistan. They include about 80,000 fresh recruits, most of whom are being trained. More than 90,000 others are in the so-called institutional Army, those who train, equip and manage soldiers.

By 2011, there will be 50,000 more troops available for deployment than in 2001. Part of that will be accomplished by having civilian Army employees take over certain jobs from soldiers, freeing them up to fight.

Five years of fighting have put the Army on the verge of wearing out vital soldiers, said James Carafano, a retired Army colonel and military analyst at the Heritage Foundation.

The Army is still structured to fight Cold War enemies, which prevents it from deploying more troops, he said. "It's not a usable force in terms of mix and composition."

The Army has sent more than 144,000 active-duty, National Guard and Reserve soldiers to Iraq or Afghanistan more than once. Army deployments typically last one year. Some soldiers, including special operations forces, have shorter tours.

Fort Bragg in North Carolina, where many Special Forces soldiers are based, is home to the Army's most-deployed soldier. That soldier, whom the Army declined to identify, has been sent to Iraq or Afghanistan nine times.

That's a "pocket of stress that we need to be concerned about," said retired Army colonel James Martin, an expert on military culture who teaches at Bryn Mawr College in Pennsylvania.

42 Iraqis Die As Insurgents Attack Police Near Baquba (NYT)

By Richard A. Oppel Jr. And Kirk Semple

The New York Times, October 27, 2006

BAQUBA, Iraq, Oct. 26 — Police officers acting on a tip about several kidnapped colleagues rode into deadly insurgent ambushes near here on Thursday, resulting in two intense battles that left at least 42 people dead, including 24 police officers, officials said.

Five American service members were killed Wednesday in Anbar Province, the military command reported Thursday, raising the American death toll in October to at least 96, one of the worst monthly tolls of the war.

The insurgent ambushes came as dozens of police officers converged on an area between Baquba and Baghdad, near a town called Khan Bani Saad. Word had come down late on Wednesday from the Interior Ministry that several Iraqi policemen who had been kidnapped days earlier near Baquba, the capital of Diyala Province, were being held south of there, and province officials ordered a raid. But as the police officers rode out, what they found was a large and well-armed Sunni insurgent force. A spokesman for the joint Iraqi-American command center in Baquba described the clashes as "very violent, brutal and heavy."

Among the dead were 24 police officers, including the police chief of Khan Bani Saad, Col. Abbas al-Amari, according to a spokesman for the Interior Ministry, which oversees the nation's police force. At least seven police officers were wounded, officials said.

According to American military officials in Baquba, 18 insurgents were killed, eight were wounded and 27 were captured.

One fight apparently ended when 18 policemen, each armed with only one or two clips of bullets, ran out of ammunition two miles north of Khan Bani Saad, officials said. Many appeared to have been executed near a canal, shot in the back of the head.

The Americans said the ambush might have been coordinated with the help of an insurgent agent working inside the government's security forces. Col. Brian D. Jones, the senior American commander in the province, called the attack a "setup."

"It was a baited ambush," he said.

Colonel Jones said that the loss of the police chief, Colonel Abbas, was a severe blow. After police officers in Khan Bani Saad walked off the job last month amid worsening violence, American officers envisioned a new, mixed force of 100 Shiite and 100 Sunni police officers under the command of Colonel Abbas, confident that he could produce a stable unit.

American commanders moved additional forces into the area three months ago in anticipation that large-scale military sweeps through Baghdad would inflame the area, whose population is about 60 percent Shiite and 40 percent Sunni.

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But the situation became more tense last month, when the Fifth Division of the Iraqi Army staged raids in Baquba that led to the arrest of 400 people, nearly all Sunni Arabs. That deeply angered Sunni leaders, who felt it showed the Shiite-dominated army division had singled out Sunnis while ignoring Shiite criminals.

As local Sunni and Shiite groups have put out calls for help, fighters from the Shiite Jaish al-Mahdi militia have moved north to Khan Bani Saad from Baghdad, said Lt. Col. Thomas Fisher, the commander of the 1-68 Combined Arms Battalion in Baquba. At the same time, fighters from Sunni groups and Al Qaeda in Mesopotamia have moved in from the west and north.

Colonel Jones said that it appeared the insurgents in the ambushes on Thursday had advance knowledge of the raid and appeared to have moved in skilled fighters. "These guys were good and committed, not your local-yokel resistance," he said.

Though much of the recent political attention in Baghdad and Washington has focused on Shiite militias and their participation in the cycles of retributive sectarian violence, the Sunni Arab-led insurgency remains formidable. Prime Minister Nuri Kamal al-Maliki, who has been under intense American pressure to disarm the militias, said this week that the main engine of sectarian violence was the largely Sunni insurgency.

The insurgents remain particularly fierce in Anbar Province, the desert region covering much of western Iraq where the American military has taken a large share of its casualties in the past few years.

Officials did not disclose the circumstances of the American deaths that were announced Thursday — four marines and one sailor — except to say they occurred Wednesday as a result of wounds sustained during fighting in Ramadi, a city about 55 miles west of the capital, where American forces have been conducting a four-month, block-by-block offensive intended to wrest control of the streets from the resistance.

Maj. Gen. William B. Caldwell IV, the senior military spokesman in Baghdad, said at a briefing on Thursday that American troops in Ramadi were making progress. "They are, in fact, moving forward," he said.

Top American officials in Washington and Baghdad have projected an image of resolve and cooperation with their Iraqi counterparts this week in the face of the relentless violence and eroding public support for the war. President Bush and his two top officials in Iraq, Ambassador Zalmay Khalilzad and Gen. George W. Casey Jr., said in briefings that the Iraqi government had agreed to a timetable for security measures.

But in comments on Wednesday in Baghdad, Mr. Maliki suggested that his handling of Iraq's internal affairs would not be dictated by the American government.

In a news conference in Washington on Thursday, Defense Secretary Donald H. Rumsfeld accused critics of the administration of magnifying the differences between Washington and Baghdad over plans for Iraqis to take a bigger role in security.

"It's a political season, and everyone's trying to make a little mischief out of this, and turn it into a political football," Mr. Rumsfeld said. He added that the idea of setting benchmarks for Iraqi progress was "a process, not an event."

In his news conference in Baghdad, Mr. Maliki also cited an American-backed raid early Wednesday that focused on the suspected leader of a Shiite death squad, saying that the Iraqi government was taken by surprise by the operation.

General Caldwell said Thursday that the raid was led by Iraqi forces and concerned a suspect whom the Iraqi authorities had given prior approval to capture. "Notification was made to the government of Iraq," he said, "but it's apparent that it didn't make it to the prime minister."

The general said the American command was reviewing its notification procedures "to understand why the prime minister, as he states, had not been personally notified."

No Easy Answer To 'Kurdish Question' (LAT)

By Kim Murphy

The Los Angeles Times, October 27, 2006

Driving north through these folded, wheat-colored mountains, it is easy to forget you are in Iraq.

Miles to the south, the Iraqi flags disappeared, replaced by the flags of Kurdistan, a state that does not officially exist. Here in the northern mountains, though, even the symbols of the Iraqi Kurdish authority are nowhere to be seen.

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Most of the flags here are those of the Kurdistan Workers Party — the PKK, listed by the U.S. and the European Union as a terrorist organization responsible for the loss of thousands of lives in a separatist campaign across the border in Turkey. Deep in the mountains, all the road checkpoints are operated by PKK guerrillas. A giant portrait of imprisoned guerrilla leader Abdullah Ocalan stretches across a rocky slope.

The fact that much of Iraq's rugged northern borderlands with Turkey and Iran are under the day-to-day control of a militant organization might come as a surprise to those who thought U.S. forces had handed over authority nationwide to a new Iraqi government.

The PKK's guerrilla camps, ordered closed by Iraqi Prime Minister Nouri Maliki last month, still dot some of the steep valleys and ravines near the group's makeshift headquarters here; at least half the offices of its political affiliate, the Kurdistan Democratic Solution Party, also remain open.

The efforts to rein in the PKK are a new and strategically important front in the Bush administration's campaign to create a new Middle East, and one of the most complicated political problems U.S. forces face in Iraq. Kurdish leaders, for instance, have battled the PKK over the years in various intramural squabbles, but have been reluctant to clamp down on the group because of its deep popularity among the Kurdish public and out of sympathy for Kurds in Turkey.

Founded three decades ago as a violent Marxist resistance movement battling for independence of Kurds in Turkey, the PKK embarked on a concerted paramilitary campaign in 1984. It since has mellowed its politics but continues to field a force of as many as 6,000 guerrillas along the Iraqi-Turkish border, with about 1,000 of them well within Iraq, government officials estimate.

Within Turkey, violence connected with Kurdish separatists has escalated this year. In August, a group calling itself the Kurdistan Freedom Falcons claimed responsibility for several bomb attacks aimed at tourists that killed three people and injured dozens in Turkish coastal resorts. The group is widely believed to be an urban guerrilla offshoot of the PKK. The PKK has concentrated on attacking Turkish soldiers, using bases in northern Iraq as sanctuaries, according to the Turkish government.

In northern Iraq, the PKK militants get training in Shakespeare and Goethe, in the military tactics of the Thirty Years' War and how to operate a Russian-made BKC machine gun and a rocket-propelled-grenade launcher.

"We are here for one reason, and that is to obtain the objective of the freedom of our people of Kurdistan," said a doe-eyed young guerrilla who gave her name only as Ozgur and said she joined the movement when she was 13.

America's Kurdish dilemma stems from the fact that more than 20 million Kurds live straddled across the strategic borders of Iraq, Iran, Turkey and Syria.

Iraq's roughly 4 million Kurds are arguably the United States' strongest allies in the war-torn nation, and U.S. forces would almost surely face a political backlash in Baghdad if they took military action against guerrilla fighters many Kurds see as heroes.

Yet the Kurdish guerrilla force here is battling one of America's bedrock allies in the region — Turkey, a member of the North Atlantic Treaty Organization and a stable, secular Muslim state in a region trending in other directions. The continuing failure to end PKK violence coming out of Iraq has driven Turkey toward a stronger security arrangement with Iran, which also faces militant Kurds along the Iraqi border, a relationship that can't help but be worrying for Washington.

"How important is the PKK as an issue? Let me tell you that it's important enough that the president of the United States decided that we needed a special envoy to counter the PKK and to try to get all of our efforts in the United States focused in the right direction, along with those of Turkey and Iraq," retired Gen. Joseph W. Ralston, recently appointed the U.S. special envoy to counter the PKK, said after a visit to the region late last month.

"We all believe that the use of force is the last resort, not the first resort," he said. "But having said that, that does not mean that we will not take military action. Quite the contrary: All options are on the table."

The continuing polarization of Iraq and the mounting sectarian violence there have only exacerbated worries among its neighbors about reverberations within the substantial Kurdish minorities in Turkey, Iran and Syria.

Iraqi Kurdistan has moved steadily to distance itself from the violent skirmishing between Sunni and Shiite Arabs to the south; regional President Massoud Barzani's recent order to pull down the Iraqi flag on public buildings and replace it with the Kurdish flag is only one in a long line of moves to establish a truly autonomous Kurdish republic. Here in the north, there are Kurdish schools, Kurdish broadcast channels, Kurdish cellphone companies and a full-fledged Kurdish regional government.

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Militant groups such as the PKK are demanding an end to repression of Kurds elsewhere, recognition of their national status and language and eventually some degree of political autonomy — measures that government leaders fear will open the door to demands for a Kurdish state, discarding the borders of four nations, a recipe for regional war.

That is why solving "the Kurdish question" has become a top priority for the U.S., and why tackling the PKK, its most militant face, has become step No. 1.

After Ralston's visit to the region, Iraqi leaders persuaded the PKK to declare a unilateral cease-fire, an end to the regular cross-border attacks that are claiming the lives of Turkish soldiers on a regular basis.

The PKK agreed, its leaders hoping the expression of goodwill could open the door to significant movement on Turkey's part, starting with an end to what it sees as human rights abuses, recognition of the Kurdish language and possibly amnesty for some PKK fighters who have not been involved in violence.

"I would like to say that the cease-fire has not been announced because of pressure at all," Cemil Bayak, a longtime leader of the group's most militant wing and a member of its ruling council, said in an interview over a lunch of grilled chicken and steaming vegetable stew at his mountain redoubt.

"The most important reason is that we want the Kurdish question to be solved peacefully, politically and by means of dialogue. This is what we want," said Bayak, who believed Turkey's bid to join the European Union would provide the impetus for human rights improvements needed to alleviate repression of the nation's Kurds. "We want violence to be put aside, and a new era to be opened on the issue."

But although the PKK has pledged to end its attacks on Turkish military targets, it is unclear whether the cease-fire will be embraced by other Kurdish militants, including the Falcons.

Turkish officials say the PKK is a terrorist organization that finances its activities through an international network of drug smuggling and human trafficking that reaches to Europe. Turkey is demanding the use of military force to disarm the PKK, but Iraq so far has refused, said Kosrat Rasoul Ali, vice president of the Kurdish regional government and a well-known former Kurdish peshmerga fighter.

"They want us to attack the PKK, they want us to crack down on the PKK," Ali said. "But it cannot be done. In the past we tried, but it was without result.

"We think that this problem cannot be solved with force," he said. "Because they are Kurds. It's very difficult for us Kurds to kill Kurds. In fact, it is impossible."

Ralston has refused to meet with PKK leaders, declaring, "We do not meet with terrorist groups." But Ali said Kurdish leaders hoped to broker a solution in which the PKK would disarm in exchange for guarantees on behalf of Kurds in Turkey.

"PKK is ready to hand over their weapons to the Americans, in return for several political steps by Turkey," Ali said. "Like a general amnesty to be published, to recognize Kurdish existence as a people in Turkey."

At the same time, some Iraqi officials believe Turkey and possibly Iran are behind some of the escalating violence in northern Iraq, especially in the city of Kirkuk, an oil center that Kurds hope to include within their federated republic, whose inclusion could form the basis for a powerful future Kurdistan economy.

In a pointed warning, Iraqi President Jalal Talabani, a Kurd, said last month that Iraq was prepared to support opposition groups within neighboring nations whose governments it saw as instigating violence in Iraq.

Recognizing that America's prime aim is to discourage the growing closeness of Turkey and Iran at a time when the U.S. is seeking to isolate Tehran, PKK leaders are arguing that solving the Kurdish question — the main issue that Turkey and Iran have in common — is the best way to accomplish that goal.

"If you cannot solve the Kurdish problem in Turkey, you cannot separate Turkey from Syria and Iran," Bayak said. "And so without putting Turkey and the Kurds together, you cannot have the fundamental basis for this project of a new Middle East."

Marine On Trial Tells Of Killing Unarmed Iraqi (NYT)

By Carolyn Marshall

The New York Times, October 27, 2006

DOJ_NMG_0086948

CAMP PENDLETON, Calif., Oct 26 — A 20-year-old marine testified on Thursday at his court-martial here that he participated in killing an unarmed Iraqi and knew that the plan for the killing was an illegal act of war.

The marine, Pfc. John Jodka III, who has agreed to cooperate with government prosecutors, pleaded guilty to aggravated assault and conspiracy to obstruct justice in exchange for his testimony against members of his squad.

Private Jodka is the youngest and lowest ranked of the eight men charged in the killing of the Iraqi, Hashim Ibrahim Awad, who died of multiple gunshot wounds on April 26 near Hamdaniya, a Sunni stronghold west of Baghdad.

In a half-day of testimony, Private Jodka explained how his squad of seven marines and a Navy medic had come up with a plan that the men fully knew sidestepped the rules of engagement.

"I agreed to the plan," he told the military judge, "and I agreed to go forward without objection."

The plan, the marine said, involved kidnapping and killing an insurgent named Saleh Gowad, whom military intelligence officers had identified as a "high-value individual." The plan was to shoot him in a setting that made it look as if Mr. Gowad had been surprised while digging a hole to plant a bomb.

"If anyone asked," Private Jodka said, "we would say that we had seen this man approach with a shovel and begin digging and that he engaged us and that we had lawfully engaged him."

But the squad members ended up kidnapping and killing the wrong man.

Private Jodka, who is to be sentenced on Nov. 15, told the judge that he understood that the killing would bring shame to the Marine Corps.

"Anything reported becomes ammunition," he said. "Anything like this would present an argument against the war."

Private Jodka is the second person to accept a deal in the case. The medic, Hospital Corpsman Third Class Melson J. Bacos, who was court-martialed on Oct. 6, will spend less than a year in prison in exchange for his testimony.

Karzai Orders Investigation Into Bombing By NATO (NYT)

By Abdul Waheed Wafa

The New York Times, October 27, 2006

KABUL, Afghanistan, Oct. 26 — President Hamid Karzai issued a presidential decree on Thursday directing a team of tribal elders and Afghan officials to investigate a NATO bombing Tuesday night in southern Afghanistan that local officials said killed dozens of civilians.

Khalid Pashtoon, an Afghan member of Parliament from the area of the attack, said villagers told him that more than 50 civilians died during the NATO airstrike in the Panjwai district of Kandahar Province. A spokesman for the country's Interior Ministry said that 40 civilians were killed.

If even the lower number proves correct, Tuesday's attack would be the largest civilian death toll in an airstrike since the American-led invasion of Afghanistan in 2001.

Mr. Karzai also said in a statement about the attack that it would be discussed on Monday at a meeting of the Policy Action Group, where he and his ministers meet with NATO military commanders and foreign diplomats.

"The meeting will discuss ways to prevent civilian casualties during antiterrorist operations and to ensure better coordination between government and NATO forces," the statement said.

For the last month, NATO has spoken optimistically about the removal of suspected Taliban fighters from the area, hailing it as a decisive victory against resurgent Taliban forces, who have carried out their highest number of attacks in Afghanistan since 2001.

Mr. Pashtoon, the member of Parliament, said villagers told him that hundreds of Taliban militants had recently re-infiltrated the area after being ousted from Panjwai by NATO troops in September.

Mark Laity, a NATO spokesman, said the military alliance had aimed its attacks at Taliban fighters trying to re-enter the heavily populated area and blamed the insurgents for endangering civilians. He said NATO forces did not know the number of civilian casualties and would cooperate fully with the investigation.

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"Re-infiltration is not a surprise because Panjwai is very important for the Taliban," he said, referring to the area's strategic value as a staging area for attacks on nearby Kandahar, southern Afghanistan's largest city. "We are having a lot of success, but it's a very big, very tough and continuing challenge."

Mr. Pashtoon said that NATO should not have carried out an airstrike during the Id al-Fitr holiday at the end of the holy month of Ramadan. He also said NATO did not have enough troops deployed in the area.

"They should have done a proper operation with troops on the ground," he said.

Afghan Officials Say Dozens Of Civilians Died In NATO Military Strike (WP/AP)

By Allauddin Khan

The Washington Post, October 27, 2006

LAY KUNDI, Afghanistan, Oct. 26 -- Dozens of civilians were killed in a NATO military strike against suspected Taliban insurgents, Afghan officials said Thursday. Villagers fled the southern region by car and donkey, and hundreds attended a funeral for about 20 people buried in a mass grave.

The civilian death toll, estimated by Afghan officials at between 30 and 85, including many women and children, is among the highest in foreign military action here since the fall of the Taliban in 2001.

NATO said a preliminary review found that 12 civilians were killed in the clashes Tuesday in the Panjwayi district of Kandahar province. But the alliance could not say if they had died because of Taliban or NATO action.

Maj. Luke Knittig, a spokesman for NATO's International Security Assistance Force, said as many as 70 insurgents may have been killed in three clashes. The fighting took place in or around the villages of Lay Kundi and Mirwisa Mina. According to Knittig, Taliban fighters attacked NATO forces, drawing return artillery fire and airstrikes aimed at them.

Bismallah Afghanmal, a provincial council member, said fighters fled into civilian houses, which were then targeted by NATO forces.

Mark Laity, a NATO spokesman, said: "With insurgents who regard the population as a form of human shield for themselves, it obviously makes life very difficult for us, but it does not stop us from making every effort to ensure that we minimize any problems."

But villagers and local government officials denounced NATO and blamed the government for a lack of security. "The people are not forgetting the deaths of their children after a simple 'sorry,' " Afghanmal said.

"Everyone is very angry at the government and the coalition. There was no Taliban," Abdul Aye, who lives in Mirwisa Mina, said through tears at the mass funeral in Kandahar city. He said 22 members of his family were killed. "These tragedies just keep continuing."

Death tolls in remote military action in Afghanistan are difficult to determine, and estimates often vary widely. Also in question is who can be considered a civilian and who is a fighter.

Afghan President Hamid Karzai has repeatedly condemned civilian deaths caused by Western forces. A week ago, after nine villagers were killed during another NATO operation in Kandahar province, he urged the alliance to use "maximum caution" to avoid civilian casualties.

Tuesday's violence in Panjwayi came a month after NATO launched a major offensive in the district. The alliance said more than 500 insurgents were killed in the earlier operation, which the top NATO commander in Afghanistan, Lt. Gen. David Richards, called a "significant success."

Richards last month said reconstruction and development efforts, which many officers see as critical for winning over Afghans after the military action, would soon begin in the region. But since then, heavy fighting has broken out.

Nato Denies Afghanistan Push In Disarray (FT)

By Rachel Morarjee And Daniel Dombey

Financial Times, October 27, 2006

Nato on Thursday sought to dismiss fears that its operation in Afghanistan was in disarray after a series of bloody and controversial incidents that have seen the alliance come under new pressure in the country's south.

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Nato forces have been accused this week of killing dozens of civilians in an airstrike and have clashed with the Taliban in an area the alliance declared free of insurgents last month.

In a separate development, Ronald Neumann, US ambassador to Afghanistan, criticised a ceasefire deal reached by UK Nato troops and local groups in a town in Afghanistan's turbulent Helmand province.

Nato said its show of force in recent months had put the Taliban on the defensive. Many western officials – such as Sir Richard Dannatt, head of the British army – argue that Nato troops are much better placed to contain the fighting in Afghanistan than equivalent forces in Iraq.

"We have demonstrated that we are strong enough on the combat side to be the winners," Mark Laity, Nato spokesman in Afghanistan, said on Thursday. "After 30 years of fighting, people in the south are nervous of being on the wrong side."

But on Thursday Afghan officials said a Nato airstrike on Tuesday had killed more than 60 civilians after Taliban guerrillas attacked western military bases.

Niaz Mohammad Saradi, district governor of Panjwai district, said 60 people were killed when Taliban fighters took cover inside houses in the village of Zangwat.

However, Bismillah Afghanmal, Kandahar Provincial Council member, said 85 people had been killed in the airstrike, and witnesses said 25 houses had been razed.

Nato said its troops had killed 48 militants in three battles in Panjwai on Tuesday and could confirm only 12 civilian deaths.

In September, Nato concluded operation Medusa, in which hundreds of insurgents were killed in Panjwai district. Nato officials said this had cleared the Taliban from the area.

The attack this week in Panj-wai came as British troops in neighbouring Helmand province withdrew from Musa Qala district, previously the scene of heavy firefights, after negotiating a truce with tribal elders.

This week Mr Neumann told the UK's Daily Telegraph that the "jury is out" on the Musa Qala deal.

"There is a lot of nervousness about who the truce was made with, who the arrangement was made with, and whether it will hold," he said.

Sam Zarifi at Human Rights Watch in New York said Nato's offensive had caused serious resentment among Afghans and been counter-productive.

"The Soviets tried and failed to defeat Afghan guerrillas by using massive firepower so we know clearly that that is not the way to win in Afghanistan. You have to win the populace over, not kill it," he said.

Scandal Hits Germany's Afghan Mission (FT)

By Hugh Williamson In Berlin And Daniel Dombey In London

Financial Times, October 26, 2006

The German army was on Wednesday plunged into a scandal over abuse by Bundeswehr soldiers in Afghanistan that overshadowed the adoption of the most far-reaching review of Germany's military priorities in 60 years.

Bild, the German newspaper, on Wednesday published five photographs that the paper said showed German soldiers desecrating a human skull while on patrol outside the Afghan capital Kabul, The photos show soldiers posing with a skull, in one case with an unidentified soldier holding the skull next to his exposed penis.

The photos date from early 2003, according to a military source quoted by Bild. The newspaper said that, after thorough checks, it was convinced the pictures were authentic. They also show vehicles with German markings and those of Isaf, the Nato-led peacekeeping force.

The photos, which immediately revived memories of the scandal over US military abuses at Abu Ghraib prison in Iraq, could damage the German military's broadly positive reputation in Afghanistan, military and regional experts said. There are around 2,800 German soldiers in Afghanistan, based in Kabul and the north of the country.

Chancellor Angela Merkel said the photos were "disgusting". Frank-Walter Steinmeier, foreign minister, said the soldiers' "inexcusable behaviour damages the image of the army and our country". Franz Josef Jung, defence minister, ordered an investigation, and Bundeswehr officials confirmed that two men, a soldier and former soldier, were being investigated. A state prosecutor launched an inquiry into a possible case of desecration.

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Despite the scandal, Mr Jung said the cabinet strategy paper adopted on Wednesday was "vital in redefining Germany's security priorities", with the Bundeswehr now primarily acting as an "international intervention force".

The paper, which builds on a restructuring of the Bundeswehr in 2004, identifies terrorism and weapons of mass destruction as chief threats, and says in future up to 14,000 German troops will take part in peacekeeping and other missions, compared with 9,000 today.

The German armed forces association, representing ordinary soldiers, said the strategy paper should have gone further in defining the limits of Germany's responsibilities in joining international missions.

The ruling parties and most opposition politicians said the scandal over the abuse photos would not influence Germany's commitment to its role in Afghanistan, with only the opposition Left party calling for an immediate withdrawal from Afghanistan.

The photos scandal follows an announcement by the German parliament last week of an inquiry into allegations that a Turkish man with German residency had been abused in 2002 by German soldiers while being held in a US prison in Afghanistan.

Nato now has 31,000 soldiers in Afghanistan but is trying to find extra troops for a 1,000-strong reserve battalion to operate in the south of the country, as well as more air support.

Some US officials have called for German soldiers to be dispatched to the south. But Nato commanders have steered away from such a call, arguing that other countries could provide more effective help.

. . . With Forecasts (WT)

By Austin Bay

The Washington Times, October 27, 2006

A Pentagon press lunch with the secretary of defense is a rare privilege, especially for a columnist from fly-over country.

I've watched Don Rumsfeld perform on television. He treats stand-up press conferences as sparring rings, where he's the heavyweight champ and reporters are lightweight chumps with glass jaws.

Maybe lettuce and tomatoes mellow Big Don. Mr. Rumsfeld seems much less combative with a salad in front of him. As the lunch and conversation progressed, I noticed he never picked up a knife, but I've no doubt the man can wield sharp cutlery. The glint in the eye is the clue. Sgt. 1st Class Bowen -- the Korean War vet who taught Cadet Austin Bay how to use a garrote -- had the same steely gleam.

I left it to the Beltway journalists to ask those personality-juiced queries that generate sensational gossip. Here's an example: "Mr. Rumsfeld, are you going to resign after the election?"

Since my scribbled notes include a splotch of asparagus soup, I'll have to paraphrase the defense secretary's snarl: "I certainly wouldn't tell you if I were."

Undeterred, I decided to ask a question that goes to the heart of America's ability (or inability) to win long-term, multidimensional 21st century wars.

My question: "Mr. Secretary, based on our experience in Operation Iraqi Freedom, and the limited interagency and nongovernmental organization [NGO] participation in that operation, how do you see 'Unified Action' evolving for future conflicts?"

Forgive the military jargon -- at one time I was Col. Austin Bay -- but the question is essential. It also altered the luncheon ambiance. As I asked it, I saw our very steady chairman of the joint chiefs, Gen. Peter Pace, pass Mr. Rumsfeld a careful stare.

"I'll tell you we're better at it now than we were five years ago," Mr. Rumsfeld replied. He acknowledged that "challenges remain" in achieving Unified Action and that effective Unified Action is critical to winning 21st century wars.

He's right -- we are better at it than we were. However, I know we aren't as good at it as we need to be.

The politically deft defense secretary finessed the question -- and it was finesse, not dodge. The military jargon masked a heavy political hand grenade I was rolling toward the Beltway. You think Harry Reid's land deal or Mark Foley's messages are big stories? How about a stinging pre-election turf battle between Defense and the departments of State, Treasury, Justice, Commerce and Agriculture, complete with zinger accusations of who is or isn't contributing to the war effort?

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I know, that's quite a claim, which is why I need to translate the military-speak: Unified Action means coordinating and synchronizing every "tool of power" America has to achieve a political end -- like winning a global war for national survival against terrorists who hijack economically and politically fragile nations and provinces.

People understand the role of soldiers and cops in a war, but in 21st century wars where economic and political development are determinative, an Agriculture Department arborist and a Commerce Department trade consultant can be a powerful contributors to "Unified Action."

Restoring Iraqi agriculture provides an example. Saddam Hussein's economic and political policies damaged agriculture in the land that eight millennia ago spawned the Agricultural Revolution. (Heck of an achievement, huh?) Agriculture, Commerce and several NGOs have expertise and programs that help revive Iraqi farms. Still, problems occur when trying to tailor programs to meet specific local needs -- like, who pays for the program and is ultimately in charge of oversight and coordination.

While serving in Iraq in 2004, I met a young U.S. Army captain who was running a successful small-scale date palm restoration project. What we really need are joint development and security teams, where agricultural and economic specialists work with that captain "in the field" on a sustained, day-to-day basis. We need to decide who is in charge of that team (the captain or the arborist?) and how we fund it.

Our system for "Unified Action" is still largely a Cold War, 20th-century relic designed to prop up governments (so often corrupt and ill-led), instead of helping individuals and neighborhoods become economically self-sustaining and self-securing. Winning war in the Age of the Internet means improving neighborhoods and individual lives. The 2006 Nobel Peace Prize winner and micro-finance whiz Muhammad Yunus understands this.

We are in a long, global war, where economic and political development programs must reinforce security and intelligence operations -- and vice versa.

We've been improvising "joint development and security operations," and we've learned from our improvisation (Mr. Rumsfeld's "we're better than we were").

But it's time to quit improvising. Effective "Unified Action" requires re-engineering 20th-century Beltway bureaucracies -- which means thoughtful, sophisticated cooperation between the executive branch and Congress.

That means getting past the sensational gossip and confronting an essential issue.

Austin Bay is a nationally syndicated columnist.

CORPORATE SCANDALS:

Monitor Widens His Probe; Earnings Tumble By 65% As Generic Saps Plavix Sales (WSJ)

By AVERY JOHNSON And JOHN CARREYROU

Wall Street Journal, October 27, 2006

Bristol-Myers Squibb Co.'s third-quarter earnings were battered by generic competition to its bestselling drug, the blood thinner Plavix, and it disclosed that a federal monitor's investigation into its handling of a dispute over Plavix's patent has broadened to include possible securities violations.

It was unclear whether the widening scope of the probe being conducted by former federal judge Frederick B. Lacey means he has uncovered new wrongdoing in the three-month-old Plavix saga. Bristol-Myers said the development was "not unexpected" and suggested that it was a logical step given Mr. Lacey's duties.

Mr. Lacey has been overseeing the New York drug maker for more than a year on behalf of Christopher Christie, the U.S. attorney for New Jersey. The unusual arrangement is part of a deferred-prosecution agreement that allowed Bristol-Myers to avoid criminal charges last year stemming from a previous accounting scandal.

Mr. Lacey last month made Bristol-Myers's board fire Chief Executive Peter R. Dolan after learning that he didn't keep directors well enough apprised of his attempts last spring to negotiate a deal to keep generic Plavix off the market.

The deal Mr. Dolan brokered with Canadian generic-drug maker Apotex Inc. -- which was intended to resolve Apotex's legal challenge of the Plavix patent -- unraveled this summer when agents from the Federal Bureau of Investigation raided Mr. Dolan's office and Apotex used certain binding clauses in the agreement to launch its generic product.

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The Justice Department's antitrust division is investigating whether Bristol-Myers and Sanofi-Aventis, Plavix's original developer, struck a side deal with Apotex that they hid from regulators. Bristol-Myers has denied the existence of such a side deal.

Bristol-Myers yesterday disclosed that Mr. Lacey's own probe has now moved beyond issues of corporate governance to determining whether the company violated the terms of a consent order it entered into with the Securities and Exchange Commission in 2004. Under that consent order, Bristol-Myers settled SEC charges related to the previous accounting scandal by paying $150 million and agreeing to a permanent injunction against future violations of certain accounting provisions of federal securities laws. Mr. Lacey wasn't available for comment.

"Whenever we see a government investigation expanded, it's not a good thing, and because this company is already on probation, it's even more troubling," said Barbara Ryan, a pharmaceutical analyst at Deutsche Bank.

Bristol-Myers said the generic version of Plavix launched by Apotex on Aug. 8 is likely to have reduced Bristol-Myers's sales of the branded blood thinner by an estimated $525 million to $600 million in the quarter. In a conference call with analysts, the company cautioned that its revenues would continue to be hurt by the generic into the first quarter of next year, as wholesalers dispense to pharmacies remaining supplies of Apotex's product.

After that, branded Plavix sales are expected to bounce back. A federal judge in New York granted Bristol-Myers a preliminary injunction on Aug. 31 barring Apotex from selling any more of its product beyond what was already in the distribution channel. A hearing on an appeal by Apotex of that ruling is scheduled for Tuesday at the Federal U.S. Circuit Court of Appeals in Washington.

Bristol-Myers raised back up its earnings outlook for the year from the reduced 95 cents a share it forecast in September to between 97 cents and $1.02 a share. It cited cost cuts, a favorable tax rate and slightly better-than-expected sales of branded Plavix.

In the latest quarter, Bristol-Myers net profit fell 65% to $338 million, or 17 cents a share, from $964 million, or 49 cents a share a year earlier. Sales dropped 13% to $4.15 billion from $4.77 billion.

Sales of Plavix fell 36% to $630 million as the generic captured between 70% and 75% of U.S. prescriptions. However, the sales drop wasn't as sharp as analysts had expected. U.S. prescriptions of branded and generic Plavix grew by 14% in the quarter.

Plavix wasn't Bristol-Myers's only generic headache during the latest quarter. Pravachol, its cholesterol drug, went off patent in the U.S. in April and lost patent protection in France and other European markets in July. The drug's world-wide sales dropped 64% to $192 million. And Taxol, a chemotherapy product, lost market exclusivity in Japan during the quarter, contributing to a sales decline of 22%. Taxol had been off patent in the U.S. since 2000.

Global sales of Bristol-Myers's Reyataz HIV treatment grew 32%, while its Abilify schizophrenia drug grew 20%. Abilify has been slower to pick up in Europe, though.

On a conference call with investors, interim Chief Executive James M. Cornelius tried to dispel speculation that Bristol-Myers will fall prey to a takeover. "On the M&A front, my words to employees have been 'We're not for sale,' " he said.

Bristol-Myers has hired an executive-search firm to find a permanent CEO.

Bristol-Myers shares declined 13 cents to $24.53 in New York Stock Exchange 4 p.m. composite trading.

Write to Avery Johnson at avery.johnson@WSJ.com and John Carreyrou at john.carreyrou@wsj.com

Generic Rival's Inroads Hurt Bristol-Myers Squibb (NYT)

By Stephanie Saul

The New York Times, October 27, 2006

Still reeling from a generic assault on its top-selling product, Plavix, Bristol-Myers Squibb said yesterday that it lost up to $600 million in sales of the drug to a Canadian rival during the third quarter, accounting for part of a 65 percent decline in earnings.

The missteps by Bristol-Myers this year in negotiating a proposed patent settlement enabled the Canadian company, Apotex, to flood the market in August with a cheaper generic version of Plavix, a blood thinner.

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Bristol-Myers also disclosed yesterday that one of the federal investigations into its handling of the Plavix matter, a review by Christopher J. Christie, the United States attorney in Newark, had expanded to an examination of whether Bristol-Myers violated securities laws.

The Plavix debacle largely accounted for the company's decline in overall sales to $4.15 billion, compared with $4.76 billion in the quarter a year earlier. It was also partly responsible for sharply lower earnings of $338 million, or 17 cents a share, compared with $964 million, or 49 cents a share, in the third quarter last year.

The 2005 earnings included a significant one-time gain from the sale of the consumer medicines business.

The lower sales and revenues at Bristol came as drug companies have generally been posting improved results for the quarter. GlaxoSmithKline said yesterday that its quarterly earnings were up 15 percent.

Despite the bad news for Bristol, the company gave a slightly brighter outlook for the year than it issued in late summer, just after the generic Plavix flooded pharmacy shelves.

Yesterday, the company raised its earning projections to at least 97 cents a share this year, rather than the 95 cents it previously predicted. That is partly because some orders for Plavix are still coming in.

And yet, during a telephone conference with investment analysts yesterday, Andrew Bonfield, Bristol's chief financial officer, said that there was enough generic Plavix in supply chains to last into early next year and possibly into the second quarter of 2007. That means Bristol-Myers could still be dealing with the inexpensive competition when a trial starts in Manhattan on Jan. 22 to decide whether its Plavix patent is valid.

The outcome of that trial would determine whether Apotex has the right to ship additional supplies of the generic product. Currently, 70 percent to 75 percent of the prescriptions for Plavix are being filled by the generic supplies that Apotex shipped to the United States before Bristol-Myers obtained an injunction to block further shipments.

The company's fumbled plan to settle its dispute led to the generic company's shipments and the dismissal of the Bristol-Myers chief executive, Peter R. Dolan, in September. The company is now led by an interim chief, the former Guidant chairman James M. Cornelius.

Mr. Cornelius, speaking about the company's future during a conference call with analysts, played down continuing speculation that Bristol-Myers was a takeover candidate.

"My words to employees have been we're not for sale," Mr. Cornelius said. "The longer I'm here the more confident I become that Bristol-Myers Squibb has a wonderful future as an independent company."

Bristol-Myers said yesterday that Mr. Christie's office was investigating whether the company violated a consent decree the company signed in 2004 with the Securities and Exchange Commission.

The agreement with the S.E.C. was a settlement of claims that Bristol-Myers misled investors about its financial outlook by lying about its wholesale inventories.

The expanded Plavix investigation by Mr. Christie's office is in addition to an investigation already under way by the Justice Department's antitrust division into whether Bristol-Myers tried to hide details of its Apotex negotiations from government antitrust reviewers.

The Plavix problems are coming at a time when demand for the drug is increasing. Prescriptions for the medicine and its generic equivalent were up 14 percent in the third quarter, an increase that is partly related to new advice from doctors that patients who have received drug-coated stents to keep their arteries open should continue Plavix therapy to avoid clotting around the stents.

Plavix sales in 2005 were $3.5 billion in the United States, but probably would have surpassed $4 billion this year if not for the flood of generics. The company also said it had been harmed by generic competition to its cholesterol-lowering drug Pravachol.

Bristol-Myers Profit Falls As Plavix Copy Hurts Sales (Update6) (BLOOM)

By Lisa Rapaport

Bloomberg, October 27, 2006

Oct. 26 (Bloomberg) -- Bristol-Myers Squibb Co.'s third- quarter net income fell 65 percent after cheap generic copies of its best-selling drug, Plavix, flooded the U.S. market.

Earnings declined to $338 million, or 17 cents a share, from $964 million, or 49 cents, a year earlier, the New York-based company said today in a statement. Sales of Plavix, used to prevent heart attacks and strokes, plunged 43 percent in the U.S. Profit beat analysts' estimates.

``Plavix was down dramatically, but it was not as bad as we thought," said Barbara Ryan, a Deutsche Bank analyst in Greenwich, Connecticut, in a telephone interview today. ``The issue now is we still don't know how much generic Plavix is out there and how much it will impact earnings next year."

The U.S. widened a probe of a deal delaying generic Plavix competition to review possible securities-law violations, Bristol-Myers said today. The company's board fired Chief Executive Officer Peter Dolan last month after an accord he brokered collapsed and triggered a criminal antitrust investigation. The drugmaker needed revenue from Plavix to sustain earnings as it introduces new products.

Excluding certain costs, Bristol-Myers said profit was 22 cents a share, beating the 21 cents estimated by Credit Suisse analyst Catherine Arnold in New York, rated with five out of five stars on accuracy by StarMine Corp., and the 20-cent average estimate of 18 analysts in a Thomson Financial survey.

The company raised its 2006 net income forecast to between 97 cents and $1.02 a share from its previous estimate of no less than 95 cents. Bristol-Myers said it now projects full-year profit per share excluding certain costs of $1.02 to $1.07.

Revenue Drops

Shares of Bristol-Myers fell 50 cents, or 2 percent, to $24.16 at 11:26 a.m. in New York Stock Exchange composite trading. The stock was up 6.1 percent this year through yesterday, rebounding from a 22 percent plunge in August as generic Plavix went on sale.

Interim CEO Jim Cornelius said on a conference call that ``we are not for sale" and a search for a permanent chief among internal and outside candidates is under way.

Third-quarter revenue decreased 13 percent to $4.15 billion. Sales of Plavix fell to $474 million in the U.S. Worldwide revenue from the pill dropped 36 percent to $630 million.

Plavix, with $6.3 billion in revenue last year, was the second-biggest-selling drug in the world behind Pfizer Inc.'s cholesterol pill Lipitor.

Apotex Inc., a closely held Canadian generic-drug maker, started selling its cheaper copies of Plavix Aug. 8 after U.S. regulators rejected an accord with Bristol-Myers and marketing partner Sanofi-Aventis SA to postpone generic sales until 2011. A U.S. judge ordered Apotex to halt shipments Aug. 31, pending a court dispute over Plavix patents.

Plavix Probe, Suit

A U.S. Justice Department investigation of whether the Apotex agreement violated antitrust laws ``has been expanded to include a review of whether there was any violation of federal securities laws," Bristol-Myers said in today's statement.

At the end of September, three of every four Plavix prescriptions were being filled with the generic, said Chris Shibutani, an analyst with J.P. Morgan, in an Oct. 20 note.

Sales of generic Plavix will continue to affect revenue for the rest of this year and into 2007, Bristol-Myers said. Cheaper generic copies reduced third-quarter revenue by $525 million to $600 million, the company said.

Generic copies of Plavix will ``likely" run out in the 2007 first quarter, Andrew Bonfield, Bristol-Myers chief financial officer, said on the conference call.

Alabama Suit

An Alabama company sued Bristol-Myers and Sanofi yesterday in New Jersey, saying the two overcharged for the drug and downplayed its health risks. Alexander City, Alabama-based Skilstaf Inc. contends in the federal lawsuit that recent studies show Plavix is no better at helping heart-attack victims ward off future events than aspirin.

Marc Greene, Sanofi's spokesman, wasn't immediately available for comment. Laura Hortas, a Bristol-Myers spokeswoman, said the company was aware of the case and declined to comment.

Worldwide pharmaceutical sales fell 17 percent to $3.2 billion. U.S. drug revenue dropped 22 percent to $1.6 billion, reflecting generic competition for Plavix and Pravachol, a cholesterol-lowering medication that lost patent protection.

New Products

Bristol-Myers has introduced eight new drugs in the last four years and has eight more in the late stages of development.

In June, the U.S. Food and Drug Administration granted accelerated approval for Sprycel, a pill for two rare cancers of the blood and bone marrow. Sprycel had sales in the quarter of $11 million. Bristol-Myers said there are 30,000 patients who might benefit from the drug.

In July, the agency cleared Atripla, a once-a-day pill for HIV combining Bristol-Myers's Sustiva with Gilead Sciences Inc.'s Viread and Emtriva medicines. Atripla and Sustiva had combined sales of $201 million, up 18 percent over the previous year.

Sales of the HIV drug Reyataz, first approved by U.S. regulators in 2003, grew 32 percent to $233 million, the company said. A 300-milligram dose of Reyataz got U.S. approval Oct. 20.

Pravachol, the cholesterol drug that was Bristol-Myers's biggest seller before losing U.S. patent protection this year, had revenue of $192 million, a 64 percent decline.

The cancer treatment Erbitux, which Bristol-Myers markets with New York-based ImClone Systems Inc., recorded a sales increase of 64 percent to $175 million. In March, the drug, already approved in the U.S. for colon cancer, won additional regulatory clearance for treating head and neck malignancies.

Sales of Baraclude, a hepatitis B treatment, tripled to $22 million. Schizophrenia treatment Abilify sales were up 20 percent, to $313 million.

Feds Broaden Probe Of Bristol-Myers (DOW)

By Peter Loftus, Of DOW JONES NEWSWIRES

Dow Jones, October 27, 2006

A federal investigation into Bristol-Myers Squibb Co.'s (BMY) proposed settlement of a patent dispute has been expanded to determine whether the deal violated securities laws, the drug maker disclosed Thursday.

Earlier this year, Bristol-Myers and Sanofi-Aventis (SNY), which co-market the heart drug Plavix, reached a proposed settlement with Apotex Inc. of Canada to stave off the introduction of a generic version of Plavix until 2011. The deal fell apart after state regulators objected, and Apotex sold generic Plavix for about three weeks in August before a judge's order halted sales.

Bristol-Myers previously disclosed that the U.S. Attorney's office in New Jersey began an investigation into corporate governance issues related to the company's negotiations of the proposed settlement. Also, the Department of Justice's antitrust unit launched a criminal investigation into the proposed settlement, Bristol disclosed in July.

On Thursday, Bristol-Myers said the U.S. Attorney's office investigation has been expanded to include a review of whether there was any violation of federal securities laws in connection with the proposed settlement. Bristol-Myers said this was in connection with the terms of a consent order entered into with the Securities and Exchange Commission in August 2004.

Bristol disclosed the development in a press release for its third-quarter financial results.

The 2004 SEC agreement settled charges that Bristol-Myers engaged in a fraudulent earnings management scheme that was unrelated to the current Plavix matter. The settlement required Bristol-Myers to pay $150 million and included a permanent injunction against future violations of certain accounting provisions of federal securities laws.

In a related development in June 2005, Bristol-Myers agreed to pay an additional $300 million as part of a deferred-prosecution agreement with the U.S. Attorney's office in Newark, N.J. Under that pact, federal prosecutors agreed to defer prosecution on a charge of conspiring to commit securities fraud for two years. If at the end of two years, Bristol-Myers has fully complied with the terms, the criminal complaint will be dismissed.

The terms included Bristol-Myers' agreement to submit to an independent monitor, former federal judge Frederick Lacey. It was Lacey's oversight, in connection with the U.S. Attorney's office probe into corporate governance issues surrounding the proposed Plavix settlement, that led to the firing of Peter Dolan as CEO last month.

In recent premarket activity, shares of Bristol-Myers were quoted at $24.75, up 9 cents from Wednesday's close.

-By Peter Loftus; Dow Jones Newswires; 215-656-8289; peter.loftus@dowjones.com

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SEC Brings Fewer Enforcement Cases (WSJ)

By Judith Burns And Kara Scannell

The Wall Street Journal, October 27, 2006

WASHINGTON -- The Securities and Exchange Commission brought about 10% fewer enforcement actions in fiscal 2006 than the prior year, marking a three-year decline from a record high in fiscal 2003, according to individuals familiar with the results.

The decline in cases comes as the SEC enforcement division is under scrutiny from congressional investigators, led by Sen. Charles Grassley, an Iowa Republican. The Government Accountability Office said last week in a letter to Sen. Grassley, who is chairman of the Senate Finance Committee, that it would grant his request and review the SEC's enforcement and examinations divisions.

The GAO also said it would review the agency's oversight of the self-regulatory bodies at the New York Stock Exchange and National Association of Securities Dealers. SEC spokesman John Heine said the agency welcomes the review.

Sen. Grassley's interest stems from allegations by a former SEC enforcement attorney who says he was fired once he sought to take the testimony of John Mack, a Wall Street chief executive, in connection with an insider-trading investigation involving Pequot Capital Management Inc., a hedge fund. The former SEC attorney, Gary Aguirre, says his supervisors refused to allow him to take Mr. Mack's testimony because of his political connections and clout. Mr. Mack was a major fund-raiser for President Bush during the 2004 election.

The SEC has denied political favoritism. Earlier this month, the SEC notified Pequot and Mr. Mack, now chief executive of Morgan Stanley, that it wouldn't file charges against them.

Securities regulators brought fewer than 600 cases in the fiscal year ended Sept. 30, according to the individuals familiar with the results, down from 630 in fiscal 2005 and 639 in fiscal 2004. The SEC hit its high in fiscal 2003 with 679 cases.

The SEC did set a record for deregistering shares in companies that are late in filing financial results, bringing about 90 such actions in fiscal 2006, nearly three times the level in the prior fiscal year.

Critics say deregistration cases are relatively easy to bring, and some believe they conceal a steep decline in enforcement cases even as the SEC's enforcement budget has grown to support about 1,200 staffers.

The SEC plans to release its enforcement results next week and is expected to point to a hiring freeze and staff turnover as factors in the declining case output.

Mr. Heine said preliminary estimates show the SEC lost 31 "full-time equivalent" positions in enforcement in fiscal 2006, a 2.4% decline from fiscal 2005.

"There's no question that if the staff numbers had not declined in the last few years, we would have been able to bring more cases," Mr. Heine said.

He said the SEC expects an 8% to 10% decline in enforcement cases from fiscal 2005 to fiscal 2006 but noted that year-to-year comparisons "are difficult to make because cases are so different."

Some attorneys say they see no evidence that the SEC's enforcement staff is pulling its punches amid a backlash from business groups such as the U.S. Chamber of Commerce, which issued a report in March questioning whether the SEC's enforcement program is becoming too punitive and pursuing cases it shouldn't.

"I don't think anybody has pulled back because of the chamber report," said one of its authors, Bruce Hiler, a partner with the law firm of Cadwalader, Wickersham & Taft, in Washington, D.C.

Some critics blame SEC management for the drop-off, suggesting top enforcement officials are playing it safe. Others point to the five-member commission, which votes on each action and has been split in the past when a proposed settlement would penalize companies, something opponents say may only inflict additional harm on shareholders.

Faced with potential stalemate on some cases, SEC Chairman Christopher Cox worked with commissioners to hammer out a policy, announced with great fanfare in January, to help resolve such matters. SEC critics say they see no evidence the agreement has helped the commission sign off on a number of older cases. Others say it has created additional paperwork at the staff level, which has bogged down new cases.

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S.E.C. Facing Wide Review Of Practices (NYT)

By Gretchen Morgenson

The New York Times, October 27, 2006

The Securities and Exchange Commission, under scrutiny for its handling of an insider-trading case involving a prominent hedge fund, will be the subject of a broad review by the investigative arm of Congress, the Government Accountability Office.

Charles E. Grassley, the Iowa Republican who is chairman of the Senate Finance Committee, last month asked the office in a letter to conduct a review of the commission because he was growing concerned, he said, about whether it is "faithfully adhering to its mission."

The S.E.C. is charged with protecting investors by policing the nation's financial markets and prosecuting violations of securities law by individuals and companies.

Last week, the G.A.O. accepted Mr. Grassley's request that it review two S.E.C. divisions: its enforcement unit, which brings civil securities suits, and the office of compliance, inspection and examination, which oversees money managers, brokerage firms, stock exchanges and other regulated entities.

The G.A.O. will also examine whether the commission adequately monitors self-regulatory organizations — like the New York Stock Exchange and NASD — that refer cases to the commission for possible enforcement actions.

"Congress needs an independent analysis of whether the institutions that are responsible for protecting investors are keeping up in a fast-changing marketplace," Mr. Grassley said yesterday in a statement. "It's been a long time since there's been this kind of thorough review. The integrity of our financial markets and, in turn, the well-being of individual investors depends on checkpoints that stop insider trading and manipulation."

John Heine, a spokesman for the S.E.C., said, "We welcome the review and look forward to any recommendations that might follow."

Mr. Grassley's request comes amid an inquiry by his staff and by the Senate Judiciary Committee into the S.E.C.'s handling of an insider trading investigation involving Pequot Capital Management, a $7 billion hedge fund run by Arthur J. Samberg. That investigation, which focused on a number of profitable trades by Pequot in advance of mergers or other market-moving news, commenced in 2004 and was being overseen in 2005 by Gary J. Aguirre, a staff lawyer at the S.E.C.

Mr. Aguirre has told the Senate that in the midst of his investigation, his superiors blocked him from taking the testimony of John J. Mack, an influential Wall Street executive and a friend of Mr. Samberg. Mr. Mack now heads Morgan Stanley.

S.E.C. officials argued that Mr. Aguirre was not justified in taking Mr. Mack's testimony because he could not show that Mr. Mack had inside information or a clear motive for giving it to Mr. Samberg. The investigator said he was simply asking to interview Mr. Mack, not bring charges. Mr. Aguirre protested the decision and was fired in September 2005, a year after he was hired.

Mr. Samberg and Mr. Mack have repeatedly denied any improper conduct.

During the summer, the S.E.C. took Mr. Mack's testimony. Earlier this month, the agency closed the Pequot investigation, advising Mr. Samberg and Mr. Mack that it would not recommend any enforcement actions against them or the hedge fund.

Mr. Grassley wants the G.A.O. to analyze referrals sent to the S.E.C. by exchanges to see how many actually translate into regulatory actions, to examine what types of cases the S.E.C. brings, and how it begins and tracks its investigations.

Mr. Grassley also asked the office to review how the commission ensures that stock exchanges police their members adequately and whether the systems at these exchanges ensure that "influential individuals" cannot gain access to data that are not public.

Mr. Grassley has shown particular interest in the S.E.C.'s policing of possible insider trading by institutions like hedge funds and brokerage firms. Securities regulators in Britain have made insider trading, especially involving hedge funds, an enforcement priority recently.

Hedge funds are lightly regulated, large pools of capital that play an increasingly powerful role in world markets; they control more than $1.2 trillion in assets.

Richard J. Hillman, managing director of financial markets and community investment at G.A.O., said that his organization gets frequent requests to study the commission's operations. In 2004 and 2005, for example, the G.A.O. examined the

commission's mutual fund oversight; last year, it reviewed how it assesses and collects fines, penalties and disgorgement in its cases.

S.E.C. officials have not finished compiling data on enforcement cases brought or opened during its most recent fiscal year, which ended Sept. 30. For the 11 months that ended in August, the S.E.C. opened 838 investigations. Full-year figures for investigations opened in 2005 totaled 947, down from 975 commenced in 2004.

SEC Steps Up Scrutiny Of Fund Administrative Fees (USAT)

By Elliot Blair Smith And John Waggoner

USA Today, October 27, 2006

The Securities and Exchange Commission is accelerating a probe of 27 investment company advisers that paid $230 million in mutual funds assets for administrative fees from 1999 to 2004 to a third-party service provider that funneled most of the payments right back to the investment advisers.

The SEC probe gained traction when the contractor, Bisys Fund Services, which performs recordkeeping and other back-office services for the advisers, agreed last month to pay $21.4 million to settle a case against it and to cooperate in the larger investigation.

"Our investigation is ongoing," SEC Pacific regional director Randall Lee said Thursday. The agency has begun to issue letters requesting details of the fee-splitting arrangements. Mutual funds employ investment advisers to manage the funds. These advisers farm out much of the work to third parties.

Although the suspect fund managers have not been identified in agency documents, AmSouth Bank disclosed in August 2005 that the SEC was threatening to bring an enforcement action related to its fee-splitting relationship with Bisys. AmSouth said it voluntarily refunded payments to its AmSouth Funds unit, which it subsequently sold.

Another bank, BB&T, said Thursday that it employed Bisys in a similar arrangement but that it restructured the relationship in late 2004 or early 2005 to reduce the fees borne by fund investors.

"We have worked diligently over time to reduce the expense structure," said Keith Karlawish, president of BB&T Asset Management.

Karlawish said that BB&T had been in contact with the SEC about the relationship and said the bank is reviewing its relationship with Bisys, which still works for its funds, in a lesser role than before. "The whole situation is under review," Karlawish said.

Several other banks, including JPMorgan Chase, which inherited a large contract with Bisys when it acquired the former Bank One in 2004, declined to comment.

The SEC laid out Bisys' secret fee-splitting agreements in an administrative proceeding that Bisys settled without admitting wrongdoing. The SEC said investment advisers contracted Bisys to administer their funds with side agreements that entitled them to a portion of its fees without disclosing the arrangement to fund investors or even the funds' boards of directors.

Bisys kept only about $10 million of the fund assets it was paid over five years, the SEC said. The rest went back to the investment advisers as marketing fees.

Russel Kinnel, head of fund research at Morningstar, said, "In every case where there was a kickback, you know that some senior (officials) gave up their fiduciary responsibility and sold out fund shareholders."

Former Executives Of Delphi To Face SEC Civil Claims (WSJ)

By Kara Scannell In Washington And Jeffrey Mccracken In Detroit

The Wall Street Journal, October 27, 2006

The Securities and Exchange Commission approved the filing of civil fraud claims against the former chairman and chief executive of auto-parts maker Delphi Corp. and against its former chief financial officer in connection with accounting improprieties, according to people familiar with the matter.

The five-member commission voted unanimously yesterday to approve a settlement with Delphi, in which the auto-parts maker would settle allegations of accounting improprieties that resulted in a multiyear restatement of earnings, these people said. The company, which is in bankruptcy court protection, won't be subject to a penalty, these people said.

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Delphi spokeswoman Claudia Piccinin declined to comment, except to say "Delphi has been cooperating with the SEC investigation."

Meanwhile, the SEC is investigating the role of Delphi's outside auditors during this time period, Deloitte & Touche LLP, these people said. A Deloitte spokeswoman declined to comment.

Former chairman and chief executive J.T. Battenberg III will be named in a civil complaint and is expected to fight the allegations, said the people familiar with the matter. Mr. Battenberg's attorney, William Jeffress, didn't respond to a phone call or email.

Meanwhile, former chief financial officer Alan Dawes also is expected to face claims, these people said. Mr. Dawes has agreed to a settlement, which the commission has approved, these people said. Mr. Dawes's attorney, Elizabeth Baird, declined to comment, saying she "has nothing to say until the SEC has something to say."

The SEC also is expected to file civil claims against several former executives, some of whom are expected to simultaneously agree to settle the allegations. It is unclear which other former executives will face the claims.

Resolving the case could help Delphi firm up its funding prospects to help it emerge from bankruptcy. Delphi, which makes auto parts such as steering systems and satellite radios, is hoping to exit bankruptcy before the middle of 2007.

Mr. Battenberg retired from the company a week before the SEC probe was made public. Mr. Dawes resigned last year after an internal investigation uncovered accounting improprieties.

Also expected to face claims is a non-Delphi executive that was involved in some of the questionable accounting and helped Delphi misrepresent a contract when the supplier was questioned by auditors, said the people familiar with the matter. It is unclear who this executive will be.

At least four other Delphi executives have resigned or lost their jobs in connection with the investigation. Among them were former Delphi controller and chief accounting officer Paul Free and former vice president of treasury, mergers and acquisitions John Blahnik. An attorney for Mr. Blahnik didn't return a call seeking comment. Mr. Free couldn't be reached.

Attorneys for various former Delphi executives and officials earlier this month asked a bankruptcy judge to force the parts maker to cover legal costs from responding to federal subpoenas and civil lawsuits over the company's accounting woes. Delphi halted such payments when it filed for bankruptcy in October 2005.

Laura Marion, former director of financial accounting, was among other ex-Delphi officials who sought money to cover their legal costs. Her attorney couldn't be reached.

In February, the company's compensation committee denied a request from some of the former executives and employees for legal reimbursement, and "ceased advancement of expenses," the executives and employees said.

The committee provided no explanation for its decision but made it clear that future requests would also be denied, they said. Reimbursements have since ceased to all nine of the executives and employees.

The former employees asked U.S. Bankruptcy Judge Robert Drain to force Delphi to advance legal fees and costs, or to allow a corporate insurer to advance defense costs. The judge is expected to hear arguments on this issue in late November.

Ultimately, Delphi in its own review found improper accounting for rebates and other lump-sum payments from suppliers, off-balance sheet financings of indirect materials and inventory, and payments and credits for warranty and health-care issues.

SEC To Charge Delphi Ex-execs (DEN)

Detroit News, October 27, 2006

Former leaders of bankrupt parts maker face fraud accusations after 27-month probe.

The Securities and Exchange Commission met Thursday and plans to file civil fraud claims against several former executives of bankrupt Delphi Corp. following a 27-month investigation, according to people familiar with the situation.

The Wall Street Journal reported that two of the executives charged will be former chairman and CEO J.T. Battenberg III and former chief financial officer Alan Dawes. The Detroit News has learned that two others will be John Blahnik, the former Delphi vice president of treasury, mergers and acquisitions and Paul R. Free, former chief accounting officer.

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Reached by The Detroit News late Thursday, Battenberg's lawyer William Jeffress declined to comment. A person reached at Battenberg's home in Naples, Fla., late Thursday declined to comment. She said Battenberg was traveling and unavailable for comment.

Delphi spokeswoman Claudia Piccinin also declined comment other than to say the company has cooperated with the SEC's investigation.

The charges are likely to be filed in U.S. District Court in Detroit, possibly as early as Monday, one person familiar with the investigation told The News.

The Journal reported the SEC's five-member commission also voted unanimously to approve a settlement with Delphi. The company agreed to settle allegations of improper accounting that led to the restatement of some earnings, it said, adding Delphi won't be subject to a penalty.

Laura Marion, who had served as director of financial accounting and reporting is expected to face civil charges, the sources said.

The News confirmed that SEC officials made several courtesy calls Thursday to lawyers representing former Delphi officials to alert them of the pending charges.

The SEC's investigation has found that Delphi used various improper methods to inflate earnings, cash flow and revenue, which hid the declining health of the company, according to people familiar with the matter.

Several large transactions weren't accounted for properly, including a $237 million payment Delphi made to its former parent, General Motors Corp.

Lawyers for many of the former Delphi executives under scrutiny have argued to the SEC that there is no evidence they personally profited from the improper accounting. They also contend that before the Enron debacle and the 2002 corporate reforms, some of the accounting practices in question were commonplace.

Many of the targets have been in settlement talks with the SEC. The SEC has sought to impose stiff fines against former executives -- in some cases nearly $1 million -- in the Delphi investigation.

It isn't clear if any settlements have been reached or if Delphi will have to pay a corporate penalty.

Prior to Delphi's financial turmoil and the accounting scandal, Battenberg was among the most-respected auto executives in Detroit.

Throughout his career, he held a variety of assignments covering aspects of automotive design, engineering, manufacturing, finance and sales and has worked in both the United States and Europe.

Battenberg's automotive career began as a General Motors Institute (now Kettering University) engineering student in 1961, sponsored by a GM plant in Kansas City, Mo.

He was named to lead the initial public offering and eventual spin-off of Troy-based Delphi in 1999.

Battenberg retired from Delphi in July 2005, a week before the SEC charges became public.

He retired last year when Robert S. "Steve" Miller took over as Chairman and CEO of Delphi and eventually took the company into Chapter 11 bankruptcy protection.

A criminal investigation by the justice department is ongoing.

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Ex-Trader Found Guilty, But Judge Questions Case (WSJ)

By Paul Davies And Aaron Lucchetti

The Wall Street Journal, October 27, 2006

David Finnerty, a former star trader on the floor of the New York Stock Exchange, was convicted of charges that he made thousands of improper trades that cheated investors out of millions of dollars. However, in a move that may bolster any appeal, the federal judge in the case raised questions about the verdict.

After just one day of deliberations, the jury of six men and six women found Mr. Finnerty, 40 years old, guilty of three counts of securities fraud. Mr. Finnerty, a former specialist at Fleet Specialist Inc., now a unit of Bank of America Corp., oversaw trading of General Electric Co., one of the most heavily traded stocks at the NYSE, and prosecutors allege that Mr. Finnerty had more

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troubling trades than any of the other specialists who have been charged. Mr. Finnerty faces as long as 20 years in prison for each count.

The verdict provided a boost for federal prosecutors in Manhattan, who have lost two similar cases and dropped two others. There are six cases left to be tried. But immediately after the verdict was handed down, U.S. District Judge Denny Chin raised questions about the government's case, saying there "is some fuzziness in the law."

Judge Chin said the trading practice in question appeared to be widespread at the NYSE and that many trading firms had made a lot of money by trading in between public buy and sell orders, which the government alleges harmed investors. The seven NYSE specialist firms paid about $248 million in 2004 to settle civil cases related to the trading. The judge said he wasn't inclined to reverse the verdict but his comments are likely to strengthen any appeal or result in a reduced sentence.

The government had accused Mr. Finnerty of improperly positioning himself between public buy and sell orders more than 26,000 times between 1999 and 2003, generating $4.5 million in illegal profits for his firm and hundreds of thousands of dollars in inflated bonuses for himself.

"Just because everyone cheats on their taxes doesn't make it right," Judge Chin said.

A spokeswoman for the U.S. Attorney in the Southern District of New York declined to comment.

Fred Hafetz, Mr. Finnerty's attorney, called the verdict "troubling." He said the judge's comments address issues he plans to raise in a motion to have the verdict set aside. Mr. Hafetz argued the trading wasn't criminal and many of the stock trades were mistakes. The entire trading in question amounted to less than 1% of each specialist's volume, he added.

"So what if it's only a small percentage of the time," assistant U.S. Attorney Anirudh Bansal said during his closing argument in Mr. Finnerty's trial. "Does that make it right to steal?"

Prosecutors indicted the 15 elite traders, known as specialists, last year as part of a broader crackdown on white-collar crime, one of the most serious criminal actions ever brought against NYSE traders. Two other specialists have been convicted and two others have pleaded guilty. Convincing a jury that the highly paid traders were engaged in improper trading has been difficult. Much of the evidence was technical and hard to understand.

Stocks Populi (WSJ)

By Arthur Levitt Jr.

The Wall Street Journal, October 27, 2006

Ever since the recount of 2000, partisans of both parties have paid particular attention to everything from who votes to how they vote and how their preferences are recorded. Counting every vote is not only integral to our political life; it is central to our economic life as well. Shareholder capitalism enables our markets to thrive, our companies to grow and our economy to remain strong. And central to this system is the principle that shareholders can have a voice in the running of the companies that they own, that their votes will count.

This fall, the issue has been the focus of a series of court cases, decisions and now potential Securities and Exchange Commission action. How the SEC handles this can have a profound effect on the future of shareholder democracy, corporate governance and the future of our markets. It's a matter of interest to all investors.

For years, shareholder advocates have been working to gain better access to companies' proxies so that they can put forward resolutions and, most importantly, their own candidates for director slots. Even though boards of directors have improved considerably since the passage of new independence standards and disclosure requirements in Sarbanes-Oxley, the ability of shareholders to remove directors is critical when seeking to revive a moribund corporation. Yet currently, board elections are one-party affairs, with the incumbent board's choices winning in virtually every case. Shareholders can only put forward candidates after costly proxy campaigns. A director has a better chance of being struck by lightning than losing an election.

After failing to convince the SEC to pass a proxy access proposal in 2003, shareholder advocates tried to make changes in the bylaws of companies that govern the elections of directors in order to make them fairer. They argued that this was a matter of process under applicable law (that is, did not directly relate to the election of directors, a basis of exclusion), and thus management had to put such a proposal on its proxy card to shareholders. In September, in a case concerning AFSCME, the large public employee union that wanted to put forward these changes at AIG, an appeals court ruled that such a bylaw change

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was proper and that management would have to open its proxy to proposals regarding how directors were elected. (Full disclosure: I was retained by AIG's board to help restructure its corporate governance; I had no involvement in this matter.)

In response, the SEC rightly decided to re-examine this issue and clarify the law. An open hearing on the topic was scheduled in October but was delayed until Dec. 13. The outcome of this session is critical to the future of shareholder capitalism. The signal the commission sends is an important one. Support of the AIG decision will make it clear that the reforms of the past few years were not ephemeral, and that even though the markets are once again delivering high returns, the commitment to good governance will not falter.

The upcoming meeting is the right time and place for the commission to set expectations for our public corporations. Indeed, an understandable desire for consensus on such a difficult matter is less important than the clarity of the SEC's message. While passing an entirely developed proxy access plan may be too much to ask, the SEC can set a direction by making it clear that it will not ignore the issue of fairness that precipitated this latest litigation and put forward a series of steps that will strengthen shareholder democracy.

Part of this should include safeguards such as a minimum requirement of shares held in order to put forward director nominees. Other changes that can be made are: an increase in the number of exempt solicitations from 10 persons to 20 as long as those solicited are institutions or "accredited investors" so that investors can easily communicate with each other; the electronic transmission of proxy materials to those who desire them in that form, a move that can boost shareholder participation and reduce cost; and an endorsement of the principle of majority rule and schemes that bring this to publicly traded companies. A growing number of corporations have taken this last step, and it's important for the SEC not only to allow but also to affirmatively promote it as a best practice -- even urging the exchanges to include majority-voting among their listing standards.

By setting this tone, the SEC will make a strong statement about corporate governance. It will demonstrate that accountability is a principle that will not be compromised. It will bolster its admirable efforts on executive compensation; after all, disclosure provisions are toothless if shareholders are unable to act upon them. And an endorsement of shareholder democracy will show investors world-wide that in our markets, their voices matter and their votes count.

CRIMINAL LAW:

Special Prosecutor Picks Apart Witness In CIA Leak Case (SDUT/AP)

By Matt Apuzzo, Associated Press

The San Diego Union-Tribune, October 27, 2006

WASHINGTON – Special Prosecutor Patrick Fitzgerald took on the first witness in the CIA leak case Thursday, dissecting an expert witness until she acknowledged errors and misstatements in her research.

Vice President Dick Cheney's former chief of staff, I. Lewis “Scooter” Libby, hoped the hearing would persuade a judge to let him call a memory expert at his obstruction and perjury trial in January.

At the outset of the procedural hearing, U.S. District Judge Reggie Walton indicated that he was not inclined to allow a memory expert to testify at the trial. Still, he allowed Libby's lawyers to present a witness to bolster their claim that memory experts would help in his defense.

When it came Fitzgerald's turn, the veteran prosecutor launched into a nearly three-hour cross-examination of the witness – psychologist Elizabeth Loftus – that had some members of the audience shaking their heads.

It was the first public courtroom confrontation between Fitzgerald and Libby's defense team and foreshadowed a contentious trial.

Libby wants to use a memory expert to help argue that, when he made false statements to investigators about his conversations with reporters regarding CIA operative Valerie Plame, it was because of faulty memory. Prosecutors say he lied.

Loftus testified that many jurors don't understand how memory works and how unreliable it can be.

Fitzgerald challenged the validity of memory research. Citing footnotes in her publications, presenting conflicting statements and questioning her methodology, Fitzgerald got Loftus to acknowledge that a statement in one of her research papers was taken out of context and that a figure in one of her books was incorrect.

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Libby's defense team had no comment after court.

Walton did not immediately rule on whether to allow the memory testimony at trial. He closed the courtroom to continue the debate over how much classified information Libby should be allowed to present at trial.

Libby is the only person charged in the leak case. Plame believes the Bush administration leaked her name to reporters as retribution for her husband's criticism of prewar intelligence on Iraq.

In The Libby Case, A Grilling To Remember (WP)

By Carol D. Leonnig

The Washington Post, October 27, 2006

With withering and methodical dispatch, White House nemesis and prosecutor Patrick J. Fitzgerald yesterday sliced up the first person called to the stand on behalf of the vice president's former chief of staff.

If I. Lewis "Scooter" Libby was not afraid of the special counsel before, the former Cheney aide, who will face Fitzgerald in a trial beginning Jan. 11, had ample reason to start quaking after yesterday's Ginsu-like legal performance.

Fitzgerald's target in the witness box was Elizabeth F. Loftus, a professor of criminology and psychology at the University of California at Irvine. For more than an hour of the pretrial hearing, Loftus calmly explained to Judge Reggie B. Walton her three decades of expertise in human memory and witness testimony. Loftus asserted that, after copious scientific research, she has found that many potential jurors do not understand the limits of memory and that Libby should be allowed to call an expert to make that clear to them.

But when Fitzgerald got his chance to cross-examine Loftus about her findings, he had her stuttering to explain her own writings and backpedaling from her earlier assertions. Citing several of her publications, footnotes and the work of her peers, Fitzgerald got Loftus to acknowledge that the methodology she had used at times in her long academic career was not that scientific, that her conclusions about memory were conflicting, and that she had exaggerated a figure and a statement from her survey of D.C. jurors that favored the defense.

Her defense-paid visit to the federal court was crucial because Libby is relying on the "memory defense" against Fitzgerald's charges that he obstructed justice and lied to investigators about his role in the leaking of a CIA operative's identity to the media. Libby's attorneys argue that he did not lie -- that he was just really busy with national security matters and forgot some of his conversations.

When Fitzgerald found a line in one of her books that raised doubts about research she had cited on the stand as proof that Libby needs an expert to educate jurors, Loftus said, "I don't know how I let that line slip by."

"I'd need to see that again," Loftus said when Fitzgerald cited a line in her book that overstated her research by saying that "most jurors" consider memory to be equivalent to playing a videotape. Her research, however, found that to be true for traumatic events, and even then, only 46 percent of potential jurors thought memory could be similar to a videotape.

There were several moments when Loftus was completely caught off guard by Fitzgerald, creating some very awkward silences in the courtroom.

One of those moments came when Loftus insisted that she had never met Fitzgerald. He then reminded her that he had cross-examined her before, when she was an expert defense witness and he was a prosecutor in the U.S. attorney's office in New York.

Libby's defense team declined to comment.

Access To Files Delays Jefferson Probe (NOTP)

By Bruce Alpert, Washington Bureau

New Orleans Times-Picayune, October 27, 2006

Action unlikely before primary

WASHINGTON -- With unexpected delays in copying records and computer files taken from Rep. William Jefferson's Capitol Hill office, it is unlikely the Justice Department will seek an indictment against the eight-term New Orleans Democrat before the Nov. 7 primary, legal observers say.

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The delay may even force the decision past the Dec. 9 runoff that will be held if none of the 12 candidates in the 2nd Congressional District race wins more than 50 percent of the primary vote.

Neither, the Justice Department nor attorneys for Jefferson would comment. Jefferson has denied wrongdoing and has pointed to the lack of indictment after 18 months of investigation as evidence that he has been wrongly targeted.

Since the probe began in March 2005, two former Jefferson associates have pleaded guilty, including Vernon Jackson, CEO of the Louisville, Ky., technology firm iGate Inc.

Jackson said in court documents that he paid more than $400,000 to a company controlled by Jefferson's family in return for the congressman's help getting telecommunications contracts in Nigeria and Ghana. An FBI raid of Jefferson's Washington home in August 2005, uncovered $90,000 in marked $100 bills in his freezer, money that Jefferson had said in secretly recorded conversations with a government informant was intended as a bribe for the vice president of Nigeria, according to an FBI affidavit.

The issue holding up the case is whether prosecutors should have access to materials seized from Jefferson's Capitol Hill office on May 20 and 21, the first FBI raid of a sitting member of Congress. Experts said that with the final disposition of the documents before the courts, the Justice Department isn't likely to move forward until it either gets access to the material or it is ruled off limits.

And while the Justice Department says it doesn't put much consideration into timing of elections, the agency has never brought an indictment closer than two weeks before an election. The primary is now 11 days away.

Under a process established by a three-judge federal appeals court panel, Jefferson's attorneys are to be given access to the materials taken from his office on a "rolling basis" of between 1,500 and 1,700 pages at a time. They'll have a chance to specify what material should be kept from prosecutors and then Chief District Court Judge Thomas Hogan will make recommendations to the appeals court on whether he concurs or disagrees.

Carl Tobias, a law professor at the University of Richmond, said that a Justice Department that argued it needed access to evidence in Jefferson's office would not want to proceed with a case against the congressman until it exhausted all efforts to get the material.

Politics also argue against bringing an indictment before the legal status of the search of Jefferson's office is determined.

If the Justice Department were to seek an indictment now, Tobias said, it would signal that the raid, which touched off angry reaction from the Republican and Democratic leaders of the House over what they called violations of the Constitution's separation of powers clause, wasn't necessary.

Political analysts said the likelihood that Jefferson won't be indicted before the primary and perhaps before the runoff is generally good news for his campaign.

"Certainly it helps him if nothing happens before the election," New Orleans pollster Silas Lee said. "It still leaves a question looming over his head. It's a two-part question: Will they indict him before the election and will they ever indict him? Part one has been answered."

There's been no public explanation for the delay in getting copies of the documents taken from Jefferson's office more than five months ago to the congressman's attorneys. Two people familiar with the investigation said that there was a "computer glitch," but could provide no details.

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Staff writer Bill Walsh contributed to this story.

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Trandahl Names Kolbe As A 'Problem' With Page Program, Source Says (ABC)

By Rhonda Schwartz And John Yang Report:

ABC News, October 27, 2006

A source close to former House Clerk Jeff Trandahl told ABC News that Arizona Congressman Jim Kolbe (R-Ariz.) was one of a small number of "problem members" of Congress who page program supervisors complained spent too much time socializing with pages, taking them to dinner or sporting events outside of official duties.

Mark Foley was also on the list.

The source said Trandahl frequently cautioned both congressmen that "adults should hang out with adults, pages should hang out with pages," a message Trandahl also conveyed to pages during their orientation.

Yesterday in Tucson, in his first meeting with reporters since returning from a European vacation, when asked by ABC News about Trandahl's reported allegations, Kolbe responded, "I would love to comment on a lot of these things, but I think it's just appropriate to say we're cooperating fully with all the inquiries."

Kolbe was also asked by reporters to respond to reports that the U.S. Attorney in Phoenix has opened a preliminary inquiry into a 1996 camping trip Kolbe took with two high school boys, both former pages, following a report by MSNBC that one adult member of the trip was "creeped out" by "fawning, petting and touching" on the arms, shoulders and back of one of the teenagers by Kolbe.

"I know there are a number of inquiries underway, and we're cooperating fully with all those inquiries, and I'm sure at the end of the time it will show that we acted appropriately and did exactly the right thing," Kolbe said.

U.S. Indicts Fugitive Sought As Witness To City Corruption (CHIT)

By Jeff Coen, Matt O'connor And Dan Mihalopoulos, Tribune Staff Reporters

Chicago Tribune, October 27, 2006

In a fresh attempt to bring a corrupt City Hall contractor back from Mexico to testify against Chicago officials, federal prosecutors announced Thursday that they are again charging the fugitive with a 12-year-old drug crime.

Marco Morales had pleaded guilty to bribery and mail fraud in the Operation Silver Shovel corruption case and had agreed to testify about bribing a high-ranking official in Mayor Richard Daley's administration. But Morales fled to Mexico in 1997 and his lawyers defeated an attempt to have him shipped back to Chicago last year to testify for prosecutors and serve his prison term.

Thursday's superseding indictment against Morales marked yet another front in U.S. Atty. Patrick Fitzgerald's efforts to target corruption in the Daley administration.

Morales is believed to be living on Mexico's Yucatan Peninsula, and his lawyer in Mexico City said Thursday that Morales would continue to fight extradition.

If convicted on the drug count, Morales could get up to 40 years in prison and a $1 million fine, authorities said.

"The government intends to ask Mexican authorities to extradite him to face today's cocaine distribution charge," the U.S. attorney's office announced in a prepared statement.

A spokeswoman for the Daley administration declined to comment Thursday.

Morales pleaded guilty to the same drug charge in 1996, but prosecutors agreed to drop the charge as part of a plea bargain. Under that deal, Morales was to serve a 59-month sentence on mail fraud and bribery charges and testify against two city officials, including former Transportation Department deputy commissioner Anthony Pucillo.

Ran pro-Daley group

Pucillo, who has denied wrongdoing, ran a pro-Daley political group of city workers, according to testimony in the recent hiring fraud trial of the mayor's patronage chief.

Morales disappeared before reporting to serve his sentence. He later said he fled after being threatened at gunpoint by two men who warned him to stop helping prosecutors.

Acting on an American extradition request, Mexican authorities arrested Morales in Merida in May 2004. A Mexican appeals court ordered him released a year and a half ago, ruling that the statute of limitations on his bribery and mail fraud crimes had expired.

Federal prosecutors in Chicago had promised at the time to explore their options for seeking Morales' extradition.

A retired federal prosecutor who unsuccessfully sought Morales' extradition in 2005 said the resurrected narcotics charge against the fugitive could yield his return to Chicago.

Joan Safford was the legal attache at the U.S. Embassy in Mexico City in 2005 when a Mexican appellate court rejected a U.S. bid to have Morales extradited to Chicago to face the charges. Under Mexican law, Morales had to be arrested within 6¼ years after he was supposed to surrender to federal prison. His arrest came about 2½ months late, Safford said.

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The statute of limitations in Mexico for narcotics offenses, however, is 17½ years, Safford said. The FBI videotaped Morales delivering two pounds of cocaine to a government mole in August 1994.

"His charge for narcotics is still within the statute of limitations for Mexico," Safford said.

But Jaime Tacher, the Mexico City lawyer who repelled the first effort to extradite Morales, said the U.S. government's new effort "is even weaker than the case it had two years ago."

Tacher said Mexican courts were unlikely to extradite Morales because the allegations are so old and because the U.S. government is trying to bring Morales back to face new charges rather than serve a sentence.

"Marco can be declared a political defendant," Tacher said in a telephone interview. "When the Mexican judges see that we won the first time, they will view this new extradition attempt as a vendetta by the U.S. prosecutors."

Tacher said he first learned about the re-indictment from a reporter and he was unable to contact Morales on Thursday. Morales' cousin, Norma Hoyos, who lives in Merida, said Thursday that Morales was traveling in Mexico to sell his paintings..

First in Silver Shovel

Morales, 61, was the first person charged in the Operation Silver Shovel probe. The investigation resulted in the conviction of six Chicago aldermen and a dozen other people as a result of 3½ years of undercover work by John Christopher, a lifelong mob-connected crook whose hundreds of secretly recorded tapes were the underpinnings of the investigation.

Morales originally pleaded guilty to the drug charge in February 1996, a month after the undercover probe went public. Prosecutors eventually restructured the deal so Morales might avoid deportation once he completed his prison term.

Morales pleaded guilty to bribing a Chicago official for lucrative construction contracts and cheating a Laborers Union local out of $160,000 in pension and welfare contributions.

The evidence against Morales on the narcotics charge appears to be rock-solid. As a hidden FBI videocamera captured the scene in Christopher's office, Morales delivered a sample of cocaine to Christopher on Aug. 11, 1994.

Eight days later, Christopher, wearing a body recorder, handed Morales $25,000 in cash as they sat in Christopher's car outside Morales' business.

Morales counted the money aloud, according to Morales' first plea agreement.

Later that afternoon, Morales was videotaped as he delivered two pounds of cocaine to Christopher in Christopher's office.

Since Morales went on the lam, his son's construction company has received tens of millions of dollars in city contracts. Morales has denied that the contracts to his son were given in exchange for his silence.

In a 2005 interview with the Tribune, soon after his release from a Mexican jail, Morales attributed much of his success as a city contractor to cash-stuffed envelopes that he passed to officials who handled contracts for the Daley administration.

Morales said he did not think he was doing anything wrong when he bribed city officials: "Everybody was doing the same thing."

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Masilotti Plans To Step Down From Commission (PALMBEACHP)

By Tom Dubocq, Palm Beach Post Staff Writer

Palm Beach Post (FL), October 27, 2006

WEST PALM BEACH — Under pressure from federal investigators, County Commission Chairman Tony Masilotti has informed the county administrator that he will resign Friday — even though his term expires in a matter of weeks.

"I have been advised by an attorney for the commissioner that I will receive a letter of resignation from the commissioner in the morning," Administrator Bob Weisman said late Thursday. "I am to fax it to the governor's office."

Masilotti could not be reached Thursday evening. But in an interview earlier in the day, the beleaguered commissioner said he was on the brink.

"You get to a point of wondering, how are you going to keep fighting this?" Masilotti told The Palm Beach Post. "It's difficult to eat, to sleep, to do anything. It's difficult to get anything done in a storm."

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Masilotti's successor will be elected Nov. 7 and sworn in Nov. 21. Weisman said he alerted commissioners Thursday night of Masilotti's impending departure so they could prepared for a transition. Vice Chairwoman Addie Greene is in line to ascend.

"Frankly, I am kind of shocked to have received the call," Weisman said.

Masilotti said Thursday that federal prosecutors are threatening to charge him with "honest services" fraud, a crime that upon conviction carries a prison term of five to 20 years.

"I thought I was doing right," he said of his involvement in land deals under scrutiny by a federal grand jury. "It wasn't public corruption or kickbacks. ... The U.S. Attorney told me that these things weren't illegal — except that I didn't disclose them."

The "honest services" law is a 28-word federal statute that allows prosecutors to charge public officials with corruption even if there was no direct bribe to secure an official act. In general, it makes it a federal crime for officials to deprive their constituents of their honest efforts to represent them.

"It's more than a cozy relationship, it's a corrupt relationship," explained former U.S. Attorney Kendall Coffey. "Prosecutors are looking for financial inducements that corrupt the motives of a public official. It's not enough to be a lobbyist or a campaign contributor. It's like having someone who is on the take who can give you an inside track. It's a corrupt relationship even if a specific vote is not involved."

Convictions under the law have been overturned in the appellate courts because the law is arguably vague — prompting Masilotti to ponder an aggressive defense.

"I am really not sure. I don't know what to do," he said. "I need the advice of my attorney. I may have to just stand and fight."

Masilotti, 50, a former Royal Palm Beach mayor, first was elected to the county commission in 1998 and was reelected in 2002. Term-limited, he was preparing for a third and final run when he abruptly scrapped his reelection campaign in May and declared he wanted to spend more time with his children.

Before withdrawing from the race, Masilotti had been defending his connection to a multimillion-dollar land acquisition in Martin County reported weeks earlier in The Post — disclosures that eroded his support in the ranks of his Republican Party.

Masilotti at the time maintained that he did nothing wrong, that the stories were an attempt to oust him from office.

"There is nothing inappropriate about buying or selling land," he said from the commission dais. "And in fact I would put out a challenge to the publisher of The Post: If I or any of my family members did anything illegal, I will resign from this post, if in fact the editor of The Post will resign when they admit I did nothing wrong."

A federal grand jury soon was investigating the deal and another in Royal Palm Beach in a probe that has since mushroomed.

The Post reported in April that Masilotti's family made as much as $1.3 million in connection with a $40 million land purchase in Martin County by the South Florida Water Management District in 2003. The family's interest was hidden through a secret land trust and a tangled series of real estate transactions. Although Masilotti insisted he had no direct involvement, interviews and documents obtained by The Post showed he pushed for the water district purchase, without revealing his family's interest.

The grand jury also has subpoenaed records concerning Masilotti's promotion of a second real estate deal in 2003 and 2004 involving two investors who profited from the water district purchase. The investors bankrolled a bid to acquire 49 acres in Royal Palm Beach owned by the Diocese of Palm Beach.

Masilotti met twice with the bishop and wrote letters on Palm Beach County stationery urging the sale, records show. Once the investors had a contract on the property, Masilotti arranged a meeting with the county engineer to resolve a dispute over the proposed development's impact on traffic. Masilotti defended his actions, saying he was merely helping constituents.

Last month, the grand jury subpoenaed Masilotti's older brother, Paul, a building inspector for the village of Wellington, in connection with a land purchase in Brevard County. The 300 acres had been acquired in 2005 for $7.7 million in cash by a limited liability company whose manager was an attorney who also works for Palm Beach Aggregates, a major landowner in Tony Masilotti's commission district.

After the land purchase, Paul Masilotti paid the taxes on the property. Tony Masilotti said Thursday that his brother owned the Brevard County parcel, that he had acquired it from Palm Beach Aggregates in exchange for a property purchase option in Palm Beach County.

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"Paul had a purchase option on a piece of property that (Palm Beach Aggregates President) Enrique Tomeu needed," the commissioner said. "Paul was planning to build a horse manure processing facility, but instead he swapped it."

Paul Masilotti's attorney could not be reached Thursday and Palm Beach Aggregates has declined comment on the grand jury matter.

Tony Masilotti said the company's dealings with his brother had nothing to do with his pivotal role in the county's approval of 2,000 homes and up to 50,000 square feet of commercial space on Palm Beach Aggregates' land. Until then, development had been limited to 120 homes.

"I honestly didn't know about it," the commissioner said. "If I had known, I would have told my brother not to buy land in Palm Beach County. I'm sure he didn't intend to hurt me."

Staff writer Hector Florin contributed to this story.

Palm Beach County Commissioner Masilotti Resigns As Feds Investigate (FLSUNSEN)

By Josh Hafenbrack, Sun-sentinel.com

South Florida Sun-Sentinel, October 27, 2006

Palm Beach County Chairman Tony Masilotti is resigning from office amid ongoing federal investigations into his potential misuse of power in several secret land deals, the top county administrator said Thursday.

Masilotti will fax a letter of resignation to County Administrator Bob Weisman Friday morning, Masilotti's attorney told Weisman, bringing his eight-year commission career to an end just three weeks before his term expires.

Weisman said he would forward the resignation to Gov. Jeb Bush, who has the power to appoint a replacement. But with only three weeks left in Masilotti's term, Bush may not do anything, Weisman said.

"The (commission) can function with six people," he said. "The election is close."

Masilotti could not be reached for comment Thursday evening, despite messages left on his cell phone. Earlier Thursday, standing in his Royal Palm Beach insurance office, Masilotti declined to talk about whether he was considering resignation, saying he was advised by his attorneys to stay silent.

"At this time, I'd rather not say anything about that," said an uncharacteristically subdued Masilotti, 50, a politician known to jump to his own defense.

The mercurial Masilotti's almost 20-year rise to political power, which began as Royal Palm Beach mayor, ends in scandal. The FBI probe into Masilotti focuses on a government land deal in southern Martin County, in which Masilotti and his ex-wife, Susan, pocketed roughly $1.3 million. The profit was shielded through a secret trust, but it came to light in the Masilottis' divorce papers in January.

FEDS AIM TO 'BOX' IN UNION BIG (NYPOST)

By Kati Cornell And Neil Graves

The New York Post, October 27, 2006

October 27, 2006 -- The feds have more than 100 boxes of evidence in their racketeering case against Queens Assemblyman Brian McLaughlin, officials said yesterday.

Assistant federal prosecutor Daniel Braun said he gathered "over 100 boxes of documents and other materials" that he'll use as evidence that the fallen labor leader stole $2.2 million from taxpayers and the electricians union.

McLaughlin, 54, who made his first appearance in federal court in Manhattan yesterday, had no comment before Judge Kenneth Karas.

Because of the stacks of evidence, Karas set the next court date for Dec. 14.

McLaughlin, who was booted as president of the New York City Central Labor Council, faces charges for allegedly stealing from the state, his union, his political campaign, contractors and even a Queens Little League, federal prosecutors charged last week.

Busted Brian Has His Buss, Tix To Ride (NYDN)

By Thomas Zambito, Daily News Staff Writer

New York Daily News, October 27, 2006

Indicted labor leader Brian McLaughlin is accused of showering gifts on lady friends, but yesterday he had a peck on the cheek for his wife, Eva, when she dropped into a Manhattan courtroom.

During a brief court appearance yesterday, McLaughlin's attorneys got Manhattan Federal Judge Kenneth Karas to agree to loosen the Queens assemblyman's travel restrictions, letting him go to New Jersey and Connecticut, where he has family.

Previously, he was allowed to travel only within New York.

Next week, McLaughlin's attorneys will get a peek at some 100 boxes of evidence that federal and city investigators compiled during their lengthy probe of the former head of the New York City Central Labor Council.

McLaughlin, dressed in a dark suit and blue tie, declined comment after leaving the courtroom with his wife and attorney Michael Armstrong.

Armstrong is a former federal and Queens prosecutor who was appointed last year by Mayor Bloomberg to serve as chairman of the Commission to Combat Police Corruption.

McLaughlin, 54, is accused of stealing $2.2 million in taxpayer funds to pay for fancy cars, country clubs and a Long Island mansion. He's also accused of looting nearly $100,000 from the bank account of a Queens Little League.

And the feds say he took $61,000 from a contractor to pay for a Mercedes-Benz for his wife. He also allegedly gave gifts - including money - to unnamed lady friends.

Ruleville Chief Pleads Guilty To Extortion, Protecting Drug Dealer (BSH)

Biloxi Sun Herald, October 27, 2006

OXFORD, Miss. - Federal prosecutors said Ruleville Police Chief Ronald Durelle Robinson pleaded guilty Thursday to an extortion charge, admitting that he took cash for not pursuing drug and gambling charges against a person he thought to be a crack cocaine distributor.

As part of the plea agreement, other federal charges against Robinson will be dropped when he is sentenced within the next 45 to 60 days, said James D. Maxwell II, assistant U.S. attorney for north Mississippi.

Robinson faces up to 20 years in prison, a $250,000 fine and up to three years' supervised release, prosecutors said. He remains free on a $20,000 bond.

Robinson, 46, and Ruleville Assistant Chief Larry Mitchell, 33, were indicted by a federal grand jury on July 25, but the indictments were sealed until the men were arrested Aug. 4 in the Delta town of 2,935.

Robinson and Mitchell were suspended without pay and police Lt. Amos Mitchner was appointed to serve as acting chief.

The indictment says that from December 2003 to June 2006, Robinson and Mitchell, acting in their official capacities, conspired to extort cash payoffs in exchange for providing protection for alleged crack dealers and other people Robinson and Mitchell believed to be distributing crack.

The FBI said Robinson was charged with one additional extortion count and four counts of attempting to aid in the possession of crack cocaine with intent to distribute. The indictment named Mitchell on one additional extortion count and two counts of attempting to aid in the possession with intent to distribute crack cocaine.

Mitchell is set for trial Jan. 29 in U.S. District Court in Oxford before Judge Glen H. Davidson. Maxwell said he could not disclose whether Robinson is cooperating with prosecutors in the case against Mitchell.

Robinson entered his guilty plea before Davidson.

If convicted, Mitchell faces a maximum 40 years in a federal prison and a $2 million fine on the most serious charge. Before entering his plea, Robinson faced the same possible penalties.

Robinson in 2004 told The Associated Press that his yearlong campaign against drug dealers had led to threats against his life and bribery attempts. At the time, his department was responding to protests by some residents who claimed serious injuries suffered by a drug suspect were the result of police brutality.

Robinson had said the suspect injured himself but "a small group of people" wanted to use the incident to force him out of office and end efforts to rid the town of a serious drug problem.

Texas Murder-For-Hire Convict Executed (FINDLAW/AP)

By Michael Graczyk, Associated Press Writer

AP, October 27, 2006

(AP) - HUNTSVILLE, Texas-A man was executed Wednesday for initiating a murder-for-hire plot that authorities said led to the fatal stabbings of his parents and an uncle.

The lethal injection of Gregory Summers, 48, came more than seven years after the execution of Andrew Cantu, convicted of taking the $10,000 offer and fatally stabbing Gene and Helen Summers, both 64, and Billy Mack Summers, 60. Their home in Abilene was set on fire after they were attacked and their bodies were found in the rubble.

Asked by Warden Thomas Prasifka if he had a final statement, Summers replied "no." Eight minutes later, at 10:16 p.m. EDT, he was pronounced dead.

Attorneys for Summers tried Wednesday to block the punishment by challenging the constitutionality of the injection method, accusing prosecutors of hiding evidence and raising questions about testimony from a trial witness who implicated Summers.

The U.S. Supreme Court three weeks ago refused to review his case. Three appeals went to the high court late Wednesday, and all were rejected.

"These were real people that we all loved very, very much," Arbie McAliley, the victims' niece, said after witnessing the execution. "Justice was served, we believe in our hearts."

Authorities said the 1990 slayings were the result of Summers' parents' frustration with bailing their son out of his financial problems and Greg Summers' attempt to get $24,000 in life insurance.

"His father had come to the end of his rope with Greg and was starting to cut him off financially," said Kent Sutton, who prosecuted Summers. "Greg was going to inherit everything and that was one of the reasons he wanted the house burned."

Prosecutors also showed how Summers previously collected insurance payoffs from fires at his grandmother's house and a vehicle.

"Greg was pure evil. He'd been bleeding them dry for money over the years, and when he realized he couldn't get any more out of them, he figured he could get their insurance," said Miles LeBlanc, Sutton's prosecutor partner.

"He was so cruel in what he did to them and he needs to pay," said Brenda Steele, who lost her aunt and two uncles. "They loved Greg and they overlooked a lot of things they probably shouldn't have."

Cantu, 31, had denied involvement and blamed the killings on two companions who testified against him.

"We were able to find enough circumstantial evidence to piece together a strong case," LeBlanc said. "Greg Summers earned his conviction."

Summers was the 22nd inmate executed this year in Texas, the nation's most active death penalty state. At least three other inmates have execution dates over the next four weeks.

On the Net:

Greg Summers: http://www.sfsonline.cjb.net

Texas execution schedule: http://www.tdcj.state.tx.us/stat/scheduledexecutions.htm

Charges Possible In Skid-row Patient Drop-offs In Los Angeles (USAT)

By William M. Welch

USA Today, October 27, 2006

LOS ANGELES — A hospital here is under criminal investigation for possibly dumping of homeless patients on skid row — a practice that the Bush administration says is widespread in the USA and "inhumane."

Los Angeles Police Capt. Andrew Smith says "there's a strong likelihood criminal charges could be filed" against Los Angeles Metropolitan Medical Center after five patients were brought by ambulance Sunday to the city's drug and crime-infested skid row section.

Philip Mangano, executive director of the U.S. Interagency Council on Homelessness, called the alleged dumping "abhorrent ... inhumane and horrific."

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He says such actions by hospitals and other institutions have contributed to homelessness problems across the country. Stopping the practice and getting people into stable living situations, he said, are goals of agreements that the council has entered into with 281 cities.

Cities with such 10-year-plans to combat homelessness and find permanent solutions include New York, Chicago, Denver, Miami, San Francisco and San Diego.

Los Angeles does not have such a plan, Mangano said. "Inappropriate discharge" by hospitals puts people on the street, he says, fills up temporary shelters and sends its victims into cycles of hospitalization and arrest that are costly to the public.

"Unfortunately, it's all too common a practice around the country," Mangano says. "It's wrong for the person. It's certainly wrong for our society. ... It's wrong for the taxpayer because the taxpayer is the one who is saddled with that person's recycling over and over through the system."

Examples include workers at a mental hospital in Colorado who were accused in 2003 of dumping a discharged patient out of a wheelchair and onto a sidewalk at a Denver homeless shelter. Hospitals around Riviera Beach, Fla., were accused in 2000 of discharging patients into squalid, filthy motel rooms with little food or assistance.

In Los Angeles, police videotaped the ambulance's arrival and interviewed the patients who said they didn't want to be taken there, Smith said. At least two of the patients had homes, one with family and the other at a convalescent home in Pasadena, he said.

The hospital's president and chief executive officer, John Fenton, issued a statement saying "the allegations ... are unfounded" and asking for a meeting with the city attorney to discuss its discharge practices. Fenton did not return numerous calls from a reporter seeking comment.

City Attorney Rocky Delgadillo says he opened an investigation into the dumping of indigent people on skid row a year ago and that the events Sunday are a significant break in the case.

In March, police released videotapes they said showed a 63-year-old woman dropped off on a skid row street still wearing a hospital gown and slippers. The woman had been a patient at Kaiser Permanente's Bellflower Medical Center. Kaiser officials apologized and promised it would not happen again.

Delgadillo said a range of civil and criminal violations could be brought for discharging patients without adequate planning. He said false imprisonment and dependent-care abuse were among violations that would be considered.

Fenton, in his statement, said the hospital does not have an emergency room and is not covered by a federal law that requires appropriate discharge of patients from emergency care.

Delgadillo called Sunday's incidents "very serious" and said skid row — a 50-square-block area — is a dangerous place to leave anyone.

"I can't think of a more perilous situation than the heart of skid row," he said.

D.C. Jury Acquits Jemal Of Bribery (WP)

By Carol D. Leonnig And Dana Hedgpeth

The Washington Post, October 27, 2006

Douglas Jemal, one of Washington's most prominent developers, was acquitted yesterday of charges that he bribed a city official to get sweetheart contracts and inflated profits at taxpayers' expense.

The jury in U.S. District Court convicted Jemal of one lesser count of wire fraud. But the panel resoundingly rejected the crux of the government's case, acquitting Jemal and two top lieutenants of his company, Douglas Development Corp., of the more serious charges of conspiracy and bribery.

"God bless you all," a tearful Jemal told jurors when he saw them leaving the courthouse. Giving them hugs, he declared: "Thank you, sweetheart. Thank you, dear."

From the start, Jemal, 63, denied wrongdoing in his dealings with the city. When he was indicted along with son Norman Jemal and leasing agent Blake Esherick in September 2005, Jemal said he was looking forward to the chance to clear his name and theirs after nearly two years of overlapping city and federal investigations.

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Just before 3 p.m. yesterday, Jemal stood ramrod-straight in the courtroom as the jury foreman began to read the group's decision. When the foreman said, "Not guilty," on the chief counts, Jemal bent forward, his eyes beginning to water and rimmed with red. All told, he was acquitted of six of seven charges.

Prosecutors said Jemal could face up to 20 years in prison on the wire fraud charge. But under federal sentencing guidelines, his sentence could be much lighter, and he could wind up with just probation.

Known as a maverick developer who helped turn the city's East End near the Verizon Center from run-down storefronts into a vibrant area of housing, restaurants and shops, Jemal has an array of ambitious projects ahead, stretching from downtown to the banks of the Anacostia River in Southeast to Richmond. Now he will return to his daily routine -- and his trademark cowboy boots and jeans, which he had ditched for business attire for court.

He, his son and Esherick had recruited a veritable who's who of preeminent Washington defense lawyers to represent them in the trial that began Sept. 11. The jury acquitted Norman Jemal, the company's vice president, of all charges but found Esherick guilty on the wire fraud count as well as two counts of tax evasion relating to underreporting his income from Jemal. The bribery charges were always considered the most toxic in the case, but Esherick's conviction on the three felony counts is a serious blow, carrying the possibility of significant jail time.

Defense attorneys said they hoped to get the convictions overturned.

"We're relieved, of course," said Reid H. Weingarten, the lead defense attorney for Douglas Jemal. "He was charged with horrible crimes, of ripping off the District -- charges that never should have been brought."

U.S. Attorney Jeffrey A. Taylor said the guilty verdicts against Douglas Jemal and Esherick were a "vindication of a majority of our case." He defended the prosecution, saying, "This was a tough case, but given the serious allegations, we had to bring it."

The wire fraud charge stemmed from a document that Jemal and Esherick falsified and then used as a justification to get a mortgage company to release $430,000 in loan proceeds. The money went to a different business deal than the one specified in the mortgage. The defense contended that Jemal had a right to the money and that no one was hurt.

The prosecution's case focused most heavily on the angle of public corruption -- citing exorbitantly priced leases and invoices that a D.C. government property official arranged for the city to pay Douglas Development from 2001 to 2003. The government said Jemal and his team needed those deals to keep the company's overextended real estate empire alive in the years before the boom in District property prices and used phony documents and bribes to get them.

The government's star witness, former deputy director of property management Michael Lorusso, testified that he arranged overpriced deals, costing the city millions, for an impoundment lot in Prince George's County and office space at 77 P St. NE. Lorusso said he also authorized payments for nonexistent work.

Lorusso said that his goal was to enrich Jemal and that as payback Jemal's team gave him $10,000 cash in a humidor, a Rolex, trips to Las Vegas and other gifts. Lorusso pleaded guilty to taking bribes in 2004; he could get a lesser sentence in return for his cooperation.

Defense attorneys said Jemal was fiercely loyal to friends and generous with gifts. But prosecutors Mark H. Dubester and Tim Lynch argued that the gifts came with expectations and said that no reasonable person could believe Jemal would give another man a Rolex -- just to be friends -- a few months after meeting him.

Jurors said they saw no proof that Jemal meant to bribe anyone.

"We went strictly on the evidence, and there was none," said juror Stephanie Vasquez, 20.

Defense attorneys argued that Jemal profited on city deals because he was a good businessman.

In some of the trial's most dramatic moments, Weingarten tried to shred Lorusso's credibility. In one withering exchange, Weingarten got Lorusso to admit that nearly every line of the rÃ©sumÃ© he wrote to get his city job was falsified.

Some jurors said they considered Lorusso a "colossal liar."

"Oh, God -- Lorusso, " said juror Rosanne Goodie, 43. "What could you believe with him?"

A female juror who spoke on condition of anonymity said Jemal seemed to be the victim. "A man in high places will probably have people tend to gravitate toward him who want to use him," she said.

Friends and competitors in the close-knit circles of D.C. real estate welcomed the news that Jemal was cleared of the bribery charges.

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"I'm happy for him," said Jim Abdo, a major housing developer. "I think what was driving him crazy was that anybody in the development business doesn't like uncertainty. He had this cloud of uncertainty over him. To have that removed is going to give him a significant peace of mind."

Ernie Jarvis, a managing director in the D.C. office of CB Richard Ellis, said: "I am relieved that Douglas was cleared, and I'm hopeful that he will continue to be a presence in our city as well as the local real estate market."

Jemal will be sentenced April 16 and Esherick on March 15.

During his trial, Jemal went into his office on H Street NW at 8 a.m. and worked for two hours before court. He returned to the office in the evenings, returning phone calls and e-mails to brokers, partners and potential buyers and sellers. A longtime supporter of Mayor Anthony A. Williams (D), Jemal is a builder and a manager of 10 million square feet of office, retail, commercial and residential properties in 185 buildings in the region.

"I'm very ecstatic to be judged by a jury of my peers, and I'm happy with the outcome. . . . In the end, I don't even know what it was about," Jemal said.

Before leaving the courthouse grounds, Jemal told jurors that he was glad they got his case, then got big laughs and slaps on the back with his parting joke:

"Let's get together every year around this time."

Intelligence Chairman Urges Leak Inquiry (WP)

By Walter Pincus

The Washington Post, October 27, 2006

The chairman of the House Permanent Select Committee on Intelligence has proposed a sweeping inquiry into the possible leak of a classified National Intelligence Estimate on Iraq by a staff member, including an audit of staff telephone records and e-mail to identify unauthorized contacts with news media or messages related to the leaked document.

Peter Hoekstra (R-Mich.), in a paper outlining procedures for the inquiry, said a committee counsel could pursue "any additional information beyond that involving the NIE if it related to improper conduct with regard to classified information by any member of the committee staff."

At issue is the leak of selected contents, harmful to the Bush administration, of a classified National Intelligence Estimate from April titled "Trends of Global Terrorism." The New York Times first published a story about the NIE, with the headline "Spy Agencies Say Iraq War Worsens Terrorism Threat," on Sept. 23 on its Web site and again in its Sept. 24 print edition.

The intelligence committee did not receive a copy of the NIE until Sept. 21, a day after Rep. John F. Tierney (D-Mass.), a member of the panel, called the Democratic staff about it. A staff member, Larry Hanauer, arranged for the document's author -- the Office of the Director of National Intelligence -- to deliver a copy to Tierney after it was posted on the panel's classified site.

A Republican member of the intelligence committee, Rep. Ray LaHood (Ill.), wrote Hoekstra to demand an investigation because the story was published two days after a Democratic staff member obtained the NIE.

Hanauer, who has been suspended from the committee by the chairman, signed an sworn affidavit this week saying he had nothing to do with the disclosure.

Murder Trial Juror Booted For Invoking Numerology (WP)

By Henri E. Cauvin

The Washington Post, October 27, 2006

The jury was trying to decide a high-profile murder case when the trouble began. One of the jurors brought numerology into the debate -- a mystical system said to divine truths from a person's birth date and from the sum of the letters in a person's name.

But numerology is nowhere in the jury instructions at D.C. Superior Court. And yesterday, after hearing from the woman's frustrated fellow jurors, Judge Wendell P. Gardner Jr. kicked her off the panel.

An alternate juror was summoned back to the courthouse and is expected to join the jury to begin deliberations anew today in the trial of two men accused of killing 14-year-old Jahkema "Princess" Hansen.

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It was the strangest twist yet in a trial that has had more than its share since it began almost a month ago -- almost three years after Hansen was fatally shot in the Sursum Corda housing complex, allegedly because she was a witness to a killing. In addition to talking about numbers, the juror had declared that she was the savior, there to force a mistrial.

From a prosecution witness's apparently testifying while high on marijuana to a juror finding herself followed home by a key figure in the case, the trial has not lacked the unexpected.

Leaving the courtroom after she was dismissed, the juror said she could not say anything because of "the judge's order."

Judges rarely take such steps but can do so when jurors refuse to deliberate or, as in this case, insist on introducing information that wasn't part of the evidence.

A couple of years ago, the judge in a drug-gang murder case in U.S. District Court ousted a juror who refused to deliberate.

But what happened in the trial of Franklin Thompson and Marquette Ward was more bizarre.

From the outset, it appeared that the jury's discussions took an acrimonious turn. "How do you have a juror changed," the foreman said in a note to the judge on Monday, a couple of hours into the deliberations.

And then late Wednesday, after the jury had twice reported that it could not reach an agreement, the judge got a note explaining the reason: "One of the jurors refuses to comply with your instructions. Being insulting and argumentative. Will not base statement on fact pertaining to evidence. Making statements of their hidden agenda."

The note led to yesterday's unusual inquiry.

Interviewed by the judge one by one in open court, the jurors said the woman spoke of the significance of everything from dates of birth to the pronunciation of names and the color of people's clothing.

"She was always straying from whatever we were talking about," one juror told the judge.

"It was all made up. It was all a fabrication," another juror said.

When the judge called the juror in question, identified only as Juror No. 15, she spoke so softly that the court stenographer a few feet away had trouble hearing her.

She was not asked what she had said, and she did not volunteer having said much of anything. Asked whether numerology had come up, she said some jurors had been reading the horoscopes that morning. And asked whether birthdates had been discussed, she suggested that they were part of a bona fide discussion of the evidence, contradicting the accounts of almost all of the other jurors.

After questioning the jurors, Gardner scoffed at the woman's statements. "I don't believe one whit of what she's telling me," he said.

With that juror gone, the jury is supposed to start deliberations from scratch, looking anew at the testimony and other evidence laid out over three weeks by the prosecutors, Assistant U.S. Attorneys Deborah Sines and Michelle Jackson.

Hansen was killed after seeing Ward kill a drug dealer, prosecutors alleged. Ward feared that Hansen -- his sometime sex interest -- would tell police what she had seen, so he hired his friend Thompson to kill Hansen for $8,000, prosecutors said.

Just after 11 p.m. on Jan. 23, 2004, Thompson allegedly burst into a rowhouse in the 1100 block of First Terrace NW and shot Hansen in the back of head.

Ward's and Thompson's were familiar faces in the insular environs of Sursum Corda, where Ward was known as Corleone and Thompson was known as Frank Nitti, after the feared accomplice to Al Capone.

Prosecutors played up the nicknames to the jury, while Ward's attorney, Steven D. Kupferberg, and Thompson's attorney, Rudolph Acree, dismissed the labels as hype.

What was undisputed was that a 14-year-old, living a very adult life, died in harrowing fashion that night.

Malvo Talks With Tucson Detectives (WT/AP)

By Stephen Manning

The Washington Times, October 27, 2006

Lee Boyd Malvo met yesterday with police from Tucson, Ariz., who are investigating whether Malvo and fellow sniper John Allen Muhammad were responsible for a golf course shooting there in March 2002, Malvo's attorney said.

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Malvo spent about two hours speaking with Tucson detectives at the Montgomery County Correctional Facility in Boyds, attorney William Brennan said. Malvo, already serving a life term in Virginia for one of the October 2002 sniper shootings, is in Maryland awaiting sentencing for six sniper killings in Montgomery County.

Mr. Brennan would not discuss the substance of the meeting.

Tucson police have long sought to speak with Malvo about the March 19, 2002, killing of Jerry Taylor, 60, who died from a single shot fired from long range as he practiced on the Fred Enke Golf Course. The case has never been conclusively tied to Muhammad or Malvo.

Capt. Bill Richards, commander of the violent crimes division with Tucson police, declined to comment yesterday, except to say that "we do feel that in the very near future, we'll be able to discuss things ... in a broader sense."

After his arrest Oct. 24, 2002, at a Frederick County, Md., highway rest stop, Malvo told authorities that he had shot a senator on a golf course in Arizona. Mr. Taylor was not a senator. Muhammad and Malvo were visiting Muhammad's older sister at the time, but police didn't have enough evidence to prove they were responsible for Mr. Taylor's death.

In addition to the 10 killings and three woundings in the Washington area, the two men are suspects in earlier shootings that year in Alabama, Georgia, Louisiana, Maryland and Washington state and are reportedly linked to shootings in Florida, Texas and California.

Both were convicted of separate Virginia killings in 2003. Muhammad was sentenced to death while Malvo was given a life prison term.

They were sent to Montgomery County last year to stand trial in six killings. Muhammad was convicted in May, a case that included testimony against him by Malvo. Earlier this month, Malvo formally pleaded guilty and is scheduled to be sentenced Nov. 9.

Mr. Brennan said he planned to contact authorities in other jurisdictions where Muhammad and Malvo are accused of sniper shootings to discuss a larger plea deal that would allow Malvo to serve his life sentence in federal prison.

Virginia prosecutors, however, oppose such a deal.

A County Of Bad Ol' Boys (LAT)

By Richard Fausset, Times Staff Writer

The Los Angeles Times, October 27, 2006

HOW bad is Cocke County's lawless reputation?

So bad that its tourism and economic development chief, Donald Hurst, likes to kick off out-of-town business meetings with a self-deprecating joke. All of the visiting Cocke County officials, he tells his audience, are right here in the building — so "rest assured, your home is safe."

To many Tennesseans, Cocke County is the place their parents warned them about, the butt of hillbilly jokes, the last redoubt of an old, untamed Appalachia. For decades this poor and dramatically beautiful area, north of Great Smoky Mountains National Park, was a haven for moonshiners and bootleggers who evaded federal tax agents by hiding in its rugged hills and hollows.

It was also known for its brothels and chop shops, its illegal bars and gambling, its shakedowns and drugs and stadium-sized cockfight pits — and its rampant public corruption. There was a time when people called it "Little Chicago."

And though other mountain communities have seen their wild days lapse into the innocuous category of "colorful past," Cocke County seems doomed to repeat the sins that have long defined it.

In recent months, a state and federal corruption probe has been making familiar headlines here, flushing out the latest round of dirty cops, brothel owners and incorrigible outlaws whom locals call "tush hogs" — a name they also use for wild boar.

County Mayor Iliff McMahan Jr., first elected in 2002 on a promise to attract tourists and new business, hopes this investigation is the final chapter of a long, troubled history.

After all, the Little Chicago nickname has long faded, and moonshining, a victim of increasingly lax Southern liquor laws, has been reduced to the status of a hobby.

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And yet the trouble continues, competing with the good news McMahan and Hurst are spreading about their inexpensive, underdeveloped and untrammeled county — the place their tourism campaign extols as the "real" Smoky Mountains.

"People think we're all barefooted and have three teeth and are playing banjo music," McMahan said. "We do have a tarnished reputation when it

comes to public service …

[but] there are a lot of good, Christian people who live here. We are a law-abiding, God-

fearing community."

Jeramy Hux, the owner of a local mountaineering shop, said he hoped the probe would finally break what he called the "good-old-boy web" that had given the county such a bad name.

"It's about time," he said.

But there is also a notable lack of enthusiasm for the investigation, even among some law-abiding residents. Once again, they say, it seems like the federal government is picking on little Cocke County.

Robert Dameron, 64, a retired truck driver, said the FBI should find better things to do. "I don't think [the corruption] is as bad as they think," he said. "They've got that everywhere."

The mayor — who counts a few illicit whiskey makers among his forebears — said a wariness of federal power was deeply ingrained here. In the old days, McMahan said, moonshiners were rarely considered criminals — just people trying to feed their families. When they were busted by federal "revenuers," those families often went hungry.

In the 1920s and '30s, state bureaucrats assembling land for the national park created more bad blood when they pressured hundreds of families to leave their mountain homes. During World War II, the Tennessee Valley Authority moved others off some of the county's best farmland to create Douglas Lake, part of the authority's vast hydropower system.

"We here in Cocke County have always felt the federal government has taken every effort to kick our butt that they possibly could," McMahan said.

ON a pretty day, the Cocke County countryside feels more like heaven than a notorious den of iniquity. Mountains roll to the horizon, clad in green swaths of hemlock and pine. Three rivers — the Pigeon, the French Broad and the Nolichucky — rush through lush, oak-strewn bottomlands. Small farmers grow tomatoes, grass for hay, and a little tobacco.

According to the 2000 census, 22.5% of Cocke County's 34,000 residents live in poverty. The county seat, Newport, is home to 7,000, with a quaint if dowdy downtown and a few suburban amenities: a Ruby Tuesday restaurant, a Lowe's home improvement store.

This is, supporters say, a typical rural county, no better or worse than any other. To some extent, statistics bear them out: In 2005, Cocke County logged about 77 crimes per 1,000 residents. The rate was higher than those reported by nearby Jefferson and Grainger counties, but lower than that of adjacent Sevier County, where tourists flock to miniature golf courses in Gatlinburg, and Dolly Parton's Dollywood theme park in Pigeon Forge.

The federal government launched its investigation in 2001, naming it Operation Rose Thorn. Since then, seven officers from the Newport police and county sheriff's departments have been convicted of crimes that include conspiracy to distribute cocaine, attempted money laundering, perjury, witness tampering, and stealing money from illegal immigrants.

At least 10 other Cocke County residents have been prosecuted on charges including cocaine sales and interstate theft. Brothels and suspected chop shops have been raided without much input from local authorities — presumably because state and federal agencies didn't trust them.

Former Chief Sheriff's Deputy Patrick Taylor, second-in-command at the department, pleaded guilty to conspiring to traffic in stolen goods. He bought what he thought was $9,000 in stolen NASCAR-themed tank tops, hats and other clothing from undercover agents, and planned to sell the merchandise at country fairs out of a deep-fried-onion stand, according to federal prosecutors. He is expected to be sentenced in November.

In court documents, prosecutors accused Taylor of other crimes for which he was not charged. They said he had extorted money from bars, coercing them to buy liquor from the package store he ran with his wife. And they said he had protected a business that supplied bar owners with illegal video poker machines.

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Sheriff D.C. Ramsey — Taylor's uncle — resigned in January after 2005 court filings showed he was under investigation on suspicion of receiving payoffs from gambling interests. He has not been charged.

Then there was the Del Rio Cockfight Pit, with enough bleachers to accommodate 500 fans.

Cockfighting had been a felony in Tennessee until 1990, when it was downgraded to a misdemeanor by Cocke County's state representative at the time, Ronnie Davis. (Davis was imprisoned for taking part in a fake-passport scheme in 2004.)

Around the same time, Dist. Atty. Gen. Al Schmutzer raided the pit, but it soon resumed business. Last year, Schmutzer returned with a contingent of heavily armed state and federal agents and issued citations to more than 140 spectators and participants.

Witnesses cooperating with the FBI said as much as $30,000 in wagers would change hands over a single fight — and pits like the Del Rio held dozens of fights in one day. Breeders and fans came from surrounding states and filled up hotels and restaurants, generating thousands of dollars for a historically depressed economy.

They were also upholding what many here see as a proud symbol of their Appalachian heritage. But Schmutzer said the raid was about more than stamping out an old country pastime. "You can't have something going on that's illegal and notorious in your community and expect people to respect the law," he said.

After the raid, Schmutzer was surprised when some locals complained that the young people wouldn't have much to do now.

"You'd a thought we'd raided the Boys & Girls Club," he said.

HURST, the head of an economic development group called the Cocke County Partnership, smiled wearily when discussing the investigation. At one point, he compared the county's recurring issues to the movie "Groundhog Day."

Jimmie Frank Hill, 76, a regular at Newport's downtown barbershop, remembers the 1930s: riding as a child in a van, sitting on a blanket covering his father's cases of illegal whiskey. He talks about the brothel his father built and ran, and the gangsters from Chicago and Detroit who would sometimes hide out there.

In the mountain community of Del Rio, a man who asked not to be identified for fear of retaliation recalled his experiences in the 1960s, when truckers passing through town were considered easy bait. While the truckers were occupied at the brothels, a few men would offer boys $5 to puncture their tires — a boon for the tire distributor.

Schmutzer, who recently retired, said that when he was first elected in 1974, "Cocke County was pretty well wide-open."

It was easy to find a drink of hard liquor in bars despite the fact that it was banned. Prostitution was out of control. Back then, the women were supplied by an organized crime gang from St. Louis. Many of the brothels billed themselves as truck stops, and the prostitutes cooed over CB radios in code, enticing men with $50 "cups of coffee." A few of the places did not bother to install diesel pumps.

Schmutzer eventually drummed the more organized criminal elements out of Cocke County's prostitution business. The brothels crept back into service, although some of them have been shuttered again in the recent probe.

The most extensive chronicle of the county's troubles, focusing largely on the last four decades, was compiled last year by J.J. Stambaugh, a reporter at the Knoxville News Sentinel. Titled Cocke County Confidential, published online at http://www.knoxnews.comunder the header news, it runs to more than 50 pages when printed out.

Stambaugh offers a few plausible explanations for Cocke County's troubles. First came Prohibition, which showed moonshiners there was serious money to be made outside the law. Later, World War II brought an influx of GIs to east Tennessee — and entrepreneurs willing to slake their thirst for booze and sex.

The timeline shows that two Cocke County sheriffs have faced felony indictments since 1970. It describes dumped bodies, moonshiners-turned-pot growers, and mysterious and questionable shootings involving police. And it limns a tangled, multi-generational web of local characters — some of whom are the focus of the current probe.

MAYOR McMahan may understand why some residents are annoyed by the federal investigation. But he doesn't agree with them. Public corruption, he said, is a very real problem in Cocke County.

"It's a culture," he said. "And how do you change it? It's like eating an elephant. You do it one bite at a time."

McMahan, 55, was born in Cocke County — a place, he will remind you, that was named after an Independence-era politician, not a fighting rooster. But he spent much of his life in Washington, D.C., where he worked as a professional stage actor

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and business executive. He returned home to care for his ailing father in 1995, his accent half-citified, his Cocke County alliances few.

During his first bid for election, McMahan said, he received death threats. These days, he keeps a pistol strapped to his ankle — "because you never know," he said.

After taking office, McMahan saw controversy visit even the most ordinary totems of small-town life. In 2004, the local United Way was kicked out of the national organization, the United Way of America, over questionable bookkeeping. Last year, the county's Fraternal Order of Eagles chapter was decertified by its international parent organization because it had never given any money to charity. Its membership list included many of the targets of Rose Thorn.

Yet in his successful reelection campaign this year, McMahan did not make corruption an issue. Realistically, he said, there was little he could do about it, because the sheriff is an independently elected office.

It also seemed like bad politics: Too many voters, he figured, were kin to someone caught up in it all.

James R. "Russ" Dedrick, the U.S. attorney for Tennessee's Eastern District, declined to speak at length about Operation Rose Thorn. He said he would be more forthcoming when the case wrapped up, in about a month.

He did say, however, that new leadership — including a newly elected sheriff — seemed intent on putting the old ways behind them.

Sgt. Jonathan Morgan said the culture of his department was changing under Sheriff Claude Strange, a former state trooper.

In the last few years, Morgan, 29, has given the FBI evidence about three of the deputies prosecuted in Rose Thorn. His reward under then-Sheriff Ramsey was a transfer from drug investigations to night patrol — in effect, a trip to the doghouse.

Morgan never heard anyone in the department call it retaliation. And he can't say that he blames the ex-sheriff for all of the trouble.

"I don't know if 'blame' is the word," Morgan said. "It's just tradition."

richard.fausset@latimes.com

Woman Says She Didn't Kill Social Worker (NSDY/AP)

By Associated Press, October 27, 2006, 6:04 Am Edt

Long Island Newsday, October 27, 2006

In a jailhouse news conference that she had requested, Renee Terrell said Christopher Luttrell alone was responsible for the death of Boni Frederick, 67, of Morganfield.

"I didn't do anything to her, and I am sorry for her," Terrell, 33, told the Henderson Gleaner. "I guess I hang out with the wrong people.

"I didn't want her hurt. I even said I didn't want her hurt. It wasn't my intention for anybody to get hurt."

Luttrell, 23, told reporters gathered at the Henderson police station on Wednesday that he killed Frederick. An autopsy revealed she died of blunt and sharp force trauma.

Terrell said she was in the house when Frederick was killed but that she didn't see or hear the attack. The couple is accused of taking Terrell's 10-month-old son, Saige, after Frederick had brought the infant for a visit with the mother.

The baby is now in custody of foster parents.

Terrell has four children, and none are in her custody, according to a court document. The other children are ages 14, 9 and 7.

The couple face felony murder, kidnapping, robbery and theft charges.

Terrell said she and Luttrell had developed a plan to take her son, but that the plan didn't include hurting anyone.

"It wasn't until my son got there that I chickened out," she said. "I started thinking better of it and didn't want to do anything to get in trouble with my son," she said.

But a criminal complaint filed with Henderson court officials says that on the night Terrell was arrested, she told police that she had "hit Boni three or four times with the frying pan."

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Luttrell has also claimed in statements to detectives that the woman participated in the killing. He told police that on the day of the killing, he hid in a bedroom closet but kept the door cracked, the court documents said.

Luttrell told police that he, too, used the iron frying pan to beat Frederick and that both he and Terrell hit her with their fists, the court documents said.

FBI agents arrested Terrell and Luttrell on Oct. 19 in a trailer where they sought shelter near Godfrey, Ill., about 30 miles north of St. Louis.

The baby had been removed from Terrell's custody when he was 13 days old because of neglect, police said. Police also said the courts were in the process of permanently removing Terrell's parental rights before Frederick was slain on Oct. 16.

Legal Eagles On Lookout For Fraudulent Contractors (KATC)

KATC-TV, October 27, 2006

NEW ORLEANS -- Fraudulent contractors, unlicensed contractors and the bilking of homeowners are reaching epidemic proportions, prompting federal and state agencies to beef up regulatory and criminal enforcement against unscrupulous businesses.

The problems may have not hit their peak, with Road Home money still to be handed out, state and federal agencies said.

The law and license enforcement agencies are coordinating efforts to fine or jail bad contractors.

"The FBI and the U.S. attorney are fundamentally committed to ensure (the use of) recovery (money) is free of fraud, and we are cooperating to include contractors who engage in fraudulent activity," said James Bernazzani, FBI special agent in charge of Louisiana.

Bernazzani said that the disbursement of Road Home loans _ federal money _ gives the FBI jurisdiction, and any contractor stealing or fraudulently taking the money will be high on the FBI's radar.

"If you are a contractor fraudulently (taking) recovery money from homeowners, the FBI will take a very, very hard look at it," he said.

As Road Home money through the Louisiana Recovery Authority begins to be disbursed, the FBI and the Louisiana attorney general's office doubt complaints against contractors have approached the peak.

"I think eventually our active complaints will exceed 1,000 any given month," said Charles Marceaux, executive director of the Louisiana State Licensing Board for Contractors.

Marceaux said he expects that by the end of the year, his board will have held more than 800 administrative hearings since hurricanes Katrina and Rita. In past years, citation hearings have been about 300 to 400 a year, he added.

The citations are for being unlicensed, failing to perform as contracted or performing shoddy work. If egregious enough, the contractor's actions are forwarded to the attorney general's enforcement division, which will decided whether criminal action should be taken.

Isabel Wingerter, director of the general consumer protection section for the attorney general, said she would have expected a handful of consumer complaints in years past.

"We've never seen anything like this," Wingerter said.

Most of the criminal cases involve misappropriations of funds and theft by fraud, she said.

As of Oct. 16, 194 cases had been referred to the attorney general's criminal division for investigation, 65 arrest warrants for theft or fraud had been issued and there were 140 ongoing criminal investigations against contractors. Additionally, 10 civil unfair trade practice investigations involving 140 contractors were pending, Jennifer Cluck, a spokeswoman for the attorney general, said.

Between contractors seeking licenses and consumers making complaints or seeking information, the contractor's board is fielding 80,000 calls a month.

Before Katrina, there had been about 15,000 licensed residential or commercial contractors or registered home-improvement contractors. Now, there are more than 20,000. Marceaux said that since Katrina, 5,397 new applications have been received.

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Commercial licenses are the largest category at 2,648. Before last year's storms, there were 47 licensed mold remediating contractors. There have been 256 applications and licenses issued for mold contracts since the storms.

Marceaux said he's seeking support for legislation to stiffen the fines the board can levy and make it more difficult for a contractor to abandon a project.

Cluck urged consumers to use the attorney general's hotline, 1-800-351-4889, to make complaints. The phone bank is staffed from Monday through Friday, 8:30 a.m. to 5 p.m., but messages can be left anytime for a staffer to return a consumers call.

The FBI's top agent said reports of potential criminal activity can also be reported by calling 1-800-CALLFBI. He was adamant, however, that the hotline is not for generic consumer complaints.

"Please don't call because you're peeved at your contractor," he said, but rather when there is obvious criminal activity. Marceaux asked that consumers file complaints through the licensing board's Web site.

New Orleans May Hire A Public Watchdog (NSDY/AP)

By Becky Bohrer, Associated Press Writer

Long Island Newsday, October 27, 2006

NEW ORLEANS -- City leaders are pressing for the hiring of a corruption watchdog to send a message that New Orleans -- with its long and colorful reputation for graft and thievery -- can be trusted with the billions of dollars in federal aid pouring in to rebuild after Hurricane Katrina.

"We have a moral obligation to lead with integrity," said City Councilwoman Shelley Midura, who is among those pushing for the creation of the office of inspector general. "This is something the people are crying for."

At least five of the council's seven members have signed on to the idea, set for a vote Nov. 2.

Some have argued that under the current plan, the inspector general would be too weak, because the watchdog would have no subpoena power. Others are debating whether the inspector general should be a New Orleans insider or an outsider.

Also, Mayor Ray Nagin has come out against a proposal to make city contractors help pay for the office. And decision makers in this cash-strapped city have not yet settled on a budget for the inspector general.

Councilman Arnie Fielkow argued that money shouldn't matter: "I don't think the community can afford NOT to do this right now."

New Orleans has been dogged for years by cronyism, self-dealing, one-hand-washes-the-other politics and wink-and-a-grin thievery. At least two people have pleaded guilty as part of a federal investigation of corruption at the city transit authority under Nagin's predecessor, Mayor Marc Morial, and three Morial associates are awaiting trial on charges they orchestrated a plan to rake money from a lucrative contract. Morial has not been accused of wrongdoing.

Nagin's administration has been largely scandal-free. But stories of wasteful spending, plodding bureaucracy and fraud have dogged the recovery at all levels: Federal officials have been criticized for awarding no-bid contracts and paying more than $1 billion in aid to the undeserving; a state legislator has been under scrutiny because his relatives got a lucrative deal to sell trailers to FEMA; and a parish councilman in a New Orleans suburb resigned in October under indictment on charges he extorted money from the owners of a hurricane debris disposal site.

New Orleans pollster Silas Lee said he believes the Big Easy's reputation as politically corrupt is overblown, suggesting other major cities such as Chicago and New York are just as bad or worse. Still, he said an inspector general is not a bad idea, if the appointee is given the authority and the resources to do the job.

Since 1998, the inspector general's office for Miami-Dade County has led inquiries resulting in over 160 arrests and uncovered more than $50 million in questionable spending, Inspector General Chris Mazzella said.

In Baltimore, Andrew Clemmons' office received 73 complaints in his first year as inspector general, a figure he expects to at least triple this year.

"If you get the right person, they're going to be active," said Roland Malan, executive director of the Association of Inspectors General. "And there will be times the city is embarrassed and times the city is really glad that person is there."

In New Orleans, the idea is to have a politically independent office. Anyone employed by the city within the past five years would be excluded from consideration.

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That is a sore point with the leader of the local chapter of the NAACP, Danatus King, who warned that that would disqualify people with knowledge of the city's inner workings.

But Malan said hiring an outsider would remove any suspicion that the watchdog is beholden politically to someone.

"You need someone who's on a white horse with an impeccable reputation and who's willing to stand up to anybody when it comes to the organization," he said.

Reprimand For A Justice Who Met With Inmates (NYT)

By Adam Liptak

The New York Times, October 27, 2006

A special panel of the Washington Supreme Court made up of nine substitute judges reprimanded one of the court's justices yesterday for visiting a facility that holds sexually violent predators.

The panel ruled that the justice, Richard B. Sanders, had "created an appearance of partiality" by questioning inmates and accepting documents from them at the McNeil Island Special Commitment Center on a visit there in January 2003. The center holds sex offenders who have completed their criminal sentences but who the courts have found are likely to engage in predatory acts of sexual violence.

A case concerning the constitutionality of the state law under which the inmates were committed was before the court at the time.

In an interview, Justice Sanders said his visit had been useful and appropriate. Judges in Washington are encouraged to visit prisons and similar facilities, he said, and he received continuing judicial education credit for his 2003 visit.

"The whole objective of this facility is supposed to be to treat the prisoners," he said, "and I thought it was a valuable opportunity to ask the prisoners how they were doing. I thought I gained from the experience, and now I'm being punished for it."

The sanction was admonishment, the mildest available punishment.

Justice Sanders, who ultimately disqualified himself from the pending case, said nothing he had learned could have affected the decision.

He added that the prosecutors who complained about his visit had been eager to have him off the case. "They probably think I am too inclined to uphold the rights of the accused," Justice Sanders said.

Washington law requires lower-court judges to sit in when complaints concerning Supreme Court justices reach that high court. In other states and in the federal system, judges sometimes hear disciplinary cases concerning colleagues on their own courts.

Neither choice is appealing, said Stephen M. Gillers, an expert in legal ethics at New York University's law school. Lower-court judges substituting on the state's highest court may fear retaliation from high court judges, Professor Gillers said, and other justices may be disinclined to offend a colleague.

Justice Sanders's visit was prompted by an invitation from several inmates. Other justices considered attending but decided against it. One of them, Justice Faith Ireland, later testified before the state's Commission on Judicial Conduct that she had warned Justice Sanders not to go. "I said, 'Richard, don't do this,' " Justice Ireland testified.

During the visit, Justice Sanders spoke with some 20 inmates, one of them involved in the pending case.

Last year, the commission ruled against Justice Sanders, saying he had failed to promote public confidence in the judiciary.

"The commission strongly encourages judges to visit correctional institutions," the ruling said. But "if a tour is sponsored or originated by prisoners, prison rights advocates or other nonjudicial groups," it continued, judges need to be alert to possible conflicts of interest.

The special panel unanimously affirmed the commission's ruling.

"It was clear," Judge C. Kenneth Grosse of the Washington State Court of Appeals wrote for the panel, "that there was a substantial basis and expectation that Justice Sanders would be in contact with possible litigants who had pending litigation before the court and that this contact would be viewed as improper."

Professor Gillers said the court had ruled correctly.

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"What Justice Sanders is charged with doing is not even debatably acceptable," he said. "Talking to a litigant about a matter within the scope of litigation is wholly out of bounds, and it's the job of the judge to police that."

A lawyer for Justice Sanders, Kurt M. Bulmer, said the ruling left judges with no clear guidance and would discourage them from worthwhile visits.

"You make them afraid to become involved in the process," Mr. Bulmer said. "In these sorts of visits, it's commonplace for judges at all levels to talk to the residents or prisoners. Otherwise, all you get is a walk-through."

Getty Tightens Acquisitions Policy (LAT)

By Christopher Reynolds

The Los Angeles Times, October 27, 2006

Under growing international global pressure after decades of buying artifacts that might have been looted, the Getty Museum dramatically has tightened its acquisition standards.

The move is not retroactive -- if it were, the museum would have to relinquish scores of treasured ancient items from its galleries and storerooms -- but some authorities say it's a turning point in a global confrontation between curators and archeologists over the way museums do business.

With this move, two experts said, the Getty is essentially taking responsibility for making sure an item's recent history is clean, instead of challenging critics to prove it's dirty.

"It's a rethinking of the whole issue of the burden of proof," said Malcolm Bell, a University of Virginia archeology professor and co-director of U.S. excavations at Morgantina, Italy.

The Getty chose 1970 as its threshold date because that's when the United Nations gave its blessing to a convention aimed at preventing illicit movement of cultural property. Although the measure had little immediate effect on the habits of major American museums, several major institutions in Britain adopted standards along the same lines in the past decade. The University of Pennsylvania's art museum has won plaudits from archeologists for taking a similarly conservative stance, but until now none of this nation's foremost museums had signed on.

"We're trying to do what we believe is right," said Getty Museum Director Michael Brand, who added that the move had no direct connection with the ongoing trial of former Getty curator Marion True -- whom Italian prosecutors accuse of knowingly receiving looted items -- or Italian cultural officials' pending demand for the return of 52 items in the Getty collection.

"I suspect that they'll be happy to hear about this, but it's not something we've discussed with them at all," Brand said.

The Getty's trustees, who approved the policy change Monday, "are really taking a very principled stand," said Patty Gerstenblith, a law professor at DePauw University and president of the Lawyers Committee for Cultural Heritage Preservation, based in Washington, D.C.

She predicted that the move would set an example for other institutions. Although New York's influential Metropolitan Museum of Art made headlines worldwide in February when it agreed to return 21 items demanded by Italy, including a prized vase known as the Euphronios Krater, the museum has resisted calls to change its acquisition standards, which match those of the Association of Art Museum Directors.

Both endorse antiquities acquisitions so long as there's no proof of impropriety and the works have been documented for at least 10 years.

Gerstenblith dismissed the 10-year standard as "inadequate," and Bell put it this way: "The reformers are at the gates, and the Met is pouring boiling oil on them. . . . The Getty is recognizing the moral problem, and the Met will have to come to that too."

Met spokesman Harold Holzer sees the issue differently.

"We're not contemplating any change in our policy," he said Thursday. "If you choose one date as your watershed date, it doesn't mean you're any more vigilant than you were before, and the Met considers itself extremely diligent."

Furthermore, Holzer said, the Getty's move "doesn't address the idea of what you do in the case of a fugitive masterpiece that's separated from its original site and may not be traceable back . . . . Does that mean you relegate it to oblivion forever?"

Throughout the 20th century and into the 21st, as major museums scrambled to build collections from the ancient world, curators and directors argued that an antiquity was fair game so long as nobody could prove it had been looted.

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Since such evidence is extremely rare, this left museums to enjoy the benefit of the doubt. In the 1980s and '90s, the Getty spent tens of millions of dollars to build an antiquities collection of more than 44,000 items. Although the Getty tightened its standards in 1995 to bar acquisitions that were undocumented before that year, many critics continued to count it among the Met, Boston's Museum of Fine Arts and other institutions with long histories of buying antiquities with misty histories from shadowy dealers.

Under the new policy, the Getty will require at least one of these three conditions:

-- "Documentation or substantial evidence" that the piece entered the U.S. by Nov. 17, 1970, and "that there is no reason to suspect it was illegally exported from its country of origin."

-- Documentation or substantial evidence that the item was out of its original country by 1970 and that it has been or will be legally imported to the U.S.

-- Documentation or substantial evidence that the item was legally exported from its original country after 1970 and that it has been or will be legally imported to the U.S.

CIVIL LAW:

InterMune Will Pay $37 Million To Resolve U.S. Probe (Update1) (BLOOM)

By Karen Gullo And Margaret Cronin Fisk

Bloomberg, October 27, 2006

Oct. 26 (Bloomberg) -- InterMune Inc., maker of a treatment for rare bone and immune system disorders, will pay $36.9 million to settle U.S. claims it illegally marketed the drug for unapproved uses and caused false claims for reimbursement from government health programs.

The San Francisco U.S. Attorney's office said InterMune sold the drug, called Actimmune, mostly for prescriptions to treat pulmonary fibrosis, a fatal lung disorder with no cure that affects 83,000 Americans. InterMune distributed misleading information to doctors and patients claiming the drug could prolong survival knowing the company's studies failed to show significant benefits, prosecutors said in a statement.

``This settlement sends a clear message to the pharmaceutical industry that the Justice Department will not tolerate these deceptive and illegal marketing practices," said Assistant U.S. Attorney General Peter Keisler in a statement.

While doctors are free to prescribe any drug to treat illnesses regardless of FDA approvals, drugmakers are prohibited from promoting medicines for unapproved uses. In the past few years, prosecutors have been cracking down on the practice. Pfizer Inc. agreed to pay more than $430 million in 2004 to settle charges that a Warner-Lambert unit promoted the epilepsy drug Neurontin for other uses.

False Claims Act

InterMune will pay $30.2 million to resolve charges it violated the False Claims Act by causing fraudulent claims to be filed to federal health insurance programs for Actimmune. The claims weren't eligible for reimbursement because the drug was used for purposes not approved by the U.S. Food & Drug Administration. InterMune will pay an additional $6.7 million to state health insurance programs.

InterMune Chief Executive Officer Dan Welch said during a conference call today that the improper marketing practices were actions of former employees.

``We are very happy to put this matter behind us," he said.

The Brisbane, California-based company recorded a $6.9 million charge in addition to the $30 million charge it announced in July in connection with the settlement, he said.

InterMune will pay the $36.9 million plus five percent interest over five years, with the first annual installment of $5 million to be paid this year, Welch said.

Two Years

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The U.S. agreed to defer for two years criminal prosecution against InterMune for one count of violating the Food, Drug and Cosmetics Act. The deferment is contingent upon InterMune strengthening compliance policies and cooperating with investigators, the government statement said.

Actimmune is approved for infections associated with an immune disorder called chronic granulomatous disease, an inherited childhood affliction, and for treating severe osteopetrosis, a rare congenital childhood disorder in which the bones become overly dense.

Allegations of improper marketing of drugs for unapproved uses have sparked civil product liability and racketeering suits against some drug companies.

``These companies pay doctors $100,000 a year to go around and tell other doctors how great this drug is to prescribe for people it hasn't been approved," said Patrick Burns, of Taxpayers Against Fraud, a Washington group that tracks fraud lawsuits.

In December, Eli Lilly & Co. agreed to pay $36 million to settle an off-label marketing case involving its osteoporosis drug Evista. The government said Eli Lilly was promoting the drug for breast cancer prevention and reduction in cardiovascular risks.

Philadelphia Inquiry

The Indianapolis-based company has said the U.S. Attorney in Philadelphia is investigating marketing and promotion of its antipsychotic medication Zyprexa. Johnson & Johnson announced in March that the same prosecutor was investigating its marketing practices involving a similar drug called Risperdal.

Eli Lilly and New Brunswick, New Jersey-based Johnson & Johnson have denied allegations of improper marketing.

InterMune shares fell 3 cents to $22.93 in Nasdaq Stock Market composite trading

The case is U.S. v InterMune Inc., 06-00707, U.S. District Court, San Francisco.

Biotech Company Settles Off-label Marketing Claim (MERCN)

By Steve Johnson

The San Jose Mercury News, October 27, 2006

A Bay Area biotech company, InterMune, agreed Thursday to pay $36.9 million to settle a federal investigation into claims it promoted one of its drugs for an unapproved purpose despite evidence the drug was ineffective for that use.

Under the settlement announced by the U.S. Attorney's office in San Francisco., InterMune of Brisbane was charged with promoting its drug Actimmune ``with intent to defraud or mislead," a felony under the federal Food Drug and Cosmetic Act.

But the U.S. Attorney's office will dismiss the charge in two years if InterMune complies with laws against so-called off-label marketing, which means promoting drugs for uses beyond what was approved by the U.S. Food and Drug Administration.

``This settlement sends a clear message to the pharmaceutical industry that the Justice Department will not tolerate these deceptive and illegal marketing practices," according to statement issued by the U.S. Attorney's Office.

In its settlement agreement, InterMune said it did not contest the claim that ``one or more former InterMune employees violated federal criminal law."

InterMune spokeswoman Pam Lord added that the allegations don't involve any current employees and that the company has been working to reform its drug-marketing practices.

As part of the settlement, InterMune will have five years to pay the money. The company in July announced it was creating a $30 million reserve to settle the case.

Actimmune has been approved by the FDA for treating a bone disorder and a condition that makes people prone to infections. But prosecutors accused InterMune of also promoting it in 2002 and early 2003 as useful for patients with idiopathic pulmonary fibrosis, or IPF, a potentially fatal lung disease for which there is no federally approved treatment.

Despite a study showing Actimmune failed to help keep IPF patients alive, prosecutors accused InterMune of putting out a news release in 2002 claiming the drug had improved the patients' chances of survival.

In addition, ``InterMune sales force personnel were encouraged to inform physicians that Actimmune demonstrated a survival benefit in mild to moderate IPF patient populations," according to the U.S. Attorney's statement.

Keystone Mercy Settles U.S. Lawsuit (PHI)

By Linda Loyd

DOJ_NMG_0086986

The Philadelphia Inquirer, October 27, 2006

Keystone Mercy Health Plan, the region's largest Medicaid managed-care insurer, has reached a settlement with the U.S. Attorney's Office in Philadelphia to pay $5 million to resolve a benefits-claims dispute.

The Justice Department alleged that Keystone Mercy in 1997 and 1998 failed to return to the Pennsylvania Department of Public Welfare overpayments for some Medicaid services. Keystone Mercy denied any wrongdoing.

In a statement, the Philadelphia insurer said the agreement ended a dispute "over interpretation of our contract with DPW almost 10 years ago." Keystone Mercy said it agreed to pay $5 million over the next six months to end the "inconvenience and expense of protracted litigation."

The allegations were brought in 2001 by a former Keystone Mercy claims-recovery examiner, who filed a "whistle-blower" complaint. Lorraine Pittelli, the claims examiner, will receive $780,000 from the proceeds of the settlement.

Keystone Mercy manages Medicaid services for more than 273,000 residents in Philadelphia and surrounding Pennsylvania counties.

Mobster Sues, Says He Was Framed (BOS)

By Shelley Murphy, Globe Staff

The Boston Globe, October 27, 2006

Three years ago, a federal judge apologized to Pasquale Barone Jr., saying that his 1993 trial on charges that he killed a man for the New England Mafia was ''fraudulent'' because prosecutors withheld evidence from the defense.

Now Barone, 45, who spent 15 years in prison before he was freed in 2003 amid allegations of government misconduct, is looking for more than an apology.

The North End man has filed a federal lawsuit accusing the government of negligence and alleging that a federal prosecutor, two retired FBI agents, and other unnamed officials plotted to deprive him of a fair trial and orchestrated a malicious prosecution.

The suit is seeking unspecified damages for Barone and his daughter, Consiglia, who was 4 years old when he was sent to prison and, according to the suit, suffered ''severe shock, fear, horror, emotional distress'' and the loss of his companionship.

Barone's suit alleges that the prosecutor and agents conspired to ''intentionally frame'' him.

The suit names Assistant US Attorney Jeffrey Auerhahn and retired FBI agents Michael Buckley and Edward Quinn. The three men could not be reached for comment Thursday.

Three years ago, US Attorney Michael J. Sullivan said the Justice Department had launched an internal investigation into Auerhahn's handling of the case. Thursday, Samantha Martin, a spokeswoman for Sullivan, said Justice Department regulations prohibited the government from commenting on the outcome of the investigation or on whether any action had been taken against Auerhahn. She also declined to comment on Barone's lawsuit.

Barone was convicted in federal court in 1993 of murder in aid of racketeering in the 1985 death of his friend, Vincent ''Jimmy'' Limoli, allegedly at the behest of New England mob captain Vincent Ferrara. Barone, who was serving 10 years after pleading guilty to state manslaughter charges in Limoli's slaying, was sentenced to life in prison in the racketeering case.

However, three years ago, US District Judge Mark L. Wolf found that Auerhahn had failed to tell Barone's lawyers that a key witness had recanted before the federal trial and insisted Ferrara had not ordered the slaying.

At the time, Wolf said the evidence ''had the potential to blow the government's case up completely.''

Last year, Wolf also reduced Ferrara's sentence as a result of the government's conduct in the case, setting him free.

While Wolf was weighing a defense request to overturn Barone's conviction, Barone reached a plea agreement with the government. Barone pleaded guilty to racketeering and admitted that he shot Limoli on Oct. 28, 1985, in the North End after Limoli stole drugs from a mobster. Barone also admitted that he helped kill another man, Anthony ''Dapper'' Corlito, on July 21, 1979, and shot a guard in the neck during the robbery of a credit union on Nov. 5, 1982.

In exchange for Barone's plea, the government agreed he should be sentenced to the time he had served, and he was released.

$79.5M In Punitive Damages At Core Of Supreme Court Case (USAT)

By Joan Biskupic

USA Today, October 27, 2006

Jesse Williams, a Portland, Ore., janitor who smoked three packs of Marlboros a day, died of lung cancer in 1997. His widow, Mayola, sued Philip Morris for fraud and negligence, alleging that any fears her husband had about becoming ill from smoking were eased by the cigarette-maker's publicity campaign that suggested it was safe.

Mayola Williams recalled in court filings that when her husband learned he had inoperable cancer, he said, "Those darn cigarette people finally did it. They were lying all the time."

The lawsuit that Mayola Williams filed was among many claims filed against tobacco companies in recent years, but one of the few to lead to a multimillion-dollar judgment. An Oregon jury awarded Williams $79.5 million in punitive damages. Such damages are intended to punish defendants beyond the actual damages they caused and deter future bad conduct.

Williams' award was 97 times greater than the actual — or compensatory — damages awarded by the jury, and according to court records it was based partly on the jury's consideration of Philip Morris' harm to other smokers in Oregon.

Now, Williams' case is before the U.S. Supreme Court and has become one of the most significant tests ever of how far a jury can go in punishing a civil defendant. The question in the Williams case is whether the punitive damages award is so disproportionate to the injury to Jesse Williams that it violates the 14th Amendment's guarantee of due process of law.

In its appeal, Philip Morris says the Oregon verdict violated due process because it was so much higher than the actual damages caused to Jesse Williams and because jurors were punishing the company for injuries to smokers who were not part of the Williams case.

Mayola Williams' attorney, Robert Peck, says in court papers that the cigarette-maker's efforts to hide the dangers of smoking were "monstrous" and says that if ever a big award were justified, this is the case.

The dispute, to be argued before the high court on Tuesday, is a new round in the court's struggle to draw the line between permissible and unconstitutional punitive damages awards.

Business groups, such as the National Association of Manufacturers, say juries improperly use punitive damage awards to "send a message" to corporate defendants. Consumer advocates and trial lawyers counter that punitive damages help bring accountability to businesses that have a history of abuse.

"The tobacco industry has evaded liability for decades … and the result has been a public health catastrophe," Trial Lawyers for Public Justice says in a court brief filed in the Williams case.

For decades, the Supreme Court considered such jury awards the domain of the states and gave wide latitude to state judges and juries. In recent years, however, the court has begun to rein in awards by setting criteria for punitive damages. The addition of two new justices last term — Chief Justice John Roberts and Justice Samuel Alito, who replaced the late William Rehnquist and the retired Sandra Day O'Connor — could add a wrinkle to the court's approach.

In the justices' most recent ruling on the issue, in 2003, the majority said any punitive damages that are more than 10 times the actual damages for the injury could be presumed to be excessive. Voting 6-3, the court invalidated a $145 million award levied by a jury that had found that the State Farm insurance company acted in bad faith by not settling claims against a policyholder who was involved in a fatal accident.

In the current case, a key question will be whether Philip Morris' conduct was bad enough to justify a punitive damages award beyond the 2003 guideline.

Rehnquist and O'Connor voted with the majority in the State Farm case. Washington lawyer Mark Levy, who follows decisions concerning punitive damages, says that suggests that their replacements, Roberts and Alito, could tip the court's vote either way in assessing whether the award in the Williams case was excessive.

"The court is on the knife edge," Levy says. If Roberts and Alito join the justices who dissented in the State Farm case and want to leave the matter to the states, Levy says, there would be "a sudden and radical change in this area of the law."

In her case, Mayola Williams claimed that Philip Morris mounted a fraudulent publicity campaign aimed at minimizing the dangers of smoking. After a month-long trial in 1999, the jury awarded $821,485 in compensatory damages and the $79.5 million in punitive damages.

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The Oregon Supreme Court upheld the award. "There can be no dispute that Philip Morris's conduct was extraordinarily reprehensible. (It) knew that smoking caused serious and sometimes fatal disease, but it nevertheless spread false or misleading information to suggest … that doubts remained about that issue. … The scheme was damaging the health of a very large group of Oregonians — the smoking public — and was killing a number of that group."

In his appeal to the U.S. Supreme Court, Philip Morris' lawyer, Andrew Frey tells the justices that the Oregon court misinterpreted recent decisions by the high court, particularly the 2003 ruling. He says the State Farm decision does not allow a company to be punished for harm to people who were not involved in the case. Frey says calculating such damages for injuries to outside parties creates an unfair risk of duplicative and excessive punishment.

Peck, Williams' attorney, says the cigarette-maker is seeking to turn "review of punitive damage awards (into) a simple arithmetic exercise," based on the ratio between actual and punitive. He says the Oregon jury's verdict followed proper criteria "to achieve deterrence" and reverse some of Philip Morris' "ill-gotten profit."

CIVIL RIGHTS:

Philly Officials, Hispanic Leaders Object To Election Monitors (AP)

AP, October 27, 2006

PHILADELPHIA — City officials and Hispanic community leaders objected today to the federal government's plans to put monitors at city polling places on Election Day, saying those efforts could discourage people from voting.

The Department of Justice earlier this month asked a federal judge to authorize appointment of monitors beginning with the upcoming Nov. 7 election and ending in 2009. The government accused the city of failing to provide sufficient election materials in Spanish and not recruiting enough bilingual poll workers.

But City Solicitor Romulo L. Diaz Jr. said at a news conference Thursday that the federal government could not guarantee him that federal monitors wouldn't follow voters into polling booths. It would be better to appoint local monitors, he said.

A spokesman for the Justice Department said he would look into the solicitor's claims but could not immediately comment.

"We're very, very concerned about having Big Brother taking care of us," said local attorney Luis P. Diaz, who also attended Thursday's news conference with other community leaders.

The federal lawsuit contends the city violated the federal Voting Rights Act by allowing only poll workers – some of whom did not speak Spanish – to help Hispanic voters cast ballots. The law permits voters who require assistance to request help from someone they know.

Diaz, the city solicitor, said Philadelphia has been helping to accommodate non-English speakers at the polls for more than three decades. The city plans to recruit about 200 translators to help at the more than 150 polling places expected to need translation services this year, he said.

About 10 percent of Philadelphia's 1.4 million residents are Hispanic, according to 2004 Census figures cited in the suit. But the government estimates that about 36 percent of voting-age Hispanics in the city have limited English skills.

Phila. Opposes U.S. Observers At Polls (PHILINQ)

By Marcia Gelbart

Philadelphia Inquirer, October 27, 2006

Two weeks before Election Day, the city is fighting an attempt by the U.S. Justice Department to appoint federal observers for Philadelphia elections beginning Nov. 7 and lasting past next year's presidential race, until the end of 2009.

The effort to appoint the observers stems from a lawsuit filed by the federal government 14 days ago alleging that the city has violated the rights of its Hispanic voters.

Specifically, it charges that the city hasn't adequately recruited and trained bilingual poll workers, failed to provide sufficient election-related materials in Spanish, and prohibited Hispanic voters with limited English from choosing someone to help them inside the voting booth, which law permits.

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"The record in this case clearly demonstrates that the city does not exercise sufficient control over its voting places to ensure compliance with the Voting Rights Act," the lawsuit states. It alludes to 50 Hispanic city residents who encountered problems in elections here, most since 2003. One, Myrna Cruz, testified that a poll worker forced her to vote for John Street for mayor in 2003, when she wanted to vote for Sam Katz. Others said they were ridiculed by poll workers who asked why they hadn't learned English.

The suit also says the city has no program to identify "the need for or the placement of Spanish-speaking poll workers and interpreters on election day" and that the city has paid people to be interpreters who don't speak Spanish.

City officials have called the allegations unfounded. A hearing has been scheduled for next Friday in U.S. District Court for the Eastern District.

With the election fast approaching, the city has been struggling to implement new federal rules on handicapped access, as well as a new state law requiring dozens of city polling places to be moved (they can no longer be inside bars or elected officials' homes, for instance).

Combined with troubles encountered in May's primary, when hundreds of voting machines malfunctioned, and now the federal lawsuit, the resulting challenges for the Nov. 7 election are perhaps unprecedented, election officials say.

"Everything is culminating at the same time," City Commissioner Edgar Howard said. "Just be glad this year isn't a presidential year," he said, when voter turnout is typically at its highest.

In the case of the federal lawsuit, U.S. Rep. Bob Brady, the Democratic Party chairman, and other local Democrats see partisan politics at work.

He said the suit was filed so close to Nov. 7 "probably to suppress the [Democratic] vote" and help GOP candidates such as U.S. Sen. Rick Santorum.

Michael P. Meehan, general counsel for the city Republican Party, dismissed Brady's explanation. "That's part of the spin machine to generate turnout," he said. "We didn't generate this. We didn't make any complaints."

But both party leaders agree that the proposed federal intervention goes too far.

"That's a disgrace. The Hispanics have no problem with the interpreters," Brady said.

"We do think they are going beyond," Meehan said.

According to the lawsuit, about 6.6 percent of the city's voting-age population is Hispanic, and more than a third of those people - 25,660 - speak only limited English.

Since 1974, the city has provided translators at polling places where census data indicates Hispanics live. The Justice Department wants Spanish language assistance citywide.

"This is one of those issues where the remedy far exceeds any potential need," city Solicitor Romulo Diaz said, adding that in the Nov. 7 election, the city also will provide translations via telephone in 200 languages, including Spanish.

Stressing that federal observers could use their authority to enter polling booths while people are voting, Diaz said: "We think that is not only something that could be misunderstood - it could even have a chilling effect and intimidate the very voters the Justice Department says it is trying to support."

Yesterday, department spokeswoman Cynthia Magnuson said: "No federal observers would ever enter a voting booth unless specifically requested by and with the expressed permission of a voter, and to suggest otherwise is just untrue."

She said there are currently federal observers in 169 municipalities throughout the country, including, most recently, Boston and Springfield, Mass.

In the last two elections, Diaz, at the Justice Department's request, said he had given its officials credentials to access city voting places to observe what bilingual assistance and signage were provided.

Those officials were not granted permission to enter individual polling booths.

"There are still some issues that we need to improve upon," said City Councilman Juan Ramos, Council's only Hispanic member. "But the Latino people don't need federal agents on Election Day to see how they vote or get behind the curtain with them."

A nonpartisan voters' right advocacy group, the Delaware Valley Voter Registration Education Project, held a news conference yesterday opposing the government effort.

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The city's nonprofit election watchdog, the Committee of Seventy, also has had concerns about a lack of Hispanic voter participation. During the May primary, the committee recruited local volunteers to survey what assistance Spanish-speaking voters received at polling places in Latino neighborhoods, mainly in the 7th, 18th, 19th and 33d Wards. The committee later shared those results with the Justice Department, which was already conducting its own review.

"I wouldn't call the information we provided them definitive," committee president Zach Stalberg said. But the findings - too few translators, and some with questionable language skills, and not enough bilingual polling-place officials - "suggested there might be problems."

Said Stalberg: "We think there are enough indications of problems here to merit federal observers... . In our view, it won't do any harm."

Problems With Machines, Ballots Trouble Officials (USAT)

By Richard Wolf

USA Today, October 27, 2006

Eleven days before voters go to the polls, problems from delayed absentee ballots to names being chopped off on voting machines are hampering elections officials.

The problems are not unusual, officials say. But coming after a primary election season in which new electronic machines and state laws confounded poll workers, they are making officials nervous.

The Chicago Board of Election Commissioners has withheld payments to equipment vendor Sequoia Voting Systems until the results are in. In Los Angeles County, officials will conduct a random audit of 5% of the machines used in early voting following questions about their security and accuracy.

“It points to the increased agony being felt around the country by election administrators,” says Kimball Brace of Election Data Systems.

Among the problems:

•In parts of Virginia and Texas, some candidates' names have been cut off on summary pages that confirm voters' selections. Democratic Senate challenger Jim Webb in Virginia is affected. In Austin, Republican Sen. Kay Bailey Hutchison appears as “Kay Bailey Hutch.”

•Absentee and provisional ballots have been slow to arrive in Maryland, California, Ohio and Arkansas, among other states. The delays could threaten officials' ability to get absentee ballots out on time or to have enough provisional ballots at polling places for voters whose registrations are contested.

•Missouri has been shaken by the arrival of thousands of questionable voter registration cards. Many include bogus address changes that could cause some voters to be misinformed; others might have to cast provisional ballots rather than regular ones.

The problems should not cause Americans to lose faith in the electoral process, says Paul DeGregorio, chairman of the U.S. Election Assistance Commission.

“Our nation's voting equipment, election results and election officials can and should be trusted,” he said this week. “The integrity of the system is not in the hands of hackers, professors, interest groups or politicians in Washington — it is managed by local election officials.”

Elections Pushed, Pressed, Pulled Into 21st Century (USAT)

By Richard Wolf

USA Today, October 27, 2006

Haunted by breakdowns at the polls during this year's primaries, elections officials across the USA are using technology and other means to make voting on Nov. 7 more reliable and convenient.

From alerts delivered by text message to polling sites at grocery stores, states and counties hope to increase turnout and decrease the number of problems in states such as Ohio and Illinois earlier this year.

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In Cuyahoga County, Ohio, where it took nearly a week to count votes in May, poll workers must pass a four-hour training course and practice on new electronic voting machines. The nearly 30% who fail must repeat the class. "You're imposing a technology on them that they don't understand," elections project manager Tom Hayes says.

Cook County, Ill., which suffered similar delays in March, is paying $500 to equipment technicians willing to train for three days. "The job of these poll workers immediately got about five or six times harder," County Clerk David Orr says.

Among the innovations:

•Electronic updates. Johnson County, Kan., offers election alerts by e-mail, text message or podcast. Only about 500 residents have signed up this year, but the publicity could boost turnout. "It gave us something new to talk about to drive people to our website," Election Commissioner Brian Newby says.

•Voting by phone. Vermont pioneered phone voting for the visually impaired and has now been joined by Maine, New Hampshire, Connecticut, Oklahoma and Oregon. "They're very comfortable with a telephone, and many of them aren't very comfortable with a computer," says Vermont Secretary of State Deborah Markowitz.

•New polling venues. Clark County, Nev., has increased its early voting sites to 18 by including malls, grocery stores and a mobile trailer. Eight are permanent, and 10 move throughout the county. "We're right in the community locations where people go," Registrar of Voters Larry Lomax says.

•Centralized sites. Following the example of Larimer County, 20 Colorado counties will use centralized "vote centers" this year rather than smaller precincts. Voters, who can go to any center, find the system more convenient, says Dana Williams of the Colorado secretary of state's office.

•Election night webcams. Orange County, Calif., lets election junkies watch on the Web as ballot boxes and supplies are returned to a county warehouse. "We're showing them as much of the process as we can," says Brett Rowley of the registrar's office.

Free, Fair Elections? Doubts Still Linger (USAT)

By Julianne Malveaux

USA Today, October 27, 2006

One of the reasons, it is said, that we invaded Iraq was to introduce democracy to a totalitarian nation. But while we are shopping democracy abroad, we have yet to perfect our democracy at home. When people go to the polls Nov. 7, the manifestations of our imperfect democracy will be rife. The non-partisan Election Reform Information Project predicts problems at the polls, and the NAACP says it will monitor elections in 10 states in which irregularities are a possibility.

It is ironic that U.S. monitors travel the globe to ensure "free and fair" elections when we have so many problems here. Maryland's primary election, for example, was botched in large part when some polling places opened late because an election worker forgot to distribute the activator cards to unlock voting machines. Many still wonder about the accuracy of voting machines, especially those that don't provide a paper receipt to ensure votes are tallied correctly.

NAACP President Bruce Gordon singles out Diebold machines as "unreliable," yet there are more than 130,000 of these touch-screen machines in use nationwide. The problem really isn't just one company. Instead, the issue is that six years since a presidential election's outcome hinged on hanging chads, reforms have not been implemented in a way to inspire confidence in the ease, accuracy or fairness of elections.

Electionline.org, a non-partisan website on election analysis and reform, just issued a report that says Arizona, Colorado, Connecticut, Florida, Indiana, Maryland, New York, Ohio, Pennsylvania and Washington are states especially likely to have problems because of legal challenges, procedural changes, close races, new equipment — or a combination of factors.

Even when machines count votes accurately, some people's voting experiences are marred by human error. In some precincts, lines are long enough to test Job's patience because there aren't enough machines or volunteers. Federal election law requires that most polls be open from 7 a.m. to 8 p.m. on the first Tuesday in November. But long lines might shorten if we implemented reforms such as 24-hour voting, or considered the possibility of weekend voting.

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Voters with flexible schedules are in the minority; most are stuck in long lines before or after work. These are the folks who will leave lines when polling places don't open on time or are too long. The rise in absentee ballots might be a reflection of this inconvenience.

Control of the House and the Senate is at stake in the 2006 elections, and many races are so tight they could be decided on just a few thousand votes. Our democracy depends on free, fair and accurate elections. On Nov. 8, we shouldn't have doubts about whether our votes have been counted.

Julianne Malveaux is an economist and writer.

G.O.P. Moves Fast To Reignite Issue Of Gay Marriage (NYT)

By Sheryl Gay Stolberg

The New York Times, October 27, 2006

WASHINGTON, Oct. 26 — The divisive debate over gay marriage, which played a prominent role in 2004 campaigns but this year largely faded from view, erupted anew on Thursday as President Bush and Republicans across the country tried to use a court ruling in New Jersey to rally dispirited conservatives to the polls.

Wednesday's ruling, in which the New Jersey Supreme Court decided that gay couples are entitled to the same legal rights and financial benefits as heterosexual couples, had immediate ripple effects, especially in Senate races in some of the eight states where voters are considering constitutional amendments to ban gay marriage.

President Bush put a spotlight on the issue while campaigning in Iowa, which does not have a proposal on the ballot. With the Republican House candidate, Jeff Lamberti, by his side, Mr. Bush — who has not been talking about gay marriage in recent weeks — took pains to insert a reference into his stump speech warning that Democrats would raise taxes and make America less safe.

"Yesterday in New Jersey, we had another activist court issue a ruling that raises doubts about the institution of marriage," Mr. Bush said at a luncheon at the Iowa State Fairgrounds that raised $400,000 for Mr. Lamberti.

The president drew applause when he reiterated his long-held stance that marriage was "a union between a man and a woman," adding, "I believe it's a sacred institution that is critical to the health of our society and the well-being of families, and it must be defended."

The ruling in New Jersey left it to the Legislature to decide whether to legalize gay marriage. Even so, the threat that gay marriage could become legal energized conservatives at a time when Republican strategists say that turning out the base could make the difference between winning and losing on Nov. 7. With many independent analysts predicting Republicans will lose the House and possibly the Senate, President Bush's political team is counting on the party's sophisticated voter turnout machinery to hold Democratic advances enough that Republicans can at least maintain control.

"It's a game of margins," said Charles Black, a Republican strategist who consults frequently with Karl Rove, the chief White House political strategist. "You've got about 20 House races and probably half a dozen Senate races that are either dead even or very, very close. So if it motivates voters in one or two to go vote, it could make a difference."

Democrats predicted Thursday that the debate would not dramatically alter the national conversation in an election that has been dominated by the war in Iraq and corruption and scandal in Washington. But across the country, Republicans quickly embraced the New Jersey ruling as a reason for voters to send them to Capitol Hill.

In Virginia, the court decision could not have come at a better time for Senator George Allen, a Republican whose campaign for re-election had been thrown off course by allegations that he had used racially insensitive remarks. The Virginia ballot includes a proposed constitutional amendment to ban gay marriage. Mr. Allen supports it; his Democratic opponent, Jim Webb, argues that the ban is unnecessary.

On Thursday, Mr. Allen could be found in Roanoke at a rally held by backers of a ballot initiative to ban gay marriage. Victoria Cobb, an organizer of the events, said the New Jersey ruling was giving the cause "a new momentum."

"It's an issue that's going to play a big role in the next 12 days," Mr. Allen's campaign manager, Dick Wadhams, said in an interview.

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In Tennessee, another state with a proposal to ban gay marriage, Representative Harold E. Ford Jr., a Democrat running for the Senate, was sparring with Republicans over an advertisement in which the Republican National Committee asserts that Mr. Ford supports gay marriage — an assertion Mr. Ford says is wrong. On Thursday, he responded with his own advertisement, calling the Republican ad "despicable, rotten lies."

Mr. Ford says he will vote for the Tennessee gay marriage ban. With early voting under way, the Republican candidate, Bob Corker, is telling voters that he has already cast his ballot in favor of the gay marriage ban.

And in Pennsylvania, where Senator Rick Santorum, the Senate's leading Republican backer of a gay marriage ban, is fighting for his political survival, conservative advocacy groups were working furiously to revive the gay marriage debate. Pennsylvania does not have a ballot initiative.

"It's an important wedge issue to talk about between candidates where there are two distinct viewpoints on the issue," said Joseph Cella, president of Fidelis, a national Catholic advocacy group that has embraced Mr. Santorum for his views on abortion and gay marriage. Mr. Cella said his organization, which was also working to pass a gay marriage ban in Colorado, was contemplating an advertising campaign.

As of January 2006, 45 states had enacted some form of law — from a simple statute to a constitutional amendment — banning same-sex marriage. In addition to Virginia, Tennessee and Colorado, the states that have proposed constitutional amendments on the November ballot include Arizona, Idaho, South Carolina, South Dakota and Wisconsin.

For conservatives, the debate brings back memories of 2004, when they rallied in opposition to a Massachusetts court ruling that same sex couples had a right to marry. The issue proved central in places like South Dakota, where Senator John Thune, a Republican, railed against activist judges in his successful campaign to oust Tom Daschle, then the Senate Democratic leader.

This year, by contrast, conservatives have felt frustrated that the debate over gay marriage and the judiciary is no longer front and center.

"I think they've been a little sedate," Mr. Cella said. But in the wake of the New Jersey ruling, he said, conservatives "are really getting motivated, and this is a shot in the arm to propel that."

Democrats, though, insist they are not concerned.

"It's not going to be close to the issue it was in 2004," said Senator Charles E. Schumer, Democrat of New York. "In 2004 they scared people that the court ruling in Massachusetts would just change America and families dramatically. By 2006, it's clear that hasn't happened, and so the scare tactic, what motivated people to go to the polls, just isn't there."

One place the New Jersey court ruling is not likely to have much of a political impact is, paradoxically, New Jersey, a largely Democratic state that does not have a proposed gay marriage ban on the ballot.

The Republican Senate candidate, State Senator Thomas H. Kean Jr., has been distancing himself from his party throughout the campaign, in which he has focused largely on economic issues, domestic security and alleged ethical improprieties on the part of his Democratic opponent, Senator Robert Menendez. A Kean spokeswoman said Thursday that theme is unlikely to change.

"We're going to stick with the issues that we've been winning on this entire campaign," the spokeswoman, Jill Hazelbaker, said. Gay marriage, she said, "is not an issue that he's not talking about, or that he's trying to avoid. But in terms of our marquee issues that we're winning on, I don't think it rises to an issue that's going to define the campaign."

Religious Conservatives Cheer Ruling On Gays As Wake-Up Call (WP)

By Alan Cooperman

The Washington Post, October 27, 2006

The New Jersey court decision that gay couples are entitled to the same rights as heterosexual couples was bad news for social conservatives -- the bad news they were hoping for.

"Pro-traditional-marriage organizations ought to give a distinguished service award to the New Jersey Supreme Court," said the Rev. Richard Land, head of the public policy arm of the Southern Baptist Convention.

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Land and other conservative religious leaders predicted that the court's 4 to 3 ruling, which was handed down Wednesday, would boost turnout of social conservatives in the midterm elections, particularly in the eight states that have constitutional amendments against same-sex marriage on the Nov. 7 ballot.

"I have to think there are Democratic strategists out there thinking the words of the old Japanese admiral: 'I fear all we've done is wake a sleeping giant,' " said Tony Perkins, president of the Family Research Council, a Washington-based advocacy group. "They were coasting into an election with a Republican base with dampened enthusiasm. This brings it all back home to the base, what this election is about."

President Bush, at fundraising events in Iowa and Michigan, denounced the New Jersey ruling and called heterosexual marriage "a sacred institution."

Before the New Jersey decision, conservative religious groups tried to rally their supporters around the issue of same-sex marriage, but with far less success than they had in the 2004 elections.

Focus on the Family founder James C. Dobson, for example, held "Stand for the Family" rallies in three cities in September and October, drawing considerably smaller crowds than anticipated. The first rally, in Pittsburgh on Sept. 20, attracted 3,000 people to a 17,000-seat arena that Focus on the Family had predicted would be full.

The next two rallies, in St. Paul, Minn., on Oct. 3 and Nashville on Oct. 16, were moved from stadium-size venues to smaller auditoriums, and the tickets, which had been on sale for $7, were given away. Each event also drew about 3,000 people, according to Focus on the Family spokesman Paul Hetrick.

"We don't gauge the success by the number of people," Hetrick said, adding: "I don't think it's the rallies [that flopped]. I just think it's more of a challenge to enthuse people about midterm elections."

Evan Wolfson, executive director of Freedom to Marry, a group that supports same-sex marriage, said religious conservatives "have gone to this well too many times, and people are not buying it."

"They attack gay people when the sun rises, and they attack gay people when the sun sets, so no matter what the court had done in New Jersey, they would have said Americans need to shift their attention from the real threats to our country to the alleged threat from gay couples seeking to settle down," Wolfson said.

New Jersey's Supreme Court stopped short of requiring the state to allow same-sex marriage. It said that under the state's constitution, same-sex couples can no longer be denied the rights and benefits that opposite-sex couples receive. It gave the state legislature 180 days to craft a solution, which apparently could include allowing civil unions.

Land said conservative voters were more energized about same-sex marriage in the 2004 elections because Massachusetts had just become the first -- and so far only -- state to legalize it as a result of a state court ruling in 2003.

Since then, opponents of same-sex marriage have been on a roll. Twenty states have passed constitutional amendments banning it. Several courts, most recently in the states of Washington and New York, have ruled against it. Those victories, Land said, may have made some conservatives complacent.

"But whatever wind was pumped out of their sails has now been pumped back in," he said. "I frankly was amazed that the New Jersey judges issued their decision before the election."

Perkins agreed, saying that he "had long anticipated a bad ruling from New Jersey" and was glad that it occurred in time for voters to see the "very real and present danger" that same-sex marriage could spread. He spoke by telephone shortly before holding a news conference to denounce the New Jersey decision in South Dakota, one of the eight states with marriage amendments on the ballot. The others are Arizona, Colorado, Idaho, South Carolina, Tennessee, Virginia and Wisconsin.

Bush Defines Marriage As Man And Woman (AP-Y)

AP, October 27, 2006

President Bush said the "sacred institution" of marriage between a man and a woman must be defended against what he called activist court rulings.

Bush briefly brought up the topic, unprompted, while raising money here for a Republican congressional candidate, a day after the New Jersey Supreme Court decided that same-sex couples must be given the same rights as married people.

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The court left it up to the state's Legislature to decide whether to extend those rights under the structure of marriage, civil unions or something else.

The president said the ruling "raises doubts about the institution of marriage."

"I believe marriage is a union between a man and a woman," he said. "I believe it's a sacred institution that is critical to the health of our society and the well-being of families, and it must be defended."

Bush did not say how it must be defended. But he has advocated a federal ban on gay marriage. Earlier this year, a proposed constitutional amendment to ban same-sex marriage failed to win the needed two-thirds support in both the Senate and House.

Gay marriage is legal only in Massachusetts. Other states, including Vermont and California, have laws permitting civil unions or domestic partnerships that offer virtually all the benefits of gay marriage, except the name. New Jersey and some other states have domestic partnership laws that offer fewer marriage benefits.

Twenty states have passed constitutional amendments aimed at blocking gay marriage, mostly by large margins. Eight more states — Arizona, Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin — will be voting Nov. 7 on constitutional amendments that would ban same-sex marriages and, in most cases, civil unions as well.

Bush Campaigns Against Same-sex Marriage Ruling (AFP-Y)

AFP, October 27, 2006

US President George W. Bush seized on a New Jersey court ruling that may pave the way for same-sex marriage there as a political weapon ahead of November 7 elections.

Campaigning for a struggling Republican congressional candidate here, Bush declared: "We believe in family values, we believe values are important, and we believe marriage is a fundamental institution of civilization."

"Yesterday, in New Jersey, we had another activist court issue a ruling that raises doubts about the institution of marriage," he said at the first of two fundraisers he was to attend.

"I believe that marriage is a union between a man and a woman, and I believe it's a sacred institution that is critical to the health of our society and the well-being of families, and it must be defended," he said.

New Jersey's Supreme Court ruled Wednesday that gay couples have the same rights as their heterosexual counterparts, in a decision that could pave the way for same-sex marriages in the state.

The ruling stated that preventing such unions is unconstitutional and gave the state legislature six months to decide whether to amend the current marriage laws or create a new framework for same-sex unions.

"Denying rights and benefits to committed same-sex couples that are statutorily given to their heterosexual counterparts violates the equal protection guarantee" of the constitution, the court said in its ruling.

It said that while it did not find that a fundamental right to same-sex marriage existed in the state, same-sex couples did not enjoy the same rights as their heterosexual counterparts.

"The unequal dispensation of rights and benefits to committed same-sex partners can no longer be tolerated under our state constitution," it added.

"The legislature must either amend the marriage statutes to include same-sex couples or create a parallel statutory structure," it said.

N.J. Boost For Gay Couples Buoys GOP (CSM)

By Alexandra Marks

The Christian Science Monitor, October 27, 2006

NEW YORK

The political fallout from Wednesday's New Jersey Supreme Court ruling in favor of full rights for gay couples could ripple far beyond the borders of the Garden State.

With control of the House and Senate at stake in the Nov. 7 midterm elections, Republican leaders are hoping the ruling will give their wavering conservative base - who would see the court's move as another attack on traditional marriage - a reason to go to the polls.

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The New Jersey outcome could suddenly give impetus to voters in eight states where the ballot includes measures to ban gay marriage. In some of these states - Tennessee and Virginia, especially - the races for Senate seats are too close to call. Others, namely Arizona and Colorado, have hotly contested House races that may give a boost to Republican candidates.

The ruling, which found that gay couples in New Jersey are entitled to the same legal and financial protections as heterosexual couples, could tip the national balance, many political analysts say.

"The Republicans are thrilled and the Democrats are furious with those judges, and that tells me all I need to know," says Larry Sabato, a political analyst at the University of Virginia. "Both sides understand this is a boost for Republican turnout among social conservatives, many of whom were very discouraged and probably were not going to vote because of the [Mark] Foley scandal and Iraq."

Some analysts, though, disagree. Gay marriage has lost some of its salience as a galvanizing issue, they say, in part because Americans are so focused on the war in Iraq.

"The country seems very, very centered on Iraq, and ... it's very unlikely that something that happened in New Jersey is going to energize social conservatives," says Cliff Zukin, a professor of public policy at Rutgers University in New Jersey. "Every poll I've looked at suggests that Iraq remains the defining issue."

In backing full rights for gay couples, New Jersey's high court gave the state Legislature 180 days to expand existing laws or to adopt new ones that will guarantee gay couples equal rights. But it stopped short of requiring use of the word "marriage" to define gay-couple unions, leaving that decision to the Legislature. Some analysts suggest that makes the issue less compelling for conservatives, for now.

"I'm sure the extreme right would very much have preferred the court have said we get marriage," says David Buckel, senior counsel for Lambda Legal Defense and Education Fund, who argued the case for gay marriage before the New Jersey court. "That is one of the ironies of where we are now politically. The court did not take the constitutional promise the entire way. And since we're in abeyance now and have to wait for the Legislature to act, it's hard to see what kind of impact it will have outside of New Jersey, at least on elections."

Eight thousand gay couples have been married in Massachusetts, and civil unions are commonplace in Vermont and Connecticut - developments that Mr. Buckel says may have made some Americans feel less threatened by the issue. "Not one volcano popped its lid, the weather patterns did not dramatically alter," says Buckel. "I think America sees that in the end, whatever anxieties there were, a few families were helped immensely by getting things like medical coverage and no families were hurt."

Opponents of gay marriage say the ruling will put the issue back on the front pages - and energize the most conservative voters. "New Jersey is a key state, and the papers are covering this, word is spreading," says the Rev. Louis Sheldon, chairman of the Traditional Values Coalition in Washington. "This raises a level of awareness. It takes away the negatives from the Foley scandal and the war, and reminds people that the family is an important issue."

Mr. Sheldon, whose public-policy think tank is supported by 43,000 churches, is urging voters to find out where their candidate stands on the gay-marriage issue and to vote. "This underscores the urgency for Congress to act on a constitutional amendment that truly defines marriage as between one man and one woman and doesn't give away the rights and privileges through civil unions and domestic partners," he says.

To date, polls show Democratic voters have been more energized than Republicans this election cycle - a reversal from the past few elections when Republicans were gung-ho and Democrats lackluster.

"Republicans haven't dropped off the map, but their interest in voting is lower than it usually is," says Thomas Patterson, a political analyst at Harvard's Kennedy School of Government. "This is the kind of issue that can give them a reason to vote, and they haven't had many. This might be enough to get them to think, 'Ah, I'll get out of my chair,' at least for those on the margins."

In New Jersey, where Republicans see their best hope of taking a Democratic Senate seat, the ruling is not expected to affect the close race between incumbent Sen. Robert Menendez (D) and Tom Kean Jr. (R) - in part because a majority of voters there favor gay marriage.

'We Have Decided' (WSJ)

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The Wall Street Journal, October 27, 2006

This week's New Jersey Supreme Court's judicial diktat on same-sex-somethings (name to be determined later) is a remarkable arrogation of power by the judiciary. The court's belief that it is empowered to embark on social experimentation in the field of marriage is embodied in the words -- "We have decided that our State Constitution guarantees that every statutory right and benefit conferred to heterosexual couples through civil marriage must be made available to committed same-sex couples . . ." (our emphasis).

Along its merry way, the decision does strive for a semblance of humility and rigor, perhaps out of a troubled conscience about judicial overreach. "The great engine for social change in this country has always been the democratic process," the court avers. The justices also quote a lower-court ruling to the effect that "a constitution is not simply an empty receptacle into which judges may pour their own conceptions of evolving social mores."

That this is disingenuous, however, is made plain by the fact that the justices are willing to trust "the democratic process" only with the semantic question of what to call these unions: "The name to be given to the statutory scheme that provides full rights and benefits to same-sex couples, whether marriage or some other term, is a matter left to the democratic process." Apparently New Jersey voters are supposed to be grateful that their judicial overlords have delegated this policy ornamentation.

Ironically, however, the court held that the decision of the state legislature to pass a law in 2004 recognizing "domestic partnerships," and specifically distinguishing them from marriages, weighs in favor of same-sex-somethings. It seems that a political compromise arrived at democratically does not satisfy the justices' desire for the legislature to act as a "great engine of social change." So the justices gave the engine orders from their headquarters.

And while declining to identify a "fundamental right" to same-sex marriage, the court simultaneously declared that "the unequal dispensation of rights and benefits to committed same-sex partners can no longer be tolerated under our State Constitution." All in all, the ruling reveals judges writing law entirely on their own but trying to cover their political tracks.

If many on the judicial and political left get their way, those tracks will soon extend to the rest of the country as well. We've opposed an amendment to the U.S. Constitution banning same-sex marriage on grounds that this is an issue best settled by state legislators. However, most liberals would be only too happy to impose the New Jersey standard on every other state through the Constitution's "full faith and credit" clause.

The Defense of Marriage Act, signed by Bill Clinton in 1996, is supposed to protect against this sort of cross-state social imperialism. But watch as activists and many Democrats now seek to use the New Jersey ruling to coax the U.S. Supreme Court to overrule that legislation. When cultural revolutions are in the liberal saddle, democratic formalities always seem to get stomped by "We have decided."

Clinton Wouldn't Block Law If Albany Backs Gay Marriage (NYT)

By Patrick Healy

The New York Times, October 27, 2006

Senator Hillary Rodham Clinton told a group of gay elected officials Wednesday night that she would support a gay marriage law in New York if a future governor and Legislature chose to enact one, according to three participants at the meeting.

Mrs. Clinton has long opposed same-sex marriage and instead favors civil unions for gay couples, a position that has drawn sharp criticism from some gay advocacy groups. But she has also said that each state should decide the issue for itself.

The Democratic candidate for governor of New York, Eliot Spitzer, who is well ahead in the polls, has pledged to fight to legalize gay marriage, and Mrs. Clinton made it clear on Wednesday that she would go along with a gay marriage law.

“If our governor and our Legislature support marriage in New York, I’m not going to be against that,” Mrs. Clinton said, according to an article about her remarks yesterday in Gay City News. “I feel very comfortable with being able to refute anybody who tries to pit us or pit me against Eliot.”

Participants at the meeting, which was closed to reporters other than those at gay media outlets, confirmed the account of Mrs. Clinton’s remarks, which were made to the gathering at a private apartment in Manhattan.

Mrs. Clinton also appeared to back off her past remarks that characterized marriage’s history as an exclusively heterosexual institution, according to the Gay City News article.

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"Obviously my friends and people who spoke to me — we've had many long conversations and I think — and which I believe — that the way that I have spoken and I have advocated has certainly evolved and I am happy to be educated and to learn as much as I can," Mrs. Clinton said.

The senator listened and spoke for more than an hour with the three-dozen officials from New York, as they sat down — by coincidence — two hours after the New Jersey Supreme Court ruled that gay couples were entitled to the same legal rights and financial benefits as heterosexual couples.

Participants said it was a warm, constructive meeting, and that some in the group had cried as they told stories of frustrations about not being able to marry or have the same benefits of other long-term couples who are heterosexual.

They said Mrs. Clinton described supporting the federal Defense of Marriage Act as a strategic decision to help derail a constitutional amendment that would have banned gay marriage. She also said that it was not fair that the gay partner of a late congressman from Massachusetts, Gerry Studds, was not receiving his benefits, participants said.

Corzine Tells Legislators He Backs Civil Unions Over Same-Sex Marriage (NYT)

By Laura Mansnerus And Patrick Healy

The New York Times, October 27, 2006

TRENTON, Oct. 26 — Gov. Jon S. Corzine told legislative leaders on Thursday that he would prefer that New Jersey enact a civil unions law for gay couples rather than allow them to marry.

That prompted attacks from the state's leading gay-rights advocate, who said Mr. Corzine expressed support for same-sex marriage to a gay audience two weeks ago and had repeatedly done so during his 2000 primary campaign for the United States Senate.

Steven Goldstein, who was co-manager of Mr. Corzine's Senate campaign and now heads the gay-rights group Garden State Equality, said on Thursday that Mr. Corzine had clearly expressed a preference for gay marriage, over gay unions, in "numerous conversations." Mr. Goldstein said the governor "expressed his full support for marriage equality" in a conference call with 100 advocates for gays earlier this month.

But Mr. Corzine said on Thursday afternoon in an interview that he had "advocated on a consistent basis for civil unions." He said that he would sign a bill allowing gay marriage, but "it's not my preference."

Assistants to the governor said he had outlined his preferences to Assembly Speaker Joseph J. Roberts Jr. and Senate President Richard J. Codey on Thursday morning, a day after New Jersey's highest court ruled that gay and lesbian couples are entitled to all the legal rights and financial benefits of their heterosexual counterparts.

The court gave the Legislature 180 days to decide whether to accomplish that by allowing gay men and lesbians to marry or by expanding New Jersey's domestic partnership laws. Lawmakers, though, said they had made no plans to take up the issue.

"It's much too early," Mr. Codey said, pointing out that lawmakers already had a heavy schedule this fall dealing with the issue of property taxes.

Still, they seemed to have settled on the middle road that the majority of the court prescribed. They said they would not allow a vote to overturn the ruling with a constitutional amendment, but also discounted prospects for a law extending the term "marriage" to same-sex couples.

"I don't see, at this point in time, a majority of both houses being in favor of marriage as opposed to civil unions," Mr. Codey said. "It's more likely to be civil unions."

He added, "I couldn't at this point guarantee civil unions."

Mr. Goldstein said on Thursday that gay-marriage advocates were pressing legislators to support a bill that would extend the word "marriage" to same-sex unions, in part through a public-relations campaign. He said that his group had spent about $10,000 on advertising time on News 12 New Jersey, a cable station, to run commercials supporting gay marriage and arguing that civil unions are inadequate.

Opponents of gay marriage said they had no immediate plans to run commercials countering that theme.

"We don't need to persuade the public," said John Tomicki, chairman of the New Jersey Coalition to Preserve and Protect Marriage. "They share our views about marriage being for a man and a woman."

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Mr. Tomicki said his group would focus on trying to amend the State Constitution to ban same-sex marriage, but he acknowledged that legislative leaders were not enthusiastic about that approach.

Assemblyman Reed Gusciora, a Democrat from Princeton, said on Thursday that he had agreed to sponsor a "Marriage Equity Act" but that such a bill had not been drafted and could not be introduced before the next Assembly session, scheduled for Nov. 9. Even Mr. Gusciora was dubious about its prospects, saying, "When you talk about civil rights, sometimes you have to do things incrementally, and that might have to do that another day."

Senator John Adler, the chairman of the Judiciary Committee, said he did not expect to see a bill fully legalizing gay marriage, nor much resistance to extending marital rights and benefits to same-sex couples. "We've already made that conceptual leap," he said.

New Jersey adopted domestic partnership legislation in 2004 without much organized dissent, and a bill adding some legal protections passed in January.

But while New Jersey's Supreme Court specifically charged the Legislature with deciding how to categorize gay unions, Mr. Corzine's position is likely to carry significant weight. In addition to occupying one of the nation's most powerful governorships, Mr. Corzine accumulated a great deal of political capital earlier this year when he stood firm against the Legislature during the budget battle, forcing the state government to close down for a week.

A review of a dozens of newspaper articles about Mr. Corzine's Senate campaign in 2000 turned up 10 that stated flatly he supported gay marriage. He is not quoted directly, however; he is simply described as supporting gay marriage during debates and on the campaign trail. Other articles from 2000 cite Mr. Corzine's support for civil unions.

Mr. Goldstein said Mr. Corzine had clearly stated during the Democratic primary in 2000 that he preferred gay marriage, but that he began openly embracing civil unions during the general-election campaign to appeal to the wider electorate.

Anthony Coley, Mr. Corzine's spokesman, said the newspaper stories from 2000 indicating support for gay marriage were not consistent with Mr. Corzine's responses to questionnaires to gay groups in 2000 and 2005, the year he ran for governor, or with other newspaper stories.

"It seems that some folks are confusing his opposition to a federal amendment to the Constitution banning gay marriage with support for gay marriage," Mr. Coley said. "The two are not the same. During his run for the Senate in 2000, Jon Corzine was for civil unions, and that remains his preference today."

Mr. Corzine, in an interview on Thursday at Warren E. Sooy Jr. Elementary School in Hammonton after a tour of after-school programs, said of support for civil unions but not gay marriage: "It's my own view that that's where our society is at this moment in time. I personally have a traditional view, but I believe that should be framed in equal rights for everyone, and that's exactly what the court argued."

Mr. Goldstein said his camp did not contact the governor or his aides on Thursday. "He always comes to the correct view," Mr. Goldstein said. "We want to give him time."

The Hitch (WSJ)

By Darren R. Spedale And William N. Eskridge Jr.

The Wall Street Journal, October 27, 2006

On Wednesday, the New Jersey Supreme Court decided that gay couples are entitled to the same legal rights and benefits that the state confers upon married couples. While some other courts have also favored gay marriage, it faces an uphill battle among the voters. This November, for example, eight states -- Arizona, Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin -- have initiatives on their ballot that would amend their state constitutions to prevent recognition of same-sex marriage (and in some states, civil unions as well). To date, not a single such initiative has failed; 19 states now have constitutional amendments prohibiting recognition of gay and lesbian marriages within their borders.

The proponents of these initiatives have been successful, in significant part, because they have convinced voters that the legalization of same-sex marriage would destroy, or at least significantly harm, the institution: Heterosexuals would lose faith in marriage, family structures would be weakened, and more children would be raised out of wedlock as a result. But would these things actually happen? * * *

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These are no longer hypothetical questions, because same-sex marriage is no longer just a theoretical possibility. Denmark was the first country to extend the rights and responsibilities of marriage to same-sex couples in 1989; and although the law used the name "registered partnership," straight as well as lesbian and gay Danes have generally equated these partnerships with marriage. Norway followed the Danish example in 1993, Sweden in 1995. While the actual title of "marriage" has been granted to gay couples elsewhere in the world only within the last five years, the Nordic countries have provided us with a rich source of information, and a 17-year history, as to what actually happens in society when gay and lesbian citizens marry.

Social conservatives suggest that legal recognition of same-sex couples has harmed society. Sen. Bill Frist has stated that "years of de facto same-sex marriage in Scandinavia has further weakened marriage"; similar claims have been made by Sens. John Cornyn, Rick Santorum, James Inhofe and Sam Brownback.

However, there is no evidence that allowing same-sex couples to marry weakens the institution. If anything, the numbers indicate the opposite. A decade after Denmark, Norway and Sweden passed their respective partnership laws, heterosexual marriage rates had risen 10.7% in Denmark; 12.7% in Norway; and a whopping 28.8% in Sweden. In Denmark over the last few years, marriage rates are the highest they've been since the early 1970s. Divorce rates among heterosexual couples, on the other hand, have fallen. A decade after each country passed its partnership law, divorce rates had dropped 13.9% in Denmark; 6% in Norway; and 13.7% in Sweden. On average, divorce rates among heterosexuals remain lower now than in the years before same-sex partnerships were legalized.

In addition, out-of-wedlock birthrates in each of these countries contradict the suggestion by social conservatives that gay marriage will lead to great increases in out-of-wedlock births and therefore less family stability for children. In Denmark, the percentage of out-of-wedlock births was 46% in 1989; now it is 45%. In Norway, out-of-wedlock births jumped from 14% in 1980 to 45% right before partnerships were adopted in 1993; now they stand at 51%, a much lower rate of increase than in the decade before same-sex unions. The Swedish trend mirrors that of Norway, with much lower rates of increase post-partnership than pre-partnership.

Is there a correlation, then, between same-sex marriage and a strengthening of the institution of marriage? It would be difficult, and suspect, to establish a cause-and-effect relationship between these trends in heterosexual marriage and marriage rights for gays and lesbians. But the facts demonstrate that there is no proof that same-sex marriage will harm the institution of marriage, or children. An optimistic reading of the facts might even suggest that the energy and enthusiasm that same-sex couples bring to the institution of marriage may cause unmarried heterosexual couples to take a fresh look at marriage as an option.

Our research has also uncovered additional social benefits. In dozens of interviews with partnered couples and through other sources, we found that marriage rights had an important beneficial effect not only on the couples themselves, but on their local and national communities as well. Couples reported that their relationships were stronger and more durable, that relationships with family members had deepened, that co-workers had become more tolerant and supportive, and their children felt greater validation by having married parents. Many couples reported a greater emphasis on monogamy, which may be reflected by the fact that national rates of HIV and STD infections declined in each of the Scandinavian countries in the years after they passed their partnership laws.

Finally, what about the "slippery slope" argument -- that same-sex marriage would start a dangerous movement toward legal recognition of socially unacceptable relationships? This hasn't happened in Scandinavia; 17 years later, there are still no calls for recognizing polygamy, incestual marriage or marriage to animals. Danes you ask about the slippery slope think you are joking. They realize that same-sex marriages serve essentially the same goal as opposite-sex marriages: lifetime commitment to your better half, the person who completes you.

In short, the sky hasn't fallen. Rather than scapegoating gay couples as the attackers from which marriage needs "defending," pundits and politicians alike should look to no-fault divorce, prenuptial agreements and legal recognition of heterosexual cohabitation as the real culprits of weakened marriage. As the evidence indicates, societies where gay couples have the rights of marriage seem to be doing just fine.

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Mr. Spedale, an investment banker in New York City, and Mr. Eskridge, the John A. Garver professor of jurisprudence at Yale University, are coauthors of "Gay Marriage: For Better or For Worse? What We've Learned From the Evidence" (Oxford University Press, 2006).

Where's Judicial Restraint? (USAT)

By Peter Sprigg

USA Today, October 27, 2006

The New Jersey Supreme Court has professed respect for judicial restraint by refusing to change the definition of "marriage." But they have imperiously commanded the state Legislature to either redefine marriage itself, or create a "statutory structure" (such as "civil unions") to grant 100% of the legal rights and benefits of marriage to same-sex couples.

This is not judicial restraint. Courts have no power to command the legislative branch to enact a particular law. That the court has given the Legislature a choice (the frying pan or the fire) in no way mitigates this violation of the separation of powers.

The New Jersey Legislature should therefore simply ignore this command. Indeed, we urge them to go further and follow the lead set by 19 other states, by amending the state constitution to define marriage as the union of a man and a woman (and to make clear that only the Legislature may determine and distribute the "benefits of marriage").

The court based its ruling in part on protections against "discrimination" and limited "domestic partnership" rights already granted to homosexuals by the Legislature. This rationale — that because the state offers limited "rights," it must offer more expansive ones — turns logic on its head. It should, however, serve as a cautionary tale for politicians who think that such measures to appease homosexual activists will forestall the counterfeiting of marriage itself. Instead, they merely accelerate it.

Society gives benefits to marriage because marriage gives benefits to society. Therefore, the burden of proof must rest upon the advocates of homosexual unions to demonstrate that such unions benefit society (not just the individuals involved) in the same way and to the same degree as marriage between a man and a woman. Because homosexual unions never result in natural procreation and never provide children with both a mother and a father, this is a burden they simply cannot meet.

Peter Sprigg is vice president for policy at the Family Research Council and author of Outrage: How Gay Activists and Liberal Judges Are Trashing Democracy to Redefine Marriage.

A Dangerous Amendment (WP)

The Washington Post, October 27, 2006

EVEN IF YOU oppose same-sex marriage and think its prohibition should be enshrined in state laws and constitutions, there are ample compelling reasons to oppose Virginia's Ballot Question No. 1 on Nov. 7. The amendment, intended to forbid a practice that Virginia already forbids, is vague and fraught with potential for unintended harm to gays and straights alike. Its adoption would herald a season of chaos in the state's courts.

If the proposed amendment simply defined marriage as between a man and a woman, we would still disagree, but at least it would represent no major change from the status quo, since Virginia law has outlawed same-sex marriage for 30 years. But the amendment as written is far broader and murkier. It forbids the government and courts from granting any "legal status" to unmarried couples whose relationship "intends to approximate the design, qualities, significance or effects of marriage" or confers the "rights, benefits, obligations, qualities or effects of marriage."

Among those who might pay the price for this ill-conceived, sloppily drafted measure are: unmarried victims of domestic abuse, whose protections under existing state law could be undercut and challenged in court because of the amendment; Virginia corporations whose efforts to attract top talent can hinge on the benefits they extend to employees' domestic partners; children of unmarried couples, whose parents' private agreements setting out their obligations might be held invalid; and sick people whose medical coverage could be rejected by hospitals because of their domestic arrangements. In general, legal rights and protections would be imperiled for an estimated 130,000 unmarried couples in the state, nearly 90 percent of whom are heterosexual.

Gov. Timothy M. Kaine (D) and scores of legal scholars and lawyers in Virginia have warned of the judicial mayhem that might result from this amendment. They are not being alarmist: A similar constitutional amendment in Ohio has been fought over

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in state courts for months and remains in limbo. Virginia voters can avoid such a mess by rejecting this unneeded, pernicious measure.

Ballot Questions 2 and 3 should pass, however. Question No. 2 would strike language from the state constitution banning the incorporation of churches. A federal judge ruled in 2002 that the language violated the U.S. Constitution, making this measure a case of overdue typographical cleanup.

Question No. 3 involves whether to allow local jurisdictions to offer partial property tax exemptions for both new construction and improvements to existing structures in areas of economic blight. Currently, they can give such exemptions only for improvements.

Beyond those ballot questions, bond issues in Arlington, Fairfax, Loudoun and Prince William counties deserve support. Of particular importance are transportation improvement bonds in Arlington, Loudoun and Prince William that would provide desperately needed funding for roads and rail in traffic-choked Northern Virginia -- especially welcome in the absence of significant state assistance. Residents of Loudoun, with its booming school-age population, should also vote for a number of school construction bonds.

Finally, Prince William voters face a special election for state delegate in the 50th District to replace the late Harry J. Parrish. Jeanette Rishell, the Democratic candidate, is the one to choose. Among other strengths, she strongly supports a dedicated source of funding for transportation projects in Virginia; her Republican opponent, Jackson H. Miller, does not.

Single-Sex Schooling (WP)

The Washington Post, October 27, 2006

STUDIES OF single-sex education are all over the map, with no one really knowing how effective it is. Still, the decision giving public schools greater freedom to offer all-boys and all-girls instruction is right because of one known certainty: Traditional schools just are not working for a large number of children.

Single-sex education largely disappeared from public schools as a result of the landmark 1972 Title IX law that banned sex discrimination in federally funded education programs. Single-sex instruction was largely limited to gym and sex education classes. Schools for one sex were allowed if a similar school existed for the other sex. The Education Department, in rules announced this week, opened up the field by saying schools can offer single-sex education as long as enrollment is voluntary and if "substantially equal" coeducation is offered to the excluded sex.

Civil rights groups and women's advocates are right to be concerned about possible abuses that could arise from differing assessments of what is "substantially equal," a phrase that, in truth, does give one pause. The past is rife with instances of separate not being equal. But with appropriate safeguards and oversight, communities should have the option to meet the growing demand for single-sex schools. Parents should be able to obtain the appropriate schooling for their children without always having to pay the high tab for private school.

No doubt same-sex schooling is not for everyone and should be offered only under well-thought-out conditions. There is, for example, serious dispute over who would benefit most. Some believe that girls are disadvantaged in traditional classrooms and perform better by themselves. Others contend that low-income children would be helped, while another school of thought argues that high school boys would do better if separated from girls. Such uncertainty points up the need for better research.

Local school districts that want to experiment with single-sex instruction should be encouraged to adopt a meticulous research protocol to demonstrate what works or doesn't work. Then a serious discussion can begin.

The Promise Of Single-Sex Schools (WSJ)

The Wall Street Journal, October 27, 2006

The government's long war against single-sex schooling ended Tuesday, when the Department of Education published rules that will make it easier for public educators to offer girls-only and boys-only schools or classes without running afoul of Title IX. That section of the 1972 Education Act barred sex discrimination in all education programs and activities that receive federal funding. While it most famously kicked doors open for female college athletes, it also compelled men-only public universities to admit women.

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More recently, however, Title IX has been used to bludgeon elementary- and secondary-school educators who are trying to improve learning opportunities for girls, as well as boys. Inspired by evidence that some children learn better in sex-specific classrooms, more than 240 public and charter schools around the country have begun offering single-sex education (although not all provide it for every course). Most significantly, the typical student is from a low-income, minority family. Parents compete fiercely, often by lottery, for the chance to give their kids the kind of learning environment that wealthier parents regularly pay for at all those single-sex private schools.

Such desperate scrambling might not be necessary if Title IX hadn't banned most single-sex education as discriminatory. The Young Women's Leadership School in East Harlem, which recently sent 100% of its graduating class to college, has thrived largely due to overwhelming community support and political protection -- Hillary Clinton is a champion of it -- that have kept Title IX watchdogs at bay. The threat of ACLU legal action hangs over all single-sex schools and has kept some from ever opening.

As of this week, however, educators can contemplate opening single-sex schools or classes without running afoul of the law. The Education Department now officially says that Title IX does not make single-sex education discriminatory, so long as it is voluntary and takes place in an environment that also includes comparable coeducational schools and classes.

Tom Carroll, chairman of the Brighter Choice Charter Schools in Albany, N.Y., told us that single-sex education is only one tool among many possible approaches that parents and educators can use to improve the nation's troubled public-school system. But he also says that a third of Albany's K-4 public elementary students -- or about 1,150 children -- applied for Brighter Choice's 50 single-sex places last year.

No wonder. Kids at Brighter Choice's single-sex schools (about 98% of whom are minorities) are standouts. They are top scorers in both math and reading-and-writing tests also taken by coed public-school children. Brighter Choice's longer school year and greater number of classroom hours obviously help, Mr. Carroll says. But so does its ability to tailor instruction according to the needs of children at different stages of maturity and development.

In their early years, girls, for instance, often lag behind boys at mastering math concepts. On their own at Bright Choice, they have zoomed forward. Boys, meanwhile, surged ahead of their male counterparts at coed schools in literacy. Mr. Carroll adds that freeing kids from certain notorious distractions in coed classrooms not only helps them concentrate on studying. It can be liberating as well. Girls, who often "won't assume leadership positions in the classroom if there are boys there they want to impress," grow bolder. And "without girls to impress," he adds, it's easier to get boys to "recite poetry" and explore "visual and performing arts."

You might think that the National Organization for Women would applaud efforts to empower young girls. Or that Sen. Edward Kennedy, the product of a boys-only private school, would want to see the opportunities he enjoyed extended to young disadvantaged males. Yet they, like the ACLU, see the Education Department's new rules as a green light for "discrimination" and "stereotyping" and, in Sen. Kennedy's words, "a setback for civil-rights protection."

For many parents, though, clinging to this liberal ideology is not an option. They want the real fruits of equality for their children, and an important civil right that is currently being denied to them: a decent education.

ANTITRUST:

Gilead Gets Antitrust OK For Myogen Deal (AP-YBIZ)

AP, October 27, 2006

Government Ends Antitrust Waiting Period Early for Gilead Sciences' Purchase of Myogen

FOSTER CITY, Calif. (AP) -- Biotechnology company Gilead Sciences Inc. said Thursday that the customary waiting period needed for its purchase of Myogen Inc. has been terminated early by federal regulatory officials.

The Federal Trade Commission terminated the waiting period required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 before its expiration date, according to Gilead Sciences.

Earlier this month, the company announced plans to buy Westminster, Colo.-based Myogen Inc. for $2.5 billion. Gilead Sciences previously stated that its tender offer and associated withdrawal rights will expire Nov. 10 unless extended. The company expects the tender offer to close by the end of the fourth quarter of 2006.

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Shares of Gilead Sciences Inc. fell 15 cents to $69.20 in after-hours trading, following an earlier close at $69.35 on the Nasdaq. Shares of Myogen Inc. rose 18 cents Thursday to close at $52.30 on the Nasdaq.

Clear Channel Race Spotlights Limits Posed By Ownership Rules; 'LBOing Of Western Civilization' (WSJ)

By DENNIS K. BERMAN And SARAH MCBRIDE

Wall Street Journal, October 27, 2006

With a growing list of radio, newspaper and television assets on the auction block, some new players are on the verge of assembling the conglomerate of the 21st century: the private-equity media empire.

That became all the more apparent when Clear Channel Communications Inc., one of the nation's largest owners of radio stations and outdoor billboards, put itself up for sale on Wednesday. Buyout groups are hungry to get control of the San Antonio company, which has a stock-market value of $17.5 billion.

Yet many of the same private-equity players chasing Clear Channel are either in the hunt for other media assets or already partial owners of them. That could complicate matters, because of federal rules aimed at making sure no one voice controls too many media outlets.

Private-equity firms, which purchase businesses with an eye toward improving and selling them for a profit, are on an unprecedented binge, buying up bigger and bigger companies. Their interest in media companies comes as the firms become ever more powerful players in many American businesses, from doughnut outlets to auto-parts makers, and are the subject of increasing scrutiny. The firms already are facing a Justice Department inquiry into whether any colluded with each other to drive down prices they pay for companies.

The latest buzz-phrase among Wall Street bankers who arrange leveraged-buyouts is telling: "The LBOing of Western Civilization."

Indeed, the media-buyout frenzy involves lots of overlapping players. Providence Equity Partners is part of a group trying to win control of Clear Channel's 1,150 radio stations and other assets. Earlier this year, Providence was also part of a group that purchased Univision Communications Inc., which owns radio stations and the Univision Spanish-language TV network. It's also part of a group weighing a bid for Tribune Co., which owns newspapers and TV stations.

Providence already owns stakes in movie library Metro-Goldwyn-Mayer Inc., Warner Music Group and Freedom Communications Inc., publisher of the Orange County (Calif.) Register newspaper.

Even if Providence ends up with just part of Clear Channel, it would have a huge interest in big markets around the country. Consider Miami, where Clear Channel owns seven radio stations, and Univision owns four radio stations plus two television stations.

A three-member consortium consisting of Providence, Kohlberg Kravis Roberts & Co., and Blackstone Group, has been in discussions with Clear Channel for weeks, people familiar with the matter say. In recent days, the group offered $35 a share, said a person familiar with the matter. Clear Channel, which was up yesterday $3.13, or 9.7%, at $35.48 a share in 4 p.m. trading on the New York Stock Exchange, rejected the offer.

Clear Channel said on Wednesday that it was exploring "strategic alternatives" -- essentially an open invitation to bidders. At least two other groups are considering offers: One includes Thomas H. Lee Partners, Texas Pacific Group, and Bain Capital. The other includes Cerberus Capital Management and Oak Hill Partners. Bids are due Nov. 10, and still other bidders could emerge.

Cerberus and Oak Hill wouldn't have any problem with Federal Communications Commission media-ownership rules. But the other two might, given their existing media holdings.

These rules prohibit a single company from owning more than eight radio stations in any one market and generally ban cross-ownership of daily newspapers and broadcast assets in any one market.

For private-equity investors, there are ways to avoid triggering the rules, legal experts say. They can set up their interest in the target media company as a limited partnership and formally insulate the limited partners from involvement in the

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management of the business. One person close to the Providence-led group said that it was considering the use of a "trust" structure to guard against problems with media-ownership rules.

The FCC rules are strict on this point, media lawyers say. The limited partnership's governing documents must include provisions prohibiting partners from providing services, becoming employees and communicating on day-to-day business affairs with the underlying broadcast company.

Private-equity companies specialize in trying to make companies more profitable, so most would want to have a direct say in the target companies' operations. They might be banking on something else: The FCC is revisiting the rules, with comments from interested parties due earlier this week and replies due in December. A private-equity suitor could likely win an 18-month waiver on ownership requirements, and hope that the rules will be loosened in the meantime.

That rules process, however, could take a while and could get bogged down in court challenges. And if Democrats take control of one or both chambers of Congress, they might resist the Republican-controlled FCC's efforts to loosen ownership limits.

If necessary, the media companies could sell off less valuable assets in markets where the ownership rules came into play. Besides bringing them into compliance, such sales would help fund the pricey buyouts.

Private ownership would create a lower-pressure environment for slow-performing media companies, giving them a chance to prime their businesses for better growth. "I've seen my company grow every year, because I've been able to invest in technology and marketing," says Peter Smyth, president and chief executive of Greater Media Inc., one of the largest privately held radio companies in the U.S., who thinks he couldn't have made the necessary investments under public scrutiny. "You have to have a long-term vision, and Wall Street is not conducive to long-term visions."

-- Sarah Ellison, Henny Sender and Amy Schatz contributed to this article.

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Merger Dents Sprint's Results (WP)

By Yuki Noguchi

The Washington Post, October 27, 2006

Sprint Nextel's customers, fed up with dropped calls and a service that hasn't kept up with the features offered by mobile phone competitors, left the company in droves last quarter.

That, alongside a tumbling stock price and dramatic changes in the executive lineup, led to a disappointing three months for the Reston company.

It posted a profit of $247 million (8 cents per share) on revenue of $10.5 billion for the quarter ended Sept. 30. That compares with $516 million profit (23 cents) for the same period last year on revenue of $7.83 billion.

One year after Sprint and Nextel merged, the firm is investing in a faster, more advanced network and working on partnerships to sell more of its services. Still, during a conference call yesterday, president and chief executive Gary D. Forsee acknowledged the troubles, which largely stem from thousands of the core customers defecting to competitors because of poor service.

Sprint lost 2.4 percent of its customer base every month during its third quarter -- a rate much higher than that of Cingular Wireless, which lost customers at a rate of 1.8 percent a month and last week posted a 280 percent increase in its net income.

Overall, Sprint, the country's third biggest carrier, landed 233,000 new customers during the quarter. It lost about 188,000 customers who are on contract plans and pay monthly, but offset that loss with gains elsewhere, including those who use month-to-month prepaid services.

Verizon Wireless is expected to announce its third-quarter results next week.

"Our operating results are not what we and you expected," Forsee told Wall Street analysts during the conference call.

The company spun off its local phone division, Embarq, and now operates a wireless and long-distance division.

Cingular and Verizon Wireless are benefiting from Sprint's decline because they haven't made Sprint's missteps, said Jonathan Atkin, an analyst with RBC Capital Markets. Those companies invest more consistently in their networks, and have offered a greater array of new phone devices, as well as package deals that appeal to families, he said.

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Sprint plans to release a hybrid phone next month that works on both Sprint's and Nextel's networks, a move that could reduce customer dissatisfaction, Atkin said.

"[Sprint is] in rebuilding mode, and they're going to be in rebuilding mode for a while," particularly in 24 markets like Los Angeles and New York, where the Nextel network is overtaxed and dropping calls, Atkin said.

When the two companies merged in August 2005, the company's executives set high expectations that the marriage of two wireless companies would produce a powerful behemoth that would partner with cable companies and deliver a host of new services. But the company has struggled to manage two very different mobile phone networks, as well as combine two very different corporate cultures.

"We know the challenges . . . we operate two wireless networks, manage the Sprint and Nextel brands, and . . . integrate the cultures," Forsee said. "There remains substantial work ahead of us."

During the most recent quarter, Sprint did invest more in the development of an advanced high-speed network called WiMax, Forsee said. Sprint is also trying to market itself as a wireless wholesaler, and has partnered with 12 cable companies to sell wireless and Internet-phone services.

"The question is: Can they stabilize the bleeding at this point?" said Christopher King, senior analyst with Stifel, Nicolaus & Co. "It's certainly going to be a challenge for Forsee."

In August, the company ousted chief operating officer and longtime Sprint executive Len Lauer.

Then, earlier this month, company chairman Timothy Donahue, the ruddy, pep-talking former chief of Nextel who led that company through its entrepreneurial years, announced plans to leave the board by the end of the year. Donahue, who previously said he would stay on the board until August 2007, would have been an ideal person to oversee the launch of the new advanced network, King said.

Shares of the company closed up $1.18 yesterday at $18.90 a share, a boost analysts attributed to a hope that the company has hit its nadir.

ENVIRONMENT:

Bunge Reaches Pollution Settlement (AP)

By Jim Suhr, Ap Business Writer

AP, October 27, 2006

ST. LOUIS --Oilseed processor Bunge North America Inc. and three of its subsidiaries agreed Thursday to pay $13.9 million in a pollution settlement with the federal government, the Justice Department announced.

As part of the deal, the government said, the St. Louis-based unit of Bunge Ltd. will clean up emissions at 11 soybean-processing plants and one corn plant in eight states, eventually cutting more than 2,200 tons of harmful pollution emissions a year.

The settlement, outlined in a consent decree filed by the Justice Department in federal court in Urbana, Ill., follows others with fellow oilseed processors Cargill Inc. and Archer Daniels Midland Co. The decree will be subject to a 30-day public comment period and subsequent judicial approval.

According to the government, Bunge or a subsidiary violated the federal Clean Air Act at some or all of the dozen plants with "major" modifications of those sites without getting permits or adhering to pollution controls, the Justice Department said.

In settling the matter, Bunge will spend an estimated $12 million on emission-curbing projects and pay a $625,000 cash penalty, which will be divided among the U.S. government and the eight states.

The company will spend more than $1.25 million on community-based environmental projects in the affected states, including removing mercury, lead or asbestos from Louisiana schools and retrofitting diesel school buses and other vehicles in Indiana, Ohio, Kansas, Iowa and Alabama. Bunge also will provide environmental education in Kansas and residential lead abatement in Illinois.

"This agreement acknowledges the steps Bunge has taken and will take to ensure that we meet or exceed all applicable environmental regulations," said Carl Hausmann, Bunge North America's president and chief executive. "Bunge is committed to

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being a good citizen in the communities we serve, which includes operating our business in a safe and environmentally responsible manner."

The Environmental Protection Agency "expects companies to act responsibly and within the law when it comes to protecting public health and the environment," Granta Nakayama, the EPA's assistant administrator for the Office of Enforcement and Compliance Assurance, said in a statement.

The settlement covers soybean-processing plants in the Illinois communities of Cairo and Danville; Delphos and Marion in Ohio; the Indiana cities of Decatur and Morristown; Decatur, Ala.; Marks, Miss.; Destrehan, La.; Emporia, Kan.; and Council Bluffs, Iowa. Also affected is a corn plant in Danville, Ill.

Shares of Bunge rose $3.83, or 6.5 percent, to close at $62.69 Thursday on the New York Stock Exchange, then dipped 24 cents in aftermarket trading.

On the Net:

Justice Department: http://www.usdoj.gov

Bunge North American: http://www.bungenorthamerica.com

Bunge Ltd.: http://www.bunge.com

State-federal Water Deal Draws Criticism (AP)

By Susan Gallagher

AP, October 27, 2006

HELENA (AP) — Montana water rights for the U.S. Forest Service are in a proposed agreement that state and federal officials tout as a major step forward, but a leading conservation group opposes.

The Montana Reserved Water Rights Compact Commission and the Forest Service unveiled the agreement this fall and have been taking public comment at meetings, the last of them scheduled for Monday in Billings. Officials, who will accept written comment until Nov. 15, may tweak the document before submitting it to the Legislature for action this winter. Approval by the Legislature, the governor and the federal Agriculture and Justice departments is needed for the agreement to become final.

It lays out water rights for the Forest Service, rights agreed upon through negotiations that began in 1992 and accelerated with the hiring of a mediator last fall.

Forest Service needs include water for ranger stations, work centers, tree nurseries, road construction and firefighting. The agreement encompasses those needs, and for 77 streams it establishes what are known as “in-stream flow rights” for fish-inhabited waters that pass through national forests.

Commission Chairman Chris Tweeten of the state attorney general’s office called the agreement a “good deal for Montana,” and Forest Service spokeswoman Paula Nelson said the state and the Forest Service “have both come out winners.”

Fish conservation group Trout Unlimited has a different view.

“It’s a really, really bad proposal,” Bruce Farling, the group’s executive director for Montana, said Thursday. Problems include inadequate in-stream flow rights, according to Farling, who said Trout Unlimited may propose amendments during the legislative session.

Besides establishing rights for the 77 streams, the agreement sets up a process for the Forest Service to apply for future rights on hundreds of other streams, Nelson said. Given that it took years to agree on the 77, it appears unlikely that seeking timely action for hundreds more will be a Forest Service priority, Farling said.

“We now have a process to do the others,” Nelson responded. “Our plan wold be to prioritize the streams as soon as the Legislature and that process is over, and move forward.”

Another group with a stake, the Montana Stockgrowers Association, said state and federal negotiators appear to have done a good job. But the association has some concerns, which include ensuring that holders of national forest grazing permits are not precluded from sending stream water through small pipelines to supply cattle, lawyer John Bloomquist said.

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The agreement addresses water rights tied to congressional or presidential action that reserves lands, such as those in the national forest or national park systems. Such rights must be addressed either in the courts or through negotiation of an agreement.

"It's important that this has been dealt with outside the courts, and we hope that means it saves the taxpayer an awful lot of money," Nelson said.

Written comments on the agreement can be submitted via the Web site of the Montana Department of Natural Resources and Conservation.

'Treatment Wetlands' Clean Up Some Cities' Sewage (USAT)

By Traci Watson

USA Today, October 27, 2006

Cleaning up America's dirty water usually requires loads of chemicals, vast concrete tanks and huge pipes. Now some communities are turning to a more pleasant method of coping with sewage and polluted runoff: wetlands, complete with greenery and birdsong.

Cities are installing systems that send partially cleaned sewage to wetlands, which suck up even more pollution from the water. Local authorities are also turning to wetlands to store and cleanse the filthy water that runs off highways and pavement after a rainstorm.

Such "treatment wetlands" not only soak up pollution but also provide habitat for birds and other wildlife. And they require less energy and manpower than traditional sewage treatment systems, so they're often cheaper to operate.

"Wetlands are nature's amazing cleaning machines," says Benjamin Grumbles, chief of water issues for the Environmental Protection Agency. "Whether natural or manmade, they can do a lot of work, and we're encouraging their use increasingly."

Some places where treatment wetlands are under consideration or construction:

•West Palm Beach, Fla. The city's new sewage treatment system and treatment wetland will be officially dedicated on Thursday. Treated sewage will flow through 1,600 acres of wetlands that will remove chemicals that act as fertilizers. Such chemicals are harmful to the ocean and the Everglades, where native vegetation can be killed by low levels of fertilizer.

The city is restoring a wetland that was overgrown by foreign plants that crowd out native species. The city also built boardwalks and trails through it to encourage residents to visit.

•Chicago and its suburbs. The regional sewage agency is investigating whether to build a treatment wetland next to an expanding sewage plant. The plant will be required for the first time to cleanse the sewage of a chemical that acts as a fertilizer, and a wetland could do so naturally, says Dick Lanyon, head of the Metropolitan Water Reclamation District of Greater Chicago.

A wetland would be cheaper, too, "because you won't have any pumps or piping involved. You don't have any expenditures for chemicals," Lanyon says. "We'd be letting the wetlands do their work."

•Phoenix. A small wetland built as a test project has been helping scrub the city's sewage for more than a decade. The cattails, bulrushes and other plants in it host microbes that help break down waste products. Sunlight and exposure to the air also help.

The city now hopes to build a 1,500-acre wetland to help scrub away fertilizing chemicals from the water. The wetland would also cleanse the treated sewage of medications, which sewage plants do a poor job of removing.

The city wanted "more than just more concrete-and-steel treatment plant out of this," says Alice Brawley-Chesworth of the city's Water Services Department. The new wetland, which will be built when Congress allocates the funds, will also provide wildlife habitat, flood control and recreation.

Despite the high hopes, the EPA's Grumbles warns that wetlands are not a panacea for America's water pollution. No wetland can handle large volumes of raw sewage, he says, or water contaminated with industrial chemicals. Wetlands excel at wiping the last traces of pollution from sewage but aren't suited to tackling water direct from the nation's toilets and sinks.

Even with those limits, wetlands are drawing interest from environmental officials in small towns and large cities alike. In Louisiana, local agencies are even hoping to use wetlands to avoid costly repairs to a sewage treatment plant damaged by Hurricane Katrina. The remaining fertilizers in the treated sewage would also help rebuild the devastated marshes on the coast.

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Environmental officials are also enthusiastic about wetlands' ability to deal with water that runs off paved surfaces after a storm. Such runoff carries huge loads of pollution to rivers and streams and even changes the shape of riverbeds.

If runoff is channeled to wetlands, the water can be stripped of motor oil, road salt and other contaminants before it washes into natural waterways. And a stop in a wetland slows runoff, making it less prone to cause erosion.

Officials in Independence, Mo., are looking into transforming an abandoned sewage lagoon into a wetland, to trap the water that rolls off a nearby highway. They'd do some excavation for better water flow and add native plants.

"If we can use nature to help us, that's what we want to do," says Dick Champion, the city's director of water pollution control and president of the association for sewage agencies.

BLM Says Counties Haven't Proved Road Claims, Case Should Be Dismissed (SLT)

By Joe Baird, The Salt Lake Tribune

Salt Lake Tribune, October 27, 2006

A federal judge on Thursday heard arguments calling for the dismissal of a lawsuit Kane and Garfield counties have filed against the Interior Department over the Grand Staircase-Escalante National Monument land-use plan.

Attorneys for the Justice Department and a coalition of environmental groups told Judge Ted Stewart that the counties' claims to roads and water rights in the monument were overly broad - and deserve to be rejected.

Justice Department attorney Tom Snodgrass said the counties have failed to prove any of their road ownership claims in the monument beyond four routes that were recognized in the land-use plan. And he defended the Bureau of Land Management's decision to restrict the use of off-highway vehicles on those roads, arguing that they fell under the scope of the BLM's larger land management responsibilities.

Snodgrass also said the county fell short in proving its water rights have been thwarted, noting the BLM's authority to protect the monument's water resources is backed by federal law.

"It's not enough to disagree [with the land-use plan]. They have to show they are being injured - and they have not," he said of the counties' arguments.

Attorney Shawn Welch, representing Kane and Garfield counties, argued that the agency's refusal to recognize their larger road ownership rights has compromised the counties' transportation system. And he challenged

Advertisement

the BLM's ability to halt what he called a legitimate diversion of water that would not impair monument resources.

"That's a decision for the Utah state engineer," Welch said.

Stewart took the arguments under advisement, but was openly skeptical of the federal government's claims during the one-hour hearing.

"There has been a long history of the BLM and the counties working together," Stewart said. "Acknowledgements [of county claims] were made," during the planning process.

Should the agency now, he asked, "pretend that this doesn't exist?"

Stewart's presence on the bench Thursday was notable, because he has often recused himself from public lands cases.

A former director of the Utah Department of Natural Resources, Stewart was openly critical of the creation of the Grand Staircase-Escalante National Monument when it was established by President Clinton in 1996.

"That was a day of infamy for some of us," Stewart told The Salt Lake Tribune in 1996, when he was Natural Resources director.

Calif. Fire Started By Arsonist Kills 4 (HC/AP)

By Gillian Flaccus, Associated Press Writer

Houston Chronicle, October 27, 2006

POPPET FLAT, Calif. — A wind-whipped wildfire started by an arsonist killed four firefighters Thursday and stranded up to 400 people in an RV park when flames burned to the edge of the only road out, officials said.

"Everybody is hunkered down here. They're fighting the fire around us. It's across the street from us," said Charles Van Brunt, a ranger at the station at the entrance to Silent Valley Club, the recreational vehicle park near Palm Springs. The residents were in no immediate danger, he said.

Authorities asked people in the RV park to stay put to leave roads clear for firefighters. Hundreds of others in the area were forced from their homes.

Fire officials said the blaze was deliberately set around 1 a.m. and had blackened 10,000 acres within 12 hours. Fire Chief John Hawkins said the arson "constitutes murder."

It was the deadliest wildfire firefighting disaster in the United States since July 10, 2001, when four firefighters were killed in Washington's Okanogan National Forest. They died after becoming trapped by flames on a dusty dead-end road in a remote canyon.

The Forest Service crew was trying to protect a house as dry desert winds of 25 mph or more blew a wall of flames down on them in the hills northwest of Palm Springs.

"They had left their truck to do structure protection when the fire overran them," said Forest Service spokesman Pat Boss, adding that the flames came down so quickly they had no time to retreat to their engine or use protective sheltering.

Three firefighters died at the scene, and two were hospitalized in critical condition. One of those two died several hours later. The other had burns over 95 percent of his body, Boss said.

The surviving firefighter had severe respiratory damage, said Dr. Dev Gnanadev, a trauma surgeon at Arrowhead Regional Medical Center.

"Overall, the chances of survival are low when you have that bad of an injury," he said at a news conference.

Thursday's deaths brought to 19 the number of California firefighters killed in the line of duty over the past year, according to statistics kept by California Professional Firefighters, a lobbying organization.

Boss said the Forest Service pulled all its personnel off the fire after the deaths so they could "gather their thoughts, say their prayers."

Another official believed the blaze was set just as the winds picked up in order to maximize destruction. Riverside County Sheriff Bob Doyle dispatched homicide detectives to the scene to work with FBI agents during the investigation.

Authorities planned to offer a $100,000 reward in the case.

"Turn that scum in, please," Riverside County Supervisor Marion Ashley said.

The fire blackened nearly 16 square miles and destroyed at least five homes. The weather service had issued a "red flag" warning for extreme fire danger because of the high winds and dry conditions.

Thick smoke blanketed the small RV park, where as many as 400 people were stranded, authorities said. TV footage showed some vehicles racing through flames and smoke just before firefighters closed the road.

Van Brunt said people were advised to "watch the news and stay comfy."

The fire was stymied by a firebreak created around Poppet Flat and the RV park years earlier, sheriff's Cpl. Todd Garvin said.

"This is a safe haven here. That was cleared about six years ago and it still works. It's amazing," Garvin said.

Some residents of Poppet Flat sought shelter at the RV park, officials said.

The fire started early Thursday, burning in a valley with a few scattered ranch homes. The hamlets of Poppet Ranch and Twin Pines were evacuated along with a juvenile detention center, Twin Pines Boys Ranch.

In all, nearly 700 people were evacuated, Gov. Arnold Schwarzenegger told reporters in Sacramento.

Construction contractor Charlie Miner suffered minor burns when he drove his backhoe through the flames to escape in Twin Pines. "It was so intense I was screaming," Miner said. "Sparks were flying everywhere."

The firefighters who were killed were members of a five-person crew based in the nearby town of Idyllwild, Boss said. Their names were not immediately released.

"I knew probably all of them," he said. "They were very personal friends."

As news of the deaths spread, friends stopped at the Idyllwild ranger station to express their sympathies.

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"You guys are our saving grace," said Emily Pearson, as she hugged Boss. "It shouldn't have happened." Pearson said she had lived in the area 35 years, and her family knew all five firefighters.

The strong winds fed the blaze oxygen and dried out the region's already parched vegetation, Hawkins said.

The fire could be seen burning along ridgelines, with flames leaping as high as 100 feet into the air. Pillars of smoke were quickly blown away, and at one point, smoke could be smelled on the Pacific coast, 100 miles away.

Timo Hargu, 61, said he rushed from his hilltop home with his two dogs after he looked out a window and saw fire burning toward him in a valley.

"The whole thing was ablaze with flame," he said. "It was the most spectacular view. A terrible view, but spectacular."

By nightfall the fire's main front was pushing west toward Lambs Canyon, a sparsely populated, rugged area with brush several feet high, said Diana Newcomb, a spokeswoman for the California Department of Forestry.

Residents of Poppet Flat were told they could leave the RV park and go home. Visitors who came in RVs were told to stay put because firefighters did not want motor homes clogging the road.

Rigs On The Skyline And Gas Far Below (NYT)

By Clifford Krauss

The New York Times, October 27, 2006

FORT WORTH, Oct. 20 — Boston had the Big Dig. Now Fort Worth has the big drill.

Under golf courses, schools, parks, libraries, airports and dozens of neighborhoods, some of the nation's leading independent energy companies are scouring the city in search of the best locations to recover one of the largest concentrations of natural gas in the United States.

Everyone seems to be lining up for a share in the bonanza. The American Cancer Society recently made $5 million just by selling its mineral rights to land that had been donated years ago. The Girl Scouts leased their mineral rights for drilling under a summer camp for an undisclosed amount.

It may not be a rerun of "The Beverly Hillbillies." And energy executives say it will not tear up the heart of the city, as Boston's trouble-plagued highway construction project did.

But it is a replay of sorts of the oil drilling booms that roused and remade Los Angeles and Oklahoma City in the 1920's and 1930's. And with rigs lighted up like Christmas trees on the city's periphery at night, it is the biggest urban drilling boom in the nation today.

The surging interest in tapping gas trapped in the so-called Barnett Shale that veins through Fort Worth is only the beginning of a new far-flung search by wildcatters now exploring Alabama, Illinois, Ohio, Pennsylvania and West Texas for a big new source of shale natural gas.

The new drilling wave comes not only at a time when domestic gas production has stalled and demand for cleaner gas energy is increasing, but when new drilling technologies and relatively high gas prices make the exploitation of shale economically feasible for the first time.

Not everybody in Fort Worth is happy about the prospect of all this drilling. But this time the advances in exploration technologies mean that most residents are not going to hear, smell or even see the drilling under their land.

That is because the holes are dug as much as a mile away, and the drills, thousands of feet down, reach out horizontally — not straight down — to the shale gas underneath the city. Only a few people are actually going to get rich, but there will be a lot of money floating around.

"It's manna from heaven!" said Bishop Kenneth B. Spears of the First St. John Baptist Church, whose predominantly black neighborhood in southeast Fort Worth suddenly finds itself in the middle of one very big energy play.

Still, some in the neighborhood fear potential accidents, while others are suspicious of the motives of rich energy companies.

For all his enthusiasm, Bishop Spears, who recently received a $21,000 signing bonus to allow Dale Resources to drill for natural gas in the underground shale directly beneath his church, acknowledges the mixed feelings. He promises to use any new church riches to start a fund that will help people get out of debt and start businesses in the neighborhood.

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He also leads a Y.M.C.A. across the street, which got an even fatter check, and Dale money is going to fix up a baseball field down the block as a good will gesture to the neighborhood.

In a recent sermon, Bishop Spears compared Dale's payments to the gifts given by Joseph to his brethren in the Old Testament. "I got a lot of 'amens' and 'hallelujahs', but there was also a loud 'hmm,' " he recalled in an interview. "It's just not every day a white guy comes up and wants to give any black a check. People are concerned that 'someone is going to come and take what I own.' "

The big "hmm" reflects an anxiety in Fort Worth neighborhoods of all races that drilling could bring some kind of explosion or accident that could ruin drinking water. Trucks carrying water to the rigs could disrupt sleep, many fear, and some claim the companies are not paying residents fairly.

Fears grew when a gas well explosion in April killed a drilling company employee in Forest Hill, a suburb. Several other suburban neighborhoods are upset over new wells appearing almost in their backyards and that concern has spread to urban communities.

One neighborhood association in Morningside Park, another black neighborhood, has rejected all drilling under a three-block area. So far the organized opposition has been small, but some politicians and activists predict protests may pick up as drilling in the center of the city becomes more intense.

"Money isn't everything," said Paul Moss, 62, an aluminum factory supervisor who lives in Morningside Park. "Peace of mind is better than money."

But the anxiety is joined by an equally, if not more powerful money-loving giddiness from the drilling boom that has hit this sprawling city of 700,000, which often lives in the shadow of nearby Dallas.

"If you don't have a gas well, get one!" exclaims a yellow billboard along a Fort Worth stretch of Interstate 30. Residents are receiving fliers offering them $200 and $300 bonuses and promises of royalties for years to come if they allow energy companies to drill several thousand feet under their homes.

The city's gas riches are "not only going to benefit this generation but generations to come," said the mayor, Mike Moncrief, who happens to come from a family of traditional wildcatters. "It is without question allowing us to float everyone's boat higher."

He said the city government had received $10.4 million in bonuses and royalties from 613 wells in various stages of development around the city, just in the last year or so. And "we've only just started," he said.

The Barnett Shale gas field was discovered in 1981 and stretches over 15 North Texas counties. Its 5,000-square-mile reservoir is already the second-largest-producing land-based domestic natural gas field after the San Juan Basin in New Mexico and Colorado.

The first drill in Fort Worth came online in July 2005, and the city has leased more than 2,400 public acres alone for natural gas development.

The changes are unsettling to some. "I love prairies and I hate to see them gobbled up by development and gas drilling," said Don Young, a local activist. "There's a big dark secret nobody's talking about: Real estate will go down the tubes and there will be an environmental impact."

The United States Geological Survey now estimates that the entire Barnett Shale field contains 27 trillion cubic feet of gas, about what the nation consumes in 15 months. Recent studies suggest the core of the shale field may rest precisely beneath the city's high-rise banks, trendy restaurants and some black neighborhoods that have never benefited from oil and gas before.

Estimates of the size of Barnett Shale's reserves are rapidly increasing; the field is starting to make a big impact on the nation's gas business at a time of declining domestic production and projections of rising demand. Gas executives predict that the current production of 1.5 billion cubic feet a day — 2.5 percent of the national output — has the potential to climb to 3 billion to 4 billion cubic feet a day in a few years.

"It is providing security to the national energy picture," said Stephen J. Hadden, senior vice president for exploration and production at Devon Energy, the biggest driller in the Barnett Shale field. This North Texas gas, he said, "will mitigate to a degree some of the decline we see coming from the more mature gas resources around the country. It may temper prices."

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The reserves of natural gas are caught in the cracks and crevices of an underground shale structure that runs as deep as 7,000 feet. They were generally inaccessible until a new process developed in the 1990's and known as hydraulic fracturing or simply fraccing allowed drilling companies to use high-pressure blasts of water and sand to release the gas.

And the advent of horizontal drilling allows producers to build drilling pods from which mile-long spokes of pipes spread thousands of feet under residential neighborhoods.

The early successes have led drilling companies to start exploiting other shale fields around the country.

Companies had been reluctant to drill inside Fort Worth's central city. The technical and political challenges of exploring in an urban area were large. But Lawrence B. Dale, president of Dale Resources, a small independent drilling company in Dallas, decided to take a chance.

With 23 years of exploring widely for natural gas, Mr. Dale, now 53, said that he had decided to spend more time with his family and drill closer to home.

Three years ago, he began selling off his East Texas production wells. He then leased about 90 sites around Fort Worth where drilling would stir less of a protest: areas in or abutting industrial zones close to pipelines.

"It was completely a wildcat venture," he said, noting that seismic work could not be done under a dense urban area. "We didn't know. We thought, but we didn't know."

Mr. Dale's company has already invested $100 million in the field, but he said he realized that it would take much deeper pockets than he had to develop the city's gas potential fully.

Having already sold some wells to Chesapeake Energy, a bigger gas company, he said that in the future "we will enter into strategic alliances and partial property sales with larger companies that have the capital, the equipment and the balance sheet to develop a major field like this."

Mr. Dale was quick to locate and buy up most of the good drilling sites — those that are relatively unobtrusive to gas-rich neighborhoods but in easy reach of them.

Mr. Dale said he was well aware of local concerns, and was working to address them. His company constructs high berms and sound blankets and develops green spaces around rig sites to ameliorate disturbances. Signs are put up in affected neighborhoods with the phone number of his director of community affairs who is available to answer questions, listen to complaints and even make house calls any hour of the day or night.

"I sleep in my cowboy boots," joked David Buchanan, Dale's director of community affairs.

Most neighborhoods appear ready to go along. The City Council recently tried to calm concerns by setting minimum distances between wells and existing residences and stiffened rules over hours of operation and noise.

But the jitters persist.

People became alarmed a few weeks ago when signs went up in the small central city black neighborhood of Greenway Place stating that Dale would soon establish a rig site on the other side of a local park. Most had already signed up to have drilling done under their homes from a separate rig, but they did not like the surprise.

Dale sponsored a barbecue to explain.

"I can barbecue at home," said the Rev. Raymond Oliver of the Progressive Missionary Baptist Church, who had been an early supporter of Dale's efforts before the new signs went up. "You telling me we don't get paid for a well on my front door and we don't get royalties? I got a problem about that."

FBI/DEA/ATF/USMS:

Home FBI Gets Ritzy While Others Lack Crime-fighting Funds (SH)

By DAN K. THOMASSON

Scripps News, October 27, 2006

At a time when taxpayers are being socked millions of dollars a day for Iraq and national security initiatives, the FBI _ America's front line against terrorism _ is spending $32 million on a new subheadquarters on a onetime Northern Virginia horse farm that is being dubbed the "Taj Mahal" by its own agents because of its opulence.

The building will house 150 agents and various support personnel who are an extension of the bureau's Washington Field Office and who are responsible for the southern suburbs of the nation's capital. The justification for this move is that the close-in Fairfax County space that had housed the operations had become too cramped and that changing demographics made moving further south attractive.

But here's the rub: Most of the bureau's business in this area still is in the densely populated environs just on either side of the beltway. The agents now will be miles and many traffic jams (not to mention gallons of gas) away in Prince William County at the very edge of the metro complex. While that area has grown substantially, it will be several decades before it reaches the size and importance of the closer suburbs.

This once again emphasizes an FBI trend to move out of traditional government space both for security and to further establish its independent image _ one removed from the Department of Justice. That concept was first established when the bureau departed the department's Pennsylvania Avenue building and set up shop in a monolithic fortress-like structure it constructed down the block, removing itself from the shadow of the attorney general and his staff.

In the late 90s the bureau, because of congressional indulgence, found itself with an excess of funds that permitted it to begin abandoning federal building space it shared with other agencies throughout the country. It contended that the Oklahoma City bombing had shown these structures to be security risks. It began constructing its own field and residential office buildings from coast to coast, including even in Anchorage, considered one of the more remote posts. One residential office that was assigned responsibility for only a few counties in a Midwestern state moved into an elaborate structure that has remained half empty when there was ample space in a nearby federal building, prompting one wag to crack that "they were building for the new century _ the 25th century."

Most of this questionable use of money appears to have fit not only the bureau's paranoia, but also former director Louis Freeh's idea of a cabinet level FBI separate from and equal with the department. His efforts to abolish and absorb other federal law enforcement agencies and to establish a large international presence were no secret.

The FBI's building spree has caused increasing concerns about the creation of a national police force with sweeping power, a concept this nation has sought to avoid despite the bureau's steady encroachment on responsibilities assigned other state, local and federal agencies including drugs, firearms, explosives, gang organizations and even prostitution. The one area with which it seems not to be terribly comfortable is the most important _ counter intelligence. Official inquiries since 9-11 have found the bureau seriously deficient in that area despite promises of reform.

It seems amazing that the bureau's keen sense of public relations would not foresee bad publicity over the announcement of a new building with soaring atrium and terrazzo floors and engraved elevator doors particularly at a time when other federal agencies have trouble finding the funds to carry out their efforts in fighting rising levels of violent crime. The 15-acre campus will have jogging and hiking trails and picnic tables, for heaven's sake. Even anonymous agents quoted in news reports of the project voiced some embarrassment while others expressed frustration over the prospect of having to travel as far as 40 miles to carry out some duties.

The responsibility for this arrogant disdain for fiscal prudence lies both with Congress and the administration. Both have all but abandoned oversight of the bureau. Every FBI-excess is excused in Congress as though J. Edgar Hoover and his secret files still were hanging over Capitol Hill. Down the block at the Justice Department the attorney general would seem to roll over for any bureau demand. Even before 9-11, that was the case unless we have forgotten Waco and Ruby Ridge.

Perhaps the agents housed in the Taj Mahal on the former farm can ride their horses to and from town when things get jammed up on Route 66 or I-95, which happens daily at most any hour. But then they would have to build an elaborate, bombproof stable in which to house them.

Daytona Man Gets 11 Years In Meth Case (ORS)

The Orlando Sentinel, October 26, 2006

Orlando -- A federal judge on Wednesday sentenced a Daytona Beach mechanic to nearly 11 years in prison for his role in a methamphetamine drug ring in Volusia County.

DOJ_NMG_0087015

Phillip "Yeta" Crimi, 54, is the only one of 22 co-defendants who chose to go to trial after raids and arrests by federal, state and local agents as part of Operation Speedway II in August 2005.

In 2003, 14 people were prosecuted in the first phase of the investigation by a Drug Enforcement Administration-led task force.

U.S. District Judge Gregory Presnell also ordered Crimi to serve five years on probation.

He was convicted after a three-day jury trial in March and faced testimony from former partners and associates, most of whom reached plea agreements with the U.S. Attorney's Office.

They include Mark Schuster, Crimi's one-time drug-business partner who is serving a four-year prison term; Shannon Marrs, a fellow motorcycle mechanic who received 31/2 years in prison; and acquaintances Michael Moore and Christie Ray Corzine, both of whom are serving a year in prison.

Others received sentences ranging from two years of probation to nearly six years in prison.

A confidential informant, identified in court as Herschel Wornack, did not face prosecution while he cooperated with federal authorities and set up undercover methamphetamine buys from Crimi.

Pedro Ruz Gutierrez, Robert Perez, Christine Dellert, Ramsey Campbell and Etan Horowitz of the Sentinel staff contributed to this report.

Man Guilty In Officer's Shooting (AC)

Annapolis Capital, October 26, 2006

Severn man belonged to drug gang dubbed 'Pioneer City Boys'By ERIC HARTLEY, Staff Writer

A Severn man was convicted in federal court yesterday of shooting a county police officer in 2004 and being part of a crack cocaine-dealing organization called the "Pioneer City Boys."

Calvin Ignatius Savoy, 29, faces a mandatory sentence of life with no possibility of parole.

After a seven-day trial, a U.S. District Court jury in Baltimore found Savoy guilty of both charges he faced, conspiracy to distribute crack cocaine and use of a firearm in relation to a drug-trafficking crime.

He'll be sentenced Jan. 5.

Officer William Hicks, who was shot in the arm after he stopped to check on a fight in Odenton on Sept. 11, 2004, has recovered and returned to duty.

The fight started outside Kim's Lounge, a bar on Route 175 across from Fort Meade.

Officer Hicks was trying to wrestle a gun away from a man who'd been firing into the air when Savoy walked up and tried to shoot the officer at point-blank range, said M. Virginia Miles, a county prosecutor who worked on the case.

The gun misfired at first, but later went off and hit Officer Hicks in the arm.

Ms. Miles said Savoy had shown off a gun inside the bar and later tried to cover up evidence of the shooting by using bleach on his clothes and urinating on his hands.

Savoy's lawyer, Melissa M. Phinn, said Officer Hicks never saw who shot him in the chaos, and she said the testimony it was Savoy came from an unreliable witness.

As county police investigated the shooting and saw the ties to drugs, the Bureau of Alcohol, Tobacco, Firearms and Explosives and the Drug Enforcement Administration joined the case. People in the Pioneer City Boys sold guns to undercover officers.

Nearly a year after the shooting, a federal grand jury indicted Savoy and six other members of a drug operation prosecutors said had been around since 2002.

Ms. Miles told jurors last week the gang used violence and intimidation to keep competing dealers out of Severn and silence people who might be thinking about calling police.

The message "stop snitching" was spray-painted on the street, walls or mailboxes in neighborhoods including Pioneer City, Stillmeadows and Meade Village, she said.

Ms. Phinn told the jury in her opening statement Savoy wasn't part of any big-time drug operation and there was no proof he was responsible for the intimidation.

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"They took individual arrests of individual people and they've made this big 'conspiracy,' " Ms. Phinn said of prosecutors.

But prosecutors noted Savoy has three past drug convictions, which is why he faces an automatic life sentence on the cocaine conspiracy charge. He could also get a consecutive life term for the shooting.

All six of Savoy's co-defendants pleaded guilty to drug charges in the case, and some testified against him.

The six face prison terms of 25 years to life. They are:

Lowell Joseph Braswell, 22, of LaPlata

Tony Maurice Horne, Jr., 25, of Glen Burnie

Troemaine Herbert Storey, 27, of Glen Burnie

Paul Eugene Turner, Jr., 31, of Severn

Jerome Otto Waters Jr., 26, of Annapolis

SEVEN MEN FACE FEDERAL CHARGES IN RICHMOND DRUG RAID (BCNW)

Bay City News Wire, October 27, 2006

OAKLAND (BCN) -- U.S. Attorney Kevin Ryan said today that seven men face federal drug trafficking charges stemming from a raid in Richmond by federal, state and local law enforcement agencies.

Ryan said the men are accused of distributing cocaine base and methamphetamine to informants who recorded these purchases using covert video and audio recording equipment.

Three of the men were indicted by a federal grand jury and the other four were charged by the U.S. Attorney's Office in criminal complaints, Ryan said.

Six of the defendants were arrested in Richmond Wednesday and arraigned in U.S. District Court in Oakland today. One of the men was arrested today and will be arraigned Friday.

Ryan said, "These charges are an effort to make North Richmond a safer community for its residents by prosecuting alleged drug dealers in the area. I thank the federal and local investigative agencies for their continuing effort and strong collaboration."

Stephanie Douglas, an FBI Acting Special Agent in Charge, said, "These arrests are the result of over two years of joint federal, state, and local investigation and constitute another step toward ending the stranglehold of gang violence in North Richmond and the wider Bay Area."

Douglas said, "The FBI remains committed to working with our state and local partners to ensure the safety of all our communities."

During the operation, agents and deputies executed federal search warrants at ten locations in Richmond and one location in Vallejo.

As a result of the searches, agents and deputies seized large quantities of suspected cocaine base, methamphetamine, and cocaine, as well as a shotgun and more than $10,000 in cash, authorities said.

Prosecutors identified the defendants as Antonio Latauris Hendrix Jr., 30; Warren Steven Smith, 38; Michael Louise Black Jr., 33; Jeffrey Eugene Brown, 37; Fred Leon Wiggins, 26; Carl Leon Nix, Jr., 35; and Dosie Dee King, 37.

According to the U.S. attorney's office, the seven men, if convicted, face maximum federal prison terms ranging from 20 years to life and fines of between $1 million and $4 million.

Graham Aide Speaks To BALCO Grand Jury (AP)

AP, October 27, 2006

The top assistant to track coach Trevor Graham has testified to the federal grand jury investigating BALCO and its distribution of performance-enhancing drugs, Graham's attorney confirmed Thursday.

But Randall Evans did not provide any incriminating testimony against Graham, who once trained five-time Olympic medalist Marion Jones, the attorney said in a statement given to The Associated Press.

"Randall Evans agreed to speak with us about his appearance at the grand jury," Graham's attorney Joe Zeszotarski said. "Based upon our interview of him, it is clear that Mr. Evans did not testify 'against' Trevor."

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Evans is the top assistant to Graham at Sprint Capitol USA, the Raleigh, N.C.,-based organization that has produced some of the world's top sprinters, including Olympic champion Justin Gatlin.

Zeszotarski said Evans "told the grand jury that he knows nothing about Trevor being involved in the distribution of illicit substances."

Evans' attorney Johnny Gaskins did not return a telephone message left by the AP. Gaskins told ESPN.com, which first reported Evans' appearance before the grand jury, that Evans spent nearly two hours before the San Francisco-based grand jury last week.

Evans' appearance indicates the grand jury is at least interested in Graham as part of its probe of the Bay Area Laboratory Cooperative and the lab's distribution of steroids and other illegal performance-enhancing drugs.

Several of Graham's athletes have tested positive for banned substances. The most recent case came when 100-meter co-world record holder Gatlin -- a leader in promoting a drug-free sport -- tested positive for testosterone and other steroids in April. In August, the U.S. Olympic Committee banned Graham from its training centers, and Nike terminated its contract with the coach.

Graham helped launch the federal investigation of BALCO three years ago by anonymously mailing a vial containing "the clear," a previously undetectable steroid to the U.S. Anti-Doping Agency. At the 2004 Athens Olympics, Graham acknowledged mailing the drug.

Graham steadfastly has denied ever providing banned performance-enhancing drugs to his athletes. He did not return a message left on his cell phone.

His attorney said Evans' grand-jury testimony backed up the coach.

"Mr. Evans has informed us that he answered all of the questions of the investigating agents and the grand jury, and that he has never seen Trevor Graham ever involved in any way in the distribution of illicit substances," Zeszotarski said. "Mr. Evans' statements directly contradict the false claims being made about Trevor, and show that Trevor is telling the truth, which is further confirmed by Trevor having passed a polygraph test about these false claims."

Previous BALCO grand juries resulted in guilty pleas on criminal charges against BALCO founder Victor Conte, Barry Bonds' personal trainer Greg Anderson, prominent track coach Remi Korchemny, BALCO vice president James Valente and Patrick Arnold, the chemist who created THG.

Ecuador's Correa Has No Plans To Break Off US Relations (DOW)

Wall Street Journal/Dow Jones, October 27, 2006

QUITO (Dow Jones)--Leftist Rafael Correa said Thursday that he will not break off relations with the U.S. if he is elected president Nov. 26, but he will exercise a sovereign government.

"I will not break off relations with the United States, but Ecuador's international policy will be sovereign, we will condemn the errors that the whole world recognizes, like the invasion of Iraq in search of weapons of mass destruction that did not exist," he told journalists.

Correa also accused U.S. President George W. Bush, together with Colombia President Alvaro Uribe, of trying to involve Ecuador in the U.S.-backed drug eradication and counterinsurgency strategy known as Plan Colombia.

Correa said he expects his opponent, businessman Alvaro Noboa, to throw his support behind Plan Colombia.

"Noboa has already said that with Alvaro Uribe he will combat the leftist Revolutionary Armed Forces of Colombia or Farc, of course his children will not die on the border, it will be our humble soldiers, who lose their lives," said Correa.

Noboa, a billionaire widely considered Ecuador's wealthiest man, will compete against Correa in a second round of voting after no candidate won 50%, or at least 40% with a 10-point lead in the first round on Oct. 15.

In the latest polling data, Noboa is leading Correa by 13 to 15 percentage points.

Noboa Thursday reiterated that he will break off relations with Cuba and Venezuela if he is elected.

Noboa also said he has no plans to debate Correa in the second round, in the midst of a campaign that is increasingly violent and politicized.

-By Maria Elena Verdezoto, Dow Jones Newswires; 5939-6331-768; mercedes.alvaro@dowjones.com

DOJ_NMG_0087018

With Beheadings And Attacks, Drug Gangs Terrorize Mexico (NYT)

By James C. McKinley Jr.

The New York Times, October 27, 2006

URUAPAN, Mexico — Norteño music was blaring at the Sol y Sombra bar on Sept. 6 when several men in military garb broke up the late night party. Waving high-powered machine guns, they screamed at the crowd to stay put and then dumped the contents of a heavy plastic bag on the dance floor.

Five human heads rolled to a bloody stop.

"This is not something you see every day," said a bartender, who asked not to be named for fear of losing his own head. "Very ugly."

An underworld war between drug gangs is raging in Mexico, medieval in its barbarity, its foot soldiers operating with little fear of interference from the police, its scope and brutality unprecedented, even in a country accustomed to high levels of drug violence.

In recent months the violence has included a total of two dozen beheadings, a raid on a local police station by men with grenades and a bazooka, and daytime kidnappings of top law enforcement officials. At least 123 law enforcement officials, among them 2 judges and 3 prosecutors, have been gunned down or tortured to death. Five police officers were among those beheaded.

In all, the violence has claimed more than 1,700 civilian lives this year, and federal officials say the killings are on course to top the estimated 1,800 underworld killings last year. Those death tolls compare with 1,304 in 2004 and 1,080 in 2001, these officials say.

Mexico's law enforcement officials maintain that the violence is a sign that they have made progress dismantling the major organized crime families in the country. The arrests of several drug cartel leaders and their top lieutenants have set off a violent struggle among second-rank mobsters for trade routes, federal prosecutors say. The old order has been fractured, and the remaining drug dealers are killing one another or making new alliances.

"These alliances are happening because none of the organizations can control, on its own, the territory it used to control, and that speaks to the crisis that they are in," said José Luis Santiago Vasconcelos, the top federal prosecutor for organized crime.

Attorney General Daniel Cabeza de Vaca said a steadily rising tide of drug addiction within Mexico had spurred some of the murders, as dealers fought for local markets. At the same time, more and more honest police officers are trying to enforce the law rather than turn a blind eye to drug traffickers, often paying with their lives, prosecutors say.

But those assessments, other authorities say, are overly rosy and may explain only part of the picture. Some experts say the Mexican police forces, weakened by corruption and cowed by assassinations, are simply not up to the task of countering the underworld feuds unleashed by the arrests of cartel leaders over the last six years.

Many of the dead made their living in the drug trade and perished in a larger struggle for territory between a federation of cartels based in Sinaloa, on the Pacific Ocean, and the Gulf Cartel from the northeastern state of Tamaulipas, federal prosecutors say.

The five men beheaded in Uruapan, in Michoacán, were street-level methamphetamine dealers, addicted themselves to the synthetic drug. They were linked loosely to the Valencia family, which once controlled most of the drug trade in the state and is a part of the Sinaloa group, the police say. The killers came from a gang called The Family, believed to be allied with the Gulf Cartel.

A day before, the killers had kidnapped the five men from a mechanic's shop they had been using as a front for selling "ice," as crystal methamphetamine is called on the street. They sawed their victims' heads off with a bowie knife while they were still alive shortly before going to the bar, law enforcement officials said.

"You don't do something like that unless you want to send a big message," said one United States law enforcement official here, speaking on the condition of anonymity.

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The beheadings, in fact, have become a signature form of intimidation aimed at both criminal rivals and federal and local authorities. In the tourist town of Acapulco, killers from one drug gang decapitated the commander of a special strike force, Mario Núñez Magaña, in April, along with one of his agents, Jesús Alberto Ibarra Velázquez.

They jammed the heads in a fence in front of the municipal police station. "So you will learn to respect," said a red note next to them.

"This year has been one to forget, a black year," said Jorge Valdez, a spokesman for the Acapulco police. "It's the most violent year in the last 50 years, and the acts are barbaric, bloody, with no trace of humanity."

The violence is by no means limited to Acapulco. In mid-July, about 15 gunmen attacked a small-town police station in Tabasco State at dawn with grenades, a bazooka and machine guns in an attempt to liberate two of their gang members, who were arrested after a bar fight the night before.

Two police officers died in the assault. The authorities said the attackers were dressed in the commando outfits of federal agents and belonged to the Zetas, former soldiers who work for the Gulf Cartel.

One reason for the wave of law enforcement killings is that the Mexican police do a poor job of protecting their own. Arrests have been made in only a handful of the assassinations of police officers this year. The overwhelming majority remain unsolved because witnesses fear testifying against drug traffickers. Even seasoned investigators are afraid to dig too deep into the murders.

"There is an atmosphere that affects us, of distrust, of terror inside the police force," said Jesús Alemán del Carmen, the head of the state police in Guerrero, where 22 law enforcement officials have been brutally assassinated this year.

One of the officers killed was Gonzalo Domínguez Díaz, the state police commander in Pátzcuaro, Michoacán. In February, he received a death threat from a local businessman who law enforcement officials say has links to the Valencia crime family.

The threat came just minutes after Commander Domínguez arrested two men on weapons possession charges. He arrived home that night pale and shaken, said his widow, Fanny Carranza Domínguez. His anxiety grew over time, after prosecutors released the men he had arrested, for a lack of evidence, his wife said.

In early May, he told his wife that he had heard on the street that gunmen were looking for him. "He said, 'I know that if I arrest them I am risking my life,' " she recalled. " 'I bring them to the capital, and they let them go.' "

On May 8, a car cut off Commander Domínguez's police car as he was driving home alone about 6:30 p.m. Within minutes, he was shot point blank in the head with a 12-gauge shotgun and twice in the chest with an AK-47. He never unholstered his sidearm. So far, prosecutors have made no progress in solving his murder. He was 47, the father of three.

"I think the commanders that haven't been killed are in the game, and the ones that have been killed, it is because they attacked crime," Mrs. Carranza Domínguez said.

"The prosecutor seems asleep here," she added. "He doesn't do anything but collect his salary and go home."

Commander Domínguez was one of 16 state and federal police commanders assassinated this year across Mexico, along with 2 judges handling drug cases and 2 federal prosecutors. Local police chiefs have also been targets. Eight have been murdered, most of them in Michoacán.

Most were ambushed in their cars or outside their homes by men with machine guns. A few were kidnapped by men posing as federal agents. In these cases, the bodies were found later, shot full of holes, often showing signs of torture.

Commander Cándido Vargas, 40, the second in command of the state police in Uruapan, died that way in August. Prosecutors say he was walking to his car when he was surrounded by about 15 heavily armed men dressed in black commando outfits like those used by federal agents. It was 3:30 in the afternoon, and he was just 100 yards from the police headquarters.

The men hustled him into one of their vehicles and sped off. He was found the next day on a nearby ranch, shot 25 times. A sign next to his body read: "For playing with two bands."

No one from the police department visited his wife and three children, who live in another town, to tell them of his death. "We found out through the newspaper," said Paula Vargas, his wife of 23 years. "It was as if the whole world fell down on me."

The state prosecutor in Uruapan, Ramón Ponce, says he has found no evidence of Commander Vargas's being corrupt. Neither does he have any leads, he said. "The atmosphere is very tense," Mr. Ponce said. "It's very difficult."

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While attacks on the police have risen, they have been far outpaced by grisly gangland killings. In Michoacán, The Family is believed to be responsible for the beheadings of a dozen people besides the ones they delivered to the Sol y Sombra bar. The heads have often been accompanied by cryptic messages declaring the killings divine justice, accusing the victims of crimes, or daring their rivals to send more henchmen.

Nearly every day, new victims are found in states along the major drug shipment routes, especially Quintana Roo, Michoacán, Guerrero, Tamaulipas and Baja California. Most are bound, gagged and shot to death, their bodies dumped on lonely roads.

In the towns hardest hit by the gangland warfare, the fear is palpable. For two years now, Nuevo Laredo has been the main battleground for a fight between gunmen loyal to Joaquín (Chapo) Guzmán of Sinaloa and the remnants of the Gulf Cartel, whose leader, Osiel Cárdenas, is in prison awaiting trial.

"I wouldn't be human if I said I wasn't afraid," acknowledged Elizabeth Hernández Arredone, a state prosecutor in Nuevo Laredo who has taped to her door a photograph of a female judge who recently disappeared.

The effects are everywhere. Many local journalists have stopped covering drug violence for fear they may become targets themselves. Tourists used to spill across the border from Laredo, Tex., to swig tequila, buy trinkets and run wild. Not anymore.

Church attendance is down, said the Rev. Alberto Monteras Monjarás of Santo Niño Church, because even a Sunday morning can be dangerous.

"People used to sleep outside on the porch if it got too hot," he said. "Not anymore. You stay inside, and you put three or four locks on the door."

Marshals' Artifacts May Go To Staunton (AP)

AP, October 27, 2006

STAUNTON The U.S. Marshals Service, best known for dogging fugitives in the old West, is on a different kind of quest these days.

It wants a place to store its antique badges and arrest warrants for the ruthless and the wanted.

As part of that search, a committee toured the Shenandoah Valley and its major attractions for several days last week. Also in the running is Fort Smith, Ark.

Staunton received a vote of confidence during the tour: Three former directors endorsed the city. Stanley Morris, John Marshall and Henry Hudson all are backing Staunton over Fort Smith.

The agency's director, John Clark, is expected to select the museum site by the end of the year.

"It's a great way for the American people to know about the background of law enforcement," said Robin Boylan, former FBI lawyer and member of a local committee to land the museum.

The Marshals Service got its start with 13 appointments from President George Washington in 1789. One of those appointments fell to Edward Carrington, picked to watch over Virginia from his headquarters in Staunton.

"There's a lot of historical ties to the U.S. Marshals Service here," Mayor Lacy King said. "Staunton and this area was the beginning of the western movement."

During the Civil War, the job of hunting down Confederate spies was assigned to the marshals.

The agency's traveling bicentennial celebration exhibit was located in Laramie, Wyo., from 1991 to 2003. Some of its artifacts date back more than 200 years.

Soon after the museum closed in 2003, a committee was created to find a permanent home. A warehouse of the agency's history is the brainchild of former U.S. Marshals Director Stanley Morris, now a member of the Staunton committee tasked with luring the museum here.

"Being known as a place where you can learn about history has a really good ring to it," Staunton spokesman Doug Cochran said.

Staunton is the home of the Woodrow Wilson Presidential Library and has the Frontier Culture Museum, which interprets early settlements in the Shenandoah Valley.

While Staunton has strong ties to the Marshals Service, its competitor also has bragging rights.

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Fort Smith was a frontier town with a federal judge and U.S. marshals who enforced the law in the Indian territory. Fort Smith was home base for the whiskey-sipping marshal Rooster Cogburn in the novel "True Grit," played by John Wayne in the movie. And many people currently living in Fort Smith are descendants of U.S. marshals.

IMMIGRATION:

Bush Signs Bill Authorizing 700-mile Fence On Mexican Border (USAT/AP)

USA Today, October 27, 2006

WASHINGTON — President Bush wanted an exchange of workers with Mexico to bring order to the border, but he wound up signing a law Thursday that approves walling off 700 miles of the USA from its southern neighbor.

"Unfortunately the United States has not been in complete control of its borders for decades and therefore illegal immigration has been on the rise," Bush said

He called the border-fence bill "an important step in our nation's efforts to secure our borders."

The centerpiece of Bush's immigration policy, a "guest worker" program, remains stalled in Congress. A handful of House Republicans are at the brakes, blocking negotiations with the Senate for a comprehensive immigration bill.

Still, Bush argues that it would be easier to get his guest-worker program passed if Republicans keep their majorities in the House and Senate after the Nov. 7 elections. His proposal would allow legal employment for foreigners and give some of the estimated 12 million illegal immigrants now in the USA a shot at becoming citizens.

The measure Bush put into law Thursday offers no money for the fence project covering one-third of the 2,100-mile border.

Its cost is not known, although a homeland security spending measure the president signed earlier this month makes a $1.2 billion down payment on the project. The money also can be used for access roads, vehicle barriers, lighting, high-tech equipment and other tools to secure the border.

Outgoing Mexican President Vicente Fox, who has spent much of his six years in office lobbying for a new guest-worker program and a chance at citizenship for illegal immigrants now in the USA, calls the fence "shameful" and compares it to the Berlin Wall.

Others have doubts about its effectiveness. "A fence will slow people down by a minute or two, but if you don't have the agents to stop them it does no good. We're not talking about some impenetrable barrier," T.J. Bonner, president of the National Border Patrol Council, a labor union representing Border Patrol agents, said Wednesday.

Customs and Border Protection statistics show that apprehensions at border crossings are down 8% nationally for fiscal year 2006, Bonner said. Apprehensions were up in the San Diego sector, he said, an area of the border that has the most fencing.

Sens. John Cornyn and Kay Bailey Hutchison, both Texas Republicans, wanted to amend the fence bill to give local governments more say about where fencing is erected. They lost that battle, but Republican leaders assured them the Homeland Security Department would have flexibility to choose other options instead of fencing, if needed.

Cornyn said he voted for the fence because he wanted to help demonstrate that Congress was serious about border security. He is opposed to providing citizenship to some people already in the USA illegally, as Bush wants.

"The choice we were presented was: Are we going to vote to enhance border security, or against it?" Cornyn said. "I think that's how the vote was viewed."

Bush Signs A Bill To Build A 700-mile Fence Along The Mexican Border (MCT)

By Dave Montgomery

McClatchy, October 27, 2006

WASHINGTON - President Bush signed legislation on Thursday to create a 700-mile border fence that would stretch along a third of the 2,000-mile U.S.-Mexico border.

The barrier is to be constructed in tandem with a high-tech surveillance network known as the Secure Border Initiative, which the Boeing Corp. is developing for the Department of Homeland Security.

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The Republican-controlled Congress approved the fence on Sept. 29, but it hasn't approved funding for the four-state project, estimated to cost at least $2.2 billion.

DHS spokesman Russ Knocke said the department will begin developing plans for the reinforced fence after Congress appropriates funding. Lawmakers have approved $1.2 billion for border security, but most of that money will be used for the Secure Border Initiative, Knocke said.

Even with the uncertain timetable for construction, Republicans hope to use the new law as a vitally needed political boost in the days remaining before the Nov. 7 congressional elections, citing the fence as dramatic evidence that they're getting tough on border security and taking aggressive steps to combat illegal immigration.

Republicans are in danger of losing control of the House of Representatives and possibly the Senate because of a voter backlash over Iraq, disappointment with Bush, high energy prices and a spreading perception of corruption in the GOP-led Congress. GOP strategists believe the border-security message could make a difference by energizing conservative voters, although some analysts said it may be too little, too late.

"It's awfully late in the game for Republicans to make a significant impact in some of these races, but it never hurts to try," said Nathan Gonzales, political editor of the Rothenberg Political Report. "Republicans view immigration as a winning issue by rallying the base."

The government of Mexico on Thursday issued an "emphatic rejection" of the barrier, which also has met opposition from numerous U.S. towns and cities along the border. They fear it could hurt local economies and create ill will with neighboring communities in Mexico.

"I can't believe that Bush as a Texan really believes that bill would do anything good," said Jay J. Johnson-Castro, 59, a bed-and-breakfast entrepreneur in Del Rio, Texas, who walked 205 miles in 14 days to protest the fence.

Leading Republican lawmakers, however, previewing their message to the voters, hailed the fence as a big step toward protecting the border and charged that Democrats are weak on border security.

House Judiciary Committee Chairman James Sensenbrenner, R-Wis., said two-thirds of House Democrats voted against the bill and "have forcefully attempted to thwart border security efforts."

In turn, Democrats renewed their assertion that Republicans passed the fence bill merely to bolster their fortunes in the elections. Rep. Silvestre Reyes, D-Texas, a former Border Patrol supervisor, said the measure "represents the worst in election-year politics" and will do little to protect the border.

The bill calls for three sections of fencing in Texas: a 51-mile stretch from Del Rio to Eagle Pass, 176 miles from Laredo to Brownsville and 88 miles stretching from El Paso westward to Columbus, N.M. The largest single section would run 361 miles from Calexico, Calif., to Douglas, Ariz. A 10-mile section is planned near San Diego.

About 75 miles of fencing is currently located on the southern border, primarily in populous areas known for smuggling or illegal immigrant traffic.

Bush signed the measure in the Roosevelt Room of the White House, flanked by Vice President Dick Cheney, Senate Majority Leader Bill Frist, R-Tenn., House Majority Leader John Boehner, R-Ohio, and Rep. Peter King, R-N.Y., the chief House sponsor of the bill.

To read the law, go to http://news.findlaw.com/hdocs/docs/immigration/securefenceact2006.html

Bush Signs Bill Authorizing 700-Mile Fence For Border (WP)

By Michael A. Fletcher And Jonathan Weisman

The Washington Post, October 27, 2006

WARREN, Mich., Oct. 26 -- President Bush signed a measure Thursday authorizing the construction of a fence along 700 miles of the U.S.-Mexico border, an action that conflicts with his own stated vision of immigration reform but one championed by many Republicans facing reelection in November.

Speaking at a White House ceremony before a day of campaigning for GOP candidates in Iowa and Michigan, Bush said the barrier will help the United States plug the porous Southwest border.

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"Unfortunately, the United States has not been in complete control of its borders for decades and, therefore, illegal immigration has been on the rise," Bush said. "We have a responsibility to address these challenges. We have a responsibility to enforce our laws. We have a responsibility to secure our borders. We take this responsibility seriously."

Bush portrayed the measure as a key step toward comprehensive immigration reform, but the fence bill passed by the GOP-controlled Congress put him in a tight squeeze with international allies and his own immigration principles on one side, and the electoral needs of his party on the other.

Bush has said that immigration reform would work only if stepped-up enforcement is accompanied by a guest-worker program that would create a legal path for large numbers of low-skill workers to enter the United States. The president has also endorsed providing the estimated 12 million illegal immigrants already in the United States a chance at citizenship, saying such a humane vision of immigration is in keeping with the nation's history and traditions.

But those positions were rejected by congressional Republicans, who advocated tougher enforcement to slow the flood of illegal immigration that is overwhelming many communities, particularly in the West and Southwest. They passed legislation that would do as much.

"Today marks another step forward in making America safer and in stemming the tide of illegal immigration," House Speaker J. Dennis Hastert (R-Ill.) and Senate Majority Leader Bill Frist (R-Tenn.) said in a statement. "The American people demand border security, and this Republican Congress and President are committed to achieving operational control of the border through an enforcement-first approach."

The government of Mexican President Vicente Fox made it clear that he wanted the bill vetoed. A statement by Mexico, and signed by 27 other Organization of American States members on Wednesday, expressed concern about the bill, calling it "a unilateral measure that goes against the spirit of understanding that should characterize how shared problems between neighboring countries are handled and that affects cooperation in the hemisphere."

Such concerns were outweighed by the pleadings of congressional Republicans eager to back up their tough talk on border security with a legislative accomplishment. The president's signing ceremony was followed by a blizzard of statements from GOP lawmakers hailing the law.

House Majority Leader John A. Boehner (Ohio) called it "a major victory in Republicans' efforts to make a real difference in securing our borders."

The fence bill is a far cry from the comprehensive measure that cleared the Senate, which would have paired tough border security provisions with new paths to lawful work and citizenship for foreign workers and the nation's illegal immigrants. It is a small piece of the more modest House bill that included a fence and measures to crack down on the hiring of undocumented workers.

Democrats dismissed the legislation as pointless. Only a fraction of the billions needed to finance the fence has been appropriated, and much of the construction might not be feasible. In swaths of Arizona, the fence would have to climb steep, desert crags and plunge into deep ravines.

Without border agents to patrol the barrier, smugglers would blast holes in remote stretches, some critics have said. "The bill the president signed today represents the worst in election-year politics," said Rep. Silvestre Reyes (D-Tex.). "It is an empty gesture for the sole purpose of sending a false message about the security of our nation."

Though he signed the measure into law, Bush emphasized that other immigration changes are needed. "We have more to do," he said. ". . . We must reduce pressure on our border by creating a temporary-worker plan. Willing workers ought to be matched with willing employers."

Though the new law authorizes the construction of a 700-mile fence, it remains far from clear how much fencing will be built.

Department of Homeland Security spokesman Russ Knocke declined to say if the department is committed to building a 700-mile barrier. Instead, he cited the DHS commitment to test by next year a $67 million, 28-mile "virtual fence" that includes physical walls, vehicle barriers and remote monitoring south of Tucson.

Analysts, meanwhile, debate the effectiveness of a fence.

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Since the United States began building a 66-mile barrier in San Diego in 1990, illegal immigration has been rerouted to more remote areas, with many migrants now being funneled through the treacherous desert south of Arizona.

Later in the day, Bush traveled to Iowa, where he campaigned for GOP congressional candidate Jeff Lamberti, a state senator who is trying to unseat Rep. Leonard L. Boswell (D). Campaign officials said the luncheon raised $400,000.

Bush then traveled to Michigan, where he headlined a fundraiser for GOP Senate candidate Mike Bouchard, who is trailing incumbent Debbie Stabenow (D). That event raised $700,000, officials said.

Weisman reported from Washington. Staff writer Spencer S. Hsu in Washington contributed to this report.

Border Security Law Fails To Stem Debate Critics Call Signing Ceremony An Election-season Show (AJC)

By Ken Herman

The Atlanta Journal-Constitution, October 27, 2006

WASHINGTON — President Bush on Thursday signed into law a border security bill, touching off a debate over whether the timing — 12 days before the midterm elections — was politically motivated and whether the measure will be effective.

Some GOP lawmakers called the legislation, which authorizes securing 700 miles of the U.S.-Mexico border, a step toward stemming the flow of illegal immigrants. Democrats called it a publicity stunt aimed at making GOP candidates look tough on immigration.

Bush called it a start on a much larger task.

"We have more to do," he said at the White House signing ceremony. "Meaningful immigration reform means that we must enforce our immigration laws in the United States."

Though referred to as the "fence bill," the measure actually gives the Department of Homeland Security leeway to determine how best to secure the border. Among the options are two-layered fencing in several key areas, as well as more cameras, ground sensors, lighting and unmanned aerial vehicles.

A separate measure, previously signed by the president, included $1.2 billion to pay for fencing, barriers and other infrastructure. But estimates of the cost for the 700 miles of fencing range from $2 billion to $7 billion, and many lawmakers and immigrant advocates doubt the project will ever be fully funded.

At the bill-signing ceremony, Bush renewed his call for a temporary worker program, a concept approved in the Senate but blocked by House Republicans who liken it to amnesty for illegal immigrants.

"Willing workers ought to be matched with willing employers to do jobs Americans are not doing, on a temporary basis," Bush said. "We must face the reality that millions of illegal immigrants are already here."

He said he would work with Congress to reach a "middle ground" between "granting an automatic path to citizenship for every illegal immigrant and a program of mass deportation."

Republican hard-liners indicated there may be no middle ground.

"Far be it from me to criticize an obsession," said Rep. Tom Tancredo (R-Colo.), chairman of the Congressional Immigration Reform Caucus, "but President Bush's unhelpful fixation in giving amnesty to 12 million illegal aliens has done nothing to help us in this debate."

In addition to the intra-party skirmish, Bush took flak Thursday from Democrats, who called the bill a "political stunt designed to cater to the far-right-wing base" of the GOP as the election nears.

"Although the bill passed Congress several weeks ago, the do-nothing GOP congressional leadership held the bill until now so that they could use the publicity for electoral gain heading into the upcoming elections," the Democratic National Committee said in a statement.

Congress completed work on the bill on Sept. 29 but did not send it to the White House until Monday. Bush had 10 days from then to sign the bill, guaranteeing it would get his signature in the closing days of the congressional election campaigns.

The White House denied any politically motivated effort to delay the bill signing.

"The president always planned to sign the bill," said spokeswoman Dana Perino. "We just received the bill [recently]. Anyone who wanted to talk about their vote in favor of the fence bill has been doing so since it passed."

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Though he got far less than what he wanted on immigration, Bush played the starring role — with GOP leaders on hand — at the White House signing ceremony.

House Majority Leader John Boehner (R-Ohio) called it "a major victory in Republicans' efforts to make a real difference in securing our borders." But Mexican President-elect Felipe Calderon, during a state visit to Canada, condemned that barrier.

"The wall will not solve any problem," Calderon said. "Humanity made a huge mistake by building the Berlin Wall, and I believe that today the United States is committing a grave error in building the wall on our border."

T.J. Bonner, president of the National Border Patrol Council, a union representing Border Patrol agents, called the bill signing a "political ploy to show the public they are serious about securing the border."

"Nothing could be further from the truth," Bonner said, predicting increased assaults on Border Patrol agents.

"This is some type of job screening," he said. "If you can climb a ladder [to get over the fence] you can climb scaffolding at construction sites and climb ladders to pick apples."

Many Texas farmers and ranchers who have land that touches the Rio Grande, the natural boundary between that state and Mexico, fear a fence will cut through their properties and create an irrigation obstacle.

Bobby Sparks, who owns farm land that touches the river in the town of Progreso, said he's fed up with thieves coming across the river to steal batteries and other equipment.

"If they put it right on the bank of the river it would cut us off from our water, we don't want that. Other than that, if they gave me access to my water, I'm for a fence," Sparks said.

Rick Glancey, executive director of the Texas Border Sheriffs Coalition, said he hopes law enforcement officials and U.S. Customs and Border Protection are in charge of determining where the fence goes.

"Many bureaucrats in Washington, D.C., have never seen the rural border and don't understand the unique problems we face," Glancey said. "Please don't let a policy wonk in D.C. decide."

The Associated Press contributed to this article.

Bush Signs Law To Build Border Fence (WT)

By Stephen Dinan

The Washington Times, October 27, 2006

President Bush yesterday signed a law committing to build nearly 700 miles of fence along the U.S.-Mexico border -- although less than 24 hours earlier, he told conservative writers that he doesn't see immigration as a major issue in this year's campaign.

His signature, coming less than two weeks before the midterm elections, delighted congressional Republicans, who said it is about time that the government gets serious about border enforcement. But it infuriated Democrats and illegal alien advocacy groups, who said Mr. Bush has abandoned his earlier commitment to a more lenient immigration policy.

"This bill will help protect the American people. This bill will make our borders more secure," Mr. Bush said at a morning ceremony with top Republicans in the Roosevelt Room of the White House. "It is an important step toward immigration reform."

Congressional Republicans had fought hard to get a public-signing ceremony and see the law as a major campaign issue. Every major Republican congressional leader and many of the party's top-tier candidates issued statements lauding the fence and criticizing Democrats for opposing the fence.

"Make no mistake: House Republicans are answering the public's cry for border security," said House Judiciary Committee Chairman F. James Sensenbrenner Jr., Wisconsin Republican, adding that the law provides a sharp distinction between Republicans and Democrats heading into the election. "Regrettably, House Democrats -- over two-thirds of whom voted against the Secure Fence Act -- have not only ignored the public's cry for border security, but have forcefully attempted to thwart border-security efforts."

Mr. Bush, however, said he sees the issue differently. He has avoided talking about immigration on the campaign trail and didn't mention it while stumping in Iowa yesterday, instead returning to his themes of tax cuts and the war in Iraq as central to U.S. security.

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In an interview with conservative columnists Wednesday, Mr. Bush was asked why he didn't campaign on immigration, and he said it doesn't appear to be a high priority for voters.

"Immigration is an issue. I don't hear it being discussed much out there," he said, according to a White House transcript posted by National Review Online.

That stands in stark contrast to what Republicans report from the campaign trail, where candidates from first-timers to the speaker of the House say they hear about it.

Speaker J. Dennis Hastert, Illinois Republican, recalled a forum in a park in Geneseo, a town in his district, and said that other than one woman, of the 150 constituents who showed up, "every one of those people said secure the border first. It was amazing."

The fence is an immensely popular idea in some areas. In recent opinion surveys from polling firm Strategic Vision, support for building a wall to prevent illegal immigration won 86 percent support among Pennsylvania voters and 82 percent in Michigan, though just 43 percent in Washington state.

Yesterday's signing ceremony was the end of a two-year debate over immigration, won by House Republicans, who insisted on an enforcement-first policy.

The bill authorizes 698 miles of double-tiered fencing and support roads along some of the most porous parts of the U.S.-Mexico border, including much of Arizona. Currently, the border has 75 miles of fencing, with 42 miles under construction, according to the Bush administration.

Mr. Bush said his administration has taken other steps to clamp down on illegal immigration, including committing to hiring thousands more U.S. Border Patrol agents, buying more bed space to hold illegal aliens so they can be deported rather than continuing what critics have dubbed a "catch-and-release" policy and deploying the National Guard to assist the U.S. Border Patrol.

Illegal alien advocacy groups such as the National Council of La Raza and the Catholic Church had urged Mr. Bush to veto the bill, and the Mexican government has threatened to file a formal protest with the United Nations over the fence.

Democrats said the bill signing was all about politics and ridiculed covering just 35 percent of the 1,951-mile-long border. They said that the border situation has only gotten worse under Republican leadership and that Mr. Bush blew a chance to do something about it.

"This new law is nothing more than a cynical, vain attempt by Republicans to try to show some accomplishment on border security where they can claim none," said House Minority Whip Steny H. Hoyer, Maryland Democrat. "This new law is a quintessential example of the Republican Party's political grandstanding and empty rhetoric. The truth is, this Republican Congress has failed to even fund the construction of this 700-mile fence."

But if Democrats said the bill was pure politics, Republicans said it was good politics.

"Although I'm leaving the Senate in fulfillment of the pledge I made 12 years ago, I'll be fighting to ensure that every inch of the fence authorized today is [funded] fully and constructed promptly ... and so should my fellow conservatives throughout America," Senate Majority Leader Bill Frist, Tennessee Republican and a potential presidential candidate, wrote on his blog at www.volpac.org.

Still, it's a complicated issue for both political parties.

Even as Democrats attacked Republicans for allowing illegal immigration, most of them voted against the fence -- the one bill that had a chance of passing this year.

Meanwhile, Republicans are sharply split.

Many are adamant about an enforcement-first policy, arguing that illegal immigration must be stopped before the nation deals with current illegal aliens or future workers.

But Mr. Bush and a minority of Republicans want to couple enforcement with a plan to offer citizenship rights to most illegal aliens.

"There is a rational middle ground between granting an automatic pass to citizenship for every illegal immigrant and a program of mass deportation. And I look forward to working with Congress to find that middle ground," Mr. Bush said at yesterday's ceremony.

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Bush Signs Off On 700 Miles Of Border Fencing (LAT)

By Nicole Gaouette

The Los Angeles Times, October 27, 2006

WASHINGTON -- Legislation authorizing 700 miles of fencing along the southern U.S. border was signed into law by President Bush Thursday at a ceremony that underscored Republican divisions over immigration policy and left unanswered questions about whether the entire barrier will be built.

Flanked by House Majority Leader John Boehner, R-Ohio, and other Republicans who blocked his bid for a broader overhaul of immigration law, Bush used the opportunity to push back. "We have more to do," the president said during the low-key event.

Promises by GOP congressional to alter the law when lawmakers reconvene later this month and a lack of funding specifically set aside for the fence have cast doubt on how long it ultimately might be. Changes to the measure likely would include giving local governments and private property owners the chance to raise objections to the fence's location.

Bush did have words of praise for the fence bill, calling it "an important step toward immigration reform."

But he made clear that he opposed the enforcement-only position taken by the House and favored instead the approach embraced by the Senate: a combination of tougher border security and work site enforcement with a guest worker program and a path to citizenship for some of the nation's estimated 12 million illegal immigrants.

Bush said he looked forward to working with Congress on finding a "rational middle ground" between granting automatic citizenship to illegal immigrants and launching "a program of mass deportation."

He also said, "We must reduce pressure on our border by creating a temporary worker plan."

Some GOP leaders had pressed a reluctant White House for the signing ceremony so that as November's election nears, Republicans could promote the fence bill as an accomplishment, party aides said.

"House and Senate Republicans . . . will stop the hemorrhaging along our nation's borders," said a statement by Senate Majority Leader Bill Frist, R-Tenn., and House Speaker J. Dennis Hastert, R-Ill.

The House Republican leadership, in particular, views the fence not only as a needed security improvement but as a powerful political statement that will win support for the party. Other Republicans, however, worry that it could cost the GOP support among Hispanic voters.

Mexican officials have harshly denounced the fence plan, and they continued their criticism on Thursday.

"Walls don't resolve anything; it's a grave error," said President-elect Felipe Calderon, who was traveling in Canada.

President Vicente Fox termed the measure "an embarrassment for the United States."

Commenting during a visit to Cancun, Fox said, "It's an example of the inability of the United States to see the issue of immigration as one of shared responsibility."

The fence's advocates in Congress have countered that their first responsibility is to ensure the sanctity of the U.S. border.

There are currently about 90 miles of fencing along the southern border.

The bill contains detailed instructions for placement of "at least 2 layers of reinforced fencing" around Tecate and Calexico, Calif., and across vast stretches of Arizona, New Mexico and Texas. But a letter written by Hastert and Frist to other congressional leaders when the measure cleared Congress on Sept. 29 detailed changes they wanted made to it when lawmakers return to Washington in mid-November.

Hastert and Frist indicated that they want to provide flexibility on where the fence should go and whether parts of it take a physical or virtual form -- potentially using sensors, cameras and unmanned aerial vehicles in the place of reinforced metal.

Their letter called for requiring the Department of Homeland Security to erect fencing in areas of high illegal entry, but also giving the agency the option "to use alternative physical infrastructure and technology when fencing is ineffective or impractical."

Also, Hastert and Frist want to require agency officials to consult with state and local governments, including American-Indian tribes, on the exact placement of fencing and other infrastructure, such as vehicle barriers.

Money poses another potential problem for the fence. Cost estimates range from $3 million to $10 million per mile -- for a total price tag of at least $2.1 billion, and perhaps much higher, before maintenance costs. The bill Bush signed, while authorizing the fence, includes no money for it.

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A separate budget measure for the Homeland Security department provides $1.2 billion for border security that Republicans have referred to as the "first installment" for the fence. But that money can be allocated as Homeland Security Secretary Michael Chertoff sees fit.

Agency officials have told Congress they would prefer between 300 and 400 miles of fencing in areas where they believe it would be effective and the latitude to employ other security methods elsewhere.

"In urban areas, we've found that fencing is very effective, but in rural areas, sensors and other technology are more effective," said DHS spokesman Russ Knocke.

The new law has encountered resistance in parts of the Southwest -- opponents include the Texas Border Sheriff's Association and the city of El Paso.

Maria Luisa O'Connell, president of the Phoenix-based Border Trade Alliance, expressed concerns Thursday about the economic effect of more border fencing.

Mexicans who cross the border legally to shop in the U.S. "are seeing the fence as a sign that we don't want anyone to come in," said O'Connell, whose nonpartisan group works to spur cross-border commerce. "You want to have security, but you need a balance of economic security."

Many Democratic lawmakers have expressed skepticism about how effective more fencing will prove in significantly reducing illegal immigration. They also said Thursday's bill-signing ceremony spotlighted the GOP's failure to reach a consensus on other immigration-related issues.

"The president and this Congress had a historic opportunity to pass a tough but fair immigration reform plan this year, but instead that chance was squandered," said Sen. Edward M. Kennedy, D-Mass.

The bill mandates that DHS establish "operational control" of the border in 18 months, although it does not precisely define that term. It also calls for the agency to study potential improvements to the border with Canada.

Times staff writer Hector Tobar contributed to this article from Mexico City.

Bush, Signing Bill For Border Fence, Urges Wider Overhaul (NYT)

By David Stout

The New York Times, October 27, 2006

WASHINGTON, Oct. 26 — President Bush signed into law on Thursday a bill providing for construction of 700 miles of added fencing along the Southwestern border, calling the legislation “an important step toward immigration reform.”

The new law is what most House Republicans wanted. But it is not what Senate Republicans or Mr. Bush originally envisioned, and at the signing, in the Roosevelt Room of the White House, the president repeated his call for a far more extensive revamping of immigration law.

A broader measure, approved by the Senate last spring, would have not only enhanced border security but also provided for a guest worker program and the possibility of eventual citizenship for many illegal immigrants already in the country.

But that bill was successfully resisted by House Republicans, who feared a voter backlash against anything that smacked of “amnesty” for illegal immigrants. Those lawmakers portrayed the Senate bill as embracing just that, no matter what the measure’s backers, including Mr. Bush, said to the contrary.

Eventually the president realized that a broad approach was dead for this election year, and he bowed to political reality and embraced the House concept, at least for the time being. On Sept. 29, just before its members headed home to campaign, the Senate approved construction of 700 miles of fencing, which the House had approved that month.

“I want to thank the members of Congress for their work on this important piece of legislation,” Mr. Bush said Thursday, greeting several lawmakers by name. “Ours is a nation of immigrants. We’re also a nation of law. Unfortunately, the United States has not been in complete control of its borders for decades, and therefore illegal immigration has been on the rise.”

The new law also provides for more vehicle barriers, checkpoints and advanced technology to bolster border security. A previously enacted domestic security spending bill provides $1.2 billion for the fence and the accompanying technology.

The fence idea has caused friction between the United States and Mexico, as was demonstrated again Thursday in Ottawa, where the Mexican president-elect, Felipe Calderón, condemned it.

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"Humanity made a huge mistake by building the Berlin Wall, and I believe that today the United States is committing a grave error in building the wall on our border," said Mr. Calderón, who was meeting with the Canadian prime minister, Stephen Harper.

Some of the legislation's critics say the fence — actually several separate sections at a variety of places along the 2,000-mile border — will not keep out people desperate to cross. A foreign policy adviser to Mr. Calderón, Arturo Sarukhán, told Canadian reporters on Wednesday that the fence would merely allow smugglers of illegal migrants to charge them more.

In calling for a broader immigration overhaul, Mr. Bush said again Thursday that his approach did not amount to amnesty.

"We must reduce pressure on our border by creating a temporary worker plan," he said. "Willing workers ought to be matched with willing employers to do jobs Americans are not doing for a temporary — on a temporary — basis. We must face the reality that millions of illegal immigrants are already here. They should not be given an automatic path to citizenship. That is amnesty. I oppose amnesty.

"There is a rational middle ground between granting an automatic path to citizenship for every illegal immigrant and a program of mass deportation, and I look forward to working with Congress to find that middle ground."

Any such search will almost surely have to await a new Congress. The chance that it would be taken up in a lame-duck session after the elections is considered remote.

Doubts Linger On Feasibility Of Barrier (WT)

By Jerry Seper, The Washington Times

The Washington Times, October 27, 2006

Both proponents and opponents of 700 miles of fences along the U.S.-Mexico border question whether the Bush administration can deliver the barriers -- whose exact location, price tag and construction start date remain unknown.

The Secure Fence Act, signed yesterday by President Bush, does not require the government to show any results of fence construction until May 2008 and while it does specify where along the 1,951-mile U.S.-Mexico border the barriers should go, there's no guarantee they ever will.

State legislatures, governors, and city and county governments, along with Indian tribal councils, have veto power over fencing locations.

"Even if Congress funds the construction of 700 miles of border fencing -- and that is a big if -- the fence will do nothing to stem the tide of illegal immigration," said T.J. Bonner, a 28-year U.S. Border Patrol veteran and president of the National Border Patrol Council, which represents all 10,000 of the agency's non-supervisory personnel.

The fence act calls for 698 miles of border fences, along with lighting, roads, sensors, cameras and other security devices. A separate $33.8 billion Homeland Security funding bill signed by Mr. Bush on Oct. 10 authorizes $1.2 billion to begin building it.

But fence proponents and opponents agree that the $1.2 billion allocation is far short of the up to $9 billion it will take to build the proposed fencing. Congress has withheld $950 million pending a breakdown of how the money will be spent.

The fence bill also has irked the Mexican government, where President-elect Felipe Calderon has described the proposal as "deplorable" and outgoing President Vicente Fox told reporters in Mexico City he was "confident" the fence would never be built.

The act calls for the construction of "at least 2 layers of reinforced fencing to prevent unlawful entry by aliens into the United States," although it does not specify what type of fencing to build.

"At best, the type of fencing that is contemplated will serve as a speed bump that slows illegal crossers by perhaps a minute or two," Mr. Bonner said, adding that the Border Patrol would have to be increased tenfold to "to intercept these law-breakers."

Mr. Bonner said experience has "amply demonstrated" that increases and declines in the number of illegal aliens coming across the border "are almost exclusively influenced by the amount of law-enforcement personnel assigned to an area rather than the length or type of fences and barriers."

On Wednesday, a poll conducted for CNN by Opinion Research Corp. found that 74 percent of the 1,013 Americans surveyed were in favor of hiring and assigning more Border Patrol agents along the U.S.-Mexico border, while 45 percent said they wanted a 700-mile fence built.

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And while the act was passed by Congress last month, lawmakers waited until just prior to the Nov. 7 elections for the president to sign it. With a gaggle of Republicans looking on, Mr. Bush said the legislation modernized the nation's southern border "so we can assure the American people we're doing our job of securing the border."

The act instructs the secretary of homeland security to "take all actions" deemed necessary to "achieve and maintain operational control over the entire international land and maritime borders of the United States" within 18 months.

Homeland Security Secretary Michael Chertoff has voiced his support for a "virtual fence" on the border, which would rely instead on cameras, motion detectors and other security devices to detect people illegally entering the United States.

During a press briefing last month to announce the award of a contract to the Boeing Co. for sophisticated border-detection technology, Mr. Chertoff said the department was looking to build "a 21st-century virtual fence" along the U.S.-Mexico border.

In a statement yesterday, Mr. Chertoff said the act will help "build upon the substantial progress" that has been made in better securing the nation's borders, noting that traditional fencing is a "core element" of the Secure Border Initiative -- once funds for the project are appropriated by Congress.

"Comprehensive immigration reform begins with a secure border, and it will help to sustain the significant advancements that have been made by relieving growing pressure on the Border Patrol," he said. "We are turning that corner with the Secure Fence Act, and I commend Congress for their efforts."

But Rep. Silvestre Reyes, Texas Democrat and a 26-year Border Patrol agent and supervisor who headed the agency's field offices as sector chief in McAllen and El Paso, Texas, has called the bill signing "election year desperation," adding that "a 700 mile fence along a 2,000 mile border ... doesn't come close to solving our problem."

Mr. Reyes, who retired from the Border Patrol in 1995, is the architect of the Border Patrol's "Operation Hold the Line" in El Paso, which continues as a Homeland Security strategy for the Southwest border. The operation featured the assignment of additional agents along the border as visible deterrents and was credited with reducing crime and achieving a marked reduction in illegal immigration in the El Paso area.

Immigration-enforcement authorities and others think efforts by the administration to better secure the border with fences, additional Border Patrol agents and upgraded technology will be effective only if there is a corresponding reduction in employment opportunities through effective work-site enforcement.

"If this administration and Congress were truly sincere about securing our borders, they would enact legislation that eliminates the root cause of illegal immigration -- the employment magnet," Mr. Bonner said.

"With today's technology, it would be a simple matter to develop a 'smart' counterfeit-proof employment-verification document for that purpose. The only thing preventing that from happening is a lack of political will on the part of our elected representatives."

TAX:

I.R.S. Going Slow Before Election (NYT)

By David Cay Johnston

The New York Times, October 27, 2006

The commissioner of internal revenue has ordered his agency to delay collecting back taxes from Hurricane Katrina victims until after the Nov. 7 elections and the holiday season, saying he did so in part to avoid negative publicity.

The commissioner, Mark W. Everson, who has close ties to the White House, said in an interview that postponing collections until after the midterm elections, along with postponing notices to people who failed to file tax returns, was a routine effort to avoid casting the Internal Revenue Service in a bad light.

“We are very sensitive to political perceptions,” Mr. Everson said Wednesday, adding that he regularly discussed with his senior staff members when to take actions and make announcements in light of whether they would annoy a powerful member of Congress or get lost in the flow of news.

The tax agency has broad discretion to change filing deadlines in the case of disasters and has traditionally eased off tax collections before the December holidays.

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But four former I.R.S. commissioners, who served under presidents of both parties, said that doing so because of an election was improper and indefensible.

Mr. Everson issued the order to delay enforcement in an Oct. 10 conference call with some of the career civil servants working on tax enforcement in the areas that were devastated by the 2005 hurricane.

"We just spoke with commissioner on the enforcement issue in the gulf," wrote Beth Tucker, the I.R.S. executive in charge of dealing with Hurricane Katrina victims, in an e-mail message to her team obtained by The New York Times. "He prefers that we do not resume any enforcement actions until after Dec. 31 due to the upcoming elections, holiday season, etc."

Former Commissioner Jerome Kurtz, who served under President Jimmy Carter, responded, "Never, never, never," when asked if he would have considered delaying broad-based enforcement actions like sending notices because of any election, national or local. "Oh my God, that is unthinkable," Mr. Kurtz said.

On the other hand, Mark E. Matthews, the I.R.S. deputy director of services and enforcement, who participated in the conference call with Mr. Everson, said that "the reference to elections was in a litany of things we were running through here" and that "I did not read it as being politicized." Mr. Matthews noted that he is a Democrat who worked in the Clinton administration.

In the wake of Hurricane Katrina, when hundreds of thousands of people lost their homes, incomes and tax records, the I.R.S. delayed the filing deadline for 2005 taxes to Oct. 16, 2006, for those living in the counties most affected by the storm. Normally, those taxpayers who did not file returns or pay their taxes by that extended deadline would begin receiving notices and, eventually, collection demands from the I.R.S.

Mr. Everson's order delayed those collection efforts until early next year.

Terry L. Lemons, an I.R.S. spokesman, said that about 1.2 million taxpayers lived in the seven Louisiana parishes and three Mississippi counties where the agency had allowed people to delay payment of 2005 income taxes.

Mr. Everson was deputy director of the White House budget office in January 2003 when he was nominated by President Bush to be I.R.S. commissioner. His wife, Nanette, was until February the chief ethics lawyer in the Bush White House. There is no indication that anyone in the White House was aware of the order to delay the tax collections.

In an interview, Mr. Everson acknowledged that he had "probably" mentioned the elections to Ms. Tucker in their conversation. He said that in his mind the elections were part of a continuum that ran through the holidays, adding that it was a long-standing practice not to begin enforcement actions near Christmas because it often resulted in negative news and commentary about the I.R.S.

"We talk about the elections here every day," Mr. Everson said. "We deal with the Congress — is there going to be a new Finance Committee chairman, a new Ways and Means Committee chairman?"

He added: "Of course, we think about whether our actions will play in the public space; we have to be seen as legitimate and independent, doing our job, and of course we would not institute a major enforcement action days before an election because it would be misinterpreted."

Donald C. Alexander, who was commissioner under Mr. Carter and Presidents Richard M. Nixon and Gerald R. Ford, said he would never have even thought about delaying enforcement because of an election, but added that he thought Mr. Everson was otherwise doing an excellent job.

Charles O. Rossotti, the commissioner under President Bill Clinton and President Bush, said, "That's not appropriate." Mr. Rossotti added that "given the culture of the Treasury and the I.R.S., I just can't imagine anyone would even bring anything like that up."

Sheldon S. Cohen, the Johnson administration tax commissioner, said it was wrong to delay any broad-based enforcement actions because of a pending election. Mr. Cohen said, however, that delay might be appropriate in a matter involving a specific politician.

Three weeks before the 1968 presidential election, he said, he was told that Spiro T. Agnew, Richard Nixon's running mate, was being bribed with free groceries. "Just beginning an investigation, word of which might get into the news, would be unfair since we could not prove or disprove anything before the election," Mr. Cohen said, adding that before leaving office he arranged for an investigation, which ultimately resulted in Mr. Agnew's resignation and no-contest plea in 1973 to charges of income tax evasion.

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Alex P. Trostorff, a tax partner at the New Orleans law firm Jones, Walker, Waechter, Poitevent, Carrère & Denègre, said that despite the filing extension offered by the I.R.S., the agency continued to send overdue notices to many people in New Orleans.

"A lot of people are upset," Mr. Trostorff said.

Need Tax Help? Report Offers Slim Chance Of Seeing The IRS (WP)

By Stephen Barr

Washington Post, October 27, 2006

Talking taxes with the Internal Revenue Service is never easy. Scheduling an appointment to resolve tax problems isn't, either, according to a recently issued report.

Federal auditors made 36 telephone calls to IRS taxpayer assistance centers to schedule meetings when they could discuss tax issues but were able to set up only five appointments.

Of the 31 failed attempts, four IRS employees did not return calls, and the 27 employees who did "would not, for various reasons, allow the auditors to schedule appointments," according to the report by the Treasury inspector general for tax administration.

The inspector general ran the phone test to gauge whether taxpayers were receiving "quality customer service" when calling local IRS offices to schedule appointments.

The IRS suggests that taxpayers visit the agency's 400 assistance centers when they have complex tax issues, need to resolve tax problems, have questions about tax law or feel more comfortable talking to a person than clicking through the IRS Internet site.

"No appointment is necessary -- just walk in -- but if you prefer, you can call a local number . . . and leave a message requesting an appointment to resolve a tax account issue," the IRS Web site advises.

But the review suggested it can be difficult for taxpayers to schedule an appointment so they can avoid waiting in line or obtain extra attention.

The report found that IRS field office guidelines "are unclear and obsolete," noting that the guidelines do not explain to IRS employees "what is considered a complex tax issue that warrants a face-to-face meeting."

In addition, the report said, upper management "was not aware" that employees had been turning away taxpayers seeking appointments at the centers.

The IRS does not keep a list of the number of calls returned or appointments scheduled, and the data that are collected are not complete, the report said.

The taxpayer assistance centers served about 7 million taxpayers in fiscal 2005, providing them with forms, publications and help in completing tax returns. Of the 7 million, about 1 million of the taxpayer contacts came through telephone calls.

IRS management agreed to take steps to improve the handling of requests for appointments. "We will ensure our employees understand we will not refuse an appointment to any taxpayer," Richard J. Morgante , commissioner for the IRS Wage and Investment Division, said in a letter accompanying the report.

Postal Lobbyist Retires

George B. Gould , longtime lobbyist for the National Association of Letter Carriers, will retire at year's end.

His departure represents a big loss for the NALC, which recently landed in hot water with Sen. Susan Collins (R-Maine) after union President William H. Young blocked passage of her compromise bill to overhaul operations at the U.S. Postal Service for the first time since 1970.

Young balked at a proposed change to workers' compensation benefits that he said would single out postal workers for different treatment than other federal employees who are injured on the job. His move stunned Collins, who had considered the union a legislative ally for the past three years. In an interview, Young declined to discuss staff advice he received in the hours before he objected to the legislation.

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With the loss of Gould, the union may have to rebuild alliances on Capitol Hill. Gould was a former staff director of the old House post office subcommittee and had worked on postal issues for 25 years at the NALC. In an interview, Gould said he had been thinking of retiring from the NALC for almost a year and decided that now was the time to depart.

The NALC, which has 300,000 members, said Jennifer L. Alvarez will take Gould's place as director of legislative and political affairs. She has worked at Postal Service headquarters and in the Clinton administration.

The union also named Tucker McDonald as political director. He previously served as a special assistant for political education at NALC.Talk Shows

Colleen M. Kelley , president of the National Treasury Employees Union, will be the guest on "FedTalk" at 11 a.m. today on http://federalnewsradio.com and WFED radio (1050 AM).

George M. Gray , assistant administrator for research and development at the Environmental Protection Agency, will be the guest on "The IBM Business of Government Hour" at 9 a.m. Saturday on WJFK radio (106.7 FM).

CONGRESS-ADMINISTRATION:

Federal Judicial Nominee Says Nothing Wrong With Attending Lesbian Ceremony (AP)

By Sam Hananel, The Associated Press

AP, October 27, 2006

A Michigan judge whose nomination to the federal bench is stalled over her appearance at a lesbian commitment ceremony says she attended as a friend, not to give legal sanction.

The nomination of Michigan Court of Appeals Judge Janet T. Neff to be a U.S. District Court judge is on hold because Sen. Sam Brownback, R-Kan., is not satisfied with her response to questions about her views on same-sex marriage, a spokesman for the senator said Thursday.

Neff's status has been in limbo since last month, when Brownback placed his procedural hold -- using a technique that allows a lone senator to stall a nomination. Brownback wanted to know whether there was anything illegal or improper about the 2002 ceremony in Massachusetts and how Neff's actions might shape her judicial philosophy.

In an Oct. 12 letter to Brownback that was released by the Senate Judiciary Committee on Thursday, Neff said a minister presided over the ceremony and she insisted her attendance would not affect her ability to act fairly as a federal judge.

"The ceremony, which was entirely private, took place in Massachusetts, where I had no authority to act in any official capacity and where, in any event, the ceremony had no legal effect," Neff wrote.

She said her family had lived next door to one of the women, Mary Curtin, for more than two decades and considers Curtin part of the extended family.

"When Mary and her partner, Karen Adelman, asked me to participate in their commitment ceremony by delivering a homily, it was not different from being asked by my own daughters to be part of an important event in their lives," Neff wrote.

Neff declined to answer Brownback's questions on whether the Constitution guarantees a right to same-sex marriage or civil unions, saying it would be improper to address questions that might come before her as a federal judge.

"She did not really address the judicial philosophy questions to his satisfaction," Brownback spokesman Brian Hart said. He would not say what Brownback planned to do next.

Senate Judiciary Committee Chairman Arlen Specter, R-Pa., has declined Brownback's request to bring Neff back for a second hearing, a committee spokeswoman said Thursday. The committee has approved Neff's nomination, which is pending before the full Senate.

Brownback, a vocal opponent of gay marriage, has traveled to Michigan and other states this year while he considers a presidential bid in 2008.

Commitment ceremonies for same-sex couples usually are symbolic and carry no legal rights. Massachusetts did not recognize gay marriages in 2002 but legalized same-sex marriage two years later after a ruling from its highest court.

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President Bush nominated Neff and two others to fill three vacancies in Michigan as part of a compromise this year with Michigan Democratic Sens. Carl Levin and Debbie Stabenow. Neff has a liberal reputation, while the other nominees are considered conservatives.

A Republican Plan To Limit Losses (WSJ)

By John Harwood

The Wall Street Journal, October 27, 2006

See updates to Washington Wire each weekday at www.washwire.com1.

REPUBLICANS AIM to limit House losses by avoiding individual state routs.

Ohio, Indiana, New York, Pennsylvania and Connecticut loom as trouble spots, with at least three seats at risk for Bush's party. In Connecticut, Republicans say vulnerable incumbents Simmons, Shays and Johnson benefit from appeal of Sen. Lieberman's independent candidacy to moderate Republicans.

Forecasters in both parties converge on predictions of Democratic gains between 20 and 25 seats, exceeding the 15 Democrats needed for House control.

A wild card, notes Duke political scientist David Rohde: turnout among independents, who strongly align with Democrats.

GOVERNOR RACES MAY AFFECT outcomes in key congressional contests.

Republicans grow gloomier about gubernatorial prospects in Wisconsin, Michigan and Iowa, home to three competitive House seats and one Senate seat. Strickland's lead over Blackwell in Ohio boosts Brown and four House challengers; Spitzer's edge in New York is boon to Democrats in five competitive House races.

Indiana Gov. Daniels isn't on ballot, but his struggles with toll-road controversy echo through three at-risk House seats. But Bush's party voices growing confidence about Ehrlich's re-election chances in Maryland, a benefit to Republican Senate candidate Steele.

BUSH TARGETS Republican pickup opportunities, skips some battlegrounds.

Stuck below 40% approval, the president hits spots that backed him in 2004 where Republicans have a shot at Democratic incumbents. That includes Iowa and Georgia, where Democrats Boswell and Marshall face tough challenges, and Michigan, where Bouchard tries to oust Democratic Sen. Stabenow.

Next week Bush visits Sugar Land, Texas, where Republicans have faint hopes of holding former DeLay seat. Republicans pare ambitions of pickups in Bush-friendly states West Virginia and South Carolina.

"Staying on the offense and keeping our incumbents are important," says White House spokeswoman Dana Perino.

SLAM-DUNK? At least three competitive Democratic House candidates -- Weaver in Kentucky, Shuler in North Carolina, and Brown in California -- refuse to commit to supporting Pelosi for Speaker should her party recapture the House. Amid Republican attacks, Pelosi aides dismiss any doubts the San Francisco Democrat will win the gavel.

WHITE HOUSE SEEKS female banker for Federal Reserve Board vacancy, though industry watchers predict decision won't come before the election. Those under consideration include Terry Jorde of North Dakota's CountryBank USA, Elizabeth Duke of Virginia's TowneBank, and Diane Casey-Landry of trade group America's Community Bankers.

PUBLIC CITIZEN COMPLAINS to IRS that lawmakers routinely break the law by failing to pay taxes when their spouses or children accompany them on corporate-sponsored trips. The Center for Public Integrity estimates that family members have traveled on 2,900 trips financed by U.S. corporations since 1998.

EQUAL TIME: New World Bank book2 says gender-equality advocates focus too much on women, not enough on men. The authors' mantra: "men-streaming."

GAY MARRIAGE RETURNS to campaign spotlight.

New Jersey Supreme Court sought to limit controversy by denying gay couples the "marriage" label while granting equal rights with straight couples. But Republicans hope specter of lawsuits will turn out social conservatives in eight states with gay-marriage ballot measures -- including Tennessee and Virginia, where Republican Senate seats are at risk.

Little effect is expected on New Jersey Senate race. New Jersey justices noted uproar following Massachusetts high court ruling legalizing gay marriage, contrasted with muted reaction to "civil unions" approved by Vermont and Connecticut.

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"We must steer clear of the swift and treacherous currents of social policy," writes Justice Barry Albin.

MINOR MEMOS: Though the U.S. has hit 300 million population, Census says pool trick-or-treaters -- kids aged 5 to 13 -- dropped by 284,000 between 2004 and 2005...Election barometer? Blue state Illinois led U.S. in 2005 pumpkin production, with 497 million pounds.

Justice Thomas Opens Up On 'Aggressive' Appellate Judges (LAW)

By R. Robin Mcdonald, Fulton County Daily Report

Fulton County (GA) Daily Report, October 27, 2006

U.S. Supreme Court Associate Justice Clarence Thomas told an Atlanta audience Thursday "I am finally home."

"Thirty-two years ago, I tried desperately to come to Atlanta," Thomas said. Unable to find a job there after graduating from Yale Law School, he took a job in the Missouri attorney general's office.

As a native Georgian, "I had planned to be the 11th Circuit's justice from the very beginning," Thomas said at the start of a two-day continuing education seminar on appellate practice in Atlanta. But, he said, "another justice was holding the 11th Circuit hostage."

That other justice was Anthony M. Kennedy, appointed by Ronald Reagan in 1988, who was already assigned to the 11th Circuit. Following the confirmation of Justice Samuel Alito earlier this year, Kennedy moved to the 9th Circuit and Thomas was assigned the 11th Circuit.

As the 11th Circuit's assigned justice, Thomas said he intends to be "quite involved." A Supreme Court justice is assigned to each federal circuit in the nation. That justice receives applications from the assigned circuit regarding emergency actions -- such as stays of execution or extensions for court filings.

Thomas fielded wide-ranging questions from members of the appellate bar on subjects as diverse as the aggressiveness of appellate judges, amicus briefs, and cameras at the U.S. Supreme Court. As he had promised after he was introduced, Thomas pulled no punches.

On appellate judges' manners: Thomas said he disapproves of what he calls increasingly aggressive questioning of attorneys by appellate judges from the bench. Thomas said that as a young state attorney general arguing before the Supreme Court of Missouri, he recalled justices who "actually allowed me to make my argument. They listened to what I had to say. ... Nor did I ever feel I had not been heard or did not have my day in court."

But Thomas said that kind of old-fashioned court etiquette has virtually disappeared. "It seems fashionable now for judges to be more aggressive in oral arguments," he said. "I find it unnecessary and distracting. ... I truly think oral arguments would be more useful if the justices would listen rather than debating the lawyers. ... I think the judges need to listen if the arguments are to be effective."

On his own work habits: "Never do anything unnecessarily to decide a case," he said. "Do not ask questions that are unnecessary."

That means Thomas is more likely to sit and listen to an oral argument than attempt to question the lawyers who present them.

"My job is not to rape your argument, not to make your argument, not to hurt your feelings," the associate justice said.

On threats to an independent judiciary: Thomas said he believes that an independent judiciary is more at risk today. "Some of it is our own doing," he said. "We're drifting into areas people have strong feelings about ... We're getting into social issues where I don't think we should be making decisions." The abortion issue, Thomas suggested, "has changed the confirmation process and not for the better."

"I don't think we're better off," he said of what have become protracted confirmation hearings. "We don't have a better court. ... We are getting to be political footballs."

On amicus briefs: "They range from useless to extremely useful; from credible to 'You've got to be kidding me,'" Thomas said. The most helpful, he said, are those filed by "honest brokers ... who don't take either side" or groups such as the American Civil Liberties Union whose legal credibility, Thomas said, is well established. "You know, I'm not one who gloms on to the

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ACLU's arguments," he said. But, he added, "They are pretty principled about the positions they take, and they're well-informed and pretty helpful."

In contrast, Thomas pointed to a group of historians who filed amicus briefs in the Guantanamo detainee cases Hamdi v. Rumsfeld, 542 U. S. 507, and Hamdan v. Rumsfeld, No. 05-184, whom, he suggested had a clear political agenda. "I'm not going to waste my time with that," he said.

On cameras in the courtroom: "I'm not all that enthralled with that idea. I don't see how it helps us do our job. I think it may distract from us doing our job." And, he added, if 80 percent of the appellate process is wrapped up in the briefs, "How many of the people watching will know what the case is about if they haven't read the briefs?" The level of understanding, he suggested, would be "very shallow."

Bon Appétit On Overseas Trips, Congress's Rules Are Often Ignored (WSJ)

By Scot J. Paltrow

The Wall Street Journal, October 27, 2006

WASHINGTON -- Rep. Jerry Lewis and seven fellow members of Congress jetted to Europe in July 2003 on official government business and dined in restaurants from Warsaw to Lisbon.

Instead of paying for the meals out of their government allowances, they were treated by a parade of defense contractors and lobbyists, most of which sent personnel to Europe to host the meals, according to foreign-service officials and the companies. The meals gave Boeing Co., Lockheed Martin Corp., Northrop Grumman Corp. and others private access to legislators who control billions of dollars in government contracts.

At the time, Mr. Lewis headed a House of Representatives Appropriations subcommittee in charge of defense spending. He now chairs the House Appropriations Committee itself, which decides where a big portion of government money is spent.

One problem: The hitherto undisclosed free meals likely violated House rules and possibly federal law, experts on congressional ethics say. House rules, designed to prevent private interests from unduly influencing legislators' work, bar members -- with some exceptions -- from accepting such meals on congressional trips abroad.

The Lewis delegation, which counted six Republicans and two Democrats, was an extreme example, but is not an isolated incident, according to scores of interviews with congressional staffers, company spokesmen and others. In recent years it has been routine for House members to accept meals from private interests on official government trips abroad.

In 2004, Rep. David Hobson, an Ohio Republican and chairman of the Appropriations Subcommittee on Energy and Water Development, visited Normandy, France, with a group that dined courtesy of a defense company and a lobbying firm, according to the company and House staffers. The following year, on another trip to France, his party was hosted by a maker of nuclear reactors.

Rep. James T. Walsh, chairman of an Appropriations subcommittee that deals with military facilities, visited Germany in 2005 on a congressional trip. There, a big federal contractor paid for dinner for the New York Republican's group in Heidelberg, according to the company and House staffers.

In a written statement, Mr. Lewis didn't respond to specific questions about the meals. He says: "I have always made every effort to strictly comply with relevant rules and regulations governing" official travel abroad.

During the course of their business in the U.S., legislators frequently attend dinners where they rub shoulders with companies and lobbyists, especially at widely attended events, which aren't subject to strict rules.

Charges of ethics lapses have been an issue for months, contributing to the list of problems dogging incumbents as elections loom. The Appropriations Committee has been rocked by a series of criminal investigations. In November 2005, former member Randy "Duke" Cunningham pleaded guilty to charges stemming from bribes he admitted soliciting from contractors. Mr. Lewis is under federal investigation for his relationship with lobbying firm Copeland Lowery Jacquez Denton & White, which sponsored one of the meals on his European trip.

Committee member Alan Mollohan, a Democrat who was on the Lewis trip, is under federal investigation for steering House appropriations to business partners.

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The scandals involving lobbyist Jack Abramoff, who pleaded guilty to conspiracy to bribe members of Congress, also related to lawmakers' travel. These were private trips, such as the Scottish golf outings that Mr. Abramoff arranged for certain legislators in a bid to win or repay favors.

But hidden from view by an absence of public records are frequent violations that occur on official, government-paid trips abroad. These trips, known as "codels" for "congressional delegations," are designed to give lawmakers first-hand knowledge of matters relevant to their legislation.

On these official trips, House rules on private funding are much stricter. Members are required only to use government money to pay their expenses. The rules ban private parties from paying for things such as meals or lodging, except in a few, narrow circumstances, such as widely attended events.

In addition, federal law bans members from soliciting any gifts from people or companies that may be "substantially affected" by members' official actions. Both the law and House rules also prohibit members from accepting any gifts worth $50 or more or which add up to $100 or more from the same source during a calendar year.

No members of Congress have been prosecuted under the solicitation law for accepting free meals on overseas trips.

Many codels involve serious work. Several staffers cited Rep. Jim Kolbe, an Arizona Republican and chairman of the Appropriations Subcommittee on Foreign Operations, as someone who limits expenses and works so relentlessly that he has difficulty getting other members to travel with him. "I've heard people characterize Kolbe's trips as the Bataan death march," says one veteran congressional staffer.

Others appear to be little more than government-paid vacations. Chairmen of committees and subcommittees often invite members and their spouses to places such as Paris and London as a way of building personal ties that translate into support on important votes.

In response to written questions, several members say the meals were acceptable because the rules exempt accepting gifts worth less than $50. None would provide information on their actual cost.

The House Ethics Committee hasn't ruled specifically whether the $50 exemption applies in the case of codels, says Jan Baran, a Washington, D.C., lawyer specializing in federal ethics issues. In any case, says Stanley Brand, a former House general counsel, the cost of a spouse's meal also would count, making it hard to keep within the $50 limit.

Lawmakers are given per diem money -- in cash -- to cover travel expenses. The unused money is supposed to be returned, but the rule hasn't been enforced for as long as many congressional staffers can remember, they say. As a result, unused per diem money is not usually returned by legislators and their staffers. Records show that only a few recipients have returned the unused funds.

The codels have become increasingly frequent. A database maintained by PoliticalMoneyLine, a unit of Congressional Quarterly Inc., shows there have been 3,140 such trips by members from 2000 through the second quarter of 2006, the latest available data. The number of these trips reached a peak in 2005, with 658 official foreign trips by congressional delegations, compared with 220 a decade earlier.

Codels are recorded only in quarterly travel summaries filed by committee chairmen and the Speaker of the House. These list dates, countries visited and total amount of per diems paid out to each member. The reports don't specify the purpose of the trip or how per diem money was spent.

House rules require individual members to file detailed expense reports from the trips, which are then supposed to be publicly available from committee chairmen. But spokesmen for two house committees that host frequent codels -- Appropriations and Foreign Relations -- say no such records are available.

Because details of the trips don't become public, says a veteran congressional staffer who has gone on them, "there was a feeling that on codels no rules applied."

Republicans led most of the codels in recent years and made up the bulk of attendees because they are in the majority. House rules require at least one member of the minority party to be included. Typically one or two Democrats have gone on each trip.

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For the corporations that host lawmakers, the benefits are clear. While no one alleges any quid pro quo for the meals, veteran staffers who have been on such trips say they can influence congressional business. The meals help smooth the way for favorable votes.

They also give companies advance access to information. One senior aide says the official work members do while on the trip "may change policy direction, which companies may be there to witness or hear about over dinner."

In August 2004, Mr. Hobson, the Ohio Republican, led a delegation to Normandy for the groundbreaking of an "interpretive center" at a cemetery for American soldiers killed during World War II. During the seven-day trip, the Hobson delegation was feted with at least two private restaurant dinners, one given by Northrop and another by the PMA Group, a leading Arlington, Va., lobbyist for defense companies. Both flew over executives to host the meals, people present say.

Rep. David Obey of Wisconsin, the senior Democrat on the Appropriations Committee, attended the PMA and Northrop dinners but reimbursed the hosts for the meals, according to a person with knowledge of the events. He paid for himself, his wife and a staff member, this person says. Congressional staffers say lawmakers do this only rarely.

Carmen Jacobs, a lawyer for the PMA Group, says the company won't comment about the dinner. Randy Belote, vice president for corporate and international communications for Northrop, also declines to comment about his firm's dinner.

On a 2005 trip to visit nuclear-fuel processing plants in France, Mr. Hobson and his delegation attended a dinner near Avignon, in southern France, hosted by Areva SA, the world's largest maker of nuclear reactors. The chairman of Paris-based Areva's U.S. subsidiary is former U.S. Energy Secretary Spencer Abraham. The company has been marketing reactors to American utility companies.

Charles Hufnagel, an Areva spokesman, confirms the company hosted a dinner for Mr. Hobson's group, but declines to give any details.

Mr. Hobson, in a written statement, says: "We believe that we have complied with all of the rules of the House of Representatives." He didn't respond to specific questions about the trips.

In midsummer 2005, Mr. Walsh led a tour of U.S. overseas military installations, including in Germany. On that trip, Munich-based Siemens AG, a big U.S. federal contractor, paid for a dinner for the group in Heidelberg. Siemens flew over from Washington some of its government-relations executives to host the dinner, says a person who was present.

On the same codel, which also stopped in France, aerospace contractor Lockheed took advantage of an exception to the rule that allows delegations to eat at "widely attended events," which the House defines as including at least 25 guests in addition to the delegation. Lockheed says dozens of people attended the dinner it hosted at the Hôtel de Crillon, one of Paris's fanciest hotels, overlooking the Place de la Concorde and the Seine.

In an interview, Mr. Walsh says such company dinners serve a useful purpose. Often local country officials are invited and the companies "are sort of facilitators for bringing us together," he says. "We need to follow the rules and I believe we do follow the rules."

When first asked about the Siemens dinner, Mr. Walsh said about 25 people in total attended, including the delegation and spouses, which he says meant the event met the exception for "widely attended events." When reminded that the rule requires the attendance of 25 people in addition to legislators and spouses, he said perhaps a larger number had attended. "It was over a year and a half ago. I wasn't counting heads," he said. Siemens declines to say how many people attended.

In many cases in which lawmakers were entertained by companies, participants wouldn't say how the companies learned about the trips or the itineraries so they could set up these events in the first place. Requesting a free meal may violate the federal law on soliciting gifts.

On the 2003 Lewis trip, which lasted 11 days, official work appears to have been subordinate to less arduous pursuits. The expedition was designed to confer with officials in three "Coalition of the Willing" countries: Poland, Portugal and the United Kingdom, according to a news release issued by one participant. Each country had backed the invasion of Iraq.

U.S. Embassy officials who helped shepherd the group say the lawmakers held meetings with local and U.S. military officials that mostly lasted about 45 minutes. The rest of the time, they recall, the group went sightseeing and was entertained by contractors and lobbyists.

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In his statement, Mr. Lewis listed a number of meetings held during the trip, including with members of the Polish and British parliaments and with U.S. generals and ambassadors.

"In 2003, I was fortunate to lead a fabulous bipartisan group of members to three countries who played an early and instrumental role in our fight against terrorism in Iraq," he adds.

Mr. Lewis arranged for the Air Force to provide a C-9 jet -- the military equivalent of a civilian DC-9 jetliner -- for the roughly 20-strong delegation, which included many of the members' spouses and staffers. A spokesman for the Air Force Reserve Command says C-9 jets cost $15,504 an hour to operate.

An official House handbook states that legislators should use American commercial airlines "whenever possible, unless such service is not reasonably available." An attraction of traveling in Air Force jets is that spouses fly free. Congressional records show delegations routinely take military flights to destinations well-served by commercial airlines, such as Paris and London.

John Scofield, spokesman for the Appropriations Committee, says he has been on multiple codels during his career. "Every one I've been on has been on a military aircraft," he says, adding, "Typically spouses travel with the members. That's the way it always is."

The Lewis delegation traveled in late July and early August during Congress's summer recess. In addition to Mr. Lewis, the Republicans in the delegation were Joe Barton of Texas, Ken Calvert of California, Rodney Frelinghuysen of New Jersey, John McHugh of New York and Adam Putnam of Florida. The Democrats were Mr. Mollohan of West Virginia and Lucille Roybal-Allard of California.

In response to written questions, a spokesman for Mr. Putnam says in an email that the lawmaker "didn't know/remember who paid for the dinners," but that he "fully complied with the regulations governing per diems."

A spokeswoman for Mr. McHugh, in a written statement, says he "was responsible for, and paid, all expenses and reimbursements as required under established House rules." She didn't specify whether he reimbursed the companies hosting meals.

In a written statement, Mr. Frelinghuysen didn't respond to questions about the meals. He says the purpose of the trip was "to thank some of our coalition partners," and that "it was an honor to do so." The other members of the delegation didn't respond to numerous requests for comment.

In Warsaw, Lockheed hosted a dinner for the group, says Jeffrey Adams, a company spokesman. People with knowledge of the trip say the dinner was at Polska Tradycja, a fancy Warsaw restaurant whose menu included wild-game pâté and roulades of boar, and that there were few if any attendees besides the Lewis entourage and Lockheed personnel.

In a written statement, Lockheed says: "The purpose of this meeting was to discuss issues related to our initiatives in the region. All aspects of Lockheed Martin's support for the dinner were conducted in a manner fully consistent with the applicable rules and regulations governing such activities."

Mr. Adams, the Lockheed spokesman, says the events it hosts for congressional delegations are usually "widely attended" and don't fall afoul of House rules. "We work very hard to ensure compliance with House and Senate rules," he adds. He says he didn't know how many people attended the Warsaw dinner.

In Lisbon, the delegation had two free meals in one day. One came from the lobbying firm Copeland Lowery. The firm split up a few months ago after news broke that it was under federal investigation in connection with appropriations Mr. Lewis helped arrange for its clients. The meal was hosted by Letitia White, a principal at the firm and a former Lewis aide, says Patrick Dorton, a Copeland Lowery spokesman. Mr. Dorton says the lunch "complied with congressional rules." He declines to elaborate.

That night, Chicago-based Boeing gave a dinner at the Casa do Leão, a restaurant overlooking the Targus river on the grounds of Castelo de São Jorge, a medieval fortress and top Lisbon tourist site. Boeing says Ms. White attended that dinner although she had no role in organizing it.

Douglas Kennett, a Boeing spokesman, says the dinner "adhered to all the appropriate rules," but declines to comment further.

Such entertainment continued through the group's final stop in London. In early August, Northrop hosted a fish-and-chips dinner at the Prospect of Whitby, a historic London pub, according to Jim Ervin, a lobbyist who helped arrange the dinner on behalf of Northrop.

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Mr. Belote, the Northrop spokesman, says: "Northrop Grumman does not have many opportunities to educate traveling congressional delegations on the corporation's international presence and business activities, and felt that the codel's visit to the U.K. was a good event in which to participate for that purpose."

Mr. Belote says in recent years Northrop has hosted similar dinners for codels in Britain, Germany and elsewhere. He wouldn't identify the delegations.

State Department records show that at the time of the Lewis trip, the authorized per diem for Warsaw was $305; Lisbon was $190; and London $364. In addition, the delegation received "enhanced per diems." Mr. Scofield says that was compensation for exchange-rate fluctuations.

The House Ethics Committee says to date there haven't been any investigations or action taken against members who break the rules by accepting the free meals. A spokesman for the ethics committee says it isn't responsible for day-to-day oversight of codels and per diems. But "if an infraction of the rule were brought to our attention, that would be another matter."

Harman Intelligence Post At Risk (AP-Y)

By Erica Werner

AP, October 27, 2006

As top Democrat on the House Intelligence Committee, Rep. Jane Harman would seem positioned to take the gavel if her party wins control of the House on Nov. 7.

Instead, Harman faces being sidelined by either of two other lawmakers now viewed as front-runners: Reps. Alcee Hastings of Florida and Silvestre Reyes of Texas, the second- and third-ranking Democrats on the intelligence panel.

Harman, 61, used her seniority on the committee to build a national profile on intelligence and defense. But her hawkish views hardened an ideological gulf between her and Rep. Nancy Pelosi, the liberal House minority leader. Both are Californians.

"There is no seniority on the Intelligence Committee. Not a person who's on there now is on there the first day of the Congress," Pelosi said in a recent interview.

She sidestepped a question on Harman's future by citing House rules that give her more say over Intelligence than any other committee. "The leader or the speaker can appoint a whole new set of people," Pelosi said.

Harman declined to be interviewed but issued a statement through her office: "I love my work on the committee and hope to continue it. House Intelligence Committee activities are directly relevant to the major concerns of my constituents."

Her case is not helped by an investigation into her ties with a pro-Israel group that formerly employed two lobbyists indicted on charges of disclosing U.S. defense secrets.

Last week, the Web site time.com reported that the FBI had begun probing whether she enlisted the American Israel Public Affairs Committee's help in lobbying Pelosi to keep her job.

A federal law enforcement official, speaking on condition of anonymity because of the ongoing investigation, told The Associated Press that Harman's ties with AIPAC have been under scrutiny since last year.

However, the inquiry has been dormant in recent months and so far has failed to turn up evidence of illegal activity, said the official, who would not detail any concerns there might be.

Harman has dismissed the allegations as "laughable and scurrilous."

Hastings is being promoted for the Intelligence Committee chairmanship by the 42-member Congressional Black Caucus. Choosing him could help Pelosi curry favor with a caucus upset by her decision to kick another black Democrat, Louisiana Rep. William Jefferson, off a committee after the FBI characterized $90,000 found in his freezer as a bribe.

"I don't think the CBC members will look very kindly on Mr. Hastings being passed over, especially since he does have the expertise and he is next in line," said Myra Dandridge, the group's spokeswoman.

Hastings, however, has his own baggage: He's an impeached federal judge. Republicans have already cited that in news releases warning voters against giving Democrats control of Congress on Election Day.

Defense contractors and policy analysts also are sounding alarms about jettisoning Harman, who has won allies through her expertise on intelligence systems and spy satellites, many of them built in her coastal Los Angeles County district.

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Loren Thompson, a defense analyst at the Lexington Institute, said no one in the House understands intelligence matters and spy technology better than Harman.

"It seems as though Pelosi is making her political calculations based entirely on Democratic Party considerations rather than on broader national needs," Thompson said. "This is an awfully bad way for the Democrats to get started in proving their defense credentials."

Harman, serving her sixth term, played a key role in legislation creating a national intelligence director after the Sept. 11 terror attacks. She supported the Patriot Act and the Iraq war — Pelosi opposed both — and appears regularly on Sunday talk shows to support her views.

In 1998, Harman ran for California governor but lost in the primary. She reclaimed her old House seat two years later.

'Death Of A President': Realism With A False Face (WP)

By Ann Hornaday

The Washington Post, October 27, 2006

"The whole world is watching."

Those words, chanted by demonstrators at the disastrous 1968 Democratic National Convention in Chicago, are never uttered in "Death of a President," but they echo nonetheless. An unsettling and exceptionally skillful exercise in blurring the lines between appearance and reality, this fictional, documentary-style film uses the incendiary premise of the assassination of President George W. Bush in the not-too-distant future as a springboard for thinking about the practical and psychic toll of how America deals with terrorist threats.

Produced by Britain's Channel 4 television network and co-written and directed by Gabriel Range, "Death of a President," or "DOAP" as it has come to be called by its publicists, has garnered understandable notoriety after making its debut at the Toronto Film Festival and being picked up by the same studio that distributed "The Passion of the Christ." Two theater chains have refused to show the movie, which uses real-life news footage and flawless computerized special effects to create a chilling approximation of an assassination, and a few television and radio networks have decided not to air advertisements.

The hubbub must please the filmmakers, who surely chose their putative subject for its potential, in marketing argot, to garner invaluable unearned media. The question is whether "DOAP" has earned its own inflammatory conceit. Is it politically provocative agitprop or merely a cynical, exploitative stunt?

Probably the latter, but one that has been performed with unusual dexterity. Structured like an installment of "Frontline," "DOAP" often has the taut urgency of that PBS series, with witnesses providing a detailed tick-tock of events as they unfolded. Indeed, "DOAP" is so convincing that, like most he-said, he-said documentaries, it eventually suffers from a fatal, talking-head inertness.

Still, "DOAP" gets off to a riveting start, with presidential aides and FBI agents (portrayed with terrific verisimilitude by the actors who play them) "recalling" the day in 2007 when Bush, in Chicago for a speech to a business group, encounters the biggest and most unruly demonstration of his administration. Range intercuts archival footage of past demonstrations -- picture the fury of Bush's first inauguration combined with that of the 1999 anti-globalization march in Seattle -- with staged interviews to create an atmosphere that crackles with dread; when Bush finally enters the scrum of the fatal rope line (his face is digitally superimposed on an actor's), the mood turns sickening. (As is the occupational hazard of anyone working with of-the-moment material, events have in some ways outstripped the film's attempts at realism, from recent doings in North Korea to the drama co-starring Dennis Hastert.)

Those who would condemn "DOAP" without seeing it should be made aware of one crucial fact: Range does not depict that event with glee or even a smirk. The shooting of Bush is indeed portrayed with solemnity and grief (although some red-meat Dems will no doubt mentally insert screeching "Psycho" violins when someone first refers to "President Cheney"). The ballast of "DOAP," after the horrific event itself unfolds, becomes a true-crime procedural dedicated to the search for the assassin. It's at this point that Range reveals his true agenda: Although a few suspects come under scrutiny, only one is finally railroaded into a kangaroo conviction, the result of a beefed-up Patriot Act, political expedience and a populace agog with paranoia and fear.

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With its seamless use of actual and staged footage, "DOAP" at its best will remind some viewers of "Medium Cool," Haskell Wexler's brilliant neo-realist thriller that was filmed during the 1968 convention and released the next year. "DOAP" possesses the same sense of immediacy and political moment, and when Range focuses on the anti-Bush demonstrators, their faces contorted into masks of fury and contempt, he taps a vein of present-day rage that in some quarters seems to be on the verge of bursting again.

And in playing into the historical fascination with assassination, it resembles a kind of 21st-century "JFK," tweaked to hit the hot-button issues of the day. (The most obvious comparison is with the politically charged pseudo-docs of avant-garde filmmaker Mike Z, whose work has been shown at the DC Underground Film Festival. His Internet hoaxes are so good that he's been investigated by real FBI agents.)

But it's not as if those issues -- the tensions between civil liberties and security in a post-9/11 world -- aren't being addressed in pop culture, whether in such television series as "24" and "Sleeper Cell" or even the recent film "The Departed." How American democracy will engage those issues in months and years to come will in a very real sense define this country. And a rigorous, sober, intellectually honest discussion, not a partisan food fight or piece of cinematic showmanship, is what is called for.

Range doesn't advance that discussion as much as use it as a fig leaf for his own self-serving interests. He's artistically akin to the man who shouts "Fire!" in a crowded theater, and then wonders why no one sticks around to hear his argument for brighter exit signs.

At such a pivotal juncture, we deserve better. We need better. Nearly 40 years on, the world is still watching.

Death of a President (93 minutes, at Landmark's E Street Cinema) is rated R for brief violent images.

The Education Revolution America Needs (WP)

By Eugene Hickok

The Washington Post, October 27, 2006

Education Secretary Margaret Spellings recently commented that the No Child Left Behind Act is nearly perfect. "I talk about No Child Left Behind like Ivory soap: It's 99.9 percent pure," Spellings said.

Even if Secretary Spellings were right that NCLB is 99.9% pure, it still would not be the formula for what ails American education.

The current debate over NCLB overlooks a critical problem: Nothing the administration does under NCLB will ensure the law's promise that every child will be proficient in reading and math by 2014. For reasons unrelated to the law's merit, NCLB is simply not up to the task. Something far more profound and transformative must happen for American education to offer every child the opportunity to succeed.

The deeper problem is the existing institutional architecture of American public education. No Child Left Behind erects an accountability system atop the status quo and requires states to provide families with options when schools fail. But public education governance, structure, finance, management and politics remain intact.

Here is the heart of the problem: American public education -- because of the way it is structured, administered, funded and understood by parents, teachers, administrators and taxpayers -- is incapable of delivering on the promises of NCLB. The root of the problem isn't in the law; it's in the American education system. It can't get there from here.

Today's public education system essentially tells parents: "This is the school your child will attend. This is when we teach, what we teach and who will teach." In short, it puts the system ahead of the child.

We need an education environment that listens and responds when a parent says: "This is my child; these are my hopes and dreams for my child, his needs and interests, his strengths and weaknesses. Why should I entrust my child to your care?" We need educational opportunities that put the child first.

NCLB likely will show just how much needs to happen to achieve this. But the law itself can't help us do it. No federal law ever could.

To move us in the right direction, we need to toss aside certain assumptions. First, we must not confuse education with schooling. Education takes place long before a child enters school and lasts a lifetime. Schooling is about institutions and infrastructure. We need to focus on education in America, not just schooling.

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Second, we need to put aside the tiresome debate over public versus private education. What matters is the quality of the education a child receives, not where he or she receives it. In the name of preserving public schooling, we have created obstacles to improving education for all our children. Public education belongs to the people. Shouldn't we be the ones deciding where our children go to school? Why should we feel comfortable with the government making such a fundamentally important decision?

A new vision of education in America should embrace the principles on which America is supposed to be based: freedom, equality, opportunity, responsibility and ownership. The status quo lacks freedom, and the faÃ§ade of equality has allowed an achievement gap to haunt the nation. Millions are denied a real opportunity. Newly minted accountability systems have school administrators gagging and leave too many parents confused, resulting in too many failing to take responsibility for the future of our children.

As for ownership, our public schools have become institutions of government, serving bureaucracies rather than the public. It's as though the system owns us rather than we owning the system.

Imagine what education in America could look like with these new principles in place. With freedom, families could decide how best to educate their children. Equality would be measured in terms of the education children receive and each student's achievement, rather than merely in dollars spent per student. Responsibility would begin at home; parents would have the power to determine whether their children are receiving a quality education. This more robust notion of accountability would enable people to determine how much their investment yields in terms of a child's education.

Gradually, families might begin to take back ownership of their children's education. Ownership is essential, giving a sense of authority that could drive ongoing improvement in education. The relationship of family, child and education is direct and tangible, rather than distorted by the demands of a system.

Of course, we have far to go before this becomes reality. But it would be a mistake to think that No Child Left Behind delivers the education system we need. At best, it will help us understand just how far we have to go, fueling our frustrations and disappointments along the way. NCLB is a wake-up call. What's needed is an American education revolution.

Eugene Hickok is a Bradley fellow in education at The Heritage Foundation and Senior Policy Director at Dutko Worldwide. He was deputy secretary of education during President George W. Bush's first term.

OTHER NEWS:

New Home Sales Rise, But Median Price Falls (USAT/BLOOM)

By Bob Willis

USA Today, October 27, 2006

New home sales in the USA unexpectedly rose for a second month in September, even as selling prices declined by the most since 1970.

Purchases rose 5.3%, to an annual pace of 1.075 million, from a 1.021 million rate in August, the Commerce Department said Thursday. The median price of a new home dropped 9.7% from a year earlier, partly a result of more sales of homes priced less than $200,000 and fewer purchases of more expensive houses.

The report suggests that builder incentives, lower mortgage rates and falling prices will keep this year's housing slowdown from deepening. It also signals that the Federal Reserve, which this week kept interest rates unchanged for a third month, is successfully managing an economic slowdown that it hopes will stifle inflation.

“The worst of the downturn in housing seems to be over,” said Lynn Reaser, chief economist at Bank of America Investment Strategies Group in Boston. “Home builders are achieving success in boosting sales, although at the cost of aggressive incentives.”

The report follows data Wednesday from the National Association of Realtors showing that sales of previously owned homes fell last month to the lowest level in nearly three years.

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The median price of a new home declined to $217,100 in September from $240,400 a year earlier, Thursday's report showed. It was the biggest drop since an 11.2% year-over-year fall in December 1970, the Commerce Department said. The median price was the lowest since $211,600 in September 2004.

Inventories also declined in September. The number of homes for sale dropped to a seasonally adjusted 557,000 during the month, the lowest since March. The supply of homes at the current sales rate declined to 6.4 months' worth from 6.8 months.

The Fed kept its benchmark interest rate at 5.25% this week and said lower energy prices should help reduce inflation, as "the economy seems likely to expand at a moderate pace."

Central bankers are "no longer worried about the downside risks to the economy from housing," said Chris Rupkey, an economist at Bank of Tokyo-Mitsubishi in New York.

"This should be good news, as a weakened housing sector is unlikely to keep the Fed from achieving a soft landing for the economy," he said.

Sales of new homes are still down 14% from the same time last year, the Commerce Department said. The National Association of Realtors forecast a 17.3% drop in new home sales this year to 1.06 million.

New-Home Sales Jumped 5.3% Last Month As Prices Plunged (WSJ)

By Jeff Bater And Benton Ives-halperin

The Wall Street Journal, October 27, 2006

WASHINGTON -- The median price of a new home plunged in September from a year earlier by the largest amount in more than 35 years. But in a sign that the housing market could be nearing bottom, the pace of sales rebounded for a second month.

Orders for durable goods, such as cars and computers, surged 7.8% in September over the previous month, the largest gain since June 2000. Virtually all the strength came from a giant increase in commercial aircraft orders; outside of transportation, orders inched up 0.1%.

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Thursday's data suggested that the economy is still growing, albeit at a moderate pace. That is the scenario sought by the U.S. Federal Reserve, which on Wednesday decided to hold short-term interest rates steady for a third straight month.

"Looking forward, there has been a significant improvement in the overall investment climate in the past month and a half -- inflation uncertainty has declined, long-term interest rates have moved down and the Fed has kept interest rates on an even keel," Brian Bethune, an economist at Global Insight, wrote in a research note.

Indeed, the Commerce Department's measures of shipments and orders of "core" capital goods, or those excluding aircraft and defense, suggest business investment is picking up and that the economy may regain some momentum in the fourth quarter after a tepid third quarter.

Shipments of core capital goods plunged 2.1% in September and increased at a slower annualized rate in the third quarter than they did in the second. But orders jumped 1.1% in September and rose at a faster annualized rate in the third quarter than they did the previous quarter. High corporate profits are enabling businesses to make capital investments on equipment and facilities that can lead to future growth.

The Commerce Department Thursday said the median price for a new home sold in September fell 9.7% to $217,100 from a year earlier. That was the sharpest year-to-year drop since December 1970.

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At the same time, though, new-home sales rose a second straight month in September, jumping 5.3% to a seasonally adjusted annual rate of 1.075 million homes. It marked the second consecutive increase in sales following three months of declines.

Get alerts for breaking news -- such as Fed moves, major world events and big mergers -- delivered straight to your desktop. Alerts will appear in a small window on your screen, much like an instant-messaging window. See a sample and get more information.5

In another hopeful sign, inventories of unsold homes and new homes decreased. According to Commerce data, there were an estimated 557,000 homes for sale at the end of September, representing a 6.4 months' supply at the current sales rate. That represents a 1.9% decline in inventories over August, the sharpest decline since December 2000.

The declines in housing prices underscored the severity of the correction in the once-booming market, which had seen sales of both new and existing homes soar to record levels for five consecutive years, propelled by the lowest mortgage rates in more than four decades. This year, rising mortgage rates have helped cool sales.

A 7.8% surge in durable goods orders last month, to a seasonally adjusted $226.70 billion, meanwhile, was largely due to a jump in transportation orders -- specifically commercial aircraft -- which rose 27.6% in September over the previous month. Durable goods orders fell the two previous months.

A.G. Edwards & Sons economist Gary Thayer said the 0.1% increase in durable goods excluding transportation orders is "more representative of the manufacturing economy right now -- still soft, consistent with moderate economic growth."

In other economic news, the Labor Department Thursday said the number of new applicants for unemployment insurance benefits rose last week, suggesting labor markets remain relatively healthy. Initial jobless claims rose 8,000 to a seasonally adjusted level of 308,000 in the week ended Oct. 21.

"These data still portray a relatively tight labor market, tighter than indicated by the recent growth in payroll employment," Steven Wood, chief economist at Insight Economics, said in a research note.

New-Home Prices Fall Sharply (NYT)

By Jeremy W. Peters

The New York Times, October 27, 2006

Home builders, struggling to keep ahead in a weakening market, cut prices and offered a variety of other discounts in September to help sell their newly constructed houses, the latest government and industry statistics show.

The Commerce Department reported yesterday that the median price of a new home plunged 9.7 percent last month, compared with September 2005, falling to $217,100, the biggest such drop since December 1970.

Statistics from the National Association of Home Builders showed a similar slide. Builders reported cutting prices in September by 5 percent, according to the association's most recent data.

Just two months ago, prices of new homes were still on the rise.

At least to some extent, the lower prices achieved the developers' goal: the backlog of unsold new homes on the market fell in September for the second consecutive month, while the number sold, adjusted for normal seasonal variations, rose by 5.3 percent from the previous month.

But economists and industry experts noted that the reported numbers provide a somewhat distorted picture of market reality. While they seemed to suggest a rebound in sales and a precipitous drop in prices, the data was skewed by a higher number of sales in the South, where homes are cheaper, and fewer in the more expensive Northeast.

Last month, sales in the South accounted for 56 percent of all new homes sold in the country, compared with 52 percent a year earlier. The average square footage of a house sold in September declined as well, pulling down the median price.

While new-home prices across the country may not be falling quite as sharply as the reported numbers suggest, builders are also offering a variety of hidden price cuts in response to the much harsher housing climate that they now face.

"We're going to run our business as if it's going to stay tough for a while," said Richard J. Dugas Jr., chief executive of Pulte Homes, one of the nation's largest residential builders. On Wednesday, Pulte said its profit in the third quarter fell by more than half, compared with the same period a year earlier.

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Indeed, profits are falling fast in many parts of the country for builders, who are rapidly scaling back on their future construction plans.

The home builders' association reported that 45 percent of builders and developers said they cut prices in September to maintain sales volume. That was up from only 19 percent a year earlier. Similarly, the association reported that 55 percent offered amenities like granite counters or upgraded kitchen cabinets for no additional cost. Only 19 percent did so a year earlier.

The cost of those incentives was not reflected in the new-home price data, which suggested that builders were making even less money from each sale than the shrinking official prices would indicate.

"Builders do not like to lower prices because it sends the wrong signal to potential buyers," Patrick Newport, an economist with Global Insight, said in a research note. "How much incentives matter today is difficult to gauge — but in markets in which power is quickly shifting from sellers to buyers, they probably matter quite a bit."

Cancellations were also left out of the new-home statistics. The Commerce Department records a new home as sold when the buyer and builder sign a contract. The home builders association said that cancellations had jumped by 50 percent in the last year.

"The cancellation rate is really big," said Dave Seiders, chief economist of the association. "It's exploded over the last year."

The new-home sales report followed a report that showed softness in the market for previously owned homes, which account for about 85 percent of all home sales.

The pace of existing-home sales in September slowed 14 percent from a year earlier to a seasonally adjusted annual rate of 6.2 million. That was the lowest rate reported since January 2004.

For new homes, the seasonally adjusted annual sales volume figure in September was 1.1 million — 14.2 percent lower than in September 2005.

Another closely watched economic barometer released this morning — the Census Bureau's report on durable goods orders — showed an unexpected 7.8 percent rise for September from August. Durable goods, which include things like dishwashers, are monitored by economists as a gauge of business investment.

The upswing, however, was almost entirely a result of a surge in orders for aircraft. Boeing took orders for 175 planes last month, nearly tripling the nonmilitary aircraft component of the durable goods figure.

Over all, the latest economic data pointed to continued but slower growth through the end of the summer. When orders for the transportation equipment sector were stripped out, the gain in durable goods orders was only 0.1 percent.

Home Prices Take Steepest Dive In 35 Years (LAT)

By Jesus Sanchez

The Los Angeles Times, October 27, 2006

New home prices in September took their steepest year-over-year drop since the early 1970s as builders tried to stimulate sales amid a relatively high inventory of unsold properties, according to a real estate report today.

The nationwide median price of new homes sold in September fell about 9.7% from the same month last year to $217,100, according to the Commerce Department. It was the biggest annual decline in 35 years, according to economist Steven Wood.

"Home price momentum has slowed significantly as homebuilders are using big discounts to motivate new home buyers," Wood said in a research note for Insight Economics.

Home builders have scrambled to reduce a large inventory of unsold properties by putting the brakes on new construction and dangling a growing list of incentives — from price discounts to deals on mortgage — to stimulate sales. But those efforts have so far had limited success.

The pace of new home sales also slumped in September, dropping 14.2% from the same month last year to a seasonally adjusted, annual rate of 1.075 million properties, according to preliminary government estimates.

There were signs of recent improvement, with September sales rising from the previous month. The inventory of unsold homes, a 6.4-month supply at current sales rates, also edged down from the two previous months.

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However, the supply of unsold homes in September remained about one-third larger than it was last year. Economists also noted that earlier estimates of sales results for June, July and August were adjusted lower. As a result, many assumed that September's results are weaker than reported today.

"Moreover, while downward revisions to these data have been considerable, these revisions do not reflect buyer cancellations of contracts," said economist Joshua Shapiro in a research report for the consulting firm MFR. "Therefore, even after downward revisions, these data probably still overstate the amount of new home sales that are actually being consummated."

On a regional basis, new home sales in the West fell 13.6% in September compared to same month last year. Sales dropped 6.6% in the Northeast, 36.6% in the Midwest and 7.9% in the South, the Commerce Department said.

New-Home Prices Fell In Sept. (WP)

By Dina Elboghdady

The Washington Post, October 27, 2006

Prices of new homes fell last month, turning some lookers into buyers, a government study released yesterday shows.

A report by the Commerce Department found that the median price of a new single-family house in September fell to $217,100. That's down 9.2 percent from August and 9.7 percent from September 2005 -- the largest year-over-year decline since 1970. With prices down, the pace of sales picked up 5.3 percent from August, though it was still 14.2 percent below September 2005.

Many analysts attribute the uptick in sales to aggressive price cuts by builders. "You're seeing builders throw cash on the hood to move their inventory," just as Detroit automakers did when car sales slowed, said Michael Larson, an analyst with Weiss Research Inc. in Florida. "They started by giving out freebies like granite countertops. Now the only way to move product is to cut prices."

The new-home sales figures jibed with data released this week by the National Association of Realtors, which found that the price of existing homes fell 2.2 percent last month, the largest monthly decline since the group began tracking the numbers nearly four decades ago.

The new-home numbers are thought to give a more forward-looking account of the health of the housing market because they are recorded when a contract is signed. Sales figures for existing homes capture closed sales, many of which are for deals that were agreed to months earlier.

Based on yesterday's data, some analysts predict the rush by builders to slash prices will push individual sellers to do the same next year if weakness persists in the housing market.

Typically, individuals capitulate on prices more slowly because they are emotionally attached to their homes, said Greg Gieber, who tracks the housing market for A.G. Edwards & Sons Inc. But if builders continue to cut prices, individuals who do not follow suit will find themselves at a huge disadvantage.

"A lot of housing economists predict that housing prices will continue to decline for another 10 to 12 months," Gieber said. "What the builders are trying to do is to get their stuff out and sold before the worst of the price declines."

But Gieber and other analysts cautioned against reading too much into yesterday's report because its findings are often dramatically revised. It is based on a small sample of homes, it does not control for house sizes, and it does not capture the record levels of contract cancellations, an increasing cause of anxiety for builders.

Cancellations used to hover around 20 percent, said Nishu Sood, an analyst at Deutsche Bank Securities Inc. They jumped to 33 percent in the second quarter and are nearing 40 percent in the third quarter.

If those cancellations were factored into yesterday's data, they most likely would have dragged down sales volume, Sood said.

The West led the rise in September sales with a 23.9 percent increase over August, followed by the South, which includes the Washington area, with a 6.9 percent increase. Sales fell by 34.5 percent in the Northeast and 6.3 percent in the Northwest.

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The seasonally adjusted number of homes for sale fell to 557,000, from a peak of 570,000 this summer. Including the cancellations would have probably added to the inventory of unsold new homes in September, Sood said. For builders, an excess of homes is a costly burden.

"The builder has a huge commitment of capital to unsold homes," Sood said. "Each day it does not sell adds to the cost, and that's where the imperative to discount comes from."

Lucky 13: Dow Closes At Record Again (USAT)

By Adam Shell

USA Today, October 27, 2006

NEW YORK — Bolstered by good earnings reports from Corporate America, Wall Street enjoyed another record-setting session Thursday, with the Dow closing at a record high for the 13th time in the past 18 trading sessions, and the S&P 500 and Nasdaq hitting fresh 2006 highs.

The big winner on the earnings front was Dow component ExxonMobil, which reported third-quarter profit of $10.49 billion, the second-largest quarterly profit ever for a U.S. company. Exxon rose 61 cents to $71.62 (story, 3B).

"We're chugging along at new highs," says Lincoln Anderson, chief investment officer at LPL Financial Services. "The rally is being driven by a strong economy and strong earnings." (Strong earnings buoy stocks, 1B.)

The Dow Jones industrial average rose 28.98 points, or 0.2%, to 12,163.66, putting the blue-chip barometer up 13.5% for the year. The S&P 500 rose 6.86 points, or 0.5%, to 1389.08, a fresh six-year high. The S&P is up 11.3% this year. The Nasdaq composite gained 22.51 points, or 1.0%, to 2379.10, a new high for the year. The tech-packed index is up 7.9% in 2006.

Strong corporate earnings helped overshadow another report showing serious slowing in the housing market. Prices of new homes fell at their sharpest rate since 1970 (story, 3B).

The market will get another snapshot of the economy's health today when the government releases estimates on the nation's gross domestic product.

The yield on the 10-year bond fell to 4.72%, from 4.77%. A barrel of light sweet crude declined $1.04 to $60.36.

Some Wall Street analysts are worried that the rally may be a sign of a stock market top.

"The market can still run further," wrote Bob Dickey, technical analyst at RBC Dain Rauscher, in a note to clients. "But we regard any more short-term upside progress as a blow-off and gift of further gains, but also a sign that the risk of a pullback is also increasing."

Advancing issues outnumbered decliners by about 2-to-1 on the New York Stock Exchange

Highlights:

Aetna rose $2.86, or 7.4%, to $41.39 after the health insurer posted a 28% jump in third-quarter profit and boosted guidance for the year.

•Media company Clear Channel Communications said a group of private equity firms approached it about a possible takeover. Shares jumped $3.13, or 10%, to $35.48.

Like A Broken Record, Blue Chips Rise 28.98 To Break Another Record (WSJ)

By E.s. Browning

The Wall Street Journal, October 27, 2006

The Dow Jones Industrial Average edged up to yet another record amid continuing optimism about strong corporate profits and a benign Federal Reserve.

With companies including Comcast, Aetna and Exxon Mobil reporting upbeat profit news, and with investors basking in continued speculation that the Fed might actually start cutting interest rates next year, the blue-chip average rose 28.98 points, or 0.24%, to 12163.66. It is up 13.5% this year, and has set a record on 13 of the past 18 trading days.

Investors also were encouraged by a drop of $1.04 in crude-oil futures to $60.36 a barrel, despite the relatively strong consumption levels reported Wednesday for the previous week. Treasury-bond yields also remained low. Those yields affect other market interest rates, and low rates are good news for businesses and consumers alike.

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At the two-day Fed interest-rate policy meeting that ended Wednesday, Fed officials left their target rates alone and hinted in a statement that their inflation concerns are diminishing. That reinforced hopes for a "soft landing" -- a slowdown to moderate economic growth, without recession or inflation. A soft landing would support moderate interest rates into the future.

Stocks are proving much more resilient than many money managers had expected. Skeptics fear falling behind unless they own stocks, which forces them to jump in. That pushes the market higher, making more doubters throw in the towel and buy stocks. Trading volume was strong, as it was on Wednesday.

"One of the things we needed to see was earnings, and for the most part they have been pretty solid and the guidance is decent," said stock trader Larry Peruzzi at Boston Company Asset Management.

When the Dow industrials neared 12000, he noted, investors pulled back and waited to see whether profits would be strong enough to justify more stock gains. So far, profit gains and forecasts have been running well ahead of expectations.

After regular hours, Microsoft reported better-than-expected profits, but offered disappointing guidance for the current quarter. Reflecting investor exuberance, the stock rose 0.4% in after-hours trading.

Economic news was in line with recent trends, supporting the soft-landing thesis. Orders for durable goods -- items such as appliances and machinery -- were stronger than expected in September, but only because of aircraft orders. Without aircraft, orders were softer than expected, which suggested that inflation pressures aren't emerging. Weekly jobless claims were in line with recent levels. September new-home sales were slightly above expectations.

The Standard & Poor's 500-stock Index rose 0.50%, or 6.86 points, to 1389.08, up 11.3% in 2006. The Nasdaq Composite Index, driven by its many technology stocks, advanced 0.96%, or 22.51 points, to 2379.10, ahead 7.9% for the year.

Outside the U.S., stocks advanced in dollar terms. The Dow Jones World Stock Index, excluding U.S. stocks, rose 0.65%, or 1.48 points, to 228.95.

In major U.S. market action:

Stocks advanced1. Total trading volume for stocks listed on the New York Stock Exchange was 2.77 billion shares, as 2,292 stocks rose and 1,035 fell.

Bond prices gained2. The 10-year Treasury note rose 11/32, or $3.44 for each $1,000 invested, pushing the yield down to 4.723%. The 30-year bond was up 22/32 to yield 4.842%.

The dollar weakened3. Late in New York, it traded at 118.39 yen, down from 119.02, while the euro rose against the dollar to $1.2690 from $1.2610.

Bush Helps Raise Cash For GOP Candidates (AP-Y)

By Nedra Pickler

AP, October 27, 2006

With precious air time still left to buy before Election Day, President Bush raised money Thursday for two Republican candidates trying to knock off Democratic incumbents in an uphill year for the GOP.

The president was in the final days of a nearly 2-year-long effort of unmatched fundraising for dozens of Republican candidates. Bush has raised more than $193 million in nearly 90 events, according to the Republican National Committee; that figure dwarfs what any other individual has raised for Republicans or Democrats.

Bush swung through Des Moines, Iowa, at lunchtime to raise $400,000 for the state Republican Party and congressional candidate Jeff Lamberti, whom the president mistakenly called "Dave" throughout his speech. Then Bush headed to the Detroit suburbs for an early evening fundraiser that brought in $700,000 for Senate hopeful Mike Bouchard.

"The other side is dancing in the end zone, except they're on the 15 yard line," Bush said to cheers at the fundraiser decorated with signs for the American League champion Detroit Tigers, with many in Michigan currently paying closer attention to sports than politics.

Bush hammered the same themes he has been using against the Democrats all fall — that they want to raise taxes and are soft on fighting terrorism. Democrats contend the rhetoric is just an attempt to distract from Bush's failed track record in Iraq.

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An AP-AOL News poll, taken this week, shows voters are frustrated with the war in Iraq and will cast their votes on Nov. 7 accordingly. Forty percent of likely voters say they are angry with Bush. More than half say they plan to vote Democratic. The president's job approval rating stands at 38 percent.

Bush made an appeal to conservatives by stressing themes of immigration and gay marriage. Before he left the White House, the president signed a law calling for 700 miles of additional fencing along the Mexico border. He also denounced a New Jersey Supreme Court ruling that gay couples are entitled to all the benefits of married couples.

"Yesterday in New Jersey we had another activist court that issued a ruling that raises doubts about the institution of marriage," Bush said. "I believe marriage is a union between a man and a woman. And I believe it's a sacred institution that is critical to the health of our society and the well-being of families, and it must be defended."

Republicans expect to lose seats to Democrats this year, a time of trouble in Iraq and scandals affecting several GOP lawmakers. The GOP hopes to control the losses by taking some Democratic seats, such as those in Michigan and Iowa.

Lamberti, whose family founded the Casey's General Stores empire of nearly 1,400 Midwest convenience stores, is running against Democratic Rep. Leonard Boswell, an Army veteran who has been in Congress for 10 years. Bouchard, who has been the Oakland County sheriff since 1999, trails first-term Sen. Debbie Stabenow in the polls and is even further behind in the money race.

Stabenow has raised more than $12 million since becoming a senator in 2001; Bouchard reported raising about $4.6 million as of Sept. 30.

With Michigan's sluggish economy the main issue in the race, Bush and Bouchard stopped by the Morley Candy Makers factory on their way to the main event because, Bush said, "One, I like small businesses. Two, I like sweets."

Stabenow's campaign suggested Bush's visit would do nothing to help Bouchard, comparing it to "throwing an anvil to a drowning man."

In Iowa, GOP gubernatorial candidate Jim Nussle avoided appearing with the president and sent his running mate to represent him. Nussle said a scheduling conflict prevented him from joining Bush. But that did not stop Nussle's opponent, Democrat Chet Culver, from accusing Nussle of "running and hiding" from Bush because of the president's low approval numbers.

So far, Bush's political events have been exclusively before donors willing to pay to see him — usually $1,000 a person. Bush's first free appearance will be Saturday in Sellersburg, Ind.

White House spokeswoman Dana Perino said those rallies will continue through Nov. 7, although his schedule will have some flexibility so he can help raise money for any candidates who need a final financial boost.

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On the Net:

White House: http://www.whitehouse.gov

Bush Rallies Iowa GOP On Fighting Terrorism (DMR)

DesMoines Register, October 27, 2006

President Bush urged Iowa Republicans today to work hard to keep their party in power, arguing that Democrats' view of the war on terror will endanger the country.

Bush was on the ground in Iowa just under three hours. Air Force One took off about 2:25 p.m., after Bush greeted members of the Iowa Air National Guard's 132nd Fighter Wing and their families.

About 500 people attended the $100-per-ticket campaign event at the Iowa State Fairgrounds for Republican congressional candidate Jeff Lamberti. About $400,000 was raised for Lamberti and the party, the Lamberti campaign said.

Lamberti, a candidate for Congress in the 3rd District, is running against Rep. Leonard Boswell, a Democrat seeking a sixth term.

Bush's remarks were mostly focused on Iraq and the war on terror. He worked to make the case that if the United States does not pursue terrorists elsewhere in the world, Americans will have to fight them at home.

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Bush warned that Democrats opposed tools needed to protect the country from terrorists. "There is a difference of opinion and voters in Iowa and across the country must understand that the Democrats have a different view about this war on terror — a view that I think makes America less secure and makes it harder for us to do our job to protect the American people," Bush said.

He also warned that talk of leaving Iraq would leave the United States vulnerable. "If we leave Iraq before the job is done, the enemy will follow us here," Bush said.

U.S. Sen. Charles Grassley, R-Ia., warmed up the crowd before Bush arrived. During his remarks, Bush told a story about coming to Iowa as govenor of Texas — a key oil-producing state — to talk about his support for ethanol. "I'm not sure you believed me," he teased Grassley.

While touting his support for Lamberti, Bush slipped a bit, twice calling the Republican state Senate president "Dave" instead of Jeff.

On Air Force One on the way to Des Moines, White House spokeswoman Dana Perino defended the decision to have the president appear on behalf of two challengers -- Lamberti and Republican Senate candidate Mike Bouchard in Michigan -- perceived to be lagging behind Democratic incumbents.

"I don't know what polls you're looking at," Perino told reporters. "I

would want to go back and check with our folks. We believe these candidates are going to win these seats."

She added: "And when the President is invited to come and campaign -- you heard him yesterday say that he likes to get out there and talk about the differences between the Republicans and Democrats when it comes to the big national issues in this campaign: national security, who is going to best protect this country; and the economy, who's going to keep your taxes

low. "

Bush will continue to help congressional candidates raise money, she said. "We're going to switch fairly soon to rallies," she said. "But we have flexibility in his schedule in case people need additional some dollars to get across the finish line."

The Boswell campaign spent a great deal of effort trying to paint Lamberti as a yes-man for the president. They sent reporters rubber stamps that read: “Yes, Mr. President” and said Lamberti would go along with proposals to privatize social security.

“If Jeff Lamberti is elected to Congress, he will rubber stamp President Bush’s dangerous scheme to privatize your social security, slash your benefits and drive the country into bankruptcy by adding trillions of dollars to the national debt,” Boswell’s spokesman Mark Daley said in a prepared statement.

White House officials have not ruled out a return by Bush through the election and the president's schedule is open after Tuesday.

Said Perino: "We'll be raising money up until the end if we need to."

She also promised some goodies at the fairgrounds. "You never know what kind of treats you're going to find there," she said. "I hear there is lots of fun, fried food. Yes, fried Twinkies and fried Snickers, I think."

Members of the traveling press corps were served the promised deep-fried Twinkies while en route to the fairgounds.

Bush landed at the Des Moines airport at 11:30 a.m., where he was greeted by U.S. Reps. Tom Latham and Steve King of Iowa. He also met with a Des Moines volunteer before heading to the fairgrounds.

Bush met with Sally Bates, a two-time breast cancer survivor and volunteer for the Susan G. Komen Breast Cancer Foundation. He presented the President's Volunteer Service Award to her for more than 14 years of service with the Des Moines Race for the Cure and the Des Moines affiliate of the Komen foundation.

Bush's Warren Visit Aims To Give Bouchard A Bounce (DETNS)

By Gary Heinlein And Jim Lynch

Detroit News, October 27, 2006

WARREN -- President Bush made a rousing speech Thursday to a gathering of Republican donors in support of U.S. Senate candidate Mike Bouchard.

It was Bush's second visit in a little more than a month in support of Bouchard, the Oakland County sheriff, hoping to come from behind in polls against Democratic Sen. Debbie Stabenow of Lansing. Stabenow leads Bouchard 50 percent to 38 percent.

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Combined, the president's appearances have raised $1.5 million.

In a speech that touched on terrorism and taxes, Bush told 600 donors who paid $1,000 a plate that Bouchard would help give Michigan's economy the boost it desperately needs.

"To go from worst to first, you need Mike Bouchard in the U.S. Senate," Bush said.

Bush also predicted Republicans would maintain their majority status in Congress.

"Our opponents are dancing in the end zone, except they are on the 15 yard line," Bush said.

While many congressional candidates are distancing themselves from Bush, Bouchard is gambling that Bush can help him by giving him more exposure as well as help fund his campaign war chest.

And while Bouchard was happy to be at the president's side, Democrats put their own spin on the visit. They questioned why he had the time to campaign for Bouchard but not to meet with U.S. auto company officials. Bush has said he will meet with them after the election.

"Three times we had a meeting set up, and three times he canceled," said U.S. Rep. John D. Dingell, D-Dearborn.

President Bush Stops At Candy Factory En Route To Warren Fundraiser (DNw)

By Gary Heinlein

The Detroit News, October 27, 2006

President Bush took a slight detour on his way to a Warren Republican fundraiser to satisfy a sweet tooth.

After landing at 4:35 p.m. at Selfridge Air National Guard Base, his motorcade swerved off Interstate 94 and made an unexpected stop at Morley Candy Makers on Hall Road in Clinton Township.

The staff presented him with a container of Michigan's famous Saunders hot fudge, and U-M and MSU candy bars.

He and Senate candidate Mike Bouchard, the reason for Bush's second visit to the state since September, toured the factory, shaking hands with sales staff and watching candy moving down the conveyor.

"They asked me why I came here," Bush told the media. "No. 1, I like small businesses. No. 2, I like sweets," he said while holding up a can of the hot fudge. "The spirit of entrepreneurship is strong in this store."

Sweet tooth satisfied, the president made a pitch for keeping taxes low for small businesses.

Karl Rove, accompanying Bush, stopped at the candy counter and bought confections for his staff in the presidential limousine.

Bush is scheduled to give a speech at the Walter R. Mabry Banquet and Convention Center in Warren to a $1,000 a person fundraiser for Bouchard, who is challenging Sen. Debbie Stabenow.

In Michigan, A Sale The GOP Can't Close (WP)

By E. J. Dionne Jr.

The Washington Post, October 27, 2006

HOUGHTON, Mich. -- While Republicans scratch their heads over why a seemingly good economy is not helping them nationally in this year's elections, Michigan is where the party once hoped a bad economy would help it seize a governorship.

The heavy hits sustained by the auto industry's Big Three have left the state with a 7.1 percent unemployment rate, just below the 7.2 percent rate for Mississippi, which endured Hurricane Katrina. The job hemorrhage seemed the ideal issue for billionaire businessman Dick DeVos, the Republican nominee, against Gov. Jennifer Granholm. She is a nationally respected Democrat who many think would have made a fine presidential candidate if only she had not been born in Canada.

DeVos, a conservative whose wealth comes from his family company, Amway, is auditioning for her job by insisting, Kennedy-style, that Michigan can do better. "We have gone backward while the country has gone forward," he said during a debate on Monday. "It's just unacceptable."

Tying himself to this season's most popular institution in the state, he said earlier this month: "If we need inspiration, look at the Detroit Tigers. They've succeeded against all odds because they changed leadership and changed their attitude."

Spending heavily from his own fortune, DeVos was on the verge of making the sale. A Detroit News Poll in mid-June found him leading Granholm 48 percent to 40 percent.

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But Granholm has come back. The News poll in mid-October had her ahead, 51 to 42 percent. More recent polls give her a comparable lead. Her recovery helps explain why the economy is not helping the Republicans elsewhere.

The problem for the GOP is that while voters in better-off states seem to be voting on Iraq and other issues, those thinking most about the economy live in lagging industrial states such as Michigan and Ohio, and they are blaming President Bush and national policies for their troubles. In the Ohio Senate race, for example, Rep. Sherrod Brown, a Democrat, has built a lead over incumbent Republican Mike DeWine using hard-hitting advertisements on trade and the loss of manufacturing jobs.

For her part, Granholm is doing everything she can to turn the argument on Bush and Washington. "My opponent began advertising way back in February trying to put the blame for Michigan's economic contraction on me," she said in a telephone interview, "when most people who work in the plants know that the shift of jobs to India or China is much more the result of federal policy and these trade agreements."

While Granholm has been helped by ads sharply attacking DeVos, the exchange between the two is at its heart a substantive choice between the challenger's tax-cutting approach and the incumbent's argument that recovery can come only from changes in federal policy.

"They feel this president has not stood up for them," Granholm says, arguing that voters are skeptical of "old-time solutions of just tax-cutting your way to prosperity." She calls for changes in federal trade, training, education and health-care policies. In the meantime, she has offered loans and tax breaks to the auto industry to preserve jobs. She says she is embarking on "as robust an industrial policy as we can to keep those jobs here," but adds: "My tools can do only so much."

In Michigan's Senate race, anti-administration feeling has also helped incumbent Democrat Debbie Stabenow, once considered vulnerable, to a double-digit lead in most polls over Republican Mike Bouchard. In an unusual display of solidarity between senatorial and gubernatorial candidates, Stabenow and

Granholm regularly reinforce each other's arguments.

"We have a national policy that says if you work for less, lose your health care and lose your pension, then we can compete," Stabenow says of the status quo. "The No. 1 way we could help employers in this country is to change the way we fund health care."

Granholm says she understands that economic change has been a rule in this state. The population here in Houghton County on Michigan's Upper Peninsula reached 88,000 in 1910 because of the copper industry boom. It declined, with the industry itself, to 35,000 people a half-century later, where it has held steady, buoyed by the presence of Michigan Tech.

The problem with the current manufacturing decline, says Granholm, is that it has been "so quick, so frightening . . . so cataclysmic and there has been so little transition time and people are left reeling." And the people who are reeling seem to be targeting Bush.

The president came into the state yesterday on behalf of Stabenow's opponent, and that's just fine with her. "I would welcome him back three or four times before the election," she says.

Poll Shows Democrats Leading Competitive House Races (MCT)

By Steven Thomma

McClatchy Newspapers, October 27, 2006

WASHINGTON — In a sign that a major wave could be building against Republicans in the House of Representatives, Democrats have opened a double-digit lead in competitive House campaigns around the country in a new poll and are within 2 percentage points in districts once considered safely Republican.

Democrats lead Republicans by 50 percent to 39 percent in 40 closely contested districts that are most likely to determine control of the House on Election Day, Nov. 7, according to the poll, which was released Thursday by the nonpartisan Pew Research Center.

Potentially more troubling for Republicans: They lead by only 44 percent to 42 percent in all other Republican-held districts, which went heavily for President Bush in 2004.

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In House districts that gave Bush between 50 percent and 60 percent of the vote, for example, Democrats lead by 45-40 percent. The only place where Republicans hold an overall lead is in House districts that gave Bush more than 60 percent of their votes.

"With opinions of Congress growing increasingly negative, even safe Republican districts have been affected," said the Pew report.

The poll didn't look at each race individually, which arguably is a more accurate way to examine the races. But the overall trend in both the 40 competitive districts and the rest of the country underscored that Democrats enjoy an edge that could give them more than enough seats to seize control of the House.

Most of the 40 contested districts - 34 - are now held by Republicans. A net loss of 15 or more would cost them control of the House for the first time since they rode in on a tidal wave of anger at Democrats in 1994.

Separately Thursday, University of Virginia political scientist Larry Sabato forecast that Democrats will gain between 21 and 26 House seats. "2006 is a Democratic year. The analysts and observers are just debating how big a Democratic year it will be," Sabato wrote.

Also, Indiana University political scientists Carl Klarner and Stan Buchanan forecast that Democrats would gain 21 seats - one fewer than they predicted last April but still enough for control.

Among the reasons for the Democratic edge in the Pew survey of competitive House campaigns: Voters in those districts ranked Iraq as their top concern and gave Bush considerably lower marks than voters in Republican-held districts that are still considered safe for Republicans.

Bush's approval rating, for example, was 36 percent in the competitive districts; it was 48 percent in other Republican districts.

Iraq was ranked a top issue by 50 percent of voters in competitive districts; it was a top issue by 43 percent in other Republican districts.

Nationally, opinions on Iraq have soured in the last month, the poll found. Also, while Republicans continue to have an edge on handling terrorism, it slipped from 16 points in April to 6 points now.

For more on the poll, go to www.pewresearch.org/

For more on McClatchy/MSNBC polls of toss-up Senate races, go to http://www.realcities.com/mld/krwashington//15835439.htm

DEMOGRAPHICS

Democrats have gained nationally among almost every demographic group compared to their support vs. Republican support in the 2002 midterm congressional elections. For example, among people age 65 and older, Democrats were 3 percentage points behind Republicans in 2002, but now are 16 points ahead of them. Similarly:

Ages 50-64, from -2 percentage points to +10

Ages 30-49, from -10 percentage points to +4

Men ages 18-29, from -11 percentage points to +18

Midwesterners, from -2 percentage points to +14

Southerners, from -7 percentage points to +3

Westerners, from -11 percentage points to +9

Rural, from -10 percentage points to +2

Working moms, from even to +18

Men, from -12 percentage points to +4

Whites, from -15 percentage points to +1

Those with incomes $50,000-$100,000, from -15 percentage points to +6

INDICATORS

Republican strengths/ edge over Democrats:

Terrorism/ +10 percentage points

North Korea/ +5 percentage points

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Immigration/ +4 percentage points
Democrat strengths/edge over Republicans:
Health care/ +21 percentage points
Education/ + 16 percentage points
Energy policy/ +19 percentage points
Government reform/ +14 percentage points
Economy/ +10 percentage points
Taxes/ +5 percentage points
Iraq/ +5 percentage points
Morality/ +2 percentage points
Note: National numbers based on registered voters
KEY HOUSE RACES
The 40 competitive House districts:
Arizona 5, Arizona 8, California 11, Colorado 4, Colorado 7, Connecticut 2, Connecticut 4, Connecticut 5, Florida 13, Florida 22, Georgia 8, Georgia 12, Iowa 1, Iowa 3, Illinois 6, Illinois 8, Indiana 2, Indiana 8, Indiana 9, Kentucky 4, Minnesota 6, North Carolina 11, New Jersey 7, New Mexico 1, Nevada 2, New York 20, New York 24, New York 29, Ohio 1, Ohio 15, Ohio 18, Pennsylvania 6, Pennsylvania 7, Pennsylvania 8, Pennsylvania 10, Texas 17, Virginia 2, Vermont-at large, Washington 8, Wisconsin 8.
ABOUT THE POLL
The survey of 1,552 registered voters was conducted Oct. 17-22 and had a margin of error of plus or minus 3 percentage points. The sample of 528 registered voters in the 40 competitive districts had a margin of error of plus or minus 5 percentage points.

Once-safe Bets In GOP Country Pick Up A Bit Of Risk (USAT)

By Tom Kenworthy
USA Today, October 27, 2006
DENVER — When members of the conservative Club for Growth opened their checkbooks to back candidates in Republican primaries for open House seats in Colorado and Idaho, it seemed a pretty good bet that their choices would cruise into Congress if they won the preliminary rounds.
The seat in western Idaho that came open when Republican Rep. Butch Otter decided to run for governor hasn't been won by a Democrat since 1992, and President Bush carried the district with 69% of the vote two years ago.
The Colorado district, based in the conservative bastion of Colorado Springs and represented by retiring GOP Rep. Joel Hefley, has never sent a Democrat to the House since its creation in 1972. Bush won there with 66% in 2004.
"If we can help someone win the primary who is truly committed to limited government, economic freedom and pro-growth policies, they almost always go on to win the general election," says Club for Growth President Pat Toomey.
Less than two weeks before the Nov. 7 election, the Club for Growth's choices in Colorado and Idaho are looking less like surefire investments. The group's 36,000 members and political action committee have spent about $700,000 on the Idaho race and about $310,000 in the Colorado district.
In Colorado, Republican candidate Doug Lamborn, a 12-year veteran of the state Senate, has been hurt by lingering divisions from a bitter six-way primary in August. Hefley, who has represented the district 20 years, called Lamborn's campaign "sleazy and dishonest" and has refused to endorse him.
That's been a boost for Democrat Jay Fawcett, a decorated Air Force veteran of the 1991 Gulf War with strong ties to Colorado Springs, home to the Air Force Academy and a sizable military population. An Oct. 10 Denver Post poll showed Lamborn and Fawcett tied at 37% each, though an Oct. 19 poll by KUSA-TV had Lamborn up by 13 points.

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Bob Loevy, a political science professor at Colorado College, isn't betting on Fawcett yet but says a Democratic victory is "within reach." Loevy says the divisive primary, Hefley's criticism of Lamborn, and Fawcett's military background could combine to put "a very Republican seat in play."

Lamborn — running on his support for Bush's tax cuts and strategy in Iraq, as well as being tough on immigration — says Hefley's stance "has not been helpful."

He says he'll prevail because "I'm a Ronald Reagan conservative, and that is the majority sentiment within this district."

Fawcett says he's finding traction with a message that plays on voters' "frustration about where the president is going on Iraq." He proposes redeploying U.S. troops to Iraqi border areas and engaging nations in the region to find a solution for sectarian violence there.

In Idaho, it's been five months since Republican Bill Sali won a divisive six-candidate primary, but time has not healed rifts within the party, some of them dating to Sali's 16-year tenure in the Legislature. The Idaho Statesman endorsed Democrat Larry Grant, saying Sali spent his legislative career "fixated on hot-button issues such as abortion, alienating fellow Republicans."

After Sali discussed a supposed link between abortions and breast cancer early this year, Idaho House Speaker Bruce Newcomb, a Republican, called him "an absolute idiot" who "doesn't have an ounce of empathy." Former GOP speaker Mike Simpson, now in the U.S. House, once threatened to throw Sali from a second-floor window.

Grant, a former executive at chipmaker Micron Technology, Idaho's largest employer, stresses imposing fiscal restraint in Washington and getting "corruption under control." His most recent television ad features fellow Republicans criticizing Sali.

Grant says Republicans "nominated a candidate who is not well-liked even in his own party. … He doesn't play well with others."

Northwest Nazarene University political scientist Steve Shaw says Sali "is seen as a very abrasive figure" who strikes even some Republicans as "an embarrassment." But Grant has an "uphill battle," Shaw adds, "because of how Republican the district is."

Sali, who supports Bush on Iraq, favors making English the official U.S. language and backs a constitutional amendment defining marriage as the union of one man and one woman, says his controversial reputation has been overblown. "I go to a Rotary Club or a Chamber of Commerce, and people always say to me, 'You're not at all what I expected,' " he says.

Sensing an opportunity, the Democratic Party's House campaign committee this month added the Idaho contest to its list of "emerging races," though it has yet to make a financial commitment.

Toomey says Club for Growth members and the group's political action committee will spend more than $18 million backing candidates this election cycle. About two-thirds of the club's endorsed candidates have prevailed so far, either in primaries or special elections. The group lost one high-profile effort this year when its favored Senate candidate in the Rhode Island primary, Steve Laffey, lost to incumbent Lincoln Chafee.

Toomey says he's confident both Sali and Lamborn will win. "But the truth is," Toomey says, "this is a very, very difficult environment for national Republicans."

Incumbents On The Ropes Over Ties To Abramoff (NYT)

By Jesse Mckinley

The New York Times, October 27, 2006

TRACY, Calif. — In the past decade, Representatives Richard W. Pombo and John T. Doolittle, Republicans of California, have shared rising political careers, a love for conservative politics and years of cruising to re-election.

Now they share a pressing problem: questions about their relationships with Jack Abramoff, the former Washington lobbyist at the center of an extensive corruption investigation. While the Abramoff scandal no longer dominates national headlines, it has been a keystone of the Democratic strategy against Mr. Pombo and Mr. Doolittle, who are locked in tightening re-election campaigns despite the benefit of representing solidly Republican districts.

Both congressmen, whose districts are separated by 20 miles of Central Valley farmland, have denied any wrongdoing, and the Justice Department has not publicly named either of them in its Abramoff investigation. Still, their association with the lobbyist,

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his associates and clients — who gave tens of thousands of dollars in campaign contributions to their past campaigns — remains difficult to shake as Election Day nears.

Only a few months ago, the Doolittle and Pombo seats were considered safely Republican, but the electoral landscape for Republicans has changed so significantly that the Democratic Congressional Campaign Committee now includes them on a list of "emerging races" for Democrats. This week, the committee began broadcasting an anti-Pombo advertisement.

The National Republican Congressional Committee says the Democratic candidates on that party's emerging-races list are underfinanced "bottom tier candidates." But the Republican committee is taking a different tack on the ground in California, pumping money and big-name support into both races.

President Bush made a campaign swing through the two California districts this month, raising more than $400,000 for Mr. Pombo in the 11th District and about $600,000 for Mr. Doolittle in the Fourth District. The Republican committee spent more than $153,000 this month on phone banks and mailings in the Doolittle race, and previously spent about $650,000 on phone banks, mailings and surveys for Mr. Pombo.

While both Republicans hold significant financial advantages heading into the final stretch of the campaign, with about three times as much cash on hand as their opponents, Mr. Pombo says he is anxious, in part because of heavy spending from outside groups.

"I'm nervous every time," he said in an interview.

Mr. Doolittle declined to be interviewed, but a spokesman predicted the congressman would be re-elected.

"This district doesn't elect liberal Democrats," said the spokesman, Richard Robinson. "It doesn't elect them dogcatcher, and it certainly doesn't elect them to Congress."

Mr. Pombo, especially, has been hammered about more than his Abramoff connections. Environmental groups like the Sierra Club have heavily criticized his tenure as chairman of the House Committee on Resources and have committed a lot of money and volunteers to try to unseat him.

Mr. Doolittle, meanwhile, has been answering questions about an arrangement whereby his wife, Julie, working as his chief fund-raising consultant, takes a 15 percent commission on fund-raisers she organizes. That included the president's recent visit, which netted about $90,000 for Mrs. Doolittle. Mr. Doolittle has defended his wife, saying her commission is in line with what other consultants charge.

Still, the Abramoff name has dominated large parts of the campaigns, with Democratic candidates invoking the lobbyist in advertising, and the news media, including The Sacramento Bee, digging into the lobbyist's California dealings. The Washington Post, quoting unnamed sources, reported on Oct. 14 that Mr. Doolittle was being investigated by the Justice Department, an accusation Mr. Doolittle denies.

In a recent editorial endorsing Mr. Pombo's Democratic opponent, The Bee said that Mr. Pombo had taken money from Mr. Abramoff, an "admitted political fixer," and that the congressman "personifies all that ails Washington."

The Democrats have also been beating the Abramoff drum. Last week Mr. Doolittle's opponent, Charlie Brown, a retired Air Force colonel, broadcast a television advertisement accusing Mr. Doolittle of taking "thousands from convicted Congressional bribers," a phrase intoned while a picture of Mr. Abramoff flashed on the screen.

In the Pombo race, Jerry McNerney, a mild-mannered mathematician and wind-energy expert who Mr. Pombo soundly beat in 2004, has called on the congressman to reveal all e-mail correspondence with Mr. Abramoff.

Democrats say the strategy is working. Mr. Brown and Mr. McNerney have helped create a buzz by publicizing internal polls, which are traditionally unreliable and subject to manipulation by campaigns, showing them at least tied with Mr. Doolittle and Mr. Pombo, both of whom were re-elected in 2004 with more than 60 percent of the vote.

There are signs that both incumbents are campaigning more vigorously than in years past.

Mr. Doolittle recently agreed to his first debate in a decade, where he was peppered with questions about Mr. Abramoff, who personally gave $14,000 to his past campaigns and paid Mr. Doolittle's wife to work as an event consultant.

Mr. Doolittle, an eight-term Republican and a member of the House leadership, appeared frustrated at times. Mr. Abramoff "didn't turn out to be the person I thought I knew," he said. "But I didn't do anything untoward with him."

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Mr. Doolittle has not apologized for refusing to return the donation from Mr. Abramoff. "The congressman doesn't return money that has been ethically given and ethically taken," Mr. Robinson said. "And certainly that was the case with Mr. Abramoff."

Mr. Pombo said he gave to charity the $7,500 that Mr. Abramoff personally donated to his past campaigns. But he still faced questions about his relationship with Mr. Abramoff during a debate on Oct. 5. "I met the guy two or three times in my whole life," Mr. Pombo said. "He never once lobbied me on anything. He never asked me to sign a letter to vote for or against a bill, to introduce a bill, never once stepped foot in my office."

Mr. Pombo may be the more vulnerable of the two Republicans owing to demographic changes in his district, which meanders over four counties. Redistricting in 2001 incorporated parts of several rapidly growing, far-flung San Francisco suburbs, and Democratic voter registration has increased as a result. Mr. Pombo rejects that notion, saying that when he was originally elected in 1994 his district was Democratic.

The Sierra Club and the League of Conservation Voters, which have run advertisements opposing Mr. Pombo, are counting on the district's new suburbanites to be turned off by Mr. Pombo's environmental record, which has included advocating for drilling in the Arctic National Wildlife Refuge and a strong support of private property rights.

The Sierra Club, which has spent about $250,000, and the Defenders of Wildlife Action Fund, which has spent more than $500,000, are planning to knock on 30,000 doors in the next two weekends. All told, environmental groups are expected to spend more than $1.5 million to defeat Mr. Pombo, said Eric Antebi, a Sierra Club spokesman.

No such demographic change has occurred in Mr. Doolittle's district, which sprawls from the suburbs of Sacramento north and east to the Oregon and Nevada borders. Democrats make up less than a third of registered voters there, but his opponent, Mr. Brown, has been using bloggers to rally support.

A career Air Force man who flew rescue helicopters in Vietnam, Mr. Brown said he entered the race out of patriotic duty.

"It's a normal military thing: I saw a need and decided to fill it," said Mr. Brown, whose son Jeff is an Air Force captain about to start his fourth rotation in Iraq. "The idea of service, you don't back away from things that need to be done."

Mr. McNerney also comes from a military background, although an aborted one. The son of an Army officer, he attended military high school in Kansas and the United States Military Academy at West Point, but he dropped out during Vietnam.

Mr. Pombo and Mr. Doolittle say their opponents' campaigns are being driven by liberal Bay Area politicians like Representative Nancy Pelosi and Senator Barbara Boxer, both Democrats.

"By day he's attempting to be a conservative to district voters, and by night kowtowing to liberals in the Bay Area who are funding his campaign," Mr. Robinson said of Mr. Brown. Mr. Doolittle has also repeatedly criticized Mr. Brown for refusing to give up his membership in the American Civil Liberties Union, a group that he has said is "doing negative things to this country."

Mr. Pombo, meanwhile, said he was not surprised by the Democrats' effort to lump the two races together.

"There's a lot of similarities," Mr. Pombo said. "A lot of the stuff they send out, they just scratch off his name and put mine in."

GOP Slips At Foley Scandal's Epicenter (CSM)

By Warren Richey

The Christian Science Monitor, October 27, 2006

HOBE SOUND, FLA.

Florida's 16th Congressional District is a classic political gerrymander drawn to favor Republican candidates over Democrats. Shaped like a squashed plumber's wrench, it meanders across eight counties to link Republican strongholds on Florida's east and west coasts.

But even the fanciest handiwork of Republican line-drawers in Tallahassee may be of little comfort to Joe Negron this election season. He is the former state representative from Stuart tapped by the Republican Party to run for the seat left vacant by disgraced US Rep. Mark Foley amid the Congressional page scandal.

Mr. Foley's former seat is one of the four most vulnerable Republican congressional seats in the Nov. 7 election, says the nonpartisan Cook Political Report. It is considered a key contest in a national push by Democrats to gain 15 or more seats to take control of the House of Representatives and elevate Nancy Pelosi to House speaker.

Although Florida's 16th Congressional District is designed to produce Republican winners, analysts say this year may be different.

"It is going to be a very tough go for Negron to win," says Del Ali of the independent polling firm Research 2000.

Two weeks ago, a poll by Mr. Ali showed Mr. Negron trailing Democratic candidate Tim Mahoney by 7 percentage points. The pollster says Democrats are more fired up than Republicans, and that independent voters in the district - a critical voting bloc - favor Mr. Mahoney by 30 points.

"If Negron becomes competitive with independents, that is how he would pull it out," Ali says. "He has got to take it to within five or six points." Democrat hits hurricane insurance

Mahoney, who runs a financial- services company, is critical of the local economy and skyrocketing hurricane insurance rates in campaign appearances and ads. He is also pushing the need for change in Washington.

Negron is hoping to capitalize on campaign stops by Gov. Jeb Bush, who is said to enjoy a 60-plus percent approval rating among district voters.

Both candidates can stake legitimate claims to the political center. Mahoney is a former Republican, while Negron is a former Democrat.

But Negron faces a particularly difficult obstacle - he must find a way to win an election without his name appearing on the ballot.

Because Mr. Foley resigned so late, Republicans were barred from changing the ballot. Election law in Florida establishes a strict deadline for ballot changes. If a candidate withdraws after the deadline, the original candidate's name remains on the ballot, though a replacement candidate receives any votes cast for the original candidate.

A similar situation arose in 2004 when the Democratic challenger in a race in nearby Palm Beach and Broward counties suddenly pulled out for health reasons. Although the new candidate's name did not appear on the ballot, signs were posted in each precinct to help clarify the situation.

Following Foley's departure from the current campaign, elections officials were discussing the possibility of posting similar precinct signs. The proposed signs were designed to explain that a vote for Foley would be counted as a vote for Negron. The signs also explained that a vote for the Democratic candidate, Mahoney, would be counted as a vote for Mahoney. The balanced wording on the posted signs was intended to avoid granting an unfair advantage to any one candidate, while at the same time preventing voter confusion.

The state Democratic Party sued to block not only precinct signs but any verbal communication between poll workers and voters concerning Foley's name on the ballot or Negron's candidacy. Last week, a state judge granted the Democratic Party's request for an injunction. Circuit Judge Janet Ferris barred election officials in the 16th District from posting special signs or verbally explaining why Negron's name was not on the ballot and why Foley's name was still on. Poll workers can't help voters

The ruling marks the first time a judge has ever interpreted Florida election law so broadly to bar any mention of a candidate in response to a voter's question. State officials are appealing Judge Ferris's ruling. Some poll workers are referring to Judge Ferris's ruling as a preelection "gag order."

Early voting began this week. Negron campaign workers are positioned outside the polls to stress to voters that a vote for Foley is really a vote for Negron.

David Levine, a Republican committee member in Martin County, has been manning the parking lot outside the polls at the Hobe Sound Library. "There is a very high rate of awareness" of the ballot issue, he says. "There was only one person I had to explain the whole situation to. Everyone else knows it."

Political analysts say that early voters tend to be more politically aware. The real test will be on Election Day when independent undecided voters arrive at the polls, analysts say.

When Hobe Sound poll worker William Harrington was asked about the Foley-Negron-ballot issue, he said, "I can't answer any question about that. We're under tight restrictions."

He added: "We received on Monday morning a sheet saying we could give no assistance as to candidates and we were warned that there might be people like you testing what we do."

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One voter, Anita Hunt, said she overheard a man complaining loudly to officials manning the Hobe Sound precinct. "He was saying all kinds of four-letter words and 'I don't understand this,' " Ms. Hunt said. She said she heard the poll worker suggest that the man should ask his wife for help with his question. She said she heard the poll worker tell the man, "I can't advise you."

Despite the incident, voters emerging from the polls at Hobe Sound said they had no problem voting for the candidate of their choice - including many who said they voted for Negron.

"It is not confusing at all," said Jean Aldridge, after casting her ballot for Negron. "Anyone listening to the news or reading the paper should know."

Kevin Conway said he wasn't confused by the ballot. "I wouldn't vote for either Foley or Negron," he says. But he added that he saw no reason why new ballots couldn't be printed "for the dumb Republicans who want to vote for Negron."

Some voters interviewed after casting their ballots said they were disappointed with Foley, but that they wouldn't hold the scandal against the Republican Party or Negron. Others aren't so willing to forgive.

Marilyn Budensiek, a Negron campaign volunteer, says she's seen angry voters. "I do think Mark Foley has hurt the Republican cause," she says. "That may be more of a burden than Joe Negron not being on the ballot."

Robert Page, a self-described independent voter, said the scandal "swayed me all the way" to vote Democratic. "It is like a decaying process from the top down," he said of Republican elected officials. How the corruption cloud may affect contests for House seats

Three House seats were left open by lawmakers now under investigation. Democrats are taking advantage.

• Ohio, 18th District: Democrat Zack Space is ahead in the polls to fill the seat being vacated by Rep. Bob Ney (R), who pleaded guilty this month to taking favors in return for official actions on behalf of disgraced lobbyist Jack Abramoff and his clients. Mr. Ney's hand-picked candidate is state Sen. Joy Padgett.

• Texas, 22nd District: The seat held by former House majority leader Tom DeLay (R) is expected to shift to Democratic control. Mr. DeLay resigned from Congress in June amid money-laundering charges in Texas, and Republicans, barred by law from substituting a name on the ballot, must pin their hopes on a write-in campaign. The Democrats' Nick Lampson, a former congressman, is running strong.

• Arizona, Eighth District: Rep. Jim Kolbe (R), who recently came under scrutiny for taking a 1996 camping trip with congressional pages, is retiring. Democrat Gabrielle Giffords leads Republican Randy Graf.

Some House incumbents under investigation are running for reelection. They deny wrongdoing.

• California, Fourth District: Rep. John Doolittle (R) accepted campaign money from Mr. Abramoff and used the lobbyist's luxury sports box for a fundraiser without initially reporting it. Mr. Doolittle faces little-known Democrat Charlie Brown in a strongly Republican district and appears poised for victory.

• California, 41st District: Rep. Jerry Lewis (R) accepted $60,000 from San Diego defense contractor Brent Wilkes, who hired a lobbying firm to push the powerful Appropriations Committee chairman for federally funded projects. An investigation by federal prosecutors became public weeks before the primary, too late for Mr. Lewis to attract strong opposition.

• Louisiana, Second District: Rep. William Jefferson (D) was the target of an FBI raid in May at his Capitol Hill office as part of an investigation into whether he took a $100,000 bribe in 2005 - all but $10,000 of which was alleged to be found in the freezer of his Washington home. Jefferson faces a long list of challengers, and the state Democratic Party has endorsed his closest competitor, Karen Carter.

• Pennsylvania, Seventh District: The political future of Rep. Curt Weldon (R) is in doubt amid allegations he used his influence to help his daughter's lobbying firm secure contracts worth $1 million from foreign clients. The FBI raided his daughter's home and office this month in what Mr. Weldon termed a politically motivated inquiry. Weldon faces Democrat Joe Sestak.

• West Virginia, First District: Rep. Alan Mollohan (D) faces a stiff challenge from Republican Chris Wakim, who has support from the national Republican Party and big names such as first lady Laura Bush and Vice President Dick Cheney. Mr. Mollohan is the subject of an investigation into federal money given to nonprofit groups that contributed to his campaigns.

Democrats Fear Disillusionment In Black Voters (NYT)

By Ian Urbina

The New York Times, October 27, 2006

Last weekend, Jim Webb, the Virginia Democrat who hopes to oust Senator George Allen, crammed in visits to 12 black churches, and for several weeks he has been pumping money into advertisements on black radio stations and in black newspapers.

In Missouri, Claire McCaskill, the Democrat trying to unseat Senator Jim Talent, has been running advertisements about sickle cell anemia, a genetic illness that mostly afflicts black people, and the importance of stem cell research in helping to find a cure.

For Democrats like these in tight races, black voter turnout will be crucial on Election Day. But despite a generally buoyant Democratic Party nationally, there are worries among Democratic strategists in some states that blacks may not turn up at the polls in big enough numbers because of disillusionment over past shenanigans.

"This notion that elections are stolen and that elections are rigged is so common in the public sphere that we're having to go out of our way to counter them this year," said Donna Brazile, a Democratic strategist.

This will be the first midterm election in which the Democratic Party is mobilizing teams of lawyers and poll watchers, to check for irregularities including suppression of the black vote, in at least a dozen of the closest districts, Ms. Brazile said.

Democrats' worries are backed up by a Pew Research Center report that found that blacks were twice as likely now than they were in 2004 to say they had little or no confidence in the voting system, rising to 29 percent from 15 percent.

And more than three times as many blacks as whites — 29 percent versus 8 percent — say they do not believe that their vote will be accurately tallied.

Voting experts say the disillusionment is the cumulative effect of election problems in 2000 and 2004, and a reaction to new identification and voter registration laws.

Long lines and shortages of poll workers in lower-income neighborhoods in the 2004 election and widespread reports of fliers with misinformation appearing in minority areas have also had a corrosive effect on confidence, experts say.

The harder question is whether this jaded outlook will diminish turnout.

Recent polls have found record levels of outrage from Democrats about the current political leadership, which may offset the effect of black disillusion.

But Saleemah Affoul of Milwaukee, for one, is not so sure. Like many other black people in her neighborhood, Ms. Affoul said she was convinced that no matter how she voted, it would not be counted fairly.

"I do think the system is rigged," she said. "I vote anyway because my forefathers worked too hard to win me that right. But not everyone feels that responsibility around here."

Walking along Martin Luther King Jr. Drive in the gritty and mostly black section of Brewers Hill on the North Side of Milwaukee, Ms. Affoul said that cynicism in her neighborhood was on the rise.

She traced her own skepticism to one afternoon two months before the last presidential election when she overheard several young black men saying they were not going to vote because they feared being arrested at the polling station for their unpaid parking tickets. The neighborhood had been flooded with fliers from the Milwaukee Black Voters League, a fictitious group, saying that even minor infractions like parking tickets disqualified people from voting.

Ms. Affoul, 66, said she argued with the men but failed to convince them that they had been misinformed.

"I realized that maybe the poll tax isn't gone after all, and that if people were willing to try that trick, they might be willing to do a lot more that I don't even know about," she said.

Black voters are expected to play crucial roles in races for governor and the Senate in Florida, Maryland, Michigan, Missouri, Ohio, Pennsylvania, Tennessee and Virginia.

In Maryland, where blacks make up about 30 percent of the electorate, the Democratic candidate for governor, Martin O'Malley, who is white, is trailing the Republican incumbent, Robert L. Ehrlich Jr., by several points. Mr. O'Malley needs a large turnout among blacks in Baltimore to win, and he has mobilized more than 2,000 get-out-the-vote workers in black neighborhoods. He also helped his chances of attracting the black vote by selecting Anthony G. Brown, a black lawyer, as his running mate.

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In Tennessee, Representative Harold E. Ford Jr. is depending on a strong showing from blacks in Memphis, which he represents, to edge past Bob Corker and become the first black senator from a Southern state since Reconstruction.

In Virginia, Democrats hope that recent accusations of racism against Senator Allen will motivate blacks to vote for his Democratic opponent, Mr. Webb.

Ronald Walters, director of the African American Leadership Institute at the University of Maryland, said the reason for the rise in black voters' cynicism could be summed up in a single word: confirmation.

Mr. Walters said that episodes of voter suppression that were dismissed in 2000 as unfounded recurred in 2004 and were better documented because rights groups dispatched thousands of lawyers and poll watchers. In addition, the first national data-tracking tool, the Election Incident Reporting System, offered a national hot line that fed a database of what ended up to be 40,000 problems.

"All of a sudden after 2004, these weren't just baseless or isolated incidents," Mr. Walters said.

The type of misleading letter sent this month to 14,000 Hispanic immigrants in Orange County, Calif., threatening them with arrest if they tried to vote, was hardly a first. In 2004, similar fliers appeared in predominantly black neighborhoods in the Pittsburgh area, on official-looking letterheads. The fliers said that because of unusually high voter registration, Republicans were to vote on Election Day, and Democrats were to vote the next day.

Fliers sent in Lake County, Ohio, told people that if they had registered through the N.A.A.C.P., they could not vote.

Asked whether such tactics from 2004 could influence black turnout next month, the Rev. Al Sharpton of New York, whose National Action Network is also mobilizing voter protection teams, said that despite insufficient action from Democrats in responding to the problems, he believed that black turnout would be high.

"Just because more of us believe that folks are trying to rob us of certain rights doesn't mean we are more likely to give up and leave the front door unlocked," Mr. Sharpton said.

The rollout of new voting machines may also be contributing to black voters' fears.

"African-Americans are more susceptible to conspiracy theories about the new technology because they have been subject to actual conspiracies more often than the rest of the population," said David A. Bositis, senior political analyst for the Joint Center for Political and Economic Studies in Washington, a research organization dedicated to African-American issues.

Marsha Lindsey, a black paramedic and former poll worker in Dayton, Ohio, said that after 2004 she stopped arguing with her black friends when they said there was no point in voting.

Spencer Overton, a law professor at George Washington University and author of "Stealing Democracy: the New Politics of Voter Suppression," said the threat of voter suppression presented difficult strategic decisions.

"Voter suppression is a real threat," Mr. Overton said, "but Democrats can't invest so much into voter protection that they don't have adequate resources to turn out their voters to the polls in the first place."

The Rev. DeForest B. Soaries, who is black and was appointed by President George W. Bush as the first chairman of the United States Election Assistance Commission, an agency meant to help carry out the Help America Vote Act, said Democrats overestimated the problem of voter suppression in much the same way Republicans overestimated the problem of voter fraud.

Skepticism is especially pronounced in poor black neighborhoods, Mr. Soaries said, because these communities are often disproportionately affected by problems with machines and the number and training of poll workers. When problems do occur in these areas, he added, they occur against a historical backdrop of voter suppression.

Whatever its consequence, the topic is very much on Democrats' minds. At a recent Democratic fund-raiser in Atlanta, at the home of Representative John Lewis, who is black, conversation centered on perceptions that widespread voter disenfranchisement would haunt the 2006 elections.

Former President Bill Clinton addressed the issue there, criticizing some Republican campaign tactics. After mentioning rough-edged political ads and other strategies, he said, "And when that doesn't work, they try to keep you from voting."

Headed into a statewide candidates' forum on prison overhaul, for pastors from Baltimore, the Rev. Heber Brown III, who is black, said that the success of black voter mobilization efforts in 2004 set the stage for some disillusion.

"Last time, you had hip-hop leaders like Russell Simmons, Eminem and Sean Combs with the Vote or Die campaign and lots of young blacks voted but what did they get?" said Mr. Brown, 26, pastor of Shiloh Baptist Church in Baltimore County. "Now

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when you talk to young black voters you can't just say, 'Get out the vote,' you have to first do a lot of explaining, cut through a lot of confusion about the 2004 vote and first talk about how change takes time."

Clinton On Campaign Trail For Democratic House Seats (NYT)

By Raymond Hernandez

The New York Times, October 27, 2006

SYRACUSE, Oct. 26 — Bill Clinton campaigned in upstate New York on Thursday, trying to give a boost to Democratic candidates seeking to topple several entrenched Republicans in the Democratic Party's drive to retake the House of Representatives.

"This country can take a new direction with a new Congress," Mr. Clinton said during a rally at the airport here after accusing the Republican Party of being led by a right-wing faction beholden to special interests. "We can make a new beginning."

Mr. Clinton's appearance underlined the sense of confidence that Democrats feel about their prospects for picking up several House seats in Republican strongholds of New York.

Here in central New York, Democrats are taking aim at two Republican-held seats: in the 25th Congressional District, where Representative James T. Walsh is facing Dan Maffei; and in the 24th District, where State Senator Raymond A. Meier, a Republican, is battling Michael A. Arcuri, a Democrat, to succeed Sherwood L. Boehlert, a Republican who is retiring.

Mr. Maffei and Mr. Arcuri were both on hand at the rally here in a hangar at which Mr. Clinton praised them and several other Democratic candidates as agents of positive change.

Earlier in the day, Mr. Clinton was in Albany, where he campaigned with Kirsten Gillibrand, who is trying to unseat Representative John E. Sweeney, the Republican incumbent in the 20th District.

Mr. Clinton's visit coincided with an unexpected last-minute drive that Democratic leaders in Washington are making in upstate New York, a region that they appeared to have largely written off a few months ago.

Underscoring the stakes in New York, Representative Rahm Emmanuel, the head of the Democratic Congressional Campaign Committee, also appeared at the Albany rally before traveling here to Syracuse to make a campaign appearance for Mr. Arcuri and be the host at a fund-raiser for Mr. Maffei.

Emboldened by a stream of bad news for Republicans, including the mounting death toll in Iraq, Democrats are pumping money and manpower into districts around the state where they believe Republicans are vulnerable.

Republicans have countered that Democrats are overstating their prospects of winning in New York in an effort to force them to spread their resources thinner than they have already. Democrats, who need 15 seats to capture control of the House, are seriously challenging Republican incumbents in races throughout the country.

Republicans contend that their incumbents in New York are secure because of their records of achievement locally and because the districts they represent give Republicans an enrollment edge over Democrats. Moreover, they argue that Congressional races typically turn on local issues and personalities, not on the overall national climate.

And yet there is evidence that Republicans may be worried that some of the party's seats in New York are suddenly in play. Four Republican-held districts in New York were put on a fund-raising list that Republican leaders compiled, identifying candidates who are "most in need of support right now," according to an article published this week in The Hill, a publication that covers Washington politics.

On his visit here, Mr. Clinton got in a plug for his wife, Senator Hillary Rodham Clinton, who is up for re-election next month. He drew chuckles when he told the audience that it was her birthday and that he had asked her whether there was anything special he could do to mark the occasion.

"She said, 'There sure is. Go to upstate New York to campaign for our candidates,' " he recalled.

As it turned out, Mr. Clinton left Syracuse and went on to campaign for another candidate: Mrs. Clinton herself. While she is considered a shoo-in for re-election, her advisers believe that a substantial margin of victory in November could give her momentum in advance of a potential presidential bid should she decide to run.

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Appearing at a Democratic rally yesterday at Republic Airport in Farmingdale, N.Y., Mr. Clinton enumerated his wife's accomplishments over the past six years, highlighting her efforts to help combat breast cancer, a potent issue among women on Long Island.

He also praised his wife, who was not present at the rally, for her bipartisan work ethic, and he called for less "fighting" and more "honest arguments" in government.

Pat Toomey (CSM)

By David Cook

The Christian Science Monitor, October 27, 2006

Posted October 27, 2006 - http://www.csmonitor.com/2006/1027/p25s01-usmb.html Pat Toomey By David Cook

The conservative Club for Growth's president, Pat Toomey, is careful not to predict a Democratic takeover of the US House of Representatives. But his comments over breakfast with reporters Thursday make it clear: his advocacy group is preparing for major changes on Capitol Hill.

If Republicans lose the House, Toomey says, "The Club for Growth is poised to play an enormous role in helping to rebuild a limited government, pro-growth majority in the US House." Toomey, a former Congressman, has been head of the Club for Growth since last year.

The Club lobbies for making the Bush tax cuts permanent, eliminating the inheritance tax, cutting government spending, and boosting free trade. The group has a political action committee which supports Republican candidates who are in synch with its policy positions.

If you think control of the House will change, "then you presumably accept some of the things that follow from that - the likelihood of several very quick, if not immediate, resignations, a wave of retirements," Toomey said. "These are thing that are not infrequent when there is a change in control."

Toomey was careful when talking about the political fate of House Speaker Dennis Hastert. "I don't want to make a prediction about Denny Hastert. As a general matter I will say this: I think Republicans are certainly likely to lose seats. After the election I will say I think there will be new faces at high levels of the House leadership," Toomey said.

While a Democratic takeover would complicate his organization's work, Toomey notes, "Some good things could come of this. I think for one the president ought to - if this were to happen - I think the president ought to call the Democrats on their claims that they are all upset about the earmarking and the wasteful spending. OK, good. So let's see if Nancy Pelosi will agree to not have earmarks in appropriation bills. Let's see if she will agree to hold the line on spending. I am sure she won't. But I think the president ought to call them out on this...."

Free trade is a key issue for the club. "If we lose either [the House or Senate to the Democrats], I think free trade is in big trouble," Toomey said. "And it is one of the things that worries me a great deal ... the only remaining way to expand trade is bilateral and possibly regional agreements. Those require fast track [negotiating] authority. Fast track authority expires in July. There is no way Nancy Pelosi is going to approve fast track authority for the president.... It goes from tough but doable to impossible."

A native of Providence, Rhode Island, Toomey put himself through Harvard University with scholarships and loans. He then became an investment banker and later operated a restaurant business with his brothers.

In 1998, he ran for Congress in Pennsylvania's 15th district. In the primary that year, he called for both Social Security individual investment accounts and a 17 percent flat tax. He also pledged to serve for only six years.

And he won.

Representative Toomey mounted a primary challenge against Senator Arlen Specter in 2004, but narrowly lost. He moved to the Club shortly thereafter.

Well-Timed Funding In Tight Races (WP/AP)

By Ben Feller

The Washington Post, October 27, 2006

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Those in power love to dole out grants at election time. With Republican control of Congress at risk, the Bush administration is busily using the perks of incumbency to help allies from Ohio to California.

The formula: Cabinet luminaries travel to competitive districts and hand out money while local candidates bask in media coverage.

"Democrats did it. Republicans are doing it. The Whigs and the Federalists probably did it as well. It's a very old tradition," said John Fortier, a research fellow who studies politics at the American Enterprise Institute.

Take Pennsylvania, where Rep. Curt Weldon (R) was getting some fuel Wednesday from the Energy Department. The agency sent an assistant secretary to stand next to Weldon at a news conference, touting a local company that had just scored a $6.3 million federal grant. The photo op comes as Weldon is under federal investigation for conflicts of interest and is facing the most formidable reelection challenge in his 20-year career.

In the same state last week, Labor Secretary Elaine Chao joined another endangered Republican, Sen. Rick Santorum, and thanked him for his leadership. Then she announced a $10.4 million grant to help the state clean up from severe storms.

Education Secretary Margaret Spellings chose to start handing out grants for teacher bonuses at the political crossroads of Ohio this week. In one of the state's most closely watched races, polls show Sen. Mike DeWine (R) trailing Rep. Sherrod Brown (D).

Spellings began her day Monday by appearing in Cincinnati with Rep. Steve Chabot (R), who is in his own election fight. To announce the $20 million grant for Ohio, she stood in Columbus with Rep. Ralph Regula (R), who oversees the House spending bill for education. The Education Department said the election had no bearing, but Brown called it a publicity stunt and "cynical politics at its worst."

Elsewhere in the Cabinet, Agriculture Secretary Mike Johanns, a former Nebraska governor, has traveled the South and the Midwest to help out GOP candidates. He appeared Tuesday at an ethanol seminar with Minnesota Gov. Tim Pawlenty, who is tied with or trailing Democrat Mike Hatch in polls. The USDA chief then appeared at campaign events with Reps. Mark Kennedy, a Senate candidate, and Gil Gutknecht, whose races are viewed as competitive.

All this political promotion comes in addition to President Bush's increasingly frequent forays on behalf of struggling Republicans.

In Buffalo, even the chairman of the House GOP election effort is struggling to hold on to his seat. Rep. Thomas M. Reynolds is trying to overcome criticism that he did not do enough to stop inappropriate relationships between congressional pages and former representative Mark Foley (R-Fla.).

On Tuesday in Buffalo, leaders of a private club and writers at the city's newspaper got unusual visits from the third-ranking official at the CIA. The stops by Michael J. Morell, the associate deputy director of the agency, were arranged by Anthony Gioia, a longtime Bush fundraiser and a donor to Reynolds. Morell spoke about the war in Iraq and the fight against terrorism. CIA officials rarely make such appearances.

Asked about the timing, CIA spokesman Mark Mansfield said, "Politics had no bearing whatsoever on Mr. Morell's acceptance of an invitation to give a speech in Buffalo or when to give it." He added, "No one dispatched him." Mansfield said previous directors and senior officials have talked to newspapers' editorial boards.

The travel by the Cabinet has irked Rep. Henry A. Waxman (Calif.), the top Democrat on the Government Reform Committee. He produced an analysis Wednesday that says the cost of private travel by Cabinet secretaries and agency heads is more than $1.5 million since 2001.

"Cabinet secretaries are currently crisscrossing the nation to make appearances with members of Congress in close races," Waxman wrote to White House budget chief Rob Portman. "It would be a misuse of taxpayer dollars if, as in 2004, these officials were traveling on chartered private jets." He asked Portman to intervene.

Fortier, the American Enterprise Institute scholar, said he doubts any grant announcement or campaign stop by a big name will make a huge difference in an individual race. But it can't hurt. "For incumbents, this is something they can use to combat the argument that you need change," he said. "They're saying: 'Remember that aside from all the national issues, I'm here for you. I have the ear of the president.' "

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Democrats Top Republicans In Fundraising (AP-Y)

By Philip Elliott

AP, October 27, 2006

The Democrats' congressional campaign committees raised $15.5 million during the first 18 days of October, setting up their final push to reclaim both chambers. Republicans, meanwhile, raised $10.1 million for their candidates, continuing a pace that has lagged this election.

Republicans slightly beat the Democrats' House committee but stumbled on the Senate side, where a $5.5 million fundraising disparity emerged during the Oct. 1-17 reporting period. The Democratic Senatorial Campaign Committee raised $9.1 million; the National Republican Senatorial Committee raised $3.6 million.

"In the world series of fundraising, Senate Democrats just hit a grand slam in the bottom of the ninth," Sen. Chuck Schumer, D-N.Y., the committee's chairman, said in a statement. "The rapid rate at which Democrats are raising money is the latest evidence that Americans want change in the Senate."

The Senate fundraising disparity does not reflect individual campaign fundraising, which Republicans said gave them a $14 million advantage during the last complete reporting period.

The NRSC has $8.9 million on hand. It has raised $78.8 million this cycle. Its spokesman, Brian Nick, noted that Democrats outraised Republicans in 2004 and still didn't unseat the majority GOP.

The DSCC has $9.7 million in the bank. So far, the committee has raised $104 million for candidates. Those numbers don't reflect a pair of $250,000 donations from Sens. Edward M. Kennedy and John Kerry. It does, however, include the more than $2 million this cycle from Sen. Hillary Rodham Clinton.

"Those are millions of dollars flowing into the committee in the last couple of weeks and those are padding the numbers big time," Nick said.

Both parties' committees submitted reports to the Federal Election Commission on Thursday, 12 days before the midterm elections.

For House candidates, Democrats raised $6.4 million during the first days of October, giving them $17 million in the bank. The Democratic Congressional Campaign Committee has raised $105 million this cycle.

Republicans trying to stop the Democrats from winning 15 seats and the majority in the House raised $6.5 million, bringing its cash-on-hand total to $18.3 million and election-cycle total to $142.4 million.

Combined, the Democrats have $26.7 million to spend on candidates in the final weeks. Republicans have $27.2 million in hand.

Business Groups Woo Democrats (LAT)

By Richard Simon

The Los Angeles Times, October 27, 2006

"Some people have discovered virtues in me that they had previously overlooked," Rep. Barney Frank of Massachusetts, who stands to become chairman of the Financial Services Committee if Democrats control the House, mused recently. "The prospect of the chairmanship seems to have been a very good introduction."

Frank was referring to a surge in campaign contributions from pro-business groups — groups whose members would have to deal with the liberal Democrat instead of a probably-more-congenial Republican. (Rep. Michael G. Oxley, the Ohio Republican who now heads the committee, is retiring after this term.)

Issues involving the financial services industry fall under the committee's jurisdiction. And the New York Life Insurance Co.'s political action committee has contributed $10,000 to Frank this election season, up from $1,000 in the 2003-'04 cycle, according to PoliticalMoneyLine, which tracks political donations. The National Assn. of Insurance and Financial Advisors PAC contributed $10,000 to Frank this election season, up from $3,000 in the last cycle.

Frank is not alone. As prospects appear to grow that Republicans will lose control of the House and perhaps even the Senate, business groups, trade associations, and their lobbyists and political advisors have developed a sudden enthusiasm for

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contributing to Democrats — especially to those likely to be in the House leadership or to head important committees if Republicans lose their majorities.

Rep. Charles B. Rangel (D-N.Y.), for example, would chair the tax-writing Ways and Means Committee in a Democratic-run House, and he has begun hearing from groups he says had not called since the Republicans won control of the House in 1994.

"I don't think meeting with the chairman of General Electric has anything to do with my taking over Ways and Means; I just never realized how much they loved me," Rangel joked.

In this election cycle, the congressman has raised $17,000 from General Electric's political action committee for his campaign and his leadership PAC, which provides campaign funds for other Democrats. That's more than twice what he collected the previous cycle, according to PoliticalMoneyLine.

None of this is to say business has changed sides. It continues to give far more to Republicans than to Democrats. And the major groups representing the business community, including the U.S. Chamber of Commerce, are working hard to protect the GOP majorities in Congress.

Moreover, many business groups seek to play down their campaign contributions to the other side. New York Life spokesman William Werfel said that his company's PAC was giving more in general this cycle and that the GOP still got the most.

But as storm clouds gathered over the GOP this election season, business leaders, lobbyists and PACs quietly began to take out a form of political insurance — contributing more to Democrats who, if they become the majority party, will wield power over issues affecting business' bottom line.

"All of the Democratic ranking members have seen an increase in attentiveness to their fundraising…. There has definitely been an increase in people paying attention to the ranking members in particular," a House Democratic aide said, speaking on condition of anonymity because he was not authorized to speak for members.

Frank, for one, sent out a solicitation asking contributors to "help me raise campaign funds which, as you know, I am using in substantial part to make sure that the next time we talk after that, I will be the Chairman in Waiting of the House Financial Services Committee."

As Democrats try to encourage the shift in campaign contributions and Republicans try to counter it, the result can be a behind-the-scenes tug of war.

"The Democrats are telling business lobbyists: 'Hedge your bets, we probably are going to be in control,' " said James Benton of the campaign watchdog group Common Cause. "The Republicans, on the other hand, are saying: 'We're watching. Don't give your money to Democrats. We're the people you can trust.' "

One lobbyist, who spoke on condition that he not be named because of the sensitivity of his relationship with the business groups he represented, acknowledged that business groups were ramping up their political donations to Democrats. "It's typical of the business community," he said. "They panic."

Political spending is projected to reach $2.6 billion in 2005-'06, making this the most expensive congressional campaign in history, according to the Center for Responsive Politics. PAC spending is expected to exceed $1 billion for the first time, "reflecting the ever-growing influence of business, labor and ideological interests," the center's acting director, Sheila Krumholz, said.

Washington lobbyist Aaron Houston said he had seen business' new interest in Democrats at a number of recent fundraisers. "There are a whole lot of $3,000 suits showing up," he said.

Republicans say they're not surprised.

"Business PACs go with wherever they see the wind blowing," said Rep. Jack Kingston (R-Ga.), vice chairman of the House Republican Conference.

Typical of the emerging pattern is the National Beer Wholesalers Assn. PAC. Although Republicans still receive a larger share of its donations, the wholesalers have made $10,000 contributions to more than twice as many House Democrats as they did in the last election.

Craig Purser, president of the beer wholesalers, said in a written statement: "It looks like there are going to be more close races this year than in recent memory, so we are getting more requests from everyone. However, our strategy remains what it has

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always been. The NBWA-PAC simply continues to support those who stand with beer distributors on the issues that matter the most."

House Minority Whip Steny H. Hoyer (D-Md.) had received no support from the beer wholesalers for at least a decade, but the trade group contributed $15,000 to the would-be majority leader's campaign committee and his leadership PAC in this election cycle.

Thanks in part to larger contributions from some kinds of businesses — including banking and insurance interests and defense and technology companies — Hoyer has raised nearly $4 million through his campaign committee and leadership PAC, more than in any election cycle during his 24-year congressional career.

Rep. John P. Murtha (D-Pa.), who stands to chair the defense appropriations subcommittee in a Democratic-controlled House, has raised more than $2.5 million this year, including $179,400 from the defense industry — more than in previous election cycles.

And Rangel is poised to surpass the $879,554 he raised from PACs for the last election cycle. If Democrats should take over one or both chambers of Congress, Krumholz and other experts said, business contributions are likely to increase even more.

After Many Battles, Still On The Front Lines (WP)

By Lois Romano

The Washington Post, October 27, 2006

Karin Johanson loves studying the tiny print in the dozens of political polls that land on her desk every morning. She can tell you what's happening in Indiana's 8th Congressional District at any given moment, and why 20 volunteers must be dispatched pronto to an obscure precinct in Michigan.

She can also probably predict with scary accuracy how many seats Democrats will pick up in the Nov. 7 midterm elections -- but she's too superstitious to say.

Johanson, 51, is one of those people whose names you never hear, a political junkie who has been toiling in the backwaters of Democratic politics for more than 30 years -- and one who is playing a huge role in the party's efforts to regain the House.

She is the executive director of the Democratic Congressional Campaign Committee, the minority party's campaign organ colloquially known as the "D Triple C," and she knows more about the individual races in the 435 congressional districts than most of the candidates do.

If her boss, the outspokenly partisan Rep. Rahm Emanuel (Ill.), is the aggressive face of the Democratic push, Johanson is his anchor, the person who can sit at her office near the Capitol and see the whole country at a glance -- or in critical little parts that might add up to a win.

"She's Rahm's other side," says friend Mary Beth Cahill, who ran Sen. John F. Kerry's presidential bid in 2004. "Someone has to be there every day to make sure everything works."

This Johanson does with a staff of 60 (all quite young), a volunteer pool of 700 and a budget of $40 million, $10 million of which goes straight into the districts for grass-roots efforts. Yesterday, she had 100 active broadcast political commercials in her e-mail queue waiting to be viewed.

"Karin put together 40 customized plans in 40 districts with 40 ground operations," Emanuel said. "She has intimate knowledge of every district. She knows what works and what doesn't because she's been there before. I'm a very obsessive person, and I give her six things to do and she does seven."

Johanson has indeed been down this road many times before, as the DCCC's West Coast political director in the 1994 (Democratic nightmare) cycle and political director in 2000. Before that, she was political director of Emily's List -- the political action committee that supports female candidates -- during the 1992 "year of the woman." Twenty-one new Democratic women were elected to the House, and Emily's List founder Ellen Malcolm credits Johanson with recruiting most of them.

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"She knows every player in every district," Malcolm said. Even after 1995, when the GOP took control of the House, Johanson was not deterred from recruiting candidates. "We'd say, 'What about so-and-so?' and Karin would say, 'Oh, I asked her twice, and she said no,' " Malcolm said. "Everyone was saying no, but she was persistent, and the environment started to shift."

Johanson grew up in Princeton, N.J., and recalls being a partisan very early. She was for Eugene McCarthy when she was 12 because she opposed the Vietnam War, and she named her pet goldfish Hubert, Horatio and Humphrey. She attended American University but took some time off before graduating to work for then-Rep. Gladys N. Spellman (D-Md.). Later, she spent 10 years working for Rep. Steny H. Hoyer (D-Md.), as his press secretary and later as his chief of staff.

Johanson said that after Democrats lost the House in 1994, she couldn't bring herself to go up to the Hill for a year. "It was too depressing. I didn't want to see Republicans," she said. "I didn't even go up to the credit union."

Although she said she won't let herself get too enthusiastic this year about what seems to be a Democratic wave, Johanson admits that it feels very different. "There is a huge energy among Democrats out there. We know what we running against." Unlike in 2004, when Democrats struggled to find issues, she said, this year "we're not making it up."

The war in Iraq, she said, is the dominant issue "because there is something there for everyone to be concerned about -- whether it's expenditures, or body armor, or questions about why our government hasn't done better to prepare the Iraqis.

"Even people who support the war think something needs to be done," she said. "And all these scandals -- it's been overwhelming."

Johanson said the DCCC is treating 54 districts as competitive -- an unusually high number.

At a time in life when most political operatives have already jettisoned the high-adrenaline life of retail politics and a constant diet of fast food, Johanson isn't going anywhere soon.

"I love electoral politics," she said. "I like being in the fight. I think everything else is boring by comparison. I think everybody who has done it loves it, but most people feel like they have to do something else."

The Year Of Playing Dirtier (WP)

By Michael Grunwald

The Washington Post, October 27, 2006

Rep. Ron Kind pays for sex!

Well, that's what the Republican challenger for his Wisconsin congressional seat, Paul R. Nelson, claims in new ads, the ones with "XXX" stamped across Kind's face.

It turns out that Kind -- along with more than 200 of his fellow hedonists in the House -- opposed an unsuccessful effort to stop the National Institutes of Health from pursuing peer-reviewed sex studies. According to Nelson's ads, the Democrat also wants to "let illegal aliens burn the American flag" and "allow convicted child molesters to enter this country."

To Nelson, that doesn't even qualify as negative campaigning.

"Negative campaigning is vicious personal attacks," he said in an interview. "This isn't personal at all."

By 2006 standards, maybe it isn't.

On the brink of what could be a power-shifting election, it is kitchen-sink time: Desperate candidates are throwing everything. While negative campaigning is a tradition in American politics, this year's version in many races has an eccentric shade, filled with allegations of moral bankruptcy and sexual perversion.

At the same time, the growth of "independent expenditures" by national parties and other groups has allowed candidates to distance themselves from distasteful attacks on their opponents, while blogs and YouTube have provided free distribution networks for eye-catching hatchet jobs.

"When the news is bad, the ads tend to be negative," said Shanto Iyengar, a Stanford professor who studies political advertising. "And the more negative the ad, the more likely it is to get free media coverage. So there's a big incentive to go to the extremes."

The result has been a carnival of ugly, especially on the GOP side, where operatives are trying to counter what polls show is a hostile political environment by casting opponents as fatally flawed characters. The National Republican Campaign Committee is spending more than 90 percent of its advertising budget on negative ads, according to GOP operatives, and the

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rest of the party seems to be following suit. A few examples of the "character issues" taking center stage two weeks before Election Day:

Â· In New York, the NRCC ran an ad accusing Democratic House candidate Michael A. Arcuri, a district attorney, of using taxpayer dollars for phone sex. "Hi, sexy," a dancing woman purrs. "You've reached the live, one-on-one fantasy line." It turns out that one of Arcuri's aides had tried to call the state Division of Criminal Justice, which had a number that was almost identical to that of a porn line. The misdial cost taxpayers $1.25.

Â· In Ohio, GOP gubernatorial candidate J. Kenneth Blackwell, trailing by more than 20 points in polls, has accused front-running Democratic Rep. Ted Strickland of protecting a former aide who was convicted in 1994 on a misdemeanor indecency charge. Blackwell's campaign is also warning voters through suggestive "push polls" that Strickland failed to support a resolution condemning sex between adults and children. Strickland, a psychiatrist, objected to a line suggesting that sexually abused children cannot have healthy relationships when they grow up.

Â· The Republican Party of Wisconsin distributed a mailing linking Democratic House candidate Steve Kagen to a convicted serial killer and child rapist. The supposed connection: The "bloodthirsty" attorney for the killer had also done legal work for Kagen.

Â· In two dozen congressional districts, a political action committee supported by a white Indianapolis businessman, J. Patrick Rooney, is running ads saying Democrats want to abort black babies. A voice says, "If you make a little mistake with one of your hos, you'll want to dispose of that problem tout de suite, no questions asked."

Â· In the most controversial recent ad, the Republican National Committee slammed Rep. Harold E. Ford Jr. (D-Tenn.) for attending a Playboy-sponsored Super Bowl party. In the ad, a scantily clad white actress winks as she reminisces about good times with Ford, who is black. That ad has been pulled, but the RNC has a new one saying Ford "wants to give the abortion pill to schoolchildren."

Some Democrats are playing rough, too. House candidate Chris Carney is running ads slamming the "family values" of Rep. Don Sherwood (R-Pa.), whose former mistress accused him of choking her. And House candidate Kirsten Gillibrand has an ad online ridiculing Rep. John E. Sweeney (R-N.Y.) for attending a late-night fraternity party. "What's a 50-year-old man doing at a frat party anyway?" one young woman asks, as a faux Sweeney boogies behind her to the Beastie Boys. "Totally creeping me out!" another responds.

But most harsh Democratic attacks have focused on the policies and performance of the GOP majority, trying to link Republicans to Bush, the unpopular war in Iraq and the scandals involving former representative Mark Foley and former lobbyist Jack Abramoff. That is not surprising, given that polls show two-thirds of the electorate thinks the country is going in the wrong direction. And studies show that negative ads can reduce turnout; Democrats hope a constant drumbeat of scandal, Iraq and "stay the course" will persuade conservatives to stay home on Nov. 7.

It is harder for Republicans to blame out-of-power Democrats for the current state of Washington, but they are equally eager to depress Democratic turnout and fire up their conservative base. One GOP strategy has been raising the specter of House Minority Leader Nancy Pelosi, a San Francisco liberal, becoming speaker; for example, Rep. John N. Hostettler (R-Ind.) is airing radio ads warning that a Democratic victory would allow Pelosi to "put in motion her radical plan to advance the homosexual agenda." Then again, Hostettler's opponent, Democrat Brad Ellsworth, has accused him of promoting the sale of guns to criminals, "including child-rapists."

Some of this year's negative ads are more substantive, reprising a successful Republican strategy from 2002 and 2004: portraying Democrats as soft on terrorism. For example, Rep. Nancy L. Johnson (R-Conn.) has an ad lambasting her opponent for opposing Bush's efforts to conduct wiretaps without search warrants. A host of Democrats have been accused of trying to "cut and run" in Iraq -- including House candidate Tammy Duckworth of Illinois, who lost both legs in Iraq.

The RNC has raised eyebrows with an ad consisting almost entirely of al-Qaeda videos starring Osama bin Laden and his top deputies. There is no sound except the ticking of a bomb before the final warning: "These are the stakes. Vote November 7th." John G. Geer, a Vanderbilt professor who has written a book defending negative political ads, said he told a well-connected Republican friend in Washington that the ticking-bomb ploy seemed like a desperation move. The friend e-mailed back: "John, we're desperate!"

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"Look, the electorate is polarized, the stakes are large, and neither party has much to run on right now," Geer said. "You can expect to see some pretty outlandish ads."

The "pays for sex" ad against Kind in Wisconsin -- along with a similar one aired against Rep. Brad Miller (D-N.C.) -- may be the most extreme. It says Kind spent tax dollars to study "the sex lives of Vietnamese prostitutes" and "the masturbation habits of old men" and "to pay teenage girls to watch pornographic movies with probes connected to their genitalia." Cue the punch line: "Ron Kind pays for sex, but not for soldiers." The Wisconsin Republican Party denounced the ad, and several TV stations refused to air it, but that only got it more attention. It is the centerpiece of Nelson's Web site: "This ad is so powerful, a sitting U.S. Congressman threatened TV stations with legal action if they dared to play it."

Kind joked in an interview that he has been paying for sex ever since he said "I do." But on a more serious note, he said Nelson's attack ad is typical of modern politics, in which desperate candidates can attract media coverage and rally their base with distortion. He opposed the amendment in question -- as did many Republicans -- because he does not think Congress should interfere in peer-reviewed NIH studies, not because of any interest in teenage genitalia. That particular study, incidentally, had nothing to do with teenagers.

"Man, it's a crazy system, and it's getting worse every year," Kind said. "We rip each other to shreds, and then we're all supposed to come back to Washington and try to work together. It's a hell of a way to elect representatives."

At least it is clear who is responsible for Nelson's ad: Nelson. The Playboy ad bashing Ford, on the other hand, is a typical product of the attack politics of 2006. Its beneficiary, GOP Senate candidate Bob Corker, called it "tacky" but said he cannot do anything about an RNC ad. Even RNC Chairman Ken Mehlman said he is powerless to stop it; it is an "independent expenditure" of the RNC, out of the committee's control. He doesn't seem too upset about it, though. Corker has been rising in the polls since it started airing.

Experts say that in the past, negative ads were usually more accurate, better documented and more informative than positive ads; there was a higher burden of proof. Stanford's Iyengar thinks that is still true for candidate-funded messages, which now require candidates to say they approved them. But it is not true when the messages are produced by political parties, shadowy independent groups or partisans posting on YouTube.

"You're going to see more of this sensational, off-the-wall stuff," Iyengar said. "If you get people disgusted, they might withdraw from politics, and that's the real goal these days."

Political Ads Go For The Jugular In Novel Ways (WSJ)

By Amy Schatz

The Wall Street Journal, October 27, 2006

Clad in a natty dark-blue suit, Republican Senate hopeful Michael Steele is standing beside four silver trash cans. He raises a lid. "Smell it? Trash from my opponent. Time to take it out," he says, banging the lid shut.

Talking directly into a camera, Mr. Steele bristles about being portrayed to Maryland voters as a Republican stooge and insinuates that his Democratic opponent, Rep. Ben Cardin, was somehow involved in the theft of his Social Security number and credit report -- which Mr. Cardin denies. "After 40 years in office, Ben Cardin can't change Washington...but you and I can," Mr. Steele tells viewers as the ad concludes.

With less than two weeks to go until Election Day, there has never been a harder time to break through the nonstop negative clutter, particularly in states and districts where the races are toss-ups. About $1.2 billion has already been spent on political and issue ads since Jan. 1, according to TNS Media Intelligent/CMAG, a political-ad tracking firm based in Arlington, Va., which predicts that ad spending this year could hit a record $1.7 billion.

Some candidates are using humor to attract the attention of voters weary of political ads. Texas gubernatorial candidate Kinky Friedman noted in one recent TV spot that "money may buy a fine dog, but only love can make her wag her tail." In Minnesota, Republican Senate candidate Mark Kennedy enlisted his entire family for a 30-second ad, dubbed "About Mark," which mocked his "party animal" career as an accountant and his image as a "snazzy dresser" by showing a closet-full of flannel shirts.

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When AARP, the big seniors' group, launched its traditional voter-education drive this year, it opted for a new, edgier campaign, dubbed "Don't Vote." The centerpiece: two television ads featuring people urging voters not to vote -- at least until they learned more about the issues.

Mr. Steele, in particular, has drawn attention for his ads, which have neither the look nor feel of typical political commercials and have been cited as one reason why his race against Rep. Cardin is closer than expected, given Maryland's tendency to elect Democrats.

In an ad that ran earlier this year, Mr. Steele used humor to warn voters that he would be attacked by the "Washington crowd" for a variety of sins like "Steele hates puppies." Cuddling a bug-eyed pup, he solemnly proclaimed: "For the record, I love puppies."

"It all depends on the state and the dynamics of the race -- you would not try to make people laugh in the state of Louisiana this year," says Brad Todd, a partner at OnMessage Inc., the Republican ad- and media-strategy firm in Alexandria, Va., that created Mr. Steele's ads.

Several ads combine humor and negativity, like the spot from Republican Lynn Swann, the former Pittsburgh Steelers great who is now challenging Pennsylvania Gov. Ed Rendell. The ad starts with a shot of the governor on election night 2002 promising to lower property taxes and then fast-forwards to the present, focusing on an "interviewer" going door to door toting a lifesize cutout of Mr. Rendell to ask people if their property taxes had declined -- only to be rebuffed in a variety of humiliating ways. After being sprayed by a woman watering her lawn and chased by dogs, the interviewer dumps the Rendell cutout in a trash can and says, "I don't know, Ed. This isn't looking so good."

In Tennessee, the race for the U.S. senate between Republican Bob Corker and Democrat Harold Ford Jr., now a member of the House, is long on negativity, short on humor. Recently, a Republican National Committee ad attacking Mr. Ford featured a scantily clad blonde woman winking at the camera and asking him to call her. As a counterpunch, an ad for Mr. Ford shows him walking through a house saying: "Bob Corker has been going personal. After me, my family. If I had a dog, he'd probably kick him, too."

"The public doesn't like personal attacks. But the public has no problem with questions about a person's position on taxes or whatever," says John Geer, a Vanderbilt University professor who has written extensively about negative campaign ads. "Humorous ads sometimes work pretty well, too."

North Carolina congressional hopeful Vernon Robinson, a Republican once dubbed a "black Jesse Helms" by a local newspaper, has run ads so outrageously negative that some people have found them unintentionally funny. His campaign gained attention -- and donations -- after running a television ad earlier this year attacking his opponent, two-term Democratic Rep. Brad Miller, for failing to vote on a measure to provide body armor for the troops in Iraq. The ad clicked off a variety of things that Mr. Robinson says Mr. Miller did vote for, including studies on "the sex lives of Vietnamese prostitutes in San Francisco" and "bisexual, transgendered and two-spirited Aleutian Eskimos, whoever they are." (Mr. Miller disputed the allegations in the ad.)

But while voters may say they frown on such attacks, negative ads seem to make a bigger impression on them than positive messages. Recently, at a luncheon in northern Indiana, Republican Rep. Chris Chocola was asked why he and his Democratic opponent had run so many negative ads. In response, Mr. Chocola quizzed the audience: Could anyone describe one of the half dozen positive ads he had run describing how he'd helped the community from Congress? No one answered.

Like other advertising, the most effective political ads "aim for the heart first and the head second," says Evan Tracey, chief operating officer of TNS Media Intelligence/CMAG11. That's one reason why ads about embryonic stem-cell research have been particularly effective at attracting attention recently, political ad watchers say.

In Arizona, Democrats used the granddaughter of the late Rep. Morris "Mo" Udall, a popular congressman who suffered from Parkinson's disease, to make the case against six-term Republican Rep. J.D. Hayworth in one television ad. "My grandfather would have been a champion of embryonic stem-cell research. But J.D. Hayworth had denied families hope," says Loren Udall, who has herself been diagnosed with lupus, an autoimmune disease.

Recently, ads featuring actor Michael J. Fox began running in states with close races, notably the Senate races in Missouri and Maryland. Mr. Fox suffers from Parkinson's, which attacks the central nervous system, making it difficult for patients to control their movements. In the 30-second ad, he speaks directly to the camera, shaking and rocking, as he urges support for candidates

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backing embryonic stem-cell research, which some scientists believe could lead to breakthroughs in treating Parkinson's, diabetes and other diseases.

The ad inflicted even more damage after Rush Limbaugh and some other conservatives accused Mr. Fox of exaggerating his symptoms. The radio host later apologized, but the controversy shows the peril that the issue poses for Republicans. "It puts Republicans on the wrong side of hope, which is a tough place to run from," says Mr. Tracey of TNS Media Intelligence/CMAG.

Overflowing Cash Creates River Of Pre-election Ads (WT)

By Jennifer Harper

The Washington Times, October 27, 2006

The nation has 11 days before Election Day arrives and shrill political advertising ceases. The 2006 midterms have been anything but sleepy.

"This is a very vigorous, intense campaign, fueled by a widespread sense among candidates and House leadership that change is afoot," said Donald Green, professor of political science at Yale University.

To date, Republicans and Democrats have spent $117 million on the U.S. Senate and House races, according to the Federal Election Commission, up 27 percent from the comparable period in 2004, when the tab stood at $92.5 million.

When it's all over, the amount spent on "home-stretch advertising, voter mobilization and other campaigning" by parties, candidates and advocacy groups may be as high as $2.6 billion, the Center for Responsive Politics estimated this week.

Big spending is everywhere. The Democratic Senatorial Campaign Committee recently dropped $1.5 million on a week's worth of ads criticizing Sen. George Allen, Virginia Republican. In New Jersey, the National Republican Senatorial Committee spent $3.5 million to boost support for Tom Kean Jr. The parties are expected to spend a combined $5 million in the battle for the House seat in Seattle's 8th District.

The candidates are not the only ones in turmoil. Political advisers also are agitated, Mr. Green said.

"There's a real sense of overload. Voters are seeing some ads dozens of times as campaigners rachet up the outreach to compensate for a fragmented, diminishing audience," he said.

That audience is getting a mean-spirited showcase. Money spent on negative campaigns -- that is, in opposition to a particular candidate -- this year accounts for 78 percent of spending on both sides. Two years ago, it was 40 percent. Congressional Quarterly recently estimated that 80 percent of advertising purchases were for negative messages.

An analysis of campaign ads by the nonpartisan watchdog group Political Fact Check -- which monitors claims by both sides in print and broadcast -- offers ample evidence of mudslinging. The District-based group categorized some recent campaigning content as "moldy bunk" and "mythmaking," among other things.

Though perhaps weary of the partisan barrage, voters may be more engaged than usual.

"The level of voter interest is higher than it has been in a decade, judging from the polls. The news media is also suggesting to people that this election is critical," said Adam Berinsky, a political scientist with the Massachusetts Institute of Technology.

Still, he predicts that voter turnout probably will be less than 50 percent, no matter how many ads clutter the political landscape.

Both parties have employed "microtargeting" this election season, using sophisticated demographic and marketing techniques to ferret out niche voting blocs, from urban Hispanics to "Security Moms."

"Some of these advisers get nostalgic for the old days when you could reach America on the big three broadcast networks alone," Mr. Green said. "They pine for those times because they were simpler."

GOP Drops TV Plans For Ohio Senator (AP-Y)

By David Hammer

AP, October 27, 2006

The Republican National Committee said Thursday it won't run any television ads in Ohio on behalf of Sen. Mike DeWine during the final week of the campaign.

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RNC spokesman Aaron McLear said the national party organization had reserved time to run statewide TV ads next week as DeWine tries to come back against Democratic Rep. Sherrod Brown, who leads in recent polls. But in the end, the RNC decided not to make the purchase, McLear said.

National Democrats said it showed the Republicans were giving up on the two-term senator.

"Even the RNC is basically saying now that Mike DeWine has a slim chance of winning this campaign," said Phil Singer, spokesman for the Democrats' national Senate campaign organization.

The Democrats need to win six Republican seats and hold all of theirs to take control of the Senate.

McLear said the RNC remains active in helping DeWine get out the vote by knocking on doors and making telephone calls, but will let the senator's campaign use its cash advantage to stay competitive on television.

According to reports filed Thursday with the Federal Election Commission, DeWine's campaign had $2.8 million on hand as of Oct. 18 while Brown's had about $837,526. The Brown campaign already bought more than $2.5 million in TV time through the election, spokeswoman Joanna Kuebler said.

DeWine campaign spokesman Brian Seitchik said the national party's decision isn't a sign of abandonment.

"The RNC has spent as much money in Ohio as they have in any other state, and they realize we have the tools to communicate effectively with voters across the state," Seitchik said.

The RNC began spending in the Ohio contest before any other Senate race, McLear said. It had spent $3.1 million on the race when it purchased its last ad against Brown on Tuesday, FEC reports show. It had $21.8 million on hand on Oct. 18 and has been spending heavily on ads in Tennessee and Missouri Senate races in the last week.

Family Ties Help Kean In Senate Race, Poll Says (NYT)

By David W. Chen And Marjorie Connelly

The New York Times, October 27, 2006

Thomas H. Kean Jr., the Republican challenger for United States Senate in New Jersey, has capitalized on his father's reputation to offset voters' qualms about his inexperience. Senator Robert Menendez has been buoyed by discontent with President Bush. The result in this heavily Democratic state is an extremely tight race, according to the latest New York Times/CBS News Poll.

The poll suggests that Mr. Kean, a state senator, has done surprisingly well in a year when other Republicans are struggling even on friendlier turf not because of Mr. Kean himself, but because of his father, former Gov. Thomas H. Kean, one of the state's most popular politicians.

Mr. Kean's commercials attacking Mr. Menendez as unethical and corrupt have also worked, with many voters saying that corruption is the first thing that springs to mind when asked about Mr. Menendez.

Mr. Menendez is widely considered the nation's most vulnerable Democratic Senate incumbent, as the Democrats try to win six seats to take control of the Senate, and 56 percent of his supporters said they would vote for him not because of his views or his character, but because of his party.

Fifty-eight percent of those favoring Mr. Menendez said they are doing so as a rebuke to Mr. Bush, while 68 percent said they want to help swing the Senate to the Democrats.

"I am so concerned about the makeup of the Senate of the United States," said E. Janet Hackbarth, a 67-year-old retired high school teacher in Pompton Lakes, in a follow-up interview after the poll was completed. Describing herself as an independent, she added, "I am voting for Menendez because I am voting against the Republicans."

Over all, the race is a statistical tossup, with Mr. Menendez leading 38 percent to 36 percent among registered voters, and 40 percent to 39 percent among likely voters. Yet neither candidate has generated much enthusiasm, or made much of an impression. More than half of those surveyed said they had no opinion — either good or bad — about the candidates.

As a result, the race appears to be far more fluid than recent Senate races in New Jersey. Thirty-nine percent of registered voters said that they could change their minds before the Nov. 7 election; that figure was 13 percent in a Times poll taken at about the same point during the 2002 campaign between Senator Frank R. Lautenberg and Douglas R. Forrester.

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With the national parties promising to pump an additional $7.5 million into the race in the final two weeks, the race could well hinge on last-minute commercials or surprises. And that could be anything from any developments related to Iraq or the Mark Foley scandal, potentially favoring Mr. Menendez, to conservative backlash against the New Jersey Supreme Court's decision Wednesday to grant gay couples equal rights, potentially benefiting Mr. Kean.

The Times poll, conducted Friday through Wednesday, did not include questions about gay unions.

But if patterns hold, the race will come down to what is essentially a proxy battle: those who are motivated by national issues, and dislike Mr. Bush, versus those who are motivated by local issues, and who look up to former Governor Kean.

Robert Sapanara, 69, a Republican from Ramsey, a northern New Jersey suburb, offered a response typical of those who said that they would vote for Mr. Kean. "I think there's got to be some counseling given to him by his father, and hopefully some of those genes rubbed off on him," he said.

Mr. Menendez's difficulties are noteworthy because no other Democratic incumbent is in as close a race, motivating Republicans nationally to focus increased attention and resources on the race. Of course, the word incumbent merits an asterisk, because Mr. Menendez, a longtime congressman from Hudson County, was appointed in December to serve out the balance of Jon S. Corzine's term when he was elected governor.

Still, Democratic consultants express frustration with the race, because they had not counted on paying much attention to New Jersey in their bid to wrest control of the Senate away from Republicans.

Both campaigns have already spent a lot of money: through Oct. 18, Mr. Menendez spent $9.3 million, and Mr. Kean $5 million, with much of that on television commercials in the last couple of months.

The telephone poll included 1,023 adults throughout the state, 849 of them registered to vote. The margin of sampling error for both was plus or minus three percentage points. In addition, 522 of the registered voters were determined to be likely to vote, and the margin of sampling error for that group was plus or minus four percentage points.

The poll showed that 28 percent of voters have an unfavorable impression of Mr. Menendez, compared with 18 percent with a favorable impression. Mr. Kean is viewed unfavorably by 22 percent, and favorably by 24 percent.

Part of the appeal of Mr. Kean, the poll suggests, comes from his bloodline. Voters said that they were favorably disposed toward the elder Mr. Kean by 52 to 10 percent; 27 percent said they were more likely to view the younger Mr. Kean favorably because of his father.

And what was the first thing that popped into voters' minds when asked about Mr. Kean? The fact that he was a governor's son, according to 33 percent of those surveyed; no other factor had more than 10 percent.

Fifty-nine percent of voters feel that Mr. Menendez, who has spent three decades at all levels of government, has the right experience for the job, compared with 48 percent for Mr. Kean, who has spent five years in the State Legislature.

Voters say that they trust Mr. Kean more, however, with 55 percent saying that he has the honesty and integrity to be effective, and 24 percent saying he does not, versus ratios of 45 percent to 34 percent for Mr. Menendez.

Still, only 36 percent of voters said that Mr. Kean, who grew up in a wealthy family, could relate to the needs of regular people, while 46 percent said he could not. For Mr. Menendez, the son of poor Cuban immigrants, the numbers were reversed, with 43 percent saying he could relate, and 37 percent saying he could not.

When voters were presented with a list of issues and asked to name the one most important in their decision, 37 percent selected the economy and jobs, followed by 22 percent who said Iraq, 15 percent who said terrorism and 14 percent who said health care.

Those more concerned about national issues, with Iraq being No. 1, leaned toward Mr. Menendez; those more focused on local issues, with taxes being No. 1, favored Mr. Kean.

About 80 percent of Republicans support Mr. Kean and 69 percent of Democrats prefer Mr. Menendez. Independents, who make up about 35 percent of voters in the state, divide 36 percent for Mr. Kean to 32 percent for Mr. Menendez.

A classic gender gap also exists. Mr. Kean is ahead by 12 points among men, while Mr. Menendez enjoys a 13-point advantage among women. There is a typical urban and suburban divide, too, with Mr. Menendez faring better in the northern urban areas, and Mr. Kean leading in Republican strongholds like Morris, Somerset and Hunterdon Counties, in the northwestern part of the state.

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Of those who said they were undecided, 22 percent were independents, 12 percent were Democrats and 7 percent were Republicans.

By three to one and more, voters also said that both candidates were spending too much time attacking each other; 30 percent said that Mr. Kean was more responsible for the negative tone, while 21 percent blamed Mr. Menendez.

"Both of these people are just slandering each other, getting vicious, spending X amount of dollars, I'm just sick of it," said Georgette Hendricksen, 59, a Republican from Roselle Park, a middle-class town in central New Jersey. " I don't know which we'd be better off with. I'm going to wait until the last minute to decide."

Republicans Gambling Big Bucks On New Jersey Senate Race (NSDY/AP)

By Donna De La Cruz

Long Island Newsday, October 27, 2006

WEST ORANGE, N.J. -- New Jersey is to Republicans what slot machines are to gamblers: irresistible, with long odds of winning.

Gamblers pull the lever, hoping for the big payout. Republicans are sharing the same dream, throwing $3.5 million into the Senate race with days left and banking that GOP challenger Tom Kean Jr., can defeat Democratic Sen. Robert Menendez on Nov. 7.

Menendez has maintained a huge cash advantage over Kean throughout the election cycle and the last two weeks, the Democratic Senatorial Campaign Committee has been running $4 million worth of ads against Kean.

The GOP infusion of cash levels the money playing field for Kean but is a big gamble, given that New Jerseyans have not elected a Republican to the Senate since 1972.

"This is a Hail Mary pass by the Republicans ... but it may be their only chance," said Rider University political scientist David Rebovich. "Unless they win New Jersey, they may lose control of the Senate."

Democrats need to gain six Senate seats to win control. In a fundraising appeal Thursday, Senate Minority Leader Harry Reid, D-Nev., wrote, "We need to hold onto this seat if we are going to take back the Senate."

Said Menendez spokesman Matthew Miller: "The Bush Republicans will do anything to get another vote in the Senate, but they'd be better off gambling this money away in Atlantic City than throwing it behind a sinking candidate with a losing message."

New Jersey Republican Party chairman Tom Wilson argues Kean is not your average candidate. The 38-year-old state senator is the son of popular former Gov. Thomas Kean, who chaired the Sept. 11 commission.

The Kean family is a political dynasty in New Jersey, boasting five colonial governors, two U.S. senators and a congressman. Kean's father served two terms as governor and is still revered by many for his bipartisan style of governing.

"The Kean name is a brand image that people in New Jersey are comfortable with, Republicans, Democrats and independents," Wilson said. "It's the Coca-Cola of New Jersey _ people know what they are getting and they like it."

Menendez, 52, has been tarred by where he comes from _ Hudson County, the home of a host of corrupt politicians. The Democrat has never been charged with any wrongdoing, but Kean has hammered at his ethics, attempting to link him to several convicted officials. Menendez also has been dogged by reports that law enforcement agents have subpoenaed the records of a nonprofit agency that rented a building from him.

Recent polls show Menendez with a slight edge over Kean, and Rebovich said history is on the Democrats' side, since in past elections, late-deciding voters have normally sided with Democratic candidates. But Menendez, appointed to the Senate in June by Gov. Jon Corzine to serve out the remaining year of his term, has never run a statewide race and has had trouble competing with the Kean name.

The campaign said Menendez would get some help next week from former President Clinton and Sen. Barack Obama, D-Ill.

Dan Ronayne, a spokesman for the National Republican Senatorial Committee, said Republicans were confident Kean could beat Menendez.

"When voters in New Jersey zero in on the choice they have, Tom Kean wins plain and simple," Ronayne said, adding: "New Jerseyans don't have to live with Corzine's mistake much longer."

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Kean began airing an ad Thursday showing his father, wife and two young daughters. But Kean has been careful not to mention his father too often as he campaigns, and the governor has only appeared with him on a handful of occasions.

"It's a delicate balance for Tom Kean Jr.," Rebovich said. "He wants to invoke the family name and use his very popular father but on the other hand, his dad is associated with more moderate political positions and his son has been quite critical of President Bush.

"Kean reaches unaffiliated voters by being critical of Bush but alienates his Republican base," he added.

While conservatives don't always agree with his moderate views on abortion, gun control and the environment, Kean has managed to win their support, said conservative Republican state Assemblyman Guy Gregg.

"We've had trouble in the past with candidates who ran to the center and lost the base, and candidates from the base that didn't get full support from the center," Gregg said. "But the party here has realized we've got a chance and are 100 percent behind Kean."

Conservative Steve Lonegan, who ran for governor last year, argues that there's a lot of apathy among voters now and bundles of cash for Kean won't make a difference.

"I think this race is going to come down to how people feel about President Bush, the war in Iraq and the economy," Lonegan said.

Menendez is banking on that, and has touted his vote as a congressman in 2002 against authorizing military force in Iraq. At an event with Menendez Wednesday, Sen. John Kerry said the war would be the defining issue in the race. Kean has said he would have voted for the resolution but has been critical of Bush and has called for Defense Secretary Donald H. Rumsfeld to resign.

The Massachusetts senator also cautioned voters not to be fooled by the Kean name.

"I knew his dad and I like his dad and his dad has served this country well," Kerry said. "But the last time people voted for somebody because they liked his dad we got 'W'."

Virginia Democrat Struggles To Sway Base (WSJ)

By Jeanne Cummings

The Wall Street Journal, October 27, 2006

WOODBRIDGE, Va. -- Democratic Party leaders hope Senate candidate Jim Webb, a disenchanted Reagan Republican, might draw some crossover votes from the Republican's base of white men.

But with under two weeks until Election Day, a more important question may be whether President Reagan's Navy secretary can energize two vital constituencies in the Democrats' own base: women and minorities. Since entering the race against Republican Sen. George Allen earlier this year, Mr. Webb has drawn unsteady support from both groups.

How he does is key to party hopes. At the start of this midterm season, Democrats took a risk by aggressively intervening in party primaries to identify the strongest candidates for the seats, even if they didn't agree with the party's more-liberal activists and Washington leadership. Their chance to pick up the six seats they need to control the Senate may well come down to whether Mr. Webb, an author and former Marine, can beat Mr. Allen.

Mr. Webb's opposition to the Iraq war prompted him to return to the party of his ancestors and jump into the Democratic primary race. But while his antiwar stance helped him win the party primary, he would bring to Washington a variety of stances that conflict with the Democratic base. Among them, he opposes gun control and is mixed on abortion rights -- he supports Roe v. Wade but opposes late-term abortions, or so-called partial-birth abortions.

QUESTION OF THE DAY

1

How much attention are you paying to political polls this election season? Cast your vote in the Question of the Day2.

Recent polls show Messrs. Webb and Allen in a dead heat. One reason: They are tied among women -- a precarious position for a Virginia Democrat. The last two Democrats to win statewide elections -- Gov. Tim Kaine and former Gov. Mark Warner -- had female gender gaps of six and five percentage points, respectively.

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Besides opening a gender gap, Mr. Webb needs to generate enthusiasm among African-Americans. Though the Allen campaign was beset for weeks with questions about his racial sensitivities after he called a dark-skinned Webb aide a "macaca," a racial slur in some cultures, Mr. Webb has struggled to win support. Even as the Allen controversy hung in the air, the Virginia Legislative Black Caucus voted in September to endorse Mr. Webb, but only with a 9-8 vote, with holdouts saying they didn't know enough about him yet to support him.

Reservations in the black community were sparked mostly because he was a stranger in their midst. Caucus Chairman Dwight Jones admits he was taken aback when Mr. Webb's first major television ad in August highlighted his service in the Reagan administration.

"I think it's smart" to reach out to disenchanted Reagan Democrats, says Mr. Jones, "but you have to be able to do it in such a way that you don't ignore the people you are counting on, the ones who never left the party."

Still, the Webb campaign has shown it can adapt fast. Since the summer, it has won backing from the state's lone black congressman, Rep. Bobby Scott, and Mr. Webb has made tours through black communities and churches, and will again this weekend, in Richmond, with Mr. Kaine at his side. This week, he secured the endorsement of Richmond Mayor L. Douglas Wilder, the former state governor who is the only African-American to have served in that job.

Not everyone is convinced. Bishop Gerald O. Glenn, head of the New Deliverance Evangelistic Church outside Richmond, says he voted against Mr. Allen six years ago, but has thrown his support behind the Republican, in part because of money the senator fought to get for black colleges and universities. He calls Mr. Webb a "carpetbagger Republican."

Mr. Webb's challenge among women voters is even more complicated. His candidacy was hurt early when the Allen camp drew attention to a nearly 30-year-old article he had written questioning women's ability to serve in combat. Mr. Webb has since apologized for provocative language and noted he expanded the ranks of women in Navy leadership positions while in the Reagan administration.

Ironically, it may be the war that can help Mr. Webb move women voters. In a Wall Street Journal/NBC poll earlier this month3, 71% of women said they were pessimistic about the way things are going in Iraq, compared with 66% of men. In Virginia, with its strong military presence, the course of the Iraq war can affect household budgets.

In a dimly lighted community-college classroom here, Mr. Webb, a former Naval Academy instructor, rolls up his sleeves and asks how many students in the class have friends or family in Iraq. Roughly two-thirds raise their hands.

As the questioning period begins, his second query comes from a woman whose fiancé is in Iraq. She wants to know if Mr. Webb has a way to bring him home. "These guys are living on food stamps and going over there and getting slaughtered," she says.

The next question comes from a woman whose husband heads to Iraq in January, followed by one from a female veteran who has had trouble getting benefits. Mr. Webb doesn't have an answer for them all, but says that if he is elected to the Senate, "the people who serve in the military will have no better friend."

Women, Minorities May Decide Senate Race In Va. (USAT)

By Jill Lawrence

USA Today, October 27, 2006

ALEXANDRIA, Va. — A seven-year statute of limitations on character attacks? Three Republican friends considered that idea here the other day as they lamented personal controversies that have all but hijacked a critical contest between Republican Sen. George Allen and Democrat Jim Webb, a former Navy secretary.

Joanna Bergstrom, 67, of Vienna cut right to the chase: “If you're going to overlook Webb's comments on women, well, Allen has grown over the years. You should overlook his noose and Confederate flag.”

Webb has been dogged by a 1979 magazine article in which he argued that women did not belong in combat or at military academies. Allen is trying to overcome a past fondness for Confederate flags and pins, the noose he once had in his law office — which he said was part of a Western memorabilia collection — and new questions about his attitudes on race.

The tempests have put women and minorities at the heart of a tight race. Both groups are crucial to each candidate and the outcome could determine which party controls the Senate.

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As the campaign enters its final days, the importance of these voters is reflected in mailings, advertising and candidate schedules crammed with events designed to fire them up and win them over. Allen has erased the traditional advantage that Virginia Democrats enjoy with women. Webb, who once opposed all forms of affirmative action, is trying to energize the black voters who make up about 20% of the Virginia electorate.

Among the many surprises in this race is that Webb, 60, a newcomer to both politics and the Democratic Party, has a chance. A Naval Academy graduate, decorated Vietnam veteran and novelist, Webb served as Navy secretary in the Reagan administration and supported Allen for Senate in 2000.

In 2002, Webb cautioned the Bush administration against invading Iraq. Disillusioned by the war and economic policies he calls unfair, he switched parties and entered the Senate race in February as a Democrat. He has four adult children and is expecting a baby with his third wife in December. His son Jimmy, 24, is a Marine serving in Iraq; he campaigns in a pair of Jimmy's combat boots.

Webb won a hard fought primary in June. At the time, Allen had a double-digit polling lead and an 11-to-1 financial advantage. Both gaps have narrowed. Most polls this month give Allen a slight edge. As of Sept. 30, Allen had $5.6 million cash on hand, Webb $2.7 million. Democrats have spent an additional $1.7 million to help Webb.

Allen, 54, a California native who campaigns in cowboy boots, is well known in his adopted state because his father coached the Washington Redskins. He has a relaxed, extroverted style, a 24-year political résumé and a classic GOP outlook. As governor from 1994-98, he cut taxes and abolished parole. He has backed Bush on most issues, but in recent days has called for changes in direction and tactics in Iraq.

This time last year, Allen was in New Hampshire at a breakfast with financial contributors. It was one of two dozen trips he took as he explored a 2008 White House bid.

A series of missteps regarding race and religion, however, have dimmed his national prospects. Allen reacted with anger and clumsy jokes about ham sandwiches this summer when he and the media learned about his mother's long-secret Jewish roots.

In August, he addressed a dark-skinned Webb volunteer as “macaca.” He apologized and said he had made up the word, a racial slur in North Africa, where his mother was born.

That incident triggered reports in newspapers and the online magazine Salon that Allen used a racial slur to refer to blacks when he was at the University of Virginia. Most of the accounts came from former football teammates, among them North Carolina radiologist Ken Shelton. Allen says they are false.

The last two Democrats to win high office in Virginia — Gov. Tim Kaine and former governor Mark Warner — had substantial leads among women as the election neared. But a Washington Post poll this month found Allen leading Webb among women, 49% to 47%.

Allen's wife, Susan, is praising his sterling qualities in a TV ad and at women's events with celebrity guests such as Labor Secretary Elaine Chao and former White House adviser Mary Matalin. “Talk to your girlfriends,” Matalin told about 100 women at a hotel here this month. “They will trust your opinion.”

The hard sell relies on Webb's 1979 Washingtonian article, in which he said many women at the Naval Academy seemed to have “problems with their sexuality” and called a dorm there “a horny woman's dream.” The National Republican Senatorial Committee has sent female voters at least four mailings quoting Webb's assertions.

On TV, meanwhile, three female Naval Academy graduates in an Allen ad say Webb's article was demoralizing and disrespectful. “To imply that we were there for sexual purposes was beyond belief,” said Kathleen Murray, class of '84.

Webb says his language was immature and he regrets it. He says he opened up thousands of opportunities to women when he was Navy secretary. He also says the military is working fine now and women “serve in a broad swath of critical jobs.” One of Webb's ads features testimonials on his leadership from retired female officers. Several gathered at his office recently to endorse him.

“Jim has the deepest respect for everyone in the military today,” said retired Army colonel Kate Wilder, who said she was the only woman ever to serve as a Green Beret. Most military men were “disgruntled” when women arrived on the scene, she said, but “it was 30 years ago. Life has moved on.”

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Exit polls in 2000 showed Allen won 17% of the black vote. If the pattern repeats, state politics experts say, Webb won't win. "The black vote is the bulwark of the Democratic vote in Virginia," says Mark Rozell, a political scientist at George Mason University in Fairfax. "Without a heavy turnout and a high margin, a Democrat can't win."

Allen's baggage would seem to make that easy for Webb. But six years ago in a book review, Webb called affirmative action "state-sponsored racism." Now he supports it, but only for blacks. That position "is not held or articulated by anybody else in the political arena," says Robert Holsworth, a state politics expert at Virginia Commonwealth University in Richmond, adding Latinos and women aren't happy with it.

Virginia's senior black state senator, Democrat Benjamin Lambert, praises Allen in a new radio ad for supporting black colleges, black farmers, the Voting Rights Act and the first black judge on the 4th U.S. Circuit Court of Appeals. The rest of the black legislative caucus, however, endorsed Webb.

The 50-year-old Richmond Crusade for Voters also endorsed Webb in what President Melvin Law said was an easy call. Allen's "newly discovered sensitivity" to the black community, he said, "coincided with talk that he might be interested in the presidency."

Webb got a boost Wednesday when Richmond Mayor L. Douglas Wilder, an unpredictable Democrat, broke his silence on the race. Wilder, the only black governor the nation has ever elected, said Webb would help the nation turn away from Bush's "misguided" policies on Iraq and the economy.

Rozell says most decisions Nov. 7 will turn on how voters feel about Iraq and the Bush presidency. If they consider character, he says, the macaca incident could be decisive: "Allen did something very recently that raised questions about his judgment and character. At least Webb can say 'this was years ago and I'm more mature now.' "

Wives Maintain High Profiles In Senate Race (WT)

By Christina Bellantoni

The Washington Times, October 27, 2006

If Sen. George Allen is the team captain of his re-election campaign, Susan Allen is the head cheerleader.

And while voters most often see Mr. Allen's challenger James H. Webb Jr. out on the stump, both his wife and ex-wife have been rallying support, at times together, for the decorated Vietnam War veteran.

Pundits jokingly refer to the women standing behind their men as the secret weapons in this year's Senate race in Virginia, but voters are noticing their work.

Election Day is Nov. 7.

When Mr. Allen, a Republican, is in Southside Virginia, Mrs. Allen is stumping for votes in Northern Virginia. She appears in campaign ads and in some places is more popular than her husband.

"I've been his sidekick for about 20 years now and have been active in all of his campaigns," Mrs. Allen, 45, told The Washington Times. "I know no other way. George and I have always done this together."

Mr. Webb, a Democrat, is often joined on the campaign trail by his wife, Hong Le Webb, a corporate finance lawyer. She's not used to life in the spotlight.

"I don't think either of us were prepared for the intensity of the process, including the public scrutiny," Mrs. Webb, 37, told Lowell Feld, a blogger who works for the campaign. "We both value our privacy and family time. For the most part, we've kept our family out of the public scrutiny and prefer it that way."

The Webb campaign did not respond to requests by The Times to interview Mrs. Webb or to questions submtted by the newspaper.

Mr. and Mrs. Allen celebrated their 20-year anniversary this year. The Allens have three children between the ages of 8 and 18. It is Mr. Allen's second marriage.

Mr. Webb and Mrs. Webb married in 2005. It is Mr. Webb's third marriage.

Mr. Webb has four children between the ages of 20 and 35 and several grandchildren. Mrs. Webb has a 9-year-old daughter. The Webbs are expecting their first child in December.

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When Mrs. Allen was at the University of South Carolina in the early 1980s, her parents in Charlottesville made sure she cast an absentee ballot for "this cute boy" running for the House of Delegates.

"He won that race by 25 votes thanks to parents like mine," she laughed, recalling Mr. Allen's first political victory.

Mr. Webb met Miss Le in the mid-1990s when they both conducted business in Vietnam. They fell in love a few years ago.

"We started dating while we were separated from our former spouses, and perhaps going through similarly difficult experiences in our lives allowed our friendship to blossom," Mrs. Webb told Mr. Feld.

Mr. Webb, 60, and Mr. Allen, 54, have different styles in involving their families on the campaign trail.

Mr. Allen's speeches, campaign ads and debate comebacks often include the phrase "Susan and I."

"You're the reason why I've gotten elected to anything," the former governor recently told his wife.

For the most part, Mr. Webb has kept his family out of the spotlight, but lately a pregnant Mrs. Webb has been more prominent on the campaign trail.

She recently greeted supporters at churches in Chesapeake, Va., and was lauded by Sen. Hillary Rodham Clinton, New York Democrat who endorsed Mr. Webb, at an Alexandria fundraiser.

Both Mrs. Allen and Mrs. Webb said the ugliness of the campaign has taken a toll on their families.

Mrs. Webb called it a "smear campaign against Jim," and Mrs. Allen said she tells the children to "smile through it all, have a thick skin and a sense of humor."

Mrs. Webb was born in Vietnam but left her homeland after the fall of Saigon. She told Mr. Feld it has not always been easy balancing a career with being a mother, noting it helps her understand the plight of working families. Her mother was the primary breadwinner and her sisters have been entrepreneurs, she said.

Mrs. Allen, who has been involved in tourism promotion and women's health issues, also praised the women in her family as strong role models.

Mrs. Allen blushes when she is compared to first lady Laura Bush.

Recently, President Bush said he and Mr. Allen have something in common: "We're both named George and we both married smart, beautiful women."

Mrs. Allen and Mrs. Bush became friends when their husbands served as governors, and they remain close. Mrs. Bush held a fundraiser for the campaign this week.

Mr. Webb also has the endorsement of his ex-wife, Jo Ann Kruker, who campaigns on behalf of her former husband.

Ms. Kruker told voters in Arlington last spring that Mr. Webb was "born fighting for the American dream," The Washington Post reported.

Defiant Iraq War Foe Defined By Vietnam (WP)

By Fredrick Kunkle

The Washington Post, October 27, 2006

James Webb will tell you that he is first a writer, with several best-selling novels to his name. He is also the descendant of brave-hearted Scots-Irish who stood up to English kings. He is a husband and father of four.

But above all, Webb is still in his heart a combat Marine. His defining moment came in Vietnam, and he remains loyal to the men he led and the memories he formed there. Once a year or so he reunites with former comrades. At Arlington National Cemetery, he visits the graves of others, often leaving Marlboro cigarettes for his buddy, Snake.

Now, Webb, a Naval Academy graduate who once dreamed of wearing a Marine Corps general's stars, has become a face of the movement against the Iraq war. The man who admired President Ronald Reagan and served his Republican administration as a cocky secretary of the Navy is one of the Democrats' best hopes to wrest control of the Senate from the GOP as he challenges incumbent George Allen.

That this warrior rails against the war is only one of the contradictions in Webb's life, just a hint of the complexities and ironies that make him an uneasy candidate. He has switched from Democrat to Republican and back to Democrat -- first in anger because of President Jimmy Carter's pardon of people who avoided the draft, and now because of the Iraq war.

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At 60, Webb, who says he loves writing because of the independence -- "You can sit on a park bench, and no one knows who the hell you are" -- is running for a chamber where there is no anonymity, and people can't switch parties when things don't go their way. Even his good friends question whether he has the temperament to serve in Congress.

"It's no secret that I'm not a person who wears a bridle well," he once said after clashes with his bosses at the Defense Department.

His friends also wonder whether it was Webb's temperament that led at least partially to his writing a Washingtonian magazine article in 1979 about women in combat called "Women Can't Fight" that some female midshipmen say encouraged hostility and sexual harassment.

The inflammatory article has become one of the turning points of the Senate campaign and a key reason why Webb is not enjoying the success among female voters that other Virginia Democrats have, according to a recent Washington Post poll.

The article still resonates. "Now you've got a bona fide war hero -- and I'll never take that away from Jim Webb, because he was a war hero -- and he just lined up every woman there and publicly executed us," said retired Navy Cmdr. Kathleen Murray, a 1984 Annapolis graduate who lives in Norfolk.

Paul E. Roush, a retired Marine colonel, wrote in a 1997 naval journal that Webb's article was "the single greatest purveyor of degradation and humiliation on the basis of one's gender that academy women have had to endure." And several Navy women said Webb's views later resurfaced in his writings, speeches and actions as Navy secretary.

Dogged by the issue during the campaign, Webb has dismissed the article as old news and apologized for its excesses, especially a crack in which he called a dormitory at the school a "horny woman's dream."An Uneasy Campaigner

Webb isn't comfortable talking about the Washingtonian article. He acknowledges that he's not at ease at fundraisers or pressing the flesh in a large crowd, either. That, perhaps, is the most curious contradiction of all.

The man who seems to have accomplished everything he has put his mind to -- officer, writer, Emmy-winning journalist -- sometimes seems to be going through the motions as a candidate.

"My natural personality is not to intrude on people's space. That's just the way I am. And I don't like people to intrude on mine," Webb said, explaining his awkwardness. "I just have to accept that I don't have the persona of a lot of people in [politics]. But, believe me, I wouldn't go through this if I didn't know I had the right answer at the end of this."

Webb says he's driven to run to help reshape national security policies, of which those about Iraq are just a part, by relying more on international diplomacy.

Although Webb received some of the country's most prestigious medals for valor in Vietnam, he often falters while campaigning, standing stiffly in a crowd and pinching the hem of his sports coat until his fingertips turn white. He seldom cracks a smile in public but giggles during an interview as he recalls his delight at seeing his first mango when he was a kid.

Webb entered his first campaign for elective office in February -- remarkably late for a statewide race -- but he had toyed with the idea for years. In 1988, the Republicans approached him to run for the same office. Democratic Sen. Bob Kerrey of Nebraska asked Webb several times to run in the 1990s. "It's not really what I wanted to do," Webb said. "I really love the independence of being a writer."

As war loomed in Iraq, however, Webb became frustrated that few in power spoke against it. Then Hurricane Katrina hit, and Webb had seen enough.

"Katrina was the last straw for me," Webb said. "For some reason, I felt personally insulted for the slurs that were being made against the people who were trapped in New Orleans. . . . Where is the government in this?"

His clumsiness as a candidate remains a frustration for many Democrats, who hope Virginia can tip control of the Senate to their party.

"It's been a campaign that really has been plagued by missed opportunities and a candidate that seems to resent having to campaign," said one Democratic consultant in Washington, who spoke on condition of anonymity so he would not anger Webb.

Webb acknowledges his image as the reluctant candidate but dismisses the criticism. He thinks that his firsthand taste of battle has given him a perspective that too many politicians in his generation lack. Webb also says Iraq is not the only reason he is challenging Allen, preferring to promote populist themes such as the "three Americas" divided among rich, poor and a

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struggling middle class. Yet his campaign highlights his military rÃ©sumÃ©, and supporters see his candidacy as a referendum on the war.

Webb also won't talk about his son Jimmy's deployment to Iraq, saying the Marine, 24, should not be used for political gain. But Webb works the campaign trail in his son's combat boots, the Marine emblem on their heels.'A Rough Experience'

James Henry Webb Jr. was born Feb. 9, 1946, in St. Joseph, Mo., one of four children. His father, an Air Force colonel, enlisted the day after Pearl Harbor. Webb's mother, Vera, the daughter of a sharecropper, is 81.

James Sr. never pushed the armed forces on his children, but Webb's sister Patricia married into the Air Force. Another sister, Tama, married Webb's Naval Academy roommate. His younger brother, Gary L. Webb, became a Marine helicopter pilot.

Their father, who died in 1997 at age 79, also taught his children not to run from trouble. Forever new kids on another new base, they learned to scrap when they were young.

"That's just growing up on a military base," Gary Webb said. "It was a rough experience."

Jim Webb did better with his fists than his schoolbooks, but he also wrote poetry and short stories. Although Webb later embraced such 20th-century masters as Ernest Hemingway and Graham Greene, the writers who spoke to him early on were journalistic observers such as John Steinbeck and James A. Michener. The latter's "Hawaii," in particular, captured his imagination as a teenager.

"I was living in Nebraska, working in a grocery store, freezing my tail off, and I started reading this book," Webb said. "And, you know, the first hundred pages is lava forming an island, and bugs landing on it. But after that, you started getting into all the different ethnic cultures. It was just fascinating. I read that book, and I said, 'I'm going there.' "

One day he saw a mango at the grocery like the ones in the book, and he had to have it, even if it did cost a day's pay.

"I got this thing, and I brought it home, and I didn't even know how to peel it," he recalled.

His brother said Webb yearned to be a Marine general like Lt. Gen. Lewis B. "Chesty" Puller, the legendary war hero. After a year at the University of Southern California on a Navy ROTC scholarship, he enrolled at Annapolis. Nicknamed "Spike," he had an unyielding reputation, whether in the boxing ring or in the daily trials plebes faced.

Webb graduated in 1968, accepting a commission as a second lieutenant in the Marines at a time when the academy failed to meet its Marine quota because of the carnage in Vietnam. He arrived there in 1969 as a platoon leader with the 1st Battalion, 5th Marine Regiment.

Right away, Webb's cool head impressed his company commander, Michael Wyly. As with each new officer from Quantico, Wyly sent Webb on patrol his first night in the bush. Unlike with other green platoon leaders, Webb's eyes showed no hesitation, Wyly said.

Wyly, a retired Marine colonel in Maine, saw a lot of himself in Webb: Both had a reputation as "difficult subordinates." Wyly said, "He had the guts to come and say, 'Skipper, there might be a better way to do that,' " Wyly said.

One day, while hunting for a Viet Cong weapons cache, the company stumbled into a complex of bunkers, Wyly recalled. A grenade flew from a bunker, exploding near Webb. He charged the bunker and killed its two occupants. When another grenade rolled toward him, he shoved a comrade to the ground and shielded him, suffering grievous wounds himself.

Webb won the Navy Cross, which is second only to the Medal of Honor. He also won a Silver Star and two Bronze Stars and was awarded two Purple Hearts. But the two grenades also sprayed him with steel, inflicting career-ending wounds. Pieces of shrapnel remain in the base of his skull and a kidney.

"Before he went over to Vietnam, he was extremely idealistic," Webb's brother, Gary, said. "When Jim came back, he was much more realistic about people, about issues, about facts."

After Webb's wounds forced him from the Marines, he went to Georgetown University's law school. There he felt the sting of contempt from antiwar classmates and faculty. He also began to write.

His first novel, "Fields of Fire," appeared in 1978, featuring as the protagonist Lt. Robert E. Lee Hodges Jr., who was a Kentuckian like Webb's grandfather and shared his name. The book went against the current of the times, offering a slap at the era of malaise and pacifism that some called the "Vietnam Syndrome." Webb's novel, for all its cautionary asides on bloodshed, teaches that no other experience is as terribly profound as combat.Women in Combat

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Battle was so terrible and so profound that Webb says he believed only a certain temperament could survive there -- and only men had it.

Four years after Congress opened military academies to women, Webb wrote in the Washingtonian that "no benefit to anyone can come from women serving in combat." Female plebes were "poisoning" men's study of war.

Webb hit such a nerve that Navy brass banned him from speaking at his alma mater. Male midshipmen who opposed having women in the Brigade took his article as a manifesto; female classmates saw it as a goad to more torments.

Speeches and writings that followed continued to champion the idea that the military had become the plaything of feminists and politically correct civilian leaders and that many senior officers were too craven to do anything about it.

Five years after the Tailhook episode, which involved sexual assaults against dozens of women during a boozy convention for Navy aviators in 1991, Webb argued that the scandal should have been a "three- or maybe a five-day story." He had also characterized prolonged investigations of it as a "witch hunt."

"He's a symbol of holding women back and not accepting us for our abilities," said Lisa Stolle, 50, of Virginia Beach, who graduated with the second academy class to admit women.

In 1984, Defense Secretary Caspar W. Weinberger brought Webb to the Pentagon to fill a new post as assistant secretary of defense for reserve affairs. By then, Webb had built a reputation as a conservative pundit, helped lead the fight against Maya Lin's design for the Vietnam Veterans Memorial and worked on veterans affairs on Capitol Hill. In 1984, he won an Emmy with the MacNeil/Lehrer NewsHour covering the barracks bombing that killed 241 Marines in Lebanon in 1983.

In February 1987, Reagan tapped him to succeed Navy Secretary John F. Lehman Jr., whose signature achievement had been pushing for a 600-ship Navy. Some wondered whether Webb's temperament fit the job.

"He was very passionate about the things that are his core beliefs," said Seth Cropsey, a deputy undersecretary of the Navy who reported to Webb. "I could not figure out how he could apply that passion to the administrative details of being secretary of the Navy."

A month after taking office, Webb sent a directive that performance in combat would receive greater weight in determining promotions -- a move that some female junior officers saw as putting them at a disadvantage because they were prohibited by law from combat assignments.

"To me, it was kind of an under-the-table way of putting a glass ceiling in place," said Donna Sengelaub, 48, a retired Navy commander and 1982 Naval Academy graduate.

Later, under pressure from Congress, Webb opened more jobs to women, as did the other military branches.

Jeffrey E. McFadden, an academy graduate who worked as Webb's speechwriter, said he admired the way Webb took control of staff meetings with admirals and generals who were years older. But Webb seemed to enjoy most being around grunts and sailors, McFadden said.

During a ceremony, McFadden recalled, Webb watched as Gen. Alfred M. Gray Jr., a Marine commandant whom Webb much admired, decorated Marines for bravery. After pinning the medals, Gray gave each recipient a hard, big-brotherly punch in the arm. When Gray finished, the brash young Navy secretary gave the commandant the same playful sock on the arm, and the crowd of Marines roared in approval.

But Webb clashed with Weinberger's successor, Frank C. Carlucci, and spoke out against budget cuts demanded by Congress. On Feb. 22, 1988, after 10 months, Webb quit. He sent his aide to hand-deliver his resignation letter to Reagan. But he left his resignation letter to Carlucci on the desk of one of the secretary's aides -- a gesture noted at the time for a lack of class.A Tightknit Family

Webb settled in Falls Church and still has family in Southwest Virginia. He has been married three times and has four children: Amy Hogan, 36; James Robert Webb; Sarah C. Webb, 23, and Julia A. Webb, 21. Webb's wife, Hong Le Webb, a securities lawyer, is expecting a child in December. Family members said Webb is close to all his children, but especially to Jimmy, who left Penn State University to join the Marines. He is serving in Anbar Province in Iraq.

In an interview, Jim Webb's eyes welled as he recalled walking Civil War battlefields with his son. But he would not discuss what it is like to be a father whose son is also a warrior.

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Tennessee Controversy Shaped By Spin Expert (NYT)

By Anne E. Kornblut, Jim Rutenberg

The New York Times, October 27, 2006

WASHINGTON, Oct. 26 — When an advertisement mocking Representative Harold E. Ford Jr. set off controversy in the Tennessee Senate race last week, a question quickly arose: Who was behind the provocative and, critics said, racially loaded television spot?

No Republicans wanted to take credit. When the identity of the producer, Scott Howell, emerged, Democrats quickly pounced on his history of bare-knuckled tactics and close relationship with Karl Rove as evidence of a familiar Republican approach.

And the incident quickly set off a wave of denials and denunciations from Republican officials, including the national party chairman and Senator John McCain of Arizona, who has hired Terry Nelson, another consultant affiliated with the spot.

The advertisement in question suggested a flirtation between a young bare-shouldered white woman, played by a blond actress, and Mr. Ford, the Democratic candidate in Tennessee for the Senate. It was supposed to stop running on Thursday amid complaints that it seemed intended to stir racial hatred, though there were reports that it was being broadcast on some stations.

Associates of Mr. Howell said the advertisement was typical of a media strategist who has in the past manufactured political controversy to win tough races in spite of — or because of — the intense reaction the work so often provokes.

He helped produce the early 2004 advertisement for President Bush that showed a coffin coming out of the rubble of the World Trade Center wreckage. It was immediately criticized by a group of Sept. 11 widows but was later credited with changing the subject of the campaign from economic woes to the president's national security credentials.

In Georgia, Mr. Howell also was a top member of the media team working for Saxby Chambliss, the Republican whose advertisement in the 2002 Senate race accused Max Cleland, the Democratic incumbent and a triple-amputee Vietnam veteran, of being weak on national security by featuring an image of Osama Bin Laden to drive the point home. The spot infuriated Democrats but helped lead to Mr. Cleland's defeat.

Jim Jordan, a strategist for Mr. Ford, said that even if the anti-Ford advertisement was no longer running on television, it might have already helped inspire the core voters that Bob Corker, the Republican candidate for the Senate, will need to win.

"He's having a hard time with his base, and this is the kind of ad the Republicans believe appeals to their base," Mr. Jordan said of Mr. Corker. But, Mr. Jordan said, the advertisement and the angry reaction it has provoked will backfire nonetheless by offending more important swing voters.

Mr. Howell's latest ad says Mr. Ford voted to recognize gay marriage; Mr. Ford, in fact, twice voted in favor of a proposed constitutional amendment banning same-sex unions. The ad, which calls Mr. Ford slick and smooth, says Mr. Ford wants to give the "morning after" pill to school children, an outright falsehood, according to Mr. Ford's campaign.

Yet if angry voters are looking for a place to direct their anger, they may have a hard time.

Mr. Howell did not produce the spot for Mr. Corker, who has disavowed it. He produced it for a quasi-independent organization that is financed by the Republican National Committee but operates wholly out of the committee's control or direction.

Campaign finance regulations limit how much money the political parties can spend on campaigns with which they coordinate. But they allow parties to spend without limit if they set up committees that operate independent of the party leadership.

Advocates for stricter campaign finance laws say the regulations, a result of court decisions several years ago, do little more than provide a fig leaf for the parties, insulating them from controversy like the one that is now engulfing the advertisement in Tennessee.

Democrats have had their own run-ins with independent expenditure groups, though none as prominent as the controversy in Tennessee.

Station managers in Montana chafed at a Democratic senatorial committee advertisement, produced by an independent group, that featured Senator Conrad Burns using coarse language in discussing local firefighters. Mr. Howell, who once worked

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for Mr. Rove's direct-mail business in Texas, was hired by Mr. Nelson, who was political director of the Bush-Cheney campaign in 2004. Mr. Nelson was in turn hired by Ken Mehlman, the former Bush-Cheney campaign manager and White House political director who is now chairman of the Republican National Committee, to oversee the so-called independent expenditure operations.

All independent expenditure units are required to sign legal papers promising not to have contact with the campaign that they are hired to advocate on behalf of, and to receive only financial support, not strategic advice, from the national party. Mr. Nelson's firm, the Crosslink Strategy Group, employs as a consultant Chris LaCivita, who worked with the Swift Boat Veterans for Truth, the group that produced negative advertisements about Senator John Kerry in the 2004 presidential campaign, according to the firm's Web site.

Calls to a spokesman for Mr. Howell were not returned. Mr. Nelson, who has agreed to work with Mr. McCain if he runs for president in 2008, also did not return calls.

John Weaver, an adviser to Mr. McCain, said Mr. Nelson would continue as an adviser to the senator despite the incident. But, Mr. Weaver said: "We're pleased that the ad has been pulled down."

The Republican National Committee has said Mr. Howell's work against Mr. Ford was created out of sight of Mr. Mehlman, who did not even know what the spot would look like, when it would run or when it would stop running. And Mr. Mehlman was described by an associate who requested anonymity to share private conversations as frustrated by the process, which has occasionally made his committee responsible for advertisements that he has personally found objectionable.

"It may seem confusing and convoluted that the R.N.C. has no knowledge of these ads," said Brian Jones, a committee spokesman. "But that's the way the law's been written, and we abide by it."

Republican Attack Ad Offends Canada (NYT)

By Ian Austen

The New York Times, October 27, 2006

TORONTO, Oct. 26 — A Republican television commercial that has drawn criticism in the United States has also become a political and diplomatic issue in Canada.

"Canada can take care of North Korea. They're not busy," says an actor in the campaign advertisement, against Representative Harold E. Ford Jr., a Democratic candidate for the Senate in Tennessee.

Whatever its intent, the aside is seen in Canada as a suggestion that the country is a free rider when it comes to global security. While Canada did not participate in the invasion of Iraq, it has posted a large portion of its army in Afghanistan as part of NATO forces since 2002. On Wednesday, Michael Wilson, Canada's ambassador to the United States, spoke with an official at the White House, whom the Canadian government declined to name, to officially express Canada's displeasure.

Bernard Etzinger, a spokesman for the Canadian Embassy in Washington, would not discuss the conversation beyond saying, "They took the call and listened to what we had to say."

The advertisement, financed by the Republican National Committee, was pulled from the air on Wednesday after Democrats and the N.A.A.C.P. criticized some of its content as an attack based on racial stereotypes and fears.

In the advertisement, actors in staged interviews speak sarcastically about Mr. Ford and his positions. They include a white actress who says that she met Mr. Ford, who is black, at a "Playboy party." She looks into the camera and says, with a wink, "Harold, call me."

The perceived slight against Canada comes at an awkward time for its minority Conservative government. The recent deaths of Canadian soldiers have prompted criticism of the government's decision in September to increase its deployment by 500 troops to 2,500.

Prime Minister Stephen Harper, who increased military spending this year, has made developing close relations with the Bush administration a priority.

In the House of Commons on Wednesday, Omar Alghabra, a Liberal member from suburban Toronto, cited the Republican advertisement and asked, "Is this what Canadians should be expecting as the outcome of cozying up to Mr. Bush by the prime minister and his Conservatives?"

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David Wilkins, the United States ambassador to Canada, said Thursday at a meeting in Niagara-on-the-Lake, Ontario, that the ad "certainly doesn't represent the view of the president, or the view of the administration, or the view of most Americans," reported The Canadian Press, a news agency.

Compounding A Political Outrage (NYT)

The New York Times, October 27, 2006

The sleazy way in which campaigns and the political parties use loopholes in the campaign finance laws to evade responsibility for their attack ads is on full display in the Tennessee Senate race. Slick as a leer, pernicious as a virus, a campaign commercial transparently honed as a racist appeal to Tennessee voters has remained on the air, despite assurances from Republican sponsors that it was pulled down.

The ad is directed at Representative Harold Ford Jr., the Democratic candidate for the Senate, who is African-American. It includes a bare-shouldered white woman claiming to have met the candidate at a Playboy party and signing off with a close-up, whispered come-on: "Harold, call me."

The ad, resonating with the miscegenation taboos of Old South politics, may or may not be the nadir in the low-blow salvos now assailing the nation. But it takes the statuette for political hypocrisy as G.O.P. leaders insist they were hobbled by campaign law from cutting off what is clearly their own handiwork. "We didn't have anything to do with creating it," insisted Ken Mehlman, the chairman of the Republican National Committee.

All Mr. Mehlman's committee did was finance the ad by way of a supposedly "independent" political shop that serves as a shadow party operation specializing in attack ads on behalf of the Republican candidate, Bob Corker. Mr. Corker eventually criticized the ad as tacky and not part of his campaign, asking that it be killed. But Republican assurances that it was finally off the air after days of damage have proved untrue, according to news reports. The 30-second fiction continued to air like some monstrous G.O.P. orphan.

Strategists from both political parties use the "independent" route of the campaign law for launching sleaze and disclaiming provenance. Voters across the nation are hard-pressed to separate wheat from chaff in the whirlwind of political ads. But one of the few keys they have in figuring out who's responsible for something particularly egregious is the tag line required at each commercial's close.

In the anti-Ford ad, viewers transfixed by the blonde's vixenish sign-off may miss the commercial's only truly enlightening statement, tacked on in quick-talk: "The Republican National Committee is responsible for the content of this advertising."

It sure is.

Does The Code Still Work? (WP)

By Eugene Robinson

The Washington Post, October 27, 2006

The Republican Party built its "solid South" in part with an appeal to racism against African Americans and other minorities. Sometimes the message was explicit -- Jesse Helms's mugging of Harvey Gantt in 1990 was perhaps the most blatant example. Usually, though, latent prejudice had to be summoned more subtly, using a code that white voters could easily decipher: I'm on your side. The Democrats are with them . Who you gonna vote for?

Election results in Tennessee and Virginia will give us a benchmark, to use George W. Bush's new favorite word, of how much the South has changed -- and also, by the way, will probably determine whether the Democratic Party pulls off an upset and captures the Senate.

Rep. Harold Ford Jr., the scion of an African American political dynasty, wasn't expected to mount a serious challenge in Tennessee for the Senate seat being vacated by retiring Majority Leader Bill Frist. But with less than two weeks to go, most polls show him in a virtual dead heat with Republican Bob Corker, a former mayor of Chattanooga. That Ford is even within striking distance says a lot about how disillusioned many self-described independent voters are with the Republican pooh-bahs in Washington, who have been running the country long enough that they can't credibly blame Democrats for much of anything.

The Tennessee race is drawing national attention, and not just because Ford would be the first African American elected to the Senate from the South since Reconstruction. At issue is a television ad, paid for by the Republican National Committee,

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that speaks to white voters in the old tried-and-true Republican code -- very cleverly, I must say. If you haven't seen the ad, it's easy to find on YouTube.com.

It has to be one of the funniest, slickest, best-produced political ads of the year. A succession of stupid or shady characters expresses support for Ford, applauding him because he wants to make families pay higher taxes or take guns away from hunters. A greasy guy in dark sunglasses claims Ford has taken contributions from pornographers, but shrugs and adds, "Who hasn't?"

Among the mock endorsers is a blond bimbo -- sorry, but that's the only word -- who squeals, "I met Harold at the Playboy party!" At the end of the ad she reappears, suggesting a certain intimacy as she implores, "Harold, call me."

There you have it: a black man, a white woman, more than a hint of sex. Viewers are left to fill in the blanks, and clearly the hope is that they will free-associate to a word like "miscegenation." Or, if Republicans are lucky, something considerably worse.

Corker quickly disavowed the ad. RNC Chairman Ken Mehlman claimed unconvincingly that even though the RNC paid for it, there was nothing he could do to get it off the air. The ad was finally pulled after it became something of a cause celebre.

In Virginia, the situation is more complicated. Sen. George Allen opened the door to a thorough examination of his attitudes toward race and ethnicity with his infamous "macaca" gaffe and his oddly startled reaction to discovering his own Jewish heritage. What reporters found isn't pretty. By now it's pretty much established that, at least in his youth, Allen was something of a swaggering bigot. It doesn't help his cause that as a grown man he kept a Confederate flag in his living room and a noose in his office.

Allen admits making mistakes when he was younger but says he has seen the light and now understands and embraces both the African American experience and his place in the Jewish diaspora. And, to be truthful, his Democratic opponent, Jim Webb, has had to explain some antediluvian attitudes about women he seems to have held fairly recently.

But "macaca" was just a couple of months ago, and there was a meanness about the incident that has to make voters wonder. Even if you take Allen at his word that he is no longer the bully he seems to have been as a young man, he sure appeared to be establishing an us-vs.-them solidarity with his all-white audience by stigmatizing a dark-skinned young man by calling him a demeaning name. It was just an instant, but snapshots can be revealing.

The South has changed so much in my lifetime that in many ways I hardly recognize the place -- changed for the better, I should add. But are some white Southern voters still unable to shake that Pavlovian response to the Republican code? We'll have some data points to evaluate on Nov. 7.

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Steele Finds Himself In A Purple Haze (WP)

By Katherine Shaver

The Washington Post, October 27, 2006

Cameras rolled and clicked yesterday as Maryland Lt. Gov. Michael S. Steele strolled off a Red Line Metro train at the Grosvenor-Strathmore station and took his place before the microphones.

His Democratic opponent for the U.S. Senate, the Republican said, was so out of touch with the Washington suburbs' transportation woes he couldn't even locate a proposed link in the Metro system known as the Purple Line. It was a criticism Steele raised in a televised debate the day before.

The only problem: Steele held his media event on the "need for a Purple Line" at a Metro station two stops from where the proposed line would go. It turns out that the Grosvenor-Strathmore station in North Bethesda was part of an old proposal, called the "outer line," that Maryland dropped two years ago. The only path being studied now, the "inner line," would start in downtown Bethesda -- four miles from where Steele stood.

The question of the line's route -- hotly debated in Montgomery County -- came up in a candidates' debate Wednesday in which Steele accused Baltimore area Rep. Benjamin L. Cardin of paying too little attention to suburban Washington's concerns.

Quizzed by Steele about the line's termination points, Cardin sputtered "Chevy Chase," the wrong answer. Steele shot back that Cardin "has no clue" about the region's transportation issues.

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Steele repeated the criticism yesterday, saying he was "quite frankly a little surprised" that Cardin, after 20 years in Congress, didn't know more about a project that would rely heavily on federal funds. A Purple Line advocate, Ben Ross of Action Committee for Transit, said Cardin "wants to build it and forgot exactly where it was going. Steele has no commitment to building it."

Asked why he held yesterday's event so far from the proposed route, Steele appeared surprised. He then said the Grosvenor-Strathmore stop was "convenient and the easiest" site for his travel schedule.

When Steele was pressed, he explained that he was going back and forth to the District. So didn't his Metro ride take him right past the downtown Bethesda Metro stop, the inner line's western end?

"This is where they told me to come . . . " Steele snapped. "I'm not trying to draw any distinction between inner and outer. I'm focused on the Purple Line." Steele was whisked away in a black SUV. Two hours later, two staff members called The Washington Post to say they chose the Grosvenor stop because Baltimore area reporters would be able to find it easily.

Cardin Skips Debate In Charles County (WT)

By S.a. Miller And Jon Ward

The Washington Times, October 27, 2006

U.S. Rep. Benjamin L. Cardin last night skipped an NAACP-sponsored debate in Charles County, Md., a day after the Democratic Senate nominee stammered and stumbled during a faceoff with the Republican nominee, Lt. Gov. Michael S. Steele.

Debate organizers said they had expected Mr. Cardin to participate but his campaign had not made a firm commitment to appear with Mr. Steele and Kevin Zeese, the nominee of the Green, Libertarian and Populist parties.

Cardin campaign spokesman Oren Shur said that a scheduling conflict prevented the 10-term congressman from attending the debate at New Community Church of God in Christ in Waldorf.

"He's campaigning at community events in Prince George's County tonight and has accepted an invitation to debate at the statewide NAACP conference [in Baltimore] on Saturday," Mr. Shur said. "We expect to see Michael Steele there."

Mr. Steele said last night that he would try to adjust his schedule to be there.

The candidates fielded a question about how they would end hate crimes such as the arson fire in 2004 in Charles County in which five white men set fire to more than two dozen homes owned mostly by black families.

Mr. Zeese said racism is still a large part of life for black Americans, and that the problem can be solved only through direct and honest conversation.

"We need to be honest about this big elephant in our living room and face up to racism in this country," he said.

Mr. Steele said he is still viewed as a black man every time he enters a room.

"Talking about it doesn't get us to where we need to be," Mr. Steele said. He also said there are still not enough blacks on corporate boards or running TV networks and major newspapers.

"I don't see us," he said. "We have a long way to go."

Mr. Steele also said the only way to break the cycle of racism is to teach children not to hate.

The debate last night was measured and sober, compared to the one Wednesday.

About 170 people were inside the church, where Mr. Steele and Mr. Zeese also took questions on education, transportation, jobs and the economy, and the Iraq war and foreign policy. The candidates agreed on several issues, including the need to explore alternative energy, cut taxes and modernize the Social Security system.

Mr. Steele suggested a federal-state-local partnership to improve traffic problems that have put a "chokehold" on commuting and other travel from Montgomery County all the way to Southern Maryland.

Mr. Steele said Charles County and the rest of Southern Maryland are often overlooked in political campaigns, so the debate was the first of its kind for the region. "It was important to be here and showcase the people of this part of the state," Mr. Steele said.

Mr. Cardin's name was rarely mentioned, except when Mr. Steele said Mr. Cardin as the House speaker in the General Assembly gutted the state teacher pension fund.

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Mr. Steele yesterday said he was "disappointed" that Mr. Cardin decided not to attend last night's debate.

"Both our teams negotiated with ... the NAACP to host it there," he told reporters at a campaign stop at a Bethesda Metro station. "We agreed to their rules, the format [and] the timing."

Mr. Cardin, who is from Baltimore, stumbled several times during Wednesday's televised debate at NewsChannel 8 studios in Rosslyn.

He was rattled when Mr. Steele said that he was "handpicked" by House Minority Whip Steny H. Hoyer, a Maryland Democrat credited with boosting Mr. Cardin's primary campaign against Kweisi Mfume, past president of the National Association for the Advancement of Colored People.

"I won a competitive primary," a visibly flustered Mr. Cardin said. "Kweisi Mfume is supporting me."

Mr. Steele's remark came in response to Mr. Cardin's quip that President Bush "recruited" the lieutenant governor for the Senate race.

The congressman also stammered when Mr. Steele questioned him about the proposed route of Metro's Purple Line, which Mr. Steele used to portray him as being out of touch with the D.C. suburbs.

Mr. Cardin "is rattled and has gone back on their word that they have publicly given throughout their campaign," said Steele campaign spokesman Doug Heye. "His campaign [said] they will be at a debate any time, anywhere. This was publicly announced. It was publicly reported. They never asked for it to be corrected."

Last night's debate was widely publicized as the second of three between Mr. Cardin and Mr. Steele, culminating Sunday on NBC's "Meet the Press."

Mr. Cardin has struggled to woo black voters -- the Democrats' most loyal voting bloc -- amid criticism from Mr. Mfume and other black leaders about the party's lack of black candidates at the top of the Maryland ticket.

Mr. Steele, who lives in Prince George's and is the first black elected statewide in Maryland, has the potential to break the Democrats' lock on black voters.

Mr. Cardin, who is white, won the overall primary but lost by large margins to Mr. Mfume in Prince George's County and Baltimore, two of the state's most populous and heavily Democratic jurisdictions that are also more than 65 percent black.

At The Washington Times on Monday, Mr. Steele said he requested that last night's debate take place in Charles County, a rural area that was once mostly white but is experiencing a large influx of black residents. It now has the fastest-growing black population in the state.

William Braxton, president of the Charles County NAACP branch that sponsored the debate, said they first talked with the Cardin campaign a week ago.

"We were under the impression that this thing was going to work out and [Mr. Cardin] was going to be here," Mr. Braxton said. "Initially when we talked, he said they had some scheduling problems they had to work out, and his final comment was that they could not work them out."

The Rev. Willie Hunt, pastor of the church that hosted last night's forum, said he regretted that Charles County residents would not get to see the all the Senate candidates in action.

"So many events have taken place in Prince George's County and other parts of the region," he said. "This Southern Maryland area has not had the opportunity to witness this kind of debate."

Mr. Hunt also said that Mr. Hoyer called him Wednesday. "We talked about the debate, but [Mr. Hoyer] wasn't upset or anything like that," Mr. Hunt said.

Hoyer spokeswoman Stacey F. Bernards refused to confirm or deny that the conversation took place.

"You don't have anything substantive from us," Ms. Bernards said.

Ehrlich Warns Of Voting 'Crisis' (BSUN)

By Melissa Harris

The Baltimore Sun, October 27, 2006

Gov. Robert L. Ehrlich, Jr. warned Thursday that a shortage of absentee ballots is "approaching crisis proportions" and asked the state elections administrator to develop contingency plans if more cannot be delivered in time.

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Maryland elections chief Linda H. Lamone acknowledged that some counties had run out of ballots or had yet to receive all they need, with the election 11 days away. But she said more deliveries were scheduled, and described the problems as manageable.

Demand for absentee ballots is high after a push by Ehrlich and others for the use of the paper alternative in the aftermath of the Sept. 12 primary, which was crippled by human and technological errors. A new state law makes absentee ballots available to voters for any reason.

The company that makes Maryland's heavily scrutinized electronic voting machines, Diebold Election Systems Inc., also prints the state's absentee ballots.

Local election directors have warned for weeks that increased demand could create havoc during a tight election timetable.

Meanwhile, some voters are growing frustrated that they have not received their ballots yet -- including some whose travel plans will take them out of state.

This week, the Attorney General's office announced a solution to one of the problems that marred the primary when it advised election officials to open precincts on time even if there aren't enough poll workers to meet state requirements.

No-show election judges caused havoc at some polling places in Baltimore last month, and sate law requires that four judges -- two Democrats and two Republicans -- be present for polls to open. Republican judges are typically in short supply in heavily Democratic Baltimore.

A spokeswoman for the state's Republican Party criticized the attorney general's advice as partisan and contradictory to a previous 1998 letter of advice which stated that polling places lacking the required judges should not open and voters should be diverted to the nearest precinct.

"This about-face from the attorney general can only be explained because we have a Republican governor running against the attorney general's son-in-law," said party spokeswoman Audra Miller. Baltimore Mayor Martin O'Malley, the Democratic gubernatorial nominee, is married to the daughter of retiring Attorney General J. Joseph Curran Jr.

Two Democratic delegates, Samuel I. Rosenberg of Baltimore and Peter Franchot of Mongtomery County, requested Curran's advice after absent or late election judges delayed voting in about 10 percent of Baltimore's 290 precincts by more than an hour during the primary.

"I was concerned, as were several advocacy groups, that whether by design or by incompetence there could be a reoccurrence of Republican judges not fulfilling their duties and not showing up on time or at all," said Rosenberg. "The purpose here is to prevent efforts to suppress the vote."

In a 12-page letter of advice, lawyers in Curran's office argue that the 1998 decision was based on a law that has since been revised and did not take into account all constitutional arguments.

The letter and opposition to it comes in the final days of a fierce election season with each party reaching for advantages under new election reforms, including the use of paper ballots.

More than 120,000 Marylanders have requested an absentee ballot for the general election.

Ruth Fader of northwest Baltimore County has not yet received the ballot she requested in September. She is leaving on a month- long trip to Florida Sunday.

"How this is being handled is disgraceful," Fader wrote in an e-mail to the Sun Thursday. A democracy says that everyone has the right to vote. So where's my ballot?"

Some jurisdictions have run out of certain styles and are waiting for replenishments from Diebold. Others have enough but are struggling to keep up with requests. Prince George's County elections director Robert J. Antonetti said Thursday that he is missing five or six of his 37 ballot styles and has run out of envelopes in which to mail them. Anne Arundel County elections director Barbara Fisher said she is missing two of 27 styles.

"I've been out of one ballot style for three days," Fisher said. "They start to pile up and I'm praying they come tomorrow."

Mike Morrill, a spokesman for Diebold in Maryland, said that when the company is notified of ballot shortages, it prioritizes those orders for printing. Orders are filled within two days.

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"Almost every county has all the ballots they've ordered including multiple reorders in some cases," he said. "There should not be a situation where there is any wholesale problem."

Morrill also said that 84,000 absentee ballots will arrive in Prince George's County Friday.

Ehrlich raised the possibility of a "crisis" in a letter to Lamone, who responded in a letter that 19 of the state's 24 jurisdictions have received all of their ballots and that the remaining ones will get them Friday or early next week. She said that she ordered Diebold to find other printers to handle the additional requests, which the company agreed to do.

"I have been continuously monitoring Diebold's performance to ensure that everything possible is being done to ensure Maryland orders are being timely and efficiently completed," she wrote.

O'Malley Has Made Enemies For Himself, Allies For Ehrlich (WP)

By Matthew Mosk And John Wagner

The Washington Post, October 27, 2006

Prominent Baltimore lawyer William H. Murphy usually reserves his powerful rhetorical skills for the courtroom, but this year he's hitting the airwaves to try to sway voters.

"I don't think anybody understands the criminal justice system better than I do, and that's why I'm not voting for Martin O'Malley for governor," he says in a 60-second radio ad that has been airing for weeks in Maryland.

The former judge, a confidant to Baltimore's elite and a lifelong Democrat, has something in common with a number of influential figures in his city: He can't stand the brash young man who became mayor at 36, and now, at 43, is his party's nominee for governor.

Although scores of party insiders adore him, O'Malley's lightning-fast ascent has left a trail of wounded egos and bitter opponents. Several have become vigorous campaigners for incumbent Robert L. Ehrlich Jr., O'Malley's Republican opponent in this year's race for governor.

"Not everybody can be Rebecca of Sunnybrook Farm all the time," said Senate President Thomas V. Mike Miller Jr. (D-Calvert), an O'Malley supporter. "If you're going to be a leader, you have to have the guts to be disliked at times. To stand up to powerful people for things you believe in and risk criticism."

O'Malley has done that, confronting business owners over plans to redevelop some of Baltimore's blighted downtown neighborhoods and challenging the city's law enforcement orthodoxy over how best to tackle inner-city crime.

In the process, he made an enemy of Baltimore Orioles owner Peter G. Angelos, who was once one of the most prolific supporters of Democrats in the nation but who now has hosted a series of fundraisers for Ehrlich.

His pointed words helped turn two former Baltimore mayors -- Kurt L. Schmoke and William Donald Schaefer -- into outspoken backers of O'Malley's primary opponent, Montgomery County Executive Douglas M. Duncan. Schaefer, whom Ehrlich has courted for four years, is still brimming with bile. He says O'Malley treated him "like I have cholera."

O'Malley has openly sparred with Baltimore's prosecutor, and three of his former police commissioners have become critics. Murphy has criticized the mayor's crime-fighting tactics, particularly the arresting of people for offenses such as loitering. Murphy backed an O'Malley opponent in the 1999 mayoral race and has done legal work for the Ehrlich administration.

In an interview yesterday, O'Malley acknowledged that he has acquired detractors since becoming mayor, but said that it has been an inevitable byproduct of trying to improve a troubled, lethargic city. "There was a fair amount of confrontation, particularly in that first year, because there were a lot of people pleased with the status quo," he said.

"In order to break through that, I did have to take on some battles," O'Malley said. "Over the long haul, I think people have generally been very fair and patient with me as I've done this job and hopefully grown in this job."

Daniel M. Clements, a Baltimore lawyer, said that although the mayor does "speak his mind, people like that about him. A lot.

"He's not afraid to bring bad news to other people in power, and those people may not appreciate it, but the public finds it commendable."

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O'Malley's popularity among the broader population is indisputable. He was reelected as mayor in 2004 with 88 percent of the vote and has won plaudits for his ability to work with the Baltimore City Council, an unwieldy body with a history of challenging the mayor's authority.

Still, questions about O'Malley's diplomatic skills date to the earliest days of his mayoral tenure, when he first went to Annapolis and asked then-Gov. Parris N. Glendening for $25 million for drug treatment in the city, more than twice what had been budgeted for the entire state. To punctuate the request, he proposed rounding up Baltimore addicts, busing them to Annapolis and dumping them on the State House steps.

"You can't run the risk of being a wallflower down here," O'Malley told reporters at the time. "You've got to be the squeaky wheel."

State Sen. Lisa A. Gladden (D-Baltimore), who called O'Malley "childish and rude" at the time, said he has matured. "He's learned that if you don't work with people, they're going to continue to make life difficult for you," she said.

On the campaign trail, O'Malley said he has "been moving our city to the politics of performance."

"Some people have felt their special interests should outweigh any benefits to the entire city," he said.

It is a transformation that he said has unnerved the city's old guard, including Orioles owner Angelos. It is unclear what incited their disagreement. City Hall officials point to a dispute over redevelopment plans near where Angelos owns a skyscraper. Angelos did not return telephone calls requesting comment.

Neither Angelos nor O'Malley has hidden his enmity. In 2003, as Duncan planned a bid for governor, Angelos threw a fundraiser for him. When the time came to tell guests why he backed Duncan, he turned talk to O'Malley.

The mayor is not "the presumptive heir to the governor's chair," he said. "I think we need to disabuse him of that idea."

Nine months later, O'Malley announced that he would support a new baseball club in Washington. The Orioles could count on fan support, he said, if the team would produce a "good product."

Miller, who is close to both men, says the dispute boils down to two powerful figures with differing visions for Baltimore. "There are certain people who feel the city owes them special concessions," Miller said. "No one has ever accused Martin O'Malley of giving away the store for anyone."

Schaefer, who said he started out as a supporter of the mayor, chalked up O'Malley's early struggles to arrogance, calling the mayor "a big kid who forgets friends as fast as he makes them." City Hall officials said Schaefer wanted to be O'Malley's liaison to the business community and grew frustrated when it didn't work out. Schaefer also feuded with Schmoke, who succeeded him as mayor.

O'Malley, a former prosecutor, also has sparred with State's Attorney Patricia C. Jessamy. The relationship tanked in 2001, when the mayor lashed out at Jessamy for dropping a police corruption case that O'Malley wanted prosecuted.

"She doesn't even have the . . . guts to get off her [rear] and go in and try this case, and I'm tired of it," he told a reporter. He later apologized, saying he had "allowed my tongue to get ahead of my head."

Since then, O'Malley and Jessamy have traded blame for the city's stubbornly high homicide rate, with O'Malley suggesting that the prosecutor was never fully committed to his goal of reducing the city's murder count. Jessamy, in turn, has become increasingly cozy with Ehrlich and rallied troops for Duncan.

O'Malley has had several high-profile falling-outs with former allies, including former police commissioners Edward T. Norris, Kevin P. Clark and Ron Daniel. His relationship with Norris soured after the commissioner left to serve as Ehrlich's state police superintendent. Norris later spent time in jail for misusing a city police account. Clark was fired amid allegations of domestic abuse. Daniel didn't support the mayor's plans for overhauling the department and resigned after 57 days.

Still, those relationships have left lingering political trouble for the mayor. Norris now hosts a popular radio talk show whose guests have included both Ehrlich and Duncan. Daniel recorded a radio ad for Ehrlich this week, in which he says: "I believe that Bob Ehrlich is a stronger leader, and I think that he would be a better governor."

Winning By Losing (WP)

By Charles Krauthammer

The Washington Post, October 27, 2006

DOJ_NMG_0087094

When, just a week ago, Barack Obama showed a bit of ankle and declared the mere possibility of his running for the presidency, the chattering classes swooned. Now that every columnist in the country has given him advice, here's mine: He should run in '08. He will lose in '08. And the loss will put him irrevocably on a path to the presidency.

Obama's political challenge is to turn his current fame and sizzle, which will undoubtedly dissipate, into something concrete. In physics, it's the problem of converting kinetic energy into potential energy: Use the rocket fuel behind his current popularity to propel him to a higher national plane from which he would eventually move almost laterally to the presidency.

The reasons for running are clear.

First, at a time of ideological weariness, he has the persona: an affecting personal history, fine intelligence, remarkable articulateness and refreshing charm.

Second, this is a uniquely open race. Not since 1952 has there been a presidential election with no incumbent president or vice president running. Right now there is no serious challenger to Hillary Clinton for the Democratic nomination. The Democrats' quadrennial great white hope -- the young, attractive Southern governor in the mode of Jimmy Carter and Bill Clinton -- was going to be Mark Warner, former governor of Virginia. Warner has bowed out.

Third, the country hungers for a black president. Not all of the country, but enough that, on balance, race would be an asset. It is no accident that when, a decade ago, another attractive, articulate African American with no experience in electoral office went on a book tour, he was met not just with rock star adulation but with a loud national chorus urging him to run for the presidency.

The object of affection then was Colin Powell. Today it is Obama. Race is only one element in their popularity, but an important one. A historic one. Like many Americans, I long to see an African American ascend to the presidency. It would be an event of profound significance, a great milestone in the unfolding story of African Americans achieving their rightful, long-delayed place in American life.

Of course there is racism in America. Call me naive, but I believe that just as Joe Lieberman was a net positive for the Democrats in 2000 -- more people were attracted to him as a man of faith than were turned away because of anti-Semitism -- there are more Americans who would take special pride in a black president than there are those who would reject one because of

racism.

These are strong reasons for Obama to run. Nonetheless, he will not win. The reason is Sept. 11, 2001. The country will simply not elect a novice in wartime.

During our last great war, the Cold War, no foreign policy novice won the presidency, except for Carter in the anomalous Watergate election of 1976. The only foreign policy novices elected in the past half-century -- Bill Clinton and George W. Bush -- won the presidency during our holiday from history between the fall of the Soviet Union and Sept. 11.

In any circumstance, it is fairly audacious for any freshman senator to even think of the presidency. When freshman Sen. John F. Kennedy began his preparation for 1956, he was really seeking the vice presidency. And, unlike Obama, he had already served three terms in the House, which in turn had followed a celebrated military tour in the Pacific in World War II.

In 1956 Kennedy was preparing for a serious presidential run in 1960. Obama should be thinking ahead as well -- using '08 to cure his problem of inexperience. Run for the Democratic nomination and lose. He only has to do reasonably well in the primaries to become such a compelling national figure as to be invited onto the ticket as vice presidential nominee. If John Edwards, the runner-up in '04 did well enough to be made running mate, a moderately successful Obama would be the natural choice for '08.

Then, if the Democrats win, he will have all the foreign policy credentials he needs for life. Even if the ticket loses, assuming he acquits himself reasonably well, he immediately becomes the presumptive front-runner in the next presidential cycle. And if by some miracle he hits the lottery and wins in '08, well, then it is win-win-win.

He's a young man with a future. But the future recedes. He needs to run now. And lose. And win by

losing.

Power Hitter In Texas Energy Deregulation, Top Company Is A Big Winner (WSJ)

DOJ_NMG_0087095

By Rebecca Smith

The Wall Street Journal, October 27, 2006

When natural-gas prices dropped this past spring, many Texans breathed a sigh of relief. Ever since the state partially deregulated its electricity market in 2002, utility companies had cited the rising price of gas to justify rate increases. Now it seemed a turnabout was near.

But under the Texas law, what goes up doesn't necessarily come down. Electricity suppliers such as TXU Corp. and Reliant Energy Inc. are allowed to adjust their basic rates if gas prices rise, but they needn't lower rates if gas costs fall. The only force that could push prices down is vigorous competition from upstart providers -- and that has been in short supply under deregulation. As a result, many Texans are paying 15 cents to 19 cents per kilowatt-hour, about double the national average of eight cents.

The stubbornly high electricity bills are one sign of how the state's four-year-old deregulation plan has failed to bring the benefits originally envisioned. Another is the allegation by the state's independent monitor last month that TXU's power-generation unit may have manipulated the market to get higher wholesale prices. The company denies doing this.

Yet Texas is barreling ahead. On Jan. 1, the last limits on what companies can charge the general public for electricity are about to expire. Texas is the first state in the nation to go that far, and its move comes as California, Arizona and other states have pulled back from deregulation.

Deregulating electricity has long been an ardent goal of many in the U.S. and other industrialized nations. Instead of stodgy utilities collecting nearly guaranteed profits and having little motive to improve their efficiency, backers have hoped deregulation would bring innovation and lower prices to an essential sector of the economy. The reality is messier, as consumers fail to take advantage of their new options -- or fail to gain any options -- while clever companies that know how to work the system prosper.

Exhibit A was the debacle in California in 2000-01, when power generators manipulated prices by purposely withholding capacity, among other moves. A combination of scarcity, faulty market rules and outright market manipulation cost the state billions of dollars.

Texas's $27 billion retail electricity market may be turning into another exhibit. Dallas lawyer Steve Wolens, who was a chief sponsor of the deregulation bill when he served in the state legislature, says it should have included a provision forcing retail prices to come down when gas prices do. And he frets that deregulation has failed to produce the kind of entrepreneurs who could transform the market, perhaps because control remains concentrated in too few hands. "What we need is a Southwest Airlines of the electricity business," says Mr. Wolens.

State officials say it's too soon to write off deregulation. Retail prices are beginning to come down, says Paul Hudson, chairman of the Texas Public Utility Commission. Companies say they're making efficiency gains that will help pricing. But critics say consumers have paid hundreds of millions of dollars too much this year because electricity prices haven't tracked gas prices.

The power industry is divided into three parts: generation (turning fuel such as natural gas or coal into electricity); retail (selling the electricity to consumers); and delivery (moving electricity over power lines). Under the traditional system, still in place in much of the world, a single company does all three and its prices are tightly regulated by the government.

Deregulation in Texas involves breaking up companies into three parts -- although the parts can still be united under a single corporate roof -- and freeing prices in the generation and retail parts of the chain. The middle link, delivery, remains regulated. In most of Texas, a state body called the Electric Reliability Council of Texas, or Ercot, operates high-voltage lines in the power grid.

The theory behind the deregulation: Let power generators compete to produce electricity cheaply, let retailers compete to give consumers a good deal, and let everyone deal on equal terms with Ercot and other grid operators. These operators make sure everyone has access to the delivery system.

The problem is that competition in generation and retail has sometimes failed to emerge. If generators can gain a pivotal position as wholesalers of power, they can sometimes control prices, critics say. Meanwhile, many retail customers are sticking with their "legacy" electric company, fearing the unknown and seeing only a small price advantage in switching.

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Deregulated electricity markets are hard to police because a company can make windfall profits by exercising market power for only short bursts of time. Electricity can't be stored, and transmission bottlenecks sometimes leave wholesale power buyers with no choice but to turn to a single supplier.

In Texas, criticism often coalesces on a single company: TXU, which owns both the largest generation company in the state and the biggest electricity retailer by number of customers. TXU hopes to add to its generating lead by building 11 giant coal-fired power plants in the next few years, a project that has raised environmental as well as market concerns.

Dallas Mayor Laura Miller, who is married to Mr. Wolens, is a prominent opponent of the coal-fired plants. She finds problems with TXU's market clout at both ends of the chain. "It's mind-boggling bills are so high," she says. "And now they put forward this audacious plan to build all these coal plants. It's struck a chord."

In the second quarter, TXU earned $497 million on $2.67 billion in revenue, giving it a fatter profit margin than oil giants Chevron Corp. or Exxon Mobil Corp. Under the leadership of Chief Executive C. John Wilder, it has boosted its plants' productivity and rolled out programs to build customer loyalty and improve customer service. It says its profits are the fruit of those efforts.

Mr. Wilder has told investors recently that the fast-growing state needs new modern plants, such as the ones TXU hopes to build, to ensure a reliable supply of electricity. By his calculation, the new coal fleet could throw off profits of $1 billion a year for TXU.

On the retail level, the state has dozens of companies trying to pitch power to the average consumer. But many are struggling. They face high marketing costs to overcome lack of name recognition. Some say they were thrown for a loop by the sudden spike in natural-gas prices late last year, and they still are catching their breath.

The deregulation law established a transition period, starting in 2002 and concluding at the end of this year, during which the long-established retailer in each area posts a benchmark price and is allowed to change it twice a year. Officials call this the "price to beat." Upstart retailers try to offer a discount to it.

The incumbent retailers must justify any rise in their benchmark price by a rise in the price of natural gas, the predominant fuel for power plants in Texas. Last year, when natural-gas prices spiked after Hurricane Katrina, TXU raised its benchmark price to a level based on a index gas price of $11.53 per million British thermal units. Since then, the index price has fallen by about a third to $7.66 per million BTUs.

Once TXU and other incumbents have locked in the higher price, they have no obligation to lower it even if natural gas becomes cheaper. Since 2002, most incumbents have raised their benchmarks on six to eight occasions, but none has ever dropped its benchmark price.

The fall in natural-gas prices this year seemingly would represent a golden opportunity for upstarts to grab market share by offering consumers a big discount off the benchmark. It hasn't worked that way, in part because many companies got caught in a price squeeze last year. They had to keep their retail prices below the benchmark prices charged by the former monopoly utilities, but many were paying far more for wholesale power. Many suffered losses, making them feel less aggressive about pricing this year.

Last year was as devastating as "a hundred-year flood," says Rob Snyder, chairman of Stream Energy. The two-year-old company claims 240,000 customers, most gleaned from TXU's rolls. Mr. Snyder says his firm had a loss of $7 million in 2005 but returned to profitability in April. Even Reliant, an incumbent, "got hurt pretty badly late last year," says Chief Executive Joel Staff.

It takes a big discount to get even a little attention. Amigo Energy, which targets the Hispanic market, currently offers a 16% discount to TXU's benchmark price. On a good day it picks up 100 new customers, says Amigo President Javier Vega.

TXU's response to criticism about high prices is to roll out new pricing programs for loyal customers. The company is permitted to undercut its own benchmark price when it faces a certain level of competition. The "SmartSaver 36" program offers an 8% discount on a contract with a three-year term. TXU also is offering some customers a $100 "customer appreciation bonus," if they stay with TXU throughout 2007.

Pat Wood, a Houston-area resident who is past chairman of the Federal Energy Regulatory Commission as well as the Texas Public Utilities Commission, says he's frustrated by customers' unwillingness to change. He calls the benchmark the "dumb" price and says, "I wouldn't even mess with TXU or Reliant." Mr. Wood has switched suppliers three times in 15 months.

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Some don't have the option of switching. Don Gateley, who owns a computer-software company, has waited almost five years for competition to come to Jacksonville, his town of 13,800 people in East Texas. TXU is still the only electricity retailer in town. His rates have grown steadily, most recently by 14% in January. This past month his electricity bill for his house and storage buildings ran to more than $300. Deregulation is "an absolute joke," he says. "I'm so sore, I can't sit down when I get my bill."

Meanwhile, the generation part of the market is also raising concerns. By law, no supplier in Texas is supposed to control more than 20% of the generating capacity. The goal is to prevent any one company from cornering the market and driving up prices. But there's no limit on how much power each plant can produce. TXU generated 22% of the power consumed in the competitive market in 2005. TXU's market share is greater in certain places, like North Texas, where many of its plants are located and where it's sometimes hard to bring in power from other parts of the state.

TXU's plans for coal-fired plants will add to regulators' difficulties. By putting efficient, 24-hour-a-day plants in operation and divesting older plants that can only operate part-time, TXU could amass an even more formidable market position and stay within the law. However, if regulators block the new plants, that could lead to scarcity of electricity and push prices higher.

The Federal Energy Regulatory Commission presumes that there's a problem with market power if a generator controls more than 20% of the electricity capacity in a market area. But the commission has no jurisdiction in Texas because power is generated and distributed within the state.

FERC has become more aggressive after the California energy crisis, when some pivotal suppliers took advantage of their position to push up prices. In 2005, it stripped Duke Energy Corp. of the ability to charge unregulated prices for wholesale power from certain plants it owns in the Carolinas, where it also owns regulated utilities.

In 2003, TXU was found to have engaged in "hockey-stick bidding," in which power is offered in ways designed to raise prices overall. In 2004, investigators at the Texas Public Utility Commission found that TXU had a "measurably dominant" position in the market. Wholesale prices were rising at the time, but the commission didn't reach a conclusion on whether TXU was intentionally causing the trend or exacerbating it because of its size.

This year, Texas hired a new independent market monitor, Potomac Economics Ltd. of Fairfax, Va. In a report last month, Potomac found that TXU "routinely" held back generating supply from the market in 2005 when it logically should have been offered. One reason for withholding supply is to force the grid operator to turn to more expensive plants to fill out its needs. Because the operator typically pays a single "market-clearing" price for its power, such a strategy can allow a power generator to get an across-the-board high price even when much of its supply is cheaply produced.

The monitor's report said TXU was most likely to withhold supply when the market was vulnerable and it had the best chance of turning a big profit. However, it cautioned that there may be a benign explanation for the odd behavior. The state's Public Utility Commission said last week it will investigate the matter. TXU denied manipulating markets. "We strongly condemn any improper withholding of electricity from markets and firmly reject any implication we have done so," the company said in a statement.

California, which experienced similar problems during its electricity crisis, now requires generators to offer power to the market whenever plants are capable of furnishing it.

The Potomac report also found TXU often offered electricity to the state grid operator at prices far above its generating costs, raising "significant concern."

Despite the worries, Texas is pushing ahead with further deregulation on the wholesale side, including lifting price caps on what generators can charge the grid operator. Currently the cap is $1,000 a megawatt-hour, the same cap used in many Northeastern and Midwestern states. Texas is raising the figure in stages to $3,000 by March 2009, the highest in the country.

Texas officials say the higher potential prices should motivate generators to build new plants and, provided there isn't any market manipulation, help consumers. But if new plants aren't built, the higher cap could lead to a windfall to those incumbents that already own generating plants.

Global Push To Cut Greenhouse Emissions (FT)

By Chris Giles In London

Financial Times, October 27, 2006

DOJ_NMG_0087098

The drive to tackle climate change gathered pace on Thursday as Morgan Stanley, the investment bank, announced a $3bn plan to invest in the carbon trading market amid mounting evidence that some US states are growing more sympathetic to international action.

The moves come just days before a UK government report is expected to propose a huge expansion of the global market in trading permits for carbon dioxide emissions. It will also propose extending existing mechanisms for western companies to benefit from promoting cleaner energy in poor countries.

A bigger market could offer substantial business opportunities. One recent calculation suggests that global expenditure on curbing the effects of climate change could be worth about $1,000bn (£529bn) within five years of action being agreed.

On Thursday, the commercial opportunities were underlined as Morgan Stanley announced its big bet on the green energy market. It plans not only to invest most of the $3bn in buying carbon credits around the world but also to set up its own low-emission energy projects.

The prospect of building an international consensus on the back of the findings of the Stern review appeared to strengthen as Citigroup, the world's largest bank by market value, said in a research note that carbon trading was almost certainly going to become the most important weapon in combating global warming, including in the US.

Certain US states have recently taken steps to establish carbon markets. Seven states in the north-east have agreed a regional move to cap emissions from 2009, while California has set emissions limits.

The UK government-commissioned review, led by Sir Nicholas Stern, former World Bank chief economist, will say that the cost of rising concentrations of carbon in the atmosphere far outweighs the cost of acting now to slow global warming.

It reflects the UK's efforts to lead the world towards fresh initiatives on climate change before efforts under the Kyoto protocol run out in 2012.

According to the review, big polluters would be able to cut emissions to the level of credits held, buy new credits in the market or earn new credits by making investments in carbon-efficient technologies in developing countries.

The review team has not been discouraged by the slump in carbon prices in the fledgling European carbon-trading market in April when most European countries said they had not used up allocations. One person close to the review told the Financial Times: "We have learnt a lot from Europe's experience."

A recent International Energy Agency paper suggested that the most important and available technology for reducing emissions would be carbon capture, in which carbon dioxide from burning fossil fuels is pumped underground.

The Reliable Source (WP)

By Amy Argetsinger And Roxanne Roberts

The Washington Post, October 27, 2006

Swamped by a Flood of Criticism

It's been a bad week for the Swedish rock band the Ark, which was forced to cancel appearances in Boston and New York after a tasteless joke sparked a diplomatic incident.

The glam-rock band kicked off a U.S. tour Sunday with an outdoor concert at Sweden's new embassy in Georgetown. Lead singer Ola Salo saw a plane approaching Reagan National Airport and told the audience, "In this country, you don't know where those planes are headed" -- then cracked it was going in the "right direction . . . the White House." The fallout was fast and furious: Salo apologized, Sweden's ambassador Gunnar Lund apologized, and the remark has been front-page news all week in Sweden.

To make matters worse, the band's U.S. work permits expired -- a spectacularly ill-timed coincidence, said manager John Gray. The musicians had permission to perform at the embassy Sunday, but planned to fly back to Sweden, get the proper paperwork and fly to Boston in time for Tuesday's gig. Salo's joke caused such an uproar that they hid out in New York for two days before flying home, and finally got the permits yesterday at the U.S. Embassy in Stockholm -- along with a short reprimand.

The band released a statement later in the day in which Salo admitted he "couldn't resist making a joke," but insisted it was not a political statement. "I'm used to the situation in Sweden, where we have a tradition of mocking authority. It was a totally unserious way of being cheeky toward the White House."

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The band headed back to the United States and will resume the tour tomorrow in Chicago. Says Gray: "It's been a bad week, but I think everyone learned a lesson."John Ashcroft, Ready to Sing For His Country

One lesson gleaned from John Ashcroft 's new book: Making fun of his singing is so not cool. In his new memoir, "Never Again," Ashcroft writes about the challenges he faced as attorney general after Sept. 11 -- including the time he went on David Letterman's show.

The talk show host spent weeks in early 2002 making mirth of a video clip in which the AG sang his own composition, "Let the Eagle Soar," in a strong, clear tenor. Letterman then coaxed Ashcroft onto his show to talk about the Patriot Act -- and by the way, maybe sing a song? Ashcroft writes that he was suspicious of Letterman's nice-guy act and wondered if singing "would expose the office to ridicule." (He eventually agreed to play "Can't Buy Me Love" on the piano instead.)

So it was with some timidity that we approached Ashcroft on Wednesday at his book party, hosted by the National Music Publishers' Association. Any chance the Singing Senators -- his old group with Trent Lott , Larry Craig and Jim Jeffords -- might get back together? Ashcroft smiled warmly. "I hope so! I think that Washington needs more singing these days."

Goodbye Notes for Ambassador Ourisman

"Call Me Madam," the Sequel: In 1949, Harry Truman appointed Washington "hostess with the mostest" Perle Mesta as U.S. minister to Luxembourg, and Irving Berlin wrote "Call Me Madam" for Ethel Merman in her honor. Yesterday, newly minted Ambassador Mary Ourisman -- heading off to Barbados in four days -- was sent off with a musical tribute by longtime gal pals Wilma Bernstein, Ann Hand and Marlene Malek. The party at the Georgetown Club included a performance of patriotic songs and the presentation of a U.S. flag that flew over the Capitol on Oct. 11, the day she was sworn in.Surreal Estate

SELLERS: Joe Wilson and Valerie Plame

ASKING PRICE: $1.995 million

DETAILS: Washington's high-security-clearance fun couple may not be much longer for this town. Three years after he got into a WMD scrap with the White House and she was unmasked as a spy, the couple are selling their home in D.C.'s Foxhall neighborhood. The five-bedroom Colonial (which they bought new in '98 for $735K) boasts 10-foot ceilings and stunning monument views. Listed for the first time last week at $2.2 million, the price has already dropped slightly, according to their agent's Web listings. Where to now? Wilson didn't return calls, but Roll Call heard whispers they're considering a move to Santa Fe, N.M.

Hey, Isn't That . . . ?

Ralph Lauren nicely asking two high-schoolers if his new store was "too grown up" for them Wednesday afternoon. Sources say the designer toured his Friendship Heights shop with a six-person entourage and talked about how to gain popularity in the teenage market. Lauren told a staffer to give the teens job applications before he headed out, entourage in tow.

In 'Sing,' A Trio Whistles Dixie (CSM)

By Peter Rainer

The Christian Science Monitor, October 27, 2006

You could say that "Dixie Chicks: Shut Up & Sing" is a terrific music documentary, but who would think of it in those terms? That's like saying "Bowling For Columbine" is a great movie about guns.

Actually, it's unfair to invoke Michael Moore here, since the directors of "Dixie Chicks," Barbara Kopple and Cecilia Peck, don't wear their agenda on their sleeves. They straight-forwardly document what happened to the Chicks after lead singer Natalie Maines told her cheering London audience in March 2003 that she was "ashamed the president of the United States is from Texas."

Once the press picked up her comment, the group became country music pariahs and their bookings dwindled. Ms. Maines's remark particularly galled many of her hard-core fans because it was uttered outside the US. The biggest-selling female group of all time has been gamely fighting back ever since.

Kopple, who has directed two documentary masterpieces, "Harlan County, U.S.A." and "American Dream," and Peck, who produced Kopple's 2002 TV documentary "The Hamptons" and is Gregory Peck's daughter, astutely capture how the Chicks attempted both to make nice and stand fast.

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From the get-go, Maines never backs down from her statement. The other Chicks, Martie Maguire and Emily Robison, clearly wished Maines had kept silent, but they support her throughout.

I suppose one could put a cynical spin on their steadfastness - why break up the band and lose all that moolah? - but that's not how it comes across. These women obviously care a lot about one another, and they have families and children who are just as much a part of their lives as their music.

They even seem to enjoy the controversy, posing near-nude for an Entertainment Weekly cover as if to tell the rabble-rousers, "You still like looking at us, don't you?"

The filmmakers had impressive access to the group, and the results are eye-opening. When Maines receives a highly credible death threat days before a concert, we see how the situation is handled - and its effect on her. In a hotel suite, Maines watches Tom Brokaw on television questioning President Bush about her statement in London, then launches into a diatribe that makes her London dig seem tame.

This movie brings out the irony that Maines's in-your-face spiritedness - so integral to the Chicks' appeal - pushes her to say things that end up turning off longtime fans. You can't have one Maines without also having the other. The film may be subtitled "Shut Up & Sing," but you can't sing with your mouth closed. Grade: A-

South Korea Enforces Sanctions On North (AP-Y)

By Tanalee Smith, Associated Press Writer

AP, October 27, 2006

South Korea made its first concrete move Thursday to enforce U.N. sanctions imposed on North Korea for its nuclear test, saying it will ban officials from the communist country who fall under a U.N. travel restriction and control financial transactions between the rivals.

Meanwhile, a South Korean Defense Ministry report underscored the lingering threat posed by the North, saying the regime is believed to have enough plutonium to make as many as seven nuclear bombs. The North is also working to make a small, lightweight nuclear warhead that can be carried by ballistic missile, according to the report released by an opposition lawmaker.

The U.N. resolution, passed in response to the North's underground nuclear blast on Oct. 9, seeks to ban the country's weapons trade and calls for North Korean ships to be searched for suspected illegal materials. The resolution asks all member countries to state how they plan to implement the sanctions within 30 days of its Oct. 14 adoption.

Unification Minister Lee Jong-seok said Seoul would ban some North Korean officials from traveling to the South and control transactions and remittances related to inter-Korean trade and investment with Pyongyang, the South's Yonhap news agency reported.

It was unclear how tough the South will be in enforcing the restrictions. Seoul had been hesitant to take strong measures to support the sanctions, mindful of North Korea's massive armed forces poised at the border, its family and cultural ties, and its wish to expand economic relations with its neighbor.

Also at issue was whether South Korea would expand its participation in a U.S.-led drive to interdict North Korean ships and aircraft suspected of carrying weapons of mass destruction or related material.

On Friday, South Korea's foreign minister — the next U.N. secretary-general — was to visit China, as Seoul and Beijing ponder how to sanction North Korea over its first-ever nuclear test.

Ban Ki-moon was scheduled to meet Chinese President Hu Jintao and other officials.

The visit is part of Ban's tour of the five permanent member countries of the U.N. Security Council following his election earlier this month as the next U.N. chief, but his discussion in Beijing will also cover the North Korean nuclear issue, his ministry said.

South Korea has been reluctant to participate fully in the Proliferation Security Initiative because of concerns it could lead to clashes with North Korea and undermine efforts to persuade the communist state to give up its nuclear ambitions through diplomacy.

Still, Seoul's announcement is certain to be welcomed in Washington, where Secretary of State Condoleezza Rice on Wednesday urged South Korea to show "a strong commitment" to the sanctions.

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On Wednesday, Pyongyang warned that any move by the South to impose trade, travel and financial sanctions would be seen as a "declaration of confrontation" that would elicit "corresponding measures" from the North. It also said sanctions could cause a breakdown in inter-Korean relations.

"If North-South relations collapse due to reckless and imprudent sanctions against us the South Korean authorities will be fully responsible for it and will have to pay a high price," said a statement carried by the North's official Korean Central News Agency.

South Korea rejected the North's warning Thursday.

"If North Korea is concerned about the future of Korean people, it should not aggravate the situation any more (and) return immediately to the six-party talks," the Unification Ministry said, referring to negotiations among the two Koreas, the U.S., Japan, China and Russia aimed at resolving the nuclear standoff.

The South Korean Defense Ministry report on the North's nuclear capabilities was based on a meeting of top military officials a day after the North's test.

The report says the North is believed to have extracted 110 pounds of high-grade plutonium, enough for up to seven nuclear weapons. The North can use its Russian-made bombers to drop the bombs, the ministry said, adding that the North has 82 Il-28 bombers at bases in Uiju and Jangjin.

North Korea also has built a nuclear warhead weighing some two to three tons. To be mounted on a missile, the warhead would need to be less than a ton, the ministry said.

The North stunned the world in 1998 by firing a long-range ballistic missile over Japan into the Pacific. It also test-fired seven missiles in July, including a long-range missile believed capable of reaching the U.S. that crashed shortly after launch.

Meanwhile, a Japanese Foreign Ministry official said Japan wants a meeting with the U.S. and South Korea as soon as possible to solidify a common stance on the North Korean nuclear standoff. Their foreign ministers met in Seoul last week.

"Of course it's quite important to consolidate the three nations on the issues," the official said on condition of anonymity, citing ministry protocol. "It's important for us to have such meetings as soon as possible."

Also Thursday, a leading international think tank warned of a looming humanitarian crisis in North Korea, saying more people could try to flee amid increased isolation and food shortages.

The Brussels-based International Crisis Group urged regional governments to improve their treatment of more than 9,000 North Korean refugees in the region.

"There's a very real possibility that the nuclear crisis will be followed by a humanitarian crisis," said Peter Beck, head of the group's Seoul office. "The more belligerent the North is, the less the world wants to help them, no matter how much you try and separate politics from humanitarian issues."

—

Associated Press Writers Jae-soon Chang in Seoul and Hans Greimel in Tokyo contributed to this report.

S. Korea Moves On Sanctions As N. Korea Issues Warning (USAT/AP)

By Tanalee Smith

USA Today, October 27, 2006

SEOUL — South Korea made its first concrete move Thursday to enforce United Nations sanctions imposed on North Korea for its nuclear test, a government minister said.

Unification Minister Lee Jong Seok said Seoul would ban officials from the communist country who fall under a U.N. travel restriction and control financial transactions between the Koreas.

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It was unclear how tough the South would be in enforcing the restrictions. Seoul had been hesitant to take strong measures because of concerns over North Korea's massive armed forces poised at the border, family and cultural ties between the two Koreas and the South's wish to expand economic relations with its neighbor.

Also at issue: whether South Korea would expand its participation in a U.S.-led drive to intercept North Korean ships and aircraft suspected of carrying weapons of mass destruction or related material. U.S. Defense Secretary Donald Rumsfeld has accused the North of proliferating weapons technology.

On Wednesday, the government in Pyongyang warned that any move by the South to impose trade, travel and financial sanctions would be seen as a "declaration of confrontation" that would elicit "corresponding measures." It also said sanctions could cause a breakdown in inter-Korean relations.

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The North can use its Russian-made bombers to drop the bombs, said the report, which was based on a meeting of top military officials a day after the North's test. It also said the North has 82 Il-28 bombers at bases in Uiju and Jangjin.

Sanctions Don't Dent North Korea-China Trade (NYT)

By Jim Yardley

The New York Times, October 27, 2006

SANHE, China, Oct. 25 — At the isolated border crossing in this small Chinese town, no one noticed when North Korea conducted its nuclear test in an underground mine about 90 miles away. Nearly three weeks later, no one seems to have noticed the recent United Nations sanctions against North Korea, either.

Truckers carrying goods into North Korea across the sludge-colored Tumen River say inspections are unchanged on the Chinese side. Customs agents rarely open boxes here or at two other border crossings in this mountainous region, truckers and private transport companies say.

Nor are any fences visible, like the barrier under construction near China's busiest border crossing at the city of Dandong. There were early reports that inspectors in Dandong were at least opening trucks for a look, but so far statistics and anecdotal reports in the Chinese news media indicate that, essentially, everything remains the same.

What is visible here, though, is the growing and, in some ways, surprisingly complicated trade relationship between China and North Korea. China remains North Korea's most important aid donor and oil supplier, but, conversely, China is now importing growing amounts of coal and electricity from North Korea. Chinese entrepreneurs, meanwhile, are starting to buy shares in North Korean mining operations and, in one case, trying to gain access to the Sea of Japan by leasing a North Korean port as a potential shipping hub.

The upswing in Chinese economic activity — which is already raising questions about whether the intent is more strategic than commercial — is one of the reasons that China has sent mixed signals about how aggressive it will be in inspecting border trade to meet the United Nations sanctions. For now, at least, some truckers in this region say the only change in border inspections has come on the North Korean side, where customs agents are checking loads more carefully for items deemed contraband by Kim Jong-il's government.

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"We used to sit with North Koreans that we know and have a chat," said Jiang Zhuchun, a trucker waiting to cross into North Korea on Tuesday afternoon. "But after the nuclear test, we are only allowed to sit alone in our trucks."

The United States has praised China for approving the sanctions against North Korea, and Secretary of State Condoleezza Rice used her visit to Beijing last week to emphasize the common desire to restart diplomatic talks on North Korea's nuclear program. China's leaders are said to be deeply angered over the nuclear test and have signaled they may take a harder line against their longtime ally. Last week, some banks in Dandong froze certain accounts and financial transactions with North Korea.

But the question of inspections along the 866-mile border between China and North Korea is a different matter. The sanctions authorized countries to inspect cargo entering and leaving North Korea and barred the sale or transfer of material that can be used to make nuclear weapons. Yet the sanctions are still less than two weeks old, and some details have still not been worked out. For example, the sanctions ban luxury goods without defining them.

The United States wants tightened border inspections by China as a tool for squeezing the North Korean economy and ensuring that North Korea cannot buy or sell nuclear materials. China is worried that destabilizing North Korea could begin an exodus of refugees and has resisted changing inspections. This week, with rumors swirling about a possible border crackdown, the Foreign Ministry spokesman, Liu Jianchao, said China intended to comply fully with the sanctions, but also said inspections along the border would remain "normal."

The Yanbian Korean Autonomous Region, the name of the sprawling district that includes the Sanhe border checkpoint, is not the primary trade route between China and North Korea; Dandong, with its more direct route to Pyongyang, the North's capital, is by far the busiest. But the Yanbian area is wedged into a geopolitical hotspot where China, North Korea and Russia all come together.

In interviews and visits to three crossings from Yanbian into North Korea, truckers, transportation company agents, investors and others confirmed without exception that trade is continuing across the border much as it always has. Customs agents examine bills of lading but usually open shipments only when they are tipped in advance to someone trying to smuggle goods like beer or liquor without paying customs duties, several people said.

"No matter who you talk to, they will tell you there is not much difference," said Jin Lanzhu, whose trading company is one of the largest in the region.

On Wednesday morning inside the Chinese customs yard in the border city of Tumen, small groups of North Koreans, each wearing their mandatory pins with images of either North Korean leader Kim Jong-il or his father, Kim Il-sung, waited to cross the bridge. They had nylon sacks stuffed with shoes and clothes, television sets, a refrigerator. Some carried bags of rice.

"How many bags do you have?" asked a female Chinese customs agent in a blue uniform. She looked them over and walked away without opening any. She did forbid the North Koreans to take several boxes of fruit because of a problem with worms. Then, the men began loading the sacks onto a flatbed truck operated by the customs office to carry smaller loads to the North Korean side. Two North Korean women complained to a local taxi driver that they had to pay 400 yuan, or about $50, for the service.

"They don't really check over here," one North Korean woman said of Chinese customs. "They do on the North Korean side."

A similar scene unfolded later in the day at a smaller crossing in the dingy town of Kaishan, where the customs port is so small that trucks take a dirt road to a crumbling checkpoint. On Wednesday, a young soldier watched laborers load about 150 used televisions and boxes of medicine into a North Korean truck that had crossed the river to collect the shipment.

"I'm here for security," the soldier said.

Trade between China and North Korea has grown rapidly in recent years — as has North Korea's trade deficit with China, in part, because China no longer appears to be selling oil at a subsidized rate. China now accounts for almost 40 percent of North Korea's total foreign trade; bilateral trade has more than doubled to $1.1 billion in 2005 from $490 million in 1995. In Yanbian alone, trade with North Korea jumped 82 percent in 2004 and another 20 percent in 2005, according to a local newspaper account.

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Divining what the increased traffic says about the state of North Korea's economy is a subject of debate. New research and interviews in the Yanbian region suggest that North Korea, a country that regularly suffers blackouts, is now exporting growing amounts of coal, minerals and even electricity to China, which is hungry for energy and raw materials. In exchange, North Korea is no longer importing as much raw material and machinery as it had in the past.

Instead, North Korea is importing food, clothes, daily sundries, outdated televisions and appliances and, of course, oil. The trend could suggest that North Korea's recent experiments with private markets may be expanding, some analysts said.

A recent study by the Nautilus Institute, a San Francisco-based research group, used customs statistics to describe the trend, but also concluded that it might indicate that North Korea's nonmilitary manufacturing industries were in sharp decline. One Chinese investor in a North Korean coal mine agreed. "They seemed to have stopped the factories," said the investor, who asked not to be identified. He said doing business with North Korea was very risky and cautioned that numerous Chinese businessmen had lost money. "There are zero guarantees and protections."

Even so, Chinese entrepreneurs and companies, both private and state-owned, are starting to buy interests in North Korean mines to export raw materials. The amount of investment is not clearly defined, but different Chinese proposals call for building truck routes between inland trade centers in northeast China to the North Korean coast, according to Chinese media accounts.

A Chinese property developer, Fan Yingsheng, told the Chinese news media that despite the nuclear test, he was still pursuing plans to develop the North Korean port of Rajin into a shipping center for goods from China. He said he would soon fly to Pyongyang to sign a final agreement.

The flurry of Chinese activity has not gone unnoticed by South Korea and others in the region, analysts say. Like China, South Korea has resisted harsh economic sanctions and refused to shut down its own trade deals with North Korea in part because of concerns about a swift collapse of the North Korean government. But South Korea is also positioning itself, to some degree against China, to be the dominant player in the future of North Korea.

China, meanwhile, has said the activity is not strategic positioning but natural economic outgrowth for a booming, entrepreneurial economy in need of resources. Li Dunqiu, a North Korea specialist with a research institute under China's State Council, or cabinet, recently wrote that "laws of the market economy" were the driving force in Chinese investment in North Korea.

Along the border, it is easy to see how the daily traffic from China is a lifeline for North Korea. One woman from Yanbian said her family had recently come across to buy rice and other essentials. But Mr. Jin, the owner of the trading company, said charity was not at the essence of China's trade with North Korea.

"The business interest is the most important thing," he said. "Helping them comes after that." Then, pausing to reflect on the potential and perils of trading with North Korea, he added: "North Korea is just like China in the past. It is a blank sheet of paper. You can draw wherever you want to. The question is whether the paper is going to be there at all times for you to draw on."

Six-party Talks Only Route For US Dialogue With North Korea: Hill (AFP-Y)

AFP, October 26, 2006

Stalled six-party talks have to restart for the US to talk to North Korea, following the isolated regime's nuclear test earlier this month, US Assistant Secretary of State Christopher Hill said Thursday.

"The North Koreans haven't expressed an interest in having a dialogue with anyone really," Hill told reporters on the sidelines of a meeting of Pacific Island Forum countries in Fiji.

"We've made very clear that if they come back to the (six-party) process, we're certainly prepared to talk to them directly," he said.

Hill was asked about calls for the US to engage in direct dialogue with Kim Jong-Il's regime following the October 9 declared nuclear test.

But Hill said the six-party agreement was very important to the US, because it ensured a united stand by countries in the region over North Korea's nuclear ambitions.

North Korea's nuclear test caused a global uproar with the UN Security Council issuing a resolution imposing economic sanctions aimed at curbing Pyongyang's weapons program.

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Threats by Pyongyang against South Korea over adopting sanctions imposed after the test flew in the face of Seoul's clear undertaking to follow the resolution "to the letter", said Hill, who has responsibility for East Asian and Pacific affairs.

North Korea needed to understand UN Security Council resolutions were binding on everyone, he said.

"North Korea needs to take some time to think about this, and get themselves back to the table and back to what the United Nations has demanded that it do," he said.

North Korea pulled out of the six-nation talks in November last year in protest at financial sanctions imposed by Washington against Pyongyang for alleged money-laundering and counterfeiting.

Aside from the US and North Korea, the other nations involved in the talks are China, South Korea, Japan and Russia.

Returning to the talks is one of the key planks of the UN Security Council resolution imposed against North Korea for conducting its nuclear test.

Japanese Foreign Minister Taro Aso said Wednesday his country should reopen the debate on whether to develop a nuclear weapon capability in light of the North Korean programme.

"We need to discuss once again why Japan came to decide not to possess nuclear arms," Aso told a parliamentary foreign affairs committee.

"On the assumption that North Korea really owns nuclear arms now, the situation in the Far East has changed drastically.

"We should discuss if Japan can stay as it is."

But Hill said Japan's non-nuclear policy remained intact.

Hill recently travelled with US Secretary of State Condoleeza Rice to Japan and South Korea, following the North Korean test.

"We understand from the Japanese that they have had no change in their policy against developing, importing or using nuclear weapons, so there is no change in Japan," he said.

"Proliferation of that kind is something we all need to be concerned about, it's one of the reasons why Secretary of State Rice wanted to get out there to assure our allies that the US is prepared to use all our deterrent capability if South Korea or Japan is threatened."

Reworked Device A Few Months Off, U.S. Analysts Say (WT)

By Anju S. Bawa

The Washington Times, October 27, 2006

North Korean scientists will only need a few months at most to correct technical problems connected with the Oct. 9 test of the country's first nuclear device, U.S. analysts estimate.

U.S. government and private analysts are still trying to gauge the effectiveness of the test, which sparked global condemnation and a drive to impose new sanctions on the isolated Northeast Asian state.

"North Korea's nuclear test was a partial success," said David Albright, a former inspector for the International Atomic Energy Agency, the United Nations' nuclear watchdog, and president of the Washington-based Institute for Science and International Security. "They will fix the problem, and maybe try again."

U.S. intelligence officials have confirmed the explosion was a nuclear device, but basic questions about the test remain. Pyongyang reportedly told Chinese officials before the test that it would be a 4-kiloton blast, but the actual measured explosion was estimated at less than 1 kiloton.

The smaller blast suggests a problem with the chain reaction, Mr. Albright said at a forum on the North Korean nuclear program at Johns Hopkins University earlier this week. "It blew apart before [the] optimal time."

The most likely cause of the failure was a component that initiates the chain reaction that produces the explosion, Mr. Albright said.

Frank N. von Hippel, a nuclear physicist and professor of public and international affairs at Princeton University, said a successful nuclear blast requires an intricate sequence of events that must be timed perfectly for complete detonation.

"There are lots of things that could have gone wrong," he said in a phone interview. The timing may have been off, or something else could have started the chain reaction, he said.

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Daryl Kimball, executive director of the D.C.-based Arms Control Association, said the test could have developed problems even before the chain reaction started, owing to the poor quality of the plutonium used or faults with the detonators.

"We can't say what was the cause or what the device was expected to do," Mr. Kimball said.

It also is not clear exactly how much the North Koreans expected the device to yield, analysts said.

"We don't know what they meant when they said 4 kilotons. They may have meant 4 to 10 kilotons," Mr. Albright said. By comparison, the nuclear bomb dropped on Nagasaki, Japan, in 1945 was 20 kilotons.

All of the U.S. analysts agreed that it would take the North Koreans only a few months to fix these types of problems.

It is possible that a crude 4-kiloton nuclear device can be carried by North Korea's Nodong missile, Mr. Albright said. Such a missile could easily reach U.S. allies Japan or South Korea and "threaten American assets" in the region.

He estimated that North Korea has enough weapons-grade plutonium to make between four and 13 nuclear weapons.

Mr. Kimball said the North Koreans "learned a lot from the test, even if it did not detonate fully."

"This was a political test. Whether it performed exactly as designed or not, the world now knows North Korea has nuclear weapons," he said.

In '97, U.S. Panel Predicted A North Korea Collapse In 5 Years (NYT)

By Mark Mazzetti

The New York Times, October 27, 2006

WASHINGTON, Oct. 26 — A team of government and outside experts convened by the Central Intelligence Agency concluded in 1997 that North Korea's economy was deteriorating so rapidly that the government of Kim Jong-il was likely to collapse within five years, according to declassified documents made public on Thursday.

The panel described the isolated and impoverished country as being on the brink of economic ruin and said that "political implosion stemming from irreversible economic degradation seems the most plausible endgame for North Korea." The majority among the group argued that the North's government "cannot remain viable for the long term" and could fall within five years.

Nearly a decade later, the assessment has not been borne out, and its disclosure is evidence of past American misjudgments about the internal dynamics of North Korea's closed society. American intelligence agencies still regard North Korea as among the toughest of intelligence targets and have made little progress inserting human spies into the country to steal secrets about the government.

The assessment was produced by a group that included senior intelligence analysts, Pentagon war gamers and independent academic experts. It was made public on Thursday by the National Security Archive, a research group.

"Conventional wisdom was completely wrong," said Ambassador Wendy Sherman, who during the late 1990s was the Clinton administration's coordinator for North Korea policy. "People constantly underestimated the staying power of the North Korean regime."

The North Korean economy has stabilized in recent years, in part because of a sustained humanitarian aid campaign carried out by the country's neighbors, especially China and South Korea. Today, there is less belief in Washington that Mr. Kim could lose his grip on power because of an economic collapse within the country.

The documents released Thursday chart a pattern of growing concern about North Korea's economic crisis during the second half of Bill Clinton's presidency.

The belief that the North Korean economy was collapsing helped shaped White House thinking in 1994 when it promised to deliver light-water nuclear reactors to North Korea by 2003 in exchange for Pyongyang's halting its covert nuclear weapons program. Senior Clinton administration officials said privately at the time that they did not expect Mr. Kim's government to be in power by the time the United States had to make good on its pledge.

By early 1997, according to another document released Thursday, the C.I.A. had concluded that North Korea "cannot reverse its economic fortunes without sweeping reform that would take time to produce results that could unleash destabilizing forces."

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The documents disclosed a misjudgment by the C.I.A. that is the mirror image of an earlier one: while it was predicting an imminent North Korean collapse, the agency was still being criticized for failing in the 1980s to anticipate the speed with which the Soviet Union would eventually fall.

Secretary of State Condoleezza Rice recently traveled across northeast Asia to build support for a slate of tough economic sanctions intended to punish North Korea for its recent nuclear test.

Publicly, Bush administration officials say that the sanctions can be useful for bringing North Korea back to the negotiating table. Privately however, some officials hold out the hope that the economic squeeze could work to undermine Mr. Kim.

Some members of the C.I.A.-led team of experts interviewed Thursday said they never suspected in 1997 that North Korea's neighbors would undertake such a concerted aid effort.

"Maybe I just don't have a great imagination, but the idea that South Korea and Japan and other countries would come to North Korea's rescue wasn't one of the hypotheses that I was entertaining," said Nicholas Eberstadt, a North Korea expert at the American Enterprise Institute in Washington.

Deterring Kim Jong Il (WP)

By Graham Allison

The Washington Post, October 27, 2006

In an interview aired last week, George Stephanopoulos put the question to President Bush: What would he do if "North Korea sold nukes to Iran or al-Qaeda?" Bush replied, "They'd be held to account."

Seeking specifics, Stephanopoulos asked: "What does that mean?" The president answered, "I want the leader of North Korea to understand that he'll be held to account. Just like he's being held to account now for having run a test."

Say what? If North Korea sells a nuclear weapon to Osama bin Laden or Iranian President Mahmoud Ahmadinejad, he should expect the United States to go to the United Nations and negotiate further sanctions? And if al-Qaeda sneaks that bomb into the United States and we awake to the president's nightmare in which a mushroom cloud engulfs Washington or Los Angeles, then what? If this formulation stands -- without further specification -- America risks becoming the victim of a catastrophic "deterrence failure."

Deterrence emerged as a central concept in Cold War strategy. It meant convincing the adversary that the costs of taking an unacceptable action would greatly exceed any benefits it could hope to achieve. How did the United States prevent the Soviets from seizing Berlin? By convincing Soviet leaders that such an attack would trigger a response that would destroy their country.

Effective deterrence required three components: clarity, capability and credibility. Clarity meant bright lines and unacceptable consequences. Credibility was understood to be in the eye of the beholder. How credible was the threat to trade Boston for Berlin? Never 100 percent. But U.S. forces, exercises and communication were crafted to convince Soviet leaders they dare not test it.

To date the Bush administration has demonstrably failed to deter Kim Jong Il. Successive U.S. demands that Kim not develop nuclear weapons, not test a missile and not test a nuclear bomb have been defied. In each case, the president has asserted that this would be "intolerable." Pressed to be precise about what this threat meant, however, Bush refused, responding instead, "I don't think you give timelines to dictators and tyrants." National security adviser Stephen Hadley has gone further, arguing that red lines make no sense in dealing with North Korea because "the North Koreans just walk right up to them and step over them."

Having stiffed Bush -- and the world -- in building a nuclear arsenal, testing a long-range missile and testing a nuclear weapon, might Kim now imagine that he could also sell nuclear weapons?

America's challenge is to prevent this act by convincing Kim that he will be held accountable for every nuclear weapon that originates in North Korea. This requires clarity, credibility about our capacity to identify the source of a bomb that explodes in one of our cities (however it is delivered by whomever) and a believable threat to respond.

Kim must be convinced that American nuclear forensics will be able to identify the molecular fingerprint of nuclear material from his Yongbyon reactor. He must feel in his gut the threat that if a nuclear weapon of North Korean origin explodes on

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American soil or that of a U.S. ally, the United States will retaliate precisely as if North Korea had attacked the United States with a nuclear-armed missile: with an overwhelming response that guarantees this will never happen again.

Here, the president can take a page from President John F. Kennedy in the Cuban missile crisis. In 1962, as the Soviet Union was emplacing nuclear-tipped missiles in Cuba, some worried that these weapons could be transferred to a young revolutionary named Fidel Castro. Kennedy issued an unambiguous warning to Nikita Khrushchev. "It shall be the policy of this nation," he announced, "to regard any nuclear missile launched from Cuba against any nation in the Western Hemisphere as an attack by the Soviet Union on the United States requiring a full retaliatory response upon the Soviet Union." Khrushchev knew that meant a nuclear war.

The writer, an assistant secretary of defense under President Bill Clinton, is director of the Belfer Center for Science and International Affairs at Harvard's Kennedy School of Government and the author of "Nuclear Terrorism: The Ultimate Preventable Catastrophe."

Russia Opposes Draft Resolution On Iran (WP/AP)

By Henry Meyer, The Associated Press

The Washington Post, October 27, 2006

MOSCOW -- Russia signaled its opposition Thursday to a draft U.N. Security Council resolution proposed by European nations that would impose sanctions on Iran over its disputed nuclear program, calling it a departure from existing agreements between world powers.

Russia and China, veto-wielding permanent members of the council that have strong commercial ties with Tehran, have been reluctant to support sanctions against Iran. A key concern for Moscow is the future of its $1 billion contract to build Iran's first nuclear power station.

"Our goal is to eliminate the risks of sensitive technologies getting into the hands of Iran until the IAEA (the International Atomic Energy Agency) clarifies issues of interest to it, while maintaining all possible channels of communication with Iran," Russian Foreign Minister Sergey Lavrov said in comments on state television.

"And it seems to me that, in this context, the draft resolution clearly does not correspond to those tasks agreed on by the six sides," he added, speaking on the sidelines of an international Arctic conference in Russia's far north.

The six major powers of United States, Russia, Germany, France, Britain and China have offered Iran incentives to halt uranium enrichment, but Tehran has rejected them. Enrichment can produce material for nuclear power reactors or weapons.

European nations this week proposed sanctions _ banning the sale of missile and atomic technology to Iran and ending most U.N. help for its nuclear programs _ after weeks of exploratory talks with an European Union negotiator ended without progress.

The sanctions would impose limits on the Russian-built nuclear power station in the southwestern city of Bushehr, although they do not force an end to it. Russia has consistently rejected U.S. demands to halt work on the project and last month it agreed to supply fuel for the plant in March 2007, enabling the facility to go online in September.

Deputy Foreign Minister Sergei Kislyak said the project was one of several obstacles holding up agreement on the U.N. resolution. "Lengthy negotiations will be needed to find a mutually acceptable solution," he was quoted as saying by Interfax news agency.

Washington has been pushing for even tougher sanctions, and Richard Grenell, spokesman for the U.S. mission to the United Nations, said Wednesday there would be "American changes to the proposed European text." He refused to elaborate.

In Paris, Foreign Ministry spokesman Jean-Baptiste Mattei said consultations would continue at U.N. headquarters to try and win the Russians over. "We have taken note of the Russian declarations. ... We will now pursue discussions in New York," he said.

Iranian state radio voiced confidence that Russia's opposition to the draft resolution could thwart the EU's moves against the Iranian nuclear program.

"If Russia opposes the resolution, then Europe's position in further negotiations with Iran would be worse than it is now," the radio said in a commentary, adding that "sanctions would not be effective, satisfactory or conclusive."

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In a sign of Russia's determination to safeguard the Bushehr contract, the head of the Russian state company that is building the power plant said Thursday it would be completed on time.

"All work on the nuclear power station is being carried out in line with the existing timetable," Atomstroiexport's chief Sergei Shmatko was quoted as saying by ITAR-Tass news agency.

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Associated Press writers Angela Charlton in Paris and Nasser Karimi in Tehran, Iran, contributed to this report.

Lebanon's Aftermath (WP)

The Washington Post, October 27, 2006

TWO MONTHS after the end of the Middle East's summer war the good news is that the Israeli-Lebanese border is quiet and looks as if it may remain so for some time. The bad news is that neither the small nor the large factors that triggered the fighting -- the abduction of Israeli soldiers by Hamas and Hezbollah, and Iran's new drive for power in the region -- have been alleviated. Though the European-led peacekeeping force in southern Lebanon may give that shattered region a respite, the danger is growing of a new eruption of fighting between Israel and the Palestinians -- and maybe even between Israel and Syria.

Judging from what Israeli raids have been uncovering in the Gaza Strip, Palestinian militants are eager to imitate what they perceive as Hezbollah's success in standing up to the Israeli army in the villages of southern Lebanon -- and Iran's agents are just as eager to help them. Entering the border zone between Gaza and Egypt last week for the first time in months, Israeli forces found some 15 tunnels that they say were being used to smuggle sophisticated weapons, such as Russian-made Concourse anti-tank missiles, 122-millimeter Grad rockets and more than 15 tons of TNT. Firings of crude Qassam rockets from Gaza at nearby Israeli towns have continued, along with Israeli raids to capture or kill the militants behind them.

Syrian President Bashar al-Assad, who considered himself a winner of the war, is still sounding belligerent, warning publicly of the possibility of war between Israel and Syria. Israel responded this week by carrying out military maneuvers on the Golan Heights. Mr. Assad continues to harbor one of the architects of the war, Hamas leader Khaled Meshal. Mr. Meshal ordered the June raid inside Israel that began the fighting; now, from his perch in Damascus, he torpedoes attempts by Egypt and other Arab governments to broker accords to release the Israeli captive in Gaza and create a more moderate Palestinian government.

The Bush administration's policy for defusing this dangerous situation has amounted mostly to encouraging Egyptian mediation as well as a deal between Israel and Palestinian Authority President Mahmoud Abbas to ease the flow of goods between Gaza and Israel. But Israeli Prime Minister Ehud Olmert resists acting before the Israeli soldier is released; meanwhile, he has bolstered his government by allying with a hard-line nationalist party that opposes most concessions to the Palestinians. Feelers by Syria about peace talks with Israel have been shunned.

It's not hard to predict where this is heading: toward events that will serve to further advance Iran's goal of radicalizing the Middle East. Those who stand to lose the most from that development -- Israel, Egypt and the United States -- are running out of time for their agenda of negotiations and confidence-building.

Inside The Ring (WT)

By Bill Gertz And Rowan Scarborough

The Washington Times, October 27, 2006

Assad's weakness

An intelligence source tells us Bashar Assad, who inherited leadership of Syria, is no strongman like his late father, Hafez. In his sixth year as leader, Bashar is largely controlled by Ba'ath Party operatives who oppose better relations with the West.

The source tells us it is Bashar Assad's aides who push the 40-year-old dictator to support Hezbollah destabilization activities in Lebanon and allow al Qaeda jihadists to use Syria as a staging point for infiltrating Iraq and killing Americans and Iraqis. "He could not keep them out even if he wanted to, unless he cracks down on his own operatives," said the source, who estimates there are hundreds of al Qaeda terrorists moving through Syria unencumbered.

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Syria, like Iraq under Saddam Hussein, is a Ba'ath Party socialist police state. Damascus has no interest in seeing a Democracy sprout next door. The Bush administration once hoped that Bashar Assad, an ophthalmologist by training who only sought power after the death of his older brother, would moderate Hafez's strident anti-Israel policies. But he has not.

The one time that Bashar Assad appeared triumphant over his coterie of advisers is when he pulled army troops out of Lebanon, as the United Nations demanded. But he has kept operatives inside the war-torn Lebanon and is furiously rearming Hezbollah in violation of a U.N. cease-fire.

Pakistan and Iran

It is somewhat surprising how little the Bush administration knows about what could be become a historic agreement in the war on radical Islamists. Last summer, Pakistan President Pervez Musharraf approved a deal with tribal leaders with whom his army had been fighting and dying in Waziristan, an ungoverned expanse on the Afghan border.

Gen. Musharraf insists the deal is good for the U.S. It calls for a cease-fire as long as the tribes stop providing aid and comfort to Taliban members who regroup in Pakistan before going back into Afghanistan. Some pundits have ripped the agreement as a surrender to tribal militants who may be hiding Osama bin Laden.

R. Nicholas Burns, undersecretary of state for political affairs, said he did not know much about the deal when he met recently with reporters and editors of The Washington Times. The CIA declined to comment.

Now we see that the top U.S. commander in the region, Gen. John Abizaid, is at best skeptical.

"Well I guess like anybody I'm kind of wait and see," he recently told a group of defense reporters. "I hate to answer one of your questions with 'I don't know,' but I don't know. I did talk to President Musharraf about it. I told him I was concerned about it ... The long run is, you've got to go forward in the tribal areas with economic, political and military solutions that the tribes cooperate with. But I'm very, very skeptical about this notion that people that have been harbored in the tribal areas are no longer going to be harbored. I'll believe that when I see it."

Gen. Abizaid, who heads U.S. Central Command, also presented facts on which any observer could conclude that the U.S. is in a war in Iran.

It appears that Iran is supplying insurgents with RPG-29, a dual-headed warhead that is destroying U.S. armored vehicles. Worse, Iran is manufacturing and exporting explosively formed penetrators (EFPs). It is a more devastating edition of the ubiquitous improvised explosive device. The EFP unleashes an array of warheads certain to hit any object within range. Iranian-backed Hezbollah developed the bomb to kill Israelis. Now, Iran is making EFPs and shipping them into Iraq to kill U.S. troops.

Baghdad show

It was a double-barreled press conference. The two most-powerful men in Iraq, Gen. George Casey and U.S. Ambassador Zalmay Khalilzad, appeared before a skeptical Baghdad press corps to give the impression of war momentum. Gen. Casey talked of Iraqi security-force progress; Mr. Khalilzad trumpeted a "national compact" that could end the violence in a year.

The press reaction?

A CBS news reporter said U.S. commanders in the field say they cannot count on a full Iraqi unit to arrive on the scene. Some units are only half strength. "So the numbers really are a lie, and we want the truth, and your soldiers on the ground want the truth out there," said reporter Lara Logan.

"The numbers aren't a lie, and the numbers are prepared by the soldiers in the field and their Iraqi counterparts on a monthly basis," Gen. Casey said. He conceded, however, that not all brigades are manned at 100 percent and that a defense ministry policy allows 25 percent of a unit on leave at any one time.

A reporter for the British Broadcasting Corp., a consistent critic of the Iraq war, suggested the country was better off with Saddam Hussein in charge. Said Mr. Khalilzad, "During Saddam thousands upon thousands of Iraqis were killed as a result of a government policy. Now these killings are taking place by the terrorists, by death squads. And the government, with support of the coalition, is trying to bring that to an end."

Sinking polls

A new Gallup Poll shows more Americans are not happy with events in Iraq, where more than 2,800 U.S. service members have died since April 2003.

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The survey showed 65 percent of respondents said things are going badly in Iraq, compared with 35 percent who say things are going well. A majority of 58 percent say neither side is winning the war.

Yet, only 20 percent support an immediate withdrawal of all troops, a position endorsed by Rep. John P. Murtha, Pennsylvania Democrat. But another 34 percent want withdrawal in 12 months. Nearly 45 percent either back getting the job done first (35 percent) or sending more troops (9 percent).

Rumor mill

One constant in Washington since the Iraq war went sour is that Defense Secretary Donald H. Rumsfeld is out the door. The latest word from Weekly Standard editor Bill Kristol is that Mr. Rumsfeld will leave after the Nov. 7 elections.

Mark Larson, host of a popular radio talk show on KOGO in San Diego, asked Mr. Rumsfeld about the prediction during a live interview this week at the White House. "Rumsfeld will leave after the election," Mr. Kristol said on Fox News Sunday.

"That fellow said the same damn thing in April of 2001," Mr. Rumsfeld responded. "He has been on that shtick, and people keep repeating it and repeating it. I don't know why they listen to him. He's been wrong so many times. There ought to be some accountability."

Dissent Grows Over Silent Treatment For 'Axis Of Evil' Nations (NYT)

By Helene Cooper

The New York Times, October 27, 2006

WASHINGTON, Oct. 26 — Ever since President Bush first proclaimed there to be an "axis of evil" in 2002, pundits, diplomats and politicians have urged him to talk to its members. But in the last few weeks, with Iraq experiencing a further surge in violence, North Korea testing a nuclear bomb and Iran continuing to defy a Security Council demand to stop enriching uranium, the cries for dialogue have grown louder.

James A. Baker III, the Republican former secretary of state, said this month that he believed "in talking to your enemies." After North Korea tested its nuclear device earlier this month, former President Jimmy Carter said that "the stupidest thing that a government can do that has a real problem with someone is to refuse to talk to them."

Senator Barack Obama, Democrat of Illinois, said last weekend that even at the peak of the cold war, "when there were nuclear missiles pointing at every major U.S. city, there was a direct line between the White House and the Kremlin."

The question arises: Is any of this cutting ice with the administration?

Officially, the administration is sticking to form. President Bush said as much during a news conference on Wednesday, when he was asked, again, whether he would be willing to work with Iran and Syria if it was determined that they could help bring stability to Iraq, their neighbor.

His reply did not veer from the script, which basically withholds American dialogue with "axis of evil" members until they change their ways. "Iran and Syria understand full well that the world expects them to help Iraq," Mr. Bush said.

He said that if the Iranians stopped enriching uranium, American diplomats would talk to them. He also had a to-do list for President Bashar al-Assad of Syria to get into America's good graces: "Do not undermine the Siniora government in Lebanon; help Israel get back the prisoner that was captured by Hamas; don't allow Hamas and Hezbollah to plot attacks against democracies in the Middle East; help inside of Iraq."

But within the administration, things are a little more nuanced, Bush officials said. One administration official distilled the internal deliberations this way, "On Syria, there's a very healthy debate about whether we should talk to them; on Iran, there is no debate internally."

The American officials who agreed to speak about the internal discussions are all involved in that debate, with some opposed to any discussions with Iran, Syria and North Korea, and others saying that such talks should be considered.

Among those inside the administration who are urging more engagement with Damascus, most come from the State Department's Near Eastern Affairs bureau, including Assistant Secretary C. David Welch, the officials said.

But, surprisingly, in recent months, the usually hawkish deputy national security adviser, J. D. Crouch, has been pushing for the administration to talk directly to Syria, officials say. "His style with the Syrians is that we need to be very strict with them," one

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senior administration official said. “It’s not a friendly ‘Let’s go for coffee.’ More like, ‘Let’s directly deliver a very strong message to them.’ ”

The administration officials would not speak on the record because they did not want to be identified when discussing internal deliberations.

The original “axis of evil,” as defined by Mr. Bush, comprises Iraq, North Korea and Iran. But after the United States-led invasion that toppled Saddam Hussein, Iraq was replaced by Syria, given the 2005 assassination in Lebanon of Rafik Hariri, a former Lebanese prime minister. American officials and some at the United Nations have said Syria had a hand in the Hariri assassination. The Bush administration and Israel have also accused Syria of supporting Hezbollah in its raid into Israel this summer, an attack that set off a monthlong war.

Officially, the United States has diplomatic relations with Damascus, where there is an American embassy. But it is manned by a chargé d’affaires and not an ambassador; Mr. Bush recalled the ambassador to Syria, Margaret Scobey, after the Hariri assassination.

There is less debate within the administration when it comes to Iran. Ms. Rice is believed to have pushed the White House as far toward dialogue with Iran as it would go when she prodded Mr. Bush in May to offer to join European talks with Iran over Tehran’s nuclear ambitions.

Ms. Rice herself has offered to sit at the table with the Iranians, but she includes the usual caveat: Iran must first verifiably suspend its uranium enrichment program.

As for North Korea, American officials continue to espouse the view that the United States, by insisting on talking to North Korea only within the confines of a regional group, can better share the burden of power.

Ms. Rice offered reporters the diplomatic version of that argument last week. “There’s this myth out there that we haven’t been willing to talk to the North Koreans,” she said. “What we’ve been unwilling to do is to negotiate bilaterally with the North Koreans, another agreement that they are going to be free to disregard because it will only be with the United States and not with states that frankly have more leverage than the United States, like China and South Korea.”

But the administration will continue to take hits over not talking to its enemies until it can demonstrably show that this strategy has had results, diplomats said. Said one European diplomat in Washington: “They’ve isolated Cuba for 40 years, and you see how well that’s worked.”

EU Chief Ask Israel To Reopen Border (AP)

By Constant Brand, Associated Press Writer

AP, October 27, 2006

EU foreign policy chief Javier Solana said Thursday he hoped a crucial crossing between Gaza and the outside world, which has been closed by Israel for most of the past four months, would be reopened on a regular basis soon.

European Union officials who monitor the Rafah crossing between Gaza and Egypt have threatened to abandon their mission if Israel keeps closing the passage for what it says are security reasons.

"We hope to have in a few days or weeks — we hope days — a response on a renewal of our presence in Rafah," Solana said at a joint news conference with Israeli Foreign Minister Tzipi Livni after they met in Tel Aviv.

The Rafah passage, previously controlled by Israel, was handed to EU-supervised Palestinian control last year under a U.S.-brokered accord.

Israel has kept the crossing closed for all but 12 days since Palestinian gunmen captured an Israeli soldier on June 25 and took him into the Gaza Strip. It fears militants would try to sneak the soldier across the border to Egypt and also says Rafah has become a conduit for weapons smuggling into Gaza.

Livni said that while there needed to be talk about operational issues at Rafah, Israel was happy with the EU's involvement there, the first time it has accepted a European role in security aspects of the Israeli-Palestinian dispute.

"We are going to negotiate with the Europeans on the future terms," she said. "But we are very positive about the role of Europe in monitoring the Rafah passage."

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Solana arrived in Israel Wednesday for meetings with top Israeli and Palestinian officials, the first leg of a six-day tour of the Middle East meant to assess the political mood of key players in the region.

EU officials were doubtful that Solana's trip, his first to the region in three months, would yield breakthroughs, acknowledging early on in the trip that divisions between Israelis and Palestinians remain as deep as ever.

After meeting Palestinian President Mahmoud Abbas in the West Bank city of Ramallah, Solana said he reported on his efforts with the Israelis.

"I have tried to work with the government of Israel to try to upgrade the crossings which are very fundamental," he told reporters.

Solana was expected to push Abbas and his Fatah Party to boost efforts to form a unity government with the Hamas-led Palestinian government, which is isolated from the international community over its refusal to recognize Israel and renounce violence.

But Abbas said after the meeting that there is no point in further dialogue between his Fatah movement and Hamas.

"Dialogue has overused its purposes, and everything is clear now," he said.

Hamas Gets $2 Million To Help Offset Cutoff (NYT)

By Greg Myre

The New York Times, October 27, 2006

JERUSALEM, Oct. 26 — The Palestinian interior minister took home $2 million in cash from Muslim countries when he returned to the Gaza Strip this week, part of a continuing effort to meet government expenses in the face of a cutoff in aid from Western countries, an aide to the minister said Thursday.

The minister, Said Siam, entered Gaza on Tuesday at the Rafah border crossing with Egypt, after a trip that also took him to Syria and Iran. The aide, Maher Ramli, said the money had come from “Arab and Muslim countries,” but declined to identify them.

“He was very well received on his trip,” Mr. Ramli said.

The Interior Ministry, which is responsible for various security agencies, plans to spend half the money by making $50 payments to 20,000 members of the security forces, Mr. Ramli said.

Like other government employees, security force members have received only partial and sporadic salary payments since Hamas, the militant Islamic group, came to power in the spring after winning Palestinian legislative elections in January.

Mr. Ramli said the remaining $1 million would go toward restoring the Interior Ministry building, which was damaged in a recent fire set by members of Fatah, the faction that has been battling Hamas in Gaza.

Israel, the European Union and the United States all cut money to the Palestinian Authority after Hamas took over. They have demanded that the Palestinian Authority meet several conditions, including the recognition of Israel, which Hamas leaders in the government have refused to do.

As a result, the Palestinian Authority is desperately short of cash and has not been able to raise anywhere near the more than $150 million a month it needs to pay salaries and cover basic operating expenses.

Several Arab and Muslim countries have pledged to help. However, the United States has threatened sanctions against banks that conduct transactions with Hamas. The banks, unwilling to risk their access to international financial markets, have refused to handle such transactions.

Mr. Siam is the latest of several Hamas officials who have carried large sums of cash into Gaza in recent months. The foreign minister, Mahmoud Zahar, returned with $20 million stuffed in suitcases back in June.

Palestinians may carry in unlimited sums of money as long as they declare it, which Mr. Siam did, said European Union monitors who assist Palestinians at the Rafah crossing point.

Officially, the Palestinian Authority has controlled its Rafah border crossing with Egypt for the past 11 months, with the European monitors also present. But in practice, the crossing has been mostly closed since the end of June, when Israeli troops re-entered southern Gaza after the capture of an Israeli soldier, who was taken to Gaza.

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Israel is allowing the crossing to open periodically, and Palestinians were let in and out on Tuesday and Wednesday, but Rafah was closed again on Thursday.

Israeli troops shot and killed three Palestinians in separate incidents overnight Wednesday and during the day on Thursday.

Near the southern town of Khan Yunis, a Palestinian policeman was killed in gunfire exchanged with Israeli troops during the night, both sides said. An Israeli soldier was wounded, the military added.

Key American To Leave U.N. (WT)

By Betsy Pisik

The Washington Times, October 27, 2006

NEW YORK -- Christopher Burnham, the outspoken American who has been trying to modernize U.N. management practices, announced yesterday that he will leave next month to take a job in the private sector.

Mr. Burnham will leave the United Nations on Nov. 16. He said he will spend time with his family before starting with his new employers, who he declined to name.

Sources with the United Nations said he is going to work for Deutsche Bank but were uncertain about his responsibilities there.

Mr. Burnham, 50, became the undersecretary general for administration and management in June 2005, after running the State Department's management office.

He is the highest-ranking American inside the U.N. Secretariat.

He is the first of many high-ranking U.N. officials expected to leave the organization as South Korean Foreign Minister Ban Ki-moon takes over as secretary-general.

An experienced administrator with the direct manner of the Marine Corps Reserve colonel he used to be, Mr. Burnham has focused on bringing accountability and transparency to the often Byzantine U.N. bureaucracy.

He crafted protection for U.N. whistleblowers and reorganized the scandal-tainted procurement department that buys nearly $2 billion worth of goods and services annually. He also built up the U.N. Ethics Office and negotiated contracts and financing to refurbish the U.N. headquarters buildings.

"I enjoyed immensely my work at the State Department, and it has been particularly challenging and rewarding to be here at the U.N. as we have pushed forward a broad management reform agenda," he told The Washington Times yesterday.

"I think the U.N. is advancing into the 21st century, and over the last 18 months we have given the new incoming secretary-general strong foundations on which to build a strong organization."

U.N. Secretary-General Kofi Annan said that he accepts the resignation "with regret" and described Mr. Burnham as a "driving force" in management reform efforts.

His efforts often alienated or at least bruised some delegations that distrusted Mr. Burnham, seeing him as Washington's budget cutter rather than a servant of the larger organization.

U.S. Ambassador John R. Bolton praised Mr. Burnham for "reforming the United Nations through his tireless efforts to achieve a more efficient, more transparent, and ultimately more effective organization."

Mr. Bolton, who has repeatedly said that senior officials should leave with Mr. Annan and allow Mr. Ban to pick his own team and advisers, added, "We expect many other senior U.N. officials to transition out as well, and we thank all of them for their service."

U.S. Relations Won't Stop If Correa Wins (AP-Y)

By Gonzalo Solano, Associated Press Writer

AP, October 27, 2006

Ecuador's leftist presidential candidate said after a meeting with the U.S. ambassador on Thursday that he will not break off relations with Washington if he wins his country's Nov. 26 runoff election.

"I will not break off relations with the United States, but Ecuador's international policy will be sovereign," Rafael Correa told reporters after a closed-door meeting with the ambassador, Linda Jewell.

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"We will condemn the errors that the whole world recognizes, like the invasion of Iraq in search of weapons of mass destruction that did not exist," said Correa, an open admirer and ideological ally of Venezuelan President Hugo Chavez, the region's most vocal critic of President Bush.

Jewell asked to meet with Correa to discuss a "wide range of bilateral issues," and also planned to meet with his opponent, pro-U.S. banana tycoon Alvaro Noboa, U.S. Embassy spokesman Aaron Sherinian said.

Correa has alarmed Wall Street and Washington with threats to default on foreign debt payments to fund social programs, and a pledge not extend the U.S. military's use of the Manta air base on the Pacific coast for drug surveillance flights when a treaty runs out in 2009.

Adopting the language of Chavez, who called Bush the devil at the United Nations, Correa last month said that the devil himself should be offended by the comparison, and that Bush was "tremendously dimwitted."

But since the Oct. 15 vote, Correa has tried to distance himself from Chavez, whom he earlier described as a friend, after Noboa started to attack the relationship.

Chavez has remained silent on Ecuador's presidential race. His open endorsements backfired against leftist presidential candidates in Peru and Mexico earlier this year.

Final results from the first-round vote released Wednesday by Ecuador's Supreme Electoral showed Noboa as the top vote-getter, winning 26.8 percent, or more than 1.4 million votes. Correa, 43, was second with 22.8 percent, winning 217,918 fewer ballots. The rest of the votes were spread among 11 other candidates.

Polls released this week show Noboa leading Correa by 13 to 15 percentage points.

Noboa, a billionaire and old-style populist, made a surprising surge in the final days of the first-round campaign.

His first-place finish prompted cries of fraud from Correa. Correa, a former finance minister, had been the front-runner in polls before the vote.

On Thursday, Attorney General Cecilia Armas said she will investigate allegations of irregularities in the Oct. 15 ballot, which Correa and his supporters contend were rigged against him.

Election observers from the Organization of American States said there was no sign of foul play in the first round vote.

Correa's party reported finding pre-marked ballots outside of polling places, and alleged that rival parties had infiltrated the tables where the votes were counted and totals were entered onto tally sheets.

Muslim Groups' Suit Over Cartoons Rejected (WT/AP)

By Jan M. Olsen

The Washington Times, October 27, 2006

COPENHAGEN -- A Danish court rejected a lawsuit yesterday against the newspaper that first printed prophet Muhammad cartoons, some of which depicted Islam as a violent religion.

The City Court in Aarhus rejected claims by seven Danish Muslim groups that the 12 drawings printed in the Jyllands-Posten daily were meant to insult the prophet and make a mockery of Islam.

The court conceded that some Muslims saw the drawings as offensive, but found there was no basis to assume that "the purpose of the drawings was to present opinions that can belittle Muslims."

Jyllands-Posten's editor in chief hailed the court's decision as a victory for freedom of speech.

"Everything but a pure acquittal would have been a disaster for press freedom and the media's ability to fulfill its duties in a democratic society," Editor in Chief Carsten Juste said.

The newspaper has apologized for offending Muslims, but stands by its decision to print the cartoons in September 2005 as a challenge to a perceived self-censorship among artists afraid to offend Muslims.

The caricatures were reprinted in European newspapers in January and February, fueling protests in the Islamic world. Some turned violent, with Danish outposts attacked and people killed in Libya and Afghanistan.

Muslims were outraged at the court decision.

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"The dismissal of the lawsuit against the newspaper, which was expected, confirms the ongoing intention to harm our religion and our prophet," said Mahmoud al-Kharabsheh, an independent legislator who heads the Jordanian parliament's legal committee.

The plaintiffs plan to appeal the verdict, spokesman Kasem Ahmad told Danish radio, adding that he feared Muslims around the world would be upset by the ruling.

In Lebanon, where protesters set fire to the building housing the Danish consulate in February, Islamic studies professor Radwan el-Sayyed said yesterday's verdict was a "misinterpretation of freedom of expression."

He said he did not expect a repeat of February's riots, however, saying people knew they were counterproductive.

"There will be anger, newspaper articles condemning the court decision, but I don't expect there to be street protests," Mr. el-Sayyed said.

In Syria, where a mob attacked and set fire to the Danish and Norwegian embassies in February, legislator Mohammed Habash, who heads the Islamic Studies Center in Damascus, said the ruling would "widen the gap between the Western and Islamic world."

One of the cartoons showed the prophet wearing a turban shaped like a bomb with a burning fuse.

The court said some of the drawings could be perceived as linking Islam to terrorism, but added the purpose was to provide social commentary rather than to insult or ridicule Muslims.

Islamic law, which historically was not intended to apply in nations outside the Muslim world, forbids any depiction of the prophet.

The seven Danish Muslim groups filed the defamation suit in March, after Denmark's top prosecutor declined to press criminal charges, saying the drawings did not violate laws against racism or blasphemy.

The plaintiffs, who claimed to have the backing of 20 more Islamic organizations in the Scandinavian country, had sought $16,860 in damages from Mr. Juste and Flemming Rose, the culture editor who supervised the cartoon project.

Muslim Cleric Apologizes For Rape Remark (AP-Y)

By Rohan Sullivan

AP, October 27, 2006

Australia's most prominent Islamic cleric vowed Thursday to stand strong against widespread outrage over his description of women who don't wear head scarfs as "uncovered meat" who invite rape.

Sheik Taj Aldin al-Hilali, long a lightning rod in strained relations between the government and the Muslim minority, apologized for any offense he caused women in making the comments a month ago during a sermon marking the Islamic holy month of Ramadan.

But he said he had no intention of stepping down. Instead, al-Hilali will not give sermons for two or three months, though he will not face censure for his comments, a spokesman for the governing association of his mosque said.

The decision prompted further condemnation.

"I think this is a slap on the wrist," Australia's Sex Discrimination Commissioner Pru Goward said on Friday, a day after she accused Hilali of inciting rape.

Prime Minister John Howard and others denounced al-Hilali's remarks as blaming women for rape, and there were calls for the cleric to quit or be removed from his role as mufti in the faith.

The controversy comes amid tense relations between Australia's estimated 300,000 Muslims and the rest of the mostly Christian-heritage population of about 20 million. Last December, the nation was gripped by riots that often pitted gangs of white youths against youths of Middle Eastern decent.

Howard recently offended parts of the Muslim community by singling out some Muslims as extremists who should adopt Australia's liberal attitudes to women's rights.

After last year's deadly London transit bombings, Howard accused Australian Islamic leaders of not doing enough to condemn extremism and offered government money to train local imams and reduce dependence on migrant clerics. The government has also introduced tough counterterrorism laws and is proposing tighter citizenship rules.

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The issue of how Muslim women should dress has caused debate in Britain since former Foreign Secretary Jack Straw, now leader of the House of Commons, said this month that Muslim women visiting his office should remove their veils. Similar passions raged when France banned head scarves and other religious symbols in public schools two years ago.

Al-Hilali, 65, is the top cleric at Sydney's largest mosque, and is considered the most senior Islamic leader by many Muslims in Australia and New Zealand, having been appointed mufti by Australia's top Islamic body.

His remarks about women drew national attention after they were printed Thursday in a national newspaper, The Australian.

In a translation from Arabic by the newspaper, later verified by other media, al-Hilali was quoted as saying in the sermon: "If you take out uncovered meat and place it outside ... and the cats come to eat it ... whose fault is it, the cats' or the uncovered meat's?"

"The uncovered meat is the problem. If she was in her room, in her home, in her hijab, no problem would have occurred," he was quoted as saying, referring to the head scarf worn by some Muslim women.

Goward said al-Hilali's comments encouraged rape and that Muslims should force him to step down.

"This is inciting young men to a violent crime because it is the woman's fault," Goward told television's Nine Network. "It is time the Islamic community did more than say they were horrified. I think it is time he left."

Howard said the comments were "appalling and reprehensible."

"The idea that women are to blame for rapes is preposterous," he told reporters.

Al-Hilali also faced pressure from within the Muslim community.

"Whether he steps down or not, I think it's time for Australia's Muslim faith to have a religious leader who has a better understanding of Australian laws, Australian values, and the Australian way of life," said Alia Karaman, a female member of a leaders' group at a Sydney mosque.

Al-Hilali issued a statement Thursday saying The Australian had selectively quoted from the sermon, and that he was shocked at the reaction.

"I would like to unequivocally confirm that the presentation related to religious teachings on modesty and not to go to extremes in enticements," the statement said.

"This does not condone rape, I condemn rape," he said. "Women in our Australian society have the freedom and right to dress as they choose, the duty of man is to avert his glance or walk away."

Asked if he would quit his senior post, al-Hilali told Seven Network television news: "No, no, no."

Al-Hilali is an Egyptian-born Sunni who has been a staunch critic of Australia's alliance with the United States in the Iraq war. He triggered a controversy in 2004 for saying in a sermon in Lebanon that the Sept. 11 attacks were "God's work against the oppressors." Al-Hilali said later he did not support the attacks, or terrorism.

Last year, al-Hilali traveled to Iraq to help negotiate the release of an Australian engineer from kidnappers, winning thanks from the hostage's family.

Many Australian Muslims say they are increasingly treated with suspicion since the Sept. 11 and other international terrorist attacks.

Waleed Aly, a member of the Islamic Council of Victoria state, said al-Hilali's comments would result in more antagonism toward Muslims.

"I am expecting a deluge of hate mail," he said. "I am expecting people to get abused in the street and get abused at work."

Nicaraguan Congress Bans All Abortions (AP)

By Filadelfo Aleman, Associated Press Writer

AP, October 27, 2006

Nicaragua's Congress voted Thursday to ban all abortions, including those that could save a mother's life.

If signed into law by President Enrique Bolanos, the measure would eliminate a century-old exception to Nicaragua's abortion ban that permits the procedure if three doctors certify that the woman's health is at risk.

Fifty-two lawmakers voted for the measure. Nine lawmakers abstained and 29 others did not attend the legislative session.

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Bolanos has proposed increasing prison sentences for illegal abortions — currently around six years — to 10 to 30 years for women who have the procedure as well as those who assist them.

But it was unclear whether he would sign the bill approved Thursday after lawmakers decided not to increase the penalties in this predominantly Roman Catholic country.

The bill has drawn protests from women's rights groups, and the Women's Autonomous Movement has said it was prepared to seek an injunction to block the measure if it passed.

Congress approved the bill despite a letter from European Union diplomats and U.N. representatives asking lawmakers to hold off on voting on the issue until after the Nov. 5 presidential elections.

U.N. official Rebeca Grynspan, who is in Nicaragua this week, told reporters, "It's very difficult that this (be determined) during an electoral period."

Nicaragua's medical association also urged legislators to postpone the vote, saying the issue had become politicized.

Sandinista leader Daniel Ortega, who was a supporter of abortion rights as a young revolutionary, has said he has become a devout Roman Catholic and now opposes abortion.

Ortega's socialist government of the 1980s had a contentious relationship with the Catholic church, but Ortega recently has established warm ties with leading church figures in Nicaragua.

Congressman Wilfredo Navarro, of the ruling Liberal Constitutionalist Party, said the exception to Nicaragua's ban had allowed for cases in which healthy women who did not want to have their babies had convinced doctors to say an abortion was needed for health reasons.

Aside from Cuba, which permits abortions in the first 12 weeks of pregnancy, Latin America has some of the world's most restrictive anti-abortion laws.

El Salvador and Chile also ban all types of abortions.

Most of the other countries in this heavily Roman Catholic region allow abortion when a woman's life is in danger but deny it to pregnant victims of rape or incest, according to the Center for Reproductive Rights, a New York-based advocacy group that supports abortion rights.

In May, Colombia's constitutional court legalized abortion in cases where fetuses were severely malformed, the pregnancy was the result of rape or incest or the mother's life was in danger.

Some 85 percent of Nicaragua's 5 million people are Catholics.

Around the world, more than a dozen countries have made it easier to get abortions in the past decade, and women from Mexico to Ireland have mounted court challenges to get access to the procedure.

Nicaragua Passes Total Ban On Abortion (NYT)

By Marc Lacey

The New York Times, October 27, 2006

MEXICO CITY, Oct. 26 — Nicaragua's legislature on Thursday banned all abortions, eliminating exceptions for rape and when the life of the mother is threatened.

The measure, expected to be approved by President Enrique Bolaños, was voted in 52 to 0, with 9 abstentions and 29 representatives not showing up to vote.

Nicaragua joins El Salvador and Chile as the only countries in the Western hemisphere to ban abortion without exception. But across Latin America, abortion is outlawed except in rare circumstances. It is readily available only in Cuba and a few English-speaking Caribbean countries.

The ban in Nicaragua comes two weeks before a hotly contested presidential election on Nov. 5, and opponents of the law say it was introduced now because no one dared to oppose it in the political climate.

"The presidential election is so polarized that the church saw this as an opportunity to force this issue now," Dr. Mirma Cunningham, a former minister of health and member of the National Assembly, said in a telephone interview.

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The measure was supported by Daniel Ortega, the front-runner in the presidential race. He favored the right to an abortion during his presidency in the 1980's but has since embraced the Roman Catholic Church and has spoken out strongly against abortion.

Edmundo Jarquín, the candidate of the Sandinista Renovation Movement, a breakaway group challenging Mr. Ortega's candidacy, is the only one of the four leading presidential candidates to oppose the ban.

When asked about the issue at a presidential debate in September, Eduardo Montealegre of the Nicaraguan Liberal Alliance, who is the candidate backed by Washington, recounted how his wife faced a difficult pregnancy nearly two decades ago but proceeded with it. Two of the three triplets she was carrying died but one survived and is now 18 years old. "That's why I oppose abortion," he said.

Health officials estimate that 32,000 illegal abortions are performed every year in Nicaragua, most of them unsafe. Advocates of the ban hope to reduce that number by making doctors and patients think about the consequences. Opponents of the law maintain that prohibiting the ending of problematic pregnancies will only lead to more clandestine abortions.

Nicaragua now allows abortions if three doctors agree that the mother's life would be in danger. This amounted to a total of six legal abortions in 2002, the last year for which data is available. Health officials say that the number has remained in the single digits since.

Illegal abortions can be punished with jail terms of up to six years for the woman and the doctor. Lawmakers put off discussion of sentences under the new law, though far stricter terms are expected to be added.

China's Corruption Inquiry Targets Beijing (NYT)

By Joseph Kahn

The New York Times, October 27, 2006

BEIJING, Oct. 26 — A widening Chinese anticorruption investigation is taking aim at Beijing's party leaders, a sign that President Hu Jintao intends to continue removing officials he considers insufficiently loyal, people told about the leadership's planning said.

Some 300 Communist Party investigators have been examining property deals and procurement practices in the capital city since at least late September and have uncovered suspicious dealings that implicate top Chinese leaders, the people said.

None of the people interviewed would allow their names to be used, fearing official retribution for speaking about a continuing investigation into an area of extreme delicacy for the Chinese leadership.

Among those seen as likely targets of the inquiry are Jia Qinglin, a member of the nine-member Politburo Standing Committee and a former party secretary of Beijing, as well as the current Beijing party secretary, Liu Qi, who is a regular member of the Politburo.

If the investigation results in the removal of one or both of the men, it will make the housecleaning the most sweeping since the shake-up after the 1989 suppression of democracy protests.

In September, security forces detained Chen Liangyu, the party chief of Shanghai and another Politburo member. They also removed numerous Shanghai officials from office and arrested or sidelined leaders in Tianjin, Fujian and Hunan, among other places.

Nearly all of those implicated to date are viewed as loyalists to China's former top leader, Jiang Zemin, or as having resisted the policies of Mr. Hu, the party boss since 2002.

As such, the crackdown serves two purposes, the people told about the leadership's goals say. Mr. Hu and Zeng Qinghong, the vice president and day-to-day coordinator of Communist Party affairs, have sought to warn underlings that they intend to punish corruption, widely seen as a worsening problem within the ruling party, even at the highest levels.

But the two leaders have also signaled that only those they consider allies will have the power to resist investigations of their financial affairs. That message seems intended to shore up support as the leadership prepares for its five-yearly political transition with the convening of the 17th Party Congress next fall.

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The party leaders of Beijing and Shanghai, who control great wealth and enjoy broad autonomy, have traditionally served on the ruling Politburo. No major investigations of their activities are likely to be initiated without the approval of the top-most leaders.

Mr. Hu has recently worked hand in hand with Mr. Zeng, the No. 5 ranking leader who is also viewed as one of Mr. Hu's possible rivals, to consolidate power. Though China's one-party system concentrates authority in the hands of Mr. Hu, he must also navigate personal, regional and institutional allegiances that can make it difficult to carry out decisions made in Zhongnanhai, the leadership compound.

The investigation has significant policy implications. The economies of both Beijing and Shanghai, fueled partly by state-directed investment and rapid real estate development, have grown faster than the rest of the country at a time when Mr. Hu has sought to reduce speculative investment and stabilize soaring property prices.

One concern is that China remains too vulnerable to boom-bust economic cycles. If today's double-digit growth rates were to tumble, the resulting slowdown could threaten social stability and the ruling party's hold on power.

Mr. Hu's drive to build a "harmonious society" aims to steer more state resources into underdeveloped parts of the economy, including rural areas, rather than supporting frothy investment in the wealthiest cities.

At the same time, Mr. Hu has appealed for calm and sought to show that he remains on good terms with Mr. Jiang, the predecessor he pushed from his final post, as head of the military, in 2004.

Mr. Hu and Mr. Jiang appeared together at the Great Hall of the People last weekend to mark the 70th anniversary of the Long March. Mr. Hu delivered a speech that emphasized the "unity of the whole party."

Party officials said that although the investigation has mainly been directed at people considered part of Mr. Jiang's ruling circle, Mr. Jiang has been consulted about the need to control corruption. They added, however, that he no longer had the power to resist even if he chose to.

The current crackdown began in June, when a Beijing vice mayor, Liu Zhihua, was removed from his post after being accused of leading a "dissolute lifestyle." People told about the charges said they included misusing state funds and maintaining luxurious homes where he entertained mistresses and call girls.

There has been no announcement in the state news media about further investigations in Beijing. The Beijing mayor, Wang Qishan, recently dismissed speculation about stepped up inquiries in the capital city as nonsense.

But two people told about the leadership's planning said that top officials have ordered a renewed anticorruption push here. The most likely targets are Liu Qi, the party chief, and Mr. Jia, the standing committee member, they said.

Mr. Jia, a longtime loyalist of Mr. Jiang, has been dogged by allegations that he presided over rampant corruption in areas that he supervised. He was party secretary of Fujian Province in the early and mid-1990s. Mr. Jiang moved him to head the Beijing party apparatus in 1996, and he was elevated to the Politburo Standing Committee in 2002.

Mr. Jia, 66, still supervises the affairs of Beijing in addition to leading the Chinese People's Political Consultative Congress, which manages the party's relations with nonparty social interests, like business leaders and religious groups.

Liu Qi replaced Mr. Jia as party secretary and is thought to answer mainly to Mr. Jia.

The ultimate goal of investigating Beijing's affairs may be to incapacitate Mr. Jia politically so he cannot exercise much sway during the jockeying for positions and power that precedes the party congress, people told about the planning said.

But any broader crackdown in the capital poses some risks for China because Beijing will stage the 2008 Olympics, an event the leadership views as confirmation of the country's rise as a global power and as a chance to display China's best face to the outside world.

Liu Qi manages the tens of billions of dollars invested in Olympics-related venues, infrastructure and urban improvements. Leaders are eager to show that any corrupt activities in Beijing do not involve the Olympics and that planning for the event remains on track.

People told about the leadership's planning say that Liu Qi may remain head of the Beijing Organizing Committee for the 2008 Olympic Games even if he is replaced as party secretary. It is the latter post that carries significant political clout.

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If Mr. Jia were removed or forced to resign, he would most likely be the first person ousted from the elite body for corruption since the Communist Party took power in 1949, though Mao purged several members of the Politburo Standing Committee during his long reign.

The most recent high-level purge was that of Zhao Ziyang, the party's general secretary, who was ousted by Deng Xiaoping in 1989 for opposing the crackdown on student-led democracy protests that year.

Some party officials and political observers think Mr. Hu would be reluctant to confirm that corruption extends to the top ruling body. They say it is more likely that any evidence gathered against Mr. Jia would be used to push him into retirement in 2007 and to reduce his political influence in the meantime.

A Prisoner Of Global Impact (WP)

By Glenn Kessler

The Washington Post, October 27, 2006

President Bush hopes to go to Vietnam next month bearing a gift -- passage of a bill to create the closest trade relations between the two countries since the end of the Vietnam War. But the plight of an ailing 58-year-old Florida woman who has been held in a Vietnamese prison for more than a year on terrorism suspicions is threatening to derail the president's plans.

The case against Thong Nguyen "Cuc" Foshee highlights both Vietnam's human rights record and the lingering passions of former refugees for the country they fled three decades ago. It also exposes the tension between the administration's dual efforts to promote business and foster democracy.

Foshee, a prominent Republican supporter of Bush from Orlando, was seized by Vietnamese authorities in September 2005, a day after she arrived to attend the wedding of a nephew, according to her family. Vietnamese officials have alleged that she, two other American women and an American man -- who were all arrested about the same time -- were plotting to take over radio stations and undermine the Vietnamese government, U.S. officials said. Foshee, a Vietnamese immigrant who became a U.S. citizen in 1972, had visited Vietnam several times previously.

Some Bush administration officials suggest that the Vietnamese government may have evidence against Foshee, but they fault its failure to bring formal charges.

Vietnam is the fastest-growing market for U.S. products in Asia, with exports growing by 150 percent since 2001, according to the U.S.-Vietnam Trade Council. After 12 years of negotiations, Vietnam yesterday cleared the last hurdle to becoming the 150th member of the World Trade Organization before the end of the year.

A bill granting Vietnam permanent normal trade relations is necessary for U.S. companies to benefit from the low tariffs that Vietnam will introduce as a WTO member, opening up a market considered the economic tiger of Asia. Executives from at least 200 companies will join Bush on his visit to Hanoi.

But Sen. Mel Martinez (R-Fla.) has blocked the bill from coming to the Senate floor until Foshee's case is resolved, forcing the administration to raise the case at senior levels. Secretary of State Condoleezza Rice spoke to her Vietnamese counterpart three weeks ago, seeking Foshee's release. Martinez, a Cabinet official in Bush's first term, buttonholed the president about the matter as they flew back from a campaign event earlier this week.

In a letter to Rice dated Oct. 13, Martinez wrote: "I feel strongly that substantive progress must be made that will lead to Mrs. Foshee's release before I can lift the hold I have placed on the legislation."

The Senate will not be back in session until Nov. 13, and Bush is to leave Nov. 15 for Vietnam. The president, who has never visited the country, will attend the annual summit of the Asia Pacific Economic Cooperation forum, which the Vietnamese government hopes will showcase the country's emergence.

U.S. officials also must deal with retailers' concerns about a deal struck with U.S. textile manufacturers just before Congress went on recess.

Foshee has actively demonstrated against the Vietnamese government and has been associated with the Government of Free Vietnam, a virulently anti-government group that maintains a military base on the Vietnamese-Cambodian border. Her daughter, Elizabeth McCausland, 37, a lawyer, said that she does not know whether her mother is a member of the group but that her mother helped train members of the group in public speaking and in education about democracy.

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The Government of Free Vietnam, based in Garden Grove, Calif., says it aims to "save the nation to terminate the dictatorship of the current communist government." Nguyen Van Don, secretary general of the group, issued a statement saying Foshee was in Vietnam for "personal and family reasons" and has never "undertaken any projects for the party."

McCausland said her mother "was very vocal about her wish that Vietnam become a democracy." She said Foshee demonstrated in Washington during Bush's meeting with Vietnamese Prime Minister Phan Van Khai in June 2005, and a photograph of her holding a sign demanding religious freedom in Vietnam was printed in newspapers. But she scoffs at the idea that her mother -- who she said is barely over five feet tall, has high blood pressure and was overweight when arrested -- knew anything about radio equipment or taking over radio stations.

"It's entirely ridiculous," McCausland said. "I truly believe what she is being punished for is her speaking out for democracy here in the United States."

In another recent case, the family of Cong Thanh Do, a San Jose resident, was surprised to learn that he secretly oversaw a network of anti-communist dissidents from his laptop. His activities came to light after he was arrested on a trip to Vietnam with his wife and 9-year-old son in mid-August. He was released after being held for 38 days.

Foshee, who owns a landscaping business, served as Asian coalition regional chairman for the Bush-Cheney campaign in 2004 and contributed $2,000 to the Republican National Committee in 2001, campaign records show. She also contributed $10,000 in 2000 to the successful Senate campaign of Democrat Bill Nelson, who as a House member helped bring her brother to the United States.

U.S. officials declined to discuss details of the case. Frederick Jones, spokesman for Bush's National Security Council, said the White House is aware of Foshee's detention and Martinez's action. "We have urged the government of Vietnam to abide by international legal standards and not to hold her indefinitely without due process," Jones said.

The case is "an obstacle to getting the trade package forward," said a senior State Department official. Rice has received assurances from Foreign Minister Pham Gia Khiem that he understands how important the case is and will work to resolve it, the official said.

Martinez declined to comment. Spokeswoman Kerry Feehery would only say that Martinez "is doing everything in his power as a U.S. senator to get Mrs. Foshee home to Florida."

The Vietnamese Embassy did not return phone calls.

In Brazil Campaign, A Barroom Brawl And A Class War (WSJ)

By Matt Moffett And Geraldo Samor

The Wall Street Journal, October 27, 2006

RIO DE JANEIRO -- Scenes from the class struggle in Brazil:

One evening last week, Danielle Tristão walked into a bar in a tony neighborhood of this seaside city wearing a T-shirt emblazoned "Lula Yes." She was declaring her support for Brazil's blue-collar president, Luiz Inácio Lula da Silva, who is a heavy favorite to win re-election on Sunday but is despised by Brazil's upper crust. Ms. Tristão, who is 38 years old, said hostile patrons were soon pelting her with fliers for Mr. da Silva's centrist opponent, Geraldo Alckmin, and even scuffling with her. In the melee, one of the customers bit off part of Ms. Tristão's left ring finger.

To leftists she became a martyr, especially since Mr. da Silva as a young man had lost the pinky of his left hand in a metalworking accident. "Some fascists ate the finger of a Workers Party activist so that she would bear on her body Lula's mark," leftist playwright Augusto Boal proclaimed at a political rally for Mr. da Silva and his political party.

Not so, says the woman who did the biting, Ana Cristina Luzardo de Castro. Through her husband, Ms. de Castro, 39, says that Ms. Tristão was drunk and belligerent, calling her an "uninformed preppy." Even though her husband says she was biting in self-defense, Ms. de Castro is now being vilified by Brazilian bloggers as "Hannibal" and the "Pit Bull of Leblon," the neighborhood where the bar fight occurred.

Ms. de Castro's husband says his wife actually votes for Mr. da Silva, but that doesn't seem to matter in Brazil's politically charged environment. In a vast and diverse nation that has long taken pride in its live-and-let-live ethos, this year's presidential

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campaign has laid bare profound frictions between social classes and regions. Brazil's image of itself as a super tolerant "racial democracy" is getting a rude reality check.

Mr. da Silva is the overwhelming favorite of voters in the sprawling, arid Northeast, where he himself was born and people tend to be poorer, less educated and darker-skinned than those in the South. The South, which encompasses Brazil's most modern and glamorous cities and its media centers, has been considerably cooler to Mr. da Silva.

College-educated Brazilians, like the students in São Paulo who recently dressed up as clowns to satirize Mr. da Silva, often look down on a president who quit school after the fourth grade. But the vast majority of Brazilians with only a basic education embrace him. Overall, a survey by the Datafolha polling group projects Mr. da Silva getting 61% of the vote compared with 39% for Mr. Alckmin.

There have always been social and regional divisions in Brazil, but they have been worsened by the two defining features of Mr. da Silva's administration: aggressive welfare spending and brazen corruption scandals. Mr. da Silva's program of providing cash subsidies to 11 million poor families has fired up fierce loyalty toward the president -- and antagonism toward Mr. Alckmin -- in working-class neighborhoods.

Meanwhile, scandals in Mr. da Silva's administration have turned off many members of the Southern middle class and elite who had voted for the president in 2002. In the latest impropriety last month, Workers Party operatives were caught with $770,000 that they allegedly intended to pay for a dossier damaging to an opposition candidate. That scandal, one of whose alleged masterminds was a favorite barbecue chef of Mr. da Silva's, sapped the president's support in the Oct. 1, first-round balloting and set the stage for Sunday's runoff.

Mr. da Silva has further heightened class tensions by arguing that corruption cases in his government are being blown out of proportion because of his humble background. "There is a reason I'm being persecuted," Mr. da Silva said last week. "It's a matter of skin, of social origin." He rails against "a small minority that has leeched from the country for 500 years." The divisions exposed during the campaign will likely haunt Mr. da Silva throughout his next four-year term, making it harder for Brazilians to unite behind the tough measures the country needs to boost a slow-growing economy.

Both sides have played on negative stereotypes. Earlier this month, the Workers Party Web site ran an item noting that the daughter of Mr. Alckmin, who is an anesthesiologist from the wealthy Southern state of São Paulo, had worked at a boutique that had been raided by tax authorities. His wife had gotten a gift of "400 chic dresses" from a leading fashion designer, the note said. Mr. Alckmin's wife said there were far fewer dresses and she donated them to charity.

A couple of weeks ago in the prosperous Southern city of Porto Alegre, a 69-year-old engineer was handing out stickers bearing the legend, "Out With Lula" and a drawing of a hand with four fingers inside a circle marked with a slash. A 42-year-old woman who is an activist in Mr. da Silva's Workers Party got into a shoving match with the man, who insisted he would "print another 20,000 stickers," according to the police report.

An anonymous email that has been circulating on the Web this month, under the title "The Solution Is Separating," showed a map of Brazil, divided between the North and South. Alongside the North was a photo of Mr. da Silva, and the phrase, "They get him." Alongside the South was a photo of Mr. Alckmin, captioned, "We get him." (The Alckmin campaign has deplored and disavowed responsibility for the email and the stickers, which have been turning up in several states.)

Though he has exploited class issues in this campaign, Mr. da Silva was often victimized by working-class stereotypes in three unsuccessful races for the presidency in the 1980s and 1990s. Finally, in the 2002 election, Mr. da Silva found a shrewd political consultant who gave him a makeover. Mr. da Silva had his teeth fixed and his beard trimmed and got a better tailor. He won in a landslide.

Then in 2005, prosecutors alleged that the Workers Party had operated a massive slush fund to finance campaigns and buy support in Congress. That has led to the resignation and indictment of many of the president's closest allies, including the consultant. Mr. da Silva, who hasn't been charged, claims a vendetta against his government by "the elites." Last year, Sen. Jorge Bornhausen, a top opposition figure, gleefully said that the scandals meant "we are going to get rid of this race for the next 30 years." Many people took "this race" to mean not only the Workers Party, but also Mr. da Silva's blue-collar supporters.

A few days later, billboards sprang up in the capital of Brasilia showing Mr. Bornhausen wearing a Nazi uniform and a toothbrush mustache, alongside the slogan: "Blacks, poor and blue-collar workers never again."

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Mr. Bornhausen has long been known for his fierce opinions, but even mainstream Brazilian culture is becoming more politically polarized, analysts say. Diogo Mainardi, a popular columnist for the huge newsweekly Veja, has emerged as the politically incorrect voice of affluent and educated Brazilians horrified by the prospect of four more years of Mr. da Silva. "Brazil isn't dominated by an evil elite," Mr. Mainardi wrote recently. "Brazil is dominated by a mass of ignorant poor people. They are deciding for us. And they are deciding very badly."

Veja is the Brazilian equivalent of Time magazine, with a circulation of 1.2 million, making it the largest newsweekly in Latin America.

Mr. Mainardi insists his provocative style has a serious purpose. He maintains Mr. da Silva's handlers have shielded the president from criticism by manipulating the guilt of middle-class Brazilians over Mr. da Silva's impoverished roots. To cut through the political packaging, Mr. Mainardi explains, "I almost force myself to say what can't be said." Of Mr. da Silva, he recently wrote, "I wouldn't even choose Lula to open and close the garage door of my apartment building."

The president's supporters say Mr. Mainardi and Veja are mouthpieces of an establishment that has it in for him. "Veja has some journalists who are deserving of the Nobel Prize for irresponsibility," Mr. da Silva said.

Cubans Begin To Just Say No (WSJ)

By Mary Anastasia O'Grady

The Wall Street Journal, October 27, 2006

Did Brazilian President Luiz Inácio "Lula" da Silva misspeak last week when he said that it's a pity that Fidel Castro did not democratize the island while "he was still alive"? Or did he inadvertently blurt out a secret that only friends of the Cuban regime are supposed to know?

Lula has corrected himself. But the rumor mills are in overdrive since the utterance of those four little words, in part because the last time Cubans were shown proof of life was more than a month ago and the patient looked pretty bad.

Whenever the old man finally passes away, a public statement is likely to be delayed until Fidel's little brother Raul, who as of now is only the "temporary" despot, feels sure he has the upper hand. As we go to press, that effort appears to be a work in progress.

At this time the military seems to be loyal to Raul. Nevertheless, the dictator in waiting has at least two reasons to be worried. The first is Hugo Chávez, who pours an estimated $2 billion into the Cuban economy annually and seems to believe that he is the rightful revolutionary successor to Fidel. Rumor has it that attitude is not going down too well with Raul or his men. As Brian Latell, former CIA analyst and author of "After Fidel" (Palgrave Macmillan, 2005), pointed out this week: "It may also be reasonable to speculate that Raul and his military commanders feel contempt for the mercurial and often bizarre Venezuelan, who rose no higher than lieutenant colonel in the decidedly less professional and accomplished Venezuelan military."

Fold into this mix the tension that already exists between elements of the regime that see themselves as ideologically pure and loyal to Fidel and Raul's army, which seems to enjoy making money -- as Mr. Latell describes so well in his book -- and all kinds of complications arise.

Yet Hugo and the fidelistas might be the least of Raul's troubles. Less noticed by the international press but at least as threatening are the island's dissidents, who are once again stirring things up, this time with their "non-cooperation campaign." While conventional wisdom discounts the movement as weak, disorganized and easily infiltrated, every action of the government suggests that popular resistance to the regime is spreading, even after a brutal wave of repression was unleashed more than a year ago.

It is also worth noting that Lula, a left-wing president of a country that has traditionally supported the Cuban dictatorship, has publicly lamented Castro's failure to democratize. That doesn't bode well for continued international support for the island slave plantation.

Non-cooperation is a strategy aimed at whittling away at the most fundamental tool of every totalitarian regime: fear. The system can survive only if each Cuban believes he is greatly outnumbered by lovers of the revolution and that in speaking out, he is doomed. This is why the regime risked so much bad press to crush the dissidents in March of 2003 in a brutal island-wide crackdown. Intense, debilitating fear must be kept alive if the regime is to survive.

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Opponents of the regime also understand the power of fear and it is why they are hopeful about the non-cooperation campaign, which provides a passive way for Cubans to quietly discover solidarity. Rather than calling on citizens to actively rebel against the government, "non-cooperation" asks them simply to refuse to participate in the oppression.

The concept of non-cooperation was born in response to the government's practice of mobilizing neighbors to attack dissidents. This tactic, known as "acts of repudiation" is a longstanding totalitarian weapon. On Nov. 8 of last year Eliécer Consuegra Rivas, an activist in the eastern part of the country, graphically described how the regime was attempting to gin up hatred: "We, the human-rights activists, are being threatened before the public eye by representatives of the regime who claim we are going to poison the water, that we throw rocks, that we are terrorists, even that they will cut off our heads; they are threatening us with death.

"I would like to tell the people of Antilla that the municipal authorities are planning to collect signatures at the workplace in order to apply a label of 'dangerousness' to us and imprison us for our political stance," Mr. Consuegra said. "We encourage all workers to not accept this villainy and fallacy." The petition effort failed and non-cooperation was born.

A few months later the dissident movement's highly revered Jorge Luis Antúnez (pictured nearby) began echoing the call for non-cooperation from his prison cell in Camaguey. Mr. Antúnez is a Cuban hero. During his 16 years in the gulag he has been beaten, isolated for weeks at a time -- once for 47 days -- in tiny, filthy, rat-infested spaces with no windows or ventilation, and has consistently been denied medical care. (Harry Belafonte where are you?)

In January, Mr. Antúnez was allowed to make a phone call, using the moment to publicly endorse non-cooperation. On Aug. 4 he repeated his message: "We invite you not to cooperate with the repression and . . . to join those who defend your human rights, justice, and struggle for a free, pluralistic and prosperous society," Mr. Antúnez told his Cuban brethren.

For speaking out, Mr. Antúnez was thrown back in isolation. But it's likely he judges his gamble worth it. The idea is spreading and reports from the island say that local participation in repudiation squads is down. The government now has to bus thugs into neighborhoods where it organizes attacks.

The non-cooperation campaign is also aimed at the Cuban worker. With low pay and poor conditions, laborers have never been highly motivated. The campaign strives to link this reality to the politics of resistance. It could be generating results: Since the spring the regime has been complaining, in the state newspaper Granma, about inefficient workers, and in September Raul gave a speech at a labor convention exhorting the country's work force to improve productivity and discipline.

You won't learn much about this from the foreign media with bureaus in Havana or from correspondents or academics who visit Cuba. The quid pro quo for getting an island visa is good behavior toward the regime, and that means ignoring the groundswell of grumbling in politics and economics. Raul, on the other hand, is well-informed, which is probably why Fidel's "status" remains under wraps.

South African Government Tries To Unlock Economy (USAT)

By David J. Lynch

USA Today, October 27, 2006

JOHANNESBURG, South Africa — More than a dozen years after the demise of South Africa's apartheid regime, one out of every four workers is officially unemployed. Including those who've given up looking for work, the country's jobless rate is a staggering 40%.

Fearing that such persistently high joblessness threatens the stability of this multiracial African democracy, the government wants to rev up its slow-growing economy. The goal is to achieve an annual growth rate of 6% by 2014, double the average figure for the first decade of democratic rule, by eradicating a handful of “binding constraints.” Priorities include improving substandard education, accumulating foreign exchange reserves, and spending $49 billion over three years on new roads, ports and power plants.

Such robust growth would represent a big improvement for South Africa, but it would pale alongside the performance of fast-growing developing countries such as India or Vietnam. South Africa's ambitions also remain in the notable shadow of China, which over the past two decades has averaged 9.5% annual growth while lifting tens of millions of people from poverty.

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"I went to China last year; I was completely blown away," says Alan Hirsch, an adviser to President Thabo Mbeki and the architect of South Africa's new economic plan. "It's a very different system than ours. (But) when they decide to do something, they do it."

South Africa has made enormous strides since vanquishing race-based rule in 1994. It inherited from apartheid a pair of conjoined economies: a small first-world oasis of about 4 million whites and a deeply poor and deprived backwater for 40 million blacks. Strict race laws had prevented blacks from owning businesses, living outside designated areas or even having a telephone.

"White people had a GDP like Canada. Black people had a GDP like the Congo," says consultant Duma Gqubule.

Since apartheid's negotiated end, a sizable black middle class has emerged, acquiring new cars and patronizing upscale malls and restaurants in northern Johannesburg's suburban enclave of Sandton. In central Gauteng province, the heart of South Africa's economy, monthly new car sales of about 21,000 this year are almost double those of four years ago.

No one wants to trade this young democracy, whatever its inefficiencies, for Chinese authoritarianism. With a per-capita income of more than $5,000, the average South African is wealthier than the typical Chinese.

Yet South Africa's new formula for goosing the economy, developed with the aid of Harvard University economists, only illustrates the development challenge for countries that lack China's strengths: a stable currency, low-cost export factories, rivers of foreign investment and a decisive, unified government.

On each count, South Africa has been unable to match the Chinese. Its currency, the rand, has traveled a roller coaster through five separate shocks in 12 years. Apart from minerals, it has few exports of any consequence. And while the government has avoided the free-spending trap and rampant corruption so common elsewhere in Africa, it lacks a coherent strategy for capitalizing on globalization.

As public impatience with chronic unemployment mounts, South Africa's inability to attract foreign investment looms as a particular shortcoming. Funds from outside the country accounted for just 2.3% of capital formation in 2004 vs. 8% in China and 15.3% in Brazil. Even last year, when its figures improved sharply because of a large corporate acquisition, South Africa ranked 103 out of 141 countries on its ability to attract foreign direct investment, according to a United Nations scorecard.

"Clearly, we're way behind a lot of countries: certainly China, Brazil, the oil-exporting countries" in outside investment, says Hirsch. "We need more of it."

Still, South Africa's relative stability and prosperity, measured against the rest of the African continent, has made it a magnet for portfolio investment from abroad. All 94 U.S.-based emerging markets mutual funds have stakes in South African companies, according to Todd Moss, senior fellow at the Center for Global Development in Washington, D.C. "If you're in emerging markets, you have to be in South Africa," Moss said.

Net foreign investment on the Johannesburg Stock Exchange reached an all-time high this summer. Among the homegrown corporations with sizable foreign ownership is energy producer Sasol, one-third owned by foreigners, according to CEO Patrick Davies.

As Asia's economies discovered during that region's 1997 financial crisis, however, portfolio investment can exit a country as fast as it enters. Investment in tangible assets such as factories and machinery is less fickle; plus, foreign executives involved in building plants often bring more than cash. Foreign direct investment (FDI) also helps developing countries by transferring advanced technologies and first-world management skills.

"The importance of FDI is when it helps to promote a country's broader efficiency," says Stephen Gelb, executive director of The Edge Institute, a non-profit economic policy center in Johannesburg.

Perceptions of political risk may explain some of South Africa's poor showing, which lags behind even the African average. The country's ruling African National Congress surprised detractors by pursuing pro-market policies after winning power in South Africa's maiden democratic election in 1994. Nelson Mandela, elected president that year, inherited a budget deficit of more than 9% of GDP. Today, after years of shrewd management, public sector red ink has shrunk to just 0.3% of the economy. In the United States, it's 3.2% of GDP.

Foreign observers were slow to acknowledge that the new rulers weren't succumbing to pressures for massive redistribution of wealth from whites who had benefited from apartheid to blacks who had been locked out of economic power. Yet

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today, there is renewed controversy over the pace of what the government calls "black economic empowerment" and the transfer of land from white landowners to black would-be farmers.

As the ANC prepares to select next year a new party leader, who would be virtually certain to succeed Mbeki in 2009 as the country's president, powerful voices within the governing coalition are pushing for more focus on spreading the wealth to the black masses. The trade union federation COSATU and the small Communist Party are using the leadership battle to advocate greater social spending and faster progress on distributing economic gains to blacks, who make up more than 80% of the country's 46.9 million people.

COSATU, which claims 2 million members, also is resisting calls for the relaxation of labor laws that business leaders say unintentionally keep unemployment high. Employers say they are reluctant to hire new workers because it can be difficult and time-consuming to fire those who don't perform. To avoid involvement in often-protracted labor arbitration proceedings, Murray & Roberts, a giant engineering and construction firm, has subcontracted much of its hiring to labor brokers, says CEO Brian Bruce.

"You can't plan for an unemployment figure below 15% for a long time," says Bruce. "So we've just got to work out what it means to be in a growing economic environment with such a high unemployment rate."

It's been more than a decade since apartheid's historic collapse, more than a decade since Mandela completed his remarkable journey from prison to presidency. Yet, South Africa continues to struggle daily with the tangible legacy of generations of race-based rule. Vexing social problems, such as a recent surge in violent crime and the toll taken by one of the world's worst AIDS epidemics, spill over into the economic realm. Life expectancy at birth, about 47 years, is lower than in impoverished Bangladesh or chronically chaotic Haiti.

With blacks now full participants in South African life, it's apparent that the country has simply outgrown its physical limits. As the miles of vehicles crawling between Johannesburg and Pretoria attest, the road network that once adequately served a few million whites is no match for an ever-increasing number of black drivers.

The government has far-reaching plans to address its infrastructure shortcomings with new roads and a high-speed inter-city train, which are supposed to be ready in time for the 2010 soccer World Cup here. New roads. Labor reform. Better-trained workers. It's a daunting to-do list and one that some doubt the government can accomplish simultaneously.

"One of the dilemmas government faces is this is a country with really two economies: a first-world economy and a developing-world economy," says Solomon Ngubane, an official in the government communications ministry. "The question is: Where do you prioritize?"

In South Africa, A Dramatic Shift On AIDS (WP)

By Craig Timberg

The Washington Post, October 27, 2006

JOHANNESBURG -- The South African government is seeking to shake off years of international denunciation for its handling of the AIDS epidemic -- including a fixation on the supposed protective powers of beets and lemons -- while expanding treatment, testing and prevention programs, officials and activists say.

In public comments and private meetings over the past six weeks, Deputy President Phumzile Mlambo-Ngcuka has emphasized that the government now believes unequivocally that HIV causes AIDS, a connection that President Thabo Mbeki once publicly questioned. She has also said that antiretroviral drugs must be the centerpiece of the government's response while playing down the dietary recommendations long cited by Health Minister Manto Tshabalala-Msimang as key to fighting AIDS.

"The beetroot and all that lemon stuff is out the window," an adviser involved in recasting the government's policy said on condition of anonymity because he was not authorized to speak publicly about it. "These guys are now serious about getting it right."

Driving the recent change is a growing realization of the severity of AIDS in South Africa -- an estimated 5.4 million of 47 million citizens have HIV, among the highest totals in the world -- and concern that the controversy surrounding the disease was damaging the country's international reputation.

The Treatment Action Campaign, the country's leading AIDS activist group, said that after years of hostility and legal battles, government officials were working cooperatively with members to realize some of their long-standing demands, such as setting

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targets for dramatically expanding the availability of antiretroviral drugs through the public health system. Mlambo-Ngcuka, who has taken control of the national AIDS commission, has met privately with the group.

"There's clearly a shift taking place," said Zackie Achmat, the head of the Treatment Action Campaign.

Officials say that Tshabalala-Msimang, often ridiculed as "Dr. Beetroot," will maintain some role in AIDS policy, but activists say they are confident she has been effectively marginalized by the appointment of Mlambo-Ngcuka to oversee the government's response to the disease. Government officials privately acknowledge that Tshabalala-Msimang had become an embarrassment, and activists say the tenor of conversations with the government has changed dramatically since the deputy president took over.

"I'm still skeptical, and I'm still waiting for the proof," said Francois Venter, head of the Southern African HIV Clinicians Society. "But there's been a switch, the most hopeful switch in years, over the past four or five weeks."

Mbeki's comments questioning the relationship between HIV and AIDS stirred international outrage in 2000, and the government lagged even some less developed African nations in introducing subsidized antiretroviral drugs, which can prolong the lives of those with the disease by many years, perhaps decades. The first government program distributing the drugs began here in April 2004. South Africa's far smaller northern neighbor, Botswana, began two years earlier.

The South African program has grown steadily in the past 2 1/2 years and now reaches about 200,000 people with AIDS -- roughly one-quarter of those estimated to need the medicine immediately. But the demand for the drugs has grown faster than the program could handle despite major new government spending, including $400 million for AIDS programs this year alone.

"There were weaknesses on the implementation side of things," a government spokesman, Themba Maseko, said from Pretoria.

A turning point came in August, at the International AIDS Conference in Toronto, where Tshabalala-Msimang sponsored a display featuring lemons, beets and garlic but no antiretroviral drugs. An interview that Tshabalala-Msimang had with ABC's "Nightline" that same week renewed fears that she and Mbeki did not accept the two-decade-old scientific consensus that HIV causes AIDS.

"President Mbeki said, 'It cannot be the virus alone, we must look at other, other issues that predispose people to the immune system being depressed,' and I am of the same view also," Tshabalala-Msimang said on "Nightline."

The following day, Stephen Lewis, the U.N. special envoy for HIV/AIDS in Africa, denounced the South African government's view as "wrong, immoral and indefensible." Two weeks after that, 81 AIDS scientists from South Africa and around the world signed a letter calling on Mbeki to fire Tshabalala-Msimang.

The president refused. But those events, combined with a government report blaming AIDS for a massive surge of deaths among South Africans in their 20s, 30s and 40s, prompted Mbeki to appoint Mlambo-Ngcuka to lead an urgent review of AIDS programs, pushing Tshabalala-Msimang out of the spotlight, officials say.

In a speech to labor leaders on Sept. 19, Mlambo-Ngcuka said, without qualification, that HIV causes AIDS. She acknowledged "shortcomings" in the government's response to the disease so far. She mentioned the value of a sensible diet but made clear its limits.

"It should be stressed that a healthy lifestyle and good nutrition are not alternatives to treatment," she said, according to a transcript.

Mlambo-Ngcuka also called for peace between the government and its many critics on AIDS. "Our collective response has for too long been undermined by finger-pointing and despair. I appeal to you that we change that," she said.

AIDS activists said they initially reacted warily, but after meeting privately with Mlambo-Ngcuka, including a session Tuesday in Cape Town that lasted nearly two hours, they have grown more confident of the government's desire to improve its handling of the disease.

The activists say they are pushing for several concessions, including a target of treating 1 million South Africans with antiretroviral drugs. They also want targets for expanding HIV testing and for cutting the rate of new infections. Prevention efforts have largely failed in South Africa, experts say, even as Zimbabwe and several East African countries are showing success in curbing new infections.

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Maseko, the government spokesman, said that after years of resisting calls from activists, officials have decided to set firm targets for expanding prevention programs and the availability of antiretroviral drugs in the five-year government plan due for release Dec. 1, celebrated around the globe as World AIDS Day.

"We will be accelerating implementation to make sure those who need treatment are getting it," he said.

As discussions continue, activists say the shift in the government's intentions is tangible and hope officials are capable of carrying through on their new promises.

"They have lost at least five years," said Mark Heywood, head of the AIDS Law Project at Witwatersrand University in Johannesburg. "They're behind on prevention. They're behind on treatment. They're behind on planning for the social impact of HIV. But it's not too late to prevent a whole other generation of people from getting HIV."

AIDS Could Have Bigger Growth Effect (USAT)

By David J. Lynch

USA Today, October 27, 2006

JOHANNESBURG, South Africa — This nation's virulent AIDS epidemic may have a larger-than-expected impact on economic growth, sabotaging productivity gains and sharply inflating health care and training costs, economists say.

By 2010, AIDS will cut the annual economic growth rate by 1.5 percentage points, says Christo Luus, chief economist for Absa, the country's largest bank, and a member of a financial industry group studying the epidemic.

Other analyses have found smaller impacts. The Bureau for Economic Research in Stellenbosch, South Africa, last year concluded AIDS would trim no more than a half-point off annual growth rates. But Luus says the earlier studies were less comprehensive.

Almost one of every three adults here is infected with the HIV virus that causes AIDS. Every day, 1,000 people become infected. By 2015, total deaths from the disease will reach 5.4 million, vs. 1.8 million at the end of this year, the Actuarial Society of South Africa says.

By repeatedly sidelining workers, the disease can inflate training costs and complicate efforts to improve productivity. Yet, thanks to the availability of modern drugs and South Africa's labor surplus, the business community is relatively sanguine about the economic toll. “With the right programs, this is manageable, to use a cold-blooded term,” said Michael Spicer, chief executive of Business Leadership South Africa.

The epidemic's economic epicenter is the mining industry. Traditionally, laborers from remote provinces leave wives in their home villages to live for months in all-male dormitories at the mine.

Many mine workers become infected through casual sex with prostitutes who cluster around the company housing. When the workers return home for visits, they frequently infect their wives.

Amid a runaway epidemic that is outstripping government resources, some mining companies provide anti-retroviral drugs to their workers who test positive for the HIV virus. About 90% of those treated are able to return to work, says Spicer.

The cost of providing medicine is tiny compared with the fast profits. For Impala Platinum Holdings, AIDS is adding about $4 an ounce to its platinum mining costs, says CEO Keith Rumble. On world markets, an ounce of platinum fetches more than $1,000.

As Wells Dry Up, Mexico Could Be Forced To Privatize Oil (CSM)

By Sara Miller Llana

The Christian Science Monitor, October 27, 2006

MEXICO CITY

Even as popular pressure grows around Latin America for a stronger state hand in developing natural resources such as oil and gas, Mexico's president-elect Felipe Calderón may be forced to consider putting more power in private hands.

The country's flagship oil company Pemex, has been a point of pride since the industry was wrenched from foreign hands and nationalized in 1938. Its revenues alone cover one-third of Mexico's budget.

But prosperity from years of record oil prices has allowed Mexico to postpone what most agree are much-needed reforms. And now, as production at Pemex's top oil field declines, pressure to find new fields is mounting. But industry analysts say

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Mexico's constitutional restriction on foreign direct investment will hamstring costly exploration efforts, and possibly disrupt the flow of oil, 80 percent of which heads to the US.

Indeed, with his fragile political mandate, Mr. Calderón may find that oil becomes the issue that will define his presidency.

"This is an important first battle," says Benito Nacif, a political scientist at the Center for Research and Teaching in Economics (CRTE), a Mexico City think tank. "In the industry sector, there is a consensus that this reform is necessary, that you have to open it up [to the private sector]. The question is: 'Will [Calderón] be able to build sufficient [political] consensus?' "

Many industry analysts had hoped that outgoing President Vicente Fox would be able to push through energy-sector reforms to open up Pemex to more private direct investment, in order to boost exploration and production.

Mexico is the second-biggest supplier of oil to the US, favored because of its proximity and relative political stability.

In the end, Mr. Fox didn't push through a consitutional change, largely because trying to privative Pemex, even partially, is so politically unpopular.

Also, when Fox came to office in 2000, capacity at Cantarell, the world's second-largest field and Mexico's most important, was not in question. The complex, located in southern Gulf waters, actually increased production during Fox's term, peaking in 2004 with 2.1 million barrels a day.

But since then, production has been dropping off at Cantarell. David Shields, an independent energy expert in Mexico City, says production declined by 10 percent in the first six months of 2006. He contends that Pemex is in much worse shape than is publicly expressed. "Pemex says everything is great," he says. "But [Cantarell] is going to run out, and they [in the long-term] don't have other things to replace it."

Earlier this month, the state monopoly announced that crude output from another offshore field, Ku-Maloob-Zaap, was expected to double in 2009. That, Pemex officials said at a press conference, would help maintain oil production at an average 3.2 million barrels a day, and offset losses from Cantarell.

George Baker, an energy analyst at the consulting firm Energia.com in Houston, says he is not surprised by Pemex's announcement. "Pemex has a way of making magic," he says. Still, he says that potential finds in the Gulf of Mexico, similar to Chevron's recent announcement of a big discovery in US waters, are currently out of reach because Pemex does not have the technical know-how or money to undertake such exploration. The issues have been here all along, says Baker, but now that Cantarell is facing declines, "the slope downward is slipperier." US oil firms watching closely

Experts say that American companies are watching oil production in Mexico, but because of politics, cannot interfere by pushing for more foreign participation. If the US needed to purchase oil from more-distant countries, additional transportation costs would be passed onto the consumer, Baker says.

So far, Calderón has reiterated that he will not consider private direct investment. "There will be deliberations that we Mexicans will have in Congress to find the means by which Pemex can access the probable reserves, particularly in the deep waters of the Gulf of Mexico," he said at a September press conference. "But, for now, I will be very respectful of national legislation on the matter, which doesn't permit foreign investment in petroleum extraction...."

In its legislative agenda, his incoming administration has also remained unclear when it comes to its energy plans, focusing on the need to "modernize" and increase investment in Pemex.

"These things are very vague, one could interpret them as minor fiscal reforms, or ... major constitutional reforms," says Allyson Benton, an expert on economics and politics at the CRTE in Mexico City. "They want to wait to see what kinds of coalitions can be built around these things." Privatizing very unpopular

When it comes to obtaining gasoline here, drivers have only one, decidedly Mexican, choice: the green and red pumps at Pemex. That's the way many want it. Calderón barely squeaked out a victory in the July 2 election, winning by just half a percentage point. While his rival, Andrés Manuel López Obrador, disputed the race this summer, López Obrador used many of his protest gatherings to rally supporters about keeping foreigners out of the energy sector. Each appeal brought wild applause.

Indeed, the divided electorate means that Calderón is unlikely to find the political capital to challenge nationalization, even partially. "It is too much of a political danger for them under the conditions they won," says Miguel Tinker-Salas, an oil and politics expert at Pomona College in California.

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Mr. Shields puts it more starkly, saying that allowing international companies back into Mexico is tantamount to letting "the invader back in," he says. "There will be a revolution before there is foreign direct investment."

Those against foreign investment received a boost this month when businessman Carlos Slim, the third-richest man in the world according to Forbes magazine, announced that Mexico did not need foreign help to reach deep-sea oil.

Some analysts say that more foreign investment is not the only solution for Pemex. Mr. Tinker-Salas, for example, says that with more oversight, Pemex could become more efficient.

Ms. Benton says that Calderón might have the most room for change by addressing fiscal reform. One option would be to lift the heavy tax burden from Pemex, which sees nearly half of its earnings go to government coffers, so that Pemex can focus on daily operations. The budget is so stripped, she says, that Pemex has to import a significant portion of its refined products.

But some still hope that Calderón will be able to open the industry to more private participation, beyond the current flat-fee subcontracts that foreign companies can participate in. The long-ruling Institutional Revolutionary Party (PRI), for example, moved to the right of the spectrum on the issue this election, says Mr. Nacif. The PRI is also more likely to cooperate with the Calderón administration because it is in a weaker position, having dropped to the third-largest party in Congress.

But more than anything, the reality of dwindling oil production may help to change sentiments. "One of the factors that drives policy change everywhere is the deterioration of the status quo," says Nacif, "and the perception is that the status quo is worsening. It's going to help [Calderón]" move toward opening the industry up to private firms.

Allies Dressed In Green (NYT)

By Thomas L. Friedman

The New York Times, October 27, 2006

Heidelberg, Germany

Since the fall of the Berlin Wall, the Western allies have been asking: What will replace the threat of communism as the cement that holds together the Atlantic alliance? Some have argued terrorism, but I don't think so. I think my German friends have the best idea: the issue that will and should unite the West is energy and all its challenges.

After all, nothing is a bigger threat today to the Western way of life and quality of life than the combination of climate change, pollution, species loss, and Islamist radicalism and petro-authoritarianism — all fueled by our energy addictions. And no solution is possible to these problems without concerted government actions to reduce emissions, to inspire green innovation and to shift from oil to renewable power.

Therefore, green is not just the new red, white and blue — the next great American national security project — it should also be the color, focus and cement of the Atlantic alliance in the 21st century. As a German official remarked to me, "The whole issue has the potential of becoming a big trans-Atlantic project at a time when we have no other good big project that [embodies] a vision."

The intertwined environmental and energy challenges we face today are so acute that they can no longer be addressed by "virtuous individuals hopping on a bus instead of taking the car," argued Jonathan Freedland, a columnist for the British newspaper The Guardian. "This is a job for government."

Germany's foreign minister, Frank-Walter Steinmeier, recently gave a major address on how "energy security will strongly influence the global security agenda in the 21st century." And Britain's foreign secretary, Margaret Beckett, just delivered a speech declaring that climate change "is not just an environmental problem. It is a defense problem. It is a problem for those who deal with economics and development, conflict prevention, agriculture, finance, housing, transport, innovation, trade and health."

The fact that the foreign ministers are making this their agendas suggests that energy will soon move to the heart of the alliance's agenda. As Mr. Freedland put it, "If climate change is a foreign policy problem, foreign policy can surely be part of the climate change solution."

However, for what I call "geo-greenism" — thinking about green in strategic terms — to become the new core of the alliance, European greens will have to become more "geo" and the U.S. government more "green."

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European Green parties have tended to wrap their environmentalism in a very high-minded tone that was always more moralizing than strategic. For instance, Europe's Greens led the global campaign against genetically modified crops, which will be critically important if we want to grow more of our fuel — à la corn ethanol or soy biodiesel. The Greens in Germany also forced the previous government to agree to phase out Germany's nuclear power plants by 2021. That would mean uninstalling 30 percent of Germany's energy capacity. It would be great if it were all replaced by wind or solar power, but it will most likely be replaced by coal.

Jürgen Hogrefe, who was spokesman for the Green Party in Lower Saxony, Germany, in the 1980s, is today a senior executive with EnBW, a German energy company with nuclear plants.

"The Green Party has been extremely important for German society," he said, helping to transform the post-Nazi society into a more liberal domain. But an antinuclear stance has been at the core of the party, and now that the German mainstream has embraced a green agenda, the Greens need to rethink nuclear energy. "The Green Party should redefine itself," added Mr. Hogrefe. "In some fields they are very modern party. ... But concerning nuclear energy and ecology they are stubborn, not open enough to see what is happening around the globe."

One reason President Bush has failed to become the leader of the West is because he has failed to lead on green, which has become so important to all our allies. I doubt that he'll redefine U.S. policy in his last two years, but the issues around climate change and energy conservation are now rising so fast it's impossible to imagine that his successor won't — whoever it is. And once that happens, it is impossible to imagine that living green, instead of fighting reds, won't become the new glue of the Atlantic alliance.

Or as Hermann Ott, head of the Berlin office of the Wuppertal Institute for Climate, Environment and Energy, remarked to me, "We don't need aliens to unite our world, we have a problem right at the center" now — and the solution is green.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

U.S. AG Says He May Consider Proposal To Investigate Updating Geneva Conventions (AP)

By Mike Corder, Associated Press

AP, October 27, 2006

THE HAGUE, Netherlands (AP) - U.S. Attorney General Alberto Gonzales said Thursday the Bush administration may consider a Dutch proposal to set up an international group to investigate updating the Geneva Conventions or establishing a new treaty to deal with the threat of global terrorism.

In a speech Tuesday at Georgetown University in Washington, D.C., Dutch Foreign Minister Ben Bot said it was legitimate to question whether international law _ framed mainly to deal with armed conflict between nations and conventional armies _ needs updating.

"Suggestions to explore such options as an additional protocol to the Geneva Conventions or a new ... Terrorism Convention or Treaty, cannot be dismissed out of hand," Bot said. "As I have suggested to Dutch Parliament, we should create a trans-Atlantic group of eminent experts to identify these possibilities."

After visiting Dutch ministers in The Hague, Gonzales told reporters Washington was not formally investigating updating international law, but he added: "We are not averse to looking at that."

"Obviously, we assess every day what is effective in dealing with the threat against the United States, in dealing with the threat against our friends and allies around the world," Gonzales said. "And this would be another thing I think that we would look at to see: do we have the necessary legal tools to deal effectively with terrorism?"

Facing a barrage of criticism from opponents and human rights groups about its incarceration of terror suspects at the Guantanamo Bay naval base in Cuba and the system of military tribunals set up to try them, Gonzales stressed that the Bush administration still fully supports current international law aimed at protecting the rights of those captured during armed conflicts.

"Obviously we want to be careful in not sending the message that we are in any way backing away from the principles of, say, the Geneva Conventions in terms of the protection of basic human rights," he said. "That's something we believe very strongly in and re-examination of Geneva would have to be done ... with the understanding that we all remain committed to the basic principles of the Geneva Conventions."

Gonzales is touring European capitals discussing Washington's new law paving the way for trials of terror suspects being held at Guantanamo Bay in Cuba.

The administration's original legal framework for trying the suspects at military tribunals was rejected by the Supreme Court as unconstitutional, leading Washington to revamp the process.

U.S. President George W. Bush signed the act into law last week after a highly publicized dispute with key Republicans over the terms of the legislation. Civil libertarians and leading Democrats have decried the law as a violation of American values.

In Germany, U.S. Official Addresses Rift With Allies (NYT)

By Mark Landler

The New York Times, October 26, 2006

BERLIN, Oct. 25 — Seeking to heal one of the deepest rifts between the United States and its European allies, Attorney General Alberto R. Gonzales said here on Wednesday that the Bush administration had done a poor job of explaining its legal principles in its effort to prevent terrorism.

But he also faulted European countries, which have criticized the American military prison at Guantánamo Bay, Cuba. He said they were reluctant to take back their own citizens when released and had been insufficiently helpful in negotiating with other countries for the safe return of prisoners facing mistreatment in their own lands.

“We have repeatedly asked our European allies to join in these efforts,” Mr. Gonzales said in a speech to a polite, skeptical invited audience. “But despite demands that Guantánamo be closed, the United States has received little help from our European allies regarding the fate of these detainees.”

The diplomatic initiative by Mr. Gonzales comes amid growing concern over the conduct of German soldiers, including photographs that surfaced on Wednesday that appeared to show German troops in Afghanistan posing with a human skull.

Mr. Gonzales declined to name the countries he said were being uncooperative with regard to returned prisoners — especially, he said, while standing on a podium “in this great country.”

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His comment, delivered with a thin smile, seemed to suggest that Germany was among those the United States regarded as laggards.

Germany's responsiveness has come under scrutiny in the case of Murat Kurnaz, a Turkish-German man who was imprisoned at Guantánamo for more than four years, partly because of Germany's reluctance to take him back. Last August, Mr. Kurnaz was finally returned home, eight months after a new chancellor, Angela Merkel, raised his case in a meeting with President Bush.

In general, however, Mr. Gonzales seemed intent on reaching out to Europeans rather than rebuking them.

"There has been a lot of friction" in the trans-Atlantic relationship, he said. "We are partly to blame for that. We didn't do as good a job as we should have from the outset in explaining ourselves."

Mr. Gonzales, the legal architect of some of the Bush administration's toughest policies toward suspected terrorists, said he was deeply disappointed that many people overseas did not believe that the United States, or Mr. Bush himself, were committed to protecting the rule of law.

He defended American policies on the detention of "enemy combatants," the rights afforded them by military commissions, and the role of the Geneva Conventions in the treatment of prisoners.

Mr. Gonzales's European tour, which includes stops in Spain and the Netherlands, coincides with a growing concern here that Germany has compromised its own principles in helping the United States in its worldwide effort against terrorism. It also comes at a time when Germany published a proposed new defense policy that would pave the way for the country to play a bigger role in international peacekeeping missions.

There are no fewer than five formal investigations under way here relating to terrorism and the German military. The issues raised include accusations that the Central Intelligence Agency transferred prisoners to secret prisons in Eastern Europe, and questions about whether the German government was aware of such transfers, as well as whether German soldiers mistreated Mr. Kurnaz in Afghanistan, as he contends, before he was sent to Guantánamo.

The Defense Ministry denies that German soldiers abused Mr. Kurnaz. But the military has opened an investigation into his accusations.

"Our guys are supposed to be in Afghanistan to help stabilize things, not to kick around prisoners," said Volker Perthes, director of the German Institute for International and Security Affairs. "This embarrasses us and qualifies a bit our discussion about what American soldiers are doing in Abu Ghraib."

The photos that appear to show the German troops posing with a human skull have added to the concerns. Some of the photos, published Wednesday in the mass-market newspaper Bild, depict the soldiers placing the skull on the hood of a jeep as a grisly emblem.

Bild did not say how it had obtained the photos. The paper said they were taken in 2003 near Kabul, and involved German troops serving as part of the international security force in Afghanistan.

The defense minister, Franz Josef Jung, has ordered an investigation. "Such activities are diametrically opposed to the values and behavior we teach our troops," he said to Bild.

Reports of military abuse carry an obvious historical echo in Germany, Mr. Perthes said, and could generate opposition in Parliament to the country's continuing involvement in Afghanistan.

In particular, there are questions about the deployment of soldiers belonging to an elite rapid-response unit of the German Army known as the KSK. The activities of these troops in Afghanistan are cloaked in mystery.

Parliament is also investigating whether the German government was aware of the possible C.I.A. activities in Europe. That has put Mrs. Merkel in an awkward position, since her foreign minister, Frank-Walter Steinmeier, was a high-level adviser to her predecessor, Gerhard Schröder.

The previous government is also under scrutiny in the case of Khaled el-Masri, a German citizen who was abducted in Macedonia in 2003 and turned over to American agents, who flew him to Afghanistan, on the mistaken belief that he was involved in terrorism.

George Bush Talks About 'The Next Attack On America' (WSJ)

By Daniel Henninger

The Wall Street Journal, October 27, 2006

ABOUT DANIEL HENNINGER

Daniel Henninger is deputy editor of The Wall Street Journal's editorial page. Mr. Henninger joined Dow Jones in 1971 as a staff writer for the National Observer. He became an editorial-page writer for the Journal in 1977, arts editor in 1978 and editorial features editor in 1980. He was appointed assistant editor of the editorial page in 1983 and chief editorial writer and senior

assistant editor in October 1986, with daily responsibility for the "Review & Outlook" columns. In November 1989 he became deputy editor of the editorial page.

Mr. Henninger was a finalist for a Pulitzer Prize in editorial writing in 1987 and 1996, and shared in the Journal's Pulitzer Prize in 2002 for the paper's coverage of the attacks on September 11. He won the Gerald Loeb Award for commentary in 1985. In 1998 he received the Scripps Howard Foundation's Walker Stone Award for editorial writing, for editorials on a range of issues, including the International Monetary Fund, presidential politics and cloning. He won the 1995 American Society of Newspaper Editors' Distinguished Writing Award for editorial writing, and he was a finalist in that award in 1985, 1986 and 1993. A native of Cleveland, Mr. Henninger graduated from Georgetown University with a bachelor's degree from the School of Foreign Service.

Mr. Henninger invites comments to henninger@wsj.com.

Somewhere it is written in the Book of Politics that when the race gets tight, the leaders call in the Scribes. It is for this reason that I found myself at LaGuardia Airport Wednesday enroute to an afternoon meeting in the Oval Office with President Bush. That would be followed by lunch the next day with the vice president. The airport deserves mention because the very small group of writers who sat with the president was in fact exponentially larger than the number of travelers there who stopped to watch his 10:30 a.m. news conference on the TV monitors.

Two weeks from an election, perhaps their minds are made up. The president's certainly is. "This war is different than the other wars we've been in," Mr. Bush said a few hours after his news conference while sitting beneath a portrait of George Washington. "If we leave, they will follow us here."

Meetings with the president at election time are overtly political, but the remarkable irony here was how little election politics came up in our discussion. Mr. Bush talked expansively about Iraq, the Maliki government, Iran, Syria, North Korea and the broader war on terror. When his own party's infatuation with immigration was raised, Mr. Bush briefly ticked off his own thoughts on immigration policy and swung back to this:

"I'm campaigning like mad, and I'm looking at people in the eye and saying, you better have a government that does everything in its power to protect you from attack. You're right here in the office where I get briefed every morning and I'm telling you it's on my mind, and I can't keep it off my mind. I was affected deeply by the attacks of September the 11th. It became clear to me that day that we were at war. I know we're at war."

The room in which Mr. Bush is briefed every morning on the war, the Oval Office, is a cheerful room, full of light along high lemon-yellow walls. There are fine busts of Abraham Lincoln, Winston Churchill and Dwight Eisenhower, and the Washington painting. These icons of Mr. Bush's political formation no doubt were chosen after his first inauguration. But it is hard not to notice that the room today is occupied full time by three former war presidents and a prime minister of war.

The Oval Office today is a war room, and this is a war presidency. In these most partisan of times, Mr. Bush barely mentions the media and not once utters the word "Democrats." But as in 2004, we are again going to the polls to vote on national security. With Baghdad a cauldron of violence, this is the fight the Democrats say they want, and the one they are going to get Nov. 7. However many Republican candidates are separating themselves from Mr. Bush's war, the president is guaranteeing that the subject goes to the voters.

What struck me Wednesday was how Mr. Bush's public news conference was almost wholly about the Iraqis and their government, and how his private conversation with us was mostly about the stakes for the American people. Over these war years, there should have been more of the latter. Admittedly, it is difficult to convey in public the urgency about the war on terror that Mr. Bush conveys in private. But it is obvious that he regards the threat to the American people as palpable.

"My biggest issue that I think about all the time," Mr. Bush says, "is the next attack on America, because I am fully aware that there are people out there that would like nothing more than to have another spectacular moment by killing American people. And they're coming. And we've got to do everything we can to stop them. That's why we need to be on offense all the time." This, he insists, is the justification for the terrorist wiretaps, the Patriot Act, the interrogations and the Iraq war.

Mr. Bush goes on offense himself in the kind of plain speech that maddens his detractors but may endear him in the heartland: "Maybe it's not nuanced enough for some of the thinkers and all that stuff -- that's fine. But that's exactly what a lot of people like me think."

On the nation's sense of frustration: "You don't have to tell me people are out there looking for something. I'm from Texas. My buddies are saying, 'Are you doing enough?' -- not, 'Are you doing too little?' They want to know, 'Are we winning?' They want to know, this mighty country, are we doing what it takes to win?"

The burden of war, however, has not sapped Mr. Bush physically as it did Lyndon Johnson and Richard Nixon. Recalling the deep toll that war and partisanship imposed on their presidencies, I looked closely at Mr. Bush for similar evidence: none. The hair's gone gray, but there is little sign of fatigue in his face or demeanor. I asked how he stays normal: "Prayer and exercise."

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He dismisses the notion that Iraq is a mistake or a distraction: "This stuff about how Iraq is causing the enemy . . . whatever excuse they need, they have made up their mind to attack and they grab onto things to justify. If it's not Iraq, it's Israel. If it's not Israel, it's the Crusades. If it's not the Crusades, it is the cartoon."

Still, it's evident that Baghdad's sectarian violence has sent the U.S mood into a trough. The next day in a similar conversation with Vice President Cheney -- ballast to the energy of his president -- I ask if he senses a nation veering again toward the disillusion of the Vietnam War. He says no. "9/11 changes a lot. It's a watershed event and makes it more difficult for someone to argue that if we just bring the troops home we'll be safe and secure behind our oceans. The threat is there and it's real."

No matter the election results, it's obvious this president won't step back. He says, "We will press and press and press to protect ourselves. . . . If this country lets down its guard, it will be a fatal mistake."

Maybe it's too much. Maybe the country, or most of it this fall, doesn't share Mr. Bush's desire to be on offense all the time. Maybe they think he's exaggerating the threat for political effect. Maybe. But with or without a Republican Congress, if the country has a commander in chief who feels this deeply about protecting American soil from another 9/11 for at least another two years, it's fine by me.

Cheney Endorses Simulated Drowning (FT)

By Demetri Sevastopulo In Washington

Financial Times, October 27, 2006

Dick Cheney, US vice-president, has endorsed the use of "water boarding" for terror suspects and confirmed that the controversial interrogation technique was used on Khaled Sheikh Mohammed, the senior al-Qaeda operative now being held at Guantánamo Bay.

Mr Cheney was responding to a conservative radio interviewer who asked whether water boarding, which involves simulated drowning, was a "no-brainer" if the information it yielded would save American lives. "It's a no-brainer for me," Mr Cheney replied.

The comments by the vice-president, who has been one of the leading advocates of reducing limitations on what interrogation techniques can be used in the war on terror, are the first public confirmation that water boarding has been used on suspects held in US custody.

A spokeswoman for Mr Cheney denied that he had endorsed or confirmed the use of water-boarding.

"The VP was talking about the interrogation programme, clearly noting that we do not torture and we live up to our international treaty obligations. He does not discuss any techniques or methods that may or may not be used in questioning," said Lea Anne McBride.

Mr Cheney said recent legislation passed by Congress allowed the White House to continue its aggressive interrogation programme.

But his remarks appear to stand at odds with the views of three key Republican senators who helped draft the recently passed Military Commission Act, and who argue that water boarding is not permitted according to that law.

"[It's] a direct affront to the primary authors of the Military Commission Act in the Senate – John McCain, Lindsey Graham and John Warner – all of whom have publicly stated that the legislation signed by the president last week makes water boarding a war crime," said Jennifer Daskal, advocacy director at Human Rights Watch. "This is Cheney ignoring the consensus of his own Pentagon," she said, referring to comments by senior officials that harsh interrogation techniques do not produce reliable intelligence.

John Bellinger, the State Department legal adviser, last week declined to answer specific questions on water boarding, saying Congress would have to determine whether specific interrogation techniques were permissible under the Geneva -conventions.

The Bush administration was forced to work with Congress to pass the Military Commissions Act after the Supreme Court ruled that al-Qaeda suspects were entitled to some protections under the Geneva convention. "Any procedures going forward would have to comply with the standards of Common Article 3 [of the Geneva conventions], including the prohibition on cruel, inhuman and degrading treatment . . . ," Mr Bellinger said. "Congress would have to agree that they are permitted under the law."

Asked in the radio interview whether he would agree that the debate over terrorist interrogations and water boarding was "a little silly", Mr Cheney responded: "I do agree".

"I think the terrorist threat, for example, with respect to our ability to interrogate high-value detainees like Khaled Sheikh Mohammed, that's been a very important tool that we've had to be able to secure the nation," he said.

Cheney's Remarks Fuel Torture Debate (WP)

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By Dan Eggen

The Washington Post, October 27, 2006

Vice President Cheney said this week that dunking terrorism suspects in water during questioning was a "no-brainer," prompting complaints from human rights advocates that he was endorsing the use of a controversial technique known as waterboarding on prisoners held by the United States.

In an interview Tuesday with Scott Hennen, a conservative radio show host from Fargo, N.D., Cheney agreed with Hennen's assertion that "a dunk in water" may yield valuable intelligence from terrorism suspects. He also referred to information gleaned from Khalid Sheik Mohammed, the captured architect of the Sept. 11, 2001, attacks, but stopped short of explicitly saying what techniques were used.

"Would you agree a dunk in water is a no-brainer if it can save lives?" Hennen asked.

"Well, it's a no-brainer for me," Cheney said, "but for a while there, I was criticized as being the vice president for torture. We don't torture. That's not what we're involved in."

The comments underscore continuing uncertainty over precisely which techniques can be used legally during CIA interrogations of terrorism suspects. Sen. John McCain (R-Ariz.) and other lawmakers have said recent legislation that established ground rules for interrogations should effectively bar waterboarding and other methods that are viewed as violations of the Geneva Conventions and U.S. criminal law.

Bush administration officials have repeatedly declined to say which techniques they believe are permitted under the new law and have steadfastly declined to discuss methods used in the past.

Numerous sources have said that the CIA subjected Mohammed and other "high-value" terrorism suspects to waterboarding, a technique that gives the prisoner the sensation of drowning.

A Cheney spokeswoman said yesterday that he was not confirming the use of any specific interrogation techniques.

"He was talking about the interrogation program without torture," spokeswoman Lee Anne McBride said. "The vice president does not discuss any techniques or methods that may or may not have been used in questioning."

Congress passed legislation last month putting limits on interrogation techniques that can be used on prisoners declared to be "unlawful enemy combatants." Lawmakers largely left it to the executive branch to decide whether many techniques would be legal.

The U.S. Army revised its field manual last month to ban waterboarding and other techniques as "cruel, inhuman and degrading treatment" outlawed by the Geneva accords. Military officials said experience had shown that abusive techniques do not work in yielding reliable intelligence from prisoners.

John Sifton, a senior researcher on terrorism and counterterrorism at Human Rights Watch, said Cheney's comments seem to both endorse waterboarding and suggest its use on Mohammed and other prisoners.

"I think the context is clear that he's agreeing that what the interviewer suggested -- dunking people in water to interrogate them -- is a no-brainer," Sifton said. "Basically, what the vice president did is inject ambiguity into a situation in which Congress and the military thinks there is no ambiguity."

Neal Sonnett, chairman of an American Bar Association task force on enemy combatants, said Cheney's comments were "a little equivocal" on details but clear in their overall meaning.

"It may be too much to characterize it as a direct admission," Sonnett said. "But he is certainly suggesting that he doesn't see anything wrong with waterboarding."

In waterboarding -- one of a number of drowning-simulation techniques that date to the Spanish Inquisition -- a prisoner is generally strapped down with his feet higher than his head. Water is then poured on his face while his nose and mouth are covered by a cloth. The technique produces an intense sensation of being close to suffocation and drowning, according to interrogation experts and human rights advocates.

The Khmer Rouge and other outlaw regimes have employed the method, and it has been condemned by many human rights and military lawyers as a clear example of illegal torture.

In 1947, the United States prosecuted a Japanese soldier for war crimes and sentenced him to 15 years hard labor for using the technique on a U.S. prisoner.

Israeli Agent Tells How Suspect Admitted Meeting Terrorists (AP)

AP, October 27, 2006

October 26, 2006 (CHICAGO) - An Israeli security agent told a courtroom cleared of spectators Thursday how a suburban Chicago grocer admitted under days of questioning that he had met secretly with Palestinian terrorist leaders.

"Did you think that he had information that could lead to an imminent threat to human life?" Assistant U.S. Attorney Reid J. Schar asked. "Yes," said the agent who testified under the one-name alias Nadav rather than his real name out of concern for

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possible reprisals. The testimony came at the racketeering trial of Muhammad Salah, 53, of suburban Bridgeview and former university professor Abdelhaleem Ashqar, 48, of Alexandria, Va. They are accused of bankrolling Hamas terrorists and have pleaded not guilty to the indictment. Prosecutors say they were part of a U.S.-based cell that furnished money and fresh recruits to the group that wants to overthrow the State of Israel and replace it with a Palestinian government.

Nadav was granted permission not only to testify under an alias but to appear on the stand in disguise. Reporters were able to see the prosecutor and listen to the testimony, through a translator, on television in a separate courtroom where the audio was sometimes less than sharp.

Before even entering the separate courtroom, five floors from where the trial was taking place, reporters were required to pass through a metal detector. Comet, an explosives-sniffing Labrador retriever who is a familiar face at the courthouse, shuttled between the two rooms.

Salah was arrested in January 1993 as he tried to enter Israel from the Gaza Strip and served four and a half years in prison after making a series of admissions about his ties to the Hamas terrorist organization.

The same admissions obtained by Nadav and other interrogators are now being used as evidence by federal prosecutors at the racketeering trial.

Salah says that the admissions were tortured out of him.

By contrast Nadav testified he built a close rapport with Salah and that the two men ate salad and drank tea together between questionings.

Salah's attorneys maintain that Israel's Shin Bet security service, of which Nadav is a member, used a so-called good-cop, bad-cop technique in which one interrogator is very tough while the other professes friendship.

They say Nadav was the so-called good cop.

Nadav testified that Salah readily admitted meeting with Adil Awadallah, allegedly the Hamas military leader in the Ramallah area.

"Did the defendant Salah tell you about a second meeting with Adil Awadallah?" Schar asked. Nadav said that he did.

"Did he tell you about providing any money to Awadallah?" Schar asked.

"Yes," Nadav said. He said Salah told him he agreed to provide the alleged Hamas commander with $60,000 and "this is what actually happened."

Nadav said Salah also told of meeting with other terrorist leaders.

Salah defense attorney Erica Thompson objected, saying the message to the jury was that Salah knew high-level terrorists. Salah maintains he was actually delivering money to Palestinian charities.

"This is insidious," Thompson said. Judge Amy J. St. Eve told the jury the testimony was not being offered as proof that the individuals named were actually terrorists but only to show what Nadav believed.

After his arrest, Israeli security men searched Salah's East Jerusalem hotel room and found $100,000 in cash.

Nadav testified that at the end of January, he made a deal with Salah who agreed to provide a map to the whereabouts of the remains of an Israeli soldier who had been kidnapped and murdered by Hamas terrorists.

But he said that Salah's wife told him in a telephone conversation that the map had been destroyed. Salah drew a version of the map from memory and an all-night search followed but the remains were not found.

Nadav testified that the Israelis agreed in return for help in finding the body to return the $100,000 and free a number of female prisoners.

Ga. Terror Case Files To Stay Open (AJC)

By Bill Torpy, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, October 27, 2006

A federal magistrate Thursday denied prosecutors' attempts to seal court documents containing unclassified material in the case of two Atlanta area men held on terrorism-related charges.

Magistrate Judge Gerrilyn G. Brill ruled that prosecutors' requests were too broad and "would seal (at least initially) virtually all filings" and impose a "significant administrative burden on the court."

Prosecutors in the case of Syed Haris Ahmed and Ehsanul Islam Sadequee, who are charged with providing material support to terrorists, had argued that unclassified but "sensitive" information handed over to defense attorneys could not be used in further court pleadings unless first put under seal. The judge then would have had to determine what could be released to the public and what could not.

Prosecutors said such "sensitive" information might disclose ongoing investigations, implicate people who are not charged with crimes and shine light on foreign governments' operations.

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Brill wrote that, if the government wants unclassified information to remain under seal, it must "narrowly tailor" its arguments for doing so — not seek a blanket order.

Classified information that is turned over to the defense will be kept in a secure room where lawyers can go to view it. If defense attorneys want to quote any classified information in their motions, they must turn the documents over to a court security officer, who's charged with producing filtered versions for the public file.

The case highlights the difficulty of trying suspects in terrorism-related cases using foreign intelligence and other sensitive and classified information.

Tom Clyde, attorney for The Atlanta Journal-Constitution, the Associated Press and WSB-TV, said that the prosecution's arguments for enhanced secrecy was a "reversal of the presumption of openness" and "is plainly unworkable."

"The order reflects that fact that our court system is founded on a principle of openness," Clyde said Thursday. "Even in a terrorism case, the government does not get a free pass to litigate the case in secret. If the government wants to have records sealed, it is going to have to demonstrate why that is necessary."

Sadequee, 20, of Roswell, and Ahmed, 21, a former Georgia Tech student, are accused of traveling to Canada in March 2005 and meeting with others to discuss "violent jihad." The two men allegedly took "casing videos" of potential targets in Washington in April 2005 and discussed an attack on Dobbins Air Reserve Base in Marietta.

Suspected Terrorists To Face Hearings (FINDLAW/AP)

By Lolita C. Baldor, Associated Press Writer

AP, October 27, 2006

(AP) - GUANTANAMO BAY NAVAL BASE, Cuba-Fourteen high-profile suspected terrorists recently transferred to the Guantanamo detention center are expected to face hearings soon, military officials said Wednesday.

Brig. Gen. Ed Leacock, deputy commander of detention operations at Guantanamo Bay, said officials are gathering evidence for the hearings now. Officials have also identified individuals who could work with the men as their representatives during the hearings, but no appointments have been made yet.

It was not clear Wednesday whether any of the 14 men have been questioned by the military interrogators. The hearings - officially called Combatant Status Review Tribunals - for the 14 men would determine whether or not they are enemy combatants, and therefore subject to a military trial.

The 14 men include Khalid Sheikh Mohammed, who allegedly planned the Sept. 11 attacks on the United States, as well as the alleged architect of the 2000 bombing of the USS Cole and the alleged plotter of the 1998 U.S. Embassy bombings in Kenya and Tanzania.

They had been held in CIA custody at secret locations, and were transferred several weeks ago to the Guantanamo Bay detention center in southeastern Cuba.

Military leaders, who took a few reporters on a tour of the detention center Wednesday, said the 14 high-profile detainees have not created any problems for the guards. And they said other detainees know the men are there, but have had little reaction to that.

The defense officials, including Cully Stimson, the deputy assistant secretary of defense for detainee affairs, also would not say where the men are being held at the facility - which includes five separate camps and a sixth one to be completed in a few months, a maximum security building. Some portions of the camps are not being used because of ongoing repairs and upgrades, including fixing damage done during an uprising by some 20 detainees earlier this year.

Stimson also said he expects military tribunals for some of the other detainees could begin as early as next spring. Officials have drafted new rules and procedures for the military trial that were authorized by a law signed last week by President Bush.

The Supreme Court ruled in June that trying detainees in military tribunals violated U.S. and international law, so Bush urged Congress to change the law. Six weeks later, after a highly publicized dispute with key Republicans over the terms of the bill, Bush signed the new law.

Leacock said engineers and planners have been at the facility this week and would be making recommendations for a courthouse complex for the military commissions when they begin next year.

The plans would include housing and media facilities, as well as added security.

Two options would be presented to Pentagon leaders that could include anywhere from a few to 10 new courtrooms. Stimson said there was "very little difference between the two" options.

Members of Congress would also weigh in on the decision because appropriators would have to find funding for the construction. Staff from the appropriations committees are planning to visit the facility soon. Defense officials had no cost estimates.

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Construction will take longer than other similar projects because all the materials will have to be delivered by barge to Guantanamo Bay, said Leacock.

Previously 10 detainees had been charged with war crimes, and it is expected that they would be charged again under the new law. Officials expect to charge another 60 to 80 detainees, and bring them to trial.

The Guantanamo tour came just one week after the military began a new investigation into alleged prisoner abuse at the detention facility. Army Col. Richard Basset is looking into allegations, made by a Marine sergeant, that guards she met bragged about hitting detainees and denying them water.

There are currently 435 detainees at the prison, most considered enemy combatants. About 120 have been approved for transfer to either their home countries or another nation that was willing to accept them.

On the Net:

Defense Department: http://www.defenselink.mil

U.S. Seeks To Limit Detainees' Contact (FINDLAW/AP)

By Michael Melia, Associated Press Writer

AP, October 27, 2006

(AP) - SAN JUAN, Puerto Rico-The U.S. government has proposed limiting contact between defense lawyers and detainees at Guantanamo Bay, according to court documents.

The government argues that it must restrict the detainees' communications, as news of world events could incite the prisoners to violence.

The U.S. proposed the rules in a filing to a federal appeals court in Washington that was examined by The Associated Press. The case deals with an Afghani detainee but the government wants them to apply to other prisoners at Guantanamo Bay Naval Base in southeast Cuba. The prison camp holds some 430 detainees.

The rules, which would apply to detainees pursuing court challenges to their designations as "enemy combatants," would tighten censorship of mail from attorneys and give the military more control over what lawyers can discuss with their clients, according to the filing.

The number of face-to-face meetings between defense attorneys and detainees would be limited to four total. There are now no restrictions on the number of times they can meet, although lawyers' access to the base is already hampered because it is so remote.

The government says current rules have allowed detainees to receive books or articles about terrorist attacks in Iraq, London and Israel, as well as details of the prisoner abuse investigation at Iraq's Abu Ghraib prison.

In the court filing, which was first reported Wednesday by The Boston Globe, a military lawyer said security at Guantanamo Bay has been threatened by the introduction of a book on Abu Ghraib, a speech given at an Amnesty International conference about the war on terror, and other materials.

"Such materials could incite detainees to violence, leading to a destabilization of the camp," wrote Navy Cmdr. Patrick M. McCarthy.

The government petition was filed in August in the case of Haji Bismullah, an Afghanistan native who is among several Guantanamo detainees represented by the New York-based Center for Constitutional Rights.

Currently, mail from lawyers is examined only for physical contraband. The proposed rules call for all of a detainee's mail to be examined for forbidden information.

Wells Dixon, an attorney at the Center for Constitutional Rights, said he suspects the proposal is aimed at controlling the information coming out of Guantanamo. Accounts from defense lawyers who have visited Guantanamo have cast doubt on government assertions that most detainees are hardened terrorists, Dixon said.

"What's happening is the government wants to hide this indisputable fact," he said "They're not happy we've been able to bring a lot of these developments to light."

In 2004, the Supreme Court said detainees can contest the legality of their detentions. A law signed by President Bush on Oct. 17 bars detainees from protesting their detentions in court, but they still have a right to challenge their designations as "enemy combatants." The new rules would restrict legal representation for those challenges.

The Paradox Behind The Paralysis On Security (WP)

By David Ignatius

The Washington Post, October 27, 2006

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A theory that explains the chaotic world of 2006 -- one where people from Baghdad to Beijing seem unable to cooperate on projects that would make them better off -- was written more than 40 years ago by an obscure American economist named Mancur Olson Jr. His short 1965 book, "The Logic of Collective Action," explained why big groups, including nation-states, cannot agree on actions that are in their common interest.

You can see this perverse "logic" at work in nearly all the conflicts that vex the planet today. The divisive political dynamic that blocks collective solutions -- what Olson described as the "surprising tendency for the exploitation of the great by the small" -- is apparent even in the United States. But I'm going to stick to foreign examples.

Start with Iraq, the conflict that is grinding up U.S. soldiers and Iraqi civilians in horrifying numbers. Iraqis know they would all be better off if they could agree on a national compact that would subordinate sectarian differences to the larger national interests of stability and prosperity. Their leaders keep pledging support for this goal, but it doesn't happen.

Why? Olson, who taught at the University of Maryland until he died in 1998, explained the underlying problem this way: "Unless the number of individuals in a group is quite small, or unless there is coercion or some other special device to make individuals act in their common interest, rational, self-interested individuals will not act to achieve their common or group interests."

The problem, he said, is that although everyone would benefit from the collective good of, say, greater security, it's irrational for any individual to make voluntary sacrifices to achieve it.

I put a version of this dilemma to L. Paul Bremer in Baghdad in January 2004, when he was head of the Coalition Provisional Authority. In an interview in the Green Zone, I said that although people were describing him as an imperial proconsul, his situation seemed closer to that of a bankruptcy trustee: If one of his three big creditors -- the Shiites, the Sunnis and the Kurds -- decided to push for unilateral advantage and "call their loans," they would drive the enterprise into ruin. But if Bremer could coax the parties toward an agreement, everyone would emerge better off.

Bremer's initial response to the bankruptcy analogy was unforgettable: "Is that Chapter 7, or Chapter 11?" he asked. He went on to say that, like a bankruptcy trustee, he had to believe that the parties around the table were rational.

But individual rationality often pushes us toward solutions that are collectively ruinous. That was Olson's point. He was writing at a time when most social scientists embraced upbeat theories about the inherent cohesiveness of politics. He showed why this optimism was misplaced. It was, in fact, irrational for any individual to pay taxes voluntarily to support an army; better to let your neighbor pay, and get the benefit for free. Groups that acted voluntarily for the common interest were "composed of either altruistic individuals or irrational individuals," he wrote.

Iran illustrates the Olson problem. Every Iranian I encountered on a recent trip there expressed a belief that this is Iran's moment to emerge as a leading political and economic force in the Middle East. But to get this collective benefit every Iranian wants, the country's leaders will have to limit a nuclear program that some Iranians want. Olson would tell us that, absent compulsion, it isn't going to happen: Powerful pressure groups will prevent the collective good.

An Olson problem also afflicts North Korea's neighbors as they deal with its nuclear weapons program. China, Russia, Japan, South Korea and the United States would all be better off if they had stopped Kim Jong Il before he detonated a bomb. But it's like fixing potholes. It was easier to wait for someone else to do it -- for Washington to wait for Beijing and vice versa. And, of course, the job never got done.

Olson's escape from this conundrum was his recognition that it's necessary to compel the collective behavior that is in everyone's interest. Workers must be compelled to join a union; otherwise, they'll freeload. Citizens must be required by law to pay taxes; otherwise, they won't do it. Sectarian groups must be forced to obey the national government; otherwise they will create anarchy. And individual nations must be compelled to obey rules limiting the spread of nuclear technology and other threats to common security. Otherwise, we will have unending wars.

In the international arena, the appropriate instrument of compulsion is not, as the Bush administration has believed, the United States. It is the United Nations. Making the United Nations effective enough that it can compel the common good is the right answer to Olson's paradox.

HOMELAND RESPONSE:

FBI Chief Says Politics Ignored In Rise Of Corruption Probes (AP)

By Ron Jenkins, Associated Press Writer

AP, October 27, 2006

OKLAHOMA CITY - The FBI has stepped up public corruption investigations since the Sept. 11, 2001 terrorists attacks and is pursuing current probes with no thought of the upcoming elections, FBI Director Robert Mueller said Thursday.

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Story continues below advertisement

Mueller, in Oklahoma City for a rare visit, his second since becoming director five years ago, said when the FBI prioritized its national security mission after 9-11, it also made public corruption its No. 1 priority in criminal investigations.

The result has been a surge in public corruption convictions. "In the last two years, we have had upward of 1,070 convictions of public officials who have abused the (public) trust."

"Having made that a priority, each of the divisions has looked for areas in which there has been or appear to be public corruption and addressed it with investigations followed up with successful prosecutions."

The FBI also has established a separate Web site for the public to report suspected corruption.

Mueller declined to address questions on specific investigations, such as the congressional page scandal that led to Rep. Mark Foley, R-Fla., entering alcohol treatment after disclosure he had made sexually implicit text messages to teenage male pages.

He would not speculate on how long the page scandal probe would last.

But he said politics "does not influence" the course of FBI corruption investigations.

"We continue our investigations, regardless of the politics of the time. Investigations have gone on as if there were no elections coming up."

Oklahoma interest in the page scandal has been peaked by the disclosure that Jordan Edmund, former deputy campaign manager for GOP gubernatorial candidate Ernest Istook, may have received suggestive text messages from Foley.

Edmund was interviewed for 2 1/2 hours by FBI agents in Oklahoma City earlier this month.

Mueller said the FBI is increasing its presence abroad in order to fulfill its primary mission of protecting American citizens at home.

"Increasingly, we find that which adversely impacts us in the United States is being initiated overseas and for us to be successful, we have to be a worldwide organization," he said.

He referred specifically to two "computer worms" that caused havoc in the United States _ one caused by a teenager in Morocco and one by an individual in Turkey.

"I see us as a bridge between that which is happening within the United States and that which is occurring overseas that may adversely affect us here," he said.

Asked about the agencies interrogation methods, he said: "What I will tell you is the FBI adheres to its protocol for interrogations, which over a period of time has been in place and does not allow coercion. That has been our protocol and we adhere to that protocol."

Oklahoma City was the site of the country's worse domestic terrorist act in 1995 when a federal building was blown up. The explosion killed 168 people and injured hundreds. Timothy McVeigh was executed for his role in the bombing plot and Terry Nichols, a former Army buddy of McVeigh's, was given a life sentence.

When asked about former Attorney General John Ashcroft's criticism of prosecutors in the bombing case in his book, Mueller said it was wrong for authors of books on the attack to say federal authorities botched the case.

"While there may have been some glitches in the prosecution, in terms of the documents, nonetheless, all documents that conceivably could have been exculpatory were turned over to the defense counsel and the case has taken its course and McVeigh has been executed.

"And so it's been a successful investigation and successful prosecution and an exceptionally unfortunate and horrible terrorist attack."

He said the various conspiracy theories that keep popping up are "a fact of life."

"You have those conspiracies that will be out there, regardless of the weight of the evidence as it has been shown in public trials."

Rep. Dana Rohrabacher, R-Calif., has announced that he will begin hearings about Nov. 15 with a focus on "possible foreign connections" to the Oklahoma City bombing.

No Extra Prison Time For Terror Hoax (CHIT)

By Jeff Coen, Tribune Staff Reporter

Chicago Tribune, October 27, 2006

A federal judge today handed down a 41-month sentence for a man who pleaded guilty to falsely telling the FBI about a terror plot against a company's Chicago headquarters.

Gilbert Romero, 31, was sentenced by U.S. District Judge Elaine Bucklo for the hoax.

Bucklo said she wanted to send a message that the incident was serious, even though Romero is expected to serve the sentence concurrently with a 12-year state prison sentence on prior burglary convictions.

Romero, whose last known address was in Northlake, did not make a statement in court.

Assistant U.S. Atty. Edward Siskel said false statements like the ones in the Romero case are disruptive to the FBI, which has limited resources to use in terror investigations.

"(The hoax) was taken extremely seriously by the FBI," Siskel said, adding that agents spent a month running down leads.

Siskel said Romero's apparent motivation was to be transferred from a county jail to federal custody.

Romero's lawyer, Thomas Brandstrader, said Romero had "a bad idea, and the execution was even worse."

The defendant pleaded guilty June 30 to "conveying false information about the use of a weapon of mass destruction against property in the United States" and making false statements to federal agents.

Romero had a string of prior burglary convictions and has been in and out of state custody since the early 1990s, according to state records.

In June 2005, Romero told the FBI that a terrorist attack was to be carried out against the Chicago headquarters of a U.S. company. The claim came after Romero was detained in Lake County on state charges, according to his plea agreement.

He said the attack was to be carried out by an individual who was recruiting other terrorists for a strike on U.S. soil, the indictment against him stated. Prosecutors did not reveal the individual's identity or the name of the company.

According to the indictment, Romero falsely told federal agents he and three others would team with the supposed terrorist.

The phony terrorism team purported it would fund the plot either through the anticipated awards of a medical malpractice suit or by taking hostages—specifically owners of currency exchanges and jewelry stores—and holding them for ransom, the indictment alleges.

The hoax that Romero allegedly sketched out involved enormous violence. In addition to destroying the company with a fertilizer-and-fuel bomb, Romero told agents the terrorists would gun down any police officers who intervened, the indictment alleges.

Romero said the guns, AK-47s and Mac-10 machine pistols, would come from Romero's street gang, according to the charges.

Prison Sentence For Man Who Lied To FBI About Chicago Terror Plot (AP)

AP, October 27, 2006

CHICAGO - A federal judge gave a 41-month sentence Thursday to a 31-year-old man who pleaded guilty in July to telling the FBI about a fictitious terror plot to bomb a company's Chicago headquarters.

U.S. District Court Judge Elaine Bucklo said she wanted to send a message that the incident was serious, even though Gilbert Romero is expected to serve the sentence concurrently with a 12-year state prison sentence for prior burglary convictions.

Romero, of suburban Northlake, was charged with making false statements and reporting a hoax terrorism threat.

Authorities said Romero was an inmate at the Cook County Jail in June 2005 when he allegedly told officials he had information about an upcoming attack.

FBI agents interviewed Romero, who had been jailed for a parole violation, authorities said. He had been paroled from state prison in February after being convicted for burglary, according to state records.

Assistant State's Attorney Edward Siskel said Romero's apparent motive was to be transferred from a county jail to federal custody.

Romero's lawyer, Thomas Brandstrader, told the Chicago Tribune that Romero had "a bad idea, and the execution was even worse."

Romero told the agents the attack would be carried out by an individual who was recruiting others for a supposed strike on a U.S. target with a fertilizer and fuel bomb, according to the indictment. He also allegedly told agents the terrorists would kill any police officers who intervened. The indictment did not give further details of the fictional plot.

Siskel said false statements like the ones in the Romero case are disruptive to the FBI, which has limited resources to use in terror investigations.

Liquid Ban Causes Airline Earnings To Spring A Leak (USAT)

By Marilyn Adams

USA Today, October 27, 2006

The government's abrupt ban on liquids in plane cabins last summer slammed third-quarter earnings of U.S. airlines as potential customers changed travel plans rather than deal with the tighter rules.

US Airways and AirTran Airways on Thursday became the latest of several large carriers to blame the terrorism-related ban for major hits to results for the quarter ended Sept. 30.

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Tempe, Ariz.-based US Airways said the restriction cost it between $30 million and $40 million in lost ticket sales, and Orlando-based AirTran put its lost revenue as high as $12 million. Last week, No. 1 American Airlines cited a $50 million hit to its revenue, and discount leader Southwest put the number at $40 million.

The ban added to airlines' costs in various ways, including worker overtime. But the airlines have only quantified lost revenue.

"We saw a cessation of bookings over that first weekend," AirTran CEO Joe Leonard said. "We have returned to normal booking levels, but we never made up that loss."

On Aug. 10, hours after British authorities arrested suspected would-be plane bombers in London, officials in the USA and Britain prohibited passengers from carrying almost any liquids or gels onto airplanes. The terrorists had been plotting to bring liquid explosives onto planes to blow up trans-Atlantic flights, authorities said.

Airport security lines mushroomed because of stricter searches and passenger confusion. Many passengers missed flights. The amount of checked baggage soared because passengers could not pack liquids in carry-ons. Airlines were forced to pay workers overtime to try to keep up with the increase.

The TSA has since relaxed the rules so passengers can bring aboard containers of liquids 3 ounces or less that are carried inside a clear plastic bag. But even as recently as Sept. 30, checked luggage at US Airways was still running 20% higher than before the ban, US Airways spokeswoman Andrea Rader said. AirTran's checked luggage is still running 9% higher than normal.

AirTran reported a third-quarter loss of $4.3 million, or 5 cents per share, vs. a profit of $1 million a year earlier. US Airways posted a $78 million net loss, or 88 cents per share, vs. a $99 million loss a year earlier. Excluding special items, US Airways earned $101 million.

Terrorizing Congress (WSJ)

The Wall Street Journal, October 27, 2006

The U.S. hasn't been hit by a terror attack in five years, but that hasn't stopped the insurance industry from hitting up Congress again and again for more terror insurance subsidies. Keep this in mind the next time someone claims a new federal program will be "temporary."

Congress passed the Terrorism Risk Insurance Act (TRIA) ostensibly to assist the insurance industry through a "transitional period." In return for insurers offering terrorism coverage to their commercial policyholders, the feds agreed to cover the bulk of any losses from future terror attacks. The problem is that this federal backstop is no longer needed, if it ever was. It's true some insurers exited the market after 9/11, but others were still able to raise capital after the attacks. And by the time Congress passed TRIA in November 2002, premium rates were falling.

If anyone needs further evidence that TRIA deserves a proper burial, we recommend a recent U.S. Treasury report on the terrorism risk insurance market. According to the report, the percentage of companies buying terrorism coverage has climbed to 58% in 2005 from 27% in 2003, even as the cost of coverage has fallen to "roughly 3 to 5 percent of total property insurance coverage."

The report adds that the "financial health and capacity of insurers" has also bounced back, disasters like Katrina notwithstanding. Since 9/11, "policyholder surpluses in the property and casualty industry have risen, as the industry has remained profitable (even with the 2005 hurricane season losses) and has benefited from increased rates of return on investments." In short, this industry is doing just fine without any taxpayer guarantees.

Already renewed once, TRIA expires at the end of 2007, and the program's backers in the insurance, real-estate and financial services industries are out in force arguing that it be made permanent. Hank Greenberg, the former AIG chief, calls TRIA "essential." And Aaron Davis of Aon Corp. claims that "the private market for terrorism risk insurance cannot operate without some form of public-private partnership."

But that gets it exactly backward. As the Treasury report explains, TRIA "appears to negatively affect the emergence of private sector reinsurance capacity because it dilutes demand for private sector reinsurance." We'll never know what the private sector reinsurance market is capable of so long as Uncle Sam is providing the service for free. TRIA also creates a moral hazard. By shifting coverage costs from property owners to taxpayers, the program potentially creates higher overall costs by reducing incentives for property owners to invest in risk mitigation efforts.

So far the White House has been steadfast in insisting that TRIA eventually be allowed to sunset. And in a letter submitted with the new report to Senator Richard Shelby, whose Banking Committee would lead any reauthorization of the law, Treasury Secretary Hank Paulson reiterated that "TRIA was not intended to be permanent, but rather was intended to help stabilize the insurance industry. It has been successful in that regard."

It certainly has. But that doesn't mean the Bush Administration isn't in for a fight next year with Washington's formidable insurance lobby. Government programs -- even hastily conceived ones like TRIA -- just keep going, and going, and going . . .

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WAR NEWS:

Don't Mistake Iraq Timelines For Deadlines, Rumsfeld Says (USAT/AP)

USA Today, October 27, 2006

WASHINGTON — Defense Secretary Donald Rumsfeld said Thursday that critics should "just back off" on demands for deadlines for progress in Iraq and that it is difficult to predict when Iraqis will assume control of their country.

At a Pentagon news conference, Rumsfeld said U.S. and Iraqi officials have been discussing benchmarks for Iraq's security, politics and economy. Such benchmarks are valuable, he said, because "you are in effect establishing priorities."

However, he said the timelines have no specific deadlines, nor do they spell out consequences if the goals are not met.

"You're looking for some sort of a guillotine to come falling down if some date isn't met. That is not what this is about," Rumsfeld said.

"They've been discussing the way forward through the rest of this year and next year," Rumsfeld said of discussions between U.S. and Iraqi officials. "As they do that, they then discuss, 'Well, when might something happen?' And it isn't a date. And it isn't a penalty if it doesn't" happen.

"You ought to just back off, take a look at it, relax, understand that it's complicated, it's difficult," Rumsfeld said regarding talk of deadlines. "Honorable people are working on these things together."

U.S. Ambassador Zalmay Khalilzad said in Baghdad on Tuesday that Iraqi leaders had agreed to have a plan by the end of the year laying out the times by which they want certain things accomplished.

On Wednesday, however, Iraqi Prime Minster Nouri al-Maliki said his government had not agreed to anything.

Later Wednesday, President Bush said al-Maliki was correct in saying mandates could not be imposed on Iraq. He added, "We'll push him, but we're not going to push him to the point where he can't achieve the objective."

Rumsfeld Tells Iraq Critics To 'Back Off' (WP)

By Jonathan Weisman And Ann Scott Tyson, Washington Post Staff Writers

The Washington Post, October 27, 2006

With his chorus of critics expanding deeper into Republican ranks, Defense Secretary Donald H. Rumsfeld told detractors yesterday to pull back as U.S. and Iraqi officials grapple with the uncertainties of laying out Iraq's course.

"You ought to just back off, take a look at it, relax, understand that it's complicated, it's difficult," Rumsfeld said, appearing unusually combative as he sparred with reporters at the Pentagon. "Honorable people are working on these things together," he said, adding emphatically that "no daylight" exists between the U.S. and Iraqi sides.

But with just 12 days before the Nov. 7 elections, bipartisan criticism of the war appears to be gaining momentum, despite Rumsfeld's pugnacious defense of the Bush administration's Iraq strategy. The office of Senate Minority Leader Harry M. Reid (D-Nev.) mocked Rumsfeld's admonition on a day when October's death toll of U.S. troops in Iraq reached 96, the highest monthly total in a year.

More troubling for President Bush, the cracks in the Republican Party's support for the war are widening. In recent days, Rep. Anne M. Northup (Ky.) and Sen. Mike DeWine (Ohio) have called for Rumsfeld's resignation, and Rep. John E. Sweeney (N.Y.) and Tennessee's Republican Senate candidate, Bob Corker, have declared that "stay the course" is not a viable strategy. Sen. Kay Bailey Hutchison (Tex.) has said she would not have authorized the invasion if she knew then what she knows now; and Rep. Curt Weldon (Pa.) has demanded that generals -- not the White House -- draft a plan for withdrawal.

Bush declared Wednesday that the United States is winning the war in Iraq, but acknowledged that he is not satisfied with the situation and vowed to press Iraqi leaders to do more to stabilize their country on their own.

"Everyone's trying to make a little mischief out of this, and . . . turn it into a political football," Rumsfeld said yesterday of the ongoing talks over goals by the Iraqi leadership, U.S. Ambassador Zalmay Khalilzad and Gen. George W. Casey Jr., the senior U.S. commander in Iraq. He denied reports that Casey sought to increase U.S. troops in the country, and he said a majority of the 310,000 Iraqi security forces are "in the lead" and "bearing the brunt of the battle" in Iraq.

Rumsfeld said setting benchmarks for the Iraqi government to assume greater control over security and the operation of public institutions does not imply strict deadlines. "You're looking for some sort of guillotine to come falling down if some date isn't met. That is not what this is about," he said.

Four months ago, House Republican leaders orchestrated an 11-hour floor debate, hoping to put Democrats on record as opposing Bush's stand to see the war through until "the mission to create a sovereign, free, secure and united Iraq" has been reached. Over the summer, a trickle of Republicans voiced concern that the war was not going the way the White House was portraying it. Now, many more Republicans are adding their voices.

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"You can have a bad week, you can have two bad weeks, but when you have two bad months, you have to reassess," Northup said this week as she called for Rumsfeld's replacement. "You cannot afford to lose the numbers we are losing now and just keep slugging away."

Sweeney told the Glen Falls, N.Y., Kiwanis Club last week: "I think that the strategy of 'staying the course' is not a strategy at all. It doesn't work."

Rumsfeld "would not be my secretary of defense if I was the president of the United States," the embattled DeWine told CNN. "He has, you know, made huge mistakes. And I think history will judge him very harshly."

"I can't defend how the president laid out the need for [going to war in Iraq]. I don't support Rumsfeld," Rep. Pat Tiberi (R-Ohio) said recently in a local newspaper.

"We can't set a hard timetable, but we can ramp up pressure on the Iraqis to take responsibility," Rep. Nancy L. Johnson (R-Conn.) told the Danbury News-Times editorial board.

Such statements about an unpopular war may seem logical from candidates locked in perhaps the most difficult political campaigns of their lives. But in recent days, the sentiments have come from Republicans breezing toward reelection or not even in a race this year.

Hutchison, a White House stalwart who is not up for reelection, broke from Republican talking points, saying: "If I knew then what I had known now, on the weapons of mass destruction, which was a key reason I voted the way I did, I would not have voted to go into Iraq."

Sen. Olympia J. Snowe (R-Maine), who is leading her Democratic opponent in the most recent poll, 73 percent to 10 percent, declared: "Staying the course is neither an option nor a plan. Congress must be willing to reassess and re-chart our future military presence in Iraq."

Republicans had once hoped to frame Iraq as a vital front in the fight against terrorism and to pound Democratic critics for being weak on national security. But with just days left to campaign, Democrats are turning the war against Republicans in dozens of closely contested races around the country.

The calls for Rumsfeld's resignation and the criticism of the conduct of the war by Northup, DeWine and others are "a reflection of just how difficult it has been for Republican candidates to separate themselves from the president and the war," said Amy Walter, a House analyst with the nonpartisan Cook Political Report.

"With 12 days left, they've attacked the Democrats. It didn't work. They've talked about their greatest strengths: taxes, terrorism and immigration. It didn't work. Now they're saying, 'Well, we'll try this.' "

"They have to respond to their constituents," said Frank Luntz, a Republican pollster and campaign strategist.

"In the end, voters need to know they understand the public's frustration and concern," he said. "Does it undermine the support for the war? Yes. But does it help these Republican campaigns? Also yes."

Rumsfeld Says Iraq Goals Not Deadlines (WT)

By Rowan Scarborough

The Washington Times, October 27, 2006

Defense Secretary Donald H. Rumsfeld waded yesterday into the debate over benchmarks for political progress in Iraq, saying the goals laid out this week in Baghdad by U.S. officials are not firm deadlines as asserted by the Iraqi prime minister.

In a combative press conference at the Pentagon during which he urged reporters to "back off," he noted the intense atmosphere in Washington by saying, "It's a political season, and everyone's trying to make a little mischief out of this."

He said his top commander in Iraq, Army Gen. George Casey, and U.S. Ambassador Zalmay Khalilzad, have been in continuing discussions to set markers for accelerating the takeover by Iraqi security forces and reaching peace between ruling Shi'ites and minority Sunnis.

"They then discuss, 'well, when might something happen?'," Mr. Rumsfeld said. "And it isn't a date and it isn't a penalty if it doesn't. I mean, you're trying to add a degree of formality and finality and punishment to something. My goodness."

Last week, Mr. Rumsfeld said Iraq had to assume more security missions "sooner rather than later."

Mr. Rumsfeld admonished the press for what he says is an attempt to create division between the administration and Iraqi Prime Minister Nouri al-Maliki, even while the Iraqi himself has rebuked Washington.

"This is complicated stuff," Mr. Rumsfeld said. "No one can predict the future with absolute certainty. So you ought to just back off, take a look at it, relax."

President Bush on Wednesday, and Mr. Rumsfeld yesterday, took pains to explain the benchmark process announced in Baghdad in the face of strident criticism from Mr. al-Maliki.

Earlier this week, Gen. Casey announced a timeline for having Iraqi security forces take control of all 18 provinces in 18 months. They have been put in control of two. Mr. Khalilzad said he wanted a political compact in place within a year that divided

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up Iraqi oil wealth and brought militias under government control. This would include the Mahdi Army controlled by radical Shi'ite cleric Muqtada al-Sadr, a political ally of Mr. al-Maliki's

Asked how the United States will deal with Sheik al-Sadr, Mr. Rumsfeld said, "It is something that the sovereign Iraqi government is wrestling with."

When a reporter asserted that "Every time a benchmark has been laid down in terms of security forces and the like the Iraqis have been unable to meet them," Mr. Rumsfeld became testy.

"That is just false," he shot back, before listing missions they had accomplished.

Defense sources have told The Washington Times that Sheik al-Sadr lost control of a large number of militiamen, who formed autonomous death squads that hunt down Sunni civilians around Baghdad.

Mr. Rumsfeld said the press was trying to corner the administration into setting firm deadlines. "And then of course you can point with alarm and say, 'Oh my goodness, you didn't make it.' And you can have a front-page article and everyone will have a good time," he said. "And then the ones that we make earlier than we thought, we'll never see it on the front page."

Real Timetables For Iraq (NYT)

The New York Times, October 27, 2006

Funny how a few weeks before the election Bush administration officials start hinting at timetables for getting American troops out of Iraq. But spinning out implausible scenarios — like the claim that it might take only 12 to 18 more months for the Iraqis to be able to defend themselves — won't get Iraq any closer to containing the mayhem, nor this country any closer to extricating itself.

What is needed is an explicit, credible and public set of deadlines — for Iraq's leaders but also for President Bush — to confront the most difficult problems, including disarming sectarian militias, stabilizing Baghdad, protecting minority rights, and apportioning the country's oil wealth.

That's the only way Iraqis and Americans can judge whether progress is being made and whether the effort is worth the cost.

The American ambassador in Baghdad, Zalmay Khalilzad, seemed to be moving down that road this week when he announced that Iraq's leaders had agreed to a timeline for "making the hard decisions" necessary to reduce sectarian bloodletting. The Times's review of the unpublished "notional political timetable" suggests that it is a lot less demanding than advertised.

For example, it gives the Iraqi Parliament until December to outline the terms for demobilizing militias. But it sets no deadline by which Prime Minister Nuri Kamal al-Maliki — whose government is backed by two religious parties with powerful militias — must disarm the militias. The day after Mr. Khalilzad announced the existence of a timetable, Mr. Maliki held his own news conference denying that he had agreed to anything.

The Iraqis weren't the only ones backpedaling. A day after the top American general in Iraq, George Casey, acknowledged that more troops may be needed to help stabilize Baghdad, his office issued a "clarification" saying that wasn't really what he meant.

And while General Casey suggested that the Iraqis should be able to provide their own security in 12 to 18 months, President Bush let slip that he had a far different timeline in mind. When asked at a news conference whether he would renounce any claim to permanent bases in Iraq, Mr. Bush said that was something for the Iraqi government to decide. He added, "And, frankly, it's not in much of a position to be thinking about what the world is going to look like five or 10 years from now."

This week we described what we believe must be done immediately to lessen the chances of chaos in Iraq after American troops withdraw. The Iraqis need to begin national reconciliation talks and disarm the militias. The Americans need to make a credible push to secure Baghdad and elicit the help of Iraq's neighbors.

There's no time left for notional timetables. Mr. Bush said the other day that "we're making it clear to the Iraqis that America's patience is not unlimited." We hope it's clear to Mr. Bush that Americans have already lost patience with his bumbling conduct of this war, and the remaining grace period can be measured in months, not years. That's a real deadline, for concrete progress, not for more rosy notions of victory.

Maliki And The GI (WSJ)

The Wall Street Journal, October 27, 2006

One of the toughest jobs confronting Iraqi Prime Minister Nouri al-Maliki is disarming the Shiite militias. The kidnapping Monday in Baghdad of an American soldier by vigilantes claiming to be from the so-called "Mahdi Army" underscores the urgency of the problem, and Mr. Maliki's response has been inadequate at best.

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Not only has he criticized American and Iraqi operations in Sadr City aimed at freeing the captive, he also appeared to accept at face value yesterday the Sadrists' denial that they are holding an American. "We asked the Sadr movement to look for him and they swear they know nothing about him," Mr. Maliki told [a news agency] in an interview, adding that Sunni insurgents sometimes pose as Mahdi fighters.

But a well-placed source tells us it's becoming clearer that the American was in fact kidnapped by Shiite vigilantes and may have been moved from Sadr City in Baghdad to an area south of the capital. Mr. Maliki also got the details of the kidnapping wrong -- the soldier (who is of Iraqi descent) was not with his brother, as the Prime Minister told [a news agency] -- suggesting he has not been very engaged on the issue.

Mr. Maliki obviously has concerns about confronting the Sadrists, who hold about 30 seats in parliament and backed his bid for the premiership (as did the Bush Administration). But he also needs to understand that this incident could prove a turning point in his relationship with the American forces who protect his government. Those troops need to see him exerting maximum effort behind the scenes to free their comrade. A public appeal for the American soldier's release is the least Mr. Maliki could do.

On the broader issue of what to do about Mahdi Army violence in general, there's no easy answer. Moqtada al-Sadr could and should have been arrested several years ago when a warrant was issued in connection with the murder of moderate cleric Abdul Majid al-Khoei after the U.S. invasion in spring of 2003. But at this point it may be smarter to go after the worst of the Mahdi troublemakers in smaller operations, as U.S. and Iraqi forces are now doing, and hope that their nominal leader's political influence will wane.

Mr. Maliki also says he is working with Mr. Sadr on a political solution to the problem, and he deserves a chance to try. But if Sadrist forces ask him to choose between them and his obligations to a unified Iraq worthy of U.S. support -- as the Sadrists appear to have done with this kidnapping -- he should know there will be consequences for picking the wrong side.

Mr. Maliki's moves here will affect his relationship with Iraq's Sunni community as well. One key to striking a political compromise across religious communities is convincing Sunnis that Shiite death squads won't be tolerated by the government. If Sunnis see him unwilling to confront the Sadrists on behalf of the Americans to whom he indirectly owes his job, what reason do they have to believe he will act against militia violence on their behalf?

Analysis: Bad Reviews For Iraq Policy (AP-Y)

By Steven R. Hurst

AP, October 27, 2006

'Stay the course' is gone. In its place: 'constant readjustment' of tactics, a timeline to crush Shiite death squads and inducements like unconditional amnesty for Sunni insurgents.

Polls of Iraqis show them eager for American troops to leave. U.S. public opinion surveys find that only about 34 percent of voters support the war effort.

With such broad disaffection and midterm elections coming Nov. 7, the Bush administration has spent the past few weeks in an intense search for a new face to put on the conflict, in which more than 2,800 U.S. troops now have died.

While American voters will make their judgement of the administration effort in less than two weeks, the newly burnished policy already is getting bad reviews in Baghdad. Iraqi Prime Minister Nouri al-Maliki took issue only a day after it was unveiled, implying portions of it were a challenge the sovereingty of his five-month-old government.

First, he rejected U.S. talk of an ill-defined timeline to curb violence.

"I affirm that this government represents the will of the people and no one has the right to impose a timetable on it."

Then he said the plan was prompted by American electoral politics:

"I am sure that this is not the official policy of the U.S. government, but it is a results of the election race going on and we are not much concerned with it."

It was not known if al-Maliki raised the objections out of conviction or to mollify his Shiite Muslim political base — or both. Maliki's political position is a delicate balance, one that sometimes frustrates his U.S. backers.

At a Wednesday news conference, President Bush said Iraq's government "must respect the fact that we've got patience, but not unlimited patience."

Even before that veiled warning, al-Maliki felt compelled earlier this month to ask Bush if he were in danger of losing American backing. Bush reported that he reassured the Iraqi leader that he had no plans to pull troops out of Iraq and told him to ignore rumors the United States intended to enforce a deadline for Baghdad to rein in sectarian violence.

But al-Maliki's concern was not unfounded, given remarks by Secretary of State Condoleezza Rice at the start of her Iraq tour at the start of the month.

"The security situation is not one that can be tolerated and it is not one that is being helped by political inaction," Rice said.

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Officials close to Al-Maliki, speaking on condition of anonymity because of the sensitivity of the issue, said he had been told by the Americans that he had until the end of the year to make significant progress in ridding the streets of sectarian death squads or face the quiet withdrawal of U.S. backing.

If true, it would be a tough move for the United States given its stated objective of leaving behind a democratic Iraq. If only rumor, it still reflected the precariousness of the U.S.-Iraqi relationship.

The administration appears to be losing patience in the 44th month of the war partly because of the big jump in U.S. deaths. As of Thursday, 96 service members had been killed in combat this month, the highest toll since October 2005, when the same number of U.S. troops died. Only three months have seen higher death figures since the war began.

As the toll mounted, administration officials and the U.S. military increasingly sought to blame at least a portion of the skyrocketing bloodshed on the political savvy of insurgent forces.

Their argument holds that Sunni fighters had stepped up attacks to kill more Americans in a bid to turn U.S. voters more deeply against the conflict, and thus harm Republican chances and weaken Bush. Further, the reasoning claims, insurgents believed a Democratic-controlled Congress would more quickly force an end to U.S. involvement.

"In regards to this spike in violence ... it's no coincidence that the surge in attacks against coalition forces and the subsequent increase in U.S. casualties coincides with our increased presence on the streets of Baghdad and the run-up to the American midterm elections," U.S. military spokesman Gen. William B. Caldwell said a week ago.

"The enemy knows that killing innocent people and Americans will garner headlines and create a sense of frustration."

Last week, Bush agreed that a New York Times columnist might have been right to compare surging Iraqi violence to the 1968 Tet offensive in Vietnam.

The Viet Cong drive against American and South Vietnamese soldiers was seen as a turning point in U.S. public opinion against that war and responsible for President Lyndon Johnson's decision months later not to seek a second term.

"He could be right," the president said of analogy drawn by Thomas Friedman. "There's certainly a stepped-up level of violence, and we're heading into an election."

But some who closely follow the war find that explanation insufficient, if not a distortion of the facts.

"Iraqis are fighting Iraqis for Iraqi reasons, not to influence elections or force the U.S. out of Iraq," Center for Strategic and International Studies scholar Anthony Cordesman said in a recent paper.

"This has built up for more than two years, and any reference to a 'Tet offensive' requires both a massive ignorance of the realities in Iraq and an equal ignorance of the realities in Vietnam," he said.

Democrats Are Divided On A Solution For Iraq (NYT)

By John M. Broder

The New York Times, October 27, 2006

WASHINGTON, Oct. 26 — If the Nov. 7 election in the United States is a referendum on the Iraq war, what are the choices?

President Bush admitted Wednesday that things were not going as well as he had hoped in Iraq and that he was adjusting tactics on the ground to deal with the continuing military and political problems there. He said his overarching goal — victory — remained unchanged, but he gave no sense of what it would take to achieve it.

Democratic leaders and candidates are virtually unanimous in opposing the president's conduct of the war, and most advocate American disengagement — either quickly or slowly. But most are not calling for an immediate withdrawal of American forces or offering a vision of what postwar Iraq should look like. They say they stand for change, but the variety of formulations is dizzying.

Nineteen House members sponsored a bill to cut off funds for the war. The Democratic Senate candidate in Pennsylvania opposes a deadline for ending American involvement in Iraq. The Democratic candidate for Senate in Ohio wants all the troops out within two years. Representative Nancy Pelosi of California, the current minority leader who is likely to be the next speaker of the House if Democrats win back the chamber, is calling for immediate steps to begin to remove American forces, with all of them out of Iraq by the end of 2007.

"We haven't coalesced around a single plan," Senator Debbie Stabenow, a Michigan Democrat who is up for re-election this year, acknowledged in an interview on Thursday. "But, we're in general agreement on the basic principles."

The range of proposals in part reflects the military, political and sectarian maze that Iraq has become. With virtually no one contending that an exit would be easy, no one wants to be responsible for a decision that would leave Iraq a smoldering ruin of civil war.

But the range of proposals also illustrates the state of the Democratic Party, which has not held executive power for six years or controlled the Congress for twice that long. There is no dominant figure in the party to formulate a policy position, so a

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hundred schools of thought contend. And even if the Democrats win one or both houses of Congress, they will not have the authority to change the course of the war significantly.

"The republic is being offered a choice between muck and murk," said David R. Gergen, an adviser to Republican and Democratic presidents and now a professor of public policy at the Kennedy School of Government at Harvard. "Neither party is offering a clear path ahead in Iraq."

A number of Democratic policy analysts and elected officials who are not facing re-election this year have drafted quite detailed proposals for untangling the Iraq knot. Senator Joseph R. Biden Jr., the Delaware Democrat, has proposed a plan to divide Iraq into three semi-autonomous regions — for the Kurds, the Shiites and the Sunnis — with the United States providing a security umbrella for a time.

Senators Carl Levin of Michigan and Jack Reed of Rhode Island are urging a plan, endorsed by a majority of Senate Democrats, to begin withdrawing troops within the next few months to impress upon Iraqi leaders that the American presence is not open-ended.

Richard C. Holbrooke, who was the ambassador to the United Nations under President Bill Clinton, this week offered an amalgam of the two plans. His proposal would give each of the three major population groups more autonomy and would provide for the beginning of a phased withdrawal with no firm timetable for completion.

But most Democrats standing for election are not as detailed or categorical. If the election has become a referendum on Iraq, it is one without a definitive choice. With less than two weeks to Election Day, both Republicans and Democrats appear to be fudging their positions to avoid alienating voters. Polls indicate that the public, hungry for a change, prefers the Democratic approach, unspecific as it is, to a continuation of the Bush policies.

Republicans regularly express frustration at what they see as the Democrats' ability to get away with criticizing the conduct of the war without being pressed to offer their own solution.

"To the degree that they're trying to be none of the above, they find it useful," said Stuart Stevens, a Republican strategist who worked on Mr. Bush's 2004 campaign and represents several candidates this year. "But they're offering more of a weather report than a foreign policy position."

Democratic leaders in Congress say that voters are not demanding that candidates present a coherent plan to end the war. It is beyond the power of Congress to conduct military operations or order troop withdrawals in any case. But, they say, voters are flocking to the party because it offers an alternative to what Democrats call the failed Bush administration policy.

"The public understands also we're not the commander in chief," said Senator Charles E. Schumer, the New York Democrat who heads the party's senatorial campaign committee. "If we were to get the majority, we could do a lot more to get George Bush to change direction."

Mr. Holbrooke said that it was the administration, not the Democrats, that was in disarray on Iraq. The Democrats, he said, are united in their desire for disengagement. Disputes over when and where the troops would go are merely technical, he said.

"The Democrats stand for disengagement and de-escalation," Mr. Holbrooke said. "It's the Republicans who are all over the lot."

Yet in debates and interviews, Democratic candidates for Congress offer a wide range of formulations within the broad rubric of opposition to the war. Bob Casey Jr., the Democrat who is challenging Rick Santorum, Republican of Pennsylvania, for his Senate seat, said he would have voted to authorize the war in 2002 if he had been in the Senate, although he said he now believes the intelligence on which senators voted was faulty.

Representative Sherrod Brown, a Democrat who is trying to unseat Republican Senator Mike DeWine of Ohio, said he wants the military to come up with a plan to provide for an "orderly and safe" withdrawal of American troops within the next two years. "It's a practical plan, and I think the public agrees with it overwhelmingly," Mr. Brown said in an interview Thursday.

Representative James P. McGovern, Democrat of Massachusetts, sponsored the bill last year to cut off funding for the Iraq war. Eighteen other House Democrats co-sponsored the measure.

The Democrats have a plethora of proposals to extricate the United States from Iraq but no unified approach, said Marshall Wittman of the Progressive Policy Institute, a centrist Democratic research organization. "The overriding dynamic in this election is the war," he said. "The paradox is that once they take control of Congress, there is little they can do. That's the great irony of this election."

Staying The Course Right Over A Cliff (NYT)

By George Lakoff

The New York Times, October 27, 2006

Berkeley, Calif.

THE Bush administration has finally been caught in its own language trap.

"That is not a stay-the-course policy," Tony Snow, the White House press secretary, declared on Monday.

The first rule of using negatives is that negating a frame activates the frame. If you tell someone not to think of an elephant, he'll think of an elephant. When Richard Nixon said, "I am not a crook" during Watergate, the nation thought of him as a crook.

"Listen, we've never been stay the course, George," President Bush told George Stephanopoulos of ABC News a day earlier. Saying that just reminds us of all the times he said "stay the course."

What the president is discovering is that it's not so easy to rewrite linguistic history. The laws of language are hard to defy.

"The characterization of, you know, 'it's stay the course' is about a quarter right," the president said at an Oct. 11 news conference. " 'Stay the course' means keep doing what you're doing. My attitude is, don't do what you're doing if it's not working — change. 'Stay the course' also means don't leave before the job is done."

A week or so later, he tried another shift: "We have been — we will complete the mission, we will do our job and help achieve the goal, but we're constantly adjusting the tactics. Constantly."

To fully understand why the president's change in linguistic strategy won't work, it's helpful to consider why "stay the course" possesses such power. The answer lies in metaphorical thought.

Metaphors are more than language; they can govern thought and behavior. A recent University of Toronto study, for example, demonstrated the power of metaphors that connect morality and purity: People who washed their hands after contemplating an unethical act were less troubled by their thoughts than those who didn't, the researchers found.

"Stay the course" is a particularly powerful metaphor because it can activate so many of our emotions. Because physical actions require movement, we commonly understand action as motion. Because achieving goals so often requires going to a particular place — to the refrigerator to get a cold beer, say — we think of goals as reaching destinations.

Another widespread — and powerful — metaphor is that moral action involves staying on a prescribed path, and straying from the path is immoral. In modern conservative discourse, "character" is seen through the metaphor of moral strength, being unbending in the face of immoral forces. "Backbone," we call it.

In the context of a metaphorical war against evil, "stay the course" evoked all these emotion-laden metaphors. The phrase enabled the president to act the way he'd been acting — and to demonstrate that it was his strong character that enabled him to stay on the moral path.

To not stay the course evokes the same metaphors, but says you are not steadfast, not morally strong. In addition, it means not getting to your destination — that is, not achieving your original purpose. In other words, you are lacking in character and strength; you are unable to "complete the mission" and "achieve the goal."

"Stay the course" was for years a trap for those who disagreed with the president's policies in Iraq. To disagree was weak and immoral. It meant abandoning the fight against evil. But now the president himself is caught in that trap. To keep staying the course, given obvious reality, is to get deeper into disaster in Iraq, while not staying the course is to abandon one's moral authority as a conservative. Either way, the president loses.

And if the president loses, does that mean the Democrats will win? Perhaps. But if they do, it will be because of Republican missteps and not because they've acted with strategic brilliance. Their "new direction" slogan offers no values and no positive vision. It is taken from a standard poll question, "Do you like the direction the nation is headed in?"

This is a shame. The Democrats are giving up a golden opportunity to accurately frame their values and deepest principles (even on national security), to forge a public identity that fits those values — and perhaps to win more close races by being positive and having a vision worth voting for.

Right now, though, no language articulating a Democratic vision seems in the offing. If the Democrats don't find a more assertive strategy, their gains will be short-lived. They, too, will learn the pitfalls of staying the course.

The Arithmetic Of Failure (NYT)

By Paul Krugman

The New York Times, October 27, 2006

Iraq is a lost cause. It's just a matter of arithmetic: given the violence of the environment, with ethnic groups and rival militias at each other's throats, American forces there are large enough to suffer terrible losses, but far too small to stabilize the country.

We're so undermanned that we're even losing our ability to influence events: earlier this week, Prime Minister Nuri Kamal al-Maliki brusquely rejected American efforts to set a timetable for reining in the militias.

Afghanistan, on the other hand, is a war we haven't yet lost, and it's just possible that a new commitment of forces there might turn things around.

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The moral is clear — we need to get out of Iraq, not because we want to cut and run, but because our continuing presence is doing nothing but wasting American lives. And if we do free up our forces (and those of our British allies), we might still be able to save Afghanistan.

The classic analysis of the arithmetic of insurgencies is a 1995 article by James T. Quinlivan, an analyst at the Rand Corporation. "Force Requirements in Stability Operations," published in Parameters, the journal of the U.S. Army War College, looked at the number of troops that peacekeeping forces have historically needed to maintain order and cope with insurgencies. Mr. Quinlivan's comparisons suggested that even small countries might need large occupying forces.

Specifically, in some cases it was possible to stabilize countries with between 4 and 10 troops per 1,000 inhabitants. But examples like the British campaign against communist guerrillas in Malaya and the fight against the Irish Republican Army in Northern Ireland indicated that establishing order and stability in a difficult environment could require about 20 troops per 1,000 inhabitants.

The implication was clear: "Many countries are simply too big to be plausible candidates for stabilization by external forces," Mr. Quinlivan wrote.

Maybe, just maybe, the invasion and occupation of Iraq could have been managed in such a way that a force the United States was actually capable of sending would have been enough to maintain order and stability. But that didn't happen, and at this point Iraq is a cauldron of violence, far worse than Malaya or Ulster ever was. And that means that stabilizing Iraq would require a force of at least 20 troops per 1,000 Iraqis — that is, 500,000 soldiers and marines.

We don't have that kind of force. The combined strength of the U.S. Army and Marine Corps is less than 700,000 — and the combination of America's other commitments plus the need to rotate units home for retraining means that only a fraction of those forces can be deployed for stability operations at any given time. Even maintaining the forces we now have deployed in Iraq, which are less than a third as large as the Quinlivan analysis suggests is necessary, is slowly breaking the Army.

Meanwhile, what about Afghanistan?

Given the way the Bush administration relegated Afghanistan to sideshow status, it comes as something of a shock to realize that Afghanistan has a larger population than Iraq. If Afghanistan were in as bad shape as Iraq, stabilizing it would require at least 600,000 troops — an obvious impossibility.

However, things in Afghanistan aren't yet as far gone as they are in Iraq, and it's possible that a smaller force — one in that range of 4 to 10 per 1,000 that has been sufficient in some cases — might be enough to stabilize the situation. But right now, the forces trying to stabilize Afghanistan are absurdly small: we're trying to provide security to 30 million people with a force of only 32,000 Western troops and 77,000 Afghan national forces.

If we stopped trying to do the impossible in Iraq, both we and the British would be able to put more troops in a place where they might still do some good. But we have to do something soon: the commander of NATO forces in Afghanistan says that most of the population will switch its allegiance to a resurgent Taliban unless things get better by this time next year.

It's hard to believe that the world's only superpower is on the verge of losing not just one but two wars. But the arithmetic of stability operations suggests that unless we give up our futile efforts in Iraq, we're on track to do just that.

U.S. Deaths In Iraq Near Peak Months (WP)

By Ellen Knickmeyer And John Ward Anderson

The Washington Post, October 27, 2006

BAGHDAD, Oct. 26 -- Unrelenting daily attacks in Baghdad and the western province of Anbar have made October the deadliest month of the Iraq war for U.S. troops in combat since the all-out American offensives on Fallujah in April and November of 2004, according to U.S. military figures. The military on Thursday reported five more American troops killed, raising the toll for U.S. deaths in hostile action so far this month to 92.

The latest reported deaths -- those of four Marines and a sailor -- occurred Wednesday in Anbar province, an insurgent stronghold. The increasing death toll in Anbar comes after months in which U.S. and Iraqi commanders had said that sectarian warfare between Sunnis and Shiites was their prime concern and that Baghdad was the focus of their efforts.

Maj. Gen. William B. Caldwell, the U.S. military spokesman in Baghdad, attributed the resurgence in American deaths in the western province to "very conscious and deliberate operations" in Ramadi, Anbar's capital.

"It's an aggressive, offensive approach to taking back the city of Ramadi, to return it back to Iraqi security forces," Caldwell said on Thursday.

U.S. and Iraqi forces have been battling Sunni Arab insurgent groups in the heart of Ramadi on a daily basis since early this year, and Caldwell's words -- "taking back" -- reflected the degree to which guerrillas have asserted control over the city.

The insurgent groups include both foreign-led organizations such as al-Qaeda in Iraq and Iraqi resistance groups. U.S. officers said this past summer that they could claim sure control only over a few blocks immediately around Ramadi's town hall,

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as well as forward operating bases and other American outposts in the lawless city. U.S. troops, especially since summer, have moved more aggressively out into the city, pushing back against insurgents but also putting themselves at greater risk.

It was not clear whether Wednesday's killings were all in Ramadi, and the military gave no details about how they occurred. Local leaders in Ramadi reported that a series of planted bombs and suicide car bombs had targeted American forces around Anbar on Wednesday.

In 2004, thousands of American troops were involved in two concentrated offensives against Sunni Arab insurgents in Fallujah, and the toll in April of that year also included deaths in heavy fighting against forces of Shiite cleric Moqtada al-Sadr in southern Iraq. The number of Americans killed in action that month was 126; in November 2004, 125.

In contrast, American deaths this month have come singly or in twos, threes or fours, mostly from roadside bombs and small-arms fire targeting patrols, checkpoints and other day-to-day operations.

Sources within the two militaries, as well as Iraqi militiamen and foreign fighters, cite many of the same reasons for the current increase in violence in Anbar.

After American warplanes killed al-Qaeda in Iraq leader Abu Musab al-Zarqawi in June, his successor, Abu Ayyub al-Masri, called on followers to concentrate attacks on U.S. troops and Shiite militiamen, soldiers and police. In September, Masri urged every insurgent in Iraq to kill at least one American within 15 days.

The Egyptian-born Masri wanted redoubled attacks "to have a great effect on the American elections," said Abu Islam al-Arabi, a local al-Qaeda leader reached by telephone Thursday in Anbar province.

Arabi, an Iraqi, suggested other reasons for the surge in attacks: the desire of guerrillas to have their deaths come in the Islamic holy month of Ramadan, when some Muslims believe martyrdom will earn them special grace in paradise, and what he said was a new influx of foreign fighters, who he said had already made possible dozens of suicide attacks during Ramadan alone.

Except for that last reason, American officers have given all the same possible causes.

Of Iraq's 18 provinces, Anbar is by far the deadliest for U.S. troops: About 1,022 service members have been killed there since the war began, compared with 733 in Baghdad and 281 in Salahuddin province north of the capital, according to the Web site iCasualties.org.

So far in October, not including the most recent American deaths, 35 U.S. troops have been killed in Anbar, 42 in Baghdad and seven in Salahuddin, accounting for 88 percent of the U.S. fatalities, according to the Web site.

In all, 96 American troops have died of all causes -- including accidents and attacks -- since October began. The count is the highest overall toll in a year.

American deaths in the war are dwarfed by those of Iraqi civilians and troops, however.

During the recently concluded month of Ramadan, attacks killed about 300 Iraqi police officers, soldiers and other security forces, Army Gen. George W. Casey Jr., the U.S. commander in Iraq, said this week.

Civilians have died in even larger numbers. Violence killed more than 2,660 last month in Baghdad alone, reflecting a toll that has more than doubled since late spring. Before the U.S. invasion of Iraq in 2003, the number of victims of violent death received by the city morgue averaged 10 a month.

On Thursday, gun battles in the northern town of Baqubah killed at least five policemen and six civilians. Baqubah is home to many Sunni insurgents, but Shiite militiamen also are reported to have flooded into the area lately, and it was not clear who was responsible for Thursday's fighting.

It appeared, however, that the gunmen might have been attempting to win the release of jailed comrades. Maj. Gen. Shakha Hyllil al-Kabi, an Iraqi army commander, said authorities in Baqubah released 53 detainees, keeping only 10 behind. "This is an answer for all the terrorists: We only keep those involved" in crimes, said Kabi, who said authorities also returned some confiscated cars.

Month's Toll Most For U.S. In A Year (WT/AP)

By Qassim Abdul-zahra

The Washington Times, October 27, 2006

BAGHDAD -- The number of American troops killed in Iraq in October reached the highest monthly total in a year yesterday after four Marines and a sailor died of wounds suffered while fighting in the same Sunni insurgent stronghold.

The U.S. military said 96 American troops have died in October, the most in one month since October 2005, when the same number were killed.

In other violence, 12 police officers were killed in fighting with suspected militia gunmen in Baqouba, northeast of Baghdad, officials said. Eighteen militants also were killed, police said.

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The deadliest month for U.S. forces in Iraq was November 2004, when military offenses primarily in the then-insurgent stronghold of Fallujah, 40 miles west of Baghdad, left 137 troops dead, 126 of them in combat. In January 2005, 107 U.S. troops were killed.

The U.S. military said the five service members killed in the volatile Anbar province included a sailor assigned to the 3rd Naval Construction Regiment. Two of the Marines were attached to Regimental Combat Team 5, and two to Regimental Combat Team 7. All died from wounds suffered in attacks Wednesday.

Army Maj. Gen. William B. Caldwell, the U.S. military spokesman, said there had been a marked decrease in violence in Baghdad since the end of Ramadan, the Muslim month of fasting, earlier this week.

Gen. Caldwell said violence has tended to spike during that month, then fall off. He also said increased U.S. patrols and roadblocks in the search for a missing American soldier could be having an effect.

Fighting continued yesterday with clashes between Iraqi security forces and militia groups linked to major Shi'ite political parties, part of an ominous trend adding to the violence wrought by the Sunni-led insurgency against U.S. coalition forces and their Iraqi allies.

At least 12 policemen were killed in fighting near Baqouba with gunmen of the Mahdi Army militia, who are loyal to fiery anti-American Shi'ite cleric Muqtada al-Sadr.

Mahdi militiamen have flooded into the area 35 miles northeast of Baghdad, forcing large numbers of residents belonging to Iraq's Sunni Arab minority to flee their homes. Mahdi fighters killed scores of Sunnis in massacres last week in the nearby city of Balad, forcing U.S. troops to return to the area after Iraqi security forces were unable to stem the bloodshed.

Army Gen. George Casey, the top U.S. commander in Iraq, said that about 300 Iraqi police and soldiers died during Ramadan, and more than 961 Iraqis altogether have been killed in war-related violence this month, the highest level since the Associated Press began tracking civilian deaths in April 2005.

That amounts to an average of almost 40 every day, compared with a daily average of about 27 since April 2005, as more Iraqis fall prey to sectarian death squads affiliated with the militias.

Army To Spread Burden Of Combat (USAT)

By Tom Vanden Brook

USA Today, October 27, 2006

WASHINGTON — The prospect of combat in Iraq for at least another four years is prompting the Army to realign its forces to prevent a small slice of soldiers who are shouldering much of the fighting from wearing out.

Pentagon records show one-fifth of the Army's active-duty troops have served multiple tours of war duty while more than 40% haven't been deployed to Iraq or Afghanistan.

That disparity is behind the Army's plans to shift some soldiers to high-demand wartime specialties that could ease the burden on combat forces.

The Army announced this month that it plans to maintain its current force level in Iraq through 2010. There are about 105,000 soldiers in Iraq, 15,000 in Kuwait and 16,000 in Afghanistan.

The Army is moving soldiers from specialties such as artillery and air defense to high-demand roles: infantry, engineering, military police and intelligence, Special Forces, civil affairs and psychological operations, said Lt. Gen. Michael Rochelle, deputy chief of staff for Army personnel.

The Army has more soldiers deployed in Iraq and Afghanistan than the other services combined. It expects to complete the realignment by 2011.

Marine Gen. Peter Pace, chairman of the Joint Chiefs of Staff, acknowledged this week that the Pentagon is sending active-duty troops overseas more frequently than it wants to, which is once in three years.

About 42% of the Army's 500,000 active-duty soldiers have not deployed to Iraq or Afghanistan. They include about 80,000 fresh recruits, most of whom are being trained. More than 90,000 others are in the so-called institutional Army, those who train, equip and manage soldiers.

By 2011, there will be 50,000 more troops available for deployment than in 2001. Part of that will be accomplished by having civilian Army employees take over certain jobs from soldiers, freeing them up to fight.

Five years of fighting have put the Army on the verge of wearing out vital soldiers, said James Carafano, a retired Army colonel and military analyst at the Heritage Foundation.

The Army is still structured to fight Cold War enemies, which prevents it from deploying more troops, he said. “It's not a usable force in terms of mix and composition.”

The Army has sent more than 144,000 active-duty, National Guard and Reserve soldiers to Iraq or Afghanistan more than once. Army deployments typically last one year. Some soldiers, including special operations forces, have shorter tours.

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Fort Bragg in North Carolina, where many Special Forces soldiers are based, is home to the Army's most-deployed soldier. That soldier, whom the Army declined to identify, has been sent to Iraq or Afghanistan nine times.

That's a "pocket of stress that we need to be concerned about," said retired Army colonel James Martin, an expert on military culture who teaches at Bryn Mawr College in Pennsylvania.

42 Iraqis Die As Insurgents Attack Police Near Baquba (NYT)

By Richard A. Oppel Jr. And Kirk Semple

The New York Times, October 27, 2006

BAQUBA, Iraq, Oct. 26 — Police officers acting on a tip about several kidnapped colleagues rode into deadly insurgent ambushes near here on Thursday, resulting in two intense battles that left at least 42 people dead, including 24 police officers, officials said.

Five American service members were killed Wednesday in Anbar Province, the military command reported Thursday, raising the American death toll in October to at least 96, one of the worst monthly tolls of the war.

The insurgent ambushes came as dozens of police officers converged on an area between Baquba and Baghdad, near a town called Khan Bani Saad. Word had come down late on Wednesday from the Interior Ministry that several Iraqi policemen who had been kidnapped days earlier near Baquba, the capital of Diyala Province, were being held south of there, and province officials ordered a raid. But as the police officers rode out, what they found was a large and well-armed Sunni insurgent force. A spokesman for the joint Iraqi-American command center in Baquba described the clashes as "very violent, brutal and heavy."

Among the dead were 24 police officers, including the police chief of Khan Bani Saad, Col. Abbas al-Amari, according to a spokesman for the Interior Ministry, which oversees the nation's police force. At least seven police officers were wounded, officials said.

According to American military officials in Baquba, 18 insurgents were killed, eight were wounded and 27 were captured.

One fight apparently ended when 18 policemen, each armed with only one or two clips of bullets, ran out of ammunition two miles north of Khan Bani Saad, officials said. Many appeared to have been executed near a canal, shot in the back of the head.

The Americans said the ambush might have been coordinated with the help of an insurgent agent working inside the government's security forces. Col. Brian D. Jones, the senior American commander in the province, called the attack a "setup."

"It was a baited ambush," he said.

Colonel Jones said that the loss of the police chief, Colonel Abbas, was a severe blow. After police officers in Khan Bani Saad walked off the job last month amid worsening violence, American officers envisioned a new, mixed force of 100 Shiite and 100 Sunni police officers under the command of Colonel Abbas, confident that he could produce a stable unit.

American commanders moved additional forces into the area three months ago in anticipation that large-scale military sweeps through Baghdad would inflame the area, whose population is about 60 percent Shiite and 40 percent Sunni.

But the situation became more tense last month, when the Fifth Division of the Iraqi Army staged raids in Baquba that led to the arrest of 400 people, nearly all Sunni Arabs. That deeply angered Sunni leaders, who felt it showed the Shiite-dominated army division had singled out Sunnis while ignoring Shiite criminals.

As local Sunni and Shiite groups have put out calls for help, fighters from the Shiite Jaish al-Mahdi militia have moved north to Khan Bani Saad from Baghdad, said Lt. Col. Thomas Fisher, the commander of the 1-68 Combined Arms Battalion in Baquba. At the same time, fighters from Sunni groups and Al Qaeda in Mesopotamia have moved in from the west and north.

Colonel Jones said that it appeared the insurgents in the ambushes on Thursday had advance knowledge of the raid and appeared to have moved in skilled fighters. "These guys were good and committed, not your local-yokel resistance," he said.

Though much of the recent political attention in Baghdad and Washington has focused on Shiite militias and their participation in the cycles of retributive sectarian violence, the Sunni Arab-led insurgency remains formidable. Prime Minister Nuri Kamal al-Maliki, who has been under intense American pressure to disarm the militias, said this week that the main engine of sectarian violence was the largely Sunni insurgency.

The insurgents remain particularly fierce in Anbar Province, the desert region covering much of western Iraq where the American military has taken a large share of its casualties in the past few years.

Officials did not disclose the circumstances of the American deaths that were announced Thursday — four marines and one sailor — except to say they occurred Wednesday as a result of wounds sustained during fighting in Ramadi, a city about 55 miles west of the capital, where American forces have been conducting a four-month, block-by-block offensive intended to wrest control of the streets from the resistance.

Maj. Gen. William B. Caldwell IV, the senior military spokesman in Baghdad, said at a briefing on Thursday that American troops in Ramadi were making progress. "They are, in fact, moving forward," he said.

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Top American officials in Washington and Baghdad have projected an image of resolve and cooperation with their Iraqi counterparts this week in the face of the relentless violence and eroding public support for the war. President Bush and his two top officials in Iraq, Ambassador Zalmay Khalilzad and Gen. George W. Casey Jr., said in briefings that the Iraqi government had agreed to a timetable for security measures.

But in comments on Wednesday in Baghdad, Mr. Maliki suggested that his handling of Iraq's internal affairs would not be dictated by the American government.

In a news conference in Washington on Thursday, Defense Secretary Donald H. Rumsfeld accused critics of the administration of magnifying the differences between Washington and Baghdad over plans for Iraqis to take a bigger role in security.

"It's a political season, and everyone's trying to make a little mischief out of this, and turn it into a political football," Mr. Rumsfeld said. He added that the idea of setting benchmarks for Iraqi progress was "a process, not an event."

In his news conference in Baghdad, Mr. Maliki also cited an American-backed raid early Wednesday that focused on the suspected leader of a Shiite death squad, saying that the Iraqi government was taken by surprise by the operation.

General Caldwell said Thursday that the raid was led by Iraqi forces and concerned a suspect whom the Iraqi authorities had given prior approval to capture. "Notification was made to the government of Iraq," he said, "but it's apparent that it didn't make it to the prime minister."

The general said the American command was reviewing its notification procedures "to understand why the prime minister, as he states, had not been personally notified."

No Easy Answer To 'Kurdish Question' (LAT)

By Kim Murphy

The Los Angeles Times, October 27, 2006

Driving north through these folded, wheat-colored mountains, it is easy to forget you are in Iraq.

Miles to the south, the Iraqi flags disappeared, replaced by the flags of Kurdistan, a state that does not officially exist. Here in the northern mountains, though, even the symbols of the Iraqi Kurdish authority are nowhere to be seen.

Most of the flags here are those of the Kurdistan Workers Party — the PKK, listed by the U.S. and the European Union as a terrorist organization responsible for the loss of thousands of lives in a separatist campaign across the border in Turkey. Deep in the mountains, all the road checkpoints are operated by PKK guerrillas. A giant portrait of imprisoned guerrilla leader Abdullah Ocalan stretches across a rocky slope.

The fact that much of Iraq's rugged northern borderlands with Turkey and Iran are under the day-to-day control of a militant organization might come as a surprise to those who thought U.S. forces had handed over authority nationwide to a new Iraqi government.

The PKK's guerrilla camps, ordered closed by Iraqi Prime Minister Nouri Maliki last month, still dot some of the steep valleys and ravines near the group's makeshift headquarters here; at least half the offices of its political affiliate, the Kurdistan Democratic Solution Party, also remain open.

The efforts to rein in the PKK are a new and strategically important front in the Bush administration's campaign to create a new Middle East, and one of the most complicated political problems U.S. forces face in Iraq. Kurdish leaders, for instance, have battled the PKK over the years in various intramural squabbles, but have been reluctant to clamp down on the group because of its deep popularity among the Kurdish public and out of sympathy for Kurds in Turkey.

Founded three decades ago as a violent Marxist resistance movement battling for independence of Kurds in Turkey, the PKK embarked on a concerted paramilitary campaign in 1984. It since has mellowed its politics but continues to field a force of as many as 6,000 guerrillas along the Iraqi-Turkish border, with about 1,000 of them well within Iraq, government officials estimate.

Within Turkey, violence connected with Kurdish separatists has escalated this year. In August, a group calling itself the Kurdistan Freedom Falcons claimed responsibility for several bomb attacks aimed at tourists that killed three people and injured dozens in Turkish coastal resorts. The group is widely believed to be an urban guerrilla offshoot of the PKK. The PKK has concentrated on attacking Turkish soldiers, using bases in northern Iraq as sanctuaries, according to the Turkish government.

In northern Iraq, the PKK militants get training in Shakespeare and Goethe, in the military tactics of the Thirty Years' War and how to operate a Russian-made BKC machine gun and a rocket-propelled-grenade launcher.

"We are here for one reason, and that is to obtain the objective of the freedom of our people of Kurdistan," said a doe-eyed young guerrilla who gave her name only as Ozgur and said she joined the movement when she was 13.

America's Kurdish dilemma stems from the fact that more than 20 million Kurds live straddled across the strategic borders of Iraq, Iran, Turkey and Syria.

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Iraq's roughly 4 million Kurds are arguably the United States' strongest allies in the war-torn nation, and U.S. forces would almost surely face a political backlash in Baghdad if they took military action against guerrilla fighters many Kurds see as heroes.

Yet the Kurdish guerrilla force here is battling one of America's bedrock allies in the region — Turkey, a member of the North Atlantic Treaty Organization and a stable, secular Muslim state in a region trending in other directions. The continuing failure to end PKK violence coming out of Iraq has driven Turkey toward a stronger security arrangement with Iran, which also faces militant Kurds along the Iraqi border, a relationship that can't help but be worrying for Washington.

"How important is the PKK as an issue? Let me tell you that it's important enough that the president of the United States decided that we needed a special envoy to counter the PKK and to try to get all of our efforts in the United States focused in the right direction, along with those of Turkey and Iraq," retired Gen. Joseph W. Ralston, recently appointed the U.S. special envoy to counter the PKK, said after a visit to the region late last month.

"We all believe that the use of force is the last resort, not the first resort," he said. "But having said that, that does not mean that we will not take military action. Quite the contrary: All options are on the table."

The continuing polarization of Iraq and the mounting sectarian violence there have only exacerbated worries among its neighbors about reverberations within the substantial Kurdish minorities in Turkey, Iran and Syria.

Iraqi Kurdistan has moved steadily to distance itself from the violent skirmishing between Sunni and Shiite Arabs to the south; regional President Massoud Barzani's recent order to pull down the Iraqi flag on public buildings and replace it with the Kurdish flag is only one in a long line of moves to establish a truly autonomous Kurdish republic. Here in the north, there are Kurdish schools, Kurdish broadcast channels, Kurdish cellphone companies and a full-fledged Kurdish regional government.

Militant groups such as the PKK are demanding an end to repression of Kurds elsewhere, recognition of their national status and language and eventually some degree of political autonomy — measures that government leaders fear will open the door to demands for a Kurdish state, discarding the borders of four nations, a recipe for regional war.

That is why solving "the Kurdish question" has become a top priority for the U.S., and why tackling the PKK, its most militant face, has become step No. 1.

After Ralston's visit to the region, Iraqi leaders persuaded the PKK to declare a unilateral cease-fire, an end to the regular cross-border attacks that are claiming the lives of Turkish soldiers on a regular basis.

The PKK agreed, its leaders hoping the expression of goodwill could open the door to significant movement on Turkey's part, starting with an end to what it sees as human rights abuses, recognition of the Kurdish language and possibly amnesty for some PKK fighters who have not been involved in violence.

"I would like to say that the cease-fire has not been announced because of pressure at all," Cemil Bayak, a longtime leader of the group's most militant wing and a member of its ruling council, said in an interview over a lunch of grilled chicken and steaming vegetable stew at his mountain redoubt.

"The most important reason is that we want the Kurdish question to be solved peacefully, politically and by means of dialogue. This is what we want," said Bayak, who believed Turkey's bid to join the European Union would provide the impetus for human rights improvements needed to alleviate repression of the nation's Kurds. "We want violence to be put aside, and a new era to be opened on the issue."

But although the PKK has pledged to end its attacks on Turkish military targets, it is unclear whether the cease-fire will be embraced by other Kurdish militants, including the Falcons.

Turkish officials say the PKK is a terrorist organization that finances its activities through an international network of drug smuggling and human trafficking that reaches to Europe. Turkey is demanding the use of military force to disarm the PKK, but Iraq so far has refused, said Kosrat Rasoul Ali, vice president of the Kurdish regional government and a well-known former Kurdish peshmerga fighter.

"They want us to attack the PKK, they want us to crack down on the PKK," Ali said. "But it cannot be done. In the past we tried, but it was without result.

"We think that this problem cannot be solved with force," he said. "Because they are Kurds. It's very difficult for us Kurds to kill Kurds. In fact, it is impossible."

Ralston has refused to meet with PKK leaders, declaring, "We do not meet with terrorist groups." But Ali said Kurdish leaders hoped to broker a solution in which the PKK would disarm in exchange for guarantees on behalf of Kurds in Turkey.

"PKK is ready to hand over their weapons to the Americans, in return for several political steps by Turkey," Ali said. "Like a general amnesty to be published, to recognize Kurdish existence as a people in Turkey."

At the same time, some Iraqi officials believe Turkey and possibly Iran are behind some of the escalating violence in northern Iraq, especially in the city of Kirkuk, an oil center that Kurds hope to include within their federated republic, whose inclusion could form the basis for a powerful future Kurdistan economy.

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In a pointed warning, Iraqi President Jalal Talabani, a Kurd, said last month that Iraq was prepared to support opposition groups within neighboring nations whose governments it saw as instigating violence in Iraq.

Recognizing that America's prime aim is to discourage the growing closeness of Turkey and Iran at a time when the U.S. is seeking to isolate Tehran, PKK leaders are arguing that solving the Kurdish question — the main issue that Turkey and Iran have in common — is the best way to accomplish that goal.

"If you cannot solve the Kurdish problem in Turkey, you cannot separate Turkey from Syria and Iran," Bayak said. "And so without putting Turkey and the Kurds together, you cannot have the fundamental basis for this project of a new Middle East."

Marine On Trial Tells Of Killing Unarmed Iraqi (NYT)

By Carolyn Marshall

The New York Times, October 27, 2006

CAMP PENDLETON, Calif., Oct 26 — A 20-year-old marine testified on Thursday at his court-martial here that he participated in killing an unarmed Iraqi and knew that the plan for the killing was an illegal act of war.

The marine, Pfc. John Jodka III, who has agreed to cooperate with government prosecutors, pleaded guilty to aggravated assault and conspiracy to obstruct justice in exchange for his testimony against members of his squad.

Private Jodka is the youngest and lowest ranked of the eight men charged in the killing of the Iraqi, Hashim Ibrahim Awad, who died of multiple gunshot wounds on April 26 near Hamdaniya, a Sunni stronghold west of Baghdad.

In a half-day of testimony, Private Jodka explained how his squad of seven marines and a Navy medic had come up with a plan that the men fully knew sidestepped the rules of engagement.

“I agreed to the plan,” he told the military judge, “and I agreed to go forward without objection.”

The plan, the marine said, involved kidnapping and killing an insurgent named Saleh Gowad, whom military intelligence officers had identified as a “high-value individual.” The plan was to shoot him in a setting that made it look as if Mr. Gowad had been surprised while digging a hole to plant a bomb.

“If anyone asked,” Private Jodka said, “we would say that we had seen this man approach with a shovel and begin digging and that he engaged us and that we had lawfully engaged him.”

But the squad members ended up kidnapping and killing the wrong man.

Private Jodka, who is to be sentenced on Nov. 15, told the judge that he understood that the killing would bring shame to the Marine Corps.

“Anything reported becomes ammunition,” he said. “Anything like this would present an argument against the war.”

Private Jodka is the second person to accept a deal in the case. The medic, Hospital Corpsman Third Class Melson J. Bacos, who was court-martialed on Oct. 6, will spend less than a year in prison in exchange for his testimony.

Karzai Orders Investigation Into Bombing By NATO (NYT)

By Abdul Waheed Wafa

The New York Times, October 27, 2006

KABUL, Afghanistan, Oct. 26 — President Hamid Karzai issued a presidential decree on Thursday directing a team of tribal elders and Afghan officials to investigate a NATO bombing Tuesday night in southern Afghanistan that local officials said killed dozens of civilians.

Khalid Pashtoon, an Afghan member of Parliament from the area of the attack, said villagers told him that more than 50 civilians died during the NATO airstrike in the Panjwai district of Kandahar Province. A spokesman for the country’s Interior Ministry said that 40 civilians were killed.

If even the lower number proves correct, Tuesday’s attack would be the largest civilian death toll in an airstrike since the American-led invasion of Afghanistan in 2001.

Mr. Karzai also said in a statement about the attack that it would be discussed on Monday at a meeting of the Policy Action Group, where he and his ministers meet with NATO military commanders and foreign diplomats.

“The meeting will discuss ways to prevent civilian casualties during antiterrorist operations and to ensure better coordination between government and NATO forces,” the statement said.

For the last month, NATO has spoken optimistically about the removal of suspected Taliban fighters from the area, hailing it as a decisive victory against resurgent Taliban forces, who have carried out their highest number of attacks in Afghanistan since 2001.

Mr. Pashtoon, the member of Parliament, said villagers told him that hundreds of Taliban militants had recently re-infiltrated the area after being ousted from Panjwai by NATO troops in September.

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Mark Laity, a NATO spokesman, said the military alliance had aimed its attacks at Taliban fighters trying to re-enter the heavily populated area and blamed the insurgents for endangering civilians. He said NATO forces did not know the number of civilian casualties and would cooperate fully with the investigation.

"Re-infiltration is not a surprise because Panjwai is very important for the Taliban," he said, referring to the area's strategic value as a staging area for attacks on nearby Kandahar, southern Afghanistan's largest city. "We are having a lot of success, but it's a very big, very tough and continuing challenge."

Mr. Pashtoon said that NATO should not have carried out an airstrike during the Id al-Fitr holiday at the end of the holy month of Ramadan. He also said NATO did not have enough troops deployed in the area.

"They should have done a proper operation with troops on the ground," he said.

Afghan Officials Say Dozens Of Civilians Died In NATO Military Strike (WP/AP)

By Allauddin Khan

The Washington Post, October 27, 2006

LAY KUNDI, Afghanistan, Oct. 26 -- Dozens of civilians were killed in a NATO military strike against suspected Taliban insurgents, Afghan officials said Thursday. Villagers fled the southern region by car and donkey, and hundreds attended a funeral for about 20 people buried in a mass grave.

The civilian death toll, estimated by Afghan officials at between 30 and 85, including many women and children, is among the highest in foreign military action here since the fall of the Taliban in 2001.

NATO said a preliminary review found that 12 civilians were killed in the clashes Tuesday in the Panjwayi district of Kandahar province. But the alliance could not say if they had died because of Taliban or NATO action.

Maj. Luke Knittig, a spokesman for NATO's International Security Assistance Force, said as many as 70 insurgents may have been killed in three clashes. The fighting took place in or around the villages of Lay Kundi and Mirwisa Mina. According to Knittig, Taliban fighters attacked NATO forces, drawing return artillery fire and airstrikes aimed at them.

Bismallah Afghanmal, a provincial council member, said fighters fled into civilian houses, which were then targeted by NATO forces.

Mark Laity, a NATO spokesman, said: "With insurgents who regard the population as a form of human shield for themselves, it obviously makes life very difficult for us, but it does not stop us from making every effort to ensure that we minimize any problems."

But villagers and local government officials denounced NATO and blamed the government for a lack of security. "The people are not forgetting the deaths of their children after a simple 'sorry,' " Afghanmal said.

"Everyone is very angry at the government and the coalition. There was no Taliban," Abdul Aye, who lives in Mirwisa Mina, said through tears at the mass funeral in Kandahar city. He said 22 members of his family were killed. "These tragedies just keep continuing."

Death tolls in remote military action in Afghanistan are difficult to determine, and estimates often vary widely. Also in question is who can be considered a civilian and who is a fighter.

Afghan President Hamid Karzai has repeatedly condemned civilian deaths caused by Western forces. A week ago, after nine villagers were killed during another NATO operation in Kandahar province, he urged the alliance to use "maximum caution" to avoid civilian casualties.

Tuesday's violence in Panjwayi came a month after NATO launched a major offensive in the district. The alliance said more than 500 insurgents were killed in the earlier operation, which the top NATO commander in Afghanistan, Lt. Gen. David Richards, called a "significant success."

Richards last month said reconstruction and development efforts, which many officers see as critical for winning over Afghans after the military action, would soon begin in the region. But since then, heavy fighting has broken out.

Nato Denies Afghanistan Push In Disarray (FT)

By Rachel Morarjee And Daniel Dombey

Financial Times, October 27, 2006

Nato on Thursday sought to dismiss fears that its operation in Afghanistan was in disarray after a series of bloody and controversial incidents that have seen the alliance come under new pressure in the country's south.

Nato forces have been accused this week of killing dozens of civilians in an airstrike and have clashed with the Taliban in an area the alliance declared free of insurgents last month.

In a separate development, Ronald Neumann, US ambassador to Afghanistan, criticised a ceasefire deal reached by UK Nato troops and local groups in a town in Afghanistan's turbulent Helmand province.

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Nato said its show of force in recent months had put the Taliban on the defensive. Many western officials – such as Sir Richard Dannatt, head of the British army – argue that Nato troops are much better placed to contain the fighting in Afghanistan than equivalent forces in Iraq.

"We have demonstrated that we are strong enough on the combat side to be the winners," Mark Laity, Nato spokesman in Afghanistan, said on Thursday. "After 30 years of fighting, people in the south are nervous of being on the wrong side."

But on Thursday Afghan officials said a Nato airstrike on Tuesday had killed more than 60 civilians after Taliban guerrillas attacked western military bases.

Niaz Mohammad Saradi, district governor of Panjwai district, said 60 people were killed when Taliban fighters took cover inside houses in the village of Zangwat.

However, Bismillah Afghanmal, Kandahar Provincial Council member, said 85 people had been killed in the airstrike, and witnesses said 25 houses had been razed.

Nato said its troops had killed 48 militants in three battles in Panjwai on Tuesday and could confirm only 12 civilian deaths.

In September, Nato concluded operation Medusa, in which hundreds of insurgents were killed in Panjwai district. Nato officials said this had cleared the Taliban from the area.

The attack this week in Panj-wai came as British troops in neighbouring Helmand province withdrew from Musa Qala district, previously the scene of heavy firefights, after negotiating a truce with tribal elders.

This week Mr Neumann told the UK's Daily Telegraph that the "jury is out" on the Musa Qala deal.

"There is a lot of nervousness about who the truce was made with, who the arrangement was made with, and whether it will hold," he said.

Sam Zarifi at Human Rights Watch in New York said Nato's offensive had caused serious resentment among Afghans and been counter-productive.

"The Soviets tried and failed to defeat Afghan guerrillas by using massive firepower so we know clearly that that is not the way to win in Afghanistan. You have to win the populace over, not kill it," he said.

Scandal Hits Germany's Afghan Mission (FT)

By Hugh Williamson In Berlin And Daniel Dombey In London

Financial Times, October 26, 2006

The German army was on Wednesday plunged into a scandal over abuse by Bundeswehr soldiers in Afghanistan that overshadowed the adoption of the most far-reaching review of Germany's military priorities in 60 years.

Bild, the German newspaper, on Wednesday published five photographs that the paper said showed German soldiers desecrating a human skull while on patrol outside the Afghan capital Kabul, The photos show soldiers posing with a skull, in one case with an unidentified soldier holding the skull next to his exposed penis.

The photos date from early 2003, according to a military source quoted by Bild. The newspaper said that, after thorough checks, it was convinced the pictures were authentic. They also show vehicles with German markings and those of Isaf, the Nato-led peacekeeping force.

The photos, which immediately revived memories of the scandal over US military abuses at Abu Ghraib prison in Iraq, could damage the German military's broadly positive reputation in Afghanistan, military and regional experts said. There are around 2,800 German soldiers in Afghanistan, based in Kabul and the north of the country.

Chancellor Angela Merkel said the photos were "disgusting". Frank-Walter Steinmeier, foreign minister, said the soldiers' "inexcusable behaviour damages the image of the army and our country". Franz Josef Jung, defence minister, ordered an investigation, and Bundeswehr officials confirmed that two men, a soldier and former soldier, were being investigated. A state prosecutor launched an inquiry into a possible case of desecration.

Despite the scandal, Mr Jung said the cabinet strategy paper adopted on Wednesday was "vital in redefining Germany's security priorities", with the Bundeswehr now primarily acting as an "international intervention force".

The paper, which builds on a restructuring of the Bundeswehr in 2004, identifies terrorism and weapons of mass destruction as chief threats, and says in future up to 14,000 German troops will take part in peacekeeping and other missions, compared with 9,000 today.

The German armed forces association, representing ordinary soldiers, said the strategy paper should have gone further in defining the limits of Germany's responsibilities in joining international missions.

The ruling parties and most opposition politicians said the scandal over the abuse photos would not influence Germany's commitment to its role in Afghanistan, with only the opposition Left party calling for an immediate withdrawal from Afghanistan.

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The photos scandal follows an announcement by the German parliament last week of an inquiry into allegations that a Turkish man with German residency had been abused in 2002 by German soldiers while being held in a US prison in Afghanistan.

Nato now has 31,000 soldiers in Afghanistan but is trying to find extra troops for a 1,000-strong reserve battalion to operate in the south of the country, as well as more air support.

Some US officials have called for German soldiers to be dispatched to the south. But Nato commanders have steered away from such a call, arguing that other countries could provide more effective help.

. . . With Forecasts (WT)

By Austin Bay

The Washington Times, October 27, 2006

A Pentagon press lunch with the secretary of defense is a rare privilege, especially for a columnist from fly-over country.

I've watched Don Rumsfeld perform on television. He treats stand-up press conferences as sparring rings, where he's the heavyweight champ and reporters are lightweight chumps with glass jaws.

Maybe lettuce and tomatoes mellow Big Don. Mr. Rumsfeld seems much less combative with a salad in front of him. As the lunch and conversation progressed, I noticed he never picked up a knife, but I've no doubt the man can wield sharp cutlery. The glint in the eye is the clue. Sgt. 1st Class Bowen -- the Korean War vet who taught Cadet Austin Bay how to use a garrote -- had the same steely gleam.

I left it to the Beltway journalists to ask those personality-juiced queries that generate sensational gossip. Here's an example: "Mr. Rumsfeld, are you going to resign after the election?"

Since my scribbled notes include a splotch of asparagus soup, I'll have to paraphrase the defense secretary's snarl: "I certainly wouldn't tell you if I were."

Undeterred, I decided to ask a question that goes to the heart of America's ability (or inability) to win long-term, multidimensional 21st century wars.

My question: "Mr. Secretary, based on our experience in Operation Iraqi Freedom, and the limited interagency and nongovernmental organization [NGO] participation in that operation, how do you see 'Unified Action' evolving for future conflicts?"

Forgive the military jargon -- at one time I was Col. Austin Bay -- but the question is essential. It also altered the luncheon ambiance. As I asked it, I saw our very steady chairman of the joint chiefs, Gen. Peter Pace, pass Mr. Rumsfeld a careful stare.

"I'll tell you we're better at it now than we were five years ago," Mr. Rumsfeld replied. He acknowledged that "challenges remain" in achieving Unified Action and that effective Unified Action is critical to winning 21st century wars.

He's right -- we are better at it than we were. However, I know we aren't as good at it as we need to be.

The politically deft defense secretary finessed the question -- and it was finesse, not dodge. The military jargon masked a heavy political hand grenade I was rolling toward the Beltway. You think Harry Reid's land deal or Mark Foley's messages are big stories? How about a stinging pre-election turf battle between Defense and the departments of State, Treasury, Justice, Commerce and Agriculture, complete with zinger accusations of who is or isn't contributing to the war effort?

I know, that's quite a claim, which is why I need to translate the military-speak: Unified Action means coordinating and synchronizing every "tool of power" America has to achieve a political end -- like winning a global war for national survival against terrorists who hijack economically and politically fragile nations and provinces.

People understand the role of soldiers and cops in a war, but in 21st century wars where economic and political development are determinative, an Agriculture Department arborist and a Commerce Department trade consultant can be a powerful contributors to "Unified Action."

Restoring Iraqi agriculture provides an example. Saddam Hussein's economic and political policies damaged agriculture in the land that eight millennia ago spawned the Agricultural Revolution. (Heck of an achievement, huh?) Agriculture, Commerce and several NGOs have expertise and programs that help revive Iraqi farms. Still, problems occur when trying to tailor programs to meet specific local needs -- like, who pays for the program and is ultimately in charge of oversight and coordination.

While serving in Iraq in 2004, I met a young U.S. Army captain who was running a successful small-scale date palm restoration project. What we really need are joint development and security teams, where agricultural and economic specialists work with that captain "in the field" on a sustained, day-to-day basis. We need to decide who is in charge of that team (the captain or the arborist?) and how we fund it.

Our system for "Unified Action" is still largely a Cold War, 20th-century relic designed to prop up governments (so often corrupt and ill-led), instead of helping individuals and neighborhoods become economically self-sustaining and self-securing.

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Winning war in the Age of the Internet means improving neighborhoods and individual lives. The 2006 Nobel Peace Prize winner and micro-finance whiz Muhammad Yunus understands this.

We are in a long, global war, where economic and political development programs must reinforce security and intelligence operations -- and vice versa.

We've been improvising "joint development and security operations," and we've learned from our improvisation (Mr. Rumsfeld's "we're better than we were").

But it's time to quit improvising. Effective "Unified Action" requires re-engineering 20th-century Beltway bureaucracies -- which means thoughtful, sophisticated cooperation between the executive branch and Congress.

That means getting past the sensational gossip and confronting an essential issue.

Austin Bay is a nationally syndicated columnist.

CORPORATE SCANDALS:

Monitor Widens His Probe; Earnings Tumble By 65% As Generic Saps Plavix Sales (WSJ)

By AVERY JOHNSON And JOHN CARREYROU

Wall Street Journal, October 27, 2006

Bristol-Myers Squibb Co.'s third-quarter earnings were battered by generic competition to its bestselling drug, the blood thinner Plavix, and it disclosed that a federal monitor's investigation into its handling of a dispute over Plavix's patent has broadened to include possible securities violations.

It was unclear whether the widening scope of the probe being conducted by former federal judge Frederick B. Lacey means he has uncovered new wrongdoing in the three-month-old Plavix saga. Bristol-Myers said the development was "not unexpected" and suggested that it was a logical step given Mr. Lacey's duties.

Mr. Lacey has been overseeing the New York drug maker for more than a year on behalf of Christopher Christie, the U.S. attorney for New Jersey. The unusual arrangement is part of a deferred-prosecution agreement that allowed Bristol-Myers to avoid criminal charges last year stemming from a previous accounting scandal.

Mr. Lacey last month made Bristol-Myers's board fire Chief Executive Peter R. Dolan after learning that he didn't keep directors well enough apprised of his attempts last spring to negotiate a deal to keep generic Plavix off the market.

The deal Mr. Dolan brokered with Canadian generic-drug maker Apotex Inc. -- which was intended to resolve Apotex's legal challenge of the Plavix patent -- unraveled this summer when agents from the Federal Bureau of Investigation raided Mr. Dolan's office and Apotex used certain binding clauses in the agreement to launch its generic product.

The Justice Department's antitrust division is investigating whether Bristol-Myers and Sanofi-Aventis, Plavix's original developer, struck a side deal with Apotex that they hid from regulators. Bristol-Myers has denied the existence of such a side deal.

Bristol-Myers yesterday disclosed that Mr. Lacey's own probe has now moved beyond issues of corporate governance to determining whether the company violated the terms of a consent order it entered into with the Securities and Exchange Commission in 2004. Under that consent order, Bristol-Myers settled SEC charges related to the previous accounting scandal by paying $150 million and agreeing to a permanent injunction against future violations of certain accounting provisions of federal securities laws. Mr. Lacey wasn't available for comment.

"Whenever we see a government investigation expanded, it's not a good thing, and because this company is already on probation, it's even more troubling," said Barbara Ryan, a pharmaceutical analyst at Deutsche Bank.

Bristol-Myers said the generic version of Plavix launched by Apotex on Aug. 8 is likely to have reduced Bristol-Myers's sales of the branded blood thinner by an estimated $525 million to $600 million in the quarter. In a conference call with analysts, the company cautioned that its revenues would continue to be hurt by the generic into the first quarter of next year, as wholesalers dispense to pharmacies remaining supplies of Apotex's product.

After that, branded Plavix sales are expected to bounce back. A federal judge in New York granted Bristol-Myers a preliminary injunction on Aug. 31 barring Apotex from selling any more of its product beyond what was already in the distribution channel. A hearing on an appeal by Apotex of that ruling is scheduled for Tuesday at the Federal U.S. Circuit Court of Appeals in Washington.

Bristol-Myers raised back up its earnings outlook for the year from the reduced 95 cents a share it forecast in September to between 97 cents and $1.02 a share. It cited cost cuts, a favorable tax rate and slightly better-than-expected sales of branded Plavix.

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In the latest quarter, Bristol-Myers net profit fell 65% to $338 million, or 17 cents a share, from $964 million, or 49 cents a share a year earlier. Sales dropped 13% to $4.15 billion from $4.77 billion.

Sales of Plavix fell 36% to $630 million as the generic captured between 70% and 75% of U.S. prescriptions. However, the sales drop wasn't as sharp as analysts had expected. U.S. prescriptions of branded and generic Plavix grew by 14% in the quarter.

Plavix wasn't Bristol-Myers's only generic headache during the latest quarter. Pravachol, its cholesterol drug, went off patent in the U.S. in April and lost patent protection in France and other European markets in July. The drug's world-wide sales dropped 64% to $192 million. And Taxol, a chemotherapy product, lost market exclusivity in Japan during the quarter, contributing to a sales decline of 22%. Taxol had been off patent in the U.S. since 2000.

Global sales of Bristol-Myers's Reyataz HIV treatment grew 32%, while its Abilify schizophrenia drug grew 20%. Abilify has been slower to pick up in Europe, though.

On a conference call with investors, interim Chief Executive James M. Cornelius tried to dispel speculation that Bristol-Myers will fall prey to a takeover. "On the M&A front, my words to employees have been 'We're not for sale,' " he said.

Bristol-Myers has hired an executive-search firm to find a permanent CEO.

Bristol-Myers shares declined 13 cents to $24.53 in New York Stock Exchange 4 p.m. composite trading.

Write to Avery Johnson at avery.johnson@WSJ.com and John Carreyrou at john.carreyrou@wsj.com

Generic Rival's Inroads Hurt Bristol-Myers Squibb (NYT)

By Stephanie Saul

The New York Times, October 27, 2006

Still reeling from a generic assault on its top-selling product, Plavix, Bristol-Myers Squibb said yesterday that it lost up to $600 million in sales of the drug to a Canadian rival during the third quarter, accounting for part of a 65 percent decline in earnings.

The missteps by Bristol-Myers this year in negotiating a proposed patent settlement enabled the Canadian company, Apotex, to flood the market in August with a cheaper generic version of Plavix, a blood thinner.

Bristol-Myers also disclosed yesterday that one of the federal investigations into its handling of the Plavix matter, a review by Christopher J. Christie, the United States attorney in Newark, had expanded to an examination of whether Bristol-Myers violated securities laws.

The Plavix debacle largely accounted for the company's decline in overall sales to $4.15 billion, compared with $4.76 billion in the quarter a year earlier. It was also partly responsible for sharply lower earnings of $338 million, or 17 cents a share, compared with $964 million, or 49 cents a share, in the third quarter last year.

The 2005 earnings included a significant one-time gain from the sale of the consumer medicines business.

The lower sales and revenues at Bristol came as drug companies have generally been posting improved results for the quarter. GlaxoSmithKline said yesterday that its quarterly earnings were up 15 percent.

Despite the bad news for Bristol, the company gave a slightly brighter outlook for the year than it issued in late summer, just after the generic Plavix flooded pharmacy shelves.

Yesterday, the company raised its earning projections to at least 97 cents a share this year, rather than the 95 cents it previously predicted. That is partly because some orders for Plavix are still coming in.

And yet, during a telephone conference with investment analysts yesterday, Andrew Bonfield, Bristol's chief financial officer, said that there was enough generic Plavix in supply chains to last into early next year and possibly into the second quarter of 2007. That means Bristol-Myers could still be dealing with the inexpensive competition when a trial starts in Manhattan on Jan. 22 to decide whether its Plavix patent is valid.

The outcome of that trial would determine whether Apotex has the right to ship additional supplies of the generic product. Currently, 70 percent to 75 percent of the prescriptions for Plavix are being filled by the generic supplies that Apotex shipped to the United States before Bristol-Myers obtained an injunction to block further shipments.

The company's fumbled plan to settle its dispute led to the generic company's shipments and the dismissal of the Bristol-Myers chief executive, Peter R. Dolan, in September. The company is now led by an interim chief, the former Guidant chairman James M. Cornelius.

Mr. Cornelius, speaking about the company's future during a conference call with analysts, played down continuing speculation that Bristol-Myers was a takeover candidate.

"My words to employees have been we're not for sale," Mr. Cornelius said. "The longer I'm here the more confident I become that Bristol-Myers Squibb has a wonderful future as an independent company."

Bristol-Myers said yesterday that Mr. Christie's office was investigating whether the company violated a consent decree the company signed in 2004 with the Securities and Exchange Commission.

The agreement with the S.E.C. was a settlement of claims that Bristol-Myers misled investors about its financial outlook by lying about its wholesale inventories.

The expanded Plavix investigation by Mr. Christie's office is in addition to an investigation already under way by the Justice Department's antitrust division into whether Bristol-Myers tried to hide details of its Apotex negotiations from government antitrust reviewers.

The Plavix problems are coming at a time when demand for the drug is increasing. Prescriptions for the medicine and its generic equivalent were up 14 percent in the third quarter, an increase that is partly related to new advice from doctors that patients who have received drug-coated stents to keep their arteries open should continue Plavix therapy to avoid clotting around the stents.

Plavix sales in 2005 were $3.5 billion in the United States, but probably would have surpassed $4 billion this year if not for the flood of generics. The company also said it had been harmed by generic competition to its cholesterol-lowering drug Pravachol.

Bristol-Myers Profit Falls As Plavix Copy Hurts Sales (Update6) (BLOOM)

By Lisa Rapaport

Bloomberg, October 27, 2006

Oct. 26 (Bloomberg) -- Bristol-Myers Squibb Co.'s third- quarter net income fell 65 percent after cheap generic copies of its best-selling drug, Plavix, flooded the U.S. market.

Earnings declined to $338 million, or 17 cents a share, from $964 million, or 49 cents, a year earlier, the New York-based company said today in a statement. Sales of Plavix, used to prevent heart attacks and strokes, plunged 43 percent in the U.S. Profit beat analysts' estimates.

``Plavix was down dramatically, but it was not as bad as we thought," said Barbara Ryan, a Deutsche Bank analyst in Greenwich, Connecticut, in a telephone interview today. ``The issue now is we still don't know how much generic Plavix is out there and how much it will impact earnings next year."

The U.S. widened a probe of a deal delaying generic Plavix competition to review possible securities-law violations, Bristol-Myers said today. The company's board fired Chief Executive Officer Peter Dolan last month after an accord he brokered collapsed and triggered a criminal antitrust investigation. The drugmaker needed revenue from Plavix to sustain earnings as it introduces new products.

Excluding certain costs, Bristol-Myers said profit was 22 cents a share, beating the 21 cents estimated by Credit Suisse analyst Catherine Arnold in New York, rated with five out of five stars on accuracy by StarMine Corp., and the 20-cent average estimate of 18 analysts in a Thomson Financial survey.

The company raised its 2006 net income forecast to between 97 cents and $1.02 a share from its previous estimate of no less than 95 cents. Bristol-Myers said it now projects full-year profit per share excluding certain costs of $1.02 to $1.07.

Revenue Drops

Shares of Bristol-Myers fell 50 cents, or 2 percent, to $24.16 at 11:26 a.m. in New York Stock Exchange composite trading. The stock was up 6.1 percent this year through yesterday, rebounding from a 22 percent plunge in August as generic Plavix went on sale.

Interim CEO Jim Cornelius said on a conference call that ``we are not for sale" and a search for a permanent chief among internal and outside candidates is under way.

Third-quarter revenue decreased 13 percent to $4.15 billion. Sales of Plavix fell to $474 million in the U.S. Worldwide revenue from the pill dropped 36 percent to $630 million.

Plavix, with $6.3 billion in revenue last year, was the second-biggest-selling drug in the world behind Pfizer Inc.'s cholesterol pill Lipitor.

Apotex Inc., a closely held Canadian generic-drug maker, started selling its cheaper copies of Plavix Aug. 8 after U.S. regulators rejected an accord with Bristol-Myers and marketing partner Sanofi-Aventis SA to postpone generic sales until 2011. A U.S. judge ordered Apotex to halt shipments Aug. 31, pending a court dispute over Plavix patents.

Plavix Probe, Suit

A U.S. Justice Department investigation of whether the Apotex agreement violated antitrust laws ``has been expanded to include a review of whether there was any violation of federal securities laws," Bristol-Myers said in today's statement.

At the end of September, three of every four Plavix prescriptions were being filled with the generic, said Chris Shibutani, an analyst with J.P. Morgan, in an Oct. 20 note.

Sales of generic Plavix will continue to affect revenue for the rest of this year and into 2007, Bristol-Myers said. Cheaper generic copies reduced third-quarter revenue by $525 million to $600 million, the company said.

Generic copies of Plavix will ``likely'' run out in the 2007 first quarter, Andrew Bonfield, Bristol-Myers chief financial officer, said on the conference call.

Alabama Suit

An Alabama company sued Bristol-Myers and Sanofi yesterday in New Jersey, saying the two overcharged for the drug and downplayed its health risks. Alexander City, Alabama-based Skilstaf Inc. contends in the federal lawsuit that recent studies show Plavix is no better at helping heart-attack victims ward off future events than aspirin.

Marc Greene, Sanofi's spokesman, wasn't immediately available for comment. Laura Hortas, a Bristol-Myers spokeswoman, said the company was aware of the case and declined to comment.

Worldwide pharmaceutical sales fell 17 percent to $3.2 billion. U.S. drug revenue dropped 22 percent to $1.6 billion, reflecting generic competition for Plavix and Pravachol, a cholesterol-lowering medication that lost patent protection.

New Products

Bristol-Myers has introduced eight new drugs in the last four years and has eight more in the late stages of development.

In June, the U.S. Food and Drug Administration granted accelerated approval for Sprycel, a pill for two rare cancers of the blood and bone marrow. Sprycel had sales in the quarter of $11 million. Bristol-Myers said there are 30,000 patients who might benefit from the drug.

In July, the agency cleared Atripla, a once-a-day pill for HIV combining Bristol-Myers's Sustiva with Gilead Sciences Inc.'s Viread and Emtriva medicines. Atripla and Sustiva had combined sales of $201 million, up 18 percent over the previous year.

Sales of the HIV drug Reyataz, first approved by U.S. regulators in 2003, grew 32 percent to $233 million, the company said. A 300-milligram dose of Reyataz got U.S. approval Oct. 20.

Pravachol, the cholesterol drug that was Bristol-Myers's biggest seller before losing U.S. patent protection this year, had revenue of $192 million, a 64 percent decline.

The cancer treatment Erbitux, which Bristol-Myers markets with New York-based ImClone Systems Inc., recorded a sales increase of 64 percent to $175 million. In March, the drug, already approved in the U.S. for colon cancer, won additional regulatory clearance for treating head and neck malignancies.

Sales of Baraclude, a hepatitis B treatment, tripled to $22 million. Schizophrenia treatment Abilify sales were up 20 percent, to $313 million.

Feds Broaden Probe Of Bristol-Myers (DOW)

By Peter Loftus, Of DOW JONES NEWSWIRES

Dow Jones, October 27, 2006

A federal investigation into Bristol-Myers Squibb Co.'s (BMY) proposed settlement of a patent dispute has been expanded to determine whether the deal violated securities laws, the drug maker disclosed Thursday.

Earlier this year, Bristol-Myers and Sanofi-Aventis (SNY), which co-market the heart drug Plavix, reached a proposed settlement with Apotex Inc. of Canada to stave off the introduction of a generic version of Plavix until 2011. The deal fell apart after state regulators objected, and Apotex sold generic Plavix for about three weeks in August before a judge's order halted sales.

Bristol-Myers previously disclosed that the U.S. Attorney's office in New Jersey began an investigation into corporate governance issues related to the company's negotiations of the proposed settlement. Also, the Department of Justice's antitrust unit launched a criminal investigation into the proposed settlement, Bristol disclosed in July.

On Thursday, Bristol-Myers said the U.S. Attorney's office investigation has been expanded to include a review of whether there was any violation of federal securities laws in connection with the proposed settlement. Bristol-Myers said this was in connection with the terms of a consent order entered into with the Securities and Exchange Commission in August 2004.

Bristol disclosed the development in a press release for its third-quarter financial results.

The 2004 SEC agreement settled charges that Bristol-Myers engaged in a fraudulent earnings management scheme that was unrelated to the current Plavix matter. The settlement required Bristol-Myers to pay $150 million and included a permanent injunction against future violations of certain accounting provisions of federal securities laws.

In a related development in June 2005, Bristol-Myers agreed to pay an additional $300 million as part of a deferred-prosecution agreement with the U.S. Attorney's office in Newark, N.J. Under that pact, federal prosecutors agreed to defer prosecution on a charge of conspiring to commit securities fraud for two years. If at the end of two years, Bristol-Myers has fully complied with the terms, the criminal complaint will be dismissed.

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The terms included Bristol-Myers' agreement to submit to an independent monitor, former federal judge Frederick Lacey. It was Lacey's oversight, in connection with the U.S. Attorney's office probe into corporate governance issues surrounding the proposed Plavix settlement, that led to the firing of Peter Dolan as CEO last month.

In recent premarket activity, shares of Bristol-Myers were quoted at $24.75, up 9 cents from Wednesday's close.

-By Peter Loftus; Dow Jones Newswires; 215-656-8289; peter.loftus@dowjones.com

SEC Brings Fewer Enforcement Cases (WSJ)

By Judith Burns And Kara Scannell

The Wall Street Journal, October 27, 2006

WASHINGTON -- The Securities and Exchange Commission brought about 10% fewer enforcement actions in fiscal 2006 than the prior year, marking a three-year decline from a record high in fiscal 2003, according to individuals familiar with the results.

The decline in cases comes as the SEC enforcement division is under scrutiny from congressional investigators, led by Sen. Charles Grassley, an Iowa Republican. The Government Accountability Office said last week in a letter to Sen. Grassley, who is chairman of the Senate Finance Committee, that it would grant his request and review the SEC's enforcement and examinations divisions.

The GAO also said it would review the agency's oversight of the self-regulatory bodies at the New York Stock Exchange and National Association of Securities Dealers. SEC spokesman John Heine said the agency welcomes the review.

Sen. Grassley's interest stems from allegations by a former SEC enforcement attorney who says he was fired once he sought to take the testimony of John Mack, a Wall Street chief executive, in connection with an insider-trading investigation involving Pequot Capital Management Inc., a hedge fund. The former SEC attorney, Gary Aguirre, says his supervisors refused to allow him to take Mr. Mack's testimony because of his political connections and clout. Mr. Mack was a major fund-raiser for President Bush during the 2004 election.

The SEC has denied political favoritism. Earlier this month, the SEC notified Pequot and Mr. Mack, now chief executive of Morgan Stanley, that it wouldn't file charges against them.

Securities regulators brought fewer than 600 cases in the fiscal year ended Sept. 30, according to the individuals familiar with the results, down from 630 in fiscal 2005 and 639 in fiscal 2004. The SEC hit its high in fiscal 2003 with 679 cases.

The SEC did set a record for deregistering shares in companies that are late in filing financial results, bringing about 90 such actions in fiscal 2006, nearly three times the level in the prior fiscal year.

Critics say deregistration cases are relatively easy to bring, and some believe they conceal a steep decline in enforcement cases even as the SEC's enforcement budget has grown to support about 1,200 staffers.

The SEC plans to release its enforcement results next week and is expected to point to a hiring freeze and staff turnover as factors in the declining case output.

Mr. Heine said preliminary estimates show the SEC lost 31 "full-time equivalent" positions in enforcement in fiscal 2006, a 2.4% decline from fiscal 2005.

"There's no question that if the staff numbers had not declined in the last few years, we would have been able to bring more cases," Mr. Heine said.

He said the SEC expects an 8% to 10% decline in enforcement cases from fiscal 2005 to fiscal 2006 but noted that year-to-year comparisons "are difficult to make because cases are so different."

Some attorneys say they see no evidence that the SEC's enforcement staff is pulling its punches amid a backlash from business groups such as the U.S. Chamber of Commerce, which issued a report in March questioning whether the SEC's enforcement program is becoming too punitive and pursuing cases it shouldn't.

"I don't think anybody has pulled back because of the chamber report," said one of its authors, Bruce Hiler, a partner with the law firm of Cadwalader, Wickersham & Taft, in Washington, D.C.

Some critics blame SEC management for the drop-off, suggesting top enforcement officials are playing it safe. Others point to the five-member commission, which votes on each action and has been split in the past when a proposed settlement would penalize companies, something opponents say may only inflict additional harm on shareholders.

Faced with potential stalemate on some cases, SEC Chairman Christopher Cox worked with commissioners to hammer out a policy, announced with great fanfare in January, to help resolve such matters. SEC critics say they see no evidence the agreement has helped the commission sign off on a number of older cases. Others say it has created additional paperwork at the staff level, which has bogged down new cases.

S.E.C. Facing Wide Review Of Practices (NYT)

DOJ_NMG_0087170

By Gretchen Morgenson

The New York Times, October 27, 2006

The Securities and Exchange Commission, under scrutiny for its handling of an insider-trading case involving a prominent hedge fund, will be the subject of a broad review by the investigative arm of Congress, the Government Accountability Office.

Charles E. Grassley, the Iowa Republican who is chairman of the Senate Finance Committee, last month asked the office in a letter to conduct a review of the commission because he was growing concerned, he said, about whether it is "faithfully adhering to its mission."

The S.E.C. is charged with protecting investors by policing the nation's financial markets and prosecuting violations of securities law by individuals and companies.

Last week, the G.A.O. accepted Mr. Grassley's request that it review two S.E.C. divisions: its enforcement unit, which brings civil securities suits, and the office of compliance, inspection and examination, which oversees money managers, brokerage firms, stock exchanges and other regulated entities.

The G.A.O. will also examine whether the commission adequately monitors self-regulatory organizations — like the New York Stock Exchange and NASD — that refer cases to the commission for possible enforcement actions.

"Congress needs an independent analysis of whether the institutions that are responsible for protecting investors are keeping up in a fast-changing marketplace," Mr. Grassley said yesterday in a statement. "It's been a long time since there's been this kind of thorough review. The integrity of our financial markets and, in turn, the well-being of individual investors depends on checkpoints that stop insider trading and manipulation."

John Heine, a spokesman for the S.E.C., said, "We welcome the review and look forward to any recommendations that might follow."

Mr. Grassley's request comes amid an inquiry by his staff and by the Senate Judiciary Committee into the S.E.C.'s handling of an insider trading investigation involving Pequot Capital Management, a $7 billion hedge fund run by Arthur J. Samberg. That investigation, which focused on a number of profitable trades by Pequot in advance of mergers or other market-moving news, commenced in 2004 and was being overseen in 2005 by Gary J. Aguirre, a staff lawyer at the S.E.C.

Mr. Aguirre has told the Senate that in the midst of his investigation, his superiors blocked him from taking the testimony of John J. Mack, an influential Wall Street executive and a friend of Mr. Samberg. Mr. Mack now heads Morgan Stanley.

S.E.C. officials argued that Mr. Aguirre was not justified in taking Mr. Mack's testimony because he could not show that Mr. Mack had inside information or a clear motive for giving it to Mr. Samberg. The investigator said he was simply asking to interview Mr. Mack, not bring charges. Mr. Aguirre protested the decision and was fired in September 2005, a year after he was hired.

Mr. Samberg and Mr. Mack have repeatedly denied any improper conduct.

During the summer, the S.E.C. took Mr. Mack's testimony. Earlier this month, the agency closed the Pequot investigation, advising Mr. Samberg and Mr. Mack that it would not recommend any enforcement actions against them or the hedge fund.

Mr. Grassley wants the G.A.O. to analyze referrals sent to the S.E.C. by exchanges to see how many actually translate into regulatory actions, to examine what types of cases the S.E.C. brings, and how it begins and tracks its investigations.

Mr. Grassley also asked the office to review how the commission ensures that stock exchanges police their members adequately and whether the systems at these exchanges ensure that "influential individuals" cannot gain access to data that are not public.

Mr. Grassley has shown particular interest in the S.E.C.'s policing of possible insider trading by institutions like hedge funds and brokerage firms. Securities regulators in Britain have made insider trading, especially involving hedge funds, an enforcement priority recently.

Hedge funds are lightly regulated, large pools of capital that play an increasingly powerful role in world markets; they control more than $1.2 trillion in assets.

Richard J. Hillman, managing director of financial markets and community investment at G.A.O., said that his organization gets frequent requests to study the commission's operations. In 2004 and 2005, for example, the G.A.O. examined the commission's mutual fund oversight; last year, it reviewed how it assesses and collects fines, penalties and disgorgement in its cases.

S.E.C. officials have not finished compiling data on enforcement cases brought or opened during its most recent fiscal year, which ended Sept. 30. For the 11 months that ended in August, the S.E.C. opened 838 investigations. Full-year figures for investigations opened in 2005 totaled 947, down from 975 commenced in 2004.

SEC Steps Up Scrutiny Of Fund Administrative Fees (USAT)

By Elliot Blair Smith And John Waggoner

USA Today, October 27, 2006

The Securities and Exchange Commission is accelerating a probe of 27 investment company advisers that paid $230 million in mutual funds assets for administrative fees from 1999 to 2004 to a third-party service provider that funneled most of the payments right back to the investment advisers.

The SEC probe gained traction when the contractor, Bisys Fund Services, which performs recordkeeping and other back-office services for the advisers, agreed last month to pay $21.4 million to settle a case against it and to cooperate in the larger investigation.

"Our investigation is ongoing," SEC Pacific regional director Randall Lee said Thursday. The agency has begun to issue letters requesting details of the fee-splitting arrangements. Mutual funds employ investment advisers to manage the funds. These advisers farm out much of the work to third parties.

Although the suspect fund managers have not been identified in agency documents, AmSouth Bank disclosed in August 2005 that the SEC was threatening to bring an enforcement action related to its fee-splitting relationship with Bisys. AmSouth said it voluntarily refunded payments to its AmSouth Funds unit, which it subsequently sold.

Another bank, BB&T, said Thursday that it employed Bisys in a similar arrangement but that it restructured the relationship in late 2004 or early 2005 to reduce the fees borne by fund investors.

"We have worked diligently over time to reduce the expense structure," said Keith Karlawish, president of BB&T Asset Management.

Karlawish said that BB&T had been in contact with the SEC about the relationship and said the bank is reviewing its relationship with Bisys, which still works for its funds, in a lesser role than before. "The whole situation is under review," Karlawish said.

Several other banks, including JPMorgan Chase, which inherited a large contract with Bisys when it acquired the former Bank One in 2004, declined to comment.

The SEC laid out Bisys' secret fee-splitting agreements in an administrative proceeding that Bisys settled without admitting wrongdoing. The SEC said investment advisers contracted Bisys to administer their funds with side agreements that entitled them to a portion of its fees without disclosing the arrangement to fund investors or even the funds' boards of directors.

Bisys kept only about $10 million of the fund assets it was paid over five years, the SEC said. The rest went back to the investment advisers as marketing fees.

Russel Kinnel, head of fund research at Morningstar, said, "In every case where there was a kickback, you know that some senior (officials) gave up their fiduciary responsibility and sold out fund shareholders."

Former Executives Of Delphi To Face SEC Civil Claims (WSJ)

By Kara Scannell In Washington And Jeffrey Mccracken In Detroit

The Wall Street Journal, October 27, 2006

The Securities and Exchange Commission approved the filing of civil fraud claims against the former chairman and chief executive of auto-parts maker Delphi Corp. and against its former chief financial officer in connection with accounting improprieties, according to people familiar with the matter.

The five-member commission voted unanimously yesterday to approve a settlement with Delphi, in which the auto-parts maker would settle allegations of accounting improprieties that resulted in a multiyear restatement of earnings, these people said. The company, which is in bankruptcy court protection, won't be subject to a penalty, these people said.

Delphi spokeswoman Claudia Piccinin declined to comment, except to say "Delphi has been cooperating with the SEC investigation."

Meanwhile, the SEC is investigating the role of Delphi's outside auditors during this time period, Deloitte & Touche LLP, these people said. A Deloitte spokeswoman declined to comment.

Former chairman and chief executive J.T. Battenberg III will be named in a civil complaint and is expected to fight the allegations, said the people familiar with the matter. Mr. Battenberg's attorney, William Jeffress, didn't respond to a phone call or email.

Meanwhile, former chief financial officer Alan Dawes also is expected to face claims, these people said. Mr. Dawes has agreed to a settlement, which the commission has approved, these people said. Mr. Dawes's attorney, Elizabeth Baird, declined to comment, saying she "has nothing to say until the SEC has something to say."

The SEC also is expected to file civil claims against several former executives, some of whom are expected to simultaneously agree to settle the allegations. It is unclear which other former executives will face the claims.

Resolving the case could help Delphi firm up its funding prospects to help it emerge from bankruptcy. Delphi, which makes auto parts such as steering systems and satellite radios, is hoping to exit bankruptcy before the middle of 2007.

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Mr. Battenberg retired from the company a week before the SEC probe was made public. Mr. Dawes resigned last year after an internal investigation uncovered accounting improprieties.

Also expected to face claims is a non-Delphi executive that was involved in some of the questionable accounting and helped Delphi misrepresent a contract when the supplier was questioned by auditors, said the people familiar with the matter. It is unclear who this executive will be.

At least four other Delphi executives have resigned or lost their jobs in connection with the investigation. Among them were former Delphi controller and chief accounting officer Paul Free and former vice president of treasury, mergers and acquisitions John Blahnik. An attorney for Mr. Blahnik didn't return a call seeking comment. Mr. Free couldn't be reached.

Attorneys for various former Delphi executives and officials earlier this month asked a bankruptcy judge to force the parts maker to cover legal costs from responding to federal subpoenas and civil lawsuits over the company's accounting woes. Delphi halted such payments when it filed for bankruptcy in October 2005.

Laura Marion, former director of financial accounting, was among other ex-Delphi officials who sought money to cover their legal costs. Her attorney couldn't be reached.

In February, the company's compensation committee denied a request from some of the former executives and employees for legal reimbursement, and "ceased advancement of expenses," the executives and employees said.

The committee provided no explanation for its decision but made it clear that future requests would also be denied, they said. Reimbursements have since ceased to all nine of the executives and employees.

The former employees asked U.S. Bankruptcy Judge Robert Drain to force Delphi to advance legal fees and costs, or to allow a corporate insurer to advance defense costs. The judge is expected to hear arguments on this issue in late November.

Ultimately, Delphi in its own review found improper accounting for rebates and other lump-sum payments from suppliers, off-balance sheet financings of indirect materials and inventory, and payments and credits for warranty and health-care issues.

SEC To Charge Delphi Ex-execs (DEN)

Detroit News, October 27, 2006

Former leaders of bankrupt parts maker face fraud accusations after 27-month probe.

The Securities and Exchange Commission met Thursday and plans to file civil fraud claims against several former executives of bankrupt Delphi Corp. following a 27-month investigation, according to people familiar with the situation.

The Wall Street Journal reported that two of the executives charged will be former chairman and CEO J.T. Battenberg III and former chief financial officer Alan Dawes. The Detroit News has learned that two others will be John Blahnik, the former Delphi vice president of treasury, mergers and acquisitions and Paul R. Free, former chief accounting officer.

Reached by The Detroit News late Thursday, Battenberg's lawyer William Jeffress declined to comment. A person reached at Battenberg's home in Naples, Fla., late Thursday declined to comment. She said Battenberg was traveling and unavailable for comment.

Delphi spokeswoman Claudia Piccinin also declined comment other than to say the company has cooperated with the SEC's investigation.

The charges are likely to be filed in U.S. District Court in Detroit, possibly as early as Monday, one person familiar with the investigation told The News.

The Journal reported the SEC's five-member commission also voted unanimously to approve a settlement with Delphi. The company agreed to settle allegations of improper accounting that led to the restatement of some earnings, it said, adding Delphi won't be subject to a penalty.

Laura Marion, who had served as director of financial accounting and reporting is expected to face civil charges, the sources said.

The News confirmed that SEC officials made several courtesy calls Thursday to lawyers representing former Delphi officials to alert them of the pending charges.

The SEC's investigation has found that Delphi used various improper methods to inflate earnings, cash flow and revenue, which hid the declining health of the company, according to people familiar with the matter.

Several large transactions weren't accounted for properly, including a $237 million payment Delphi made to its former parent, General Motors Corp.

Lawyers for many of the former Delphi executives under scrutiny have argued to the SEC that there is no evidence they personally profited from the improper accounting. They also contend that before the Enron debacle and the 2002 corporate reforms, some of the accounting practices in question were commonplace.

Many of the targets have been in settlement talks with the SEC. The SEC has sought to impose stiff fines against former executives -- in some cases nearly $1 million -- in the Delphi investigation.

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It isn't clear if any settlements have been reached or if Delphi will have to pay a corporate penalty.

Prior to Delphi's financial turmoil and the accounting scandal, Battenberg was among the most-respected auto executives in Detroit.

Throughout his career, he held a variety of assignments covering aspects of automotive design, engineering, manufacturing, finance and sales and has worked in both the United States and Europe.

Battenberg's automotive career began as a General Motors Institute (now Kettering University) engineering student in 1961, sponsored by a GM plant in Kansas City, Mo.

He was named to lead the initial public offering and eventual spin-off of Troy-based Delphi in 1999.

Battenberg retired from Delphi in July 2005, a week before the SEC charges became public.

He retired last year when Robert S. "Steve" Miller took over as Chairman and CEO of Delphi and eventually took the company into Chapter 11 bankruptcy protection.

A criminal investigation by the justice department is ongoing.

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Ex-Trader Found Guilty, But Judge Questions Case (WSJ)

By Paul Davies And Aaron Lucchetti

The Wall Street Journal, October 27, 2006

David Finnerty, a former star trader on the floor of the New York Stock Exchange, was convicted of charges that he made thousands of improper trades that cheated investors out of millions of dollars. However, in a move that may bolster any appeal, the federal judge in the case raised questions about the verdict.

After just one day of deliberations, the jury of six men and six women found Mr. Finnerty, 40 years old, guilty of three counts of securities fraud. Mr. Finnerty, a former specialist at Fleet Specialist Inc., now a unit of Bank of America Corp., oversaw trading of General Electric Co., one of the most heavily traded stocks at the NYSE, and prosecutors allege that Mr. Finnerty had more troubling trades than any of the other specialists who have been charged. Mr. Finnerty faces as long as 20 years in prison for each count.

The verdict provided a boost for federal prosecutors in Manhattan, who have lost two similar cases and dropped two others. There are six cases left to be tried. But immediately after the verdict was handed down, U.S. District Judge Denny Chin raised questions about the government's case, saying there "is some fuzziness in the law."

Judge Chin said the trading practice in question appeared to be widespread at the NYSE and that many trading firms had made a lot of money by trading in between public buy and sell orders, which the government alleges harmed investors. The seven NYSE specialist firms paid about $248 million in 2004 to settle civil cases related to the trading. The judge said he wasn't inclined to reverse the verdict but his comments are likely to strengthen any appeal or result in a reduced sentence.

The government had accused Mr. Finnerty of improperly positioning himself between public buy and sell orders more than 26,000 times between 1999 and 2003, generating $4.5 million in illegal profits for his firm and hundreds of thousands of dollars in inflated bonuses for himself.

"Just because everyone cheats on their taxes doesn't make it right," Judge Chin said.

A spokeswoman for the U.S. Attorney in the Southern District of New York declined to comment.

Fred Hafetz, Mr. Finnerty's attorney, called the verdict "troubling." He said the judge's comments address issues he plans to raise in a motion to have the verdict set aside. Mr. Hafetz argued the trading wasn't criminal and many of the stock trades were mistakes. The entire trading in question amounted to less than 1% of each specialist's volume, he added.

"So what if it's only a small percentage of the time," assistant U.S. Attorney Anirudh Bansal said during his closing argument in Mr. Finnerty's trial. "Does that make it right to steal?"

Prosecutors indicted the 15 elite traders, known as specialists, last year as part of a broader crackdown on white-collar crime, one of the most serious criminal actions ever brought against NYSE traders. Two other specialists have been convicted and two others have pleaded guilty. Convincing a jury that the highly paid traders were engaged in improper trading has been difficult. Much of the evidence was technical and hard to understand.

Stocks Populi (WSJ)

By Arthur Levitt Jr.

The Wall Street Journal, October 27, 2006

Ever since the recount of 2000, partisans of both parties have paid particular attention to everything from who votes to how they vote and how their preferences are recorded. Counting every vote is not only integral to our political life; it is central to our economic life as well. Shareholder capitalism enables our markets to thrive, our companies to grow and our economy to remain

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strong. And central to this system is the principle that shareholders can have a voice in the running of the companies that they own, that their votes will count.

This fall, the issue has been the focus of a series of court cases, decisions and now potential Securities and Exchange Commission action. How the SEC handles this can have a profound effect on the future of shareholder democracy, corporate governance and the future of our markets. It's a matter of interest to all investors.

For years, shareholder advocates have been working to gain better access to companies' proxies so that they can put forward resolutions and, most importantly, their own candidates for director slots. Even though boards of directors have improved considerably since the passage of new independence standards and disclosure requirements in Sarbanes-Oxley, the ability of shareholders to remove directors is critical when seeking to revive a moribund corporation. Yet currently, board elections are one-party affairs, with the incumbent board's choices winning in virtually every case. Shareholders can only put forward candidates after costly proxy campaigns. A director has a better chance of being struck by lightning than losing an election.

After failing to convince the SEC to pass a proxy access proposal in 2003, shareholder advocates tried to make changes in the bylaws of companies that govern the elections of directors in order to make them fairer. They argued that this was a matter of process under applicable law (that is, did not directly relate to the election of directors, a basis of exclusion), and thus management had to put such a proposal on its proxy card to shareholders. In September, in a case concerning AFSCME, the large public employee union that wanted to put forward these changes at AIG, an appeals court ruled that such a bylaw change was proper and that management would have to open its proxy to proposals regarding how directors were elected. (Full disclosure: I was retained by AIG's board to help restructure its corporate governance; I had no involvement in this matter.)

In response, the SEC rightly decided to re-examine this issue and clarify the law. An open hearing on the topic was scheduled in October but was delayed until Dec. 13. The outcome of this session is critical to the future of shareholder capitalism. The signal the commission sends is an important one. Support of the AIG decision will make it clear that the reforms of the past few years were not ephemeral, and that even though the markets are once again delivering high returns, the commitment to good governance will not falter.

The upcoming meeting is the right time and place for the commission to set expectations for our public corporations. Indeed, an understandable desire for consensus on such a difficult matter is less important than the clarity of the SEC's message. While passing an entirely developed proxy access plan may be too much to ask, the SEC can set a direction by making it clear that it will not ignore the issue of fairness that precipitated this latest litigation and put forward a series of steps that will strengthen shareholder democracy.

Part of this should include safeguards such as a minimum requirement of shares held in order to put forward director nominees. Other changes that can be made are: an increase in the number of exempt solicitations from 10 persons to 20 as long as those solicited are institutions or "accredited investors" so that investors can easily communicate with each other; the electronic transmission of proxy materials to those who desire them in that form, a move that can boost shareholder participation and reduce cost; and an endorsement of the principle of majority rule and schemes that bring this to publicly traded companies. A growing number of corporations have taken this last step, and it's important for the SEC not only to allow but also to affirmatively promote it as a best practice -- even urging the exchanges to include majority-voting among their listing standards.

By setting this tone, the SEC will make a strong statement about corporate governance. It will demonstrate that accountability is a principle that will not be compromised. It will bolster its admirable efforts on executive compensation; after all, disclosure provisions are toothless if shareholders are unable to act upon them. And an endorsement of shareholder democracy will show investors world-wide that in our markets, their voices matter and their votes count.

CRIMINAL LAW:

Special Prosecutor Picks Apart Witness In CIA Leak Case (SDUT/AP)

By Matt Apuzzo, Associated Press

The San Diego Union-Tribune, October 27, 2006

WASHINGTON – Special Prosecutor Patrick Fitzgerald took on the first witness in the CIA leak case Thursday, dissecting an expert witness until she acknowledged errors and misstatements in her research.

Vice President Dick Cheney's former chief of staff, I. Lewis “Scooter” Libby, hoped the hearing would persuade a judge to let him call a memory expert at his obstruction and perjury trial in January.

At the outset of the procedural hearing, U.S. District Judge Reggie Walton indicated that he was not inclined to allow a memory expert to testify at the trial. Still, he allowed Libby's lawyers to present a witness to bolster their claim that memory experts would help in his defense.

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When it came Fitzgerald's turn, the veteran prosecutor launched into a nearly three-hour cross-examination of the witness – psychologist Elizabeth Loftus – that had some members of the audience shaking their heads.

It was the first public courtroom confrontation between Fitzgerald and Libby's defense team and foreshadowed a contentious trial.

Libby wants to use a memory expert to help argue that, when he made false statements to investigators about his conversations with reporters regarding CIA operative Valerie Plame, it was because of faulty memory. Prosecutors say he lied.

Loftus testified that many jurors don't understand how memory works and how unreliable it can be.

Fitzgerald challenged the validity of memory research. Citing footnotes in her publications, presenting conflicting statements and questioning her methodology, Fitzgerald got Loftus to acknowledge that a statement in one of her research papers was taken out of context and that a figure in one of her books was incorrect.

Libby's defense team had no comment after court.

Walton did not immediately rule on whether to allow the memory testimony at trial. He closed the courtroom to continue the debate over how much classified information Libby should be allowed to present at trial.

Libby is the only person charged in the leak case. Plame believes the Bush administration leaked her name to reporters as retribution for her husband's criticism of prewar intelligence on Iraq.

In The Libby Case, A Grilling To Remember (WP)

By Carol D. Leonnig

The Washington Post, October 27, 2006

With withering and methodical dispatch, White House nemesis and prosecutor Patrick J. Fitzgerald yesterday sliced up the first person called to the stand on behalf of the vice president's former chief of staff.

If I. Lewis "Scooter" Libby was not afraid of the special counsel before, the former Cheney aide, who will face Fitzgerald in a trial beginning Jan. 11, had ample reason to start quaking after yesterday's Ginsu-like legal performance.

Fitzgerald's target in the witness box was Elizabeth F. Loftus, a professor of criminology and psychology at the University of California at Irvine. For more than an hour of the pretrial hearing, Loftus calmly explained to Judge Reggie B. Walton her three decades of expertise in human memory and witness testimony. Loftus asserted that, after copious scientific research, she has found that many potential jurors do not understand the limits of memory and that Libby should be allowed to call an expert to make that clear to them.

But when Fitzgerald got his chance to cross-examine Loftus about her findings, he had her stuttering to explain her own writings and backpedaling from her earlier assertions. Citing several of her publications, footnotes and the work of her peers, Fitzgerald got Loftus to acknowledge that the methodology she had used at times in her long academic career was not that scientific, that her conclusions about memory were conflicting, and that she had exaggerated a figure and a statement from her survey of D.C. jurors that favored the defense.

Her defense-paid visit to the federal court was crucial because Libby is relying on the "memory defense" against Fitzgerald's charges that he obstructed justice and lied to investigators about his role in the leaking of a CIA operative's identity to the media. Libby's attorneys argue that he did not lie -- that he was just really busy with national security matters and forgot some of his conversations.

When Fitzgerald found a line in one of her books that raised doubts about research she had cited on the stand as proof that Libby needs an expert to educate jurors, Loftus said, "I don't know how I let that line slip by."

"I'd need to see that again," Loftus said when Fitzgerald cited a line in her book that overstated her research by saying that "most jurors" consider memory to be equivalent to playing a videotape. Her research, however, found that to be true for traumatic events, and even then, only 46 percent of potential jurors thought memory could be similar to a videotape.

There were several moments when Loftus was completely caught off guard by Fitzgerald, creating some very awkward silences in the courtroom.

One of those moments came when Loftus insisted that she had never met Fitzgerald. He then reminded her that he had cross-examined her before, when she was an expert defense witness and he was a prosecutor in the U.S. attorney's office in New York.

Libby's defense team declined to comment.

Access To Files Delays Jefferson Probe (NOTP)

By Bruce Alpert, Washington Bureau

New Orleans Times-Picayune, October 27, 2006

Action unlikely before primary

WASHINGTON -- With unexpected delays in copying records and computer files taken from Rep. William Jefferson's Capitol Hill office, it is unlikely the Justice Department will seek an indictment against the eight-term New Orleans Democrat before the Nov. 7 primary, legal observers say.

The delay may even force the decision past the Dec. 9 runoff that will be held if none of the 12 candidates in the 2nd Congressional District race wins more than 50 percent of the primary vote.

Neither, the Justice Department nor attorneys for Jefferson would comment. Jefferson has denied wrongdoing and has pointed to the lack of indictment after 18 months of investigation as evidence that he has been wrongly targeted.

Since the probe began in March 2005, two former Jefferson associates have pleaded guilty, including Vernon Jackson, CEO of the Louisville, Ky., technology firm iGate Inc.

Jackson said in court documents that he paid more than $400,000 to a company controlled by Jefferson's family in return for the congressman's help getting telecommunications contracts in Nigeria and Ghana. An FBI raid of Jefferson's Washington home in August 2005, uncovered $90,000 in marked $100 bills in his freezer, money that Jefferson had said in secretly recorded conversations with a government informant was intended as a bribe for the vice president of Nigeria, according to an FBI affidavit.

The issue holding up the case is whether prosecutors should have access to materials seized from Jefferson's Capitol Hill office on May 20 and 21, the first FBI raid of a sitting member of Congress. Experts said that with the final disposition of the documents before the courts, the Justice Department isn't likely to move forward until it either gets access to the material or it is ruled off limits.

And while the Justice Department says it doesn't put much consideration into timing of elections, the agency has never brought an indictment closer than two weeks before an election. The primary is now 11 days away.

Under a process established by a three-judge federal appeals court panel, Jefferson's attorneys are to be given access to the materials taken from his office on a "rolling basis" of between 1,500 and 1,700 pages at a time. They'll have a chance to specify what material should be kept from prosecutors and then Chief District Court Judge Thomas Hogan will make recommendations to the appeals court on whether he concurs or disagrees.

Carl Tobias, a law professor at the University of Richmond, said that a Justice Department that argued it needed access to evidence in Jefferson's office would not want to proceed with a case against the congressman until it exhausted all efforts to get the material.

Politics also argue against bringing an indictment before the legal status of the search of Jefferson's office is determined.

If the Justice Department were to seek an indictment now, Tobias said, it would signal that the raid, which touched off angry reaction from the Republican and Democratic leaders of the House over what they called violations of the Constitution's separation of powers clause, wasn't necessary.

Political analysts said the likelihood that Jefferson won't be indicted before the primary and perhaps before the runoff is generally good news for his campaign.

"Certainly it helps him if nothing happens before the election," New Orleans pollster Silas Lee said. "It still leaves a question looming over his head. It's a two-part question: Will they indict him before the election and will they ever indict him? Part one has been answered."

There's been no public explanation for the delay in getting copies of the documents taken from Jefferson's office more than five months ago to the congressman's attorneys. Two people familiar with the investigation said that there was a "computer glitch," but could provide no details.

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Staff writer Bill Walsh contributed to this story.

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Trandahl Names Kolbe As A 'Problem' With Page Program, Source Says (ABC)

By Rhonda Schwartz And John Yang Report:

ABC News, October 27, 2006

A source close to former House Clerk Jeff Trandahl told ABC News that Arizona Congressman Jim Kolbe (R-Ariz.) was one of a small number of "problem members" of Congress who page program supervisors complained spent too much time socializing with pages, taking them to dinner or sporting events outside of official duties.

Mark Foley was also on the list.

The source said Trandahl frequently cautioned both congressmen that "adults should hang out with adults, pages should hang out with pages," a message Trandahl also conveyed to pages during their orientation.

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Yesterday in Tucson, in his first meeting with reporters since returning from a European vacation, when asked by ABC News about Trandahl's reported allegations, Kolbe responded, "I would love to comment on a lot of these things, but I think it's just appropriate to say we're cooperating fully with all the inquiries."

Kolbe was also asked by reporters to respond to reports that the U.S. Attorney in Phoenix has opened a preliminary inquiry into a 1996 camping trip Kolbe took with two high school boys, both former pages, following a report by MSNBC that one adult member of the trip was "creeped out" by "fawning, petting and touching" on the arms, shoulders and back of one of the teenagers by Kolbe.

"I know there are a number of inquiries underway, and we're cooperating fully with all those inquiries, and I'm sure at the end of the time it will show that we acted appropriately and did exactly the right thing," Kolbe said.

U.S. Indicts Fugitive Sought As Witness To City Corruption (CHIT)

By Jeff Coen, Matt O'connor And Dan Mihalopoulos, Tribune Staff Reporters

Chicago Tribune, October 27, 2006

In a fresh attempt to bring a corrupt City Hall contractor back from Mexico to testify against Chicago officials, federal prosecutors announced Thursday that they are again charging the fugitive with a 12-year-old drug crime.

Marco Morales had pleaded guilty to bribery and mail fraud in the Operation Silver Shovel corruption case and had agreed to testify about bribing a high-ranking official in Mayor Richard Daley's administration. But Morales fled to Mexico in 1997 and his lawyers defeated an attempt to have him shipped back to Chicago last year to testify for prosecutors and serve his prison term.

Thursday's superseding indictment against Morales marked yet another front in U.S. Atty. Patrick Fitzgerald's efforts to target corruption in the Daley administration.

Morales is believed to be living on Mexico's Yucatan Peninsula, and his lawyer in Mexico City said Thursday that Morales would continue to fight extradition.

If convicted on the drug count, Morales could get up to 40 years in prison and a $1 million fine, authorities said.

"The government intends to ask Mexican authorities to extradite him to face today's cocaine distribution charge," the U.S. attorney's office announced in a prepared statement.

A spokeswoman for the Daley administration declined to comment Thursday.

Morales pleaded guilty to the same drug charge in 1996, but prosecutors agreed to drop the charge as part of a plea bargain. Under that deal, Morales was to serve a 59-month sentence on mail fraud and bribery charges and testify against two city officials, including former Transportation Department deputy commissioner Anthony Pucillo.

Ran pro-Daley group

Pucillo, who has denied wrongdoing, ran a pro-Daley political group of city workers, according to testimony in the recent hiring fraud trial of the mayor's patronage chief.

Morales disappeared before reporting to serve his sentence. He later said he fled after being threatened at gunpoint by two men who warned him to stop helping prosecutors.

Acting on an American extradition request, Mexican authorities arrested Morales in Merida in May 2004. A Mexican appeals court ordered him released a year and a half ago, ruling that the statute of limitations on his bribery and mail fraud crimes had expired.

Federal prosecutors in Chicago had promised at the time to explore their options for seeking Morales' extradition.

A retired federal prosecutor who unsuccessfully sought Morales' extradition in 2005 said the resurrected narcotics charge against the fugitive could yield his return to Chicago.

Joan Safford was the legal attache at the U.S. Embassy in Mexico City in 2005 when a Mexican appellate court rejected a U.S. bid to have Morales extradited to Chicago to face the charges. Under Mexican law, Morales had to be arrested within 6¼ years after he was supposed to surrender to federal prison. His arrest came about 2½ months late, Safford said.

The statute of limitations in Mexico for narcotics offenses, however, is 17½ years, Safford said. The FBI videotaped Morales delivering two pounds of cocaine to a government mole in August 1994.

"His charge for narcotics is still within the statute of limitations for Mexico," Safford said.

But Jaime Tacher, the Mexico City lawyer who repelled the first effort to extradite Morales, said the U.S. government's new effort "is even weaker than the case it had two years ago."

Tacher said Mexican courts were unlikely to extradite Morales because the allegations are so old and because the U.S. government is trying to bring Morales back to face new charges rather than serve a sentence.

"Marco can be declared a political defendant," Tacher said in a telephone interview. "When the Mexican judges see that we won the first time, they will view this new extradition attempt as a vendetta by the U.S. prosecutors."

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Tacher said he first learned about the re-indictment from a reporter and he was unable to contact Morales on Thursday. Morales' cousin, Norma Hoyos, who lives in Merida, said Thursday that Morales was traveling in Mexico to sell his paintings..

First in Silver Shovel

Morales, 61, was the first person charged in the Operation Silver Shovel probe. The investigation resulted in the conviction of six Chicago aldermen and a dozen other people as a result of 3½ years of undercover work by John Christopher, a lifelong mob-connected crook whose hundreds of secretly recorded tapes were the underpinnings of the investigation.

Morales originally pleaded guilty to the drug charge in February 1996, a month after the undercover probe went public. Prosecutors eventually restructured the deal so Morales might avoid deportation once he completed his prison term.

Morales pleaded guilty to bribing a Chicago official for lucrative construction contracts and cheating a Laborers Union local out of $160,000 in pension and welfare contributions.

The evidence against Morales on the narcotics charge appears to be rock-solid. As a hidden FBI videocamera captured the scene in Christopher's office, Morales delivered a sample of cocaine to Christopher on Aug. 11, 1994.

Eight days later, Christopher, wearing a body recorder, handed Morales $25,000 in cash as they sat in Christopher's car outside Morales' business.

Morales counted the money aloud, according to Morales' first plea agreement.

Later that afternoon, Morales was videotaped as he delivered two pounds of cocaine to Christopher in Christopher's office.

Since Morales went on the lam, his son's construction company has received tens of millions of dollars in city contracts. Morales has denied that the contracts to his son were given in exchange for his silence.

In a 2005 interview with the Tribune, soon after his release from a Mexican jail, Morales attributed much of his success as a city contractor to cash-stuffed envelopes that he passed to officials who handled contracts for the Daley administration.

Morales said he did not think he was doing anything wrong when he bribed city officials: "Everybody was doing the same thing."

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Masilotti Plans To Step Down From Commission (PALMBEACHP)

By Tom Dubocq, Palm Beach Post Staff Writer

Palm Beach Post (FL), October 27, 2006

WEST PALM BEACH — Under pressure from federal investigators, County Commission Chairman Tony Masilotti has informed the county administrator that he will resign Friday — even though his term expires in a matter of weeks.

"I have been advised by an attorney for the commissioner that I will receive a letter of resignation from the commissioner in the morning," Administrator Bob Weisman said late Thursday. "I am to fax it to the governor's office."

Masilotti could not be reached Thursday evening. But in an interview earlier in the day, the beleaguered commissioner said he was on the brink.

"You get to a point of wondering, how are you going to keep fighting this?" Masilotti told The Palm Beach Post. "It's difficult to eat, to sleep, to do anything. It's difficult to get anything done in a storm."

Masilotti's successor will be elected Nov. 7 and sworn in Nov. 21. Weisman said he alerted commissioners Thursday night of Masilotti's impending departure so they could prepared for a transition. Vice Chairwoman Addie Greene is in line to ascend.

"Frankly, I am kind of shocked to have received the call," Weisman said.

Masilotti said Thursday that federal prosecutors are threatening to charge him with "honest services" fraud, a crime that upon conviction carries a prison term of five to 20 years.

"I thought I was doing right," he said of his involvement in land deals under scrutiny by a federal grand jury. "It wasn't public corruption or kickbacks. ... The U.S. Attorney told me that these things weren't illegal — except that I didn't disclose them."

The "honest services" law is a 28-word federal statute that allows prosecutors to charge public officials with corruption even if there was no direct bribe to secure an official act. In general, it makes it a federal crime for officials to deprive their constituents of their honest efforts to represent them.

"It's more than a cozy relationship, it's a corrupt relationship," explained former U.S. Attorney Kendall Coffey. "Prosecutors are looking for financial inducements that corrupt the motives of a public official. It's not enough to be a lobbyist or a campaign contributor. It's like having someone who is on the take who can give you an inside track. It's a corrupt relationship even if a specific vote is not involved."

Convictions under the law have been overturned in the appellate courts because the law is arguably vague — prompting Masilotti to ponder an aggressive defense.

"I am really not sure. I don't know what to do," he said. "I need the advice of my attorney. I may have to just stand and fight."

Masilotti, 50, a former Royal Palm Beach mayor, first was elected to the county commission in 1998 and was reelected in 2002. Term-limited, he was preparing for a third and final run when he abruptly scrapped his reelection campaign in May and declared he wanted to spend more time with his children.

Before withdrawing from the race, Masilotti had been defending his connection to a multimillion-dollar land acquisition in Martin County reported weeks earlier in The Post — disclosures that eroded his support in the ranks of his Republican Party.

Masilotti at the time maintained that he did nothing wrong, that the stories were an attempt to oust him from office.

"There is nothing inappropriate about buying or selling land," he said from the commission dais. "And in fact I would put out a challenge to the publisher of The Post: If I or any of my family members did anything illegal, I will resign from this post, if in fact the editor of The Post will resign when they admit I did nothing wrong."

A federal grand jury soon was investigating the deal and another in Royal Palm Beach in a probe that has since mushroomed.

The Post reported in April that Masilotti's family made as much as $1.3 million in connection with a $40 million land purchase in Martin County by the South Florida Water Management District in 2003. The family's interest was hidden through a secret land trust and a tangled series of real estate transactions. Although Masilotti insisted he had no direct involvement, interviews and documents obtained by The Post showed he pushed for the water district purchase, without revealing his family's interest.

The grand jury also has subpoenaed records concerning Masilotti's promotion of a second real estate deal in 2003 and 2004 involving two investors who profited from the water district purchase. The investors bankrolled a bid to acquire 49 acres in Royal Palm Beach owned by the Diocese of Palm Beach.

Masilotti met twice with the bishop and wrote letters on Palm Beach County stationery urging the sale, records show. Once the investors had a contract on the property, Masilotti arranged a meeting with the county engineer to resolve a dispute over the proposed development's impact on traffic. Masilotti defended his actions, saying he was merely helping constituents.

Last month, the grand jury subpoenaed Masilotti's older brother, Paul, a building inspector for the village of Wellington, in connection with a land purchase in Brevard County. The 300 acres had been acquired in 2005 for $7.7 million in cash by a limited liability company whose manager was an attorney who also works for Palm Beach Aggregates, a major landowner in Tony Masilotti's commission district.

After the land purchase, Paul Masilotti paid the taxes on the property. Tony Masilotti said Thursday that his brother owned the Brevard County parcel, that he had acquired it from Palm Beach Aggregates in exchange for a property purchase option in Palm Beach County.

"Paul had a purchase option on a piece of property that (Palm Beach Aggregates President) Enrique Tomeu needed," the commissioner said. "Paul was planning to build a horse manure processing facility, but instead he swapped it."

Paul Masilotti's attorney could not be reached Thursday and Palm Beach Aggregates has declined comment on the grand jury matter.

Tony Masilotti said the company's dealings with his brother had nothing to do with his pivotal role in the county's approval of 2,000 homes and up to 50,000 square feet of commercial space on Palm Beach Aggregates' land. Until then, development had been limited to 120 homes.

"I honestly didn't know about it," the commissioner said. "If I had known, I would have told my brother not to buy land in Palm Beach County. I'm sure he didn't intend to hurt me."

Staff writer Hector Florin contributed to this story.

Palm Beach County Commissioner Masilotti Resigns As Feds Investigate (FLSUNSEN)

By Josh Hafenbrack, Sun-sentinel.com

South Florida Sun-Sentinel, October 27, 2006

Palm Beach County Chairman Tony Masilotti is resigning from office amid ongoing federal investigations into his potential misuse of power in several secret land deals, the top county administrator said Thursday.

Masilotti will fax a letter of resignation to County Administrator Bob Weisman Friday morning, Masilotti's attorney told Weisman, bringing his eight-year commission career to an end just three weeks before his term expires.

Weisman said he would forward the resignation to Gov. Jeb Bush, who has the power to appoint a replacement. But with only three weeks left in Masilotti's term, Bush may not do anything, Weisman said.

"The (commission) can function with six people," he said. "The election is close."

Masilotti could not be reached for comment Thursday evening, despite messages left on his cell phone. Earlier Thursday, standing in his Royal Palm Beach insurance office, Masilotti declined to talk about whether he was considering resignation, saying he was advised by his attorneys to stay silent.

"At this time, I'd rather not say anything about that," said an uncharacteristically subdued Masilotti, 50, a politician known to jump to his own defense.

The mercurial Masilotti's almost 20-year rise to political power, which began as Royal Palm Beach mayor, ends in scandal. The FBI probe into Masilotti focuses on a government land deal in southern Martin County, in which Masilotti and his ex-wife, Susan, pocketed roughly $1.3 million. The profit was shielded through a secret trust, but it came to light in the Masilottis' divorce papers in January.

FEDS AIM TO 'BOX' IN UNION BIG (NYPOST)

By Kati Cornell And Neil Graves

The New York Post, October 27, 2006

October 27, 2006 -- The feds have more than 100 boxes of evidence in their racketeering case against Queens Assemblyman Brian McLaughlin, officials said yesterday.

Assistant federal prosecutor Daniel Braun said he gathered "over 100 boxes of documents and other materials" that he'll use as evidence that the fallen labor leader stole $2.2 million from taxpayers and the electricians union.

McLaughlin, 54, who made his first appearance in federal court in Manhattan yesterday, had no comment before Judge Kenneth Karas.

Because of the stacks of evidence, Karas set the next court date for Dec. 14.

McLaughlin, who was booted as president of the New York City Central Labor Council, faces charges for allegedly stealing from the state, his union, his political campaign, contractors and even a Queens Little League, federal prosecutors charged last week.

Busted Brian Has His Buss, Tix To Ride (NYDN)

By Thomas Zambito, Daily News Staff Writer

New York Daily News, October 27, 2006

Indicted labor leader Brian McLaughlin is accused of showering gifts on lady friends, but yesterday he had a peck on the cheek for his wife, Eva, when she dropped into a Manhattan courtroom.

During a brief court appearance yesterday, McLaughlin's attorneys got Manhattan Federal Judge Kenneth Karas to agree to loosen the Queens assemblyman's travel restrictions, letting him go to New Jersey and Connecticut, where he has family.

Previously, he was allowed to travel only within New York.

Next week, McLaughlin's attorneys will get a peek at some 100 boxes of evidence that federal and city investigators compiled during their lengthy probe of the former head of the New York City Central Labor Council.

McLaughlin, dressed in a dark suit and blue tie, declined comment after leaving the courtroom with his wife and attorney Michael Armstrong.

Armstrong is a former federal and Queens prosecutor who was appointed last year by Mayor Bloomberg to serve as chairman of the Commission to Combat Police Corruption.

McLaughlin, 54, is accused of stealing $2.2 million in taxpayer funds to pay for fancy cars, country clubs and a Long Island mansion. He's also accused of looting nearly $100,000 from the bank account of a Queens Little League.

And the feds say he took $61,000 from a contractor to pay for a Mercedes-Benz for his wife. He also allegedly gave gifts - including money - to unnamed lady friends.

Ruleville Chief Pleads Guilty To Extortion, Protecting Drug Dealer (BSH)

Biloxi Sun Herald, October 27, 2006

OXFORD, Miss. - Federal prosecutors said Ruleville Police Chief Ronald Durelle Robinson pleaded guilty Thursday to an extortion charge, admitting that he took cash for not pursuing drug and gambling charges against a person he thought to be a crack cocaine distributor.

As part of the plea agreement, other federal charges against Robinson will be dropped when he is sentenced within the next 45 to 60 days, said James D. Maxwell II, assistant U.S. attorney for north Mississippi.

Robinson faces up to 20 years in prison, a $250,000 fine and up to three years' supervised release, prosecutors said. He remains free on a $20,000 bond.

Robinson, 46, and Ruleville Assistant Chief Larry Mitchell, 33, were indicted by a federal grand jury on July 25, but the indictments were sealed until the men were arrested Aug. 4 in the Delta town of 2,935.

Robinson and Mitchell were suspended without pay and police Lt. Amos Mitchner was appointed to serve as acting chief.

The indictment says that from December 2003 to June 2006, Robinson and Mitchell, acting in their official capacities, conspired to extort cash payoffs in exchange for providing protection for alleged crack dealers and other people Robinson and Mitchell believed to be distributing crack.

The FBI said Robinson was charged with one additional extortion count and four counts of attempting to aid in the possession of crack cocaine with intent to distribute. The indictment named Mitchell on one additional extortion count and two counts of attempting to aid in the possession with intent to distribute crack cocaine.

Mitchell is set for trial Jan. 29 in U.S. District Court in Oxford before Judge Glen H. Davidson. Maxwell said he could not disclose whether Robinson is cooperating with prosecutors in the case against Mitchell.

Robinson entered his guilty plea before Davidson.

If convicted, Mitchell faces a maximum 40 years in a federal prison and a $2 million fine on the most serious charge. Before entering his plea, Robinson faced the same possible penalties.

Robinson in 2004 told The Associated Press that his yearlong campaign against drug dealers had led to threats against his life and bribery attempts. At the time, his department was responding to protests by some residents who claimed serious injuries suffered by a drug suspect were the result of police brutality.

Robinson had said the suspect injured himself but "a small group of people" wanted to use the incident to force him out of office and end efforts to rid the town of a serious drug problem.

Texas Murder-For-Hire Convict Executed (FINDLAW/AP)

By Michael Graczyk, Associated Press Writer

AP, October 27, 2006

(AP) - HUNTSVILLE, Texas-A man was executed Wednesday for initiating a murder-for-hire plot that authorities said led to the fatal stabbings of his parents and an uncle.

The lethal injection of Gregory Summers, 48, came more than seven years after the execution of Andrew Cantu, convicted of taking the $10,000 offer and fatally stabbing Gene and Helen Summers, both 64, and Billy Mack Summers, 60. Their home in Abilene was set on fire after they were attacked and their bodies were found in the rubble.

Asked by Warden Thomas Prasifka if he had a final statement, Summers replied "no." Eight minutes later, at 10:16 p.m. EDT, he was pronounced dead.

Attorneys for Summers tried Wednesday to block the punishment by challenging the constitutionality of the injection method, accusing prosecutors of hiding evidence and raising questions about testimony from a trial witness who implicated Summers.

The U.S. Supreme Court three weeks ago refused to review his case. Three appeals went to the high court late Wednesday, and all were rejected.

"These were real people that we all loved very, very much," Arbie McAliley, the victims' niece, said after witnessing the execution. "Justice was served, we believe in our hearts."

Authorities said the 1990 slayings were the result of Summers' parents' frustration with bailing their son out of his financial problems and Greg Summers' attempt to get $24,000 in life insurance.

"His father had come to the end of his rope with Greg and was starting to cut him off financially," said Kent Sutton, who prosecuted Summers. "Greg was going to inherit everything and that was one of the reasons he wanted the house burned."

Prosecutors also showed how Summers previously collected insurance payoffs from fires at his grandmother's house and a vehicle.

"Greg was pure evil. He'd been bleeding them dry for money over the years, and when he realized he couldn't get any more out of them, he figured he could get their insurance," said Miles LeBlanc, Sutton's prosecutor partner.

"He was so cruel in what he did to them and he needs to pay," said Brenda Steele, who lost her aunt and two uncles. "They loved Greg and they overlooked a lot of things they probably shouldn't have."

Cantu, 31, had denied involvement and blamed the killings on two companions who testified against him.

"We were able to find enough circumstantial evidence to piece together a strong case," LeBlanc said. "Greg Summers earned his conviction."

Summers was the 22nd inmate executed this year in Texas, the nation's most active death penalty state. At least three other inmates have execution dates over the next four weeks.

On the Net:
Greg Summers: http://www.sfsonline.cjb.net
Texas execution schedule: http://www.tdcj.state.tx.us/stat/scheduledexecutions.htm

Charges Possible In Skid-row Patient Drop-offs In Los Angeles (USAT)

By William M. Welch
USA Today, October 27, 2006

LOS ANGELES — A hospital here is under criminal investigation for possibly dumping of homeless patients on skid row — a practice that the Bush administration says is widespread in the USA and "inhumane."

Los Angeles Police Capt. Andrew Smith says "there's a strong likelihood criminal charges could be filed" against Los Angeles Metropolitan Medical Center after five patients were brought by ambulance Sunday to the city's drug and crime-infested skid row section.

Philip Mangano, executive director of the U.S. Interagency Council on Homelessness, called the alleged dumping "abhorrent ... inhumane and horrific."

He says such actions by hospitals and other institutions have contributed to homelessness problems across the country. Stopping the practice and getting people into stable living situations, he said, are goals of agreements that the council has entered into with 281 cities.

Cities with such 10-year-plans to combat homelessness and find permanent solutions include New York, Chicago, Denver, Miami, San Francisco and San Diego.

Los Angeles does not have such a plan, Mangano said. "Inappropriate discharge" by hospitals puts people on the street, he says, fills up temporary shelters and sends its victims into cycles of hospitalization and arrest that are costly to the public.

"Unfortunately, it's all too common a practice around the country," Mangano says. "It's wrong for the person. It's certainly wrong for our society. ... It's wrong for the taxpayer because the taxpayer is the one who is saddled with that person's recycling over and over through the system."

Examples include workers at a mental hospital in Colorado who were accused in 2003 of dumping a discharged patient out of a wheelchair and onto a sidewalk at a Denver homeless shelter. Hospitals around Riviera Beach, Fla., were accused in 2000 of discharging patients into squalid, filthy motel rooms with little food or assistance.

In Los Angeles, police videotaped the ambulance's arrival and interviewed the patients who said they didn't want to be taken there, Smith said. At least two of the patients had homes, one with family and the other at a convalescent home in Pasadena, he said.

The hospital's president and chief executive officer, John Fenton, issued a statement saying "the allegations ... are unfounded" and asking for a meeting with the city attorney to discuss its discharge practices. Fenton did not return numerous calls from a reporter seeking comment.

City Attorney Rocky Delgadillo says he opened an investigation into the dumping of indigent people on skid row a year ago and that the events Sunday are a significant break in the case.

In March, police released videotapes they said showed a 63-year-old woman dropped off on a skid row street still wearing a hospital gown and slippers. The woman had been a patient at Kaiser Permanente's Bellflower Medical Center. Kaiser officials apologized and promised it would not happen again.

Delgadillo said a range of civil and criminal violations could be brought for discharging patients without adequate planning. He said false imprisonment and dependent-care abuse were among violations that would be considered.

Fenton, in his statement, said the hospital does not have an emergency room and is not covered by a federal law that requires appropriate discharge of patients from emergency care.

Delgadillo called Sunday's incidents "very serious" and said skid row — a 50-square-block area — is a dangerous place to leave anyone.

"I can't think of a more perilous situation than the heart of skid row," he said.

D.C. Jury Acquits Jemal Of Bribery (WP)

By Carol D. Leonnig And Dana Hedgpeth
The Washington Post, October 27, 2006

Douglas Jemal, one of Washington's most prominent developers, was acquitted yesterday of charges that he bribed a city official to get sweetheart contracts and inflated profits at taxpayers' expense.

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The jury in U.S. District Court convicted Jemal of one lesser count of wire fraud. But the panel resoundingly rejected the crux of the government's case, acquitting Jemal and two top lieutenants of his company, Douglas Development Corp., of the more serious charges of conspiracy and bribery.

"God bless you all," a tearful Jemal told jurors when he saw them leaving the courthouse. Giving them hugs, he declared: "Thank you, sweetheart. Thank you, dear."

From the start, Jemal, 63, denied wrongdoing in his dealings with the city. When he was indicted along with son Norman Jemal and leasing agent Blake Esherick in September 2005, Jemal said he was looking forward to the chance to clear his name and theirs after nearly two years of overlapping city and federal investigations.

Just before 3 p.m. yesterday, Jemal stood ramrod-straight in the courtroom as the jury foreman began to read the group's decision. When the foreman said, "Not guilty," on the chief counts, Jemal bent forward, his eyes beginning to water and rimmed with red. All told, he was acquitted of six of seven charges.

Prosecutors said Jemal could face up to 20 years in prison on the wire fraud charge. But under federal sentencing guidelines, his sentence could be much lighter, and he could wind up with just probation.

Known as a maverick developer who helped turn the city's East End near the Verizon Center from run-down storefronts into a vibrant area of housing, restaurants and shops, Jemal has an array of ambitious projects ahead, stretching from downtown to the banks of the Anacostia River in Southeast to Richmond. Now he will return to his daily routine -- and his trademark cowboy boots and jeans, which he had ditched for business attire for court.

He, his son and Esherick had recruited a veritable who's who of preeminent Washington defense lawyers to represent them in the trial that began Sept. 11. The jury acquitted Norman Jemal, the company's vice president, of all charges but found Esherick guilty on the wire fraud count as well as two counts of tax evasion relating to underreporting his income from Jemal. The bribery charges were always considered the most toxic in the case, but Esherick's conviction on the three felony counts is a serious blow, carrying the possibility of significant jail time.

Defense attorneys said they hoped to get the convictions overturned.

"We're relieved, of course," said Reid H. Weingarten, the lead defense attorney for Douglas Jemal. "He was charged with horrible crimes, of ripping off the District -- charges that never should have been brought."

U.S. Attorney Jeffrey A. Taylor said the guilty verdicts against Douglas Jemal and Esherick were a "vindication of a majority of our case." He defended the prosecution, saying, "This was a tough case, but given the serious allegations, we had to bring it."

The wire fraud charge stemmed from a document that Jemal and Esherick falsified and then used as a justification to get a mortgage company to release $430,000 in loan proceeds. The money went to a different business deal than the one specified in the mortgage. The defense contended that Jemal had a right to the money and that no one was hurt.

The prosecution's case focused most heavily on the angle of public corruption -- citing exorbitantly priced leases and invoices that a D.C. government property official arranged for the city to pay Douglas Development from 2001 to 2003. The government said Jemal and his team needed those deals to keep the company's overextended real estate empire alive in the years before the boom in District property prices and used phony documents and bribes to get them.

The government's star witness, former deputy director of property management Michael Lorusso, testified that he arranged overpriced deals, costing the city millions, for an impoundment lot in Prince George's County and office space at 77 P St. NE. Lorusso said he also authorized payments for nonexistent work.

Lorusso said that his goal was to enrich Jemal and that as payback Jemal's team gave him $10,000 cash in a humidor, a Rolex, trips to Las Vegas and other gifts. Lorusso pleaded guilty to taking bribes in 2004; he could get a lesser sentence in return for his cooperation.

Defense attorneys said Jemal was fiercely loyal to friends and generous with gifts. But prosecutors Mark H. Dubester and Tim Lynch argued that the gifts came with expectations and said that no reasonable person could believe Jemal would give another man a Rolex -- just to be friends -- a few months after meeting him.

Jurors said they saw no proof that Jemal meant to bribe anyone.

"We went strictly on the evidence, and there was none," said juror Stephanie Vasquez, 20.

Defense attorneys argued that Jemal profited on city deals because he was a good businessman.

In some of the trial's most dramatic moments, Weingarten tried to shred Lorusso's credibility. In one withering exchange, Weingarten got Lorusso to admit that nearly every line of the rÃ©sumÃ© he wrote to get his city job was falsified.

Some jurors said they considered Lorusso a "colossal liar."

"Oh, God -- Lorusso, " said juror Rosanne Goodie, 43. "What could you believe with him?"

A female juror who spoke on condition of anonymity said Jemal seemed to be the victim. "A man in high places will probably have people tend to gravitate toward him who want to use him," she said.

Friends and competitors in the close-knit circles of D.C. real estate welcomed the news that Jemal was cleared of the bribery charges.

"I'm happy for him," said Jim Abdo, a major housing developer. "I think what was driving him crazy was that anybody in the development business doesn't like uncertainty. He had this cloud of uncertainty over him. To have that removed is going to give him a significant peace of mind."

Ernie Jarvis, a managing director in the D.C. office of CB Richard Ellis, said: "I am relieved that Douglas was cleared, and I'm hopeful that he will continue to be a presence in our city as well as the local real estate market."

Jemal will be sentenced April 16 and Esherick on March 15.

During his trial, Jemal went into his office on H Street NW at 8 a.m. and worked for two hours before court. He returned to the office in the evenings, returning phone calls and e-mails to brokers, partners and potential buyers and sellers. A longtime supporter of Mayor Anthony A. Williams (D), Jemal is a builder and a manager of 10 million square feet of office, retail, commercial and residential properties in 185 buildings in the region.

"I'm very ecstatic to be judged by a jury of my peers, and I'm happy with the outcome. . . . In the end, I don't even know what it was about," Jemal said.

Before leaving the courthouse grounds, Jemal told jurors that he was glad they got his case, then got big laughs and slaps on the back with his parting joke:

"Let's get together every year around this time."

Intelligence Chairman Urges Leak Inquiry (WP)

By Walter Pincus

The Washington Post, October 27, 2006

The chairman of the House Permanent Select Committee on Intelligence has proposed a sweeping inquiry into the possible leak of a classified National Intelligence Estimate on Iraq by a staff member, including an audit of staff telephone records and e-mail to identify unauthorized contacts with news media or messages related to the leaked document.

Peter Hoekstra (R-Mich.), in a paper outlining procedures for the inquiry, said a committee counsel could pursue "any additional information beyond that involving the NIE if it related to improper conduct with regard to classified information by any member of the committee staff."

At issue is the leak of selected contents, harmful to the Bush administration, of a classified National Intelligence Estimate from April titled "Trends of Global Terrorism." The New York Times first published a story about the NIE, with the headline "Spy Agencies Say Iraq War Worsens Terrorism Threat," on Sept. 23 on its Web site and again in its Sept. 24 print edition.

The intelligence committee did not receive a copy of the NIE until Sept. 21, a day after Rep. John F. Tierney (D-Mass.), a member of the panel, called the Democratic staff about it. A staff member, Larry Hanauer, arranged for the document's author -- the Office of the Director of National Intelligence -- to deliver a copy to Tierney after it was posted on the panel's classified site.

A Republican member of the intelligence committee, Rep. Ray LaHood (Ill.), wrote Hoekstra to demand an investigation because the story was published two days after a Democratic staff member obtained the NIE.

Hanauer, who has been suspended from the committee by the chairman, signed an sworn affidavit this week saying he had nothing to do with the disclosure.

Murder Trial Juror Booted For Invoking Numerology (WP)

By Henri E. Cauvin

The Washington Post, October 27, 2006

The jury was trying to decide a high-profile murder case when the trouble began. One of the jurors brought numerology into the debate -- a mystical system said to divine truths from a person's birth date and from the sum of the letters in a person's name.

But numerology is nowhere in the jury instructions at D.C. Superior Court. And yesterday, after hearing from the woman's frustrated fellow jurors, Judge Wendell P. Gardner Jr. kicked her off the panel.

An alternate juror was summoned back to the courthouse and is expected to join the jury to begin deliberations anew today in the trial of two men accused of killing 14-year-old Jahkema "Princess" Hansen.

It was the strangest twist yet in a trial that has had more than its share since it began almost a month ago -- almost three years after Hansen was fatally shot in the Sursum Corda housing complex, allegedly because she was a witness to a killing. In addition to talking about numbers, the juror had declared that she was the savior, there to force a mistrial.

From a prosecution witness's apparently testifying while high on marijuana to a juror finding herself followed home by a key figure in the case, the trial has not lacked the unexpected.

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Leaving the courtroom after she was dismissed, the juror said she could not say anything because of "the judge's order."

Judges rarely take such steps but can do so when jurors refuse to deliberate or, as in this case, insist on introducing information that wasn't part of the evidence.

A couple of years ago, the judge in a drug-gang murder case in U.S. District Court ousted a juror who refused to deliberate.

But what happened in the trial of Franklin Thompson and Marquette Ward was more bizarre.

From the outset, it appeared that the jury's discussions took an acrimonious turn. "How do you have a juror changed," the foreman said in a note to the judge on Monday, a couple of hours into the deliberations.

And then late Wednesday, after the jury had twice reported that it could not reach an agreement, the judge got a note explaining the reason: "One of the jurors refuses to comply with your instructions. Being insulting and argumentative. Will not base statement on fact pertaining to evidence. Making statements of their hidden agenda."

The note led to yesterday's unusual inquiry.

Interviewed by the judge one by one in open court, the jurors said the woman spoke of the significance of everything from dates of birth to the pronunciation of names and the color of people's clothing.

"She was always straying from whatever we were talking about," one juror told the judge.

"It was all made up. It was all a fabrication," another juror said.

When the judge called the juror in question, identified only as Juror No. 15, she spoke so softly that the court stenographer a few feet away had trouble hearing her.

She was not asked what she had said, and she did not volunteer having said much of anything. Asked whether numerology had come up, she said some jurors had been reading the horoscopes that morning. And asked whether birthdates had been discussed, she suggested that they were part of a bona fide discussion of the evidence, contradicting the accounts of almost all of the other jurors.

After questioning the jurors, Gardner scoffed at the woman's statements. "I don't believe one whit of what she's telling me," he said.

With that juror gone, the jury is supposed to start deliberations from scratch, looking anew at the testimony and other evidence laid out over three weeks by the prosecutors, Assistant U.S. Attorneys Deborah Sines and Michelle Jackson.

Hansen was killed after seeing Ward kill a drug dealer, prosecutors alleged. Ward feared that Hansen -- his sometime sex interest -- would tell police what she had seen, so he hired his friend Thompson to kill Hansen for $8,000, prosecutors said.

Just after 11 p.m. on Jan. 23, 2004, Thompson allegedly burst into a rowhouse in the 1100 block of First Terrace NW and shot Hansen in the back of head.

Ward's and Thompson's were familiar faces in the insular environs of Sursum Corda, where Ward was known as Corleone and Thompson was known as Frank Nitti, after the feared accomplice to Al Capone.

Prosecutors played up the nicknames to the jury, while Ward's attorney, Steven D. Kupferberg, and Thompson's attorney, Rudolph Acree, dismissed the labels as hype.

What was undisputed was that a 14-year-old, living a very adult life, died in harrowing fashion that night.

Malvo Talks With Tucson Detectives (WT/AP)

By Stephen Manning

The Washington Times, October 27, 2006

Lee Boyd Malvo met yesterday with police from Tucson, Ariz., who are investigating whether Malvo and fellow sniper John Allen Muhammad were responsible for a golf course shooting there in March 2002, Malvo's attorney said.

Malvo spent about two hours speaking with Tucson detectives at the Montgomery County Correctional Facility in Boyds, attorney William Brennan said. Malvo, already serving a life term in Virginia for one of the October 2002 sniper shootings, is in Maryland awaiting sentencing for six sniper killings in Montgomery County.

Mr. Brennan would not discuss the substance of the meeting.

Tucson police have long sought to speak with Malvo about the March 19, 2002, killing of Jerry Taylor, 60, who died from a single shot fired from long range as he practiced on the Fred Enke Golf Course. The case has never been conclusively tied to Muhammad or Malvo.

Capt. Bill Richards, commander of the violent crimes division with Tucson police, declined to comment yesterday, except to say that "we do feel that in the very near future, we'll be able to discuss things ... in a broader sense."

After his arrest Oct. 24, 2002, at a Frederick County, Md., highway rest stop, Malvo told authorities that he had shot a senator on a golf course in Arizona. Mr. Taylor was not a senator. Muhammad and Malvo were visiting Muhammad's older sister at the time, but police didn't have enough evidence to prove they were responsible for Mr. Taylor's death.

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In addition to the 10 killings and three woundings in the Washington area, the two men are suspects in earlier shootings that year in Alabama, Georgia, Louisiana, Maryland and Washington state and are reportedly linked to shootings in Florida, Texas and California.

Both were convicted of separate Virginia killings in 2003. Muhammad was sentenced to death while Malvo was given a life prison term.

They were sent to Montgomery County last year to stand trial in six killings. Muhammad was convicted in May, a case that included testimony against him by Malvo. Earlier this month, Malvo formally pleaded guilty and is scheduled to be sentenced Nov. 9.

Mr. Brennan said he planned to contact authorities in other jurisdictions where Muhammad and Malvo are accused of sniper shootings to discuss a larger plea deal that would allow Malvo to serve his life sentence in federal prison.

Virginia prosecutors, however, oppose such a deal.

A County Of Bad Ol' Boys (LAT)

By Richard Fausset, Times Staff Writer

The Los Angeles Times, October 27, 2006

HOW bad is Cocke County's lawless reputation?

So bad that its tourism and economic development chief, Donald Hurst, likes to kick off out-of-town business meetings with a self-deprecating joke. All of the visiting Cocke County officials, he tells his audience, are right here in the building — so "rest assured, your home is safe."

To many Tennesseans, Cocke County is the place their parents warned them about, the butt of hillbilly jokes, the last redoubt of an old, untamed Appalachia. For decades this poor and dramatically beautiful area, north of Great Smoky Mountains National Park, was a haven for moonshiners and bootleggers who evaded federal tax agents by hiding in its rugged hills and hollows.

It was also known for its brothels and chop shops, its illegal bars and gambling, its shakedowns and drugs and stadium-sized cockfight pits — and its rampant public corruption. There was a time when people called it "Little Chicago."

And though other mountain communities have seen their wild days lapse into the innocuous category of "colorful past," Cocke County seems doomed to repeat the sins that have long defined it.

In recent months, a state and federal corruption probe has been making familiar headlines here, flushing out the latest round of dirty cops, brothel owners and incorrigible outlaws whom locals call "tush hogs" — a name they also use for wild boar.

County Mayor Iliff McMahan Jr., first elected in 2002 on a promise to attract tourists and new business, hopes this investigation is the final chapter of a long, troubled history.

After all, the Little Chicago nickname has long faded, and moonshining, a victim of increasingly lax Southern liquor laws, has been reduced to the status of a hobby.

And yet the trouble continues, competing with the good news McMahan and Hurst are spreading about their inexpensive, underdeveloped and untrammeled county — the place their tourism campaign extols as the "real" Smoky Mountains.

"People think we're all barefooted and have three teeth and are playing banjo music," McMahan said. "We do have a tarnished reputation when it

comes to public service …

[but] there are a lot of good, Christian people who live here. We are a law-abiding, God-

fearing community."

Jeramy Hux, the owner of a local mountaineering shop, said he hoped the probe would finally break what he called the "good-old-boy web" that had given the county such a bad name.

"It's about time," he said.

But there is also a notable lack of enthusiasm for the investigation, even among some law-abiding residents. Once again, they say, it seems like the federal government is picking on little Cocke County.

Robert Dameron, 64, a retired truck driver, said the FBI should find better things to do. "I don't think [the corruption] is as bad as they think," he said. "They've got that everywhere."

The mayor — who counts a few illicit whiskey makers among his forebears — said a wariness of federal power was deeply ingrained here. In the old days, McMahan said, moonshiners were rarely considered criminals — just people trying to feed their families. When they were busted by federal "revenuers," those families often went hungry.

In the 1920s and '30s, state bureaucrats assembling land for the national park created more bad blood when they pressured hundreds of families to leave their mountain homes. During World War II, the Tennessee Valley Authority moved others off some of the county's best farmland to create Douglas Lake, part of the authority's vast hydropower system.

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"We here in Cocke County have always felt the federal government has taken every effort to kick our butt that they possibly could," McMahan said.

ON a pretty day, the Cocke County countryside feels more like heaven than a notorious den of iniquity. Mountains roll to the horizon, clad in green swaths of hemlock and pine. Three rivers — the Pigeon, the French Broad and the Nolichucky — rush through lush, oak-strewn bottomlands. Small farmers grow tomatoes, grass for hay, and a little tobacco.

According to the 2000 census, 22.5% of Cocke County's 34,000 residents live in poverty. The county seat, Newport, is home to 7,000, with a quaint if dowdy downtown and a few suburban amenities: a Ruby Tuesday restaurant, a Lowe's home improvement store.

This is, supporters say, a typical rural county, no better or worse than any other. To some extent, statistics bear them out: In 2005, Cocke County logged about 77 crimes per 1,000 residents. The rate was higher than those reported by nearby Jefferson and Grainger counties, but lower than that of adjacent Sevier County, where tourists flock to miniature golf courses in Gatlinburg, and Dolly Parton's Dollywood theme park in Pigeon Forge.

The federal government launched its investigation in 2001, naming it Operation Rose Thorn. Since then, seven officers from the Newport police and county sheriff's departments have been convicted of crimes that include conspiracy to distribute cocaine, attempted money laundering, perjury, witness tampering, and stealing money from illegal immigrants.

At least 10 other Cocke County residents have been prosecuted on charges including cocaine sales and interstate theft. Brothels and suspected chop shops have been raided without much input from local authorities — presumably because state and federal agencies didn't trust them.

Former Chief Sheriff's Deputy Patrick Taylor, second-in-command at the department, pleaded guilty to conspiring to traffic in stolen goods. He bought what he thought was $9,000 in stolen NASCAR-themed tank tops, hats and other clothing from undercover agents, and planned to sell the merchandise at country fairs out of a deep-fried-onion stand, according to federal prosecutors. He is expected to be sentenced in November.

In court documents, prosecutors accused Taylor of other crimes for which he was not charged. They said he had extorted money from bars, coercing them to buy liquor from the package store he ran with his wife. And they said he had protected a business that supplied bar owners with illegal video poker machines.

Sheriff D.C. Ramsey — Taylor's uncle — resigned in January after 2005 court filings showed he was under investigation on suspicion of receiving payoffs from gambling interests. He has not been charged.

Then there was the Del Rio Cockfight Pit, with enough bleachers to accommodate 500 fans.

Cockfighting had been a felony in Tennessee until 1990, when it was downgraded to a misdemeanor by Cocke County's state representative at the time, Ronnie Davis. (Davis was imprisoned for taking part in a fake-passport scheme in 2004.)

Around the same time, Dist. Atty. Gen. Al Schmutzer raided the pit, but it soon resumed business. Last year, Schmutzer returned with a contingent of heavily armed state and federal agents and issued citations to more than 140 spectators and participants.

Witnesses cooperating with the FBI said as much as $30,000 in wagers would change hands over a single fight — and pits like the Del Rio held dozens of fights in one day. Breeders and fans came from surrounding states and filled up hotels and restaurants, generating thousands of dollars for a historically depressed economy.

They were also upholding what many here see as a proud symbol of their Appalachian heritage. But Schmutzer said the raid was about more than stamping out an old country pastime. "You can't have something going on that's illegal and notorious in your community and expect people to respect the law," he said.

After the raid, Schmutzer was surprised when some locals complained that the young people wouldn't have much to do now.

"You'd a thought we'd raided the Boys & Girls Club," he said.

HURST, the head of an economic development group called the Cocke County Partnership, smiled wearily when discussing the investigation. At one point, he compared the county's recurring issues to the movie "Groundhog Day."

Jimmie Frank Hill, 76, a regular at Newport's downtown barbershop, remembers the 1930s: riding as a child in a van, sitting on a blanket covering his father's cases of illegal whiskey. He talks about the brothel his father built and ran, and the gangsters from Chicago and Detroit who would sometimes hide out there.

In the mountain community of Del Rio, a man who asked not to be identified for fear of retaliation recalled his experiences in the 1960s, when truckers passing through town were considered easy bait. While the truckers were occupied at the brothels, a few men would offer boys $5 to puncture their tires — a boon for the tire distributor.

Schmutzer, who recently retired, said that when he was first elected in 1974, "Cocke County was pretty well wide-open."

It was easy to find a drink of hard liquor in bars despite the fact that it was banned. Prostitution was out of control. Back then, the women were supplied by an organized crime gang from St. Louis. Many of the brothels billed themselves as truck

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stops, and the prostitutes cooed over CB radios in code, enticing men with $50 "cups of coffee." A few of the places did not bother to install diesel pumps.

Schmutzer eventually drummed the more organized criminal elements out of Cocke County's prostitution business. The brothels crept back into service, although some of them have been shuttered again in the recent probe.

The most extensive chronicle of the county's troubles, focusing largely on the last four decades, was compiled last year by J.J. Stambaugh, a reporter at the Knoxville News Sentinel. Titled Cocke County Confidential, published online at http://www.knoxnews.comunder the header news, it runs to more than 50 pages when printed out.

Stambaugh offers a few plausible explanations for Cocke County's troubles. First came Prohibition, which showed moonshiners there was serious money to be made outside the law. Later, World War II brought an influx of GIs to east Tennessee — and entrepreneurs willing to slake their thirst for booze and sex.

The timeline shows that two Cocke County sheriffs have faced felony indictments since 1970. It describes dumped bodies, moonshiners-turned-pot growers, and mysterious and questionable shootings involving police. And it limns a tangled, multi-generational web of local characters — some of whom are the focus of the current probe.

MAYOR McMahan may understand why some residents are annoyed by the federal investigation. But he doesn't agree with them. Public corruption, he said, is a very real problem in Cocke County.

"It's a culture," he said. "And how do you change it? It's like eating an elephant. You do it one bite at a time."

McMahan, 55, was born in Cocke County — a place, he will remind you, that was named after an Independence-era politician, not a fighting rooster. But he spent much of his life in Washington, D.C., where he worked as a professional stage actor and business executive. He returned home to care for his ailing father in 1995, his accent half-citified, his Cocke County alliances few.

During his first bid for election, McMahan said, he received death threats. These days, he keeps a pistol strapped to his ankle — "because you never know," he said.

After taking office, McMahan saw controversy visit even the most ordinary totems of small-town life. In 2004, the local United Way was kicked out of the national organization, the United Way of America, over questionable bookkeeping. Last year, the county's Fraternal Order of Eagles chapter was decertified by its international parent organization because it had never given any money to charity. Its membership list included many of the targets of Rose Thorn.

Yet in his successful reelection campaign this year, McMahan did not make corruption an issue. Realistically, he said, there was little he could do about it, because the sheriff is an independently elected office.

It also seemed like bad politics: Too many voters, he figured, were kin to someone caught up in it all.

James R. "Russ" Dedrick, the U.S. attorney for Tennessee's Eastern District, declined to speak at length about Operation Rose Thorn. He said he would be more forthcoming when the case wrapped up, in about a month.

He did say, however, that new leadership — including a newly elected sheriff — seemed intent on putting the old ways behind them.

Sgt. Jonathan Morgan said the culture of his department was changing under Sheriff Claude Strange, a former state trooper.

In the last few years, Morgan, 29, has given the FBI evidence about three of the deputies prosecuted in Rose Thorn. His reward under then-Sheriff Ramsey was a transfer from drug investigations to night patrol — in effect, a trip to the doghouse.

Morgan never heard anyone in the department call it retaliation. And he can't say that he blames the ex-sheriff for all of the trouble.

"I don't know if 'blame' is the word," Morgan said. "It's just tradition."

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Woman Says She Didn't Kill Social Worker (NSDY/AP)

By Associated Press, October 27, 2006, 6:04 Am Edt

Long Island Newsday, October 27, 2006

In a jailhouse news conference that she had requested, Renee Terrell said Christopher Luttrell alone was responsible for the death of Boni Frederick, 67, of Morganfield.

"I didn't do anything to her, and I am sorry for her," Terrell, 33, told the Henderson Gleaner. "I guess I hang out with the wrong people.

"I didn't want her hurt. I even said I didn't want her hurt. It wasn't my intention for anybody to get hurt."

Luttrell, 23, told reporters gathered at the Henderson police station on Wednesday that he killed Frederick. An autopsy revealed she died of blunt and sharp force trauma.

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Terrell said she was in the house when Frederick was killed but that she didn't see or hear the attack. The couple is accused of taking Terrell's 10-month-old son, Saige, after Frederick had brought the infant for a visit with the mother.

The baby is now in custody of foster parents.

Terrell has four children, and none are in her custody, according to a court document. The other children are ages 14, 9 and 7.

The couple face felony murder, kidnapping, robbery and theft charges.

Terrell said she and Luttrell had developed a plan to take her son, but that the plan didn't include hurting anyone.

"It wasn't until my son got there that I chickened out," she said. "I started thinking better of it and didn't want to do anything to get in trouble with my son," she said.

But a criminal complaint filed with Henderson court officials says that on the night Terrell was arrested, she told police that she had "hit Boni three or four times with the frying pan."

Luttrell has also claimed in statements to detectives that the woman participated in the killing. He told police that on the day of the killing, he hid in a bedroom closet but kept the door cracked, the court documents said.

Luttrell told police that he, too, used the iron frying pan to beat Frederick and that both he and Terrell hit her with their fists, the court documents said.

FBI agents arrested Terrell and Luttrell on Oct. 19 in a trailer where they sought shelter near Godfrey, Ill., about 30 miles north of St. Louis.

The baby had been removed from Terrell's custody when he was 13 days old because of neglect, police said. Police also said the courts were in the process of permanently removing Terrell's parental rights before Frederick was slain on Oct. 16.

Legal Eagles On Lookout For Fraudulent Contractors (KATC)

KATC-TV, October 27, 2006

NEW ORLEANS -- Fraudulent contractors, unlicensed contractors and the bilking of homeowners are reaching epidemic proportions, prompting federal and state agencies to beef up regulatory and criminal enforcement against unscrupulous businesses.

The problems may have not hit their peak, with Road Home money still to be handed out, state and federal agencies said.

The law and license enforcement agencies are coordinating efforts to fine or jail bad contractors.

"The FBI and the U.S. attorney are fundamentally committed to ensure (the use of) recovery (money) is free of fraud, and we are cooperating to include contractors who engage in fraudulent activity," said James Bernazzani, FBI special agent in charge of Louisiana.

Bernazzani said that the disbursement of Road Home loans _ federal money _ gives the FBI jurisdiction, and any contractor stealing or fraudulently taking the money will be high on the FBI's radar.

"If you are a contractor fraudulently (taking) recovery money from homeowners, the FBI will take a very, very hard look at it," he said.

As Road Home money through the Louisiana Recovery Authority begins to be disbursed, the FBI and the Louisiana attorney general's office doubt complaints against contractors have approached the peak.

"I think eventually our active complaints will exceed 1,000 any given month," said Charles Marceaux, executive director of the Louisiana State Licensing Board for Contractors.

Marceaux said he expects that by the end of the year, his board will have held more than 800 administrative hearings since hurricanes Katrina and Rita. In past years, citation hearings have been about 300 to 400 a year, he added.

The citations are for being unlicensed, failing to perform as contracted or performing shoddy work. If egregious enough, the contractor's actions are forwarded to the attorney general's enforcement division, which will decided whether criminal action should be taken.

Isabel Wingerter, director of the general consumer protection section for the attorney general, said she would have expected a handful of consumer complaints in years past.

"We've never seen anything like this," Wingerter said.

Most of the criminal cases involve misappropriations of funds and theft by fraud, she said.

As of Oct. 16, 194 cases had been referred to the attorney general's criminal division for investigation, 65 arrest warrants for theft or fraud had been issued and there were 140 ongoing criminal investigations against contractors. Additionally, 10 civil unfair trade practice investigations involving 140 contractors were pending, Jennifer Cluck, a spokeswoman for the attorney general, said.

Between contractors seeking licenses and consumers making complaints or seeking information, the contractor's board is fielding 80,000 calls a month.

Before Katrina, there had been about 15,000 licensed residential or commercial contractors or registered home-improvement contractors. Now, there are more than 20,000. Marceaux said that since Katrina, 5,397 new applications have been received.

Commercial licenses are the largest category at 2,648. Before last year's storms, there were 47 licensed mold remediating contractors. There have been 256 applications and licenses issued for mold contracts since the storms.

Marceaux said he's seeking support for legislation to stiffen the fines the board can levy and make it more difficult for a contractor to abandon a project.

Cluck urged consumers to use the attorney general's hotline, 1-800-351-4889, to make complaints. The phone bank is staffed from Monday through Friday, 8:30 a.m. to 5 p.m., but messages can be left anytime for a staffer to return a consumers call.

The FBI's top agent said reports of potential criminal activity can also be reported by calling 1-800-CALLFBI. He was adamant, however, that the hotline is not for generic consumer complaints.

"Please don't call because you're peeved at your contractor," he said, but rather when there is obvious criminal activity. Marceaux asked that consumers file complaints through the licensing board's Web site.

New Orleans May Hire A Public Watchdog (NSDY/AP)

By Becky Bohrer, Associated Press Writer

Long Island Newsday, October 27, 2006

NEW ORLEANS -- City leaders are pressing for the hiring of a corruption watchdog to send a message that New Orleans -- with its long and colorful reputation for graft and thievery -- can be trusted with the billions of dollars in federal aid pouring in to rebuild after Hurricane Katrina.

"We have a moral obligation to lead with integrity," said City Councilwoman Shelley Midura, who is among those pushing for the creation of the office of inspector general. "This is something the people are crying for."

At least five of the council's seven members have signed on to the idea, set for a vote Nov. 2.

Some have argued that under the current plan, the inspector general would be too weak, because the watchdog would have no subpoena power. Others are debating whether the inspector general should be a New Orleans insider or an outsider.

Also, Mayor Ray Nagin has come out against a proposal to make city contractors help pay for the office. And decision makers in this cash-strapped city have not yet settled on a budget for the inspector general.

Councilman Arnie Fielkow argued that money shouldn't matter: "I don't think the community can afford NOT to do this right now."

New Orleans has been dogged for years by cronyism, self-dealing, one-hand-washes-the-other politics and wink-and-a-grin thievery. At least two people have pleaded guilty as part of a federal investigation of corruption at the city transit authority under Nagin's predecessor, Mayor Marc Morial, and three Morial associates are awaiting trial on charges they orchestrated a plan to rake money from a lucrative contract. Morial has not been accused of wrongdoing.

Nagin's administration has been largely scandal-free. But stories of wasteful spending, plodding bureaucracy and fraud have dogged the recovery at all levels: Federal officials have been criticized for awarding no-bid contracts and paying more than $1 billion in aid to the undeserving; a state legislator has been under scrutiny because his relatives got a lucrative deal to sell trailers to FEMA; and a parish councilman in a New Orleans suburb resigned in October under indictment on charges he extorted money from the owners of a hurricane debris disposal site.

New Orleans pollster Silas Lee said he believes the Big Easy's reputation as politically corrupt is overblown, suggesting other major cities such as Chicago and New York are just as bad or worse. Still, he said an inspector general is not a bad idea, if the appointee is given the authority and the resources to do the job.

Since 1998, the inspector general's office for Miami-Dade County has led inquiries resulting in over 160 arrests and uncovered more than $50 million in questionable spending, Inspector General Chris Mazzella said.

In Baltimore, Andrew Clemmons' office received 73 complaints in his first year as inspector general, a figure he expects to at least triple this year.

"If you get the right person, they're going to be active," said Roland Malan, executive director of the Association of Inspectors General. "And there will be times the city is embarrassed and times the city is really glad that person is there."

In New Orleans, the idea is to have a politically independent office. Anyone employed by the city within the past five years would be excluded from consideration.

That is a sore point with the leader of the local chapter of the NAACP, Danatus King, who warned that that would disqualify people with knowledge of the city's inner workings.

But Malan said hiring an outsider would remove any suspicion that the watchdog is beholden politically to someone.

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"You need someone who's on a white horse with an impeccable reputation and who's willing to stand up to anybody when it comes to the organization," he said.

Reprimand For A Justice Who Met With Inmates (NYT)

By Adam Liptak

The New York Times, October 27, 2006

A special panel of the Washington Supreme Court made up of nine substitute judges reprimanded one of the court's justices yesterday for visiting a facility that holds sexually violent predators.

The panel ruled that the justice, Richard B. Sanders, had "created an appearance of partiality" by questioning inmates and accepting documents from them at the McNeil Island Special Commitment Center on a visit there in January 2003. The center holds sex offenders who have completed their criminal sentences but who the courts have found are likely to engage in predatory acts of sexual violence.

A case concerning the constitutionality of the state law under which the inmates were committed was before the court at the time.

In an interview, Justice Sanders said his visit had been useful and appropriate. Judges in Washington are encouraged to visit prisons and similar facilities, he said, and he received continuing judicial education credit for his 2003 visit.

"The whole objective of this facility is supposed to be to treat the prisoners," he said, "and I thought it was a valuable opportunity to ask the prisoners how they were doing. I thought I gained from the experience, and now I'm being punished for it."

The sanction was admonishment, the mildest available punishment.

Justice Sanders, who ultimately disqualified himself from the pending case, said nothing he had learned could have affected the decision.

He added that the prosecutors who complained about his visit had been eager to have him off the case. "They probably think I am too inclined to uphold the rights of the accused," Justice Sanders said.

Washington law requires lower-court judges to sit in when complaints concerning Supreme Court justices reach that high court. In other states and in the federal system, judges sometimes hear disciplinary cases concerning colleagues on their own courts.

Neither choice is appealing, said Stephen M. Gillers, an expert in legal ethics at New York University's law school. Lower-court judges substituting on the state's highest court may fear retaliation from high court judges, Professor Gillers said, and other justices may be disinclined to offend a colleague.

Justice Sanders's visit was prompted by an invitation from several inmates. Other justices considered attending but decided against it. One of them, Justice Faith Ireland, later testified before the state's Commission on Judicial Conduct that she had warned Justice Sanders not to go. "I said, 'Richard, don't do this,' " Justice Ireland testified.

During the visit, Justice Sanders spoke with some 20 inmates, one of them involved in the pending case.

Last year, the commission ruled against Justice Sanders, saying he had failed to promote public confidence in the judiciary.

"The commission strongly encourages judges to visit correctional institutions," the ruling said. But "if a tour is sponsored or originated by prisoners, prison rights advocates or other nonjudicial groups," it continued, judges need to be alert to possible conflicts of interest.

The special panel unanimously affirmed the commission's ruling.

"It was clear," Judge C. Kenneth Grosse of the Washington State Court of Appeals wrote for the panel, "that there was a substantial basis and expectation that Justice Sanders would be in contact with possible litigants who had pending litigation before the court and that this contact would be viewed as improper."

Professor Gillers said the court had ruled correctly.

"What Justice Sanders is charged with doing is not even debatably acceptable," he said. "Talking to a litigant about a matter within the scope of litigation is wholly out of bounds, and it's the job of the judge to police that."

A lawyer for Justice Sanders, Kurt M. Bulmer, said the ruling left judges with no clear guidance and would discourage them from worthwhile visits.

"You make them afraid to become involved in the process," Mr. Bulmer said. "In these sorts of visits, it's commonplace for judges at all levels to talk to the residents or prisoners. Otherwise, all you get is a walk-through."

Getty Tightens Acquisitions Policy (LAT)

By Christopher Reynolds

The Los Angeles Times, October 27, 2006

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Under growing international global pressure after decades of buying artifacts that might have been looted, the Getty Museum dramatically has tightened its acquisition standards.

The move is not retroactive -- if it were, the museum would have to relinquish scores of treasured ancient items from its galleries and storerooms -- but some authorities say it's a turning point in a global confrontation between curators and archeologists over the way museums do business.

With this move, two experts said, the Getty is essentially taking responsibility for making sure an item's recent history is clean, instead of challenging critics to prove it's dirty.

"It's a rethinking of the whole issue of the burden of proof," said Malcolm Bell, a University of Virginia archeology professor and co-director of U.S. excavations at Morgantina, Italy.

The Getty chose 1970 as its threshold date because that's when the United Nations gave its blessing to a convention aimed at preventing illicit movement of cultural property. Although the measure had little immediate effect on the habits of major American museums, several major institutions in Britain adopted standards along the same lines in the past decade. The University of Pennsylvania's art museum has won plaudits from archeologists for taking a similarly conservative stance, but until now none of this nation's foremost museums had signed on.

"We're trying to do what we believe is right," said Getty Museum Director Michael Brand, who added that the move had no direct connection with the ongoing trial of former Getty curator Marion True -- whom Italian prosecutors accuse of knowingly receiving looted items -- or Italian cultural officials' pending demand for the return of 52 items in the Getty collection.

"I suspect that they'll be happy to hear about this, but it's not something we've discussed with them at all," Brand said.

The Getty's trustees, who approved the policy change Monday, "are really taking a very principled stand," said Patty Gerstenblith, a law professor at DePauw University and president of the Lawyers Committee for Cultural Heritage Preservation, based in Washington, D.C.

She predicted that the move would set an example for other institutions. Although New York's influential Metropolitan Museum of Art made headlines worldwide in February when it agreed to return 21 items demanded by Italy, including a prized vase known as the Euphronios Krater, the museum has resisted calls to change its acquisition standards, which match those of the Association of Art Museum Directors.

Both endorse antiquities acquisitions so long as there's no proof of impropriety and the works have been documented for at least 10 years.

Gerstenblith dismissed the 10-year standard as "inadequate," and Bell put it this way: "The reformers are at the gates, and the Met is pouring boiling oil on them. . . . The Getty is recognizing the moral problem, and the Met will have to come to that too."

Met spokesman Harold Holzer sees the issue differently.

"We're not contemplating any change in our policy," he said Thursday. "If you choose one date as your watershed date, it doesn't mean you're any more vigilant than you were before, and the Met considers itself extremely diligent."

Furthermore, Holzer said, the Getty's move "doesn't address the idea of what you do in the case of a fugitive masterpiece that's separated from its original site and may not be traceable back . . . . Does that mean you relegate it to oblivion forever?"

Throughout the 20th century and into the 21st, as major museums scrambled to build collections from the ancient world, curators and directors argued that an antiquity was fair game so long as nobody could prove it had been looted.

Since such evidence is extremely rare, this left museums to enjoy the benefit of the doubt. In the 1980s and '90s, the Getty spent tens of millions of dollars to build an antiquities collection of more than 44,000 items. Although the Getty tightened its standards in 1995 to bar acquisitions that were undocumented before that year, many critics continued to count it among the Met, Boston's Museum of Fine Arts and other institutions with long histories of buying antiquities with misty histories from shadowy dealers.

Under the new policy, the Getty will require at least one of these three conditions:

-- "Documentation or substantial evidence" that the piece entered the U.S. by Nov. 17, 1970, and "that there is no reason to suspect it was illegally exported from its country of origin."

-- Documentation or substantial evidence that the item was out of its original country by 1970 and that it has been or will be legally imported to the U.S.

-- Documentation or substantial evidence that the item was legally exported from its original country after 1970 and that it has been or will be legally imported to the U.S.

CIVIL LAW:

InterMune Will Pay $37 Million To Resolve U.S. Probe (Update1) (BLOOM)

By Karen Gullo And Margaret Cronin Fisk

Bloomberg, October 27, 2006

Oct. 26 (Bloomberg) -- InterMune Inc., maker of a treatment for rare bone and immune system disorders, will pay $36.9 million to settle U.S. claims it illegally marketed the drug for unapproved uses and caused false claims for reimbursement from government health programs.

The San Francisco U.S. Attorney's office said InterMune sold the drug, called Actimmune, mostly for prescriptions to treat pulmonary fibrosis, a fatal lung disorder with no cure that affects 83,000 Americans. InterMune distributed misleading information to doctors and patients claiming the drug could prolong survival knowing the company's studies failed to show significant benefits, prosecutors said in a statement.

``This settlement sends a clear message to the pharmaceutical industry that the Justice Department will not tolerate these deceptive and illegal marketing practices," said Assistant U.S. Attorney General Peter Keisler in a statement.

While doctors are free to prescribe any drug to treat illnesses regardless of FDA approvals, drugmakers are prohibited from promoting medicines for unapproved uses. In the past few years, prosecutors have been cracking down on the practice. Pfizer Inc. agreed to pay more than $430 million in 2004 to settle charges that a Warner-Lambert unit promoted the epilepsy drug Neurontin for other uses.

False Claims Act

InterMune will pay $30.2 million to resolve charges it violated the False Claims Act by causing fraudulent claims to be filed to federal health insurance programs for Actimmune. The claims weren't eligible for reimbursement because the drug was used for purposes not approved by the U.S. Food & Drug Administration. InterMune will pay an additional $6.7 million to state health insurance programs.

InterMune Chief Executive Officer Dan Welch said during a conference call today that the improper marketing practices were actions of former employees.

``We are very happy to put this matter behind us," he said.

The Brisbane, California-based company recorded a $6.9 million charge in addition to the $30 million charge it announced in July in connection with the settlement, he said.

InterMune will pay the $36.9 million plus five percent interest over five years, with the first annual installment of $5 million to be paid this year, Welch said.

Two Years

The U.S. agreed to defer for two years criminal prosecution against InterMune for one count of violating the Food, Drug and Cosmetics Act. The deferment is contingent upon InterMune strengthening compliance policies and cooperating with investigators, the government statement said.

Actimmune is approved for infections associated with an immune disorder called chronic granulomatous disease, an inherited childhood affliction, and for treating severe osteopetrosis, a rare congenital childhood disorder in which the bones become overly dense.

Allegations of improper marketing of drugs for unapproved uses have sparked civil product liability and racketeering suits against some drug companies.

``These companies pay doctors $100,000 a year to go around and tell other doctors how great this drug is to prescribe for people it hasn't been approved," said Patrick Burns, of Taxpayers Against Fraud, a Washington group that tracks fraud lawsuits.

In December, Eli Lilly & Co. agreed to pay $36 million to settle an off-label marketing case involving its osteoporosis drug Evista. The government said Eli Lilly was promoting the drug for breast cancer prevention and reduction in cardiovascular risks.

Philadelphia Inquiry

The Indianapolis-based company has said the U.S. Attorney in Philadelphia is investigating marketing and promotion of its antipsychotic medication Zyprexa. Johnson & Johnson announced in March that the same prosecutor was investigating its marketing practices involving a similar drug called Risperdal.

Eli Lilly and New Brunswick, New Jersey-based Johnson & Johnson have denied allegations of improper marketing.

InterMune shares fell 3 cents to $22.93 in Nasdaq Stock Market composite trading

The case is U.S. v InterMune Inc., 06-00707, U.S. District Court, San Francisco.

Biotech Company Settles Off-label Marketing Claim (MERCN)

By Steve Johnson

The San Jose Mercury News, October 27, 2006

A Bay Area biotech company, InterMune, agreed Thursday to pay $36.9 million to settle a federal investigation into claims it promoted one of its drugs for an unapproved purpose despite evidence the drug was ineffective for that use.

Under the settlement announced by the U.S. Attorney's office in San Francisco., InterMune of Brisbane was charged with promoting its drug Actimmune ``with intent to defraud or mislead," a felony under the federal Food Drug and Cosmetic Act.

But the U.S. Attorney's office will dismiss the charge in two years if InterMune complies with laws against so-called off-label marketing, which means promoting drugs for uses beyond what was approved by the U.S. Food and Drug Administration.

``This settlement sends a clear message to the pharmaceutical industry that the Justice Department will not tolerate these deceptive and illegal marketing practices," according to statement issued by the U.S. Attorney's Office.

In its settlement agreement, InterMune said it did not contest the claim that ``one or more former InterMune employees violated federal criminal law."

InterMune spokeswoman Pam Lord added that the allegations don't involve any current employees and that the company has been working to reform its drug-marketing practices.

As part of the settlement, InterMune will have five years to pay the money. The company in July announced it was creating a $30 million reserve to settle the case.

Actimmune has been approved by the FDA for treating a bone disorder and a condition that makes people prone to infections. But prosecutors accused InterMune of also promoting it in 2002 and early 2003 as useful for patients with idiopathic pulmonary fibrosis, or IPF, a potentially fatal lung disease for which there is no federally approved treatment.

Despite a study showing Actimmune failed to help keep IPF patients alive, prosecutors accused InterMune of putting out a news release in 2002 claiming the drug had improved the patients' chances of survival.

In addition, ``InterMune sales force personnel were encouraged to inform physicians that Actimmune demonstrated a survival benefit in mild to moderate IPF patient populations," according to the U.S. Attorney's statement.

Keystone Mercy Settles U.S. Lawsuit (PHI)

By Linda Loyd

The Philadelphia Inquirer, October 27, 2006

Keystone Mercy Health Plan, the region's largest Medicaid managed-care insurer, has reached a settlement with the U.S. Attorney's Office in Philadelphia to pay $5 million to resolve a benefits-claims dispute.

The Justice Department alleged that Keystone Mercy in 1997 and 1998 failed to return to the Pennsylvania Department of Public Welfare overpayments for some Medicaid services. Keystone Mercy denied any wrongdoing.

In a statement, the Philadelphia insurer said the agreement ended a dispute "over interpretation of our contract with DPW almost 10 years ago." Keystone Mercy said it agreed to pay $5 million over the next six months to end the "inconvenience and expense of protracted litigation."

The allegations were brought in 2001 by a former Keystone Mercy claims-recovery examiner, who filed a "whistle-blower" complaint. Lorraine Pittelli, the claims examiner, will receive $780,000 from the proceeds of the settlement.

Keystone Mercy manages Medicaid services for more than 273,000 residents in Philadelphia and surrounding Pennsylvania counties.

Mobster Sues, Says He Was Framed (BOS)

By Shelley Murphy, Globe Staff

The Boston Globe, October 27, 2006

Three years ago, a federal judge apologized to Pasquale Barone Jr., saying that his 1993 trial on charges that he killed a man for the New England Mafia was ‘‘fraudulent’’ because prosecutors withheld evidence from the defense.

Now Barone, 45, who spent 15 years in prison before he was freed in 2003 amid allegations of government misconduct, is looking for more than an apology.

The North End man has filed a federal lawsuit accusing the government of negligence and alleging that a federal prosecutor, two retired FBI agents, and other unnamed officials plotted to deprive him of a fair trial and orchestrated a malicious prosecution.

The suit is seeking unspecified damages for Barone and his daughter, Consiglia, who was 4 years old when he was sent to prison and, according to the suit, suffered ‘‘severe shock, fear, horror, emotional distress’’ and the loss of his companionship.

Barone’s suit alleges that the prosecutor and agents conspired to ‘‘intentionally frame’’ him.

The suit names Assistant US Attorney Jeffrey Auerhahn and retired FBI agents Michael Buckley and Edward Quinn. The three men could not be reached for comment Thursday.

Three years ago, US Attorney Michael J. Sullivan said the Justice Department had launched an internal investigation into Auerhahn’s handling of the case. Thursday, Samantha Martin, a spokeswoman for Sullivan, said Justice Department regulations

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prohibited the government from commenting on the outcome of the investigation or on whether any action had been taken against Auerhahn. She also declined to comment on Barone's lawsuit.

Barone was convicted in federal court in 1993 of murder in aid of racketeering in the 1985 death of his friend, Vincent "Jimmy" Limoli, allegedly at the behest of New England mob captain Vincent Ferrara. Barone, who was serving 10 years after pleading guilty to state manslaughter charges in Limoli's slaying, was sentenced to life in prison in the racketeering case.

However, three years ago, US District Judge Mark L. Wolf found that Auerhahn had failed to tell Barone's lawyers that a key witness had recanted before the federal trial and insisted Ferrara had not ordered the slaying.

At the time, Wolf said the evidence "had the potential to blow the government's case up completely."

Last year, Wolf also reduced Ferrara's sentence as a result of the government's conduct in the case, setting him free.

While Wolf was weighing a defense request to overturn Barone's conviction, Barone reached a plea agreement with the government. Barone pleaded guilty to racketeering and admitted that he shot Limoli on Oct. 28, 1985, in the North End after Limoli stole drugs from a mobster. Barone also admitted that he helped kill another man, Anthony "Dapper" Corlito, on July 21, 1979, and shot a guard in the neck during the robbery of a credit union on Nov. 5, 1982.

In exchange for Barone's plea, the government agreed he should be sentenced to the time he had served, and he was released.

$79.5M In Punitive Damages At Core Of Supreme Court Case (USAT)

By Joan Biskupic

USA Today, October 27, 2006

Jesse Williams, a Portland, Ore., janitor who smoked three packs of Marlboros a day, died of lung cancer in 1997. His widow, Mayola, sued Philip Morris for fraud and negligence, alleging that any fears her husband had about becoming ill from smoking were eased by the cigarette-maker's publicity campaign that suggested it was safe.

Mayola Williams recalled in court filings that when her husband learned he had inoperable cancer, he said, "Those darn cigarette people finally did it. They were lying all the time."

The lawsuit that Mayola Williams filed was among many claims filed against tobacco companies in recent years, but one of the few to lead to a multimillion-dollar judgment. An Oregon jury awarded Williams $79.5 million in punitive damages. Such damages are intended to punish defendants beyond the actual damages they caused and deter future bad conduct.

Williams' award was 97 times greater than the actual — or compensatory — damages awarded by the jury, and according to court records it was based partly on the jury's consideration of Philip Morris' harm to other smokers in Oregon.

Now, Williams' case is before the U.S. Supreme Court and has become one of the most significant tests ever of how far a jury can go in punishing a civil defendant. The question in the Williams case is whether the punitive damages award is so disproportionate to the injury to Jesse Williams that it violates the 14th Amendment's guarantee of due process of law.

In its appeal, Philip Morris says the Oregon verdict violated due process because it was so much higher than the actual damages caused to Jesse Williams and because jurors were punishing the company for injuries to smokers who were not part of the Williams case.

Mayola Williams' attorney, Robert Peck, says in court papers that the cigarette-maker's efforts to hide the dangers of smoking were "monstrous" and says that if ever a big award were justified, this is the case.

The dispute, to be argued before the high court on Tuesday, is a new round in the court's struggle to draw the line between permissible and unconstitutional punitive damages awards.

Business groups, such as the National Association of Manufacturers, say juries improperly use punitive damage awards to "send a message" to corporate defendants. Consumer advocates and trial lawyers counter that punitive damages help bring accountability to businesses that have a history of abuse.

"The tobacco industry has evaded liability for decades … and the result has been a public health catastrophe," Trial Lawyers for Public Justice says in a court brief filed in the Williams case.

For decades, the Supreme Court considered such jury awards the domain of the states and gave wide latitude to state judges and juries. In recent years, however, the court has begun to rein in awards by setting criteria for punitive damages. The addition of two new justices last term — Chief Justice John Roberts and Justice Samuel Alito, who replaced the late William Rehnquist and the retired Sandra Day O'Connor — could add a wrinkle to the court's approach.

In the justices' most recent ruling on the issue, in 2003, the majority said any punitive damages that are more than 10 times the actual damages for the injury could be presumed to be excessive. Voting 6-3, the court invalidated a $145 million award levied by a jury that had found that the State Farm insurance company acted in bad faith by not settling claims against a policyholder who was involved in a fatal accident.

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In the current case, a key question will be whether Philip Morris' conduct was bad enough to justify a punitive damages award beyond the 2003 guideline.

Rehnquist and O'Connor voted with the majority in the State Farm case. Washington lawyer Mark Levy, who follows decisions concerning punitive damages, says that suggests that their replacements, Roberts and Alito, could tip the court's vote either way in assessing whether the award in the Williams case was excessive.

"The court is on the knife edge," Levy says. If Roberts and Alito join the justices who dissented in the State Farm case and want to leave the matter to the states, Levy says, there would be "a sudden and radical change in this area of the law."

In her case, Mayola Williams claimed that Philip Morris mounted a fraudulent publicity campaign aimed at minimizing the dangers of smoking. After a month-long trial in 1999, the jury awarded $821,485 in compensatory damages and the $79.5 million in punitive damages.

The Oregon Supreme Court upheld the award. "There can be no dispute that Philip Morris's conduct was extraordinarily reprehensible. (It) knew that smoking caused serious and sometimes fatal disease, but it nevertheless spread false or misleading information to suggest … that doubts remained about that issue. … The scheme was damaging the health of a very large group of Oregonians — the smoking public — and was killing a number of that group."

In his appeal to the U.S. Supreme Court, Philip Morris' lawyer, Andrew Frey tells the justices that the Oregon court misinterpreted recent decisions by the high court, particularly the 2003 ruling. He says the State Farm decision does not allow a company to be punished for harm to people who were not involved in the case. Frey says calculating such damages for injuries to outside parties creates an unfair risk of duplicative and excessive punishment.

Peck, Williams' attorney, says the cigarette-maker is seeking to turn "review of punitive damage awards (into) a simple arithmetic exercise," based on the ratio between actual and punitive. He says the Oregon jury's verdict followed proper criteria "to achieve deterrence" and reverse some of Philip Morris' "ill-gotten profit."

CIVIL RIGHTS:

Philly Officials, Hispanic Leaders Object To Election Monitors (AP)

AP, October 27, 2006

PHILADELPHIA — City officials and Hispanic community leaders objected today to the federal government's plans to put monitors at city polling places on Election Day, saying those efforts could discourage people from voting.

The Department of Justice earlier this month asked a federal judge to authorize appointment of monitors beginning with the upcoming Nov. 7 election and ending in 2009. The government accused the city of failing to provide sufficient election materials in Spanish and not recruiting enough bilingual poll workers.

But City Solicitor Romulo L. Diaz Jr. said at a news conference Thursday that the federal government could not guarantee him that federal monitors wouldn't follow voters into polling booths. It would be better to appoint local monitors, he said.

A spokesman for the Justice Department said he would look into the solicitor's claims but could not immediately comment.

"We're very, very concerned about having Big Brother taking care of us," said local attorney Luis P. Diaz, who also attended Thursday's news conference with other community leaders.

The federal lawsuit contends the city violated the federal Voting Rights Act by allowing only poll workers – some of whom did not speak Spanish – to help Hispanic voters cast ballots. The law permits voters who require assistance to request help from someone they know.

Diaz, the city solicitor, said Philadelphia has been helping to accommodate non-English speakers at the polls for more than three decades. The city plans to recruit about 200 translators to help at the more than 150 polling places expected to need translation services this year, he said.

About 10 percent of Philadelphia's 1.4 million residents are Hispanic, according to 2004 Census figures cited in the suit. But the government estimates that about 36 percent of voting-age Hispanics in the city have limited English skills.

Phila. Opposes U.S. Observers At Polls (PHILINQ)

By Marcia Gelbart

Philadelphia Inquirer, October 27, 2006

Two weeks before Election Day, the city is fighting an attempt by the U.S. Justice Department to appoint federal observers for Philadelphia elections beginning Nov. 7 and lasting past next year's presidential race, until the end of 2009.

The effort to appoint the observers stems from a lawsuit filed by the federal government 14 days ago alleging that the city has violated the rights of its Hispanic voters.

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Specifically, it charges that the city hasn't adequately recruited and trained bilingual poll workers, failed to provide sufficient election-related materials in Spanish, and prohibited Hispanic voters with limited English from choosing someone to help them inside the voting booth, which law permits.

"The record in this case clearly demonstrates that the city does not exercise sufficient control over its voting places to ensure compliance with the Voting Rights Act," the lawsuit states. It alludes to 50 Hispanic city residents who encountered problems in elections here, most since 2003. One, Myrna Cruz, testified that a poll worker forced her to vote for John Street for mayor in 2003, when she wanted to vote for Sam Katz. Others said they were ridiculed by poll workers who asked why they hadn't learned English.

The suit also says the city has no program to identify "the need for or the placement of Spanish-speaking poll workers and interpreters on election day" and that the city has paid people to be interpreters who don't speak Spanish.

City officials have called the allegations unfounded. A hearing has been scheduled for next Friday in U.S. District Court for the Eastern District.

With the election fast approaching, the city has been struggling to implement new federal rules on handicapped access, as well as a new state law requiring dozens of city polling places to be moved (they can no longer be inside bars or elected officials' homes, for instance).

Combined with troubles encountered in May's primary, when hundreds of voting machines malfunctioned, and now the federal lawsuit, the resulting challenges for the Nov. 7 election are perhaps unprecedented, election officials say.

"Everything is culminating at the same time," City Commissioner Edgar Howard said. "Just be glad this year isn't a presidential year," he said, when voter turnout is typically at its highest.

In the case of the federal lawsuit, U.S. Rep. Bob Brady, the Democratic Party chairman, and other local Democrats see partisan politics at work.

He said the suit was filed so close to Nov. 7 "probably to suppress the [Democratic] vote" and help GOP candidates such as U.S. Sen. Rick Santorum.

Michael P. Meehan, general counsel for the city Republican Party, dismissed Brady's explanation. "That's part of the spin machine to generate turnout," he said. "We didn't generate this. We didn't make any complaints."

But both party leaders agree that the proposed federal intervention goes too far.

"That's a disgrace. The Hispanics have no problem with the interpreters," Brady said.

"We do think they are going beyond," Meehan said.

According to the lawsuit, about 6.6 percent of the city's voting-age population is Hispanic, and more than a third of those people - 25,660 - speak only limited English.

Since 1974, the city has provided translators at polling places where census data indicates Hispanics live. The Justice Department wants Spanish language assistance citywide.

"This is one of those issues where the remedy far exceeds any potential need," city Solicitor Romulo Diaz said, adding that in the Nov. 7 election, the city also will provide translations via telephone in 200 languages, including Spanish.

Stressing that federal observers could use their authority to enter polling booths while people are voting, Diaz said: "We think that is not only something that could be misunderstood - it could even have a chilling effect and intimidate the very voters the Justice Department says it is trying to support."

Yesterday, department spokeswoman Cynthia Magnuson said: "No federal observers would ever enter a voting booth unless specifically requested by and with the expressed permission of a voter, and to suggest otherwise is just untrue."

She said there are currently federal observers in 169 municipalities throughout the country, including, most recently, Boston and Springfield, Mass.

In the last two elections, Diaz, at the Justice Department's request, said he had given its officials credentials to access city voting places to observe what bilingual assistance and signage were provided.

Those officials were not granted permission to enter individual polling booths.

"There are still some issues that we need to improve upon," said City Councilman Juan Ramos, Council's only Hispanic member. "But the Latino people don't need federal agents on Election Day to see how they vote or get behind the curtain with them."

A nonpartisan voters' right advocacy group, the Delaware Valley Voter Registration Education Project, held a news conference yesterday opposing the government effort.

The city's nonprofit election watchdog, the Committee of Seventy, also has had concerns about a lack of Hispanic voter participation. During the May primary, the committee recruited local volunteers to survey what assistance Spanish-speaking voters received at polling places in Latino neighborhoods, mainly in the 7th, 18th, 19th and 33d Wards. The committee later shared those results with the Justice Department, which was already conducting its own review.

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"I wouldn't call the information we provided them definitive," committee president Zach Stalberg said. But the findings - too few translators, and some with questionable language skills, and not enough bilingual polling-place officials - "suggested there might be problems."

Said Stalberg: "We think there are enough indications of problems here to merit federal observers... . In our view, it won't do any harm."

Problems With Machines, Ballots Trouble Officials (USAT)

By Richard Wolf

USA Today, October 27, 2006

Eleven days before voters go to the polls, problems from delayed absentee ballots to names being chopped off on voting machines are hampering elections officials.

The problems are not unusual, officials say. But coming after a primary election season in which new electronic machines and state laws confounded poll workers, they are making officials nervous.

The Chicago Board of Election Commissioners has withheld payments to equipment vendor Sequoia Voting Systems until the results are in. In Los Angeles County, officials will conduct a random audit of 5% of the machines used in early voting following questions about their security and accuracy.

"It points to the increased agony being felt around the country by election administrators," says Kimball Brace of Election Data Systems.

Among the problems:

·In parts of Virginia and Texas, some candidates' names have been cut off on summary pages that confirm voters' selections. Democratic Senate challenger Jim Webb in Virginia is affected. In Austin, Republican Sen. Kay Bailey Hutchison appears as "Kay Bailey Hutch."

·Absentee and provisional ballots have been slow to arrive in Maryland, California, Ohio and Arkansas, among other states. The delays could threaten officials' ability to get absentee ballots out on time or to have enough provisional ballots at polling places for voters whose registrations are contested.

·Missouri has been shaken by the arrival of thousands of questionable voter registration cards. Many include bogus address changes that could cause some voters to be misinformed; others might have to cast provisional ballots rather than regular ones.

The problems should not cause Americans to lose faith in the electoral process, says Paul DeGregorio, chairman of the U.S. Election Assistance Commission.

"Our nation's voting equipment, election results and election officials can and should be trusted," he said this week. "The integrity of the system is not in the hands of hackers, professors, interest groups or politicians in Washington — it is managed by local election officials."

Elections Pushed, Pressed, Pulled Into 21st Century (USAT)

By Richard Wolf

USA Today, October 27, 2006

Haunted by breakdowns at the polls during this year's primaries, elections officials across the USA are using technology and other means to make voting on Nov. 7 more reliable and convenient.

From alerts delivered by text message to polling sites at grocery stores, states and counties hope to increase turnout and decrease the number of problems in states such as Ohio and Illinois earlier this year.

In Cuyahoga County, Ohio, where it took nearly a week to count votes in May, poll workers must pass a four-hour training course and practice on new electronic voting machines. The nearly 30% who fail must repeat the class. "You're imposing a technology on them that they don't understand," elections project manager Tom Hayes says.

Cook County, Ill., which suffered similar delays in March, is paying $500 to equipment technicians willing to train for three days. "The job of these poll workers immediately got about five or six times harder," County Clerk David Orr says.

Among the innovations:

·Electronic updates. Johnson County, Kan., offers election alerts by e-mail, text message or podcast. Only about 500 residents have signed up this year, but the publicity could boost turnout. "It gave us something new to talk about to drive people to our website," Election Commissioner Brian Newby says.

·Voting by phone. Vermont pioneered phone voting for the visually impaired and has now been joined by Maine, New Hampshire, Connecticut, Oklahoma and Oregon. "They're very comfortable with a telephone, and many of them aren't very comfortable with a computer," says Vermont Secretary of State Deborah Markowitz.

·New polling venues. Clark County, Nev., has increased its early voting sites to 18 by including malls, grocery stores and a mobile trailer. Eight are permanent, and 10 move throughout the county. "We're right in the community locations where people go," Registrar of Voters Larry Lomax says.

·Centralized sites. Following the example of Larimer County, 20 Colorado counties will use centralized "vote centers" this year rather than smaller precincts. Voters, who can go to any center, find the system more convenient, says Dana Williams of the Colorado secretary of state's office.

·Election night webcams. Orange County, Calif., lets election junkies watch on the Web as ballot boxes and supplies are returned to a county warehouse. "We're showing them as much of the process as we can," says Brett Rowley of the registrar's office.

Free, Fair Elections? Doubts Still Linger (USAT)

By Julianne Malveaux

USA Today, October 27, 2006

One of the reasons, it is said, that we invaded Iraq was to introduce democracy to a totalitarian nation. But while we are shopping democracy abroad, we have yet to perfect our democracy at home. When people go to the polls Nov. 7, the manifestations of our imperfect democracy will be rife. The non-partisan Election Reform Information Project predicts problems at the polls, and the NAACP says it will monitor elections in 10 states in which irregularities are a possibility.

It is ironic that U.S. monitors travel the globe to ensure "free and fair" elections when we have so many problems here. Maryland's primary election, for example, was botched in large part when some polling places opened late because an election worker forgot to distribute the activator cards to unlock voting machines. Many still wonder about the accuracy of voting machines, especially those that don't provide a paper receipt to ensure votes are tallied correctly.

NAACP President Bruce Gordon singles out Diebold machines as "unreliable," yet there are more than 130,000 of these touch-screen machines in use nationwide. The problem really isn't just one company. Instead, the issue is that six years since a presidential election's outcome hinged on hanging chads, reforms have not been implemented in a way to inspire confidence in the ease, accuracy or fairness of elections.

Electionline.org, a non-partisan website on election analysis and reform, just issued a report that says Arizona, Colorado, Connecticut, Florida, Indiana, Maryland, New York, Ohio, Pennsylvania and Washington are states especially likely to have problems because of legal challenges, procedural changes, close races, new equipment — or a combination of factors.

Even when machines count votes accurately, some people's voting experiences are marred by human error. In some precincts, lines are long enough to test Job's patience because there aren't enough machines or volunteers. Federal election law requires that most polls be open from 7 a.m. to 8 p.m. on the first Tuesday in November. But long lines might shorten if we implemented reforms such as 24-hour voting, or considered the possibility of weekend voting.

Voters with flexible schedules are in the minority; most are stuck in long lines before or after work. These are the folks who will leave lines when polling places don't open on time or are too long. The rise in absentee ballots might be a reflection of this inconvenience.

Control of the House and the Senate is at stake in the 2006 elections, and many races are so tight they could be decided on just a few thousand votes. Our democracy depends on free, fair and accurate elections. On Nov. 8, we shouldn't have doubts about whether our votes have been counted.

Julianne Malveaux is an economist and writer.

G.O.P. Moves Fast To Reignite Issue Of Gay Marriage (NYT)

By Sheryl Gay Stolberg

The New York Times, October 27, 2006

WASHINGTON, Oct. 26 — The divisive debate over gay marriage, which played a prominent role in 2004 campaigns but this year largely faded from view, erupted anew on Thursday as President Bush and Republicans across the country tried to use a court ruling in New Jersey to rally dispirited conservatives to the polls.

Wednesday's ruling, in which the New Jersey Supreme Court decided that gay couples are entitled to the same legal rights and financial benefits as heterosexual couples, had immediate ripple effects, especially in Senate races in some of the eight states where voters are considering constitutional amendments to ban gay marriage.

President Bush put a spotlight on the issue while campaigning in Iowa, which does not have a proposal on the ballot. With the Republican House candidate, Jeff Lamberti, by his side, Mr. Bush — who has not been talking about gay marriage in recent weeks — took pains to insert a reference into his stump speech warning that Democrats would raise taxes and make America less safe.

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"Yesterday in New Jersey, we had another activist court issue a ruling that raises doubts about the institution of marriage," Mr. Bush said at a luncheon at the Iowa State Fairgrounds that raised $400,000 for Mr. Lamberti.

The president drew applause when he reiterated his long-held stance that marriage was "a union between a man and a woman," adding, "I believe it's a sacred institution that is critical to the health of our society and the well-being of families, and it must be defended."

The ruling in New Jersey left it to the Legislature to decide whether to legalize gay marriage. Even so, the threat that gay marriage could become legal energized conservatives at a time when Republican strategists say that turning out the base could make the difference between winning and losing on Nov. 7. With many independent analysts predicting Republicans will lose the House and possibly the Senate, President Bush's political team is counting on the party's sophisticated voter turnout machinery to hold Democratic advances enough that Republicans can at least maintain control.

"It's a game of margins," said Charles Black, a Republican strategist who consults frequently with Karl Rove, the chief White House political strategist. "You've got about 20 House races and probably half a dozen Senate races that are either dead even or very, very close. So if it motivates voters in one or two to go vote, it could make a difference."

Democrats predicted Thursday that the debate would not dramatically alter the national conversation in an election that has been dominated by the war in Iraq and corruption and scandal in Washington. But across the country, Republicans quickly embraced the New Jersey ruling as a reason for voters to send them to Capitol Hill.

In Virginia, the court decision could not have come at a better time for Senator George Allen, a Republican whose campaign for re-election had been thrown off course by allegations that he had used racially insensitive remarks. The Virginia ballot includes a proposed constitutional amendment to ban gay marriage. Mr. Allen supports it; his Democratic opponent, Jim Webb, argues that the ban is unnecessary.

On Thursday, Mr. Allen could be found in Roanoke at a rally held by backers of a ballot initiative to ban gay marriage. Victoria Cobb, an organizer of the events, said the New Jersey ruling was giving the cause "a new momentum."

"It's an issue that's going to play a big role in the next 12 days," Mr. Allen's campaign manager, Dick Wadhams, said in an interview.

In Tennessee, another state with a proposal to ban gay marriage, Representative Harold E. Ford Jr., a Democrat running for the Senate, was sparring with Republicans over an advertisement in which the Republican National Committee asserts that Mr. Ford supports gay marriage — an assertion Mr. Ford says is wrong. On Thursday, he responded with his own advertisement, calling the Republican ad "despicable, rotten lies."

Mr. Ford says he will vote for the Tennessee gay marriage ban. With early voting under way, the Republican candidate, Bob Corker, is telling voters that he has already cast his ballot in favor of the gay marriage ban.

And in Pennsylvania, where Senator Rick Santorum, the Senate's leading Republican backer of a gay marriage ban, is fighting for his political survival, conservative advocacy groups were working furiously to revive the gay marriage debate. Pennsylvania does not have a ballot initiative.

"It's an important wedge issue to talk about between candidates where there are two distinct viewpoints on the issue," said Joseph Cella, president of Fidelis, a national Catholic advocacy group that has embraced Mr. Santorum for his views on abortion and gay marriage. Mr. Cella said his organization, which was also working to pass a gay marriage ban in Colorado, was contemplating an advertising campaign.

As of January 2006, 45 states had enacted some form of law — from a simple statute to a constitutional amendment — banning same-sex marriage. In addition to Virginia, Tennessee and Colorado, the states that have proposed constitutional amendments on the November ballot include Arizona, Idaho, South Carolina, South Dakota and Wisconsin.

For conservatives, the debate brings back memories of 2004, when they rallied in opposition to a Massachusetts court ruling that same sex couples had a right to marry. The issue proved central in places like South Dakota, where Senator John Thune, a Republican, railed against activist judges in his successful campaign to oust Tom Daschle, then the Senate Democratic leader.

This year, by contrast, conservatives have felt frustrated that the debate over gay marriage and the judiciary is no longer front and center.

"I think they've been a little sedate," Mr. Cella said. But in the wake of the New Jersey ruling, he said, conservatives "are really getting motivated, and this is a shot in the arm to propel that."

Democrats, though, insist they are not concerned.

"It's not going to be close to the issue it was in 2004," said Senator Charles E. Schumer, Democrat of New York. "In 2004 they scared people that the court ruling in Massachusetts would just change America and families dramatically. By 2006, it's clear that hasn't happened, and so the scare tactic, what motivated people to go to the polls, just isn't there."

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One place the New Jersey court ruling is not likely to have much of a political impact is, paradoxically, New Jersey, a largely Democratic state that does not have a proposed gay marriage ban on the ballot.

The Republican Senate candidate, State Senator Thomas H. Kean Jr., has been distancing himself from his party throughout the campaign, in which he has focused largely on economic issues, domestic security and alleged ethical improprieties on the part of his Democratic opponent, Senator Robert Menendez. A Kean spokeswoman said Thursday that theme is unlikely to change.

"We're going to stick with the issues that we've been winning on this entire campaign," the spokeswoman, Jill Hazelbaker, said. Gay marriage, she said, "is not an issue that he's not talking about, or that he's trying to avoid. But in terms of our marquee issues that we're winning on, I don't think it rises to an issue that's going to define the campaign."

Religious Conservatives Cheer Ruling On Gays As Wake-Up Call (WP)

By Alan Cooperman

The Washington Post, October 27, 2006

The New Jersey court decision that gay couples are entitled to the same rights as heterosexual couples was bad news for social conservatives -- the bad news they were hoping for.

"Pro-traditional-marriage organizations ought to give a distinguished service award to the New Jersey Supreme Court," said the Rev. Richard Land, head of the public policy arm of the Southern Baptist Convention.

Land and other conservative religious leaders predicted that the court's 4 to 3 ruling, which was handed down Wednesday, would boost turnout of social conservatives in the midterm elections, particularly in the eight states that have constitutional amendments against same-sex marriage on the Nov. 7 ballot.

"I have to think there are Democratic strategists out there thinking the words of the old Japanese admiral: 'I fear all we've done is wake a sleeping giant,' " said Tony Perkins, president of the Family Research Council, a Washington-based advocacy group. "They were coasting into an election with a Republican base with dampened enthusiasm. This brings it all back home to the base, what this election is about."

President Bush, at fundraising events in Iowa and Michigan, denounced the New Jersey ruling and called heterosexual marriage "a sacred institution."

Before the New Jersey decision, conservative religious groups tried to rally their supporters around the issue of same-sex marriage, but with far less success than they had in the 2004 elections.

Focus on the Family founder James C. Dobson, for example, held "Stand for the Family" rallies in three cities in September and October, drawing considerably smaller crowds than anticipated. The first rally, in Pittsburgh on Sept. 20, attracted 3,000 people to a 17,000-seat arena that Focus on the Family had predicted would be full.

The next two rallies, in St. Paul, Minn., on Oct. 3 and Nashville on Oct. 16, were moved from stadium-size venues to smaller auditoriums, and the tickets, which had been on sale for $7, were given away. Each event also drew about 3,000 people, according to Focus on the Family spokesman Paul Hetrick.

"We don't gauge the success by the number of people," Hetrick said, adding: "I don't think it's the rallies [that flopped]. I just think it's more of a challenge to enthuse people about midterm elections."

Evan Wolfson, executive director of Freedom to Marry, a group that supports same-sex marriage, said religious conservatives "have gone to this well too many times, and people are not buying it."

"They attack gay people when the sun rises, and they attack gay people when the sun sets, so no matter what the court had done in New Jersey, they would have said Americans need to shift their attention from the real threats to our country to the alleged threat from gay couples seeking to settle down," Wolfson said.

New Jersey's Supreme Court stopped short of requiring the state to allow same-sex marriage. It said that under the state's constitution, same-sex couples can no longer be denied the rights and benefits that opposite-sex couples receive. It gave the state legislature 180 days to craft a solution, which apparently could include allowing civil unions.

Land said conservative voters were more energized about same-sex marriage in the 2004 elections because Massachusetts had just become the first -- and so far only -- state to legalize it as a result of a state court ruling in 2003.

Since then, opponents of same-sex marriage have been on a roll. Twenty states have passed constitutional amendments banning it. Several courts, most recently in the states of Washington and New York, have ruled against it. Those victories, Land said, may have made some conservatives complacent.

"But whatever wind was pumped out of their sails has now been pumped back in," he said. "I frankly was amazed that the New Jersey judges issued their decision before the election."

Perkins agreed, saying that he "had long anticipated a bad ruling from New Jersey" and was glad that it occurred in time for voters to see the "very real and present danger" that same-sex marriage could spread. He spoke by telephone shortly before

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holding a news conference to denounce the New Jersey decision in South Dakota, one of the eight states with marriage amendments on the ballot. The others are Arizona, Colorado, Idaho, South Carolina, Tennessee, Virginia and Wisconsin.

Bush Defines Marriage As Man And Woman (AP-Y)

AP, October 27, 2006

President Bush said the "sacred institution" of marriage between a man and a woman must be defended against what he called activist court rulings.

Bush briefly brought up the topic, unprompted, while raising money here for a Republican congressional candidate, a day after the New Jersey Supreme Court decided that same-sex couples must be given the same rights as married people.

The court left it up to the state's Legislature to decide whether to extend those rights under the structure of marriage, civil unions or something else.

The president said the ruling "raises doubts about the institution of marriage."

"I believe marriage is a union between a man and a woman," he said. "I believe it's a sacred institution that is critical to the health of our society and the well-being of families, and it must be defended."

Bush did not say how it must be defended. But he has advocated a federal ban on gay marriage. Earlier this year, a proposed constitutional amendment to ban same-sex marriage failed to win the needed two-thirds support in both the Senate and House.

Gay marriage is legal only in Massachusetts. Other states, including Vermont and California, have laws permitting civil unions or domestic partnerships that offer virtually all the benefits of gay marriage, except the name. New Jersey and some other states have domestic partnership laws that offer fewer marriage benefits.

Twenty states have passed constitutional amendments aimed at blocking gay marriage, mostly by large margins. Eight more states — Arizona, Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin — will be voting Nov. 7 on constitutional amendments that would ban same-sex marriages and, in most cases, civil unions as well.

Bush Campaigns Against Same-sex Marriage Ruling (AFP-Y)

AFP, October 27, 2006

US President George W. Bush seized on a New Jersey court ruling that may pave the way for same-sex marriage there as a political weapon ahead of November 7 elections.

Campaigning for a struggling Republican congressional candidate here, Bush declared: "We believe in family values, we believe values are important, and we believe marriage is a fundamental institution of civilization."

"Yesterday, in New Jersey, we had another activist court issue a ruling that raises doubts about the institution of marriage," he said at the first of two fundraisers he was to attend.

"I believe that marriage is a union between a man and a woman, and I believe it's a sacred institution that is critical to the health of our society and the well-being of families, and it must be defended," he said.

New Jersey's Supreme Court ruled Wednesday that gay couples have the same rights as their heterosexual counterparts, in a decision that could pave the way for same-sex marriages in the state.

The ruling stated that preventing such unions is unconstitutional and gave the state legislature six months to decide whether to amend the current marriage laws or create a new framework for same-sex unions.

"Denying rights and benefits to committed same-sex couples that are statutorily given to their heterosexual counterparts violates the equal protection guarantee" of the constitution, the court said in its ruling.

It said that while it did not find that a fundamental right to same-sex marriage existed in the state, same-sex couples did not enjoy the same rights as their heterosexual counterparts.

"The unequal dispensation of rights and benefits to committed same-sex partners can no longer be tolerated under our state constitution," it added.

"The legislature must either amend the marriage statutes to include same-sex couples or create a parallel statutory structure," it said.

N.J. Boost For Gay Couples Buoys GOP (CSM)

By Alexandra Marks

The Christian Science Monitor, October 27, 2006

NEW YORK

The political fallout from Wednesday's New Jersey Supreme Court ruling in favor of full rights for gay couples could ripple far beyond the borders of the Garden State.

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With control of the House and Senate at stake in the Nov. 7 midterm elections, Republican leaders are hoping the ruling will give their wavering conservative base - who would see the court's move as another attack on traditional marriage - a reason to go to the polls.

The New Jersey outcome could suddenly give impetus to voters in eight states where the ballot includes measures to ban gay marriage. In some of these states - Tennessee and Virginia, especially - the races for Senate seats are too close to call. Others, namely Arizona and Colorado, have hotly contested House races that may give a boost to Republican candidates.

The ruling, which found that gay couples in New Jersey are entitled to the same legal and financial protections as heterosexual couples, could tip the national balance, many political analysts say.

"The Republicans are thrilled and the Democrats are furious with those judges, and that tells me all I need to know," says Larry Sabato, a political analyst at the University of Virginia. "Both sides understand this is a boost for Republican turnout among social conservatives, many of whom were very discouraged and probably were not going to vote because of the [Mark] Foley scandal and Iraq."

Some analysts, though, disagree. Gay marriage has lost some of its salience as a galvanizing issue, they say, in part because Americans are so focused on the war in Iraq.

"The country seems very, very centered on Iraq, and ... it's very unlikely that something that happened in New Jersey is going to energize social conservatives," says Cliff Zukin, a professor of public policy at Rutgers University in New Jersey. "Every poll I've looked at suggests that Iraq remains the defining issue."

In backing full rights for gay couples, New Jersey's high court gave the state Legislature 180 days to expand existing laws or to adopt new ones that will guarantee gay couples equal rights. But it stopped short of requiring use of the word "marriage" to define gay-couple unions, leaving that decision to the Legislature. Some analysts suggest that makes the issue less compelling for conservatives, for now.

"I'm sure the extreme right would very much have preferred the court have said we get marriage," says David Buckel, senior counsel for Lambda Legal Defense and Education Fund, who argued the case for gay marriage before the New Jersey court. "That is one of the ironies of where we are now politically. The court did not take the constitutional promise the entire way. And since we're in abeyance now and have to wait for the Legislature to act, it's hard to see what kind of impact it will have outside of New Jersey, at least on elections."

Eight thousand gay couples have been married in Massachusetts, and civil unions are commonplace in Vermont and Connecticut - developments that Mr. Buckel says may have made some Americans feel less threatened by the issue. "Not one volcano popped its lid, the weather patterns did not dramatically alter," says Buckel. "I think America sees that in the end, whatever anxieties there were, a few families were helped immensely by getting things like medical coverage and no families were hurt."

Opponents of gay marriage say the ruling will put the issue back on the front pages - and energize the most conservative voters. "New Jersey is a key state, and the papers are covering this, word is spreading," says the Rev. Louis Sheldon, chairman of the Traditional Values Coalition in Washington. "This raises a level of awareness. It takes away the negatives from the Foley scandal and the war, and reminds people that the family is an important issue."

Mr. Sheldon, whose public-policy think tank is supported by 43,000 churches, is urging voters to find out where their candidate stands on the gay-marriage issue and to vote. "This underscores the urgency for Congress to act on a constitutional amendment that truly defines marriage as between one man and one woman and doesn't give away the rights and privileges through civil unions and domestic partners," he says.

To date, polls show Democratic voters have been more energized than Republicans this election cycle - a reversal from the past few elections when Republicans were gung-ho and Democrats lackluster.

"Republicans haven't dropped off the map, but their interest in voting is lower than it usually is," says Thomas Patterson, a political analyst at Harvard's Kennedy School of Government. "This is the kind of issue that can give them a reason to vote, and they haven't had many. This might be enough to get them to think, 'Ah, I'll get out of my chair,' at least for those on the margins."

In New Jersey, where Republicans see their best hope of taking a Democratic Senate seat, the ruling is not expected to affect the close race between incumbent Sen. Robert Menendez (D) and Tom Kean Jr. (R) - in part because a majority of voters there favor gay marriage.

'We Have Decided' (WSJ)

The Wall Street Journal, October 27, 2006

This week's New Jersey Supreme Court's judicial diktat on same-sex-somethings (name to be determined later) is a remarkable arrogation of power by the judiciary. The court's belief that it is empowered to embark on social experimentation in the field of marriage is embodied in the words -- "We have decided that our State Constitution guarantees that every statutory

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right and benefit conferred to heterosexual couples through civil marriage must be made available to committed same-sex couples . . ." (our emphasis).

Along its merry way, the decision does strive for a semblance of humility and rigor, perhaps out of a troubled conscience about judicial overreach. "The great engine for social change in this country has always been the democratic process," the court avers. The justices also quote a lower-court ruling to the effect that "a constitution is not simply an empty receptacle into which judges may pour their own conceptions of evolving social mores."

That this is disingenuous, however, is made plain by the fact that the justices are willing to trust "the democratic process" only with the semantic question of what to call these unions: "The name to be given to the statutory scheme that provides full rights and benefits to same-sex couples, whether marriage or some other term, is a matter left to the democratic process." Apparently New Jersey voters are supposed to be grateful that their judicial overlords have delegated this policy ornamentation.

Ironically, however, the court held that the decision of the state legislature to pass a law in 2004 recognizing "domestic partnerships," and specifically distinguishing them from marriages, weighs in favor of same-sex-somethings. It seems that a political compromise arrived at democratically does not satisfy the justices' desire for the legislature to act as a "great engine of social change." So the justices gave the engine orders from their headquarters.

And while declining to identify a "fundamental right" to same-sex marriage, the court simultaneously declared that "the unequal dispensation of rights and benefits to committed same-sex partners can no longer be tolerated under our State Constitution." All in all, the ruling reveals judges writing law entirely on their own but trying to cover their political tracks.

If many on the judicial and political left get their way, those tracks will soon extend to the rest of the country as well. We've opposed an amendment to the U.S. Constitution banning same-sex marriage on grounds that this is an issue best settled by state legislators. However, most liberals would be only too happy to impose the New Jersey standard on every other state through the Constitution's "full faith and credit" clause.

The Defense of Marriage Act, signed by Bill Clinton in 1996, is supposed to protect against this sort of cross-state social imperialism. But watch as activists and many Democrats now seek to use the New Jersey ruling to coax the U.S. Supreme Court to overrule that legislation. When cultural revolutions are in the liberal saddle, democratic formalities always seem to get stomped by "We have decided."

Clinton Wouldn't Block Law If Albany Backs Gay Marriage (NYT)

By Patrick Healy

The New York Times, October 27, 2006

Senator Hillary Rodham Clinton told a group of gay elected officials Wednesday night that she would support a gay marriage law in New York if a future governor and Legislature chose to enact one, according to three participants at the meeting.

Mrs. Clinton has long opposed same-sex marriage and instead favors civil unions for gay couples, a position that has drawn sharp criticism from some gay advocacy groups. But she has also said that each state should decide the issue for itself.

The Democratic candidate for governor of New York, Eliot Spitzer, who is well ahead in the polls, has pledged to fight to legalize gay marriage, and Mrs. Clinton made it clear on Wednesday that she would go along with a gay marriage law.

“If our governor and our Legislature support marriage in New York, I’m not going to be against that,” Mrs. Clinton said, according to an article about her remarks yesterday in Gay City News. “I feel very comfortable with being able to refute anybody who tries to pit us or pit me against Eliot.”

Participants at the meeting, which was closed to reporters other than those at gay media outlets, confirmed the account of Mrs. Clinton’s remarks, which were made to the gathering at a private apartment in Manhattan.

Mrs. Clinton also appeared to back off her past remarks that characterized marriage’s history as an exclusively heterosexual institution, according to the Gay City News article.

“Obviously my friends and people who spoke to me — we’ve had many long conversations and I think — and which I believe — that the way that I have spoken and I have advocated has certainly evolved and I am happy to be educated and to learn as much as I can,” Mrs. Clinton said.

The senator listened and spoke for more than an hour with the three-dozen officials from New York, as they sat down — by coincidence — two hours after the New Jersey Supreme Court ruled that gay couples were entitled to the same legal rights and financial benefits as heterosexual couples.

Participants said it was a warm, constructive meeting, and that some in the group had cried as they told stories of frustrations about not being able to marry or have the same benefits of other long-term couples who are heterosexual.

They said Mrs. Clinton described supporting the federal Defense of Marriage Act as a strategic decision to help derail a constitutional amendment that would have banned gay marriage. She also said that it was not fair that the gay partner of a late congressman from Massachusetts, Gerry Studds, was not receiving his benefits, participants said.

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Corzine Tells Legislators He Backs Civil Unions Over Same-Sex Marriage (NYT)

By Laura Mansnerus And Patrick Healy

The New York Times, October 27, 2006

TRENTON, Oct. 26 — Gov. Jon S. Corzine told legislative leaders on Thursday that he would prefer that New Jersey enact a civil unions law for gay couples rather than allow them to marry.

That prompted attacks from the state's leading gay-rights advocate, who said Mr. Corzine expressed support for same-sex marriage to a gay audience two weeks ago and had repeatedly done so during his 2000 primary campaign for the United States Senate.

Steven Goldstein, who was co-manager of Mr. Corzine's Senate campaign and now heads the gay-rights group Garden State Equality, said on Thursday that Mr. Corzine had clearly expressed a preference for gay marriage, over gay unions, in "numerous conversations." Mr. Goldstein said the governor "expressed his full support for marriage equality" in a conference call with 100 advocates for gays earlier this month.

But Mr. Corzine said on Thursday afternoon in an interview that he had "advocated on a consistent basis for civil unions." He said that he would sign a bill allowing gay marriage, but "it's not my preference."

Assistants to the governor said he had outlined his preferences to Assembly Speaker Joseph J. Roberts Jr. and Senate President Richard J. Codey on Thursday morning, a day after New Jersey's highest court ruled that gay and lesbian couples are entitled to all the legal rights and financial benefits of their heterosexual counterparts.

The court gave the Legislature 180 days to decide whether to accomplish that by allowing gay men and lesbians to marry or by expanding New Jersey's domestic partnership laws. Lawmakers, though, said they had made no plans to take up the issue.

"It's much too early," Mr. Codey said, pointing out that lawmakers already had a heavy schedule this fall dealing with the issue of property taxes.

Still, they seemed to have settled on the middle road that the majority of the court prescribed. They said they would not allow a vote to overturn the ruling with a constitutional amendment, but also discounted prospects for a law extending the term "marriage" to same-sex couples.

"I don't see, at this point in time, a majority of both houses being in favor of marriage as opposed to civil unions," Mr. Codey said. "It's more likely to be civil unions."

He added, "I couldn't at this point guarantee civil unions."

Mr. Goldstein said on Thursday that gay-marriage advocates were pressing legislators to support a bill that would extend the word "marriage" to same-sex unions, in part through a public-relations campaign. He said that his group had spent about $10,000 on advertising time on News 12 New Jersey, a cable station, to run commercials supporting gay marriage and arguing that civil unions are inadequate.

Opponents of gay marriage said they had no immediate plans to run commercials countering that theme.

"We don't need to persuade the public," said John Tomicki, chairman of the New Jersey Coalition to Preserve and Protect Marriage. "They share our views about marriage being for a man and a woman."

Mr. Tomicki said his group would focus on trying to amend the State Constitution to ban same-sex marriage, but he acknowledged that legislative leaders were not enthusiastic about that approach.

Assemblyman Reed Gusciora, a Democrat from Princeton, said on Thursday that he had agreed to sponsor a "Marriage Equity Act" but that such a bill had not been drafted and could not be introduced before the next Assembly session, scheduled for Nov. 9. Even Mr. Gusciora was dubious about its prospects, saying, "When you talk about civil rights, sometimes you have to do things incrementally, and that might have to do that another day."

Senator John Adler, the chairman of the Judiciary Committee, said he did not expect to see a bill fully legalizing gay marriage, nor much resistance to extending marital rights and benefits to same-sex couples. "We've already made that conceptual leap," he said.

New Jersey adopted domestic partnership legislation in 2004 without much organized dissent, and a bill adding some legal protections passed in January.

But while New Jersey's Supreme Court specifically charged the Legislature with deciding how to categorize gay unions, Mr. Corzine's position is likely to carry significant weight. In addition to occupying one of the nation's most powerful governorships, Mr. Corzine accumulated a great deal of political capital earlier this year when he stood firm against the Legislature during the budget battle, forcing the state government to close down for a week.

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A review of a dozens of newspaper articles about Mr. Corzine's Senate campaign in 2000 turned up 10 that stated flatly he supported gay marriage. He is not quoted directly, however; he is simply described as supporting gay marriage during debates and on the campaign trail. Other articles from 2000 cite Mr. Corzine's support for civil unions.

Mr. Goldstein said Mr. Corzine had clearly stated during the Democratic primary in 2000 that he preferred gay marriage, but that he began openly embracing civil unions during the general-election campaign to appeal to the wider electorate.

Anthony Coley, Mr. Corzine's spokesman, said the newspaper stories from 2000 indicating support for gay marriage were not consistent with Mr. Corzine's responses to questionnaires to gay groups in 2000 and 2005, the year he ran for governor, or with other newspaper stories.

"It seems that some folks are confusing his opposition to a federal amendment to the Constitution banning gay marriage with support for gay marriage," Mr. Coley said. "The two are not the same. During his run for the Senate in 2000, Jon Corzine was for civil unions, and that remains his preference today."

Mr. Corzine, in an interview on Thursday at Warren E. Sooy Jr. Elementary School in Hammonton after a tour of after-school programs, said of support for civil unions but not gay marriage: "It's my own view that that's where our society is at this moment in time. I personally have a traditional view, but I believe that should be framed in equal rights for everyone, and that's exactly what the court argued."

Mr. Goldstein said his camp did not contact the governor or his aides on Thursday. "He always comes to the correct view," Mr. Goldstein said. "We want to give him time."

The Hitch (WSJ)

By Darren R. Spedale And William N. Eskridge Jr.

The Wall Street Journal, October 27, 2006

On Wednesday, the New Jersey Supreme Court decided that gay couples are entitled to the same legal rights and benefits that the state confers upon married couples. While some other courts have also favored gay marriage, it faces an uphill battle among the voters. This November, for example, eight states -- Arizona, Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin -- have initiatives on their ballot that would amend their state constitutions to prevent recognition of same-sex marriage (and in some states, civil unions as well). To date, not a single such initiative has failed; 19 states now have constitutional amendments prohibiting recognition of gay and lesbian marriages within their borders.

The proponents of these initiatives have been successful, in significant part, because they have convinced voters that the legalization of same-sex marriage would destroy, or at least significantly harm, the institution: Heterosexuals would lose faith in marriage, family structures would be weakened, and more children would be raised out of wedlock as a result. But would these things actually happen? * * *

These are no longer hypothetical questions, because same-sex marriage is no longer just a theoretical possibility. Denmark was the first country to extend the rights and responsibilities of marriage to same-sex couples in 1989; and although the law used the name "registered partnership," straight as well as lesbian and gay Danes have generally equated these partnerships with marriage. Norway followed the Danish example in 1993, Sweden in 1995. While the actual title of "marriage" has been granted to gay couples elsewhere in the world only within the last five years, the Nordic countries have provided us with a rich source of information, and a 17-year history, as to what actually happens in society when gay and lesbian citizens marry.

Social conservatives suggest that legal recognition of same-sex couples has harmed society. Sen. Bill Frist has stated that "years of de facto same-sex marriage in Scandinavia has further weakened marriage"; similar claims have been made by Sens. John Cornyn, Rick Santorum, James Inhofe and Sam Brownback.

However, there is no evidence that allowing same-sex couples to marry weakens the institution. If anything, the numbers indicate the opposite. A decade after Denmark, Norway and Sweden passed their respective partnership laws, heterosexual marriage rates had risen 10.7% in Denmark; 12.7% in Norway; and a whopping 28.8% in Sweden. In Denmark over the last few years, marriage rates are the highest they've been since the early 1970s. Divorce rates among heterosexual couples, on the other hand, have fallen. A decade after each country passed its partnership law, divorce rates had dropped 13.9% in Denmark; 6% in Norway; and 13.7% in Sweden. On average, divorce rates among heterosexuals remain lower now than in the years before same-sex partnerships were legalized.

In addition, out-of-wedlock birthrates in each of these countries contradict the suggestion by social conservatives that gay marriage will lead to great increases in out-of-wedlock births and therefore less family stability for children. In Denmark, the percentage of out-of-wedlock births was 46% in 1989; now it is 45%. In Norway, out-of-wedlock births jumped from 14% in 1980 to 45% right before partnerships were adopted in 1993; now they stand at 51%, a much lower rate of increase than in the decade

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before same-sex unions. The Swedish trend mirrors that of Norway, with much lower rates of increase post-partnership than pre-partnership.

Is there a correlation, then, between same-sex marriage and a strengthening of the institution of marriage? It would be difficult, and suspect, to establish a cause-and-effect relationship between these trends in heterosexual marriage and marriage rights for gays and lesbians. But the facts demonstrate that there is no proof that same-sex marriage will harm the institution of marriage, or children. An optimistic reading of the facts might even suggest that the energy and enthusiasm that same-sex couples bring to the institution of marriage may cause unmarried heterosexual couples to take a fresh look at marriage as an option.

Our research has also uncovered additional social benefits. In dozens of interviews with partnered couples and through other sources, we found that marriage rights had an important beneficial effect not only on the couples themselves, but on their local and national communities as well. Couples reported that their relationships were stronger and more durable, that relationships with family members had deepened, that co-workers had become more tolerant and supportive, and their children felt greater validation by having married parents. Many couples reported a greater emphasis on monogamy, which may be reflected by the fact that national rates of HIV and STD infections declined in each of the Scandinavian countries in the years after they passed their partnership laws.

Finally, what about the "slippery slope" argument -- that same-sex marriage would start a dangerous movement toward legal recognition of socially unacceptable relationships? This hasn't happened in Scandinavia; 17 years later, there are still no calls for recognizing polygamy, incestual marriage or marriage to animals. Danes you ask about the slippery slope think you are joking. They realize that same-sex marriages serve essentially the same goal as opposite-sex marriages: lifetime commitment to your better half, the person who completes you.

In short, the sky hasn't fallen. Rather than scapegoating gay couples as the attackers from which marriage needs "defending," pundits and politicians alike should look to no-fault divorce, prenuptial agreements and legal recognition of heterosexual cohabitation as the real culprits of weakened marriage. As the evidence indicates, societies where gay couples have the rights of marriage seem to be doing just fine.

Mr. Spedale, an investment banker in New York City, and Mr. Eskridge, the John A. Garver professor of jurisprudence at Yale University, are coauthors of "Gay Marriage: For Better or For Worse? What We've Learned From the Evidence" (Oxford University Press, 2006).

Where's Judicial Restraint? (USAT)

By Peter Sprigg

USA Today, October 27, 2006

The New Jersey Supreme Court has professed respect for judicial restraint by refusing to change the definition of “marriage.” But they have imperiously commanded the state Legislature to either redefine marriage itself, or create a “statutory structure” (such as “civil unions”) to grant 100% of the legal rights and benefits of marriage to same-sex couples.

This is not judicial restraint. Courts have no power to command the legislative branch to enact a particular law. That the court has given the Legislature a choice (the frying pan or the fire) in no way mitigates this violation of the separation of powers.

The New Jersey Legislature should therefore simply ignore this command. Indeed, we urge them to go further and follow the lead set by 19 other states, by amending the state constitution to define marriage as the union of a man and a woman (and to make clear that only the Legislature may determine and distribute the “benefits of marriage”).

The court based its ruling in part on protections against “discrimination” and limited “domestic partnership” rights already granted to homosexuals by the Legislature. This rationale — that because the state offers limited “rights,” it must offer more expansive ones — turns logic on its head. It should, however, serve as a cautionary tale for politicians who think that such measures to appease homosexual activists will forestall the counterfeiting of marriage itself. Instead, they merely accelerate it.

Society gives benefits to marriage because marriage gives benefits to society. Therefore, the burden of proof must rest upon the advocates of homosexual unions to demonstrate that such unions benefit society (not just the individuals involved) in the same way and to the same degree as marriage between a man and a woman. Because homosexual unions never result in natural procreation and never provide children with both a mother and a father, this is a burden they simply cannot meet.

Peter Sprigg is vice president for policy at the Family Research Council and author of Outrage: How Gay Activists and Liberal Judges Are Trashing Democracy to Redefine Marriage.

A Dangerous Amendment (WP)

The Washington Post, October 27, 2006

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EVEN IF YOU oppose same-sex marriage and think its prohibition should be enshrined in state laws and constitutions, there are ample compelling reasons to oppose Virginia's Ballot Question No. 1 on Nov. 7. The amendment, intended to forbid a practice that Virginia already forbids, is vague and fraught with potential for unintended harm to gays and straights alike. Its adoption would herald a season of chaos in the state's courts.

If the proposed amendment simply defined marriage as between a man and a woman, we would still disagree, but at least it would represent no major change from the status quo, since Virginia law has outlawed same-sex marriage for 30 years. But the amendment as written is far broader and murkier. It forbids the government and courts from granting any "legal status" to unmarried couples whose relationship "intends to approximate the design, qualities, significance or effects of marriage" or confers the "rights, benefits, obligations, qualities or effects of marriage."

Among those who might pay the price for this ill-conceived, sloppily drafted measure are: unmarried victims of domestic abuse, whose protections under existing state law could be undercut and challenged in court because of the amendment; Virginia corporations whose efforts to attract top talent can hinge on the benefits they extend to employees' domestic partners; children of unmarried couples, whose parents' private agreements setting out their obligations might be held invalid; and sick people whose medical coverage could be rejected by hospitals because of their domestic arrangements. In general, legal rights and protections would be imperiled for an estimated 130,000 unmarried couples in the state, nearly 90 percent of whom are heterosexual.

Gov. Timothy M. Kaine (D) and scores of legal scholars and lawyers in Virginia have warned of the judicial mayhem that might result from this amendment. They are not being alarmist: A similar constitutional amendment in Ohio has been fought over in state courts for months and remains in limbo. Virginia voters can avoid such a mess by rejecting this unneeded, pernicious measure.

Ballot Questions 2 and 3 should pass, however. Question No. 2 would strike language from the state constitution banning the incorporation of churches. A federal judge ruled in 2002 that the language violated the U.S. Constitution, making this measure a case of overdue typographical cleanup.

Question No. 3 involves whether to allow local jurisdictions to offer partial property tax exemptions for both new construction and improvements to existing structures in areas of economic blight. Currently, they can give such exemptions only for improvements.

Beyond those ballot questions, bond issues in Arlington, Fairfax, Loudoun and Prince William counties deserve support. Of particular importance are transportation improvement bonds in Arlington, Loudoun and Prince William that would provide desperately needed funding for roads and rail in traffic-choked Northern Virginia -- especially welcome in the absence of significant state assistance. Residents of Loudoun, with its booming school-age population, should also vote for a number of school construction bonds.

Finally, Prince William voters face a special election for state delegate in the 50th District to replace the late Harry J. Parrish. Jeanette Rishell, the Democratic candidate, is the one to choose. Among other strengths, she strongly supports a dedicated source of funding for transportation projects in Virginia; her Republican opponent, Jackson H. Miller, does not.

Single-Sex Schooling (WP)

The Washington Post, October 27, 2006

STUDIES OF single-sex education are all over the map, with no one really knowing how effective it is. Still, the decision giving public schools greater freedom to offer all-boys and all-girls instruction is right because of one known certainty: Traditional schools just are not working for a large number of children.

Single-sex education largely disappeared from public schools as a result of the landmark 1972 Title IX law that banned sex discrimination in federally funded education programs. Single-sex instruction was largely limited to gym and sex education classes. Schools for one sex were allowed if a similar school existed for the other sex. The Education Department, in rules announced this week, opened up the field by saying schools can offer single-sex education as long as enrollment is voluntary and if "substantially equal" coeducation is offered to the excluded sex.

Civil rights groups and women's advocates are right to be concerned about possible abuses that could arise from differing assessments of what is "substantially equal," a phrase that, in truth, does give one pause. The past is rife with instances of separate not being equal. But with appropriate safeguards and oversight, communities should have the option to meet the growing demand for single-sex schools. Parents should be able to obtain the appropriate schooling for their children without always having to pay the high tab for private school.

No doubt same-sex schooling is not for everyone and should be offered only under well-thought-out conditions. There is, for example, serious dispute over who would benefit most. Some believe that girls are disadvantaged in traditional classrooms

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and perform better by themselves. Others contend that low-income children would be helped, while another school of thought argues that high school boys would do better if separated from girls. Such uncertainty points up the need for better research.

Local school districts that want to experiment with single-sex instruction should be encouraged to adopt a meticulous research protocol to demonstrate what works or doesn't work. Then a serious discussion can begin.

The Promise Of Single-Sex Schools (WSJ)

The Wall Street Journal, October 27, 2006

The government's long war against single-sex schooling ended Tuesday, when the Department of Education published rules that will make it easier for public educators to offer girls-only and boys-only schools or classes without running afoul of Title IX. That section of the 1972 Education Act barred sex discrimination in all education programs and activities that receive federal funding. While it most famously kicked doors open for female college athletes, it also compelled men-only public universities to admit women.

More recently, however, Title IX has been used to bludgeon elementary- and secondary-school educators who are trying to improve learning opportunities for girls, as well as boys. Inspired by evidence that some children learn better in sex-specific classrooms, more than 240 public and charter schools around the country have begun offering single-sex education (although not all provide it for every course). Most significantly, the typical student is from a low-income, minority family. Parents compete fiercely, often by lottery, for the chance to give their kids the kind of learning environment that wealthier parents regularly pay for at all those single-sex private schools.

Such desperate scrambling might not be necessary if Title IX hadn't banned most single-sex education as discriminatory. The Young Women's Leadership School in East Harlem, which recently sent 100% of its graduating class to college, has thrived largely due to overwhelming community support and political protection -- Hillary Clinton is a champion of it -- that have kept Title IX watchdogs at bay. The threat of ACLU legal action hangs over all single-sex schools and has kept some from ever opening.

As of this week, however, educators can contemplate opening single-sex schools or classes without running afoul of the law. The Education Department now officially says that Title IX does not make single-sex education discriminatory, so long as it is voluntary and takes place in an environment that also includes comparable coeducational schools and classes.

Tom Carroll, chairman of the Brighter Choice Charter Schools in Albany, N.Y., told us that single-sex education is only one tool among many possible approaches that parents and educators can use to improve the nation's troubled public-school system. But he also says that a third of Albany's K-4 public elementary students -- or about 1,150 children -- applied for Brighter Choice's 50 single-sex places last year.

No wonder. Kids at Brighter Choice's single-sex schools (about 98% of whom are minorities) are standouts. They are top scorers in both math and reading-and-writing tests also taken by coed public-school children. Brighter Choice's longer school year and greater number of classroom hours obviously help, Mr. Carroll says. But so does its ability to tailor instruction according to the needs of children at different stages of maturity and development.

In their early years, girls, for instance, often lag behind boys at mastering math concepts. On their own at Bright Choice, they have zoomed forward. Boys, meanwhile, surged ahead of their male counterparts at coed schools in literacy. Mr. Carroll adds that freeing kids from certain notorious distractions in coed classrooms not only helps them concentrate on studying. It can be liberating as well. Girls, who often "won't assume leadership positions in the classroom if there are boys there they want to impress," grow bolder. And "without girls to impress," he adds, it's easier to get boys to "recite poetry" and explore "visual and performing arts."

You might think that the National Organization for Women would applaud efforts to empower young girls. Or that Sen. Edward Kennedy, the product of a boys-only private school, would want to see the opportunities he enjoyed extended to young disadvantaged males. Yet they, like the ACLU, see the Education Department's new rules as a green light for "discrimination" and "stereotyping" and, in Sen. Kennedy's words, "a setback for civil-rights protection."

For many parents, though, clinging to this liberal ideology is not an option. They want the real fruits of equality for their children, and an important civil right that is currently being denied to them: a decent education.

ANTITRUST:

Gilead Gets Antitrust OK For Myogen Deal (AP-YBIZ)

AP, October 27, 2006

Government Ends Antitrust Waiting Period Early for Gilead Sciences' Purchase of Myogen

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FOSTER CITY, Calif. (AP) -- Biotechnology company Gilead Sciences Inc. said Thursday that the customary waiting period needed for its purchase of Myogen Inc. has been terminated early by federal regulatory officials.

The Federal Trade Commission terminated the waiting period required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 before its expiration date, according to Gilead Sciences.

Earlier this month, the company announced plans to buy Westminster, Colo.-based Myogen Inc. for $2.5 billion. Gilead Sciences previously stated that its tender offer and associated withdrawal rights will expire Nov. 10 unless extended. The company expects the tender offer to close by the end of the fourth quarter of 2006.

Shares of Gilead Sciences Inc. fell 15 cents to $69.20 in after-hours trading, following an earlier close at $69.35 on the Nasdaq. Shares of Myogen Inc. rose 18 cents Thursday to close at $52.30 on the Nasdaq.

Clear Channel Race Spotlights Limits Posed By Ownership Rules; 'LBOing Of Western Civilization' (WSJ)

By DENNIS K. BERMAN And SARAH MCBRIDE

Wall Street Journal, October 27, 2006

With a growing list of radio, newspaper and television assets on the auction block, some new players are on the verge of assembling the conglomerate of the 21st century: the private-equity media empire.

That became all the more apparent when Clear Channel Communications Inc., one of the nation's largest owners of radio stations and outdoor billboards, put itself up for sale on Wednesday. Buyout groups are hungry to get control of the San Antonio company, which has a stock-market value of $17.5 billion.

Yet many of the same private-equity players chasing Clear Channel are either in the hunt for other media assets or already partial owners of them. That could complicate matters, because of federal rules aimed at making sure no one voice controls too many media outlets.

Private-equity firms, which purchase businesses with an eye toward improving and selling them for a profit, are on an unprecedented binge, buying up bigger and bigger companies. Their interest in media companies comes as the firms become ever more powerful players in many American businesses, from doughnut outlets to auto-parts makers, and are the subject of increasing scrutiny. The firms already are facing a Justice Department inquiry into whether any colluded with each other to drive down prices they pay for companies.

The latest buzz-phrase among Wall Street bankers who arrange leveraged-buyouts is telling: "The LBOing of Western Civilization."

Indeed, the media-buyout frenzy involves lots of overlapping players. Providence Equity Partners is part of a group trying to win control of Clear Channel's 1,150 radio stations and other assets. Earlier this year, Providence was also part of a group that purchased Univision Communications Inc., which owns radio stations and the Univision Spanish-language TV network. It's also part of a group weighing a bid for Tribune Co., which owns newspapers and TV stations.

Providence already owns stakes in movie library Metro-Goldwyn-Mayer Inc., Warner Music Group and Freedom Communications Inc., publisher of the Orange County (Calif.) Register newspaper.

Even if Providence ends up with just part of Clear Channel, it would have a huge interest in big markets around the country. Consider Miami, where Clear Channel owns seven radio stations, and Univision owns four radio stations plus two television stations.

A three-member consortium consisting of Providence, Kohlberg Kravis Roberts & Co., and Blackstone Group, has been in discussions with Clear Channel for weeks, people familiar with the matter say. In recent days, the group offered $35 a share, said a person familiar with the matter. Clear Channel, which was up yesterday $3.13, or 9.7%, at $35.48 a share in 4 p.m. trading on the New York Stock Exchange, rejected the offer.

Clear Channel said on Wednesday that it was exploring "strategic alternatives" -- essentially an open invitation to bidders. At least two other groups are considering offers: One includes Thomas H. Lee Partners, Texas Pacific Group, and Bain Capital. The other includes Cerberus Capital Management and Oak Hill Partners. Bids are due Nov. 10, and still other bidders could emerge.

Cerberus and Oak Hill wouldn't have any problem with Federal Communications Commission media-ownership rules. But the other two might, given their existing media holdings.

These rules prohibit a single company from owning more than eight radio stations in any one market and generally ban cross-ownership of daily newspapers and broadcast assets in any one market.

For private-equity investors, there are ways to avoid triggering the rules, legal experts say. They can set up their interest in the target media company as a limited partnership and formally insulate the limited partners from involvement in the

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management of the business. One person close to the Providence-led group said that it was considering the use of a "trust" structure to guard against problems with media-ownership rules.

The FCC rules are strict on this point, media lawyers say. The limited partnership's governing documents must include provisions prohibiting partners from providing services, becoming employees and communicating on day-to-day business affairs with the underlying broadcast company.

Private-equity companies specialize in trying to make companies more profitable, so most would want to have a direct say in the target companies' operations. They might be banking on something else: The FCC is revisiting the rules, with comments from interested parties due earlier this week and replies due in December. A private-equity suitor could likely win an 18-month waiver on ownership requirements, and hope that the rules will be loosened in the meantime.

That rules process, however, could take a while and could get bogged down in court challenges. And if Democrats take control of one or both chambers of Congress, they might resist the Republican-controlled FCC's efforts to loosen ownership limits.

If necessary, the media companies could sell off less valuable assets in markets where the ownership rules came into play. Besides bringing them into compliance, such sales would help fund the pricey buyouts.

Private ownership would create a lower-pressure environment for slow-performing media companies, giving them a chance to prime their businesses for better growth. "I've seen my company grow every year, because I've been able to invest in technology and marketing," says Peter Smyth, president and chief executive of Greater Media Inc., one of the largest privately held radio companies in the U.S., who thinks he couldn't have made the necessary investments under public scrutiny. "You have to have a long-term vision, and Wall Street is not conducive to long-term visions."

-- Sarah Ellison, Henny Sender and Amy Schatz contributed to this article.

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Merger Dents Sprint's Results (WP)

By Yuki Noguchi

The Washington Post, October 27, 2006

Sprint Nextel's customers, fed up with dropped calls and a service that hasn't kept up with the features offered by mobile phone competitors, left the company in droves last quarter.

That, alongside a tumbling stock price and dramatic changes in the executive lineup, led to a disappointing three months for the Reston company.

It posted a profit of $247 million (8 cents per share) on revenue of $10.5 billion for the quarter ended Sept. 30. That compares with $516 million profit (23 cents) for the same period last year on revenue of $7.83 billion.

One year after Sprint and Nextel merged, the firm is investing in a faster, more advanced network and working on partnerships to sell more of its services. Still, during a conference call yesterday, president and chief executive Gary D. Forsee acknowledged the troubles, which largely stem from thousands of the core customers defecting to competitors because of poor service.

Sprint lost 2.4 percent of its customer base every month during its third quarter -- a rate much higher than that of Cingular Wireless, which lost customers at a rate of 1.8 percent a month and last week posted a 280 percent increase in its net income.

Overall, Sprint, the country's third biggest carrier, landed 233,000 new customers during the quarter. It lost about 188,000 customers who are on contract plans and pay monthly, but offset that loss with gains elsewhere, including those who use month-to-month prepaid services.

Verizon Wireless is expected to announce its third-quarter results next week.

"Our operating results are not what we and you expected," Forsee told Wall Street analysts during the conference call.

The company spun off its local phone division, Embarq, and now operates a wireless and long-distance division.

Cingular and Verizon Wireless are benefiting from Sprint's decline because they haven't made Sprint's missteps, said Jonathan Atkin, an analyst with RBC Capital Markets. Those companies invest more consistently in their networks, and have offered a greater array of new phone devices, as well as package deals that appeal to families, he said.

Sprint plans to release a hybrid phone next month that works on both Sprint's and Nextel's networks, a move that could reduce customer dissatisfaction, Atkin said.

"[Sprint is] in rebuilding mode, and they're going to be in rebuilding mode for a while," particularly in 24 markets like Los Angeles and New York, where the Nextel network is overtaxed and dropping calls, Atkin said.

When the two companies merged in August 2005, the company's executives set high expectations that the marriage of two wireless companies would produce a powerful behemoth that would partner with cable companies and deliver a host of new

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services. But the company has struggled to manage two very different mobile phone networks, as well as combine two very different corporate cultures.

"We know the challenges . . . we operate two wireless networks, manage the Sprint and Nextel brands, and . . . integrate the cultures," Forsee said. "There remains substantial work ahead of us."

During the most recent quarter, Sprint did invest more in the development of an advanced high-speed network called WiMax, Forsee said. Sprint is also trying to market itself as a wireless wholesaler, and has partnered with 12 cable companies to sell wireless and Internet-phone services.

"The question is: Can they stabilize the bleeding at this point?" said Christopher King, senior analyst with Stifel, Nicolaus & Co. "It's certainly going to be a challenge for Forsee."

In August, the company ousted chief operating officer and longtime Sprint executive Len Lauer.

Then, earlier this month, company chairman Timothy Donahue, the ruddy, pep-talking former chief of Nextel who led that company through its entrepreneurial years, announced plans to leave the board by the end of the year. Donahue, who previously said he would stay on the board until August 2007, would have been an ideal person to oversee the launch of the new advanced network, King said.

Shares of the company closed up $1.18 yesterday at $18.90 a share, a boost analysts attributed to a hope that the company has hit its nadir.

ENVIRONMENT:

Bunge Reaches Pollution Settlement (AP)

By Jim Suhr, Ap Business Writer

AP, October 27, 2006

ST. LOUIS --Oilseed processor Bunge North America Inc. and three of its subsidiaries agreed Thursday to pay $13.9 million in a pollution settlement with the federal government, the Justice Department announced.

As part of the deal, the government said, the St. Louis-based unit of Bunge Ltd. will clean up emissions at 11 soybean-processing plants and one corn plant in eight states, eventually cutting more than 2,200 tons of harmful pollution emissions a year.

The settlement, outlined in a consent decree filed by the Justice Department in federal court in Urbana, Ill., follows others with fellow oilseed processors Cargill Inc. and Archer Daniels Midland Co. The decree will be subject to a 30-day public comment period and subsequent judicial approval.

According to the government, Bunge or a subsidiary violated the federal Clean Air Act at some or all of the dozen plants with "major" modifications of those sites without getting permits or adhering to pollution controls, the Justice Department said.

In settling the matter, Bunge will spend an estimated $12 million on emission-curbing projects and pay a $625,000 cash penalty, which will be divided among the U.S. government and the eight states.

The company will spend more than $1.25 million on community-based environmental projects in the affected states, including removing mercury, lead or asbestos from Louisiana schools and retrofitting diesel school buses and other vehicles in Indiana, Ohio, Kansas, Iowa and Alabama. Bunge also will provide environmental education in Kansas and residential lead abatement in Illinois.

"This agreement acknowledges the steps Bunge has taken and will take to ensure that we meet or exceed all applicable environmental regulations," said Carl Hausmann, Bunge North America's president and chief executive. "Bunge is committed to being a good citizen in the communities we serve, which includes operating our business in a safe and environmentally responsible manner."

The Environmental Protection Agency "expects companies to act responsibly and within the law when it comes to protecting public health and the environment," Granta Nakayama, the EPA's assistant administrator for the Office of Enforcement and Compliance Assurance, said in a statement.

The settlement covers soybean-processing plants in the Illinois communities of Cairo and Danville; Delphos and Marion in Ohio; the Indiana cities of Decatur and Morristown; Decatur, Ala.; Marks, Miss.; Destrehan, La.; Emporia, Kan.; and Council Bluffs, Iowa. Also affected is a corn plant in Danville, Ill.

Shares of Bunge rose $3.83, or 6.5 percent, to close at $62.69 Thursday on the New York Stock Exchange, then dipped 24 cents in aftermarket trading.

On the Net:

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Justice Department: http://www.usdoj.gov
Bunge North American: http://www.bungenorthamerica.com
Bunge Ltd.: http://www.bunge.com

State-federal Water Deal Draws Criticism (AP)

By Susan Gallagher
AP, October 27, 2006

HELENA (AP) — Montana water rights for the U.S. Forest Service are in a proposed agreement that state and federal officials tout as a major step forward, but a leading conservation group opposes.

The Montana Reserved Water Rights Compact Commission and the Forest Service unveiled the agreement this fall and have been taking public comment at meetings, the last of them scheduled for Monday in Billings. Officials, who will accept written comment until Nov. 15, may tweak the document before submitting it to the Legislature for action this winter. Approval by the Legislature, the governor and the federal Agriculture and Justice departments is needed for the agreement to become final.

It lays out water rights for the Forest Service, rights agreed upon through negotiations that began in 1992 and accelerated with the hiring of a mediator last fall.

Forest Service needs include water for ranger stations, work centers, tree nurseries, road construction and firefighting. The agreement encompasses those needs, and for 77 streams it establishes what are known as "in-stream flow rights" for fish-inhabited waters that pass through national forests.

Commission Chairman Chris Tweeten of the state attorney general's office called the agreement a "good deal for Montana," and Forest Service spokeswoman Paula Nelson said the state and the Forest Service "have both come out winners."

Fish conservation group Trout Unlimited has a different view.

"It's a really, really bad proposal," Bruce Farling, the group's executive director for Montana, said Thursday. Problems include inadequate in-stream flow rights, according to Farling, who said Trout Unlimited may propose amendments during the legislative session.

Besides establishing rights for the 77 streams, the agreement sets up a process for the Forest Service to apply for future rights on hundreds of other streams, Nelson said. Given that it took years to agree on the 77, it appears unlikely that seeking timely action for hundreds more will be a Forest Service priority, Farling said.

"We now have a process to do the others," Nelson responded. "Our plan wold be to prioritize the streams as soon as the Legislature and that process is over, and move forward."

Another group with a stake, the Montana Stockgrowers Association, said state and federal negotiators appear to have done a good job. But the association has some concerns, which include ensuring that holders of national forest grazing permits are not precluded from sending stream water through small pipelines to supply cattle, lawyer John Bloomquist said.

The agreement addresses water rights tied to congressional or presidential action that reserves lands, such as those in the national forest or national park systems. Such rights must be addressed either in the courts or through negotiation of an agreement.

"It's important that this has been dealt with outside the courts, and we hope that means it saves the taxpayer an awful lot of money," Nelson said.

Written comments on the agreement can be submitted via the Web site of the Montana Department of Natural Resources and Conservation.

'Treatment Wetlands' Clean Up Some Cities' Sewage (USAT)

By Traci Watson
USA Today, October 27, 2006

Cleaning up America's dirty water usually requires loads of chemicals, vast concrete tanks and huge pipes. Now some communities are turning to a more pleasant method of coping with sewage and polluted runoff: wetlands, complete with greenery and birdsong.

Cities are installing systems that send partially cleaned sewage to wetlands, which suck up even more pollution from the water. Local authorities are also turning to wetlands to store and cleanse the filthy water that runs off highways and pavement after a rainstorm.

Such "treatment wetlands" not only soak up pollution but also provide habitat for birds and other wildlife. And they require less energy and manpower than traditional sewage treatment systems, so they're often cheaper to operate.

"Wetlands are nature's amazing cleaning machines," says Benjamin Grumbles, chief of water issues for the Environmental Protection Agency. "Whether natural or manmade, they can do a lot of work, and we're encouraging their use increasingly."

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Some places where treatment wetlands are under consideration or construction:

·West Palm Beach, Fla. The city's new sewage treatment system and treatment wetland will be officially dedicated on Thursday. Treated sewage will flow through 1,600 acres of wetlands that will remove chemicals that act as fertilizers. Such chemicals are harmful to the ocean and the Everglades, where native vegetation can be killed by low levels of fertilizer.

The city is restoring a wetland that was overgrown by foreign plants that crowd out native species. The city also built boardwalks and trails through it to encourage residents to visit.

·Chicago and its suburbs. The regional sewage agency is investigating whether to build a treatment wetland next to an expanding sewage plant. The plant will be required for the first time to cleanse the sewage of a chemical that acts as a fertilizer, and a wetland could do so naturally, says Dick Lanyon, head of the Metropolitan Water Reclamation District of Greater Chicago.

A wetland would be cheaper, too, "because you won't have any pumps or piping involved. You don't have any expenditures for chemicals," Lanyon says. "We'd be letting the wetlands do their work."

·Phoenix. A small wetland built as a test project has been helping scrub the city's sewage for more than a decade. The cattails, bulrushes and other plants in it host microbes that help break down waste products. Sunlight and exposure to the air also help.

The city now hopes to build a 1,500-acre wetland to help scrub away fertilizing chemicals from the water. The wetland would also cleanse the treated sewage of medications, which sewage plants do a poor job of removing.

The city wanted "more than just more concrete-and-steel treatment plant out of this," says Alice Brawley-Chesworth of the city's Water Services Department. The new wetland, which will be built when Congress allocates the funds, will also provide wildlife habitat, flood control and recreation.

Despite the high hopes, the EPA's Grumbles warns that wetlands are not a panacea for America's water pollution. No wetland can handle large volumes of raw sewage, he says, or water contaminated with industrial chemicals. Wetlands excel at wiping the last traces of pollution from sewage but aren't suited to tackling water direct from the nation's toilets and sinks.

Even with those limits, wetlands are drawing interest from environmental officials in small towns and large cities alike. In Louisiana, local agencies are even hoping to use wetlands to avoid costly repairs to a sewage treatment plant damaged by Hurricane Katrina. The remaining fertilizers in the treated sewage would also help rebuild the devastated marshes on the coast.

Environmental officials are also enthusiastic about wetlands' ability to deal with water that runs off paved surfaces after a storm. Such runoff carries huge loads of pollution to rivers and streams and even changes the shape of riverbeds.

If runoff is channeled to wetlands, the water can be stripped of motor oil, road salt and other contaminants before it washes into natural waterways. And a stop in a wetland slows runoff, making it less prone to cause erosion.

Officials in Independence, Mo., are looking into transforming an abandoned sewage lagoon into a wetland, to trap the water that rolls off a nearby highway. They'd do some excavation for better water flow and add native plants.

"If we can use nature to help us, that's what we want to do," says Dick Champion, the city's director of water pollution control and president of the association for sewage agencies.

BLM Says Counties Haven't Proved Road Claims, Case Should Be Dismissed (SLT)

By Joe Baird, The Salt Lake Tribune

Salt Lake Tribune, October 27, 2006

A federal judge on Thursday heard arguments calling for the dismissal of a lawsuit Kane and Garfield counties have filed against the Interior Department over the Grand Staircase-Escalante National Monument land-use plan.

Attorneys for the Justice Department and a coalition of environmental groups told Judge Ted Stewart that the counties' claims to roads and water rights in the monument were overly broad - and deserve to be rejected.

Justice Department attorney Tom Snodgrass said the counties have failed to prove any of their road ownership claims in the monument beyond four routes that were recognized in the land-use plan. And he defended the Bureau of Land Management's decision to restrict the use of off-highway vehicles on those roads, arguing that they fell under the scope of the BLM's larger land management responsibilities.

Snodgrass also said the county fell short in proving its water rights have been thwarted, noting the BLM's authority to protect the monument's water resources is backed by federal law.

"It's not enough to disagree [with the land-use plan]. They have to show they are being injured - and they have not," he said of the counties' arguments.

Attorney Shawn Welch, representing Kane and Garfield counties, argued that the agency's refusal to recognize their larger road ownership rights has compromised the counties' transportation system. And he challenged

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the BLM's ability to halt what he called a legitimate diversion of water that would not impair monument resources.

"That's a decision for the Utah state engineer," Welch said.

Stewart took the arguments under advisement, but was openly skeptical of the federal government's claims during the one-hour hearing.

"There has been a long history of the BLM and the counties working together," Stewart said. "Acknowledgements [of county claims] were made," during the planning process.

Should the agency now, he asked, "pretend that this doesn't exist?"

Stewart's presence on the bench Thursday was notable, because he has often recused himself from public lands cases.

A former director of the Utah Department of Natural Resources, Stewart was openly critical of the creation of the Grand Staircase-Escalante National Monument when it was established by President Clinton in 1996.

"That was a day of infamy for some of us," Stewart told The Salt Lake Tribune in 1996, when he was Natural Resources director.

Calif. Fire Started By Arsonist Kills 4 (HC/AP)

By Gillian Flaccus, Associated Press Writer

Houston Chronicle, October 27, 2006

POPPET FLAT, Calif. — A wind-whipped wildfire started by an arsonist killed four firefighters Thursday and stranded up to 400 people in an RV park when flames burned to the edge of the only road out, officials said.

"Everybody is hunkered down here. They're fighting the fire around us. It's across the street from us," said Charles Van Brunt, a ranger at the station at the entrance to Silent Valley Club, the recreational vehicle park near Palm Springs. The residents were in no immediate danger, he said.

Authorities asked people in the RV park to stay put to leave roads clear for firefighters. Hundreds of others in the area were forced from their homes.

Fire officials said the blaze was deliberately set around 1 a.m. and had blackened 10,000 acres within 12 hours. Fire Chief John Hawkins said the arson "constitutes murder."

It was the deadliest wildfire firefighting disaster in the United States since July 10, 2001, when four firefighters were killed in Washington's Okanogan National Forest. They died after becoming trapped by flames on a dusty dead-end road in a remote canyon.

The Forest Service crew was trying to protect a house as dry desert winds of 25 mph or more blew a wall of flames down on them in the hills northwest of Palm Springs.

"They had left their truck to do structure protection when the fire overran them," said Forest Service spokesman Pat Boss, adding that the flames came down so quickly they had no time to retreat to their engine or use protective sheltering.

Three firefighters died at the scene, and two were hospitalized in critical condition. One of those two died several hours later. The other had burns over 95 percent of his body, Boss said.

The surviving firefighter had severe respiratory damage, said Dr. Dev Gnanadev, a trauma surgeon at Arrowhead Regional Medical Center.

"Overall, the chances of survival are low when you have that bad of an injury," he said at a news conference.

Thursday's deaths brought to 19 the number of California firefighters killed in the line of duty over the past year, according to statistics kept by California Professional Firefighters, a lobbying organization.

Boss said the Forest Service pulled all its personnel off the fire after the deaths so they could "gather their thoughts, say their prayers."

Another official believed the blaze was set just as the winds picked up in order to maximize destruction. Riverside County Sheriff Bob Doyle dispatched homicide detectives to the scene to work with FBI agents during the investigation.

Authorities planned to offer a $100,000 reward in the case.

"Turn that scum in, please," Riverside County Supervisor Marion Ashley said.

The fire blackened nearly 16 square miles and destroyed at least five homes. The weather service had issued a "red flag" warning for extreme fire danger because of the high winds and dry conditions.

Thick smoke blanketed the small RV park, where as many as 400 people were stranded, authorities said. TV footage showed some vehicles racing through flames and smoke just before firefighters closed the road.

Van Brunt said people were advised to "watch the news and stay comfy."

The fire was stymied by a firebreak created around Poppet Flat and the RV park years earlier, sheriff's Cpl. Todd Garvin said.

"This is a safe haven here. That was cleared about six years ago and it still works. It's amazing," Garvin said.

Some residents of Poppet Flat sought shelter at the RV park, officials said.

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The fire started early Thursday, burning in a valley with a few scattered ranch homes. The hamlets of Poppet Ranch and Twin Pines were evacuated along with a juvenile detention center, Twin Pines Boys Ranch.

In all, nearly 700 people were evacuated, Gov. Arnold Schwarzenegger told reporters in Sacramento.

Construction contractor Charlie Miner suffered minor burns when he drove his backhoe through the flames to escape in Twin Pines. "It was so intense I was screaming," Miner said. "Sparks were flying everywhere."

The firefighters who were killed were members of a five-person crew based in the nearby town of Idyllwild, Boss said. Their names were not immediately released.

"I knew probably all of them," he said. "They were very personal friends."

As news of the deaths spread, friends stopped at the Idyllwild ranger station to express their sympathies.

"You guys are our saving grace," said Emily Pearson, as she hugged Boss. "It shouldn't have happened." Pearson said she had lived in the area 35 years, and her family knew all five firefighters.

The strong winds fed the blaze oxygen and dried out the region's already parched vegetation, Hawkins said.

The fire could be seen burning along ridgelines, with flames leaping as high as 100 feet into the air. Pillars of smoke were quickly blown away, and at one point, smoke could be smelled on the Pacific coast, 100 miles away.

Timo Hargu, 61, said he rushed from his hilltop home with his two dogs after he looked out a window and saw fire burning toward him in a valley.

"The whole thing was ablaze with flame," he said. "It was the most spectacular view. A terrible view, but spectacular."

By nightfall the fire's main front was pushing west toward Lambs Canyon, a sparsely populated, rugged area with brush several feet high, said Diana Newcomb, a spokeswoman for the California Department of Forestry.

Residents of Poppet Flat were told they could leave the RV park and go home. Visitors who came in RVs were told to stay put because firefighters did not want motor homes clogging the road.

Rigs On The Skyline And Gas Far Below (NYT)

By Clifford Krauss

The New York Times, October 27, 2006

FORT WORTH, Oct. 20 — Boston had the Big Dig. Now Fort Worth has the big drill.

Under golf courses, schools, parks, libraries, airports and dozens of neighborhoods, some of the nation's leading independent energy companies are scouring the city in search of the best locations to recover one of the largest concentrations of natural gas in the United States.

Everyone seems to be lining up for a share in the bonanza. The American Cancer Society recently made $5 million just by selling its mineral rights to land that had been donated years ago. The Girl Scouts leased their mineral rights for drilling under a summer camp for an undisclosed amount.

It may not be a rerun of "The Beverly Hillbillies." And energy executives say it will not tear up the heart of the city, as Boston's trouble-plagued highway construction project did.

But it is a replay of sorts of the oil drilling booms that roused and remade Los Angeles and Oklahoma City in the 1920's and 1930's. And with rigs lighted up like Christmas trees on the city's periphery at night, it is the biggest urban drilling boom in the nation today.

The surging interest in tapping gas trapped in the so-called Barnett Shale that veins through Fort Worth is only the beginning of a new far-flung search by wildcatters now exploring Alabama, Illinois, Ohio, Pennsylvania and West Texas for a big new source of shale natural gas.

The new drilling wave comes not only at a time when domestic gas production has stalled and demand for cleaner gas energy is increasing, but when new drilling technologies and relatively high gas prices make the exploitation of shale economically feasible for the first time.

Not everybody in Fort Worth is happy about the prospect of all this drilling. But this time the advances in exploration technologies mean that most residents are not going to hear, smell or even see the drilling under their land.

That is because the holes are dug as much as a mile away, and the drills, thousands of feet down, reach out horizontally — not straight down — to the shale gas underneath the city. Only a few people are actually going to get rich, but there will be a lot of money floating around.

"It's manna from heaven!" said Bishop Kenneth B. Spears of the First St. John Baptist Church, whose predominantly black neighborhood in southeast Fort Worth suddenly finds itself in the middle of one very big energy play.

Still, some in the neighborhood fear potential accidents, while others are suspicious of the motives of rich energy companies.

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For all his enthusiasm, Bishop Spears, who recently received a $21,000 signing bonus to allow Dale Resources to drill for natural gas in the underground shale directly beneath his church, acknowledges the mixed feelings. He promises to use any new church riches to start a fund that will help people get out of debt and start businesses in the neighborhood.

He also leads a Y.M.C.A. across the street, which got an even fatter check, and Dale money is going to fix up a baseball field down the block as a good will gesture to the neighborhood.

In a recent sermon, Bishop Spears compared Dale's payments to the gifts given by Joseph to his brethren in the Old Testament. "I got a lot of 'amens' and 'hallelujahs', but there was also a loud 'hmm,' " he recalled in an interview. "It's just not every day a white guy comes up and wants to give any black a check. People are concerned that 'someone is going to come and take what I own.' "

The big "hmm" reflects an anxiety in Fort Worth neighborhoods of all races that drilling could bring some kind of explosion or accident that could ruin drinking water. Trucks carrying water to the rigs could disrupt sleep, many fear, and some claim the companies are not paying residents fairly.

Fears grew when a gas well explosion in April killed a drilling company employee in Forest Hill, a suburb. Several other suburban neighborhoods are upset over new wells appearing almost in their backyards and that concern has spread to urban communities.

One neighborhood association in Morningside Park, another black neighborhood, has rejected all drilling under a three-block area. So far the organized opposition has been small, but some politicians and activists predict protests may pick up as drilling in the center of the city becomes more intense.

"Money isn't everything," said Paul Moss, 62, an aluminum factory supervisor who lives in Morningside Park. "Peace of mind is better than money."

But the anxiety is joined by an equally, if not more powerful money-loving giddiness from the drilling boom that has hit this sprawling city of 700,000, which often lives in the shadow of nearby Dallas.

"If you don't have a gas well, get one!" exclaims a yellow billboard along a Fort Worth stretch of Interstate 30. Residents are receiving fliers offering them $200 and $300 bonuses and promises of royalties for years to come if they allow energy companies to drill several thousand feet under their homes.

The city's gas riches are "not only going to benefit this generation but generations to come," said the mayor, Mike Moncrief, who happens to come from a family of traditional wildcatters. "It is without question allowing us to float everyone's boat higher."

He said the city government had received $10.4 million in bonuses and royalties from 613 wells in various stages of development around the city, just in the last year or so. And "we've only just started," he said.

The Barnett Shale gas field was discovered in 1981 and stretches over 15 North Texas counties. Its 5,000-square-mile reservoir is already the second-largest-producing land-based domestic natural gas field after the San Juan Basin in New Mexico and Colorado.

The first drill in Fort Worth came online in July 2005, and the city has leased more than 2,400 public acres alone for natural gas development.

The changes are unsettling to some. "I love prairies and I hate to see them gobbled up by development and gas drilling," said Don Young, a local activist. "There's a big dark secret nobody's talking about: Real estate will go down the tubes and there will be an environmental impact."

The United States Geological Survey now estimates that the entire Barnett Shale field contains 27 trillion cubic feet of gas, about what the nation consumes in 15 months. Recent studies suggest the core of the shale field may rest precisely beneath the city's high-rise banks, trendy restaurants and some black neighborhoods that have never benefited from oil and gas before.

Estimates of the size of Barnett Shale's reserves are rapidly increasing; the field is starting to make a big impact on the nation's gas business at a time of declining domestic production and projections of rising demand. Gas executives predict that the current production of 1.5 billion cubic feet a day — 2.5 percent of the national output — has the potential to climb to 3 billion to 4 billion cubic feet a day in a few years.

"It is providing security to the national energy picture," said Stephen J. Hadden, senior vice president for exploration and production at Devon Energy, the biggest driller in the Barnett Shale field. This North Texas gas, he said, "will mitigate to a degree some of the decline we see coming from the more mature gas resources around the country. It may temper prices."

The reserves of natural gas are caught in the cracks and crevices of an underground shale structure that runs as deep as 7,000 feet. They were generally inaccessible until a new process developed in the 1990's and known as hydraulic fracturing or simply fraccing allowed drilling companies to use high-pressure blasts of water and sand to release the gas.

And the advent of horizontal drilling allows producers to build drilling pods from which mile-long spokes of pipes spread thousands of feet under residential neighborhoods.

The early successes have led drilling companies to start exploiting other shale fields around the country.

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Companies had been reluctant to drill inside Fort Worth's central city. The technical and political challenges of exploring in an urban area were large. But Lawrence B. Dale, president of Dale Resources, a small independent drilling company in Dallas, decided to take a chance.

With 23 years of exploring widely for natural gas, Mr. Dale, now 53, said that he had decided to spend more time with his family and drill closer to home.

Three years ago, he began selling off his East Texas production wells. He then leased about 90 sites around Fort Worth where drilling would stir less of a protest: areas in or abutting industrial zones close to pipelines.

"It was completely a wildcat venture," he said, noting that seismic work could not be done under a dense urban area. "We didn't know. We thought, but we didn't know."

Mr. Dale's company has already invested $100 million in the field, but he said he realized that it would take much deeper pockets than he had to develop the city's gas potential fully.

Having already sold some wells to Chesapeake Energy, a bigger gas company, he said that in the future "we will enter into strategic alliances and partial property sales with larger companies that have the capital, the equipment and the balance sheet to develop a major field like this."

Mr. Dale was quick to locate and buy up most of the good drilling sites — those that are relatively unobtrusive to gas-rich neighborhoods but in easy reach of them.

Mr. Dale said he was well aware of local concerns, and was working to address them. His company constructs high berms and sound blankets and develops green spaces around rig sites to ameliorate disturbances. Signs are put up in affected neighborhoods with the phone number of his director of community affairs who is available to answer questions, listen to complaints and even make house calls any hour of the day or night.

"I sleep in my cowboy boots," joked David Buchanan, Dale's director of community affairs.

Most neighborhoods appear ready to go along. The City Council recently tried to calm concerns by setting minimum distances between wells and existing residences and stiffened rules over hours of operation and noise.

But the jitters persist.

People became alarmed a few weeks ago when signs went up in the small central city black neighborhood of Greenway Place stating that Dale would soon establish a rig site on the other side of a local park. Most had already signed up to have drilling done under their homes from a separate rig, but they did not like the surprise.

Dale sponsored a barbecue to explain.

"I can barbecue at home," said the Rev. Raymond Oliver of the Progressive Missionary Baptist Church, who had been an early supporter of Dale's efforts before the new signs went up. "You telling me we don't get paid for a well on my front door and we don't get royalties? I got a problem about that."

FBI/DEA/ATF/USMS:

Home FBI Gets Ritzy While Others Lack Crime-fighting Funds (SH)

By DAN K. THOMASSON

Scripps News, October 27, 2006

At a time when taxpayers are being socked millions of dollars a day for Iraq and national security initiatives, the FBI _ America's front line against terrorism _ is spending $32 million on a new subheadquarters on a onetime Northern Virginia horse farm that is being dubbed the "Taj Mahal" by its own agents because of its opulence.

The building will house 150 agents and various support personnel who are an extension of the bureau's Washington Field Office and who are responsible for the southern suburbs of the nation's capital. The justification for this move is that the close-in Fairfax County space that had housed the operations had become too cramped and that changing demographics made moving further south attractive.

But here's the rub: Most of the bureau's business in this area still is in the densely populated environs just on either side of the beltway. The agents now will be miles and many traffic jams (not to mention gallons of gas) away in Prince William County at the very edge of the metro complex. While that area has grown substantially, it will be several decades before it reaches the size and importance of the closer suburbs.

This once again emphasizes an FBI trend to move out of traditional government space both for security and to further establish its independent image _ one removed from the Department of Justice. That concept was first established when the bureau departed the department's Pennsylvania Avenue building and set up shop in a monolithic fortress-like structure it constructed down the block, removing itself from the shadow of the attorney general and his staff.

In the late 90s the bureau, because of congressional indulgence, found itself with an excess of funds that permitted it to begin abandoning federal building space it shared with other agencies throughout the country. It contended that the Oklahoma City bombing had shown these structures to be security risks. It began constructing its own field and residential office buildings from coast to coast, including even in Anchorage, considered one of the more remote posts. One residential office that was assigned responsibility for only a few counties in a Midwestern state moved into an elaborate structure that has remained half empty when there was ample space in a nearby federal building, prompting one wag to crack that "they were building for the new century _ the 25th century."

Most of this questionable use of money appears to have fit not only the bureau's paranoia, but also former director Louis Freeh's idea of a cabinet level FBI separate from and equal with the department. His efforts to abolish and absorb other federal law enforcement agencies and to establish a large international presence were no secret.

The FBI's building spree has caused increasing concerns about the creation of a national police force with sweeping power, a concept this nation has sought to avoid despite the bureau's steady encroachment on responsibilities assigned other state, local and federal agencies including drugs, firearms, explosives, gang organizations and even prostitution. The one area with which it seems not to be terribly comfortable is the most important _ counter intelligence. Official inquiries since 9-11 have found the bureau seriously deficient in that area despite promises of reform.

It seems amazing that the bureau's keen sense of public relations would not foresee bad publicity over the announcement of a new building with soaring atrium and terrazzo floors and engraved elevator doors particularly at a time when other federal agencies have trouble finding the funds to carry out their efforts in fighting rising levels of violent crime. The 15-acre campus will have jogging and hiking trails and picnic tables, for heaven's sake. Even anonymous agents quoted in news reports of the project voiced some embarrassment while others expressed frustration over the prospect of having to travel as far as 40 miles to carry out some duties.

The responsibility for this arrogant disdain for fiscal prudence lies both with Congress and the administration. Both have all but abandoned oversight of the bureau. Every FBI-excess is excused in Congress as though J. Edgar Hoover and his secret files still were hanging over Capitol Hill. Down the block at the Justice Department the attorney general would seem to roll over for any bureau demand. Even before 9-11, that was the case unless we have forgotten Waco and Ruby Ridge.

Perhaps the agents housed in the Taj Mahal on the former farm can ride their horses to and from town when things get jammed up on Route 66 or I-95, which happens daily at most any hour. But then they would have to build an elaborate, bombproof stable in which to house them.

Daytona Man Gets 11 Years In Meth Case (ORS)

The Orlando Sentinel, October 26, 2006

Orlando -- A federal judge on Wednesday sentenced a Daytona Beach mechanic to nearly 11 years in prison for his role in a methamphetamine drug ring in Volusia County.

Phillip "Yeta" Crimi, 54, is the only one of 22 co-defendants who chose to go to trial after raids and arrests by federal, state and local agents as part of Operation Speedway II in August 2005.

In 2003, 14 people were prosecuted in the first phase of the investigation by a Drug Enforcement Administration-led task force.

U.S. District Judge Gregory Presnell also ordered Crimi to serve five years on probation.

He was convicted after a three-day jury trial in March and faced testimony from former partners and associates, most of whom reached plea agreements with the U.S. Attorney's Office.

They include Mark Schuster, Crimi's one-time drug-business partner who is serving a four-year prison term; Shannon Marrs, a fellow motorcycle mechanic who received 31/2 years in prison; and acquaintances Michael Moore and Christie Ray Corzine, both of whom are serving a year in prison.

Others received sentences ranging from two years of probation to nearly six years in prison.

A confidential informant, identified in court as Herschel Wornack, did not face prosecution while he cooperated with federal authorities and set up undercover methamphetamine buys from Crimi.

Pedro Ruz Gutierrez, Robert Perez, Christine Dellert, Ramsey Campbell and Etan Horowitz of the Sentinel staff contributed to this report.

Man Guilty In Officer's Shooting (AC)

Annapolis Capital, October 26, 2006

Severn man belonged to drug gang dubbed 'Pioneer City Boys'By ERIC HARTLEY, Staff Writer

A Severn man was convicted in federal court yesterday of shooting a county police officer in 2004 and being part of a crack cocaine-dealing organization called the "Pioneer City Boys."

Calvin Ignatius Savoy, 29, faces a mandatory sentence of life with no possibility of parole.

After a seven-day trial, a U.S. District Court jury in Baltimore found Savoy guilty of both charges he faced, conspiracy to distribute crack cocaine and use of a firearm in relation to a drug-trafficking crime.

He'll be sentenced Jan. 5.

Officer William Hicks, who was shot in the arm after he stopped to check on a fight in Odenton on Sept. 11, 2004, has recovered and returned to duty.

The fight started outside Kim's Lounge, a bar on Route 175 across from Fort Meade.

Officer Hicks was trying to wrestle a gun away from a man who'd been firing into the air when Savoy walked up and tried to shoot the officer at point-blank range, said M. Virginia Miles, a county prosecutor who worked on the case.

The gun misfired at first, but later went off and hit Officer Hicks in the arm.

Ms. Miles said Savoy had shown off a gun inside the bar and later tried to cover up evidence of the shooting by using bleach on his clothes and urinating on his hands.

Savoy's lawyer, Melissa M. Phinn, said Officer Hicks never saw who shot him in the chaos, and she said the testimony it was Savoy came from an unreliable witness.

As county police investigated the shooting and saw the ties to drugs, the Bureau of Alcohol, Tobacco, Firearms and Explosives and the Drug Enforcement Administration joined the case. People in the Pioneer City Boys sold guns to undercover officers.

Nearly a year after the shooting, a federal grand jury indicted Savoy and six other members of a drug operation prosecutors said had been around since 2002.

Ms. Miles told jurors last week the gang used violence and intimidation to keep competing dealers out of Severn and silence people who might be thinking about calling police.

The message "stop snitching" was spray-painted on the street, walls or mailboxes in neighborhoods including Pioneer City, Stillmeadows and Meade Village, she said.

Ms. Phinn told the jury in her opening statement Savoy wasn't part of any big-time drug operation and there was no proof he was responsible for the intimidation.

"They took individual arrests of individual people and they've made this big 'conspiracy,' " Ms. Phinn said of prosecutors.

But prosecutors noted Savoy has three past drug convictions, which is why he faces an automatic life sentence on the cocaine conspiracy charge. He could also get a consecutive life term for the shooting.

All six of Savoy's co-defendants pleaded guilty to drug charges in the case, and some testified against him.

The six face prison terms of 25 years to life. They are:

Lowell Joseph Braswell, 22, of LaPlata

Tony Maurice Horne, Jr., 25, of Glen Burnie

Troemaine Herbert Storey, 27, of Glen Burnie

Paul Eugene Turner, Jr., 31, of Severn

Jerome Otto Waters Jr., 26, of Annapolis

SEVEN MEN FACE FEDERAL CHARGES IN RICHMOND DRUG RAID (BCNW)

Bay City News Wire, October 27, 2006

OAKLAND (BCN) -- U.S. Attorney Kevin Ryan said today that seven men face federal drug trafficking charges stemming from a raid in Richmond by federal, state and local law enforcement agencies.

Ryan said the men are accused of distributing cocaine base and methamphetamine to informants who recorded these purchases using covert video and audio recording equipment.

Three of the men were indicted by a federal grand jury and the other four were charged by the U.S. Attorney's Office in criminal complaints, Ryan said.

Six of the defendants were arrested in Richmond Wednesday and arraigned in U.S. District Court in Oakland today. One of the men was arrested today and will be arraigned Friday.

Ryan said, "These charges are an effort to make North Richmond a safer community for its residents by prosecuting alleged drug dealers in the area. I thank the federal and local investigative agencies for their continuing effort and strong collaboration."

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Stephanie Douglas, an FBI Acting Special Agent in Charge, said, "These arrests are the result of over two years of joint federal, state, and local investigation and constitute another step toward ending the stranglehold of gang violence in North Richmond and the wider Bay Area."

Douglas said, "The FBI remains committed to working with our state and local partners to ensure the safety of all our communities."

During the operation, agents and deputies executed federal search warrants at ten locations in Richmond and one location in Vallejo.

As a result of the searches, agents and deputies seized large quantities of suspected cocaine base, methamphetamine, and cocaine, as well as a shotgun and more than $10,000 in cash, authorities said.

Prosecutors identified the defendants as Antonio Latauris Hendrix Jr., 30; Warren Steven Smith, 38; Michael Louise Black Jr., 33; Jeffrey Eugene Brown, 37; Fred Leon Wiggins, 26; Carl Leon Nix, Jr., 35; and Dosie Dee King, 37.

According to the U.S. attorney's office, the seven men, if convicted, face maximum federal prison terms ranging from 20 years to life and fines of between $1 million and $4 million.

Graham Aide Speaks To BALCO Grand Jury (AP)

AP, October 27, 2006

The top assistant to track coach Trevor Graham has testified to the federal grand jury investigating BALCO and its distribution of performance-enhancing drugs, Graham's attorney confirmed Thursday.

But Randall Evans did not provide any incriminating testimony against Graham, who once trained five-time Olympic medalist Marion Jones, the attorney said in a statement given to The Associated Press.

"Randall Evans agreed to speak with us about his appearance at the grand jury," Graham's attorney Joe Zeszotarski said. "Based upon our interview of him, it is clear that Mr. Evans did not testify 'against' Trevor."

Evans is the top assistant to Graham at Sprint Capitol USA, the Raleigh, N.C.,-based organization that has produced some of the world's top sprinters, including Olympic champion Justin Gatlin.

Zeszotarski said Evans "told the grand jury that he knows nothing about Trevor being involved in the distribution of illicit substances."

Evans' attorney Johnny Gaskins did not return a telephone message left by the AP. Gaskins told ESPN.com, which first reported Evans' appearance before the grand jury, that Evans spent nearly two hours before the San Francisco-based grand jury last week.

Evans' appearance indicates the grand jury is at least interested in Graham as part of its probe of the Bay Area Laboratory Cooperative and the lab's distribution of steroids and other illegal performance-enhancing drugs.

Several of Graham's athletes have tested positive for banned substances. The most recent case came when 100-meter co-world record holder Gatlin -- a leader in promoting a drug-free sport -- tested positive for testosterone and other steroids in April. In August, the U.S. Olympic Committee banned Graham from its training centers, and Nike terminated its contract with the coach.

Graham helped launch the federal investigation of BALCO three years ago by anonymously mailing a vial containing "the clear," a previously undetectable steroid to the U.S. Anti-Doping Agency. At the 2004 Athens Olympics, Graham acknowledged mailing the drug.

Graham steadfastly has denied ever providing banned performance-enhancing drugs to his athletes. He did not return a message left on his cell phone.

His attorney said Evans' grand-jury testimony backed up the coach.

"Mr. Evans has informed us that he answered all of the questions of the investigating agents and the grand jury, and that he has never seen Trevor Graham ever involved in any way in the distribution of illicit substances," Zeszotarski said. "Mr. Evans' statements directly contradict the false claims being made about Trevor, and show that Trevor is telling the truth, which is further confirmed by Trevor having passed a polygraph test about these false claims."

Previous BALCO grand juries resulted in guilty pleas on criminal charges against BALCO founder Victor Conte, Barry Bonds' personal trainer Greg Anderson, prominent track coach Remi Korchemny, BALCO vice president James Valente and Patrick Arnold, the chemist who created THG.

Ecuador's Correa Has No Plans To Break Off US Relations (DOW)

Wall Street Journal/Dow Jones, October 27, 2006

QUITO (Dow Jones)--Leftist Rafael Correa said Thursday that he will not break off relations with the U.S. if he is elected president Nov. 26, but he will exercise a sovereign government.

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"I will not break off relations with the United States, but Ecuador's international policy will be sovereign, we will condemn the errors that the whole world recognizes, like the invasion of Iraq in search of weapons of mass destruction that did not exist," he told journalists.

Correa also accused U.S. President George W. Bush, together with Colombia President Alvaro Uribe, of trying to involve Ecuador in the U.S.-backed drug eradication and counterinsurgency strategy known as Plan Colombia.

Correa said he expects his opponent, businessman Alvaro Noboa, to throw his support behind Plan Colombia.

"Noboa has already said that with Alvaro Uribe he will combat the leftist Revolutionary Armed Forces of Colombia or Farc, of course his children will not die on the border, it will be our humble soldiers, who lose their lives," said Correa.

Noboa, a billionaire widely considered Ecuador's wealthiest man, will compete against Correa in a second round of voting after no candidate won 50%, or at least 40% with a 10-point lead in the first round on Oct. 15.

In the latest polling data, Noboa is leading Correa by 13 to 15 percentage points.

Noboa Thursday reiterated that he will break off relations with Cuba and Venezuela if he is elected.

Noboa also said he has no plans to debate Correa in the second round, in the midst of a campaign that is increasingly violent and politicized.

-By Maria Elena Verdezoto, Dow Jones Newswires; 5939-6331-768; mercedes.alvaro@dowjones.com

With Beheadings And Attacks, Drug Gangs Terrorize Mexico (NYT)

By James C. McKinley Jr.

The New York Times, October 27, 2006

URUAPAN, Mexico — Norteño music was blaring at the Sol y Sombra bar on Sept. 6 when several men in military garb broke up the late night party. Waving high-powered machine guns, they screamed at the crowd to stay put and then dumped the contents of a heavy plastic bag on the dance floor.

Five human heads rolled to a bloody stop.

“This is not something you see every day,” said a bartender, who asked not to be named for fear of losing his own head. “Very ugly.”

An underworld war between drug gangs is raging in Mexico, medieval in its barbarity, its foot soldiers operating with little fear of interference from the police, its scope and brutality unprecedented, even in a country accustomed to high levels of drug violence.

In recent months the violence has included a total of two dozen beheadings, a raid on a local police station by men with grenades and a bazooka, and daytime kidnappings of top law enforcement officials. At least 123 law enforcement officials, among them 2 judges and 3 prosecutors, have been gunned down or tortured to death. Five police officers were among those beheaded.

In all, the violence has claimed more than 1,700 civilian lives this year, and federal officials say the killings are on course to top the estimated 1,800 underworld killings last year. Those death tolls compare with 1,304 in 2004 and 1,080 in 2001, these officials say.

Mexico’s law enforcement officials maintain that the violence is a sign that they have made progress dismantling the major organized crime families in the country. The arrests of several drug cartel leaders and their top lieutenants have set off a violent struggle among second-rank mobsters for trade routes, federal prosecutors say. The old order has been fractured, and the remaining drug dealers are killing one another or making new alliances.

“These alliances are happening because none of the organizations can control, on its own, the territory it used to control, and that speaks to the crisis that they are in,” said José Luis Santiago Vasconcelos, the top federal prosecutor for organized crime.

Attorney General Daniel Cabeza de Vaca said a steadily rising tide of drug addiction within Mexico had spurred some of the murders, as dealers fought for local markets. At the same time, more and more honest police officers are trying to enforce the law rather than turn a blind eye to drug traffickers, often paying with their lives, prosecutors say.

But those assessments, other authorities say, are overly rosy and may explain only part of the picture. Some experts say the Mexican police forces, weakened by corruption and cowed by assassinations, are simply not up to the task of countering the underworld feuds unleashed by the arrests of cartel leaders over the last six years.

Many of the dead made their living in the drug trade and perished in a larger struggle for territory between a federation of cartels based in Sinaloa, on the Pacific Ocean, and the Gulf Cartel from the northeastern state of Tamaulipas, federal prosecutors say.

The five men beheaded in Uruapan, in Michoacán, were street-level methamphetamine dealers, addicted themselves to the synthetic drug. They were linked loosely to the Valencia family, which once controlled most of the drug trade in the state and

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is a part of the Sinaloa group, the police say. The killers came from a gang called The Family, believed to be allied with the Gulf Cartel.

A day before, the killers had kidnapped the five men from a mechanic's shop they had been using as a front for selling "ice," as crystal methamphetamine is called on the street. They sawed their victims' heads off with a bowie knife while they were still alive shortly before going to the bar, law enforcement officials said.

"You don't do something like that unless you want to send a big message," said one United States law enforcement official here, speaking on the condition of anonymity.

The beheadings, in fact, have become a signature form of intimidation aimed at both criminal rivals and federal and local authorities. In the tourist town of Acapulco, killers from one drug gang decapitated the commander of a special strike force, Mario Núñez Magaña, in April, along with one of his agents, Jesús Alberto Ibarra Velázquez.

They jammed the heads in a fence in front of the municipal police station. "So you will learn to respect," said a red note next to them.

"This year has been one to forget, a black year," said Jorge Valdez, a spokesman for the Acapulco police. "It's the most violent year in the last 50 years, and the acts are barbaric, bloody, with no trace of humanity."

The violence is by no means limited to Acapulco. In mid-July, about 15 gunmen attacked a small-town police station in Tabasco State at dawn with grenades, a bazooka and machine guns in an attempt to liberate two of their gang members, who were arrested after a bar fight the night before.

Two police officers died in the assault. The authorities said the attackers were dressed in the commando outfits of federal agents and belonged to the Zetas, former soldiers who work for the Gulf Cartel.

One reason for the wave of law enforcement killings is that the Mexican police do a poor job of protecting their own. Arrests have been made in only a handful of the assassinations of police officers this year. The overwhelming majority remain unsolved because witnesses fear testifying against drug traffickers. Even seasoned investigators are afraid to dig too deep into the murders.

"There is an atmosphere that affects us, of distrust, of terror inside the police force," said Jesús Alemán del Carmen, the head of the state police in Guerrero, where 22 law enforcement officials have been brutally assassinated this year.

One of the officers killed was Gonzalo Domínguez Díaz, the state police commander in Pátzcuaro, Michoacán. In February, he received a death threat from a local businessman who law enforcement officials say has links to the Valencia crime family.

The threat came just minutes after Commander Domínguez arrested two men on weapons possession charges. He arrived home that night pale and shaken, said his widow, Fanny Carranza Domínguez. His anxiety grew over time, after prosecutors released the men he had arrested, for a lack of evidence, his wife said.

In early May, he told his wife that he had heard on the street that gunmen were looking for him. "He said, 'I know that if I arrest them I am risking my life,' " she recalled. " 'I bring them to the capital, and they let them go.' "

On May 8, a car cut off Commander Domínguez's police car as he was driving home alone about 6:30 p.m. Within minutes, he was shot point blank in the head with a 12-gauge shotgun and twice in the chest with an AK-47. He never unholstered his sidearm. So far, prosecutors have made no progress in solving his murder. He was 47, the father of three.

"I think the commanders that haven't been killed are in the game, and the ones that have been killed, it is because they attacked crime," Mrs. Carranza Domínguez said.

"The prosecutor seems asleep here," she added. "He doesn't do anything but collect his salary and go home."

Commander Domínguez was one of 16 state and federal police commanders assassinated this year across Mexico, along with 2 judges handling drug cases and 2 federal prosecutors. Local police chiefs have also been targets. Eight have been murdered, most of them in Michoacán.

Most were ambushed in their cars or outside their homes by men with machine guns. A few were kidnapped by men posing as federal agents. In these cases, the bodies were found later, shot full of holes, often showing signs of torture.

Commander Cándido Vargas, 40, the second in command of the state police in Uruapan, died that way in August. Prosecutors say he was walking to his car when he was surrounded by about 15 heavily armed men dressed in black commando outfits like those used by federal agents. It was 3:30 in the afternoon, and he was just 100 yards from the police headquarters.

The men hustled him into one of their vehicles and sped off. He was found the next day on a nearby ranch, shot 25 times. A sign next to his body read: "For playing with two bands."

No one from the police department visited his wife and three children, who live in another town, to tell them of his death. "We found out through the newspaper," said Paula Vargas, his wife of 23 years. "It was as if the whole world fell down on me."

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The state prosecutor in Uruapan, Ramón Ponce, says he has found no evidence of Commander Vargas's being corrupt. Neither does he have any leads, he said. "The atmosphere is very tense," Mr. Ponce said. "It's very difficult."

While attacks on the police have risen, they have been far outpaced by grisly gangland killings. In Michoacán, The Family is believed to be responsible for the beheadings of a dozen people besides the ones they delivered to the Sol y Sombra bar. The heads have often been accompanied by cryptic messages declaring the killings divine justice, accusing the victims of crimes, or daring their rivals to send more henchmen.

Nearly every day, new victims are found in states along the major drug shipment routes, especially Quintana Roo, Michoacán, Guerrero, Tamaulipas and Baja California. Most are bound, gagged and shot to death, their bodies dumped on lonely roads.

In the towns hardest hit by the gangland warfare, the fear is palpable. For two years now, Nuevo Laredo has been the main battleground for a fight between gunmen loyal to Joaquín (Chapo) Guzmán of Sinaloa and the remnants of the Gulf Cartel, whose leader, Osiel Cárdenas, is in prison awaiting trial.

"I wouldn't be human if I said I wasn't afraid," acknowledged Elizabeth Hernández Arredone, a state prosecutor in Nuevo Laredo who has taped to her door a photograph of a female judge who recently disappeared.

The effects are everywhere. Many local journalists have stopped covering drug violence for fear they may become targets themselves. Tourists used to spill across the border from Laredo, Tex., to swig tequila, buy trinkets and run wild. Not anymore.

Church attendance is down, said the Rev. Alberto Monteras Monjarás of Santo Niño Church, because even a Sunday morning can be dangerous.

"People used to sleep outside on the porch if it got too hot," he said. "Not anymore. You stay inside, and you put three or four locks on the door."

Marshals' Artifacts May Go To Staunton (AP)

AP, October 27, 2006

STAUNTON The U.S. Marshals Service, best known for dogging fugitives in the old West, is on a different kind of quest these days.

It wants a place to store its antique badges and arrest warrants for the ruthless and the wanted.

As part of that search, a committee toured the Shenandoah Valley and its major attractions for several days last week. Also in the running is Fort Smith, Ark.

Staunton received a vote of confidence during the tour: Three former directors endorsed the city. Stanley Morris, John Marshall and Henry Hudson all are backing Staunton over Fort Smith.

The agency's director, John Clark, is expected to select the museum site by the end of the year.

"It's a great way for the American people to know about the background of law enforcement," said Robin Boylan, former FBI lawyer and member of a local committee to land the museum.

The Marshals Service got its start with 13 appointments from President George Washington in 1789. One of those appointments fell to Edward Carrington, picked to watch over Virginia from his headquarters in Staunton.

"There's a lot of historical ties to the U.S. Marshals Service here," Mayor Lacy King said. "Staunton and this area was the beginning of the western movement."

During the Civil War, the job of hunting down Confederate spies was assigned to the marshals.

The agency's traveling bicentennial celebration exhibit was located in Laramie, Wyo., from 1991 to 2003. Some of its artifacts date back more than 200 years.

Soon after the museum closed in 2003, a committee was created to find a permanent home. A warehouse of the agency's history is the brainchild of former U.S. Marshals Director Stanley Morris, now a member of the Staunton committee tasked with luring the museum here.

"Being known as a place where you can learn about history has a really good ring to it," Staunton spokesman Doug Cochran said.

Staunton is the home of the Woodrow Wilson Presidential Library and has the Frontier Culture Museum, which interprets early settlements in the Shenandoah Valley.

While Staunton has strong ties to the Marshals Service, its competitor also has bragging rights.

Fort Smith was a frontier town with a federal judge and U.S. marshals who enforced the law in the Indian territory. Fort Smith was home base for the whiskey-sipping marshal Rooster Cogburn in the novel "True Grit," played by John Wayne in the movie. And many people currently living in Fort Smith are descendants of U.S. marshals.

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IMMIGRATION:

Bush Signs Bill Authorizing 700-mile Fence On Mexican Border (USAT/AP)

USA Today, October 27, 2006

WASHINGTON — President Bush wanted an exchange of workers with Mexico to bring order to the border, but he wound up signing a law Thursday that approves walling off 700 miles of the USA from its southern neighbor.

"Unfortunately the United States has not been in complete control of its borders for decades and therefore illegal immigration has been on the rise," Bush said

He called the border-fence bill "an important step in our nation's efforts to secure our borders."

The centerpiece of Bush's immigration policy, a "guest worker" program, remains stalled in Congress. A handful of House Republicans are at the brakes, blocking negotiations with the Senate for a comprehensive immigration bill.

Still, Bush argues that it would be easier to get his guest-worker program passed if Republicans keep their majorities in the House and Senate after the Nov. 7 elections. His proposal would allow legal employment for foreigners and give some of the estimated 12 million illegal immigrants now in the USA a shot at becoming citizens.

The measure Bush put into law Thursday offers no money for the fence project covering one-third of the 2,100-mile border.

Its cost is not known, although a homeland security spending measure the president signed earlier this month makes a $1.2 billion down payment on the project. The money also can be used for access roads, vehicle barriers, lighting, high-tech equipment and other tools to secure the border.

Outgoing Mexican President Vicente Fox, who has spent much of his six years in office lobbying for a new guest-worker program and a chance at citizenship for illegal immigrants now in the USA, calls the fence "shameful" and compares it to the Berlin Wall.

Others have doubts about its effectiveness. "A fence will slow people down by a minute or two, but if you don't have the agents to stop them it does no good. We're not talking about some impenetrable barrier," T.J. Bonner, president of the National Border Patrol Council, a labor union representing Border Patrol agents, said Wednesday.

Customs and Border Protection statistics show that apprehensions at border crossings are down 8% nationally for fiscal year 2006, Bonner said. Apprehensions were up in the San Diego sector, he said, an area of the border that has the most fencing.

Sens. John Cornyn and Kay Bailey Hutchison, both Texas Republicans, wanted to amend the fence bill to give local governments more say about where fencing is erected. They lost that battle, but Republican leaders assured them the Homeland Security Department would have flexibility to choose other options instead of fencing, if needed.

Cornyn said he voted for the fence because he wanted to help demonstrate that Congress was serious about border security. He is opposed to providing citizenship to some people already in the USA illegally, as Bush wants.

"The choice we were presented was: Are we going to vote to enhance border security, or against it?" Cornyn said. "I think that's how the vote was viewed."

Bush Signs A Bill To Build A 700-mile Fence Along The Mexican Border (MCT)

By Dave Montgomery

McClatchy, October 27, 2006

WASHINGTON - President Bush signed legislation on Thursday to create a 700-mile border fence that would stretch along a third of the 2,000-mile U.S.-Mexico border.

The barrier is to be constructed in tandem with a high-tech surveillance network known as the Secure Border Initiative, which the Boeing Corp. is developing for the Department of Homeland Security.

The Republican-controlled Congress approved the fence on Sept. 29, but it hasn't approved funding for the four-state project, estimated to cost at least $2.2 billion.

DHS spokesman Russ Knocke said the department will begin developing plans for the reinforced fence after Congress appropriates funding. Lawmakers have approved $1.2 billion for border security, but most of that money will be used for the Secure Border Initiative, Knocke said.

Even with the uncertain timetable for construction, Republicans hope to use the new law as a vitally needed political boost in the days remaining before the Nov. 7 congressional elections, citing the fence as dramatic evidence that they're getting tough on border security and taking aggressive steps to combat illegal immigration.

Republicans are in danger of losing control of the House of Representatives and possibly the Senate because of a voter backlash over Iraq, disappointment with Bush, high energy prices and a spreading perception of corruption in the GOP-led

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Congress. GOP strategists believe the border-security message could make a difference by energizing conservative voters, although some analysts said it may be too little, too late.

"It's awfully late in the game for Republicans to make a significant impact in some of these races, but it never hurts to try," said Nathan Gonzales, political editor of the Rothenberg Political Report. "Republicans view immigration as a winning issue by rallying the base."

The government of Mexico on Thursday issued an "emphatic rejection" of the barrier, which also has met opposition from numerous U.S. towns and cities along the border. They fear it could hurt local economies and create ill will with neighboring communities in Mexico.

"I can't believe that Bush as a Texan really believes that bill would do anything good," said Jay J. Johnson-Castro, 59, a bed-and-breakfast entrepreneur in Del Rio, Texas, who walked 205 miles in 14 days to protest the fence.

Leading Republican lawmakers, however, previewing their message to the voters, hailed the fence as a big step toward protecting the border and charged that Democrats are weak on border security.

House Judiciary Committee Chairman James Sensenbrenner, R-Wis., said two-thirds of House Democrats voted against the bill and "have forcefully attempted to thwart border security efforts."

In turn, Democrats renewed their assertion that Republicans passed the fence bill merely to bolster their fortunes in the elections. Rep. Silvestre Reyes, D-Texas, a former Border Patrol supervisor, said the measure "represents the worst in election-year politics" and will do little to protect the border.

The bill calls for three sections of fencing in Texas: a 51-mile stretch from Del Rio to Eagle Pass, 176 miles from Laredo to Brownsville and 88 miles stretching from El Paso westward to Columbus, N.M. The largest single section would run 361 miles from Calexico, Calif., to Douglas, Ariz. A 10-mile section is planned near San Diego.

About 75 miles of fencing is currently located on the southern border, primarily in populous areas known for smuggling or illegal immigrant traffic.

Bush signed the measure in the Roosevelt Room of the White House, flanked by Vice President Dick Cheney, Senate Majority Leader Bill Frist, R-Tenn., House Majority Leader John Boehner, R-Ohio, and Rep. Peter King, R-N.Y., the chief House sponsor of the bill.

To read the law, go to http://news.findlaw.com/hdocs/docs/immigration/securefenceact2006.html

Bush Signs Bill Authorizing 700-Mile Fence For Border (WP)

By Michael A. Fletcher And Jonathan Weisman

The Washington Post, October 27, 2006

WARREN, Mich., Oct. 26 -- President Bush signed a measure Thursday authorizing the construction of a fence along 700 miles of the U.S.-Mexico border, an action that conflicts with his own stated vision of immigration reform but one championed by many Republicans facing reelection in November.

Speaking at a White House ceremony before a day of campaigning for GOP candidates in Iowa and Michigan, Bush said the barrier will help the United States plug the porous Southwest border.

"Unfortunately, the United States has not been in complete control of its borders for decades and, therefore, illegal immigration has been on the rise," Bush said. "We have a responsibility to address these challenges. We have a responsibility to enforce our laws. We have a responsibility to secure our borders. We take this responsibility seriously."

Bush portrayed the measure as a key step toward comprehensive immigration reform, but the fence bill passed by the GOP-controlled Congress put him in a tight squeeze with international allies and his own immigration principles on one side, and the electoral needs of his party on the other.

Bush has said that immigration reform would work only if stepped-up enforcement is accompanied by a guest-worker program that would create a legal path for large numbers of low-skill workers to enter the United States. The president has also endorsed providing the estimated 12 million illegal immigrants already in the United States a chance at citizenship, saying such a humane vision of immigration is in keeping with the nation's history and traditions.

But those positions were rejected by congressional Republicans, who advocated tougher enforcement to slow the flood of illegal immigration that is overwhelming many communities, particularly in the West and Southwest. They passed legislation that would do as much.

"Today marks another step forward in making America safer and in stemming the tide of illegal immigration," House Speaker J. Dennis Hastert (R-Ill.) and Senate Majority Leader Bill Frist (R-Tenn.) said in a statement. "The American people demand border security, and this Republican Congress and President are committed to achieving operational control of the border through an enforcement-first approach."

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The government of Mexican President Vicente Fox made it clear that he wanted the bill vetoed. A statement by Mexico, and signed by 27 other Organization of American States members on Wednesday, expressed concern about the bill, calling it "a unilateral measure that goes against the spirit of understanding that should characterize how shared problems between neighboring countries are handled and that affects cooperation in the hemisphere."

Such concerns were outweighed by the pleadings of congressional Republicans eager to back up their tough talk on border security with a legislative accomplishment. The president's signing ceremony was followed by a blizzard of statements from GOP lawmakers hailing the law.

House Majority Leader John A. Boehner (Ohio) called it "a major victory in Republicans' efforts to make a real difference in securing our borders."

The fence bill is a far cry from the comprehensive measure that cleared the Senate, which would have paired tough border security provisions with new paths to lawful work and citizenship for foreign workers and the nation's illegal immigrants. It is a small piece of the more modest House bill that included a fence and measures to crack down on the hiring of undocumented workers.

Democrats dismissed the legislation as pointless. Only a fraction of the billions needed to finance the fence has been appropriated, and much of the construction might not be feasible. In swaths of Arizona, the fence would have to climb steep, desert crags and plunge into deep ravines.

Without border agents to patrol the barrier, smugglers would blast holes in remote stretches, some critics have said. "The bill the president signed today represents the worst in election-year politics," said Rep. Silvestre Reyes (D-Tex.). "It is an empty gesture for the sole purpose of sending a false message about the security of our nation."

Though he signed the measure into law, Bush emphasized that other immigration changes are needed. "We have more to do," he said. ". . . We must reduce pressure on our border by creating a temporary-worker plan. Willing workers ought to be matched with willing employers."

Though the new law authorizes the construction of a 700-mile fence, it remains far from clear how much fencing will be built.

Department of Homeland Security spokesman Russ Knocke declined to say if the department is committed to building a 700-mile barrier. Instead, he cited the DHS commitment to test by next year a $67 million, 28-mile "virtual fence" that includes physical walls, vehicle barriers and remote monitoring south of Tucson.

Analysts, meanwhile, debate the effectiveness of a fence.

Since the United States began building a 66-mile barrier in San Diego in 1990, illegal immigration has been rerouted to more remote areas, with many migrants now being funneled through the treacherous desert south of Arizona.

Later in the day, Bush traveled to Iowa, where he campaigned for GOP congressional candidate Jeff Lamberti, a state senator who is trying to unseat Rep. Leonard L. Boswell (D). Campaign officials said the luncheon raised $400,000.

Bush then traveled to Michigan, where he headlined a fundraiser for GOP Senate candidate Mike Bouchard, who is trailing incumbent Debbie Stabenow (D). That event raised $700,000, officials said.

Weisman reported from Washington. Staff writer Spencer S. Hsu in Washington contributed to this report.

Border Security Law Fails To Stem Debate Critics Call Signing Ceremony An Election-season Show (AJC)

By Ken Herman

The Atlanta Journal-Constitution, October 27, 2006

WASHINGTON — President Bush on Thursday signed into law a border security bill, touching off a debate over whether the timing — 12 days before the midterm elections — was politically motivated and whether the measure will be effective.

Some GOP lawmakers called the legislation, which authorizes securing 700 miles of the U.S.-Mexico border, a step toward stemming the flow of illegal immigrants. Democrats called it a publicity stunt aimed at making GOP candidates look tough on immigration.

Bush called it a start on a much larger task.

"We have more to do," he said at the White House signing ceremony. "Meaningful immigration reform means that we must enforce our immigration laws in the United States."

Though referred to as the "fence bill," the measure actually gives the Department of Homeland Security leeway to determine how best to secure the border. Among the options are two-layered fencing in several key areas, as well as more cameras, ground sensors, lighting and unmanned aerial vehicles.

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A separate measure, previously signed by the president, included $1.2 billion to pay for fencing, barriers and other infrastructure. But estimates of the cost for the 700 miles of fencing range from $2 billion to $7 billion, and many lawmakers and immigrant advocates doubt the project will ever be fully funded.

At the bill-signing ceremony, Bush renewed his call for a temporary worker program, a concept approved in the Senate but blocked by House Republicans who liken it to amnesty for illegal immigrants.

"Willing workers ought to be matched with willing employers to do jobs Americans are not doing, on a temporary basis," Bush said. "We must face the reality that millions of illegal immigrants are already here."

He said he would work with Congress to reach a "middle ground" between "granting an automatic path to citizenship for every illegal immigrant and a program of mass deportation."

Republican hard-liners indicated there may be no middle ground.

"Far be it from me to criticize an obsession," said Rep. Tom Tancredo (R-Colo.), chairman of the Congressional Immigration Reform Caucus, "but President Bush's unhelpful fixation in giving amnesty to 12 million illegal aliens has done nothing to help us in this debate."

In addition to the intra-party skirmish, Bush took flak Thursday from Democrats, who called the bill a "political stunt designed to cater to the far-right-wing base" of the GOP as the election nears.

"Although the bill passed Congress several weeks ago, the do-nothing GOP congressional leadership held the bill until now so that they could use the publicity for electoral gain heading into the upcoming elections," the Democratic National Committee said in a statement.

Congress completed work on the bill on Sept. 29 but did not send it to the White House until Monday. Bush had 10 days from then to sign the bill, guaranteeing it would get his signature in the closing days of the congressional election campaigns.

The White House denied any politically motivated effort to delay the bill signing.

"The president always planned to sign the bill," said spokeswoman Dana Perino. "We just received the bill [recently]. Anyone who wanted to talk about their vote in favor of the fence bill has been doing so since it passed."

Though he got far less than what he wanted on immigration, Bush played the starring role — with GOP leaders on hand — at the White House signing ceremony.

House Majority Leader John Boehner (R-Ohio) called it "a major victory in Republicans' efforts to make a real difference in securing our borders." But Mexican President-elect Felipe Calderon, during a state visit to Canada, condemned that barrier.

"The wall will not solve any problem," Calderon said. "Humanity made a huge mistake by building the Berlin Wall, and I believe that today the United States is committing a grave error in building the wall on our border."

T.J. Bonner, president of the National Border Patrol Council, a union representing Border Patrol agents, called the bill signing a "political ploy to show the public they are serious about securing the border."

"Nothing could be further from the truth," Bonner said, predicting increased assaults on Border Patrol agents.

"This is some type of job screening," he said. "If you can climb a ladder [to get over the fence] you can climb scaffolding at construction sites and climb ladders to pick apples."

Many Texas farmers and ranchers who have land that touches the Rio Grande, the natural boundary between that state and Mexico, fear a fence will cut through their properties and create an irrigation obstacle.

Bobby Sparks, who owns farm land that touches the river in the town of Progreso, said he's fed up with thieves coming across the river to steal batteries and other equipment.

"If they put it right on the bank of the river it would cut us off from our water, we don't want that. Other than that, if they gave me access to my water, I'm for a fence," Sparks said.

Rick Glancey, executive director of the Texas Border Sheriffs Coalition, said he hopes law enforcement officials and U.S. Customs and Border Protection are in charge of determining where the fence goes.

"Many bureaucrats in Washington, D.C., have never seen the rural border and don't understand the unique problems we face," Glancey said. "Please don't let a policy wonk in D.C. decide."

The Associated Press contributed to this article.

Bush Signs Law To Build Border Fence (WT)

By Stephen Dinan

The Washington Times, October 27, 2006

President Bush yesterday signed a law committing to build nearly 700 miles of fence along the U.S.-Mexico border -- although less than 24 hours earlier, he told conservative writers that he doesn't see immigration as a major issue in this year's campaign.

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His signature, coming less than two weeks before the midterm elections, delighted congressional Republicans, who said it is about time that the government gets serious about border enforcement. But it infuriated Democrats and illegal alien advocacy groups, who said Mr. Bush has abandoned his earlier commitment to a more lenient immigration policy.

"This bill will help protect the American people. This bill will make our borders more secure," Mr. Bush said at a morning ceremony with top Republicans in the Roosevelt Room of the White House. "It is an important step toward immigration reform."

Congressional Republicans had fought hard to get a public-signing ceremony and see the law as a major campaign issue. Every major Republican congressional leader and many of the party's top-tier candidates issued statements lauding the fence and criticizing Democrats for opposing the fence.

"Make no mistake: House Republicans are answering the public's cry for border security," said House Judiciary Committee Chairman F. James Sensenbrenner Jr., Wisconsin Republican, adding that the law provides a sharp distinction between Republicans and Democrats heading into the election. "Regrettably, House Democrats -- over two-thirds of whom voted against the Secure Fence Act -- have not only ignored the public's cry for border security, but have forcefully attempted to thwart border-security efforts."

Mr. Bush, however, said he sees the issue differently. He has avoided talking about immigration on the campaign trail and didn't mention it while stumping in Iowa yesterday, instead returning to his themes of tax cuts and the war in Iraq as central to U.S. security.

In an interview with conservative columnists Wednesday, Mr. Bush was asked why he didn't campaign on immigration, and he said it doesn't appear to be a high priority for voters.

"Immigration is an issue. I don't hear it being discussed much out there," he said, according to a White House transcript posted by National Review Online.

That stands in stark contrast to what Republicans report from the campaign trail, where candidates from first-timers to the speaker of the House say they hear about it.

Speaker J. Dennis Hastert, Illinois Republican, recalled a forum in a park in Geneseo, a town in his district, and said that other than one woman, of the 150 constituents who showed up, "every one of those people said secure the border first. It was amazing."

The fence is an immensely popular idea in some areas. In recent opinion surveys from polling firm Strategic Vision, support for building a wall to prevent illegal immigration won 86 percent support among Pennsylvania voters and 82 percent in Michigan, though just 43 percent in Washington state.

Yesterday's signing ceremony was the end of a two-year debate over immigration, won by House Republicans, who insisted on an enforcement-first policy.

The bill authorizes 698 miles of double-tiered fencing and support roads along some of the most porous parts of the U.S.-Mexico border, including much of Arizona. Currently, the border has 75 miles of fencing, with 42 miles under construction, according to the Bush administration.

Mr. Bush said his administration has taken other steps to clamp down on illegal immigration, including committing to hiring thousands more U.S. Border Patrol agents, buying more bed space to hold illegal aliens so they can be deported rather than continuing what critics have dubbed a "catch-and-release" policy and deploying the National Guard to assist the U.S. Border Patrol.

Illegal alien advocacy groups such as the National Council of La Raza and the Catholic Church had urged Mr. Bush to veto the bill, and the Mexican government has threatened to file a formal protest with the United Nations over the fence.

Democrats said the bill signing was all about politics and ridiculed covering just 35 percent of the 1,951-mile-long border. They said that the border situation has only gotten worse under Republican leadership and that Mr. Bush blew a chance to do something about it.

"This new law is nothing more than a cynical, vain attempt by Republicans to try to show some accomplishment on border security where they can claim none," said House Minority Whip Steny H. Hoyer, Maryland Democrat. "This new law is a quintessential example of the Republican Party's political grandstanding and empty rhetoric. The truth is, this Republican Congress has failed to even fund the construction of this 700-mile fence."

But if Democrats said the bill was pure politics, Republicans said it was good politics.

"Although I'm leaving the Senate in fulfillment of the pledge I made 12 years ago, I'll be fighting to ensure that every inch of the fence authorized today is [funded] fully and constructed promptly ... and so should my fellow conservatives throughout America," Senate Majority Leader Bill Frist, Tennessee Republican and a potential presidential candidate, wrote on his blog at www.volpac.org.

Still, it's a complicated issue for both political parties.

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Even as Democrats attacked Republicans for allowing illegal immigration, most of them voted against the fence -- the one bill that had a chance of passing this year.

Meanwhile, Republicans are sharply split.

Many are adamant about an enforcement-first policy, arguing that illegal immigration must be stopped before the nation deals with current illegal aliens or future workers.

But Mr. Bush and a minority of Republicans want to couple enforcement with a plan to offer citizenship rights to most illegal aliens.

"There is a rational middle ground between granting an automatic pass to citizenship for every illegal immigrant and a program of mass deportation. And I look forward to working with Congress to find that middle ground," Mr. Bush said at yesterday's ceremony.

Bush Signs Off On 700 Miles Of Border Fencing (LAT)

By Nicole Gaouette

The Los Angeles Times, October 27, 2006

WASHINGTON -- Legislation authorizing 700 miles of fencing along the southern U.S. border was signed into law by President Bush Thursday at a ceremony that underscored Republican divisions over immigration policy and left unanswered questions about whether the entire barrier will be built.

Flanked by House Majority Leader John Boehner, R-Ohio, and other Republicans who blocked his bid for a broader overhaul of immigration law, Bush used the opportunity to push back. "We have more to do," the president said during the low-key event.

Promises by GOP congressional to alter the law when lawmakers reconvene later this month and a lack of funding specifically set aside for the fence have cast doubt on how long it ultimately might be. Changes to the measure likely would include giving local governments and private property owners the chance to raise objections to the fence's location.

Bush did have words of praise for the fence bill, calling it "an important step toward immigration reform."

But he made clear that he opposed the enforcement-only position taken by the House and favored instead the approach embraced by the Senate: a combination of tougher border security and work site enforcement with a guest worker program and a path to citizenship for some of the nation's estimated 12 million illegal immigrants.

Bush said he looked forward to working with Congress on finding a "rational middle ground" between granting automatic citizenship to illegal immigrants and launching "a program of mass deportation."

He also said, "We must reduce pressure on our border by creating a temporary worker plan."

Some GOP leaders had pressed a reluctant White House for the signing ceremony so that as November's election nears, Republicans could promote the fence bill as an accomplishment, party aides said.

"House and Senate Republicans . . . will stop the hemorrhaging along our nation's borders," said a statement by Senate Majority Leader Bill Frist, R-Tenn., and House Speaker J. Dennis Hastert, R-Ill.

The House Republican leadership, in particular, views the fence not only as a needed security improvement but as a powerful political statement that will win support for the party. Other Republicans, however, worry that it could cost the GOP support among Hispanic voters.

Mexican officials have harshly denounced the fence plan, and they continued their criticism on Thursday.

"Walls don't resolve anything; it's a grave error," said President-elect Felipe Calderon, who was traveling in Canada.

President Vicente Fox termed the measure "an embarrassment for the United States."

Commenting during a visit to Cancun, Fox said, "It's an example of the inability of the United States to see the issue of immigration as one of shared responsibility."

The fence's advocates in Congress have countered that their first responsibility is to ensure the sanctity of the U.S. border.

There are currently about 90 miles of fencing along the southern border.

The bill contains detailed instructions for placement of "at least 2 layers of reinforced fencing" around Tecate and Calexico, Calif., and across vast stretches of Arizona, New Mexico and Texas. But a letter written by Hastert and Frist to other congressional leaders when the measure cleared Congress on Sept. 29 detailed changes they wanted made to it when lawmakers return to Washington in mid-November.

Hastert and Frist indicated that they want to provide flexibility on where the fence should go and whether parts of it take a physical or virtual form -- potentially using sensors, cameras and unmanned aerial vehicles in the place of reinforced metal.

Their letter called for requiring the Department of Homeland Security to erect fencing in areas of high illegal entry, but also giving the agency the option "to use alternative physical infrastructure and technology when fencing is ineffective or impractical."

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Also, Hastert and Frist want to require agency officials to consult with state and local governments, including American-Indian tribes, on the exact placement of fencing and other infrastructure, such as vehicle barriers.

Money poses another potential problem for the fence. Cost estimates range from $3 million to $10 million per mile -- for a total price tag of at least $2.1 billion, and perhaps much higher, before maintenance costs. The bill Bush signed, while authorizing the fence, includes no money for it.

A separate budget measure for the Homeland Security department provides $1.2 billion for border security that Republicans have referred to as the "first installment" for the fence. But that money can be allocated as Homeland Security Secretary Michael Chertoff sees fit.

Agency officials have told Congress they would prefer between 300 and 400 miles of fencing in areas where they believe it would be effective and the latitude to employ other security methods elsewhere.

"In urban areas, we've found that fencing is very effective, but in rural areas, sensors and other technology are more effective," said DHS spokesman Russ Knocke.

The new law has encountered resistance in parts of the Southwest -- opponents include the Texas Border Sheriff's Association and the city of El Paso.

Maria Luisa O'Connell, president of the Phoenix-based Border Trade Alliance, expressed concerns Thursday about the economic effect of more border fencing.

Mexicans who cross the border legally to shop in the U.S. "are seeing the fence as a sign that we don't want anyone to come in," said O'Connell, whose nonpartisan group works to spur cross-border commerce. "You want to have security, but you need a balance of economic security."

Many Democratic lawmakers have expressed skepticism about how effective more fencing will prove in significantly reducing illegal immigration. They also said Thursday's bill-signing ceremony spotlighted the GOP's failure to reach a consensus on other immigration-related issues.

"The president and this Congress had a historic opportunity to pass a tough but fair immigration reform plan this year, but instead that chance was squandered," said Sen. Edward M. Kennedy, D-Mass.

The bill mandates that DHS establish "operational control" of the border in 18 months, although it does not precisely define that term. It also calls for the agency to study potential improvements to the border with Canada.

Times staff writer Hector Tobar contributed to this article from Mexico City.

Bush, Signing Bill For Border Fence, Urges Wider Overhaul (NYT)

By David Stout

The New York Times, October 27, 2006

WASHINGTON, Oct. 26 — President Bush signed into law on Thursday a bill providing for construction of 700 miles of added fencing along the Southwestern border, calling the legislation “an important step toward immigration reform.”

The new law is what most House Republicans wanted. But it is not what Senate Republicans or Mr. Bush originally envisioned, and at the signing, in the Roosevelt Room of the White House, the president repeated his call for a far more extensive revamping of immigration law.

A broader measure, approved by the Senate last spring, would have not only enhanced border security but also provided for a guest worker program and the possibility of eventual citizenship for many illegal immigrants already in the country.

But that bill was successfully resisted by House Republicans, who feared a voter backlash against anything that smacked of “amnesty” for illegal immigrants. Those lawmakers portrayed the Senate bill as embracing just that, no matter what the measure’s backers, including Mr. Bush, said to the contrary.

Eventually the president realized that a broad approach was dead for this election year, and he bowed to political reality and embraced the House concept, at least for the time being. On Sept. 29, just before its members headed home to campaign, the Senate approved construction of 700 miles of fencing, which the House had approved that month.

“I want to thank the members of Congress for their work on this important piece of legislation,” Mr. Bush said Thursday, greeting several lawmakers by name. “Ours is a nation of immigrants. We’re also a nation of law. Unfortunately, the United States has not been in complete control of its borders for decades, and therefore illegal immigration has been on the rise.”

The new law also provides for more vehicle barriers, checkpoints and advanced technology to bolster border security. A previously enacted domestic security spending bill provides $1.2 billion for the fence and the accompanying technology.

The fence idea has caused friction between the United States and Mexico, as was demonstrated again Thursday in Ottawa, where the Mexican president-elect, Felipe Calderón, condemned it.

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"Humanity made a huge mistake by building the Berlin Wall, and I believe that today the United States is committing a grave error in building the wall on our border," said Mr. Calderón, who was meeting with the Canadian prime minister, Stephen Harper.

Some of the legislation's critics say the fence — actually several separate sections at a variety of places along the 2,000-mile border — will not keep out people desperate to cross. A foreign policy adviser to Mr. Calderón, Arturo Sarukhán, told Canadian reporters on Wednesday that the fence would merely allow smugglers of illegal migrants to charge them more.

In calling for a broader immigration overhaul, Mr. Bush said again Thursday that his approach did not amount to amnesty.

"We must reduce pressure on our border by creating a temporary worker plan," he said. "Willing workers ought to be matched with willing employers to do jobs Americans are not doing for a temporary — on a temporary — basis. We must face the reality that millions of illegal immigrants are already here. They should not be given an automatic path to citizenship. That is amnesty. I oppose amnesty.

"There is a rational middle ground between granting an automatic path to citizenship for every illegal immigrant and a program of mass deportation, and I look forward to working with Congress to find that middle ground."

Any such search will almost surely have to await a new Congress. The chance that it would be taken up in a lame-duck session after the elections is considered remote.

Doubts Linger On Feasibility Of Barrier (WT)

By Jerry Seper, The Washington Times

The Washington Times, October 27, 2006

Both proponents and opponents of 700 miles of fences along the U.S.-Mexico border question whether the Bush administration can deliver the barriers -- whose exact location, price tag and construction start date remain unknown.

The Secure Fence Act, signed yesterday by President Bush, does not require the government to show any results of fence construction until May 2008 and while it does specify where along the 1,951-mile U.S.-Mexico border the barriers should go, there's no guarantee they ever will.

State legislatures, governors, and city and county governments, along with Indian tribal councils, have veto power over fencing locations.

"Even if Congress funds the construction of 700 miles of border fencing -- and that is a big if -- the fence will do nothing to stem the tide of illegal immigration," said T.J. Bonner, a 28-year U.S. Border Patrol veteran and president of the National Border Patrol Council, which represents all 10,000 of the agency's non-supervisory personnel.

The fence act calls for 698 miles of border fences, along with lighting, roads, sensors, cameras and other security devices. A separate $33.8 billion Homeland Security funding bill signed by Mr. Bush on Oct. 10 authorizes $1.2 billion to begin building it.

But fence proponents and opponents agree that the $1.2 billion allocation is far short of the up to $9 billion it will take to build the proposed fencing. Congress has withheld $950 million pending a breakdown of how the money will be spent.

The fence bill also has irked the Mexican government, where President-elect Felipe Calderon has described the proposal as "deplorable" and outgoing President Vicente Fox told reporters in Mexico City he was "confident" the fence would never be built.

The act calls for the construction of "at least 2 layers of reinforced fencing to prevent unlawful entry by aliens into the United States," although it does not specify what type of fencing to build.

"At best, the type of fencing that is contemplated will serve as a speed bump that slows illegal crossers by perhaps a minute or two," Mr. Bonner said, adding that the Border Patrol would have to be increased tenfold to "to intercept these law-breakers."

Mr. Bonner said experience has "amply demonstrated" that increases and declines in the number of illegal aliens coming across the border "are almost exclusively influenced by the amount of law-enforcement personnel assigned to an area rather than the length or type of fences and barriers."

On Wednesday, a poll conducted for CNN by Opinion Research Corp. found that 74 percent of the 1,013 Americans surveyed were in favor of hiring and assigning more Border Patrol agents along the U.S.-Mexico border, while 45 percent said they wanted a 700-mile fence built.

And while the act was passed by Congress last month, lawmakers waited until just prior to the Nov. 7 elections for the president to sign it. With a gaggle of Republicans looking on, Mr. Bush said the legislation modernized the nation's southern border "so we can assure the American people we're doing our job of securing the border."

The act instructs the secretary of homeland security to "take all actions" deemed necessary to "achieve and maintain operational control over the entire international land and maritime borders of the United States" within 18 months.

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Homeland Security Secretary Michael Chertoff has voiced his support for a "virtual fence" on the border, which would rely instead on cameras, motion detectors and other security devices to detect people illegally entering the United States.

During a press briefing last month to announce the award of a contract to the Boeing Co. for sophisticated border-detection technology, Mr. Chertoff said the department was looking to build "a 21st-century virtual fence" along the U.S.-Mexico border.

In a statement yesterday, Mr. Chertoff said the act will help "build upon the substantial progress" that has been made in better securing the nation's borders, noting that traditional fencing is a "core element" of the Secure Border Initiative -- once funds for the project are appropriated by Congress.

"Comprehensive immigration reform begins with a secure border, and it will help to sustain the significant advancements that have been made by relieving growing pressure on the Border Patrol," he said. "We are turning that corner with the Secure Fence Act, and I commend Congress for their efforts."

But Rep. Silvestre Reyes, Texas Democrat and a 26-year Border Patrol agent and supervisor who headed the agency's field offices as sector chief in McAllen and El Paso, Texas, has called the bill signing "election year desperation," adding that "a 700 mile fence along a 2,000 mile border ... doesn't come close to solving our problem."

Mr. Reyes, who retired from the Border Patrol in 1995, is the architect of the Border Patrol's "Operation Hold the Line" in El Paso, which continues as a Homeland Security strategy for the Southwest border. The operation featured the assignment of additional agents along the border as visible deterrents and was credited with reducing crime and achieving a marked reduction in illegal immigration in the El Paso area.

Immigration-enforcement authorities and others think efforts by the administration to better secure the border with fences, additional Border Patrol agents and upgraded technology will be effective only if there is a corresponding reduction in employment opportunities through effective work-site enforcement.

"If this administration and Congress were truly sincere about securing our borders, they would enact legislation that eliminates the root cause of illegal immigration -- the employment magnet," Mr. Bonner said.

"With today's technology, it would be a simple matter to develop a 'smart' counterfeit-proof employment-verification document for that purpose. The only thing preventing that from happening is a lack of political will on the part of our elected representatives."

TAX:

I.R.S. Going Slow Before Election (NYT)

By David Cay Johnston

The New York Times, October 27, 2006

The commissioner of internal revenue has ordered his agency to delay collecting back taxes from Hurricane Katrina victims until after the Nov. 7 elections and the holiday season, saying he did so in part to avoid negative publicity.

The commissioner, Mark W. Everson, who has close ties to the White House, said in an interview that postponing collections until after the midterm elections, along with postponing notices to people who failed to file tax returns, was a routine effort to avoid casting the Internal Revenue Service in a bad light.

“We are very sensitive to political perceptions,” Mr. Everson said Wednesday, adding that he regularly discussed with his senior staff members when to take actions and make announcements in light of whether they would annoy a powerful member of Congress or get lost in the flow of news.

The tax agency has broad discretion to change filing deadlines in the case of disasters and has traditionally eased off tax collections before the December holidays.

But four former I.R.S. commissioners, who served under presidents of both parties, said that doing so because of an election was improper and indefensible.

Mr. Everson issued the order to delay enforcement in an Oct. 10 conference call with some of the career civil servants working on tax enforcement in the areas that were devastated by the 2005 hurricane.

“We just spoke with commissioner on the enforcement issue in the gulf,” wrote Beth Tucker, the I.R.S. executive in charge of dealing with Hurricane Katrina victims, in an e-mail message to her team obtained by The New York Times. “He prefers that we do not resume any enforcement actions until after Dec. 31 due to the upcoming elections, holiday season, etc.”

Former Commissioner Jerome Kurtz, who served under President Jimmy Carter, responded, “Never, never, never,” when asked if he would have considered delaying broad-based enforcement actions like sending notices because of any election, national or local. “Oh my God, that is unthinkable,” Mr. Kurtz said.

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On the other hand, Mark E. Matthews, the I.R.S. deputy director of services and enforcement, who participated in the conference call with Mr. Everson, said that "the reference to elections was in a litany of things we were running through here" and that "I did not read it as being politicized." Mr. Matthews noted that he is a Democrat who worked in the Clinton administration.

In the wake of Hurricane Katrina, when hundreds of thousands of people lost their homes, incomes and tax records, the I.R.S. delayed the filing deadline for 2005 taxes to Oct. 16, 2006, for those living in the counties most affected by the storm. Normally, those taxpayers who did not file returns or pay their taxes by that extended deadline would begin receiving notices and, eventually, collection demands from the I.R.S.

Mr. Everson's order delayed those collection efforts until early next year.

Terry L. Lemons, an I.R.S. spokesman, said that about 1.2 million taxpayers lived in the seven Louisiana parishes and three Mississippi counties where the agency had allowed people to delay payment of 2005 income taxes.

Mr. Everson was deputy director of the White House budget office in January 2003 when he was nominated by President Bush to be I.R.S. commissioner. His wife, Nanette, was until February the chief ethics lawyer in the Bush White House. There is no indication that anyone in the White House was aware of the order to delay the tax collections.

In an interview, Mr. Everson acknowledged that he had "probably" mentioned the elections to Ms. Tucker in their conversation. He said that in his mind the elections were part of a continuum that ran through the holidays, adding that it was a long-standing practice not to begin enforcement actions near Christmas because it often resulted in negative news and commentary about the I.R.S.

"We talk about the elections here every day," Mr. Everson said. "We deal with the Congress — is there going to be a new Finance Committee chairman, a new Ways and Means Committee chairman?"

He added: "Of course, we think about whether our actions will play in the public space; we have to be seen as legitimate and independent, doing our job, and of course we would not institute a major enforcement action days before an election because it would be misinterpreted."

Donald C. Alexander, who was commissioner under Mr. Carter and Presidents Richard M. Nixon and Gerald R. Ford, said he would never have even thought about delaying enforcement because of an election, but added that he thought Mr. Everson was otherwise doing an excellent job.

Charles O. Rossotti, the commissioner under President Bill Clinton and President Bush, said, "That's not appropriate." Mr. Rossotti added that "given the culture of the Treasury and the I.R.S., I just can't imagine anyone would even bring anything like that up."

Sheldon S. Cohen, the Johnson administration tax commissioner, said it was wrong to delay any broad-based enforcement actions because of a pending election. Mr. Cohen said, however, that delay might be appropriate in a matter involving a specific politician.

Three weeks before the 1968 presidential election, he said, he was told that Spiro T. Agnew, Richard Nixon's running mate, was being bribed with free groceries. "Just beginning an investigation, word of which might get into the news, would be unfair since we could not prove or disprove anything before the election," Mr. Cohen said, adding that before leaving office he arranged for an investigation, which ultimately resulted in Mr. Agnew's resignation and no-contest plea in 1973 to charges of income tax evasion.

Alex P. Trostorff, a tax partner at the New Orleans law firm Jones, Walker, Waechter, Poitevent, Carrère & Denègre, said that despite the filing extension offered by the I.R.S., the agency continued to send overdue notices to many people in New Orleans.

"A lot of people are upset," Mr. Trostorff said.

Need Tax Help? Report Offers Slim Chance Of Seeing The IRS (WP)

By Stephen Barr

Washington Post, October 27, 2006

Talking taxes with the Internal Revenue Service is never easy. Scheduling an appointment to resolve tax problems isn't, either, according to a recently issued report.

Federal auditors made 36 telephone calls to IRS taxpayer assistance centers to schedule meetings when they could discuss tax issues but were able to set up only five appointments.

Of the 31 failed attempts, four IRS employees did not return calls, and the 27 employees who did "would not, for various reasons, allow the auditors to schedule appointments," according to the report by the Treasury inspector general for tax administration.

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The inspector general ran the phone test to gauge whether taxpayers were receiving "quality customer service" when calling local IRS offices to schedule appointments.

The IRS suggests that taxpayers visit the agency's 400 assistance centers when they have complex tax issues, need to resolve tax problems, have questions about tax law or feel more comfortable talking to a person than clicking through the IRS Internet site.

"No appointment is necessary -- just walk in -- but if you prefer, you can call a local number . . . and leave a message requesting an appointment to resolve a tax account issue," the IRS Web site advises.

But the review suggested it can be difficult for taxpayers to schedule an appointment so they can avoid waiting in line or obtain extra attention.

The report found that IRS field office guidelines "are unclear and obsolete," noting that the guidelines do not explain to IRS employees "what is considered a complex tax issue that warrants a face-to-face meeting."

In addition, the report said, upper management "was not aware" that employees had been turning away taxpayers seeking appointments at the centers.

The IRS does not keep a list of the number of calls returned or appointments scheduled, and the data that are collected are not complete, the report said.

The taxpayer assistance centers served about 7 million taxpayers in fiscal 2005, providing them with forms, publications and help in completing tax returns. Of the 7 million, about 1 million of the taxpayer contacts came through telephone calls.

IRS management agreed to take steps to improve the handling of requests for appointments. "We will ensure our employees understand we will not refuse an appointment to any taxpayer," Richard J. Morgante , commissioner for the IRS Wage and Investment Division, said in a letter accompanying the report.

Postal Lobbyist Retires

George B. Gould , longtime lobbyist for the National Association of Letter Carriers, will retire at year's end.

His departure represents a big loss for the NALC, which recently landed in hot water with Sen. Susan Collins (R-Maine) after union President William H. Young blocked passage of her compromise bill to overhaul operations at the U.S. Postal Service for the first time since 1970.

Young balked at a proposed change to workers' compensation benefits that he said would single out postal workers for different treatment than other federal employees who are injured on the job. His move stunned Collins, who had considered the union a legislative ally for the past three years. In an interview, Young declined to discuss staff advice he received in the hours before he objected to the legislation.

With the loss of Gould, the union may have to rebuild alliances on Capitol Hill. Gould was a former staff director of the old House post office subcommittee and had worked on postal issues for 25 years at the NALC. In an interview, Gould said he had been thinking of retiring from the NALC for almost a year and decided that now was the time to depart.

The NALC, which has 300,000 members, said Jennifer L. Alvarez will take Gould's place as director of legislative and political affairs. She has worked at Postal Service headquarters and in the Clinton administration.

The union also named Tucker McDonald as political director. He previously served as a special assistant for political education at NALC.Talk Shows

Colleen M. Kelley , president of the National Treasury Employees Union, will be the guest on "FedTalk" at 11 a.m. today on http://federalnewsradio.com and WFED radio (1050 AM).

George M. Gray , assistant administrator for research and development at the Environmental Protection Agency, will be the guest on "The IBM Business of Government Hour" at 9 a.m. Saturday on WJFK radio (106.7 FM).

CONGRESS-ADMINISTRATION:

Federal Judicial Nominee Says Nothing Wrong With Attending Lesbian Ceremony (AP)

By Sam Hananel, The Associated Press

AP, October 27, 2006

A Michigan judge whose nomination to the federal bench is stalled over her appearance at a lesbian commitment ceremony says she attended as a friend, not to give legal sanction.

The nomination of Michigan Court of Appeals Judge Janet T. Neff to be a U.S. District Court judge is on hold because Sen. Sam Brownback, R-Kan., is not satisfied with her response to questions about her views on same-sex marriage, a spokesman for the senator said Thursday.

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Neff's status has been in limbo since last month, when Brownback placed his procedural hold -- using a technique that allows a lone senator to stall a nomination. Brownback wanted to know whether there was anything illegal or improper about the 2002 ceremony in Massachusetts and how Neff's actions might shape her judicial philosophy.

In an Oct. 12 letter to Brownback that was released by the Senate Judiciary Committee on Thursday, Neff said a minister presided over the ceremony and she insisted her attendance would not affect her ability to act fairly as a federal judge.

"The ceremony, which was entirely private, took place in Massachusetts, where I had no authority to act in any official capacity and where, in any event, the ceremony had no legal effect," Neff wrote.

She said her family had lived next door to one of the women, Mary Curtin, for more than two decades and considers Curtin part of the extended family.

"When Mary and her partner, Karen Adelman, asked me to participate in their commitment ceremony by delivering a homily, it was not different from being asked by my own daughters to be part of an important event in their lives," Neff wrote.

Neff declined to answer Brownback's questions on whether the Constitution guarantees a right to same-sex marriage or civil unions, saying it would be improper to address questions that might come before her as a federal judge.

"She did not really address the judicial philosophy questions to his satisfaction," Brownback spokesman Brian Hart said. He would not say what Brownback planned to do next.

Senate Judiciary Committee Chairman Arlen Specter, R-Pa., has declined Brownback's request to bring Neff back for a second hearing, a committee spokeswoman said Thursday. The committee has approved Neff's nomination, which is pending before the full Senate.

Brownback, a vocal opponent of gay marriage, has traveled to Michigan and other states this year while he considers a presidential bid in 2008.

Commitment ceremonies for same-sex couples usually are symbolic and carry no legal rights. Massachusetts did not recognize gay marriages in 2002 but legalized same-sex marriage two years later after a ruling from its highest court.

President Bush nominated Neff and two others to fill three vacancies in Michigan as part of a compromise this year with Michigan Democratic Sens. Carl Levin and Debbie Stabenow. Neff has a liberal reputation, while the other nominees are considered conservatives.

A Republican Plan To Limit Losses (WSJ)

By John Harwood

The Wall Street Journal, October 27, 2006

See updates to Washington Wire each weekday at www.washwire.com1.

REPUBLICANS AIM to limit House losses by avoiding individual state routs.

Ohio, Indiana, New York, Pennsylvania and Connecticut loom as trouble spots, with at least three seats at risk for Bush's party. In Connecticut, Republicans say vulnerable incumbents Simmons, Shays and Johnson benefit from appeal of Sen. Lieberman's independent candidacy to moderate Republicans.

Forecasters in both parties converge on predictions of Democratic gains between 20 and 25 seats, exceeding the 15 Democrats needed for House control.

A wild card, notes Duke political scientist David Rohde: turnout among independents, who strongly align with Democrats.

GOVERNOR RACES MAY AFFECT outcomes in key congressional contests.

Republicans grow gloomier about gubernatorial prospects in Wisconsin, Michigan and Iowa, home to three competitive House seats and one Senate seat. Strickland's lead over Blackwell in Ohio boosts Brown and four House challengers; Spitzer's edge in New York is boon to Democrats in five competitive House races.

Indiana Gov. Daniels isn't on ballot, but his struggles with toll-road controversy echo through three at-risk House seats. But Bush's party voices growing confidence about Ehrlich's re-election chances in Maryland, a benefit to Republican Senate candidate Steele.

BUSH TARGETS Republican pickup opportunities, skips some battlegrounds.

Stuck below 40% approval, the president hits spots that backed him in 2004 where Republicans have a shot at Democratic incumbents. That includes Iowa and Georgia, where Democrats Boswell and Marshall face tough challenges, and Michigan, where Bouchard tries to oust Democratic Sen. Stabenow.

Next week Bush visits Sugar Land, Texas, where Republicans have faint hopes of holding former DeLay seat. Republicans pare ambitions of pickups in Bush-friendly states West Virginia and South Carolina.

"Staying on the offense and keeping our incumbents are important," says White House spokeswoman Dana Perino.

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SLAM-DUNK? At least three competitive Democratic House candidates -- Weaver in Kentucky, Shuler in North Carolina, and Brown in California -- refuse to commit to supporting Pelosi for Speaker should her party recapture the House. Amid Republican attacks, Pelosi aides dismiss any doubts the San Francisco Democrat will win the gavel.

WHITE HOUSE SEEKS female banker for Federal Reserve Board vacancy, though industry watchers predict decision won't come before the election. Those under consideration include Terry Jorde of North Dakota's CountryBank USA, Elizabeth Duke of Virginia's TowneBank, and Diane Casey-Landry of trade group America's Community Bankers.

PUBLIC CITIZEN COMPLAINS to IRS that lawmakers routinely break the law by failing to pay taxes when their spouses or children accompany them on corporate-sponsored trips. The Center for Public Integrity estimates that family members have traveled on 2,900 trips financed by U.S. corporations since 1998.

EQUAL TIME: New World Bank book2 says gender-equality advocates focus too much on women, not enough on men. The authors' mantra: "men-streaming."

GAY MARRIAGE RETURNS to campaign spotlight.

New Jersey Supreme Court sought to limit controversy by denying gay couples the "marriage" label while granting equal rights with straight couples. But Republicans hope specter of lawsuits will turn out social conservatives in eight states with gay-marriage ballot measures -- including Tennessee and Virginia, where Republican Senate seats are at risk.

Little effect is expected on New Jersey Senate race. New Jersey justices noted uproar following Massachusetts high court ruling legalizing gay marriage, contrasted with muted reaction to "civil unions" approved by Vermont and Connecticut.

"We must steer clear of the swift and treacherous currents of social policy," writes Justice Barry Albin.

MINOR MEMOS: Though the U.S. has hit 300 million population, Census says pool trick-or-treaters -- kids aged 5 to 13 -- dropped by 284,000 between 2004 and 2005...Election barometer? Blue state Illinois led U.S. in 2005 pumpkin production, with 497 million pounds.

Justice Thomas Opens Up On 'Aggressive' Appellate Judges (LAW)

By R. Robin Mcdonald, Fulton County Daily Report

Fulton County (GA) Daily Report, October 27, 2006

U.S. Supreme Court Associate Justice Clarence Thomas told an Atlanta audience Thursday "I am finally home."

"Thirty-two years ago, I tried desperately to come to Atlanta," Thomas said. Unable to find a job there after graduating from Yale Law School, he took a job in the Missouri attorney general's office.

As a native Georgian, "I had planned to be the 11th Circuit's justice from the very beginning," Thomas said at the start of a two-day continuing education seminar on appellate practice in Atlanta. But, he said, "another justice was holding the 11th Circuit hostage."

That other justice was Anthony M. Kennedy, appointed by Ronald Reagan in 1988, who was already assigned to the 11th Circuit. Following the confirmation of Justice Samuel Alito earlier this year, Kennedy moved to the 9th Circuit and Thomas was assigned the 11th Circuit.

As the 11th Circuit's assigned justice, Thomas said he intends to be "quite involved." A Supreme Court justice is assigned to each federal circuit in the nation. That justice receives applications from the assigned circuit regarding emergency actions -- such as stays of execution or extensions for court filings.

Thomas fielded wide-ranging questions from members of the appellate bar on subjects as diverse as the aggressiveness of appellate judges, amicus briefs, and cameras at the U.S. Supreme Court. As he had promised after he was introduced, Thomas pulled no punches.

On appellate judges' manners: Thomas said he disapproves of what he calls increasingly aggressive questioning of attorneys by appellate judges from the bench. Thomas said that as a young state attorney general arguing before the Supreme Court of Missouri, he recalled justices who "actually allowed me to make my argument. They listened to what I had to say. ... Nor did I ever feel I had not been heard or did not have my day in court."

But Thomas said that kind of old-fashioned court etiquette has virtually disappeared. "It seems fashionable now for judges to be more aggressive in oral arguments," he said. "I find it unnecessary and distracting. ... I truly think oral arguments would be more useful if the justices would listen rather than debating the lawyers. ... I think the judges need to listen if the arguments are to be effective."

On his own work habits: "Never do anything unnecessarily to decide a case," he said. "Do not ask questions that are unnecessary."

That means Thomas is more likely to sit and listen to an oral argument than attempt to question the lawyers who present them.

"My job is not to rape your argument, not to make your argument, not to hurt your feelings," the associate justice said.

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On threats to an independent judiciary: Thomas said he believes that an independent judiciary is more at risk today. "Some of it is our own doing," he said. "We're drifting into areas people have strong feelings about ... We're getting into social issues where I don't think we should be making decisions." The abortion issue, Thomas suggested, "has changed the confirmation process and not for the better."

"I don't think we're better off," he said of what have become protracted confirmation hearings. "We don't have a better court. ... We are getting to be political footballs."

On amicus briefs: "They range from useless to extremely useful; from credible to 'You've got to be kidding me,'" Thomas said. The most helpful, he said, are those filed by "honest brokers ... who don't take either side" or groups such as the American Civil Liberties Union whose legal credibility, Thomas said, is well established. "You know, I'm not one who gloms on to the ACLU's arguments," he said. But, he added, "They are pretty principled about the positions they take, and they're well-informed and pretty helpful."

In contrast, Thomas pointed to a group of historians who filed amicus briefs in the Guantanamo detainee cases Hamdi v. Rumsfeld, 542 U. S. 507, and Hamdan v. Rumsfeld, No. 05-184, whom, he suggested had a clear political agenda. "I'm not going to waste my time with that," he said.

On cameras in the courtroom: "I'm not all that enthralled with that idea. I don't see how it helps us do our job. I think it may distract from us doing our job." And, he added, if 80 percent of the appellate process is wrapped up in the briefs, "How many of the people watching will know what the case is about if they haven't read the briefs?" The level of understanding, he suggested, would be "very shallow."

Bon Appétit On Overseas Trips, Congress's Rules Are Often Ignored (WSJ)

By Scot J. Paltrow

The Wall Street Journal, October 27, 2006

WASHINGTON -- Rep. Jerry Lewis and seven fellow members of Congress jetted to Europe in July 2003 on official government business and dined in restaurants from Warsaw to Lisbon.

Instead of paying for the meals out of their government allowances, they were treated by a parade of defense contractors and lobbyists, most of which sent personnel to Europe to host the meals, according to foreign-service officials and the companies. The meals gave Boeing Co., Lockheed Martin Corp., Northrop Grumman Corp. and others private access to legislators who control billions of dollars in government contracts.

At the time, Mr. Lewis headed a House of Representatives Appropriations subcommittee in charge of defense spending. He now chairs the House Appropriations Committee itself, which decides where a big portion of government money is spent.

One problem: The hitherto undisclosed free meals likely violated House rules and possibly federal law, experts on congressional ethics say. House rules, designed to prevent private interests from unduly influencing legislators' work, bar members -- with some exceptions -- from accepting such meals on congressional trips abroad.

The Lewis delegation, which counted six Republicans and two Democrats, was an extreme example, but is not an isolated incident, according to scores of interviews with congressional staffers, company spokesmen and others. In recent years it has been routine for House members to accept meals from private interests on official government trips abroad.

In 2004, Rep. David Hobson, an Ohio Republican and chairman of the Appropriations Subcommittee on Energy and Water Development, visited Normandy, France, with a group that dined courtesy of a defense company and a lobbying firm, according to the company and House staffers. The following year, on another trip to France, his party was hosted by a maker of nuclear reactors.

Rep. James T. Walsh, chairman of an Appropriations subcommittee that deals with military facilities, visited Germany in 2005 on a congressional trip. There, a big federal contractor paid for dinner for the New York Republican's group in Heidelberg, according to the company and House staffers.

In a written statement, Mr. Lewis didn't respond to specific questions about the meals. He says: "I have always made every effort to strictly comply with relevant rules and regulations governing" official travel abroad.

During the course of their business in the U.S., legislators frequently attend dinners where they rub shoulders with companies and lobbyists, especially at widely attended events, which aren't subject to strict rules.

Charges of ethics lapses have been an issue for months, contributing to the list of problems dogging incumbents as elections loom. The Appropriations Committee has been rocked by a series of criminal investigations. In November 2005, former member Randy "Duke" Cunningham pleaded guilty to charges stemming from bribes he admitted soliciting from contractors. Mr. Lewis is under federal investigation for his relationship with lobbying firm Copeland Lowery Jacquez Denton & White, which sponsored one of the meals on his European trip.

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Committee member Alan Mollohan, a Democrat who was on the Lewis trip, is under federal investigation for steering House appropriations to business partners.

The scandals involving lobbyist Jack Abramoff, who pleaded guilty to conspiracy to bribe members of Congress, also related to lawmakers' travel. These were private trips, such as the Scottish golf outings that Mr. Abramoff arranged for certain legislators in a bid to win or repay favors.

But hidden from view by an absence of public records are frequent violations that occur on official, government-paid trips abroad. These trips, known as "codels" for "congressional delegations," are designed to give lawmakers first-hand knowledge of matters relevant to their legislation.

On these official trips, House rules on private funding are much stricter. Members are required only to use government money to pay their expenses. The rules ban private parties from paying for things such as meals or lodging, except in a few, narrow circumstances, such as widely attended events.

In addition, federal law bans members from soliciting any gifts from people or companies that may be "substantially affected" by members' official actions. Both the law and House rules also prohibit members from accepting any gifts worth $50 or more or which add up to $100 or more from the same source during a calendar year.

No members of Congress have been prosecuted under the solicitation law for accepting free meals on overseas trips.

Many codels involve serious work. Several staffers cited Rep. Jim Kolbe, an Arizona Republican and chairman of the Appropriations Subcommittee on Foreign Operations, as someone who limits expenses and works so relentlessly that he has difficulty getting other members to travel with him. "I've heard people characterize Kolbe's trips as the Bataan death march," says one veteran congressional staffer.

Others appear to be little more than government-paid vacations. Chairmen of committees and subcommittees often invite members and their spouses to places such as Paris and London as a way of building personal ties that translate into support on important votes.

In response to written questions, several members say the meals were acceptable because the rules exempt accepting gifts worth less than $50. None would provide information on their actual cost.

The House Ethics Committee hasn't ruled specifically whether the $50 exemption applies in the case of codels, says Jan Baran, a Washington, D.C., lawyer specializing in federal ethics issues. In any case, says Stanley Brand, a former House general counsel, the cost of a spouse's meal also would count, making it hard to keep within the $50 limit.

Lawmakers are given per diem money -- in cash -- to cover travel expenses. The unused money is supposed to be returned, but the rule hasn't been enforced for as long as many congressional staffers can remember, they say. As a result, unused per diem money is not usually returned by legislators and their staffers. Records show that only a few recipients have returned the unused funds.

The codels have become increasingly frequent. A database maintained by PoliticalMoneyLine, a unit of Congressional Quarterly Inc., shows there have been 3,140 such trips by members from 2000 through the second quarter of 2006, the latest available data. The number of these trips reached a peak in 2005, with 658 official foreign trips by congressional delegations, compared with 220 a decade earlier.

Codels are recorded only in quarterly travel summaries filed by committee chairmen and the Speaker of the House. These list dates, countries visited and total amount of per diems paid out to each member. The reports don't specify the purpose of the trip or how per diem money was spent.

House rules require individual members to file detailed expense reports from the trips, which are then supposed to be publicly available from committee chairmen. But spokesmen for two house committees that host frequent codels -- Appropriations and Foreign Relations -- say no such records are available.

Because details of the trips don't become public, says a veteran congressional staffer who has gone on them, "there was a feeling that on codels no rules applied."

Republicans led most of the codels in recent years and made up the bulk of attendees because they are in the majority. House rules require at least one member of the minority party to be included. Typically one or two Democrats have gone on each trip.

For the corporations that host lawmakers, the benefits are clear. While no one alleges any quid pro quo for the meals, veteran staffers who have been on such trips say they can influence congressional business. The meals help smooth the way for favorable votes.

They also give companies advance access to information. One senior aide says the official work members do while on the trip "may change policy direction, which companies may be there to witness or hear about over dinner."

In August 2004, Mr. Hobson, the Ohio Republican, led a delegation to Normandy for the groundbreaking of an "interpretive center" at a cemetery for American soldiers killed during World War II. During the seven-day trip, the Hobson delegation was

feted with at least two private restaurant dinners, one given by Northrop and another by the PMA Group, a leading Arlington, Va., lobbyist for defense companies. Both flew over executives to host the meals, people present say.

Rep. David Obey of Wisconsin, the senior Democrat on the Appropriations Committee, attended the PMA and Northrop dinners but reimbursed the hosts for the meals, according to a person with knowledge of the events. He paid for himself, his wife and a staff member, this person says. Congressional staffers say lawmakers do this only rarely.

Carmen Jacobs, a lawyer for the PMA Group, says the company won't comment about the dinner. Randy Belote, vice president for corporate and international communications for Northrop, also declines to comment about his firm's dinner.

On a 2005 trip to visit nuclear-fuel processing plants in France, Mr. Hobson and his delegation attended a dinner near Avignon, in southern France, hosted by Areva SA, the world's largest maker of nuclear reactors. The chairman of Paris-based Areva's U.S. subsidiary is former U.S. Energy Secretary Spencer Abraham. The company has been marketing reactors to American utility companies.

Charles Hufnagel, an Areva spokesman, confirms the company hosted a dinner for Mr. Hobson's group, but declines to give any details.

Mr. Hobson, in a written statement, says: "We believe that we have complied with all of the rules of the House of Representatives." He didn't respond to specific questions about the trips.

In midsummer 2005, Mr. Walsh led a tour of U.S. overseas military installations, including in Germany. On that trip, Munich-based Siemens AG, a big U.S. federal contractor, paid for a dinner for the group in Heidelberg. Siemens flew over from Washington some of its government-relations executives to host the dinner, says a person who was present.

On the same codel, which also stopped in France, aerospace contractor Lockheed took advantage of an exception to the rule that allows delegations to eat at "widely attended events," which the House defines as including at least 25 guests in addition to the delegation. Lockheed says dozens of people attended the dinner it hosted at the Hôtel de Crillon, one of Paris's fanciest hotels, overlooking the Place de la Concorde and the Seine.

In an interview, Mr. Walsh says such company dinners serve a useful purpose. Often local country officials are invited and the companies "are sort of facilitators for bringing us together," he says. "We need to follow the rules and I believe we do follow the rules."

When first asked about the Siemens dinner, Mr. Walsh said about 25 people in total attended, including the delegation and spouses, which he says meant the event met the exception for "widely attended events." When reminded that the rule requires the attendance of 25 people in addition to legislators and spouses, he said perhaps a larger number had attended. "It was over a year and a half ago. I wasn't counting heads," he said. Siemens declines to say how many people attended.

In many cases in which lawmakers were entertained by companies, participants wouldn't say how the companies learned about the trips or the itineraries so they could set up these events in the first place. Requesting a free meal may violate the federal law on soliciting gifts.

On the 2003 Lewis trip, which lasted 11 days, official work appears to have been subordinate to less arduous pursuits. The expedition was designed to confer with officials in three "Coalition of the Willing" countries: Poland, Portugal and the United Kingdom, according to a news release issued by one participant. Each country had backed the invasion of Iraq.

U.S. Embassy officials who helped shepherd the group say the lawmakers held meetings with local and U.S. military officials that mostly lasted about 45 minutes. The rest of the time, they recall, the group went sightseeing and was entertained by contractors and lobbyists.

In his statement, Mr. Lewis listed a number of meetings held during the trip, including with members of the Polish and British parliaments and with U.S. generals and ambassadors.

"In 2003, I was fortunate to lead a fabulous bipartisan group of members to three countries who played an early and instrumental role in our fight against terrorism in Iraq," he adds.

Mr. Lewis arranged for the Air Force to provide a C-9 jet -- the military equivalent of a civilian DC-9 jetliner -- for the roughly 20-strong delegation, which included many of the members' spouses and staffers. A spokesman for the Air Force Reserve Command says C-9 jets cost $15,504 an hour to operate.

An official House handbook states that legislators should use American commercial airlines "whenever possible, unless such service is not reasonably available." An attraction of traveling in Air Force jets is that spouses fly free. Congressional records show delegations routinely take military flights to destinations well-served by commercial airlines, such as Paris and London.

John Scofield, spokesman for the Appropriations Committee, says he has been on multiple codels during his career. "Every one I've been on has been on a military aircraft," he says, adding, "Typically spouses travel with the members. That's the way it always is."

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The Lewis delegation traveled in late July and early August during Congress's summer recess. In addition to Mr. Lewis, the Republicans in the delegation were Joe Barton of Texas, Ken Calvert of California, Rodney Frelinghuysen of New Jersey, John McHugh of New York and Adam Putnam of Florida. The Democrats were Mr. Mollohan of West Virginia and Lucille Roybal-Allard of California.

In response to written questions, a spokesman for Mr. Putnam says in an email that the lawmaker "didn't know/remember who paid for the dinners," but that he "fully complied with the regulations governing per diems."

A spokeswoman for Mr. McHugh, in a written statement, says he "was responsible for, and paid, all expenses and reimbursements as required under established House rules." She didn't specify whether he reimbursed the companies hosting meals.

In a written statement, Mr. Frelinghuysen didn't respond to questions about the meals. He says the purpose of the trip was "to thank some of our coalition partners," and that "it was an honor to do so." The other members of the delegation didn't respond to numerous requests for comment.

In Warsaw, Lockheed hosted a dinner for the group, says Jeffrey Adams, a company spokesman. People with knowledge of the trip say the dinner was at Polska Tradycja, a fancy Warsaw restaurant whose menu included wild-game pâté and roulades of boar, and that there were few if any attendees besides the Lewis entourage and Lockheed personnel.

In a written statement, Lockheed says: "The purpose of this meeting was to discuss issues related to our initiatives in the region. All aspects of Lockheed Martin's support for the dinner were conducted in a manner fully consistent with the applicable rules and regulations governing such activities."

Mr. Adams, the Lockheed spokesman, says the events it hosts for congressional delegations are usually "widely attended" and don't fall afoul of House rules. "We work very hard to ensure compliance with House and Senate rules," he adds. He says he didn't know how many people attended the Warsaw dinner.

In Lisbon, the delegation had two free meals in one day. One came from the lobbying firm Copeland Lowery. The firm split up a few months ago after news broke that it was under federal investigation in connection with appropriations Mr. Lewis helped arrange for its clients. The meal was hosted by Letitia White, a principal at the firm and a former Lewis aide, says Patrick Dorton, a Copeland Lowery spokesman. Mr. Dorton says the lunch "complied with congressional rules." He declines to elaborate.

That night, Chicago-based Boeing gave a dinner at the Casa do Leão, a restaurant overlooking the Targus river on the grounds of Castelo de São Jorge, a medieval fortress and top Lisbon tourist site. Boeing says Ms. White attended that dinner although she had no role in organizing it.

Douglas Kennett, a Boeing spokesman, says the dinner "adhered to all the appropriate rules," but declines to comment further.

Such entertainment continued through the group's final stop in London. In early August, Northrop hosted a fish-and-chips dinner at the Prospect of Whitby, a historic London pub, according to Jim Ervin, a lobbyist who helped arrange the dinner on behalf of Northrop.

Mr. Belote, the Northrop spokesman, says: "Northrop Grumman does not have many opportunities to educate traveling congressional delegations on the corporation's international presence and business activities, and felt that the codel's visit to the U.K. was a good event in which to participate for that purpose."

Mr. Belote says in recent years Northrop has hosted similar dinners for codels in Britain, Germany and elsewhere. He wouldn't identify the delegations.

State Department records show that at the time of the Lewis trip, the authorized per diem for Warsaw was $305; Lisbon was $190; and London $364. In addition, the delegation received "enhanced per diems." Mr. Scofield says that was compensation for exchange-rate fluctuations.

The House Ethics Committee says to date there haven't been any investigations or action taken against members who break the rules by accepting the free meals. A spokesman for the ethics committee says it isn't responsible for day-to-day oversight of codels and per diems. But "if an infraction of the rule were brought to our attention, that would be another matter."

Harman Intelligence Post At Risk (AP-Y)

By Erica Werner

AP, October 27, 2006

As top Democrat on the House Intelligence Committee, Rep. Jane Harman would seem positioned to take the gavel if her party wins control of the House on Nov. 7.

Instead, Harman faces being sidelined by either of two other lawmakers now viewed as front-runners: Reps. Alcee Hastings of Florida and Silvestre Reyes of Texas, the second- and third-ranking Democrats on the intelligence panel.

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Harman, 61, used her seniority on the committee to build a national profile on intelligence and defense. But her hawkish views hardened an ideological gulf between her and Rep. Nancy Pelosi, the liberal House minority leader. Both are Californians.

"There is no seniority on the Intelligence Committee. Not a person who's on there now is on there the first day of the Congress," Pelosi said in a recent interview.

She sidestepped a question on Harman's future by citing House rules that give her more say over Intelligence than any other committee. "The leader or the speaker can appoint a whole new set of people," Pelosi said.

Harman declined to be interviewed but issued a statement through her office: "I love my work on the committee and hope to continue it. House Intelligence Committee activities are directly relevant to the major concerns of my constituents."

Her case is not helped by an investigation into her ties with a pro-Israel group that formerly employed two lobbyists indicted on charges of disclosing U.S. defense secrets.

Last week, the Web site time.com reported that the FBI had begun probing whether she enlisted the American Israel Public Affairs Committee's help in lobbying Pelosi to keep her job.

A federal law enforcement official, speaking on condition of anonymity because of the ongoing investigation, told The Associated Press that Harman's ties with AIPAC have been under scrutiny since last year.

However, the inquiry has been dormant in recent months and so far has failed to turn up evidence of illegal activity, said the official, who would not detail any concerns there might be.

Harman has dismissed the allegations as "laughable and scurrilous."

Hastings is being promoted for the Intelligence Committee chairmanship by the 42-member Congressional Black Caucus. Choosing him could help Pelosi curry favor with a caucus upset by her decision to kick another black Democrat, Louisiana Rep. William Jefferson, off a committee after the FBI characterized $90,000 found in his freezer as a bribe.

"I don't think the CBC members will look very kindly on Mr. Hastings being passed over, especially since he does have the expertise and he is next in line," said Myra Dandridge, the group's spokeswoman.

Hastings, however, has his own baggage: He's an impeached federal judge. Republicans have already cited that in news releases warning voters against giving Democrats control of Congress on Election Day.

Defense contractors and policy analysts also are sounding alarms about jettisoning Harman, who has won allies through her expertise on intelligence systems and spy satellites, many of them built in her coastal Los Angeles County district.

Loren Thompson, a defense analyst at the Lexington Institute, said no one in the House understands intelligence matters and spy technology better than Harman.

"It seems as though Pelosi is making her political calculations based entirely on Democratic Party considerations rather than on broader national needs," Thompson said. "This is an awfully bad way for the Democrats to get started in proving their defense credentials."

Harman, serving her sixth term, played a key role in legislation creating a national intelligence director after the Sept. 11 terror attacks. She supported the Patriot Act and the Iraq war — Pelosi opposed both — and appears regularly on Sunday talk shows to support her views.

In 1998, Harman ran for California governor but lost in the primary. She reclaimed her old House seat two years later.

'Death Of A President': Realism With A False Face (WP)

By Ann Hornaday

The Washington Post, October 27, 2006

"The whole world is watching."

Those words, chanted by demonstrators at the disastrous 1968 Democratic National Convention in Chicago, are never uttered in "Death of a President," but they echo nonetheless. An unsettling and exceptionally skillful exercise in blurring the lines between appearance and reality, this fictional, documentary-style film uses the incendiary premise of the assassination of President George W. Bush in the not-too-distant future as a springboard for thinking about the practical and psychic toll of how America deals with terrorist threats.

Produced by Britain's Channel 4 television network and co-written and directed by Gabriel Range, "Death of a President," or "DOAP" as it has come to be called by its publicists, has garnered understandable notoriety after making its debut at the Toronto Film Festival and being picked up by the same studio that distributed "The Passion of the Christ." Two theater chains have refused to show the movie, which uses real-life news footage and flawless computerized special effects to create a chilling approximation of an assassination, and a few television and radio networks have decided not to air advertisements.

The hubbub must please the filmmakers, who surely chose their putative subject for its potential, in marketing argot, to garner invaluable unearned media. The question is whether "DOAP" has earned its own inflammatory conceit. Is it politically provocative agitprop or merely a cynical, exploitative stunt?

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Probably the latter, but one that has been performed with unusual dexterity. Structured like an installment of "Frontline," "DOAP" often has the taut urgency of that PBS series, with witnesses providing a detailed tick-tock of events as they unfolded. Indeed, "DOAP" is so convincing that, like most he-said, he-said documentaries, it eventually suffers from a fatal, talking-head inertness.

Still, "DOAP" gets off to a riveting start, with presidential aides and FBI agents (portrayed with terrific verisimilitude by the actors who play them) "recalling" the day in 2007 when Bush, in Chicago for a speech to a business group, encounters the biggest and most unruly demonstration of his administration. Range intercuts archival footage of past demonstrations -- picture the fury of Bush's first inauguration combined with that of the 1999 anti-globalization march in Seattle -- with staged interviews to create an atmosphere that crackles with dread; when Bush finally enters the scrum of the fatal rope line (his face is digitally superimposed on an actor's), the mood turns sickening. (As is the occupational hazard of anyone working with of-the-moment material, events have in some ways outstripped the film's attempts at realism, from recent doings in North Korea to the drama co-starring Dennis Hastert.)

Those who would condemn "DOAP" without seeing it should be made aware of one crucial fact: Range does not depict that event with glee or even a smirk. The shooting of Bush is indeed portrayed with solemnity and grief (although some red-meat Dems will no doubt mentally insert screeching "Psycho" violins when someone first refers to "President Cheney"). The ballast of "DOAP," after the horrific event itself unfolds, becomes a true-crime procedural dedicated to the search for the assassin. It's at this point that Range reveals his true agenda: Although a few suspects come under scrutiny, only one is finally railroaded into a kangaroo conviction, the result of a beefed-up Patriot Act, political expedience and a populace agog with paranoia and fear.

With its seamless use of actual and staged footage, "DOAP" at its best will remind some viewers of "Medium Cool," Haskell Wexler's brilliant neo-realist thriller that was filmed during the 1968 convention and released the next year. "DOAP" possesses the same sense of immediacy and political moment, and when Range focuses on the anti-Bush demonstrators, their faces contorted into masks of fury and contempt, he taps a vein of present-day rage that in some quarters seems to be on the verge of bursting again.

And in playing into the historical fascination with assassination, it resembles a kind of 21st-century "JFK," tweaked to hit the hot-button issues of the day. (The most obvious comparison is with the politically charged pseudo-docs of avant-garde filmmaker Mike Z, whose work has been shown at the DC Underground Film Festival. His Internet hoaxes are so good that he's been investigated by real FBI agents.)

But it's not as if those issues -- the tensions between civil liberties and security in a post-9/11 world -- aren't being addressed in pop culture, whether in such television series as "24" and "Sleeper Cell" or even the recent film "The Departed." How American democracy will engage those issues in months and years to come will in a very real sense define this country. And a rigorous, sober, intellectually honest discussion, not a partisan food fight or piece of cinematic showmanship, is what is called for.

Range doesn't advance that discussion as much as use it as a fig leaf for his own self-serving interests. He's artistically akin to the man who shouts "Fire!" in a crowded theater, and then wonders why no one sticks around to hear his argument for brighter exit signs.

At such a pivotal juncture, we deserve better. We need better. Nearly 40 years on, the world is still watching.

Death of a President (93 minutes, at Landmark's E Street Cinema) is rated R for brief violent images.

The Education Revolution America Needs (WP)

By Eugene Hickok

The Washington Post, October 27, 2006

Education Secretary Margaret Spellings recently commented that the No Child Left Behind Act is nearly perfect. "I talk about No Child Left Behind like Ivory soap: It's 99.9 percent pure," Spellings said.

Even if Secretary Spellings were right that NCLB is 99.9% pure, it still would not be the formula for what ails American education.

The current debate over NCLB overlooks a critical problem: Nothing the administration does under NCLB will ensure the law's promise that every child will be proficient in reading and math by 2014. For reasons unrelated to the law's merit, NCLB is simply not up to the task. Something far more profound and transformative must happen for American education to offer every child the opportunity to succeed.

The deeper problem is the existing institutional architecture of American public education. No Child Left Behind erects an accountability system atop the status quo and requires states to provide families with options when schools fail. But public education governance, structure, finance, management and politics remain intact.

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Here is the heart of the problem: American public education -- because of the way it is structured, administered, funded and understood by parents, teachers, administrators and taxpayers -- is incapable of delivering on the promises of NCLB. The root of the problem isn't in the law; it's in the American education system. It can't get there from here.

Today's public education system essentially tells parents: "This is the school your child will attend. This is when we teach, what we teach and who will teach." In short, it puts the system ahead of the child.

We need an education environment that listens and responds when a parent says: "This is my child; these are my hopes and dreams for my child, his needs and interests, his strengths and weaknesses. Why should I entrust my child to your care?" We need educational opportunities that put the child first.

NCLB likely will show just how much needs to happen to achieve this. But the law itself can't help us do it. No federal law ever could.

To move us in the right direction, we need to toss aside certain assumptions. First, we must not confuse education with schooling. Education takes place long before a child enters school and lasts a lifetime. Schooling is about institutions and infrastructure. We need to focus on education in America, not just schooling.

Second, we need to put aside the tiresome debate over public versus private education. What matters is the quality of the education a child receives, not where he or she receives it. In the name of preserving public schooling, we have created obstacles to improving education for all our children. Public education belongs to the people. Shouldn't we be the ones deciding where our children go to school? Why should we feel comfortable with the government making such a fundamentally important decision?

A new vision of education in America should embrace the principles on which America is supposed to be based: freedom, equality, opportunity, responsibility and ownership. The status quo lacks freedom, and the faÃ§ade of equality has allowed an achievement gap to haunt the nation. Millions are denied a real opportunity. Newly minted accountability systems have school administrators gagging and leave too many parents confused, resulting in too many failing to take responsibility for the future of our children.

As for ownership, our public schools have become institutions of government, serving bureaucracies rather than the public. It's as though the system owns us rather than we owning the system.

Imagine what education in America could look like with these new principles in place. With freedom, families could decide how best to educate their children. Equality would be measured in terms of the education children receive and each student's achievement, rather than merely in dollars spent per student. Responsibility would begin at home; parents would have the power to determine whether their children are receiving a quality education. This more robust notion of accountability would enable people to determine how much their investment yields in terms of a child's education.

Gradually, families might begin to take back ownership of their children's education. Ownership is essential, giving a sense of authority that could drive ongoing improvement in education. The relationship of family, child and education is direct and tangible, rather than distorted by the demands of a system.

Of course, we have far to go before this becomes reality. But it would be a mistake to think that No Child Left Behind delivers the education system we need. At best, it will help us understand just how far we have to go, fueling our frustrations and disappointments along the way. NCLB is a wake-up call. What's needed is an American education revolution.

Eugene Hickok is a Bradley fellow in education at The Heritage Foundation and Senior Policy Director at Dutko Worldwide. He was deputy secretary of education during President George W. Bush's first term.

OTHER NEWS:

New Home Sales Rise, But Median Price Falls (USAT/BLOOM)

By Bob Willis

USA Today, October 27, 2006

New home sales in the USA unexpectedly rose for a second month in September, even as selling prices declined by the most since 1970.

Purchases rose 5.3%, to an annual pace of 1.075 million, from a 1.021 million rate in August, the Commerce Department said Thursday. The median price of a new home dropped 9.7% from a year earlier, partly a result of more sales of homes priced less than $200,000 and fewer purchases of more expensive houses.

The report suggests that builder incentives, lower mortgage rates and falling prices will keep this year's housing slowdown from deepening. It also signals that the Federal Reserve, which this week kept interest rates unchanged for a third month, is successfully managing an economic slowdown that it hopes will stifle inflation.

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"The worst of the downturn in housing seems to be over," said Lynn Reaser, chief economist at Bank of America Investment Strategies Group in Boston. "Home builders are achieving success in boosting sales, although at the cost of aggressive incentives."

The report follows data Wednesday from the National Association of Realtors showing that sales of previously owned homes fell last month to the lowest level in nearly three years.

The median price of a new home declined to $217,100 in September from $240,400 a year earlier, Thursday's report showed. It was the biggest drop since an 11.2% year-over-year fall in December 1970, the Commerce Department said. The median price was the lowest since $211,600 in September 2004.

Inventories also declined in September. The number of homes for sale dropped to a seasonally adjusted 557,000 during the month, the lowest since March. The supply of homes at the current sales rate declined to 6.4 months' worth from 6.8 months.

The Fed kept its benchmark interest rate at 5.25% this week and said lower energy prices should help reduce inflation, as "the economy seems likely to expand at a moderate pace."

Central bankers are "no longer worried about the downside risks to the economy from housing," said Chris Rupkey, an economist at Bank of Tokyo-Mitsubishi in New York.

"This should be good news, as a weakened housing sector is unlikely to keep the Fed from achieving a soft landing for the economy," he said.

Sales of new homes are still down 14% from the same time last year, the Commerce Department said. The National Association of Realtors forecast a 17.3% drop in new home sales this year to 1.06 million.

New-Home Sales Jumped 5.3% Last Month As Prices Plunged (WSJ)

By Jeff Bater And Benton Ives-halperin

The Wall Street Journal, October 27, 2006

WASHINGTON -- The median price of a new home plunged in September from a year earlier by the largest amount in more than 35 years. But in a sign that the housing market could be nearing bottom, the pace of sales rebounded for a second month.

Orders for durable goods, such as cars and computers, surged 7.8% in September over the previous month, the largest gain since June 2000. Virtually all the strength came from a giant increase in commercial aircraft orders; outside of transportation, orders inched up 0.1%.

MORE ON HOUSING

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Thursday's data suggested that the economy is still growing, albeit at a moderate pace. That is the scenario sought by the U.S. Federal Reserve, which on Wednesday decided to hold short-term interest rates steady for a third straight month.

"Looking forward, there has been a significant improvement in the overall investment climate in the past month and a half -- inflation uncertainty has declined, long-term interest rates have moved down and the Fed has kept interest rates on an even keel," Brian Bethune, an economist at Global Insight, wrote in a research note.

Indeed, the Commerce Department's measures of shipments and orders of "core" capital goods, or those excluding aircraft and defense, suggest business investment is picking up and that the economy may regain some momentum in the fourth quarter after a tepid third quarter.

Shipments of core capital goods plunged 2.1% in September and increased at a slower annualized rate in the third quarter than they did in the second. But orders jumped 1.1% in September and rose at a faster annualized rate in the third quarter than they did the previous quarter. High corporate profits are enabling businesses to make capital investments on equipment and facilities that can lead to future growth.

The Commerce Department Thursday said the median price for a new home sold in September fell 9.7% to $217,100 from a year earlier. That was the sharpest year-to-year drop since December 1970.

At the same time, though, new-home sales rose a second straight month in September, jumping 5.3% to a seasonally adjusted annual rate of 1.075 million homes. It marked the second consecutive increase in sales following three months of declines.

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In another hopeful sign, inventories of unsold homes and new homes decreased. According to Commerce data, there were an estimated 557,000 homes for sale at the end of September, representing a 6.4 months' supply at the current sales rate. That represents a 1.9% decline in inventories over August, the sharpest decline since December 2000.

The declines in housing prices underscored the severity of the correction in the once-booming market, which had seen sales of both new and existing homes soar to record levels for five consecutive years, propelled by the lowest mortgage rates in more than four decades. This year, rising mortgage rates have helped cool sales.

A 7.8% surge in durable goods orders last month, to a seasonally adjusted $226.70 billion, meanwhile, was largely due to a jump in transportation orders -- specifically commercial aircraft -- which rose 27.6% in September over the previous month. Durable goods orders fell the two previous months.

A.G. Edwards & Sons economist Gary Thayer said the 0.1% increase in durable goods excluding transportation orders is "more representative of the manufacturing economy right now -- still soft, consistent with moderate economic growth."

In other economic news, the Labor Department Thursday said the number of new applicants for unemployment insurance benefits rose last week, suggesting labor markets remain relatively healthy. Initial jobless claims rose 8,000 to a seasonally adjusted level of 308,000 in the week ended Oct. 21.

"These data still portray a relatively tight labor market, tighter than indicated by the recent growth in payroll employment," Steven Wood, chief economist at Insight Economics, said in a research note.

New-Home Prices Fall Sharply (NYT)

By Jeremy W. Peters

The New York Times, October 27, 2006

Home builders, struggling to keep ahead in a weakening market, cut prices and offered a variety of other discounts in September to help sell their newly constructed houses, the latest government and industry statistics show.

The Commerce Department reported yesterday that the median price of a new home plunged 9.7 percent last month, compared with September 2005, falling to $217,100, the biggest such drop since December 1970.

Statistics from the National Association of Home Builders showed a similar slide. Builders reported cutting prices in September by 5 percent, according to the association's most recent data.

Just two months ago, prices of new homes were still on the rise.

At least to some extent, the lower prices achieved the developers' goal: the backlog of unsold new homes on the market fell in September for the second consecutive month, while the number sold, adjusted for normal seasonal variations, rose by 5.3 percent from the previous month.

But economists and industry experts noted that the reported numbers provide a somewhat distorted picture of market reality. While they seemed to suggest a rebound in sales and a precipitous drop in prices, the data was skewed by a higher number of sales in the South, where homes are cheaper, and fewer in the more expensive Northeast.

Last month, sales in the South accounted for 56 percent of all new homes sold in the country, compared with 52 percent a year earlier. The average square footage of a house sold in September declined as well, pulling down the median price.

While new-home prices across the country may not be falling quite as sharply as the reported numbers suggest, builders are also offering a variety of hidden price cuts in response to the much harsher housing climate that they now face.

"We're going to run our business as if it's going to stay tough for a while," said Richard J. Dugas Jr., chief executive of Pulte Homes, one of the nation's largest residential builders. On Wednesday, Pulte said its profit in the third quarter fell by more than half, compared with the same period a year earlier.

Indeed, profits are falling fast in many parts of the country for builders, who are rapidly scaling back on their future construction plans.

The home builders' association reported that 45 percent of builders and developers said they cut prices in September to maintain sales volume. That was up from only 19 percent a year earlier. Similarly, the association reported that 55 percent offered amenities like granite counters or upgraded kitchen cabinets for no additional cost. Only 19 percent did so a year earlier.

The cost of those incentives was not reflected in the new-home price data, which suggested that builders were making even less money from each sale than the shrinking official prices would indicate.

"Builders do not like to lower prices because it sends the wrong signal to potential buyers," Patrick Newport, an economist with Global Insight, said in a research note. "How much incentives matter today is difficult to gauge — but in markets in which power is quickly shifting from sellers to buyers, they probably matter quite a bit."

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Cancellations were also left out of the new-home statistics. The Commerce Department records a new home as sold when the buyer and builder sign a contract. The home builders association said that cancellations had jumped by 50 percent in the last year.

"The cancellation rate is really big," said Dave Seiders, chief economist of the association. "It's exploded over the last year."

The new-home sales report followed a report that showed softness in the market for previously owned homes, which account for about 85 percent of all home sales.

The pace of existing-home sales in September slowed 14 percent from a year earlier to a seasonally adjusted annual rate of 6.2 million. That was the lowest rate reported since January 2004.

For new homes, the seasonally adjusted annual sales volume figure in September was 1.1 million — 14.2 percent lower than in September 2005.

Another closely watched economic barometer released this morning — the Census Bureau's report on durable goods orders — showed an unexpected 7.8 percent rise for September from August. Durable goods, which include things like dishwashers, are monitored by economists as a gauge of business investment.

The upswing, however, was almost entirely a result of a surge in orders for aircraft. Boeing took orders for 175 planes last month, nearly tripling the nonmilitary aircraft component of the durable goods figure.

Over all, the latest economic data pointed to continued but slower growth through the end of the summer. When orders for the transportation equipment sector were stripped out, the gain in durable goods orders was only 0.1 percent.

Home Prices Take Steepest Dive In 35 Years (LAT)

By Jesus Sanchez

The Los Angeles Times, October 27, 2006

New home prices in September took their steepest year-over-year drop since the early 1970s as builders tried to stimulate sales amid a relatively high inventory of unsold properties, according to a real estate report today.

The nationwide median price of new homes sold in September fell about 9.7% from the same month last year to $217,100, according to the Commerce Department. It was the biggest annual decline in 35 years, according to economist Steven Wood.

"Home price momentum has slowed significantly as homebuilders are using big discounts to motivate new home buyers," Wood said in a research note for Insight Economics.

Home builders have scrambled to reduce a large inventory of unsold properties by putting the brakes on new construction and dangling a growing list of incentives — from price discounts to deals on mortgage — to stimulate sales. But those efforts have so far had limited success.

The pace of new home sales also slumped in September, dropping 14.2% from the same month last year to a seasonally adjusted, annual rate of 1.075 million properties, according to preliminary government estimates.

There were signs of recent improvement, with September sales rising from the previous month. The inventory of unsold homes, a 6.4-month supply at current sales rates, also edged down from the two previous months.

However, the supply of unsold homes in September remained about one-third larger than it was last year. Economists also noted that earlier estimates of sales results for June, July and August were adjusted lower. As a result, many assumed that September's results are weaker than reported today.

"Moreover, while downward revisions to these data have been considerable, these revisions do not reflect buyer cancellations of contracts," said economist Joshua Shapiro in a research report for the consulting firm MFR. "Therefore, even after downward revisions, these data probably still overstate the amount of new home sales that are actually being consummated."

On a regional basis, new home sales in the West fell 13.6% in September compared to same month last year. Sales dropped 6.6% in the Northeast, 36.6% in the Midwest and 7.9% in the South, the Commerce Department said.

New-Home Prices Fell In Sept. (WP)

By Dina Elboghdady

The Washington Post, October 27, 2006

Prices of new homes fell last month, turning some lookers into buyers, a government study released yesterday shows.

A report by the Commerce Department found that the median price of a new single-family house in September fell to $217,100. That's down 9.2 percent from August and 9.7 percent from September 2005 -- the largest year-over-year decline since 1970. With prices down, the pace of sales picked up 5.3 percent from August, though it was still 14.2 percent below September 2005.

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Many analysts attribute the uptick in sales to aggressive price cuts by builders. "You're seeing builders throw cash on the hood to move their inventory," just as Detroit automakers did when car sales slowed, said Michael Larson, an analyst with Weiss Research Inc. in Florida. "They started by giving out freebies like granite countertops. Now the only way to move product is to cut prices."

The new-home sales figures jibed with data released this week by the National Association of Realtors, which found that the price of existing homes fell 2.2 percent last month, the largest monthly decline since the group began tracking the numbers nearly four decades ago.

The new-home numbers are thought to give a more forward-looking account of the health of the housing market because they are recorded when a contract is signed. Sales figures for existing homes capture closed sales, many of which are for deals that were agreed to months earlier.

Based on yesterday's data, some analysts predict the rush by builders to slash prices will push individual sellers to do the same next year if weakness persists in the housing market.

Typically, individuals capitulate on prices more slowly because they are emotionally attached to their homes, said Greg Gieber, who tracks the housing market for A.G. Edwards & Sons Inc. But if builders continue to cut prices, individuals who do not follow suit will find themselves at a huge disadvantage.

"A lot of housing economists predict that housing prices will continue to decline for another 10 to 12 months," Gieber said. "What the builders are trying to do is to get their stuff out and sold before the worst of the price declines."

But Gieber and other analysts cautioned against reading too much into yesterday's report because its findings are often dramatically revised. It is based on a small sample of homes, it does not control for house sizes, and it does not capture the record levels of contract cancellations, an increasing cause of anxiety for builders.

Cancellations used to hover around 20 percent, said Nishu Sood, an analyst at Deutsche Bank Securities Inc. They jumped to 33 percent in the second quarter and are nearing 40 percent in the third quarter.

If those cancellations were factored into yesterday's data, they most likely would have dragged down sales volume, Sood said.

The West led the rise in September sales with a 23.9 percent increase over August, followed by the South, which includes the Washington area, with a 6.9 percent increase. Sales fell by 34.5 percent in the Northeast and 6.3 percent in the Northwest.

The seasonally adjusted number of homes for sale fell to 557,000, from a peak of 570,000 this summer. Including the cancellations would have probably added to the inventory of unsold new homes in September, Sood said. For builders, an excess of homes is a costly burden.

"The builder has a huge commitment of capital to unsold homes," Sood said. "Each day it does not sell adds to the cost, and that's where the imperative to discount comes from."

Lucky 13: Dow Closes At Record Again (USAT)

By Adam Shell

USA Today, October 27, 2006

NEW YORK — Bolstered by good earnings reports from Corporate America, Wall Street enjoyed another record-setting session Thursday, with the Dow closing at a record high for the 13th time in the past 18 trading sessions, and the S&P 500 and Nasdaq hitting fresh 2006 highs.

The big winner on the earnings front was Dow component ExxonMobil, which reported third-quarter profit of $10.49 billion, the second-largest quarterly profit ever for a U.S. company. Exxon rose 61 cents to $71.62 (story, 3B).

“We're chugging along at new highs,” says Lincoln Anderson, chief investment officer at LPL Financial Services. “The rally is being driven by a strong economy and strong earnings.” (Strong earnings buoy stocks, 1B.)

The Dow Jones industrial average rose 28.98 points, or 0.2%, to 12,163.66, putting the blue-chip barometer up 13.5% for the year. The S&P 500 rose 6.86 points, or 0.5%, to 1389.08, a fresh six-year high. The S&P is up 11.3% this year. The Nasdaq composite gained 22.51 points, or 1.0%, to 2379.10, a new high for the year. The tech-packed index is up 7.9% in 2006.

Strong corporate earnings helped overshadow another report showing serious slowing in the housing market. Prices of new homes fell at their sharpest rate since 1970 (story, 3B).

The market will get another snapshot of the economy's health today when the government releases estimates on the nation's gross domestic product.

The yield on the 10-year bond fell to 4.72%, from 4.77%. A barrel of light sweet crude declined $1.04 to $60.36.

Some Wall Street analysts are worried that the rally may be a sign of a stock market top.

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"The market can still run further," wrote Bob Dickey, technical analyst at RBC Dain Rauscher, in a note to clients. "But we regard any more short-term upside progress as a blow-off and gift of further gains, but also a sign that the risk of a pullback is also increasing."

Advancing issues outnumbered decliners by about 2-to-1 on the New York Stock Exchange

Highlights:

Aetna rose $2.86, or 7.4%, to $41.39 after the health insurer posted a 28% jump in third-quarter profit and boosted guidance for the year.

·Media company Clear Channel Communications said a group of private equity firms approached it about a possible takeover. Shares jumped $3.13, or 10%, to $35.48.

Like A Broken Record, Blue Chips Rise 28.98 To Break Another Record (WSJ)

By E.s. Browning

The Wall Street Journal, October 27, 2006

The Dow Jones Industrial Average edged up to yet another record amid continuing optimism about strong corporate profits and a benign Federal Reserve.

With companies including Comcast, Aetna and Exxon Mobil reporting upbeat profit news, and with investors basking in continued speculation that the Fed might actually start cutting interest rates next year, the blue-chip average rose 28.98 points, or 0.24%, to 12163.66. It is up 13.5% this year, and has set a record on 13 of the past 18 trading days.

Investors also were encouraged by a drop of $1.04 in crude-oil futures to $60.36 a barrel, despite the relatively strong consumption levels reported Wednesday for the previous week. Treasury-bond yields also remained low. Those yields affect other market interest rates, and low rates are good news for businesses and consumers alike.

At the two-day Fed interest-rate policy meeting that ended Wednesday, Fed officials left their target rates alone and hinted in a statement that their inflation concerns are diminishing. That reinforced hopes for a "soft landing" -- a slowdown to moderate economic growth, without recession or inflation. A soft landing would support moderate interest rates into the future.

Stocks are proving much more resilient than many money managers had expected. Skeptics fear falling behind unless they own stocks, which forces them to jump in. That pushes the market higher, making more doubters throw in the towel and buy stocks. Trading volume was strong, as it was on Wednesday.

"One of the things we needed to see was earnings, and for the most part they have been pretty solid and the guidance is decent," said stock trader Larry Peruzzi at Boston Company Asset Management.

When the Dow industrials neared 12000, he noted, investors pulled back and waited to see whether profits would be strong enough to justify more stock gains. So far, profit gains and forecasts have been running well ahead of expectations.

After regular hours, Microsoft reported better-than-expected profits, but offered disappointing guidance for the current quarter. Reflecting investor exuberance, the stock rose 0.4% in after-hours trading.

Economic news was in line with recent trends, supporting the soft-landing thesis. Orders for durable goods -- items such as appliances and machinery -- were stronger than expected in September, but only because of aircraft orders. Without aircraft, orders were softer than expected, which suggested that inflation pressures aren't emerging. Weekly jobless claims were in line with recent levels. September new-home sales were slightly above expectations.

The Standard & Poor's 500-stock Index rose 0.50%, or 6.86 points, to 1389.08, up 11.3% in 2006. The Nasdaq Composite Index, driven by its many technology stocks, advanced 0.96%, or 22.51 points, to 2379.10, ahead 7.9% for the year.

Outside the U.S., stocks advanced in dollar terms. The Dow Jones World Stock Index, excluding U.S. stocks, rose 0.65%, or 1.48 points, to 228.95.

In major U.S. market action:

Stocks advanced1. Total trading volume for stocks listed on the New York Stock Exchange was 2.77 billion shares, as 2,292 stocks rose and 1,035 fell.

Bond prices gained2. The 10-year Treasury note rose 11/32, or $3.44 for each $1,000 invested, pushing the yield down to 4.723%. The 30-year bond was up 22/32 to yield 4.842%.

The dollar weakened3. Late in New York, it traded at 118.39 yen, down from 119.02, while the euro rose against the dollar to $1.2690 from $1.2610.

Bush Helps Raise Cash For GOP Candidates (AP-Y)

By Nedra Pickler

AP, October 27, 2006

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With precious air time still left to buy before Election Day, President Bush raised money Thursday for two Republican candidates trying to knock off Democratic incumbents in an uphill year for the GOP.

The president was in the final days of a nearly 2-year-long effort of unmatched fundraising for dozens of Republican candidates. Bush has raised more than $193 million in nearly 90 events, according to the Republican National Committee; that figure dwarfs what any other individual has raised for Republicans or Democrats.

Bush swung through Des Moines, Iowa, at lunchtime to raise $400,000 for the state Republican Party and congressional candidate Jeff Lamberti, whom the president mistakenly called "Dave" throughout his speech. Then Bush headed to the Detroit suburbs for an early evening fundraiser that brought in $700,000 for Senate hopeful Mike Bouchard.

"The other side is dancing in the end zone, except they're on the 15 yard line," Bush said to cheers at the fundraiser decorated with signs for the American League champion Detroit Tigers, with many in Michigan currently paying closer attention to sports than politics.

Bush hammered the same themes he has been using against the Democrats all fall — that they want to raise taxes and are soft on fighting terrorism. Democrats contend the rhetoric is just an attempt to distract from Bush's failed track record in Iraq.

An AP-AOL News poll, taken this week, shows voters are frustrated with the war in Iraq and will cast their votes on Nov. 7 accordingly. Forty percent of likely voters say they are angry with Bush. More than half say they plan to vote Democratic. The president's job approval rating stands at 38 percent.

Bush made an appeal to conservatives by stressing themes of immigration and gay marriage. Before he left the White House, the president signed a law calling for 700 miles of additional fencing along the Mexico border. He also denounced a New Jersey Supreme Court ruling that gay couples are entitled to all the benefits of married couples.

"Yesterday in New Jersey we had another activist court that issued a ruling that raises doubts about the institution of marriage," Bush said. "I believe marriage is a union between a man and a woman. And I believe it's a sacred institution that is critical to the health of our society and the well-being of families, and it must be defended."

Republicans expect to lose seats to Democrats this year, a time of trouble in Iraq and scandals affecting several GOP lawmakers. The GOP hopes to control the losses by taking some Democratic seats, such as those in Michigan and Iowa.

Lamberti, whose family founded the Casey's General Stores empire of nearly 1,400 Midwest convenience stores, is running against Democratic Rep. Leonard Boswell, an Army veteran who has been in Congress for 10 years. Bouchard, who has been the Oakland County sheriff since 1999, trails first-term Sen. Debbie Stabenow in the polls and is even further behind in the money race.

Stabenow has raised more than $12 million since becoming a senator in 2001; Bouchard reported raising about $4.6 million as of Sept. 30.

With Michigan's sluggish economy the main issue in the race, Bush and Bouchard stopped by the Morley Candy Makers factory on their way to the main event because, Bush said, "One, I like small businesses. Two, I like sweets."

Stabenow's campaign suggested Bush's visit would do nothing to help Bouchard, comparing it to "throwing an anvil to a drowning man."

In Iowa, GOP gubernatorial candidate Jim Nussle avoided appearing with the president and sent his running mate to represent him. Nussle said a scheduling conflict prevented him from joining Bush. But that did not stop Nussle's opponent, Democrat Chet Culver, from accusing Nussle of "running and hiding" from Bush because of the president's low approval numbers.

So far, Bush's political events have been exclusively before donors willing to pay to see him — usually $1,000 a person. Bush's first free appearance will be Saturday in Sellersburg, Ind.

White House spokeswoman Dana Perino said those rallies will continue through Nov. 7, although his schedule will have some flexibility so he can help raise money for any candidates who need a final financial boost.

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On the Net:

White House: http://www.whitehouse.gov

Bush Rallies Iowa GOP On Fighting Terrorism (DMR)

DesMoines Register, October 27, 2006

President Bush urged Iowa Republicans today to work hard to keep their party in power, arguing that Democrats' view of the war on terror will endanger the country.

Bush was on the ground in Iowa just under three hours. Air Force One took off about 2:25 p.m., after Bush greeted members of the Iowa Air National Guard's 132nd Fighter Wing and their families.

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About 500 people attended the $100-per-ticket campaign event at the Iowa State Fairgrounds for Republican congressional candidate Jeff Lamberti. About $400,000 was raised for Lamberti and the party, the Lamberti campaign said.

Lamberti, a candidate for Congress in the 3rd District, is running against Rep. Leonard Boswell, a Democrat seeking a sixth term.

Bush's remarks were mostly focused on Iraq and the war on terror. He worked to make the case that if the United States does not pursue terrorists elsewhere in the world, Americans will have to fight them at home.

Bush warned that Democrats opposed tools needed to protect the country from terrorists. "There is a difference of opinion and voters in Iowa and across the country must understand that the Democrats have a different view about this war on terror — a view that I think makes America less secure and makes it harder for us to do our job to protect the American people," Bush said.

He also warned that talk of leaving Iraq would leave the United States vulnerable. "If we leave Iraq before the job is done, the enemy will follow us here," Bush said.

U.S. Sen. Charles Grassley, R-Ia., warmed up the crowd before Bush arrived. During his remarks, Bush told a story about coming to Iowa as govenor of Texas — a key oil-producing state — to talk about his support for ethanol. "I'm not sure you believed me," he teased Grassley.

While touting his support for Lamberti, Bush slipped a bit, twice calling the Republican state Senate president "Dave" instead of Jeff.

On Air Force One on the way to Des Moines, White House spokeswoman Dana Perino defended the decision to have the president appear on behalf of two challengers -- Lamberti and Republican Senate candidate Mike Bouchard in Michigan -- perceived to be lagging behind Democratic incumbents.

"I don't know what polls you're looking at," Perino told reporters. "I

would want to go back and check with our folks. We believe these candidates are going to win these seats."

She added: "And when the President is invited to come and campaign -- you heard him yesterday say that he likes to get out there and talk about the differences between the Republicans and Democrats when it comes to the big national issues in this campaign: national security, who is going to best protect this country; and the economy, who's going to keep your taxes

low. "

Bush will continue to help congressional candidates raise money, she said. "We're going to switch fairly soon to rallies," she said. "But we have flexibility in his schedule in case people need additional some dollars to get across the finish line."

The Boswell campaign spent a great deal of effort trying to paint Lamberti as a yes-man for the president. They sent reporters rubber stamps that read: “Yes, Mr. President” and said Lamberti would go along with proposals to privatize social security.

“If Jeff Lamberti is elected to Congress, he will rubber stamp President Bush’s dangerous scheme to privatize your social security, slash your benefits and drive the country into bankruptcy by adding trillions of dollars to the national debt,” Boswell’s spokesman Mark Daley said in a prepared statement.

White House officials have not ruled out a return by Bush through the election and the president's schedule is open after Tuesday.

Said Perino: "We'll be raising money up until the end if we need to."

She also promised some goodies at the fairgrounds. "You never know what kind of treats you're going to find there," she said. "I hear there is lots of fun, fried food. Yes, fried Twinkies and fried Snickers, I think."

Members of the traveling press corps were served the promised deep-fried Twinkies while en route to the fairgounds.

Bush landed at the Des Moines airport at 11:30 a.m., where he was greeted by U.S. Reps. Tom Latham and Steve King of Iowa. He also met with a Des Moines volunteer before heading to the fairgrounds.

Bush met with Sally Bates, a two-time breast cancer survivor and volunteer for the Susan G. Komen Breast Cancer Foundation. He presented the President's Volunteer Service Award to her for more than 14 years of service with the Des Moines Race for the Cure and the Des Moines affiliate of the Komen foundation.

Bush's Warren Visit Aims To Give Bouchard A Bounce (DETNS)

By Gary Heinlein And Jim Lynch

Detroit News, October 27, 2006

WARREN -- President Bush made a rousing speech Thursday to a gathering of Republican donors in support of U.S. Senate candidate Mike Bouchard.

It was Bush's second visit in a little more than a month in support of Bouchard, the Oakland County sheriff, hoping to come from behind in polls against Democratic Sen. Debbie Stabenow of Lansing. Stabenow leads Bouchard 50 percent to 38 percent.

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Combined, the president's appearances have raised $1.5 million.

In a speech that touched on terrorism and taxes, Bush told 600 donors who paid $1,000 a plate that Bouchard would help give Michigan's economy the boost it desperately needs.

"To go from worst to first, you need Mike Bouchard in the U.S. Senate," Bush said.

Bush also predicted Republicans would maintain their majority status in Congress.

"Our opponents are dancing in the end zone, except they are on the 15 yard line," Bush said.

While many congressional candidates are distancing themselves from Bush, Bouchard is gambling that Bush can help him by giving him more exposure as well as help fund his campaign war chest.

And while Bouchard was happy to be at the president's side, Democrats put their own spin on the visit. They questioned why he had the time to campaign for Bouchard but not to meet with U.S. auto company officials. Bush has said he will meet with them after the election.

"Three times we had a meeting set up, and three times he canceled," said U.S. Rep. John D. Dingell, D-Dearborn.

President Bush Stops At Candy Factory En Route To Warren Fundraiser (DNw)

By Gary Heinlein

The Detroit News, October 27, 2006

President Bush took a slight detour on his way to a Warren Republican fundraiser to satisfy a sweet tooth.

After landing at 4:35 p.m. at Selfridge Air National Guard Base, his motorcade swerved off Interstate 94 and made an unexpected stop at Morley Candy Makers on Hall Road in Clinton Township.

The staff presented him with a container of Michigan's famous Saunders hot fudge, and U-M and MSU candy bars.

He and Senate candidate Mike Bouchard, the reason for Bush's second visit to the state since September, toured the factory, shaking hands with sales staff and watching candy moving down the conveyor.

"They asked me why I came here," Bush told the media. "No. 1, I like small businesses. No. 2, I like sweets," he said while holding up a can of the hot fudge. "The spirit of entrepreneurship is strong in this store."

Sweet tooth satisfied, the president made a pitch for keeping taxes low for small businesses.

Karl Rove, accompanying Bush, stopped at the candy counter and bought confections for his staff in the presidential limousine.

Bush is scheduled to give a speech at the Walter R. Mabry Banquet and Convention Center in Warren to a $1,000 a person fundraiser for Bouchard, who is challenging Sen. Debbie Stabenow.

In Michigan, A Sale The GOP Can't Close (WP)

By E. J. Dionne Jr.

The Washington Post, October 27, 2006

HOUGHTON, Mich. -- While Republicans scratch their heads over why a seemingly good economy is not helping them nationally in this year's elections, Michigan is where the party once hoped a bad economy would help it seize a governorship.

The heavy hits sustained by the auto industry's Big Three have left the state with a 7.1 percent unemployment rate, just below the 7.2 percent rate for Mississippi, which endured Hurricane Katrina. The job hemorrhage seemed the ideal issue for billionaire businessman Dick DeVos, the Republican nominee, against Gov. Jennifer Granholm. She is a nationally respected Democrat who many think would have made a fine presidential candidate if only she had not been born in Canada.

DeVos, a conservative whose wealth comes from his family company, Amway, is auditioning for her job by insisting, Kennedy-style, that Michigan can do better. "We have gone backward while the country has gone forward," he said during a debate on Monday. "It's just unacceptable."

Tying himself to this season's most popular institution in the state, he said earlier this month: "If we need inspiration, look at the Detroit Tigers. They've succeeded against all odds because they changed leadership and changed their attitude."

Spending heavily from his own fortune, DeVos was on the verge of making the sale. A Detroit News Poll in mid-June found him leading Granholm 48 percent to 40 percent.

But Granholm has come back. The News poll in mid-October had her ahead, 51 to 42 percent. More recent polls give her a comparable lead. Her recovery helps explain why the economy is not helping the Republicans elsewhere.

The problem for the GOP is that while voters in better-off states seem to be voting on Iraq and other issues, those thinking most about the economy live in lagging industrial states such as Michigan and Ohio, and they are blaming President Bush and national policies for their troubles. In the Ohio Senate race, for example, Rep. Sherrod Brown, a Democrat, has built a lead over incumbent Republican Mike DeWine using hard-hitting advertisements on trade and the loss of manufacturing jobs.

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For her part, Granholm is doing everything she can to turn the argument on Bush and Washington. "My opponent began advertising way back in February trying to put the blame for Michigan's economic contraction on me," she said in a telephone interview, "when most people who work in the plants know that the shift of jobs to India or China is much more the result of federal policy and these trade agreements."

While Granholm has been helped by ads sharply attacking DeVos, the exchange between the two is at its heart a substantive choice between the challenger's tax-cutting approach and the incumbent's argument that recovery can come only from changes in federal policy.

"They feel this president has not stood up for them," Granholm says, arguing that voters are skeptical of "old-time solutions of just tax-cutting your way to prosperity." She calls for changes in federal trade, training, education and health-care policies. In the meantime, she has offered loans and tax breaks to the auto industry to preserve jobs. She says she is embarking on "as robust an industrial policy as we can to keep those jobs here," but adds: "My tools can do only so much."

In Michigan's Senate race, anti-administration feeling has also helped incumbent Democrat Debbie Stabenow, once considered vulnerable, to a double-digit lead in most polls over Republican Mike Bouchard. In an unusual display of solidarity between senatorial and gubernatorial candidates, Stabenow and

Granholm regularly reinforce each other's arguments.

"We have a national policy that says if you work for less, lose your health care and lose your pension, then we can compete," Stabenow says of the status quo. "The No. 1 way we could help employers in this country is to change the way we fund health care."

Granholm says she understands that economic change has been a rule in this state. The population here in Houghton County on Michigan's Upper Peninsula reached 88,000 in 1910 because of the copper industry boom. It declined, with the industry itself, to 35,000 people a half-century later, where it has held steady, buoyed by the presence of Michigan Tech.

The problem with the current manufacturing decline, says Granholm, is that it has been "so quick, so frightening . . . so cataclysmic and there has been so little transition time and people are left reeling." And the people who are reeling seem to be targeting Bush.

The president came into the state yesterday on behalf of Stabenow's opponent, and that's just fine with her. "I would welcome him back three or four times before the election," she says.

Poll Shows Democrats Leading Competitive House Races (MCT)

By Steven Thomma

McClatchy Newspapers, October 27, 2006

WASHINGTON — In a sign that a major wave could be building against Republicans in the House of Representatives, Democrats have opened a double-digit lead in competitive House campaigns around the country in a new poll and are within 2 percentage points in districts once considered safely Republican.

Democrats lead Republicans by 50 percent to 39 percent in 40 closely contested districts that are most likely to determine control of the House on Election Day, Nov. 7, according to the poll, which was released Thursday by the nonpartisan Pew Research Center.

Potentially more troubling for Republicans: They lead by only 44 percent to 42 percent in all other Republican-held districts, which went heavily for President Bush in 2004.

In House districts that gave Bush between 50 percent and 60 percent of the vote, for example, Democrats lead by 45-40 percent. The only place where Republicans hold an overall lead is in House districts that gave Bush more than 60 percent of their votes.

"With opinions of Congress growing increasingly negative, even safe Republican districts have been affected," said the Pew report.

The poll didn't look at each race individually, which arguably is a more accurate way to examine the races. But the overall trend in both the 40 competitive districts and the rest of the country underscored that Democrats enjoy an edge that could give them more than enough seats to seize control of the House.

Most of the 40 contested districts - 34 - are now held by Republicans. A net loss of 15 or more would cost them control of the House for the first time since they rode in on a tidal wave of anger at Democrats in 1994.

Separately Thursday, University of Virginia political scientist Larry Sabato forecast that Democrats will gain between 21 and 26 House seats. "2006 is a Democratic year. The analysts and observers are just debating how big a Democratic year it will be," Sabato wrote.

Also, Indiana University political scientists Carl Klarner and Stan Buchanan forecast that Democrats would gain 21 seats - one fewer than they predicted last April but still enough for control.

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Among the reasons for the Democratic edge in the Pew survey of competitive House campaigns: Voters in those districts ranked Iraq as their top concern and gave Bush considerably lower marks than voters in Republican-held districts that are still considered safe for Republicans.

Bush's approval rating, for example, was 36 percent in the competitive districts; it was 48 percent in other Republican districts.

Iraq was ranked a top issue by 50 percent of voters in competitive districts; it was a top issue by 43 percent in other Republican districts.

Nationally, opinions on Iraq have soured in the last month, the poll found. Also, while Republicans continue to have an edge on handling terrorism, it slipped from 16 points in April to 6 points now.

For more on the poll, go to www.pewresearch.org/

For more on McClatchy/MSNBC polls of toss-up Senate races, go to http://www.realcities.com/mld/krwashington//15835439.htm

DEMOGRAPHICS

Democrats have gained nationally among almost every demographic group compared to their support vs. Republican support in the 2002 midterm congressional elections. For example, among people age 65 and older, Democrats were 3 percentage points behind Republicans in 2002, but now are 16 points ahead of them. Similarly:

Ages 50-64, from -2 percentage points to +10

Ages 30-49, from -10 percentage points to +4

Men ages 18-29, from -11 percentage points to +18

Midwesterners, from -2 percentage points to +14

Southerners, from -7 percentage points to +3

Westerners, from -11 percentage points to +9

Rural, from -10 percentage points to +2

Working moms, from even to +18

Men, from -12 percentage points to +4

Whites, from -15 percentage points to +1

Those with incomes $50,000-$100,000, from -15 percentage points to +6

INDICATORS

Republican strengths/ edge over Democrats:

Terrorism/ +10 percentage points

North Korea/ +5 percentage points

Immigration/ +4 percentage points

Democrat strengths/edge over Republicans:

Health care/ +21 percentage points

Education/ + 16 percentage points

Energy policy/ +19 percentage points

Government reform/ +14 percentage points

Economy/ +10 percentage points

Taxes/ +5 percentage points

Iraq/ +5 percentage points

Morality/ +2 percentage points

Note: National numbers based on registered voters

KEY HOUSE RACES

The 40 competitive House districts:

Arizona 5, Arizona 8, California 11, Colorado 4, Colorado 7, Connecticut 2, Connecticut 4, Connecticut 5, Florida 13, Florida 22, Georgia 8, Georgia 12, Iowa 1, Iowa 3, Illinois 6, Illinois 8, Indiana 2, Indiana 8, Indiana 9, Kentucky 4, Minnesota 6, North Carolina 11, New Jersey 7, New Mexico 1, Nevada 2, New York 20, New York 24, New York 29, Ohio 1, Ohio 15, Ohio 18, Pennsylvania 6, Pennsylvania 7, Pennsylvania 8, Pennsylvania 10, Texas 17, Virginia 2, Vermont-at large, Washington 8, Wisconsin 8.

ABOUT THE POLL

The survey of 1,552 registered voters was conducted Oct. 17-22 and had a margin of error of plus or minus 3 percentage points. The sample of 528 registered voters in the 40 competitive districts had a margin of error of plus or minus 5 percentage points.

Once-safe Bets In GOP Country Pick Up A Bit Of Risk (USAT)

By Tom Kenworthy

USA Today, October 27, 2006

DENVER — When members of the conservative Club for Growth opened their checkbooks to back candidates in Republican primaries for open House seats in Colorado and Idaho, it seemed a pretty good bet that their choices would cruise into Congress if they won the preliminary rounds.

The seat in western Idaho that came open when Republican Rep. Butch Otter decided to run for governor hasn't been won by a Democrat since 1992, and President Bush carried the district with 69% of the vote two years ago.

The Colorado district, based in the conservative bastion of Colorado Springs and represented by retiring GOP Rep. Joel Hefley, has never sent a Democrat to the House since its creation in 1972. Bush won there with 66% in 2004.

"If we can help someone win the primary who is truly committed to limited government, economic freedom and pro-growth policies, they almost always go on to win the general election," says Club for Growth President Pat Toomey.

Less than two weeks before the Nov. 7 election, the Club for Growth's choices in Colorado and Idaho are looking less like surefire investments. The group's 36,000 members and political action committee have spent about $700,000 on the Idaho race and about $310,000 in the Colorado district.

In Colorado, Republican candidate Doug Lamborn, a 12-year veteran of the state Senate, has been hurt by lingering divisions from a bitter six-way primary in August. Hefley, who has represented the district 20 years, called Lamborn's campaign "sleazy and dishonest" and has refused to endorse him.

That's been a boost for Democrat Jay Fawcett, a decorated Air Force veteran of the 1991 Gulf War with strong ties to Colorado Springs, home to the Air Force Academy and a sizable military population. An Oct. 10 Denver Post poll showed Lamborn and Fawcett tied at 37% each, though an Oct. 19 poll by KUSA-TV had Lamborn up by 13 points.

Bob Loevy, a political science professor at Colorado College, isn't betting on Fawcett yet but says a Democratic victory is "within reach." Loevy says the divisive primary, Hefley's criticism of Lamborn, and Fawcett's military background could combine to put "a very Republican seat in play."

Lamborn — running on his support for Bush's tax cuts and strategy in Iraq, as well as being tough on immigration — says Hefley's stance "has not been helpful."

He says he'll prevail because "I'm a Ronald Reagan conservative, and that is the majority sentiment within this district."

Fawcett says he's finding traction with a message that plays on voters' "frustration about where the president is going on Iraq." He proposes redeploying U.S. troops to Iraqi border areas and engaging nations in the region to find a solution for sectarian violence there.

In Idaho, it's been five months since Republican Bill Sali won a divisive six-candidate primary, but time has not healed rifts within the party, some of them dating to Sali's 16-year tenure in the Legislature. The Idaho Statesman endorsed Democrat Larry Grant, saying Sali spent his legislative career "fixated on hot-button issues such as abortion, alienating fellow Republicans."

After Sali discussed a supposed link between abortions and breast cancer early this year, Idaho House Speaker Bruce Newcomb, a Republican, called him "an absolute idiot" who "doesn't have an ounce of empathy." Former GOP speaker Mike Simpson, now in the U.S. House, once threatened to throw Sali from a second-floor window.

Grant, a former executive at chipmaker Micron Technology, Idaho's largest employer, stresses imposing fiscal restraint in Washington and getting "corruption under control." His most recent television ad features fellow Republicans criticizing Sali.

Grant says Republicans "nominated a candidate who is not well-liked even in his own party. … He doesn't play well with others."

Northwest Nazarene University political scientist Steve Shaw says Sali "is seen as a very abrasive figure" who strikes even some Republicans as "an embarrassment." But Grant has an "uphill battle," Shaw adds, "because of how Republican the district is."

Sali, who supports Bush on Iraq, favors making English the official U.S. language and backs a constitutional amendment defining marriage as the union of one man and one woman, says his controversial reputation has been overblown. "I go to a Rotary Club or a Chamber of Commerce, and people always say to me, 'You're not at all what I expected,' " he says.

Sensing an opportunity, the Democratic Party's House campaign committee this month added the Idaho contest to its list of "emerging races," though it has yet to make a financial commitment.

Toomey says Club for Growth members and the group's political action committee will spend more than $18 million backing candidates this election cycle. About two-thirds of the club's endorsed candidates have prevailed so far, either in primaries or special elections. The group lost one high-profile effort this year when its favored Senate candidate in the Rhode Island primary, Steve Laffey, lost to incumbent Lincoln Chafee.

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Toomey says he's confident both Sali and Lamborn will win. “But the truth is,” Toomey says, “this is a very, very difficult environment for national Republicans.”

Incumbents On The Ropes Over Ties To Abramoff (NYT)

By Jesse Mckinley

The New York Times, October 27, 2006

TRACY, Calif. — In the past decade, Representatives Richard W. Pombo and John T. Doolittle, Republicans of California, have shared rising political careers, a love for conservative politics and years of cruising to re-election.

Now they share a pressing problem: questions about their relationships with Jack Abramoff, the former Washington lobbyist at the center of an extensive corruption investigation. While the Abramoff scandal no longer dominates national headlines, it has been a keystone of the Democratic strategy against Mr. Pombo and Mr. Doolittle, who are locked in tightening re-election campaigns despite the benefit of representing solidly Republican districts.

Both congressmen, whose districts are separated by 20 miles of Central Valley farmland, have denied any wrongdoing, and the Justice Department has not publicly named either of them in its Abramoff investigation. Still, their association with the lobbyist, his associates and clients — who gave tens of thousands of dollars in campaign contributions to their past campaigns — remains difficult to shake as Election Day nears.

Only a few months ago, the Doolittle and Pombo seats were considered safely Republican, but the electoral landscape for Republicans has changed so significantly that the Democratic Congressional Campaign Committee now includes them on a list of “emerging races” for Democrats. This week, the committee began broadcasting an anti-Pombo advertisement.

The National Republican Congressional Committee says the Democratic candidates on that party’s emerging-races list are underfinanced “bottom tier candidates.” But the Republican committee is taking a different tack on the ground in California, pumping money and big-name support into both races.

President Bush made a campaign swing through the two California districts this month, raising more than $400,000 for Mr. Pombo in the 11th District and about $600,000 for Mr. Doolittle in the Fourth District. The Republican committee spent more than $153,000 this month on phone banks and mailings in the Doolittle race, and previously spent about $650,000 on phone banks, mailings and surveys for Mr. Pombo.

While both Republicans hold significant financial advantages heading into the final stretch of the campaign, with about three times as much cash on hand as their opponents, Mr. Pombo says he is anxious, in part because of heavy spending from outside groups.

“I’m nervous every time,” he said in an interview.

Mr. Doolittle declined to be interviewed, but a spokesman predicted the congressman would be re-elected.

“This district doesn’t elect liberal Democrats,” said the spokesman, Richard Robinson. “It doesn’t elect them dogcatcher, and it certainly doesn’t elect them to Congress.”

Mr. Pombo, especially, has been hammered about more than his Abramoff connections. Environmental groups like the Sierra Club have heavily criticized his tenure as chairman of the House Committee on Resources and have committed a lot of money and volunteers to try to unseat him.

Mr. Doolittle, meanwhile, has been answering questions about an arrangement whereby his wife, Julie, working as his chief fund-raising consultant, takes a 15 percent commission on fund-raisers she organizes. That included the president’s recent visit, which netted about $90,000 for Mrs. Doolittle. Mr. Doolittle has defended his wife, saying her commission is in line with what other consultants charge.

Still, the Abramoff name has dominated large parts of the campaigns, with Democratic candidates invoking the lobbyist in advertising, and the news media, including The Sacramento Bee, digging into the lobbyist’s California dealings. The Washington Post, quoting unnamed sources, reported on Oct. 14 that Mr. Doolittle was being investigated by the Justice Department, an accusation Mr. Doolittle denies.

In a recent editorial endorsing Mr. Pombo’s Democratic opponent, The Bee said that Mr. Pombo had taken money from Mr. Abramoff, an “admitted political fixer,” and that the congressman “personifies all that ails Washington.”

The Democrats have also been beating the Abramoff drum. Last week Mr. Doolittle’s opponent, Charlie Brown, a retired Air Force colonel, broadcast a television advertisement accusing Mr. Doolittle of taking “thousands from convicted Congressional bribers,” a phrase intoned while a picture of Mr. Abramoff flashed on the screen.

In the Pombo race, Jerry McNerney, a mild-mannered mathematician and wind-energy expert who Mr. Pombo soundly beat in 2004, has called on the congressman to reveal all e-mail correspondence with Mr. Abramoff.

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Democrats say the strategy is working. Mr. Brown and Mr. McNerney have helped create a buzz by publicizing internal polls, which are traditionally unreliable and subject to manipulation by campaigns, showing them at least tied with Mr. Doolittle and Mr. Pombo, both of whom were re-elected in 2004 with more than 60 percent of the vote.

There are signs that both incumbents are campaigning more vigorously than in years past.

Mr. Doolittle recently agreed to his first debate in a decade, where he was peppered with questions about Mr. Abramoff, who personally gave $14,000 to his past campaigns and paid Mr. Doolittle's wife to work as an event consultant.

Mr. Doolittle, an eight-term Republican and a member of the House leadership, appeared frustrated at times. Mr. Abramoff "didn't turn out to be the person I thought I knew," he said. "But I didn't do anything untoward with him."

Mr. Doolittle has not apologized for refusing to return the donation from Mr. Abramoff. "The congressman doesn't return money that has been ethically given and ethically taken," Mr. Robinson said. "And certainly that was the case with Mr. Abramoff."

Mr. Pombo said he gave to charity the $7,500 that Mr. Abramoff personally donated to his past campaigns. But he still faced questions about his relationship with Mr. Abramoff during a debate on Oct. 5. "I met the guy two or three times in my whole life," Mr. Pombo said. "He never once lobbied me on anything. He never asked me to sign a letter to vote for or against a bill, to introduce a bill, never once stepped foot in my office."

Mr. Pombo may be the more vulnerable of the two Republicans owing to demographic changes in his district, which meanders over four counties. Redistricting in 2001 incorporated parts of several rapidly growing, far-flung San Francisco suburbs, and Democratic voter registration has increased as a result. Mr. Pombo rejects that notion, saying that when he was originally elected in 1994 his district was Democratic.

The Sierra Club and the League of Conservation Voters, which have run advertisements opposing Mr. Pombo, are counting on the district's new suburbanites to be turned off by Mr. Pombo's environmental record, which has included advocating for drilling in the Arctic National Wildlife Refuge and a strong support of private property rights.

The Sierra Club, which has spent about $250,000, and the Defenders of Wildlife Action Fund, which has spent more than $500,000, are planning to knock on 30,000 doors in the next two weekends. All told, environmental groups are expected to spend more than $1.5 million to defeat Mr. Pombo, said Eric Antebi, a Sierra Club spokesman.

No such demographic change has occurred in Mr. Doolittle's district, which sprawls from the suburbs of Sacramento north and east to the Oregon and Nevada borders. Democrats make up less than a third of registered voters there, but his opponent, Mr. Brown, has been using bloggers to rally support.

A career Air Force man who flew rescue helicopters in Vietnam, Mr. Brown said he entered the race out of patriotic duty.

"It's a normal military thing: I saw a need and decided to fill it," said Mr. Brown, whose son Jeff is an Air Force captain about to start his fourth rotation in Iraq. "The idea of service, you don't back away from things that need to be done."

Mr. McNerney also comes from a military background, although an aborted one. The son of an Army officer, he attended military high school in Kansas and the United States Military Academy at West Point, but he dropped out during Vietnam.

Mr. Pombo and Mr. Doolittle say their opponents' campaigns are being driven by liberal Bay Area politicians like Representative Nancy Pelosi and Senator Barbara Boxer, both Democrats.

"By day he's attempting to be a conservative to district voters, and by night kowtowing to liberals in the Bay Area who are funding his campaign," Mr. Robinson said of Mr. Brown. Mr. Doolittle has also repeatedly criticized Mr. Brown for refusing to give up his membership in the American Civil Liberties Union, a group that he has said is "doing negative things to this country."

Mr. Pombo, meanwhile, said he was not surprised by the Democrats' effort to lump the two races together.

"There's a lot of similarities," Mr. Pombo said. "A lot of the stuff they send out, they just scratch off his name and put mine in."

GOP Slips At Foley Scandal's Epicenter (CSM)

By Warren Richey

The Christian Science Monitor, October 27, 2006

HOBE SOUND, FLA.

Florida's 16th Congressional District is a classic political gerrymander drawn to favor Republican candidates over Democrats. Shaped like a squashed plumber's wrench, it meanders across eight counties to link Republican strongholds on Florida's east and west coasts.

But even the fanciest handiwork of Republican line-drawers in Tallahassee may be of little comfort to Joe Negron this election season. He is the former state representative from Stuart tapped by the Republican Party to run for the seat left vacant by disgraced US Rep. Mark Foley amid the Congressional page scandal.

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Mr. Foley's former seat is one of the four most vulnerable Republican congressional seats in the Nov. 7 election, says the nonpartisan Cook Political Report. It is considered a key contest in a national push by Democrats to gain 15 or more seats to take control of the House of Representatives and elevate Nancy Pelosi to House speaker.

Although Florida's 16th Congressional District is designed to produce Republican winners, analysts say this year may be different.

"It is going to be a very tough go for Negron to win," says Del Ali of the independent polling firm Research 2000.

Two weeks ago, a poll by Mr. Ali showed Mr. Negron trailing Democratic candidate Tim Mahoney by 7 percentage points. The pollster says Democrats are more fired up than Republicans, and that independent voters in the district - a critical voting bloc - favor Mr. Mahoney by 30 points.

"If Negron becomes competitive with independents, that is how he would pull it out," Ali says. "He has got to take it to within five or six points." Democrat hits hurricane insurance

Mahoney, who runs a financial- services company, is critical of the local economy and skyrocketing hurricane insurance rates in campaign appearances and ads. He is also pushing the need for change in Washington.

Negron is hoping to capitalize on campaign stops by Gov. Jeb Bush, who is said to enjoy a 60-plus percent approval rating among district voters.

Both candidates can stake legitimate claims to the political center. Mahoney is a former Republican, while Negron is a former Democrat.

But Negron faces a particularly difficult obstacle - he must find a way to win an election without his name appearing on the ballot.

Because Mr. Foley resigned so late, Republicans were barred from changing the ballot. Election law in Florida establishes a strict deadline for ballot changes. If a candidate withdraws after the deadline, the original candidate's name remains on the ballot, though a replacement candidate receives any votes cast for the original candidate.

A similar situation arose in 2004 when the Democratic challenger in a race in nearby Palm Beach and Broward counties suddenly pulled out for health reasons. Although the new candidate's name did not appear on the ballot, signs were posted in each precinct to help clarify the situation.

Following Foley's departure from the current campaign, elections officials were discussing the possibility of posting similar precinct signs. The proposed signs were designed to explain that a vote for Foley would be counted as a vote for Negron. The signs also explained that a vote for the Democratic candidate, Mahoney, would be counted as a vote for Mahoney. The balanced wording on the posted signs was intended to avoid granting an unfair advantage to any one candidate, while at the same time preventing voter confusion.

The state Democratic Party sued to block not only precinct signs but any verbal communication between poll workers and voters concerning Foley's name on the ballot or Negron's candidacy. Last week, a state judge granted the Democratic Party's request for an injunction. Circuit Judge Janet Ferris barred election officials in the 16th District from posting special signs or verbally explaining why Negron's name was not on the ballot and why Foley's name was still on. Poll workers can't help voters

The ruling marks the first time a judge has ever interpreted Florida election law so broadly to bar any mention of a candidate in response to a voter's question. State officials are appealing Judge Ferris's ruling. Some poll workers are referring to Judge Ferris's ruling as a preelection "gag order."

Early voting began this week. Negron campaign workers are positioned outside the polls to stress to voters that a vote for Foley is really a vote for Negron.

David Levine, a Republican committee member in Martin County, has been manning the parking lot outside the polls at the Hobe Sound Library. "There is a very high rate of awareness" of the ballot issue, he says. "There was only one person I had to explain the whole situation to. Everyone else knows it."

Political analysts say that early voters tend to be more politically aware. The real test will be on Election Day when independent undecided voters arrive at the polls, analysts say.

When Hobe Sound poll worker William Harrington was asked about the Foley-Negron-ballot issue, he said, "I can't answer any question about that. We're under tight restrictions."

He added: "We received on Monday morning a sheet saying we could give no assistance as to candidates and we were warned that there might be people like you testing what we do."

One voter, Anita Hunt, said she overheard a man complaining loudly to officials manning the Hobe Sound precinct. "He was saying all kinds of four-letter words and 'I don't understand this,' " Ms. Hunt said. She said she heard the poll worker suggest that the man should ask his wife for help with his question. She said she heard the poll worker tell the man, "I can't advise you."

Despite the incident, voters emerging from the polls at Hobe Sound said they had no problem voting for the candidate of their choice - including many who said they voted for Negron.

"It is not confusing at all," said Jean Aldridge, after casting her ballot for Negron. "Anyone listening to the news or reading the paper should know."

Kevin Conway said he wasn't confused by the ballot. "I wouldn't vote for either Foley or Negron," he says. But he added that he saw no reason why new ballots couldn't be printed "for the dumb Republicans who want to vote for Negron."

Some voters interviewed after casting their ballots said they were disappointed with Foley, but that they wouldn't hold the scandal against the Republican Party or Negron. Others aren't so willing to forgive.

Marilyn Budensiek, a Negron campaign volunteer, says she's seen angry voters. "I do think Mark Foley has hurt the Republican cause," she says. "That may be more of a burden than Joe Negron not being on the ballot."

Robert Page, a self-described independent voter, said the scandal "swayed me all the way" to vote Democratic. "It is like a decaying process from the top down," he said of Republican elected officials. How the corruption cloud may affect contests for House seats

Three House seats were left open by lawmakers now under investigation. Democrats are taking advantage.

· Ohio, 18th District: Democrat Zack Space is ahead in the polls to fill the seat being vacated by Rep. Bob Ney (R), who pleaded guilty this month to taking favors in return for official actions on behalf of disgraced lobbyist Jack Abramoff and his clients. Mr. Ney's hand-picked candidate is state Sen. Joy Padgett.

· Texas, 22nd District: The seat held by former House majority leader Tom DeLay (R) is expected to shift to Democratic control. Mr. DeLay resigned from Congress in June amid money-laundering charges in Texas, and Republicans, barred by law from substituting a name on the ballot, must pin their hopes on a write-in campaign. The Democrats' Nick Lampson, a former congressman, is running strong.

· Arizona, Eighth District: Rep. Jim Kolbe (R), who recently came under scrutiny for taking a 1996 camping trip with congressional pages, is retiring. Democrat Gabrielle Giffords leads Republican Randy Graf.

Some House incumbents under investigation are running for reelection. They deny wrongdoing.

· California, Fourth District: Rep. John Doolittle (R) accepted campaign money from Mr. Abramoff and used the lobbyist's luxury sports box for a fundraiser without initially reporting it. Mr. Doolittle faces little-known Democrat Charlie Brown in a strongly Republican district and appears poised for victory.

· California, 41st District: Rep. Jerry Lewis (R) accepted $60,000 from San Diego defense contractor Brent Wilkes, who hired a lobbying firm to push the powerful Appropriations Committee chairman for federally funded projects. An investigation by federal prosecutors became public weeks before the primary, too late for Mr. Lewis to attract strong opposition.

· Louisiana, Second District: Rep. William Jefferson (D) was the target of an FBI raid in May at his Capitol Hill office as part of an investigation into whether he took a $100,000 bribe in 2005 - all but $10,000 of which was alleged to be found in the freezer of his Washington home. Jefferson faces a long list of challengers, and the state Democratic Party has endorsed his closest competitor, Karen Carter.

· Pennsylvania, Seventh District: The political future of Rep. Curt Weldon (R) is in doubt amid allegations he used his influence to help his daughter's lobbying firm secure contracts worth $1 million from foreign clients. The FBI raided his daughter's home and office this month in what Mr. Weldon termed a politically motivated inquiry. Weldon faces Democrat Joe Sestak.

· West Virginia, First District: Rep. Alan Mollohan (D) faces a stiff challenge from Republican Chris Wakim, who has support from the national Republican Party and big names such as first lady Laura Bush and Vice President Dick Cheney. Mr. Mollohan is the subject of an investigation into federal money given to nonprofit groups that contributed to his campaigns.

Democrats Fear Disillusionment In Black Voters (NYT)

By Ian Urbina

The New York Times, October 27, 2006

Last weekend, Jim Webb, the Virginia Democrat who hopes to oust Senator George Allen, crammed in visits to 12 black churches, and for several weeks he has been pumping money into advertisements on black radio stations and in black newspapers.

In Missouri, Claire McCaskill, the Democrat trying to unseat Senator Jim Talent, has been running advertisements about sickle cell anemia, a genetic illness that mostly afflicts black people, and the importance of stem cell research in helping to find a cure.

For Democrats like these in tight races, black voter turnout will be crucial on Election Day. But despite a generally buoyant Democratic Party nationally, there are worries among Democratic strategists in some states that blacks may not turn up at the polls in big enough numbers because of disillusionment over past shenanigans.

“This notion that elections are stolen and that elections are rigged is so common in the public sphere that we’re having to go out of our way to counter them this year,” said Donna Brazile, a Democratic strategist.

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This will be the first midterm election in which the Democratic Party is mobilizing teams of lawyers and poll watchers, to check for irregularities including suppression of the black vote, in at least a dozen of the closest districts, Ms. Brazile said.

Democrats' worries are backed up by a Pew Research Center report that found that blacks were twice as likely now than they were in 2004 to say they had little or no confidence in the voting system, rising to 29 percent from 15 percent.

And more than three times as many blacks as whites — 29 percent versus 8 percent — say they do not believe that their vote will be accurately tallied.

Voting experts say the disillusionment is the cumulative effect of election problems in 2000 and 2004, and a reaction to new identification and voter registration laws.

Long lines and shortages of poll workers in lower-income neighborhoods in the 2004 election and widespread reports of fliers with misinformation appearing in minority areas have also had a corrosive effect on confidence, experts say.

The harder question is whether this jaded outlook will diminish turnout.

Recent polls have found record levels of outrage from Democrats about the current political leadership, which may offset the effect of black disillusion.

But Saleemah Affoul of Milwaukee, for one, is not so sure. Like many other black people in her neighborhood, Ms. Affoul said she was convinced that no matter how she voted, it would not be counted fairly.

"I do think the system is rigged," she said. "I vote anyway because my forefathers worked too hard to win me that right. But not everyone feels that responsibility around here."

Walking along Martin Luther King Jr. Drive in the gritty and mostly black section of Brewers Hill on the North Side of Milwaukee, Ms. Affoul said that cynicism in her neighborhood was on the rise.

She traced her own skepticism to one afternoon two months before the last presidential election when she overheard several young black men saying they were not going to vote because they feared being arrested at the polling station for their unpaid parking tickets. The neighborhood had been flooded with fliers from the Milwaukee Black Voters League, a fictitious group, saying that even minor infractions like parking tickets disqualified people from voting.

Ms. Affoul, 66, said she argued with the men but failed to convince them that they had been misinformed.

"I realized that maybe the poll tax isn't gone after all, and that if people were willing to try that trick, they might be willing to do a lot more that I don't even know about," she said.

Black voters are expected to play crucial roles in races for governor and the Senate in Florida, Maryland, Michigan, Missouri, Ohio, Pennsylvania, Tennessee and Virginia.

In Maryland, where blacks make up about 30 percent of the electorate, the Democratic candidate for governor, Martin O'Malley, who is white, is trailing the Republican incumbent, Robert L. Ehrlich Jr., by several points. Mr. O'Malley needs a large turnout among blacks in Baltimore to win, and he has mobilized more than 2,000 get-out-the-vote workers in black neighborhoods. He also helped his chances of attracting the black vote by selecting Anthony G. Brown, a black lawyer, as his running mate.

In Tennessee, Representative Harold E. Ford Jr. is depending on a strong showing from blacks in Memphis, which he represents, to edge past Bob Corker and become the first black senator from a Southern state since Reconstruction.

In Virginia, Democrats hope that recent accusations of racism against Senator Allen will motivate blacks to vote for his Democratic opponent, Mr. Webb.

Ronald Walters, director of the African American Leadership Institute at the University of Maryland, said the reason for the rise in black voters' cynicism could be summed up in a single word: confirmation.

Mr. Walters said that episodes of voter suppression that were dismissed in 2000 as unfounded recurred in 2004 and were better documented because rights groups dispatched thousands of lawyers and poll watchers. In addition, the first national data-tracking tool, the Election Incident Reporting System, offered a national hot line that fed a database of what ended up to be 40,000 problems.

"All of a sudden after 2004, these weren't just baseless or isolated incidents," Mr. Walters said.

The type of misleading letter sent this month to 14,000 Hispanic immigrants in Orange County, Calif., threatening them with arrest if they tried to vote, was hardly a first. In 2004, similar fliers appeared in predominantly black neighborhoods in the Pittsburgh area, on official-looking letterheads. The fliers said that because of unusually high voter registration, Republicans were to vote on Election Day, and Democrats were to vote the next day.

Fliers sent in Lake County, Ohio, told people that if they had registered through the N.A.A.C.P., they could not vote.

Asked whether such tactics from 2004 could influence black turnout next month, the Rev. Al Sharpton of New York, whose National Action Network is also mobilizing voter protection teams, said that despite insufficient action from Democrats in responding to the problems, he believed that black turnout would be high.

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"Just because more of us believe that folks are trying to rob us of certain rights doesn't mean we are more likely to give up and leave the front door unlocked," Mr. Sharpton said.

The rollout of new voting machines may also be contributing to black voters' fears.

"African-Americans are more susceptible to conspiracy theories about the new technology because they have been subject to actual conspiracies more often than the rest of the population," said David A. Bositis, senior political analyst for the Joint Center for Political and Economic Studies in Washington, a research organization dedicated to African-American issues.

Marsha Lindsey, a black paramedic and former poll worker in Dayton, Ohio, said that after 2004 she stopped arguing with her black friends when they said there was no point in voting.

Spencer Overton, a law professor at George Washington University and author of "Stealing Democracy: the New Politics of Voter Suppression," said the threat of voter suppression presented difficult strategic decisions.

"Voter suppression is a real threat," Mr. Overton said, "but Democrats can't invest so much into voter protection that they don't have adequate resources to turn out their voters to the polls in the first place."

The Rev. DeForest B. Soaries, who is black and was appointed by President George W. Bush as the first chairman of the United States Election Assistance Commission, an agency meant to help carry out the Help America Vote Act, said Democrats overestimated the problem of voter suppression in much the same way Republicans overestimated the problem of voter fraud.

Skepticism is especially pronounced in poor black neighborhoods, Mr. Soaries said, because these communities are often disproportionately affected by problems with machines and the number and training of poll workers. When problems do occur in these areas, he added, they occur against a historical backdrop of voter suppression.

Whatever its consequence, the topic is very much on Democrats' minds. At a recent Democratic fund-raiser in Atlanta, at the home of Representative John Lewis, who is black, conversation centered on perceptions that widespread voter disenfranchisement would haunt the 2006 elections.

Former President Bill Clinton addressed the issue there, criticizing some Republican campaign tactics. After mentioning rough-edged political ads and other strategies, he said, "And when that doesn't work, they try to keep you from voting."

Headed into a statewide candidates' forum on prison overhaul, for pastors from Baltimore, the Rev. Heber Brown III, who is black, said that the success of black voter mobilization efforts in 2004 set the stage for some disillusion.

"Last time, you had hip-hop leaders like Russell Simmons, Eminem and Sean Combs with the Vote or Die campaign and lots of young blacks voted but what did they get?" said Mr. Brown, 26, pastor of Shiloh Baptist Church in Baltimore County. "Now when you talk to young black voters you can't just say, 'Get out the vote,' you have to first do a lot of explaining, cut through a lot of confusion about the 2004 vote and first talk about how change takes time."

Clinton On Campaign Trail For Democratic House Seats (NYT)

By Raymond Hernandez

The New York Times, October 27, 2006

SYRACUSE, Oct. 26 — Bill Clinton campaigned in upstate New York on Thursday, trying to give a boost to Democratic candidates seeking to topple several entrenched Republicans in the Democratic Party's drive to retake the House of Representatives.

"This country can take a new direction with a new Congress," Mr. Clinton said during a rally at the airport here after accusing the Republican Party of being led by a right-wing faction beholden to special interests. "We can make a new beginning."

Mr. Clinton's appearance underlined the sense of confidence that Democrats feel about their prospects for picking up several House seats in Republican strongholds of New York.

Here in central New York, Democrats are taking aim at two Republican-held seats: in the 25th Congressional District, where Representative James T. Walsh is facing Dan Maffei; and in the 24th District, where State Senator Raymond A. Meier, a Republican, is battling Michael A. Arcuri, a Democrat, to succeed Sherwood L. Boehlert, a Republican who is retiring.

Mr. Maffei and Mr. Arcuri were both on hand at the rally here in a hangar at which Mr. Clinton praised them and several other Democratic candidates as agents of positive change.

Earlier in the day, Mr. Clinton was in Albany, where he campaigned with Kirsten Gillibrand, who is trying to unseat Representative John E. Sweeney, the Republican incumbent in the 20th District.

Mr. Clinton's visit coincided with an unexpected last-minute drive that Democratic leaders in Washington are making in upstate New York, a region that they appeared to have largely written off a few months ago.

Underscoring the stakes in New York, Representative Rahm Emmanuel, the head of the Democratic Congressional Campaign Committee, also appeared at the Albany rally before traveling here to Syracuse to make a campaign appearance for Mr. Arcuri and be the host at a fund-raiser for Mr. Maffei.

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Emboldened by a stream of bad news for Republicans, including the mounting death toll in Iraq, Democrats are pumping money and manpower into districts around the state where they believe Republicans are vulnerable.

Republicans have countered that Democrats are overstating their prospects of winning in New York in an effort to force them to spread their resources thinner than they have already. Democrats, who need 15 seats to capture control of the House, are seriously challenging Republican incumbents in races throughout the country.

Republicans contend that their incumbents in New York are secure because of their records of achievement locally and because the districts they represent give Republicans an enrollment edge over Democrats. Moreover, they argue that Congressional races typically turn on local issues and personalities, not on the overall national climate.

And yet there is evidence that Republicans may be worried that some of the party's seats in New York are suddenly in play. Four Republican-held districts in New York were put on a fund-raising list that Republican leaders compiled, identifying candidates who are "most in need of support right now," according to an article published this week in The Hill, a publication that covers Washington politics.

On his visit here, Mr. Clinton got in a plug for his wife, Senator Hillary Rodham Clinton, who is up for re-election next month. He drew chuckles when he told the audience that it was her birthday and that he had asked her whether there was anything special he could do to mark the occasion.

"She said, 'There sure is. Go to upstate New York to campaign for our candidates,' " he recalled.

As it turned out, Mr. Clinton left Syracuse and went on to campaign for another candidate: Mrs. Clinton herself. While she is considered a shoo-in for re-election, her advisers believe that a substantial margin of victory in November could give her momentum in advance of a potential presidential bid should she decide to run.

Appearing at a Democratic rally yesterday at Republic Airport in Farmingdale, N.Y., Mr. Clinton enumerated his wife's accomplishments over the past six years, highlighting her efforts to help combat breast cancer, a potent issue among women on Long Island.

He also praised his wife, who was not present at the rally, for her bipartisan work ethic, and he called for less "fighting" and more "honest arguments" in government.

Pat Toomey (CSM)

By David Cook

The Christian Science Monitor, October 27, 2006

Posted October 27, 2006 - http://www.csmonitor.com/2006/1027/p25s01-usmb.html Pat Toomey By David Cook

The conservative Club for Growth's president, Pat Toomey, is careful not to predict a Democratic takeover of the US House of Representatives. But his comments over breakfast with reporters Thursday make it clear: his advocacy group is preparing for major changes on Capitol Hill.

If Republicans lose the House, Toomey says, "The Club for Growth is poised to play an enormous role in helping to rebuild a limited government, pro-growth majority in the US House." Toomey, a former Congressman, has been head of the Club for Growth since last year.

The Club lobbies for making the Bush tax cuts permanent, eliminating the inheritance tax, cutting government spending, and boosting free trade. The group has a political action committee which supports Republican candidates who are in synch with its policy positions.

If you think control of the House will change, "then you presumably accept some of the things that follow from that - the likelihood of several very quick, if not immediate, resignations, a wave of retirements," Toomey said. "These are thing that are not infrequent when there is a change in control."

Toomey was careful when talking about the political fate of House Speaker Dennis Hastert. "I don't want to make a prediction about Denny Hastert. As a general matter I will say this: I think Republicans are certainly likely to lose seats. After the election I will say I think there will be new faces at high levels of the House leadership," Toomey said.

While a Democratic takeover would complicate his organization's work, Toomey notes, "Some good things could come of this. I think for one the president ought to - if this were to happen - I think the president ought to call the Democrats on their claims that they are all upset about the earmarking and the wasteful spending. OK, good. So let's see if Nancy Pelosi will agree to not have earmarks in appropriation bills. Let's see if she will agree to hold the line on spending. I am sure she won't. But I think the president ought to call them out on this...."

Free trade is a key issue for the club. "If we lose either [the House or Senate to the Democrats], I think free trade is in big trouble," Toomey said. "And it is one of the things that worries me a great deal ... the only remaining way to expand trade is bilateral and possibly regional agreements. Those require fast track [negotiating] authority. Fast track authority expires in July.

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There is no way Nancy Pelosi is going to approve fast track authority for the president.... It goes from tough but doable to impossible."

A native of Providence, Rhode Island, Toomey put himself through Harvard University with scholarships and loans. He then became an investment banker and later operated a restaurant business with his brothers.

In 1998, he ran for Congress in Pennsylvania's 15th district. In the primary that year, he called for both Social Security individual investment accounts and a 17 percent flat tax. He also pledged to serve for only six years.

And he won.

Representative Toomey mounted a primary challenge against Senator Arlen Specter in 2004, but narrowly lost. He moved to the Club shortly thereafter.

Well-Timed Funding In Tight Races (WP/AP)

By Ben Feller

The Washington Post, October 27, 2006

Those in power love to dole out grants at election time. With Republican control of Congress at risk, the Bush administration is busily using the perks of incumbency to help allies from Ohio to California.

The formula: Cabinet luminaries travel to competitive districts and hand out money while local candidates bask in media coverage.

"Democrats did it. Republicans are doing it. The Whigs and the Federalists probably did it as well. It's a very old tradition," said John Fortier, a research fellow who studies politics at the American Enterprise Institute.

Take Pennsylvania, where Rep. Curt Weldon (R) was getting some fuel Wednesday from the Energy Department. The agency sent an assistant secretary to stand next to Weldon at a news conference, touting a local company that had just scored a $6.3 million federal grant. The photo op comes as Weldon is under federal investigation for conflicts of interest and is facing the most formidable reelection challenge in his 20-year career.

In the same state last week, Labor Secretary Elaine Chao joined another endangered Republican, Sen. Rick Santorum, and thanked him for his leadership. Then she announced a $10.4 million grant to help the state clean up from severe storms.

Education Secretary Margaret Spellings chose to start handing out grants for teacher bonuses at the political crossroads of Ohio this week. In one of the state's most closely watched races, polls show Sen. Mike DeWine (R) trailing Rep. Sherrod Brown (D).

Spellings began her day Monday by appearing in Cincinnati with Rep. Steve Chabot (R), who is in his own election fight. To announce the $20 million grant for Ohio, she stood in Columbus with Rep. Ralph Regula (R), who oversees the House spending bill for education. The Education Department said the election had no bearing, but Brown called it a publicity stunt and "cynical politics at its worst."

Elsewhere in the Cabinet, Agriculture Secretary Mike Johanns, a former Nebraska governor, has traveled the South and the Midwest to help out GOP candidates. He appeared Tuesday at an ethanol seminar with Minnesota Gov. Tim Pawlenty, who is tied with or trailing Democrat Mike Hatch in polls. The USDA chief then appeared at campaign events with Reps. Mark Kennedy, a Senate candidate, and Gil Gutknecht, whose races are viewed as competitive.

All this political promotion comes in addition to President Bush's increasingly frequent forays on behalf of struggling Republicans.

In Buffalo, even the chairman of the House GOP election effort is struggling to hold on to his seat. Rep. Thomas M. Reynolds is trying to overcome criticism that he did not do enough to stop inappropriate relationships between congressional pages and former representative Mark Foley (R-Fla.).

On Tuesday in Buffalo, leaders of a private club and writers at the city's newspaper got unusual visits from the third-ranking official at the CIA. The stops by Michael J. Morell, the associate deputy director of the agency, were arranged by Anthony Gioia, a longtime Bush fundraiser and a donor to Reynolds. Morell spoke about the war in Iraq and the fight against terrorism. CIA officials rarely make such appearances.

Asked about the timing, CIA spokesman Mark Mansfield said, "Politics had no bearing whatsoever on Mr. Morell's acceptance of an invitation to give a speech in Buffalo or when to give it." He added, "No one dispatched him." Mansfield said previous directors and senior officials have talked to newspapers' editorial boards.

The travel by the Cabinet has irked Rep. Henry A. Waxman (Calif.), the top Democrat on the Government Reform Committee. He produced an analysis Wednesday that says the cost of private travel by Cabinet secretaries and agency heads is more than $1.5 million since 2001.

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"Cabinet secretaries are currently crisscrossing the nation to make appearances with members of Congress in close races," Waxman wrote to White House budget chief Rob Portman. "It would be a misuse of taxpayer dollars if, as in 2004, these officials were traveling on chartered private jets." He asked Portman to intervene.

Fortier, the American Enterprise Institute scholar, said he doubts any grant announcement or campaign stop by a big name will make a huge difference in an individual race. But it can't hurt. "For incumbents, this is something they can use to combat the argument that you need change," he said. "They're saying: 'Remember that aside from all the national issues, I'm here for you. I have the ear of the president.' "

Democrats Top Republicans In Fundraising (AP-Y)

By Philip Elliott

AP, October 27, 2006

The Democrats' congressional campaign committees raised $15.5 million during the first 18 days of October, setting up their final push to reclaim both chambers. Republicans, meanwhile, raised $10.1 million for their candidates, continuing a pace that has lagged this election.

Republicans slightly beat the Democrats' House committee but stumbled on the Senate side, where a $5.5 million fundraising disparity emerged during the Oct. 1-17 reporting period. The Democratic Senatorial Campaign Committee raised $9.1 million; the National Republican Senatorial Committee raised $3.6 million.

"In the world series of fundraising, Senate Democrats just hit a grand slam in the bottom of the ninth," Sen. Chuck Schumer, D-N.Y., the committee's chairman, said in a statement. "The rapid rate at which Democrats are raising money is the latest evidence that Americans want change in the Senate."

The Senate fundraising disparity does not reflect individual campaign fundraising, which Republicans said gave them a $14 million advantage during the last complete reporting period.

The NRSC has $8.9 million on hand. It has raised $78.8 million this cycle. Its spokesman, Brian Nick, noted that Democrats outraised Republicans in 2004 and still didn't unseat the majority GOP.

The DSCC has $9.7 million in the bank. So far, the committee has raised $104 million for candidates. Those numbers don't reflect a pair of $250,000 donations from Sens. Edward M. Kennedy and John Kerry. It does, however, include the more than $2 million this cycle from Sen. Hillary Rodham Clinton.

"Those are millions of dollars flowing into the committee in the last couple of weeks and those are padding the numbers big time," Nick said.

Both parties' committees submitted reports to the Federal Election Commission on Thursday, 12 days before the midterm elections.

For House candidates, Democrats raised $6.4 million during the first days of October, giving them $17 million in the bank. The Democratic Congressional Campaign Committee has raised $105 million this cycle.

Republicans trying to stop the Democrats from winning 15 seats and the majority in the House raised $6.5 million, bringing its cash-on-hand total to $18.3 million and election-cycle total to $142.4 million.

Combined, the Democrats have $26.7 million to spend on candidates in the final weeks. Republicans have $27.2 million in hand.

Business Groups Woo Democrats (LAT)

By Richard Simon

The Los Angeles Times, October 27, 2006

"Some people have discovered virtues in me that they had previously overlooked," Rep. Barney Frank of Massachusetts, who stands to become chairman of the Financial Services Committee if Democrats control the House, mused recently. "The prospect of the chairmanship seems to have been a very good introduction."

Frank was referring to a surge in campaign contributions from pro-business groups — groups whose members would have to deal with the liberal Democrat instead of a probably-more-congenial Republican. (Rep. Michael G. Oxley, the Ohio Republican who now heads the committee, is retiring after this term.)

Issues involving the financial services industry fall under the committee's jurisdiction. And the New York Life Insurance Co.'s political action committee has contributed $10,000 to Frank this election season, up from $1,000 in the 2003-'04 cycle, according to PoliticalMoneyLine, which tracks political donations. The National Assn. of Insurance and Financial Advisors PAC contributed $10,000 to Frank this election season, up from $3,000 in the last cycle.

Frank is not alone. As prospects appear to grow that Republicans will lose control of the House and perhaps even the Senate, business groups, trade associations, and their lobbyists and political advisors have developed a sudden enthusiasm for

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contributing to Democrats — especially to those likely to be in the House leadership or to head important committees if Republicans lose their majorities.

Rep. Charles B. Rangel (D-N.Y.), for example, would chair the tax-writing Ways and Means Committee in a Democratic-run House, and he has begun hearing from groups he says had not called since the Republicans won control of the House in 1994.

"I don't think meeting with the chairman of General Electric has anything to do with my taking over Ways and Means; I just never realized how much they loved me," Rangel joked.

In this election cycle, the congressman has raised $17,000 from General Electric's political action committee for his campaign and his leadership PAC, which provides campaign funds for other Democrats. That's more than twice what he collected the previous cycle, according to PoliticalMoneyLine.

None of this is to say business has changed sides. It continues to give far more to Republicans than to Democrats. And the major groups representing the business community, including the U.S. Chamber of Commerce, are working hard to protect the GOP majorities in Congress.

Moreover, many business groups seek to play down their campaign contributions to the other side. New York Life spokesman William Werfel said that his company's PAC was giving more in general this cycle and that the GOP still got the most.

But as storm clouds gathered over the GOP this election season, business leaders, lobbyists and PACs quietly began to take out a form of political insurance — contributing more to Democrats who, if they become the majority party, will wield power over issues affecting business' bottom line.

"All of the Democratic ranking members have seen an increase in attentiveness to their fundraising…. There has definitely been an increase in people paying attention to the ranking members in particular," a House Democratic aide said, speaking on condition of anonymity because he was not authorized to speak for members.

Frank, for one, sent out a solicitation asking contributors to "help me raise campaign funds which, as you know, I am using in substantial part to make sure that the next time we talk after that, I will be the Chairman in Waiting of the House Financial Services Committee."

As Democrats try to encourage the shift in campaign contributions and Republicans try to counter it, the result can be a behind-the-scenes tug of war.

"The Democrats are telling business lobbyists: 'Hedge your bets, we probably are going to be in control,' " said James Benton of the campaign watchdog group Common Cause. "The Republicans, on the other hand, are saying: 'We're watching. Don't give your money to Democrats. We're the people you can trust.' "

One lobbyist, who spoke on condition that he not be named because of the sensitivity of his relationship with the business groups he represented, acknowledged that business groups were ramping up their political donations to Democrats. "It's typical of the business community," he said. "They panic."

Political spending is projected to reach $2.6 billion in 2005-'06, making this the most expensive congressional campaign in history, according to the Center for Responsive Politics. PAC spending is expected to exceed $1 billion for the first time, "reflecting the ever-growing influence of business, labor and ideological interests," the center's acting director, Sheila Krumholz, said.

Washington lobbyist Aaron Houston said he had seen business' new interest in Democrats at a number of recent fundraisers. "There are a whole lot of $3,000 suits showing up," he said.

Republicans say they're not surprised.

"Business PACs go with wherever they see the wind blowing," said Rep. Jack Kingston (R-Ga.), vice chairman of the House Republican Conference.

Typical of the emerging pattern is the National Beer Wholesalers Assn. PAC. Although Republicans still receive a larger share of its donations, the wholesalers have made $10,000 contributions to more than twice as many House Democrats as they did in the last election.

Craig Purser, president of the beer wholesalers, said in a written statement: "It looks like there are going to be more close races this year than in recent memory, so we are getting more requests from everyone. However, our strategy remains what it has always been. The NBWA-PAC simply continues to support those who stand with beer distributors on the issues that matter the most."

House Minority Whip Steny H. Hoyer (D-Md.) had received no support from the beer wholesalers for at least a decade, but the trade group contributed $15,000 to the would-be majority leader's campaign committee and his leadership PAC in this election cycle.

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Thanks in part to larger contributions from some kinds of businesses — including banking and insurance interests and defense and technology companies — Hoyer has raised nearly $4 million through his campaign committee and leadership PAC, more than in any election cycle during his 24-year congressional career.

Rep. John P. Murtha (D-Pa.), who stands to chair the defense appropriations subcommittee in a Democratic-controlled House, has raised more than $2.5 million this year, including $179,400 from the defense industry — more than in previous election cycles.

And Rangel is poised to surpass the $879,554 he raised from PACs for the last election cycle. If Democrats should take over one or both chambers of Congress, Krumholz and other experts said, business contributions are likely to increase even more.

After Many Battles, Still On The Front Lines (WP)

By Lois Romano

The Washington Post, October 27, 2006

Karin Johanson loves studying the tiny print in the dozens of political polls that land on her desk every morning. She can tell you what's happening in Indiana's 8th Congressional District at any given moment, and why 20 volunteers must be dispatched pronto to an obscure precinct in Michigan.

She can also probably predict with scary accuracy how many seats Democrats will pick up in the Nov. 7 midterm elections -- but she's too superstitious to say.

Johanson, 51, is one of those people whose names you never hear, a political junkie who has been toiling in the backwaters of Democratic politics for more than 30 years -- and one who is playing a huge role in the party's efforts to regain the House.

She is the executive director of the Democratic Congressional Campaign Committee, the minority party's campaign organ colloquially known as the "D Triple C," and she knows more about the individual races in the 435 congressional districts than most of the candidates do.

If her boss, the outspokenly partisan Rep. Rahm Emanuel (Ill.), is the aggressive face of the Democratic push, Johanson is his anchor, the person who can sit at her office near the Capitol and see the whole country at a glance -- or in critical little parts that might add up to a win.

"She's Rahm's other side," says friend Mary Beth Cahill, who ran Sen. John F. Kerry's presidential bid in 2004. "Someone has to be there every day to make sure everything works."

This Johanson does with a staff of 60 (all quite young), a volunteer pool of 700 and a budget of $40 million, $10 million of which goes straight into the districts for grass-roots efforts. Yesterday, she had 100 active broadcast political commercials in her e-mail queue waiting to be viewed.

"Karin put together 40 customized plans in 40 districts with 40 ground operations," Emanuel said. "She has intimate knowledge of every district. She knows what works and what doesn't because she's been there before. I'm a very obsessive person, and I give her six things to do and she does seven."

Johanson has indeed been down this road many times before, as the DCCC's West Coast political director in the 1994 (Democratic nightmare) cycle and political director in 2000. Before that, she was political director of Emily's List -- the political action committee that supports female candidates -- during the 1992 "year of the woman." Twenty-one new Democratic women were elected to the House, and Emily's List founder Ellen Malcolm credits Johanson with recruiting most of them.

"She knows every player in every district," Malcolm said. Even after 1995, when the GOP took control of the House, Johanson was not deterred from recruiting candidates. "We'd say, 'What about so-and-so?' and Karin would say, 'Oh, I asked her twice, and she said no,' " Malcolm said. "Everyone was saying no, but she was persistent, and the environment started to shift."

Johanson grew up in Princeton, N.J., and recalls being a partisan very early. She was for Eugene McCarthy when she was 12 because she opposed the Vietnam War, and she named her pet goldfish Hubert, Horatio and Humphrey. She attended American University but took some time off before graduating to work for then-Rep. Gladys N. Spellman (D-Md.). Later, she spent 10 years working for Rep. Steny H. Hoyer (D-Md.), as his press secretary and later as his chief of staff.

Johanson said that after Democrats lost the House in 1994, she couldn't bring herself to go up to the Hill for a year. "It was too depressing. I didn't want to see Republicans," she said. "I didn't even go up to the credit union."

Although she said she won't let herself get too enthusiastic this year about what seems to be a Democratic wave, Johanson admits that it feels very different. "There is a huge energy among Democrats out there. We know what we running against." Unlike in 2004, when Democrats struggled to find issues, she said, this year "we're not making it up."

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The war in Iraq, she said, is the dominant issue "because there is something there for everyone to be concerned about -- whether it's expenditures, or body armor, or questions about why our government hasn't done better to prepare the Iraqis.

"Even people who support the war think something needs to be done," she said. "And all these scandals -- it's been overwhelming."

Johanson said the DCCC is treating 54 districts as competitive -- an unusually high number.

At a time in life when most political operatives have already jettisoned the high-adrenaline life of retail politics and a constant diet of fast food, Johanson isn't going anywhere soon.

"I love electoral politics," she said. "I like being in the fight. I think everything else is boring by comparison. I think everybody who has done it loves it, but most people feel like they have to do something else."

The Year Of Playing Dirtier (WP)

By Michael Grunwald

The Washington Post, October 27, 2006

Rep. Ron Kind pays for sex!

Well, that's what the Republican challenger for his Wisconsin congressional seat, Paul R. Nelson, claims in new ads, the ones with "XXX" stamped across Kind's face.

It turns out that Kind -- along with more than 200 of his fellow hedonists in the House -- opposed an unsuccessful effort to stop the National Institutes of Health from pursuing peer-reviewed sex studies. According to Nelson's ads, the Democrat also wants to "let illegal aliens burn the American flag" and "allow convicted child molesters to enter this country."

To Nelson, that doesn't even qualify as negative campaigning.

"Negative campaigning is vicious personal attacks," he said in an interview. "This isn't personal at all."

By 2006 standards, maybe it isn't.

On the brink of what could be a power-shifting election, it is kitchen-sink time: Desperate candidates are throwing everything. While negative campaigning is a tradition in American politics, this year's version in many races has an eccentric shade, filled with allegations of moral bankruptcy and sexual perversion.

At the same time, the growth of "independent expenditures" by national parties and other groups has allowed candidates to distance themselves from distasteful attacks on their opponents, while blogs and YouTube have provided free distribution networks for eye-catching hatchet jobs.

"When the news is bad, the ads tend to be negative," said Shanto Iyengar, a Stanford professor who studies political advertising. "And the more negative the ad, the more likely it is to get free media coverage. So there's a big incentive to go to the extremes."

The result has been a carnival of ugly, especially on the GOP side, where operatives are trying to counter what polls show is a hostile political environment by casting opponents as fatally flawed characters. The National Republican Campaign Committee is spending more than 90 percent of its advertising budget on negative ads, according to GOP operatives, and the rest of the party seems to be following suit. A few examples of the "character issues" taking center stage two weeks before Election Day:

Â· In New York, the NRCC ran an ad accusing Democratic House candidate Michael A. Arcuri, a district attorney, of using taxpayer dollars for phone sex. "Hi, sexy," a dancing woman purrs. "You've reached the live, one-on-one fantasy line." It turns out that one of Arcuri's aides had tried to call the state Division of Criminal Justice, which had a number that was almost identical to that of a porn line. The misdial cost taxpayers $1.25.

Â· In Ohio, GOP gubernatorial candidate J. Kenneth Blackwell, trailing by more than 20 points in polls, has accused front-running Democratic Rep. Ted Strickland of protecting a former aide who was convicted in 1994 on a misdemeanor indecency charge. Blackwell's campaign is also warning voters through suggestive "push polls" that Strickland failed to support a resolution condemning sex between adults and children. Strickland, a psychiatrist, objected to a line suggesting that sexually abused children cannot have healthy relationships when they grow up.

Â· The Republican Party of Wisconsin distributed a mailing linking Democratic House candidate Steve Kagen to a convicted serial killer and child rapist. The supposed connection: The "bloodthirsty" attorney for the killer had also done legal work for Kagen.

Â· In two dozen congressional districts, a political action committee supported by a white Indianapolis businessman, J. Patrick Rooney, is running ads saying Democrats want to abort black babies. A voice says, "If you make a little mistake with one of your hos, you'll want to dispose of that problem tout de suite, no questions asked."

Â· In the most controversial recent ad, the Republican National Committee slammed Rep. Harold E. Ford Jr. (D-Tenn.) for attending a Playboy-sponsored Super Bowl party. In the ad, a scantily clad white actress winks as she reminisces about good

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times with Ford, who is black. That ad has been pulled, but the RNC has a new one saying Ford "wants to give the abortion pill to schoolchildren."

Some Democrats are playing rough, too. House candidate Chris Carney is running ads slamming the "family values" of Rep. Don Sherwood (R-Pa.), whose former mistress accused him of choking her. And House candidate Kirsten Gillibrand has an ad online ridiculing Rep. John E. Sweeney (R-N.Y.) for attending a late-night fraternity party. "What's a 50-year-old man doing at a frat party anyway?" one young woman asks, as a faux Sweeney boogies behind her to the Beastie Boys. "Totally creeping me out!" another responds.

But most harsh Democratic attacks have focused on the policies and performance of the GOP majority, trying to link Republicans to Bush, the unpopular war in Iraq and the scandals involving former representative Mark Foley and former lobbyist Jack Abramoff. That is not surprising, given that polls show two-thirds of the electorate thinks the country is going in the wrong direction. And studies show that negative ads can reduce turnout; Democrats hope a constant drumbeat of scandal, Iraq and "stay the course" will persuade conservatives to stay home on Nov. 7.

It is harder for Republicans to blame out-of-power Democrats for the current state of Washington, but they are equally eager to depress Democratic turnout and fire up their conservative base. One GOP strategy has been raising the specter of House Minority Leader Nancy Pelosi, a San Francisco liberal, becoming speaker; for example, Rep. John N. Hostettler (R-Ind.) is airing radio ads warning that a Democratic victory would allow Pelosi to "put in motion her radical plan to advance the homosexual agenda." Then again, Hostettler's opponent, Democrat Brad Ellsworth, has accused him of promoting the sale of guns to criminals, "including child-rapists."

Some of this year's negative ads are more substantive, reprising a successful Republican strategy from 2002 and 2004: portraying Democrats as soft on terrorism. For example, Rep. Nancy L. Johnson (R-Conn.) has an ad lambasting her opponent for opposing Bush's efforts to conduct wiretaps without search warrants. A host of Democrats have been accused of trying to "cut and run" in Iraq -- including House candidate Tammy Duckworth of Illinois, who lost both legs in Iraq.

The RNC has raised eyebrows with an ad consisting almost entirely of al-Qaeda videos starring Osama bin Laden and his top deputies. There is no sound except the ticking of a bomb before the final warning: "These are the stakes. Vote November 7th." John G. Geer, a Vanderbilt professor who has written a book defending negative political ads, said he told a well-connected Republican friend in Washington that the ticking-bomb ploy seemed like a desperation move. The friend e-mailed back: "John, we're desperate!"

"Look, the electorate is polarized, the stakes are large, and neither party has much to run on right now," Geer said. "You can expect to see some pretty outlandish ads."

The "pays for sex" ad against Kind in Wisconsin -- along with a similar one aired against Rep. Brad Miller (D-N.C.) -- may be the most extreme. It says Kind spent tax dollars to study "the sex lives of Vietnamese prostitutes" and "the masturbation habits of old men" and "to pay teenage girls to watch pornographic movies with probes connected to their genitalia." Cue the punch line: "Ron Kind pays for sex, but not for soldiers." The Wisconsin Republican Party denounced the ad, and several TV stations refused to air it, but that only got it more attention. It is the centerpiece of Nelson's Web site: "This ad is so powerful, a sitting U.S. Congressman threatened TV stations with legal action if they dared to play it."

Kind joked in an interview that he has been paying for sex ever since he said "I do." But on a more serious note, he said Nelson's attack ad is typical of modern politics, in which desperate candidates can attract media coverage and rally their base with distortion. He opposed the amendment in question -- as did many Republicans -- because he does not think Congress should interfere in peer-reviewed NIH studies, not because of any interest in teenage genitalia. That particular study, incidentally, had nothing to do with teenagers.

"Man, it's a crazy system, and it's getting worse every year," Kind said. "We rip each other to shreds, and then we're all supposed to come back to Washington and try to work together. It's a hell of a way to elect representatives."

At least it is clear who is responsible for Nelson's ad: Nelson. The Playboy ad bashing Ford, on the other hand, is a typical product of the attack politics of 2006. Its beneficiary, GOP Senate candidate Bob Corker, called it "tacky" but said he cannot do anything about an RNC ad. Even RNC Chairman Ken Mehlman said he is powerless to stop it; it is an "independent expenditure" of the RNC, out of the committee's control. He doesn't seem too upset about it, though. Corker has been rising in the polls since it started airing.

Experts say that in the past, negative ads were usually more accurate, better documented and more informative than positive ads; there was a higher burden of proof. Stanford's Iyengar thinks that is still true for candidate-funded messages, which now require candidates to say they approved them. But it is not true when the messages are produced by political parties, shadowy independent groups or partisans posting on YouTube.

"You're going to see more of this sensational, off-the-wall stuff," Iyengar said. "If you get people disgusted, they might withdraw from politics, and that's the real goal these days."

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Political Ads Go For The Jugular In Novel Ways (WSJ)

By Amy Schatz

The Wall Street Journal, October 27, 2006

Clad in a natty dark-blue suit, Republican Senate hopeful Michael Steele is standing beside four silver trash cans. He raises a lid. "Smell it? Trash from my opponent. Time to take it out," he says, banging the lid shut.

Talking directly into a camera, Mr. Steele bristles about being portrayed to Maryland voters as a Republican stooge and insinuates that his Democratic opponent, Rep. Ben Cardin, was somehow involved in the theft of his Social Security number and credit report -- which Mr. Cardin denies. "After 40 years in office, Ben Cardin can't change Washington...but you and I can," Mr. Steele tells viewers as the ad concludes.

With less than two weeks to go until Election Day, there has never been a harder time to break through the nonstop negative clutter, particularly in states and districts where the races are toss-ups. About $1.2 billion has already been spent on political and issue ads since Jan. 1, according to TNS Media Intelligent/CMAG, a political-ad tracking firm based in Arlington, Va., which predicts that ad spending this year could hit a record $1.7 billion.

Some candidates are using humor to attract the attention of voters weary of political ads. Texas gubernatorial candidate Kinky Friedman noted in one recent TV spot that "money may buy a fine dog, but only love can make her wag her tail." In Minnesota, Republican Senate candidate Mark Kennedy enlisted his entire family for a 30-second ad, dubbed "About Mark," which mocked his "party animal" career as an accountant and his image as a "snazzy dresser" by showing a closet-full of flannel shirts.

When AARP, the big seniors' group, launched its traditional voter-education drive this year, it opted for a new, edgier campaign, dubbed "Don't Vote." The centerpiece: two television ads featuring people urging voters not to vote -- at least until they learned more about the issues.

Mr. Steele, in particular, has drawn attention for his ads, which have neither the look nor feel of typical political commercials and have been cited as one reason why his race against Rep. Cardin is closer than expected, given Maryland's tendency to elect Democrats.

In an ad that ran earlier this year, Mr. Steele used humor to warn voters that he would be attacked by the "Washington crowd" for a variety of sins like "Steele hates puppies." Cuddling a bug-eyed pup, he solemnly proclaimed: "For the record, I love puppies."

"It all depends on the state and the dynamics of the race -- you would not try to make people laugh in the state of Louisiana this year," says Brad Todd, a partner at OnMessage Inc., the Republican ad- and media-strategy firm in Alexandria, Va., that created Mr. Steele's ads.

Several ads combine humor and negativity, like the spot from Republican Lynn Swann, the former Pittsburgh Steelers great who is now challenging Pennsylvania Gov. Ed Rendell. The ad starts with a shot of the governor on election night 2002 promising to lower property taxes and then fast-forwards to the present, focusing on an "interviewer" going door to door toting a lifesize cutout of Mr. Rendell to ask people if their property taxes had declined -- only to be rebuffed in a variety of humiliating ways. After being sprayed by a woman watering her lawn and chased by dogs, the interviewer dumps the Rendell cutout in a trash can and says, "I don't know, Ed. This isn't looking so good."

In Tennessee, the race for the U.S. senate between Republican Bob Corker and Democrat Harold Ford Jr., now a member of the House, is long on negativity, short on humor. Recently, a Republican National Committee ad attacking Mr. Ford featured a scantily clad blonde woman winking at the camera and asking him to call her. As a counterpunch, an ad for Mr. Ford shows him walking through a house saying: "Bob Corker has been going personal. After me, my family. If I had a dog, he'd probably kick him, too."

"The public doesn't like personal attacks. But the public has no problem with questions about a person's position on taxes or whatever," says John Geer, a Vanderbilt University professor who has written extensively about negative campaign ads. "Humorous ads sometimes work pretty well, too."

North Carolina congressional hopeful Vernon Robinson, a Republican once dubbed a "black Jesse Helms" by a local newspaper, has run ads so outrageously negative that some people have found them unintentionally funny. His campaign gained attention -- and donations -- after running a television ad earlier this year attacking his opponent, two-term Democratic Rep. Brad Miller, for failing to vote on a measure to provide body armor for the troops in Iraq. The ad clicked off a variety of things that Mr. Robinson says Mr. Miller did vote for, including studies on "the sex lives of Vietnamese prostitutes in San Francisco" and "bisexual, transgendered and two-spirited Aleutian Eskimos, whoever they are." (Mr. Miller disputed the allegations in the ad.)

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But while voters may say they frown on such attacks, negative ads seem to make a bigger impression on them than positive messages. Recently, at a luncheon in northern Indiana, Republican Rep. Chris Chocola was asked why he and his Democratic opponent had run so many negative ads. In response, Mr. Chocola quizzed the audience: Could anyone describe one of the half dozen positive ads he had run describing how he'd helped the community from Congress? No one answered.

Like other advertising, the most effective political ads "aim for the heart first and the head second," says Evan Tracey, chief operating officer of TNS Media Intelligence/CMAG11. That's one reason why ads about embryonic stem-cell research have been particularly effective at attracting attention recently, political ad watchers say.

In Arizona, Democrats used the granddaughter of the late Rep. Morris "Mo" Udall, a popular congressman who suffered from Parkinson's disease, to make the case against six-term Republican Rep. J.D. Hayworth in one television ad. "My grandfather would have been a champion of embryonic stem-cell research. But J.D. Hayworth had denied families hope," says Loren Udall, who has herself been diagnosed with lupus, an autoimmune disease.

Recently, ads featuring actor Michael J. Fox began running in states with close races, notably the Senate races in Missouri and Maryland. Mr. Fox suffers from Parkinson's, which attacks the central nervous system, making it difficult for patients to control their movements. In the 30-second ad, he speaks directly to the camera, shaking and rocking, as he urges support for candidates backing embryonic stem-cell research, which some scientists believe could lead to breakthroughs in treating Parkinson's, diabetes and other diseases.

The ad inflicted even more damage after Rush Limbaugh and some other conservatives accused Mr. Fox of exaggerating his symptoms. The radio host later apologized, but the controversy shows the peril that the issue poses for Republicans. "It puts Republicans on the wrong side of hope, which is a tough place to run from," says Mr. Tracey of TNS Media Intelligence/CMAG.

Overflowing Cash Creates River Of Pre-election Ads (WT)

By Jennifer Harper

The Washington Times, October 27, 2006

The nation has 11 days before Election Day arrives and shrill political advertising ceases. The 2006 midterms have been anything but sleepy.

"This is a very vigorous, intense campaign, fueled by a widespread sense among candidates and House leadership that change is afoot," said Donald Green, professor of political science at Yale University.

To date, Republicans and Democrats have spent $117 million on the U.S. Senate and House races, according to the Federal Election Commission, up 27 percent from the comparable period in 2004, when the tab stood at $92.5 million.

When it's all over, the amount spent on "home-stretch advertising, voter mobilization and other campaigning" by parties, candidates and advocacy groups may be as high as $2.6 billion, the Center for Responsive Politics estimated this week.

Big spending is everywhere. The Democratic Senatorial Campaign Committee recently dropped $1.5 million on a week's worth of ads criticizing Sen. George Allen, Virginia Republican. In New Jersey, the National Republican Senatorial Committee spent $3.5 million to boost support for Tom Kean Jr. The parties are expected to spend a combined $5 million in the battle for the House seat in Seattle's 8th District.

The candidates are not the only ones in turmoil. Political advisers also are agitated, Mr. Green said.

"There's a real sense of overload. Voters are seeing some ads dozens of times as campaigners rachet up the outreach to compensate for a fragmented, diminishing audience," he said.

That audience is getting a mean-spirited showcase. Money spent on negative campaigns -- that is, in opposition to a particular candidate -- this year accounts for 78 percent of spending on both sides. Two years ago, it was 40 percent. Congressional Quarterly recently estimated that 80 percent of advertising purchases were for negative messages.

An analysis of campaign ads by the nonpartisan watchdog group Political Fact Check -- which monitors claims by both sides in print and broadcast -- offers ample evidence of mudslinging. The District-based group categorized some recent campaigning content as "moldy bunk" and "mythmaking," among other things.

Though perhaps weary of the partisan barrage, voters may be more engaged than usual.

"The level of voter interest is higher than it has been in a decade, judging from the polls. The news media is also suggesting to people that this election is critical," said Adam Berinsky, a political scientist with the Massachusetts Institute of Technology.

Still, he predicts that voter turnout probably will be less than 50 percent, no matter how many ads clutter the political landscape.

Both parties have employed "microtargeting" this election season, using sophisticated demographic and marketing techniques to ferret out niche voting blocs, from urban Hispanics to "Security Moms."

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"Some of these advisers get nostalgic for the old days when you could reach America on the big three broadcast networks alone," Mr. Green said. "They pine for those times because they were simpler."

GOP Drops TV Plans For Ohio Senator (AP-Y)

By David Hammer

AP, October 27, 2006

The Republican National Committee said Thursday it won't run any television ads in Ohio on behalf of Sen. Mike DeWine during the final week of the campaign.

RNC spokesman Aaron McLear said the national party organization had reserved time to run statewide TV ads next week as DeWine tries to come back against Democratic Rep. Sherrod Brown, who leads in recent polls. But in the end, the RNC decided not to make the purchase, McLear said.

National Democrats said it showed the Republicans were giving up on the two-term senator.

"Even the RNC is basically saying now that Mike DeWine has a slim chance of winning this campaign," said Phil Singer, spokesman for the Democrats' national Senate campaign organization.

The Democrats need to win six Republican seats and hold all of theirs to take control of the Senate.

McLear said the RNC remains active in helping DeWine get out the vote by knocking on doors and making telephone calls, but will let the senator's campaign use its cash advantage to stay competitive on television.

According to reports filed Thursday with the Federal Election Commission, DeWine's campaign had $2.8 million on hand as of Oct. 18 while Brown's had about $837,526. The Brown campaign already bought more than $2.5 million in TV time through the election, spokeswoman Joanna Kuebler said.

DeWine campaign spokesman Brian Seitchik said the national party's decision isn't a sign of abandonment.

"The RNC has spent as much money in Ohio as they have in any other state, and they realize we have the tools to communicate effectively with voters across the state," Seitchik said.

The RNC began spending in the Ohio contest before any other Senate race, McLear said. It had spent $3.1 million on the race when it purchased its last ad against Brown on Tuesday, FEC reports show. It had $21.8 million on hand on Oct. 18 and has been spending heavily on ads in Tennessee and Missouri Senate races in the last week.

Family Ties Help Kean In Senate Race, Poll Says (NYT)

By David W. Chen And Marjorie Connelly

The New York Times, October 27, 2006

Thomas H. Kean Jr., the Republican challenger for United States Senate in New Jersey, has capitalized on his father's reputation to offset voters' qualms about his inexperience. Senator Robert Menendez has been buoyed by discontent with President Bush. The result in this heavily Democratic state is an extremely tight race, according to the latest New York Times/CBS News Poll.

The poll suggests that Mr. Kean, a state senator, has done surprisingly well in a year when other Republicans are struggling even on friendlier turf not because of Mr. Kean himself, but because of his father, former Gov. Thomas H. Kean, one of the state's most popular politicians.

Mr. Kean's commercials attacking Mr. Menendez as unethical and corrupt have also worked, with many voters saying that corruption is the first thing that springs to mind when asked about Mr. Menendez.

Mr. Menendez is widely considered the nation's most vulnerable Democratic Senate incumbent, as the Democrats try to win six seats to take control of the Senate, and 56 percent of his supporters said they would vote for him not because of his views or his character, but because of his party.

Fifty-eight percent of those favoring Mr. Menendez said they are doing so as a rebuke to Mr. Bush, while 68 percent said they want to help swing the Senate to the Democrats.

"I am so concerned about the makeup of the Senate of the United States," said E. Janet Hackbarth, a 67-year-old retired high school teacher in Pompton Lakes, in a follow-up interview after the poll was completed. Describing herself as an independent, she added, "I am voting for Menendez because I am voting against the Republicans."

Over all, the race is a statistical tossup, with Mr. Menendez leading 38 percent to 36 percent among registered voters, and 40 percent to 39 percent among likely voters. Yet neither candidate has generated much enthusiasm, or made much of an impression. More than half of those surveyed said they had no opinion — either good or bad — about the candidates.

As a result, the race appears to be far more fluid than recent Senate races in New Jersey. Thirty-nine percent of registered voters said that they could change their minds before the Nov. 7 election; that figure was 13 percent in a Times poll taken at about the same point during the 2002 campaign between Senator Frank R. Lautenberg and Douglas R. Forrester.

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With the national parties promising to pump an additional $7.5 million into the race in the final two weeks, the race could well hinge on last-minute commercials or surprises. And that could be anything from any developments related to Iraq or the Mark Foley scandal, potentially favoring Mr. Menendez, to conservative backlash against the New Jersey Supreme Court's decision Wednesday to grant gay couples equal rights, potentially benefiting Mr. Kean.

The Times poll, conducted Friday through Wednesday, did not include questions about gay unions.

But if patterns hold, the race will come down to what is essentially a proxy battle: those who are motivated by national issues, and dislike Mr. Bush, versus those who are motivated by local issues, and who look up to former Governor Kean.

Robert Sapanara, 69, a Republican from Ramsey, a northern New Jersey suburb, offered a response typical of those who said that they would vote for Mr. Kean. "I think there's got to be some counseling given to him by his father, and hopefully some of those genes rubbed off on him," he said.

Mr. Menendez's difficulties are noteworthy because no other Democratic incumbent is in as close a race, motivating Republicans nationally to focus increased attention and resources on the race. Of course, the word incumbent merits an asterisk, because Mr. Menendez, a longtime congressman from Hudson County, was appointed in December to serve out the balance of Jon S. Corzine's term when he was elected governor.

Still, Democratic consultants express frustration with the race, because they had not counted on paying much attention to New Jersey in their bid to wrest control of the Senate away from Republicans.

Both campaigns have already spent a lot of money: through Oct. 18, Mr. Menendez spent $9.3 million, and Mr. Kean $5 million, with much of that on television commercials in the last couple of months.

The telephone poll included 1,023 adults throughout the state, 849 of them registered to vote. The margin of sampling error for both was plus or minus three percentage points. In addition, 522 of the registered voters were determined to be likely to vote, and the margin of sampling error for that group was plus or minus four percentage points.

The poll showed that 28 percent of voters have an unfavorable impression of Mr. Menendez, compared with 18 percent with a favorable impression. Mr. Kean is viewed unfavorably by 22 percent, and favorably by 24 percent.

Part of the appeal of Mr. Kean, the poll suggests, comes from his bloodline. Voters said that they were favorably disposed toward the elder Mr. Kean by 52 to 10 percent; 27 percent said they were more likely to view the younger Mr. Kean favorably because of his father.

And what was the first thing that popped into voters' minds when asked about Mr. Kean? The fact that he was a governor's son, according to 33 percent of those surveyed; no other factor had more than 10 percent.

Fifty-nine percent of voters feel that Mr. Menendez, who has spent three decades at all levels of government, has the right experience for the job, compared with 48 percent for Mr. Kean, who has spent five years in the State Legislature.

Voters say that they trust Mr. Kean more, however, with 55 percent saying that he has the honesty and integrity to be effective, and 24 percent saying he does not, versus ratios of 45 percent to 34 percent for Mr. Menendez.

Still, only 36 percent of voters said that Mr. Kean, who grew up in a wealthy family, could relate to the needs of regular people, while 46 percent said he could not. For Mr. Menendez, the son of poor Cuban immigrants, the numbers were reversed, with 43 percent saying he could relate, and 37 percent saying he could not.

When voters were presented with a list of issues and asked to name the one most important in their decision, 37 percent selected the economy and jobs, followed by 22 percent who said Iraq, 15 percent who said terrorism and 14 percent who said health care.

Those more concerned about national issues, with Iraq being No. 1, leaned toward Mr. Menendez; those more focused on local issues, with taxes being No. 1, favored Mr. Kean.

About 80 percent of Republicans support Mr. Kean and 69 percent of Democrats prefer Mr. Menendez. Independents, who make up about 35 percent of voters in the state, divide 36 percent for Mr. Kean to 32 percent for Mr. Menendez.

A classic gender gap also exists. Mr. Kean is ahead by 12 points among men, while Mr. Menendez enjoys a 13-point advantage among women. There is a typical urban and suburban divide, too, with Mr. Menendez faring better in the northern urban areas, and Mr. Kean leading in Republican strongholds like Morris, Somerset and Hunterdon Counties, in the northwestern part of the state.

Of those who said they were undecided, 22 percent were independents, 12 percent were Democrats and 7 percent were Republicans.

By three to one and more, voters also said that both candidates were spending too much time attacking each other; 30 percent said that Mr. Kean was more responsible for the negative tone, while 21 percent blamed Mr. Menendez.

"Both of these people are just slandering each other, getting vicious, spending X amount of dollars, I'm just sick of it," said Georgette Hendricksen, 59, a Republican from Roselle Park, a middle-class town in central New Jersey. " I don't know which we'd be better off with. I'm going to wait until the last minute to decide."

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Republicans Gambling Big Bucks On New Jersey Senate Race (NSDY/AP)

By Donna De La Cruz

Long Island Newsday, October 27, 2006

WEST ORANGE, N.J. -- New Jersey is to Republicans what slot machines are to gamblers: irresistible, with long odds of winning.

Gamblers pull the lever, hoping for the big payout. Republicans are sharing the same dream, throwing $3.5 million into the Senate race with days left and banking that GOP challenger Tom Kean Jr., can defeat Democratic Sen. Robert Menendez on Nov. 7.

Menendez has maintained a huge cash advantage over Kean throughout the election cycle and the last two weeks, the Democratic Senatorial Campaign Committee has been running $4 million worth of ads against Kean.

The GOP infusion of cash levels the money playing field for Kean but is a big gamble, given that New Jerseyans have not elected a Republican to the Senate since 1972.

"This is a Hail Mary pass by the Republicans ... but it may be their only chance," said Rider University political scientist David Rebovich. "Unless they win New Jersey, they may lose control of the Senate."

Democrats need to gain six Senate seats to win control. In a fundraising appeal Thursday, Senate Minority Leader Harry Reid, D-Nev., wrote, "We need to hold onto this seat if we are going to take back the Senate."

Said Menendez spokesman Matthew Miller: "The Bush Republicans will do anything to get another vote in the Senate, but they'd be better off gambling this money away in Atlantic City than throwing it behind a sinking candidate with a losing message."

New Jersey Republican Party chairman Tom Wilson argues Kean is not your average candidate. The 38-year-old state senator is the son of popular former Gov. Thomas Kean, who chaired the Sept. 11 commission.

The Kean family is a political dynasty in New Jersey, boasting five colonial governors, two U.S. senators and a congressman. Kean's father served two terms as governor and is still revered by many for his bipartisan style of governing.

"The Kean name is a brand image that people in New Jersey are comfortable with, Republicans, Democrats and independents," Wilson said. "It's the Coca-Cola of New Jersey _ people know what they are getting and they like it."

Menendez, 52, has been tarred by where he comes from _ Hudson County, the home of a host of corrupt politicians. The Democrat has never been charged with any wrongdoing, but Kean has hammered at his ethics, attempting to link him to several convicted officials. Menendez also has been dogged by reports that law enforcement agents have subpoenaed the records of a nonprofit agency that rented a building from him.

Recent polls show Menendez with a slight edge over Kean, and Rebovich said history is on the Democrats' side, since in past elections, late-deciding voters have normally sided with Democratic candidates. But Menendez, appointed to the Senate in June by Gov. Jon Corzine to serve out the remaining year of his term, has never run a statewide race and has had trouble competing with the Kean name.

The campaign said Menendez would get some help next week from former President Clinton and Sen. Barack Obama, D-Ill.

Dan Ronayne, a spokesman for the National Republican Senatorial Committee, said Republicans were confident Kean could beat Menendez.

"When voters in New Jersey zero in on the choice they have, Tom Kean wins plain and simple," Ronayne said, adding: "New Jerseyans don't have to live with Corzine's mistake much longer."

Kean began airing an ad Thursday showing his father, wife and two young daughters. But Kean has been careful not to mention his father too often as he campaigns, and the governor has only appeared with him on a handful of occasions.

"It's a delicate balance for Tom Kean Jr.," Rebovich said. "He wants to invoke the family name and use his very popular father but on the other hand, his dad is associated with more moderate political positions and his son has been quite critical of President Bush.

"Kean reaches unaffiliated voters by being critical of Bush but alienates his Republican base," he added.

While conservatives don't always agree with his moderate views on abortion, gun control and the environment, Kean has managed to win their support, said conservative Republican state Assemblyman Guy Gregg.

"We've had trouble in the past with candidates who ran to the center and lost the base, and candidates from the base that didn't get full support from the center," Gregg said. "But the party here has realized we've got a chance and are 100 percent behind Kean."

Conservative Steve Lonegan, who ran for governor last year, argues that there's a lot of apathy among voters now and bundles of cash for Kean won't make a difference.

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"I think this race is going to come down to how people feel about President Bush, the war in Iraq and the economy," Lonegan said.

Menendez is banking on that, and has touted his vote as a congressman in 2002 against authorizing military force in Iraq. At an event with Menendez Wednesday, Sen. John Kerry said the war would be the defining issue in the race. Kean has said he would have voted for the resolution but has been critical of Bush and has called for Defense Secretary Donald H. Rumsfeld to resign.

The Massachusetts senator also cautioned voters not to be fooled by the Kean name.

"I knew his dad and I like his dad and his dad has served this country well," Kerry said. "But the last time people voted for somebody because they liked his dad we got 'W'."

Virginia Democrat Struggles To Sway Base (WSJ)

By Jeanne Cummings

The Wall Street Journal, October 27, 2006

WOODBRIDGE, Va. -- Democratic Party leaders hope Senate candidate Jim Webb, a disenchanted Reagan Republican, might draw some crossover votes from the Republican's base of white men.

But with under two weeks until Election Day, a more important question may be whether President Reagan's Navy secretary can energize two vital constituencies in the Democrats' own base: women and minorities. Since entering the race against Republican Sen. George Allen earlier this year, Mr. Webb has drawn unsteady support from both groups.

How he does is key to party hopes. At the start of this midterm season, Democrats took a risk by aggressively intervening in party primaries to identify the strongest candidates for the seats, even if they didn't agree with the party's more-liberal activists and Washington leadership. Their chance to pick up the six seats they need to control the Senate may well come down to whether Mr. Webb, an author and former Marine, can beat Mr. Allen.

Mr. Webb's opposition to the Iraq war prompted him to return to the party of his ancestors and jump into the Democratic primary race. But while his antiwar stance helped him win the party primary, he would bring to Washington a variety of stances that conflict with the Democratic base. Among them, he opposes gun control and is mixed on abortion rights -- he supports Roe v. Wade but opposes late-term abortions, or so-called partial-birth abortions.

QUESTION OF THE DAY

1

How much attention are you paying to political polls this election season? Cast your vote in the Question of the Day2.

Recent polls show Messrs. Webb and Allen in a dead heat. One reason: They are tied among women -- a precarious position for a Virginia Democrat. The last two Democrats to win statewide elections -- Gov. Tim Kaine and former Gov. Mark Warner -- had female gender gaps of six and five percentage points, respectively.

Besides opening a gender gap, Mr. Webb needs to generate enthusiasm among African-Americans. Though the Allen campaign was beset for weeks with questions about his racial sensitivities after he called a dark-skinned Webb aide a "macaca," a racial slur in some cultures, Mr. Webb has struggled to win support. Even as the Allen controversy hung in the air, the Virginia Legislative Black Caucus voted in September to endorse Mr. Webb, but only with a 9-8 vote, with holdouts saying they didn't know enough about him yet to support him.

Reservations in the black community were sparked mostly because he was a stranger in their midst. Caucus Chairman Dwight Jones admits he was taken aback when Mr. Webb's first major television ad in August highlighted his service in the Reagan administration.

"I think it's smart" to reach out to disenchanted Reagan Democrats, says Mr. Jones, "but you have to be able to do it in such a way that you don't ignore the people you are counting on, the ones who never left the party."

Still, the Webb campaign has shown it can adapt fast. Since the summer, it has won backing from the state's lone black congressman, Rep. Bobby Scott, and Mr. Webb has made tours through black communities and churches, and will again this weekend, in Richmond, with Mr. Kaine at his side. This week, he secured the endorsement of Richmond Mayor L. Douglas Wilder, the former state governor who is the only African-American to have served in that job.

Not everyone is convinced. Bishop Gerald O. Glenn, head of the New Deliverance Evangelistic Church outside Richmond, says he voted against Mr. Allen six years ago, but has thrown his support behind the Republican, in part because of money the senator fought to get for black colleges and universities. He calls Mr. Webb a "carpetbagger Republican."

Mr. Webb's challenge among women voters is even more complicated. His candidacy was hurt early when the Allen camp drew attention to a nearly 30-year-old article he had written questioning women's ability to serve in combat. Mr. Webb has since apologized for provocative language and noted he expanded the ranks of women in Navy leadership positions while in the Reagan administration.

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Ironically, it may be the war that can help Mr. Webb move women voters. In a Wall Street Journal/NBC poll earlier this month3, 71% of women said they were pessimistic about the way things are going in Iraq, compared with 66% of men. In Virginia, with its strong military presence, the course of the Iraq war can affect household budgets.

In a dimly lighted community-college classroom here, Mr. Webb, a former Naval Academy instructor, rolls up his sleeves and asks how many students in the class have friends or family in Iraq. Roughly two-thirds raise their hands.

As the questioning period begins, his second query comes from a woman whose fiancé is in Iraq. She wants to know if Mr. Webb has a way to bring him home. "These guys are living on food stamps and going over there and getting slaughtered," she says.

The next question comes from a woman whose husband heads to Iraq in January, followed by one from a female veteran who has had trouble getting benefits. Mr. Webb doesn't have an answer for them all, but says that if he is elected to the Senate, "the people who serve in the military will have no better friend."

Women, Minorities May Decide Senate Race In Va. (USAT)

By Jill Lawrence

USA Today, October 27, 2006

ALEXANDRIA, Va. — A seven-year statute of limitations on character attacks? Three Republican friends considered that idea here the other day as they lamented personal controversies that have all but hijacked a critical contest between Republican Sen. George Allen and Democrat Jim Webb, a former Navy secretary.

Joanna Bergstrom, 67, of Vienna cut right to the chase: “If you're going to overlook Webb's comments on women, well, Allen has grown over the years. You should overlook his noose and Confederate flag.”

Webb has been dogged by a 1979 magazine article in which he argued that women did not belong in combat or at military academies. Allen is trying to overcome a past fondness for Confederate flags and pins, the noose he once had in his law office — which he said was part of a Western memorabilia collection — and new questions about his attitudes on race.

The tempests have put women and minorities at the heart of a tight race. Both groups are crucial to each candidate and the outcome could determine which party controls the Senate.

As the campaign enters its final days, the importance of these voters is reflected in mailings, advertising and candidate schedules crammed with events designed to fire them up and win them over. Allen has erased the traditional advantage that Virginia Democrats enjoy with women. Webb, who once opposed all forms of affirmative action, is trying to energize the black voters who make up about 20% of the Virginia electorate.

Among the many surprises in this race is that Webb, 60, a newcomer to both politics and the Democratic Party, has a chance. A Naval Academy graduate, decorated Vietnam veteran and novelist, Webb served as Navy secretary in the Reagan administration and supported Allen for Senate in 2000.

In 2002, Webb cautioned the Bush administration against invading Iraq. Disillusioned by the war and economic policies he calls unfair, he switched parties and entered the Senate race in February as a Democrat. He has four adult children and is expecting a baby with his third wife in December. His son Jimmy, 24, is a Marine serving in Iraq; he campaigns in a pair of Jimmy's combat boots.

Webb won a hard fought primary in June. At the time, Allen had a double-digit polling lead and an 11-to-1 financial advantage. Both gaps have narrowed. Most polls this month give Allen a slight edge. As of Sept. 30, Allen had $5.6 million cash on hand, Webb $2.7 million. Democrats have spent an additional $1.7 million to help Webb.

Allen, 54, a California native who campaigns in cowboy boots, is well known in his adopted state because his father coached the Washington Redskins. He has a relaxed, extroverted style, a 24-year political résumé and a classic GOP outlook. As governor from 1994-98, he cut taxes and abolished parole. He has backed Bush on most issues, but in recent days has called for changes in direction and tactics in Iraq.

This time last year, Allen was in New Hampshire at a breakfast with financial contributors. It was one of two dozen trips he took as he explored a 2008 White House bid.

A series of missteps regarding race and religion, however, have dimmed his national prospects. Allen reacted with anger and clumsy jokes about ham sandwiches this summer when he and the media learned about his mother's long-secret Jewish roots.

In August, he addressed a dark-skinned Webb volunteer as “macaca.” He apologized and said he had made up the word, a racial slur in North Africa, where his mother was born.

That incident triggered reports in newspapers and the online magazine Salon that Allen used a racial slur to refer to blacks when he was at the University of Virginia. Most of the accounts came from former football teammates, among them North Carolina radiologist Ken Shelton. Allen says they are false.

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The last two Democrats to win high office in Virginia — Gov. Tim Kaine and former governor Mark Warner — had substantial leads among women as the election neared. But a Washington Post poll this month found Allen leading Webb among women, 49% to 47%.

Allen's wife, Susan, is praising his sterling qualities in a TV ad and at women's events with celebrity guests such as Labor Secretary Elaine Chao and former White House adviser Mary Matalin. “Talk to your girlfriends,” Matalin told about 100 women at a hotel here this month. “They will trust your opinion.”

The hard sell relies on Webb's 1979 Washingtonian article, in which he said many women at the Naval Academy seemed to have “problems with their sexuality” and called a dorm there “a horny woman's dream.” The National Republican Senatorial Committee has sent female voters at least four mailings quoting Webb's assertions.

On TV, meanwhile, three female Naval Academy graduates in an Allen ad say Webb's article was demoralizing and disrespectful. “To imply that we were there for sexual purposes was beyond belief,” said Kathleen Murray, class of '84.

Webb says his language was immature and he regrets it. He says he opened up thousands of opportunities to women when he was Navy secretary. He also says the military is working fine now and women “serve in a broad swath of critical jobs.” One of Webb's ads features testimonials on his leadership from retired female officers. Several gathered at his office recently to endorse him.

“Jim has the deepest respect for everyone in the military today,” said retired Army colonel Kate Wilder, who said she was the only woman ever to serve as a Green Beret. Most military men were “disgruntled” when women arrived on the scene, she said, but “it was 30 years ago. Life has moved on.”

Exit polls in 2000 showed Allen won 17% of the black vote. If the pattern repeats, state politics experts say, Webb won't win. “The black vote is the bulwark of the Democratic vote in Virginia,” says Mark Rozell, a political scientist at George Mason University in Fairfax. “Without a heavy turnout and a high margin, a Democrat can't win.”

Allen's baggage would seem to make that easy for Webb. But six years ago in a book review, Webb called affirmative action “state-sponsored racism.” Now he supports it, but only for blacks. That position “is not held or articulated by anybody else in the political arena,” says Robert Holsworth, a state politics expert at Virginia Commonwealth University in Richmond, adding Latinos and women aren't happy with it.

Virginia's senior black state senator, Democrat Benjamin Lambert, praises Allen in a new radio ad for supporting black colleges, black farmers, the Voting Rights Act and the first black judge on the 4th U.S. Circuit Court of Appeals. The rest of the black legislative caucus, however, endorsed Webb.

The 50-year-old Richmond Crusade for Voters also endorsed Webb in what President Melvin Law said was an easy call. Allen's “newly discovered sensitivity” to the black community, he said, “coincided with talk that he might be interested in the presidency.”

Webb got a boost Wednesday when Richmond Mayor L. Douglas Wilder, an unpredictable Democrat, broke his silence on the race. Wilder, the only black governor the nation has ever elected, said Webb would help the nation turn away from Bush's “misguided” policies on Iraq and the economy.

Rozell says most decisions Nov. 7 will turn on how voters feel about Iraq and the Bush presidency. If they consider character, he says, the macaca incident could be decisive: “Allen did something very recently that raised questions about his judgment and character. At least Webb can say ‘this was years ago and I'm more mature now.' ”

Wives Maintain High Profiles In Senate Race (WT)

By Christina Bellantoni

The Washington Times, October 27, 2006

If Sen. George Allen is the team captain of his re-election campaign, Susan Allen is the head cheerleader.

And while voters most often see Mr. Allen's challenger James H. Webb Jr. out on the stump, both his wife and ex-wife have been rallying support, at times together, for the decorated Vietnam War veteran.

Pundits jokingly refer to the women standing behind their men as the secret weapons in this year's Senate race in Virginia, but voters are noticing their work.

Election Day is Nov. 7.

When Mr. Allen, a Republican, is in Southside Virginia, Mrs. Allen is stumping for votes in Northern Virginia. She appears in campaign ads and in some places is more popular than her husband.

"I've been his sidekick for about 20 years now and have been active in all of his campaigns," Mrs. Allen, 45, told The Washington Times. "I know no other way. George and I have always done this together."

Mr. Webb, a Democrat, is often joined on the campaign trail by his wife, Hong Le Webb, a corporate finance lawyer. She's not used to life in the spotlight.

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"I don't think either of us were prepared for the intensity of the process, including the public scrutiny," Mrs. Webb, 37, told Lowell Feld, a blogger who works for the campaign. "We both value our privacy and family time. For the most part, we've kept our family out of the public scrutiny and prefer it that way."

The Webb campaign did not respond to requests by The Times to interview Mrs. Webb or to questions submtted by the newspaper.

Mr. and Mrs. Allen celebrated their 20-year anniversary this year. The Allens have three children between the ages of 8 and 18. It is Mr. Allen's second marriage.

Mr. Webb and Mrs. Webb married in 2005. It is Mr. Webb's third marriage.

Mr. Webb has four children between the ages of 20 and 35 and several grandchildren. Mrs. Webb has a 9-year-old daughter. The Webbs are expecting their first child in December.

When Mrs. Allen was at the University of South Carolina in the early 1980s, her parents in Charlottesville made sure she cast an absentee ballot for "this cute boy" running for the House of Delegates.

"He won that race by 25 votes thanks to parents like mine," she laughed, recalling Mr. Allen's first political victory.

Mr. Webb met Miss Le in the mid-1990s when they both conducted business in Vietnam. They fell in love a few years ago.

"We started dating while we were separated from our former spouses, and perhaps going through similarly difficult experiences in our lives allowed our friendship to blossom," Mrs. Webb told Mr. Feld.

Mr. Webb, 60, and Mr. Allen, 54, have different styles in involving their families on the campaign trail.

Mr. Allen's speeches, campaign ads and debate comebacks often include the phrase "Susan and I."

"You're the reason why I've gotten elected to anything," the former governor recently told his wife.

For the most part, Mr. Webb has kept his family out of the spotlight, but lately a pregnant Mrs. Webb has been more prominent on the campaign trail.

She recently greeted supporters at churches in Chesapeake, Va., and was lauded by Sen. Hillary Rodham Clinton, New York Democrat who endorsed Mr. Webb, at an Alexandria fundraiser.

Both Mrs. Allen and Mrs. Webb said the ugliness of the campaign has taken a toll on their families.

Mrs. Webb called it a "smear campaign against Jim," and Mrs. Allen said she tells the children to "smile through it all, have a thick skin and a sense of humor."

Mrs. Webb was born in Vietnam but left her homeland after the fall of Saigon. She told Mr. Feld it has not always been easy balancing a career with being a mother, noting it helps her understand the plight of working families. Her mother was the primary breadwinner and her sisters have been entrepreneurs, she said.

Mrs. Allen, who has been involved in tourism promotion and women's health issues, also praised the women in her family as strong role models.

Mrs. Allen blushes when she is compared to first lady Laura Bush.

Recently, President Bush said he and Mr. Allen have something in common: "We're both named George and we both married smart, beautiful women."

Mrs. Allen and Mrs. Bush became friends when their husbands served as governors, and they remain close. Mrs. Bush held a fundraiser for the campaign this week.

Mr. Webb also has the endorsement of his ex-wife, Jo Ann Kruker, who campaigns on behalf of her former husband.

Ms. Kruker told voters in Arlington last spring that Mr. Webb was "born fighting for the American dream," The Washington Post reported.

Defiant Iraq War Foe Defined By Vietnam (WP)

By Fredrick Kunkle

The Washington Post, October 27, 2006

James Webb will tell you that he is first a writer, with several best-selling novels to his name. He is also the descendant of brave-hearted Scots-Irish who stood up to English kings. He is a husband and father of four.

But above all, Webb is still in his heart a combat Marine. His defining moment came in Vietnam, and he remains loyal to the men he led and the memories he formed there. Once a year or so he reunites with former comrades. At Arlington National Cemetery, he visits the graves of others, often leaving Marlboro cigarettes for his buddy, Snake.

Now, Webb, a Naval Academy graduate who once dreamed of wearing a Marine Corps general's stars, has become a face of the movement against the Iraq war. The man who admired President Ronald Reagan and served his Republican administration as a cocky secretary of the Navy is one of the Democrats' best hopes to wrest control of the Senate from the GOP as he challenges incumbent George Allen.

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That this warrior rails against the war is only one of the contradictions in Webb's life, just a hint of the complexities and ironies that make him an uneasy candidate. He has switched from Democrat to Republican and back to Democrat -- first in anger because of President Jimmy Carter's pardon of people who avoided the draft, and now because of the Iraq war.

At 60, Webb, who says he loves writing because of the independence -- "You can sit on a park bench, and no one knows who the hell you are" -- is running for a chamber where there is no anonymity, and people can't switch parties when things don't go their way. Even his good friends question whether he has the temperament to serve in Congress.

"It's no secret that I'm not a person who wears a bridle well," he once said after clashes with his bosses at the Defense Department.

His friends also wonder whether it was Webb's temperament that led at least partially to his writing a Washingtonian magazine article in 1979 about women in combat called "Women Can't Fight" that some female midshipmen say encouraged hostility and sexual harassment.

The inflammatory article has become one of the turning points of the Senate campaign and a key reason why Webb is not enjoying the success among female voters that other Virginia Democrats have, according to a recent Washington Post poll.

The article still resonates. "Now you've got a bona fide war hero -- and I'll never take that away from Jim Webb, because he was a war hero -- and he just lined up every woman there and publicly executed us," said retired Navy Cmdr. Kathleen Murray, a 1984 Annapolis graduate who lives in Norfolk.

Paul E. Roush, a retired Marine colonel, wrote in a 1997 naval journal that Webb's article was "the single greatest purveyor of degradation and humiliation on the basis of one's gender that academy women have had to endure." And several Navy women said Webb's views later resurfaced in his writings, speeches and actions as Navy secretary.

Dogged by the issue during the campaign, Webb has dismissed the article as old news and apologized for its excesses, especially a crack in which he called a dormitory at the school a "horny woman's dream."An Uneasy Campaigner

Webb isn't comfortable talking about the Washingtonian article. He acknowledges that he's not at ease at fundraisers or pressing the flesh in a large crowd, either. That, perhaps, is the most curious contradiction of all.

The man who seems to have accomplished everything he has put his mind to -- officer, writer, Emmy-winning journalist -- sometimes seems to be going through the motions as a candidate.

"My natural personality is not to intrude on people's space. That's just the way I am. And I don't like people to intrude on mine," Webb said, explaining his awkwardness. "I just have to accept that I don't have the persona of a lot of people in [politics]. But, believe me, I wouldn't go through this if I didn't know I had the right answer at the end of this."

Webb says he's driven to run to help reshape national security policies, of which those about Iraq are just a part, by relying more on international diplomacy.

Although Webb received some of the country's most prestigious medals for valor in Vietnam, he often falters while campaigning, standing stiffly in a crowd and pinching the hem of his sports coat until his fingertips turn white. He seldom cracks a smile in public but giggles during an interview as he recalls his delight at seeing his first mango when he was a kid.

Webb entered his first campaign for elective office in February -- remarkably late for a statewide race -- but he had toyed with the idea for years. In 1988, the Republicans approached him to run for the same office. Democratic Sen. Bob Kerrey of Nebraska asked Webb several times to run in the 1990s. "It's not really what I wanted to do," Webb said. "I really love the independence of being a writer."

As war loomed in Iraq, however, Webb became frustrated that few in power spoke against it. Then Hurricane Katrina hit, and Webb had seen enough.

"Katrina was the last straw for me," Webb said. "For some reason, I felt personally insulted for the slurs that were being made against the people who were trapped in New Orleans. . . . Where is the government in this?"

His clumsiness as a candidate remains a frustration for many Democrats, who hope Virginia can tip control of the Senate to their party.

"It's been a campaign that really has been plagued by missed opportunities and a candidate that seems to resent having to campaign," said one Democratic consultant in Washington, who spoke on condition of anonymity so he would not anger Webb.

Webb acknowledges his image as the reluctant candidate but dismisses the criticism. He thinks that his firsthand taste of battle has given him a perspective that too many politicians in his generation lack. Webb also says Iraq is not the only reason he is challenging Allen, preferring to promote populist themes such as the "three Americas" divided among rich, poor and a struggling middle class. Yet his campaign highlights his military rÃ©sumÃ©, and supporters see his candidacy as a referendum on the war.

Webb also won't talk about his son Jimmy's deployment to Iraq, saying the Marine, 24, should not be used for political gain. But Webb works the campaign trail in his son's combat boots, the Marine emblem on their heels.'A Rough Experience'

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James Henry Webb Jr. was born Feb. 9, 1946, in St. Joseph, Mo., one of four children. His father, an Air Force colonel, enlisted the day after Pearl Harbor. Webb's mother, Vera, the daughter of a sharecropper, is 81.

James Sr. never pushed the armed forces on his children, but Webb's sister Patricia married into the Air Force. Another sister, Tama, married Webb's Naval Academy roommate. His younger brother, Gary L. Webb, became a Marine helicopter pilot.

Their father, who died in 1997 at age 79, also taught his children not to run from trouble. Forever new kids on another new base, they learned to scrap when they were young.

"That's just growing up on a military base," Gary Webb said. "It was a rough experience."

Jim Webb did better with his fists than his schoolbooks, but he also wrote poetry and short stories. Although Webb later embraced such 20th-century masters as Ernest Hemingway and Graham Greene, the writers who spoke to him early on were journalistic observers such as John Steinbeck and James A. Michener. The latter's "Hawaii," in particular, captured his imagination as a teenager.

"I was living in Nebraska, working in a grocery store, freezing my tail off, and I started reading this book," Webb said. "And, you know, the first hundred pages is lava forming an island, and bugs landing on it. But after that, you started getting into all the different ethnic cultures. It was just fascinating. I read that book, and I said, 'I'm going there.' "

One day he saw a mango at the grocery like the ones in the book, and he had to have it, even if it did cost a day's pay.

"I got this thing, and I brought it home, and I didn't even know how to peel it," he recalled.

His brother said Webb yearned to be a Marine general like Lt. Gen. Lewis B. "Chesty" Puller, the legendary war hero. After a year at the University of Southern California on a Navy ROTC scholarship, he enrolled at Annapolis. Nicknamed "Spike," he had an unyielding reputation, whether in the boxing ring or in the daily trials plebes faced.

Webb graduated in 1968, accepting a commission as a second lieutenant in the Marines at a time when the academy failed to meet its Marine quota because of the carnage in Vietnam. He arrived there in 1969 as a platoon leader with the 1st Battalion, 5th Marine Regiment.

Right away, Webb's cool head impressed his company commander, Michael Wyly. As with each new officer from Quantico, Wyly sent Webb on patrol his first night in the bush. Unlike with other green platoon leaders, Webb's eyes showed no hesitation, Wyly said.

Wyly, a retired Marine colonel in Maine, saw a lot of himself in Webb: Both had a reputation as "difficult subordinates." Wyly said, "He had the guts to come and say, 'Skipper, there might be a better way to do that,' " Wyly said.

One day, while hunting for a Viet Cong weapons cache, the company stumbled into a complex of bunkers, Wyly recalled. A grenade flew from a bunker, exploding near Webb. He charged the bunker and killed its two occupants. When another grenade rolled toward him, he shoved a comrade to the ground and shielded him, suffering grievous wounds himself.

Webb won the Navy Cross, which is second only to the Medal of Honor. He also won a Silver Star and two Bronze Stars and was awarded two Purple Hearts. But the two grenades also sprayed him with steel, inflicting career-ending wounds. Pieces of shrapnel remain in the base of his skull and a kidney.

"Before he went over to Vietnam, he was extremely idealistic," Webb's brother, Gary, said. "When Jim came back, he was much more realistic about people, about issues, about facts."

After Webb's wounds forced him from the Marines, he went to Georgetown University's law school. There he felt the sting of contempt from antiwar classmates and faculty. He also began to write.

His first novel, "Fields of Fire," appeared in 1978, featuring as the protagonist Lt. Robert E. Lee Hodges Jr., who was a Kentuckian like Webb's grandfather and shared his name. The book went against the current of the times, offering a slap at the era of malaise and pacifism that some called the "Vietnam Syndrome." Webb's novel, for all its cautionary asides on bloodshed, teaches that no other experience is as terribly profound as combat.Women in Combat

Battle was so terrible and so profound that Webb says he believed only a certain temperament could survive there -- and only men had it.

Four years after Congress opened military academies to women, Webb wrote in the Washingtonian that "no benefit to anyone can come from women serving in combat." Female plebes were "poisoning" men's study of war.

Webb hit such a nerve that Navy brass banned him from speaking at his alma mater. Male midshipmen who opposed having women in the Brigade took his article as a manifesto; female classmates saw it as a goad to more torments.

Speeches and writings that followed continued to champion the idea that the military had become the plaything of feminists and politically correct civilian leaders and that many senior officers were too craven to do anything about it.

Five years after the Tailhook episode, which involved sexual assaults against dozens of women during a boozy convention for Navy aviators in 1991, Webb argued that the scandal should have been a "three- or maybe a five-day story." He had also characterized prolonged investigations of it as a "witch hunt."

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"He's a symbol of holding women back and not accepting us for our abilities," said Lisa Stolle, 50, of Virginia Beach, who graduated with the second academy class to admit women.

In 1984, Defense Secretary Caspar W. Weinberger brought Webb to the Pentagon to fill a new post as assistant secretary of defense for reserve affairs. By then, Webb had built a reputation as a conservative pundit, helped lead the fight against Maya Lin's design for the Vietnam Veterans Memorial and worked on veterans affairs on Capitol Hill. In 1984, he won an Emmy with the MacNeil/Lehrer NewsHour covering the barracks bombing that killed 241 Marines in Lebanon in 1983.

In February 1987, Reagan tapped him to succeed Navy Secretary John F. Lehman Jr., whose signature achievement had been pushing for a 600-ship Navy. Some wondered whether Webb's temperament fit the job.

"He was very passionate about the things that are his core beliefs," said Seth Cropsey, a deputy undersecretary of the Navy who reported to Webb. "I could not figure out how he could apply that passion to the administrative details of being secretary of the Navy."

A month after taking office, Webb sent a directive that performance in combat would receive greater weight in determining promotions -- a move that some female junior officers saw as putting them at a disadvantage because they were prohibited by law from combat assignments.

"To me, it was kind of an under-the-table way of putting a glass ceiling in place," said Donna Sengelaub, 48, a retired Navy commander and 1982 Naval Academy graduate.

Later, under pressure from Congress, Webb opened more jobs to women, as did the other military branches.

Jeffrey E. McFadden, an academy graduate who worked as Webb's speechwriter, said he admired the way Webb took control of staff meetings with admirals and generals who were years older. But Webb seemed to enjoy most being around grunts and sailors, McFadden said.

During a ceremony, McFadden recalled, Webb watched as Gen. Alfred M. Gray Jr., a Marine commandant whom Webb much admired, decorated Marines for bravery. After pinning the medals, Gray gave each recipient a hard, big-brotherly punch in the arm. When Gray finished, the brash young Navy secretary gave the commandant the same playful sock on the arm, and the crowd of Marines roared in approval.

But Webb clashed with Weinberger's successor, Frank C. Carlucci, and spoke out against budget cuts demanded by Congress. On Feb. 22, 1988, after 10 months, Webb quit. He sent his aide to hand-deliver his resignation letter to Reagan. But he left his resignation letter to Carlucci on the desk of one of the secretary's aides -- a gesture noted at the time for a lack of class.A Tightknit Family

Webb settled in Falls Church and still has family in Southwest Virginia. He has been married three times and has four children: Amy Hogan, 36; James Robert Webb; Sarah C. Webb, 23, and Julia A. Webb, 21. Webb's wife, Hong Le Webb, a securities lawyer, is expecting a child in December. Family members said Webb is close to all his children, but especially to Jimmy, who left Penn State University to join the Marines. He is serving in Anbar Province in Iraq.

In an interview, Jim Webb's eyes welled as he recalled walking Civil War battlefields with his son. But he would not discuss what it is like to be a father whose son is also a warrior.

Tennessee Controversy Shaped By Spin Expert (NYT)

By Anne E. Kornblut, Jim Rutenberg

The New York Times, October 27, 2006

WASHINGTON, Oct. 26 — When an advertisement mocking Representative Harold E. Ford Jr. set off controversy in the Tennessee Senate race last week, a question quickly arose: Who was behind the provocative and, critics said, racially loaded television spot?

No Republicans wanted to take credit. When the identity of the producer, Scott Howell, emerged, Democrats quickly pounced on his history of bare-knuckled tactics and close relationship with Karl Rove as evidence of a familiar Republican approach.

And the incident quickly set off a wave of denials and denunciations from Republican officials, including the national party chairman and Senator John McCain of Arizona, who has hired Terry Nelson, another consultant affiliated with the spot.

The advertisement in question suggested a flirtation between a young bare-shouldered white woman, played by a blond actress, and Mr. Ford, the Democratic candidate in Tennessee for the Senate. It was supposed to stop running on Thursday amid complaints that it seemed intended to stir racial hatred, though there were reports that it was being broadcast on some stations.

Associates of Mr. Howell said the advertisement was typical of a media strategist who has in the past manufactured political controversy to win tough races in spite of — or because of — the intense reaction the work so often provokes.

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He helped produce the early 2004 advertisement for President Bush that showed a coffin coming out of the rubble of the World Trade Center wreckage. It was immediately criticized by a group of Sept. 11 widows but was later credited with changing the subject of the campaign from economic woes to the president's national security credentials.

In Georgia, Mr. Howell also was a top member of the media team working for Saxby Chambliss, the Republican whose advertisement in the 2002 Senate race accused Max Cleland, the Democratic incumbent and a triple-amputee Vietnam veteran, of being weak on national security by featuring an image of Osama Bin Laden to drive the point home. The spot infuriated Democrats but helped lead to Mr. Cleland's defeat.

Jim Jordan, a strategist for Mr. Ford, said that even if the anti-Ford advertisement was no longer running on television, it might have already helped inspire the core voters that Bob Corker, the Republican candidate for the Senate, will need to win.

"He's having a hard time with his base, and this is the kind of ad the Republicans believe appeals to their base," Mr. Jordan said of Mr. Corker. But, Mr. Jordan said, the advertisement and the angry reaction it has provoked will backfire nonetheless by offending more important swing voters.

Mr. Howell's latest ad says Mr. Ford voted to recognize gay marriage; Mr. Ford, in fact, twice voted in favor of a proposed constitutional amendment banning same-sex unions. The ad, which calls Mr. Ford slick and smooth, says Mr. Ford wants to give the "morning after" pill to school children, an outright falsehood, according to Mr. Ford's campaign.

Yet if angry voters are looking for a place to direct their anger, they may have a hard time.

Mr. Howell did not produce the spot for Mr. Corker, who has disavowed it. He produced it for a quasi-independent organization that is financed by the Republican National Committee but operates wholly out of the committee's control or direction.

Campaign finance regulations limit how much money the political parties can spend on campaigns with which they coordinate. But they allow parties to spend without limit if they set up committees that operate independent of the party leadership.

Advocates for stricter campaign finance laws say the regulations, a result of court decisions several years ago, do little more than provide a fig leaf for the parties, insulating them from controversy like the one that is now engulfing the advertisement in Tennessee.

Democrats have had their own run-ins with independent expenditure groups, though none as prominent as the controversy in Tennessee.

Station managers in Montana chafed at a Democratic senatorial committee advertisement, produced by an independent group, that featured Senator Conrad Burns using coarse language in discussing local firefighters. Mr. Howell, who once worked for Mr. Rove's direct-mail business in Texas, was hired by Mr. Nelson, who was political director of the Bush-Cheney campaign in 2004. Mr. Nelson was in turn hired by Ken Mehlman, the former Bush-Cheney campaign manager and White House political director who is now chairman of the Republican National Committee, to oversee the so-called independent expenditure operations.

All independent expenditure units are required to sign legal papers promising not to have contact with the campaign that they are hired to advocate on behalf of, and to receive only financial support, not strategic advice, from the national party. Mr. Nelson's firm, the Crosslink Strategy Group, employs as a consultant Chris LaCivita, who worked with the Swift Boat Veterans for Truth, the group that produced negative advertisements about Senator John Kerry in the 2004 presidential campaign, according to the firm's Web site.

Calls to a spokesman for Mr. Howell were not returned. Mr. Nelson, who has agreed to work with Mr. McCain if he runs for president in 2008, also did not return calls.

John Weaver, an adviser to Mr. McCain, said Mr. Nelson would continue as an adviser to the senator despite the incident. But, Mr. Weaver said: "We're pleased that the ad has been pulled down."

The Republican National Committee has said Mr. Howell's work against Mr. Ford was created out of sight of Mr. Mehlman, who did not even know what the spot would look like, when it would run or when it would stop running. And Mr. Mehlman was described by an associate who requested anonymity to share private conversations as frustrated by the process, which has occasionally made his committee responsible for advertisements that he has personally found objectionable.

"It may seem confusing and convoluted that the R.N.C. has no knowledge of these ads," said Brian Jones, a committee spokesman. "But that's the way the law's been written, and we abide by it."

Republican Attack Ad Offends Canada (NYT)

By Ian Austen

The New York Times, October 27, 2006

DOJ_NMG_0087282

TORONTO, Oct. 26 — A Republican television commercial that has drawn criticism in the United States has also become a political and diplomatic issue in Canada.

"Canada can take care of North Korea. They're not busy," says an actor in the campaign advertisement, against Representative Harold E. Ford Jr., a Democratic candidate for the Senate in Tennessee.

Whatever its intent, the aside is seen in Canada as a suggestion that the country is a free rider when it comes to global security. While Canada did not participate in the invasion of Iraq, it has posted a large portion of its army in Afghanistan as part of NATO forces since 2002. On Wednesday, Michael Wilson, Canada's ambassador to the United States, spoke with an official at the White House, whom the Canadian government declined to name, to officially express Canada's displeasure.

Bernard Etzinger, a spokesman for the Canadian Embassy in Washington, would not discuss the conversation beyond saying, "They took the call and listened to what we had to say."

The advertisement, financed by the Republican National Committee, was pulled from the air on Wednesday after Democrats and the N.A.A.C.P. criticized some of its content as an attack based on racial stereotypes and fears.

In the advertisement, actors in staged interviews speak sarcastically about Mr. Ford and his positions. They include a white actress who says that she met Mr. Ford, who is black, at a "Playboy party." She looks into the camera and says, with a wink, "Harold, call me."

The perceived slight against Canada comes at an awkward time for its minority Conservative government. The recent deaths of Canadian soldiers have prompted criticism of the government's decision in September to increase its deployment by 500 troops to 2,500.

Prime Minister Stephen Harper, who increased military spending this year, has made developing close relations with the Bush administration a priority.

In the House of Commons on Wednesday, Omar Alghabra, a Liberal member from suburban Toronto, cited the Republican advertisement and asked, "Is this what Canadians should be expecting as the outcome of cozying up to Mr. Bush by the prime minister and his Conservatives?"

David Wilkins, the United States ambassador to Canada, said Thursday at a meeting in Niagara-on-the-Lake, Ontario, that the ad "certainly doesn't represent the view of the president, or the view of the administration, or the view of most Americans," reported The Canadian Press, a news agency.

Compounding A Political Outrage (NYT)

The New York Times, October 27, 2006

The sleazy way in which campaigns and the political parties use loopholes in the campaign finance laws to evade responsibility for their attack ads is on full display in the Tennessee Senate race. Slick as a leer, pernicious as a virus, a campaign commercial transparently honed as a racist appeal to Tennessee voters has remained on the air, despite assurances from Republican sponsors that it was pulled down.

The ad is directed at Representative Harold Ford Jr., the Democratic candidate for the Senate, who is African-American. It includes a bare-shouldered white woman claiming to have met the candidate at a Playboy party and signing off with a close-up, whispered come-on: "Harold, call me."

The ad, resonating with the miscegenation taboos of Old South politics, may or may not be the nadir in the low-blow salvos now assailing the nation. But it takes the statuette for political hypocrisy as G.O.P. leaders insist they were hobbled by campaign law from cutting off what is clearly their own handiwork. "We didn't have anything to do with creating it," insisted Ken Mehlman, the chairman of the Republican National Committee.

All Mr. Mehlman's committee did was finance the ad by way of a supposedly "independent" political shop that serves as a shadow party operation specializing in attack ads on behalf of the Republican candidate, Bob Corker. Mr. Corker eventually criticized the ad as tacky and not part of his campaign, asking that it be killed. But Republican assurances that it was finally off the air after days of damage have proved untrue, according to news reports. The 30-second fiction continued to air like some monstrous G.O.P. orphan.

Strategists from both political parties use the "independent" route of the campaign law for launching sleaze and disclaiming provenance. Voters across the nation are hard-pressed to separate wheat from chaff in the whirlwind of political ads. But one of the few keys they have in figuring out who's responsible for something particularly egregious is the tag line required at each commercial's close.

In the anti-Ford ad, viewers transfixed by the blonde's vixenish sign-off may miss the commercial's only truly enlightening statement, tacked on in quick-talk: "The Republican National Committee is responsible for the content of this advertising."

It sure is.

DOJ_NMG_0087283

Does The Code Still Work? (WP)

By Eugene Robinson

The Washington Post, October 27, 2006

The Republican Party built its "solid South" in part with an appeal to racism against African Americans and other minorities. Sometimes the message was explicit -- Jesse Helms's mugging of Harvey Gantt in 1990 was perhaps the most blatant example. Usually, though, latent prejudice had to be summoned more subtly, using a code that white voters could easily decipher: I'm on your side. The Democrats are with them . Who you gonna vote for?

Election results in Tennessee and Virginia will give us a benchmark, to use George W. Bush's new favorite word, of how much the South has changed -- and also, by the way, will probably determine whether the Democratic Party pulls off an upset and captures the Senate.

Rep. Harold Ford Jr., the scion of an African American political dynasty, wasn't expected to mount a serious challenge in Tennessee for the Senate seat being vacated by retiring Majority Leader Bill Frist. But with less than two weeks to go, most polls show him in a virtual dead heat with Republican Bob Corker, a former mayor of Chattanooga. That Ford is even within striking distance says a lot about how disillusioned many self-described independent voters are with the Republican pooh-bahs in Washington, who have been running the country long enough that they can't credibly blame Democrats for much of anything.

The Tennessee race is drawing national attention, and not just because Ford would be the first African American elected to the Senate from the South since Reconstruction. At issue is a television ad, paid for by the Republican National Committee, that speaks to white voters in the old tried-and-true Republican code -- very cleverly, I must say. If you haven't seen the ad, it's easy to find on YouTube.com.

It has to be one of the funniest, slickest, best-produced political ads of the year. A succession of stupid or shady characters expresses support for Ford, applauding him because he wants to make families pay higher taxes or take guns away from hunters. A greasy guy in dark sunglasses claims Ford has taken contributions from pornographers, but shrugs and adds, "Who hasn't?"

Among the mock endorsers is a blond bimbo -- sorry, but that's the only word -- who squeals, "I met Harold at the Playboy party!" At the end of the ad she reappears, suggesting a certain intimacy as she implores, "Harold, call me."

There you have it: a black man, a white woman, more than a hint of sex. Viewers are left to fill in the blanks, and clearly the hope is that they will free-associate to a word like "miscegenation." Or, if Republicans are lucky, something considerably worse.

Corker quickly disavowed the ad. RNC Chairman Ken Mehlman claimed unconvincingly that even though the RNC paid for it, there was nothing he could do to get it off the air. The ad was finally pulled after it became something of a cause celebre.

In Virginia, the situation is more complicated. Sen. George Allen opened the door to a thorough examination of his attitudes toward race and ethnicity with his infamous "macaca" gaffe and his oddly startled reaction to discovering his own Jewish heritage. What reporters found isn't pretty. By now it's pretty much established that, at least in his youth, Allen was something of a swaggering bigot. It doesn't help his cause that as a grown man he kept a Confederate flag in his living room and a noose in his office.

Allen admits making mistakes when he was younger but says he has seen the light and now understands and embraces both the African American experience and his place in the Jewish diaspora. And, to be truthful, his Democratic opponent, Jim Webb, has had to explain some antediluvian attitudes about women he seems to have held fairly recently.

But "macaca" was just a couple of months ago, and there was a meanness about the incident that has to make voters wonder. Even if you take Allen at his word that he is no longer the bully he seems to have been as a young man, he sure appeared to be establishing an us-vs.-them solidarity with his all-white audience by stigmatizing a dark-skinned young man by calling him a demeaning name. It was just an instant, but snapshots can be revealing.

The South has changed so much in my lifetime that in many ways I hardly recognize the place -- changed for the better, I should add. But are some white Southern voters still unable to shake that Pavlovian response to the Republican code? We'll have some data points to evaluate on Nov. 7.

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Steele Finds Himself In A Purple Haze (WP)

By Katherine Shaver

The Washington Post, October 27, 2006

Cameras rolled and clicked yesterday as Maryland Lt. Gov. Michael S. Steele strolled off a Red Line Metro train at the Grosvenor-Strathmore station and took his place before the microphones.

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His Democratic opponent for the U.S. Senate, the Republican said, was so out of touch with the Washington suburbs' transportation woes he couldn't even locate a proposed link in the Metro system known as the Purple Line. It was a criticism Steele raised in a televised debate the day before.

The only problem: Steele held his media event on the "need for a Purple Line" at a Metro station two stops from where the proposed line would go. It turns out that the Grosvenor-Strathmore station in North Bethesda was part of an old proposal, called the "outer line," that Maryland dropped two years ago. The only path being studied now, the "inner line," would start in downtown Bethesda -- four miles from where Steele stood.

The question of the line's route -- hotly debated in Montgomery County -- came up in a candidates' debate Wednesday in which Steele accused Baltimore area Rep. Benjamin L. Cardin of paying too little attention to suburban Washington's concerns.

Quizzed by Steele about the line's termination points, Cardin sputtered "Chevy Chase," the wrong answer. Steele shot back that Cardin "has no clue" about the region's transportation issues.

Steele repeated the criticism yesterday, saying he was "quite frankly a little surprised" that Cardin, after 20 years in Congress, didn't know more about a project that would rely heavily on federal funds. A Purple Line advocate, Ben Ross of Action Committee for Transit, said Cardin "wants to build it and forgot exactly where it was going. Steele has no commitment to building it."

Asked why he held yesterday's event so far from the proposed route, Steele appeared surprised. He then said the Grosvenor-Strathmore stop was "convenient and the easiest" site for his travel schedule.

When Steele was pressed, he explained that he was going back and forth to the District. So didn't his Metro ride take him right past the downtown Bethesda Metro stop, the inner line's western end?

"This is where they told me to come . . . " Steele snapped. "I'm not trying to draw any distinction between inner and outer. I'm focused on the Purple Line." Steele was whisked away in a black SUV. Two hours later, two staff members called The Washington Post to say they chose the Grosvenor stop because Baltimore area reporters would be able to find it easily.

Cardin Skips Debate In Charles County (WT)

By S.a. Miller And Jon Ward

The Washington Times, October 27, 2006

U.S. Rep. Benjamin L. Cardin last night skipped an NAACP-sponsored debate in Charles County, Md., a day after the Democratic Senate nominee stammered and stumbled during a faceoff with the Republican nominee, Lt. Gov. Michael S. Steele.

Debate organizers said they had expected Mr. Cardin to participate but his campaign had not made a firm commitment to appear with Mr. Steele and Kevin Zeese, the nominee of the Green, Libertarian and Populist parties.

Cardin campaign spokesman Oren Shur said that a scheduling conflict prevented the 10-term congressman from attending the debate at New Community Church of God in Christ in Waldorf.

"He's campaigning at community events in Prince George's County tonight and has accepted an invitation to debate at the statewide NAACP conference [in Baltimore] on Saturday," Mr. Shur said. "We expect to see Michael Steele there."

Mr. Steele said last night that he would try to adjust his schedule to be there.

The candidates fielded a question about how they would end hate crimes such as the arson fire in 2004 in Charles County in which five white men set fire to more than two dozen homes owned mostly by black families.

Mr. Zeese said racism is still a large part of life for black Americans, and that the problem can be solved only through direct and honest conversation.

"We need to be honest about this big elephant in our living room and face up to racism in this country," he said.

Mr. Steele said he is still viewed as a black man every time he enters a room.

"Talking about it doesn't get us to where we need to be," Mr. Steele said. He also said there are still not enough blacks on corporate boards or running TV networks and major newspapers.

"I don't see us," he said. "We have a long way to go."

Mr. Steele also said the only way to break the cycle of racism is to teach children not to hate.

The debate last night was measured and sober, compared to the one Wednesday.

About 170 people were inside the church, where Mr. Steele and Mr. Zeese also took questions on education, transportation, jobs and the economy, and the Iraq war and foreign policy. The candidates agreed on several issues, including the need to explore alternative energy, cut taxes and modernize the Social Security system.

Mr. Steele suggested a federal-state-local partnership to improve traffic problems that have put a "chokehold" on commuting and other travel from Montgomery County all the way to Southern Maryland.

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Mr. Steele said Charles County and the rest of Southern Maryland are often overlooked in political campaigns, so the debate was the first of its kind for the region. "It was important to be here and showcase the people of this part of the state," Mr. Steele said.

Mr. Cardin's name was rarely mentioned, except when Mr. Steele said Mr. Cardin as the House speaker in the General Assembly gutted the state teacher pension fund.

Mr. Steele yesterday said he was "disappointed" that Mr. Cardin decided not to attend last night's debate.

"Both our teams negotiated with ... the NAACP to host it there," he told reporters at a campaign stop at a Bethesda Metro station. "We agreed to their rules, the format [and] the timing."

Mr. Cardin, who is from Baltimore, stumbled several times during Wednesday's televised debate at NewsChannel 8 studios in Rosslyn.

He was rattled when Mr. Steele said that he was "handpicked" by House Minority Whip Steny H. Hoyer, a Maryland Democrat credited with boosting Mr. Cardin's primary campaign against Kweisi Mfume, past president of the National Association for the Advancement of Colored People.

"I won a competitive primary," a visibly flustered Mr. Cardin said. "Kweisi Mfume is supporting me."

Mr. Steele's remark came in response to Mr. Cardin's quip that President Bush "recruited" the lieutenant governor for the Senate race.

The congressman also stammered when Mr. Steele questioned him about the proposed route of Metro's Purple Line, which Mr. Steele used to portray him as being out of touch with the D.C. suburbs.

Mr. Cardin "is rattled and has gone back on their word that they have publicly given throughout their campaign," said Steele campaign spokesman Doug Heye. "His campaign [said] they will be at a debate any time, anywhere. This was publicly announced. It was publicly reported. They never asked for it to be corrected."

Last night's debate was widely publicized as the second of three between Mr. Cardin and Mr. Steele, culminating Sunday on NBC's "Meet the Press."

Mr. Cardin has struggled to woo black voters -- the Democrats' most loyal voting bloc -- amid criticism from Mr. Mfume and other black leaders about the party's lack of black candidates at the top of the Maryland ticket.

Mr. Steele, who lives in Prince George's and is the first black elected statewide in Maryland, has the potential to break the Democrats' lock on black voters.

Mr. Cardin, who is white, won the overall primary but lost by large margins to Mr. Mfume in Prince George's County and Baltimore, two of the state's most populous and heavily Democratic jurisdictions that are also more than 65 percent black.

At The Washington Times on Monday, Mr. Steele said he requested that last night's debate take place in Charles County, a rural area that was once mostly white but is experiencing a large influx of black residents. It now has the fastest-growing black population in the state.

William Braxton, president of the Charles County NAACP branch that sponsored the debate, said they first talked with the Cardin campaign a week ago.

"We were under the impression that this thing was going to work out and [Mr. Cardin] was going to be here," Mr. Braxton said. "Initially when we talked, he said they had some scheduling problems they had to work out, and his final comment was that they could not work them out."

The Rev. Willie Hunt, pastor of the church that hosted last night's forum, said he regretted that Charles County residents would not get to see the all the Senate candidates in action.

"So many events have taken place in Prince George's County and other parts of the region," he said. "This Southern Maryland area has not had the opportunity to witness this kind of debate."

Mr. Hunt also said that Mr. Hoyer called him Wednesday. "We talked about the debate, but [Mr. Hoyer] wasn't upset or anything like that," Mr. Hunt said.

Hoyer spokeswoman Stacey F. Bernards refused to confirm or deny that the conversation took place.

"You don't have anything substantive from us," Ms. Bernards said.

Ehrlich Warns Of Voting 'Crisis' (BSUN)

By Melissa Harris

The Baltimore Sun, October 27, 2006

Gov. Robert L. Ehrlich, Jr. warned Thursday that a shortage of absentee ballots is "approaching crisis proportions" and asked the state elections administrator to develop contingency plans if more cannot be delivered in time.

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Maryland elections chief Linda H. Lamone acknowledged that some counties had run out of ballots or had yet to receive all they need, with the election 11 days away. But she said more deliveries were scheduled, and described the problems as manageable.

Demand for absentee ballots is high after a push by Ehrlich and others for the use of the paper alternative in the aftermath of the Sept. 12 primary, which was crippled by human and technological errors. A new state law makes absentee ballots available to voters for any reason.

The company that makes Maryland's heavily scrutinized electronic voting machines, Diebold Election Systems Inc., also prints the state's absentee ballots.

Local election directors have warned for weeks that increased demand could create havoc during a tight election timetable.

Meanwhile, some voters are growing frustrated that they have not received their ballots yet -- including some whose travel plans will take them out of state.

This week, the Attorney General's office announced a solution to one of the problems that marred the primary when it advised election officials to open precincts on time even if there aren't enough poll workers to meet state requirements.

No-show election judges caused havoc at some polling places in Baltimore last month, and sate law requires that four judges -- two Democrats and two Republicans -- be present for polls to open. Republican judges are typically in short supply in heavily Democratic Baltimore.

A spokeswoman for the state's Republican Party criticized the attorney general's advice as partisan and contradictory to a previous 1998 letter of advice which stated that polling places lacking the required judges should not open and voters should be diverted to the nearest precinct.

"This about-face from the attorney general can only be explained because we have a Republican governor running against the attorney general's son-in-law," said party spokeswoman Audra Miller. Baltimore Mayor Martin O'Malley, the Democratic gubernatorial nominee, is married to the daughter of retiring Attorney General J. Joseph Curran Jr.

Two Democratic delegates, Samuel I. Rosenberg of Baltimore and Peter Franchot of Mongtomery County, requested Curran's advice after absent or late election judges delayed voting in about 10 percent of Baltimore's 290 precincts by more than an hour during the primary.

"I was concerned, as were several advocacy groups, that whether by design or by incompetence there could be a reoccurrence of Republican judges not fulfilling their duties and not showing up on time or at all," said Rosenberg. "The purpose here is to prevent efforts to suppress the vote."

In a 12-page letter of advice, lawyers in Curran's office argue that the 1998 decision was based on a law that has since been revised and did not take into account all constitutional arguments.

The letter and opposition to it comes in the final days of a fierce election season with each party reaching for advantages under new election reforms, including the use of paper ballots.

More than 120,000 Marylanders have requested an absentee ballot for the general election.

Ruth Fader of northwest Baltimore County has not yet received the ballot she requested in September. She is leaving on a month- long trip to Florida Sunday.

"How this is being handled is disgraceful," Fader wrote in an e-mail to the Sun Thursday. A democracy says that everyone has the right to vote. So where's my ballot?"

Some jurisdictions have run out of certain styles and are waiting for replenishments from Diebold. Others have enough but are struggling to keep up with requests. Prince George's County elections director Robert J. Antonetti said Thursday that he is missing five or six of his 37 ballot styles and has run out of envelopes in which to mail them. Anne Arundel County elections director Barbara Fisher said she is missing two of 27 styles.

"I've been out of one ballot style for three days," Fisher said. "They start to pile up and I'm praying they come tomorrow."

Mike Morrill, a spokesman for Diebold in Maryland, said that when the company is notified of ballot shortages, it prioritizes those orders for printing. Orders are filled within two days.

"Almost every county has all the ballots they've ordered including multiple reorders in some cases," he said. "There should not be a situation where there is any wholesale problem."

Morrill also said that 84,000 absentee ballots will arrive in Prince George's County Friday.

Ehrlich raised the possibility of a "crisis" in a letter to Lamone, who responded in a letter that 19 of the state's 24 jurisdictions have received all of their ballots and that the remaining ones will get them Friday or early next week. She said that she ordered Diebold to find other printers to handle the additional requests, which the company agreed to do.

"I have been continuously monitoring Diebold's performance to ensure that everything possible is being done to ensure Maryland orders are being timely and efficiently completed," she wrote.

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O'Malley Has Made Enemies For Himself, Allies For Ehrlich (WP)

By Matthew Mosk And John Wagner

The Washington Post, October 27, 2006

Prominent Baltimore lawyer William H. Murphy usually reserves his powerful rhetorical skills for the courtroom, but this year he's hitting the airwaves to try to sway voters.

"I don't think anybody understands the criminal justice system better than I do, and that's why I'm not voting for Martin O'Malley for governor," he says in a 60-second radio ad that has been airing for weeks in Maryland.

The former judge, a confidant to Baltimore's elite and a lifelong Democrat, has something in common with a number of influential figures in his city: He can't stand the brash young man who became mayor at 36, and now, at 43, is his party's nominee for governor.

Although scores of party insiders adore him, O'Malley's lightning-fast ascent has left a trail of wounded egos and bitter opponents. Several have become vigorous campaigners for incumbent Robert L. Ehrlich Jr., O'Malley's Republican opponent in this year's race for governor.

"Not everybody can be Rebecca of Sunnybrook Farm all the time," said Senate President Thomas V. Mike Miller Jr. (D-Calvert), an O'Malley supporter. "If you're going to be a leader, you have to have the guts to be disliked at times. To stand up to powerful people for things you believe in and risk criticism."

O'Malley has done that, confronting business owners over plans to redevelop some of Baltimore's blighted downtown neighborhoods and challenging the city's law enforcement orthodoxy over how best to tackle inner-city crime.

In the process, he made an enemy of Baltimore Orioles owner Peter G. Angelos, who was once one of the most prolific supporters of Democrats in the nation but who now has hosted a series of fundraisers for Ehrlich.

His pointed words helped turn two former Baltimore mayors -- Kurt L. Schmoke and William Donald Schaefer -- into outspoken backers of O'Malley's primary opponent, Montgomery County Executive Douglas M. Duncan. Schaefer, whom Ehrlich has courted for four years, is still brimming with bile. He says O'Malley treated him "like I have cholera."

O'Malley has openly sparred with Baltimore's prosecutor, and three of his former police commissioners have become critics. Murphy has criticized the mayor's crime-fighting tactics, particularly the arresting of people for offenses such as loitering. Murphy backed an O'Malley opponent in the 1999 mayoral race and has done legal work for the Ehrlich administration.

In an interview yesterday, O'Malley acknowledged that he has acquired detractors since becoming mayor, but said that it has been an inevitable byproduct of trying to improve a troubled, lethargic city. "There was a fair amount of confrontation, particularly in that first year, because there were a lot of people pleased with the status quo," he said.

"In order to break through that, I did have to take on some battles," O'Malley said. "Over the long haul, I think people have generally been very fair and patient with me as I've done this job and hopefully grown in this job."

Daniel M. Clements, a Baltimore lawyer, said that although the mayor does "speak his mind, people like that about him. A lot.

"He's not afraid to bring bad news to other people in power, and those people may not appreciate it, but the public finds it commendable."

O'Malley's popularity among the broader population is indisputable. He was reelected as mayor in 2004 with 88 percent of the vote and has won plaudits for his ability to work with the Baltimore City Council, an unwieldy body with a history of challenging the mayor's authority.

Still, questions about O'Malley's diplomatic skills date to the earliest days of his mayoral tenure, when he first went to Annapolis and asked then-Gov. Parris N. Glendening for $25 million for drug treatment in the city, more than twice what had been budgeted for the entire state. To punctuate the request, he proposed rounding up Baltimore addicts, busing them to Annapolis and dumping them on the State House steps.

"You can't run the risk of being a wallflower down here," O'Malley told reporters at the time. "You've got to be the squeaky wheel."

State Sen. Lisa A. Gladden (D-Baltimore), who called O'Malley "childish and rude" at the time, said he has matured. "He's learned that if you don't work with people, they're going to continue to make life difficult for you," she said.

On the campaign trail, O'Malley said he has "been moving our city to the politics of performance."

"Some people have felt their special interests should outweigh any benefits to the entire city," he said.

It is a transformation that he said has unnerved the city's old guard, including Orioles owner Angelos. It is unclear what incited their disagreement. City Hall officials point to a dispute over redevelopment plans near where Angelos owns a skyscraper. Angelos did not return telephone calls requesting comment.

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Neither Angelos nor O'Malley has hidden his enmity. In 2003, as Duncan planned a bid for governor, Angelos threw a fundraiser for him. When the time came to tell guests why he backed Duncan, he turned talk to O'Malley.

The mayor is not "the presumptive heir to the governor's chair," he said. "I think we need to disabuse him of that idea."

Nine months later, O'Malley announced that he would support a new baseball club in Washington. The Orioles could count on fan support, he said, if the team would produce a "good product."

Miller, who is close to both men, says the dispute boils down to two powerful figures with differing visions for Baltimore. "There are certain people who feel the city owes them special concessions," Miller said. "No one has ever accused Martin O'Malley of giving away the store for anyone."

Schaefer, who said he started out as a supporter of the mayor, chalked up O'Malley's early struggles to arrogance, calling the mayor "a big kid who forgets friends as fast as he makes them." City Hall officials said Schaefer wanted to be O'Malley's liaison to the business community and grew frustrated when it didn't work out. Schaefer also feuded with Schmoke, who succeeded him as mayor.

O'Malley, a former prosecutor, also has sparred with State's Attorney Patricia C. Jessamy. The relationship tanked in 2001, when the mayor lashed out at Jessamy for dropping a police corruption case that O'Malley wanted prosecuted.

"She doesn't even have the . . . guts to get off her [rear] and go in and try this case, and I'm tired of it," he told a reporter. He later apologized, saying he had "allowed my tongue to get ahead of my head."

Since then, O'Malley and Jessamy have traded blame for the city's stubbornly high homicide rate, with O'Malley suggesting that the prosecutor was never fully committed to his goal of reducing the city's murder count. Jessamy, in turn, has become increasingly cozy with Ehrlich and rallied troops for Duncan.

O'Malley has had several high-profile falling-outs with former allies, including former police commissioners Edward T. Norris, Kevin P. Clark and Ron Daniel. His relationship with Norris soured after the commissioner left to serve as Ehrlich's state police superintendent. Norris later spent time in jail for misusing a city police account. Clark was fired amid allegations of domestic abuse. Daniel didn't support the mayor's plans for overhauling the department and resigned after 57 days.

Still, those relationships have left lingering political trouble for the mayor. Norris now hosts a popular radio talk show whose guests have included both Ehrlich and Duncan. Daniel recorded a radio ad for Ehrlich this week, in which he says: "I believe that Bob Ehrlich is a stronger leader, and I think that he would be a better governor."

Winning By Losing (WP)

By Charles Krauthammer

The Washington Post, October 27, 2006

When, just a week ago, Barack Obama showed a bit of ankle and declared the mere possibility of his running for the presidency, the chattering classes swooned. Now that every columnist in the country has given him advice, here's mine: He should run in '08. He will lose in '08. And the loss will put him irrevocably on a path to the presidency.

Obama's political challenge is to turn his current fame and sizzle, which will undoubtedly dissipate, into something concrete. In physics, it's the problem of converting kinetic energy into potential energy: Use the rocket fuel behind his current popularity to propel him to a higher national plane from which he would eventually move almost laterally to the presidency.

The reasons for running are clear.

First, at a time of ideological weariness, he has the persona: an affecting personal history, fine intelligence, remarkable articulateness and refreshing charm.

Second, this is a uniquely open race. Not since 1952 has there been a presidential election with no incumbent president or vice president running. Right now there is no serious challenger to Hillary Clinton for the Democratic nomination. The Democrats' quadrennial great white hope -- the young, attractive Southern governor in the mode of Jimmy Carter and Bill Clinton -- was going to be Mark Warner, former governor of Virginia. Warner has bowed out.

Third, the country hungers for a black president. Not all of the country, but enough that, on balance, race would be an asset. It is no accident that when, a decade ago, another attractive, articulate African American with no experience in electoral office went on a book tour, he was met not just with rock star adulation but with a loud national chorus urging him to run for the presidency.

The object of affection then was Colin Powell. Today it is Obama. Race is only one element in their popularity, but an important one. A historic one. Like many Americans, I long to see an African American ascend to the presidency. It would be an event of profound significance, a great milestone in the unfolding story of African Americans achieving their rightful, long-delayed place in American life.

Of course there is racism in America. Call me naive, but I believe that just as Joe Lieberman was a net positive for the Democrats in 2000 -- more people were attracted to him as a man of faith than were turned away because of anti-Semitism --

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there are more Americans who would take special pride in a black president than there are those who would reject one because of

racism.

These are strong reasons for Obama to run. Nonetheless, he will not win. The reason is Sept. 11, 2001. The country will simply not elect a novice in wartime.

During our last great war, the Cold War, no foreign policy novice won the presidency, except for Carter in the anomalous Watergate election of 1976. The only foreign policy novices elected in the past half-century -- Bill Clinton and George W. Bush -- won the presidency during our holiday from history between the fall of the Soviet Union and Sept. 11.

In any circumstance, it is fairly audacious for any freshman senator to even think of the presidency. When freshman Sen. John F. Kennedy began his preparation for 1956, he was really seeking the vice presidency. And, unlike Obama, he had already served three terms in the House, which in turn had followed a celebrated military tour in the Pacific in World War II.

In 1956 Kennedy was preparing for a serious presidential run in 1960. Obama should be thinking ahead as well -- using '08 to cure his problem of inexperience. Run for the Democratic nomination and lose. He only has to do reasonably well in the primaries to become such a compelling national figure as to be invited onto the ticket as vice presidential nominee. If John Edwards, the runner-up in '04 did well enough to be made running mate, a moderately successful Obama would be the natural choice for '08.

Then, if the Democrats win, he will have all the foreign policy credentials he needs for life. Even if the ticket loses, assuming he acquits himself reasonably well, he immediately becomes the presumptive front-runner in the next presidential cycle. And if by some miracle he hits the lottery and wins in '08, well, then it is win-win-win.

He's a young man with a future. But the future recedes. He needs to run now. And lose. And win by

losing.

Power Hitter In Texas Energy Deregulation, Top Company Is A Big Winner (WSJ)

By Rebecca Smith

The Wall Street Journal, October 27, 2006

When natural-gas prices dropped this past spring, many Texans breathed a sigh of relief. Ever since the state partially deregulated its electricity market in 2002, utility companies had cited the rising price of gas to justify rate increases. Now it seemed a turnabout was near.

But under the Texas law, what goes up doesn't necessarily come down. Electricity suppliers such as TXU Corp. and Reliant Energy Inc. are allowed to adjust their basic rates if gas prices rise, but they needn't lower rates if gas costs fall. The only force that could push prices down is vigorous competition from upstart providers -- and that has been in short supply under deregulation. As a result, many Texans are paying 15 cents to 19 cents per kilowatt-hour, about double the national average of eight cents.

The stubbornly high electricity bills are one sign of how the state's four-year-old deregulation plan has failed to bring the benefits originally envisioned. Another is the allegation by the state's independent monitor last month that TXU's power-generation unit may have manipulated the market to get higher wholesale prices. The company denies doing this.

Yet Texas is barreling ahead. On Jan. 1, the last limits on what companies can charge the general public for electricity are about to expire. Texas is the first state in the nation to go that far, and its move comes as California, Arizona and other states have pulled back from deregulation.

Deregulating electricity has long been an ardent goal of many in the U.S. and other industrialized nations. Instead of stodgy utilities collecting nearly guaranteed profits and having little motive to improve their efficiency, backers have hoped deregulation would bring innovation and lower prices to an essential sector of the economy. The reality is messier, as consumers fail to take advantage of their new options -- or fail to gain any options -- while clever companies that know how to work the system prosper.

Exhibit A was the debacle in California in 2000-01, when power generators manipulated prices by purposely withholding capacity, among other moves. A combination of scarcity, faulty market rules and outright market manipulation cost the state billions of dollars.

Texas's $27 billion retail electricity market may be turning into another exhibit. Dallas lawyer Steve Wolens, who was a chief sponsor of the deregulation bill when he served in the state legislature, says it should have included a provision forcing retail prices to come down when gas prices do. And he frets that deregulation has failed to produce the kind of entrepreneurs who could transform the market, perhaps because control remains concentrated in too few hands. "What we need is a Southwest Airlines of the electricity business," says Mr. Wolens.

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State officials say it's too soon to write off deregulation. Retail prices are beginning to come down, says Paul Hudson, chairman of the Texas Public Utility Commission. Companies say they're making efficiency gains that will help pricing. But critics say consumers have paid hundreds of millions of dollars too much this year because electricity prices haven't tracked gas prices.

The power industry is divided into three parts: generation (turning fuel such as natural gas or coal into electricity); retail (selling the electricity to consumers); and delivery (moving electricity over power lines). Under the traditional system, still in place in much of the world, a single company does all three and its prices are tightly regulated by the government.

Deregulation in Texas involves breaking up companies into three parts -- although the parts can still be united under a single corporate roof -- and freeing prices in the generation and retail parts of the chain. The middle link, delivery, remains regulated. In most of Texas, a state body called the Electric Reliability Council of Texas, or Ercot, operates high-voltage lines in the power grid.

The theory behind the deregulation: Let power generators compete to produce electricity cheaply, let retailers compete to give consumers a good deal, and let everyone deal on equal terms with Ercot and other grid operators. These operators make sure everyone has access to the delivery system.

The problem is that competition in generation and retail has sometimes failed to emerge. If generators can gain a pivotal position as wholesalers of power, they can sometimes control prices, critics say. Meanwhile, many retail customers are sticking with their "legacy" electric company, fearing the unknown and seeing only a small price advantage in switching.

Deregulated electricity markets are hard to police because a company can make windfall profits by exercising market power for only short bursts of time. Electricity can't be stored, and transmission bottlenecks sometimes leave wholesale power buyers with no choice but to turn to a single supplier.

In Texas, criticism often coalesces on a single company: TXU, which owns both the largest generation company in the state and the biggest electricity retailer by number of customers. TXU hopes to add to its generating lead by building 11 giant coal-fired power plants in the next few years, a project that has raised environmental as well as market concerns.

Dallas Mayor Laura Miller, who is married to Mr. Wolens, is a prominent opponent of the coal-fired plants. She finds problems with TXU's market clout at both ends of the chain. "It's mind-boggling bills are so high," she says. "And now they put forward this audacious plan to build all these coal plants. It's struck a chord."

In the second quarter, TXU earned $497 million on $2.67 billion in revenue, giving it a fatter profit margin than oil giants Chevron Corp. or Exxon Mobil Corp. Under the leadership of Chief Executive C. John Wilder, it has boosted its plants' productivity and rolled out programs to build customer loyalty and improve customer service. It says its profits are the fruit of those efforts.

Mr. Wilder has told investors recently that the fast-growing state needs new modern plants, such as the ones TXU hopes to build, to ensure a reliable supply of electricity. By his calculation, the new coal fleet could throw off profits of $1 billion a year for TXU.

On the retail level, the state has dozens of companies trying to pitch power to the average consumer. But many are struggling. They face high marketing costs to overcome lack of name recognition. Some say they were thrown for a loop by the sudden spike in natural-gas prices late last year, and they still are catching their breath.

The deregulation law established a transition period, starting in 2002 and concluding at the end of this year, during which the long-established retailer in each area posts a benchmark price and is allowed to change it twice a year. Officials call this the "price to beat." Upstart retailers try to offer a discount to it.

The incumbent retailers must justify any rise in their benchmark price by a rise in the price of natural gas, the predominant fuel for power plants in Texas. Last year, when natural-gas prices spiked after Hurricane Katrina, TXU raised its benchmark price to a level based on a index gas price of $11.53 per million British thermal units. Since then, the index price has fallen by about a third to $7.66 per million BTUs.

Once TXU and other incumbents have locked in the higher price, they have no obligation to lower it even if natural gas becomes cheaper. Since 2002, most incumbents have raised their benchmarks on six to eight occasions, but none has ever dropped its benchmark price.

The fall in natural-gas prices this year seemingly would represent a golden opportunity for upstarts to grab market share by offering consumers a big discount off the benchmark. It hasn't worked that way, in part because many companies got caught in a price squeeze last year. They had to keep their retail prices below the benchmark prices charged by the former monopoly utilities, but many were paying far more for wholesale power. Many suffered losses, making them feel less aggressive about pricing this year.

Last year was as devastating as "a hundred-year flood," says Rob Snyder, chairman of Stream Energy. The two-year-old company claims 240,000 customers, most gleaned from TXU's rolls. Mr. Snyder says his firm had a loss of $7 million in 2005 but returned to profitability in April. Even Reliant, an incumbent, "got hurt pretty badly late last year," says Chief Executive Joel Staff.

It takes a big discount to get even a little attention. Amigo Energy, which targets the Hispanic market, currently offers a 16% discount to TXU's benchmark price. On a good day it picks up 100 new customers, says Amigo President Javier Vega.

TXU's response to criticism about high prices is to roll out new pricing programs for loyal customers. The company is permitted to undercut its own benchmark price when it faces a certain level of competition. The "SmartSaver 36" program offers an 8% discount on a contract with a three-year term. TXU also is offering some customers a $100 "customer appreciation bonus," if they stay with TXU throughout 2007.

Pat Wood, a Houston-area resident who is past chairman of the Federal Energy Regulatory Commission as well as the Texas Public Utilities Commission, says he's frustrated by customers' unwillingness to change. He calls the benchmark the "dumb" price and says, "I wouldn't even mess with TXU or Reliant." Mr. Wood has switched suppliers three times in 15 months.

Some don't have the option of switching. Don Gateley, who owns a computer-software company, has waited almost five years for competition to come to Jacksonville, his town of 13,800 people in East Texas. TXU is still the only electricity retailer in town. His rates have grown steadily, most recently by 14% in January. This past month his electricity bill for his house and storage buildings ran to more than $300. Deregulation is "an absolute joke," he says. "I'm so sore, I can't sit down when I get my bill."

Meanwhile, the generation part of the market is also raising concerns. By law, no supplier in Texas is supposed to control more than 20% of the generating capacity. The goal is to prevent any one company from cornering the market and driving up prices. But there's no limit on how much power each plant can produce. TXU generated 22% of the power consumed in the competitive market in 2005. TXU's market share is greater in certain places, like North Texas, where many of its plants are located and where it's sometimes hard to bring in power from other parts of the state.

TXU's plans for coal-fired plants will add to regulators' difficulties. By putting efficient, 24-hour-a-day plants in operation and divesting older plants that can only operate part-time, TXU could amass an even more formidable market position and stay within the law. However, if regulators block the new plants, that could lead to scarcity of electricity and push prices higher.

The Federal Energy Regulatory Commission presumes that there's a problem with market power if a generator controls more than 20% of the electricity capacity in a market area. But the commission has no jurisdiction in Texas because power is generated and distributed within the state.

FERC has become more aggressive after the California energy crisis, when some pivotal suppliers took advantage of their position to push up prices. In 2005, it stripped Duke Energy Corp. of the ability to charge unregulated prices for wholesale power from certain plants it owns in the Carolinas, where it also owns regulated utilities.

In 2003, TXU was found to have engaged in "hockey-stick bidding," in which power is offered in ways designed to raise prices overall. In 2004, investigators at the Texas Public Utility Commission found that TXU had a "measurably dominant" position in the market. Wholesale prices were rising at the time, but the commission didn't reach a conclusion on whether TXU was intentionally causing the trend or exacerbating it because of its size.

This year, Texas hired a new independent market monitor, Potomac Economics Ltd. of Fairfax, Va. In a report last month, Potomac found that TXU "routinely" held back generating supply from the market in 2005 when it logically should have been offered. One reason for withholding supply is to force the grid operator to turn to more expensive plants to fill out its needs. Because the operator typically pays a single "market-clearing" price for its power, such a strategy can allow a power generator to get an across-the-board high price even when much of its supply is cheaply produced.

The monitor's report said TXU was most likely to withhold supply when the market was vulnerable and it had the best chance of turning a big profit. However, it cautioned that there may be a benign explanation for the odd behavior. The state's Public Utility Commission said last week it will investigate the matter. TXU denied manipulating markets. "We strongly condemn any improper withholding of electricity from markets and firmly reject any implication we have done so," the company said in a statement.

California, which experienced similar problems during its electricity crisis, now requires generators to offer power to the market whenever plants are capable of furnishing it.

The Potomac report also found TXU often offered electricity to the state grid operator at prices far above its generating costs, raising "significant concern."

Despite the worries, Texas is pushing ahead with further deregulation on the wholesale side, including lifting price caps on what generators can charge the grid operator. Currently the cap is $1,000 a megawatt-hour, the same cap used in many Northeastern and Midwestern states. Texas is raising the figure in stages to $3,000 by March 2009, the highest in the country.

Texas officials say the higher potential prices should motivate generators to build new plants and, provided there isn't any market manipulation, help consumers. But if new plants aren't built, the higher cap could lead to a windfall to those incumbents that already own generating plants.

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Global Push To Cut Greenhouse Emissions (FT)

By Chris Giles In London

Financial Times, October 27, 2006

The drive to tackle climate change gathered pace on Thursday as Morgan Stanley, the investment bank, announced a $3bn plan to invest in the carbon trading market amid mounting evidence that some US states are growing more sympathetic to international action.

The moves come just days before a UK government report is expected to propose a huge expansion of the global market in trading permits for carbon dioxide emissions. It will also propose extending existing mechanisms for western companies to benefit from promoting cleaner energy in poor countries.

A bigger market could offer substantial business opportunities. One recent calculation suggests that global expenditure on curbing the effects of climate change could be worth about $1,000bn (£529bn) within five years of action being agreed.

On Thursday, the commercial opportunities were underlined as Morgan Stanley announced its big bet on the green energy market. It plans not only to invest most of the $3bn in buying carbon credits around the world but also to set up its own low-emission energy projects.

The prospect of building an international consensus on the back of the findings of the Stern review appeared to strengthen as Citigroup, the world's largest bank by market value, said in a research note that carbon trading was almost certainly going to become the most important weapon in combating global warming, including in the US.

Certain US states have recently taken steps to establish carbon markets. Seven states in the north-east have agreed a regional move to cap emissions from 2009, while California has set emissions limits.

The UK government-commissioned review, led by Sir Nicholas Stern, former World Bank chief economist, will say that the cost of rising concentrations of carbon in the atmosphere far outweighs the cost of acting now to slow global warming.

It reflects the UK's efforts to lead the world towards fresh initiatives on climate change before efforts under the Kyoto protocol run out in 2012.

According to the review, big polluters would be able to cut emissions to the level of credits held, buy new credits in the market or earn new credits by making investments in carbon-efficient technologies in developing countries.

The review team has not been discouraged by the slump in carbon prices in the fledgling European carbon-trading market in April when most European countries said they had not used up allocations. One person close to the review told the Financial Times: "We have learnt a lot from Europe's experience."

A recent International Energy Agency paper suggested that the most important and available technology for reducing emissions would be carbon capture, in which carbon dioxide from burning fossil fuels is pumped underground.

The Reliable Source (WP)

By Amy Argetsinger And Roxanne Roberts

The Washington Post, October 27, 2006

Swamped by a Flood of Criticism

It's been a bad week for the Swedish rock band the Ark, which was forced to cancel appearances in Boston and New York after a tasteless joke sparked a diplomatic incident.

The glam-rock band kicked off a U.S. tour Sunday with an outdoor concert at Sweden's new embassy in Georgetown. Lead singer Ola Salo saw a plane approaching Reagan National Airport and told the audience, "In this country, you don't know where those planes are headed" -- then cracked it was going in the "right direction . . . the White House." The fallout was fast and furious: Salo apologized, Sweden's ambassador Gunnar Lund apologized, and the remark has been front-page news all week in Sweden.

To make matters worse, the band's U.S. work permits expired -- a spectacularly ill-timed coincidence, said manager John Gray. The musicians had permission to perform at the embassy Sunday, but planned to fly back to Sweden, get the proper paperwork and fly to Boston in time for Tuesday's gig. Salo's joke caused such an uproar that they hid out in New York for two days before flying home, and finally got the permits yesterday at the U.S. Embassy in Stockholm -- along with a short reprimand.

The band released a statement later in the day in which Salo admitted he "couldn't resist making a joke," but insisted it was not a political statement. "I'm used to the situation in Sweden, where we have a tradition of mocking authority. It was a totally unserious way of being cheeky toward the White House."

The band headed back to the United States and will resume the tour tomorrow in Chicago. Says Gray: "It's been a bad week, but I think everyone learned a lesson."John Ashcroft, Ready to Sing For His Country

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One lesson gleaned from John Ashcroft 's new book: Making fun of his singing is so not cool. In his new memoir, "Never Again," Ashcroft writes about the challenges he faced as attorney general after Sept. 11 -- including the time he went on David Letterman's show.

The talk show host spent weeks in early 2002 making mirth of a video clip in which the AG sang his own composition, "Let the Eagle Soar," in a strong, clear tenor. Letterman then coaxed Ashcroft onto his show to talk about the Patriot Act -- and by the way, maybe sing a song? Ashcroft writes that he was suspicious of Letterman's nice-guy act and wondered if singing "would expose the office to ridicule." (He eventually agreed to play "Can't Buy Me Love" on the piano instead.)

So it was with some timidity that we approached Ashcroft on Wednesday at his book party, hosted by the National Music Publishers' Association. Any chance the Singing Senators -- his old group with Trent Lott , Larry Craig and Jim Jeffords -- might get back together? Ashcroft smiled warmly. "I hope so! I think that Washington needs more singing these days."

Goodbye Notes for Ambassador Ourisman

"Call Me Madam," the Sequel: In 1949, Harry Truman appointed Washington "hostess with the mostest" Perle Mesta as U.S. minister to Luxembourg, and Irving Berlin wrote "Call Me Madam" for Ethel Merman in her honor. Yesterday, newly minted Ambassador Mary Ourisman -- heading off to Barbados in four days -- was sent off with a musical tribute by longtime gal pals Wilma Bernstein, Ann Hand and Marlene Malek. The party at the Georgetown Club included a performance of patriotic songs and the presentation of a U.S. flag that flew over the Capitol on Oct. 11, the day she was sworn in.Surreal Estate

SELLERS: Joe Wilson and Valerie Plame

ASKING PRICE: $1.995 million

DETAILS: Washington's high-security-clearance fun couple may not be much longer for this town. Three years after he got into a WMD scrap with the White House and she was unmasked as a spy, the couple are selling their home in D.C.'s Foxhall neighborhood. The five-bedroom Colonial (which they bought new in '98 for $735K) boasts 10-foot ceilings and stunning monument views. Listed for the first time last week at $2.2 million, the price has already dropped slightly, according to their agent's Web listings. Where to now? Wilson didn't return calls, but Roll Call heard whispers they're considering a move to Santa Fe, N.M.

Hey, Isn't That . . . ?

Ralph Lauren nicely asking two high-schoolers if his new store was "too grown up" for them Wednesday afternoon. Sources say the designer toured his Friendship Heights shop with a six-person entourage and talked about how to gain popularity in the teenage market. Lauren told a staffer to give the teens job applications before he headed out, entourage in tow.

In 'Sing,' A Trio Whistles Dixie (CSM)

By Peter Rainer

The Christian Science Monitor, October 27, 2006

You could say that "Dixie Chicks: Shut Up & Sing" is a terrific music documentary, but who would think of it in those terms? That's like saying "Bowling For Columbine" is a great movie about guns.

Actually, it's unfair to invoke Michael Moore here, since the directors of "Dixie Chicks," Barbara Kopple and Cecilia Peck, don't wear their agenda on their sleeves. They straight-forwardly document what happened to the Chicks after lead singer Natalie Maines told her cheering London audience in March 2003 that she was "ashamed the president of the United States is from Texas."

Once the press picked up her comment, the group became country music pariahs and their bookings dwindled. Ms. Maines's remark particularly galled many of her hard-core fans because it was uttered outside the US. The biggest-selling female group of all time has been gamely fighting back ever since.

Kopple, who has directed two documentary masterpieces, "Harlan County, U.S.A." and "American Dream," and Peck, who produced Kopple's 2002 TV documentary "The Hamptons" and is Gregory Peck's daughter, astutely capture how the Chicks attempted both to make nice and stand fast.

From the get-go, Maines never backs down from her statement. The other Chicks, Martie Maguire and Emily Robison, clearly wished Maines had kept silent, but they support her throughout.

I suppose one could put a cynical spin on their steadfastness - why break up the band and lose all that moolah? - but that's not how it comes across. These women obviously care a lot about one another, and they have families and children who are just as much a part of their lives as their music.

They even seem to enjoy the controversy, posing near-nude for an Entertainment Weekly cover as if to tell the rabble-rousers, "You still like looking at us, don't you?"

The filmmakers had impressive access to the group, and the results are eye-opening. When Maines receives a highly credible death threat days before a concert, we see how the situation is handled - and its effect on her. In a hotel suite, Maines

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watches Tom Brokaw on television questioning President Bush about her statement in London, then launches into a diatribe that makes her London dig seem tame.

This movie brings out the irony that Maines's in-your-face spiritedness - so integral to the Chicks' appeal - pushes her to say things that end up turning off longtime fans. You can't have one Maines without also having the other. The film may be subtitled "Shut Up & Sing," but you can't sing with your mouth closed. Grade: A-

South Korea Enforces Sanctions On North (AP-Y)

By Tanalee Smith, Associated Press Writer

AP, October 27, 2006

South Korea made its first concrete move Thursday to enforce U.N. sanctions imposed on North Korea for its nuclear test, saying it will ban officials from the communist country who fall under a U.N. travel restriction and control financial transactions between the rivals.

Meanwhile, a South Korean Defense Ministry report underscored the lingering threat posed by the North, saying the regime is believed to have enough plutonium to make as many as seven nuclear bombs. The North is also working to make a small, lightweight nuclear warhead that can be carried by ballistic missile, according to the report released by an opposition lawmaker.

The U.N. resolution, passed in response to the North's underground nuclear blast on Oct. 9, seeks to ban the country's weapons trade and calls for North Korean ships to be searched for suspected illegal materials. The resolution asks all member countries to state how they plan to implement the sanctions within 30 days of its Oct. 14 adoption.

Unification Minister Lee Jong-seok said Seoul would ban some North Korean officials from traveling to the South and control transactions and remittances related to inter-Korean trade and investment with Pyongyang, the South's Yonhap news agency reported.

It was unclear how tough the South will be in enforcing the restrictions. Seoul had been hesitant to take strong measures to support the sanctions, mindful of North Korea's massive armed forces poised at the border, its family and cultural ties, and its wish to expand economic relations with its neighbor.

Also at issue was whether South Korea would expand its participation in a U.S.-led drive to interdict North Korean ships and aircraft suspected of carrying weapons of mass destruction or related material.

On Friday, South Korea's foreign minister — the next U.N. secretary-general — was to visit China, as Seoul and Beijing ponder how to sanction North Korea over its first-ever nuclear test.

Ban Ki-moon was scheduled to meet Chinese President Hu Jintao and other officials.

The visit is part of Ban's tour of the five permanent member countries of the U.N. Security Council following his election earlier this month as the next U.N. chief, but his discussion in Beijing will also cover the North Korean nuclear issue, his ministry said.

South Korea has been reluctant to participate fully in the Proliferation Security Initiative because of concerns it could lead to clashes with North Korea and undermine efforts to persuade the communist state to give up its nuclear ambitions through diplomacy.

Still, Seoul's announcement is certain to be welcomed in Washington, where Secretary of State Condoleezza Rice on Wednesday urged South Korea to show "a strong commitment" to the sanctions.

On Wednesday, Pyongyang warned that any move by the South to impose trade, travel and financial sanctions would be seen as a "declaration of confrontation" that would elicit "corresponding measures" from the North. It also said sanctions could cause a breakdown in inter-Korean relations.

"If North-South relations collapse due to reckless and imprudent sanctions against us the South Korean authorities will be fully responsible for it and will have to pay a high price," said a statement carried by the North's official Korean Central News Agency.

South Korea rejected the North's warning Thursday.

"If North Korea is concerned about the future of Korean people, it should not aggravate the situation any more (and) return immediately to the six-party talks," the Unification Ministry said, referring to negotiations among the two Koreas, the U.S., Japan, China and Russia aimed at resolving the nuclear standoff.

The South Korean Defense Ministry report on the North's nuclear capabilities was based on a meeting of top military officials a day after the North's test.

The report says the North is believed to have extracted 110 pounds of high-grade plutonium, enough for up to seven nuclear weapons. The North can use its Russian-made bombers to drop the bombs, the ministry said, adding that the North has 82 Il-28 bombers at bases in Uiju and Jangjin.

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North Korea also has built a nuclear warhead weighing some two to three tons. To be mounted on a missile, the warhead would need to be less than a ton, the ministry said.

The North stunned the world in 1998 by firing a long-range ballistic missile over Japan into the Pacific. It also test-fired seven missiles in July, including a long-range missile believed capable of reaching the U.S. that crashed shortly after launch.

Meanwhile, a Japanese Foreign Ministry official said Japan wants a meeting with the U.S. and South Korea as soon as possible to solidify a common stance on the North Korean nuclear standoff. Their foreign ministers met in Seoul last week.

"Of course it's quite important to consolidate the three nations on the issues," the official said on condition of anonymity, citing ministry protocol. "It's important for us to have such meetings as soon as possible."

Also Thursday, a leading international think tank warned of a looming humanitarian crisis in North Korea, saying more people could try to flee amid increased isolation and food shortages.

The Brussels-based International Crisis Group urged regional governments to improve their treatment of more than 9,000 North Korean refugees in the region.

"There's a very real possibility that the nuclear crisis will be followed by a humanitarian crisis," said Peter Beck, head of the group's Seoul office. "The more belligerent the North is, the less the world wants to help them, no matter how much you try and separate politics from humanitarian issues."

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Associated Press Writers Jae-soon Chang in Seoul and Hans Greimel in Tokyo contributed to this report.

S. Korea Moves On Sanctions As N. Korea Issues Warning (USAT/AP)

By Tanalee Smith

USA Today, October 27, 2006

SEOUL — South Korea made its first concrete move Thursday to enforce United Nations sanctions imposed on North Korea for its nuclear test, a government minister said.

Unification Minister Lee Jong Seok said Seoul would ban officials from the communist country who fall under a U.N. travel restriction and control financial transactions between the Koreas.

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It was unclear how tough the South would be in enforcing the restrictions. Seoul had been hesitant to take strong measures because of concerns over North Korea's massive armed forces poised at the border, family and cultural ties between the two Koreas and the South's wish to expand economic relations with its neighbor.

Also at issue: whether South Korea would expand its participation in a U.S.-led drive to intercept North Korean ships and aircraft suspected of carrying weapons of mass destruction or related material. U.S. Defense Secretary Donald Rumsfeld has accused the North of proliferating weapons technology.

On Wednesday, the government in Pyongyang warned that any move by the South to impose trade, travel and financial sanctions would be seen as a “declaration of confrontation” that would elicit “corresponding measures.” It also said sanctions could cause a breakdown in inter-Korean relations.

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A report released by the South Korean Defense Ministry says the North is believed to have extracted 110 pounds of high-grade plutonium, enough for up to seven nuclear weapons.

North Korea also is working to make a small, lightweight nuclear warhead that can be carried by ballistic missile, according to the report released by an opposition lawmaker. The report said the North has developed a warhead weighing 2 to 3 tons. The warhead would need to weigh less than a ton to be mounted on a missile.

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The North can use its Russian-made bombers to drop the bombs, said the report, which was based on a meeting of top military officials a day after the North's test. It also said the North has 82 Il-28 bombers at bases in Uiju and Jangjin.

Sanctions Don't Dent North Korea-China Trade (NYT)

By Jim Yardley

The New York Times, October 27, 2006

SANHE, China, Oct. 25 — At the isolated border crossing in this small Chinese town, no one noticed when North Korea conducted its nuclear test in an underground mine about 90 miles away. Nearly three weeks later, no one seems to have noticed the recent United Nations sanctions against North Korea, either.

Truckers carrying goods into North Korea across the sludge-colored Tumen River say inspections are unchanged on the Chinese side. Customs agents rarely open boxes here or at two other border crossings in this mountainous region, truckers and private transport companies say.

Nor are any fences visible, like the barrier under construction near China's busiest border crossing at the city of Dandong. There were early reports that inspectors in Dandong were at least opening trucks for a look, but so far statistics and anecdotal reports in the Chinese news media indicate that, essentially, everything remains the same.

What is visible here, though, is the growing and, in some ways, surprisingly complicated trade relationship between China and North Korea. China remains North Korea's most important aid donor and oil supplier, but, conversely, China is now importing growing amounts of coal and electricity from North Korea. Chinese entrepreneurs, meanwhile, are starting to buy shares in North Korean mining operations and, in one case, trying to gain access to the Sea of Japan by leasing a North Korean port as a potential shipping hub.

The upswing in Chinese economic activity — which is already raising questions about whether the intent is more strategic than commercial — is one of the reasons that China has sent mixed signals about how aggressive it will be in inspecting border trade to meet the United Nations sanctions. For now, at least, some truckers in this region say the only change in border inspections has come on the North Korean side, where customs agents are checking loads more carefully for items deemed contraband by Kim Jong-il's government.

"We used to sit with North Koreans that we know and have a chat," said Jiang Zhuchun, a trucker waiting to cross into North Korea on Tuesday afternoon. "But after the nuclear test, we are only allowed to sit alone in our trucks."

The United States has praised China for approving the sanctions against North Korea, and Secretary of State Condoleezza Rice used her visit to Beijing last week to emphasize the common desire to restart diplomatic talks on North Korea's nuclear program. China's leaders are said to be deeply angered over the nuclear test and have signaled they may take a harder line against their longtime ally. Last week, some banks in Dandong froze certain accounts and financial transactions with North Korea.

But the question of inspections along the 866-mile border between China and North Korea is a different matter. The sanctions authorized countries to inspect cargo entering and leaving North Korea and barred the sale or transfer of material that can be used to make nuclear weapons. Yet the sanctions are still less than two weeks old, and some details have still not been worked out. For example, the sanctions ban luxury goods without defining them.

The United States wants tightened border inspections by China as a tool for squeezing the North Korean economy and ensuring that North Korea cannot buy or sell nuclear materials. China is worried that destabilizing North Korea could begin an exodus of refugees and has resisted changing inspections. This week, with rumors swirling about a possible border crackdown, the Foreign Ministry spokesman, Liu Jianchao, said China intended to comply fully with the sanctions, but also said inspections along the border would remain "normal."

The Yanbian Korean Autonomous Region, the name of the sprawling district that includes the Sanhe border checkpoint, is not the primary trade route between China and North Korea; Dandong, with its more direct route to Pyongyang, the North's capital, is by far the busiest. But the Yanbian area is wedged into a geopolitical hotspot where China, North Korea and Russia all come together.

In interviews and visits to three crossings from Yanbian into North Korea, truckers, transportation company agents, investors and others confirmed without exception that trade is continuing across the border much as it always has. Customs agents examine bills of lading but usually open shipments only when they are tipped in advance to someone trying to smuggle goods like beer or liquor without paying customs duties, several people said.

"No matter who you talk to, they will tell you there is not much difference," said Jin Lanzhu, whose trading company is one of the largest in the region.

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On Wednesday morning inside the Chinese customs yard in the border city of Tumen, small groups of North Koreans, each wearing their mandatory pins with images of either North Korean leader Kim Jong-il or his father, Kim Il-sung, waited to cross the bridge. They had nylon sacks stuffed with shoes and clothes, television sets, a refrigerator. Some carried bags of rice.

"How many bags do you have?" asked a female Chinese customs agent in a blue uniform. She looked them over and walked away without opening any. She did forbid the North Koreans to take several boxes of fruit because of a problem with worms. Then, the men began loading the sacks onto a flatbed truck operated by the customs office to carry smaller loads to the North Korean side. Two North Korean women complained to a local taxi driver that they had to pay 400 yuan, or about $50, for the service.

"They don't really check over here," one North Korean woman said of Chinese customs. "They do on the North Korean side."

A similar scene unfolded later in the day at a smaller crossing in the dingy town of Kaishan, where the customs port is so small that trucks take a dirt road to a crumbling checkpoint. On Wednesday, a young soldier watched laborers load about 150 used televisions and boxes of medicine into a North Korean truck that had crossed the river to collect the shipment.

"I'm here for security," the soldier said.

Trade between China and North Korea has grown rapidly in recent years — as has North Korea's trade deficit with China, in part, because China no longer appears to be selling oil at a subsidized rate. China now accounts for almost 40 percent of North Korea's total foreign trade; bilateral trade has more than doubled to $1.1 billion in 2005 from $490 million in 1995. In Yanbian alone, trade with North Korea jumped 82 percent in 2004 and another 20 percent in 2005, according to a local newspaper account.

Divining what the increased traffic says about the state of North Korea's economy is a subject of debate. New research and interviews in the Yanbian region suggest that North Korea, a country that regularly suffers blackouts, is now exporting growing amounts of coal, minerals and even electricity to China, which is hungry for energy and raw materials. In exchange, North Korea is no longer importing as much raw material and machinery as it had in the past.

Instead, North Korea is importing food, clothes, daily sundries, outdated televisions and appliances and, of course, oil. The trend could suggest that North Korea's recent experiments with private markets may be expanding, some analysts said.

A recent study by the Nautilus Institute, a San Francisco-based research group, used customs statistics to describe the trend, but also concluded that it might indicate that North Korea's nonmilitary manufacturing industries were in sharp decline. One Chinese investor in a North Korean coal mine agreed. "They seemed to have stopped the factories," said the investor, who asked not to be identified. He said doing business with North Korea was very risky and cautioned that numerous Chinese businessmen had lost money. "There are zero guarantees and protections."

Even so, Chinese entrepreneurs and companies, both private and state-owned, are starting to buy interests in North Korean mines to export raw materials. The amount of investment is not clearly defined, but different Chinese proposals call for building truck routes between inland trade centers in northeast China to the North Korean coast, according to Chinese media accounts.

A Chinese property developer, Fan Yingsheng, told the Chinese news media that despite the nuclear test, he was still pursuing plans to develop the North Korean port of Rajin into a shipping center for goods from China. He said he would soon fly to Pyongyang to sign a final agreement.

The flurry of Chinese activity has not gone unnoticed by South Korea and others in the region, analysts say. Like China, South Korea has resisted harsh economic sanctions and refused to shut down its own trade deals with North Korea in part because of concerns about a swift collapse of the North Korean government. But South Korea is also positioning itself, to some degree against China, to be the dominant player in the future of North Korea.

China, meanwhile, has said the activity is not strategic positioning but natural economic outgrowth for a booming, entrepreneurial economy in need of resources. Li Dunqiu, a North Korea specialist with a research institute under China's State Council, or cabinet, recently wrote that "laws of the market economy" were the driving force in Chinese investment in North Korea.

Along the border, it is easy to see how the daily traffic from China is a lifeline for North Korea. One woman from Yanbian said her family had recently come across to buy rice and other essentials. But Mr. Jin, the owner of the trading company, said charity was not at the essence of China's trade with North Korea.

"The business interest is the most important thing," he said. "Helping them comes after that." Then, pausing to reflect on the potential and perils of trading with North Korea, he added: "North Korea is just like China in the past. It is a blank sheet of paper. You can draw wherever you want to. The question is whether the paper is going to be there at all times for you to draw on."

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Six-party Talks Only Route For US Dialogue With North Korea: Hill (AFP-Y)

AFP, October 26, 2006

Stalled six-party talks have to restart for the US to talk to North Korea, following the isolated regime's nuclear test earlier this month, US Assistant Secretary of State Christopher Hill said Thursday.

"The North Koreans haven't expressed an interest in having a dialogue with anyone really," Hill told reporters on the sidelines of a meeting of Pacific Island Forum countries in Fiji.

"We've made very clear that if they come back to the (six-party) process, we're certainly prepared to talk to them directly," he said.

Hill was asked about calls for the US to engage in direct dialogue with Kim Jong-Il's regime following the October 9 declared nuclear test.

But Hill said the six-party agreement was very important to the US, because it ensured a united stand by countries in the region over North Korea's nuclear ambitions.

North Korea's nuclear test caused a global uproar with the UN Security Council issuing a resolution imposing economic sanctions aimed at curbing Pyongyang's weapons program.

Threats by Pyongyang against South Korea over adopting sanctions imposed after the test flew in the face of Seoul's clear undertaking to follow the resolution "to the letter", said Hill, who has responsibility for East Asian and Pacific affairs.

North Korea needed to understand UN Security Council resolutions were binding on everyone, he said.

"North Korea needs to take some time to think about this, and get themselves back to the table and back to what the United Nations has demanded that it do," he said.

North Korea pulled out of the six-nation talks in November last year in protest at financial sanctions imposed by Washington against Pyongyang for alleged money-laundering and counterfeiting.

Aside from the US and North Korea, the other nations involved in the talks are China, South Korea, Japan and Russia.

Returning to the talks is one of the key planks of the UN Security Council resolution imposed against North Korea for conducting its nuclear test.

Japanese Foreign Minister Taro Aso said Wednesday his country should reopen the debate on whether to develop a nuclear weapon capability in light of the North Korean programme.

"We need to discuss once again why Japan came to decide not to possess nuclear arms," Aso told a parliamentary foreign affairs committee.

"On the assumption that North Korea really owns nuclear arms now, the situation in the Far East has changed drastically.

"We should discuss if Japan can stay as it is."

But Hill said Japan's non-nuclear policy remained intact.

Hill recently travelled with US Secretary of State Condoleeza Rice to Japan and South Korea, following the North Korean test.

"We understand from the Japanese that they have had no change in their policy against developing, importing or using nuclear weapons, so there is no change in Japan," he said.

"Proliferation of that kind is something we all need to be concerned about, it's one of the reasons why Secretary of State Rice wanted to get out there to assure our allies that the US is prepared to use all our deterrent capability if South Korea or Japan is threatened."

Reworked Device A Few Months Off, U.S. Analysts Say (WT)

By Anju S. Bawa

The Washington Times, October 27, 2006

North Korean scientists will only need a few months at most to correct technical problems connected with the Oct. 9 test of the country's first nuclear device, U.S. analysts estimate.

U.S. government and private analysts are still trying to gauge the effectiveness of the test, which sparked global condemnation and a drive to impose new sanctions on the isolated Northeast Asian state.

"North Korea's nuclear test was a partial success," said David Albright, a former inspector for the International Atomic Energy Agency, the United Nations' nuclear watchdog, and president of the Washington-based Institute for Science and International Security. "They will fix the problem, and maybe try again."

U.S. intelligence officials have confirmed the explosion was a nuclear device, but basic questions about the test remain. Pyongyang reportedly told Chinese officials before the test that it would be a 4-kiloton blast, but the actual measured explosion was estimated at less than 1 kiloton.

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The smaller blast suggests a problem with the chain reaction, Mr. Albright said at a forum on the North Korean nuclear program at Johns Hopkins University earlier this week. "It blew apart before [the] optimal time."

The most likely cause of the failure was a component that initiates the chain reaction that produces the explosion, Mr. Albright said.

Frank N. von Hippel, a nuclear physicist and professor of public and international affairs at Princeton University, said a successful nuclear blast requires an intricate sequence of events that must be timed perfectly for complete detonation.

"There are lots of things that could have gone wrong," he said in a phone interview. The timing may have been off, or something else could have started the chain reaction, he said.

Daryl Kimball, executive director of the D.C.-based Arms Control Association, said the test could have developed problems even before the chain reaction started, owing to the poor quality of the plutonium used or faults with the detonators.

"We can't say what was the cause or what the device was expected to do," Mr. Kimball said.

It also is not clear exactly how much the North Koreans expected the device to yield, analysts said.

"We don't know what they meant when they said 4 kilotons. They may have meant 4 to 10 kilotons," Mr. Albright said. By comparison, the nuclear bomb dropped on Nagasaki, Japan, in 1945 was 20 kilotons.

All of the U.S. analysts agreed that it would take the North Koreans only a few months to fix these types of problems.

It is possible that a crude 4-kiloton nuclear device can be carried by North Korea's Nodong missile, Mr. Albright said. Such a missile could easily reach U.S. allies Japan or South Korea and "threaten American assets" in the region.

He estimated that North Korea has enough weapons-grade plutonium to make between four and 13 nuclear weapons.

Mr. Kimball said the North Koreans "learned a lot from the test, even if it did not detonate fully."

"This was a political test. Whether it performed exactly as designed or not, the world now knows North Korea has nuclear weapons," he said.

In '97, U.S. Panel Predicted A North Korea Collapse In 5 Years (NYT)

By Mark Mazzetti

The New York Times, October 27, 2006

WASHINGTON, Oct. 26 — A team of government and outside experts convened by the Central Intelligence Agency concluded in 1997 that North Korea's economy was deteriorating so rapidly that the government of Kim Jong-il was likely to collapse within five years, according to declassified documents made public on Thursday.

The panel described the isolated and impoverished country as being on the brink of economic ruin and said that "political implosion stemming from irreversible economic degradation seems the most plausible endgame for North Korea." The majority among the group argued that the North's government "cannot remain viable for the long term" and could fall within five years.

Nearly a decade later, the assessment has not been borne out, and its disclosure is evidence of past American misjudgments about the internal dynamics of North Korea's closed society. American intelligence agencies still regard North Korea as among the toughest of intelligence targets and have made little progress inserting human spies into the country to steal secrets about the government.

The assessment was produced by a group that included senior intelligence analysts, Pentagon war gamers and independent academic experts. It was made public on Thursday by the National Security Archive, a research group.

"Conventional wisdom was completely wrong," said Ambassador Wendy Sherman, who during the late 1990s was the Clinton administration's coordinator for North Korea policy. "People constantly underestimated the staying power of the North Korean regime."

The North Korean economy has stabilized in recent years, in part because of a sustained humanitarian aid campaign carried out by the country's neighbors, especially China and South Korea. Today, there is less belief in Washington that Mr. Kim could lose his grip on power because of an economic collapse within the country.

The documents released Thursday chart a pattern of growing concern about North Korea's economic crisis during the second half of Bill Clinton's presidency.

The belief that the North Korean economy was collapsing helped shaped White House thinking in 1994 when it promised to deliver light-water nuclear reactors to North Korea by 2003 in exchange for Pyongyang's halting its covert nuclear weapons program. Senior Clinton administration officials said privately at the time that they did not expect Mr. Kim's government to be in power by the time the United States had to make good on its pledge.

By early 1997, according to another document released Thursday, the C.I.A. had concluded that North Korea "cannot reverse its economic fortunes without sweeping reform that would take time to produce results that could unleash destabilizing forces."

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The documents disclosed a misjudgment by the C.I.A. that is the mirror image of an earlier one: while it was predicting an imminent North Korean collapse, the agency was still being criticized for failing in the 1980s to anticipate the speed with which the Soviet Union would eventually fall.

Secretary of State Condoleezza Rice recently traveled across northeast Asia to build support for a slate of tough economic sanctions intended to punish North Korea for its recent nuclear test.

Publicly, Bush administration officials say that the sanctions can be useful for bringing North Korea back to the negotiating table. Privately however, some officials hold out the hope that the economic squeeze could work to undermine Mr. Kim.

Some members of the C.I.A.-led team of experts interviewed Thursday said they never suspected in 1997 that North Korea's neighbors would undertake such a concerted aid effort.

"Maybe I just don't have a great imagination, but the idea that South Korea and Japan and other countries would come to North Korea's rescue wasn't one of the hypotheses that I was entertaining," said Nicholas Eberstadt, a North Korea expert at the American Enterprise Institute in Washington.

Deterring Kim Jong Il (WP)

By Graham Allison

The Washington Post, October 27, 2006

In an interview aired last week, George Stephanopoulos put the question to President Bush: What would he do if "North Korea sold nukes to Iran or al-Qaeda?" Bush replied, "They'd be held to account."

Seeking specifics, Stephanopoulos asked: "What does that mean?" The president answered, "I want the leader of North Korea to understand that he'll be held to account. Just like he's being held to account now for having run a test ."

Say what? If North Korea sells a nuclear weapon to Osama bin Laden or Iranian President Mahmoud Ahmadinejad, he should expect the United States to go to the United Nations and negotiate further sanctions? And if al-Qaeda sneaks that bomb into the United States and we awake to the president's nightmare in which a mushroom cloud engulfs Washington or Los Angeles, then what? If this formulation stands -- without further specification -- America risks becoming the victim of a catastrophic "deterrence failure."

Deterrence emerged as a central concept in Cold War strategy. It meant convincing the adversary that the costs of taking an unacceptable action would greatly exceed any benefits it could hope to achieve. How did the United States prevent the Soviets from seizing Berlin? By convincing Soviet leaders that such an attack would trigger a response that would destroy their country.

Effective deterrence required three components: clarity, capability and credibility. Clarity meant bright lines and unacceptable consequences. Credibility was understood to be in the eye of the beholder. How credible was the threat to trade Boston for Berlin? Never 100 percent. But U.S. forces, exercises and communication were crafted to convince Soviet leaders they dare not test it.

To date the Bush administration has demonstrably failed to deter Kim Jong Il. Successive U.S. demands that Kim not develop nuclear weapons, not test a missile and not test a nuclear bomb have been defied. In each case, the president has asserted that this would be "intolerable." Pressed to be precise about what this threat meant, however, Bush refused, responding instead, "I don't think you give timelines to dictators and tyrants." National security adviser Stephen Hadley has gone further, arguing that red lines make no sense in dealing with North Korea because "the North Koreans just walk right up to them and step over them."

Having stiffed Bush -- and the world -- in building a nuclear arsenal, testing a long-range missile and testing a nuclear weapon, might Kim now imagine that he could also sell nuclear weapons?

America's challenge is to prevent this act by convincing Kim that he will be held accountable for every nuclear weapon that originates in North Korea. This requires clarity, credibility about our capacity to identify the source of a bomb that explodes in one of our cities (however it is delivered by whomever) and a believable threat to respond.

Kim must be convinced that American nuclear forensics will be able to identify the molecular fingerprint of nuclear material from his Yongbyon reactor. He must feel in his gut the threat that if a nuclear weapon of North Korean origin explodes on American soil or that of a U.S. ally, the United States will retaliate precisely as if North Korea had attacked the United States with a nuclear-armed missile: with an overwhelming response that guarantees this will never happen again.

Here, the president can take a page from President John F. Kennedy in the Cuban missile crisis. In 1962, as the Soviet Union was emplacing nuclear-tipped missiles in Cuba, some worried that these weapons could be transferred to a young revolutionary named Fidel Castro. Kennedy issued an unambiguous warning to Nikita Khrushchev. "It shall be the policy of this nation," he announced, "to regard any nuclear missile launched from Cuba against any nation in the Western Hemisphere as an

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attack by the Soviet Union on the United States requiring a full retaliatory response upon the Soviet Union." Khrushchev knew that meant a nuclear war.

The writer, an assistant secretary of defense under President Bill Clinton, is director of the Belfer Center for Science and International Affairs at Harvard's Kennedy School of Government and the author of "Nuclear Terrorism: The Ultimate Preventable Catastrophe."

Russia Opposes Draft Resolution On Iran (WP/AP)

By Henry Meyer, The Associated Press

The Washington Post, October 27, 2006

MOSCOW -- Russia signaled its opposition Thursday to a draft U.N. Security Council resolution proposed by European nations that would impose sanctions on Iran over its disputed nuclear program, calling it a departure from existing agreements between world powers.

Russia and China, veto-wielding permanent members of the council that have strong commercial ties with Tehran, have been reluctant to support sanctions against Iran. A key concern for Moscow is the future of its $1 billion contract to build Iran's first nuclear power station.

"Our goal is to eliminate the risks of sensitive technologies getting into the hands of Iran until the IAEA (the International Atomic Energy Agency) clarifies issues of interest to it, while maintaining all possible channels of communication with Iran," Russian Foreign Minister Sergey Lavrov said in comments on state television.

"And it seems to me that, in this context, the draft resolution clearly does not correspond to those tasks agreed on by the six sides," he added, speaking on the sidelines of an international Arctic conference in Russia's far north.

The six major powers of United States, Russia, Germany, France, Britain and China have offered Iran incentives to halt uranium enrichment, but Tehran has rejected them. Enrichment can produce material for nuclear power reactors or weapons.

European nations this week proposed sanctions _ banning the sale of missile and atomic technology to Iran and ending most U.N. help for its nuclear programs _ after weeks of exploratory talks with an European Union negotiator ended without progress.

The sanctions would impose limits on the Russian-built nuclear power station in the southwestern city of Bushehr, although they do not force an end to it. Russia has consistently rejected U.S. demands to halt work on the project and last month it agreed to supply fuel for the plant in March 2007, enabling the facility to go online in September.

Deputy Foreign Minister Sergei Kislyak said the project was one of several obstacles holding up agreement on the U.N. resolution. "Lengthy negotiations will be needed to find a mutually acceptable solution," he was quoted as saying by Interfax news agency.

Washington has been pushing for even tougher sanctions, and Richard Grenell, spokesman for the U.S. mission to the United Nations, said Wednesday there would be "American changes to the proposed European text." He refused to elaborate.

In Paris, Foreign Ministry spokesman Jean-Baptiste Mattei said consultations would continue at U.N. headquarters to try and win the Russians over. "We have taken note of the Russian declarations. ... We will now pursue discussions in New York," he said.

Iranian state radio voiced confidence that Russia's opposition to the draft resolution could thwart the EU's moves against the Iranian nuclear program.

"If Russia opposes the resolution, then Europe's position in further negotiations with Iran would be worse than it is now," the radio said in a commentary, adding that "sanctions would not be effective, satisfactory or conclusive."

In a sign of Russia's determination to safeguard the Bushehr contract, the head of the Russian state company that is building the power plant said Thursday it would be completed on time.

"All work on the nuclear power station is being carried out in line with the existing timetable," Atomstroiexport's chief Sergei Shmatko was quoted as saying by ITAR-Tass news agency.

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Associated Press writers Angela Charlton in Paris and Nasser Karimi in Tehran, Iran, contributed to this report.

Lebanon's Aftermath (WP)

The Washington Post, October 27, 2006

TWO MONTHS after the end of the Middle East's summer war the good news is that the Israeli-Lebanese border is quiet and looks as if it may remain so for some time. The bad news is that neither the small nor the large factors that triggered the fighting -- the abduction of Israeli soldiers by Hamas and Hezbollah, and Iran's new drive for power in the region -- have been

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alleviated. Though the European-led peacekeeping force in southern Lebanon may give that shattered region a respite, the danger is growing of a new eruption of fighting between Israel and the Palestinians -- and maybe even between Israel and Syria.

Judging from what Israeli raids have been uncovering in the Gaza Strip, Palestinian militants are eager to imitate what they perceive as Hezbollah's success in standing up to the Israeli army in the villages of southern Lebanon -- and Iran's agents are just as eager to help them. Entering the border zone between Gaza and Egypt last week for the first time in months, Israeli forces found some 15 tunnels that they say were being used to smuggle sophisticated weapons, such as Russian-made Concourse anti-tank missiles, 122-millimeter Grad rockets and more than 15 tons of TNT. Firings of crude Qassam rockets from Gaza at nearby Israeli towns have continued, along with Israeli raids to capture or kill the militants behind them.

Syrian President Bashar al-Assad, who considered himself a winner of the war, is still sounding belligerent, warning publicly of the possibility of war between Israel and Syria. Israel responded this week by carrying out military maneuvers on the Golan Heights. Mr. Assad continues to harbor one of the architects of the war, Hamas leader Khaled Meshal. Mr. Meshal ordered the June raid inside Israel that began the fighting; now, from his perch in Damascus, he torpedoes attempts by Egypt and other Arab governments to broker accords to release the Israeli captive in Gaza and create a more moderate Palestinian government.

The Bush administration's policy for defusing this dangerous situation has amounted mostly to encouraging Egyptian mediation as well as a deal between Israel and Palestinian Authority President Mahmoud Abbas to ease the flow of goods between Gaza and Israel. But Israeli Prime Minister Ehud Olmert resists acting before the Israeli soldier is released; meanwhile, he has bolstered his government by allying with a hard-line nationalist party that opposes most concessions to the Palestinians. Feelers by Syria about peace talks with Israel have been shunned.

It's not hard to predict where this is heading: toward events that will serve to further advance Iran's goal of radicalizing the Middle East. Those who stand to lose the most from that development -- Israel, Egypt and the United States -- are running out of time for their agenda of negotiations and confidence-building.

Inside The Ring (WT)

By Bill Gertz And Rowan Scarborough

The Washington Times, October 27, 2006

Assad's weakness

An intelligence source tells us Bashar Assad, who inherited leadership of Syria, is no strongman like his late father, Hafez. In his sixth year as leader, Bashar is largely controlled by Ba'ath Party operatives who oppose better relations with the West.

The source tells us it is Bashar Assad's aides who push the 40-year-old dictator to support Hezbollah destabilization activities in Lebanon and allow al Qaeda jihadists to use Syria as a staging point for infiltrating Iraq and killing Americans and Iraqis. "He could not keep them out even if he wanted to, unless he cracks down on his own operatives," said the source, who estimates there are hundreds of al Qaeda terrorists moving through Syria unencumbered.

Syria, like Iraq under Saddam Hussein, is a Ba'ath Party socialist police state. Damascus has no interest in seeing a Democracy sprout next door. The Bush administration once hoped that Bashar Assad, an ophthalmologist by training who only sought power after the death of his older brother, would moderate Hafez's strident anti-Israel policies. But he has not.

The one time that Bashar Assad appeared triumphant over his coterie of advisers is when he pulled army troops out of Lebanon, as the United Nations demanded. But he has kept operatives inside the war-torn Lebanon and is furiously rearming Hezbollah in violation of a U.N. cease-fire.

Pakistan and Iran

It is somewhat surprising how little the Bush administration knows about what could be become a historic agreement in the war on radical Islamists. Last summer, Pakistan President Pervez Musharraf approved a deal with tribal leaders with whom his army had been fighting and dying in Waziristan, an ungoverned expanse on the Afghan border.

Gen. Musharraf insists the deal is good for the U.S. It calls for a cease-fire as long as the tribes stop providing aid and comfort to Taliban members who regroup in Pakistan before going back into Afghanistan. Some pundits have ripped the agreement as a surrender to tribal militants who may be hiding Osama bin Laden.

R. Nicholas Burns, undersecretary of state for political affairs, said he did not know much about the deal when he met recently with reporters and editors of The Washington Times. The CIA declined to comment.

Now we see that the top U.S. commander in the region, Gen. John Abizaid, is at best skeptical.

"Well I guess like anybody I'm kind of wait and see," he recently told a group of defense reporters. "I hate to answer one of your questions with 'I don't know,' but I don't know. I did talk to President Musharraf about it. I told him I was concerned about it ... The long run is, you've got to go forward in the tribal areas with economic, political and military solutions that the tribes cooperate

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with. But I'm very, very skeptical about this notion that people that have been harbored in the tribal areas are no longer going to be harbored. I'll believe that when I see it."

Gen. Abizaid, who heads U.S. Central Command, also presented facts on which any observer could conclude that the U.S. is in a war in Iran.

It appears that Iran is supplying insurgents with RPG-29, a dual-headed warhead that is destroying U.S. armored vehicles. Worse, Iran is manufacturing and exporting explosively formed penetrators (EFPs). It is a more devastating edition of the ubiquitous improvised explosive device. The EFP unleashes an array of warheads certain to hit any object within range. Iranian-backed Hezbollah developed the bomb to kill Israelis. Now, Iran is making EFPs and shipping them into Iraq to kill U.S. troops.

Baghdad show

It was a double-barreled press conference. The two most-powerful men in Iraq, Gen. George Casey and U.S. Ambassador Zalmay Khalilzad, appeared before a skeptical Baghdad press corps to give the impression of war momentum. Gen. Casey talked of Iraqi security-force progress; Mr. Khalilzad trumpeted a "national compact" that could end the violence in a year.

The press reaction?

A CBS news reporter said U.S. commanders in the field say they cannot count on a full Iraqi unit to arrive on the scene. Some units are only half strength. "So the numbers really are a lie, and we want the truth, and your soldiers on the ground want the truth out there," said reporter Lara Logan.

"The numbers aren't a lie, and the numbers are prepared by the soldiers in the field and their Iraqi counterparts on a monthly basis," Gen. Casey said. He conceded, however, that not all brigades are manned at 100 percent and that a defense ministry policy allows 25 percent of a unit on leave at any one time.

A reporter for the British Broadcasting Corp., a consistent critic of the Iraq war, suggested the country was better off with Saddam Hussein in charge. Said Mr. Khalilzad, "During Saddam thousands upon thousands of Iraqis were killed as a result of a government policy. Now these killings are taking place by the terrorists, by death squads. And the government, with support of the coalition, is trying to bring that to an end."

Sinking polls

A new Gallup Poll shows more Americans are not happy with events in Iraq, where more than 2,800 U.S. service members have died since April 2003.

The survey showed 65 percent of respondents said things are going badly in Iraq, compared with 35 percent who say things are going well. A majority of 58 percent say neither side is winning the war.

Yet, only 20 percent support an immediate withdrawal of all troops, a position endorsed by Rep. John P. Murtha, Pennsylvania Democrat. But another 34 percent want withdrawal in 12 months. Nearly 45 percent either back getting the job done first (35 percent) or sending more troops (9 percent).

Rumor mill

One constant in Washington since the Iraq war went sour is that Defense Secretary Donald H. Rumsfeld is out the door. The latest word from Weekly Standard editor Bill Kristol is that Mr. Rumsfeld will leave after the Nov. 7 elections.

Mark Larson, host of a popular radio talk show on KOGO in San Diego, asked Mr. Rumsfeld about the prediction during a live interview this week at the White House. "Rumsfeld will leave after the election," Mr. Kristol said on Fox News Sunday.

"That fellow said the same damn thing in April of 2001," Mr. Rumsfeld responded. "He has been on that shtick, and people keep repeating it and repeating it. I don't know why they listen to him. He's been wrong so many times. There ought to be some accountability."

Dissent Grows Over Silent Treatment For 'Axis Of Evil' Nations (NYT)

By Helene Cooper

The New York Times, October 27, 2006

WASHINGTON, Oct. 26 — Ever since President Bush first proclaimed there to be an "axis of evil" in 2002, pundits, diplomats and politicians have urged him to talk to its members. But in the last few weeks, with Iraq experiencing a further surge in violence, North Korea testing a nuclear bomb and Iran continuing to defy a Security Council demand to stop enriching uranium, the cries for dialogue have grown louder.

James A. Baker III, the Republican former secretary of state, said this month that he believed "in talking to your enemies." After North Korea tested its nuclear device earlier this month, former President Jimmy Carter said that "the stupidest thing that a government can do that has a real problem with someone is to refuse to talk to them."

Senator Barack Obama, Democrat of Illinois, said last weekend that even at the peak of the cold war, "when there were nuclear missiles pointing at every major U.S. city, there was a direct line between the White House and the Kremlin."

The question arises: Is any of this cutting ice with the administration?

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Officially, the administration is sticking to form. President Bush said as much during a news conference on Wednesday, when he was asked, again, whether he would be willing to work with Iran and Syria if it was determined that they could help bring stability to Iraq, their neighbor.

His reply did not veer from the script, which basically withholds American dialogue with "axis of evil" members until they change their ways. "Iran and Syria understand full well that the world expects them to help Iraq," Mr. Bush said.

He said that if the Iranians stopped enriching uranium, American diplomats would talk to them. He also had a to-do list for President Bashar al-Assad of Syria to get into America's good graces: "Do not undermine the Siniora government in Lebanon; help Israel get back the prisoner that was captured by Hamas; don't allow Hamas and Hezbollah to plot attacks against democracies in the Middle East; help inside of Iraq."

But within the administration, things are a little more nuanced, Bush officials said. One administration official distilled the internal deliberations this way, "On Syria, there's a very healthy debate about whether we should talk to them; on Iran, there is no debate internally."

The American officials who agreed to speak about the internal discussions are all involved in that debate, with some opposed to any discussions with Iran, Syria and North Korea, and others saying that such talks should be considered.

Among those inside the administration who are urging more engagement with Damascus, most come from the State Department's Near Eastern Affairs bureau, including Assistant Secretary C. David Welch, the officials said.

But, surprisingly, in recent months, the usually hawkish deputy national security adviser, J. D. Crouch, has been pushing for the administration to talk directly to Syria, officials say. "His style with the Syrians is that we need to be very strict with them," one senior administration official said. "It's not a friendly 'Let's go for coffee.' More like, 'Let's directly deliver a very strong message to them.' "

The administration officials would not speak on the record because they did not want to be identified when discussing internal deliberations.

The original "axis of evil," as defined by Mr. Bush, comprises Iraq, North Korea and Iran. But after the United States-led invasion that toppled Saddam Hussein, Iraq was replaced by Syria, given the 2005 assassination in Lebanon of Rafik Hariri, a former Lebanese prime minister. American officials and some at the United Nations have said Syria had a hand in the Hariri assassination. The Bush administration and Israel have also accused Syria of supporting Hezbollah in its raid into Israel this summer, an attack that set off a monthlong war.

Officially, the United States has diplomatic relations with Damascus, where there is an American embassy. But it is manned by a chargé d'affaires and not an ambassador; Mr. Bush recalled the ambassador to Syria, Margaret Scobey, after the Hariri assassination.

There is less debate within the administration when it comes to Iran. Ms. Rice is believed to have pushed the White House as far toward dialogue with Iran as it would go when she prodded Mr. Bush in May to offer to join European talks with Iran over Tehran's nuclear ambitions.

Ms. Rice herself has offered to sit at the table with the Iranians, but she includes the usual caveat: Iran must first verifiably suspend its uranium enrichment program.

As for North Korea, American officials continue to espouse the view that the United States, by insisting on talking to North Korea only within the confines of a regional group, can better share the burden of power.

Ms. Rice offered reporters the diplomatic version of that argument last week. "There's this myth out there that we haven't been willing to talk to the North Koreans," she said. "What we've been unwilling to do is to negotiate bilaterally with the North Koreans, another agreement that they are going to be free to disregard because it will only be with the United States and not with states that frankly have more leverage than the United States, like China and South Korea."

But the administration will continue to take hits over not talking to its enemies until it can demonstrably show that this strategy has had results, diplomats said. Said one European diplomat in Washington: "They've isolated Cuba for 40 years, and you see how well that's worked."

EU Chief Ask Israel To Reopen Border (AP)

By Constant Brand, Associated Press Writer

AP, October 27, 2006

EU foreign policy chief Javier Solana said Thursday he hoped a crucial crossing between Gaza and the outside world, which has been closed by Israel for most of the past four months, would be reopened on a regular basis soon.

European Union officials who monitor the Rafah crossing between Gaza and Egypt have threatened to abandon their mission if Israel keeps closing the passage for what it says are security reasons.

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"We hope to have in a few days or weeks — we hope days — a response on a renewal of our presence in Rafah," Solana said at a joint news conference with Israeli Foreign Minister Tzipi Livni after they met in Tel Aviv.

The Rafah passage, previously controlled by Israel, was handed to EU-supervised Palestinian control last year under a U.S.-brokered accord.

Israel has kept the crossing closed for all but 12 days since Palestinian gunmen captured an Israeli soldier on June 25 and took him into the Gaza Strip. It fears militants would try to sneak the soldier across the border to Egypt and also says Rafah has become a conduit for weapons smuggling into Gaza.

Livni said that while there needed to be talk about operational issues at Rafah, Israel was happy with the EU's involvement there, the first time it has accepted a European role in security aspects of the Israeli-Palestinian dispute.

"We are going to negotiate with the Europeans on the future terms," she said. "But we are very positive about the role of Europe in monitoring the Rafah passage."

Solana arrived in Israel Wednesday for meetings with top Israeli and Palestinian officials, the first leg of a six-day tour of the Middle East meant to assess the political mood of key players in the region.

EU officials were doubtful that Solana's trip, his first to the region in three months, would yield breakthroughs, acknowledging early on in the trip that divisions between Israelis and Palestinians remain as deep as ever.

After meeting Palestinian President Mahmoud Abbas in the West Bank city of Ramallah, Solana said he reported on his efforts with the Israelis.

"I have tried to work with the government of Israel to try to upgrade the crossings which are very fundamental," he told reporters.

Solana was expected to push Abbas and his Fatah Party to boost efforts to form a unity government with the Hamas-led Palestinian government, which is isolated from the international community over its refusal to recognize Israel and renounce violence.

But Abbas said after the meeting that there is no point in further dialogue between his Fatah movement and Hamas.

"Dialogue has overused its purposes, and everything is clear now," he said.

Hamas Gets $2 Million To Help Offset Cutoff (NYT)

By Greg Myre

The New York Times, October 27, 2006

JERUSALEM, Oct. 26 — The Palestinian interior minister took home $2 million in cash from Muslim countries when he returned to the Gaza Strip this week, part of a continuing effort to meet government expenses in the face of a cutoff in aid from Western countries, an aide to the minister said Thursday.

The minister, Said Siam, entered Gaza on Tuesday at the Rafah border crossing with Egypt, after a trip that also took him to Syria and Iran. The aide, Maher Ramli, said the money had come from “Arab and Muslim countries,” but declined to identify them.

“He was very well received on his trip,” Mr. Ramli said.

The Interior Ministry, which is responsible for various security agencies, plans to spend half the money by making $50 payments to 20,000 members of the security forces, Mr. Ramli said.

Like other government employees, security force members have received only partial and sporadic salary payments since Hamas, the militant Islamic group, came to power in the spring after winning Palestinian legislative elections in January.

Mr. Ramli said the remaining $1 million would go toward restoring the Interior Ministry building, which was damaged in a recent fire set by members of Fatah, the faction that has been battling Hamas in Gaza.

Israel, the European Union and the United States all cut money to the Palestinian Authority after Hamas took over. They have demanded that the Palestinian Authority meet several conditions, including the recognition of Israel, which Hamas leaders in the government have refused to do.

As a result, the Palestinian Authority is desperately short of cash and has not been able to raise anywhere near the more than $150 million a month it needs to pay salaries and cover basic operating expenses.

Several Arab and Muslim countries have pledged to help. However, the United States has threatened sanctions against banks that conduct transactions with Hamas. The banks, unwilling to risk their access to international financial markets, have refused to handle such transactions.

Mr. Siam is the latest of several Hamas officials who have carried large sums of cash into Gaza in recent months. The foreign minister, Mahmoud Zahar, returned with $20 million stuffed in suitcases back in June.

Palestinians may carry in unlimited sums of money as long as they declare it, which Mr. Siam did, said European Union monitors who assist Palestinians at the Rafah crossing point.

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Officially, the Palestinian Authority has controlled its Rafah border crossing with Egypt for the past 11 months, with the European monitors also present. But in practice, the crossing has been mostly closed since the end of June, when Israeli troops re-entered southern Gaza after the capture of an Israeli soldier, who was taken to Gaza.

Israel is allowing the crossing to open periodically, and Palestinians were let in and out on Tuesday and Wednesday, but Rafah was closed again on Thursday.

Israeli troops shot and killed three Palestinians in separate incidents overnight Wednesday and during the day on Thursday.

Near the southern town of Khan Yunis, a Palestinian policeman was killed in gunfire exchanged with Israeli troops during the night, both sides said. An Israeli soldier was wounded, the military added.

Key American To Leave U.N. (WT)

By Betsy Pisik

The Washington Times, October 27, 2006

NEW YORK -- Christopher Burnham, the outspoken American who has been trying to modernize U.N. management practices, announced yesterday that he will leave next month to take a job in the private sector.

Mr. Burnham will leave the United Nations on Nov. 16. He said he will spend time with his family before starting with his new employers, who he declined to name.

Sources with the United Nations said he is going to work for Deutsche Bank but were uncertain about his responsibilities there.

Mr. Burnham, 50, became the undersecretary general for administration and management in June 2005, after running the State Department's management office.

He is the highest-ranking American inside the U.N. Secretariat.

He is the first of many high-ranking U.N. officials expected to leave the organization as South Korean Foreign Minister Ban Ki-moon takes over as secretary-general.

An experienced administrator with the direct manner of the Marine Corps Reserve colonel he used to be, Mr. Burnham has focused on bringing accountability and transparency to the often Byzantine U.N. bureaucracy.

He crafted protection for U.N. whistleblowers and reorganized the scandal-tainted procurement department that buys nearly $2 billion worth of goods and services annually. He also built up the U.N. Ethics Office and negotiated contracts and financing to refurbish the U.N. headquarters buildings.

"I enjoyed immensely my work at the State Department, and it has been particularly challenging and rewarding to be here at the U.N. as we have pushed forward a broad management reform agenda," he told The Washington Times yesterday.

"I think the U.N. is advancing into the 21st century, and over the last 18 months we have given the new incoming secretary-general strong foundations on which to build a strong organization."

U.N. Secretary-General Kofi Annan said that he accepts the resignation "with regret" and described Mr. Burnham as a "driving force" in management reform efforts.

His efforts often alienated or at least bruised some delegations that distrusted Mr. Burnham, seeing him as Washington's budget cutter rather than a servant of the larger organization.

U.S. Ambassador John R. Bolton praised Mr. Burnham for "reforming the United Nations through his tireless efforts to achieve a more efficient, more transparent, and ultimately more effective organization."

Mr. Bolton, who has repeatedly said that senior officials should leave with Mr. Annan and allow Mr. Ban to pick his own team and advisers, added, "We expect many other senior U.N. officials to transition out as well, and we thank all of them for their service."

U.S. Relations Won't Stop If Correa Wins (AP-Y)

By Gonzalo Solano, Associated Press Writer

AP, October 27, 2006

Ecuador's leftist presidential candidate said after a meeting with the U.S. ambassador on Thursday that he will not break off relations with Washington if he wins his country's Nov. 26 runoff election.

"I will not break off relations with the United States, but Ecuador's international policy will be sovereign," Rafael Correa told reporters after a closed-door meeting with the ambassador, Linda Jewell.

"We will condemn the errors that the whole world recognizes, like the invasion of Iraq in search of weapons of mass destruction that did not exist," said Correa, an open admirer and ideological ally of Venezuelan President Hugo Chavez, the region's most vocal critic of President Bush.

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Jewell asked to meet with Correa to discuss a "wide range of bilateral issues," and also planned to meet with his opponent, pro-U.S. banana tycoon Alvaro Noboa, U.S. Embassy spokesman Aaron Sherinian said.

Correa has alarmed Wall Street and Washington with threats to default on foreign debt payments to fund social programs, and a pledge not extend the U.S. military's use of the Manta air base on the Pacific coast for drug surveillance flights when a treaty runs out in 2009.

Adopting the language of Chavez, who called Bush the devil at the United Nations, Correa last month said that the devil himself should be offended by the comparison, and that Bush was "tremendously dimwitted."

But since the Oct. 15 vote, Correa has tried to distance himself from Chavez, whom he earlier described as a friend, after Noboa started to attack the relationship.

Chavez has remained silent on Ecuador's presidential race. His open endorsements backfired against leftist presidential candidates in Peru and Mexico earlier this year.

Final results from the first-round vote released Wednesday by Ecuador's Supreme Electoral showed Noboa as the top vote-getter, winning 26.8 percent, or more than 1.4 million votes. Correa, 43, was second with 22.8 percent, winning 217,918 fewer ballots. The rest of the votes were spread among 11 other candidates.

Polls released this week show Noboa leading Correa by 13 to 15 percentage points.

Noboa, a billionaire and old-style populist, made a surprising surge in the final days of the first-round campaign.

His first-place finish prompted cries of fraud from Correa. Correa, a former finance minister, had been the front-runner in polls before the vote.

On Thursday, Attorney General Cecilia Armas said she will investigate allegations of irregularities in the Oct. 15 ballot, which Correa and his supporters contend were rigged against him.

Election observers from the Organization of American States said there was no sign of foul play in the first round vote.

Correa's party reported finding pre-marked ballots outside of polling places, and alleged that rival parties had infiltrated the tables where the votes were counted and totals were entered onto tally sheets.

Muslim Groups' Suit Over Cartoons Rejected (WT/AP)

By Jan M. Olsen

The Washington Times, October 27, 2006

COPENHAGEN -- A Danish court rejected a lawsuit yesterday against the newspaper that first printed prophet Muhammad cartoons, some of which depicted Islam as a violent religion.

The City Court in Aarhus rejected claims by seven Danish Muslim groups that the 12 drawings printed in the Jyllands-Posten daily were meant to insult the prophet and make a mockery of Islam.

The court conceded that some Muslims saw the drawings as offensive, but found there was no basis to assume that "the purpose of the drawings was to present opinions that can belittle Muslims."

Jyllands-Posten's editor in chief hailed the court's decision as a victory for freedom of speech.

"Everything but a pure acquittal would have been a disaster for press freedom and the media's ability to fulfill its duties in a democratic society," Editor in Chief Carsten Juste said.

The newspaper has apologized for offending Muslims, but stands by its decision to print the cartoons in September 2005 as a challenge to a perceived self-censorship among artists afraid to offend Muslims.

The caricatures were reprinted in European newspapers in January and February, fueling protests in the Islamic world. Some turned violent, with Danish outposts attacked and people killed in Libya and Afghanistan.

Muslims were outraged at the court decision.

"The dismissal of the lawsuit against the newspaper, which was expected, confirms the ongoing intention to harm our religion and our prophet," said Mahmoud al-Kharabsheh, an independent legislator who heads the Jordanian parliament's legal committee.

The plaintiffs plan to appeal the verdict, spokesman Kasem Ahmad told Danish radio, adding that he feared Muslims around the world would be upset by the ruling.

In Lebanon, where protesters set fire to the building housing the Danish consulate in February, Islamic studies professor Radwan el-Sayyed said yesterday's verdict was a "misinterpretation of freedom of expression."

He said he did not expect a repeat of February's riots, however, saying people knew they were counterproductive.

"There will be anger, newspaper articles condemning the court decision, but I don't expect there to be street protests," Mr. el-Sayyed said.

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In Syria, where a mob attacked and set fire to the Danish and Norwegian embassies in February, legislator Mohammed Habash, who heads the Islamic Studies Center in Damascus, said the ruling would "widen the gap between the Western and Islamic world."

One of the cartoons showed the prophet wearing a turban shaped like a bomb with a burning fuse.

The court said some of the drawings could be perceived as linking Islam to terrorism, but added the purpose was to provide social commentary rather than to insult or ridicule Muslims.

Islamic law, which historically was not intended to apply in nations outside the Muslim world, forbids any depiction of the prophet.

The seven Danish Muslim groups filed the defamation suit in March, after Denmark's top prosecutor declined to press criminal charges, saying the drawings did not violate laws against racism or blasphemy.

The plaintiffs, who claimed to have the backing of 20 more Islamic organizations in the Scandinavian country, had sought $16,860 in damages from Mr. Juste and Flemming Rose, the culture editor who supervised the cartoon project.

Muslim Cleric Apologizes For Rape Remark (AP-Y)

By Rohan Sullivan

AP, October 27, 2006

Australia's most prominent Islamic cleric vowed Thursday to stand strong against widespread outrage over his description of women who don't wear head scarfs as "uncovered meat" who invite rape.

Sheik Taj Aldin al-Hilali, long a lightning rod in strained relations between the government and the Muslim minority, apologized for any offense he caused women in making the comments a month ago during a sermon marking the Islamic holy month of Ramadan.

But he said he had no intention of stepping down. Instead, al-Hilali will not give sermons for two or three months, though he will not face censure for his comments, a spokesman for the governing association of his mosque said.

The decision prompted further condemnation.

"I think this is a slap on the wrist," Australia's Sex Discrimination Commissioner Pru Goward said on Friday, a day after she accused Hilali of inciting rape.

Prime Minister John Howard and others denounced al-Hilali's remarks as blaming women for rape, and there were calls for the cleric to quit or be removed from his role as mufti in the faith.

The controversy comes amid tense relations between Australia's estimated 300,000 Muslims and the rest of the mostly Christian-heritage population of about 20 million. Last December, the nation was gripped by riots that often pitted gangs of white youths against youths of Middle Eastern decent.

Howard recently offended parts of the Muslim community by singling out some Muslims as extremists who should adopt Australia's liberal attitudes to women's rights.

After last year's deadly London transit bombings, Howard accused Australian Islamic leaders of not doing enough to condemn extremism and offered government money to train local imams and reduce dependence on migrant clerics. The government has also introduced tough counterterrorism laws and is proposing tighter citizenship rules.

The issue of how Muslim women should dress has caused debate in Britain since former Foreign Secretary Jack Straw, now leader of the House of Commons, said this month that Muslim women visiting his office should remove their veils. Similar passions raged when France banned head scarves and other religious symbols in public schools two years ago.

Al-Hilali, 65, is the top cleric at Sydney's largest mosque, and is considered the most senior Islamic leader by many Muslims in Australia and New Zealand, having been appointed mufti by Australia's top Islamic body.

His remarks about women drew national attention after they were printed Thursday in a national newspaper, The Australian.

In a translation from Arabic by the newspaper, later verified by other media, al-Hilali was quoted as saying in the sermon: "If you take out uncovered meat and place it outside ... and the cats come to eat it ... whose fault is it, the cats' or the uncovered meat's?"

"The uncovered meat is the problem. If she was in her room, in her home, in her hijab, no problem would have occurred," he was quoted as saying, referring to the head scarf worn by some Muslim women.

Goward said al-Hilali's comments encouraged rape and that Muslims should force him to step down.

"This is inciting young men to a violent crime because it is the woman's fault," Goward told television's Nine Network. "It is time the Islamic community did more than say they were horrified. I think it is time he left."

Howard said the comments were "appalling and reprehensible."

"The idea that women are to blame for rapes is preposterous," he told reporters.

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Al-Hilali also faced pressure from within the Muslim community.

"Whether he steps down or not, I think it's time for Australia's Muslim faith to have a religious leader who has a better understanding of Australian laws, Australian values, and the Australian way of life," said Alia Karaman, a female member of a leaders' group at a Sydney mosque.

Al-Hilali issued a statement Thursday saying The Australian had selectively quoted from the sermon, and that he was shocked at the reaction.

"I would like to unequivocally confirm that the presentation related to religious teachings on modesty and not to go to extremes in enticements," the statement said.

"This does not condone rape, I condemn rape," he said. "Women in our Australian society have the freedom and right to dress as they choose, the duty of man is to avert his glance or walk away."

Asked if he would quit his senior post, al-Hilali told Seven Network television news: "No, no, no."

Al-Hilali is an Egyptian-born Sunni who has been a staunch critic of Australia's alliance with the United States in the Iraq war. He triggered a controversy in 2004 for saying in a sermon in Lebanon that the Sept. 11 attacks were "God's work against the oppressors." Al-Hilali said later he did not support the attacks, or terrorism.

Last year, al-Hilali traveled to Iraq to help negotiate the release of an Australian engineer from kidnappers, winning thanks from the hostage's family.

Many Australian Muslims say they are increasingly treated with suspicion since the Sept. 11 and other international terrorist attacks.

Waleed Aly, a member of the Islamic Council of Victoria state, said al-Hilali's comments would result in more antagonism toward Muslims.

"I am expecting a deluge of hate mail," he said. "I am expecting people to get abused in the street and get abused at work."

Nicaraguan Congress Bans All Abortions (AP)

By Filadelfo Aleman, Associated Press Writer

AP, October 27, 2006

Nicaragua's Congress voted Thursday to ban all abortions, including those that could save a mother's life.

If signed into law by President Enrique Bolanos, the measure would eliminate a century-old exception to Nicaragua's abortion ban that permits the procedure if three doctors certify that the woman's health is at risk.

Fifty-two lawmakers voted for the measure. Nine lawmakers abstained and 29 others did not attend the legislative session.

Bolanos has proposed increasing prison sentences for illegal abortions — currently around six years — to 10 to 30 years for women who have the procedure as well as those who assist them.

But it was unclear whether he would sign the bill approved Thursday after lawmakers decided not to increase the penalties in this predominantly Roman Catholic country.

The bill has drawn protests from women's rights groups, and the Women's Autonomous Movement has said it was prepared to seek an injunction to block the measure if it passed.

Congress approved the bill despite a letter from European Union diplomats and U.N. representatives asking lawmakers to hold off on voting on the issue until after the Nov. 5 presidential elections.

U.N. official Rebeca Grynspan, who is in Nicaragua this week, told reporters, "It's very difficult that this (be determined) during an electoral period."

Nicaragua's medical association also urged legislators to postpone the vote, saying the issue had become politicized.

Sandinista leader Daniel Ortega, who was a supporter of abortion rights as a young revolutionary, has said he has become a devout Roman Catholic and now opposes abortion.

Ortega's socialist government of the 1980s had a contentious relationship with the Catholic church, but Ortega recently has established warm ties with leading church figures in Nicaragua.

Congressman Wilfredo Navarro, of the ruling Liberal Constitutionalist Party, said the exception to Nicaragua's ban had allowed for cases in which healthy women who did not want to have their babies had convinced doctors to say an abortion was needed for health reasons.

Aside from Cuba, which permits abortions in the first 12 weeks of pregnancy, Latin America has some of the world's most restrictive anti-abortion laws.

El Salvador and Chile also ban all types of abortions.

Most of the other countries in this heavily Roman Catholic region allow abortion when a woman's life is in danger but deny it to pregnant victims of rape or incest, according to the Center for Reproductive Rights, a New York-based advocacy group that supports abortion rights.

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In May, Colombia's constitutional court legalized abortion in cases where fetuses were severely malformed, the pregnancy was the result of rape or incest or the mother's life was in danger.

Some 85 percent of Nicaragua's 5 million people are Catholics.

Around the world, more than a dozen countries have made it easier to get abortions in the past decade, and women from Mexico to Ireland have mounted court challenges to get access to the procedure.

Nicaragua Passes Total Ban On Abortion (NYT)

By Marc Lacey

The New York Times, October 27, 2006

MEXICO CITY, Oct. 26 — Nicaragua's legislature on Thursday banned all abortions, eliminating exceptions for rape and when the life of the mother is threatened.

The measure, expected to be approved by President Enrique Bolaños, was voted in 52 to 0, with 9 abstentions and 29 representatives not showing up to vote.

Nicaragua joins El Salvador and Chile as the only countries in the Western hemisphere to ban abortion without exception. But across Latin America, abortion is outlawed except in rare circumstances. It is readily available only in Cuba and a few English-speaking Caribbean countries.

The ban in Nicaragua comes two weeks before a hotly contested presidential election on Nov. 5, and opponents of the law say it was introduced now because no one dared to oppose it in the political climate.

"The presidential election is so polarized that the church saw this as an opportunity to force this issue now," Dr. Mirma Cunningham, a former minister of health and member of the National Assembly, said in a telephone interview.

The measure was supported by Daniel Ortega, the front-runner in the presidential race. He favored the right to an abortion during his presidency in the 1980's but has since embraced the Roman Catholic Church and has spoken out strongly against abortion.

Edmundo Jarquín, the candidate of the Sandinista Renovation Movement, a breakaway group challenging Mr. Ortega's candidacy, is the only one of the four leading presidential candidates to oppose the ban.

When asked about the issue at a presidential debate in September, Eduardo Montealegre of the Nicaraguan Liberal Alliance, who is the candidate backed by Washington, recounted how his wife faced a difficult pregnancy nearly two decades ago but proceeded with it. Two of the three triplets she was carrying died but one survived and is now 18 years old. "That's why I oppose abortion," he said.

Health officials estimate that 32,000 illegal abortions are performed every year in Nicaragua, most of them unsafe. Advocates of the ban hope to reduce that number by making doctors and patients think about the consequences. Opponents of the law maintain that prohibiting the ending of problematic pregnancies will only lead to more clandestine abortions.

Nicaragua now allows abortions if three doctors agree that the mother's life would be in danger. This amounted to a total of six legal abortions in 2002, the last year for which data is available. Health officials say that the number has remained in the single digits since.

Illegal abortions can be punished with jail terms of up to six years for the woman and the doctor. Lawmakers put off discussion of sentences under the new law, though far stricter terms are expected to be added.

China's Corruption Inquiry Targets Beijing (NYT)

By Joseph Kahn

The New York Times, October 27, 2006

BEIJING, Oct. 26 — A widening Chinese anticorruption investigation is taking aim at Beijing's party leaders, a sign that President Hu Jintao intends to continue removing officials he considers insufficiently loyal, people told about the leadership's planning said.

Some 300 Communist Party investigators have been examining property deals and procurement practices in the capital city since at least late September and have uncovered suspicious dealings that implicate top Chinese leaders, the people said.

None of the people interviewed would allow their names to be used, fearing official retribution for speaking about a continuing investigation into an area of extreme delicacy for the Chinese leadership.

Among those seen as likely targets of the inquiry are Jia Qinglin, a member of the nine-member Politburo Standing Committee and a former party secretary of Beijing, as well as the current Beijing party secretary, Liu Qi, who is a regular member of the Politburo.

If the investigation results in the removal of one or both of the men, it will make the housecleaning the most sweeping since the shake-up after the 1989 suppression of democracy protests.

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In September, security forces detained Chen Liangyu, the party chief of Shanghai and another Politburo member. They also removed numerous Shanghai officials from office and arrested or sidelined leaders in Tianjin, Fujian and Hunan, among other places.

Nearly all of those implicated to date are viewed as loyalists to China's former top leader, Jiang Zemin, or as having resisted the policies of Mr. Hu, the party boss since 2002.

As such, the crackdown serves two purposes, the people told about the leadership's goals say. Mr. Hu and Zeng Qinghong, the vice president and day-to-day coordinator of Communist Party affairs, have sought to warn underlings that they intend to punish corruption, widely seen as a worsening problem within the ruling party, even at the highest levels.

But the two leaders have also signaled that only those they consider allies will have the power to resist investigations of their financial affairs. That message seems intended to shore up support as the leadership prepares for its five-yearly political transition with the convening of the 17th Party Congress next fall.

The party leaders of Beijing and Shanghai, who control great wealth and enjoy broad autonomy, have traditionally served on the ruling Politburo. No major investigations of their activities are likely to be initiated without the approval of the top-most leaders.

Mr. Hu has recently worked hand in hand with Mr. Zeng, the No. 5 ranking leader who is also viewed as one of Mr. Hu's possible rivals, to consolidate power. Though China's one-party system concentrates authority in the hands of Mr. Hu, he must also navigate personal, regional and institutional allegiances that can make it difficult to carry out decisions made in Zhongnanhai, the leadership compound.

The investigation has significant policy implications. The economies of both Beijing and Shanghai, fueled partly by state-directed investment and rapid real estate development, have grown faster than the rest of the country at a time when Mr. Hu has sought to reduce speculative investment and stabilize soaring property prices.

One concern is that China remains too vulnerable to boom-bust economic cycles. If today's double-digit growth rates were to tumble, the resulting slowdown could threaten social stability and the ruling party's hold on power.

Mr. Hu's drive to build a "harmonious society" aims to steer more state resources into underdeveloped parts of the economy, including rural areas, rather than supporting frothy investment in the wealthiest cities.

At the same time, Mr. Hu has appealed for calm and sought to show that he remains on good terms with Mr. Jiang, the predecessor he pushed from his final post, as head of the military, in 2004.

Mr. Hu and Mr. Jiang appeared together at the Great Hall of the People last weekend to mark the 70th anniversary of the Long March. Mr. Hu delivered a speech that emphasized the "unity of the whole party."

Party officials said that although the investigation has mainly been directed at people considered part of Mr. Jiang's ruling circle, Mr. Jiang has been consulted about the need to control corruption. They added, however, that he no longer had the power to resist even if he chose to.

The current crackdown began in June, when a Beijing vice mayor, Liu Zhihua, was removed from his post after being accused of leading a "dissolute lifestyle." People told about the charges said they included misusing state funds and maintaining luxurious homes where he entertained mistresses and call girls.

There has been no announcement in the state news media about further investigations in Beijing. The Beijing mayor, Wang Qishan, recently dismissed speculation about stepped up inquiries in the capital city as nonsense.

But two people told about the leadership's planning said that top officials have ordered a renewed anticorruption push here. The most likely targets are Liu Qi, the party chief, and Mr. Jia, the standing committee member, they said.

Mr. Jia, a longtime loyalist of Mr. Jiang, has been dogged by allegations that he presided over rampant corruption in areas that he supervised. He was party secretary of Fujian Province in the early and mid-1990s. Mr. Jiang moved him to head the Beijing party apparatus in 1996, and he was elevated to the Politburo Standing Committee in 2002.

Mr. Jia, 66, still supervises the affairs of Beijing in addition to leading the Chinese People's Political Consultative Congress, which manages the party's relations with nonparty social interests, like business leaders and religious groups.

Liu Qi replaced Mr. Jia as party secretary and is thought to answer mainly to Mr. Jia.

The ultimate goal of investigating Beijing's affairs may be to incapacitate Mr. Jia politically so he cannot exercise much sway during the jockeying for positions and power that precedes the party congress, people told about the planning said.

But any broader crackdown in the capital poses some risks for China because Beijing will stage the 2008 Olympics, an event the leadership views as confirmation of the country's rise as a global power and as a chance to display China's best face to the outside world.

Liu Qi manages the tens of billions of dollars invested in Olympics-related venues, infrastructure and urban improvements. Leaders are eager to show that any corrupt activities in Beijing do not involve the Olympics and that planning for the event remains on track.

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People told about the leadership's planning say that Liu Qi may remain head of the Beijing Organizing Committee for the 2008 Olympic Games even if he is replaced as party secretary. It is the latter post that carries significant political clout.

If Mr. Jia were removed or forced to resign, he would most likely be the first person ousted from the elite body for corruption since the Communist Party took power in 1949, though Mao purged several members of the Politburo Standing Committee during his long reign.

The most recent high-level purge was that of Zhao Ziyang, the party's general secretary, who was ousted by Deng Xiaoping in 1989 for opposing the crackdown on student-led democracy protests that year.

Some party officials and political observers think Mr. Hu would be reluctant to confirm that corruption extends to the top ruling body. They say it is more likely that any evidence gathered against Mr. Jia would be used to push him into retirement in 2007 and to reduce his political influence in the meantime.

A Prisoner Of Global Impact (WP)

By Glenn Kessler

The Washington Post, October 27, 2006

President Bush hopes to go to Vietnam next month bearing a gift -- passage of a bill to create the closest trade relations between the two countries since the end of the Vietnam War. But the plight of an ailing 58-year-old Florida woman who has been held in a Vietnamese prison for more than a year on terrorism suspicions is threatening to derail the president's plans.

The case against Thong Nguyen "Cuc" Foshee highlights both Vietnam's human rights record and the lingering passions of former refugees for the country they fled three decades ago. It also exposes the tension between the administration's dual efforts to promote business and foster democracy.

Foshee, a prominent Republican supporter of Bush from Orlando, was seized by Vietnamese authorities in September 2005, a day after she arrived to attend the wedding of a nephew, according to her family. Vietnamese officials have alleged that she, two other American women and an American man -- who were all arrested about the same time -- were plotting to take over radio stations and undermine the Vietnamese government, U.S. officials said. Foshee, a Vietnamese immigrant who became a U.S. citizen in 1972, had visited Vietnam several times previously.

Some Bush administration officials suggest that the Vietnamese government may have evidence against Foshee, but they fault its failure to bring formal charges.

Vietnam is the fastest-growing market for U.S. products in Asia, with exports growing by 150 percent since 2001, according to the U.S.-Vietnam Trade Council. After 12 years of negotiations, Vietnam yesterday cleared the last hurdle to becoming the 150th member of the World Trade Organization before the end of the year.

A bill granting Vietnam permanent normal trade relations is necessary for U.S. companies to benefit from the low tariffs that Vietnam will introduce as a WTO member, opening up a market considered the economic tiger of Asia. Executives from at least 200 companies will join Bush on his visit to Hanoi.

But Sen. Mel Martinez (R-Fla.) has blocked the bill from coming to the Senate floor until Foshee's case is resolved, forcing the administration to raise the case at senior levels. Secretary of State Condoleezza Rice spoke to her Vietnamese counterpart three weeks ago, seeking Foshee's release. Martinez, a Cabinet official in Bush's first term, buttonholed the president about the matter as they flew back from a campaign event earlier this week.

In a letter to Rice dated Oct. 13, Martinez wrote: "I feel strongly that substantive progress must be made that will lead to Mrs. Foshee's release before I can lift the hold I have placed on the legislation."

The Senate will not be back in session until Nov. 13, and Bush is to leave Nov. 15 for Vietnam. The president, who has never visited the country, will attend the annual summit of the Asia Pacific Economic Cooperation forum, which the Vietnamese government hopes will showcase the country's emergence.

U.S. officials also must deal with retailers' concerns about a deal struck with U.S. textile manufacturers just before Congress went on recess.

Foshee has actively demonstrated against the Vietnamese government and has been associated with the Government of Free Vietnam, a virulently anti-government group that maintains a military base on the Vietnamese-Cambodian border. Her daughter, Elizabeth McCausland, 37, a lawyer, said that she does not know whether her mother is a member of the group but that her mother helped train members of the group in public speaking and in education about democracy.

The Government of Free Vietnam, based in Garden Grove, Calif., says it aims to "save the nation to terminate the dictatorship of the current communist government." Nguyen Van Don, secretary general of the group, issued a statement saying Foshee was in Vietnam for "personal and family reasons" and has never "undertaken any projects for the party."

McCausland said her mother "was very vocal about her wish that Vietnam become a democracy." She said Foshee demonstrated in Washington during Bush's meeting with Vietnamese Prime Minister Phan Van Khai in June 2005, and a

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photograph of her holding a sign demanding religious freedom in Vietnam was printed in newspapers. But she scoffs at the idea that her mother -- who she said is barely over five feet tall, has high blood pressure and was overweight when arrested -- knew anything about radio equipment or taking over radio stations.

"It's entirely ridiculous," McCausland said. "I truly believe what she is being punished for is her speaking out for democracy here in the United States."

In another recent case, the family of Cong Thanh Do, a San Jose resident, was surprised to learn that he secretly oversaw a network of anti-communist dissidents from his laptop. His activities came to light after he was arrested on a trip to Vietnam with his wife and 9-year-old son in mid-August. He was released after being held for 38 days.

Foshee, who owns a landscaping business, served as Asian coalition regional chairman for the Bush-Cheney campaign in 2004 and contributed $2,000 to the Republican National Committee in 2001, campaign records show. She also contributed $10,000 in 2000 to the successful Senate campaign of Democrat Bill Nelson, who as a House member helped bring her brother to the United States.

U.S. officials declined to discuss details of the case. Frederick Jones, spokesman for Bush's National Security Council, said the White House is aware of Foshee's detention and Martinez's action. "We have urged the government of Vietnam to abide by international legal standards and not to hold her indefinitely without due process," Jones said.

The case is "an obstacle to getting the trade package forward," said a senior State Department official. Rice has received assurances from Foreign Minister Pham Gia Khiem that he understands how important the case is and will work to resolve it, the official said.

Martinez declined to comment. Spokeswoman Kerry Feehery would only say that Martinez "is doing everything in his power as a U.S. senator to get Mrs. Foshee home to Florida."

The Vietnamese Embassy did not return phone calls.

In Brazil Campaign, A Barroom Brawl And A Class War (WSJ)

By Matt Moffett And Geraldo Samor

The Wall Street Journal, October 27, 2006

RIO DE JANEIRO -- Scenes from the class struggle in Brazil:

One evening last week, Danielle Tristão walked into a bar in a tony neighborhood of this seaside city wearing a T-shirt emblazoned "Lula Yes." She was declaring her support for Brazil's blue-collar president, Luiz Inácio Lula da Silva, who is a heavy favorite to win re-election on Sunday but is despised by Brazil's upper crust. Ms. Tristão, who is 38 years old, said hostile patrons were soon pelting her with fliers for Mr. da Silva's centrist opponent, Geraldo Alckmin, and even scuffling with her. In the melee, one of the customers bit off part of Ms. Tristão's left ring finger.

To leftists she became a martyr, especially since Mr. da Silva as a young man had lost the pinky of his left hand in a metalworking accident. "Some fascists ate the finger of a Workers Party activist so that she would bear on her body Lula's mark," leftist playwright Augusto Boal proclaimed at a political rally for Mr. da Silva and his political party.

Not so, says the woman who did the biting, Ana Cristina Luzardo de Castro. Through her husband, Ms. de Castro, 39, says that Ms. Tristão was drunk and belligerent, calling her an "uninformed preppy." Even though her husband says she was biting in self-defense, Ms. de Castro is now being vilified by Brazilian bloggers as "Hannibal" and the "Pit Bull of Leblon," the neighborhood where the bar fight occurred.

Ms. de Castro's husband says his wife actually votes for Mr. da Silva, but that doesn't seem to matter in Brazil's politically charged environment. In a vast and diverse nation that has long taken pride in its live-and-let-live ethos, this year's presidential campaign has laid bare profound frictions between social classes and regions. Brazil's image of itself as a super tolerant "racial democracy" is getting a rude reality check.

Mr. da Silva is the overwhelming favorite of voters in the sprawling, arid Northeast, where he himself was born and people tend to be poorer, less educated and darker-skinned than those in the South. The South, which encompasses Brazil's most modern and glamorous cities and its media centers, has been considerably cooler to Mr. da Silva.

College-educated Brazilians, like the students in São Paulo who recently dressed up as clowns to satirize Mr. da Silva, often look down on a president who quit school after the fourth grade. But the vast majority of Brazilians with only a basic education embrace him. Overall, a survey by the Datafolha polling group projects Mr. da Silva getting 61% of the vote compared with 39% for Mr. Alckmin.

There have always been social and regional divisions in Brazil, but they have been worsened by the two defining features of Mr. da Silva's administration: aggressive welfare spending and brazen corruption scandals. Mr. da Silva's program of providing cash subsidies to 11 million poor families has fired up fierce loyalty toward the president -- and antagonism toward Mr. Alckmin -- in working-class neighborhoods.

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Meanwhile, scandals in Mr. da Silva's administration have turned off many members of the Southern middle class and elite who had voted for the president in 2002. In the latest impropriety last month, Workers Party operatives were caught with $770,000 that they allegedly intended to pay for a dossier damaging to an opposition candidate. That scandal, one of whose alleged masterminds was a favorite barbecue chef of Mr. da Silva's, sapped the president's support in the Oct. 1, first-round balloting and set the stage for Sunday's runoff.

Mr. da Silva has further heightened class tensions by arguing that corruption cases in his government are being blown out of proportion because of his humble background. "There is a reason I'm being persecuted," Mr. da Silva said last week. "It's a matter of skin, of social origin." He rails against "a small minority that has leeched from the country for 500 years." The divisions exposed during the campaign will likely haunt Mr. da Silva throughout his next four-year term, making it harder for Brazilians to unite behind the tough measures the country needs to boost a slow-growing economy.

Both sides have played on negative stereotypes. Earlier this month, the Workers Party Web site ran an item noting that the daughter of Mr. Alckmin, who is an anesthesiologist from the wealthy Southern state of São Paulo, had worked at a boutique that had been raided by tax authorities. His wife had gotten a gift of "400 chic dresses" from a leading fashion designer, the note said. Mr. Alckmin's wife said there were far fewer dresses and she donated them to charity.

A couple of weeks ago in the prosperous Southern city of Porto Alegre, a 69-year-old engineer was handing out stickers bearing the legend, "Out With Lula" and a drawing of a hand with four fingers inside a circle marked with a slash. A 42-year-old woman who is an activist in Mr. da Silva's Workers Party got into a shoving match with the man, who insisted he would "print another 20,000 stickers," according to the police report.

An anonymous email that has been circulating on the Web this month, under the title "The Solution Is Separating," showed a map of Brazil, divided between the North and South. Alongside the North was a photo of Mr. da Silva, and the phrase, "They get him." Alongside the South was a photo of Mr. Alckmin, captioned, "We get him." (The Alckmin campaign has deplored and disavowed responsibility for the email and the stickers, which have been turning up in several states.)

Though he has exploited class issues in this campaign, Mr. da Silva was often victimized by working-class stereotypes in three unsuccessful races for the presidency in the 1980s and 1990s. Finally, in the 2002 election, Mr. da Silva found a shrewd political consultant who gave him a makeover. Mr. da Silva had his teeth fixed and his beard trimmed and got a better tailor. He won in a landslide.

Then in 2005, prosecutors alleged that the Workers Party had operated a massive slush fund to finance campaigns and buy support in Congress. That has led to the resignation and indictment of many of the president's closest allies, including the consultant. Mr. da Silva, who hasn't been charged, claims a vendetta against his government by "the elites." Last year, Sen. Jorge Bornhausen, a top opposition figure, gleefully said that the scandals meant "we are going to get rid of this race for the next 30 years." Many people took "this race" to mean not only the Workers Party, but also Mr. da Silva's blue-collar supporters.

A few days later, billboards sprang up in the capital of Brasilia showing Mr. Bornhausen wearing a Nazi uniform and a toothbrush mustache, alongside the slogan: "Blacks, poor and blue-collar workers never again."

Mr. Bornhausen has long been known for his fierce opinions, but even mainstream Brazilian culture is becoming more politically polarized, analysts say. Diogo Mainardi, a popular columnist for the huge newsweekly Veja, has emerged as the politically incorrect voice of affluent and educated Brazilians horrified by the prospect of four more years of Mr. da Silva. "Brazil isn't dominated by an evil elite," Mr. Mainardi wrote recently. "Brazil is dominated by a mass of ignorant poor people. They are deciding for us. And they are deciding very badly."

Veja is the Brazilian equivalent of Time magazine, with a circulation of 1.2 million, making it the largest newsweekly in Latin America.

Mr. Mainardi insists his provocative style has a serious purpose. He maintains Mr. da Silva's handlers have shielded the president from criticism by manipulating the guilt of middle-class Brazilians over Mr. da Silva's impoverished roots. To cut through the political packaging, Mr. Mainardi explains, "I almost force myself to say what can't be said." Of Mr. da Silva, he recently wrote, "I wouldn't even choose Lula to open and close the garage door of my apartment building."

The president's supporters say Mr. Mainardi and Veja are mouthpieces of an establishment that has it in for him. "Veja has some journalists who are deserving of the Nobel Prize for irresponsibility," Mr. da Silva said.

Cubans Begin To Just Say No (WSJ)

By Mary Anastasia O'Grady

The Wall Street Journal, October 27, 2006

Did Brazilian President Luiz Inácio "Lula" da Silva misspeak last week when he said that it's a pity that Fidel Castro did not democratize the island while "he was still alive"? Or did he inadvertently blurt out a secret that only friends of the Cuban regime are supposed to know?

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Lula has corrected himself. But the rumor mills are in overdrive since the utterance of those four little words, in part because the last time Cubans were shown proof of life was more than a month ago and the patient looked pretty bad.

Whenever the old man finally passes away, a public statement is likely to be delayed until Fidel's little brother Raul, who as of now is only the "temporary" despot, feels sure he has the upper hand. As we go to press, that effort appears to be a work in progress.

At this time the military seems to be loyal to Raul. Nevertheless, the dictator in waiting has at least two reasons to be worried. The first is Hugo Chávez, who pours an estimated $2 billion into the Cuban economy annually and seems to believe that he is the rightful revolutionary successor to Fidel. Rumor has it that attitude is not going down too well with Raul or his men. As Brian Latell, former CIA analyst and author of "After Fidel" (Palgrave Macmillan, 2005), pointed out this week: "It may also be reasonable to speculate that Raul and his military commanders feel contempt for the mercurial and often bizarre Venezuelan, who rose no higher than lieutenant colonel in the decidedly less professional and accomplished Venezuelan military."

Fold into this mix the tension that already exists between elements of the regime that see themselves as ideologically pure and loyal to Fidel and Raul's army, which seems to enjoy making money -- as Mr. Latell describes so well in his book -- and all kinds of complications arise.

Yet Hugo and the fidelistas might be the least of Raul's troubles. Less noticed by the international press but at least as threatening are the island's dissidents, who are once again stirring things up, this time with their "non-cooperation campaign." While conventional wisdom discounts the movement as weak, disorganized and easily infiltrated, every action of the government suggests that popular resistance to the regime is spreading, even after a brutal wave of repression was unleashed more than a year ago.

It is also worth noting that Lula, a left-wing president of a country that has traditionally supported the Cuban dictatorship, has publicly lamented Castro's failure to democratize. That doesn't bode well for continued international support for the island slave plantation.

Non-cooperation is a strategy aimed at whittling away at the most fundamental tool of every totalitarian regime: fear. The system can survive only if each Cuban believes he is greatly outnumbered by lovers of the revolution and that in speaking out, he is doomed. This is why the regime risked so much bad press to crush the dissidents in March of 2003 in a brutal island-wide crackdown. Intense, debilitating fear must be kept alive if the regime is to survive.

Opponents of the regime also understand the power of fear and it is why they are hopeful about the non-cooperation campaign, which provides a passive way for Cubans to quietly discover solidarity. Rather than calling on citizens to actively rebel against the government, "non-cooperation" asks them simply to refuse to participate in the oppression.

The concept of non-cooperation was born in response to the government's practice of mobilizing neighbors to attack dissidents. This tactic, known as "acts of repudiation" is a longstanding totalitarian weapon. On Nov. 8 of last year Eliécer Consuegra Rivas, an activist in the eastern part of the country, graphically described how the regime was attempting to gin up hatred: "We, the human-rights activists, are being threatened before the public eye by representatives of the regime who claim we are going to poison the water, that we throw rocks, that we are terrorists, even that they will cut off our heads; they are threatening us with death.

"I would like to tell the people of Antilla that the municipal authorities are planning to collect signatures at the workplace in order to apply a label of 'dangerousness' to us and imprison us for our political stance," Mr. Consuegra said. "We encourage all workers to not accept this villainy and fallacy." The petition effort failed and non-cooperation was born.

A few months later the dissident movement's highly revered Jorge Luis Antúnez (pictured nearby) began echoing the call for non-cooperation from his prison cell in Camaguey. Mr. Antúnez is a Cuban hero. During his 16 years in the gulag he has been beaten, isolated for weeks at a time -- once for 47 days -- in tiny, filthy, rat-infested spaces with no windows or ventilation, and has consistently been denied medical care. (Harry Belafonte where are you?)

In January, Mr. Antúnez was allowed to make a phone call, using the moment to publicly endorse non-cooperation. On Aug. 4 he repeated his message: "We invite you not to cooperate with the repression and . . . to join those who defend your human rights, justice, and struggle for a free, pluralistic and prosperous society," Mr. Antúnez told his Cuban brethren.

For speaking out, Mr. Antúnez was thrown back in isolation. But it's likely he judges his gamble worth it. The idea is spreading and reports from the island say that local participation in repudiation squads is down. The government now has to bus thugs into neighborhoods where it organizes attacks.

The non-cooperation campaign is also aimed at the Cuban worker. With low pay and poor conditions, laborers have never been highly motivated. The campaign strives to link this reality to the politics of resistance. It could be generating results: Since the spring the regime has been complaining, in the state newspaper Granma, about inefficient workers, and in September Raul gave a speech at a labor convention exhorting the country's work force to improve productivity and discipline.

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You won't learn much about this from the foreign media with bureaus in Havana or from correspondents or academics who visit Cuba. The quid pro quo for getting an island visa is good behavior toward the regime, and that means ignoring the groundswell of grumbling in politics and economics. Raul, on the other hand, is well-informed, which is probably why Fidel's "status" remains under wraps.

South African Government Tries To Unlock Economy (USAT)

By David J. Lynch

USA Today, October 27, 2006

JOHANNESBURG, South Africa — More than a dozen years after the demise of South Africa's apartheid regime, one out of every four workers is officially unemployed. Including those who've given up looking for work, the country's jobless rate is a staggering 40%.

Fearing that such persistently high joblessness threatens the stability of this multiracial African democracy, the government wants to rev up its slow-growing economy. The goal is to achieve an annual growth rate of 6% by 2014, double the average figure for the first decade of democratic rule, by eradicating a handful of "binding constraints." Priorities include improving substandard education, accumulating foreign exchange reserves, and spending $49 billion over three years on new roads, ports and power plants.

Such robust growth would represent a big improvement for South Africa, but it would pale alongside the performance of fast-growing developing countries such as India or Vietnam. South Africa's ambitions also remain in the notable shadow of China, which over the past two decades has averaged 9.5% annual growth while lifting tens of millions of people from poverty.

"I went to China last year; I was completely blown away," says Alan Hirsch, an adviser to President Thabo Mbeki and the architect of South Africa's new economic plan. "It's a very different system than ours. (But) when they decide to do something, they do it."

South Africa has made enormous strides since vanquishing race-based rule in 1994. It inherited from apartheid a pair of conjoined economies: a small first-world oasis of about 4 million whites and a deeply poor and deprived backwater for 40 million blacks. Strict race laws had prevented blacks from owning businesses, living outside designated areas or even having a telephone.

"White people had a GDP like Canada. Black people had a GDP like the Congo," says consultant Duma Gqubule.

Since apartheid's negotiated end, a sizable black middle class has emerged, acquiring new cars and patronizing upscale malls and restaurants in northern Johannesburg's suburban enclave of Sandton. In central Gauteng province, the heart of South Africa's economy, monthly new car sales of about 21,000 this year are almost double those of four years ago.

No one wants to trade this young democracy, whatever its inefficiencies, for Chinese authoritarianism. With a per-capita income of more than $5,000, the average South African is wealthier than the typical Chinese.

Yet South Africa's new formula for goosing the economy, developed with the aid of Harvard University economists, only illustrates the development challenge for countries that lack China's strengths: a stable currency, low-cost export factories, rivers of foreign investment and a decisive, unified government.

On each count, South Africa has been unable to match the Chinese. Its currency, the rand, has traveled a roller coaster through five separate shocks in 12 years. Apart from minerals, it has few exports of any consequence. And while the government has avoided the free-spending trap and rampant corruption so common elsewhere in Africa, it lacks a coherent strategy for capitalizing on globalization.

As public impatience with chronic unemployment mounts, South Africa's inability to attract foreign investment looms as a particular shortcoming. Funds from outside the country accounted for just 2.3% of capital formation in 2004 vs. 8% in China and 15.3% in Brazil. Even last year, when its figures improved sharply because of a large corporate acquisition, South Africa ranked 103 out of 141 countries on its ability to attract foreign direct investment, according to a United Nations scorecard.

"Clearly, we're way behind a lot of countries: certainly China, Brazil, the oil-exporting countries" in outside investment, says Hirsch. "We need more of it."

Still, South Africa's relative stability and prosperity, measured against the rest of the African continent, has made it a magnet for portfolio investment from abroad. All 94 U.S.-based emerging markets mutual funds have stakes in South African companies, according to Todd Moss, senior fellow at the Center for Global Development in Washington, D.C. "If you're in emerging markets, you have to be in South Africa," Moss said.

Net foreign investment on the Johannesburg Stock Exchange reached an all-time high this summer. Among the homegrown corporations with sizable foreign ownership is energy producer Sasol, one-third owned by foreigners, according to CEO Patrick Davies.

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As Asia's economies discovered during that region's 1997 financial crisis, however, portfolio investment can exit a country as fast as it enters. Investment in tangible assets such as factories and machinery is less fickle; plus, foreign executives involved in building plants often bring more than cash. Foreign direct investment (FDI) also helps developing countries by transferring advanced technologies and first-world management skills.

"The importance of FDI is when it helps to promote a country's broader efficiency," says Stephen Gelb, executive director of The Edge Institute, a non-profit economic policy center in Johannesburg.

Perceptions of political risk may explain some of South Africa's poor showing, which lags behind even the African average. The country's ruling African National Congress surprised detractors by pursuing pro-market policies after winning power in South Africa's maiden democratic election in 1994. Nelson Mandela, elected president that year, inherited a budget deficit of more than 9% of GDP. Today, after years of shrewd management, public sector red ink has shrunk to just 0.3% of the economy. In the United States, it's 3.2% of GDP.

Foreign observers were slow to acknowledge that the new rulers weren't succumbing to pressures for massive redistribution of wealth from whites who had benefited from apartheid to blacks who had been locked out of economic power. Yet today, there is renewed controversy over the pace of what the government calls "black economic empowerment" and the transfer of land from white landowners to black would-be farmers.

As the ANC prepares to select next year a new party leader, who would be virtually certain to succeed Mbeki in 2009 as the country's president, powerful voices within the governing coalition are pushing for more focus on spreading the wealth to the black masses. The trade union federation COSATU and the small Communist Party are using the leadership battle to advocate greater social spending and faster progress on distributing economic gains to blacks, who make up more than 80% of the country's 46.9 million people.

COSATU, which claims 2 million members, also is resisting calls for the relaxation of labor laws that business leaders say unintentionally keep unemployment high. Employers say they are reluctant to hire new workers because it can be difficult and time-consuming to fire those who don't perform. To avoid involvement in often-protracted labor arbitration proceedings, Murray & Roberts, a giant engineering and construction firm, has subcontracted much of its hiring to labor brokers, says CEO Brian Bruce.

"You can't plan for an unemployment figure below 15% for a long time," says Bruce. "So we've just got to work out what it means to be in a growing economic environment with such a high unemployment rate."

It's been more than a decade since apartheid's historic collapse, more than a decade since Mandela completed his remarkable journey from prison to presidency. Yet, South Africa continues to struggle daily with the tangible legacy of generations of race-based rule. Vexing social problems, such as a recent surge in violent crime and the toll taken by one of the world's worst AIDS epidemics, spill over into the economic realm. Life expectancy at birth, about 47 years, is lower than in impoverished Bangladesh or chronically chaotic Haiti.

With blacks now full participants in South African life, it's apparent that the country has simply outgrown its physical limits. As the miles of vehicles crawling between Johannesburg and Pretoria attest, the road network that once adequately served a few million whites is no match for an ever-increasing number of black drivers.

The government has far-reaching plans to address its infrastructure shortcomings with new roads and a high-speed inter-city train, which are supposed to be ready in time for the 2010 soccer World Cup here. New roads. Labor reform. Better-trained workers. It's a daunting to-do list and one that some doubt the government can accomplish simultaneously.

"One of the dilemmas government faces is this is a country with really two economies: a first-world economy and a developing-world economy," says Solomon Ngubane, an official in the government communications ministry. "The question is: Where do you prioritize?"

In South Africa, A Dramatic Shift On AIDS (WP)

By Craig Timberg

The Washington Post, October 27, 2006

JOHANNESBURG -- The South African government is seeking to shake off years of international denunciation for its handling of the AIDS epidemic -- including a fixation on the supposed protective powers of beets and lemons -- while expanding treatment, testing and prevention programs, officials and activists say.

In public comments and private meetings over the past six weeks, Deputy President Phumzile Mlambo-Ngcuka has emphasized that the government now believes unequivocally that HIV causes AIDS, a connection that President Thabo Mbeki once publicly questioned. She has also said that antiretroviral drugs must be the centerpiece of the government's response while playing down the dietary recommendations long cited by Health Minister Manto Tshabalala-Msimang as key to fighting AIDS.

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"The beetroot and all that lemon stuff is out the window," an adviser involved in recasting the government's policy said on condition of anonymity because he was not authorized to speak publicly about it. "These guys are now serious about getting it right."

Driving the recent change is a growing realization of the severity of AIDS in South Africa -- an estimated 5.4 million of 47 million citizens have HIV, among the highest totals in the world -- and concern that the controversy surrounding the disease was damaging the country's international reputation.

The Treatment Action Campaign, the country's leading AIDS activist group, said that after years of hostility and legal battles, government officials were working cooperatively with members to realize some of their long-standing demands, such as setting targets for dramatically expanding the availability of antiretroviral drugs through the public health system. Mlambo-Ngcuka, who has taken control of the national AIDS commission, has met privately with the group.

"There's clearly a shift taking place," said Zackie Achmat, the head of the Treatment Action Campaign.

Officials say that Tshabalala-Msimang, often ridiculed as "Dr. Beetroot," will maintain some role in AIDS policy, but activists say they are confident she has been effectively marginalized by the appointment of Mlambo-Ngcuka to oversee the government's response to the disease. Government officials privately acknowledge that Tshabalala-Msimang had become an embarrassment, and activists say the tenor of conversations with the government has changed dramatically since the deputy president took over.

"I'm still skeptical, and I'm still waiting for the proof," said Francois Venter, head of the Southern African HIV Clinicians Society. "But there's been a switch, the most hopeful switch in years, over the past four or five weeks."

Mbeki's comments questioning the relationship between HIV and AIDS stirred international outrage in 2000, and the government lagged even some less developed African nations in introducing subsidized antiretroviral drugs, which can prolong the lives of those with the disease by many years, perhaps decades. The first government program distributing the drugs began here in April 2004. South Africa's far smaller northern neighbor, Botswana, began two years earlier.

The South African program has grown steadily in the past 2 1/2 years and now reaches about 200,000 people with AIDS -- roughly one-quarter of those estimated to need the medicine immediately. But the demand for the drugs has grown faster than the program could handle despite major new government spending, including $400 million for AIDS programs this year alone.

"There were weaknesses on the implementation side of things," a government spokesman, Themba Maseko, said from Pretoria.

A turning point came in August, at the International AIDS Conference in Toronto, where Tshabalala-Msimang sponsored a display featuring lemons, beets and garlic but no antiretroviral drugs. An interview that Tshabalala-Msimang had with ABC's "Nightline" that same week renewed fears that she and Mbeki did not accept the two-decade-old scientific consensus that HIV causes AIDS.

"President Mbeki said, 'It cannot be the virus alone, we must look at other, other issues that predispose people to the immune system being depressed,' and I am of the same view also," Tshabalala-Msimang said on "Nightline."

The following day, Stephen Lewis, the U.N. special envoy for HIV/AIDS in Africa, denounced the South African government's view as "wrong, immoral and indefensible." Two weeks after that, 81 AIDS scientists from South Africa and around the world signed a letter calling on Mbeki to fire Tshabalala-Msimang.

The president refused. But those events, combined with a government report blaming AIDS for a massive surge of deaths among South Africans in their 20s, 30s and 40s, prompted Mbeki to appoint Mlambo-Ngcuka to lead an urgent review of AIDS programs, pushing Tshabalala-Msimang out of the spotlight, officials say.

In a speech to labor leaders on Sept. 19, Mlambo-Ngcuka said, without qualification, that HIV causes AIDS. She acknowledged "shortcomings" in the government's response to the disease so far. She mentioned the value of a sensible diet but made clear its limits.

"It should be stressed that a healthy lifestyle and good nutrition are not alternatives to treatment," she said, according to a transcript.

Mlambo-Ngcuka also called for peace between the government and its many critics on AIDS. "Our collective response has for too long been undermined by finger-pointing and despair. I appeal to you that we change that," she said.

AIDS activists said they initially reacted warily, but after meeting privately with Mlambo-Ngcuka, including a session Tuesday in Cape Town that lasted nearly two hours, they have grown more confident of the government's desire to improve its handling of the disease.

The activists say they are pushing for several concessions, including a target of treating 1 million South Africans with antiretroviral drugs. They also want targets for expanding HIV testing and for cutting the rate of new infections. Prevention efforts have largely failed in South Africa, experts say, even as Zimbabwe and several East African countries are showing success in curbing new infections.

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Maseko, the government spokesman, said that after years of resisting calls from activists, officials have decided to set firm targets for expanding prevention programs and the availability of antiretroviral drugs in the five-year government plan due for release Dec. 1, celebrated around the globe as World AIDS Day.

"We will be accelerating implementation to make sure those who need treatment are getting it," he said.

As discussions continue, activists say the shift in the government's intentions is tangible and hope officials are capable of carrying through on their new promises.

"They have lost at least five years," said Mark Heywood, head of the AIDS Law Project at Witwatersrand University in Johannesburg. "They're behind on prevention. They're behind on treatment. They're behind on planning for the social impact of HIV. But it's not too late to prevent a whole other generation of people from getting HIV."

AIDS Could Have Bigger Growth Effect (USAT)

By David J. Lynch

USA Today, October 27, 2006

JOHANNESBURG, South Africa — This nation's virulent AIDS epidemic may have a larger-than-expected impact on economic growth, sabotaging productivity gains and sharply inflating health care and training costs, economists say.

By 2010, AIDS will cut the annual economic growth rate by 1.5 percentage points, says Christo Luus, chief economist for Absa, the country's largest bank, and a member of a financial industry group studying the epidemic.

Other analyses have found smaller impacts. The Bureau for Economic Research in Stellenbosch, South Africa, last year concluded AIDS would trim no more than a half-point off annual growth rates. But Luus says the earlier studies were less comprehensive.

Almost one of every three adults here is infected with the HIV virus that causes AIDS. Every day, 1,000 people become infected. By 2015, total deaths from the disease will reach 5.4 million, vs. 1.8 million at the end of this year, the Actuarial Society of South Africa says.

By repeatedly sidelining workers, the disease can inflate training costs and complicate efforts to improve productivity. Yet, thanks to the availability of modern drugs and South Africa's labor surplus, the business community is relatively sanguine about the economic toll. “With the right programs, this is manageable, to use a cold-blooded term,” said Michael Spicer, chief executive of Business Leadership South Africa.

The epidemic's economic epicenter is the mining industry. Traditionally, laborers from remote provinces leave wives in their home villages to live for months in all-male dormitories at the mine.

Many mine workers become infected through casual sex with prostitutes who cluster around the company housing. When the workers return home for visits, they frequently infect their wives.

Amid a runaway epidemic that is outstripping government resources, some mining companies provide anti-retroviral drugs to their workers who test positive for the HIV virus. About 90% of those treated are able to return to work, says Spicer.

The cost of providing medicine is tiny compared with the fast profits. For Impala Platinum Holdings, AIDS is adding about $4 an ounce to its platinum mining costs, says CEO Keith Rumble. On world markets, an ounce of platinum fetches more than $1,000.

As Wells Dry Up, Mexico Could Be Forced To Privatize Oil (CSM)

By Sara Miller Llana

The Christian Science Monitor, October 27, 2006

MEXICO CITY

Even as popular pressure grows around Latin America for a stronger state hand in developing natural resources such as oil and gas, Mexico's president-elect Felipe Calderón may be forced to consider putting more power in private hands.

The country's flagship oil company Pemex, has been a point of pride since the industry was wrenched from foreign hands and nationalized in 1938. Its revenues alone cover one-third of Mexico's budget.

But prosperity from years of record oil prices has allowed Mexico to postpone what most agree are much-needed reforms. And now, as production at Pemex's top oil field declines, pressure to find new fields is mounting. But industry analysts say Mexico's constitutional restriction on foreign direct investment will hamstring costly exploration efforts, and possibly disrupt the flow of oil, 80 percent of which heads to the US.

Indeed, with his fragile political mandate, Mr. Calderón may find that oil becomes the issue that will define his presidency.

"This is an important first battle," says Benito Nacif, a political scientist at the Center for Research and Teaching in Economics (CRTE), a Mexico City think tank. "In the industry sector, there is a consensus that this reform is necessary, that you have to open it up [to the private sector]. The question is: 'Will [Calderón] be able to build sufficient [political] consensus?' "

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Many industry analysts had hoped that outgoing President Vicente Fox would be able to push through energy-sector reforms to open up Pemex to more private direct investment, in order to boost exploration and production.

Mexico is the second-biggest supplier of oil to the US, favored because of its proximity and relative political stability.

In the end, Mr. Fox didn't push through a consitutional change, largely because trying to privative Pemex, even partially, is so politically unpopular.

Also, when Fox came to office in 2000, capacity at Cantarell, the world's second-largest field and Mexico's most important, was not in question. The complex, located in southern Gulf waters, actually increased production during Fox's term, peaking in 2004 with 2.1 million barrels a day.

But since then, production has been dropping off at Cantarell. David Shields, an independent energy expert in Mexico City, says production declined by 10 percent in the first six months of 2006. He contends that Pemex is in much worse shape than is publicly expressed. "Pemex says everything is great," he says. "But [Cantarell] is going to run out, and they [in the long-term] don't have other things to replace it."

Earlier this month, the state monopoly announced that crude output from another offshore field, Ku-Maloob-Zaap, was expected to double in 2009. That, Pemex officials said at a press conference, would help maintain oil production at an average 3.2 million barrels a day, and offset losses from Cantarell.

George Baker, an energy analyst at the consulting firm Energia.com in Houston, says he is not surprised by Pemex's announcement. "Pemex has a way of making magic," he says. Still, he says that potential finds in the Gulf of Mexico, similar to Chevron's recent announcement of a big discovery in US waters, are currently out of reach because Pemex does not have the technical know-how or money to undertake such exploration. The issues have been here all along, says Baker, but now that Cantarell is facing declines, "the slope downward is slipperier." US oil firms watching closely

Experts say that American companies are watching oil production in Mexico, but because of politics, cannot interfere by pushing for more foreign participation. If the US needed to purchase oil from more-distant countries, additional transportation costs would be passed onto the consumer, Baker says.

So far, Calderón has reiterated that he will not consider private direct investment. "There will be deliberations that we Mexicans will have in Congress to find the means by which Pemex can access the probable reserves, particularly in the deep waters of the Gulf of Mexico," he said at a September press conference. "But, for now, I will be very respectful of national legislation on the matter, which doesn't permit foreign investment in petroleum extraction...."

In its legislative agenda, his incoming administration has also remained unclear when it comes to its energy plans, focusing on the need to "modernize" and increase investment in Pemex.

"These things are very vague, one could interpret them as minor fiscal reforms, or ... major constitutional reforms," says Allyson Benton, an expert on economics and politics at the CRTE in Mexico City. "They want to wait to see what kinds of coalitions can be built around these things." Privatizing very unpopular

When it comes to obtaining gasoline here, drivers have only one, decidedly Mexican, choice: the green and red pumps at Pemex. That's the way many want it. Calderón barely squeaked out a victory in the July 2 election, winning by just half a percentage point. While his rival, Andrés Manuel López Obrador, disputed the race this summer, López Obrador used many of his protest gatherings to rally supporters about keeping foreigners out of the energy sector. Each appeal brought wild applause.

Indeed, the divided electorate means that Calderón is unlikely to find the political capital to challenge nationalization, even partially. "It is too much of a political danger for them under the conditions they won," says Miguel Tinker-Salas, an oil and politics expert at Pomona College in California.

Mr. Shields puts it more starkly, saying that allowing international companies back into Mexico is tantamount to letting "the invader back in," he says. "There will be a revolution before there is foreign direct investment."

Those against foreign investment received a boost this month when businessman Carlos Slim, the third-richest man in the world according to Forbes magazine, announced that Mexico did not need foreign help to reach deep-sea oil.

Some analysts say that more foreign investment is not the only solution for Pemex. Mr. Tinker-Salas, for example, says that with more oversight, Pemex could become more efficient.

Ms. Benton says that Calderón might have the most room for change by addressing fiscal reform. One option would be to lift the heavy tax burden from Pemex, which sees nearly half of its earnings go to government coffers, so that Pemex can focus on daily operations. The budget is so stripped, she says, that Pemex has to import a significant portion of its refined products.

But some still hope that Calderón will be able to open the industry to more private participation, beyond the current flat-fee subcontracts that foreign companies can participate in. The long-ruling Institutional Revolutionary Party (PRI), for example, moved to the right of the spectrum on the issue this election, says Mr. Nacif. The PRI is also more likely to cooperate with the Calderón administration because it is in a weaker position, having dropped to the third-largest party in Congress.

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But more than anything, the reality of dwindling oil production may help to change sentiments. "One of the factors that drives policy change everywhere is the deterioration of the status quo," says Nacif, "and the perception is that the status quo is worsening. It's going to help [Calderón]" move toward opening the industry up to private firms.

Allies Dressed In Green (NYT)

By Thomas L. Friedman

The New York Times, October 27, 2006

Heidelberg, Germany

Since the fall of the Berlin Wall, the Western allies have been asking: What will replace the threat of communism as the cement that holds together the Atlantic alliance? Some have argued terrorism, but I don't think so. I think my German friends have the best idea: the issue that will and should unite the West is energy and all its challenges.

After all, nothing is a bigger threat today to the Western way of life and quality of life than the combination of climate change, pollution, species loss, and Islamist radicalism and petro-authoritarianism — all fueled by our energy addictions. And no solution is possible to these problems without concerted government actions to reduce emissions, to inspire green innovation and to shift from oil to renewable power.

Therefore, green is not just the new red, white and blue — the next great American national security project — it should also be the color, focus and cement of the Atlantic alliance in the 21st century. As a German official remarked to me, "The whole issue has the potential of becoming a big trans-Atlantic project at a time when we have no other good big project that [embodies] a vision."

The intertwined environmental and energy challenges we face today are so acute that they can no longer be addressed by "virtuous individuals hopping on a bus instead of taking the car," argued Jonathan Freedland, a columnist for the British newspaper The Guardian. "This is a job for government."

Germany's foreign minister, Frank-Walter Steinmeier, recently gave a major address on how "energy security will strongly influence the global security agenda in the 21st century." And Britain's foreign secretary, Margaret Beckett, just delivered a speech declaring that climate change "is not just an environmental problem. It is a defense problem. It is a problem for those who deal with economics and development, conflict prevention, agriculture, finance, housing, transport, innovation, trade and health."

The fact that the foreign ministers are making this their agendas suggests that energy will soon move to the heart of the alliance's agenda. As Mr. Freedland put it, "If climate change is a foreign policy problem, foreign policy can surely be part of the climate change solution."

However, for what I call "geo-greenism" — thinking about green in strategic terms — to become the new core of the alliance, European greens will have to become more "geo" and the U.S. government more "green."

European Green parties have tended to wrap their environmentalism in a very high-minded tone that was always more moralizing than strategic. For instance, Europe's Greens led the global campaign against genetically modified crops, which will be critically important if we want to grow more of our fuel — à la corn ethanol or soy biodiesel. The Greens in Germany also forced the previous government to agree to phase out Germany's nuclear power plants by 2021. That would mean uninstalling 30 percent of Germany's energy capacity. It would be great if it were all replaced by wind or solar power, but it will most likely be replaced by coal.

Jürgen Hogrefe, who was spokesman for the Green Party in Lower Saxony, Germany, in the 1980s, is today a senior executive with EnBW, a German energy company with nuclear plants.

"The Green Party has been extremely important for German society," he said, helping to transform the post-Nazi society into a more liberal domain. But an antinuclear stance has been at the core of the party, and now that the German mainstream has embraced a green agenda, the Greens need to rethink nuclear energy. "The Green Party should redefine itself," added Mr. Hogrefe. "In some fields they are very modern party. ... But concerning nuclear energy and ecology they are stubborn, not open enough to see what is happening around the globe."

One reason President Bush has failed to become the leader of the West is because he has failed to lead on green, which has become so important to all our allies. I doubt that he'll redefine U.S. policy in his last two years, but the issues around climate change and energy conservation are now rising so fast it's impossible to imagine that his successor won't — whoever it is. And once that happens, it is impossible to imagine that living green, instead of fighting reds, won't become the new glue of the Atlantic alliance.

Or as Hermann Ott, head of the Berlin office of the Wuppertal Institute for Climate, Environment and Energy, remarked to me, "We don't need aliens to unite our world, we have a problem right at the center" now — and the solution is green.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Gonzales Says US May Consider Proposed Geneva Conventions Updates. The AP (10/27, Corder) reports from the Hague, Netherlands, "U.S. Attorney General Alberto Gonzales said Thursday the Bush administration may consider a Dutch proposal to set up an international group to investigate updating the Geneva Conventions or establishing a new treaty to deal with the threat of global terrorism." The AP continues, "After visiting Dutch ministers in The Hague, Gonzales told reporters Washington was not formally investigating updating international law, but he added: 'We are not averse to looking at that.' … 'Obviously, we assess every day what is effective in dealing with the threat against the United States, in dealing with the threat against our friends and allies around the world,' Gonzales said. 'And this would be another thing I think that we would look at to see: do we have the necessary legal tools to deal effectively with terrorism?'" The AP adds, "Facing a barrage of criticism from opponents and human rights groups about its incarceration of terror suspects at the Guantanamo Bay naval base in Cuba and the system of military tribunals set up to try them, Gonzales stressed that the Bush administration still fully supports current international law aimed at protecting the rights of those captured during armed conflicts. … 'Obviously we want to be careful in not sending the message that we are in any way backing away from the principles of, say, the Geneva Conventions in terms of the protection of basic human rights,' he said. 'That's something we believe very strongly in and re-examination of Geneva would have to be done ... with the understanding that we all remain committed to the basic principles of the Geneva Conventions.' … Gonzales is touring European capitals discussing Washington's new law paving the way for trials of terror suspects being held at Guantanamo Bay in Cuba."

Gonzales Addresses Rift With European Allies. The New York Times (10/26, Landler) reports, "Seeking to heal one of the deepest rifts between the United States and its European allies, Attorney General Alberto R. Gonzales said (in Berlin) on Wednesday that the Bush administration had done a poor job of explaining its legal principles in its effort to prevent terrorism. … But he also faulted European countries, which have criticized the American military prison at Guantánamo Bay, Cuba. He said they were reluctant to take back their own citizens when released and had been insufficiently helpful in negotiating with other countries for the safe return of prisoners facing mistreatment in their own lands. … 'We have repeatedly asked our European allies to join in these efforts,' Mr. Gonzales said in a speech to a polite, skeptical invited audience. 'But despite demands that Guantánamo be closed, the United States has received little help from our European allies regarding the fate of these detainees.'" The Times adds, "The diplomatic initiative by Mr. Gonzales comes amid growing concern over the conduct of German soldiers, including photographs that surfaced on Wednesday that appeared to show German troops in Afghanistan posing with a human skull. … Mr. Gonzales declined to name the countries he said were being uncooperative with regard to returned prisoners — especially, he said, while standing on a podium "in this great country." … His comment, delivered with a thin smile, seemed to suggest that Germany was among those the United States regarded as laggards. … In general, however, Mr. Gonzales seemed intent on reaching out to Europeans rather than rebuking them."

Bush's Concern For Preventing Next Terrorist Attack On US Noted. In his column in the Wall Street Journal (10/27, A27, 2.03M), Daniel Henninger recounts President Bush's meeting with conservative columnist Wednesday. Henninger says, "What struck me Wednesday was how Mr. Bush's public news conference was almost wholly about the Iraqis and their government, and how his private conversation with us was mostly about the stakes for the American people. Over these war years, there should have been more of the latter. Admittedly, it is difficult to convey in public the urgency about the war on terror that Mr. Bush conveys in private. But it is obvious that he regards the threat to the American people as palpable." Bush said, "My biggest issue that I think about all the time is the next attack on America, because I am fully aware that there are people out there that would like nothing more than to have another spectacular moment by killing American people. And they're coming. And we've got to do everything we can to stop them. That's why we need to be on offense all the time." Henninger

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adds, "This, he insists, is the justification for the terrorist wiretaps, the Patriot Act, the interrogations and the Iraq war."

Cheney Spokeswoman Denies VP Confirmed Use Of "Water-Boarding." The Financial Times (10/27, Sevastopulo) reports, "Dick Cheney, US vice-president, has endorsed the use of 'water boarding' for terror suspects and confirmed that the controversial interrogation technique was used on Khaled Sheikh Mohammed, the senior al-Qaeda operative now being held at Guantánamo Bay." The comments "by the vice-president, who has been one of the leading advocates of reducing limitations on what interrogation techniques can be used in the war on terror, are the first public confirmation that water boarding has been used on suspects held in US custody." A spokeswoman for Cheney "denied that he had endorsed or confirmed the use of water-boarding. 'The VP was talking about the interrogation programme, clearly noting that we do not torture and we live up to our international treaty obligations. He does not discuss any techniques or methods that may or may not be used in questioning,' said Lea Anne McBride."

The Washington Post (10/27, A9, Eggen, 748K) reports, "Bush administration officials have repeatedly declined to say which techniques they believe are permitted under the new law and have steadfastly declined to discuss methods used in the past." Neal Sonnett, chairman of an American Bar Association "task force on enemy combatants, said Cheney's comments were 'a little equivocal' on details but clear in their overall meaning." Said Sonnett, "It may be too much to characterize it as a direct admission. … But he is certainly suggesting that he doesn't see anything wrong with waterboarding."

Israeli Agent Testifies Salah Admitted Meeting With Hamas Leaders. The AP (10/27) reports, "An Israeli security agent told a courtroom cleared of spectators Thursday how a suburban Chicago grocer admitted under days of questioning that he had met secretly with Palestinian terrorist leaders. 'Did you think that he had information that could lead to an imminent threat to human life?' Assistant U.S. Attorney Reid J. Schar asked. 'Yes,' said the agent who testified under the one-name alias Nadav rather than his real name out of concern for possible reprisals." The AP notes that Muhammad Salah, accused of providing financial support to Hamas, "says that the admissions were tortured out of him. By contrast Nadav testified he built a close rapport with Salah and that the two men ate salad and drank tea together between questionings." However, Salah's lawyers contend that "Nadav was the so-called good cop" in a Shin Bet good-cop, bad-cop interrogation.

Judge Denies US Request To Seal Court Documents In Georgia Terror Case. The Atlanta Journal-Constitution (10/27, Torpy, 399K) reports, "A federal magistrate Thursday denied prosecutors' attempts to seal court documents containing unclassified material in the case of two Atlanta area men held on terrorism-related charges. … Prosecutors in the case of Syed Haris Ahmed and Ehsanul Islam Sadequee, who are charged with providing material support to terrorists, had argued that unclassified but 'sensitive' information handed over to defense attorneys could not be used in further court pleadings unless first put under seal." However, US Magistrate Judge Gerrilyn G. Brill "wrote that, if the government wants unclassified information to remain under seal, it must 'narrowly tailor' its arguments for doing so — not seek a blanket order." The Journal-Constitution notes, "The case highlights the difficulty of trying suspects in terrorism-related cases using foreign intelligence and other sensitive and classified information."

Suspected Terrorists Detained At Guantanamo To Face Hearings. The AP (10/27, Baldor) reports, "Fourteen high-profile suspected terrorists recently transferred to the Guantanamo detention center are expected to face hearings soon, military officials said Wednesday." The AP continues, "Brig. Gen. Ed Leacock, deputy commander of detention operations at Guantanamo Bay, said officials are gathering evidence for the hearings now. Officials have also identified individuals who could work with the men as their representatives during the hearings, but no appointments have been made yet." The AP adds, "It was not clear Wednesday whether any of the 14 men have been questioned by the military interrogators. The hearings - officially called Combatant Status Review Tribunals - for the 14 men would determine whether or not they are enemy combatants, and therefore subject to a military trial. … The 14 men include Khalid Sheikh Mohammed, who allegedly planned the Sept. 11 attacks on the United States, as well as the alleged architect of the 2000 bombing of the USS Cole and the alleged plotter of the 1998 U.S. Embassy bombings in

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Kenya and Tanzania. … They had been held in CIA custody at secret locations, and were transferred several weeks ago to the Guantanamo Bay detention center in southeastern Cuba."

US Seeks To Limit Detainees' Contact With Attorneys. The AP (10/27, Melia) reports, "The U.S. government has proposed limiting contact between defense lawyers and detainees at Guantanamo Bay, according to court documents." The AP continues, "The government argues that it must restrict the detainees' communications, as news of world events could incite the prisoners to violence. .. The U.S. proposed the rules in a filing to a federal appeals court in Washington that was examined by The Associated Press. The case deals with an Afghani detainee but the government wants them to apply to other prisoners at Guantanamo Bay Naval Base in southeast Cuba. The prison camp holds some 430 detainees. … The rules, which would apply to detainees pursuing court challenges to their designations as 'enemy combatants,' would tighten censorship of mail from attorneys and give the military more control over what lawyers can discuss with their clients, according to the filing." The AP adds, "The number of face-to-face meetings between defense attorneys and detainees would be limited to four total. There are now no restrictions on the number of times they can meet, although lawyers' access to the base is already hampered because it is so remote. … The government says current rules have allowed detainees to receive books or articles about terrorist attacks in Iraq, London and Israel, as well as details of the prisoner abuse investigation at Iraq's Abu Ghraib prison."

Ignatius Says Compulsion Required To Create Global Security. David Ignatius writes in the Washington Post (10/27, A23, 748K) that a theory put forth by American economist Mancur Olson Jr. in 1965 "explains the chaotic world of 2006." Olson explained "that although everyone would benefit from the collective good of, say, greater security, it's irrational for any individual to make voluntary sacrifices to achieve it." For example, "China, Russia, Japan, South Korea and the United States would all be better off if they had stopped Kim Jong Il before he detonated a bomb." However, "It was easier to wait for someone else to do it -- for Washington to wait for Beijing and vice versa." Olson's theory shows that "individual nations must be compelled to obey rules limiting the spread of nuclear technology and other threats to common security." However, "In the international arena, the appropriate instrument of compulsion is not, as the Bush administration has believed, the United States. It is the United Nations."

HOMELAND RESPONSE:

Mueller Says FBI Increasing Assets Abroad To Protect US. The AP (10/27, Jenkins) also reports, "Mueller said the FBI is increasing its presence abroad in order to fulfill its primary mission of protecting American citizens at home. 'Increasingly, we find that which adversely impacts us in the United States is being initiated overseas and for us to be successful, we have to be a worldwide organization,' he said. He referred specifically to two 'computer worms' that caused havoc in the United States -- one caused by a teenager in Morocco and one by an individual in Turkey. 'I see us as a bridge between that which is happening within the United States and that which is occurring overseas that may adversely affect us here,' he said." The AP goes on to note Mueller's comments on FBI interrogation protocol and the Oklahoma City bombing investigation."

Illinois Inmate Sentenced To Concurrent 41-Month Sentence For Terror Hoax. The Chicago Tribune (10/27, Coen, 623K) reports US District Judge Elaine Bucklo yesterday sentenced Gilbert Romero to 41 months in prison for "falsely telling the FBI about a terror plot against a company's Chicago headquarters. … Bucklo said she wanted to send a message that the incident was serious, even though Romero is expected to serve the sentence concurrently with a 12-year state prison sentence on prior burglary convictions." The Tribune adds, "Assistant U.S. Atty. Edward Siskel said false statements like the ones in the Romero case are disruptive to the FBI, which has limited resources to use in terror investigations. '(The hoax) was taken extremely seriously by the FBI,' Siskel said, adding that agents spent a month running down leads. Siskel said Romero's apparent motivation was to be transferred from a county jail to federal custody." The AP (10/27) notes, "FBI agents interviewed Romero, who had been jailed for a parole violation, authorities said. He had been paroled from state prison in February after being convicted for burglary, according to state records. … Romero told the agents the attack would be carried out by an individual who was recruiting others for a supposed strike on a U.S. target with a fertilizer and fuel bomb, according to the indictment. He also

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allegedly told agents the terrorists would kill any police officers who intervened."

Airlines Post Major Losses Following Liquid Ban. USA Today (10/27, 1B, Adams, 2.27M) reports the "abrupt ban" placed on liquids by the TSA in August "slammed third-quarter earnings of US airlines as potential customers changed travel plans rather than deal with the tighter rules. US Airways and AirTran Airways on Thursday became the latest of several large carriers to blame the terrorism-related ban for major hits to results for the quarter ended Sept. 30. Tempe, Ariz.-based US Airways said the restriction cost it between $30 million and $40 million in lost ticket sales, and Orlando-based AirTran put its lost revenue as high as $12 million."

WSJournal Says TRIA No Longer Necessary. The Wall Street Journal (10/27, A14, 2.03M) editorializes, "The US hasn't been hit by a terror attack in five years, but that hasn't stopped the insurance industry from hitting up Congress again and again for more terror insurance subsidies. Keep this in mind the next time someone claims a new federal program will be 'temporary.'" Though the Terrorism Risk Insurance Act (TRIA), which was passed "ostensibly to assist the insurance industry through a 'transitional period,'" is no longer necessary, "if it ever was," its "backers in the insurance, real-estate and financial services industries are out in force arguing that it be made permanent." The Journal states that the White House, which "has been steadfast in insisting that TRIA eventually be allowed to sunset," may be "in for a fight next year with Washington's formidable insurance lobby."

WAR NEWS:

Rumsfeld Says Iraq Policy Critics Should "Back Off." Media reports on Iraq lat night and this morning focused on Defense Secretary Donald Rumsfeld's news conference Thursday, with most portraying Rumsfeld as defensive and testy. Many hone in on Rumsfeld's suggestion that journalists and war critics "ought to just back off."

ABC World News (10/26, story 6, 2:15, Karl, 8.78M) said Rumsfeld "grew irritated about questions about just what the Iraqis have agreed to." Rumsfeld: "This is complicated stuff. It's difficult. We're looking out in the future. No one can predict the future with absolute certainty. So, you ought to just back off." Karl: "From the President on down, US officials say everyone is working together. But their words suggest otherwise. This was the US Ambassador to Iraq on Tuesday." Ambassador Zalmay Khalilzad: "Iraqi leaders have agreed to a time line for making the hard decisions needed to resolve these issues." Karl: "Just a few hours later…" Gen. Peter Pace: "It is not true that there are specific benchmarks that had been agreed to." Karl: "Okay. The President said the Iraqis had..." President Bush: "Agreed to a schedule for arm arming militias and death squads."

NBC Nightly News (10/26, story 2, 3:25, Miklaszewski, 9.87M) reported, "The Bush Administration has become hypersensitive over any criticism of this new plan for progress in Iraq and, I'll have to admit, it got a little heated here today in the Pentagon briefing room. From the very outset, Secretary Rumsfeld suggested that any questions raised about the Administration's new plan to set benchmarks for progress in Iraq were politically motivated." Rumsfeld: "Well, it's a political season and everyone's trying to make a little mischief out of this and turn it into a political football and see if we can't get it on the front page of every newspaper." Miklaszewski: "But what if the Iraqis don't meet the benchmarks?" Rumsfeld: "Now you're looking for some kind of guillotine to come flowing down in some date isn't met. That's not what this is about. So you ought to back off, take a look at it, relax, understand that it's complicated. It's difficult and I wouldn't waste a lot of newsprint trying to find daylight between everybody on this or try to find things that are wrong with it."

On CNN's Lou Dobbs Tonight (10/26), host Dobbs opened the program by saying Rumsfeld "today acknowledged that the United States faces an enormous challenge in Iraq. In what was at times a heated news conference at the Pentagon, Secretary Rumsfeld declared that no one can predict the future of Iraq with absolute certainty and he said critics of U.S. policy should 'back off.' Secretary Rumsfeld's comments came as insurgents killed five more of our troops in Iraq. The number of our troops killed so far this month has risen to 96. That is the largest number of Americans killed in any one month this year, one of the highest of the entire war."

USA Today/AP (10/27, A10) puts Rumsfeld's remark that "critics should 'just back off'" in its lead, saying Rumsfeld said US and Iraqi officials "have been discussing benchmarks for Iraq's security, politics and economy. Such

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benchmarks are valuable, he said, because 'you are in effect establishing priorities.'"

The Washington Post (10/27, A11, Weisman, Tyson, 748K) puts "Back Off" in its headline and leads by saying that "with his chorus of critics expanding deeper into Republican ranks," Rumsfeld "told detractors yesterday to pull back as U.S. and Iraqi officials grapple with the uncertainties of laying out Iraq's course."

The Washington Times (10/27, Scarborough, 88K) also contains the "back off quote" and calls the news conference "combative," but takes a generally milder tone, saying Rumsfeld "waded yesterday into the debate over benchmarks for political progress in Iraq, saying the goals laid out this week in Baghdad by U.S. officials are not firm deadlines." The Times says Rumsfeld "admonished the press for what he says is an attempt to create" division between US and Iraqi governments.

NYTimes Says Real Iraq Timetables Needed. The New York Times (10/27, 1.21M) editorializes, "Funny how a few weeks before the election Bush administration officials start hinting at timetables for getting American troops out of Iraq. But spinning out implausible scenarios -- like the claim that it might take only 12 to 18 more months for the Iraqis to be able to defend themselves -- won't get Iraq any closer to containing the mayhem, nor this country any closer to extricating itself. What is needed is an explicit, credible and public set of deadlines -- for Iraq's leaders but also for President Bush -- to confront the most difficult problems, including disarming sectarian militias, stabilizing Baghdad, protecting minority rights, and apportioning the country's oil wealth. That's the only way Iraqis and Americans can judge whether progress is being made and whether the effort is worth the cost."

WSJournal Says Maliki's Response To Mahdi Army "Inadequate At Best." The Wall Street Journal (10/27, A14, 2.03M) editorializes that one of the "toughest jobs" confronting Iraqi PM Nouri al-Maliki "is disarming the Shiite militias. The kidnapping Monday in Baghdad of an American soldier by vigilantes claiming to be from the so-called 'Mahdi Army' underscores the urgency of the problem, and Mr. Maliki's response has been inadequate at best. Not only has he criticized American and Iraqi operations in Sadr City aimed at freeing the captive, he also appeared to accept at face value yesterday the Sadrists' denial that they are holding an American. … If Sadrist forces ask him to choose between them and his obligations to a unified Iraq worthy of U.S. support -- as the Sadrists appear to have done with this kidnapping -- he should know there will be consequences for picking the wrong side."

White House Seen As Trying To Put "New Face" On Iraq War. The AP (10/26, Hurst) writes, "'Stay the course' is gone. In its place: 'constant readjustment' of tactics, a timeline to crush Shiite death squads and inducements like unconditional amnesty for Sunni insurgents. Polls of Iraqis show them eager for American troops to leave. U.S. public opinion surveys find that only about 34 percent of voters support the war effort. With such broad disaffection and midterm elections coming Nov. 7, the Bush administration has spent the past few weeks in an intense search for a new face to put on the conflict."

NSA Hadley Defends Bush Stance. On PBS' NewsHour (10/26, Warner), National Security Adviser Stephen Hadley said, "I think the President gave a very balanced and sober assessment of the situation that we're in, made it clear that there are real challenges, made it clear that, while our basic objectives remains the same, we have adapted and made changes in how to pursue that objectives, would be making more changes in the future, that he was open to any constructive ideas."

Democrats Not United Behind Alternative Iraq Policy. The New York Times (10/27, Broder, 1.21M) reports Democratic leaders "and candidates are virtually unanimous in opposing" President Bush's "conduct of the war, and most advocate American disengagement — either quickly or slowly. But most are not calling for an immediate withdrawal of American forces or offering a vision of what postwar Iraq should look like. They say they stand for change, but the variety of formulations is dizzying." Among others, House Minority Leader Nancy Pelosi, "who is likely to be the next speaker of the House if Democrats win back the chamber, is calling for immediate steps to begin to remove American forces, with all of them out of Iraq by the end of 2007." The range of proposals "in part reflects the military, political and sectarian maze that Iraq has become. With virtually no one contending that an exit would be easy, no one wants to be responsible for a decision that would leave Iraq a smoldering ruin of civil war." But the "range of proposals also illustrates the state of the Democratic Party, which has not held executive power for six years or controlled the Congress for twice that long. There is no dominant figure in the party to formulate a policy position, so a hundred schools of thought

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contend. And even if the Democrats win one or both houses of Congress, they will not have the authority to change the course of the war significantly."

Reed Says Bush Stance "Might Just Be A Posture." On PBS' NewsHour (10/26, Suarez), Democratic Sen. Jack Reed said, "It's a new posture. And, unfortunately, it might just be a posture. The situation as I see it, just returning from Iraq, is that we're not winning; in fact, we're losing the initiative."

Linguist Says Administration Cannot Wish Away "Stay The Course." In a New York Times (10/27, 1.21M) op-ed, University of California, Berkeley, linguist George Lakoff writes, "The Bush Administration has finally been caught in its own language trap. 'That is not a stay-the-course policy,' Tony Snow, the White House press secretary, declared on Monday. The first rule of using negatives is that negating a frame activates the frame. If you tell someone not to think of an elephant, he'll think of an elephant. When Richard Nixon said, 'I am not a crook' during Watergate, the nation thought of him as a crook. 'Listen, we've never been stay the course, George,' President Bush told George Stephanopoulos of ABC News a day earlier. Saying that just reminds us of all the times he said 'stay the course.' What the president is discovering is that it's not so easy to rewrite linguistic history. The laws of language are hard to defy."

Krugman Says Iraq "A Lost Cause," But US Can Still Save Afghanistan. In his New York Times (10/27, 1.21M) column, Paul Krugman writes, "Iraq is a lost cause. It's just a matter of arithmetic: given the violence of the environment, with ethnic groups and rival militias at each other's throats, American forces there are large enough to suffer terrible losses, but far too small to stabilize the country. … Afghanistan, on the other hand, is a war we haven't yet lost, and it's just possible that a new commitment of forces there might turn things around. The moral is clear -- we need to get out of Iraq, not because we want to cut and run, but because our continuing presence is doing nothing but wasting American lives. And if we do free up our forces (and those of our British allies), we might still be able to save Afghanistan."

October US Death Toll In Iraq Highest In A Year. ABC World News (10/26, story 5, 2:50, Gibson, 8.78M) reported, "The US death toll surged again today with the announcements that four Marines and a sailor were killed in al Anbar province. 96 US forces have now been killed in October, the most in one month since October 2005." The CBS Evening News (10/26, story 8, 0:25, Couric, 7.66M) also reported, "The toll in Iraq in this very deadly month climbed yet again today." The Washington Post (10/27, A1, Knickmeyer, Anderson, 748K) and Washington Times/AP (10/27, Abdul-Zahra), among other newspapers, run similar reports on the US death toll.

NBC Nightly News (10/26, story 3, , Williams, 9.87M), meanwhile, reported on "combat stress," wounds of war that "are hard to see. They are the mental and emotional scars and they exact a terrible price from the military men and women who fight for this country and their loved ones. Some Vietnam combat veterans have openly said the veterans of this Iraq war may have a tougher time than even they did when the combat is all over." NBC (Engel) added, "After nearly four years of seemingly endless deployments, battles and casualties, the troops increasingly are fighting an invisible enemy in their minds." Private Russel Camry: "I hardly eat." Engel: "Private Russell Camry has headaches and can't sleep. He's one of 1,000 troop as month now being treated for combat stress in Iraq." Unidentified male soldier: "What are some of the things we can do to manage stress." Engel: "At Baghdad's camp striker, a stress management session. The main question -- how many deployments can a marriage last?" Private Camry: "Me and my wife have had a lot of problems. Guilt is a main one for me." Specialist Maya Dennis, 32nds Medical Battalion: "He would call me and he wasn't the same person. I didn't know who I was talking to anymore."

Army To Realign Forces And Spread Combat Duty. In a front page article the USA Today (10/27, 1A, Brook, 2.27M) reports, "The prospect of combat in Iraq for at least another four years is prompting the Army to realign its forces to prevent a small slice of soldiers who are shouldering much of the fighting from wearing out." According to the Pentagon, "one-fifth of the Army's active-duty troops have served multiple tours of war duty while more than 40% haven't been deployed to Iraq or Afghanistan." In response, Lt. Gen. Michael Rochelle, deputy chief of staff for Army personnel, said that the army will "shift some soldiers" including artillery and air defense, "to high-demand wartime specialties that could ease the burden on combat forces," including "high-demand roles" such as "infantry, engineering, military police and intelligence, Special Forces, civil affairs and psychological operations."

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Fight Between Iraqi Police, Insurgents Leaves 42 Dead. The New York Times (10/27, Oppel, Semple, 1.21M) reports from Baquba, Iraq, "Police officers acting on a tip about several kidnapped colleagues rode into deadly insurgent ambushes near here on Thursday, resulting in two intense battles that left at least 42 people dead, including 24 police officers, officials said. … Among the dead were 24 police officers, including the police chief of Khan Bani Saad, Col. Abbas al-Amari, according to a spokesman for the Interior Ministry, which oversees the nation's police force. At least seven police officers were wounded, officials said. According to American military officials in Baquba, 18 insurgents were killed, eight were wounded and 27 were captured."

Terrorist PKK Dominant In Iraq's Kurdish North. The Los Angeles Times (10/27, Murphy, 918K) profiles Iraq's Kurdish north. In the southern parts of the Kurdish region, "the Iraqi flags disappeared, replaced by the flags of Kurdistan, a state that does not officially exist." But in the northern mountains, "even the symbols of the Iraqi Kurdish authority are nowhere to be seen. Most of the flags here are those of the Kurdistan Workers Party," listed by the US and EU "as a terrorist organization responsible for the loss of thousands of lives in a separatist campaign across the border in Turkey. Deep in the mountains, all the road checkpoints are operated by PKK guerrillas. A giant portrait of imprisoned guerrilla leader Abdullah Ocalan stretches across a rocky slope." The Times says the "fact that much of Iraq's rugged northern borderlands with Turkey and Iran are under the day-to-day control of a militant organization might come as a surprise to those who thought U.S. forces had handed over authority nationwide to a new Iraqi government."

Marine Testifies About Killing Of Unarmed Iraqi. The New York Times (10/27, Marshall, 1.21M) reports, "A 20-year-old marine testified on Thursday at his court-martial here that he participated in killing an unarmed Iraqi and knew that the plan for the killing was an illegal act of war." The marine, Pfc. John Jodka III, "who has agreed to cooperate with government prosecutors, pleaded guilty to aggravated assault and conspiracy to obstruct justice in exchange for his testimony against members of his squad." Private Jodka "is the youngest and lowest ranked of the eight men charged in the killing of the Iraqi, Hashim Ibrahim Awad, who died of multiple gunshot wounds on April 26 near Hamdaniya, a Sunni stronghold west of Baghdad."

NATO Attack In Afghanistan Killed Civilians. NBC Nightly News (10/26, story 4, , Williams, 9.87M) reported on "word from Afghan officials that dozens of civilians were killed in a NATO military strike Tuesday that was aimed at Taliban militants in the southern Kandahar province. Afghan offenses say between 30 and 85 people died. NATO says 12 civilians were killed in the incident."

The New York Times (10/27, Wafa, 1.21M) reports President Hamid Karzai "issued a presidential decree on Thursday directing a team of tribal elders and Afghan officials to investigate" the NATO bombing. Khalid Pashtoon, "an Afghan member of Parliament from the area of the attack, said villagers told him that more than 50 civilians died during the NATO airstrike in the Panjwai district of Kandahar Province. A spokesman for the country's Interior Ministry said that 40 civilians were killed." The Washington Post/AP (10/27, A13, Khan) runs a similar report.

The Financial Times (10/27, Morarjee, Dombey) reports, "Nato on Thursday sought to dismiss fears that its operation in Afghanistan was in disarray after a series of bloody and controversial incidents that have seen the alliance come under new pressure in the country's south. Nato forces have been accused this week of killing dozens of civilians in an airstrike and have clashed with the Taliban in an area the alliance declared free of insurgents last month." In a separate development, "Ronald Neumann, US ambassador to Afghanistan, criticised a ceasefire deal reached by UK Nato troops and local groups in a town in Afghanistan's turbulent Helmand province."

Germany Shaken By Its Soldiers' Apparent Abuse In Afghanistan. The Financial Times (10/26, Williamson, Dombey) reports, "The German army was on Wednesday plunged into a scandal over abuse by Bundeswehr soldiers in Afghanistan that overshadowed the adoption of the most far-reaching review of Germany's military priorities in 60 years." Bild, the German newspaper, on Wednesday "published five photographs that the paper said showed German soldiers desecrating a human skull while on patrol outside the Afghan capital Kabul, The photos show soldiers posing with a skull, in one case with an unidentified soldier holding the skull next to his exposed penis." The photos "date from early 2003, according to a military source quoted by Bild. The newspaper said that, after thorough checks, it was convinced the pictures

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were authentic. They also show vehicles with German markings and those of Isaf, the Nato-led peacekeeping force."

"Unified Action" By All Government Elements Said To Be Needed For 21st Century Wars. Austin Bay writes in a column in the Washington Times (10/27, 88K) of a press lunch with Defense Secretary Donald Rumsfeld, "I decided to ask a question that goes to the heart of America's ability (or inability) to win long-term, multidimensional 21st century wars:" with "our experience in Operation Iraqi Freedom, and the limited interagency and nongovernmental organization [NGO] participation in that operation, how do you see 'Unified Action' evolving for future conflicts?" Unified Action is "coordinating and synchronizing every 'tool of power' America has to achieve a political end." The "very steady chairman of the joint chiefs, Gen. Peter Pace" gave Rumsfeld "a careful stare," and "the politically deft defense secretary finessed the question -- and it was finesse, not dodge." While "he acknowledged that 'challenges remain' in achieving Unified Action," he added "we're better at it now than we were five years ago." Bay notes "I know we aren't as good at it as we need to be," as "Our system for 'Unified Action' is still largely a Cold War, 20th-century relic designed to prop up governments (so often corrupt and ill-led), instead of helping individuals and neighborhoods become economically self-sustaining and self-securing." While the US has "been improvising 'joint development and security operations,' and we've learned from our improvisation," now is the "time to quit improvising." However, it "requires re-engineering 20th-century Beltway bureaucracies -- which means thoughtful, sophisticated cooperation between the executive branch and Congress."

CORPORATE SCANDALS:

US Widens Probe Of Bristol-Myers. The Wall Street Journal (10/27, A10, Johnson, Carreyrou) reports, "Bristol-Myers Squibb Co.'s third-quarter earnings were battered by generic competition to its bestselling drug, the blood thinner Plavix, and it disclosed that a federal monitor's investigation into its handling of a dispute over Plavix's patent has broadened to include possible securities violations." The Journal continues, "It was unclear whether the widening scope of the probe being conducted by former federal judge Frederick B. Lacey means he has uncovered new wrongdoing in the three-month-old Plavix saga. Bristol-Myers said the development was 'not unexpected' and suggested that it was a logical step given Mr. Lacey's duties." The Journal adds, "Mr. Lacey has been overseeing the New York drug maker for more than a year on behalf of Christopher Christie, the U.S. attorney for New Jersey. The unusual arrangement is part of a deferred-prosecution agreement that allowed Bristol-Myers to avoid criminal charges last year stemming from a previous accounting scandal. … Mr. Lacey last month made Bristol-Myers's board fire Chief Executive Peter R. Dolan after learning that he didn't keep directors well enough apprised of his attempts last spring to negotiate a deal to keep generic Plavix off the market." The Journal n otes, "The deal Mr. Dolan brokered with Canadian generic-drug maker Apotex Inc. -- which was intended to resolve Apotex's legal challenge of the Plavix patent -- unraveled this summer when agents from the Federal Bureau of Investigation raided Mr. Dolan's office and Apotex used certain binding clauses in the agreement to launch its generic product. … The Justice Department's antitrust division is investigating whether Bristol-Myers and Sanofi-Aventis, Plavix's original developer, struck a side deal with Apotex that they hid from regulators. Bristol-Myers has denied the existence of such a side deal."

The New York Times (10/27, Saul) reports, "Bristol-Myers…disclosed yesterday that one of the federal investigations into its handling of the Plavix matter, a review by Christopher J. Christie, the United States attorney in Newark, had expanded to an examination of whether Bristol-Myers violated securities laws." The Times continues, "Bristol-Myers said yesterday that Mr. Christie's office was investigating whether the company violated a consent decree the company signed in 2004 with the Securities and Exchange Commission. … The agreement with the S.E.C. was a settlement of claims that Bristol-Myers misled investors about its financial outlook by lying about its wholesale inventories."

Bloomberg (10/27, Rapaport) reports, "The U.S. widened a probe of a deal delaying generic Plavix competition to review possible securities-law violations, Bristol-Myers said today. The company's board fired Chief Executive Officer Peter Dolan last month after an accord he brokered collapsed and triggered a criminal antitrust investigation. The drugmaker needed revenue from Plavix to sustain earnings as it introduces new products."

Dow Jones (10/27, Loftus) reports, "The 2004 SEC agreement settled charges that Bristol-Myers engaged in a

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fraudulent earnings management scheme that was unrelated to the current Plavix matter. The settlement required Bristol-Myers to pay $150 million and included a permanent injunction against future violations of certain accounting provisions of federal securities laws. … In a related development in June 2005, Bristol-Myers agreed to pay an additional $300 million as part of a deferred-prosecution agreement with the U.S. Attorney's office in Newark, N.J. Under that pact, federal prosecutors agreed to defer prosecution on a charge of conspiring to commit securities fraud for two years. If at the end of two years, Bristol-Myers has fully complied with the terms, the criminal complaint will be dismissed."

SEC Bringing Fewer Enforcement Actions. The Wall Street Journal (10/27, C3, Burns, Scannell) reports, "The Securities and Exchange Commission brought about 10% fewer enforcement actions in fiscal 2006 than the prior year, marking a three-year decline from a record high in fiscal 2003, according to individuals familiar with the results." The Journal continues, "The decline in cases comes as the SEC enforcement division is under scrutiny from congressional investigators, led by Sen. Charles Grassley, an Iowa Republican. The Government Accountability Office said last week in a letter to Sen. Grassley, who is chairman of the Senate Finance Committee, that it would grant his request and review the SEC's enforcement and examinations divisions." The Journal adds, "The GAO also said it would review the agency's oversight of the self-regulatory bodies at the New York Stock Exchange and National Association of Securities Dealers. SEC spokesman John Heine said the agency welcomes the review. … Sen. Grassley's interest stems from allegations by a former SEC enforcement attorney who says he was fired once he sought to take the testimony of John Mack, a Wall Street chief executive, in connection with an insider-trading investigation involving Pequot Capital Management Inc., a hedge fund. The former SEC attorney, Gary Aguirre, says his supervisors refused to allow him to take Mr. Mack's testimony because of his political connections and clout. Mr. Mack was a major fund-raiser for President Bush during the 2004 election."

GAO To Review SEC Practices. The New York Times (10/27, Morgenson) reports, "Last week, the G.A.O. accepted Mr. Grassley's request that it review two S.E.C. divisions: its enforcement unit, which brings civil securities suits, and the office of compliance, inspection and examination, which oversees money managers, brokerage firms, stock exchanges and other regulated entities." The Times continues, "The G.A.O. will also examine whether the commission adequately monitors self-regulatory organizations — like the New York Stock Exchange and NASD — that refer cases to the commission for possible enforcement actions. … 'Congress needs an independent analysis of whether the institutions that are responsible for protecting investors are keeping up in a fast-changing marketplace,' Mr. Grassley said yesterday in a statement. 'It's been a long time since there's been this kind of thorough review. The integrity of our financial markets and, in turn, the well-being of individual investors depends on checkpoints that stop insider trading and manipulation.'" The Times adds, "Mr. Grassley's request comes amid an inquiry by his staff and by the Senate Judiciary Committee into the S.E.C.'s handling of an insider trading investigation involving Pequot Capital Management, a $7 billion hedge fund run by Arthur J. Samberg. That investigation, which focused on a number of profitable trades by Pequot in advance of mergers or other market-moving news, commenced in 2004 and was being overseen in 2005 by Gary J. Aguirre, a staff lawyer at the S.E.C. … Mr. Aguirre has told the Senate that in the midst of his investigation, his superiors blocked him from taking the testimony of John J. Mack, an influential Wall Street executive and a friend of Mr. Samberg. Mr. Mack now heads Morgan Stanley."

SEC Ratchets Up Scrutiny Of Mutual Fund Administrative Fees. USA Today (10/27, Smith, Waggoner) reports, "The Securities and Exchange Commission is accelerating a probe of 27 investment company advisers that paid $230 million in mutual funds assets for administrative fees from 1999 to 2004 to a third-party service provider that funneled most of the payments right back to the investment advisers." USA continues, "The SEC probe gained traction when the contractor, Bisys Fund Services, which performs recordkeeping and other back-office services for the advisers, agreed last month to pay $21.4 million to settle a case against it and to cooperate in the larger investigation. … 'Our investigation is ongoing,' SEC Pacific regional director Randall Lee said Thursday. The agency has begun to issue letters requesting details of the fee-splitting arrangements. Mutual funds employ investment advisers to manage the funds. These advisers farm out much of the work to third parties. … Although the suspect fund

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managers have not been identified in agency documents, AmSouth Bank disclosed in August 2005 that the SEC was threatening to bring an enforcement action related to its fee-splitting relationship with Bisys. AmSouth said it voluntarily refunded payments to its AmSouth Funds unit, which it subsequently sold."

SEC To File Civil Claims Against Former Delphi Officials. The Wall Street Journal (10/27, A2, Scannell, McCracken) reports, "The Securities and Exchange Commission approved the filing of civil fraud claims against the former chairman and chief executive of auto-parts maker Delphi Corp. and against its former chief financial officer in connection with accounting improprieties, according to people familiar with the matter." The Journal continues, "The five-member commission voted unanimously yesterday to approve a settlement with Delphi, in which the auto-parts maker would settle allegations of accounting improprieties that resulted in a multiyear restatement of earnings, these people said. The company, which is in bankruptcy court protection, won't be subject to a penalty, these people said. … Delphi spokeswoman Claudia Piccinin declined to comment, except to say 'Delphi has been cooperating with the SEC investigation.'" The Journal adds, "Meanwhile, the SEC is investigating the role of Delphi's outside auditors during this time period, Deloitte & Touche LLP, these people said. A Deloitte spokeswoman declined to comment. … Former chairman and chief executive J.T. Battenberg III will be named in a civil complaint and is expected to fight the allegations, said the people familiar with the matter. Mr. Battenberg's attorney, William Jeffress, didn't respond to a phone call or email. … Meanwhile, former chief financial officer Alan Dawes also is expected to face claims, these people said. Mr. Dawes has agreed to a settlement, which the commission has approved, these people said. . The SEC also is expected to file civil claims against several former executives, some of whom are expected to simultaneously agree to settle the allegations. It is unclear which other former executives will face the claims."

The Detroit News (10/27, Shepardson) reports, "The charges are likely to be filed in U.S. District Court in Detroit, possibly as early as Monday, one person familiar with the investigation told The News. … The SEC's investigation has found that Delphi used various improper methods to inflate earnings, cash flow and revenue, which hid the declining health of the company, according to people familiar with the matter. … Several large transactions weren't accounted for properly, including a $237 million payment Delphi made to its former parent, General Motors Corp. … A criminal investigation by the justice department is ongoing."

Judge Questions Federal Conviction Of Former NYSE Trader. The Wall Street Journal (10/27, C3, Davies, Lucchetti) reports, "David Finnerty, a former star trader on the floor of the New York Stock Exchange, was convicted of charges that he made thousands of improper trades that cheated investors out of millions of dollars. However, in a move that may bolster any appeal, the federal judge in the case raised questions about the verdict." The Journal continues, "After just one day of deliberations, the jury of six men and six women found Mr. Finnerty, 40 years old, guilty of three counts of securities fraud. Mr. Finnerty, a former specialist at Fleet Specialist Inc., now a unit of Bank of America Corp., oversaw trading of General Electric Co., one of the most heavily traded stocks at the NYSE, and prosecutors allege that Mr. Finnerty had more troubling trades than any of the other specialists who have been charged. Mr. Finnerty faces as long as 20 years in prison for each count." The Journal adds, "The verdict provided a boost for federal prosecutors in Manhattan, who have lost two similar cases and dropped two others. There are six cases left to be tried. But immediately after the verdict was handed down, U.S. District Judge Denny Chin raised questions about the government's case, saying there 'is some fuzziness in the law.' … Judge Chin said the trading practice in question appeared to be widespread at the NYSE and that many trading firms had made a lot of money by trading in between public buy and sell orders, which the government alleges harmed investors. The seven NYSE specialist firms paid about $248 million in 2004 to settle civil cases related to the trading. The judge said he wasn't inclined to reverse the verdict but his comments are likely to strengthen any appeal or result in a reduced sentence. … The government had accused Mr. Finnerty of improperly positioning himself between public buy and sell orders more than 26,000 times between 1999 and 2003, generating $4.5 million in illegal profits for his firm and hundreds of thousands of dollars in inflated bonuses for himself."

Former SEC Chair Argues For Proxy Reform. In an op-ed for the Wall Street Journal (10/27, A14), former SEC chairman Arthur Levitt Jr. writes, "Ever since the recount

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of 2000, partisans of both parties have paid particular attention to everything from who votes to how they vote and how their preferences are recorded. Counting every vote is not only integral to our political life; it is central to our economic life as well. Shareholder capitalism enables our markets to thrive, our companies to grow and our economy to remain strong. And central to this system is the principle that shareholders can have a voice in the running of the companies that they own, that their votes will count." Levitt continues, "This fall, the issue has been the focus of a series of court cases, decisions and now potential Securities and Exchange Commission action. How the SEC handles this can have a profound effect on the future of shareholder democracy, corporate governance and the future of our markets. It's a matter of interest to all investors." Levitt adds, "After failing to convince the SEC to pass a proxy access proposal in 2003, shareholder advocates tried to make changes in the bylaws of companies that govern the elections of directors in order to make them fairer. They argued that this was a matter of process under applicable law (that is, did not directly relate to the election of directors, a basis of exclusion), and thus management had to put such a proposal on its proxy card to shareholders. … In response, the SEC rightly decided to re-examine this issue and clarify the law. An open hearing on the topic was scheduled in October but was delayed until Dec. 13. The outcome of this session is critical to the future of shareholder capitalism." Levitt concludes, "While passing an entirely developed proxy access plan may be too much to ask, the SEC can set a direction by making it clear that it will not ignore the issue of fairness that precipitated this latest litigation and put forward a series of steps that will strengthen shareholder democracy. … By setting this tone, the SEC will make a strong statement about corporate governance. It will demonstrate that accountability is a principle that will not be compromised. It will bolster its admirable efforts on executive compensation; after all, disclosure provisions are toothless if shareholders are unable to act upon them. And an endorsement of shareholder democracy will show investors world-wide that in our markets, their voices matter and their votes count."

CRIMINAL LAW:

Fitzgerald Grills Libby Memory Expert At Preliminary Hearing. In a widely-distributed story, the AP (10/27, Apuzzo) reports, "Special Prosecutor Patrick Fitzgerald took on the first witness in the CIA leak case Thursday, dissecting an expert witness until she acknowledged errors and misstatements in her research. … At the outset of the procedural hearing, U.S. District Judge Reggie Walton indicated that he was not inclined to allow a memory expert to testify at the trial," but he allowed lawyers for Lewis "Scooter" Libby "to present a witness to bolster their claim that memory experts would help in his defense." The AP notes, "It was the first public courtroom confrontation between Fitzgerald and Libby's defense team and foreshadowed a contentious trial. … Fitzgerald challenged the validity of memory research. Citing footnotes in her publications, presenting conflicting statements and questioning her methodology, Fitzgerald got" psychologist Elizabeth Loftus "to acknowledge that a statement in one of her research papers was taken out of context and that a figure in one of her books was incorrect."

In a "Letter from the Courtroom," the Washington Post (10/27, A21, Leonnig, 748K) reports, "With withering and methodical dispatch," Fitzgerald "sliced up the first person called to the stand on behalf of the vice president's former chief of staff. If…Libby was not afraid of the special counsel before, the former Cheney aide…had ample reason to start quaking after yesterday's Ginsu-like legal performance."

Jefferson Probe Delayed By File Access Dispute. The New Orleans Times-Picayune (10/27, Alpert) reports, "With unexpected delays in copying records and computer files taken from Rep. William Jefferson's Capitol Hill office, it is unlikely the Justice Department will seek an indictment against the eight-term New Orleans Democrat before the Nov. 7 primary, legal observers say." The Times-Picayune continues, "The delay may even force the decision past the Dec. 9 runoff that will be held if none of the 12 candidates in the 2nd Congressional District race wins more than 50 percent of the primary vote. … Neither, the Justice Department nor attorneys for Jefferson would comment. Jefferson has denied wrongdoing and has pointed to the lack of indictment after 18 months of investigation as evidence that he has been wrongly targeted." The Times-Picayune adds, "Since the probe began in March 2005, two former Jefferson associates have pleaded guilty, including Vernon Jackson, CEO of the Louisville, Ky., technology firm iGate Inc. … Jackson said in court documents that he paid more than $400,000 to a company controlled by Jefferson's family in return for the congressman's help getting

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telecommunications contracts in Nigeria and Ghana. An FBI raid of Jefferson's Washington home in August 2005, uncovered $90,000 in marked $100 bills in his freezer, money that Jefferson had said in secretly recorded conversations with a government informant was intended as a bribe for the vice president of Nigeria, according to an FBI affidavit. … The issue holding up the case is whether prosecutors should have access to materials seized from Jefferson's Capitol Hill office on May 20 and 21, the first FBI raid of a sitting member of Congress. Experts said that with the final disposition of the documents before the courts, the Justice Department isn't likely to move forward until it either gets access to the material or it is ruled off limits. … And while the Justice Department says it doesn't put much consideration into timing of elections, the agency has never brought an indictment closer than two weeks before an election. The primary is now 11 days away."

In Oklahoma City, Mueller Says Politics Plays No Role In Corruption Probes. The AP (10/27, Jenkins) reports, "The FBI has stepped up public corruption investigations since the Sept. 11, 2001 terrorists attacks and is pursuing current probes with no thought of the upcoming elections, FBI Director Robert Mueller said Thursday. Mueller, in Oklahoma City for a rare visit…said when the FBI prioritized its national security mission after 9-11, it also made public corruption its No. 1 priority in criminal investigations. The result has been a surge in public corruption convictions. 'In the last two years, we have had upward of 1,070 convictions of public officials who have abused the (public) trust.'" The AP notes, "Mueller declined to address questions on specific investigations, such as the congressional page scandal," but "he said politics 'does not influence' the course of FBI corruption investigations. 'We continue our investigations, regardless of the politics of the time. Investigations have gone on as if there were no elections coming up.'"

Trandahl Reportedly Says Kolbe Was "Problem Member" With Pages. ABC News (10/26, Schwartz, Yang, 2:50 p.m.) reported in its "The Blotter" blog, "A source close to former House Clerk Jeff Trandahl told ABC News that Arizona Congressman Jim Kolbe…was one of a small number of 'problem members' of Congress who page program supervisors complained spent too much time socializing with pages, taking them to dinner or sporting events outside of official duties. Mark Foley was also on the list. The source said Trandahl frequently cautioned both congressmen that 'adults should hang out with adults, pages should hang out with pages,' a message Trandahl also conveyed to pages during their orientation."

US Files New Charges Against Fugitive Chicago Corruption Witness. The Chicago Tribune (10/27, Coen, O'Connor, Mihalopoulos, 623K) reports, "In a fresh attempt to bring a corrupt City Hall contractor back from Mexico to testify against Chicago officials, federal prosecutors announced Thursday that they are again charging the fugitive with a 12-year-old drug crime. Marco Morales had pleaded guilty to bribery and mail fraud in the Operation Silver Shovel corruption case and had agreed to testify about bribing a high-ranking official in Mayor Richard Daley's administration. But Morales fled to Mexico." The Tribune notes, "Joan Safford was the legal attache at the U.S. Embassy in Mexico City in 2005 when a Mexican appellate court rejected a U.S. bid to have Morales extradited to Chicago" because the statute of limitations for bribery had expired under Mexican law. "The statute of limitations in Mexico for narcotics offenses, however, is 17½ years, Safford said. The FBI videotaped Morales delivering two pounds of cocaine to a government mole in August 1994." However, Jaime Tacher, "the Mexico City lawyer who repelled the first effort to extradite Morales," said that "Mexican courts were unlikely to extradite Morales because the allegations are so old and because the U.S. government is trying to bring Morales back to face new charges rather than serve a sentence."

Florida County Official Abruptly Resigns Amid Bribery Investigation. The Palm Beach Post (10/27, Dubocq) reports, "Under pressure from federal investigators, County Commission Chairman Tony Masilotti has informed the county administrator that he will resign Friday — even though his term expires in a matter of weeks." In an interview early yesterday, "the beleaguered commissioner said he was on the brink. 'You get to a point of wondering, how are you going to keep fighting this?' Masilotti told The Palm Beach Post. 'It's difficult to eat, to sleep, to do anything. It's difficult to get anything done in a storm.'" The Post adds, "Masilotti said Thursday that federal prosecutors are threatening to charge him with 'honest services' fraud, a crime that upon conviction carries a prison term of five to 20 years. 'I thought I was doing right,' he said of his involvement

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in land deals under scrutiny by a federal grand jury. 'It wasn't public corruption or kickbacks. ... The U.S. Attorney told me that these things weren't illegal — except that I didn't disclose them.'"

The South Florida Sun-Sentinel (10/27, Hafenbrack, 265K) notes, "The mercurial Masilotti's almost 20-year rise to political power, which began as Royal Palm Beach mayor, ends in scandal. The FBI probe into Masilotti focuses on a government land deal in southern Martin County, in which Masilotti and his ex-wife, Susan, pocketed roughly $1.3 million. The profit was shielded through a secret trust, but it came to light in the Masilottis' divorce papers in January."

Prosecutors Have 100 Boxes Of Evidence In Case Against NYC Assemblyman. The New York Post (10/27, Cornell, Graves, 608K) reports, "The feds have more than 100 boxes of evidence in their racketeering case against Queens Assemblyman Brian McLaughlin, officials said yesterday." McLaughlin, "who made his first appearance in federal court in Manhattan yesterday, had no comment before Judge Kenneth Karas. Because of the stacks of evidence, Karas set the next court date for Dec. 14." The Post notes McLaughlin "faces charges for allegedly stealing from the state, his union, his political campaign, contractors and even a Queens Little League, federal prosecutors charged last week." The New York Daily News (10/27, Zambito, 729K) adds, "Next week, McLaughlin's attorneys will get a peek at some 100 boxes of evidence that federal and city investigators compiled during their lengthy probe of the former head of the New York City Central Labor Council." McLaughlin "is accused of stealing $2.2 million in taxpayer funds to pay for fancy cars, country clubs and a Long Island mansion. He's also accused of looting nearly $100,000 from the bank account of a Queens Little League."

Mississippi Police Chief Pleads Guilty To Extortion Charge In Drug Case. The AP (10/27) reports, "Federal prosecutors said Ruleville Police Chief Ronald Durelle Robinson pleaded guilty Thursday to an extortion charge, admitting that he took cash for not pursuing drug and gambling charges against a person he thought to be a crack cocaine distributor. As part of the plea agreement, other federal charges against Robinson will be dropped when he is sentenced within the next 45 to 60 days, said James D. Maxwell II, assistant U.S. attorney for north Mississippi." According to the federal indictment, Robinson and Ruleville Assistant Chief Larry Mitchell, "acting in their official capacities, conspired to extort cash payoffs in exchange for providing protection for alleged crack dealers and other people Robinson and Mitchell believed to be distributing crack. The FBI said Robinson was charged with one additional extortion count and four counts of attempting to aid in the possession of crack cocaine with intent to distribute."

Texas Executes Man Involved In Murder-For-Hire Plot. The AP (10/27, Graczyk) reports, "A man was executed (in Huntsville, TX) Wednesday for initiating a murder-for-hire plot that authorities said led to the fatal stabbings of his parents and an uncle." The AP continues, "The lethal injection of Gregory Summers, 48, came more than seven years after the execution of Andrew Cantu, convicted of taking the $10,000 offer and fatally stabbing Gene and Helen Summers, both 64, and Billy Mack Summers, 60. Their home in Abilene was set on fire after they were attacked and their bodies were found in the rubble." The AP adds, "Attorneys for Summers tried Wednesday to block the punishment by challenging the constitutionality of the injection method, accusing prosecutors of hiding evidence and raising questions about testimony from a trial witness who implicated Summers. … The U.S. Supreme Court three weeks ago refused to review his case. Three appeals went to the high court late Wednesday, and all were rejected."

Los Angeles Hospital's Dumping Of Patients Probed. USA Today (10/26, Wlech) reported, "A hospital here is under criminal investigation for possibly dumping of homeless patients on skid row — a practice that the Bush administration says is widespread in the USA and 'inhumane.' Los Angeles Police Capt. Andrew Smith says 'there's a strong likelihood criminal charges could be filed' against Los Angeles Metropolitan Medical Center after five patients were brought by ambulance Sunday to the city's drug and crime-infested skid row section."

DC Developer Acquitted Of Bribery, Convicted On Lesser Charge. The Washington Post (10/27, A01, Leonnig, Hedgpeth) reports, "Douglas Jemal, one of Washington's most prominent developers, was acquitted yesterday of charges that he bribed a city official to get sweetheart contracts and inflated profits at taxpayers' expense." The Post continues, "The jury in U.S. District Court convicted Jemal of one lesser count of wire fraud. But the

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panel resoundingly rejected the crux of the government's case, acquitting Jemal and two top lieutenants of his company, Douglas Development Corp., of the more serious charges of conspiracy and bribery." The Post adds, "From the start, Jemal, 63, denied wrongdoing in his dealings with the city. When he was indicted along with son Norman Jemal and leasing agent Blake Esherick in September 2005, Jemal said he was looking forward to the chance to clear his name and theirs after nearly two years of overlapping city and federal investigations. … Prosecutors said Jemal could face up to 20 years in prison on the wire fraud charge. But under federal sentencing guidelines, his sentence could be much lighter, and he could wind up with just probation. … U.S. Attorney Jeffrey A. Taylor said the guilty verdicts against Douglas Jemal and Esherick were a 'vindication of a majority of our case.' He defended the prosecution, saying, 'This was a tough case, but given the serious allegations, we had to bring it.'"

Hoekstra Seeks Broad Probe Of NIE Leak. The Washington Post (10/27, A8, Pincus, 748K) reports House Intelligence Chairman Peter Hoekstra has proposed a "sweeping inquiry" into the possible leak of the Iraq NIE that led to New York Times reports in September. The proposal would include "an audit of staff telephone records and e-mail to identify unauthorized contacts with news media or messages related to the leaked document."

Juror In DC Murder Trial Dismissed For Using Numerology. The Washington Post (10/27, B04, Cauvin) reports, "The jury was trying to decide a high-profile murder case when the trouble began. One of the jurors brought numerology into the debate -- a mystical system said to divine truths from a person's birth date and from the sum of the letters in a person's name. … But numerology is nowhere in the jury instructions at D.C. Superior Court. And yesterday, after hearing from the woman's frustrated fellow jurors, Judge Wendell P. Gardner Jr. kicked her off the panel." The Post continues, "An alternate juror was summoned back to the courthouse and is expected to join the jury to begin deliberations anew today in the trial of two men accused of killing 14-year-old Jahkema 'Princess' Hansen. … It was the strangest twist yet in a trial that has had more than its share since it began almost a month ago -- almost three years after Hansen was fatally shot in the Sursum Corda housing complex, allegedly because she was a witness to a killing. In addition to talking about numbers, the juror had declared that she was the savior, there to force a mistrial." The Post adds, "From a prosecution witness's apparently testifying while high on marijuana to a juror finding herself followed home by a key figure in the case, the trial has not lacked the unexpected. … Leaving the courtroom after she was dismissed, the juror said she could not say anything because of 'the judge's order.' … Judges rarely take such steps but can do so when jurors refuse to deliberate or, as in this case, insist on introducing information that wasn't part of the evidence."

Malvo Meets With Arizona Detectives Probing 2002 Shooting. The AP (10/27, Manning) reports, "Lee Boyd Malvo met yesterday with police from Tucson, Ariz., who are investigating whether Malvo and fellow sniper John Allen Muhammad were responsible for a golf course shooting there in March 2002, Malvo's attorney said. " The AP continues, "Malvo spent about two hours speaking with Tucson detectives at the Montgomery County Correctional Facility in Boyds, attorney William Brennan said. Malvo, already serving a life term in Virginia for one of the October 2002 sniper shootings, is in Maryland awaiting sentencing for six sniper killings in Montgomery County. … Mr. Brennan would not discuss the substance of the meeting." The AP adds, "Tucson police have long sought to speak with Malvo about the March 19, 2002, killing of Jerry Taylor, 60, who died from a single shot fired from long range as he practiced on the Fred Enke Golf Course. The case has never been conclusively tied to Muhammad or Malvo. … Capt. Bill Richards, commander of the violent crimes division with Tucson police, declined to comment yesterday, except to say that 'we do feel that in the very near future, we'll be able to discuss things ... in a broader sense.' … After his arrest Oct. 24, 2002, at a Frederick County, Md., highway rest stop, Malvo told authorities that he had shot a senator on a golf course in Arizona. Mr. Taylor was not a senator. Muhammad and Malvo were visiting Muhammad's older sister at the time, but police didn't have enough evidence to prove they were responsible for Mr. Taylor's death."

Federal Corruption Probe Adds To Tennessee County's Woes. The Los Angeles Times (10/26, Fausset) reports from Newport, TN, "How bad is Cocke County's lawless reputation? … So bad that its tourism and economic development chief, Donald Hurst, likes to kick off out-of-town business meetings with a self-

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deprecating joke. All of the visiting Cocke County officials, he tells his audience, are right here in the building — so 'rest assured, your home is safe.'" The Times continues, "To many Tennesseans, Cocke County is the place their parents warned them about, the butt of hillbilly jokes, the last redoubt of an old, untamed Appalachia. For decades this poor and dramatically beautiful area, north of the Great Smoky Mountains National Park, was a haven for moonshiners and bootleggers who evaded federal tax agents by hiding in its rugged hills and hollows. .. It was also known for its brothels and chop shops, its illegal bars and gambling, its shakedowns and drugs and stadium-sized cockfight pits — and its rampant public corruption. There was a time when people called it 'Little Chicago.' … And though other mountain communities have seen their wild days lapse into the innocuous category of 'colorful past,' Cocke County seems doomed to repeat the sins that have long defined it." The Times adds, "In recent months, a state and federal corruption probe has been making familiar headlines here, flushing out the latest round of dirty cops, brothel owners and incorrigible outlaws whom locals call 'tush hogs' — a name they also use for wild boar. … County Mayor Iliff McMahan Jr., first elected in 2002 on a promise to attract tourists and new business, hopes this investigation is the final chapter of a long, troubled history. After all, the Little Chicago nickname has long faded, and moonshining, a victim of increasingly lax Southern liquor laws, has been reduced to the status of a hobby. … And yet the trouble continues, competing with the good news McMahan and Hurst are spreading about their inexpensive, underdeveloped and untrammeled county …"

Kentucky Woman Says Boyfriend Acted Alone In Social Worker's Killing. In a widely-distributed story, the AP (10/27) reports, "A woman accused with her boyfriend of kidnapping her baby and killing a social worker said Thursday she did not participate in the slaying. In a jailhouse news conference that she had requested, Renee Terrell said Christopher Luttrell alone was responsible for the death of Boni Frederick, 67, of Morganfield." Luttrell "told reporters gathered at the Henderson police station on Wednesday that he killed Frederick. … Terrell said she was in the house when Frederick was killed but that she didn't see or hear the attack. The couple is accused of taking Terrell's 10-month-old son, Saige, after Frederick had brought the infant for a visit with the mother." The AP notes, "FBI agents arrested Terrell and Luttrell on Oct. 19 in a trailer where they sought shelter near Godfrey, Ill."

FBI, Louisiana Authorities Cracking Down On Fraudulent Contractors. The AP (10/27) reports, "Fraudulent contractors, unlicensed contractors and the bilking of homeowners are reaching epidemic proportions, prompting federal and state agencies to beef up regulatory and criminal enforcement against unscrupulous businesses. The problems may have not hit their peak, with Road Home money still to be handed out, state and federal agencies said. … 'The FBI and the U.S. attorney are fundamentally committed to ensure (the use of) recovery (money) is free of fraud, and we are cooperating to include contractors who engage in fraudulent activity,' said James Bernazzani, FBI special agent in charge of Louisiana. Bernazzani said that the disbursement of Road Home loans…gives the FBI jurisdiction, and any contractor stealing or fraudulently taking the money will be high on the FBI's radar. 'If you are a contractor fraudulently (taking) recovery money from homeowners, the FBI will take a very, very hard look at it,' he said."

New Orleans Council Members Pushing For Independent Inspector General. The AP (10/27, Bohrer) reports, "City leaders are pressing for the hiring of a corruption watchdog to send a message that New Orleans -- with its long and colorful reputation for graft and thievery -- can be trusted with the billions of dollars in federal aid pouring in to rebuild after Hurricane Katrina. 'We have a moral obligation to lead with integrity,' said City Councilwoman Shelley Midura, who is among those pushing for the creation of the office of inspector general. … At least five of the council's seven members have signed on to the idea, set for a vote Nov. 2." The AP notes, "Some have argued that under the current plan, the inspector general would be too weak," and "Mayor Ray Nagin has come out against a proposal to make city contractors help pay for the office." The AP adds, "Anyone employed by the city within the past five years would be excluded from consideration. That is a sore point with the leader of the local chapter of the NAACP, Danatus King, who warned that that would disqualify people with knowledge of the city's inner workings."

Washington Justice Admonished For Meeting With Inmates. The New York Times (10/27, Liptak) reports, "A special panel of the Washington Supreme

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Court made up of nine substitute judges reprimanded one of the court's justices yesterday for visiting a facility that holds sexually violent predators." The Times continues, "The panel ruled that the justice, Richard B. Sanders, had 'created an appearance of partiality' by questioning inmates and accepting documents from them at the McNeil Island Special Commitment Center on a visit there in January 2003. The center holds sex offenders who have completed their criminal sentences but who the courts have found are likely to engage in predatory acts of sexual violence. … A case concerning the constitutionality of the state law under which the inmates were committed was before the court at the time." The Times adds, "In an interview, Justice Sanders said his visit had been useful and appropriate. Judges in Washington are encouraged to visit prisons and similar facilities, he said, and he received continuing judicial education credit for his 2003 visit. … 'The whole objective of this facility is supposed to be to treat the prisoners,' he said, 'and I thought it was a valuable opportunity to ask the prisoners how they were doing. I thought I gained from the experience, and now I'm being punished for it.' … The sanction was admonishment, the mildest available punishment."

Getty Museum Toughens Acquisition Standards. The Los Angeles Times (10/27, Reynolds) reports, "Under growing international scrutiny for buying potentially looted antiquities, the J. Paul Getty Museum has dramatically tightened its acquisition standards." The Times continues, "The move, announced Thursday, is designed to screen out any item whose history since 1970 is murky. In doing so, two experts said, the Getty is essentially taking responsibility for making sure an item's recent history is clean, instead of challenging critics to prove it's dirty. … The move is not retroactive — if it were, the museum would have to relinquish scores of ancient items from its galleries and storerooms — but some authorities see it as a potential turning point in a global confrontation between curators and archeologists over the way museums do business." The Times adds, "The Getty chose the November 1970 date because that's when the United Nations gave its blessing to a convention aimed at preventing illicit movement of cultural property. The measure had little effect on the habits of major American museums, but the British Museum has adopted similar standards, and the University of Pennsylvania's art museum has taken its own conservative stance."

CIVIL LAW:

US Settles Marketing Claims Against InterMune. Bloomberg (10/27, Gullo, Fisk) reports, "InterMune Inc., maker of a treatment for rare bone and immune system disorders, will pay $36.9 million to settle U.S. claims it illegally marketed the drug for unapproved uses and caused false claims for reimbursement from government health programs." Bloomberg continues, "The San Francisco U.S. Attorney's office said InterMune sold the drug, called Actimmune, mostly for prescriptions to treat pulmonary fibrosis, a fatal lung disorder with no cure that affects 83,000 Americans. InterMune distributed misleading information to doctors and patients claiming the drug could prolong survival knowing the company's studies failed to show significant benefits, prosecutors said in a statement. … 'This settlement sends a clear message to the pharmaceutical industry that the Justice Department will not tolerate these deceptive and illegal marketing practices,' said Assistant U.S. Attorney General Peter Keisler in a statement."

The San Jose Mercury News (10/27, Johnson) reports, "Under the settlement announced by the U.S. Attorney's office in San Francisco., InterMune of Brisbane was charged with promoting its drug Actimmune 'with intent to defraud or mislead,' a felony under the federal Food Drug and Cosmetic Act. … But the U.S. Attorney's office will dismiss the charge in two years if InterMune complies with laws against so-called off-label marketing, which means promoting drugs for uses beyond what was approved by the U.S. Food and Drug Administration. … In its settlement agreement, InterMune said it did not contest the claim that 'one or more former InterMune employees violated federal criminal law.'"

Keystone Mercy Health Plan Settles Charge Claims With DOJ. The Philadelphia Inquirer (10/27, Loyd) reports, "Keystone Mercy Health Plan, the region's largest Medicaid managed-care insurer, has reached a settlement with the U.S. Attorney's Office in Philadelphia to pay $5 million to resolve a benefits-claims dispute." The Inquirer continues, "The Justice Department alleged that Keystone Mercy in 1997 and 1998 failed to return to the Pennsylvania Department of Public Welfare overpayments for some Medicaid services. Keystone Mercy denied any wrongdoing. … In a statement, the Philadelphia insurer said the agreement ended a dispute 'over interpretation of our

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contract with DPW almost 10 years ago.' Keystone Mercy said it agreed to pay $5 million over the next six months to end the 'inconvenience and expense of protracted litigation.'" The Inquirer adds, "The allegations were brought in 2001 by a former Keystone Mercy claims-recovery examiner, who filed a 'whistle-blower' complaint. Lorraine Pittelli, the claims examiner, will receive $780,000 from the proceeds of the settlement."

Convicted Mobster Sues US, Saying He Was Framed. The Boston Globe (10/27, Murphy) reports, "Three years ago, a federal judge apologized to Pasquale Barone Jr., saying that his 1993 trial on charges that he killed a man for the New England Mafia was 'fraudulent' because prosecutors withheld evidence from the defense. … Now Barone, 45, who spent 15 years in prison before he was freed in 2003 amid allegations of government misconduct, is looking for more than an apology." The Globe continues, "The North End man has filed a federal lawsuit accusing the government of negligence and alleging that a federal prosecutor, two retired FBI agents, and other unnamed officials plotted to deprive him of a fair trial and orchestrated a malicious prosecution. … The suit is seeking unspecified damages for Barone and his daughter, Consiglia, who was 4 years old when he was sent to prison and, according to the suit, suffered 'severe shock, fear, horror, emotional distress' and the loss of his companionship. … Barone's suit alleges that the prosecutor and agents conspired to 'intentionally frame' him. … The suit names Assistant US Attorney Jeffrey Auerhahn and retired FBI agents Michael Buckley and Edward Quinn." The Globe notes, "Three years ago, US Attorney Michael J. Sullivan said the Justice Department had launched an internal investigation into Auerhahn's handling of the case. Thursday, Samantha Martin, a spokeswoman for Sullivan, said Justice Department regulations prohibited the government from commenting on the outcome of the investigation or on whether any action had been taken against Auerhahn. She also declined to comment on Barone's lawsuit. … Barone was convicted in federal court in 1993 of murder in aid of racketeering in the 1985 death of his friend, Vincent 'Jimmy' Limoli, allegedly at the behest of New England mob captain Vincent Ferrara. Barone, who was serving 10 years after pleading guilty to state manslaughter charges in Limoli's slaying, was sentenced to life in prison in the racketeering case. … However, three years ago, US District Judge Mark L. Wolf found that Auerhahn had failed to tell Barone's lawyers that a key witness had recanted before the federal trial and insisted Ferrara had not ordered the slaying."

SCOTUS To Consider Punitive Damage Award In Tobacco Case. USA Today (10/27, Biskupic) reports, "Jesse Williams, a Portland, Ore., janitor who smoked three packs of Marlboros a day, died of lung cancer in 1997. His widow, Mayola, sued Philip Morris for fraud and negligence, alleging that any fears her husband had about becoming ill from smoking were eased by the cigarette-maker's publicity campaign that suggested it was safe. … Mayola Williams recalled in court filings that when her husband learned he had inoperable cancer, he said, 'Those darn cigarette people finally did it. They were lying all the time.'" USA continues, "The lawsuit that Mayola Williams filed was among many claims filed against tobacco companies in recent years, but one of the few to lead to a multimillion-dollar judgment. An Oregon jury awarded Williams $79.5 million in punitive damages. Such damages are intended to punish defendants beyond the actual damages they caused and deter future bad conduct. … Williams' award was 97 times greater than the actual — or compensatory — damages awarded by the jury, and according to court records it was based partly on the jury's consideration of Philip Morris' harm to other smokers in Oregon." USA adds, "Now, Williams' case is before the U.S. Supreme Court and has become one of the most significant tests ever of how far a jury can go in punishing a civil defendant. The question in the Williams case is whether the punitive damages award is so disproportionate to the injury to Jesse Williams that it violates the 14th Amendment's guarantee of due process of law. … In its appeal, Philip Morris says the Oregon verdict violated due process because it was so much higher than the actual damages caused to Jesse Williams and because jurors were punishing the company for injuries to smokers who were not part of the Williams case."

CIVIL RIGHTS:

DOJ Plan For Poll Monitors Meets With Objections. The AP (10/27) reports, "City officials and Hispanic community leaders objected today to the federal government's plans to put monitors at city polling places on Election Day, saying those efforts could discourage people

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from voting." The AP continues, "The Department of Justice earlier this month asked a federal judge to authorize appointment of monitors beginning with the upcoming Nov. 7 election and ending in 2009. The government accused the city of failing to provide sufficient election materials in Spanish and not recruiting enough bilingual poll workers. … But City Solicitor Romulo L. Diaz Jr. said at a news conference Thursday that the federal government could not guarantee him that federal monitors wouldn't follow voters into polling booths. It would be better to appoint local monitors, he said." The AP adds, "A spokesman for the Justice Department said he would look into the solicitor's claims but could not immediately comment. … 'We're very, very concerned about having Big Brother taking care of us,' said local attorney Luis P. Diaz, who also attended Thursday's news conference with other community leaders. … The federal lawsuit contends the city violated the federal Voting Rights Act by allowing only poll workers – some of whom did not speak Spanish – to help Hispanic voters cast ballots. The law permits voters who require assistance to request help from someone they know."

The Philadelphia Inquirer (10/27, Gelbart) reports, "Two weeks before Election Day, the city (of Philadelphia) is fighting an attempt by the U.S. Justice Department to appoint federal observers for Philadelphia elections beginning Nov. 7 and lasting past next year's presidential race, until the end of 2009." The Inquirer continues, "The effort to appoint the observers stems from a lawsuit filed by the federal government 14 days ago alleging that the city has violated the rights of its Hispanic voters. … Specifically, it charges that the city hasn't adequately recruited and trained bilingual poll workers, failed to provide sufficient election-related materials in Spanish, and prohibited Hispanic voters with limited English from choosing someone to help them inside the voting booth, which law permits." The Inquirer adds, "The suit also says the city has no program to identify 'the need for or the placement of Spanish-speaking poll workers and interpreters on election day' and that the city has paid people to be interpreters who don't speak Spanish. … City officials have called the allegations unfounded. A hearing has been scheduled for next Friday in U.S. District Court for the Eastern District."

Nervous Elections Officials Try To Minimize Voting Problems. USA Today (10/27, Wolf, 2.27M) reports problems "from delayed absentee ballots to names being chopped off on voting machines are hampering elections officials" as elections near. While officials say the problems are "not unusual," coming after a "primary election season in which new electronic machines and state laws confounded poll workers, they are making officials nervous." In a related item, USA Today (10/27, Wolf, 2.27M) says elections officials, "haunted by breakdowns at the polls during this year's primaries," are "using technology and other means to make voting on Nov. 7 more reliable and convenient. From alerts delivered by text message to polling sites at grocery stores, states and counties hope to increase turnout and decrease the number of problems in states such as Ohio and Illinois earlier this year."

Economist Says Voters "Shouldn't Have Doubts" About Being Counted. In a USA Today (10/27, 2.27M) op-ed, economist Julianne Malveaux writes, "One of the reasons, it is said, that we invaded Iraq was to introduce democracy to a totalitarian nation. But while we are shopping democracy abroad, we have yet to perfect our democracy at home. When people go to the polls Nov. 7, the manifestations of our imperfect democracy will be rife. The non-partisan Election Reform Information Project predicts problems at the polls, and the NAACP says it will monitor elections in 10 states in which irregularities are a possibility. … Control of the House and the Senate is at stake in the 2006 elections, and many races are so tight they could be decided on just a few thousand votes. Our democracy depends on free, fair and accurate elections. On Nov. 8, we shouldn't have doubts about whether our votes have been counted."

Bush, GOP Seek Political Edge Following Gay Marriage Court Ruling. The New York Times (10/27, Stolberg, 1.21M) reports, "The divisive debate over gay marriage, which played a prominent role in 2004 campaigns but this year largely faded from view, erupted anew on Thursday as President Bush and Republicans across the country tried to use a court ruling in New Jersey to rally dispirited conservatives to the polls." Wednesday's ruling, in which the "New Jersey Supreme Court decided that gay couples are entitled to the same legal rights and financial benefits as heterosexual couples, had immediate ripple effects, especially in Senate races in some of the eight states where voters are considering constitutional amendments to ban gay marriage." President Bush "put a spotlight on the issue while campaigning in Iowa, which does not have a proposal on the ballot. With the Republican House candidate,

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Jeff Lamberti, by his side, Mr. Bush -- who has not been talking about gay marriage in recent weeks -- took pains to insert a reference into his stump speech warning that Democrats would raise taxes and make America less safe." Said Bush, "Yesterday in New Jersey, we had another activist court issue a ruling that raises doubts about the institution of marriage." Bush "drew applause when he reiterated his long-held stance that marriage was 'a union between a man and a woman," adding, "I believe it's a sacred institution that is critical to the health of our society and the well-being of families, and it must be defended.'"

The Washington Post (10/27, A7, Cooperman, 748K), in a story titled "Religious Conservatives Cheer Ruling On Gays As Wake-Up Call," said the ruling "was bad news for social conservatives -- the bad news they were hoping for." Conservative religious "leaders predicted that the court's 4 to 3 ruling…would boost turnout of social conservatives in the midterm elections, particularly in the eight states that have constitutional amendments against same-sex marriage on the Nov. 7 ballot." The Post also notes Bush "denounced the New Jersey ruling and called heterosexual marriage 'a sacred institution.'" The AP (10/27) and AFP (10/27) also run brief dispatches on Bush's comments on the ruling.

The Christian Science Monitor (10/27, Marks, 58K) reports the ruling "could tip the national balance, many political analysts say." Larry Sabato said, "The Republicans are thrilled and the Democrats are furious with those judges, and that tells me all I need to know. … Both sides understand this is a boost for Republican turnout among social conservatives, many of whom were very discouraged and probably were not going to vote because of the [Mark] Foley scandal and Iraq." The Monitor adds, "Some analysts, though, disagree. Gay marriage has lost some of its salience as a galvanizing issue, they say, in part because Americans are so focused on the war in Iraq."

The Wall Street Journal (10/27, 2.03M), in an editorial, calls the ruling "a remarkable arrogation of power by the judiciary," an example of a court that feels "empowered to embark on social experimentation in the field of marriage." The Journal adds, "If many on the judicial and political left get their way, those tracks will soon extend to the rest of the country as well."

In Reversal, Hillary Clinton Says She Would Back A Gay Marriage Law In New York. The New York Times (10/27, Healy, 1.21M) reports, "Senator Hillary Rodham Clinton told a group of gay elected officials Wednesday night that she would support a gay marriage law in New York if a future governor and Legislature chose to enact one, according to three participants at the meeting." Clinton "has long opposed same-sex marriage and instead favors civil unions for gay couples, a position that has drawn sharp criticism from some gay advocacy groups. But she has also said that each state should decide the issue for itself." The Times adds, "Participants at the meeting, which was closed to reporters other than those at gay media outlets, confirmed the account of Mrs. Clinton's remarks, which were made to the gathering at a private apartment in Manhattan."

Corzine Says He Would Prefer Legislature To Enact Civil Unions Bill. The New York Times (10/27, Mansnerus, Healy, 1.21M) reports, "Gov. Jon S. Corzine told legislative leaders on Thursday that he would prefer that New Jersey enact a civil unions law for gay couples rather than allow them to marry." That "prompted attacks from the state's leading gay-rights advocate, who said Mr. Corzine expressed support for same-sex marriage to a gay audience two weeks ago and had repeatedly done so during his 2000 primary campaign for the United States Senate."

More Commentary. Darren R. Spedale, an investment banker in New York City, and William N. Eskridge Jr., the John A. Garver professor of jurisprudence at Yale University, adress in the Wall Street Journal (10/27, 2.03M) "the 'slippery slope' argument -- that same-sex marriage would start a dangerous movement toward legal recognition of socially unacceptable relationships? This hasn't happened in Scandinavia; 17 years later, there are still no calls for recognizing polygamy, incestual marriage or marriage to animals. Danes you ask about the slippery slope think you are joking. They realize that same-sex marriages serve essentially the same goal as opposite-sex marriages: lifetime commitment to your better half, the person who completes you." They conclude, "In short, the sky hasn't fallen. Rather than scapegoating gay couples as the attackers from which marriage needs "defending," pundits and politicians alike should look to no-fault divorce, prenuptial agreements and legal recognition of heterosexual cohabitation as the real culprits of weakened marriage. As the evidence indicates, societies where gay couples have the rights of marriage seem to be doing just fine."

Peter Sprigg, vice president for policy at the Family Research Council, writes in USA Today (10/27, 2.27M), "Society gives benefits to marriage because marriage gives benefits to society. Therefore, the burden of proof must rest

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upon the advocates of homosexual unions to demonstrate that such unions benefit society (not just the individuals involved) in the same way and to the same degree as marriage between a man and a woman. Because homosexual unions never result in natural procreation and never provide children with both a mother and a father, this is a burden they simply cannot meet."

WPost Says Virginia Initiative Should Be Rejected Even By Gay Marriage Opponents. Meanwhile, the Washington Post (10/27, A22, 748K) says in an editorial that "even if you oppose same-sex marriage and think its prohibition should be enshrined in state laws and constitutions, there are ample compelling reasons to oppose Virginia's Ballot Question No. 1 on Nov. 7. The amendment, intended to forbid a practice that Virginia already forbids, is vague and fraught with potential for unintended harm to gays and straights alike. Its adoption would herald a season of chaos in the state's courts."

WPost, WSJournal Approve Of Decision Easing Rules On Single-Sex Education. The Washington Post (10/27, A22, 748K) writes in an editorial, "Studies of single-sex education are all over the map, with no one really knowing how effective it is. Still, the decision giving public schools greater freedom to offer all-boys and all-girls instruction is right because of one known certainty: Traditional schools just are not working for a large number of children." Now "local school districts that want to experiment with single-sex instruction should be encouraged to adopt a meticulous research protocol to demonstrate what works or doesn't work. Then a serious discussion can begin."

The Wall Street Journal (10/27, W13, 2.03M) writes on the Taste page of its Weekend Journal section, "The government's long war against single-sex schooling ended Tuesday." Now "educators can contemplate opening single-sex schools or classes without running afoul of the law." Now "you might think that the National Organization for Women would applaud efforts to empower young girls. Or that Sen. Edward Kennedy, the product of a boys-only private school, would want to see the opportunities he enjoyed extended to young disadvantaged males. Yet they…see the Education Department's new rules as a green light for 'discrimination' and 'stereotyping.'" But "many parents…want the real fruits of equality for their children, and an important civil right that is currently being denied to them: a decent education."

ANTITRUST:

FTC Gives Antitrust Nod To Gildead Science's Purchase Of Myogen. The AP (10/27) reports, "Biotechnology company Gilead Sciences Inc. said Thursday that the customary waiting period needed for its purchase of Myogen Inc. has been terminated early by federal regulatory officials." The AP continues, "The Federal Trade Commission terminated the waiting period required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 before its expiration date, according to Gilead Sciences." The AP adds, "Earlier this month, the company announced plans to buy Westminster, Colo.-based Myogen Inc. for $2.5 billion. Gilead Sciences previously stated that its tender offer and associated withdrawal rights will expire Nov. 10 unless extended. The company expects the tender offer to close by the end of the fourth quarter of 2006."

New Players Enter Media Ownership Game. The Wall Street Journal (10/27, C1, Berman, McBride) reports, "With a growing list of radio, newspaper and television assets on the auction block, some new players are on the verge of assembling the conglomerate of the 21st century: the private-equity media empire. … That became all the more apparent when Clear Channel Communications Inc., one of the nation's largest owners of radio stations and outdoor billboards, put itself up for sale on Wednesday. Buyout groups are hungry to get control of the San Antonio company, which has a stock-market value of $17.5 billion. … Yet many of the same private-equity players chasing Clear Channel are either in the hunt for other media assets or already partial owners of them. That could complicate matters, because of federal rules aimed at making sure no one voice controls too many media outlets." The Journal adds, "Private-equity firms, which purchase businesses with an eye toward improving and selling them for a profit, are on an unprecedented binge, buying up bigger and bigger companies. Their interest in media companies comes as the firms become ever more powerful players in many American businesses, from doughnut outlets to auto-parts makers, and are the subject of increasing scrutiny. The firms already are facing a Justice Department inquiry into whether any colluded with each other to drive down prices they pay for companies." The Journal notes, "The latest buzz-phrase among Wall Street bankers who arrange leveraged-buyouts is telling: 'The LBOing of Western Civilization.' … Indeed, the media-buyout frenzy

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involves lots of overlapping players. Providence Equity Partners is part of a group trying to win control of Clear Channel's 1,150 radio stations and other assets. Earlier this year, Providence was also part of a group that purchased Univision Communications Inc., which owns radio stations and the Univision Spanish-language TV network. It's also part of a group weighing a bid for Tribune Co., which owns newspapers and TV stations."

Sprint's Financial Results Suffer After Nextel Merger. The Washington Post (10/27, D01, Noguchi) reports, "Sprint Nextel's customers, fed up with dropped calls and a service that hasn't kept up with the features offered by mobile phone competitors, left the company in droves last quarter. … That, alongside a tumbling stock price and dramatic changes in the executive lineup, led to a disappointing three months for the Reston company. … It posted a profit of $247 million (8 cents per share) on revenue of $10.5 billion for the quarter ended Sept. 30. That compares with $516 million profit (23 cents) for the same period last year on revenue of $7.83 billion." The Post adds, "One year after Sprint and Nextel merged, the firm is investing in a faster, more advanced network and working on partnerships to sell more of its services. Still, during a conference call yesterday, president and chief executive Gary D. Forsee acknowledged the troubles, which largely stem from thousands of the core customers defecting to competitors because of poor service. … Sprint lost 2.4 percent of its customer base every month during its third quarter -- a rate much higher than that of Cingular Wireless, which lost customers at a rate of 1.8 percent a month and last week posted a 280 percent increase in its net income. … Overall, Sprint, the country's third biggest carrier, landed 233,000 new customers during the quarter. It lost about 188,000 customers who are on contract plans and pay monthly, but offset that loss with gains elsewhere, including those who use month-to-month prepaid services."

ENVIRONMENT:

DOJ Settles Pollution Charges With Bunge. The AP (10/27, Suhr) reports, "Oilseed processor Bunge North America Inc. and three of its subsidiaries agreed Thursday to pay $13.9 million in a pollution settlement with the federal government, the Justice Department announced." The AP continues, "As part of the deal, the government said, the St. Louis-based unit of Bunge Ltd. will clean up emissions at 11 soybean-processing plants and one corn plant in eight states, eventually cutting more than 2,200 tons of harmful pollution emissions a year." The AP adds, "The settlement, outlined in a consent decree filed by the Justice Department in federal court in Urbana, Ill., follows others with fellow oilseed processors Cargill Inc. and Archer Daniels Midland Co. The decree will be subject to a 30-day public comment period and subsequent judicial approval. … According to the government, Bunge or a subsidiary violated the federal Clean Air Act at some or all of the dozen plants with 'major' modifications of those sites without getting permits or adhering to pollution controls, the Justice Department said." The AP notes, "In settling the matter, Bunge will spend an estimated $12 million on emission-curbing projects and pay a $625,000 cash penalty, which will be divided among the U.S. government and the eight states. … The company will spend more than $1.25 million on community-based environmental projects in the affected states, including removing mercury, lead or asbestos from Louisiana schools and retrofitting diesel school buses and other vehicles in Indiana, Ohio, Kansas, Iowa and Alabama. Bunge also will provide environmental education in Kansas and residential lead abatement in Illinois."

Montana Water Deal Draws Criticism. The AP (10/27, Gallagher) reports, "Montana water rights for the U.S. Forest Service are in a proposed agreement that state and federal officials tout as a major step forward, but a leading conservation group opposes." The AP continues, "The Montana Reserved Water Rights Compact Commission and the Forest Service unveiled the agreement this fall and have been taking public comment at meetings, the last of them scheduled for Monday in Billings. Officials, who will accept written comment until Nov. 15, may tweak the document before submitting it to the Legislature for action this winter. Approval by the Legislature, the governor and the federal Agriculture and Justice departments is needed for the agreement to become final. .. .It lays out water rights for the Forest Service, rights agreed upon through negotiations that began in 1992 and accelerated with the hiring of a mediator last fall." The AP adds, "Forest Service needs include water for ranger stations, work centers, tree nurseries, road construction and firefighting. The agreement encompasses those needs, and for 77 streams it establishes what are known as 'in-stream flow rights' for fish-inhabited waters that

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pass through national forests. … Commission Chairman Chris Tweeten of the state attorney general's office called the agreement a 'good deal for Montana,' and Forest Service spokeswoman Paula Nelson said the state and the Forest Service 'have both come out winners.' … Fish conservation group Trout Unlimited has a different view. … 'It's a really, really bad proposal,' Bruce Farling, the group's executive director for Montana, said Thursday. Problems include inadequate in-stream flow rights, according to Farling, who said Trout Unlimited may propose amendments during the legislative session."

"Treatment Wetlands" Help Clean Cities' Sewage. USA Today (10/27, Watson) reports, "Cleaning up America's dirty water usually requires loads of chemicals, vast concrete tanks and huge pipes. Now some communities are turning to a more pleasant method of coping with sewage and polluted runoff: wetlands, complete with greenery and birdsong. … Cities are installing systems that send partially cleaned sewage to wetlands, which suck up even more pollution from the water. Local authorities are also turning to wetlands to store and cleanse the filthy water that runs off highways and pavement after a rainstorm." USA continues, "Such 'treatment wetlands' not only soak up pollution but also provide habitat for birds and other wildlife. And they require less energy and manpower than traditional sewage treatment systems, so they're often cheaper to operate. … Despite the high hopes, the EPA's Grumbles warns that wetlands are not a panacea for America's water pollution. No wetland can handle large volumes of raw sewage, he says, or water contaminated with industrial chemicals. Wetlands excel at wiping the last traces of pollution from sewage but aren't suited to tackling water direct from the nation's toilets and sinks. … Even with those limits, wetlands are drawing interest from environmental officials in small towns and large cities alike. In Louisiana, local agencies are even hoping to use wetlands to avoid costly repairs to a sewage treatment plant damaged by Hurricane Katrina. The remaining fertilizers in the treated sewage would also help rebuild the devastated marshes on the coast."

Utah Land Use Plan Faces Legal Challenge. The Salt Lake Tribune (10/27, Baird) reports, "A federal judge on Thursday heard arguments calling for the dismissal of a lawsuit Kane and Garfield counties have filed against the Interior Department over the Grand Staircase-Escalante National Monument land-use plan." The Tribune continues, "Attorneys for the Justice Department and a coalition of environmental groups told Judge Ted Stewart that the counties' claims to roads and water rights in the monument were overly broad - and deserve to be rejected. … Justice Department attorney Tom Snodgrass said the counties have failed to prove any of their road ownership claims in the monument beyond four routes that were recognized in the land-use plan. And he defended the Bureau of Land Management's decision to restrict the use of off-highway vehicles on those roads, arguing that they fell under the scope of the BLM's larger land management responsibilities." The Tribune adds, "Snodgrass also said the county fell short in proving its water rights have been thwarted, noting the BLM's authority to protect the monument's water resources is backed by federal law. … 'It's not enough to disagree [with the land-use plan]. They have to show they are being injured - and they have not,' he said of the counties' arguments."

Four Firefighters Killed In California Wildfire Set By Arsonist. In a widely-distributed story, the AP (10/27, Flaccus) reports, "A wind-whipped wildfire started by an arsonist killed four firefighters Thursday and stranded up to 400 people in an RV park," as "hundreds of others in the area were forced from their homes. Fire officials said the blaze was deliberately set around 1 a.m. and had blackened 10,000 acres within 12 hours. Fire Chief John Hawkins said the arson 'constitutes murder.' … 'They had left their truck to do structure protection when the fire overran them,' said Forest Service spokesman Pat Boss, adding that the flames came down so quickly they had no time to retreat to their engine or use protective sheltering." The AP notes, "Riverside County Sheriff Bob Doyle dispatched homicide detectives to the scene to work with FBI agents during the investigation. Authorities planned to offer a $100,000 reward in the case."

Energy Companies Drilling For Huge Natural Gas Reserves Below Fort Worth. The New York Times (10/27, Krauss, 1.21M) reports, "Under golf courses, schools, parks, libraries, airports and dozens of neighborhoods, some of the nation's leading independent energy companies are scouring the city [of Fort Worth] in search of the best locations to recover one of the largest concentrations of natural gas in the United States." It is "only the beginning of a new far-flung search by wildcatters now exploring Alabama, Illinois, Ohio, Pennsylvania and West

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Texas for a big new source of shale natural gas. The new drilling wave comes not only at a time when domestic gas production has stalled and demand for cleaner gas energy is increasing, but when new drilling technologies and relatively high gas prices make the exploitation of shale economically feasible for the first time."

FBI/DEA/ATF/USMS:

Thomasson Castigates FBI Over New Prince William Facility. In a Scripps News (10/27) syndicated column, Dan K. Thomasson writes, "At a time when taxpayers are being socked millions of dollars a day for Iraq and national security initiatives, the FBI -- America's front line against terrorism -- is spending $32 million on a new subheadquarters on a onetime Northern Virginia horse farm that is being dubbed the 'Taj Mahal' by its own agents because of its opulence." Thomasson adds, "This once again emphasizes an FBI trend to move out of traditional government space both for security and to further establish its independent image -- one removed from the Department of Justice. … The FBI's building spree has caused increasing concerns about the creation of a national police force with sweeping power," although "the one area with which it seems not to be terribly comfortable is the most important -- counter intelligence."

Florida Man Sentenced To 11 Years In Meth-Ring Case. The Orlando Sentinel (10/26) reports a federal judge on Wednesday "sentenced a Daytona Beach mechanic to nearly 11 years in prison for his role in a methamphetamine drug ring in Volusia County. Phillip 'Yeta' Crimi, 54, is the only one of 22 co-defendants who chose to go to trial after raids and arrests by federal, state and local agents as part of Operation Speedway II in August 2005." In 2003, 14 people "were prosecuted in the first phase of the investigation by a Drug Enforcement Administration-led task force."

Maryland Man Faces Life Sentence In Cocaine-Related Case. The Annapolis (MD) Capital (10/26) reports a Severn man "was convicted in federal court yesterday of shooting a county police officer in 2004 and being part of a crack cocaine-dealing organization called the 'Pioneer City Boys.' Calvin Ignatius Savoy, 29, faces a mandatory sentence of life with no possibility of parole. … As county police investigated the shooting and saw the ties to drugs, the Bureau of Alcohol, Tobacco, Firearms and Explosives and the Drug Enforcement Administration joined the case. People in the Pioneer City Boys sold guns to undercover officers." After the shooting, a federal grand jury "indicted Savoy and six other members of a drug operation prosecutors said had been around since 2002."

Seven Arrested In California Drug Sweep Indicted On Federal Charges. Bay City News Wire (10/26) reported on its Web site, "U.S. Attorney Kevin Ryan said that seven men face federal drug trafficking charges stemming from a Wednesday raid in North Richmond by federal, state and local law enforcement agencies. … Ryan said, 'These charges are an effort to make North Richmond a safer community for its residents by prosecuting alleged drug dealers in the area. I thank the federal and local investigative agencies for their continuing effort and strong collaboration.' Stephanie Douglas, an FBI Acting Special Agent in Charge, said, 'These arrests are the result of over two years of joint federal, state, and local investigation and constitute another step toward ending the stranglehold of gang violence in North Richmond and the wider Bay Area.' Douglas said, 'The FBI remains committed to working with our state and local partners to ensure the safety of all our communities.'"

Track Coach's Assistant Testifies To BALCO Grand Jury. The AP (10/27) reports the top assistant to track coach Trevor Graham "has testified to the federal grand jury investigating BALCO and its distribution of performance-enhancing drugs. But Randall Evans did not provide any incriminating testimony against Graham, who once trained five-time Olympic medalist Marion Jones, the attorney said in a statement given to The Associated Press. … Evans' appearance indicates the grand jury is at least interested in Graham as part of its probe of the Bay Area Laboratory Cooperative and the lab's distribution of steroids and other illegal performance-enhancing drugs."

Ecuador's Correa Resists Plan Colombia Strategy. The Wall Street Journal/Dow Jones (10/26) reports, "Leftist Rafael Correa said Thursday that he will not break off relations with the U.S. if he is elected president Nov. 26, but he will exercise a sovereign government. … Correa also accused U.S. President George W. Bush, together with Colombia President Alvaro Uribe, of trying to involve Ecuador

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in the U.S.-backed drug eradication and counterinsurgency strategy known as Plan Colombia. Correa said he expects his opponent, businessman Alvaro Noboa, to throw his support behind Plan Colombia."

Brutal War Among Drug Gangs Raging In Mexico. The New York Times (10/26, McKinley, 1.21M) reports, "An underworld war between drug gangs is raging in Mexico, medieval in its barbarity, its foot soldiers operating with little fear of interference from the police, its scope and brutality unprecedented, even in a country accustomed to high levels of drug violence." In recent months "the violence has included a total of two dozen beheadings, a raid on a local police station by men with grenades and a bazooka, and daytime kidnappings of top law enforcement officials. At least 123 law enforcement officials, among them 2 judges and 3 prosecutors, have been gunned down or tortured to death. Five police officers were among those beheaded." In all, "the violence has claimed more than 1,700 civilian lives this year, and federal officials say the killings are on course to top the estimated 1,800 underworld killings last year."

Staunton, VA, Vies For Marshals Museum. The AP (10/27) reports from Staunton, VA, "The U.S. Marshals Service, best known for dogging fugitives in the old West, is on a different kind of quest these days. … It wants a place to store its antique badges and arrest warrants for the ruthless and the wanted." The AP continues, "As part of that search, a committee toured the Shenandoah Valley and its major attractions for several days last week. Also in the running is Fort Smith, Ark. … Staunton received a vote of confidence during the tour: Three former directors endorsed the city. Stanley Morris, John Marshall and Henry Hudson all are backing Staunton over Fort Smith." The AP adds, "The agency's director, John Clark, is expected to select the museum site by the end of the year. … 'It's a great way for the American people to know about the background of law enforcement,' said Robin Boylan, former FBI lawyer and member of a local committee to land the museum. … The Marshals Service got its start with 13 appointments from President George Washington in 1789. One of those appointments fell to Edward Carrington, picked to watch over Virginia from his headquarters in Staunton." The AP notes, "While Staunton has strong ties to the Marshals Service, its competitor also has bragging rights. … Fort Smith was a frontier town with a federal judge and U.S. marshals who enforced the law in the Indian territory. Fort Smith was home base for the whiskey-sipping marshal Rooster Cogburn in the novel 'True Grit,' played by John Wayne in the movie. And many people currently living in Fort Smith are descendants of U.S. marshals."

IMMIGRATION:

Bush Signs Border Fence Bill Into Law. USA Today/AP (10/27, 7A) reports, "President Bush wanted an exchange of workers with Mexico to bring order to the border, but he wound up signing a law Thursday that approves walling off 700 miles of the USA from its southern neighbor. 'Unfortunately the United States has not been in complete control of its borders for decades and therefore illegal immigration has been on the rise,' Bush said." The President "called the border-fence bill 'an important step in our nation's efforts to secure our borders.'" However, adds the AP, "the centerpiece of Bush's immigration policy, a 'guest worker' program, remains stalled in Congress. A handful of House Republicans are at the brakes, blocking negotiations with the Senate for a comprehensive immigration bill."

The story was covered by all three network newscasts. ABC World News (10/26, story 8, 0:25, Gibson, 8.78M) reported, "With 12 days to go until the midterm elections, President Bush, today, signed the controversial bill, calling for 700 miles of fence along the US/Mexican border. At a White House ceremony, the President called construction of the fence an important step toward fighting illegal immigration and securing America's borders." The CBS Evening News (10/26, story 9, 0:15, Couric, 7.66M) said the bill "includes no money to actually build the fence. An earlier bill provides only a down payment on that."

NBC Nightly News (10/26, story 7, 2:30, Lewis, 9.87M) showed the President saying, "This bill will help protect the American people. This bill will make our borders more secure." NBC added, "Critics immediately blasted the idea of more fences. … Immigrant rights groups in this country call the bill an election year gimmick." Juan Jose Guitierrez, Latino Movement USA: "Building of the wall is going to be viewed by our Latino community as a frontal attack by the extreme wing of the Republican party and they will pay a high political price to for it." Lewis: "And in California, the state's most prominent Republican, governor Schwarzenegger said today, the government has to do more than just build fences." Gov. Arnold Schwarzenegger: "I think that it is an incomplete

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kind of reform of immigration. You have to make it possible for American companies, businesses and farmers to hire people from outside the country if they can't get the work force here." Lewis: "A fence with a multi-billion-dollar price tag amid many questions of whether it will make borders more secure."

McClatchy (10/27, Montgomery) notes "the barrier is to be constructed in tandem with a high-tech surveillance network known as the Secure Border Initiative, which the Boeing Corp. is developing for the Department of Homeland Security." DHS spokesman Russ Knocke "said the department will begin developing plans for the reinforced fence after Congress appropriates funding. Lawmakers have approved $1.2 billion for border security, but most of that money will be used for the Secure Border Initiative, Knocke said." Even "with the uncertain timetable for construction," Republicans "hope to use the new law as a vitally needed political boost in the days remaining before the Nov. 7 congressional elections, citing the fence as dramatic evidence that they're getting tough on border security and taking aggressive steps to combat illegal immigration. … GOP strategists believe the border-security message could make a difference by energizing conservative voters, although some analysts said it may be too little, too late.

Like McClatchy, much of the media coverage deals with the political repercussions of the new law. CNN's The Situation Room (10/26, Quijano) said "the purpose of the event really is to demonstrate that House Republicans, specifically, are taking action to get tough on border security." The Washington Post (10/27, A4, Fletcher, Weisman, 748K) reports "the president's signing ceremony was followed by a blizzard of statements from GOP lawmakers hailing the law." House Majority Leader John A. Boehner "called it 'a major victory in Republicans' efforts to make a real difference in securing our borders.'"

On CNN's Lou Dobbs Tonight (10/26), GOP Rep. James Sensenbrenner said, "We have a victory lap to take today. … The vast majority of the American public want border security, and they want it now. And not only is the fence authorized, but the first year's funding was approved by the President earlier this month, to the tune of $1.1 billion. And we've also funded 1,500 more Border Patrol officers and 6,700 more detention beds. The Congress got it, the president got it, and we're well on the way to securing the border. There's more to do, and we've got to do that next year. … I think that the President is on the road to Damascus."

On CNN's Lou Dobbs Tonight (10/26), Rep. Jeb Hensarling, also a Republican, said, "Every single evening in America, there's over 1,000 people who try to cross illegally, and many succeed. And we don't know who they are, where they're going, and what their purpose is. This is a matter of border security. I'm sorry if Mexico gets offended, but we have to secure the American homeland for Americans."

On Fox News' Your World (10/26, Cavuto), former attorney general John Ashcroft said, "I think tightening our borders and having integrity at the border is very important. This was a good step to take, a step in the right direction. But, if you will look at the 19 terrorists who flew the planes and on the planes into the World Trade Center, into the Pentagon, into the field in Pennsylvania, they had come here legally. And it was interior enforcement of immigration laws that was lax enough to allow them to stay, and overstay their visas. … The wall is an important part of integrity for the immigration system. But, as the President said, it's a step. It's certainly not the journey."

The Atlanta Journal-Constitution (10/27, Herman, 399K) says Bush's signing of the bill touched off "a debate over whether the timing -- 12 days before the midterm elections -- was politically motivated and whether the measure will be effective." Democrats "called it a publicity stunt aimed at making GOP candidates look tough on immigration."

The Washington Times (10/27, Dinan, 88K) notes "every major Republican congressional leader and many of the party's top-tier candidates issued statements lauding the fence and criticizing Democrats for opposing the fence." The Times adds, "In an interview with conservative columnists Wednesday, Mr. Bush was asked why he didn't campaign on immigration, and he said it doesn't appear to be a high priority for voters. 'Immigration is an issue. I don't hear it being discussed much out there,' he said, according to a White House transcript posted by National Review Online." That "stands in stark contrast to what Republicans report from the campaign trail, where candidates from first-timers to the speaker of the House say they hear about it."

The Los Angeles Times (10/27, Gaouette, 918K) reports Bush signed the bill "flanked by…Boehner…and other Republicans who blocked his bid for a broader overhaul of immigration law." The Times adds, "Some GOP leaders had pressed a reluctant White House for the signing ceremony so that as November's election nears, Republicans could

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promote the fence bill as an accomplishment, party aides said. 'House and Senate Republicans...will stop the hemorrhaging along our nation's borders,' said a statement by Senate Majority Leader Bill Frist, R-Tenn., and House Speaker J. Dennis Hastert, R-Ill. The House Republican leadership, in particular, views the fence not only as a needed security improvement but as a powerful political statement that will win support for the party. Other Republicans, however, worry that it could cost the GOP support among Hispanic voters." President Vicente Fox, meanwhile, "termed the measure 'an embarrassment for the United States.'" The New York Times (10/27, Stout, 1.21M) notes "the Mexican president-elect, Felipe Calderón" also condemned the bill, saying, "Humanity made a huge mistake by building the Berlin Wall, and I believe that today the United States is committing a grave error in building the wall on our border."

The Washington Times (10/27, Seper, 88K) reports "state legislatures, governors, and city and county governments, along with Indian tribal councils, have veto power over fencing locations. 'Even if Congress funds the construction of 700 miles of border fencing -- and that is a big if -- the fence will do nothing to stem the tide of illegal immigration,' said T.J. Bonner, a 28-year U.S. Border Patrol veteran and president of the National Border Patrol Council, which represents all 10,000 of the agency's non-supervisory personnel." The fence act "calls for 698 miles of border fences, along with lighting, roads, sensors, cameras and other security devices. A separate $33.8 billion Homeland Security funding bill signed by Mr. Bush on Oct. 10 authorizes $1.2 billion to begin building it." But "fence proponents and opponents agree that the $1.2 billion allocation is far short of the up to $9 billion it will take to build the proposed fencing. Congress has withheld $950 million pending a breakdown of how the money will be spent."

TAX:

IRS Commissioner Orders Collections Delay Until After Elections. The New York Times (10/27, Johnston, 1.21M) reports IRS Commissioner Mark Everson "has ordered his agency to delay collecting back taxes from Hurricane Katrina victims until after the Nov. 7 elections and the holiday season, saying he did so in part to avoid negative publicity." Everson, "who has close ties to the White House," said that "postponing collections until after the midterm elections, along with postponing notices to people who failed to file tax returns, was a routine effort to avoid casting" the IRS "in a bad light." But four past IRS commissioners, "who served under presidents of both parties, said that doing so because of an election was improper and indefensible."

Investigators Say IRS Taxpayer Assistance Centers Offer Little Help. The Washington Post's (10/27, D4, Barr) "Federal Diary" column notes that according to a recent Treasury Department IG report, "Federal auditors made 36 telephone calls to IRS taxpayer assistance centers to schedule meetings when they could discuss tax issues but were able to set up only five appointments. Of the 31 failed attempts, four IRS employees did not return calls, and the 27 employees who did 'would not, for various reasons, allow the auditors to schedule appointments,'" and adds that the IG "ran the phone test to gauge whether taxpayers were receiving 'quality customer service'" at the "agency's 400 assistance centers when they have complex tax issues," but "the review suggested it can be difficult for taxpayers to schedule an appointment" because "IRS field office guidelines 'are unclear and obsolete.'" The Post adds that often, IRS "upper management 'was not aware' that employees had been turning away taxpayers seeking appointments at the centers."

CONGRESS-ADMINISTRATION:

Judicial Nominee Defends Attendance At Lesbian Commitment Ceremony. The AP (10/27, Hananel) reports, "A Michigan judge whose nomination to the federal bench is stalled over her appearance at a lesbian commitment ceremony says she attended as a friend, not to give legal sanction." The AP continues, "The nomination of Michigan Court of Appeals Judge Janet T. Neff to be a U.S. District Court judge is on hold because Sen. Sam Brownback, R-Kan., is not satisfied with her response to questions about her views on same-sex marriage, a spokesman for the senator said Thursday. … Neff's status has been in limbo since last month, when Brownback placed his procedural hold -- using a technique that allows a lone senator to stall a nomination. Brownback wanted to know whether there was anything illegal or improper about the 2002 ceremony in Massachusetts and how Neff's actions might shape her judicial philosophy." The AP adds, "In an Oct. 12 letter to Brownback that was released by the Senate Judiciary Committee on Thursday, Neff said a minister presided over the ceremony and she insisted her

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attendance would not affect her ability to act fairly as a federal judge. … 'The ceremony, which was entirely private, took place in Massachusetts, where I had no authority to act in any official capacity and where, in any event, the ceremony had no legal effect,' Neff wrote. … Neff declined to answer Brownback's questions on whether the Constitution guarantees a right to same-sex marriage or civil unions, saying it would be improper to address questions that might come before her as a federal judge." The AP notes, "Senate Judiciary Committee Chairman Arlen Specter, R-Pa., has declined Brownback's request to bring Neff back for a second hearing, a committee spokeswoman said Thursday. The committee has approved Neff's nomination, which is pending before the full Senate."

White House Seeking Woman For Fed Vacancy. The Wall Street Journal (10/27, A4, Harwood, 2.03M) "Washington Wire" reports the White House "seeks female banker for Federal Reserve Board vacancy, though industry watchers predict decision won't come before the election. Those under consideration include Terry Jorde of North Dakota's CountryBank USA, Elizabeth Duke of Virginia's TowneBank, and Diane Casey-Landry of trade group America's Community Bankers."

Justice Thomas Says He Feels At Home In 11th Circuit. The Fulton County (GA) Daily Report (10/27, Mcdonald) reports, "U.S. Supreme Court Associate Justice Clarence Thomas told an Atlanta audience Thursday 'I am finally home.' … 'Thirty-two years ago, I tried desperately to come to Atlanta,' Thomas said. Unable to find a job there after graduating from Yale Law School, he took a job in the Missouri attorney general's office." The Report continues, "As a native Georgian, 'I had planned to be the 11th Circuit's justice from the very beginning,' Thomas said at the start of a two-day continuing education seminar on appellate practice in Atlanta. But, he said, 'another justice was holding the 11th Circuit hostage.' … That other justice was Anthony M. Kennedy, appointed by Ronald Reagan in 1988, who was already assigned to the 11th Circuit. Following the confirmation of Justice Samuel Alito earlier this year, Kennedy moved to the 9th Circuit and Thomas was assigned the 11th Circuit." The Report adds, "As the 11th Circuit's assigned justice, Thomas said he intends to be 'quite involved.' A Supreme Court justice is assigned to each federal circuit in the nation. That justice receives applications from the assigned circuit regarding emergency actions -- such as stays of execution or extensions for court filings. … Thomas fielded wide-ranging questions from members of the appellate bar on subjects as diverse as the aggressiveness of appellate judges, amicus briefs, and cameras at the U.S. Supreme Court. As he had promised after he was introduced, Thomas pulled no punches."

Congressional Delegations Abroad Said To Frequently Ignore Gift, Meal Rules. The Wall Street Journal (10/27, A1, Paltrow, 2.03M) reports in a front page story that runs nearly 2900 words, "Rep. Jerry Lewis and seven fellow members of Congress jetted to Europe in July 2003 on official government business and dined in restaurants from Warsaw to Lisbon." But instead of "paying for the meals out of their government allowances, they were treated by a parade of defense contractors and lobbyists, most of which sent personnel to Europe to host the meals, according to foreign-service officials and the companies." The meals "gave Boeing Co., Lockheed Martin Corp., Northrop Grumman Corp. and others private access to legislators who control billions of dollars in government contracts." Lewis was then the chairman of "a House of Representatives Appropriations subcommittee in charge of defense spending. He now chairs the House Appropriations Committee itself." But there is "one problem: The hitherto undisclosed free meals likely violated House rules and possibly federal law, experts on congressional ethics say. House rules, designed to prevent private interests from unduly influencing legislators' work, bar members -- with some exceptions -- from accepting such meals on congressional trips abroad." The Lewis delegation, "which counted six Republicans and two Democrats, was an extreme example, but is not an isolated incident, according to scores of interviews with congressional staffers, company spokesmen and others."

Harman Could Be Passed Over For Intelligence Chair If Democrats Win House. The AP (10/26, Werner) writes ranking House Intelligence Committee Democrat Jane Harman "would seem positioned to take the gavel if her party wins control of the House," but she "faces being sidelined by either of two other lawmakers now viewed as front-runners," Reps. Alcee Hastings and Silvestre Reyes, since while Harman "used her seniority on the committee to build a national profile on intelligence and

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defense," her "hawkish views hardened an ideological gulf between her" and Minority Leader Nancy Pelosi.

"Polarizing" Pelosi Could Become First Female House Speaker. ABC World News (10/26, story 9, 2:30, Gibson, 8.78M) profiles House Minority Leader Nancy Pelosi, who "is poised to become House speaker" if the Democrats win a majority. Pelosi "would be the first woman ever to hold that post. It's questionable how many Americans even know who she is. But many Republican candidates think she scares American voters." ABC (Shipman) added, "Meet the Republican Republicans' current boogie-woman, Democrat Leader Nancy Pelosi." President Bush: "The speaker would be a Congresswoman who said catching Osama bin Laden would not make America safer." Shipman: "What do you think when you hear the things he says about you?" Pelosi: "I couldn't care less. It shows how desperate the Republicans are, to have to have the President of the United States become their political hitman." Shipman: "Vintage Pelosi. Although she talks about making the atmosphere more civil in the Capitol, she is anything but. … Pelosi's blunt style is polarizing. But she's used it to pull off something that nobody thought was possible, organizing the congressional Democrats."

Three Democratic Candidates Will Not Commit To Pelosi. The Wall Street Journal (10/27, A4, Harwood, 2.03M) "Washington Wire" reports, "At least three competitive Democratic House candidates -- Weaver in Kentucky, Shuler in North Carolina, and Brown in California -- refuse to commit to supporting Pelosi for Speaker should her party recapture the House. Amid Republican attacks, Pelosi aides dismiss any doubts the San Francisco Democrat will win the gavel."

Kissinger Defends Bush's Performance In Office. On Fox News' Your World (10/26, Cavuto), Henry Kissinger said, "I have high regard for the President. And I can say that, because I didn't even support him the first time he ran in the primaries. I have developed high regard for the President. … Like many, he may not have understood, immediately, the full complexity of what we were facing in all of these areas. But that was a hard thing to do. … I think he will be remembered as having served the country well."

Reviewer Says "Death of a President" Doesn't Portray Bush's Killing With "A Smirk." Ann Hornaday reviews "Death of a President" for the Washington Post (10/27, C1, 748K), describing it as an "unsettling and exceptionally skillful exercise in blurring the lines between appearance and reality." The "fictional, documentary-style film uses the incendiary premise of the assassination of President George W. Bush in the not-too-distant future as a springboard for thinking about the practical and psychic toll of how America deals with terrorist threats." Hornaday adds, "Those who would condemn 'DOAP' without seeing it should be made aware of one crucial fact," the film "does not depict that event with glee or even a smirk. The shooting of Bush is indeed portrayed with solemnity and grief (although some red-meat Dems will no doubt mentally insert screeching 'Psycho' violins when someone first refers to 'President Cheney')."

NCLB Called A "Wake-Up Call" To "An American Education Revolution." Eugene Hickok, Bradley fellow in education at The Heritage Foundation and former deputy secretary of education, writes in the Washington Post (10/27, 748K), "Education Secretary Margaret Spellings recently commented that the No Child Left Behind Act is nearly perfect." But "even if Secretary Spellings were right that NCLB is 99.9% pure, it still would not be the formula for what ails American education." Hickok favors a system where "parents would have the power to determine whether their children are receiving a quality education." NCLB "will help us understand just how far we have to go, fueling our frustrations and disappointments along the way. NCLB is a wake-up call. What's needed is an American education revolution."

OTHER NEWS:

New Home Sales Up As Median Sale Price Drops. USA Today/Bloomberg (10/27) reports, "New home sales in the USA unexpectedly rose for a second month in September, even as selling prices declined by the most since 1970. Purchases rose 5.3%, to an annual pace of 1.075 million, from a 1.021 million rate in August, the Commerce Department said Thursday." The median price of a new home "dropped 9.7% from a year earlier, partly a result of more sales of homes priced less than $200,000 and fewer purchases of more expensive houses." Bloomberg adds, "The report suggests that builder incentives, lower mortgage rates and falling prices will keep this year's housing slowdown from deepening. It also signals that the Federal Reserve,

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which this week kept interest rates unchanged for a third month, is successfully managing an economic slowdown that it hopes will stifle inflation." Lynn Reaser, chief economist at Bank of America Investment Strategies Group in Boston, said, "The worst of the downturn in housing seems to be over. … Home builders are achieving success in boosting sales, although at the cost of aggressive incentives."

ABC World News (10/26, story 4, 2:20, Gibson, 8.78M), offering a markedly pessimistic view of the real estate market, reported, "While big oil makes big dollars, there is more tough news for the struggling housing market. The median price of a new home has taken its sharpest plunge in more than 30 years. Last month, that price fell to $217,000, down almost 10% in a year." This "steep slide is now hurting more than just home sellers." ABC (Muir) added, "The new numbers are bruising for builders. It is the largest drop in prices year-to-year in three decades."

The CBS Evening News (10/26, story 3, 2:15, Couric, 7.66M) reported, "If you're looking for a home, well, this may be the time to buy. The government reported today that prices are dropping like a rock and there are plenty of homes to choose from. If you're selling one, you may have problems."

The Wall Street Journal (10/27, Bater, Ives-Halperin, 2.03M) says that "in a sign that the housing market could be nearing bottom, the pace of sales rebounded for a second month." The New York Times (10/27, Peters, 1.21M) headlines its story "New-Home Prices Fall Sharply," and says that "to some extent the lower prices achieved the developers' goal: the backlog of unsold new homes on the market fell in September for the second consecutive month, while the number sold, adjusted for normal seasonal variations, rose by 5.3 percent from the previous month." But "economists and industry experts noted that the reported numbers provide a somewhat distorted picture of market reality. While they seemed to suggest a rebound in sales and a precipitous drop in prices, the data was skewed by a higher number of sales in the South, where homes are cheaper, and fewer in the more expensive Northeast."

The Los Angeles Times (10/27, Sanchez, 918K) titles its report "Home Prices Take Steepest Dive In 35 Years," while the Washington Post (10/27, D2, Elboghdady, 748K) reports, "Based on yesterday's data, some analysts predict the rush by builders to slash prices will push individual sellers to do the same next year if weakness persists in the housing market."

On NBC Nightly News (10/26, story 5, , Williams, 9.87M), Diana Olick of CNBC said, "Existing home sales have been down for six months straight. New homes are 14% off what they were a year ago. Price appreciation is unsustainable. Now that we're seeing prices go into the negative nationwide, it may mean that some of those buyers can get off the fence and get back into this market, start eating up some of that excess inventory for sale."

Dow Reaches New Record. NBC Nightly News (10/26, story 6, 0:20, Williams, 9.87M) reported, "Wall Street slugged off those housing numbers preferring instead to concentrate on word that Exxon Mobil posted a massive third-quarter profit this year. The Dow was up under 29 points [to close at 12,163.66]. NASDAQ was up 22 and a half [to close at 2,379.10] its highest close since February 2001." USA Today (10/27, Shell, 2.27M) titles its report "Lucky 13: Dow Closes At Record Again," and says the S&P 500 also "rose 6.86 points, or 0.5%, to 1389.08, a fresh six-year high. The S&P is up 11.3% this year." The Wall Street Journal (10/27, C1, Browning, 2.03M) also reports on the stock numbers in a story headlines "Like A Broken Record, Blue Chips Rise 28.98 To Break Another Record."

Bush Raises Funds For Republicans In Iowa And Michigan. The AP (10/27, Pickler) reports, "With precious air time still left to buy before Election Day, President Bush raised money Thursday for two Republican candidates trying to knock off Democratic incumbents in an uphill year for the GOP." The President "was in the final days of a nearly 2-year-long effort of unmatched fundraising for dozens of Republican candidates. Bush has raised more than $193 million in nearly 90 events, according to the Republican National Committee; that figure dwarfs what any other individual has raised for Republicans or Democrats." Bush "swung through Des Moines, Iowa, at lunchtime to raise $400,000 for the state Republican Party and congressional candidate Jeff Lamberti, whom the president mistakenly called 'Dave' throughout his speech. Then Bush headed to the Detroit suburbs for an early evening fundraiser that brought in $700,000 for Senate hopeful Mike Bouchard." Bush said "to cheers" in Detroit, "The other side is dancing in the end zone, except they're on the 15 yard line." He "hammered the same themes he has been using against the Democrats all fall -- that they want to raise taxes and are soft on fighting terrorism."

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The Des Moines Register (10/27, 163K) also notes Bush argued that "Democrats' view of the war on terror will endanger the country." The President "worked to make the case that if the United States does not pursue terrorists elsewhere in the world, Americans will have to fight them at home." On Air Force One "on the way to Des Moines, White House spokeswoman Dana Perino defended the decision to have the president appear on behalf of two challengers -- Lamberti and Republican Senate candidate Mike Bouchard in Michigan --perceived to be lagging behind Democratic incumbents. 'I don't know what polls you're looking at,' Perino told reporters. 'I would want to go back and check with our folks. We believe these candidates are going to win these seats.'"

The Detroit News (10/27, Henlein, Lynch), reporting from Warren, MI, says the President "made a rousing speech Thursday to a gathering of Republican donors" in support Bouchard. It was "Bush's second visit in a little more than a month in support of Bouchard, the Oakland County sheriff, hoping to come from behind in polls against Democratic Sen. Debbie Stabenow of Lansing. Stabenow leads Bouchard 50 percent to 38 percent." The News adds, "Combined, the president's appearances have raised $1.5 million." In a speech that "touched on terrorism and taxes, Bush told 600 donors who paid $1,000 a plate that Bouchard would help give Michigan's economy the boost it desperately needs. 'To go from worst to first, you need Mike Bouchard in the US Senate,' Bush said."

Another Detroit News story (10/27) reports Bush "took a slight detour on his way to a Warren Republican fundraiser to satisfy a sweet tooth. After landing at 4:35 p.m. at Selfridge Air National Guard Base, his motorcade swerved off Interstate 94 and made an unexpected stop at Morley Candy Makers on Hall Road in Clinton Township." The staff "presented him with a container of Michigan's famous Saunders hot fudge, and U-M and MSU candy bars." He and Bouchard "toured the factory, shaking hands with sales staff and watching candy moving down the conveyor. 'They asked me why I came here,' Bush told the media. 'No. 1, I like small businesses. No. 2, I like sweets,' he said while holding up a can of the hot fudge."

GOP Seen As Unable To Capitalize On Poor Economy In Michigan. In his Washington Post column (10/27, A23), E.J. Dionne says, "While Republicans scratch their heads over why a seemingly good economy is not helping them nationally in this year's elections, Michigan is where the party once hoped a bad economy would help it seize a governorship." Republican candidate Dick DeVos "was on the verge of making the sale. A Detroit News Poll in mid-June found him leading Granholm 48 percent to 40 percent." But Granholm "has come back. The News poll in mid-October had her ahead, 51 to 42 percent. More recent polls give her a comparable lead. Her recovery helps explain why the economy is not helping the Republicans elsewhere." The problem "for the GOP is that while voters in better-off states seem to be voting on Iraq and other issues, those thinking most about the economy live in lagging industrial states such as Michigan and Ohio, and they are blaming President Bush and national policies for their troubles. In the Ohio Senate race, for example, Rep. Sherrod Brown, a Democrat, has built a lead over incumbent Republican Mike DeWine using hard-hitting advertisements on trade and the loss of manufacturing jobs."

Pew Poll Shows Democrats Running Well In Once-Safe GOP Districts. McClatchy (10/27, Thomma) reports a new Pew Research Center survey suggests a "major wave could be building against Republicans" in the House. Democrats "have opened a double-digit lead in competitive House campaigns around the country in a new poll and are within 2 percentage points in districts once considered safely Republican." In districts where President Bush won between 50% and 60% of the vote in 2004, Democrats now lead 45%-40%. Larry Sabato of the University of Virginia now predicts Democrats will gain 21-26 seats, and Carl Klarner and Stan Buchanan of Indiana University predict a 21-seat Democratic gain.

GOP Seeks To Avoid State Routs. The Wall Street Journal (10/27, A4, Harwood, 2.03M) "Washington Wire" reports Republicans "aim to limit House losses by avoiding individual state routs" in Connecticut, Indiana, New York, Ohio, and Pennsylvania, with at least three GOP seats at risk in each. In Connecticut, Republicans hope the appeal of Sen. Joe Lieberman's "independent candidacy to moderate Republicans" will help their House incumbents keep their seats.

Gubernatorial Races Could Have Congressional Race Impact. The Wall Street Journal (10/27, A4, Harwood, 2.03M) "Washington Wire" reports gubernatorial races "may affect outcomes in key congressional contests." Republicans are growing "gloomier about gubernatorial prospects in

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Wisconsin, Michigan and Iowa, home to three competitive House seats and one Senate seat."

Republicans Facing Surprisingly Tight Races In CO5, ID1. USA Today (10/27, Kenworthy, 2.27M) reports Democrats are doing surprisingly well in races for open House seats in Colorado and Idaho. The story stresses that Republicans Doug Lamborn in CO5 and Bill Sali in ID1 were both backed in their primaries by the Club for Growth, and they are now "looking less like surefire investments." Lamborn "has been hurt by lingering divisions from a bitter six-way primary in August," providing "a boost for Democrat Jay Fawcett." Sali also won a "divisive six-candidate primary." After Sali "discussed a supposed link between abortions and breast cancer early this year, Idaho House Speaker Bruce Newcomb, a Republican, called him 'an absolute idiot.'"

Abramoff Case Dogs Doolittle, Pombo. The New York Times (10/27, McKinley, 1.21M) reports on the ongoing impact of the Jack Abramoff lobbying scandal on the midterm elections, with California Republican Reps. John Doolittle and Richard Pombo facing "questions about their relationships" with Abramoff. Both men "have denied any wrongdoing, and the Justice Department has not publicly named either of them in its Abramoff investigation. Still, their association with the lobbyist, his associates and clients -- who gave tens of thousands of dollars in campaign contributions to their past campaigns -- remains difficult to shake as Election Day nears."

Negron Faces Tough Battle In Winning Florida's 16th CD. The Christian Science Monitor (10/27, Richey, 58K) reports that although Florida's 16th CD was a "classic political gerrymander" designed to favor Republican candidates, it "may be of little comfort" to former state Rep. Joe Negron, who was "tapped by the Republican Party to run for the seat left vacant by disgraced US Rep. Mark Foley amid the Congressional page scandal." Foley's former seat "is one of the four most vulnerable Republican congressional seats in the Nov. 7 election, says the nonpartisan Cook Political Report. It is considered a key contest in a national push by Democrats to gain 15 or more seats to take control of the House of Representatives and elevate Nancy Pelosi to House speaker." Del Ali of Research 2000 said, "It is going to be a very tough go for Negron to win." The Monitor adds Mahoney "is critical of the local economy and skyrocketing hurricane insurance rates in campaign appearances and ads. He is also pushing the need for change in Washington." Negron is "hoping to capitalize on campaign stops by Gov. Jeb Bush, who is said to enjoy a 60-plus percent approval rating among district voters." But Negron "faces a particularly difficult obstacle - he must find a way to win an election without his name appearing on the ballot." Last week, Circuit Judge Janet Ferris "barred election officials in the 16th District from posting special signs or verbally explaining why Negron's name was not on the ballot and why Foley's name was still on." The ruling "marks the first time a judge has ever interpreted Florida election law so broadly to bar any mention of a candidate in response to a voter's question. State officials are appealing Judge Ferris's ruling."

Black Turnout Crucial For Democratic Candidates. The New York Times (10/27, Urbina, 1.21M) reports that for Democrats "in tight races, black voter turnout will be crucial on Election Day. But despite a generally buoyant Democratic Party nationally, there are worries among Democratic strategists in some states that blacks may not turn up at the polls in big enough numbers because of disillusionment over past shenanigans." Democratic strategist Donna Brazile said, "This notion that elections are stolen and that elections are rigged is so common in the public sphere that we're having to go out of our way to counter them this year." The Times adds Democrats' worries "are backed up by a Pew Research Center report that found that blacks were twice as likely now than they were in 2004 to say they had little or no confidence in the voting system, rising to 29 percent from 15 percent." More than "three times as many blacks as whites — 29 percent versus 8 percent — say they do not believe that their vote will be accurately tallied." Black voters "are expected to play crucial roles in races for governor and the Senate in Florida, Maryland, Michigan, Missouri, Ohio, Pennsylvania, Tennessee and Virginia."

Bill Clinton Campaigns For Upstate New York House Candidates. The New York Times (10/27, Hernandez, 1.21M) reports Bill Clinton "campaigned in upstate New York on Thursday, trying to give a boost to Democratic candidates seeking to topple several entrenched Republicans in the Democratic Party's drive to retake the House." Clinton's "appearance underlined the sense of confidence that Democrats feel about their prospects for picking up several House seats in Republican strongholds of New York." Democrats are "taking aim at two Republican-held seats: in the 25th Congressional District, where Representative James T. Walsh is facing Dan Maffei; and in the 24th District, where State Senator Raymond A. Meier, a Republican, is battling Michael A. Arcuri, a Democrat, to

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succeed Sherwood L. Boehlert, a Republican who is retiring." Clinton earlier campaigned in Albany with "Kirsten Gillibrand, who is trying to unseat Representative John E. Sweeney, the Republican incumbent in the 20th District."

Toomey Says Club For Growth Prepared For Rebuilding If GOP Loses House. The Christian Science Monitor (10/27, Cook, 58K) reports on the results of the Monitor Breakfast with Club for Growth president Pat Toomey. While he is "careful not to predict a Democratic takeover" of the House, "his comments over breakfast with reporters Thursday make it clear: his advocacy group is preparing for major changes on Capitol Hill." Toomey said if Republicans "lose the House, Toomey says, 'The Club for Growth is poised to play an enormous role in helping to rebuild a limited government, pro-growth majority in the US House.'" The Club "lobbies for making the Bush tax cuts permanent, eliminating the inheritance tax, cutting government spending, and boosting free trade. The group has a political action committee which supports Republican candidates who are in synch with its policy positions."

Administration Using Cabinet Officials To Distribute Grants For Incumbents. The Washington Post/AP (10/27, A21, Feller) reports, "Those in power love to dole out grants at election time. With Republican control of Congress at risk, the Bush administration is busily using the perks of incumbency to help allies from Ohio to California." The "formula: Cabinet luminaries travel to competitive districts and hand out money while local candidates bask in media coverage." The Post notes that in PA7, Republican Rep. Curt Weldon "was getting some fuel Wednesday from the Energy Department. The agency sent an assistant secretary to stand next to Weldon at a news conference, touting a local company that had just scored a $6.3 million federal grant." Meanwhile, Labor Secretary Elaine Chao last week "joined another endangered Republican, Sen. Rick Santorum, and thanked him for his leadership. Then she announced a $10.4 million grant to help the state clean up from severe storms."

Democratic Campaign Committees Outraise GOP Counterparts. The AP (10/27, Elliott) reports the Democratic congressional campaign committees "raised $15.5 million during the first 18 days of October, setting up their final push to reclaim both chambers. Republicans, meanwhile, raised $10.1 million for their candidates, continuing a pace that has lagged this election." Republicans "slightly beat the Democrats' House committee but stumbled on the Senate side, where a $5.5 million fundraising disparity emerged during the Oct. 1-17 reporting period." The Democratic Senatorial Campaign Committee 'raised $9.1 million; the National Republican Senatorial Committee raised $3.6 million." DSCC Chairman Chuck Schumer said, "In the world series of fundraising, Senate Democrats just hit a grand slam in the bottom of the ninth." The AP adds the "Senate fundraising disparity does not reflect individual campaign fundraising, which Republicans said gave them a $14 million advantage during the last complete reporting period."

Business Groups Boost Contributions To Democrats. The Los Angeles Times (10/27, Simon, 918K) reports Democrats have seen "a surge in campaign contributions from pro-business groups -- groups whose members would have to deal with the liberal Democrat" Rep. Barney Frank "instead of a probably-more-congenial Republican. (Rep. Michael G. Oxley, the Ohio Republican who now heads the committee, is retiring after this term.)" Issues "involving the financial services industry fall under the committee's jurisdiction. And the New York Life Insurance Co.'s political action committee has contributed $10,000 to Frank this election season, up from $1,000 in the 2003-'04 cycle, according to PoliticalMoneyLine, which tracks political donations. The National Assn. of Insurance and Financial Advisors PAC contributed $10,000 to Frank this election season, up from $3,000 in the last cycle." Frank is "not alone. As prospects appear to grow that Republicans will lose control of the House and perhaps even the Senate, business groups, trade associations, and their lobbyists and political advisors have developed a sudden enthusiasm for contributing to Democrats -- especially to those likely to be in the House leadership or to head important committees if Republicans lose their majorities."

DCCC Executive Director Seen As Anchor Of Effort To Retake House. The Washington Post (10/27, A2, Romano, 748K) profiles Democratic Congressional Campaign Committee executive director Karin Johanson, who can "probably predict with scary accuracy how many seats Democrats will pick up in the Nov. 7 midterm elections -- but she's too superstitious to say." Johanson "is one of those people whose names you never hear, a political junkie who has been toiling in the backwaters of Democratic politics for more than 30 years -- and one who is playing a huge role in

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the party's efforts to regain the House." If "her boss, the outspokenly partisan Rep. Rahm Emanuel (Ill.), is the aggressive face of the Democratic push, Johanson is his anchor, the person who can sit at her office near the Capitol and see the whole country at a glance -- or in critical little parts that might add up to a win."

Negative Ads Multiply In Run Up To Election.

The Washington Post (10/27, A1, Grunwald, 748K) reports in a front page story, "On the brink of what could be a power-shifting election, it is kitchen-sink time: Desperate candidates are throwing everything. While negative campaigning is a tradition in American politics, this year's version in many races has an eccentric shade, filled with allegations of moral bankruptcy and sexual perversion." The "growth of 'independent expenditures' by national parties and other groups" has also "allowed candidates to distance themselves from distasteful attacks on their opponents, while blogs and YouTube have provided free distribution networks for eye-catching hatchet jobs." The result "has been a carnival of ugly, especially on the GOP side, where operatives are trying to counter what polls show is a hostile political environment by casting opponents as fatally flawed characters." The National Republican Campaign Committee "is spending more than 90 percent of its advertising budget on negative ads, according to GOP operatives, and the rest of the party seems to be following suit." But "most harsh Democratic attacks have focused on the policies and performance of the GOP majority, trying to link Republicans to Bush, the unpopular war in Iraq and the scandals involving former representative Mark Foley and former lobbyist Jack Abramoff."

The Wall Street Journal (10/27, Schatz, 2.03M) reports that with "less than two weeks to go until Election Day, there has never been a harder time to break through the nonstop negative clutter, particularly in states and districts where the races are toss-ups. About $1.2 billion has already been spent on political and issue ads since Jan. 1, according to TNS Media Intelligent/CMAG, a political-ad tracking firm based in Arlington, Va., which predicts that ad spending this year could hit a record $1.7 billion." Some candidates "are using humor to attract the attention of voters weary of political ads." Maryland Republican Senate candidate Michael Steele "in particular, has drawn attention for his ads, which have neither the look nor feel of typical political commercials and have been cited as one reason why his race against Rep. Cardin is closer than expected, given Maryland's tendency to elect Democrats." But while "voters may say they frown on such attacks, negative ads seem to make a bigger impression on them than positive messages."

At the top of MSNBC's Hardball (10/26), host Chris Matthews said, "The gloves are off and it's getting ugly out there. Campaigns in the most competitive races are carpet-bombing the airwaves with negative political ads, about ties to the mob, ads that spark racism, accusations of sexism and campaign donations from the porn industry, ads that put an opponent's face smack next to a mushroom cloud, and spots that accuse members of Congress of protecting a child predator. This strategy is ruthless. Negative ads work. Republicans stand to lose control over Congress. They have to win at all costs and they're trying to. And despite what the polls say, they're not going to give this election to the Democrats without a fight to the finish."

The Washington Times (10/27, Harper, 88K) reports that to date, Republicans and Democrats "have spent $117 million on the U.S. Senate and House races, according to the Federal Election Commission, up 27 percent from the comparable period in 2004, when the tab stood at $92.5 million." The final amount "spent on 'home-stretch advertising, voter mobilization and other campaigning' by parties, candidates and advocacy groups may be as high as $2.6 billion, the Center for Responsive Politics estimated this week." Voters are "getting a mean-spirited showcase. Money spent on negative campaigns -- that is, in opposition to a particular candidate -- this year accounts for 78 percent of spending on both sides. Two years ago, it was 40 percent. Congressional Quarterly recently estimated that 80 percent of advertising purchases were for negative messages."

Laura Bush Campaigning In Swing States.

CNN's The Situation Room (10/26, Henry) said, "It's the First Lady who is going to the sort of swing states, where a controversial visit from the President could tip it against the Republicans. She's the one they're putting in some of these key states that are 'purple' or bluer, that lean Democrat or in the middle. She's the one who brings in the independent voters."

White House Confident Of Senate Victory, Less So On House. The White House Bulletin/US News (10/26) reported on the White House line "on how the midterm elections will unfold has the Republicans keeping 51 seats in the Senate and either a slight majority or close

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minority in the House, give or take three to five seats." "The House is very difficult," said one Administration official. The Bulletin adds that to "win the House, the officials said, President Bush, the First Lady and other top aides are planning to spend the next week raising huge amounts of money so that there is enough cash to pay for TV and radio ads in key races." The GOP official said, "It's a matter of money." Asked how "the House can be so close despite media and pollster predictions the Democrats will win 25 or more seats, the Bush associate said that many troubled lawmakers are turning their campaigns around. Included in the leaning victory column now: Indiana Rep. Mike Sodrel, who will host a Bush fundraiser Saturday; Ohio's Rep. Deborah Pryce, the GOP conference chair; and Rep. Tom Reynolds, chair of the National Republican Congressional Committee." On the Senate side, the GOP "starts with 40 senators not up for reelection, seven who are safe and a fight for the rest. Leaning victory in White House reports are Missouri's Jim Talent, Montana's Conrad Burns, Virginia's George Allen, Tennessee's Bob Corker, Arizona's Jon Kyl and Rhode Island's Lincoln Chafee." One official said "that the 'trend line is up' for the GOP in recent days because of Bush's pressure on the war and a growing awareness by voters that the midterm election is right around the corner."

RNC Drops Plans For Ad Buy For DeWine In Ohio. The AP (10/27, Hammer) reports the Republican National Committee said "it won't run any television ads in Ohio on behalf of Sen. Mike DeWine during the final week of the campaign." RNC spokesman Aaron McLear "said the national party organization had reserved time to run statewide TV ads next week as DeWine tries to come back against Democratic Rep. Sherrod Brown, who leads in recent polls. But in the end, the RNC decided not to make the purchase, McLear said." The AP adds National Democrats "said it showed the Republicans were giving up on the two-term senator."

Menendez Has One-Point Lead Over Kean In New York Times Poll. The New York Times (10/27, Chen, Connelly, 1.21M) reports Republican Thomas H. Kean Jr. "has capitalized on his father's reputation to offset voters' qualms about his inexperience." Democratic Sen. Robert Menendez "has been buoyed by discontent with President Bush. The result in this heavily Democratic state is an extremely tight race, according to the latest New York Times/CBS News Poll." The poll "suggests that Mr. Kean, a state senator, has done surprisingly well in a year when other Republicans are struggling even on friendlier turf not because of Mr. Kean himself, but because of his father, former Gov. Thomas H. Kean, one of the state's most popular politicians." Kean's commercials "attacking Mr. Menendez as unethical and corrupt have also worked, with many voters saying that corruption is the first thing that springs to mind when asked about Mr. Menendez." Over all, the race "is a statistical tossup, with Mr. Menendez leading 38 percent to 36 percent among registered voters, and 40 percent to 39 percent among likely voters."

GOP Gambles On Funding Kean In New Jersey. The AP (10/27, De La Cruz) reports, "New Jersey is to Republicans what slot machines are to gamblers: irresistible, with long odds of winning." Gamblers "pull the lever, hoping for the big payout. Republicans are sharing the same dream, throwing $3.5 million into the Senate race with days left and banking" that Kean "can defeat" Menendez on November 7. Menendez has "maintained a huge cash advantage over Kean throughout the election cycle and the last two weeks, the Democratic Senatorial Campaign Committee has been running $4 million worth of ads against Kean." The GOP "infusion of cash levels the money playing field for Kean but is a big gamble, given that New Jerseyans have not elected a Republican to the Senate since 1972." The Menendez campaign "said Menendez would get some help next week from former President Clinton and Sen. Barack Obama, D-Ill."

Webb's Appeal To Women, Minorities May Be Key To Virginia Senate Race. The Wall Street Journal (10/27, Cummings, 2.03M) reports Democrats hope Virginia Senate candidate Jim Webb will "draw some crossover votes from the Republican's base of white men," but "a more important question may be whether President Reagan's Navy secretary can energize two vital constituencies in the Democrats' own base: women and minorities. Since entering the race against Republican Sen. George Allen earlier this year, Mr. Webb has drawn unsteady support from both groups." While Webb's "antiwar stance helped him win the party primary, he would bring to Washington a variety of stances that conflict with the Democratic base. Among them, he opposes gun control and is mixed on abortion rights -- he supports Roe v. Wade but opposes late-term abortions, or so-called partial-birth abortions." Recent polls "show Messrs. Webb and Allen in a

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dead heat. One reason: They are tied among women -- a precarious position for a Virginia Democrat." Webb also "needs to generate enthusiasm among African-Americans." Reservations "in the black community were sparked mostly because he was a stranger in their midst."

The USA Today (10/27, Lawrence, 2.27M) reports Webb "has been dogged by a 1979 magazine article in which he argued that women did not belong in combat or at military academies." Allen is "trying to overcome a past fondness for Confederate flags and pins, the noose he once had in his law office — which he said was part of a Western memorabilia collection — and new questions about his attitudes on race." The "tempests have put women and minorities at the heart of a tight race. Both groups are crucial to each candidate and the outcome could determine which party controls the Senate." As the "campaign enters its final days, the importance of these voters is reflected in mailings, advertising and candidate schedules crammed with events designed to fire them up and win them over. Allen has erased the traditional advantage that Virginia Democrats enjoy with women. Webb, who once opposed all forms of affirmative action, is trying to energize the black voters who make up about 20% of the Virginia electorate."

Candidates' Wives Playing Big Role In Virginia Race. The Washington Times (10/27, Bellantoni, 88K) reports that if Allen is "the team captain of his re-election campaign, Susan Allen is the head cheerleader. And while voters most often see Mr. Allen's challenger James H. Webb Jr. out on the stump, both his wife and ex-wife have been rallying support, at times together, for the decorated Vietnam War veteran." Pundits "jokingly refer to the women standing behind their men as the secret weapons in this year's Senate race in Virginia, but voters are noticing their work."

Vietnam Webb's Defining Experience. The Washington Post (10/27, A1, Kunkle, 748K), in a front page story, profiles Webb's military experience in a story under the headline, "Defiant Iraq War Foe Defined By Vietnam." The Post adds, "Above all, Webb is still in his heart a combat Marine. His defining moment came in Vietnam, and he remains loyal to the men he led and the memories he formed there. Once a year or so he reunites with former comrades. At Arlington National Cemetery, he visits the graves of others, often leaving Marlboro cigarettes for his buddy, Snake." That, as a candidate, "this warrior rails against the war is only one of the contradictions in Webb's life, just a hint of the complexities and ironies that make him an uneasy candidate. He has switched from Democrat to Republican and back to Democrat -- first in anger because of President Jimmy Carter's pardon of people who avoided the draft, and now because of the Iraq war."

Hard Nosed GOP Consultant's Role In Tennessee Senate Ad Noted. The New York Times (10/27, Kornblut, Rutenberg, 1.21M) reports the controversial "Playboy party" ad targeting Democrat Harold Ford in the Tennessee Senate race was produced by Scott Howell, and "Democrats quickly pounced on his history of bare-knuckled tactics and close relationship with Karl Rove as evidence of a familiar Republican approach." The incident "quickly set off a wave of denials and denunciations from Republican officials, including the national party chairman and Senator John McCain of Arizona, who has hired Terry Nelson, another consultant affiliated with the spot." Howell associates "said the advertisement was typical of a media strategist who has in the past manufactured political controversy to win tough races in spite of — or because of — the intense reaction the work so often provokes." Howell's "latest ad says Mr. Ford voted to recognize gay marriage; Mr. Ford, in fact, twice voted in favor of a proposed constitutional amendment banning same-sex unions." The ad, which "calls Mr. Ford slick and smooth, says Mr. Ford wants to give the 'morning after' pill to school children, an outright falsehood, according to Mr. Ford's campaign." But if "angry voters are looking for a place to direct their anger, they may have a hard time." Howell "did not produce the spot for" Republican Bob Corker, "who has disavowed it. He produced it for a quasi-independent organization that is financed by the Republican National Committee but operates wholly out of the committee's control or direction."

The CBS Evening News (10/26, story 5, 2:15, Pitts, 7.66M) reported the Corker-Ford contest is "among the most competitive and nasty US Senate races in the nation. But it didn't just happen with the racially charged ad from Republicans. The Democrats struck first, weeks ago, playing the class card: 'Corker's personal income grew by 40% to $11 million.' But soon, the Republican National Committee hit back with an ad that critics called race baiting." The ad "features a young, attractive white woman referring to a party Ford once attended hosted by Playboy." Conventional wisdom "says you're still black. This is still the South. And in the end he will spend you under the table." Rep. Harold Ford

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Jr.: "Oh, he's going to definitely spend us more than under the table. I'm still black. And we're going to win."

The New York Times (10/27, Austen, 1.21M) reports the controversial GOP ad that "has drawn criticism in the United States has also become a political and diplomatic issue in Canada." In the ad, an actor says, "Canada can take care of North Korea. They're not busy." The Times adds, "Whatever its intent, the aside is seen in Canada as a suggestion that the country is a free rider when it comes to global security. While Canada did not participate in the invasion of Iraq, it has posted a large portion of its army in Afghanistan as part of NATO forces since 2002." On Wednesday, Michael Wilson, Canada's ambassador to the United States, "spoke with an official at the White House, whom the Canadian government declined to name, to officially express Canada's displeasure."

NYTimes Criticizes GOP Use Of Loophole To Fund Controversial Ad. The New York Times (10/27, 1.21M) says in an editorial, "The sleazy way in which campaigns and the political parties use loopholes in the campaign finance laws to evade responsibility for their attack ads is on full display in the Tennessee Senate race. Slick as a leer, pernicious as a virus, a campaign commercial transparently honed as a racist appeal to Tennessee voters has remained on the air, despite assurances from Republican sponsors that it was pulled down." The ad, "resonating with the miscegenation taboos of Old South politics, may or may not be the nadir in the low-blow salvos now assailing the nation. But it takes the statuette for political hypocrisy as G.O.P. leaders insist they were hobbled by campaign law from cutting off what is clearly their own handiwork." All Ken Mehlman's Republican National Committee "did was finance the ad by way of a supposedly 'independent' political shop that serves as a shadow party operation specializing in attack ads on behalf of the Republican candidate, Bob Corker."

Tennessee, Virginia Races Seen As Indication Of Staying Power Of GOP "Southern Strategy." In his Washington Post column (10/27, A23), Eugene Robinson says, "The Republican Party built its 'solid South' in part with an appeal to racism against African Americans and other minorities." Usually, "latent prejudice had to be summoned more subtly, using a code that white voters could easily decipher: I'm on your side. The Democrats are with them . Who you gonna vote for?" The elections "in Tennessee and Virginia will give us a benchmark, to use George W. Bush's new favorite word, of how much the South has changed -- and also, by the way, will probably determine whether the Democratic Party pulls off an upset and captures the Senate." The RNC ad in the Tennessee race "has to be one of the funniest, slickest, best-produced political ads of the year," and "viewers are left to fill in the blanks, and clearly the hope is that they will free-associate to a word like 'miscegenation.' Or, if Republicans are lucky, something considerably worse." In Virginia, Sen. George Allen "opened the door to a thorough examination of his attitudes toward race and ethnicity with his infamous 'macaca' gaffe and his oddly startled reaction to discovering his own Jewish heritage." Are "some white Southern voters still unable to shake that Pavlovian response to the Republican code? We'll have some data points to evaluate on Nov. 7."

Steele Misidentifies Location Of Latest Purple Line Metro Proposal. The Washington Post (10/27, B2, Shaver, 748K) reports, "Cameras rolled and clicked yesterday as Maryland Lt. Gov. Michael S. Steele strolled off a Red Line Metro train at the Grosvenor-Strathmore station and took his place before the microphones." Democrat Ben Cardin, Steele said, "was so out of touch with the Washington suburbs' transportation woes he couldn't even locate a proposed link in the Metro system known as the Purple Line. It was a criticism Steele raised in a televised debate the day before." But the "only problem: Steele held his media event on the 'need for a Purple Line' at a Metro station two stops from where the proposed line would go. It turns out that the Grosvenor-Strathmore station in North Bethesda was part of an old proposal, called the 'outer line,' that Maryland dropped two years ago. The only path being studied now, the 'inner line,' would start in downtown Bethesda -- four miles from where Steele stood."

Cardin Skips NAACP-Sponsored Debate. The Washington Times (10/27, Miller, Ward, 88K) reports Cardin "last night skipped an NAACP-sponsored debate in Charles County, Md., a day after the Democratic Senate nominee stammered and stumbled during a faceoff with the Republican nominee, Lt. Gov. Michael S. Steele." Debate organizers "said they had expected Mr. Cardin to participate but his campaign had not made a firm commitment to appear with Mr. Steele and Kevin Zeese, the nominee of the Green, Libertarian and Populist parties." Cardin campaign spokesman Oren Shur "said that a scheduling conflict prevented the 10-term congressman from attending the debate at New Community Church of God in Christ in Waldorf."

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Cook Praises Steele Campaign. On MSNBC's Hardball (10/26, Matthews), political analyst Charlie Cook said, "That's a race that I didn't expect would ever get competitive. And Steele has been in a better campaign than I have ever thought. He has run a better campaign. His ads have been fabulous. Cardin's ads until the [Michael J.] Fox ad came along were like totally pedestrian and unimpressive. It's become a relatively competitive race."

Fox Defends Stem Cell Advocacy Ads. On the CBS Evening News (10/26, story 6, 6:40, 7.66M), Katie Couric interviewed Michael J. Fox, who discussed his political advocacy for supporters of embryonic stem cell research. Asked about the Missouri ad, in which he is seen rocking back and forth, Fox said, "On any given day I have a thousand different things I can feel. I go through a million cycles during the course of a day. For example, right now, this [shaking] is a dearth of medication, not by design. I just take it and it kicks in when it kicks in. Sometimes it kicks in too hard, and you get what is called Dyskenisia, the rocking motion." Asked about criticism by talk radio host Rush Limbaugh, Fox said, "First thing, he used the word 'victim.' On another occasion I heard him use the word 'pitable.' Understand, nobody in this position wants pity. I don't want pity. I could give a damn about Rush Limbaugh's pity or anybody's pity. I'm not a victim. I'm someone in some situation, and we he the right to pursue those answers with the full support of our politicians, and so I don't need anyone's permission to do that."

Romney Says GOP Governors Facing Uphill Climb. On Fox News' Your World (10/26, Cavuto), Gov. Mitt Romney, asked about projections that "Republicans are going to lose anywhere from six to eight governorships," said, "I think that's reasonable for people who are looking at the numbers, because the math is very bad for us. We have nine Republican governors not running for reelection, only one Democrat. And, in many of the states where there are open seats, if you will, they are very heavily Democratic seats. We have always got a series of incidents in some Republican states that have put us behind the eight ball, like in Ohio, where the governor going out has had some problem on an ethics violation. So, we are facing a tough uphill climb. The polls today would suggest we will do pretty bad indeed."

Erhlich Warns Of Absentee Ballot Crisis In Maryland. The Baltimore Sun (10/27, Harris, 262K) reports Republican Gov. Robert L. Ehrlich, Jr. "warned Thursday that a shortage of absentee ballots is 'approaching crisis proportions' and asked the state elections administrator to develop contingency plans if more cannot be delivered in time." Maryland elections chief Linda H. Lamone "acknowledged that some counties had run out of ballots or had yet to receive all they need, with the election 11 days away. But she said more deliveries were scheduled, and described the problems as manageable." The Sun adds, "Demand for absentee ballots is high after a push by Ehrlich and others for the use of the paper alternative in the aftermath of the Sept. 12 primary, which was crippled by human and technological errors."

O'Malley Has Alienated Many Prominent Democrats. The Washington Post (10/27, B2, Mosk, Wagner, 748K) reports prominent Baltimore lawyer William H. Murphy "usually reserves his powerful rhetorical skills for the courtroom, but this year he's hitting the airwaves to try to sway voters." In a 60-second radio ad, Murphy says, "I don't think anybody understands the criminal justice system better than I do, and that's why I'm not voting for Martin O'Malley for governor." The Post adds the former judge, "a confidant to Baltimore's elite and a lifelong Democrat, has something in common with a number of influential figures in his city: He can't stand the brash young man who became mayor at 36, and now, at 43, is his party's nominee for governor." O'Malley's "lightning-fast ascent has left a trail of wounded egos and bitter opponents. Several have become vigorous campaigners for incumbent Robert L. Ehrlich Jr., O'Malley's Republican opponent in this year's race for governor." O'Malley has confronted "business owners over plans to redevelop some of Baltimore's blighted downtown neighborhoods" and challenged "the city's law enforcement orthodoxy over how best to tackle inner-city crime." In the process, "he made an enemy of Baltimore Orioles owner Peter G. Angelos, who was once one of the most prolific supporters of Democrats in the nation but who now has hosted a series of fundraisers for Ehrlich."

Krauthammer Urges Obama To Run And Lose In 2008. In his Washington Post (10/27, A23, 748K) column, Charles Krauthammer writes that Sen. Barack Obama "should run in '08. He will lose in '08. And the loss will put him irrevocably on a path to the presidency." He says Obama's "affecting personal history, fine intelligence, remarkable articulateness and refreshing charm" and the "uniquely open race" in 2008 will win Obama attention, and

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he adds that "the country hungers for a black president. Not all of the country, but enough that, on balance, race would be an asset." But after 9/11, Krauthammer says "the country will simply not elect a novice in wartime." He compares Obama's 2008 hopes with those of then-Sen. John Kennedy in 1956, when "he was really seeking the vice presidency" and "preparing for a serious presidential run in 1960. Obama should be thinking ahead as well -- using '08 to cure his problem of inexperience. Run for the Democratic nomination and lose. He only has to do reasonably well in the primaries to become such a compelling national figure as to be invited onto the ticket as vice presidential nominee."

Texas Electricity Rates Remain High Four Years Into Deregulation. The Wall Street Journal (10/27, A1, Smith, 2.03M) reports in a 2,300-word analysis that Texas's "four-year-old [electricity] deregulation plan has failed to bring the benefits originally envisioned." Electricity deregulation's supporters "have hoped [it] would bring innovation and lower prices to an essential sector of the economy. The reality is messier, as consumers fail to take advantage of their new options -- or fail to gain any options -- while clever companies that know how to work the system prosper." Criticism in Texas "often coalesces on a single company: TXU, which owns both the largest generation company in the state and the biggest electricity retailer by number of customers." The Journal says, "Once TXU and other incumbents have locked in the higher price, they have no obligation to lower it even if natural gas becomes cheaper. Since 2002, most incumbents have raised their benchmarks on six to eight occasions, but none has ever dropped its benchmark price." FERC "has no jurisdiction in Texas because power is generated and distributed within the state." The Journal reports, "Despite the worries, Texas is pushing ahead with further deregulation on the wholesale side, including lifting price caps on what generators can charge the grid operator."

Morgan Stanley To Invest $3 Billion In Carbon Trading Market. The Financial Times (10/27, Giles) reports, "The drive to tackle climate change gathered pace on Thursday as Morgan Stanley, the investment bank, announced a $3bn plan to invest in the carbon trading market amid mounting evidence that some US states are growing more sympathetic to international action." The Times says, "The moves come just days before a UK government report is expected to propose a huge expansion of the global market in trading permits for carbon dioxide emissions." The Times notes, "Certain US states have recently taken steps to establish carbon markets. Seven states in the north-east have agreed a regional move to cap emissions from 2009, while California has set emissions limits."

Ashcroft Discusses Music And More In New Memoir. The Washington Post (10/27, C3, Argetsinger, Roberts, 748K) "Reliable Source" column reports, "One lesson gleaned from John Ashcroft's new book: Making fun of his singing is so not cool. In his new memoir, 'Never Again,' Ashcroft writes about the challenges he faced as attorney general after Sept. 11 -- including the time he went on David Letterman's show. The talk show host spent weeks in early 2002 making mirth of a video clip in which the AG sang his own composition, 'Let the Eagle Soar,' in a strong, clear tenor. Letterman then coaxed Ashcroft onto his show to talk about the Patriot Act -- and by the way, maybe sing a song? Ashcroft writes that he was suspicious of Letterman's nice-guy act and wondered if singing 'would expose the office to ridicule.' (He eventually agreed to play 'Can't Buy Me Love' on the piano instead.)" Asked at his book party if the "Singing Senators -- his old group with Trent Lott , Larry Craig and Jim Jeffords -- might get back together," Ashcroft "smiled warmly. 'I hope so! I think that Washington needs more singing these days.'"

Movie Examines Dixie Chicks After Bush Criticism. The Christian Science Monitor (10/27, Rainer, 58K) reviews the documentary "Shut Up and Sing," in which directors Barbara Kopple and Cecilia Peck "straight-forwardly document what happened to the" the country music act Dixie Chicks "after lead singer Natalie Maines told her cheering London audience in March 2003 that she was 'ashamed the president of the United States is from Texas.'" Kopple and Peck "astutely capture how the Chicks attempted both to make nice and stand fast. From the get-go, Maines never backs down from her statement. The other Chicks, Martie Maguire and Emily Robison, clearly wished Maines had kept silent, but they support her throughout." The Monitor rates the film A-.

Seoul Begins Implementing Some Sanctions On Pyongyang. The AP (10/27, Smith) reports Seoul

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"made its first concrete move Thursday to enforce U.N. sanctions imposed on North Korea for its nuclear test, saying it will ban officials from the communist country who fall under a U.N. travel restriction and control financial transactions between the rivals." UNSCR 1718 "seeks to ban the country's weapons trade and calls for North Korean ships to be searched for suspected illegal materials," and yesterday "Unification Minister Lee Jong-seok said Seoul would ban some North Korean officials from traveling to the South and control transactions and remittances related to inter-Korean trade and investment with Pyongyang, the South's Yonhap news agency reported." The AP adds, "It was unclear how tough the South will be in enforcing the restrictions. Seoul had been hesitant to take strong measures to support the sanctions." Nevertheless, the "announcement is certain to be welcomed in Washington, where [Secretary Rice} on Wednesday urged South Korea to show 'a strong commitment' to the sanctions." The AP also notes that the South Korean Defense Ministry reported the "lingering threat posed by the North, saying the regime is believed to have enough plutonium to make as many as seven nuclear bombs. The North is also working to make a small, lightweight nuclear warhead that can be carried by ballistic missile, according to the report released by an opposition lawmaker." USA Today/AP (10/27, Smith) carries the AP story.

China-North Korea Border Trade Continues Uninhibited. A 1,659-word piece on the front page of the New York Times (10/27, Yardley, 1.21M) reports on "the growing and, in some ways, surprisingly complicated trade relationship between China and North Korea. China remains North Korea's most important aid donor and oil supplier, but, conversely, China is now importing growing amounts of coal and electricity from North Korea. Chinese entrepreneurs, meanwhile, are starting to buy shares in North Korean mining operations and, in one case, trying to gain access to the Sea of Japan by leasing a North Korean port as a potential shipping hub." The Times says that "upswing" in commerce "is one of the reasons that China has sent mixed signals about how aggressive it will be in inspecting border trade to meet the" sanctions spelled out in UNSCR 1718. While diplomatic efforts have produced some agreement on a way forward, "the question of inspections along the 866-mile border between China and North Korea is a different matter. The sanctions authorized countries to inspect cargo entering and leaving North Korea and barred the sale or transfer of material that can be used to make nuclear weapons. Yet the sanctions are still less than two weeks old, and some details have still not been worked out. For example, the sanctions ban luxury goods without defining them."

Hill Says Six-Party Talks Only Venue For Dialogue With Pyongyang. AFP (10/26) reports comments by Assistant Secretary of State Chris Hill that "stalled six-party talks have to restart for the US to talk to North Korea, following the isolated regime's nuclear test earlier this month." He is quoted as saying, "The North Koreans haven't expressed an interest in having a dialogue with anyone really. We've made very clear that if they come back to the (six-party) process, we're certainly prepared to talk to them directly." Hill went on to say that "the six-party agreement was very important to the US, because it ensured a united stand by countries in the region over North Korea's nuclear ambitions." AFP continues, "Threats by Pyongyang against South Korea over adopting sanctions imposed after the test flew in the face of Seoul's clear undertaking to follow the resolution 'to the letter,' said Hill… North Korea needed to understand UN Security Council resolutions were binding on everyone, he said."

Improved North Korea Bomb Said To Be Possible Soon. In a short piece, the Washington Times (10/27, Bawa, 88K) notes "US analysts'" belief that "North Korean scientists will only need a few months at most to correct technical problems connected with the Oct. 9 test of the country's first nuclear device." Experts "are still trying to gauge the effectiveness of [that] test," although "U.S. intelligence officials have confirmed the explosion was a nuclear device." The Times cites one expert who said that "the most likely cause of the failure was a component that initiates the chain reaction that produces the explosion," and adds, "All of the U.S. analysts agreed that it would take the North Koreans only a few months to fix these types of problems."

US Interagency Team Saw Imminent Collapse Of Kim's Regime In 1997. The New York Times (10/27, Mazzetti, 1.21M) reports, "A team of government and outside experts convened by the Central Intelligence Agency concluded in 1997 that North Korea's economy was deteriorating so rapidly that the government of Kim Jong-il was likely to collapse within five years, according to declassified documents made public on Thursday." The team's report "described the isolated and impoverished country as being on the brink of economic ruin," an "assessment" that the Times notes "has not been borne out, and its disclosure is evidence of past American misjudgments about the internal dynamics of North Korea's

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closed society." Intelligence officials "still regard North Korea as among the toughest of intelligence targets and have made little progress inserting human spies into the country to steal secrets about the government." The Times says the report shows "a pattern of growing concern about North Korea's economic crisis during the second half of Bill Clinton's presidency," a set of assumptions that "helped shaped White House thinking in 1994 when it promised to deliver light-water nuclear reactors to North Korea by 2003 in exchange for Pyongyang's halting its covert nuclear weapons program."

Clinton Administration Official Says Bush Must Refashion Rhetoric To Deter Kim. In his opinion piece in the Washington Post (10/27, A23, 748K), former Assistant Secretary of Defense Graham Allison questions President Bush' formulation for deterring Kim Jong-il. "If North Korea sells a nuclear weapon to Osama bin Laden or Iranian President Mahmoud Ahmadinejad, he should expect the United States to go to the United Nations and negotiate further sanctions? And if al-Qaeda sneaks that bomb into the United States and we awake to the president's nightmare in which a mushroom cloud engulfs Washington or Los Angeles, then what? If this formulation stands -- without further specification -- America risks becoming the victim of a catastrophic 'deterrence failure.'" Allison says the Administration "has demonstrably failed to deter Kim Jong-il," and adds that, "having stiffed Bush…, might Kim now imagine that he could also sell nuclear weapons?" North Korea "must be convinced that" the US could trace any nuclear material used by a third party to Kim's government, and he "must feel in his gut the threat that if a nuclear weapon of North Korean origin explodes on American soil or that of a U.S. ally, the United States will retaliate precisely as if North Korea had attacked the United States with a nuclear-armed missile: with an overwhelming response that guarantees this will never happen again."

Moscow Seeks To Slow European Sanctions Against Iran. The AP (10/27, Meyer) notes Moscow "signaled its opposition Thursday to a draft [UNSCR] proposed by European nations that would impose sanctions on Iran over its disputed nuclear program, calling it a departure from existing agreements between world powers." Noting that Beijing and Moscow "have strong commercial ties with Tehran," the AP says they "have been reluctant to support sanctions against Iran. A key concern for Moscow is the future of its $1 billion contract to build Iran's first nuclear power station." Russian Foreign Minister Sergey Lavrov is quoted saying, "Our goal is to eliminate the risks of sensitive technologies getting into the hands of Iran until the IAEA clarifies issues of interest to it, while maintaining all possible channels of communication with Iran. And it seems to me that, in this context, the draft resolution clearly does not correspond to those tasks agreed on by the six sides." The draft UNSCR "would impose limits on the Russian-built nuclear power station in the southwestern city of Bushehr, although they do not force an end to it." Washington "has been pushing for even tougher sanctions, and Richard Grenell, spokesman for the U.S. mission to the United Nations, said Wednesday there would be 'American changes to the proposed European text.' He refused to elaborate."

WPost Sees Iranian Efforts To Radicalize Middle East Advancing. The Washington Post (10/27, A22, 748K) editorializes, "Judging from what Israeli raids have been uncovering in the Gaza Strip, Palestinian militants are eager to imitate what they perceive as Hezbollah's success in standing up to the Israeli army in the villages of southern Lebanon -- and Iran's agents are just as eager to help them. … It's not hard to predict where this is heading: toward events that will serve to further advance Iran's goal of radicalizing the Middle East. Those who stand to lose the most from that development -- Israel, Egypt and the United States -- are running out of time for their agenda of negotiations and confidence-building."

Assad Said To Be Under Sway Of Ba'athist Operatives. The Washington Times (10/27, Gertz, Scarborough, 88K) "Inside the Ring" column reports a source says Syrian President Bashar Assad "is no strongman like his late father, Hafez. In his sixth year as leader, Bashar is largely controlled by Ba'ath Party operatives who oppose better relations with the West. The source tells us it is Bashar Assad's aides who push the 40-year-old dictator to support Hezbollah destabilization activities in Lebanon and allow al Qaeda jihadists to use Syria as a staging point for infiltrating Iraq and killing Americans and Iraqis."

Administration Pressed To Open Dialogue With "Axis Of Evil" States. The New York Times (10/27, Cooper, 1.21M) reports the "cries for dialogue" with "axis of evil" states "have grown louder" in recent week, as Iraq faces more violence, North Korea rattles a nuclear saber, and Iran defies the UN. Ex-Secretary of State James Baker

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"said this month that he believed 'in talking to your enemies,'" and discussing North Korea, ex-President Carter "said that 'the stupidest thing that a government can do that has a real problem with someone is to refuse to talk to them.'" Sen. Barack Obama "said last weekend that even at the peak of the cold war, 'when there were nuclear missiles pointing at every major U.S. city, there was a direct line between the White House and the Kremlin.'" While "officially, the administration is sticking to form," within the Administration, "things are a little more nuanced, Bush officials said. One administration official distilled the internal deliberations this way, 'On Syria, there's a very healthy debate about whether we should talk to them; on Iran, there is no debate internally.'"

Solana Asks Israel To Keep Rafah Crossing Open. The AP (10/27, Brand) notes EU foreign policy head Javier Solana "said Thursday he hoped a crucial crossing between Gaza and the outside world, which has been closed by Israel for most of the past four months, would be reopened on a regular basis soon." EU officials "have threatened to abandon their mission" on the Egypt border "if Israel keeps closing the [Rafah] passage for what it says are security reasons." The AP notes, "Israel has kept the crossing closed for all but 12 days since Palestinian gunmen captured an Israeli soldier on June 25 and took him into the Gaza Strip. It fears militants would try to sneak the soldier across the border to Egypt and also says Rafah has become a conduit for weapons smuggling into Gaza."

Foreign Donations Reach Palestinian Authority. The New York Times (10/27, Myre, 1.21M) reports Palestinian Interior Minister Said Siam "took home $2 million in cash from Muslim countries when he returned to the Gaza Strip this week, part of a continuing effort to meet government expenses in the face of a cutoff in aid from Western countries, an aide to the minister said Thursday." A Siam aide "said the money had come from 'Arab and Muslim countries,'" and said Siam "plans to spend half the money by making $50 payments to 20,000 members of the security forces." The "remaining $1 million would go toward restoring the Interior Ministry building, which was damaged in a recent fire set by members of Fatah."

Top American In UN Hierarchy To Leave Post. The Washington Times (10/27, Pisik, 88K) reports UN Undersecretary General for Administration and Management Christopher Burnham, the highest-ranking American in the UN hierarchy, will leave his job on November 16 to take a private sector job. The "outspoken" Burnham "has been trying to modernize U.N. management practices."

Ecuador's Correa Tells US Ambassador He Will Maintain Diplomatic Relations If Elected. In an analysis piece, the AP (10/27, Solano) reports Ecuador presidential candidate Rafael Correa "said after a meeting with [Ambassador Linda Jewell] on Thursday that he will not break off relations with Washington if he wins his country's Nov. 26 runoff election." He is quoted saying, "I will not break off relations with the United States, but Ecuador's international policy will be sovereign. We will condemn the errors that the whole world recognizes, like the invasion of Iraq in search of weapons of mass destruction that did not exist." Embassy spokesman Aaron Sherinian told reporters that "Jewell asked to meet with Correa to discuss a 'wide range of bilateral issues,' and also planned to meet with his opponent, pro-U.S. banana tycoon Alvaro Noboa." The AP adds Correa "has alarmed Wall Street and Washington with threats to default on foreign debt payments to fund social programs, and a pledge not extend the U.S. military's use of the Manta air base on the Pacific coast for drug surveillance flights when a treaty runs out in 2009."

Danish Court Throws Out Suit Against Muhammad Cartoon Publisher. The Washington Times/AP (10/27, Olsen) reports the City Court in Aarhus in Denmark "rejected a lawsuit yesterday against the newspaper that first printed prophet Muhammad cartoons, some of which depicted Islam as a violent religion." An alliance of seven Muslim groups claimed "that the 12 drawings printed in the Jyllands-Posten daily were meant to insult the prophet and make a mockery of Islam. The court conceded that some Muslims saw the drawings as offensive, but found there was no basis to assume that 'the purpose of the drawings was to present opinions that can belittle Muslims.'" The newspaper in question "hailed the court's decision as a victory for freedom of speech," however, "Muslims were outraged at the court decision."

Australian Muslim Cleric Refuses To Step Down Amid Rape Comment Furor. The AP (10/27, Sullivan) reports Sheik Taj Aldin al-Hilali, "Australia's most prominent Islamic cleric, vowed Thursday to stand strong against widespread outrage over his description of

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women who don't wear head scarfs as 'uncovered meat' who invite rape." He "apologized for any offense he caused women in making the comments a month ago during a sermon marking the Islamic holy month of Ramadan. But he said he had no intention of stepping down. Instead, al-Hilali will not give sermons for two or three months, though he will not face censure for his comments, a spokesman for the governing association of his mosque said." Prime Minister John Howard "and others denounced al-Hilali's remarks as blaming women for rape, and there were calls for the cleric to quit or be removed from his role as mufti in the faith." The AP calls al-Hilali "a lightning rod in strained relations between the government and the Muslim minority."

ABC World News (10/26, story 7, 2:35, Gibson, 8.78M) reported extensively on tensions surrounding Muslim women's wearing of the veil in Western nations including Australia. "An uproar in Australia over comments from this senior Muslim cleric, who seemed to say that women who do not wear headscarves are inviting rape." Sheik Taj Aldin al-Hilali: "I am very, very sorry for that, people misunderstanding my talk and my message." John Howard, Prime Minister of Australia: "The idea that women are to blame for rapes is preposterous. It's an appalling concept." Unidentified female: "It's very sad." Harris: "From Australia to England to the US. A clash between the government and Islam over the veil. Last week, British Prime Minister Tony Blair said veils prevent Muslims from fully integrating into society." Tony Blair, British Prime Minister: "It is a mark of separation." Harris: "In Detroit, Ginna Mohammed sued a rental car company over a repair bill. When she refused to take off her veil to testify, the judge threw out her case, saying he couldn't assess her credibility. Some Muslims say when government steps into their religious affairs, it alienates a community that already feels under siege." Daisy Khan, ASMA Society: "That's what happens when people are attacked. They circle the wagons. They get very intense about their faith. Their religious identity gets stronger." Harris: "The veil has long been the subject of debate among Muslims themselves. Many believe there is nothing in the Koran that say women have to cover their heads. Some Muslim women say veils are oppressive. Others say they're liberating." Ginna Mohammed: "This is my choice. I feel free. I'm happy." Yvonne Ridley, Islamic Channel TV: "No one certainly judges me by the size of my bust or the length of my skirt anymore. And that is really liberating." Harris: "For centuries Muslims have argued about the veil. Now, the veil has become a powerful symbol of the struggle between Muslims and the West to understand one another."

Nicaraguan Congress Approves Total Ban On Abortions. The AP (10/27, Aleman) reports the Nicaraguan Congress "voted Thursday to ban all abortions, including those that could save a mother's life. If signed into law by President Enrique Bolanos, the measure would eliminate a century-old exception to Nicaragua's abortion ban that permits the procedure if three doctors certify that the woman's health is at risk." The AP says it is "unclear whether [Bolanos] would sign the bill," which "has drawn protests from women's rights groups." Notably, the AP adds, "Sandinista leader Daniel Ortega, who was a supporter of abortion rights as a young revolutionary, has said he has become a devout Roman Catholic and now opposes abortion."

The New York Times (10/27, Lacey, 1.21M) adds Nicaragua "joins El Salvador and Chile as the only countries in the Western hemisphere to ban abortion without exception. But across Latin America, abortion is outlawed except in rare circumstances. It is readily available only in Cuba and a few English-speaking Caribbean countries." This legislative move "comes two weeks before a hotly contested presidential election on Nov. 5, and opponents of the law say it was introduced now because no one dared to oppose it in the political climate."

China Corruption Probe Targets Top Communist Party Officials. The New York Times (10/27, Kahn, 1.21M) reports a "widening Chinese anticorruption investigation is taking aim" at Communist Party leaders, a "sign that President Hu Jintao intends to continue removing officials he considers insufficiently loyal. … Some 300 Communist Party investigators have been examining property deals and procurement practices in the capital city since at least late September and have uncovered suspicious dealings that implicate top Chinese leaders."

Arrested Woman's Case Causes Difficulties For Bush On Vietnam Trade. The Washington Post (10/27, Kessler, 748K) reports on its front page that while President Bush hopes to go to Vietnam next month bearing a gift" in the form of a passed trade bill, the "plight of an ailing 58-year-old Florida woman who has been held in a Vietnamese prison for more than a year on terrorism suspicions is threatening to derail the president's plans. The

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case against Thong Nguyen 'Cuc' Foshee highlights both Vietnam's human rights record and the lingering passions of former refugees for the country they fled three decades ago. It also exposes the tension between the administration's dual efforts to promote business and foster democracy." The "prominent Republican" Foshee was arrested in September 2005 after she arrived in Vietnam to attend a nephew's wedding. Vietnamese officials have alleged that she was involved in a plot "to take over radio stations and undermine the Vietnamese government. … Some Bush administration officials suggest that the Vietnamese government may have evidence against Foshee, but they fault its failure to bring formal charges."

Lula Expected To Easily Win Reelection In Brazil Sunday. The Wall Street Journal (10/27, Moffett, Samor, 2.03M) runs a front-page profile of the run-up to Sunday's Brazilian presidential election, where "blue-collar" President Luiz Inacio Lula da Silva "is a heavy favorite to win re-election." While college-educated Brazilians "often look down on a president who quit school after the fourth grade," the "vast majority of Brazilians with only a basic education embrace him. Overall, a survey by the Datafolha polling group projects Mr. da Silva getting 61% of the vote compared with 39%" for centrist rival Geraldo Alckmin.

Security Of Raul Castro's Succession In Cuba Seen As Uncertain. In her Wall Street Journal (10/27, A15, 2.03M) column, Mary Anastasia O'Grady writes that Raul Castro's effort to make sure he maintains "the upper hand" after brother Fidel's impending demise "appears to be a work in progress. At this time the military seems to be loyal to Raul. Nevertheless, the dictator in waiting has at least two reasons to be worried. The first is Hugo Chávez, who pours an estimated $2 billion into the Cuban economy annually and seems to believe that he is the rightful revolutionary successor to Fidel." And there is already tension "between elements of the regime that see themselves as ideologically pure and loyal to Fidel and Raul's army, which seems to enjoy making money." Also, "less noticed by the international press but at least as threatening," are Cuba's dissidents, "once again stirring things up, this time with their 'non-cooperation campaign.'"

South Africa Sets Ambitious Economic Growth Goal. USA Today (10/27, Lynch, 2.27M) reports, "More than a dozen years after the demise of South Africa's apartheid regime, one out of every four workers is officially unemployed," and when those who have "given up looking for work" are factored in, "the country's jobless rate is a staggering 40%." So the government has set a goal of achieving "an annual growth rate of 6% by 2014, double the average figure for the first decade of democratic rule, by eradicating a handful of 'binding constraints.' Priorities include improving substandard education, accumulating foreign exchange reserves, and spending $49 billion over three years on new roads, ports and power plants. Such robust growth would represent a big improvement for South Africa, but it would pale alongside the performance of fast-growing developing countries such as India or Vietnam."

South Africa Plans Expansion Of AIDS Programs. The Washington Post (10/27, Timberg, 748K) reports on its front page that South Africa's government is also "seeking to shake off years of international denunciation for its handling of the AIDS epidemic -- including a fixation on the supposed protective powers of beets and lemons -- while expanding treatment, testing and prevention programs." USA Today (10/27, Lynch, 2.27M) says the nation's "virulent AIDS epidemic may have a larger-than-expected impact on economic growth, sabotaging productivity gains and sharply inflating health care and training costs, economists say." One South African economist says that by 2010, "AIDS will cut the annual economic growth rate" by 1.5%.

Major Oil Field's Decline May Force Mexico To Open Industry To Private Investment. The Christian Science Monitor (10/27, Miller Llana, 58K) reports, "Even as popular pressure grows around Latin America for a stronger state hand in developing natural resources such as oil and gas, Mexico's president-elect Felipe Calderón may be forced to consider putting more power in private hands." The Monitor says, "as production at Pemex's top oil field declines, pressure to find new fields is mounting. But industry analysts say Mexico's constitutional restriction on foreign direct investment will hamstring costly exploration efforts, and possibly disrupt the flow of oil, 80 percent of which heads to the US." The Monitor reports, "So far, Calderón has reiterated that he will not consider private direct investment." Moreover, Mexico's "divided electorate means that Calderón is unlikely to find the political capital to challenge nationalization, even partially." However, "some still hope that Calderón will be able to open the industry to more private participation, beyond

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the current flat-fee subcontracts that foreign companies can participate in. ... [M]ore than anything, the reality of dwindling oil production may help to change sentiments."

Friedman Says "Living Green" Will Unite The West. The New In his New York Times (10/27, 1.21M) column, Thomas L. Friedman says he agrees with his German friends that "the issue that will and should unite the West is energy and all its challenges. After all, nothing is a bigger threat today to the Western way of life and quality of life than the combination of climate change, pollution, species loss, and Islamist radicalism and petro-authoritarianism — all fueled by our energy addictions. And no solution is possible to these problems without concerted government actions to reduce emissions, to inspire green innovation and to shift from oil to renewable power." Friedman writes, "One reason President Bush has failed to become the leader of the West is because he has failed to lead on green, which has become so important to all our allies. I doubt that he'll redefine U.S. policy in his last two years, but the issues around climate change and energy conservation are now rising so fast it's impossible to imagine that his successor won't — whoever it is. And once that happens, it is impossible to imagine that living green, instead of fighting reds, won't become the new glue of the Atlantic alliance."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"'Devil Winds' Stoke Fatal Fire."
"A County Of Bad Ol' Boys."
"No Easy Answer To 'Kurdish Question'."
"Flames Ambush Man 'Who Could Do Anything'."
"Getty Toughens Up Its Rules For Acquisition."

USA Today:
"Cameras Catch Speeding Britons And Lots Of Grief."
"Elections Pushed, Pressed, Pulled Into 21st Century."
"Room To Grow?"
"Army To Spread Burden Of Combat."

New York Times:
"G.O.P. Moves Fast To Reignite Issue Of Gay Marriage."
"Democrats Fear Disillusionment In Black Voters."
"I.R.S. Going Slow Before Election."
"Family Ties Help Kean In Senate Race, Poll Says."
"Sanctions Don't Dent North Korea-China Trade."
"Cameras Catch Speeding Britons And Lots Of Grief."

Washington Post:
"The Year Of Playing Dirtier."
"In South Africa, A Dramatic Shift On AIDS."
"U.S. Deaths In Iraq Near Peak Months."
"D.C. Jury Acquits Jemal."
"Iraq War Foe Defined By Vietnam."
"A Prisoner Of Global Impact."

Washington Times:
"Bush Signs Law To Build Border Fence."
"Cardin Skips Debate In Charles County."
"Muslim Group' Suit Over Cartoon's Rejected."
"Krazy George-Huskies Rematch As Wave turns 25."

Detroit Free Press:
"Auto Bosses Grapple To turn The Corner."
"Stabenow's In A Fight For Her Job."
"Candidate Schmooze Undecided Detroiter."

Atlanta Journal-Constitution:
"The Flag's OK But The Pole's Not."
"$4 Drugs A Bargain But Not A Cure All."
"Border Law Exposes Split On Immigration."
"For A Cheerleader He's A Pretty Good Linebacker."

Houston Chronicle:
"Admissions Jump At Community Colleges In State."
"Only The Best Will Do."
"U.S. Toll In Iraq This Month One OF The Highest."
"Libertarian Not After Win, But Acceptance."
"Lone Drivers Might Get HOV Access-For Fee."

Story Lineup From Last Night's Network News:
ABC: Palm Springs Wildfire; Colorado Snow; Oil Profits Up; Housing Market; Iraq-Sectarian Violence; Iraq Timeline-Changing Course; Muslim Women & The Veil; US Border Fence Bill Signed; New Possible Speaker; Elmo Smuggling Drugs; Black & White Twins.
CBS: Palm Springs Wildfires; Colorado Snow; Housing Market; Oil Profits Up; Tennessee Senate Race; Michael J. Fox Interview; Iraq-Sectarian Violence; Border Fence Bill; Black & White Twins; Michael J. Fox Interview.
NBC: Palm Springs Wildfires; Iraq Timeline-Changing Course; Combat Stress; Afghanistan Violence; Housing Market; Stock Market; Border Fence Bill; Colorado Snow; Teenage Drivers; Fighting Cancer.

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WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Meets with NATO Secretary General, Oval Office, pool at bottom.

VICE PRESIDENT CHENEY — Arrives Whitman Airforce Base, 509 Spirit Blvd., WAFB, Mo. Open Press; participates in tour of B-2 bomber, closed; briefing on B-2 bomber, closed; remarks at rally for B-2 Bomber forces, Open press; arrives Charleston Air Force Base, SC. Open press; particpates in RNC fundraiser, The Sanctuary at Kiawah Island, SC, closed press.

LAURA BUSH — Remarks at Clay Shaw for Congress reception, private residence, Palm Beach, Fla., closed press; remarks at Vern Buchanan for Congress reception, Ritz-Carlton, Sarasota.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: US-CHINA _ Five-day meeting of the US-China Economic and Security Review Commission. Location: Hall of the States, 444 N. Capitol St.

POLITICAL MANAGEMENT-OAS _ 9 a.m. - 6 p.m. Josi Miquel Insulza, Secretary General of the Organization of American States, delivers keynote address at GWU's ``International Seminar of Political Communication and Marketing for Governments." Highlights: 9 a.m. OAS Secretary Josi Miquel Insulza speaks. Location: Morton Auditorium, 805 21st St. NW.

UNCONVENTIONAL WARFARE _ 8:30 a.m. Council on Foreign Relations holds On-The-Record Meeting on ``Military Strategies for Unconventional Warfare." With Max Boot, author, ``War Made New: Technology, Warfare, and the Course of History; Michael Vickers, Center for Strategic and Budgetary Assessments; Thomas Shanker, New York Times. Location: 1779 Massachusetts Avenue, NW.

MID-TERM ELECTIONS _ 8:30 a.m. - 10:30 a.m. Boston University panel on ``The Mid-Term Election: A Reversal of the Republican Revolution? Implications for Congress and for 2008". With Chris Cillizza, blogger; Jennifer Duffy, Cook Political Report; Gerald Seib, Wall Street Journal; others. Location: National Press Club, 14th and F Sts. NW.

SUPREME COURT-DUKE ENERGY _ 9 a.m. Washington Legal Foundation forum on ``Environmental Defense v. Duke Energy: Will US Supreme Court Clear the Air?" With John C. Cruden, Deputy Assistant Attorney General; Robert M. Sussman, Latham & Watkins LLP; Eric V. Schaeffer, Environmental Integrity Project. Location: 2009 Massachusetts Ave. NW.

ELECTORAL COMPETETIVENESS _ 10 a.m. - 12 p.m. The Brookings Institution hosts a forum, ``The Marketplace of Democracy: A Groundbreaking Survey Explores Voter Attitudes About Electoral Competition and American Politics." Moderator: Michael McDonald, Visiting Fellow, The Brookings Institution. Panelists: John Samples, Director, Center for Representative Government, Cato Institute; Andrew Kohut, President, The Pew Research Center; and Scott Keeter, Director of Survey Research, The Pew Research Center. Location: Brookings Institution, Falk Auditorium, 1775 Massachusetts Ave. NW.

ARLINGTON BURIAL _ 11 a.m. There will be a burial service for Army Cpl. Carl Johnson of Philadelphia. Location: Arlington Cemetery.

MOUNT VERNON-FESTIVAL _ 11 a.m. Historic Mount Vernon opens 25 new galleries and theaters in the new Donald Reynolds Museum and Education Center. Opening festival features author David McCullough, broadcaster Roger Mudd, 18th-century military re-enactors, and others. Location: Historic Mount Vernon, Alexandria, Va.

EUROPEAN TRADE _ 12 p.m. Cato Institute forum on ``The Future of the European Common Agricultural Policy and Global Trade Liberalization." With Patrick Messerlin, Director, Institut d'Etudes Politiques de Paris; Daniel Griswold, Cato Institute; and Marian Tupy, Center for Global Liberty and Prosperity. Location: 1000 Massachusetts Avenue, NW.

VIETNAM-RUSSIA _ 12 p.m. Women in International Trade holds a brown bag lunch to review recent development in Vietnam's and Russia's WTO accession negotiations, with Vu Dang Dzung of the Vietnamese Embassy, and Randi Levinas of the U.S.-Russia Business Council. Location: Sandler, Travis and Rosenberg, Suite 400, 1300 Pennsylvania Ave. NW.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Gonzales Says US May Consider Proposed Geneva Conventions Updates. The AP (10/27, Corder) reports from the Hague, Netherlands, "U.S. Attorney General Alberto Gonzales said Thursday the Bush administration may consider a Dutch proposal to set up an international group to investigate updating the Geneva Conventions or establishing a new treaty to deal with the threat of global terrorism." The AP continues, "After visiting Dutch ministers in The Hague, Gonzales told reporters Washington was not formally investigating updating international law, but he added: 'We are not averse to looking at that.' … 'Obviously, we assess every day what is effective in dealing with the threat against the United States, in dealing with the threat against our friends and allies around the world,' Gonzales said. 'And this would be another thing I think that we would look at to see: do we have the necessary legal tools to deal effectively with terrorism?'" The AP adds, "Facing a barrage of criticism from opponents and human rights groups about its incarceration of terror suspects at the Guantanamo Bay naval base in Cuba and the system of military tribunals set up to try them, Gonzales stressed that the Bush administration still fully supports current international law aimed at protecting the rights of those captured during armed conflicts. … 'Obviously we want to be careful in not sending the message that we are in any way backing away from the principles of, say, the Geneva Conventions in terms of the protection of basic human rights,' he said. 'That's something we believe very strongly in and re-examination of Geneva would have to be done ... with the understanding that we all remain committed to the basic principles of the Geneva Conventions.' … Gonzales is touring European capitals discussing Washington's new law paving the way for trials of terror suspects being held at Guantanamo Bay in Cuba."

Gonzales Addresses Rift With European Allies. The New York Times (10/26, Landler) reports, "Seeking to heal one of the deepest rifts between the United States and its European allies, Attorney General Alberto R. Gonzales said (in Berlin) on Wednesday that the Bush administration had done a poor job of explaining its legal principles in its effort to prevent terrorism. … But he also faulted European countries, which have criticized the American military prison at Guantánamo Bay, Cuba. He said they were reluctant to take back their own citizens when released and had been insufficiently helpful in negotiating with other countries for the safe return of prisoners facing mistreatment in their own lands. … 'We have repeatedly asked our European allies to join in these efforts,' Mr. Gonzales said in a speech to a polite, skeptical invited audience. 'But despite demands that Guantánamo be closed, the United States has received little help from our European allies regarding the fate of these detainees.'" The Times adds, "The diplomatic initiative by Mr. Gonzales comes amid growing concern over the conduct of German soldiers, including photographs that surfaced on Wednesday that appeared to show German troops in Afghanistan posing with a human skull. … Mr. Gonzales declined to name the countries he said were being uncooperative with regard to returned prisoners — especially, he said, while standing on a podium "in this great country." … His comment, delivered with a thin smile, seemed to suggest that Germany was among those the United States regarded as laggards. … In general, however, Mr. Gonzales seemed intent on reaching out to Europeans rather than rebuking them."

Bush's Concern For Preventing Next Terrorist Attack On US Noted. In his column in the Wall Street Journal (10/27, A27, 2.03M), Daniel Henninger recounts President Bush's meeting with conservative columnist Wednesday. Henninger says, "What struck me Wednesday was how Mr. Bush's public news conference was almost wholly about the Iraqis and their government, and how his private conversation with us was mostly about the stakes for the American people. Over these war years, there should have been more of the latter. Admittedly, it is difficult to convey in public the urgency about the war on terror that Mr. Bush conveys in private. But it is obvious that he regards the threat to the American people as palpable." Bush said, "My biggest issue that I think about all the time is the next attack on America, because I am fully aware that there are people out there that would like nothing more than to have another spectacular moment by killing American people. And they're coming. And we've got to do everything we can to stop them. That's why we need to be on offense all the time." Henninger adds, "This, he insists, is the justification for the terrorist wiretaps, the Patriot Act, the interrogations and the Iraq war."

Cheney Spokeswoman Denies VP Confirmed Use Of "Water-Boarding." The Financial Times (10/27, Sevastopulo) reports, "Dick Cheney, US vice-president, has endorsed the use of 'water boarding' for terror suspects and confirmed that the controversial interrogation technique was used on Khaled Sheikh Mohammed, the senior al-Qaeda operative now being held at Guantánamo Bay." The comments "by the vice-president, who has been one of the leading advocates of reducing limitations on what interrogation techniques can be used in the war on terror, are the first public confirmation that water boarding has been

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used on suspects held in US custody." A spokeswoman for Cheney "denied that he had endorsed or confirmed the use of water-boarding. 'The VP was talking about the interrogation programme, clearly noting that we do not torture and we live up to our international treaty obligations. He does not discuss any techniques or methods that may or may not be used in questioning,' said Lea Anne McBride."

The Washington Post (10/27, A9, Eggen, 748K) reports, "Bush administration officials have repeatedly declined to say which techniques they believe are permitted under the new law and have steadfastly declined to discuss methods used in the past." Neal Sonnett, chairman of an American Bar Association "task force on enemy combatants, said Cheney's comments were 'a little equivocal' on details but clear in their overall meaning." Said Sonnett, "It may be too much to characterize it as a direct admission. … But he is certainly suggesting that he doesn't see anything wrong with waterboarding."

Israeli Agent Testifies Salah Admitted Meeting With Hamas Leaders. The AP (10/27) reports, "An Israeli security agent told a courtroom cleared of spectators Thursday how a suburban Chicago grocer admitted under days of questioning that he had met secretly with Palestinian terrorist leaders. 'Did you think that he had information that could lead to an imminent threat to human life?' Assistant U.S. Attorney Reid J. Schar asked. 'Yes,' said the agent who testified under the one-name alias Nadav rather than his real name out of concern for possible reprisals." The AP notes that Muhammad Salah, accused of providing financial support to Hamas, "says that the admissions were tortured out of him. By contrast Nadav testified he built a close rapport with Salah and that the two men ate salad and drank tea together between questionings." However, Salah's lawyers contend that "Nadav was the so-called good cop" in a Shin Bet good-cop, bad-cop interrogation.

Judge Denies US Request To Seal Court Documents In Georgia Terror Case. The Atlanta Journal-Constitution (10/27, Torpy, 399K) reports, "A federal magistrate Thursday denied prosecutors' attempts to seal court documents containing unclassified material in the case of two Atlanta area men held on terrorism-related charges. … Prosecutors in the case of Syed Haris Ahmed and Ehsanul Islam Sadequee, who are charged with providing material support to terrorists, had argued that unclassified but 'sensitive' information handed over to defense attorneys could not be used in further court pleadings unless first put under seal." However, US Magistrate Judge Gerrilyn G. Brill "wrote that, if the government wants unclassified information to remain under seal, it must 'narrowly tailor' its arguments for doing so — not seek a blanket order." The Journal-Constitution notes, "The case highlights the difficulty of trying suspects in terrorism-related cases using foreign intelligence and other sensitive and classified information."

Suspected Terrorists Detained At Guantanamo To Face Hearings. The AP (10/27, Baldor) reports, "Fourteen high-profile suspected terrorists recently transferred to the Guantanamo detention center are expected to face hearings soon, military officials said Wednesday." The AP continues, "Brig. Gen. Ed Leacock, deputy commander of detention operations at Guantanamo Bay, said officials are gathering evidence for the hearings now. Officials have also identified individuals who could work with the men as their representatives during the hearings, but no appointments have been made yet." The AP adds, "It was not clear Wednesday whether any of the 14 men have been questioned by the military interrogators. The hearings - officially called Combatant Status Review Tribunals - for the 14 men would determine whether or not they are enemy combatants, and therefore subject to a military trial. … The 14 men include Khalid Sheikh Mohammed, who allegedly planned the Sept. 11 attacks on the United States, as well as the alleged architect of the 2000 bombing of the USS Cole and the alleged plotter of the 1998 U.S. Embassy bombings in Kenya and Tanzania. … They had been held in CIA custody at secret locations, and were transferred several weeks ago to the Guantanamo Bay detention center in southeastern Cuba."

US Seeks To Limit Detainees' Contact With Attorneys. The AP (10/27, Melia) reports, "The U.S. government has proposed limiting contact between defense lawyers and detainees at Guantanamo Bay, according to court documents." The AP continues, "The government argues that it must restrict the detainees' communications, as news of world events could incite the prisoners to violence. .. The U.S. proposed the rules in a filing to a federal appeals court in Washington that was examined by The Associated Press. The case deals with an Afghani detainee but the government wants them to apply to other prisoners at Guantanamo Bay Naval Base in southeast Cuba. The prison camp holds some 430 detainees. … The rules, which would apply to detainees pursuing court challenges to their designations as 'enemy combatants,' would tighten censorship of mail from attorneys and give the military more control over what lawyers can discuss with their clients, according to the filing." The AP adds, "The number of face-to-face meetings between defense attorneys and detainees would be limited to four total. There are now no restrictions on the number of times they can meet, although lawyers' access to the base is already hampered because it is so remote. … The government says current rules have allowed detainees to receive books or articles about terrorist attacks in Iraq,

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London and Israel, as well as details of the prisoner abuse investigation at Iraq's Abu Ghraib prison."

Ignatius Says Compulsion Required To Create Global Security. David Ignatius writes in the Washington Post (10/27, A23, 748K) that a theory put forth by American economist Mancur Olson Jr. in 1965 "explains the chaotic world of 2006." Olson explained "that although everyone would benefit from the collective good of, say, greater security, it's irrational for any individual to make voluntary sacrifices to achieve it." For example, "China, Russia, Japan, South Korea and the United States would all be better off if they had stopped Kim Jong Il before he detonated a bomb." However, "It was easier to wait for someone else to do it -- for Washington to wait for Beijing and vice versa." Olson's theory shows that "individual nations must be compelled to obey rules limiting the spread of nuclear technology and other threats to common security." However, "In the international arena, the appropriate instrument of compulsion is not, as the Bush administration has believed, the United States. It is the United Nations."

HOMELAND RESPONSE:

Mueller Says FBI Increasing Assets Abroad To Protect US. The AP (10/27, Jenkins) also reports, "Mueller said the FBI is increasing its presence abroad in order to fulfill its primary mission of protecting American citizens at home. 'Increasingly, we find that which adversely impacts us in the United States is being initiated overseas and for us to be successful, we have to be a worldwide organization,' he said. He referred specifically to two 'computer worms' that caused havoc in the United States -- one caused by a teenager in Morocco and one by an individual in Turkey. 'I see us as a bridge between that which is happening within the United States and that which is occurring overseas that may adversely affect us here,' he said." The AP goes on to note Mueller's comments on FBI interrogation protocol and the Oklahoma City bombing investigation."

Illinois Inmate Sentenced To Concurrent 41-Month Sentence For Terror Hoax. The Chicago Tribune (10/27, Coen, 623K) reports US District Judge Elaine Bucklo yesterday sentenced Gilbert Romero to 41 months in prison for "falsely telling the FBI about a terror plot against a company's Chicago headquarters. … Bucklo said she wanted to send a message that the incident was serious, even though Romero is expected to serve the sentence concurrently with a 12-year state prison sentence on prior burglary convictions." The Tribune adds, "Assistant U.S. Atty. Edward Siskel said false statements like the ones in the Romero case are disruptive to the FBI, which has limited resources to use in terror investigations. '(The hoax) was taken extremely seriously by the FBI,' Siskel said, adding that agents spent a month running down leads. Siskel said Romero's apparent motivation was to be transferred from a county jail to federal custody." The AP (10/27) notes, "FBI agents interviewed Romero, who had been jailed for a parole violation, authorities said. He had been paroled from state prison in February after being convicted for burglary, according to state records. … Romero told the agents the attack would be carried out by an individual who was recruiting others for a supposed strike on a U.S. target with a fertilizer and fuel bomb, according to the indictment. He also allegedly told agents the terrorists would kill any police officers who intervened."

Airlines Post Major Losses Following Liquid Ban. USA Today (10/27, 1B, Adams, 2.27M) reports the "abrupt ban" placed on liquids by the TSA in August "slammed third-quarter earnings of US airlines as potential customers changed travel plans rather than deal with the tighter rules. US Airways and AirTran Airways on Thursday became the latest of several large carriers to blame the terrorism-related ban for major hits to results for the quarter ended Sept. 30. Tempe, Ariz.-based US Airways said the restriction cost it between $30 million and $40 million in lost ticket sales, and Orlando-based AirTran put its lost revenue as high as $12 million."

WSJournal Says TRIA No Longer Necessary. The Wall Street Journal (10/27, A14, 2.03M) editorializes, "The US hasn't been hit by a terror attack in five years, but that hasn't stopped the insurance industry from hitting up Congress again and again for more terror insurance subsidies. Keep this in mind the next time someone claims a new federal program will be 'temporary.'" Though the Terrorism Risk Insurance Act (TRIA), which was passed "ostensibly to assist the insurance industry through a 'transitional period,'" is no longer necessary, "if it ever was," its "backers in the insurance, real-estate and financial services industries are out in force arguing that it be made permanent." The Journal states that the White House, which "has been steadfast in insisting that TRIA eventually be allowed to sunset," may be "in for a fight next year with Washington's formidable insurance lobby."

WAR NEWS:

Rumsfeld Says Iraq Policy Critics Should "Back Off." Media reports on Iraq lat night and this morning focused on Defense Secretary Donald Rumsfeld's

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news conference Thursday, with most portraying Rumsfeld as defensive and testy. Many hone in on Rumsfeld's suggestion that journalists and war critics "ought to just back off."

ABC World News (10/26, story 6, 2:15, Karl, 8.78M) said Rumsfeld "grew irritated about questions about just what the Iraqis have agreed to." Rumsfeld: "This is complicated stuff. It's difficult. We're looking out in the future. No one can predict the future with absolute certainty. So, you ought to just back off." Karl: "From the President on down, US officials say everyone is working together. But their words suggest otherwise. This was the US Ambassador to Iraq on Tuesday." Ambassador Zalmay Khalilzad: "Iraqi leaders have agreed to a time line for making the hard decisions needed to resolve these issues." Karl: "Just a few hours later…" Gen. Peter Pace: "It is not true that there are specific benchmarks that had been agreed to." Karl: "Okay. The President said the Iraqis had..." President Bush: "Agreed to a schedule for arm arming militias and death squads."

NBC Nightly News (10/26, story 2, 3:25, Miklaszewski, 9.87M) reported, "The Bush Administration has become hypersensitive over any criticism of this new plan for progress in Iraq and, I'll have to admit, it got a little heated here today in the Pentagon briefing room. From the very outset, Secretary Rumsfeld suggested that any questions raised about the Administration's new plan to set benchmarks for progress in Iraq were politically motivated." Rumsfeld: "Well, it's a political season and everyone's trying to make a little mischief out of this and turn it into a political football and see if we can't get it on the front page of every newspaper." Miklaszewski: "But what if the Iraqis don't meet the benchmarks?" Rumsfeld: "Now you're looking for some kind of guillotine to come flowing down in some date isn't met. That's not what this is about. So you ought to back off, take a look at it, relax, understand that it's complicated. It's difficult and I wouldn't waste a lot of newsprint trying to find daylight between everybody on this or try to find things that are wrong with it."

On CNN's Lou Dobbs Tonight (10/26), host Dobbs opened the program by saying Rumsfeld "today acknowledged that the United States faces an enormous challenge in Iraq. In what was at times a heated news conference at the Pentagon, Secretary Rumsfeld declared that no one can predict the future of Iraq with absolute certainty and he said critics of U.S. policy should 'back off.' Secretary Rumsfeld's comments came as insurgents killed five more of our troops in Iraq. The number of our troops killed so far this month has risen to 96. That is the largest number of Americans killed in any one month this year, one of the highest of the entire war."

USA Today/AP (10/27, A10) puts Rumsfeld's remark that "critics should 'just back off'" in its lead, saying Rumsfeld said US and Iraqi officials "have been discussing benchmarks for Iraq's security, politics and economy. Such benchmarks are valuable, he said, because 'you are in effect establishing priorities.'"

The Washington Post (10/27, A11, Weisman, Tyson, 748K) puts "Back Off" in its headline and leads by saying that "with his chorus of critics expanding deeper into Republican ranks," Rumsfeld "told detractors yesterday to pull back as U.S. and Iraqi officials grapple with the uncertainties of laying out Iraq's course."

The Washington Times (10/27, Scarborough, 88K) also contains the "back off quote" and calls the news conference "combative," but takes a generally milder tone, saying Rumsfeld "waded yesterday into the debate over benchmarks for political progress in Iraq, saying the goals laid out this week in Baghdad by U.S. officials are not firm deadlines." The Times says Rumsfeld "admonished the press for what he says is an attempt to create" division between US and Iraqi governments.

NYTimes Says Real Iraq Timetables Needed. The New York Times (10/27, 1.21M) editorializes, "Funny how a few weeks before the election Bush administration officials start hinting at timetables for getting American troops out of Iraq. But spinning out implausible scenarios -- like the claim that it might take only 12 to 18 more months for the Iraqis to be able to defend themselves -- won't get Iraq any closer to containing the mayhem, nor this country any closer to extricating itself. What is needed is an explicit, credible and public set of deadlines -- for Iraq's leaders but also for President Bush -- to confront the most difficult problems, including disarming sectarian militias, stabilizing Baghdad, protecting minority rights, and apportioning the country's oil wealth. That's the only way Iraqis and Americans can judge whether progress is being made and whether the effort is worth the cost."

WSJournal Says Maliki's Response To Mahdi Army "Inadequate At Best." The Wall Street Journal (10/27, A14, 2.03M) editorializes that one of the "toughest jobs" confronting Iraqi PM Nouri al-Maliki "is disarming the Shiite militias. The kidnapping Monday in Baghdad of an American soldier by vigilantes claiming to be from the so-called 'Mahdi Army' underscores the urgency of the problem, and Mr. Maliki's response has been inadequate at best. Not only has he criticized American and Iraqi operations in Sadr City aimed at freeing the captive, he also appeared to accept at face value yesterday the Sadrists' denial that they are holding an American. … If Sadrist forces ask him to choose between them and his obligations to a unified Iraq worthy of U.S. support -- as the Sadrists appear to have done with this kidnapping -- he should know there will be consequences for picking the wrong side."

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White House Seen As Trying To Put "New Face" On Iraq War. The AP (10/26, Hurst) writes, "'Stay the course' is gone. In its place: 'constant readjustment' of tactics, a timeline to crush Shiite death squads and inducements like unconditional amnesty for Sunni insurgents. Polls of Iraqis show them eager for American troops to leave. U.S. public opinion surveys find that only about 34 percent of voters support the war effort. With such broad disaffection and midterm elections coming Nov. 7, the Bush administration has spent the past few weeks in an intense search for a new face to put on the conflict."

NSA Hadley Defends Bush Stance. On PBS' NewsHour (10/26, Warner), National Security Adviser Stephen Hadley said, "I think the President gave a very balanced and sober assessment of the situation that we're in, made it clear that there are real challenges, made it clear that, while our basic objectives remains the same, we have adapted and made changes in how to pursue that objectives, would be making more changes in the future, that he was open to any constructive ideas."

Democrats Not United Behind Alternative Iraq Policy. The New York Times (10/27, Broder, 1.21M) reports Democratic leaders "and candidates are virtually unanimous in opposing" President Bush's "conduct of the war, and most advocate American disengagement — either quickly or slowly. But most are not calling for an immediate withdrawal of American forces or offering a vision of what postwar Iraq should look like. They say they stand for change, but the variety of formulations is dizzying." Among others, House Minority Leader Nancy Pelosi, "who is likely to be the next speaker of the House if Democrats win back the chamber, is calling for immediate steps to begin to remove American forces, with all of them out of Iraq by the end of 2007." The range of proposals "in part reflects the military, political and sectarian maze that Iraq has become. With virtually no one contending that an exit would be easy, no one wants to be responsible for a decision that would leave Iraq a smoldering ruin of civil war." But the "range of proposals also illustrates the state of the Democratic Party, which has not held executive power for six years or controlled the Congress for twice that long. There is no dominant figure in the party to formulate a policy position, so a hundred schools of thought contend. And even if the Democrats win one or both houses of Congress, they will not have the authority to change the course of the war significantly."

Reed Says Bush Stance "Might Just Be A Posture." On PBS' NewsHour (10/26, Suarez), Democratic Sen. Jack Reed said, "It's a new posture. And, unfortunately, it might just be a posture. The situation as I see it, just returning from Iraq, is that we're not winning; in fact, we're losing the initiative."

Linguist Says Administration Cannot Wish Away "Stay The Course." In a New York Times (10/27, 1.21M) op-ed, University of California, Berkeley, linguist George Lakoff writes, "The Bush Administration has finally been caught in its own language trap. 'That is not a stay-the-course policy,' Tony Snow, the White House press secretary, declared on Monday. The first rule of using negatives is that negating a frame activates the frame. If you tell someone not to think of an elephant, he'll think of an elephant. When Richard Nixon said, 'I am not a crook' during Watergate, the nation thought of him as a crook. 'Listen, we've never been stay the course, George,' President Bush told George Stephanopoulos of ABC News a day earlier. Saying that just reminds us of all the times he said 'stay the course.' What the president is discovering is that it's not so easy to rewrite linguistic history. The laws of language are hard to defy."

Krugman Says Iraq "A Lost Cause," But US Can Still Save Afghanistan. In his New York Times (10/27, 1.21M) column, Paul Krugman writes, "Iraq is a lost cause. It's just a matter of arithmetic: given the violence of the environment, with ethnic groups and rival militias at each other's throats, American forces there are large enough to suffer terrible losses, but far too small to stabilize the country. … Afghanistan, on the other hand, is a war we haven't yet lost, and it's just possible that a new commitment of forces there might turn things around. The moral is clear -- we need to get out of Iraq, not because we want to cut and run, but because our continuing presence is doing nothing but wasting American lives. And if we do free up our forces (and those of our British allies), we might still be able to save Afghanistan."

October US Death Toll In Iraq Highest In A Year. ABC World News (10/26, story 5, 2:50, Gibson, 8.78M) reported, "The US death toll surged again today with the announcements that four Marines and a sailor were killed in al Anbar province. 96 US forces have now been killed in October, the most in one month since October 2005." The CBS Evening News (10/26, story 8, 0:25, Couric, 7.66M) also reported, "The toll in Iraq in this very deadly month climbed yet again today." The Washington Post (10/27, A1, Knickmeyer, Anderson, 748K) and Washington Times/AP (10/27, Abdul-Zahra), among other newspapers, run similar reports on the US death toll.

NBC Nightly News (10/26, story 3, , Williams, 9.87M), meanwhile, reported on "combat stress," wounds of war that "are hard to see. They are the mental and emotional scars and they exact a terrible price from the military men and women who fight for this country and their loved ones. Some Vietnam combat veterans have openly said the veterans of this Iraq war may have a tougher time than even they did when the combat is all over." NBC (Engel) added, "After nearly four years of seemingly endless deployments, battles

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and casualties, the troops increasingly are fighting an invisible enemy in their minds." Private Russel Camry: "I hardly eat." Engel: "Private Russell Camry has headaches and can't sleep. He's one of 1,000 troop as month now being treated for combat stress in Iraq." Unidentified male soldier: "What are some of the things we can do to manage stress." Engel: "At Baghdad's camp striker, a stress management session. The main question -- how many deployments can a marriage last?" Private Camry: "Me and my wife have had a lot of problems. Guilt is a main one for me." Specialist Maya Dennis, 32nds Medical Battalion: "He would call me and he wasn't the same person. I didn't know who I was talking to anymore."

Army To Realign Forces And Spread Combat Duty. In a front page article the USA Today (10/27, 1A, Brook, 2.27M) reports, "The prospect of combat in Iraq for at least another four years is prompting the Army to realign its forces to prevent a small slice of soldiers who are shouldering much of the fighting from wearing out." According to the Pentagon, "one-fifth of the Army's active-duty troops have served multiple tours of war duty while more than 40% haven't been deployed to Iraq or Afghanistan." In response, Lt. Gen. Michael Rochelle, deputy chief of staff for Army personnel, said that the army will "shift some soldiers" including artillery and air defense, "to high-demand wartime specialties that could ease the burden on combat forces," including "high-demand roles" such as "infantry, engineering, military police and intelligence, Special Forces, civil affairs and psychological operations."

Fight Between Iraqi Police, Insurgents Leaves 42 Dead. The New York Times (10/27, Oppel, Semple, 1.21M) reports from Baquba, Iraq, "Police officers acting on a tip about several kidnapped colleagues rode into deadly insurgent ambushes near here on Thursday, resulting in two intense battles that left at least 42 people dead, including 24 police officers, officials said. … Among the dead were 24 police officers, including the police chief of Khan Bani Saad, Col. Abbas al-Amari, according to a spokesman for the Interior Ministry, which oversees the nation's police force. At least seven police officers were wounded, officials said. According to American military officials in Baquba, 18 insurgents were killed, eight were wounded and 27 were captured."

Terrorist PKK Dominant In Iraq's Kurdish North. The Los Angeles Times (10/27, Murphy, 918K) profiles Iraq's Kurdish north. In the southern parts of the Kurdish region, "the Iraqi flags disappeared, replaced by the flags of Kurdistan, a state that does not officially exist." But in the northern mountains, "even the symbols of the Iraqi Kurdish authority are nowhere to be seen. Most of the flags here are those of the Kurdistan Workers Party," listed by the US and EU "as a terrorist organization responsible for the loss of thousands of lives in a separatist campaign across the border in Turkey. Deep in the mountains, all the road checkpoints are operated by PKK guerrillas. A giant portrait of imprisoned guerrilla leader Abdullah Ocalan stretches across a rocky slope." The Times says the "fact that much of Iraq's rugged northern borderlands with Turkey and Iran are under the day-to-day control of a militant organization might come as a surprise to those who thought U.S. forces had handed over authority nationwide to a new Iraqi government."

Marine Testifies About Killing Of Unarmed Iraqi. The New York Times (10/27, Marshall, 1.21M) reports, "A 20-year-old marine testified on Thursday at his court-martial here that he participated in killing an unarmed Iraqi and knew that the plan for the killing was an illegal act of war." The marine, Pfc. John Jodka III, "who has agreed to cooperate with government prosecutors, pleaded guilty to aggravated assault and conspiracy to obstruct justice in exchange for his testimony against members of his squad." Private Jodka "is the youngest and lowest ranked of the eight men charged in the killing of the Iraqi, Hashim Ibrahim Awad, who died of multiple gunshot wounds on April 26 near Hamdaniya, a Sunni stronghold west of Baghdad."

NATO Attack In Afghanistan Killed Civilians. NBC Nightly News (10/26, story 4, , Williams, 9.87M) reported on "word from Afghan officials that dozens of civilians were killed in a NATO military strike Tuesday that was aimed at Taliban militants in the southern Kandahar province. Afghan offenses say between 30 and 85 people died. NATO says 12 civilians were killed in the incident."

The New York Times (10/27, Wafa, 1.21M) reports President Hamid Karzai "issued a presidential decree on Thursday directing a team of tribal elders and Afghan officials to investigate" the NATO bombing. Khalid Pashtoon, "an Afghan member of Parliament from the area of the attack, said villagers told him that more than 50 civilians died during the NATO airstrike in the Panjwai district of Kandahar Province. A spokesman for the country's Interior Ministry said that 40 civilians were killed." The Washington Post/AP (10/27, A13, Khan) runs a similar report.

The Financial Times (10/27, Morarjee, Dombey) reports, "Nato on Thursday sought to dismiss fears that its operation in Afghanistan was in disarray after a series of bloody and controversial incidents that have seen the alliance come under new pressure in the country's south. Nato forces have been accused this week of killing dozens of civilians in an airstrike and have clashed with the Taliban in an area the alliance declared free of insurgents last month." In a separate development, "Ronald Neumann, US ambassador to Afghanistan, criticised a ceasefire deal reached by UK

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Nato troops and local groups in a town in Afghanistan's turbulent Helmand province."

Germany Shaken By Its Soldiers' Apparent Abuse In Afghanistan. The Financial Times (10/26, Williamson, Dombey) reports, "The German army was on Wednesday plunged into a scandal over abuse by Bundeswehr soldiers in Afghanistan that overshadowed the adoption of the most far-reaching review of Germany's military priorities in 60 years." Bild, the German newspaper, on Wednesday "published five photographs that the paper said showed German soldiers desecrating a human skull while on patrol outside the Afghan capital Kabul, The photos show soldiers posing with a skull, in one case with an unidentified soldier holding the skull next to his exposed penis." The photos "date from early 2003, according to a military source quoted by Bild. The newspaper said that, after thorough checks, it was convinced the pictures were authentic. They also show vehicles with German markings and those of Isaf, the Nato-led peacekeeping force."

"Unified Action" By All Government Elements Said To Be Needed For 21st Century Wars. Austin Bay writes in a column in the Washington Times (10/27, 88K) of a press lunch with Defense Secretary Donald Rumsfeld, "I decided to ask a question that goes to the heart of America's ability (or inability) to win long-term, multidimensional 21st century wars:" with "our experience in Operation Iraqi Freedom, and the limited interagency and nongovernmental organization [NGO] participation in that operation, how do you see 'Unified Action' evolving for future conflicts?" Unified Action is "coordinating and synchronizing every 'tool of power' America has to achieve a political end." The "very steady chairman of the joint chiefs, Gen. Peter Pace" gave Rumsfeld "a careful stare," and "the politically deft defense secretary finessed the question -- and it was finesse, not dodge." While "he acknowledged that 'challenges remain' in achieving Unified Action," he added "we're better at it now than we were five years ago." Bay notes "I know we aren't as good at it as we need to be," as "Our system for 'Unified Action' is still largely a Cold War, 20th-century relic designed to prop up governments (so often corrupt and ill-led), instead of helping individuals and neighborhoods become economically self-sustaining and self-securing." While the US has "been improvising 'joint development and security operations,' and we've learned from our improvisation," now is the "time to quit improvising." However, it "requires re-engineering 20th-century Beltway bureaucracies -- which means thoughtful, sophisticated cooperation between the executive branch and Congress."

CORPORATE SCANDALS:

US Widens Probe Of Bristol-Myers. The Wall Street Journal (10/27, A10, Johnson, Carreyrou) reports, "Bristol-Myers Squibb Co.'s third-quarter earnings were battered by generic competition to its bestselling drug, the blood thinner Plavix, and it disclosed that a federal monitor's investigation into its handling of a dispute over Plavix's patent has broadened to include possible securities violations." The Journal continues, "It was unclear whether the widening scope of the probe being conducted by former federal judge Frederick B. Lacey means he has uncovered new wrongdoing in the three-month-old Plavix saga. Bristol-Myers said the development was 'not unexpected' and suggested that it was a logical step given Mr. Lacey's duties." The Journal adds, "Mr. Lacey has been overseeing the New York drug maker for more than a year on behalf of Christopher Christie, the U.S. attorney for New Jersey. The unusual arrangement is part of a deferred-prosecution agreement that allowed Bristol-Myers to avoid criminal charges last year stemming from a previous accounting scandal. … Mr. Lacey last month made Bristol-Myers's board fire Chief Executive Peter R. Dolan after learning that he didn't keep directors well enough apprised of his attempts last spring to negotiate a deal to keep generic Plavix off the market." The Journal n otes, "The deal Mr. Dolan brokered with Canadian generic-drug maker Apotex Inc. -- which was intended to resolve Apotex's legal challenge of the Plavix patent -- unraveled this summer when agents from the Federal Bureau of Investigation raided Mr. Dolan's office and Apotex used certain binding clauses in the agreement to launch its generic product. … The Justice Department's antitrust division is investigating whether Bristol-Myers and Sanofi-Aventis, Plavix's original developer, struck a side deal with Apotex that they hid from regulators. Bristol-Myers has denied the existence of such a side deal."

The New York Times (10/27, Saul) reports, "Bristol-Myers…disclosed yesterday that one of the federal investigations into its handling of the Plavix matter, a review by Christopher J. Christie, the United States attorney in Newark, had expanded to an examination of whether Bristol-Myers violated securities laws." The Times continues, "Bristol-Myers said yesterday that Mr. Christie's office was investigating whether the company violated a consent decree the company signed in 2004 with the Securities and Exchange Commission. … The agreement with the S.E.C. was a settlement of claims that Bristol-Myers misled investors about its financial outlook by lying about its wholesale inventories."

Bloomberg (10/27, Rapaport) reports, "The U.S. widened a probe of a deal delaying generic Plavix

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competition to review possible securities-law violations, Bristol-Myers said today. The company's board fired Chief Executive Officer Peter Dolan last month after an accord he brokered collapsed and triggered a criminal antitrust investigation. The drugmaker needed revenue from Plavix to sustain earnings as it introduces new products."

Dow Jones (10/27, Loftus) reports, "The 2004 SEC agreement settled charges that Bristol-Myers engaged in a fraudulent earnings management scheme that was unrelated to the current Plavix matter. The settlement required Bristol-Myers to pay $150 million and included a permanent injunction against future violations of certain accounting provisions of federal securities laws. … In a related development in June 2005, Bristol-Myers agreed to pay an additional $300 million as part of a deferred-prosecution agreement with the U.S. Attorney's office in Newark, N.J. Under that pact, federal prosecutors agreed to defer prosecution on a charge of conspiring to commit securities fraud for two years. If at the end of two years, Bristol-Myers has fully complied with the terms, the criminal complaint will be dismissed."

SEC Bringing Fewer Enforcement Actions. The Wall Street Journal (10/27, C3, Burns, Scannell) reports, "The Securities and Exchange Commission brought about 10% fewer enforcement actions in fiscal 2006 than the prior year, marking a three-year decline from a record high in fiscal 2003, according to individuals familiar with the results." The Journal continues, "The decline in cases comes as the SEC enforcement division is under scrutiny from congressional investigators, led by Sen. Charles Grassley, an Iowa Republican. The Government Accountability Office said last week in a letter to Sen. Grassley, who is chairman of the Senate Finance Committee, that it would grant his request and review the SEC's enforcement and examinations divisions." The Journal adds, "The GAO also said it would review the agency's oversight of the self-regulatory bodies at the New York Stock Exchange and National Association of Securities Dealers. SEC spokesman John Heine said the agency welcomes the review. … Sen. Grassley's interest stems from allegations by a former SEC enforcement attorney who says he was fired once he sought to take the testimony of John Mack, a Wall Street chief executive, in connection with an insider-trading investigation involving Pequot Capital Management Inc., a hedge fund. The former SEC attorney, Gary Aguirre, says his supervisors refused to allow him to take Mr. Mack's testimony because of his political connections and clout. Mr. Mack was a major fund-raiser for President Bush during the 2004 election."

GAO To Review SEC Practices. The New York Times (10/27, Morgenson) reports, "Last week, the G.A.O. accepted Mr. Grassley's request that it review two S.E.C. divisions: its enforcement unit, which brings civil securities suits, and the office of compliance, inspection and examination, which oversees money managers, brokerage firms, stock exchanges and other regulated entities." The Times continues, "The G.A.O. will also examine whether the commission adequately monitors self-regulatory organizations — like the New York Stock Exchange and NASD — that refer cases to the commission for possible enforcement actions. … 'Congress needs an independent analysis of whether the institutions that are responsible for protecting investors are keeping up in a fast-changing marketplace,' Mr. Grassley said yesterday in a statement. 'It's been a long time since there's been this kind of thorough review. The integrity of our financial markets and, in turn, the well-being of individual investors depends on checkpoints that stop insider trading and manipulation.'" The Times adds, "Mr. Grassley's request comes amid an inquiry by his staff and by the Senate Judiciary Committee into the S.E.C.'s handling of an insider trading investigation involving Pequot Capital Management, a $7 billion hedge fund run by Arthur J. Samberg. That investigation, which focused on a number of profitable trades by Pequot in advance of mergers or other market-moving news, commenced in 2004 and was being overseen in 2005 by Gary J. Aguirre, a staff lawyer at the S.E.C. … Mr. Aguirre has told the Senate that in the midst of his investigation, his superiors blocked him from taking the testimony of John J. Mack, an influential Wall Street executive and a friend of Mr. Samberg. Mr. Mack now heads Morgan Stanley."

SEC Ratchets Up Scrutiny Of Mutual Fund Administrative Fees. USA Today (10/27, Smith, Waggoner) reports, "The Securities and Exchange Commission is accelerating a probe of 27 investment company advisers that paid $230 million in mutual funds assets for administrative fees from 1999 to 2004 to a third-party service provider that funneled most of the payments right back to the investment advisers." USA continues, "The SEC probe gained traction when the contractor, Bisys Fund Services, which performs recordkeeping and other back-office services for the advisers, agreed last month to pay $21.4 million to settle a case against it and to cooperate in the larger investigation. … 'Our investigation is ongoing,' SEC Pacific regional director Randall Lee said Thursday. The agency has begun to issue letters requesting details of the fee-splitting arrangements. Mutual funds employ investment advisers to manage the funds. These advisers farm out much of the work to third parties. … Although the suspect fund managers have not been identified in agency documents, AmSouth Bank disclosed in August 2005 that the SEC was threatening to bring an enforcement action related to its fee-splitting relationship with Bisys. AmSouth said it voluntarily

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refunded payments to its AmSouth Funds unit, which it subsequently sold."

SEC To File Civil Claims Against Former Delphi Officials. The Wall Street Journal (10/27, A2, Scannell, McCracken) reports, "The Securities and Exchange Commission approved the filing of civil fraud claims against the former chairman and chief executive of auto-parts maker Delphi Corp. and against its former chief financial officer in connection with accounting improprieties, according to people familiar with the matter." The Journal continues, "The five-member commission voted unanimously yesterday to approve a settlement with Delphi, in which the auto-parts maker would settle allegations of accounting improprieties that resulted in a multiyear restatement of earnings, these people said. The company, which is in bankruptcy court protection, won't be subject to a penalty, these people said. … Delphi spokeswoman Claudia Piccinin declined to comment, except to say 'Delphi has been cooperating with the SEC investigation.'" The Journal adds, "Meanwhile, the SEC is investigating the role of Delphi's outside auditors during this time period, Deloitte & Touche LLP, these people said. A Deloitte spokeswoman declined to comment. … Former chairman and chief executive J.T. Battenberg III will be named in a civil complaint and is expected to fight the allegations, said the people familiar with the matter. Mr. Battenberg's attorney, William Jeffress, didn't respond to a phone call or email. … Meanwhile, former chief financial officer Alan Dawes also is expected to face claims, these people said. Mr. Dawes has agreed to a settlement, which the commission has approved, these people said. . The SEC also is expected to file civil claims against several former executives, some of whom are expected to simultaneously agree to settle the allegations. It is unclear which other former executives will face the claims."

The Detroit News (10/27, Shepardson) reports, "The charges are likely to be filed in U.S. District Court in Detroit, possibly as early as Monday, one person familiar with the investigation told The News. … The SEC's investigation has found that Delphi used various improper methods to inflate earnings, cash flow and revenue, which hid the declining health of the company, according to people familiar with the matter. … Several large transactions weren't accounted for properly, including a $237 million payment Delphi made to its former parent, General Motors Corp. … A criminal investigation by the justice department is ongoing."

Judge Questions Federal Conviction Of Former NYSE Trader. The Wall Street Journal (10/27, C3, Davies, Lucchetti) reports, "David Finnerty, a former star trader on the floor of the New York Stock Exchange, was convicted of charges that he made thousands of improper trades that cheated investors out of millions of dollars. However, in a move that may bolster any appeal, the federal judge in the case raised questions about the verdict." The Journal continues, "After just one day of deliberations, the jury of six men and six women found Mr. Finnerty, 40 years old, guilty of three counts of securities fraud. Mr. Finnerty, a former specialist at Fleet Specialist Inc., now a unit of Bank of America Corp., oversaw trading of General Electric Co., one of the most heavily traded stocks at the NYSE, and prosecutors allege that Mr. Finnerty had more troubling trades than any of the other specialists who have been charged. Mr. Finnerty faces as long as 20 years in prison for each count." The Journal adds, "The verdict provided a boost for federal prosecutors in Manhattan, who have lost two similar cases and dropped two others. There are six cases left to be tried. But immediately after the verdict was handed down, U.S. District Judge Denny Chin raised questions about the government's case, saying there 'is some fuzziness in the law.' … Judge Chin said the trading practice in question appeared to be widespread at the NYSE and that many trading firms had made a lot of money by trading in between public buy and sell orders, which the government alleges harmed investors. The seven NYSE specialist firms paid about $248 million in 2004 to settle civil cases related to the trading. The judge said he wasn't inclined to reverse the verdict but his comments are likely to strengthen any appeal or result in a reduced sentence. … The government had accused Mr. Finnerty of improperly positioning himself between public buy and sell orders more than 26,000 times between 1999 and 2003, generating $4.5 million in illegal profits for his firm and hundreds of thousands of dollars in inflated bonuses for himself."

Former SEC Chair Argues For Proxy Reform. In an op-ed for the Wall Street Journal (10/27, A14), former SEC chairman Arthur Levitt Jr. writes, "Ever since the recount of 2000, partisans of both parties have paid particular attention to everything from who votes to how they vote and how their preferences are recorded. Counting every vote is not only integral to our political life; it is central to our economic life as well. Shareholder capitalism enables our markets to thrive, our companies to grow and our economy to remain strong. And central to this system is the principle that shareholders can have a voice in the running of the companies that they own, that their votes will count." Levitt continues, "This fall, the issue has been the focus of a series of court cases, decisions and now potential Securities and Exchange Commission action. How the SEC handles this can have a profound effect on the future of shareholder democracy, corporate governance and the future of our markets. It's a matter of interest to all investors." Levitt adds, "After failing to convince the SEC to pass a proxy access proposal in 2003, shareholder advocates tried to make changes in the bylaws

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of companies that govern the elections of directors in order to make them fairer. They argued that this was a matter of process under applicable law (that is, did not directly relate to the election of directors, a basis of exclusion), and thus management had to put such a proposal on its proxy card to shareholders. … In response, the SEC rightly decided to re-examine this issue and clarify the law. An open hearing on the topic was scheduled in October but was delayed until Dec. 13. The outcome of this session is critical to the future of shareholder capitalism." Levitt concludes, "While passing an entirely developed proxy access plan may be too much to ask, the SEC can set a direction by making it clear that it will not ignore the issue of fairness that precipitated this latest litigation and put forward a series of steps that will strengthen shareholder democracy. … By setting this tone, the SEC will make a strong statement about corporate governance. It will demonstrate that accountability is a principle that will not be compromised. It will bolster its admirable efforts on executive compensation; after all, disclosure provisions are toothless if shareholders are unable to act upon them. And an endorsement of shareholder democracy will show investors world-wide that in our markets, their voices matter and their votes count."

CRIMINAL LAW:

Fitzgerald Grills Libby Memory Expert At Preliminary Hearing. In a widely-distributed story, the AP (10/27, Apuzzo) reports, "Special Prosecutor Patrick Fitzgerald took on the first witness in the CIA leak case Thursday, dissecting an expert witness until she acknowledged errors and misstatements in her research. … At the outset of the procedural hearing, U.S. District Judge Reggie Walton indicated that he was not inclined to allow a memory expert to testify at the trial," but he allowed lawyers for Lewis "Scooter" Libby "to present a witness to bolster their claim that memory experts would help in his defense." The AP notes, "It was the first public courtroom confrontation between Fitzgerald and Libby's defense team and foreshadowed a contentious trial. … Fitzgerald challenged the validity of memory research. Citing footnotes in her publications, presenting conflicting statements and questioning her methodology, Fitzgerald got" psychologist Elizabeth Loftus "to acknowledge that a statement in one of her research papers was taken out of context and that a figure in one of her books was incorrect."

In a "Letter from the Courtroom," the Washington Post (10/27, A21, Leonnig, 748K) reports, "With withering and methodical dispatch," Fitzgerald "sliced up the first person called to the stand on behalf of the vice president's former chief of staff. If…Libby was not afraid of the special counsel before, the former Cheney aide…had ample reason to start quaking after yesterday's Ginsu-like legal performance."

Jefferson Probe Delayed By File Access Dispute. The New Orleans Times-Picayune (10/27, Alpert) reports, "With unexpected delays in copying records and computer files taken from Rep. William Jefferson's Capitol Hill office, it is unlikely the Justice Department will seek an indictment against the eight-term New Orleans Democrat before the Nov. 7 primary, legal observers say." The Times-Picayune continues, "The delay may even force the decision past the Dec. 9 runoff that will be held if none of the 12 candidates in the 2nd Congressional District race wins more than 50 percent of the primary vote. … Neither, the Justice Department nor attorneys for Jefferson would comment. Jefferson has denied wrongdoing and has pointed to the lack of indictment after 18 months of investigation as evidence that he has been wrongly targeted." The Times-Picayune adds, "Since the probe began in March 2005, two former Jefferson associates have pleaded guilty, including Vernon Jackson, CEO of the Louisville, Ky., technology firm iGate Inc. … Jackson said in court documents that he paid more than $400,000 to a company controlled by Jefferson's family in return for the congressman's help getting telecommunications contracts in Nigeria and Ghana. An FBI raid of Jefferson's Washington home in August 2005, uncovered $90,000 in marked $100 bills in his freezer, money that Jefferson had said in secretly recorded conversations with a government informant was intended as a bribe for the vice president of Nigeria, according to an FBI affidavit. … The issue holding up the case is whether prosecutors should have access to materials seized from Jefferson's Capitol Hill office on May 20 and 21, the first FBI raid of a sitting member of Congress. Experts said that with the final disposition of the documents before the courts, the Justice Department isn't likely to move forward until it either gets access to the material or it is ruled off limits. … And while the Justice Department says it doesn't put much consideration into timing of elections, the agency has never brought an indictment closer than two weeks before an election. The primary is now 11 days away."

In Oklahoma City, Mueller Says Politics Plays No Role In Corruption Probes. The AP (10/27, Jenkins) reports, "The FBI has stepped up public corruption investigations since the Sept. 11, 2001 terrorists attacks and is pursuing current probes with no thought of the upcoming elections, FBI Director Robert Mueller said Thursday. Mueller, in Oklahoma City for a rare visit…said when the FBI prioritized its national security mission after 9-11, it also made public corruption its No. 1 priority in criminal investigations. The result has been a surge in public corruption convictions. 'In the last two years, we have had upward of 1,070

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convictions of public officials who have abused the (public) trust.'" The AP notes, "Mueller declined to address questions on specific investigations, such as the congressional page scandal," but "he said politics 'does not influence' the course of FBI corruption investigations. 'We continue our investigations, regardless of the politics of the time. Investigations have gone on as if there were no elections coming up.'"

Trandahl Reportedly Says Kolbe Was "Problem Member" With Pages. ABC News (10/26, Schwartz, Yang, 2:50 p.m.) reported in its "The Blotter" blog, "A source close to former House Clerk Jeff Trandahl told ABC News that Arizona Congressman Jim Kolbe…was one of a small number of 'problem members' of Congress who page program supervisors complained spent too much time socializing with pages, taking them to dinner or sporting events outside of official duties. Mark Foley was also on the list. The source said Trandahl frequently cautioned both congressmen that 'adults should hang out with adults, pages should hang out with pages,' a message Trandahl also conveyed to pages during their orientation."

US Files New Charges Against Fugitive Chicago Corruption Witness. The Chicago Tribune (10/27, Coen, O'Connor, Mihalopoulos, 623K) reports, "In a fresh attempt to bring a corrupt City Hall contractor back from Mexico to testify against Chicago officials, federal prosecutors announced Thursday that they are again charging the fugitive with a 12-year-old drug crime. Marco Morales had pleaded guilty to bribery and mail fraud in the Operation Silver Shovel corruption case and had agreed to testify about bribing a high-ranking official in Mayor Richard Daley's administration. But Morales fled to Mexico." The Tribune notes, "Joan Safford was the legal attache at the U.S. Embassy in Mexico City in 2005 when a Mexican appellate court rejected a U.S. bid to have Morales extradited to Chicago" because the statute of limitations for bribery had expired under Mexican law. "The statute of limitations in Mexico for narcotics offenses, however, is 17½ years, Safford said. The FBI videotaped Morales delivering two pounds of cocaine to a government mole in August 1994." However, Jaime Tacher, "the Mexico City lawyer who repelled the first effort to extradite Morales," said that "Mexican courts were unlikely to extradite Morales because the allegations are so old and because the U.S. government is trying to bring Morales back to face new charges rather than serve a sentence."

Florida County Official Abruptly Resigns Amid Bribery Investigation. The Palm Beach Post (10/27, Dubocq) reports, "Under pressure from federal investigators, County Commission Chairman Tony Masilotti has informed the county administrator that he will resign Friday — even though his term expires in a matter of weeks." In an interview early yesterday, "the beleaguered commissioner said he was on the brink. 'You get to a point of wondering, how are you going to keep fighting this?' Masilotti told The Palm Beach Post. 'It's difficult to eat, to sleep, to do anything. It's difficult to get anything done in a storm.'" The Post adds, "Masilotti said Thursday that federal prosecutors are threatening to charge him with 'honest services' fraud, a crime that upon conviction carries a prison term of five to 20 years. 'I thought I was doing right,' he said of his involvement in land deals under scrutiny by a federal grand jury. 'It wasn't public corruption or kickbacks. ... The U.S. Attorney told me that these things weren't illegal — except that I didn't disclose them.'"

The South Florida Sun-Sentinel (10/27, Hafenbrack, 265K) notes, "The mercurial Masilotti's almost 20-year rise to political power, which began as Royal Palm Beach mayor, ends in scandal. The FBI probe into Masilotti focuses on a government land deal in southern Martin County, in which Masilotti and his ex-wife, Susan, pocketed roughly $1.3 million. The profit was shielded through a secret trust, but it came to light in the Masilottis' divorce papers in January."

Prosecutors Have 100 Boxes Of Evidence In Case Against NYC Assemblyman. The New York Post (10/27, Cornell, Graves, 608K) reports, "The feds have more than 100 boxes of evidence in their racketeering case against Queens Assemblyman Brian McLaughlin, officials said yesterday." McLaughlin, "who made his first appearance in federal court in Manhattan yesterday, had no comment before Judge Kenneth Karas. Because of the stacks of evidence, Karas set the next court date for Dec. 14." The Post notes McLaughlin "faces charges for allegedly stealing from the state, his union, his political campaign, contractors and even a Queens Little League, federal prosecutors charged last week." The New York Daily News (10/27, Zambito, 729K) adds, "Next week, McLaughlin's attorneys will get a peek at some 100 boxes of evidence that federal and city investigators compiled during their lengthy probe of the former head of the New York City Central Labor Council." McLaughlin "is accused of stealing $2.2 million in taxpayer funds to pay for fancy cars, country clubs and a Long Island mansion. He's also accused of looting nearly $100,000 from the bank account of a Queens Little League."

Mississippi Police Chief Pleads Guilty To Extortion Charge In Drug Case. The AP (10/27) reports, "Federal prosecutors said Ruleville Police Chief Ronald Durelle Robinson pleaded guilty Thursday to an extortion charge, admitting that he took cash for not pursuing drug and gambling charges against a person he thought to be

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a crack cocaine distributor. As part of the plea agreement, other federal charges against Robinson will be dropped when he is sentenced within the next 45 to 60 days, said James D. Maxwell II, assistant U.S. attorney for north Mississippi." According to the federal indictment, Robinson and Ruleville Assistant Chief Larry Mitchell, "acting in their official capacities, conspired to extort cash payoffs in exchange for providing protection for alleged crack dealers and other people Robinson and Mitchell believed to be distributing crack. The FBI said Robinson was charged with one additional extortion count and four counts of attempting to aid in the possession of crack cocaine with intent to distribute."

Texas Executes Man Involved In Murder-For-Hire Plot. The AP (10/27, Graczyk) reports, "A man was executed (in Huntsville, TX) Wednesday for initiating a murder-for-hire plot that authorities said led to the fatal stabbings of his parents and an uncle." The AP continues, "The lethal injection of Gregory Summers, 48, came more than seven years after the execution of Andrew Cantu, convicted of taking the $10,000 offer and fatally stabbing Gene and Helen Summers, both 64, and Billy Mack Summers, 60. Their home in Abilene was set on fire after they were attacked and their bodies were found in the rubble." The AP adds, "Attorneys for Summers tried Wednesday to block the punishment by challenging the constitutionality of the injection method, accusing prosecutors of hiding evidence and raising questions about testimony from a trial witness who implicated Summers. … The U.S. Supreme Court three weeks ago refused to review his case. Three appeals went to the high court late Wednesday, and all were rejected."

Los Angeles Hospital's Dumping Of Patients Probed. USA Today (10/26, Wlech) reported, "A hospital here is under criminal investigation for possibly dumping of homeless patients on skid row — a practice that the Bush administration says is widespread in the USA and 'inhumane.' Los Angeles Police Capt. Andrew Smith says 'there's a strong likelihood criminal charges could be filed' against Los Angeles Metropolitan Medical Center after five patients were brought by ambulance Sunday to the city's drug and crime-infested skid row section."

DC Developer Acquitted Of Bribery, Convicted On Lesser Charge. The Washington Post (10/27, A01, Leonnig, Hedgpeth) reports, "Douglas Jemal, one of Washington's most prominent developers, was acquitted yesterday of charges that he bribed a city official to get sweetheart contracts and inflated profits at taxpayers' expense." The Post continues, "The jury in U.S. District Court convicted Jemal of one lesser count of wire fraud. But the panel resoundingly rejected the crux of the government's case, acquitting Jemal and two top lieutenants of his company, Douglas Development Corp., of the more serious charges of conspiracy and bribery." The Post adds, "From the start, Jemal, 63, denied wrongdoing in his dealings with the city. When he was indicted along with son Norman Jemal and leasing agent Blake Esherick in September 2005, Jemal said he was looking forward to the chance to clear his name and theirs after nearly two years of overlapping city and federal investigations. … Prosecutors said Jemal could face up to 20 years in prison on the wire fraud charge. But under federal sentencing guidelines, his sentence could be much lighter, and he could wind up with just probation. … U.S. Attorney Jeffrey A. Taylor said the guilty verdicts against Douglas Jemal and Esherick were a 'vindication of a majority of our case.' He defended the prosecution, saying, 'This was a tough case, but given the serious allegations, we had to bring it.'"

Hoekstra Seeks Broad Probe Of NIE Leak. The Washington Post (10/27, A8, Pincus, 748K) reports House Intelligence Chairman Peter Hoekstra has proposed a "sweeping inquiry" into the possible leak of the Iraq NIE that led to New York Times reports in September. The proposal would include "an audit of staff telephone records and e-mail to identify unauthorized contacts with news media or messages related to the leaked document."

Juror In DC Murder Trial Dismissed For Using Numerology. The Washington Post (10/27, B04, Cauvin) reports, "The jury was trying to decide a high-profile murder case when the trouble began. One of the jurors brought numerology into the debate -- a mystical system said to divine truths from a person's birth date and from the sum of the letters in a person's name. … But numerology is nowhere in the jury instructions at D.C. Superior Court. And yesterday, after hearing from the woman's frustrated fellow jurors, Judge Wendell P. Gardner Jr. kicked her off the panel." The Post continues, "An alternate juror was summoned back to the courthouse and is expected to join the jury to begin deliberations anew today in the trial of two men accused of killing 14-year-old Jahkema 'Princess' Hansen. … It was the strangest twist yet in a trial that has had more than its share since it began almost a month ago -- almost three years after Hansen was fatally shot in the Sursum Corda housing complex, allegedly because she was a witness to a killing. In addition to talking about numbers, the juror had declared that she was the savior, there to force a mistrial." The Post adds, "From a prosecution witness's apparently testifying while high on marijuana to a juror finding herself followed home by a key figure in the case, the trial has not lacked the unexpected. … Leaving the courtroom after she was dismissed, the juror said she could not say anything because of 'the judge's order.' …

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Judges rarely take such steps but can do so when jurors refuse to deliberate or, as in this case, insist on introducing information that wasn't part of the evidence."

Malvo Meets With Arizona Detectives Probing 2002 Shooting. The AP (10/27, Manning) reports, "Lee Boyd Malvo met yesterday with police from Tucson, Ariz., who are investigating whether Malvo and fellow sniper John Allen Muhammad were responsible for a golf course shooting there in March 2002, Malvo's attorney said. " The AP continues, "Malvo spent about two hours speaking with Tucson detectives at the Montgomery County Correctional Facility in Boyds, attorney William Brennan said. Malvo, already serving a life term in Virginia for one of the October 2002 sniper shootings, is in Maryland awaiting sentencing for six sniper killings in Montgomery County. … Mr. Brennan would not discuss the substance of the meeting." The AP adds, "Tucson police have long sought to speak with Malvo about the March 19, 2002, killing of Jerry Taylor, 60, who died from a single shot fired from long range as he practiced on the Fred Enke Golf Course. The case has never been conclusively tied to Muhammad or Malvo. … Capt. Bill Richards, commander of the violent crimes division with Tucson police, declined to comment yesterday, except to say that 'we do feel that in the very near future, we'll be able to discuss things ... in a broader sense.' … After his arrest Oct. 24, 2002, at a Frederick County, Md., highway rest stop, Malvo told authorities that he had shot a senator on a golf course in Arizona. Mr. Taylor was not a senator. Muhammad and Malvo were visiting Muhammad's older sister at the time, but police didn't have enough evidence to prove they were responsible for Mr. Taylor's death."

Federal Corruption Probe Adds To Tennessee County's Woes. The Los Angeles Times (10/26, Fausset) reports from Newport, TN, "How bad is Cocke County's lawless reputation? … So bad that its tourism and economic development chief, Donald Hurst, likes to kick off out-of-town business meetings with a self-deprecating joke. All of the visiting Cocke County officials, he tells his audience, are right here in the building — so 'rest assured, your home is safe.'" The Times continues, "To many Tennesseans, Cocke County is the place their parents warned them about, the butt of hillbilly jokes, the last redoubt of an old, untamed Appalachia. For decades this poor and dramatically beautiful area, north of the Great Smoky Mountains National Park, was a haven for moonshiners and bootleggers who evaded federal tax agents by hiding in its rugged hills and hollows. .. It was also known for its brothels and chop shops, its illegal bars and gambling, its shakedowns and drugs and stadium-sized cockfight pits — and its rampant public corruption. There was a time when people called it 'Little Chicago.' … And though other mountain communities have seen their wild days lapse into the innocuous category of 'colorful past,' Cocke County seems doomed to repeat the sins that have long defined it." The Times adds, "In recent months, a state and federal corruption probe has been making familiar headlines here, flushing out the latest round of dirty cops, brothel owners and incorrigible outlaws whom locals call 'tush hogs' — a name they also use for wild boar. … County Mayor Iliff McMahan Jr., first elected in 2002 on a promise to attract tourists and new business, hopes this investigation is the final chapter of a long, troubled history. After all, the Little Chicago nickname has long faded, and moonshining, a victim of increasingly lax Southern liquor laws, has been reduced to the status of a hobby. … And yet the trouble continues, competing with the good news McMahan and Hurst are spreading about their inexpensive, underdeveloped and untrammeled county …"

Kentucky Woman Says Boyfriend Acted Alone In Social Worker's Killing. In a widely-distributed story, the AP (10/27) reports, "A woman accused with her boyfriend of kidnapping her baby and killing a social worker said Thursday she did not participate in the slaying. In a jailhouse news conference that she had requested, Renee Terrell said Christopher Luttrell alone was responsible for the death of Boni Frederick, 67, of Morganfield." Luttrell "told reporters gathered at the Henderson police station on Wednesday that he killed Frederick. … Terrell said she was in the house when Frederick was killed but that she didn't see or hear the attack. The couple is accused of taking Terrell's 10-month-old son, Saige, after Frederick had brought the infant for a visit with the mother." The AP notes, "FBI agents arrested Terrell and Luttrell on Oct. 19 in a trailer where they sought shelter near Godfrey, Ill."

FBI, Louisiana Authorities Cracking Down On Fraudulent Contractors. The AP (10/27) reports, "Fraudulent contractors, unlicensed contractors and the bilking of homeowners are reaching epidemic proportions, prompting federal and state agencies to beef up regulatory and criminal enforcement against unscrupulous businesses. The problems may have not hit their peak, with Road Home money still to be handed out, state and federal agencies said. … 'The FBI and the U.S. attorney are fundamentally committed to ensure (the use of) recovery (money) is free of fraud, and we are cooperating to include contractors who engage in fraudulent activity,' said James Bernazzani, FBI special agent in charge of Louisiana. Bernazzani said that the disbursement of Road Home loans…gives the FBI jurisdiction, and any contractor stealing or fraudulently taking the money will be high on the FBI's radar. 'If you are a contractor fraudulently (taking) recovery money from

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homeowners, the FBI will take a very, very hard look at it,' he said."

New Orleans Council Members Pushing For Independent Inspector General. The AP (10/27, Bohrer) reports, "City leaders are pressing for the hiring of a corruption watchdog to send a message that New Orleans -- with its long and colorful reputation for graft and thievery -- can be trusted with the billions of dollars in federal aid pouring in to rebuild after Hurricane Katrina. 'We have a moral obligation to lead with integrity,' said City Councilwoman Shelley Midura, who is among those pushing for the creation of the office of inspector general. … At least five of the council's seven members have signed on to the idea, set for a vote Nov. 2." The AP notes, "Some have argued that under the current plan, the inspector general would be too weak," and "Mayor Ray Nagin has come out against a proposal to make city contractors help pay for the office." The AP adds, "Anyone employed by the city within the past five years would be excluded from consideration. That is a sore point with the leader of the local chapter of the NAACP, Danatus King, who warned that that would disqualify people with knowledge of the city's inner workings."

Washington Justice Admonished For Meeting With Inmates. The New York Times (10/27, Liptak) reports, "A special panel of the Washington Supreme Court made up of nine substitute judges reprimanded one of the court's justices yesterday for visiting a facility that holds sexually violent predators." The Times continues, "The panel ruled that the justice, Richard B. Sanders, had 'created an appearance of partiality' by questioning inmates and accepting documents from them at the McNeil Island Special Commitment Center on a visit there in January 2003. The center holds sex offenders who have completed their criminal sentences but who the courts have found are likely to engage in predatory acts of sexual violence. … A case concerning the constitutionality of the state law under which the inmates were committed was before the court at the time." The Times adds, "In an interview, Justice Sanders said his visit had been useful and appropriate. Judges in Washington are encouraged to visit prisons and similar facilities, he said, and he received continuing judicial education credit for his 2003 visit. … 'The whole objective of this facility is supposed to be to treat the prisoners,' he said, 'and I thought it was a valuable opportunity to ask the prisoners how they were doing. I thought I gained from the experience, and now I'm being punished for it.' … The sanction was admonishment, the mildest available punishment."

Getty Museum Toughens Acquisition Standards. The Los Angeles Times (10/27, Reynolds) reports, "Under growing international scrutiny for buying potentially looted antiquities, the J. Paul Getty Museum has dramatically tightened its acquisition standards." The Times continues, "The move, announced Thursday, is designed to screen out any item whose history since 1970 is murky. In doing so, two experts said, the Getty is essentially taking responsibility for making sure an item's recent history is clean, instead of challenging critics to prove it's dirty. … The move is not retroactive — if it were, the museum would have to relinquish scores of ancient items from its galleries and storerooms — but some authorities see it as a potential turning point in a global confrontation between curators and archeologists over the way museums do business." The Times adds, "The Getty chose the November 1970 date because that's when the United Nations gave its blessing to a convention aimed at preventing illicit movement of cultural property. The measure had little effect on the habits of major American museums, but the British Museum has adopted similar standards, and the University of Pennsylvania's art museum has taken its own conservative stance."

CIVIL LAW:

US Settles Marketing Claims Against InterMune. Bloomberg (10/27, Gullo, Fisk) reports, "InterMune Inc., maker of a treatment for rare bone and immune system disorders, will pay $36.9 million to settle U.S. claims it illegally marketed the drug for unapproved uses and caused false claims for reimbursement from government health programs." Bloomberg continues, "The San Francisco U.S. Attorney's office said InterMune sold the drug, called Actimmune, mostly for prescriptions to treat pulmonary fibrosis, a fatal lung disorder with no cure that affects 83,000 Americans. InterMune distributed misleading information to doctors and patients claiming the drug could prolong survival knowing the company's studies failed to show significant benefits, prosecutors said in a statement. … 'This settlement sends a clear message to the pharmaceutical industry that the Justice Department will not tolerate these deceptive and illegal marketing practices,' said Assistant U.S. Attorney General Peter Keisler in a statement."

The San Jose Mercury News (10/27, Johnson) reports, "Under the settlement announced by the U.S. Attorney's office in San Francisco., InterMune of Brisbane was charged with promoting its drug Actimmune 'with intent to defraud or mislead,' a felony under the federal Food Drug and Cosmetic Act. … But the U.S. Attorney's office will dismiss the charge in two years if InterMune complies with laws against so-called off-label marketing, which means promoting drugs for uses beyond what was approved by the U.S. Food and Drug Administration. … In its settlement agreement, InterMune said it did not contest the claim that 'one or more former InterMune employees violated federal criminal law.'"

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Keystone Mercy Health Plan Settles Charge Claims With DOJ. The Philadelphia Inquirer (10/27, Loyd) reports, "Keystone Mercy Health Plan, the region's largest Medicaid managed-care insurer, has reached a settlement with the U.S. Attorney's Office in Philadelphia to pay $5 million to resolve a benefits-claims dispute." The Inquirer continues, "The Justice Department alleged that Keystone Mercy in 1997 and 1998 failed to return to the Pennsylvania Department of Public Welfare overpayments for some Medicaid services. Keystone Mercy denied any wrongdoing. … In a statement, the Philadelphia insurer said the agreement ended a dispute 'over interpretation of our contract with DPW almost 10 years ago.' Keystone Mercy said it agreed to pay $5 million over the next six months to end the 'inconvenience and expense of protracted litigation.'" The Inquirer adds, "The allegations were brought in 2001 by a former Keystone Mercy claims-recovery examiner, who filed a 'whistle-blower' complaint. Lorraine Pittelli, the claims examiner, will receive $780,000 from the proceeds of the settlement."

Convicted Mobster Sues US, Saying He Was Framed. The Boston Globe (10/27, Murphy) reports, "Three years ago, a federal judge apologized to Pasquale Barone Jr., saying that his 1993 trial on charges that he killed a man for the New England Mafia was 'fraudulent' because prosecutors withheld evidence from the defense. … Now Barone, 45, who spent 15 years in prison before he was freed in 2003 amid allegations of government misconduct, is looking for more than an apology." The Globe continues, "The North End man has filed a federal lawsuit accusing the government of negligence and alleging that a federal prosecutor, two retired FBI agents, and other unnamed officials plotted to deprive him of a fair trial and orchestrated a malicious prosecution. … The suit is seeking unspecified damages for Barone and his daughter, Consiglia, who was 4 years old when he was sent to prison and, according to the suit, suffered 'severe shock, fear, horror, emotional distress' and the loss of his companionship. … Barone's suit alleges that the prosecutor and agents conspired to 'intentionally frame' him. … The suit names Assistant US Attorney Jeffrey Auerhahn and retired FBI agents Michael Buckley and Edward Quinn." The Globe notes, "Three years ago, US Attorney Michael J. Sullivan said the Justice Department had launched an internal investigation into Auerhahn's handling of the case. Thursday, Samantha Martin, a spokeswoman for Sullivan, said Justice Department regulations prohibited the government from commenting on the outcome of the investigation or on whether any action had been taken against Auerhahn. She also declined to comment on Barone's lawsuit. … Barone was convicted in federal court in 1993 of murder in aid of racketeering in the 1985 death of his friend, Vincent 'Jimmy' Limoli, allegedly at the behest of New England mob captain Vincent Ferrara. Barone, who was serving 10 years after pleading guilty to state manslaughter charges in Limoli's slaying, was sentenced to life in prison in the racketeering case. … However, three years ago, US District Judge Mark L. Wolf found that Auerhahn had failed to tell Barone's lawyers that a key witness had recanted before the federal trial and insisted Ferrara had not ordered the slaying."

SCOTUS To Consider Punitive Damage Award In Tobacco Case. USA Today (10/27, Biskupic) reports, "Jesse Williams, a Portland, Ore., janitor who smoked three packs of Marlboros a day, died of lung cancer in 1997. His widow, Mayola, sued Philip Morris for fraud and negligence, alleging that any fears her husband had about becoming ill from smoking were eased by the cigarette-maker's publicity campaign that suggested it was safe. … Mayola Williams recalled in court filings that when her husband learned he had inoperable cancer, he said, 'Those darn cigarette people finally did it. They were lying all the time.'" USA continues, "The lawsuit that Mayola Williams filed was among many claims filed against tobacco companies in recent years, but one of the few to lead to a multimillion-dollar judgment. An Oregon jury awarded Williams $79.5 million in punitive damages. Such damages are intended to punish defendants beyond the actual damages they caused and deter future bad conduct. … Williams' award was 97 times greater than the actual — or compensatory — damages awarded by the jury, and according to court records it was based partly on the jury's consideration of Philip Morris' harm to other smokers in Oregon." USA adds, "Now, Williams' case is before the U.S. Supreme Court and has become one of the most significant tests ever of how far a jury can go in punishing a civil defendant. The question in the Williams case is whether the punitive damages award is so disproportionate to the injury to Jesse Williams that it violates the 14th Amendment's guarantee of due process of law. … In its appeal, Philip Morris says the Oregon verdict violated due process because it was so much higher than the actual damages caused to Jesse Williams and because jurors were punishing the company for injuries to smokers who were not part of the Williams case."

CIVIL RIGHTS:

DOJ Plan For Poll Monitors Meets With Objections. The AP (10/27) reports, "City officials and Hispanic community leaders objected today to the federal government's plans to put monitors at city polling places on Election Day, saying those efforts could discourage people from voting." The AP continues, "The Department of Justice

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earlier this month asked a federal judge to authorize appointment of monitors beginning with the upcoming Nov. 7 election and ending in 2009. The government accused the city of failing to provide sufficient election materials in Spanish and not recruiting enough bilingual poll workers. … But City Solicitor Romulo L. Diaz Jr. said at a news conference Thursday that the federal government could not guarantee him that federal monitors wouldn't follow voters into polling booths. It would be better to appoint local monitors, he said." The AP adds, "A spokesman for the Justice Department said he would look into the solicitor's claims but could not immediately comment. … 'We're very, very concerned about having Big Brother taking care of us,' said local attorney Luis P. Diaz, who also attended Thursday's news conference with other community leaders. … The federal lawsuit contends the city violated the federal Voting Rights Act by allowing only poll workers – some of whom did not speak Spanish – to help Hispanic voters cast ballots. The law permits voters who require assistance to request help from someone they know."

The Philadelphia Inquirer (10/27, Gelbart) reports, "Two weeks before Election Day, the city (of Philadelphia) is fighting an attempt by the U.S. Justice Department to appoint federal observers for Philadelphia elections beginning Nov. 7 and lasting past next year's presidential race, until the end of 2009." The Inquirer continues, "The effort to appoint the observers stems from a lawsuit filed by the federal government 14 days ago alleging that the city has violated the rights of its Hispanic voters. … Specifically, it charges that the city hasn't adequately recruited and trained bilingual poll workers, failed to provide sufficient election-related materials in Spanish, and prohibited Hispanic voters with limited English from choosing someone to help them inside the voting booth, which law permits." The Inquirer adds, "The suit also says the city has no program to identify 'the need for or the placement of Spanish-speaking poll workers and interpreters on election day' and that the city has paid people to be interpreters who don't speak Spanish. … City officials have called the allegations unfounded. A hearing has been scheduled for next Friday in U.S. District Court for the Eastern District."

Nervous Elections Officials Try To Minimize Voting Problems. USA Today (10/27, Wolf, 2.27M) reports problems "from delayed absentee ballots to names being chopped off on voting machines are hampering elections officials" as elections near. While officials say the problems are "not unusual," coming after a "primary election season in which new electronic machines and state laws confounded poll workers, they are making officials nervous." In a related item, USA Today (10/27, Wolf, 2.27M) says elections officials, "haunted by breakdowns at the polls during this year's primaries," are "using technology and other means to make voting on Nov. 7 more reliable and convenient. From alerts delivered by text message to polling sites at grocery stores, states and counties hope to increase turnout and decrease the number of problems in states such as Ohio and Illinois earlier this year."

Economist Says Voters "Shouldn't Have Doubts" About Being Counted. In a USA Today (10/27, 2.27M) op-ed, economist Julianne Malveaux writes, "One of the reasons, it is said, that we invaded Iraq was to introduce democracy to a totalitarian nation. But while we are shopping democracy abroad, we have yet to perfect our democracy at home. When people go to the polls Nov. 7, the manifestations of our imperfect democracy will be rife. The non-partisan Election Reform Information Project predicts problems at the polls, and the NAACP says it will monitor elections in 10 states in which irregularities are a possibility. … Control of the House and the Senate is at stake in the 2006 elections, and many races are so tight they could be decided on just a few thousand votes. Our democracy depends on free, fair and accurate elections. On Nov. 8, we shouldn't have doubts about whether our votes have been counted."

Bush, GOP Seek Political Edge Following Gay Marriage Court Ruling. The New York Times (10/27, Stolberg, 1.21M) reports, "The divisive debate over gay marriage, which played a prominent role in 2004 campaigns but this year largely faded from view, erupted anew on Thursday as President Bush and Republicans across the country tried to use a court ruling in New Jersey to rally dispirited conservatives to the polls." Wednesday's ruling, in which the "New Jersey Supreme Court decided that gay couples are entitled to the same legal rights and financial benefits as heterosexual couples, had immediate ripple effects, especially in Senate races in some of the eight states where voters are considering constitutional amendments to ban gay marriage." President Bush "put a spotlight on the issue while campaigning in Iowa, which does not have a proposal on the ballot. With the Republican House candidate, Jeff Lamberti, by his side, Mr. Bush -- who has not been talking about gay marriage in recent weeks -- took pains to insert a reference into his stump speech warning that Democrats would raise taxes and make America less safe." Said Bush, "Yesterday in New Jersey, we had another activist court issue a ruling that raises doubts about the institution of marriage." Bush "drew applause when he reiterated his long-held stance that marriage was 'a union between a man and a woman," adding, "I believe it's a sacred institution that is critical to the health of our society and the well-being of families, and it must be defended.'"

The Washington Post (10/27, A7, Cooperman, 748K), in a story titled "Religious Conservatives Cheer Ruling On

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Gays As Wake-Up Call," said the ruling "was bad news for social conservatives -- the bad news they were hoping for." Conservative religious "leaders predicted that the court's 4 to 3 ruling…would boost turnout of social conservatives in the midterm elections, particularly in the eight states that have constitutional amendments against same-sex marriage on the Nov. 7 ballot." The Post also notes Bush "denounced the New Jersey ruling and called heterosexual marriage 'a sacred institution.'" The AP (10/27) and AFP (10/27) also run brief dispatches on Bush's comments on the ruling.

The Christian Science Monitor (10/27, Marks, 58K) reports the ruling "could tip the national balance, many political analysts say." Larry Sabato said, "The Republicans are thrilled and the Democrats are furious with those judges, and that tells me all I need to know. … Both sides understand this is a boost for Republican turnout among social conservatives, many of whom were very discouraged and probably were not going to vote because of the [Mark] Foley scandal and Iraq." The Monitor adds, "Some analysts, though, disagree. Gay marriage has lost some of its salience as a galvanizing issue, they say, in part because Americans are so focused on the war in Iraq."

The Wall Street Journal (10/27, 2.03M), in an editorial, calls the ruling "a remarkable arrogation of power by the judiciary," an example of a court that feels "empowered to embark on social experimentation in the field of marriage." The Journal adds, "If many on the judicial and political left get their way, those tracks will soon extend to the rest of the country as well."

In Reversal, Hillary Clinton Says She Would Back A Gay Marriage Law In New York. The New York Times (10/27, Healy, 1.21M) reports, "Senator Hillary Rodham Clinton told a group of gay elected officials Wednesday night that she would support a gay marriage law in New York if a future governor and Legislature chose to enact one, according to three participants at the meeting." Clinton "has long opposed same-sex marriage and instead favors civil unions for gay couples, a position that has drawn sharp criticism from some gay advocacy groups. But she has also said that each state should decide the issue for itself." The Times adds, "Participants at the meeting, which was closed to reporters other than those at gay media outlets, confirmed the account of Mrs. Clinton's remarks, which were made to the gathering at a private apartment in Manhattan."

Corzine Says He Would Prefer Legislature To Enact Civil Unions Bill. The New York Times (10/27, Mansnerus, Healy, 1.21M) reports, "Gov. Jon S. Corzine told legislative leaders on Thursday that he would prefer that New Jersey enact a civil unions law for gay couples rather than allow them to marry." That "prompted attacks from the state's leading gay-rights advocate, who said Mr. Corzine expressed support for same-sex marriage to a gay audience two weeks ago and had repeatedly done so during his 2000 primary campaign for the United States Senate."

More Commentary. Darren R. Spedale, an investment banker in New York City, and William N. Eskridge Jr., the John A. Garver professor of jurisprudence at Yale University, adress in the Wall Street Journal (10/27, 2.03M) "the 'slippery slope' argument -- that same-sex marriage would start a dangerous movement toward legal recognition of socially unacceptable relationships? This hasn't happened in Scandinavia; 17 years later, there are still no calls for recognizing polygamy, incestual marriage or marriage to animals. Danes you ask about the slippery slope think you are joking. They realize that same-sex marriages serve essentially the same goal as opposite-sex marriages: lifetime commitment to your better half, the person who completes you." They conclude, "In short, the sky hasn't fallen. Rather than scapegoating gay couples as the attackers from which marriage needs "defending," pundits and politicians alike should look to no-fault divorce, prenuptial agreements and legal recognition of heterosexual cohabitation as the real culprits of weakened marriage. As the evidence indicates, societies where gay couples have the rights of marriage seem to be doing just fine."

Peter Sprigg, vice president for policy at the Family Research Council, writes in USA Today (10/27, 2.27M), "Society gives benefits to marriage because marriage gives benefits to society. Therefore, the burden of proof must rest upon the advocates of homosexual unions to demonstrate that such unions benefit society (not just the individuals involved) in the same way and to the same degree as marriage between a man and a woman. Because homosexual unions never result in natural procreation and never provide children with both a mother and a father, this is a burden they simply cannot meet."

WPost Says Virginia Initiative Should Be Rejected Even By Gay Marriage Opponents. Meanwhile, the Washington Post (10/27, A22, 748K) says in an editorial that "even if you oppose same-sex marriage and think its prohibition should be enshrined in state laws and constitutions, there are ample compelling reasons to oppose Virginia's Ballot Question No. 1 on Nov. 7. The amendment, intended to forbid a practice that Virginia already forbids, is vague and fraught with potential for unintended harm to gays and straights alike. Its adoption would herald a season of chaos in the state's courts."

WPost, WSJournal Approve Of Decision Easing Rules On Single-Sex Education. The Washington Post (10/27, A22, 748K) writes in an editorial, "Studies of single-sex education are all over the map, with no one really knowing how effective it is. Still, the decision giving public schools greater freedom to offer all-boys and all-girls

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instruction is right because of one known certainty: Traditional schools just are not working for a large number of children." Now "local school districts that want to experiment with single-sex instruction should be encouraged to adopt a meticulous research protocol to demonstrate what works or doesn't work. Then a serious discussion can begin."

The Wall Street Journal (10/27, W13, 2.03M) writes on the Taste page of its Weekend Journal section, "The government's long war against single-sex schooling ended Tuesday." Now "educators can contemplate opening single-sex schools or classes without running afoul of the law." Now "you might think that the National Organization for Women would applaud efforts to empower young girls. Or that Sen. Edward Kennedy, the product of a boys-only private school, would want to see the opportunities he enjoyed extended to young disadvantaged males. Yet they…see the Education Department's new rules as a green light for 'discrimination' and 'stereotyping.'" But "many parents…want the real fruits of equality for their children, and an important civil right that is currently being denied to them: a decent education."

ANTITRUST:

FTC Gives Antitrust Nod To Gildead Science's Purchase Of Myogen. The AP (10/27) reports, "Biotechnology company Gilead Sciences Inc. said Thursday that the customary waiting period needed for its purchase of Myogen Inc. has been terminated early by federal regulatory officials." The AP continues, "The Federal Trade Commission terminated the waiting period required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 before its expiration date, according to Gilead Sciences." The AP adds, "Earlier this month, the company announced plans to buy Westminster, Colo.-based Myogen Inc. for $2.5 billion. Gilead Sciences previously stated that its tender offer and associated withdrawal rights will expire Nov. 10 unless extended. The company expects the tender offer to close by the end of the fourth quarter of 2006."

New Players Enter Media Ownership Game. The Wall Street Journal (10/27, C1, Berman, McBride) reports, "With a growing list of radio, newspaper and television assets on the auction block, some new players are on the verge of assembling the conglomerate of the 21st century: the private-equity media empire. … That became all the more apparent when Clear Channel Communications Inc., one of the nation's largest owners of radio stations and outdoor billboards, put itself up for sale on Wednesday. Buyout groups are hungry to get control of the San Antonio company, which has a stock-market value of $17.5 billion. … Yet many of the same private-equity players chasing Clear Channel are either in the hunt for other media assets or already partial owners of them. That could complicate matters, because of federal rules aimed at making sure no one voice controls too many media outlets." The Journal adds, "Private-equity firms, which purchase businesses with an eye toward improving and selling them for a profit, are on an unprecedented binge, buying up bigger and bigger companies. Their interest in media companies comes as the firms become ever more powerful players in many American businesses, from doughnut outlets to auto-parts makers, and are the subject of increasing scrutiny. The firms already are facing a Justice Department inquiry into whether any colluded with each other to drive down prices they pay for companies." The Journal notes, "The latest buzz-phrase among Wall Street bankers who arrange leveraged-buyouts is telling: 'The LBOing of Western Civilization.' … Indeed, the media-buyout frenzy involves lots of overlapping players. Providence Equity Partners is part of a group trying to win control of Clear Channel's 1,150 radio stations and other assets. Earlier this year, Providence was also part of a group that purchased Univision Communications Inc., which owns radio stations and the Univision Spanish-language TV network. It's also part of a group weighing a bid for Tribune Co., which owns newspapers and TV stations."

Sprint's Financial Results Suffer After Nextel Merger. The Washington Post (10/27, D01, Noguchi) reports, "Sprint Nextel's customers, fed up with dropped calls and a service that hasn't kept up with the features offered by mobile phone competitors, left the company in droves last quarter. … That, alongside a tumbling stock price and dramatic changes in the executive lineup, led to a disappointing three months for the Reston company. … It posted a profit of $247 million (8 cents per share) on revenue of $10.5 billion for the quarter ended Sept. 30. That compares with $516 million profit (23 cents) for the same period last year on revenue of $7.83 billion." The Post adds, "One year after Sprint and Nextel merged, the firm is investing in a faster, more advanced network and working on partnerships to sell more of its services. Still, during a conference call yesterday, president and chief executive Gary D. Forsee acknowledged the troubles, which largely stem from thousands of the core customers defecting to competitors because of poor service. … Sprint lost 2.4 percent of its customer base every month during its third quarter -- a rate much higher than that of Cingular Wireless, which lost customers at a rate of 1.8 percent a month and last week posted a 280 percent increase in its net income. … Overall, Sprint, the country's third biggest carrier, landed 233,000 new customers during the quarter. It lost about 188,000 customers who are on contract plans and pay monthly, but offset that loss with gains elsewhere, including those who use month-to-month prepaid services."

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ENVIRONMENT:

DOJ Settles Pollution Charges With Bunge. The AP (10/27, Suhr) reports, "Oilseed processor Bunge North America Inc. and three of its subsidiaries agreed Thursday to pay $13.9 million in a pollution settlement with the federal government, the Justice Department announced." The AP continues, "As part of the deal, the government said, the St. Louis-based unit of Bunge Ltd. will clean up emissions at 11 soybean-processing plants and one corn plant in eight states, eventually cutting more than 2,200 tons of harmful pollution emissions a year." The AP adds, "The settlement, outlined in a consent decree filed by the Justice Department in federal court in Urbana, Ill., follows others with fellow oilseed processors Cargill Inc. and Archer Daniels Midland Co. The decree will be subject to a 30-day public comment period and subsequent judicial approval. … According to the government, Bunge or a subsidiary violated the federal Clean Air Act at some or all of the dozen plants with 'major' modifications of those sites without getting permits or adhering to pollution controls, the Justice Department said." The AP notes, "In settling the matter, Bunge will spend an estimated $12 million on emission-curbing projects and pay a $625,000 cash penalty, which will be divided among the U.S. government and the eight states. … The company will spend more than $1.25 million on community-based environmental projects in the affected states, including removing mercury, lead or asbestos from Louisiana schools and retrofitting diesel school buses and other vehicles in Indiana, Ohio, Kansas, Iowa and Alabama. Bunge also will provide environmental education in Kansas and residential lead abatement in Illinois."

Montana Water Deal Draws Criticism. The AP (10/27, Gallagher) reports, "Montana water rights for the U.S. Forest Service are in a proposed agreement that state and federal officials tout as a major step forward, but a leading conservation group opposes." The AP continues, "The Montana Reserved Water Rights Compact Commission and the Forest Service unveiled the agreement this fall and have been taking public comment at meetings, the last of them scheduled for Monday in Billings. Officials, who will accept written comment until Nov. 15, may tweak the document before submitting it to the Legislature for action this winter. Approval by the Legislature, the governor and the federal Agriculture and Justice departments is needed for the agreement to become final. .. .It lays out water rights for the Forest Service, rights agreed upon through negotiations that began in 1992 and accelerated with the hiring of a mediator last fall." The AP adds, "Forest Service needs include water for ranger stations, work centers, tree nurseries, road construction and firefighting. The agreement encompasses those needs, and for 77 streams it establishes what are known as 'in-stream flow rights' for fish-inhabited waters that pass through national forests. … Commission Chairman Chris Tweeten of the state attorney general's office called the agreement a 'good deal for Montana,' and Forest Service spokeswoman Paula Nelson said the state and the Forest Service 'have both come out winners.' … Fish conservation group Trout Unlimited has a different view. … 'It's a really, really bad proposal,' Bruce Farling, the group's executive director for Montana, said Thursday. Problems include inadequate in-stream flow rights, according to Farling, who said Trout Unlimited may propose amendments during the legislative session."

"Treatment Wetlands" Help Clean Cities' Sewage. USA Today (10/27, Watson) reports, "Cleaning up America's dirty water usually requires loads of chemicals, vast concrete tanks and huge pipes. Now some communities are turning to a more pleasant method of coping with sewage and polluted runoff: wetlands, complete with greenery and birdsong. … Cities are installing systems that send partially cleaned sewage to wetlands, which suck up even more pollution from the water. Local authorities are also turning to wetlands to store and cleanse the filthy water that runs off highways and pavement after a rainstorm." USA continues, "Such 'treatment wetlands' not only soak up pollution but also provide habitat for birds and other wildlife. And they require less energy and manpower than traditional sewage treatment systems, so they're often cheaper to operate. … Despite the high hopes, the EPA's Grumbles warns that wetlands are not a panacea for America's water pollution. No wetland can handle large volumes of raw sewage, he says, or water contaminated with industrial chemicals. Wetlands excel at wiping the last traces of pollution from sewage but aren't suited to tackling water direct from the nation's toilets and sinks. … Even with those limits, wetlands are drawing interest from environmental officials in small towns and large cities alike. In Louisiana, local agencies are even hoping to use wetlands to avoid costly repairs to a sewage treatment plant damaged by Hurricane Katrina. The remaining fertilizers in the treated sewage would also help rebuild the devastated marshes on the coast."

Utah Land Use Plan Faces Legal Challenge. The Salt Lake Tribune (10/27, Baird) reports, "A federal judge on Thursday heard arguments calling for the dismissal of a lawsuit Kane and Garfield counties have filed against the Interior Department over the Grand Staircase-Escalante National Monument land-use plan." The Tribune continues, "Attorneys for the Justice Department and a coalition of environmental groups told Judge Ted Stewart that the counties' claims to roads and water rights in the monument were overly broad - and deserve to be rejected. … Justice

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Department attorney Tom Snodgrass said the counties have failed to prove any of their road ownership claims in the monument beyond four routes that were recognized in the land-use plan. And he defended the Bureau of Land Management's decision to restrict the use of off-highway vehicles on those roads, arguing that they fell under the scope of the BLM's larger land management responsibilities." The Tribune adds, "Snodgrass also said the county fell short in proving its water rights have been thwarted, noting the BLM's authority to protect the monument's water resources is backed by federal law. … 'It's not enough to disagree [with the land-use plan]. They have to show they are being injured - and they have not,' he said of the counties' arguments."

Four Firefighters Killed In California Wildfire Set By Arsonist. In a widely-distributed story, the AP (10/27, Flaccus) reports, "A wind-whipped wildfire started by an arsonist killed four firefighters Thursday and stranded up to 400 people in an RV park," as "hundreds of others in the area were forced from their homes. Fire officials said the blaze was deliberately set around 1 a.m. and had blackened 10,000 acres within 12 hours. Fire Chief John Hawkins said the arson 'constitutes murder.' … 'They had left their truck to do structure protection when the fire overran them,' said Forest Service spokesman Pat Boss, adding that the flames came down so quickly they had no time to retreat to their engine or use protective sheltering." The AP notes, "Riverside County Sheriff Bob Doyle dispatched homicide detectives to the scene to work with FBI agents during the investigation. Authorities planned to offer a $100,000 reward in the case."

Energy Companies Drilling For Huge Natural Gas Reserves Below Fort Worth. The New York Times (10/27, Krauss, 1.21M) reports, "Under golf courses, schools, parks, libraries, airports and dozens of neighborhoods, some of the nation's leading independent energy companies are scouring the city [of Fort Worth] in search of the best locations to recover one of the largest concentrations of natural gas in the United States." It is "only the beginning of a new far-flung search by wildcatters now exploring Alabama, Illinois, Ohio, Pennsylvania and West Texas for a big new source of shale natural gas. The new drilling wave comes not only at a time when domestic gas production has stalled and demand for cleaner gas energy is increasing, but when new drilling technologies and relatively high gas prices make the exploitation of shale economically feasible for the first time."

FBI/DEA/ATF/USMS:

Thomasson Castigates FBI Over New Prince William Facility. In a Scripps News (10/27) syndicated column, Dan K. Thomasson writes, "At a time when taxpayers are being socked millions of dollars a day for Iraq and national security initiatives, the FBI -- America's front line against terrorism -- is spending $32 million on a new subheadquarters on a onetime Northern Virginia horse farm that is being dubbed the 'Taj Mahal' by its own agents because of its opulence." Thomasson adds, "This once again emphasizes an FBI trend to move out of traditional government space both for security and to further establish its independent image -- one removed from the Department of Justice. … The FBI's building spree has caused increasing concerns about the creation of a national police force with sweeping power," although "the one area with which it seems not to be terribly comfortable is the most important -- counter intelligence."

Florida Man Sentenced To 11 Years In Meth-Ring Case. The Orlando Sentinel (10/26) reports a federal judge on Wednesday "sentenced a Daytona Beach mechanic to nearly 11 years in prison for his role in a methamphetamine drug ring in Volusia County. Phillip 'Yeta' Crimi, 54, is the only one of 22 co-defendants who chose to go to trial after raids and arrests by federal, state and local agents as part of Operation Speedway II in August 2005." In 2003, 14 people "were prosecuted in the first phase of the investigation by a Drug Enforcement Administration-led task force."

Maryland Man Faces Life Sentence In Cocaine-Related Case. The Annapolis (MD) Capital (10/26) reports a Severn man "was convicted in federal court yesterday of shooting a county police officer in 2004 and being part of a crack cocaine-dealing organization called the 'Pioneer City Boys.' Calvin Ignatius Savoy, 29, faces a mandatory sentence of life with no possibility of parole. … As county police investigated the shooting and saw the ties to drugs, the Bureau of Alcohol, Tobacco, Firearms and Explosives and the Drug Enforcement Administration joined the case. People in the Pioneer City Boys sold guns to undercover officers." After the shooting, a federal grand jury "indicted Savoy and six other members of a drug operation prosecutors said had been around since 2002."

Seven Arrested In California Drug Sweep Indicted On Federal Charges. Bay City News Wire (10/26) reported on its Web site, "U.S. Attorney Kevin Ryan said that seven men face federal drug trafficking charges

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stemming from a Wednesday raid in North Richmond by federal, state and local law enforcement agencies. … Ryan said, 'These charges are an effort to make North Richmond a safer community for its residents by prosecuting alleged drug dealers in the area. I thank the federal and local investigative agencies for their continuing effort and strong collaboration.' Stephanie Douglas, an FBI Acting Special Agent in Charge, said, 'These arrests are the result of over two years of joint federal, state, and local investigation and constitute another step toward ending the stranglehold of gang violence in North Richmond and the wider Bay Area.' Douglas said, 'The FBI remains committed to working with our state and local partners to ensure the safety of all our communities.'"

Track Coach's Assistant Testifies To BALCO Grand Jury. The AP (10/27) reports the top assistant to track coach Trevor Graham "has testified to the federal grand jury investigating BALCO and its distribution of performance-enhancing drugs. But Randall Evans did not provide any incriminating testimony against Graham, who once trained five-time Olympic medalist Marion Jones, the attorney said in a statement given to The Associated Press. … Evans' appearance indicates the grand jury is at least interested in Graham as part of its probe of the Bay Area Laboratory Cooperative and the lab's distribution of steroids and other illegal performance-enhancing drugs."

Ecuador's Correa Resists Plan Colombia Strategy. The Wall Street Journal/Dow Jones (10/26) reports, "Leftist Rafael Correa said Thursday that he will not break off relations with the U.S. if he is elected president Nov. 26, but he will exercise a sovereign government. … Correa also accused U.S. President George W. Bush, together with Colombia President Alvaro Uribe, of trying to involve Ecuador in the U.S.-backed drug eradication and counterinsurgency strategy known as Plan Colombia. Correa said he expects his opponent, businessman Alvaro Noboa, to throw his support behind Plan Colombia."

Brutal War Among Drug Gangs Raging In Mexico. The New York Times (10/26, McKinley, 1.21M) reports, "An underworld war between drug gangs is raging in Mexico, medieval in its barbarity, its foot soldiers operating with little fear of interference from the police, its scope and brutality unprecedented, even in a country accustomed to high levels of drug violence." In recent months "the violence has included a total of two dozen beheadings, a raid on a local police station by men with grenades and a bazooka, and daytime kidnappings of top law enforcement officials. At least 123 law enforcement officials, among them 2 judges and 3 prosecutors, have been gunned down or tortured to death. Five police officers were among those beheaded." In all, "the violence has claimed more than 1,700 civilian lives this year, and federal officials say the killings are on course to top the estimated 1,800 underworld killings last year."

Staunton, VA, Vies For Marshals Museum. The AP (10/27) reports from Staunton, VA, "The U.S. Marshals Service, best known for dogging fugitives in the old West, is on a different kind of quest these days. … It wants a place to store its antique badges and arrest warrants for the ruthless and the wanted." The AP continues, "As part of that search, a committee toured the Shenandoah Valley and its major attractions for several days last week. Also in the running is Fort Smith, Ark. … Staunton received a vote of confidence during the tour: Three former directors endorsed the city. Stanley Morris, John Marshall and Henry Hudson all are backing Staunton over Fort Smith." The AP adds, "The agency's director, John Clark, is expected to select the museum site by the end of the year. … 'It's a great way for the American people to know about the background of law enforcement,' said Robin Boylan, former FBI lawyer and member of a local committee to land the museum. … The Marshals Service got its start with 13 appointments from President George Washington in 1789. One of those appointments fell to Edward Carrington, picked to watch over Virginia from his headquarters in Staunton." The AP notes, "While Staunton has strong ties to the Marshals Service, its competitor also has bragging rights. … Fort Smith was a frontier town with a federal judge and U.S. marshals who enforced the law in the Indian territory. Fort Smith was home base for the whiskey-sipping marshal Rooster Cogburn in the novel 'True Grit,' played by John Wayne in the movie. And many people currently living in Fort Smith are descendants of U.S. marshals."

IMMIGRATION:

Bush Signs Border Fence Bill Into Law. USA Today/AP (10/27, 7A) reports, "President Bush wanted an exchange of workers with Mexico to bring order to the border, but he wound up signing a law Thursday that approves walling off 700 miles of the USA from its southern neighbor. 'Unfortunately the United States has not been in complete control of its borders for decades and therefore illegal immigration has been on the rise,' Bush said." The President "called the border-fence bill 'an important step in our nation's efforts to secure our borders.'" However, adds the AP, "the centerpiece of Bush's immigration policy, a 'guest worker' program, remains stalled in Congress. A handful of House Republicans are at the brakes, blocking negotiations with the Senate for a comprehensive immigration bill."

The story was covered by all three network newscasts. ABC World News (10/26, story 8, 0:25, Gibson, 8.78M)

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reported, "With 12 days to go until the midterm elections, President Bush, today, signed the controversial bill, calling for 700 miles of fence along the US/Mexican border. At a White House ceremony, the President called construction of the fence an important step toward fighting illegal immigration and securing America's borders." The CBS Evening News (10/26, story 9, 0:15, Couric, 7.66M) said the bill "includes no money to actually build the fence. An earlier bill provides only a down payment on that."

NBC Nightly News (10/26, story 7, 2:30, Lewis, 9.87M) showed the President saying, "This bill will help protect the American people. This bill will make our borders more secure." NBC added, "Critics immediately blasted the idea of more fences. … Immigrant rights groups in this country call the bill an election year gimmick." Juan Jose Guitierrez, Latino Movement USA: "Building of the wall is going to be viewed by our Latino community as a frontal attack by the extreme wing of the Republican party and they will pay a high political price to for it." Lewis: "And in California, the state's most prominent Republican, governor Schwarzenegger said today, the government has to do more than just build fences." Gov. Arnold Schwarzenegger: "I think that it is an incomplete kind of reform of immigration. You have to make it possible for American companies, businesses and farmers to hire people from outside the country if they can't get the work force here." Lewis: "A fence with a multi-billion-dollar price tag amid many questions of whether it will make borders more secure."

McClatchy (10/27, Montgomery) notes "the barrier is to be constructed in tandem with a high-tech surveillance network known as the Secure Border Initiative, which the Boeing Corp. is developing for the Department of Homeland Security." DHS spokesman Russ Knocke "said the department will begin developing plans for the reinforced fence after Congress appropriates funding. Lawmakers have approved $1.2 billion for border security, but most of that money will be used for the Secure Border Initiative, Knocke said." Even "with the uncertain timetable for construction," Republicans "hope to use the new law as a vitally needed political boost in the days remaining before the Nov. 7 congressional elections, citing the fence as dramatic evidence that they're getting tough on border security and taking aggressive steps to combat illegal immigration. … GOP strategists believe the border-security message could make a difference by energizing conservative voters, although some analysts said it may be too little, too late.

Like McClatchy, much of the media coverage deals with the political repercussions of the new law. CNN's The Situation Room (10/26, Quijano) said "the purpose of the event really is to demonstrate that House Republicans, specifically, are taking action to get tough on border security." The Washington Post (10/27, A4, Fletcher, Weisman, 748K) reports "the president's signing ceremony was followed by a blizzard of statements from GOP lawmakers hailing the law." House Majority Leader John A. Boehner "called it 'a major victory in Republicans' efforts to make a real difference in securing our borders.'"

On CNN's Lou Dobbs Tonight (10/26), GOP Rep. James Sensenbrenner said, "We have a victory lap to take today. … The vast majority of the American public want border security, and they want it now. And not only is the fence authorized, but the first year's funding was approved by the President earlier this month, to the tune of $1.1 billion. And we've also funded 1,500 more Border Patrol officers and 6,700 more detention beds. The Congress got it, the president got it, and we're well on the way to securing the border. There's more to do, and we've got to do that next year. … I think that the President is on the road to Damascus."

On CNN's Lou Dobbs Tonight (10/26), Rep. Jeb Hensarling, also a Republican, said, "Every single evening in America, there's over 1,000 people who try to cross illegally, and many succeed. And we don't know who they are, where they're going, and what their purpose is. This is a matter of border security. I'm sorry if Mexico gets offended, but we have to secure the American homeland for Americans."

On Fox News' Your World (10/26, Cavuto), former attorney general John Ashcroft said, "I think tightening our borders and having integrity at the border is very important. This was a good step to take, a step in the right direction. But, if you will look at the 19 terrorists who flew the planes and on the planes into the World Trade Center, into the Pentagon, into the field in Pennsylvania, they had come here legally. And it was interior enforcement of immigration laws that was lax enough to allow them to stay, and overstay their visas. … The wall is an important part of integrity for the immigration system. But, as the President said, it's a step. It's certainly not the journey."

The Atlanta Journal-Constitution (10/27, Herman, 399K) says Bush's signing of the bill touched off "a debate over whether the timing -- 12 days before the midterm elections -- was politically motivated and whether the measure will be effective." Democrats "called it a publicity stunt aimed at making GOP candidates look tough on immigration."

The Washington Times (10/27, Dinan, 88K) notes "every major Republican congressional leader and many of the party's top-tier candidates issued statements lauding the fence and criticizing Democrats for opposing the fence." The Times adds, "In an interview with conservative columnists Wednesday, Mr. Bush was asked why he didn't campaign on immigration, and he said it doesn't appear to be a high priority for voters. 'Immigration is an issue. I don't hear it being discussed much out there,' he said, according to a White House transcript posted by National Review Online." That "stands in stark contrast to what Republicans report from the

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campaign trail, where candidates from first-timers to the speaker of the House say they hear about it."

The Los Angeles Times (10/27, Gaouette, 918K) reports Bush signed the bill "flanked by…Boehner…and other Republicans who blocked his bid for a broader overhaul of immigration law." The Times adds, "Some GOP leaders had pressed a reluctant White House for the signing ceremony so that as November's election nears, Republicans could promote the fence bill as an accomplishment, party aides said. 'House and Senate Republicans...will stop the hemorrhaging along our nation's borders,' said a statement by Senate Majority Leader Bill Frist, R-Tenn., and House Speaker J. Dennis Hastert, R-Ill. The House Republican leadership, in particular, views the fence not only as a needed security improvement but as a powerful political statement that will win support for the party. Other Republicans, however, worry that it could cost the GOP support among Hispanic voters." President Vicente Fox, meanwhile, "termed the measure 'an embarrassment for the United States.'" The New York Times (10/27, Stout, 1.21M) notes "the Mexican president-elect, Felipe Calderón" also condemned the bill, saying, "Humanity made a huge mistake by building the Berlin Wall, and I believe that today the United States is committing a grave error in building the wall on our border."

The Washington Times (10/27, Seper, 88K) reports "state legislatures, governors, and city and county governments, along with Indian tribal councils, have veto power over fencing locations. 'Even if Congress funds the construction of 700 miles of border fencing -- and that is a big if -- the fence will do nothing to stem the tide of illegal immigration,' said T.J. Bonner, a 28-year U.S. Border Patrol veteran and president of the National Border Patrol Council, which represents all 10,000 of the agency's non-supervisory personnel." The fence act "calls for 698 miles of border fences, along with lighting, roads, sensors, cameras and other security devices. A separate $33.8 billion Homeland Security funding bill signed by Mr. Bush on Oct. 10 authorizes $1.2 billion to begin building it." But "fence proponents and opponents agree that the $1.2 billion allocation is far short of the up to $9 billion it will take to build the proposed fencing. Congress has withheld $950 million pending a breakdown of how the money will be spent."

TAX:

IRS Commissioner Orders Collections Delay Until After Elections. The New York Times (10/27, Johnston, 1.21M) reports IRS Commissioner Mark Everson "has ordered his agency to delay collecting back taxes from Hurricane Katrina victims until after the Nov. 7 elections and the holiday season, saying he did so in part to avoid negative publicity." Everson, "who has close ties to the White House," said that "postponing collections until after the midterm elections, along with postponing notices to people who failed to file tax returns, was a routine effort to avoid casting" the IRS "in a bad light." But four past IRS commissioners, "who served under presidents of both parties, said that doing so because of an election was improper and indefensible."

Investigators Say IRS Taxpayer Assistance Centers Offer Little Help. The Washington Post's (10/27, D4, Barr) "Federal Diary" column notes that according to a recent Treasury Department IG report, "Federal auditors made 36 telephone calls to IRS taxpayer assistance centers to schedule meetings when they could discuss tax issues but were able to set up only five appointments. Of the 31 failed attempts, four IRS employees did not return calls, and the 27 employees who did 'would not, for various reasons, allow the auditors to schedule appointments,'" and adds that the IG "ran the phone test to gauge whether taxpayers were receiving 'quality customer service'" at the "agency's 400 assistance centers when they have complex tax issues," but "the review suggested it can be difficult for taxpayers to schedule an appointment" because "IRS field office guidelines 'are unclear and obsolete.'" The Post adds that often, IRS "upper management 'was not aware' that employees had been turning away taxpayers seeking appointments at the centers."

CONGRESS-ADMINISTRATION:

Judicial Nominee Defends Attendance At Lesbian Commitment Ceremony. The AP (10/27, Hananel) reports, "A Michigan judge whose nomination to the federal bench is stalled over her appearance at a lesbian commitment ceremony says she attended as a friend, not to give legal sanction." The AP continues, "The nomination of Michigan Court of Appeals Judge Janet T. Neff to be a U.S. District Court judge is on hold because Sen. Sam Brownback, R-Kan., is not satisfied with her response to questions about her views on same-sex marriage, a spokesman for the senator said Thursday. … Neff's status has been in limbo since last month, when Brownback placed his procedural hold -- using a technique that allows a lone senator to stall a nomination. Brownback wanted to know whether there was anything illegal or improper about the 2002 ceremony in Massachusetts and how Neff's actions might shape her judicial philosophy." The AP adds, "In an Oct. 12 letter to Brownback that was released by the Senate Judiciary Committee on Thursday, Neff said a minister presided over the ceremony and she insisted her attendance would not affect her ability to act fairly as a federal judge. … 'The ceremony, which was entirely private, took place in Massachusetts, where I had no authority to act in any official capacity and where, in any event, the ceremony had no legal

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effect,' Neff wrote. … Neff declined to answer Brownback's questions on whether the Constitution guarantees a right to same-sex marriage or civil unions, saying it would be improper to address questions that might come before her as a federal judge." The AP notes, "Senate Judiciary Committee Chairman Arlen Specter, R-Pa., has declined Brownback's request to bring Neff back for a second hearing, a committee spokeswoman said Thursday. The committee has approved Neff's nomination, which is pending before the full Senate."

White House Seeking Woman For Fed Vacancy. The Wall Street Journal (10/27, A4, Harwood, 2.03M) "Washington Wire" reports the White House "seeks female banker for Federal Reserve Board vacancy, though industry watchers predict decision won't come before the election. Those under consideration include Terry Jorde of North Dakota's CountryBank USA, Elizabeth Duke of Virginia's TowneBank, and Diane Casey-Landry of trade group America's Community Bankers."

Justice Thomas Says He Feels At Home In 11th Circuit. The Fulton County (GA) Daily Report (10/27, Mcdonald) reports, "U.S. Supreme Court Associate Justice Clarence Thomas told an Atlanta audience Thursday 'I am finally home.' … 'Thirty-two years ago, I tried desperately to come to Atlanta,' Thomas said. Unable to find a job there after graduating from Yale Law School, he took a job in the Missouri attorney general's office." The Report continues, "As a native Georgian, 'I had planned to be the 11th Circuit's justice from the very beginning,' Thomas said at the start of a two-day continuing education seminar on appellate practice in Atlanta. But, he said, 'another justice was holding the 11th Circuit hostage.' … That other justice was Anthony M. Kennedy, appointed by Ronald Reagan in 1988, who was already assigned to the 11th Circuit. Following the confirmation of Justice Samuel Alito earlier this year, Kennedy moved to the 9th Circuit and Thomas was assigned the 11th Circuit." The Report adds, "As the 11th Circuit's assigned justice, Thomas said he intends to be 'quite involved.' A Supreme Court justice is assigned to each federal circuit in the nation. That justice receives applications from the assigned circuit regarding emergency actions -- such as stays of execution or extensions for court filings. … Thomas fielded wide-ranging questions from members of the appellate bar on subjects as diverse as the aggressiveness of appellate judges, amicus briefs, and cameras at the U.S. Supreme Court. As he had promised after he was introduced, Thomas pulled no punches."

Congressional Delegations Abroad Said To Frequently Ignore Gift, Meal Rules. The Wall Street Journal (10/27, A1, Paltrow, 2.03M) reports in a front page story that runs nearly 2900 words, "Rep. Jerry Lewis and seven fellow members of Congress jetted to Europe in July 2003 on official government business and dined in restaurants from Warsaw to Lisbon." But instead of "paying for the meals out of their government allowances, they were treated by a parade of defense contractors and lobbyists, most of which sent personnel to Europe to host the meals, according to foreign-service officials and the companies." The meals "gave Boeing Co., Lockheed Martin Corp., Northrop Grumman Corp. and others private access to legislators who control billions of dollars in government contracts." Lewis was then the chairman of "a House of Representatives Appropriations subcommittee in charge of defense spending. He now chairs the House Appropriations Committee itself." But there is "one problem: The hitherto undisclosed free meals likely violated House rules and possibly federal law, experts on congressional ethics say. House rules, designed to prevent private interests from unduly influencing legislators' work, bar members -- with some exceptions -- from accepting such meals on congressional trips abroad." The Lewis delegation, "which counted six Republicans and two Democrats, was an extreme example, but is not an isolated incident, according to scores of interviews with congressional staffers, company spokesmen and others."

Harman Could Be Passed Over For Intelligence Chair If Democrats Win House. The AP (10/26, Werner) writes ranking House Intelligence Committee Democrat Jane Harman "would seem positioned to take the gavel if her party wins control of the House," but she "faces being sidelined by either of two other lawmakers now viewed as front-runners," Reps. Alcee Hastings and Silvestre Reyes, since while Harman "used her seniority on the committee to build a national profile on intelligence and defense," her "hawkish views hardened an ideological gulf between her" and Minority Leader Nancy Pelosi.

"Polarizing" Pelosi Could Become First Female House Speaker. ABC World News (10/26, story 9, 2:30, Gibson, 8.78M) profiles House Minority Leader Nancy Pelosi, who "is poised to become House speaker" if the Democrats win a majority. Pelosi "would be the first woman ever to hold that post. It's questionable how many Americans even know who she is. But many Republican candidates think she scares American voters." ABC (Shipman) added, "Meet the Republican Republicans' current boogie-woman, Democrat Leader Nancy Pelosi." President Bush: "The speaker would be a Congresswoman who said catching Osama bin Laden would not make America safer." Shipman: "What do you think when you hear the things he says about you?" Pelosi: "I couldn't care less. It shows how desperate the Republicans are, to have to have the President of the United States

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become their political hitman." Shipman: "Vintage Pelosi. Although she talks about making the atmosphere more civil in the Capitol, she is anything but. … Pelosi's blunt style is polarizing. But she's used it to pull off something that nobody thought was possible, organizing the congressional Democrats."

Three Democratic Candidates Will Not Commit To Pelosi. The Wall Street Journal (10/27, A4, Harwood, 2.03M) "Washington Wire" reports, "At least three competitive Democratic House candidates -- Weaver in Kentucky, Shuler in North Carolina, and Brown in California -- refuse to commit to supporting Pelosi for Speaker should her party recapture the House. Amid Republican attacks, Pelosi aides dismiss any doubts the San Francisco Democrat will win the gavel."

Kissinger Defends Bush's Performance In Office. On Fox News' Your World (10/26, Cavuto), Henry Kissinger said, "I have high regard for the President. And I can say that, because I didn't even support him the first time he ran in the primaries. I have developed high regard for the President. … Like many, he may not have understood, immediately, the full complexity of what we were facing in all of these areas. But that was a hard thing to do. … I think he will be remembered as having served the country well."

Reviewer Says "Death of a President" Doesn't Portray Bush's Killing With "A Smirk." Ann Hornaday reviews "Death of a President" for the Washington Post (10/27, C1, 748K), describing it as an "unsettling and exceptionally skillful exercise in blurring the lines between appearance and reality." The "fictional, documentary-style film uses the incendiary premise of the assassination of President George W. Bush in the not-too-distant future as a springboard for thinking about the practical and psychic toll of how America deals with terrorist threats." Hornaday adds, "Those who would condemn 'DOAP' without seeing it should be made aware of one crucial fact," the film "does not depict that event with glee or even a smirk. The shooting of Bush is indeed portrayed with solemnity and grief (although some red-meat Dems will no doubt mentally insert screeching 'Psycho' violins when someone first refers to 'President Cheney')."

NCLB Called A "Wake-Up Call" To "An American Education Revolution." Eugene Hickok, Bradley fellow in education at The Heritage Foundation and former deputy secretary of education, writes in the Washington Post (10/27, 748K), "Education Secretary Margaret Spellings recently commented that the No Child Left Behind Act is nearly perfect." But "even if Secretary Spellings were right that NCLB is 99.9% pure, it still would not be the formula for what ails American education." Hickok favors a system where "parents would have the power to determine whether their children are receiving a quality education." NCLB "will help us understand just how far we have to go, fueling our frustrations and disappointments along the way. NCLB is a wake-up call. What's needed is an American education revolution."

OTHER NEWS:

New Home Sales Up As Median Sale Price Drops. USA Today/Bloomberg (10/27) reports, "New home sales in the USA unexpectedly rose for a second month in September, even as selling prices declined by the most since 1970. Purchases rose 5.3%, to an annual pace of 1.075 million, from a 1.021 million rate in August, the Commerce Department said Thursday." The median price of a new home "dropped 9.7% from a year earlier, partly a result of more sales of homes priced less than $200,000 and fewer purchases of more expensive houses." Bloomberg adds, "The report suggests that builder incentives, lower mortgage rates and falling prices will keep this year's housing slowdown from deepening. It also signals that the Federal Reserve, which this week kept interest rates unchanged for a third month, is successfully managing an economic slowdown that it hopes will stifle inflation." Lynn Reaser, chief economist at Bank of America Investment Strategies Group in Boston, said, "The worst of the downturn in housing seems to be over. … Home builders are achieving success in boosting sales, although at the cost of aggressive incentives."

ABC World News (10/26, story 4, 2:20, Gibson, 8.78M), offering a markedly pessimistic view of the real estate market, reported, "While big oil makes big dollars, there is more tough news for the struggling housing market. The median price of a new home has taken its sharpest plunge in more than 30 years. Last month, that price fell to $217,000, down almost 10% in a year." This "steep slide is now hurting more than just home sellers." ABC (Muir) added, "The new numbers are bruising for builders. It is the largest drop in prices year-to-year in three decades."

The CBS Evening News (10/26, story 3, 2:15, Couric, 7.66M) reported, "If you're looking for a home, well, this may be the time to buy. The government reported today that prices are dropping like a rock and there are plenty of homes to choose from. If you're selling one, you may have problems."

The Wall Street Journal (10/27, Bater, Ives-Halperin, 2.03M) says that "in a sign that the housing market could be nearing bottom, the pace of sales rebounded for a second month." The New York Times (10/27, Peters, 1.21M) headlines its story "New-Home Prices Fall Sharply," and says that "to some extent the lower prices achieved the developers' goal: the backlog of unsold new homes on the

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market fell in September for the second consecutive month, while the number sold, adjusted for normal seasonal variations, rose by 5.3 percent from the previous month." But "economists and industry experts noted that the reported numbers provide a somewhat distorted picture of market reality. While they seemed to suggest a rebound in sales and a precipitous drop in prices, the data was skewed by a higher number of sales in the South, where homes are cheaper, and fewer in the more expensive Northeast."

The Los Angeles Times (10/27, Sanchez, 918K) titles its report "Home Prices Take Steepest Dive In 35 Years," while the Washington Post (10/27, D2, Elboghdady, 748K) reports, "Based on yesterday's data, some analysts predict the rush by builders to slash prices will push individual sellers to do the same next year if weakness persists in the housing market."

On NBC Nightly News (10/26, story 5, , Williams, 9.87M), Diana Olick of CNBC said, "Existing home sales have been down for six months straight. New homes are 14% off what they were a year ago. Price appreciation is unsustainable. Now that we're seeing prices go into the negative nationwide, it may mean that some of those buyers can get off the fence and get back into this market, start eating up some of that excess inventory for sale."

Dow Reaches New Record. NBC Nightly News (10/26, story 6, 0:20, Williams, 9.87M) reported, "Wall Street slugged off those housing numbers preferring instead to concentrate on word that Exxon Mobil posted a massive third-quarter profit this year. The Dow was up under 29 points [to close at 12,163.66]. NASDAQ was up 22 and a half [to close at 2,379.10] its highest close since February 2001." USA Today (10/27, Shell, 2.27M) titles its report "Lucky 13: Dow Closes At Record Again," and says the S&P 500 also "rose 6.86 points, or 0.5%, to 1389.08, a fresh six-year high. The S&P is up 11.3% this year." The Wall Street Journal (10/27, C1, Browning, 2.03M) also reports on the stock numbers in a story headlines "Like A Broken Record, Blue Chips Rise 28.98 To Break Another Record."

Bush Raises Funds For Republicans In Iowa And Michigan. The AP (10/27, Pickler) reports, "With precious air time still left to buy before Election Day, President Bush raised money Thursday for two Republican candidates trying to knock off Democratic incumbents in an uphill year for the GOP." The President "was in the final days of a nearly 2-year-long effort of unmatched fundraising for dozens of Republican candidates. Bush has raised more than $193 million in nearly 90 events, according to the Republican National Committee; that figure dwarfs what any other individual has raised for Republicans or Democrats." Bush "swung through Des Moines, Iowa, at lunchtime to raise $400,000 for the state Republican Party and congressional candidate Jeff Lamberti, whom the president mistakenly called 'Dave' throughout his speech. Then Bush headed to the Detroit suburbs for an early evening fundraiser that brought in $700,000 for Senate hopeful Mike Bouchard." Bush said "to cheers" in Detroit, "The other side is dancing in the end zone, except they're on the 15 yard line." He "hammered the same themes he has been using against the Democrats all fall -- that they want to raise taxes and are soft on fighting terrorism."

The Des Moines Register (10/27, 163K) also notes Bush argued that "Democrats' view of the war on terror will endanger the country." The President "worked to make the case that if the United States does not pursue terrorists elsewhere in the world, Americans will have to fight them at home." On Air Force One "on the way to Des Moines, White House spokeswoman Dana Perino defended the decision to have the president appear on behalf of two challengers -- Lamberti and Republican Senate candidate Mike Bouchard in Michigan --perceived to be lagging behind Democratic incumbents. 'I don't know what polls you're looking at,' Perino told reporters. 'I would want to go back and check with our folks. We believe these candidates are going to win these seats.'"

The Detroit News (10/27, Henlein, Lynch), reporting from Warren, MI, says the President "made a rousing speech Thursday to a gathering of Republican donors" in support Bouchard. It was "Bush's second visit in a little more than a month in support of Bouchard, the Oakland County sheriff, hoping to come from behind in polls against Democratic Sen. Debbie Stabenow of Lansing. Stabenow leads Bouchard 50 percent to 38 percent." The News adds, "Combined, the president's appearances have raised $1.5 million." In a speech that "touched on terrorism and taxes, Bush told 600 donors who paid $1,000 a plate that Bouchard would help give Michigan's economy the boost it desperately needs. 'To go from worst to first, you need Mike Bouchard in the US Senate,' Bush said."

Another Detroit News story (10/27) reports Bush "took a slight detour on his way to a Warren Republican fundraiser to satisfy a sweet tooth. After landing at 4:35 p.m. at Selfridge Air National Guard Base, his motorcade swerved off Interstate 94 and made an unexpected stop at Morley Candy Makers on Hall Road in Clinton Township." The staff "presented him with a container of Michigan's famous Saunders hot fudge, and U-M and MSU candy bars." He and Bouchard "toured the factory, shaking hands with sales staff and watching candy moving down the conveyor. 'They asked me why I came here,' Bush told the media. 'No. 1, I like small businesses. No. 2, I like sweets,' he said while holding up a can of the hot fudge."

GOP Seen As Unable To Capitalize On Poor Economy In Michigan. In his Washington Post column (10/27, A23), E.J. Dionne says, "While Republicans scratch

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their heads over why a seemingly good economy is not helping them nationally in this year's elections, Michigan is where the party once hoped a bad economy would help it seize a governorship." Republican candidate Dick DeVos "was on the verge of making the sale. A Detroit News Poll in mid-June found him leading Granholm 48 percent to 40 percent." But Granholm "has come back. The News poll in mid-October had her ahead, 51 to 42 percent. More recent polls give her a comparable lead. Her recovery helps explain why the economy is not helping the Republicans elsewhere." The problem "for the GOP is that while voters in better-off states seem to be voting on Iraq and other issues, those thinking most about the economy live in lagging industrial states such as Michigan and Ohio, and they are blaming President Bush and national policies for their troubles. In the Ohio Senate race, for example, Rep. Sherrod Brown, a Democrat, has built a lead over incumbent Republican Mike DeWine using hard-hitting advertisements on trade and the loss of manufacturing jobs."

Pew Poll Shows Democrats Running Well In Once-Safe GOP Districts. McClatchy (10/27, Thomma) reports a new Pew Research Center survey suggests a "major wave could be building against Republicans" in the House. Democrats "have opened a double-digit lead in competitive House campaigns around the country in a new poll and are within 2 percentage points in districts once considered safely Republican." In districts where President Bush won between 50% and 60% of the vote in 2004, Democrats now lead 45%-40%. Larry Sabato of the University of Virginia now predicts Democrats will gain 21-26 seats, and Carl Klarner and Stan Buchanan of Indiana University predict a 21-seat Democratic gain.

GOP Seeks To Avoid State Routs. The Wall Street Journal (10/27, A4, Harwood, 2.03M) "Washington Wire" reports Republicans "aim to limit House losses by avoiding individual state routs" in Connecticut, Indiana, New York, Ohio, and Pennsylvania, with at least three GOP seats at risk in each. In Connecticut, Republicans hope the appeal of Sen. Joe Lieberman's "independent candidacy to moderate Republicans" will help their House incumbents keep their seats.

Gubernatorial Races Could Have Congressional Race Impact. The Wall Street Journal (10/27, A4, Harwood, 2.03M) "Washington Wire" reports gubernatorial races "may affect outcomes in key congressional contests." Republicans are growing "gloomier about gubernatorial prospects in Wisconsin, Michigan and Iowa, home to three competitive House seats and one Senate seat."

Republicans Facing Surprisingly Tight Races In CO5, ID1. USA Today (10/27, Kenworthy, 2.27M) reports Democrats are doing surprisingly well in races for open House seats in Colorado and Idaho. The story stresses that Republicans Doug Lamborn in CO5 and Bill Sali in ID1 were both backed in their primaries by the Club for Growth, and they are now "looking less like surefire investments." Lamborn "has been hurt by lingering divisions from a bitter six-way primary in August," providing "a boost for Democrat Jay Fawcett." Sali also won a "divisive six-candidate primary." After Sali "discussed a supposed link between abortions and breast cancer early this year, Idaho House Speaker Bruce Newcomb, a Republican, called him 'an absolute idiot.'"

Abramoff Case Dogs Doolittle, Pombo. The New York Times (10/27, McKinley, 1.21M) reports on the ongoing impact of the Jack Abramoff lobbying scandal on the midterm elections, with California Republican Reps. John Doolittle and Richard Pombo facing "questions about their relationships" with Abramoff. Both men "have denied any wrongdoing, and the Justice Department has not publicly named either of them in its Abramoff investigation. Still, their association with the lobbyist, his associates and clients -- who gave tens of thousands of dollars in campaign contributions to their past campaigns -- remains difficult to shake as Election Day nears."

Negron Faces Tough Battle In Winning Florida's 16th CD. The Christian Science Monitor (10/27, Richey, 58K) reports that although Florida's 16th CD was a "classic political gerrymander" designed to favor Republican candidates, it "may be of little comfort" to former state Rep. Joe Negron, who was "tapped by the Republican Party to run for the seat left vacant by disgraced US Rep. Mark Foley amid the Congressional page scandal." Foley's former seat "is one of the four most vulnerable Republican congressional seats in the Nov. 7 election, says the nonpartisan Cook Political Report. It is considered a key contest in a national push by Democrats to gain 15 or more seats to take control of the House of Representatives and elevate Nancy Pelosi to House speaker." Del Ali of Research 2000 said, "It is going to be a very tough go for Negron to win." The Monitor adds Mahoney "is critical of the local economy and skyrocketing hurricane insurance rates in campaign appearances and ads. He is also pushing the need for change in Washington." Negron is "hoping to capitalize on campaign stops by Gov. Jeb Bush, who is said to enjoy a 60-plus percent approval rating among district voters." But Negron "faces a particularly difficult obstacle - he must find a way to win an election without his name appearing on the ballot." Last week, Circuit Judge Janet Ferris "barred election officials in the 16th District from posting special signs or verbally explaining why Negron's name was not on the ballot and why Foley's name was still on." The ruling "marks the first time a judge has ever interpreted Florida election law so broadly to bar any mention of a candidate in response to a voter's question. State officials are appealing Judge Ferris's ruling."

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Black Turnout Crucial For Democratic Candidates. The New York Times (10/27, Urbina, 1.21M) reports that for Democrats "in tight races, black voter turnout will be crucial on Election Day. But despite a generally buoyant Democratic Party nationally, there are worries among Democratic strategists in some states that blacks may not turn up at the polls in big enough numbers because of disillusionment over past shenanigans." Democratic strategist Donna Brazile said, "This notion that elections are stolen and that elections are rigged is so common in the public sphere that we're having to go out of our way to counter them this year." The Times adds Democrats' worries "are backed up by a Pew Research Center report that found that blacks were twice as likely now than they were in 2004 to say they had little or no confidence in the voting system, rising to 29 percent from 15 percent." More than "three times as many blacks as whites — 29 percent versus 8 percent — say they do not believe that their vote will be accurately tallied." Black voters "are expected to play crucial roles in races for governor and the Senate in Florida, Maryland, Michigan, Missouri, Ohio, Pennsylvania, Tennessee and Virginia."

Bill Clinton Campaigns For Upstate New York House Candidates. The New York Times (10/27, Hernandez, 1.21M) reports Bill Clinton "campaigned in upstate New York on Thursday, trying to give a boost to Democratic candidates seeking to topple several entrenched Republicans in the Democratic Party's drive to retake the House." Clinton's "appearance underlined the sense of confidence that Democrats feel about their prospects for picking up several House seats in Republican strongholds of New York." Democrats are "taking aim at two Republican-held seats: in the 25th Congressional District, where Representative James T. Walsh is facing Dan Maffei; and in the 24th District, where State Senator Raymond A. Meier, a Republican, is battling Michael A. Arcuri, a Democrat, to succeed Sherwood L. Boehlert, a Republican who is retiring." Clinton earlier campaigned in Albany with "Kirsten Gillibrand, who is trying to unseat Representative John E. Sweeney, the Republican incumbent in the 20th District."

Toomey Says Club For Growth Prepared For Rebuilding If GOP Loses House. The Christian Science Monitor (10/27, Cook, 58K) reports on the results of the Monitor Breakfast with Club for Growth president Pat Toomey. While he is "careful not to predict a Democratic takeover" of the House, "his comments over breakfast with reporters Thursday make it clear: his advocacy group is preparing for major changes on Capitol Hill." Toomey said if Republicans "lose the House, Toomey says, 'The Club for Growth is poised to play an enormous role in helping to rebuild a limited government, pro-growth majority in the US House.'" The Club "lobbies for making the Bush tax cuts permanent, eliminating the inheritance tax, cutting government spending, and boosting free trade. The group has a political action committee which supports Republican candidates who are in synch with its policy positions."

Administration Using Cabinet Officials To Distribute Grants For Incumbents. The Washington Post/AP (10/27, A21, Feller) reports, "Those in power love to dole out grants at election time. With Republican control of Congress at risk, the Bush administration is busily using the perks of incumbency to help allies from Ohio to California." The "formula: Cabinet luminaries travel to competitive districts and hand out money while local candidates bask in media coverage." The Post notes that in PA7, Republican Rep. Curt Weldon "was getting some fuel Wednesday from the Energy Department. The agency sent an assistant secretary to stand next to Weldon at a news conference, touting a local company that had just scored a $6.3 million federal grant." Meanwhile, Labor Secretary Elaine Chao last week "joined another endangered Republican, Sen. Rick Santorum, and thanked him for his leadership. Then she announced a $10.4 million grant to help the state clean up from severe storms."

Democratic Campaign Committees Outraise GOP Counterparts. The AP (10/27, Elliott) reports the Democratic congressional campaign committees "raised $15.5 million during the first 18 days of October, setting up their final push to reclaim both chambers. Republicans, meanwhile, raised $10.1 million for their candidates, continuing a pace that has lagged this election." Republicans "slightly beat the Democrats' House committee but stumbled on the Senate side, where a $5.5 million fundraising disparity emerged during the Oct. 1-17 reporting period." The Democratic Senatorial Campaign Committee 'raised $9.1 million; the National Republican Senatorial Committee raised $3.6 million." DSCC Chairman Chuck Schumer said, "In the world series of fundraising, Senate Democrats just hit a grand slam in the bottom of the ninth." The AP adds the "Senate fundraising disparity does not reflect individual campaign fundraising, which Republicans said gave them a $14 million advantage during the last complete reporting period."

Business Groups Boost Contributions To Democrats. The Los Angeles Times (10/27, Simon, 918K) reports Democrats have seen "a surge in campaign contributions from pro-business groups -- groups whose members would have to deal with the liberal Democrat" Rep. Barney Frank "instead of a probably-more-congenial Republican. (Rep. Michael G. Oxley, the Ohio Republican who now heads the committee, is retiring after this term.)" Issues "involving the financial services industry fall under the committee's jurisdiction. And the New York Life Insurance Co.'s political action committee has contributed $10,000 to Frank this election season, up from $1,000 in the 2003-'04

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cycle, according to PoliticalMoneyLine, which tracks political donations. The National Assn. of Insurance and Financial Advisors PAC contributed $10,000 to Frank this election season, up from $3,000 in the last cycle." Frank is "not alone. As prospects appear to grow that Republicans will lose control of the House and perhaps even the Senate, business groups, trade associations, and their lobbyists and political advisors have developed a sudden enthusiasm for contributing to Democrats -- especially to those likely to be in the House leadership or to head important committees if Republicans lose their majorities."

DCCC Executive Director Seen As Anchor Of Effort To Retake House. The Washington Post (10/27, A2, Romano, 748K) profiles Democratic Congressional Campaign Committee executive director Karin Johanson, who can "probably predict with scary accuracy how many seats Democrats will pick up in the Nov. 7 midterm elections -- but she's too superstitious to say." Johanson "is one of those people whose names you never hear, a political junkie who has been toiling in the backwaters of Democratic politics for more than 30 years -- and one who is playing a huge role in the party's efforts to regain the House." If "her boss, the outspokenly partisan Rep. Rahm Emanuel (Ill.), is the aggressive face of the Democratic push, Johanson is his anchor, the person who can sit at her office near the Capitol and see the whole country at a glance -- or in critical little parts that might add up to a win."

Negative Ads Multiply In Run Up To Election.

The Washington Post (10/27, A1, Grunwald, 748K) reports in a front page story, "On the brink of what could be a power-shifting election, it is kitchen-sink time: Desperate candidates are throwing everything. While negative campaigning is a tradition in American politics, this year's version in many races has an eccentric shade, filled with allegations of moral bankruptcy and sexual perversion." The "growth of 'independent expenditures' by national parties and other groups" has also "allowed candidates to distance themselves from distasteful attacks on their opponents, while blogs and YouTube have provided free distribution networks for eye-catching hatchet jobs." The result "has been a carnival of ugly, especially on the GOP side, where operatives are trying to counter what polls show is a hostile political environment by casting opponents as fatally flawed characters." The National Republican Campaign Committee "is spending more than 90 percent of its advertising budget on negative ads, according to GOP operatives, and the rest of the party seems to be following suit." But "most harsh Democratic attacks have focused on the policies and performance of the GOP majority, trying to link Republicans to Bush, the unpopular war in Iraq and the scandals involving former representative Mark Foley and former lobbyist Jack Abramoff."

The Wall Street Journal (10/27, Schatz, 2.03M) reports that with "less than two weeks to go until Election Day, there has never been a harder time to break through the nonstop negative clutter, particularly in states and districts where the races are toss-ups. About $1.2 billion has already been spent on political and issue ads since Jan. 1, according to TNS Media Intelligent/CMAG, a political-ad tracking firm based in Arlington, Va., which predicts that ad spending this year could hit a record $1.7 billion." Some candidates "are using humor to attract the attention of voters weary of political ads." Maryland Republican Senate candidate Michael Steele "in particular, has drawn attention for his ads, which have neither the look nor feel of typical political commercials and have been cited as one reason why his race against Rep. Cardin is closer than expected, given Maryland's tendency to elect Democrats." But while "voters may say they frown on such attacks, negative ads seem to make a bigger impression on them than positive messages."

At the top of MSNBC's Hardball (10/26), host Chris Matthews said, "The gloves are off and it's getting ugly out there. Campaigns in the most competitive races are carpet-bombing the airwaves with negative political ads, about ties to the mob, ads that spark racism, accusations of sexism and campaign donations from the porn industry, ads that put an opponent's face smack next to a mushroom cloud, and spots that accuse members of Congress of protecting a child predator. This strategy is ruthless. Negative ads work. Republicans stand to lose control over Congress. They have to win at all costs and they're trying to. And despite what the polls say, they're not going to give this election to the Democrats without a fight to the finish."

The Washington Times (10/27, Harper, 88K) reports that to date, Republicans and Democrats "have spent $117 million on the U.S. Senate and House races, according to the Federal Election Commission, up 27 percent from the comparable period in 2004, when the tab stood at $92.5 million." The final amount "spent on 'home-stretch advertising, voter mobilization and other campaigning' by parties, candidates and advocacy groups may be as high as $2.6 billion, the Center for Responsive Politics estimated this week." Voters are "getting a mean-spirited showcase. Money spent on negative campaigns -- that is, in opposition to a particular candidate -- this year accounts for 78 percent of spending on both sides. Two years ago, it was 40 percent. Congressional Quarterly recently estimated that 80 percent of advertising purchases were for negative messages."

Laura Bush Campaigning In Swing States.

CNN's The Situation Room (10/26, Henry) said, "It's the First Lady who is going to the sort of swing states, where a controversial visit from the President could tip it against the Republicans. She's the one they're putting in some of these key states that are 'purple' or bluer, that lean Democrat or in

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the middle. She's the one who brings in the independent voters."

White House Confident Of Senate Victory, Less So On House. The White House Bulletin/US News (10/26) reported on the White House line "on how the midterm elections will unfold has the Republicans keeping 51 seats in the Senate and either a slight majority or close minority in the House, give or take three to five seats." "The House is very difficult," said one Administration official. The Bulletin adds that to "win the House, the officials said, President Bush, the First Lady and other top aides are planning to spend the next week raising huge amounts of money so that there is enough cash to pay for TV and radio ads in key races." The GOP official said, "It's a matter of money." Asked how "the House can be so close despite media and pollster predictions the Democrats will win 25 or more seats, the Bush associate said that many troubled lawmakers are turning their campaigns around. Included in the leaning victory column now: Indiana Rep. Mike Sodrel, who will host a Bush fundraiser Saturday; Ohio's Rep. Deborah Pryce, the GOP conference chair; and Rep. Tom Reynolds, chair of the National Republican Congressional Committee." On the Senate side, the GOP "starts with 40 senators not up for reelection, seven who are safe and a fight for the rest. Leaning victory in White House reports are Missouri's Jim Talent, Montana's Conrad Burns, Virginia's George Allen, Tennessee's Bob Corker, Arizona's Jon Kyl and Rhode Island's Lincoln Chafee." One official said "that the 'trend line is up' for the GOP in recent days because of Bush's pressure on the war and a growing awareness by voters that the midterm election is right around the corner."

RNC Drops Plans For Ad Buy For DeWine In Ohio. The AP (10/27, Hammer) reports the Republican National Committee said "it won't run any television ads in Ohio on behalf of Sen. Mike DeWine during the final week of the campaign." RNC spokesman Aaron McLear "said the national party organization had reserved time to run statewide TV ads next week as DeWine tries to come back against Democratic Rep. Sherrod Brown, who leads in recent polls. But in the end, the RNC decided not to make the purchase, McLear said." The AP adds National Democrats "said it showed the Republicans were giving up on the two-term senator."

Menendez Has One-Point Lead Over Kean In New York Times Poll. The New York Times (10/27, Chen, Connelly, 1.21M) reports Republican Thomas H. Kean Jr. "has capitalized on his father's reputation to offset voters' qualms about his inexperience." Democratic Sen. Robert Menendez "has been buoyed by discontent with President Bush. The result in this heavily Democratic state is an extremely tight race, according to the latest New York Times/CBS News Poll." The poll "suggests that Mr. Kean, a state senator, has done surprisingly well in a year when other Republicans are struggling even on friendlier turf not because of Mr. Kean himself, but because of his father, former Gov. Thomas H. Kean, one of the state's most popular politicians." Kean's commercials "attacking Mr. Menendez as unethical and corrupt have also worked, with many voters saying that corruption is the first thing that springs to mind when asked about Mr. Menendez." Over all, the race "is a statistical tossup, with Mr. Menendez leading 38 percent to 36 percent among registered voters, and 40 percent to 39 percent among likely voters."

GOP Gambles On Funding Kean In New Jersey. The AP (10/27, De La Cruz) reports, "New Jersey is to Republicans what slot machines are to gamblers: irresistible, with long odds of winning." Gamblers "pull the lever, hoping for the big payout. Republicans are sharing the same dream, throwing $3.5 million into the Senate race with days left and banking" that Kean "can defeat" Menendez on November 7. Menendez has "maintained a huge cash advantage over Kean throughout the election cycle and the last two weeks, the Democratic Senatorial Campaign Committee has been running $4 million worth of ads against Kean." The GOP "infusion of cash levels the money playing field for Kean but is a big gamble, given that New Jerseyans have not elected a Republican to the Senate since 1972." The Menendez campaign "said Menendez would get some help next week from former President Clinton and Sen. Barack Obama, D-Ill."

Webb's Appeal To Women, Minorities May Be Key To Virginia Senate Race. The Wall Street Journal (10/27, Cummings, 2.03M) reports Democrats hope Virginia Senate candidate Jim Webb will "draw some crossover votes from the Republican's base of white men," but "a more important question may be whether President Reagan's Navy secretary can energize two vital constituencies in the Democrats' own base: women and minorities. Since entering the race against Republican Sen. George Allen earlier this year, Mr. Webb has drawn unsteady support from both groups." While Webb's "antiwar stance helped him win the party primary, he would bring to Washington a variety of stances that conflict with the Democratic base. Among them, he opposes gun control and is mixed on abortion rights -- he supports Roe v. Wade but opposes late-term abortions, or so-called partial-birth abortions." Recent polls "show Messrs. Webb and Allen in a dead heat. One reason: They are tied among women -- a precarious position for a Virginia Democrat." Webb also "needs to generate enthusiasm among African-Americans."

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Reservations "in the black community were sparked mostly because he was a stranger in their midst."

The USA Today (10/27, Lawrence, 2.27M) reports Webb "has been dogged by a 1979 magazine article in which he argued that women did not belong in combat or at military academies." Allen is "trying to overcome a past fondness for Confederate flags and pins, the noose he once had in his law office — which he said was part of a Western memorabilia collection — and new questions about his attitudes on race." The "tempests have put women and minorities at the heart of a tight race. Both groups are crucial to each candidate and the outcome could determine which party controls the Senate." As the "campaign enters its final days, the importance of these voters is reflected in mailings, advertising and candidate schedules crammed with events designed to fire them up and win them over. Allen has erased the traditional advantage that Virginia Democrats enjoy with women. Webb, who once opposed all forms of affirmative action, is trying to energize the black voters who make up about 20% of the Virginia electorate."

Candidates' Wives Playing Big Role In Virginia Race. The Washington Times (10/27, Bellantoni, 88K) reports that if Allen is "the team captain of his re-election campaign, Susan Allen is the head cheerleader. And while voters most often see Mr. Allen's challenger James H. Webb Jr. out on the stump, both his wife and ex-wife have been rallying support, at times together, for the decorated Vietnam War veteran." Pundits "jokingly refer to the women standing behind their men as the secret weapons in this year's Senate race in Virginia, but voters are noticing their work."

Vietnam Webb's Defining Experience. The Washington Post (10/27, A1, Kunkle, 748K), in a front page story, profiles Webb's military experience in a story under the headline, "Defiant Iraq War Foe Defined By Vietnam." The Post adds, "Above all, Webb is still in his heart a combat Marine. His defining moment came in Vietnam, and he remains loyal to the men he led and the memories he formed there. Once a year or so he reunites with former comrades. At Arlington National Cemetery, he visits the graves of others, often leaving Marlboro cigarettes for his buddy, Snake." That, as a candidate, "this warrior rails against the war is only one of the contradictions in Webb's life, just a hint of the complexities and ironies that make him an uneasy candidate. He has switched from Democrat to Republican and back to Democrat -- first in anger because of President Jimmy Carter's pardon of people who avoided the draft, and now because of the Iraq war."

Hard Nosed GOP Consultant's Role In Tennessee Senate Ad Noted. The New York Times (10/27, Kornblut, Rutenberg, 1.21M) reports the controversial "Playboy party" ad targeting Democrat Harold Ford in the Tennessee Senate race was produced by Scott Howell, and "Democrats quickly pounced on his history of bare-knuckled tactics and close relationship with Karl Rove as evidence of a familiar Republican approach." The incident "quickly set off a wave of denials and denunciations from Republican officials, including the national party chairman and Senator John McCain of Arizona, who has hired Terry Nelson, another consultant affiliated with the spot." Howell associates "said the advertisement was typical of a media strategist who has in the past manufactured political controversy to win tough races in spite of — or because of — the intense reaction the work so often provokes." Howell's "latest ad says Mr. Ford voted to recognize gay marriage; Mr. Ford, in fact, twice voted in favor of a proposed constitutional amendment banning same-sex unions." The ad, which "calls Mr. Ford slick and smooth, says Mr. Ford wants to give the 'morning after' pill to school children, an outright falsehood, according to Mr. Ford's campaign." But if "angry voters are looking for a place to direct their anger, they may have a hard time." Howell "did not produce the spot for" Republican Bob Corker, "who has disavowed it. He produced it for a quasi-independent organization that is financed by the Republican National Committee but operates wholly out of the committee's control or direction."

The CBS Evening News (10/26, story 5, 2:15, Pitts, 7.66M) reported the Corker-Ford contest is "among the most competitive and nasty US Senate races in the nation. But it didn't just happen with the racially charged ad from Republicans. The Democrats struck first, weeks ago, playing the class card: 'Corker's personal income grew by 40% to $11 million.' But soon, the Republican National Committee hit back with an ad that critics called race baiting." The ad "features a young, attractive white woman referring to a party Ford once attended hosted by Playboy." Conventional wisdom "says you're still black. This is still the South. And in the end he will spend you under the table." Rep. Harold Ford Jr.: "Oh, he's going to definitely spend us more than under the table. I'm still black. And we're going to win."

The New York Times (10/27, Austen, 1.21M) reports the controversial GOP ad that "has drawn criticism in the United States has also become a political and diplomatic issue in Canada." In the ad, an actor says, "Canada can take care of North Korea. They're not busy." The Times adds, "Whatever its intent, the aside is seen in Canada as a suggestion that the country is a free rider when it comes to global security. While Canada did not participate in the invasion of Iraq, it has posted a large portion of its army in Afghanistan as part of NATO forces since 2002." On Wednesday, Michael Wilson, Canada's ambassador to the United States, "spoke with an official at the White House, whom the Canadian government declined to name, to officially express Canada's displeasure."

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NYTimes Criticizes GOP Use Of Loophole To Fund Controversial Ad. The New York Times (10/27, 1.21M) says in an editorial, "The sleazy way in which campaigns and the political parties use loopholes in the campaign finance laws to evade responsibility for their attack ads is on full display in the Tennessee Senate race. Slick as a leer, pernicious as a virus, a campaign commercial transparently honed as a racist appeal to Tennessee voters has remained on the air, despite assurances from Republican sponsors that it was pulled down." The ad, "resonating with the miscegenation taboos of Old South politics, may or may not be the nadir in the low-blow salvos now assailing the nation. But it takes the statuette for political hypocrisy as G.O.P. leaders insist they were hobbled by campaign law from cutting off what is clearly their own handiwork." All Ken Mehlman's Republican National Committee "did was finance the ad by way of a supposedly 'independent' political shop that serves as a shadow party operation specializing in attack ads on behalf of the Republican candidate, Bob Corker."

Tennessee, Virginia Races Seen As Indication Of Staying Power Of GOP "Southern Strategy." In his Washington Post column (10/27, A23), Eugene Robinson says, "The Republican Party built its 'solid South' in part with an appeal to racism against African Americans and other minorities." Usually, "latent prejudice had to be summoned more subtly, using a code that white voters could easily decipher: I'm on your side. The Democrats are with them . Who you gonna vote for?" The elections "in Tennessee and Virginia will give us a benchmark, to use George W. Bush's new favorite word, of how much the South has changed -- and also, by the way, will probably determine whether the Democratic Party pulls off an upset and captures the Senate." The RNC ad in the Tennessee race "has to be one of the funniest, slickest, best-produced political ads of the year," and "viewers are left to fill in the blanks, and clearly the hope is that they will free-associate to a word like 'miscegenation.' Or, if Republicans are lucky, something considerably worse." In Virginia, Sen. George Allen "opened the door to a thorough examination of his attitudes toward race and ethnicity with his infamous 'macaca' gaffe and his oddly startled reaction to discovering his own Jewish heritage." Are "some white Southern voters still unable to shake that Pavlovian response to the Republican code? We'll have some data points to evaluate on Nov. 7."

Steele Misidentifies Location Of Latest Purple Line Metro Proposal. The Washington Post (10/27, B2, Shaver, 748K) reports, "Cameras rolled and clicked yesterday as Maryland Lt. Gov. Michael S. Steele strolled off a Red Line Metro train at the Grosvenor-Strathmore station and took his place before the microphones." Democrat Ben Cardin, Steele said, "was so out of touch with the Washington suburbs' transportation woes he couldn't even locate a proposed link in the Metro system known as the Purple Line. It was a criticism Steele raised in a televised debate the day before." But the "only problem: Steele held his media event on the 'need for a Purple Line' at a Metro station two stops from where the proposed line would go. It turns out that the Grosvenor-Strathmore station in North Bethesda was part of an old proposal, called the 'outer line,' that Maryland dropped two years ago. The only path being studied now, the 'inner line,' would start in downtown Bethesda -- four miles from where Steele stood."

Cardin Skips NAACP-Sponsored Debate. The Washington Times (10/27, Miller, Ward, 88K) reports Cardin "last night skipped an NAACP-sponsored debate in Charles County, Md., a day after the Democratic Senate nominee stammered and stumbled during a faceoff with the Republican nominee, Lt. Gov. Michael S. Steele." Debate organizers "said they had expected Mr. Cardin to participate but his campaign had not made a firm commitment to appear with Mr. Steele and Kevin Zeese, the nominee of the Green, Libertarian and Populist parties." Cardin campaign spokesman Oren Shur "said that a scheduling conflict prevented the 10-term congressman from attending the debate at New Community Church of God in Christ in Waldorf."

Cook Praises Steele Campaign. On MSNBC's Hardball (10/26, Matthews), political analyst Charlie Cook said, "That's a race that I didn't expect would ever get competitive. And Steele has been in a better campaign than I have ever thought. He has run a better campaign. His ads have been fabulous. Cardin's ads until the [Michael J.] Fox ad came along were like totally pedestrian and unimpressive. It's become a relatively competitive race."

Fox Defends Stem Cell Advocacy Ads. On the CBS Evening News (10/26, story 6, 6:40, 7.66M), Katie Couric interviewed Michael J. Fox, who discussed his political advocacy for supporters of embryonic stem cell research. Asked about the Missouri ad, in which he is seen rocking back and forth, Fox said, "On any given day I have a thousand different things I can feel. I go through a million cycles during the course of a day. For example, right now, this [shaking] is a dearth of medication, not by design. I just take it and it kicks in when it kicks in. Sometimes it kicks in too hard, and you get what is called Dyskenisia, the rocking motion." Asked about criticism by talk radio host Rush Limbaugh, Fox said, "First thing, he used the word 'victim.' On another occasion I heard him use the word 'pitable.' Understand, nobody in this position wants pity. I don't want pity. I could give a damn about Rush Limbaugh's pity or anybody's pity. I'm not a victim. I'm someone in some situation, and we he the right to pursue those answers with the full support of our politicians, and so I don't need anyone's permission to do that."

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Romney Says GOP Governors Facing Uphill Climb. On Fox News' Your World (10/26, Cavuto), Gov. Mitt Romney, asked about projections that "Republicans are going to lose anywhere from six to eight governorships," said, "I think that's reasonable for people who are looking at the numbers, because the math is very bad for us. We have nine Republican governors not running for reelection, only one Democrat. And, in many of the states where there are open seats, if you will, they are very heavily Democratic seats. We have always got a series of incidents in some Republican states that have put us behind the eight ball, like in Ohio, where the governor going out has had some problem on an ethics violation. So, we are facing a tough uphill climb. The polls today would suggest we will do pretty bad indeed."

Erhlich Warns Of Absentee Ballot Crisis In Maryland. The Baltimore Sun (10/27, Harris, 262K) reports Republican Gov. Robert L. Ehrlich, Jr. "warned Thursday that a shortage of absentee ballots is 'approaching crisis proportions' and asked the state elections administrator to develop contingency plans if more cannot be delivered in time." Maryland elections chief Linda H. Lamone "acknowledged that some counties had run out of ballots or had yet to receive all they need, with the election 11 days away. But she said more deliveries were scheduled, and described the problems as manageable." The Sun adds, "Demand for absentee ballots is high after a push by Ehrlich and others for the use of the paper alternative in the aftermath of the Sept. 12 primary, which was crippled by human and technological errors."

O'Malley Has Alienated Many Prominent Democrats. The Washington Post (10/27, B2, Mosk, Wagner, 748K) reports prominent Baltimore lawyer William H. Murphy "usually reserves his powerful rhetorical skills for the courtroom, but this year he's hitting the airwaves to try to sway voters." In a 60-second radio ad, Murphy says, "I don't think anybody understands the criminal justice system better than I do, and that's why I'm not voting for Martin O'Malley for governor." The Post adds the former judge, "a confidant to Baltimore's elite and a lifelong Democrat, has something in common with a number of influential figures in his city: He can't stand the brash young man who became mayor at 36, and now, at 43, is his party's nominee for governor." O'Malley's "lightning-fast ascent has left a trail of wounded egos and bitter opponents. Several have become vigorous campaigners for incumbent Robert L. Ehrlich Jr., O'Malley's Republican opponent in this year's race for governor." O'Malley has confronted "business owners over plans to redevelop some of Baltimore's blighted downtown neighborhoods" and challenged "the city's law enforcement orthodoxy over how best to tackle inner-city crime." In the process, "he made an enemy of Baltimore Orioles owner Peter G. Angelos, who was once one of the most prolific supporters of Democrats in the nation but who now has hosted a series of fundraisers for Ehrlich."

Krauthammer Urges Obama To Run And Lose In 2008. In his Washington Post (10/27, A23, 748K) column, Charles Krauthammer writes that Sen. Barack Obama "should run in '08. He will lose in '08. And the loss will put him irrevocably on a path to the presidency." He says Obama's "affecting personal history, fine intelligence, remarkable articulateness and refreshing charm" and the "uniquely open race" in 2008 will win Obama attention, and he adds that "the country hungers for a black president. Not all of the country, but enough that, on balance, race would be an asset." But after 9/11, Krauthammer says "the country will simply not elect a novice in wartime." He compares Obama's 2008 hopes with those of then-Sen. John Kennedy in 1956, when "he was really seeking the vice presidency" and "preparing for a serious presidential run in 1960. Obama should be thinking ahead as well -- using '08 to cure his problem of inexperience. Run for the Democratic nomination and lose. He only has to do reasonably well in the primaries to become such a compelling national figure as to be invited onto the ticket as vice presidential nominee."

Texas Electricity Rates Remain High Four Years Into Deregulation. The Wall Street Journal (10/27, A1, Smith, 2.03M) reports in a 2,300-word analysis that Texas's "four-year-old [electricity] deregulation plan has failed to bring the benefits originally envisioned." Electricity deregulation's supporters "have hoped [it] would bring innovation and lower prices to an essential sector of the economy. The reality is messier, as consumers fail to take advantage of their new options -- or fail to gain any options -- while clever companies that know how to work the system prosper." Criticism in Texas "often coalesces on a single company: TXU, which owns both the largest generation company in the state and the biggest electricity retailer by number of customers." The Journal says, "Once TXU and other incumbents have locked in the higher price, they have no obligation to lower it even if natural gas becomes cheaper. Since 2002, most incumbents have raised their benchmarks on six to eight occasions, but none has ever dropped its benchmark price." FERC "has no jurisdiction in Texas because power is generated and distributed within the state." The Journal reports, "Despite the worries, Texas is pushing ahead with further deregulation on the wholesale side, including lifting price caps on what generators can charge the grid operator."

Morgan Stanley To Invest $3 Billion In Carbon Trading Market. The Financial Times (10/27, Giles)

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reports, "The drive to tackle climate change gathered pace on Thursday as Morgan Stanley, the investment bank, announced a $3bn plan to invest in the carbon trading market amid mounting evidence that some US states are growing more sympathetic to international action." The Times says, "The moves come just days before a UK government report is expected to propose a huge expansion of the global market in trading permits for carbon dioxide emissions." The Times notes, "Certain US states have recently taken steps to establish carbon markets. Seven states in the north-east have agreed a regional move to cap emissions from 2009, while California has set emissions limits."

Ashcroft Discusses Music And More In New Memoir. The Washington Post (10/27, C3, Argetsinger, Roberts, 748K) "Reliable Source" column reports, "One lesson gleaned from John Ashcroft's new book: Making fun of his singing is so not cool. In his new memoir, 'Never Again,' Ashcroft writes about the challenges he faced as attorney general after Sept. 11 -- including the time he went on David Letterman's show. The talk show host spent weeks in early 2002 making mirth of a video clip in which the AG sang his own composition, 'Let the Eagle Soar,' in a strong, clear tenor. Letterman then coaxed Ashcroft onto his show to talk about the Patriot Act -- and by the way, maybe sing a song? Ashcroft writes that he was suspicious of Letterman's nice-guy act and wondered if singing 'would expose the office to ridicule.' (He eventually agreed to play 'Can't Buy Me Love' on the piano instead.)" Asked at his book party if the "Singing Senators -- his old group with Trent Lott , Larry Craig and Jim Jeffords -- might get back together," Ashcroft "smiled warmly. 'I hope so! I think that Washington needs more singing these days.'"

Movie Examines Dixie Chicks After Bush Criticism. The Christian Science Monitor (10/27, Rainer, 58K) reviews the documentary "Shut Up and Sing," in which directors Barbara Kopple and Cecilia Peck "straight-forwardly document what happened to the" the country music act Dixie Chicks "after lead singer Natalie Maines told her cheering London audience in March 2003 that she was 'ashamed the president of the United States is from Texas.'" Kopple and Peck "astutely capture how the Chicks attempted both to make nice and stand fast. From the get-go, Maines never backs down from her statement. The other Chicks, Martie Maguire and Emily Robison, clearly wished Maines had kept silent, but they support her throughout." The Monitor rates the film A-.

Seoul Begins Implementing Some Sanctions On Pyongyang. The AP (10/27, Smith) reports Seoul "made its first concrete move Thursday to enforce U.N. sanctions imposed on North Korea for its nuclear test, saying it will ban officials from the communist country who fall under a U.N. travel restriction and control financial transactions between the rivals." UNSCR 1718 "seeks to ban the country's weapons trade and calls for North Korean ships to be searched for suspected illegal materials," and yesterday "Unification Minister Lee Jong-seok said Seoul would ban some North Korean officials from traveling to the South and control transactions and remittances related to inter-Korean trade and investment with Pyongyang, the South's Yonhap news agency reported." The AP adds, "It was unclear how tough the South will be in enforcing the restrictions. Seoul had been hesitant to take strong measures to support the sanctions." Nevertheless, the "announcement is certain to be welcomed in Washington, where [Secretary Rice} on Wednesday urged South Korea to show 'a strong commitment' to the sanctions." The AP also notes that the South Korean Defense Ministry reported the "lingering threat posed by the North, saying the regime is believed to have enough plutonium to make as many as seven nuclear bombs. The North is also working to make a small, lightweight nuclear warhead that can be carried by ballistic missile, according to the report released by an opposition lawmaker." USA Today/AP (10/27, Smith) carries the AP story.

China-North Korea Border Trade Continues Uninhibited. A 1,659-word piece on the front page of the New York Times (10/27, Yardley, 1.21M) reports on "the growing and, in some ways, surprisingly complicated trade relationship between China and North Korea. China remains North Korea's most important aid donor and oil supplier, but, conversely, China is now importing growing amounts of coal and electricity from North Korea. Chinese entrepreneurs, meanwhile, are starting to buy shares in North Korean mining operations and, in one case, trying to gain access to the Sea of Japan by leasing a North Korean port as a potential shipping hub." The Times says that "upswing" in commerce "is one of the reasons that China has sent mixed signals about how aggressive it will be in inspecting border trade to meet the" sanctions spelled out in UNSCR 1718. While diplomatic efforts have produced some agreement on a way forward, "the question of inspections along the 866-mile border between China and North Korea is a different matter. The sanctions authorized countries to inspect cargo entering and leaving North Korea and barred the sale or transfer of material that can be used to make nuclear weapons. Yet the sanctions are still less than two weeks old, and some details have still not been worked out. For example, the sanctions ban luxury goods without defining them."

Hill Says Six-Party Talks Only Venue For Dialogue With Pyongyang. AFP (10/26) reports comments by Assistant Secretary of State Chris Hill that "stalled six-party talks have to restart for the US to talk to North Korea, following the isolated regime's nuclear test earlier this month."

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He is quoted as saying, "The North Koreans haven't expressed an interest in having a dialogue with anyone really. We've made very clear that if they come back to the (six-party) process, we're certainly prepared to talk to them directly." Hill went on to say that "the six-party agreement was very important to the US, because it ensured a united stand by countries in the region over North Korea's nuclear ambitions." AFP continues, "Threats by Pyongyang against South Korea over adopting sanctions imposed after the test flew in the face of Seoul's clear undertaking to follow the resolution 'to the letter,' said Hill… North Korea needed to understand UN Security Council resolutions were binding on everyone, he said."

Improved North Korea Bomb Said To Be Possible Soon. In a short piece, the Washington Times (10/27, Bawa, 88K) notes "US analysts'" belief that "North Korean scientists will only need a few months at most to correct technical problems connected with the Oct. 9 test of the country's first nuclear device." Experts "are still trying to gauge the effectiveness of [that] test," although "U.S. intelligence officials have confirmed the explosion was a nuclear device." The Times cites one expert who said that "the most likely cause of the failure was a component that initiates the chain reaction that produces the explosion," and adds, "All of the U.S. analysts agreed that it would take the North Koreans only a few months to fix these types of problems."

US Interagency Team Saw Imminent Collapse Of Kim's Regime In 1997. The New York Times (10/27, Mazzetti, 1.21M) reports, "A team of government and outside experts convened by the Central Intelligence Agency concluded in 1997 that North Korea's economy was deteriorating so rapidly that the government of Kim Jong-il was likely to collapse within five years, according to declassified documents made public on Thursday." The team's report "described the isolated and impoverished country as being on the brink of economic ruin," an "assessment" that the Times notes "has not been borne out, and its disclosure is evidence of past American misjudgments about the internal dynamics of North Korea's closed society." Intelligence officials "still regard North Korea as among the toughest of intelligence targets and have made little progress inserting human spies into the country to steal secrets about the government." The Times says the report shows "a pattern of growing concern about North Korea's economic crisis during the second half of Bill Clinton's presidency," a set of assumptions that "helped shaped White House thinking in 1994 when it promised to deliver light-water nuclear reactors to North Korea by 2003 in exchange for Pyongyang's halting its covert nuclear weapons program."

Clinton Administration Official Says Bush Must Refashion Rhetoric To Deter Kim. In his opinion piece in the Washington Post (10/27, A23, 748K), former Assistant Secretary of Defense Graham Allison questions President Bush' formulation for deterring Kim Jong-il. "If North Korea sells a nuclear weapon to Osama bin Laden or Iranian President Mahmoud Ahmadinejad, he should expect the United States to go to the United Nations and negotiate further sanctions? And if al-Qaeda sneaks that bomb into the United States and we awake to the president's nightmare in which a mushroom cloud engulfs Washington or Los Angeles, then what? If this formulation stands -- without further specification -- America risks becoming the victim of a catastrophic 'deterrence failure.'" Allison says the Administration "has demonstrably failed to deter Kim Jong-il," and adds that, "having stiffed Bush…, might Kim now imagine that he could also sell nuclear weapons?" North Korea "must be convinced that" the US could trace any nuclear material used by a third party to Kim's government, and he "must feel in his gut the threat that if a nuclear weapon of North Korean origin explodes on American soil or that of a U.S. ally, the United States will retaliate precisely as if North Korea had attacked the United States with a nuclear-armed missile: with an overwhelming response that guarantees this will never happen again."

Moscow Seeks To Slow European Sanctions Against Iran. The AP (10/27, Meyer) notes Moscow "signaled its opposition Thursday to a draft [UNSCR] proposed by European nations that would impose sanctions on Iran over its disputed nuclear program, calling it a departure from existing agreements between world powers." Noting that Beijing and Moscow "have strong commercial ties with Tehran," the AP says they "have been reluctant to support sanctions against Iran. A key concern for Moscow is the future of its $1 billion contract to build Iran's first nuclear power station." Russian Foreign Minister Sergey Lavrov is quoted saying, "Our goal is to eliminate the risks of sensitive technologies getting into the hands of Iran until the IAEA clarifies issues of interest to it, while maintaining all possible channels of communication with Iran. And it seems to me that, in this context, the draft resolution clearly does not correspond to those tasks agreed on by the six sides." The draft UNSCR "would impose limits on the Russian-built nuclear power station in the southwestern city of Bushehr, although they do not force an end to it." Washington "has been pushing for even tougher sanctions, and Richard Grenell, spokesman for the U.S. mission to the United Nations, said Wednesday there would be 'American changes to the proposed European text.' He refused to elaborate."

WPost Sees Iranian Efforts To Radicalize Middle East Advancing. The Washington Post (10/27, A22, 748K) editorializes, "Judging from what Israeli raids have been uncovering in the Gaza Strip, Palestinian militants are eager to imitate what they perceive as Hezbollah's success in standing up to the Israeli army in the villages of southern

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Lebanon -- and Iran's agents are just as eager to help them. … It's not hard to predict where this is heading: toward events that will serve to further advance Iran's goal of radicalizing the Middle East. Those who stand to lose the most from that development -- Israel, Egypt and the United States -- are running out of time for their agenda of negotiations and confidence-building."

Assad Said To Be Under Sway Of Ba'athist Operatives. The Washington Times (10/27, Gertz, Scarborough, 88K) "Inside the Ring" column reports a source says Syrian President Bashar Assad "is no strongman like his late father, Hafez. In his sixth year as leader, Bashar is largely controlled by Ba'ath Party operatives who oppose better relations with the West. The source tells us it is Bashar Assad's aides who push the 40-year-old dictator to support Hezbollah destabilization activities in Lebanon and allow al Qaeda jihadists to use Syria as a staging point for infiltrating Iraq and killing Americans and Iraqis."

Administration Pressed To Open Dialogue With "Axis Of Evil" States. The New York Times (10/27, Cooper, 1.21M) reports the "cries for dialogue" with "axis of evil" states "have grown louder" in recent week, as Iraq faces more violence, North Korea rattles a nuclear saber, and Iran defies the UN. Ex-Secretary of State James Baker "said this month that he believed 'in talking to your enemies,'" and discussing North Korea, ex-President Carter "said that 'the stupidest thing that a government can do that has a real problem with someone is to refuse to talk to them.'" Sen. Barack Obama "said last weekend that even at the peak of the cold war, 'when there were nuclear missiles pointing at every major U.S. city, there was a direct line between the White House and the Kremlin.'" While "officially, the administration is sticking to form," within the Administration, "things are a little more nuanced, Bush officials said. One administration official distilled the internal deliberations this way, 'On Syria, there's a very healthy debate about whether we should talk to them; on Iran, there is no debate internally.'"

Solana Asks Israel To Keep Rafah Crossing Open. The AP (10/27, Brand) notes EU foreign policy head Javier Solana "said Thursday he hoped a crucial crossing between Gaza and the outside world, which has been closed by Israel for most of the past four months, would be reopened on a regular basis soon." EU officials "have threatened to abandon their mission" on the Egypt border "if Israel keeps closing the [Rafah] passage for what it says are security reasons." The AP notes, "Israel has kept the crossing closed for all but 12 days since Palestinian gunmen captured an Israeli soldier on June 25 and took him into the Gaza Strip. It fears militants would try to sneak the soldier across the border to Egypt and also says Rafah has become a conduit for weapons smuggling into Gaza."

Foreign Donations Reach Palestinian Authority. The New York Times (10/27, Myre, 1.21M) reports Palestinian Interior Minister Said Siam "took home $2 million in cash from Muslim countries when he returned to the Gaza Strip this week, part of a continuing effort to meet government expenses in the face of a cutoff in aid from Western countries, an aide to the minister said Thursday." A Siam aide "said the money had come from 'Arab and Muslim countries,'" and said Siam "plans to spend half the money by making $50 payments to 20,000 members of the security forces." The "remaining $1 million would go toward restoring the Interior Ministry building, which was damaged in a recent fire set by members of Fatah."

Top American In UN Hierarchy To Leave Post. The Washington Times (10/27, Pisik, 88K) reports UN Undersecretary General for Administration and Management Christopher Burnham, the highest-ranking American in the UN hierarchy, will leave his job on November 16 to take a private sector job. The "outspoken" Burnham "has been trying to modernize U.N. management practices."

Ecuador's Correa Tells US Ambassador He Will Maintain Diplomatic Relations If Elected. In an analysis piece, the AP (10/27, Solano) reports Ecuador presidential candidate Rafael Correa "said after a meeting with [Ambassador Linda Jewell] on Thursday that he will not break off relations with Washington if he wins his country's Nov. 26 runoff election." He is quoted saying, "I will not break off relations with the United States, but Ecuador's international policy will be sovereign. We will condemn the errors that the whole world recognizes, like the invasion of Iraq in search of weapons of mass destruction that did not exist." Embassy spokesman Aaron Sherinian told reporters that "Jewell asked to meet with Correa to discuss a 'wide range of bilateral issues,' and also planned to meet with his opponent, pro-U.S. banana tycoon Alvaro Noboa." The AP adds Correa "has alarmed Wall Street and Washington with threats to default on foreign debt payments to fund social programs, and a pledge not extend the U.S. military's use of the Manta air base on the Pacific coast for drug surveillance flights when a treaty runs out in 2009."

Danish Court Throws Out Suit Against Muhammad Cartoon Publisher. The Washington Times/AP (10/27, Olsen) reports the City Court in Aarhus in Denmark "rejected a lawsuit yesterday against the newspaper that first printed prophet Muhammad cartoons, some of which depicted Islam as a violent religion." An alliance of seven Muslim groups claimed "that the 12 drawings printed in the Jyllands-Posten daily were meant to

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insult the prophet and make a mockery of Islam. The court conceded that some Muslims saw the drawings as offensive, but found there was no basis to assume that 'the purpose of the drawings was to present opinions that can belittle Muslims.'" The newspaper in question "hailed the court's decision as a victory for freedom of speech," however, "Muslims were outraged at the court decision."

Australian Muslim Cleric Refuses To Step Down Amid Rape Comment Furor. The AP (10/27, Sullivan) reports Sheik Taj Aldin al-Hilali, "Australia's most prominent Islamic cleric, vowed Thursday to stand strong against widespread outrage over his description of women who don't wear head scarfs as 'uncovered meat' who invite rape." He "apologized for any offense he caused women in making the comments a month ago during a sermon marking the Islamic holy month of Ramadan. But he said he had no intention of stepping down. Instead, al-Hilali will not give sermons for two or three months, though he will not face censure for his comments, a spokesman for the governing association of his mosque said." Prime Minister John Howard "and others denounced al-Hilali's remarks as blaming women for rape, and there were calls for the cleric to quit or be removed from his role as mufti in the faith." The AP calls al-Hilali "a lightning rod in strained relations between the government and the Muslim minority."

ABC World News (10/26, story 7, 2:35, Gibson, 8.78M) reported extensively on tensions surrounding Muslim women's wearing of the veil in Western nations including Australia. "An uproar in Australia over comments from this senior Muslim cleric, who seemed to say that women who do not wear headscarves are inviting rape." Sheik Taj Aldin al-Hilali: "I am very, very sorry for that, people misunderstanding my talk and my message." John Howard, Prime Minister of Australia: "The idea that women are to blame for rapes is preposterous. It's an appalling concept." Unidentified female: "It's very sad." Harris: "From Australia to England to the US. A clash between the government and Islam over the veil. Last week, British Prime Minister Tony Blair said veils prevent Muslims from fully integrating into society." Tony Blair, British Prime Minister: "It is a mark of separation." Harris: "In Detroit, Ginna Mohammed sued a rental car company over a repair bill. When she refused to take off her veil to testify, the judge threw out her case, saying he couldn't assess her credibility. Some Muslims say when government steps into their religious affairs, it alienates a community that already feels under siege." Daisy Khan, ASMA Society: "That's what happens when people are attacked. They circle the wagons. They get very intense about their faith. Their religious identity gets stronger." Harris: "The veil has long been the subject of debate among Muslims themselves. Many believe there is nothing in the Koran that say women have to cover their heads. Some Muslim women say veils are oppressive. Others say they're liberating." Ginna Mohammed: "This is my choice. I feel free. I'm happy." Yvonne Ridley, Islamic Channel TV: "No one certainly judges me by the size of my bust or the length of my skirt anymore. And that is really liberating." Harris: "For centuries Muslims have argued about the veil. Now, the veil has become a powerful symbol of the struggle between Muslims and the West to understand one another."

Nicaraguan Congress Approves Total Ban On Abortions. The AP (10/27, Aleman) reports the Nicaraguan Congress "voted Thursday to ban all abortions, including those that could save a mother's life. If signed into law by President Enrique Bolanos, the measure would eliminate a century-old exception to Nicaragua's abortion ban that permits the procedure if three doctors certify that the woman's health is at risk." The AP says it is "unclear whether [Bolanos] would sign the bill," which "has drawn protests from women's rights groups." Notably, the AP adds, "Sandinista leader Daniel Ortega, who was a supporter of abortion rights as a young revolutionary, has said he has become a devout Roman Catholic and now opposes abortion."

The New York Times (10/27, Lacey, 1.21M) adds Nicaragua "joins El Salvador and Chile as the only countries in the Western hemisphere to ban abortion without exception. But across Latin America, abortion is outlawed except in rare circumstances. It is readily available only in Cuba and a few English-speaking Caribbean countries." This legislative move "comes two weeks before a hotly contested presidential election on Nov. 5, and opponents of the law say it was introduced now because no one dared to oppose it in the political climate."

China Corruption Probe Targets Top Communist Party Officials. The New York Times (10/27, Kahn, 1.21M) reports a "widening Chinese anticorruption investigation is taking aim" at Communist Party leaders, a "sign that President Hu Jintao intends to continue removing officials he considers insufficiently loyal. … Some 300 Communist Party investigators have been examining property deals and procurement practices in the capital city since at least late September and have uncovered suspicious dealings that implicate top Chinese leaders."

Arrested Woman's Case Causes Difficulties For Bush On Vietnam Trade. The Washington Post (10/27, Kessler, 748K) reports on its front page that while President Bush hopes to go to Vietnam next month bearing a gift" in the form of a passed trade bill, the "plight of an ailing 58-year-old Florida woman who has been held in a Vietnamese prison for more than a year on terrorism

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suspicions is threatening to derail the president's plans. The case against Thong Nguyen 'Cuc' Foshee highlights both Vietnam's human rights record and the lingering passions of former refugees for the country they fled three decades ago. It also exposes the tension between the administration's dual efforts to promote business and foster democracy." The "prominent Republican" Foshee was arrested in September 2005 after she arrived in Vietnam to attend a nephew's wedding. Vietnamese officials have alleged that she was involved in a plot "to take over radio stations and undermine the Vietnamese government. … Some Bush administration officials suggest that the Vietnamese government may have evidence against Foshee, but they fault its failure to bring formal charges."

Lula Expected To Easily Win Reelection In Brazil Sunday. The Wall Street Journal (10/27, Moffett, Samor, 2.03M) runs a front-page profile of the run-up to Sunday's Brazilian presidential election, where "blue-collar" President Luiz Inacio Lula da Silva "is a heavy favorite to win re-election." While college-educated Brazilians "often look down on a president who quit school after the fourth grade," the "vast majority of Brazilians with only a basic education embrace him. Overall, a survey by the Datafolha polling group projects Mr. da Silva getting 61% of the vote compared with 39%" for centrist rival Geraldo Alckmin.

Security Of Raul Castro's Succession In Cuba Seen As Uncertain. In her Wall Street Journal (10/27, A15, 2.03M) column, Mary Anastasia O'Grady writes that Raul Castro's effort to make sure he maintains "the upper hand" after brother Fidel's impending demise "appears to be a work in progress. At this time the military seems to be loyal to Raul. Nevertheless, the dictator in waiting has at least two reasons to be worried. The first is Hugo Chávez, who pours an estimated $2 billion into the Cuban economy annually and seems to believe that he is the rightful revolutionary successor to Fidel." And there is already tension "between elements of the regime that see themselves as ideologically pure and loyal to Fidel and Raul's army, which seems to enjoy making money." Also, "less noticed by the international press but at least as threatening," are Cuba's dissidents, "once again stirring things up, this time with their 'non-cooperation campaign.'"

South Africa Sets Ambitious Economic Growth Goal. USA Today (10/27, Lynch, 2.27M) reports, "More than a dozen years after the demise of South Africa's apartheid regime, one out of every four workers is officially unemployed," and when those who have "given up looking for work" are factored in, "the country's jobless rate is a staggering 40%." So the government has set a goal of achieving "an annual growth rate of 6% by 2014, double the average figure for the first decade of democratic rule, by eradicating a handful of 'binding constraints.' Priorities include improving substandard education, accumulating foreign exchange reserves, and spending $49 billion over three years on new roads, ports and power plants. Such robust growth would represent a big improvement for South Africa, but it would pale alongside the performance of fast-growing developing countries such as India or Vietnam."

South Africa Plans Expansion Of AIDS Programs. The Washington Post (10/27, Timberg, 748K) reports on its front page that South Africa's government is also "seeking to shake off years of international denunciation for its handling of the AIDS epidemic -- including a fixation on the supposed protective powers of beets and lemons -- while expanding treatment, testing and prevention programs." USA Today (10/27, Lynch, 2.27M) says the nation's "virulent AIDS epidemic may have a larger-than-expected impact on economic growth, sabotaging productivity gains and sharply inflating health care and training costs, economists say." One South African economist says that by 2010, "AIDS will cut the annual economic growth rate" by 1.5%.

Major Oil Field's Decline May Force Mexico To Open Industry To Private Investment. The Christian Science Monitor (10/27, Miller Llana, 58K) reports, "Even as popular pressure grows around Latin America for a stronger state hand in developing natural resources such as oil and gas, Mexico's president-elect Felipe Calderón may be forced to consider putting more power in private hands." The Monitor says, "as production at Pemex's top oil field declines, pressure to find new fields is mounting. But industry analysts say Mexico's constitutional restriction on foreign direct investment will hamstring costly exploration efforts, and possibly disrupt the flow of oil, 80 percent of which heads to the US." The Monitor reports, "So far, Calderón has reiterated that he will not consider private direct investment." Moreover, Mexico's "divided electorate means that Calderón is unlikely to find the political capital to challenge nationalization, even partially." However, "some still hope that Calderón will be able to open the industry to more private participation, beyond the current flat-fee subcontracts that foreign companies can participate in. ... [M]ore than anything, the reality of dwindling oil production may help to change sentiments."

Friedman Says "Living Green" Will Unite The West. The New In his New York Times (10/27, 1.21M) column, Thomas L. Friedman says he agrees with his German friends that "the issue that will and should unite the West is energy and all its challenges. After all, nothing is a bigger threat today to the Western way of life and quality of

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life than the combination of climate change, pollution, species loss, and Islamist radicalism and petro-authoritarianism — all fueled by our energy addictions. And no solution is possible to these problems without concerted government actions to reduce emissions, to inspire green innovation and to shift from oil to renewable power." Friedman writes, "One reason President Bush has failed to become the leader of the West is because he has failed to lead on green, which has become so important to all our allies. I doubt that he'll redefine U.S. policy in his last two years, but the issues around climate change and energy conservation are now rising so fast it's impossible to imagine that his successor won't — whoever it is. And once that happens, it is impossible to imagine that living green, instead of fighting reds, won't become the new glue of the Atlantic alliance."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"'Devil Winds' Stoke Fatal Fire."
"A County Of Bad Ol' Boys."
"No Easy Answer To 'Kurdish Question'."
"Flames Ambush Man 'Who Could Do Anything'."
"Getty Toughens Up Its Rules For Acquisition."

USA Today:
"Cameras Catch Speeding Britons And Lots Of Grief."
"Elections Pushed, Pressed, Pulled Into 21st Century."
"Room To Grow?"
"Army To Spread Burden Of Combat."

New York Times:
"G.O.P. Moves Fast To Reignite Issue Of Gay Marriage."
"Democrats Fear Disillusionment In Black Voters."
"I.R.S. Going Slow Before Election."
"Family Ties Help Kean In Senate Race, Poll Says."
"Sanctions Don't Dent North Korea-China Trade."
"Cameras Catch Speeding Britons And Lots Of Grief."

Washington Post:
"The Year Of Playing Dirtier."
"In South Africa, A Dramatic Shift On AIDS."
"U.S. Deaths In Iraq Near Peak Months."
"D.C. Jury Acquits Jemal."
"Iraq War Foe Defined By Vietnam."
"A Prisoner Of Global Impact."

Washington Times:
"Bush Signs Law To Build Border Fence."
"Cardin Skips Debate In Charles County."
"Muslim Group' Suit Over Cartoon's Rejected."
"Krazy George-Huskies Rematch As Wave turns 25."

Detroit Free Press:
"Auto Bosses Grapple To turn The Corner."
"Stabenow's In A Fight For Her Job."
"Candidate Schmooze Undecided Detroiter."

Atlanta Journal-Constitution:
"The Flag's OK But The Pole's Not."
"$4 Drugs A Bargain But Not A Cure All."
"Border Law Exposes Split On Immigration."
"For A Cheerleader He's A Pretty Good Linebacker."

Houston Chronicle:
"Admissions Jump At Community Colleges In State."
"Only The Best Will Do."
"U.S. Toll In Iraq This Month One OF The Highest."
"Libertarian Not After Win, But Acceptance."
"Lone Drivers Might Get HOV Access-For Fee."

Story Lineup From Last Night's Network News:
ABC: Palm Springs Wildfire; Colorado Snow; Oil Profits Up; Housing Market; Iraq-Sectarian Violence; Iraq Timeline-Changing Course; Muslim Women & The Veil; US Border Fence Bill Signed; New Possible Speaker; Elmo Smuggling Drugs; Black & White Twins.
CBS: Palm Springs Wildfires; Colorado Snow; Housing Market; Oil Profits Up; Tennessee Senate Race; Michael J. Fox Interview; Iraq-Sectarian Violence; Border Fence Bill; Black & White Twins; Michael J. Fox Interview.
NBC: Palm Springs Wildfires; Iraq Timeline-Changing Course; Combat Stress; Afghanistan Violence; Housing Market; Stock Market; Border Fence Bill; Colorado Snow; Teenage Drivers; Fighting Cancer.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Meets with NATO Secretary General, Oval Office, pool at bottom.

VICE PRESIDENT CHENEY — Arrives Whitman Airforce Base, 509 Spirit Blvd., WAFB, Mo. Open Press; participates in tour of B-2 bomber, closed; briefing on B-2 bomber, closed; remarks at rally for B-2 Bomber forces, Open press; arrives Charleston Air Force Base, SC. Open press; particpates in RNC fundraiser, The Sanctuary at Kiawah Island, SC, closed press.

LAURA BUSH — Remarks at Clay Shaw for Congress reception, private residence, Palm Beach, Fla., closed press; remarks at Vern Buchanan for Congress reception, Ritz-Carlton, Sarasota.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

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Other: US-CHINA _ Five-day meeting of the US-China Economic and Security Review Commission. Location: Hall of the States, 444 N. Capitol St.

POLITICAL MANAGEMENT-OAS _ 9 a.m. - 6 p.m. Josi Miquel Insulza, Secretary General of the Organization of American States, delivers keynote address at GWU's ``International Seminar of Political Communication and Marketing for Governments." Highlights: 9 a.m. OAS Secretary Josi Miquel Insulza speaks. Location: Morton Auditorium, 805 21st St. NW.

UNCONVENTIONAL WARFARE _ 8:30 a.m. Council on Foreign Relations holds On-The-Record Meeting on ``Military Strategies for Unconventional Warfare." With Max Boot, author, ``War Made New: Technology, Warfare, and the Course of History; Michael Vickers, Center for Strategic and Budgetary Assessments; Thomas Shanker, New York Times. Location: 1779 Massachusetts Avenue, NW.

MID-TERM ELECTIONS _ 8:30 a.m. - 10:30 a.m. Boston University panel on ``The Mid-Term Election: A Reversal of the Republican Revolution? Implications for Congress and for 2008". With Chris Cillizza, blogger; Jennifer Duffy, Cook Political Report; Gerald Seib, Wall Street Journal; others. Location: National Press Club, 14th and F Sts. NW.

SUPREME COURT-DUKE ENERGY _ 9 a.m. Washington Legal Foundation forum on ``Environmental Defense v. Duke Energy: Will US Supreme Court Clear the Air?" With John C. Cruden, Deputy Assistant Attorney General; Robert M. Sussman, Latham & Watkins LLP; Eric V. Schaeffer, Environmental Integrity Project. Location: 2009 Massachusetts Ave. NW.

ELECTORAL COMPETETIVENESS _ 10 a.m. - 12 p.m. The Brookings Institution hosts a forum, ``The Marketplace of Democracy: A Groundbreaking Survey Explores Voter Attitudes About Electoral Competition and American Politics." Moderator: Michael McDonald, Visiting Fellow, The Brookings Institution. Panelists: John Samples, Director, Center for Representative Government, Cato Institute; Andrew Kohut, President, The Pew Research Center; and Scott Keeter, Director of Survey Research, The Pew Research Center. Location: Brookings Institution, Falk Auditorium, 1775 Massachusetts Ave. NW.

ARLINGTON BURIAL _ 11 a.m. There will be a burial service for Army Cpl. Carl Johnson of Philadelphia. Location: Arlington Cemetery.

MOUNT VERNON-FESTIVAL _ 11 a.m. Historic Mount Vernon opens 25 new galleries and theaters in the new Donald Reynolds Museum and Education Center. Opening festival features author David McCullough, broadcaster Roger Mudd, 18th-century military re-enactors, and others. Location: Historic Mount Vernon, Alexandria, Va.

EUROPEAN TRADE _ 12 p.m. Cato Institute forum on ``The Future of the European Common Agricultural Policy and Global Trade Liberalization." With Patrick Messerlin, Director, Institut d'Etudes Politiques de Paris; Daniel Griswold, Cato Institute; and Marian Tupy, Center for Global Liberty and Prosperity. Location: 1000 Massachusetts Avenue, NW.

VIETNAM-RUSSIA _ 12 p.m. Women in International Trade holds a brown bag lunch to review recent development in Vietnam's and Russia's WTO accession negotiations, with Vu Dang Dzung of the Vietnamese Embassy, and Randi Levinas of the U.S.-Russia Business Council. Location: Sandler, Travis and Rosenberg, Suite 400, 1300 Pennsylvania Ave. NW.

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Miller, Charles S

From: Miller, Charles S
Sent: Friday, October 27, 2006 11:12 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 10/27/06 Civil Division News

Three judges set to hear Defense personnel reform appeal

InterMune pays $36.9M for off-label sales

InterMune to pay $36.9M to settle charges; Drug company accused of mis-promoting drug to get money from Medicaid.

Danbury Hospital to pay $2.4M in Medicare mixup

Keystone Mercy settles U.S. lawsuit

Prescription drug fraud settlement nets $155 million

Senators Demand FDA Review All Data on Silicone Breast Implants

Mobster sues claiming he was framed by prosecutors

Amish Couple Suing U.S. Over Photo Rule

Lawsuit linked to rebuilding Iraq no longer targets Mobile-area firm

Romania Could Block Munaf Takeover

Government Executive Magazine

October 26, 2006

Three judges set to hear Defense personnel reform appeal

By Karen Rutzick

A panel of three new judges was picked Wednesday to decide what could be the final chapter in the legal battle between the government and federal employee unions over new labor relations rules in the Defense Department.

The U.S. Court of Appeals for the District of Columbia randomly assigned Judges Brett Kavanaugh, David Tatel and Stephen Williams to hear arguments on Dec. 11 in the Pentagon's case. The panel's ruling could affect the Homeland Security Department's similar effort to overhaul labor relations.

Kavanaugh served in the White House as legal counsel and then staff secretary for President Bush from 2001 until Bush appointed him to his current position in May 2006. Williams is a Reagan appointee who became a senior judge in 2001. Tatel -- installed by Clinton in 1994 -- will be the lone Democratic appointee on the panel.

The three-judge panel that ruled harshly against the Homeland Security Department's similar labor system also was made up of one Democratic and two GOP appointees. It was anchored by senior judge and Carter appointee Harry Edwards, an expert in the field of public sector labor relations.

Meanwhile, Defense officials continue to move forward in implementing the National Security Personnel System for nonbargaining unit employees. On Thursday, the Pentagon released survey results from the first 11,000 employees who entered the NSPS in April.

The survey, completed a month after the first group entered NSPS, showed that employees in the system were more satisfied with opportunities for promotion, quality of co-workers and supervisors, leadership and compensation than their non-NSPS civilian counterparts. Respondents also were found to be almost twice as likely to think that communication between supervisors and employees and the hiring process will improve under NSPS.

The Pentagon would not provide any further details of the survey methodology, including response rates, or the findings.

Union representatives expressed doubts about the study. Matt Biggs, spokesman for the coalition of Defense unions that banded together to fight NSPS, said since the compensation is the same for these employees in the first year, there is no reason they should be dissatisfied.

Ron Ault, president of the Metal Trades Department, AFL-CIO, called the survey "propaganda." He said most of those in the first group are human resources and management employees who already were working under demonstration projects similar to NSPS.

The online survey, called the Status of Forces Survey-Civilian, will be conducted every six months by the Defense Manpower Data Center. The next survey is scheduled for November, after the first performance reviews are completed under NSPS.

END

UPI

October 27, 2006

InterMune pays $36.9M for off-label sales

WASHINGTON, Oct. 26 (UPI) -- U.S. biopharmaceutical company InterMune has agreed to pay more

than $36.9 million to settle off-label marketing charges.

The Brisbane, Calif.-based company is facing criminal charges and civil liabilities in connection with its alleged illegal promotion and marketing of Actimmune, the Justice Department announced Thursday.

The department alleged the company had been marketing the drug for treatment of lung scarring, a use for which it has not been approved by the Food and Drug Administration, even though InterMune's own clinical trial found the drug was not effective for that purpose.

The drug is approved for treatment of chronic granulomatous disease, a disorder of the immune system, and malignant osteoporosis.

In its agreement with the company, the Justice Department said it has agreed to suspend prosecution of the company if it pays to settle civil liabilities for allegations that the inappropriate marketing led to improper Medicare and Medicaid claims.

InterMune will pay $30.2 million for losses suffered by the federal portion of the Medicaid program, the Medicare Program, the Veteran's Administration, the Department of Defense and the Federal Employees Health Benefits program. Under separate civil settlement agreements with the states, the company will also pay nearly $6.7 million to state Medicaid programs.

END

Reuters

October 26 2006: 5:22 PM EDT

InterMune to pay $36.9M to settle charges; Drug company accused of mis-promoting drug to get money from Medicaid.

WASHINGTON (Reuters) -- InterMune Inc. has agreed to pay more than $36.9 million to settle charges of illegally promoting its Actimmune drug that led to the submission of false claims for reimbursement from government health programs, the U.S. Justice Department said Thursday.

The biopharmaceutical firm was accused of promoting the drug to treat lung scarring despite not being approved by the U.S. Food and Drug Administration for that use, and submitting false claims for reimbursement, the Justice Department said.

The FDA did approve Actimmune for treating immune system disorders.

The company is expected to enter into an agreement with the government to defer prosecution for two years, contingent on its cooperation with the investigation and efforts to implement changes to its compliance policies.

"It is vital to public health and safety that pharmaceutical companies are deterred from improperly marketing their drugs to doctors and patients to treat illnesses that these drugs are not approved to treat," Assistant U.S. Attorney General Peter Keisler said in a statement.

Under the settlement, Intermune (Charts), which competes with Norvatis (Charts) and Merck (Charts), will pay more than $30.2 million for losses suffered by the federal Medicare and Medicaid programs, the Veteran's Administration, Department of Defense and Federal Employees Health Benefits program.

It will also pay about $6.7 million to state Medicaid programs. Such Medicaid fraud has occurred before, most notably when hospital owner HCA (Charts) settled with the government in 2000 for overbilling the program.

A representative for InterMune was not immediately available for comment.

Shares of the Brisbane, Calif.-based company closed down 3 cents to $22.93 on Nasdaq.

END

News Times (Danbury, CT)

Danbury Hospital to pay $2.4M in Medicare mixup

By Karen Ali
The NEWS-TIMES

DANBURY -- Danbury Hospital has agreed to pay the federal government $2.4 million as part of a civil deal with prosecutors to resolve allegations that it submitted false claims to the Medicare program.

Between October 2000 and June 2003, the hospital got extra payments from Medicare through improper coding in the amount of $1,570,564.

Hospital spokeswoman Linda Wiseman said when the hospital realized the problem during an internal audit, it notified the government.

"It's the right thing to do," Wiseman said. "We did that in October of 2003."

"It's a very complicated process (billing), so at this point it's hard to pinpoint what happened," Wiseman said.

She stressed that patients and consumers will not be affected by what happened.

"The reality is we are a well-managed hospital. We remain financially strong," Wiseman said.

U.S. Attorney Kevin O'Connor said the settlement stems from charges that the hospital wrongly assigned billing codes to patient hospital stays, causing the hospital to get excessive amounts of money from Medicare.

"The codes in question -- diagnosis related group or 'DRG' codes -- are used to classify patients by their diagnosis. These diagnostic classifications, in turn, determine the amount of payment hospitals receive from Medicare," O'Connor said. "Incorrect diagnostic coding can dramatically affect the reimbursement a hospital receives."

The codes in question, which violated the federal False Claims Act, were for septicemia, respiratory failure, and respiratory infections and inflammations.

O'Connor said the hospital cooperated with the government in its investigation. According to agreement, both sides reached a final settlement to avoid the uncertainty of protracted litigation.

O'Connor said this sort of settlement with a hospital is not uncommon.

"A lot of them are resolved civilly like this," he said.

O'Connor's office could not put a number on how many have been resolved this way, but his office's Web site has press releases on several similar cases.

In May 2005, Hospital of St. Raphael in New Haven settled a similar suit, paying $632,006 to resolve

allegations it violated the False Claims Act for charges related to kidney dialysis patients with Medicare.

In January of this year, a Winsted doctor and Winsted Pediatrics entered into a civil agreement with authorities for improperly billing Medicaid for vaccine doses and had to pay about $206,274.

A Bridgeport pediatrics office, Main Street Pediatrics, also paid about $230,977 in connection with submitting false claims to Medicaid.

Amy Cole, spokeswoman for the Fairfield County Medical Association, said that billing, in general, is very complicated.

"We can certainly say from running the individual medical practice, whether it's a small solo practice or a large group medical practice, billing claims are extremely complex and mistakes can be made unintentionally," Cole said.

"If billing is done that is intentionally fraudulent, we fully support appropriate action because that hurts everyone."

The Trumbull-based organization represents about 1,800 physicians in Fairfield County.

"Billing has become so complex in medicine that an entire profession has evolved out of that," Cole said. "You can become a professional coder."

In general, coding wrongdoing can affect the consumer, Cole said.

"If it were to go undetected, overpayment of claims affects everyone because it causes the costs of insurance to go up and the cost of medical care to go up," Cole said. "Someone has to pay for it."

Danbury Hospital has also entered into a Certification of Compliance Agreement with the U.S. Department of Health and Human Services, which is designed to ensure future compliance with the requirements of Medicare, O'Connor said.

People who suspect health care fraud are encouraged to report it by calling the Health Care Fraud Task Force at (203) 785-9270 or 1-800-HHS-TIPS, O'Connor said.

Danbury Hospital disclosed the conduct in question to the government under the Provider Self-Disclosure Protocol issued by the Office of Inspector General and the United States Department of Health and Human Services, O'Connor said.

The OIG encourages health care providers to voluntarily disclose violations, he said.

"The health care system relies on hospitals to bill Medicare honestly and accurately," U.S. Attorney O'Connor said. "Billing Medicare for patient stays that do not accurately reflect the patients' diagnosis, resulting in excessive payments, damages the fiscal integrity of the Medicare program."

END

Philadelphia Inquirer

October 27, 2006

Keystone Mercy settles U.S. lawsuit

By Linda Loyd, Inquirer Staff Writer

Keystone Mercy Health Plan, the region's largest Medicaid managed-care insurer, has reached a settlement with the U.S. Attorney's Office in Philadelphia to pay $5 million to resolve a benefits-claims dispute.

The Justice Department alleged that Keystone Mercy in 1997 and 1998 failed to return to the Pennsylvania Department of Public Welfare overpayments for some Medicaid services. Keystone Mercy denied any wrongdoing.

In a statement, the Philadelphia insurer said the agreement ended a dispute "over interpretation of our contract with DPW almost 10 years ago." Keystone Mercy said it agreed to pay $5 million over the next six months to end the "inconvenience and expense of protracted litigation."

The allegations were brought in 2001 by a former Keystone Mercy claims-recovery examiner, who filed a "whistle-blower complaint. Lorraine Pittelli, the claims examiner, will receive $780,000 from the proceeds of the settlement.

Keystone Mercy manages Medicaid services for more than 273,000 residents in Philadelphia and surrounding Pennsylvania counties.

END

Government Executive Magazine
October 26, 2006

Prescription drug fraud settlement nets $155 million

By Karen Rutzick

A prescription drug provider used by federal employee health insurance plans agreed this week to pay the government $155 million to settle multiple claims of fraud.

Medco Health Solutions of Franklin Lakes, N.J., allegedly paid kickbacks to health plans to gain their business, took money from drug manufacturers to favor their drugs and destroyed prescriptions to avoid penalties for delays in filling them.

The U.S. Attorney's office in Philadelphia announced the settlement Monday, several months before the case was scheduled to go to court. Medco did not acknowledge any wrongdoing in the settlement. The Office of Personnel Management, which administers the Federal Employees Health Benefits Program, promised not to bar Medco from future participation.

Medco has contracts with Blue Cross Blue Shield, the Government Employees Hospital Association, the National Association of Letter Carriers, and several other FEHBP insurers to provide prescription drugs. The $155 million settlement involves more than just the FEHBP, though. Medco also provided drugs for the Defense Department's TRICARE health insurance program, and for Medicare.

"Millions of federal employees and Medicare beneficiaries rely on pharmacy benefit managers such as Medco for their prescription drugs," Assistant Attorney General Peter Keisler said. "Hidden financial agreements between [pharmacy benefit managers] and drug manufacturers and health plans...can influence which drugs patents receive, the price we all pay for drugs, and whether pharmacists serve patients with their undivided professional judgment."

This settlement is not the first of its kind for OPM. In January, the agency's inspector general announced several multimillion-dollar settlements for pharmaceutical wrongdoings as part of his semiannual report to Congress. IG Patrick McFarland said he was focusing more resources on prescription drug fraud.

A similar case ended in a $54.6 million settlement from AdvancePCS, another pharmacy benefit manager. OPM's IG claimed that AdvancePCS took money from pharmaceutical manufacturers in return for favorable treatment of its drugs in FEHBP contracts. The government also alleged that the company illegally paid health insurance plans to ensure its selection as their pharmacy benefit manager.

Medco is the second largest pharmacy benefit management company in the country, handling prescriptions for more than 60 million Americans.

END

FDA Week

October 27, 2006

Senators Demand FDA Review All Data on Silicone Breast Implants

Sens. Dianne Feinstein (D-CA) and Olympia Snowe (R-ME) asked FDA to examine all of Mentor Corporation's data on silicone breast implants regardless of whether the existing data is required by the agency for approval.

Feinstein and Snowe wrote acting FDA Commissioner Andrew von Eschenbach Oct. 20 with their request after Public Citizen revealed a letter a Mentor whistleblower wrote FDA after being fired that alleged Mentor had withheld and manipulated some safety data.

Mentor did not comment on the allegations, but did say FDA staff had visited one of their labs in July and appeared to have all their questions answered.

The whistleblower\l "l" claims Mentor data understates the level of toxicity of platinum silicone implants leak into the body.

The former Mentor scientist also claims testing found implanted devices degraded at a faster rate than non-implanted devices, and that the data provided to FDA concealed as much as a 50 percent loss of some mechanical properties of the implant. In addition, the former employee alleges the implants have platinum levels "far more toxic" than originally thought, but Mentor researchers were asked to keep the data from FDA.

FDA investigated the whistleblower's\l "l" allegations enclosed in a June 22 letter and found nothing that made staff doubt the integrity of Mentor's product or the data it submitted to FDA, an agency spokesperson wrote in an e-mail. The spokesperson wrote FDA determined Mentor did not omit data but conducted additional testing after submitting its premarket application on which FDA based its tentative approval.

"Like most manufacturers, the company continues to test and modify its products all the time, the spokesperson wrote. "Under FDA regulations, manufacturers are required to submit any subsequent data that could affect the safety and effectiveness profile of their product. Our investigation and inspection determined that the company's test results did not fall into this category."

This is not the first time Feinstein and Snowe have expressed concern over silicone gel implants. The senators wrote FDA a letter in July 2005 asking the agency to more carefully consider women's health

when reviewing the implants.

FDA limited the use of silicone implants in 1992 in light of concerns that the implants were causing health problems in women. Only women undergoing reconstructive surgery are able to use silicone implants. Augmentation patients must use saline implants, which generally are considered less life-like, unless a reason exists that makes them unable to use saline implants.

Some women's health advocates claim saline implants are safer because if they leak, they leak only salt water, compared to silicone implants that are in the middle of controversy over whether they leak dangerous amounts of platinum.

FDA had not responded to Feinstein and Snowe's letter as of Thursday, a spokesperson for Feinstein said.

Other lawmakers also have interjected in the debate.

Rep. Rosa DeLauro (D-CT) is keeping up with FDA's actions regarding its review of silicone breast implants and met this summer with FDA staff, including the Office of Criminal Investigations (see FDA Week, June 2). Several former employees claimed earlier this year that Mentor did not accurately report silicone implants' rupture rate, which they allege was higher than rupture rates of saline implants.

Senate health committee Chair Michael Enzi (R-WY) also conducted an investigation into FDA's tentative approval of Mentor and Inamed Aesthetics' silicone breast implant applications. Enzi's staff found nothing that made them believe FDA should reverse its tentative approval, which comes with requests for additional information, but they have referred Mentor whistleblowers to FDA's Office of Criminal Investigations (see FDA Week, Sept. 8).

END

AP

October 27, 2006

Mobster sues claiming he was framed by prosecutors

BOSTON_A man freed three years ago after a federal judge found prosecutors failed to tell his defense about a recanted witness has sued the federal government claiming he was deliberately framed.

Pasquale Barone Jr., 45, spent 15 years in prison for an alleged New England Mafia-ordered murder. His lawsuit accuses the government of negligence and claims that a federal prosecutor, two retired FBI agents and other unnamed officials deprived him of a fair trial.

The lawsuit seeks unspecified damages for Barone and his daughter, who was 4 years old when he was sent to prison.

The suit names Assistant U.S. Attorney Jeffrey Auerhahn and retired FBI agents Michael Buckley and Edward Quinn. The three men could not be reached for comment Thursday by The Boston Globe, which reported the lawsuit.

Samantha Martin, a spokeswoman for U.S. Attorney Michael Sullivan, declined to comment on the outcome of a Justice Department investigation of Auerhahn that Sullivan announced in 2003, citing department regulations. She also declined to comment on the lawsuit.

Barone was convicted in 1993 on a federal charge of murder in aid of racketeering for the 1985 slaying of Vincent "Jimmy" Limoli, allegedly at the order of New England mob captain Vincent Ferrara. Barone was serving 10 years after pleading guilty to state manslaughter charges for Limoli's killing. He was sentenced to life in prison in the racketeering case.

In 2003, U.S. District Judge Mark Wolf found that Auerhahn had failed to tell Barone's lawyers that a key witness had recanted before the trial and insisted Ferrara had not ordered Limoli killed. Wolf apologized to Barone.

Wolf was considering a defense request to throw out Barone's conviction when Barone agreed to plead guilty to racketeering, and admitted he shot Limoli after Limoli stole drugs from a mobster. He also admitted he helped kill another man in 1979 and wounded a guard in a 1982 credit union robbery. He was sentenced to time already served and was freed.

Last year, Wolf also freed Ferrara after reducing his sentence because of the government's conduct.

END

Pittsburgh Post-Gazette (PA)

October 27, 2006

Amish Couple Suing U.S. Over Photo Rule

Paula Reed Ward Pittsburgh Post-Gazette

Members of the Old Order Amish believe that being photographed is a sin, as explained in the Book of Exodus in the Old Testament, which forbids the making of "graven images."

That's why a Canadian man from the order now living in Clarion County sought an exemption to a U.S. Citizenship and Immigration Services rule that required him and his American wife to be photographed for him to become a permanent resident.

The Department of Homeland Security and immigration officials refused to grant the exception, and the Amish couple has filed a federal lawsuit against the government\l "l" claiming religious discrimination.

The claim, filed Wednesday in U.S. District Court, is listed under the names John and Jane Doe because the couple fears being shunned in their community for being seen as resistant -- another important tenet of their faith.

In the 20-page lawsuit, they claim the requirement to have both of them photographed is unconstitutional.

"Moreover, it pressures and coerces them to modify or ignore their religious beliefs, and to choose between John Doe becoming a permanent resident [and ultimately a U.S. citizen] and their faith," the lawsuit contends.

The couple pleaded with the government for months to find some way around the photograph requirement.

The lawsuit notes that though the government will not make an exception on religious grounds, the rule can be waived for people who are old or ill.

The couple was married June 29, 2001, and have two children, ages 2 and 4, who are both American citizens.

In Clarion County, the husband is a metal worker and farmer. He is in the United States on a visitor's visa.

The couple filed a similar lawsuit in 2004 that was quickly dismissed when a local judge determined that the husband had no constitutional rights to protect because of his immigrant status at the time.

He was ordered out of the country at that point but permitted back just weeks later on the visitor's visa. The couple began the process of getting him permanent resident status again in December 2004.

Since then, they have provided all of the documentation necessary, including his birth certificate and fingerprints, to have his application approved. They also wrote various letters seeking the exemption to the photograph requirement, but the government has refused their request.

In February, the couple learned that their petition was rejected because of their failure to provide two passport-style photos of themselves.

Old Order Amish believe it is a sin to be photographed, because it is, among other things, prideful.

"Interpreting the Bible literally, they, like other members of their religious community, believe that photographs are 'graven images,' the making of which is forbidden by the Second Commandment," the lawsuit contends.

If they allow themselves to be photographed, according to the lawsuit, they could be shunned in the community.

Donald Kraybill, a sociology professor at Elizabethtown College who has studied the Amish for more than 25 years, said the Old Order Amish objection to photography developed in the 19th century.

"[A photograph] becomes an idol. You hang it on a wall," he said. "It becomes a graven image of worship."

The objection to photography is a social one, as well, he said. In a culture where the community and extended family come first, the individual must be humble.

"You don't do things that call attention to yourself," Mr. Kraybill said. "Religious and social principles are at stake here."

Similarly, that is why they have asked the court to allow them to proceed with their complaint using the pseudonyms John and Jane Doe.

If their real names are revealed, they fear they could be ostracized.

"Basically, lawsuits are forbidden because they're seen as a violation of Christian principles of non-resistance," Mr. Kraybill said. Filing litigation is seen among the Amish as a means of trying to use force, and that is outside the spirit of non-resistance and humility, he said.

Their attorney, Michael Sampson, said filing the lawsuit was a last resort.

"But for bringing a lawsuit, my clients were out of options," he said. "The fear and the risk of being torn apart by an international border scares them like it would scare any of us.

"They have to live under that constant fear."

END

Mobile Press-Register

October 26, 2006

Lawsuit linked to rebuilding Iraq no longer targets Mobile-area firm

Thursday, October 26, 2006

By BRENDAN KIRBY-Staff Reporter

A bitter legal battle pittinga northern Virginia firm hired to help rebuild war-torn Iraq against its erstwhile Alabama-based subcontractor and a former Baldwin County resident is now officially over -- at least concerning the disputes fought in Mobile.

A federal judge in Mobile last week formally granted a request by the Virginia company, Custer Battles LLC, to dismiss claims against Pete Baldwin, a former Fairhope resident, and companies he controlled.

The move comes a month after Custer Battles dropped its suit against Mobile disaster services firm DRC Inc. and its president, Bob Isakson.

The suit accused Isakson of failing to perform his duties under the contract. It also accused Baldwin, who worked as project manager for Custer Battles, of secretly conspiring with Isakson and DRC.

Jeffrey Beaverstock, a Mobile lawyer who represented Baldwin, declined to comment.

Louis Braswell, one of Isakson's attorneys, said he believes U.S. District Judge Kristi DuBose was close to granting his motion to dismiss the case.

"We always took the position that they had no merit whatsoever," Braswell said.

Isakson, a globetrotting businessman hired by Custer Battles as a subcontractor for its Iraq work, said he is glad the lawsuit is over and repeated his contention that Custer Battles sued as retaliation over his fraud allegations against Custer Battles.

"It was just strictly extortion. It never had any merit," he said. "There was no claim. They had no facts."

William Bradford Kittrell, a Mobile lawyer who represented Custer Battles, said his clients were simply happy the matter is over. "It's certainly a good thing," he said.

Custer Battles, a small firm named for its two founders, won a contract to provide security and various infrastructure at the Baghdad airport following the U.S.-led invasion of Iraq. It brought in DRC, but the relationship quickly soured.

Isakson and his firm sued in Mobile's federal court, alleging that Custer Battles kidnapped his teenage son at gunpoint. Isakson, DRC and Baldwin later sued Custer Battles in the Eastern District of Virginia under a whistle-blower law. A jury in that case handed down a $10 million verdict against Custer Battles in May.

But the judge threw out the verdict, ruling that the Coalition Provisional Authority, which ran Iraq until transferring power to an elected government, was not a U.S. government entity and therefore could not be sued under the False Claims Act.

The case is currently on appeal.

END

Jurnalul National (Romania)

27 October 2006

Romania Could Block Munaf Takeover

Violeta Fotache

If Romania doesn't make any request, the Americans will send Mohammad Munaf to the Iraqis for him to "take his medicine". Iraqi judicial sources say it is highly probable for Abu Sahar, the leader of the second group that took the Romanian journalists prisoners, to be dead after a military action at Ramadi. Four of Sahar's terrorists are also trialed in Iraq.

Mohammad Munaf's sentence to death, which the Iraqi Justice decided, and the fact that the USA Court refused keeping its citizen looks to have decided the future of the person involved in the kidnapping of the Romanian journalists. Munaf will be handed over for him to take his medicine, no matter the sentence. The interesting part appeared in the statements made the other day by the judicial sources in Baghdad that showed an implication of Romania. The Romanian justice is also interested in investigating Munaf for his actions against the Romanian citizens as well as in interrogating him for the Omar Hayssam case. According to the quoted sources, "as far as Mohammad Munaf is concerned, after the request of the Iraqi Government, the American authorities have stated that Mohammad Munaf will be handed over to the Iraqi authorities, no matter their sentence, if Romania doesn't make any request". We say interesting because the Romanian authorities have repeatedly tried to get Munaf for a trial in Romania. They couldn't ask for the extradition from the Americans, because the international rules for such a request weren't met. At least this was the explanation coming from the Romanian Minister of Justice, Monica Macovei.

CONCLUSIONS. If the Americans used the same phrase as the Iraqis, as far as Romania is concerned, we could logically understand several things. One: such a request from the Romanian authorities to the American authorities was normal (the fact that the Romanian prosecutors have said from the beginning), because the fact that it is missing wouldn't have been mentioned otherwise. Two: if the request existed, USA would have had to deal with the requests from two states, Romania and Iraq, both of them members of the Multinational Force. A request for Munaf's investigation, the other one for his death. It is quite clear which country would have got him first, since one cannot judge a dead person. Three: at least theoretically, if the Appeal Court in Bucharest decides to actually ask Munaf from the USA or from the Multinational Force, it could delay the handing over.

ABU SAHAR .Few months ago, four more Iraqis involved in the kidnapping of the Romanian journalists have been arrested. They are the terrorists that guarded the journalists in the second location. They are four men from the group of Abu Sahar. According to the quoted sources, the four are taking part in a different trial than the one in which Munaf, his stepbrother, Yousef Al Amin, and his brother in law, Ibrahim al Giuburi, have already been sentenced to death. The representative person of the group, Abu Sahar, is yet to be caught. According to the same sources, it seems that this kidnapper "has been killed in Ramadi in a crossfire" that took place this year. Munaf's trial didn't take too much time and we expect for the terrorists of Abu Sahar to see the verdicts in their cases very soon. They could also be sentenced to death, because, before sentencing the Iraqi-American Munaf to death, the Iraqi justice had decided 653 more such sentences.

SHOCKING.
"As far as Mohammad Munaf is concerned, after the request of the Iraqi Government, the American authorities have stated that Mohammad Munaf will be handed over to the Iraqi authorities, no matter their sentence, if Romania doesn't make any request"

ANOTHER TRIAL
"Four more Iraqis involved in the kidnapping of the Romanian journalists, the ones that guarded them

have been arrested (…) The four are taking part in a different trial than the one in which Munaf had been sentenced to death. Abu Sahar is not in the custody of the Iraqi authorities. It seems he died in a crossfire in Ramadi that took place this year". Judicial Sources in Baghdad

HANGMAN

The Central Iraqi Penal Court has sentenced Mohammad Munaf, Omar Hayssam's business partner, the man with which he had planned the kidnapping of journalists Marie-Jeanne Ion, Sorin Miscoci and Ovidiu Ohanesian, to death two weeks ago. If the Appeal doesn't change the verdict, Munaf will be hanged according to article no. 421 in the Iraqi Punishment Law. Strange or not, Omar, the brains of the entire operation, is free after he had escaped from Romania.

END

USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Monday, October 30, 2006 10:03 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Monday, October 30, 2006
Attachments:	agnb061030.pdf; agnb061030.doc

THE ATTORNEY GENERAL'S NEWS BRIEFING

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: MONDAY, OCTOBER 30, 2006 7:45 AM EST

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TERRORISM NEWS:

Some Intelligence Officials Expect Al Qaeda "Message" Before US Elections. Newsweek (11/6, Hosenball, 3.12M) reports, "Is Osama bin Laden going to weigh in on the midterm elections? A senior counterterrorism official, anonymous, like other officials NEWSWEEK spoke to, because the subject is sensitive, says that based on previous patterns—such as the release of a rare bin Laden tape just before the 2004 presidential vote—a message before Election Day wouldn't be surprising. … Another U.S. official says intel experts believe Al Qaeda wants to be 'relevant' to the U.S. political process. But a third counterterror official says 'we don't have any indication' Osama & Co. are about to surface."

US Military Trying To Stop Flow Of Cash To Terrorists. The Washington Times (10/30, Scarborough, 88K) reports, "The US military is not only trying to stop terrorists and arms from leaking into Iraq from Syria and Iran but also another just as dangerous commodity -- cash. It's the lifeblood of the enemy -- whether they be al Qaeda terrorists, death squads or Sunnis trying to evict American forces and bring back dictator Saddam Hussein -- and US raiders have seized millions of dollars in cash during the conflict." The Times adds, "Military officials point to Syria and its secretive banking system as the main source of Sunni walking-around money, while Iran's Revolutionary Guard funnels money to Shi'ite militias, such as cleric Muqtada al-Sadr's Mahdi Army. The enemy's money began flowing into Iraq with the start of the insurgency in the summer of 2003, and the shipments are still coming in."

HOMELAND RESPONSE:

NCTC's Mission Said To Be Source Of Confusion. US News and World Report (11/6, Whitelaw) reports, "Housed in an unmarked office complex in Northern Virginia, the National Counterterrorism Center has become the centerpiece of reform efforts to integrate the far-flung

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intelligence community. The NCTC was created in the wake of the September 11 attacks to reduce the gulf between America's spy agencies and domestic law enforcement. With more than 30 separate, highly classified government networks pumping information into NCTC headquarters, it has unfettered access to the crown jewels of the U.S. intelligence community-including raw cables from CIA spies and detailed FBI case files. … Inside and outside the intelligence world, however, people are still confused about what the two-year-old organization is supposed to do-and what it's not. U.S. News was granted unprecedented access to the senior leadership of the NCTC, which is supposed to become the primary hub for tracking and analyzing the terrorist threat. Director of National Intelligence John Negroponte calls it the single biggest change during his 18 months in office."

Intelligence Officials Utilize Outside Experts To Understand Complex Problems. US News and World Report (11/6, Kaplan) reports, "last July, senior U.S. intelligence officials quietly set in motion an unusual experiment. For four weeks, a handpicked group of 20 outside experts brainstormed, argued, and chewed the fat with 20 top analysts from the CIA and eight other intelligence agencies. Their mission: to understand why people join terrorist organizations and other groups engaged in antisocial activity. … Dubbed the Summer Hard Problems workshop, or SHARP, the program is modeled after a highly successful project by the code-breaking National Security Agency, which for years has brought in top mathematicians to tackle cutting-edge issues in encryption."

Grassley Wants Answers On Anthrax Probe. The Knoxville News-Sentinel/Scripps Howard (10/30, Powelson) reports, "A Senate committee chairman has complained to the Department of Justice about the apparent "little progress" in the five-year-old anthrax mailing investigation and asked for documents on why the director of the probe, Richard Lambert, was 'removed' and transferred to the Knoxville FBI office." Scripps Howard continues, "Sen. Charles Grassley, R-Iowa, chairman of the Finance Committee, wrote to Attorney General Alberto Gonzales recently that the FBI's long record of not briefing key members of Congress on the investigation 'may be a symptom of a larger problem at the FBI. The agency's lack of response to congressional requests ... and what appears to be little progress in the investigation leads me to question whether the culture has really changed.'" Scripps Howard adds, "A spokesman at the FBI's Washington field office did not return a call for comment. …. However, Lambert, 45, in a phone interview with the News Sentinel, said he heard of the opening in the top management job at the Knoxville field office, remembered fondly the 10 years he had spent in the Nashville area as a child, and decided to try to win the Knoxville slot. … 'Knoxville is considered a prime office within the FBI,' Lambert said. 'The work is good, the people are wonderful, the law enforcement liaison relationships are fantastic, and it's just a highly desirable and very sought-after office to be in. There's the cost of living, no state income tax, reasonable housing, and the list goes on and on and on. So Knoxville is a great place to live.'"

TRIA Debate Creates Unusual Alliances. The Christian Science Monitor (10/30, Marks, 58K) reports on the "ideologically charged debate" over the Terrorism Risk Insurance Act, which has "created some unusual political bedfellows: Big-city liberals are lining up with the corporate insurance industry against Republican conservatives and consumer advocates." Those in favor of TRIA say that without it, "many companies might just exclude coverage for all terrorist incidents." However, opponents of the program say that it "has kept the market from coming up with" its own solutions to the terrorism insurance problem.

Former Air Marshal Suing Over Use Of SSI Label. The Washington Times (10/30, Hudson, 88K) reports Robert MacLean, a former federal air marshal "who was fired for blowing the whistle on a cutback of flight protections in the wake of a terrorist alert," has said "he will file suit against the government today to challenge" use of the "Sensitive Security Information" label in court. "Families of victims of the September 11 terrorist attacks and government-watchdog groups have failed to obtain records classified as SSI. The Government Accountability Office and Congress are critical of the label and say it is overused and stamped on everything from official correspondence to general items such as going-away-party invitations."

Virginia Laboratory Works To Identify Remains Of 9/11 Victims. The Washington Times (10/30, Baschuk, 88K) reports from Bode Technology Group in Lorton, Virginia, one of "several national companies selected to identify the remains" of World Trade Center victims. Scientists at the lab "have found success with a new

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technique that extracts DNA information from formerly unidentifiable human remains." Tom Hansen, a senior scientist at Bode, said the advancement "gives us a sense of pride to help out and bring closure to the people affected."

Book Offers Lessons In Federal Disaster Response. In its "Federal Diary" column, the Washington Post (10/30, D4, Barr, 748K) reports that an account of the "remarkable recovery" following the 1964 Alaska earthquake that measured 9.2 on the Richter scale "stands in stark contrast to the bungled federal response to Hurricane Katrina four decades later, of course. The account of the Alaska response, in a just-released book by the National Academy of Public Administration, reinforces widely held perceptions that the government is unable to draw on past experiences and is at risk of losing its ability to perform effectively, especially in times of crisis." The book, titled "Meeting the Challenge of 9/11: Blueprints for More Effective Government," says that in order to strengthen the Department of Homeland Security, federal officials must "look beyond traditional turf boundaries and pull together state and local governments and the private sector to tackle common and complex problems."

WAR NEWS:

GOP, Democratic Leaders Debate War, Rumsfeld's Performance. The AP (10/29, Pickler) reports, "The No. 2 leader in the House on Sunday said Defense Secretary Donald H. Rumsfeld is 'the best thing that's happened to the Pentagon in 25 years,' sparking a debate with Democrats who said the comments show why the GOP should be voted out of power." Rumsfeld's "leadership of the bloody mission in Iraq has become a divisive issue in the Nov. 7 elections. Many Democrats and a few Republicans are calling for his resignation, but President Bush repeatedly has defended him. So did House Majority Leader John Boehner, R-Ohio, during an appearance Sunday on ABC's 'This Week.'" Boehner said on ABC's This Week (10/19, Stephanopoulos), "I think Donald Rumsfeld is the best thing that's happened to the Pentagon in 25 years. This Pentagon and our military needs a transformation. And I think Donald Rumsfeld's the only man in America who knows where the bodies are buried at the Pentagon, has enough experience to help transform that institution."

The AP also reports Democratic Rep. Charles Rangel "said voters will have their chance to show if they agree with Boehner on Election Day. 'It's true President Bush may not be on the ballot, but people like Boehner and people who support Rumsfeld and Cheney and Bush, they're on the ballot,' Rangel said on CNN's 'Late Edition.'" Rep. Rahm Emanuel, "head of the Democratic effort to win control of the House, quickly e-mailed a statement to reporters objecting to Boehner's comments and including quotes from seven military leaders criticizing the defense secretary. 'Congressman Boehner's defense of Donald Rumsfeld makes it crystal clear that we need change in Washington from the rubber stamp Republican Congress and their blind adherence to President Bush and Secretary Rumsfeld's stay the course policy in Iraq,' Emanuel's e-mail said." GOP Rep. Ileana Ros-Lehtinen, also appearing on CNN, "said she has confidence in Rumsfeld."

Asked for his advice regarding US strategy in Iraq, GOP Rep. Duncan Hunter, on CBS' Face the Nation (10/29, Schieffer), replied, "We have got 114 Iraqi battalions that are trained and equipped. My recommendation last week to the president and Secretary Rumsfeld is to send another large number of those Iraqi battalions -- not Americans, but Iraqi battalions -- into the fight in Baghdad because combat operations produce combat soldiers."

And Democratic Rep. John Murtha, on CBS' Face the Nation (10/29, Schieffer) said, "We've got to win it by changing things on the ground. And that is redeployment of our troops. … What I'm saying is, our troops are the targets. They help recruit terrorists. That's the thing that worries me. We need to have a bipartisan solution to this thing."

Report Finds US Cannot Account For Weapons Intended For Iraqi Forces. The New York Times (10/30, Glanz, 1.21M) reports, "The American military has not properly tracked hundreds of thousands of weapons intended for Iraqi security forces and has failed to provide spare parts, maintenance personnel or even repair manuals for most of the weapons given to the Iraqis, a federal report released Sunday has concluded." The report "was undertaken at the request of Senator John W. Warner, the Virginia Republican who is the chairman of the Senate Armed Services Committee and who recently expressed an assessment far darker than the Bush administration's on the situation in Iraq." Warner "sent his request in May to a federal oversight agency, the Special Inspector General for Iraq Reconstruction. He also asked the inspector general to examine whether Iraqi security forces were developing a logistics operation capable

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of sustaining the hundreds of thousands of troops and police officers the American military says it has trained."

The AP (10/30, Heilprin) reports, "Nearly one of every 25 weapons the military bought for Iraqi security forces is missing, a government audit said Sunday. Many others cannot be repaired because parts or technical manuals are lacking." A second report "found 'significant challenges remain that put at risk' the US military's goal of strengthening Iraqi security forces by transferring all logistics operations to the defense ministry by the end of 2007." A third report concerned the Provincial Reconstruction Team program, in which US government experts help Iraqis develop regional governmental institutions." The Pentagon "cannot account for 14,030 weapons — almost 4 percent of the semiautomatic pistols, assault rifles, machine guns, rocket-propelled grenade launchers and other weapons it began supplying to Iraq since the end of 2003, according to a report from the office of the special inspector general for Iraq reconstruction."

Democrats Hope To Make Iraq Central Issue In Final Weeks Of Campaign. The AP (10/29, Raum) reports Republicans "said a major voter turnout effort would help them stay in power after the Nov. 7 elections, while Democrats claimed momentum as they seek to tap into voter unhappiness over Iraq." Members of both parties "agreed that the war in Iraq was a leading, if not central, issue in the contests to decide control of the House and Senate." As the candidates "entered their final full week of campaigning, House Democrats worked to emphasize the GOP role in the Iraq war. The party's campaign committee said it would air television commercials criticizing Republicans for supporting the war in about a dozen competitive races in the coming days." Democrats have "increased the number of races where they are advertising in recent days, a sign of confidence as the election approaches. In addition to new offensives in Kansas, Kentucky and New Hampshire, officials disclosed plans to run commercials against Republican Rep. Jim Walsh this week in the area around Syracuse, N.Y." Ken Mehlman, "chairman of the Republican National Committee, sounded a common Republican theme — that a Democratic-led Congress would mean higher taxes. Democrats accused him of scare tactics."

ABC World News (10/29, story 5, 2:50, Harris, 8.78M) reported, As we close in on election day, the war in Iraq looms large. In the latest ABC News poll, 57% of Americans say the war was not worth fighting. Democratic candidates are quick to focus on that discontent. But not so quick to offer solutions." ABC (Tapper) added, ""When it comes to Iraq, Democrats are all over the map." Dick Polman, University of Pennsylvania: "Different candidates are going in different directions. Voters are not hearing any kinds of consistent, resonant plans coming from the Democratic leadership." Tapper: "Democrats argue that's because, even if they win control of Congress, the Bush Administration will still control the Pentagon." Unidentified male reporter: "Do you think the Democrats have offered a specific enough strategy on how to win in Iraq?" Sen. Hillary Clinton: "It's very hard to talk about what we can do because we have the same people in change who have failed consistently now over the last, you know, four-plus years." Tapper: "But there's a political reason, as well. It's much easier to call for change than to present a detailed plan of your own that can be criticized itself. So, Democrats focus on smaller issues, arguing, as Pennsylvania Senate candidate Bob Casey Jr. does, that a Democratic Congress is needed to grill Administration officials about strategy." Bob Casey: "We don't get any of those probing questions when you have a rubber stamp, lockstep Congress." Tapper: "If Democrats take the House, expect investigations into what one top Democrat called Bush Administration deception, manipulation, torture, retributions and cover-ups in the Iraq war. A focus on how we got into Iraq, even if they have no cohesive answer on how to get out."

Ramifications Of A Democratic Win For US Foreign Policy Analyzed. The Washington Times (10/30, Sands, 88K), in a series of articles that, "look at how…a transfer of power on Capitol Hill will affect U.S. policy and politics on a range of issues," reports that in the realm of foreign policy, "the bloody frustrations of Iraq and the bitter partisan divide over the war on terrorism have defined House and Senate races across the country this fall. With both Mr. Bush and the war in Iraq sagging badly in the polls, some suggest that the White House will face more resistance from Congress even if the Republicans hang on to their slim majorities. … On some issues, though, the election is not expected to bring a major shift in foreign policy. Both parties have largely supported the president's civilian nuclear pact with India, although Congress has yet to formally approve the deal. Leading Democrats also largely back the administration's strongly pro-Israel tilt, with House Minority Leader Nancy Pelosi and Rep. Tom Lantos, ranking Democrat on the House International Relations Committee, seen as particularly strong supporters of the Jewish state." However, according to the Times, "congressional Democrats have vowed to end what they see

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as a rubber-stamp Congress under Republican leadership. They say Congress has barely challenged Mr. Bush on such momentous issues as the decision to invade Iraq, the campaign to contain North Korea's nuclear ambitions, new administration policies on intelligence gathering and the handling of detainees, and the overall management of the war on terrorism."

Kristol Encourages Bush To Substitute "Win The War" For "Stay The Course." The Weekly Standard's Bill Kristol, on Fox News Sunday (10/29, Wallace), claimed Iraq has "become a political problem, because people think the president has stubbornly stuck to certain tactics which haven't been working and hasn't been willing to revisit tactics. I propose substituting, for the three words, stay the course, how about these three words, 'win the war?' Win the war, that's what Bush should be for, that's what the Republicans should be for. … Republicans should run on winning the war. And the president will be better off talking not about the political process, not about timetables, not about goals. He should talk about winning the war."

Photo Essay Illustrates "A Most Violent Month." The New York Times (10/30, 1.21M) reports, "Burials at Arlington National Cemetery took on a grim regularity in October, when at least 103 American troops were killed in Iraq and Afghanistan. ... [Officials'] explanations were little comfort to a 6-year-old girl weeping at the grave of her father, a mother clutching the flag from her son's coffin, or a widow walking slowly through the rain behind her husband's honor guard." The article is accompanied by a photo essay of funerals at Arlington.

More Commentary. The Hoover Institution's Thomas Sowell, in today's Wall Street Journal (10/30, A12, 2.03M), writes that "the Iraq war has some special lessons for our time, lessons that both the left and the right need to acknowledge, whether or not they will." Iraq "is only the latest in a long series of catastrophes growing out of diversity. These include 'ethnic cleansing' in the Balkans, genocide in Rwanda and the Sudan, the million lives destroyed in intercommunal violence when India became independent in 1947 and the even larger number of Armenians slaughtered by Turks during World War I. … America's great achievement has not been in having diversity but in taming its dangers that have run amok in many other countries. Americans have by no means escaped diversity's oppressions and violence, but we have reined them in." Sowell continues, "Another concept whose bitter falsity has been painfully revealed in Iraq is 'nation-building.' People are not building blocks, however much some may flatter themselves that they can arrange their fellow human beings' lives the way you can arrange pieces on a chess board." He says "we can at least hope that the Iraq tragedy will chasten the hubris behind notions of 'nation-building' and chasten also the pious dogmatism of those who hype 'diversity' at every turn, in utter disregard of its actual consequences at home or abroad. Free societies have prerequisites, and history has not given all peoples those prerequisites, which took centuries to evolve in the West."

Advisers Say Bush To Argue Iraq Situation Is Better Than Media's Portrayal. US News and World Report (11/6, Walsh), in an article titled, "Politics and War: The President Pushes Back As A Deadly Month Adds To Voters' Anxiety," reports, "White House advisers say Bush recognizes that it is sagging public support for the Iraq war, more than anything else, that is jeopardizing the Republican majorities in the House and Senate. Most Americans now oppose Bush's policy in Iraq, and 6 in 10 don't think the war was worth fighting in the first place. … To lift his party's candidates, Bush will continue to make his familiar arguments that Iraq is a 'central front' in the war on terrorism and, in a series of rallies, attack Democrats for criticizing his policies without offering a clear alternative short of pulling out. The closing theme of Bush's final week on the campaign trail, as described by his advisers: If the Democrats have a better idea, let's hear it. Bush will argue that the situation in Iraq is not nearly as bad as the news media are reporting. And Bush, along with military leaders in Iraq, will point to specific cases of success and courage shown by U.S. soldiers and marines to encourage voters to take heart. In sum, Bush is gambling that voters will trust him one more time to do the right thing as commander in chief, as they did in 2002 and 2004."

Kidnapping Wave Plagues Iraq. Time (11/6, Ghosh, 4.03M) reports, "As if the atrocities committed by terrorists and sectarian death squads in Iraq weren't bad enough, kidnapping has become one of the country's most common forms of crime since the fall of Saddam Hussein. U.S. officials say that up to 40 people are kidnapped every day, a phenomenon highlighted last week when a U.S. soldier in Baghdad went missing, an apparent abduction victim. With ransoms ranging from a few thousand dollars to more than a million and with the police often unwilling or unable to even register such cases, officials say kidnapping has become an increasingly lucrative business. It helps the kidnappers that

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their criminal activity is often confused with the routine hostage taking by both sides in the Shi'ite-Sunni civil war."

Emails From Marine Killed In Iraq Published By Newsweek. Newsweek (11/6, Ephron, Caryl, 3.12M) publishes emails from Marine Captain Robert Secher who was killed in Iraq on Oct. 8." Secher "ended up in the insurgents' largest stronghold, Anbar province. His job there was one of the toughest in Iraq: making raw Iraqi recruits ready and able to take over the fight against the militants. Secher found the task exasperating and often discouraging; in e-mails and letters home, he expressed doubt that the Iraqi military would ever be ready for a handover, and criticized the way the Bush administration had directed the war. … His parents describe him as an unswerving Republican, and his own dispatches consistently defend the invasion of Iraq even as he anguishes over its dwindling prospects of success."

Zakaria Claims Victory In Iraq Is Out Of Reach For US. Newsweek's cover story this week (11/6) is a 4,000-word essay by Fareed Zakaria, who argues, "It is past time to confront reality. To avoid total defeat [in Iraq], we must reduce and redeploy our troops and nudge the Iraqis toward a deal." According to Zakaria, "For Americans, the Korean War was not a defeat…but it was certainly not a victory. … Something like the close of the Korean War is, frankly, the best we can hope for in Iraq now. One could easily imagine worse outcomes -- a bloodbath, political fragmentation, a tumultuous flood of refugees and a surge in global terrorist attacks. But with planning, intelligence, execution and luck, it is possible that the American intervention in Iraq could have a gray ending -- one that is unsatisfying to all, but that prevents the worst scenarios from unfolding, secures some real achievements and allows the United States to regain its energies and strategic compass for its broader leadership role in the world." Zakaria adds, "In point of fact…America is not winning in Iraq, which means that it is losing. Iraq has fallen apart both as a nation and as a state."

Will Takes Issue With Cheney's Clarification Of "Last Throes" Claim. In his column for Newsweek (11/6, 3.12M) George Will writes, "A surreal and ultimately disgusting facet of the Iraq fiasco is the lag between when a fact becomes obvious and when the fiasco's architects acknowledge that fact. Iraq's civil war has been raging for more than a year; so has the Washington debate about whether it is what it is. … In a recent interview with Vice President Cheney, Time magazine asked, 'If you had to take back any one thing you'd said about Iraq, what would it be?' Selecting from what one hopes is a very long list, Cheney replied: 'I thought that the elections that we went through in '05 would have had a bigger impact on the level of violence than they have ... I thought we were over the hump in terms of violence. I think that was premature.' He thinks so? Clearly, and weirdly, he implies that the elections had some positive impact on the level of violence. Worse, in the full transcript of the interview posted online he said the big impact he expected from the elections 'hasn't happened yet.' ' Yet'? Doggedness can be admirable, but this is clinical."

Bomb Kills 31 In Shiite Sadr City This Morning. The AP (10/30) reports a bomb "targeting poor Iraqi Shiites lining up for day jobs in Baghdad's Sadr City slum killed at least 31 people Monday and wounded more than 50 others, police said." The bomb "tore through a collection of food stalls and kiosks at about 6:15 a.m., cutting down men who gather there daily hoping to be hired as laborers. Police Maj. Hashim al-Yasiri put the casualty figure at 31 killed and 51 injured." There were "conflicting reports as to whether the blast was caused by a suicide bomber or a device concealed amid debris by the roadside."

Twenty-Three Policemen Killed In Iraq Yesterday. The AP (10/30, Hurst) reports, "Suspected Sunni Arab gunmen killed 23 policemen Sunday, including 17 in one attack in the predominantly Shiite southern city of Basra, signaling the possible start of an intensified insurgent campaign against Iraq's predominantly Shiite Muslim security forces. Political tension deepened in Baghdad when Vice President Tariq al-Hashemi, the country's highest-ranking Sunni politician, threatened to resign if Prime Minister Nouri al-Maliki did not act quickly to eradicate two feared Shiite militias." The Washington Times (10/30, Karim, 88K) runs a similar report.

US Forces Searching For Missing US Soldier Seal Off Sadr City. The Washington Post (10/30, A12, Anderson, Knickmeyer, 748K) reports, "American military police backed by Iraqi troops maintained their cordon of Baghdad's Sadr City on Sunday, manning barricades and checkpoints in and around the Shiite slum in an operation to find a kidnapped US soldier and to capture the man considered Iraq's most notorious death squad leader." The soldier, "an Iraqi American translator whose name has not been released, has been missing for six days. He was abducted by armed men while making an unauthorized visit

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to see relatives in the Karrada neighborhood of central Baghdad last Monday." US forces "have effectively sealed off Sadr City and its 2.5 million residents from the rest of Baghdad, and within Sadr City, they have isolated the neighborhood around the home of alleged death squad leader Abu Deraa, according to an Iraqi Interior Ministry official who would not be named because he was not authorized to release the information."

Missing Soldier May Have Secretly Married Iraqi Woman. The New York Times (10/30, Luo, Mizher, 1.21M) reports, "The missing American soldier who has been the subject of an intensive manhunt here in the capital since he was kidnapped by gunmen outside the heavily protected Green Zone last week was secretly married to an Iraqi woman and had been visiting her at the time of the abduction, several people who identified themselves as his in-laws said Sunday." The Times adds, "These people, who provided the first vivid account of the abduction, said the kidnappers were members of the Mahdi Army, the Shiite militia, who dragged the soldier into a car at gunpoint. His whereabouts and condition remain unknown." The soldier's marriage, "if confirmed, would not only be highly unusual but also a violation of American military rules, and would put the mystery of the missing soldier in an entirely new light."

Purported Spokesman Says Insurgent Group Has Rejected US Overtures. The AP (10/30, Hendawi) reports, "A man claiming to speak for a major Iraqi insurgent group said Sunday that the United States had tried unsuccessfully to establish contact with his group." Speaking on Al-Jazeera television, "the purported spokesman for the 1920 Revolution Brigades said the US bid to contact his group failed because 'intermediaries' used by the Americans were deemed unworthy." Alberto Fernandez, "a senior State Department official, told Al-Jazeera on Oct. 21 that Washington was ready to talk with any Iraqi group -- excluding al-Qaida in Iraq -- to help reconcile Iraq's factions and end the violence wracking the country."

Wolfowitz Endeavors To Influence Iraq's Recovery From World Bank Post. The Wall Street Journal (10/30, A1, Hitt, 2.03M) reports, "Paul Wolfowitz continues fighting to shape Iraq's future, but his battle has shifted to the World Bank. The former US deputy defense secretary, an architect of the Bush administration's Iraq policy who now heads the development agency, is pumping up its physical and financial presence in Iraq." The Journal adds, "The higher profile is a departure from longstanding World Bank practice of steering clear of countries engulfed in heavy violence. Coming on top of a White House-endorsed campaign at the bank to fight corruption in developing nations, his Iraq policy is prompting criticism that Mr. Wolfowitz is turning the bank into a vehicle for Bush-style nation-building while slighting other deserving countries." Manish Bapna, executive director of the Bank Information Center, "a liberal watchdog group," said, "The tight association between Wolfowitz and the Bush administration is quite problematic." For critics, "the Wolfowitz agenda is putting at risk the independence that allows the World Bank to operate in difficult environments despite geopolitical tensions." Wolfowitz "says he is charting an independent course -- on Iraq and corruption. 'I don't know why people go off on this, that it is a US\ agenda,' he says. Iraq can benefit from lending and advice on how to manage public finances, scale back economic subsidies and create a social safety net for impoverished Iraqis."

British Consulate In Basra Reportedly Evacuating. AFP (10/30) carries reporting from the Daily Telegraph that "most of the staff at the British consulate in the southern Iraqi city of Basra will be evacuated through the course of Monday due to concerns over the safety of its staff." A "private security assessment had recommended the measure after the consulate was hit by regular mortar attacks over the past two months." AFP says the staff "either be moved to Basra air station, eight miles ((13 kilometers) outside the city, or back to Britain, while a small staff will continue to run the consulate's operations until it is deemed safe enough for more to return." The Foreign Ministry is quoted saying, "This is a temporary measure as a response to increased mortar attacks ... Core staff will remain at Basra Palace and the consulate will continue to maintain a full range of activities."

Group Urges British Government To Regulate Iraq Mercenaries. AFP (10/30) reports, "The British government should introduce legislation to regulate people working for private military and security companies (PMSCs) in Iraq to prevent potential human rights abuses, a British non-governmental organisation said." International development charity War On Want "says that it is often difficult to hold people who work for PMSCs, which

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increasingly operate alongside United States and British troops, to account for their actions. It wants the UK government to legislate to ban the involvement of PMSCs in direct combat or combat support."

The AP (10/30, Stringer) reports Andy Bearpark, director general of the British Association of Private Security Companies, "an industry-funded lobby group, said government regulation was unworkable. … 'The way we work is across international boundaries, so regulation or prosecutions through national laws would be complex,' Bearpark told The Associated Press in an interview."

Lawyer Warns Of Worsening Violence, Chaos If Saddam Is Sentenced To Death. The AP (10/30, Halaby) reports, "Saddam Hussein's chief lawyer warned Sunday of worsening violence in Iraq and chaos across the Mideast if the ex-president is sentenced to death at his trial for a crackdown on a Shiite Muslim village in the 1980s." Khalil al-Dulaimi also "said he would break a monthlong boycott and attend proceedings Monday when Saddam's second trial resumes on separate charges of genocide against the Kurds." A verdict in Saddam's first trial "is expected Nov. 5."

Iraq's National Dance Troupe Under Political Restrictions. The New York Times (10/30, Luo, 1.21M) reports from Baghdad, "The members of the national dance troupe of Iraq are performers without an audience. They rehearse daily, but hardly ever put on a show. Yet each turn of the hip and dip at the waist in their choreographed pieces has become weighted with a dangerous new reality, even as they wait for the chaos around them to subside so they can perform again. In today's Iraq, with conservative religious parties and radical militias exerting growing influence over every aspect of life, even dancing is an act of bravery. … Female participation in folk dancing is considered haram, or forbidden, in Islam. Ayatollah al-Sistani, the leading Shiite cleric in Iraq, has issued strict guidelines against dancing in various situations. The country's Shiite-led government, the dancers said, is naturally trying to marginalize them." The Times adds, "The group has more immediate worries about extremists. Recently one of its members, Bushra Yousif, 21, a petite woman with delicate features who has been with the group for six years, received a note at home warning her to leave within 48 hours. A bullet was included in the envelope."

Pakistanis Destroy Al Qaeda-Linked Facility Near Afghan Border. The AP (10/30) reports, "Pakistani troops backed by missile-firing helicopters destroyed an al Qaeda-linked training facility in a northwestern tribal area near the Afghan border Monday, killing 'many' militants, officials said. The pre-dawn attack targeted a madrassa compound holding "70-80" militants in a village near the town of Khar, the main town in the Bajur tribal district, said army spokesman Maj. Gen. Shaukat Sultan." Maj. Gen. Sultan "said the facility was destroyed but that it wasn't immediately clear how many people had been killed."

As Many As 70 Insurgents Killed In Overnight Afghan Battle. The New York Times (10/30, Wafa, 1.21M) reports, "A battle overnight Saturday in which NATO and Afghan forces engaged suspected Taliban insurgents in the southern Afghan province of Uruzgan might have killed as many as 70 insurgents, NATO officials said Sunday. In a separate incident, NATO said one of its soldiers had been killed and eight more wounded, along with three local Afghan civilians, when their convoy was hit by a roadside bomb." A statement from NATO "said that its troops and Afghan National Army forces had come under fire from between 100 and 150 insurgents near a NATO operating base in the Chora Valley, north of Trinkot, in Uruzgan Province." The statement "said its troops had been backed up by attack helicopters and close air support during a firefight that lasted several hours."

US Urges NATO Allies To Send More Troops. The Financial Times (10/30, Dombey, Fidler) reports, "The US is pushing its Nato allies to send more troops and support to help in Afghanistan ahead of a showpiece summit next month. Officials say Washington is putting pressure on Spain, France, Italy and Germany, all of which have soldiers elsewhere in the country, to free up their troops to move into the south, where the most bitter fighting in Afghanistan is taking place." Despite the appeal, "the four countries say they are sorely stretched because of commitments across the world." Gen. James Jones's previous plea for "more air support has largely gone unanswered. However, the UK has promised more helicopters for its Nato troops by the time of the next rotation in spring."

More Commentary. The Financial Times (10/30) editorializes, "The alliance's recent offensive in that graveyard of empires has been bloody and, if reports of dozens of civilian casualties are to be believed, potentially

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counterproductive. But this is not a reason for Nato to pull out. Quite the opposite. ... That means sending thousands more troops to the south, where chronic insecurity has meant that development has barely begun. A bigger military presence is needed if the region's wrecked infrastructure is to be rebuilt. ... Strategy must also be rethought. During recent weeks Nato has focused on the number of Taliban fighters it has killed in the south. But insurgencies are overcome by winning hearts and minds, not stacking up corpses."

The Los Angeles Times (10/30, 918K) editorializes, "With winter approaching, all the indicators for Afghanistan have headed south. We are on the brink of losing Afghanistan to the resurgent Taliban and to the poverty and despair in which US forces found it five years ago. … The US needs to renew its commitment to Afghanistan. A good first step would be to restore this year's 29% funding cut and target the bulk of the funds to Afghanistan's rural poor."

Army Tries To Improve Death Notification. USA Today (10/30, Zoroya, 2.27M) reports, "Even as U.S. forces struggle to adjust battlefield tactics in Iraq, the Army is grappling with better ways to cope with the war's carnage here at home. The aim is to improve how families are notified about a combat death, a duty that the Army says is one of its most difficult." USA Today's reporter viewed a "new training film….still in production -- and a host of other policy changes" which "came with demands for improvement from Army Secretary Francis Harvey this year after family complaints were received and mistakes made in death notification cases." USA Today quotes several soldiers who had to make death notifications.

Hard-Hit Marine Reserve Company Returns To Ohio. In a 3,846-word front page article, the Washington Post (10/30, A1, Slevin, 748K) reports on Lima Company, a Marine reserve unit that suffered "more casualties than any U.S. company in Iraq" and has since returned to Lima, Ohio. Deployed in Anbar province, "Between Feb. 28 and Sept. 30, 2005, the company launched patrols and fought joint operations amid 1,700 square miles of mostly Sunni areas from Hit and Haditha to the Syrian border, targeting anti-American insurgents and their supporters. In addition to the 23 dead, 31 Lima Marines were wounded, 17 of them badly enough to be sent home." The Post reports the homecoming difficulties and mixed feelings about the war of several members.

CORPORATE SCANDALS:

Tax Evasion Seen As Latest Stock Options Twist. The New York Times (10/30, Dash) reports, "In the latest twist in the stock options game, some executives may have changed the so-called exercise date -- the date options can be converted to stock -- to avoid paying hundreds of thousands of dollars in income tax, federal investigators say." The Times continues, "That appears to be what happened at Symbol Technologies and Mercury Interactive, and federal securities regulators are now sifting through options data at other companies for evidence of similar tax-avoidance schemes." The Times adds, "The Securities and Exchange Commission's stock options inquiry has so far focused on the practice of pushing back the grant date on stock options, which can guarantee profits when the grants are exercised. Its interest in exercise dates may signal an emerging front in its widening investigation into stock option abuses at more than 100 companies, from Silicon Valley start-ups to well-known giants like Apple Computer and UnitedHealth Group. The Justice Department and the Internal Revenue Service are separately examining dozens of companies. … As those cases have progressed, at least 46 executives and directors have been ousted from their positions. Companies have taken charges totaling $5.3 billion to account for the impact of improper grants, according to Glass Lewis & Company, a research firm that advises big investors on shareholder issues. … And further investigations, indictments and restatements are expected. Securities regulators are now focusing on several cases where it appears the exercise dates of the options were backdated, according to a senior S.E.C. enforcement official, who asked not to be identified because of the agency's policy of not commenting on active cases. Besides raising disclosure and accounting problems, backdating an exercise date can result in tax fraud."

SEC Probe Of UBS Focuses On Possible Manipulation Of Securities Prices. The Wall Street Journal (10/30, C1, Zuckerman, Ng) reports, "The Securities and Exchange Commission is investigating whether UBS AG was involved in improper manipulation of Treasury-securities prices. And a Credit Suisse Group bond trader has left the firm amid broad regulatory scrutiny of the $4 trillion Treasury market, people familiar with the matters say." The Journal continues, "The developments mark potentially

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important steps in a government inquiry into trading in the Treasury market that has been quietly unfolding for several weeks." The Journal adds, "The Treasury Department is especially sensitive to trading in the huge market for its bonds, notes and bills. It depends on selling these securities to raise cash to finance the budget deficit, and the Federal Reserve uses Treasury securities to conduct monetary policy. The market is generally seen as among the most efficient in the world. But if it becomes viewed as unruly or tilted against any group of investors, it could drive away investors." The Journal notes, "Last month, in a speech to the Bond Market Association, a Treasury official expressed concern that Treasury-securities prices were possibly being manipulated. The activity involved traders' controlling the supply of certain Treasury issues, making it hard for others to obtain them, and then profiting by lending those securities out at favorable interest rates. James Clouse, deputy assistant secretary for federal finance, said he was concerned about trading in the bonds and notes themselves, in futures markets and in other corners of the market. .. .Any improper activity doesn't seem to have had a big impact on interest rates, which remain quite low. And many dealers counter that the practices under question often occur as part of normal trading activity. But regulators aren't taking it lightly."

Hubbard Argues SarbOx Should Be Subject To Cost-Benefit Analysis. In an op-ed in the Wall Street Journal (10/30, A12, 2.03M), Glenn Hubbard, chairman of the Council of Economic Advisers, and John Thornton, chairman of the Brookings Institution, argue that new regulations "unintentionally make our capital markets less competitive in the global economy," they note that "the efficiency and competitiveness of our public capital markets as well as the safeguards for investors in these markets are essential to the vibrancy and resiliency of the U.S. economy." Sarbanes-Oxley "offers enhanced benefits of transparency, accountability and investor protection, and thus strengthens our capital markets," but some question whether it "reflects an evaluation of benefits and costs. Some critics believe that certain aspects of the legislation may have the unintended effect of making our markets less efficient venues for raising capital." Noting their formation of a Committee on Capital Markets Regulation," Hubbard and Thornton say that "rolling back the Sarbanes-Oxley law wholesale is not the answer. But subjecting regulation to rigorous cost-benefit analysis is surely right." While "America's capital markets have been an enviable model for job creation and increasing national wealth," their "efficiency and competitiveness" should not "be taken for granted. Cost-benefit analysis of regulatory change may provide insights that could enhance the efficiency of our markets and strengthen investor protection at the same time. We should explore ideas that can help assure that new regulation does not inadvertently diminish the benefits of our markets by not accounting for regulatory costs."

CRIMINAL LAW:

Despite Conviction, DC Developer Back In Business. The Washington Post (10/30, D1, Hedgpeth) reports, "For seven weeks, Douglas Jemal showed up in federal court in a conservative suit, white dress shirt, tie and polished black shoes. … On Friday, the 63-year-old maverick builder returned to running his business full time, a day after his acquittal on bribery and conspiracy charges." The Post continues, "Jemal was found guilty of one of the charges against him, wire fraud. His son, Norman, was acquitted of all charges, and a top lieutenant, Blake Esherick, was found guilty on one count of wire fraud and two counts of tax evasion. … Jemal 'is making it seem like he got off, but in fact he got convicted of a felony,' said Jeffrey A. Taylor, U.S. attorney for the District of Columbia. 'Our view is this was a significant victory in a tough, hard-fought case.'" The Post adds, "The wire fraud charge, Taylor said, was 'the most serious of the charges . . . because it has the highest statutory maximum of prison time' -- 20 years. Under federal sentencing guidelines, Jemal's sentence could be much lighter, possibly nothing more than probation. But Taylor said 'it is certainly conceivable he will receive prison time.' Sentencing is scheduled for April 16. … Jemal declined to say how he would run his business if he has to go to prison."

Boehner Reiterates His Denial Of Prior Knowledge Regarding Foley. The AP (10/30, Heilprin) reports House Majority Leader John Boehner "says he might have taken matters into his own hands if he or any GOP leader had known about ex-Rep. Mark Foley's sexually explicit instant messages to former pages. 'Foley's conduct was reprehensible, abhorrent. And if any one of us would have known about this, we would have dragged him out of there by his tie,' said Boehner, the current No. 2 leader in the House." Boehner added, "I believe strongly that the speaker — neither the speaker, myself or anyone knew of the sexually explicit

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instant messages. … All I was told was that there had been contact between Foley and the former page. ... I believe that I talked to the speaker about this. I believe that he told me it had been taken care of.'"

Maryland Prison Officials Mull Gang-Control Options. The Washington Times/AP (10/30, Witte) reports, "With gang violence increasing and prison safety harder to maintain, Maryland corrections officials are searching for better ways to manage incarcerated gang members, including confining members of the same gang in a separate prison unit." The AP continues, "John A. Rowley, acting commissioner of the state's Division of Correction, recently sent corrections officials to Connecticut, which has a nationally recognized program for managing gangs in prison. … Mr. Rowley has scheduled a meeting this week to discuss the program, but said the agency has yet to commit to a plan." The AP adds, "Mr. Rowley said he sent the officials because Connecticut's corrections department created a gang-management program in 1994, after realizing just how dangerous and difficult gang members had become inside the state's prisons. … In Maryland, officials have implemented a new measure to reduce prison gang violence at the medium-security Maryland Correctional Training Center, near Hagerstown. The facility started confining inmates together 'a few months ago,' after they were identified as members of the same gang, Mr. Rowley said. … 'What they're attempting to do is to simply, to the best of their ability, house them together to see if that improves or reduces the violence,' he said. … Officials are only trying out the policy, Mr. Rowley said, and there is no plan yet to incorporate it statewide."

St Louis Ranked Most Dangerous City In US. In a widely-distributed story, the AP (10/30, Leonard) reports, "Just days after the St. Louis Cardinals won the top honor in Major League Baseball, their hometown jumped to first place on a list no one wants to lead: the most dangerous cities in the United States." The "city has long been in the upper tiers of the annual ranking of the nation's safest and most dangerous cities, compiled by Morgan Quitno Press. Violent crime surged nearly 20 percent there from 2004 to last year, when the rate of such crimes rose much faster in the Midwest than in the rest of nation, according to FBI figures released in June." The AP notes that "the 5.7 percent rise in the 12 Midwestern states was at least three times higher than any other region, according to the FBI. Visiting St. Louis on Thursday, FBI director Robert Mueller said it was too early to tell why some types of crime were rising faster in the Midwest. Mueller said the FBI is working harder to form partnerships with police departments to launch programs like St. Louis' Safe Streets task force, which focuses police efforts on problematic neighborhoods."

Sex Offenders Find Residential Options Limited. The Los Angeles Times (10/30, Warren) reports, "Shortly after 8 each evening, David Den-Adel kisses his wife and three kids goodbye and leaves his home in the peaceful suburb of Clive. A half-hour later, he pulls up at an unfurnished rental in a scruffy pocket of Des Moines, one of the few spots in the region where he can legally spend the night. … His children, ages 3 to 6, 'think maybe I'm camping, but they really aren't sure,' said DenAdel, 37, who pays $650 a month for the rental and $1,500 a month for the mortgage on his home. 'It's not easy leaving them every night, but it's the law.'" The Times continues, "A little more than a year ago, Iowa began barring sex offenders such as DenAdel, convicted of sexual abuse on a 15-year-old girl, from living within 2,000 feet of a school or child-care center. Soon after, cities and counties passed even stricter rules, adding libraries, swimming pools, parks and bike trails to the protected list. … Now, much of urban Iowa is off limits to those whose past includes a sex crime against a minor." The Times adds, "As Californians prepare to vote next week on Proposition 83, which would impose a similar residency ban, Iowa is becoming an example of the unintended consequences of such measures. … Prosecutors, police officials and even victims rights groups say the crackdown has backfired, driving some offenders into rural towns and leaving others grouped at motels, campgrounds, freeway rest stops or on the streets. … Many have simply gone underground, authorities say, with more than twice as many registered sex offenders now considered missing than before the law took effect."

Four More Sentenced In Illinois Mortgage Fraud Scheme. The Rockford (IL) Register Star (10/30) reports, "The last four people to be brought before a U.S. district judge on charges of defrauding the federal government out of more than $1 million in connection with the Federal Housing Authority's mortgage-insurance program were sentenced Thursday and Friday." The Star continues, "According to a news release from the U.S. Justice

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Department, the charges the defendants pled guilty to were part of a 61-count indictment charging the people with conspiring to defraud the government, making material false statements to HUD, and making false statements to cause HUD to insure mortgage loans. … According to the indictment, the leaders of the scheme profited by selling homes in Freeport at inflated prices." The Star adds, "The indictment states that the defendants falsified many documents to get FHA insured loans for unqualified homebuyers. By causing these unqualified buyers to receive FHA insured loans, the indictment says the defendants bilked the federal government out of more than $1 million."

Former D.C. Charter Official Under Federal Investigation In Misappropriation Of Funds Case. The Washington Post (10/30, B1, Haynes) reports, "In September 2005, Equal Access in Education billed the city $76,250 to train math and reading teachers in techniques to boost student performance at five D.C. public charter schools that failed to meet academic targets. But principals at four of the schools (the fifth one has closed) say that they never heard of Equal Access and that their teachers never received training from the company." Now "federal authorities are investigating whether Equal Access was connected to Brenda L. Belton, the former executive director of the Board of Education's charter schools office." Belton "submitted invoices but no documentation from charter school officials confirming that they had received the services."

California College Coach Sentenced For Pell Grant Fraud. The Long Beach Press-Telegram (CA) (10/28, Russell) reports, "Cerritos College faculty member Patrick Callahan, a man credited with helping numerous minority football players enroll and finish college, bid farewell to his coaching career Friday -- the day he was formally sentenced to 90 days in jail in connection with Pell Grant fraud." Callahan "pleaded guilty to falsifying government documents so that 13 of his football players could receive more than $91,000 in federal aid to which they were not entitled." He "was formally sentenced Friday before Bellflower Superior Court's Leland Tipton, who suspended a two-year prison term under a number of conditions. One of the conditions was agreeing to give up his position as coordinator of student activities for Cerritos College."

Massachusetts Man Convicted On Child Porn Production Charges. The Boston Herald (10/28, Wedge, 203K) reported, "A former Hub college student once probed for running kiddie porn sites out of a Somerville apartment faces a possible life sentence after being convicted on federal charges of taking sex videos of underage boys - including one from Cape Cod. Former Bunker Hill Community College student Tim Richards was found guilty on 11 of 22 child pornography charges Thursday in a federal court in Tennessee, one of which stemmed from sex tapes he made with a 14-year-old Bay State boy in Sydney, Australia. The boy, now in his 20s, was the star witness in the two-week trial and testified that he was pressured into making sex tapes with Richards for four years." The Herald noted, "The FBI's Innocent Images anti-child pornography unit got involved in the case in 2005 when a California teen named Justin Berry told authorities Richards posted underage sex pictures of him online."

Prominent Connecticut Episcopal Church Struggling With Child Porn Allegations. Under the headline "Difficult Sermon As F.B.I. Investigates A Church's Ex-Music Director," the New York Times (10/30, Cowan, 1.21M) reports from Greenwich, Conn., "Addressing parishioners the week after they learned that federal agents had searched their church this month for evidence of child pornography on a music director's computer, the rector of Christ Church here, the Rev. Jeffrey H. Walker, told worshipers on Sunday that 'these are hard days, and for some of us, sleepless nights.' He pleaded with the Episcopal congregation, which traces its roots back 300 years and counts some of Greenwich's most prominent families among its members, to respond with 'patience, trust and kindness.' He also apologized for having to be less than forthcoming about certain matters that were part of the pending criminal investigation and the 'world of legalities rather than the world of grace.'" The Times notes, "Tim Egan, the head of the F.B.I.'s cybercrimes squad in New Haven, confirmed to The New York Times on Tuesday that his agency was heading an investigation, but he declined further comment, as did the United States attorney's office."

Rise In Beef Prices Brings Increase In Cattle Rustling. USA Today (10/30, Johnson) reports, "Some of the nation's largest beef-producing states are fighting a resurgence in a centuries-old crime: cattle rustling." USA

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continues, "The thefts, including one high-profile case involving the ranch of baseball legend Nolan Ryan, are directly related to the rising cost of beef, said Larry Gray, enforcement chief with the Texas and Southwestern Cattle Raisers Association (TSCRA)." USA adds, "The TSCRA, which draws its members from Texas, Oklahoma and New Mexico, reported $6.2 million in livestock thefts — mostly cattle — in 2005, up from $4 million in 2004. … In the past three to four years, John McBride, a spokesman for the Livestock Marketing Association, said cattle prices have approached all-time highs. 'As the cattle industry has escalated, so have the number of thefts,' said Joyce English, vice president of the association's Livestock Board of Trade. 'Everything follows the money.'" USA notes, "Last fall, a flurry of calls from more than a dozen victims, including the foreman of Ryan's Texas ranch, reported 17 cows and 14 calves were missing. A couple of weeks later, an additional 16 calves were stolen from Ryan's spread. … The reports led two investigators with the TSCRA to charge a 27-year-old suspect with running an old-time rustling enterprise valued at more than $250,000 after being in operation a little less than a year. Gray said the suspect allegedly used the livestock, most of which was branded, to bolster his own herd and sold off the calves as they were born. The break in the case came, Gray said, when one of the stolen animals was brought for sale."

CIVIL RIGHTS:

Supreme Court To Hear IDEA Case. The AP (10/28), "The Supreme Court agreed Friday to consider an appeal by an autistic child and his parents, who want to sue over his school accommodations without hiring a lawyer. The parents, Jeff and Sandee Winkelman, say they cannot afford a lawyer to argue their court case against the school district of Parma, Ohio, near Cleveland, over the education of their son, Jacob. The federal appeals court in Cincinnati ruled that the Winkelmans, suing under the Individuals With Disabilities Education Act, had to find a lawyer to represent Jacob" but "the Bush administration then urged the justices to take the case, saying that in adopting the measure, Congress clearly intended that parents be able to represent their children in such court proceedings."

High Court Set To Hear First Abortion Cases Since O'Connor's Retirement. USA Today (10/30, Biskupic, 2.27M) reports that a "pair of cases that come before the Supreme Court next week are widely viewed as a major test of efforts to restrict abortion. … The cases test the Republican-led Congress' power to limit the reach of that ruling by restricting medical options for women. The law is called the Partial-Birth Abortion Ban Act of 2003. Lawyers for the two challengers now before the Supreme Court, Eve Gartner of Planned Parenthood and Priscilla Smith of the Center for Reproductive Rights, note that there is no medical procedure known by that name and contend that the phrase is needlessly offensive and misleading. On a more technical level, the cases put on exhibit dueling medical opinions over whether certain second-trimester abortion procedures are ever necessary. For the court, the cases — Gonzales v. Planned Parenthood Federation of America and Gonzales v. Carhart — represent the first significant test of whether abortion rights in America will change now that moderate Justice Sandra Day O'Connor, a key vote in favor of such rights, has retired."

Federal Investigation Underway Into Voting Machine Company's Ties To Venezuela. ABC World News (10/29, story 6, 0:35, Harris, 8.78M) reported, "Tonight, one more reason to worry about those electronic voting machines many of us will be using on election day. This time, the concern is not technology. It's alleged ties to Venezuelan President Hugo Chavez, who recently called President Bush the devil at the United Nations. One company that makes the machines, Sequoia Voting Systems, now confirms it's under Federal investigation. Sequoia says it has no connection to Chavez, even though it was bought last year by a company owned by three Venezuelans."

New Voting Systems Said To Be Subject To Suppression. In a New York Times "op-art" (10/30), Michael Waldman and Wendy Weiser of the Brennan Center for Justice at New York University School of Law say, "On Nov. 7, many voters will encounter new voting machines, new computerized voter lists and new rules regarding registration and ID requirements. As primaries earlier this year demonstrated, local officials and poll workers are overwhelmed by all the changes — some of them engineered by mischievous partisans who have passed laws and rules that would block many eligible citizens from voting." The authors note "examples of ways the vote could be suppressed next week around the country. Problems listed in one state may also apply to several others. Taken together, they show

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just how urgent it is that the country move toward a system of universal voter registration, in which the government takes responsibility to ensure that all citizens are on the rolls, with real protections." The states in question are illustrated a maze graphic.

New Electronic Voting Systems Will Face First Major Test This Year. Time (11/6, Duffy, 4.03M) reports, "In one week, more than 80 million Americans will go to the polls, and a record number of them--90%--will either cast their vote on a computer or have it tabulated that way. When that many people collide with that many high-tech devices, there are going to be problems. Some will be machine malfunctions. Some could come from sabotage by poll workers or voters themselves. But in a venture this large, trouble is most likely to come from just plain human error, a fact often overlooked in an environment as charged and conspiratorial as America is in today. Four years after Congress passed a law requiring every state to vote by a method more reliable than the punch-card system that paralyzed Florida and the nation in 2000, the 2006 election is shaping up into a contest not just between Democrats and Republicans but also between people who believe in technology and those who fear machines cannot be trusted to count votes in a closely divided democracy."

ANTITRUST:

Harrah's Delays Plans For Gulf Coast Casino. The Wall Street Journal (10/30, A10, Sanders) reports, "Harrah's Entertainment Inc. has delayed plans for a $1 billion resort-casino along the Biloxi, Miss., coast, the second time it has pulled back on plans in the wake of a $15.5 billion acquisition offer from two private-equity firms." The Journal continues, "Harrah's executives last week told analysts on a conference call that high construction costs and the 'volatility of the marketplace' in Biloxi were factors that have effectively postponed any major development. Plans for the resort-casino had been drawn up by late July." The Journal adds, "A person familiar with the company's thinking said Biloxi has slipped on Harrah's priority list, especially after it experienced a tough third quarter in Atlantic City, N.J. The company is now focusing mostly on Las Vegas and Atlantic City. … The Biloxi project is the second unexpected development-related news from the company since an effort by private-equity firms Apollo Management LP and Texas Pacific Group to acquire Harrah's was disclosed earlier this month. … A week after the offer was announced, Harrah's said it wouldn't bid for a multibillion-dollar resort-casino project in Singapore. Harrah's had lost an earlier bid in Singapore that was awarded to rival Las Vegas Sands Corp. The casino industry also spent much of the summer awaiting Harrah's plans for the 350 acres it has acquired on and around the Las Vegas Strip. Harrah's has delayed details of that announcement, as well."

Rinker To Reject Cemex Bid. The Wall Street Journal (10/30, A9, Lindsay, Pemberton) reports, "Australian building-materials company Rinker Group Ltd. today is set to reject an unsolicited US$11.7 billion takeover bid by Cemex SAB as inadequate, dashing the Mexican company's hopes for early support from Rinker's board. … 'The bid is highly opportunistic and conditional. It has been made at time when the shares are trading at a cyclical low,' said a person with knowledge of the bid. Rinker's board, which met over the weekend, reconvenes today and will issue its first formal response to the Cemex bid later in the day, this person said." The Journal continues, "Analysts and fund managers say they believe Cemex, the world's largest seller of ready-mix concrete, has little chance of snaring control of Rinker and boosting its presence in the crucial U.S. building-materials market without improving its offer. .. .The all-cash offer prices Rinker at US$13 a local Australian share, or about a 26% premium over the average trading price during the past three months, Cemex said. That comes out to an equivalent local price of A$17. Cemex put the total value at US$12.8 billion, including Rinker's debt." The Journal notes, "The bid takes Cemex into uncharted territory, even considering the Mexican cement maker's growing penchant for big deals. The offer is twice as big as Cemex's prior biggest deal, last year's $5.8 billion purchase of RMC of Britain. If successful, Cemex's bid will rank as the largest merger-and-acquisition deal in Australian history, beating the A$14 billion takeover of Optus by Singapore Telecommunications Ltd. in 2001. … It is also Cemex's first foray into the world of unsolicited takeovers, usually far more complex and costly than the so-called friendly deals it has negotiated in the past. Unsolicited takeover offers are tricky because they open the door for other suitors, prompting a bidding war that raises the price. They can also take months or even years to complete, draining time, attention and money from top management."

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Schneider Offers To Buy American Power Conversion For $6.1 Billion. The Wall Street Journal (10/30, Chassany) reports, "French electric-equipment maker Schneider Electric SA said Monday it made an offer to buy U.S. power-supplies and surge-protection-products manufacturer American Power Conversion Corp. in a $6.1 billion cash deal. … The French company said it's offering $31 for each APC share." The Journal continues, "The offer, which has been approved by APC's board of directors, represents a 30% premium over the last APC share price and is expected to boost Schneider's earnings per share starting 2007, the company said. … 'The acquisition of APC will lead to a strong value creation, superior to $3 billion,' Schneider said in a statement, adding it aims to tie up APC with its MGE UPS Systems subsidiary. … Cost synergies are expected to amount to $220 million, of which 70% will be achieved by 2009, the company said. To finance the deal, Schneider said it will launch a €1.2 billion ($1.53 billion) capital increase and use debt financing." The Journal adds, "With 7,600 employees, APC generated about $2 billion sales in 2005, three quarters of which were in low power systems, Schneider said. Investments APC made in the fast-growing high power systems segment 'dramatically deteriorated its operating profitability to 9.4% in 2005,' Schneider said. Schneider 'is confident' it will help APC to recover rapidly."

LATimes Urges Caution In Granting Business Method Patents. The Los Angeles Times (10/30) editorializes, "In 1999, Amazon.com won a controversial patent for a seemingly obvious feature of online stores: Letting shoppers buy an item by pointing their mouse and clicking on it. Now the retailer is getting a taste of its own medicine from IBM, calling into question why the federal government needs to protect methods of doing business in the first place." The Times continues, "IBM filed a pair of lawsuits last week accusing Amazon of violating five of Big Blue's patents related to e-commerce. Although IBM contends that the patents are grounded in important technological advancements, the list involves such mundane activities as 'ordering items using an electronic catalog' and 'presenting advertising in an interactive service.' … Both appear to fall under the much-maligned category of 'business method' patents, or federally protected ways to perform such fundamental commercial activities as marketing, billing and monitoring inventory." The Times adds, "Business methods were not considered patentable for many years because they were too much like ideas. In the late 1990s, however, a federal appeals court ruled that methods could be protected if they met the same criteria as other inventions. These rulings, combined with the emergence of the World Wide Web and the business world's increasing reliance on computers, fueled an exponential increase in the number of patents sought for high-tech ways to conduct business. … pplicants exacerbate the problem by claiming the broadest possible coverage — applying the patent to the idea instead of their way of implementing it. And the short history of the Internet as an electronic shopping mall has made it harder for patent examiners to gauge how new and non-obvious the proposed methods are." The Times concludes, "So should business methods be totally ineligible for patenting? That may be a step too far. At minimum, though, method patents should only be granted if they're tied to real technical innovation."

ENVIRONMENT:

Interior Official Reportedly Overruled ESA Recommendations. The Washington Post (10/30, A3, Eilperin, 748K) reports Julie MacDonald, Deputy Assistant Secretary of the Interior for fish and wildlife and parks, "has rejected staff scientists' recommendations to protect imperiled animals and plants under the Endangered Species Act at least six times in the past three years, documents show. In addition, staff complaints that their scientific findings were frequently overruled or disparaged at the behest of landowners or industry have led the agency's inspector general to look into the role of" MacDonald "in decisions on protecting endangered species. The documents show that MacDonald has repeatedly refused to go along with staff reports concluding that species such as the white-tailed prairie dog and the Gunnison sage grouse are at risk of extinction. Career officials and scientists urged the department to identify the species as either threatened or endangered." The post notes, "Overall, President Bush's appointees have added far fewer species to the protected list than did the administrations of either Bill Clinton or George H.W. Bush, according to the advocacy group Center for Biological Diversity. As of now, the administration has listed 56 species under the Endangered Species Act, for a rate of about 10 a year. Under Clinton, officials listed 512 species, or 64 a year, and under George H.W. Bush, the department listed 234, or 59 a year."

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Funding For Energy Research Said To Be Falling As Global Warming Threat Looms.

The New York Times (10/30, Revkin, 1.21M) reports, "For all the enthusiasm about alternatives to coal and oil, the challenge of limiting emissions of carbon dioxide, which traps heat, will be immense in a world likely to add 2.5 billion people by midcentury,...experts say." The Times says, "The challenge is all the more daunting because research into energy technologies by both government and industry has not been rising, but rather falling." In the US, "annual federal spending for all energy research and development — not just the research aimed at climate-friendly technologies — is less than half what it was a quarter-century ago. It has sunk to $3 billion a year in the current budget from an inflation-adjusted peak of $7.7 billion in 1979, according to several different studies." The Times reports, "Internationally, government energy research trends are little different from those in the United States. ... [M]ore than four dozen scientists, economists, engineers and entrepreneurs interviewed by The New York Times said that unless the search for abundant non-polluting energy sources and systems became far more aggressive, the world would probably face dangerous warming and international strife as nations with growing energy demands compete for increasingly inadequate resources."

WPost Urges Bush To "Act" On Global Warming. The Washington Post (10/30, 748K) editorializes, "After the coming election, President Bush is likely to face a Congress more apt than the current one to take strong action on climate change. He will then face a fateful choice: Does he want to spend his final two years in office blocking action and pretending that voluntary curbs on greenhouse gases will solve the problem of global warming, or does he want to help shape solutions? At some point, conservatives will need to reconcile themselves to the problem of climate change. … Indeed, it is difficult to imagine that the intransigence of Mr. Bush's administration on climate change will long survive his tenure, no matter who succeeds him. Will he take a hand in developing America's response to this global problem, or will he go down as the president who fiddled while Greenland melted?" Bush "spent his first six years emphasizing the undeniable need for more research; in his final two years, he could finally embrace the need to act."

Kelo Decision Spurs Raft Of Anti-Eminent Domain Initiatives.

Time (11/6, Roosevelt, 4.03M) reports on "a movement that is pushing back hard against the government's power to meddle with property owners. The campaign is largely a response to the Supreme Court's controversial 2005 decision allowing the city of New London, Conn., to raze private homes for a commercial waterfront project. The ruling struck a deep chord in the American psyche; that the government could seize your house or business in order to build a road for everyone's use was one thing, but the idea that it could hand your property over to private developers was, to many, intolerable. Since then, 24 state legislatures have passed laws limiting the government's ability to appropriate land for privately financed projects, and similar measures will be on 11 state ballots next week."

US News and World Report (11/6, Sullivan) reports, "The ballot measures signal outrage at the Supreme Court's 2005 decision in Kelo v. New London, which seemed to broaden governmental power to take private land. But opponents of the measures see them as a misleading effort to further a radical property-rights agenda. … Most of the ballot measures would focus mainly on undoing Kelo. But the most aggressive initiatives-found in Arizona, California, Idaho, and Washington-would go further, requiring that the government also compensate property owners for 'regulatory takings'-regulations that damage a property's value."

Ballast Water Seen As Danger To Port Cities.

The AP (10/30) reports from Charleston, SC, "Shipping companies and environmentalists are trying to come up with a reasonable cost method for keeping foreign marine species out of the waters of the nation's port cities." The AP continues, "The issue is particularly important for Charleston, where millions of gallons of ballast water are potentially dumped into the harbor each year." The AP adds, "Seawater is drawn and discharged by large ships for balance as they carry heavy cargo. … But when they carry water from one part of the world to another, they also bring animal and plant life that can harm native species and habitats. … U.S. Coast Guard Lieutenant Eddie Lesane said there have been no reports of invasive species in Charleston from ship ballast." The AP notes, "Steve de Kozlowski of the state Natural Resources Department says there are hundreds of species already loose in South Carolina, but only a few are destructive enough to be much of a problem. … Ships are required to drop their foreign ballast water at least 200 miles offshore and pick up more local water. … Failing to do so can result in fines or charges. The Coast Guard reviews ship logs and occasionally checks

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ballast water for salinity to make sure the exchange has taken place. … No one has been charged in the United States so far, said Bivan Patnaik, Coast Guard environmental regulations coordinator. Several warning letters and fines less than $27,000 have been issued. … The conservancy wants the federal Environmental Protection Agency to set standards and issue permits for handling ballast and has won a court ruling that the water cannot be exempt from EPA regulations for wastewater discharge. … The EPA and U.S. Justice Department can appeal the decision and have two years to create regulations for ballast water."

Rural Housing Boom Raises Fire Concerns. The Washington Post (10/30, A9, Pomfret) reports from Banning, CA, "Dennis Watkins wanted a piece of the good life. Several years ago, the Frito-Lay salesman and his wife bought a three-acre plot of land in the San Jacinto Mountains. In May, they completed their house -- a 3,000-square-foot ranch-style abode, 3,500 feet above the smog of western Riverside County. … A fire that started on Thursday roared through the mountains where Watkins lives. It burned 63 structures and 63 square miles, and it killed four firefighters while they tried to save a weekend house, making it the deadliest wildfire for firefighters since 2001. A fifth firefighter was in critical condition Sunday with burns over 95 percent of his body. Investigators said the fire was the work of an arsonist. As of Sunday, it was 70 percent contained." The Post continues, "Watkins's journey from the suburbs to countryside -- and his brush with disaster -- has become increasingly common in the United States. He inhabits a zone known to experts and firefighters as the wildlands-urban interface -- the space where houses intermingle with wilderness, a space where millions of Americans long to live. … 'It's the place where I want to live -- it's probably where you want to live, too. It's an attractive setting, but if we don't start planning development with these fires in mind, the problem is only going to get worse,' said Volker C. Radeloff, an assistant professor at the University of Wisconsin at Madison and an expert on the wildlands-urban interface." The Post notes, "In the 1990s, according to Radeloff's research, of the 13 million homes built in the United States, 9 million, or 69 percent, were constructed in these zones. California leads the nation with homes in these perilous districts -- with 5.1 million, up 12 percent since 1990 -- and it tops the nation in homes lost to wildfires. While many think the problem is confined to the West, New Jersey, because of the thousands of houses in and around the Pine Barrens, is second in the number of homes lost to wildfire. And 85 percent of New Hampshire homes are in the interface zone. … The development boom in forests and chaparral and along riverbeds has led some experts to question whether society can afford to have firefighters risk their lives to protect this lifestyle and whether federal, state and local governments should not limit development. Federal wildfire firefighting costs jumped 73 percent from 1994 to 2005, according to statistics from the National Interagency Fire Center. This year in California there have been 7,757 wildfires, many near populated areas."

DC Legal Dispute Pits Big Names Against Litigious Developer. The Washington Post (10/30, Layton) reports, "On a rustic and exclusive lane in Northwest Washington dating from the Civil War, the Battle of Chain Bridge Road is raging. … A group of homeowners has been trying to stop the construction of 13 mansions on 3.5 acres, the largest piece of open land in the affluent Palisades neighborhood." The Post continues, "In most zoning disputes, residents might testify at public hearings. But in a neighborhood filled with boldfaced names, the fight is on a different level. … The neighbors -- including NBC News correspondent Andrea Mitchell, her husband, former Federal Reserve chairman Alan Greenspan, and former Environmental Protection Agency deputy administrator Robert Sussman -- have hired a zoning attorney, an arborist, a traffic expert and a storm water management engineer. To date, they've spent nearly $100,000. … Then again, they're facing Morton A. Bender. … Bender, a 73-year-old native Washingtonian who made a fortune in the family construction business, is one of the most determined men in town, both admirers and detractors say. This is not a man who likes to negotiate. He enjoys a good fight." The Post notes, "The local and federal courts hold stacks of cases in which he is sometimes the defendant but more often the plaintiff. He says he can't keep track of all the people and institutions he's currently suing and doesn't know how many lawyers he's hired."

FBI/DEA/ATF/USMS:

Five Arrested On Drug Charges In Florida, Four Possibly Linked To Shooting Of Family. There are more than 500 media references to the announcement of the detainment of five people in Florida,

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four of whom may be linked to the shooting of a family of four found dead this month alongside the Florida Turnpike. In West Palm Beach, the AP (10/28) reports a family of four "was gunned down execution-style along a dark and deserted stretch of highway. … Authorities announced Friday it was no random act of violence. The suspected killer was in custody, they said. Jose Luis Escobedo, 28, was likely involved in cocaine trafficking, and he and his family were killed 'for drugs, money or both,' Sheriff Ken Mascara said." Police "searching the home after the killings found evidence that the father was involved in drug trafficking, Drug Enforcement Administration agent David Weeks said in court papers filed Friday."

In a separate story, the AP (10/28) reports authorities "investigating the slaying of a family of four alongside a Florida highway said Friday that the father was probably involved in drug trafficking and that the suspected killer was in custody. The suspect was among three men and a woman who were arrested Wednesday on drug charges and are 'persons of interest' in the killings, St. Lucie County Sheriff Ken Mascara said. … DEA spokeswoman Jeannette Moran said they made their initial appearances in federal court Friday in Fort Pierce. A bond hearing was set for Nov. 3." ABC News, CBS News, FOX News, USA Today, the Washington Post, Orlando Sentinel, St. Petersburg Times, Florida Times-Union, Lakeland Florida Ledger, Houston Chronicle, and the UK's Guardian are among the news outlets that used a version of the AP story.

The Washington Times (10/28) reports a similar story in its "Around the Nation" section.

In its "U.S." section, The New York Times (10/28) reports that in a search of the Escobedos' house in Greenacres, investigators "recovered 'items which led them to conclude that the home may have been utilized to facilitate narcotics trafficking,' David Weeks, an agent from the Drug Enforcement Administration, wrote in an affidavit." The Times notes, "The suspects, all of whom have extensive criminal records, have not been charged in the killings, but the police have said they think that the person who pulled the trigger is in the group."

Bloomberg (10/27) reports the man's brother "may be connected to a large cocaine- and heroin-trafficking ring, police said in the news conference. Officials from the federal Drug Enforcement Agency and the Bureau of Alcohol, Tobacco, Firearms and Explosives assisted in the investigation. All four suspects, three men and one woman, all have felony convictions for cocaine trafficking, police said."

Scripps Treasure Coast Newspapers (10/28) reports two weeks after a family of four "was gunned down on the side of Florida's Turnpike, investigators said the crime was related to the theft of drugs and money and named several "people of interest" believed connected to the killings. However, a man named as the owner of a van sought in the case was cleared of any involvement. … Within 24 hours of the killings, the Drug Enforcement Administration was involved, and within 36 hours they had identified the people of interest named Friday."

The South Florida Sun-Sentinel (10/28) reports that at a news conference, Mascara "named four 'people of interest' in the Escobedo family homicide. They are in federal custody after the Drug Enforcement Administration on Wednesday night raided their rented West Palm Beach home…in the Briar Bay development."

The Palm Beach (FL) Post (10/27) reports, "'The evidence seized from the Escobedo residence, combined with information obtained during interviews with family members and associates of the victims, led law enforcement officers to conclude that Jose Luis Escobedo Jr. was likely involved in cocaine trafficking activities before he was murdered on or about October 13, 2006,' according to a criminal complaint."

The Fort Pierce (FL) Tribune (10/29) reports DEA agents "announced Friday they had arrested five people…on cocaine distribution charges. St. Lucie County Sheriff Ken Mascara said four of them were 'people of interest' in the killings."

UPI (10/28) reports, "Florida police Saturday had in custody four men allegedly tied to the execution-style killing of a family of four on a deserted stretch of highway. … The four men in custody, held without bond, face federal charges of cocaine possession with intent to sell."

On its Web site, CNN (10/28) reports, "About 24 hours after the slayings…the Drug Enforcement Administration became involved in the probe. As the result of the DEA investigation, a Palm Beach County residence was searched Wednesday morning."

On its Web site, KWTX-TV, Waco-Temple-Killeen, Texas (10/27) reports an affidavit "filed Friday by a Drug Enforcement Administration agent says evidence found in the Escobedo family home points toward drug trafficking. It includes what are described as "suspected drug ledgers," as well as plastic packaging used to wrap drugs."

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Authorities Differ On Handling Of Illegal Immigrant Drug Offenders. The Aspen Times (10/27) writes, "In December, police arrested Jesus Gabriel Soto Sandoval in the drug sting at two local restaurants. Less than six months after his deportation, Sandoval was back in Aspen and in custody for cocaine possession. So, deport him again and save the cost of prison or punish him so he won't come back for a third crack at dealing cocaine out the back door of an Aspen restaurant? It's a question members of law enforcement and the legal community differ on greatly. For example, in a separate case Thursday, Jose de Fletes Rodriguez was sentenced to five years of probation for possession of less than one gram of cocaine. He was arrested in a traffic stop after a tip from undercover DEA agents in the latest Aspen-area sting operation - known as the 'wiretap case'"

Marijuana Advocates Mock Colorado Governor's Stand Against Amendment 44. The Rocky Mountain News (10/27) reports, "Protestors of all ages…stood on the capitol steps Friday morning to support the legalization of marijuana. The Republican governor lined up with Attorney General John Suthers and about a dozen law enforcement officials to explain why they thought the statewide ballot measure was a bad idea. … 'I'm really proud to be here with so many people who are concerned about the impact of legalizing marijuana in the state of Colorado,' [Gov.] Owens said with a smile, trying to laugh off the taunts before continuing down the rabbit hole."

Longmont, Colorado's Daily Times-Call (10/28) reports Owens "ignored a challenge from Amendment 44 proponent Mason Tvert to debate the initiative, which asks voters to make it legal under state law for anyone age 21 and older to possess up to an ounce of marijuana."

In Denver, 9News.com (10/28) reports, "After the news conference began, it quickly became a contest of who could be the loudest. … Supporters of Amendment 44 say it is a better alternative than alcohol."

Judge Rules In Favor Of Law Prohibiting Federal Aid For Students Convicted Of Drug Charges. Bloomberg (10/28, Basken) reports U.S. District Judge Charles Kornmann "upheld a law making students ineligible for federally backed college loans once they have been convicted on a drug charge." He ruled that "students enjoy no guaranteed right to financial aid and that the legislative branch has wide discretion in setting punishment for drug law violators." The suit "was organized by Students for Sensible Drug Policy" and "argued that the law enacted in 1998 violates due- process and double-jeopardy provisions of the U.S. Constitution."

Eight Face Charges In Internet Drugs Sales Investigation. In Chicago, the AP (10/28) reports a crackdown on Internet sales of anabolic steroids and other prescription drugs "has led to criminal charges against eight defendants in two separate cases. In one case, federal prosecutors say six defendants were charged with conspiracy to distribute controlled substances. … The complaint in that case alleges that beginning in 2003, the Web site PM-eds.com took drug orders from the Tinley Park residence of Larry Calow. It then forwarded them to a site in Mexico manned by his brother, Gary Calow."

"Snoop Dogg" Arrested At California Airport, Suspected Of Transporting Marijuana. There are more than 200 media references to the arrest of Calvin Broadus (Snoop Dogg). They include the Los Angeles Times (10/27), which reports the rapper-actor known as Snoop Dogg "was arrested Thursday at Bob Hope Airport in Burbank on suspicion of being a felon in possession of a gun and of transporting marijuana. The performer, whose real name is Calvin Broadus, was arrested by officers from the Burbank-Glendale-Pasadena Airport Authority Police Department at 3:45 p.m. … Police said they soon discovered a gun and marijuana in his vehicle." The AP (10/27) reports a similar story.

IMMIGRATION:

NYTimes Criticizes GOP Plans For Border Fence. The New York Times (10/30, 1.21M) says in an editorial, "President Bush signed a bill to authorize a 700-mile border fence last week, thus enshrining into federal law a key part of the Republicans' midterm election strategy. The party of the Iraq war and family values desperately needs you to forget about dead soldiers and randy congressmen, and to think instead about the bad things immigrants will do to us if we don't wall them out. Hence the fence, and the ad campaigns around it." Across the country, candidates "are trying to stir up a voter frenzy using immigrants for bait. They accuse their opponents of being amnesty-loving fence-haters,

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and offer themselves as jut-jawed defenders of the homeland because they want the fence. But the fence is the product of a can't-do, won't-do approach to a serious national problem. And the ads are built on a foundation of lies."

CONGRESS-ADMINISTRATION:

Brown, Kavanaugh Seen As Potential Bush SCOTUS Nominees. US News and World Report's Washington Whispers column (11/6, Bedard, Marek) reports President Bush "isn't looking very far for his next conservative pick to the U.S. Supreme Court: His top two candidates work just 12 blocks away in the U.S. Court of Appeals for the District of Columbia Circuit. Insiders say Judge Janice Rogers Brown, appointed in June 2005, tops the list, followed by Judge Brett Kavanaugh, appointed in May. Also up: Peter Keisler, whose nomination to the D.C. court is pending."

Congressional Democrats Deny GOP Charge That They Plan To Raise Taxes. The Wall Street Journal (10/30, A6, McKinnon, 2.03M) reports, "Republicans' 11th-hour campaign strategy includes stirring voter fears of a Democratic tax increase. But a big increase would be unlikely under a Democratic Congress, at least over the next two years. In part, that is because Democratic leaders have, as the election nears, limited their options by repudiating proposals once popular in the party, like boosting taxes on the rich and on investments." However, the Journal notes, "That isn't to say that Democrats don't want to make changes in tax policy if they win a majority in the House or Senate on Nov. 7, or that their influence won't be felt. They likely would block any attempts to extend estate-tax relief after 2010." The Journal goes on to report, Democrats "have said they would push for higher taxes on corporations, particularly oil companies, by eliminating breaks and urging a crackdown on 'loopholes.' Democrats say they would also likely try to steer any new revenue toward paying for extending tax breaks aimed at lower and middle-income families, like a child credit, the 10% rate for low-income families; and relief from the so-called marriage penalty. … Another tax issue for many Democratic lawmakers is relief from the alternative minimum tax." Democratic leaders "have moderated their rhetoric, at least somewhat, suggesting that Democrats could fund any desired spending increases with offsetting budget cuts, rather than tax increases."

Frank At Odds With SEC Regarding International Financial Regulations. The Financial Times (10/30, Grant, Yeager) reports, "Financial regulators on both sides of the Atlantic may not be able to resolve policy disputes through co-operation and the creation of a global regulator should be considered, according to" Rep. Barney Frank. The Times notes, "The views of the man widely expected take over the chair of the House financial services committee if the Democrats retake the chamber stand in stark contrast to those of the Securities and Exchange Commission, the financial regulator that the committee oversees. Christopher Cox, chairman of the SEC, has been at pains in recent months to highlight stepped-up co-operation with foreign regulators such as the UK's Financial Services Authority." Asked if a "supra-national regulator" is necessary, Fran said, "I don't know. At this point that's something to look into."

Survey Finds Many NIH Scientists May Resign Over New Ethics Guidelines. The Washington Post/AP (10/30, A15, Beamish) reports, "Nearly 40% of the scientists conducting hands-on research at the National Institutes of Health say they are looking for other jobs or are considering doing so to escape new ethics rules that have curtailed their opportunity to earn outside income. Most scientists say the ethics crackdown is too severe, and nearly three-quarters of them believe it will hinder the government's ability to attract and keep medical researchers, according to a survey commissioned by the government's premier medical research agency." The AP notes, "The tightened rules were put in place last year after NIH found dozens of scientists had run afoul of existing restrictions on private consulting deals that had enriched them with money from drug and biotechnology companies. … 39% of the scientists researching disease and cures — known as tenure and tenure-track scientists — said they actively were seeking new work or considering leaving NIH because of the rules." NIH Director Elias Zerhouni "said the survey 'does suggest concerns about the impact of the regulations on recruitment and retention.'"

Declassification Board Regarded As "White House Puppet." The Washington Times (10/30, Waterman, 88K) reports, "A panel set up last year to reduce excessive secrecy in government is being labeled toothless after its chairman told lawmakers that he could not act except

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at the request of the president. 'The statute under which we operate provides that [President Bush] must request the board undertake such a review before it can proceed,' wrote L. Britt Snider, chairman of the Public Interest Declassification Board, to Sen. Ron Wyden, Oregon Democrat. Government transparency advocates say that if the statute is interpreted that way, it makes the board, in the words of Steven Aftergood, of the Federation of American Scientists, 'a White House puppet.'" The Times notes the board "was established in law in 2000, after a 1997 recommendation from a commission headed by" Sen. Daniel Patrick Moynihan "'to promote the fullest possible public access to a thorough, accurate, and reliable documentary record of significant U.S. national security decisions and...activities.'"

Medicare Drug Benefit Changes Reportedly Causing Confusion. USA Today (10/30, Wolf, 2.27M) reports, "For…millions of other seniors and people with disabilities, it's time to learn again about Medicare's prescription-drug program. It was confusing the first time around. Now, there are even more plans to consider for 2007. The enrollment period begins Nov. 15 and ends Dec. 31, but officials say those who wait past early December could face delays. The lowest-priced premiums have risen considerably. Lists of covered drugs have changed, as have rules that must be followed to get coverage. And plans that last year provided continuous insurance throughout the year for all drugs now have a 'coverage gap' for brand-name drugs. Most plans have a gap that begins when total drug costs reach $2,250 and ends when the beneficiary has spent $3,600 out of pocket. For all those reasons, experts say, virtually everyone in the program should shop around." According to USA Today, "National advocates are beginning to hear complaints." Vicki Gottlich of the Center for Medicare Advocacy "says beneficiaries are finding their deductibles and co-payments rising, even if premiums are not."

Democrats Allege Medicare Handbook Is Biased Towards Private Insurers. The New York Times (10/30, Pear, 1.21M) reports Congressional Democrats "say a new government publication being sent to all Medicare beneficiaries inappropriately favors private insurance plans over the traditional government-run program. The publication, the 2007 Medicare handbook, 'presents a misleading and biased view of Medicare coverage and options,' the Democrats said last week in a letter to Michael O. Leavitt, the secretary of health and human services." According to the Times, "The Bush administration defended the handbook and said beneficiaries could save significant amounts…by enrolling in private health plans that provided a full package of benefits including doctors' services, hospital care and prescription drugs."

Boehner Says Social Security Reform Is Unlikely In The Short-Term. Bloomberg (10/30, Willis) reports House Majority Leader John Boehner said President Bush "may have a hard time getting his plans for overhauling Social Security and other entitlement programs through Congress in his last two years in office." Boehner, on ABC's This Week (10/29, Stephanopoulos) said, "We can't look at these big problems we have and think we're going to solve them in a very short period of time. … Until people truly understand the magnitude of the problem we're facing with the large entitlement programs, trying to talk about options for fixing them is premature."

AFSA Opposes Zeleny's Selection To Head Brussels PD Office. In his "In The Loop" column in the Washington Post (10/30, A15, 748K) Al Kamen writes, "State Department career diplomats are in an uproar over the recent appointment of a mid-level civil servant who worked for Undersecretary Karen Hughes to a top job running the new Public Diplomacy Rapid Response office in Brussels." AFSA President J. Anthony Holmes sent Secretary Rice "an unusually strong letter last week" in which he called "the selection of Diane Zeleny a 'pre-cooked deal,' apparently done by manipulating the process and violating personnel rules and standard practices. AFSA, he said, was filing a grievance 'to undo this assignment.'" Holmes claims "the job opening was never properly advertised. It was quietly announced at virtually the last minute in the personnel selection cycle, sources said, so there was no way top officers could apply for it." Department "officials" say "there was nothing untoward. The Brussels job wasn't created until the yearly State Department selection process was largely completed, and most people had already received their next posting. In addition, Hughes and Rice believe Zeleny is 'the right person for the job,' a spokesman said, 'and they have full confidence in her.'"

Beer Wholesaler PAC's Influence Evident In Underage Drinking Legislation. USA Today (10/30, Frank, 2.27M) reports, "When Congress returns Nov.

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13, one bill likely to get a vote is a measure to curb underage drinking. But the bill before the House is much different from the version lawmakers introduced last year. Gone are sections that urged the NCAA to ban alcohol ads during college sportscasts and that called alcohol 'the most heavily used drug by children.' Added is a sentence that could help beer distributors fend off challenges to state regulations that require them — and only them — to transport beer to retailers." The National Beer Wholesalers Association "takes credit for the additional line and worked with the alcohol industry to delete the other sections. The beer group's political action committee (PAC) is one of the top givers to congressional candidates for the Nov. 7 elections. … Since 1999, the beer wholesalers' PAC has given $8.6 million to federal candidates, exceeding donations by the American Medical Association, the American Bankers Association and the National Association of Home Builders for that period, according to the non-partisan Center for Responsive Politics, which tracks campaign funds."

OTHER NEWS:

Greenspan Among Economists Who Believe US Housing Market Stabilizing. The Wall Street Journal (10/30, A2, Hagerty, 2.03M) reports, "Just when the gloomier pundits were starting to enjoy the housing slump, optimists are piping up to declare it could be almost over." Former Federal Reserve Chairman Alan Greenspan "said in a speech last week that he detected 'early signs of stabilization' in the housing market. Some Wall Street economists also are saying the worst may be behind us." The Journal adds, "The maximum impact of falling home construction may have hit the U.S. economy in the third quarter, some economists say. But that doesn't mean the housing market is on the verge of a miracle recovery. Construction is expected to fall further as builders struggle to shed a glut of unsold homes. And many economists expect house and condominium prices to continue falling for at least an additional six months to a year in parts of the nation where speculators went wild."

Krugman Contends Housing Market Is "Still Way Out Of Line." The New York Times' Paul Krugman (10/30) writes, "Some say the worst is already over. Mr. Greenspan, who's been an optimist all the way, now argues that the latest data on new-home sales and mortgage applications suggest that housing has already bottomed out. … But I think the pessimists have a stronger case. There's a lot of evidence that home prices, although they've started to decline, are still way out of line. Spending on home construction remains abnormally high as a percentage of G.D.P., because banks are still lending freely in spite of rapidly rising foreclosure rates."

Employers Increasingly Pass Along Health Insurance Costs By Raising Deductibles. Time (11/6, Kingsbury, 4.03M) reports, "After watching health-care costs rise more than 60% in the past five years, most of America's 177 million insured workers are bracing for another dose of pain. As this November once again brings open-enrollment season…2007 looks to bring no relief. For the average employee, premiums and out-of-pocket expenses will reach $2,904 a year for a family, up $300 from 2006. That's the pass-along pain of the costs that employers now endure, nearly $9,000 per employee, up an estimated $518 from this year. Containing those costs is a new corporate imperative. … One antidote to the cost spiral: puny raises and fatter deductibles."

US News and World Report (11/6, Andrews) reports, "As healthcare costs have continued to climb-premiums rose 7.7 percent this year-employers have been shifting more of them onto workers' shoulders. … Annual deductibles of $1,000 or more are becoming more common. At the same time, benefits are shrinking."

New Home Prices Are Down More Than 15% Since April. US News and World Report (11/6, Markels) reports, "Since prices topped out in July, the housing downturn now underway in many parts of the country has already lopped $10,000, or 4.3 percent, off the median price of an existing home, the largest dollar decline the National Association of Realtors has ever recorded. Prices of newly built homes have slumped even more, sinking by 15.5 percent since their April peak, according to the Commerce Department. … While some areas like Houston and Seattle have bucked the trend, prices in once hot markets like Boston are now down by more than 10 percent from their high point."

Bush Rallies GOP Faithful At First Public Rally Of Campaign Season. The Financial Times (10/30, Daniel) reports President Bush "finally gave a new meaning to the word bully in his bully pulpit at the weekend." Bush "on Saturday starred in his first public rally of the mid-

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term elections. He rolled up his blue shirtsleeves to lambast Democrats as the party that would raise taxes and negotiate with terrorists. Selling his party's message in Indiana, the president resembled an old-fashioned revivalist. His evocation of Democratic sins spurred the crowd…into an ecstatic chorus of 'Amen', 'That's right', and one man spontaneously interjecting 'You're the man, George'. The official White House transcript showed that the speech was punctuated by 98 bursts of applause and 12 'boos' at the spectre of activist judges, House Democrat leader Nancy Pelosi and gay marriage." The Times notes, "Saturday's rally was pure White House stagecraft. The lone black person in the room, and a Hispanic couple, were positioned directly behind Mr Bush. Dozens of ostensibly handcrafted signs – including 'Moms for Mike' – were handed out by campaign aides." ABC World News (10/29, story 4, 2:30, Harris, 8.78M) reported, "This weekend rally in Indiana was the President's first of the campaign season. A sign, some say, candidates have been keeping their distance from the unpopular President. But Mr. Bush told 3,000 GOP activists this weekend that he's energized, excited and sensing 'grassroots enthusiasm.'"

The New York Times (10/30, Rutenberg, 1.21M) reports, "For all the talk about the political baggage that President Bush carries this year, his stop in Indiana on Saturday showed that he could still turn on — and, White House strategists say, turn out — the most faithful party voters. Women screamed his name, men chanted 'U.S.A.,' and no one doubted that the 4,000 people packed into a high school gymnasium for a rally in Sellersburg were primed to urge friends and neighbors to vote on Nov. 7 for Representative Mike Sodrel, who won his seat by just 1,300 votes two years ago." The Times notes, "The scene will repeat itself over and over before Nov. 7, as President Bush plunges into a blitz of rallies for embattled candidates. As the White House moves into its end game for this campaign, a crucial element is the use of the president to rally core voters in certain districts." According to the Times, "The appearances buck the conventional wisdom that Mr. Bush is such a pariah to Republicans that he cannot be of much use on the campaign trail."

Bush To Campaign In Georgia And Texas This Week. ABC World News (10/29, story 4, 2:30, Harris, 8.78M) reported President Bush, "even though he's viewed by many Republican candidates as a liability, will be hitting the trail hard this week." ABC added, "With the campaign in the home stretch and polls showing Republicans mounting a bit of a comeback, President Bush wants to make sure it isn't too little, too late. … Tomorrow, he's in Georgia and Texas. Tuesday, back to Georgia. A day off Wednesday. And then a seven-state sprint to the finish in a desperate attempt to hold the House." The New York Times (10/30, Rutenberg, 1.21M) reports President Bush's "two stops in Georgia on Monday and Tuesday are for two Republicans, Max Burns and Mac Collins, who are making headway in challenges against two Democratic incumbents, Representatives John Barrow and Jim Marshall, respectively. Mr. Bush is popular enough in those areas that the Democratic incumbents have tried to align themselves with him. … And then there are stops like the one on Monday in Sugar Land, for the seat that had belonged to Representative Tom DeLay." Bush won the district in 2004 "by nearly 30 percentage points, but the Democrat, Nick Lampson, is favored to win."

The New York Times (10/30, Blumenthal, 1.21M) reports, "Hoping against the odds to keep a prize Republican Congressional seat from falling to the Democrats next week," Bush "travels to his home state on Monday for a rally in the district long led by his Texas ally Tom DeLay." Bush is "the headliner for a Houston councilwoman, Shelley Sekula-Gibbs, who emerged only in August as the Republican choice for the 22nd Congressional District and who is running in two elections: the general election on Nov. 7 and a special election the same day to fill Mr. DeLay's unexpired term." She faces Democrat Nick Lampson, "who has been campaigning for more than a year and is favored to win." Ms. Sekula-Gibbs said, "The president is coming to rally the troops, and I am so thrilled." Asked if Mr. Bush's negative approval ratings could hurt her, she was indignant. 'Only a Democrat would say that,' she said. 'He's tremendous. I'm thrilled he's coming.'" The Times adds Lampson, "who lost his House seat in a neighboring district after the 2003 redistricting engineered by Mr. DeLay, has shored up his moderate credentials with endorsements from the Veterans of Foreign Wars and the National Rifle Association and has been beaming victory grins at campaign stops." The Times adds, "Discord broke out Friday after Ms. Sekula-Gibbs showed up inside a Sugar Land polling place where voters were casting early ballots, setting off charges by Texas Democrats and the Lampson camp that she had willfully broken the law by campaigning inside a polling place." Sekula-Gibbs "said she had been campaigning outside and

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briefly went in to use the restroom and inquire about voter turnout."

Rove's Confidence In GOP Prospects Sparks Commentary In Washington. The Washington Post (10/30, A1, Abramowitz, 748K) reports that by "many calculations, Democrats are ready to make big gains in the midterm elections, enough to take over the House and possibly the Senate. But White House Chief of Staff Joshua B. Bolten says there is one reason he is feeling upbeat amid so much Republican gloom." Bolten said, "I believe Karl Rove. Karl Rove, somewhere inside that massive brain of his, has figured out the political landscape more clearly than the entire collection of conventional-wisdom pundits and pollsters in the entire city of Washington." The Post adds that was "true for two elections in a row, in 2002 and 2004, and President Bush's senior adviser has insisted to West Wing colleagues and party faithful alike that it will be again. But Rove is just eight days from having his genius designation revoked -- or upgraded to platinum status." It is a "mark of the particular place Rove holds in the Washington psyche that even the most exuberant Democrats are wondering why he seems so confident." The Post adds Rove is "dismissive of the idea that the Republicans will lose the 15 House seats or six Senate seats required to cede control to the Democrats." On Tuesday, "when the White House hosted radio talk show hosts from around the country, Rove did at least 13 interviews. He was on the phone with Washington association executives with what one called 'happy talk' about voter-turnout metrics, polling data and campaign funding." Rove said, "I look at the individual races as clear-eyed as I can every single day, knowing what we are doing and knowing that we have the capacity to move the resources in if we need to do more. Incumbents are hard to defeat. Our candidates by and large have significantly more resources than they have. And we have succeeded in making these races choices between two local candidates." The Post adds, "Rove voices impatience with the notion that his own reputation is on the ballot," saying, "Look what has been set in motion -- a broader, deeper, strengthened Republican Party, and with an emphasis on grass-roots neighbor-to-neighbor politics, is going to continue."

Christian Conservative Support For Republicans Said To Be Eroding. The AP (10/30, Zoll) reports among the "many disturbing trends for Republicans this campaign season, one of the most troubling is the drop in support among white evangelicals." The number "of conservative Christians with a favorable view of the party has plummeted from 74 percent to 54 percent between 2004 and this year, according to the Pew Research Center for the People & the Press. Evangelicals comprise more than one-third of GOP voters." But analysts "say it's far too soon to write off the powerful Republican-evangelical alliance that helped the party dominate in the 2004 election." Conservative Christians "have been here before — disappointed that Republicans they helped elect failed to enact the evangelical agenda — yet they have consistently returned to the GOP. Even as they question the current Republican leadership, evangelicals are far more supportive than other Americans of President Bush and the party, the Pew Center found."

White House "Digital War Room" Provides Rapid Response To Bush Critics. USA Today (10/30, Jackson, 2.27M) reports, "Every weekday at 8 a.m., right after President Bush meets with senior staff, his communications team huddles in a second floor West Wing office to plan new moves in the information war. Rob Saliterman, the White House director of rapid response, fires salvos throughout the day. His weapons: e-mails." According to USA Today, the White House "digital war room blasts thousands of electronic messages each day, aimed at more than 2,000 targets. They include journalists, Republican staffers in government, radio talk show hosts, television bookers, Internet bloggers and what White House communications director Kevin Sullivan described as other 'interested parties.'" Sullivan is quoted as saying, "We call it rapid response, but we look at it as being on offense. We want to respond to things that are misleading before they become part of conventional wisdom."

Democrats Have 14-Point Generic Ballot Advantage In Newsweek Poll. On its website, Newsweek (10/28, Mabry, 3.12M) reported on the latest Newsweek poll, which shows President Bush's "approval rating continues a slow but steady climb -- from an all-time NEWSWEEK-poll low of 33 percent three weeks ago to 37 percent today. But it may be too little, too late: if the midterm elections were held today, 53 percent of those likely to go to the polls would vote for the Democratic candidate in their Congressional district versus just 39 percent who would vote for the Republican." But the poll "is not all bad news for the GOP. President Bush declared this week that the

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administration was putting the Baghdad government on notice that it had to make progress in stemming sectarian violence and rebuilding the country. Otherwise, Washington would consider changes to its Iraq policy." The strategy "worked -- at the margins. Almost half of all Americans still believe taking military action in Iraq was a mistake, but the gap between those who say it was and those who say it was the right decision has narrowed: from 54 to 39 last week to 49 to 43 this week -- from a 15-point margin to just six points." The Newsweek poll of 1002 adults (+/- 4%) was conducted over October 26-27.

Democrats Hope Moderate Candidates Will Aid Effort To Retake House. The New York Times (10/30, Dewan, Kornblut, 1.21M) reports that House Democrats have "have turned to conservative and moderate candidates who fit the profiles of their districts more closely than the profile of the national party." In North Carolina's 11th CD, Heath Shuler "is an evangelical Christian and holds fast to many conservative social views, like opposition to abortion rights." Rep. Ron Kind, "co-chairman of a caucus of centrist House Democrats," said, "My guess is that if Democrats are in the majority, it's going to be because of these New Democrat, Blue Dog candidates out there winning in these competitive swing districts." The Times adds that if "candidates like Mr. Shuler do help the Democrats gain majority control of Congress, it could come at a political price, which may include tensions in the party between its new centrists and its more liberal political base." While Democratic leaders "have gone to great lengths to promote the views of these candidates, some, like Mr. Shuler, have views on issues like gun control and abortion that are far out of step with the prevailing views of the Democrats who control the party. On some issues, they may even be expected to side with Republicans and the Bush White House." But if the "crop of moderate and conservative Democrats arrived on Capitol Hill as members of a Democratic majority, they would not have much power individually to change the face of Congress." Instead, "party veterans would remain in chairmanships and House leadership posts; several officials said they did not expect a moderate revolution to erupt or to threaten the position of Representative Nancy Pelosi of California as the Democratic leader in the House."

Midterms Portrayed As A Referendum On "Isolated" Bush. Time (11/6, Tumulty, Allen, 4.03M), in its cover story titled, "It's Lonely At the Top: How the election became a referendum on an isolated President--and how it is likely to reshape American politics," reports the midterm congressional election "has turned into a referendum on Bush himself--and on a policy in Iraq that has left him more isolated than at any other point in his presidency. … This midterm election is also turning out to be all about Bush, but it's a much lonelier experience for him. He still fills smaller rooms, especially the kind where people are willing to write five-figure checks for the privilege of lunch with a Republican President. And he's welcomed warmly in places where having local reporters point out Bush's difficulties provides a diversion from the candidate's own. But when Air Force One touches down in tightly contested congressional districts these days, it often turns out that the G.O.P. candidate there has discovered a previous commitment elsewhere." Time continues, "But Bush has lived by the political philosophy that when the crowd is against you, you just strut more boldly across the stage. That's why he held a news conference a few days ago to hug his war policy even tighter."

"Investor Class" Said To Be Abandoning Bush. US News and World Report (11/6, Pethokoukis) reports, "During the 2004 presidential election, about 46 percent of voters, according to polling by Zogby International, identified themselves as members of the 'investor class.' And this group voted for President Bush in a landslide over Sen. John Kerry, 61 percent to 39 percent." However, "A Zogby poll taken in mid-June, as the market rally was beginning, showed Bush with a 41 percent approval rating among investors. That's not so hot, but it was better than his 36 percent approval rating overall."

GOP's GOTV Efforts Said To Be Hampered By "Dispirited" Base. US News And World Report (11/6, Gilgoff) reports, "This year, facing its toughest political climate in over a decade…the GOP is counting on that get-out-the-vote machine more than ever. … Turnout this year is expected to be down by more than a third from 2004, which is why more than 20 GOP phone banks and volunteer centers across Pennsylvania have already contacted more than a million voters most likely to back [Sen. Rick] Santorum. … With only days to go, however, achieving that goal appears iffy, at best. The revved-up Republican base that staffed the election-eve blizzard of phone calls and door knocks in 2002 and 2004 as part of the GOP's '72-hour plan' now appears dispirited. At the Blue Bell phone bank, one volunteer called a

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half-dozen Republicans who'd expressed interest in joining this year's '72-hour task force' before finding a taker. The Democrats, meanwhile, say they've improved their ground game since 2004, when the Democratic National Committee's voter file-the road map for turnout efforts-was so glitch-prone that Ohio's Democratic Party couldn't access it until a week before Election Day. In dozens of close races nationwide, the ability of the GOP turnout effort to deliver again, or the Democrats' ability to best it, will determine the outcome next week-and, with it, which party controls Congress."

Cheney Tries To "Invigorate" Base With Assessment Of Clinton's 2008 Chances. US News and World Report's Washington Whispers column (11/6, Bedard, Marek) reports, "No, Vice President Dick Cheney wasn't losing his mind last week when he said Sen. Hillary Rodham Clinton is a formidable 2008 presidential candidate who can win. Insiders say he was telling the truth-and trying to invigorate his base in the GOP against a familiar but recently quiet foil. 'That was good for us,' says a Bushie. 'You'll see more of that.'"

Klein Says Democrats' Ads Have Bested "Exhausted" GOP's Attacks. In his column for Time (11/6, 4.03M) Joe Klein writes, "In recent weeks, the Republicans unwrapped another moldy chestnut, advertisements proclaiming that Democrats will raise taxes. But that didn't seem to be working either because voters were focused on Iraq and Mark Foley. And so last week the Republicans unleashed a series of ads painting the Democrats as sex-crazed, homosexual-loving, porn-perusing…perverts. It was vivid proof that the prospect of a hanging doesn't always concentrate the mind. Sometimes it leads to feral, piss-pants desperation." Klein concludes, "As a result, the political-advertising phenomenon of 2006: almost all of the best ads this year, in both the Senate and House races, have been Democratic counterpunches. Of course, it is easier to strike back at an exhausted opponent."

Older Southern Women Considered This Year's Key Constituency. Time (11/6, Calabresi, 4.03M) reports, "Call them the show-me moms. They may be this political season's equivalent of the soccer moms or the NASCAR dads. … This year strategists on both sides are focused on a small subset of females: white women over 55 in the South who were raised as Democrats but tend to be culturally conservative. The group eschews party loyalty in favor of candidates offering practical solutions to problems like education, security and health care and is 'very critical,' says a top G.O.P. strategist, in the deadlocked Senate races in Missouri, Tennessee and Virginia." Time notes, "While 54% of Southern women voted for Bush in 2004, a recent Associated Press poll found that only 32% of them approve of his handling of the war, compared with 36% of all Southerners. Republicans argue that they can hold these show-me moms by stressing the good economy and the moderate popularity of President Bush's prescription-drug program."

Social Issues May Have Outsized Impact On Several States' Elections. Newsweek (11/6, 3.12M) reports, "Next week Americans will head to the polls with national and international issues on their minds. Chief among them: Iraq, the top issue for 29 percent of voters in the NEWSWEEK Poll. … But a host of sleeper social issues, including abortion, same-sex marriage and stem-cell research will keep campaign 2006 interesting to the end." Newsweek goes on to report briefly on the Missouri stem cell amendment, the New Jersey gay marriage ruling, Michael Schiavo's campaign appearances on behalf of Democratic candidates and the referendum on South Dakota's abortion ban.

Bush's Criticism Of New Jersey Gay Marriage Ruling Noted. US News and World Report's Brian Duffy (11/6) writes, "Less than 24 hours after the New Jersey Supreme Court announced its ruling that gay couples are entitled to the same legal rights as heterosexuals, the president slipped a nifty reference to gay marriage into the top of his stump speech (tossing in, for good measure, that Democrats would raise taxes and leave America unprotected), and suddenly he had something to talk about besides Iraq that actually might help his reeling Republican brethren at the polls next week."

South Dakotans To Vote On Abortion Ban. US News and World Report (11/6, Halloran) reports South Dakota voters "will decide whether to overturn a nearly complete ban on medical abortions. … Activists on both sides are riveted by the bottom-line question…Can" the pro-life movement's "new sell persuade South Dakotans to endorse a state law that ignores a U.S. Supreme Court precedent and makes no specific abortion exceptions in cases of incest or rape, or when a mother's health is threatened? If the answer is no, then the probable conclusion-pending litigation of some sort-

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is that even abortion opponents aren't willing to so dramatically limit the rights of the mother. But if the answer is yes, then similar legislation is likely to move forward in other states, and so is a legal challenge that could reach the Supreme Court."

Voters Urged To Reject Marijuana Decriminalization Measures. In an essay for Time 911/6) neurosurgeon and CNN contributor Sanjay Gupta notes that Colorado and Nevada "are considering ballot initiatives that would legalize up to an ounce of pot for personal use by people 21 and older, whether or not there is a medical need. … True, there are health benefits for some patients. Several recent studies…show that THC, the chemical in marijuana responsible for the high, can help slow the progress of Alzheimer's disease. (In fact, it seems to block the formation of disease-causing plaques better than several mainstream drugs.) … But I suspect that most of the people eager to vote yes on the new ballot measures aren't suffering from glaucoma, Alzheimer's or chemo-induced nausea. Many of them just want to get stoned legally. That's why I, like many other doctors, am unimpressed with the proposed legislation."

Zogby Sees Potential For GOP To Peel Away Black Voters. US News and World Report's Washington Whispers column (11/6, Bedard, Marek) reports, "Pollster John Zogby is following a trend in next week's midterm elections that could have a huge impact in the 2008 presidential race: Will black Republicans win black votes? He thinks they will, just as when about 40 percent of the Hispanic vote moved into the GOP column in 2004, breaking the proverbial political barrier. He's focused on Maryland Senate candidate Michael Steele, the lone black Republican seeking statewide office who could win. What would it take? Zogby thinks if 20 percent or more vote Steele, it will represent a major shift away from the Democrats and signal what he's dubbed 'the Emerging African-American Icon.' It could have a huge impact in 2008. Just think, he says, if Secretary of State Condi Rice runs for president and gets 25 percent of the black vote to add to the Republican base. … And, he adds, let's say media favorite Illinois Sen. Barack Obama challenges Sen. Hillary Rodham Clinton. If he gets half of the black vote, which is 25 percent of the Democratic base, 'it thrusts him at least into the high second tier' of candidates."

Obama Characterized As "Wishy-Washy." US News and World Report's Gloria Borger (11/6) writes, "The reasons for Obama's popular appeal may well be his political flaw: He's reasonable. He looks for solutions. There is no enemies list. All good. Yet, his penchant for wishy-washy is well documented. He splits hairs, is noncommittal and overly judicial."

Iraq Is Key Issue In NM1. The Los Angeles Times (10/30, Barabak, 918K) reports, "New Mexico's 1st Congressional District is high on both parties' target lists in these final campaign days, as Democrats fight for the 15 seats they need to take over the House. More than $11.5 million has been raised and spent here by the candidates and their allies, a state record, and couch potatoes have been bombarded with more than 11,500 TV spots since July." Although Democrats "outnumber Republicans, the GOP has held the congressional seat for its entire existence, nearly 40 years. No incumbent has ever been defeated, not even in the big Democratic elections of 1974 and 1982." Still, "few places are better to watch the fight for control of Congress." Moreover, "as they run neck and neck, the two candidates personify the broad strategy of their respective parties." The war in Iraq "has dominated the campaign above all and presented the starkest contrast between the two candidates, just as it has in many races across the country." Wilson has "carefully sculpted an image of independence from Bush and GOP leaders in Congress, parting ways at various times on budget, healthcare and ethics issues." But she has "been unflagging in her support of the war, casting Madrid as inexperienced and dangerously naive when it comes to Iraq and terrorism."

MN1 Said To Highlight GOP's Difficult Political Environment. The Wall Street Journal (10/30, Rogers, 2.03M) reports the Minnesota 1st CD race between Republican Rep. Gil Gutknecht and Democrat Tim Walz "captures the struggle between Republican power in Congress and a grass-roots demand for change." Gutknecht is "a political survivor and force for the dairy industry as a senior member of the House Agriculture Committee. But in a district President Bush carried twice, the Republican Party and corporate allies are spending heavily to fend off" Walz, "a high-school teacher and political newcomer." Three "possible 2008 presidential contenders -- Republican Sen. John McCain and Democratic Sens. John Kerry and Barack

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Obama -- are all due here this week." McCain's appearance, "which his camp says is to help re-elect Gov. Tim Pawlenty, not Mr. Gutknecht per se, touches a nerve since Mr. Walz -- a retired National Guard master sergeant -- is a fellow veteran and has been attacked by Mr. Gutknecht for supporting immigration policies akin to the Arizona senator's." The "heart of" Walz's "campaign is just that: Everyman running for Congress. With his former National Guard artillery unit deployed in Iraq, Mr. Walz emphasizes the need for change in the war's strategy. But most of all, given the House's low standing in opinion polls and voter anxiety about America losing its way, he sees his candidacy as a wake-up call for Congress and the nation." In the 5th District, Keith Ellison, "an antiwar state legislator who would be the first Muslim ever in Congress, won the primary last month with the help of a relatively new Somalian immigrant population." Supporters "praise the young African-American attorney as a new voice for the party, but Mr. Ellison's history of parking tickets and tax liens have caused his candidacy to divide longtime allies such as former Vice President Walter Mondale and" outgoing Rep. Martin Sabo. In the 6th District, Democrat Patty Wetterling is "proving more resilient than Republicans expected against state Sen. Michelle Bachmann."

Longtime GOP Seattle Suburb Trends Democratic Over Stem Cell Research. The New York Times (10/30, Kantor, 1.21M) reports that for "as long as anyone here can remember, Bellevue has been a stronghold of socially liberal Republicanism. First, it was a prosperous Seattle bedroom community, then a technological boomtown, where employees of Microsoft and Internet start-ups consistently voted for fiscal restraint and hands-off government." But now, "voters here are accusing the party in power of overspending and overreaching — and when they do, they sound like people who write manifestos, not software code." Bellevue has "been growing more Democratic for several years, thanks to an influx of liberal voters and a professional class that is changing teams. This year, Bellevue may send its first Democrat to Congress. Darcy Burner, who even supporters admit is inexperienced, may unseat Representative Dave Reichert, a well-liked, longtime public servant, simply because constituents want Democratic control of the House of Representatives." In Bellevue, "the professional is political. Rather than religion or culture, what unites the diverse population — a quarter of residents are foreign born — are the values of their workplaces: technological innovation, accuracy, efficiency. And this year, one issue incenses them above all others: restrictions on embryonic stem cell research." For "many engineers and their ilk, restriction of stem cell research is what gay marriage is to conservative Christians, a phenomenon so counter to their basic values that they cannot vote for any candidate who supports it."

Pelosi Said To Be Symbolic Of US Political Divisions. The New York Times (10/30, Steinhauer, 1.21M) reports that with House Minority Leader Nancy Pelosi "in line to become the country's first female speaker of the House, she has emerged as a searing symbol of the country's deep partisan divide." For Republican strategists "laboring to maintain control of Congress, she is the personification of liberal lunacy, an Armani-clad elitist who will help push lawmakers toward an agenda of multicultural, tax-raising appeasement." But to "many Democrats, Ms. Pelosi embodies their raw antipathy for a Republican Party that has held them largely to the margins for more than a decade, and their hope that a Democratic Congress could make trouble for a president with whom they are at bitter odds." Pelosi said, "I wouldn't say I'm tough. I think I am firm and strong." The Times adds, "Indeed, her smile-while-she-gnaws-at-you style and her legislative prowess have gained her respect, if not good wishes, from colleagues and foes." Aided by "a highly partisan House, she has overseen the most uniform voting record of any Democratic caucus since the 1950s. Her steely strategy for sinking President Bush's plan to overhaul Social Security succeeded." Former House Majority Leader Dick Armey said, "I am a big fan. She is an able person and serious about her work and a very pleasant person with whom to work." Conceding that "he disagreed with Ms. Pelosi on everything that matters — 'She's misguided' — Mr. Armey added: 'You don't get to be minority leader without being intelligent. I'm no longer in office, so I am free to be a nice person. If I had been majority leader and said, 'I like Nancy Pelosi,' I would be crucified.'"

Pelosi Plans To Seek Lobbying Reform Measure On House. The Washington Post's Jeffrey Birnbaum, in his "K Street Confidential" column (10/30, D1) writes, "If Democrats gain the 15 seats they need to win control of the House…one of the first things the new House will do is restrict or end outright a slew of lobbying practices." House minority leader Nancy Pelosi "has promised to change the chamber's rules to reflect the provisions of her not-so-modestly-named

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Honest Leadership and Open Government Act of 2006. The months-old measure would, among other things, prohibit House members from accepting gifts and travel from lobbyists or from organizations that employ lobbyists. The Pelosi bill includes changes not only to House rules but also to federal laws. Any changes in law would have to be approved by the Senate and the president before they could take effect. But the House can alter its own rules anytime, and that's precisely what Pelosi proposes to do as the House's first official act next year -- after it selects her as speaker." Birnbaum notes, "Several of the proposals in Pelosi's bill (H.R. 4682, for you wonks out there) were wending their way through the system but died after lawmakers concluded -- incorrectly, it turned out -- that voters didn't care much about congressional 'corruption.' Pelosi's bill, with small modifications, was tested in the House and lost by just three votes."

Pelosi Is Viewed As A Moderate In Home District. The Los Angeles Times (10/30, Barabak, 918K) reports that to "much of the country, Nancy Pelosi is the liberal embodiment of a city as crazy as its near-vertical hills. But here at home, the Democratic House leader is seen as something else: sober, centrist and very much a part of the political establishment, for good or bad." For "five years, ever since she entered the congressional leadership, Pelosi has balanced the interests of 200-plus colleagues of varied philosophies with the demands of a district about as far left politically as it is geographically." In 2004, Sen. John F. Kerry "won 62% of the presidential vote at home in Massachusetts. Here, he garnered 85%." It is "easy to lampoon San Francisco as the world's largest open-air asylum, as conservatives, in particular, are wont to do. On Nov. 7, the day the nation decides control of Congress, voters here will weigh an initiative making it official city policy to seek the ouster of President Bush and Vice President Cheney. This after the pair ignored a ballot measure two years ago demanding an immediate U.S. withdrawal from Iraq." But San Francisco is "also a tough political town, more like New York or Boston than any West Coast city. Campaigns, a widely appreciated form of civic theater, are personal and often vicious."

Menendez Leads Kean By Six Points In New Jersey Senate Poll. The Bergen Record (10/30, Jackson) reports Democratic Sen. Bob Menendez "holds a six-point lead in the race for US Senate even though more New Jersey voters like and trust Republican Tom Kean Jr., a poll by The Record found." That "may be because New Jerseyans, by a wide margin, want Democrats to control Congress in January, the poll also found." Research 2000 pollster Del Ali said, "Any other political year, I think the Republicans win that seat. The only thing saving Menendez is the climate out there." The Record adds Menendez "led Kean 48 percent to 42 percent in the survey of 600 likely voters taken Monday through Wednesday." The poll "found voters believe Kean is more trustworthy by a 49 percent to 36 percent ratio, and they personally like Kean more than Menendez, 48 percent to 33 percent." But even "among people who consider Kean more trustworthy, 35 percent are voting for Menendez, apparently because other factors are more important."

The AP (10/30, Santana) reports Menendez "holds a slight lead over Republican Tom Kean Jr. in their Senate race with just over a week left before election day, a poll published Sunday found." Thirty percent "said the Iraq war was the most important issue in deciding their vote. Voters also want to see Democrats rather than Republicans control Congress, 53-35 percent." President Bush "remains unpopular, with only 37 percent saying he was doing an excellent or good job. Menendez's campaign strategy has been dominated by efforts to tie Kean to Bush administration policies, while Kean has painted Menendez as a corrupt politician."

Conservatives Predict Gay Marriage Ruling Will Boost Kean. The Washington Times (10/30, Fagan, 88K) reports, "Last week's New Jersey Supreme Court decision granting recognition to same-sex couples could energize concerned values voters, some activists say, in a heavily Democratic state where Republican Tom Kean Jr. is making a strong challenge to Sen. Robert Menendez. 'There'll be a backlash,' predicted Len Deo, president of New Jersey Family Policy Council." The Times notes New Jersey's state Supreme Court "ruled Wednesday that same-sex couples were treated unequally by the state and ordered the Legislature to correct this -- leaving open the question of whether the new status would be called 'marriage.'" Tom McClusky, vice president for government affairs at the Family Research Council, "said the decision 'could make a difference' for Mr. Kean, who said last week that he'd support a state constitutional amendment to protect traditional marriage."

NYTimes Endorses Menendez. The New York Times (10/30, 1.21M) says in an editorial, "In his race with

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State Senator Thomas Kean Jr., there is no question that" Democratic Sen. Robert Menendez "is the better choice." Kean "is the latest in what has become a very long line of second- and third-generation politicians hoping to achieve high office on the back of their parents' reputations. Many of his positions seem to come from a campaign playbook rather than conviction." Menendez "shows a much better grasp of the issues. In the House, where he was the third-highest ranking Democrat, he was an accomplished legislator. He opposed the resolution authorizing President Bush to go to war in Iraq, and he has been outspoken in criticizing the administration's conduct of the war." Menendez has "a history of ethical lapses that have been all too common for Democratic officials in New Jersey, especially for those, like him, who continue to take an active part in local party politics. If re-elected, the senator should make it clear he is giving up any role in the Hudson County Democratic organization."

Kennedy Questions Klobuchar's Honesty In Minnesota Senate Debate. The AP (10/30, Condon) reports Republican Mark Kennedy "questioned the honesty of his Democratic opponent Amy Klobuchar during a debate Sunday night, scaling up his rhetoric against her with ten days to go until the election." Kennedy "several times brought up the flap over a possibly stolen Kennedy ad that was leaked to the Klobuchar campaign, suggesting that Klobuchar waited several days before reporting the incident to the FBI; and what he claimed was the refusal of the Klobuchar-led Hennepin County Attorney's office to fully respond to Republican Party requests for information about the office's prosecution of criminals." Kennedy asked Klobuchar, "If you won't give Minnesota voters straight answers on these issues, why should they trust you in the U.S. Senate?" The AP adds Klobuchar "hit back by contrasting her response to the stolen ad to the response of Republican congressional leaders in the scandal surrounding disgraced U.S. Rep. Mark Foley, who recently resigned amid allegations of improper contact with underage House pages." Klobuchar said, "When I found out someone not from our campaign had improperly taken an ad, I immediately reported it to the FBI. That's more than I can say about the leadership of this Congress when they found out someone was soliciting pages."

Ford Calls RNC Ad "Smut." Rep. Harold Ford was asked on Fox News Sunday (10/29, Wallace) if he believes the ad run against him by the RNC featuring a white woman's references to a "Playboy party" is "playing the race card," Ford responded, "You'd probably have to ask Bob Corker and the Republican National Committee. I do know this. The…ad you showed was a piece of smut, and they should not have run that here. I don't know what would make Ken Mehlman or any national Republican believe that we in Tennessee would want to see something like that. … It's just unnecessary, out of line. And Tennesseans rejected it. … I think it was smut. I don't think race had anything to do with that ad. I just think it was an uncalled-for, despicable, inappropriate ad for children to be watching at 7 and 8 o'clock Central Time with their parents after dinner in the living room."

Mehlman Distances Himself From Controversial Ad. Asked on CBS' Face the Nation (10/29, Schieffer) to give his opinion on the controversial, allegedly racist, ad run by the RNC on behalf of Tennessee GOP Senate candidate Bob Corker, RNC Chairman ken Mehlman said, "The ad that you are talking about is an ad that is being run independently of the Republican National Committee. … The way that the law works, unfortunately -- it is a law that I think ought to be changed, and by the way it is a law in which people on both sides of the campaign reform think ought to be changed -- is that if I talk as I do on a regular basis to candidates like Mr. Corker, then the TV ads that are run beyond a very small limit are run independently of me. This ad is down. I'm pleased the ad is down. … My response to that ad is the same response Mr. Ford had, from the race perspective. I would not have put the ad up. I didn't think it was necessarily a racist ad. I'm glad it's down." Later Mehlman reiterated, "I'm glad it's down. I did not approve of it. The way the law works."

Santorum Alleges Casey "Hides From The Public." Yesterday, Fox News Sunday host Chris Wallace (10/29) noted that Pennsylvania Democratic Senate candidate Robert Casey was invited to appear on his program with his opponent Sen. Rick Santorum "but he was unavailable." Santorum, during his interview with Wallace, commented, "I think the people of Pennsylvania are beginning to understand that we need leadership in Washington, D.C., who is going to confront these things, who is not going to hide, as my opponent has. It's not surprising he's not on your show today. He's done virtually no interviews. He doesn't campaign at all. He hides from the public. He doesn't answer questions. It's because he has nothing to offer, and what he does have to offer, just sort of the old line,

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'let's raise taxes,' 'let's cut and run,' and I don't think that's going to sell on election day."

Allen's Gubernatorial Record Little Noticed In Race For Reelection. The Washington Times (10/30, Bellantoni, 88K) reports Republican Sen. George Allen "had hoped accomplishments such as parole abolition would define his candidacy and secure an easy re-election. Instead, calling an Indian-American staffer for Democratic challenger James H. Webb Jr. 'macaca' this summer thrust the race into the national spotlight and made it a neck-and-neck contest." Republican Del. David Albo said, "All this stuff he did as governor, it's absolutely unbelievable. But no one ever knows anything about that because all they hear about is 'macaca.'" The Times adds Allen's "good-natured public disposition and record have attracted national attention and prompted 215 Washington insiders to choose him in an April 2005 National Journal poll as the most likely 2008 Republican presidential nominee." But 177 "Republican and Democratic insiders in a recent National Journal poll agreed that he has run the worst campaign of any Senate candidate this fall."

Webb Said To Have Abandoned Principles In Senate Run. In a Washington Times op-ed (10/30), Milton Copulos, who served on the sculpture selection panel that chose the statue added to the Vietnam Veterans Memorial, says, "Jim Webb's transformation from the nominally conservative Republican who served as the Reagan administration's secretary of the Navy to a left-wing Democratic Senate candidate rivals St. Paul's conversion on the road to Damascus. Divine intervention, of course, is one possibility. A more likely explanation, however, is that the public persona Mr. Webb presents is actually a fabrication, as carefully crafted as any character in the novels he has penned." Webb "He once refused to shake John Kerry's hand, and in a 2004 USA Today editorial wrote that his 1971 Senate testimony had 'defamed a generation of honorable men.' Now he trumpets Mr. Kerry's endorsement. He once called the Clinton Administration among 'the most corrupt' in modern history in one of many attacks aimed at the former president. Now he has Bill Clinton host a fundraiser. Mr. Webb served in one of the most conservative administrations in American history. Today, he has embraced the entire agenda of the Democratic Party's far-left wing."

Steele, Cardin Clash On Iraq, Stem Cell Research. The AP (10/30, Wyatt) reports Republican Michael Steele and Democrat Ben Cardin "sparred over Iraq, abortion and stem cell research on Sunday, with the Republican saying the war is 'a mess' and states should decide abortion rights." Steele "said the situation in Iraq was not President Bush's fault and he faulted the Pentagon for poor planning." Steele said, "The Department of Defense did not give the president the kind of strategy to win this war." Asked "where the war stood now, he replied, 'I think the war in Iraq stands with a mess we have to fix.'" The AP adds Cardin "repeated his opposition to the war - he voted against authorizing the use of force - but said he opposed a deadline for withdrawal." Cardin has "said he thinks U.S. troops could be withdrawn by 2007, but said during the debate on NBC's 'Meet the Press' that the date is a goal, not a deadline." The candidates "also clashed on embryonic stem cell research. Steele defended his television ad in which his sister, who has multiple sclerosis, calls a Cardin ad tasteless because it airs an endorsement from actor Michael J. Fox, who has Parkinson's disease."

The Washington Post (10/30, A1, Mosk, Marimow, 748K) reports Steele "struggled to soften his long-held views on touchstone social issues yesterday after being challenged repeatedly on his conservative beliefs during his final televised debate in the campaign for Maryland's open U.S. Senate seat." The Meet the Press debate "put on display the stark differences between Steele and Democratic Rep. Benjamin L. Cardin as they enter their final week of campaigning." The two "spent half the debate clashing on the war in Iraq -- with Steele saying the conflict 'has been worth it to the extent that what we're trying to establish there is a beachhead of democracy.' Cardin called it a 'tragedy' and urged a gradual pullout of troops." But the "most dramatic exchanges came when host Tim Russert pressed Steele about his opposition to abortion and embryonic stem cell research, and about his long-standing support for President Bush. Such views don't typically sit well in heavily Democratic Maryland, and they have gone largely unmentioned by Steele during his year on the campaign trail." Steele "responded by telling Russert that he would not support a constitutional amendment to ban abortion and would support research conducted on embryonic stem cells, so long as the embryo is not destroyed." This "marked the first time in a series of debates that Steele has appeared on the defensive. During a televised forum last week, it was Cardin who was put on the

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spot about the route of Metro's proposed Purple Line and, more broadly, his knowledge of key issues in the Washington suburbs."

The Washington Times (10/30, Ward, 88K) reports the "decisive role that black voters will play in Maryland's U.S. Senate race was not mentioned." Steele said, "I would have liked to spent a little more time on ... an attitude in this campaign, where race has come into play." The Times adds Steele, "who in 2002 became the first black person elected to a statewide office in Maryland, must win over black Democratic voters to overcome the Democrats' 2-to-1 advantage in registered voters. That's possible, say the state's black leaders, because Democrats have taken their vote for granted." "Meet the Press" host Tim Russert "asked pointed, detailed questions about plans for U.S. troops in Iraq, stem-cell research, abortion, judicial nominees and whether Mr. Steele was a 'proud Bush Republican.' But Mr. Russert did not ask about the prospect of black Democrats, who make up about 40 percent of the state party, crossing party lines to vote for Mr. Steele." Russert said, "I don't do horse-race questions. Black voters have the same concerns as white voters, when it comes to the war in Iraq, stem-cell research, abortion, Supreme Court."

O'Malley Seeks To Boost Democratic Turnout In Montgomery County. The Washington Post (10/30, B1, Vogel, Wagner, 748K) reports both Democrats and Republicans "are pouring time and resources into capturing votes in Maryland's most populous county, and any hometown claim a candidate can make cannot hurt." With "273,234 registered Democrats in Montgomery -- more than twice the 125,534 Republicans -- it is a battle the Democrats can feel comfortable about winning. But the margin of victory will probably play a large role in determining the outcome of both" Democrat Martin O'Malley's "gubernatorial race against Republican Gov. Robert L. Ehrlich Jr. and the U.S. Senate race between Democratic Rep. Benjamin L. Cardin and Republican Lt. Gov. Michael S. Steele." Ehrlich and Steele "appeared in the county last week and say they hope to improve on their performance in 2002." O'Malley attended a rally yesterday "held before several hundred cheering and sign-waving supporters" that "was part of an effort to mobilize the Democratic base and to reach out to Democratic voters who do not normally vote in non-presidential election years. O'Malley was joined by all of the statewide candidates, including Cardin, as well as a large roster of county Democrats." Montgomery County Executive Douglas M. Duncan, "appearing with O'Malley for the first time since he dropped out of the Democratic primary for governor in June citing depression, was given a rousing welcome. In his remarks, Duncan criticized a new television ad for Ehrlich that includes disparaging remarks the county executive made about O'Malley before dropping out of the race."

Big Contributors Have Given Nearly $300 Million To 527 Groups. The Los Angeles Times (10/30, Simon, 918K) reports, "Unions, corporations and wealthy individuals have pumped nearly $300 million this year into unregulated political groups, funding dozens of aggressive and sometimes shadowy campaigns independent of party machines." The groups, "both liberal and conservative, air TV and radio spots, conduct polls, run phone banks, canvass door-to-door and stage get-out-the-vote rallies, with no oversight by the Federal Election Commission." Organized as "tax-exempt 'issue advocacy' committees, they cannot explicitly endorse candidates. But they can do everything short of telling voters how to mark their ballots." Because they "can accept unlimited donations from any source, the committees -- known as 527s -- have emerged as the favored vehicle for millionaires and interest groups seeking to set the political agenda." By far the "largest chunk of unregulated money -- nearly $60 million -- comes straight out of union treasuries and is used mostly to benefit Democratic candidates and causes. Conservatives are fighting back with multimillion-dollar donations from a California TV executive and the Texas developer who financed the Swift Boat ads."

The Washington Times (10/30, Pfeiffer, 88K) reports the Democratic and Republican Party leaders "continue to debate which issues -- and scandals -- will drive voters to the polls next week for midterm elections." On CBS' Face the Nation, RNC Chairman Mehlman said, "I think that there will be different issues in different districts. There are two kinds of overriding issues that seem to be applying in most districts, and one is the question of whether Americans want to see their taxes go up. ... The other question is, 'What do we do in the war on terror?'" The Times adds that during his "own CBS appearance, Democratic National Committee Chairman Howard Dean said his party would not raise taxes on all Americans and promised to fight a 'smarter' war on terrorism." Meanwhile, House Majority Leader John A.

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Boehner "said he doesn't think the Mark Foley congressional page scandal will hurt Republicans at the ballot box."

Romney Meeting With Christian Conservatives In Boston. US News and World Report's Washington Whispers column (11/6, Bedard, Marek) reports, "we hear that Massachusetts Gov. Mitt Romney is inviting conservatives-and especially Christian conservatives-to Beantown for 'cultivational' meetings and briefings on his 2008 Republican presidential campaign. Insiders say it's just like those treks to Austin many conservatives made to visit with George W. Bush before his run in 2000. If you think the Christian right would have a problem with a Mormon, you would be wrong. We hear he's wowing them just as he did last month when he spoke at the Family Research Council's 'Liberty Sunday' on protecting traditional marriage."

Celebrities No Longer Given Leeway In Politics. ABC World News (10/29, story 7, 3:00, Harris, 8.78M) reported, "In tonight's 'Sunday Spotlight,' when celebrities and politics collide. This morning on ABC's 'This Week with George Stephanopoulos,' actor Michael J. Fox responded to an attack from conservative radio host Rush Limbaugh. Celebrities have been politicking, mostly on behalf of Democrats, for years. But these days, it seems like increasingly, they are taking a beating." Michael J. Fox: "I don't want to react personally to these attacks. It's pointless. It's silly. It's, like, getting in a fight with a bully. But make no mistake, it hurts." Harris: "The man who Michael J. Fox is calling a bully, is Rush Limbaugh, who accused Fox of exaggerating the similar Thomas of his Parkinson's disease in this Democratic campaign ad." Fox "may have been caught off guard because while celebrities have been pushing political causes for decades, they are usually treated with more respect than, well, politicians." The "lesson -- in today's political climate, anyone who enters the arena, even popular and ailing celebrities, better come wearing armor."

Herbert Says Political System Is Broken. In his New York Times op-ed (10/30), Bob Herbert says, "If you pay close attention to the news and then go out and talk to ordinary people, it's hard not to come away with the feeling that the system of politics and government in the U.S. is broken. I spent the past week talking to residents in Chicago, southern Michigan and Indiana. No one was happy about the direction the country has taken, but not even the most faithful voters were confident that their ballot would make any substantial difference." The "politicians, special interests and the media are in a state of high excitement over next week's midterm elections. They are addicted to the blood sport of politics, and this is a championship encounter. But that excitement contrasts with what seems to be an increasing sense of disenchantment and unease that ordinary Americans are feeling when it comes to national politics and government. For far too many of them, the government in Washington is remote, unresponsive and ineffective." The "system is broken. Most politicians would rather sacrifice their first born than tell voters the honest truth about tough issues. Big money and gerrymandering have placed government out of the reach of most Americans. While some changes in the House are expected this year, the Brookings Institution and the Cato Institute tell us (in a joint report) that since 1998, House incumbents have won more than 98 percent of their re-election races."

Mallaby Says Corporate Scandals, Iraq War Sap Society's Trust. Sebastian Mallaby writes in the Washington Post (10/30, A17, 748K) says "You don't hear much about trust these days. Instead, we want accountability." That "shift" occurred "somewhere around 2003 or 2004. In the 1990s, after academics and pundits began talking about trust, the nation did actually become more trusting." Then, "some time after the Iraq invasion, these trends reversed," and "there's been a similar change in corporate America." Mallaby says "holding people accountable is a good thing," adding that "this season's negative campaigning can be seen (admittedly, with many despicable exceptions) as a healthy reaction to poor congressional performance." Trust, "when not abused, is nonetheless an asset," and "there are powerful reasons trust tends to decline and accountability advances. Mobile societies tend to have weak bonds; the Internet makes it easier to hold people accountable and encourages acerbic negativity." Mallaby concludes, "We've recently had a double opportunity," but "CEOs and politicians abused these gifts with scandals and incompetence. Such is the cost of corporate malfeasance and the Iraq war: Precious social capital is destroyed by leaders' avarice and hubris."

Wyoming Recruiting Drive Focuses On Michigan Workers. The Christian Science Monitor (10/30, Paulson, 58K) reports there is a "vanguard of a small, new migration westward," the result of "aggressive recruiting on the part of job-rich and labor-poor Wyoming." Employers in

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Wyoming "are hoping that many more follow. For nearly a year, several county economic development councils and companies have targeted Michigan, with its large pool of skilled blue-collar labor and dwindling jobs, to try and fill the state's thousands of job openings. They've conducted three job fairs and placed a huge billboard outside Flint, Mich: "Live and Work in Wyoming!" And they're having some success." Unemployment in Campbell County "is 1.7 percent - compared with 3.6 percent in the state and 7.1 percent in Michigan. And the mineral industry has given Wyoming a budget surplus of nearly $2 billion - evidence of which is seen in the new schools, civic centers, and infrastructure springing up." But the "growing population has sent housing prices soaring, and many newcomers have to wait months just to find a place that's available. Motels are filled with laborers, and many companies need to offer temporary housing to lure workers. The lower-paying service sector has also had a hard time finding and keeping workers, with so many better-paying jobs available."

Report Suggests Teen Pregnancy Has "Declined Sharply" Since 1991. USA Today (10/30, Koch, 2.27M) reports on the release of a report by the National Campaign to Prevent Teen Pregnancy suggesting that "teen childbearing has declined sharply since the early 1990s but remains costly to U.S. taxpayers, incurring a tab of least $9.1 billion in 2004." The study shows that births to teenage girls declined by one-third between 1991 and 2002, and "the abortion rate dropped even more, from 37 abortions per 1,000 teen girls in 1991 to 22 in 2002, the last year for which figures are available."

Georgia's Chief Justice Says Family Law Should Encourage Marriage. In an op-ed in the Washington Post (10/30, A17, Sears, 748K) entitled, "A Case For Strengthening Marriage," Georgia Supreme Court Chief Justice Leah Ward Sears asks, "Should law and society actively seek new ways to support marriage? Or should family law strive to be marriage-neutral by providing more rights and benefits to its alternatives, such as cohabitation and single parenthood?" She says "a family law that fails to encourage marriage ignores the fact that marriage has long been associated with an impressively broad array of positive outcomes for children and adults alike. Experts who contend that we need to move 'beyond marriage' say they are only responding to the facts. But here is one major fact: High rates of family fragmentation hurt children." Sears concedes that "many hard-working single parents do an excellent job of raising children, and they need our support, too. But I believe that building a healthy marriage culture in America is a legitimate concern for family law."

Sanford Credited With Holding Firm To Small Government Ideals. In a column for today's Wall Street Journal (10/30, A13, 2.03M), WSJ editorial board member Stephen Moore writes, "Just when you thought that there weren't any small-government conservatives left in the Republican Party, along comes South Carolina Gov. Mark Sanford, who may be the only politician in America this year under assault for governing as a fiscal tightwad. What's really unusual about Mr. Sanford's bid for re-election is that some of his most formidable adversaries are the old bull politicians in his own party." Because of Sanford's efforts, "the legislature went back and cut $16 million in earmarks. He has vetoed hundreds of spending bills, including the entire budget in 2004 and 2006 -- although almost all of these vetoes were overridden by -- who else? -- the state Republican House and Senate."

Dobbs' "Overheated" Defense Of The Middle Class Reviewed. The Washington Post's Christopher Lee (10/30) reviews "War On The Middle Class," by CNN's Lou Dobbs. Lee notes Dobbs "has carved a niche as a self-styled former Republican who refuses to sit by while big corporations, Congress and the Bush administration repeatedly take aim at the little guy in America. … Dobbs details his displeasure in 12 easily digested chapters, each taking on a different subject but all replete with overheated prose."

WPost Endorses Davis, Moran And Wolf. The Washington Post 910/30) endorses incumbent Virginia Congressmen Tom Davis, Jim Moran and Frank Wolf. Of Davis, the Post says, "Energetic, practical and astute, he is a deal-maker's deal-maker who has used his considerable clout as chairman of the House Government Reform Committee to good effect." The Post notes, "we have been critical" of Moran "whose past bouts of hot temper, atrocious judgment and ethical bumbling cast doubt on his fitness for office. Nor have we forgotten his pernicious remark that Jewish Americans bore special responsibility for leading the nation into war in Iraq. However, neither major party has come up with a viable alternative to Mr. Moran, and after

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more than two decades in public office…he appears unlikely to be dislodged.'

WPost Endorses Two Democrats For Statewide Office In Maryland. The Washington Post (10/30, 748K) endorses Democrat Douglas F. Gansler for Maryland attorney general and Democratic Del. Peter V.R. Franchot for Maryland's comptroller."

Yemen Arrests Eight In Alleged Al Qaeda Plot To Smuggle Weapons Into Somalia. The New York Times (10/30, Fattah, 1.21M) reports, "Security officials in Yemen have arrested eight men, including several Europeans and Australians, as well as a Somali, in what was described as a plot linked to Al Qaeda to smuggle weapons from Yemen to Somalia, Yemen's official news agency reported Sunday. Security officials said the men," Muslim converts "who were arrested Oct. 16, include three Australians, a Briton, a German, a Dane, a Somali and an eighth suspect of undisclosed nationality." The Times notes, "If the men are convicted, it may offer the most concrete link of a growing Qaeda presence in Somalia."

US, Allies To Hold Exercise Simulating Interdiction Of Nuclear Materials. The Washington Times (10/30, Kralev, 88K) reports, "The United States and five other countries will begin an exercise in the Persian Gulf today simulating the interdiction of a ship carrying nuclear materials to a state of 'proliferation concern' -- most likely Iran." US "officials said that Muslim countries will take part for the first time in a Proliferation Security Initiative (PSI) exercise, part of Washington's global effort to disrupt traffic in weapons of mass destruction and related materials. 'From news reports, we know that the exercise has gotten the attention of the Iranian government,' said Robert G. Joseph, undersecretary of state for arms control and international security. 'This is an exercise that will test our capability to intercept illicit traffic.'" The Times adds, "Also today, the United States and Russia will head the first meeting of an initiative to combat nuclear terrorism, announced by Presidents Bush and Vladimir Putin in July. The session will be held in Morocco, which the senior official said has 'very strong nonproliferation credentials' and whose participation will 'send the right signal' that this is not just a Western effort. The other participants will be Britain, China, France, Australia, Canada, Germany, Italy, Japan, Kazakhstan and Turkey, the official said."

Wiesel, Havel, Bondevik Assail North Korea's Human Rights Record. The AP (10/30, Harris) reports, "A Nobel prize-winning Holocaust survivor, an anti-Soviet dissident and a former European leader called Sunday for UN Security Council action on North Korea over its "egregious" human rights record." Elie Wiesel, "who survived the Nazi death camp at Auschwitz and later won a Nobel peace prize, commissioned a 123-page report detailing North Korean atrocities with dissident playwright turned Czech President Vaclav Havel and a former prime minister of Norway, Kjell Magne Bondevik." In the report, the three "said the dispute over the country's nuclear program should not eclipse deadly political repression there, but rather the council should open another path to influence North Korea by taking on leader Kim Jong Il's regime over its treatment of the country's 23 million people."

AFP (10/30, Parameswaran) reports, "The trio commissioned the report because they felt that 'for far too long, the security threat posed by North Korea has relegated the human rights concerns in the impoverished country to a second-class status.'"

In the New York Times (10/30, 1.21M), Havel, Bondevik and Wiesel write, "For more than a decade, many in the international community have argued that to focus on the suffering of the North Korean people would risk driving the country away from discussions over its nuclear program." But "with his recent actions, North Korea's leader, Kim Jong-il, has shown that this approach neither stopped the development of his nuclear program nor helped North Koreans. It is time, therefore, for a renewed international effort to ameliorate the crisis facing the country's citizens. And with the unanimous adoption by the United Nations Security Council of the doctrine that each state has a responsibility to protect its own citizens from the most egregious of human-rights abuses, a new instrument for diplomacy has emerged."

Former State Department Korea Expert Says Bush May Accept Bilateral Talks. Bloomberg (10/30, Koo) reports comments by former State Department official Kenneth Quinones that may bow to political pressure from within the U.S. and agree to direct talks with a nuclear-armed North Korea." He is quoted saying, "President Bush doesn't change his policy because of external pressure. If he's going to change in the near future, it's because of domestic political

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pressure." He went on to say that "failure by the Republican Party to keep control of Congress in elections on Nov. 7 will probably encourage Bush to begin direct negotiations." He later added that "one possible compromise is over $24 million of North Korean funds frozen at Banco Delta Asia in Macau, China, after the U.S. Treasury Department in September last year designated the lender as a money-laundering threat. 'The Treasury Department flatly rejected the idea. If it comes to a choice between Washington accepting that compromise and allowing the transfer of funds, or war, everybody will push Washington to take the compromise offer.'" Quinones also said "he does not expect Japan, Taiwan or South Korea to begin nuclear weapons programs while the international community to trying to revive negotiations."

Israelis Encouraged To Join Golan Settlements. A 1,586-word story on the front page of today's Washington Post (10/30, A1, Wilson, 748K) details efforts by Israeli settlers in the Golan Heights to bolster their ranks through recruitment. "The high-end beer and view of the Sea of Galilee are designed to appeal to Israeli yuppies, who are being encouraged more aggressively than ever to move to [the] rugged plateau seized from Syria in the 1967 Middle East war." The Israeli-Hezbollah war "has revived the decades-old contest over the Golan Heights. This latest phase is also being shaped by demographic changes." The Times adds, "For years, the Israeli military discouraged civilian settlement in Golan, particularly along the frontier with Syria, for fear the area would emerge again as a battlefield. Some small Israeli settlements were established there anyway, but in the past 15 years all new growth has occurred within existing settlement boundaries rather than in new areas."

Israeli Labor Party Will Remain In Olmert's Coalition. The AP (10/30, Lavie) reports, "Israel's dovish Labor Party bent its ideology Sunday and voted to stay in Prime Minister Ehud Olmert's government, despite his intention to add an ultra-hawkish party to his ruling coalition." Their "vote clears the way for Olmert to bring hard-liner Avigdor Lieberman and his party into the government, giving the premier a large cushion of parliamentary support with the approach of crucial votes, including the state budget." Labor MPs endorsed the position of Defense Minister Amir Peretz "that it was better to stay in the government and influence policy than to wither away in the parliamentary opposition. Peretz denounced Lieberman's policies." Opposing Labor MPs "argued that Labor would be committing electoral suicide by sitting at the same Cabinet table with Lieberman and his hawkish Yisrael Beiteinu Party."

Katsav Urged To Step Aside. The New York Times (10/30, Myre, 1.21M) reports, "Israel's attorney general said Sunday that President Moshe Katsav should temporarily step aside while prosecutors decide whether to charge him with sex crimes." Katsav "has come under intense pressure to resign, or at least to suspend his official duties temporarily, and the remarks by the attorney general, Menachem Mazuz, made the president's position appear even more tenuous."

Nigeria's Muslim Leader Among Dead In Plane Crash. The Financial Times (10/30, Mahtani) reports, "Nigeria's top Muslim leader, at least two senators and a state deputy governor were killed on Sunday when a passenger aircraft crashed shortly after take-off from the capital Abuja. The crash, involving the local ADC Airlines, is Nigeria's third big civil aviation disaster in the past year." The "death of Muhammed Maccido, who is otherwise known as the Sultan of Sokoto, [is sending] shockwaves through the mainstream Islamic community in Nigeria, where half of the estimated 140m population is Muslim." The Times calls him "an influential figure among the Nigerian political elite and normally would have been expected to play a role in" selecting a Muslim to run for president next year. "Muslim leaders will be expected to elect a new sultan after a period of mourning, and the appointment of a successor will be followed with interest by political forces in the north."

ABC World News (10/29, story 3, 1:55, Brown, 8.78M) reported, "The Boeing 737 operated by the private domestic airline ABC, had taken off in a storm with 104 passengers and crew. Five minutes later it crashed to the ground. Only the tail section and part of the fuselage remained intact. Among the dead was the spiritual leader of Nigeria's 65 million Muslims. The Sultan of Sokoto was seen as a peacemaker in the violent, oil-rich nation. According to early reports, the plane was brought down by high winds. The Nigerian aviation minister told ABC News that the pilot was told not to take off."

The Washington Post/AP (10/30, A12, Adigun) says the jet "slammed into the ground moments after takeoff Sunday," killing 98 of the 104 people on board. "Among those killed was the man regarded as the spiritual leader of Nigeria's

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Muslims, and thousands of people gathered at a regional airport to receive his body."

The New York Times (10/30, Polgreen, 1.21M) reports the "death of the sultan leaves Nigeria's Muslim population without one of its most prominent voices against interreligious conflict as the country enters a contentious period leading up to elections next year. Mr. Maccido was crucial in calming religious tensions in 2002," and next year's "presidential election is likely to fan these flames again as the largely Muslim north and the largely Christian south battle over which region the country's next president will come from." The Times adds, "Despite its vast oil wealth — Nigeria is the world's sixth-largest oil exporter — its infrastructure is crumbling, and traveling even a few hundred miles by road takes more than a day."

Israel Said To Be Once Again Considering Huge "Moat" Along Border. Newsweek (11/6, Peraino, Chen, 3.12M) reports, "In search of a creative way to stop militants and weapons smugglers from infiltrating across the Egypt-Gaza border, Israelis are talking about building a six-mile moat filled with Mediterranean seawater along the southern boundary. The plan was first considered seriously in 2000; in 2004 the Defense Ministry even opened bids for construction. But the project was dropped after government legal experts feared it would require destroying hundreds of Palestinian houses along the canal route. … After this summer's conflicts…the idea has gained new currency. Nervous Israelis are eager to put distance between themselves and their enemies."

US Officials Reportedly Upset By North's Anti-Ortega Speech In Nicaragua. Newsweek (11/6, Isikoff, Contreras, 3.12M) reports, "The Bush Administration is increasingly worried that ex-Sandinista leader Daniel Ortega…may prevail in the first round of Nicaragua's presidential election Nov. 5. But it wasn't happy when another Reagan-era figure flew to Managua to rally opposition to Ortega. In a speech to a group of old anti-Sandinista rebels, Iran-contra figure Oliver North compared an Ortega victory to the seizure of power by Mussolini and Hitler -- and charged that Venezuelan President Hugo Chávez was behind Ortega. The visit blindsided officials in the U.S. Embassy, who demanded to know why North was stoking old passions. North said he was simply responding to an invitation from his old contra pals, who wanted to give him an award." Newsweek adds, "Bush officials are worried that Chávez is backing Ortega financially. The Venezuelan president has signed a deal to provide low-cost oil to Sandinista mayors as a way of boosting Ortega's campaign. The prospect of another leftist taking power in Latin America prompted Commerce Secretary Carlos Gutierrez to warn that an Ortega triumph might endanger a free-trade treaty with the United States."

Fox Orders Federal Police To End Siege Of Oaxaca. The Financial Times (10/30, Thomson) reports Mexican President Vicente Fox ordered federal police "into the southern state of Oaxaca in response to growing levels of violence that has turned the once-popular tourist destination into a virtual war zone." The deployment of 3,000 federal officers "is the latest reminder of how far things have spun out of control from what initially began in May as a strike by teachers who were demanding more pay." The Times calls violence in Oaxaca "the biggest test of [Fox's] ability" to end his presidency on December 1 on a high note.

The Washington Post and Washington Times (10/30, A14, Stevenson, 88K) run an AP story that notes the police "backed by armored vehicles and water cannons tore down barricades and stormed embattled Oaxaca on Sunday, seizing control of the city center from protesters who had held it for five months. With helicopters roaring overhead, police earlier entered the city, normally a picturesque tourist destination, from several sides. They marched up to a final metal barrier blocking the center, but pulled back as protesters armed with sticks attacked them from behind, hurling burning tires. The air filled with black smoke and tear gas."

The New York Times (10/30, Lacey, 1.21M) says the police "moved to take back [the] picturesque tourist town one cobblestone street at a time on Sunday, bashing through barricades and pushing back activists who had seized the downtown five months ago in an increasingly ugly dispute with the state governor." The action, "ordered by President Vicente Fox in his final month in office, did not become the bloodbath that many had feared." The Times adds, "Over the past two decades, as Mexico's political system has opened up, brutally poor Oaxaca has remained a virtual one-party state, controlled by the Institutional Revolutionary Party, the machinelike organization that ruled the entire country until Mr. Fox's victory in 2000." The Los Angeles Times (10/30, Enriquez, Johnson, 918K) also reports the story.

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Brazilian President Reelected Easily. The Wall Street Journal (10/30, Moffett, Samor, 2.03M) reports, "Using charisma and a common touch to overcome corruption scandals, President Luiz Inácio Lula da Silva easily won a second four-year term in Brazil's balloting." Calling Silva "a pragmatic leftist who gained respect from financial markets in his first term," the Journal notes he held a 20-point lead over Gerald Alckmin through nearly all of the voting counting. Silva "will face a formidable challenge to heal the rifts left by a bitter, bruising campaign that played on class and regional differences. Fallout from the electoral fight, including a criminal investigation of alleged smear tactics by operatives of Mr. da Silva's Workers Party, could undercut Mr. da Silva's ability to push the legislative changes needed to spark Brazil's slow-growing economy."

The New York Times (10/30, Rohter, 1.21M) says Silva won by "overcoming a series of corruption and political scandals that tarred his image and undermined his credibility." His "luster began to fade a year later, when an aide was caught on film soliciting campaign donations from numbers-game kingpins," and the "metastasizing scandals forced the resignation of Mr. da Silva's chief of staff and his minister of finance, as well as the president, treasurer and secretary general of the party Mr. da Silva founded in 1980 and has led ever since." The Times adds, "As is often the case, the candidates' personalities also played a part in voters' calculations. Mr. da Silva never passed up an opportunity to refer to his humble origins, similar to those of a majority of the electorate, while Mr. Alckmin, a physician whose specialty is anesthesiology, proved unable to shake his image as a bland and somewhat pedantic son of the middle class." Alckmin's percentage of the vote dropped slightly from the first round to the second round.

The Washington Post (10/30, A12, Reel, 748K) says, "Brazilians cast a vote of confidence for [Silva] on Sunday, granting a landslide victory to the former union leader whose first term was marked by a significant reduction of poverty and by corruption scandals that implicated some of his closest aides." Alckmin "had pinned much of his election hopes on the scandals," and his "promises of lower taxes and more rapid growth of the gross domestic product also failed to energize voters. That the economy grew by only about 2.5 percent last year -- one of the most sluggish rates in Latin America -- seemed less important to many voters than the lowered inflation and currency gains of the past four years." A widely carried AP (10/30, Lehman) story adds Silva "brushed aside corruption allegations and won re-election in a landslide as Brazilians rewarded their first working-class leader for diminishing grinding poverty and improving the economy of Latin America's largest nation." The Financial Times (10/30, Wheatley), Los Angeles Times (10/30, McDonnell, Soares, 918K) and McClatchy (10/30, Chang), among other sources, also report on the Brazilian election.

With Gore As Adviser, UK's Brown To Launch Massive Effort Against Warming. The Financial Times (10/30, Adams, Burns) reports, "Gordon Brown will on Monday throw his weight behind a massive expansion of carbon trading to tackle global warming, rather than raising billions of pounds in green taxes. The chancellor, flanked by Tony Blair, will use Monday's release of a report by Sir Nicholas Stern, former World Bank chief economist and a senior UK civil servant, to propose a sweeping overhaul of Europe's fledgling emissions trading scheme, arguing that climate change is 'a global challenge that requires a global solution.'" The Times also reports that "in an effort to push climate change up the international agenda, the chancellor will appoint Al Gore, former US vice-president and an environmental campaigner, as an adviser on green issues." In a letter to European Union leaders, "the chancellor will propose cuts in carbon dioxide emissions of 30 per cent by 2020 and of 60 per cent by 2050."

The Washington Times (10/30, Jones, 88K) notes the report urges British consumers "to prepare for new 'green' taxes on cars, fuel, air travel and consumer electronics to curb pollution and avert a looming global catastrophe caused by climate change. … Ministers plan to use the report to pave the way for 'eco-taxes' to persuade people to adopt less-polluting lifestyles. A start is likely to be made in the federal budget in the spring."

The New York Times (10/30, Revkin, 1.21M) says "the main findings of the 16-month study, led by Sir Nicholas Stern, the chief of Britain's economic service, were described over the weekend in several British news reports. … The Observer, a British newspaper, reported that the study cited a figure of £3.68 trillion (the equivalent of $6.98 trillion) as the cost to society of failing to start blunting global warming within a decade."

WSJournal Notes Belgium Has Named New Environmental Tax After Gore. The Wall Street Journal (10/30, A12, 2.03M) editorializes, "Al Gore may have failed to carry his home state of Tennessee as a Presidential

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candidate, but the former Vice President is all the rage in...Belgium. The country has even named a tax after him. Earlier this month, Mr. Gore spent a day in Brussels to promote his film on global warming. … Within days, Belgian politicians were rewriting their tax laws to do something about this looming calamity." Prime Minister Guy Verhofstadt "invoked his American visitor in proposing a new 'environmentally friendly' tax on packages that would penalize users of aluminum or plastic and provide incentives to switch to paper or cardboard, whose production releases less CO2 into the atmosphere. The details have yet to be worked out, but the idea is for milk sold in, say, a plastic bottle to cost more than milk sold in a cardboard container. … The measure, introduced into the draft 2007 budget, was fast dubbed 'the Gore tax.'"

Serbian Constitutional Referendum Results Expected Today. The New York Times (10/30, Wood, 1.21M) reports, "Estimates by an independent election monitoring group showed Sunday that a vote on Serbia's new constitution was too close to call." The Center for Free Elections and Democracy "said its survey showed that 52 percent of voters had approved the document, with a margin of error of two percentage points, making the estimated victory margin statistically insignificant. The proposed constitution needed support from more than 50 percent of voters to pass." The Times adds, "One of the most discussed provisions of the 206-article constitution declared that the province of Kosovo is an 'integral part of Serbia.' The declaration was symbolic, because the fate of the province lies with the United Nations Security Council, which is likely to vote to enable Kosovo's independence." The document "was drafted and supported by nationalists and pro-democracy reformers in Parliament. Many reformers supported [it] despite its flaws because they wanted to make clear to Serbs that they were doing everything they could to hold on to" Kosovo.

The AP (10/30, Kratovac) notes Serbian government claims that the constitution was approved by voters. "Election officials and an independent commission also predicted the charter's adoption, based on early returns from the weekend referendum. But official results were not expected until Monday." While "Western diplomats had already warned that only the international talks can decide the future of Kosovo," some "Serbian politicians hope the new charter will bolster their bargaining position. Ethnic Serbs consider Kosovo the historic and cultural heartland of their nation."

Bulgaria's Purvanov Wins Runoff Vote Easily. AFP (10/30, Simeonova) reports Bulgarian President Georgy Parvanov "won re-election with an unassailable lead in his run-off battle against ultra-nationalist challenger Volen Siderov, the central electoral committee said based on partial results." Purvanov led Siderov throughout the vote counting, and appears to have received over 75 percent of all votes." He "is the first Bulgarian president to be re-elected since the fall of communism in 1989, and is now all but certain to fulfill his dream of presiding over the official entry of his Balkan nation into the European Union on January 1. Support for the youthful 49-year-old leader has surged since he first took office in 2001, making him Bulgaria's most popular and trusted politician."

Ortega's Opponent Says US "Intervention" Helping Sandinistas. Jose Rizo, former vice president of Nicaragua and currently a presidential candidate, writes in the Washington Times (10/30, 88K), "Many observers of the political situation in Central America are deeply concerned about the upcoming Nicaraguan election because former President Daniel Ortega is leading in most polls. Although Mr. Ortega and the rest of his Sandinista colleagues claim to have learned from their mistakes, many Nicaraguans are rightly convinced that if the Sandinistas win the election they would revert to their failed leftist policies of the past. Most polls show that the election is a tight race between Mr. Ortega and myself." Rizo adds that "the most surprising development in this Nicaraguan political fight is the strong intervention of Bush administration. It has been misled by the [current President Enrique] Bolanos administration and their key cronies who are desperate to hold onto power. This confusing and troubling US involvement in this election is so transparent that many prominent US citizens have felt compelled to openly call for a more neutral American policy. Unfortunately, as it did with Iraq, the Bush administration is receiving its information from biased exile leaders and misguided policy experts. … It is not too late for the Bush administration to declare its neutrality in the upcoming election and its willingness to work with any democratically elected government. Unless it does so within the next 10 days, it might actually help cause what it fears the

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most: the election of Daniel Ortega as president of Nicaragua."

In a syndicated column appearing in today's Washington Post (10/30, A17, 748K), Robert Novak writes, "The looming political fiasco in Nicaragua comes as no surprise. Adolfo Calero, a Washington-based contra leader in the '80s, returned to the US capital in April to issue a warning. He asserted that tacit US...opposition to Rizo was a horrendous political error and that the only hope to hold off the Sandinistas was to support Rizo. But official doors were closed to Calero."

US Purchases Only Domestic Condoms For Distribution In Africa. The New York Times (10/30, Dugger, 1.21M) reports, "Alabama's condom production has survived an onslaught of Asian competition, thanks to the patronage of straitlaced congressmen from this Bible Belt state. Behind the scenes, the politicians have ensured that companies in Alabama won federal contracts to make billions of condoms over the years for AIDS prevention and family planning programs overseas, though Asian factories could do the job at less than half the cost." Sen. Jeff Sessions "has quietly pressed to maintain the unqualified priority for American-made condoms and is likely to prevail if the past is any guide." The Times goes on to report, "Britain, Ireland and Norway have all sought to make aid more cost effective by opening contracts in their programs to fight global poverty to international competition. The United States, meanwhile, continues to restrict bidding on billions of dollars worth of business to companies operating in America, and not just those that make condoms." The Times notes Randall Tobias, head of Usaid, "declined through a spokesman to be interviewed on this topic. His predecessor, Andrew Natsios, sought to weaken the hold of what he sometimes called a cartel of domestic interest groups over foreign aid."

WSJournal Says Talk Of US Tariffs Encourages Chinese Protectionism. The Wall Street Journal (10/30, A12, 2.03M) editorializes, "If US politicians think they can impose trade barriers without consequences for American economic interests, they should take a look at China these days. Beijing is reacting to America's talk of tariffs and limits on foreign investment by imposing new restrictions on foreign investment in that country." Thus, adds the Journal, "American politicians shouldn't give Beijing politicians any more protectionist episodes to emulate."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Shots, Eggs, Embryos And A Big Dose Of Hope."
"Unregulated Groups Wield Millions To Sway Voters."
"Sex Crime Residency Laws Exile Offenders."
"Healthier Respect For Herbs."
"Benefactor's Final Gift Shakes A Foundation."
"Mexican Police Storm Protesters In Oaxaca."

New York Times:

"U.S. Is Said to Fail in Tracking Arms for Iraqis."
"Budgets Falling in Race to Fight Global Warming."
"At Gallaudet, Trustees Give Up on New Leader After Protests."
"In Key House Races, Democrats Run to the Right."
"Fears of Inquiry Dampen Giving by U.S. Muslims."
"A Sheik's Thoroughbred Kingdom Grows on the Kentucky Bluegrass."

USA Today:

"Army Reviews Soldiers' Deaths."
"Old Cattle Crime Rears Its Head Again."
"'Partial-Birth' Cases Test Abortion Rights' Limits."

Washington Post:

"Gallaudet Board Rescinds Fernandes's Appointment."
"In D.C., It's Big Names Vs. A Litigious Developer."
"When the War Comes Home."
"Social Issues Have Steele On The Defense."
"A Campaign For Settlers In Golan Heights."
"Midterms May Define Rove's Legacy."

Washington Times:

"Democratic majority ready To Do battle Over Iraq."
"Gunmen Kill 19 Iraqis From Cop Academy."
"Gallaudet's Board Oust Fernandes."
"Colorado Faces Gay Split Decision."
"Firm Test DNA OF 9/11 Victims."

Detroit Free Press:

"Iron Drives Leader For Ban."
"The Emotions OF The 29th Free Press Marathon."
"Cranbrook Gets Record Gift."

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"Uncle Sam Wants You To be Warned."

Atlanta Journal-Constitution:

"Debate Turns Personal."
"Weapons From U.S. To Iraq Missing."
"NASCAR's Recipe For Success."
"Rights Museum's Focus Could Be Broad."

Houston Chronicle:

"Write –In Tightens Race In District 22."
"Official Border Arrest Dropping."

Story Lineup From Last Night's Network News:

CBS: California Wildfires; Powerful Storm; Nigerian Plane Crash; Bush Hits Campaign Trail; Campaign 2006-Democrats & Iraq; Voting Machines; Michael J. Fox Interview; Walking For The Troops; Halloween Movies.
ABC: Preempted By Football.
NBC: Preempted By NASCAR.

Story Lineup From This Morning's Radio News Broadcasts:

ABC: Iraq-Sadr City Bombing; Iraq-US KIAs; Pakistan-Al Qaeda-Linked Training Facility Destroyed; Iraq-Midterms; Nigeria-Plane Crash; FL-Bus Hijacking.
NPR: Iraq-US KIAs; Iraq-Sadr City Bombing; Saddam Trial; Pakistan-Al Qaeda-Linked Training Facility Destroyed; Oaxaca, Mexico-Violent Protest; Brazil-Presidential Election; Bush-Midterm Campaigning; St. Louis World Series Celebrations; US Cities-Danger Rankings.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Georgia Victory 2006 Rally, Georgia Southern Universitym Statesboro, Ga.; Texas Victory 2006 Rally, Sugar Land Regional Airport, Sugar Land, Texas.

VICE PRESIDENT CHENEY — No public schedule.

LAURA BUSH — Delivers remarks at a Pennsylvania Victory 2006 Rally. The Great Hall, 1003 Perry Highway, Pittsburgh, PA, open press; delivers remarks at a New Hampshire Victory 2006 Rally, the Executive Court Banquet Facility, 1199 South Mammoth Rd., Manchester, NH, open press.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: US-AFGHAN BUSINESS _ Afghan-American Chamber of Commerce and Afghanistan International Chamber of Commerce hold annual US-Afghan Business Matchmaking Conference 2006. Location: Four Seasons Hotel, 2800 Pennsylvania Ave. NW.

US-ARAB RELATIONS _ The National Council on US-Arab Relations sponsors the 15th annual Arab-US Policymakers Conference. Highlights: 12:30 p.m. Keynote Speaker: ``A Vision for the Future of U.S. Saudi Relations" -- Prince Turki Al Faisal, Ambassador of Saudi Arabia to the United States of America. 5 p.m. Reception at Ronald Reagan Center. Location: Ronald Reagan Building, 1300 Pennsylvania Ave. NW.

AFGHANISTAN-BUSINESS _ 9 a.m. Representatives of major U.S. corporations, development organizations, and government agencies convene for the US-Afghan Business Matchmaking Conference, kicking off the second Afghanistan Investment Support Agency (AISA) US promotional road show, ``Investing in Afghanistan: the Heart of Asia." Partcipants: Dr. Mohammad Amin Farhang, Minister of Commerce, Islamic Republic of Afghanistan; Carlos Gutierrez, U.S. Secretary of Commerce; Nicholas Burns, U.S. Undersecretary of State for Political Affairs; Robert Mosbacher, President of Overseas Private Investment Corporation; Suleman Fatimie, Vice President of Afghanistan Investment Support Agency; Atiq Panjshiri, President of Afghan-American Chamber of Commerce; Hamidullah Farooqi, President of Afghanistan International Chamber of Commerce; and Ibrahim Mohib, Chairman of the Afghan Business Council - Dubai. Location: Four Seasons Hotel, 2800 Pennsylvania Ave. NW.

ECONOMICS-CHALLENGES TO GROWTH _ 9:45 a.m. - 2 p.m. The New America Foundation hosts an economic policy forum on confronting growth challenges in America. With Michael Mandel, chief economist, Business Week; Glenn Hubbard, former chairman, Council of Economic Advisors; and others. Location: The State Room, Mayflower Hotel, 1127 Connecticut Ave., NW.

KOREA-IRAN-SECURITY _ 10 a.m. - 11:30 a.m. Brookings Institution panel on Korea, Iran and national security decision-making. Participants include the co-authors of the new book, ``Hard Power: The New Politics of National Security," by Kurt Campbell and Michael O'Hanlon. Also John Harris, Washington Post, and Carlos Pascual, Vice President and Director, Foreign Policy Studies, The Brookings Institution. Location: Falk Auditorium, 1775 Massachusetts Ave. NW.

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BORDER ENFORCEMENT _ 11 a.m. Homeland Security Secretary Chertoff, Border Patrol Chief David Aguilar and ICE Assistant Secretary Julie Myers hold a press conference on FY06 enforcement numbers. Location: Ronald Reagan Building and International Trade Center, Press briefing room, 1300 Pennsylvania Ave. NW.

FUTURE OF NIGERIA _ 12:30 p.m. Pat Utomi, director of the Centre for Applied Economics at the Lagos Business School, will discuss ``Nigeria: Restoration or a Road to Somalia?" Location: School of Advanced International Studies, Rome Building, 1619 Massachusetts Ave., NW.

DEMOCRACY-BUREAUCRACY _ 2 p.m. - 3:30 p.m. The Washington D.C. Chapter of the Society for International Development (SID-Washington) and Johns Hopkins University's School of Advanced International Studies (SAIS) present ``The Democracy Bureaucracy." Panelists: Francis Fukuyama: Director of Johns Hopkins University's School of Advanced International Studies' International Development Program; Stephen Krasner: Director, Policy Planning, U.S. Department of State; Thomas Melia: Deputy Executive Director, Freedom House; and Anne Richard: Vice President, Government Relations, the International Rescue Committee. Moderator: David Yang: Senior Advisor, United Nations Development Programme (UNDP) Washington Office. Location: SAIS Kenney Auditorium, 1740 Massachusetts Ave. NW.

BROOKINGS-MIDTERM ELECTIONS _ 2 p.m. - 4 p.m. Brookings forum on mid-term elections, featuring Thomas Mann, who'll discuss redistricting; Sam Hirsch, attorney who represented the Democratic Party's national redistricting project; Mark Braden, former chief counsel of the Republican National Committee; Thomas Edsall of the New Republic; and Stuart Taylor, Brookings senior fellow. Location: Falk Auditorium, 1775 Massachusetts Ave. NW.

COMPETITIVENESS-PENSIONS _ 5 p.m. Douglas Holtz-Eakin, director of the Maurice R. Greenberg Center for Geoeconomic Studies and Paul A. Volcker Chair in International Economics of the Council on Foreign Relations, will discuss U.S. competitiveness and domestic policies towards pension and healthcare and their impact on domestic long-term growth prospects. Location: George Washington University, Elliott School of International Affairs, Lindner Family Commons, Room 602, 1957 E St. NW.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Some Intelligence Officials Expect Al Qaeda "Message" Before US Elections. Newsweek (11/6, Hosenball, 3.12M) reports, "Is Osama bin Laden going to weigh in on the midterm elections? A senior counterterrorism official, anonymous, like other officials NEWSWEEK spoke to, because the subject is sensitive, says that based on previous patterns—such as the release of a rare bin Laden tape just before the 2004 presidential vote—a message before Election Day wouldn't be surprising. … Another U.S. official says intel experts believe Al Qaeda wants to be 'relevant' to the U.S. political process. But a third counterterror official says 'we don't have any indication' Osama & Co. are about to surface."

US Military Trying To Stop Flow Of Cash To Terrorists. The Washington Times (10/30, Scarborough, 88K) reports, "The US military is not only trying to stop terrorists and arms from leaking into Iraq from Syria and Iran but also another just as dangerous commodity -- cash. It's the lifeblood of the enemy -- whether they be al Qaeda terrorists, death squads or Sunnis trying to evict American forces and bring back dictator Saddam Hussein -- and US raiders have seized millions of dollars in cash during the conflict." The Times adds, "Military officials point to Syria and its secretive banking system as the main source of Sunni walking-around money, while Iran's Revolutionary Guard funnels money to Shi'ite militias, such as cleric Muqtada al-Sadr's Mahdi Army. The enemy's money began flowing into Iraq with the start of the insurgency in the summer of 2003, and the shipments are still coming in."

HOMELAND RESPONSE:

NCTC's Mission Said To Be Source Of Confusion. US News and World Report (11/6, Whitelaw) reports, "Housed in an unmarked office complex in Northern Virginia, the National Counterterrorism Center has become the centerpiece of reform efforts to integrate the far-flung intelligence community. The NCTC was created in the wake of the September 11 attacks to reduce the gulf between America's spy agencies and domestic law enforcement. With more than 30 separate, highly classified government networks pumping information into NCTC headquarters, it has unfettered access to the crown jewels of the U.S. intelligence community-including raw cables from CIA spies and detailed FBI case files. … Inside and outside the intelligence world, however, people are still confused about what the two-year-old organization is supposed to do-and what it's not. U.S. News was granted unprecedented access to the senior leadership of the NCTC, which is supposed to become the primary hub for tracking and analyzing the terrorist threat. Director of National Intelligence John Negroponte calls it the single biggest change during his 18 months in office."

Intelligence Officials Utilize Outside Experts To Understand Complex Problems. US News and World Report (11/6, Kaplan) reports, "last July, senior U.S. intelligence officials quietly set in motion an unusual experiment. For four weeks, a handpicked group of 20 outside experts brainstormed, argued, and chewed the fat with 20 top analysts from the CIA and eight other intelligence agencies. Their mission: to understand why people join terrorist organizations and other groups engaged in antisocial activity. … Dubbed the Summer Hard Problems workshop, or SHARP, the program is modeled after a highly successful project by the code-breaking National Security Agency, which for years has brought in top mathematicians to tackle cutting-edge issues in encryption."

Grassley Wants Answers On Anthrax Probe. The Knoxville News-Sentinel/Scripps Howard (10/30, Powelson) reports, "A Senate committee chairman has complained to the Department of Justice about the apparent "little progress" in the five-year-old anthrax mailing investigation and asked for documents on why the director of the probe, Richard Lambert, was 'removed' and transferred to the Knoxville FBI office." Scripps Howard continues, "Sen. Charles Grassley, R-Iowa, chairman of the Finance Committee, wrote to Attorney General Alberto Gonzales recently that the FBI's long record of not briefing key members of Congress on the investigation 'may be a symptom of a larger problem at the FBI. The agency's lack of response to congressional requests ... and what appears to be little progress in the investigation leads me to question whether the culture has really changed.'" Scripps Howard adds, "A spokesman at the FBI's Washington field office did not return a call for comment. …. However, Lambert, 45, in a phone interview with the News Sentinel, said he heard of the opening in the top management job at the Knoxville field office, remembered fondly the 10 years he had spent in the Nashville area as a child, and decided to try to win the Knoxville slot. … 'Knoxville is considered a prime office within the FBI,' Lambert said. 'The work is good, the people

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are wonderful, the law enforcement liaison relationships are fantastic, and it's just a highly desirable and very sought-after office to be in. There's the cost of living, no state income tax, reasonable housing, and the list goes on and on and on. So Knoxville is a great place to live.'"

TRIA Debate Creates Unusual Alliances. The Christian Science Monitor (10/30, Marks, 58K) reports on the "ideologically charged debate" over the Terrorism Risk Insurance Act, which has "created some unusual political bedfellows: Big-city liberals are lining up with the corporate insurance industry against Republican conservatives and consumer advocates." Those in favor of TRIA say that without it, "many companies might just exclude coverage for all terrorist incidents." However, opponents of the program say that it "has kept the market from coming up with" its own solutions to the terrorism insurance problem.

Former Air Marshal Suing Over Use Of SSI Label. The Washington Times (10/30, Hudson, 88K) reports Robert MacLean, a former federal air marshal "who was fired for blowing the whistle on a cutback of flight protections in the wake of a terrorist alert," has said "he will file suit against the government today to challenge" use of the "Sensitive Security Information" label in court. "Families of victims of the September 11 terrorist attacks and government-watchdog groups have failed to obtain records classified as SSI. The Government Accountability Office and Congress are critical of the label and say it is overused and stamped on everything from official correspondence to general items such as going-away-party invitations."

Virginia Laboratory Works To Identify Remains Of 9/11 Victims. The Washington Times (10/30, Baschuk, 88K) reports from Bode Technology Group in Lorton, Virginia, one of "several national companies selected to identify the remains" of World Trade Center victims. Scientists at the lab "have found success with a new technique that extracts DNA information from formerly unidentifiable human remains." Tom Hansen, a senior scientist at Bode, said the advancement "gives us a sense of pride to help out and bring closure to the people affected."

Book Offers Lessons In Federal Disaster Response. In its "Federal Diary" column, the Washington Post (10/30, D4, Barr, 748K) reports that an account of the "remarkable recovery" following the 1964 Alaska earthquake that measured 9.2 on the Richter scale "stands in stark contrast to the bungled federal response to Hurricane Katrina four decades later, of course. The account of the Alaska response, in a just-released book by the National Academy of Public Administration, reinforces widely held perceptions that the government is unable to draw on past experiences and is at risk of losing its ability to perform effectively, especially in times of crisis." The book, titled "Meeting the Challenge of 9/11: Blueprints for More Effective Government," says that in order to strengthen the Department of Homeland Security, federal officials must "look beyond traditional turf boundaries and pull together state and local governments and the private sector to tackle common and complex problems."

WAR NEWS:

GOP, Democratic Leaders Debate War, Rumsfeld's Performance. The AP (10/29, Pickler) reports, "The No. 2 leader in the House on Sunday said Defense Secretary Donald H. Rumsfeld is 'the best thing that's happened to the Pentagon in 25 years,' sparking a debate with Democrats who said the comments show why the GOP should be voted out of power." Rumsfeld's "leadership of the bloody mission in Iraq has become a divisive issue in the Nov. 7 elections. Many Democrats and a few Republicans are calling for his resignation, but President Bush repeatedly has defended him. So did House Majority Leader John Boehner, R-Ohio, during an appearance Sunday on ABC's 'This Week.'" Boehner said on ABC's This Week (10/19, Stephanopoulos), "I think Donald Rumsfeld is the best thing that's happened to the Pentagon in 25 years. This Pentagon and our military needs a transformation. And I think Donald Rumsfeld's the only man in America who knows where the bodies are buried at the Pentagon, has enough experience to help transform that institution."

The AP also reports Democratic Rep. Charles Rangel "said voters will have their chance to show if they agree with Boehner on Election Day. 'It's true President Bush may not be on the ballot, but people like Boehner and people who support Rumsfeld and Cheney and Bush, they're on the ballot,' Rangel said on CNN's 'Late Edition.'" Rep. Rahm Emanuel, "head of the Democratic effort to win control of the House, quickly e-mailed a statement to reporters objecting to Boehner's comments and including quotes from seven military leaders criticizing the defense secretary. 'Congressman Boehner's defense of Donald Rumsfeld makes it crystal clear that we need change in Washington from the rubber stamp Republican Congress and their blind adherence to President Bush and Secretary Rumsfeld's stay the course policy in Iraq,' Emanuel's e-mail said." GOP Rep. Ileana Ros-Lehtinen, also appearing on CNN, "said she has confidence in Rumsfeld."

Asked for his advice regarding US strategy in Iraq, GOP Rep. Duncan Hunter, on CBS' Face the Nation (10/29, Schieffer), replied, "We have got 114 Iraqi battalions that are trained and equipped. My recommendation last week to the president and Secretary Rumsfeld is to send another large number of those Iraqi battalions -- not Americans, but Iraqi

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battalions -- into the fight in Baghdad because combat operations produce combat soldiers."

And Democratic Rep. John Murtha, on CBS' Face the Nation (10/29, Schieffer) said, "We've got to win it by changing things on the ground. And that is redeployment of our troops. … What I'm saying is, our troops are the targets. They help recruit terrorists. That's the thing that worries me. We need to have a bipartisan solution to this thing."

Report Finds US Cannot Account For Weapons Intended For Iraqi Forces. The New York Times (10/30, Glanz, 1.21M) reports, "The American military has not properly tracked hundreds of thousands of weapons intended for Iraqi security forces and has failed to provide spare parts, maintenance personnel or even repair manuals for most of the weapons given to the Iraqis, a federal report released Sunday has concluded." The report "was undertaken at the request of Senator John W. Warner, the Virginia Republican who is the chairman of the Senate Armed Services Committee and who recently expressed an assessment far darker than the Bush administration's on the situation in Iraq." Warner "sent his request in May to a federal oversight agency, the Special Inspector General for Iraq Reconstruction. He also asked the inspector general to examine whether Iraqi security forces were developing a logistics operation capable of sustaining the hundreds of thousands of troops and police officers the American military says it has trained."

The AP (10/30, Heilprin) reports, "Nearly one of every 25 weapons the military bought for Iraqi security forces is missing, a government audit said Sunday. Many others cannot be repaired because parts or technical manuals are lacking." A second report "found 'significant challenges remain that put at risk' the US military's goal of strengthening Iraqi security forces by transferring all logistics operations to the defense ministry by the end of 2007." A third report concerned the Provincial Reconstruction Team program, in which US government experts help Iraqis develop regional governmental institutions." The Pentagon "cannot account for 14,030 weapons — almost 4 percent of the semiautomatic pistols, assault rifles, machine guns, rocket-propelled grenade launchers and other weapons it began supplying to Iraq since the end of 2003, according to a report from the office of the special inspector general for Iraq reconstruction."

Democrats Hope To Make Iraq Central Issue In Final Weeks Of Campaign. The AP (10/29, Raum) reports Republicans "said a major voter turnout effort would help them stay in power after the Nov. 7 elections, while Democrats claimed momentum as they seek to tap into voter unhappiness over Iraq." Members of both parties "agreed that the war in Iraq was a leading, if not central, issue in the contests to decide control of the House and Senate." As the candidates "entered their final full week of campaigning, House Democrats worked to emphasize the GOP role in the Iraq war. The party's campaign committee said it would air television commercials criticizing Republicans for supporting the war in about a dozen competitive races in the coming days." Democrats have "increased the number of races where they are advertising in recent days, a sign of confidence as the election approaches. In addition to new offensives in Kansas, Kentucky and New Hampshire, officials disclosed plans to run commercials against Republican Rep. Jim Walsh this week in the area around Syracuse, N.Y." Ken Mehlman, "chairman of the Republican National Committee, sounded a common Republican theme — that a Democratic-led Congress would mean higher taxes. Democrats accused him of scare tactics."

ABC World News (10/29, story 5, 2:50, Harris, 8.78M) reported, As we close in on election day, the war in Iraq looms large. In the latest ABC News poll, 57% of Americans say the war was not worth fighting. Democratic candidates are quick to focus on that discontent. But not so quick to offer solutions." ABC (Tapper) added, ""When it comes to Iraq, Democrats are all over the map." Dick Polman, University of Pennsylvania: "Different candidates are going in different directions. Voters are not hearing any kinds of consistent, resonant plans coming from the Democratic leadership." Tapper: "Democrats argue that's because, even if they win control of Congress, the Bush Administration will still control the Pentagon." Unidentified male reporter: "Do you think the Democrats have offered a specific enough strategy on how to win in Iraq?" Sen. Hillary Clinton: "It's very hard to talk about what we can do because we have the same people in change who have failed consistently now over the last, you know, four-plus years." Tapper: "But there's a political reason, as well. It's much easier to call for change than to present a detailed plan of your own that can be criticized itself. So, Democrats focus on smaller issues, arguing, as Pennsylvania Senate candidate Bob Casey Jr. does, that a Democratic Congress is needed to grill Administration officials about strategy." Bob Casey: "We don't get any of those probing questions when you have a rubber stamp, lockstep Congress." Tapper: "If Democrats take the House, expect investigations into what one top Democrat called Bush Administration deception, manipulation, torture, retributions and cover-ups in the Iraq war. A focus on how we got into Iraq, even if they have no cohesive answer on how to get out."

Ramifications Of A Democratic Win For US Foreign Policy Analyzed. The Washington Times (10/30, Sands, 88K), in a series of articles that, "look at how…a transfer of power on Capitol Hill will affect U.S. policy and politics on a range of issues," reports that in the realm of foreign policy, "the bloody frustrations of Iraq and the bitter partisan divide over the war on terrorism have defined House and Senate races across the country this fall. With both Mr. Bush and the war in Iraq sagging badly in the polls, some suggest that the

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White House will face more resistance from Congress even if the Republicans hang on to their slim majorities. … On some issues, though, the election is not expected to bring a major shift in foreign policy. Both parties have largely supported the president's civilian nuclear pact with India, although Congress has yet to formally approve the deal. Leading Democrats also largely back the administration's strongly pro-Israel tilt, with House Minority Leader Nancy Pelosi and Rep. Tom Lantos, ranking Democrat on the House International Relations Committee, seen as particularly strong supporters of the Jewish state." However, according to the Times, "congressional Democrats have vowed to end what they see as a rubber-stamp Congress under Republican leadership. They say Congress has barely challenged Mr. Bush on such momentous issues as the decision to invade Iraq, the campaign to contain North Korea's nuclear ambitions, new administration policies on intelligence gathering and the handling of detainees, and the overall management of the war on terrorism."

Kristol Encourages Bush To Substitute "Win The War" For "Stay The Course." The Weekly Standard's Bill Kristol, on Fox News Sunday (10/29, Wallace), claimed Iraq has "become a political problem, because people think the president has stubbornly stuck to certain tactics which haven't been working and hasn't been willing to revisit tactics. I propose substituting, for the three words, stay the course, how about these three words, 'win the war?' Win the war, that's what Bush should be for, that's what the Republicans should be for. … Republicans should run on winning the war. And the president will be better off talking not about the political process, not about timetables, not about goals. He should talk about winning the war."

Photo Essay Illustrates "A Most Violent Month." The New York Times (10/30, 1.21M) reports, "Burials at Arlington National Cemetery took on a grim regularity in October, when at least 103 American troops were killed in Iraq and Afghanistan. ... [Officials'] explanations were little comfort to a 6-year-old girl weeping at the grave of her father, a mother clutching the flag from her son's coffin, or a widow walking slowly through the rain behind her husband's honor guard." The article is accompanied by a photo essay of funerals at Arlington.

More Commentary. The Hoover Institution's Thomas Sowell, in today's Wall Street Journal (10/30, A12, 2.03M), writes that "the Iraq war has some special lessons for our time, lessons that both the left and the right need to acknowledge, whether or not they will." Iraq "is only the latest in a long series of catastrophes growing out of diversity. These include 'ethnic cleansing' in the Balkans, genocide in Rwanda and the Sudan, the million lives destroyed in intercommunal violence when India became independent in 1947 and the even larger number of Armenians slaughtered by Turks during World War I. … America's great achievement has not been in having diversity but in taming its dangers that have run amok in many other countries. Americans have by no means escaped diversity's oppressions and violence, but we have reined them in." Sowell continues, "Another concept whose bitter falsity has been painfully revealed in Iraq is 'nation-building.' People are not building blocks, however much some may flatter themselves that they can arrange their fellow human beings' lives the way you can arrange pieces on a chess board." He says "we can at least hope that the Iraq tragedy will chasten the hubris behind notions of 'nation-building' and chasten also the pious dogmatism of those who hype 'diversity' at every turn, in utter disregard of its actual consequences at home or abroad. Free societies have prerequisites, and history has not given all peoples those prerequisites, which took centuries to evolve in the West."

Advisers Say Bush To Argue Iraq Situation Is Better Than Media's Portrayal. US News and World Report (11/6, Walsh), in an article titled, "Politics and War: The President Pushes Back As A Deadly Month Adds To Voters' Anxiety," reports, "White House advisers say Bush recognizes that it is sagging public support for the Iraq war, more than anything else, that is jeopardizing the Republican majorities in the House and Senate. Most Americans now oppose Bush's policy in Iraq, and 6 in 10 don't think the war was worth fighting in the first place. … To lift his party's candidates, Bush will continue to make his familiar arguments that Iraq is a 'central front' in the war on terrorism and, in a series of rallies, attack Democrats for criticizing his policies without offering a clear alternative short of pulling out. The closing theme of Bush's final week on the campaign trail, as described by his advisers: If the Democrats have a better idea, let's hear it. Bush will argue that the situation in Iraq is not nearly as bad as the news media are reporting. And Bush, along with military leaders in Iraq, will point to specific cases of success and courage shown by U.S. soldiers and marines to encourage voters to take heart. In sum, Bush is gambling that voters will trust him one more time to do the right thing as commander in chief, as they did in 2002 and 2004."

Kidnapping Wave Plagues Iraq. Time (11/6, Ghosh, 4.03M) reports, "As if the atrocities committed by terrorists and sectarian death squads in Iraq weren't bad enough, kidnapping has become one of the country's most common forms of crime since the fall of Saddam Hussein. U.S. officials say that up to 40 people are kidnapped every day, a phenomenon highlighted last week when a U.S. soldier in Baghdad went missing, an apparent abduction victim. With ransoms ranging from a few thousand dollars to more than a million and with the police often unwilling or unable to even register such cases, officials say kidnapping has become an

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increasingly lucrative business. It helps the kidnappers that their criminal activity is often confused with the routine hostage taking by both sides in the Shi'ite-Sunni civil war."

Emails From Marine Killed In Iraq Published By Newsweek. Newsweek (11/6, Ephron, Caryl, 3.12M) publishes emails from Marine Captain Robert Secher who was killed in Iraq on Oct. 8." Secher "ended up in the insurgents' largest stronghold, Anbar province. His job there was one of the toughest in Iraq: making raw Iraqi recruits ready and able to take over the fight against the militants. Secher found the task exasperating and often discouraging; in e-mails and letters home, he expressed doubt that the Iraqi military would ever be ready for a handover, and criticized the way the Bush administration had directed the war. … His parents describe him as an unswerving Republican, and his own dispatches consistently defend the invasion of Iraq even as he anguishes over its dwindling prospects of success."

Zakaria Claims Victory In Iraq Is Out Of Reach For US. Newsweek's cover story this week (11/6) is a 4,000-word essay by Fareed Zakaria, who argues, "It is past time to confront reality. To avoid total defeat [in Iraq], we must reduce and redeploy our troops and nudge the Iraqis toward a deal." According to Zakaria, "For Americans, the Korean War was not a defeat…but it was certainly not a victory. … Something like the close of the Korean War is, frankly, the best we can hope for in Iraq now. One could easily imagine worse outcomes -- a bloodbath, political fragmentation, a tumultuous flood of refugees and a surge in global terrorist attacks. But with planning, intelligence, execution and luck, it is possible that the American intervention in Iraq could have a gray ending -- one that is unsatisfying to all, but that prevents the worst scenarios from unfolding, secures some real achievements and allows the United States to regain its energies and strategic compass for its broader leadership role in the world." Zakaria adds, "In point of fact…America is not winning in Iraq, which means that it is losing. Iraq has fallen apart both as a nation and as a state."

Will Takes Issue With Cheney's Clarification Of "Last Throes" Claim. In his column for Newsweek (11/6, 3.12M) George Will writes, "A surreal and ultimately disgusting facet of the Iraq fiasco is the lag between when a fact becomes obvious and when the fiasco's architects acknowledge that fact. Iraq's civil war has been raging for more than a year; so has the Washington debate about whether it is what it is. … In a recent interview with Vice President Cheney, Time magazine asked, 'If you had to take back any one thing you'd said about Iraq, what would it be?' Selecting from what one hopes is a very long list, Cheney replied: 'I thought that the elections that we went through in '05 would have had a bigger impact on the level of violence than they have ... I thought we were over the hump in terms of violence. I think that was premature.' He thinks so? Clearly, and weirdly, he implies that the elections had some positive impact on the level of violence. Worse, in the full transcript of the interview posted online he said the big impact he expected from the elections 'hasn't happened yet.' ' Yet'? Doggedness can be admirable, but this is clinical."

Bomb Kills 31 In Shiite Sadr City This Morning.

The AP (10/30) reports a bomb "targeting poor Iraqi Shiites lining up for day jobs in Baghdad's Sadr City slum killed at least 31 people Monday and wounded more than 50 others, police said." The bomb "tore through a collection of food stalls and kiosks at about 6:15 a.m., cutting down men who gather there daily hoping to be hired as laborers. Police Maj. Hashim al-Yasiri put the casualty figure at 31 killed and 51 injured." There were "conflicting reports as to whether the blast was caused by a suicide bomber or a device concealed amid debris by the roadside."

Twenty-Three Policemen Killed In Iraq Yesterday. The AP (10/30, Hurst) reports, "Suspected Sunni Arab gunmen killed 23 policemen Sunday, including 17 in one attack in the predominantly Shiite southern city of Basra, signaling the possible start of an intensified insurgent campaign against Iraq's predominantly Shiite Muslim security forces. Political tension deepened in Baghdad when Vice President Tariq al-Hashemi, the country's highest-ranking Sunni politician, threatened to resign if Prime Minister Nouri al-Maliki did not act quickly to eradicate two feared Shiite militias." The Washington Times (10/30, Karim, 88K) runs a similar report.

US Forces Searching For Missing US Soldier Seal Off Sadr City.

The Washington Post (10/30, A12, Anderson, Knickmeyer, 748K) reports, "American military police backed by Iraqi troops maintained their cordon of Baghdad's Sadr City on Sunday, manning barricades and checkpoints in and around the Shiite slum in an operation to find a kidnapped US soldier and to capture the man considered Iraq's most notorious death squad leader." The soldier, "an Iraqi American translator whose name has not been released, has been missing for six days. He was abducted by armed men while making an unauthorized visit to see relatives in the Karrada neighborhood of central Baghdad last Monday." US forces "have effectively sealed off Sadr City and its 2.5 million residents from the rest of Baghdad, and within Sadr City, they have isolated the neighborhood around the home of alleged death squad leader Abu Deraa, according to an Iraqi Interior Ministry official who would not be named because he was not authorized to release the information."

Missing Soldier May Have Secretly Married Iraqi Woman. The New York Times (10/30, Luo, Mizher, 1.21M) reports, "The missing American soldier who has been the subject of an intensive manhunt here in the capital since he was kidnapped by gunmen outside the heavily protected

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Green Zone last week was secretly married to an Iraqi woman and had been visiting her at the time of the abduction, several people who identified themselves as his in-laws said Sunday." The Times adds, "These people, who provided the first vivid account of the abduction, said the kidnappers were members of the Mahdi Army, the Shiite militia, who dragged the soldier into a car at gunpoint. His whereabouts and condition remain unknown." The soldier's marriage, "if confirmed, would not only be highly unusual but also a violation of American military rules, and would put the mystery of the missing soldier in an entirely new light."

Purported Spokesman Says Insurgent Group Has Rejected US Overtures. The AP (10/30, Hendawi) reports, "A man claiming to speak for a major Iraqi insurgent group said Sunday that the United States had tried unsuccessfully to establish contact with his group." Speaking on Al-Jazeera television, "the purported spokesman for the 1920 Revolution Brigades said the US bid to contact his group failed because 'intermediaries' used by the Americans were deemed unworthy." Alberto Fernandez, "a senior State Department official, told Al-Jazeera on Oct. 21 that Washington was ready to talk with any Iraqi group -- excluding al-Qaida in Iraq -- to help reconcile Iraq's factions and end the violence wracking the country."

Wolfowitz Endeavors To Influence Iraq's Recovery From World Bank Post. The Wall Street Journal (10/30, A1, Hitt, 2.03M) reports, "Paul Wolfowitz continues fighting to shape Iraq's future, but his battle has shifted to the World Bank. The former US deputy defense secretary, an architect of the Bush administration's Iraq policy who now heads the development agency, is pumping up its physical and financial presence in Iraq." The Journal adds, "The higher profile is a departure from longstanding World Bank practice of steering clear of countries engulfed in heavy violence. Coming on top of a White House-endorsed campaign at the bank to fight corruption in developing nations, his Iraq policy is prompting criticism that Mr. Wolfowitz is turning the bank into a vehicle for Bush-style nation-building while slighting other deserving countries." Manish Bapna, executive director of the Bank Information Center, "a liberal watchdog group," said, "The tight association between Wolfowitz and the Bush administration is quite problematic." For critics, "the Wolfowitz agenda is putting at risk the independence that allows the World Bank to operate in difficult environments despite geopolitical tensions." Wolfowitz "says he is charting an independent course -- on Iraq and corruption. 'I don't know why people go off on this, that it is a US\ agenda,' he says. Iraq can benefit from lending and advice on how to manage public finances, scale back economic subsidies and create a social safety net for impoverished Iraqis."

British Consulate In Basra Reportedly Evacuating. AFP (10/30) carries reporting from the Daily Telegraph that "most of the staff at the British consulate in the southern Iraqi city of Basra will be evacuated through the course of Monday due to concerns over the safety of its staff." A "private security assessment had recommended the measure after the consulate was hit by regular mortar attacks over the past two months." AFP says the staff "either be moved to Basra air station, eight miles ((13 kilometers) outside the city, or back to Britain, while a small staff will continue to run the consulate's operations until it is deemed safe enough for more to return." The Foreign Ministry is quoted saying, "This is a temporary measure as a response to increased mortar attacks ... Core staff will remain at Basra Palace and the consulate will continue to maintain a full range of activities."

Group Urges British Government To Regulate Iraq Mercenaries. AFP (10/30) reports, "The British government should introduce legislation to regulate people working for private military and security companies (PMSCs) in Iraq to prevent potential human rights abuses, a British non-governmental organisation said." International development charity War On Want "says that it is often difficult to hold people who work for PMSCs, which increasingly operate alongside United States and British troops, to account for their actions. It wants the UK government to legislate to ban the involvement of PMSCs in direct combat or combat support."

The AP (10/30, Stringer) reports Andy Bearpark, director general of the British Association of Private Security Companies, "an industry-funded lobby group, said government regulation was unworkable. … 'The way we work is across international boundaries, so regulation or prosecutions through national laws would be complex,' Bearpark told The Associated Press in an interview."

Lawyer Warns Of Worsening Violence, Chaos If Saddam Is Sentenced To Death. The AP (10/30, Halaby) reports, "Saddam Hussein's chief lawyer warned Sunday of worsening violence in Iraq and chaos across the Mideast if the ex-president is sentenced to death at his trial for a crackdown on a Shiite Muslim village in the 1980s." Khalil al-Dulaimi also "said he would break a monthlong boycott and attend proceedings Monday when Saddam's second trial resumes on separate charges of genocide against the Kurds." A verdict in Saddam's first trial "is expected Nov. 5."

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Iraq's National Dance Troupe Under Political Restrictions. The New York Times (10/30, Luo, 1.21M) reports from Baghdad, "The members of the national dance troupe of Iraq are performers without an audience. They rehearse daily, but hardly ever put on a show. Yet each turn of the hip and dip at the waist in their choreographed pieces has become weighted with a dangerous new reality, even as they wait for the chaos around them to subside so they can perform again. In today's Iraq, with conservative religious parties and radical militias exerting growing influence over every aspect of life, even dancing is an act of bravery. … Female participation in folk dancing is considered haram, or forbidden, in Islam. Ayatollah al-Sistani, the leading Shiite cleric in Iraq, has issued strict guidelines against dancing in various situations. The country's Shiite-led government, the dancers said, is naturally trying to marginalize them." The Times adds, "The group has more immediate worries about extremists. Recently one of its members, Bushra Yousif, 21, a petite woman with delicate features who has been with the group for six years, received a note at home warning her to leave within 48 hours. A bullet was included in the envelope."

Pakistanis Destroy Al Qaeda-Linked Facility Near Afghan Border. The AP (10/30) reports, "Pakistani troops backed by missile-firing helicopters destroyed an al Qaeda-linked training facility in a northwestern tribal area near the Afghan border Monday, killing 'many' militants, officials said. The pre-dawn attack targeted a madrassa compound holding "70-80" militants in a village near the town of Khar, the main town in the Bajur tribal district, said army spokesman Maj. Gen. Shaukat Sultan." Maj. Gen. Sultan "said the facility was destroyed but that it wasn't immediately clear how many people had been killed."

As Many As 70 Insurgents Killed In Overnight Afghan Battle. The New York Times (10/30, Wafa, 1.21M) reports, "A battle overnight Saturday in which NATO and Afghan forces engaged suspected Taliban insurgents in the southern Afghan province of Uruzgan might have killed as many as 70 insurgents, NATO officials said Sunday. In a separate incident, NATO said one of its soldiers had been killed and eight more wounded, along with three local Afghan civilians, when their convoy was hit by a roadside bomb." A statement from NATO "said that its troops and Afghan National Army forces had come under fire from between 100 and 150 insurgents near a NATO operating base in the Chora Valley, north of Trinkot, in Uruzgan Province." The statement "said its troops had been backed up by attack helicopters and close air support during a firefight that lasted several hours."

US Urges NATO Allies To Send More Troops. The Financial Times (10/30, Dombey, Fidler) reports, "The US is pushing its Nato allies to send more troops and support to help in Afghanistan ahead of a showpiece summit next month. Officials say Washington is putting pressure on Spain, France, Italy and Germany, all of which have soldiers elsewhere in the country, to free up their troops to move into the south, where the most bitter fighting in Afghanistan is taking place." Despite the appeal, "the four countries say they are sorely stretched because of commitments across the world." Gen. James Jones's previous plea for "more air support has largely gone unanswered. However, the UK has promised more helicopters for its Nato troops by the time of the next rotation in spring."

More Commentary. The Financial Times (10/30) editorializes, "The alliance's recent offensive in that graveyard of empires has been bloody and, if reports of dozens of civilian casualties are to be believed, potentially counterproductive. But this is not a reason for Nato to pull out. Quite the opposite. ... That means sending thousands more troops to the south, where chronic insecurity has meant that development has barely begun. A bigger military presence is needed if the region's wrecked infrastructure is to be rebuilt. ... Strategy must also be rethought. During recent weeks Nato has focused on the number of Taliban fighters it has killed in the south. But insurgencies are overcome by winning hearts and minds, not stacking up corpses."

The Los Angeles Times (10/30, 918K) editorializes, "With winter approaching, all the indicators for Afghanistan have headed south. We are on the brink of losing Afghanistan to the resurgent Taliban and to the poverty and despair in which US forces found it five years ago. … The US needs to renew its commitment to Afghanistan. A good first step would be to restore this year's 29% funding cut and target the bulk of the funds to Afghanistan's rural poor."

Army Tries To Improve Death Notification. USA Today (10/30, Zoroya, 2.27M) reports, "Even as U.S. forces struggle to adjust battlefield tactics in Iraq, the Army is grappling with better ways to cope with the war's carnage here at home. The aim is to improve how families are notified about a combat death, a duty that the Army says is one of its most difficult." USA Today's reporter viewed a "new training film….still in production -- and a host of other policy changes" which "came with demands for improvement from Army Secretary Francis Harvey this year after family complaints were received and mistakes made in death notification cases." USA Today quotes several soldiers who had to make death notifications.

Hard-Hit Marine Reserve Company Returns To Ohio. In a 3,846-word front page article, the Washington Post (10/30, A1, Slevin, 748K) reports on Lima Company, a Marine reserve unit that suffered "more casualties than any U.S. company in Iraq" and has since returned to Lima, Ohio. Deployed in Anbar province, "Between Feb. 28 and Sept. 30,

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2005, the company launched patrols and fought joint operations amid 1,700 square miles of mostly Sunni areas from Hit and Haditha to the Syrian border, targeting anti-American insurgents and their supporters. In addition to the 23 dead, 31 Lima Marines were wounded, 17 of them badly enough to be sent home." The Post reports the homecoming difficulties and mixed feelings about the war of several members.

CORPORATE SCANDALS:

Tax Evasion Seen As Latest Stock Options Twist. The New York Times (10/30, Dash) reports, "In the latest twist in the stock options game, some executives may have changed the so-called exercise date -- the date options can be converted to stock -- to avoid paying hundreds of thousands of dollars in income tax, federal investigators say." The Times continues, "That appears to be what happened at Symbol Technologies and Mercury Interactive, and federal securities regulators are now sifting through options data at other companies for evidence of similar tax-avoidance schemes." The Times adds, "The Securities and Exchange Commission's stock options inquiry has so far focused on the practice of pushing back the grant date on stock options, which can guarantee profits when the grants are exercised. Its interest in exercise dates may signal an emerging front in its widening investigation into stock option abuses at more than 100 companies, from Silicon Valley start-ups to well-known giants like Apple Computer and UnitedHealth Group. The Justice Department and the Internal Revenue Service are separately examining dozens of companies. … As those cases have progressed, at least 46 executives and directors have been ousted from their positions. Companies have taken charges totaling $5.3 billion to account for the impact of improper grants, according to Glass Lewis & Company, a research firm that advises big investors on shareholder issues. … And further investigations, indictments and restatements are expected. Securities regulators are now focusing on several cases where it appears the exercise dates of the options were backdated, according to a senior S.E.C. enforcement official, who asked not to be identified because of the agency's policy of not commenting on active cases. Besides raising disclosure and accounting problems, backdating an exercise date can result in tax fraud."

SEC Probe Of UBS Focuses On Possible Manipulation Of Securities Prices. The Wall Street Journal (10/30, C1, Zuckerman, Ng) reports, "The Securities and Exchange Commission is investigating whether UBS AG was involved in improper manipulation of Treasury-securities prices. And a Credit Suisse Group bond trader has left the firm amid broad regulatory scrutiny of the $4 trillion Treasury market, people familiar with the matters say." The Journal continues, "The developments mark potentially important steps in a government inquiry into trading in the Treasury market that has been quietly unfolding for several weeks." The Journal adds, "The Treasury Department is especially sensitive to trading in the huge market for its bonds, notes and bills. It depends on selling these securities to raise cash to finance the budget deficit, and the Federal Reserve uses Treasury securities to conduct monetary policy. The market is generally seen as among the most efficient in the world. But if it becomes viewed as unruly or tilted against any group of investors, it could drive away investors." The Journal notes, "Last month, in a speech to the Bond Market Association, a Treasury official expressed concern that Treasury-securities prices were possibly being manipulated. The activity involved traders' controlling the supply of certain Treasury issues, making it hard for others to obtain them, and then profiting by lending those securities out at favorable interest rates. James Clouse, deputy assistant secretary for federal finance, said he was concerned about trading in the bonds and notes themselves, in futures markets and in other corners of the market. .. .Any improper activity doesn't seem to have had a big impact on interest rates, which remain quite low. And many dealers counter that the practices under question often occur as part of normal trading activity. But regulators aren't taking it lightly."

Hubbard Argues SarbOx Should Be Subject To Cost-Benefit Analysis. In an op-ed in the Wall Street Journal (10/30, A12, 2.03M), Glenn Hubbard, chairman of the Council of Economic Advisers, and John Thornton, chairman of the Brookings Institution, argue that new regulations "unintentionally make our capital markets less competitive in the global economy," they note that "the efficiency and competitiveness of our public capital markets as well as the safeguards for investors in these markets are essential to the vibrancy and resiliency of the U.S. economy." Sarbanes-Oxley "offers enhanced benefits of transparency, accountability and investor protection, and thus strengthens our capital markets," but some question whether it "reflects an evaluation of benefits and costs. Some critics believe that certain aspects of the legislation may have the unintended effect of making our markets less efficient venues for raising capital." Noting their formation of a Committee on Capital Markets Regulation," Hubbard and Thornton say that "rolling back the Sarbanes-Oxley law wholesale is not the answer. But subjecting regulation to rigorous cost-benefit analysis is surely right." While "America's capital markets have been an enviable model for job creation and increasing national wealth," their "efficiency and competitiveness" should not "be taken for granted. Cost-benefit analysis of regulatory change may provide insights that could enhance the efficiency of our

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markets and strengthen investor protection at the same time. We should explore ideas that can help assure that new regulation does not inadvertently diminish the benefits of our markets by not accounting for regulatory costs."

CRIMINAL LAW:

Despite Conviction, DC Developer Back In Business. The Washington Post (10/30, D1, Hedgpeth) reports, "For seven weeks, Douglas Jemal showed up in federal court in a conservative suit, white dress shirt, tie and polished black shoes. … On Friday, the 63-year-old maverick builder returned to running his business full time, a day after his acquittal on bribery and conspiracy charges." The Post continues, "Jemal was found guilty of one of the charges against him, wire fraud. His son, Norman, was acquitted of all charges, and a top lieutenant, Blake Esherick, was found guilty on one count of wire fraud and two counts of tax evasion. … Jemal 'is making it seem like he got off, but in fact he got convicted of a felony,' said Jeffrey A. Taylor, U.S. attorney for the District of Columbia. 'Our view is this was a significant victory in a tough, hard-fought case.'" The Post adds, "The wire fraud charge, Taylor said, was 'the most serious of the charges . . . because it has the highest statutory maximum of prison time' -- 20 years. Under federal sentencing guidelines, Jemal's sentence could be much lighter, possibly nothing more than probation. But Taylor said 'it is certainly conceivable he will receive prison time.' Sentencing is scheduled for April 16. … Jemal declined to say how he would run his business if he has to go to prison."

Boehner Reiterates His Denial Of Prior Knowledge Regarding Foley. The AP (10/30, Heilprin) reports House Majority Leader John Boehner "says he might have taken matters into his own hands if he or any GOP leader had known about ex-Rep. Mark Foley's sexually explicit instant messages to former pages. 'Foley's conduct was reprehensible, abhorrent. And if any one of us would have known about this, we would have dragged him out of there by his tie,' said Boehner, the current No. 2 leader in the House." Boehner added, "I believe strongly that the speaker — neither the speaker, myself or anyone knew of the sexually explicit instant messages. … All I was told was that there had been contact between Foley and the former page. ... I believe that I talked to the speaker about this. I believe that he told me it had been taken care of.'"

Maryland Prison Officials Mull Gang-Control Options. The Washington Times/AP (10/30, Witte) reports, "With gang violence increasing and prison safety harder to maintain, Maryland corrections officials are searching for better ways to manage incarcerated gang members, including confining members of the same gang in a separate prison unit." The AP continues, "John A. Rowley, acting commissioner of the state's Division of Correction, recently sent corrections officials to Connecticut, which has a nationally recognized program for managing gangs in prison. … Mr. Rowley has scheduled a meeting this week to discuss the program, but said the agency has yet to commit to a plan." The AP adds, "Mr. Rowley said he sent the officials because Connecticut's corrections department created a gang-management program in 1994, after realizing just how dangerous and difficult gang members had become inside the state's prisons. … In Maryland, officials have implemented a new measure to reduce prison gang violence at the medium-security Maryland Correctional Training Center, near Hagerstown. The facility started confining inmates together 'a few months ago,' after they were identified as members of the same gang, Mr. Rowley said. … 'What they're attempting to do is to simply, to the best of their ability, house them together to see if that improves or reduces the violence,' he said. … Officials are only trying out the policy, Mr. Rowley said, and there is no plan yet to incorporate it statewide."

St Louis Ranked Most Dangerous City In US. In a widely-distributed story, the AP (10/30, Leonard) reports, "Just days after the St. Louis Cardinals won the top honor in Major League Baseball, their hometown jumped to first place on a list no one wants to lead: the most dangerous cities in the United States." The "city has long been in the upper tiers of the annual ranking of the nation's safest and most dangerous cities, compiled by Morgan Quitno Press. Violent crime surged nearly 20 percent there from 2004 to last year, when the rate of such crimes rose much faster in the Midwest than in the rest of nation, according to FBI figures released in June." The AP notes that "the 5.7 percent rise in the 12 Midwestern states was at least three times higher than any other region, according to the FBI. Visiting St. Louis on Thursday, FBI director Robert Mueller said it was too early to tell why some types of crime were rising faster in the Midwest. Mueller said the FBI is working harder to form partnerships with police departments to launch programs like St. Louis' Safe Streets task force, which focuses police efforts on problematic neighborhoods."

Sex Offenders Find Residential Options Limited. The Los Angeles Times (10/30, Warren) reports, "Shortly after 8 each evening, David Den-Adel kisses his wife and three kids goodbye and leaves his home in the peaceful suburb of Clive. A half-hour later, he pulls up at an unfurnished rental in a scruffy pocket of Des Moines, one of the few spots in the region where he can legally spend the night. … His children, ages 3 to 6, 'think maybe I'm camping,

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but they really aren't sure,' said DenAdel, 37, who pays $650 a month for the rental and $1,500 a month for the mortgage on his home. 'It's not easy leaving them every night, but it's the law.'" The Times continues, "A little more than a year ago, Iowa began barring sex offenders such as DenAdel, convicted of sexual abuse on a 15-year-old girl, from living within 2,000 feet of a school or child-care center. Soon after, cities and counties passed even stricter rules, adding libraries, swimming pools, parks and bike trails to the protected list. … Now, much of urban Iowa is off limits to those whose past includes a sex crime against a minor." The Times adds, "As Californians prepare to vote next week on Proposition 83, which would impose a similar residency ban, Iowa is becoming an example of the unintended consequences of such measures. … Prosecutors, police officials and even victims rights groups say the crackdown has backfired, driving some offenders into rural towns and leaving others grouped at motels, campgrounds, freeway rest stops or on the streets. … Many have simply gone underground, authorities say, with more than twice as many registered sex offenders now considered missing than before the law took effect."

Four More Sentenced In Illinois Mortgage Fraud Scheme. The Rockford (IL) Register Star (10/30) reports, "The last four people to be brought before a U.S. district judge on charges of defrauding the federal government out of more than $1 million in connection with the Federal Housing Authority's mortgage-insurance program were sentenced Thursday and Friday." The Star continues, "According to a news release from the U.S. Justice Department, the charges the defendants pled guilty to were part of a 61-count indictment charging the people with conspiring to defraud the government, making material false statements to HUD, and making false statements to cause HUD to insure mortgage loans. … According to the indictment, the leaders of the scheme profited by selling homes in Freeport at inflated prices." The Star adds, "The indictment states that the defendants falsified many documents to get FHA insured loans for unqualified homebuyers. By causing these unqualified buyers to receive FHA insured loans, the indictment says the defendants bilked the federal government out of more than $1 million."

Former D.C. Charter Official Under Federal Investigation In Misappropriation Of Funds Case. The Washington Post (10/30, B1, Haynes) reports, "In September 2005, Equal Access in Education billed the city $76,250 to train math and reading teachers in techniques to boost student performance at five D.C. public charter schools that failed to meet academic targets. But principals at four of the schools (the fifth one has closed) say that they never heard of Equal Access and that their teachers never received training from the company." Now "federal authorities are investigating whether Equal Access was connected to Brenda L. Belton, the former executive director of the Board of Education's charter schools office." Belton "submitted invoices but no documentation from charter school officials confirming that they had received the services."

California College Coach Sentenced For Pell Grant Fraud. The Long Beach Press-Telegram (CA) (10/28, Russell) reports, "Cerritos College faculty member Patrick Callahan, a man credited with helping numerous minority football players enroll and finish college, bid farewell to his coaching career Friday -- the day he was formally sentenced to 90 days in jail in connection with Pell Grant fraud." Callahan "pleaded guilty to falsifying government documents so that 13 of his football players could receive more than $91,000 in federal aid to which they were not entitled." He "was formally sentenced Friday before Bellflower Superior Court's Leland Tipton, who suspended a two-year prison term under a number of conditions. One of the conditions was agreeing to give up his position as coordinator of student activities for Cerritos College."

Massachusetts Man Convicted On Child Porn Production Charges. The Boston Herald (10/28, Wedge, 203K) reported, "A former Hub college student once probed for running kiddie porn sites out of a Somerville apartment faces a possible life sentence after being convicted on federal charges of taking sex videos of underage boys - including one from Cape Cod. Former Bunker Hill Community College student Tim Richards was found guilty on 11 of 22 child pornography charges Thursday in a federal court in Tennessee, one of which stemmed from sex tapes he made with a 14-year-old Bay State boy in Sydney, Australia. The boy, now in his 20s, was the star witness in the two-week trial and testified that he was pressured into making sex tapes with Richards for four years." The Herald noted, "The FBI's Innocent Images anti-child pornography unit got involved in the case in 2005 when a California teen named Justin Berry told authorities Richards posted underage sex pictures of him online."

Prominent Connecticut Episcopal Church Struggling With Child Porn Allegations. Under the headline "Difficult Sermon As F.B.I. Investigates A Church's Ex-Music Director," the New York Times (10/30, Cowan, 1.21M) reports from Greenwich, Conn., "Addressing parishioners the week after they learned that federal agents had searched their church this month for evidence of child pornography on a music director's computer, the rector of Christ Church here, the Rev. Jeffrey H. Walker, told

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worshipers on Sunday that 'these are hard days, and for some of us, sleepless nights.' He pleaded with the Episcopal congregation, which traces its roots back 300 years and counts some of Greenwich's most prominent families among its members, to respond with 'patience, trust and kindness.' He also apologized for having to be less than forthcoming about certain matters that were part of the pending criminal investigation and the 'world of legalities rather than the world of grace.'" The Times notes, "Tim Egan, the head of the F.B.I.'s cybercrimes squad in New Haven, confirmed to The New York Times on Tuesday that his agency was heading an investigation, but he declined further comment, as did the United States attorney's office."

Rise In Beef Prices Brings Increase In Cattle Rustling. USA Today (10/30, Johnson) reports, "Some of the nation's largest beef-producing states are fighting a resurgence in a centuries-old crime: cattle rustling." USA continues, "The thefts, including one high-profile case involving the ranch of baseball legend Nolan Ryan, are directly related to the rising cost of beef, said Larry Gray, enforcement chief with the Texas and Southwestern Cattle Raisers Association (TSCRA)." USA adds, "The TSCRA, which draws its members from Texas, Oklahoma and New Mexico, reported $6.2 million in livestock thefts — mostly cattle — in 2005, up from $4 million in 2004. … In the past three to four years, John McBride, a spokesman for the Livestock Marketing Association, said cattle prices have approached all-time highs. 'As the cattle industry has escalated, so have the number of thefts,' said Joyce English, vice president of the association's Livestock Board of Trade. 'Everything follows the money.'" USA notes, "Last fall, a flurry of calls from more than a dozen victims, including the foreman of Ryan's Texas ranch, reported 17 cows and 14 calves were missing. A couple of weeks later, an additional 16 calves were stolen from Ryan's spread. … The reports led two investigators with the TSCRA to charge a 27-year-old suspect with running an old-time rustling enterprise valued at more than $250,000 after being in operation a little less than a year. Gray said the suspect allegedly used the livestock, most of which was branded, to bolster his own herd and sold off the calves as they were born. The break in the case came, Gray said, when one of the stolen animals was brought for sale."

CIVIL RIGHTS:

Supreme Court To Hear IDEA Case. The AP (10/28), "The Supreme Court agreed Friday to consider an appeal by an autistic child and his parents, who want to sue over his school accommodations without hiring a lawyer. The parents, Jeff and Sandee Winkelman, say they cannot afford a lawyer to argue their court case against the school district of Parma, Ohio, near Cleveland, over the education of their son, Jacob. The federal appeals court in Cincinnati ruled that the Winkelmans, suing under the Individuals With Disabilities Education Act, had to find a lawyer to represent Jacob" but "the Bush administration then urged the justices to take the case, saying that in adopting the measure, Congress clearly intended that parents be able to represent their children in such court proceedings."

High Court Set To Hear First Abortion Cases Since O'Connor's Retirement. USA Today (10/30, Biskupic, 2.27M) reports that a "pair of cases that come before the Supreme Court next week are widely viewed as a major test of efforts to restrict abortion. … The cases test the Republican-led Congress' power to limit the reach of that ruling by restricting medical options for women. The law is called the Partial-Birth Abortion Ban Act of 2003. Lawyers for the two challengers now before the Supreme Court, Eve Gartner of Planned Parenthood and Priscilla Smith of the Center for Reproductive Rights, note that there is no medical procedure known by that name and contend that the phrase is needlessly offensive and misleading. On a more technical level, the cases put on exhibit dueling medical opinions over whether certain second-trimester abortion procedures are ever necessary. For the court, the cases — Gonzales v. Planned Parenthood Federation of America and Gonzales v. Carhart — represent the first significant test of whether abortion rights in America will change now that moderate Justice Sandra Day O'Connor, a key vote in favor of such rights, has retired."

Federal Investigation Underway Into Voting Machine Company's Ties To Venezuela. ABC World News (10/29, story 6, 0:35, Harris, 8.78M) reported, "Tonight, one more reason to worry about those electronic voting machines many of us will be using on election day. This time, the concern is not technology. It's alleged ties to Venezuelan President Hugo Chavez, who recently called President Bush the devil at the United Nations. One company that makes the machines, Sequoia Voting Systems, now confirms it's under Federal investigation. Sequoia says it has no connection to Chavez, even though it was bought last year by a company owned by three Venezuelans."

New Voting Systems Said To Be Subject To Suppression. In a New York Times "op-art" (10/30), Michael Waldman and Wendy Weiser of the Brennan Center for Justice at New York University School of Law say, "On Nov. 7, many voters will encounter new voting machines, new computerized voter lists and new rules regarding registration and ID requirements. As primaries earlier this year demonstrated, local officials and poll workers are

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overwhelmed by all the changes — some of them engineered by mischievous partisans who have passed laws and rules that would block many eligible citizens from voting." The authors note "examples of ways the vote could be suppressed next week around the country. Problems listed in one state may also apply to several others. Taken together, they show just how urgent it is that the country move toward a system of universal voter registration, in which the government takes responsibility to ensure that all citizens are on the rolls, with real protections." The states in question are illustrated a maze graphic.

New Electronic Voting Systems Will Face First Major Test This Year. Time (11/6, Duffy, 4.03M) reports, "In one week, more than 80 million Americans will go to the polls, and a record number of them--90%--will either cast their vote on a computer or have it tabulated that way. When that many people collide with that many high-tech devices, there are going to be problems. Some will be machine malfunctions. Some could come from sabotage by poll workers or voters themselves. But in a venture this large, trouble is most likely to come from just plain human error, a fact often overlooked in an environment as charged and conspiratorial as America is in today. Four years after Congress passed a law requiring every state to vote by a method more reliable than the punch-card system that paralyzed Florida and the nation in 2000, the 2006 election is shaping up into a contest not just between Democrats and Republicans but also between people who believe in technology and those who fear machines cannot be trusted to count votes in a closely divided democracy."

ANTITRUST:

Harrah's Delays Plans For Gulf Coast Casino. The Wall Street Journal (10/30, A10, Sanders) reports, "Harrah's Entertainment Inc. has delayed plans for a $1 billion resort-casino along the Biloxi, Miss., coast, the second time it has pulled back on plans in the wake of a $15.5 billion acquisition offer from two private-equity firms." The Journal continues, "Harrah's executives last week told analysts on a conference call that high construction costs and the 'volatility of the marketplace' in Biloxi were factors that have effectively postponed any major development. Plans for the resort-casino had been drawn up by late July." The Journal adds, "A person familiar with the company's thinking said Biloxi has slipped on Harrah's priority list, especially after it experienced a tough third quarter in Atlantic City, N.J. The company is now focusing mostly on Las Vegas and Atlantic City. … The Biloxi project is the second unexpected development-related news from the company since an effort by private-equity firms Apollo Management LP and Texas Pacific Group to acquire Harrah's was disclosed earlier this month. … A week after the offer was announced, Harrah's said it wouldn't bid for a multibillion-dollar resort-casino project in Singapore. Harrah's had lost an earlier bid in Singapore that was awarded to rival Las Vegas Sands Corp. The casino industry also spent much of the summer awaiting Harrah's plans for the 350 acres it has acquired on and around the Las Vegas Strip. Harrah's has delayed details of that announcement, as well."

Rinker To Reject Cemex Bid. The Wall Street Journal (10/30, A9, Lindsay, Pemberton) reports, "Australian building-materials company Rinker Group Ltd. today is set to reject an unsolicited US$11.7 billion takeover bid by Cemex SAB as inadequate, dashing the Mexican company's hopes for early support from Rinker's board. … 'The bid is highly opportunistic and conditional. It has been made at time when the shares are trading at a cyclical low,' said a person with knowledge of the bid. Rinker's board, which met over the weekend, reconvenes today and will issue its first formal response to the Cemex bid later in the day, this person said." The Journal continues, "Analysts and fund managers say they believe Cemex, the world's largest seller of ready-mix concrete, has little chance of snaring control of Rinker and boosting its presence in the crucial U.S. building-materials market without improving its offer. .. .The all-cash offer prices Rinker at US$13 a local Australian share, or about a 26% premium over the average trading price during the past three months, Cemex said. That comes out to an equivalent local price of A$17. Cemex put the total value at US$12.8 billion, including Rinker's debt." The Journal notes, "The bid takes Cemex into uncharted territory, even considering the Mexican cement maker's growing penchant for big deals. The offer is twice as big as Cemex's prior biggest deal, last year's $5.8 billion purchase of RMC of Britain. If successful, Cemex's bid will rank as the largest merger-and-acquisition deal in Australian history, beating the A$14 billion takeover of Optus by Singapore Telecommunications Ltd. in 2001. … It is also Cemex's first foray into the world of unsolicited takeovers, usually far more complex and costly than the so-called friendly deals it has negotiated in the past. Unsolicited takeover offers are tricky because they open the door for other suitors, prompting a bidding war that raises the price. They can also take months or even years to complete, draining time, attention and money from top management."

Schneider Offers To Buy American Power Conversion For $6.1 Billion. The Wall Street Journal (10/30, Chassany) reports, "French electric-equipment maker Schneider Electric SA said Monday it made an offer to buy U.S. power-supplies and surge-protection-products manufacturer American Power Conversion Corp. in a $6.1 billion cash deal. … The French company said it's offering $31 for each APC share." The Journal continues, "The offer,

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which has been approved by APC's board of directors, represents a 30% premium over the last APC share price and is expected to boost Schneider's earnings per share starting 2007, the company said. … 'The acquisition of APC will lead to a strong value creation, superior to $3 billion,' Schneider said in a statement, adding it aims to tie up APC with its MGE UPS Systems subsidiary. … Cost synergies are expected to amount to $220 million, of which 70% will be achieved by 2009, the company said. To finance the deal, Schneider said it will launch a €1.2 billion ($1.53 billion) capital increase and use debt financing." The Journal adds, "With 7,600 employees, APC generated about $2 billion sales in 2005, three quarters of which were in low power systems, Schneider said. Investments APC made in the fast-growing high power systems segment 'dramatically deteriorated its operating profitability to 9.4% in 2005,' Schneider said. Schneider 'is confident' it will help APC to recover rapidly."

LATimes Urges Caution In Granting Business Method Patents. The Los Angeles Times (10/30) editorializes, "In 1999, Amazon.com won a controversial patent for a seemingly obvious feature of online stores: Letting shoppers buy an item by pointing their mouse and clicking on it. Now the retailer is getting a taste of its own medicine from IBM, calling into question why the federal government needs to protect methods of doing business in the first place." The Times continues, "IBM filed a pair of lawsuits last week accusing Amazon of violating five of Big Blue's patents related to e-commerce. Although IBM contends that the patents are grounded in important technological advancements, the list involves such mundane activities as 'ordering items using an electronic catalog' and 'presenting advertising in an interactive service.' … Both appear to fall under the much-maligned category of 'business method' patents, or federally protected ways to perform such fundamental commercial activities as marketing, billing and monitoring inventory." The Times adds, "Business methods were not considered patentable for many years because they were too much like ideas. In the late 1990s, however, a federal appeals court ruled that methods could be protected if they met the same criteria as other inventions. These rulings, combined with the emergence of the World Wide Web and the business world's increasing reliance on computers, fueled an exponential increase in the number of patents sought for high-tech ways to conduct business. … pplicants exacerbate the problem by claiming the broadest possible coverage — applying the patent to the idea instead of their way of implementing it. And the short history of the Internet as an electronic shopping mall has made it harder for patent examiners to gauge how new and non-obvious the proposed methods are." The Times concludes, "So should business methods be totally ineligible for patenting? That may be a step too far. At minimum, though, method patents should only be granted if they're tied to real technical innovation."

ENVIRONMENT:

Interior Official Reportedly Overruled ESA Recommendations. The Washington Post (10/30, A3, Eilperin, 748K) reports Julie MacDonald, Deputy Assistant Secretary of the Interior for fish and wildlife and parks, "has rejected staff scientists' recommendations to protect imperiled animals and plants under the Endangered Species Act at least six times in the past three years, documents show. In addition, staff complaints that their scientific findings were frequently overruled or disparaged at the behest of landowners or industry have led the agency's inspector general to look into the role of" MacDonald "in decisions on protecting endangered species. The documents show that MacDonald has repeatedly refused to go along with staff reports concluding that species such as the white-tailed prairie dog and the Gunnison sage grouse are at risk of extinction. Career officials and scientists urged the department to identify the species as either threatened or endangered." The post notes, "Overall, President Bush's appointees have added far fewer species to the protected list than did the administrations of either Bill Clinton or George H.W. Bush, according to the advocacy group Center for Biological Diversity. As of now, the administration has listed 56 species under the Endangered Species Act, for a rate of about 10 a year. Under Clinton, officials listed 512 species, or 64 a year, and under George H.W. Bush, the department listed 234, or 59 a year."

Funding For Energy Research Said To Be Falling As Global Warming Threat Looms. The New York Times (10/30, Revkin, 1.21M) reports, "For all the enthusiasm about alternatives to coal and oil, the challenge of limiting emissions of carbon dioxide, which traps heat, will be immense in a world likely to add 2.5 billion people by midcentury,...experts say." The Times says, "The challenge is all the more daunting because research into energy technologies by both government and industry has not been rising, but rather falling." In the US, "annual federal spending for all energy research and development — not just the research aimed at climate-friendly technologies — is less than half what it was a quarter-century ago. It has sunk to $3 billion a year in the current budget from an inflation-adjusted peak of $7.7 billion in 1979, according to several different studies." The Times reports, "Internationally, government energy research trends are little different from those in the United States. ... [M]ore than four dozen scientists, economists, engineers and entrepreneurs interviewed by The New York Times said that unless the search for abundant

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non-polluting energy sources and systems became far more aggressive, the world would probably face dangerous warming and international strife as nations with growing energy demands compete for increasingly inadequate resources."

WPost Urges Bush To "Act" On Global Warming. The Washington Post (10/30, 748K) editorializes, "After the coming election, President Bush is likely to face a Congress more apt than the current one to take strong action on climate change. He will then face a fateful choice: Does he want to spend his final two years in office blocking action and pretending that voluntary curbs on greenhouse gases will solve the problem of global warming, or does he want to help shape solutions? At some point, conservatives will need to reconcile themselves to the problem of climate change. … Indeed, it is difficult to imagine that the intransigence of Mr. Bush's administration on climate change will long survive his tenure, no matter who succeeds him. Will he take a hand in developing America's response to this global problem, or will he go down as the president who fiddled while Greenland melted?" Bush "spent his first six years emphasizing the undeniable need for more research; in his final two years, he could finally embrace the need to act."

Kelo Decision Spurs Raft Of Anti-Eminent Domain Initiatives. Time (11/6, Roosevelt, 4.03M) reports on "a movement that is pushing back hard against the government's power to meddle with property owners. The campaign is largely a response to the Supreme Court's controversial 2005 decision allowing the city of New London, Conn., to raze private homes for a commercial waterfront project. The ruling struck a deep chord in the American psyche; that the government could seize your house or business in order to build a road for everyone's use was one thing, but the idea that it could hand your property over to private developers was, to many, intolerable. Since then, 24 state legislatures have passed laws limiting the government's ability to appropriate land for privately financed projects, and similar measures will be on 11 state ballots next week."

US News and World Report (11/6, Sullivan) reports, "The ballot measures signal outrage at the Supreme Court's 2005 decision in Kelo v. New London, which seemed to broaden governmental power to take private land. But opponents of the measures see them as a misleading effort to further a radical property-rights agenda. … Most of the ballot measures would focus mainly on undoing Kelo. But the most aggressive initiatives-found in Arizona, California, Idaho, and Washington-would go further, requiring that the government also compensate property owners for 'regulatory takings'-regulations that damage a property's value."

Ballast Water Seen As Danger To Port Cities. The AP (10/30) reports from Charleston, SC, "Shipping companies and environmentalists are trying to come up with a reasonable cost method for keeping foreign marine species out of the waters of the nation's port cities." The AP continues, "The issue is particularly important for Charleston, where millions of gallons of ballast water are potentially dumped into the harbor each year." The AP adds, "Seawater is drawn and discharged by large ships for balance as they carry heavy cargo. … But when they carry water from one part of the world to another, they also bring animal and plant life that can harm native species and habitats. … U.S. Coast Guard Lieutenant Eddie Lesane said there have been no reports of invasive species in Charleston from ship ballast." The AP notes, "Steve de Kozlowski of the state Natural Resources Department says there are hundreds of species already loose in South Carolina, but only a few are destructive enough to be much of a problem. … Ships are required to drop their foreign ballast water at least 200 miles offshore and pick up more local water. … Failing to do so can result in fines or charges. The Coast Guard reviews ship logs and occasionally checks ballast water for salinity to make sure the exchange has taken place. … No one has been charged in the United States so far, said Bivan Patnaik, Coast Guard environmental regulations coordinator. Several warning letters and fines less than $27,000 have been issued. … The conservancy wants the federal Environmental Protection Agency to set standards and issue permits for handling ballast and has won a court ruling that the water cannot be exempt from EPA regulations for wastewater discharge. … The EPA and U.S. Justice Department can appeal the decision and have two years to create regulations for ballast water."

Rural Housing Boom Raises Fire Concerns. The Washington Post (10/30, A9, Pomfret) reports from Banning, CA, "Dennis Watkins wanted a piece of the good life. Several years ago, the Frito-Lay salesman and his wife bought a three-acre plot of land in the San Jacinto Mountains. In May, they completed their house -- a 3,000-square-foot ranch-style abode, 3,500 feet above the smog of western Riverside County. … A fire that started on Thursday roared through the mountains where Watkins lives. It burned 63 structures and 63 square miles, and it killed four firefighters while they tried to save a weekend house, making it the deadliest wildfire for firefighters since 2001. A fifth firefighter was in critical condition Sunday with burns over 95 percent of his body. Investigators said the fire was the work of an arsonist. As of Sunday, it was 70 percent contained." The Post continues, "Watkins's journey from the suburbs to countryside -- and his brush with disaster -- has become increasingly common in the United States. He inhabits a zone known to experts and firefighters as the wildlands-urban interface -- the space where houses intermingle with wilderness, a space where millions of Americans long to live.

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… 'It's the place where I want to live -- it's probably where you want to live, too. It's an attractive setting, but if we don't start planning development with these fires in mind, the problem is only going to get worse,' said Volker C. Radeloff, an assistant professor at the University of Wisconsin at Madison and an expert on the wildlands-urban interface." The Post notes, "In the 1990s, according to Radeloff's research, of the 13 million homes built in the United States, 9 million, or 69 percent, were constructed in these zones. California leads the nation with homes in these perilous districts -- with 5.1 million, up 12 percent since 1990 -- and it tops the nation in homes lost to wildfires. While many think the problem is confined to the West, New Jersey, because of the thousands of houses in and around the Pine Barrens, is second in the number of homes lost to wildfire. And 85 percent of New Hampshire homes are in the interface zone. … The development boom in forests and chaparral and along riverbeds has led some experts to question whether society can afford to have firefighters risk their lives to protect this lifestyle and whether federal, state and local governments should not limit development. Federal wildfire firefighting costs jumped 73 percent from 1994 to 2005, according to statistics from the National Interagency Fire Center. This year in California there have been 7,757 wildfires, many near populated areas."

DC Legal Dispute Pits Big Names Against Litigious Developer. The Washington Post (10/30, Layton) reports, "On a rustic and exclusive lane in Northwest Washington dating from the Civil War, the Battle of Chain Bridge Road is raging. … A group of homeowners has been trying to stop the construction of 13 mansions on 3.5 acres, the largest piece of open land in the affluent Palisades neighborhood." The Post continues, "In most zoning disputes, residents might testify at public hearings. But in a neighborhood filled with boldfaced names, the fight is on a different level. … The neighbors -- including NBC News correspondent Andrea Mitchell, her husband, former Federal Reserve chairman Alan Greenspan, and former Environmental Protection Agency deputy administrator Robert Sussman -- have hired a zoning attorney, an arborist, a traffic expert and a storm water management engineer. To date, they've spent nearly $100,000. … Then again, they're facing Morton A. Bender. … Bender, a 73-year-old native Washingtonian who made a fortune in the family construction business, is one of the most determined men in town, both admirers and detractors say. This is not a man who likes to negotiate. He enjoys a good fight." The Post notes, "The local and federal courts hold stacks of cases in which he is sometimes the defendant but more often the plaintiff. He says he can't keep track of all the people and institutions he's currently suing and doesn't know how many lawyers he's hired."

FBI/DEA/ATF/USMS:

Five Arrested On Drug Charges In Florida, Four Possibly Linked To Shooting Of Family. There are more than 500 media references to the announcement of the detainment of five people in Florida, four of whom may be linked to the shooting of a family of four found dead this month alongside the Florida Turnpike. In West Palm Beach, the AP (10/28) reports a family of four "was gunned down execution-style along a dark and deserted stretch of highway. … Authorities announced Friday it was no random act of violence. The suspected killer was in custody, they said. Jose Luis Escobedo, 28, was likely involved in cocaine trafficking, and he and his family were killed 'for drugs, money or both,' Sheriff Ken Mascara said." Police "searching the home after the killings found evidence that the father was involved in drug trafficking, Drug Enforcement Administration agent David Weeks said in court papers filed Friday."

In a separate story, the AP (10/28) reports authorities "investigating the slaying of a family of four alongside a Florida highway said Friday that the father was probably involved in drug trafficking and that the suspected killer was in custody. The suspect was among three men and a woman who were arrested Wednesday on drug charges and are 'persons of interest' in the killings, St. Lucie County Sheriff Ken Mascara said. … DEA spokeswoman Jeannette Moran said they made their initial appearances in federal court Friday in Fort Pierce. A bond hearing was set for Nov. 3." ABC News, CBS News, FOX News, USA Today, the Washington Post, Orlando Sentinel, St. Petersburg Times, Florida Times-Union, Lakeland Florida Ledger, Houston Chronicle, and the UK's Guardian are among the news outlets that used a version of the AP story.

The Washington Times (10/28) reports a similar story in its "Around the Nation" section.

In its "U.S." section, The New York Times (10/28) reports that in a search of the Escobedos' house in Greenacres, investigators "recovered 'items which led them to conclude that the home may have been utilized to facilitate narcotics trafficking,' David Weeks, an agent from the Drug Enforcement Administration, wrote in an affidavit." The Times notes, "The suspects, all of whom have extensive criminal records, have not been charged in the killings, but the police have said they think that the person who pulled the trigger is in the group."

Bloomberg (10/27) reports the man's brother "may be connected to a large cocaine- and heroin-trafficking ring, police said in the news conference. Officials from the federal Drug Enforcement Agency and the Bureau of Alcohol,

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Tobacco, Firearms and Explosives assisted in the investigation. All four suspects, three men and one woman, all have felony convictions for cocaine trafficking, police said."

Scripps Treasure Coast Newspapers (10/28) reports two weeks after a family of four "was gunned down on the side of Florida's Turnpike, investigators said the crime was related to the theft of drugs and money and named several "people of interest" believed connected to the killings. However, a man named as the owner of a van sought in the case was cleared of any involvement. … Within 24 hours of the killings, the Drug Enforcement Administration was involved, and within 36 hours they had identified the people of interest named Friday."

The South Florida Sun-Sentinel (10/28) reports that at a news conference, Mascara "named four 'people of interest' in the Escobedo family homicide. They are in federal custody after the Drug Enforcement Administration on Wednesday night raided their rented West Palm Beach home…in the Briar Bay development."

The Palm Beach (FL) Post (10/27) reports, "'The evidence seized from the Escobedo residence, combined with information obtained during interviews with family members and associates of the victims, led law enforcement officers to conclude that Jose Luis Escobedo Jr. was likely involved in cocaine trafficking activities before he was murdered on or about October 13, 2006,' according to a criminal complaint."

The Fort Pierce (FL) Tribune (10/29) reports DEA agents "announced Friday they had arrested five people…on cocaine distribution charges. St. Lucie County Sheriff Ken Mascara said four of them were 'people of interest' in the killings."

UPI (10/28) reports, "Florida police Saturday had in custody four men allegedly tied to the execution-style killing of a family of four on a deserted stretch of highway. … The four men in custody, held without bond, face federal charges of cocaine possession with intent to sell."

On its Web site, CNN (10/28) reports, "About 24 hours after the slayings…the Drug Enforcement Administration became involved in the probe. As the result of the DEA investigation, a Palm Beach County residence was searched Wednesday morning."

On its Web site, KWTX-TV, Waco-Temple-Killeen, Texas (10/27) reports an affidavit "filed Friday by a Drug Enforcement Administration agent says evidence found in the Escobedo family home points toward drug trafficking. It includes what are described as "suspected drug ledgers," as well as plastic packaging used to wrap drugs."

Authorities Differ On Handling Of Illegal Immigrant Drug Offenders. The Aspen Times (10/27) writes, "In December, police arrested Jesus Gabriel Soto Sandoval in the drug sting at two local restaurants. Less than six months after his deportation, Sandoval was back in Aspen and in custody for cocaine possession. So, deport him again and save the cost of prison or punish him so he won't come back for a third crack at dealing cocaine out the back door of an Aspen restaurant? It's a question members of law enforcement and the legal community differ on greatly. For example, in a separate case Thursday, Jose de Fletes Rodriguez was sentenced to five years of probation for possession of less than one gram of cocaine. He was arrested in a traffic stop after a tip from undercover DEA agents in the latest Aspen-area sting operation - known as the 'wiretap case'"

Marijuana Advocates Mock Colorado Governor's Stand Against Amendment 44. The Rocky Mountain News (10/27) reports, "Protestors of all ages…stood on the capitol steps Friday morning to support the legalization of marijuana. The Republican governor lined up with Attorney General John Suthers and about a dozen law enforcement officials to explain why they thought the statewide ballot measure was a bad idea. … 'I'm really proud to be here with so many people who are concerned about the impact of legalizing marijuana in the state of Colorado,' [Gov.] Owens said with a smile, trying to laugh off the taunts before continuing down the rabbit hole."

Longmont, Colorado's Daily Times-Call (10/28) reports Owens "ignored a challenge from Amendment 44 proponent Mason Tvert to debate the initiative, which asks voters to make it legal under state law for anyone age 21 and older to possess up to an ounce of marijuana."

In Denver, 9News.com (10/28) reports, "After the news conference began, it quickly became a contest of who could be the loudest. … Supporters of Amendment 44 say it is a better alternative than alcohol."

Judge Rules In Favor Of Law Prohibiting Federal Aid For Students Convicted Of Drug Charges. Bloomberg (10/28, Basken) reports U.S. District Judge Charles Kornmann "upheld a law making students ineligible for federally backed college loans once they have been convicted on a drug charge." He ruled that "students enjoy no guaranteed right to financial aid and that the legislative branch has wide discretion in setting punishment for drug law violators." The suit "was organized by Students for Sensible Drug Policy" and "argued that the law enacted in 1998 violates due- process and double-jeopardy provisions of the U.S. Constitution."

Eight Face Charges In Internet Drugs Sales Investigation. In Chicago, the AP (10/28) reports a crackdown on Internet sales of anabolic steroids and other

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prescription drugs "has led to criminal charges against eight defendants in two separate cases. In one case, federal prosecutors say six defendants were charged with conspiracy to distribute controlled substances. … The complaint in that case alleges that beginning in 2003, the Web site PM-eds.com took drug orders from the Tinley Park residence of Larry Calow. It then forwarded them to a site in Mexico manned by his brother, Gary Calow."

"Snoop Dogg" Arrested At California Airport, Suspected Of Transporting Marijuana. There are more than 200 media references to the arrest of Calvin Broadus (Snoop Dogg). They include the Los Angeles Times (10/27), which reports the rapper-actor known as Snoop Dogg "was arrested Thursday at Bob Hope Airport in Burbank on suspicion of being a felon in possession of a gun and of transporting marijuana. The performer, whose real name is Calvin Broadus, was arrested by officers from the Burbank-Glendale-Pasadena Airport Authority Police Department at 3:45 p.m. … Police said they soon discovered a gun and marijuana in his vehicle." The AP (10/27) reports a similar story.

IMMIGRATION:

NYTimes Criticizes GOP Plans For Border Fence. The New York Times (10/30, 1.21M) says in an editorial, "President Bush signed a bill to authorize a 700-mile border fence last week, thus enshrining into federal law a key part of the Republicans' midterm election strategy. The party of the Iraq war and family values desperately needs you to forget about dead soldiers and randy congressmen, and to think instead about the bad things immigrants will do to us if we don't wall them out. Hence the fence, and the ad campaigns around it." Across the country, candidates "are trying to stir up a voter frenzy using immigrants for bait. They accuse their opponents of being amnesty-loving fence-haters, and offer themselves as jut-jawed defenders of the homeland because they want the fence. But the fence is the product of a can't-do, won't-do approach to a serious national problem. And the ads are built on a foundation of lies."

CONGRESS-ADMINISTRATION:

Brown, Kavanaugh Seen As Potential Bush SCOTUS Nominees. US News and World Report's Washington Whispers column (11/6, Bedard, Marek) reports President Bush "isn't looking very far for his next conservative pick to the U.S. Supreme Court: His top two candidates work just 12 blocks away in the U.S. Court of Appeals for the District of Columbia Circuit. Insiders say Judge Janice Rogers Brown, appointed in June 2005, tops the list, followed by Judge Brett Kavanaugh, appointed in May. Also up: Peter Keisler, whose nomination to the D.C. court is pending."

Congressional Democrats Deny GOP Charge That They Plan To Raise Taxes. The Wall Street Journal (10/30, A6, McKinnon, 2.03M) reports, "Republicans' 11th-hour campaign strategy includes stirring voter fears of a Democratic tax increase. But a big increase would be unlikely under a Democratic Congress, at least over the next two years. In part, that is because Democratic leaders have, as the election nears, limited their options by repudiating proposals once popular in the party, like boosting taxes on the rich and on investments." However, the Journal notes, "That isn't to say that Democrats don't want to make changes in tax policy if they win a majority in the House or Senate on Nov. 7, or that their influence won't be felt. They likely would block any attempts to extend estate-tax relief after 2010." The Journal goes on to report, Democrats "have said they would push for higher taxes on corporations, particularly oil companies, by eliminating breaks and urging a crackdown on 'loopholes.' Democrats say they would also likely try to steer any new revenue toward paying for extending tax breaks aimed at lower and middle-income families, like a child credit, the 10% rate for low-income families; and relief from the so-called marriage penalty. … Another tax issue for many Democratic lawmakers is relief from the alternative minimum tax." Democratic leaders "have moderated their rhetoric, at least somewhat, suggesting that Democrats could fund any desired spending increases with offsetting budget cuts, rather than tax increases."

Frank At Odds With SEC Regarding International Financial Regulations. The Financial Times (10/30, Grant, Yeager) reports, "Financial regulators on both sides of the Atlantic may not be able to resolve policy disputes through co-operation and the creation of a global regulator should be considered, according to" Rep. Barney Frank. The Times notes, "The views of the man widely expected take over the chair of the House financial services committee if the Democrats retake the chamber stand in stark contrast to those of the Securities and Exchange Commission, the financial regulator that the committee oversees. Christopher Cox, chairman of the SEC, has been at pains in recent months to highlight stepped-up co-operation with foreign regulators such as the UK's Financial Services Authority." Asked if a "supra-national regulator" is necessary, Fran said, "I don't know. At this point that's something to look into."

Survey Finds Many NIH Scientists May Resign Over New Ethics Guidelines. The Washington

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Post/AP (10/30, A15, Beamish) reports, "Nearly 40% of the scientists conducting hands-on research at the National Institutes of Health say they are looking for other jobs or are considering doing so to escape new ethics rules that have curtailed their opportunity to earn outside income. Most scientists say the ethics crackdown is too severe, and nearly three-quarters of them believe it will hinder the government's ability to attract and keep medical researchers, according to a survey commissioned by the government's premier medical research agency." The AP notes, "The tightened rules were put in place last year after NIH found dozens of scientists had run afoul of existing restrictions on private consulting deals that had enriched them with money from drug and biotechnology companies. … 39% of the scientists researching disease and cures — known as tenure and tenure-track scientists — said they actively were seeking new work or considering leaving NIH because of the rules." NIH Director Elias Zerhouni "said the survey 'does suggest concerns about the impact of the regulations on recruitment and retention.'"

Declassification Board Regarded As "White House Puppet." The Washington Times (10/30, Waterman, 88K) reports, "A panel set up last year to reduce excessive secrecy in government is being labeled toothless after its chairman told lawmakers that he could not act except at the request of the president. 'The statute under which we operate provides that [President Bush] must request the board undertake such a review before it can proceed,' wrote L. Britt Snider, chairman of the Public Interest Declassification Board, to Sen. Ron Wyden, Oregon Democrat. Government transparency advocates say that if the statute is interpreted that way, it makes the board, in the words of Steven Aftergood, of the Federation of American Scientists, 'a White House puppet.'" The Times notes the board "was established in law in 2000, after a 1997 recommendation from a commission headed by" Sen. Daniel Patrick Moynihan "'to promote the fullest possible public access to a thorough, accurate, and reliable documentary record of significant U.S. national security decisions and...activities.'"

Medicare Drug Benefit Changes Reportedly Causing Confusion. USA Today (10/30, Wolf, 2.27M) reports, "For…millions of other seniors and people with disabilities, it's time to learn again about Medicare's prescription-drug program. It was confusing the first time around. Now, there are even more plans to consider for 2007. The enrollment period begins Nov. 15 and ends Dec. 31, but officials say those who wait past early December could face delays. The lowest-priced premiums have risen considerably. Lists of covered drugs have changed, as have rules that must be followed to get coverage. And plans that last year provided continuous insurance throughout the year for all drugs now have a 'coverage gap' for brand-name drugs. Most plans have a gap that begins when total drug costs reach $2,250 and ends when the beneficiary has spent $3,600 out of pocket. For all those reasons, experts say, virtually everyone in the program should shop around." According to USA Today, "National advocates are beginning to hear complaints." Vicki Gottlich of the Center for Medicare Advocacy "says beneficiaries are finding their deductibles and co-payments rising, even if premiums are not."

Democrats Allege Medicare Handbook Is Biased Towards Private Insurers. The New York Times (10/30, Pear, 1.21M) reports Congressional Democrats "say a new government publication being sent to all Medicare beneficiaries inappropriately favors private insurance plans over the traditional government-run program. The publication, the 2007 Medicare handbook, 'presents a misleading and biased view of Medicare coverage and options,' the Democrats said last week in a letter to Michael O. Leavitt, the secretary of health and human services." According to the Times, "The Bush administration defended the handbook and said beneficiaries could save significant amounts…by enrolling in private health plans that provided a full package of benefits including doctors' services, hospital care and prescription drugs."

Boehner Says Social Security Reform Is Unlikely In The Short-Term. Bloomberg (10/30, Willis) reports House Majority Leader John Boehner said President Bush "may have a hard time getting his plans for overhauling Social Security and other entitlement programs through Congress in his last two years in office." Boehner, on ABC's This Week (10/29, Stephanopoulos) said, "We can't look at these big problems we have and think we're going to solve them in a very short period of time. … Until people truly understand the magnitude of the problem we're facing with the large entitlement programs, trying to talk about options for fixing them is premature."

AFSA Opposes Zeleny's Selection To Head Brussels PD Office. In his "In The Loop" column in the Washington Post (10/30, A15, 748K) Al Kamen writes, "State Department career diplomats are in an uproar over the recent appointment of a mid-level civil servant who worked for Undersecretary Karen Hughes to a top job running the new Public Diplomacy Rapid Response office in Brussels." AFSA President J. Anthony Holmes sent Secretary Rice "an unusually strong letter last week" in which he called "the selection of Diane Zeleny a 'pre-cooked deal,' apparently done by manipulating the process and violating personnel rules and standard practices. AFSA, he said, was filing a grievance 'to undo this assignment.'" Holmes claims "the job

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opening was never properly advertised. It was quietly announced at virtually the last minute in the personnel selection cycle, sources said, so there was no way top officers could apply for it." Department "officials" say "there was nothing untoward. The Brussels job wasn't created until the yearly State Department selection process was largely completed, and most people had already received their next posting. In addition, Hughes and Rice believe Zeleny is 'the right person for the job,' a spokesman said, 'and they have full confidence in her.'"

Beer Wholesaler PAC's Influence Evident In Underage Drinking Legislation. USA Today (10/30, Frank, 2.27M) reports, "When Congress returns Nov. 13, one bill likely to get a vote is a measure to curb underage drinking. But the bill before the House is much different from the version lawmakers introduced last year. Gone are sections that urged the NCAA to ban alcohol ads during college sportscasts and that called alcohol 'the most heavily used drug by children.' Added is a sentence that could help beer distributors fend off challenges to state regulations that require them — and only them — to transport beer to retailers." The National Beer Wholesalers Association "takes credit for the additional line and worked with the alcohol industry to delete the other sections. The beer group's political action committee (PAC) is one of the top givers to congressional candidates for the Nov. 7 elections. … Since 1999, the beer wholesalers' PAC has given $8.6 million to federal candidates, exceeding donations by the American Medical Association, the American Bankers Association and the National Association of Home Builders for that period, according to the non-partisan Center for Responsive Politics, which tracks campaign funds."

OTHER NEWS:

Greenspan Among Economists Who Believe US Housing Market Stabilizing. The Wall Street Journal (10/30, A2, Hagerty, 2.03M) reports, "Just when the gloomier pundits were starting to enjoy the housing slump, optimists are piping up to declare it could be almost over." Former Federal Reserve Chairman Alan Greenspan "said in a speech last week that he detected 'early signs of stabilization' in the housing market. Some Wall Street economists also are saying the worst may be behind us." The Journal adds, "The maximum impact of falling home construction may have hit the U.S. economy in the third quarter, some economists say. But that doesn't mean the housing market is on the verge of a miracle recovery. Construction is expected to fall further as builders struggle to shed a glut of unsold homes. And many economists expect house and condominium prices to continue falling for at least an additional six months to a year in parts of the nation where speculators went wild."

Krugman Contends Housing Market Is "Still Way Out Of Line." The New York Times' Paul Krugman (10/30) writes, "Some say the worst is already over. Mr. Greenspan, who's been an optimist all the way, now argues that the latest data on new-home sales and mortgage applications suggest that housing has already bottomed out. … But I think the pessimists have a stronger case. There's a lot of evidence that home prices, although they've started to decline, are still way out of line. Spending on home construction remains abnormally high as a percentage of G.D.P., because banks are still lending freely in spite of rapidly rising foreclosure rates."

Employers Increasingly Pass Along Health Insurance Costs By Raising Deductibles. Time (11/6, Kingsbury, 4.03M) reports, "After watching health-care costs rise more than 60% in the past five years, most of America's 177 million insured workers are bracing for another dose of pain. As this November once again brings open-enrollment season…2007 looks to bring no relief. For the average employee, premiums and out-of-pocket expenses will reach $2,904 a year for a family, up $300 from 2006. That's the pass-along pain of the costs that employers now endure, nearly $9,000 per employee, up an estimated $518 from this year. Containing those costs is a new corporate imperative. … One antidote to the cost spiral: puny raises and fatter deductibles."

US News and World Report (11/6, Andrews) reports, "As healthcare costs have continued to climb-premiums rose 7.7 percent this year-employers have been shifting more of them onto workers' shoulders. … Annual deductibles of $1,000 or more are becoming more common. At the same time, benefits are shrinking."

New Home Prices Are Down More Than 15% Since April. US News and World Report (11/6, Markels) reports, "Since prices topped out in July, the housing downturn now underway in many parts of the country has already lopped $10,000, or 4.3 percent, off the median price of an existing home, the largest dollar decline the National Association of Realtors has ever recorded. Prices of newly built homes have slumped even more, sinking by 15.5 percent since their April peak, according to the Commerce Department. … While some areas like Houston and Seattle have bucked the trend, prices in once hot markets like Boston are now down by more than 10 percent from their high point."

Bush Rallies GOP Faithful At First Public Rally Of Campaign Season. The Financial Times (10/30, Daniel) reports President Bush "finally gave a new meaning

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to the word bully in his bully pulpit at the weekend." Bush "on Saturday starred in his first public rally of the mid-term elections. He rolled up his blue shirtsleeves to lambast Democrats as the party that would raise taxes and negotiate with terrorists. Selling his party's message in Indiana, the president resembled an old-fashioned revivalist. His evocation of Democratic sins spurred the crowd…into an ecstatic chorus of 'Amen', 'That's right', and one man spontaneously interjecting 'You're the man, George'. The official White House transcript showed that the speech was punctuated by 98 bursts of applause and 12 'boos' at the spectre of activist judges, House Democrat leader Nancy Pelosi and gay marriage." The Times notes, "Saturday's rally was pure White House stagecraft. The lone black person in the room, and a Hispanic couple, were positioned directly behind Mr Bush. Dozens of ostensibly handcrafted signs – including 'Moms for Mike' – were handed out by campaign aides." ABC World News (10/29, story 4, 2:30, Harris, 8.78M) reported, "This weekend rally in Indiana was the President's first of the campaign season. A sign, some say, candidates have been keeping their distance from the unpopular President. But Mr. Bush told 3,000 GOP activists this weekend that he's energized, excited and sensing 'grassroots enthusiasm.'"

The New York Times (10/30, Rutenberg, 1.21M) reports, "For all the talk about the political baggage that President Bush carries this year, his stop in Indiana on Saturday showed that he could still turn on — and, White House strategists say, turn out — the most faithful party voters. Women screamed his name, men chanted 'U.S.A.,' and no one doubted that the 4,000 people packed into a high school gymnasium for a rally in Sellersburg were primed to urge friends and neighbors to vote on Nov. 7 for Representative Mike Sodrel, who won his seat by just 1,300 votes two years ago." The Times notes, "The scene will repeat itself over and over before Nov. 7, as President Bush plunges into a blitz of rallies for embattled candidates. As the White House moves into its end game for this campaign, a crucial element is the use of the president to rally core voters in certain districts." According to the Times, "The appearances buck the conventional wisdom that Mr. Bush is such a pariah to Republicans that he cannot be of much use on the campaign trail."

Bush To Campaign In Georgia And Texas This Week. ABC World News (10/29, story 4, 2:30, Harris, 8.78M) reported President Bush, "even though he's viewed by many Republican candidates as a liability, will be hitting the trail hard this week." ABC added, "With the campaign in the home stretch and polls showing Republicans mounting a bit of a comeback, President Bush wants to make sure it isn't too little, too late. … Tomorrow, he's in Georgia and Texas. Tuesday, back to Georgia. A day off Wednesday. And then a seven-state sprint to the finish in a desperate attempt to hold the House." The New York Times (10/30, Rutenberg, 1.21M) reports President Bush's "two stops in Georgia on Monday and Tuesday are for two Republicans, Max Burns and Mac Collins, who are making headway in challenges against two Democratic incumbents, Representatives John Barrow and Jim Marshall, respectively. Mr. Bush is popular enough in those areas that the Democratic incumbents have tried to align themselves with him. … And then there are stops like the one on Monday in Sugar Land, for the seat that had belonged to Representative Tom DeLay." Bush won the district in 2004 "by nearly 30 percentage points, but the Democrat, Nick Lampson, is favored to win."

The New York Times (10/30, Blumenthal, 1.21M) reports, "Hoping against the odds to keep a prize Republican Congressional seat from falling to the Democrats next week," Bush "travels to his home state on Monday for a rally in the district long led by his Texas ally Tom DeLay." Bush is "the headliner for a Houston councilwoman, Shelley Sekula-Gibbs, who emerged only in August as the Republican choice for the 22nd Congressional District and who is running in two elections: the general election on Nov. 7 and a special election the same day to fill Mr. DeLay's unexpired term." She faces Democrat Nick Lampson, "who has been campaigning for more than a year and is favored to win." Ms. Sekula-Gibbs said, "The president is coming to rally the troops, and I am so thrilled." Asked if Mr. Bush's negative approval ratings could hurt her, she was indignant. 'Only a Democrat would say that,' she said. 'He's tremendous. I'm thrilled he's coming.'" The Times adds Lampson, "who lost his House seat in a neighboring district after the 2003 redistricting engineered by Mr. DeLay, has shored up his moderate credentials with endorsements from the Veterans of Foreign Wars and the National Rifle Association and has been beaming victory grins at campaign stops." The Times adds, "Discord broke out Friday after Ms. Sekula-Gibbs showed up inside a Sugar Land polling place where voters were casting early ballots, setting off charges by Texas Democrats and the Lampson camp that she had willfully broken the law by campaigning inside a polling place." Sekula-Gibbs "said she had been campaigning outside and briefly went in to use the restroom and inquire about voter turnout."

Rove's Confidence In GOP Prospects Sparks Commentary In Washington. The Washington Post (10/30, A1, Abramowitz, 748K) reports that by "many calculations, Democrats are ready to make big gains in the midterm elections, enough to take over the House and possibly the Senate. But White House Chief of Staff Joshua B. Bolten says there is one reason he is feeling upbeat amid so much Republican gloom." Bolten said, "I believe Karl Rove. Karl Rove, somewhere inside that massive brain of

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his, has figured out the political landscape more clearly than the entire collection of conventional-wisdom pundits and pollsters in the entire city of Washington." The Post adds that was "true for two elections in a row, in 2002 and 2004, and President Bush's senior adviser has insisted to West Wing colleagues and party faithful alike that it will be again. But Rove is just eight days from having his genius designation revoked -- or upgraded to platinum status." It is a "mark of the particular place Rove holds in the Washington psyche that even the most exuberant Democrats are wondering why he seems so confident." The Post adds Rove is "dismissive of the idea that the Republicans will lose the 15 House seats or six Senate seats required to cede control to the Democrats." On Tuesday, "when the White House hosted radio talk show hosts from around the country, Rove did at least 13 interviews. He was on the phone with Washington association executives with what one called 'happy talk' about voter-turnout metrics, polling data and campaign funding." Rove said, "I look at the individual races as clear-eyed as I can every single day, knowing what we are doing and knowing that we have the capacity to move the resources in if we need to do more. Incumbents are hard to defeat. Our candidates by and large have significantly more resources than they have. And we have succeeded in making these races choices between two local candidates." The Post adds, "Rove voices impatience with the notion that his own reputation is on the ballot," saying, "Look what has been set in motion -- a broader, deeper, strengthened Republican Party, and with an emphasis on grass-roots neighbor-to-neighbor politics, is going to continue."

Christian Conservative Support For Republicans Said To Be Eroding. The AP (10/30, Zoll) reports among the "many disturbing trends for Republicans this campaign season, one of the most troubling is the drop in support among white evangelicals." The number "of conservative Christians with a favorable view of the party has plummeted from 74 percent to 54 percent between 2004 and this year, according to the Pew Research Center for the People & the Press. Evangelicals comprise more than one-third of GOP voters." But analysts "say it's far too soon to write off the powerful Republican-evangelical alliance that helped the party dominate in the 2004 election." Conservative Christians "have been here before — disappointed that Republicans they helped elect failed to enact the evangelical agenda — yet they have consistently returned to the GOP. Even as they question the current Republican leadership, evangelicals are far more supportive than other Americans of President Bush and the party, the Pew Center found."

White House "Digital War Room" Provides Rapid Response To Bush Critics. USA Today (10/30, Jackson, 2.27M) reports, "Every weekday at 8 a.m., right after President Bush meets with senior staff, his communications team huddles in a second floor West Wing office to plan new moves in the information war. Rob Saliterman, the White House director of rapid response, fires salvos throughout the day. His weapons: e-mails." According to USA Today, the White House "digital war room blasts thousands of electronic messages each day, aimed at more than 2,000 targets. They include journalists, Republican staffers in government, radio talk show hosts, television bookers, Internet bloggers and what White House communications director Kevin Sullivan described as other 'interested parties.'" Sullivan is quoted as saying, "We call it rapid response, but we look at it as being on offense. We want to respond to things that are misleading before they become part of conventional wisdom."

Democrats Have 14-Point Generic Ballot Advantage In Newsweek Poll. On its website, Newsweek (10/28, Mabry, 3.12M) reported on the latest Newsweek poll, which shows President Bush's "approval rating continues a slow but steady climb -- from an all-time NEWSWEEK-poll low of 33 percent three weeks ago to 37 percent today. But it may be too little, too late: if the midterm elections were held today, 53 percent of those likely to go to the polls would vote for the Democratic candidate in their Congressional district versus just 39 percent who would vote for the Republican." But the poll "is not all bad news for the GOP. President Bush declared this week that the administration was putting the Baghdad government on notice that it had to make progress in stemming sectarian violence and rebuilding the country. Otherwise, Washington would consider changes to its Iraq policy." The strategy "worked -- at the margins. Almost half of all Americans still believe taking military action in Iraq was a mistake, but the gap between those who say it was and those who say it was the right decision has narrowed: from 54 to 39 last week to 49 to 43 this week -- from a 15-point margin to just six points." The Newsweek poll of 1002 adults (+/- 4%) was conducted over October 26-27.

Democrats Hope Moderate Candidates Will Aid Effort To Retake House. The New York Times (10/30, Dewan, Kornblut, 1.21M) reports that House Democrats have "have turned to conservative and moderate candidates who fit the profiles of their districts more closely than the profile of the national party." In North Carolina's 11th CD, Heath Shuler "is an evangelical Christian and holds fast to many conservative social views, like opposition to abortion rights." Rep. Ron Kind, "co-chairman of a caucus of centrist House Democrats," said, "My guess is that if Democrats are in the majority, it's going to be because of these New Democrat, Blue Dog candidates out there winning in these competitive

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swing districts." The Times adds that if "candidates like Mr. Shuler do help the Democrats gain majority control of Congress, it could come at a political price, which may include tensions in the party between its new centrists and its more liberal political base." While Democratic leaders "have gone to great lengths to promote the views of these candidates, some, like Mr. Shuler, have views on issues like gun control and abortion that are far out of step with the prevailing views of the Democrats who control the party. On some issues, they may even be expected to side with Republicans and the Bush White House." But if the "crop of moderate and conservative Democrats arrived on Capitol Hill as members of a Democratic majority, they would not have much power individually to change the face of Congress." Instead, "party veterans would remain in chairmanships and House leadership posts; several officials said they did not expect a moderate revolution to erupt or to threaten the position of Representative Nancy Pelosi of California as the Democratic leader in the House."

Midterms Portrayed As A Referendum On "Isolated" Bush. Time (11/6, Tumulty, Allen, 4.03M), in its cover story titled, "It's Lonely At the Top: How the election became a referendum on an isolated President--and how it is likely to reshape American politics," reports the midterm congressional election "has turned into a referendum on Bush himself--and on a policy in Iraq that has left him more isolated than at any other point in his presidency. … This midterm election is also turning out to be all about Bush, but it's a much lonelier experience for him. He still fills smaller rooms, especially the kind where people are willing to write five-figure checks for the privilege of lunch with a Republican President. And he's welcomed warmly in places where having local reporters point out Bush's difficulties provides a diversion from the candidate's own. But when Air Force One touches down in tightly contested congressional districts these days, it often turns out that the G.O.P. candidate there has discovered a previous commitment elsewhere." Time continues, "But Bush has lived by the political philosophy that when the crowd is against you, you just strut more boldly across the stage. That's why he held a news conference a few days ago to hug his war policy even tighter."

"Investor Class" Said To Be Abandoning Bush. US News and World Report (11/6, Pethokoukis) reports, "During the 2004 presidential election, about 46 percent of voters, according to polling by Zogby International, identified themselves as members of the 'investor class.' And this group voted for President Bush in a landslide over Sen. John Kerry, 61 percent to 39 percent." However, "A Zogby poll taken in mid-June, as the market rally was beginning, showed Bush with a 41 percent approval rating among investors. That's not so hot, but it was better than his 36 percent approval rating overall."

GOP's GOTV Efforts Said To Be Hampered By "Dispirited" Base. US News And World Report (11/6, Gilgoff) reports, "This year, facing its toughest political climate in over a decade…the GOP is counting on that get-out-the-vote machine more than ever. … Turnout this year is expected to be down by more than a third from 2004, which is why more than 20 GOP phone banks and volunteer centers across Pennsylvania have already contacted more than a million voters most likely to back [Sen. Rick] Santorum. … With only days to go, however, achieving that goal appears iffy, at best. The revved-up Republican base that staffed the election-eve blizzard of phone calls and door knocks in 2002 and 2004 as part of the GOP's '72-hour plan' now appears dispirited. At the Blue Bell phone bank, one volunteer called a half-dozen Republicans who'd expressed interest in joining this year's '72-hour task force' before finding a taker. The Democrats, meanwhile, say they've improved their ground game since 2004, when the Democratic National Committee's voter file-the road map for turnout efforts-was so glitch-prone that Ohio's Democratic Party couldn't access it until a week before Election Day. In dozens of close races nationwide, the ability of the GOP turnout effort to deliver again, or the Democrats' ability to best it, will determine the outcome next week-and, with it, which party controls Congress."

Cheney Tries To "Invigorate" Base With Assessment Of Clinton's 2008 Chances. US News and World Report's Washington Whispers column (11/6, Bedard, Marek) reports, "No, Vice President Dick Cheney wasn't losing his mind last week when he said Sen. Hillary Rodham Clinton is a formidable 2008 presidential candidate who can win. Insiders say he was telling the truth-and trying to invigorate his base in the GOP against a familiar but recently quiet foil. 'That was good for us,' says a Bushie. 'You'll see more of that.'"

Klein Says Democrats' Ads Have Bested "Exhausted" GOP's Attacks. In his column for Time (11/6, 4.03M) Joe Klein writes, "In recent weeks, the Republicans unwrapped another moldy chestnut, advertisements proclaiming that Democrats will raise taxes. But that didn't seem to be working either because voters were focused on Iraq and Mark Foley. And so last week the Republicans unleashed a series of ads painting the Democrats as sex-crazed, homosexual-loving, porn-perusing…perverts. It was vivid proof that the prospect of a hanging doesn't always concentrate the mind. Sometimes it leads to feral, piss-pants desperation." Klein concludes, "As a result, the political-advertising phenomenon of 2006: almost all of the best ads this year, in both the Senate and House races, have been

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Democratic counterpunches. Of course, it is easier to strike back at an exhausted opponent."

Older Southern Women Considered This Year's Key Constituency. Time (11/6, Calabresi, 4.03M) reports, "Call them the show-me moms. They may be this political season's equivalent of the soccer moms or the NASCAR dads. … This year strategists on both sides are focused on a small subset of females: white women over 55 in the South who were raised as Democrats but tend to be culturally conservative. The group eschews party loyalty in favor of candidates offering practical solutions to problems like education, security and health care and is 'very critical,' says a top G.O.P. strategist, in the deadlocked Senate races in Missouri, Tennessee and Virginia." Time notes, "While 54% of Southern women voted for Bush in 2004, a recent Associated Press poll found that only 32% of them approve of his handling of the war, compared with 36% of all Southerners. Republicans argue that they can hold these show-me moms by stressing the good economy and the moderate popularity of President Bush's prescription-drug program."

Social Issues May Have Outsized Impact On Several States' Elections. Newsweek (11/6, 3.12M) reports, "Next week Americans will head to the polls with national and international issues on their minds. Chief among them: Iraq, the top issue for 29 percent of voters in the NEWSWEEK Poll. … But a host of sleeper social issues, including abortion, same-sex marriage and stem-cell research will keep campaign 2006 interesting to the end." Newsweek goes on to report briefly on the Missouri stem cell amendment, the New Jersey gay marriage ruling, Michael Schiavo's campaign appearances on behalf of Democratic candidates and the referendum on South Dakota's abortion ban.

Bush's Criticism Of New Jersey Gay Marriage Ruling Noted. US News and World Report's Brian Duffy (11/6) writes, "Less than 24 hours after the New Jersey Supreme Court announced its ruling that gay couples are entitled to the same legal rights as heterosexuals, the president slipped a nifty reference to gay marriage into the top of his stump speech (tossing in, for good measure, that Democrats would raise taxes and leave America unprotected), and suddenly he had something to talk about besides Iraq that actually might help his reeling Republican brethren at the polls next week."

South Dakotans To Vote On Abortion Ban. US News and World Report (11/6, Halloran) reports South Dakota voters "will decide whether to overturn a nearly complete ban on medical abortions. … Activists on both sides are riveted by the bottom-line question…Can" the pro-life movement's "new sell persuade South Dakotans to endorse a state law that ignores a U.S. Supreme Court precedent and makes no specific abortion exceptions in cases of incest or rape, or when a mother's health is threatened? If the answer is no, then the probable conclusion-pending litigation of some sort-is that even abortion opponents aren't willing to so dramatically limit the rights of the mother. But if the answer is yes, then similar legislation is likely to move forward in other states, and so is a legal challenge that could reach the Supreme Court."

Voters Urged To Reject Marijuana Decriminalization Measures. In an essay for Time 911/6) neurosurgeon and CNN contributor Sanjay Gupta notes that Colorado and Nevada "are considering ballot initiatives that would legalize up to an ounce of pot for personal use by people 21 and older, whether or not there is a medical need. … True, there are health benefits for some patients. Several recent studies…show that THC, the chemical in marijuana responsible for the high, can help slow the progress of Alzheimer's disease. (In fact, it seems to block the formation of disease-causing plaques better than several mainstream drugs.) … But I suspect that most of the people eager to vote yes on the new ballot measures aren't suffering from glaucoma, Alzheimer's or chemo-induced nausea. Many of them just want to get stoned legally. That's why I, like many other doctors, am unimpressed with the proposed legislation."

Zogby Sees Potential For GOP To Peel Away Black Voters. US News and World Report's Washington Whispers column (11/6, Bedard, Marek) reports, "Pollster John Zogby is following a trend in next week's midterm elections that could have a huge impact in the 2008 presidential race: Will black Republicans win black votes? He thinks they will, just as when about 40 percent of the Hispanic vote moved into the GOP column in 2004, breaking the proverbial political barrier. He's focused on Maryland Senate candidate Michael Steele, the lone black Republican seeking statewide office who could win. What would it take? Zogby thinks if 20 percent or more vote Steele, it will represent a major shift away from the Democrats and signal what he's dubbed 'the Emerging African-American Icon.' It could have a huge impact in 2008. Just think, he says, if Secretary of State Condi Rice runs for president and gets 25 percent of the black vote to add to the Republican base. … And, he adds, let's say media favorite Illinois Sen. Barack Obama challenges Sen. Hillary Rodham Clinton. If he gets half of the black vote, which is 25 percent of the Democratic base, 'it thrusts him at least into the high second tier' of candidates."

Obama Characterized As "Wishy-Washy." US News and World Report's Gloria Borger (11/6) writes, "The reasons for Obama's popular appeal may well be his political flaw: He's reasonable. He looks for solutions. There is no enemies

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list. All good. Yet, his penchant for wishy-washy is well documented. He splits hairs, is noncommittal and overly judicial."

Iraq Is Key Issue In NM1. The Los Angeles Times (10/30, Barabak, 918K) reports, "New Mexico's 1st Congressional District is high on both parties' target lists in these final campaign days, as Democrats fight for the 15 seats they need to take over the House. More than $11.5 million has been raised and spent here by the candidates and their allies, a state record, and couch potatoes have been bombarded with more than 11,500 TV spots since July." Although Democrats "outnumber Republicans, the GOP has held the congressional seat for its entire existence, nearly 40 years. No incumbent has ever been defeated, not even in the big Democratic elections of 1974 and 1982." Still, "few places are better to watch the fight for control of Congress." Moreover, "as they run neck and neck, the two candidates personify the broad strategy of their respective parties." The war in Iraq "has dominated the campaign above all and presented the starkest contrast between the two candidates, just as it has in many races across the country." Wilson has "carefully sculpted an image of independence from Bush and GOP leaders in Congress, parting ways at various times on budget, healthcare and ethics issues." But she has "been unflagging in her support of the war, casting Madrid as inexperienced and dangerously naive when it comes to Iraq and terrorism."

MN1 Said To Highlight GOP's Difficult Political Environment. The Wall Street Journal (10/30, Rogers, 2.03M) reports the Minnesota 1st CD race between Republican Rep. Gil Gutknecht and Democrat Tim Walz "captures the struggle between Republican power in Congress and a grass-roots demand for change." Gutknecht is "a political survivor and force for the dairy industry as a senior member of the House Agriculture Committee. But in a district President Bush carried twice, the Republican Party and corporate allies are spending heavily to fend off" Walz, "a high-school teacher and political newcomer." Three "possible 2008 presidential contenders -- Republican Sen. John McCain and Democratic Sens. John Kerry and Barack Obama -- are all due here this week." McCain's appearance, "which his camp says is to help re-elect Gov. Tim Pawlenty, not Mr. Gutknecht per se, touches a nerve since Mr. Walz -- a retired National Guard master sergeant -- is a fellow veteran and has been attacked by Mr. Gutknecht for supporting immigration policies akin to the Arizona senator's." The "heart of" Walz's "campaign is just that: Everyman running for Congress. With his former National Guard artillery unit deployed in Iraq, Mr. Walz emphasizes the need for change in the war's strategy. But most of all, given the House's low standing in opinion polls and voter anxiety about America losing its way, he sees his candidacy as a wake-up call for Congress and the nation." In the 5th District, Keith Ellison, "an antiwar state legislator who would be the first Muslim ever in Congress, won the primary last month with the help of a relatively new Somalian immigrant population." Supporters "praise the young African-American attorney as a new voice for the party, but Mr. Ellison's history of parking tickets and tax liens have caused his candidacy to divide longtime allies such as former Vice President Walter Mondale and" outgoing Rep. Martin Sabo. In the 6th District, Democrat Patty Wetterling is "proving more resilient than Republicans expected against state Sen. Michelle Bachmann."

Longtime GOP Seattle Suburb Trends Democratic Over Stem Cell Research. The New York Times (10/30, Kantor, 1.21M) reports that for "as long as anyone here can remember, Bellevue has been a stronghold of socially liberal Republicanism. First, it was a prosperous Seattle bedroom community, then a technological boomtown, where employees of Microsoft and Internet start-ups consistently voted for fiscal restraint and hands-off government." But now, "voters here are accusing the party in power of overspending and overreaching — and when they do, they sound like people who write manifestos, not software code." Bellevue has "been growing more Democratic for several years, thanks to an influx of liberal voters and a professional class that is changing teams. This year, Bellevue may send its first Democrat to Congress. Darcy Burner, who even supporters admit is inexperienced, may unseat Representative Dave Reichert, a well-liked, longtime public servant, simply because constituents want Democratic control of the House of Representatives." In Bellevue, "the professional is political. Rather than religion or culture, what unites the diverse population — a quarter of residents are foreign born — are the values of their workplaces: technological innovation, accuracy, efficiency. And this year, one issue incenses them above all others: restrictions on embryonic stem cell research." For "many engineers and their ilk, restriction of stem cell research is what gay marriage is to conservative Christians, a phenomenon so counter to their basic values that they cannot vote for any candidate who supports it."

Pelosi Said To Be Symbolic Of US Political Divisions. The New York Times (10/30, Steinhauer, 1.21M) reports that with House Minority Leader Nancy Pelosi "in line to become the country's first female speaker of the House, she has emerged as a searing symbol of the country's deep partisan divide." For Republican strategists "laboring to maintain control of Congress, she is the personification of liberal lunacy, an Armani-clad elitist who will help push lawmakers toward an agenda of multicultural, tax-

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raising appeasement." But to "many Democrats, Ms. Pelosi embodies their raw antipathy for a Republican Party that has held them largely to the margins for more than a decade, and their hope that a Democratic Congress could make trouble for a president with whom they are at bitter odds." Pelosi said, "I wouldn't say I'm tough. I think I am firm and strong." The Times adds, "Indeed, her smile-while-she-gnaws-at-you style and her legislative prowess have gained her respect, if not good wishes, from colleagues and foes." Aided by "a highly partisan House, she has overseen the most uniform voting record of any Democratic caucus since the 1950s. Her steely strategy for sinking President Bush's plan to overhaul Social Security succeeded." Former House Majority Leader Dick Armey said, "I am a big fan. She is an able person and serious about her work and a very pleasant person with whom to work." Conceding that "he disagreed with Ms. Pelosi on everything that matters — 'She's misguided' — Mr. Armey added: 'You don't get to be minority leader without being intelligent. I'm no longer in office, so I am free to be a nice person. If I had been majority leader and said, 'I like Nancy Pelosi,' I would be crucified.'"

Pelosi Plans To Seek Lobbying Reform Measure On House. The Washington Post's Jeffrey Birnbaum, in his "K Street Confidential" column (10/30, D1) writes, "If Democrats gain the 15 seats they need to win control of the House…one of the first things the new House will do is restrict or end outright a slew of lobbying practices." House minority leader Nancy Pelosi "has promised to change the chamber's rules to reflect the provisions of her not-so-modestly-named Honest Leadership and Open Government Act of 2006. The months-old measure would, among other things, prohibit House members from accepting gifts and travel from lobbyists or from organizations that employ lobbyists. The Pelosi bill includes changes not only to House rules but also to federal laws. Any changes in law would have to be approved by the Senate and the president before they could take effect. But the House can alter its own rules anytime, and that's precisely what Pelosi proposes to do as the House's first official act next year -- after it selects her as speaker." Birnbaum notes, "Several of the proposals in Pelosi's bill (H.R. 4682, for you wonks out there) were wending their way through the system but died after lawmakers concluded -- incorrectly, it turned out -- that voters didn't care much about congressional 'corruption.' Pelosi's bill, with small modifications, was tested in the House and lost by just three votes."

Pelosi Is Viewed As A Moderate In Home District. The Los Angeles Times (10/30, Barabak, 918K) reports that to "much of the country, Nancy Pelosi is the liberal embodiment of a city as crazy as its near-vertical hills. But here at home, the Democratic House leader is seen as something else: sober, centrist and very much a part of the political establishment, for good or bad." For "five years, ever since she entered the congressional leadership, Pelosi has balanced the interests of 200-plus colleagues of varied philosophies with the demands of a district about as far left politically as it is geographically." In 2004, Sen. John F. Kerry "won 62% of the presidential vote at home in Massachusetts. Here, he garnered 85%." It is "easy to lampoon San Francisco as the world's largest open-air asylum, as conservatives, in particular, are wont to do. On Nov. 7, the day the nation decides control of Congress, voters here will weigh an initiative making it official city policy to seek the ouster of President Bush and Vice President Cheney. This after the pair ignored a ballot measure two years ago demanding an immediate U.S. withdrawal from Iraq." But San Francisco is "also a tough political town, more like New York or Boston than any West Coast city. Campaigns, a widely appreciated form of civic theater, are personal and often vicious."

Menendez Leads Kean By Six Points In New Jersey Senate Poll. The Bergen Record (10/30, Jackson) reports Democratic Sen. Bob Menendez "holds a six-point lead in the race for US Senate even though more New Jersey voters like and trust Republican Tom Kean Jr., a poll by The Record found." That "may be because New Jerseyans, by a wide margin, want Democrats to control Congress in January, the poll also found." Research 2000 pollster Del Ali said, "Any other political year, I think the Republicans win that seat. The only thing saving Menendez is the climate out there." The Record adds Menendez "led Kean 48 percent to 42 percent in the survey of 600 likely voters taken Monday through Wednesday." The poll "found voters believe Kean is more trustworthy by a 49 percent to 36 percent ratio, and they personally like Kean more than Menendez, 48 percent to 33 percent." But even "among people who consider Kean more trustworthy, 35 percent are voting for Menendez, apparently because other factors are more important."

The AP (10/30, Santana) reports Menendez "holds a slight lead over Republican Tom Kean Jr. in their Senate race with just over a week left before election day, a poll published Sunday found." Thirty percent "said the Iraq war was the most important issue in deciding their vote. Voters also want to see Democrats rather than Republicans control Congress, 53-35 percent." President Bush "remains unpopular, with only 37 percent saying he was doing an excellent or good job. Menendez's campaign strategy has been dominated by efforts to tie Kean to Bush administration policies, while Kean has painted Menendez as a corrupt politician."

Conservatives Predict Gay Marriage Ruling Will Boost Kean. The Washington Times (10/30, Fagan, 88K) reports, "Last week's New Jersey Supreme Court decision granting recognition to same-sex couples could energize concerned values voters, some activists say, in a heavily

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Democratic state where Republican Tom Kean Jr. is making a strong challenge to Sen. Robert Menendez. 'There'll be a backlash,' predicted Len Deo, president of New Jersey Family Policy Council." The Times notes New Jersey's state Supreme Court "ruled Wednesday that same-sex couples were treated unequally by the state and ordered the Legislature to correct this -- leaving open the question of whether the new status would be called 'marriage.'" Tom McClusky, vice president for government affairs at the Family Research Council, "said the decision 'could make a difference' for Mr. Kean, who said last week that he'd support a state constitutional amendment to protect traditional marriage."

NYTimes Endorses Menendez. The New York Times (10/30, 1.21M) says in an editorial, "In his race with State Senator Thomas Kean Jr., there is no question that" Democratic Sen. Robert Menendez "is the better choice." Kean "is the latest in what has become a very long line of second- and third-generation politicians hoping to achieve high office on the back of their parents' reputations. Many of his positions seem to come from a campaign playbook rather than conviction." Menendez "shows a much better grasp of the issues. In the House, where he was the third-highest ranking Democrat, he was an accomplished legislator. He opposed the resolution authorizing President Bush to go to war in Iraq, and he has been outspoken in criticizing the administration's conduct of the war." Menendez has "a history of ethical lapses that have been all too common for Democratic officials in New Jersey, especially for those, like him, who continue to take an active part in local party politics. If re-elected, the senator should make it clear he is giving up any role in the Hudson County Democratic organization."

Kennedy Questions Klobuchar's Honesty In Minnesota Senate Debate. The AP (10/30, Condon) reports Republican Mark Kennedy "questioned the honesty of his Democratic opponent Amy Klobuchar during a debate Sunday night, scaling up his rhetoric against her with ten days to go until the election." Kennedy "several times brought up the flap over a possibly stolen Kennedy ad that was leaked to the Klobuchar campaign, suggesting that Klobuchar waited several days before reporting the incident to the FBI; and what he claimed was the refusal of the Klobuchar-led Hennepin County Attorney's office to fully respond to Republican Party requests for information about the office's prosecution of criminals." Kennedy asked Klobuchar, "If you won't give Minnesota voters straight answers on these issues, why should they trust you in the U.S. Senate?" The AP adds Klobuchar "hit back by contrasting her response to the stolen ad to the response of Republican congressional leaders in the scandal surrounding disgraced U.S. Rep. Mark Foley, who recently resigned amid allegations of improper contact with underage House pages." Klobuchar said, "When I found out someone not from our campaign had improperly taken an ad, I immediately reported it to the FBI. That's more than I can say about the leadership of this Congress when they found out someone was soliciting pages."

Ford Calls RNC Ad "Smut." Rep. Harold Ford was asked on Fox News Sunday (10/29, Wallace) if he believes the ad run against him by the RNC featuring a white woman's references to a "Playboy party" is "playing the race card," Ford responded, "You'd probably have to ask Bob Corker and the Republican National Committee. I do know this. The…ad you showed was a piece of smut, and they should not have run that here. I don't know what would make Ken Mehlman or any national Republican believe that we in Tennessee would want to see something like that. … It's just unnecessary, out of line. And Tennesseans rejected it. … I think it was smut. I don't think race had anything to do with that ad. I just think it was an uncalled-for, despicable, inappropriate ad for children to be watching at 7 and 8 o'clock Central Time with their parents after dinner in the living room."

Mehlman Distances Himself From Controversial Ad. Asked on CBS' Face the Nation (10/29, Schieffer) to give his opinion on the controversial, allegedly racist, ad run by the RNC on behalf of Tennessee GOP Senate candidate Bob Corker, RNC Chairman ken Mehlman said, "The ad that you are talking about is an ad that is being run independently of the Republican National Committee. … The way that the law works, unfortunately -- it is a law that I think ought to be changed, and by the way it is a law in which people on both sides of the campaign reform think ought to be changed -- is that if I talk as I do on a regular basis to candidates like Mr. Corker, then the TV ads that are run beyond a very small limit are run independently of me. This ad is down. I'm pleased the ad is down. … My response to that ad is the same response Mr. Ford had, from the race perspective. I would not have put the ad up. I didn't think it was necessarily a racist ad. I'm glad it's down." Later Mehlman reiterated, "I'm glad it's down. I did not approve of it. The way the law works."

Santorum Alleges Casey "Hides From The Public." Yesterday, Fox News Sunday host Chris Wallace (10/29) noted that Pennsylvania Democratic Senate candidate Robert Casey was invited to appear on his program with his opponent Sen. Rick Santorum "but he was unavailable." Santorum, during his interview with Wallace, commented, "I think the people of Pennsylvania are beginning to understand that we need leadership in Washington, D.C., who is going to confront these things, who is not going to hide, as my opponent has. It's not surprising he's not on your show today. He's done virtually no

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interviews. He doesn't campaign at all. He hides from the public. He doesn't answer questions. It's because he has nothing to offer, and what he does have to offer, just sort of the old line, 'let's raise taxes,' 'let's cut and run,' and I don't think that's going to sell on election day."

Allen's Gubernatorial Record Little Noticed In Race For Reelection. The Washington Times (10/30, Bellantoni, 88K) reports Republican Sen. George Allen "had hoped accomplishments such as parole abolition would define his candidacy and secure an easy re-election. Instead, calling an Indian-American staffer for Democratic challenger James H. Webb Jr. 'macaca' this summer thrust the race into the national spotlight and made it a neck-and-neck contest." Republican Del. David Albo said, "All this stuff he did as governor, it's absolutely unbelievable. But no one ever knows anything about that because all they hear about is 'macaca.'" The Times adds Allen's "good-natured public disposition and record have attracted national attention and prompted 215 Washington insiders to choose him in an April 2005 National Journal poll as the most likely 2008 Republican presidential nominee." But 177 "Republican and Democratic insiders in a recent National Journal poll agreed that he has run the worst campaign of any Senate candidate this fall."

Webb Said To Have Abandoned Principles In Senate Run. In a Washington Times op-ed (10/30), Milton Copulos, who served on the sculpture selection panel that chose the statue added to the Vietnam Veterans Memorial, says, "Jim Webb's transformation from the nominally conservative Republican who served as the Reagan administration's secretary of the Navy to a left-wing Democratic Senate candidate rivals St. Paul's conversion on the road to Damascus. Divine intervention, of course, is one possibility. A more likely explanation, however, is that the public persona Mr. Webb presents is actually a fabrication, as carefully crafted as any character in the novels he has penned." Webb "He once refused to shake John Kerry's hand, and in a 2004 USA Today editorial wrote that his 1971 Senate testimony had 'defamed a generation of honorable men.' Now he trumpets Mr. Kerry's endorsement. He once called the Clinton Administration among 'the most corrupt' in modern history in one of many attacks aimed at the former president. Now he has Bill Clinton host a fundraiser. Mr. Webb served in one of the most conservative administrations in American history. Today, he has embraced the entire agenda of the Democratic Party's far-left wing."

Steele, Cardin Clash On Iraq, Stem Cell Research. The AP (10/30, Wyatt) reports Republican Michael Steele and Democrat Ben Cardin "sparred over Iraq, abortion and stem cell research on Sunday, with the Republican saying the war is 'a mess' and states should decide abortion rights." Steele "said the situation in Iraq was not President Bush's fault and he faulted the Pentagon for poor planning." Steele said, "The Department of Defense did not give the president the kind of strategy to win this war." Asked "where the war stood now, he replied, 'I think the war in Iraq stands with a mess we have to fix.'" The AP adds Cardin "repeated his opposition to the war - he voted against authorizing the use of force - but said he opposed a deadline for withdrawal." Cardin has "said he thinks U.S. troops could be withdrawn by 2007, but said during the debate on NBC's 'Meet the Press' that the date is a goal, not a deadline." The candidates "also clashed on embryonic stem cell research. Steele defended his television ad in which his sister, who has multiple sclerosis, calls a Cardin ad tasteless because it airs an endorsement from actor Michael J. Fox, who has Parkinson's disease."

The Washington Post (10/30, A1, Mosk, Marimow, 748K) reports Steele "struggled to soften his long-held views on touchstone social issues yesterday after being challenged repeatedly on his conservative beliefs during his final televised debate in the campaign for Maryland's open U.S. Senate seat." The Meet the Press debate "put on display the stark differences between Steele and Democratic Rep. Benjamin L. Cardin as they enter their final week of campaigning." The two "spent half the debate clashing on the war in Iraq -- with Steele saying the conflict 'has been worth it to the extent that what we're trying to establish there is a beachhead of democracy.' Cardin called it a 'tragedy' and urged a gradual pullout of troops." But the "most dramatic exchanges came when host Tim Russert pressed Steele about his opposition to abortion and embryonic stem cell research, and about his long-standing support for President Bush. Such views don't typically sit well in heavily Democratic Maryland, and they have gone largely unmentioned by Steele during his year on the campaign trail." Steele "responded by telling Russert that he would not support a constitutional amendment to ban abortion and would support research conducted on embryonic stem cells, so long as the embryo is not destroyed." This "marked the first time in a series of debates that Steele has appeared on the defensive. During a televised forum last week, it was Cardin who was put on the spot about the route of Metro's proposed Purple Line and, more broadly, his knowledge of key issues in the Washington suburbs."

The Washington Times (10/30, Ward, 88K) reports the "decisive role that black voters will play in Maryland's U.S. Senate race was not mentioned." Steele said, "I would have liked to spent a little more time on ... an attitude in this campaign, where race has come into play." The Times adds Steele, "who in 2002 became the first black person elected to a statewide office in Maryland, must win over black Democratic voters to overcome the Democrats' 2-to-1 advantage in registered voters. That's possible, say the

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state's black leaders, because Democrats have taken their vote for granted." "Meet the Press" host Tim Russert "asked pointed, detailed questions about plans for U.S. troops in Iraq, stem-cell research, abortion, judicial nominees and whether Mr. Steele was a 'proud Bush Republican.' But Mr. Russert did not ask about the prospect of black Democrats, who make up about 40 percent of the state party, crossing party lines to vote for Mr. Steele." Russert said, "I don't do horse-race questions. Black voters have the same concerns as white voters, when it comes to the war in Iraq, stem-cell research, abortion, Supreme Court."

O'Malley Seeks To Boost Democratic Turnout In Montgomery County. The Washington Post (10/30, B1, Vogel, Wagner, 748K) reports both Democrats and Republicans "are pouring time and resources into capturing votes in Maryland's most populous county, and any hometown claim a candidate can make cannot hurt." With "273,234 registered Democrats in Montgomery -- more than twice the 125,534 Republicans -- it is a battle the Democrats can feel comfortable about winning. But the margin of victory will probably play a large role in determining the outcome of both" Democrat Martin O'Malley's "gubernatorial race against Republican Gov. Robert L. Ehrlich Jr. and the U.S. Senate race between Democratic Rep. Benjamin L. Cardin and Republican Lt. Gov. Michael S. Steele." Ehrlich and Steele "appeared in the county last week and say they hope to improve on their performance in 2002." O'Malley attended a rally yesterday "held before several hundred cheering and sign-waving supporters" that "was part of an effort to mobilize the Democratic base and to reach out to Democratic voters who do not normally vote in non-presidential election years. O'Malley was joined by all of the statewide candidates, including Cardin, as well as a large roster of county Democrats." Montgomery County Executive Douglas M. Duncan, "appearing with O'Malley for the first time since he dropped out of the Democratic primary for governor in June citing depression, was given a rousing welcome. In his remarks, Duncan criticized a new television ad for Ehrlich that includes disparaging remarks the county executive made about O'Malley before dropping out of the race."

Big Contributors Have Given Nearly $300 Million To 527 Groups. The Los Angeles Times (10/30, Simon, 918K) reports, "Unions, corporations and wealthy individuals have pumped nearly $300 million this year into unregulated political groups, funding dozens of aggressive and sometimes shadowy campaigns independent of party machines." The groups, "both liberal and conservative, air TV and radio spots, conduct polls, run phone banks, canvass door-to-door and stage get-out-the-vote rallies, with no oversight by the Federal Election Commission." Organized as "tax-exempt 'issue advocacy' committees, they cannot explicitly endorse candidates. But they can do everything short of telling voters how to mark their ballots." Because they "can accept unlimited donations from any source, the committees -- known as 527s -- have emerged as the favored vehicle for millionaires and interest groups seeking to set the political agenda." By far the "largest chunk of unregulated money -- nearly $60 million -- comes straight out of union treasuries and is used mostly to benefit Democratic candidates and causes. Conservatives are fighting back with multimillion-dollar donations from a California TV executive and the Texas developer who financed the Swift Boat ads."

The Washington Times (10/30, Pfeiffer, 88K) reports the Democratic and Republican Party leaders "continue to debate which issues -- and scandals -- will drive voters to the polls next week for midterm elections." On CBS' Face the Nation, RNC Chairman Mehlman said, "I think that there will be different issues in different districts. There are two kinds of overriding issues that seem to be applying in most districts, and one is the question of whether Americans want to see their taxes go up. ... The other question is, 'What do we do in the war on terror?'" The Times adds that during his "own CBS appearance, Democratic National Committee Chairman Howard Dean said his party would not raise taxes on all Americans and promised to fight a 'smarter' war on terrorism." Meanwhile, House Majority Leader John A. Boehner "said he doesn't think the Mark Foley congressional page scandal will hurt Republicans at the ballot box."

Romney Meeting With Christian Conservatives In Boston. US News and World Report's Washington Whispers column (11/6, Bedard, Marek) reports, "we hear that Massachusetts Gov. Mitt Romney is inviting conservatives-and especially Christian conservatives-to Beantown for 'cultivational' meetings and briefings on his 2008 Republican presidential campaign. Insiders say it's just like those treks to Austin many conservatives made to visit with George W. Bush before his run in 2000. If you think the Christian right would have a problem with a Mormon, you would be wrong. We hear he's wowing them just as he did last month when he spoke at the Family Research Council's 'Liberty Sunday' on protecting traditional marriage."

Celebrities No Longer Given Leeway In Politics. ABC World News (10/29, story 7, 3:00, Harris, 8.78M) reported, "In tonight's 'Sunday Spotlight,' when celebrities and politics collide. This morning on ABC's 'This Week with George Stephanopoulos,' actor Michael J. Fox responded to an attack from conservative radio host Rush Limbaugh. Celebrities have been politicking, mostly on behalf of Democrats, for years. But these days, it seems like increasingly, they are taking a beating." Michael J. Fox: "I

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don't want to react personally to these attacks. It's pointless. It's silly. It's, like, getting in a fight with a bully. But make no mistake, it hurts." Harris: "The man who Michael J. Fox is calling a bully, is Rush Limbaugh, who accused Fox of exaggerating the similar Thomas of his Parkinson's disease in this Democratic campaign ad." Fox "may have been caught off guard because while celebrities have been pushing political causes for decades, they are usually treated with more respect than, well, politicians." The "lesson -- in today's political climate, anyone who enters the arena, even popular and ailing celebrities, better come wearing armor."

Herbert Says Political System Is Broken. In his New York Times op-ed (10/30), Bob Herbert says, "If you pay close attention to the news and then go out and talk to ordinary people, it's hard not to come away with the feeling that the system of politics and government in the U.S. is broken. I spent the past week talking to residents in Chicago, southern Michigan and Indiana. No one was happy about the direction the country has taken, but not even the most faithful voters were confident that their ballot would make any substantial difference." The "politicians, special interests and the media are in a state of high excitement over next week's midterm elections. They are addicted to the blood sport of politics, and this is a championship encounter. But that excitement contrasts with what seems to be an increasing sense of disenchantment and unease that ordinary Americans are feeling when it comes to national politics and government. For far too many of them, the government in Washington is remote, unresponsive and ineffective." The "system is broken. Most politicians would rather sacrifice their first born than tell voters the honest truth about tough issues. Big money and gerrymandering have placed government out of the reach of most Americans. While some changes in the House are expected this year, the Brookings Institution and the Cato Institute tell us (in a joint report) that since 1998, House incumbents have won more than 98 percent of their re-election races."

Mallaby Says Corporate Scandals, Iraq War Sap Society's Trust. Sebastian Mallaby writes in the Washington Post (10/30, A17, 748K) says "You don't hear much about trust these days. Instead, we want accountability." That "shift" occurred "somewhere around 2003 or 2004. In the 1990s, after academics and pundits began talking about trust, the nation did actually become more trusting." Then, "some time after the Iraq invasion, these trends reversed," and "there's been a similar change in corporate America." Mallaby says "holding people accountable is a good thing," adding that "this season's negative campaigning can be seen (admittedly, with many despicable exceptions) as a healthy reaction to poor congressional performance." Trust, "when not abused, is nonetheless an asset," and "there are powerful reasons trust tends to decline and accountability advances. Mobile societies tend to have weak bonds; the Internet makes it easier to hold people accountable and encourages acerbic negativity." Mallaby concludes, "We've recently had a double opportunity," but "CEOs and politicians abused these gifts with scandals and incompetence. Such is the cost of corporate malfeasance and the Iraq war: Precious social capital is destroyed by leaders' avarice and hubris."

Wyoming Recruiting Drive Focuses On Michigan Workers. The Christian Science Monitor (10/30, Paulson, 58K) reports there is a "vanguard of a small, new migration westward," the result of "aggressive recruiting on the part of job-rich and labor-poor Wyoming." Employers in Wyoming "are hoping that many more follow. For nearly a year, several county economic development councils and companies have targeted Michigan, with its large pool of skilled blue-collar labor and dwindling jobs, to try and fill the state's thousands of job openings. They've conducted three job fairs and placed a huge billboard outside Flint, Mich: "Live and Work in Wyoming!" And they're having some success." Unemployment in Campbell County "is 1.7 percent - compared with 3.6 percent in the state and 7.1 percent in Michigan. And the mineral industry has given Wyoming a budget surplus of nearly $2 billion - evidence of which is seen in the new schools, civic centers, and infrastructure springing up." But the "growing population has sent housing prices soaring, and many newcomers have to wait months just to find a place that's available. Motels are filled with laborers, and many companies need to offer temporary housing to lure workers. The lower-paying service sector has also had a hard time finding and keeping workers, with so many better-paying jobs available."

Report Suggests Teen Pregnancy Has "Declined Sharply" Since 1991. USA Today (10/30, Koch, 2.27M) reports on the release of a report by the National Campaign to Prevent Teen Pregnancy suggesting that "teen childbearing has declined sharply since the early 1990s but remains costly to U.S. taxpayers, incurring a tab of least $9.1 billion in 2004." The study shows that births to teenage girls declined by one-third between 1991 and 2002, and "the abortion rate dropped even more, from 37 abortions per 1,000 teen girls in 1991 to 22 in 2002, the last year for which figures are available."

Georgia's Chief Justice Says Family Law Should Encourage Marriage. In an op-ed in the Washington Post (10/30, A17, Sears, 748K) entitled, "A Case For Strengthening Marriage," Georgia Supreme Court Chief Justice Leah Ward Sears asks, "Should law and society

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actively seek new ways to support marriage? Or should family law strive to be marriage-neutral by providing more rights and benefits to its alternatives, such as cohabitation and single parenthood?" She says "a family law that fails to encourage marriage ignores the fact that marriage has long been associated with an impressively broad array of positive outcomes for children and adults alike. Experts who contend that we need to move 'beyond marriage' say they are only responding to the facts. But here is one major fact: High rates of family fragmentation hurt children." Sears concedes that "many hard-working single parents do an excellent job of raising children, and they need our support, too. But I believe that building a healthy marriage culture in America is a legitimate concern for family law."

Sanford Credited With Holding Firm To Small Government Ideals. In a column for today's Wall Street Journal (10/30, A13, 2.03M), WSJ editorial board member Stephen Moore writes, "Just when you thought that there weren't any small-government conservatives left in the Republican Party, along comes South Carolina Gov. Mark Sanford, who may be the only politician in America this year under assault for governing as a fiscal tightwad. What's really unusual about Mr. Sanford's bid for re-election is that some of his most formidable adversaries are the old bull politicians in his own party." Because of Sanford's efforts, "the legislature went back and cut $16 million in earmarks. He has vetoed hundreds of spending bills, including the entire budget in 2004 and 2006 -- although almost all of these vetoes were overridden by -- who else? -- the state Republican House and Senate."

Dobbs' "Overheated" Defense Of The Middle Class Reviewed. The Washington Post's Christopher Lee (10/30) reviews "War On The Middle Class," by CNN's Lou Dobbs. Lee notes Dobbs "has carved a niche as a self-styled former Republican who refuses to sit by while big corporations, Congress and the Bush administration repeatedly take aim at the little guy in America. … Dobbs details his displeasure in 12 easily digested chapters, each taking on a different subject but all replete with overheated prose."

WPost Endorses Davis, Moran And Wolf. The Washington Post 910/30) endorses incumbent Virginia Congressmen Tom Davis, Jim Moran and Frank Wolf. Of Davis, the Post says, "Energetic, practical and astute, he is a deal-maker's deal-maker who has used his considerable clout as chairman of the House Government Reform Committee to good effect." The Post notes, "we have been critical" of Moran "whose past bouts of hot temper, atrocious judgment and ethical bumbling cast doubt on his fitness for office. Nor have we forgotten his pernicious remark that Jewish Americans bore special responsibility for leading the nation into war in Iraq. However, neither major party has come up with a viable alternative to Mr. Moran, and after more than two decades in public office…he appears unlikely to be dislodged.'

WPost Endorses Two Democrats For Statewide Office In Maryland. The Washington Post (10/30, 748K) endorses Democrat Douglas F. Gansler for Maryland attorney general and Democratic Del. Peter V.R. Franchot for Maryland's comptroller."

Yemen Arrests Eight In Alleged Al Qaeda Plot To Smuggle Weapons Into Somalia. The New York Times (10/30, Fattah, 1.21M) reports, "Security officials in Yemen have arrested eight men, including several Europeans and Australians, as well as a Somali, in what was described as a plot linked to Al Qaeda to smuggle weapons from Yemen to Somalia, Yemen's official news agency reported Sunday. Security officials said the men," Muslim converts "who were arrested Oct. 16, include three Australians, a Briton, a German, a Dane, a Somali and an eighth suspect of undisclosed nationality." The Times notes, "If the men are convicted, it may offer the most concrete link of a growing Qaeda presence in Somalia."

US, Allies To Hold Exercise Simulating Interdiction Of Nuclear Materials. The Washington Times (10/30, Kralev, 88K) reports, "The United States and five other countries will begin an exercise in the Persian Gulf today simulating the interdiction of a ship carrying nuclear materials to a state of 'proliferation concern' -- most likely Iran." US "officials said that Muslim countries will take part for the first time in a Proliferation Security Initiative (PSI) exercise, part of Washington's global effort to disrupt traffic in weapons of mass destruction and related materials. 'From news reports, we know that the exercise has gotten the attention of the Iranian government,' said Robert G. Joseph, undersecretary of state for arms control and international security. 'This is an exercise that will test our capability to intercept illicit traffic.'" The Times adds, "Also today, the United States and Russia will head the first meeting of an initiative to combat nuclear terrorism, announced by Presidents Bush and Vladimir Putin in July. The session will be held in Morocco, which the senior official said has 'very strong nonproliferation credentials' and whose participation will 'send the right signal' that this is not just a Western effort. The other participants will be Britain, China, France, Australia, Canada, Germany, Italy, Japan, Kazakhstan and Turkey, the official said."

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Wiesel, Havel, Bondevik Assail North Korea's Human Rights Record. The AP (10/30, Harris) reports, "A Nobel prize-winning Holocaust survivor, an anti-Soviet dissident and a former European leader called Sunday for UN Security Council action on North Korea over its "egregious" human rights record." Elie Wiesel, "who survived the Nazi death camp at Auschwitz and later won a Nobel peace prize, commissioned a 123-page report detailing North Korean atrocities with dissident playwright turned Czech President Vaclav Havel and a former prime minister of Norway, Kjell Magne Bondevik." In the report, the three "said the dispute over the country's nuclear program should not eclipse deadly political repression there, but rather the council should open another path to influence North Korea by taking on leader Kim Jong Il's regime over its treatment of the country's 23 million people."

AFP (10/30, Parameswaran) reports, "The trio commissioned the report because they felt that 'for far too long, the security threat posed by North Korea has relegated the human rights concerns in the impoverished country to a second-class status.'"

In the New York Times (10/30, 1.21M), Havel, Bondevik and Wiesel write, "For more than a decade, many in the international community have argued that to focus on the suffering of the North Korean people would risk driving the country away from discussions over its nuclear program." But "with his recent actions, North Korea's leader, Kim Jong-il, has shown that this approach neither stopped the development of his nuclear program nor helped North Koreans. It is time, therefore, for a renewed international effort to ameliorate the crisis facing the country's citizens. And with the unanimous adoption by the United Nations Security Council of the doctrine that each state has a responsibility to protect its own citizens from the most egregious of human-rights abuses, a new instrument for diplomacy has emerged."

Former State Department Korea Expert Says Bush May Accept Bilateral Talks. Bloomberg (10/30, Koo) reports comments by former State Department official Kenneth Quinones that may bow to political pressure from within the U.S. and agree to direct talks with a nuclear-armed North Korea." He is quoted saying, "President Bush doesn't change his policy because of external pressure. If he's going to change in the near future, it's because of domestic political pressure." He went on to say that "failure by the Republican Party to keep control of Congress in elections on Nov. 7 will probably encourage Bush to begin direct negotiations." He later added that "one possible compromise is over $24 million of North Korean funds frozen at Banco Delta Asia in Macau, China, after the U.S. Treasury Department in September last year designated the lender as a money-laundering threat. 'The Treasury Department flatly rejected the idea. If it comes to a choice between Washington accepting that compromise and allowing the transfer of funds, or war, everybody will push Washington to take the compromise offer.'" Quinones also said "he does not expect Japan, Taiwan or South Korea to begin nuclear weapons programs while the international community to trying to revive negotiations."

Israelis Encouraged To Join Golan Settlements. A 1,586-word story on the front page of today's Washington Post (10/30, A1, Wilson, 748K) details efforts by Israeli settlers in the Golan Heights to bolster their ranks through recruitment. "The high-end beer and view of the Sea of Galilee are designed to appeal to Israeli yuppies, who are being encouraged more aggressively than ever to move to [the] rugged plateau seized from Syria in the 1967 Middle East war." The Israeli-Hezbollah war "has revived the decades-old contest over the Golan Heights. This latest phase is also being shaped by demographic changes." The Times adds, "For years, the Israeli military discouraged civilian settlement in Golan, particularly along the frontier with Syria, for fear the area would emerge again as a battlefield. Some small Israeli settlements were established there anyway, but in the past 15 years all new growth has occurred within existing settlement boundaries rather than in new areas."

Israeli Labor Party Will Remain In Olmert's Coalition. The AP (10/30, Lavie) reports, "Israel's dovish Labor Party bent its ideology Sunday and voted to stay in Prime Minister Ehud Olmert's government, despite his intention to add an ultra-hawkish party to his ruling coalition." Their "vote clears the way for Olmert to bring hard-liner Avigdor Lieberman and his party into the government, giving the premier a large cushion of parliamentary support with the approach of crucial votes, including the state budget." Labor MPs endorsed the position of Defense Minister Amir Peretz "that it was better to stay in the government and influence policy than to wither away in the parliamentary opposition. Peretz denounced Lieberman's policies." Opposing Labor MPs "argued that Labor would be committing electoral suicide by sitting at the same Cabinet table with Lieberman and his hawkish Yisrael Beiteinu Party."

Katsav Urged To Step Aside. The New York Times (10/30, Myre, 1.21M) reports, "Israel's attorney general said Sunday that President Moshe Katsav should temporarily step aside while prosecutors decide whether to charge him with sex crimes." Katsav "has come under intense pressure to resign, or at least to suspend his official duties temporarily, and the remarks by the attorney general, Menachem Mazuz, made the president's position appear even more tenuous."

Nigeria's Muslim Leader Among Dead In Plane Crash. The Financial Times (10/30, Mahtani) reports,

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"Nigeria's top Muslim leader, at least two senators and a state deputy governor were killed on Sunday when a passenger aircraft crashed shortly after take-off from the capital Abuja. The crash, involving the local ADC Airlines, is Nigeria's third big civil aviation disaster in the past year." The "death of Muhammed Maccido, who is otherwise known as the Sultan of Sokoto, [is sending] shockwaves through the mainstream Islamic community in Nigeria, where half of the estimated 140m population is Muslim." The Times calls him "an influential figure among the Nigerian political elite and normally would have been expected to play a role in" selecting a Muslim to run for president next year. "Muslim leaders will be expected to elect a new sultan after a period of mourning, and the appointment of a successor will be followed with interest by political forces in the north."

ABC World News (10/29, story 3, 1:55, Brown, 8.78M) reported, "The Boeing 737 operated by the private domestic airline ABC, had taken off in a storm with 104 passengers and crew. Five minutes later it crashed to the ground. Only the tail section and part of the fuselage remained intact. Among the dead was the spiritual leader of Nigeria's 65 million Muslims. The Sultan of Sokoto was seen as a peacemaker in the violent, oil-rich nation. According to early reports, the plane was brought down by high winds. The Nigerian aviation minister told ABC News that the pilot was told not to take off."

The Washington Post/AP (10/30, A12, Adigun) says the jet "slammed into the ground moments after takeoff Sunday," killing 98 of the 104 people on board. "Among those killed was the man regarded as the spiritual leader of Nigeria's Muslims, and thousands of people gathered at a regional airport to receive his body."

The New York Times (10/30, Polgreen, 1.21M) reports the "death of the sultan leaves Nigeria's Muslim population without one of its most prominent voices against interreligious conflict as the country enters a contentious period leading up to elections next year. Mr. Maccido was crucial in calming religious tensions in 2002," and next year's "presidential election is likely to fan these flames again as the largely Muslim north and the largely Christian south battle over which region the country's next president will come from." The Times adds, "Despite its vast oil wealth — Nigeria is the world's sixth-largest oil exporter — its infrastructure is crumbling, and traveling even a few hundred miles by road takes more than a day."

Israel Said To Be Once Again Considering Huge "Moat" Along Border. Newsweek (11/6, Peraino, Chen, 3.12M) reports, "In search of a creative way to stop militants and weapons smugglers from infiltrating across the Egypt-Gaza border, Israelis are talking about building a six-mile moat filled with Mediterranean seawater along the southern boundary. The plan was first considered seriously in 2000; in 2004 the Defense Ministry even opened bids for construction. But the project was dropped after government legal experts feared it would require destroying hundreds of Palestinian houses along the canal route. … After this summer's conflicts…the idea has gained new currency. Nervous Israelis are eager to put distance between themselves and their enemies."

US Officials Reportedly Upset By North's Anti-Ortega Speech In Nicaragua. Newsweek (11/6, Isikoff, Contreras, 3.12M) reports, "The Bush Administration is increasingly worried that ex-Sandinista leader Daniel Ortega…may prevail in the first round of Nicaragua's presidential election Nov. 5. But it wasn't happy when another Reagan-era figure flew to Managua to rally opposition to Ortega. In a speech to a group of old anti-Sandinista rebels, Iran-contra figure Oliver North compared an Ortega victory to the seizure of power by Mussolini and Hitler -- and charged that Venezuelan President Hugo Chávez was behind Ortega. The visit blindsided officials in the U.S. Embassy, who demanded to know why North was stoking old passions. North said he was simply responding to an invitation from his old contra pals, who wanted to give him an award." Newsweek adds, "Bush officials are worried that Chávez is backing Ortega financially. The Venezuelan president has signed a deal to provide low-cost oil to Sandinista mayors as a way of boosting Ortega's campaign. The prospect of another leftist taking power in Latin America prompted Commerce Secretary Carlos Gutierrez to warn that an Ortega triumph might endanger a free-trade treaty with the United States."

Fox Orders Federal Police To End Siege Of Oaxaca. The Financial Times (10/30, Thomson) reports Mexican President Vicente Fox ordered federal police "into the southern state of Oaxaca in response to growing levels of violence that has turned the once-popular tourist destination into a virtual war zone." The deployment of 3,000 federal officers "is the latest reminder of how far things have spun out of control from what initially began in May as a strike by teachers who were demanding more pay." The Times calls violence in Oaxaca "the biggest test of [Fox's] ability" to end his presidency on December 1 on a high note.

The Washington Post and Washington Times (10/30, A14, Stevenson, 88K) run an AP story that notes the police "backed by armored vehicles and water cannons tore down barricades and stormed embattled Oaxaca on Sunday, seizing control of the city center from protesters who had held it for five months. With helicopters roaring overhead, police earlier entered the city, normally a picturesque tourist destination, from several sides. They marched up to a final

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metal barrier blocking the center, but pulled back as protesters armed with sticks attacked them from behind, hurling burning tires. The air filled with black smoke and tear gas."

The New York Times (10/30, Lacey, 1.21M) says the police "moved to take back [the] picturesque tourist town one cobblestone street at a time on Sunday, bashing through barricades and pushing back activists who had seized the downtown five months ago in an increasingly ugly dispute with the state governor." The action, "ordered by President Vicente Fox in his final month in office, did not become the bloodbath that many had feared." The Times adds, "Over the past two decades, as Mexico's political system has opened up, brutally poor Oaxaca has remained a virtual one-party state, controlled by the Institutional Revolutionary Party, the machinelike organization that ruled the entire country until Mr. Fox's victory in 2000." The Los Angeles Times (10/30, Enriquez, Johnson, 918K) also reports the story.

Brazilian President Reelected Easily. The Wall Street Journal (10/30, Moffett, Samor, 2.03M) reports, "Using charisma and a common touch to overcome corruption scandals, President Luiz Inácio Lula da Silva easily won a second four-year term in Brazil's balloting." Calling Silva "a pragmatic leftist who gained respect from financial markets in his first term," the Journal notes he held a 20-point lead over Gerald Alckmin through nearly all of the voting counting. Silva "will face a formidable challenge to heal the rifts left by a bitter, bruising campaign that played on class and regional differences. Fallout from the electoral fight, including a criminal investigation of alleged smear tactics by operatives of Mr. da Silva's Workers Party, could undercut Mr. da Silva's ability to push the legislative changes needed to spark Brazil's slow-growing economy."

The New York Times (10/30, Rohter, 1.21M) says Silva won by "overcoming a series of corruption and political scandals that tarred his image and undermined his credibility." His "luster began to fade a year later, when an aide was caught on film soliciting campaign donations from numbers-game kingpins," and the "metastasizing scandals forced the resignation of Mr. da Silva's chief of staff and his minister of finance, as well as the president, treasurer and secretary general of the party Mr. da Silva founded in 1980 and has led ever since." The Times adds, "As is often the case, the candidates' personalities also played a part in voters' calculations. Mr. da Silva never passed up an opportunity to refer to his humble origins, similar to those of a majority of the electorate, while Mr. Alckmin, a physician whose specialty is anesthesiology, proved unable to shake his image as a bland and somewhat pedantic son of the middle class." Alckmin's percentage of the vote dropped slightly from the first round to the second round.

The Washington Post (10/30, A12, Reel, 748K) says, "Brazilians cast a vote of confidence for [Silva] on Sunday, granting a landslide victory to the former union leader whose first term was marked by a significant reduction of poverty and by corruption scandals that implicated some of his closest aides." Alckmin "had pinned much of his election hopes on the scandals," and his "promises of lower taxes and more rapid growth of the gross domestic product also failed to energize voters. That the economy grew by only about 2.5 percent last year -- one of the most sluggish rates in Latin America -- seemed less important to many voters than the lowered inflation and currency gains of the past four years." A widely carried AP (10/30, Lehman) story adds Silva "brushed aside corruption allegations and won re-election in a landslide as Brazilians rewarded their first working-class leader for diminishing grinding poverty and improving the economy of Latin America's largest nation." The Financial Times (10/30, Wheatley), Los Angeles Times (10/30, McDonnell, Soares, 918K) and McClatchy (10/30, Chang), among other sources, also report on the Brazilian election.

With Gore As Adviser, UK's Brown To Launch Massive Effort Against Warming. The Financial Times (10/30, Adams, Burns) reports, "Gordon Brown will on Monday throw his weight behind a massive expansion of carbon trading to tackle global warming, rather than raising billions of pounds in green taxes. The chancellor, flanked by Tony Blair, will use Monday's release of a report by Sir Nicholas Stern, former World Bank chief economist and a senior UK civil servant, to propose a sweeping overhaul of Europe's fledgling emissions trading scheme, arguing that climate change is 'a global challenge that requires a global solution.'" The Times also reports that "in an effort to push climate change up the international agenda, the chancellor will appoint Al Gore, former US vice-president and an environmental campaigner, as an adviser on green issues." In a letter to European Union leaders, "the chancellor will propose cuts in carbon dioxide emissions of 30 per cent by 2020 and of 60 per cent by 2050."

The Washington Times (10/30, Jones, 88K) notes the report urges British consumers "to prepare for new 'green' taxes on cars, fuel, air travel and consumer electronics to curb pollution and avert a looming global catastrophe caused by climate change. … Ministers plan to use the report to pave the way for 'eco-taxes' to persuade people to adopt less-polluting lifestyles. A start is likely to be made in the federal budget in the spring."

The New York Times (10/30, Revkin, 1.21M) says "the main findings of the 16-month study, led by Sir Nicholas Stern, the chief of Britain's economic service, were described over the weekend in several British news reports. … The Observer, a British newspaper, reported that the study cited a

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figure of £3.68 trillion (the equivalent of $6.98 trillion) as the cost to society of failing to start blunting global warming within a decade."

WSJournal Notes Belgium Has Named New Environmental Tax After Gore. The Wall Street Journal (10/30, A12, 2.03M) editorializes, "Al Gore may have failed to carry his home state of Tennessee as a Presidential candidate, but the former Vice President is all the rage in...Belgium. The country has even named a tax after him. Earlier this month, Mr. Gore spent a day in Brussels to promote his film on global warming. … Within days, Belgian politicians were rewriting their tax laws to do something about this looming calamity." Prime Minister Guy Verhofstadt "invoked his American visitor in proposing a new 'environmentally friendly' tax on packages that would penalize users of aluminum or plastic and provide incentives to switch to paper or cardboard, whose production releases less CO2 into the atmosphere. The details have yet to be worked out, but the idea is for milk sold in, say, a plastic bottle to cost more than milk sold in a cardboard container. … The measure, introduced into the draft 2007 budget, was fast dubbed 'the Gore tax.'"

Serbian Constitutional Referendum Results Expected Today. The New York Times (10/30, Wood, 1.21M) reports, "Estimates by an independent election monitoring group showed Sunday that a vote on Serbia's new constitution was too close to call." The Center for Free Elections and Democracy "said its survey showed that 52 percent of voters had approved the document, with a margin of error of two percentage points, making the estimated victory margin statistically insignificant. The proposed constitution needed support from more than 50 percent of voters to pass." The Times adds, "One of the most discussed provisions of the 206-article constitution declared that the province of Kosovo is an 'integral part of Serbia.' The declaration was symbolic, because the fate of the province lies with the United Nations Security Council, which is likely to vote to enable Kosovo's independence." The document "was drafted and supported by nationalists and pro-democracy reformers in Parliament. Many reformers supported [it] despite its flaws because they wanted to make clear to Serbs that they were doing everything they could to hold on to" Kosovo.

The AP (10/30, Kratovac) notes Serbian government claims that the constitution was approved by voters. "Election officials and an independent commission also predicted the charter's adoption, based on early returns from the weekend referendum. But official results were not expected until Monday." While "Western diplomats had already warned that only the international talks can decide the future of Kosovo," some "Serbian politicians hope the new charter will bolster their bargaining position. Ethnic Serbs consider Kosovo the historic and cultural heartland of their nation."

Bulgaria's Purvanov Wins Runoff Vote Easily. AFP (10/30, Simeonova) reports Bulgarian President Georgy Parvanov "won re-election with an unassailable lead in his run-off battle against ultra-nationalist challenger Volen Siderov, the central electoral committee said based on partial results." Purvanov led Siderov throughout the vote counting, and appears to have received over 75 percent of all votes." He "is the first Bulgarian president to be re-elected since the fall of communism in 1989, and is now all but certain to fulfill his dream of presiding over the official entry of his Balkan nation into the European Union on January 1. Support for the youthful 49-year-old leader has surged since he first took office in 2001, making him Bulgaria's most popular and trusted politician."

Ortega's Opponent Says US "Intervention" Helping Sandinistas. Jose Rizo, former vice president of Nicaragua and currently a presidential candidate, writes in the Washington Times (10/30, 88K), "Many observers of the political situation in Central America are deeply concerned about the upcoming Nicaraguan election because former President Daniel Ortega is leading in most polls. Although Mr. Ortega and the rest of his Sandinista colleagues claim to have learned from their mistakes, many Nicaraguans are rightly convinced that if the Sandinistas win the election they would revert to their failed leftist policies of the past. Most polls show that the election is a tight race between Mr. Ortega and myself." Rizo adds that "the most surprising development in this Nicaraguan political fight is the strong intervention of Bush administration. It has been misled by the [current President Enrique] Bolanos administration and their key cronies who are desperate to hold onto power. This confusing and troubling US involvement in this election is so transparent that many prominent US citizens have felt compelled to openly call for a more neutral American policy. Unfortunately, as it did with Iraq, the Bush administration is receiving its information from biased exile leaders and misguided policy experts. … It is not too late for the Bush administration to declare its neutrality in the upcoming election and its willingness to work with any democratically elected government. Unless it does so within the next 10 days, it might actually help cause what it fears the most: the election of Daniel Ortega as president of Nicaragua."

In a syndicated column appearing in today's Washington Post (10/30, A17, 748K), Robert Novak writes, "The looming political fiasco in Nicaragua comes as no surprise. Adolfo Calero, a Washington-based contra leader in the '80s, returned to the US capital in April to issue a warning. He asserted that tacit US…opposition to Rizo was a horrendous political error and that the only hope to hold off

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the Sandinistas was to support Rizo. But official doors were closed to Calero."

US Purchases Only Domestic Condoms For Distribution In Africa. The New York Times (10/30, Dugger, 1.21M) reports, "Alabama's condom production has survived an onslaught of Asian competition, thanks to the patronage of straitlaced congressmen from this Bible Belt state. Behind the scenes, the politicians have ensured that companies in Alabama won federal contracts to make billions of condoms over the years for AIDS prevention and family planning programs overseas, though Asian factories could do the job at less than half the cost." Sen. Jeff Sessions "has quietly pressed to maintain the unqualified priority for American-made condoms and is likely to prevail if the past is any guide." The Times goes on to report, "Britain, Ireland and Norway have all sought to make aid more cost effective by opening contracts in their programs to fight global poverty to international competition. The United States, meanwhile, continues to restrict bidding on billions of dollars worth of business to companies operating in America, and not just those that make condoms." The Times notes Randall Tobias, head of Usaid, "declined through a spokesman to be interviewed on this topic. His predecessor, Andrew Natsios, sought to weaken the hold of what he sometimes called a cartel of domestic interest groups over foreign aid."

WSJournal Says Talk Of US Tariffs Encourages Chinese Protectionism. The Wall Street Journal (10/30, A12, 2.03M) editorializes, "If US politicians think they can impose trade barriers without consequences for American economic interests, they should take a look at China these days. Beijing is reacting to America's talk of tariffs and limits on foreign investment by imposing new restrictions on foreign investment in that country." Thus, adds the Journal, "American politicians shouldn't give Beijing politicians any more protectionist episodes to emulate."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Shots, Eggs, Embryos And A Big Dose Of Hope."
"Unregulated Groups Wield Millions To Sway Voters."
"Sex Crime Residency Laws Exile Offenders."
"Healthier Respect For Herbs."
"Benefactor's Final Gift Shakes A Foundation."
"Mexican Police Storm Protesters In Oaxaca."

New York Times:
"U.S. Is Said to Fail in Tracking Arms for Iraqis."
"Budgets Falling in Race to Fight Global Warming."
"At Gallaudet, Trustees Give Up on New Leader After Protests."
"In Key House Races, Democrats Run to the Right."
"Fears of Inquiry Dampen Giving by U.S. Muslims."
"A Sheik's Thoroughbred Kingdom Grows on the Kentucky Bluegrass."

USA Today:
"Army Reviews Soldiers' Deaths."
"Old Cattle Crime Rears Its Head Again."
"'Partial-Birth' Cases Test Abortion Rights' Limits."

Washington Post:
"Gallaudet Board Rescinds Fernandes's Appointment."
"In D.C., It's Big Names Vs. A Litigious Developer."
"When the War Comes Home."
"Social Issues Have Steele On The Defense."
"A Campaign For Settlers In Golan Heights."
"Midterms May Define Rove's Legacy."

Washington Times:
"Democratic majority ready To Do battle Over Iraq."
"Gunmen Kill 19 Iraqis From Cop Academy."
"Gallaudet's Board Oust Fernandes."
"Colorado Faces Gay Split Decision."
"Firm Test DNA OF 9/11 Victims."

Detroit Free Press:
"Iron Drives Leader For Ban."
"The Emotions OF The 29th Free Press Marathon."
"Cranbrook Gets Record Gift."
"Uncle Sam Wants You To be Warned."

Atlanta Journal-Constitution:
"Debate Turns Personal."
"Weapons From U.S. To Iraq Missing."
"NASCAR's Recipe For Success."
"Rights Museum's Focus Could Be Broad."

Houston Chronicle:
"Write –In Tightens Race In District 22."
"Official Border Arrest Dropping."

Story Lineup From Last Night's Network News:
CBS: California Wildfires; Powerful Storm; Nigerian Plane Crash; Bush Hits Campaign Trail; Campaign 2006-Democrats & Iraq; Voting Machines; Michael J. Fox Interview; Walking For The Troops; Halloween Movies.
ABC: Preempted By Football.
NBC: Preempted By NASCAR.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Iraq-Sadr City Bombing; Iraq-US KIAs; Pakistan-Al Qaeda-Linked Training Facility Destroyed; Iraq-Midterms; Nigeria-Plane Crash; FL-Bus Hijacking.

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NPR: Iraq-US KIAs; Iraq-Sadr City Bombing; Saddam Trial; Pakistan-Al Qaeda-Linked Training Facility Destroyed; Oaxaca, Mexico-Violent Protest; Brazil-Presidential Election; Bush-Midterm Campaigning; St. Louis World Series Celebrations; US Cities-Danger Rankings.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Georgia Victory 2006 Rally, Georgia Southern Universitym Statesboro, Ga.; Texas Victory 2006 Rally, Sugar Land Regional Airport, Sugar Land, Texas.

VICE PRESIDENT CHENEY — No public schedule.

LAURA BUSH — Delivers remarks at a Pennsylvania Victory 2006 Rally. The Great Hall, 1003 Perry Highway, Pittsburgh, PA, open press; delivers remarks at a New Hampshire Victory 2006 Rally, the Executive Court Banquet Facility, 1199 South Mammoth Rd., Manchester, NH, open press.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: US-AFGHAN BUSINESS _ Afghan-American Chamber of Commerce and Afghanistan International Chamber of Commerce hold annual US-Afghan Business Matchmaking Conference 2006. Location: Four Seasons Hotel, 2800 Pennsylvania Ave. NW.

US-ARAB RELATIONS _ The National Council on US-Arab Relations sponsors the 15th annual Arab-US Policymakers Conference. Highlights: 12:30 p.m. Keynote Speaker: ``A Vision for the Future of U.S. Saudi Relations" -- Prince Turki Al Faisal, Ambassador of Saudi Arabia to the United States of America. 5 p.m. Reception at Ronald Reagan Center. Location: Ronald Reagan Building, 1300 Pennsylvania Ave. NW.

AFGHANISTAN-BUSINESS _ 9 a.m. Representatives of major U.S. corporations, development organizations, and government agencies convene for the US-Afghan Business Matchmaking Conference, kicking off the second Afghanistan Investment Support Agency (AISA) US promotional road show, ``Investing in Afghanistan: the Heart of Asia." Partcipants: Dr. Mohammad Amin Farhang, Minister of Commerce, Islamic Republic of Afghanistan; Carlos Gutierrez, U.S. Secretary of Commerce; Nicholas Burns, U.S. Undersecretary of State for Political Affairs; Robert Mosbacher, President of Overseas Private Investment Corporation; Suleman Fatimie, Vice President of Afghanistan Investment Support Agency; Atiq Panjshiri, President of Afghan-American Chamber of Commerce; Hamidullah Farooqi, President of Afghanistan International Chamber of Commerce; and Ibrahim Mohib, Chairman of the Afghan Business Council - Dubai. Location: Four Seasons Hotel, 2800 Pennsylvania Ave. NW.

ECONOMICS-CHALLENGES TO GROWTH _ 9:45 a.m. - 2 p.m. The New America Foundation hosts an economic policy forum on confronting growth challenges in America. With Michael Mandel, chief economist, Business Week; Glenn Hubbard, former chairman, Council of Economic Advisors; and others. Location: The State Room, Mayflower Hotel, 1127 Connecticut Ave., NW.

KOREA-IRAN-SECURITY _ 10 a.m. - 11:30 a.m. Brookings Institution panel on Korea, Iran and national security decision-making. Participants include the co-authors of the new book, ``Hard Power: The New Politics of National Security," by Kurt Campbell and Michael O'Hanlon. Also John Harris, Washington Post, and Carlos Pascual, Vice President and Director, Foreign Policy Studies, The Brookings Institution. Location: Falk Auditorium, 1775 Massachusetts Ave. NW.

BORDER ENFORCEMENT _ 11 a.m. Homeland Security Secretary Chertoff, Border Patrol Chief David Aguilar and ICE Assistant Secretary Julie Myers hold a press conference on FY06 enforcement numbers. Location: Ronald Reagan Building and International Trade Center, Press briefing room, 1300 Pennsylvania Ave. NW.

FUTURE OF NIGERIA _ 12:30 p.m. Pat Utomi, director of the Centre for Applied Economics at the Lagos Business School, will discuss ``Nigeria: Restoration or a Road to Somalia?" Location: School of Advanced International Studies, Rome Building, 1619 Massachusetts Ave., NW.

DEMOCRACY-BUREAUCRACY _ 2 p.m. - 3:30 p.m. The Washington D.C. Chapter of the Society for International Development (SID-Washington) and Johns Hopkins University's School of Advanced International Studies (SAIS) present ``The Democracy Bureaucracy." Panelists: Francis Fukuyama: Director of Johns Hopkins University's School of Advanced International Studies' International Development Program; Stephen Krasner: Director, Policy Planning, U.S. Department of State; Thomas Melia: Deputy Executive Director, Freedom House; and Anne Richard: Vice President, Government Relations, the International Rescue Committee. Moderator: David Yang: Senior Advisor, United Nations Development Programme (UNDP) Washington Office. Location: SAIS Kenney Auditorium, 1740 Massachusetts Ave. NW.

BROOKINGS-MIDTERM ELECTIONS _ 2 p.m. - 4 p.m. Brookings forum on mid-term elections, featuring Thomas Mann, who'll discuss redistricting; Sam Hirsch, attorney who represented the Democratic Party's national redistricting project; Mark Braden, former chief counsel of the Republican National Committee; Thomas Edsall of the New Republic; and Stuart Taylor, Brookings senior fellow. Location: Falk Auditorium, 1775 Massachusetts Ave. NW.

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COMPETITIVENESS-PENSIONS _ 5 p.m. Douglas Holtz-Eakin, director of the Maurice R. Greenberg Center for Geoeconomic Studies and Paul A. Volcker Chair in International Economics of the Council on Foreign Relations, will discuss U.S. competitiveness and domestic policies towards pension and healthcare and their impact on domestic long-term growth prospects. Location: George Washington University, Elliott School of International Affairs, Lindner Family Commons, Room 602, 1957 E St. NW.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: MONDAY, OCTOBER 30, 2006 7:45 AM EST

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TERRORISM NEWS:

Al Qaeda: Plans For An October Surprise? (NSWK)

By Mark Hosenball

Newsweek, October 30, 2006

Is Osama bin Laden going to weigh in on the midterm elections? A senior counterterrorism official, anonymous, like other officials NEWSWEEK spoke to, because the subject is sensitive, says that based on previous patterns—such as the release of a rare bin Laden tape just before the 2004 presidential vote—a message before Election Day wouldn't be surprising. Private expert Evan Kohlmann, who consults for the Feds on terror probes, says Al Qaeda has lately released tapes at a rate of two or three per month. This month, he says, they are "short by one or two," so he thinks a pre-election message is a "very good likelihood." Another U.S. official says intel experts believe Al Qaeda wants to be "relevant" to the U.S. political process. But a third counterterror official says "we don't have any indication" Osama & Co. are about to surface. Spokesmen for the FBI and Homeland Security Department said they were unaware of specific intel foreshadowing an attack on U.S. soil before the elections. Overseas, the threat is more ominous: reports of a possible attack on Saudi oil installations (which could raise U.S. gas prices). The perpetrators would probably be Saudi Qaeda affiliates; methods could include truck or boat bombs. U.S. agencies are not certain of the threat's credibility, an official said.

U.S. Tries To Cut Off Terrorists' Cash Flow (WT)

By Rowan Scarborough

The Washington Times, October 30, 2006

The U.S. military is not only trying to stop terrorists and arms from leaking into Iraq from Syria and Iran but also another just as dangerous commodity -- cash.

It's the lifeblood of the enemy -- whether they be al Qaeda terrorists, death squads or Sunnis trying to evict American forces and bring back dictator Saddam Hussein -- and U.S. raiders have seized millions of dollars in cash during the conflict.

Military officials point to Syria and its secretive banking system as the main source of Sunni walking-around money, while Iran's Revolutionary Guard funnels money to Shi'ite militias, such as cleric Muqtada al-Sadr's Mahdi Army.

The enemy's money began flowing into Iraq with the start of the insurgency in the summer of 2003, and the shipments are still coming in.

"There are billions coming in," said Daniel Gallington, a former aide to Defense Secretary Donald H. Rumsfeld. "The Middle East is the center of graft and corruption in the universe. It really always has been. The fight in Iraq is about who controls what area is really all about who controls the money."

Money, of course, is just as essential to the insurgents as budget dollars are to the American armed forces. Terrorists need it to buy loyalty from local villagers, bomb-making gear, vehicles and electronics to communicate and to detonate improvised explosive devices (IEDs).

Perhaps the most important expenditure is salaries: Sunnis have enlisted thousands of disaffected youths, some enjoying their first paydays ever, by giving them cash to attack Americans, plant IEDs and run messages from one leader to another, say defense sources and officers who served in Iraq.

"The average IED is an attack form carried out by people that are really not ideologically committed," Gen. John Abizaid, who heads U.S. Central Command, told a group of reporters. "They get paid, and they're getting paid because they don't have any money and they're getting paid because they've got people [who] are generally members of the old army that don't have work."

Army Maj. Gen. William Caldwell, the chief military spokesman in Baghdad, gave a glimpse of the money trail earlier this month when describing a raid in Tikrit, Saddam's hometown. Raiders hit a number of businesses in the city, seizing millions of dollars that had come in from Syria.

"These funds, estimated to be in the millions of dollars per week, were used to finance insurgent operations, to include attacks against Iraqi civilians, as well as Iraqi and coalition security forces," Gen. Caldwell said.

Although the raid was designed to block the cash flow, defense sources say there is more where that came from.

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Retired Marine Corps Lt. Gen. Michael DeLong, the former deputy commander of U.S. Central Command, said literally tons of cash moved from Baghdad into Syria as the U.S. invasion neared in March 2003. That money is now going full circle to feed the Sunni insurgency.

"We watched caravans going into Syria," Gen. DeLong said. "They took their money; their jewels. They took everything."

But not all the cash got out.

"We found U.S. money all through the capital," Gen. DeLong said. "Saddam and the Ba'ath Party had caches of U.S. money stashed everywhere. One day, one guy found $10 million in cash."

The Ba'ath Party had built up huge cash stocks via the United Nations oil-for-food program, mostly from illicit sale of goods and oil. The U.S. military seized $926 million from the Iraq regime as of the summer of 2004, according to a report from the special inspector general for Iraq reconstruction.

HOMELAND RESPONSE:

The Eye Of The Storm (USNEWS)

By Kevin Whitelaw

U.S. News and World Report, October 30, 2006

Every weekday at 8 a.m., Kevin Brock hefts a thick white ring binder onto a sleek, oval conference table. Labeled "Read Book," the deceptively plain folder houses the "Threat Matrix," a top-secret compendium of the most troubling reports of possible terrorist activity, drawn from the nation's 16 intelligence agencies. It is thicker than usual on a recent Monday morning, packed with 66 separate items that came in over the weekend. Brock, the principal deputy director of the National Counterterrorism Center, is about to brief some of the government's most senior officials on the latest threat information.

First, though, he must sort through the reports, most of which are vague-and sometimes little more than anonymous tips. Many are false alarms. ("If we could eliminate all the jilted lovers and ex-spouses," Brock says later, cracking a smile, "we would greatly reduce the number of threats we receive on a daily basis.") But some of the nuggets-coming from CIA operatives, FBI sources, or reliable foreign spy agencies-must be taken seriously. Brock, after meeting with the leadership of the counterterrorism center, decided to present 18 of the threat reports at the 8 a.m. videoconference.

Facing a wall of secure video feeds, Brock watches top leaders from a dozen key players gather-the CIA, the FBI, the eavesdroppers at the National Security Agency, even the White House. A briefer from the center, running through the 18 items, discusses possible terrorist action in south Asia, Southeast Asia, the Middle East, even inside the United States. Brock raises the recent release of a videotape showing two of the September 11 hijackers smiling for the camera. He pays particular attention to overseas threats that have a possible domestic angle. "NCTC was created to ... ensure the handshake occurs between international intelligence collection and the FBI or others within the country to take action," says Brock, a career FBI agent. "And we're seeing that take place on almost a daily basis."

"No boundaries." Housed in an unmarked office complex in Northern Virginia, the National Counterterrorism Center has become the centerpiece of reform efforts to integrate the far-flung intelligence community. The NCTC was created in the wake of the September 11 attacks to reduce the gulf between America's spy agencies and domestic law enforcement. With more than 30 separate, highly classified government networks pumping information into NCTC headquarters, it has unfettered access to the crown jewels of the U.S. intelligence community-including raw cables from CIA spies and detailed FBI case files. One congressional staffer with knowledge of intelligence matters calls it a "miracle," only half joking. "We're the only place in the U.S. government where all that information comes together," says retired Vice Adm. Scott Redd, the center's director. "There are no boundaries in this business."

Inside and outside the intelligence world, however, people are still confused about what the two-year-old organization is supposed to do-and what it's not. U.S. News was granted unprecedented access to the senior leadership of the NCTC, which is supposed to become the primary hub for tracking and analyzing the terrorist threat. Director of National Intelligence John Negroponte calls it the single biggest change during his 18 months in office. "The center is really looked to as the principal source of analysis of these kinds of developments," Negroponte tells U.S. News. The NCTC is still building up its ranks, but already it is butting up against the other agencies that work on terrorism, particularly the CIA, which has run its own CounterTerrorism Center since 1986.

Hey, Let's Play Ball (USNEWS)

By David E. Kaplan

DOJ_NMG_0087517

U.S. News and World Report, October 30, 2006

At a modest office building just outside Boston last July, senior U.S. intelligence officials quietly set in motion an unusual experiment. For four weeks, a handpicked group of 20 outside experts brainstormed, argued, and chewed the fat with 20 top analysts from the CIA and eight other intelligence agencies. Their mission: to understand why people join terrorist organizations and other groups engaged in antisocial activity. The issues went to some of the most basic questions confronting Washington's intelligence mandarins: What's driving the spread of extremism around the globe, and how can it be stopped?

Dubbed the Summer Hard Problems workshop, or SHARP, the program is modeled after a highly successful project by the code-breaking National Security Agency, which for years has brought in top mathematicians to tackle cutting-edge issues in encryption. SHARP similarly threw together leading specialists, but from the social sciences: experts in anthropology, social psychology, insurgency, and Islamic thought, among other fields. But for all the esoteric talk about jihadism, group dynamics, and social networks, the SHARP participants had a second mission: to change the way U.S. intelligence agencies do their job, by opening the notoriously insular espionage community to the rest of the world.

SHARP is the brainchild of the 18-month-old Office of the Director of National Intelligence, which is charged with overseeing and reforming the nation's sprawling $44 billion intelligence community. Key to that effort is an organized attack on the kind of "groupthink" that resulted in U.S. intelligence agencies getting dead wrong, among other things, nearly every facet of Saddam Hussein's banned weapons programs. Reformers at the DNI and other agencies hope to answer critics who call the nation's spy agencies obsolete-a bunch of big bureaucracies so addicted to secrecy that they can't cope in the Internet age. "This culture of secrecy in an information-rich world is totally anachronistic," says Phil Williams, an international security expert at the University of Pittsburgh who often consults with intelligence agencies.

Wiki-spies? To help change the way the nation's espionage agencies do business, senior DNI officials are pushing an effort unlike any seen since the height of the Vietnam War, nearly 40 years ago. The SHARP workshop is but one of a wide array of outreach projects now underway, involving millions of dollars in contracts, fellowships, conferences-even wikis and blogs-directed at scholars and other outside experts. DNI officials are mindful of the past, when Vietnam War-era funding drew loud protests on campus, amid charges that the CIA had skewed academic research on Asian studies and secretly backed groups like the National Student Association. The new effort has also begun to stir controversy, but for those who respond, the rewards can be considerable, including contracts, lucrative stipends, and a chance to influence analysis at the CIA and 15 other intelligence agencies. The scope is broad: A classified DNI survey this year yielded 240 pages of outreach efforts involving virtually every U.S. agency that generates intelligence information. Those interested (and invited) enter a world of exclusive conferences, workshops, studies, sabbaticals, and scholarships. Participants include not only academics but experts at think tanks, international groups, foundations, and businesses, as well as medical doctors and scientists. "The intelligence community will never be big enough, will never have enough analysts," says Thomas Fingar, the DNI's chief of analysis. "There's an absolute need to go outside."

Senator Questions Anthrax Probe (KNOXNS)

By Richard Powelson, Powelsonr@shns.com

Knoxville News Sentinel (TN), October 30, 2006

Grassley wants info on progress, director's exit

WASHINGTON - A Senate committee chairman has complained to the Department of Justice about the apparent "little progress" in the five-year-old anthrax mailing investigation and asked for documents on why the director of the probe, Richard Lambert, was "removed" and transferred to the Knoxville FBI office.

Sen. Charles Grassley, R-Iowa, chairman of the Finance Committee, wrote to Attorney General Alberto Gonzales recently that the FBI's long record of not briefing key members of Congress on the investigation "may be a symptom of a larger problem at the FBI. The agency's lack of response to congressional requests ... and what appears to be little progress in the investigation leads me to question whether the culture has really changed."

A spokesman at the FBI's Washington field office did not return a call for comment.

However, Lambert, 45, in a phone interview with the News Sentinel, said he heard of the opening in the top management job at the Knoxville field office, remembered fondly the 10 years he had spent in the Nashville area as a child, and decided to try to win the Knoxville slot.

"Knoxville is considered a prime office within the FBI," Lambert said. "The work is good, the people are wonderful, the law enforcement liaison relationships are fantastic, and it's just a highly desirable and very sought-after office to be in. There's the cost of living, no state income tax, reasonable housing, and the list goes on and on and on. So Knoxville is a great place to live."

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The deadly anthrax mailings began soon after the terrorist attacks of Sept. 11, 2001. Over multiple weeks, anthrax was mailed to some in the news media and in Congress, infected part of the postal service system, killed five people and infected 18 others. Thousands of Americans were panicked into seeking the antibiotic Cipro.

It spurred major, permanent changes in the handling of federal mail that still detour, delay, screen and treat dangerous substances sent through the system.

Lambert said he could not discuss details of the anthrax investigation that he supervised during the last four years but said he is optimistic that the culprit or culprits will be identified and caught.

"I am absolutely confident that it will be solved. It does represent the worst biological attack in U.S. history," he said.

Lambert took over the anthrax case supervision a year after the crime and said that he never knew how long the anthrax case would last. So, his wife remained at their San Diego home while he headed the investigation in Washington. He was chosen to head the anthrax case, he speculated, in part because he had supervised a comprehensive probe of what two of the 9/11 hijackers had done while living in San Diego before going east to help hijack commercial airliners.

He flew back home about once a month during the past four years, he said, but did not want to test the strength of his marriage any longer.

He competed for the Knoxville job and won selection to the post, he said.

Grassley wrote to the Justice Department that he wants a detailed briefing by Nov. 21 on his long list of concerns about the anthrax investigation.

Lambert said he was working on the anthrax case through August with competent FBI officials above and below his level, so he is "confident that they are bringing some continuity to the case in light of my departure."

Richard Powelson may be contacted at 202-408-2727.

Who Should Insure Against Terrorism? (CSM)

By Alexandra Marks

The Christian Science Monitor, October 30, 2006

NEW YORK

The threat sounded ominous: Dirty bombs would be detonated at Giants Stadium and six other stadiums across the country. It would be "America's Hiroshima," causing civil war, chaos, and global economies to "screech to a halt."

Fortunately the threat was just a hoax perpetrated by a 20-year-old grocery store clerk from Wisconsin.

But since 9/11 businesses such as Giants Stadium have had to insure themselves against possibilities once thought unimaginable. Right after the 2001 attacks, many couldn't. The cost of terrorism insurance skyrocketed, and some insurers simply refused coverage. That left businesses and the economy vulnerable to economic chaos in the event of another attack.

Congress eventually stepped in and guaranteed that losses over a certain amount would be covered if they were due to a "certified" terrorist attack and if insurance companies would make such coverage available.

But the fix - the Terrorism Risk Insurance Act (TRIA) - was temporary. And while the law has been extended once, it will expire at the end of 2007.

Now an ideologically charged debate has sparked about whether the federal government should have a permanent role in the terrorism insurance business. The debate comes down to who should provide such insurance: the private marketplace or a public-private partnership?

The debate has created some unusual political bedfellows: Big-city liberals are lining up with the corporate insurance industry against Republican conservatives and consumer advocates.

"The industry and the left want a long-term program with some subsidies, but the White House and some Republicans are afraid that it would create another bureaucracy. They want the market to handle it," says Robert Hunter, director of insurance for the Consumer Federation of America. Major attack could bankrupt insurers

There are a few things all agree on. The first is that the damage caused by a terrorist attack with a weapon of mass destruction - nuclear, biological, chemical, or radiological (known together as NBCR in insurance jargon) - would be so great it would bankrupt the insurance industry, and thus such risks are uninsurable.

For instance if New York City was hit by, say, a nuclear bomb, insured losses could be as high as $778 billion, according to an analysis by the American Academy of Actuaries in Washington, D.C. - and that's not even considered a worst-case scenario.

The other point of agreement is that terrorism insurance for other types of attacks is needed to ensure economic stability and growth.

The White House and the Consumer Federation's Mr. Hunter believe that in the years since 9/11, the market has proved it is capable of covering most losses due to a conventional terrorism attack.

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"The insurance industry is just rolling in money, and the taxpayers aren't. We have huge deficits," says Hunter. "Why should we be subsidizing a rich industry that's making record profits right now?"

He contends that since "the big stuff" like nuclear, biological, and chemical damages aren't covered anyway, there's no reason for taxpayers to continue picking up part of the tab for conventional attacks like airplanes or truck bombs crashing into buildings. Risk hard to model

Insurance experts acknowledge the industry did make record profits in the past year, in part because insurers hiked premiums in anticipation of another massive hurricane such as Katrina - that never materialized.

They also contend the threat of terrorism is inherently different from that of natural disasters because it presents too many uncertainties to be modeled to effectively anticipate frequency and potential levels of damage. Without TRIA they contend many companies might just exclude coverage for all terrorist incidents.

"Given where we're at in the global war on terrorism, it's absolutely impossible to really characterize the true nature of the threat environment that we're living in," says James Valverde, vice president of economics and risk management at the Insurance Information Institute, an industry think tank in New York. "It's amorphous, ambiguous, and we can't say anything about it with any specificity."

Actuaries, the people who model risk for the industry, say they can model some types of terrorist risk based on the kind of catastrophic models they use for natural disasters such as hurricane Katrina. The Defense Department also has done extensive analyses of the types of damage done by truck bombs of different sizes.

That information can be used to estimate the economic losses, which can be used to come up with estimated insurance premiums.

The only problem, actuaries say, is that it's impossible to model how often a terrorist truck bombing might occur.

"If we talk about modeling frequency, that's in its infancy," says Michael McCarter, chair of the American Academy of Actuaries Terrorism Risk Insurance Sub Group, a professional organization headquartered in Washington. "We don't think it's at a stage to be reliable enough for insurers, and it may never get there."

Opponents of federal involvement in terrorism insurance argue the TRIA program has kept the market from coming up with such solutions faster.

As a result, when TRIA was extended in 2005, Congress increased the amount that private insurers would have to pay on their own before the federal government would take over.

Insurance experts contend that that's proof the industry is taking on more of the risks associated with terrorism and working for a solution.

But they worry that if the federal backstop disappears before the market is ready to step in fully, places like Giants Stadium could again see their insurance rates skyrocket, if terrorism insurance doesn't disappear completely.

"The industry is looking in the end for a long- term solution," says Dr. Valverte. "We need to find a productive way to move forward, but we need the federal backstop for now."

Ex-air Marshal To Sue Over 'SSI' Label (WT)

By Audrey Hudson

The Washington Times, October 30, 2006

A former federal air marshal said he will file suit against the government today to challenge use of a nonclassified label that he says allows Homeland Security officials to cover up dangerous and inept policies.

Robert MacLean, an air marshal who was fired for blowing the whistle on a cutback of flight protections in the wake of a terrorist alert, is the first federal employee to challenge the validity of the "Sensitive Security Information" (SSI) label in court.

Asked why he is challenging the bureaucratic tool, Mr. MacLean said, "Vindictive retaliation like this makes agents unwilling to report gross mismanagement."

Families of victims of the September 11 terrorist attacks and government-watchdog groups have failed to obtain records classified as SSI.

The Government Accountability Office and Congress are critical of the label and say it is overused and stamped on everything from official correspondence to general items such as going-away-party invitations.

According to a June 2005 GAO report, SSI "monitoring controls are weak" and has "led to confusion and unnecessary classification of some materials as SSI."

"Identification of SSI has often appeared to be ad-hoc, marked by confusion and disagreement, depending on the viewpoint, experience and training of the identifier," the report said.

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Mr. MacLean revealed to reporters and members of Congress on July 29, 2003, that air marshals were going to protect only flights less than four hours long to reduce costs of overnight hotel stays for long-distance flights. The new order came just three days after the Homeland Security Department issued a warning that terrorists were planning more hijackings.

"Hijackers may attempt to use common items carried by travelers such as cameras modified as weapons," said the July 26, 2003, bulletin from the Department of Homeland Security. "Attack venues may include the United Kingdom, Italy, Australia or the East Coast of the United States due to the relatively high concentration of government, military and economic targets."

"I risked everything to protect national security, but they terminated me for their own dangerous and inane plans," Mr. MacLean said.

"But I have no regrets. I did the right thing," said Mr. MacLean, who still serves as vice president of the Federal Air Marshal Service unit of the Federal Law Enforcement Officers Association (FLEOA).

"MacLean's termination is a case study in the abuse of government secrecy," said Nick Schwellenbach, investigator for the Project on Government Oversight. Mr. MacLean was fired in April and completed the Merit Systems Protection Board hurdles earlier this month. His suit will be filed today in the 9th U.S. Circuit Court of Appeals and challenges SSI as a nonbinding and abused classification.

"SSI was supposed to protect lives, but it is instead used to cover up mistakes or bad decisions," Mr. MacLean said.

Conan Bruce, Federal Air Marshal Service spokesman, declined to comment. "Our standard is we don't discuss personnel matters," he said.

Unlike classifications of information as "secret" or "top secret," SSI is an administrative tool designed to protect information that might endanger air security.

Bob Haefele, a lawyer with Motley Rice LLC, which represents the September 11 families, said SSI is used to "protect weaknesses in the system from disclosure, rather than fixing the weakness."

Adam Miles, legislative director for the Government Accountability Project, said Mr. MacLean's case is on "solid ground."

"The Federal Air Marshal Service is in blatant violation of the Whistleblowers Protection Act, which protects the disclosure of unclassified information that an employee feels endangers public health and safety, and Robert certainly did that," Mr. Miles said.

Firm Tests DNA Of 9/11 Victims (WT)

By Bryce Baschuk

The Washington Times, October 30, 2006

Dozens of scientists are working around-the-clock in a Lorton laboratory to identify the remains of 1,100 World Trade Center victims.

In the past five years, the Bode Technology Group has been hired to use its DNA testing to identify the bone fragments from high-profile disasters such as the September 11 attacks, Hurricane Katrina and the South Asian tsunami.

Last week, engineers working at the World Trade Center (WTC) site discovered more human remains, and specialists say the bones are so well-preserved that the DNA will be usable for analysis.

Bode was one of several national companies selected to identify the remains.

"We are going to exhaust everything they send our way," said Tom Hansen, a senior scientist at Bode.

The project to identify the WTC victims was put on hold about a year ago to wait for a better technology to identify the victims, a Bode official said.

Many of the 20,730 human remains found at the site are damaged and burned beyond recognition, said a spokesman for the New York Office of the Chief Medical Examiner.

Scientists at Bode have found success with a new technique that extracts DNA information from formerly unidentifiable human remains.

When the best-preserved samples were re-analyzed with the new technique, Bode had an 80 percent success rate, said Bode Vice President Ed Huffine.

The scientists take small samples from human tissue, bones, blood, hair or saliva and extract enough DNA to create an identification profile. When identifying WTC remains, the scientists applied a chemical to dissolve minerals from the bone fragments. The remaining organic residue was extracted to identify the person's DNA.

The new method is more effective at separating DNA from the chemical solution because the process has led to less DNA contamination and a greater recovery of DNA from bone samples.

"The DNA identification community thought it would be a lot longer for this technology to come along," Mr. Hansen said. "So it gives us a sense of pride to help out and bring closure to the people affected."

For the WTC victims, Bode sends the DNA information to the New York Office of the Chief Medical Examiner for identification. Employees at the office then compare the DNA profile with a database of genetic information from the unidentified victims.

Bode has gained a strong reputation for its work with international disaster management organizations in the aftermath of wars, genocide, terrorism, crime and natural disasters.

The company also has been hired by law-enforcement agencies, crime laboratories and national and foreign governments to identify humans from samples containing DNA. Bode analyzes 800 to 1,000 sexual assault kits per month, and is often asked to analyze DNA samples from felons.

The company has grown significantly since its founding in 1995. The staff has increased 50 percent to 110 employees, and Bode recently moved into a larger building to accommodate them. During the design phase of the new facility, the scientists asked the engineers to develop a workspace that would facilitate large projects, such as the WTC identification effort.

Bode is a privately owned subsidiary of ChoicePoint Inc., an Alpharetta, Ga., company that collects, sells access to and analyzes consumers' personal information. Bode would not disclose information about its financial performance.

With no time frame for the WTC project, the Bode staff is prepared for a long haul.

"Anytime you are able to contribute to something like this, you feel humbled by it," Mr. Hansen said.

Book Provides Lessons On Managing Emergencies And Strengthening Homeland Security (column) (WP)

By Stephen Barr

The Washington Post, October 29, 2006

In March 1964, a great earthquake shattered homes, harbors, roads, and water and sewer systems in Alaska, destroying communities vital to the state's economic life. Without significant rebuilding before the winter freeze, officials feared, citizens would be forced to flee to the lower 48 states.

But only four months after the quake, which had registered 9.2 on the Richter scale, a remarkable recovery was underway in Alaska. The White House had set up a reconstruction commission headed by a senator and run by a senior federal career official. The unusual legislative-executive branch arrangement put speed and muscle into the disaster recovery project.

The Alaska reconstruction stands in stark contrast to the bungled federal response to Hurricane Katrina four decades later, of course. The account of the Alaska response, in a just-released book by the National Academy of Public Administration, reinforces widely held perceptions that the government is unable to draw on past experiences and is at risk of losing its ability to perform effectively, especially in times of crisis.

The academy is a nonprofit corporation chartered by Congress to provide advice to government agencies, and academy fellows have written "Meeting the Challenge of 9/11: Blueprints for More Effective Government" with an eye toward providing lessons for policymakers, especially officials at the Department of Homeland Security.

The department, formed after the Sept. 11, 2001, terrorist attacks, has shown that "reorganization is not a cure of poor coordination and can make matters worse, at least during the shake-down period," Thomas H. Stanton , the book's editor, writes in an introduction.

Strengthening homeland security, the book says, will require federal officials to look beyond traditional turf boundaries and pull together state and local governments and the private sector to tackle common and complex problems.

Two other themes emerge in the 352-page book: that the government needs to focus on training and rewarding managers for operating across organizational boundaries and that it must pay more attention to the design and management of agencies and programs.

Contributors to the book are former federal officials and scholars, including Murray Comarow , Alan L. Dean , Dwight Ink and Ronald C. Moe , who write on management issues; Beryl A. Radin , on organizational performance; Dan Guttman , on holding government contractors accountable; and Cindy Williams , on overhauling the military personnel system.

Dean and Ink discuss the importance of having a senior official in large agencies focused on management issues -- such as accounting and finance, procurement, personnel, technology and property. They point to the undersecretary of management in the Department of Homeland Security as the kind of post that can help a Cabinet secretary succeed in pulling together internal operations.

As part of their review of the undersecretary's job at Homeland Security, they recommend that the department ensure the job, which will probably be held by a political appointee, has a sidekick from the career ranks who can provide continuity during presidential transitions.

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Dean and Ink also contend that too many jobs in the Homeland Security undersecretary's office have been reserved for political appointees. "With respect to fighting terrorism overseas, there is recognition of the value of depending on professional career military leaders who serve under a small number of political policy leaders in Washington. Why should professional career leadership be any less critical for protecting our homeland against terrorism?" they ask.

They add, "It is essential that the management of homeland security not be politicized."

That, however, appears to be happening. Members of Congress have questioned whether the position of undersecretary is needed at Homeland Security, in part because the deputy secretary has a strong hand in day-to-day operations. Congress also has cut funding requests for the undersecretary's office, usually to reorder priorities. (Only one person has ever held the undersecretary position, and she left in May.)

Moe offers a broader perspective on government organization, contending that the president needs an office of federal management, in part to counter perceptions "that somehow he isn't managing the store."

His research, Moe writes, shows "the core departments and agencies are in many instances 'hollow,' with an over-reliance upon third parties to perform both operational and management responsibilities."

The Office of Management and Budget, which faces the annual task of producing a federal budget, "is simply not equipped to perform the [management] tasks required of it," Moe concluded. He calls on the president and Congress to take a "necessary first step" by splitting up the OMB to create "an essentially nonpartisan" office dedicated to ensuring competent federal management.

WAR NEWS:

GOP, Democratic Leaders Spar On Rumsfeld (AP)

By Nedra Pickler

AP, October 30, 2006

The No. 2 leader in the House on Sunday said Defense Secretary Donald H. Rumsfeld is "the best thing that's happened to the Pentagon in 25 years," sparking a debate with Democrats who said the comments show why the GOP should be voted out of power.

Rumsfeld's leadership of the bloody mission in Iraq has become a divisive issue in the Nov. 7 elections. Many Democrats and a few Republicans are calling for his resignation, but President Bush repeatedly has defended him. So did House Majority Leader John Boehner, R-Ohio, during an appearance Sunday on ABC's "This Week."

"I think Donald Rumsfeld is the best thing that's happened to the Pentagon in 25 years," Boehner said. "This Pentagon and our military needs a transformation. And I think Donald Rumsfeld's the only man in America who knows where the bodies are buried at the Pentagon, has enough experience to help transform that institution."

Rep. Charles Rangel, D-N.Y., said voters will have their chance to show if they agree with Boehner on Election Day.

"It's true President Bush may not be on the ballot, but people like Boehner and people who support Rumsfeld and Cheney and Bush, they're on the ballot," Rangel said on CNN's "Late Edition."

"And that's why we only get two years. You don't have to wait to get the president. This is a referendum on the war and the incompetency of the Bush administration."

Illinois Rep. Rahm Emanuel, head of the Democratic effort to win control of the House, quickly e-mailed a statement to reporters objecting to Boehner's comments and including quotes from seven military leaders criticizing the defense secretary.

"Congressman Boehner's defense of Donald Rumsfeld makes it crystal clear that we need change in Washington from the rubber stamp Republican Congress and their blind adherence to President Bush and Secretary Rumsfeld's stay the course policy in Iraq," Emanuel's e-mail said.

Republican Rep. Ileana Ros-Lehtinen of Florida, appearing with Rangel on CNN, said she has confidence in Rumsfeld.

"I think it's a shame to take this complex issue of winning the international war on terror and putting it at the level of whether you like or not like Donald Rumsfeld, and whether you like or don't like President Bush's personalities and the statements that he's made," she said.

Another Republican, Maryland Senate candidate Michael Steele, declined to back the Pentagon chief.

"He wouldn't be my secretary of defense," Steele said on NBC's "Meet the Press." "And ultimately, that's going to be a decision that the president of the United States makes."

U.S. Is Said To Fail In Tracking Arms For Iraqis (NYT)

DOJ_NMG_0087523

By James Glanz

The New York Times, October 30, 2006

The American military has not properly tracked hundreds of thousands of weapons intended for Iraqi security forces and has failed to provide spare parts, maintenance personnel or even repair manuals for most of the weapons given to the Iraqis, a federal report released Sunday has concluded.

The report was undertaken at the request of Senator John W. Warner, the Virginia Republican who is the chairman of the Senate Armed Services Committee and who recently expressed an assessment far darker than the Bush administration's on the situation in Iraq.

Mr. Warner sent his request in May to a federal oversight agency, the Special Inspector General for Iraq Reconstruction. He also asked the inspector general to examine whether Iraqi security forces were developing a logistics operation capable of sustaining the hundreds of thousands of troops and police officers the American military says it has trained.

The answers came Sunday from the inspector general's office, which found major discrepancies in American military records on where thousands of 9-millimeter pistols and hundreds of assault rifles and other weapons have ended up. The American military did not even take the elementary step of recording the serial numbers of nearly half a million weapons provided to Iraqis, the inspector general found, making it impossible to track or identify any that might be in the wrong hands.

Exactly where untracked weapons could end up — and whether some have been used against American soldiers — were not examined in the report, although black-market arms dealers thrive on the streets of Baghdad, and official Iraq Army and police uniforms can easily be purchased as well, presumably because government shipments are intercepted or otherwise corrupted.

In a written response to the inspector general's findings, the American military largely conceded the shortcomings. The military said it would assist the Iraqis in determining the spare parts and maintenance requirements for the weapons. The military also said it has now instituted a "process to accurately issue weapons by quantity and serial number listing."

Because the inspector general is charged only with looking at weaponry financed directly by the American taxpayer, the total of lost weapons could end up being higher. The Government Accountability Office and the Pentagon inspector general are expected to look at weapons financed by all sources, including the Iraqi government.

The inspector general's office, led by Stuart W. Bowen Jr., also a Republican, responded to Mr. Warner's query about the Iraqi Army's logistical capabilities with another report released at the same time, concluding that Iraqi security forces still depended heavily on the Americans for the operations that sustain a modern army: deliveries of fuel and ammunition, troop transport, health care and maintenance.

Mr. Bowen found that the American military was not able to say how many Iraqi logistics personnel it had trained — in this case because, the military told the inspector general, a computer network crash erased records. Those problems have occurred even though the United States has spent $133 million on the weapons program and $666 million on Iraqi logistics capabilities.

The report said that although the United States planned to scale back its support for logistics and maintenance for Iraqi security forces in 2007, it was unclear whether the Iraqi government had any intention of compensating by allocating sufficient money to the Ministries of Interior and Defense.

Mr. Warner confirmed through his spokesman, John Ullyot, that he was reviewing the reports over the weekend in advance of a scheduled meeting with Mr. Bowen on Tuesday.

Mr. Warner "believes it is essential that Congress and the American people continue to be kept informed by the inspector general on the equipping and logistical capabilities of the Iraqi Army and security forces, since these represent an important component of overall readiness," Mr. Ullyot said.

Mr. Bowen said in an interview that he was particularly concerned about whether the Iraqi government intended to allocate enough money to support the logistics and maintenance needed for the Iraqi security forces to operate effectively.

"There's a couple of red flags," Mr. Bowen said. "Most significantly, is the Iraqi Ministry of Interior properly preparing to take over the mission and sustain it?"

"We don't know because we don't have adequate visibility into their budgeting," he said, "and to a lesser extent the same red flag is up for the Department of Defense."

Another report unrelated to Mr. Warner's request was also released by the inspector general on Sunday, on the so-called provincial reconstruction teams that the United States is creating for the next phase of rebuilding Iraq's infrastructure.

While some of the teams, intended to be scattered in each of Iraq's 18 provinces, are functioning, security problems have severely hampered work in others, the report says. As a result, the inspector general recommended, the United States should consider reassigning its personnel in six provinces — including Basra in the south and Anbar in the west — to other places where effective work can be done.

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The western province of Anbar is a central focus of the Sunni insurgency, and power struggles between Shiite militias have made Basra increasingly violent. The other four provinces that the inspector general recommends essentially abandoning are also in the Shiite south.

In its assessment of Iraqi weaponry, the inspector general concluded that of the 505,093 weapons that have been given to the Ministries of Interior and Defense over the last several years, serial numbers for only 12,128 were properly recorded. The weapons include rocket-propelled grenade launchers, assault rifles, machine guns, shotguns, semiautomatic pistols and sniper rifles.

Of those weapons, 370,000 were purchased with American taxpayer money under what is called the Iraq Relief and Reconstruction Fund, or I.R.R.F., and therefore fell within the inspector general's mandate.

Despite the potential risks from losing track of those weapons — involving 19 different contracts and 142 delivery orders — the United States recorded serial numbers for no more than a few thousand, the inspector general said.

There are standard regulations for registering military weaponry in that way, governed by the Department of Defense small-arms serialization program. The inspector general's report said that when asked why so many weapons went to Iraq with no record of serial numbers, American military officials in Baghdad replied that they did not believe the regulations applied to them.

Still, in their response to the report, military officials said they would keep track of serial numbers for weapons shipped or issued in the future, but in a database outside the small-arms serialization program. They did not present a plan for identifying or monitoring weapons that had already been issued.

The inspector general's report also found that money for spare parts was allocated for only 5 of the 12 different kinds of weapons sent to Iraq — and when the inspector general contacted units of the Defense and Interior Ministries, none actually knew how or where to requisition spare parts.

There were also significant discrepancies in the numbers of weapons purchased and those in Iraqi warehouses. While 176,866 semiautomatic pistols were purchased with American money, just 163,386 showed up in warehouses — meaning that more than 13,000 were unaccounted for. All 751 of the M1-F assault rifles sent to Iraq were missing, and nearly 100 MP-5 machine guns.

Audit Finds Missing U.S. Weapons In Iraq (AP-Y)

By John Heilprin

AP, October 30, 2006

Nearly one of every 25 weapons the military bought for Iraqi security forces is missing, a government audit said Sunday. Many others cannot be repaired because parts or technical manuals are lacking.

A second report found "significant challenges remain that put at risk" the U.S. military's goal of strengthening Iraqi security forces by transferring all logistics operations to the defense ministry by the end of 2007.

A third report concerned the Provincial Reconstruction Team program, in which U.S. government experts help Iraqis develop regional governmental institutions. "The unstable security environment in Iraq touches every aspect of the PRT program," the report said.

The Pentagon cannot account for 14,030 weapons — almost 4 percent of the semiautomatic pistols, assault rifles, machine guns, rocket-propelled grenade launchers and other weapons it began supplying to Iraq since the end of 2003, according to a report from the office of the special inspector general for Iraq reconstruction.

The missing weapons will not be tracked easily: The Defense Department registered the serial numbers of only about 10,000 of the 370,251 weapons it provided — less than 3 percent.

The Pentagon spent $133 million on the weapons, and "the capacity of the Iraqi government to provide national security and public order is partly contingent on arming the Iraqi security forces, under the ministries of defense and interior," the report notes. Military officials insisted the weapons either had to be new or never issued to a previous soldier.

By December, the U.S. military had planned to put those weapons in the hands of 325,500 personnel.

Missing from the Defense Department's inventory books were 13,180 semiautomatic pistols, 751 assault rifles and 99 machine guns, according to an audit requested by Sen. John Warner, R-Va., chairman of the Senate Armed Services Committee.

The audit does not make clear at what point the weapons were lost. But it notes that "there could have been undetected losses" before weapons were ever issued to Iraqi security forces — who also lack many needed spare parts, technical repair manuals and arms maintenance personnel.

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The second audit, on logistics capabilities, said there is a "significant risk" that the Iraqi interior ministry "will not be capable of assuming and sustaining logistics support for the Iraqi local and national police forces in the near term." That support includes equipment maintenance, transportation of people and gear and health resources for soldiers and police.

Army Col. Brian Baldy, chief of staff for the Defense Department operation in Baghdad training Iraqi forces, told auditors he agreed with most of the report's recommendations to improve weapons accountability. The report calls on the U.S. military to create accurate weapons inventories, fill maintenance positions and tell how to get spare parts.

But he said one recommendation for registering all the weapons' serial numbers was "unattainable" because some of them are foreign-owned. The audit said the military's inventory books also included some weapons that had been donated, captured from enemies or bought with other funds.

Maj. Gen. Thomas Moore of the Marine Corps said he agreed with the logistics audit recommendations that the U.S. military create a plan to train Iraqi police and examine how well Iraqi agencies' budgets support the supply chain and help for specialists with other training such as doctors, nurses, medics and mechanics.

The report on Provincial Reconstruction Teams said that, because of security issues, they "have varying degrees of ability to carry out their missions." Auditors reviewed nine teams and four satellite offices and found "4 were generally able, 4 were somewhat able, 3 were less able and 2 were generally unable" to accomplish their goals.

Dems Claim Momentum, GOP Mobilizes Base (AP-Y)

By Tom Raum

AP, October 30, 2006

Republicans on Sunday said a major voter turnout effort would help them stay in power after the Nov. 7 elections, while Democrats claimed momentum as they seek to tap into voter unhappiness over Iraq.

Both sides agreed that the war in Iraq was a leading, if not central, issue in the contests to decide control of the House and Senate.

"This election is becoming more and more a referendum on George Bush, his failed policies both overseas and at home with a rubber stamp Congress," said Sen. Charles Schumer of New York, head of the Senate Democratic campaign committee.

His Republican counterpart, Sen. Elizabeth Dole of North Carolina, said Iraq and the broader fight against terrorism were important issues, but "President Bush's name is not on the ballot." Democrats, she said, were trying "to make it a national referendum."

Schumer and Dole were among the politicians and party leaders who sparred on the Sunday talk shows just nine days before the elections.

Democrats need a gain of 15 seats to win control of the 435-member House and six seats to claim the 100-member Senate.

With approval slumping for both the war and the president, recent polls show Democrats have their best chance to reclaim the House since the GOP swept them from power in 1994, and a shot at capturing the Senate as well.

As the candidates entered their final full week of campaigning, House Democrats worked to emphasize the GOP role in the Iraq war. The party's campaign committee said it would air television commercials criticizing Republicans for supporting the war in about a dozen competitive races in the coming days.

"Despite a war gone wrong and no plan for victory, politicians like (Rep.) Rob Simmons keep voting to stay the course again and again," says one commercial, airing in Connecticut.

Democrats have increased the number of races where they are advertising in recent days, a sign of confidence as the election approaches. In addition to new offensives in Kansas, Kentucky and New Hampshire, officials disclosed plans to run commercials against Republican Rep. Jim Walsh this week in the area around Syracuse, N.Y.

House Majority Leader John Boehner, R-Ohio, said polls showing a Democratic advantage, especially in the House, "don't mean anything, because what we have are 435 individual races all around the country, local candidates running on local issues."

"If we mobilize all our voters, we'll do well on Election Day," Boehner said.

Ken Mehlman, chairman of the Republican National Committee, sounded a common Republican theme — that a Democratic-led Congress would mean higher taxes. Democrats accused him of scare tactics.

Mehlman suggested "across-the-board tax increases affecting millions of Americans" if Democratic Rep. Charles Rangel became chairman of the tax-writing House Ways and Means Committee. The New York lawmaker is now the panel's senior Democrat.

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Last week, Vice President Dick Cheney contended Rangel wanted to undo popular tax cuts enacted during Bush's first term. Cheney's claim was based in part on Rangel's own remark that he could not think of one of Bush's tax cuts that merited renewal.

"Once again the vice president hasn't the slightest clue about what he's talking about. He's never talked with me and neither has anyone in the administration about taxes," Rangel said Sunday. Rangel said his own remarks referred to broad-based tax overhaul efforts.

"What I did say was that, if they want to have tax reform, if they want simplification, everything has to be on the table," Rangel said.

Democratic party chief Howard Dean said Democrats "have no intention of raising taxes except on the people who have got enormous tax breaks — like the oil companies — from the Republicans."

In Senate races, both national parties were focusing on a dwindling number of states, notably Tennessee, Missouri, New Jersey and Virginia.

Democrats had strong leads against Republican incumbents in Rhode Island, Montana, Pennsylvania and Ohio.

"The momentum here is outstanding on our side," said Democratic Rep. Harold Ford of Tennessee, vying for the seat now held by retiring Senate Majority Leader Bill Frist.

Ford denounced as "a piece of smut" an RNC-financed TV attack ad in which a white woman with bare shoulders says she met Ford at a "Playboy party," looks into the camera and whispers, "Harold, call me."

The ad does not mention that Ford is black. Civil rights groups complained the commercial makes an implicit appeal to a deep-seated racial fears about black men and white women.

"I don't think race had anything to do with that ad. I just think it was an uncalled-for, despicable, inappropriate ad," Ford said. He added, "The party of family values should not have run that in Tennessee or anywhere, for that matter."

Ford's GOP opponent, former Chattanooga, Tenn., mayor Bob Corker, was invited to appear with Ford but was not available, according to the Fox network.

Mehlman repeated his assertion that the RNC had no control over the independently produced ad, even though the RNC paid for it.

Also Sunday, rivals in Maryland's closely watched Senate race held a nationally televised debate in which Republican candidate Michael Steele, the lieutenant governor, said the Iraq was "a mess" and blamed the Pentagon for poor planning. Democratic Rep. Ben Cardin repeated his opposition to the war and said he hoped U.S. troops could be withdrawn by 2007; he called that a goal, not a deadline.

A poll released Sunday by The Washington Post had Cardin leading Steele by 11 percentage points.

In the New Jersey Senate race, Democratic Sen. Robert Menendez held a slight lead over Republican Tom Kean Jr., 48-42 percent in a poll published Sunday in The Record of Bergen County.

Meanwhile, the New York Times endorsed Connecticut Democrat Ned Lamont for Senate while The Hartford Courant and New Haven Register backed Sen. Joe Lieberman's independent bid for a fourth term.

"Ned Lamont has run a far less polished campaign than Mr. Lieberman, but the more we see of him, the more impressed we are by his intelligence and his growing sophistication about the issues facing the nation," the Times wrote.

Schumer, Dole and Ford were on "Fox News Sunday." Boehner appeared on ABC's "This Week," Dean and Mehlman on CBS' "Face the Nation," Steele and Cardin on NBC's "Meet the Press" and Rangel on "Late Edition" on CNN.

Democratic Majority Ready To Go To War Over Iraq (WT)

By David R. Sands

The Washington Times, October 30, 2006

The Next Congress

First of five parts

Capitol Hill may soon swell from speed bump to stumbling block for an embattled President Bush, depending on which levers the voters pull in the congressional midterm elections a week from tomorrow.

Handicappers say Democrats have at least an outside chance of seizing control of both chambers of Congress for the first time in Mr. Bush's presidency, which would present him with stark new challenges in the final two years of his term.

In this series, The Washington Times will look at how such a transfer of power on Capitol Hill will affect U.S. policy and politics on a range of issues -- from taxes and immigration to health care and homeland security.

In foreign and security policy, the bloody frustrations of Iraq and the bitter partisan divide over the war on terrorism have defined House and Senate races across the country this fall.

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With both Mr. Bush and the war in Iraq sagging badly in the polls, some suggest that the White House will face more resistance from Congress even if the Republicans hang on to their slim majorities.

"You're going to have much more legislative oomph, and [Congress is] going to be much more active on a whole range of issues," said Kurt Campbell, a top Pentagon and National Security Council aide in the Clinton administration and now director of international security programs at the Center for Strategic and International Studies (CSIS).

"It won't be, 'Oh, that's fine; you go about your business in Iran and just let us know how it's going,' or, 'Tell us about North Korea when you're done with the negotiations,' " Mr. Campbell said.

Getting tough

The congressional elections come at a bad time for an administration confronting multiple overseas crises -- with Iraq, Iran and North Korea topping the list -- in addition to the long-term struggle against Islamic terrorist groups, said Richard Haass.

"I can't think of another time when an administration was being hit simultaneously with so many difficult, yet largely discrete, challenges," said the top State Department policy adviser in Mr. Bush's first term and now president of the New York-based Council on Foreign Relations.

On some issues, though, the election is not expected to bring a major shift in foreign policy.

Both parties have largely supported the president's civilian nuclear pact with India, although Congress has yet to formally approve the deal. Leading Democrats also largely back the administration's strongly pro-Israel tilt, with House Minority Leader Nancy Pelosi and Rep. Tom Lantos, ranking Democrat on the House International Relations Committee, seen as particularly strong supporters of the Jewish state.

But congressional Democrats have vowed to end what they see as a rubber-stamp Congress under Republican leadership. They say Congress has barely challenged Mr. Bush on such momentous issues as the decision to invade Iraq, the campaign to contain North Korea's nuclear ambitions, new administration policies on intelligence gathering and the handling of detainees, and the overall management of the war on terrorism.

Sen. Carl Levin, the Michigan Democrat in line to take over the Senate Armed Services Committee if his party wins a majority in the chamber, said major Democratic gains next week almost certainly would force the Bush administration to change tactics in Iraq and elsewhere.

Democratic control of even one chamber of Congress would have a "huge motivating force to change course," Mr. Levin said.

Iraq turnaround

Republicans warn that the elevation of anti-war liberal Democrats such as Mr. Levin and Mrs. Pelosi of California to leadership positions in Congress is exactly the wrong message to be sending in the most trying days of the global fight against terrorism. A Democratic majority, they say, could cripple the country's ability to take the fight to enemies overseas.

"I think Americans would prefer our generals to be fighting terrorists as opposed to fighting subpoenas," Republican National Committee Chairman Ken Mehlman said.

In addition to bigger roles for Mrs. Pelosi and Mr. Levin, the congressional races could thrust a number of other Democrats into powerful foreign policy posts.

Rep. John P. Murtha, Pennsylvania Democrat and the former Marine who has pushed for an immediate withdrawal from Iraq, is in line to take over the defense subcommittee of the House Appropriations Committee -- the panel that introduces all bills to fund the Iraq war. Mr. Murtha also has said he might consider running for House majority leader if the Democrats win.

Rep. Ike Skelton, Missouri Democrat and a harsh critic of the Pentagon's management of postwar Iraq, likely would be Mr. Levin's counterpart as new chairman of the House Armed Services Committee. The Senate Foreign Relations Committee likely would be headed by Sen. Joseph R. Biden Jr., Delaware Democrat and another critic of the Iraq war who is pushing a plan for three separate federations with a central government in Baghdad.

Talking back

Mr. Campbell said a more assertive Congress controlled by the Democrats would be a particular headache for the Bush administration, which, he said, has grown used to having a free hand on foreign policy in the post-September 11 world.

"The defining vision of the executive branch has been, 'We're No. 1 and you don't matter,' " he said.

But "whoever comes to power, whether it's Republicans or Democrats, there's going to be a new sheriff in town in February and they're not going to take it from the administration and they're going to be much more aggressive about their prerogatives."

At a Council on Foreign Relations briefing earlier this month, Sen. Christopher J. Dodd, Connecticut Democrat, acknowledged that, "obviously the temptation to some degree would be recrimination in light of how Democrats have been treated over the last number of years by the Republican majority."

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Mr. Dodd added it was his "fervent hope" that Democrats could ignore the temptation "and try and forge some bipartisanship."

But political forecasters say, barring an unanticipated landslide next week, the new Congress once again will be almost evenly divided between the two major parties. Even if they take control of one or both chambers of Congress, Democrats almost certainly will not have the majorities they need to force through bills that Mr. Bush and the Republicans oppose.

And aside from not liking the administration's line on Iraq, the Middle East, North Korea and other issues, it's not clear the Democrats can unite around a single policy of their own.

The House Out of Iraq Caucus, made up of 78 Democrats, backs Mr. Murtha's call for a quick withdrawal of U.S. forces and favors using Congress' power of the purse to force the administration to act. But Mr. Levin and other influential Democrats in the Senate have criticized that idea.

When Democratic Sen. John Kerry of Massachusetts and Sen. Russ Feingold of Wisconsin introduced an amendment in June to withdraw virtually all U.S. troops from Iraq by July 1, 2007, the Senate rejected the idea on an 86-13 vote.

Checking up

But a Democratic House or Senate could make life extremely uncomfortable for the administration in another way -- oversight.

Committee and subcommittee chairmen largely set the agenda for their panels, pick the hearing topics and have the biggest say on how to deploy staff and investigators.

The Republican-dominated Congress, Democrats complain, devoted far more time to the U.N. oil-for-food scandal in the past four years than they have to the administration's handling of the war on terrorism. Democratic lawmakers say they want to question officials on topics ranging from the North Korea nuclear negotiations to the awarding of Iraq contracts to U.S. firms such as Halliburton.

Democrats also vow to probe the administration's use of intelligence in the run-up to the invasion of Iraq in March 2003 and the strains on the U.S. military caused by the war and its aftermath.

Mr. Skelton, asked what his plans would be for the Armed Services Committee, replied succinctly: "Oversight, oversight, oversight."

In a new analysis, two congressional scholars, Norman Ornstein of the American Enterprise Institute and Thomas E. Mann of the Brookings Institution, say the Democratic charges have merit. In a lengthy study to be published in the journal Foreign Affairs, the two argue that "Congress' oversight of the executive branch on foreign and national security policy has virtually collapsed" over the past six years.

For example, in 2003 and 2004, the Senate Armed Services Committee held no hearings on the military campaign in Afghanistan, despite a resurgence of violence by fundamentalist Taliban insurgents.

Critics within

Mr. Campbell noted that even Republicans on Capitol Hill -- especially in the Senate -- have become more outspoken in their criticism of Mr. Bush in recent days, reflecting polls showing the president and the Iraq war are unpopular and the fact that Mr. Bush has only two years left in office.

Even if the Republicans retain control of Congress, Mr. Bush is unlikely to have the same kind of support from his own party that he enjoyed in past years.

Republican Sens. John W. Warner of Virginia and Chuck Hagel of Nebraska have questioned administration claims of progress in Iraq. Sen. John McCain, Arizona Republican and a front-runner in the race to succeed Mr. Bush, led congressional opposition to the administration's original plans on the handling of suspected terrorists in U.S. custody.

Mr. McCain is one of the few lawmakers in either party pushing the administration to send tens of thousands of new troops to Iraq to crush the insurgency.

But he admits that his is "clearly a minority view" with little chance of support in the next Congress.

Sen. Lindsey Graham, South Carolina Republican, told the Associated Press in an interview last week , "We're on the verge of chaos [in Iraq], and the current plan is not working."

Senate Foreign Relations Committee Chairman Richard G. Lugar, Indiana Republican, recently broke with Mr. Bush by calling for direct U.S. talks with North Korea.

The White House has largely dismissed speculation on how the election could affect foreign policy as so much "chin-pulling," in the words of spokesman Tony Snow. Mr. Bush last week accused his critics of "dancing in the end zone when they haven't scored a touchdown."

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But former President George Bush, who dealt with Democratic majorities in both the House and Senate throughout his four-year term, recently admitted at a Republican fundraiser in Philadelphia, 'I would hate to think what my son's life would be like" if the Democrats regained control of Congress.

The much-anticipated report being prepared by an independent commission headed by former Secretary of State James A. Baker III could alter the landscape before the 110th Congress is seated next year. Mr. Baker's panel, whose co-chairman is former Democratic Rep. Lee H. Hamilton of Indiana, is reportedly ready to recommend a major course change in Iraq and the Middle East.

And Mr. Haass of the Council on Foreign Relations said Democratic gains in Congress likely will have far less effect on foreign policy than the hard facts presented by such crises as North Korea's recent nuclear test and the rising sectarian violence in Iraq.

"The administration is going to be under intense pressure to adjust its policies no matter how the vote goes," he said. "Right now, the facts on the ground are driving things far more than what's happening in Washington."

A Most Violent Month, And Many Final Farewells (NYT)

By Photographs By Doug Mills

The New York Times, October 30, 2006

Burials at Arlington National Cemetery took on a grim regularity in October, when at least 103 American troops were killed in Iraq and Afghanistan. In Iraq, the toll had reached 99 by Saturday, making October the deadliest month since January 2005.

Military officials attributed the high number of deaths to a spike in violence during the Muslim holy month of Ramadan, which began in late September and ended last week. They also pointed to a three-month campaign to win control of Baghdad from death squads that led to increased attacks on American troops.

But such explanations were little comfort to a 6-year-old girl weeping at the grave of her father, a mother clutching the flag from her son's coffin, or a widow walking slowly through the rain behind her husband's honor guard.

THOMAS J. LUECK

Diversity's Oppressions (WSJ)

By Thomas Sowell

The Wall Street Journal, October 30, 2006

Iraq is not the first war with ugly surprises and bloody setbacks. Even World War II, idealized in retrospect as it never was at the time -- the war of "the greatest generation" -- had a long series of disasters for Americans before victory was finally achieved.

The war began for Americans with the disaster at Pearl Harbor, followed by the tragic horror of the Bataan death march, the debacle at the Kasserine Pass and, even on the eve of victory, being caught completely by surprise by a devastating German counterattack that almost succeeded at the Battle of the Bulge.

Other wars -- our own and other nations' -- have likewise been full of nasty surprises and mistakes that led to bloodbaths. Nevertheless, the Iraq war has some special lessons for our time, lessons that both the left and the right need to acknowledge, whether or not they will. * * *

What is it that has made Iraq so hard to pacify, even after a swift and decisive military victory? In one word: diversity.

That word has become a sacred mantra, endlessly repeated for years on end, without a speck of evidence being asked for or given to verify the wonderful benefits it is assumed to produce.

Worse yet, Iraq is only the latest in a long series of catastrophes growing out of diversity. These include "ethnic cleansing" in the Balkans, genocide in Rwanda and the Sudan, the million lives destroyed in intercommunal violence when India became independent in 1947 and the even larger number of Armenians slaughtered by Turks during World War I.

Despite much gushing about how we should "celebrate diversity," America's great achievement has not been in having diversity but in taming its dangers that have run amok in many other countries. Americans have by no means escaped diversity's oppressions and violence, but we have reined them in.

Another concept whose bitter falsity has been painfully revealed in Iraq is "nation-building." People are not building blocks, however much some may flatter themselves that they can arrange their fellow human beings' lives the way you can arrange pieces on a chess board.

The biggest and most fatuous example of nation-building occurred right after World War I, when the allied victors dismembered the Habsburg Empire and the Ottoman Empire. Woodrow Wilson assigned a young Walter Lippman to sit down with maps and population statistics and start drawing lines that would define new nations.

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Iraq is one of those new nations. Like other artificial creations in the Balkans, Africa and elsewhere, it has never had the cohesion of nations that evolved over the centuries out of the experiences of peoples who worked out their own modi vivendi in one way or another.

Tito's dictatorship held Yugoslavia together, as other dictatorships held together other peoples forced into becoming a nation by the decisions of outsiders who drew their boundaries on maps and in some cases -- Nigeria, for example -- even gave them their national name.

Even before 9/11, there were some neoconservatives who talked about our achieving "national greatness" by creating democratic nations in various parts of the world.

How much influence their ideas have had on the actual course of events is probably something that will not be known in our generation. But we can at least hope that the Iraq tragedy will chasten the hubris behind notions of "nation-building" and chasten also the pious dogmatism of those who hype "diversity" at every turn, in utter disregard of its actual consequences at home or abroad. Free societies have prerequisites, and history has not given all peoples those prerequisites, which took centuries to evolve in the West.

However we got into Iraq, we cannot undo history -- even recent history -- by simply pulling out and leaving events to take their course in that strife-torn country. Whether or not we "stay the course," terrorists are certainly going to stay the course in Iraq and around the world.

Political spin may say that Iraq has nothing to do with the war on terror, but the terrorists themselves quite obviously believe otherwise, as they converge on that country with lethal and suicidal resolve.

Whether we want to or not, we cannot unilaterally end the war with international terrorists. Giving the terrorists an epoch-making victory in Iraq would only shift the location where we must face them or succumb to them.

Abandoning Iraqi allies to their fate would ensure that other nations would think twice before becoming or remaining our allies. With a nuclear Iran looming on the horizon, we are going to need all the allies we can get.

Mr. Sowell is the Rose and Milton Friedman Senior Fellow on Public Policy at the Hoover Institution. He is the author, most recently, of "Black Rednecks and White Liberals" (Encounter Books, 2005).

More From This Issue Politics And War The President Pushes Back As A Deadly Month Adds To Voters' Anxiety (USNEWS)

By Kenneth T. Walsh

U.S. News and World Report, October 30, 2006

President Bush didn't do much homework to prepare for his news conference on Iraq last week. He spent a few minutes with advisers, who tried to predict the questions that reporters might ask (and got most of them right), but he didn't feel a need to rehearse. Aides saw this as a sign of Bush's expertise. "You have a guy who lives this issue [of Iraq]," White House Press Secretary Tony Snow told U.S. News. "He really thinks about it every day."

That's the kind of confidence that delights the president's allies and unsettles his critics. And it will be on full display this week as Bush makes his final push before the midterm elections. White House advisers say Bush recognizes that it is sagging public support for the Iraq war, more than anything else, that is jeopardizing the Republican majorities in the House and Senate. Most Americans now oppose Bush's policy in Iraq, and 6 in 10 don't think the war was worth fighting in the first place. The latest USA Today/Gallup Poll found that 55 percent think the situation in Iraq is "out of control," and 58 percent say "neither side" is winning.

Rhetorical offensive. To lift his party's candidates, Bush will continue to make his familiar arguments that Iraq is a "central front" in the war on terrorism and, in a series of rallies, attack Democrats for criticizing his policies without offering a clear alternative short of pulling out. The closing theme of Bush's final week on the campaign trail, as described by his advisers: If the Democrats have a better idea, let's hear it. Bush will argue that the situation in Iraq is not nearly as bad as the news media are reporting. And Bush, along with military leaders in Iraq, will point to specific cases of success and courage shown by U.S. soldiers and marines to encourage voters to take heart.

In sum, Bush is gambling that voters will trust him one more time to do the right thing as commander in chief, as they did in 2002 and 2004. At his news conference last week, he admitted to being dissatisfied with how the Iraq venture is going. But he was much less clear about what he will do to make improvements and how much pressure he will exert on the Iraqi government to make reforms.

So far, the changes have been cosmetic. After Democrats began using Bush's catchphrase "stay the course" to portray the president as blindly wedded to a failed policy, White House strategists abandoned the slogan. Snow claimed that Bush hadn't used it much anyway (hardly accurate, since he had used the words on about 30 occasions, according to one TV network's

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research). This prompted considerable confusion about whether Bush was somehow trying to change the U.S. mission of building a stable, democratic, self-sustaining government in Iraq. But by week's end, the president said he wasn't altering his objective at all, and even Snow was spinning a different tune. "If you mean by 'stay the course,' be steadfast in your mission," Snow told U.S. News, "yeah, we'll stay the course." Added the press secretary: "It is not possible to do rapid, sudden shifting in a time of war. There will be no wrenching change."

The Disappeared (TIME)

By Aparisim Ghosh

Time, October 30, 2006

It can happen in seconds.

Waddah al-Anbari's ordeal began on an afternoon in Baghdad early this year while he was out buying a new cell phone. The neighborhood seemed safe; Waddah didn't bother to lock his car door. He was about to cross a narrow alley when a car screeched up, blocking his way. Two men got out, thrust AK-47s into his ribs and pushed him into the floor behind the front seat. Climbing in the backseat, the men pinned him down with their feet and beat him in the torso with the butts of their guns. When he tried to speak, he got a sharp jab in the ribs. His captors emptied his pockets and took his cheap wristwatch and his belt and shoes. As the car sped away, one man put a hood over Waddah's head and, using a plastic tie, bound his wrists behind his back. All that happened in a few moments, and Waddah says he could only think, "This is a mistake--they think I'm somebody else." But it wasn't a mistake. He was being kidnapped.

As if the atrocities committed by terrorists and sectarian death squads in Iraq weren't bad enough, kidnapping has become one of the country's most common forms of crime since the fall of Saddam Hussein. U.S. officials say that up to 40 people are kidnapped every day, a phenomenon highlighted last week when a U.S. soldier in Baghdad went missing, an apparent abduction victim. With ransoms ranging from a few thousand dollars to more than a million and with the police often unwilling or unable to even register such cases, officials say kidnapping has become an increasingly lucrative business. It helps the kidnappers that their criminal activity is often confused with the routine hostage taking by both sides in the Shi'ite-Sunni civil war. "Kidnapping for ransom is an industry," says Dan O'Shea, former coordinator of the U.S. embassy's Hostage Working Group. "It is governed by the profit motive, not religion or race or politics."

Waddah's story provides a rare insight into the inner workings of a kidnapping ring. He spoke with TIME on the condition that his identity be concealed; we have used a pseudonym and changed other details that might give him away. He refused to be photographed for this story for fear of being recognized. One of his concerns is that being known as somebody who was ransomed once might mark him as a target for other kidnappers. O'Shea and another U.S. official who works with Iraqi authorities on kidnapping-related issues say many details of Waddah's account are consistent with what they have gleaned from their investigations.

The story Waddah tells is a window into the worst nightmare of many Iraqis, who in the absence of law and order must live with the fear that they could be taken and held captive at any time or in any place. Waddah's grin reveals two missing front teeth, the result of severe beating with the butt of an AK-47, and his face is drawn and gaunt from long captivity. If his physique--once strong and upright, now stooped and limp--recovers from the ordeal, Waddah's psyche will carry some scars forever: the terror of imprisonment, the dread of not knowing whether he would live another day, the degradation of torture and the mortification of having to grovel and plead for his life. "For five weeks, I was less than a human being," he says. "Nobody should have to go through that." The disturbing truth, however, is that many of his countrymen do.

A trained motor mechanic with calloused hands and a penchant for automotive analogies, Waddah can be forgiven for thinking that trouble has been following him around for more than three years. In the spring of 2003, when it became clear that the U.S.-led coalition would invade Iraq, he and his family--his mother Haseeba, three brothers, their wives and six children--sold his late father's house near Basra and moved to his mother's ancestral home in a quiet, dusty town west of Baghdad: Fallujah. "We were sure that there would be no fighting there. The Americans would not attack it, and the Iraqi army would not bother to defend it," he recalls, "because there's nothing important in Fallujah. It was like an old car that nobody wanted." As Sunni Muslims, the family thought they would fit right into the Sunni-majority town.

But a year later, with Fallujah turning into a stronghold of the insurgency and gun battles breaking out on their street almost every day, the family moved again--this time to Ramadi, the capital of the restive Anbar province. Ramadi soon went the way of Fallujah, its streets controlled by jihadist gangs fighting pitched battles with U.S. Marines. One day an extremist cleric visited Waddah's home and urged the four brothers to join the holy war against the Americans. When the brothers refused, the cleric threatened to let loose his fighters on the family. The only way out was to move again.

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Last February the family relocated to Baghdad, moving into an unoccupied house owned by a cousin in one of the city's most upscale neighborhoods. A week after they had moved, Waddah's brothers gave him $200 to buy a cell phone and some phone cards. The family had never owned a cell phone, and he was excited about buying one. Waddah got into his cousin's brand-new midnight blue Chevrolet Lumina. It was a short drive to the neighborhood's main drag, and he parked in front of a large cell-phone store. When he couldn't find a phone to his liking, he decided to try another store just across an alley. That's when he was grabbed.

It's unclear why the kidnappers targeted Waddah. The U.S. official familiar with kidnapping gangs in Iraq speculates that the arrival of a new family in a wealthy neighborhood may have alerted local criminals. "Typically the kidnappers would do some homework, tracking the movements of the family, deciding on whom to grab and when," he says. Waddah believes it was an opportunity snatch: the kidnappers happened to be cruising the street and, when they saw him get out of a brand-new car, assumed he was rich. Later, during interrogations by his captors, the Chevrolet Lumina would come up again and again. "Whenever I said my family were too poor to pay ransom, they would hit me and say, 'Don't lie to us. We know what kind of car you drive.'"

Hooded and lying on the floor of the car, Waddah had no idea where he was being taken. He thinks his captors drove for at least an hour before stopping. He was yanked out of the car and, still hooded and bound, taken into a house and dumped on the floor. He could dimly hear a conversation in another room but could not hear what was being said. After a few minutes, he was pulled up and practically dragged outside. This time he was pushed into what he thinks was the back of a van, which smelled of engine oil and urine. The second drive was shorter than the first, no more than 30 minutes. Again he was pulled out and taken into a house. The wait was longer--perhaps two hours--before he was dumped back into the van for another half-hour drive.

Why all the stops? The U.S. official says the first switch was probably a handoff to a second group, which would hold him and claim the ransom. "It's not unusual for more than one group to be involved," says the official. "As in any organized business, there's specialization. Some gangs do the snatching and then pass on their captive, for a fee, to another gang." The money changing hands at this stage may be no more than a few hundred dollars; the muffled conversation Waddah heard at the first house may have been a quick round of bargaining.

At the third house, Waddah was taken indoors, then down a flight of stairs and through a doorway and pushed roughly to the floor. He felt several kicks to his chest and thighs, followed by rapid- fire questions: What was his name? Where did he live? Where did he work? What was his family's phone number? "They said, 'The sooner you give us a phone number to call, the sooner we contact your family, negotiate a ransom and let you go,'" Waddah says. A common persuasion technique employed by kidnappers is to call the family of the victim and let them hear him screaming during torture. That usually gets the family's attention and makes them more likely to pay a ransom quickly. It upset the captors' plans, says the U.S. official, that Waddah's family didn't own a phone. "Kidnappers tend to be simpleminded people," the official says. "They have a fixed plan, and when something unexpected happens, they don't know how to deal with it."

Waddah's interrogation lasted hours, with long breaks during which his captors would leave the room. There were at least two of them at all times, but Waddah remembers several different voices. Toward the end of the interrogation, his hood was taken off, and he was able to see his captors for the first time. They were two bearded men, one of them armed. When he saw they were not masked, Waddah's heart sank. "If they were willing to show me their faces, it meant that they weren't afraid I would identify them. In other words, they meant to kill me eventually."

The interrogators ordered him to strip to his underpants and gave him a brown dishdasha, the traditional Arabic robe, which he wore for the rest of his captivity. He was then taken down two more flights of stairs to a basement holding area that was partitioned with plywood into many small cells--at least 10, possibly more. His home for the next five weeks would be a dirty cell, 5 ft. by 4 ft., with a rough concrete floor. The plywood walls were unpainted and still bore the manufacturer's stamp in a foreign script he speculates was Korean. The walls didn't go all the way up to the ceiling, and that allowed for some air circulation. He was given a large, smelly quilt that had to serve as a mattress as well as protection from the cold. From time to time, he heard other captives being taken out of their cells and up the stairs to the interrogation room. They remained there for hours, and Waddah heard screaming and sobbing. A few times, he heard the sound of gunfire--single shots, followed by silence.

His turn in the interrogation room came every other day. The questions never varied. "They kept coming back to the phone number--why I didn't have any," he says. "They just wouldn't believe me." Every session would end with threats of more beatings and torture. He was told of other captives who had died grisly deaths and was shown stains on the floor where they had bled. The strong smell of chemicals began to make sense. They had been used to cover up the smell of vomit and dried blood. But, says the U.S. official, the threat of death was probably no more than just that. "They were already invested in this guy, having paid the people who snatched him," he says. "They would not kill him if there was even a remote chance of making some money off of him."

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The captives were fed twice a day: chopped raw vegetables like tomatoes, cucumbers and onions, wrapped in flat, unleavened bread. Sometimes, a spoonful of hummus was added to the vegetables. A 2-liter plastic jug was in his cell on the first day; when it ran out, Waddah would knock on his door and ask the guard for a refill. Once a day, the captives were taken to the toilet in groups of five. Their hands bound behind them, they would queue up at a tap just outside the toilet. One by one, the captives were untied, and they filled a red plastic bucket with water and went in. The others would wait, still fettered, while a guard armed with an old AK-47 watched them carefully.

One day, Waddah overheard the guards talking about the bombing of the Golden Mosque in Samarra, one of the holiest sites for Shi'ites. They also spoke of the wave of sectarian violence that followed, with Shi'ite mobs wreaking vengeance on Sunnis. "It sounded like Sunnis were being slaughtered in the streets of Baghdad," Waddah says. "I was worried about my family. They were new to the city and had no influential relatives who could protect them." While waiting to use the toilet over the next few days, the captives whispered rumors of how their Sunni kidnappers were taking revenge by killing some of the Shi'ite captives. Waddah says at least two captives he knew to be Shi'ite disappeared abruptly. At his next session in the interrogation room, Waddah's captors told him he was lucky that he was a Sunni. Any Shi'ite whose family was unable to pay ransom within a week was being killed, they said. To reassure them of his Sunni loyalties, Waddah claimed friendship with the fanatical cleric in Ramadi who had tried to force him and his brothers to become jihadist fighters. He also spoke disparagingly about Shi'ites. "I am not proud of what I said, but it saved me from more torture," he says. His captors seemed to take him for a kindred spirit, and the beating stopped.

While Waddah languished in captivity, his family embarked on an agonizing quest to try to find him. His mother Haseeba, 65, took charge of the situation, as befits a traditional Arab matriarch. Realizing that the search for Waddah would require manpower, she dispatched two of her sons to Fallujah and Ramadi to summon as many cousins and uncles as they could muster. Her oldest son Mohammed's job was to canvass the neighborhood to identify the "sheiks"--older men, heads of important families that had lived there a long time and could be tapped for local knowledge and advice. Their first piece of advice: Stay away from the local police. The police in the neighborhood were known to be members of the Mahdi Army, the Shi'ite militia often blamed for the kidnapping and murder of Sunnis in Baghdad. "One of the sheiks--and he was a Shi'ite--said the police may themselves have been involved in taking Waddah," Haseeba says. "And even if they weren't, they would not help a Sunni family. They would only harass us for the ransom money."

Instead Haseeba recruited a distant cousin in Fallujah who was reputed to have contacts with the Sunni insurgency. His job was to inquire whether Waddah was being held by one of them. She was horrified when the cousin asked for a fee for that service: $1,000. He explained that the money was not for him but for his contacts. "I think he put most of it into his own pocket," she says. "But at that time, I could not afford to refuse." The days of waiting turned into weeks, and still there was no ransom demand. Some in the family wondered whether Waddah has been murdered rather than kidnapped. As violence in and around Baghdad escalated, even Haseeba began to lose hope, convinced that her son had become another nameless victim of Iraq's sectarian war. Sunnis were being killed all over the city. Surely there was no hope for Waddah.

Many kidnapping victims are held captive in remote farmhouses in the countryside. But after a few days in the basement prison, Waddah came to believe he was in an urban environment. Although there were no windows, he could hear city traffic and, when the power went out, the sound of several generators starting up. The bread served was often warm and fresh, indicating there was a baker nearby. If his captors had neighbors, they were probably complicit in the kidnappings; they obviously didn't report the sound of gunshots within the house to the police. During one interrogation, Waddah was told not to contemplate an escape. "They said, 'Even if you manage to get out of the house, the people in the street will bring you back to us,'" he recalls.

Waddah soon found himself the longest-held captive in the basement, and the guards grew friendly. They helped him get a sense of the scale of the kidnapping operation. By his reckoning, at least 30 captives passed through the cells during his five-week stay. The guards hinted that at least two captives had been government employees. Instead of being ransomed, they were sold to a jihadist group. And the jihadis took a cut from the ransom collections in exchange for protection. The U.S. official says that is common practice among kidnappers: "We know that the kidnapping industry helps finance the terrorists."

Waddah also learned a little bit about the "emir," or leader of the criminal gang. The guards described him as a bold and brazen criminal who masterminded the kidnapping of many high-value targets: rich businessmen, government officials, even a tribal sheik. The gang leader had been a senior official in Saddam's dreaded intelligence service, the Mukhabarat. The emir was also an expert in torture, able to extract information from the most stubborn captives. But he rarely took part in the interrogations anymore; in fact, he only occasionally visited the house. While he concentrated on other, unspecified business interests, the kidnapping organization was run day to day by his trusted lieutenants, a pair of brothers from his tribe.

In Waddah's fourth week of captivity, one of the interrogators went down to his cell to inform him they had made some progress in contacting his family. Waddah had given them names of family members in Fallujah and Ramadi, along with

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directions to their homes. One of the addresses in Ramadi had checked out, and the person who lived there--an old friend who Waddah believed had been a fighter in an insurgent group--had agreed to find a phone number for his family. The interrogator said "our people in Baghdad" were also looking for Waddah's home. A few days later, the kidnappers said they had made contact with Waddah's family. But Haseeba and her other sons, believing him to be dead, had already held a wake for him. Now they refused to believe that he was alive, rejecting the kidnappers' ransom demand as either a terrible prank or an opportunist's attempt to capitalize on their loss. "They are not going to pay," the interrogator told Waddah. "We're not sure what to do with you." Later that day, Waddah was taken to the interrogation room--his first visit in nearly a week. He was hooded again because, the guards told him, the emir was going to be present and they didn't want Waddah to see him.

There was very little beating, and the emir barely even spoke with him, but Waddah says it was the scariest episode of his captivity. As he sat on the floor, the emir and two assistants had a discussion about how to convince his family that he was still alive. One of them suggested that, as proof of life, they cut off a body part and send it to the family. There was a long debate about which part to cut: a finger, an ear, his nose or his penis. Finally, during a lull in the discussion, Waddah pointed out that his family members were unlikely to recognize any of his body parts. "They will just think you're sending them some dead guy's finger to scare them," he said. To his relief, the kidnappers saw the sense in this. The emir decided to wait until the man in Fallujah came up with the phone number.

A week later he was taken up to the interrogation room for what would be his last visit. There was still no phone number, so the interrogators said they would videotape Waddah and send the tape to his family. His hood was removed, and he was ordered to sit still and say nothing--to simply look at the camera. Expecting to be beaten, he was surprised that the filming ended in a few minutes and that nobody laid a hand on him. "They said, 'This is your last hope. If this doesn't convince your family, there is nothing else we can do,'" he says.

Within days, a package was tossed into the front yard of his family's home in Baghdad. It was the videotape: grainy images of a silent Waddah, staring at the camera, followed by a short speech by a masked man asking for $100,000. Haseeba was overjoyed. The ransom demand was obviously far beyond the family's means. But while they waited for the kidnappers to make contact to negotiate the sum, Haseeba began to collect the money. Once again, the family went to the cousins and uncles in Fallujah and Ramadi, this time to ask for money. Again they dug into their savings, collectively raising $25,000. Haseeba and her daughters-in-law sold all their jewelry, and Mohammed flogged a pair of old British-made hunting rifles he had inherited from his father. With the permission of the cousin who owned it, they even sold the midnight blue Chevrolet Lumina for a knocked-down price. Even so, they were able to get the collection up to only $40,000.

The next time they heard from the kidnappers, it was on Mohammed's cell phone--the contact in Fallujah had finally delivered the number. Haseeba took the call, beseeching the kidnappers to lower their price. "I said, 'I am like your mother. Have pity on me,'" she says. The caller asked to speak with Mohammed and told him, "We don't like to negotiate with old women. Don't let your mother answer the phone again." But Haseeba's pleas had worked. The next morning the kidnappers called again to say the family should have the $40,000 ready for collection. That evening a white Toyota Camry stopped at the family's front gate, and an old man entered, introducing himself as a tribal sheik from Anbar province. He said he had been asked to collect some money, adding, "I don't know what it is for, and I don't want you to tell me."

Waddah was still weak from a fever and barely able to stand when a guard relayed the good news: he was going home. He was hooded, bundled into the trunk of a car and driven around for an hour. This time there were no stops and no changing of vehicles. The hood was removed, the plastic bounds cut. "This is it," said one of the men, thrusting something into the breast pocket of his dishdasha and pulling him out of the trunk. "Thank God for your freedom." The car sped away before Waddah could get to his feet. He found himself just outside a well-known mosque, with 5,000 Iraqi dinars ($3.30) in his pocket. He was able to get a lift home from a passing commuter. The long ordeal was over. He was free.

With liberation come new uncertainties. In recent months Waddah and his brothers have struggled to find work in Baghdad and have returned to jihadi-infested Ramadi. But Waddah says his kidnapping has made him stronger and less fearful. Like so many other Iraqis, the family members cope with the violence surrounding them by clinging to one another. When Haseeba heard the car stop at the gate on the fateful day, she says her instinct told her it had to be Waddah. "A mother knows," she says. "So I told Mohammed: Go to the door--your brother has come home." Then Waddah walked in, and mother and son grabbed each other in a tight embrace that neither wanted to end. After several minutes, Haseeba's other sons asked her to let Waddah go so that they too could embrace him. "Never," she said. "I will never let him go."

A Centurion's E-mails (NSWK)

By Dan Ephron And Christian Caryl
Newsweek, October 30, 2006

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Robert Secher had a passion for history. Until his death in Iraq on Oct. 8, the 33-year-old Marine could recount all the major battles of the Civil War. He studied the Holocaust, in which members of his father's family lost their lives. In recent e-mails home, he said he was reading about Vietnam and the Mexican civil war. But his favorite books were on ancient Rome: he was captivated by the centurions, who commanded from the front and led by example. "He talked about being a soldier since he was 6 years old," his mother, Elke Morris, told NEWSWEEK last week. "He wanted to be tested in battle." Secher signed up for the Marines when he was 17. He served on the Afghan border after the attacks of September 11 and later pressed for a transfer to the front lines in Iraq. He ended up in the insurgents' largest stronghold, Anbar province.

His job there was one of the toughest in Iraq: making raw Iraqi recruits ready and able to take over the fight against the militants. Secher found the task exasperating and often discouraging; in e-mails and letters home, he expressed doubt that the Iraqi military would ever be ready for a handover, and criticized the way the Bush administration had directed the war. "Without the U.S., this army will fail and get eaten alive by the insurgents," he told his father in an e-mail this past April. Chatting with a friend during a brief leave five months later, he spoke of suspicions that some of his trainees were loyal to Moqtada al-Sadr and would have no compunction about betraying their American instructors if the radical Shiite cleric told them to.

At other times Captain Secher's messages expressed fondness for his Iraqi trainees and respect for their courage. He was no pacifist. His parents describe him as an unswerving Republican, and his own dispatches consistently defend the invasion of Iraq even as he anguishes over its dwindling prospects of success. "Don't mistake us for Cindy Sheehan," Pierre Secher told NEWSWEEK at his Memphis home (a reference to the California woman who became an iconic opponent of the war after her son's death in Iraq). "To me, pacifism could have led to Hitler's victory. We might have all been speaking German and Japanese right now." But as President George W. Bush speaks positively of setting benchmarks for Iraqi troops to "stand up" and Defense Secretary Donald Rumsfeld declares that their training is going well, Captain Secher's messages from the front give a more complicated picture. His e-mails have been edited for space, and some typos have been fixed for clarity, but the words and feelings are entirely his own.

From: Robert Secher

Sent: Tuesday, December 06, 2005 5:31 AM

To: [Pierre Secher]

Subject: Hello

First of all, make sure you save (print and save) all the emails I send you [...] I am going to keep extensive journal notes on this deployment so I can write TWO books, one when I get back and of course the one I am working on now—Every email you save can help me [...]

Our team is made up of Marines from a variety of occupational specialties: supply, logistics, infantry, intelligence, communications, artillery (me and a sergeant), and of course we have a Navy corpsman (our medic). We will be located at an Iraqi base, living, eating [...]and fighting with the Iraqis. They are apparently the 1st Battalion, 2nd Brigade, 7th Iraqi Division or 11217 Iraqis. We'll be in Hit along the Euphrates River in the Al Anbar province and part of the Sunni Triangle [...]

As you know, when Roman centurions inspected their men during morning formations, the soldier would smack his fist on his breast plate above his heart and say "Integritas," which is of course "material wholeness," referring to the soldier's upkeep of his armor and demonstrating his dedication to combat readiness. You can rest assured that my mind and my gear will always be focused and ready.

Integritas, Robert

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Secher's 12-month Iraq tour officially began on his arrival in Kuwait on Jan. 24. On Feb. 18, he wrote to a good friend, Peter, in New York, from the Anbar province town of Hit, where his team was sharing a camp with some 500 Iraqi soldiers.

Peter,

I got your care package today and am humbled and extremely appreciative for it! Everything in there is exactly the type of stuff that is useful and needed! The integritas patches are awesome. I'm going to sew one on my Kevlar and one on my flak.

Our camp is about 1 km from the Euphrates, with palm groves to our east and the desert to our west. Hit is a lawless town with most of the fight in the north (the insurgents control/influence the southern part). [...] Camp Hit is a series of wooden huts surrounded by [earth-filled barricades] and a berm perimeter with triple strand concertina [wire]. [...]

My first impression of the Iraqis is that I really like them. They are warm and hospitable and the friendliest people I've met. I also feel very sorry for them. Their lives are out of their hands and they have known nothing but dictators (Saddam) and occupiers (us) for years. As we convoyed at high speeds thru the town (speed is the best defense against IEDs) you could clearly see the look on the eyes of the people: sick and tired. First a generation of Saddam, now insurgents and occupiers. Everyone makes promises and no one keeps them. [...]

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I hope all is well. It is cold over here. It must be freezing in New York. Take care and I'll talk to you soon.
Your friend, Robert

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On the morning of March 3, Secher and his men were driving into town when they spotted an improvised explosive device disguised as roadside litter. They blocked off the area and called in an explosives team. In an e-mail to his family, he told what happened next:

With absolutely no warning (and less than 10 minutes after we got there) the IED blew up. In one split second I saw the huge black smoke then the noise, everybody outside the vehicles dropped to the ground [...] About that time we started taking fire to the rear of the convoy. The Iraqis identified where it was coming from and immediately returned fire, but by the time they successfully translated where the fire was from it had stopped [...]

Anytime an American fires a weapon there has to be an investigation into why there was an escalation of force. That wouldn't have stopped us from firing, but it prevents us from just firing indiscriminately. We have to have positively identified targets. That is why I am now a big fan of having the Iraqis with us. They can fire at whatever the hell they want, we call it the "Iraqi Death Blossom." These guys receive one shot and the whole unit fires at everything in sight until the attached American unit gets them to control their fire. That's fine with me.

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His mood had dimmed when he wrote again to his friend Peter on April 23:

Whatever "good" is happening in Iraq, isn't happening here. The bright side is there is no sectarian violence here like in Baghdad. In other words the insurgents around town don't target civilians. And there are even established warning signals so civilians know not to be around.

My 3 month informed opinion (based entirely on what I see in the Hit region) is that this war is futile. Even the Iraqi soldiers tell us that when America leaves, they'll quit. They trust us because they know Americans can take care of them, but they don't trust their government, or the Ministry of Defense, and they especially don't trust their officers [...] Funny, I feel the same way sometimes.

Anyway, the weather here is getting hotter, it's windy all the time, the flies are terrible.

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Secher reacted angrily to accounts of the killings at Haditha and Hamdania. On June 22 he wrote to his father:

Of course you've heard about two different sets of Marines being charged with murder. [...]

I feel bad for those guys. Bush should be ashamed of the predicament that this nation has been put in. And anyone who calls those young Marines killers should think twice. War puts perfectly ordinary young men in situations that can't be judged by laws. They are the situations of survival. The dirty little secrets of war, no one would want to know the horrible things that the "greatest generation" did to German and Japanese soldiers and civilians. [...] If you really want to win a war you have to be brutal. You have to be Sherman and raze Georgia as you march to the sea.

Later that day, Secher had cooled off:

Hi Dad,

After reading my last email I don't want you to think that I condone the actions of the Marines, and if in fact they are guilty they should be held responsible and punished. My point is that this is the reality of what war is. This is what war does to normal young men. This is the whole tragedy of war. People are so quick to only criticize the Marines and to demonize these young men. I pity them. Their lives are ruined, ruined by their actions which are judged by men who have never been in those situations.

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As the summer wore on, his frustration deepened. On July 23 he wrote to friends:

Hello everyone,

Tomorrow will be our 6 month mark, and then only 6 more months to go! Everything is fine and works in cycles. Some weeks see more activity than others based on the insurgents' cycles of regrouping and refitting [...]

The biggest lesson I have learned over 6 months here is that the Iraqi culture is incapable of maintaining a western style military. The Arabic-style military [...] is distasteful to western soldiers: officers who hit their men; officers and senior enlisted men who regularly steal from their men; using leadership to openly grant yourself more food and 'standard of living' items while your men go without [...]

Many of our [Iraqi] soldiers went AWOL; new food supplies came in yesterday from Ramadi but were grossly insufficient; new soldiers arrived but their initial military training is substandard and you can tell they are really just here for a paycheck [...]

So that's about it. Hope all is well. The weather here has cooled down. It's only 110 this morning. Take care and talk to you all later.

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Robert

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Still, new Iraqi officers had arrived, and Secher cheered up after seeing them in action. He wrote to his father on July 25:

In defense of the Iraqis, this new battalion commander and executive officer we have are starting out on the right foot. So far so good, see, there may just be some professionals in the IA [Iraqi Army]. Today an Iraqi soldier stole jewelry from a woman at a vehicle checkpoint. When it was discovered, the Iraqi was identified and the XO had an investigation done immediately, and the same day we transported the soldier to the jail on Camp Hit (where he is right now) and we'll take him to Al Asad in a week to be fired.

This is such a long process. Maybe 20 years from now I'll look back with pride that I helped make a difference in Iraq, but right now I'm just not into it. I just want to come home alive. [...] The war in Iraq itself, yeah, it was the right thing to do, but the way it was carried out, man, Bush, Rumsfeld, and Cheney have nothing to be proud of.

But I'm still glad to be here. At least I can say I was here, and 20 years from now that will be all that matters. I did my part (though my attitude was less than desirable). [...]

Tomorrow will be my 100th convoy and I'll get to command it again, which I enjoy. If there is one thing war has taught me, [it's] how much time we spend in life worrying about stupid s--t. I hope I don't forget that.

Love, Robert

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As summer ended, Secher was leading Iraqi soldiers on house-to-house searches for insurgents. He described the process in a Sept. 30 e-mail to his father.

We went out with the IA to do cordon-and-searches, where we cordon off a city block [and] then go in small groups from house to house, initially knocking, but we had to kick in a few doors and gates. I had to shoot the lock off of one house. [...] The Iraqis I was with did a really good job. I had Mathan [an IA member] and our interpreter Joe, who are both good soldiers. We did the searches at night between 2300 and 0500, so it was a rude awakening. It caused some people to freak out, some were more calm, no one threatened us. We did take some sniper fire, but nothing sustained. I was surprised at how beautiful some Iraqi houses were on the inside. Not at all what I was expecting. [...]

The whole thing felt kind of weird. Especially when you have kick in a gate, go charging in, weapon on fire, finger on the trigger, charge to the front door start banging on it, and then some old man comes to the door [...] That was about the least enjoyable thing I have done here. As an American it really feels odd to enter peoples homes and question them, and with the authority that if they don't want to cooperate, I can detain them. This is what martial law would be like.

_____

His final e-mail arrived a week later.

From: Robert Secher
Sent: Friday, October 06, 2006 3:56 PM
To: [Pierre Secher]
Subject: Hello

Dad,

How are you? I will be down in the city [...] operating out of firm base 1 until probably Nov 1 so I won't have access to email very often. I should make it back up to camp every few days to shower and do laundry, and I'll check my emails then. The clearing operations are continuing throughout the town. It'll be sleep all day and go on operations each night (searches and raids). A lot more interesting than being on the camp. Give my love to [stepmother] Lucy, I'll talk to you all soon.

Love, Robert

_____

Captain Secher died two days later, shot by a sniper while on patrol in Hit. "There are many challenges out here," Marine spokesman Lt. Col. Bryan Salas told NEWSWEEK. "Captain Secher and the Marines who worked with him tackled those challenges with tremendous zeal, and served with dedication and great personal sacrifice. Our thoughts and prayers are with his family."

With Lee Hudson Teslik and Sarah Childress in New York

Togetherness In Baghdad (NSWK)

By George F. Will
Newsweek, October 29, 2006

DOJ_NMG_0087538

Many months ago it became obvious to all but the most ideologically blinkered that America is losing the war launched to deal with a chimeric problem (an arsenal of WMD) and to achieve a delusory goal (a democracy that would inspire emulation, transforming the region). Last week the president retired his mantra "stay the course" because it does not do justice to the nimbleness and subtlety of U.S. tactics for winning the war.

A surreal and ultimately disgusting facet of the Iraq fiasco is the lag between when a fact becomes obvious and when the fiasco's architects acknowledge that fact. Iraq's civil war has been raging for more than a year; so has the Washington debate about whether it is what it is.

In a recent interview with Vice President Cheney, Time magazine asked, "If you had to take back any one thing you'd said about Iraq, what would it be?" Selecting from what one hopes is a very long list, Cheney replied: "I thought that the elections that we went through in '05 would have had a bigger impact on the level of violence than they have ... I thought we were over the hump in terms of violence. I think that was premature."

He thinks so? Clearly, and weirdly, he implies that the elections had some positive impact on the level of violence. Worse, in the full transcript of the interview posted online he said the big impact he expected from the elections "hasn't happened yet." "Yet"? Doggedness can be admirable, but this is clinical.

Anyway, what Cheney actually said 17 months ago was that the insurgency was in its "last throes." That was much stronger than saying we were "over the hump" regarding violence. Beware of people who misquote themselves while purporting to display candor.

The latest plan to pacify Baghdad—announced in June, declared a failure in October—was called Operation Together Forward. But U.S.-Iraqi togetherness is a sometime thing. Last April, The Washington Post's Jonathan Finer reported from Hawijah, Iraq, on a joint patrol to search for roadside bombs. The Iraqis refused to ride in armored U.S. Humvees, preferring pickup trucks because a cleric told them that anyone killed in an "occupier vehicle" would not go to heaven. Eventually, after threatening them with jail, U.S. Army Lt. Aaron Tapalman browbeat them into Humvees:

"About an hour later, the patrol came across a white bag on the roadside that Tapalman suspected might contain a bomb. When he asked some Iraqi soldiers to move it off the road, their commander balked, saying it wasn't his job. 'It is your job to protect the people,' Tapalman said, increasingly exasperated. 'I can go and move it myself, and you know what? I will, but don't you think your people should see you doing that kind of stuff? Someday we're not going to be here anymore.' The Iraqi soldier declined again, apologetically, and drove away."

A mordant joke told during the Cold War concerned asking an Italian, a Frenchman, an Englishman and a Russian to each describe his most cherished dream. The Italian said, "I want my country to produce the greatest artists." The Frenchman said, "I want my nation to produce the greatest philosophers." The Englishman said, "I want my country to produce the greatest parliamentarians." The Russian said, "I want my neighbor's cow to die."

The joke was no laughing matter because it turned on this truth: A history of brutalizing tyranny had stunted the Russians' aptitude for collective aspirations. Which brings us back to Iraq, which Patrick J. McDonnell of the Los Angeles Times covered for two years following the 2003 invasion. He recently returned. His Oct. 23 report ("Into the Abyss of Baghdad") begins:

"I keep seeing his face. He appears to be in his mid-20s, bespectacled, slightly bearded, and somehow his smile conveys a sense of prosperity to come. Perhaps he is set to marry, or enroll in graduate school, or launch a business—all these flights of ambition seem possible. In the next few images he is encased in plastic: His face is frozen in a ghoulish grimace. Blackened lesions blemish his neck. 'Drill holes,' says Col. Khaled Rasheed, an Iraqi commander who is showing me the set of photographs."

Electric drills are the death squads' preferred instruments of torture. McDonnell:

"One evening I accompanied a three-Humvee convoy of MPs through largely Shiite east Baghdad ... The objective that evening was to patrol with Iraqi police, but the Iraqi lawmen are hesitant to be seen with Americans, whom they regard as IED [improvised explosive device] magnets. The joint patrol never worked out ... The next night, an armor-piercing bomb hit the same squad, Gator 1-2. A sergeant with whom I had ridden the previous evening lost a leg; the gunner and driver suffered severe shrapnel wounds."

For what?

Bomb In Sadr City Slum Kills 31 People (WP/AP)

The Washington Post, October 30, 2006

BAGHDAD, Iraq -- A bomb targeting poor Iraqi Shiites lining up for day jobs in Baghdad's Sadr City slum killed at least 31 people Monday and wounded more than 50 others, police said.

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The bomb tore through a collection of food stalls and kiosks at about 6:15 a.m., cutting down men who gather there daily hoping to be hired as laborers. Police Maj. Hashim al-Yasiri put the casualty figure at 31 killed and 51 injured.

There were conflicting reports as to whether the blast was caused by a suicide bomber or a device concealed amid debris by the roadside. The overwhelmingly Shiite area is a stronghold of the Mahdi Army militia blamed for much of the sectarian violence rocking the city.

Sadr City, a sprawling neighborhood of 2.5 million people, has been the scene of repeated bomb attacks by suspected al-Qaida fighters seeking to incite Shiite revenge attacks and drag the country into full-blown civil war.

The U.S. and Iraqi military have kept a tight cordon around Sadr City since a raid there last week in search of an alleged Shiite death squad leader, who was not found.

The last major bombing in Sadr City occurred on Sept. 23, when a bomb hidden in a barrel blew up a kerosene tanker and killed at least 35 people as scores waited to buy fuel.

The area was more crowded than usual because families were stocking up on fuel in advance of the holy month of Ramadan.

23 Policemen Shot To Death In Iraq (AP-Y)

By Steven R. Hurst

AP, October 30, 2006

Suspected Sunni Arab gunmen killed 23 policemen Sunday, including 17 in one attack in the predominantly Shiite southern city of Basra, signaling the possible start of an intensified insurgent campaign against Iraq's predominantly Shiite Muslim security forces.

Political tension deepened in Baghdad when Vice President Tariq al-Hashemi, the country's highest-ranking Sunni politician, threatened to resign if Prime Minister Nouri al-Maliki did not act quickly to eradicate two feared Shiite militias.

Al-Maliki, a Shiite, depends heavily on the backing of the two Shiite political parties that run the militias and has resisted American pressure to eradicate the private armies — the Mahdi Army of radical cleric Muqtada al-Sadr and the Badr Brigade, the military wing of Iraq's biggest Shiite political bloc, the Supreme Council for the Islamic Revolution in Iraq.

Shiite gunmen, especially those of the Mahdi Army, are deeply involved in the sectarian killings that have brutalized Baghdad and central Iraq for months.

Police have been targeted throughout the insurgency in an effort to destabilize the U.S.-supported government, but the number of attacks Sunday was a sharp step-up in attacks aimed at security services.

The surge in violence also comes amid U.S. efforts to bring Sunni insurgents into a reconciliation process and a public squabble with al-Maliki over a timeline for crushing the Shiite militias and moving forward with measures to soothe the disaffected Sunni minority.

Thirty-three people in all were slain across Iraq on Sunday in a second day of rising violence that ended a five-day lull in attacks after the end Muslims' holy month of Ramadan.

Officials also found 24 bodies, some of them decapitated, the latest victims of sectarian reprisal killings that have soared since Sunni bombers destroyed a Shiite shrine in Samarra, north of the capital, Feb. 22.

Until that attack, the Sunni Arab insurgency was responsible for nearly all the violence in Iraq, both in attacks on American troops and the use of huge bombs aimed at Shiite civilians.

Since Shiite militias and roaming death squads joined the fight, thousands of Iraqis have been tortured and killed on both sides of the sectarian divide, taking Baghdad and other mixed Shiite-Sunni regions in the center of the country to the brink of civil war.

In the southern city of Basra on Sunday, gunmen dragged 15 policemen and two translators — instructors at the police academy — off a bus at the edge of town. Their bodies were found dumped throughout the city beginning about four hours later.

Fourteen of the victims were Shiite, three were Sunni. Shiites are about 80 percent of the population in Basra, Iraq's second-largest city.

Police officers also were shot down in Baghdad and in Baqouba, a city 35 miles northeast of the capital.

Anger over the destabilizing violence brought a political tremor when the top aide to al-Hashemi, the vice president, said his boss has threatened to resign unless the government quells the Shiite militias.

"Yes, the vice president is threatening to quit. Our position dictates that we send a message to the government. We cannot live with this situation indefinitely," said Mohammed Shaker.

Losing al-Hashemi, the country's top-ranked Sunni politician, would be a blow for the already shaky al-Maliki government.

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The prime minister apparently was seeking to shore up support among his Shiite base by issuing a series of angry statements last week denouncing U.S. plans for a timeline to measure progress as an infringement of Iraqi sovereignty.

The eruption led to a hastily arranged video conversation between al-Maliki and President Bush on Saturday. Afterward, a top al-Maliki aide said the Iraqi leader was using American voter dissatisfaction with the war as a lever to strengthen his position with the United States.

The public spat arose after U.S. Ambassador Zalmay Khalilzad outlined adjustments in U.S. policy that called for al-Maliki to set timelines for progress on a series of tasks, including disbanding militias.

In an interview with CNN on Sunday, Khalilzad said the squabble was a misunderstanding.

"That was a problem in how what I said was interpreted or translated to him and how it was played by some of the media here. What he understood as it was explained to him was that I had determined what issues and by when the Iraqis had to decide," the ambassador said.

Iraqi court officials, meanwhile, said a verdict in Saddam Hussein's first trial would definitely be handed down as scheduled on Nov. 5, two days before the American elections.

Asked by CNN to address speculation that the timing of the verdict was motivated to affect voting, Khalilzad denied the Bush administration had anything to do with the trial court's operations or its verdict.

"Well, that decision was made by the Iraqi judges. The United States had nothing to do with the selection of the date," he said. "And we don't know whether the judges have come to a judgment or not."

If convicted, Saddam faces death by hanging in the case tied to the killing of 148 Shiite villagers in Dujail after a 1982 assassination attempt against him. A guilty verdict would set off an automatic appeal to a higher court.

The ousted leader's lawyer warned that violence would spread in Iraq and could wreak havoc throughout the Middle East if Saddam is sentenced to hang.

Khalil al-Dulaimi also said he would attend Saddam's resumed trial Monday on separate charges of genocide against Kurds, breaking a monthlong boycott of the trial.

The lawyer told The Associated Press in Jordan that he warned of a civil war in a recent letter to Bush.

"I warned him against the death penalty and against any other decision that would inflame a civil war in Iraq and send fire throughout the region," al-Dulaimi said.

Gunmen Kill 19 Iraqis From Cop Academy (WT)

By Ammar Karim

The Washington Times, October 30, 2006

BAGHDAD -- Gunmen killed 17 Iraqi police instructors and two translators as they traveled home from work at a British-run training school near the southern Iraqi city of Basra yesterday, a senior Iraqi officer said.

The brutal killings came as U.S. troops fought off an insurgent ambush in northern Iraq, killing 17 rebels. Six more policemen were reported slain elsewhere in Iraq. A bodyguard to Iraqi Prime Minister Nouri al-Maliki was wounded in an attack on a convoy, but Mr. al-Maliki was not present.

"There were 17 officers and two translators on their way back home after they finished work when gunmen stopped them in an area called al-Kibla," said the Iraqi officer, who spoke on the condition that he not be identified.

"They work as instructors at the police academy in Shuaiba. They were killed and their bodies were taken back to Shuaiba and scattered around the town," he said. "The two translators work with the instructors and the British army and police."

Shuaiba is a town west of Basra that houses a large British base.

British military spokesman Maj. Charlie Burbridge confirmed that "there has been an incident in which it appears that 17 Iraqi police instructors were murdered in southern Basra this afternoon."

"We are poised to support with whatever the [Iraqi Police Service] requests within our capabilities. We are taking the incident extremely seriously indeed," he said.

The killings are a setback for British efforts to pacify southern Iraq, which hinges on training Iraqi security forces to enable them to take over responsibility for an area rife with illegal militia groups.

Although the area around Basra, which is largely Shi'ite, has been spared the worst of the sectarian violence that has torn apart life in central Iraq, the region is home to well-armed political, tribal and criminal factions.

The British government is under intense domestic political pressure over its strategy, with the former head of the country's armed forces yesterday branding the attempt to fight on two fronts -- in Iraq and Afghanistan -- as "cuckoo."

Britain has 7,200 troops in southern Iraq. Reports suggest their commanders would like to start pulling them out as early as February next year, although British Prime Minister Tony Blair insists they will stay "until the job is done."

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Mr. al-Maliki wants the process of taking control of his own security forces to go ahead more quickly, a desire that was welcomed by the United States after a tense week of talks.

"The prime minister is anxious to have more responsibility for the security of the country. He wants to have appropriate capabilities and command and control of forces," said Zalmay Khalilzad, U.S. ambassador to Iraq.

"We welcome his desire to have ... more capable and credible forces and for him to have command and control of Iraqi forces," he said in an interview with CNN.

Meanwhile, fighting erupted near the northern town of Balad when rebels armed with assault rifles, machine guns and rocket-propelled grenades twice ambushed a U.S. convoy en route to a raid targeting "three suspected terrorists."

In the first ambush, the U.S. soldiers launched an air strike, which left four attackers dead. As they fought off the second assault with a combination of air and ground fire, they killed 13 more, the U.S. military said. No coalition forces were wounded.

Violence also continued in Baghdad. Two police officers were fatally shot in an ambush, and a popular Iraqi state television presenter was kidnapped and killed along with her driver, Anas Qassem Najm.

Nakshin Hamid, a 31-year-old Kurd, presented broadcasts destined for Iraq's Kurdish and Christian minorities on Al-Iraqiya television. She had recently moved after receiving death threats, journalists at the network said.

"She was kidnapped this morning along with her colleague, the driver, as she came in to work. Less than 30 minutes later someone called us from her mobile and said, 'We killed her,' " assistant news editor Abbas Aboud said.

The bodies of four other civilians were found nearby in the Haifa Street area.

Twofold Operation Seals Sadr City (WP)

By John Ward Anderson And Ellen Knickmeyer

The Washington Post, October 30, 2006

BAGHDAD, Oct. 29 -- American military police backed by Iraqi troops maintained their cordon of Baghdad's Sadr City on Sunday, manning barricades and checkpoints in and around the Shiite slum in an operation to find a kidnapped U.S. soldier and to capture the man considered Iraq's most notorious death squad leader.

The soldier, an Iraqi American translator whose name has not been released, has been missing for six days. He was abducted by armed men while making an unauthorized visit to see relatives in the Karrada neighborhood of central Baghdad last Monday.

U.S. forces have effectively sealed off Sadr City and its 2.5 million residents from the rest of Baghdad, and within Sadr City, they have isolated the neighborhood around the home of alleged death squad leader Abu Deraa, according to an Iraqi Interior Ministry official who would not be named because he was not authorized to release the information.

U.S. officials have refused to comment on whether they believe that Abu Deraa is holding the missing soldier, and it was unclear whether the two goals of the U.S. operation -- finding the soldier and capturing Abu Deraa -- are related.

On Sunday, U.S. troops searched every car going in and out of Sadr City. Even donkey carts were searched; an American female MP patted a donkey as Iraqi troops sorted through the junked engine parts and cardboard piled on his back.

About a mile away, 1,000 men and women gathered inside Sadr City to protest the continuing U.S. operation. A woman cloaked in black robes declared over loudspeakers booming across a square that food and medicine were running short because of the near-blockade.

Parliament members and tribal leaders took the podium to demand that the Americans go away. Men pumped their fists but heeded appeals to remain calm.

"The Americans are trying to pull the Sadr movement into war with the U.S.," one speaker in brown robes exhorted. "Do not fall for their tricks. Keep calm, keep cool."

The Iraqi Interior Ministry official and residents of Sadr City said close lieutenants of Abu Deraa's and some of his relatives were killed in U.S. raids near his house on Wednesday and Friday. They said Abu Deraa, who is feared by Sunnis across the capital for allegedly leading a gang that has kidnapped, tortured and killed thousands of Sunnis, appeared at a funeral Friday and vowed revenge against the United States and anyone in Sadr City who cooperated in the attacks. The Interior Ministry spokesman said Abu Deraa accused Moqtada al-Sadr -- an anti-U.S. Shiite cleric with many followers in Sadr City who leads the Mahdi Army militia -- of being "a coward."

The Mahdi Army, which runs Sadr City, has been accused of killing thousands of Sunni Arabs. But many security officials believe that Sadr is losing control of extremist members of his militia and that Abu Deraa might be a rogue element.

Sadr denies knowing anything about the kidnapping of the U.S. soldier, Iraqi Prime Minister Nouri al-Maliki said last week. The soldier's brother also was abducted, but he was later freed and told police that the kidnappers were from the Mahdi Army, Maliki said.

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Although the Sadr movement has previously disavowed Abu Deraa, a Sadr spokesman said Sunday that Abu Deraa was a member of the militia and that he would never speak against the cleric.

"Abu Deraa is merely a slave and a simple person in the Sadr movement, and he could not utter such words, for he is one of the dear fighters of the Mahdi Army and the Sadr movement," said Mohammed al-Kaabi, who works in Sadr's office in the city of Najaf.

[Early Monday, a bomb ripped through a Sadr City market where Iraqi Shiites were lined up for day labor jobs, killing at least 31 people and wounding more than 50, the Associated Press reported, citing police officials.]

On Sunday, the U.S. military said it launched a surprise attack on insurgents who were gathering in two places to ambush coalition forces near the city of Balad, about 50 miles north of Baghdad, killing about 17 guerrillas. Local officials and residents, who put the number of dead at 11, said the group had gathered to defend the Sunni hamlet of Duluiyah, about four miles across the Tigris River from Balad, fearing that it was going to be attacked.

The two towns were the site of intense Shiite-Sunni strife earlier this month, after Sunni insurgents kidnapped and beheaded 17 Shiite laborers in Duluiyah. Shiite leaders in Balad responded by asking for protection from the Mahdi Army, touching off a four-day sectarian rampage that left as many as 100 people dead. Both towns have since been bracing for reprisals.

Duluiyah police Maj. Ahmed Aziz said a group of armed men had gathered late Saturday to defend the town after receiving news that commandos from Iraq's Interior Ministry -- which has been accused of harboring Shiite death squads -- were preparing an assault. He said the men were "planning to ambush the commandos if they launched such an attack," but instead were struck by three missiles fired by U.S. jets.

Ali Kareem, a 35-year-old farmer whose brother was killed in the strike, said groups were positioned around the town to repel an expected offensive by U.S. forces and Interior Ministry commandos. He said their operations were coordinated with local police.

"We told the police that we do not need you with us in this operation, and we asked them to remain at their police station to defend the city in case the Interior commandos came and wanted to take over the city," Kareem said. "So we would be the first line of defense, and the police would be the second line of defense inside the city.

"We would not let them take us as prisoners. Either they kill us or we kill them."

The U.S. military statement said coalition forces were moving "toward their objective" early Sunday when they "encountered terrorist activity on two separate occasions along their route." The statement, which did not specify the purpose of the operation, said aircraft "engaged the targets with precision fire," killing four guerrillas in the first strike and about 13 more in subsequent attacks.

Elsewhere, 17 police trainees and translators reportedly were killed when gunmen ambushed their bus near the southern city of Basra, local authorities said. Baghdad police said 25 bodies, many bearing signs of torture, were found across the capital Sunday morning. And at least 25 more people were killed in shootings, bombings and other violence in Iraq on Sunday, according to police, security officials and wire services.

Officials at state television station al-Iraqiya said that one of the station's sports broadcasters, Naqsheen Hamma Rasheed, was killed along with her driver Sunday morning while headed to work in Baghdad. She was the second sportscaster from the station to be slain in the past five months.

Falah al-Fadhly, the station's managing editor for news, said Rasheed, a Kurd, was shot about 9:30 as she was getting out of the car at the station, which is across the street from the Justice Ministry. The gunmen fled, he said.

Iraqi Family Says Missing Army Interpreter Is Son-in-Law (NYT)

By Michael Luo And Qais Mizher

The New York Times, October 30, 2006

BAGHDAD, Oct. 29 — The missing American soldier who has been the subject of an intensive manhunt here in the capital since he was kidnapped by gunmen outside the heavily protected Green Zone last week was secretly married to an Iraqi woman and had been visiting her at the time of the abduction, several people who identified themselves as his in-laws said Sunday.

These people, who provided the first vivid account of the abduction, said the kidnappers were members of the Mahdi Army, the Shiite militia, who dragged the soldier into a car at gunpoint. His whereabouts and condition remain unknown.

The soldier's marriage, if confirmed, would not only be highly unusual but also a violation of American military rules, and would put the mystery of the missing soldier in an entirely new light. The American military command has been circumspect in the details of the missing soldier, saying he was an Iraqi-American interpreter who had left the Green Zone without permission to visit

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unidentified relatives in Baghdad. Search squads have shown local residents the missing soldier's picture, but the military has not even released his name.

The new details of his family connections were disclosed as a spate of attacks reported elsewhere in Iraq left at least 33 people dead. These included an ambush on a police academy bus in southern Iraq that killed 17.

The people who said they were the missing soldier's in-laws identified him as Ahmed Qusai al-Taei, 41. They showed visitors to their Baghdad apartment an enlarged wedding photo of him and the bride, whom they identified as Israa Abdul-Satar, 26, a college student. They also showed the visitors glossy snapshots of the smiling couple in Egypt for their honeymoon. The couple had married three months ago, they said. The precise dates of the wedding and honeymoon, and whether the soldier had been on active duty at the time, were not clear.

The people also described how members of the Mahdi Army, led by a local commander known as Abu Rami, came to the wife's home in the central Baghdad neighborhood of Karada last Monday, on the Muslim holiday Id al-Fitr, and took Mr. Taei.

"They were saying, 'He's an American journalist,' " said a woman who identified herself as his mother-in-law and asked that she be identified only by her nickname, Um Omar, because of fear of reprisals. "We were saying, 'No, he's an Iraqi.' "

Um Omar and the others in the home said they had not learned until after the man's kidnapping that he was an American soldier.

Military officials would not comment when asked Sunday about these new details, and it was impossible to independently corroborate the account given by the people who said they were Mr. Taei's in-laws.

The military's fraternization policies prohibit active duty personnel from marrying local civilians, said Lt. Col. Josslyn Aberle, a military spokeswoman. But she said privacy rules barred her from providing any details about the missing soldier.

In 2003, a pair of Florida national guardsmen married Iraqi doctors they met in Baghdad soon after the fall of Saddam Hussein's government in a joint ceremony. One of the soldiers' marriages dissolved soon afterward, but the one whose marriage lasted was confined to his base and eventually discharged from the military.

The people who said they were the missing soldier's in-laws said he and his immediate family, Sunnis from the capital's Adhamiya neighborhood, had fled to the United States before the fall of Saddam Hussein. They explained how he came to marry Ms. Abdul-Satar, also a Sunni.

Mr. Taei had friends in Karada, a mostly upscale commercial district that sits outside the Green Zone, Um Omar said. As she described it, he spotted her daughter one day as she was en route to classes at Mutsamsirya University in central Baghdad, where she is enrolled in the science college.

Through friends, he arranged to speak with her parents, Um Omar said, and after some discussion, Ms. Abdul-Satar agreed to marry Mr. Taei, whom her mother described as a "gentleman."

After the couple married, Um Omar said, Ms. Abdul-Satar moved out of her mother's cramped apartment, on the third floor of a dreary complex on a side street in Karada near the National Theater, and settled into a cousin's one-story home down the block.

Mr. Taei came to visit every few days, said a neighbor who lives across the street from the cousin's home, where the kidnapping took place.

"We thought he was a businessman," said the neighbor, who asked to be identified only by his last name, Nadhir.

Last Monday, Mr. Taei came about 4 p.m. on a motorcycle. Soon after, a car full of gunmen came and demanded that Mr. Taei go with them, Mr. Nadhir said. He said he witnessed the entire episode from across the street but was helpless to stop it.

Abu Rami, said to be the lead kidnapper, had been living in the abandoned Ministry of Defense building just up the street that is now inhabited by squatters, residents said. Members of the Mahdi Army, a force that answers to the radical Shiite cleric Moktada al-Sadr, are known to patrol that building as well as a squalid former air force base across the street that has also become a large encampment for the homeless.

Just a few days before the kidnapping, Abu Rami and his men had beaten several teenage boys in the neighborhood with cables for wearing shorts, residents said.

But when the men tried to drag Mr. Taei into their car at gunpoint, he and members of Ms. Abdul-Satar's family resisted, Mr. Nadhir said. Three additional cars full of gunmen soon arrived to help.

One of Um Omar's nephews came running to her apartment to tell her what was happening, she said. She rushed over with other family members.

"I saw one of the kidnappers putting a gun to his head," she said.

The women in the house were screaming and crying, begging and arguing with the gunmen to stop, said Ahmed Abdul-Satar, one of Ms. Abdul-Satar's brothers, who said he tried to send them inside while the men sorted out the matter. His sister, in hysterics, fainted, he said.

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Eventually, the gunmen wrestled Mr. Taei into the car, but another of Ms. Abdul-Satar's brothers, Omar, who knew Abu Rami from the neighborhood, insisted on going with them, other relatives said.

They were on their way to the vast Shiite slum of Sadr City, the stronghold of the Mahdi Army, relatives said, when Abu Rami ordered Mr. Abdul-Satar out of the car and left him at the side of the road. If he did not get out, he was told, they would kidnap him as well.

Ms. Abdul-Satar and her brother are now staying in the Green Zone for their safety and to answer additional questions from the military, their mother said. She has heard from her daughter a few times, but there has been no news of Mr. Taei.

American troops, along with their Iraqi counterparts, have cordoned off much of eastern Baghdad, including Sadr City, in their search for the missing soldier.

On Friday, they rolled in force into the district, searching a mosque and a school but did not find him.

Just two days before that, Iraqi and American troops had clashed over several hours with militiamen after they entered Sadr City at dawn. They raided the home of a notorious Shiite guerrilla leader in search of suspects in the kidnapping, the military said. In total, 10 militiamen were killed in the fighting.

On Sunday, thousands of residents, along with politicians from Mr. Sadr's political bloc, gathered in Sadr City to protest peacefully against the security cordon around the neighborhood.

The most serious of the attacks elsewhere across Iraq on Sunday was an ambush of a police academy minibus in the southern city of Basra. Fifteen officers and two interpreters were killed, said Gen. Abdul Khidir al-Taher of the Iraqi police. In addition, the police found at least 31 bodies across the capital on Sunday, many of them shot at close range and bearing signs of torture, an Interior Ministry official said.

For Um Omar, the last week has been filled with waiting and worrying. If she had known that Mr. Taei had been in the United States Army, she said, she would have forbidden him to visit.

"I'm praying," she said. "I'm calling on Allah for his safety."

Spokesman: Iraq Insurgents Rejected U.S. (AP)

By Hamza Hendawi

AP, October 30, 2006

A man claiming to speak for a major Iraqi insurgent group said Sunday that the United States had tried unsuccessfully to establish contact with his group.

Speaking on Al-Jazeera television, the purported spokesman for the 1920 Revolution Brigades said the U.S. bid to contact his group failed because "intermediaries" used by the Americans were deemed unworthy.

"We don't believe the Americans are serious," added the spokesman, identified as Sheik Abdullah Suleiman al-Amri, who appeared in traditional Arab dress but with his face concealed.

Alberto Fernandez, a senior State Department official, told Al-Jazeera on Oct. 21 that Washington was ready to talk with any Iraqi group — excluding al-Qaida in Iraq — to help reconcile Iraq's factions and end the violence wracking the country.

Outlining a blueprint of policies for bringing security to Iraq, U.S. Ambassador Zalmay Khalilzad spoke last week of the need to persuade Sunni insurgents to lay down their arms and engage in national reconciliation.

He said Sunni-ruled Arab states like Saudi Arabia and Jordan had agreed to encourage the groups to end violence and work for a united and independent Iraq.

Al-Amri did not identify the intermediaries his group rejected, but earlier in the interview he sharply criticized Sunni Arab politicians who joined Iraq's Shiite-dominated, U.S.-sponsored political process.

"Their participation was wrong and they did not make good on any of the promises they made to voters," he said.

Al-Amri said his group had no ties to Saddam Hussein loyalists fighting in the resistance or the Association of Muslim Scholars, an influential group known to maintain ties with some insurgents.

But like a man who claimed to speak for Saddam's outlawed Baath Party in an interview with Al-Jazeera earlier this month, al-Amri set near impossible conditions for talks, including a full withdrawal of U.S. forces and recognition of the insurgency as the main representative of Iraqis.

That was a hardening of previous conditions. His group was one of 11 Sunni insurgent groups that offered in June to halt attacks if the Iraqi government and President Bush announced a two-year timetable for the withdrawal of all foreign troops from Iraq.

The 11 did not include the powerful Islamic Army in Iraq, Muhammad Army or the Mujahedeen Shura Council, the umbrella label for eight militant groups that include al-Qaida in Iraq.

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The 1920 Revolution Brigades is particularly active in the Sunni-dominated provinces of Diyala, Salahuddin and Anbar. The group is known to have a large number of former members of Saddam's Republican Guard and Mukhabarat, the former dictator's most feared security agency.

In World Bank Role, Wolfowitz Keeps Up Battle To Reshape Iraq (WSJ)

By Greg Hitt

The Wall Street Journal, October 30, 2006

WASHINGTON -- Paul Wolfowitz continues fighting to shape Iraq's future, but his battle has shifted to the World Bank.

The former U.S. deputy defense secretary, an architect of the Bush administration's Iraq policy who now heads the development agency, is pumping up its physical and financial presence in Iraq.

The higher profile is a departure from longstanding World Bank practice of steering clear of countries engulfed in heavy violence. Coming on top of a White House-endorsed campaign at the bank to fight corruption in developing nations, his Iraq policy is prompting criticism that Mr. Wolfowitz is turning the bank into a vehicle for Bush-style nation-building while slighting other deserving countries.

"The tight association between Wolfowitz and the Bush administration is quite problematic," says Manish Bapna, executive director of the Bank Information Center, a liberal watchdog group. For critics such as Mr. Bapna, the Wolfowitz agenda is putting at risk the independence that allows the World Bank to operate in difficult environments despite geopolitical tensions.

Mr. Wolfowitz says he is charting an independent course -- on Iraq and corruption. "I don't know why people go off on this, that it is a U.S. agenda," he says. Iraq can benefit from lending and advice on how to manage public finances, scale back economic subsidies and create a social safety net for impoverished Iraqis. "What they really need now is policy advice," he adds.

Some delegates on the bank's board have challenged Mr. Wolfowitz's policies, too. Germany's Eckhard Deutscher has argued that Mr. Wolfowitz's plan to facilitate business in Iraq by moving World Bank offices into Baghdad, rather than maintaining headquarters next door in Jordan, will expose staffers to new risks without guaranteeing they can accomplish anything more, according to bank officials.

France's Pierre Duquesne thinks other conflict-torn countries should get similar levels of attention, especially former French colonies such as Ivory Coast and the Central African Republic, current and former officials say. "We want the same for others," Mr. Duquesne said at a bank meeting earlier this year, these officials say.

While hobbled by political factionalism and widespread violence, Iraq's government ministries are nonetheless functioning, and the World Bank views them as partners in the nation's reconstruction. Aside from the U.S., Japan and a handful of Arab and European countries have donated money to the effort.

Mr. Wolfowitz is also betting the bank can operate more effectively at rebuilding Iraq than the U.S. can because the World Bank is viewed as a neutral player, not an occupying power.

But the scope of corruption in Iraq -- a recent U.S. report estimated $4 billion a year is lost there -- may put Mr. Wolfowitz in a bind between his competing priorities. For now, however, Iraq is exempt from the anticorruption drive under exceptions extended to countries torn by violence.

Since the 62-year-old Mr. Wolfowitz took office in June 2005, he has worked hard to show his commitment to the bank's mission of fighting poverty, boosting aid to Africa and providing debt relief to poor countries. He has also broken with the U.S. occasionally, urging the White House to accept deep cuts in farm supports in global trade talks to help poor agrarian nations. "I didn't take this job because I needed a job. I took this job because I believe in what the institution is trying to do," he says.

At the same time, Mr. Wolfowitz created a circle of top aides drawn from the Bush political establishment, including Robin Cleveland, a blunt Bush administration budget specialist who says "people don't leave meetings [with me] thinking I'm Christmas"; Karl Jackson, an Asia hand who, like Mr. Wolfowitz, worked in the administration of the first President Bush; and Kevin Kellems, a former Pentagon and White House public-relations specialist.

The Wolfowitz team quickly clashed with the bank's 24-member board over public corruption. As a former ambassador to Indonesia during the kleptocratic Suharto years, Mr. Wolfowitz says he learned that corruption undermines countries' ability to rise out of poverty. The Bush administration also considers the anticorruption agenda critical.

On one of his first days on the job, Mr. Wolfowitz used a board debate on a routine grant to Cambodia to voice concern about corruption. Later, he directed the World Bank to cancel, suspend or delay road contracts in Bangladesh, health-service funding to India and development loans to Kenya because of suspicions of government corruption.

Mr. Wolfowitz also proposed special conditions on the Republic of Congo's participation in a debt-relief program, citing concerns about financial dealings in that country's state-run oil sector. But the United Kingdom, France and others on the board complained he was grabbing power and unfairly penalizing a country working to meet debt-relief standards. After 22 members

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raised objections at a nine-hour meeting -- only the U.S. and Japan offered support -- Mr. Wolfowitz agreed to less stringent conditions. Both sides later declared victory.

Like Robert McNamara, the Vietnam-era defense secretary who went on to lead the World Bank, Mr. Wolfowitz is best known for his former job at the Pentagon. As deputy secretary of defense, he was a driving force for taking on Saddam Hussein even before the Sept. 11, 2001, terror attacks. He argued that the U.S. policy of containing the Iraqi leader, in place since the 1991 Persian Gulf War, was a dangerous failure. Even before President Bush took office, Mr. Wolfowitz, an intellectual leader among neoconservatives, argued for a more muscular approach to foreign policy, including toward Iraq.

After the U.S.-led invasion in March 2003, Mr. Wolfowitz urged that military commanders be given greater responsibility and more money for reconstruction, given their up-close knowledge of the situation. He largely lost that argument, but got a second chance to shape the reconstruction at the World Bank, which was founded after World War II to rebuild Western Europe and now makes development loans globally. Nor is Iraq just a policy issue for Mr. Wolfowitz; he still meets regularly with wounded U.S. soldiers convalescing in the Washington area.

As a rule, the World Bank gets involved in war-torn nations when the fighting is over, or at least contained. In Afghanistan, bank officials have operated in relative safety since the toppling of the Taliban by steering clear of provinces roiled by insurrection. But Iraq continues to be wracked by sectarian strife and battles between insurgents and U.S.-led coalition forces, and international aid workers and other noncombatants remain targets.

Typically, the World Bank looks for a "reasonable expectation" of stability in a nation among a handful of factors considered before it makes a major commitment of loans and staff, according to the institution's operational manual. In practice, that usually means bank personnel follow peacekeepers or other security forces after they have calmed tensions, as occurred in East Timor in 1999 when the bank moved in after British and Australian troops restored order. The bank has been recently ramping up operations in Liberia and Sierra Leone, after peacekeeping missions helped end violence there.

The World Bank became involved in Iraq in June 2003, three months after the U.S. toppled Mr. Hussein, joining the United Nations and International Monetary Fund on a mission to assess reconstruction needs. But work slowed after a bomb tore through a U.N. building that August and killed two dozen people, including a bank staffer.

The bank and IMF then pulled operations back to Amman, Jordan, where staffers would meet with Iraqi representatives or host video conferences. Unlike the bank, the IMF has no immediate plans to return to Baghdad.

Managing from afar slowed decision-making and made it harder to oversee details of programs or work deals with donor nations represented in Baghdad. A World Bank line of credit for Iraq went untapped, and a separate $400 million reconstruction trust fund, overseen by the bank, dispensed funds slowly.

Other programs suffered, too. From September 2004 to January 2005, the World Bank's private-sector arm, the International Finance Corp., held conferences in Amman to train Iraqis to become bankers. But with Iraq steadily deteriorating, some participants refused to return home, forfeiting a $5,000 bond they had posted to leave the country.

Shortly after taking office in June 2005, Mr. Wolfowitz learned the Iraq program was flailing when British development minister Hilary Benn raised concerns and threatened to withdraw money from the reconstruction fund unless the situation improved. Mr. Wolfowitz called in the World Bank's two top managers for Iraq, who explained the bank was hampered by chaos in the country. But Mr. Wolfowitz wasn't "in a mood to hear it," says a participant in the session.

Within weeks, one of the managers, Joseph Saba, was on his way to Baghdad, where he made tentative arrangements for a bank office in the heavily fortified Green Zone, home to some senior Iraqi offices and the U.S. military and diplomatic headquarters. The bank also put together a new blueprint for operations in Iraq -- a "strategy note," in bank parlance -- to cover the following two years. The bank's "overarching objective" would be to build up the basic "institutions" of government and society, the strategy note said, including improving access to health care and building roads and bridges vital to commerce.

Mr. Wolfowitz says he was simply following staff advice "for a modest, incremental upgrading of our presence" in Iraq and that the plans have board approval, but current and former officials say he and his top staff were the driving force for change. With Mr. Wolfowitz engaged, the flow of money began to increase. In November 2005, a few weeks after Iraqis voted to ratify a new constitution, the bank approved a $100 million loan for school construction and a $19.5 million grant to the Ministry of Health to help disabled Iraqis.

A request by Iraq's deputy prime minister for more World Bank help bolstered Mr. Wolfowitz's case for action, but the constant pressure applied by the Wolfowitz team strained relations with some staffers, especially Christiaan "Chrik" Poortman, a gruff 30-year bank veteran with a walrus mustache who oversaw Middle East affairs.

Mr. Poortman, a Danish career bureaucrat with a deep commitment to the institution, strove to avoid public differences with the new president. But privately, he worried Iraq remained too chaotic for staffers to operate safely, and was uncertain about

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what could be accomplished in going back into Baghdad, current and former bank officials say. Mr. Poortman declined to comment. Mr. Wolfowitz says, "The safety of our staff and development partners is always at the top of the list of priorities."

In March 2006, Ms. Cleveland, acting as a trouble-shooter for Mr. Wolfowitz, visited Baghdad to assess the situation. Two months later, convinced it was safe enough to operate, the bank decided to open a Baghdad office staffed by a country director and three others, in a space used by Iraq's ministries of finance and planning. The bank is now recruiting staff.

World Bank lending there has picked up too. A second $135 million loan for road construction was approved at the end of June, and two more loans of $150 million -- to boost electric generation -- are being negotiated.

In his most recent move, Mr. Wolfowitz has remade his Iraq team, pressuring Mr. Poortman to accept reassignment as a country director in Central Asia, officials said. After Mr. Poortman refused and retired, Mr. Wolfowitz filled the Middle East slot with Daniela Gressani, an Italian staffer who had handled Mr. Wolfowitz's transition to bank president. "It's very important to have chemistry," Mr. Wolfowitz says.

British Consulate In Basra To Evacuate: Report (AFP)

AFP, October 30, 2006

Most of the staff at the British consulate in the southern Iraqi city of Basra will be evacuated through the course of Monday due to concerns over the safety of its staff, The Daily Telegraph reported.

The newspaper said that a private security assessment had recommended the measure after the consulate was hit by regular mortar attacks over the past two months.

According to the paper, there are about 200 staff at the heavily-fortified consulate building, including bodyguards and Gurkhas. Some 12 of them are full-time staff.

Some have already been evacuated by helicopter, and more are expected to go this week. They will either be moved to Basra air station, eight miles ((13 kilometers) outside the city, or back to Britain, while a small staff will continue to run the consulate's operations until it is deemed safe enough for more to return.

A spokesman for the British foreign ministry, while insisting its officials were "not bailing out" told the newspaper: "This is a temporary measure as a response to increased mortar attacks ... Core staff will remain at Basra Palace and the consulate will continue to maintain a full range of activities."

Most of Britain's 7,000-strong force in Iraq is based predominantly in the south of the country.

British Charity Warns On Iraq Mercenaries (AFP)

AFP, October 30, 2006

The British government should introduce legislation to regulate people working for private military and security companies (PMSCs) in Iraq to prevent potential human rights abuses, a British non-governmental organisation said.

International development charity War On Want says that it is often difficult to hold people who work for PMSCs, which increasingly operate alongside United States and British troops, to account for their actions.

It wants the UK government to legislate to ban the involvement of PMSCs in direct combat or combat support.

"The government has failed to enact laws to punish their human rights abuses, including firing on Iraqi civilians," said campaigns director John Hilary.

"How can (British Prime Minister) Tony Blair hope to restore peace and security in Iraq while allowing mercenary armies to operate completely outside the law?"

Specifically the charity wants the British government to ban the involvement of PMSCs -- which increasingly operate alongside British and US troops -- in direct combat or combat support.

The report says that there is often "no perceptible difference" between soldiers and private support workers in combat situations.

"The potential for human rights abuses in such situations is an ever-present threat and it is nearly impossible to hold PMSC employees to account for their actions," it adds.

There are now some 48,000 PMSC staff in Iraq, many of whom work for British companies. That figure is six times the number of British troops in the troubled country.

War On Want says that the number of contracts being handed out in Iraq pushed the amount being spent on PMSCs up from 320 million pounds (477 million euros, 607 million dollars) in 2003 to more than 1.8 billion pounds the following year.

Britain's Foreign Office published a discussion paper on regulating PMSCs four years ago but the government has not acted on it.

Activists Want Mercenaries Regulated (AP)

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By David Stringer

AP, October 30, 2006

A humanitarian group called Monday for government regulation of private security companies in combat zones, saying "mercenaries" often operate with impunity in Iraq and Afghanistan.

The London-based War on Want delivered a list of recommended regulations for the private security industry to Foreign Secretary Margaret Beckett, calling for increased scrutiny of allegations of human rights abuses by private security staff.

The demand comes as a conference of British defense firms working in Iraq and Afghanistan was set to open Monday in London.

Both the British government and private security companies agree that regulation is needed. But the companies say an independent ombudsman — rather than government regulation — would be more effective.

In a report, War on Want called for details of government contracts with defense companies to be made public and proposed restrictions on lawmakers and civil servants taking jobs within the sector after leaving office.

"We want the revolving door between government and the private defense industry to slam shut," War on Want spokesman Paul Collins said.

Andy Bearpark, director general of the British Association of Private Security Companies, an industry-funded lobby group, said government regulation was unworkable.

He said his members would instead urge Beckett to appoint an independent ombudsman to oversee their operations.

"The way we work is across international boundaries, so regulation or prosecutions through national laws would be complex," Bearpark told The Associated Press in an interview.

He said security companies "support 100 percent" moves to regulate the industry.

Britain's Foreign Office said a review of options for regulating the industry had begun, but there was no timetable for putting proposals to parliament.

"There is an agreement that there should be some form of regulation," said a Foreign Office spokesman on condition of anonymity because he was not authorized to speak to the media.

Bearpark, former director of operations and infrastructure for the Coalition Provisional Authority in Iraq, said British security contractors earned about $1.88 billion a year.

War on Want claims the total value of the industry worldwide topped $100 billion in 2004 and has estimated there are 48,000 private security contractors working in Iraq.

The U.S.-led coalition and private Western groups operating in Iraq have come to rely on contractors for many security duties, including guarding facilities and some highways.

At least 300 contractors are reported to have been killed in Iraq. Some Iraqis have complained that the private security workers have used excessive force.

Collins said his group recognized the need for private security, but believed the industry urgently required tighter regulation.

"What we want to see is the proper investigation and prosecution of human rights abuses being perpetrated by mercenaries," Collins said.

The War on Want report claims civilian contractors — including men named in U.S. military reports as having carried out abuses at Iraq's Abu Ghraib prison — have repeatedly escaped prosecution for crimes.

Two workers employed by private defense companies CACI International Inc. and Titan Corp. were "either directly or indirectly responsible for the abuses at Abu Ghraib," a 2004 report by U.S. Army Maj. Gen. Antonio Taguba stated.

Saddam's Lawyer Warns Against Execution (AP)

By Jamal Halaby

AP, October 30, 2006

Saddam Hussein's chief lawyer warned Sunday of worsening violence in Iraq and chaos across the Mideast if the ex-president is sentenced to death at his trial for a crackdown on a Shiite Muslim village in the 1980s.

Khalil al-Dulaimi also said he would break a monthlong boycott and attend proceedings Monday when Saddam's second trial resumes on separate charges of genocide against the Kurds.

A verdict in Saddam's first trial is expected Nov. 5. He and seven others are charged with crimes against humanity in connection with the killing of 148 Shiites from Dujail after a 1982 assassination attempt against him.

Conviction carries a maximum penalty of death by hanging, but can be appealed to a higher court.

Meanwhile, the U.S. ambassador to Iraq, Zalmay Khalilzad, denied speculation that the timing of the verdict was set to coincide with midterm elections in the United States.

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"That decision was made by the Iraqi judges," he told CNN on Sunday when asked about the verdict being scheduled two days ahead of the elections.

The United States assists the court with logistics and security, Khalilzad said. "But we don't determine the date for holding the meetings or the trial or the date for making the decision or announcing the decision with regard to Saddam Hussein."

Al-Dulaimi told The Associated Press in Jordan that he warned of a civil war in Iraq in a letter sent recently to President Bush.

"I warned him against the death penalty and against any other decision that would inflame a civil war in Iraq and send fire throughout the region," al-Dulaimi said in a telephone interview from Baghdad. He did not say when he sent the letter to Bush.

"Any foolish American decision will further complicate things and will pose a serious threat to U.S. interests in the region," al-Dulaimi said.

He also claimed the offices of Saddam's defense team in the U.S.-controlled Green Zone of Baghdad were ransacked over a week ago and said more than 1,400 pages of trial documents were damaged.

He said the defense team was reviewing the documents, which were provided by the Iraqi court trying Saddam and his co-defendants in the current trial stemming from the 1987-88 Operation Anfal offensive against separatist Kurds in northern Iraq.

"Some 1,450 pages were blackened and we believe that the prosecution was behind this," al-Dulaimi said. He said he would lodge a complaint against the prosecution and demand an investigation into the incident.

He could not explain how the documents were blackened or damaged.

Badee Izzat Aref, a lawyer for one of Saddam's co-defendants, also said the lawyers' offices had been ransacked. He said there was no sign of a break-in.

Chief prosecutor Jaafar al-Mousawi said al-Dulaimi's claims were "baseless and show the inability of the defense team in defending their clients."

Al-Mousawi said the defense team's offices are at an American military camp inside the Green Zone and insisted "no one can do such things."

"They want to offend the court by this, but they are only offending their clients," al-Mousawi said.

Prosecutors in the Operation Anfal trial allege that 180,000 people were killed during the campaign against Kurds.

Al-Dulaimi said he would return to those proceedings when they reopen Monday in Baghdad to present the chief judge with defense requests, including allowing non-Iraqi lawyers to attend the hearings without prior permission from the court.

"Depending on the response from the chief judge, the defense team will decide whether to attend the hearings or continue its boycott," he said.

The defense team began boycotting the trial Sept. 24 after the dismissal of the chief judge, who had been criticized as being too soft on Saddam.

The lawyers said later they also were protesting the five-judge court's refusal to give them more time to review some 10,000 documents in the Anfal trial.

On Dangerous Footing In Iraq, Where Dancing Is A Courageous Act (NYT)

By Michael Luo

The New York Times, October 30, 2006

BAGHDAD, Oct. 29 — The members of the national dance troupe of Iraq are performers without an audience. They rehearse daily, but hardly ever put on a show.

Yet each turn of the hip and dip at the waist in their choreographed pieces has become weighted with a dangerous new reality, even as they wait for the chaos around them to subside so they can perform again. In today's Iraq, with conservative religious parties and radical militias exerting growing influence over every aspect of life, even dancing is an act of bravery.

"Society is overwhelmed by these religious ideologies," said Tariq Ibrahim, a male dancer in the Baghdad troupe, the Iraqi National Folklore Group. "Now a woman on the street without a head scarf attracts attention. What about a woman onstage dancing?"

Together they are a band of 10 women and 15 men from varied religious backgrounds. Once they toured the world together. Today they are simply trying to survive, hoping one day to thrive again as a troupe. But the religiosity sweeping Iraq does not bode well for their future.

Female participation in folk dancing is considered haram, or forbidden, in Islam. Ayatollah al-Sistani, the leading Shiite cleric in Iraq, has issued strict guidelines against dancing in various situations. The country's Shiite-led government, the dancers said, is naturally trying to marginalize them.

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"Religion in its essence does not match with art," said Fouad Thanoon, the group's director and lead choreographer. "So when religion and government come together, that will affect art very much."

The group has more immediate worries about extremists. Recently one of its members, Bushra Yousif, 21, a petite woman with delicate features who has been with the group for six years, received a note at home warning her to leave within 48 hours. A bullet was included in the envelope.

She was probably singled out because of her profession, she said, but she will continue to attend rehearsals every day. She loves dancing too much, she said describing it as the highest form of art to "deliver a message through your body."

"Dying for this group would be like being martyred," she said, adding that it is a risk she accepts.

The group, which began in 1971, is dedicated to preserving the folk-dancing heritage of Iraq, performing traditional dances drawn from across that country's history and geography. The troupe's first two decades were golden years, when dancers trained with master instructors from overseas and frequently went on international tours. In 1980 the dancers performed at the United Nations in New York and visited Paris. They have gone to Italy, Japan and China — 60 countries in all — and won numerous prizes along the way.

The economic sanctions imposed by the United Nations in the early 1990s brought most of that to a halt. But just a year before the American-led invasion in 2003, the group enjoyed a rebirth with a burst of freedom under Saddam Hussein's government, performing almost every week here.

"The audiences were huge," Mr. Thanoon, the group's director said. "The theaters were overbooked."

But the group has been in suspended animation since the invasion began. It has performed just four times in Iraq and made two brief trips to Jordan and Dubai since 2003. The violence that surrounds it makes holding performances impossible.

"It is absurd," Mr. Ibrahim said. "It is not logical to have a performance group that only practices."

Maysoun al-Damalouji, an outspoken secular member of Parliament who was the Iraqi government's senior deputy minister of culture until March, said she had worried about being able to protect the dancers, as well as others involved in artistic endeavors that were objectionable to certain religious groups.

"The dancers were not the only ones," she said. "We were worried about having fashion shows because we had to protect the models. We found we couldn't really do that. The best way of protecting them was not to have them shown in public."

The dance troupe had mainly supported itself with ticket sales before the fall of Mr. Hussein's government, but when performances ended that became impossible. The current government has not compensated for that loss, the dancers said. They receive tiny stipends, amounting to about $140 a month, but even that is not guaranteed. The money often does not come and is usually barely enough to cover each dancer's rent. Because the dancers rehearse every day from 9:30 a.m. to 1:30 p.m., it is almost impossible for them to get second jobs.

The present government, controlled by conservative religious parties, cares little for the arts, Ms. al-Damalouji said, so it is not inclined to support groups like the dance troupe.

"Iraq is without a doubt an Islamic society, but Islam is not our only culture," she said. "All the other cultures are being denied by this government. There is an attempt to change Iraqi culture in general."

In this climate the dancers said they must censor themselves. The group recently played a small role in a theatrical production in support of the country's national reconciliation plan, put on for some employees of the Ministry of Culture, but Mr. Thanoon advised his dancers, for their own sake, to minimize any shaking of their hips or shoulders. The result was a rigid routine that seemed more martial than elegant.

"It should be like this," Liqaa Shukr said, demonstrating with plenty of gyrating flourish. "Instead it is like this," she said, switching to the languid movements they wound up performing.

Certain folk dances have been eliminated completely from the group's repertory for performances inside Iraq because they might be considered too provocative.

"We need to match what's going on now, not stand out," said Najwa Subhi, another female dancer.

Most of the women in the group go to elaborate lengths to hide their occupation from their neighbors, even though some of their faces are well known in Iraq from their performances on television under the old government.

Ms. Subhi, who lives in a mostly Shiite neighborhood dominated by militiamen, said she told her neighbors that she had quit her dancing and was working as a receptionist. She told them that even Hannah Abdullah, one of the group's founders and Iraq's best-known dancer, had retired.

"I spread this idea that we are no longer dancing," she said.

On a recent trip to Jordan for a cultural festival, she had her husband load her luggage in the car in the middle of the night. Even her husband's family did not know that she was going to perform. She told them she was visiting her brother in Kirkuk.

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Rana Anwar, who successfully auditioned for a spot in the troupe three months ago, has let her neighbors and friends continue to believe that she is still a student at a tourism institute in Baghdad.

"It is very hard with what's going on to become a dancer," she said. "But my main goal is to show Iraq is not a backward country. Iraqi people like to dance, they like to sing."

So the dancers continue to practice daily in front of empty seats at the National Theater in central Baghdad. The dilapidated hall has become their sanctuary from the country's tumult.

Dumoaa Jamal was with the group for 10 years, but her uncle forced her to quit after the invasion because he deemed it too dangerous. But she returned three months ago, and tries to allay his fears by making sure she comes to rehearsals dressed in inconspicuous clothing and a head scarf hiding her long flowing hair.

"I wish it could be 24 hours a day," she said about the group's rehearsals. "When I enter the theater, it is as if everything from outside is gone. It is as if I have entered a different world."

She feels like a bird on stage, she said. Later, when she has donned her head scarf, scrubbed the makeup from her face and stepped outside, reality returns. There is no more dancing, only walking as invisibly as possible.

Al Qaeda-Linked Facility Destroyed Near Pakistan-Afghan Border Associated Press (WSJ)

The Wall Street Journal, October 30, 2006

KHAR, Pakistan -- Pakistani troops backed by missile-firing helicopters destroyed an al Qaeda-linked training facility in a northwestern tribal area near the Afghan border Monday, killing "many" militants, officials said.

The pre-dawn attack targeted a madrassa compound holding "70-80" militants in a village near the town of Khar, the main town in the Bajur tribal district, said army spokesman Maj. Gen. Shaukat Sultan.

Maj. Gen. Sultan said the facility was destroyed but that it wasn't immediately clear how many people had been killed.

The attack came two days after 5,000 pro-Taliban tribesmen held an anti-American rally in the Bajur area near Damadola, a village close to the site of an alleged U.S. missile attack that killed several al Qaeda members and civilians in January.

"We received confirmed intelligence reports that 70-80 militants were hiding in a madrassa used as a terrorist-training facility, which was destroyed by an army strike, led by helicopters," Maj. Gen. Sultan said.

Soldiers on the ground were tallying the number of dead, Maj. Gen. Sultan said. He was unable to provide a preliminary estimate of the casualty count, but said that "many" militants had been killed.

Helicopters fired four to five rockets into the madrassa, which was run by Liaquat Hussain, a local Islamic cleric who is believed to have been sheltering al Qaeda militants, Maj. Gen. Sultan said.

A senior intelligence official in Bajur also said that a local al Qaeda leader, Faqir Mohammed, who led Saturday's rally was also believed to have been inside the madrassa that was targeted.

It was unclear if Mr. Mohammed was among those killed, said the official, who declined to be identified further because he wasn't authorized to speak to the media.

70 Taliban Killed In Night Battle, NATO Force Says (NYT)

By Abdul Waheed Wafa

The New York Times, October 30, 2006

KABUL, Afghanistan, Oct. 29 — A battle overnight Saturday in which NATO and Afghan forces engaged suspected Taliban insurgents in the southern Afghan province of Uruzgan might have killed as many as 70 insurgents, NATO officials said Sunday.

In a separate incident, NATO said one of its soldiers had been killed and eight more wounded, along with three local Afghan civilians, when their convoy was hit by a roadside bomb.

A statement from NATO said that its troops and Afghan National Army forces had come under fire from between 100 and 150 insurgents near a NATO operating base in the Chora Valley, north of Trinkot, in Uruzgan Province.

The statement said its troops had been backed up by attack helicopters and close air support during a firefight that lasted several hours.

NATO said last week that it had begun a widespread operation with the Afghan Army to try to overwhelm suspected Taliban fighters, especially in volatile regions where the insurgency had been on the rise since the beginning of the year.

A spokesman for the NATO operation, Maj. Luke Knittig, said the troops had been operating with Afghan Army forces north of Trinkot because the insurgents had been treating the area as a safe haven.

The roadside bomb that hit the NATO convoy exploded in an area where Dutch and Australian forces are based. The nationality of the soldier who was killed has not been announced.

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Since NATO took over responsibility for the region from American troops at the beginning of August, 52 soldiers have been killed fighting the insurgency.

There also have been civilian casualties in the operation, including dozens of Afghan civilians killed last week in Kandahar Province during an airstrike by NATO planes.

At a news conference on Friday, President Hamid Karzai called for better coordination between Afghan and NATO forces during military operations to avoid civilian deaths.

US Urges Nato Allies To Help South Afghanistan Mission (FT)

By Daniel Dombey And Stephen Fidler In London And Rachel Morarjee In Kabul

Financial Times, October 30, 2006

The US is pushing its Nato allies to send more troops and support to help in Afghanistan ahead of a showpiece summit next month.

Officials say Washington is putting pressure on Spain, France, Italy and Germany, all of which have soldiers elsewhere in the country, to free up their troops to move into the south, where the most bitter fighting in Afghanistan is taking place.

"Wouldn't it be better if Germany and France . . . could be willing to have those troops sent sometimes on a periodic, temporary basis to help the Dutch, British, US and Canadians that are undertaking the major share of the fighting?" Nicholas Burns, US undersecretary of state, asked last week.

But the four countries say they are sorely stretched because of commitments across the world. Madrid and Rome both argue that they are hard pushed to meet their mission in the west of the country, where there are a total of 1,800 Nato troops compared with 9,800 in the south.

"We've already seen that the crackdown in the south has pushed some Taliban into the west," said one official. "This is an area that is insecure too so it would be irresponsible to take soldiers away."

However, the US and the traditionally Atlanticist countries that dominate the Nato forces in the south, such as the UK, Canada and the Netherlands, would like many more of Nato's 26 member states to rally round by the time the alliance holds a summit in Riga, Latvia, on November 28-29.

Last Friday, Jaap de Hoop Scheffer, Nato secretary-general, briefed US President George W. Bush at a meeting in Washington on his plans for the Riga summit.

Poland has already accelerated plans to deploy a 1,000-strong battalion, which will be based in the centre of the country but could be sent to the south.

But other commitments have been much smaller – the Czech Republic and Denmark are sending 20-30 extra personnel apiece. Last week, Norway's centre-left government decided not to send troops to the south.

Meanwhile, a call by Gen James Jones, Nato's top military commander, for more air support has largely gone unanswered. However, the UK has promised more helicopters for its Nato troops by the time of the next rotation in spring.

Lord Drayson, UK defence procurement minister, told the FT this month that he was looking at leasing capacity to help meet the need.

Nato is also trying to step up its co-operation with international development organisations.

This week, Nato ambassadors will hold an unprecedented meeting with representatives of the European Commission, European Union governments, the United Nations and the World Bank.

However, non-governmental organisations in Afghanistan itself have begun to withdraw from much of the south because of fears about security. Most aid agencies in the south and the east of the country are confined to Kandahar city centre.

Send More Nato Troops To Afghanistan (FT)

Financial Times, October 30, 2006

The omens look bad for Nato's mission in Afghanistan. The alliance's recent offensive in that graveyard of empires has been bloody and, if reports of dozens of civilian casualties are to be believed, potentially counterproductive. But this is not a reason for Nato to pull out. Quite the opposite.

On September 11 2001, the world paid the price for neglecting Afghanistan. Despite quickly unseating the Taliban, an Iraq-obsessed Bush administration and its equally distracted allies then failed to make sufficient political, military and financial commitments.

Today, an insurgency is unsettling Afghanistan's south. There is precious little in the way of institutions and development work in parts of the country has been non-existent.

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This matters. Afghanistan is at the heart of a sensitive and important part of the world - not least because of its long and porous border with Pakistan, an unstable and nuclear-armed state.

Nonetheless, there are signs of hope. More than Iraq, Afghanistan is tired of war - almost three decades of conflict have seen to that. The local population is not dead-set against the foreign soldiers. But it does need reassurance that their commitment is lasting and will lead to a better quality of life.

As Nato leaders prepare for a summit in Riga next month, they must recognise the importance of the mission and provide the means for its success.

That means sending thousands more troops to the south, where chronicinsecurity has meant that development has barely begun. A bigger military presence is needed if the region's wrecked infrastructure is to be rebuilt.

Germany, which has thousands of soldiers in the more peaceful north of the country, could make a valuable commitment by making some troops available for the south. Sir Richard Dannatt, the head of the British army, has already hinted at his desire to redeploy forces from Iraq to Afghanistan. Other countries - including the US - will have to think hard about sending fresh troops.

Strategy must also be rethought. During recent weeks Nato has focused on the number of Taliban fighters it has killed in the south. But insurgencies are overcome by winning hearts and minds, not stacking up corpses. Nato should keep focused on working where it can most make a difference, rather than being sucked into side conflicts, as British troops have been.

A winning strategy also requires much more from the world at large. There are some encouraging signs that the European Union is stepping up its efforts to help create an effective police force. But the United Nations, international donors and neighbouring Pakistan all have to work much more closely with Nato to prevent Afghanistan from slipping out of control.

Defeat would be a strategic calamity. Success, while extremely difficult, is still possible. Every effort is necessary: Afghanistan is still to play for.

Backsliding In Afghanistan (LAT)

The Los Angeles Times, October 30, 2006

Bit by bit, the U.S. is losing control in the country because of a resurgent Taliban, drought and inadequate aid.

WITH WINTER approaching, all the indicators for Afghanistan have headed south. We are on the brink of losing Afghanistan to the resurgent Taliban and to the poverty and despair in which U.S. forces found it five years ago.

Among the many signs that the almost $12 billion the U.S. has poured into Afghanistan since 2003 for reconstruction has been neither sufficient nor well spent: Afghans will go hungry again this winter unless they receive massive food aid. Fierce fighting between NATO and Taliban forces in a wide swath of the south has conspired with drought to destroy farmers' crops. Both the drought and the renewed warfare were predicted. The Bush administration's failure to prevent either disaster stems from its stubborn view that Afghanistan can be fixed on the cheap.

Drought is an old enemy in Afghanistan, yet spending on water projects has lagged, as has all infrastructure work in a nation where 70% of the people are poor farmers. Without wells, ditches and modern irrigation techniques, the cycle of poverty that leaves families no choice but to grow poppies or starve will never be broken.

But in 2004, the administration invested only $23 million in water projects; it allocated $243 million to counter-narcotics and police training. Both sums, of course, are grossly inadequate. But the imbalance is telling. The administration has never matched its belated rhetorical commitment to "nation building" in Afghanistan with the troops and money that might have made that possible.

As the security situation has deteriorated, instead of redoubling its efforts to boost the Afghan standard of living as a bulwark against drug lords and Taliban radicals, the U.S. slashed aid to Afghanistan by 29% in fiscal 2006.

Without enough Western troops to suppress them, and without a central government strong enough to project power to its territories, the Taliban was bound to fill the vacuum. The United States has done little diplomatically in the last five years to establish a meaningful border between Afghanistan, which does not recognize the international border known as the Durand Line, and Pakistan, which has abandoned any effort to control the tribal areas on its side of the border.

NATO forces, which now command most of the 21,000 U.S. troops in Afghanistan, have taken over the daunting task of fighting the insurgency — but they cannot chase the Taliban into Pakistan, reducing the effort to a cynical, though deadly, farce. Taliban forces attack, then retreat across the border into the Pakistani tribal areas to rest, rearm and treat their wounded. They return to kill more U.S. and NATO soldiers.

The continuing attacks on aid workers, contactors and government officials make it impossible to improve the standard of living in Taliban-infested provinces.

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Reconstruction is stalled. The U.S. needs to renew its commitment to Afghanistan. A good first step would be to restore this year's 29% funding cut and target the bulk of the funds to Afghanistan's rural poor.

Army Focuses On Better Relations With Next Of Kin (USAT)

By Gregg Zoroya

USA Today, October 30, 2006

Even as U.S. forces struggle to adjust battlefield tactics in Iraq, the Army is grappling with better ways to cope with the war's carnage here at home.

The aim is to improve how families are notified about a combat death, a duty that the Army says is one of its most difficult.

A new training film shows the difficulties that await the soldiers who have to make the fateful knock on the door to inform families of a military death. The film intersperses professional actors with documentary-like interviews of soldiers who have performed casualty notification.

At one point, an actress portraying the wife of a fictional soldier based at Fort Campbell in Kentucky sits on a living room couch clutching a pillow and shaking her head violently at news of his death.

"No! No! That's impossible," she says through tears. "He just e-mailed me the other day and said everything was fine!"

The film later cuts to an interview where Army Chaplain Ed Grimenstein of Fort Bragg in North Carolina, warns of what soldiers might expect during notification.

"Some spouses literally will go hysterical. Some spouses might be violent, meaning yelling at the casualty notification officer and chaplain," he says. "The sky's the limit as far as reactions that they may encounter going in. There have been spouses who literally just fall down on the ground. There have been spouses who just calmly accept and say, 'Yes, OK, thank you very much.' "

In a version of the film USA TODAY was allowed to view, the background music was Breathe Me by Sia featured on the HBO series Six Feet Under. The film — still in production — and a host of other policy changes came with demands for improvement from Army Secretary Francis Harvey this year after family complaints were received and mistakes made in death notification cases.

"Some people I know have wonderful casualty officers," says Peggy Buryj of Canton, Ohio, who was given wrong information about the death of her son, Army Spc. Jesse Buryj, 21, in 2004. "Mine was useless."

Lt. Col. Bob Amico, a supervisor in the film's production, says the Army is seeking to improve and standardize training for soldiers assigned as casualty notification officers, as well as for casualty assistance officers, who help families over periods of months with funeral and benefit arrangements. In some Army installations, soldiers were receiving as little as two hours of training for those jobs.

The new program requires at least four hours of training for notification and 16 hours for casualty assistance. New material includes the psychological stages of grief.

Col. Patrick Gawkins, head of the Army's casualty and mortuary affairs center, concedes that these changes come late after three years of war in Iraq. "It's hard to answer back why it wasn't done this way before," he says. "We learn from our experience."

When a soldier killed in battle is identified, the Army tries to inform next of kin within four hours. A two-page sheet of circumstances is sent to casualty headquarters in Alexandria, Va., and from there to one of 27 Army casualty assistance offices in the USA or six overseas.

Those offices then dispatch soldiers who have previously been assigned notification duty. Families are generally contacted only between 6 a.m. and 10 p.m. This year, Harvey ordered that chaplains take a greater role in the process.

Amico says the training film depicts the process as true to life as possible.

"We have a shot in our video with a chaplain and ever so slightly you see a slight tear coming down from his eyes," Amico says. "Not a lot of emotion. But you can see that he's feeling it and that it's OK to have emotion. We want them (notification soldiers) to feel comfortable with being able to do that."

This is a key element in training, Amico says. "We don't want (notification) to turn into such a military assignment that they go in there rigid and not feel any kind of compassion for the families."

Actual soldiers who have made notifications weigh in with their own candid experiences in the film.

"The chaplain actually stopped and we said a prayer before we went in," says Sgt. 1st Class William Powers of Fort Bragg. "It's pretty rough to go in there and do that, knowing that as soon as they see someone getting out of the car with that type of uniform on, they'd know what's happening."

Master Sgt. Dane Snyder of Fort Myer in Virginia remembers a mother who was unloading groceries from her car when he arrived.

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"She saw us and it reminded me of the scene from Saving Private Ryan when the mom just started to go down: 'Oh no, Oh no, Oh no.' "

Capt. Chris Van Horn, also of Fort Myer, recalls a mother who did not immediately realize why he was there. "I couldn't believe she really had no idea," he says. "As soon as I said, 'killed,' she lost it."

The training film touches on the uncertainty of what happens after delivering the news.

"You focus so much on — at least, I did — on what you're going to say, that once you get that part done, my mind kind of went blank a little bit," says Van Horn. "I was like, wow, I didn't think about what I was going to say after this."

The film's narrator reminds students of the underlying goal: "Keep in mind that your performance … is likely to shape the family's lasting impression of our Army as an institution that cares for its own."

When The War Comes Home (WP)

By Peter Slevin

The Washington Post, October 29, 2006

COLUMBUS, Ohio

Alone and in clusters, collars up to block the rain, thousands of people lined the streets on a gray October day in 2005 to welcome their warriors home. For 13 miles, they rose to wave, a few to salute, as the buses rolled slowly past. More than one tough Marine, homeward bound after a brutal tour in Iraq, shed a tear.

When they reached solid ground, still wearing their desert camouflage, the Marines embraced their families and embarked on the most jarring of transitions. They would discover in the following year that seven months in Iraq had changed them more than they could have imagined, guiding and afflicting them in ways they are still struggling to understand.

Marines who expected duty so light that boredom seemed probable instead saw almost daily combat and 23 men killed in action, more casualties than any U.S. company in Iraq. When it was over, they traded an edgy, exhausting regimen of forced alertness and sudden brutality for sheer ordinariness. Nothing at home felt as urgent or as meaningful, as thrilling or as awful.

The 160 survivors returned to work or college, to wives or girlfriends, sometimes to childhood bedrooms grown suddenly small. Many suffered flashbacks, drank hard, quarreled with their women and sought refuge in one another, laboring to replace the rugged discipline, power and purpose they had left behind in Iraq. Some turned to counselors, some to God, others to the solidarity and beery narcotic of the VFW hall.

"It seems like everything you see reminds you of it. You drive through town and you see someone with a 'Support the Troops' sticker and it just starts going through your head again," said Sgt. Travis Brill. "Drink three, four, five beers. I find it easier to sleep when you don't have silly-ass things going through your head."

They fought as a unit and then scattered. In a series of conversations over the past year, more than a dozen Marines of Lima Company shared their experiences of Iraq and their reentry into the United States. Pieced together, scenes from their recent lives sketch a world of in-between, a landscape inhabited not only by them but also by countless others among the roughly 1 million military personnel who have returned from Iraq or soon will.

The survivors made it home from the war, but they brought the war with them.Fall 2005: Columbus, Ohio

Staff Sgt. Guy Zierk broke up with his girlfriend on his fourth day back. He started drinking, ordering so many top-shelf vodkas and steaks that he churned through $5,000 in restaurant and bar tabs. He found himself "trying to find out the importance of things here," he said. "You think about car payments and bills and arguments in the family and who's going where for the holidays. And you try to compare that with the importance of who's shooting a rifle at you."

In some ways, Zierk, 31, had hated to leave Iraq, where he knew some streets better than he knew Columbus. He considered extending his tour. Then came the patrol when, exhausted and angry after watching so many good Marines die, he burst into an Iraqi house. He expected to find insurgents and make them pay.

Instead, he discovered two Iraqi women and a boy, maybe 16 years old. The scared teenager made no hasty moves, but it took every rational fiber in Zierk's body to keep from shooting him dead.

"The whole reason I didn't stay in Iraq was I would've killed people that didn't deserve to die," Zierk said, "and it wouldn't have served any greater good."

On Nov. 12, Zierk donned his dress blues -- white belt gleaming, black shoes shining, white hat crisp and snug -- for the annual Marine Corps Ball. Nearly 1,000 people packed a downtown hotel. His buddies were there, and so were parents and widows of the dead. The combination of clinking glasses and raw memories was too much.

He slipped away and walked through the streets of Columbus, alone.A City's Embrace

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At McDonald's, customers thanked them. At nightclubs, people bought them drinks. Someone invited a group to the Super Bowl. A film crew produced a powerful documentary titled "Combat Diary." The mayor of Columbus, father of a Lima Marine, called them "true heroes."

The fact is, no one expected Lima Company to see so much combat, to become so decorated or so wounded, and certainly not to be adopted so strongly by the city. Lima was a reserve unit, an amalgam of students and workers, almost all from Ohio, who mustered every month to train for duty that might never come.

When it came, the citizen-soldiers found themselves posted at a Soviet-built dam on the Euphrates River in western Anbar province, home to some of the most violently contested territory in Iraq.

Between Feb. 28 and Sept. 30, 2005, the company launched patrols and fought joint operations amid 1,700 square miles of mostly Sunni areas from Hit and Haditha to the Syrian border, targeting anti-American insurgents and their supporters. In addition to the 23 dead, 31 Lima Marines were wounded, 17 of them badly enough to be sent home.

After the headlines and the public worrying, many well-meaning Columbus residents honored Lima's men and felt they knew them. The Marines were grateful but dubious, especially of the questions: "What was it like over there? How many Iraqis did you kill?"A Dissatisfied Warrior

In central Ohio, 80 miles from Columbus, Travis Brill, 30, returned to work at a steel mill.

"I was leading combat troops in Iraq, and now I'm picking up scrap metal," he said one desolate day. "They even have rules for walking through the parking lot."

Trained as a warrior, he had prayed for combat, and months after returning from battle, his brain was still tuned to his Iraq soundtrack. He remembered Pantera's "Walk" blaring through military loudspeakers as he knocked off enemy fighters with his booming .50-caliber machine gun.

"If you know you're on the verge of being blown up any second," he said, "you're feeling alive."

Brill said he and maybe 15 other Marines had a bet of $100 each on who would get the first Iraqi kill, who would be the first Marine to be wounded, who the first to die. The "winner's" sum would go to his survivors. Once the war became a grind, the bet no longer seemed so clever and they dropped it.

"I was pretty optimistic at first. I went there with the right mind-set that I wanted to help these people, and they changed it pretty quickly. They don't give a damn, and all they want to do is blow you up when you're not looking. It sucks when you lose so many of your buddies for no good reason."

Even as he cursed the war's slow progress, he felt grateful to be part of a fight bigger than himself. As he left, he felt certain he was leaving business unfinished. Now, in the house Brill rents from his mother-in-law, he wakes up every night with Iraq on his mind. His baby daughter -- named Cami, for Marine camouflage uniforms -- cannot share her parents' bed. Brill is afraid of throwing a punch in his troubled sleep.

Open about how Iraq has changed him, Brill commented while playing poker at an Elks club that the challenge of killing enemy fighters took the fun out of hunting deer. "I'd rather kill a person," he said. "I love the hunt."

Fellow Marines have told him he needs counseling. He does not feel the need.'You Come Back and . . . You're Lost'

George Wentworth, a Navy Reserve medic known universally as "Doc," is the person Lima's Marines call when the walls are closing in. At 11 at night, at 3 in the morning, in the darkness just before dawn, they dial his number. Once when he tried to squeeze in a long weekend with his wife, he felt he never got off the telephone.

Within days of Lima's return, he abandoned his early goals of seeing no divorces and no domestic violence. He was not surprised: "You come back and, literally, you're lost."

Col. Charles W. Hoge, chief psychiatrist at the Walter Reed Army Institute of Research, recently told Congress that 10 to 15 percent of soldiers returning from Iraq have post-traumatic stress disorder and a similar number have symptoms of PTSD, depression or anxiety. The rates are higher for reservists, a distinction that appears to emerge months after troops return home.

Wentworth, who has taken calls from panicked wives and distraught Marines, said: "There's no timeline for anybody to get over this. You look at Vietnam vets -- some of these guys didn't have problems until they retired from their civilian careers. And all of a sudden 20, 30 years later, it all came back to haunt them."Spring: Washington, D.C.

One night at Shelly's Back Room in Washington, half a dozen lobbyists and Capitol Hill staffers pressed Cpl. Jason Dominguez to tell war stories over Scotch and cigars. Instead, Dominguez, a legislative aide to a Republican congressman, offered a parable.

He recalled a political fundraiser three days after he returned from Iraq. As he studied contributors laughing and digging into the main course, he saw in his mind's eye a young American in uniform patrolling an Iraqi street, about to be blown to pieces. To the Ohio crowd, the dead Marine would be a news blip, barely noticed, quickly forgotten.

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With a tongue sharper than usual, Dominguez, 26, wanted his new Washington friends to see what he saw, the American cause for which 23 of his fellow volunteers gave their lives.

"When I see things on the Hill, I think, 'This is all some big joke?' " he lectured. " 'This is a party?' This is not a party. It's a commitment. The men and women who died treated it that way. You need to treat it that way, too. If not, get out of our house, get out of our Congress."

They listened. He wonders whether they heard.

"There are times when I'm walking the halls of Congress and it would feel so good to strap on my body armor and be back in the fight," Dominguez said. "When I was there, I knew: This matters. We were able to bring them one step closer to what it means to not live under tyranny."

About day-to-day political life, he is less sure.

"Is this what my friends died for?" he finds himself asking on days when he feels alone in a crowd. "It's amazing how oblivious we are as Americans to how much all of this costs," he said.March: Drill Weekend

Lima Company mustered March 24 for its first drill weekend since its return. Radio bulletins reported that 26 Iraqis were killed that day in Baghdad. President Bush, speaking at a Republican fundraiser in Indiana, declared the United States could be beaten only if it lost its will.

"Democracy," he said, "is on the march in Iraq."

Inside headquarters, Marines traded high-fives and hugs. One walked with a wooden cane. Another had a special boot to hold his ankle in place. A third had a noticeable limp. Roughly half the company had mustered out or moved on, their places filled by fresh reserves who needed to be trained.

The next morning, Maj. Gen. Douglas O'Dell, commander of the 4th Marine Division, addressed the company and awarded medals to the families of the fallen. At 58, he keeps his gray hair short and his handshake firm, but tears ran down his cheeks as he faced the young widows, the parents and the children too young to understand.

Speaking later, O'Dell said that consoling those grieving a loss from Iraq was his toughest duty in his 38 years as a Marine. "Every one of them I have felt very personally. They're like my kid brothers," said O'Dell, a father of five whose own brother died at 17.

O'Dell believes Lima Company performed admirably, with guts and restraint, but was asked to do too much. That is as far as he will go. "These are not decisions I agreed with," he said, "so I will not be on the record until I retire."

Before he left the drill deck, the general announced that Lima Company probably will be deployed again next year, to Chad.Beyond the Casualties

To a man, Lima Marines wish outsiders would recognize them for their commitment and their successes, not for their casualties. They point to weapons confiscated and insurgents killed. They talk about holding ground where Iraqis voted in large numbers and delivering soccer balls to children.

The Marines say they were not inclined, by instinct or training, to question the mission.

"It was just like, 'Hey, we're going.' There was never any discussion of the whys," said Sgt. Andrew Taylor, who studies Arabic in hopes of becoming a U.S. agent overseas. "We didn't join up to argue about the right or wrong. I don't think anybody cared."

"If it fails," Taylor said of the Iraq campaign, "that doesn't change the fact that we were trying, we were making an effort. It's kind of a bad analogy, but it's kind of like Christmas: You give someone a present they don't like, but at least you gave it to them and made the effort."

What now, as Iraq struggles and a majority of Americans oppose the war?

"If we pull out of Iraq too soon, every single American who died over there will have died in vain," said Gunnery Sgt. Larry Bowman, 36, an Ohio state trooper who blames his recent divorce largely on friction over his Marine devotion. "I'm a big believer that fires you don't put out are going to burn bigger."April: Arlington National Cemetery

The dogwoods and azaleas stood in glorious bloom at Arlington National Cemetery on April 27 when half a dozen Marines arrived from Columbus. With the Pentagon visible through the trees and the Washington Monument rising in the distance, they made their way to Section 60, where names of the Iraq war dead were newly chiseled into white headstones and the seams still showed on fresh sod.

Finding familiar names, they crouched close in silent conversation. There lay Navy Petty Officer 3rd Class Travis Youngblood, a husband and father attached to Lima as a medic. Nearby were Staff Sgt. Anthony Goodwin and Lance Cpl. Christopher Dyer.

One of the visitors, John Dyer, had been to his son's grave before.

"You walk up," he said, "and you hope it's not there."

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Dyer found himself replaying his final telephone conversation with his son.

"Are you getting enough sleep?"

"Dad, when I get home, I'm going to sleep for a week."

A few days later, a roadside bomb exploded and 19-year-old Chris Dyer was gone.

"To a certain extent, you reconcile yourself to never being comfortable," Dyer said, motioning toward the surviving Marines. "You just fake it, which is what I do."Pride and Pain

Staff Sgt. Steve Hooper tells of Marines swerving suddenly on suburban Ohio roads after spotting what in Iraq would be likely hiding places for bombs, and of Marines on an Indiana training mission refusing beef jerky because it reminded them of seared flesh.

When he is with his girlfriend, he does not discuss combat.

"I don't tell her a thing. I don't want her knowing a lot of things I did over there," said Hooper, a quiet Bronze Star winner who talks often with fellow Marines. "Some people are proud of it. Some people wonder if God will forgive them for what they did."

Hooper's sharpest pain is the death of Cpl. Andre Williams, 23, his second-in-command and closest friend. Williams died while hunting insurgents not long after videotaping a message for his daughter's sixth birthday. Hooper keeps reaching, asking himself if he could have done something, anything, to keep him alive.

Late one June night, as Hooper was driving to a bar after finishing his shift as a prison guard, the radio began playing the melancholy Green Day song "Wake Me Up When September Ends," adopted as a theme by some Lima Marines as they counted the days until their tour ended on Sept. 30. Later, it was the soundtrack of a memorial video for Williams.

"Ring out the bells again, like we did when spring began," the song goes. "Wake me up when September ends."

Here comes the rain again,

Falling from the stars.

Drenched in my pain again,

Becoming who we are,

As my memory rests

But never forgets what I lost .

As the song came on the radio, tears filled Hooper's eyes. He switched stations.The War-Peace Switch

A skilled assassin in Iraq, Staff Sgt. Brian Taylor is a healer back home.

"Lift your heels up, girlie. Like this. You've got to help me out," he gently and playfully coached a frail woman with a brain dysfunction and a broken hip. "Can you catch a ball? We're going to play ball. Here. Catch the ball."

Taylor, 34, feels as though he came equipped with a war-peace switch. In Iraq, he spent endless hours silently studying insurgents through the scope of his powerful sniper's rifle, feeding on the tension of deciding "whether they take their next breath."

"Most of the time, you've got to go with a gut feeling," he said. "More than likely, you're right."

A good day, he said, was "when we got a bunch of bad guys and we had no casualties."

But the insurgents' successes, particularly their killing of six Ohio-based snipers ambushed while supporting Lima, left Taylor begging for more missions.

"I don't feel we were defeated," he said, "but I wish I could've killed a lot more. They got a lot of us."

Back home, he focused on moving forward, even as his war experience sometimes colored his days; a ringing car alarm in his quiet cul-de-sac left him "huffing, puffing, trying to get out of bed. I felt like an idiot." He proposed to his girlfriend on an Irish vacation. She gave birth to a baby boy in August. He returned to his physical therapy practice, flipping the switch, even as he continued to train for the next deployment and to remember his dead friends.

"Thinking about that stuff sucks," Taylor said. "Really, it's a crapshoot. Some end up winners and some end up losers."August: Louisville

The day the Marines returned to Columbus, when legions of Ohioans embraced them, Jason Dominguez drove to the grave of a friend, Andre Williams. To his surprise and dismay, he felt nothing.

"I was so frustrated. One of my buddies from my squad was lying there, and I couldn't feel a thing," Dominguez said. "I went to Arlington and five of our guys are there. Same thing."

Dominguez never looked at the clippings that friends had saved for him. He chose not to open the trunk holding his Iraq gear, still dusted with desert sand and flecked with blood. He threw himself into his Capitol Hill job and later campaign work, in part to avoid remembering.

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For months, through intense stretches, Dominguez held things together. Some nights, he would stare at the ceiling, only to fall asleep and struggle to wake up. On the worst nights, when he felt a powerful urge to be drunk, he willed himself to stay sober.

The last weekend in August, he drove south by himself to Louisville to see Sgt. David N. Wimberg's grave.

"I'm there to pay my respects, but man, something happened to me. I just dropped to my knees, wrapped my arms around his headstone and started bawling like a baby."

"It was bad," Dominguez said, "but it was good."Summer: Reconnected

When Guy Zierk was in Iraq, a former girlfriend began sending e-mails. Her name was Kelly Koby, and when they were together, long before the Iraq deployment, she was not ready for a long-term romance. But she wrote to Zierk in Iraq, and he sent war soundings.

"I thought things were going to get easier as we come closer to our return date . . . but they haven't," Zierk wrote. "We've taken a few losses . . . and it's messing with me a bit. I just need to get my head in the game and things here are just making it difficult for me."

Zierk was dating another woman when he left for the war, but he ended that relationship soon after his return. Still, Koby did not hear from him. She held back, saying later, "I knew he needed to come to me on his own terms."

Seven weeks later, the telephone rang one night at Koby's apartment. Zierk wanted to pull his life together. To be, in Marine-speak, good to go.

Within four days, he told Koby he wanted to marry her.

Koby, a 27-year-old elementary school teacher, remembers glimpses of the world Zierk had not wanted her to see. He struggled in his sleep. A wine bottle crashed to the floor and he jumped. He sometimes seemed distant.

"Those guys are always with him, who didn't come back," Koby said. "It's not just a job to him, it's a sense of being. It is who he is. He is a war fighter."

Sometimes, back in school at Ohio State, Zierk is hungry to return to Iraq, to finish the battle and to lead Marines who understand and care. He is considering a new round of Officer Candidates School but has also taken the Columbus firefighting exam, thinking it may be time to stay close to home.

For days, he ignores his ringing cellphone and withdraws into solitary projects, most recently woodworking and an Iraq video montage. He falls into conversation with Marine friends about Iraq and life. The nightmares that shook him awake are ebbing. He feels more at ease than the Marine who nearly lost his cool and shot an Iraqi teenager.

One mellow evening in Gallipolis, Guy Zierk and Kelly Koby were married on a green lawn near the fast-flowing Ohio River. He wore his Marine uniform, and she wore a grand white dress. Together they passed beneath the raised swords of 10 Lima Company Marines, warriors home from Iraq.

They entertained their guests beneath a white tent, setting aside an empty chair and a black-shrouded table for the fallen. On the table was a lemon, for the bitter memory of loss. Salt, for dried tears. An overturned wine glass, for toasts no longer shared. And a rose, for love.

More than anything or anyone, it was Koby who helped Zierk get back on track.

"It's having her with me when I'm having a bad night," he said. "She's good to go."

While guests danced and friends told tales as they worked their way through the 32 cases of beer on ice, Zierk thought about being home, far from the war being fought on the Euphrates. He could hardly complain on this, of all nights.

"Yeah," he said, "but I still wish I were there."

CORPORATE SCANDALS:

Dodging Taxes Is A New Wrinkle In The Stock Options Game (NYT)

By Eric Dash

The New York Times, October 30, 2006

In the latest twist in the stock options game, some executives may have changed the so-called exercise date — the date options can be converted to stock — to avoid paying hundreds of thousands of dollars in income tax, federal investigators say.

That appears to be what happened at Symbol Technologies and Mercury Interactive, and federal securities regulators are now sifting through options data at other companies for evidence of similar tax-avoidance schemes.

The Securities and Exchange Commission's stock options inquiry has so far focused on the practice of pushing back the grant date on stock options, which can guarantee profits when the grants are exercised. Its interest in exercise dates may signal an emerging front in its widening investigation into stock option abuses at more than 100 companies, from Silicon Valley start-ups

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to well-known giants like Apple Computer and UnitedHealth Group. The Justice Department and the Internal Revenue Service are separately examining dozens of companies.

As those cases have progressed, at least 46 executives and directors have been ousted from their positions. Companies have taken charges totaling $5.3 billion to account for the impact of improper grants, according to Glass Lewis & Company, a research firm that advises big investors on shareholder issues.

And further investigations, indictments and restatements are expected. Securities regulators are now focusing on several cases where it appears the exercise dates of the options were backdated, according to a senior S.E.C. enforcement official, who asked not to be identified because of the agency's policy of not commenting on active cases. Besides raising disclosure and accounting problems, backdating an exercise date can result in tax fraud.

"Tax avoidance is a big issue," said Marc A. Siegel, research director of the Center for Financial Research and Analysis, an independent forensic accounting advisory firm in Rockville, Md. "There is no real excuse for intentionally trying to misreport an exercise date."

An option grant gives the holder the right to buy shares of stock in the future at a predetermined "exercise" price. If the current market price is higher than the price at which the option was granted, the option holder captures the gain. Profits from options are subject to income tax when the options are exercised.

Backdating an exercise date can reduce that tax burden. By reporting an exercise date with a lower price than the date on which the options were acquired, executives may understate their gains and lower their income tax. It may also cause their companies to take improper tax deductions, leading to reporting problems down the road.

In other cases, executives can benefit by reporting an exercise date with a higher price than the one on which the options were acquired. Instead of acquiring their new shares with cash, executives sometimes use stock to pay the cost of converting their options, including the taxes on the profits. A higher market price means that the executive needs fewer shares to pay those costs.

As with backdated grants, improper adjustments of exercise dates are most likely to have taken place during the dot-com boom of the 1990s and to have subsided in 2002, when more stringent reporting requirements were introduced. And, as with the backdating inquiry, it appears that federal investigators are combing through data to identify patterns, where executives consistently exercised their stock options at a favorable price, like a monthly or quarterly low. In suspicious cases, investigators may follow up by requesting brokerage firm records and other transaction documents from companies to see if the actual and reported exercise dates match up.

Because backdating exercise prices involves false financial reporting and improper accounting, the cases fall under the S.E.C.'s oversight. But in similar investigations, S.E.C officials have alerted the Internal Revenue Service of possible tax issues in the securities cases they were examining.

The practice of backdating exercise prices first emerged in two of the first investigations into improper options practices. Both Christopher Cox, the S.E.C. chairman, and Linda Chatman Thomsen, the agency's enforcement director, cited the abuse in their testimony before Congress last month.

In 2004, as part of a broader case of accounting fraud, the Justice Department and the S.E.C. accused several former executives at Symbol Technologies, a producer of bar code equipment, of manipulating their option exercise dates.

Federal prosecutors and regulators accused Leonard Goldner, Symbol's former general counsel, of devising a plan that let him and a handful of other senior executives push back the option exercise dates on the filings used to report stock acquisitions, without the knowledge of the company's board or shareholders.

Rather than report the actual exercise dates, they could choose the most advantageous date from among the preceding 30 days to come up with a lower exercise price, according to court filings. This so-called look-back practice allowed Symbol's senior executives to avoiding paying hundreds of thousands in income taxes, court filings claim.

Consider the case of Kenneth V. Jaeggi, Symbol's former chief financial officer. On June 9, 2000, Mr. Jaeggi signed a securities filing stating that he had exercised 101,250 stock options in late May, at the second-lowest price for Symbol shares in the preceding 30 days. In fact, government prosecutors testified in court that that the options were never actually exercised until they were paid for on June 30.

Instead of Mr. Jaeggi's actual gain of $4.48 million, the gain reported to the I.R.S. was $3.02 million — a difference of $1.46 million, according to Frank Stamm, an I.R.S agent who testified as a government witness. The result was that Mr. Jaeggi avoided paying more than $596,000 in taxes in 2000, according Mr. Stamm's testimony.

Mr. Goldner, the Symbol general counsel, pleaded guilty to conspiring to obstruct the I.R.S. from collecting income tax in June 2004 and forfeited $2 million; he also settled the civil charges with the S.E.C. Mr. Jaeggi pleaded not guilty to the fraud

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charges, and his lawyer, Steven F. Molo, denied that his client had acted improperly. "He didn't look back. He didn't do anything wrong," Mr. Molo said. "The government failed to prove any illegality because there was none."

The jury could not reach a verdict in the initial trial earlier this year, and Mr. Jaeggi, along with several other Symbol executives, is awaiting a second court trial next spring. Symbol, which Motorola agreed to acquire last month, paid a $37 million penalty in 2004 to resolve a number of civil accounting fraud charges.

More recently, Mercury Interactive, a software testing company based in Mountain View, Calif., acknowledged that backdated exercises were among a variety of stock option abuses identified in an internal investigation, which led to the removal of several of the company's top officers.

Mercury investigators found at least three occasions when it appeared that Amnon Landan, the company's former chief executive, and several other former top managers reported "a date that differed from the date at which the exercise actually happened," according to an update in the company's annual report. That difference "reduced the executives' taxable income significantly and exposed the company to possible penalties for failure to pay withholding taxes."

A Mercury spokesman declined to comment, as did Jonathan M. Cohen, a lawyer for Mr. Landan. In September, Mercury proposed paying $35 million to resolve the S.E.C.'s charges related to its stock options practices. And in regulatory filings this month, the company said that it was discussing settlement terms with the I.R.S. and cooperating with the Justice Department. Mercury agreed to sell itself this summer to Hewlett-Packard in a $4.5 billion deal with that has faced several delays.

Some lawyers who have been hired by companies as outside investigators said they did not currently expect backdated exercises to become a widespread issue.

Reviewing exercise dates for past option grants, however, is not currently a standard part of the internal investigations that at least 153 companies have acknowledged so far. And new accounting guidelines released in July do not direct auditors to give greater scrutiny to exercise dates. "I know the investigators are aware of this gambit," said William D. Sherman, a partner at Morrison & Foerster in Palo Alto, Calif., which is involved in several investigations. "But by and large," he added, "we not finding much of it."

But Mr. Siegel of the Center for Financial Research and Analysis said that it would not surprise him if investigations into the backdating of exercise dates became a bigger deal. "The whole thing about backdating was that you were in the world of the Internet bubble," he said. "You had inadequate internal controls, a high incentive to make the options package lucrative, war for talent and low regulatory presence. It wouldn't surprise me if both the grants and exercise dates got misreported."

Treasury Trading Draws Scrutiny (WSJ)

By Gregory Zuckerman And Serena Ng

The Wall Street Journal, October 30, 2006

The Securities and Exchange Commission is investigating whether UBS AG was involved in improper manipulation of Treasury-securities prices. And a Credit Suisse Group bond trader has left the firm amid broad regulatory scrutiny of the $4 trillion Treasury market, people familiar with the matters say.

The developments mark potentially important steps in a government inquiry into trading in the Treasury market that has been quietly unfolding for several weeks.

The Treasury Department is especially sensitive to trading in the huge market for its bonds, notes and bills. It depends on selling these securities to raise cash to finance the budget deficit, and the Federal Reserve uses Treasury securities to conduct monetary policy. The market is generally seen as among the most efficient in the world. But if it becomes viewed as unruly or tilted against any group of investors, it could drive away investors.

Last month, in a speech to the Bond Market Association, a Treasury official expressed concern that Treasury-securities prices were possibly being manipulated. The activity involved traders' controlling the supply of certain Treasury issues, making it hard for others to obtain them, and then profiting by lending those securities out at favorable interest rates. James Clouse, deputy assistant secretary for federal finance, said he was concerned about trading in the bonds and notes themselves, in futures markets and in other corners of the market.

Any improper activity doesn't seem to have had a big impact on interest rates, which remain quite low. And many dealers counter that the practices under question often occur as part of normal trading activity. But regulators aren't taking it lightly.

Mr. Clouse said the matter had been referred to the SEC and Commodity Futures Trading Commission. Nov. 6, officials from the Federal Reserve Bank of New York will meet with 22 big bond dealers to discuss these concerns.

Regulators have occasionally cracked down on Treasury-market misdeeds. In the early 1990s, Salomon Brothers was caught skirting rules at Treasury-bond auctions, and its top executives -- some of Wall Street's most prominent figures -- were

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forced to step down. A Goldman Sachs Group Inc. economist was jailed for relaying an insider tip about Treasury bonds in October 2001 that allowed Goldman to earn millions of dollars in trading profits.

It isn't clear whether the current probe will lead to such serious fallout. "UBS is cooperating in the government's investigation," a spokesman for the firm said.

The Credit Suisse trader, Thomas Brown, born in 1962, couldn't be reached. Credit Suisse's trading is being scrutinized by regulators, according to a person familiar with the matter, but it isn't clear which federal agency is conducting that scrutiny. A Credit Suisse spokeswoman declined to comment.

The investigation of UBS involves trading activity that took place in February of this year, people familiar with the matter say. It isn't clear which Treasury issues are being probed by the SEC. But one possibility is a five-year Treasury note due in January 2011, with a coupon that pays annual interest of 4.25%. It was in especially short supply that month.

When Treasury notes are in short supply, holders of the securities can profit by using them as collateral for loans in a market called the repurchase, or repo, market. In the repo business, bond dealers and investors effectively swap Treasurys for cash. Traders who hold highly sought-after Treasury issues can profit by getting the cash at a very low interest rate. Regulators are concerned that traders might be intentionally squeezing supply to profit this way.

In the case of the January 2011 note, the security was in such high demand in mid-February that its holders could use it as collateral on cash loans and pay interest of just 0.25% in return, according to data from a GovPX, a unit of interbroker dealer ICAP PLC. The going rate at the time was more than 4%

Credit Suisse's Mr. Brown left the firm Sept. 29, according to a filing with regulators. He was part of the bank's repo team, according to another filing. Mr. Brown's activities, Credit Suisse told regulators, related to trading in two-year notes. The firm added in its filing that he was allowed to resign because of matters related to that trading.

Credit Suisse declined to provide details on the trading. It also declined to provide contact details for Mr. Brown, or to say whether Mr. Brown had a lawyer who could be contacted.

It is unclear whether the trader was trying to generate a profit for Credit Suisse or for a client of the firm. It is also unclear whether any other Credit Suisse traders were involved in the trading that led to his departure, how large the positions were or whether any issues besides two-year notes were involved.

In recent weeks, after the Treasury discussed the potential problems in the market, traders say there has been a decline in the number of securities in short supply. That has eased pressures on the market and raised questions about whether the extra scrutiny forced some traders to clean up their activities.

One senior bond trader familiar with the concerns of regulators says officials also have been worried about whether hedge funds or other investors were asking brokers to take certain securities off the market, to make certain positions more valuable.

"The games haven't changed in 15 years," says Michael Basham, who oversaw the Treasury's debt-management activities during the Salomon affair.

Bond traders say there could be many legitimate explanations for the bond shortages' driving price movements. Some bond issues become very popular in the normal course of business. Moreover, some foreign investors buy and hold large amounts of Treasury securities, reducing the supply. Others traders complain of the lack of clear rules to delineate what traders can do.

Is The U.S. Losing Ground? By R. GLENN HUBBARD And JOHN L. THORNTON (WSJ)

The Wall Street Journal, October 30, 2006

Corporate scandals over the past five years have fittingly brought the integrity of U.S. capital markets under scrutiny, provoking a significant legislative and regulatory response. The response was intended to strengthen protections for investors and to improve the traditional advantages of the U.S. market-transparency and accuracy in accounting and financial reporting, as well as laws and regulations that provide the proper incentives for good corporate governance. The events and the responses to them are as great as those underlying our bedrock securities laws of the 1930s.

Among other benefits from the regulatory changes of recent years are improved transparency and accuracy in accounting and financial reporting -- traditional advantages of the U.S. market. Yet many participants in the capital markets have raised important questions. What is the effect of regulation on the efficiency of our capital markets? Do changes to the legal underpinnings of capital markets always incorporate evaluation of benefits and costs? Are we taking actions that unintentionally make our capital markets less competitive in the global economy? * * *

The efficiency and competitiveness of our public capital markets as well as the safeguards for investors in these markets are essential to the vibrancy and resiliency of the U.S. economy. Issuers gain access to a lower cost of capital for growth. Investors benefit from liquidity and efficiency in pricing of securities. And well-developed capital markets are directly related to

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growth in productivity and greater employment opportunities across the whole of our economic spectrum. It is a virtuous cycle that attracts more capital to the U.S. public capital markets.

Since the 1930s, emphasis on rigorous financial disclosures and robust enforcement has protected investors and promoted confidence that is critical to the efficient functioning of our capital markets. U.S. and many foreign companies have generally concluded that the costs of access to our markets have been offset by the tangible benefits.

Corporate scandals early in this decade, such as Enron and WorldCom, which involved fraud and accounting irregularities, weakened investors' trust in the integrity of U.S. capital markets. Investors responded with lower valuations of securities as these risks were factored in to the cost of capital. There was also a legislative response. In particular, the Sarbanes-Oxley Act of 2002 was the most substantial securities legislation since the Securities Acts of 1933 and 1934. The act created the Public Company Accounting Oversight Board (PCAOB) to oversee the audit profession; it required corporate leaders to personally certify the firm's financial statements; and it required that auditors certify the firm's internal controls (the statute's now famous Section 404).

Sarbanes-Oxley offers enhanced benefits of transparency, accountability and investor protection, and thus strengthens our capital markets. But many have asked whether Sarbanes-Oxley reflects an evaluation of benefits and costs. Some critics believe that certain aspects of the legislation may have the unintended effect of making our markets less efficient venues for raising capital.

And questions remain as to whether the conflict-of-interest issues emphasized by Sarbanes-Oxley Section 404 got at the bigger problems from an economic perspective. There is a need to consider more seriously the role played by takeover mechanisms -- and the market -- in matters of corporate control and shareholder rights.

Since the new regulatory mechanisms have been put in place, developments in the U.S. capital market have not been positive. In 2000, 90% of the funds raised by foreign companies through new stock offerings were raised in the U.S. The "90% rule" held in 2005, too, but in reverse -- 90% of the funds raised by foreign firms through new listings occurred in Europe and other non-U.S. markets. Last year, only two of the world's 25 largest initial public offerings listed in the U.S.

In the universe of global IPOs, the fraction of non-U.S. IPOs listed in the U.S. has fallen to under 10% so far in 2006 from 37% in 2000. And these figures are not likely to be simply capturing a current shift in the global economic center of gravity toward Asia. If one removes IPOs from China and Russia, for example, the declines in foreign firms' U.S. listings by number and value are similar. Concerns about listing in the U.S. relate to domestic firms too, as U.S. firms contemplate "going private" or do not "go public" for regulatory and legal reasons.

While global economic growth and a welcome trend toward financial reform have put wind in the sails of overseas financial centers, could U.S. capital market regulation also be a factor in their increased competitiveness? There is historical evidence that suggests it could be. In the 1960s, U.S. banks went to London and helped spur the growth of the Eurobond market because of interest-rate ceilings and reserve requirements at home. U.S. regulators subsequently allowed international banking facilities with lower reserve requirements and abolished Regulation Q ceilings on interest rates, but the London market had already taken off. The Eurobond market also drew sustenance from U.S. tax policy in the form of the interest equalization tax. Subsequent tax changes did not slow down that market's development once started. Are we seeing similar market shifts with diminished interest in U.S. listings, the NYSE's overtures to Europe and Nasdaq's interest in London?

In addition to regulation and accounting standards, the liability system can also affect the competitiveness of U.S. markets. Firms are sometimes confronted with circumstances in litigation, including securities class-action suits, where even a small probability of loss, given the size of claims, could result in bankruptcy. Consequently, companies often must agree to large settlements that result in reduced value for shareholders rather than pursuing a successful outcome on the merits of its case. Further, public companies are exposed to criminal prosecution which can lead to the collapse of the firm, as witnessed in the case of Arthur Andersen. Such a system rightly punishes the managers who have violated the rules. But it may also punish innocent parties -- employees, shareholders and the many firms who had conducted legitimate and profitable business relations with the now defunct enterprise. Do these dynamics have an effect on companies' willingness to issue securities in U.S. capital markets? * * *

We announced on Sept. 12 the formation of a Committee on Capital Markets Regulation, an independent and nonpartisan group of academic, business, financial and corporate governance leaders. Our committee, working through task forces that will include additional academic and business leaders, is conducting a study of the competitiveness of U.S. public capital market, taking into account questions of investor confidence, liquidity, cost of capital and costs of regulation borne by shareholders directly or the economy as a whole. Our goal is to provide carefully considered recommendations for adjustments to the current regulatory and liability framework. On Nov. 30, we will issue our first report to policy makers.

The work of our committee is proceeding along three paths. First, the committee is synthesizing research by economists and legal scholars on a range of regulatory and liability issues affecting the competitiveness of U.S. capital markets. Second, the

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committee is integrating research on the measurement of benefits and costs of regulatory interventions. And third, the committee is evaluating alternative recommendations for applying cost-benefit analysis in assessing financial regulation and its benefits and costs for the competitiveness of U.S. capital markets. The committee will also evaluate principle- and risk-based alternatives to the present "rules-based" regulatory approach in order to understand how such mechanisms might affect the way managers incorporate the spirit and intent of financial regulations, as well as following the technical rules.

Rolling back the Sarbanes-Oxley law wholesale is not the answer. But subjecting regulation to rigorous cost-benefit analysis is surely right. Though much of the regulatory scrutiny will lie with the SEC and the PCAOB, we can also harness the expertise within other departments and agencies represented in the President's Working Group on Financial Markets, which includes the Department of Treasury, Federal Reserve and the Commodity Futures Trading Commission. Input from such institutions that have primary responsibility for investor protection will be necessary to prudently address broad tradeoffs between regulation and possible consequences of lost competitiveness.

America's capital markets have been an enviable model for job creation and increasing national wealth. But the efficiency and competitiveness of our markets cannot be taken for granted. Cost-benefit analysis of regulatory change may provide insights that could enhance the efficiency of our markets and strengthen investor protection at the same time. We should explore ideas that can help assure that new regulation does not inadvertently diminish the benefits of our markets by not accounting for regulatory costs.

Mr. Hubbard, dean and professor of finance and economics at Columbia Business School, was chairman of the Council of Economic Advisers under President Bush. Mr. Thornton, chairman of the Brookings Institution, was formerly president of Goldman Sachs.

CRIMINAL LAW:

Jemal Jumps Right Back In (WP)

By Dana Hedgpeth

The Washington Post, October 30, 2006

For seven weeks, Douglas Jemal showed up in federal court in a conservative suit, white dress shirt, tie and polished black shoes.

On Friday, the 63-year-old maverick builder returned to running his business full time, a day after his acquittal on bribery and conspiracy charges. Settled into his funky office in the heart of Chinatown -- with two parrots, three aquariums, a wall-mounted moose head and a full bar -- he was back in his usual jeans, a collarless oatmeal-colored shirt and black cowboy boots.

"It's nice to have a public vindication," he said between calls of congratulation. "I'm very happy to be back at work. I'm very happy that I'm not sitting in a courtroom in a suit. And I'm very happy to be myself again."

Jemal was found guilty of one of the charges against him, wire fraud. His son, Norman, was acquitted of all charges, and a top lieutenant, Blake Esherick, was found guilty on one count of wire fraud and two counts of tax evasion.

Jemal "is making it seem like he got off, but in fact he got convicted of a felony," said Jeffrey A. Taylor, U.S. attorney for the District of Columbia. "Our view is this was a significant victory in a tough, hard-fought case."

The wire fraud charge, Taylor said, was "the most serious of the charges . . . because it has the highest statutory maximum of prison time" -- 20 years. Under federal sentencing guidelines, Jemal's sentence could be much lighter, possibly nothing more than probation. But Taylor said "it is certainly conceivable he will receive prison time." Sentencing is scheduled for April 16.

Jemal declined to say how he would run his business if he has to go to prison.

The developer's lawyers say they will try to get the conviction overturned. Jemal said of the wire fraud verdict: "It's like stepping on a splinter. It's a little pinch."

A high school dropout from Brooklyn who became one of Washington's premier developers, Jemal is known for closing deals with handshakes and making major buys quickly. In 40 years, he has built a regional real estate portfolio that includes 10 million square feet of office, residential, retail and commercial properties in 185 buildings. He helped revitalize much of the city's East End, turning rundown storefronts into condominiums and shops.

Jemal's reputation wasn't the only thing at stake when he was charged with bribing District official Michael Lorusso in exchange for sweetheart deals. The future of Jemal's Douglas Development Corp. was also in question. Some in the real estate community worried that a conviction on bribery charges would damage his ambitious and wide-ranging projects. Jemal, they say, is the key to his company.

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"Douglas Development is Douglas," said Leonard A. Greenberg of Greenhill Capital Corp. in Bethesda, who has done business with Jemal. "He's an entrepreneur extraordinaire."

Jemal has plans to remake a tired-looking block along New York Avenue NW, near the Washington Convention Center, into a vibrant mixed-use development. London architect Norman Foster is working on plans for the Uline Arena near Union Station, which Jemal owns. He envisions turning an area where old oil tanks sit along the Anacostia River into something like Baltimore's Inner Harbor. Jemal says he has at least a dozen more projects in the pipeline.

During the trial, people like Gerry Widdicombe, director of economic development for the Downtown Business Improvement District, worried that those projects might be in danger. "It's important to the city that he's been a venture capitalist, going to places others haven't gone," Widdicombe said. "That would be a risk-taker that would be lost."

Jemal said he didn't stop running his business during his trial, although he had to pass on a few deals. "I had too much on my plate," he said. He says he has no plans to slow down and doesn't expect businesspeople to shun him.

"Morgan Stanley and others said they'd still do business with me because we're not crooks," he said. "You can't build a company if you're crooks. You can't go back to that well that many times."

He pointed to a line of credit he got from Cardinal Bank after he was charged that allowed him to close a few days into his trial on a $15 million deal on F Street NW. He got two loans totaling $188 million from New York-based Gramercy Capital Corp. this year.

"We've had no problem getting financing and getting loans," Jemal said. "It's a large testament to us."

Despite the wire fraud conviction, the feeling at City Hall was that Jemal had beaten the rap.

"It was a major wrongdoing," said D.C. Council member Jim Graham (D-Ward 1), who spearheaded the public investigation into Jemal's dealings with Lorusso.

But Graham did not take issue with the result of the trial. "I'm not happy or unhappy with the jury decision," he said. "It's fact. He's entitled to a trial by a jury of his peers. I hope that he's able to reconstruct his life and continue to serve all the interests he works for. He's done a lot of good things for the city."

Council member Carol Schwartz (R-At Large), who was also involved in the investigation of Jemal and his ties to Lorusso, said, "I just hope in the future that all people who are going to do business with our government and those who work for the government are on notice to make sure they act properly, or they will be prosecuted. "

As for Jemal, he's still got five suits, 12 dress shirts, six ties and 12 pairs of dark socks that he bought from Brooks Brothers for the trial.

"Maybe I'll have a raffle or give them away," he said.

GOP Leader Says He Would've Canned Foley (AP-Y)

By John Heilprin

AP, October 30, 2006

House Majority Leader John Boehner says he might have taken matters into his own hands if he or any GOP leader had known about ex-Rep. Mark Foley's sexually explicit instant messages to former pages.

"Foley's conduct was reprehensible, abhorrent. And if any one of us would have known about this, we would have dragged him out of there by his tie," said Boehner, the current No. 2 leader in the House.

Boehner, R-Ohio, maintains he told Speaker Dennis Hastert, R-Ill., last spring about Foley's too-friendly e-mails to pages and was informed the matter was being handled.

"I believe strongly that the speaker — neither the speaker, myself or anyone knew of the sexually explicit instant messages," Boehner said. "All I was told was that there had been contact between Foley and the former page. ... I believe that I talked to the speaker about this. I believe that he told me it had been taken care of."

There has been no indication that Republican leaders knew of the sexually explicit instant messages to former male pages until the scandal became public and Foley, R-Fla., resigned at the end of the September.

Boehner and a second GOP House leader, campaign chairman Tom Reynolds of New York, have said that before then they were aware only of Foley's e-mails to a former Louisiana page. Those messages asked about the 16-year-old's birthday and requested a picture.

Boehner, interviewed Sunday on ABC's "This Week," said the Foley matter was one of hundreds he dealt with daily in the House, and he was hopeful an internal House probe will be resolved soon.

"I'm on the House floor as a majority leader, I'm having hundreds of conversations every day with Democrats and Republicans, trying to run the House," Boehner said. "The House ethics committee is doing a very good investigation in a bipartisan way. I was happy to meet with them, and I believe that they'll have a report coming soon."

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The committee has interviewed 21 witnesses behind closed doors since Oct. 11, but there is no indication anything can be resolved before the Nov. 7 elections.

Prisons Eye Ways To Control Gangs (WT/AP)

By Brian Witte

The Washington Times, October 30, 2006

BALTIMORE -- With gang violence increasing and prison safety harder to maintain, Maryland corrections officials are searching for better ways to manage incarcerated gang members, including confining members of the same gang in a separate prison unit.

John A. Rowley, acting commissioner of the state's Division of Correction, recently sent corrections officials to Connecticut, which has a nationally recognized program for managing gangs in prison.

Mr. Rowley has scheduled a meeting this week to discuss the program, but said the agency has yet to commit to a plan.

Mr. Rowley said he sent the officials because Connecticut's corrections department created a gang-management program in 1994, after realizing just how dangerous and difficult gang members had become inside the state's prisons.

In Maryland, officials have implemented a new measure to reduce prison gang violence at the medium-security Maryland Correctional Training Center, near Hagerstown. The facility started confining inmates together "a few months ago," after they were identified as members of the same gang, Mr. Rowley said.

"What they're attempting to do is to simply, to the best of their ability, house them together to see if that improves or reduces the violence," he said.

Officials are only trying out the policy, Mr. Rowley said, and there is no plan yet to incorporate it statewide.

Maryland does not send all incarcerated members of a particular gang to the same prison, a technique that has been tried in other states.

Mr. Rowley said he also wants to increase training for corrections officers so they can recognize gang activity.

Maryland's correctional institutions have been using intelligence officers in roughly the past 18 months to track gang activity in prisons. Mr. Rowley said the practice has been effective and that he wants to add more staff.

The changes come as Maryland prisons experienced increased violence, including the deaths this year of two corrections officers who were killed by inmates.

A hit list that surfaced in 2004 was addressed to members of the Bloods gang inside the Eastern Correctional Institution. It offered inmates tens of thousands of dollars for killing a former warden and nine corrections officers.

Officer David McGuinn apparently was killed by two inmates inside the Maryland House of Correction in July. Mr. Rowley declined to comment on whether Officer McGuinn was on a hit list.

Gov. Robert L. Ehrlich Jr., a Republican running for re-election, said in August one theory is that the slaying was connected to gang violence.

The rate of assaults on corrections officers in the state's maximum-security prisons nearly doubled from about 3.4 per 100 inmates in 2004 to 6.6 in 2005, according to the state's nonpartisan Department of Legislative Services.

Maj. Priscilla Doggett, a Maryland Division of Correction spokeswoman, said it's unclear how many bona fide gang members are incarcerated in Maryland prisons.

Report Says Crime Makes St. Louis Most Dangerous U.S. City (AP)

By Christopher Leonard

AP, October 30, 2006

ST. LOUIS - Just days after the St. Louis Cardinals won the top honor in Major League Baseball, their hometown jumped to first place on a list no one wants to lead: the most dangerous cities in the United States.

This Midwestern city has long been in the upper tiers of the annual ranking of the nation's safest and most dangerous cities, compiled by Morgan Quitno Press. Violent crime surged nearly 20 percent there from 2004 to last year, when the rate of such crimes rose much faster in the Midwest than in the rest of nation, according to FBI figures released in June.

"It's just sad the way this city is," resident Sam Dawson said. "On the news you hear killings, someone's been shot."

The ranking, being released Monday, came as the city was still celebrating Friday's World Series victory at the new Busch Stadium. St. Louis has been spending millions of dollars on urban renewal even as the crime rate climbs.

Mayor Francis Slay did not return calls to his office seeking comment Sunday.

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Scott Morgan, president of Morgan Quitno Press, a private research and publishing company specializing in state and city reference books, said he was not surprised to see St. Louis top the list, since it has been among the 10 most dangerous cities for years.

Morgan said the study looks at crime only within St. Louis city limits, with a population of about 330,000. It doesn't take into account the suburbs in St. Louis County, which has roughly 980,000 residents.

The safest city in 2005 was Brick, N.J., population about 78,000, followed by Amherst, N.Y., and Mission Viejo, Calif. The second most dangerous city was Detroit, followed by Flint, Mich., and Compton, Calif.

Cities are ranked based on more than just their crime rate, Morgan said. Individual crimes such as rape or burglary are measured separately, compared with national averages and then compiled to give a city its ranking. Crimes are weighted based on their danger to people.

The national FBI figures released in June showed the murder rate in St. Louis jumped 16 percent from 2004 to 2005, compared with 4.8 percent nationally. The overall violent crime rate increased nearly 20 percent, compared with 2.5 percent nationally.

While crime increased in all regions last year, the 5.7 percent rise in the 12 Midwestern states was at least three times higher than any other region, according to the FBI.

Visiting St. Louis on Thursday, FBI director Robert Mueller said it was too early to tell why some types of crime were rising faster in the Midwest.

Mueller said the FBI is working harder to form partnerships with police departments to launch programs like St. Louis' Safe Streets task force, which focuses police efforts on problematic neighborhoods.

This year's ranking was good news for Camden, N.J., which in 2005 was named the most dangerous city for the second year in a row.

Camden Mayor Gwendolyn Faison said Sunday she was thrilled to learn that her city no longer topped the most-dangerous list.

"You made my day!" said Faison, who has served since 2000. "There's a new hope and a new spirit."

Four More Sentenced In Mortgage Scheme (RRS)

Rockford (IL) Register Star, October 30, 2006

ROCKFORD — The last four people to be brought before a U.S. district judge on charges of defrauding the federal government out of more than $1 million in connection with the Federal Housing Authority's mortgage-insurance program were sentenced Thursday and Friday.

According to a news release from the U.S. Justice Department, the charges the defendants pled guilty to were part of a 61-count indictment charging the people with conspiring to defraud the government, making material false statements to HUD, and making false statements to cause HUD to insure mortgage loans.

According to the indictment, the leaders of the scheme profited by selling homes in Freeport at inflated prices.

The indictment states that the defendants falsified many documents to get FHA insured loans for unqualified homebuyers. By causing these unqualified buyers to receive FHA insured loans, the indictment says the defendants bilked the federal government out of more than $1 million.

Sentenced were:

Philip R. Miskimon, 50, of Winslow, 7½ years in federal prison without parole, and three years of supervised release. The court also ordered Miskimon to pay $2,658,135.32 in restitution.

Douglas L. Hastings, 41, of Lena, seven months in federal prison without parole, followed by three months of house arrest with electronic monitoring and three years of supervised release. He has been ordered by the court to pay $109,576.63 in restitution.

Price V. Brooks, 51, of Freeport, 13 months in federal prison without parole, to be followed by three years of supervised release. Brooks has been ordered to pay $89,710.04 in restitution.

Julie A. Smith, 48, of Lena, 2½ years of house arrest and three years' probation. Smith has been ordered to pay $368,527.84 in restitution.

The other people arrested and sentenced:

Edward J. Martins, 41, of Lena; Shawn M. Fleming, 22, of Freeport; Akia A. Sanders, 24, of Freeport;

Dale L. Nelson, 50, of Freeport; Todd P. Ernst, 46, of Freeport; Chad J. Nicks, 31, of Freeport; Tasha M. Thompson, also known as Tasha M. Barnes, 26, Freeport; Jeffrey L. Meyer, 52, of Winslow;

Alexandrea M. Ellis, 23, of Freeport; Brian A. Fox, 36, of Freeport; and Adam L. Ernst, 22, of Freeport.

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D.C. Paid For Training Schools Say Didn't Occur (WP)

By V. Dion Haynes

The Washington Post, October 30, 2006

In September 2005, Equal Access in Education billed the city $76,250 to train math and reading teachers in techniques to boost student performance at five D.C. public charter schools that failed to meet academic targets.

But principals at four of the schools (the fifth one has closed) say that they never heard of Equal Access and that their teachers never received training from the company.

"It boggles my mind that this could have happened," said Norman Johnson, executive director of Integrated Design & Electronics Academy Public Charter School (IDEA) in Northeast Washington. "We certainly needed those services."

Federal authorities are investigating whether Equal Access was connected to Brenda L. Belton, the former executive director of the Board of Education's charter schools office. The company submitted invoices requesting that payments be sent to 26 Underwood Pl. NW, the address of a duplex formerly owned by Belton and currently owned by her daughter Lindsay Holmes. In May, the FBI raided Belton's office and home as well as the Underwood Place property as part of its investigation into the possible misuse of public funds by the board's charter school oversight office.

Documents obtained by The Washington Post through the Freedom of Information Act show that Equal Access charged the city at least $395,000 between 2002 and 2006 to monitor charter schools to ensure they were meeting financial and academic targets and to provide teacher training. One Equal Access invoice indicated that in addition to the IDEA charter school, four other charter schools -- Booker T. Washington in Northwest, Elsie Whitlow Stokes in Northwest, Options in Northeast and the now-closed Jos-Arz Therapeutic in Northeast -- had received training services. But officials at the three open schools said Equal Access was not one of their vendors.

In some of the documents requesting payments, Equal Access did not specify which schools were supposed to have received the services.

"I think everybody associated with this mess should pass 'Go' and go straight to jail," school board President Peggy Cooper Cafritz said when told about the five schools that did not receive services detailed in invoices from Equal Access.

Next month, Cafritz said, the school board will consider hiring a university or a nonprofit group to manage the 18 charter schools it currently oversees.

According to school and city officials who are seeking answers about the charter funds, Belton, who was fired this month, had worked without many of the checks and balances imposed on other agency executives.

The school board gave Belton, who at times supervised five employees, broad authority to issue hundreds of thousands of dollars in contracts to consultants to monitor the schools under the school board's charge and to help those failing to meet academic targets. For many of those contracts, Belton used a special school system fund that allowed her to bypass city regulations that require agencies seeking contract work to put potential vendors through an extensive vetting and bidding process.

For a vendor to be paid, agencies must submit an invoice and a form verifying that the service or merchandise was satisfactorily provided.

"There are no excuses for apparently misappropriating funds or giving funds to consultants without a work product," said D.C. Council member Kathy Patterson (D-Ward 3), who chairs the education committee and first alerted the school board to a potential problem with Belton. "The board had a responsibility to supervise that office, and the board failed to do so."

Although her office was on the ninth floor of the school system's central administration building, Belton was not part of the system's staff. The 1996 charter school law created a firewall between the independently operated and publicly funded schools and the D.C. school superintendent.

Belton answered only to school board members, part-time supervisors who were rarely around to monitor the office's activities.

To pay Equal Access and other vendors, Belton used the school system's Central Investment Fund, which accepts donations from individuals and organizations requesting that the money be used for specific purposes, such as purchasing library books and supplies for needy children.

Belton had deposited $200,000, collected from the charter schools to run the board's charter office, into the investment fund. Some of that money was used to pay vendors.

Equal Access received $32,614 from the investment fund in February and $108,759 from the fund between April and July of last year, according to documents from the office of the chief financial officer.

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To withdraw the funds, Belton submitted invoices but no documentation from charter school officials confirming that they had received the services, according to Pamela D. Graham, the school system's interim chief financial officer, whose staff administered the fund.

Graham said the investment fund is designed to streamline the payment process so schools can "quickly get access to the money." If the money was in a general fund, she added, "we'd have to have a purchase order, an invoice and a receiving report" verifying that the service or merchandise was provided.

Cafritz said the board allowed Belton to deposit the $200,000 in charter school funds in the investment account to let the office carry over funds from year to year, a privilege not permitted in general accounts.

Natwar M. Gandhi, the city's chief financial officer, cut off the charter school office's access to the investment fund in the spring after learning of the federal investigation.

Patterson said the independent structure under which Belton operated would have worked had the school board properly supervised her.

Cafritz said she and Russell Smith, who until recently was the school board's executive director, tried a few years ago to get Belton to report to Smith. But Belton and the school board resisted, she said.

Last year, two independent studies, including one by the U.S. Government Accountability Office, found that many charter schools were floundering because of improper oversight. The board closed one of those schools, Jos-Arz Therapeutic, a special education facility in which the city invested more than $15 million. The board then established an ad hoc committee to oversee the charter office.

School board member JoAnne Ginsberg, who chairs that committee, said she became fed up with Belton for not showing up for work and for turning in reports that were late and sloppy. She said that she sought to have Belton fired but that Cafritz and the three other members of the committee opposed that.

A few months later, in June, the FBI and other federal officials raided Belton's office, confiscating computers and records. Belton was on paid administrative leave until two weeks ago, when the board voted to fire her.

Cerritos Coach To Pay For Cheating (LBPT CA)

By Wendy Thomas Russell

Long Beach Press-Telegram (CA), October 28, 2006

Courts: Callahan gets 90 days for financial aid fraud; school severs ties with him.

BELLFLOWER - Cerritos College faculty member Patrick Callahan, a man credited with helping numerous minority football players enroll and finish college, bid farewell to his coaching career Friday - the day he was formally sentenced to 90 days in jail in connection with Pell Grant fraud.

Callahan, 58, pleaded guilty to falsifying government documents so that 13 of his football players could receive more than $91,000 in federal aid to which they were not entitled.

Trading in his team colors for a black suit, Callahan was formally sentenced Friday before Bellflower Superior Court's Leland Tipton, who suspended a two-year prison term under a number of conditions. One of the conditions was agreeing to give up his position as coordinator of student activities for Cerritos College.

"Has he terminated his employment?" Tipton asked.

"As of today," Callahan answered.

Callahan served as an assistant coach at Cerritos College in Norwalk for 16 seasons, most recently acting as defensive coordinator, before being charged in August 2005 with 26 felony counts of grand theft and conspiracy to commit grand theft. At the time of his arrest, the college suspended Callahan from coaching and made him coordinator of student activities.

Reached on Friday, a college spokeswoman declined to answer questions about Callahan, nor would she say why the school had chosen to keep him on the faculty following his guilty plea last month.

"We make no comments on personnel issues," Kristen Habbestad said.

Callahan, of Artesia, is accused of placing himself at the center of a scheme to cheat the government out of thousands of dollars so that some of his players could attend college at little or no cost.

Under Pell Grant regulations, students whose parents make more than $20,000 a year and contribute to their child's education receive less money, while students with little or no financial support receive more. Some students who are estranged from their parents, however, can obtain "dependency overrides," which allow them to apply for Pell Grants without providing their parents' financial status.

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According to prosecutors, Callahan wrote and encouraged others to write fraudulent letters supporting dependency overrides for his students beginning in 1999. The students were otherwise ineligible because they already had financial support from their parents.

Callahan also recruited players from out of state - a violation of the California Community College Commission on Athletics - and obtained in-state tuition for some out-of-state players, according to court documents.

Callahan's jail term will begin on Nov. 30.

He must pay $70,758 to the U.S. Department of Education, which reflects the amount awarded as a result of fraudulent dependency overrides. And he must pay Cerritos College $20,799, the amount the college lost by charging in-state tuition to out-of-state players.

Fred Falcone, who identified himself as a former Cerritos College student and football player, said Callahan should be provided amnesty for making "a lifetime career of helping disadvantaged students become successful in college."

"He is someone that minority students could go to when they had a problem," Falcone wrote in an e-mail to the Press-Telegram, "and he would help."

Wendy Thomas Russell can be reached at wendy.russell@presstelegram.com or (562) 499-1272.

Feds Nail Kiddie Porno Cybersleaze (BOSH)

By Dave Wedge

Boston Herald, October 28, 2006

Former Hub student could get life

A former Hub college student once probed for running kiddie porn sites out of a Somerville apartment faces a possible life sentence after being convicted on federal charges of taking sex videos of underage boys - including one from Cape Cod.

Former Bunker Hill Community College student Tim Richards was found guilty on 11 of 22 child pornography charges Thursday in a federal court in Tennessee, one of which stemmed from sex tapes he made with a 14-year-old Bay State boy in Sydney, Australia. The boy, now in his 20s, was the star witness in the two-week trial and testified that he was pressured into making sex tapes with Richards for four years.

“A society can have no greater priority than promoting the safety of its most vulnerable members, especially its children,” said Nashville U.S. Attorney Craig S. Morford. “That is why this case and this verdict is so significant.”

Four of the convictions carry possible life sentences, and another carries a minimum mandatory sentence of 15 years in prison. Richards will be sentenced Jan. 26. He still faces more federal charges while his alleged cohort, former Boston University student Aaron Brown, is awaiting trial on similar charges in Virginia.

Richards, 25, was first investigated by the Massachusetts Attorney General after a 2000 Herald report found that Richards' former company, Nimenet.com, was hosting several kiddie porn sites out of a Somerville apartment. No state charges were ever filed.

The FBI's Innocent Images anti-child pornography unit got involved in the case in 2005 when a California teen named Justin Berry told authorities Richards posted underage sex pictures of him online. Berry, who did not testify at Richards' trial, became a national symbol of child exploitation after he went public with his sordid tale in The New York Times.

When FBI agents arrested Richards last year, they recovered an extensive cache of kiddie porn and found him living with a 13-year-old boy. He had reportedly been leading a jet-setting lifestyle and is believed to have pulled in as much as $500,000 through the elaborate cyberporn ring.

Kent Kobliska, a former Nimenet employee who testified at Richards' trial, called his former boss' conviction “deserved.”

“It took awhile but justice finally was done,” Kobliska said.

Difficult Sermon As F.B.I. Investigates A Church's Ex-Music Director (NYT)

By Alison Leigh Cowan

The New York Times, October 30, 2006

GREENWICH, Conn., Oct. 29 — Addressing parishioners the week after they learned that federal agents had searched their church this month for evidence of child pornography on a music director's computer, the rector of Christ Church here, the Rev. Jeffrey H. Walker, told worshipers on Sunday that “these are hard days, and for some of us, sleepless nights.”

He pleaded with the Episcopal congregation, which traces its roots back 300 years and counts some of Greenwich's most prominent families among its members, to respond with “patience, trust and kindness.” He also apologized for having to be less than forthcoming about certain matters that were part of the pending criminal investigation and the “world of legalities rather than the world of grace.”

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On Tuesday night, news organizations began reporting that Robert F. Tate, the church's longtime music director and impresario behind its highly-respected choirs, had resigned abruptly after church officials became aware that he might have had child pornography on a computer he used. Church officials would say only that he had resigned.

Mr. Tate, who had an apartment on church grounds but is no longer living there, has not commented publicly. His lawyer, Francis O'Reilly, issued a statement on Wednesday noting: "Mr. Tate adamantly denies these allegations. The facts are that the Federal Bureau of Investigation has been investigating this matter for some time now, and Mr. Tate has not been charged with any offense."

Tim Egan, the head of the F.B.I.'s cybercrimes squad in New Haven, confirmed to The New York Times on Tuesday that his agency was heading an investigation, but he declined further comment, as did the United States attorney's office.

The church has referred all requests for comment to its lawyer, Eugene J. Riccio, who was present on Sunday as Mr. Walker addressed worshipers at the 9 a.m. service. Mr. Riccio declined to discuss anything about the investigation, which is before a grand jury.

Paying homage to Garrison Keillor, Mr. Walker, who himself has appeared before the grand jury, said he would loved to have been able to greet parishioners with a crisp, "Well, it's been a quiet week at Lake Wobegon."

"It just hasn't been," he added. "Not at Christ Church."

He drew parallels between the church's discovery of a problem in its midst some weeks ago and Sunday's Gospel reading, in which a blind beggar of deep faith had his sight restored.

"What happens when we've simply failed to see someone we've loved has been in pain and we just didn't notice?" Mr. Walker said.

"When all of that comes to glaring light," he continued, "all we can say is, 'How could I have been so blind?' "

Old Cattle Crime Rears Its Head Again (USAT)

By Kevin Johnson

USA Today, October 30, 2006

Some of the nation's largest beef-producing states are fighting a resurgence in a centuries-old crime: cattle rustling.

The thefts, including one high-profile case involving the ranch of baseball legend Nolan Ryan, are directly related to the rising cost of beef, said Larry Gray, enforcement chief with the Texas and Southwestern Cattle Raisers Association (TSCRA).

The TSCRA, which draws its members from Texas, Oklahoma and New Mexico, reported $6.2 million in livestock thefts — mostly cattle — in 2005, up from $4 million in 2004.

In the past three to four years, John McBride, a spokesman for the Livestock Marketing Association, said cattle prices have approached all-time highs. "As the cattle industry has escalated, so have the number of thefts," said Joyce English, vice president of the association's Livestock Board of Trade. "Everything follows the money."

Last fall, a flurry of calls from more than a dozen victims, including the foreman of Ryan's Texas ranch, reported 17 cows and 14 calves were missing. A couple of weeks later, an additional 16 calves were stolen from Ryan's spread.

The reports led two investigators with the TSCRA to charge a 27-year-old suspect with running an old-time rustling enterprise valued at more than $250,000 after being in operation a little less than a year. Gray said the suspect allegedly used the livestock, most of which was branded, to bolster his own herd and sold off the calves as they were born. The break in the case came, Gray said, when one of the stolen animals was brought for sale.

Thefts have been a problem in other beef-producing states:

•In Missouri, second only to Texas in cattle production, Gov. Matt Blunt created a special rustling unit in response to a surge in thefts in the southwestern part of the state. Since its creation in February, the unit — aided by a new cattle-theft hotline — has recovered livestock valued at more than $400,000, said Missouri Highway Patrol Sgt. Jason Clark.

Suspects routinely steal trailer loads from one county and deposit them in another — sometimes two or three counties away. A routine loss of 15 to 20 cows valued at up to $20,000 can be "devastating to some ranchers," Clark said.

•In Kansas, the Kansas Cattlemen's Association has been "overwhelmed" with theft reports in the past year, said association spokeswoman Lynae Beam. The organization has fielded more than two dozen calls from ranchers.

Fifteen of the reports are classified as "very serious" rustling cases, involving more than five animals valued at up to $1,300 per animal, Beam said.

"About 10 to 20 years ago, we thought this type of thing was fading away," Beam said. "Now, it sure is coming back."

CIVIL RIGHTS:

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Justices To Take Up Autism-Case Dispute (NYT/AP)

By The Associated Press

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 (AP) — The Supreme Court agreed Friday to consider an appeal by an autistic child and his parents, who want to sue over his school accommodations without hiring a lawyer.

The parents, Jeff and Sandee Winkelman, say they cannot afford a lawyer to argue their court case against the school district of Parma, Ohio, near Cleveland, over the education of their son, Jacob.

The federal appeals court in Cincinnati ruled that the Winkelmans, suing under the Individuals With Disabilities Education Act, had to find a lawyer to represent Jacob, although other federal courts have ruled differently in cases involving that law.

The Bush administration then urged the justices to take the case, saying that in adopting the measure, Congress clearly intended that parents be able to represent their children in such court proceedings.

The Winkelmans' suit contested Parma's plan to educate Jacob at a public school. They wanted the district to pay his yearly tuition of $56,000 at a private school that specializes in educating autistic children.

Whether Jacob should have private schooling at public expense is not before the justices, only the question of his parents' right to go into federal court without a lawyer.

The justices also agreed Friday to hear the case of a sheriff's deputy in Georgia who purposely bumped his car into a vehicle he was pursuing at high speed, causing an accident that left the suspect a quadriplegic.

The Sheriff's Office of Coweta County, Ga., had asked the court to consider whether an officer violates a fleeing suspect's constitutional rights by using deadly force to terminate a high-speed chase.

Two lower federal courts ruled against the deputy, finding that his action was out of proportion to the risk that the suspect had posed to other drivers and pedestrians.

'Partial-birth' Cases Test Abortion Rights' Limits (USAT)

By Joan Biskupic

USA Today, October 30, 2006

NEW YORK — It was just after Mother's Day in May 2003 when Ilene Jaroslaw, about four months pregnant, learned that the fetus she was carrying had a fatal spinal cord and brain defect.

Jaroslaw, then a mother of two, says she was devastated but decided immediately to have an abortion. Because she wanted to have another child — and because she had had two previous cesarean-section deliveries and an unrelated surgery on her uterus — she agreed with her doctor's recommendation to undergo a procedure that would do as little damage as possible to the uterus.

"There was absolutely no hope at all," says Jaroslaw, a 43-year-old lawyer in New York City who talked with USA TODAY about her experience. "This baby was not going to survive long."

For Jaroslaw, having what Congress and critics of the procedure call a "partial-birth" abortion was an intensely personal health decision that led to a happier ending: In 2004, she got pregnant again and delivered a healthy baby girl.

The episode also made Jaroslaw a symbol of the ongoing debate over whether Congress' effort to ban "partial-birth" abortion violates a woman's right to end a pregnancy — a question that goes before the Supreme Court on Nov. 8. Under a federal law passed by Congress in October 2003 and tied up in the courts ever since, Jaroslaw could not legally have undergone the procedure because her life was not in danger.

Jaroslaw's reasons for having the procedure — to preserve her ability to have more children by avoiding the hemorrhaging and perforation of the uterus that can occur with other abortion methods — would not have cleared the legal hurdle set by Congress.

That's partly why the pair of cases that come before the Supreme Court next week are widely viewed as a major test of efforts to restrict abortion. The issue is not the fundamental question of whether abortion should be legal, first established by the court's ruling in Roe v. Wade in 1973. Instead, the cases test the Republican-led Congress' power to limit the reach of that ruling by restricting medical options for women.

The law is called the Partial-Birth Abortion Ban Act of 2003. Lawyers for the two challengers now before the Supreme Court, Eve Gartner of Planned Parenthood and Priscilla Smith of the Center for Reproductive Rights, note that there is no medical procedure known by that name and contend that the phrase is needlessly offensive and misleading.

On a more technical level, the cases put on exhibit dueling medical opinions over whether certain second-trimester abortion procedures are ever necessary.

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For the court, the cases — Gonzales v. Planned Parenthood Federation of America and Gonzales v. Carhart — represent the first significant test of whether abortion rights in America will change now that moderate Justice Sandra Day O'Connor, a key vote in favor of such rights, has retired.

Six years ago, when the justices struck down state bans on "partial-birth" abortions because the laws did not include exceptions for when a woman's health was at risk, O'Connor cast the decisive fifth vote on the ideologically divided, nine-member court. Last term, she was replaced by Samuel Alito, a more conservative judge who, as a member of a lower court, voted for abortion restrictions that O'Connor later rejected.

The federal ban — which is similar to the state laws voided by the high court six years ago — has been rejected by three sets of U.S. district courts and appeals courts. The lower courts said Congress' ban violates women's rights to abortion because it lacks a health exception and is too vaguely written.

The lower court judgments conflict with Congress' assertion that "partial-birth" procedures are never the best option to preserve a woman's health.

"This is an excellent case to test the direction of the court on abortion rights," Georgetown University law professor Randy Barnett says.

Abortion rights groups such as Planned Parenthood say Jaroslaw and thousands of women like her personify the need to preserve the second-trimester procedures known in the medical community as "intact dilation and evacuation" (or intact D&E) and "dilation and extraction" (D&X).

The methods involve dilating a woman's cervix to allow most of the fetus to emerge into the vagina intact, rather than dismembering the fetus in the uterus by using forceps and other instruments. In the intact method, a doctor then suctions out the fetus' brain to collapse the head and allow delivery.

The American College of Obstetricians and Gynecologists has reported that such methods increasingly are viewed as the safest abortion procedures for the second trimester of pregnancy, roughly the 13th to 26th weeks of gestation.

Second-trimester procedures account for about 11% of the estimated 1.3 million abortions performed in the USA each year, according to the Guttmacher Institute, a research group that supports abortion rights. It's unclear, however, how many of those abortions are done with the intact D&E or D&X methods because no one keeps a precise count.

The Bush administration, in defending the Partial-Birth Abortion Ban Act of 2003, has argued in court papers that Congress had solid grounds to believe that any procedure in which a doctor "partially delivers a (living) fetus intact … and then kills the fetus" is never medically necessary.

The government is appealing a ruling by the U.S. Court of Appeals for the 9th Circuit, in a case begun by Planned Parenthood, and a ruling by the U.S. Court of Appeals for the 8th Circuit, in a case started by Nebraska physician LeRoy Carhart.

U.S. Solicitor General Paul Clement has told the justices that the "gruesome" procedure "resembles infanticide."

Clement has said Congress' ban is not unconstitutional because there are alternative methods of second-trimester abortions that would remain legal. Those include a standard D&E procedure in which a doctor dismembers the fetus in the uterus, and another method known as "induction," in which a woman is given drugs that cause her to go into labor and deliver the fetus.

Groups filing briefs in support of the administration include the American Association of Pro Life Obstetricians and Gynecologists. The association argues that such alternative methods are medically appropriate even for women such as Jaroslaw with uterine scarring from a prior cesarean section or other uterine surgery.

Elizabeth Shadigian, a physician affiliated with the University of Michigan's medical school who is president of the pro-life group, says there is little evidence to suggest that "partial-birth" methods are better in preserving a woman's health.

"There is almost no data on it," Shadigian says. "It's not good enough that someone believes it's better. You have to prove it's better." She said women should wait until studies are done on "the long-term effects of the procedure."

In court filings, Planned Parenthood counsel Gartner says that if Congress' ban is allowed to take effect, doctors would not be able to give their patients the best medical care.

Physicians would be "chilled from continuing to provide these procedures, … (and) women's liberty will be infringed and their right to choose abortion unduly burdened," Gartner says.

She also notes that the records from the cases now before the Supreme Court show several instances in which women suffering from serious medical conditions or carrying fetuses with severe anomalies would benefit from the intact D&E procedure.

"Even for women whose health condition is not compromised, intact D&E is a significantly safer method of abortion," Gartner says.

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Clement acknowledges in his filings that physicians disagree over the necessity for the intact D&E and D&X methods. However, he insists that the justices must defer to Congress' finding that "there is substantial evidence … that partial-birth abortion is never" medically necessary.

Jaroslaw, a graduate of Harvard College and of Georgetown Law School, says she came forward to speak about her abortion because "the issues aren't as simple as people think. Nobody in advance of a diagnosis says, 'I want that procedure.' What people want is proper medical care."

Jaroslaw, a native of Flushing, N.Y., married a fellow lawyer, David, in 1992. She gave birth to a boy in 1997 and a girl in 1999. She says the children were delivered by cesarean section because she previously had uterine fibroids and other gynecological problems.

Jaroslaw says that when she became pregnant in 2003, everything looked good in early tests. "So we tell our families I'm pregnant. We tell friends. A few weeks after that, I tell people at work. I wasn't worried."

About 17 weeks into the pregnancy, however, a sonogram showed that part of her fetus' brain was missing. The diagnosis was anencephaly, which is fatal.

Jaroslaw says she and her husband considered abortion the only option. She says she did not want to wait a full nine months to deliver a child that would not survive.

"The idea of being pregnant for so many more months and having people ask about the baby, it would have been a nightmare," Jaroslaw says. She was also concerned that her children would be traumatized by having their sibling be born and die. She says she talked with her rabbi, and he supported her choice.

Jaroslaw says her desire for a third child led her doctor to recommend that she have the fetus removed intact, to avoid trauma to her uterus. "When you've had so many cuts in the uterus, you want as little instrumentation and probing around as possible."

Coincidentally, she underwent the abortion as Congress was debating its ban on "partial-birth" abortion. "I asked my doctor whether, if the bill passed, the procedure I was about to have would be illegal," Jaroslaw says. "He said yes."

Bush signed the bill into law in November 2003.

"I'm a family person," Jaroslaw says. "I don't think I'm unique in my situation, except that I will talk about it. When I went back to work, people opened up to me with their own stories."

So how might the Supreme Court — with Alito and Chief Justice John Roberts, who replaced the late William Rehnquist last year — view the most recent attempt to restrict abortion?

The "partial-birth" cases arrive at the court at a time when few Americans — 15% in a Gallup Poll in May — believe abortion should be banned in all circumstances. That poll, typical of nationwide surveys, found that most Americans (53%) believe that abortion should be legal but with restrictions.

The high court generally has reflected that sentiment since Roe v. Wade, upholding abortion rights while opening the door to limits. The current cases could provide a hint of whether greater restrictions might be imposed with the new justices on the bench. However, a veteran justice — Reagan appointee Anthony Kennedy — is more likely to be the key player.

In 2000, when the court voted 5-4 to strike down state bans on "partial-birth" abortion that lacked an exception for cases in which a woman's health was at risk, the bench was deeply divided. Kennedy, who had provided a crucial fifth vote in 1992 when the justices affirmed abortion rights, bitterly dissented in 2000. He said government should be free to outlaw the "abhorrent" procedure and that states had a legitimate "concern for the life of the unborn and for the partially born." This time, a big question will be whether Kennedy, a frequent swing vote on the court, still supports a ban on the procedure without a health exception.

If he does, the court's reshaped conservative wing — Justices Antonin Scalia and Clarence Thomas, along with newcomers Roberts and Alito — could be positioned to uphold Congress' ban. Scalia and Thomas consistently have voted against abortion rights. Roberts' record as a lawyer in the Reagan and first Bush administrations and Alito's rulings as a lower court judge suggest that they also are likely to take a limited view of such rights.

Remember To Vote, Hope It Counts (NYT)

By Michael Waldman, Wendy Weiser And Open, N.y.

The New York Times, October 30, 2006

ON Nov. 7, many voters will encounter new voting machines, new computerized voter lists and new rules regarding registration and ID requirements. As primaries earlier this year demonstrated, local officials and poll workers are overwhelmed by all the changes — some of them engineered by mischievous partisans who have passed laws and rules that would block many eligible citizens from voting.

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There is a silent disenfranchisement afoot — one that could affect hundreds of thousands of voters. That's bad for democracy. In the 2004 presidential election, some states were decided by less than 1 percent of the vote. This year, dozens of Congressional races could be close enough that vote suppression would affect them.

What follow are examples of ways the vote could be suppressed next week around the country. Problems listed in one state may also apply to several others. Taken together, they show just how urgent it is that the country move toward a system of universal voter registration, in which the government takes responsibility to ensure that all citizens are on the rolls, with real protections.

Looking forward, Congress and state legislatures should spurn partisan attempts to manipulate elections by imposing new voting requirements, like proof of citizenship and identification. They should ban wireless components in voting machines and require an audited paper trail. Judges should continue to strike down illegal and anti-democratic laws. And citizens and journalists should demand to know who is being purged from the rolls, and why. All registered voters should cast their ballots and insist their votes be counted.

— Michael Waldman, the executive director of the Brennan Center for Justice at New York University School of Law, and Wendy Weiser, the deputy director of the center's democracy program. Open is a graphic design studio.

Can This Machine Be Trusted? (TIME)

By Michael Duffy

Time, October 30, 2006

A woman walked into a polling place in Peoria, Ill. last week and proceeded to use one of the new electronic voting machines set up for early voting. She logged on, went through each contest and seemed to be making her choices. After reviewing each race, the machine checked to see if she was satisfied with her selections and wanted to move on. Each time, she pressed YES, and the machine progressed to the next race. When she was done, a waving American flag appeared on the screen, indicating that her votes had been cast and recorded.

But there was a problem. The woman had not made any choices at all. She had only browsed. Now when she told the election judges she was ready to do it again--but this time actually vote--they told her it was too late. Pressing the last button, they said, is like dropping your ballot in an old-fashioned ballot box. There's no getting it back.

So what?

So this: In one week, more than 80 million Americans will go to the polls, and a record number of them--90%--will either cast their vote on a computer or have it tabulated that way. When that many people collide with that many high-tech devices, there are going to be problems. Some will be machine malfunctions. Some could come from sabotage by poll workers or voters themselves. But in a venture this large, trouble is most likely to come from just plain human error, a fact often overlooked in an environment as charged and conspiratorial as America is in today. Four years after Congress passed a law requiring every state to vote by a method more reliable than the punch-card system that paralyzed Florida and the nation in 2000, the 2006 election is shaping up into a contest not just between Democrats and Republicans but also between people who believe in technology and those who fear machines cannot be trusted to count votes in a closely divided democracy.

Perhaps the biggest fallacy in this debate is the notion that elections were perfect before Congress decided to hold them on computers. They weren't. "Stuffing the ballot box" is not an expression from the world of fiction. The problem with overvoting punch cards existed for decades before the dateline PALM BEACH COUNTY became a household term. Peoria County clerk JoAnn Thomas says she routinely tossed out several hundred twice-punched ballots every year. That represents roughly 1% of all registered voters in her jurisdiction.

The 2000 election reminded Americans that every vote makes a difference, and scrutiny of polling practices intensified. So just as America has moved to a process of electronic voting and tabulation intended to make voting more accessible, reliable and secure, trust in the system has actually gone down. Says David Orr, clerk of Illinois' Cook County: "We used to have a problem with giving people the wrong ballots. And if we were lucky, we'd catch it before they voted. Now, if the same thing happens with a touch screen, it's a conspiracy."

So far, at least, Murphy's Law has been a bigger problem than fraud. Many jurisdictions, especially those with long or bilingual ballots, have struggled to program their computers perfectly, and there have been scattered reports of glitches. In three Virginia cities, for example, electronic voting machines have inadvertently shortened the name of the Democratic candidate in one of the tightest Senate races in the nation. In Charlottesville, Falls Church and Alexandria, James H. Webb's name will appear on the ballot summary screen page simply as "James H. 'Jim'"--with no last name. Sounds like a crisis--except that the same thing happened in the June primary and Webb still won.

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A bigger worry concerns something that is least likely to happen--that someone will somehow meddle with the devices and manipulate vote tallies. It's not impossible. Princeton computer scientist Edward Felten and a couple of graduate students this past summer tested the defenses of a voting machine made by Diebold, a major manufacturer of such devices. Felten's team found three ways to insert into the machine rogue programs that allowed them to redistribute votes that had already been cast. In one instance, the testers had to take the machine apart with a screwdriver--an act likely to draw the attention of poll workers. But in two others, they were able to quickly infect the device with a standard memory-access card in which they had installed a preprogrammed chip. Other computer scientists have also breached electronic voting machines. Congressman Vernon Ehlers, a Michigan Republican who has been holding hearings this fall, says manufacturers "have produced machines that are very vulnerable, not very reliable and I suspect fairly easy to hack."

Concerns about fraud are heightened by the fact that with some electronic voting machines, there is no such thing as a real recount. When asked again for the tally, the computer could spit back the same response as the first time. For that reason, at least 27 states have built in a backup that requires electronic voting machines to provide an attached voter-verified paper trail--a running ticker that allows voters to see on paper that their votes are recorded as cast. That way, if there's a question about the electronic tally, the paper records can be counted by hand.

It was just such a paper trail that enabled Marilyn Jo Drake, the auditor in Iowa's Pottawattamie County, to suss out an anomaly in a county-recorder race she was monitoring in June. She noticed that a 20-year incumbent was being beaten 10 to 1 by an unknown newcomer. Sensing a glitch, Drake cross-checked the electronic results against the totals on the paper vote and discovered the veteran was actually well ahead. The problem, it turned out, was the way the candidates' names had been ordered and coded into the access cards that activated the machines, which were made by Omaha's ES & S. Drake says she should have caught the problem in the pre-election test runs. "It was human error both on their end and my end," she notes. Not every county will have an auditor as sharp-eyed as Drake--or an outcome as transparently false as the one she uncovered. "We were just plain lucky," she says.

Rather than waiting for results to be contested, some states are requiring election officials to conduct random samples of electronic results next week and compare them with the paper printouts. Minnesota's secretary of state, Mary Kiffmeyer, plans to audit the tally from two precincts in each of her state's 87 counties to make sure the electronic tabulation matches the paper trail. Audits, says Kiffmeyer, "just build confidence." In Los Angeles County, officials aren't waiting for the election to start running their tests. They will soon conduct random audits of 5% of the devices used in early voting, which began in earnest last week.

County election officials who spoke to TIME reported that most of the fears they field about the new machines come from Democrats, who have not won a national election in three cycles. It may be that a solid Democratic win in 2006 will allay some of their worries. It follows, of course, that if the Republicans lose, they will take up the charge. In fact, that's already happening in some places this year.

In a country of 300 million, it is far preferable for partisans, poll workers, defensive voting-machine manufacturers and voters to adjust to the new technologies, eliminate their weak spots and work to keep human errors to a minimum. In that way, voting by machine may someday be no more mysterious than making a visit to the ATM. With reporting by With reporting by Hilary Hylton/Austin, Laura Locke/San Francisco, JACKSON BAKER/MEMPHIS, Christopher Maag/ Cleveland, Melissa August, Mark Thompson/Washington

ANTITRUST:

Harrah's Pushes Back Plans For Gulf Coast Casino By PETER SANDERS (WSJ)

The Wall Street Journal, October 30, 2006

Harrah's Entertainment Inc. has delayed plans for a $1 billion resort-casino along the Biloxi, Miss., coast, the second time it has pulled back on plans in the wake of a $15.5 billion acquisition offer from two private-equity firms.

Harrah's executives last week told analysts on a conference call that high construction costs and the "volatility of the marketplace" in Biloxi were factors that have effectively postponed any major development. Plans for the resort-casino had been drawn up by late July.

A person familiar with the company's thinking said Biloxi has slipped on Harrah's priority list, especially after it experienced a tough third quarter in Atlantic City, N.J. The company is now focusing mostly on Las Vegas and Atlantic City.

The Biloxi project is the second unexpected development-related news from the company since an effort by private-equity firms Apollo Management LP and Texas Pacific Group to acquire Harrah's was disclosed earlier this month.

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A week after the offer was announced, Harrah's said it wouldn't bid for a multibillion-dollar resort-casino project in Singapore. Harrah's had lost an earlier bid in Singapore that was awarded to rival Las Vegas Sands Corp. The casino industry also spent much of the summer awaiting Harrah's plans for the 350 acres it has acquired on and around the Las Vegas Strip. Harrah's has delayed details of that announcement, as well.

The Las Vegas company, however, maintains it is in a business-as-usual mode. Last week, the company sweetened its bid for British casino operator London Clubs International PLC to about $570 million. Harrah's also has spent more than $8 million in Rhode Island to support a ballot initiative that would allow a tribal casino in West Warwick.

Harrah's spokesman Alberto Lopez said the company "has acquired quite a large footprint" in Biloxi and still has plans to "build something spectacular."

After Katrina struck in August 2005, Harrah's pushed Mississippi legislators to amend laws that previously required all gambling to be conducted over water or on barges. The state changed the rules to allow casinos to build on land within 800 feet of the Gulf's shoreline.

Once the law changed, Harrah's and its rivals, including MGM Mirage and Isle of Capri Casinos Inc., raced to get gambling halls up and running again. Two weeks after Harrah's Biloxi Grand reopened in August, MGM completed its more-than-$500-million repair of its Beau Rivage resort.

In the conference call, Harrah's executives said results at the Biloxi casino were "encouraging" but acknowledged there was a supply problem. The Mississippi Gulf Coast's casino recovery has far outpaced the recovery of infrastructure to support the tourist market.

Rinker Is To Reject Cemex Bid Suitor Likely Needs To Raise Current Offer Up From $11.7 Billion By BILL LINDSAY And IAN PEMBERTON In Sydney And JOHN LYONS In Mexico City (WSJ)

By Dennis K. Berman

The Wall Street Journal, October 30, 2006

Australian building-materials company Rinker Group Ltd. today is set to reject an unsolicited US$11.7 billion takeover bid by Cemex SAB as inadequate, dashing the Mexican company's hopes for early support from Rinker's board.

"The bid is highly opportunistic and conditional. It has been made at time when the shares are trading at a cyclical low," said a person with knowledge of the bid. Rinker's board, which met over the weekend, reconvenes today and will issue its first formal response to the Cemex bid later in the day, this person said.

Analysts and fund managers say they believe Cemex, the world's largest seller of ready-mix concrete, has little chance of snaring control of Rinker and boosting its presence in the crucial U.S. building-materials market without improving its offer.

The all-cash offer prices Rinker at US$13 a local Australian share, or about a 26% premium over the average trading price during the past three months, Cemex said. That comes out to an equivalent local price of A$17. Cemex put the total value at US$12.8 billion, including Rinker's debt.

Rinker's shares closed Friday at A$14.70 after a late surge driven by a Wall Street Journal article on the unsolicited offer. Its American depositary receipts soared 33% Friday to close at US$71.10, compared with US$65 offered by Cemex for each ADR.

Fund managers "will fight it out; they will be looking for something closer to A$20 before they even consider selling," said Charlie Aitken, the head of trading at institutional broker Southern Cross Equities.

Shares of Rinker, which generates around 80% of its sales in the U.S., have fallen as much as 43% from their late April record of A$21.44 amid a slowing U.S. housing market.

The bid takes Cemex into uncharted territory, even considering the Mexican cement maker's growing penchant for big deals. The offer is twice as big as Cemex's prior biggest deal, last year's $5.8 billion purchase of RMC of Britain. If successful, Cemex's bid will rank as the largest merger-and-acquisition deal in Australian history, beating the A$14 billion takeover of Optus by Singapore Telecommunications Ltd. in 2001.

It is also Cemex's first foray into the world of unsolicited takeovers, usually far more complex and costly than the so-called friendly deals it has negotiated in the past. Unsolicited takeover offers are tricky because they open the door for other suitors, prompting a bidding war that raises the price. They can also take months or even years to complete, draining time, attention and money from top management.

Potential competitors include U.S. aggregate companies such as Martin Marietta Materials Inc. and Vulcan Materials Co., as well as Cemex's big cement rivals, Holcim and Lafarge -- or any of the private-equity firms, analysts said.

Cemex does have one advantage: Australia takeover law is very friendly to unsolicited offers, giving little leeway to boards and managements that act against the wishes of shareholders. The person with knowledge of the bid said Rinker could consider

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measures to retain its independence, including a capital return or special dividend that might exceed A$2 billion, or more than A$2 a share.

Aware that the bid's success relies on institutions that account for 75% of Rinker's share register, Cemex executive Juan Pablo San Agustin arrived in Sydney yesterday to start briefing investors as well as attempting to arrange a meeting with Rinker.

"We've already offered to have a meeting whenever they feel it's convenient," said Mr. San Agustin, Cemex's senior vice president of corporate strategic planning. "We would like to engage with them and we would much prefer to be friendly or recommended."

Rinker's largest shareholder, Perpetual Trustees Australia Ltd., has a 10.5% stake. U.S. fund giant Capital Group is the next biggest investor, with a 6% holding.

The bid has a 90% minimum acceptance condition, pressuring Cemex to win board support or face the prospect of an investor holding out or retail shareholders taking their cue from directors and refusing to accept.

A purchase of Rinker would make Cemex the world's biggest producer of cement aggregates and expand Cemex operations in its biggest market, the U.S., where it is already the single biggest producer of cement.

Rinker's dependence on the U.S. residential-housing market has some on Wall Street worried. The concern is that Cemex is increasing its bet on a market that is entering a downturn, before it is fully clear how deep or prolonged the downturn will be. In an interview Friday, Cemex Chief Executive Lorenzo Zambrano defended the decision, saying he has confidence in the U.S. market long-term. The deal, which is to be financed through borrowing, would more than double Cemex's debt to around $21 billion, prompting Fitch Ratings and Standard & Poor's Ratings Group to say they may downgrade Cemex's credit rating.

Schneider Offers $6.1 Billion For American Power Conversion (WSJ)

By Anne-sylvaine Chassany

The Wall Street Journal, October 30, 2006

PARIS -- French electric-equipment maker Schneider Electric SA said Monday it made an offer to buy U.S. power-supplies and surge-protection-products manufacturer American Power Conversion Corp. in a $6.1 billion cash deal.

The French company said it's offering $31 for each APC share.

The offer, which has been approved by APC's board of directors, represents a 30% premium over the last APC share price and is expected to boost Schneider's earnings per share starting 2007, the company said.

"The acquisition of APC will lead to a strong value creation, superior to $3 billion," Schneider said in a statement, adding it aims to tie up APC with its MGE UPS Systems subsidiary.

Cost synergies are expected to amount to $220 million, of which 70% will be achieved by 2009, the company said. To finance the deal, Schneider said it will launch a €1.2 billion ($1.53 billion) capital increase and use debt financing.

APC Chairman Rodger Dowdell and APC Chief Technical Officer Neil Rasmussen, who jointly own 9.6% of APC shares, committed to tendering their shares to Schneider, the company said.

With 7,600 employees, APC generated about $2 billion sales in 2005, three quarters of which were in low power systems, Schneider said. Investments APC made in the fast-growing high power systems segment "dramatically deteriorated its operating profitability to 9.4% in 2005," Schneider said. Schneider "is confident" it will help APC to recover rapidly.

Schneider emphasized APC's production capacity in Asia, where APC generates 18% of its sales.

No Business Patenting Vague Methods (LAT)

The Los Angeles Times, October 30, 2006

Feds should be circumspect in handing out business method patents.

IN 1999, AMAZON.COM won a controversial patent for a seemingly obvious feature of online stores: Letting shoppers buy an item by pointing their mouse and clicking on it. Now the retailer is getting a taste of its own medicine from IBM, calling into question why the federal government needs to protect methods of doing business in the first place.

IBM filed a pair of lawsuits last week accusing Amazon of violating five of Big Blue's patents related to e-commerce. Although IBM contends that the patents are grounded in important technological advancements, the list involves such mundane activities as "ordering items using an electronic catalog" and "presenting advertising in an interactive service."

Both appear to fall under the much-maligned category of "business method" patents, or federally protected ways to perform such fundamental commercial activities as marketing, billing and monitoring inventory.

The requirements for obtaining patents have evolved since 1790, when the first Congress created the federal patent system, but a key principle has remained consistent: They are to be awarded for the implementation of ideas, not the ideas themselves. Other important requirements added along the way include that the invention be novel and useful, and not obvious.

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Business methods were not considered patentable for many years because they were too much like ideas. In the late 1990s, however, a federal appeals court ruled that methods could be protected if they met the same criteria as other inventions. These rulings, combined with the emergence of the World Wide Web and the business world's increasing reliance on computers, fueled an exponential increase in the number of patents sought for high-tech ways to conduct business.

To its credit, the U.S. Patent and Trademark Office has been slow to recognize business methods. Of the more than 42,000 such patents sought between 2000 and 2005, only 3,600 have been approved. Nevertheless, some of the office's grants have blurred the distinction between novel commercial methods and abstract business models. Applicants exacerbate the problem by claiming the broadest possible coverage — applying the patent to the idea instead of their way of implementing it. And the short history of the Internet as an electronic shopping mall has made it harder for patent examiners to gauge how new and non-obvious the proposed methods are.

So should business methods be totally ineligible for patenting? That may be a step too far. At minimum, though, method patents should only be granted if they're tied to real technical innovation.

ENVIRONMENT:

Bush Appointee Said To Reject Advice On Endangered Species (WP)

By Juliet Eilperin

The Washington Post, October 30, 2006

A senior Bush political appointee at the Interior Department has rejected staff scientists' recommendations to protect imperiled animals and plants under the Endangered Species Act at least six times in the past three years, documents show.

In addition, staff complaints that their scientific findings were frequently overruled or disparaged at the behest of landowners or industry have led the agency's inspector general to look into the role of Julie MacDonald, who has been deputy assistant secretary of the interior for fish and wildlife and parks since 2004, in decisions on protecting endangered species.

The documents show that MacDonald has repeatedly refused to go along with staff reports concluding that species such as the white-tailed prairie dog and the Gunnison sage grouse are at risk of extinction. Career officials and scientists urged the department to identify the species as either threatened or endangered.

Overall, President Bush's appointees have added far fewer species to the protected list than did the administrations of either Bill Clinton or George H.W. Bush, according to the advocacy group Center for Biological Diversity. As of now, the administration has listed 56 species under the Endangered Species Act, for a rate of about 10 a year. Under Clinton, officials listed 512 species, or 64 a year, and under George H.W. Bush, the department listed 234, or 59 a year.

The dispute is the latest in a series of controversies in which government officials and outside scientists have accused the Bush administration of overriding or setting aside scientific findings that clashed with its political agenda on such issues as global warming, the Plan B emergency contraceptive and stem cell research.

Interior spokesman Hugh Vickery said the agency has added fewer plants and animals to the list because it has been mired in lawsuits over existing listings and was more focused on ensuring their recovery than in identifying new ones.

MacDonald said she does not make the decision on whether to federally protect a species, because the head of the Fish and Wildlife Service has that responsibility. But she said she had made her feelings clear in an array of documents; overruled scientists' conclusions in areas where she has authority, such as designating critical habitat; and mocked rank-and-file employees' recommendations.

MacDonald said she sees her job as protecting "the public face of the Fish and Wildlife Service" by carefully scrutinizing listing documents that often seem vague or unsupported by evidence.

"A lot of times when I first read a document I think, 'This is a joke, this is just not right.' So I'll ask questions," said MacDonald, a civil engineer by training who worked at the California Resources Agency before joining the Interior Department in 2002. "These documents have tremendous economic and social implications for people."

Since the act's inception in 1973, the government has identified 1,337 domestic species as threatened or endangered, of which 1,311 remain on the list. At any given time the government is evaluating hundreds of candidate species: Officials and scientists review all the available scientific literature on a plant or animal before awarding it protection.

The process can take several years, even though under law it should take no more than two years and three months.

Hundreds of pages of records, obtained by environmental groups through the Freedom of Information Act, chronicle the long-running battle between MacDonald and Fish and Wildlife Service employees over decisions whether to safeguard plants

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and animals from oil and gas drilling, power lines, and real estate development, spiced by her mocking comments on their work and their frequently expressed resentment.

Two advocacy groups, the Union of Concerned Scientists and the Center for Biological Diversity, provided the documents to The Washington Post. Francesca Grifo, who directs the union's scientific integrity program, said MacDonald's actions are "not business as usual but a systemic problem of tampering with science that is putting our environment at risk."

In a few instances, federal judges have overturned decisions that MacDonald had influenced. After she declared that the endangered Santa Barbara and Sonoma salamanders were no longer "distinct populations" entitled to protection, William Alsup, a judge on the U.S. District Court for Northern California, ruled that MacDonald had arbitrarily instructed Fish and Wildlife scientists to downgrade the two species even though an agency scientist concluded that "genetics state otherwise."

"This is not to suggest that the Secretary of Interior has no role in the ultimate decision," Alsup wrote. "If the Secretary wants to re-assess the evidence, he may choose to do so, but, in doing so, he must set forth a discernible rationale."

In several instances, MacDonald wrote sarcastic comments in the margins of the documents, questioning why scientists were portraying a species' condition as so bleak. When scientists raised the possibility that a proposed road might degrade the greater sage grouse's habitat, which is scattered through 11 Western states, MacDonald wrote: "Has nothing to do with sage grouse. This belongs in a treatise on 'Why roads are bad'?"

MacDonald acknowledged that her comments appeared harsh at times.

"Mea culpa," she said of the roads comment. "I read so many of these I get frustrated sometimes. I shouldn't be flippant. I shouldn't be sarcastic."

MacDonald has repeatedly urged employees to consider the position of industry officials more seriously when weighing whether to declare a species threatened or endangered. During a discussion of greater sage grouse populations in the first half of the 1800s, she wrote, "This paragraph completely ignores the comments received by the Owyhee Cattlemen's Association and the Idaho Cattle Association." The organization opposed the listing on the grounds that it would limit their use of land where the birds live.

During a separate rulemaking concerning the threatened bull trout's habitat on the Klamath River, Fish and Wildlife officials debated via e-mail on how to respond to MacDonald. Her questions, they believed, reflected the concerns of Ronald Yockim, a lawyer representing three Idaho counties opposing a pending decision to protect nearly 300 miles of the river. After MacDonald's intervention, Fish and Wildlife officials opted to protect 42 miles instead.

John Young, a Fish and Wildlife biologist, wrote to several colleagues: "Yockim is an attorney representing various interest groups. It appears that Julie has shared our responses to her comments with Yockim, which have generated additional comments from Yockim. It seems to me it would be inappropriate to essentially continue the public comment period (it is closed) by contacting and responding to his follow-up questions/comments that he did not provide during the comment period."

MacDonald said that she was following up on a letter Yockim had sent and that the solicitor's office had approved such contacts.

MacDonald said that on occasion she told officials they did not have to heed her advice. In documents concerning the white-tailed prairie dog, an e-mail from her on Oct. 25, 2004, stated, "None of these changes are final or a directive."

But on Nov. 1, an official in the Denver regional office, Seth Wiley, sent a follow-up e-mail that said: "Just spoke with Chris Nolan and Kurt Johnson. Julie McD and the Department want to go with a not-warranted listing."

Before issuing that memo, MacDonald changed how the agency characterized the threats facing the species. Staff scientists wrote in a summary that "both documents clearly identify current and projected threats to the species, including mortality and habitat loss, fragmentation and degradation. We believe further evaluation of the extent of leasing and current and projected oil and gas development is necessary."

MacDonald eliminated the reference to energy leases and added: "The identified threats are speculative, and neither document provides substantial scientific information supporting the speculation."

Amid the complaints, Interior officials have privately contacted the ranking Democrat on the House Resources Committee, Rep. Nick J. Rahall II (W.Va.), who plans to hold oversight hearings into the matter if his party retakes the majority in next month's elections.

Budgets Falling In Race To Fight Global Warming (NYT)

By Andrew C. Revkin

The New York Times, October 30, 2006

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DENVER — Cheers fit for a revival meeting swept a hotel ballroom as 1,800 entrepreneurs and experts watched a PowerPoint presentation of the most promising technologies for limiting global warming: solar power, wind, ethanol and other farmed fuels, energy-efficient buildings and fuel-sipping cars.

"Houston," Charles F. Kutscher, chairman of the Solar 2006 conference, concluded in a twist on the line from Apollo 13, "we have a solution."

Hold the applause. For all the enthusiasm about alternatives to coal and oil, the challenge of limiting emissions of carbon dioxide, which traps heat, will be immense in a world likely to add 2.5 billion people by midcentury, a host of other experts say. Moreover, most of those people will live in countries like China and India, which are just beginning to enjoy an electrified, air-conditioned mobile society.

The challenge is all the more daunting because research into energy technologies by both government and industry has not been rising, but rather falling.

In the United States, annual federal spending for all energy research and development — not just the research aimed at climate-friendly technologies — is less than half what it was a quarter-century ago. It has sunk to $3 billion a year in the current budget from an inflation-adjusted peak of $7.7 billion in 1979, according to several different studies rael.berkeley.edu/files/2005/Kammen-Nemet-ShrinkingRD-2005.pdf.

Britain, for one, has sounded a loud alarm about the need for prompt action on the climate issue, including more research. [A report commissioned by the British government and scheduled to be released today calls for spending to be doubled worldwide on research into low-carbon technologies; without it, the report says, coastal flooding and a shortage of drinking water could turn 200 million people into refugees.]

President Bush has sought an increase to $4.2 billion for 2007, but that would still be a small fraction of what most climate and energy experts say would be needed.

Federal spending on medical research, by contrast, has nearly quadrupled, to $28 billion annually, since 1979. Military research has increased 260 percent, and at more than $75 billion a year is 20 times the amount spent on energy research.

Internationally, government energy research trends are little different from those in the United States. Japan is the only economic power that increased research spending in recent decades, with growth focused on efficiency and solar technology, according to the International Energy Agency.

In the private sector, studies show that energy companies have a long tradition of eschewing long-term technology quests because of the lack of short-term payoffs.

Still, more than four dozen scientists, economists, engineers and entrepreneurs interviewed by The New York Times said that unless the search for abundant non-polluting energy sources and systems became far more aggressive, the world would probably face dangerous warming and international strife as nations with growing energy demands compete for increasingly inadequate resources.

Most of these experts also say existing energy alternatives and improvements in energy efficiency are simply not enough.

"We cannot come close to stabilizing temperatures" unless humans, by the end of the century, stop adding more CO2 to the atmosphere than it can absorb, said W. David Montgomery of Charles River Associates, a consulting group, "and that will be an economic impossibility without a major R.& D. investment."

A sustained push is needed not just to refine, test and deploy known low-carbon technologies, but also to find "energy technologies that don't have a name yet," said James A. Edmonds, a chief scientist at the Joint Global Change Research Institute of the University of Maryland and the Energy Department.

At the same time, many energy experts and economists agree on another daunting point: To make any resulting "alternative" energy options the new norm will require attaching a significant cost to the carbon emissions from coal, oil and gas.

"A price incentive stirs people to look at a thousand different things,' " said Henry D. Jacoby, a climate and energy expert at the Massachusetts Institute of Technology.

For now, a carbon cap or tax is opposed by President Bush, most American lawmakers and many industries. And there are scant signs of consensus on a long-term successor to the Kyoto Protocol, the first treaty obligating participating industrial countries to cut warming emissions. (The United States has not ratified the pact.)

The next round of talks on Kyoto and an underlying voluntary treaty will take place next month in Nairobi, Kenya.

Environmental campaigners, focused on promptly establishing binding limits on emissions of heat-trapping gases, have tended to play down the need for big investments seeking energy breakthroughs. At the end of "An Inconvenient Truth," former Vice President Al Gore's documentary film on climate change, he concluded: "We already know everything we need to know to effectively address this problem."

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While applauding Mr. Gore's enthusiasm, many energy experts said this stance was counterproductive because there was no way, given global growth in energy demand, that existing technology could avert a doubling or more of atmospheric concentrations of carbon dioxide in this century.

Mr. Gore has since adjusted his stance, saying existing technology is sufficient to start on the path to a stable climate.

Other researchers say the chances of success are so low, unless something breaks the societal impasse, that any technology quest should also include work on increasing the resilience to climate extremes — through actions like developing more drought-tolerant crops — as well as last-ditch climate fixes, like testing ways to block some incoming sunlight to counter warming.

Without big reductions in emissions, the midrange projections of most scenarios envision a rise of 4 degrees or so in this century, four times the warming in the last 100 years. That could, among other effects, produce a disruptive mix of intensified flooding and withering droughts in the world's prime agricultural regions.

Sir Nicholas Stern, the chief of Britain's economic service and author of the new government report on climate options, has summarized the cumulative nature of the threat succinctly: "The sting is in the tail."

The Carbon Dioxide Problem

Many factors intersect to make the prompt addressing of global warming very difficult, experts say.

A central hurdle is that carbon dioxide accumulates in the atmosphere like unpaid credit card debt as long as emissions exceed the rate at which the gas is naturally removed from the atmosphere by the oceans and plants. But the technologies producing the emissions evolve slowly.

A typical new coal-fired power plant, one of the largest sources of emissions, is expected to operate for many decades. About one large coal-burning plant is being commissioned a week, mostly in China.

"We've got a $12 trillion capital investment in the world energy economy and a turnover time of 30 to 40 years," said John P. Holdren, a physicist and climate expert at Harvard University and president of the American Association for the Advancement of Science. "If you want it to look different in 30 or 40 years, you'd better start now."

Many experts say this means the only way to affordably speed the transition to low-emissions energy is with advances in technologies at all stages of maturity.

Examples include:

¶ Substantially improving the efficiency and cost of solar panels;

¶ Conducting full-scale tests of systems for capturing carbon dioxide from power plants and pumping it underground;

¶ Seeking efficient ways to generate fuels from crops;

¶ Finding new ways to store vast amounts of energy harvested intermittently from the wind and sun.

Carbon dioxide levels will stabilize only if each generation persists in developing and deploying alternatives to unfettered fossil-fuel emissions, said Robert H. Socolow, a physicist and co-director of a Princeton "carbon mitigation initiative" created with $20 million from BP and Ford Motor.

The most immediate gains could come simply by increasing energy efficiency. If efficiency gains in transportation, buildings, power transmission and other areas were doubled from the longstanding rate of 1 percent per year to 2 percent, Dr. Holdren wrote in the M.I.T. journal Innovations earlier this year, that could hold the amount of new nonpolluting energy required by 2100 to the amount derived from fossil fuels in 2000 —a huge challenge, but not impossible.

Another area requiring immediate intensified work, Dr. Holdren and other experts say, is large-scale demonstration of systems for capturing carbon dioxide from coal burning before too many old-style plants are built.

All of the components for capturing carbon dioxide and disposing of it underground are already in use, particularly in oil fields, where pressurized carbon dioxide is used to drive the last dregs of oil from the ground.

In this area, said David Keith, an energy expert at the University of Calgary, "We just need to build the damn things on a billion-dollar scale."

In the United States, the biggest effort along these lines is the 285-megawatt Futuregen power plant planned by the Energy Department, along with private and international partners, that was announced in 2003 by President Bush and is scheduled to be built in either Illinois or Texas by 2012. James L. Connaughton, the chairman of the White House Council on Environmental Quality, said the Bush administration was making this a high priority.

"We share the view that a significantly more aggressive agenda on carbon capture and storage and zero-pollution coal is necessary," he said, adding that the administration has raised annual spending on storage options "from essentially zero to over $70 million."

Europe is pursuing a suite of such plants, including one in China, but also well behind the necessary pace, several experts said.

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Even within the Energy Department, some experts are voicing frustration over the pace of such programs. “What I don’t like about Futuregen,” said Dr. Kutscher, an engineer at the National Renewable Energy Laboratory in Golden, Colo., “is the word ‘future’ in there.”

Beyond a Holding Action

No matter what happens in the next decade or so, many experts say, the second and probably hardest phase of stabilizing the level of carbon dioxide will fall to the generation of engineers and entrepreneurs now in diapers, and the one after that. And those innovators will not have much to build on without greatly increased investment now in basic research.

There is plenty of ferment. Current research ranges from work on algae strains that can turn sunlight into hydrogen fuel to the inkjet-style printing of photovoltaic cells — a technique that could greatly cut solar-energy costs if it worked on a large scale. One company is promoting high-flying kite-like windmills to harvest the boundless energy in the jet stream.

But all of the small-scale experimentation will never move into the energy marketplace without a much bigger push not only for research and development, but for the lesser-known steps known as demonstration and deployment.

In this arena, there is a vital role for government spending, many experts agree, particularly on “enabling technologies” — innovations that would never be pursued by private industry because they mainly amount to a public good, not a potential source of profit, said Christopher Green, an economist at McGill University.

Examples include refining ways to securely handle radioactive waste from nuclear reactors; testing repositories for carbon dioxide captured at power plants; and, perhaps more important, improving the electricity grid so that it can manage large flows from intermittent sources like windmills and solar panels.

“Without storage possibilities on a large scale,” Mr. Green said, “solar and wind will be relegated to niche status.”

While private investors and entrepreneurs are jumping into alternative energy projects, they cannot be counted on to solve such problems, economists say, because even the most aggressive venture capitalists want a big payback within five years.

Many scientists say the only real long-term prospect for significantly substituting for fossil fuels is a breakthrough in harvesting solar power. This has been understood since the days of Thomas Edison. In a conversation with Henry Ford and the tire tycoon Harvey Firestone in 1931, shortly before Edison died, he said: “I’d put my money on the sun and solar energy. What a source of power! I hope we don’t have to wait until oil and coal run out before we tackle that.”

California, following models set in Japan and Germany, is trying to help solar energy with various incentives.

But such initiatives mainly pull existing technologies into the market, experts say, and do little to propel private research toward the next big advances. Even Vinod Khosla, a leading environment-oriented venture capitalist who invests heavily in ethanol and other alternative energy projects, said in an interview that he was not ready to back solar power because it did not appear able to show a profit without subsidies.

The Role of Leadership

At the federal level, the Bush administration was criticized by Republican and Democratic lawmakers at several recent hearings on climate change.

Mr. Connaughton, the lead White House official on the environment, said most critics are not aware of how much has been done.

“This administration has developed the most sophisticated and carefully considered strategic plan for advancing the technologies that are a necessary part of the climate solution,” he said. He added that the administration must weigh tradeoffs with other pressing demands like health care.

Since 2001, when Mr. Bush abandoned a campaign pledge to limit carbon dioxide from power plants, he has said that too little is known about specific dangers of global warming to justify hard targets or mandatory curbs for the gas.

He has also asserted that any solution will lie less in regulation than in innovation.

“My answer to the energy question also is an answer to how you deal with the greenhouse-gas issue, and that is new technologies will change how we live,” he said in May.

But critics, including some Republican lawmakers, now say that mounting evidence for risks — including findings that administration officials have tried to suppress of late — justifies prompt, more aggressive action to pay for or spur research and speed the movement of climate-friendly energy options into the marketplace.

Martin I. Hoffert, an emeritus professor of physics at New York University, said that what was needed was for a leader to articulate the energy challenge as President John F. Kennedy made his case for the mission to the moon. President Kennedy said they were imperative, “not because they are easy, but because they are hard.”

In a report on competitiveness and research released last year, the National Academies, the country’s top science advisory body, urged the government to substantially expand spending on long-term basic research, particularly on energy.

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The report, titled "Rising Above the Gathering Storm," recommended that the Energy Department create a research-financing body similar to the 48-year-old Defense Advanced Research Projects Agency, or Darpa, to make grants and attack a variety of energy questions, including climate change.

Darpa, created after the Soviet Union launched Sputnik in 1957, was set up outside the sway of Congress to provide advances in areas like weapons, surveillance and defensive systems. But it also produced technologies like the Internet and the global positioning system for navigation.

Mr. Connaughton said it would be premature to conclude that a new agency was needed for energy innovation.

But many experts, from oil-industry officials to ecologists, agree that the status quo for energy research will not suffice.

The benefits of an intensified energy quest would go far beyond cutting the risks of dangerous climate change, said Roger H. Bezdek, an economist at Management Information Systems, a consulting group.

The world economy, he said, is facing two simultaneous energy challenges beyond global warming: the end of relatively cheap and easy oil, and the explosive demand for fuel in developing countries.

Advanced research should be diversified like an investment portfolio, he said. "The big payoff comes from a small number of very large winners," he said. "Unfortunately, we cannot pick the winners in advance."

Ultimately, a big increase in government spending on basic energy research will happen only if scientists can persuade the public and politicians that it is an essential hedge against potential calamity.

That may be the biggest hurdle of all, given the unfamiliar nature of the slowly building problem — the antithesis of epochal events like Pearl Harbor, Sputnik and 9/11 that triggered sweeping enterprises.

"We're good at rushing in with white hats," said Bobi Garrett, associate director of planning and technology management at the National Renewable Energy Laboratory. "This is not a problem where you can do that."

Changing Climate On Climate (WP)

The Washington Post, October 30, 2006

President Bush has two more years to do something about climate change. Will he waste them, too?

AFTER THE coming election, President Bush is likely to face a Congress more apt than the current one to take strong action on climate change. He will then face a fateful choice: Does he want to spend his final two years in office blocking action and pretending that voluntary curbs on greenhouse gases will solve the problem of global warming, or does he want to help shape solutions? At some point, conservatives will need to reconcile themselves to the problem of climate change. Some leading Republicans -- Arizona Sen. John McCain and California Gov. Arnold Schwarzenegger, most notably -- have already taken strong stands on the question. Indeed, it is difficult to imagine that the intransigence of Mr. Bush's administration on climate change will long survive his tenure, no matter who succeeds him. Will he take a hand in developing America's response to this global problem, or will he go down as the president who fiddled while Greenland melted?

An engaged president could do much to change the political climate on climate -- which is already changing around Mr. Bush. It will take presidential leadership to put in place the sort of regulatory infrastructure necessary, over the long run, to move away from fossil fuels. Federal policy must put a price on emitting carbon into the atmosphere so that companies have an incentive to sequester carbon emissions and to develop energy sources that don't increase atmospheric greenhouse concentrations. This probably can't happen without a president willing to put his prestige and time into the issue.

Even short of a dramatic new initiative, Mr. Bush could alleviate the country's addiction to carbon by encouraging energy efficiency. His administration has already taken constructive steps on fuel economy standards, but those standards remain insufficiently ambitious. Likewise, a huge percentage of buildings in this country will be refurbished or replaced in the coming decades; aggressively pushing design features that maximize energy savings would reduce energy use enormously without much pain.

Ultimately, strong steps have to be taken; the chances of catastrophic consequences of global warming are too high to ignore. The longer policymakers wait, the more wrenching economically and culturally the steps are likely to prove. Mr. Bush spent his first six years emphasizing the undeniable need for more research; in his final two years, he could finally embrace the need to act.

This Land Is My Land (TIME)

By Margot Roosevelt

Time, October 30, 2006

For 60 years, three generations of Robert Blue's family have operated a luggage store at Hollywood and Vine, along the brass-starred Walk of Fame. Lucille Ball bought her suitcases there. The neighborhood fell into disrepair in recent years, though,

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with homeless people camping out on trash-strewn streets. Blue's shop was looking shabby too, its window displays outmoded, its linoleum worn. But when the City of Los Angeles moved to condemn his building--not to build a school or a fire station but to make way for a glitzy $500 million private hotel and condo complex--Blue dug in for what would become a three-year legal fight to save his store. "Big developers come along and say, 'Hey, that's a nice corner,'" he fumes. "Where will it stop?"

Blue won, and is now part of a movement that is pushing back hard against the government's power to meddle with property owners. The campaign is largely a response to the Supreme Court's controversial 2005 decision allowing the city of New London, Conn., to raze private homes for a commercial waterfront project. The ruling struck a deep chord in the American psyche; that the government could seize your house or business in order to build a road for everyone's use was one thing, but the idea that it could hand your property over to private developers was, to many, intolerable.

Since then, 24 state legislatures have passed laws limiting the government's ability to appropriate land for privately financed projects, and similar measures will be on 11 state ballots next week. Three of those initiatives, plus a fourth measure unrelated to eminent domain, would go even further--forcing governments to compensate anyone whose property lost value because of zoning, environmental or, in some cases, consumer-protection laws. That has opponents of these "regulatory takings" measures--in California, Arizona, Idaho and Washington--asking Blue's own question: "Where will it stop?"

California's Proposition 90, says Chris McKenzie, executive director of the California League of Cities, "is designed to eliminate virtually all government regulation." Environmentalists say that if it passes, California's coastal commission, unable to compensate everyone who wants to build along the oceanfront, would no longer be able to protect it from ugly McMansions and ensure public beach access. And developers could build homes on dangerously steep slopes or plop factories into residential neighborhoods. More imaginatively, the nonpartisan California Budget Project argues that because Prop 90 applies to consumer-protection laws, if the state restricted ATM fees, it would have to compensate banks for the revenue they would lose because of the capped charges.

Many of the claims are "hysterical gibberish," maintains Prop 90 spokesman Kevin Spillane, noting that compensation would be required only for "substantial" damage to property values. The initiative exempts health and safety regulations, he points out, and current zoning laws would still apply, protecting beaches and steep slopes, for instance. As for future laws, he argues, "if you own a piece of property that's zoned one way, then it is unfair for the government to change the rules." While California's initiative affects only future government actions, Washington's Initiative 933 allows landowners to file retroactive claims for changes in zoning rules over the past 10 years.

The four takings initiatives, which are largely funded by libertarian activist Howard Rich, a New York real estate investor, are modeled on a 2004 Oregon initiative. Measure 37 effectively overturned the country's strictest planning regime, a 30-year-old law that concentrated growth in cities while protecting farmland and open space. So far, aggrieved property owners have filed 2,724 claims seeking $6.1 billion in compensation. Under the law, local authorities can "pay or waive," and so far, strapped for funds, they are mostly choosing to waive zoning rules. As a result, some Oregonians fear that sprawl will soon strangle Portland's famous greenbelt.

For Robert Blue, back on Hollywood and Vine, the issue is fairness, whether the government seizes land or merely passes a law affecting the value of a home or business. "If you make an investment and the rules change," he says, "you should be compensated." It's up to his fellow taxpayers in California and the three other states to decide whether they are ready to pay up.

Does Barack Really Rock? (USNEWS)

By Will Sullivan

U.S. News and World Report, October 30, 2006

Rod's Grill, in Arcadia, Calif., has really been Manny Romero's grill since he bought the place 10 years ago. And in that decade, he has built a loyal following. So when the city wanted to seize the restaurant property through eminent domain and turn it over to a nearby car dealership seeking to expand, the community objected-and the restaurant survived. "I have the same right to do business ... as the Mercedes-Benz dealership," Romero insists.

He isn't the only one chafing under the current use of eminent domain. Twelve states-including California-will vote November 7 on limiting the government's ability to regulate and seize property. The ballot measures signal outrage at the Supreme Court's 2005 decision in Kelo v. New London, which seemed to broaden governmental power to take private land. But opponents of the measures see them as a misleading effort to further a radical property-rights agenda.

Eminent domain is not new, but it has typically been used to take property for obvious public uses, such as roads. In Kelo,the court held that seizing land for private projects that promoted economic development could qualify as public use. Since the decision, 31 states have already restricted the government's power of eminent domain. Most of the ballot measures would focus mainly on undoing Kelo. But the most aggressive initiatives-found in Arizona, California, Idaho, and Washington-would go

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further, requiring that the government also compensate property owners for "regulatory takings"-regulations that damage a property's value.

Zoning? Polling suggests all four regulatory takings initiatives will pass; backers are focusing on examples of eminent domain abuse. But Howard Rich, a New York real-estate investor who has spent millions of dollars trying to get the measures on the ballot, says, "It doesn't matter if government takes your property outright or regulates it to the point of little or no value; the result is the same."

Critics of the regulatory takings measures, including conservation and anti-tax groups, say they could strain government budgets or severely limit the ability to enforce environmental or zoning regulations. In Oregon, where a similar law has been on the books since 2004, the state has largely waived any sort of property restrictions rather than compensate landowners. Suzie Kunzman, an alpaca farmer in Molalla, Ore., became a cautionary tale after her neighbor tried to build a gravel mine behind her house; that issue is still unresolved.

The eminent domain measures are among the boatload of ballot questions-205 in all-that voters will face this November. After sweeping 13 states in 2004, amendments banning gay marriage will be on the ballot in eight states; polls suggest most will pass. Voters don't seem quite as exercised about that issue as they were two years ago, but James Dobson, chairman of the evangelical group Focus on the Family, said last week that he hopes the decision by the New Jersey Supreme Court extending the benefits of marriage to same-sex couples will give the issue new urgency. Conservatives are also pushing to uphold a restrictive abortion ban in South Dakota (story, Page 36).

Liberals have ballot measures of their own, including efforts in six states to hike the minimum wage. State chambers of commerce are opposing those efforts but concede they are fighting an uphill battle.

Experts don't believe the crop of ballot measures will dramatically affect elections, but there could be exceptions. Former North Carolina senator-and possible 2008 presidential candidate-John Edwards said last week that minimum wage measures could boost Democratic prospects on Election Day by increasing turnout. In Nevada, Republican Don Chairez, a candidate for attorney general, openly credits his advocacy of the state's anti-Kelo initiative for his surprisingly strong poll numbers.

While the total number of ballot measures has varied in recent years, the number of initiatives-put on the ballot by collecting signatures-has been rising. The 76 initiatives in 2006 are the third highest in 100 years, a sign of both voter frustration with government and increasing attention to the initiative process. Many western ballots feature 10 or more measures, and some worry that voters are on the verge of being overwhelmed. "I've seen the ballot. It's like legal-size paper plus," says Jon Paul, who is coordinating Colorado's marriage initiative. Doing one's civic duty has become quite an undertaking.

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Water From Ships Raises Fears About Harmful Species (AP)

AP, October 30, 2006

CHARLESTON, S.C. - Shipping companies and environmentalists are trying to come up with a reasonable cost method for keeping foreign marine species out of the waters of the nation's port cities.

The issue is particularly important for Charleston, where millions of gallons of ballast water are potentially dumped into the harbor each year.

Seawater is drawn and discharged by large ships for balance as they carry heavy cargo.

But when they carry water from one part of the world to another, they also bring animal and plant life that can harm native species and habitats.

U.S. Coast Guard Lieutenant Eddie Lesane said there have been no reports of invasive species in Charleston from ship ballast.

Steve de Kozlowski of the state Natural Resources Department says there are hundreds of species already loose in South Carolina, but only a few are destructive enough to be much of a problem.

"We are certainly an at-risk city, with our coastal waters extremely important for our economy and quality of life," said Nancy Vinson of the Coastal Conservation League. "It's high time we deal with these kinds of environmental and human health threats in an appropriate manner."

Ships are required to drop their foreign ballast water at least 200 miles offshore and pick up more local water.

Failing to do so can result in fines or charges. The Coast Guard reviews ship logs and occasionally checks ballast water for salinity to make sure the exchange has taken place.

No one has been charged in the United States so far, said Bivan Patnaik, Coast Guard environmental regulations coordinator. Several warning letters and fines less than $27,000 have been issued.

"The Coast Guard doesn't know anything about invasive species or water quality," said Tim Eichenberg of the Ocean Conservancy.

The conservancy wants the federal Environmental Protection Agency to set standards and issue permits for handling ballast and has won a court ruling that the water cannot be exempt from EPA regulations for wastewater discharge.

The EPA and U.S. Justice Department can appeal the decision and have two years to create regulations for ballast water.

Those regulations could include tighter enforcement of offshore exchange to filters or other forms of treatment of the ballast water.

In California, some ships are being outfitted with treatment devices that can cost as much as $500,000 for installation.

Among those is Matson, a Pacific Ocean container ship company.

The Hawaii-based company has had "a little more sensitivity" to environmental protection, said spokesman Jeff Hull. "I can't speak for the industry as a whole, but I think there's some momentum here with green initiatives."

But even with new regulations, there still is the problem of enforcement.

"How do you enforce it without putting an inspector on every ship in international waters?" asked EPA spokesman Dale Kemery.

As Houses Rise In The Wild, So Do Fire Concerns (WP)

By John Pomfret

The Washington Post, October 29, 2006

BANNING, Calif., Oct. 29 -- Dennis Watkins wanted a piece of the good life. Several years ago, the Frito-Lay salesman and his wife bought a three-acre plot of land in the San Jacinto Mountains. In May, they completed their house -- a 3,000-square-foot ranch-style abode, 3,500 feet above the smog of western Riverside County.

"We built our dream house," Watkins, 54, enthused as he surveyed his estate. "We planned to retire here. After 14 years living in tract housing with no back yard, we loved the space."

A fire that started on Thursday roared through the mountains where Watkins lives. It burned 63 structures and 63 square miles, and it killed four firefighters while they tried to save a weekend house, making it the deadliest wildfire for firefighters since 2001. A fifth firefighter was in critical condition Sunday with burns over 95 percent of his body. Investigators said the fire was the work of an arsonist. As of Sunday, it was 70 percent contained.

Watkins's house was spared except for two windows that blew out because of the blaze's intensity. Flames roared past the house; charred chaparral now surrounds it. Still, Watkins said the inferno did not extinguish his desire to spend his golden years here. "It'll take two or three years for this to get back to normal," he said.

Watkins's journey from the suburbs to countryside -- and his brush with disaster -- has become increasingly common in the United States. He inhabits a zone known to experts and firefighters as the wildlands-urban interface -- the space where houses intermingle with wilderness, a space where millions of Americans long to live.

"It's the place where I want to live -- it's probably where you want to live, too. It's an attractive setting, but if we don't start planning development with these fires in mind, the problem is only going to get worse," said Volker C. Radeloff, an assistant professor at the University of Wisconsin at Madison and an expert on the wildlands-urban interface.

In the 1990s, according to Radeloff's research, of the 13 million homes built in the United States, 9 million, or 69 percent, were constructed in these zones. California leads the nation with homes in these perilous districts -- with 5.1 million, up 12 percent since 1990 -- and it tops the nation in homes lost to wildfires. While many think the problem is confined to the West, New Jersey, because of the thousands of houses in and around the Pine Barrens, is second in the number of homes lost to wildfire. And 85 percent of New Hampshire homes are in the interface zone.

The development boom in forests and chaparral and along riverbeds has led some experts to question whether society can afford to have firefighters risk their lives to protect this lifestyle and whether federal, state and local governments should not limit development. Federal wildfire firefighting costs jumped 73 percent from 1994 to 2005, according to statistics from the National Interagency Fire Center. This year in California there have been 7,757 wildfires, many near populated areas.

The growth in the number and intensity of the blazes has prompted fire chiefs to acknowledge that "some fires can't be fought," said Walter Boyce, the director of the Wildlife Health Center at the University of California at Davis. "That's a notion fire chiefs didn't used to admit."

Now fire departments in California and elsewhere routinely take inventories of new houses to determine which can be protected if a fire erupts. "If we face a choice, we'll pick the house that has the best defensible space," said Janet Upton, a spokeswoman for the California Department of Forestry. She said she could not comment on what prompted the Forest Service fire crew to take a stand to save a house on Gorgonio View Road; that is the subject of a federal investigation.

On the plus side, houses more than ever can withstand fire. Watkins, for example, built his house with a fire-retardant composite roof and cleared a 200-foot brush-free buffer. Insurance rules in California would have caused his rates to triple if his house had a wood-shingle roof.

Still, with more people recolonizing America's wilderness, wildfires that used to erupt in isolation now invariably threaten property and lives.

"Every fire in California is not a fire, it's a rescue," Upton said, "because people don't defend their own homes or they live in the middle of a fuel region."

A turning point in how wildfires are viewed came in 2003 with a week-long blaze in several Southern Californian counties that killed 26 people, destroyed 3,361 homes and laid waste to more than 750,000 acres at the cost of more than $2 billion. Fire specialists argued that residents needed to understand that infernos such as these were going to grow more likely as more people move closer to wild areas.

While there is general agreement that the problem is going to worsen, how to deal with it is a subject of much debate. For one, Americans don't take kindly to being told where they can live. In California, thousands of houses have been built not just in the woods and in chaparral but along perilous earthquake fault lines and in the flood plains of the Sacramento River.

Secondly, with respect to Southern California's wildfires, there is much debate about mankind's role in their frequency and intensity. One school of thought, led by Richard Minnich of the University of California at Riverside, contends that the fire-suppression techniques have contributed to the blazes' ferocity.

During the summer, he said, firefighters quickly extinguish small lightning-caused fires that historically ignited the chaparral. As a result, in late October, when hot Santa Ana winds whip across the region from the southwest deserts, the brush is more overgrown than ever and the fires burn hotter, longer and farther. Minnich bases his conclusion on a comparison between Southern California and the nearby Mexican region of Baja California. Because of man's work, he said, Southern California is the home to huge destructive fires, whereas in Baja, where nature has been left to its own devices, "they have 10 times as many fires, but they are one-tenth the size."

Minnich's research is challenged by scientists led by Jon E. Keeley and Max A. Moritz of the University of California at Berkeley. They argue that disastrous wildfires in the chaparral are natural and therefore must be planned for, similar to earthquake and hurricane preparation.

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Back along Twin Pines Road, near where the firefighters died, residents had displayed huge thank-you signs for the firefighters who protected their property. John Rutgers, one of Watkins's neighbors, was rooting around in his shed amazed that it, too, had escaped the blaze. Inside was his Toyota MR2 sports car with a full gas tank, a motorcycle, jugs of kerosene, paint thinner and other flammables. The wooden half of the shed looked like the remnants of a big campfire. But here in the cement half, only a little charcoal dust provided evidence of the blaze.

Rutgers, 55, said he, too, planned to start building his dream house later this year. Did the fire change his mind? "Not at all. The only thing it changed," he said, surveying a charred field of small trees and scrub brush, "is that this year it looks like we're not going to have to do weed control."

In D.C., It's Big Names Vs. A Litigious Developer (WP)

By Lyndsey Layton

The Washington Post, October 30, 2006

On a rustic and exclusive lane in Northwest Washington dating from the Civil War, the Battle of Chain Bridge Road is raging.

A group of homeowners has been trying to stop the construction of 13 mansions on 3.5 acres, the largest piece of open land in the affluent Palisades neighborhood.

In most zoning disputes, residents might testify at public hearings. But in a neighborhood filled with boldfaced names, the fight is on a different level.

The neighbors -- including NBC News correspondent Andrea Mitchell, her husband, former Federal Reserve chairman Alan Greenspan, and former Environmental Protection Agency deputy administrator Robert Sussman -- have hired a zoning attorney, an arborist, a traffic expert and a storm water management engineer. To date, they've spent nearly $100,000.

Then again, they're facing Morton A. Bender.

"We tried to do this the old-fashioned way," Mitchell said. "But we're up against a developer with the deepest of pockets and no sense of community obligation. Sure, people here have resources. But believe me, there's a lot better ways I'd prefer to spend my money."

Bender, a 73-year-old native Washingtonian who made a fortune in the family construction business, is one of the most determined men in town, both admirers and detractors say. This is not a man who likes to negotiate. He enjoys a good fight.

The local and federal courts hold stacks of cases in which he is sometimes the defendant but more often the plaintiff. He says he can't keep track of all the people and institutions he's currently suing and doesn't know how many lawyers he's hired. "I saw the mayor at an event, and he said, 'How many cases do you have against the District?' and I said 'a few,' " Bender said.

His affection for his fellow combatants is so great that when he threw a birthday party years ago, he invited only his lawyers. About 30 came to the restaurant, where Bender hung a "Bender's Barristers Club" sign and handed out diplomas from "Bender Law School."

"He thoroughly enjoys a good controversy and draws strength from it," said Stephen Joel Trachtenberg, the president of George Washington University, where Bender is a generous donor. "He's a very nuanced and complicated man. It's not as if those descriptions of him as a tough guy are wrong. He is a man with many sides to him. If attacked, he fights back with everything. If he thinks you are wrong, he's not a man who understands the meaning of the word 'compromise.' But at the same time, he is very funny and charitable."

Bender, who lost a son to AIDS in 1995, donates heavily to programs that fight the disease. "He's personally given away hundreds of thousands of dollars to a whole panoply of programs from pediatric AIDS to the transgendered community," said D.C. Council member David A. Catania (I-At Large), who chairs the committee on health care. "To be sure, he is a very complicated character. I've never met someone with such a capacity of determination. I would never want to be on the other side of Morty Bender."

When he split from his first wife in 1977, Bender not only sued her for divorce based on adultery, he filed suit against her lover for "criminal conversation," an ancient legal theory that holds a husband has exclusive rights to his wife's affection and can sue anyone who interferes. Bender won.

In July, Bender gave his second wife, Grace, a 60th birthday party at the Mandarin Oriental Hotel. The couple transformed the space into Hotel Nacional, a Havana landmark where Grace Bender grew up as the daughter of the hotel manager. They flew in cigar rollers from Miami for the 350 guests, hired two Latin bands and commissioned a cake reproduction of the Nacional from a celebrity baker in Manhattan. Morton Bender balked at the hotel's charge for 20 pounds of caviar and insisted on bringing in his own, less expensive caviar. The catering director objected. Bender won.

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Bender is currently suing Independence Federal Savings Bank, the District bank where he is the largest shareholder. He tried to take control of the bank last fall, but shareholders rejected his candidates for the board of directors. So Bender filed suit, alleging that the election was tainted by improprieties. In the preliminary stage, Bender won.

When Bender realized that the law firm representing him before the zoning board on the Chain Bridge Road project was also representing Independence in its fight against him, he pointed out the conflict, he said. The firm stopped representing him. The lawyer involved, Holland and Knight partner Norman "Chip" Glasgow Jr., declined to comment.

"I'm fit to be tied," Bender said. "I'm going to sue them."

For years, Bender has wrangled with the District over the tax rate for six vacant historic buildings on N Street NW near the Tabard Inn. He bought them 18 years ago for $8 million cash and has tried to win approval to turn them into a hotel.

He has also fought the city over its assessment of his home, the former Korean Embassy in Massachusetts Avenue Heights. The city assessed the eight-bedroom, nine-bath house resembling a French chateau at $3.2 million in 2002; Bender argued it was worth $2.2 million, and the taxes should have been lower. He lost that one.

"I stand up to be counted," Bender is fond of saying. "No one stands up for rights anymore."

The Battle of Chain Bridge Road comes to a head tomorrow, when the Board of Zoning Adjustment holds the fifth and final hearing on the matter. It began in 2002, when Bender paid $6 million for two pieces of land on the road.

One tract was anchored by a modest house, which Bender demolished. The smaller lot held the vacant Chain Bridge Road School, used by the children of freed slaves who lived along the road after the Civil War. The original one-room 1865 schoolhouse was replaced by a two-floor stucco structure in 1923, which closed as a school in 1941 but remained on the property.

Right after Bender bought the lots, the neighbors got the school named a historic landmark, ensuring he couldn't knock it down and limiting the development potential.

"They started the war," Bender said.

Early discussions between Bender and the neighbors about his plans went nowhere. He ended up suing one neighbor over a retaining wall that encroached 15 inches onto his new property. He won in D.C. Superior Court but not before the judge questioned why Bender brought the case.

"It seems to be the height of folly, laced with a bit of vindictiveness the source of which is unknown to the court, for plaintiff to insist that this attractive and necessary wall be removed simply so that it can be reconstructed about two feet further down the hill," Judge Geoffrey M. Alprin wrote.

Under current zoning laws, Bender can build nine houses on Chain Bridge Road, said Maxine Brown Roberts of the D.C. Planning Office. Asked why he wants to build 13, Bender sketched on a piece of paper how he can maximize profits from 13 houses. His plans meet the minimum lot requirements under the zoning rules, he said.

If the neighbors wanted lower density, they should have petitioned the city to increase the lot requirements, he said. The houses, one of which would be nearly 10,000 square feet, would sell between $3 million and $5 million each, he said.

Across the street is Battery Kemble Park, a former Union Army fort, where dog walkers chat about Bender's plans. "People are just furious that someone would come who doesn't care about the neighborhood and would put 13 mansions on 3.5 acres," said Hattie Babbitt, wife of former Interior secretary Bruce Babbitt, who walks their German shorthaired pointer in the park.

Like many residential streets in the District and close-in suburbs, Chain Bridge Road has been under development pressure. Aging homeowners have sold, and newcomers are replacing modest houses with towering homes.

"Suddenly, a three-story house goes up next to you -- the light gets cut off half the day, and the vegetable garden you had last year won't grow because there's no sun," said Alma Gates, the advisory neighborhood commissioner, who has lived in there since 1969.

To slow the trend, the neighborhood persuaded the city in 1999 to enact zoning rules that protect mature trees and limit development there.

"We've reached our limit," said Mitchell, adding that neighbors would have backed Bender had he planned six to eight houses. "But to talk about 13 houses is completely disrespectful of the land."

If Bender wins, she says she will sell. "I can't imagine staying in the neighborhood if those houses come in," said Mitchell, who has lived in an 1894 farmhouse for 30 years.

City agencies that reviewed Bender's plan have issued conflicting opinions. The Planning Office recommended approval if Bender dropped one house and lowered the height of another, among other conditions. But the city's Urban Forestry Administration said the zoning board should reject the plan because it violates the special zoning protection for mature trees.

Bender has at least one ally on the street. "Every time someone wants to build a house in this neighborhood, the neighbors get all excited," said Bernard Gewirz, an acquaintance of Bender's. "It's 'I've got mine, and keep the other people out.' "

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If they lose before the zoning board, the neighbors say they will probably take Bender to court. And if Bender loses, he might do the same.

Or not.

"I can put a farm over there," he said. "I was thinking of pigs and peacocks. Peacocks make a hell of a racket."

FBI/DEA/ATF/USMS:

Suspect Held In Slaying Of Fla. Family (AP)

AP, October 28, 2006

(AP) A family of four was gunned down execution-style along a dark and deserted stretch of highway. Each was lying down or kneeling, and the mother was clutching her two young sons.

Authorities announced Friday it was no random act of violence, and that the Escobedos fell prey to a dangerous drug trade. The suspected killer was in custody, they said.

Jose Luis Escobedo, 28, was likely involved in cocaine trafficking, and he and his family were killed "for drugs, money or both," Sheriff Ken Mascara said.

The suspect was among three men and a woman who were arrested Wednesday on drug charges and are "persons of interest" in the killings, Mascara said. None had been charged with the slayings, and another man is being sought, he said.

The sheriff identified the drug suspects as Danny Varela, 26, Liana Lopez, 18, and Daniel Troya and Ricardo Sanchez, both 23.

A fifth man, Juan Gutierrez, was arrested and charged in the drug case but is not named as a person of interest in the slayings. He told authorities he and Varela were at the Escobedos' home before the killings and helped destroy drug packaging materials, according to court papers.

The five made their initial appearances in federal court Friday in Fort Pierce, said Jeannette Moran, a Drug Enforcement Administration spokeswoman. A bond hearing was set for Nov. 3. All the suspects have lengthy criminal records, including arrests for burglary, drugs and weapons possession.

Escobedo, his 25-year-old wife, Yessica Guerrero Escobedo, and their sons, Luis Julian, 4, and Luis Damian, 3, were found shot to death Oct. 13 along Florida's Turnpike near Port St. Lucie, about 50 miles north of their home in the Palm Beach County city of Greenacres.

Police searching the home after the killings found evidence that the father was involved in drug trafficking, Drug Enforcement Administration agent David Weeks said in court papers filed Friday. The items were said to include "suspected drug ledgers" and plastic packaging used to wrap illegal drugs.

Investigators linked the drug suspects to Escobedo through references in the ledgers, among other things, Weeks said.

A search of the West Palm Beach home where three of the men under arrest were living turned up suspected cocaine, Ecstasy and drug packaging materials, the DEA agent said. Investigators also found more than a dozen guns, including an AK-47 assault rifle. Weeks did not say if the weapons were used in the killings.

There also was a photograph of Escobedo with one of the suspects, according to court papers.

The sheriff would not say which of the suspects is believed to have shot the family. But he told The Associated Press that it appeared those responsible for the killings were in custody.

"Indications are that there may be homicide charges filed," said Troya's lawyer, Ruben Garcia. "That's all I can tell you right now."

Lopez's attorney, Ronald Chapman, said he had just been assigned the case and wasn't prepared to comment. Messages left for the other suspects' attorneys were not returned.

Investigators believe the family's Jeep was pulled to the side of the highway and that someone inside the vehicle shot the family and drove away. The Jeep was found abandoned in West Palm Beach three days later.

The family had moved to Florida in June from the Brownsville, Texas, area.

The sheriff said Escobedo's brother was involved in a heroin ring and is believed to be a fugitive in Mexico.

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Suspect In Custody In Slaying Of Family; Drug Connection Is Seen (AP)

AP, October 27, 2006

DOJ_NMG_0087592

WEST PALM BEACH, Fla. - Authorities investigating the slaying of a family of four alongside a Florida highway said Friday that the father was probably involved in drug trafficking and that the suspected killer was in custody.

The suspect was among three men and a woman who were arrested Wednesday on drug charges and are "persons of interest" in the killings, St. Lucie County Sheriff Ken Mascara said. No one has been charged in the slayings.

The couple and their two young sons were found shot to death Oct. 13 off a desolate stretch of Florida's Turnpike near Port St. Lucie, about 50 miles north of their home in the Palm Beach County city of Greenacres.

Police searching the victims' home after the killings found evidence that the dead father, Jose Luis Escobedo, 28, had been involved in cocaine trafficking, Drug Enforcement Administration agent David Weeks said in court papers filed Friday. The items included "suspected drug ledgers" and plastic packaging used to wrap illegal narcotics.

Investigators linked the drug suspects to Escobedo through references in the ledgers that included detailed accounts of drug payments and debts owed, among other things, the DEA agent said.

A search of the West Palm Beach home where the three male suspects were living turned up suspected cocaine, Ecstasy and drug packaging materials, the agent said. Investigators also found more than a dozen guns, including an AK-47 assault rifle. The DEA agent did not say if the weapons were used in the killings.

There was also a photograph of Escobedo with one of the suspects, Danny Varela, 26, according to court papers. The sheriff identified the other suspects as Liana Lopez, 18, Daniel Troya, 23, and Ricardo Sanchez, 23.

Mascara would not say which of the suspects is believed to have shot Escobedo, his 25-year-old wife, Yessica Guerrero Escobedo, and their sons, Luis Julian, 4, and Luis Damian, 3. But he told The Associated Press that it appeared those responsible for the killings were in custody.

The four suspects are charged with possession of cocaine with intent to distribute.

A fifth man, Juan Gutierrez, was also arrested and charged in the drug case but he is not named as a person of interest in the slayings. According to court papers, he was cooperating with authorities, and told them that he and Varela were at the Escobedo's home before the killings and helped destroy drug packaging materials.

Officials also cleared Michael James Naujalis, of Lake Worth, of involvement in the case. Naujalis was the last registered owner of a 1999 red Dodge conversion van that authorities believe was involved in the murders. Naujalis had sold the van in August to Varela, but Varela had never completed the transfer of title and ownership.

DEA spokeswoman Jeannette Moran said they made their initial appearances in federal court Friday in Fort Pierce. A bond hearing was set for Nov. 3. All the suspects have lengthy criminal records, including arrests for burglary, drugs and weapons possession.

Lopez's attorney, Ronald Chapman, said Friday he had just been assigned the case by the federal court and wasn't prepared to comment. Troya's attorney, Ruben Garcia, also said he had just been assigned the case.

"Indications are that there may be homicide charges filed," Garcia said Friday. "That's all I can tell you right now."

Telephone messages left for the other suspects' attorneys were not immediately returned.

Mascara said the investigation of the deaths quickly led them to believe this was a deliberate act on the family for drugs, money or both.

Investigators believe the family's Jeep was pulled to the side of the highway sometime between 1:30 a.m. and 3 a.m., and that someone inside the vehicle shot them and drove away. Authorities have said the victims appeared to be lying down or kneeling when they were shot. The woman was clutching her two sons in an apparent effort to protect them.

The Jeep was found abandoned in West Palm Beach three days later.

The family had moved to Florida in June from the Brownsville, Texas, area.

The sheriff said Escobedo's brother was involved in a heroin ring and is believed to be a fugitive in Mexico, but he said that case has no relation to the killings.

Around The Nation (WT)

The Washington Times, October 30, 2006

Suspect in killing of family in custody

WEST PALM BEACH, Fla. -- Authorities investigating the slaying of a family of four alongside a Florida highway said yesterday that the father probably was involved in drug trafficking and that the suspected killer was in custody.

The suspect was among three men and a woman who were arrested Wednesday on drug charges and are "persons of interest" in the killings, Sheriff Ken Mascara said. None had been charged with the slayings, he said. Another man is being sought, he said.

DOJ_NMG_0087593

The couple and their two young sons were found fatally shot Oct. 13 off a stretch of Florida's Turnpike near Port St. Lucie, about 50 miles north of their home in the Palm Beach County city of Greenacres.

Police searching the home after the killings found evidence that the father, Jose Luis Escobedo, was involved in drug trafficking, Drug Enforcement Administration agent David Weeks said in court papers filed yesterday.

Soldier arraigned on murder charges

FORT CAMPBELL, Ky. -- The Army arraigned a 101st Airborne Division soldier yesterday who was charged with raping and killing a 14-year-old Iraqi girl and killing three others in her family.

Pfc. Bryan L. Howard is accused of plotting in March to rape and kill the teenager in Mahmoudiya, a village about 20 miles south of Baghdad. Three other soldiers and a former Army private from the division's 502nd Infantry Regiment also face charges related to the attack.

Pfc. Howard deferred entering a plea during the proceedings at Fort Campbell. Both his attorney, Capt. Ryan Rosauer, and his father, Lynn Howard, declined to speak to reporters.

Two other soldiers accused of rape and murder in the incident -- Sgt. Paul E. Cortez and Pfc. Jesse V. Spielman -- could get the death sentence if they are convicted, a military judge ruled earlier this month. Both will be arraigned soon, the military said.

Former Army Pvt. Steve Green also faces rape and murder charges but is being tried in federal court.

Clinton office searched for powdery substance

NEW YORK -- Police and Secret Service agents determined yesterday that a suspicious substance found at former President Bill Clinton's office in Manhattan was not toxic.

Mr. Clinton was not at the office at the time, officials said. A woman opened an envelope that contained a white powdery substance and called authorities.

Police and emergency crews were called to the Harlem office building about 3:45 p.m. Yellow police tape blocked off the sidewalk in front of the building, but traffic was not disrupted.

Clinton spokesman Jay Carson said the building was not evacuated. He had no other details.

Secret Service spokesman Eric Zahren said a field test on the substance found it to be inert.

Killer confessed to more murders

SHREVEPORT, La. -- Shortly before he was executed in Florida this week, serial killer Danny Rolling handed his spiritual adviser a handwritten confession to a grisly triple murder 17 years ago in his hometown of Shreveport, police said yesterday.

"I, and I alone am guilty," the one-page note said. "It was my hand that took those precious lights out of this ole dark world. With all my heart & soul would I could bring them back."

Rolling, the son of a Shreveport police officer, was executed Wednesday for killing five college students in Gainesville, Fla., in a string of slayings in 1990.

Police have long suspected that Rolling also stabbed William T. Grissom, 55, his daughter, Julie, 24, and grandson Sean, 8, as they got ready for dinner on Nov. 4, 1989, in Mr. Grissom's home.

From wire dispatches and staff reports

4 Are Linked To The Killing Of A Family On A Roadside (NYT)

By Terry Aguayo

The New York Times, October 28, 2006

MIAMI, Oct. 27 — Four people were arrested on Wednesday on federal drug charges and linked to the shooting deaths of a family of four this month, the St. Lucie County Sheriff's Office said Friday.

One victim may have been involved in drug dealings with the suspects, officials said.

Sheriff Ken Mascara said his office “now considers these four individuals people of interest” in the killing of the Escobedo family, Jose Luis Escobedo, 28; his wife, Yessica Guerrero Escobedo, 25; and their sons, Luis Julian, 4, and Luis Damian, 3. Their bodies were found on Oct. 13 on a remote part of Florida’s Turnpike near Port St. Lucie, 120 miles north of Miami.

“Our investigation quickly leads us to believe that this was a deliberate act of premeditated murder on the Escobedo family for drugs, money or both,” Sheriff Mascara said.

The four suspects, Liana Lopez, 18; Ricardo Sanchez, 23; Daniel Troya, also 23; and Danny Varela, 26, were charged with possession of cocaine with intent to distribute after a search of their house in West Palm Beach turned up what appeared to be cocaine, as well as Ecstasy tablets, drug packaging and 13 firearms, the authorities said. A photograph of Mr. Varela and Mr. Escobedo was also found.

DOJ_NMG_0087594

The suspects, all of whom have extensive criminal records, have not been charged in the killings, but the police have said they think that the person who pulled the trigger is in the group.

In a search of the Escobedos' house in Greenacres, investigators recovered "items which led them to conclude that the home may have been utilized to facilitate narcotics trafficking," David Weeks, an agent from the Drug Enforcement Administration, wrote in an affidavit.

Among the items found were plastic packaging and "suspected drug ledgers," one of which listed nicknames that, the affidavit said, were thought to refer to Mr. Sanchez and Ms. Lopez under the title "Money that needs to get paid."

Investigators said they thought the family, which moved here from the Brownsville, Tex., region several months ago, had been traveling with their killer in their Jeep Cherokee when the car pulled to the roadside. Each family member was shot several times on the grass outside the S.U.V. by someone inside who presumably used it as a getaway vehicle, officials said.

Ms. Escobedo had cradled the children under her arms to try to protect them from the gunfire, the police said. The vehicle was recovered three days later in an industrial section of West Palm Beach, 70 miles south of the crime scene.

Florida Holding Four People In Highway Murder Investigation (BLOOM)

By Todd Zeranski

Bloomberg, October 28, 2006

Oct. 27 (Bloomberg) -- Florida authorities are holding four people in connection with the slayings of a family whose bodies were found on the side of the state turnpike, police said.

The four ``persons of interest'' are being held on drug charges in Palm Beach County, according to sheriff's officials from St. Lucie County, where the victims were found. The four haven't been charged in the killings, the St. Lucie County officials said in a televised news conference.

Police have found a van they had sought in connection with the crimes and are searching for its registered owner, they said.

The bodies of a man, a woman and two young boys were found Oct. 13 on the south side of the turnpike in Fort Pierce, about 125 miles (201 kilometers) north of Miami in St. Lucie County.

The man's brother may be connected to a large cocaine- and heroin-trafficking ring, police said in the news conference. Officials from the federal Drug Enforcement Agency and the Bureau of Alcohol, Tobacco, Firearms and Explosives assisted in the investigation.

All four suspects, three men and one woman, all have felony convictions for cocaine trafficking, police said.

Family's Killing Linked To Drugs, Money (STCN)

Scripps Treasure Coast Newspapers, October 28, 2006

WEST PALM BEACH — Two weeks after a family of four was gunned down on the side of Florida's Turnpike, investigators said the crime was related to the theft of drugs and money and named several "people of interest" believed connected to the killings.

However, a man named as the owner of a van sought in the case was cleared of any involvement. Michael James Naujalis, 24, of Lake Worth, sold the van to one of the suspects, who failed to transfer the title and registration, St. Lucie County Sheriff Ken Mascara said in a press release late Friday.

Advertisement

Though Naujalis was not involved, the van still is believed to have been used in the murders, Mascara said.

Four of five people arrested on federal drug charges in West Palm Beach remain "people of interest" in the Oct. 13 slaying of the Escobedo family.

"We are looking at these individuals as being connected to the murders," Mascara said during a news conference in Palm Beach County on Friday. "We have a very good idea of how it went down, but we don't want to reveal it."

Liana Lopez, 18; Daniel Troya, 23; Daniel Varela, 26; and Ricardo Sanchez, 23, were in custody on drug charges and are "people of interest" in the deaths of Jose Luis Escobedo, 28, his wife, Yessica, 25, and their sons Luis Damien, 4, and Luis Julian, 3.

A fifth man, Juan C. Gutierrez, 20, of West Palm Beach, has been charged in the drug case but is not connected to the killings, authorities said.

The family's execution was not random or a revenge killing but "a deliberate act of premeditated murder" related to the "ongoing" theft of drugs, money or both that "culminated" on the side of the turnpike, Mascara said.

DOJ_NMG_0087595

Jose Luis Escobedo and his younger brother, Jose Manuel Escobedo, 28, had drug charges in their past. Their criminal histories do relate to the crime, Mascara said.

Within 24 hours of the killings, the Drug Enforcement Administration was involved, and within 36 hours they had identified the people of interest named Friday. The individuals knew the Escobedo family, Mascara said.

When asked if the killer was in custody, the sheriff said, "We would hope so."

The five made their first appearances in federal court in Fort Pierce Friday morning and are expected to appear in court for a detention hearing next Friday. All are charged with possession with intent to distribute 500 or more grams of cocaine between May and October 2006.

'MADE PROGRESS'

"Investigators have worked day and night on this case for the past two weeks," he said. "We have made progress, but we need more information."

The family were natives of Brownsville, Texas, who had lived in Greenacres for only a few months before their deaths. They were buried in Brownsville on Monday in a ceremony attended by hundreds of friends and relatives.

Yessica's brother, Mike Guerrera, of Brownsville, said by phone he didn't know what to say about the accusations that his brother-in-law was involved in the drug trade.

"Even if my brother-in-law was doing something, it's not right to kill the kids like that," he said. "I hope we get justice done."

If the people in custody are responsible, Guerrera said he will feel somewhat relieved to know the killers are caught.

"Those kinds of people being loose — you never know if it could happen to another family," he said.

SEARCHING THE HOMES

After the Escobedo family was shot to death, investigators searched their home in Greenacres and found "items which led them to conclude that the home may have been utilized to facilitate narcotics trafficking," according to an affidavit filed in the case.

Investigators found suspected drug ledgers and plastic packaging materials typically used for wrapping "narcotic substances into kilogram quantities." One of the ledgers contained a list called "Money that needs to get paid."

The ledger pointed investigators to Varela, Sanchez and Lopez, whose nicknames were all listed in one of the books. On Oct. 25, a search warrant was served at a home in West Palm Beach, where Mascara said Troya and Sanchez lived and Lopez and Varela were frequent visitors.

Hundreds of grams of cocaine powder and crack cocaine were found in various rooms, along with tablets of MDMA, also known as ecstasy. Thirteen guns, including an AK-47 in a closet, were found in the house.

A photo in the home showed Varela and Escobedo, the affidavit states.

Although many guns were removed from the home, it was not clear whether any were used to kill the Escobedos, Mascara said.

Sheriff Calls Drug Suspects 'People Of Interest' In Death Of Parents, Two Young Sons (FLSUNSEN)

By Jerome Burdi, South Florida Sun-sentinel

South Florida Sun-Sentinel, October 28, 2006

West Palm Beach · Jose Escobedo was caught up in a web of drugs, guns and money. He brought his wife and two young boys from Texas and got involved with drug dealers and traffickers. At least one of them shot all four Escobedos to death on a dark stretch of Florida's Turnpike.

Yessica Escobedo was found sheltering her sons in her arms.

The St. Lucie County sheriff and federal documents on Friday began painting a picture of the ruthless homicides and the people authorities think are responsible.

"These people all do know each other. We do not feel it was a revenge killing," St. Lucie County Sheriff Ken Mascara said. "We think it was either related to the theft of drugs or money or both."

At a news conference, Mascara named four "people of interest" in the Escobedo family homicide. They are in federal custody after the Drug Enforcement Administration on Wednesday night raided their rented West Palm Beach home, in the 6400 block of Garden Court in the Briar Bay development.

They are Ricardo Sanchez and Daniel Troya, both 23; Daniel Varela, 26; and Liana Lopez, 18, of Greenacres. They are being held without bond in the Palm Beach County Jail, facing federal charges of cocaine possession with intent to sell. No one has been charged in the Escobedo killings.

DOJ_NMG_0087596

The four appeared in federal court in Fort Pierce on Friday and were assigned attorneys, said Alicia Valle, special counsel to the U.S. Attorney's Office. They are scheduled to return to court Friday.

Juan Gutierrez, 20, was arrested on the drug charges with the others Wednesday but is not connected to the killings, investigators said.

The search Wednesday turned up cocaine, crack and Ecstasy; 13 guns in the garage; and an assault rifle in the master bedroom, according to the U.S. Attorney Office's criminal complaint. The guns are being tested for a connection to the killings, St. Lucie Sheriff's Lt. Jerry Rothman said.

Authorities turned up a photo of Varela with Jose Escobedo.

During an Oct. 14 search of the Escobedo home in Greenacres, local authorities concluded that the home might have been used for drug trafficking, according to the complaint.

They found drug ledgers with names and initials, figures and notations to calculate debt and payment, the complaint reads. Some of the initials and nicknames match the drug suspects. Another list read "Money that needs to get paid," according to the complaint.

Escobedo had computer printouts of jail booking photographs of Sanchez and Lopez, who had been charged with probation violation and drug charges, respectively.

The DEA was brought into the homicide investigation within the first 36 hours, when authorities had an idea who killed Escobedo, 28; his wife, Yessica, 25; and sons Luis Damien, 4, and Luis Julian, 3. Their bodies were found Oct. 13 along a desolate stretch of the turnpike in Port St. Lucie.

The Escobedos moved from Brownsville, Texas, to Greenacres in June.

"We think the theft of drugs and money was an ongoing theft and it culminated on the shoulder of the Florida Turnpike," Mascara said Friday.

Detectives began looking at drug involvement when they traveled to Texas, confirming that Escobedo's brother, Jose Manuel Escobedo, was involved in heroin and cocaine trafficking. He is a fugitive from federal authorities and believed to be in Matamoros, Mexico, Mascara said.

The four well-known drug suspects have 27 felony arrests among them on drugs, robbery and battery charges, Mascara said. Troya has spent five years in prison between two convictions, including burglary, battery and grand theft, according to the state Department of Corrections.

"The entire community has been up in arms about this homicide," Mascara said. "We receive calls daily about people being fearful."

Neighbors said the four-bedroom, single-family house in the gated Briar Bay community was quiet, with comings and goings at night. Varela, Sanchez and Troya lived there and Lopez, Varela's girlfriend, visited often, according to the complaint.

St. Lucie County investigators Friday cleared the owner of a red van thought to have been used in the murders. Michael Naujalis, 23, of Lake Worth, sold the van to Varela in August but never removed his license plat, and Varela never completed the transfer of title.

Investigators: Escobedo Home Used For Drug Trafficking (PALMBEACHP)

Palm Beach Post (FL), October 27, 2006

FORT PIERCE — When investigators searched the rented Greenacres home of the family found gunned down on the side of Florida's Turnpike, they found items that led them to believe the home was used to "facilitate narcotics trafficking," according to court documents obtained this morning.

Among the items discovered at the home at 1244 Olympic Circle, where Jose Luis Escobedo Jr and his wife and two children lived, were: suspected drug ledgers in the form of handwritten lists of names and figures; documents containing a running tabulation of debts and payments and plastic packaging materials typically used to wrap narcotics into kilogram quantities, according to the court documents.

One of the ledger's found was titled: "Money that needs to get paid."

"The evidence seized from the Escobedo residence, combined with information obtained during interviews with family members and associates of the victims, led law enforcement officers to conclude that Jose Luis Escobedo Jr. was likely involved in cocaine trafficking activities before he was murdered on or about October 13, 2006," according to a criminal complaint.

The items found in the home led investigators to five people who were arrested Thursday night on federal charges of possession with the intent to distribute 500 grams of cocaine. The five defendants were in federal court in Fort Pierce this morning for their first appearance.

DOJ_NMG_0087597

During the homicide investigation, investigators found evidence linking Danny Varela, 26; Daniel Troya, 23; and Ricardo Sanchez Jr, 23. to Escobedo, according to the complaint. They executed a search warrant on Wednesday at Varela's home at 6458 Garden Court in West Palm Beach. The other two men are also from West Palm Beach.

In that home, they found crack and powder cocaine, ecstasy, what appeared to be packing material for kilograms of cocaine and 13 firearms, according to the complaint. They also discovered drug paraphernalia, such as scales, a suspected drug ledger and razor blades. In a bedroom closet, they found an "AK-47-style assault rifle," the documents state.

Two other people were arrested in connection with this case: Liana Lee Lopez, 18, of Greenacres and Juan C. Gutierez, 20 of West Palm Beach.

Suspects In Escobedo Case 'seemed Like Drug Dealers' (FPTRIB)

By DEREK SIMMONSEN And GABRIEL MARGASAK, staff writers

Fort Pierce Tribune, October 30, 2006

WEST PALM BEACH — The alleged drug dealers hid in plain sight amid the quiet gated neighborhood of Briar Bay.

They stashed their hundreds of grams of crack and powder cocaine, their Ecstasy pills and a small armory of guns in an almost 3,000-square foot home. But neighbors suspected something with all the flashy cars and comings and goings at all hours.

Advertisement

Yet the operation's downfall would come at the end of the trail of blood from a family of four killed on the shoulder of Florida's Turnpike about two weeks ago.

U.S. Drug Enforcement Administration agents announced Friday they had arrested five people at the home on cocaine distribution charges. St. Lucie County Sheriff Ken Mascara said four of them were "people of interest" in the killings of Jose Luis Escobedo, 28, his wife, Yessica, 25, and their sons Luis Damien, 4, and Luis Julian, 3.

Officials said Jose Luis Escobedo was part of the drug operation and his family had been killed because of it.

None of his alleged drug associates had been charged in the killings as of Saturday.

Investigators did clear the owner of a 1999 Red Dodge conversion van thought to have been used in the killings.

Lake Worth resident Michael James Naujalis, 23, was the registered owner but said he sold the van to Daniel Varela, 26, a person of interest in the killings and one of the five arrested on drug charges last week. Varela never transferred the title.

"After extensive questioning and review of the sale documentations, Naujalis has been cleared of any involvement in the murders. The van, which was previously owned by Naujalis, continues to play a pivotal part in the murders," Mascara said in a statement.

Steve Naujalis, Michael Naujalis's father, told WPTV News Channel 5 reporter Marci Gonzalez that his son met Varela while fishing but didn't know anything about the drug operation.

"My kid's scared for his life. Wouldn't you be?" he told Gonzalez. "We know how this works ... court date's over, then my kid's a target for everybody, right?"

St. Lucie County Sheriff's Office officials and other agencies declined to release any further information in the case Saturday. One law enforcement official said authorities would remain tight lipped so as not to upset the ongoing murder investigation.

In West Palm Beach, those who lived near the alleged drug house said the residents of one house on Garden Court stood out among a population that includes many families and older residents.

Federal drug agents said Daniel Troya, 23, Ricardo Sanchez, 23, and Varela lived there. Varela's supposed girlfriend Liana Lopez, 18, also spent time there.

Mascara said the suspects had 27 felony arrests among them on drugs, robbery and battery charges, Mascara said.

Troya has spent five years in prison on burglary, battery and grand theft convictions, according to the state Department of Corrections.

Sanchez cousin, Juan C. Gutierrez, 20, who was also arrested on the drug charge, said he also spent time at the home but authorities said he was not connected to the killings.

The front yard was well-kept with several palm trees outside and children rode bicycles and played in the street out front.

But Kristen Sacks, 32, who lives a few doors down from the home, said people came in and out of the house at all hours of the day and night and they tended to drive flashy, customized cars, like what you see in the movies.

"They seemed different from the rest of the neighbors," she said. "They seemed like drug dealers to us."

Although learning they were arrested on drug charges didn't come as a shock, she was surprised to hear they might be suspected of murder.

Maricela Rocha, 39, who lives next door to the home, said the new neighbors moved in about two months earlier.

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"Most of the neighbors, we know each other, we talk to each other," she said. "They never talked to anyone."

Sun-Sentinel contributed to this report

Men Allegedly Linked To Highway Killings (UPI)

United Press International, October 28, 2006

WEST PALM BEACH, Fla., Oct. 28 (UPI) -- Florida police Saturday had in custody four men allegedly tied to the execution-style killing of a family of four on a deserted stretch of highway.

Police said at least one of the four men, ranging in age from 18 to 26, killed Jose Escobedo, 28, his wife Yessica, 25, and their two children, Luis Julian, 4, and Luis Damian, 3, The Palm Beach Post reported.

The family was found shot to death Oct. 13 along Florida's Turnpike near Port St. Lucie, about 50 miles north of their home in Greenacres.

Escobedo was involved with drug traffickers and he and his family were killed "for drugs, money or both," Sheriff Ken Mascara said.

No one was immediately charged in the Escobedo killings.

The four men in custody, held without bond, face federal charges of cocaine possession with intent to sell.

Sheriff: Parents, Kids Killed For Drugs, Money Or Both (CNN)

CNN, October 30, 2006

FORT PIERCE, Florida (CNN) -- Investigators believe the killings of a family of four along Florida's Turnpike this month were premeditated and carried out for "drugs, money or both," St. Lucie County Sheriff Ken Mascara said Friday.

Four people -- a woman and three men -- are in custody on federal drug charges unrelated to the deaths, Mascara said, and they and the missing brother of one of the victims "all do know each other."

"We do not feel it was a revenge killing," Mascara said at a Friday morning news conference. "We think it was related to either the theft of drugs and money or both." (Watch police explain their theory as to what motivated killings -- 1:57)

The four have been identified as "persons of interest" in connection with the October shooting deaths along Florida's Turnpike, the sheriff said.

An official with the St. Lucie County sheriff's office said after the news conference, "We feel comfortable the shooter or shooters is one of these people."

But he added, "We are not ready to charge the shooter or shooters yet."

The drug suspects have been identified as Lianna Lopez, 18, of Greenacres, Florida, and West Palm Beach residents Daniel Troya, 23, Danny Varela, 26, and Ricardo Sanchez, 23.

They appeared in court for the first time Friday on the drug charges. They're being detained at the Palm Beach County Jail.

On October 13, a motorist found the bodies of four family members on the turnpike north of Port St. Lucie. The victims were identified as Jose Luis Escobedo Jr., 28; his wife, Yessica Guerrero Escobedo, 25; and the couple's sons, Luis Damian Escobedo, 3, and Luis Julian Escobedo, 4. All four had been shot to death, autopsies showed.

Authorities said the four were kneeling or lying down when shot.

Mascara has said the family had recently moved from Brownsville, Texas, to West Palm Beach, about an hour south of where the bodies were found. A vehicle believed to belong to the family was found a few days after the slayings, which occurred in St. Lucie County.

Mascara said authorities are searching for the husband's younger brother, Jose Manuel Escobedo, who did not show up for a federal work camp in Louisiana after being sentenced on a drug conspiracy charge. He had been involved in a "significant heroin and cocaine distribution organization," the sheriff said.

About 24 hours after the slayings, said Mascara, the Drug Enforcement Administration became involved in the probe. As the result of the DEA investigation, a Palm Beach County residence was searched Wednesday morning.

"I cannot reveal the nature of the evidence recovered in that search," Mascara said. "However, I can tell you that investigators are reviewing any possible connection of that evidence to the Escobedo murders."

He added, "Despite the crime's initial appearance as a possible random act of violence on a family traveling on the Florida turnpike, our investigation quickly led us to believe this was a deliberate act of premeditated murder on the family for drugs, money or both."

Thursday night, the St. Lucie County Sheriff's Office issued a nationwide bulletin for a 1999 red Dodge conversion van. It was found and is being processed, Mascara said.

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However, the registered owner of that van, who was initially called a "person of interest" in the case, has been interviewed and cleared, police said later Friday.

Michael Naujalis, 24, met with detectives Friday and explained to them that he had sold the van to Varela in August. Varela never completed the transfer of title and ownership out of Naujalis' name, according to a sheriff's statement, and Naujalis' tag was still affixed to the van.

"Detectives are satisfied that Naujalis was not involved in the Escobedo family homicides and is no longer considered a person of interest," the statement said.

Drugs, Money Figure In Murder Of Former Texas Family (KWTX)

KWTX-TV, October 27, 2006

(October 27, 2006)—A former Texas man who was killed along with his wife and two young children was likely involved in the narcotics trade according to new court documents.

The bodies of 28-year-old Jose Luis Escobedo and his wife and two young sons were found alongside the Florida Turnpike.

They had all been shot to death as the mother evidently tried to shield the children.

An affidavit filed Friday by a Drug Enforcement Administration agent says evidence found in the Escobedo family home points toward drug trafficking.

It includes what are described as "suspected drug ledgers," as well as plastic packaging used to wrap drugs.

Meanwhile, investigators say they're confident that one of four drug suspects is the person who gunned down the family earlier this month.

The sheriff investigating this month's killings won't say which of the four is the accused shooter.

But he says those responsible for the killings are in custody.

Sheriff Ken Mascara isn't disclosing a motive but says investigators quickly concluded that the Escobedos were gunned down for drugs, money or both.

He notes that Escobedo's brother is involved in a significant heroin distribution organization.

He's believed to be hiding out in Mexico.

The murder victims had moved to Florida several months ago from Brownsville.

Illegal Immigrant Drug Offenders Face Deportation, Prison Or Both (ASPTIMES)

By Joel Stonington

Aspen Times, October 27, 2006

'It's one of those cases of plead and deport'

In December, police arrested Jesus Gabriel Soto Sandoval in the drug sting at two local restaurants. Less than six months after his deportation, Sandoval was back in Aspen and in custody for cocaine possession.

So, deport him again and save the cost of prison or punish him so he won't come back for a third crack at dealing cocaine out the back door of an Aspen restaurant?

It's a question members of law enforcement and the legal community differ on greatly. For example, in a separate case Thursday, Jose de Fletes Rodriguez was sentenced to five years of probation for possession of less than one gram of cocaine. He was arrested in a traffic stop after a tip from undercover DEA agents in the latest Aspen-area sting operation - known as the "wiretap case."

"It's one of those cases of plead and deport," said his attorney, Arnie Mordkin.

In Soto Sandoval's case, it's not so simple the second time around. The first time, authorities caught him with a half gram of cocaine while working at Little Annie's Eating House, and he pleaded guilty to possession in a bargain that resulted in dropping the charges of dealing cocaine and conspiracy to deal. Six months later, police caught him with cocaine while he was working at Campo de Fiori.

"My clear position is that this is his second time on a drug felony within a year ," said Gail Nichols, assistant district attorney. "He needs to be punished or he'll just come back and do it again."

But Soto Sandoval's sentencing hearing hit a snag Thursday because the minimum sentence for a second drug offense while on parole is four years in prison. Further, he will go straight from this decision back into the hands of Immigration and Customs Enforcement, where he will likely face federal prison time for unlawful re-entry by a felon.

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"One half of all our criminal caseload is related to immigration; that is a significant change over the last five years," said Troy Eid, the U.S. attorney for Colorado. Though the vast majority of prosecutions for re-entry are of violent felons, some drug crimes can be considered violent, Eid said. Eid has committed to taking all cases of felons who have re-entered America illegally.

"The U.S. Attorney's Office has historically prosecuted people who have re-entered and have prior felonies," said Eid's spokesman, Jeff Dorschner. "Under Troy Eid's leadership, that has become a top priority."

Greg Greer, a public defender representing Soto Sandoval, said re-entry cases are better for padding a prosecutor's statistics than for helping society. The U.S. attorney can seem tough on crime by upping convictions because proof that a violent felon re-entered after deportation can be simple.

"It's a slam-dunk and an easy conviction statistic for any prosecutor," Greer said. "You keep him for an extra two years, then keep him in fed prison for two years ... then deport him. It's an awful lot of resources to use. Prison is expensive."

Both Nichols and Greer agree every case is different and there is a lot of discretion in charging the criminals. They also agreed that in a case like Soto Sandoval's, all the possible punitive measures need to be taken into account. Hence, Nichols and Greer put off Soto Sandoval's sentencing for two more weeks while they figure out what to ask for.

"I'm hearing from friends who do federal defense work that they are prosecuting these cases a lot," Greer said. "I have heard this valley is a source of a large number of them."

Joel Stonington's e-mail is jstonington@aspentimes.com

Owens Drug Talk No Love-in (RMN)

By David Montero

Rocky Mountain News, October 27, 2006

Pro-pot protesters give the governor no peace at Capitol

The scene might've been something Gov. Bill Owens would envision in a bad dream - or in this case, maybe a bad drug trip.

Protestors of all ages - most dressed in green, waving signs and chanting loud enough to drown out what he said - stood on the capitol steps Friday morning to support the legalization of marijuana while mocking Owens.

The Republican governor lined up with Attorney General John Suthers and about a dozen law enforcement officials to explain why they thought the statewide ballot measure was a bad idea.

He tried a soft opening, but the hostilities began before he even started.

"Lie louder, Bill," a lone voice shouted. "We can't hear you."

"I'm really proud to be here with so many people who are concerned about the impact of legalizing marijuana in the state of Colorado," Owens said with a smile, trying to laugh off the taunts before continuing down the rabbit hole.

"Voting yes on Amendment 44 will have the explicit effect of legalizing the possession of an ounce of marijuana in this state," he said. "But a yes vote will have countless, implicit effects that are much more serious than the drug itself."

"Like telling the truth?" another voice derisively yelled from the crowd.

So much for peace, love and understanding.

Owens hurried through the rest of his comments, telling the wall of green shirts and sign wavers they risked dangers from second-hand smoke if the measure passed and that's why his administration signed into law the Clean Indoor Air Act that restricted smoking in restaurants and bars.

"Can we smoke pot in casinos?" a sarcastic voice asked, referring to the exemption under the law that allows cigarettes to be smoked in gambling halls.

The phalanx of uniformed officers behind him shifted nervously in the face of the more than 50 people determined not to listen or accept any point being made by the governor's contingent.

Owens introduced Park County Sheriff Fred Wegener, who had recently become famous for being the face of Bailey - the site of a shooting at Platte Canyon High School in which a 16-year-old girl was killed and several other girls were held hostage and sexually assaulted.

Mason Tvert, campaign manager for Amendment 44, said before the news conference that Wegener had better not try to use that crime for political gain.

Minutes into his comments, Wegener alluded to the tragedy.

"What about the possibilities of this individual being a pilot or a bus driver? The potential consequences of their actions are too horrific to ignore," Wegener said, his voice starting to quiver. "Couldn't happen? That's what was said about a school shooting in Bailey."

The crowd jeered. Tvert huffed. Wegener stared.

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Pot smokers will tell you the most intense part of the joint is right at the end - the roach clip, in drug parlance.

The news conference was getting to the roach clip.

Sensing it, the crowd began chanting, "Hey, ho - you say drink, we say no."

The face for the anti-marijuana initiative for several debates slowly took the podium and waited a few seconds to see if the crowd would stop the anti-booze, pro-pot chant.

"Hey, ho - you say drink, we say no," they continued.

Seeing they weren't in a mind to quit, Attorney General John Suthers began talking. He cited his statistics about the level of THC in pot increasing dramatically in the past 17 years.

"Hey, ho - you say drink, we say no," the crowd bellowed.

Suthers plowed ahead with more statistics. At times, he couldn't be heard. After about four minutes, he asked Colorado voters not "to wave the white flag" in the drug war. He moved back to his place amongst the law enforcement officials, and the crowd crowed over its perceived victory.

Owens seethed.

"Ladies and gentlemen, this is a sad day for Colorado," Owens said to rising jeers. It got so loud, he had to repeat it. "Ladies and gentlemen, this is a sad day for Colorado."

He said in his decade of political life in Colorado, he had never been shouted down like that before. Owens complained about the lack of civil debate on the matter.

The crowd chanted: "What do we want? A safer choice. When do we want it? Now."

Owens tried to take a question from a television reporter over the chants, and it looked like it might not happen when Tvert raised his arms like Moses over the Red Sea and the crowd immediately stopped.

"Wow. Boy, that's amazing," Owens said sarcastically.

Later, Tvert held his own news conference and noted nobody was trying to shout him down or opposed the amendment. He brought the former Seattle Police Chief to explain why fighting pot with laws made no sense. He expressed indignation at the law enforcement officials and Owens for opposing the measure.

"Clearly they haven't done their jobs. They haven't educated people about drugs. They've simply pushed people from one drug they don't like to the other one they do. I think it's telling that Gov. Owens supported the largest drug dealer in the state of Colorado - and perhaps this country - for the Senate seat in this state," he said, referring to unsuccessful 2004 Senate candidate Pete Coors.

Tvert might be pushing pot, but wasn't passing the peace pipe.

Officials, Pro-44 Lobbyists Clash (DTC)

By John Fryar, The Daily Times-Call

Daily Times-Call, October 30, 2006

DENVER — Supporters of Amendment 44 outnumbered the state and local law enforcement officials who gathered Friday on the state Capitol steps to detail their opposition to that marijuana-legalization initiative.

“This is a sad day for Colorado,” Gov. Bill Owens said after the pro-44 demonstrators heckled and chanted during the anti-44 news conference.

Owens, one of the featured speakers at the news conference, complained he’d never before seen a news conference where a legitimate debate by organizers was “shouted down.”

Owens ignored a challenge from Amendment 44 proponent Mason Tvert to debate the initiative, which asks voters to make it legal under state law for anyone age 21 and older to possess up to an ounce of marijuana.

In the news conference sponsored by Save Our Society from Drugs, one of the groups campaigning against Amendment 44, Owens and Colorado Attorney General John Suthers were joined by about a dozen law enforcement officers, including Boulder County Sheriff Joe Pelle and Weld County Sheriff John Cooke.

But more than four dozen

marijuana-legalization supporters showed up, many of them wearing green “Yes on 44” shirts and carrying signs directed at the anti-44 law officers that said, “Protect the People, Not Your Jobs.” Demonstrators aligned with SAFER, the group supporting Amendment 44 that contends marijuana offers a safer alternative to alcohol, jeered when Suthers said: “There is nothing safe about marijuana.”

Accompanying Tvert and the SAFER protestors was Norm Stamper, a 34-year law enforcement veteran who was a San Diego police officer before serving as Seattle’s police chief from 1994 to 2000.

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Stamper said in an interview that drug prohibitions have led to more death, disease and crime than would have been the case under a system of taxation, regulation and control of drugs like marijuana.

Marijuana laws now “are not working and need to change,” Tvert said.

But Owens, Suthers and law enforcement officials at the news conference offered a laundry list of reasons against the measure.

“We are also concerned that legalizing marijuana will cause a spike in impaired-driving fatalities and injuries caused by more motorists driving impaired on marijuana,” said Park County Sheriff Fred Wegener, president of County Sheriffs of Colorado.

“The reality also exists that it is more difficult for law enforcement to detect impairment caused by marijuana and other drugs as compared to alcohol,” Wegener said.

John Fryar can be reached by e-mail at jfryar@times-call.com.

Protest Erupts Over Marijuana At State Capitol (9News)

9news.com, October 27, 2006

DENVER - A news conference about Amendment 44 turned into a war of words on the steps of the State Capitol.

What was supposed to be a news conference on Amendment 44 turned into a war of words on the steps of the State Capitol Friday. 9NEWS at 5 p.m. October 27, 2006.

Governor Owens and members of different law enforcement agencies initially gathered to speak out against Amendment 44.

The amendment would make it legal for people 21 and older to possess up to an ounce of marijuana in Colorado.

After the news conference began, it quickly became a contest of who could be the loudest.

"We're trying to have a legitimate debate, but we're being shouted down by you all," said Owens.

The group SAFER, which supports Amendment 44, shouted things like, "What do we want? A safer choice."

"Marijuana smoke is every bit as cancer causing as cigarette smoke," said Owens.

Colorado Attorney General John Suthers met the most opposition when he was at the podium.

Park County Sheriff Fred Wegener was also there.

"It doesn't make sense, it's irresponsible," said Wegener.

"As law enforcement, we see the direct results on young lives, your children and your grandchildren," said Lt. Col. Rick Salas with the Colorado State Patrol.

Supporters of the amendment were joined by a former police officer in Seattle, who supports legalizing marijuana.

"I think it's tragic that police officials and local leaders don't do their homework. Marijuana is not a gateway drug," said Norman Stamper, former Seattle Police officer.

Supporters of Amendment 44 say it is a better alternative than alcohol.

"There are parents here and professionals and students and children who realize these laws are not working and need to change," said Mason Tvert, the SAFER campaign director.

U.S. Court Upholds Law Denying College Loans To Drug Offenders (BLOOM)

By Paul Basken

Bloomberg, October 28, 2006

Oct. 27 (Bloomberg) -- A federal judge in South Dakota upheld a law making students ineligible for federally backed college loans once they have been convicted on a drug charge.

U.S. District Judge Charles Kornmann, ruling in a case brought by three student plaintiffs and backed by the American Civil Liberties Union, said that students enjoy no guaranteed right to financial aid and that the legislative branch has wide discretion in setting punishment for drug law violators.

``The Constitution affords no right to a higher education," Kornmann, based in Aberdeen, South Dakota, wrote today in his decision granting a dismissal of the case as requested by the defendant, the U.S. Department of Education.

The lawsuit was organized by Students for Sensible Drug Policy, a Washington-based advocacy group, which said it has not decided its next step. ``We're weighing our options," said Kris Krane, the group's executive director.

The suit argued that the law enacted in 1998 violates due- process and double-jeopardy provisions of the U.S. Constitution.

The law discriminates against poorer students who rely on federal aid to pay tuition, said Kraig Selken, a senior at Northern State University, in Aberdeen, and one of the three student plaintiffs. Selken, who lost his student aid after a marijuana conviction, said students have a harder time improving their lives because of the law.

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The federal government spends more than $78 billion a year on student financial aid. About two-thirds of the nation's 19 million undergraduate students receive some type of assistance, according to the Education Department.

`Health and Safety'

The Education Department supports the law as part of a government effort ``to decrease illegal drug use and protect the health and safety of all our nation's students," department spokesman Chad Colby said after the suit was filed in March.

The Education Department initially enforced the law against students with any drug convictions. Under that policy, the law affected 35,000 students a year, said Adam Wolf, the ACLU's lead attorney in the case. Congress earlier this year revised the law, saying it applies only to convictions occurring while the student is in school.

The case is Students For Sensible Drug Policy Foundation v. Spellings, CIV. 06-3007, U.S. District Court for the Northern District of South Dakota.

Eight Charged In Alleged Internet Drug Sales (AP)

AP, October 30, 2006

CHICAGO (AP) -- A crackdown on Internet sales of anabolic steroids and other prescription drugs has led to criminal charges against eight defendants in two separate cases.

In one case, federal prosecutors say six defendants were charged with conspiracy to distribute controlled substances. That carries a maximum penalty of five years in prison and a 250-thousand dollar fine.

The complaint in that case alleges that beginning in 2003, the Web site PM-eds-dot-com took drug orders from the Tinley Park residence of Larry Calow. It then forwarded them to a site in Mexico manned by his brother, Gary Calow. The complaint says the drugs then were smuggled into the United States for shipment to customers.

The U-S attorney's office says PM-eds-dot-com and a sister Internet pharmacy business were created by the Calow brothers and co-defendant Ricky Boros of Oak Brook.

Snoop Dogg Suspected Of Weapon, Drug Possession (LAT)

From A Times Staff Writer

The Los Angeles Times, October 28, 2006

The rapper-actor known as Snoop Dogg was arrested Thursday at Bob Hope Airport in Burbank on suspicion of being a felon in possession of a gun and of transporting marijuana, police said.

The performer, whose real name is Calvin Broadus, was arrested by officers from the Burbank-Glendale-Pasadena Airport Authority Police Department at 3:45 p.m.

Officers had approached him for a vehicle code violation in the passenger loading and unloading zone.

Police said they soon discovered a gun and marijuana in his vehicle.

He was freed on $35,000 bond and is scheduled to be arraigned in Los Angeles County Superior Court in Burbank on Dec. 12. Last month, Broadus was arrested after allegedly trying to bring a collapsible police baton aboard a plane at John Wayne Airport in Orange County.

Snoop Dogg Arrested On Drug, Gun Charges (AP)

AP, October 27, 2006

BURBANK, Calif. — Snoop Dogg was arrested on suspicion of illegal drug and gun possession, police said.

The rapper, whose real name is Calvin Broadus, was arrested at 3:45 p.m. Thursday at Bob Hope Airport, police said. Snoop Dogg posted $35,000 bail and was scheduled to appear in court Dec. 12.

Airport police officers stopped Snoop Dogg at a loading zone for a vehicle code violation. When officers searched the vehicle they found a gun and marijuana, police said.

"There was no basis for this arrest," the rapper's lawyer, Donald Etra, said in a statement. "We believe that once this is cleared up, all charges will be dismissed."

The Orange County district attorney's office has been considering charges against Snoop Dogg after authorities last month discovered a 53-centimetre collapsible baton in his bags as he boarded a New York-bound flight from John Wayne International Airport.

The rapper was convicted in 1990 of cocaine possession and charged with gun possession after a 1993 traffic stop. He pleaded guilty in exchange for three years' probation and a promise to make public service announcements against violence.

He was acquitted of murder in 1996 following the death of an alleged gang member who was killed by gunfire from the vehicle Snoop Dogg was travelling in.

form. www.thestar.com online since 1996.

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IMMIGRATION:

The Fence Campaign (NYT)

The New York Times, October 30, 2006

President Bush signed a bill to authorize a 700-mile border fence last week, thus enshrining into federal law a key part of the Republicans' midterm election strategy. The party of the Iraq war and family values desperately needs you to forget about dead soldiers and randy congressmen, and to think instead about the bad things immigrants will do to us if we don't wall them out. Hence the fence, and the ad campaigns around it.

Across the country, candidates are trying to stir up a voter frenzy using immigrants for bait. They accuse their opponents of being amnesty-loving fence-haters, and offer themselves as jut-jawed defenders of the homeland because they want the fence. But the fence is the product of a can't-do, won't-do approach to a serious national problem. And the ads are built on a foundation of lies:

Lie No. 1: We're building a 700-mile fence. The bill signed by Mr. Bush includes no money for fence building. Congress has authorized $1.2 billion as a down payment for sealing the border, but that money is also meant for roads, electronic sensors and other security tactics preferred by the Department of Homeland Security, which doesn't want a 700-mile fence. Indian tribes, members of Congress and local leaders will also have considerable say in where to put the fence, which could cost anywhere from $2 billion to $9 billion, depending on whose estimates you believe.

"It's one thing to authorize. It's another thing to actually appropriate the money and do it," said Senator John Cornyn, a Texas Republican. "I'm not sure that's the most practical use of that money."

Lie No. 2: A fence will help. A 700-mile fence, if it works, will only drive immigrants to other parts of the 2,000-mile border. In parts of the trackless Southwest, building the fence will require building new roads. Who uses roads? Immigrants and smugglers. And no fence will do anything about the roughly 40 percent of illegal immigrants who enter legally and overstay their visas.

Lie No. 3: The Senate's alternative bill was weak, and its supporters favored amnesty. In May, the Senate passed a bill that had a fence. Not only that, it had money for a fence. It also included tough measures for cracking down on illegal hiring. It demanded that illegal immigrants get right with the law by paying fines and taxes, learning English and getting to the back of the citizenship line. It went overboard in some ways, weakening legal protections for immigrants and hindering judicial oversight. But it went far beyond the fence-only approach. Its shortcomings and differences with the House bill might have been worked out in negotiations over the summer. But instead, House Republican leaders held months of hearings to attack the Senate bill. And all we were left with was the fence.

Will the Republican strategy work? We'll know next week, but we hold out hope that hard-line candidates are misreading the electorate. Voters all over are concerned about immigration, of course, but many polls have repeatedly shown that they warm to reasonable solutions and not to stridency. They can recognize the difference between the marauding army of fence-jumpers they see in commercials and the immigrants who have become their neighbors, co-workers, customers and friends. Citizen anger cuts both ways, and many voters, Latinos in particular, say they are put off by the Republican hysteria.

Poll results in some races suggest that xenophobia and voter deception are not necessarily a ticket to victory. In Arizona, Randy Graf, a Republican, is running for Congress as a single-issue candidate focused on border security, Minuteman-style. He has said that if his strident argument won't fly in his prickly border state, it might not fly anywhere. He is trailing Gabrielle Giffords, a moderate Democrat who supports the comprehensive approach to immigration reform endorsed by the Senate and — once upon a time — by President Bush.

Whatever happens in November, Congress will eventually have to deal with the 12 million illegal immigrants unaffected by the fence, and the future flow of immigrant workers. That means tackling "amnesty" directly. The sad thing is that Democrats and moderate Republicans — and Mr. Bush — already did this, and settled on an approach that is both tough and smart.

But now is the time for stirring up voters, and the pliant Mr. Bush has decided to go along, adding his signature to the shortsighted politics of fear.

CONGRESS-ADMINISTRATION:

Washington Whispers (USNEWS)

By Paul Bedard And Angie C. Marek

U.S. News and World Report, October 30, 2006

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Get ready to hear a lot more about the Terps, Francis Scott Key, and the glorious blue crab if the Democrats take charge of the House in this week's midterm elections. That's because Mr. Maryland, Rep. Steny Hoyer, is set to move in as the House majority leader, the No. 2 slot behind likely Speaker Nancy Pelosi, by reason of, in no small part, his coast-to-coast campaigning-37 House districts in October alone. "Yeah, you could call him 'Mr. Maryland,'" says a pal. More than any other Maryland House member, Hoyer wears his state colors for all to see. Start with the University of Maryland, his alma mater. He's a regular at Terrapin games and even has a carved turtle on his desk. His betting currency of choice is lump crabmeat. Then there are his replicas of historical Maryland scenes like the Revolutionary War battle at Fort McHenry, which led Key to write "the Star-Spangled Banner."

There's also a softer side to the 67-year-old "Silver Fox." He has helped to establish "Judy Centers," named for his late wife, throughout the state to help in early-childhood development. And every day, he brings his English springer spaniel, Charlotte, to his office, where she guards the Maryland seal at the entrance.

But don't ask him about moving his Maryland museum to the majority leader's office. Like a superstitious skipjack captain, he's not going there until it happens.

A Compliment but Steeped in Politics

No, Vice President Dick Cheney wasn't losing his mind last week when he said Sen. Hillary Rodham Clinton is a formidable 2008 presidential candidate who can win. Insiders say he was telling the truth-and trying to invigorate his base in the GOP against a familiar but recently quiet foil. "That was good for us," says a Bushie. "You'll see more of that."

Why a Rice-Obama Race Isn't Crazy

Pollster John Zogby is following a trend in next week's midterm elections that could have a huge impact in the 2008 presidential race: Will black Republicans win black votes? He thinks they will, just as when about 40 percent of the Hispanic vote moved into the GOP column in 2004, breaking the proverbial political barrier. He's focused on Maryland Senate candidate Michael Steele, the lone black Republican seeking statewide office who could win. What would it take? Zogby thinks if 20 percent or more vote Steele, it will represent a major shift away from the Democrats and signal what he's dubbed "the Emerging African-American Icon." It could have a huge impact in 2008. Just think, he says, if Secretary of State Condi Rice runs for president and gets 25 percent of the black vote to add to the Republican base. Bingo-front-runner. And, he adds, let's say media favorite Illinois Sen. Barack Obama challenges Sen. Hillary Rodham Clinton. If he gets half of the black vote, which is 25 percent of the Democratic base, "it thrusts him at least into the high second tier" of candidates, and maybe, maybe, we have the first ever black-versus-black presidential campaign.

Are Higher Taxes In The Offing? (WSJ)

By John D. Mckinnon

The Wall Street Journal, October 30, 2006

WASHINGTON -- Republicans' 11th-hour campaign strategy includes stirring voter fears of a Democratic tax increase. But a big increase would be unlikely under a Democratic Congress, at least over the next two years.

In part, that is because Democratic leaders have, as the election nears, limited their options by repudiating proposals once popular in the party, like boosting taxes on the rich and on investments. Democrats don't want to "retroactively roll back the tax cut," New York Democratic Rep. Charles Rangel, who would become chairman of the tax-writing House Ways and Means Committee, said in an interview last week. Leaving the breaks in place until their scheduled expiration in 2010 is "good tax policy and good politics," he added.

Even if Mr. Rangel and other congressional leaders sought to go back on those promises, they would be hemmed in by moderate members in the party that they recruited to pick up seats in Republican-leaning districts. Many of those politicians have said they would be reluctant to back any tax increases. And President Bush likely would veto any such proposals.

That isn't to say that Democrats don't want to make changes in tax policy if they win a majority in the House or Senate on Nov. 7, or that their influence won't be felt. They likely would block any attempts to extend estate-tax relief after 2010 -- a proposal that nearly passed earlier this year under the Republican-led Congress. And they have said they would push for higher taxes on corporations, particularly oil companies, by eliminating breaks and urging a crackdown on "loopholes."

Focusing on the AMT

Democrats say they would also likely try to steer any new revenue toward paying for extending tax breaks aimed at lower and middle-income families, like a child credit, the 10% rate for low-income families; and relief from the so-called marriage penalty -- a set of provisions that can cause people who are married to pay more in tax than if they were single. Another tax issue for many Democratic lawmakers is relief from the alternative minimum tax, a complex set of provisions designed to make sure people don't rack up so many deductions and credits that they avoid taxes altogether.

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For all the tax talk in the 2006 campaign, it is the 2008 election that will have more significant implications for tax policy. That is because voters then will be choosing a new president as well as a new Congress -- and those politicians will determine the fate of Mr. Bush's tax cuts, most of which are slated to expire during that congressional term, in 2010. The question then will be which, if any, are extended and which are allowed to expire.

Mr. Rangel and other Democrats remain coy on that issue. "I don't know how much time is being spent on 2010, to be honest," he said. "I don't know what the situation will be in 2010, we don't know what the economy will be. ... I'm 76, I don't buy green bananas." Republicans regularly cite remarks Mr. Rangel was quoted making a month ago saying he "cannot think of one" tax cut he would extend. He now says he simply wasn't ruling anything out.

With Republicans on the defensive this year on issues such as Iraq and ethics, the White House and party leaders are trying to stoke fears that a Democratic Congress would weaken the fight against terrorists and would boost taxes. The Republican National Committee recently released an Internet ad titled "Tax Man," purporting to show life under a Democratic Congress, showing a tax collector popping up in the delivery room, at a funeral, taking the pacifier from a baby in his stroller. "If Democrats take over Congress, they will raise taxes by $2.4 trillion to keep up with their reckless spending," the narrator says.

Indeed, ever since President Bush and the Republican Congress pushed through a massive tax cut in 2001, many Democrats have talked about "rolling back" some of those cuts, particularly on the wealthiest Americans. Massachusetts Democratic Sen. John Kerry made it a centerpiece of his 2004 campaign against Mr. Bush. For much of the year, Democratic House leaders in Washington ripped the Bush tax cuts, promising to raise income-tax rates for people making more than $250,000 or $300,000, and threatening the dividend and capital-gains breaks that Republicans passed in 2003.

Moderating the Rhetoric

But with the election getting closer, Democratic leaders, including would-be House Speaker Nancy Pelosi of California, have moderated their rhetoric, at least somewhat, suggesting that Democrats could fund any desired spending increases with offsetting budget cuts, rather than tax increases.

"It doesn't have to be [that] if you invest in something, you have to therefore raise taxes," Ms. Pelosi said recently on CNBC's "Kudlow & Company." "You can make substitutions," she added.

Democrats are focused on closing the "tax gap" -- the estimated annual $300 billion or so in taxes that are owed but not collected by the federal government -- to raise revenue. That includes a number of tax shelter loophole-closers. Democrats also have promised to roll back tax breaks for oil companies and other multinationals. Democrats likely would resort to those before attacking any of the existing Bush breaks.

A senior Democratic House leadership aide said that "a number of our members see the value" of the investor breaks, and "there's no way we're rolling them back." The aide added that lawmakers may discuss raising rates for the highest-income households and could even propose that in the House budget resolution. But "I don't know that it's going to happen," the aide said. "If that was at the top of [Ms. Pelosi's] agenda, she would have put it in the Six for '06" -- her list of top priorities for the Congress that begins in January.

That list includes eliminating tax policies that benefit big oil companies and encourage shifting of jobs overseas; making college tuition tax-deductible; rewriting the Medicare drug benefit; expanding stem-cell research; and overhauling U.S. policy in the war against terrorism, including a phased redeployment of forces out of Iraq starting this year.

Another factor that would tie the hands of Mr. Rangel and Ms. Pelosi: many incoming freshman Democrats in the House would be more moderate than their leaders, and reluctant to go along with broad assaults on the Bush tax cuts. By Republicans' count, more than a dozen Democratic challengers have avoided taking a position on the Bush cuts. And at least a few have endorsed the Bush tax cuts and called for their permanent extension. Those members -- and many incumbent moderate Democrats -- would be loath to risk their hard-won seats by enacting tax increases.

Debate in Indiana

At a recent congressional debate in Indiana, Democratic candidate Brad Ellsworth, seeking to oust Rep. John Hostettler, brushed off his opponent's suggestion that he would vote with his liberal leadership. "I've signed a pledge with the American Taxpayers Association not to raise taxes," he said. He promised to focus instead on cutting government spending. "A lot of money comes into our government," said Mr. Ellsworth, a local sheriff. "What makes Hoosiers so mad is when you see the wasteful spending."

Republicans say the point isn't that their tax cuts will be wiped out immediately. They say Democrats hope to remain in control long enough to let the tax cuts expire on their own in 2010. "The Democrats are still determined to raise your taxes, and if they gain control of the Congress, they can do so without lifting a finger," Mr. Bush said in his radio address on Saturday. But Mr. Bush, like other Republicans, makes the issue seem urgent.

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"Next time you're having dinner at home, look around the table and multiply the number of children you have by $500," he said in his radio address, referring to the amount by which the per-child credit would decrease if the current law expires in 2010. "That's how much more you will be sending to Washington in taxes if Democrats take control of the Congress."

To the extent that Democrats talk about 2010, they say they wouldn't let breaks like the child credit expire. In the meantime, Mr. Rangel said a priority for him beforehand would be trying to find some way of easing the burden on lower and middle-income families of the alternative minimum tax.

Originally aimed at very high-income people, the AMT has begun to snare more middle-class families, driving up their tax bills. Because it is triggered by big deductions, it is hitting people who pay high state and local taxes. And it is projected to grow so large in the coming decade that within a few years it will account for more federal tax dollars than the regular income tax.

Mr. Rangel, whose district is centered in Harlem, is eager to find a solution to the AMT problem, which he fears will hamper development in urban cores. It's an expensive proposition, because federal budget projections now rely on all the money the AMT will raise in coming years. And the easiest way to fix it -- shifting the burden back to the highest-income earners -- is unpalatable to Republicans.

Some Republicans say a deal is at least possible, if Democrats are willing to give ground elsewhere -- say, by lowering income-tax rates again, or allowing overhauls of the corporate income tax that would exclude income earned abroad. Democrats say they would like to overhaul the AMT as part of a broader revamp of the entire tax code.

But few observers say such sweeping changes are possible over the next two years, as both sides maneuver for advantage in the 2008 presidential race. That campaign likely will also decide the long-term fate of Mr. Bush's rate cuts and dividend and capital-gains breaks, as well as the estate tax.

Top Democrat Casts Doubt On Regulatory Co-operation (FT)

By Jeremy Grant And Holly Yeager In Washington

Financial Times, October 30, 2006

Financial regulators on both sides of the Atlantic may not be able to resolve policy disputes through co-operation and the creation of a global regulator should be considered, according to Barney Frank, the senior Democratic congressman.

The views of the man widely expected take over the chair of the House financial services committee if the Democrats retake the chamber stand in stark contrast to those of the Securities and Exchange Commission, the financial regulator that the committee oversees.

Christopher Cox, chairman of the SEC, has been at pains in recent months to highlight stepped-up co-operation with foreign regulators such as the UK's Financial Services Authority.

This co-operation is seen as necessary as exchanges consolidate beyond regional borders, moves highlighted by the proposed New York Stock Exchange merger with Euronext.

"Doesn't that sound like fun," Mr Frank said of such co-operation. "Joint action is theoretically [good] but what does that mean? In American baseball, if the runner and the ball arrive at the base at the same time, the tie goes to the fielder. Who breaks a tie if there is a disagreement over policy between the SEC and FSA?"

Asked if a supra-national regulator would be needed, he told the Financial Times: "I don't know. At this point that's something to look into."

He also dismissed fears in Europe about the prospect of tough Sarbanes-Oxley compliance laws moving beyond the US.

Mr Frank is the senior Democrat on the House financial services committee, and is poised to take over the chairmanship from Michael Oxley, the Republican co-author of Sarbox who is retiring.

He said the idea that Sarbox could be more widely applied abroad was "not going to happen" because it was being watered down in the US.

Business and financial leaders in Europe continue to fret about the possibility that Sarbox could find its way to the UK and elsewhere through the back door, such as if a stock exchange in the US acquired one in the UK.

Asked if Europeans were justified of such concerns, Mr Frank said: "It's not going any further. Six months from now it will be less of a burden for companies than it is today." His view reflects a belief in Washington that Sarbox should not be changed through Congress.

Instead, the two regulators responsible for overseeing how it is implemented – the SEC and Public Company Accounting Oversight Board, the accounting watchdog – should clarify how sections of the law should be implemented.

Business fury at Sox is focused on Section 404, requiring CEOs to regularly evaluate a company's internal controls and to have these checked by external auditors. Critics have also hit at guidance from the PCAOB on whether such internal controls and evaluations are adequate, saying it has been needlessly aggressive. Both agencies are in December expected to unveil

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fresh guidance on Section 404 of Accounting Standard No. 2 guidance. Mr Frank said: “They have the authority to thin out what is required. We think the accountants probably overloaded on the audit requirements.”

NIH's New Ethics Rules Lead Some To Ponder Jumping Ship (WP/AP)

By Rita Beamish

The Washington Post, October 30, 2006

Nearly 40 percent of the scientists conducting hands-on research at the National Institutes of Health say they are looking for other jobs or are considering doing so to escape new ethics rules that have curtailed their opportunity to earn outside income.

Most scientists say the ethics crackdown is too severe, and nearly three-quarters of them think it will hinder the government's ability to attract and keep medical researchers, according to a survey commissioned by the government's premier medical research agency.

The tightened rules were established last year after NIH found that dozens of scientists had run afoul of existing restrictions with private consulting deals that had enriched them with money from drug and biotechnology companies.

Outside income from such companies is now banned. NIH also is placing greater restrictions and disclosure requirements on employees' financial holdings.

"Of course we are concerned when any employees are saying they might consider leaving as a result of a change of policy," said Raynard S. Kington, the agency's principal deputy director. But he said in a telephone interview Friday that the survey results are muddy because they combine those actively seeking to leave and those thinking about it.

NIH Director Elias A. Zerhouni, in a letter Thursday to the staff, said the survey "does suggest concerns about the impact of the regulations on recruitment and retention." But he added: "At this time we do not anticipate revisions in the regulations."

About 8,000 NIH employees, or about half the workforce, responded to the Internet-based survey. Employee job satisfaction was generally high, the survey found. But 39 percent of the scientists researching disease and cures -- known as tenure and tenure-track scientists -- said they were actively seeking new work or considering leaving NIH because of the rules.

Overall, 3,336 NIH scientists responded to the survey, including 512 tenure and tenure-track researchers.

Among all NIH scientists, 18 percent said they were trying to leave or considering it. Those not in the tenure group typically do not conduct research and instead manage outside research performed with NIH money by universities and other nonfederal entities. They are less likely to have private consulting opportunities.

One-third of all NIH scientists said they thought the new rules would hurt NIH's ability to fulfill its mission, and most said the old rules could have been enforced better rather than tightened.

Kington highlighted a finding that nearly nine in 10 scientists reported they intend to work at NIH a year from now. Despite rumblings of low morale, he said the scientists' job satisfaction rate of 81 percent reflects one of the government's most positive workforces.

Officials also emphasized employees' opinion that the new rules will boost the agency's credibility with the public; 73 percent of the employees who responded agreed with that, the survey found.

Arthur Caplan, medical ethics chairman at the University of Pennsylvania, said tighter rules are needed but "we still haven't figured out exactly how to manage conflict of interest."

"The leaders of the NIH and in Congress have to think a bit harder about giving a tiny bit of breathing room so that NIH scientists are not sent into a monastery from which they can't ever come out in the name of scientific integrity," he said.

Anti-secrecy Panel Called 'Puppet' (WT)

By Shaun Waterman

The Washington Times, October 30, 2006

A panel set up last year to reduce excessive secrecy in government is being labeled toothless after its chairman told lawmakers that he could not act except at the request of the president.

"The statute under which we operate provides that [President Bush] must request the board undertake such a review before it can proceed," wrote L. Britt Snider, chairman of the Public Interest Declassification Board, to Sen. Ron Wyden, Oregon Democrat.

Government transparency advocates say that if the statute is interpreted that way, it makes the board, in the words of Steven Aftergood, of the Federation of American Scientists, "a White House puppet."

Mr. Aftergood said, "The board needs the capacity for independent action; otherwise it might as well not exist."

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The letter from Mr. Snider says it is "an interim response" to a request from Mr. Wyden and a bipartisan group of colleagues for the board to review two reports from the Senate Select Committee on Intelligence that assessed U.S. intelligence about Iraq before the 2003 invasion, in the light of what has been learned since.

"We believe that portions of these two reports remain unnecessarily classified," wrote committee members Sens. Christopher S. Bond, Missouri Republican; Dianne Feinstein, California Democrat; Mike DeWine, Ohio Republican; Russ Feingold, Wisconsin Democrat; Orrin G. Hatch, Utah Republican; and Vice Chairman John D. Rockefeller IV, West Virginia Democrat, in a letter last month.

They requested that the board review the reports to see whether they were overclassified -- the first test of the board's role as a watchdog for secrecy policy.

"I think the intelligence community used their black highlighters excessively as they reviewed these reports," Mr. Wyden said at the time. "I am particularly concerned it appears that information may have been classified to shield individuals from accountability."

The board was established in law in 2000, after a 1997 recommendation from a commission headed by Sen. Daniel Patrick Moynihan, New York Democrat. The board was set up, according to the statute, "To promote the fullest possible public access to a thorough, accurate, and reliable documentary record of significant U.S. national security decisions and ... activities."

But the administration did not appoint any members until September 2004, and no funds were appropriated for it until last year.

Now the board says it is stuck in the middle of a tussle about its authority between lawmakers and the White House.

"The White House position is they have to request "any review such as that of the Senate committee report," Mr. Snider said. "The senators believe they can ask independently. ... We're kind of stuck in the middle."

Mr. Snider said the board was "waiting for guidance from the White House" about how to proceed. The board's executive secretary, J. William Leonard, added that the board was keen to get things right the first time around.

"There's a desire that [this first request] is processed in accordance with the statute, because it will be establishing a precedent," he said.

Seniors Fret Over Changes In Medicare Drug Program (USAT)

By Richard Wolf

USA Today, October 30, 2006

WOOSTER, Ohio — Gordon Musch stares into a computer monitor and listens while an insurance counselor peppers him with unfamiliar terms.

For Musch, like millions of other seniors and people with disabilities, it's time to learn again about Medicare's prescription-drug program. It was confusing the first time around. Now, there are even more plans to consider for 2007. The enrollment period begins Nov. 15 and ends Dec. 31, but officials say those who wait past early December could face delays.

The lowest-priced premiums have risen considerably. Lists of covered drugs have changed, as have rules that must be followed to get coverage.

And plans that last year provided continuous insurance throughout the year for all drugs now have a “coverage gap” for brand-name drugs. Most plans have a gap that begins when total drug costs reach $2,250 and ends when the beneficiary has spent $3,600 out of pocket.

For all those reasons, experts say, virtually everyone in the program should shop around.

That's what Musch is doing here, about an hour south of Cleveland in Ohio's farm country.

“What you did would take me five or six hours to struggle through,” he tells the state counselor helping him choose three alternatives from Ohio's 61 plans for next year. Only Pennsylvania and West Virginia, with 66, have more.

“My older brother's a physicist, my younger brother's a pharmacist, and I'm an engineer, and we've all found it to be very, very complicated,” Musch says. “I feel sorry for the mass of elderly people out there. It's got to be very confusing for them.”

Prescription-drug coverage was added to the Medicare program by Congress in 2003. Under the program, which took effect this year, coverage is provided by private insurers approved by Medicare. Most states have about 40 plans this year, rising to more than 50 next year.

In addition to widespread confusion, the program got off to a rough start. Thousands of low-income beneficiaries who previously received their drugs through Medicaid were mistakenly dropped or overcharged. Millions more with slightly higher incomes were never reached and remain outside the program.

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Medicare officials hope for a smoother transition to the program's second year. They have improved the online "Plan Finder" used by beneficiaries, their families and friends, and insurance counselors to find the best plans in terms of price, drug coverage and convenience. Average monthly premiums are $24 to $29, below original estimates.

"People seem a lot more OK with it this year," says Lynn Heskett of the Ohio Department of Insurance, who travels a 27-county area advising Medicare beneficiaries about their choices. "I haven't had many people who were really angry."

National advocates are beginning to hear complaints. Vicki Gottlich of the Center for Medicare Advocacy says beneficiaries are finding their deductibles and co-payments rising, even if premiums are not. "A lot of this is hidden," she says.

Deane Beebe of the Medicare Rights Center says low-income beneficiaries who applied for extra financial assistance this year are getting letters from Medicare stating that they have to prove their case again.

"They're calling us in a panic," she says. "They're very confused about the process, and what they have to do."

In Wooster and thousands of other communities across the country, counselors are beginning to help seniors and people with disabilities research their options for 2007. They're finding many who need to switch plans:

•Cinda Meyer, 56, of Seville, Ohio, wants out of the Humana plan which last year offered continuous coverage for all her drugs. This year, Humana will only cover generics continuously, and premiums are rising.

"Less coverage for more money doesn't sound good to me," Meyer says. She plans to switch to a plan with complete coverage, even though its monthly premium will be about $95, up from the $64 she paid this year.

•Delbert Moine, 74, of Rittman, Ohio, plans to leave the same Humana plan because it's no longer the best deal for him. He's staying with Humana in a plan that has a gap in coverage but lower premiums.

"It's cost-effective for my wife and me, but you've got to persevere," Moine says. At one point this year, Social Security stopped automatically deducting premiums from their monthly benefits, and both Medicare and Humana asked for direct payments.

•Musch, 67, of West Salem, kept his former employer's retiree coverage this year. But since it's not considered "credible" coverage by Medicare, he must pay 1% more in premiums for every month he stays outside the program. Because the signup period ended May 15 this year, that means a 7% penalty for 2007. If he waited another year, it would be 19%.

"It behooves me to get into a plan," Musch says. Despite the program's complexity, he says, "Most of the people that I talk to have been satisfied with it."

Democrats Critical Of New Medicare Guide (NYT)

By Robert Pear

The New York Times, October 30, 2006

WASHINGTON, Oct. 29 — Congressional Democrats say a new government publication being sent to all Medicare beneficiaries inappropriately favors private insurance plans over the traditional government-run program.

The publication, the 2007 Medicare handbook, "presents a misleading and biased view of Medicare coverage and options," the Democrats said last week in a letter to Michael O. Leavitt, the secretary of health and human services.

Beneficiaries use the handbook as an authoritative guide. It has become more important in the last few years as Medicare has become more complex, with new insurance options and a prescription drug benefit offered by scores of competing private insurers.

"The 2007 handbook strongly favors health maintenance organizations, preferred provider organizations and other private Medicare Advantage plans over the traditional Medicare fee-for-service program," the Democrats said in the letter.

The Bush administration defended the handbook and said beneficiaries could save significant amounts — more than $100 a month on average — by enrolling in private health plans that provided a full package of benefits including doctors' services, hospital care and prescription drugs.

"Our only goal is to provide information that is accurate, useful and objective," said Lorraine A. Ryan, a spokeswoman at the federal Centers for Medicare and Medicaid Services.

Managed care plans often have networks of doctors and hospitals, and beneficiaries may have to pay higher fees, exceeding what they would pay under traditional Medicare, if they go outside the network. In traditional Medicare, patients can choose from a broader range of doctors and hospitals, although a small number of doctors say they do not take Medicare patients because they consider the payments inadequate.

The letter to Mr. Leavitt was signed by Senators Max Baucus of Montana and John D. Rockefeller IV of West Virginia, and by Representatives Sherrod Brown of Ohio, John D. Dingell of Michigan, Charles B. Rangel of New York and Pete Stark of California. They are the senior Democrats on committees and subcommittees with authority over Medicare. Their concerns will carry more weight and could inspire legislation if Democrats gain seats in Congress in the Nov. 7 elections.

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Senior Democrats have repeatedly suggested that the federal government is paying excessive subsidies to private plans to get them to participate in Medicare, though some Democrats have voted for higher payment rates because their constituents like the private plans.

Thus, for example, while Congress was debating an overhaul of Medicare in 2003, Senator Charles E. Schumer, Democrat of New York, proposed higher payment rates as a way of "enticing H.M.O.'s back to Long Island." Senator John Kerry, Democrat of Massachusetts, supported the proposal, saying he was "a strong supporter of the wonderful health plans we have in Massachusetts," especially nonprofit plans like Harvard Pilgrim.

Federal officials say that 7 million of the 42 million Medicare beneficiaries are in Medicare Advantage plans, an increase of more than 1 million over last year.

The new handbook, "Medicare and You 2007," begins with a chart comparing the original Medicare program with "Medicare Advantage plans like H.M.O.'s and P.P.O.'s." Under traditional Medicare, it says, "your costs may be higher than in Medicare Advantage plans." In private plans, it says, "you may get extra benefits," including eyeglasses, hearing aids and dental care.

William A. Dombi, vice president of the National Association for Home Care, a trade group, said he shared the concern about what he described as "official cheerleading" for Medicare health plans. "Many home health agencies have found that they can deliver more care, and more effective care, to patients in traditional Medicare than to those in Medicare Advantage plans," Mr. Dombi said.

Traditional Medicare has no co-payment for home care, he said, but some private Medicare plans charge $20 to $35 a visit.

Under federal law, the secretary of health and human services is to disseminate information comparing the performance of private plans under Medicare. But Consumers Union pointed out that this information was missing for more than half of the plans listed in the 2007 handbook. Federal officials said some of the data would be made available on the Internet.

Boehner Says Bush Still Faces Social Security Hurdle (Update1) (BLOOM)

By Bob Willis

Bloomberg, October 30, 2006

Oct. 29 (Bloomberg) -- President George W. Bush may have a hard time getting his plans for overhauling Social Security and other entitlement programs through Congress in his last two years in office, House Majority Leader John Boehner said.

``We can't look at these big problems we have and think we're going to solve them in a very short period of time," Boehner, a Republican from Ohio, said today on ABC's ``This Week" program. ``Until people truly understand the magnitude of the problem we're facing with the large entitlement programs, trying to talk about options for fixing them is premature."

Bush said Oct. 22 that he planned to revive his plans for revamping Social Security, the government retirement program, after the Nov. 7 elections for Congress. With polls showing Democrats poised to overturn the Republican majority in the House and pick up seats in the Senate next week, resistance from Republicans such as Boehner may block Bush's Social Security goal for the remainder of his term.

Democrats aren't backing off their opposition to Bush's plan. The Democratic Senatorial Campaign Committee issued a statement last week noting Bush's remarks about his agenda and telling voters, ``Just when you thought your Social Security was safe from privatization, George Bush is bringing back his plan."

The 71-year-old program is projected to start paying out more than it gets in tax revenue beginning in 2017, according to a May report by its trustees. The president last year set aside his proposal to divert a portion of payroll taxes to individual accounts in the face of opposition from the public, Democrats and members of his own party.

Election

On another subject that is having an impact on Republican attempts to hold their congressional majorities, Boehner again said neither he nor House Speaker Dennis Hastert were aware of graphic messages that former Republican Representative Mark Foley sent to a teenage former congressional page.

``Neither the speaker, myself or anyone know of the sexually explicit instant messages," said Boehner. ``If anyone of us would have known about this, we would have dragged him out of there by his tie."

Foley, 52, resigned from Congress Sept. 29 after being confronted by ABC News about the messages.

Boehner repeated past statements that he had discussed with Hastert months ago messages sent by Foley to another former page, asking about his birthday and requesting a picture.

`Contact'

``All I was told that there had been contact between Foley and a former page," Boehner, 56, said. ``I believe that I talked to the speaker about this. I believe that he told me it had been taken care of."

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Hastert has said he didn't recall the conversation. Both men have appeared before the House ethics committee, which is investigating what the leaders knew about Foley's contacts with pages, teenagers who run errands for lawmakers.

Foley's seat in a historically Republican district in Florida is among those that his party is in jeopardy of losing in the Nov. 7 election. Democrats need to gain 15 seats and six in the Senate to win majorities. The independent Cook Political Report lists the races for 25 Republican House seats as toss- ups. Democrats are making strong challenges for Republican-held Senate seats in seven states while Republicans are threatening the Democratic hold on two Senate seats, according to the Cook Political Report analysis.

National Poll

A poll for Newsweek magazine released yesterday showed Democratic congressional candidates are backed by 53 percent of likely voters and Republican candidates get support from 39 percent. The nationwide poll was taken Oct. 26-27 and has a margin of error of plus or minus 4 percentage points.

Boehner said such national polls ``don't mean anything because what we have are 435 individual races all around the country, local candidates running on local issues."

If Republicans succeed in mobilizing ``all of our voters, we'll do well on Election Day," he said.

Senator Charles Schumer of New York, head of the Democratic Senate campaign organization, said his party is ``right on the edge" of taking control of the Senate.

``This election, more and more and more, is becoming a referendum on George Bush," Schumer said on the ``Fox News Sunday" program.

Local Issues

His Republican counterpart, Senator Elizabeth Dole of North Carolina, said that while the war in Iraq and the economy are major issues in the campaign, most races will turn on local concerns.

``Our candidates are talking about issues that are important in their states," Dole said on the Fox program.

Both agreed that Iraq is a major issue in the race.

One of the Senate seats being targeted by Democrats is that of incumbent Republican Rick Santorum in Pennsylvania. A poll conducted Oct. 16-25 for the Philadelphia Inquirer found Democratic challenger Bob Casey is leading with 54 percent support to 38 percent for Santorum, the third-ranking Republican in the Senate. Last month the margin was 11 percentage points. The Inquirer reported that doubts about the war are contributing to Casey's lead.

Another close fight is being waged in Missouri, where Republican Senator Jim Talent is tied with his Democratic rival, state Auditor Claire McCaskill, according to a poll for the St. Louis Post-Dispatch and television station KMOV. Both had 47 percent support in the poll taken last week, the newspaper said.

Recent polls also show Democrats leading in the Senate races in Montana, Ohio, Rhode Island and Virginia, all seats currently held by Republicans. The Republican candidate is narrowly ahead in Tennessee.

In the contest to replace retiring Democratic Senator Paul Sarbanes in Maryland, Representative Ben Cardin is leading Republican Lieutenant Governor Michael Steele 54 percent to 43 percent, a poll taken Oct. 22-26 for the Washington Post showed.

As Election Day draws near, Bush is stepping up his campaign appearances for Republican congressional candidates. The president made campaign appearances last week in Iowa, Florida, Michigan, Indiana and South Carolina. He plans events this week in Georgia, Texas, Montana and Nevada.

It's Who? You Know. (WP)

By Al Kamen

The Washington Post, October 30, 2006

State Department career diplomats are in an uproar over the recent appointment of a mid-level civil servant who worked for Undersecretary Karen Hughes to a top job running the new Public Diplomacy Rapid Response office in Brussels.

In an unusually strong letter last week to Secretary of State Condoleezza Rice , J. Anthony Holmes , head of the American Foreign Service Association, called the selection of Diane Zeleny a "pre-cooked deal," apparently done by manipulating the process and violating personnel rules and standard practices. AFSA, he said, was filing a grievance "to undo this assignment."

The job opening was never properly advertised. It was quietly announced at virtually the last minute in the personnel selection cycle, sources said, so there was no way top officers could apply for it.

Not so, say department officials. There was nothing untoward. The Brussels job wasn't created until the yearly State Department selection process was largely completed, and most people had already received their next posting. In addition, Hughes and Rice believe Zeleny is "the right person for the job," a spokesman said, "and they have full confidence in her."

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Holmes's protest comes at a time when career officers were already upset over a wave of lower-level officers with political connections leapfrogging to top jobs. Also new rules require service in hardship posts, especially Iraq, before anyone can get the cushier European jobs. And many of those jobs are being shifted to send diplomats to Sudan and other garden spots.

The Brussels job, Holmes said, "might well have been a perfect fit . . . for a veteran coming out of . . . Iraq, Afghanistan, Pakistan or Saudi Arabia." But Zeleny was the only one who applied. Holmes called the selection "unfathomable."

Well, not really. Zeleny, who moved to Brussels for this new job at the end of August, has worked for several years in Europe, including in Brussels and at other posts. Besides, Zeleny is married to Reuel Marc Gerecht , an author and a former CIA Middle East specialist who was an early participant in the Project for the New American Century, the neocon hub and center for Iraq war enthusiasts. Gerecht, an expert on terrorism, was a prominent promoter of the war and has met with President Bush to offer advice on Iraq.

Victoria Nuland , a career officer now in Brussels as our ambassador to NATO, is a pal, and Nuland's husband is Robert Kagan , an author and Washington Post columnist and a PNAC founding member. So now there's four for bridge.

Hardly "unfathomable."They Weren't Even Pool Reporters

White House spokesman Tony Snow was hounded by reporters last week as he insisted that Vice President Cheney 's approval of "a dunk in the water" during a radio interview in no way indicated that he approved of waterboarding, a torture technique meant to simulate drowning.

Snow pointed out to incredulous reporters that Cheney was very careful in his use of language and the word "waterboarding" was never uttered. If he meant waterboarding, he would have said it.

Reporters weren't buying it.

"So, wait a minute," CBS reporter Jim Axelrod said. "So 'dunk in the water' means what? We have a pool now at Guantanamo and they go swimming?"

"You doing stand-up?" Snow asked.

"Saying that Vice President Cheney doesn't make mistakes like this," said ABC's Ann Compton , doesn't quite wash. "He did go up and curse a senator to his face on the Senate floor and accidentally shot his friend. So he's not perfect," she noted.

"Not germane," Snow said.

It is clear from the transcript that the interviewer brought up "dunking" in a discussion about terrorism and questioning techniques.

Perhaps Cheney thought he was talking about those county-fair water tanks: five tickets for $10, throw the ball, hit the target, and the person sitting above drops into the water?

As Defense Secretary Donald Rumsfeld told reporters: "Back off."Invading Iraq, Invading Normandy

Speaking of Rumsfeld, Friday's column omitted a statement in one interview that gave important perspective to the current deep divisions over Iraq.

"I think that our country has always had dissent of various types. I lived through World War II," he said. (Rumsfeld was 13 years old when the war ended.) "And there were vicious comments made against our political leadership during that conflict. But the American people absorbed it. We persisted."

Yes. Who can forget those huge riots in Times Square, protesting the D-Day landings?

Beer PAC Aims To Put Congress Under Influence (USAT)

By Thomas Frank

USA Today, October 30, 2006

WASHINGTON — When Congress returns Nov. 13, one bill likely to get a vote is a measure to curb underage drinking.

But the bill before the House is much different from the version lawmakers introduced last year.

Gone are sections that urged the NCAA to ban alcohol ads during college sportscasts and that called alcohol “the most heavily used drug by children.” Added is a sentence that could help beer distributors fend off challenges to state regulations that require them — and only them — to transport beer to retailers.

The National Beer Wholesalers Association, a little-known but influential advocacy group, takes credit for the additional line and worked with the alcohol industry to delete the other sections. The beer group's political action committee (PAC) is one of the top givers to congressional candidates for the Nov. 7 elections.

The beer wholesalers are “the pit bull of the alcoholic-beverage industry,” says George Hacker, who directs an anti-alcohol campaign led by the Center for Science in the Public Interest, a consumer group.

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Since 1999, the beer wholesalers' PAC has given $8.6 million to federal candidates, exceeding donations by the American Medical Association, the American Bankers Association and the National Association of Home Builders for that period, according to the non-partisan Center for Responsive Politics, which tracks campaign funds.

That money opens doors to lawmakers' offices, where beer-association lobbyists fight to cut taxes, block federal efforts to regulate drinking, and erase descriptions of alcohol's economic and health costs in bills. Since 2005, the association has donated the maximum $10,000 in campaign contributions allowed to about 135 lawmakers, mostly Republicans, according to records of the Center for Responsive Politics and the Federal Election Commission. Many recipients support association priorities.

"They get an immediate audience when they want it because of the money they've given and the relationships they've developed," Hacker says. "They have lots more leverage with (congressional) leadership than even members of Congress do."

Chuck Hurley, CEO of Mothers Against Drunk Driving, says that leverage was shown when the association won an audience with the seven sponsors of the underage-drinking bill. "To have a meeting with that many members to change a bill requires a fair amount of access," says Hurley, a longtime congressional staffer, lobbyist and highway-safety expert.

The beer association's small size — more than 1,900 members — makes its political largesse striking. The biggest PACs include the 56,000-member Association of Trial Lawyers of America, the 750,000-member International Brotherhood of Electrical Workers and the National Association of Realtors, about 1.4 million strong.

"Our members understand the importance of advocacy," says Craig Purser, the beer association's president. Beer, he notes, is regulated and taxed by the federal government and states. Both also license beer distributors. And alcohol faces sharp scrutiny as states have tightened drunken-driving laws and health advocates focus on underage binge drinking.

That helps explain why the beer association and other alcohol-industry groups got lawmakers to delete from the underage-drinking bill three pages of "findings" that detailed alcohol's insidious effects. "There are some things you don't want in the Congressional Record if you don't agree with them or don't think them to be true," Purser says.

Last year, the beer wholesalers helped remove from a highway bill that became law "troubling provisions aimed at mandating programs to deal with drunk driving," according to the association's 2005 annual report.

Rep. Rosa DeLauro, D-Conn., a sponsor of the underage-drinking measure, says cutting the three pages of findings "doesn't change the bill." It authorizes $72 million for underage-drinking prevention programs over four years and requires an annual federal report on those under 21 who drink.

The beer association got sponsors to add a sentence to the bill calling for "continued state regulation" of alcohol. That seemingly benign phrase helps beer distributors fight large retailers such as Costco that want to take over beer distribution, says Eric Shepard, executive editor of Beer Marketer's Insights, an industry newsletter. "It helps legitimize the positions beer wholesalers have and the roles they play," Shepard says.

The beer association rose from obscurity after Congress doubled the beer excise tax to $18 a barrel in 1991, which Purser describes as a "a wake-up call." A top priority has been repealing the increase, proposed in a bill that has 207 sponsors in the House and 13 in the Senate. Since 2005, about 160 of those sponsors have received $1.35 million from the association, according to Center for Responsive Politics data.

Purser says contributions aren't tied to any single issue but are given based on candidates' "understanding of issues important to beer distributors."

The repeal, proposed regularly since the mid-1990s, has not passed. No one, however, has sought to raise beer taxes. "Any time you've got almost 50% of one chamber wanting to reduce the tax," Purser says, "that makes it much more difficult for them to advocate for increasing the tax."

OTHER NEWS:

Pain From U.S. Housing Slump Is Likely To Linger, But Some Say Worst May Be Past By JAMES R. HAGERTY (WSJ)

The Wall Street Journal, October 30, 2006

Just when the gloomier pundits were starting to enjoy the housing slump, optimists are piping up to declare it could be almost over.

Former Federal Reserve Chairman Alan Greenspan, whose interest-rate cuts helped create what he once called "froth" in house prices, said in a speech last week that he detected "early signs of stabilization" in the housing market. Some Wall Street economists also are saying the worst may be behind us.

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Not so fast, replies Ian Shepherdson, chief U.S. economist at High Frequency Economics Ltd., a Valhalla, N.Y., research firm: "It's going to get worse before it gets better."

CAST YOUR VOTE

Question of the Day:1 How will home prices in your neighborhood change over the next year?

Both camps are making valid points. The maximum impact of falling home construction may have hit the U.S. economy in the third quarter, some economists say. But that doesn't mean the housing market is on the verge of a miracle recovery. Construction is expected to fall further as builders struggle to shed a glut of unsold homes. And many economists expect house and condominium prices to continue falling for at least an additional six months to a year in parts of the nation where speculators went wild.

For now, the consensus among economists is that the housing downturn will remain a drag on the economy but probably won't sink the U.S. into a recession next year. Even Mr. Shepherdson, among the most bearish, believes the U.S. has a 60% chance of averting a recession in 2007. In any case, the weak housing market will remain painful for speculators who loaded up on credit to buy near the top -- and for millions of people working in housing-related industries. Just last week, Countrywide Financial, the U.S.'s largest mortgage lender, announced plans to shed about 2,500 jobs, or 4.5% of the company's total.

Largely because residential investment dropped at an annual rate of 17%, inflation-adjusted economic growth in the U.S. slowed to a feeble rate of 1.6% in the third quarter, according to an estimate released by the Commerce Department. Without that drop in residential building, economists said, the growth rate would have been about 2.7%.

After the third-quarter carnage, expect "some gradual improvement from here," says Peter Kretzmer, a senior economist at Bank of America in New York. He expects residential construction to decline at an annual rate of 13% in the current quarter, 5% in next year's first quarter and 2.2% in the second quarter before starting to grow again. Mr. Shepherdson disagrees, arguing that the drop in construction will accelerate before the market regains balance.

Offsetting the housing damage are several positives. Gasoline prices and mortgage interest rates have fallen in recent months. The stock-market rally has made some people feel richer, even as those who trust only in real estate feel poorer. And job growth, though unspectacular, continues at a "solid" pace, says Scott Anderson, an economist at Wells Fargo in Minneapolis.

With home prices flat to lower in much of the country, Americans already have less ability to tap their home equity to finance spending. But it is unclear how much effect that will have on consumer spending. Some economists believe that rising wages, the stock-market rally and lower energy costs will be enough to keep Americans loading their shopping carts with iPods and flat-screen TVs.

Mr. Greenspan sees hope in the rate of applications for home-purchase mortgages. After falling in the second half of 2005 and earlier this year, they have leveled off in recent weeks.

Some of the optimists' arguments are dubious. To bolster its position that the housing market is stabilizing, the National Association of Realtors last week trumpeted a 2.4% decline during September in the number of previously occupied homes offered for sale through multiple-listing services. But the Realtors' news release didn't mention that listings almost always decline in September, when the back-to-school season means fewer people are moving. Over the past 20 years, listings have declined an average of 3.4% in September, says Ivy Zelman, a Cleveland-based housing analyst for Credit Suisse.

Ms. Zelman, who last year correctly predicted a plunge in home-builder share prices, thinks investors who now are bidding those prices back up are way too early. Sales of new homes are unlikely to start rising again before early 2008, she says. Meanwhile, "land is going down in value daily," she says.

Joshua Shapiro, chief U.S. economist at research firm MFR in New York, is more upbeat but still thinks home prices will "stagnate" on a nationwide basis for several years, as rises in parts of the country are offset by continued declines elsewhere. After the unusually steep surge in home prices during the first half of this decade, he says, it will take time for incomes to catch up again with housing costs.

Bursting Bubble Blues (NYT)

By Paul Krugman

The New York Times, October 30, 2006

Here are the five stages of housing grief:

1. Housing bubble? What housing bubble? “A national severe price distortion [in housing] seems most unlikely in the United States.” (Alan Greenspan, October 2004)

2. “There’s a little froth in this market,” but “we don’t perceive that there is a national bubble.” (Alan Greenspan, May 2005)

3. Housing is slumping, but “despite what you hear from some of the Eeyores in the analytical community, a recession is not visible on the horizon.” (Richard Fisher, president of the Federal Reserve Bank of Dallas, August 2006)

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4. Well, that was a lousy quarter, but “I feel good about the U.S. economy, I really do.” (Henry Paulson, the Treasury secretary, last Friday)

5. Insert expletive here.

We’ve now reached stage 4. Will we move on to stage 5?

Over the last few years, most good U.S. economic news has been the result of soaring home prices. Spending on new houses created jobs and poured cash into the economy. Consumers borrowed against the rising values of existing homes and went on a buying spree, spending more than they earned for the first time since the great depression.

But the housing boom became a bubble, fueled by a surge of irresponsible bank lending, which continues even now. (Yesterday’s Denver Post tells of a runaway prisoner who managed to borrow enough to buy three expensive houses while on the lam, then bought two more while in prison.) The question now is how much pain the bursting bubble will inflict.

Last week’s report on G.D.P. showed the first signs of serious economic damage. According to the “advance” estimates (which are often subject to major revisions), growth in the third quarter of 2006 slowed to its worst level since early 2003. A plunge in spending on residential construction, which fell at an annual rate of 17 percent, was the main culprit. But was that just a temporary setback, or the beginning of something much worse?

Some say the worst is already over. Mr. Greenspan, who’s been an optimist all the way, now argues that the latest data on new-home sales and mortgage applications suggest that housing has already bottomed out. Business investment is still growing briskly, and so far consumers haven’t cut their spending. So maybe this is as bad as it gets.

But I think the pessimists have a stronger case. There’s a lot of evidence that home prices, although they’ve started to decline, are still way out of line. Spending on home construction remains abnormally high as a percentage of G.D.P., because banks are still lending freely in spite of rapidly rising foreclosure rates.

This means that home sales probably still have a long way to fall. And you don’t want to make too much of the fact that some housing indicators have turned up; those indicators tend to bounce around a lot from month to month.

Moreover, much of the good news in the latest economic report is unsustainable at best, suspect at worst. Almost half of last quarter’s estimated growth was the result of a reported surge in automobile output, which some observers think was a statistical illusion, not something that really happened.

So this is probably just the beginning. How bad can it get? Well, you don’t have to go far to find grim forecasts: Merrill Lynch predicts that the unemployment rate will rise from 4.6 percent now to 5.8 percent by the end of next year.

In case you’re wondering, I don’t blame the Bush administration for the latest bad economic numbers. If anyone is to blame for the current situation, it’s Mr. Greenspan, who pooh-poohed warnings about an emerging bubble and did nothing to crack down on irresponsible lending.

Still, the bad news will have political consequences. The Bush administration has been trying to shift attention away from the disaster in Iraq to an allegedly booming economy. That strategy wasn’t working too well even when the headline numbers were good, because it never felt like a boom to most Americans. But now even the headline numbers have turned lousy.

And if that hurts the G.O.P. in next week’s election, well, there’s a certain poetic justice involved. The administration tried to claim undeserved credit for the positive effects of the housing boom, so why shouldn’t it receive some blame for the negative effects of the housing bust?

Pressure On Your Health Benefits (TIME)

By Kathleen Kingsbury

Time, October 30, 2006

After watching health-care costsÂ rise more than 60% in the past five years, most of America's 177 million insured workers are bracing for another dose of pain. As this November once again brings open-enrollment season--that annual headache of working out how much more of our paychecks will go to health benefits next year--2007 looks to bring no relief. For the average employee, premiums and out-of-pocket expenses will reach $2,904 a year for a family, up $300 from 2006. That's the pass-along pain of the costs that employers now endure, nearly $9,000 per employee, up an estimated $518 from this year.

Containing those costs is a new corporate imperative. Among the tactics: bosses are skimping on raises. They're being more restrictive about covering family members and offering more preventive programs to keep workers healthy--or at least forcing them to take more responsibility for their health-care spending. That is, if they even offer health benefits. Thirty-nine percent of companies offer no medical benefits, up from 31% in 2000. About 60% of companies say they expect coverage to decrease. So it's not surprising that 80% of Americans polled say the system is broken. "Really all humanity has been stripped out," says Cathi Shaefer, a grocery clerk for the supermarket giant Safeway in Upland, Calif. "The care of people is getting a lot less attention than numbers."

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The few companies that have been able to keep their costs down could gain an advantage over rivals, since the disparity between those paying the highest price for health care and those paying the lowest is estimated at $3,000 per employee. For a firm of 10,000 workers, that's $30 million, a chunk of change that would have nearly any executive sweating his competitiveness.

One antidote to the cost spiral: puny raises and fatter deductibles. "Most companies realize they couldn't hire anybody if they didn't offer medical benefits," says Helen Darling, president of the National Business Group on Health. "But they also expect employees to share more of the burden." Workers can't help feeling it. According to Department of Labor statistics, salaries rose 3% from June 2005 to June 2006, but inflation rose 4.7% and health care 8%.

Those numbers won't change much in 2007. Someone making $40,000 a year can anticipate a 4% pay increase next year. (Don't spend it all in one place.) With health-care costs expected to rise about 7%, that means at least 16% of that raise would go to higher premiums or new out-of-pocket expenses. Stated another way, your 4% raise is actually closer to 3%. Of course, employers tend to look at it differently. "It's a phenomenon we call the hidden paycheck because companies have essentially been substituting health-benefit dollars for salary and merit increases," says Ron Fontanetta of the benefits-consulting firm Towers Perrin.

Companies are also saving money by cracking down on eligibility and raising costs for extended family coverage. Many have begun to impose a monthly surcharge of $50 to $200 to cover spouses and partners who could otherwise get coverage from their employer. Employees are now often paying more to cover their dependents themselves. Following the automobile industry's lead, many firms--about half of all businesses--are conducting audits, requiring marriage licenses or birth certificates to verify coverage for some spouses and dependents. Ford has cut more than 50,000 people from its rolls and Chrysler 26,000. That's a drop in the bucket when you expect to spend $2.3 billion on health care, Chrysler spokesman David Elshoff says, "but at that amount, you're looking at every option to bring costs down."

In addition to being less generous, businesses are being less paternal too, forcing workers to be more accountable for spending, a practice called consumer-driven health care. One immediate change has been a move away from fixed co-payments for such medical expenses as doctor visits and prescription drugs. That's being supplanted by coinsurance, under which the covered person pays a percentage of the expense. Nearly half of companies will have made the switch by next year. "The idea is to get employees to think before heading to the doctor for a cold," says Columbia University professor of health management Sherry Glied, "to shop around a little for the best price."

Another option growing in popularity: high-deductible health plans coupled with a reimbursement mechanism, most often a health-savings account. Younger and healthier workers increasingly select such coverage, which combines a deductible of at least $1,000 with a tax-deferred savings account to which employers sometimes contribute. Chicago-based accounting firm Blackman Kallick offered its more than 200 employees the plan this year. "About 10% chose it," says human-resources manager Suzanne Palombi, "many more than we anticipated." For Blackman, that equates to a 33% drop in premium costs for those workers.

Such savings from high-deductible plans, however, are most likely short lived. A study by benefits-consulting firm Watson Wyatt Worldwide found no correlation between high-deductible plans and companies with the lowest health-care costs. And a Rand Corp. report last week showed that people with such coverage more often forgo necessary care--which generally leads to greater expense later.

Indeed, most corporations are focused on giving employees incentives to stay healthy. Some 60% promote preventive care through wellness programs, including smoking cessation and health-club discounts. "More than ever before, companies are seeing the link between good health and productivity," says Beth Bierbower, vice president of product innovation for insurance provider Humana. "So they're engaging employees more on what their personal needs are."

Humana offers customers several wellness components in their plans. One includes a point system, designed by British firm Virgin, in which a pedometer records an employee's movements. Each step, with extra credit for exercise activities, is converted into points that can buy music, sports equipment and even airline tickets. At Illinois-based International Truck and Engine Co., a similar program has its workforce racing CEO Daniel Ustian to better health. A quarter of its 17,000 employees put in 27 miles a week.

It's not the walkers who are the problem, though. Since 10% of employees account for 70% of costs, identifying and caring for those at the highest risk for illness is a priority. Employees at South Carolina's private utility SCANA who fill out annual health assessments get a special break: their premiums don't rise. Of the company's 15,000 workers, 94% took advantage of that offer this year. The data SCANA and other companies collect can then go toward disease management for such illnesses as diabetes and high blood pressure. At International Truck and Engine, where costs have remained flat the past two years, health professionals call chronically ill employees regularly (unless they opt out) to offer advice on care and medication. SCANA provides drugs through an in-house pharmacy. "We then can buy drugs at a wholesale price," says Joe Bouknight, SCANA's

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human-resources director. "In 2007 that will represent a nice discount for us and our employees." If only that were true for the rest of us.

America's Best Health Plans (USNEWS)

By Michelle Andrews

U.S. News and World Report, October 30, 2006

When Betty Noel was diagnosed with endometrial cancer last year, her husband, Larry, figured most of the costs would be paid by healthcare coverage from his job managing the garden shop at a Kmart in Lynchburg, Va. But when he got a $13,270 bill for the first month of Betty's radiation therapy, he found out differently. K Care Value Plan, his health insurer, informed him that the maximum coverage for outpatient services was $1,200 a year. Larry and Betty would be responsible for coming up with the rest. "We were shocked," says Larry, 59, who was paying about $300 a month for coverage. "I pay more than that just in premiums every year."

The Noels' experience is hardly unique. As healthcare costs have continued to climb-premiums rose 7.7 percent this year-employers have been shifting more of them onto workers' shoulders. The $5 copay has gone the way of the nickel candy bar. These days you can expect to shell out $20 or more every time you visit the doctor and pony up 20 to 30 percent coinsurance for some drugs and services. Annual deductibles of $1,000 or more are becoming more common.

At the same time, benefits are shrinking. "Definitely, we are seeing a trend toward lower benefits across the board," says Beth Darnley, chief program officer for the Patient Advocate Foundation, a nonprofit based in Newport News, Va., that helps people resolve health coverage problems. In the Noels' case, the foundation contacted Kmart. Within a few months the company revised its insurance to cover up to $500,000 annually for inpatient and outpatient care combined. (Kmart declined to comment.)

Out of pocket. That was good news, but it didn't solve all of the Noels'problems. Larry still had to withdraw $5,000 from his 401(k) retirement plan and take $4,000 out of their savings to cover the 20 percent coinsurance they owed for Betty's cancer care. He says, "Sometimes I wonder-what if I get to the point where I can't afford this anymore?"

It's a question many people are asking themselves. Healthcare ranked as the No. 1 concern, outpolling war and terrorism, among those responding to the annual health confidence survey released last week by the Employee Benefit Research Institute. Six in 10 respondents rated the American health system "fair" or "poor," and more than half said they are not satisfied with the cost of healthcare. In studies, people consistently give the healthcare system high marks for quality, and the rankings assembled here and on the Web by U.S.News in partnership with the National Committee for Quality Assurance, managed care's primary accrediting body, showcase the top performers in this important area. But people are worried about expenses, and as healthcare costs continue to shift to individuals, anxiety and dissatisfaction mount.

The buzzword for this cost-shifting is "consumerism." The latest hot concept to capture the imagination of health plans, employers, politicians, and policy wonks, consumerism hands the healthcare reins to individuals, giving them more responsibility for making decisions about their medical care-and a bigger financial stake in paying for it. The most high-profile way that consumerism has entered the mainstream is through health savings accounts (HSAs)-tax-advantaged financial accounts, attached to high-deductible health plans, that people can use to cover their medical bills and save for future medical costs. In addition, health plans are offering members a growing array of "consumer driven" tools that aim to help those in any kind of health plan evaluate healthcare prices, pick doctors and hospitals that are both cost effective and high in quality, get appropriate screenings and tests, and otherwise manage their health. Employers, meanwhile, are steering workers toward cheaper drugs, medical services, and providers by offering lower copayments and other incentives for certain choices.

It's 'Seller Beware' In Housing (USNEWS)

By Alex Markels

U.S. News and World Report, October 30, 2006

Roger Maehler has good reason to feel smug about the panoramic mountain views from his new backyard.

"I think I got a good deal," the Scottsdale, Ariz., resident says of the acre-plus adobe ranchette he snagged last week for $655,000-a 23 percent discount from the original $850,000 asking price.

Complete with swimming pool, spa, and a big-screen TV in the great room, the sprawling five-bedroom property was high on his list when he began shopping for a new home in May. But like many buyers these days, Maehler decided to hold off and see how the weakening market shook out over the summer. "I guess it was worth the wait," he says.

Since prices topped out in July, the housing downturn now underway in many parts of the country has already lopped $10,000, or 4.3 percent, off the median price of an existing home, the largest dollar decline the National Association of Realtors

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has ever recorded. Prices of newly built homes have slumped even more, sinking by 15.5 percent since their April peak, according to the Commerce Department.

Contrarians. While some areas like Houston and Seattle have bucked the trend, prices in once hot markets like Boston are now down by more than 10 percent from their high point. The same goes for parts of the Phoenix area, where the number of homes on the market has more than doubled to 45,000 since last October.

"I literally could have spent eight hours a day, five days a week looking at houses," says Maehler, who toured more than 30 properties before making a bid.

Indeed, the national inventory of 4.3 million unsold homes now stands at about a seven-month supply, a glut some economists say will persist until sellers make meaningful cuts in their asking prices. "Buyers want more than the traditional 2 to 5 percent price reduction before they sign on the dotted line," says Gregory Miller, chief economist for SunTrust Bank, who doesn't expect a significant reduction in inventory until early next year.

That assumes, of course, that sellers like Zaher El-Assi are willing to play along. Even after more than a year with his condo on the market, the Boston resident has steadfastly refused his real-estate agent's pleas to lower the $799,000 price. "I just want to see if I can get the right price," he says of the two offers he has turned down already.

People like El-Assi are "the seller's equivalent of the Looky Lou," says Jason Weissman, his frustrated broker, who estimates that as many as a third of sellers in the Boston area aren't serious about pricing their homes to sell.

Such inflexibility worries economists like Mark Zandi, who says it could take a "Roto-Rooter" to finally flush stubborn sellers-and their market-clogging inventory-from real-estate listings.

In the short run, he expects the market could stabilize somewhat as new construction slows and dejected sellers temporarily pull their homes off during the slow winter season. "But it could very well be a dead-cat bounce," the Moody's Economy.com chief economist says of the chance that a strong economy and persistent inflation will push up mortgage interest rates-just as sellers move to relist their houses in the spring. If that happens, "it'll come right out of housing prices again."

Bush Ventures Into 'killing Fields' In First Mid-term Foray (FT)

By Caroline Daniel In Sellersburg, Indiana

Financial Times, October 30, 2006

President George W. Bush finally gave a new meaning to the word bully in his bully pulpit at the weekend.

With just 11 days before the end of his last political campaign, Mr Bush on Saturday starred in his first public rally of the mid-term elections. He rolled up his blue shirtsleeves to lambast Democrats as the party that would raise taxes and negotiate with terrorists.

Selling his party's message in Indiana, the president resembled an old-fashioned revivalist. His evocation of Democratic sins spurred the crowd at the Silver Creek High School, Sellersburg, into an ecstatic chorus of "Amen", "That's right", and one man spontaneously interjecting "You're the man, George".

The official White House transcript showed that the speech was punctuated by 98 bursts of applause and 12 "boos" at the spectre of activist judges, House Democrat leader Nancy Pelosi and gay marriage. The crowd of 4,000 – die-hard Republicans, the merely curious and an Abraham Lincoln impersonator – stamped their feet with unabashed approval and waggled pom-poms.

In a moment more pantomime than politics, Mr Bush encouraged the audience to shout "Just Say No" as he asked: "When it comes to detaining terrorists, what's the Democrats' answer? When it comes to trying terrorists, what's the Democrats' answer?"

For a beaming Mr Bush it was a welcome return to a vernacular he has long been at ease with. Four years ago he held more than 30 public rallies in the congressional campaign.

In a sign of how his popularity has ebbed, Laura Bush, the First Lady who is more popular than her husband, appeared at two rallies on Saturday. Senator John McCain, the aspiring presidential candidate for 2008, has already held eight rallies this season – he did two on Saturday in Connecticut.

The fact that Mr Bush was in the ninth district of Indiana, a traditionally conservative region in a state that has only voted for the Democratic presidential candidate four times since 1896, underlines the challenge facing the party. It was the first visit by a sitting president since Lyndon Johnson opened a post office in 1964.

Sellersburg is located in the southern tip of the state, next to Kentucky. It is in the heart of the Ohio River valley, an area White House strategists concede is a significant problem.

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"A Republican consultant referred to Indiana, Ohio and Pennsylvania as the killing fields of the Republicans this year," says Charlie Cook, publisher of the Cook Political Report. "There are no three worse states in the union for Republican House candidates."

Polls show three Indiana seats are at risk. Jeff Hostettler has already been written off as one of the three most vulnerable Republican incumbents, with Chris Chocola nearly as shaky. Mike Sodrel, whose district includes Sellersburg, stood hip to hip with Mr Bush. He has the best hope of retaining his seat, trailing by 2 percentage points in polls.

The White House is paying attention. Last week Mrs Bush made the second of two visits, posing with pumpkins. Barbara Bush, the president's mother, has been through and on Monday Tony Snow, the White House spokesman, will visit Jeffersonville, eight miles away.

Saturday's rally was pure White House stagecraft. The lone black person in the room, and a Hispanic couple, were positioned directly behind Mr Bush. Dozens of ostensibly handcrafted signs – including "Moms for Mike" – were handed out by campaign aides.

Although strategists have dismissed the power of "values voters" in this election, arguing they have been trumped by Iraq and the economy, many of the crowd stressed the primacy of social issues. "Sodrel is against abortion and is pro-gun. My husband is a gun nut. Family values are the top issue for me. The other side are trying to kill babies and take away our guns," said Candace Crone, who described herself as "someone who loves my country".

Penne Keith, whose husband painted an American flag on his front lawn after the terror attacks in 2001, said she admired Mr Bush as "very moral, a Christian believer . . . My husband called in sick today to attend the rally, the first day he has missed this whole year."

The question is whether those at the rally show the same loyalty on November 7. In a nod that his own legacy is at stake, Mr Bush urged them to vote. "Your vote will have an impact not only on your lives here, but an impact that will help determine the course of this nation."

Bush Shows Potency In Rallying The Faithful (NYT)

By Jim Rutenberg

The New York Times, October 30, 2006

WASHINGTON, Oct. 29 — For all the talk about the political baggage that President Bush carries this year, his stop in Indiana on Saturday showed that he could still turn on — and, White House strategists say, turn out — the most faithful party voters.

Women screamed his name, men chanted "U.S.A.," and no one doubted that the 4,000 people packed into a high school gymnasium for a rally in Sellersburg were primed to urge friends and neighbors to vote on Nov. 7 for Representative Mike Sodrel, who won his seat by just 1,300 votes two years ago.

The scene will repeat itself over and over before Nov. 7, as President Bush plunges into a blitz of rallies for embattled candidates. As the White House moves into its end game for this campaign, a crucial element is the use of the president to rally core voters in certain districts — and either to stop a Democratic takeover of the House and possibly the Senate in the last two years of Mr. Bush's presidency, or, at least, to keep the opposition's gains to a minimum.

The appearances buck the conventional wisdom that Mr. Bush is such a pariah to Republicans that he cannot be of much use on the campaign trail. White House strategists say they have carefully selected several make-or-break races in which the president's presence can still make a difference.

Over the next few days, Mr. Bush, whom members of both parties count as a thoroughbred campaigner, will go to Georgia (twice), Montana, Nevada and Texas.

"In a lot of these places a presidential appearance is going to make a difference in that district," Tony Snow, the White House press secretary, said in an interview on Sunday. Mr. Snow said Mr. Bush would use the appearances to press a new message that the Democrats have not united on a plan for Iraq.

The strategy is not without its risks. It keeps Mr. Bush front and center when even strategists close to the White House have wondered in private conversations whether it would be better for him to focus on being presidential — perhaps concentrating on foreign policy — when Democrats are working hard to make the elections a national referendum on his policies.

"Anytime Bush is out, he's still on the news at night nationally and in newspapers in all of these competitive districts," said Bill Burton, a spokesman for the Democratic Congressional Campaign Committee. "Wherever he goes, he's still hurting Republican incumbents."

The parade of Republican officeholders publicly distancing themselves from Mr. Bush has not let up. And that is seriously limiting the places where he can be of help. Last week, Representative John Hostettler, Republican of Indiana, told The

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Evansville Courier and Press that he had declined White House offers of help: "We just decided, just said, 'Just stay in Washington,' " the paper quoted Mr. Hostettler as saying.

But battles like Mr. Sodrel's, against Baron Hill, a former Democratic congressman, will be decided by which side can turn out its core voters. And that is something White House planners say Mr. Bush is still able to do. Yes, only 38 percent of respondents to the latest New York Times/CBS News poll said they approved of the job the president was doing. But that is still something for the White House to work with.

Many of the president's most loyal followers live in places like Sellersburg, where Mr. Bush beat John Kerry by nearly 20 percentage points in 2004, and where his message of low taxes and national defense can still pack a wallop.

Mr. Sodrel's campaign manager, Cam Savage, was only too happy to point out that the 4,000 tickets for the event sold out in just a couple of hours. In the 2000 census, Sellersburg had just over 6,000 residents.

The president's announced stops this week are in other fairly small towns that voted for him by wide margins: Billings, Mont.; Elko, Nev.; Perry, Ga.; Statesboro, Ga.; and Sugar Land, Tex. The combined population of those five places is just over 200,000.

In essence, these are slivers of the country where Mr. Bush's appearances will make a big splash in local papers and on local radio, where he is relatively popular, and where the election will hinge on base voters rather than, say, swing voters who may find him polarizing.

The president's two stops in Georgia on Monday and Tuesday are for two Republicans, Max Burns and Mac Collins, who are making headway in challenges against two Democratic incumbents, Representatives John Barrow and Jim Marshall, respectively. Mr. Bush is popular enough in those areas that the Democratic incumbents have tried to align themselves with him.

"We've gotten rid of 6,500 tickets for the rally already. We'd take him anytime," Tim Baker, Mr. Burns's campaign manager, said. "Bush will help our voters understand the stakes and get them to polls."

And then there are stops like the one on Monday in Sugar Land, for the seat that had belonged to Representative Tom DeLay, whose sudden resignation this year put a usually safe Republican seat in jeopardy.

Mr. Bush won the district over Mr. Kerry in 2004 by nearly 30 percentage points, but the Democrat, Nick Lampson, is favored to win. His main Republican opponent will need all the help she can get from Mr. Bush. She is a write-in candidate with a name that may not be easy to remember: Shelley Sekula-Gibbs.

A Tangle Of A Race To Fill DeLay's Old Seat (NYT)

By Ralph Blumenthal

The New York Times, October 30, 2006

HOUSTON, Oct. 29 — Hoping against the odds to keep a prize Republican Congressional seat from falling to the Democrats next week, President Bush travels to his home state on Monday for a rally in the district long led by his Texas ally Tom DeLay.

But in a topsy-turvy race with more than its share of bizarre twists, the rally in Sugar Land is not for Mr. DeLay, the former House majority leader. Mr. DeLay, who is facing legal and ethical questions, capped a primary victory in March with the announcement that he was abandoning his run for a 12th term, resigning from Congress and moving to Virginia.

Instead, Mr. Bush is the headliner for a Houston councilwoman, Shelley Sekula-Gibbs, who emerged only in August as the Republican choice for the 22nd Congressional District and who is running in two elections: the general election on Nov. 7 and a special election the same day to fill Mr. DeLay's unexpired term. Her main opponent to fill the House seat for the next two years is Nick Lampson, a Democrat and former congressman who has been campaigning for more than a year and is favored to win.

"The president is coming to rally the troops, and I am so thrilled," Ms. Sekula-Gibbs, a dermatologist serving her third two-year term on the Houston City Council, said Friday by phone from the campaign trail. Asked if Mr. Bush's negative approval ratings could hurt her, she was indignant. "Only a Democrat would say that," she said. "He's tremendous. I'm thrilled he's coming."

As for Mr. Lampson, she said, "He's toast."

Mr. Lampson, 61, who lost his House seat in a neighboring district after the 2003 redistricting engineered by Mr. DeLay, has shored up his moderate credentials with endorsements from the Veterans of Foreign Wars and the National Rifle Association and has been beaming victory grins at campaign stops.

"This has been, believe it or not, a fun race," he told National Public Radio last week. "I thought it was going to be difficult and very ugly. It has not turned out that way."

But discord broke out Friday after Ms. Sekula-Gibbs showed up inside a Sugar Land polling place where voters were casting early ballots, setting off charges by Texas Democrats and the Lampson camp that she had willfully broken the law by

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campaigning inside a polling place. Ms. Sekula-Gibbs said she had been campaigning outside and briefly went in to use the restroom and inquire about voter turnout.

In one of the many oddities of the race, Ms. Sekula-Gibbs, 53, is running twice, as her campaign jingle, "Vote Twice for Shelley," to the tune of "Roll Out the Barrel," reminds voters. She is on the ballot with three other Republicans and a Libertarian in the special election that Gov. Rick Perry, a Republican, waited until the last minute to call to fill Mr. DeLay's unexpired term until January. And she is a write-in candidate against Mr. Lampson as well as a Libertarian and two other write-ins in the general election to the 2007-8 Congress.

Only the Libertarian candidate, Bob Smither, 62, an engineer, appears on the ballot in both elections.

Mr. Lampson, perhaps reluctant to risk a loss for little gain, chose not to run in the special election. If Ms. Sekula-Gibbs takes the interim House seat but loses the general election, she would still be compelled to give up her Council position, a base for future campaigns, which has prompted speculation that she may turn down the interim seat. She declined to say.

"I'm running for both seats; I'm winning both seats," she said several times.

Her exclusion from the ballot in the general election goes back to the April decision by Mr. DeLay to give up his re-election race. He is under indictment in Austin in a felony campaign finance case and is facing an ethics investigation into his relationship with the lobbyist Jack Abramoff in Washington.

The Texas Republican Party sought to designate a replacement candidate, but the Democrats, eager to keep the focus on Mr. DeLay and his problems, sued to keep him on the ballot. They argued that the voters had chosen Mr. DeLay as the Republican candidate and that replacing him on his assertion that he would not be a Texas resident on Election Day, as required under the Constitution, amounted to illegal manipulation of the voting list.

A federal judge agreed, preventing the Republicans from listing anyone but Mr. DeLay.

Ms. Sekula-Gibbs, in turn, has been trying to educate voters in how to use the new computerized voting machines to spell out her name.

Midterm Vote May Define Rove's Legacy (WP)

By Michael Abramowitz

The Washington Post, October 30, 2006

By many calculations, Democrats are ready to make big gains in the midterm elections, enough to take over the House and possibly the Senate. But White House Chief of Staff Joshua B. Bolten says there is one reason he is feeling upbeat amid so much Republican gloom.

"I believe Karl Rove," Bolten said in an interview in his West Wing office Friday. "Karl Rove, somewhere inside that massive brain of his, has figured out the political landscape more clearly than the entire collection of conventional-wisdom pundits and pollsters in the entire city of Washington."

That was true for two elections in a row, in 2002 and 2004, and President Bush's senior adviser has insisted to West Wing colleagues and party faithful alike that it will be again. But Rove is just eight days from having his genius designation revoked -- or upgraded to platinum status.

Even within Rove's own party, expectations are widespread that the Nov. 7 elections will mark a repudiation for the base-rallying, contrast-drawing brand of politics with which he and Bush have been so closely aligned. But it is a mark of the particular place Rove holds in the Washington psyche that even the most exuberant Democrats are wondering why he seems so confident.

There are two questions. Is Rove just acting cocky as a way of lifting GOP morale, or does he really believe it? And, if the latter, is he deluding himself, or does he once again know something that Democrats do not?

The answers have implications well beyond Rove's reputation. Midterm congressional losses for the GOP, some analysts and Republican veterans believe, could effectively end the Bush presidency two years ahead of schedule.

If the Republicans were to lose control of at least one chamber, those in the party who have long seen Rove's approach as polarizing would feel emboldened. At the same time, a new panel co-chaired by the man who exemplifies the GOP establishment, former secretary of state James A. Baker III, is preparing to chart a new course on the Iraq war -- which polls suggest is the single largest reason for the Republicans' current travails.

"The architect may find his engineering plans were faulty," said one former senior official of past GOP administrations, who has watched the current one with increasing dismay. "Turning out the base this year may not be a winning or a governing strategy. America seems to be looking forward to making things work together, rather than dividing people across the board."

Rove is dismissive of the idea that the Republicans will lose the 15 House seats or six Senate seats required to cede control to the Democrats. On Tuesday, when the White House hosted radio talk show hosts from around the country, Rove did at

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least 13 interviews. He was on the phone with Washington association executives with what one called "happy talk" about voter-turnout metrics, polling data and campaign funding.

"I look at the individual races as clear-eyed as I can every single day, knowing what we are doing and knowing that we have the capacity to move the resources in if we need to do more," Rove said in a brief telephone interview from the road last week. "Incumbents are hard to defeat. Our candidates by and large have significantly more resources than they have. And we have succeeded in making these races choices between two local candidates."

An object of fascination on both the left and right, Rove at age 55 counts as one of the most celebrated and notorious figures in modern presidential history. Inside the White House, he is a revered figure, known as something of a jokester who will show up at senior staff meetings bearing snacks and promising a coup if Bolten is absent. Ed Rogers, a prominent GOP lobbyist, calls him "the glue" that holds the White House together.

Rove has also acquired something close to cult status among movement conservatives: After the president, Laura Bush and Vice President Cheney, Rove is the most powerful draw on the GOP fundraising circuit. He has headlined more than 100 fundraisers this campaign cycle, raising close to $13 million for Republican candidates and causes.

And when he does show up to speak, as at the annual dinner of the Erie County Republican Party earlier this month in Buffalo, Rove is greeted like a visitor from Hollywood. Rove worked the room, posing for pictures, signing programs and making small talk with hundreds of GOP faithful, none of whom seemed disappointed that a deputy White House chief of staff was a last-minute substitute for Sen. John McCain (R-Ariz.).

The trip was arranged at the behest of embattled Rep. Thomas M. Reynolds (R-N.Y.), the chairman of the House Republican campaign committee. Before the speech, Reynolds said, he made sure Rove inspected the damage from an unexpected snowstorm and received a briefing from Federal Emergency Management Agency officials. A few days later, Bush declared a federal emergency, making the city eligible for up to $200 million in disaster aid.

The White House says Rove had nothing to do with the designation, but Reynolds was clearly happy with the visit. "He has recognized that all politics is local," Reynolds said. Referring to Rove's overnight visit in the middle of a busy campaign season, he said, "The guy did a real favor for me."

The flip side of adulation is paranoia. Many Democrats are convinced Rove has some trick up his sleeve -- Osama bin Laden in the freezer, perhaps, ready for release just before Election Day -- that will save the Republicans from electoral disaster this fall.

"Karl is an absolute figure of fascination," said Walter Isaacson, president of the Aspen Institute, which hosted Rove at its annual "Ideas Festival" this summer. "What stuns people who don't know him is how personally charming he is, especially people who consider him the devil or a strange genius."

Isaacson said Rove not only answered questions for close to 90 minutes before a packed auditorium but also bantered for hours afterward with the high-powered attendees from the worlds of policy, politics and big business. For 40 minutes, he said, Rove engaged in the fine points of stem cell research with Silicon Valley venture capitalist John Doerr. "It always astonishes me that he knows more details about policy than anyone else -- that's the source of his strength," said Isaacson, who has also dealt with Rove extensively on issues of Louisiana reconstruction.

Rove was formally in charge of White House policy until this past spring, when he gave up the portfolio as part of a reshuffling of responsibilities engineered by Bolten. The shake-up was widely seen in Washington as a rebuke to Rove, though Bolten said he wanted to free up his friend for the big strategic thinking and politics he believes he does best.

Rove reads and makes comments on virtually everything the president is slated to say, plays a pivotal role in shaping the overall White House message and still plays an influential role on policy, according to Bolten. His decades-old relationship with the president appears strong and deep, as the two confer every day, sometimes multiple times, on political developments and other issues. He works closely with Republican National Committee Chairman Ken Mehlman to coordinate strategy, resource decisions and get-out-the vote efforts.

Bolten, who says he holds only Bush in higher regard than Rove, said he felt that when he took over this spring, Rove's portfolio, "even with his extraordinary abilities, would be unmanageable, especially going into a campaign season." Being in charge of the policy process, he said, requires a more neutral hand.

Rove "has very strongly held views," Bolten said. "He's best when he's liberated to assert his views and explain why."

Soon after the shake-up, Rove was relieved of what was probably an even bigger distraction -- the long-running investigation by Special Counsel Patrick J. Fitzgerald into his role in the outing of the name of a CIA agent. Though Fitzgerald cleared Rove, many conservatives believe the investigation played a role in the drift of the second Bush term.

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"Rove has been much weaker in the last year and a half, in large measure because of Fitzgerald, and Bush has not been as politically successful," said William Kristol, the editor of the Weekly Standard. Kristol voiced worry that moderates will try to "scapegoat" Rove after the election.

Associates say Rove is privately frustrated that individual candidates have not been more aggressive in drawing contrasts with Democrats on national security. In Buffalo, Rove dished out red meat with relish, pausing in the middle of an attack on Democrats for their votes against Bush's anti-terrorism policies to needle Senate Democratic Leader Harry M. Reid for a recent controversy in Nevada. "You may have read about his land swaps," Rove noted dryly.

Rove sarcastically questioned Rep. John P. Murtha's plan for pulling troops out of Iraq and creating a rapid-response force to deal with contingencies in the Middle East, possibly at the American base in Okinawa. "I am from Texas -- I am a simple boy," Rove joked, before noting that Okinawa is close to 5,000 miles from Baghdad.

"It is foolishness to suggest that this is a real plan for America," Rove said. "The real plan is this: Fight, beat 'em, win."

But there is little evidence that White House political efforts on Iraq have worked as Rove had hoped. Rove this summer signaled his desire that the war could be neutralized or even turned into an asset for Republican candidates who cast Democrats as defeatist. Instead, many candidates have been distancing themselves from Bush on the war. And while Bush in 2004 showed he could lose independent voters and still win the election, this year's polls show swing voters even more powerfully against the GOP.

"It has been clear for a long time that the independents are consolidating a view that is very anti-the-Bush-administration, very anti-the-Iraq-war," said Ruy Teixeira, a joint fellow at the liberal Center for American Progress and the Century Foundation. "Maybe they were believing their press clippings that all they need is their base."

Rove voices impatience with the notion that his own reputation is on the ballot. "I understand some will see the election as a judgment on me," he said. "But the fact of the matter is that, look what has been set in motion -- a broader, deeper, strengthened Republican Party, and with an emphasis on grass-roots neighbor-to-neighbor politics, is going to continue."

While Rove's confidence in the midterms does not waver, he said the conservative changes that Bush has promoted do not hinge on just one election: "1938 was a huge wipeout for the Democrats -- do you think that was the end of the New Deal?"

Evangelical-GOP Alliance Weakens (AP-Y)

By Rachel Zoll

AP, October 30, 2006

Of the many disturbing trends for Republicans this campaign season, one of the most troubling is the drop in support among white evangelicals.

The number of conservative Christians with a favorable view of the party has plummeted from 74 percent to 54 percent between 2004 and this year, according to the Pew Research Center for the People & the Press. Evangelicals comprise more than one-third of GOP voters.

But analysts say it's far too soon to write off the powerful Republican-evangelical alliance that helped the party dominate in the 2004 election.

Conservative Christians have been here before — disappointed that Republicans they helped elect failed to enact the evangelical agenda — yet they have consistently returned to the GOP. Even as they question the current Republican leadership, evangelicals are far more supportive than other Americans of President Bush and the party, the Pew Center found.

"There's a lot of discontentment," said Marvin Olasky, editor of the Christian newsweekly World and a framer of the "compassionate conservative" language used by Bush. "But unfortunately for most conservative evangelicals, there's no alternative."

That doesn't mean the GOP can rest easy. Damage over the past two years could cost Republicans on Nov. 7 if disenchanted evangelical voters stay home. And tensions with a core constituency would muddy the run-up to the 2008 presidential race.

Evangelical frustration is apparent in their qualified endorsements of GOP candidates.

James Dobson of Focus on the Family said at a September "Stand for the Family" rally in the battleground state of Pennsylvania that Republicans have made no progress on issues important to Christians who helped put the GOP in control.

Still, he told attendees to vote.

"Whether Republicans deserve the power they were given," Dobson said, "the alternatives are downright frightening."

The complaints are familiar. Through every Republican victory since the Moral Majority was formed in 1979, abortion remained legal, gay couples won greater acceptance and prayer was still barred from public schools.

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In 1999, Cal Thomas and Ed Dobson, both veterans of the Moral Majority, examined these failures in their book "Blinded by Might," and concluded that politics was too corrupt to be used to spread Christian morality in America. A few other evangelicals suggested conservative Christians withdraw from politics and focus instead on faith.

The retreat never happened. Between 1999 and 2004, the share of white evangelicals identifying themselves as Republican grew from 39 percent to 49 percent, the Pew Center found.

It's unclear whether this campaign season will be different.

Like many other Americans, evangelicals are upset by U.S. strategy in Iraq, corruption in the Republican-led Congress, and the case of former GOP Rep. Mark Foley, who sent sexually explicit e-mails to pages.

But conservative Christian grievances go further.

Dobson and other evangelicals have accused Congress of ignoring their policy agenda on marriage and abortion. The Bush administration did give evangelicals what they wanted most — conservative U.S. Supreme Court justices — by appointing John Roberts and Samuel Alito.

Yet, even that victory was sullied.

Many evangelicals complained that Bush's pitch to Christians on behalf of his first choice for the seat now held by Alito, Harriet Miers, was based on her conservative Christian faith. Those who considered her unqualified for the post found the approach patronizing.

Disillusionment has led to a backlash. Some evangelicals are once again warning that lawmakers are using Christians for their votes and politics is corrupting the church.

In the book "Tempting Faith, An Inside Story of Political Seduction," author David Kuo, a former aide in the White House faith-based office, wrote that Bush aides privately called conservative Christians "nuts," "ridiculous" and "goofy."

Kuo, a born-again Christian, said Republicans have failed to fulfill campaign promises to evangelicals, yet have kept Christians on their side by portraying Bush as "pastor-in-chief."

"So much of the support for his presidency comes purely on the basis of his Christian faith," Kuo said in a phone interview. "The biblical notion is to defer to your pastor. Christian political leaders have taken advantage of that — portraying themselves as spiritual leaders — but they're not. They're political leaders."

William Martin, author of "With God on Our Side, The Rise of the Religious Right in America," said Kuo's book may have an impact because it touches on the long-standing evangelical sensitivity to being marginalized by broader society.

But Martin said only a small minority of evangelicals believe they should abandon politics — leaving the Republican grip on the movement intact for now.

"The great advantage that conservatives have had within the evangelical community is that a consistent, coherent message has been repeated over and over and over to people who meet together one, two, three times a week," Martin said. "Liberals really have nothing comparable to that."

As Election Closes In, E-mail A Rapid-fire Political Weapon (USAT)

By David Jackson

USA Today, October 30, 2006

WASHINGTON — Every weekday at 8 a.m., right after President Bush meets with senior staff, his communications team huddles in a second floor West Wing office to plan new moves in the information war.

Rob Saliterman, the White House director of rapid response, fires salvos throughout the day.

His weapons: e-mails.

The White House digital war room blasts thousands of electronic messages each day, aimed at more than 2,000 targets. They include journalists, Republican staffers in government, radio talk show hosts, television bookers, Internet bloggers and what White House communications director Kevin Sullivan described as other “interested parties.”

Whether trumpeting a presidential speech or seeking to shoot down an unflattering news story, the Bush administration's “rapid response unit” is a place where politics grapples with the 24/7 news cycle — especially in an election year.

“We call it rapid response, but we look at it as being on offense,” Sullivan said. “We want to respond to things that are misleading before they become part of conventional wisdom.”

In recent months, many missives reflect what President Bush and GOP candidates discuss on the campaign trail: the record-breaking stock market, immigration and legislation authorizing a fence along the U.S.-Mexican border, and developments in Iraq.

“ 'Tis the season,” Sullivan said. “There have been more stories to respond to as we have gotten closer” to Election Day.

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Democrats also take part. For every e-mail in which the Bush administration touts progress, the staff of Senate Minority Leader Harry Reid, D-Nev., sends a response. A recent example criticized a speech on Iraq by Vice President Cheney with this headline: "Cheney stays the course. Alone."

"We don't want anything to slip by," said Rebecca Kirszner, communications director for the Senate Democratic Communications Center, which Reid created to counter the White House. Her group also keeps well-tended lists of e-mail targets.

Bush's digital warriors send several e-mails on a busy day. On Sept. 6, the day Bush proposed his plan for military trials of terrorism suspects, the White House sent at least seven missives. They included two "fact sheets" explaining the program, a list detailing myths and facts about the CIA's interrogations of these suspects, and another titled "Setting the Record Straight" addressed to critics of the plan.

A month later, the White House's rapid response team cranked out four e-mails covering the national intelligence estimate on Iraq, job creation, budget deficits, and Democrats and taxes.

War rooms in politics are nothing new. The term harks back to Bill Clinton's presidential campaign of 1992, when his advisers developed an aggressive strategy to fight attacks. Douglas Sosnik, a former Clinton political director, said e-mails weren't the tool of choice back then because "it was not nearly as ubiquitous in peoples' lives then as it is now."

The Bush White House began expanding its e-mail strategy in March 2004, according to Sullivan, in response to criticism of its terrorism policies by former National Security Council staff member Richard Clarke. Traffic ticked up in mid-November 2005, as Bush prepared a series of speeches on the Iraq war.

Robert Schmuhl, a professor of American studies at the University of Notre Dame, said the e-mail barrage reflects the fact that much of government has turned into a permanent political campaign. He called the result "spincraft, as opposed to stagecraft."

Sometimes the White House's message can get lost, however. "An e-mail avalanche leads to numbness," said Lanny Davis, an attorney who handled rapid response for the Clinton administration. "The effect of it is minimal."

Too Little, Too Late? (NSWK)

By Marcus Mabry

Newsweek, October 30, 2006

As the race for Congress enters the homestretch, the Republicans find themselves limping to the finish line, according to the new NEWSWEEK Poll. President Bush's approval rating continues a slow but steady climb—from an all-time NEWSWEEK-poll low of 33 percent three weeks ago to 37 percent today. But it may be too little, too late: if the midterm elections were held today, 53 percent of those likely to go to the polls would vote for the Democratic candidate in their Congressional district versus just 39 percent who would vote for the Republican.

But the poll is not all bad news for the GOP. President Bush declared this week that the administration was putting the Baghdad government on notice that it had to make progress in stemming sectarian violence and rebuilding the country. Otherwise, Washington would consider changes to its Iraq policy. And it worked—at the margins. Almost half of all Americans still believe taking military action in Iraq was a mistake, but the gap between those who say it was and those who say it was the right decision has narrowed: from 54 to 39 last week to 49 to 43 this week—from a 15-point margin to just six points.

Faith that the United States is making progress in Iraq is up slightly, too: from 25 percent of Americans last week to 29 percent this week. A solid majority still believes the United States is losing ground, but their ranks have decreased from 65 percent to 60 percent. The biggest change is among Republicans. Last week, 50 percent of Republicans said America was making progress in Iraq (35 percent said we were losing ground). This week 65 percent of Republicans say we're making progress and only 22 percent say we're losing ground.

That's good news for the GOP, relatively speaking. But relative is about the only kind of good news the Republicans get these days. (Sixty-one percent of Americans still say Washington should set a timetable for a withdrawal of U.S. forces, including 39 percent of Republicans.)

When all Americans were asked which they would rather see happen: the GOP retain control of Congress or the Democrats win enough seats to take over one or both houses, 50 percent of adults said they want a Democratic takeover while 35 percent said they wanted the Republicans to hold tight the reigns of power; in last week's poll, 55 percent wanted the Democrats to take over and 32 wanted the Republicans to retain power.

And while 61 percent of Americans are still dissatisfied with the direction of the country, that compares to 67 percent who were dissatisfied in two NEWSWEEK polls earlier this month. The ranks of the satisfied have grown, if not swelled, from 25 percent to 31 percent.

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On the issues, Republicans have staunched their own political bloodletting, pulling even with Democrats on signature GOP issues: for instance, 40 percent of Americans trust Republicans more on handling terrorism; 39 percent trust Democrats more—a statistical tie. And when it comes to which party voters trust more on moral values, Americans are evenly split at 38 percent. The GOP has slightly narrowed the trust gap on other issues, but the Democrats still lead—on Iraq (45 to 33); the economy (47 to 34); health care (53 to 26); immigration (40 to 32); federal spending and the deficit (47 to 31); and stem-cell research (48 to 26). They even tie, statistically, on what used to be bedrock Republican issues: 39 to 37, in favor of the Democrats, on guns; and 38 to 36 in favor of the Democrats on crime. On abortion, Democrats win 42 to 33 and on same-sex marriage, 41 to 33.

Most worrisome for the GOP? As a wave of negative political ads from both parties takes to the airwaves in the final days before the election, voters so far judge the Republican ads more harshly. Overall, about two-thirds of registered voters say neither parties' ads have made much difference in how they're going to vote. Just 9 percent of registered voters who have seen Republican advertisements say the spots make them more likely to vote for Republican candidates; 24 percent say the ads make them less likely. The Democrats seem to turn off fewer voters with their commercials and win more over, but it's still a wash. Fourteen percent of registered voters say they're more likely to vote for a Democrat because of the ads they've seen; 16 percent say they're less likely.

And the GOP seems to be risking a backlash with some of its most risqué advertisements. The most widely viewed of the commercials in the NEWSWEEK poll—the Michael J. Fox ad in support of stem-cell research, which aired in Missouri and Maryland (and is the only ad in the poll seen by a majority of Americans)—was considered acceptable by 62 percent of registered voters who saw it. But of the 24 percent of registered voters who said they'd seen the ad "critical of a Tennessee Senate candidate that shows a young woman who says she met him at a party," only 20 percent found it acceptable; an overwhelming 77 percent of those who had seen it said the ad was "too extreme."

Which begs a question: Just how scary will things get between now and Nov. 7?

The NEWSWEEK poll, conducted Oct. 26-27, has a margin of error of plus or minus 4 percentage points. In conducting the poll, Princeton Survey Research Associates International interviewed 1,002 adults aged 18 and older.

In Key House Races, Democrats Run To The Right (NYT)

By Shaila Dewan And Anne E. Kornblut

The New York Times, October 30, 2006

ASHEVILLE, N.C., Oct. 28 — In their push to win back control of the House, Democrats have turned to conservative and moderate candidates who fit the profiles of their districts more closely than the profile of the national party.

One such candidate, Heath Shuler, was courted by Republicans to run for office in 2001. Mr. Shuler, 34, is a retired National Football League quarterback who is running in the 11th Congressional District in North Carolina. He is an evangelical Christian and holds fast to many conservative social views, like opposition to abortion rights.

"My guess is that if Democrats are in the majority, it's going to be because of these New Democrat, Blue Dog candidates out there winning in these competitive swing districts," Representative Ron Kind of Wisconsin, co-chairman of a caucus of centrist House Democrats, said in an interview.

But if candidates like Mr. Shuler do help the Democrats gain majority control of Congress, it could come at a political price, which may include tensions in the party between its new centrists and its more liberal political base.

While Democratic leaders have gone to great lengths to promote the views of these candidates, some, like Mr. Shuler, have views on issues like gun control and abortion that are far out of step with the prevailing views of the Democrats who control the party. On some issues, they may even be expected to side with Republicans and the Bush White House.

Democratic officials said they did not set out with the intention of finding moderates to run. Instead, as they searched for candidates with the greatest possibility of winning against Republicans, they said, they wound up with a number who reflected more moderate views.

That was especially true in suburban areas and some rural districts, said Representative Rahm Emanuel of Illinois, chairman of the Democratic Congressional Campaign Committee. "As a group, they are moderate in temperament and reformers in spirit," Mr. Emanuel said.

In Indiana, for example, Brad Ellsworth, a Democrat running to unseat Representative John Hostettler, brags about the "A" rating he has received from the National Rifle Association. In Kentucky, Mike Weaver, a Democrat who opposes abortion rights, is running against Representative Ron Lewis, a Republican. Gabrielle Giffords, a Democrat running for an open House seat in Arizona, is presenting herself as a fiscal conservative, saying she would oppose Congressional pay increases until the federal budget is balanced.

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If this crop of moderate and conservative Democrats arrived on Capitol Hill as members of a Democratic majority, they would not have much power individually to change the face of Congress — an argument that has been used against Mr. Shuler by the incumbent, Representative Charles H. Taylor, who is chairman of the House Appropriations Subcommittee on the Interior.

Instead, party veterans would remain in chairmanships and House leadership posts; several officials said they did not expect a moderate revolution to erupt or to threaten the position of Representative Nancy Pelosi of California as the Democratic leader in the House.

"But will they have an impact? Absolutely," Mr. Emanuel said. "They're going to have an impact on the Congress and the caucus." A prime example is Mr. Shuler, who addresses environmental conservation from the viewpoint of an avid hunter and speaks of health care for the poor as a moral responsibility.

Collectively, the group could tilt the balance of power within the party, which has been struggling to define itself in recent elections. The candidates cover the spectrum on political issues; some are fiscally conservative and moderate or liberal on social issues, some are the reverse. They could influence negotiations with Republicans on a variety of issues, including Social Security and stem cell research.

There are two main groups of moderate Democrats in the House: the Blue Dog Coalition, a caucus of socially conservative and moderate members formed in 1994; and the New Democrat Coalition, a caucus of centrists formed in 1997. While there are differences between the two — the Blue Dogs tend to be more rural and Southern, with occasional alliances with Republicans, while the New Democrats are more suburban and wealthy and place a premium on party loyalty — there are members who belong to both. Both, of course, have a stake in helping the centrist candidates succeed.

Representative Ellen O. Tauscher of California, a co-chairwoman of the 47-member New Democrat Coalition, said that 27 of the top 40 contested House seats were being pursued by Democrats who have pledged to become members of the group, which says its chief issues are national security and fiscal responsibility.

"I think there's tremendous agreement and awareness that getting the majority and running over the left cliff is what our Republican opponents would dearly love," Ms. Tauscher said, adding that this was something "we've got to fight."

The centrist movement was embodied by former President Bill Clinton, who rose to prominence through the Democratic Leadership Council, which embraced a so-called third way of politics and eschewed what it saw as outdated liberalism.

Yet since Mr. Clinton left office, Democrats have seemed to drift back in the direction of their liberal identity, nominating two presidential contenders who were seen as less committed to the moderate cause.

"The Democrats as a whole have begun to understand and recognize, as I did, that we have the extreme left and the extreme right, and 80 percent of America is in the middle," Mr. Shuler said on a campaign stop last week at the Asheville-Buncombe Technical Community College. "People need to start working together."

Mr. Shuler grew up in a Democratic family, the son of a mailman in Bryson City, N.C. He has set out to bring Democrats who have voted Republican, like Brenda Davis, back into the fold.

From behind the counter at the Spud & Deb's hunting and pet supply store in Enka, N.C., Ms. Davis, 41, said she voted Republican in the last election because of her religious beliefs, but this time is supporting Mr. Shuler.

"Considering my son is a marine and he's done two tours in Iraq," Ms. Davis said, "I'm with the Democrats."

In 2001, Republicans tried unsuccessfully to persuade Mr. Shuler, who was then living in Knoxville, Tenn., to run for Congress even though he had rarely shown interest enough in politics to vote.

But Democrats found Mr. Shuler an equally appealing candidate, for some of the same reasons. After intense recruiting, he agreed to run this year as a Democrat in the Blue Ridge Mountains of western North Carolina, where he was a high school football star. Despite his lack of political experience, polls indicate that he has pushed the Republican incumbent, Mr. Taylor, into a dead heat.

In this corner of the state, where the rivers churn with whitewater and the mountainsides brighten into rusty glory each autumn, second homes for the wealthy have driven up the cost of living even as manufacturing jobs have become scarce, and the social spending cuts that people associated with the Republican Party are no more palatable than the social liberalism of the Democrats.

Mr. Taylor, a wealthy tree farmer and banker, took office in 1991 and has held it since, and he has talked up his ability to bring federal money to the district.

Asked if he could envision a Democratic Party with, say, an anti-abortion platform, Mr. Shuler did not hesitate. "I'm pro-life and I'm part of the Democratic Party, so I hope it's part of the platform," he said. "Someone needs to lead."

In this election cycle, the Democrats' desire for a victory in Congress has overridden concerns that candidates like Mr. Shuler are too far right for the party base. But there are questions about what will happen down the line.

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"I don't think people like Shuler will be the core of the Democratic Party," said Mark Bloom, a writer who is a volunteer for MoveOn.org, the liberal advocacy group, at its storefront office in downtown Asheville. "If people like Shuler turn out to not be progressive enough for my tastes, I'll work to replace him."

In the view of Don Yelton, a Jupiter, N.C., resident, a decisive nationwide realignment is playing out in conservative districts like this one. Although the majority of registered voters are Democrats, President Bush won here by a comfortable margin.

Mr. Yelton, 59 and a lifelong Democrat, said he recently changed parties, in part because he believed that the Democrats had suppressed anti-abortion viewpoints. He is running as a Republican for clerk of court in Buncombe County.

"There's going to be a moderate party for Joe Blow, and whether that party is the Republican Party or the Democratic Party, that's the battle we're seeing," Mr. Yelton said. "I expect to see Hillary Clinton quoting Scripture before it's over with."

It's Lonely At The Top (TIME)

By Karen Tumulty, Mike Allen

Time, October 30, 2006

"Stay the course" is a time-honored rallying cry in politics. But it has always been more a slogan than a strategy, meant to show the steadfastness of the person who shouts it rather than what he actually intends to do. More telling is when staying the course turns into "constantly changing tactics to meet the situation on the ground." That is how President Bush is now describing the battle plan in Iraq. It also pretty neatly sums up what his presidency has come to as he reaches the eve of a midterm congressional election that has turned into a referendum on Bush himself--and on a policy in Iraq that has left him more isolated than at any other point in his presidency.

The last time control of Congress was up for grabs in a midterm election, it seemed Republican candidates across the country couldn't see enough of--or be seen enough with--George W. Bush. In the closing five days of 2002, Bush swooped through 17 cities, playing to tens of thousands of voters who packed tarmacs and arenas from Aberdeen, S.D., to Blountville, Tenn. This midterm election is also turning out to be all about Bush, but it's a much lonelier experience for him. He still fills smaller rooms, especially the kind where people are willing to write five-figure checks for the privilege of lunch with a Republican President. And he's welcomed warmly in places where having local reporters point out Bush's difficulties provides a diversion from the candidate's own. But when Air Force One touches down in tightly contested congressional districts these days, it often turns out that the G.O.P. candidate there has discovered a previous commitment elsewhere, the political equivalent of suddenly needing to have your tires rotated. Yes, it's true that Florida Congressman Clay Shaw has been running radio ads to boast of his record working closely with a President, but the one he's talking about is Bill Clinton.

THE IRAQ VERDICT

THE CAMPAIGN TRAIL IS NOT THE ONLY place where Bush is watching his friends scatter. Only 38% percent of Americans say they still believe his invasion of Iraq was a good idea, and 61% percent say they don't think he has a clear plan for handling the war. But Bush has lived by the political philosophy that when the crowd is against you, you just strut more boldly across the stage. That's why he held a news conference a few days ago to hug his war policy even tighter. It is there that he argued that staying the course means "constantly changing tactics" and that benchmarks (good) aren't the same as timetables (bad). But it was as if no one was listening. Iraqi Prime Minister Nouri al-Maliki declared that he wouldn't abide by either one if it was imposed by Washington, and that morning's headlines had Bush's top general in Iraq, George W. Casey, breaking ranks to suggest he was thinking about asking for more troops. That was just about the last thing any Republican wanted to hear with less than two weeks to go before an election. Within 24 hours, therefore, Casey was back on message with a statement in which his office said he had given the "wrong impression." Al-Maliki and Bush took a few more days to get back in synch, by issuing a declaration that they had agreed to speed up training for Iraqi security forces.

Meanwhile, even as Bush was praising Defense Secretary Donald Rumsfeld as "a smart, tough, capable administrator," endangered Republicans like Kentucky Representative Anne Northup and Ohio Senator Mike DeWine have been joining the increasingly loud chorus of calls for the Secretary's ouster. And pressure for change is not coming only from the desperate and the wobbly. Texas Senator Kay Bailey Hutchison--a Bush loyalist well ahead in her bid for re-election--is expressing regret for her vote to authorize the invasion and is advocating partitioning Iraq along ethnic lines. "We have to step back and stop trying to put our American ideas onto this problem," she told the Houston Chronicle.

Iraq is what has put the President on the eve of a possible rebuke by voters. And if Bush were a different kind of politician--if he loved political jawboning like Lyndon Johnson or could show political elasticity like Bill Clinton--this moment might be less significant. But Bush has perfected the art of governing from inside his razor-thin majority, and is proud above all of his ideological toughness. That's why the midterms could do more than change the balance of power in Washington, if current polls are right and one or both houses shift to Democratic hands. The election might also produce a different kind of presidential style. Bush has

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sounded wistful lately about his more bipartisan days as a Texas Governor. "As you know, in Austin I was able to work with Democrats and Republicans to get a lot done," he said in an interview last week with Texas-based Belo Broadcasting. That's a new tone for a leader whose confidence and convictions have given his party its backbone for the past six years.

IT'S THE PRESIDENT, STUPID

FOR THE MOMENT, HOWEVER, SILVER linings in the President's predicament are so scant around the White House that when a conservative commentator recently asked Bush to give him some good news, Bush replied, "You're talking to Noah about the flood." Even the President knows this election has become a national referendum on him and his performance. In the latest Washington Post--ABC News poll, 31% of those surveyed said they will use their congressional votes to register their opposition to Bush, which was almost double the percentage who said they felt that way before the last midterm. By comparison, only 17% said they plan to use their vote to show support for Bush. And Democrats are stoking that sentiment in ads like the one the Democratic Congressional Campaign Committee (DCCC) is running on television in Connecticut's Second District, in which an announcer intones: "Rob Simmons said he'd represent us, but George Bush always comes first." In fact, you are far more likely to see Bush in a Democratic ad this year than a Republican one. The President is now being featured in 89 separate TV commercials for Democratic House candidates nationwide. Says DCCC spokesman Bill Burton: "No other issue is that dominant."

Of course, the President and his party still have some built-in advantages. The gerrymandering of the past decade has turned the vast majority of congressional districts into fortresses for incumbents, to the point where the number of House seats in serious contention is only about three dozen, compared with roughly 100 in the 1994 landslide that brought the G.O.P. to power with a 54-seat pickup. And the Republicans retain their advantage in money and, most operatives on both sides agree, the pinpoint sophistication of their turnout operation among a conservative base in which Bush still has nearly 90% approval in most polls. But even Republicans fret their loyalists have been discouraged by the Mark Foley scandal, and can't match the Democrats in passion. That fervor is being fueled by the bare-knuckled veterans who are heading up their House and Senate campaigns--New York Senator Charles Schumer and Chicago Congressman Rahm Emanuel--who have been urging their candidates to punch back at Bush directly on national security. And they have. In Rhode Island, Democratic Senate nominee Sheldon Whitehouse has been running an ad in which he says, "We need to send a clear signal that, folks, we are really getting out" of Iraq. So upended is the political calculus that it is now Republicans like Senate majority leader Bill Frist who are urging their candidates to steer clear of the war in favor of pocketbook issues.

CAPITAL CONFLICT

SO WHAT DOES IT MEAN IF WASHINGTON does become a stage of sectarian conflict after Nov. 7? For one thing, most of Bush's legislative agenda could be bound for gridlock. White House officials still talk hopefully of expanding Bush's No Child Left Behind education legislation. Other issues for which they argue they could get some kind of bipartisan traction include moving toward energy independence, lowering health-care costs and measures to fight terrorism. Bush's advisers even talk of enlisting Democrats for some grand push for entitlement reform, although anything like Bush's disastrous effort to add private accounts to Social Security would seem out of the question, given his inability to get anywhere even with a Republican Congress.

One area in which the President and a Democratic Congress might be able to make common cause is the immigration bill that has been one of his signature issues. The Senate has gone along with Bush's comprehensive approach, which includes both tougher enforcement of the border and expanded legalization for immigrants who are already in this country. But the closest thing to an immigration policy to come out of House Republicans was a 700-mile "virtual fence" along the border--a politically expedient idea that, enacted on its own, leaves Bush with less to horse-trade in his efforts to get what he really wants, which is serious reform. With that in mind, White House officials resisted holding a signing ceremony on the fence bill. But House Republican leaders were so insistent that the White House finally agreed to a low-key event in the Roosevelt Room with just six minutes of presidential remarks.

As for what direction the Democrats are likely to take, much would depend on whether would-be House Speaker Nancy Pelosi decides the next two years are about revenge, or about governing--and whether she can keep her troops in line. "They listen to no one," she told TIME earlier this year. "They don't even listen to each other." Pelosi's initial goals, which she says she wants to accomplish in the Democrats' first 100 legislative hours in power, are modest and relatively uncontroversial. She would have the House pass bills aimed at raising the minimum wage, cutting student-loan interest rates, allowing the Federal Government to negotiate directly with pharmaceutical companies for lower drug prices for Medicare patients, and reforming lobbying practices.

Pelosi needs 15 seats to become the next Speaker, but if her majority is only a vote or two, she's not likely to get much further than her 100-hour plan. More conservative Democrats, many of them newly elected from Republican-leaning districts, would hold the balance of power. If the Democrats have a more comfortable majority, however, the party's edgier, angrier side

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could emerge, especially on the question of whether or how quickly to withdraw from Iraq. One of the early tests of which direction Pelosi would take could be an expected fight for majority leader between the current whip Steny Hoyer and Pennsylvania's John Murtha, who has become a hero to the antiwar left.

If lame-duck Presidents are to achieve anything, they often have to look for ways to go around Congress, especially when it is in the hands of the other party. Clinton used Executive Orders and his bully pulpit to encourage school uniforms, impose ergonomic rules on employers and prevent mining, logging and development on 60 million acres of public land. White House press secretary Tony Snow says Bush may take the same bypass around Capitol Hill. "He told all of us, 'Put on your track shoes. We're going to run to the finish,'" Snow said. "He's going to be aggressive on a lot of fronts. He's been calling all his Cabinet secretaries and telling them, 'You tell me administratively everything you can do between now and the end of the presidency. I want to see your to-do list and how you expect to do it.' We're going to try to be as ambitious and bold as we can possibly be."

In fact, when it comes to deploying its Executive power, which is dear to Bush's understanding of the presidency, the President's team has been planning for what one strategist describes as "a cataclysmic fight to the death" over the balance between Congress and the White House if confronted with congressional subpoenas it deems inappropriate. The strategist says the Bush team is "going to assert that power, and they're going to fight it all the way to the Supreme Court on every issue, every time, no compromise, no discussion, no negotiation."

MR. OPTIMISM

AS FOR THE BIGGEST CHALLENGE OF ALL to Bush's presidency, some clarity on Iraq may come after the elections, when Bush receives a much anticipated report from the Iraq Study Group, the commission headed by former Secretary of State James Baker (Jimmy, as the President calls the longtime family consigliere) and Lee Hamilton, vice chairman of the 9/11 commission. Administration officials say they expect the report no sooner than December, and they hope it includes recommendations they can embrace rather than a menu of options that would put the ball back in their court.

Baker has said he wants the panel of Republicans and Democrats to come to a consensus--which has some Administration officials skeptical about how much clarity will emerge. "I welcome all these efforts," Bush said at his news conference. "My Administration will carefully consider any proposal that will help us achieve victory." That gives Bush a lot of leeway for a real course correction without saying--perhaps even knowing--what is to come from the Baker-Hamilton group. A senior Administration official says, "The only things we've ruled out are getting out immediately, phased withdrawal without any reference to events on the ground and partitioning the country into three parts. Those are all nonstarters." That's a very narrow range of exceptions; even the Democrats, by and large, aren't advocating those approaches.

However bleak the President's situation may look to outsiders, aides say he appears to be reveling in campaigning, and was joking about Detroit Tigers pitcher Kenny Rogers' doing better in the World Series than he did when he played for Bush's Texas Rangers in the 1990s. "Sometimes he'll premise a point he makes by saying 'Call me Mr. Happy, but I think ...' or 'I know I'm Mr. Optimism, but ...,'" says an aide. A presidential adviser who has recently talked to Bush says he believes the President will finish stronger than most people think, largely because of the determination that critics call stubbornness. "This guy, at 11:59 and 58 seconds on the 20th of January 2009, in the moment before his successor is inaugurated, is still going to be trying to make it work in Iraq," the adviser says. "He really believes it can work, and he believes that his will can be part of a formula to make it work in Iraq, and that's a course for us to defeat radical Islamic terrorism."

Friends describe a President who knows he's the same person today that he was at his Gallup-poll peak of 90% approval after 9/11 and that he was in the depths of 31% last spring. In Journeys with George, her documentary about Bush's first campaign, former NBC producer Alexandra Pelosi--who, as it happens, is the daughter of the woman who has the most to gain in these elections--tells of being invited to Bush's private compartment on his campaign plane when she was having a low moment. "They can say what they want about me," she remembered him saying, "but at least I know who I am, and I know who my friends are." As Bush girds for tectonic change, that certitude will be tested as never before.

For the latest Campaign 2006 news, blogs and analysis, go to time.com With reporting by With reporting by Perry Bacon Jr., Massimo Calabresi, Timothy J. Burger/ Washington

Fatter 401(k)'s Might Not Be Enough To Save The GOP (USNEWS)

By James Pethokoukis

U.S. News and World Report, October 30, 2006

How will investors affect the midterm congressional elections November 7?

Political pundits want to know-and for good reason. Slightly more than half of all U.S. households own stock, either directly or through retirement accounts like 401(k)'s and IRAs, according to the Investment Company Institute. In the early 1990s, only about a third did.

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During the 2004 presidential election, about 46 percent of voters, according to polling by Zogby International, identified themselves as members of the "investor class." And this group voted for President Bush in a landslide over Sen. John Kerry, 61 percent to 39 percent.

Of course, the term investor class may just mean middle-to-upper-income white men, a group that typically votes GOP. But investors are now far more diverse than that. Some 91 million Americans owned mutual funds in 2005. In about a quarter of fund-owning households, women make the investment decisions.

"The investor class has been the great hope of Republicans," says Charles Gabriel, political analyst at the Washington research arm of Prudential Securities. "The theory was that if you turned voters into stakeholders, they would pay closer attention ... to legislation that would hurt companies." Yet Gabriel wonders how energetic investors will be, since the Dow Jones industrial average has only recently returned to levels last seen in 2000.

Surprise! A Zogby poll taken in mid-June, as the market rally was beginning, showed Bush with a 41 percent approval rating among investors. That's not so hot, but it was better than his 36 percent approval rating overall. Investors checking their financial statements this month will find a nice "October surprise." The S&P 500 gained 5 percent in the third quarter and is up about 13 percent since early June. "The economy is in very good shape right now," says David Gitlitz, chief economist at TrendMacrolytics. "Investors have every reason to be happy with what is going on."

All this seemed to be helping Bush and the congressional GOP-ratings for both were rising-until the Mark Foley page scandal broke.

Democrats will correctly point out that stocks have historically done better when their party has controlled the White House than when the GOP has. So why do investors keep favoring Republicans? A recent study offers this possible explanation: While past Democratic presidents may have pursued market-friendly policies, investors stubbornly expect future ones not to. One reason may be that the GOP tends to aggressively support more favorable treatment of capital gains and dividend income. Rates for both were cut in 2003.

By contrast, Kerry vice presidential candidate John Edwards, a possible 2008 White House contender, has advocated raising capital-gains rates for wealthier investors.

Turnout, Not Burnout (USNEWS)

By Dan Gilgoff

U.S. News and World Report, October 30, 2006

BLUE BELL, PA.-Here's Rick Santorum's plan to close his challenger's big lead in the polls and pull off a surprise win next week: a phone bank staffed with a half-dozen die-hard volunteers in this Philadelphia suburb. "The Republican Party is committed to protecting America in the war on terror and securing our borders," says Jack Posobiec, a Temple University senior, into a phone receiver on the second-to-last Tuesday before the election. "Can the party count on your vote?" Posobiec takes down the "Yes" response on a sheet of paper that will be scanned into the GOP's vast national voter database, then dials the next number on his list. It's the kind of person-to-person transaction, repeated millions of times over, that forms the grass-roots ground game credited with delivering the Republican gains of 2002 and 2004.

This year, facing its toughest political climate in over a decade (Santorum is just one of several Republican senators in a fight for their political lives), the GOP is counting on that get-out-the-vote machine more than ever. "Turnout in an off-year election is more important than in a presidential election because voters on both sides are less motivated," says a senior Republican adviser. Turnout this year is expected to be down by more than a third from 2004, which is why more than 20 GOP phone banks and volunteer centers across Pennsylvania have already contacted more than a million voters most likely to back Santorum-who is running up to 12 points behind challenger Bob Casey Jr. "The goal is to get [Casey's lead] to single digits by Election Day," says Santorum campaign manager Vince Galko. "The grass roots will take it from there."

Dispirited. With only days to go, however, achieving that goal appears iffy, at best. The revved-up Republican base that staffed the election-eve blizzard of phone calls and door knocks in 2002 and 2004 as part of the GOP's "72-hour plan" now appears dispirited. At the Blue Bell phone bank, one volunteer called a half-dozen Republicans who'd expressed interest in joining this year's "72-hour task force" before finding a taker. The Democrats, meanwhile, say they've improved their ground game since 2004, when the Democratic National Committee's voter file-the road map for turnout efforts-was so glitch-prone that Ohio's Democratic Party couldn't access it until a week before Election Day. In dozens of close races nationwide, the ability of the GOP turnout effort to deliver again, or the Democrats' ability to best it, will determine the outcome next week-and, with it, which party controls Congress.

The Democrats, by relying on organized labor, had historically maintained an edge on turnout operations-until President Bush was elected. But the GOP, under the direction of White House political chief Karl Rove and Republican National Committee

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Chairman Ken Mehlman, began running its turnout operation like a business, giving state parties customized volunteer recruitment and voter contact goals. In this cycle, Mehlman received weekly reports from state parties that showed how well each was managing its "metric" goals, starting a full year before Election Day.

The Year The Democrats Punched Back (TIME)

By Joe Klein

Time, October 30, 2006

First, the Republicans tried to attack Democrats on national security, their old, reliable soft-on-terrorism gambit. But that didn't work, in part because George W. Bush's own National Intelligence Council issued a report that said the Administration's policies were probably adding to the sum total of terrorists in the world. Then the Republicans tried to accuse Democrats of being soft on illegal immigrants. But that didn't work because the President himself was notoriously humane on immigration—and it was the Republican Congress that had failed to produce a tough immigration bill.

In recent weeks, the Republicans unwrapped another moldy chestnut, advertisements proclaiming that Democrats will raise taxes. But that didn't seem to be working either because voters were focused on Iraq and Mark Foley. And so last week the Republicans unleashed a series of ads painting the Democrats as sex-crazed, homosexual-loving, porn-perusing—and in the case of the novelist and Virginia Senate candidate Jim Webb, porn-writing—perverts. It was vivid proof that the prospect of a hanging doesn't always concentrate the mind. Sometimes it leads to feral, piss-pants desperation.

Most of the media attention was centered on the Democratic candidate for U.S. Senate from Tennessee, Harold Ford Jr., and why not? He's young, attractive and black—and you know how dangerously sexy those people are. But there was enough other action around the country—the attack on the sex scenes in Webb's novels, sex-related claims against Democratic congressional candidates in New York and Minnesota—for the outlines of the new Republican strategy to become clear. Even President Bush leaped on a New Jersey court decision favorable to homosexual couples, calling it another case of liberal judicial activism.

Ford's crime was his attendance, along with 3,000 other people, at a Super Bowl party sponsored by Playboy magazine last year. This inspired the Republicans to run their now famous ad featuring a scantily clad white actress who claimed to have met Ford at the party and then, in the punch line, pooched her lips, winked and whispered, "Harold, call me." A second ad accused Ford of having "Hollywood values," for what it said was his support of gay marriage and the distribution of morning-after birth-control pills to teenagers.

Neither claim is true. It remains to be seen what, if any, effect these ads will have, but Ford responded immediately with a spot featuring average Tennesseans expressing their disgust with the Republicans. A woman named Maura Satchell says, "My son's life is on the line in Iraq, and they're putting out these ads just to distract us."

Rapid response to Republican attacks has been a key to Ford's unlikely strength in Tennessee. In early October, for example, the Republican candidate, Bob Corker, accused Ford of being pro-amnesty for illegal immigrants. Ford's response was immediate and lethal: an ad claiming that Corker's construction company had employed illegal aliens. In fact, a Corker work site had been raided by the Immigration and Naturalization Service. "Rapid response is a rule I set down for all our candidates this year," says Senator Charles Schumer of New York, chairman of the Democratic Senatorial Campaign Committee (DSCC). "If you want [financial] support from us, you have to respond within 24 hours after you've been attacked."

Obviously, John Kerry's lamblike response to the attacks on his character during the 2004 presidential campaign, especially those emanating from the Swift Boat Veterans for Truth, is very much on Democrats' minds in 2006. But Schumer learned the lesson in his Senate race against Alfonse D'Amato in 1998. "Fonzi attacked me for being soft on crime, and we came right back at him with a tough series of ads with the tagline 'Alfonse D'Amato: too many lies for too long.'" Schumer says that perhaps the most important ad run by a Democrat this year appeared in July in the Ohio Senate race.

The Republican, Mike DeWine, had put up a spot that called into question Democrat Sherrod Brown's record on national security, using a smudged, smoking, slightly distorted image of the World Trade Center terrorist attack. The thrust of the ad was accurate: Brown is a mortal dove who repeatedly voted against increases in the intelligence budget. And the attack had been expected. "Our candidates were really worried about how to counter the Republicans on national security," says J.B. Poersch, executive Director of the DSCC. "It's what worked against us in 2002 and 2004."

But Brown responded with a spot that began, "It's sad. Mike DeWine exploiting images of 9/11 to smear Sherrod Brown ..." and quickly pivoted to Brown's favorite issue: [DeWine] supported trade deals with China, even after thousands of lost jobs and the transfer of sensitive military technology ..." Polls show Brown well ahead now—and the ad also had a spillover effect. "Our other candidates saw Brown's success," says Poersch, "and they began to feel confident that they could survive Republican national-security attacks."

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As a result, the political-advertising phenomenon of 2006: almost all of the best ads this year, in both the Senate and House races, have been Democratic counterpunches. Of course, it is easier to strike back at an exhausted opponent, and 2006 may be remembered as the year that the Reagan Revolution finally crested and began to recede.

On Time Mobile, you can now read Joe Klein's column every week free on the Web browser of your cell phone or mobile device. Go to mobile.time.com

Battling For The Show-Me Moms (TIME)

By Massimo Calabresi

Time, October 30, 2006

Call them the show-me moms. They may be this political season's equivalent of the soccer moms or the NASCAR dads--a slice of the electorate that turns out to be vital to one party's triumph, or either's. This year strategists on both sides are focused on a small subset of females: white women over 55 in the South who were raised as Democrats but tend to be culturally conservative. The group eschews party loyalty in favor of candidates offering practical solutions to problems like education, security and health care and is "very critical," says a top G.O.P. strategist, in the deadlocked Senate races in Missouri, Tennessee and Virginia. To take the Senate, Democrats probably need to win at least two of the races in those red-state redoubts.

Women in general are more independent than men, decide later how to vote and--older women especially-- are more active in midterm elections, all of which means they are central to Democratic attempts to make up for the men the party can't win in the upper South. Democrats are optimistic about swaying older women, says pollster Celinda Lake, because they "were among the most supportive in the early days of the war in Iraq and now are some of the most critical." While 54% of Southern women voted for Bush in 2004, a recent Associated Press poll found that only 32% of them approve of his handling of the war, compared with 36% of all Southerners. Republicans argue that they can hold these show-me moms by stressing the good economy and the moderate popularity of President Bush's prescription-drug program.

The fight for the matron vote can get rough. Senator Jim Talent, the Missouri incumbent who faces a hard contest against state auditor Claire McCaskill, has spent heavily on ads accusing her of failing to investigate abusive nursing homes. And last week in Virginia, Republicans spent more than $1 million on TV ads attacking challenger James Webb for, among other things, a 1979 article opposing women in combat and his novels, whose raunchy sex scenes incumbent George Allen called "demeaning to women." This close to Election Day, there are still plenty of votes to scrap for: a recent Missouri poll found 5% of men are unsure but 9% of women still in play.

Politics: The Sleepers (NSWK)

Newsweek, October 30, 2006

All politics is local, except when it isn't. Next week Americans will head to the polls with national and international issues on their minds. Chief among them: Iraq, the top issue for 29 percent of voters in the NEWSWEEK Poll (the largest percentage for any issue, followed by the economy at 21 percent). Democrats, the party preferred by 53 percent of voters to control Congress, seem poised for big gains. But a host of sleeper social issues, including abortion, same-sex marriage and stem-cell research will keep campaign 2006 interesting to the end.

ISSUES 2006

STEM CELLS

In Missouri, the Fox Effect

When Michael J. Fox picked up the phone early last Tuesday morning he was greeted by his mother, in a fury. Two days before, Fox had appeared in a television advertisement for Democratic Missouri Senate candidate Claire McCaskill. Fox, the actor stricken with Parkinson's disease, was supporting McCaskill and other Democratic candidates because of their support for research on embryonic stem cells. Now Rush Limbaugh, the conservative talk-radio host, was accusing Fox of "exaggerating the effects of the disease" in order to secure sympathy. How could Limbaugh be so cruel, Fox's mother wanted to know. Fox told her Limbaugh wasn't getting to him. "I have four kids," he later told NEWSWEEK. "I have to set an example on how you deal with bullies."

For a moment last week, Fox and Limbaugh made stem-cell research the premier topic in campaign 2006, no small feat for any issue that isn't Iraq or a sex scandal. "We wanted to make sure [stem cells] were at the forefront in the campaign," he says. "That we're talking about this 11 days before the election is just phenomenal."

But back in Missouri, Fox's candidate claimed she hadn't been following the fracas. Were stem cells one of her top five priorities? "That [is] a mean question to ask!" she replied, indicating she'd rather not say. If she sounded a bit tepid, it's because

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no one in Missouri seems to know quite how stem cells are going to play this year. Next week, when voters choose between McCaskill and Jim Talent, the Republican incumbent, they'll also vote on an amendment to the state's constitution guaranteeing protection for federally sanctioned stem-cell research. Critics say it creates a legal foundation for the cloning of human embryos and the destruction of innocent life. After Fox's ad hit the airwaves, opponents of the measure struck back with their own celebrity-filled ad. Most memorable: James Caviezel, the actor who played Jesus in "The Passion of the Christ," opening the ad in lilting ancient Aramaic. It was a day or so before Caviezel's words were translated as "You betray the Son of Man with a kiss." But his intended message was instantly apparent: conservative Christians, come and vote.

If they do, in large numbers, it could spell trouble for McCaskill, who has trailed Talent in recent polls. But Talent himself seems in no rush to step forward as the face of stem-cell foes, mindful that embryonic research splits conservatives—some of whom protest the use of human embryos, while others champion the prospect of cures. (Talent's campaign did not respond to requests for a comment.)

Missouri is a bellwether: a McCaskill win could push candidates in future races to champion stem cells on the stump. In the meantime Fox is doing plenty of pushing on his own. This week he'll travel to Iowa, Ohio and Virginia to stump for supporters of the research. The political arena exacerbates his Parkinson's symptoms, but Fox refuses to slow down. "I'm tired of having my hope qualified as false," he says. "We've reached a point where this can happen now if people get their votes right."

—Jonathan Darman with Lee Hudson Teslik

GAY MARRIAGE

A Wake-Up Call in New Jersey

The Republicans were clearly hoping for a little déjà vu. In 2004, they seized on 11 gay-marriage ballot initiatives to get fired-up conservatives to the polls. Though eight states will vote on similar measures this fall, the issue hasn't been nearly as electrifying. At least not until last week, when the New Jersey Supreme Court ordered the state legislature to grant gays the same marriage rights as straight couples. Though the court said lawmakers didn't have to call it "marriage," the semantics mattered little. "It's a gift to the White House and the Republican Party if they're smart enough to use it," says Gary Bauer, president of the conservative group American Values. President George W. Bush himself extolled the "sacred institution" of heterosexual marriage and complained about "another activist court issue."

In the past two years, says Family Research Council president Tony Perkins, conservatives have passed gay-marriage bans in 16 states (all but five states now have some kind of ban in place) and won eight court victories. "People were somewhat complacent," Perkins says, "but this clearly brings the issue of the defense of marriage back into focus."

With less than two weeks left before the polls close, social conservatives think gay marriage can make a difference again, especially in tight Senate races in Virginia and Tennessee, where marriage amendments are already on the ballot. Bauer says his group may run ads touting the New Jersey ruling in some battleground states.

Gay-rights advocates don't expect to win many—or maybe any—of the eight ballot initiatives. But, after two years of gay marriage in Massachusetts, they think voters might not be as alarmed about the idea as they were in '04. "An angry electorate is looking for real answers on the economy, the war in Iraq," says Human Rights Campaign president Joe Solmonese. "It's just not going to resonate this year." If it does, he says, gay-rights groups will press their case where they've had better luck—in court.

—Debra Rosenberg

THE RIGHT TO DIE

Schiavo on the Hustings

The fireworks began before the candidates' debate even started. Last week Michael Schiavo took a seat only 15 feet away from Colorado Rep. Marilyn Musgrave—all the better to taunt her. She had been an outspoken advocate of what Schiavo considered government intrusion in his wife Terri's right-to-die case last year. When Musgrave's camp objected to Schiavo's presence, one of the event hosts tried, unsuccessfully, to have a cop force him to change seats. Though Musgrave wasn't asked about Terri during the debate, Schiavo had already met his goal—evoking his wife's case, and the privacy concerns it raised, for the press and the public. "What you went through is the epitome of what's wrong with the country," one man told him afterward.

The issues dominating this election season remain Iraq, terrorism and various scandals, but the Schiavo matter may prove to be a sleeper issue. It has cropped up in contests across the country—from the Florida governor's race to close congressional campaigns in Connecticut, Pennsylvania and points west. Schiavo himself has helped stoke the debate by campaigning for candidates who backed his position on Terri's case and lambasting those who opposed him. Using funds raised by TerriPAC, a political committee he founded last year, he has also given 15 candidates a total of $20,000. All of it is aimed at driving home his message: "Government should not interfere with personal matters," says Schiavo, who still seethes at the memory of Congress's and President Bush's attempts to block removal of Terri's feeding tube.

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After mourning Terri's death, Schiavo had planned to move on with his life (he has a second wife and two kids). But in the course of writing a book about the case, he reviewed news footage that he'd never seen from the height of the controversy. He became incensed all over again—and decided to do something about it, teaming up with Democratic consultant Derek Newton. Schiavo's hardly an electrifying speaker, and he mangles names on the stump. But he has an ordinary-guy appeal and a wrenching tale. Formerly a Republican, he's now a Democrat, though he has supported candidates from both parties. As Election Day nears, he's trying to squeeze in one more round of campaign stops, in response to requests from candidates in Georgia, Iowa and Virginia. And after Nov. 7? "On to 2008," he says. An activist has been born.

—Arian Campo-Flores with Jim Moscou in Colorado

ABORTION

A Hard Line on the Plains

Tiffany Campbell had a serious problem. The ultrasound showed her 15-week-old embryos had twin-to-twin transfusion syndrome, an often fatal complication. Campbell, who lives in South Dakota, was rushed to Cincinnati, where she underwent a procedure that aborted one fetus in order to save the other. On the way home, says Campbell, she and her husband talked about a new South Dakota law that bans all abortions, except to save the life of the mother. "I'm not really for abortion," says Campbell, 30, still pregnant with the surviving twin. "But then you realize it's not all black and white."

Opponents of South Dakota's abortion ban hope such stories will persuade voters to overturn the law on Election Day next week. Pro-life forces see South Dakota as the beachhead of a new campaign to challenge Roe v. Wade, the 1973 Supreme Court case that established abortion rights. Pro-choice advocates say that defeating the measure will send a signal to the 14 other states considering abortion bans, including cases involving rape and incest, to abandon their efforts.

The law was driven by Leslee Unruh, a Sioux Falls activist who shared with lawmakers her regret over her own abortion. "I bought the feminist line 'It's my body'," said Unruh. Polls show opponents of the ban with a slight lead. Last week the South Dakota Campaign for Healthy Families, a grass-roots organization opposed to the ban, signed up a new volunteer: Tiffany Campbell. "As long as I'm on bed rest, I've got plenty of time to stuff envelopes," she says. For Campbell, a registered Republican, this is her first political campaign.

—Karen Breslau with Debra Rosenberg in Washington and Bill Harlan in Sioux Falls

Was Politics Always Such A Contact Sport? (USNEWS)

By Brian Duffy

U.S. News and World Report, October 30, 2006

It's back-and just in time, too. Gay marriage, the campaign stalwart that pulled such a star turn in the presidential election two years ago, had been unaccountably missing in the previously torpid midterm elections. But thanks to what President Bush called that "activist court" in New Jersey, the old guy is back in the game and ready, it seems, to play for keeps. Less than 24 hours after the New Jersey Supreme Court announced its ruling that gay couples are entitled to the same legal rights as heterosexuals, the president slipped a nifty reference to gay marriage into the top of his stump speech (tossing in, for good measure, that Democrats would raise taxes and leave America unprotected), and suddenly he had something to talk about besides Iraq that actually might help his reeling Republican brethren at the polls next week. Well, hope, as the saying has it, does spring eternal.

Say what you will, using the gay marriage issue is good politics. And compared with some of the other shenanigans on the hustings the past few weeks, it looks almost Jeffersonian. Every election year has its share of below-the-belt ads and barroom brawling. But with a turbocharged Internet, the explosion of YouTube and other social-networking sites, and the profusion of so many rabidly partisan blogs, Election '06 has already set new standards for incivility, mendacity, and a bunch of other 75-cent words your faithful Webster's has for generally churlish behavior. The Washington Post called it "kitchen-sink time" in the campaign, and that just about gets it, because it's hard to imagine any unspeakable thing one candidate hasn't thrown at another during this potential power-shifting year. Sexual perversion, moral bankruptcy (the details of the precise charges cannot be shared in a family magazine, sorry)-they've all taken pride of place in campaigns from one end of the nation to another.

In kinder days, Alfred E. Smith said of campaign speech: "No matter how thin you slice it, it's still baloney." This year, you'd have to amend Smith's adage with another term that can't be used in a family publication.

A Bitter War's Latest Front (USNEWS)

By Liz Halloran

U.S. News and World Report, October 30, 2006

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SIOUX FALLS, S.D.-There were only about a half dozen of them, but it was the first time they'd shown up at the state's single abortion clinic: veteran protesters in the abortion wars, carrying placards depicting bloody fetuses and aiming cameras at people headed for the clinic run by Planned Parenthood, a simple one-story structure on busy West 41st Street. One protester, in a hooded sweatshirt and camouflage jacket, called a woman leaving the lot a "baby killer" and when asked whom he represented, responded, "Jesus Christ."

Their arrival in this sparsely populated state, a little more than two weeks before voters here will decide whether to overturn a nearly complete ban on medical abortions, infuriated none other than Leslee Unruh, a leader in the state's journey to the March passage of the most restrictive law in the nation. In the process, she has earned a national name by helping to rewrite the antiabortion playbook. "I can't stand the way they do things," Unruh said last week about the protesters' in-your-face strategy. "The anger approach doesn't work because they have no compassion for the women going in there."

During an interview at the Sioux Falls headquarters of Vote Yes for Life, the organization she heads that's campaigning to uphold the state ban, Unruh spoke about her own abortion years ago and her campaign to focus not on confrontation but on the personal stories of women like her who have had or considered abortions. But activists on both sides are riveted by the bottom-line question voters here will answer next week: Can Unruh's new sell persuade South Dakotans to endorse a state law that ignores a U.S. Supreme Court precedent and makes no specific abortion exceptions in cases of incest or rape, or when a mother's health is threatened?

If the answer is no, then the probable conclusion-pending litigation of some sort-is that even abortion opponents aren't willing to so dramatically limit the rights of the mother. But if the answer is yes, then similar legislation is likely to move forward in other states, and so is a legal challenge that could reach the Supreme Court. National abortion-rights groups, alarmed by that possibility, have been working with a state coalition of medical workers, abortion-rights activists, and others to convince voters that the law should be repealed. The group, South Dakota Campaign for Healthy Families, gathered enough signatures earlier this year to get a challenge to the law on the ballot, arguing that it is unconstitutional and will compromise women's health. "This is not just a ban; it also jeopardizes doctors who even want to talk to their patients openly and honestly," says Jan Nicolay, 64, a former educator and GOP state legislator who speaks for the coalition.

The law, on hold pending next week's vote, makes abortion a felony unless the woman's life is in danger. It also bars anyone-physicians and pharmacists included-from providing emergency contraception, except in cases where a pregnancy has not yet been determined by "conventional medical testing." Unruh argues that the law's minimal emergency contraception allowance provides a rape and incest exception. Planned Parenthood State Director Kate Looby calls that an "inane argument" because emergency contraception is only effective up to 72 hours after sexual contact and is already difficult to access in many parts of the state.

Why I Would Vote No On Pot (TIME)

By Sanjay Gupta

Time, October 30, 2006

Maybe it's because I was born a couple of months after Woodstock and wasn't around when marijuana was as common as iPods are today, but I'm constantly amazed that after all these years--and all the wars on drugs and all the public-service announcements--nearly 15 million Americans still use marijuana at least once a month. California and 10 other states have already decriminalized marijuana for medical use. Now two of those states--Colorado and Nevada--are considering ballot initiatives that would legalize up to an ounce of pot for personal use by people 21 and older, whether or not there is a medical need.

What do voters need to know before going to the polls?

The first is that marijuana isn't really very good for you. True, there are health benefits for some patients. Several recent studies, including a new one from the Scripps Research Institute, show that THC, the chemical in marijuana responsible for the high, can help slow the progress of Alzheimer's disease. (In fact, it seems to block the formation of disease-causing plaques better than several mainstream drugs.) Other studies have shown THC to be a very effective antinausea treatment for people--cancer patients undergoing chemotherapy, for example--for whom conventional medications aren't working. And medical cannabis has shown promise relieving pain in patients with multiple sclerosis and reducing intraocular pressure in glaucoma patients.

But I suspect that most of the people eager to vote yes on the new ballot measures aren't suffering from glaucoma, Alzheimer's or chemo-induced nausea. Many of them just want to get stoned legally. That's why I, like many other doctors, am unimpressed with the proposed legislation, which would legalize marijuana irrespective of any medical condition.

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Why do I care? As Dr. Nora Volkow, director of the National Institute on Drug Abuse, puts it, "Numerous deleterious health consequences are associated with [marijuana's] short- and long-term use, including the possibility of becoming addicted."

What are other health consequences? Frequent marijuana use can seriously affect your short-term memory. It can impair your cognitive ability (why do you think people call it dope?) and lead to long-lasting depression or anxiety. While many people smoke marijuana to relax, it can have the opposite effect on frequent users. And smoking anything, whether it's tobacco or marijuana, can seriously damage your lung tissue.

The Nevada and Colorado marijuana initiatives have gained support from unlikely places. More than 33 religious leaders in Nevada have endorsed the measure, arguing that permissive legalization, accompanied by stringent regulations and penalties, can cut down on illegal drug trafficking and make communities safer.

Perhaps. But I'm here to tell you, as a doctor, that despite all the talk about the medical benefits of marijuana, smoking the stuff is not going to do your health any good. And if you get high before climbing behind the wheel of a car, you will be putting yourself and those around you in danger.

Sanjay Gupta is a neurosurgeon. Check out his podcast at cnn.com/health With reporting by With reporting by Matt Sloane/Atlanta

Does Barack Really Rock? (USNEWS)

By Gloria Borger

U.S. News and World Report, October 30, 2006

I know: you're sick of politics. That's because we're a week away from the midterm elections, and all you seem to be seeing are nasty TV ads. And if you're going to vote (and please do), chances are you're casting your ballot as a way to register your disgust. You probably want to record your feelings against something-whether it's the war, the president, a Democratic congressional takeover. Most of you think Congress is corrupt, you worry that the situation in Iraq is getting worse, not better, and you don't like the direction in which the country is heading. No wonder you're cranky.

We're all cranky. Which is why, when someone like Barack Obama writes a book called The Audacity of Hope, we perk right up. As cynical as we've all become, we still like the sound of his call for a new kind of politics-rooted in faith, inclusiveness, and bipartisanship. When Obama allowed that he just might be considering a presidential run, some positively jumped for joy: A young (45) African-American with no political baggage, the first-term Democrat from Illinois is full of optimism. He may even be authentic. "A vessel for people's hopes," is how Chicago political consultant and Obama friend David Axelrod puts it. "Someone who can bring some wisdom to the table."

Obama has a great story to tell: half-Kenyan, half-Kansan, born in Hawaii, Harvard law school grad, first black president of the law review, state senator, U.S. senator. Charming, self-effacing, a family man. And as far as Democrats are concerned, he's two more things: first, someone who took an early stand against the Iraq war (unlike, say, John Kerry and Hillary Rodham Clinton). And second, he's not Clinton. "He's not the vehicle for a stop-anybody movement," says Axelrod. "If he runs, it won't be because he's an alternative to anybody."

That may be true-in his own mind. But in the case of just about everyone else, Obama is an alternative-not only to the lightning rod that is Hillary Clinton but also to a generation of boomers who may need to finally cede the stage. In his new book, Obama-born in 1961, which makes him a very late boomer-writes that in watching the Newt Gingrich-Bill Clinton saga play out a decade ago he felt as if he were watching a couple of old generals fight the last war. "I sometimes felt as if I were watching the psychodrama of the baby boom generation-a tale rooted in old grudges and revenge plots hatched on a handful of college campuses long ago-played out on the national stage." He's right-and he's also right to point out that the fights continued right up through the last election, and even into this one. So Obama, his friend Axelrod says, will be able to relate to those younger voters and bring them into the Democratic fold.

Wishy-washy? Maybe, but there's a flip side to Obama's youth: his inexperience. Sure, you say, there's an easy way to handle that problem. After all, the folks with experience are the ones who messed up Iraq. But maybe it wasn't their experience; they could just have been the wrong people. (Paging Donald Rumsfeld.) In a post-9/11 world, it's hard to see how we elect someone without the important national security cred: If terrorism remains the big issue it is now, inexperience won't cut it with the soccer moms. There's no giving anyone the benefit of the doubt, not now. George W. Bush may have chosen-and stuck with-the wrong team. Trouble is, he was too green to understand when they were wrong.

All Politics Is Local? New Mexico Is Test (LAT)

By Mark Z. Barabak

The Los Angeles Times, October 30, 2006

DOJ_NMG_0087639

Albuquerque — Fighting for control of the House, Democrats and Republicans have cast the midterm election in starkly different terms. To Democrats, it is a national referendum on President Bush; to Republicans, a contrast between local candidates.

The outcome Nov. 7 will probably depend on whether those who turn out to vote are more like Anne Campbell or Don Natvig.

Campbell, a 45-year-old nurse, had trouble deciding between Republican Rep. Heather A. Wilson and her Democratic opponent, state Atty. Gen. Patricia Madrid, until she watched them debate last week. Although Campbell is a Democrat, she was impressed with Wilson's crisp performance and now leans toward the incumbent.

"I think it needs to be a local election," Campbell said, loading groceries into the back of her gray minivan at a big-box mall on the north side of town. "I certainly wouldn't vote against Heather Wilson because of President Bush."

Natvig, who teaches biology at the University of New Mexico, has met Wilson and believes "she's an OK person" and "fairly sincere." But the lanky 54-year-old Democrat plans to vote for Madrid — even though he's no big fan. "I don't want to support the Republican administration," he said, adding, "I see my vote as being in support of a [Democratic] Congress."

New Mexico's 1st Congressional District is high on both parties' target lists in these final campaign days, as Democrats fight for the 15 seats they need to take over the House. More than $11.5 million has been raised and spent here by the candidates and their allies, a state record, and couch potatoes have been bombarded with more than 11,500 TV spots since July.

The district, which takes in Albuquerque and part of its suburbs, is odd in some ways.

Although Democrats outnumber Republicans, the GOP has held the congressional seat for its entire existence, nearly 40 years. No incumbent has ever been defeated, not even in the big Democratic elections of 1974 and 1982.

Still, few places are better to watch the fight for control of Congress. The district, at the intersection of Route 66 and the Rio Grande, is home to a liberal college community, conservative military retirees, and social moderates whose defense and high-tech jobs depend on fat Pentagon budgets. About one in three voters is Latino.

Moreover, as they run neck and neck, the two candidates personify the broad strategy of their respective parties.

Consider the first words each uttered in their televised debate.

"Elections are about choices, and the differences between my opponent and I are many," Republican Wilson said, a line she repeated through the evening. "If you want higher taxes and a weaker national defense, you should vote for Mrs. Madrid."

"I'm running for Congress because it's time for a change in this country," Democrat Madrid responded. "George Bush has been an unmitigated, abject failure, and Heather Wilson has been with him every step of the way."

A political panorama

The issues and advertisements that have played across this high-desert district offer a panorama of the year in politics. There has been scandal, with cameo mentions of former Reps. Tom DeLay, Randy "Duke" Cunningham and Mark Foley. Stem-cell research, soaring gas prices and rising healthcare costs have been discussed, along with the sway of special interests in Washington and Santa Fe, the state capital.

But the war in Iraq has dominated the campaign above all and presented the starkest contrast between the two candidates, just as it has in many races across the country.

Wilson has carefully sculpted an image of independence from Bush and GOP leaders in Congress, parting ways at various times on budget, healthcare and ethics issues.

But the Air Force Academy graduate has been unflagging in her support of the war, casting Madrid as inexperienced and dangerously naive when it comes to Iraq and terrorism.

In the debate, Wilson characterized her opponent's position this way: "Bring the guys home. Quit. Surrender." Madrid, who favors a withdrawal of U.S. troops but has offered no clear timetable, retorted: "Staying the course is not a plan. Paralysis is not a plan."

In terms of public opinion, the Democrat would seem to have the upper hand on the issue. An Albuquerque Journal poll published this month found that 52% of New Mexicans thought the U.S. should have stayed out of Iraq.

More often than not, they believed the administration cherry-picked and sometimes manipulated intelligence, a charge Madrid has used against Wilson, who serves on the House Intelligence Committee.

Wilson rejects the allegation.

But the poll also found considerable ambivalence about the war — only 15% supported an immediate withdrawal — a sentiment that surfaced in a series of voter interviews in the district last week.

Shanna Chavarria, a 49-year-old homemaker and a Democrat, said she wished the U.S. had not invaded Iraq and was eager "to get us home, get us out."

But, she went on, "We're there. I think we need to finish the job."

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She plans to vote for Madrid, however, because Wilson is "just too party-line. Whatever the Republicans did, she did."

The Bush factor

That strong, almost reflexive anti-GOP sentiment poses the greatest threat to Wilson, a smart and nimble campaigner who has weathered several tough reelection fights since going to Congress in 1998.

She won thanks to strong Democratic and Latino support, but surveys suggest many of those voters are straying this time.

"That's where Iraq comes in," said Brian Sanderoff, the state's leading political pollster. "That's where Bush comes in."

With the president at a lackluster 36% approval rating in Albuquerque, Wilson has tried hard to distance herself from Bush and the White House.

She has been hammered for skipping a vote on Iraq this year to attend a presidential fundraiser.

So when strategist Karl Rove came to town in late September, Wilson's campaign announced she would skip the event, which was closed to reporters. Party officials would not even say where Rove planned to appear.

During last week's debate, Wilson twice refused to answer when asked whether she though Bush had been a good president.

The next day, at a news conference at her campaign headquarters, Wilson was asked four more times and again would not offer an opinion.

"History will judge," she said.

The campaign here typifies the broader national contest in other ways.

Both parties have spent millions of dollars on TV spots — mainly attack ads — as have labor unions, trial lawyers, Realtors and other interest groups, according to TNS Media Intelligence/Campaign Media Analysis Group, a national firm that tracks campaign advertising.

The race has been nasty, like so many others in this corrosively negative campaign season.

Madrid calls her opponent a liar and says Wilson, who served on the board overseeing the congressional page program, "looked the other way and didn't protect our children" from Foley's behavior. Wilson said she had no way of knowing what the ex-Florida lawmaker was saying in private e-mails.

Wilson says Madrid is "willing to cheat to win" and aired a TV spot accusing Madrid of allowing a man to "walk" after an attempted rape. A state prosecutor said the ad distorted the facts of a case involving a fictitious teen in an Internet chat room.

The two camps even quibbled over who got the better spot in the State Fair parade, and the politics behind their placement.

Campbell, the nurse who leans toward a Wilson vote, said all of it was enough to make a person stay home on election day.

"They're just awful," she said of the ads, which are inescapable for anyone watching Albuquerque TV.

"You feel bad about both of them."

In Minnesota, 'Everyman' On The Ballot Political Novice Battles Republican Incumbent, With Iraq And Immigration At Forefront By DAVID ROGERS (WSJ)

The Wall Street Journal, October 30, 2006

ROCHESTER, Minn. -- If there is one House race that captures the struggle between Republican power in Congress and a grass-roots demand for change, it is here in Minnesota's First District.

Twelve-year incumbent Rep. Gil Gutknecht is a political survivor and force for the dairy industry as a senior member of the House Agriculture Committee. But in a district President Bush carried twice, the Republican Party and corporate allies are spending heavily to fend off Democrat Tim Walz, a high-school teacher and political newcomer.

Three possible 2008 presidential contenders -- Republican Sen. John McCain and Democratic Sens. John Kerry and Barack Obama -- are all due here this week. Mr. McCain's appearance, which his camp says is to help re-elect Gov. Tim Pawlenty, not Mr. Gutknecht per se, touches a nerve since Mr. Walz -- a retired National Guard master sergeant -- is a fellow veteran and has been attacked by Mr. Gutknecht for supporting immigration policies akin to the Arizona senator's.

"It's been, 'Holy smokes, the First District can elect a guy who woke up one morning and said let's change this country and let's do this together,' " Mr. Walz laughs.

The heart of his campaign is just that: Everyman running for Congress. With his former National Guard artillery unit deployed in Iraq, Mr. Walz emphasizes the need for change in the war's strategy. But most of all, given the House's low standing in opinion polls and voter anxiety about America losing its way, he sees his candidacy as a wake-up call for Congress and the nation.

REPRESENTATIVE RACES

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See more information2 on Minnesota's first congressional district, plus profiles of more than a dozen others across the nation.

"When you wake up Nov. 8, it can be a brand new world," he told supporters last week in Owatonna. "It's not vindictiveness. It's not us saying all our Republican neighbors are wrong. It's us saying this Congress is broken. This rubber-stamp Congress is not giving this country the ability to move forward and compromise.

"If you know how good we are going to feel, picture for a moment how the rest of the world is going to feel. When they wake up Nov. 8, they're going to look and say, 'The Americans are back.' "

Up and down the ballot, Minnesota is a battleground this fall with a Senate seat and the governor's mansion also up for grabs. Early in the nominating process during the spring, Mr. Walz -- who bears a resemblance to another high-school teacher and coach: House Speaker Dennis Hastert of Illinois -- showed promise but was overlooked nationally because of his lack of political experience. He and his fellow Democratic-Farmer-Labor Party candidates are their own cast of characters, less a political party than a repertory company for modern America.

The DFL's field includes a black Muslim; a former Federal Bureau of Investigation agent who was an early outspoken critic of the agency's 9/11 performance; and a child-safety advocate whose son was abducted years ago. But just as the party is seeking change in Washington, it is also struggling to deal with change among its own ranks.

Women and minorities have demanded more of a voice. The retirement of Rep. Martin Sabo, a Democrat, has forced the Fifth District -- made up primarily of Minneapolis and close-in suburbs -- to confront how much it has changed from the working-class neighborhoods that first sent Mr. Sabo to Congress 28 years ago.

Keith Ellison, an antiwar state legislator who would be the first Muslim ever in Congress, won the primary last month with the help of a relatively new Somalian immigrant population. Supporters praise the young African-American attorney as a new voice for the party, but Mr. Ellison's history of parking tickets and tax liens have caused his candidacy to divide longtime allies such as former Vice President Walter Mondale and Mr. Sabo.

The Fifth District is more gentrified but still Democratic. Mr. Mondale says it has changed significantly, "and Keith is part of that change and he will be a good congressman." But Mr. Sabo, whose favored candidate lost in the primary, hasn't made any endorsement. Instead, he has permitted his photograph to be used in campaign literature for independent candidate Tammy Lee, who hopes for an upset and is drawing support from disaffected Democrats as well as conservative bloggers who feel Republican Alan Fine has no chance.

"I'm the palatable alternative to Keith Ellison," says Ms. Lee. "He has a lot of baggage. ... You have a lot of Democrats, lifelong Democrats, who are very uncomfortable sending Keith Ellison to Washington."

Mr. Ellison says of his critics: "When I'm talking about health care and getting out of the war, they are talking about me. The image that's being created is Keith's careless. Maybe I have been careless and I am wrong for it. The voters will decide if I am too careless to go to Congress."

Minnesota's Sixth District, which stretches from the Twin Cities suburbs to St. Cloud, is another open seat -- held by a Republican. Both parties rejected more moderate nominees last spring, and the result has been a nasty, costly contest that has largely eclipsed others in the state.

Democrat Patty Wetterling is proving more resilient than Republicans expected against state Sen. Michelle Bachmann. In recent days, the St. Cloud Times and a suburban newspaper chain, both of which opposed her candidacy two years ago, have endorsed Ms. Wetterling, and polls show a tight race in a district Mr. Bush won with 57% of the vote in 2004.

In the First District, both national parties have entered the fray's home stretch with attack ads focused on the race's top issues: immigration and the war in Iraq. Labor unions are helping Mr. Walz; Agriculture Secretary Mike Johanns and first lady Laura Bush made back-to-back appearances with Mr. Gutknecht, and, led by agribusiness interests, political action committees have contributed almost $200,000 into the contest since Labor Day.

In an interview during the spring, Mr. Gutknecht played down the political threat posed by the war. But after traveling to Baghdad this summer, he began expressing doubts about the direction of U.S. policy. "The American people are incredibly patient, but their patience is almost at the end," he says.

The congressman faults the Mark Foley page scandal for a drop in his own polls during the first week of October, but says he has recovered. The first lady puts "more of a human face" on the administration and, he says, will help him reach out to swing voters. "They don't wake up in the morning angry at George Bush," he says. "They wake up frustrated and ask themselves, are we doing the right thing?"

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Mr. Walz began running a new Iraq war TV ad last week, showing him standing before empty football bleachers intended to represent the number of dead U.S. troops, now approaching 3,000. "Serving right now are kids I taught, coached and trained to be soldiers," he says to the camera. "They deserve a plan for Iraq to govern itself so they can come home."

To blunt the war issue, Republicans have attacked Mr. Walz on illegal immigration. The challenger has proposed that undocumented workers be put on a path toward earned citizenship, but only if they first return to their native country and legally re-enter the U.S.

This is a position akin to one championed by prominent House conservative Rep. Mike Pence (R., Ind.) and to the right of Mr. McCain, but Republicans are spending heavily on spots accusing Mr. Walz of supporting a sweeping amnesty.

Mr. Walz says he hopes voters will see the attacks as another aspect of Washington they want changed.

Liberal Republican Suburb Turns Furious With G.O.P. (NYT)

By Jodi Kantor

The New York Times, October 30, 2006

BELLEVUE, Wash., Oct. 24 — The M.B.A.'s have had it. The engineers are fuming.

For as long as anyone here can remember, Bellevue has been a stronghold of socially liberal Republicanism. First, it was a prosperous Seattle bedroom community, then a technological boomtown, where employees of Microsoft and Internet start-ups consistently voted for fiscal restraint and hands-off government.

But now, voters here are accusing the party in power of overspending and overreaching — and when they do, they sound like people who write manifestos, not software code.

"I'm a mild-mannered guy," Michael Mattison, a partner in a software venture development firm, said as he stabbed a piece of halibut in the sunlit dining room of a local bistro. "But we can no longer be subdued."

Bellevue has been growing more Democratic for several years, thanks to an influx of liberal voters and a professional class that is changing teams. This year, Bellevue may send its first Democrat to Congress. Darcy Burner, who even supporters admit is inexperienced, may unseat Representative Dave Reichert, a well-liked, longtime public servant, simply because constituents want Democratic control of the House of Representatives.

"I am a Republican and have traditionally voted that way," Tony Schuler, an operations services manager at Microsoft with a Harvard M.B.A., said as he sat with his wife, Deanna, in their home above Lake Sammamish. But Mr. Schuler abhors what he sees as a new Republican habit of meddling in private affairs.

"The Schiavo case. Tapping people without a warrant. Whether or not people are gay," he said. "Let people be free! It's not government's job to interfere with those things."

In Bellevue, the professional is political. Rather than religion or culture, what unites the diverse population — a quarter of residents are foreign born — are the values of their workplaces: technological innovation, accuracy, efficiency.

And this year, one issue incenses them above all others: restrictions on embryonic stem cell research.

It is a matter of concern across the country, even across parties. But for many engineers and their ilk, restriction of stem cell research is what gay marriage is to conservative Christians, a phenomenon so counter to their basic values that they cannot vote for any candidate who supports it. After all, for Bellevue's professionals, science is not only a means of creating wealth but also an idealistic pursuit, the most promising way they know of improving the human condition.

"For hundreds of years, science has had its own jurisprudence over the truth. It's called peer review, and it works pretty well," said Mr. Mattison, whose father had Alzheimer's and his uncle Parkinson's disease. "I'm outraged that a mere politician would interpret science for me."

Voters like Mr. Mattison should be "natural constituents of Republicans," said Robert E. Lang, a professor of urban planning at Virginia Tech who did research on Bellevue for a coming book on fast-growing "boomburbs," which have city-size populations but suburb-like atmospheres. "They're golfers," Mr. Lang said. (Actually, Mr. Mattison prefers fly-fishing with private guides.)

Voters here also describe themselves as "obsessed" by the mounting national debt, which Mr. Mattison calls a "greater threat than terrorism" to the nation's health.

Lara Peterson, a single mother who markets hardware for Microsoft, said, "It makes me insane to know that we had this huge budget surplus, and yet we've run up such debt in a six-year period."

Ms. Peterson has adopted two daughters from China and is working on a third. As Gwen, her eldest, considered whether biting into an apple would dislodge her dangling front teeth, Ms. Peterson acknowledged that her fixation was personal.

China gains "so much power and control by carrying so much of our debt," said Ms. Peterson, who described herself as a Democrat who often crosses party lines. If the United States one day resists repayment, she said, her girls will "never have an ability to have a relationship with their country."

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The politics of Microsoft employees is a subdrama unto itself. In the 2000 presidential election, many voted for President Bush, who was expected to curtail the Clinton administration's antitrust case against the company. But now "the vibe is pretty Democratic," Ms. Peterson said, and many employees who cursed the Democrats just a few years ago now plan on voting for the party.

Microsoft looms so large here, it influences the views even of those it does not employ. Several members of the First Congregational Church of Bellevue, speaking over home-pressed apple cider, said they were mortified by America's role abroad in a way they had not been since the Vietnam War.

They do have one source of global pride, though: Bill and Melinda Gates' work in Africa, which they see as a kind of alternative to official foreign policy and an example of how the United States should be helping the most troubled spots on earth.

When she travels abroad, said Mary Nassif, a school psychologist, "I may not take pride in being American, but I love saying I'm from Seattle."

On a recent evening, immigrants gathered at the Crossroads Mall, where the food court's attempt at internationalism — a pad Thai vendor here, some trays of tandoori there — seemed bland compared with its mix of Eritrean, Laotian and Somali patrons. These immigrants, many from conservative religious backgrounds, are among the Bellevue Republicans who feel the strongest connection to their party on social issues.

Take Pia and Bong Bernadino, who moved here in 2002 from New Jersey, boarding a train without jobs or even acquaintances awaiting them. Ms. Bernadino had been scheduled to meet a friend in the lobby of the World Trade Center at 9 a.m. on Sept. 11, 2001; both she and the friend were late. Later, she taught at a kindergarten on Canal Street, where the students were so traumatized, they used their coloring time to draw babies falling out of the sky.

The Bernadinos moved west to escape their shock and to pursue Mr. Bernadino's long-held dream of working for Microsoft. Now Mr. Bernadino spends his days there as a game developer and his evenings running a Web design business with his wife; they also plan to start an online store for novels signed by their authors. They are saving for a house and sending money home to family in the Philippines.

This year, as always, they are voting for candidates "with a strong family orientation," Mr. Bernadino said. "We're very devout Catholics. If someone is promoting pro-choice it may be questionable for us."

Their other concern is diversity. To their delight, the ballot they received in the mail this year had translations in seven languages, including their native Tagalog. "This is paradise, the land of opportunity," Ms. Bernadino said of Bellevue.

Sheraz Malik, 29, is a Pakistani Muslim who came to the United States alone 10 years ago and became a citizen. Mr. Malik co-founded a long-distance Internet telephone service, which he used to court his fiancée, a Pakistani woman in Dubai. (It is not exactly an arranged marriage, he explained between bites of a hot dog; his parents shortlisted candidates, and after a year of online conversations, he chose one.)

Though Republican policies are generally favorable to his native country and his religious values, Mr. Malik said, he has drifted toward the Democrats since Sept. 11. "When the U.K. had the train blast, they didn't go out and start bombing people," he said. "They examined what they were doing wrong, both in terms of security and why a British-born Pakistani would do that."

Soon he will cast an even more profound vote than the one in November, deciding whether to bring his bride here or move with her back to Pakistan. If he leaves, it will be partly because of post-Sept. 11 changes, like immigration registration measures and what he sees as a general erosion of due process.

"If you're fighting for freedom outside the U.S. and then you suppress freedom at home," he said, "then what are you fighting for in the first place?"

With The House In The Balance, Pelosi Serves As A Focal Point For Both Parties (NYT)

By Jennifer Steinhauer

The New York Times, October 30, 2006

ATLANTA — The young women on the porch were whispering, their tittering just audible over Bill Clinton's remarks to the 300 or so Democratic donors gathered here for lunch.

Representative Nancy Pelosi, mindful that some guests had paid $10,000 for a plate of chicken and bread pudding, shot a frown — the sort a grandmother gives when someone arrives at Christmas dinner in a wrinkled shirt — and in a split second, the whispers ceased. Ms. Pelosi's face resumed its trademark molar-baring smile.

There it was in one brief moment, the three essential elements of Ms. Pelosi's campaign to bring Congress under control of her Democratic Party, preferably with her favored alliteration: message, money, manners.

With the Republican ascendancy in Washington in peril and Ms. Pelosi in line to become the country's first female speaker of the House, she has emerged as a searing symbol of the country's deep partisan divide.

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For Republican strategists laboring to maintain control of Congress, she is the personification of liberal lunacy, an Armani-clad elitist who will help push lawmakers toward an agenda of multicultural, tax-raising appeasement.

To many Democrats, Ms. Pelosi embodies their raw antipathy for a Republican Party that has held them largely to the margins for more than a decade, and their hope that a Democratic Congress could make trouble for a president with whom they are at bitter odds.

"I wouldn't say I'm tough," Ms. Pelosi, 66, said in an interview at the home of Representative John Lewis of Georgia, who was host for the luncheon. "I think I am firm and strong."

Indeed, her smile-while-she-gnaws-at-you style and her legislative prowess have gained her respect, if not good wishes, from colleagues and foes.

Aided by a highly partisan House, she has overseen the most uniform voting record of any Democratic caucus since the 1950s. Her steely strategy for sinking President Bush's plan to overhaul Social Security succeeded.

She has raised more money for Democrats in this election cycle than any other candidate except Senator Hillary Rodham Clinton — just over $50 million. In September, her party's House campaign raised $14.4 million, outpacing Republicans.

"I am a big fan," said Dick Armey, the former Republican majority leader of the House and co-architect of his party's coup in the 1994 election. "She is an able person and serious about her work and a very pleasant person with whom to work."

Conceding that he disagreed with Ms. Pelosi on everything that matters — "She's misguided" — Mr. Armey added: "You don't get to be minority leader without being intelligent. I'm no longer in office, so I am free to be a nice person. If I had been majority leader and said, 'I like Nancy Pelosi,' I would be crucified."

In her stump speech, Ms. Pelosi has been laying out an agenda for what a Democratic-led House would do in its first 100 hours. Her planning has unnerved Republicans, some of whom are taking aim at her in campaign advertisements.

"I don't take it personally," Ms. Pelosi said, "nor should they."

She arrived at the luncheon here from the airport (she had been raising money in New York, and would go on to Florida to raise more) in a signature lilac suit and strolled into the racially mixed crowd of Atlanta's Democratic elite.

She made her way through the crowd greeting many people by first name, smiling. "How was Paris?" she asked Ann Cox Chambers, a billionaire former ambassador, clutching her hand.

Ms. Pelosi ate nothing and even in casual conversation seemed to be reading from a script. One woman complained to her about Republican advertisements. "The Republicans are unconcerned about money, truth or decency," Ms. Pelosi said, staring into the woman's eyes while delivering one of her standard speech lines.

In her formal remarks over lunch, she forgot one line and stuffed it awkwardly into her close. "Thank — Are you ready for a Democratic victory? — you!"

Representative Barney Frank, Democrat of Massachusetts, said of Ms. Pelosi, "She smiles too much in public." Mr. Frank attributed her image problems with some people to "sexism, partly."

"She is an attractive woman who dresses very well and is soft spoken, from a generation that has a certain kind of softness," he said.

Ms. Pelosi was uninterested in talking about why some people seem angry that she wears expensive suits or make fun of her speaking style, and she said she found her sex an asset.

"Women are very excited about the prospect of a woman speaker," she said, sitting in the Lewises' living room.

Her campaign aides play down her ambition, denying that she ever planned to lead anything — an assertion Ms. Pelosi repeated in the interview.

But current and former associates describe her as infused with political aspirations almost from birth.

"She has always wanted to be speaker," said Tony Coelho, a former House Democratic whip. "She told me so 10 or 15 years ago."

Born and raised in Baltimore, Ms. Pelosi is a lifelong Democrat raised at the till of the "favor bank" developed by her father, Thomas J. D'Alesandro Jr., a congressman in the 1940s and the mayor of Baltimore during most of Ms. Pelosi's childhood.

Ms. Pelosi often mentions learning from her father's practice of keeping note of people he had helped and calling in stamp-licking, envelope-stuffing favors from them at election time.

Her family's fierce partisanship is legendary. When President Ronald Reagan was running for re-election against Walter Mondale, the president went to Baltimore to dedicate a monument. White House officials called Ms. Pelosi's mother to ask if they could collect Mr. D'Alesandro on the way.

Her mother replied, "After what he has done to poor people, he should not come to our house," Ms. Pelosi said in the interview here. "She made it clear that would not be happening."

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Ms. Pelosi's version of the favor bank involves seeking money and support from Democratic officeholders, donors and organizations around the country. She makes it clear in phone conversations that she knows what their individual wishes may be, and that if they hope to see them attended to should "her candidates" take back the House, they need to pay upfront, several people whom she has contacted said.

"She's relentless," said a national union official, who said Ms. Pelosi had been calling in recent months, looking for money for campaigns and volunteers. The official, an admirer who spoke on the condition of anonymity because getting on Ms. Pelosi's bad side "ain't pretty," added, "She can really smell the goal line."

Ms. Pelosi married her husband, Paul, a millionaire real estate investor, in 1963. They moved to Mr. Pelosi's hometown, San Francisco, and had five children. From early in her married life, she began holding fund-raisers, for which she cooked the food and her children served it.

She rose quickly in the party, becoming chairwoman of the California Democratic Party. In 1983, when Phillip Burton, the congressman for the Fifth District in California, died, his wife, Sala, won an election to complete his term. But in 1987, Ms. Burton became ill with cancer, and she summoned her politically-powerful family to her deathbed to suggest Ms. Pelosi — who had recently lost a bid to become chairwoman of the national Democratic Party — to take her place.

"She saw a lot more than I did at that point about Nancy's leadership potential," said John Burton, a former state senator and Phillip's brother. "And she was more than right."

Ms. Pelosi's victory in that election came in part by coloring her competitor in the primary, Harry Britt, as too liberal. In every election since, she has been derided by her district's most liberal activists as not liberal enough.

That constituency is furious that she has been largely absent from the same-sex marriage fracas, voted to pay for the Iraq war and has refused to move to impeach Mr. Bush.

Code Pink, an antiwar group, has picketed her town hall meetings. "She represents one of the most progressive districts in the country," said Medea Benjamin, co-founder of the group. "We keep pulling her back to what we hope are her real roots."

That first campaign also presaged Ms. Pelosi's proclivity for sticking to her message, her ability to avoid being disarmed by her critics and her taste for retribution.

"The first time she ran for Congress, I was angry about people supporting her opponent," Mr. Burton said. "I was yelling and screaming and she would just go to another church bingo game. She said, 'Don't worry about it; some day they will realize how unimportant they really are.' And after it was over, she didn't do much for them."

Her voting record is among the most liberal in Congress. She gets an "A" from the National Abortion and Reproductive Rights Action League and an "F" from the National Rifle Association. She favors alternative sentencing over prison construction, schools without prayer and death with taxes. She voted against the use of force in Iraq, though after the war started she voted to finance it.

In Ms. Pelosi's vision for those first 100 hours, a Democratic-led veto-proof majority would "drain the swamp of Washington," create a new rules package that would include pay-as-you-go budgeting, immediately adopt the recommendations of the 9/11 Commission, increase the minimum wage to $7.25 and broaden the types of stem cell research allowed with federal money.

She also imagines cutting the interest rate on student loans and "ending tax giveaways for big oil."

Still, she has risen in the ranks by being not a voice of her party, but its able banker. When she campaigned for whip, she filled the Democratic Congressional war chest with $3 million, and she continues to curry favor by flipping through her Rolodex of the rich.

"She has the best personal fund-raising base of any candidate outside of a president," Mr. Burton said.

Ms. Pelosi seemed at her most comfortable — and polished — at a fund-raiser recently in the wealthy Bel Air section of Los Angeles, where she was introduced by the actress Annette Bening, serenaded by a folk guitarist and surrounded by the sort of women who know better than to wear high heels to a garden party.

Before walking into the backyard, Ms. Pelosi went to greet one young volunteer, the granddaughter of the hostess, and took her face gently into her hands and thanked her.

She then emerged, beaming at the crowd, largely female and many of a certain age, and announced, "At last we have a seat at the table."

Lobbyists Won't Like What Pelosi Has In Mind (WP)

By Jeffrey H. Birnbaum

The Washington Post, October 30, 2006

Odds are that lobbying in the House of Representatives is about to get harder.

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If Democrats gain the 15 seats they need to win control of the House -- and most analysts think they will -- one of the first things the new House will do is restrict or end outright a slew of lobbying practices.

In a little-publicized statement, Rep. Nancy Pelosi (D-Calif.), the House Democratic leader, has promised to change the chamber's rules to reflect the provisions of her not-so-modestly-named Honest Leadership and Open Government Act of 2006. The months-old measure would, among other things, prohibit House members from accepting gifts and travel from lobbyists or from organizations that employ lobbyists.

The Pelosi bill includes changes not only to House rules but also to federal laws. Any changes in law would have to be approved by the Senate and the president before they could take effect. But the House can alter its own rules anytime, and that's precisely what Pelosi proposes to do as the House's first official act next year -- after it selects her as speaker.

Congress has come close to reining in lobbyists before, and it wound up doing nothing of the kind. Several of the proposals in Pelosi's bill (H.R. 4682, for you wonks out there) were wending their way through the system but died after lawmakers concluded -- incorrectly, it turned out -- that voters didn't care much about congressional "corruption." Pelosi's bill, with small modifications, was tested in the House and lost by just three votes.

Now, spokeswoman Jennifer Crider said, Pelosi is committed to passing "the elements within the Honest Leadership and Open Government Act that are within the House rules." Any variations from the original, Crider said, would be "slight."

That would be a major development for K Street. If the House rules were altered in ways that even came close to Pelosi's preferences, lobbying of House members would be changed significantly and immediately. The new rules would apply as soon as they were approved by a simple majority.

The Senate would be trickier. Election analysts say it's a tossup whether Democrats will control the Senate next year. If it does, Jim Manley, spokesman for Senate Democratic Leader Harry M. Reid, said, "Ethics reform will be a priority." But he noted that a two-thirds vote of the Senate is needed to modify its rules, which would make a quick assault on lobbying difficult.

Not so in the House. The biggest change proposed by Pelosi would be the ban on gifts and travel. Pelosi would prohibit House members and their staff from using corporate jets for travel taken as part of their official duties. She would also prevent them from taking anything of value from lobbyists, including meals, tickets and entertainment.

The ban would apply not just to lobbyists' gifts but also to gifts from nongovernmental groups that hire lobbyists. House members and their aides would also be barred from accepting transportation or lodging for any trips that are funded, arranged, requested, planned or even attended by lobbyists.

These are all reactions to the Jack Abramoff scandal. Abramoff infamously took Rep. Robert W. Ney (R-Ohio) on a golfing trip to Scotland on a private jet. The result was a series of convictions on fraud and public corruption charges against Ney, Abramoff and others in federal court this year.

In an attempt to slow the revolving door between the public and private sectors, Pelosi would deprive lawmakers-turned-lobbyists of a few of their congressional perks. She would eliminate the House rule that gives access to the House gym, the House floor and its cloak rooms to former members of Congress who are registered to lobby -- access that was temporarily taken away earlier this year.

Pelosi would also require House members and their aides to disclose to the House ethics committee whenever they are negotiating for jobs in the private sector. The disclosure would have to be made within three business days after the talks begin.

Because of the notorious Bridge to Nowhere in Alaska and other controversial pork barrel projects, reform-minded lawmakers have been pressing to make it more difficult to slip narrowly focused spending provisions into legislation. Taking up their cause, Pelosi would end the practice of adding such measures to bills after House-Senate negotiators have completed their work. She would also insist that bills be made available to the public at least 24 hours before they could be voted on by the full House; some types of bills would have to be available for three days.

In addition, Pelosi would broaden a rule change adopted by the House this year that would force lawmakers to disclose the sponsors of "earmarked" spending and tax measures -- and to reveal their details -- before the bills that contain them can become law.

The Pelosi bill would crack down on lobbyists directly by creating an Office of Public Integrity. The new agency, which would be overseen by the House inspector general, would audit and investigate lobbyists' periodic filings and refer any problems they find to the U.S. attorney's office. Currently there is little if any serious enforcement of lobbying-disclosure laws.

The Pelosi measure would also make it tougher for Congress to spend public money in ways that widen the budget deficit. She would bar the House from taking up major budget bills that increase the government's deficit, at least compared to the latest estimate from the nonpartisan Congressional Budget Office.

Pelosi would even stop the Democrats from doing what Republicans did to help solidify their majority -- at least when it comes to dealing with lobbyists. Republican leaders pressured major lobbying offices and trade associations in town to hire

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former Republican staffers and lawmakers in senior positions. That effort, known as the K Street Project, was designed to increase the flow of campaign contributions to Republican candidates and causes.

Pelosi would specifically prohibit House members from using their official actions to influence any employment decisions "on the basis of partisan political affiliation."

None of the provisions would be implemented until early next year, when the new Congress convenes. And if history is a guide, lobbyists and their lawmaker friends will probably manage to water down at least some of them before they come to a vote.

But if Democrats win a congressional majority in next week's elections, a leading reason will be the public's disgust with congressional ethics, or lack thereof. It would only make sense for the new leadership to respond by loosening the links that bind lawmakers and lobbyists.

Pelosi's Liberal Label Is All Relative (LAT)

By Mark Z. Barabak

The Los Angeles Times, October 30, 2006

SAN FRANCISCO — To much of the country, Nancy Pelosi is the liberal embodiment of a city as crazy as its near-vertical hills. But here at home, the Democratic House leader is seen as something else: sober, centrist and very much a part of the political establishment, for good or bad.

For five years, ever since she entered the congressional leadership, Pelosi has balanced the interests of 200-plus colleagues of varied philosophies with the demands of a district about as far left politically as it is geographically.

Now she is within hailing distance of history; if Democrats win control of the House on Nov. 7, she would be the first woman ever to serve as speaker.

Her success is all the more striking given the persistent through-the-looking-glass quality of San Francisco politics. Where else would Willie Brown be elected as the moderate candidate for mayor? Or dignitaries clamor for a place among the drag queens and genitalia celebrated in the annual Lesbian Gay Bisexual Transgender Parade?

In 2004, Sen. John F. Kerry won 62% of the presidential vote at home in Massachusetts. Here, he garnered 85%.

"If there's a stereotype of California as the 'Left Coast,' San Francisco is the epicenter," said pollster Mark DiCamillo.

"Many 'moderates' in San Francisco would be burned as witches elsewhere," agreed Alex Clemens, a local media and campaign consultant.

It is easy to lampoon San Francisco as the world's largest open-air asylum, as conservatives, in particular, are wont to do. On Nov. 7, the day the nation decides control of Congress, voters here will weigh an initiative making it official city policy to seek the ouster of President Bush and Vice President Cheney. This after the pair ignored a ballot measure two years ago demanding an immediate U.S. withdrawal from Iraq.

But San Francisco is also a tough political town, more like New York or Boston than any West Coast city. Campaigns, a widely appreciated form of civic theater, are personal and often vicious.

The first time Pelosi, a longtime Democratic activist, ran for Congress, billboards across the city mocked her as "the party girl of the party." She squeaked to victory — thanks, in an exquisite footnote, to the crossover support of San Francisco's Republicans, who found Pelosi less objectionable than her even more liberal opponent.

Since that 1987 race, Pelosi has routinely won reelection with 80% or more of the vote, freeing her to travel the country and pay the dues needed to climb the congressional ladder — and, she hopes, elect enough Democrats in November to make her third in line to the presidency.

Not that everyone here welcomes the prospect. Even as Republicans across the country vilify Pelosi as the face of the lunatic left, here she faces the enmity of the fire-breathing liberals she supposedly represents. Only in San Francisco would Pelosi be picketed as a right-wing warmonger, as she was at a January town hall meeting overrun by protesters who jeered her refusal to cut off funds for U.S. troops in Iraq. There is "always a group that you don't go far enough with," Pelosi said with a shrug a few days later.

Given the intensity of political combat, it is probably no accident that so many of California's elected leaders — from Hiram Johnson to Pat Brown to Dianne Feinstein — emerged from San Francisco's 47 square miles of volatility. (Sen. Feinstein, a liberal by most standards, is another politician seen by the San Francisco left as too cozy with business and a bit of a prig.)

"Every two blocks has its own special-interest group or political club or advocacy organization," said Clemens, exaggerating only slightly. "Those who survive tend to have thick skins, quick minds and a halfway decent sense of humor."

San Francisco, with its seafaring roots in the Gold Rush, has long been a harbor for those of a different ilk: the beatniks of North Beach, the hippies of Haight-Ashbury, the gays and lesbians who transformed the Castro district. But it was not always a

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Democratic fortress. Just about 30 years ago, a staunchly conservative city supervisor named John Barbagelata came within a whisker of being elected mayor in a brutal election widely viewed as a political watershed. He was defeated by liberal George Moscone, who threw City Hall open to women, gays and other disenfranchised minorities.

That, in turn, hastened the city's leftward shift, which continued even after Moscone's November 1978 assassination by Supervisor Dan White, an avenger of the city's fading old guard. "His mayoralty was the critical break point," said Richard DeLeon, an author and political scientist at San Francisco State University.

Pelosi, a Democratic fixture for nearly 40 years, represents everywhere but the southwest corner of the city. Chinatown, Nob Hill, North Beach and other landmarks are all part of her domain. Even as she built a national profile, her staff worked hard on the nuts and bolts of constituent service — chasing tardy Social Security checks and the like — helping secure Pelosi's hold on the district.

Pelosi has compiled a reliably liberal voting record over the years, supporting legal abortion with few restrictions, stiffer gun control, gay rights and a needle-exchange program to prevent the spread of AIDS. She opposed welfare reform and voted against the 1991 Persian Gulf War and the October 2002 resolution authorizing the invasion of Iraq.

But to critics on the left, Pelosi is a sellout who "can talk the talk [but] doesn't walk the walk," as her Green Party challenger, Krissy Keefer, states on her campaign website. Among the particulars: Pelosi's support for trade deals, commercial activity in the Presidio (part of Golden Gate National Recreation Area) and legislation cracking down on rave parties. On the war, Pelosi is faulted for endorsing an immediate pullout from Iraq but not pushing her view as the party's position — a move that would have surely jeopardized her leadership job.

"From Ohio, Pelosi looks liberal," Keefer said in an interview. But San Francisco has "a completely different paradigm and idea about how things should be."

If that perspective seems loopy to some, Eric Jaye — a consultant on Pelosi's first campaign — offered this: "While you have a certain component of San Francisco that a nation loves to fear, take comfort, America, in the fact those people don't like Nancy Pelosi either."

Menendez Has A Narrow Lead, But It's Kean N.J. Trusts (BCR)

By Herb Jackson

Bergen County Record, October 30, 2006

AP New Jersey Sen. Robert Menendez addresses the crowd at a morning East Orange Democratic Fall breakfast at Nanina's in the Park in Belleville, N.J.

Complete results: The Record voter poll

Democrat Bob Menendez holds a six-point lead in the race for U.S. Senate even though more New Jersey voters like and trust Republican Tom Kean Jr., a poll by The Record found.

That may be because New Jerseyans, by a wide margin, want Democrats to control Congress in January, the poll also found.

"Any other political year, I think the Republicans win that seat," said pollster Del Ali of Research 2000, the Rockville, Md., firm that conducted the survey. "The only thing saving Menendez is the climate out there."

Menendez led Kean 48 percent to 42 percent in the survey of 600 likely voters taken Monday through Wednesday. Just 10 percent said they were very or somewhat likely to change their minds by Election Day.

The poll found the electorate sharply split by gender. Women preferred Menendez 52 percent to 37 percent, while Kean had a three-point edge among men. Kean also held a five-point lead in South Jersey, while Menendez had a 10-point lead in the more populous northern part of the state.

The poll's margin of error was plus or minus 4 percentage points.

Menendez was appointed to the Senate in January after serving 13 years in the House, and has cast the campaign primarily as a referendum on President Bush and the war in Iraq, which he voted against in 2002. He has depicted Kean as a rubber stamp for Bush and countered attacks on his ethics by questioning Kean's fund-raising practices and votes in the state Legislature.

Kean, a state senator from Union County, has accused Menendez of lining his pockets with taxpayer money by collecting more than $300,000 in rent over nine years from a federally subsidized non-profit organization in Union City. Federal prosecutors have subpoenaed information about the lease, but Menendez says it was approved by House ethics attorneys.

The poll found voters believe Kean is more trustworthy by a 49 percent to 36 percent ratio, and they personally like Kean more than Menendez, 48 percent to 33 percent.

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But even among people who consider Kean more trustworthy, 35 percent are voting for Menendez, apparently because other factors are more important.

Thirty percent of voters said the Iraq war was the most important issue in deciding their vote, compared with 10 percent who said corruption. Voters also want to see Democrats rather than Republicans control Congress -- by a margin of 18 percentage points, 53 percent to 35 percent.

To control the Senate, Democrats need to pick up six seats nationwide and not lose any. Menendez occupies the only vulnerable Democratic seat, political handicappers say, and both parties have spent millions of dollars on ads here in recent weeks.

Bush is very unpopular. In the poll, 37 percent said Bush was doing an excellent or good job as president, while 31 percent said he was doing a fair job and 32 percent said he was doing a poor job.

Early in the campaign, Republicans had hoped that raising the state sales tax would make Governor Corzine unpopular and voter anger at Trenton Democrats would drag Menendez down.

But the poll found that while Corzine is not popular, he's faring far better than Bush. Forty-four percent said Corzine is doing an excellent or good job, 38 percent a fair job and 10 percent a poor job.

Voters see both Senate candidates as flawed. The poll found 41 percent have a favorable opinion of Menendez while 38 percent have an unfavorable opinion. Kean's favorable/unfavorable ratio of 40 percent to 32 percent was slightly better.

When asked how they felt about the choice of candidates, 45 percent said they were very or somewhat satisfied, while 44 percent said they were not very satisfied or not at all satisfied.

"I don't think voters are crazy about either man," Ali said. "It's like voting for the lesser of two evils. They really want Democrats to take over, but really don't like Menendez."

Menendez spokesman Matthew Miller said voters "understand the stakes are high in this campaign.

"They're rejecting Tom Kean Jr.'s smears because they want a candidate who is talking about issues that matter to them, and who they know will stand up to George Bush and change the direction of the country."

Kean spokeswoman Jill Hazelbaker said it continues to be a tight race, and argued Menendez should be doing better given the way voters feel about his party. She noted that until this weekend, Menendez had been spending more heavily than Kean on TV advertising, but the two candidates' airtime is going to be closer down the stretch.

"I think you're going to see numbers move a bit," Hazelbaker said. "We just started running some positive advertisements. As people are given more reasons to vote for Tom Kean, as they see him as a moderate, as independent, you're going to see numbers change from Menendez to Kean."

The poll found voters consider both candidates to have run equally negative campaigns, and most said TV advertising had not affected their choice. But among those who said their vote was swayed by the depictions in the ads of Menendez as corrupt and Kean as a rubber stamp, slightly more said they were inclined to vote against Menendez than against Kean.

That difference could be critical if the spread between the candidates was one or two percentage points, Ali said, "but you have to give the edge to Menendez.

"In spite of all his problems, his unfavorables, he's still ahead. If voters were going to make the jump to Kean, you'd think he'd be ahead by now," Ali said.

Poll: N.J. Democrat Leads Senate Race (AP-Y)

By Rebecca Santana

AP, October 30, 2006

Sen. Robert Menendez holds a slight lead over Republican Tom Kean Jr. in their Senate race with just over a week left before election day, a poll published Sunday found.

Democrat Menendez leads Kean 48-42 percent, according to a poll of 600 likely voters published Sunday in The Record of Bergen County.

Thirty percent of voters said the Iraq war was the most important issue in deciding their vote. Voters also want to see Democrats rather than Republicans control Congress, 53-35 percent.

President Bush remains unpopular, with only 37 percent saying he was doing an excellent or good job. Menendez's campaign strategy has been dominated by efforts to tie Kean to Bush administration policies, while Kean has painted Menendez as a corrupt politician.

"Any other political year, I think the Republicans win that seat," said pollster Del Ali of Research 2000, the Rockville, Md., firm that conducted the survey. "The only thing saving Menendez is the climate out there."

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The poll said voters found Kean more trustworthy by a 49-36 percent ratio, and they personally like him more than Menendez, 48-33 percent. But of those voters who consider Kean more trustworthy, 35 percent are voting for Menendez because they feel other factors, such as the war in Iraq and putting Democrats back in control of Congress, are more important.

The poll had a margin of error of plus or minus four percentage points. It was conducted by phone Oct. 23-25.

Gay Ruling May Boost N.J. Values Vote (WT)

By Amy Fagan

The Washington Times, October 30, 2006

Last week's New Jersey Supreme Court decision granting recognition to same-sex couples could energize concerned values voters, some activists say, in a heavily Democratic state where Republican Tom Kean Jr. is making a strong challenge to Sen. Robert Menendez.

"There'll be a backlash," predicted Len Deo, president of New Jersey Family Policy Council. "I've been talking to friends, and they're bewildered by this decision. They're upset."

New Jersey's state Supreme Court ruled Wednesday that same-sex couples were treated unequally by the state and ordered the Legislature to correct this -- leaving open the question of whether the new status would be called "marriage." Richard J. Codey, Democratic president of the state Senate, told the Philadelphia Inquirer that the state will stop short of calling it "marriage."

But Tom McClusky, vice president for government affairs at the Family Research Council, said the decision "could make a difference" for Mr. Kean, who said last week that he'd support a state constitutional amendment to protect traditional marriage. The amendment is being pushed by conservative groups.

But Larry Cirignano, executive director of CatholicVote.org said that both Mr. Menendez and Mr. Kean are "hedging" on the complex issue and that values voters won't be energized unless they see a "champion" against same-sex "marriage" -- which neither candidate is.

"Unless the candidates make it an issue ... I don't see that it will have a huge impact," Mr. Cirignano said.

The hard-fought contest between Mr. Menendez and Mr. Kean is one of the few Senate seats that Republicans think they can wrench away from Democrats next week. The National Republican Senatorial Committee recently purchased $3.5 million in ad time to help Mr. Kean in the final days.

Both candidates have said they support traditional marriage as between a man and a woman but oppose amending the federal Constitution to ban same-sex "marriage."

After last week's decision, however, Mr. Kean wasted no time in saying he'd support amending the state constitution to clarify that marriage should be between a man and a woman.

"I still believe that marriage is and should be between one man and one woman, and I would support an amendment to the state constitution reaffirming that definition," he said.

Mr. Menendez reiterated that he also believes marriage is between a man and a woman, but supports civil unions that afford same-sex couples full legal benefits.

"The Supreme Court affirmed those rights today, and it is now up to the Legislature to decide how they are to be administered," he said. "I will not support any constitutional amendment that takes away people's legal rights."

Mr. Cirignano said that neither of the candidates' positions are crystal clear and that "neither campaign is going to be out touting" the marriage issue with a little more than a week until the election, especially because it's difficult to gauge where the state electorate stands.

Indeed, both camps quickly shifted focus to other topics, with the Kean camp returning to corruption accusations against Mr. Menendez and Mr. Menendez attacking Mr. Kean over the Iraq war.

Democrat state lobbyist Rick Thigpen said Republicans have used same-sex "marriage" to rally their base in other states, but won't be able to do that in liberal New Jersey because Mr. Menendez's position doesn't present "a clear target for them to shoot at."

A Rutgers-Eagleton poll in June found that 49 percent of New Jerseyans support legalizing same-sex "marriage" and 44 percent oppose it.

New Jersey's Senate Race (NYT)

The New York Times, October 30, 2006

One of the first big decisions Jon Corzine had to make as governor of New Jersey was the appointment of a new senator to take his place in Washington. Mr. Corzine chose the less-than-charismatic Representative Robert Menendez, and as a result,

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New Jersey has the only Senate race this fall in which a Democratic incumbent seems to be in any danger of defeat. Nevertheless, in his race with State Senator Thomas Kean Jr., there is no question that Mr. Menendez is the better choice.

The 38-year-old Mr. Kean, a son of the former New Jersey governor and co-chairman of the 9/11 commission, is the latest in what has become a very long line of second- and third-generation politicians hoping to achieve high office on the back of their parents' reputations. Many of his positions seem to come from a campaign playbook rather than conviction. He has called for the ouster of Defense Secretary Donald Rumsfeld while failing to criticize President Bush for keeping Mr. Rumsfeld on.

Mr. Kean supports both balanced budgets and all of the administration's tax cuts. Except for vague promises to vote against pork and to be tough against corruption, he fails to suggest any budget reductions to deal with the deficit. He wants voters to believe he would practice his father's moderate brand of politics, but there is little to suggest he is much more than a conservative Republican who opposes drilling in the Arctic National Wildlife Refuge.

Mr. Menendez, 52, shows a much better grasp of the issues. In the House, where he was the third-highest ranking Democrat, he was an accomplished legislator. He opposed the resolution authorizing President Bush to go to war in Iraq, and he has been outspoken in criticizing the administration's conduct of the war.

Mr. Menendez has a history of ethical lapses that have been all too common for Democratic officials in New Jersey, especially for those, like him, who continue to take an active part in local party politics. If re-elected, the senator should make it clear he is giving up any role in the Hudson County Democratic organization. But Mr. Kean has gone so far overboard in criticizing the senator that he has attempted to use an episode in which Mr. Menendez actually fought corruption early in his career as an example of unethical behavior.

Mr. Kean actually has a couple of ethical blemishes of his own. In one case, he accepted thousands of dollars of campaign donations last year from executives of the Horizon Blue Cross and Blue Shield health insurance companies while on the same day voting with his party in the State Senate to maintain a tax exemption for the companies.

New Jersey voters have a choice between a lawmaker who has done a good job of representing the state's concerns and the nation's interests in the House and the Senate and a state legislator with a shallow grasp of the issues and a famous name. Our unqualified endorsement goes to Robert Menendez.

Kennedy Targets Klobuchar's Character In U.S. Senate Debate (KCS)

By Patrick Condon

The Kansas City Star, October 30, 2006

ST. PAUL - Republican U.S. Senate candidate Mark Kennedy questioned the honesty of his Democratic opponent Amy Klobuchar during a debate Sunday night, scaling up his rhetoric against her with ten days to go until the election.

Kennedy several times brought up the flap over a possibly stolen Kennedy ad that was leaked to the Klobuchar campaign, suggesting that Klobuchar waited several days before reporting the incident to the FBI; and what he claimed was the refusal of the Klobuchar-led Hennepin County Attorney's office to fully respond to Republican Party requests for information about the office's prosecution of criminals.

"If you won't give Minnesota voters straight answers on these issues, why should they trust you in the U.S. Senate?" Kennedy asked Klobuchar.

Klobuchar hit back by contrasting her response to the stolen ad to the response of Republican congressional leaders in the scandal surrounding disgraced U.S. Rep. Mark Foley, who recently resigned amid allegations of improper contact with underage House pages. Kennedy is a Republican U.S. House member, though he's had no connection with the Foley incident.

"When I found out someone not from our campaign had improperly taken an ad, I immediately reported it to the FBI," Klobuchar said. "That's more than I can say about the leadership of this Congress when they found out someone was soliciting pages."

Klobuchar fired her chief spokeswoman after she viewed the content of an unreleased TV ad for Kennedy that had been sent to the Klobuchar campaign by a liberal blogger.

Klobuchar said Kennedy's tack illustrated that his campaign is one of "attacks instead of ideas."

With the Foley affair and other congressional scandals generating headlines this election season, Kennedy also was asked during the debate if the Republican Party still represents American values.

"Yes, Republicans I believe do represent the values of Minnesotans," Kennedy replied. "Yes, there have been scandals, and some have been horrifying. Those involved need to be held accountable, and they are being held accountable. Some are in jail, and they deserve to be."

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The televised debate, held at the University of St. Thomas, touched most often on the war in Iraq and homeland security. Kennedy, as he has in recent days, touted his support for the U.S. effort in that country, saying that mistakes have been made but that drawing down resources now would create a breeding ground for future terrorist attacks on American soil.

Klobuchar and Independence Party candidate Robert Fitzgerald both called for new strategies in Iraq. With Kennedy criticizing Klobuchar's calls for diplomacy as naive, she pointed out that even Defense Secretary Donald Rumsfeld said recently that the solution must be "a political one. This country is in civil war," Klobuchar said.

Fitzgerald seized on his first opportunity to bring his upstart candidacy to TV viewers, having been excluded from the first TV debate two weeks ago on NBC's "Meet the Press." Fitzgerald said both candidates are too reliant on support from corporate donors and their own political parties.

"To think that either of these two is going to achieve meaningful reform is ludicrous," Fitzgerald said. "You don't put replacement parts into a broken machine."

The candidates are set for two more debates between now and Election Day, the next this Thursday in Rochester and the final one the following Sunday at the Fitzgerald Theater in downtown St. Paul.

Allen Credo Is Put To The Test (WT)

By Christina Bellantoni

The Washington Times, October 30, 2006

When Virginia legislators gathered around Gov. George Allen's kitchen table in 1994 and told the Republican they thought eliminating parole would never work, he dismissed their skepticism in plain terms: "Nothing's impossible."

It was that attitude and his work as governor that made national Republicans take notice and begin considering Mr. Allen, now a U.S. senator, as a 2008 presidential contender.

Mr. Allen, seeking a second term on Nov. 7, had hoped accomplishments such as parole abolition would define his candidacy and secure an easy re-election. Instead, calling an Indian-American staffer for Democratic challenger James H. Webb Jr. "macaca" this summer thrust the race into the national spotlight and made it a neck-and-neck contest.

"All this stuff he did as governor, it's absolutely unbelievable," said Delegate David B. Albo, Fairfax Republican, who recalled the kitchen meeting. "But no one ever knows anything about that because all they hear about is 'macaca.' "

Mr. Allen has apologized and says he made up the word, adding he never would have used it had he known it was considered a racial slur in some cultures.

Still, the incident set in motion a chain of events that have kept the cowboy-boot-wearing Mr. Allen below 50 percent in the polls, despite his past popularity in Virginia and a more-than-20-year political career.

Some of Mr. Allen's former football teammates at the University of Virginia told reporters that as a young man he regularly used racial slurs to describe blacks, but Mr. Allen, 54, says the "N-word" was never part of his vocabulary, and most teammates say they never heard him use the term.

The tobacco-chewing senator is often teased for making too many football references during legislative speeches, but says the game has shaped his governing philosophy.

Mr. Allen says his father, the late famed Redskins coach George H. Allen, taught him the four "F's" -- faith, freedom, family and football.

Among those football lessons: "Get knocked down, get back up," and a player's ability to "catch, kick, punt or long snap" is more important than his background.

"You don't care about [players'] race, religion, their ethnicity, what college they went to," Mr. Allen says. "You care about whether they can help the team win. [Football is] a true meritocracy, where everyone has that equal opportunity to compete and succeed, based upon their own hard work, diligence and capabilities. That's what we should aspire to in our society."

That theory has led to Mr. Allen's own trademarked brand of politicking -- "commonsense Jeffersonian conservatism."

He says the ideals include limited government, low taxes and improving education to keep the United States globally competitive.

This year is the first time Mr. Allen, a former state lawmaker and congressman, has had to run a major race as the establishment candidate instead of as a reformer. That style helped him unseat two-term Democratic Sen. Charles S. Robb in 2000.

Most Virginians remember Mr. Allen for his gubernatorial record -- parole abolition, welfare reform and working with a Democrat-controlled state legislature to create nationally recognized education standards.

His good-natured public disposition and record have attracted national attention and prompted 215 Washington insiders to choose him in an April 2005 National Journal poll as the most likely 2008 Republican presidential nominee.

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Supporters lauded his "Reagan-like" appeal and said he was one of few Southern politicians with "the experience and charisma to become a national candidate."

But 177 Republican and Democratic insiders in a recent National Journal poll agreed that he has run the worst campaign of any Senate candidate this fall.

"This one-time presidential wannabe has ushered himself off the national stage, and he will be lucky to win re-election," one Republican said. "Should have been a slam dunk in Virginia."

Mr. Allen further complicated his re-election bid when he said a reporter asking about his Jewish heritage was making "aspersions." The next day, he acknowledged his maternal grandfather was Jewish.

Mr. Allen says he learned to be tough by spending summers on a cattle ranch as a young man. While there, he learned the Western way with horses, "breaking them fast and hard in the mud and sand," and an Eastern way, with "a cube of sugar and an apple."

He was employing the Western way when he said of the Democrats who controlled the legislature in the 1990s: "Let's enjoy knocking their soft teeth down their whiny throats."

Mr. Allen's younger sister, Jennifer, in her 2000 book "Fifth Quarter," portrays her oldest brother as a bully unafraid of roughing up his siblings.

Passages from the book are often cited as examples of Mr. Allen's character, but critics usually don't mention his sister's depiction of him as a star student, or that he set out a chair in honor of his late father at his gubernatorial inauguration.

Mr. Allen has dismissed the questions of his character as a liberal smear and says if the election is decided on the issues and his record, he will beat Mr. Webb, 60, a decorated Vietnam veteran and former secretary of the Navy under President Reagan.

Webb Of Deception (WT)

By Milton R. Copulos

The Washington Times, October 30, 2006

In this age of political cynicism, it is unremarkable that a politician would change his position on an issue, or even take conflicting positions. But Jim Webb's transformation from the nominally conservative Republican who served as the Reagan administration's secretary of the Navy to a left-wing Democratic Senate candidate rivals St. Paul's conversion on the road to Damascus. Divine intervention, of course, is one possibility. A more likely explanation, however, is that the public persona Mr. Webb presents is actually a fabrication, as carefully crafted as any character in the novels he has penned.

The shift is truly remarkable. He once refused to shake John Kerry's hand, and in a 2004 USA Today editorial wrote that his 1971 Senate testimony had "defamed a generation of honorable men." Now he trumpets Mr. Kerry's endorsement. He once called the Clinton Administration among "the most corrupt" in modern history in one of many attacks aimed at the former president. Now he has Bill Clinton host a fundraiser. Mr. Webb served in one of the most conservative administrations in American history. Today, he has embraced the entire agenda of the Democratic Party's far-left wing.

In fairness, Mr. Webb has remained extremely consistent on some issues. One example is his disdain for women in military service. When his 1979 article "Women Can't Fight" and its impact on the treatment of women at the United States Naval Academy became a major campaign issue, Mr. Webb quickly countered with claims that when serving as Secretary of the Navy he "opened up more billets" (e.g. military specialties) to women than any of his predecessors. What he fails to note in heralding this accomplishment was that it occurred under duress.

The truth is that Sens. William Proxmire, William Cohen and John McCain had all informed Mr. Webb that legislation forcing the Navy to open more billets to women would be forthcoming if the action was not taken independently. Moreover, Maryland Rep. Beverly Byron had already introduced legislation (H.R. 3786) that would mandate just such changes. So, the expansion of opportunities for women was not the result of some epiphany, but rather an instance of Mr. Webb simply yielding to congressional pressure.

A perhaps more revealing indication of his true feelings at that time was his attempt to forestall construction of a Vietnam Women's Memorial. In 1987, the addition to the existing memorial of a statue to recognize the service of women in Vietnam had become a matter of controversy. Jim Webb, then Secretary of the Navy, contacted Interior Secretary Don Hodel, saying that as a member of the administration, he wanted to discuss the proposed change. A Hodel undersecretary, Earl Gjelde, was given the job of responding to the query.

I found out about this when Mr. Hodel, who was inclined to approve the addition, called me to ask my opinion. He also asked that I call Mr. Gjelde about Mr. Webb's call. I explained that since my mother had held ID card #1008 in the Women's Auxiliary Army Corps in World War II, and my mother-in-law had been in the nurse cadet corps, I could hardly object to

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recognizing the wartime service of any woman. Besides, having spent several years in military hospitals, I deeply appreciated the contribution of women in uniform, particularly nurses.

When I reached Mr. Gjelde, I understood why I had been asked to make the call. He was appalled at Mr. Webb's attitude and comments. First, Mr. Webb was incensed that Mr. Hodel had not called him back personally, arguing that since he was a service secretary, the secretary of the interior, not his deputy, should have responded. After mollifying Mr. Webb, they got to the real issue. Mr. Webb listed his reasons for opposing the change.

First, he argued, "only" (his characterization) 10,000 women served in Vietnam. Moreover, "Only" eight died. Finally, women did not serve in combat. In his typically understated fashion, Mr. Gjelde said he found the comments "inappropriate." The question on both our minds was: Where was Mr. Webb's arbitrary line? Would it be 25,000 serving? Or would it be 50,000 or 100,000? Would it require that at least 50 have been killed, or 100 or 1,000? While it was true that women did not carry rifles in the jungle, they dealt daily with the carnage that came with combat. This included broken and torn 19-, 20- and 21-year-old bodies, some of which would never again be whole. Further, the field hospitals and bases they served in were just as vulnerable to rocket attack as any other post. Perhaps in the macho world according to Jim Webb that sort of stress didn't warrant recognition, but in mine it certainly did.

Ironically, Mr. Webb often noted that his second wife, a remarkable and accomplished woman, had been a military nurse in order to refute charges that he was disdainful of women in uniform. This fact makes his opposition to the women's memorial even more revealing, and even more shameful.

Milton R. Copulos served as one of the four members of the sculpture selection panel that chose the statue added to the Vietnam Veterans Memorial.

Md. Senate Rivals Spar On Iraq, Abortion (MERCN)

By Kristen Wyatt

The San Jose Mercury News, October 30, 2006

WASHINGTON - Rivals in Maryland's closely watched Senate race sparred over Iraq, abortion and stem cell research on Sunday, with the Republican saying the war is "a mess" and states should decide abortion rights.

Michael Steele, the Republican lieutenant governor, said the situation in Iraq was not President Bush's fault and he faulted the Pentagon for poor planning.

"There's not a great deal of confidence on the ground that we can get this thing done," Steele said. "The Department of Defense did not give the president the kind of strategy to win this war." Asked where the war stood now, he replied, "I think the war in Iraq stands with a mess we have to fix."

Democratic Rep. Ben Cardin repeated his opposition to the war - he voted against authorizing the use of force - but said he opposed a deadline for withdrawal.

Cardin has said he thinks U.S. troops could be withdrawn by 2007, but said during the debate on NBC's "Meet the Press" that the date is a goal, not a deadline.

"I don't believe in a time schedule," Cardin said. He said some troops should come home immediately while the U.S. regroups and tries to find other countries as partners in stabilizing Iraq.

"It is reasonable to believe our troops could be out by the end of 2007," he said.

Steele and Cardin are competing for the seat left open by retiring Democratic Sen. Paul Sarbanes in predominantly Democratic Maryland. Democrats must gain six seats to take control of the Senate.

A poll released Sunday by The Washington Post had Cardin leading Steele by 11 percentage points.

Steele, a conservative Catholic, would not say whether he would vote for a constitutional amendment banning abortion, saying abortion was not an issue for the federal government to decide.

"I think Roe v. Wade is a matter that should've been left up to the states," Steele said.

Cardin said abortion should remain legal and that he would have opposed the nomination of the newest Supreme Court justice, Samuel Alito. While Alito worked in the Reagan administration, he wrote a memo that said there was no constitutional right to an abortion.

The candidates also clashed on embryonic stem cell research. Steele defended his television ad in which his sister, who has multiple sclerosis, calls a Cardin ad tasteless because it airs an endorsement from actor Michael J. Fox, who has Parkinson's disease.

Steele repeated that he opposes funding for stem cell research that kills a human embryo and said he would like to see unused embryos at fertility clinics be used in adoptions rather than discarded.

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"We could set up adoptions for those embryos," Steele said. He said embryonic stem cell research is "not fully developed" and should not be funded.

Cardin repeated his support for federal funding of the research. It holds promise for advocates of patients with a variety of illnesses because of the cells' potential to transform into any type of human tissue, perhaps leading to new treatments.

Meanwhile, Steele was questioned about whether he tries to distance himself from the president.

"I'm not running away from George Bush. I'm not running toward George Bush. I'm running for the United States Senate," Steele said.

Cardin said Congress should have investigated whether the president overstepped the law with his domestic wiretapping program. "Congress needs to exercise its oversight function," Cardin said.

An independent candidate in the race, Kevin Zeese, was not invited to the debate. The Cardin-Steele debate, their fourth meeting, may be the last before election day, though Cardin's camp said it was possible they would meet again Friday.

Debate Puts Steele On Defense (WP)

By Matthew Mosk And Ann E. Marimow

The Washington Post, October 30, 2006

Republican Michael S. Steele struggled to soften his long-held views on touchstone social issues yesterday after being challenged repeatedly on his conservative beliefs during his final televised debate in the campaign for Maryland's open U.S. Senate seat.

The debate on NBC's "Meet the Press" put on display the stark differences between Steele and Democratic Rep. Benjamin L. Cardin as they enter their final week of campaigning.

The two spent half the debate clashing on the war in Iraq -- with Steele saying the conflict "has been worth it to the extent that what we're trying to establish there is a beachhead of democracy." Cardin called it a "tragedy" and urged a gradual pullout of troops.

But the most dramatic exchanges came when host Tim Russert pressed Steele about his opposition to abortion and embryonic stem cell research, and about his long-standing support for President Bush. Such views don't typically sit well in heavily Democratic Maryland, and they have gone largely unmentioned by Steele during his year on the campaign trail.

The lieutenant governor responded by telling Russert that he would not support a constitutional amendment to ban abortion and would support research conducted on embryonic stem cells, so long as the embryo is not destroyed.

When Russert asked him, "Are you running as a proud Bush Republican?" Steele replied pointedly, "I'm a proud Republican."

This marked the first time in a series of debates that Steele has appeared on the defensive. During a televised forum last week, it was Cardin who was put on the spot about the route of Metro's proposed Purple Line and, more broadly, his knowledge of key issues in the Washington suburbs.

Cardin, a 10-term congressman from the Baltimore area, appeared nervous at times yesterday but stuck to a series of talking points about his consistent opposition to the president and the war.

Steele's answers showcased what has been a slow drift from his conservative moorings. It's a shift that in part owes to the realities of campaigning in a state where two-thirds of all voters support abortion rights and only one-third approve of President Bush's job performance, according to a Washington Post poll published yesterday.

"Steele got caught between his base and the deep blue sea," said Walter Ludwig, a Democratic consultant who advised Kweisi Mfume in the primary. "It's tough for him because he knows that if he says what he really thinks, that's not what voters of Maryland really want."

Steele acknowledged after the debate that he has undergone something of a transformation. In February, he likened embryonic stem cell research to Nazi experimentation, later apologizing for the remarks. And he campaigned fiercely for Bush in 2004.

"Have I moved off of my philosophical orientation on these issues? The answer is no," Steele said. "But I have learned to listen to the people. . . . In that sense, I have grown."

Carol Hirschburg, a GOP political consultant, said Russert's selection of such topics -- abortion and stem cell research rather than taxes or homeland security -- "were not designed to favor a Republican." She said it highlighted the difficulty Steele faces, especially when Cardin consistently tries to link him to the unpopular president. The Post poll showed Steele trailing Cardin by 11 percentage points.

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"The challenge Michael faces, which I think he has handled extremely adroitly, is that he has to make the campaign about him and what kind of human being he is, and that he can be trusted by the people to do what he thinks is the right thing," Hirschburg said.

If the race were merely a contest of personalities, the Post poll shows, Steele would fare better. By 2 to 1, likely voters said they found the lieutenant governor more appealing than Cardin. Even Democrats said that was clear during the debate, with Steele appearing engaging while Cardin was sober and restrained.

When pressed, Steele tried to use humor to diffuse awkward moments, as when Russert played a clip of Steele forcefully endorsing Bush at the 2004 Republican National Convention and read news clips saying Steele was recruited to run by Bush strategist Karl Rove and Vice President Cheney.

"I've been outed," Steele said, laughing. "Okay, everybody, I'm a Republican."

Russert was undeterred, holding up a Steele bumper sticker that read, "Steele Democrat."

"That's not truth in advertising," Russert said.

"You've never heard of 'Reagan Democrats?' " Steele responded.

"It doesn't say, 'I'm a Steele Democrat.' It says 'Steele Democrat.' "

At times, Steele attempted to take on the role of moderator, directly challenging Cardin, for instance, on a vote against stem cell research. The bill would have required the National Institutes of Health to conduct the research without destroying embryos.

In the House, all of Maryland's Democrats and Republican Wayne T. Gilchrest joined in voting against the measure. In the Senate, though, the bill was passed with the support of both of Maryland's Democrats.

"What do Senator [Paul S.] Sarbanes and Senator [Barbara A.] Mikulski not know that you know, that caused them to vote for it, and you against it?" asked Steele, who sat elbow-to-elbow with Cardin.

Cardin responded that the vote "would do nothing at all to advance embryonic stem cell research," and that the Senate backed it as part of a compromise bill.

On the same topic, Russert asked Steele whether his opposition to destroying embryos for research would extend to fertility clinics that routinely discard embryos not used in pregnancies.

"I won't close down the fertility clinics," Steele said, but would "pursue options that would allow us to look at adoption."

Among the most jarring moments came when Russert confronted Steele on contradictions from past statements.

For instance, Russert asked Steele whether he still considers Clarence Thomas a hero. Steele replied that he has disagreed with the black Supreme Court justice on a number of issues, including affirmative action.

"I strongly support affirmative action," Steele said, an assertion Russert quickly disputed.

"No, I've always supported affirmative action," Steele said sternly.

"Well, if we go back in 1991, we've got a program here called 'Affirmative Action That Doesn't Work,' 'Affirmative Action's Become a Race-Based Quota Formula,' " Russert said.

"That's -- but that's not the same as saying, 'I don't support it," Steele responded.

Russert also pressed Steele on whether he would support a constitutional amendment to outlaw abortion. At first, Steele said, "I don't think that's been proposed."

When Russert corrected him, Steele said he would not and believes laws on abortions should be left to the states.

After the debate, Steele said, "Everyone knows I'm a pro-life Roman Catholic. The idea of tinkering with the constitution goes against my sensibilities."

Douglas Stiegler, executive director of the socially conservative Family Protection Lobby, said Steele's answers did not concern him. "It sounds like he's trying not to get into that debate," Stiegler said. "From a political standpoint, I don't blame him."

Russert also pressed Cardin on abortion, asking about his vote against requiring minors to consult parents about the procedure.

"Parents should be involved in their children, absolutely," Cardin said. "The problem is you don't want it to become an obstacle, particularly where there has been family abuse. . . . You don't want it used as a way of preventing a child from getting the necessary medical attention."

Half of the one-hour show was devoted to the public's growing unease with the Iraq war.

Russert opened the show with a litany of Steele's shifting statements on the war and later asked Cardin to defend his suggestion that he would consider cutting off money for the war to force President Bush to withdraw troops.

Steele acknowledged that the war has "frustrated the American people" but said that even knowing what he knows today, "I would think we'd still prosecute the war."

Russert then presented Cardin with his own words from a newspaper article that suggested he would be willing to cut off money for troops in Iraq.

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"You would vote to cut off funding for our troops while the war is going on?" Russert asked.

"No, I will never support turning our backs on our troops," Cardin said, adding that he would consider using the appropriations process to put pressure on the president to present a detailed war plan.

Steele Regrets The Race Issue Not Mentioned In Cardin Debate (WT)

By Jon Ward

The Washington Times, October 30, 2006

Lt. Gov. Michael S. Steele and Rep. Benjamin L. Cardin debated yesterday on national television about the Iraq war, the Republican Party and stem-cell research, but the decisive role that black voters will play in Maryland's U.S. Senate race was not mentioned.

"I would have liked to spent a little more time on ... an attitude in this campaign, where race has come into play," Mr. Steele, a Republican, said after appearing on NBC's "Meet the Press," the country's top-ranked Sunday morning political show.

Mr. Steele, who in 2002 became the first black person elected to a statewide office in Maryland, must win over black Democratic voters to overcome the Democrats' 2-to-1 advantage in registered voters. That's possible, say the state's black leaders, because Democrats have taken their vote for granted.

"Meet the Press" host Tim Russert asked pointed, detailed questions about plans for U.S. troops in Iraq, stem-cell research, abortion, judicial nominees and whether Mr. Steele was a "proud Bush Republican."

But Mr. Russert did not ask about the prospect of black Democrats, who make up about 40 percent of the state party, crossing party lines to vote for Mr. Steele.

"I don't do horse-race questions," Mr. Russert told The Washington Times. "Black voters have the same concerns as white voters, when it comes to the war in Iraq, stem-cell research, abortion, Supreme Court."

Mr. Russert also said it was important to know "whether this was a referendum on George W. Bush, and whether Michael Steele was running away from him."

He asked Mr. Steele about "Steele Democrat" bumper stickers and whether he was "running away" from President Bush.

Mr. Steele, 48, said he was not running away from the president.

"That's exactly what Ben Cardin wants this race to be about," he said. "When this race is about Democrats and Republicans ... all they have to say is, 'The bogeyman is Republican.' "

Mr. Cardin's two-pronged campaign strategy has been to portray Mr. Steele as an ally of President Bush and to run on his record as a 10-term congressman to prove he knows how to "get things done" in Congress.

A Democratic memo last spring advised Maryland Democrats to "knock Steele down" by tying him to President Bush, turning Mr. Steele "into a typical Republican in the eyes of voters, as opposed to an African-American candidate."

Mr. Cardin's primary win over Kweisi Mfume, former president of the National Association for the Advancement of Colored People, was by a small margin because Mr. Mfume overwhelmingly won in Prince George's County and Baltimore city, where black Democrats make up most of the electorate.

The televised debate was a more favorable setting for Mr. Cardin, 63, than a debate Wednesday in which Green Party candidate Kevin B. Zeese, 51, and a free-for-all atmosphere put Mr. Cardin on the defensive.

Mr. Cardin declined to appear at a debate Thursday with Mr. Steele and Mr. Zeese before the Charles County NAACP, citing previously scheduled events.

Mr. Steele and Mr. Cardin may debate one more time this Friday before the Collective Banking Group, a group of black pastors in Prince George's County.

Some Democrats thought Mr. Steele received favorable treatment from Mr. Russert.

"Russert treated you very unfairly," Sen. Barbara A. Mikulski told Mr. Cardin before a rally in Montgomery County. "He let Steele go on these monologues and he cut you off too many times, but you held your own."

On Iraq, Mr. Russert asked Mr. Steele whether he had a firm position, pointing out statements he has made that have contradicted one another.

Mr. Steele said the U.S. government should pressure the Iraqi government to take responsibility for its country. If that does not work, he said, then in 60 to 90 days, the U.S. should "evaluate whether it is ... worth sacrificing another American life for a cause that the Iraqi government and the Iraqi people do not themselves believe in."

Pulling U.S. troops out "would be on the table, absolutely," Mr. Steele said.

Mr. Russert pressed Mr. Cardin on a comment he made in the Baltimore Sun this month that he would be open to cutting off funding for U.S. troops.

Mr. Cardin said he would "never support turning our backs on our troops."

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Mr. Cardin also said the war in Iraq is a civil war and "not a war on terror." He denied ever calling for a timetable to withdraw troops, though he has said "it is reasonable" to expect all U.S. troops to be out by the end of 2007.

Mr. Steele said the war "has been worth it to the extent that what we're trying to establish there is a beachhead of democracy." He also said that he would have voted to invade Iraq, even knowing all he does now.

Mr. Cardin reiterated his support for embryonic stem-cell research, while Mr. Steele again said he supports all types of stem-cell research except for embryonic.

Mr. Cardin said he has "supported" anti-cloning legislation. However, Douglas Johnson, legislative director of National Right to Life, said Mr. Cardin has twice voted against bills that would have banned cloning, in 2001 and 2003.

Mr. Russert asked Mr. Steele whether he would vote for a constitutional amendment to ban abortion, and Mr. Steele said he would not.

A Washington Post poll released yesterday showed Mr. Cardin leading Mr. Steele by 11 points. However, two polls in the last week have shown the race to be a dead heat, and the Cook Political Report on Friday switched the race from a likely Democratic retention to a tossup.

Mr. Cardin and Mr. Steele are vying to replace retiring Sen. Paul S. Sarbanes, a Democrat.

O'Malley, Party Try To Stir Base Vote (WP)

By Steve Vogel And John Wagner

The Washington Post, October 30, 2006

Baltimore Mayor Martin O'Malley looked at the sea of enthusiastic Democratic supporters at a Silver Spring high school yesterday and was quick to lay claim to his roots.

"It's great to be back in Montgomery County, my home county," O'Malley, who grew up in Bethesda and Rockville, said at the outset of his remarks at a rally at Montgomery Blair High School.

Both Democrats and Republicans are pouring time and resources into capturing votes in Maryland's most populous county, and any hometown claim a candidate can make cannot hurt.

With 273,234 registered Democrats in Montgomery -- more than twice the 125,534 Republicans -- it is a battle the Democrats can feel comfortable about winning. But the margin of victory will probably play a large role in determining the outcome of both O'Malley's gubernatorial race against Republican Gov. Robert L. Ehrlich Jr. and the U.S. Senate race between Democratic Rep. Benjamin L. Cardin and Republican Lt. Gov. Michael S. Steele.

Ehrlich and Steele appeared in the county last week and say they hope to improve on their performance in 2002.

Yesterday's rally -- held before several hundred cheering and sign-waving supporters -- was part of an effort to mobilize the Democratic base and to reach out to Democratic voters who do not normally vote in non-presidential election years. O'Malley was joined by all of the statewide candidates, including Cardin, as well as a large roster of county Democrats.

Montgomery County Executive Douglas M. Duncan, appearing with O'Malley for the first time since he dropped out of the Democratic primary for governor in June citing depression, was given a rousing welcome. In his remarks, Duncan criticized a new television ad for Ehrlich that includes disparaging remarks the county executive made about O'Malley before dropping out of the race.

Duncan called the ad an attempt to "mislead the public" into believing he supported Ehrlich. "If they got quotes from me about Ehrlich, you couldn't print them," Duncan added.

Ehrlich, who was shown to be trailing O'Malley by 10 percentage points in a Washington Post poll published yesterday, said his campaign was making a vigorous play for the Montgomery vote.

"People tend to look at Prince George's County and Montgomery County as places a Republican is just not going to win," Ehrlich said Thursday during a visit to a Wheaton police station, where he announced funding for programs to track sexual predators. "However, you still need to hit your targets in order to win."

Although Republicans acknowledge that it is impractical to expect to win a majority of votes in Montgomery, they want to do better than in the last election, when Ehrlich won 38.3 percent of the vote against former lieutenant governor Kathleen Kennedy Townsend (D).

"We've picked up," Ehrlich said. However, the Post poll of 1,000 likely voters yesterday showed Ehrlich with no greater support in the Washington suburbs than he had in 2002.

But Ehrlich said the endorsement he received last week from the Washington Post might help him win over voters in the Washington suburbs. The governor said his positions on the environment, education and transportation -- including the intercounty connector -- have won him support.

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"Last time, it was a very tough thing," Ehrlich said. "I was a Baltimore area congressman, unknown around here, running against Bobby Kennedy's daughter in the Washington suburbs. This time, I've spent a lot of time here."

O'Malley portrayed the governor yesterday as out of touch with the Montgomery electorate, hammering Ehrlich for saying two years ago that multiculturalism is "bunk."

"Anybody who doesn't think multiculturalism is good for America, come to Montgomery County," O'Malley said.

Democrats are hoping the presence of two Montgomery candidates on the statewide ticket -- State's Attorney Douglas F. Gansler, the nominee for attorney general, and Del. Peter Franchot, the nominee for comptroller -- will bring out voters who will also support O'Malley and Cardin.

In an effort to blunt the impact of the Post poll, Ehrlich's campaign sent a memo to supporters via e-mail suggesting the contest was much tighter. It said the most recent survey conducted by Ehrlich's pollster found O'Malley leading Ehrlich 46 percent to 45 percent. One percent favored third-party candidates, the memo said, and 8 percent were undecided.

"We are sending this information to you because we are convinced that recent public polls have been wildly off the mark and run counter to what we have been seeing," the Ehrlich campaign e-mail said.

Meanwhile, O'Malley won the endorsement of the Baltimore Sun yesterday. The Democratic candidate also touted the results of the Post poll. In an appearance in Arbutus, Ehrlich's home town, O'Malley acknowledged that polls are only "snapshots in time."

"The nice thing about this snapshot is it's only nine days out and we're 10 points up," O'Malley said.

His comments came at an event where O'Malley won the endorsements of two former leaders of Democrats for Ehrlich, a group formed in 2002 to support the then-congressman.

"I am ashamed, embarrassed and feel very foolish for what I did," said Wayne Frazier, the group's former chairman.

Unregulated Groups Wield Millions To Sway Voters (LAT)

By Stephanie Simon

The Los Angeles Times, October 30, 2006

— Unions, corporations and wealthy individuals have pumped nearly $300 million this year into unregulated political groups, funding dozens of aggressive and sometimes shadowy campaigns independent of party machines.

The groups, both liberal and conservative, air TV and radio spots, conduct polls, run phone banks, canvass door-to-door and stage get-out-the-vote rallies, with no oversight by the Federal Election Commission. Set up as tax-exempt "issue advocacy" committees, they cannot explicitly endorse candidates. But they can do everything short of telling voters how to mark their ballots.

Because they can accept unlimited donations from any source, the committees — known as 527s — have emerged as the favored vehicle for millionaires and interest groups seeking to set the political agenda.

"It's become the new way to do business in politics," said Pete Maysmith, a national director of Common Cause, a nonprofit that lobbies for more transparency in campaign finance.

Named for a section of the IRS code, 527s have been around for years but became a political force in 2004 after the Bipartisan Campaign Reform Act of 2002 — also known as the McCain--Feingold Bill — limited donations to political parties. Groups such as Swift Boat Veterans for Truth on the right and America Coming Together on the left contributed $600 million that year, with a heavy focus on the presidential race.

The cash flow is lower this year because it's a midterm campaign, but 527s and a related type of organization known as 501(c)s have expanded their reach. With the Nov. 7 election days away, the groups are flooding the airwaves in state and local races as well as congressional contests.

By far the largest chunk of unregulated money — nearly $60 million — comes straight out of union treasuries and is used mostly to benefit Democratic candidates and causes. Conservatives are fighting back with multimillion-dollar donations from a California TV executive and the Texas developer who financed the Swift Boat ads.

In California, unregulated funds — mostly donated by New York developer Howard S. Rich — are bankrolling the campaign for Proposition 90, which would limit the government's ability to seize private property. In Missouri, such money paid for a celebrity-studded TV ad opposing a ballot initiative on stem-cell research.

In Ohio, a 527 has run some of the most provocative radio spots of the campaign season, with an African American announcer accusing Democrats of "decimating our people" by promoting abortions of "black babies." Another group funded by black Republicans has bought airtime on radio stations in Maryland and Florida to assert that Democrats "have bamboozled blacks" and want to keep them in poverty.

'Yeah, right'

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Here in eastern Colorado, a 527 called Coloradans for Life has raised more than $1 million to oppose Republican Rep. Marilyn N. Musgrave — spending nearly as much on the race as the Democratic candidate. A radio ad championing "the unborn" gave many voters the impression the group was an anti-abortion organization attacking Musgrave from the right. In fact, it's funded by three millionaire liberals.

At a recent reception for rural Republicans, chiropractor Philip Pollock rushed up to Musgrave to complain about what he called the "underhanded, back-door" tactic.

"I just heard those ads. Coloradans for Life — totally ridiculous," he said. "What happened to ... campaign finance reform?"

"You mean getting the big money out of politics?" Musgrave asked.

Pollock shook his head in disgust. "Yeah, right."

The campaign finance reforms that took effect for 2004 limit individuals to about $100,000 in total contributions to all candidates, parties and political action committees per election cycle. Parties and PACs remain extremely influential. PACs, for instance, are expected to funnel more than $1 billion to candidates this year by bundling contributions from trial lawyers, beer wholesalers, pharmaceutical makers and other groups.

But more than 70 individuals have maxed out their PAC and party contributions; If they want to pump more cash into the election, they must donate to 527s and 501(c)s. Many prefer that approach because they can control how the money is used.

The 501(c) groups do not have to disclose donors or itemize spending. The 527s must report donors and expenses, but the groups are often ephemeral, forming under a generic name for a few months and then dissolving. That makes it all but impossible to sort through IRS filings and pick out which organizations will get involved in which races. By law, these groups cannot coordinate their activity with candidates.

"The first warning you have is often when you see their ad on TV," said Robert Duffy, a political scientist at Colorado State University who tracks the groups. "These 527s throw a whole lot of unpredictability into campaigns."

In 2004, Democrats dominated 527 fundraising, led by financier George Soros and insurance magnate Peter B. Lewis, who each contributed more than $23 million. This year, Soros and others are focused instead on long-term party-building efforts, such as strengthening liberal think tanks and building a national voter database.

Two Republicans now top the donors' list compiled by the Center for Responsive Politics, a nonprofit research firm based in Washington.

Homebuilder Bob Perry, who financed the Swift Boat ads, has pumped $5 million into TV ads attacking Democratic congressional incumbents in Georgia, Iowa and Oregon as tax-and-spend liberals. GOP backer A. Jerrold Perenchio, who owns the Spanish-language television network Univision, has spent $5 million on ads in Missouri and Ohio featuring images of terrorism and warnings about those who would "cut and run" in Iraq.

Here in Colorado, the 527 targeting Musgrave is funded by siblings Patricia Stryker and Jon L. Stryker, billionaire heirs to a medical-supply fortune, and by Tim Gill, a software developer.

They bankrolled a similar effort in 2004, with TV ads that portrayed Musgrave picking soldiers' pockets as an announcer accused her of voting to cut veterans' benefits.

Their TV campaign this year has been far less dramatic but still controversial, accusing Musgrave of cutting a program that protects clean drinking water. In fact, Musgrave did not vote on that issue, though she has cast other votes that environmentalists say would weaken water protection.

Thanks, but no thanks

Musgrave's Democratic challenger, Angie Paccione, watched the water ad with a sinking heart. Like many candidates, she regards 527s as a mixed blessing. The independent group has undoubtedly given her campaign a boost; when the national Democratic Party canceled $630,000 worth of TV ads in the district, Patricia Stryker wrote a check for $720,000 to keep anti-Musgrave spots on the air.

But Paccione has no control over the message. Attacks such as the pickpocket dramatization could alienate voters. She considers ads like the one on water a waste of money.

"Clean drinking water?" Paccione said. "Holy smokes! There's a litany of things you could do against Marilyn Musgrave. Clean drinking water is not one of them."

Paccione's own ads portray Musgrave as a conservative ideologue.

A lawsuit pending in federal court aims to rein in 527 activity. But political analysts say they don't expect much to change, even if the case succeeds.

"Political money is like water. It will find an outlet," said Jeffrey M. Berry, a political science professor at Tufts University. "If 527s are banned, will another vehicle pop up? Absolutely."

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Party Chiefs Debate Voter Motivation (WT)

By Eric Pfeiffer

The Washington Times, October 30, 2006

Democratic and Republican party leaders continue to debate which issues -- and scandals -- will drive voters to the polls next week for midterm elections.

"I think that there will be different issues in different districts," Republican National Committee Chairman Ken Mehlman said yesterday on CBS' "Face the Nation." "There are two kinds of overriding issues that seem to be applying in most districts, and one is the question of whether Americans want to see their taxes go up. ... The other question is, 'What do we do in the war on terror?' "

During his own CBS appearance, Democratic National Committee Chairman Howard Dean said his party would not raise taxes on all Americans and promised to fight a "smarter" war on terrorism.

"We have no intention of raising taxes except on the people who have got enormous tax breaks, like the oil companies, from the Republicans," Mr. Dean said. "We need a minimum wage [increase]. America needs a raise. The Congress has gotten their raises, but the American people haven't gotten theirs."

Mr. Dean denied Republican accusations that his party would try to impeach President Bush if it wins control of Congress.

"I think that is also a scare tactic," he said.

Meanwhile, House Majority Leader John A. Boehner said he doesn't think the Mark Foley congressional page scandal will hurt Republicans at the ballot box.

"The House ethics committee is doing a very good investigation in a bipartisan way. I was happy to meet with them, and I believe that they'll have a report coming soon," the Ohio Republican said on ABC's "This Week." "What the American people want to know is who is going to take care of them when it comes to lowering their taxes, securing our borders and providing the president with the tools to fight the terrorists?"

Mr. Boehner acknowledged that Iraq is a prominent issue but said it won't work in the Democrats' favor. "We don't have a national election. And all these big national polls that show the trends don't mean anything because what we have are 435 individual races all around the country, local candidates running on local issues."

The two sides also debated the motives behind a campaign advertisement run in the U.S. Senate race in Tennessee. Critics said the ad, run against Rep. Harold E. Ford Jr., a black Democrat, has racist overtones. The ad was pulled after criticism from both parties.

"The ad that you are talking about is an ad that is being run independently of the Republican National Committee," Mr. Mehlman said.

Mr. Ford told "Fox News Sunday" that he thinks the ad is racist and is glad it was pulled. "I think it was smut. I don't think race had anything to do with that ad," he said. "The party of family values should not have run that in Tennessee, or anywhere for that matter."

The System's Broken (NYT)

By Bob Herbert

The New York Times, October 30, 2006

Greencastle, Ind.

The middle-aged woman filling her gas tank on a day of endless rain laughed when a reporter asked her about the coming elections. "Politics," she said, "are for silly people. Those ads come on television and I reach for the remote."

I asked if she was planning to vote on Nov. 7.

"No," she said. "That stuff really turns me off."

If you pay close attention to the news and then go out and talk to ordinary people, it's hard not to come away with the feeling that the system of politics and government in the U.S. is broken. I spent the past week talking to residents in Chicago, southern Michigan and Indiana. No one was happy about the direction the country has taken, but not even the most faithful voters were confident that their ballot would make any substantial difference.

"I vote," said Angela Buehl, who lives in a suburb of Indianapolis, "but I don't think anybody in Washington is listening to me." She mimicked talking into a telephone: "Hello ... Hello ...?"

The politicians, special interests and the media are in a state of high excitement over next week's midterm elections. They are addicted to the blood sport of politics, and this is a championship encounter. But that excitement contrasts with what seems to be an increasing sense of disenchantment and unease that ordinary Americans are feeling when it comes to national politics and government. For far too many of them, the government in Washington is remote, unresponsive and ineffective.

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Voters and nonvoters alike expressed frustration with the fact that we are stuck in a war in Iraq that hardly anyone still supports but no one in government knows how to end.

Several people mentioned that their families were struggling financially at a time when the stock market had soared to all-time highs and the Bush administration was crowing about how well the economy was doing.

Nearly all said they were repelled by the relentless barrage of tasteless and idiotic campaign commercials. “Talk to me,” said a woman in Mishawaka, Ind. “Don’t assume I’m an imbecile.”

A pair of front-page articles in The Times last week showed the stark contrast in the way that insiders and outsiders view the off-year elections. Corporations, reacting to the possibility that the Republicans might lose control of one or both houses of Congress, are hedging their bets by pumping up campaign donations to Democratic candidates. One way or another, they will be in the loop. That story ran on Saturday.

A day earlier, The Times reported on Democratic concerns that black voters, disillusioned by voter suppression efforts and a pervasive belief that their votes will not be properly counted, may not turn out in the numbers that the party was hoping for.

The system is broken. Most politicians would rather sacrifice their first born than tell voters the honest truth about tough issues. Big money and gerrymandering have placed government out of the reach of most Americans. While some changes in the House are expected this year, the Brookings Institution and the Cato Institute tell us (in a joint report) that since 1998, House incumbents have won more than 98 percent of their re-election races.

Millions of thoughtful Americans have become so estranged from the political process that they’ve tuned out entirely. Voters hungry for a serious discussion of complex issues are fed a steady diet of ideological talking heads hurling insults in one- or two-minute television segments.

DePauw University held a two-day conference last week on issues confronting the U.S. I was struck by the extent to which the people who attended the forums were interested in seeking out practical, nonpartisan, nonideological solutions to the wide range of problems discussed.

The frustration with the current state of government and politics was palpable. One man, Ned Lamkin, asked me if it wouldn’t be a good idea to create some sort of national forum for a serious extended discussion of ways to fix, or at least improve, the system. He’s on to something. Among other things, I’d love to see a nonpartisan series of high-profile, nationally televised town hall meetings that would explore ways of making government and politics fairer, more open and more responsive to the will of the people.

American-style democracy needs to be energized, revitalized. The people currently in charge are not up to the task. It’s time to bring the intelligence, creativity and energy of the broader population into the quest for constructive change.

The Decline Of Trust (WP)

By Sebastian Mallaby

The Washington Post, October 30, 2006

In 1995 Francis Fukuyama came out with a book called "Trust," in which he argued that a society's capacity for cooperation underpins its prosperity. The same year, Robert Putnam's famous article, "Bowling Alone," lamented that the United States was depleting its stock of precious social capital. The question of trust -- in government and also in communities -- preoccupied politicians too. "It Takes a Village," Hillary Rodham Clinton urged in the title of her 1996 book, which became a best seller.

You don't hear much about trust these days. Instead, we want accountability.

You see this most viciously in politics. In the mid-term campaigns, nobody has time for trust. The name of the game is to hold opponents accountable by attacking their records -- for failings real or imagined. If the Democrats capture one or both chambers, it will be largely because they promise to hold the president accountable.

This reflects a shift somewhere around 2003 or 2004. In the 1990s, after academics and pundits began talking about trust, the nation did actually become more trusting. The share of Americans saying they trust government "most of the time" or "just about always" rose from 21 percent in 1994 to 56 percent in 2002. Equally, elections became less abrasively focused on accountability. In 2000, according to John Geer of Vanderbilt University, a relatively low 40 percent of the messages in presidential TV spots were negative, down from 47 percent four years earlier.

But some time after the Iraq invasion, these trends reversed. In 2004 the share of Americans saying they trusted government fell to 47 percent, and this month a CBS News-New York Times poll put it at a rock-bottom 28 percent. Meanwhile Geer's measures show that in the 2004 election negative messages jumped to 50 percent of the total, and he guesses that this year's congressional races are the most negative in history.

There's been a similar change in corporate America. In the late 1990s, the new thing for corporate managers was to trust ordinary employees. Company hierarchies were flattened so that people in the middle could demonstrate initiative rather than

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suffocating under bureaucratic controls. In 1999, the Harvard Business Review reported that 30,000 articles on trusting and empowering middle managers had appeared in the business press over the previous four years.

That paradigm ended in 2002 with Enron, WorldCom and dozens of lesser corporate scandals. Suddenly nobody wanted to trust managers; they wanted to audit them. Instead of the era of management empowerment, we entered the era of mandatory online ethics training. Meanwhile private-equity firms are raising record sums to take over companies on the premise that incumbent managers need to be kicked rather than trusted.

What to make of this shift? Holding people accountable is a good thing:

This season's negative campaigning

can be seen (admittedly, with many despicable exceptions) as a healthy reaction to poor congressional performance. Equally, the 2002 scandals justified the Sarbanes-Oxley reforms of corporate governance. There are reasons we hold teachers accountable for failing

schools and put travelers through metal detectors.

But trust, when not abused, is nonetheless an asset. Accountants, lawyers and online training sessions impose costs on businesses; it would be cheaper to trust people if that were possible. Likewise, as Marc Hetherington of Vanderbilt University has demonstrated, government is constrained if nobody trusts it. The Great Society programs were possible because Americans trusted government in the 1960s; the creation of the Medicare prescription drug program arguably reflected the peaking of trust in government in 2003. But Bill Clinton's health care reform was thwarted in the low-trust early 1990s, and nobody now trusts government to modernize entitlements. Meanwhile President Bush had enormous foreign policy momentum in 2002-03 because Americans trusted him. Thanks to the Iraq mess, Americans are now focused on holding Bush accountable, and his options are limited.

There are powerful reasons trust tends to decline and accountability advances. Mobile societies tend to have weak bonds; the Internet makes it easier to hold people accountable and encourages acerbic negativity. And the absence of trust can feed on itself. Leaders function under stifling oversight; this causes them to perform sluggishly, so trust continues to stagnate. But occasionally there is a chance to escape this trap: A shock causes trust to rise, leaders have a chance to lead and there's an opportunity to boost trust still further.

We've recently had a double opportunity. The boom of the 1990s boosted trust in business; the 2001 terrorist attacks boosted trust in government. But CEOs and politicians abused these gifts with scandals and incompetence. Such is the cost of corporate malfeasance and the Iraq war: Precious social capital is destroyed by leaders' avarice and hubris.

Out Of Work In Michigan? Wyoming Wants You. (CSM)

By Amanda Paulson

The Christian Science Monitor, October 30, 2006

WRIGHT, WYO.

When Zeb and Sharon Goodrich look out their front door these days, they see antelope, sweeping treeless plains, and dozens of jack rabbits - a far cry from the view at their previous home in Lake Odessa, Mich.

"I miss the trees," Mr. Goodrich admits. "I was in shock when I [saw] how many trees there weren't." On the other hand, he likes that "you feel like you have room to breathe."

More important: He has good work, and lots of it.

Goodrich's job as a welder for a mine- services company pays far better than the welding he was doing back in Michigan, especially when he factors in the opportunity for overtime. And unlike the jobs in Michigan, it's not in danger of disappearing any time soon.

The Goodriches are at the vanguard of a small, new migration westward. As a result of aggressive recruiting on the part of job-rich and labor-poor Wyoming - and their family's willingness to leave roots and relatives behind in search of a more secure future - Zeb, Sharon, and their two young boys moved more than 1,000 miles this spring to a region in the throes of an oil, gas, and coal boom.

Employers in Wyoming are hoping that many more follow. For nearly a year, several county economic development councils and companies have targeted Michigan, with its large pool of skilled blue-collar labor and dwindling jobs, to try and fill the state's thousands of job openings. They've conducted three job fairs and placed a huge billboard outside Flint, Mich: "Live and Work in Wyoming!" And they're having some success.

"The Michigan folks are really fitting in," says Ruth Benson, director of the Campbell County Economic Development Corporation, just back from a recent recruiting trip.

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Few of the Michiganders who move let Ms. Benson know they've done so, but she knows of at least 65 who have moved to her county in recent months, and hears of many more. Her county's website, www.jobswyoming.net, has been getting thousands of hits. "It's not for everyone," she says of the move, "but it's good for some."

Campbell County - which produces more than 35 percent of the coal used for the nation's electricity - is filled with evidence of the boom. Lines of trucks and cars - especially at shift changes - wind through roads in an otherwise barren landscape. Gas wells dot scrubland near the highway. Houses are going up all over.

Unemployment in the county is 1.7 percent - compared with 3.6 percent in the state and 7.1 percent in Michigan. And the mineral industry has given Wyoming a budget surplus of nearly $2 billion - evidence of which is seen in the new schools, civic centers, and infrastructure springing up.

In tiny Wright, for instance, where the Goodriches live, the population of 1,500 has four or five new playgrounds, a stocked fishing pond for kids, a new library, and a recreation center with an indoor pool.

"They're not burning the desk to heat the school," Zeb says with a laugh.

Such a boom has a downside too, though, as many families learn when they try to find a place to live - especially if they also need to sell a home in a depressed market like Michigan's.

The growing population has sent housing prices soaring, and many newcomers have to wait months just to find a place that's available. Motels are filled with laborers, and many companies need to offer temporary housing to lure workers. The lower-paying service sector has also had a hard time finding and keeping workers, with so many better-paying jobs available.

Benson is hoping that once the county is able to lure more skilled workers for the high-paying energy-related jobs, their "trailing spouses" will follow, and hopefully fill some of the many service and part-time positions. Sharon, for instance, has already bought a day-care center in Wright, which serves 51 kids.

She's enjoying her work, especially since it keeps her with 4-year-old Zeb Jr. and 3-year-old Jacob.

But the main change for the better has been for her husband. Back in Michigan, Zeb was doing welding on water heaters, bored by the monotonous work and making some $30,000 to $40,000 a year. Now, he works at P&H MinePro Services, repairing and building the massive coal mining equipment. The only thing that keeps him from overtime is the need to spend time with his family, and he loves the work - even when it means 14-hour nighttime shifts.

"I call my friends and ask how their job is, and then say, 'Oh, I worked on the world's largest electric shovel last night,' " he says, grinning. "It's not hard to make six figures here if you don't mind working."

He remembers an ethanol plant back in Michigan that got 10,000 applications for 35 jobs. Here, he jokes, "you've got 35 people applying for the 10,000 jobs."

Still, despite his best efforts, none of his friends have followed him. And even Benson admits it can be an uphill struggle to get people to leave their extended families to come to an area they may never have heard of.

When she and officials in several other counties first realized what a labor shortage they had, they tried recruiting from Texas and the Gulf states, encouraging those displaced by hurricane Katrina to move to Wyoming.

"It was late fall, and they'd call and ask about the weather and all but hang up on you," she remembers.

Michigan, with its own tough winters and outdoorsman culture, has been a better fit, but it's still a challenge. Also, the area's employers don't want just any workers - they need heavy equipment operators, electricians, welders, mechanics, and other skilled laborers.

The growing population, though, is creating some need for a few other professions too. Richard Andriaens, Gillette's chief of police, moved here from Royal Oak, Mich., nearly two years ago. Budget cuts forced him to take an early retirement from the police department there, and as he scanned Michigan for police chief openings, he happened across an advertisement for Gillette, Campbell County's largest town.

"I thought, if we're going to move an hour, why not 20 hours?" he remembers. Since then, he's brought three more Michiganders to the department, and is going back on another recruiting trip in November.

The lack of shopping has been a bit tough for his wife, but mostly he says it's been a welcome change.

"I used to commute to work with half the number of people in this entire state," he says. His oldest son shot his first antelope and mule deer a few weeks ago, and his other three kids have all adapted quickly. "The best kept secret out here is the weather," he laughs.

As with the Goodriches, Chief Andriaens says the hardest part has been being away from family, but he's never looked back.

"I'm from a blue-collar family, and the blue-collar orientation makes you set strong roots," he says. "But if you have even a little bit of an entrepreneurial spirit, then the opportunities here are just incredible."

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Fewer Teens Are Giving Birth, But Cost To Taxpayers Still Steep (USAT)

By Wendy Koch

USA Today, October 30, 2006

Teen childbearing has declined sharply since the early 1990s but remains costly to U.S. taxpayers, incurring a tab of least $9.1 billion in 2004, according to a report released today.

The children of teen mothers have higher health care, foster care and incarceration costs than those of older parents, says the report commissioned by the National Campaign to Prevent Teen Pregnancy, a non-profit advocacy group. Like their parents, they earn less as adults and pay less in taxes.

"It's important to remind people the problems are very serious and expensive," says Sarah Brown, the group's director. She welcomes a one-third decline from 62 births per 1,000 teen girls in 1991 to 41 births in 2004. She attributes the drop to social changes that have led teens to use contraception or abstain from sex.

The abortion rate dropped even more, from 37 abortions per 1,000 teen girls in 1991 to 22 in 2002, the last year for which figures are available, according to the Guttmacher Institute, a non-profit organization that studies sexual and reproductive health policy.

Still, Brown says, the teen birth rate is four to five times the rate in much of Europe and more than twice that of Canada. "We can't let this nation think everything's been done," she says, noting the rate of decline has slowed.

The report, By the Numbers: The Public Costs of Teen Childbearing, looks only at costs clearly linked to a teen birth rather than associated risks such as poverty. Written by Saul Hoffman, an economics professor at the University of Delaware, it is based largely on 2004 data that have not been publicized.

Most of the costs in 2004 — $8.6 billion — were incurred by mothers 17 and younger. Compared with women who have a first child at 20 or 21, those girls are more than twice as likely to have a child placed in foster care, to be reported for child abuse or neglect, and to have a son sent to prison. Their kids are far more likely to drop out of high school and their daughters to become teen mothers themselves, the report states.

"Teen birth rates drive a lot of negative social indicators," says Wade Horn, assistant secretary for children and families at the Health and Human Services Department.

The report says the 2004 costs of teen childbearing include $1.9 billion for health care, $2.3 billion for child welfare, $2.1 billion for incarceration and $2.9 billion in lower tax revenue. That federal, state and local tab is offset slightly by family support for younger teens. The cost to government averages $1,430 per child per year.

The price tag varies by state, depending on the number of births and benefit levels, from $12 million in Vermont to $1 billion in Texas.

Teen birth rates generally have fallen since 1957 but rose in the late 1980s. The subsequent drop saved taxpayers an estimated $6.7 billion nationally in 2004, the report says. The savings ranged from more than $1 billion in California to $5 million in Wyoming.

The report updates a 1996 study on the costs of teen childbearing but is the first to provide state-by-state costs.

A Case For Strengthening Marriage (WP)

By Leah Ward Sears

The Washington Post, October 30, 2006

For the first time in history, less than half of U.S. households are headed by married couples. And on Sept. 29, the Centers for Disease Control and Prevention released data showing that almost 36 percent of all births are the result of unmarried childbearing, the highest percentage ever recorded.

In family law, as in the rest of American society, there is an intensifying debate about how we should respond to this kind of news. Should law and society actively seek new ways to support marriage? Or should family law strive to be marriage-neutral by providing more rights and benefits to its alternatives, such as cohabitation and single parenthood?

Some family law experts argue that our most pressing need is to find ways to equally support a wide variety of family forms. For example, the respected American Law Institute, an organization of judges, lawyers and legal scholars that periodically drafts model laws and other proposals for legal reform, has proposed a new set of laws that promotes this "family diversity model." In "Principles of the Law of Family Dissolution," some ALI scholars argue that family law should focus less on trying to channel people into marriage and more on being "fair" to people in different relationships -- in other words, that it should take families as it finds them.

I am not a law professor. But from where I sit as chief justice of the Supreme Court of Georgia, a family law that fails to encourage marriage ignores the fact that marriage has long been associated with an impressively broad array of positive

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outcomes for children and adults alike. Experts who contend that we need to move "beyond marriage" say they are only responding to the facts. But here is one major fact: High rates of family fragmentation hurt children.

For example, studies have consistently shown that children raised outside marriage suffer disproportionately from physical and mental illness; are more likely to drop out of school, abuse drugs or alcohol, and engage in violence or suffer it in their homes; and are less likely to attend college. Child Trends, a nonpartisan research organization summed up the evidence in 2002: "Children in single-parent families, children born to unmarried mothers, and children in step-families or cohabiting relationships face higher risks of poor outcomes."

Of course, many hard-working single parents do an excellent job of raising children, and they need our support, too. But I believe that building a healthy marriage culture in America is a legitimate concern for family law.

I am not alone. For example, "Reconceiving the Family," a new book published by Cambridge University Press critiquing the ALI's "principles," has contributions from 27 family law scholars, including two other state supreme court chief justices. The Institute for American Values recently published a statement, signed by many legal and family scholars, that concluded that "a prime goal of family law should be to identify new ways to support marriage as a social institution so that each year more children are protected by being raised within the marital unions of their parents." Moreover, the supreme court in my state just established a Commission on Children, Marriage and Family Law with an important goal: to find ways to reduce unnecessary divorce and unmarried childbearing.

Why are state judges such as myself so concerned about strengthening marriage? Start with the basics: Fragmenting families are flooding our court dockets. Since I became a trial judge in 1989, the percentage of domestic relations cases has risen sharply; they now account for 65 percent of all cases in Georgia at the Superior Court level. Last year more than 14,000 children were in the care of the Georgia Division of Family and Children Services, and nearly 24,000 were admitted to a youth detention center. One out of every four Georgia children under 18 has a case with the Office of Child Support Enforcement.

These figures are typical of what is happening in every state. For judges, they represent a difficult workload. For families, they represent an astonishing level of necessary but intrusive government oversight. For government, they represent a mountain of resources that could be used for other purposes. For children, they are a tragedy.

As a judge I am often frustrated that I must work within a system designed only to pick up the pieces after families have already fallen apart or failed to come together. We must work to prevent family fragmentation, because the consequences for children and society are severe.

If we look for solutions, we will find them. What we do not yet know how to accomplish, we can learn. Americans believe that problems, no matter how difficult, should be addressed and not merely endured. Whether it is racism, crime or poverty, Americans believe that we can find ways to make a difference. Accepting the decline of marriage as inevitable means giving up on far too many of our children. They deserve better than that.

Supply Side The Sanford Model By STEPHEN MOORE (WSJ)

The Wall Street Journal, October 30, 2006

Just when you thought that there weren't any small-government conservatives left in the Republican Party, along comes South Carolina Gov. Mark Sanford, who may be the only politician in America this year under assault for governing as a fiscal tightwad. What's really unusual about Mr. Sanford's bid for re-election is that some of his most formidable adversaries are the old bull politicians in his own party.

The state's Republican Senate Finance Committee chairman Verne Smith, for example, has just cut a campaign ad for Tommy Moore, the Democrat running against the governor. The ad slams Mr. Sanford for his attempts to squeeze too much grease from the state budget. Mr. Smith has evidently never forgiven him for dramatizing the legislature's overspending by holding a press conference inside the state Capitol in Columbia with two squealing pigs: one named "Pork" and the other "Barrel."

"Hey, it worked," Mr. Sanford says unapologetically of this stunt, which attracted nationwide attention. The legislature went back and cut $16 million in earmarks. He has vetoed hundreds of spending bills, including the entire budget in 2004 and 2006 -- although almost all of these vetoes were overridden by -- who else? -- the state Republican House and Senate. "If I weren't fighting the legislature on overspending, I wouldn't be doing my job," he says about this intraparty squabbling. Then he adds: "Frankly, I wish there were more of this budget strife in Washington." Words for George W. Bush to live by.

Despite the turmoil Mr. Sanford has stirred up during the past four years, he's racked up some pretty impressive accomplishments. Though his effort to phase out the state income tax was killed in the senate, he chopped the personal income tax rate on small businesses, to 5% from 7%, for the first time in South Carolina history. He took a state that was labeled a

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"judicial hell hole" and passed reforms, despised by trial lawyers, that will penalize frivolous lawsuits. He even cut the average wait time to get a driver's license renewal to 15 minutes from over an hour.

Mr. Sanford's real passion is school reform -- which is urgently needed in a state that ranks 48th, 49th or 50th in almost all measures of student performance. He openly ridicules the "failed monopoly" school system and for this the left has accused him of being virulently anti-public education (although school spending rose 20% in his first term). He also persuaded the legislature to approve charter schools and a private school tax credit bill -- and might have gotten more done if it weren't for his prickly personality.

This is the lingering complaint about Mr. Sanford (which he readily concedes): He "doesn't play in the sandbox well with others." Even some of the governor's first-term supporters, who at first liked the idea that this former three-term congressman would shake up the stuffy political establishment in Columbia, have come to regard Mr. Sanford as too abrasive and self-righteous.

Just last week South Carolina's largest newspaper, The State -- which endorsed him four years ago -- published a scathing denunciation charging among other things that the governor "doesn't want government to be more effective as much as he wants it to be cheaper," and that his first term has been all about "tax cuts and privatizing everything he could -- even the schools." The fiercest indictment: "He had run as a conservative . . . but [is] as close to an ideologically pure libertarian as you can get." Egads!

But with qualifications like his, it is no wonder that a number of leading conservatives across the country, disgusted with GOP gorging on pork and deficit spending, are looking at Mr. Sanford as a potentially attractive new entrant into the 2008 presidential race.

First, however, there is the little matter of re-election. Opponent Tommy Moore -- a man who boasts that he has spent half his life (28 years) in the state legislature -- is predictably attacking the governor for slashing vital services like education. Mr. Sanford is certainly vulnerable to the Democratic tide that could oust many GOP incumbents next week, but he remains admired by most voters. The latest Clemson University poll has him leading the race 58% to 31%.

Those good numbers may seem surprising, given the budget wars in Columbia and the drubbing he has taken from the media for being so aggravatingly uncompromising. But Mr. Sanford has a gift for turning liberal complaints against him into virtues with voters. After Time magazine rated him one of the three worst governors in America, Mr. Sanford openly scoffed. "All the top grades went to the tax and spenders," he laughs. "Believe me, I'm never going to win that kind of beauty contest, nor do I want to." He points out that in the same issue Time rated Ted Kennedy one of the top 10 senators in America. In South Carolina, that's enough said.

Mr. Sanford is still criticized to this day for the piggies stunt -- the House speaker claimed that he "defiled" the state capital -- but the governor says the voters have a different attitude. Breaking into a pronounced Southern drawl he says: "They tell me: 'You go bring some more pigs up there, governor. We're tired of the way they're spending our money.'"

That's the way many conservative Americans feel about Washington these days -- and why Republicans may fare so poorly next Tuesday. Political commentators such as the Washington Post's David Broder may write glowingly about how California Gov. Arnold Schwarzenegger has discovered the new formula for GOP governance: Toss aside ideology and sprint to the 50-yardline. But the Sanford model -- holding firm on limited government principles -- is a far more compelling lesson for how Republicans can recapture the good graces of their conservative voting base.

Big-Name Anger On Behalf Of The Little Guy (WP)

By Christopher Lee

The Washington Post, October 30, 2006

WAR ON THE MIDDLE CLASS

How the Government, Big Business, and Special Interest Groups Are Waging War on the American Dream and How to Fight Back

By Lou Dobbs

Viking, 251 pp., $24.95

Lou Dobbs is one of the professional angry men of cable television news.

The host of CNN's "Lou Dobbs Tonight" has carved a niche as a self-styled former Republican who refuses to sit by while big corporations, Congress and the Bush administration repeatedly take aim at the little guy in America.

On his show and in his book, "War on the Middle Class," the financial reporter-turned-pundit rails against "elites," globalization, illegal immigrants, the outsourcing of U.S. jobs, lobbyists, politicians, health-care costs and exorbitant CEO pay.

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"I can't take seriously anyone who takes either the Republican Party or Democratic Party seriously," writes Dobbs, 61, "in part, because neither party takes you and me seriously; in part, because both are bought and paid for by corporate America and special interests. And neither party gives a damn about the middle class."

Dobbs sees an America with failing public schools, increasingly unaffordable health care, timid news media, politicians who serve the interests of lobbyists and corporations, and big companies that pay executives far too much while laying off workers and sending their jobs overseas in pursuit of cheap labor. And don't get him started on the "dysfunctional" federal government's failure to stop the entry into the country of illegal immigrants, whom he views as a threat to American culture, security and wages.

Dobbs details his displeasure in 12 easily digested chapters, each taking on a different subject but all replete with overheated prose.

"Each night, as I conclude my nightly broadcast on CNN, I have the gut-sick feeling that we have chronicled another twenty-four hours in the decline of our great democratic republic and the bankrupting of our free enterprise economy," he writes in a typical passage.

Still, millions of Americans share his anger, and it is not hard to see why. From 1992 to 2004, average pay for corporate chief executive officers rose from $1.8 million a year to $9.6 million. The heads of some bankrupt companies continue to collect millions of dollars in compensation even as workers are sent packing. Big businesses and other organizations spent $2.14 billion -- more than $5.8 million a day -- lobbying Congress and federal agencies in 2004. Ordinary Americans would be forgiven for suspecting that most of those efforts were not to benefit them.

The United States has lost millions of manufacturing jobs in recent decades. Increasingly, companies are shedding U.S.-based software programmers, call-center employees, aircraft maintenance personnel and accountants and replacing them with cheaper labor in countries such as India. Corporate profits have nearly doubled since 2000, while U.S. workers have seen little or no increase in real wages, their pension plans have disappeared, and employers have shifted health-care costs to them.

"[H]ow prosperous a nation are we when working Americans aren't being allowed to share equally in what we glibly call 'prosperity?' " Dobbs asks.

The book is well packaged but does not break new ground. The outrages Dobbs chronicles, such as the influence-peddling of lobbyist Jack Abramoff and the nominal relocations overseas by U.S. companies seeking to evade taxes, have been well documented in the same media that Dobbs complain have "turned away from the hard work and expense of fact-finding and investigation to the reporting of what is easy and convenient."

Speaking of easy and convenient, Dobbs seems to have done no new interviewing and instead quotes most of the people in his book straight from their appearances on his show. Even the book's title is a rip-off of the name of an ongoing series on his broadcast, making it essentially an exercise in brand extension. The inclusion of the full texts of the Declaration of Independence and the Constitution may be patriotic, but they also add bulk to what otherwise would be a modest volume of 212 pages.

There are a few sloppy errors: "California congresswoman Dana Rorhbacher," a Republican, is, in fact, a man whose last name is spelled "Rohrabacher." Democratic Sen. Byron L. Dorgan is from North Dakota, not North Carolina. And Dobbs's critique of national media organizations as being out of touch with Middle America because they are headquartered in New York and Washington falls flat coming from a man whose television show is based in New York.

Like many pundits, Dobbs is better at identifying problems than at solving them. Urging people to be more engaged in the political process and to vote the bums out is a sensible suggestion, if not a novel one. But if voters drop their party affiliations and register as independents, as he recommends -- and has done himself -- the result will be major-party candidates more tied to the views of the hard-core primary voters who remain.

Dobbs proposes "complete public financing" of federal elections, an idea that would not curtail outside political spending by people such as billionaire George Soros and groups such as Swift Boat Veterans for Truth. Dobbs would make members of Congress wait five years to become lobbyists, rather than the current one year. But earlier he points out that such waiting periods do not work because former politicians immediately land lucrative jobs advising big firms on lobbying matters anyway.

Dobbs advocates inspecting every cargo container bound for the United States, rather than the 5 percent currently examined, a sound idea from a security standpoint but a policy so logistically difficult and costly that it would probably bring ports to a standstill.

Dobbs would fine employers $50,000 for every illegal immigrant they hire. He would establish a national core curriculum and standards for classroom size and teacher pay, effectively removing schools from the control of the local and state officials -- and taxpayers -- who provide most of the funding.

"No one will give us our country back, not without a fight," he writes.

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Dobbs, a well-compensated television personality, is not a member of the middle class that he defends so vigorously. He has the kind of national profile that led his publisher to put his face on the book's cover to sell more copies. While outsourcing, illegal immigration and high CEO pay may be bad for the middle class, they have been pretty good for Lou Dobbs's career.

For Congress In Virginia (WP)

The Washington Post, October 30, 2006

AFTER SIX terms in Congress representing Northern Virginia's 11th District, Rep. Thomas M. Davis III , a one-man political whirlwind, is a force to be reckoned with. Energetic, practical and astute, he is a deal-maker's deal-maker who has used his considerable clout as chairman of the House Government Reform Committee to good effect.

One example is his bill to give the District of Columbia's delegate in Congress full voting rights -- a proposal that would, at last, enfranchise the District's mostly Democratic residents while placating the GOP by adding a second new congressional seat for mostly Republican Utah. Another example is his important proposal to ensure Metro's future with $1.5 billion in federal funding over a decade -- a fat carrot conditioned on Maryland, Virginia and the District together dedicating an equal amount to the transit system. The bill, which still faces hurdles in the Senate, is a smart and creative bit of legislating.

Mr. Davis is a partisan Republican but also a moderate and a pragmatist who knows how to strike deals with Democrats. That alone makes him part of a small fraternity and an important one for a congressional district that is itself politically moderate -- and increasingly Democratic.

His Democratic opponent, Andrew Hurst, is a thoughtful, articulate lawyer. He has bruised Mr. Davis by spotlighting his partisanship and fundraising -- voting with the Bush administration the great majority of the time and sharing his own campaign cash with right-wing Republican candidates for Congress elsewhere. However, Mr. Hurst, whose own local civic involvement has been slight, concedes he is no match for the incumbent on local issues.

In Virginia's 8th District, we have been critical of Rep. James P. Moran Jr. , a Democrat whose past bouts of hot temper, atrocious judgment and ethical bumbling cast doubt on his fitness for office. Nor have we forgotten his pernicious remark that Jewish Americans bore special responsibility for leading the nation into war in Iraq.

However, neither major party has come up with a viable alternative to Mr. Moran, and after more than two decades in public office, including five years as mayor of Alexandria and 16 years in Congress, he appears unlikely to be dislodged. Mr. Moran has broken with his party in backing sensible free-trade measures and is pressing for infrastructure improvements to help absorb the 20,000 new military employees whose jobs are to be relocated to Fort Belvoir. He had a decent record in the past two years in Congress. He is well liked by many of his constituents, who have been willing to overlook his missteps because he remains conscientious about his duties in office and attentive to local concerns. There is something to admire in all that, and it is the basis for our endorsing him this year, with the above-stated reservations.

By contrast, his Republican opponent in this year's race, attorney Tom M. O'Donoghue, is a blank slate on issues of special concern to the 8th District. Mr. O'Donoghue, a major in the Army Reserve and a veteran of Iraq and Afghanistan, is intelligent and eager to serve. But having all but ignored local questions during the decade-plus he has lived in Northern Virginia, he is ill-equipped to represent the area in Congress. An independent candidate, James T. "Jim" Hurysz, is running a hard-line anti-growth campaign; he has little local support.

In Virginia's 10th District, we endorsed Rep. Frank R. Wolf , a Republican, in a previous editorial.

Two Top Jobs In Maryland (WP)

The Washington Post, October 30, 2006

HAVING ALREADY endorsed Maryland Gov. Robert L. Ehrlich Jr. (R) for a second term in office, we turn our attention to the other two top jobs in state government: attorney general and comptroller.

Democrat Douglas F. Gansler and Republican Scott L. Rolle, two tough-minded, able and experienced prosecutors, are running to be Maryland's attorney general. The race is one-sided: no Republican has been elected attorney general of Maryland since 1919, and Mr. Gansler enjoys an enormous edge in campaign cash, name recognition and organization. That's a good thing, since it is also the case that he is the better pick to be the state's top law officer and run an office of nearly 400 lawyers.

Mr. Gansler, Montgomery County's top prosecutor since 1999 and a federal prosecutor before that, is a fine lawyer and administrator who has set himself an ambitious agenda for the job he seeks. He has pledged to focus on the environment, particularly cleaning up the Chesapeake Bay; he plans to employ underutilized state and federal enforcement tools to crack down on agribusiness polluters that he believes have evaded the law.

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As we noted when we endorsed Mr. Gansler for the Democratic nomination, he is an unusually brash, outspoken public official whose appetite for publicity has earned him detractors. Still, if he sticks to the law and learns the art of understatement, he may easily win allies, for he has the energy and intellect to be a first-rate attorney general.

Mr. Rolle, the chief prosecutor in Frederick County, has run a campaign stressing tougher treatment for child sex predators, including abolishing parole for them. On a range of other issues -- including abortion, which he opposes -- his views are well to the right of what most Marylanders believe. We don't doubt his legal acuity, but his experience is no match for Mr. Gansler's.

The race for Maryland's comptroller, the state's chief tax collector, is even more one-sided. Del. Peter V.R. Franchot , a Montgomery County Democrat, is a 20-year veteran of state politics whose independent-mindedness and broad familiarity with state finances make him easily more qualified than Anne M. McCarthy, the Republican candidate. Ms. McCarthy, a former business school dean, is a novice in state politics who has lived in Maryland just four years.

Yemen Arrests 8 It Links To Plot By Al Qaeda (NYT)

By Hassan M. Fattah

The New York Times, October 30, 2006

DUBAI, United Arab Emirates, Oct. 29 — Security officials in Yemen have arrested eight men, including several Europeans and Australians, as well as a Somali, in what was described as a plot linked to Al Qaeda to smuggle weapons from Yemen to Somalia, Yemen's official news agency reported Sunday.

Security officials said the men, who were arrested Oct. 16, include three Australians, a Briton, a German, a Dane, a Somali and an eighth suspect of undisclosed nationality.

"Preliminary investigations indicate that they are members of Al Qaeda," an Interior Ministry official said in a statement carried by the state-run news agency, Saba.

If the men are convicted, it may offer the most concrete link of a growing Qaeda presence in Somalia, where the Islamic Courts Union, an Islamist group, has struggled to consolidate its position after taking control of Mogadishu, the country's capital, in June.

Officials said the men, who were not identified, had converted to Islam and had received religious instruction in Yemen. They were arrested trying to smuggle light arms, presumably across the Gulf of Aden, a common smuggling route for refugees escaping Somalia and for drugs and contraband brought into Africa.

Yemen, where tribal wars and revenge attacks claim up to 1,200 lives every year, has one of the largest ratios of guns per capita in the world, with thriving arms markets in most major towns and cities.

U.S., Allies Practice Intercepts In Gulf (WT)

By Nicholas Kralev

The Washington Times, October 30, 2006

The United States and five other countries will begin an exercise in the Persian Gulf today simulating the interdiction of a ship carrying nuclear materials to a state of "proliferation concern" -- most likely Iran.

U.S. officials said that Muslim countries will take part for the first time in a Proliferation Security Initiative (PSI) exercise, part of Washington's global effort to disrupt traffic in weapons of mass destruction and related materials.

"From news reports, we know that the exercise has gotten the attention of the Iranian government," said Robert G. Joseph, undersecretary of state for arms control and international security. "This is an exercise that will test our capability to intercept illicit traffic."

The West suspects Iran of trying to build a nuclear weapon, but Tehran insists that it seeks nuclear energy only for civilian purposes.

Vessels, aircraft and special teams for the live phase of the exercise will be provided by the United States, Britain, France, Italy, Australia and the host, Bahrain. Preparations have involved 25 countries, including South Korea, which has not formally joined the PSI, Mr. Joseph told reporters.

"The United States appreciates the leadership of Bahrain, Kuwait, Qatar and the United Arab Emirates to ensure that the Gulf states will actively prevent the proliferation of weapons of mass destruction, their delivery systems and related materials," the State Department said.

The PSI began in 2003 with 11 countries and has grown to 80, Mr. Joseph said.

The Bush administration plans to apply some of the program's interdiction practices in carrying out a U.N. Security Council resolution imposed this month that bans imports and exports of nuclear and other illicit cargo to North Korea.

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China and South Korea, however, are reluctant to intercept North Korean ships. Seoul has said it is thinking of joining the PSI, but a senior State Department official said China ruled out membership during a visit last week by Secretary of State Condoleezza Rice.

Also today, the United States and Russia will head the first meeting of an initiative to combat nuclear terrorism, announced by Presidents Bush and Vladimir Putin in July.

The session will be held in Morocco, which the senior official said has "very strong nonproliferation credentials" and whose participation will "send the right signal" that this is not just a Western effort.

The other participants will be Britain, China, France, Australia, Canada, Germany, Italy, Japan, Kazakhstan and Turkey, the official said.

Report Assails N. Korea Rights Record (AP)

By Edward Harris

AP, October 30, 2006

A Nobel prize-winning Holocaust survivor, an anti-Soviet dissident and a former European leader called Sunday for U.N. Security Council action on North Korea over its "egregious" human rights record.

Elie Wiesel, who survived the Nazi death camp at Auschwitz and later won a Nobel peace prize, commissioned a 123-page report detailing North Korean atrocities with dissident playwright turned Czech President Vaclav Havel and a former prime minister of Norway, Kjell Magne Bondevik.

In the report, the three said the dispute over the country's nuclear program should not eclipse deadly political repression there, but rather the council should open another path to influence North Korea by taking on leader Kim Jong Il's regime over its treatment of the country's 23 million people.

While a unanimous October Security Council resolution imposed sanctions on North Korea over its Oct. 9 nuclear test, the report is "urging the United Nations to get involved in the North Korea issue also from the human rights perspective," Bondevik said by telephone from Norway.

"Nowhere else in the world today is there such an abuse of rights, as institutionalized as it is in North Korea," Bondevik told the Associated Press. "The leaders are committing crimes against humanity."

The report argues that Security Council action is warranted under a resolution unanimously approved in April by the 15-nation council that endorsed a 2005 agreement aimed at preventing tragedies like the 1994 Rwanda genocide.

North Korea's actions toward its people — like food policies that helped fuel a late-1990s famine that killed as many as 1 million people and a prison system holding some 200,000 political prisoners — present a nontraditional threat to international peace, which the report argues is covered by the recent resolution.

The report, written by law firm DLA Piper and the non-governmental organization U.S. Committee for Human Rights in North Korea, urged the Security Council to adopt a non-punitive resolution that would demand unhindered access to North Korea by humanitarian workers, the release of all political prisoners and the admission of U.N. human rights investigators.

The report envisions a diplomatic process parallel to the one dealing with North Korea's nuclear program.

"Although in recent weeks the international focus has been on North Korea's nuclear weapons test, the situation in that country is also one of the most egregious human rights and humanitarian disasters in the world today," the report said.

Reached Friday, the North Korean mission to the United Nations said no officials, including U.N. Ambassador Pak Gil Yon, were available for comment.

Bondevik acknowledged that a resolution on North Korea over its internal policies could be a hard sell for some council members — like China, which is also accused of holding political prisoners.

But he said the threat to international peace posed by North Korea would trump such considerations.

"I hope this report will describe in detail the abuses — and this will encourage the member countries, even China, that we have to act," he said. "We can't wait any longer."

Nuclear Test Should Prompt Action On Human Rights In North Korea: Experts (AFP-Y)

By P. Parameswaran

AFP, October 30, 2006

North Korea's defiant nuclear weapons test paves the way for UN Security Council action to combat the country's perennial human rights and humanitarian problems, an expert report says.

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The 142-page report, commissioned by former Czech president Vaclav Havel, ex-Norwegian prime minister Kjell Bondevik and US Nobel Peace Prize laureate Elie Wiesel, said the human plight in the reclusive nation deserved to be treated on a parallel track with the security threat.

The trio commissioned the report because they felt that "for far too long, the security threat posed by North Korea has relegated the human rights concerns in the impoverished country to a second-class status."

The October 9 nuclear weapons test "demonstrated the fallacy of the argument that not antagonizing its government on human rights concerns would promote successful engagement on security issues," said the report prepared by DLA Piper LLP, a global legal firm, and the US Committee for Human Rights in North Korea.

"Our argument is very clear: the North Korean themselves have formally decoupled the security issue from the human rights and humanitarian issues," said Jared Genser, a DLA Piper lawyer who coordinated the project.

Based on a comprehensive review of published information and first-hand interviews, the report concluded that "North Korea has violated its responsibility to protect its own citizens from crimes against humanity being committed in the country."

Coupled with North Korea's refusal to accept prior recommendations from UN bodies to remedy the situation, "UN Security Council action is warranted," it said.

The report covered research on areas such as the historical context of international concern over the Korean peninsula, the major human rights concerns, including food policy, famine and political prisoners, and the transnational effects of the crises, such as refugee exodus.

"The evidence and analysis contained in this report is deeply disturbing," Havel, Bondevik and Wiesel of Boston University, the 1986 Nobel Peace Prize winner, said in a foreword of the report.

"Indeed, it is clear that Kim Jong Il and the North Korean government are actively committing crimes against humanity," they charged.

North Korea allowed as many as one million, and possibly many more, of its own people to die during the famine in the 1990s, they said.

Hunger and starvation remained a "persistent" problem, they said, pointing out that over 37 percent of children in North Korea were "chronically malnourished."

Furthermore, North Korea imprisons more than 200,000 people in its modern-day gulag, and it is estimated that more than 400,000 have died in that system over 30 years, they said.

Widely condemned internationally, the North Korean nuclear test came after Pyongyang walked out of prolonged nuclear talks with the United States, China, Russia, Japan and South Korea.

Pyongyang had earlier agreed in principle to abandon its nuclear weapons in return for energy and other aid as well as diplomatic guarantees.

Turn North Korea Into A Human Rights Issue (NYT)

By Vaclav Havel, Kjell Magne Bondevik And Elie Wiesel

The New York Times, October 30, 2006

WHILE the focus in recent weeks has been on North Korea's nuclear test, we shouldn't lose sight of the fact that the government there is also responsible for one of the most egregious human-rights and humanitarian disasters in the world today.

For more than a decade, many in the international community have argued that to focus on the suffering of the North Korean people would risk driving the country away from discussions over its nuclear program.

But with his recent actions, North Korea's leader, Kim Jong-il, has shown that this approach neither stopped the development of his nuclear program nor helped North Koreans. It is time, therefore, for a renewed international effort to ameliorate the crisis facing the country's citizens.

And with the unanimous adoption by the United Nations Security Council of the doctrine that each state has a responsibility to protect its own citizens from the most egregious of human-rights abuses, a new instrument for diplomacy has emerged.

States will retain sovereignty over their own territory, but if they should fail to protect their own citizens from severe human-rights abuses, the international community now has an obligation to intervene through regional bodies and the United Nations, up to and including the Security Council.

It is in this context that, working with the law firm DLA Piper and the United States Committee for Human Rights in North Korea, we commissioned a report on the failure of the North Korean government to exercise its responsibility to protect its own people. The evidence and analysis in this report are deeply disturbing. Indeed, it is clear that North Korea is actively committing crimes against humanity — against its own people.

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North Korea allowed perhaps one million — and possibly many more — of its own citizens to die during the famine in the 1990's. This was caused in part by the government's decision to reduce food purchases as international assistance increased so that it could divert resources to its military and nuclear program.

Hunger and starvation remain a persistent problem today, with more than 37 percent of North Korean children chronically malnourished. And yet North Korea has requested less food assistance from the World Food Program and refuses to let the program monitor food distribution in some 42 of 203 counties in the country.

As a result of the cuts in food aid, the program has said that millions of North Koreans will face real hardship this winter and many aid groups have warned of another famine.

Furthermore, North Korea holds as many as 200,000 people in its political prisons. Not only are real or imagined dissenters imprisoned, but so are their relatives, including the elderly and children, under a guilt-by-association system instituted by North Korea's founder, Kim Il-sung.

Prisoners in the gulag are provided starvation-level rations, forced to work long days under brutal conditions, and many face torture or execution for trivial offenses. It is estimated that more than 400,000 have died in the North Korean gulag over 30 years.

The few attempts by the international community to engage with North Korea on human rights and humanitarian concerns have come up short. Resolutions adopted by the General Assembly and the Commission on Human Rights have been repudiated by North Korean representatives and then ignored.

In addition, North Korea refuses to recognize the legitimacy of the United Nations special rapporteur on human rights in North Korea and has denied his numerous requests for access to the country.

Kim Jong-il has proven that the international community's restraint in openly discussing North Korea's treatment of its own people did not yield compromise on the nuclear issue. It merely allowed him to decouple the two issues.

Now that Kim Jong-il's nuclear weapons test has attracted the attention and condemnation of the world, it is imperative to seize this opportunity and once again engage with Pyongyang on human rights and humanitarian concerns.

Our report recommends that, as a first step, the Council should adopt a non-punitive resolution urging open access to North Korea for humanitarian relief, the release of political prisoners, access for the special rapporteur and engagement by the United Nations.

We also urge the incoming secretary-general, Ban Ki-Moon, to make his first official action a briefing of the Security Council on this dire situation.

Protecting the people of North Korea requires nothing less.

Bush May Start Talks With N. Korea, Former Envoy Says (Update1) (BLOOM)

By Heejin Koo

Bloomberg, October 30, 2006

Oct. 30 (Bloomberg) -- President George W. Bush may bow to political pressure from within the U.S. and agree to direct talks with a nuclear-armed North Korea, according to a former State Department specialist on Kim Jong Il's regime.

``President Bush doesn't change his policy because of external pressure," Kenneth Quinones, 63, said in an interview on Jeju island, South Korea. ``If he's going to change in the near future, it's because of domestic political pressure."

U.S. officials have refused North Korea's demands for bilateral talks, urging the Asian nation to return to six-nation negotiations on ending its weapons program that have been suspended since November last year. North Korea announced on Oct. 9 it had detonated a nuclear bomb.

Failure by the Republican Party to keep control of Congress in elections on Nov. 7 will probably encourage Bush to begin direct negotiations, according to Quinones, a former State Department director of North Korean affairs. Democratic candidates are backed by 53 percent of likely voters, according to a Newsweek poll of 1,002 people, conducted between Oct. 19 and 20 with a margin of error of 4 percentage points.

``In Washington, surprisingly, there is within the Republican Party growing pressure on Bush to show flexibility," said Quinones. ``If the Republicans lose, then yes, I have no doubt Bush will show greater flexibility."

Reaching Agreements

Quinones, a professor of Korean Studies at Japan's Akita International University, was involved in so-called back channel talks between the State Department and North Korea's delegation to the United Nations till February this year. He was in South Korea last week to give a lecture.

The U.S. and North Korea in 1994 reached an agreement for North Korea to abandon its weapons program to get assistance to build two reactors for generating power.

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The accord unraveled when the North admitted in October 2002 it was proceeding with its weapons plan in violation of the pact. Bush had already branded the country part of an ``axis of evil'' for developing weapons of mass destruction and selling drugs and counterfeit money. Iraq and Iran were the other countries named in the ``axis of evil.''

North Korea must return to the six-nation talks, which include the U.S., China, Russia, Japan and South Korea, and the U.S. won't negotiate outside that framework, according to U.S. Secretary of State Condoleezza Rice said on Oct. 20.

Refusal to Return

Kim's regime has refused to return until the U.S. removes financial sanctions imposed last year for money-laundering and counterfeiting.

``President Bush's whole claim of `I want a peaceful diplomatic solution, but I won't negotiate' -- it's a total contradiction,'' Quinones said. ``You can't have one without the other.''

The commander of the U.S. Forces Korea and the United Nations Command, General Burwell Bell, also urged North Korea to return to talks.

``I hope for a peaceful and diplomatic resolution to the North Korean nuclear issue,'' Bell told reporters at a briefing held at the Yongsan Eighth U.S. Army base in Seoul today. ``If deterrence fails, and North Korea attacks the Republic of Korea, the ROK-U.S. alliance will quickly and decisively defeat any aggression.''

The nuclear test heightened tensions on the Korean peninsula, where North and South remain technically at war because no peace treaty was signed to end their 1950-53 conflict, and raised concerns of a regional arms race.

``Moderate right-wing factions'' including former Secretary of State James Baker and former President George H.W. Bush will urge the administration to meet with the North, Quinones said.

Frozen Funds

One possible compromise is over $24 million of North Korean funds frozen at Banco Delta Asia in Macau, China, after the U.S. Treasury Department in September last year designated the lender as a money-laundering threat, Quinones said.

North Korea offered to transfer the money to a New York account, allowing the U.S. to monitor its distribution, according to Quinones.

``The Treasury Department flatly rejected the idea,'' Quinones said, without specifying where he obtained the information. ``If it comes to a choice between Washington accepting that compromise and allowing the transfer of funds, or war, everybody will push Washington to take the compromise offer.''

Quinones said he does not expect Japan, Taiwan or South Korea to begin nuclear weapons programs while the international community to trying to revive negotiations.

``If the six-party talks completely collapse, then we could see an unraveling of the present balance of power.''

A Campaign For Settlers In Golan Heights (WP)

By Scott Wilson

The Washington Post, October 30, 2006

KATZRIN On the edge of this growing Jewish settlement, which bills itself as "the city of water and wine," Moti Bar is building a stylish microbrewery and restaurant in a glass and stone shopping mall that opened a few months ago. His venture, all the way down to the imported copper brew tanks, is a bet that Israel will remain in the Golan Heights for years to come.

The high-end beer and view of the Sea of Galilee are designed to appeal to Israeli yuppies, who are being encouraged more aggressively than ever to move to this rugged plateau seized from Syria in the 1967 Middle East war. Dozens of newly graded home sites stretch westward, and a large industrial park called Golantech is emerging a few miles from Bar's pub.

"We're living our life as if we'll be here forever," said Bar, 42, who commutes from the nearby community of Kanaf. "And I don't think there is any reason why we should leave."

Israel's summer war with Hezbollah, the Lebanese Shiite militia that acts as Syria's military proxy, has revived the decades-old contest over the Golan Heights. This latest phase is also being shaped by demographic changes epitomized by this expanding settlement.

Israel annexed the Golan Heights in 1981 and offered its Arab residents citizenship in the Jewish state, something it has not extended to Palestinians in the West Bank and Gaza Strip. The annexation was not recognized internationally, however, and most of the Arabs here refused the offer as a protest against what they consider an illegal occupation. But they do have residency rights that allow them to travel throughout Israel and vote in local elections.

Most of the Arabs in Golan are Druze, members of a sect that split from Islam centuries ago and has large followings in Lebanon, Syria and Israel. Unlike most of the Druze in Israel, those here identify themselves as Arabs and do not serve in the

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Israeli military. The vast majority consider themselves citizens of Syria, although a small percentage support Israel's presence here.

For years, the Israeli military discouraged civilian settlement in Golan, particularly along the frontier with Syria, for fear the area would emerge again as a battlefield. Some small Israeli settlements were established there anyway, but in the past 15 years all new growth has occurred within existing settlement boundaries rather than in new areas.

The pace has picked up in recent years. Now, for the first time, the number of Jewish settlers in Golan may soon exceed the nearly 20,000 Arab residents whose families remained here after the war. The milestone may have already been passed, Arab leaders concede, with 400 Jewish families moving into Golan each year.

Since the Lebanon war ended on Aug. 14, settler leaders have launched a $250,000 advertising campaign to attract young Israelis with the lure of free land and a lifestyle ethic that blends Marlboro Country, Napa Valley and the X Games. Their goal is to double the Jewish population in Golan to 40,000 within a decade through an appeal that emphasizes cowboy hats over skullcaps.

At the same time, Syrian President Bashar al-Assad has called for new negotiations on Golan, emboldened by Israel's inconclusive fight against Hezbollah. For years, the Syrian government has helped arm and fund Hezbollah to strengthen its own hand in talks on the region. The Syrian army, meanwhile, has maintained quiet along the heavily mined frontier.

In a recent interview with the German magazine Der Spiegel, Assad added an ominous note to his previous calls for talks, warning that "when the hope disappears, then maybe war really is the only solution." In response, Israeli Prime Minister Ehud Olmert called Golan "an inseparable part of the state of Israel."

"No doubt the steadfastness of the resistance in Lebanon, ending the legend of the undefeatable Israeli army, has strengthened our belief that the end of the occupation is closer than ever," said Hail Abu Jabal, 62, a Druze political leader in the town of Majdal Shams who spent seven years in Israeli prisons for campaigning against Israel's hold on Golan. "But expanding these settlements is a mistake, making peace more distant and violent confrontation closer."

Rising from the Sea of Galilee to snowcapped Mount Hermon, Golan is a rocky slope of vineyards, cattle ranches, fruit orchards and remnants of conflict. Vast minefields stretch out behind barbed-wire fences, and the overgrown remains of Syrian houses, military barracks and mosques line mostly empty roads. Trenches and earthworks still score the land where the Israeli army has twice fought Syrian forces.

For decades, Israeli military leaders considered Golan an essential high-ground buffer against Syrian invasion and peppered the region with bases. In recent years, though, some Israeli generals have argued that air power has reduced the strategic importance of the heights. It still remains a training ground for the infantry and armored corps.

Perhaps more important, the region provides a third of Israel's drinking water.

"Until the war with Lebanon, there was no talk of giving back the Golan Heights. Most of the focus was on Israel's real problem, which is with the Palestinians," said Eli Malka, 48, the leader of a group of Golan settlements that is using government money to fund the ad blitz. "We're building, we're growing. And I don't see the prospect of any talks with Assad."

Jewish history here is visible in the remains of a 4th-century synagogue, among others found in Golan, that has been turned into a tourist site on the edge of this settlement of 7,500 people. But most of the roughly 100 families moving each year to Katzrin -- the largest of 33 Jewish communities in Golan -- are secular Israelis like Topaz Barkai, a 32-year-old former banker who arrived last month.

Barkai's father was killed in Golan during the 1973 Arab-Israeli war while her mother was pregnant with her. She was born here, then spent much of her adult life studying and working in Tel Aviv, the cosmopolitan coastal city she still visits for professional soccer games and nightclubs. Her new job is to persuade friends to move to Golan, with its skiing, water sports, cattle ranching and boutique wineries.

"We're trying to make this place younger," Barkai said.

A year and a half ago, the Golan lifestyle drew Einbar Pelter and her husband, Tal, an army officer and aspiring vintner. The couple moved with their two young children from a town near the seaside city of Netanya to Merom Golan, a farming collective founded a month after the 1967 war.

Pelter, a landscaper whose front yard is now a mix of grape vines, lavender and herbs, said the promise of free land, a communal setting and wilderness made them set aside qualms about relocating to an occupied region. Pelter Wines now appear on Tel Aviv wine lists.

"Even if it is going to be temporary, we thought it would be worthwhile," said Pelter, 32, who has seen her new neighborhood fill up over the past year. "A community that isn't growing has an expiration date on it."

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The population of roughly 7,000 Arabs who remained after the 1967 war has grown to about 20,000. Most of them refused citizenship. Those who accepted are ostracized to this day in the four insular mountain towns where the Druze population is concentrated.

"After almost 60 years, the basic question of whether the Israelis have a right to create a Jewish state is being asked again after this war," said Taiseer Maray, director of Golan for Development, an Arab-rights organization in Majdal Shams. "This shows the stupidity of power. If I were a clever Zionist, the first thing I'd do is seek peace."

In Maray's Israeli travel document, the space beside "Nationality" reads "undefined." It is an apt description of a population that gathers Fridays at an overlook on the edge of the town to shout to relatives across the border with Syria.

The Arabs here are allowed to sell their apples in Syria and study at Damascus University. Hundreds of graduates have returned, many of them working in summer camps, professional clubs and civic groups, the main venues for political organizing.

"The feeling among the people here is that the Syrians could come back any day," said Maray, who has not seen his three brothers in Damascus since the 1967 war. "The settlers now talk about breaking down the boundaries between us with jobs and investment."

Arab grievances here center on the preferential treatment Israeli settlements receive in allocation of water, which is scarce and expensive for many Arab farmers. Meanwhile, civic campaigns for the removal of the Israeli military base on a hill in the center of Majdal Shams have been ignored.

In recent weeks, a group calling itself the Syrian National Alliance has been posting communiques around town calling for a new campaign against the Israeli occupation, including armed operations. "But we really don't know who they are," said Ayman Abu Jabal, 40, a former prisoner who works for Golan for Development. "So far they have not been very convincing."

Abu Jabal, a distant relative of Hail's, has followed that route before. As a member of the now-defunct Syrian Resistance Movement, he spent 12 years in Israeli jails for blowing up an Israeli military warehouse in 1985. No one was injured.

"What we want is for our rights to be the same as theirs," Abu Jabal said. "I'm not against the Jew as a person. But we want the occupation to end and for us to live in peace."

Israeli Labor Votes To Stay In Gov't (AP)

By Mark Lavie

AP, October 30, 2006

Israel's dovish Labor Party bent its ideology Sunday and voted to stay in Prime Minister Ehud Olmert's government, despite his intention to add an ultra-hawkish party to his ruling coalition.

The vote clears the way for Olmert to bring hard-liner Avigdor Lieberman and his party into the government, giving the premier a large cushion of parliamentary support with the approach of crucial votes, including the state budget. In the past, Lieberman has called for bombing Iran, Egypt and Palestinian population centers, as well as drawing Israel's borders to exclude most of its Arab citizens.

In a show of hands after a stormy convention, the party endorsed the stand of its leader, Defense Minister Amir Peretz, that it was better to stay in the government and influence policy than to wither away in the parliamentary opposition.

Peretz denounced Lieberman's policies. "We're talking about a man with a world view that is extreme, clear and infuriating," he said. "We will stay (in the government) in order not to let these views be realized."

Opponents, led by Cabinet Minister Ophir Pines-Paz, argued that Labor would be committing electoral suicide by sitting at the same Cabinet table with Lieberman and his hawkish Yisrael Beiteinu Party. Labor traditionally has led the dovish camp that favors compromise toward peace with the Palestinians.

Pines-Paz was expected to resign from the Cabinet, where he serves as culture, science and sports minister. Arab members of the party also were considering an exit.

Peretz dismissed his critics. "I don't need anyone to preach to me about my loyalty to peace," he told the gathering, where rivals scuffled in front of the podium. "I certainly don't need anyone to preach to me about principles of human dignity and equality."

Olmert is to convene a Cabinet session Monday to approve the addition of Yisrael Beiteinu, and the parliament is expected to give its endorsement later in the week.

Lieberman is to be the only Cabinet minister from his party, serving as deputy prime minister in charge of dealing with strategic threats against Israel, primarily the nuclear threat from Iran.

Olmert's original coalition had a seemingly comfortable majority of 67 seats in the 120-seat parliament, but Labor itself disrupted the equation when several of its lawmakers said they would vote against the budget. If the Olmert government fails to pass a budget by the end of March, it must resign.

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With Lieberman's 11 seats, the coalition's strength is boosted to 78 seats, and a mini-rebellion by some of the 19 Labor Party lawmakers would not bring down the government.

Israeli Official Asks President To Step Aside (NYT)

By Greg Myre

The New York Times, October 30, 2006

JERUSALEM, Oct. 29 — Israel's attorney general said Sunday that President Moshe Katsav should temporarily step aside while prosecutors decide whether to charge him with sex crimes.

Mr. Katsav has come under intense pressure to resign, or at least to suspend his official duties temporarily, and the remarks by the attorney general, Menachem Mazuz, made the president's position appear even more tenuous. Two weeks ago, the police recommended that prosecutors file charges, including rape and sexual assault, after accusations were made by several women who have served on his staff.

Mr. Mazuz will make the final decision about whether to charge Mr. Katsav. That announcement could still be weeks away.

"The more serious the allegations and the farther along in the process, the obligation increases for the president to take the step of temporarily suspending his term," Mr. Mazuz said in a letter to the High Court of Justice.

Mr. Katsav, whose position is largely ceremonial, has denied any wrongdoing. "Sooner or later it will be proven that the allegations against him are false," the president's office said in a statement on Sunday evening.

An Israeli president cannot stand trial while in office. However, the Parliament can impeach him, and once out of office, a former president can be prosecuted. Mr. Katsav's seven-year term expires next year.

In a separate development, neighboring Egypt has renewed its efforts to ease Israeli-Palestinian tensions and to try to broker a deal that would free an Israeli soldier captured by Gaza militants in return for a large number of Palestinian prisoners.

Egypt said Sunday that it had invited the exiled political leader of Hamas, Khaled Meshal, who is based in Syria, to come to Cairo for discussions on a prisoner exchange.

Such talks would also address the stalled efforts by Hamas, a militant Islamic group that controls the Palestinian government, and Fatah, a secular movement, to end their feuding and to form a national unity government.

Senior Hamas leaders plan to travel to Cairo for the talks in the next few days, but Mr. Meshal will not be among them, [a news agency] reported Sunday night from Damascus, Syria.

Egyptian officials have privately expressed sharp criticism of Mr. Meshal and Hamas, which has strong links to the Muslim Brotherhood, a group that is officially banned in Egypt. The Egyptians have also expressed frustration at the inability of the Palestinian government to calm the turmoil in the Gaza Strip.

Palestinian militants, including members of Hamas, seized the Israeli soldier on June 25, and the Palestinians are seeking to swap him for a large number of Palestinian prisoners. Israeli troops, who left Gaza last year, re-entered the coastal territory after the soldier was captured.

In a related development, the Israeli newspaper Maariv reported Friday that Israel might bomb a narrow strip along Gaza's southern border in an attempt to destroy weapons-smuggling tunnels linked to Egypt.

Israel's military has not commented on the report, but it appeared to raise concerns in Egypt about further instability in Gaza.

Palestinian security officials said a Hamas militant, Baker al-Assar, 20, was killed Sunday when a tunnel he was digging from southern Gaza into Egypt collapsed.

Egyptian officials said they had redeployed security forces around the border with Gaza specifically to help stop the smuggling. They denied reports, though, that they had moved 5,000 troops to the border, which would be a violation of an agreement with Israel that allows 750 Egyptian border guards.

"Egypt is anxious to have calm on its border with Gaza and there are communications to guarantee this between the Egyptian and Palestinian sides," an Egyptian presidential spokesman, Soliman Awad, said in an interview.

Muslim Leader Dies In Nigeria Air Crash (FT)

By Dino Mahtani

Financial Times, October 30, 2006

Nigeria's top Muslim leader, at least two senators and a state deputy governor were killed on Sunday when a passenger aircraft crashed shortly after take-off from the capital Abuja. The crash, involving the local ADC Airlines, is Nigeria's third big civil aviation disaster in the past year.

According to the airline, the aircraft was carrying 105 passengers and crew.

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The crash will be a significant blow to the country's efforts at persuading international aviation agencies it has done enough to merit a clean bill of health in its aviation sector since embarking on urgent reforms in recent months. The sector faces an international audit next month.

The death of Muhammed Maccido, who is otherwise known as the Sultan of Sokoto, will also send shockwaves through the mainstream Islamic community in Nigeria, where half of the estimated 140m population is Muslim.

The sultan is an influential figure among the Nigerian political elite and normally would have been expected to play a role in endorsing the selection of what many Nigerians are expecting to be a Muslim candidate for presidential elections next year.

Muslim leaders will be expected to elect a new sultan after a period of mourning, and the appointment of a successor will be followed with interest by political forces in the north. While the sultan may be the spiritual head of Nigeria's Muslims, his authority depends on political leeway given to him by politicians, including the president.

President Olusegun Obasanjo yesterday ordered an investigation into the crash. He has previously blamed corruption and corner cutting for two air disasters last year that killed more than 200 people.

Sunday's crash adds yet more influential Nigerians to the country's aviation death toll. In September, 10 senior generals died in a military aircraft crash. Last year, a leading presidential adviser also died in one of the two passenger airline crashes.

The country's aviation accident investigation and prevention bureau blamed bad weather, poor runway lighting and crew incompetence for one of last year's airline crashes. But Roland Iyayi, head of the Nigerian Airspace Management Agency, has said measures are needed to counter "systemic failures" inherent in air safety infrastructure and procedures.

Nigeria, which has seen domestic air travel boom in the past few years, is due to be audited by the International Civil Aviation Organisation next month. The audit will be instrumental in determining whether Nigerian-registered air carriers, such as Virgin Nigeria, can fly to other countries, in particular the US.

Industry executives say they do not expect Nigeria to meet the main regulatory and infrastructure requirements demanded by auditors.

Nigerian Airliner Carrying 104 Crashes In Abuja (WP/AP)

By Bashir Adigun, Associated Press

The Washington Post, October 30, 2006

ABUJA, Nigeria, Oct. 29 -- A Nigerian airliner with 104 people aboard slammed into the ground moments after takeoff Sunday, the third deadly crash of a passenger plane in less than a year in this West African country. Six people survived.

Among those killed was the man regarded as the spiritual leader of Nigeria's Muslims, and thousands of people gathered at a regional airport to receive his body.

The Boeing 737 crashed one minute after taking off from the Abuja airport, said Sam Adurogboye, an Aviation Ministry spokesman. President Olusegun Obasanjo ordered an immediate investigation into the cause of the crash, said his spokeswoman, Remi Oyo.

Rescue workers found debris from the plane, body parts and luggage strewn over an area the size of a football field. The plane went down inside the sprawling airport compound about two miles from the runway. Smoke rose from the aircraft's mangled and smoldering fuselage. Its tail hung from a tree.

Emergency workers pulled blackened corpses from the wreckage, then covered the bodies with white sheets and hauled them away in stretchers.

Through the day, airport security officials kept back anxious people seeking information about friends or loved ones.

Adurogboye said 104 passengers and crew members had been aboard the flight, and he knew of six survivors who had been taken to a hospital. "Obviously the rest are feared dead," he said.

The plane was bound for the northwest city of Sokoto, about 500 miles northwest of Abuja, the capital, state radio said, adding that it had gone down during a storm. Witnesses said there was a rainstorm around the time the aircraft took off, but rains later subsided, giving way to overcast skies.

In an announcement broadcast on state radio, the Sokoto state government announced that the sultan of Sokoto, Muhammadu Maccido, died in the crash. Maccido headed the National Supreme Council for Islamic Affairs in Nigeria. The panel determines when Muslim fasts should begin and end, and decides policy for Nigeria's 70 million Muslims.

Maccido's body was immediately flown to Sokoto, where thousands of people awaited its arrival at the airport. He was buried Sunday in accordance with Islamic custom, and the Sokoto state government declared six days of mourning.

Mustapha Shehu, spokesman for the Sokoto state government, had said earlier that the sultan's son, Muhammed Maccido, a senator, also was aboard the flight, along with Abdulrahman Shehu Shagari, son of former Nigerian president Shehu Shagari, who was in office from 1979 to 1983. Their fates were not immediately known.

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Oyo said Obasanjo was "deeply and profoundly shocked and saddened. . . . He offers condolences to all Nigerians, especially family, friends and associates of those who may have been on board."

The Boeing 737-2B7 owned by ADC Airlines, a private Nigerian company, was manufactured in 1983, Adurogboye said.

Nigerian Plane Crash Kills 98, Including Top Muslim Leader (NYT)

By Lydia Polgreen

The New York Times, October 30, 2006

DAKAR, Senegal, Oct. 29 — A commercial airliner with 104 passengers and crew members on board, including the spiritual leader of Nigeria's vast Muslim population, crashed shortly after takeoff in the Nigerian capital, Abuja, on Sunday. It was the third deadly passenger plane crash in Nigeria in a little more than a year.

Six people were taken to local hospitals, aviation officials told reporters at the crash site. The other 98 people on board were presumed dead. The plane crashed just past the runway at the Abuja airport after taking off in stormy weather, and the wreckage was strewn across a wooded area beyond the runway. News agencies reported that some bodies had been recovered, but it was unclear how many.

The flight was operated by ADC Airlines, one of Nigeria's many small domestic airlines. The 23-year-old plane was a Boeing 737-2B7, The Associated Press reported, quoting an Aviation Ministry spokesman.

The plane was headed to Sokoto, the capital of a state near Nigeria's northern border. Among the passengers was the sultan of Sokoto, Muhammadu Maccido, the spiritual leader since 1996 of Nigeria's Muslims, who are believed to constitute half of the country's estimated population of 130 million.

"It is a terrible tragedy, an unimaginable loss," said Mustapha Shehu, a spokesman for the Sokoto State government, in a telephone interview just moments after the sultan's body had been brought to Sokoto for burial by a government plane. "Everyone is in mourning."

The crash was the latest in a string of disasters in Nigeria's skies. More than 200 people died in two aviation accidents in Nigeria in 2005. Last October, a flight operated by Bellview Airlines, one of the country's most popular carriers, crashed shortly after taking off from Lagos on its way to Abuja, killing 117 people.

Just two months later, a flight operated by Sosoliso Airlines crashed on the runway at Port Harcourt, the main hub of Nigeria's oil industry. Dozens of high school students on their way home for Christmas from an elite boarding school in Abuja were among the more than 100 people killed in that crash.

The two episodes, coming just months apart, prompted the government to ground the entire domestic fleet of both airlines for inspections. Nigerian aviation officials later said that sudden weather changes were to blame for both accidents.

Last month 10 senior military officials were killed in a military plane crash in Benue State.

Despite its vast oil wealth — Nigeria is the world's sixth-largest oil exporter — its infrastructure is crumbling, and traveling even a few hundred miles by road takes more than a day.

With most domestic fares running at least $100 one-way in a country where 60 percent of the people live in poverty, the airlines tend to cater to the country's business and political elite. Politicians, diplomats and prominent business people have been among the dead in recent crashes.

In addition to the sultan, several top Sokoto State officials were on the plane, Mr. Shehu said, including two senators and the deputy governor. The group had been in the capital attending a government meeting on education, Mr. Shehu said.

The death of the sultan leaves Nigeria's Muslim population without one of its most prominent voices against interreligious conflict as the country enters a contentious period leading up to elections next year. Mr. Maccido was crucial in calming religious tensions in 2002, when deadly riots broke out over a beauty pageant in northern Nigeria, and in 2004, when interreligious violence killed dozens in Plateau State.

The 2007 presidential election is likely to fan these flames again as the largely Muslim north and the largely Christian south battle over which region the country's next president will come from.

Is A Moat The Answer? (NSWK)

By Kevin Peraino And Joanna Chen

Newsweek, October 30, 2006

In search of a creative way to stop militants and weapons smugglers from infiltrating across the Egypt-Gaza border, Israelis are talking about building a six-mile moat filled with Mediterranean seawater along the southern boundary. The plan was first considered seriously in 2000; in 2004 the Defense Ministry even opened bids for construction. But the project was dropped after government legal experts feared it would require destroying hundreds of Palestinian houses along the canal route. Brig. Gen.

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Tzvika Foghel, who studied the idea in 2001 as the IDF Southern Command chief of staff, says geologists warned that if the construction weren't done right, it could contaminate water supplies in both Gaza and Egypt and destabilize land under Palestinian homes. It would also have been prohibitively expensive—$250 million.

That doesn't matter so much now. After this summer's conflicts—during which militants tunneled from Gaza to Israel to capture and kill Israeli soldiers—the idea has gained new currency. Nervous Israelis are eager to put distance between themselves and their enemies. "I don't believe in coexistence," hard-liner Avigdor Lieberman, who just agreed to join Prime Minister Ehud Olmert's coalition, told NEWSWEEK recently. Neither do a growing number of his countrymen; polls show strong support for his hawkish views. Even Foghel says he's convinced the moat is "a good solution," adding that Gaza residents might grow to like relaxing by their new moat, and even fishing in it. "It will be something nice to look at," he says.

Central America: Ortega And Ollie—Again (NSWK)

By Michael Isikoff And Joseph Contreras

Newsweek, October 30, 2006

The Bush Administration is increasingly worried that ex-Sandinista leader Daniel Ortega—once the scourge of the Reagan White House—may prevail in the first round of Nicaragua's presidential election Nov. 5. But it wasn't happy when another Reagan-era figure flew to Managua to rally opposition to Ortega. In a speech to a group of old anti-Sandinista rebels, Iran-contra figure Oliver North compared an Ortega victory to the seizure of power by Mussolini and Hitler—and charged that Venezuelan President Hugo Chávez was behind Ortega. The visit blindsided officials in the U.S. Embassy, who demanded to know why North was stoking old passions. North said he was simply responding to an invitation from his old contra pals, who wanted to give him an award. "I only go where I'm invited," he said.

Bush officials are worried that Chávez is backing Ortega financially. The Venezuelan president has signed a deal to provide low-cost oil to Sandinista mayors as a way of boosting Ortega's campaign. The prospect of another leftist taking power in Latin America prompted Commerce Secretary Carlos Gutierrez to warn that an Ortega triumph might endanger a free-trade treaty with the United States. But officials are wary of saying too much—or backing one of several rival candidates—lest they too be accused of meddling.

Mexican Police Move Into Oaxaca (FT)

By Adam Thomson

Financial Times, October 30, 2006

Mexican federal police have moved into the southern state of Oaxaca in response to growing levels of violence that has turned the once-popular tourist destination into a virtual war zone.

President Vicente Fox decided to act after three people, including a US citizen, were shot dead on Friday in what were believed to be skirmishes between local police and protesters.

The presence of federal forces – about 3,000 arrived in and around the city of Oaxaca on Saturday – is the latest reminder of how far things have spun out of control from what initially began in May as a strike by teachers who were demanding more pay.

Mr Fox, who ends his six-year mandate on December 1, is desperate to hand over a peaceful and law-abiding country to Felipe Calderón, the president-elect and a member of Mr Fox's centre-right National Action Party (PAN), and Oaxaca has become the biggest test of his ability to do so.

Last week most of the state's 50,000 teachers voted to return to classes after five months of occupying the colonial city's main square. But the remaining teachers, together with members of the People's Popular Assembly of Oaxaca (Appo), an umbrella group of indigenous, social and labour organisations, have vowed to continue the resistance until Ulises Ruiz, the state's governor, resigns.

The teachers and the Appo accuse Mr Ruiz, of the Institutional Revolutionary Party (PRI), of electoral fraud and authoritarianism. On Saturday, Appo leaders rejected the federal government's demands to clear the barricades that the protesters have raised all around the city to prevent reprisals from local police.

Flavio Sosa, leader of the Appo, said on the weekend that Mr Ruiz's resignation is not negotiable, although he said that his organisation is willing to continue talks with the federal government.

Police Storm Oaxaca To Suppress Protest (WP/AP)

By Mark Stevenson

The Washington Post, October 30, 2006

DOJ_NMG_0087681

OAXACA, Mexico, Oct. 29 -- On the order of President Vicente Fox, federal police backed by armored vehicles and water cannons tore down barricades and stormed embattled Oaxaca on Sunday, seizing control of the city center from protesters who had held it for five months.

A 15-year-old boy guarding one barricade was killed by a tear gas canister, said Jesica Sanchez, a human rights worker.

The conflict has pitted the governor of the state of Oaxaca against a coalition of citizen groups and striking teachers demanding his ouster.

With helicopters roaring overhead, police earlier entered the city, normally a picturesque tourist destination, from several sides. They marched up to a final metal barrier blocking the center, but pulled back as protesters armed with sticks attacked them from behind, hurling burning tires. The air filled with black smoke and tear gas.

Some demonstrators used syringes to pierce their arms and legs, then painted signs in their own blood decrying the police.

As night fell, however, protesters abandoned the center and regrouped at a local university. They pledged to continue their battle to persuade Gov. Ulises Ruiz Ortiz to resign, even as police tore down the banners and tents in the center that had served as demonstration headquarters.

At least eight people have died in the unrest since August, including Brad Will, an American and volunteer correspondent for the Web site Indymedia.org who was shot dead Friday along with two Mexican protesters. Fox, who leaves office Dec. 1, had for months resisted repeated calls to send federal forces to quell the protests.

In Oaxaca, the teachers protest is an annual rite that began 26 years ago. The protests are usually peaceful and generally last a week or two, but this year the teachers became infuriated when Ruiz sent police to forcefully remove demonstrators from the city's idyllic squares.

Last week, teachers tentatively ratified an agreement that would allow them to return to classes at an unspecified date and receive 30 percent raises spread over six years. Their unmet central demand, Ruiz's resignation, threatened to undermine the fragile pact.

Police Start Push To Retake Oaxaca (WT/AP)

By Mark Stevenson

The Washington Times, October 30, 2006

OAXACA, Mexico -- Federal police with assault rifles and riot shields advanced into Oaxaca yesterday, bypassing or extinguishing barricades of burning tires and tree trunks in this normally picturesque tourist destination that has been racked by five months of protests and violence.

Officers in bulky black helmets lined a highway just shy of a sign reading "Welcome to Oaxaca" and used fire extinguishers to douse flames at a roadblock abandoned by retreating demonstrators.

Flanked by armored vehicles, water cannons and bulldozers and with helicopters roaring overhead, they faced a knot of protesters who yelled insults and readied piles of stones to hurl. Some protesters used syringes to pierce their arms and legs, then paint signs decrying the police in blood.

In other parts of the city, columns of police climbed over burned cars and moved past hijacked tractor-trailers, buses and other debris used to block streets, in their march downtown. Instead of offering resistance, many protesters retreated, pledging a massive defensive in the city center.

Some residents emerged from their homes to cheer and wave white flags at marching police.

What began in late May as a teachers strike in this colonial southern Mexican city spiraled into chaos as anarchists, students and Indian groups seized the central plaza and barricaded streets throughout the city to demand the ouster of Oaxaca state Gov. Ulises Ruiz.

Police and state forces, often in plain clothes, have shot at protesters, setting off clashes in which at least eight persons have died.

President Vicente Fox, who leaves office Dec. 1, resisted repeated calls to send federal forces to Oaxaca until Saturday, a day after gunfire killed a U.S. activist-journalist and two residents.

Although some protesters retreated, others fortified their posts at street blockades, pledging a street-by-street defense against the Federal Preventive Police. Bertha Munoz, one of the movement's leaders, said many of the demonstrators were peaceful.

"How can we confront them? We have already seen the R-15 [rifles] and AK-47s they carry," she said. "What do our people have? Most have just come to bring them flowers."

The Interior Department issued an ominous statement demanding that protesters give up their occupation of the city immediately, but officials said yesterday that they hoped negotiations could avoid further bloodshed.

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Protesters accused Mr. Ruiz of rigging his 2004 election and using thugs to kill or intimidate political opponents. They say they will not return home without his resignation.

In Mexico City, several hundred supporters of the Oaxaca protests converged on a hotel where Mr. Ruiz was rumored to be staying, damaging the grounds around the entrance and screaming, "Murderer."

The protesters estimated that 4,000 federal police officers had taken up positions on the edges of the city. There were no official reports, however, on how many officers were sent to Oaxaca, which is the capital of the state of the same name.

Mexican Federal Police And Army Move To Retake Oaxaca (NYT)

By Marc Lacey

The New York Times, October 30, 2006

OAXACA, Mexico, Oct. 29 — Federal forces moved to take back this picturesque tourist town one cobblestone street at a time on Sunday, bashing through barricades and pushing back activists who had seized the downtown five months ago in an increasingly ugly dispute with the state governor.

Police officers wearing riot gear and carrying shields were backed by water cannons, police helicopters and heavily armed soldiers as they marched from all directions toward Oaxaca's main square, the Zócalo, which used to draw tourists but in recent months has been a giant encampment for an array of groups intent on toppling Ulises Ruiz, the governor of Oaxaca State.

The police, estimated to number in the thousands, met resistance in some areas. Demonstrators clutching rocks and sticks tried to stop them. Buses shuttling police officers to the center of town were pelted with stones, and bonfires in the middle of streets sent huge plumes of smoke into the sky.

By Sunday night, the Zócalo was ringed by police officers in riot gear and appeared to be controlled by federal forces.

The tension here spilled over into Mexico City on Sunday, with supporters of the Oaxaca protesters surrounding a hotel where Governor Ruiz was thought to be staying and shouting: "Murderer! Murderer!"

The operation, ordered by President Vicente Fox in his final month in office, did not become the bloodbath that many had feared. Mr. Fox ordered the raid on Saturday after two protesters and an American activist working as a journalist here were killed Friday, the latest in a string of deaths for which protesters blamed provocateurs linked to the government.

Protesters said the police killed one of their supporters in the raid, although police officials did not confirm the death.

The Fox administration said in a statement on Sunday night that it had acted because state and local authorities could no longer guarantee public security and "radical groups, out of control, had put at risk the peace of the citizenry."

The unrest began in May as a teachers' strike. But when Mr. Ruiz sent the police to break up the peaceful demonstrations, other activists joined in and the situation quickly spiraled out of control.

The original dispute with the teachers was recently settled with a pay raise. The teachers have said they intend to return to classes on Monday, allowing 1.3 million children to resume their studies.

But on Sunday, many demonstrators, some with bandanas pulled over their noses to protect against tear gas, vowed to continue pressing for the removal of Mr. Ruiz. They accuse him of rigging the 2004 gubernatorial election and ruling the state with an iron hand.

"The very hour that the governor leaves, we will stop these protests and go home," said Joel Santiago, 38, who stood on the front lines of one standoff with officers on Sunday. "The people are tired of this man treating us as though we're nothing."

Some residents were clearly tired of the protesters, as well. As troops advanced, some people came out of their homes to applaud their arrival, and what they hoped was the end of the lawlessness that had taken over Oaxaca. "Thank you for coming to the rescue of our city," said Teófilo Rodríguez, 56, a businessman.

Oaxaca, a six-hour drive southeast of Mexico City, is known for its colonial charm, with centuries-old architecture and a distinct regional cuisine. But on Sunday it more closely resembled an urban jungle. Protesters from the Oaxaca People's Popular Assembly, or A.P.P.O., a loose coalition of interests that had laid siege to the Zócalo and taken over radio stations, hustled through the streets, taunting the authorities and then fleeing at each advance.

Protest slogans were painted on buildings everywhere and the burned-out remains of cars and buses litter the roads. On Sunday night, protestors were torching buses in the center of town.

On the main highway leading to Mexico City, police officers in riot gear spent most of Sunday standing in formation, eyeing several hundred protesters manning a barricade of stones and tree trunks 200 feet away.

At one point, a woman approached the officers and stuck white roses and carnations in their all-black uniforms. "It makes me sad that they want to kill my people," she said. "I want to change their hearts."

Other demonstrators drew their own blood to protest the arrival of the authorities. They had health workers stick needles in their veins, and the blood that flowed out was then dripped onto street signs and used to paint messages on their chests.

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At about 3 p.m., the police officers began advancing. Water cannons were fired on people who did not clear the way. Chaos ensued as men, women and children fled.

Elsewhere, bulldozers cleared some of the hundreds of barricades that had been erected around the town.

The roots of the conflict have less to do with leftist ideology or a peasant uprising than with political patronage and old political rivalries, people here say.

Over the past two decades, as Mexico's political system has opened up, brutally poor Oaxaca has remained a virtual one-party state, controlled by the Institutional Revolutionary Party, the machinelike organization that ruled the entire country until Mr. Fox's victory in 2000.

After taking office in a disputed election, Mr. Ruiz eliminated millions in community subsidies and began a series of public works projects that involved condemning land, often taking it from farmers at rock-bottom prices, protesters say. He also forbade marches and protests in the Zócalo, angering groups that routinely used protests to demand more government aid.

"He didn't realize it, but he was closing the escape valves that let the pressure off," said Flavio Sosa, the head of the New Left of Oaxaca, a political pressure group, and a leader of the A.P.P.O.

When Mr. Ruiz sent in poorly trained riot police officers to oust striking teachers from the Zócalo on June 14, the crisis began.

"This is a fight about power, about money, and the problem of poverty, as well," said Rosa Nida Villalobos, the head of Priista Women, a group that supports the governor, in an interview last week. "It's a monster with a thousand heads and a thousand interests."

Mexican Police Storm Protesters In Oaxaca (LAT)

By Sam Enriquez And Reed Johnson

The Los Angeles Times, October 30, 2006

Oaxaca, Mexico — Thousands of federal riot police using tear gas and water cannons battled demonstrators in this once-picturesque state capital Sunday, prompting striking teachers and leftist groups to abandon the central square they had held for five months.

After hours of smoky clashes in the streets, the end of a political crisis that had left at least nine dead and tested President Vicente Fox came quietly.

With police halted at the edge of the central square, or Zocalo, late Sunday, demonstrators who had encamped there since May demanding the resignation of the state's governor started heading home.

"We've decided we're going to leave this space," said Daniel Reyes, a spokesman for the striking teachers.

But Reyes added that a march was planned for today, ending at the Zocalo.

"This is the heart and the house of the people," he said. "This is ours, and we'll take it back peacefully."

Protest leaders also said that a 15-year-old boy had been shot and killed, a report that could not be verified.

About 4,600 Federal Preventive Police officers moved into the sprawling city of 275,000 people about 230 miles southeast of Mexico City on Sunday morning after three people, including an American, were killed Friday.

With water cannons and riot shields, police dispersed protesters from behind barricades of rocks, tree trunks and sheet metal.

They were met with taunts, pleas, scoldings and the occasional hurled rock. Some demonstrators threw Molotov cocktails, triggering a return volley of tear gas.

Police then retreated to the edge of the Zocalo and waited for several hours before protesters started leaving about sundown.

Most of the resistance appeared to be peaceful. Many protesters stood face to face with the rows of incoming officers, chanting slogans. Others cut themselves with knives and syringes, smearing their blood on placards and the Mexican flag. Local websites reported about 50 arrests.

Protest leaders voiced anger at police tactics.

"The police came in fighting, as is their habit," Flavio Sosa, a leader of the protest coalition, the Popular Assembly of the People of Oaxaca, said in a radio interview.

The federal forces were dispatched over the weekend by Fox to end an increasingly ugly standoff between local government authorities and the union representing 70,000 striking public school teachers.

The dispute over better pay and working conditions had mushroomed into a larger political struggle as a loose coalition of trade unionists, indigenous groups, anarchists and leftist activists backed the teachers' call for Gov. Ulises Ruiz to resign.

Teachers union leader Enrique Rueda Pacheco said the protesters' demand for Ruiz's resignation was not negotiable.

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"We don't agree with an operation of this nature they will resolve the conflict, because it's not going to resolve it," Rueda Pacheco said in a radio interview. "There are going to remain some wounds that this police operation isn't going to be able to wipe away."

The protesters accuse Ruiz of rigging the 2004 gubernatorial election, and more generally of maintaining the system of autocratic rule and patronage politics used by his Institutional Revolutionary Party, or PRI, during the 71 years it held a virtual monopoly on Mexican government.

Ruiz, speaking to local media Sunday, ruled out resignation.

Famous for its graceful colonial-era buildings and vibrant indigenous cuisine and art, the city of Oaxaca is now a trash-strewn, graffiti-covered combat zone that has seen its normally flourishing tourist trade fall drastically.

Fox's decision to send in federal police, after insisting for months the standoff was a local problem, caps a strategic battle to wrest control of the state capital without sparking a major altercation at a time of great political tension nationwide.

The country has been on edge for months after a disputed presidential election in July, escalating drug-related violence along the U.S. border and the Pacific coast, and a high-profile street brawl in May pitting federal and state police against residents of the town of San Salvador Atenco, near Mexico City.

A week ago, it seemed the conflict in Oaxaca might be at an end, after teachers tentatively agreed to return to work in exchange for a 30% raise over six years.

But the killing of American journalist Bradley Roland Will, 36, and two Mexican men Friday apparently prompted Fox to send in federal police, ostensibly to prevent further bloodshed.

Will, a photojournalist with an Internet-based alternative news agency, was shot in the abdomen while trying to conduct interviews at a street barricade.

Fox has been criticized by political opponents who charge that by not intervening sooner in Oaxaca, the federal government was seeking to placate Ruiz, because Fox's successor, President-elect Felipe Calderon, will need the support of the PRI to govern.

Fox's decision to send police to Oaxaca also goes against a long-standing reticence to use federal forces against protesters, after the government's brutal suppression of demonstrations in the 1960s and 1970s during the so-called dirty war sparked international condemnation.

The long-term aftermath for Fox and Calderon is unclear. The Zocalo, once filled with the tents of protesters, began to be covered again — this time with the tarps of soldiers and police.

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Enriquez reported from Oaxaca and Johnson from Mexico City. Times staff writer Carlos Martínez in Mexico City contributed to this report.

Brazil's Da Silva Wins Re-Election, But Campaign Rifts May Persist (WSJ)

By Matt Moffett And Geraldo Samor

The Wall Street Journal, October 30, 2006

RIO DE JANEIRO -- Using charisma and a common touch to overcome corruption scandals, President Luiz Inácio Lula da Silva easily won a second four-year term in Brazil's balloting.

Mr. da Silva, a pragmatic leftist who gained respect from financial markets in his first term, led centrist challenger Geraldo Alckmin by 60.8% to 39.2%, with 99.6% of the vote counted.

Despite the wide margin of victory, Mr. da Silva, Brazil's first blue-collar president, will face a formidable challenge to heal the rifts left by a bitter, bruising campaign that played on class and regional differences. Fallout from the electoral fight, including a criminal investigation of alleged smear tactics by operatives of Mr. da Silva's Workers Party, could undercut Mr. da Silva's ability to push the legislative changes needed to spark Brazil's slow-growing economy.

To overcome a series of corruption scandals during his administration, Mr. da Silva rallied his base using a strategy of attacking "elites," who he warned would cut social-welfare programs. The results of yesterday's election exposed deep divisions within Brazilian society.

Mr. da Silva won 77% of the vote in the vast, arid Northeast, where the president was born and where people tend to be poorer, darker-skinned and less-educated than in the South of Brazil. The Northeast has benefited from the administration's program to provide welfare stipends to poor families.

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But Mr. Alckmin won in the more developed South, outpolling Mr. da Silva 53%-47%. Mr. Alckmin also won by four points in his home state of São Paulo, center of much of Brazil's industry and media. Overall, Mr. da Silva won in four of Brazil's five geographical regions. The shrillness of the campaign prompted two of Brazil's newsmagazines to devote recent cover stories to the polarization between the country's poorer north and richer south. "Two Brazils after the vote?" asked one publication, Veja, while another, IstoE, exhorted, "We must unite Brazil."

The wounds left by the election may make it harder for Mr. da Silva to take steps to boost an economy that has grown an average of 2.8% a year during his first term, far below the pace of Brazil's emerging-market peers. Economists say Brazil needs to overhaul its labor, tax and social-security laws to shrink government and make the business environment less costly and bureaucratic.

Mr. da Silva will have to move quickly. "His best chance to get the needed reforms passed will be early into his administration, since his power will decline the closer he gets to the end of his second term," says Susan Kaufman Purcell, director of the Center for Hemispheric Policy at the University of Miami. Brazilian presidents are constitutionally barred from a third successive term.

Mr. da Silva may well begin his second term ensnarled in further controversy. Mr. Alckmin's coalition has motioned for Brazil's Electoral Court to investigate whether Mr. da Silva used his office to plot and later cover up a case in which Workers Party operatives were caught with $770,000 that prosecutors allege they were going to use to buy a bogus dossier linking a leading opposition politician to a procurement scam.

If the court finds that Mr. da Silva was involved, the attorney general could file suit to strip the president of his office. Mr. da Silva has denied involvement and hasn't been charged. Most analysts don't envision such a scenario. "If the dossier has not done [Mr. da Silva] in by now, it is improbable it will in the future," says Johns Hopkins University Latin America scholar Riordan Roett.

But dealing with the dossier mess could dissipate the da Silva administration's energies and make it harder to coexist with Mr. Alckmin's Social Democratic Party, the main opposition. In a radio interview last week, former Social Democratic President Fernando Henrique Cardoso said the party wouldn't seek to impeach Mr. da Silva. But he added, "That doesn't mean mistakes go unpunished. ... Are we going to pretend [the dossier affair] doesn't exist?"

With many of his closest allies having been forced to resign because of corruption scandals, Mr. da Silva has been reaching out to some business and political heavyweights who might bring new blood into a second-term administration. In the past few months, Mr. da Silva has been courting industrialists, including Jorge Gerdau, chairman of the giant steelmaker Gerdau SA, say people familiar with the matter.

Mr. da Silva is also considering an administration post for Antonio Delfim Netto, a former finance minister during a relatively prosperous period of the 1970s known as the "Brazilian Miracle," according to local media reports and political watchers. Besides being well-regarded by business, Mr. Netto is a member of a large party whose support Mr. da Silva will need to push his agenda through Congress.

Despite political roadblocks, Brazil's economy has some trends working in its favor. Besides healthy international demand for Brazilian commodities, such as soybeans and iron ore, Brazilian interest rates have been moving steadily downward. They have fallen to 13.75% from 19% a year ago.

Brazil's President Roars Back To Win Vote (NYT)

By Larry Rohter

The New York Times, October 30, 2006

RIO DE JANEIRO, Oct. 29 — Overcoming a series of corruption and political scandals that tarred his image and undermined his credibility, President Luiz Inácio Lula da Silva of Brazil won a landslide re-election victory in a runoff vote on Sunday.

With 99 percent of the vote counted, Mr. da Silva, a former factory worker and labor union leader running as the candidate of the left-wing Workers Party, had 60.8 percent of the vote. The percentage of the vote going to his opponent, Geraldo Alckmin of the center-left Brazilian Social Democratic Party, dropped in comparison with the 41.6 percent he won in the first round of balloting on Oct. 1, when Mr. da Silva fell just short of the majority he needed to win outright.

"This is an extraordinary result, one that gives him a legitimacy that all the accusations had perhaps broken," said Jairo Nicolau, a television commentator and political science professor at the Candido Mendes University here, referring to Mr. da Silva. "It's one thing to win a narrow victory and something else altogether to register this level of support after all that has happened."

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Wearing a T-shirt that proclaimed "The victory is Brazil's," Mr. da Silva spoke to supporters at a hotel in São Paulo on Sunday night, saying that "Brazil is living a magical moment" and expressing his gratitude to voters for their faith in him. "The people knew how to distinguish between what was true and what wasn't," he said, before adding that he had "learned a lot" in power and promising to make a greater effort to combat corruption.

Mr. da Silva took office in January 2003, promising a new era of social justice and clean government in this nation of 185 million people, the world's fourth-largest democracy. But his luster began to fade a year later, when an aide was caught on film soliciting campaign donations from numbers-game kingpins here.

Then, in May of last year, a much larger scandal erupted. Though it was initially limited to corruption in government contracts, investigations by congressional committees and the news media soon established the existence of an illegal multimillion-dollar slush fund used to finance Mr. da Silva's 2002 campaign, and to pay off legislators from small political parties to support his government.

The metastasizing scandals forced the resignation of Mr. da Silva's chief of staff and his minister of finance, as well as the president, treasurer and secretary general of the party Mr. da Silva founded in 1980 and has led ever since. As a result, opinion polls taken late last year consistently indicated that the president would be defeated if he ran for re-election.

To make matters worse, the police last month apprehended operatives of Mr. da Silva's party as they were about to pay $792,000 in cash for a dossier they apparently thought would damage Mr. Alckmin's chances. Though that weakened Mr. da Silva in the first round of balloting, he benefited from an improved economy and a welfare program that delivers a monthly stipend of about $45 to nearly 12 million poor families.

"Lula's turnaround is based mostly on the economy," said Alberto Carlos Almeida, a political scientist. "That, combined with the social programs, gives the electorate the impression that he is really taking care of the poor. There is the appearance of stability, and so people want continuity."

After being chastised by the first-round vote on Oct. 1, Mr. da Silva adopted a new campaign slogan: "Don't trade the sure thing for the dubious." That clearly resonated with the working-class voters who have always provided his electoral base.

"Lula cares about the poor, and that's what matters to me, more than all this talk about corruption, which we've always had," Jane Cunha, a 56-year-old maid, said at a polling place here Sunday morning. "I earn the minimum wage, and thanks to him, my salary has gone up $20 a month and the price of food has gone down enough that I'm eating a lot more meat than in the past."

Mr. da Silva has governed on the right, at least as regards his conservative economic policy. He has run up the kind of budget surpluses that delight Wall Street and the International Monetary Fund, and bank profits are at an all-time high.

But in recent weeks, he has "campaigned on the left," in the words of Marco Aurelio Garcia, Mr. da Silva's national security adviser. A loan repayment to the I.M.F., for example, was repackaged as Mr. da Silva giving the organization its walking papers, and telling it to keep its nose out of Brazil's affairs.

In addition, the president repeatedly accused Mr. Alckmin of planning to dismantle the government's social welfare programs and to privatize state-owned companies and banks.

"Alckmin was pushed to the right and placed on the defensive, and was never able to get out of that posture," Mr. Nicolau said. "He could neither defend himself nor offer his own program."

As is often the case, the candidates' personalities also played a part in voters' calculations. Mr. da Silva never passed up an opportunity to refer to his humble origins, similar to those of a majority of the electorate, while Mr. Alckmin, a physician whose specialty is anesthesiology, proved unable to shake his image as a bland and somewhat pedantic son of the middle class.

"I think Alckmin had the better platform, but he lacks charisma," said Renato Bruzzi, a 57- year-old engineer who voted for the challenger nonetheless. "Lula is a fighter and the people identify with him. Alckmin is well-qualified to be a good president. But he has that professorial air that irritates people a bit."

Mr. Alckmin sought to capitalize on the corruption scandals, making them the centerpiece of his campaign. But he was perceived as being too aggressive on the subject, and the lack of progress in the official investigation of the dossier scandal undermined his argument that Mr. da Silva was ultimately responsible.

"Because of all the corruption denunciations, I voted for Alckmin in the first round, based on emotion," said Valmir Moura, a 38-year-old office clerk here. "But this time I stopped to reason things through, and I realized his whole campaign is based on nothing but accusations and that he hasn't presented a program for governing. So I went back to Lula."

Brazilian President Wins Second Term By Sizable Margin (WP)

By Monte Reel

The Washington Post, October 30, 2006

DOJ_NMG_0087687

RIO DE JANIERO, Oct. 29 -- Brazilians cast a vote of confidence for President Luiz Inacio Lula da Silva on Sunday, granting a landslide victory to the former union leader whose first term was marked by a significant reduction of poverty and by corruption scandals that implicated some of his closest aides.

Lula received about 60 percent of the votes, outpacing former Sao Paulo state Gov. Geraldo Alckmin by more than 20 points.

During the campaign, Lula cast himself as the champion of the country's poor, touting a 19 percent decrease in poverty rates, minimum wage increases and millions of new jobs. But he also had to defend himself against several corruption allegations, the most recent of which was an accusation that his campaign had paid for damaging information against his political opponents. That accusation dominated headlines before the first-round vote on Oct. 1, when Lula narrowly failed to win a majority, forcing Sunday's runoff against Alckmin.

During a victory speech Sunday night, Lula thanked voters for rejecting the allegations and credited a rising standard of living among the poor as a key to his victory.

"Above all, the people felt they were improving -- no one can be opposed to that idea," Lula said. "The people felt -- at their tables, on their plates and in their pockets -- their lives getting better."

Lula, 61, grew up in poverty, dropping out of school in the fifth grade and working as a shoeshine boy, peanut vendor and lathe operator. During the country's military dictatorship of the 1970s and '80s, he became a union leader and a prominent voice of opposition. He was elected president of the world's fifth-largest country in 2002, becoming a by-the-bootstraps symbol of success in a country where two-thirds of the population lives on less than $500 a month.

His first term's signature program extended welfare benefits to more than 11 million low-income families on the condition that their children attend school and get health checkups. Such programs have helped increase the spending power of the poorest tenth of the population by about 23 percent.

"During the first round, I didn't vote for Lula because of all of the corruption, but this time -- at the last minute -- I decided to vote for him," said Lucia Moraes de Souza, 42, a cashier in a market here. "He has done a lot to help the poor and the middle classes. Alckmin to me looks like he was born rich."

Alckmin, 54, a former doctor, had pinned much of his election hopes on the scandals, which began more than a year ago with congressional vote-buying evidence against Lula's political party. That scandal forced cabinet minister Jose Dirceu to resign. Lula's finance minister also stepped down after being accused of involvement in a kickback scheme for municipal contracts. Alckmin tried to cast himself as a counterpoint, adopting the slogan: "For a Decent Brazil."

"People have had enough of the scandals. They don't want to hear about them anymore," Rogerio Schmitt, a political analyst in Sao Paulo, said before Sunday's balloting. "There has been little new evidence of wrongdoing, so very few people are paying attention to it."

Alckmin's promises of lower taxes and more rapid growth of the gross domestic product also failed to energize voters. That the economy grew by only about 2.5 percent last year -- one of the most sluggish rates in Latin America -- seemed less important to many voters than the lowered inflation and currency gains of the past four years. For many, Alckmin was simply the person to direct protest votes toward, a passive foil in an election completely defined by the charismatic but controversial Lula.

"This has nothing to do with Alckmin," said Gerson Costa, 37, a graphic designer who voted for Alckmin on Sunday. "It's a clear referendum on Lula. In 2002, I voted for Lula because I thought, 'This guy will be different.' I was wrong, and now I can't stand him."

During his first term, Lula approached foreign policy pragmatically, preferring to play the role of negotiator rather than firebrand. Lula has preserved free-market economic reforms implemented by his predecessor, Fernando Henrique Cardoso, and has tried to serve as a communicator able to maintain generally friendly relations with both Venezuela's Hugo ChÃ¡vez and President Bush. On Sunday he said that he has tried to encourage regional trade alliances, citing his strong support of South America's Mercosur trading bloc as an example of his regional leadership.

Analysts said that in his second term, Lula will be pressured to enact major reforms of Brazil's large labor sector and enormous pension system, which many believe could prevent the country from reaching growth rates needed to sustain the poverty reduction measures Lula achieved during his first term.

Brazil's President Easily Wins 2nd Term (AP)

By Stan Lehman

AP, October 30, 2006

DOJ_NMG_0087688

President Luiz Inacio Lula da Silva brushed aside corruption allegations and won re-election in a landslide as Brazilians rewarded their first working-class leader for diminishing grinding poverty and improving the economy of Latin America's largest nation.

The leftist former union leader cruised to a runoff victory Sunday with strong support from tens of millions of poor voters, easily topping center-right rival Geraldo Alckmin, whose tepid campaign style and robotic image failed to win over ordinary Brazilians.

With 99 percent of the votes counted, Silva had 61 percent support compared to 39 percent for Alckmin, Sao Paulo state's former governor.

"We're going to do a lot better in my second term than we did in the first," Silva told cheering supporters in a Sao Paulo hotel. "The foundation is in place, and now we have to get to work."

Beaming in a white T-shirt emblazoned with "It's Brazil's Victory" in the yellow and green colors of the Brazilian flag, Silva promised to boost growth and reduce inequality to put the country on track to reach the ranks of developed nations.

Alckmin congratulated Silva in a telephone call, then told reporters he planned to stay in politics but didn't outline his next steps. He made no reference to the corruption allegations against Silva's party that he pressed during the campaign.

"Life and democracy are similar. Sometimes you win, sometimes you have hard times," Alckmin said.

Silva's win came after Alckmin made a surprisingly strong showing in a first round of voting on Oct. 1. The vote went to a second round after Silva failed to get 50 percent plus one vote required for an outright win.

But Silva had the firm support of Brazil's poor, who have benefited over the past three years as Silva increased social spending without raising taxes. Silva also overcame corruption scandals that tarnished the image of his administration.

While Alckmin was seen as more business-friendly, investors and big business from Brazil to Wall Street gave high marks to Silva's conservative economic policies that prompted slow and sustainable economic growth with rising foreign investment.

While Silva came to power four years ago by employing strong leftist rhetoric, he ended up governing as a centrist and is considered much more moderate than South American leftist leaders like Bolivia's Evo Morales and Venezuela's Hugo Chavez. Analysts said Silva probably won't change much in his second term.

His Workers Party has been battered for two years by charges of vote-buying and illegal campaign financing, scandals that have cost the former labor leader and lathe operator his reputation as a bastion of political ethics.

Nearly 126 million Brazilians voted in Sunday's runoff elections for president and for governor in 10 of Brazil's 27 states.

Polls before the first round of voting had predicted Silva would win outright then, but his campaign was tripped up after the news media ran photos of $770,000 in cash that members of his Workers Party allegedly planned to spend purchasing an incriminating file about Alckmin and his allies.

Regardless, Alckmin failed to make the corruption charges stick to Silva during the second round.

Instead, Silva battered his opponent with accusations that the former governor of Brazil's richest state would privatize cherished state industries and end the popular Family Allowance program that provides monthly payouts to 11 million poor families as long as they keep their children in school and get them vaccinated.

Silva managed to funnel more money to the program because of the country's improving economy and through more aggressive tax collection, and Alckmin was forced to defend himself by saying he would maintain the program, which has helped lift millions out of poverty.

Also, Silva managed to reduce Brazil's notoriously high inflation through high interest rates, and prices of staples such as rice and beans even dropped.

Aloisio Pisco, a 36-year-old doorman, said Silva's handling of the economy earned him the right to a second term.

"Lula, he's the best; he's created jobs and prices are cheaper," Pisco said after voting in Sao Paulo.

Others said Alckmin deserved high marks for his adept administration of Sao Paulo state.

"I thought Alckmin was better prepared to become president," said Reginaldo Fernando Pittarelli, 29-year-old machinery designer. "And I would have never voted for Lula because of all the corruption surrounding his government."

Lula Wins Easy Victory In Brazil Election (FT)

By Jonathan Wheatley In São Paulo

Financial Times, October 30, 2006

President Luiz Inácio Lula da Silva of Brazil won a decisive victory in the country's presidential election last night.

With 99 per cent of the votes counted, Mr Lula da Silva had won 60.8 per cent compared with 39.2 per cent for his challenger, Geraldo Alckmin, of the centrist opposition PSDB.

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With victory secure, Mr Lula da Silva told supporters he would follow “tough fiscal policies” in his second mandates. He added: “At the same time, I am convinced that the solution for Brazil’s problems [lies in] economic growth and income distribution,” including increases in the national minimum wage at rates ahead of the rate of inflation.

He predicted Brazil’s economy would accelerate next year because of increased investments in ports, roads and other infrastructure projects. “We have already predicted for next year an expansion of 5 per cent. I think Brazil may grow by 5 per cent or 6 per cent.” Brazil’s economy is expected to grow about 3 per cent this year.

The president was forced into a surprise second-round run-off after failing to win an outright majority in the first round on October 1, when Brazilians also voted for state governorships and state and federal legislatures.

Then, Mr Lula da Silva won 48.6 per cent of the vote against 41.6 per cent for Mr Alckmin. The vote for Mr Alckmin was bigger than predicted and appeared to have given him a chance of victory in the run-off.

Mr Lula da Silva has won solid support among the country’s poor – the majority of voters – for his income distribution initiatives and other welfare programmes. Before the first round he was expected to win an outright majority mainly on the basis of overwhelming support in the poorer north-east of the country.

But his lead evaporated before the first round when members of his Workers’ party (PT) campaign team were implicated in an attempt to smear the opposition’s candidate for the governorship of São Paulo state. The scandal served as a reminder of the string of corruption allegations that have dogged Mr Lula da Silva’s administration for much of his four-year term.

The president pulled ahead quickly in campaigning for the second round after he and his aides began branding the PSDB as a rightwing party adverse to any state involvement in the economy.

They made particular play of the former PSDB government’s record on privatisation. Large parts of the state economy were privatised in the 1990s and, although standards of public services such as telephony have improved dramatically, public service tariffs have also risen sharply and privatisation remains deeply unpopular.

The PT’s anti-liberal rhetoric during the second round has caused consternation among many economists, who see it as a sign that spending cuts, needed to release money for investment and growth, are less likely under a second Lula administration than the first.

Brazil's Lula Captures A Second Term (LAT)

By Patrick J. Mcdonnell And Marcelo Soares

The Los Angeles Times, October 30, 2006

Sao Paulo, Brazil — A chastened President Luiz Inacio Lula da Silva won a landslide victory Sunday, gaining a second term as leader of Latin America's largest nation.

With 99% of the ballots counted, official tallies showed the leftist incumbent with 61% of the vote, compared with 39% for his challenger, former Sao Paulo Gov. Geraldo Alckmin of the centrist Brazilian Social Democracy Party.

As the victory became clear and the chief of the electoral court declared the lead insurmountable, Alckmin called the president Sunday evening to offer congratulations.

Polls had shown the president, known as Lula, leading by more than 20 percentage points going into Sunday's vote after he failed to garner a simple majority to win the Oct. 1 general election.

Analysts said Lula's unremitting portrayal of Alckmin as a corporate lackey intent on giving away the government to private investors put the challenger on the defensive.

On the streets of this industrial city, activists wearing the red of Lula's Workers' Party started celebrating before the official results were announced.

"We in Brazil have the second opportunity to elect a working man," said Rosangela Rigo, 42, a psychologist dressed in red who was waiting in line for a movie after voting for Lula.

A smiling, relaxed Lula struck a magnanimous tone as he voted at a state school in Sao Bernardo do Campo, the industrial suburb near here where he got his start as an up-from-the-assembly-line union activist confronting corrupt bosses and the former military dictatorship.

'Magic moment'

Despite his first-round disappointment, Lula thanked God for the runoff vote, calling it a "magic moment" that galvanized his supporters.

"It was a way for the people to demand more of the candidates," Lula said of the second-round vote. "I'm happy because the Brazilian people recognized the work of the past four years and were very generous."

In brief remarks, Lula returned to trademark themes, promising to enhance education and improve income distribution in a nation of 185 million people that is widely regarded as among the world's more unequal societies.

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Alckmin's candidacy was always a long shot, but corruption scandals swirling around Lula and his party sapped support and forced the runoff.

Several minor leftist candidates dismayed at Lula's economic pragmatism and his party's corruption also drew support away from the president in the Oct. 1 election. But the runoff featured two candidates, and many on the left seemed to think they had no choice but to vote for Lula.

"I voted painfully for Lula," said Cristina Figueiro, 35, a lawyer in Sao Paulo. "But when it comes to the second round, one has to choose between the dirty and the badly washed."

The president's backers said Lula would probably emerge stronger than ever after Sunday's vote. But opponents countered that Lula's poor early showing meant he would have to compromise more with the opposition on a range of economic and social challenges confronting Brazil.

Lacking a majority in Congress, Lula will be obliged to form coalitions to help push through his planned reforms.

The president has pledged to expand social service programs for the poor and working class, bolster the minimum wage, bring down interest rates and increase a desultory economic growth rate that has deeply worried many Brazilians, as has increasing crime.

Survived a scandal

Days before the Oct. 1 vote, the news media in Brazil published photographs showing stacks of cash totaling more than $700,000 that Lula backers allegedly planned to use to purchase information incriminating Alckmin's party.

Lula was forced to dismiss several advisors, and the scandal cost him votes in the first election.

Lula started off the second phase of the campaign slowly, stumbling in the first of four debates and acknowledging his poor performance. He had avoided debates altogether in the first round, apparently confident of victory.

But the charismatic incumbent eventually gained momentum and flashed the populist charm that helped propel him to office in 2002 on his fourth try at the presidency.

In the monthlong campaign, Lula, 61, painted Alckmin as a technocrat eager to slice social service programs begun during Lula's term and sell off public assets such as the national bank, postal service, the government-owned energy conglomerate Petrobras, and even the Amazon.

Alckmin denied the charges, at times donning jackets and caps emblazoned with the logos of state-owned companies. But his party's history of privatizing government assets left many poor and working-class workers wary that he might cater to his wealthy supporters at their expense.

"State ownership versus privatization became a mandatory theme in the political debate," said Helgio Trindade, a political scientist in Porto Alegre.

Some observers said Alckmin might have overplayed his image as a competent executive poised to topple Brazil's first working-class president. Lula's supporters rallied to the cry of defending the "people's president."

Alckmin "showed himself as a good manager, the manager of Brazil Co. But Brazil is not a private company, it's a country, and he was not prepared for that kind of debate," said Demetrio Magnoli, a sociologist and columnist in Sao Paulo.

Many Brazilians have commented on the need to heal wounds after an acrimonious campaign that revealed stark divisions between the poor north, where Lula ran strong, and the comparatively wealthy south, the base of Alckmin's support.

Experts have spoken of a U.S.-style red state vs. blue state rift that threatens to divide the country even more in coming years.

"You know I am a peaceful man," Lula said during one of his final campaign stops, his reelection seemingly assured. "Political parties understand that there's a time to fight and a time to vote and manage the country."

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Times staff writer McDonnell reported from Buenos Aires and special correspondent Soares from Sao Paulo. Andres D'Alessandro of The Times' Buenos Aires Bureau contributed to this report.

Brazilian President Lula Da Silva Wins Runoff (MCT)

By Jack Chang

McClatchy Newspapers, October 30, 2006

RIO DE JANEIRO, Brazil - Having survived corruption scandals and desertions by longtime allies, Brazilian President Luiz Inacio Lula da Silva won re-election Sunday in a landslide victory that promises to strengthen his weakened government.

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With 90.6 percent of polling places counted Sunday night, the 61-year-old former union leader won 60.5 percent of the vote in the runoff, while challenger Geraldo Alckmin, the former governor of the country's richest and most populous state, garnered 39.4 percent of votes. Brazilians also voted in 10 gubernatorial runoff elections.

The results confirmed public opinion polls showing the president running away with the second-round election after doing more poorly than predicted in the Oct. 1 first-round vote and falling short of the majority he would have needed for an outright win.

The victory also capped a tumultuous first term in office, during which the president weathered a revolt by the radical wing of his center-left Workers' Party and almost succumbed to a wave of corruption scandals.

Political analysts said the president's first-round chances were hurt after members of his party and campaign were caught in mid-September allegedly trying to mount a failed smear campaign against Alckmin and another rival. The president had already spent much of last year mired in a bribes-for-votes scandal involving top administration officials.

"We didn't have any new developments in this latest scandal, so that played in Lula's favor in the second round," said Alessandra Alde, a political scientist at the University Research Institute of Rio de Janeiro. "People are skeptical of their politicians and think they're all the same, so these scandals always had a limited effect."

What put the president on top were a solid, if unspectacular, economy and social programs that transferred billions of dollars in welfare aid to Brazil's poorest, voters and analysts said. The president's humble origins - he was the son of illiterate parents in the country's poor northeast - also won over many voters.

His policies apparently had its effects. Between 2003 and 2005, the number of people in extreme poverty dropped 19 percent, one study shows.

"He helped people who were never given any attention to," said Deise de Oliveira, an accountant from a working-class Rio de Janeiro neighborhood who voted for Lula. "He did good things despite the scandals. He's with the poor, while Alckmin is with the elites."

Another Lula supporter, teacher Melissa Ferreira, said the president had broken with past governments by giving federal investigators free rein to weed out corruption, which had always existed.

"Corruption is a thing that didn't just start now," Ferreira said. "It's only appearing now because Lula's government is looking into it."

Alckmin and other critics say the president used aid programs to buy the votes of poor Brazilians and say his government set a new low for scandal. They also point out that many of the government's aid programs started under former President Fernando Henrique Cardoso, who hails, along with Alckmin, from the centrist Brazilian Social Democracy Party.

"The money is helping people, but they've become hostages to it," said Rio de Janeiro public school principal Tony Menezes, who voted for Alckmin Sunday. "They receive this help, and they don't want to lose it, so they vote for Lula."

Speaking to reporters Sunday morning after voting in a suburb of Sao Paulo city, Lula was already proclaiming victory.

"The re-election is an important thing," he said. "I am happy because the Brazilian people recognized the work of these four years and were very generous."

Alckmin, deserted in the end by many of his political allies, was still betting on an upset victory as he voted in a Sao Paulo neighborhood Sunday morning.

The second-round campaign was marked by ideological debates, with the president accusing Alckmin of planning to privatize state-owned companies and cut welfare benefits to poor Brazilians.

Alckmin scurried to defuse the president's attacks while hammering the incumbent over accusations of government corruption.

Despite the rhetorical sparring, the candidates' platforms were not very different, Alde said. Both candidates pushed pro-business platforms such as running primary budget surpluses and checking inflation although Alckmin has said he would more aggressively cut government spending.

That orthodox fiscal policy cost Lula, in the first years of his presidency, the support of many longtime allies who left the Workers' Party accusing the president of betraying his radical roots.

Two party defectors, senators Cristovam Buarque and Heloisa Helena Lima de Moraes Carvalho, ran against Lula this year and between them amassed more than 9 percent of the first-round vote.

Nonetheless, Lula's party emerges from this election season as a political force, controlling the second largest group of representatives in the lower house of the federal Congress and at least four of the country's 27 governorships. Lula also will start his final four-year term with the support of at least 17 governors.

The country's top electoral official, however, has said the president could be removed from office if continuing investigations into the failed smear campaign reveal wrongdoing on his part.

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Brown To Back More Emissions Trading (FT)

By Christopher Adams And Jimmy Burns

Financial Times, October 30, 2006

Gordon Brown will on Monday throw his weight behind a massive expansion of carbon trading to tackle global warming, rather than raising billions of pounds in green taxes.

The chancellor, flanked by Tony Blair, will useMonday's release of a report by Sir Nicholas Stern, former World Bank chief economist and a senior UK civil servant, to propose a sweeping overhaul of Europe's fledgling emissions trading scheme, arguing that climate change is "a global challenge that requires a global solution".

And, in an effort to push climate change up the international agenda, the chancellor will appoint Al Gore, former US vice-president and an environmental campaigner, as an adviser on green issues.

In a letter to European Union leaders, the chancellor will propose cuts in carbon dioxide emissions of 30 per cent by 2020 and of 60 per cent by 2050.

He will suggest that the scheme, under which industrial polluters have to buy credits to emit more than a set level of greenhouse gases, be extended to cover more than half of all emissions and that trading permits should be auctioned.

Mr Brown wants to link the trading scheme with similar markets in California and elsewhere.

But he will face tough questioning over a document leaked at the weekend showing that the government is considering a raft of green taxes on consumers.

The paper, prepared by David Miliband, environment secretary, and submitted to the Treasury ahead of the pre-Budget report, floats measures including: "pay as you drive" road pricing; raising air passenger duty; imposing VAT on EU flights; and levies on energy wasting appliances.

Road tax could also be increased for gas-guzzling cars, it says.

The paper is evidence of a belief in Whitehall that consumers might be prepared to accept higher taxes to tackle global warming. Labour is seeking to boost its environmental credentials amid Conservative support for a shift towards green taxation. David Cameron, Tory leader, said he would back taxing air travel and planned to install a wind turbine on the roof of Downing Street if elected.

Treasury insiders said Mr Brown would consider the Miliband proposals "in the round" and was not ruling anything in or out. "We'll make our decisions about tax at the normal time," said one.

The Stern review, which was commissioned by the government to look at the economics of climate change, warns that failure to tackle global warming will wreak an economic catastrophe.

Changes that would be "difficult or impossible to reverse" threaten to knock 10 to 20 per cent off annual global output by the end of the century.

In contrast, the review argues that acting now to reduce carbon dioxide emissions would cost just one per cent of output. Sir Nicholas also advocates a doubling in global research and development spending on energy to $20bn (£10.6bn) and much greater use of techniques such as carbon capture and storage.

Mr Brown is also expected to announce on Monday measures to boost bio-fuels and to give statutory backing to long-term emissions targets, rather than annual ones as proposed by the Conservatives.

Report To Tell Consumers To Brace For 'Green' Taxes (WT)

By George Jones

The Washington Times, October 30, 2006

LONDON -- Britain's consumers will be told today to prepare for new "green" taxes on cars, fuel, air travel and consumer electronics to curb pollution and avert a looming global catastrophe caused by climate change.

A report drawn up by Nicholas Stern, the government's chief economist, says that ignoring global warming could lead to economic upheaval on the scale of the 1930s Depression and turn 200 million people into refugees as their homes are hit by drought or flood.

Ministers plan to use the report to pave the way for "eco-taxes" to persuade people to adopt less-polluting lifestyles. A start is likely to be made in the federal budget in the spring.

Environment Secretary David Miliband has proposed an end to cheaper gasoline, even if oil prices fall. In a leaked letter to the treasury secretary, he called for "pay-as-you drive" charges to be extended nationwide, taxes on inexpensive flights and levies on energy-wasting domestic appliances.

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Prime Minister Tony Blair and Chancellor Gordon Brown -- Mr. Blair's likely successor when he steps down next year -- were to signal their support for the potentially unpopular message by attending the formal publication of the Stern report in London today.

Mr. Brown will call for a global carbon market and promise to set targets to reduce greenhouse-gas emissions in a climate-change bill. He will announce that former U.S. Vice President Al Gore, a leading advocate of tackling climate change, has agreed to act as his adviser.

Mr. Stern, whose 700-page report was widely leaked over the weekend, has convinced the Cabinet that urgent action has to be taken now. His report states that no matter what is done, the chance to keep greenhouse gases at a level that scientists say should avoid the worst effects of climate change "is already almost out of reach."

But he says the benefits of worldwide steps to tackle climate change would greatly outweigh the costs.

Mr. Miliband, who is taking the lead in pressing for green taxes, said yesterday that tackling climate change was the "defining challenge for our generation." He acknowledged that the tax system had a part to play, although he refused to comment on the leak of the letter that he sent to the chancellor this month.

"Market-based instruments, including taxes, need to play a substantial role. As our understanding of climate change increases, it is clear that more needs to be done," Mr. Miliband said in the letter obtained by the Mail on Sunday newspaper.

He told Mr. Brown that "a substantial increase" in the tax on higher-emission vehicles should be considered, as well as charging road users for the full environmental effect of their journeys.

He said gasoline prices should be kept high at the pumps by raising fuel taxes if the oil price drops significantly. He proposed charging air passengers an extra $9 per flight and putting a value-added tax on flights to countries of the European Union.

Mr. Miliband also wants to steer consumers toward buying electrical goods that are more energy efficient.

David Cameron, the Conservative Party leader, has said he wants to raise the percentage of revenue that comes from green taxes. "That means we've got to look at things like air transport, like the gas-guzzling cars. We'll come up with those ideas closer to a general election."

He said that he did not want to stop people going on a family vacation but that the Tories would put a tax on air travel if it was thought necessary.

British Government Report Calls For Broad Effort On Climate Issues (NYT)

By Andrew C. Revkin

The New York Times, October 30, 2006

A report commissioned by the British government and scheduled for release Monday calls for substantial international cooperation to combat global warming and doubling public spending on research into low-carbon technologies.

The main findings of the 16-month study, led by Sir Nicholas Stern, the chief of Britain's economic service, were described over the weekend in several British news reports. [A] news agency quoted the report's 27-page summary as saying, "The evidence gathered by the review leads to a simple conclusion: the benefits of strong, early action considerably outweigh the costs."

The report, prepared for Tony Blair, the prime minister, and Gordon Brown, the finance minister, has been heavily promoted by Britain and environmental groups as one of the most authoritative reviews of climate costs, although some economists and energy experts at anti-regulatory research groups saw it as understating the cost of an accelerated transition away from the fossil fuels that provide nearly 90 percent of the world's energy today.

The report, called the Stern Review on the Economics of Climate Change, will be published online at sternreview.org.uk.

If emissions are not cut and temperatures rise as many scientists project, [a news] agency quoted the report as saying that, among various impacts, melting glaciers would threaten one sixth of the world population by raising sea levels and drying up river sources.

The Observer, a British newspaper, reported that the study cited a figure of £3.68 trillion (the equivalent of $6.98 trillion) as the cost to society of failing to start blunting global warming within a decade.

"Our actions over the coming few decades could create risks of major disruption to economic and social activity, later in this century and in the next, on a scale similar to those associated with the great wars and the economic depression of the first half of the 20th century," the report said, according to [a news agency].

The study estimated that the cost of cutting emissions in 2050 to 60 percent to 80 percent below 1990 levels would be about 1 percent of total global economic activity by then, [a news agency] and The Observer said. If emissions cannot be cut to those levels, the cost from climatic impacts could be 5 to 20 times higher, The Observer cited the study as saying.

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The study, according to the news reports, said that progress would best be accomplished by doubling global investment in research on climate-friendly energy technologies and placing a rising cost on further emissions of the greenhouse gases, led by carbon dioxide, to propel the shift toward non-polluting options.

The news reports on the study are consistent with presentations by Sir Nicholas, including a speech last January at Oxford University.

Other recent estimates of the eventual annual costs of stabilizing concentrations of greenhouse gases over the 21st century have ranged from 1 percent of global gross domestic product to 16 percent by around 2100, not counting any savings from averted damage.

By comparison, the world is currently spending just over $1 trillion a year, or about 2.5 percent of global gross global domestic product, on defense, according to a yearly survey by the Stockholm International Peace Research Institute. (Military spending in the United States is about 3.7 percent of gross domestic product.)

"This confirms what we've seen for a long time," said Kert Davies, a climate-policy coordinator for Greenpeace. "The longer we take to act, the greater the costs will be."

Jerry Taylor, an expert on energy and climate policy at the Cato Institute, a libertarian research group in Washington, said the wide range of cost estimates for cutting emissions "basically tells you we're guessing."

Overall, he said, he put more faith in academic analyses than one produced at a government's request, particularly at a time when the public appears eager to see signs of action on the issue.

The release of the 700-page report, which was 16 months in the making, will come one week before the start of the latest round of talks on the Kyoto Protocol, the first international pact requiring cuts in heat-trapping emissions.

The United States has not ratified the Kyoto pact but is a party to the voluntary treaty that preceded it, which requires all signatories to seek to avoid a dangerous buildup of greenhouse gases.

The Kyoto Protocol, an addendum to the original treaty, requires three dozen participating industrialized countries to cut their combined emissions 5 percent below 1990 levels between 2008 and 2012.

At the moment, many of the three dozen industrialized countries bound by the pact are not on track to meet targets. And there are few indications of a shift toward accepting binding restrictions in the United States, the world's biggest emitter of greenhouse gases, or China and India, which are projected to be the dominant source of emissions in a couple of decades.

Belgian Role Model (WSJ)

The Wall Street Journal, October 30, 2006

Al Gore may have failed to carry his home state of Tennessee as a Presidential candidate, but the former Vice President is all the rage in . . . Belgium. The country has even named a tax after him.

Earlier this month, Mr. Gore spent a day in Brussels to promote his film on global warming. "Our planet has a fever, and the fever has been getting steadily higher," he said in a speech. "It is in fact a full-scale planetary emergency." Within days, Belgian politicians were rewriting their tax laws to do something about this looming calamity.

Prime Minister Guy Verhofstadt invoked his American visitor in proposing a new "environmentally friendly" tax on packages that would penalize users of aluminum or plastic and provide incentives to switch to paper or cardboard, whose production releases less CO2 into the atmosphere. The details have yet to be worked out, but the idea is for milk sold in, say, a plastic bottle to cost more than milk sold in a cardboard container.

"We must take Al Gore's message seriously," Mr. Verhofstadt told parliament the other day. The measure, introduced into the draft 2007 budget, was fast dubbed "the Gore tax." Also in the works are tax breaks for car pollution filters and deductions for energy-efficient investors.

To be sure, this Belgian scheme to save the planet also raises a bundle for the politicians to spend, to the tune of roughly €600 million ($750 million) a year. A government spokesman says that the revenue will make up for what it expects to lose from planned reductions in social taxes, which are some of the highest in Europe. Evidently the government figures that dressing the new tax package in Al Gore green will make it go down easier. If the former veep decides he can't beat Hillary Clinton for the 2008 Democratic nomination, he can always try Europe.

Monitors Say Vote On Serbian Constitution Is Too Close To Call (NYT)

By Nicholas Wood

The New York Times, October 30, 2006

LJUBLJANA, Serbia, Oct. 29 — Estimates by an independent election monitoring group showed Sunday that a vote on Serbia's new constitution was too close to call.

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Official results were not expected until Monday. The monitoring group said its survey showed that 52 percent of voters had approved the document, with a margin of error of two percentage points, making the estimated victory margin statistically insignificant. The proposed constitution needed support from more than 50 percent of voters to pass.

The Center for Free Elections and Democracy, the monitoring group, came up with its figure by interviewing officials at 600 of the country's 2,000 polling places to learn their vote tallies and by extrapolating from them.

The group also watched voting at those and other polling places to check for irregularities. The Belgrade-based group, which has monitored 10 Serbian elections since 2004, has called those elections correctly.

One of the most discussed provisions of the 206-article constitution declared that the province of Kosovo is an "integral part of Serbia." The declaration was symbolic, because the fate of the province lies with the United Nations Security Council, which is likely to vote to enable Kosovo's independence.

Critics of the constitution have said the document would not move the country far enough toward full democracy.

The proposed constitution was drafted and supported by nationalists and pro-democracy reformers in Parliament. Many reformers supported the document despite its flaws because they wanted to make clear to Serbs that they were doing everything they could to hold on to the province.

Reformers feared that the United Nations vote would create a backlash that could lead to gains for the Serbian Radical Party, the leading nationalist party. They also agreed to rush through the drafting of the constitution so it could be in place before the United Nations vote.

Despite the high-profile provision on Kosovo, the document did not seem to excite the populace. Voting was so slow over the weekend that it appeared the constitution might not get the needed votes, which would be a significant embarrassment for the government.

Voting surged late Sunday after an intensive get-out-the-vote campaign in the afternoon. Senior politicians as well as members of the Serbian Orthodox Church issued statements urging people to vote.

"Citizens, get out and circle 'yes' for Serbia, 'yes' for a better life for every citizen," President Boris Tadic was quoted as saying by the state-run Tanjug news agency.

Between 2 p.m. and 8 p.m., when the polls closed, an estimated 20 percent of Serbia's electorate went to the polls. Officials of the monitoring group said they recorded an increase in reports of electoral irregularities during that time. The group did not consider the irregularities significant enough to compromise the vote.

The overall turnout was 53.5 percent, according to the group's survey.

Kosovo is regarded by many Serbs as being central to their national identity. It has been administered by the United Nations since June 1999, when NATO-led troops took control of the province after 78 days of bombing. NATO wrested Kosovo from the hands of Yugoslav security forces accused of committing widespread atrocities against the majority Albanian population.

Kosovo's future is the subject of United Nations-led negotiations between the Serbian government and ethnic Albanians in the province. The ethnic Albanians want independence, while the Serbian government and the province's small Serbian community demand that Kosovo remain part of Serbia.

Few Western diplomats say the groups will be able to reach agreement, leaving the decision to the United Nations Security Council, which is expected to impose a settlement in the next several months to enable Kosovo to claim independence.

While much of the constitution's contents had been heavily criticized by rights groups as contradictory in parts and giving too much power to Parliament, there was little public debate about its contents. The charter would replace one drafted by the authoritarian government of Slobodan Milosevic in 1990.

Serbia's government worked hard to help ensure the adoption of the new charter. A government-financed publicity campaign urged people to vote "yes," and voting was held over two days in an attempt to draw Serbia's election-weary voters to the polls.

Kosovo's estimated 1.3 million ethnic Albanians were also excluded from the election. Including the Albanians would have increased the number of voters and made it difficult to secure approval of more than 50 percent of the electorate.

"The government gambled," said Bratislav Grubacic, a leading political analyst and editor of the VIP news agency in Belgrade. "They hoped by putting Kosovo in the constitution, they would manage to draw out the Serbian electorate."

Serb Vote Reasserts Claim Over Kosovo (AP)

By Katarina Kratovac

AP, October 30, 2006

Serbia's top leaders said Sunday that voters approved a new constitution reasserting Serbia's claim over the U.N.-administered Kosovo province, a predominantly ethnic Albanian region whose status is the focus of international negotiations.

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Election officials and an independent commission also predicted the charter's adoption, based on early returns from the weekend referendum. But official results were not expected until Monday.

Serbia's opposition Liberal Party charged there was "massive fraud" at polling stations in the final hours of voting, with people allegedly voting several times and without identification papers.

Western diplomats had already warned that only the international talks can decide the future of Kosovo, which ethnic Albanians want to be independent. But Serbian politicians hope the new charter will bolster their bargaining position. Ethnic Serbs consider Kosovo the historic and cultural heartland of their nation.

Independence-seeking ethnic Albanians form 90 percent of the population in Kosovo, which has been under U.N. administration since U.S.-led NATO air strikes halted a Serb crackdown on the separatists in 1999.

The need for a new constitution arose in June after Montenegro — Serbia's last partner from the former Yugoslav federation — declared independence and left Serbia on its own for the first time since 1918.

To win adoption, the charter needed to get "yes" votes from more than 50 percent of Serbia's 6.6 million registered voters and a majority of registered voters also had to cast ballots to make the referendum valid.

The Belgrade-based Center for Free Elections and Democracy, an independent monitoring group, said its surveys indicated both thresholds were met. It put turnout at 53.3 percent and said its sample counts at polls indicated 96 percent of ballots favored the new charter.

State referendum authorities announced similar results, saying 96 percent voted in favor of the new charter — based on just under 11 percent of ballots counted — and estimated turnout at 53.6 percent.

Those figures would produce a "yes" vote of just over 51 percent of all registered voters.

Serbia's conservative Prime Minister Vojislav Kostunica and pro-Western President Boris Tadic both proclaimed victory for the constitution.

"This is a great moment for Serbia," Kostunica told Serbian state television. "This is a historic moment, a beginning of a new era."

Tadic said a "huge job is now behind us." He said the "best thing about this constitution is that we now leave behind us" the charter adopted during the regime of the late autocratic leader Slobodan Milosevic.

Kostunica said the turnout was "adequate, considering that opponents chose to boycott the vote" rather than cast "no" votes. "We have reasons to be very happy."

The referendum was strongly condemned by ethnic Albanians, who have long boycotted any ballot under Serb auspices and were not listed on the voter rolls, purportedly for that reason.

Some government opponents and nongovernment organizations also criticized the charter as hastily drafted and flawed on issues such as independence of the judiciary, equal rights for minorities and autonomy for local governments.

In Serbia's northern Vojvodina province, where turnout was very low, provincial assembly speaker Bojan Kostres accused authorities of "forcing the new constitution" on the people.

"The final voting hours were very strange, with a sudden, steep rise in turnout," Kostres said.

For many Serbs, the charter's key point was its declaration that Kosovo is an "integral part of Serbia."

Serbs in Kosovo began celebrating even before official results were announced. Hundreds gathered Sunday night in Kosovska Mitrovica, waving banners, cheering and shouting "Kosovo is the heart of Serbia" as NATO peacekeepers watched and dispatched reinforcements to the scene.

Bulgarian President Wins Re-election: Partial Results (AFP)

By Diana Simeonova

AFP, October 30, 2006

Bulgarian President Georgy Parvanov won re-election with an unassailable lead in his run-off battle against ultra-nationalist challenger Volen Siderov, the central electoral committee said based on partial results.

The electoral committee said a count of 98.11 percent of the ballots cast gave the 49-year-old incumbent 75.7 percent of the vote, while his rival scored 24.3 percent.

Turnout by 7:00 pm (1700 GMT) was 41.2 percent, it added.

"This is an unprecedented, historic result," Parvanov told a news conference late Sunday.

"The result is a recognition of the policies we followed during our first five-year term," he said, adding that he would continue to be a president with "a clear social engagement at home".

He also promised to continue what he called his "active" and "consistent" foreign policy.

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"It will be oriented towards securing a dignified European Union membership, and at the same time maintaining our national identity and working in solidarity with our European partners."

Parvanov, a pro-European former leader of the Socialist Party who prided himself in being "the president of all Bulgarians," won the first ballot last weekend with a commanding lead of 64 percent against Siderov's 21.5 percent but failed to avert a run-off as voter participation was below 50 percent.

No minimum turnout was required in the second round.

Parvanov is the first Bulgarian president to be re-elected since the fall of communism in 1989, and is now all but certain to fulfill his dream of presiding over the official entry of his Balkan nation into the European Union on January 1.

Support for the youthful 49-year-old leader has surged since he first took office in 2001, making him Bulgaria's most popular and trusted politician.

Under his leadership, Bulgaria joined NATO in 2004 and earlier this year received the green light to join the EU in two months' time.

Parvanov also played a key role in the formation of the current Socialist-led government after inconclusive general elections in June last year and the ensuing political deadlock threatened to stall reforms and postpone EU accession.

Parvanov also supported the signing this year of an agreement to set up three US military facilities in Bulgaria.

At the same time, he has worked to thaw Bulgarian-Russian relations, which have deteriorated badly since the fall of communism.

A proponent of ethnic tolerance, he developed good relations with the Turkish minority Movement for Rights and Freedoms party. He was fiercely attacked as a "Turkish puppet" by runner-up Siderov, known for his hostile statements against Bulgaria's Roma and Turkish minorities, each of which comprise 10 percent of the population.

Firebrand Siderov, 50, attempted to belittle all of Parvanov's achievements during the presidential campaign.

A sharp-tongued populist speaker, he garnered support from many disillusioned Bulgarians, impoverished during the transition period from communism and apprehensive about the challenges of EU membership.

Nevertheless, by simply gaining a berth in the two-way final race, the short grey-haired former journalist changed his country's political landscape by ripping apart its traditional balance between moderate left- and right-wing parties.

"What we achieved is a feat in peacetime," Siderov told a press conference late Sunday, lashing out against "the sea of malice ... the consistent, massive, evil campaign fought against us from all sides".

"Our result marks a crucial stage in the development of Bulgarian nationalism that has now proved itself a factor in Bulgarian politics and can no longer be disregarded or played down," Siderov said.

In his latest public appearances before the vote, Siderov sought to tone down his aggressive rhetoric in order to appeal to a larger voter base, but after losing the run-off he returned to a more radical discourse against "the mafia that stops at nothing."

"Parvanov was elected with the votes of the Roma neighbourhoods and the Turks," he said.

Nicaragua's Critical Elections (WT)

By Jose Rizo

The Washington Times, October 30, 2006

On Sunday -- just two days before the American election -- Nicaraguans will also have an election to choose a new president. With an estimated 400,000 of them living in Florida alone, and the potential of a flood of new immigrants should the Nicaraguan election herald a return to policies which failed in the past, the United States has a lot at stake. Many observers of the political situation in Central America are deeply concerned about the upcoming Nicaraguan election because former President Daniel Ortega is leading in most polls. Although Mr. Ortega and the rest of his Sandinista colleagues claim to have learned from their mistakes, many Nicaraguans are rightly convinced that if the Sandinistas win the election they would revert to their failed leftist policies of the past.

Most polls show that the election is a tight race between Mr. Ortega and myself, and any candidate only needs 35 percent of the vote to win in the first-round vote. If no one wins, there will be a second round in December. But there is a risk that Mr. Ortega could squeak by with a win in the first round since the anti-Sandinista vote is split. In 2001, I ran as vice president against Mr. Ortega and our liberal party, the Constitutional Liberal Party (or PLC), won by a landslide. If elected, I will work very closely with the United States and other allies in guaranteeing that Central America and the Western Hemisphere are prosperous and secure. I am called the "clean hands" candidate because I have served my country honorably, and, unlike other candidates, I have never been implicated in any corruption scandal.

Upon becoming president, I will promote a constitutional ban on presidential re-election in Nicaragua. My economic policy is called "Nicaragua First" and is designed to take full advantage of the trade, investment and employment opportunities that have

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been created by the Central American Free Trade Agreement. It is also founded on truly free, transparent and open-market strategies and institutions.

In an extraordinary turn of events, President Enrique Bolanos turned against the party that elected him and decided to promote presidential candidate Eduardo Montealegre. The Ethics and Transparency Commission of the Nicaraguan Congress recently found Mr. Montealegre responsible for the looting of Treasury funds for the benefit of his own bank while he was secretary of the treasury for Mr. Bolanos. The Sandinistas are gleeful about this split in the PLC vote and are quietly supporting it.

The most surprising development in this Nicaraguan political fight is the strong intervention of Bush administration. It has been misled by the Bolanos administration and their key cronies who are desperate to hold onto power. This confusing and troubling U.S. involvement in this election is so transparent that many prominent U.S. citizens have felt compelled to openly call for a more neutral American policy. Unfortunately, as it did with Iraq, the Bush administration is receiving its information from biased exile leaders and misguided policy experts. If the Sandinistas win the election, they will most likely enact their previous failed totalitarian policies and join the likes of Cuban leader Fidel Castro and Venezuelan leader Hugo Chavez in the anti-American crusade in Latin America. More importantly, tens of thousands of Nicaraguans will likely flee the country again and seek to relocate in the United States.

It is not too late for the Bush administration to declare its neutrality in the upcoming election and its willingness to work with any democratically elected government. Unless it does so within the next 10 days, it might actually help cause what it fears the most: the election of Daniel Ortega as president of Nicaragua.

Jose Rizo is former vice president of Nicaragua. He is running for president representing the PLC, the largest political party in Nicaragua. Mr. Rizo also studied at the London School of Economics.

Losing Nicaragua, Again (WP)

By Robert D. Novak

The Washington Post, October 30, 2006

Oliver North and his associates were leaving Managua last Tuesday on a private plane after a dramatic surprise visit when they heard news they could scarcely comprehend. The State Department had just issued a "public announcement" that, in effect, warned Americans not to travel to Nicaragua because of the prospect for "violent demonstrations" and "sporadic acts of violence" leading up to the Nov. 5 presidential election there.

The North group had seen nothing in Nicaragua to justify a travel advisory, normally issued when life and limb of visiting Americans are at risk. U.S. and Nicaraguan security officials alike are dumbfounded, and the State Department did not explain it to me. That buttresses suspicion that the U.S. government wants to keep away meddling Americans like North, who seek to influence an election that now appears likely to return Daniel Ortega and the Sandinistas to power after an absence of 16 years.

The seemingly unavoidable outcome of next Sunday's election is a Nicaraguan tragedy, losing at the ballot box what was won two decades ago by the blood of contra fighters and the risking of Ronald Reagan's presidency. Because the anti-Sandinista vote is split, Ortega figures to return his Marxist-Leninist party -- now backed by Hugo ChÃ¡vez's Venezuelan petrodollars -- to the presidential palace. Apart from the misery to be inflicted on the Nicaraguan people, this reflects the deterioration of U.S. influence in the Western Hemisphere under the Bush administration.

Nicaraguan law permits the election of a president with as little as 35 percent of the vote if he is five percentage points ahead of his nearest competitor. That now seems probable with the anti-Sandinista vote divided between two major candidates: former vice president Jose Rizo and banker Eduardo Montealegre. The former contras blame this state of affairs on the Bush administration in general and, specifically, on the U.S. ambassador in Managua, Paul Trivelli.

The looming political fiasco in Nicaragua comes as no surprise. Adolfo Calero, a Washington-based contra leader in the '80s, returned to the U.S. capital in April to issue a warning. He asserted that tacit U.S. support for Montealegre and opposition to Rizo was a horrendous political error and that the only hope to hold off the Sandinistas was to support Rizo. But official doors were closed to Calero. The occasion of Calero's visit was a reunion of contra leaders, their former CIA handlers and Ollie North, who as a Marine lieutenant colonel ran the Nicaraguan account at the Reagan White House. The festivities were marred by fear and frustration over the coming election.

North went public in his syndicated column of Oct. 6. He contended that "official U.S. policy in Nicaragua has been blind to the realities of Nicaraguan politics." He said Ambassador Trivelli "has to stop pressuring private sector leaders with potential reprisals" for backing Rizo and his Liberal Party. North called on Secretary of State Condoleezza Rice to visit Managua and meet with all anti-Sandinista candidates -- including Rizo.

In Washington, North was ignored. He and his colleagues paid a hastily arranged visit to Managua Monday, Oct. 23, and publicly pleaded with Nicaraguans to reject the Sandinistas. The apparent U.S. reaction was Tuesday's official U.S. government

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warning that implies Americans would do well to stay away from now until April 18. By urging "American residents and visitors in Nicaragua " to be "vigilant," the U.S. government was telling the old contras to keep hands off.

Dewey Claridge, the famous CIA contra handler, put it bluntly in an e-mail to associates: "Just when you think the State Department's level of stupidity has reached bedrock and can go no further, it comes up with this nonsense, probably the [work] of Trivelli and his paranoia that Oliver North's visit to Managua to receive a testimonial and lay a wreath at the tomb of the fallen . . . is the Contra War II."

State Department spokesmen would not elaborate on the basis for the travel advisory, but the department's security personnel and Nicaraguan police privately said they saw none for such a warning. The real warning should be about the return of the Sandinistas, in league with Havana and Caracas, thanks to another failure in U.S. policy.

U.S. Jobs Shape Condoms' Role In Foreign Aid (NYT)

By Celia W. Dugger

The New York Times, October 29, 2006

EUFAULA, Alabama — Here in this courtly, antebellum town, Alabama's condom production has survived an onslaught of Asian competition, thanks to the patronage of straitlaced congressmen from this Bible Belt state.

Behind the scenes, the politicians have ensured that companies in Alabama won federal contracts to make billions of condoms over the years for AIDS prevention and family planning programs overseas, though Asian factories could do the job at less than half the cost.

In recent years, the state's condom manufacturers fell hundreds of millions of condoms behind on orders, and the federal aid agency began buying them from Asia. The use of Asian-made condoms has contributed to layoffs that are coming next month.

But Senator Jeff Sessions, Republican of Alabama, has quietly pressed to maintain the unqualified priority for American-made condoms and is likely to prevail if the past is any guide.

"What's wrong with helping the American worker at the same time we are helping people around the world?" asked the senator's spokesman, Michael Brumas.

That question goes to the heart of an intensifying debate among wealthy nations about to what degree foreign aid is about saving jobs at home or lives abroad.

Britain, Ireland and Norway have all sought to make aid more cost effective by opening contracts in their programs to fight global poverty to international competition. The United States, meanwhile, continues to restrict bidding on billions of dollars worth of business to companies operating in America, and not just those that make condoms.

The wheat to feed the starving must be grown in United States and shipped to Africa, enriching agribusiness giants like Archer Daniels Midland and Cargill. The American consulting firms that carry out antipoverty programs abroad — dubbed beltway bandits by critics — do work that some advocates say local groups in developing countries could often manage at far less cost.

The history of the federal government's condom purchases embodies the tradeoffs that characterize foreign aid American-style. Alabama's congressmen have long preserved several hundred factory jobs here by insisting that the United States Agency for International Development buy condoms made here, though, probably in a nod to their conservative constituencies, most have typically done so discreetly.

Those who favor tying aid to domestic interests say that it not only preserves jobs and supports American companies, but helps ensure broad political support for foreign aid, which is not always popular.

On the other hand, skepticism of foreign aid is frequently rooted in the perception that the money is not well spent. Blame often falls on corrupt leaders in poor countries, but aid from rich nations with restrictions requiring it to be spent in the donor country can also reduce effectiveness.

The United States government, the world's largest donor of condoms, has bought more than nine billion condoms over the past two decades. Under President Bush's global AIDS plan, which dedicates billions of dollars to fight the epidemic, a third of the money for prevention must go to promoting abstinence. But that leaves two-thirds for other programs, so the federal government's distribution of condoms has risen, to over 400 million a year.

Over the years, Usaid could have afforded even more condoms — among the most effective methods for slowing the spread of AIDS — if it had it bought them from the lowest bidders on the world market, as have the United Nations Population Fund and many other donors.

Randall L. Tobias, who heads Usaid, declined through a spokesman to be interviewed on this topic. His predecessor, Andrew Natsios, sought to weaken the hold of what he sometimes called a cartel of domestic interest groups over foreign aid. He

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tried, for example, to persuade Congress to allow the purchase of some African food to feed Africa's hungry. Congress killed that proposal last year and again this year.

Hilary Benn, Britain's secretary of state for international development, said in an interview that in 2001 his country untied its aid from requirements that only British firms could bid for international antipoverty work.

"If you untie aid, it's 100 percent clear you're giving aid to reduce poverty and not to benefit your own country's commercial interests," he said.

In recent years, most of the low-end condom business has moved to Asia, including Australia-based Ansell, which used to have plants in Alabama. American makers cannot compete with Asia on price — unless they have the federal contract.

The last American factory making condoms for Usaid sits anonymously in a pine-shaded industrial park here in Eufaula. Inside a modern, low-slung building owned by Alatech Healthcare, ingenious contraptions almost as long as a football field repeatedly dip 16,000 phallic-shaped bulbs into vats of latex, with the capacity to turn out a billion condoms a year.

The equation of need is never straightforward. Africa's need to forestall its slow-motion catastrophe of AIDS deaths is vast. But there is need here, too.

Most of the 260 people employed at this factory and the company's packaging plant in Slocomb are women, some the children of sharecroppers and textile factory workers, many of them struggling to support families on $7 to $8 an hour.

The most vulnerable among them — single mothers and older women with scant education — are the most fearful of foreign competition. All feel the looming threat.

"It's cheaper, yeah," said Lisa Jackson, 42, a worker in the packaging plant. "But we Americans should have first choice. We need our jobs to stay in America. We got to feed our families. I just wish it had never come to sending manufacturing jobs overseas."

From 2003 to 2005, Alatech and one other company making condoms for Usaid fell behind on their orders, agency officials said. Last year, the other company went bankrupt. So Usaid ordered condoms from Asia, the first of which were shipped last year. With only a single American company still in line for the federal contract, agency officials are wary of ruling out Asian suppliers.

At such moments in the past, Alabama's politicians have come to the rescue of the state's condom industry. This time was no exception.

Senator Richard C. Shelby, a Republican on the Appropriations Committee, had a provision tucked into the 2004 budget bill requiring that Usaid buy only American-made condoms to the extent possible, given cost and availability. His spokeswoman, Kate Boyd, said the agency did not tell him it was worried about the relative cost of American and Asian-made condoms.

Senator Sessions wrote Usaid a letter last year saying it should purchase condoms from foreign producers only after it had bought all the condoms American companies could make, noting it was "extremely important to jobs in my state."

Usaid assured the senator in writing that it "remains committed to prioritizing domestic suppliers."

On the strength of that, Alatech bought the more modern Eufaula plant from its bankrupt rival. Without the government contract, the company's president, Larry Povlacs, said, Alatech would go out of business.

In interviews, agency officials were noncommittal about whether they would halt all purchases in Asia. Condoms made there cost around 2 cents each, opposed to about 5 cents for those made here.

"At the end of the day, it's all a political process," Bob Lester, who recently retired after 31 years as a lawyer at Usaid, said of such decisions. "The foreign aid program has very few rabbis. Why make enemies when you don't have to?"

Duff Gillespie, a retired senior Usaid official who is now a professor at the Johns Hopkins School of Public Health, said that over the years officials at Usaid raised the prospect of foreign competition to tamp down what he called "the greed factor" of Alabama condom manufacturers.

But whenever the staff pushed to buy in Asia, Alabama politicians pushed right back.

During the Reagan years, the offices of two Alabamans, Representative William Dickinson, a Republican, and Senator Howell Heflin, a Democrat, caught wind of one such move. Mike Houston, chief of staff to Senator Heflin, recalled being tipped off by Mr. Dickinson's chief of staff.

"He says, 'Well, A.I.D. is going to buy condoms from Korea,' " Mr. Houston recalled. " 'The reason is they can get three condoms for the price of one that they're paying us.' " Mr. Houston said he asked in amazement, "You mean we're making rubbers in Alabama?"

The congressmen's staffs threatened to introduce amendments to require that condoms be made in America. The agency backed off.

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Further attempts to open up bidding proved fruitless. Representative Jim McDermott, a Democrat from Washington State, had seen the devastation of AIDS firsthand in the 1980s as a State Department medical officer in Africa. But he said he could not break what he called the "stranglehold" of Alabama congressmen on the condom rules.

In the mid-to-late 1990s, Representative Sonny Callahan, a Republican from Alabama, served as chairman of the Appropriations subcommittee that shaped Usaid's budget. Brian Atwood, who headed Usaid in those years, said no administrator "in his right mind" would have tried to cut Alabama out of the condom contract at a time when many Republicans were deeply hostile to foreign aid.

Then in 2001, after decades of negotiation, the United States and other wealthy donor nations reached a nonbinding agreement to open at least some foreign aid contracts to all qualified bidders. Included were those for commodities bound for the world's poorest nations.

Usaid decided the agreement did not apply to condoms since some went to more advanced developing countries. Alabama's manufacturers kept the condom business once again.

William Nicol, who heads the poverty reduction division of the Development Assistance Committee at the Organization for Economic Cooperation and Development, a group of economically advanced countries, scoffed at Usaid's interpretation. "That's rubbish," he said in a telephone interview.

The condom companies' inability in recent years to fulfill Usaid's orders accomplished what the gentleman's agreement did not: the entry of Asian competitors.

Usaid has asked Alatech to make 201 million condoms next year, less than half of this year's order, and ordered another 100 million made in Korea and China.

Come Nov. 15, Alatech will lay off more than half its work force. Those jobs fell victim to Usaid's smaller orders for condoms, foreign competition and automation.

The reactions of these workers ranged from philosophical to panicked.

One, Garry Appling, a 41-year-old single mother, has worked before as a $6-an-hour cashier at Krystal, the fast food restaurant, and another at $7.15 an hour in a chicken processing plant. She said her 10-year-old daughter, Anterria, worries that she will have to go back to the chicken plant, a place so cold and wet Ms. Appling often fell ill.

But even facing her own impending job loss, Ms. Appling took a moment to empathize with the women making condoms on the other side of the world.

"We need a job — I guess they do, too," she said, during a brief pause from feeding condoms into an intricate, rotating, whooshing machine that tested them for holes. "It's sad.

"At the same time, the United States can't just keep helping overseas. They've got to help us, too."

Chinese Shadows (WSJ)

The Wall Street Journal, October 30, 2006

If U.S. politicians think they can impose trade barriers without consequences for American economic interests, they should take a look at China these days. Beijing is reacting to America's talk of tariffs and limits on foreign investment by imposing new restrictions on foreign investment in that country.

Earlier this month, the Carlyle private equity fund agreed to buy half, rather than 85%, of a state-owned construction firm after Beijing bureaucrats intervened. A French firm's bid for China's dominant cookware manufacturer is under competition review. Foreign investment in the brokerage industry has been recently shuttered. And so on.

The most egregious example may be the continuing saga of Guangdong Development Bank, a bankrupt lender in which Citigroup and Societe Generale were competing to buy a majority stake. After bidding, however, they were told they'd have to settle for only 20% of the equity. The State Council in Beijing is still figuring out how to handle the bids. This is the equivalent of President Bush's Cabinet blocking a bank merger in Atlanta -- or perhaps Members of Congress objecting to a takeover of a relatively small U.S. oil company by a Chinese company. Never mind that more foreign cash and know-how are exactly what China needs if it wants to clean up its lumbering, corrupt banking industry.

Lest you think we're exaggerating the anticompetitive mood, consider China's new "Rules on the Merger with and Acquisition of Domestic Enterprises by Foreign Investors," enacted by six Chinese regulatory agencies last month. The rules provide the Communist Party with a mechanism to regulate foreign mergers and acquisitions, impose new guidelines on offshore financing of Chinese companies, and give the Ministry of Commerce the authority to squash deals it doesn't like, among other things.

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Beijing's regulators aren't exactly exemplars of transparency, so it's hard to know if this is the start of a broader anti-foreign backlash, or simply an effort to duplicate regulatory language used elsewhere. To date, no major deals have been blocked under the new rules. But there's still plenty of room for worry.

Take Article 40, which gives the Ministry of Commerce room to halt foreign acquisitions of Chinese companies in "core industries," without defining, exactly, what those industries are. Some are easy to guess: Media, for one, is unlikely to be opened up anytime soon given that the Party's control rests on its stranglehold on information. But what about other state-dominated sectors -- such as steel, automobiles, retail, or China's horribly backward mobile phone industry?

Article 40 also gives Beijing the right to block acquisitions of Chinese domestic firms with a "well-known" trademark or a "traditional" Chinese brand. That's odd, given that China doesn't possess any well-known international brands -- or register many of its nascent brands with foreign patent offices. Perhaps this is simply Commerce's way of planning for the future.

We're told that the Ministry of Commerce may very well allow the French-Sino cookware merger when it hears the case in the coming weeks. But the broader reversion to economic nationalism remains a worry -- which is why American politicians shouldn't give Beijing politicians any more protectionist episodes to emulate.

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TERRORISM NEWS:

Al Qaeda: Plans For An October Surprise? (NSWK)

By Mark Hosenball

Newsweek, October 30, 2006

Is Osama bin Laden going to weigh in on the midterm elections? A senior counterterrorism official, anonymous, like other officials NEWSWEEK spoke to, because the subject is sensitive, says that based on previous patterns—such as the release of a rare bin Laden tape just before the 2004 presidential vote—a message before Election Day wouldn't be surprising. Private expert Evan Kohlmann, who consults for the Feds on terror probes, says Al Qaeda has lately released tapes at a rate of two or three per month. This month, he says, they are "short by one or two," so he thinks a pre-election message is a "very good likelihood." Another U.S. official says intel experts believe Al Qaeda wants to be "relevant" to the U.S. political process. But a third counterterror official says "we don't have any indication" Osama & Co. are about to surface. Spokesmen for the FBI and Homeland Security Department said they were unaware of specific intel foreshadowing an attack on U.S. soil before the elections. Overseas, the threat is more ominous: reports of a possible attack on Saudi oil installations (which could raise U.S. gas prices). The perpetrators would probably be Saudi Qaeda affiliates; methods could include truck or boat bombs. U.S. agencies are not certain of the threat's credibility, an official said.

U.S. Tries To Cut Off Terrorists' Cash Flow (WT)

By Rowan Scarborough

The Washington Times, October 30, 2006

The U.S. military is not only trying to stop terrorists and arms from leaking into Iraq from Syria and Iran but also another just as dangerous commodity -- cash.

It's the lifeblood of the enemy -- whether they be al Qaeda terrorists, death squads or Sunnis trying to evict American forces and bring back dictator Saddam Hussein -- and U.S. raiders have seized millions of dollars in cash during the conflict.

Military officials point to Syria and its secretive banking system as the main source of Sunni walking-around money, while Iran's Revolutionary Guard funnels money to Shi'ite militias, such as cleric Muqtada al-Sadr's Mahdi Army.

The enemy's money began flowing into Iraq with the start of the insurgency in the summer of 2003, and the shipments are still coming in.

"There are billions coming in," said Daniel Gallington, a former aide to Defense Secretary Donald H. Rumsfeld. "The Middle East is the center of graft and corruption in the universe. It really always has been. The fight in Iraq is about who controls what area is really all about who controls the money."

Money, of course, is just as essential to the insurgents as budget dollars are to the American armed forces. Terrorists need it to buy loyalty from local villagers, bomb-making gear, vehicles and electronics to communicate and to detonate improvised explosive devices (IEDs).

Perhaps the most important expenditure is salaries: Sunnis have enlisted thousands of disaffected youths, some enjoying their first paydays ever, by giving them cash to attack Americans, plant IEDs and run messages from one leader to another, say defense sources and officers who served in Iraq.

"The average IED is an attack form carried out by people that are really not ideologically committed," Gen. John Abizaid, who heads U.S. Central Command, told a group of reporters. "They get paid, and they're getting paid because they don't have any money and they're getting paid because they've got people [who] are generally members of the old army that don't have work."

Army Maj. Gen. William Caldwell, the chief military spokesman in Baghdad, gave a glimpse of the money trail earlier this month when describing a raid in Tikrit, Saddam's hometown. Raiders hit a number of businesses in the city, seizing millions of dollars that had come in from Syria.

"These funds, estimated to be in the millions of dollars per week, were used to finance insurgent operations, to include attacks against Iraqi civilians, as well as Iraqi and coalition security forces," Gen. Caldwell said.

Although the raid was designed to block the cash flow, defense sources say there is more where that came from.

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Retired Marine Corps Lt. Gen. Michael DeLong, the former deputy commander of U.S. Central Command, said literally tons of cash moved from Baghdad into Syria as the U.S. invasion neared in March 2003. That money is now going full circle to feed the Sunni insurgency.

"We watched caravans going into Syria," Gen. DeLong said. "They took their money; their jewels. They took everything."

But not all the cash got out.

"We found U.S. money all through the capital," Gen. DeLong said. "Saddam and the Ba'ath Party had caches of U.S. money stashed everywhere. One day, one guy found $10 million in cash."

The Ba'ath Party had built up huge cash stocks via the United Nations oil-for-food program, mostly from illicit sale of goods and oil. The U.S. military seized $926 million from the Iraq regime as of the summer of 2004, according to a report from the special inspector general for Iraq reconstruction.

HOMELAND RESPONSE:

The Eye Of The Storm (USNEWS)

By Kevin Whitelaw

U.S. News and World Report, October 30, 2006

Every weekday at 8 a.m., Kevin Brock hefts a thick white ring binder onto a sleek, oval conference table. Labeled "Read Book," the deceptively plain folder houses the "Threat Matrix," a top-secret compendium of the most troubling reports of possible terrorist activity, drawn from the nation's 16 intelligence agencies. It is thicker than usual on a recent Monday morning, packed with 66 separate items that came in over the weekend. Brock, the principal deputy director of the National Counterterrorism Center, is about to brief some of the government's most senior officials on the latest threat information.

First, though, he must sort through the reports, most of which are vague-and sometimes little more than anonymous tips. Many are false alarms. ("If we could eliminate all the jilted lovers and ex-spouses," Brock says later, cracking a smile, "we would greatly reduce the number of threats we receive on a daily basis.") But some of the nuggets-coming from CIA operatives, FBI sources, or reliable foreign spy agencies-must be taken seriously. Brock, after meeting with the leadership of the counterterrorism center, decided to present 18 of the threat reports at the 8 a.m. videoconference.

Facing a wall of secure video feeds, Brock watches top leaders from a dozen key players gather-the CIA, the FBI, the eavesdroppers at the National Security Agency, even the White House. A briefer from the center, running through the 18 items, discusses possible terrorist action in south Asia, Southeast Asia, the Middle East, even inside the United States. Brock raises the recent release of a videotape showing two of the September 11 hijackers smiling for the camera. He pays particular attention to overseas threats that have a possible domestic angle. "NCTC was created to ... ensure the handshake occurs between international intelligence collection and the FBI or others within the country to take action," says Brock, a career FBI agent. "And we're seeing that take place on almost a daily basis."

"No boundaries." Housed in an unmarked office complex in Northern Virginia, the National Counterterrorism Center has become the centerpiece of reform efforts to integrate the far-flung intelligence community. The NCTC was created in the wake of the September 11 attacks to reduce the gulf between America's spy agencies and domestic law enforcement. With more than 30 separate, highly classified government networks pumping information into NCTC headquarters, it has unfettered access to the crown jewels of the U.S. intelligence community-including raw cables from CIA spies and detailed FBI case files. One congressional staffer with knowledge of intelligence matters calls it a "miracle," only half joking. "We're the only place in the U.S. government where all that information comes together," says retired Vice Adm. Scott Redd, the center's director. "There are no boundaries in this business."

Inside and outside the intelligence world, however, people are still confused about what the two-year-old organization is supposed to do-and what it's not. U.S. News was granted unprecedented access to the senior leadership of the NCTC, which is supposed to become the primary hub for tracking and analyzing the terrorist threat. Director of National Intelligence John Negroponte calls it the single biggest change during his 18 months in office. "The center is really looked to as the principal source of analysis of these kinds of developments," Negroponte tells U.S. News. The NCTC is still building up its ranks, but already it is butting up against the other agencies that work on terrorism, particularly the CIA, which has run its own CounterTerrorism Center since 1986.

Hey, Let's Play Ball (USNEWS)

By David E. Kaplan

U.S. News and World Report, October 30, 2006

DOJ_NMG_0087708

At a modest office building just outside Boston last July, senior U.S. intelligence officials quietly set in motion an unusual experiment. For four weeks, a handpicked group of 20 outside experts brainstormed, argued, and chewed the fat with 20 top analysts from the CIA and eight other intelligence agencies. Their mission: to understand why people join terrorist organizations and other groups engaged in antisocial activity. The issues went to some of the most basic questions confronting Washington's intelligence mandarins: What's driving the spread of extremism around the globe, and how can it be stopped?

Dubbed the Summer Hard Problems workshop, or SHARP, the program is modeled after a highly successful project by the code-breaking National Security Agency, which for years has brought in top mathematicians to tackle cutting-edge issues in encryption. SHARP similarly threw together leading specialists, but from the social sciences: experts in anthropology, social psychology, insurgency, and Islamic thought, among other fields. But for all the esoteric talk about jihadism, group dynamics, and social networks, the SHARP participants had a second mission: to change the way U.S. intelligence agencies do their job, by opening the notoriously insular espionage community to the rest of the world.

SHARP is the brainchild of the 18-month-old Office of the Director of National Intelligence, which is charged with overseeing and reforming the nation's sprawling $44 billion intelligence community. Key to that effort is an organized attack on the kind of "groupthink" that resulted in U.S. intelligence agencies getting dead wrong, among other things, nearly every facet of Saddam Hussein's banned weapons programs. Reformers at the DNI and other agencies hope to answer critics who call the nation's spy agencies obsolete-a bunch of big bureaucracies so addicted to secrecy that they can't cope in the Internet age. "This culture of secrecy in an information-rich world is totally anachronistic," says Phil Williams, an international security expert at the University of Pittsburgh who often consults with intelligence agencies.

Wiki-spies? To help change the way the nation's espionage agencies do business, senior DNI officials are pushing an effort unlike any seen since the height of the Vietnam War, nearly 40 years ago. The SHARP workshop is but one of a wide array of outreach projects now underway, involving millions of dollars in contracts, fellowships, conferences-even wikis and blogs-directed at scholars and other outside experts. DNI officials are mindful of the past, when Vietnam War-era funding drew loud protests on campus, amid charges that the CIA had skewed academic research on Asian studies and secretly backed groups like the National Student Association. The new effort has also begun to stir controversy, but for those who respond, the rewards can be considerable, including contracts, lucrative stipends, and a chance to influence analysis at the CIA and 15 other intelligence agencies. The scope is broad: A classified DNI survey this year yielded 240 pages of outreach efforts involving virtually every U.S. agency that generates intelligence information. Those interested (and invited) enter a world of exclusive conferences, workshops, studies, sabbaticals, and scholarships. Participants include not only academics but experts at think tanks, international groups, foundations, and businesses, as well as medical doctors and scientists. "The intelligence community will never be big enough, will never have enough analysts," says Thomas Fingar, the DNI's chief of analysis. "There's an absolute need to go outside."

Senator Questions Anthrax Probe (KNOXNS)

By Richard Powelson, Powelsonr@shns.com

Knoxville News Sentinel (TN), October 30, 2006

Grassley wants info on progress, director's exit

WASHINGTON - A Senate committee chairman has complained to the Department of Justice about the apparent "little progress" in the five-year-old anthrax mailing investigation and asked for documents on why the director of the probe, Richard Lambert, was "removed" and transferred to the Knoxville FBI office.

Sen. Charles Grassley, R-Iowa, chairman of the Finance Committee, wrote to Attorney General Alberto Gonzales recently that the FBI's long record of not briefing key members of Congress on the investigation "may be a symptom of a larger problem at the FBI. The agency's lack of response to congressional requests ... and what appears to be little progress in the investigation leads me to question whether the culture has really changed."

A spokesman at the FBI's Washington field office did not return a call for comment.

However, Lambert, 45, in a phone interview with the News Sentinel, said he heard of the opening in the top management job at the Knoxville field office, remembered fondly the 10 years he had spent in the Nashville area as a child, and decided to try to win the Knoxville slot.

"Knoxville is considered a prime office within the FBI," Lambert said. "The work is good, the people are wonderful, the law enforcement liaison relationships are fantastic, and it's just a highly desirable and very sought-after office to be in. There's the cost of living, no state income tax, reasonable housing, and the list goes on and on and on. So Knoxville is a great place to live."

The deadly anthrax mailings began soon after the terrorist attacks of Sept. 11, 2001. Over multiple weeks, anthrax was mailed to some in the news media and in Congress, infected part of the postal service system, killed five people and infected 18 others. Thousands of Americans were panicked into seeking the antibiotic Cipro.

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It spurred major, permanent changes in the handling of federal mail that still detour, delay, screen and treat dangerous substances sent through the system.

Lambert said he could not discuss details of the anthrax investigation that he supervised during the last four years but said he is optimistic that the culprit or culprits will be identified and caught.

"I am absolutely confident that it will be solved. It does represent the worst biological attack in U.S. history," he said.

Lambert took over the anthrax case supervision a year after the crime and said that he never knew how long the anthrax case would last. So, his wife remained at their San Diego home while he headed the investigation in Washington. He was chosen to head the anthrax case, he speculated, in part because he had supervised a comprehensive probe of what two of the 9/11 hijackers had done while living in San Diego before going east to help hijack commercial airliners.

He flew back home about once a month during the past four years, he said, but did not want to test the strength of his marriage any longer.

He competed for the Knoxville job and won selection to the post, he said.

Grassley wrote to the Justice Department that he wants a detailed briefing by Nov. 21 on his long list of concerns about the anthrax investigation.

Lambert said he was working on the anthrax case through August with competent FBI officials above and below his level, so he is "confident that they are bringing some continuity to the case in light of my departure."

Richard Powelson may be contacted at 202-408-2727.

Who Should Insure Against Terrorism? (CSM)

By Alexandra Marks

The Christian Science Monitor, October 30, 2006

NEW YORK

The threat sounded ominous: Dirty bombs would be detonated at Giants Stadium and six other stadiums across the country. It would be "America's Hiroshima," causing civil war, chaos, and global economies to "screech to a halt."

Fortunately the threat was just a hoax perpetrated by a 20-year-old grocery store clerk from Wisconsin.

But since 9/11 businesses such as Giants Stadium have had to insure themselves against possibilities once thought unimaginable. Right after the 2001 attacks, many couldn't. The cost of terrorism insurance skyrocketed, and some insurers simply refused coverage. That left businesses and the economy vulnerable to economic chaos in the event of another attack.

Congress eventually stepped in and guaranteed that losses over a certain amount would be covered if they were due to a "certified" terrorist attack and if insurance companies would make such coverage available.

But the fix - the Terrorism Risk Insurance Act (TRIA) - was temporary. And while the law has been extended once, it will expire at the end of 2007.

Now an ideologically charged debate has sparked about whether the federal government should have a permanent role in the terrorism insurance business. The debate comes down to who should provide such insurance: the private marketplace or a public-private partnership?

The debate has created some unusual political bedfellows: Big-city liberals are lining up with the corporate insurance industry against Republican conservatives and consumer advocates.

"The industry and the left want a long-term program with some subsidies, but the White House and some Republicans are afraid that it would create another bureaucracy. They want the market to handle it," says Robert Hunter, director of insurance for the Consumer Federation of America. Major attack could bankrupt insurers

There are a few things all agree on. The first is that the damage caused by a terrorist attack with a weapon of mass destruction - nuclear, biological, chemical, or radiological (known together as NBCR in insurance jargon) - would be so great it would bankrupt the insurance industry, and thus such risks are uninsurable.

For instance if New York City was hit by, say, a nuclear bomb, insured losses could be as high as $778 billion, according to an analysis by the American Academy of Actuaries in Washington, D.C. - and that's not even considered a worst-case scenario.

The other point of agreement is that terrorism insurance for other types of attacks is needed to ensure economic stability and growth.

The White House and the Consumer Federation's Mr. Hunter believe that in the years since 9/11, the market has proved it is capable of covering most losses due to a conventional terrorism attack.

"The insurance industry is just rolling in money, and the taxpayers aren't. We have huge deficits," says Hunter. "Why should we be subsidizing a rich industry that's making record profits right now?"

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He contends that since "the big stuff" like nuclear, biological, and chemical damages aren't covered anyway, there's no reason for taxpayers to continue picking up part of the tab for conventional attacks like airplanes or truck bombs crashing into buildings. Risk hard to model

Insurance experts acknowledge the industry did make record profits in the past year, in part because insurers hiked premiums in anticipation of another massive hurricane such as Katrina - that never materialized.

They also contend the threat of terrorism is inherently different from that of natural disasters because it presents too many uncertainties to be modeled to effectively anticipate frequency and potential levels of damage. Without TRIA they contend many companies might just exclude coverage for all terrorist incidents.

"Given where we're at in the global war on terrorism, it's absolutely impossible to really characterize the true nature of the threat environment that we're living in," says James Valverde, vice president of economics and risk management at the Insurance Information Institute, an industry think tank in New York. "It's amorphous, ambiguous, and we can't say anything about it with any specificity."

Actuaries, the people who model risk for the industry, say they can model some types of terrorist risk based on the kind of catastrophic models they use for natural disasters such as hurricane Katrina. The Defense Department also has done extensive analyses of the types of damage done by truck bombs of different sizes.

That information can be used to estimate the economic losses, which can be used to come up with estimated insurance premiums.

The only problem, actuaries say, is that it's impossible to model how often a terrorist truck bombing might occur.

"If we talk about modeling frequency, that's in its infancy," says Michael McCarter, chair of the American Academy of Actuaries Terrorism Risk Insurance Sub Group, a professional organization headquartered in Washington. "We don't think it's at a stage to be reliable enough for insurers, and it may never get there."

Opponents of federal involvement in terrorism insurance argue the TRIA program has kept the market from coming up with such solutions faster.

As a result, when TRIA was extended in 2005, Congress increased the amount that private insurers would have to pay on their own before the federal government would take over.

Insurance experts contend that that's proof the industry is taking on more of the risks associated with terrorism and working for a solution.

But they worry that if the federal backstop disappears before the market is ready to step in fully, places like Giants Stadium could again see their insurance rates skyrocket, if terrorism insurance doesn't disappear completely.

"The industry is looking in the end for a long- term solution," says Dr. Valverte. "We need to find a productive way to move forward, but we need the federal backstop for now."

Ex-air Marshal To Sue Over 'SSI' Label (WT)

By Audrey Hudson

The Washington Times, October 30, 2006

A former federal air marshal said he will file suit against the government today to challenge use of a nonclassified label that he says allows Homeland Security officials to cover up dangerous and inept policies.

Robert MacLean, an air marshal who was fired for blowing the whistle on a cutback of flight protections in the wake of a terrorist alert, is the first federal employee to challenge the validity of the "Sensitive Security Information" (SSI) label in court.

Asked why he is challenging the bureaucratic tool, Mr. MacLean said, "Vindictive retaliation like this makes agents unwilling to report gross mismanagement."

Families of victims of the September 11 terrorist attacks and government-watchdog groups have failed to obtain records classified as SSI.

The Government Accountability Office and Congress are critical of the label and say it is overused and stamped on everything from official correspondence to general items such as going-away-party invitations.

According to a June 2005 GAO report, SSI "monitoring controls are weak" and has "led to confusion and unnecessary classification of some materials as SSI."

"Identification of SSI has often appeared to be ad-hoc, marked by confusion and disagreement, depending on the viewpoint, experience and training of the identifier," the report said.

Mr. MacLean revealed to reporters and members of Congress on July 29, 2003, that air marshals were going to protect only flights less than four hours long to reduce costs of overnight hotel stays for long-distance flights. The new order came just three days after the Homeland Security Department issued a warning that terrorists were planning more hijackings.

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"Hijackers may attempt to use common items carried by travelers such as cameras modified as weapons," said the July 26, 2003, bulletin from the Department of Homeland Security. "Attack venues may include the United Kingdom, Italy, Australia or the East Coast of the United States due to the relatively high concentration of government, military and economic targets."

"I risked everything to protect national security, but they terminated me for their own dangerous and inane plans," Mr. MacLean said.

"But I have no regrets. I did the right thing," said Mr. MacLean, who still serves as vice president of the Federal Air Marshal Service unit of the Federal Law Enforcement Officers Association (FLEOA).

"MacLean's termination is a case study in the abuse of government secrecy," said Nick Schwellenbach, investigator for the Project on Government Oversight. Mr. MacLean was fired in April and completed the Merit Systems Protection Board hurdles earlier this month. His suit will be filed today in the 9th U.S. Circuit Court of Appeals and challenges SSI as a nonbinding and abused classification.

"SSI was supposed to protect lives, but it is instead used to cover up mistakes or bad decisions," Mr. MacLean said.

Conan Bruce, Federal Air Marshal Service spokesman, declined to comment. "Our standard is we don't discuss personnel matters," he said.

Unlike classifications of information as "secret" or "top secret," SSI is an administrative tool designed to protect information that might endanger air security.

Bob Haefele, a lawyer with Motley Rice LLC, which represents the September 11 families, said SSI is used to "protect weaknesses in the system from disclosure, rather than fixing the weakness."

Adam Miles, legislative director for the Government Accountability Project, said Mr. MacLean's case is on "solid ground."

"The Federal Air Marshal Service is in blatant violation of the Whistleblowers Protection Act, which protects the disclosure of unclassified information that an employee feels endangers public health and safety, and Robert certainly did that," Mr. Miles said.

Firm Tests DNA Of 9/11 Victims (WT)

By Bryce Baschuk

The Washington Times, October 30, 2006

Dozens of scientists are working around-the-clock in a Lorton laboratory to identify the remains of 1,100 World Trade Center victims.

In the past five years, the Bode Technology Group has been hired to use its DNA testing to identify the bone fragments from high-profile disasters such as the September 11 attacks, Hurricane Katrina and the South Asian tsunami.

Last week, engineers working at the World Trade Center (WTC) site discovered more human remains, and specialists say the bones are so well-preserved that the DNA will be usable for analysis.

Bode was one of several national companies selected to identify the remains.

"We are going to exhaust everything they send our way," said Tom Hansen, a senior scientist at Bode.

The project to identify the WTC victims was put on hold about a year ago to wait for a better technology to identify the victims, a Bode official said.

Many of the 20,730 human remains found at the site are damaged and burned beyond recognition, said a spokesman for the New York Office of the Chief Medical Examiner.

Scientists at Bode have found success with a new technique that extracts DNA information from formerly unidentifiable human remains.

When the best-preserved samples were re-analyzed with the new technique, Bode had an 80 percent success rate, said Bode Vice President Ed Huffine.

The scientists take small samples from human tissue, bones, blood, hair or saliva and extract enough DNA to create an identification profile. When identifying WTC remains, the scientists applied a chemical to dissolve minerals from the bone fragments. The remaining organic residue was extracted to identify the person's DNA.

The new method is more effective at separating DNA from the chemical solution because the process has led to less DNA contamination and a greater recovery of DNA from bone samples.

"The DNA identification community thought it would be a lot longer for this technology to come along," Mr. Hansen said. "So it gives us a sense of pride to help out and bring closure to the people affected."

For the WTC victims, Bode sends the DNA information to the New York Office of the Chief Medical Examiner for identification. Employees at the office then compare the DNA profile with a database of genetic information from the unidentified victims.

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Bode has gained a strong reputation for its work with international disaster management organizations in the aftermath of wars, genocide, terrorism, crime and natural disasters.

The company also has been hired by law-enforcement agencies, crime laboratories and national and foreign governments to identify humans from samples containing DNA. Bode analyzes 800 to 1,000 sexual assault kits per month, and is often asked to analyze DNA samples from felons.

The company has grown significantly since its founding in 1995. The staff has increased 50 percent to 110 employees, and Bode recently moved into a larger building to accommodate them. During the design phase of the new facility, the scientists asked the engineers to develop a workspace that would facilitate large projects, such as the WTC identification effort.

Bode is a privately owned subsidiary of ChoicePoint Inc., an Alpharetta, Ga., company that collects, sells access to and analyzes consumers' personal information. Bode would not disclose information about its financial performance.

With no time frame for the WTC project, the Bode staff is prepared for a long haul.

"Anytime you are able to contribute to something like this, you feel humbled by it," Mr. Hansen said.

Book Provides Lessons On Managing Emergencies And Strengthening Homeland Security (column) (WP)

By Stephen Barr

The Washington Post, October 29, 2006

In March 1964, a great earthquake shattered homes, harbors, roads, and water and sewer systems in Alaska, destroying communities vital to the state's economic life. Without significant rebuilding before the winter freeze, officials feared, citizens would be forced to flee to the lower 48 states.

But only four months after the quake, which had registered 9.2 on the Richter scale, a remarkable recovery was underway in Alaska. The White House had set up a reconstruction commission headed by a senator and run by a senior federal career official. The unusual legislative-executive branch arrangement put speed and muscle into the disaster recovery project.

The Alaska reconstruction stands in stark contrast to the bungled federal response to Hurricane Katrina four decades later, of course. The account of the Alaska response, in a just-released book by the National Academy of Public Administration, reinforces widely held perceptions that the government is unable to draw on past experiences and is at risk of losing its ability to perform effectively, especially in times of crisis.

The academy is a nonprofit corporation chartered by Congress to provide advice to government agencies, and academy fellows have written "Meeting the Challenge of 9/11: Blueprints for More Effective Government" with an eye toward providing lessons for policymakers, especially officials at the Department of Homeland Security.

The department, formed after the Sept. 11, 2001, terrorist attacks, has shown that "reorganization is not a cure of poor coordination and can make matters worse, at least during the shake-down period," Thomas H. Stanton , the book's editor, writes in an introduction.

Strengthening homeland security, the book says, will require federal officials to look beyond traditional turf boundaries and pull together state and local governments and the private sector to tackle common and complex problems.

Two other themes emerge in the 352-page book: that the government needs to focus on training and rewarding managers for operating across organizational boundaries and that it must pay more attention to the design and management of agencies and programs.

Contributors to the book are former federal officials and scholars, including Murray Comarow , Alan L. Dean , Dwight Ink and Ronald C. Moe , who write on management issues; Beryl A. Radin , on organizational performance; Dan Guttman , on holding government contractors accountable; and Cindy Williams , on overhauling the military personnel system.

Dean and Ink discuss the importance of having a senior official in large agencies focused on management issues -- such as accounting and finance, procurement, personnel, technology and property. They point to the undersecretary of management in the Department of Homeland Security as the kind of post that can help a Cabinet secretary succeed in pulling together internal operations.

As part of their review of the undersecretary's job at Homeland Security, they recommend that the department ensure the job, which will probably be held by a political appointee, has a sidekick from the career ranks who can provide continuity during presidential transitions.

Dean and Ink also contend that too many jobs in the Homeland Security undersecretary's office have been reserved for political appointees. "With respect to fighting terrorism overseas, there is recognition of the value of depending on professional career military leaders who serve under a small number of political policy leaders in Washington. Why should professional career leadership be any less critical for protecting our homeland against terrorism?" they ask.

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They add, "It is essential that the management of homeland security not be politicized."

That, however, appears to be happening. Members of Congress have questioned whether the position of undersecretary is needed at Homeland Security, in part because the deputy secretary has a strong hand in day-to-day operations. Congress also has cut funding requests for the undersecretary's office, usually to reorder priorities. (Only one person has ever held the undersecretary position, and she left in May.)

Moe offers a broader perspective on government organization, contending that the president needs an office of federal management, in part to counter perceptions "that somehow he isn't managing the store."

His research, Moe writes, shows "the core departments and agencies are in many instances 'hollow,' with an over-reliance upon third parties to perform both operational and management responsibilities."

The Office of Management and Budget, which faces the annual task of producing a federal budget, "is simply not equipped to perform the [management] tasks required of it," Moe concluded. He calls on the president and Congress to take a "necessary first step" by splitting up the OMB to create "an essentially nonpartisan" office dedicated to ensuring competent federal management.

WAR NEWS:

GOP, Democratic Leaders Spar On Rumsfeld (AP)

By Nedra Pickler

AP, October 30, 2006

The No. 2 leader in the House on Sunday said Defense Secretary Donald H. Rumsfeld is "the best thing that's happened to the Pentagon in 25 years," sparking a debate with Democrats who said the comments show why the GOP should be voted out of power.

Rumsfeld's leadership of the bloody mission in Iraq has become a divisive issue in the Nov. 7 elections. Many Democrats and a few Republicans are calling for his resignation, but President Bush repeatedly has defended him. So did House Majority Leader John Boehner, R-Ohio, during an appearance Sunday on ABC's "This Week."

"I think Donald Rumsfeld is the best thing that's happened to the Pentagon in 25 years," Boehner said. "This Pentagon and our military needs a transformation. And I think Donald Rumsfeld's the only man in America who knows where the bodies are buried at the Pentagon, has enough experience to help transform that institution."

Rep. Charles Rangel, D-N.Y., said voters will have their chance to show if they agree with Boehner on Election Day.

"It's true President Bush may not be on the ballot, but people like Boehner and people who support Rumsfeld and Cheney and Bush, they're on the ballot," Rangel said on CNN's "Late Edition."

"And that's why we only get two years. You don't have to wait to get the president. This is a referendum on the war and the incompetency of the Bush administration."

Illinois Rep. Rahm Emanuel, head of the Democratic effort to win control of the House, quickly e-mailed a statement to reporters objecting to Boehner's comments and including quotes from seven military leaders criticizing the defense secretary.

"Congressman Boehner's defense of Donald Rumsfeld makes it crystal clear that we need change in Washington from the rubber stamp Republican Congress and their blind adherence to President Bush and Secretary Rumsfeld's stay the course policy in Iraq," Emanuel's e-mail said.

Republican Rep. Ileana Ros-Lehtinen of Florida, appearing with Rangel on CNN, said she has confidence in Rumsfeld.

"I think it's a shame to take this complex issue of winning the international war on terror and putting it at the level of whether you like or not like Donald Rumsfeld, and whether you like or don't like President Bush's personalities and the statements that he's made," she said.

Another Republican, Maryland Senate candidate Michael Steele, declined to back the Pentagon chief.

"He wouldn't be my secretary of defense," Steele said on NBC's "Meet the Press." "And ultimately, that's going to be a decision that the president of the United States makes."

U.S. Is Said To Fail In Tracking Arms For Iraqis (NYT)

By James Glanz

The New York Times, October 30, 2006

The American military has not properly tracked hundreds of thousands of weapons intended for Iraqi security forces and has failed to provide spare parts, maintenance personnel or even repair manuals for most of the weapons given to the Iraqis, a federal report released Sunday has concluded.

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The report was undertaken at the request of Senator John W. Warner, the Virginia Republican who is the chairman of the Senate Armed Services Committee and who recently expressed an assessment far darker than the Bush administration's on the situation in Iraq.

Mr. Warner sent his request in May to a federal oversight agency, the Special Inspector General for Iraq Reconstruction. He also asked the inspector general to examine whether Iraqi security forces were developing a logistics operation capable of sustaining the hundreds of thousands of troops and police officers the American military says it has trained.

The answers came Sunday from the inspector general's office, which found major discrepancies in American military records on where thousands of 9-millimeter pistols and hundreds of assault rifles and other weapons have ended up. The American military did not even take the elementary step of recording the serial numbers of nearly half a million weapons provided to Iraqis, the inspector general found, making it impossible to track or identify any that might be in the wrong hands.

Exactly where untracked weapons could end up — and whether some have been used against American soldiers — were not examined in the report, although black-market arms dealers thrive on the streets of Baghdad, and official Iraq Army and police uniforms can easily be purchased as well, presumably because government shipments are intercepted or otherwise corrupted.

In a written response to the inspector general's findings, the American military largely conceded the shortcomings. The military said it would assist the Iraqis in determining the spare parts and maintenance requirements for the weapons. The military also said it has now instituted a "process to accurately issue weapons by quantity and serial number listing."

Because the inspector general is charged only with looking at weaponry financed directly by the American taxpayer, the total of lost weapons could end up being higher. The Government Accountability Office and the Pentagon inspector general are expected to look at weapons financed by all sources, including the Iraqi government.

The inspector general's office, led by Stuart W. Bowen Jr., also a Republican, responded to Mr. Warner's query about the Iraqi Army's logistical capabilities with another report released at the same time, concluding that Iraqi security forces still depended heavily on the Americans for the operations that sustain a modern army: deliveries of fuel and ammunition, troop transport, health care and maintenance.

Mr. Bowen found that the American military was not able to say how many Iraqi logistics personnel it had trained — in this case because, the military told the inspector general, a computer network crash erased records. Those problems have occurred even though the United States has spent $133 million on the weapons program and $666 million on Iraqi logistics capabilities.

The report said that although the United States planned to scale back its support for logistics and maintenance for Iraqi security forces in 2007, it was unclear whether the Iraqi government had any intention of compensating by allocating sufficient money to the Ministries of Interior and Defense.

Mr. Warner confirmed through his spokesman, John Ullyot, that he was reviewing the reports over the weekend in advance of a scheduled meeting with Mr. Bowen on Tuesday.

Mr. Warner "believes it is essential that Congress and the American people continue to be kept informed by the inspector general on the equipping and logistical capabilities of the Iraqi Army and security forces, since these represent an important component of overall readiness," Mr. Ullyot said.

Mr. Bowen said in an interview that he was particularly concerned about whether the Iraqi government intended to allocate enough money to support the logistics and maintenance needed for the Iraqi security forces to operate effectively.

"There's a couple of red flags," Mr. Bowen said. "Most significantly, is the Iraqi Ministry of Interior properly preparing to take over the mission and sustain it?"

"We don't know because we don't have adequate visibility into their budgeting," he said, "and to a lesser extent the same red flag is up for the Department of Defense."

Another report unrelated to Mr. Warner's request was also released by the inspector general on Sunday, on the so-called provincial reconstruction teams that the United States is creating for the next phase of rebuilding Iraq's infrastructure.

While some of the teams, intended to be scattered in each of Iraq's 18 provinces, are functioning, security problems have severely hampered work in others, the report says. As a result, the inspector general recommended, the United States should consider reassigning its personnel in six provinces — including Basra in the south and Anbar in the west — to other places where effective work can be done.

The western province of Anbar is a central focus of the Sunni insurgency, and power struggles between Shiite militias have made Basra increasingly violent. The other four provinces that the inspector general recommends essentially abandoning are also in the Shiite south.

In its assessment of Iraqi weaponry, the inspector general concluded that of the 505,093 weapons that have been given to the Ministries of Interior and Defense over the last several years, serial numbers for only 12,128 were properly recorded. The

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weapons include rocket-propelled grenade launchers, assault rifles, machine guns, shotguns, semiautomatic pistols and sniper rifles.

Of those weapons, 370,000 were purchased with American taxpayer money under what is called the Iraq Relief and Reconstruction Fund, or I.R.R.F., and therefore fell within the inspector general's mandate.

Despite the potential risks from losing track of those weapons — involving 19 different contracts and 142 delivery orders — the United States recorded serial numbers for no more than a few thousand, the inspector general said.

There are standard regulations for registering military weaponry in that way, governed by the Department of Defense small-arms serialization program. The inspector general's report said that when asked why so many weapons went to Iraq with no record of serial numbers, American military officials in Baghdad replied that they did not believe the regulations applied to them.

Still, in their response to the report, military officials said they would keep track of serial numbers for weapons shipped or issued in the future, but in a database outside the small-arms serialization program. They did not present a plan for identifying or monitoring weapons that had already been issued.

The inspector general's report also found that money for spare parts was allocated for only 5 of the 12 different kinds of weapons sent to Iraq — and when the inspector general contacted units of the Defense and Interior Ministries, none actually knew how or where to requisition spare parts.

There were also significant discrepancies in the numbers of weapons purchased and those in Iraqi warehouses. While 176,866 semiautomatic pistols were purchased with American money, just 163,386 showed up in warehouses — meaning that more than 13,000 were unaccounted for. All 751 of the M1-F assault rifles sent to Iraq were missing, and nearly 100 MP-5 machine guns.

Audit Finds Missing U.S. Weapons In Iraq (AP-Y)

By John Heilprin

AP, October 30, 2006

Nearly one of every 25 weapons the military bought for Iraqi security forces is missing, a government audit said Sunday. Many others cannot be repaired because parts or technical manuals are lacking.

A second report found "significant challenges remain that put at risk" the U.S. military's goal of strengthening Iraqi security forces by transferring all logistics operations to the defense ministry by the end of 2007.

A third report concerned the Provincial Reconstruction Team program, in which U.S. government experts help Iraqis develop regional governmental institutions. "The unstable security environment in Iraq touches every aspect of the PRT program," the report said.

The Pentagon cannot account for 14,030 weapons — almost 4 percent of the semiautomatic pistols, assault rifles, machine guns, rocket-propelled grenade launchers and other weapons it began supplying to Iraq since the end of 2003, according to a report from the office of the special inspector general for Iraq reconstruction.

The missing weapons will not be tracked easily: The Defense Department registered the serial numbers of only about 10,000 of the 370,251 weapons it provided — less than 3 percent.

The Pentagon spent $133 million on the weapons, and "the capacity of the Iraqi government to provide national security and public order is partly contingent on arming the Iraqi security forces, under the ministries of defense and interior," the report notes. Military officials insisted the weapons either had to be new or never issued to a previous soldier.

By December, the U.S. military had planned to put those weapons in the hands of 325,500 personnel.

Missing from the Defense Department's inventory books were 13,180 semiautomatic pistols, 751 assault rifles and 99 machine guns, according to an audit requested by Sen. John Warner, R-Va., chairman of the Senate Armed Services Committee.

The audit does not make clear at what point the weapons were lost. But it notes that "there could have been undetected losses" before weapons were ever issued to Iraqi security forces — who also lack many needed spare parts, technical repair manuals and arms maintenance personnel.

The second audit, on logistics capabilities, said there is a "significant risk" that the Iraqi interior ministry "will not be capable of assuming and sustaining logistics support for the Iraqi local and national police forces in the near term." That support includes equipment maintenance, transportation of people and gear and health resources for soldiers and police.

Army Col. Brian Baldy, chief of staff for the Defense Department operation in Baghdad training Iraqi forces, told auditors he agreed with most of the report's recommendations to improve weapons accountability. The report calls on the U.S. military to create accurate weapons inventories, fill maintenance positions and tell how to get spare parts.

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But he said one recommendation for registering all the weapons' serial numbers was "unattainable" because some of them are foreign-owned. The audit said the military's inventory books also included some weapons that had been donated, captured from enemies or bought with other funds.

Maj. Gen. Thomas Moore of the Marine Corps said he agreed with the logistics audit recommendations that the U.S. military create a plan to train Iraqi police and examine how well Iraqi agencies' budgets support the supply chain and help for specialists with other training such as doctors, nurses, medics and mechanics.

The report on Provincial Reconstruction Teams said that, because of security issues, they "have varying degrees of ability to carry out their missions." Auditors reviewed nine teams and four satellite offices and found "4 were generally able, 4 were somewhat able, 3 were less able and 2 were generally unable" to accomplish their goals.

Dems Claim Momentum, GOP Mobilizes Base (AP-Y)

By Tom Raum

AP, October 30, 2006

Republicans on Sunday said a major voter turnout effort would help them stay in power after the Nov. 7 elections, while Democrats claimed momentum as they seek to tap into voter unhappiness over Iraq.

Both sides agreed that the war in Iraq was a leading, if not central, issue in the contests to decide control of the House and Senate.

"This election is becoming more and more a referendum on George Bush, his failed policies both overseas and at home with a rubber stamp Congress," said Sen. Charles Schumer of New York, head of the Senate Democratic campaign committee.

His Republican counterpart, Sen. Elizabeth Dole of North Carolina, said Iraq and the broader fight against terrorism were important issues, but "President Bush's name is not on the ballot." Democrats, she said, were trying "to make it a national referendum."

Schumer and Dole were among the politicians and party leaders who sparred on the Sunday talk shows just nine days before the elections.

Democrats need a gain of 15 seats to win control of the 435-member House and six seats to claim the 100-member Senate.

With approval slumping for both the war and the president, recent polls show Democrats have their best chance to reclaim the House since the GOP swept them from power in 1994, and a shot at capturing the Senate as well.

As the candidates entered their final full week of campaigning, House Democrats worked to emphasize the GOP role in the Iraq war. The party's campaign committee said it would air television commercials criticizing Republicans for supporting the war in about a dozen competitive races in the coming days.

"Despite a war gone wrong and no plan for victory, politicians like (Rep.) Rob Simmons keep voting to stay the course again and again," says one commercial, airing in Connecticut.

Democrats have increased the number of races where they are advertising in recent days, a sign of confidence as the election approaches. In addition to new offensives in Kansas, Kentucky and New Hampshire, officials disclosed plans to run commercials against Republican Rep. Jim Walsh this week in the area around Syracuse, N.Y.

House Majority Leader John Boehner, R-Ohio, said polls showing a Democratic advantage, especially in the House, "don't mean anything, because what we have are 435 individual races all around the country, local candidates running on local issues."

"If we mobilize all our voters, we'll do well on Election Day," Boehner said.

Ken Mehlman, chairman of the Republican National Committee, sounded a common Republican theme — that a Democratic-led Congress would mean higher taxes. Democrats accused him of scare tactics.

Mehlman suggested "across-the-board tax increases affecting millions of Americans" if Democratic Rep. Charles Rangel became chairman of the tax-writing House Ways and Means Committee. The New York lawmaker is now the panel's senior Democrat.

Last week, Vice President Dick Cheney contended Rangel wanted to undo popular tax cuts enacted during Bush's first term. Cheney's claim was based in part on Rangel's own remark that he could not think of one of Bush's tax cuts that merited renewal.

"Once again the vice president hasn't the slightest clue about what he's talking about. He's never talked with me and neither has anyone in the administration about taxes," Rangel said Sunday. Rangel said his own remarks referred to broad-based tax overhaul efforts.

"What I did say was that, if they want to have tax reform, if they want simplification, everything has to be on the table," Rangel said.

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Democratic party chief Howard Dean said Democrats "have no intention of raising taxes except on the people who have got enormous tax breaks — like the oil companies — from the Republicans."

In Senate races, both national parties were focusing on a dwindling number of states, notably Tennessee, Missouri, New Jersey and Virginia.

Democrats had strong leads against Republican incumbents in Rhode Island, Montana, Pennsylvania and Ohio.

"The momentum here is outstanding on our side," said Democratic Rep. Harold Ford of Tennessee, vying for the seat now held by retiring Senate Majority Leader Bill Frist.

Ford denounced as "a piece of smut" an RNC-financed TV attack ad in which a white woman with bare shoulders says she met Ford at a "Playboy party," looks into the camera and whispers, "Harold, call me."

The ad does not mention that Ford is black. Civil rights groups complained the commercial makes an implicit appeal to a deep-seated racial fears about black men and white women.

"I don't think race had anything to do with that ad. I just think it was an uncalled-for, despicable, inappropriate ad," Ford said. He added, "The party of family values should not have run that in Tennessee or anywhere, for that matter."

Ford's GOP opponent, former Chattanooga, Tenn., mayor Bob Corker, was invited to appear with Ford but was not available, according to the Fox network.

Mehlman repeated his assertion that the RNC had no control over the independently produced ad, even though the RNC paid for it.

Also Sunday, rivals in Maryland's closely watched Senate race held a nationally televised debate in which Republican candidate Michael Steele, the lieutenant governor, said the Iraq was "a mess" and blamed the Pentagon for poor planning. Democratic Rep. Ben Cardin repeated his opposition to the war and said he hoped U.S. troops could be withdrawn by 2007; he called that a goal, not a deadline.

A poll released Sunday by The Washington Post had Cardin leading Steele by 11 percentage points.

In the New Jersey Senate race, Democratic Sen. Robert Menendez held a slight lead over Republican Tom Kean Jr., 48-42 percent in a poll published Sunday in The Record of Bergen County.

Meanwhile, the New York Times endorsed Connecticut Democrat Ned Lamont for Senate while The Hartford Courant and New Haven Register backed Sen. Joe Lieberman's independent bid for a fourth term.

"Ned Lamont has run a far less polished campaign than Mr. Lieberman, but the more we see of him, the more impressed we are by his intelligence and his growing sophistication about the issues facing the nation," the Times wrote.

Schumer, Dole and Ford were on "Fox News Sunday." Boehner appeared on ABC's "This Week," Dean and Mehlman on CBS' "Face the Nation," Steele and Cardin on NBC's "Meet the Press" and Rangel on "Late Edition" on CNN.

Democratic Majority Ready To Go To War Over Iraq (WT)

By David R. Sands

The Washington Times, October 30, 2006

The Next Congress

First of five parts

Capitol Hill may soon swell from speed bump to stumbling block for an embattled President Bush, depending on which levers the voters pull in the congressional midterm elections a week from tomorrow.

Handicappers say Democrats have at least an outside chance of seizing control of both chambers of Congress for the first time in Mr. Bush's presidency, which would present him with stark new challenges in the final two years of his term.

In this series, The Washington Times will look at how such a transfer of power on Capitol Hill will affect U.S. policy and politics on a range of issues -- from taxes and immigration to health care and homeland security.

In foreign and security policy, the bloody frustrations of Iraq and the bitter partisan divide over the war on terrorism have defined House and Senate races across the country this fall.

With both Mr. Bush and the war in Iraq sagging badly in the polls, some suggest that the White House will face more resistance from Congress even if the Republicans hang on to their slim majorities.

"You're going to have much more legislative oomph, and [Congress is] going to be much more active on a whole range of issues," said Kurt Campbell, a top Pentagon and National Security Council aide in the Clinton administration and now director of international security programs at the Center for Strategic and International Studies (CSIS).

"It won't be, 'Oh, that's fine; you go about your business in Iran and just let us know how it's going,' or, 'Tell us about North Korea when you're done with the negotiations,' " Mr. Campbell said.

Getting tough

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The congressional elections come at a bad time for an administration confronting multiple overseas crises -- with Iraq, Iran and North Korea topping the list -- in addition to the long-term struggle against Islamic terrorist groups, said Richard Haass.

"I can't think of another time when an administration was being hit simultaneously with so many difficult, yet largely discrete, challenges," said the top State Department policy adviser in Mr. Bush's first term and now president of the New York-based Council on Foreign Relations.

On some issues, though, the election is not expected to bring a major shift in foreign policy.

Both parties have largely supported the president's civilian nuclear pact with India, although Congress has yet to formally approve the deal. Leading Democrats also largely back the administration's strongly pro-Israel tilt, with House Minority Leader Nancy Pelosi and Rep. Tom Lantos, ranking Democrat on the House International Relations Committee, seen as particularly strong supporters of the Jewish state.

But congressional Democrats have vowed to end what they see as a rubber-stamp Congress under Republican leadership. They say Congress has barely challenged Mr. Bush on such momentous issues as the decision to invade Iraq, the campaign to contain North Korea's nuclear ambitions, new administration policies on intelligence gathering and the handling of detainees, and the overall management of the war on terrorism.

Sen. Carl Levin, the Michigan Democrat in line to take over the Senate Armed Services Committee if his party wins a majority in the chamber, said major Democratic gains next week almost certainly would force the Bush administration to change tactics in Iraq and elsewhere.

Democratic control of even one chamber of Congress would have a "huge motivating force to change course," Mr. Levin said.

Iraq turnaround

Republicans warn that the elevation of anti-war liberal Democrats such as Mr. Levin and Mrs. Pelosi of California to leadership positions in Congress is exactly the wrong message to be sending in the most trying days of the global fight against terrorism. A Democratic majority, they say, could cripple the country's ability to take the fight to enemies overseas.

"I think Americans would prefer our generals to be fighting terrorists as opposed to fighting subpoenas," Republican National Committee Chairman Ken Mehlman said.

In addition to bigger roles for Mrs. Pelosi and Mr. Levin, the congressional races could thrust a number of other Democrats into powerful foreign policy posts.

Rep. John P. Murtha, Pennsylvania Democrat and the former Marine who has pushed for an immediate withdrawal from Iraq, is in line to take over the defense subcommittee of the House Appropriations Committee -- the panel that introduces all bills to fund the Iraq war. Mr. Murtha also has said he might consider running for House majority leader if the Democrats win.

Rep. Ike Skelton, Missouri Democrat and a harsh critic of the Pentagon's management of postwar Iraq, likely would be Mr. Levin's counterpart as new chairman of the House Armed Services Committee. The Senate Foreign Relations Committee likely would be headed by Sen. Joseph R. Biden Jr., Delaware Democrat and another critic of the Iraq war who is pushing a plan for three separate federations with a central government in Baghdad.

Talking back

Mr. Campbell said a more assertive Congress controlled by the Democrats would be a particular headache for the Bush administration, which, he said, has grown used to having a free hand on foreign policy in the post-September 11 world.

"The defining vision of the executive branch has been, 'We're No. 1 and you don't matter,' " he said.

But "whoever comes to power, whether it's Republicans or Democrats, there's going to be a new sheriff in town in February and they're not going to take it from the administration and they're going to be much more aggressive about their prerogatives."

At a Council on Foreign Relations briefing earlier this month, Sen. Christopher J. Dodd, Connecticut Democrat, acknowledged that, "obviously the temptation to some degree would be recrimination in light of how Democrats have been treated over the last number of years by the Republican majority."

Mr. Dodd added it was his "fervent hope" that Democrats could ignore the temptation "and try and forge some bipartisanship."

But political forecasters say, barring an unanticipated landslide next week, the new Congress once again will be almost evenly divided between the two major parties. Even if they take control of one or both chambers of Congress, Democrats almost certainly will not have the majorities they need to force through bills that Mr. Bush and the Republicans oppose.

And aside from not liking the administration's line on Iraq, the Middle East, North Korea and other issues, it's not clear the Democrats can unite around a single policy of their own.

The House Out of Iraq Caucus, made up of 78 Democrats, backs Mr. Murtha's call for a quick withdrawal of U.S. forces and favors using Congress' power of the purse to force the administration to act. But Mr. Levin and other influential Democrats in the Senate have criticized that idea.

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When Democratic Sen. John Kerry of Massachusetts and Sen. Russ Feingold of Wisconsin introduced an amendment in June to withdraw virtually all U.S. troops from Iraq by July 1, 2007, the Senate rejected the idea on an 86-13 vote.

Checking up

But a Democratic House or Senate could make life extremely uncomfortable for the administration in another way -- oversight.

Committee and subcommittee chairmen largely set the agenda for their panels, pick the hearing topics and have the biggest say on how to deploy staff and investigators.

The Republican-dominated Congress, Democrats complain, devoted far more time to the U.N. oil-for-food scandal in the past four years than they have to the administration's handling of the war on terrorism. Democratic lawmakers say they want to question officials on topics ranging from the North Korea nuclear negotiations to the awarding of Iraq contracts to U.S. firms such as Halliburton.

Democrats also vow to probe the administration's use of intelligence in the run-up to the invasion of Iraq in March 2003 and the strains on the U.S. military caused by the war and its aftermath.

Mr. Skelton, asked what his plans would be for the Armed Services Committee, replied succinctly: "Oversight, oversight, oversight."

In a new analysis, two congressional scholars, Norman Ornstein of the American Enterprise Institute and Thomas E. Mann of the Brookings Institution, say the Democratic charges have merit. In a lengthy study to be published in the journal Foreign Affairs, the two argue that "Congress' oversight of the executive branch on foreign and national security policy has virtually collapsed" over the past six years.

For example, in 2003 and 2004, the Senate Armed Services Committee held no hearings on the military campaign in Afghanistan, despite a resurgence of violence by fundamentalist Taliban insurgents.

Critics within

Mr. Campbell noted that even Republicans on Capitol Hill -- especially in the Senate -- have become more outspoken in their criticism of Mr. Bush in recent days, reflecting polls showing the president and the Iraq war are unpopular and the fact that Mr. Bush has only two years left in office.

Even if the Republicans retain control of Congress, Mr. Bush is unlikely to have the same kind of support from his own party that he enjoyed in past years.

Republican Sens. John W. Warner of Virginia and Chuck Hagel of Nebraska have questioned administration claims of progress in Iraq. Sen. John McCain, Arizona Republican and a front-runner in the race to succeed Mr. Bush, led congressional opposition to the administration's original plans on the handling of suspected terrorists in U.S. custody.

Mr. McCain is one of the few lawmakers in either party pushing the administration to send tens of thousands of new troops to Iraq to crush the insurgency.

But he admits that his is "clearly a minority view" with little chance of support in the next Congress.

Sen. Lindsey Graham, South Carolina Republican, told the Associated Press in an interview last week , "We're on the verge of chaos [in Iraq], and the current plan is not working."

Senate Foreign Relations Committee Chairman Richard G. Lugar, Indiana Republican, recently broke with Mr. Bush by calling for direct U.S. talks with North Korea.

The White House has largely dismissed speculation on how the election could affect foreign policy as so much "chin-pulling," in the words of spokesman Tony Snow. Mr. Bush last week accused his critics of "dancing in the end zone when they haven't scored a touchdown."

But former President George Bush, who dealt with Democratic majorities in both the House and Senate throughout his four-year term, recently admitted at a Republican fundraiser in Philadelphia, 'I would hate to think what my son's life would be like" if the Democrats regained control of Congress.

The much-anticipated report being prepared by an independent commission headed by former Secretary of State James A. Baker III could alter the landscape before the 110th Congress is seated next year. Mr. Baker's panel, whose co-chairman is former Democratic Rep. Lee H. Hamilton of Indiana, is reportedly ready to recommend a major course change in Iraq and the Middle East.

And Mr. Haass of the Council on Foreign Relations said Democratic gains in Congress likely will have far less effect on foreign policy than the hard facts presented by such crises as North Korea's recent nuclear test and the rising sectarian violence in Iraq.

"The administration is going to be under intense pressure to adjust its policies no matter how the vote goes," he said. "Right now, the facts on the ground are driving things far more than what's happening in Washington."

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A Most Violent Month, And Many Final Farewells (NYT)

By Photographs By Doug Mills

The New York Times, October 30, 2006

Burials at Arlington National Cemetery took on a grim regularity in October, when at least 103 American troops were killed in Iraq and Afghanistan. In Iraq, the toll had reached 99 by Saturday, making October the deadliest month since January 2005.

Military officials attributed the high number of deaths to a spike in violence during the Muslim holy month of Ramadan, which began in late September and ended last week. They also pointed to a three-month campaign to win control of Baghdad from death squads that led to increased attacks on American troops.

But such explanations were little comfort to a 6-year-old girl weeping at the grave of her father, a mother clutching the flag from her son's coffin, or a widow walking slowly through the rain behind her husband's honor guard.

THOMAS J. LUECK

Diversity's Oppressions (WSJ)

By Thomas Sowell

The Wall Street Journal, October 30, 2006

Iraq is not the first war with ugly surprises and bloody setbacks. Even World War II, idealized in retrospect as it never was at the time -- the war of "the greatest generation" -- had a long series of disasters for Americans before victory was finally achieved.

The war began for Americans with the disaster at Pearl Harbor, followed by the tragic horror of the Bataan death march, the debacle at the Kasserine Pass and, even on the eve of victory, being caught completely by surprise by a devastating German counterattack that almost succeeded at the Battle of the Bulge.

Other wars -- our own and other nations' -- have likewise been full of nasty surprises and mistakes that led to bloodbaths. Nevertheless, the Iraq war has some special lessons for our time, lessons that both the left and the right need to acknowledge, whether or not they will. * * *

What is it that has made Iraq so hard to pacify, even after a swift and decisive military victory? In one word: diversity.

That word has become a sacred mantra, endlessly repeated for years on end, without a speck of evidence being asked for or given to verify the wonderful benefits it is assumed to produce.

Worse yet, Iraq is only the latest in a long series of catastrophes growing out of diversity. These include "ethnic cleansing" in the Balkans, genocide in Rwanda and the Sudan, the million lives destroyed in intercommunal violence when India became independent in 1947 and the even larger number of Armenians slaughtered by Turks during World War I.

Despite much gushing about how we should "celebrate diversity," America's great achievement has not been in having diversity but in taming its dangers that have run amok in many other countries. Americans have by no means escaped diversity's oppressions and violence, but we have reined them in.

Another concept whose bitter falsity has been painfully revealed in Iraq is "nation-building." People are not building blocks, however much some may flatter themselves that they can arrange their fellow human beings' lives the way you can arrange pieces on a chess board.

The biggest and most fatuous example of nation-building occurred right after World War I, when the allied victors dismembered the Habsburg Empire and the Ottoman Empire. Woodrow Wilson assigned a young Walter Lippman to sit down with maps and population statistics and start drawing lines that would define new nations.

Iraq is one of those new nations. Like other artificial creations in the Balkans, Africa and elsewhere, it has never had the cohesion of nations that evolved over the centuries out of the experiences of peoples who worked out their own modi vivendi in one way or another.

Tito's dictatorship held Yugoslavia together, as other dictatorships held together other peoples forced into becoming a nation by the decisions of outsiders who drew their boundaries on maps and in some cases -- Nigeria, for example -- even gave them their national name.

Even before 9/11, there were some neoconservatives who talked about our achieving "national greatness" by creating democratic nations in various parts of the world.

How much influence their ideas have had on the actual course of events is probably something that will not be known in our generation. But we can at least hope that the Iraq tragedy will chasten the hubris behind notions of "nation-building" and chasten also the pious dogmatism of those who hype "diversity" at every turn, in utter disregard of its actual consequences at home or abroad. Free societies have prerequisites, and history has not given all peoples those prerequisites, which took centuries to evolve in the West.

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However we got into Iraq, we cannot undo history -- even recent history -- by simply pulling out and leaving events to take their course in that strife-torn country. Whether or not we "stay the course," terrorists are certainly going to stay the course in Iraq and around the world.

Political spin may say that Iraq has nothing to do with the war on terror, but the terrorists themselves quite obviously believe otherwise, as they converge on that country with lethal and suicidal resolve.

Whether we want to or not, we cannot unilaterally end the war with international terrorists. Giving the terrorists an epoch-making victory in Iraq would only shift the location where we must face them or succumb to them.

Abandoning Iraqi allies to their fate would ensure that other nations would think twice before becoming or remaining our allies. With a nuclear Iran looming on the horizon, we are going to need all the allies we can get.

Mr. Sowell is the Rose and Milton Friedman Senior Fellow on Public Policy at the Hoover Institution. He is the author, most recently, of "Black Rednecks and White Liberals" (Encounter Books, 2005).

More From This Issue Politics And War The President Pushes Back As A Deadly Month Adds To Voters' Anxiety (USNEWS)

By Kenneth T. Walsh

U.S. News and World Report, October 30, 2006

President Bush didn't do much homework to prepare for his news conference on Iraq last week. He spent a few minutes with advisers, who tried to predict the questions that reporters might ask (and got most of them right), but he didn't feel a need to rehearse. Aides saw this as a sign of Bush's expertise. "You have a guy who lives this issue [of Iraq]," White House Press Secretary Tony Snow told U.S. News. "He really thinks about it every day."

That's the kind of confidence that delights the president's allies and unsettles his critics. And it will be on full display this week as Bush makes his final push before the midterm elections. White House advisers say Bush recognizes that it is sagging public support for the Iraq war, more than anything else, that is jeopardizing the Republican majorities in the House and Senate. Most Americans now oppose Bush's policy in Iraq, and 6 in 10 don't think the war was worth fighting in the first place. The latest USA Today/Gallup Poll found that 55 percent think the situation in Iraq is "out of control," and 58 percent say "neither side" is winning.

Rhetorical offensive. To lift his party's candidates, Bush will continue to make his familiar arguments that Iraq is a "central front" in the war on terrorism and, in a series of rallies, attack Democrats for criticizing his policies without offering a clear alternative short of pulling out. The closing theme of Bush's final week on the campaign trail, as described by his advisers: If the Democrats have a better idea, let's hear it. Bush will argue that the situation in Iraq is not nearly as bad as the news media are reporting. And Bush, along with military leaders in Iraq, will point to specific cases of success and courage shown by U.S. soldiers and marines to encourage voters to take heart.

In sum, Bush is gambling that voters will trust him one more time to do the right thing as commander in chief, as they did in 2002 and 2004. At his news conference last week, he admitted to being dissatisfied with how the Iraq venture is going. But he was much less clear about what he will do to make improvements and how much pressure he will exert on the Iraqi government to make reforms.

So far, the changes have been cosmetic. After Democrats began using Bush's catchphrase "stay the course" to portray the president as blindly wedded to a failed policy, White House strategists abandoned the slogan. Snow claimed that Bush hadn't used it much anyway (hardly accurate, since he had used the words on about 30 occasions, according to one TV network's research). This prompted considerable confusion about whether Bush was somehow trying to change the U.S. mission of building a stable, democratic, self-sustaining government in Iraq. But by week's end, the president said he wasn't altering his objective at all, and even Snow was spinning a different tune. "If you mean by 'stay the course,' be steadfast in your mission," Snow told U.S. News, "yeah, we'll stay the course." Added the press secretary: "It is not possible to do rapid, sudden shifting in a time of war. There will be no wrenching change."

The Disappeared (TIME)

By Aparisim Ghosh

Time, October 30, 2006

It can happen in seconds.

Waddah al-Anbari's ordeal began on an afternoon in Baghdad early this year while he was out buying a new cell phone. The neighborhood seemed safe; Waddah didn't bother to lock his car door. He was about to cross a narrow alley when a car screeched up, blocking his way. Two men got out, thrust AK-47s into his ribs and pushed him into the floor behind the front seat. Climbing in the backseat, the men pinned him down with their feet and beat him in the torso with the butts of their guns. When he

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tried to speak, he got a sharp jab in the ribs. His captors emptied his pockets and took his cheap wristwatch and his belt and shoes. As the car sped away, one man put a hood over Waddah's head and, using a plastic tie, bound his wrists behind his back. All that happened in a few moments, and Waddah says he could only think, "This is a mistake--they think I'm somebody else." But it wasn't a mistake. He was being kidnapped.

As if the atrocities committed by terrorists and sectarian death squads in Iraq weren't bad enough, kidnapping has become one of the country's most common forms of crime since the fall of Saddam Hussein. U.S. officials say that up to 40 people are kidnapped every day, a phenomenon highlighted last week when a U.S. soldier in Baghdad went missing, an apparent abduction victim. With ransoms ranging from a few thousand dollars to more than a million and with the police often unwilling or unable to even register such cases, officials say kidnapping has become an increasingly lucrative business. It helps the kidnappers that their criminal activity is often confused with the routine hostage taking by both sides in the Shi'ite-Sunni civil war. "Kidnapping for ransom is an industry," says Dan O'Shea, former coordinator of the U.S. embassy's Hostage Working Group. "It is governed by the profit motive, not religion or race or politics."

Waddah's story provides a rare insight into the inner workings of a kidnapping ring. He spoke with TIME on the condition that his identity be concealed; we have used a pseudonym and changed other details that might give him away. He refused to be photographed for this story for fear of being recognized. One of his concerns is that being known as somebody who was ransomed once might mark him as a target for other kidnappers. O'Shea and another U.S. official who works with Iraqi authorities on kidnapping-related issues say many details of Waddah's account are consistent with what they have gleaned from their investigations.

The story Waddah tells is a window into the worst nightmare of many Iraqis, who in the absence of law and order must live with the fear that they could be taken and held captive at any time or in any place. Waddah's grin reveals two missing front teeth, the result of severe beating with the butt of an AK-47, and his face is drawn and gaunt from long captivity. If his physique--once strong and upright, now stooped and limp--recovers from the ordeal, Waddah's psyche will carry some scars forever: the terror of imprisonment, the dread of not knowing whether he would live another day, the degradation of torture and the mortification of having to grovel and plead for his life. "For five weeks, I was less than a human being," he says. "Nobody should have to go through that." The disturbing truth, however, is that many of his countrymen do.

A trained motor mechanic with calloused hands and a penchant for automotive analogies, Waddah can be forgiven for thinking that trouble has been following him around for more than three years. In the spring of 2003, when it became clear that the U.S.-led coalition would invade Iraq, he and his family--his mother Haseeba, three brothers, their wives and six children--sold his late father's house near Basra and moved to his mother's ancestral home in a quiet, dusty town west of Baghdad: Fallujah. "We were sure that there would be no fighting there. The Americans would not attack it, and the Iraqi army would not bother to defend it," he recalls, "because there's nothing important in Fallujah. It was like an old car that nobody wanted." As Sunni Muslims, the family thought they would fit right into the Sunni-majority town.

But a year later, with Fallujah turning into a stronghold of the insurgency and gun battles breaking out on their street almost every day, the family moved again--this time to Ramadi, the capital of the restive Anbar province. Ramadi soon went the way of Fallujah, its streets controlled by jihadist gangs fighting pitched battles with U.S. Marines. One day an extremist cleric visited Waddah's home and urged the four brothers to join the holy war against the Americans. When the brothers refused, the cleric threatened to let loose his fighters on the family. The only way out was to move again.

Last February the family relocated to Baghdad, moving into an unoccupied house owned by a cousin in one of the city's most upscale neighborhoods. A week after they had moved, Waddah's brothers gave him $200 to buy a cell phone and some phone cards. The family had never owned a cell phone, and he was excited about buying one. Waddah got into his cousin's brand-new midnight blue Chevrolet Lumina. It was a short drive to the neighborhood's main drag, and he parked in front of a large cell-phone store. When he couldn't find a phone to his liking, he decided to try another store just across an alley. That's when he was grabbed.

It's unclear why the kidnappers targeted Waddah. The U.S. official familiar with kidnapping gangs in Iraq speculates that the arrival of a new family in a wealthy neighborhood may have alerted local criminals. "Typically the kidnappers would do some homework, tracking the movements of the family, deciding on whom to grab and when," he says. Waddah believes it was an opportunity snatch: the kidnappers happened to be cruising the street and, when they saw him get out of a brand-new car, assumed he was rich. Later, during interrogations by his captors, the Chevrolet Lumina would come up again and again. "Whenever I said my family were too poor to pay ransom, they would hit me and say, 'Don't lie to us. We know what kind of car you drive.'"

Hooded and lying on the floor of the car, Waddah had no idea where he was being taken. He thinks his captors drove for at least an hour before stopping. He was yanked out of the car and, still hooded and bound, taken into a house and dumped on the floor. He could dimly hear a conversation in another room but could not hear what was being said. After a few minutes, he was

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pulled up and practically dragged outside. This time he was pushed into what he thinks was the back of a van, which smelled of engine oil and urine. The second drive was shorter than the first, no more than 30 minutes. Again he was pulled out and taken into a house. The wait was longer--perhaps two hours--before he was dumped back into the van for another half-hour drive.

Why all the stops? The U.S. official says the first switch was probably a handoff to a second group, which would hold him and claim the ransom. "It's not unusual for more than one group to be involved," says the official. "As in any organized business, there's specialization. Some gangs do the snatching and then pass on their captive, for a fee, to another gang." The money changing hands at this stage may be no more than a few hundred dollars; the muffled conversation Waddah heard at the first house may have been a quick round of bargaining.

At the third house, Waddah was taken indoors, then down a flight of stairs and through a doorway and pushed roughly to the floor. He felt several kicks to his chest and thighs, followed by rapid- fire questions: What was his name? Where did he live? Where did he work? What was his family's phone number? "They said, 'The sooner you give us a phone number to call, the sooner we contact your family, negotiate a ransom and let you go,'" Waddah says. A common persuasion technique employed by kidnappers is to call the family of the victim and let them hear him screaming during torture. That usually gets the family's attention and makes them more likely to pay a ransom quickly. It upset the captors' plans, says the U.S. official, that Waddah's family didn't own a phone. "Kidnappers tend to be simpleminded people," the official says. "They have a fixed plan, and when something unexpected happens, they don't know how to deal with it."

Waddah's interrogation lasted hours, with long breaks during which his captors would leave the room. There were at least two of them at all times, but Waddah remembers several different voices. Toward the end of the interrogation, his hood was taken off, and he was able to see his captors for the first time. They were two bearded men, one of them armed. When he saw they were not masked, Waddah's heart sank. "If they were willing to show me their faces, it meant that they weren't afraid I would identify them. In other words, they meant to kill me eventually."

The interrogators ordered him to strip to his underpants and gave him a brown dishdasha, the traditional Arabic robe, which he wore for the rest of his captivity. He was then taken down two more flights of stairs to a basement holding area that was partitioned with plywood into many small cells--at least 10, possibly more. His home for the next five weeks would be a dirty cell, 5 ft. by 4 ft., with a rough concrete floor. The plywood walls were unpainted and still bore the manufacturer's stamp in a foreign script he speculates was Korean. The walls didn't go all the way up to the ceiling, and that allowed for some air circulation. He was given a large, smelly quilt that had to serve as a mattress as well as protection from the cold. From time to time, he heard other captives being taken out of their cells and up the stairs to the interrogation room. They remained there for hours, and Waddah heard screaming and sobbing. A few times, he heard the sound of gunfire--single shots, followed by silence.

His turn in the interrogation room came every other day. The questions never varied. "They kept coming back to the phone number--why I didn't have any," he says. "They just wouldn't believe me." Every session would end with threats of more beatings and torture. He was told of other captives who had died grisly deaths and was shown stains on the floor where they had bled. The strong smell of chemicals began to make sense. They had been used to cover up the smell of vomit and dried blood. But, says the U.S. official, the threat of death was probably no more than just that. "They were already invested in this guy, having paid the people who snatched him," he says. "They would not kill him if there was even a remote chance of making some money off of him."

The captives were fed twice a day: chopped raw vegetables like tomatoes, cucumbers and onions, wrapped in flat, unleavened bread. Sometimes, a spoonful of hummus was added to the vegetables. A 2-liter plastic jug was in his cell on the first day; when it ran out, Waddah would knock on his door and ask the guard for a refill. Once a day, the captives were taken to the toilet in groups of five. Their hands bound behind them, they would queue up at a tap just outside the toilet. One by one, the captives were untied, and they filled a red plastic bucket with water and went in. The others would wait, still fettered, while a guard armed with an old AK-47 watched them carefully.

One day, Waddah overheard the guards talking about the bombing of the Golden Mosque in Samarra, one of the holiest sites for Shi'ites. They also spoke of the wave of sectarian violence that followed, with Shi'ite mobs wreaking vengeance on Sunnis. "It sounded like Sunnis were being slaughtered in the streets of Baghdad," Waddah says. "I was worried about my family. They were new to the city and had no influential relatives who could protect them." While waiting to use the toilet over the next few days, the captives whispered rumors of how their Sunni kidnappers were taking revenge by killing some of the Shi'ite captives. Waddah says at least two captives he knew to be Shi'ite disappeared abruptly. At his next session in the interrogation room, Waddah's captors told him he was lucky that he was a Sunni. Any Shi'ite whose family was unable to pay ransom within a week was being killed, they said. To reassure them of his Sunni loyalties, Waddah claimed friendship with the fanatical cleric in Ramadi who had tried to force him and his brothers to become jihadist fighters. He also spoke disparagingly about Shi'ites. "I am not proud of what I said, but it saved me from more torture," he says. His captors seemed to take him for a kindred spirit, and the beating stopped.

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While Waddah languished in captivity, his family embarked on an agonizing quest to try to find him. His mother Haseeba, 65, took charge of the situation, as befits a traditional Arab matriarch. Realizing that the search for Waddah would require manpower, she dispatched two of her sons to Fallujah and Ramadi to summon as many cousins and uncles as they could muster. Her oldest son Mohammed's job was to canvass the neighborhood to identify the "sheiks"--older men, heads of important families that had lived there a long time and could be tapped for local knowledge and advice. Their first piece of advice: Stay away from the local police. The police in the neighborhood were known to be members of the Mahdi Army, the Shi'ite militia often blamed for the kidnapping and murder of Sunnis in Baghdad. "One of the sheiks--and he was a Shi'ite--said the police may themselves have been involved in taking Waddah," Haseeba says. "And even if they weren't, they would not help a Sunni family. They would only harass us for the ransom money."

Instead Haseeba recruited a distant cousin in Fallujah who was reputed to have contacts with the Sunni insurgency. His job was to inquire whether Waddah was being held by one of them. She was horrified when the cousin asked for a fee for that service: $1,000. He explained that the money was not for him but for his contacts. "I think he put most of it into his own pocket," she says. "But at that time, I could not afford to refuse." The days of waiting turned into weeks, and still there was no ransom demand. Some in the family wondered whether Waddah has been murdered rather than kidnapped. As violence in and around Baghdad escalated, even Haseeba began to lose hope, convinced that her son had become another nameless victim of Iraq's sectarian war. Sunnis were being killed all over the city. Surely there was no hope for Waddah.

Many kidnapping victims are held captive in remote farmhouses in the countryside. But after a few days in the basement prison, Waddah came to believe he was in an urban environment. Although there were no windows, he could hear city traffic and, when the power went out, the sound of several generators starting up. The bread served was often warm and fresh, indicating there was a baker nearby. If his captors had neighbors, they were probably complicit in the kidnappings; they obviously didn't report the sound of gunshots within the house to the police. During one interrogation, Waddah was told not to contemplate an escape. "They said, 'Even if you manage to get out of the house, the people in the street will bring you back to us,'" he recalls.

Waddah soon found himself the longest-held captive in the basement, and the guards grew friendly. They helped him get a sense of the scale of the kidnapping operation. By his reckoning, at least 30 captives passed through the cells during his five-week stay. The guards hinted that at least two captives had been government employees. Instead of being ransomed, they were sold to a jihadist group. And the jihadis took a cut from the ransom collections in exchange for protection. The U.S. official says that is common practice among kidnappers: "We know that the kidnapping industry helps finance the terrorists."

Waddah also learned a little bit about the "emir," or leader of the criminal gang. The guards described him as a bold and brazen criminal who masterminded the kidnapping of many high-value targets: rich businessmen, government officials, even a tribal sheik. The gang leader had been a senior official in Saddam's dreaded intelligence service, the Mukhabarat. The emir was also an expert in torture, able to extract information from the most stubborn captives. But he rarely took part in the interrogations anymore; in fact, he only occasionally visited the house. While he concentrated on other, unspecified business interests, the kidnapping organization was run day to day by his trusted lieutenants, a pair of brothers from his tribe.

In Waddah's fourth week of captivity, one of the interrogators went down to his cell to inform him they had made some progress in contacting his family. Waddah had given them names of family members in Fallujah and Ramadi, along with directions to their homes. One of the addresses in Ramadi had checked out, and the person who lived there--an old friend who Waddah believed had been a fighter in an insurgent group--had agreed to find a phone number for his family. The interrogator said "our people in Baghdad" were also looking for Waddah's home. A few days later, the kidnappers said they had made contact with Waddah's family. But Haseeba and her other sons, believing him to be dead, had already held a wake for him. Now they refused to believe that he was alive, rejecting the kidnappers' ransom demand as either a terrible prank or an opportunist's attempt to capitalize on their loss. "They are not going to pay," the interrogator told Waddah. "We're not sure what to do with you." Later that day, Waddah was taken to the interrogation room--his first visit in nearly a week. He was hooded again because, the guards told him, the emir was going to be present and they didn't want Waddah to see him.

There was very little beating, and the emir barely even spoke with him, but Waddah says it was the scariest episode of his captivity. As he sat on the floor, the emir and two assistants had a discussion about how to convince his family that he was still alive. One of them suggested that, as proof of life, they cut off a body part and send it to the family. There was a long debate about which part to cut: a finger, an ear, his nose or his penis. Finally, during a lull in the discussion, Waddah pointed out that his family members were unlikely to recognize any of his body parts. "They will just think you're sending them some dead guy's finger to scare them," he said. To his relief, the kidnappers saw the sense in this. The emir decided to wait until the man in Fallujah came up with the phone number.

A week later he was taken up to the interrogation room for what would be his last visit. There was still no phone number, so the interrogators said they would videotape Waddah and send the tape to his family. His hood was removed, and he was ordered to sit still and say nothing--to simply look at the camera. Expecting to be beaten, he was surprised that the filming ended

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in a few minutes and that nobody laid a hand on him. "They said, 'This is your last hope. If this doesn't convince your family, there is nothing else we can do,'" he says.

Within days, a package was tossed into the front yard of his family's home in Baghdad. It was the videotape: grainy images of a silent Waddah, staring at the camera, followed by a short speech by a masked man asking for $100,000. Haseeba was overjoyed. The ransom demand was obviously far beyond the family's means. But while they waited for the kidnappers to make contact to negotiate the sum, Haseeba began to collect the money. Once again, the family went to the cousins and uncles in Fallujah and Ramadi, this time to ask for money. Again they dug into their savings, collectively raising $25,000. Haseeba and her daughters-in-law sold all their jewelry, and Mohammed flogged a pair of old British-made hunting rifles he had inherited from his father. With the permission of the cousin who owned it, they even sold the midnight blue Chevrolet Lumina for a knocked-down price. Even so, they were able to get the collection up to only $40,000.

The next time they heard from the kidnappers, it was on Mohammed's cell phone--the contact in Fallujah had finally delivered the number. Haseeba took the call, beseeching the kidnappers to lower their price. "I said, 'I am like your mother. Have pity on me,'" she says. The caller asked to speak with Mohammed and told him, "We don't like to negotiate with old women. Don't let your mother answer the phone again." But Haseeba's pleas had worked. The next morning the kidnappers called again to say the family should have the $40,000 ready for collection. That evening a white Toyota Camry stopped at the family's front gate, and an old man entered, introducing himself as a tribal sheik from Anbar province. He said he had been asked to collect some money, adding, "I don't know what it is for, and I don't want you to tell me."

Waddah was still weak from a fever and barely able to stand when a guard relayed the good news: he was going home. He was hooded, bundled into the trunk of a car and driven around for an hour. This time there were no stops and no changing of vehicles. The hood was removed, the plastic bounds cut. "This is it," said one of the men, thrusting something into the breast pocket of his dishdasha and pulling him out of the trunk. "Thank God for your freedom." The car sped away before Waddah could get to his feet. He found himself just outside a well-known mosque, with 5,000 Iraqi dinars ($3.30) in his pocket. He was able to get a lift home from a passing commuter. The long ordeal was over. He was free.

With liberation come new uncertainties. In recent months Waddah and his brothers have struggled to find work in Baghdad and have returned to jihadi-infested Ramadi. But Waddah says his kidnapping has made him stronger and less fearful. Like so many other Iraqis, the family members cope with the violence surrounding them by clinging to one another. When Haseeba heard the car stop at the gate on the fateful day, she says her instinct told her it had to be Waddah. "A mother knows," she says. "So I told Mohammed: Go to the door--your brother has come home." Then Waddah walked in, and mother and son grabbed each other in a tight embrace that neither wanted to end. After several minutes, Haseeba's other sons asked her to let Waddah go so that they too could embrace him. "Never," she said. "I will never let him go."

A Centurion's E-mails (NSWK)

By Dan Ephron And Christian Caryl

Newsweek, October 30, 2006

Robert Secher had a passion for history. Until his death in Iraq on Oct. 8, the 33-year-old Marine could recount all the major battles of the Civil War. He studied the Holocaust, in which members of his father's family lost their lives. In recent e-mails home, he said he was reading about Vietnam and the Mexican civil war. But his favorite books were on ancient Rome: he was captivated by the centurions, who commanded from the front and led by example. "He talked about being a soldier since he was 6 years old," his mother, Elke Morris, told NEWSWEEK last week. "He wanted to be tested in battle." Secher signed up for the Marines when he was 17. He served on the Afghan border after the attacks of September 11 and later pressed for a transfer to the front lines in Iraq. He ended up in the insurgents' largest stronghold, Anbar province.

His job there was one of the toughest in Iraq: making raw Iraqi recruits ready and able to take over the fight against the militants. Secher found the task exasperating and often discouraging; in e-mails and letters home, he expressed doubt that the Iraqi military would ever be ready for a handover, and criticized the way the Bush administration had directed the war. "Without the U.S., this army will fail and get eaten alive by the insurgents," he told his father in an e-mail this past April. Chatting with a friend during a brief leave five months later, he spoke of suspicions that some of his trainees were loyal to Moqtada al-Sadr and would have no compunction about betraying their American instructors if the radical Shiite cleric told them to.

At other times Captain Secher's messages expressed fondness for his Iraqi trainees and respect for their courage. He was no pacifist. His parents describe him as an unswerving Republican, and his own dispatches consistently defend the invasion of Iraq even as he anguishes over its dwindling prospects of success. "Don't mistake us for Cindy Sheehan," Pierre Secher told NEWSWEEK at his Memphis home (a reference to the California woman who became an iconic opponent of the war after her son's death in Iraq). "To me, pacifism could have led to Hitler's victory. We might have all been speaking German and Japanese right now." But as President George W. Bush speaks positively of setting benchmarks for Iraqi troops to "stand up" and Defense

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Secretary Donald Rumsfeld declares that their training is going well, Captain Secher's messages from the front give a more complicated picture. His e-mails have been edited for space, and some typos have been fixed for clarity, but the words and feelings are entirely his own.

From: Robert Secher

Sent: Tuesday, December 06, 2005 5:31 AM

To: [Pierre Secher]

Subject: Hello

First of all, make sure you save (print and save) all the emails I send you [...] I am going to keep extensive journal notes on this deployment so I can write TWO books, one when I get back and of course the one I am working on now—Every email you save can help me [...]

Our team is made up of Marines from a variety of occupational specialties: supply, logistics, infantry, intelligence, communications, artillery (me and a sergeant), and of course we have a Navy corpsman (our medic). We will be located at an Iraqi base, living, eating [...]and fighting with the Iraqis. They are apparently the 1st Battalion, 2nd Brigade, 7th Iraqi Division or 11217 Iraqis. We'll be in Hit along the Euphrates River in the Al Anbar province and part of the Sunni Triangle [...]

As you know, when Roman centurions inspected their men during morning formations, the soldier would smack his fist on his breast plate above his heart and say "Integritas," which is of course "material wholeness," referring to the soldier's upkeep of his armor and demonstrating his dedication to combat readiness. You can rest assured that my mind and my gear will always be focused and ready.

Integritas, Robert

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Secher's 12-month Iraq tour officially began on his arrival in Kuwait on Jan. 24. On Feb. 18, he wrote to a good friend, Peter, in New York, from the Anbar province town of Hit, where his team was sharing a camp with some 500 Iraqi soldiers.

Peter,

I got your care package today and am humbled and extremely appreciative for it! Everything in there is exactly the type of stuff that is useful and needed! The integritas patches are awesome. I'm going to sew one on my Kevlar and one on my flak.

Our camp is about 1 km from the Euphrates, with palm groves to our east and the desert to our west. Hit is a lawless town with most of the fight in the north (the insurgents control/influence the southern part). [...] Camp Hit is a series of wooden huts surrounded by [earth-filled barricades] and a berm perimeter with triple strand concertina [wire]. [...]

My first impression of the Iraqis is that I really like them. They are warm and hospitable and the friendliest people I've met. I also feel very sorry for them. Their lives are out of their hands and they have known nothing but dictators (Saddam) and occupiers (us) for years. As we convoyed at high speeds thru the town (speed is the best defense against IEDs) you could clearly see the look on the eyes of the people: sick and tired. First a generation of Saddam, now insurgents and occupiers. Everyone makes promises and no one keeps them. [...]

I hope all is well. It is cold over here. It must be freezing in New York. Take care and I'll talk to you soon.

Your friend, Robert

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On the morning of March 3, Secher and his men were driving into town when they spotted an improvised explosive device disguised as roadside litter. They blocked off the area and called in an explosives team. In an e-mail to his family, he told what happened next:

With absolutely no warning (and less than 10 minutes after we got there) the IED blew up. In one split second I saw the huge black smoke then the noise, everybody outside the vehicles dropped to the ground [...] About that time we started taking fire to the rear of the convoy. The Iraqis identified where it was coming from and immediately returned fire, but by the time they successfully translated where the fire was from it had stopped [...]

Anytime an American fires a weapon there has to be an investigation into why there was an escalation of force. That wouldn't have stopped us from firing, but it prevents us from just firing indiscriminately. We have to have positively identified targets. That is why I am now a big fan of having the Iraqis with us. They can fire at whatever the hell they want, we call it the "Iraqi Death Blossom." These guys receive one shot and the whole unit fires at everything in sight until the attached American unit gets them to control their fire. That's fine with me.

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His mood had dimmed when he wrote again to his friend Peter on April 23:

Whatever "good" is happening in Iraq, isn't happening here. The bright side is there is no sectarian violence here like in Baghdad. In other words the insurgents around town don't target civilians. And there are even established warning signals so civilians know not to be around.

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My 3 month informed opinion (based entirely on what I see in the Hit region) is that this war is futile. Even the Iraqi soldiers tell us that when America leaves, they'll quit. They trust us because they know Americans can take care of them, but they don't trust their government, or the Ministry of Defense, and they especially don't trust their officers [...] Funny, I feel the same way sometimes.

Anyway, the weather here is getting hotter, it's windy all the time, the flies are terrible.

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Secher reacted angrily to accounts of the killings at Haditha and Hamdania. On June 22 he wrote to his father:

Of course you've heard about two different sets of Marines being charged with murder. [...]

I feel bad for those guys. Bush should be ashamed of the predicament that this nation has been put in. And anyone who calls those young Marines killers should think twice. War puts perfectly ordinary young men in situations that can't be judged by laws. They are the situations of survival. The dirty little secrets of war, no one would want to know the horrible things that the "greatest generation" did to German and Japanese soldiers and civilians. [...] If you really want to win a war you have to be brutal. You have to be Sherman and raze Georgia as you march to the sea.

Later that day, Secher had cooled off:

Hi Dad,

After reading my last email I don't want you to think that I condone the actions of the Marines, and if in fact they are guilty they should be held responsible and punished. My point is that this is the reality of what war is. This is what war does to normal young men. This is the whole tragedy of war. People are so quick to only criticize the Marines and to demonize these young men. I pity them. Their lives are ruined, ruined by their actions which are judged by men who have never been in those situations.

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As the summer wore on, his frustration deepened. On July 23 he wrote to friends:

Hello everyone,

Tomorrow will be our 6 month mark, and then only 6 more months to go! Everything is fine and works in cycles. Some weeks see more activity than others based on the insurgents' cycles of regrouping and refitting [...]

The biggest lesson I have learned over 6 months here is that the Iraqi culture is incapable of maintaining a western style military. The Arabic-style military [...] is distasteful to western soldiers: officers who hit their men; officers and senior enlisted men who regularly steal from their men; using leadership to openly grant yourself more food and 'standard of living' items while your men go without [...]

Many of our [Iraqi] soldiers went AWOL; new food supplies came in yesterday from Ramadi but were grossly insufficient; new soldiers arrived but their initial military training is substandard and you can tell they are really just here for a paycheck [...]

So that's about it. Hope all is well. The weather here has cooled down. It's only 110 this morning. Take care and talk to you all later.

Robert

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Still, new Iraqi officers had arrived, and Secher cheered up after seeing them in action. He wrote to his father on July 25:

In defense of the Iraqis, this new battalion commander and executive officer we have are starting out on the right foot. So far so good, see, there may just be some professionals in the IA [Iraqi Army]. Today an Iraqi soldier stole jewelry from a woman at a vehicle checkpoint. When it was discovered, the Iraqi was identified and the XO had an investigation done immediately, and the same day we transported the soldier to the jail on Camp Hit (where he is right now) and we'll take him to Al Asad in a week to be fired.

This is such a long process. Maybe 20 years from now I'll look back with pride that I helped make a difference in Iraq, but right now I'm just not into it. I just want to come home alive. [...] The war in Iraq itself, yeah, it was the right thing to do, but the way it was carried out, man, Bush, Rumsfeld, and Cheney have nothing to be proud of.

But I'm still glad to be here. At least I can say I was here, and 20 years from now that will be all that matters. I did my part (though my attitude was less than desirable). [...]

Tomorrow will be my 100th convoy and I'll get to command it again, which I enjoy. If there is one thing war has taught me, [it's] how much time we spend in life worrying about stupid s--t. I hope I don't forget that.

Love, Robert

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As summer ended, Secher was leading Iraqi soldiers on house-to-house searches for insurgents. He described the process in a Sept. 30 e-mail to his father.

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We went out with the IA to do cordon-and-searches, where we cordon off a city block [and] then go in small groups from house to house, initially knocking, but we had to kick in a few doors and gates. I had to shoot the lock off of one house. [...] The Iraqis I was with did a really good job. I had Mathan [an IA member] and our interpreter Joe, who are both good soldiers. We did the searches at night between 2300 and 0500, so it was a rude awakening. It caused some people to freak out, some were more calm, no one threatened us. We did take some sniper fire, but nothing sustained. I was surprised at how beautiful some Iraqi houses were on the inside. Not at all what I was expecting. [...]

The whole thing felt kind of weird. Especially when you have kick in a gate, go charging in, weapon on fire, finger on the trigger, charge to the front door start banging on it, and then some old man comes to the door [...] That was about the least enjoyable thing I have done here. As an American it really feels odd to enter peoples homes and question them, and with the authority that if they don't want to cooperate, I can detain them. This is what martial law would be like.

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His final e-mail arrived a week later.

From: Robert Secher

Sent: Friday, October 06, 2006 3:56 PM

To: [Pierre Secher]

Subject: Hello

Dad,

How are you? I will be down in the city [...] operating out of firm base 1 until probably Nov 1 so I won't have access to email very often. I should make it back up to camp every few days to shower and do laundry, and I'll check my emails then. The clearing operations are continuing throughout the town. It'll be sleep all day and go on operations each night (searches and raids). A lot more interesting than being on the camp. Give my love to [stepmother] Lucy, I'll talk to you all soon.

Love, Robert

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Captain Secher died two days later, shot by a sniper while on patrol in Hit. "There are many challenges out here," Marine spokesman Lt. Col. Bryan Salas told NEWSWEEK. "Captain Secher and the Marines who worked with him tackled those challenges with tremendous zeal, and served with dedication and great personal sacrifice. Our thoughts and prayers are with his family."

With Lee Hudson Teslik and Sarah Childress in New York

Togetherness In Baghdad (NSWK)

By George F. Will

Newsweek, October 29, 2006

Many months ago it became obvious to all but the most ideologically blinkered that America is losing the war launched to deal with a chimeric problem (an arsenal of WMD) and to achieve a delusory goal (a democracy that would inspire emulation, transforming the region). Last week the president retired his mantra "stay the course" because it does not do justice to the nimbleness and subtlety of U.S. tactics for winning the war.

A surreal and ultimately disgusting facet of the Iraq fiasco is the lag between when a fact becomes obvious and when the fiasco's architects acknowledge that fact. Iraq's civil war has been raging for more than a year; so has the Washington debate about whether it is what it is.

In a recent interview with Vice President Cheney, Time magazine asked, "If you had to take back any one thing you'd said about Iraq, what would it be?" Selecting from what one hopes is a very long list, Cheney replied: "I thought that the elections that we went through in '05 would have had a bigger impact on the level of violence than they have ... I thought we were over the hump in terms of violence. I think that was premature."

He thinks so? Clearly, and weirdly, he implies that the elections had some positive impact on the level of violence. Worse, in the full transcript of the interview posted online he said the big impact he expected from the elections "hasn't happened yet." "Yet"? Doggedness can be admirable, but this is clinical.

Anyway, what Cheney actually said 17 months ago was that the insurgency was in its "last throes." That was much stronger than saying we were "over the hump" regarding violence. Beware of people who misquote themselves while purporting to display candor.

The latest plan to pacify Baghdad—announced in June, declared a failure in October—was called Operation Together Forward. But U.S.-Iraqi togetherness is a sometime thing. Last April, The Washington Post's Jonathan Finer reported from Hawijah, Iraq, on a joint patrol to search for roadside bombs. The Iraqis refused to ride in armored U.S. Humvees, preferring

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pickup trucks because a cleric told them that anyone killed in an "occupier vehicle" would not go to heaven. Eventually, after threatening them with jail, U.S. Army Lt. Aaron Tapalman browbeat them into Humvees:

"About an hour later, the patrol came across a white bag on the roadside that Tapalman suspected might contain a bomb. When he asked some Iraqi soldiers to move it off the road, their commander balked, saying it wasn't his job. 'It is your job to protect the people,' Tapalman said, increasingly exasperated. 'I can go and move it myself, and you know what? I will, but don't you think your people should see you doing that kind of stuff? Someday we're not going to be here anymore.' The Iraqi soldier declined again, apologetically, and drove away."

A mordant joke told during the Cold War concerned asking an Italian, a Frenchman, an Englishman and a Russian to each describe his most cherished dream. The Italian said, "I want my country to produce the greatest artists." The Frenchman said, "I want my nation to produce the greatest philosophers." The Englishman said, "I want my country to produce the greatest parliamentarians." The Russian said, "I want my neighbor's cow to die."

The joke was no laughing matter because it turned on this truth: A history of brutalizing tyranny had stunted the Russians' aptitude for collective aspirations. Which brings us back to Iraq, which Patrick J. McDonnell of the Los Angeles Times covered for two years following the 2003 invasion. He recently returned. His Oct. 23 report ("Into the Abyss of Baghdad") begins:

"I keep seeing his face. He appears to be in his mid-20s, bespectacled, slightly bearded, and somehow his smile conveys a sense of prosperity to come. Perhaps he is set to marry, or enroll in graduate school, or launch a business—all these flights of ambition seem possible. In the next few images he is encased in plastic: His face is frozen in a ghoulish grimace. Blackened lesions blemish his neck. 'Drill holes,' says Col. Khaled Rasheed, an Iraqi commander who is showing me the set of photographs."

Electric drills are the death squads' preferred instruments of torture. McDonnell:

"One evening I accompanied a three-Humvee convoy of MPs through largely Shiite east Baghdad ... The objective that evening was to patrol with Iraqi police, but the Iraqi lawmen are hesitant to be seen with Americans, whom they regard as IED [improvised explosive device] magnets. The joint patrol never worked out ... The next night, an armor-piercing bomb hit the same squad, Gator 1-2. A sergeant with whom I had ridden the previous evening lost a leg; the gunner and driver suffered severe shrapnel wounds."

For what?

Bomb In Sadr City Slum Kills 31 People (WP/AP)

The Washington Post, October 30, 2006

BAGHDAD, Iraq -- A bomb targeting poor Iraqi Shiites lining up for day jobs in Baghdad's Sadr City slum killed at least 31 people Monday and wounded more than 50 others, police said.

The bomb tore through a collection of food stalls and kiosks at about 6:15 a.m., cutting down men who gather there daily hoping to be hired as laborers. Police Maj. Hashim al-Yasiri put the casualty figure at 31 killed and 51 injured.

There were conflicting reports as to whether the blast was caused by a suicide bomber or a device concealed amid debris by the roadside. The overwhelmingly Shiite area is a stronghold of the Mahdi Army militia blamed for much of the sectarian violence rocking the city.

Sadr City, a sprawling neighborhood of 2.5 million people, has been the scene of repeated bomb attacks by suspected al-Qaida fighters seeking to incite Shiite revenge attacks and drag the country into full-blown civil war.

The U.S. and Iraqi military have kept a tight cordon around Sadr City since a raid there last week in search of an alleged Shiite death squad leader, who was not found.

The last major bombing in Sadr City occurred on Sept. 23, when a bomb hidden in a barrel blew up a kerosene tanker and killed at least 35 people as scores waited to buy fuel.

The area was more crowded than usual because families were stocking up on fuel in advance of the holy month of Ramadan.

23 Policemen Shot To Death In Iraq (AP-Y)

By Steven R. Hurst

AP, October 30, 2006

Suspected Sunni Arab gunmen killed 23 policemen Sunday, including 17 in one attack in the predominantly Shiite southern city of Basra, signaling the possible start of an intensified insurgent campaign against Iraq's predominantly Shiite Muslim security forces.

Political tension deepened in Baghdad when Vice President Tariq al-Hashemi, the country's highest-ranking Sunni politician, threatened to resign if Prime Minister Nouri al-Maliki did not act quickly to eradicate two feared Shiite militias.

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Al-Maliki, a Shiite, depends heavily on the backing of the two Shiite political parties that run the militias and has resisted American pressure to eradicate the private armies — the Mahdi Army of radical cleric Muqtada al-Sadr and the Badr Brigade, the military wing of Iraq's biggest Shiite political bloc, the Supreme Council for the Islamic Revolution in Iraq.

Shiite gunmen, especially those of the Mahdi Army, are deeply involved in the sectarian killings that have brutalized Baghdad and central Iraq for months.

Police have been targeted throughout the insurgency in an effort to destabilize the U.S.-supported government, but the number of attacks Sunday was a sharp step-up in attacks aimed at security services.

The surge in violence also comes amid U.S. efforts to bring Sunni insurgents into a reconciliation process and a public squabble with al-Maliki over a timeline for crushing the Shiite militias and moving forward with measures to soothe the disaffected Sunni minority.

Thirty-three people in all were slain across Iraq on Sunday in a second day of rising violence that ended a five-day lull in attacks after the end Muslims' holy month of Ramadan.

Officials also found 24 bodies, some of them decapitated, the latest victims of sectarian reprisal killings that have soared since Sunni bombers destroyed a Shiite shrine in Samarra, north of the capital, Feb. 22.

Until that attack, the Sunni Arab insurgency was responsible for nearly all the violence in Iraq, both in attacks on American troops and the use of huge bombs aimed at Shiite civilians.

Since Shiite militias and roaming death squads joined the fight, thousands of Iraqis have been tortured and killed on both sides of the sectarian divide, taking Baghdad and other mixed Shiite-Sunni regions in the center of the country to the brink of civil war.

In the southern city of Basra on Sunday, gunmen dragged 15 policemen and two translators — instructors at the police academy — off a bus at the edge of town. Their bodies were found dumped throughout the city beginning about four hours later.

Fourteen of the victims were Shiite, three were Sunni. Shiites are about 80 percent of the population in Basra, Iraq's second-largest city.

Police officers also were shot down in Baghdad and in Baqouba, a city 35 miles northeast of the capital.

Anger over the destabilizing violence brought a political tremor when the top aide to al-Hashemi, the vice president, said his boss has threatened to resign unless the government quells the Shiite militias.

"Yes, the vice president is threatening to quit. Our position dictates that we send a message to the government. We cannot live with this situation indefinitely," said Mohammed Shaker.

Losing al-Hashemi, the country's top-ranked Sunni politician, would be a blow for the already shaky al-Maliki government.

The prime minister apparently was seeking to shore up support among his Shiite base by issuing a series of angry statements last week denouncing U.S. plans for a timeline to measure progress as an infringement of Iraqi sovereignty.

The eruption led to a hastily arranged video conversation between al-Maliki and President Bush on Saturday. Afterward, a top al-Maliki aide said the Iraqi leader was using American voter dissatisfaction with the war as a lever to strengthen his position with the United States.

The public spat arose after U.S. Ambassador Zalmay Khalilzad outlined adjustments in U.S. policy that called for al-Maliki to set timelines for progress on a series of tasks, including disbanding militias.

In an interview with CNN on Sunday, Khalilzad said the squabble was a misunderstanding.

"That was a problem in how what I said was interpreted or translated to him and how it was played by some of the media here. What he understood as it was explained to him was that I had determined what issues and by when the Iraqis had to decide," the ambassador said.

Iraqi court officials, meanwhile, said a verdict in Saddam Hussein's first trial would definitely be handed down as scheduled on Nov. 5, two days before the American elections.

Asked by CNN to address speculation that the timing of the verdict was motivated to affect voting, Khalilzad denied the Bush administration had anything to do with the trial court's operations or its verdict.

"Well, that decision was made by the Iraqi judges. The United States had nothing to do with the selection of the date," he said. "And we don't know whether the judges have come to a judgment or not."

If convicted, Saddam faces death by hanging in the case tied to the killing of 148 Shiite villagers in Dujail after a 1982 assassination attempt against him. A guilty verdict would set off an automatic appeal to a higher court.

The ousted leader's lawyer warned that violence would spread in Iraq and could wreak havoc throughout the Middle East if Saddam is sentenced to hang.

Khalil al-Dulaimi also said he would attend Saddam's resumed trial Monday on separate charges of genocide against Kurds, breaking a monthlong boycott of the trial.

The lawyer told The Associated Press in Jordan that he warned of a civil war in a recent letter to Bush.

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"I warned him against the death penalty and against any other decision that would inflame a civil war in Iraq and send fire throughout the region," al-Dulaimi said.

Gunmen Kill 19 Iraqis From Cop Academy (WT)

By Ammar Karim

The Washington Times, October 30, 2006

BAGHDAD -- Gunmen killed 17 Iraqi police instructors and two translators as they traveled home from work at a British-run training school near the southern Iraqi city of Basra yesterday, a senior Iraqi officer said.

The brutal killings came as U.S. troops fought off an insurgent ambush in northern Iraq, killing 17 rebels. Six more policemen were reported slain elsewhere in Iraq. A bodyguard to Iraqi Prime Minister Nouri al-Maliki was wounded in an attack on a convoy, but Mr. al-Maliki was not present.

"There were 17 officers and two translators on their way back home after they finished work when gunmen stopped them in an area called al-Kibla," said the Iraqi officer, who spoke on the condition that he not be identified.

"They work as instructors at the police academy in Shuaiba. They were killed and their bodies were taken back to Shuaiba and scattered around the town," he said. "The two translators work with the instructors and the British army and police."

Shuaiba is a town west of Basra that houses a large British base.

British military spokesman Maj. Charlie Burbridge confirmed that "there has been an incident in which it appears that 17 Iraqi police instructors were murdered in southern Basra this afternoon."

"We are poised to support with whatever the [Iraqi Police Service] requests within our capabilities. We are taking the incident extremely seriously indeed," he said.

The killings are a setback for British efforts to pacify southern Iraq, which hinges on training Iraqi security forces to enable them to take over responsibility for an area rife with illegal militia groups.

Although the area around Basra, which is largely Shi'ite, has been spared the worst of the sectarian violence that has torn apart life in central Iraq, the region is home to well-armed political, tribal and criminal factions.

The British government is under intense domestic political pressure over its strategy, with the former head of the country's armed forces yesterday branding the attempt to fight on two fronts -- in Iraq and Afghanistan -- as "cuckoo."

Britain has 7,200 troops in southern Iraq. Reports suggest their commanders would like to start pulling them out as early as February next year, although British Prime Minister Tony Blair insists they will stay "until the job is done."

Mr. al-Maliki wants the process of taking control of his own security forces to go ahead more quickly, a desire that was welcomed by the United States after a tense week of talks.

"The prime minister is anxious to have more responsibility for the security of the country. He wants to have appropriate capabilities and command and control of forces," said Zalmay Khalilzad, U.S. ambassador to Iraq.

"We welcome his desire to have ... more capable and credible forces and for him to have command and control of Iraqi forces," he said in an interview with CNN.

Meanwhile, fighting erupted near the northern town of Balad when rebels armed with assault rifles, machine guns and rocket-propelled grenades twice ambushed a U.S. convoy en route to a raid targeting "three suspected terrorists."

In the first ambush, the U.S. soldiers launched an air strike, which left four attackers dead. As they fought off the second assault with a combination of air and ground fire, they killed 13 more, the U.S. military said. No coalition forces were wounded.

Violence also continued in Baghdad. Two police officers were fatally shot in an ambush, and a popular Iraqi state television presenter was kidnapped and killed along with her driver, Anas Qassem Najm.

Nakshin Hamid, a 31-year-old Kurd, presented broadcasts destined for Iraq's Kurdish and Christian minorities on Al-Iraqiya television. She had recently moved after receiving death threats, journalists at the network said.

"She was kidnapped this morning along with her colleague, the driver, as she came in to work. Less than 30 minutes later someone called us from her mobile and said, 'We killed her,' " assistant news editor Abbas Aboud said.

The bodies of four other civilians were found nearby in the Haifa Street area.

Twofold Operation Seals Sadr City (WP)

By John Ward Anderson And Ellen Knickmeyer

The Washington Post, October 30, 2006

BAGHDAD, Oct. 29 -- American military police backed by Iraqi troops maintained their cordon of Baghdad's Sadr City on Sunday, manning barricades and checkpoints in and around the Shiite slum in an operation to find a kidnapped U.S. soldier and to capture the man considered Iraq's most notorious death squad leader.

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The soldier, an Iraqi American translator whose name has not been released, has been missing for six days. He was abducted by armed men while making an unauthorized visit to see relatives in the Karrada neighborhood of central Baghdad last Monday.

U.S. forces have effectively sealed off Sadr City and its 2.5 million residents from the rest of Baghdad, and within Sadr City, they have isolated the neighborhood around the home of alleged death squad leader Abu Deraa, according to an Iraqi Interior Ministry official who would not be named because he was not authorized to release the information.

U.S. officials have refused to comment on whether they believe that Abu Deraa is holding the missing soldier, and it was unclear whether the two goals of the U.S. operation -- finding the soldier and capturing Abu Deraa -- are related.

On Sunday, U.S. troops searched every car going in and out of Sadr City. Even donkey carts were searched; an American female MP patted a donkey as Iraqi troops sorted through the junked engine parts and cardboard piled on his back.

About a mile away, 1,000 men and women gathered inside Sadr City to protest the continuing U.S. operation. A woman cloaked in black robes declared over loudspeakers booming across a square that food and medicine were running short because of the near-blockade.

Parliament members and tribal leaders took the podium to demand that the Americans go away. Men pumped their fists but heeded appeals to remain calm.

"The Americans are trying to pull the Sadr movement into war with the U.S.," one speaker in brown robes exhorted. "Do not fall for their tricks. Keep calm, keep cool."

The Iraqi Interior Ministry official and residents of Sadr City said close lieutenants of Abu Deraa's and some of his relatives were killed in U.S. raids near his house on Wednesday and Friday. They said Abu Deraa, who is feared by Sunnis across the capital for allegedly leading a gang that has kidnapped, tortured and killed thousands of Sunnis, appeared at a funeral Friday and vowed revenge against the United States and anyone in Sadr City who cooperated in the attacks. The Interior Ministry spokesman said Abu Deraa accused Moqtada al-Sadr -- an anti-U.S. Shiite cleric with many followers in Sadr City who leads the Mahdi Army militia -- of being "a coward."

The Mahdi Army, which runs Sadr City, has been accused of killing thousands of Sunni Arabs. But many security officials believe that Sadr is losing control of extremist members of his militia and that Abu Deraa might be a rogue element.

Sadr denies knowing anything about the kidnapping of the U.S. soldier, Iraqi Prime Minister Nouri al-Maliki said last week. The soldier's brother also was abducted, but he was later freed and told police that the kidnappers were from the Mahdi Army, Maliki said.

Although the Sadr movement has previously disavowed Abu Deraa, a Sadr spokesman said Sunday that Abu Deraa was a member of the militia and that he would never speak against the cleric.

"Abu Deraa is merely a slave and a simple person in the Sadr movement, and he could not utter such words, for he is one of the dear fighters of the Mahdi Army and the Sadr movement," said Mohammed al-Kaabi, who works in Sadr's office in the city of Najaf.

[Early Monday, a bomb ripped through a Sadr City market where Iraqi Shiites were lined up for day labor jobs, killing at least 31 people and wounding more than 50, the Associated Press reported, citing police officials.]

On Sunday, the U.S. military said it launched a surprise attack on insurgents who were gathering in two places to ambush coalition forces near the city of Balad, about 50 miles north of Baghdad, killing about 17 guerrillas. Local officials and residents, who put the number of dead at 11, said the group had gathered to defend the Sunni hamlet of Duluiyah, about four miles across the Tigris River from Balad, fearing that it was going to be attacked.

The two towns were the site of intense Shiite-Sunni strife earlier this month, after Sunni insurgents kidnapped and beheaded 17 Shiite laborers in Duluiyah. Shiite leaders in Balad responded by asking for protection from the Mahdi Army, touching off a four-day sectarian rampage that left as many as 100 people dead. Both towns have since been bracing for reprisals.

Duluiyah police Maj. Ahmed Aziz said a group of armed men had gathered late Saturday to defend the town after receiving news that commandos from Iraq's Interior Ministry -- which has been accused of harboring Shiite death squads -- were preparing an assault. He said the men were "planning to ambush the commandos if they launched such an attack," but instead were struck by three missiles fired by U.S. jets.

Ali Kareem, a 35-year-old farmer whose brother was killed in the strike, said groups were positioned around the town to repel an expected offensive by U.S. forces and Interior Ministry commandos. He said their operations were coordinated with local police.

"We told the police that we do not need you with us in this operation, and we asked them to remain at their police station to defend the city in case the Interior commandos came and wanted to take over the city," Kareem said. "So we would be the first line of defense, and the police would be the second line of defense inside the city.

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"We would not let them take us as prisoners. Either they kill us or we kill them."

The U.S. military statement said coalition forces were moving "toward their objective" early Sunday when they "encountered terrorist activity on two separate occasions along their route." The statement, which did not specify the purpose of the operation, said aircraft "engaged the targets with precision fire," killing four guerrillas in the first strike and about 13 more in subsequent attacks.

Elsewhere, 17 police trainees and translators reportedly were killed when gunmen ambushed their bus near the southern city of Basra, local authorities said. Baghdad police said 25 bodies, many bearing signs of torture, were found across the capital Sunday morning. And at least 25 more people were killed in shootings, bombings and other violence in Iraq on Sunday, according to police, security officials and wire services.

Officials at state television station al-Iraqiya said that one of the station's sports broadcasters, Naqsheen Hamma Rasheed, was killed along with her driver Sunday morning while headed to work in Baghdad. She was the second sportscaster from the station to be slain in the past five months.

Falah al-Fadhly, the station's managing editor for news, said Rasheed, a Kurd, was shot about 9:30 as she was getting out of the car at the station, which is across the street from the Justice Ministry. The gunmen fled, he said.

Iraqi Family Says Missing Army Interpreter Is Son-in-Law (NYT)

By Michael Luo And Qais Mizher

The New York Times, October 30, 2006

BAGHDAD, Oct. 29 — The missing American soldier who has been the subject of an intensive manhunt here in the capital since he was kidnapped by gunmen outside the heavily protected Green Zone last week was secretly married to an Iraqi woman and had been visiting her at the time of the abduction, several people who identified themselves as his in-laws said Sunday.

These people, who provided the first vivid account of the abduction, said the kidnappers were members of the Mahdi Army, the Shiite militia, who dragged the soldier into a car at gunpoint. His whereabouts and condition remain unknown.

The soldier's marriage, if confirmed, would not only be highly unusual but also a violation of American military rules, and would put the mystery of the missing soldier in an entirely new light. The American military command has been circumspect in the details of the missing soldier, saying he was an Iraqi-American interpreter who had left the Green Zone without permission to visit unidentified relatives in Baghdad. Search squads have shown local residents the missing soldier's picture, but the military has not even released his name.

The new details of his family connections were disclosed as a spate of attacks reported elsewhere in Iraq left at least 33 people dead. These included an ambush on a police academy bus in southern Iraq that killed 17.

The people who said they were the missing soldier's in-laws identified him as Ahmed Qusai al-Taei, 41. They showed visitors to their Baghdad apartment an enlarged wedding photo of him and the bride, whom they identified as Israa Abdul-Satar, 26, a college student. They also showed the visitors glossy snapshots of the smiling couple in Egypt for their honeymoon. The couple had married three months ago, they said. The precise dates of the wedding and honeymoon, and whether the soldier had been on active duty at the time, were not clear.

The people also described how members of the Mahdi Army, led by a local commander known as Abu Rami, came to the wife's home in the central Baghdad neighborhood of Karada last Monday, on the Muslim holiday Id al-Fitr, and took Mr. Taei.

"They were saying, 'He's an American journalist,' " said a woman who identified herself as his mother-in-law and asked that she be identified only by her nickname, Um Omar, because of fear of reprisals. "We were saying, 'No, he's an Iraqi.' "

Um Omar and the others in the home said they had not learned until after the man's kidnapping that he was an American soldier.

Military officials would not comment when asked Sunday about these new details, and it was impossible to independently corroborate the account given by the people who said they were Mr. Taei's in-laws.

The military's fraternization policies prohibit active duty personnel from marrying local civilians, said Lt. Col. Josslyn Aberle, a military spokeswoman. But she said privacy rules barred her from providing any details about the missing soldier.

In 2003, a pair of Florida national guardsmen married Iraqi doctors they met in Baghdad soon after the fall of Saddam Hussein's government in a joint ceremony. One of the soldiers' marriages dissolved soon afterward, but the one whose marriage lasted was confined to his base and eventually discharged from the military.

The people who said they were the missing soldier's in-laws said he and his immediate family, Sunnis from the capital's Adhamiya neighborhood, had fled to the United States before the fall of Saddam Hussein. They explained how he came to marry Ms. Abdul-Satar, also a Sunni.

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Mr. Taei had friends in Karada, a mostly upscale commercial district that sits outside the Green Zone, Um Omar said. As she described it, he spotted her daughter one day as she was en route to classes at Mutsamsirya University in central Baghdad, where she is enrolled in the science college.

Through friends, he arranged to speak with her parents, Um Omar said, and after some discussion, Ms. Abdul-Satar agreed to marry Mr. Taei, whom her mother described as a "gentleman."

After the couple married, Um Omar said, Ms. Abdul-Satar moved out of her mother's cramped apartment, on the third floor of a dreary complex on a side street in Karada near the National Theater, and settled into a cousin's one-story home down the block.

Mr. Taei came to visit every few days, said a neighbor who lives across the street from the cousin's home, where the kidnapping took place.

"We thought he was a businessman," said the neighbor, who asked to be identified only by his last name, Nadhir.

Last Monday, Mr. Taei came about 4 p.m. on a motorcycle. Soon after, a car full of gunmen came and demanded that Mr. Taei go with them, Mr. Nadhir said. He said he witnessed the entire episode from across the street but was helpless to stop it.

Abu Rami, said to be the lead kidnapper, had been living in the abandoned Ministry of Defense building just up the street that is now inhabited by squatters, residents said. Members of the Mahdi Army, a force that answers to the radical Shiite cleric Moktada al-Sadr, are known to patrol that building as well as a squalid former air force base across the street that has also become a large encampment for the homeless.

Just a few days before the kidnapping, Abu Rami and his men had beaten several teenage boys in the neighborhood with cables for wearing shorts, residents said.

But when the men tried to drag Mr. Taei into their car at gunpoint, he and members of Ms. Abdul-Satar's family resisted, Mr. Nadhir said. Three additional cars full of gunmen soon arrived to help.

One of Um Omar's nephews came running to her apartment to tell her what was happening, she said. She rushed over with other family members.

"I saw one of the kidnappers putting a gun to his head," she said.

The women in the house were screaming and crying, begging and arguing with the gunmen to stop, said Ahmed Abdul-Satar, one of Ms. Abdul-Satar's brothers, who said he tried to send them inside while the men sorted out the matter. His sister, in hysterics, fainted, he said.

Eventually, the gunmen wrestled Mr. Taei into the car, but another of Ms. Abdul-Satar's brothers, Omar, who knew Abu Rami from the neighborhood, insisted on going with them, other relatives said.

They were on their way to the vast Shiite slum of Sadr City, the stronghold of the Mahdi Army, relatives said, when Abu Rami ordered Mr. Abdul-Satar out of the car and left him at the side of the road. If he did not get out, he was told, they would kidnap him as well.

Ms. Abdul-Satar and her brother are now staying in the Green Zone for their safety and to answer additional questions from the military, their mother said. She has heard from her daughter a few times, but there has been no news of Mr. Taei.

American troops, along with their Iraqi counterparts, have cordoned off much of eastern Baghdad, including Sadr City, in their search for the missing soldier.

On Friday, they rolled in force into the district, searching a mosque and a school but did not find him.

Just two days before that, Iraqi and American troops had clashed over several hours with militiamen after they entered Sadr City at dawn. They raided the home of a notorious Shiite guerrilla leader in search of suspects in the kidnapping, the military said. In total, 10 militiamen were killed in the fighting.

On Sunday, thousands of residents, along with politicians from Mr. Sadr's political bloc, gathered in Sadr City to protest peacefully against the security cordon around the neighborhood.

The most serious of the attacks elsewhere across Iraq on Sunday was an ambush of a police academy minibus in the southern city of Basra. Fifteen officers and two interpreters were killed, said Gen. Abdul Khidir al-Taher of the Iraqi police. In addition, the police found at least 31 bodies across the capital on Sunday, many of them shot at close range and bearing signs of torture, an Interior Ministry official said.

For Um Omar, the last week has been filled with waiting and worrying. If she had known that Mr. Taei had been in the United States Army, she said, she would have forbidden him to visit.

"I'm praying," she said. "I'm calling on Allah for his safety."

Spokesman: Iraq Insurgents Rejected U.S. (AP)

By Hamza Hendawi

AP, October 30, 2006

A man claiming to speak for a major Iraqi insurgent group said Sunday that the United States had tried unsuccessfully to establish contact with his group.

Speaking on Al-Jazeera television, the purported spokesman for the 1920 Revolution Brigades said the U.S. bid to contact his group failed because "intermediaries" used by the Americans were deemed unworthy.

"We don't believe the Americans are serious," added the spokesman, identified as Sheik Abdullah Suleiman al-Amri, who appeared in traditional Arab dress but with his face concealed.

Alberto Fernandez, a senior State Department official, told Al-Jazeera on Oct. 21 that Washington was ready to talk with any Iraqi group — excluding al-Qaida in Iraq — to help reconcile Iraq's factions and end the violence wracking the country.

Outlining a blueprint of policies for bringing security to Iraq, U.S. Ambassador Zalmay Khalilzad spoke last week of the need to persuade Sunni insurgents to lay down their arms and engage in national reconciliation.

He said Sunni-ruled Arab states like Saudi Arabia and Jordan had agreed to encourage the groups to end violence and work for a united and independent Iraq.

Al-Amri did not identify the intermediaries his group rejected, but earlier in the interview he sharply criticized Sunni Arab politicians who joined Iraq's Shiite-dominated, U.S.-sponsored political process.

"Their participation was wrong and they did not make good on any of the promises they made to voters," he said.

Al-Amri said his group had no ties to Saddam Hussein loyalists fighting in the resistance or the Association of Muslim Scholars, an influential group known to maintain ties with some insurgents.

But like a man who claimed to speak for Saddam's outlawed Baath Party in an interview with Al-Jazeera earlier this month, al-Amri set near impossible conditions for talks, including a full withdrawal of U.S. forces and recognition of the insurgency as the main representative of Iraqis.

That was a hardening of previous conditions. His group was one of 11 Sunni insurgent groups that offered in June to halt attacks if the Iraqi government and President Bush announced a two-year timetable for the withdrawal of all foreign troops from Iraq.

The 11 did not include the powerful Islamic Army in Iraq, Muhammad Army or the Mujahedeen Shura Council, the umbrella label for eight militant groups that include al-Qaida in Iraq.

The 1920 Revolution Brigades is particularly active in the Sunni-dominated provinces of Diyala, Salahuddin and Anbar. The group is known to have a large number of former members of Saddam's Republican Guard and Mukhabarat, the former dictator's most feared security agency.

In World Bank Role, Wolfowitz Keeps Up Battle To Reshape Iraq (WSJ)

By Greg Hitt

The Wall Street Journal, October 30, 2006

WASHINGTON -- Paul Wolfowitz continues fighting to shape Iraq's future, but his battle has shifted to the World Bank.

The former U.S. deputy defense secretary, an architect of the Bush administration's Iraq policy who now heads the development agency, is pumping up its physical and financial presence in Iraq.

The higher profile is a departure from longstanding World Bank practice of steering clear of countries engulfed in heavy violence. Coming on top of a White House-endorsed campaign at the bank to fight corruption in developing nations, his Iraq policy is prompting criticism that Mr. Wolfowitz is turning the bank into a vehicle for Bush-style nation-building while slighting other deserving countries.

"The tight association between Wolfowitz and the Bush administration is quite problematic," says Manish Bapna, executive director of the Bank Information Center, a liberal watchdog group. For critics such as Mr. Bapna, the Wolfowitz agenda is putting at risk the independence that allows the World Bank to operate in difficult environments despite geopolitical tensions.

Mr. Wolfowitz says he is charting an independent course -- on Iraq and corruption. "I don't know why people go off on this, that it is a U.S. agenda," he says. Iraq can benefit from lending and advice on how to manage public finances, scale back economic subsidies and create a social safety net for impoverished Iraqis. "What they really need now is policy advice," he adds.

Some delegates on the bank's board have challenged Mr. Wolfowitz's policies, too. Germany's Eckhard Deutscher has argued that Mr. Wolfowitz's plan to facilitate business in Iraq by moving World Bank offices into Baghdad, rather than maintaining headquarters next door in Jordan, will expose staffers to new risks without guaranteeing they can accomplish anything more, according to bank officials.

France's Pierre Duquesne thinks other conflict-torn countries should get similar levels of attention, especially former French colonies such as Ivory Coast and the Central African Republic, current and former officials say. "We want the same for others," Mr. Duquesne said at a bank meeting earlier this year, these officials say.

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While hobbled by political factionalism and widespread violence, Iraq's government ministries are nonetheless functioning, and the World Bank views them as partners in the nation's reconstruction. Aside from the U.S., Japan and a handful of Arab and European countries have donated money to the effort.

Mr. Wolfowitz is also betting the bank can operate more effectively at rebuilding Iraq than the U.S. can because the World Bank is viewed as a neutral player, not an occupying power.

But the scope of corruption in Iraq -- a recent U.S. report estimated $4 billion a year is lost there -- may put Mr. Wolfowitz in a bind between his competing priorities. For now, however, Iraq is exempt from the anticorruption drive under exceptions extended to countries torn by violence.

Since the 62-year-old Mr. Wolfowitz took office in June 2005, he has worked hard to show his commitment to the bank's mission of fighting poverty, boosting aid to Africa and providing debt relief to poor countries. He has also broken with the U.S. occasionally, urging the White House to accept deep cuts in farm supports in global trade talks to help poor agrarian nations. "I didn't take this job because I needed a job. I took this job because I believe in what the institution is trying to do," he says.

At the same time, Mr. Wolfowitz created a circle of top aides drawn from the Bush political establishment, including Robin Cleveland, a blunt Bush administration budget specialist who says "people don't leave meetings [with me] thinking I'm Christmas"; Karl Jackson, an Asia hand who, like Mr. Wolfowitz, worked in the administration of the first President Bush; and Kevin Kellems, a former Pentagon and White House public-relations specialist.

The Wolfowitz team quickly clashed with the bank's 24-member board over public corruption. As a former ambassador to Indonesia during the kleptocratic Suharto years, Mr. Wolfowitz says he learned that corruption undermines countries' ability to rise out of poverty. The Bush administration also considers the anticorruption agenda critical.

On one of his first days on the job, Mr. Wolfowitz used a board debate on a routine grant to Cambodia to voice concern about corruption. Later, he directed the World Bank to cancel, suspend or delay road contracts in Bangladesh, health-service funding to India and development loans to Kenya because of suspicions of government corruption.

Mr. Wolfowitz also proposed special conditions on the Republic of Congo's participation in a debt-relief program, citing concerns about financial dealings in that country's state-run oil sector. But the United Kingdom, France and others on the board complained he was grabbing power and unfairly penalizing a country working to meet debt-relief standards. After 22 members raised objections at a nine-hour meeting -- only the U.S. and Japan offered support -- Mr. Wolfowitz agreed to less stringent conditions. Both sides later declared victory.

Like Robert McNamara, the Vietnam-era defense secretary who went on to lead the World Bank, Mr. Wolfowitz is best known for his former job at the Pentagon. As deputy secretary of defense, he was a driving force for taking on Saddam Hussein even before the Sept. 11, 2001, terror attacks. He argued that the U.S. policy of containing the Iraqi leader, in place since the 1991 Persian Gulf War, was a dangerous failure. Even before President Bush took office, Mr. Wolfowitz, an intellectual leader among neoconservatives, argued for a more muscular approach to foreign policy, including toward Iraq.

After the U.S.-led invasion in March 2003, Mr. Wolfowitz urged that military commanders be given greater responsibility and more money for reconstruction, given their up-close knowledge of the situation. He largely lost that argument, but got a second chance to shape the reconstruction at the World Bank, which was founded after World War II to rebuild Western Europe and now makes development loans globally. Nor is Iraq just a policy issue for Mr. Wolfowitz; he still meets regularly with wounded U.S. soldiers convalescing in the Washington area.

As a rule, the World Bank gets involved in war-torn nations when the fighting is over, or at least contained. In Afghanistan, bank officials have operated in relative safety since the toppling of the Taliban by steering clear of provinces roiled by insurrection. But Iraq continues to be wracked by sectarian strife and battles between insurgents and U.S.-led coalition forces, and international aid workers and other noncombatants remain targets.

Typically, the World Bank looks for a "reasonable expectation" of stability in a nation among a handful of factors considered before it makes a major commitment of loans and staff, according to the institution's operational manual. In practice, that usually means bank personnel follow peacekeepers or other security forces after they have calmed tensions, as occurred in East Timor in 1999 when the bank moved in after British and Australian troops restored order. The bank has been recently ramping up operations in Liberia and Sierra Leone, after peacekeeping missions helped end violence there.

The World Bank became involved in Iraq in June 2003, three months after the U.S. toppled Mr. Hussein, joining the United Nations and International Monetary Fund on a mission to assess reconstruction needs. But work slowed after a bomb tore through a U.N. building that August and killed two dozen people, including a bank staffer.

The bank and IMF then pulled operations back to Amman, Jordan, where staffers would meet with Iraqi representatives or host video conferences. Unlike the bank, the IMF has no immediate plans to return to Baghdad.

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Managing from afar slowed decision-making and made it harder to oversee details of programs or work deals with donor nations represented in Baghdad. A World Bank line of credit for Iraq went untapped, and a separate $400 million reconstruction trust fund, overseen by the bank, dispensed funds slowly.

Other programs suffered, too. From September 2004 to January 2005, the World Bank's private-sector arm, the International Finance Corp., held conferences in Amman to train Iraqis to become bankers. But with Iraq steadily deteriorating, some participants refused to return home, forfeiting a $5,000 bond they had posted to leave the country.

Shortly after taking office in June 2005, Mr. Wolfowitz learned the Iraq program was flailing when British development minister Hilary Benn raised concerns and threatened to withdraw money from the reconstruction fund unless the situation improved. Mr. Wolfowitz called in the World Bank's two top managers for Iraq, who explained the bank was hampered by chaos in the country. But Mr. Wolfowitz wasn't "in a mood to hear it," says a participant in the session.

Within weeks, one of the managers, Joseph Saba, was on his way to Baghdad, where he made tentative arrangements for a bank office in the heavily fortified Green Zone, home to some senior Iraqi offices and the U.S. military and diplomatic headquarters. The bank also put together a new blueprint for operations in Iraq -- a "strategy note," in bank parlance -- to cover the following two years. The bank's "overarching objective" would be to build up the basic "institutions" of government and society, the strategy note said, including improving access to health care and building roads and bridges vital to commerce.

Mr. Wolfowitz says he was simply following staff advice "for a modest, incremental upgrading of our presence" in Iraq and that the plans have board approval, but current and former officials say he and his top staff were the driving force for change. With Mr. Wolfowitz engaged, the flow of money began to increase. In November 2005, a few weeks after Iraqis voted to ratify a new constitution, the bank approved a $100 million loan for school construction and a $19.5 million grant to the Ministry of Health to help disabled Iraqis.

A request by Iraq's deputy prime minister for more World Bank help bolstered Mr. Wolfowitz's case for action, but the constant pressure applied by the Wolfowitz team strained relations with some staffers, especially Christiaan "Chrik" Poortman, a gruff 30-year bank veteran with a walrus mustache who oversaw Middle East affairs.

Mr. Poortman, a Danish career bureaucrat with a deep commitment to the institution, strove to avoid public differences with the new president. But privately, he worried Iraq remained too chaotic for staffers to operate safely, and was uncertain about what could be accomplished in going back into Baghdad, current and former bank officials say. Mr. Poortman declined to comment. Mr. Wolfowitz says, "The safety of our staff and development partners is always at the top of the list of priorities."

In March 2006, Ms. Cleveland, acting as a trouble-shooter for Mr. Wolfowitz, visited Baghdad to assess the situation. Two months later, convinced it was safe enough to operate, the bank decided to open a Baghdad office staffed by a country director and three others, in a space used by Iraq's ministries of finance and planning. The bank is now recruiting staff.

World Bank lending there has picked up too. A second $135 million loan for road construction was approved at the end of June, and two more loans of $150 million -- to boost electric generation -- are being negotiated.

In his most recent move, Mr. Wolfowitz has remade his Iraq team, pressuring Mr. Poortman to accept reassignment as a country director in Central Asia, officials said. After Mr. Poortman refused and retired, Mr. Wolfowitz filled the Middle East slot with Daniela Gressani, an Italian staffer who had handled Mr. Wolfowitz's transition to bank president. "It's very important to have chemistry," Mr. Wolfowitz says.

British Consulate In Basra To Evacuate: Report (AFP)

AFP, October 30, 2006

Most of the staff at the British consulate in the southern Iraqi city of Basra will be evacuated through the course of Monday due to concerns over the safety of its staff, The Daily Telegraph reported.

The newspaper said that a private security assessment had recommended the measure after the consulate was hit by regular mortar attacks over the past two months.

According to the paper, there are about 200 staff at the heavily-fortified consulate building, including bodyguards and Gurkhas. Some 12 of them are full-time staff.

Some have already been evacuated by helicopter, and more are expected to go this week. They will either be moved to Basra air station, eight miles ((13 kilometers) outside the city, or back to Britain, while a small staff will continue to run the consulate's operations until it is deemed safe enough for more to return.

A spokesman for the British foreign ministry, while insisting its officials were "not bailing out" told the newspaper: "This is a temporary measure as a response to increased mortar attacks ... Core staff will remain at Basra Palace and the consulate will continue to maintain a full range of activities."

Most of Britain's 7,000-strong force in Iraq is based predominantly in the south of the country.

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British Charity Warns On Iraq Mercenaries (AFP)

AFP, October 30, 2006

The British government should introduce legislation to regulate people working for private military and security companies (PMSCs) in Iraq to prevent potential human rights abuses, a British non-governmental organisation said.

International development charity War On Want says that it is often difficult to hold people who work for PMSCs, which increasingly operate alongside United States and British troops, to account for their actions.

It wants the UK government to legislate to ban the involvement of PMSCs in direct combat or combat support.

"The government has failed to enact laws to punish their human rights abuses, including firing on Iraqi civilians," said campaigns director John Hilary.

"How can (British Prime Minister) Tony Blair hope to restore peace and security in Iraq while allowing mercenary armies to operate completely outside the law?"

Specifically the charity wants the British government to ban the involvement of PMSCs -- which increasingly operate alongside British and US troops -- in direct combat or combat support.

The report says that there is often "no perceptible difference" between soldiers and private support workers in combat situations.

"The potential for human rights abuses in such situations is an ever-present threat and it is nearly impossible to hold PMSC employees to account for their actions," it adds.

There are now some 48,000 PMSC staff in Iraq, many of whom work for British companies. That figure is six times the number of British troops in the troubled country.

War On Want says that the number of contracts being handed out in Iraq pushed the amount being spent on PMSCs up from 320 million pounds (477 million euros, 607 million dollars) in 2003 to more than 1.8 billion pounds the following year.

Britain's Foreign Office published a discussion paper on regulating PMSCs four years ago but the government has not acted on it.

Activists Want Mercenaries Regulated (AP)

By David Stringer

AP, October 30, 2006

A humanitarian group called Monday for government regulation of private security companies in combat zones, saying "mercenaries" often operate with impunity in Iraq and Afghanistan.

The London-based War on Want delivered a list of recommended regulations for the private security industry to Foreign Secretary Margaret Beckett, calling for increased scrutiny of allegations of human rights abuses by private security staff.

The demand comes as a conference of British defense firms working in Iraq and Afghanistan was set to open Monday in London.

Both the British government and private security companies agree that regulation is needed. But the companies say an independent ombudsman — rather than government regulation — would be more effective.

In a report, War on Want called for details of government contracts with defense companies to be made public and proposed restrictions on lawmakers and civil servants taking jobs within the sector after leaving office.

"We want the revolving door between government and the private defense industry to slam shut," War on Want spokesman Paul Collins said.

Andy Bearpark, director general of the British Association of Private Security Companies, an industry-funded lobby group, said government regulation was unworkable.

He said his members would instead urge Beckett to appoint an independent ombudsman to oversee their operations.

"The way we work is across international boundaries, so regulation or prosecutions through national laws would be complex," Bearpark told The Associated Press in an interview.

He said security companies "support 100 percent" moves to regulate the industry.

Britain's Foreign Office said a review of options for regulating the industry had begun, but there was no timetable for putting proposals to parliament.

"There is an agreement that there should be some form of regulation," said a Foreign Office spokesman on condition of anonymity because he was not authorized to speak to the media.

Bearpark, former director of operations and infrastructure for the Coalition Provisional Authority in Iraq, said British security contractors earned about $1.88 billion a year.

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War on Want claims the total value of the industry worldwide topped $100 billion in 2004 and has estimated there are 48,000 private security contractors working in Iraq.

The U.S.-led coalition and private Western groups operating in Iraq have come to rely on contractors for many security duties, including guarding facilities and some highways.

At least 300 contractors are reported to have been killed in Iraq. Some Iraqis have complained that the private security workers have used excessive force.

Collins said his group recognized the need for private security, but believed the industry urgently required tighter regulation.

"What we want to see is the proper investigation and prosecution of human rights abuses being perpetrated by mercenaries," Collins said.

The War on Want report claims civilian contractors — including men named in U.S. military reports as having carried out abuses at Iraq's Abu Ghraib prison — have repeatedly escaped prosecution for crimes.

Two workers employed by private defense companies CACI International Inc. and Titan Corp. were "either directly or indirectly responsible for the abuses at Abu Ghraib," a 2004 report by U.S. Army Maj. Gen. Antonio Taguba stated.

Saddam's Lawyer Warns Against Execution (AP)

By Jamal Halaby

AP, October 30, 2006

Saddam Hussein's chief lawyer warned Sunday of worsening violence in Iraq and chaos across the Mideast if the ex-president is sentenced to death at his trial for a crackdown on a Shiite Muslim village in the 1980s.

Khalil al-Dulaimi also said he would break a monthlong boycott and attend proceedings Monday when Saddam's second trial resumes on separate charges of genocide against the Kurds.

A verdict in Saddam's first trial is expected Nov. 5. He and seven others are charged with crimes against humanity in connection with the killing of 148 Shiites from Dujail after a 1982 assassination attempt against him.

Conviction carries a maximum penalty of death by hanging, but can be appealed to a higher court.

Meanwhile, the U.S. ambassador to Iraq, Zalmay Khalilzad, denied speculation that the timing of the verdict was set to coincide with midterm elections in the United States.

"That decision was made by the Iraqi judges," he told CNN on Sunday when asked about the verdict being scheduled two days ahead of the elections.

The United States assists the court with logistics and security, Khalilzad said. "But we don't determine the date for holding the meetings or the trial or the date for making the decision or announcing the decision with regard to Saddam Hussein."

Al-Dulaimi told The Associated Press in Jordan that he warned of a civil war in Iraq in a letter sent recently to President Bush.

"I warned him against the death penalty and against any other decision that would inflame a civil war in Iraq and send fire throughout the region," al-Dulaimi said in a telephone interview from Baghdad. He did not say when he sent the letter to Bush.

"Any foolish American decision will further complicate things and will pose a serious threat to U.S. interests in the region," al-Dulaimi said.

He also claimed the offices of Saddam's defense team in the U.S.-controlled Green Zone of Baghdad were ransacked over a week ago and said more than 1,400 pages of trial documents were damaged.

He said the defense team was reviewing the documents, which were provided by the Iraqi court trying Saddam and his co-defendants in the current trial stemming from the 1987-88 Operation Anfal offensive against separatist Kurds in northern Iraq.

"Some 1,450 pages were blackened and we believe that the prosecution was behind this," al-Dulaimi said. He said he would lodge a complaint against the prosecution and demand an investigation into the incident.

He could not explain how the documents were blackened or damaged.

Badee Izzat Aref, a lawyer for one of Saddam's co-defendants, also said the lawyers' offices had been ransacked. He said there was no sign of a break-in.

Chief prosecutor Jaafar al-Mousawi said al-Dulaimi's claims were "baseless and show the inability of the defense team in defending their clients."

Al-Mousawi said the defense team's offices are at an American military camp inside the Green Zone and insisted "no one can do such things."

"They want to offend the court by this, but they are only offending their clients," al-Mousawi said.

Prosecutors in the Operation Anfal trial allege that 180,000 people were killed during the campaign against Kurds.

Al-Dulaimi said he would return to those proceedings when they reopen Monday in Baghdad to present the chief judge with defense requests, including allowing non-Iraqi lawyers to attend the hearings without prior permission from the court.

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"Depending on the response from the chief judge, the defense team will decide whether to attend the hearings or continue its boycott," he said.

The defense team began boycotting the trial Sept. 24 after the dismissal of the chief judge, who had been criticized as being too soft on Saddam.

The lawyers said later they also were protesting the five-judge court's refusal to give them more time to review some 10,000 documents in the Anfal trial.

On Dangerous Footing In Iraq, Where Dancing Is A Courageous Act (NYT)

By Michael Luo

The New York Times, October 30, 2006

BAGHDAD, Oct. 29 — The members of the national dance troupe of Iraq are performers without an audience. They rehearse daily, but hardly ever put on a show.

Yet each turn of the hip and dip at the waist in their choreographed pieces has become weighted with a dangerous new reality, even as they wait for the chaos around them to subside so they can perform again. In today's Iraq, with conservative religious parties and radical militias exerting growing influence over every aspect of life, even dancing is an act of bravery.

"Society is overwhelmed by these religious ideologies," said Tariq Ibrahim, a male dancer in the Baghdad troupe, the Iraqi National Folklore Group. "Now a woman on the street without a head scarf attracts attention. What about a woman onstage dancing?"

Together they are a band of 10 women and 15 men from varied religious backgrounds. Once they toured the world together. Today they are simply trying to survive, hoping one day to thrive again as a troupe. But the religiosity sweeping Iraq does not bode well for their future.

Female participation in folk dancing is considered haram, or forbidden, in Islam. Ayatollah al-Sistani, the leading Shiite cleric in Iraq, has issued strict guidelines against dancing in various situations. The country's Shiite-led government, the dancers said, is naturally trying to marginalize them.

"Religion in its essence does not match with art," said Fouad Thanoon, the group's director and lead choreographer. "So when religion and government come together, that will affect art very much."

The group has more immediate worries about extremists. Recently one of its members, Bushra Yousif, 21, a petite woman with delicate features who has been with the group for six years, received a note at home warning her to leave within 48 hours. A bullet was included in the envelope.

She was probably singled out because of her profession, she said, but she will continue to attend rehearsals every day. She loves dancing too much, she said describing it as the highest form of art to "deliver a message through your body."

"Dying for this group would be like being martyred," she said, adding that it is a risk she accepts.

The group, which began in 1971, is dedicated to preserving the folk-dancing heritage of Iraq, performing traditional dances drawn from across that country's history and geography. The troupe's first two decades were golden years, when dancers trained with master instructors from overseas and frequently went on international tours. In 1980 the dancers performed at the United Nations in New York and visited Paris. They have gone to Italy, Japan and China — 60 countries in all — and won numerous prizes along the way.

The economic sanctions imposed by the United Nations in the early 1990s brought most of that to a halt. But just a year before the American-led invasion in 2003, the group enjoyed a rebirth with a burst of freedom under Saddam Hussein's government, performing almost every week here.

"The audiences were huge," Mr. Thanoon, the group's director said. "The theaters were overbooked."

But the group has been in suspended animation since the invasion began. It has performed just four times in Iraq and made two brief trips to Jordan and Dubai since 2003. The violence that surrounds it makes holding performances impossible.

"It is absurd," Mr. Ibrahim said. "It is not logical to have a performance group that only practices."

Maysoun al-Damalouji, an outspoken secular member of Parliament who was the Iraqi government's senior deputy minister of culture until March, said she had worried about being able to protect the dancers, as well as others involved in artistic endeavors that were objectionable to certain religious groups.

"The dancers were not the only ones," she said. "We were worried about having fashion shows because we had to protect the models. We found we couldn't really do that. The best way of protecting them was not to have them shown in public."

The dance troupe had mainly supported itself with ticket sales before the fall of Mr. Hussein's government, but when performances ended that became impossible. The current government has not compensated for that loss, the dancers said. They receive tiny stipends, amounting to about $140 a month, but even that is not guaranteed. The money often does not come

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and is usually barely enough to cover each dancer's rent. Because the dancers rehearse every day from 9:30 a.m. to 1:30 p.m., it is almost impossible for them to get second jobs.

The present government, controlled by conservative religious parties, cares little for the arts, Ms. al-Damalouji said, so it is not inclined to support groups like the dance troupe.

"Iraq is without a doubt an Islamic society, but Islam is not our only culture," she said. "All the other cultures are being denied by this government. There is an attempt to change Iraqi culture in general."

In this climate the dancers said they must censor themselves. The group recently played a small role in a theatrical production in support of the country's national reconciliation plan, put on for some employees of the Ministry of Culture, but Mr. Thanoon advised his dancers, for their own sake, to minimize any shaking of their hips or shoulders. The result was a rigid routine that seemed more martial than elegant.

"It should be like this," Liqaa Shukr said, demonstrating with plenty of gyrating flourish. "Instead it is like this," she said, switching to the languid movements they wound up performing.

Certain folk dances have been eliminated completely from the group's repertory for performances inside Iraq because they might be considered too provocative.

"We need to match what's going on now, not stand out," said Najwa Subhi, another female dancer.

Most of the women in the group go to elaborate lengths to hide their occupation from their neighbors, even though some of their faces are well known in Iraq from their performances on television under the old government.

Ms. Subhi, who lives in a mostly Shiite neighborhood dominated by militiamen, said she told her neighbors that she had quit her dancing and was working as a receptionist. She told them that even Hannah Abdullah, one of the group's founders and Iraq's best-known dancer, had retired.

"I spread this idea that we are no longer dancing," she said.

On a recent trip to Jordan for a cultural festival, she had her husband load her luggage in the car in the middle of the night. Even her husband's family did not know that she was going to perform. She told them she was visiting her brother in Kirkuk.

Rana Anwar, who successfully auditioned for a spot in the troupe three months ago, has let her neighbors and friends continue to believe that she is still a student at a tourism institute in Baghdad.

"It is very hard with what's going on to become a dancer," she said. "But my main goal is to show Iraq is not a backward country. Iraqi people like to dance, they like to sing."

So the dancers continue to practice daily in front of empty seats at the National Theater in central Baghdad. The dilapidated hall has become their sanctuary from the country's tumult.

Dumoaa Jamal was with the group for 10 years, but her uncle forced her to quit after the invasion because he deemed it too dangerous. But she returned three months ago, and tries to allay his fears by making sure she comes to rehearsals dressed in inconspicuous clothing and a head scarf hiding her long flowing hair.

"I wish it could be 24 hours a day," she said about the group's rehearsals. "When I enter the theater, it is as if everything from outside is gone. It is as if I have entered a different world."

She feels like a bird on stage, she said. Later, when she has donned her head scarf, scrubbed the makeup from her face and stepped outside, reality returns. There is no more dancing, only walking as invisibly as possible.

Al Qaeda-Linked Facility Destroyed Near Pakistan-Afghan Border Associated Press (WSJ)

The Wall Street Journal, October 30, 2006

KHAR, Pakistan -- Pakistani troops backed by missile-firing helicopters destroyed an al Qaeda-linked training facility in a northwestern tribal area near the Afghan border Monday, killing "many" militants, officials said.

The pre-dawn attack targeted a madrassa compound holding "70-80" militants in a village near the town of Khar, the main town in the Bajur tribal district, said army spokesman Maj. Gen. Shaukat Sultan.

Maj. Gen. Sultan said the facility was destroyed but that it wasn't immediately clear how many people had been killed.

The attack came two days after 5,000 pro-Taliban tribesmen held an anti-American rally in the Bajur area near Damadola, a village close to the site of an alleged U.S. missile attack that killed several al Qaeda members and civilians in January.

"We received confirmed intelligence reports that 70-80 militants were hiding in a madrassa used as a terrorist-training facility, which was destroyed by an army strike, led by helicopters," Maj. Gen. Sultan said.

Soldiers on the ground were tallying the number of dead, Maj. Gen. Sultan said. He was unable to provide a preliminary estimate of the casualty count, but said that "many" militants had been killed.

Helicopters fired four to five rockets into the madrassa, which was run by Liaquat Hussain, a local Islamic cleric who is believed to have been sheltering al Qaeda militants, Maj. Gen. Sultan said.

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A senior intelligence official in Bajur also said that a local al Qaeda leader, Faqir Mohammed, who led Saturday's rally was also believed to have been inside the madrassa that was targeted.

It was unclear if Mr. Mohammed was among those killed, said the official, who declined to be identified further because he wasn't authorized to speak to the media.

70 Taliban Killed In Night Battle, NATO Force Says (NYT)

By Abdul Waheed Wafa

The New York Times, October 30, 2006

KABUL, Afghanistan, Oct. 29 — A battle overnight Saturday in which NATO and Afghan forces engaged suspected Taliban insurgents in the southern Afghan province of Uruzgan might have killed as many as 70 insurgents, NATO officials said Sunday.

In a separate incident, NATO said one of its soldiers had been killed and eight more wounded, along with three local Afghan civilians, when their convoy was hit by a roadside bomb.

A statement from NATO said that its troops and Afghan National Army forces had come under fire from between 100 and 150 insurgents near a NATO operating base in the Chora Valley, north of Trinkot, in Uruzgan Province.

The statement said its troops had been backed up by attack helicopters and close air support during a firefight that lasted several hours.

NATO said last week that it had begun a widespread operation with the Afghan Army to try to overwhelm suspected Taliban fighters, especially in volatile regions where the insurgency had been on the rise since the beginning of the year.

A spokesman for the NATO operation, Maj. Luke Knittig, said the troops had been operating with Afghan Army forces north of Trinkot because the insurgents had been treating the area as a safe haven.

The roadside bomb that hit the NATO convoy exploded in an area where Dutch and Australian forces are based. The nationality of the soldier who was killed has not been announced.

Since NATO took over responsibility for the region from American troops at the beginning of August, 52 soldiers have been killed fighting the insurgency.

There also have been civilian casualties in the operation, including dozens of Afghan civilians killed last week in Kandahar Province during an airstrike by NATO planes.

At a news conference on Friday, President Hamid Karzai called for better coordination between Afghan and NATO forces during military operations to avoid civilian deaths.

US Urges Nato Allies To Help South Afghanistan Mission (FT)

By Daniel Dombey And Stephen Fidler In London And Rachel Morarjee In Kabul

Financial Times, October 30, 2006

The US is pushing its Nato allies to send more troops and support to help in Afghanistan ahead of a showpiece summit next month.

Officials say Washington is putting pressure on Spain, France, Italy and Germany, all of which have soldiers elsewhere in the country, to free up their troops to move into the south, where the most bitter fighting in Afghanistan is taking place.

"Wouldn't it be better if Germany and France . . . could be willing to have those troops sent sometimes on a periodic, temporary basis to help the Dutch, British, US and Canadians that are undertaking the major share of the fighting?" Nicholas Burns, US undersecretary of state, asked last week.

But the four countries say they are sorely stretched because of commitments across the world. Madrid and Rome both argue that they are hard pushed to meet their mission in the west of the country, where there are a total of 1,800 Nato troops compared with 9,800 in the south.

"We've already seen that the crackdown in the south has pushed some Taliban into the west," said one official. "This is an area that is insecure too so it would be irresponsible to take soldiers away."

However, the US and the traditionally Atlanticist countries that dominate the Nato forces in the south, such as the UK, Canada and the Netherlands, would like many more of Nato's 26 member states to rally round by the time the alliance holds a summit in Riga, Latvia, on November 28-29.

Last Friday, Jaap de Hoop Scheffer, Nato secretary-general, briefed US President George W. Bush at a meeting in Washington on his plans for the Riga summit.

Poland has already accelerated plans to deploy a 1,000-strong battalion, which will be based in the centre of the country but could be sent to the south.

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But other commitments have been much smaller – the Czech Republic and Denmark are sending 20-30 extra personnel apiece. Last week, Norway's centre-left government decided not to send troops to the south.

Meanwhile, a call by Gen James Jones, Nato's top military commander, for more air support has largely gone unanswered. However, the UK has promised more helicopters for its Nato troops by the time of the next rotation in spring.

Lord Drayson, UK defence procurement minister, told the FT this month that he was looking at leasing capacity to help meet the need.

Nato is also trying to step up its co-operation with international development organisations.

This week, Nato ambassadors will hold an unprecedented meeting with representatives of the European Commission, European Union governments, the United Nations and the World Bank.

However, non-governmental organisations in Afghanistan itself have begun to withdraw from much of the south because of fears about security. Most aid agencies in the south and the east of the country are confined to Kandahar city centre.

Send More Nato Troops To Afghanistan (FT)

Financial Times, October 30, 2006

The omens look bad for Nato's mission in Afghanistan. The alliance's recent offensive in that graveyard of empires has been bloody and, if reports of dozens of civilian casualties are to be believed, potentially counterproductive. But this is not a reason for Nato to pull out. Quite the opposite.

On September 11 2001, the world paid the price for neglecting Afghanistan. Despite quickly unseating the Taliban, an Iraq-obsessed Bush administration and its equally distracted allies then failed to make sufficient political, military and financial commitments.

Today, an insurgency is unsettling Afghanistan's south. There is precious little in the way of institutions and development work in parts of the country has been non-existent.

This matters. Afghanistan is at the heart of a sensitive and important part of the world - not least because of its long and porous border with Pakistan, an unstable and nuclear-armed state.

Nonetheless, there are signs of hope. More than Iraq, Afghanistan is tired of war - almost three decades of conflict have seen to that. The local population is not dead-set against the foreign soldiers. But it does need reassurance that their commitment is lasting and will lead to a better quality of life.

As Nato leaders prepare for a summit in Riga next month, they must recognise the importance of the mission and provide the means for its success.

That means sending thousands more troops to the south, where chronicinsecurity has meant that development has barely begun. A bigger military presence is needed if the region's wrecked infrastructure is to be rebuilt.

Germany, which has thousands of soldiers in the more peaceful north of the country, could make a valuable commitment by making some troops available for the south. Sir Richard Dannatt, the head of the British army, has already hinted at his desire to redeploy forces from Iraq to Afghanistan. Other countries - including the US - will have to think hard about sending fresh troops.

Strategy must also be rethought. During recent weeks Nato has focused on the number of Taliban fighters it has killed in the south. But insurgencies are overcome by winning hearts and minds, not stacking up corpses. Nato should keep focused on working where it can most make a difference, rather than being sucked into side conflicts, as British troops have been.

A winning strategy also requires much more from the world at large. There are some encouraging signs that the European Union is stepping up its efforts to help create an effective police force. But the United Nations, international donors and neighbouring Pakistan all have to work much more closely with Nato to prevent Afghanistan from slipping out of control.

Defeat would be a strategic calamity. Success, while extremely difficult, is still possible. Every effort is necessary: Afghanistan is still to play for.

Backsliding In Afghanistan (LAT)

The Los Angeles Times, October 30, 2006

Bit by bit, the U.S. is losing control in the country because of a resurgent Taliban, drought and inadequate aid.

WITH WINTER approaching, all the indicators for Afghanistan have headed south. We are on the brink of losing Afghanistan to the resurgent Taliban and to the poverty and despair in which U.S. forces found it five years ago.

Among the many signs that the almost $12 billion the U.S. has poured into Afghanistan since 2003 for reconstruction has been neither sufficient nor well spent: Afghans will go hungry again this winter unless they receive massive food aid. Fierce fighting between NATO and Taliban forces in a wide swath of the south has conspired with drought to destroy farmers' crops.

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Both the drought and the renewed warfare were predicted. The Bush administration's failure to prevent either disaster stems from its stubborn view that Afghanistan can be fixed on the cheap.

Drought is an old enemy in Afghanistan, yet spending on water projects has lagged, as has all infrastructure work in a nation where 70% of the people are poor farmers. Without wells, ditches and modern irrigation techniques, the cycle of poverty that leaves families no choice but to grow poppies or starve will never be broken.

But in 2004, the administration invested only $23 million in water projects; it allocated $243 million to counter-narcotics and police training. Both sums, of course, are grossly inadequate. But the imbalance is telling. The administration has never matched its belated rhetorical commitment to "nation building" in Afghanistan with the troops and money that might have made that possible.

As the security situation has deteriorated, instead of redoubling its efforts to boost the Afghan standard of living as a bulwark against drug lords and Taliban radicals, the U.S. slashed aid to Afghanistan by 29% in fiscal 2006.

Without enough Western troops to suppress them, and without a central government strong enough to project power to its territories, the Taliban was bound to fill the vacuum. The United States has done little diplomatically in the last five years to establish a meaningful border between Afghanistan, which does not recognize the international border known as the Durand Line, and Pakistan, which has abandoned any effort to control the tribal areas on its side of the border.

NATO forces, which now command most of the 21,000 U.S. troops in Afghanistan, have taken over the daunting task of fighting the insurgency — but they cannot chase the Taliban into Pakistan, reducing the effort to a cynical, though deadly, farce. Taliban forces attack, then retreat across the border into the Pakistani tribal areas to rest, rearm and treat their wounded. They return to kill more U.S. and NATO soldiers.

The continuing attacks on aid workers, contactors and government officials make it impossible to improve the standard of living in Taliban-infested provinces.

Reconstruction is stalled. The U.S. needs to renew its commitment to Afghanistan. A good first step would be to restore this year's 29% funding cut and target the bulk of the funds to Afghanistan's rural poor.

Army Focuses On Better Relations With Next Of Kin (USAT)

By Gregg Zoroya

USA Today, October 30, 2006

Even as U.S. forces struggle to adjust battlefield tactics in Iraq, the Army is grappling with better ways to cope with the war's carnage here at home.

The aim is to improve how families are notified about a combat death, a duty that the Army says is one of its most difficult.

A new training film shows the difficulties that await the soldiers who have to make the fateful knock on the door to inform families of a military death. The film intersperses professional actors with documentary-like interviews of soldiers who have performed casualty notification.

At one point, an actress portraying the wife of a fictional soldier based at Fort Campbell in Kentucky sits on a living room couch clutching a pillow and shaking her head violently at news of his death.

“No! No! That's impossible,” she says through tears. “He just e-mailed me the other day and said everything was fine!”

The film later cuts to an interview where Army Chaplain Ed Grimenstein of Fort Bragg in North Carolina, warns of what soldiers might expect during notification.

“Some spouses literally will go hysterical. Some spouses might be violent, meaning yelling at the casualty notification officer and chaplain,” he says. “The sky's the limit as far as reactions that they may encounter going in. There have been spouses who literally just fall down on the ground. There have been spouses who just calmly accept and say, ‘Yes, OK, thank you very much.' ”

In a version of the film USA TODAY was allowed to view, the background music was Breathe Me by Sia featured on the HBO series Six Feet Under. The film — still in production — and a host of other policy changes came with demands for improvement from Army Secretary Francis Harvey this year after family complaints were received and mistakes made in death notification cases.

“Some people I know have wonderful casualty officers,” says Peggy Buryj of Canton, Ohio, who was given wrong information about the death of her son, Army Spc. Jesse Buryj, 21, in 2004. “Mine was useless.”

Lt. Col. Bob Amico, a supervisor in the film's production, says the Army is seeking to improve and standardize training for soldiers assigned as casualty notification officers, as well as for casualty assistance officers, who help families over periods of months with funeral and benefit arrangements. In some Army installations, soldiers were receiving as little as two hours of training for those jobs.

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The new program requires at least four hours of training for notification and 16 hours for casualty assistance. New material includes the psychological stages of grief.

Col. Patrick Gawkins, head of the Army's casualty and mortuary affairs center, concedes that these changes come late after three years of war in Iraq. “It's hard to answer back why it wasn't done this way before,” he says. “We learn from our experience.”

When a soldier killed in battle is identified, the Army tries to inform next of kin within four hours. A two-page sheet of circumstances is sent to casualty headquarters in Alexandria, Va., and from there to one of 27 Army casualty assistance offices in the USA or six overseas.

Those offices then dispatch soldiers who have previously been assigned notification duty. Families are generally contacted only between 6 a.m. and 10 p.m. This year, Harvey ordered that chaplains take a greater role in the process.

Amico says the training film depicts the process as true to life as possible.

“We have a shot in our video with a chaplain and ever so slightly you see a slight tear coming down from his eyes,” Amico says. “Not a lot of emotion. But you can see that he's feeling it and that it's OK to have emotion. We want them (notification soldiers) to feel comfortable with being able to do that.”

This is a key element in training, Amico says. “We don't want (notification) to turn into such a military assignment that they go in there rigid and not feel any kind of compassion for the families.”

Actual soldiers who have made notifications weigh in with their own candid experiences in the film.

“The chaplain actually stopped and we said a prayer before we went in,” says Sgt. 1st Class William Powers of Fort Bragg. “It's pretty rough to go in there and do that, knowing that as soon as they see someone getting out of the car with that type of uniform on, they'd know what's happening.”

Master Sgt. Dane Snyder of Fort Myer in Virginia remembers a mother who was unloading groceries from her car when he arrived.

“She saw us and it reminded me of the scene from Saving Private Ryan when the mom just started to go down: ‘Oh no, Oh no, Oh no.' ”

Capt. Chris Van Horn, also of Fort Myer, recalls a mother who did not immediately realize why he was there. “I couldn't believe she really had no idea,” he says. “As soon as I said, ‘killed,' she lost it.”

The training film touches on the uncertainty of what happens after delivering the news.

“You focus so much on — at least, I did — on what you're going to say, that once you get that part done, my mind kind of went blank a little bit,” says Van Horn. “I was like, wow, I didn't think about what I was going to say after this.”

The film's narrator reminds students of the underlying goal: “Keep in mind that your performance … is likely to shape the family's lasting impression of our Army as an institution that cares for its own.”

When The War Comes Home (WP)

By Peter Slevin

The Washington Post, October 29, 2006

COLUMBUS, Ohio

Alone and in clusters, collars up to block the rain, thousands of people lined the streets on a gray October day in 2005 to welcome their warriors home. For 13 miles, they rose to wave, a few to salute, as the buses rolled slowly past. More than one tough Marine, homeward bound after a brutal tour in Iraq, shed a tear.

When they reached solid ground, still wearing their desert camouflage, the Marines embraced their families and embarked on the most jarring of transitions. They would discover in the following year that seven months in Iraq had changed them more than they could have imagined, guiding and afflicting them in ways they are still struggling to understand.

Marines who expected duty so light that boredom seemed probable instead saw almost daily combat and 23 men killed in action, more casualties than any U.S. company in Iraq. When it was over, they traded an edgy, exhausting regimen of forced alertness and sudden brutality for sheer ordinariness. Nothing at home felt as urgent or as meaningful, as thrilling or as awful.

The 160 survivors returned to work or college, to wives or girlfriends, sometimes to childhood bedrooms grown suddenly small. Many suffered flashbacks, drank hard, quarreled with their women and sought refuge in one another, laboring to replace the rugged discipline, power and purpose they had left behind in Iraq. Some turned to counselors, some to God, others to the solidarity and beery narcotic of the VFW hall.

"It seems like everything you see reminds you of it. You drive through town and you see someone with a 'Support the Troops' sticker and it just starts going through your head again," said Sgt. Travis Brill. "Drink three, four, five beers. I find it easier to sleep when you don't have silly-ass things going through your head."

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They fought as a unit and then scattered. In a series of conversations over the past year, more than a dozen Marines of Lima Company shared their experiences of Iraq and their reentry into the United States. Pieced together, scenes from their recent lives sketch a world of in-between, a landscape inhabited not only by them but also by countless others among the roughly 1 million military personnel who have returned from Iraq or soon will.

The survivors made it home from the war, but they brought the war with them.Fall 2005: Columbus, Ohio

Staff Sgt. Guy Zierk broke up with his girlfriend on his fourth day back. He started drinking, ordering so many top-shelf vodkas and steaks that he churned through $5,000 in restaurant and bar tabs. He found himself "trying to find out the importance of things here," he said. "You think about car payments and bills and arguments in the family and who's going where for the holidays. And you try to compare that with the importance of who's shooting a rifle at you."

In some ways, Zierk, 31, had hated to leave Iraq, where he knew some streets better than he knew Columbus. He considered extending his tour. Then came the patrol when, exhausted and angry after watching so many good Marines die, he burst into an Iraqi house. He expected to find insurgents and make them pay.

Instead, he discovered two Iraqi women and a boy, maybe 16 years old. The scared teenager made no hasty moves, but it took every rational fiber in Zierk's body to keep from shooting him dead.

"The whole reason I didn't stay in Iraq was I would've killed people that didn't deserve to die," Zierk said, "and it wouldn't have served any greater good."

On Nov. 12, Zierk donned his dress blues -- white belt gleaming, black shoes shining, white hat crisp and snug -- for the annual Marine Corps Ball. Nearly 1,000 people packed a downtown hotel. His buddies were there, and so were parents and widows of the dead. The combination of clinking glasses and raw memories was too much.

He slipped away and walked through the streets of Columbus, alone.A City's Embrace

At McDonald's, customers thanked them. At nightclubs, people bought them drinks. Someone invited a group to the Super Bowl. A film crew produced a powerful documentary titled "Combat Diary." The mayor of Columbus, father of a Lima Marine, called them "true heroes."

The fact is, no one expected Lima Company to see so much combat, to become so decorated or so wounded, and certainly not to be adopted so strongly by the city. Lima was a reserve unit, an amalgam of students and workers, almost all from Ohio, who mustered every month to train for duty that might never come.

When it came, the citizen-soldiers found themselves posted at a Soviet-built dam on the Euphrates River in western Anbar province, home to some of the most violently contested territory in Iraq.

Between Feb. 28 and Sept. 30, 2005, the company launched patrols and fought joint operations amid 1,700 square miles of mostly Sunni areas from Hit and Haditha to the Syrian border, targeting anti-American insurgents and their supporters. In addition to the 23 dead, 31 Lima Marines were wounded, 17 of them badly enough to be sent home.

After the headlines and the public worrying, many well-meaning Columbus residents honored Lima's men and felt they knew them. The Marines were grateful but dubious, especially of the questions: "What was it like over there? How many Iraqis did you kill?"A Dissatisfied Warrior

In central Ohio, 80 miles from Columbus, Travis Brill, 30, returned to work at a steel mill.

"I was leading combat troops in Iraq, and now I'm picking up scrap metal," he said one desolate day. "They even have rules for walking through the parking lot."

Trained as a warrior, he had prayed for combat, and months after returning from battle, his brain was still tuned to his Iraq soundtrack. He remembered Pantera's "Walk" blaring through military loudspeakers as he knocked off enemy fighters with his booming .50-caliber machine gun.

"If you know you're on the verge of being blown up any second," he said, "you're feeling alive."

Brill said he and maybe 15 other Marines had a bet of $100 each on who would get the first Iraqi kill, who would be the first Marine to be wounded, who the first to die. The "winner's" sum would go to his survivors. Once the war became a grind, the bet no longer seemed so clever and they dropped it.

"I was pretty optimistic at first. I went there with the right mind-set that I wanted to help these people, and they changed it pretty quickly. They don't give a damn, and all they want to do is blow you up when you're not looking. It sucks when you lose so many of your buddies for no good reason."

Even as he cursed the war's slow progress, he felt grateful to be part of a fight bigger than himself. As he left, he felt certain he was leaving business unfinished. Now, in the house Brill rents from his mother-in-law, he wakes up every night with Iraq on his mind. His baby daughter -- named Cami, for Marine camouflage uniforms -- cannot share her parents' bed. Brill is afraid of throwing a punch in his troubled sleep.

Open about how Iraq has changed him, Brill commented while playing poker at an Elks club that the challenge of killing enemy fighters took the fun out of hunting deer. "I'd rather kill a person," he said. "I love the hunt."

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Fellow Marines have told him he needs counseling. He does not feel the need.'You Come Back and . . . You're Lost'

George Wentworth, a Navy Reserve medic known universally as "Doc," is the person Lima's Marines call when the walls are closing in. At 11 at night, at 3 in the morning, in the darkness just before dawn, they dial his number. Once when he tried to squeeze in a long weekend with his wife, he felt he never got off the telephone.

Within days of Lima's return, he abandoned his early goals of seeing no divorces and no domestic violence. He was not surprised: "You come back and, literally, you're lost."

Col. Charles W. Hoge, chief psychiatrist at the Walter Reed Army Institute of Research, recently told Congress that 10 to 15 percent of soldiers returning from Iraq have post-traumatic stress disorder and a similar number have symptoms of PTSD, depression or anxiety. The rates are higher for reservists, a distinction that appears to emerge months after troops return home.

Wentworth, who has taken calls from panicked wives and distraught Marines, said: "There's no timeline for anybody to get over this. You look at Vietnam vets -- some of these guys didn't have problems until they retired from their civilian careers. And all of a sudden 20, 30 years later, it all came back to haunt them."Spring: Washington, D.C.

One night at Shelly's Back Room in Washington, half a dozen lobbyists and Capitol Hill staffers pressed Cpl. Jason Dominguez to tell war stories over Scotch and cigars. Instead, Dominguez, a legislative aide to a Republican congressman, offered a parable.

He recalled a political fundraiser three days after he returned from Iraq. As he studied contributors laughing and digging into the main course, he saw in his mind's eye a young American in uniform patrolling an Iraqi street, about to be blown to pieces. To the Ohio crowd, the dead Marine would be a news blip, barely noticed, quickly forgotten.

With a tongue sharper than usual, Dominguez, 26, wanted his new Washington friends to see what he saw, the American cause for which 23 of his fellow volunteers gave their lives.

"When I see things on the Hill, I think, 'This is all some big joke?' " he lectured. " 'This is a party?' This is not a party. It's a commitment. The men and women who died treated it that way. You need to treat it that way, too. If not, get out of our house, get out of our Congress."

They listened. He wonders whether they heard.

"There are times when I'm walking the halls of Congress and it would feel so good to strap on my body armor and be back in the fight," Dominguez said. "When I was there, I knew: This matters. We were able to bring them one step closer to what it means to not live under tyranny."

About day-to-day political life, he is less sure.

"Is this what my friends died for?" he finds himself asking on days when he feels alone in a crowd. "It's amazing how oblivious we are as Americans to how much all of this costs," he said.March: Drill Weekend

Lima Company mustered March 24 for its first drill weekend since its return. Radio bulletins reported that 26 Iraqis were killed that day in Baghdad. President Bush, speaking at a Republican fundraiser in Indiana, declared the United States could be beaten only if it lost its will.

"Democracy," he said, "is on the march in Iraq."

Inside headquarters, Marines traded high-fives and hugs. One walked with a wooden cane. Another had a special boot to hold his ankle in place. A third had a noticeable limp. Roughly half the company had mustered out or moved on, their places filled by fresh reserves who needed to be trained.

The next morning, Maj. Gen. Douglas O'Dell, commander of the 4th Marine Division, addressed the company and awarded medals to the families of the fallen. At 58, he keeps his gray hair short and his handshake firm, but tears ran down his cheeks as he faced the young widows, the parents and the children too young to understand.

Speaking later, O'Dell said that consoling those grieving a loss from Iraq was his toughest duty in his 38 years as a Marine. "Every one of them I have felt very personally. They're like my kid brothers," said O'Dell, a father of five whose own brother died at 17.

O'Dell believes Lima Company performed admirably, with guts and restraint, but was asked to do too much. That is as far as he will go. "These are not decisions I agreed with," he said, "so I will not be on the record until I retire."

Before he left the drill deck, the general announced that Lima Company probably will be deployed again next year, to Chad.Beyond the Casualties

To a man, Lima Marines wish outsiders would recognize them for their commitment and their successes, not for their casualties. They point to weapons confiscated and insurgents killed. They talk about holding ground where Iraqis voted in large numbers and delivering soccer balls to children.

The Marines say they were not inclined, by instinct or training, to question the mission.

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"It was just like, 'Hey, we're going.' There was never any discussion of the whys," said Sgt. Andrew Taylor, who studies Arabic in hopes of becoming a U.S. agent overseas. "We didn't join up to argue about the right or wrong. I don't think anybody cared."

"If it fails," Taylor said of the Iraq campaign, "that doesn't change the fact that we were trying, we were making an effort. It's kind of a bad analogy, but it's kind of like Christmas: You give someone a present they don't like, but at least you gave it to them and made the effort."

What now, as Iraq struggles and a majority of Americans oppose the war?

"If we pull out of Iraq too soon, every single American who died over there will have died in vain," said Gunnery Sgt. Larry Bowman, 36, an Ohio state trooper who blames his recent divorce largely on friction over his Marine devotion. "I'm a big believer that fires you don't put out are going to burn bigger."April: Arlington National Cemetery

The dogwoods and azaleas stood in glorious bloom at Arlington National Cemetery on April 27 when half a dozen Marines arrived from Columbus. With the Pentagon visible through the trees and the Washington Monument rising in the distance, they made their way to Section 60, where names of the Iraq war dead were newly chiseled into white headstones and the seams still showed on fresh sod.

Finding familiar names, they crouched close in silent conversation. There lay Navy Petty Officer 3rd Class Travis Youngblood, a husband and father attached to Lima as a medic. Nearby were Staff Sgt. Anthony Goodwin and Lance Cpl. Christopher Dyer.

One of the visitors, John Dyer, had been to his son's grave before.

"You walk up," he said, "and you hope it's not there."

Dyer found himself replaying his final telephone conversation with his son.

"Are you getting enough sleep?"

"Dad, when I get home, I'm going to sleep for a week."

A few days later, a roadside bomb exploded and 19-year-old Chris Dyer was gone.

"To a certain extent, you reconcile yourself to never being comfortable," Dyer said, motioning toward the surviving Marines. "You just fake it, which is what I do."Pride and Pain

Staff Sgt. Steve Hooper tells of Marines swerving suddenly on suburban Ohio roads after spotting what in Iraq would be likely hiding places for bombs, and of Marines on an Indiana training mission refusing beef jerky because it reminded them of seared flesh.

When he is with his girlfriend, he does not discuss combat.

"I don't tell her a thing. I don't want her knowing a lot of things I did over there," said Hooper, a quiet Bronze Star winner who talks often with fellow Marines. "Some people are proud of it. Some people wonder if God will forgive them for what they did."

Hooper's sharpest pain is the death of Cpl. Andre Williams, 23, his second-in-command and closest friend. Williams died while hunting insurgents not long after videotaping a message for his daughter's sixth birthday. Hooper keeps reaching, asking himself if he could have done something, anything, to keep him alive.

Late one June night, as Hooper was driving to a bar after finishing his shift as a prison guard, the radio began playing the melancholy Green Day song "Wake Me Up When September Ends," adopted as a theme by some Lima Marines as they counted the days until their tour ended on Sept. 30. Later, it was the soundtrack of a memorial video for Williams.

"Ring out the bells again, like we did when spring began," the song goes. "Wake me up when September ends."

Here comes the rain again,
Falling from the stars.
Drenched in my pain again,
Becoming who we are,
As my memory rests
But never forgets what I lost .

As the song came on the radio, tears filled Hooper's eyes. He switched stations.The War-Peace Switch

A skilled assassin in Iraq, Staff Sgt. Brian Taylor is a healer back home.

"Lift your heels up, girlie. Like this. You've got to help me out," he gently and playfully coached a frail woman with a brain dysfunction and a broken hip. "Can you catch a ball? We're going to play ball. Here. Catch the ball."

Taylor, 34, feels as though he came equipped with a war-peace switch. In Iraq, he spent endless hours silently studying insurgents through the scope of his powerful sniper's rifle, feeding on the tension of deciding "whether they take their next breath."

"Most of the time, you've got to go with a gut feeling," he said. "More than likely, you're right."

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A good day, he said, was "when we got a bunch of bad guys and we had no casualties."

But the insurgents' successes, particularly their killing of six Ohio-based snipers ambushed while supporting Lima, left Taylor begging for more missions.

"I don't feel we were defeated," he said, "but I wish I could've killed a lot more. They got a lot of us."

Back home, he focused on moving forward, even as his war experience sometimes colored his days; a ringing car alarm in his quiet cul-de-sac left him "huffing, puffing, trying to get out of bed. I felt like an idiot." He proposed to his girlfriend on an Irish vacation. She gave birth to a baby boy in August. He returned to his physical therapy practice, flipping the switch, even as he continued to train for the next deployment and to remember his dead friends.

"Thinking about that stuff sucks," Taylor said. "Really, it's a crapshoot. Some end up winners and some end up losers."August: Louisville

The day the Marines returned to Columbus, when legions of Ohioans embraced them, Jason Dominguez drove to the grave of a friend, Andre Williams. To his surprise and dismay, he felt nothing.

"I was so frustrated. One of my buddies from my squad was lying there, and I couldn't feel a thing," Dominguez said. "I went to Arlington and five of our guys are there. Same thing."

Dominguez never looked at the clippings that friends had saved for him. He chose not to open the trunk holding his Iraq gear, still dusted with desert sand and flecked with blood. He threw himself into his Capitol Hill job and later campaign work, in part to avoid remembering.

For months, through intense stretches, Dominguez held things together. Some nights, he would stare at the ceiling, only to fall asleep and struggle to wake up. On the worst nights, when he felt a powerful urge to be drunk, he willed himself to stay sober.

The last weekend in August, he drove south by himself to Louisville to see Sgt. David N. Wimberg's grave.

"I'm there to pay my respects, but man, something happened to me. I just dropped to my knees, wrapped my arms around his headstone and started bawling like a baby."

"It was bad," Dominguez said, "but it was good."Summer: Reconnected

When Guy Zierk was in Iraq, a former girlfriend began sending e-mails. Her name was Kelly Koby, and when they were together, long before the Iraq deployment, she was not ready for a long-term romance. But she wrote to Zierk in Iraq, and he sent war soundings.

"I thought things were going to get easier as we come closer to our return date . . . but they haven't," Zierk wrote. "We've taken a few losses . . . and it's messing with me a bit. I just need to get my head in the game and things here are just making it difficult for me."

Zierk was dating another woman when he left for the war, but he ended that relationship soon after his return. Still, Koby did not hear from him. She held back, saying later, "I knew he needed to come to me on his own terms."

Seven weeks later, the telephone rang one night at Koby's apartment. Zierk wanted to pull his life together. To be, in Marine-speak, good to go.

Within four days, he told Koby he wanted to marry her.

Koby, a 27-year-old elementary school teacher, remembers glimpses of the world Zierk had not wanted her to see. He struggled in his sleep. A wine bottle crashed to the floor and he jumped. He sometimes seemed distant.

"Those guys are always with him, who didn't come back," Koby said. "It's not just a job to him, it's a sense of being. It is who he is. He is a war fighter."

Sometimes, back in school at Ohio State, Zierk is hungry to return to Iraq, to finish the battle and to lead Marines who understand and care. He is considering a new round of Officer Candidates School but has also taken the Columbus firefighting exam, thinking it may be time to stay close to home.

For days, he ignores his ringing cellphone and withdraws into solitary projects, most recently woodworking and an Iraq video montage. He falls into conversation with Marine friends about Iraq and life. The nightmares that shook him awake are ebbing. He feels more at ease than the Marine who nearly lost his cool and shot an Iraqi teenager.

One mellow evening in Gallipolis, Guy Zierk and Kelly Koby were married on a green lawn near the fast-flowing Ohio River. He wore his Marine uniform, and she wore a grand white dress. Together they passed beneath the raised swords of 10 Lima Company Marines, warriors home from Iraq.

They entertained their guests beneath a white tent, setting aside an empty chair and a black-shrouded table for the fallen. On the table was a lemon, for the bitter memory of loss. Salt, for dried tears. An overturned wine glass, for toasts no longer shared. And a rose, for love.

More than anything or anyone, it was Koby who helped Zierk get back on track.

"It's having her with me when I'm having a bad night," he said. "She's good to go."

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While guests danced and friends told tales as they worked their way through the 32 cases of beer on ice, Zierk thought about being home, far from the war being fought on the Euphrates. He could hardly complain on this, of all nights.

"Yeah," he said, "but I still wish I were there."

CORPORATE SCANDALS:

Dodging Taxes Is A New Wrinkle In The Stock Options Game (NYT)

By Eric Dash

The New York Times, October 30, 2006

In the latest twist in the stock options game, some executives may have changed the so-called exercise date — the date options can be converted to stock — to avoid paying hundreds of thousands of dollars in income tax, federal investigators say.

That appears to be what happened at Symbol Technologies and Mercury Interactive, and federal securities regulators are now sifting through options data at other companies for evidence of similar tax-avoidance schemes.

The Securities and Exchange Commission's stock options inquiry has so far focused on the practice of pushing back the grant date on stock options, which can guarantee profits when the grants are exercised. Its interest in exercise dates may signal an emerging front in its widening investigation into stock option abuses at more than 100 companies, from Silicon Valley start-ups to well-known giants like Apple Computer and UnitedHealth Group. The Justice Department and the Internal Revenue Service are separately examining dozens of companies.

As those cases have progressed, at least 46 executives and directors have been ousted from their positions. Companies have taken charges totaling $5.3 billion to account for the impact of improper grants, according to Glass Lewis & Company, a research firm that advises big investors on shareholder issues.

And further investigations, indictments and restatements are expected. Securities regulators are now focusing on several cases where it appears the exercise dates of the options were backdated, according to a senior S.E.C. enforcement official, who asked not to be identified because of the agency's policy of not commenting on active cases. Besides raising disclosure and accounting problems, backdating an exercise date can result in tax fraud.

"Tax avoidance is a big issue," said Marc A. Siegel, research director of the Center for Financial Research and Analysis, an independent forensic accounting advisory firm in Rockville, Md. "There is no real excuse for intentionally trying to misreport an exercise date."

An option grant gives the holder the right to buy shares of stock in the future at a predetermined "exercise" price. If the current market price is higher than the price at which the option was granted, the option holder captures the gain. Profits from options are subject to income tax when the options are exercised.

Backdating an exercise date can reduce that tax burden. By reporting an exercise date with a lower price than the date on which the options were acquired, executives may understate their gains and lower their income tax. It may also cause their companies to take improper tax deductions, leading to reporting problems down the road.

In other cases, executives can benefit by reporting an exercise date with a higher price than the one on which the options were acquired. Instead of acquiring their new shares with cash, executives sometimes use stock to pay the cost of converting their options, including the taxes on the profits. A higher market price means that the executive needs fewer shares to pay those costs.

As with backdated grants, improper adjustments of exercise dates are most likely to have taken place during the dot-com boom of the 1990s and to have subsided in 2002, when more stringent reporting requirements were introduced. And, as with the backdating inquiry, it appears that federal investigators are combing through data to identify patterns, where executives consistently exercised their stock options at a favorable price, like a monthly or quarterly low. In suspicious cases, investigators may follow up by requesting brokerage firm records and other transaction documents from companies to see if the actual and reported exercise dates match up.

Because backdating exercise prices involves false financial reporting and improper accounting, the cases fall under the S.E.C.'s oversight. But in similar investigations, S.E.C officials have alerted the Internal Revenue Service of possible tax issues in the securities cases they were examining.

The practice of backdating exercise prices first emerged in two of the first investigations into improper options practices. Both Christopher Cox, the S.E.C. chairman, and Linda Chatman Thomsen, the agency's enforcement director, cited the abuse in their testimony before Congress last month.

In 2004, as part of a broader case of accounting fraud, the Justice Department and the S.E.C. accused several former executives at Symbol Technologies, a producer of bar code equipment, of manipulating their option exercise dates.

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Federal prosecutors and regulators accused Leonard Goldner, Symbol's former general counsel, of devising a plan that let him and a handful of other senior executives push back the option exercise dates on the filings used to report stock acquisitions, without the knowledge of the company's board or shareholders.

Rather than report the actual exercise dates, they could choose the most advantageous date from among the preceding 30 days to come up with a lower exercise price, according to court filings. This so-called look-back practice allowed Symbol's senior executives to avoiding paying hundreds of thousands in income taxes, court filings claim.

Consider the case of Kenneth V. Jaeggi, Symbol's former chief financial officer. On June 9, 2000, Mr. Jaeggi signed a securities filing stating that he had exercised 101,250 stock options in late May, at the second-lowest price for Symbol shares in the preceding 30 days. In fact, government prosecutors testified in court that that the options were never actually exercised until they were paid for on June 30.

Instead of Mr. Jaeggi's actual gain of $4.48 million, the gain reported to the I.R.S. was $3.02 million — a difference of $1.46 million, according to Frank Stamm, an I.R.S agent who testified as a government witness. The result was that Mr. Jaeggi avoided paying more than $596,000 in taxes in 2000, according Mr. Stamm's testimony.

Mr. Goldner, the Symbol general counsel, pleaded guilty to conspiring to obstruct the I.R.S. from collecting income tax in June 2004 and forfeited $2 million; he also settled the civil charges with the S.E.C. Mr. Jaeggi pleaded not guilty to the fraud charges, and his lawyer, Steven F. Molo, denied that his client had acted improperly. "He didn't look back. He didn't do anything wrong," Mr. Molo said. "The government failed to prove any illegality because there was none."

The jury could not reach a verdict in the initial trial earlier this year, and Mr. Jaeggi, along with several other Symbol executives, is awaiting a second court trial next spring. Symbol, which Motorola agreed to acquire last month, paid a $37 million penalty in 2004 to resolve a number of civil accounting fraud charges.

More recently, Mercury Interactive, a software testing company based in Mountain View, Calif., acknowledged that backdated exercises were among a variety of stock option abuses identified in an internal investigation, which led to the removal of several of the company's top officers.

Mercury investigators found at least three occasions when it appeared that Amnon Landan, the company's former chief executive, and several other former top managers reported "a date that differed from the date at which the exercise actually happened," according to an update in the company's annual report. That difference "reduced the executives' taxable income significantly and exposed the company to possible penalties for failure to pay withholding taxes."

A Mercury spokesman declined to comment, as did Jonathan M. Cohen, a lawyer for Mr. Landan. In September, Mercury proposed paying $35 million to resolve the S.E.C.'s charges related to its stock options practices. And in regulatory filings this month, the company said that it was discussing settlement terms with the I.R.S. and cooperating with the Justice Department. Mercury agreed to sell itself this summer to Hewlett-Packard in a $4.5 billion deal with that has faced several delays.

Some lawyers who have been hired by companies as outside investigators said they did not currently expect backdated exercises to become a widespread issue.

Reviewing exercise dates for past option grants, however, is not currently a standard part of the internal investigations that at least 153 companies have acknowledged so far. And new accounting guidelines released in July do not direct auditors to give greater scrutiny to exercise dates. "I know the investigators are aware of this gambit," said William D. Sherman, a partner at Morrison & Foerster in Palo Alto, Calif., which is involved in several investigations. "But by and large," he added, "we not finding much of it."

But Mr. Siegel of the Center for Financial Research and Analysis said that it would not surprise him if investigations into the backdating of exercise dates became a bigger deal. "The whole thing about backdating was that you were in the world of the Internet bubble," he said. "You had inadequate internal controls, a high incentive to make the options package lucrative, war for talent and low regulatory presence. It wouldn't surprise me if both the grants and exercise dates got misreported."

Treasury Trading Draws Scrutiny (WSJ)

By Gregory Zuckerman And Serena Ng

The Wall Street Journal, October 30, 2006

The Securities and Exchange Commission is investigating whether UBS AG was involved in improper manipulation of Treasury-securities prices. And a Credit Suisse Group bond trader has left the firm amid broad regulatory scrutiny of the $4 trillion Treasury market, people familiar with the matters say.

The developments mark potentially important steps in a government inquiry into trading in the Treasury market that has been quietly unfolding for several weeks.

The Treasury Department is especially sensitive to trading in the huge market for its bonds, notes and bills. It depends on selling these securities to raise cash to finance the budget deficit, and the Federal Reserve uses Treasury securities to conduct

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monetary policy. The market is generally seen as among the most efficient in the world. But if it becomes viewed as unruly or tilted against any group of investors, it could drive away investors.

Last month, in a speech to the Bond Market Association, a Treasury official expressed concern that Treasury-securities prices were possibly being manipulated. The activity involved traders' controlling the supply of certain Treasury issues, making it hard for others to obtain them, and then profiting by lending those securities out at favorable interest rates. James Clouse, deputy assistant secretary for federal finance, said he was concerned about trading in the bonds and notes themselves, in futures markets and in other corners of the market.

Any improper activity doesn't seem to have had a big impact on interest rates, which remain quite low. And many dealers counter that the practices under question often occur as part of normal trading activity. But regulators aren't taking it lightly.

Mr. Clouse said the matter had been referred to the SEC and Commodity Futures Trading Commission. Nov. 6, officials from the Federal Reserve Bank of New York will meet with 22 big bond dealers to discuss these concerns.

Regulators have occasionally cracked down on Treasury-market misdeeds. In the early 1990s, Salomon Brothers was caught skirting rules at Treasury-bond auctions, and its top executives -- some of Wall Street's most prominent figures -- were forced to step down. A Goldman Sachs Group Inc. economist was jailed for relaying an insider tip about Treasury bonds in October 2001 that allowed Goldman to earn millions of dollars in trading profits.

It isn't clear whether the current probe will lead to such serious fallout. "UBS is cooperating in the government's investigation," a spokesman for the firm said.

The Credit Suisse trader, Thomas Brown, born in 1962, couldn't be reached. Credit Suisse's trading is being scrutinized by regulators, according to a person familiar with the matter, but it isn't clear which federal agency is conducting that scrutiny. A Credit Suisse spokeswoman declined to comment.

The investigation of UBS involves trading activity that took place in February of this year, people familiar with the matter say. It isn't clear which Treasury issues are being probed by the SEC. But one possibility is a five-year Treasury note due in January 2011, with a coupon that pays annual interest of 4.25%. It was in especially short supply that month.

When Treasury notes are in short supply, holders of the securities can profit by using them as collateral for loans in a market called the repurchase, or repo, market. In the repo business, bond dealers and investors effectively swap Treasurys for cash. Traders who hold highly sought-after Treasury issues can profit by getting the cash at a very low interest rate. Regulators are concerned that traders might be intentionally squeezing supply to profit this way.

In the case of the January 2011 note, the security was in such high demand in mid-February that its holders could use it as collateral on cash loans and pay interest of just 0.25% in return, according to data from a GovPX, a unit of interbroker dealer ICAP PLC. The going rate at the time was more than 4%

Credit Suisse's Mr. Brown left the firm Sept. 29, according to a filing with regulators. He was part of the bank's repo team, according to another filing. Mr. Brown's activities, Credit Suisse told regulators, related to trading in two-year notes. The firm added in its filing that he was allowed to resign because of matters related to that trading.

Credit Suisse declined to provide details on the trading. It also declined to provide contact details for Mr. Brown, or to say whether Mr. Brown had a lawyer who could be contacted.

It is unclear whether the trader was trying to generate a profit for Credit Suisse or for a client of the firm. It is also unclear whether any other Credit Suisse traders were involved in the trading that led to his departure, how large the positions were or whether any issues besides two-year notes were involved.

In recent weeks, after the Treasury discussed the potential problems in the market, traders say there has been a decline in the number of securities in short supply. That has eased pressures on the market and raised questions about whether the extra scrutiny forced some traders to clean up their activities.

One senior bond trader familiar with the concerns of regulators says officials also have been worried about whether hedge funds or other investors were asking brokers to take certain securities off the market, to make certain positions more valuable.

"The games haven't changed in 15 years," says Michael Basham, who oversaw the Treasury's debt-management activities during the Salomon affair.

Bond traders say there could be many legitimate explanations for the bond shortages' driving price movements. Some bond issues become very popular in the normal course of business. Moreover, some foreign investors buy and hold large amounts of Treasury securities, reducing the supply. Others traders complain of the lack of clear rules to delineate what traders can do.

Is The U.S. Losing Ground? By R. GLENN HUBBARD And JOHN L. THORNTON (WSJ)

The Wall Street Journal, October 30, 2006

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Corporate scandals over the past five years have fittingly brought the integrity of U.S. capital markets under scrutiny, provoking a significant legislative and regulatory response. The response was intended to strengthen protections for investors and to improve the traditional advantages of the U.S. market-transparency and accuracy in accounting and financial reporting, as well as laws and regulations that provide the proper incentives for good corporate governance. The events and the responses to them are as great as those underlying our bedrock securities laws of the 1930s.

Among other benefits from the regulatory changes of recent years are improved transparency and accuracy in accounting and financial reporting -- traditional advantages of the U.S. market. Yet many participants in the capital markets have raised important questions. What is the effect of regulation on the efficiency of our capital markets? Do changes to the legal underpinnings of capital markets always incorporate evaluation of benefits and costs? Are we taking actions that unintentionally make our capital markets less competitive in the global economy? * * *

The efficiency and competitiveness of our public capital markets as well as the safeguards for investors in these markets are essential to the vibrancy and resiliency of the U.S. economy. Issuers gain access to a lower cost of capital for growth. Investors benefit from liquidity and efficiency in pricing of securities. And well-developed capital markets are directly related to growth in productivity and greater employment opportunities across the whole of our economic spectrum. It is a virtuous cycle that attracts more capital to the U.S. public capital markets.

Since the 1930s, emphasis on rigorous financial disclosures and robust enforcement has protected investors and promoted confidence that is critical to the efficient functioning of our capital markets. U.S. and many foreign companies have generally concluded that the costs of access to our markets have been offset by the tangible benefits.

Corporate scandals early in this decade, such as Enron and WorldCom, which involved fraud and accounting irregularities, weakened investors' trust in the integrity of U.S. capital markets. Investors responded with lower valuations of securities as these risks were factored in to the cost of capital. There was also a legislative response. In particular, the Sarbanes-Oxley Act of 2002 was the most substantial securities legislation since the Securities Acts of 1933 and 1934. The act created the Public Company Accounting Oversight Board (PCAOB) to oversee the audit profession; it required corporate leaders to personally certify the firm's financial statements; and it required that auditors certify the firm's internal controls (the statute's now famous Section 404).

Sarbanes-Oxley offers enhanced benefits of transparency, accountability and investor protection, and thus strengthens our capital markets. But many have asked whether Sarbanes-Oxley reflects an evaluation of benefits and costs. Some critics believe that certain aspects of the legislation may have the unintended effect of making our markets less efficient venues for raising capital.

And questions remain as to whether the conflict-of-interest issues emphasized by Sarbanes-Oxley Section 404 got at the bigger problems from an economic perspective. There is a need to consider more seriously the role played by takeover mechanisms -- and the market -- in matters of corporate control and shareholder rights.

Since the new regulatory mechanisms have been put in place, developments in the U.S. capital market have not been positive. In 2000, 90% of the funds raised by foreign companies through new stock offerings were raised in the U.S. The "90% rule" held in 2005, too, but in reverse -- 90% of the funds raised by foreign firms through new listings occurred in Europe and other non-U.S. markets. Last year, only two of the world's 25 largest initial public offerings listed in the U.S.

In the universe of global IPOs, the fraction of non-U.S. IPOs listed in the U.S. has fallen to under 10% so far in 2006 from 37% in 2000. And these figures are not likely to be simply capturing a current shift in the global economic center of gravity toward Asia. If one removes IPOs from China and Russia, for example, the declines in foreign firms' U.S. listings by number and value are similar. Concerns about listing in the U.S. relate to domestic firms too, as U.S. firms contemplate "going private" or do not "go public" for regulatory and legal reasons.

While global economic growth and a welcome trend toward financial reform have put wind in the sails of overseas financial centers, could U.S. capital market regulation also be a factor in their increased competitiveness? There is historical evidence that suggests it could be. In the 1960s, U.S. banks went to London and helped spur the growth of the Eurobond market because of interest-rate ceilings and reserve requirements at home. U.S. regulators subsequently allowed international banking facilities with lower reserve requirements and abolished Regulation Q ceilings on interest rates, but the London market had already taken off. The Eurobond market also drew sustenance from U.S. tax policy in the form of the interest equalization tax. Subsequent tax changes did not slow down that market's development once started. Are we seeing similar market shifts with diminished interest in U.S. listings, the NYSE's overtures to Europe and Nasdaq's interest in London?

In addition to regulation and accounting standards, the liability system can also affect the competitiveness of U.S. markets. Firms are sometimes confronted with circumstances in litigation, including securities class-action suits, where even a small probability of loss, given the size of claims, could result in bankruptcy. Consequently, companies often must agree to large settlements that result in reduced value for shareholders rather than pursuing a successful outcome on the merits of its case. Further, public companies are exposed to criminal prosecution which can lead to the collapse of the firm, as witnessed in the

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case of Arthur Andersen. Such a system rightly punishes the managers who have violated the rules. But it may also punish innocent parties -- employees, shareholders and the many firms who had conducted legitimate and profitable business relations with the now defunct enterprise. Do these dynamics have an effect on companies' willingness to issue securities in U.S. capital markets? * * *

We announced on Sept. 12 the formation of a Committee on Capital Markets Regulation, an independent and nonpartisan group of academic, business, financial and corporate governance leaders. Our committee, working through task forces that will include additional academic and business leaders, is conducting a study of the competitiveness of U.S. public capital market, taking into account questions of investor confidence, liquidity, cost of capital and costs of regulation borne by shareholders directly or the economy as a whole. Our goal is to provide carefully considered recommendations for adjustments to the current regulatory and liability framework. On Nov. 30, we will issue our first report to policy makers.

The work of our committee is proceeding along three paths. First, the committee is synthesizing research by economists and legal scholars on a range of regulatory and liability issues affecting the competitiveness of U.S. capital markets. Second, the committee is integrating research on the measurement of benefits and costs of regulatory interventions. And third, the committee is evaluating alternative recommendations for applying cost-benefit analysis in assessing financial regulation and its benefits and costs for the competitiveness of U.S. capital markets. The committee will also evaluate principle- and risk-based alternatives to the present "rules-based" regulatory approach in order to understand how such mechanisms might affect the way managers incorporate the spirit and intent of financial regulations, as well as following the technical rules.

Rolling back the Sarbanes-Oxley law wholesale is not the answer. But subjecting regulation to rigorous cost-benefit analysis is surely right. Though much of the regulatory scrutiny will lie with the SEC and the PCAOB, we can also harness the expertise within other departments and agencies represented in the President's Working Group on Financial Markets, which includes the Department of Treasury, Federal Reserve and the Commodity Futures Trading Commission. Input from such institutions that have primary responsibility for investor protection will be necessary to prudently address broad tradeoffs between regulation and possible consequences of lost competitiveness.

America's capital markets have been an enviable model for job creation and increasing national wealth. But the efficiency and competitiveness of our markets cannot be taken for granted. Cost-benefit analysis of regulatory change may provide insights that could enhance the efficiency of our markets and strengthen investor protection at the same time. We should explore ideas that can help assure that new regulation does not inadvertently diminish the benefits of our markets by not accounting for regulatory costs.

Mr. Hubbard, dean and professor of finance and economics at Columbia Business School, was chairman of the Council of Economic Advisers under President Bush. Mr. Thornton, chairman of the Brookings Institution, was formerly president of Goldman Sachs.

CRIMINAL LAW:

Jemal Jumps Right Back In (WP)

By Dana Hedgpeth

The Washington Post, October 30, 2006

For seven weeks, Douglas Jemal showed up in federal court in a conservative suit, white dress shirt, tie and polished black shoes.

On Friday, the 63-year-old maverick builder returned to running his business full time, a day after his acquittal on bribery and conspiracy charges. Settled into his funky office in the heart of Chinatown -- with two parrots, three aquariums, a wall-mounted moose head and a full bar -- he was back in his usual jeans, a collarless oatmeal-colored shirt and black cowboy boots.

"It's nice to have a public vindication," he said between calls of congratulation. "I'm very happy to be back at work. I'm very happy that I'm not sitting in a courtroom in a suit. And I'm very happy to be myself again."

Jemal was found guilty of one of the charges against him, wire fraud. His son, Norman, was acquitted of all charges, and a top lieutenant, Blake Esherick, was found guilty on one count of wire fraud and two counts of tax evasion.

Jemal "is making it seem like he got off, but in fact he got convicted of a felony," said Jeffrey A. Taylor, U.S. attorney for the District of Columbia. "Our view is this was a significant victory in a tough, hard-fought case."

The wire fraud charge, Taylor said, was "the most serious of the charges . . . because it has the highest statutory maximum of prison time" -- 20 years. Under federal sentencing guidelines, Jemal's sentence could be much lighter, possibly nothing more than probation. But Taylor said "it is certainly conceivable he will receive prison time." Sentencing is scheduled for April 16.

Jemal declined to say how he would run his business if he has to go to prison.

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The developer's lawyers say they will try to get the conviction overturned. Jemal said of the wire fraud verdict: "It's like stepping on a splinter. It's a little pinch."

A high school dropout from Brooklyn who became one of Washington's premier developers, Jemal is known for closing deals with handshakes and making major buys quickly. In 40 years, he has built a regional real estate portfolio that includes 10 million square feet of office, residential, retail and commercial properties in 185 buildings. He helped revitalize much of the city's East End, turning rundown storefronts into condominiums and shops.

Jemal's reputation wasn't the only thing at stake when he was charged with bribing District official Michael Lorusso in exchange for sweetheart deals. The future of Jemal's Douglas Development Corp. was also in question. Some in the real estate community worried that a conviction on bribery charges would damage his ambitious and wide-ranging projects. Jemal, they say, is the key to his company.

"Douglas Development is Douglas," said Leonard A. Greenberg of Greenhill Capital Corp. in Bethesda, who has done business with Jemal. "He's an entrepreneur extraordinaire."

Jemal has plans to remake a tired-looking block along New York Avenue NW, near the Washington Convention Center, into a vibrant mixed-use development. London architect Norman Foster is working on plans for the Uline Arena near Union Station, which Jemal owns. He envisions turning an area where old oil tanks sit along the Anacostia River into something like Baltimore's Inner Harbor. Jemal says he has at least a dozen more projects in the pipeline.

During the trial, people like Gerry Widdicombe, director of economic development for the Downtown Business Improvement District, worried that those projects might be in danger. "It's important to the city that he's been a venture capitalist, going to places others haven't gone," Widdicombe said. "That would be a risk-taker that would be lost."

Jemal said he didn't stop running his business during his trial, although he had to pass on a few deals. "I had too much on my plate," he said. He says he has no plans to slow down and doesn't expect businesspeople to shun him.

"Morgan Stanley and others said they'd still do business with me because we're not crooks," he said. "You can't build a company if you're crooks. You can't go back to that well that many times."

He pointed to a line of credit he got from Cardinal Bank after he was charged that allowed him to close a few days into his trial on a $15 million deal on F Street NW. He got two loans totaling $188 million from New York-based Gramercy Capital Corp. this year.

"We've had no problem getting financing and getting loans," Jemal said. "It's a large testament to us."

Despite the wire fraud conviction, the feeling at City Hall was that Jemal had beaten the rap.

"It was a major wrongdoing," said D.C. Council member Jim Graham (D-Ward 1), who spearheaded the public investigation into Jemal's dealings with Lorusso.

But Graham did not take issue with the result of the trial. "I'm not happy or unhappy with the jury decision," he said. "It's fact. He's entitled to a trial by a jury of his peers. I hope that he's able to reconstruct his life and continue to serve all the interests he works for. He's done a lot of good things for the city."

Council member Carol Schwartz (R-At Large), who was also involved in the investigation of Jemal and his ties to Lorusso, said, "I just hope in the future that all people who are going to do business with our government and those who work for the government are on notice to make sure they act properly, or they will be prosecuted. "

As for Jemal, he's still got five suits, 12 dress shirts, six ties and 12 pairs of dark socks that he bought from Brooks Brothers for the trial.

"Maybe I'll have a raffle or give them away," he said.

GOP Leader Says He Would've Canned Foley (AP-Y)

By John Heilprin

AP, October 30, 2006

House Majority Leader John Boehner says he might have taken matters into his own hands if he or any GOP leader had known about ex-Rep. Mark Foley's sexually explicit instant messages to former pages.

"Foley's conduct was reprehensible, abhorrent. And if any one of us would have known about this, we would have dragged him out of there by his tie," said Boehner, the current No. 2 leader in the House.

Boehner, R-Ohio, maintains he told Speaker Dennis Hastert, R-Ill., last spring about Foley's too-friendly e-mails to pages and was informed the matter was being handled.

"I believe strongly that the speaker — neither the speaker, myself or anyone knew of the sexually explicit instant messages," Boehner said. "All I was told was that there had been contact between Foley and the former page. ... I believe that I talked to the speaker about this. I believe that he told me it had been taken care of."

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There has been no indication that Republican leaders knew of the sexually explicit instant messages to former male pages until the scandal became public and Foley, R-Fla., resigned at the end of the September.

Boehner and a second GOP House leader, campaign chairman Tom Reynolds of New York, have said that before then they were aware only of Foley's e-mails to a former Louisiana page. Those messages asked about the 16-year-old's birthday and requested a picture.

Boehner, interviewed Sunday on ABC's "This Week," said the Foley matter was one of hundreds he dealt with daily in the House, and he was hopeful an internal House probe will be resolved soon.

"I'm on the House floor as a majority leader, I'm having hundreds of conversations every day with Democrats and Republicans, trying to run the House," Boehner said. "The House ethics committee is doing a very good investigation in a bipartisan way. I was happy to meet with them, and I believe that they'll have a report coming soon."

The committee has interviewed 21 witnesses behind closed doors since Oct. 11, but there is no indication anything can be resolved before the Nov. 7 elections.

Prisons Eye Ways To Control Gangs (WT/AP)

By Brian Witte

The Washington Times, October 30, 2006

BALTIMORE -- With gang violence increasing and prison safety harder to maintain, Maryland corrections officials are searching for better ways to manage incarcerated gang members, including confining members of the same gang in a separate prison unit.

John A. Rowley, acting commissioner of the state's Division of Correction, recently sent corrections officials to Connecticut, which has a nationally recognized program for managing gangs in prison.

Mr. Rowley has scheduled a meeting this week to discuss the program, but said the agency has yet to commit to a plan.

Mr. Rowley said he sent the officials because Connecticut's corrections department created a gang-management program in 1994, after realizing just how dangerous and difficult gang members had become inside the state's prisons.

In Maryland, officials have implemented a new measure to reduce prison gang violence at the medium-security Maryland Correctional Training Center, near Hagerstown. The facility started confining inmates together "a few months ago," after they were identified as members of the same gang, Mr. Rowley said.

"What they're attempting to do is to simply, to the best of their ability, house them together to see if that improves or reduces the violence," he said.

Officials are only trying out the policy, Mr. Rowley said, and there is no plan yet to incorporate it statewide.

Maryland does not send all incarcerated members of a particular gang to the same prison, a technique that has been tried in other states.

Mr. Rowley said he also wants to increase training for corrections officers so they can recognize gang activity.

Maryland's correctional institutions have been using intelligence officers in roughly the past 18 months to track gang activity in prisons. Mr. Rowley said the practice has been effective and that he wants to add more staff.

The changes come as Maryland prisons experienced increased violence, including the deaths this year of two corrections officers who were killed by inmates.

A hit list that surfaced in 2004 was addressed to members of the Bloods gang inside the Eastern Correctional Institution. It offered inmates tens of thousands of dollars for killing a former warden and nine corrections officers.

Officer David McGuinn apparently was killed by two inmates inside the Maryland House of Correction in July. Mr. Rowley declined to comment on whether Officer McGuinn was on a hit list.

Gov. Robert L. Ehrlich Jr., a Republican running for re-election, said in August one theory is that the slaying was connected to gang violence.

The rate of assaults on corrections officers in the state's maximum-security prisons nearly doubled from about 3.4 per 100 inmates in 2004 to 6.6 in 2005, according to the state's nonpartisan Department of Legislative Services.

Maj. Priscilla Doggett, a Maryland Division of Correction spokeswoman, said it's unclear how many bona fide gang members are incarcerated in Maryland prisons.

Report Says Crime Makes St. Louis Most Dangerous U.S. City (AP)

By Christopher Leonard

AP, October 30, 2006

ST. LOUIS - Just days after the St. Louis Cardinals won the top honor in Major League Baseball, their hometown jumped to first place on a list no one wants to lead: the most dangerous cities in the United States.

This Midwestern city has long been in the upper tiers of the annual ranking of the nation's safest and most dangerous cities, compiled by Morgan Quitno Press. Violent crime surged nearly 20 percent there from 2004 to last year, when the rate of such crimes rose much faster in the Midwest than in the rest of nation, according to FBI figures released in June.

"It's just sad the way this city is," resident Sam Dawson said. "On the news you hear killings, someone's been shot."

The ranking, being released Monday, came as the city was still celebrating Friday's World Series victory at the new Busch Stadium. St. Louis has been spending millions of dollars on urban renewal even as the crime rate climbs.

Mayor Francis Slay did not return calls to his office seeking comment Sunday.

Scott Morgan, president of Morgan Quitno Press, a private research and publishing company specializing in state and city reference books, said he was not surprised to see St. Louis top the list, since it has been among the 10 most dangerous cities for years.

Morgan said the study looks at crime only within St. Louis city limits, with a population of about 330,000. It doesn't take into account the suburbs in St. Louis County, which has roughly 980,000 residents.

The safest city in 2005 was Brick, N.J., population about 78,000, followed by Amherst, N.Y., and Mission Viejo, Calif. The second most dangerous city was Detroit, followed by Flint, Mich., and Compton, Calif.

Cities are ranked based on more than just their crime rate, Morgan said. Individual crimes such as rape or burglary are measured separately, compared with national averages and then compiled to give a city its ranking. Crimes are weighted based on their danger to people.

The national FBI figures released in June showed the murder rate in St. Louis jumped 16 percent from 2004 to 2005, compared with 4.8 percent nationally. The overall violent crime rate increased nearly 20 percent, compared with 2.5 percent nationally.

While crime increased in all regions last year, the 5.7 percent rise in the 12 Midwestern states was at least three times higher than any other region, according to the FBI.

Visiting St. Louis on Thursday, FBI director Robert Mueller said it was too early to tell why some types of crime were rising faster in the Midwest.

Mueller said the FBI is working harder to form partnerships with police departments to launch programs like St. Louis' Safe Streets task force, which focuses police efforts on problematic neighborhoods.

This year's ranking was good news for Camden, N.J., which in 2005 was named the most dangerous city for the second year in a row.

Camden Mayor Gwendolyn Faison said Sunday she was thrilled to learn that her city no longer topped the most-dangerous list.

"You made my day!" said Faison, who has served since 2000. "There's a new hope and a new spirit."

Four More Sentenced In Mortgage Scheme (RRS)

Rockford (IL) Register Star, October 30, 2006

ROCKFORD — The last four people to be brought before a U.S. district judge on charges of defrauding the federal government out of more than $1 million in connection with the Federal Housing Authority's mortgage-insurance program were sentenced Thursday and Friday.

According to a news release from the U.S. Justice Department, the charges the defendants pled guilty to were part of a 61-count indictment charging the people with conspiring to defraud the government, making material false statements to HUD, and making false statements to cause HUD to insure mortgage loans.

According to the indictment, the leaders of the scheme profited by selling homes in Freeport at inflated prices.

The indictment states that the defendants falsified many documents to get FHA insured loans for unqualified homebuyers. By causing these unqualified buyers to receive FHA insured loans, the indictment says the defendants bilked the federal government out of more than $1 million.

Sentenced were:

Philip R. Miskimon, 50, of Winslow, 7½ years in federal prison without parole, and three years of supervised release. The court also ordered Miskimon to pay $2,658,135.32 in restitution.

Douglas L. Hastings, 41, of Lena, seven months in federal prison without parole, followed by three months of house arrest with electronic monitoring and three years of supervised release. He has been ordered by the court to pay $109,576.63 in restitution.

Price V. Brooks, 51, of Freeport, 13 months in federal prison without parole, to be followed by three years of supervised release. Brooks has been ordered to pay $89,710.04 in restitution.

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Julie A. Smith, 48, of Lena, 2½ years of house arrest and three years' probation. Smith has been ordered to pay $368,527.84 in restitution.

The other people arrested and sentenced:

Edward J. Martins, 41, of Lena; Shawn M. Fleming, 22, of Freeport; Akia A. Sanders, 24, of Freeport;

Dale L. Nelson, 50, of Freeport; Todd P. Ernst, 46, of Freeport; Chad J. Nicks, 31, of Freeport; Tasha M. Thompson, also known as Tasha M. Barnes, 26, Freeport; Jeffrey L. Meyer, 52, of Winslow;

Alexandrea M. Ellis, 23, of Freeport; Brian A. Fox, 36, of Freeport; and Adam L. Ernst, 22, of Freeport.

D.C. Paid For Training Schools Say Didn't Occur (WP)

By V. Dion Haynes

The Washington Post, October 30, 2006

In September 2005, Equal Access in Education billed the city $76,250 to train math and reading teachers in techniques to boost student performance at five D.C. public charter schools that failed to meet academic targets.

But principals at four of the schools (the fifth one has closed) say that they never heard of Equal Access and that their teachers never received training from the company.

"It boggles my mind that this could have happened," said Norman Johnson, executive director of Integrated Design & Electronics Academy Public Charter School (IDEA) in Northeast Washington. "We certainly needed those services."

Federal authorities are investigating whether Equal Access was connected to Brenda L. Belton, the former executive director of the Board of Education's charter schools office. The company submitted invoices requesting that payments be sent to 26 Underwood Pl. NW, the address of a duplex formerly owned by Belton and currently owned by her daughter Lindsay Holmes. In May, the FBI raided Belton's office and home as well as the Underwood Place property as part of its investigation into the possible misuse of public funds by the board's charter school oversight office.

Documents obtained by The Washington Post through the Freedom of Information Act show that Equal Access charged the city at least $395,000 between 2002 and 2006 to monitor charter schools to ensure they were meeting financial and academic targets and to provide teacher training. One Equal Access invoice indicated that in addition to the IDEA charter school, four other charter schools -- Booker T. Washington in Northwest, Elsie Whitlow Stokes in Northwest, Options in Northeast and the now-closed Jos-Arz Therapeutic in Northeast -- had received training services. But officials at the three open schools said Equal Access was not one of their vendors.

In some of the documents requesting payments, Equal Access did not specify which schools were supposed to have received the services.

"I think everybody associated with this mess should pass 'Go' and go straight to jail," school board President Peggy Cooper Cafritz said when told about the five schools that did not receive services detailed in invoices from Equal Access.

Next month, Cafritz said, the school board will consider hiring a university or a nonprofit group to manage the 18 charter schools it currently oversees.

According to school and city officials who are seeking answers about the charter funds, Belton, who was fired this month, had worked without many of the checks and balances imposed on other agency executives.

The school board gave Belton, who at times supervised five employees, broad authority to issue hundreds of thousands of dollars in contracts to consultants to monitor the schools under the school board's charge and to help those failing to meet academic targets. For many of those contracts, Belton used a special school system fund that allowed her to bypass city regulations that require agencies seeking contract work to put potential vendors through an extensive vetting and bidding process.

For a vendor to be paid, agencies must submit an invoice and a form verifying that the service or merchandise was satisfactorily provided.

"There are no excuses for apparently misappropriating funds or giving funds to consultants without a work product," said D.C. Council member Kathy Patterson (D-Ward 3), who chairs the education committee and first alerted the school board to a potential problem with Belton. "The board had a responsibility to supervise that office, and the board failed to do so."

Although her office was on the ninth floor of the school system's central administration building, Belton was not part of the system's staff. The 1996 charter school law created a firewall between the independently operated and publicly funded schools and the D.C. school superintendent.

Belton answered only to school board members, part-time supervisors who were rarely around to monitor the office's activities.

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To pay Equal Access and other vendors, Belton used the school system's Central Investment Fund, which accepts donations from individuals and organizations requesting that the money be used for specific purposes, such as purchasing library books and supplies for needy children.

Belton had deposited $200,000, collected from the charter schools to run the board's charter office, into the investment fund. Some of that money was used to pay vendors.

Equal Access received $32,614 from the investment fund in February and $108,759 from the fund between April and July of last year, according to documents from the office of the chief financial officer.

To withdraw the funds, Belton submitted invoices but no documentation from charter school officials confirming that they had received the services, according to Pamela D. Graham, the school system's interim chief financial officer, whose staff administered the fund.

Graham said the investment fund is designed to streamline the payment process so schools can "quickly get access to the money." If the money was in a general fund, she added, "we'd have to have a purchase order, an invoice and a receiving report" verifying that the service or merchandise was provided.

Cafritz said the board allowed Belton to deposit the $200,000 in charter school funds in the investment account to let the office carry over funds from year to year, a privilege not permitted in general accounts.

Natwar M. Gandhi, the city's chief financial officer, cut off the charter school office's access to the investment fund in the spring after learning of the federal investigation.

Patterson said the independent structure under which Belton operated would have worked had the school board properly supervised her.

Cafritz said she and Russell Smith, who until recently was the school board's executive director, tried a few years ago to get Belton to report to Smith. But Belton and the school board resisted, she said.

Last year, two independent studies, including one by the U.S. Government Accountability Office, found that many charter schools were floundering because of improper oversight. The board closed one of those schools, Jos-Arz Therapeutic, a special education facility in which the city invested more than $15 million. The board then established an ad hoc committee to oversee the charter office.

School board member JoAnne Ginsberg, who chairs that committee, said she became fed up with Belton for not showing up for work and for turning in reports that were late and sloppy. She said that she sought to have Belton fired but that Cafritz and the three other members of the committee opposed that.

A few months later, in June, the FBI and other federal officials raided Belton's office, confiscating computers and records. Belton was on paid administrative leave until two weeks ago, when the board voted to fire her.

Cerritos Coach To Pay For Cheating (LBPT CA)

By Wendy Thomas Russell

Long Beach Press-Telegram (CA), October 28, 2006

Courts: Callahan gets 90 days for financial aid fraud; school severs ties with him.

BELLFLOWER - Cerritos College faculty member Patrick Callahan, a man credited with helping numerous minority football players enroll and finish college, bid farewell to his coaching career Friday - the day he was formally sentenced to 90 days in jail in connection with Pell Grant fraud.

Callahan, 58, pleaded guilty to falsifying government documents so that 13 of his football players could receive more than $91,000 in federal aid to which they were not entitled.

Trading in his team colors for a black suit, Callahan was formally sentenced Friday before Bellflower Superior Court's Leland Tipton, who suspended a two-year prison term under a number of conditions. One of the conditions was agreeing to give up his position as coordinator of student activities for Cerritos College.

"Has he terminated his employment?" Tipton asked.

"As of today," Callahan answered.

Callahan served as an assistant coach at Cerritos College in Norwalk for 16 seasons, most recently acting as defensive coordinator, before being charged in August 2005 with 26 felony counts of grand theft and conspiracy to commit grand theft. At the time of his arrest, the college suspended Callahan from coaching and made him coordinator of student activities.

Reached on Friday, a college spokeswoman declined to answer questions about Callahan, nor would she say why the school had chosen to keep him on the faculty following his guilty plea last month.

"We make no comments on personnel issues," Kristen Habbestad said.

Callahan, of Artesia, is accused of placing himself at the center of a scheme to cheat the government out of thousands of dollars so that some of his players could attend college at little or no cost.

Under Pell Grant regulations, students whose parents make more than $20,000 a year and contribute to their child's education receive less money, while students with little or no financial support receive more. Some students who are estranged from their parents, however, can obtain "dependency overrides," which allow them to apply for Pell Grants without providing their parents' financial status.

According to prosecutors, Callahan wrote and encouraged others to write fraudulent letters supporting dependency overrides for his students beginning in 1999. The students were otherwise ineligible because they already had financial support from their parents.

Callahan also recruited players from out of state - a violation of the California Community College Commission on Athletics - and obtained in-state tuition for some out-of-state players, according to court documents.

Callahan's jail term will begin on Nov. 30.

He must pay $70,758 to the U.S. Department of Education, which reflects the amount awarded as a result of fraudulent dependency overrides. And he must pay Cerritos College $20,799, the amount the college lost by charging in-state tuition to out-of-state players.

Fred Falcone, who identified himself as a former Cerritos College student and football player, said Callahan should be provided amnesty for making "a lifetime career of helping disadvantaged students become successful in college."

"He is someone that minority students could go to when they had a problem," Falcone wrote in an e-mail to the Press-Telegram, "and he would help."

Wendy Thomas Russell can be reached at wendy.russell@presstelegram.com or (562) 499-1272.

Feds Nail Kiddie Porno Cybersleaze (BOSH)

By Dave Wedge

Boston Herald, October 28, 2006

Former Hub student could get life

A former Hub college student once probed for running kiddie porn sites out of a Somerville apartment faces a possible life sentence after being convicted on federal charges of taking sex videos of underage boys - including one from Cape Cod.

Former Bunker Hill Community College student Tim Richards was found guilty on 11 of 22 child pornography charges Thursday in a federal court in Tennessee, one of which stemmed from sex tapes he made with a 14-year-old Bay State boy in Sydney, Australia. The boy, now in his 20s, was the star witness in the two-week trial and testified that he was pressured into making sex tapes with Richards for four years.

“A society can have no greater priority than promoting the safety of its most vulnerable members, especially its children,” said Nashville U.S. Attorney Craig S. Morford. “That is why this case and this verdict is so significant.”

Four of the convictions carry possible life sentences, and another carries a minimum mandatory sentence of 15 years in prison. Richards will be sentenced Jan. 26. He still faces more federal charges while his alleged cohort, former Boston University student Aaron Brown, is awaiting trial on similar charges in Virginia.

Richards, 25, was first investigated by the Massachusetts Attorney General after a 2000 Herald report found that Richards' former company, Nimenet.com, was hosting several kiddie porn sites out of a Somerville apartment. No state charges were ever filed.

The FBI’s Innocent Images anti-child pornography unit got involved in the case in 2005 when a California teen named Justin Berry told authorities Richards posted underage sex pictures of him online. Berry, who did not testify at Richards' trial, became a national symbol of child exploitation after he went public with his sordid tale in The New York Times.

When FBI agents arrested Richards last year, they recovered an extensive cache of kiddie porn and found him living with a 13-year-old boy. He had reportedly been leading a jet-setting lifestyle and is believed to have pulled in as much as $500,000 through the elaborate cyberporn ring.

Kent Kobliska, a former Nimenet employee who testified at Richards' trial, called his former boss' conviction “deserved.”

“It took awhile but justice finally was done,” Kobliska said.

Difficult Sermon As F.B.I. Investigates A Church’s Ex-Music Director (NYT)

By Alison Leigh Cowan

The New York Times, October 30, 2006

GREENWICH, Conn., Oct. 29 — Addressing parishioners the week after they learned that federal agents had searched their church this month for evidence of child pornography on a music director’s computer, the rector of Christ Church here, the Rev. Jeffrey H. Walker, told worshipers on Sunday that “these are hard days, and for some of us, sleepless nights.”

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He pleaded with the Episcopal congregation, which traces its roots back 300 years and counts some of Greenwich's most prominent families among its members, to respond with "patience, trust and kindness." He also apologized for having to be less than forthcoming about certain matters that were part of the pending criminal investigation and the "world of legalities rather than the world of grace."

On Tuesday night, news organizations began reporting that Robert F. Tate, the church's longtime music director and impresario behind its highly-respected choirs, had resigned abruptly after church officials became aware that he might have had child pornography on a computer he used. Church officials would say only that he had resigned.

Mr. Tate, who had an apartment on church grounds but is no longer living there, has not commented publicly. His lawyer, Francis O'Reilly, issued a statement on Wednesday noting: "Mr. Tate adamantly denies these allegations. The facts are that the Federal Bureau of Investigation has been investigating this matter for some time now, and Mr. Tate has not been charged with any offense."

Tim Egan, the head of the F.B.I.'s cybercrimes squad in New Haven, confirmed to The New York Times on Tuesday that his agency was heading an investigation, but he declined further comment, as did the United States attorney's office.

The church has referred all requests for comment to its lawyer, Eugene J. Riccio, who was present on Sunday as Mr. Walker addressed worshipers at the 9 a.m. service. Mr. Riccio declined to discuss anything about the investigation, which is before a grand jury.

Paying homage to Garrison Keillor, Mr. Walker, who himself has appeared before the grand jury, said he would loved to have been able to greet parishioners with a crisp, "Well, it's been a quiet week at Lake Wobegon."

"It just hasn't been," he added. "Not at Christ Church."

He drew parallels between the church's discovery of a problem in its midst some weeks ago and Sunday's Gospel reading, in which a blind beggar of deep faith had his sight restored.

"What happens when we've simply failed to see someone we've loved has been in pain and we just didn't notice?" Mr. Walker said.

"When all of that comes to glaring light," he continued, "all we can say is, 'How could I have been so blind?' "

Old Cattle Crime Rears Its Head Again (USAT)

By Kevin Johnson

USA Today, October 30, 2006

Some of the nation's largest beef-producing states are fighting a resurgence in a centuries-old crime: cattle rustling.

The thefts, including one high-profile case involving the ranch of baseball legend Nolan Ryan, are directly related to the rising cost of beef, said Larry Gray, enforcement chief with the Texas and Southwestern Cattle Raisers Association (TSCRA).

The TSCRA, which draws its members from Texas, Oklahoma and New Mexico, reported $6.2 million in livestock thefts — mostly cattle — in 2005, up from $4 million in 2004.

In the past three to four years, John McBride, a spokesman for the Livestock Marketing Association, said cattle prices have approached all-time highs. "As the cattle industry has escalated, so have the number of thefts," said Joyce English, vice president of the association's Livestock Board of Trade. "Everything follows the money."

Last fall, a flurry of calls from more than a dozen victims, including the foreman of Ryan's Texas ranch, reported 17 cows and 14 calves were missing. A couple of weeks later, an additional 16 calves were stolen from Ryan's spread.

The reports led two investigators with the TSCRA to charge a 27-year-old suspect with running an old-time rustling enterprise valued at more than $250,000 after being in operation a little less than a year. Gray said the suspect allegedly used the livestock, most of which was branded, to bolster his own herd and sold off the calves as they were born. The break in the case came, Gray said, when one of the stolen animals was brought for sale.

Thefts have been a problem in other beef-producing states:

·In Missouri, second only to Texas in cattle production, Gov. Matt Blunt created a special rustling unit in response to a surge in thefts in the southwestern part of the state. Since its creation in February, the unit — aided by a new cattle-theft hotline — has recovered livestock valued at more than $400,000, said Missouri Highway Patrol Sgt. Jason Clark.

Suspects routinely steal trailer loads from one county and deposit them in another — sometimes two or three counties away. A routine loss of 15 to 20 cows valued at up to $20,000 can be "devastating to some ranchers," Clark said.

·In Kansas, the Kansas Cattlemen's Association has been "overwhelmed" with theft reports in the past year, said association spokeswoman Lynae Beam. The organization has fielded more than two dozen calls from ranchers.

Fifteen of the reports are classified as "very serious" rustling cases, involving more than five animals valued at up to $1,300 per animal, Beam said.

"About 10 to 20 years ago, we thought this type of thing was fading away," Beam said. "Now, it sure is coming back."

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CIVIL RIGHTS:

Justices To Take Up Autism-Case Dispute (NYT/AP)

By The Associated Press

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 (AP) — The Supreme Court agreed Friday to consider an appeal by an autistic child and his parents, who want to sue over his school accommodations without hiring a lawyer.

The parents, Jeff and Sandee Winkelman, say they cannot afford a lawyer to argue their court case against the school district of Parma, Ohio, near Cleveland, over the education of their son, Jacob.

The federal appeals court in Cincinnati ruled that the Winkelmans, suing under the Individuals With Disabilities Education Act, had to find a lawyer to represent Jacob, although other federal courts have ruled differently in cases involving that law.

The Bush administration then urged the justices to take the case, saying that in adopting the measure, Congress clearly intended that parents be able to represent their children in such court proceedings.

The Winkelmans' suit contested Parma's plan to educate Jacob at a public school. They wanted the district to pay his yearly tuition of $56,000 at a private school that specializes in educating autistic children.

Whether Jacob should have private schooling at public expense is not before the justices, only the question of his parents' right to go into federal court without a lawyer.

The justices also agreed Friday to hear the case of a sheriff's deputy in Georgia who purposely bumped his car into a vehicle he was pursuing at high speed, causing an accident that left the suspect a quadriplegic.

The Sheriff's Office of Coweta County, Ga., had asked the court to consider whether an officer violates a fleeing suspect's constitutional rights by using deadly force to terminate a high-speed chase.

Two lower federal courts ruled against the deputy, finding that his action was out of proportion to the risk that the suspect had posed to other drivers and pedestrians.

'Partial-birth' Cases Test Abortion Rights' Limits (USAT)

By Joan Biskupic

USA Today, October 30, 2006

NEW YORK — It was just after Mother's Day in May 2003 when Ilene Jaroslaw, about four months pregnant, learned that the fetus she was carrying had a fatal spinal cord and brain defect.

Jaroslaw, then a mother of two, says she was devastated but decided immediately to have an abortion. Because she wanted to have another child — and because she had had two previous cesarean-section deliveries and an unrelated surgery on her uterus — she agreed with her doctor's recommendation to undergo a procedure that would do as little damage as possible to the uterus.

"There was absolutely no hope at all," says Jaroslaw, a 43-year-old lawyer in New York City who talked with USA TODAY about her experience. "This baby was not going to survive long."

For Jaroslaw, having what Congress and critics of the procedure call a "partial-birth" abortion was an intensely personal health decision that led to a happier ending: In 2004, she got pregnant again and delivered a healthy baby girl.

The episode also made Jaroslaw a symbol of the ongoing debate over whether Congress' effort to ban "partial-birth" abortion violates a woman's right to end a pregnancy — a question that goes before the Supreme Court on Nov. 8. Under a federal law passed by Congress in October 2003 and tied up in the courts ever since, Jaroslaw could not legally have undergone the procedure because her life was not in danger.

Jaroslaw's reasons for having the procedure — to preserve her ability to have more children by avoiding the hemorrhaging and perforation of the uterus that can occur with other abortion methods — would not have cleared the legal hurdle set by Congress.

That's partly why the pair of cases that come before the Supreme Court next week are widely viewed as a major test of efforts to restrict abortion. The issue is not the fundamental question of whether abortion should be legal, first established by the court's ruling in Roe v. Wade in 1973. Instead, the cases test the Republican-led Congress' power to limit the reach of that ruling by restricting medical options for women.

The law is called the Partial-Birth Abortion Ban Act of 2003. Lawyers for the two challengers now before the Supreme Court, Eve Gartner of Planned Parenthood and Priscilla Smith of the Center for Reproductive Rights, note that there is no medical procedure known by that name and contend that the phrase is needlessly offensive and misleading.

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On a more technical level, the cases put on exhibit dueling medical opinions over whether certain second-trimester abortion procedures are ever necessary.

For the court, the cases — Gonzales v. Planned Parenthood Federation of America and Gonzales v. Carhart — represent the first significant test of whether abortion rights in America will change now that moderate Justice Sandra Day O'Connor, a key vote in favor of such rights, has retired.

Six years ago, when the justices struck down state bans on "partial-birth" abortions because the laws did not include exceptions for when a woman's health was at risk, O'Connor cast the decisive fifth vote on the ideologically divided, nine-member court. Last term, she was replaced by Samuel Alito, a more conservative judge who, as a member of a lower court, voted for abortion restrictions that O'Connor later rejected.

The federal ban — which is similar to the state laws voided by the high court six years ago — has been rejected by three sets of U.S. district courts and appeals courts. The lower courts said Congress' ban violates women's rights to abortion because it lacks a health exception and is too vaguely written.

The lower court judgments conflict with Congress' assertion that "partial-birth" procedures are never the best option to preserve a woman's health.

"This is an excellent case to test the direction of the court on abortion rights," Georgetown University law professor Randy Barnett says.

Abortion rights groups such as Planned Parenthood say Jaroslaw and thousands of women like her personify the need to preserve the second-trimester procedures known in the medical community as "intact dilation and evacuation" (or intact D&E) and "dilation and extraction" (D&X).

The methods involve dilating a woman's cervix to allow most of the fetus to emerge into the vagina intact, rather than dismembering the fetus in the uterus by using forceps and other instruments. In the intact method, a doctor then suctions out the fetus' brain to collapse the head and allow delivery.

The American College of Obstetricians and Gynecologists has reported that such methods increasingly are viewed as the safest abortion procedures for the second trimester of pregnancy, roughly the 13th to 26th weeks of gestation.

Second-trimester procedures account for about 11% of the estimated 1.3 million abortions performed in the USA each year, according to the Guttmacher Institute, a research group that supports abortion rights. It's unclear, however, how many of those abortions are done with the intact D&E or D&X methods because no one keeps a precise count.

The Bush administration, in defending the Partial-Birth Abortion Ban Act of 2003, has argued in court papers that Congress had solid grounds to believe that any procedure in which a doctor "partially delivers a (living) fetus intact … and then kills the fetus" is never medically necessary.

The government is appealing a ruling by the U.S. Court of Appeals for the 9th Circuit, in a case begun by Planned Parenthood, and a ruling by the U.S. Court of Appeals for the 8th Circuit, in a case started by Nebraska physician LeRoy Carhart.

U.S. Solicitor General Paul Clement has told the justices that the "gruesome" procedure "resembles infanticide."

Clement has said Congress' ban is not unconstitutional because there are alternative methods of second-trimester abortions that would remain legal. Those include a standard D&E procedure in which a doctor dismembers the fetus in the uterus, and another method known as "induction," in which a woman is given drugs that cause her to go into labor and deliver the fetus.

Groups filing briefs in support of the administration include the American Association of Pro Life Obstetricians and Gynecologists. The association argues that such alternative methods are medically appropriate even for women such as Jaroslaw with uterine scarring from a prior cesarean section or other uterine surgery.

Elizabeth Shadigian, a physician affiliated with the University of Michigan's medical school who is president of the pro-life group, says there is little evidence to suggest that "partial-birth" methods are better in preserving a woman's health.

"There is almost no data on it," Shadigian says. "It's not good enough that someone believes it's better. You have to prove it's better." She said women should wait until studies are done on "the long-term effects of the procedure."

In court filings, Planned Parenthood counsel Gartner says that if Congress' ban is allowed to take effect, doctors would not be able to give their patients the best medical care.

Physicians would be "chilled from continuing to provide these procedures, … (and) women's liberty will be infringed and their right to choose abortion unduly burdened," Gartner says.

She also notes that the records from the cases now before the Supreme Court show several instances in which women suffering from serious medical conditions or carrying fetuses with severe anomalies would benefit from the intact D&E procedure.

"Even for women whose health condition is not compromised, intact D&E is a significantly safer method of abortion," Gartner says.

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Clement acknowledges in his filings that physicians disagree over the necessity for the intact D&E and D&X methods. However, he insists that the justices must defer to Congress' finding that "there is substantial evidence … that partial-birth abortion is never" medically necessary.

Jaroslaw, a graduate of Harvard College and of Georgetown Law School, says she came forward to speak about her abortion because "the issues aren't as simple as people think. Nobody in advance of a diagnosis says, 'I want that procedure.' What people want is proper medical care."

Jaroslaw, a native of Flushing, N.Y., married a fellow lawyer, David, in 1992. She gave birth to a boy in 1997 and a girl in 1999. She says the children were delivered by cesarean section because she previously had uterine fibroids and other gynecological problems.

Jaroslaw says that when she became pregnant in 2003, everything looked good in early tests. "So we tell our families I'm pregnant. We tell friends. A few weeks after that, I tell people at work. I wasn't worried."

About 17 weeks into the pregnancy, however, a sonogram showed that part of her fetus' brain was missing. The diagnosis was anencephaly, which is fatal.

Jaroslaw says she and her husband considered abortion the only option. She says she did not want to wait a full nine months to deliver a child that would not survive.

"The idea of being pregnant for so many more months and having people ask about the baby, it would have been a nightmare," Jaroslaw says. She was also concerned that her children would be traumatized by having their sibling be born and die. She says she talked with her rabbi, and he supported her choice.

Jaroslaw says her desire for a third child led her doctor to recommend that she have the fetus removed intact, to avoid trauma to her uterus. "When you've had so many cuts in the uterus, you want as little instrumentation and probing around as possible."

Coincidentally, she underwent the abortion as Congress was debating its ban on "partial-birth" abortion. "I asked my doctor whether, if the bill passed, the procedure I was about to have would be illegal," Jaroslaw says. "He said yes."

Bush signed the bill into law in November 2003.

"I'm a family person," Jaroslaw says. "I don't think I'm unique in my situation, except that I will talk about it. When I went back to work, people opened up to me with their own stories."

So how might the Supreme Court — with Alito and Chief Justice John Roberts, who replaced the late William Rehnquist last year — view the most recent attempt to restrict abortion?

The "partial-birth" cases arrive at the court at a time when few Americans — 15% in a Gallup Poll in May — believe abortion should be banned in all circumstances. That poll, typical of nationwide surveys, found that most Americans (53%) believe that abortion should be legal but with restrictions.

The high court generally has reflected that sentiment since Roe v. Wade, upholding abortion rights while opening the door to limits. The current cases could provide a hint of whether greater restrictions might be imposed with the new justices on the bench. However, a veteran justice — Reagan appointee Anthony Kennedy — is more likely to be the key player.

In 2000, when the court voted 5-4 to strike down state bans on "partial-birth" abortion that lacked an exception for cases in which a woman's health was at risk, the bench was deeply divided. Kennedy, who had provided a crucial fifth vote in 1992 when the justices affirmed abortion rights, bitterly dissented in 2000. He said government should be free to outlaw the "abhorrent" procedure and that states had a legitimate "concern for the life of the unborn and for the partially born." This time, a big question will be whether Kennedy, a frequent swing vote on the court, still supports a ban on the procedure without a health exception.

If he does, the court's reshaped conservative wing — Justices Antonin Scalia and Clarence Thomas, along with newcomers Roberts and Alito — could be positioned to uphold Congress' ban. Scalia and Thomas consistently have voted against abortion rights. Roberts' record as a lawyer in the Reagan and first Bush administrations and Alito's rulings as a lower court judge suggest that they also are likely to take a limited view of such rights.

Remember To Vote, Hope It Counts (NYT)

By Michael Waldman, Wendy Weiser And Open, N.y.

The New York Times, October 30, 2006

ON Nov. 7, many voters will encounter new voting machines, new computerized voter lists and new rules regarding registration and ID requirements. As primaries earlier this year demonstrated, local officials and poll workers are overwhelmed by all the changes — some of them engineered by mischievous partisans who have passed laws and rules that would block many eligible citizens from voting.

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There is a silent disenfranchisement afoot — one that could affect hundreds of thousands of voters. That's bad for democracy. In the 2004 presidential election, some states were decided by less than 1 percent of the vote. This year, dozens of Congressional races could be close enough that vote suppression would affect them.

What follow are examples of ways the vote could be suppressed next week around the country. Problems listed in one state may also apply to several others. Taken together, they show just how urgent it is that the country move toward a system of universal voter registration, in which the government takes responsibility to ensure that all citizens are on the rolls, with real protections.

Looking forward, Congress and state legislatures should spurn partisan attempts to manipulate elections by imposing new voting requirements, like proof of citizenship and identification. They should ban wireless components in voting machines and require an audited paper trail. Judges should continue to strike down illegal and anti-democratic laws. And citizens and journalists should demand to know who is being purged from the rolls, and why. All registered voters should cast their ballots and insist their votes be counted.

— Michael Waldman, the executive director of the Brennan Center for Justice at New York University School of Law, and Wendy Weiser, the deputy director of the center's democracy program. Open is a graphic design studio.

Can This Machine Be Trusted? (TIME)

By Michael Duffy

Time, October 30, 2006

A woman walked into a polling place in Peoria, Ill. last week and proceeded to use one of the new electronic voting machines set up for early voting. She logged on, went through each contest and seemed to be making her choices. After reviewing each race, the machine checked to see if she was satisfied with her selections and wanted to move on. Each time, she pressed YES, and the machine progressed to the next race. When she was done, a waving American flag appeared on the screen, indicating that her votes had been cast and recorded.

But there was a problem. The woman had not made any choices at all. She had only browsed. Now when she told the election judges she was ready to do it again--but this time actually vote--they told her it was too late. Pressing the last button, they said, is like dropping your ballot in an old-fashioned ballot box. There's no getting it back.

So what?

So this: In one week, more than 80 million Americans will go to the polls, and a record number of them--90%--will either cast their vote on a computer or have it tabulated that way. When that many people collide with that many high-tech devices, there are going to be problems. Some will be machine malfunctions. Some could come from sabotage by poll workers or voters themselves. But in a venture this large, trouble is most likely to come from just plain human error, a fact often overlooked in an environment as charged and conspiratorial as America is in today. Four years after Congress passed a law requiring every state to vote by a method more reliable than the punch-card system that paralyzed Florida and the nation in 2000, the 2006 election is shaping up into a contest not just between Democrats and Republicans but also between people who believe in technology and those who fear machines cannot be trusted to count votes in a closely divided democracy.

Perhaps the biggest fallacy in this debate is the notion that elections were perfect before Congress decided to hold them on computers. They weren't. "Stuffing the ballot box" is not an expression from the world of fiction. The problem with overvoting punch cards existed for decades before the dateline PALM BEACH COUNTY became a household term. Peoria County clerk JoAnn Thomas says she routinely tossed out several hundred twice-punched ballots every year. That represents roughly 1% of all registered voters in her jurisdiction.

The 2000 election reminded Americans that every vote makes a difference, and scrutiny of polling practices intensified. So just as America has moved to a process of electronic voting and tabulation intended to make voting more accessible, reliable and secure, trust in the system has actually gone down. Says David Orr, clerk of Illinois' Cook County: "We used to have a problem with giving people the wrong ballots. And if we were lucky, we'd catch it before they voted. Now, if the same thing happens with a touch screen, it's a conspiracy."

So far, at least, Murphy's Law has been a bigger problem than fraud. Many jurisdictions, especially those with long or bilingual ballots, have struggled to program their computers perfectly, and there have been scattered reports of glitches. In three Virginia cities, for example, electronic voting machines have inadvertently shortened the name of the Democratic candidate in one of the tightest Senate races in the nation. In Charlottesville, Falls Church and Alexandria, James H. Webb's name will appear on the ballot summary screen page simply as "James H. 'Jim'"--with no last name. Sounds like a crisis--except that the same thing happened in the June primary and Webb still won.

A bigger worry concerns something that is least likely to happen--that someone will somehow meddle with the devices and manipulate vote tallies. It's not impossible. Princeton computer scientist Edward Felten and a couple of graduate students this

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past summer tested the defenses of a voting machine made by Diebold, a major manufacturer of such devices. Felten's team found three ways to insert into the machine rogue programs that allowed them to redistribute votes that had already been cast. In one instance, the testers had to take the machine apart with a screwdriver--an act likely to draw the attention of poll workers. But in two others, they were able to quickly infect the device with a standard memory-access card in which they had installed a preprogrammed chip. Other computer scientists have also breached electronic voting machines. Congressman Vernon Ehlers, a Michigan Republican who has been holding hearings this fall, says manufacturers "have produced machines that are very vulnerable, not very reliable and I suspect fairly easy to hack."

Concerns about fraud are heightened by the fact that with some electronic voting machines, there is no such thing as a real recount. When asked again for the tally, the computer could spit back the same response as the first time. For that reason, at least 27 states have built in a backup that requires electronic voting machines to provide an attached voter-verified paper trail--a running ticker that allows voters to see on paper that their votes are recorded as cast. That way, if there's a question about the electronic tally, the paper records can be counted by hand.

It was just such a paper trail that enabled Marilyn Jo Drake, the auditor in Iowa's Pottawattamie County, to suss out an anomaly in a county-recorder race she was monitoring in June. She noticed that a 20-year incumbent was being beaten 10 to 1 by an unknown newcomer. Sensing a glitch, Drake cross-checked the electronic results against the totals on the paper vote and discovered the veteran was actually well ahead. The problem, it turned out, was the way the candidates' names had been ordered and coded into the access cards that activated the machines, which were made by Omaha's ES & S. Drake says she should have caught the problem in the pre-election test runs. "It was human error both on their end and my end," she notes. Not every county will have an auditor as sharp-eyed as Drake--or an outcome as transparently false as the one she uncovered. "We were just plain lucky," she says.

Rather than waiting for results to be contested, some states are requiring election officials to conduct random samples of electronic results next week and compare them with the paper printouts. Minnesota's secretary of state, Mary Kiffmeyer, plans to audit the tally from two precincts in each of her state's 87 counties to make sure the electronic tabulation matches the paper trail. Audits, says Kiffmeyer, "just build confidence." In Los Angeles County, officials aren't waiting for the election to start running their tests. They will soon conduct random audits of 5% of the devices used in early voting, which began in earnest last week.

County election officials who spoke to TIME reported that most of the fears they field about the new machines come from Democrats, who have not won a national election in three cycles. It may be that a solid Democratic win in 2006 will allay some of their worries. It follows, of course, that if the Republicans lose, they will take up the charge. In fact, that's already happening in some places this year.

In a country of 300 million, it is far preferable for partisans, poll workers, defensive voting-machine manufacturers and voters to adjust to the new technologies, eliminate their weak spots and work to keep human errors to a minimum. In that way, voting by machine may someday be no more mysterious than making a visit to the ATM. With reporting by With reporting by Hilary Hylton/Austin, Laura Locke/San Francisco, JACKSON BAKER/MEMPHIS, Christopher Maag/ Cleveland, Melissa August, Mark Thompson/Washington

ANTITRUST:

Harrah's Pushes Back Plans For Gulf Coast Casino By PETER SANDERS (WSJ)

The Wall Street Journal, October 30, 2006

Harrah's Entertainment Inc. has delayed plans for a $1 billion resort-casino along the Biloxi, Miss., coast, the second time it has pulled back on plans in the wake of a $15.5 billion acquisition offer from two private-equity firms.

Harrah's executives last week told analysts on a conference call that high construction costs and the "volatility of the marketplace" in Biloxi were factors that have effectively postponed any major development. Plans for the resort-casino had been drawn up by late July.

A person familiar with the company's thinking said Biloxi has slipped on Harrah's priority list, especially after it experienced a tough third quarter in Atlantic City, N.J. The company is now focusing mostly on Las Vegas and Atlantic City.

The Biloxi project is the second unexpected development-related news from the company since an effort by private-equity firms Apollo Management LP and Texas Pacific Group to acquire Harrah's was disclosed earlier this month.

A week after the offer was announced, Harrah's said it wouldn't bid for a multibillion-dollar resort-casino project in Singapore. Harrah's had lost an earlier bid in Singapore that was awarded to rival Las Vegas Sands Corp. The casino industry also spent much of the summer awaiting Harrah's plans for the 350 acres it has acquired on and around the Las Vegas Strip. Harrah's has delayed details of that announcement, as well.

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The Las Vegas company, however, maintains it is in a business-as-usual mode. Last week, the company sweetened its bid for British casino operator London Clubs International PLC to about $570 million. Harrah's also has spent more than $8 million in Rhode Island to support a ballot initiative that would allow a tribal casino in West Warwick.

Harrah's spokesman Alberto Lopez said the company "has acquired quite a large footprint" in Biloxi and still has plans to "build something spectacular."

After Katrina struck in August 2005, Harrah's pushed Mississippi legislators to amend laws that previously required all gambling to be conducted over water or on barges. The state changed the rules to allow casinos to build on land within 800 feet of the Gulf's shoreline.

Once the law changed, Harrah's and its rivals, including MGM Mirage and Isle of Capri Casinos Inc., raced to get gambling halls up and running again. Two weeks after Harrah's Biloxi Grand reopened in August, MGM completed its more-than-$500-million repair of its Beau Rivage resort.

In the conference call, Harrah's executives said results at the Biloxi casino were "encouraging" but acknowledged there was a supply problem. The Mississippi Gulf Coast's casino recovery has far outpaced the recovery of infrastructure to support the tourist market.

Rinker Is To Reject Cemex Bid Suitor Likely Needs To Raise Current Offer Up From $11.7 Billion By BILL LINDSAY And IAN PEMBERTON In Sydney And JOHN LYONS In Mexico City (WSJ)

By Dennis K. Berman

The Wall Street Journal, October 30, 2006

Australian building-materials company Rinker Group Ltd. today is set to reject an unsolicited US$11.7 billion takeover bid by Cemex SAB as inadequate, dashing the Mexican company's hopes for early support from Rinker's board.

"The bid is highly opportunistic and conditional. It has been made at time when the shares are trading at a cyclical low," said a person with knowledge of the bid. Rinker's board, which met over the weekend, reconvenes today and will issue its first formal response to the Cemex bid later in the day, this person said.

Analysts and fund managers say they believe Cemex, the world's largest seller of ready-mix concrete, has little chance of snaring control of Rinker and boosting its presence in the crucial U.S. building-materials market without improving its offer.

The all-cash offer prices Rinker at US$13 a local Australian share, or about a 26% premium over the average trading price during the past three months, Cemex said. That comes out to an equivalent local price of A$17. Cemex put the total value at US$12.8 billion, including Rinker's debt.

Rinker's shares closed Friday at A$14.70 after a late surge driven by a Wall Street Journal article on the unsolicited offer. Its American depositary receipts soared 33% Friday to close at US$71.10, compared with US$65 offered by Cemex for each ADR.

Fund managers "will fight it out; they will be looking for something closer to A$20 before they even consider selling," said Charlie Aitken, the head of trading at institutional broker Southern Cross Equities.

Shares of Rinker, which generates around 80% of its sales in the U.S., have fallen as much as 43% from their late April record of A$21.44 amid a slowing U.S. housing market.

The bid takes Cemex into uncharted territory, even considering the Mexican cement maker's growing penchant for big deals. The offer is twice as big as Cemex's prior biggest deal, last year's $5.8 billion purchase of RMC of Britain. If successful, Cemex's bid will rank as the largest merger-and-acquisition deal in Australian history, beating the A$14 billion takeover of Optus by Singapore Telecommunications Ltd. in 2001.

It is also Cemex's first foray into the world of unsolicited takeovers, usually far more complex and costly than the so-called friendly deals it has negotiated in the past. Unsolicited takeover offers are tricky because they open the door for other suitors, prompting a bidding war that raises the price. They can also take months or even years to complete, draining time, attention and money from top management.

Potential competitors include U.S. aggregate companies such as Martin Marietta Materials Inc. and Vulcan Materials Co., as well as Cemex's big cement rivals, Holcim and Lafarge -- or any of the private-equity firms, analysts said.

Cemex does have one advantage: Australia takeover law is very friendly to unsolicited offers, giving little leeway to boards and managements that act against the wishes of shareholders. The person with knowledge of the bid said Rinker could consider measures to retain its independence, including a capital return or special dividend that might exceed A$2 billion, or more than A$2 a share.

Aware that the bid's success relies on institutions that account for 75% of Rinker's share register, Cemex executive Juan Pablo San Agustin arrived in Sydney yesterday to start briefing investors as well as attempting to arrange a meeting with Rinker.

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"We've already offered to have a meeting whenever they feel it's convenient," said Mr. San Agustin, Cemex's senior vice president of corporate strategic planning. "We would like to engage with them and we would much prefer to be friendly or recommended."

Rinker's largest shareholder, Perpetual Trustees Australia Ltd., has a 10.5% stake. U.S. fund giant Capital Group is the next biggest investor, with a 6% holding.

The bid has a 90% minimum acceptance condition, pressuring Cemex to win board support or face the prospect of an investor holding out or retail shareholders taking their cue from directors and refusing to accept.

A purchase of Rinker would make Cemex the world's biggest producer of cement aggregates and expand Cemex operations in its biggest market, the U.S., where it is already the single biggest producer of cement.

Rinker's dependence on the U.S. residential-housing market has some on Wall Street worried. The concern is that Cemex is increasing its bet on a market that is entering a downturn, before it is fully clear how deep or prolonged the downturn will be. In an interview Friday, Cemex Chief Executive Lorenzo Zambrano defended the decision, saying he has confidence in the U.S. market long-term. The deal, which is to be financed through borrowing, would more than double Cemex's debt to around $21 billion, prompting Fitch Ratings and Standard & Poor's Ratings Group to say they may downgrade Cemex's credit rating.

Schneider Offers $6.1 Billion For American Power Conversion (WSJ)

By Anne-sylvaine Chassany

The Wall Street Journal, October 30, 2006

PARIS -- French electric-equipment maker Schneider Electric SA said Monday it made an offer to buy U.S. power-supplies and surge-protection-products manufacturer American Power Conversion Corp. in a $6.1 billion cash deal.

The French company said it's offering $31 for each APC share.

The offer, which has been approved by APC's board of directors, represents a 30% premium over the last APC share price and is expected to boost Schneider's earnings per share starting 2007, the company said.

"The acquisition of APC will lead to a strong value creation, superior to $3 billion," Schneider said in a statement, adding it aims to tie up APC with its MGE UPS Systems subsidiary.

Cost synergies are expected to amount to $220 million, of which 70% will be achieved by 2009, the company said. To finance the deal, Schneider said it will launch a €1.2 billion ($1.53 billion) capital increase and use debt financing.

APC Chairman Rodger Dowdell and APC Chief Technical Officer Neil Rasmussen, who jointly own 9.6% of APC shares, committed to tendering their shares to Schneider, the company said.

With 7,600 employees, APC generated about $2 billion sales in 2005, three quarters of which were in low power systems, Schneider said. Investments APC made in the fast-growing high power systems segment "dramatically deteriorated its operating profitability to 9.4% in 2005," Schneider said. Schneider "is confident" it will help APC to recover rapidly.

Schneider emphasized APC's production capacity in Asia, where APC generates 18% of its sales.

No Business Patenting Vague Methods (LAT)

The Los Angeles Times, October 30, 2006

Feds should be circumspect in handing out business method patents.

IN 1999, AMAZON.COM won a controversial patent for a seemingly obvious feature of online stores: Letting shoppers buy an item by pointing their mouse and clicking on it. Now the retailer is getting a taste of its own medicine from IBM, calling into question why the federal government needs to protect methods of doing business in the first place.

IBM filed a pair of lawsuits last week accusing Amazon of violating five of Big Blue's patents related to e-commerce. Although IBM contends that the patents are grounded in important technological advancements, the list involves such mundane activities as "ordering items using an electronic catalog" and "presenting advertising in an interactive service."

Both appear to fall under the much-maligned category of "business method" patents, or federally protected ways to perform such fundamental commercial activities as marketing, billing and monitoring inventory.

The requirements for obtaining patents have evolved since 1790, when the first Congress created the federal patent system, but a key principle has remained consistent: They are to be awarded for the implementation of ideas, not the ideas themselves. Other important requirements added along the way include that the invention be novel and useful, and not obvious.

Business methods were not considered patentable for many years because they were too much like ideas. In the late 1990s, however, a federal appeals court ruled that methods could be protected if they met the same criteria as other inventions. These rulings, combined with the emergence of the World Wide Web and the business world's increasing reliance on computers, fueled an exponential increase in the number of patents sought for high-tech ways to conduct business.

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To its credit, the U.S. Patent and Trademark Office has been slow to recognize business methods. Of the more than 42,000 such patents sought between 2000 and 2005, only 3,600 have been approved. Nevertheless, some of the office's grants have blurred the distinction between novel commercial methods and abstract business models. Applicants exacerbate the problem by claiming the broadest possible coverage — applying the patent to the idea instead of their way of implementing it. And the short history of the Internet as an electronic shopping mall has made it harder for patent examiners to gauge how new and non-obvious the proposed methods are.

So should business methods be totally ineligible for patenting? That may be a step too far. At minimum, though, method patents should only be granted if they're tied to real technical innovation.

ENVIRONMENT:

Bush Appointee Said To Reject Advice On Endangered Species (WP)

By Juliet Eilperin

The Washington Post, October 30, 2006

A senior Bush political appointee at the Interior Department has rejected staff scientists' recommendations to protect imperiled animals and plants under the Endangered Species Act at least six times in the past three years, documents show.

In addition, staff complaints that their scientific findings were frequently overruled or disparaged at the behest of landowners or industry have led the agency's inspector general to look into the role of Julie MacDonald, who has been deputy assistant secretary of the interior for fish and wildlife and parks since 2004, in decisions on protecting endangered species.

The documents show that MacDonald has repeatedly refused to go along with staff reports concluding that species such as the white-tailed prairie dog and the Gunnison sage grouse are at risk of extinction. Career officials and scientists urged the department to identify the species as either threatened or endangered.

Overall, President Bush's appointees have added far fewer species to the protected list than did the administrations of either Bill Clinton or George H.W. Bush, according to the advocacy group Center for Biological Diversity. As of now, the administration has listed 56 species under the Endangered Species Act, for a rate of about 10 a year. Under Clinton, officials listed 512 species, or 64 a year, and under George H.W. Bush, the department listed 234, or 59 a year.

The dispute is the latest in a series of controversies in which government officials and outside scientists have accused the Bush administration of overriding or setting aside scientific findings that clashed with its political agenda on such issues as global warming, the Plan B emergency contraceptive and stem cell research.

Interior spokesman Hugh Vickery said the agency has added fewer plants and animals to the list because it has been mired in lawsuits over existing listings and was more focused on ensuring their recovery than in identifying new ones.

MacDonald said she does not make the decision on whether to federally protect a species, because the head of the Fish and Wildlife Service has that responsibility. But she said she had made her feelings clear in an array of documents; overruled scientists' conclusions in areas where she has authority, such as designating critical habitat; and mocked rank-and-file employees' recommendations.

MacDonald said she sees her job as protecting "the public face of the Fish and Wildlife Service" by carefully scrutinizing listing documents that often seem vague or unsupported by evidence.

"A lot of times when I first read a document I think, 'This is a joke, this is just not right.' So I'll ask questions," said MacDonald, a civil engineer by training who worked at the California Resources Agency before joining the Interior Department in 2002. "These documents have tremendous economic and social implications for people."

Since the act's inception in 1973, the government has identified 1,337 domestic species as threatened or endangered, of which 1,311 remain on the list. At any given time the government is evaluating hundreds of candidate species: Officials and scientists review all the available scientific literature on a plant or animal before awarding it protection.

The process can take several years, even though under law it should take no more than two years and three months.

Hundreds of pages of records, obtained by environmental groups through the Freedom of Information Act, chronicle the long-running battle between MacDonald and Fish and Wildlife Service employees over decisions whether to safeguard plants and animals from oil and gas drilling, power lines, and real estate development, spiced by her mocking comments on their work and their frequently expressed resentment.

Two advocacy groups, the Union of Concerned Scientists and the Center for Biological Diversity, provided the documents to The Washington Post. Francesca Grifo, who directs the union's scientific integrity program, said MacDonald's actions are "not business as usual but a systemic problem of tampering with science that is putting our environment at risk."

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In a few instances, federal judges have overturned decisions that MacDonald had influenced. After she declared that the endangered Santa Barbara and Sonoma salamanders were no longer "distinct populations" entitled to protection, William Alsup, a judge on the U.S. District Court for Northern California, ruled that MacDonald had arbitrarily instructed Fish and Wildlife scientists to downgrade the two species even though an agency scientist concluded that "genetics state otherwise."

"This is not to suggest that the Secretary of Interior has no role in the ultimate decision," Alsup wrote. "If the Secretary wants to re-assess the evidence, he may choose to do so, but, in doing so, he must set forth a discernible rationale."

In several instances, MacDonald wrote sarcastic comments in the margins of the documents, questioning why scientists were portraying a species' condition as so bleak. When scientists raised the possibility that a proposed road might degrade the greater sage grouse's habitat, which is scattered through 11 Western states, MacDonald wrote: "Has nothing to do with sage grouse. This belongs in a treatise on 'Why roads are bad'?"

MacDonald acknowledged that her comments appeared harsh at times.

"Mea culpa," she said of the roads comment. "I read so many of these I get frustrated sometimes. I shouldn't be flippant. I shouldn't be sarcastic."

MacDonald has repeatedly urged employees to consider the position of industry officials more seriously when weighing whether to declare a species threatened or endangered. During a discussion of greater sage grouse populations in the first half of the 1800s, she wrote, "This paragraph completely ignores the comments received by the Owyhee Cattlemen's Association and the Idaho Cattle Association." The organization opposed the listing on the grounds that it would limit their use of land where the birds live.

During a separate rulemaking concerning the threatened bull trout's habitat on the Klamath River, Fish and Wildlife officials debated via e-mail on how to respond to MacDonald. Her questions, they believed, reflected the concerns of Ronald Yockim, a lawyer representing three Idaho counties opposing a pending decision to protect nearly 300 miles of the river. After MacDonald's intervention, Fish and Wildlife officials opted to protect 42 miles instead.

John Young, a Fish and Wildlife biologist, wrote to several colleagues: "Yockim is an attorney representing various interest groups. It appears that Julie has shared our responses to her comments with Yockim, which have generated additional comments from Yockim. It seems to me it would be inappropriate to essentially continue the public comment period (it is closed) by contacting and responding to his follow-up questions/comments that he did not provide during the comment period."

MacDonald said that she was following up on a letter Yockim had sent and that the solicitor's office had approved such contacts.

MacDonald said that on occasion she told officials they did not have to heed her advice. In documents concerning the white-tailed prairie dog, an e-mail from her on Oct. 25, 2004, stated, "None of these changes are final or a directive."

But on Nov. 1, an official in the Denver regional office, Seth Wiley, sent a follow-up e-mail that said: "Just spoke with Chris Nolan and Kurt Johnson. Julie McD and the Department want to go with a not-warranted listing."

Before issuing that memo, MacDonald changed how the agency characterized the threats facing the species. Staff scientists wrote in a summary that "both documents clearly identify current and projected threats to the species, including mortality and habitat loss, fragmentation and degradation. We believe further evaluation of the extent of leasing and current and projected oil and gas development is necessary."

MacDonald eliminated the reference to energy leases and added: "The identified threats are speculative, and neither document provides substantial scientific information supporting the speculation."

Amid the complaints, Interior officials have privately contacted the ranking Democrat on the House Resources Committee, Rep. Nick J. Rahall II (W.Va.), who plans to hold oversight hearings into the matter if his party retakes the majority in next month's elections.

Budgets Falling In Race To Fight Global Warming (NYT)

By Andrew C. Revkin

The New York Times, October 30, 2006

DENVER — Cheers fit for a revival meeting swept a hotel ballroom as 1,800 entrepreneurs and experts watched a PowerPoint presentation of the most promising technologies for limiting global warming: solar power, wind, ethanol and other farmed fuels, energy-efficient buildings and fuel-sipping cars.

“Houston,” Charles F. Kutscher, chairman of the Solar 2006 conference, concluded in a twist on the line from Apollo 13, “we have a solution.”

Hold the applause. For all the enthusiasm about alternatives to coal and oil, the challenge of limiting emissions of carbon dioxide, which traps heat, will be immense in a world likely to add 2.5 billion people by midcentury, a host of other experts say.

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Moreover, most of those people will live in countries like China and India, which are just beginning to enjoy an electrified, air-conditioned mobile society.

The challenge is all the more daunting because research into energy technologies by both government and industry has not been rising, but rather falling.

In the United States, annual federal spending for all energy research and development — not just the research aimed at climate-friendly technologies — is less than half what it was a quarter-century ago. It has sunk to $3 billion a year in the current budget from an inflation-adjusted peak of $7.7 billion in 1979, according to several different studies rael.berkeley.edu/files/2005/Kammen-Nemet-ShrinkingRD-2005.pdf.

Britain, for one, has sounded a loud alarm about the need for prompt action on the climate issue, including more research. [A report commissioned by the British government and scheduled to be released today calls for spending to be doubled worldwide on research into low-carbon technologies; without it, the report says, coastal flooding and a shortage of drinking water could turn 200 million people into refugees.]

President Bush has sought an increase to $4.2 billion for 2007, but that would still be a small fraction of what most climate and energy experts say would be needed.

Federal spending on medical research, by contrast, has nearly quadrupled, to $28 billion annually, since 1979. Military research has increased 260 percent, and at more than $75 billion a year is 20 times the amount spent on energy research.

Internationally, government energy research trends are little different from those in the United States. Japan is the only economic power that increased research spending in recent decades, with growth focused on efficiency and solar technology, according to the International Energy Agency.

In the private sector, studies show that energy companies have a long tradition of eschewing long-term technology quests because of the lack of short-term payoffs.

Still, more than four dozen scientists, economists, engineers and entrepreneurs interviewed by The New York Times said that unless the search for abundant non-polluting energy sources and systems became far more aggressive, the world would probably face dangerous warming and international strife as nations with growing energy demands compete for increasingly inadequate resources.

Most of these experts also say existing energy alternatives and improvements in energy efficiency are simply not enough.

"We cannot come close to stabilizing temperatures" unless humans, by the end of the century, stop adding more CO2 to the atmosphere than it can absorb, said W. David Montgomery of Charles River Associates, a consulting group, "and that will be an economic impossibility without a major R.& D. investment."

A sustained push is needed not just to refine, test and deploy known low-carbon technologies, but also to find "energy technologies that don't have a name yet," said James A. Edmonds, a chief scientist at the Joint Global Change Research Institute of the University of Maryland and the Energy Department.

At the same time, many energy experts and economists agree on another daunting point: To make any resulting "alternative" energy options the new norm will require attaching a significant cost to the carbon emissions from coal, oil and gas.

"A price incentive stirs people to look at a thousand different things,' " said Henry D. Jacoby, a climate and energy expert at the Massachusetts Institute of Technology.

For now, a carbon cap or tax is opposed by President Bush, most American lawmakers and many industries. And there are scant signs of consensus on a long-term successor to the Kyoto Protocol, the first treaty obligating participating industrial countries to cut warming emissions. (The United States has not ratified the pact.)

The next round of talks on Kyoto and an underlying voluntary treaty will take place next month in Nairobi, Kenya.

Environmental campaigners, focused on promptly establishing binding limits on emissions of heat-trapping gases, have tended to play down the need for big investments seeking energy breakthroughs. At the end of "An Inconvenient Truth," former Vice President Al Gore's documentary film on climate change, he concluded: "We already know everything we need to know to effectively address this problem."

While applauding Mr. Gore's enthusiasm, many energy experts said this stance was counterproductive because there was no way, given global growth in energy demand, that existing technology could avert a doubling or more of atmospheric concentrations of carbon dioxide in this century.

Mr. Gore has since adjusted his stance, saying existing technology is sufficient to start on the path to a stable climate.

Other researchers say the chances of success are so low, unless something breaks the societal impasse, that any technology quest should also include work on increasing the resilience to climate extremes — through actions like developing more drought-tolerant crops — as well as last-ditch climate fixes, like testing ways to block some incoming sunlight to counter warming.

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Without big reductions in emissions, the midrange projections of most scenarios envision a rise of 4 degrees or so in this century, four times the warming in the last 100 years. That could, among other effects, produce a disruptive mix of intensified flooding and withering droughts in the world's prime agricultural regions.

Sir Nicholas Stern, the chief of Britain's economic service and author of the new government report on climate options, has summarized the cumulative nature of the threat succinctly: "The sting is in the tail."

The Carbon Dioxide Problem

Many factors intersect to make the prompt addressing of global warming very difficult, experts say.

A central hurdle is that carbon dioxide accumulates in the atmosphere like unpaid credit card debt as long as emissions exceed the rate at which the gas is naturally removed from the atmosphere by the oceans and plants. But the technologies producing the emissions evolve slowly.

A typical new coal-fired power plant, one of the largest sources of emissions, is expected to operate for many decades. About one large coal-burning plant is being commissioned a week, mostly in China.

"We've got a $12 trillion capital investment in the world energy economy and a turnover time of 30 to 40 years," said John P. Holdren, a physicist and climate expert at Harvard University and president of the American Association for the Advancement of Science. "If you want it to look different in 30 or 40 years, you'd better start now."

Many experts say this means the only way to affordably speed the transition to low-emissions energy is with advances in technologies at all stages of maturity.

Examples include:

¶ Substantially improving the efficiency and cost of solar panels;

¶ Conducting full-scale tests of systems for capturing carbon dioxide from power plants and pumping it underground;

¶ Seeking efficient ways to generate fuels from crops;

¶ Finding new ways to store vast amounts of energy harvested intermittently from the wind and sun.

Carbon dioxide levels will stabilize only if each generation persists in developing and deploying alternatives to unfettered fossil-fuel emissions, said Robert H. Socolow, a physicist and co-director of a Princeton "carbon mitigation initiative" created with $20 million from BP and Ford Motor.

The most immediate gains could come simply by increasing energy efficiency. If efficiency gains in transportation, buildings, power transmission and other areas were doubled from the longstanding rate of 1 percent per year to 2 percent, Dr. Holdren wrote in the M.I.T. journal Innovations earlier this year, that could hold the amount of new nonpolluting energy required by 2100 to the amount derived from fossil fuels in 2000 —a huge challenge, but not impossible.

Another area requiring immediate intensified work, Dr. Holdren and other experts say, is large-scale demonstration of systems for capturing carbon dioxide from coal burning before too many old-style plants are built.

All of the components for capturing carbon dioxide and disposing of it underground are already in use, particularly in oil fields, where pressurized carbon dioxide is used to drive the last dregs of oil from the ground.

In this area, said David Keith, an energy expert at the University of Calgary, "We just need to build the damn things on a billion-dollar scale."

In the United States, the biggest effort along these lines is the 285-megawatt Futuregen power plant planned by the Energy Department, along with private and international partners, that was announced in 2003 by President Bush and is scheduled to be built in either Illinois or Texas by 2012. James L. Connaughton, the chairman of the White House Council on Environmental Quality, said the Bush administration was making this a high priority.

"We share the view that a significantly more aggressive agenda on carbon capture and storage and zero-pollution coal is necessary," he said, adding that the administration has raised annual spending on storage options "from essentially zero to over $70 million."

Europe is pursuing a suite of such plants, including one in China, but also well behind the necessary pace, several experts said.

Even within the Energy Department, some experts are voicing frustration over the pace of such programs. "What I don't like about Futuregen," said Dr. Kutscher, an engineer at the National Renewable Energy Laboratory in Golden, Colo., "is the word 'future' in there."

Beyond a Holding Action

No matter what happens in the next decade or so, many experts say, the second and probably hardest phase of stabilizing the level of carbon dioxide will fall to the generation of engineers and entrepreneurs now in diapers, and the one after that. And those innovators will not have much to build on without greatly increased investment now in basic research.

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There is plenty of ferment. Current research ranges from work on algae strains that can turn sunlight into hydrogen fuel to the inkjet-style printing of photovoltaic cells — a technique that could greatly cut solar-energy costs if it worked on a large scale. One company is promoting high-flying kite-like windmills to harvest the boundless energy in the jet stream.

But all of the small-scale experimentation will never move into the energy marketplace without a much bigger push not only for research and development, but for the lesser-known steps known as demonstration and deployment.

In this arena, there is a vital role for government spending, many experts agree, particularly on "enabling technologies" — innovations that would never be pursued by private industry because they mainly amount to a public good, not a potential source of profit, said Christopher Green, an economist at McGill University.

Examples include refining ways to securely handle radioactive waste from nuclear reactors; testing repositories for carbon dioxide captured at power plants; and, perhaps more important, improving the electricity grid so that it can manage large flows from intermittent sources like windmills and solar panels.

"Without storage possibilities on a large scale," Mr. Green said, "solar and wind will be relegated to niche status."

While private investors and entrepreneurs are jumping into alternative energy projects, they cannot be counted on to solve such problems, economists say, because even the most aggressive venture capitalists want a big payback within five years.

Many scientists say the only real long-term prospect for significantly substituting for fossil fuels is a breakthrough in harvesting solar power. This has been understood since the days of Thomas Edison. In a conversation with Henry Ford and the tire tycoon Harvey Firestone in 1931, shortly before Edison died, he said: "I'd put my money on the sun and solar energy. What a source of power! I hope we don't have to wait until oil and coal run out before we tackle that."

California, following models set in Japan and Germany, is trying to help solar energy with various incentives.

But such initiatives mainly pull existing technologies into the market, experts say, and do little to propel private research toward the next big advances. Even Vinod Khosla, a leading environment-oriented venture capitalist who invests heavily in ethanol and other alternative energy projects, said in an interview that he was not ready to back solar power because it did not appear able to show a profit without subsidies.

The Role of Leadership

At the federal level, the Bush administration was criticized by Republican and Democratic lawmakers at several recent hearings on climate change.

Mr. Connaughton, the lead White House official on the environment, said most critics are not aware of how much has been done.

"This administration has developed the most sophisticated and carefully considered strategic plan for advancing the technologies that are a necessary part of the climate solution," he said. He added that the administration must weigh tradeoffs with other pressing demands like health care.

Since 2001, when Mr. Bush abandoned a campaign pledge to limit carbon dioxide from power plants, he has said that too little is known about specific dangers of global warming to justify hard targets or mandatory curbs for the gas.

He has also asserted that any solution will lie less in regulation than in innovation.

"My answer to the energy question also is an answer to how you deal with the greenhouse-gas issue, and that is new technologies will change how we live," he said in May.

But critics, including some Republican lawmakers, now say that mounting evidence for risks — including findings that administration officials have tried to suppress of late — justifies prompt, more aggressive action to pay for or spur research and speed the movement of climate-friendly energy options into the marketplace.

Martin I. Hoffert, an emeritus professor of physics at New York University, said that what was needed was for a leader to articulate the energy challenge as President John F. Kennedy made his case for the mission to the moon. President Kennedy said they were imperative, "not because they are easy, but because they are hard."

In a report on competitiveness and research released last year, the National Academies, the country's top science advisory body, urged the government to substantially expand spending on long-term basic research, particularly on energy.

The report, titled "Rising Above the Gathering Storm," recommended that the Energy Department create a research-financing body similar to the 48-year-old Defense Advanced Research Projects Agency, or Darpa, to make grants and attack a variety of energy questions, including climate change.

Darpa, created after the Soviet Union launched Sputnik in 1957, was set up outside the sway of Congress to provide advances in areas like weapons, surveillance and defensive systems. But it also produced technologies like the Internet and the global positioning system for navigation.

Mr. Connaughton said it would be premature to conclude that a new agency was needed for energy innovation.

But many experts, from oil-industry officials to ecologists, agree that the status quo for energy research will not suffice.

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The benefits of an intensified energy quest would go far beyond cutting the risks of dangerous climate change, said Roger H. Bezdek, an economist at Management Information Systems, a consulting group.

The world economy, he said, is facing two simultaneous energy challenges beyond global warming: the end of relatively cheap and easy oil, and the explosive demand for fuel in developing countries.

Advanced research should be diversified like an investment portfolio, he said. “The big payoff comes from a small number of very large winners,” he said. “Unfortunately, we cannot pick the winners in advance.”

Ultimately, a big increase in government spending on basic energy research will happen only if scientists can persuade the public and politicians that it is an essential hedge against potential calamity.

That may be the biggest hurdle of all, given the unfamiliar nature of the slowly building problem — the antithesis of epochal events like Pearl Harbor, Sputnik and 9/11 that triggered sweeping enterprises.

“We’re good at rushing in with white hats,” said Bobi Garrett, associate director of planning and technology management at the National Renewable Energy Laboratory. “This is not a problem where you can do that.”

Changing Climate On Climate (WP)

The Washington Post, October 30, 2006

President Bush has two more years to do something about climate change. Will he waste them, too?

AFTER THE coming election, President Bush is likely to face a Congress more apt than the current one to take strong action on climate change. He will then face a fateful choice: Does he want to spend his final two years in office blocking action and pretending that voluntary curbs on greenhouse gases will solve the problem of global warming, or does he want to help shape solutions? At some point, conservatives will need to reconcile themselves to the problem of climate change. Some leading Republicans -- Arizona Sen. John McCain and California Gov. Arnold Schwarzenegger, most notably -- have already taken strong stands on the question. Indeed, it is difficult to imagine that the intransigence of Mr. Bush's administration on climate change will long survive his tenure, no matter who succeeds him. Will he take a hand in developing America's response to this global problem, or will he go down as the president who fiddled while Greenland melted?

An engaged president could do much to change the political climate on climate -- which is already changing around Mr. Bush. It will take presidential leadership to put in place the sort of regulatory infrastructure necessary, over the long run, to move away from fossil fuels. Federal policy must put a price on emitting carbon into the atmosphere so that companies have an incentive to sequester carbon emissions and to develop energy sources that don't increase atmospheric greenhouse concentrations. This probably can't happen without a president willing to put his prestige and time into the issue.

Even short of a dramatic new initiative, Mr. Bush could alleviate the country's addiction to carbon by encouraging energy efficiency. His administration has already taken constructive steps on fuel economy standards, but those standards remain insufficiently ambitious. Likewise, a huge percentage of buildings in this country will be refurbished or replaced in the coming decades; aggressively pushing design features that maximize energy savings would reduce energy use enormously without much pain.

Ultimately, strong steps have to be taken; the chances of catastrophic consequences of global warming are too high to ignore. The longer policymakers wait, the more wrenching economically and culturally the steps are likely to prove. Mr. Bush spent his first six years emphasizing the undeniable need for more research; in his final two years, he could finally embrace the need to act.

This Land Is My Land (TIME)

By Margot Roosevelt

Time, October 30, 2006

For 60 years, three generations of Robert Blue's family have operated a luggage store at Hollywood and Vine, along the brass-starred Walk of Fame. Lucille Ball bought her suitcases there. The neighborhood fell into disrepair in recent years, though, with homeless people camping out on trash-strewn streets. Blue's shop was looking shabby too, its window displays outmoded, its linoleum worn. But when the City of Los Angeles moved to condemn his building--not to build a school or a fire station but to make way for a glitzy $500 million private hotel and condo complex--Blue dug in for what would become a three-year legal fight to save his store. "Big developers come along and say, 'Hey, that's a nice corner,'" he fumes. "Where will it stop?"

Blue won, and is now part of a movement that is pushing back hard against the government's power to meddle with property owners. The campaign is largely a response to the Supreme Court's controversial 2005 decision allowing the city of New London, Conn., to raze private homes for a commercial waterfront project. The ruling struck a deep chord in the American psyche; that the government could seize your house or business in order to build a road for everyone's use was one thing, but the idea that it could hand your property over to private developers was, to many, intolerable.

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Since then, 24 state legislatures have passed laws limiting the government's ability to appropriate land for privately financed projects, and similar measures will be on 11 state ballots next week. Three of those initiatives, plus a fourth measure unrelated to eminent domain, would go even further--forcing governments to compensate anyone whose property lost value because of zoning, environmental or, in some cases, consumer-protection laws. That has opponents of these "regulatory takings" measures--in California, Arizona, Idaho and Washington--asking Blue's own question: "Where will it stop?"

California's Proposition 90, says Chris McKenzie, executive director of the California League of Cities, "is designed to eliminate virtually all government regulation." Environmentalists say that if it passes, California's coastal commission, unable to compensate everyone who wants to build along the oceanfront, would no longer be able to protect it from ugly McMansions and ensure public beach access. And developers could build homes on dangerously steep slopes or plop factories into residential neighborhoods. More imaginatively, the nonpartisan California Budget Project argues that because Prop 90 applies to consumer-protection laws, if the state restricted ATM fees, it would have to compensate banks for the revenue they would lose because of the capped charges.

Many of the claims are "hysterical gibberish," maintains Prop 90 spokesman Kevin Spillane, noting that compensation would be required only for "substantial" damage to property values. The initiative exempts health and safety regulations, he points out, and current zoning laws would still apply, protecting beaches and steep slopes, for instance. As for future laws, he argues, "if you own a piece of property that's zoned one way, then it is unfair for the government to change the rules." While California's initiative affects only future government actions, Washington's Initiative 933 allows landowners to file retroactive claims for changes in zoning rules over the past 10 years.

The four takings initiatives, which are largely funded by libertarian activist Howard Rich, a New York real estate investor, are modeled on a 2004 Oregon initiative. Measure 37 effectively overturned the country's strictest planning regime, a 30-year-old law that concentrated growth in cities while protecting farmland and open space. So far, aggrieved property owners have filed 2,724 claims seeking $6.1 billion in compensation. Under the law, local authorities can "pay or waive," and so far, strapped for funds, they are mostly choosing to waive zoning rules. As a result, some Oregonians fear that sprawl will soon strangle Portland's famous greenbelt.

For Robert Blue, back on Hollywood and Vine, the issue is fairness, whether the government seizes land or merely passes a law affecting the value of a home or business. "If you make an investment and the rules change," he says, "you should be compensated." It's up to his fellow taxpayers in California and the three other states to decide whether they are ready to pay up.

Does Barack Really Rock? (USNEWS)

By Will Sullivan

U.S. News and World Report, October 30, 2006

Rod's Grill, in Arcadia, Calif., has really been Manny Romero's grill since he bought the place 10 years ago. And in that decade, he has built a loyal following. So when the city wanted to seize the restaurant property through eminent domain and turn it over to a nearby car dealership seeking to expand, the community objected-and the restaurant survived. "I have the same right to do business ... as the Mercedes-Benz dealership," Romero insists.

He isn't the only one chafing under the current use of eminent domain. Twelve states-including California-will vote November 7 on limiting the government's ability to regulate and seize property. The ballot measures signal outrage at the Supreme Court's 2005 decision in Kelo v. New London, which seemed to broaden governmental power to take private land. But opponents of the measures see them as a misleading effort to further a radical property-rights agenda.

Eminent domain is not new, but it has typically been used to take property for obvious public uses, such as roads. In Kelo,the court held that seizing land for private projects that promoted economic development could qualify as public use. Since the decision, 31 states have already restricted the government's power of eminent domain. Most of the ballot measures would focus mainly on undoing Kelo. But the most aggressive initiatives-found in Arizona, California, Idaho, and Washington-would go further, requiring that the government also compensate property owners for "regulatory takings"-regulations that damage a property's value.

Zoning? Polling suggests all four regulatory takings initiatives will pass; backers are focusing on examples of eminent domain abuse. But Howard Rich, a New York real-estate investor who has spent millions of dollars trying to get the measures on the ballot, says, "It doesn't matter if government takes your property outright or regulates it to the point of little or no value; the result is the same."

Critics of the regulatory takings measures, including conservation and anti-tax groups, say they could strain government budgets or severely limit the ability to enforce environmental or zoning regulations. In Oregon, where a similar law has been on the books since 2004, the state has largely waived any sort of property restrictions rather than compensate landowners. Suzie

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Kunzman, an alpaca farmer in Molalla, Ore., became a cautionary tale after her neighbor tried to build a gravel mine behind her house; that issue is still unresolved.

The eminent domain measures are among the boatload of ballot questions-205 in all-that voters will face this November. After sweeping 13 states in 2004, amendments banning gay marriage will be on the ballot in eight states; polls suggest most will pass. Voters don't seem quite as exercised about that issue as they were two years ago, but James Dobson, chairman of the evangelical group Focus on the Family, said last week that he hopes the decision by the New Jersey Supreme Court extending the benefits of marriage to same-sex couples will give the issue new urgency. Conservatives are also pushing to uphold a restrictive abortion ban in South Dakota (story, Page 36).

Liberals have ballot measures of their own, including efforts in six states to hike the minimum wage. State chambers of commerce are opposing those efforts but concede they are fighting an uphill battle.

Experts don't believe the crop of ballot measures will dramatically affect elections, but there could be exceptions. Former North Carolina senator-and possible 2008 presidential candidate-John Edwards said last week that minimum wage measures could boost Democratic prospects on Election Day by increasing turnout. In Nevada, Republican Don Chairez, a candidate for attorney general, openly credits his advocacy of the state's anti-Kelo initiative for his surprisingly strong poll numbers.

While the total number of ballot measures has varied in recent years, the number of initiatives-put on the ballot by collecting signatures-has been rising. The 76 initiatives in 2006 are the third highest in 100 years, a sign of both voter frustration with government and increasing attention to the initiative process. Many western ballots feature 10 or more measures, and some worry that voters are on the verge of being overwhelmed. "I've seen the ballot. It's like legal-size paper plus," says Jon Paul, who is coordinating Colorado's marriage initiative. Doing one's civic duty has become quite an undertaking.

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Water From Ships Raises Fears About Harmful Species (AP)

AP, October 30, 2006

CHARLESTON, S.C. - Shipping companies and environmentalists are trying to come up with a reasonable cost method for keeping foreign marine species out of the waters of the nation's port cities.

The issue is particularly important for Charleston, where millions of gallons of ballast water are potentially dumped into the harbor each year.

Seawater is drawn and discharged by large ships for balance as they carry heavy cargo.

But when they carry water from one part of the world to another, they also bring animal and plant life that can harm native species and habitats.

U.S. Coast Guard Lieutenant Eddie Lesane said there have been no reports of invasive species in Charleston from ship ballast.

Steve de Kozlowski of the state Natural Resources Department says there are hundreds of species already loose in South Carolina, but only a few are destructive enough to be much of a problem.

"We are certainly an at-risk city, with our coastal waters extremely important for our economy and quality of life," said Nancy Vinson of the Coastal Conservation League. "It's high time we deal with these kinds of environmental and human health threats in an appropriate manner."

Ships are required to drop their foreign ballast water at least 200 miles offshore and pick up more local water.

Failing to do so can result in fines or charges. The Coast Guard reviews ship logs and occasionally checks ballast water for salinity to make sure the exchange has taken place.

No one has been charged in the United States so far, said Bivan Patnaik, Coast Guard environmental regulations coordinator. Several warning letters and fines less than $27,000 have been issued.

"The Coast Guard doesn't know anything about invasive species or water quality," said Tim Eichenberg of the Ocean Conservancy.

The conservancy wants the federal Environmental Protection Agency to set standards and issue permits for handling ballast and has won a court ruling that the water cannot be exempt from EPA regulations for wastewater discharge.

The EPA and U.S. Justice Department can appeal the decision and have two years to create regulations for ballast water.

Those regulations could include tighter enforcement of offshore exchange to filters or other forms of treatment of the ballast water.

In California, some ships are being outfitted with treatment devices that can cost as much as $500,000 for installation.

Among those is Matson, a Pacific Ocean container ship company.

The Hawaii-based company has had "a little more sensitivity" to environmental protection, said spokesman Jeff Hull. "I can't speak for the industry as a whole, but I think there's some momentum here with green initiatives."

But even with new regulations, there still is the problem of enforcement.

"How do you enforce it without putting an inspector on every ship in international waters?" asked EPA spokesman Dale Kemery.

As Houses Rise In The Wild, So Do Fire Concerns (WP)

By John Pomfret

The Washington Post, October 29, 2006

BANNING, Calif., Oct. 29 -- Dennis Watkins wanted a piece of the good life. Several years ago, the Frito-Lay salesman and his wife bought a three-acre plot of land in the San Jacinto Mountains. In May, they completed their house -- a 3,000-square-foot ranch-style abode, 3,500 feet above the smog of western Riverside County.

"We built our dream house," Watkins, 54, enthused as he surveyed his estate. "We planned to retire here. After 14 years living in tract housing with no back yard, we loved the space."

A fire that started on Thursday roared through the mountains where Watkins lives. It burned 63 structures and 63 square miles, and it killed four firefighters while they tried to save a weekend house, making it the deadliest wildfire for firefighters since 2001. A fifth firefighter was in critical condition Sunday with burns over 95 percent of his body. Investigators said the fire was the work of an arsonist. As of Sunday, it was 70 percent contained.

Watkins's house was spared except for two windows that blew out because of the blaze's intensity. Flames roared past the house; charred chaparral now surrounds it. Still, Watkins said the inferno did not extinguish his desire to spend his golden years here. "It'll take two or three years for this to get back to normal," he said.

Watkins's journey from the suburbs to countryside -- and his brush with disaster -- has become increasingly common in the United States. He inhabits a zone known to experts and firefighters as the wildlands-urban interface -- the space where houses intermingle with wilderness, a space where millions of Americans long to live.

"It's the place where I want to live -- it's probably where you want to live, too. It's an attractive setting, but if we don't start planning development with these fires in mind, the problem is only going to get worse," said Volker C. Radeloff, an assistant professor at the University of Wisconsin at Madison and an expert on the wildlands-urban interface.

In the 1990s, according to Radeloff's research, of the 13 million homes built in the United States, 9 million, or 69 percent, were constructed in these zones. California leads the nation with homes in these perilous districts -- with 5.1 million, up 12 percent since 1990 -- and it tops the nation in homes lost to wildfires. While many think the problem is confined to the West, New

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Jersey, because of the thousands of houses in and around the Pine Barrens, is second in the number of homes lost to wildfire. And 85 percent of New Hampshire homes are in the interface zone.

The development boom in forests and chaparral and along riverbeds has led some experts to question whether society can afford to have firefighters risk their lives to protect this lifestyle and whether federal, state and local governments should not limit development. Federal wildfire firefighting costs jumped 73 percent from 1994 to 2005, according to statistics from the National Interagency Fire Center. This year in California there have been 7,757 wildfires, many near populated areas.

The growth in the number and intensity of the blazes has prompted fire chiefs to acknowledge that "some fires can't be fought," said Walter Boyce, the director of the Wildlife Health Center at the University of California at Davis. "That's a notion fire chiefs didn't used to admit."

Now fire departments in California and elsewhere routinely take inventories of new houses to determine which can be protected if a fire erupts. "If we face a choice, we'll pick the house that has the best defensible space," said Janet Upton, a spokeswoman for the California Department of Forestry. She said she could not comment on what prompted the Forest Service fire crew to take a stand to save a house on Gorgonio View Road; that is the subject of a federal investigation.

On the plus side, houses more than ever can withstand fire. Watkins, for example, built his house with a fire-retardant composite roof and cleared a 200-foot brush-free buffer. Insurance rules in California would have caused his rates to triple if his house had a wood-shingle roof.

Still, with more people recolonizing America's wilderness, wildfires that used to erupt in isolation now invariably threaten property and lives.

"Every fire in California is not a fire, it's a rescue," Upton said, "because people don't defend their own homes or they live in the middle of a fuel region."

A turning point in how wildfires are viewed came in 2003 with a week-long blaze in several Southern Californian counties that killed 26 people, destroyed 3,361 homes and laid waste to more than 750,000 acres at the cost of more than $2 billion. Fire specialists argued that residents needed to understand that infernos such as these were going to grow more likely as more people move closer to wild areas.

While there is general agreement that the problem is going to worsen, how to deal with it is a subject of much debate. For one, Americans don't take kindly to being told where they can live. In California, thousands of houses have been built not just in the woods and in chaparral but along perilous earthquake fault lines and in the flood plains of the Sacramento River.

Secondly, with respect to Southern California's wildfires, there is much debate about mankind's role in their frequency and intensity. One school of thought, led by Richard Minnich of the University of California at Riverside, contends that the fire-suppression techniques have contributed to the blazes' ferocity.

During the summer, he said, firefighters quickly extinguish small lightning-caused fires that historically ignited the chaparral. As a result, in late October, when hot Santa Ana winds whip across the region from the southwest deserts, the brush is more overgrown than ever and the fires burn hotter, longer and farther. Minnich bases his conclusion on a comparison between Southern California and the nearby Mexican region of Baja California. Because of man's work, he said, Southern California is the home to huge destructive fires, whereas in Baja, where nature has been left to its own devices, "they have 10 times as many fires, but they are one-tenth the size."

Minnich's research is challenged by scientists led by Jon E. Keeley and Max A. Moritz of the University of California at Berkeley. They argue that disastrous wildfires in the chaparral are natural and therefore must be planned for, similar to earthquake and hurricane preparation.

Back along Twin Pines Road, near where the firefighters died, residents had displayed huge thank-you signs for the firefighters who protected their property. John Rutgers, one of Watkins's neighbors, was rooting around in his shed amazed that it, too, had escaped the blaze. Inside was his Toyota MR2 sports car with a full gas tank, a motorcycle, jugs of kerosene, paint thinner and other flammables. The wooden half of the shed looked like the remnants of a big campfire. But here in the cement half, only a little charcoal dust provided evidence of the blaze.

Rutgers, 55, said he, too, planned to start building his dream house later this year. Did the fire change his mind? "Not at all. The only thing it changed," he said, surveying a charred field of small trees and scrub brush, "is that this year it looks like we're not going to have to do weed control."

In D.C., It's Big Names Vs. A Litigious Developer (WP)

By Lyndsey Layton

The Washington Post, October 30, 2006

On a rustic and exclusive lane in Northwest Washington dating from the Civil War, the Battle of Chain Bridge Road is raging.

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A group of homeowners has been trying to stop the construction of 13 mansions on 3.5 acres, the largest piece of open land in the affluent Palisades neighborhood.

In most zoning disputes, residents might testify at public hearings. But in a neighborhood filled with boldfaced names, the fight is on a different level.

The neighbors -- including NBC News correspondent Andrea Mitchell, her husband, former Federal Reserve chairman Alan Greenspan, and former Environmental Protection Agency deputy administrator Robert Sussman -- have hired a zoning attorney, an arborist, a traffic expert and a storm water management engineer. To date, they've spent nearly $100,000.

Then again, they're facing Morton A. Bender.

"We tried to do this the old-fashioned way," Mitchell said. "But we're up against a developer with the deepest of pockets and no sense of community obligation. Sure, people here have resources. But believe me, there's a lot better ways I'd prefer to spend my money."

Bender, a 73-year-old native Washingtonian who made a fortune in the family construction business, is one of the most determined men in town, both admirers and detractors say. This is not a man who likes to negotiate. He enjoys a good fight.

The local and federal courts hold stacks of cases in which he is sometimes the defendant but more often the plaintiff. He says he can't keep track of all the people and institutions he's currently suing and doesn't know how many lawyers he's hired. "I saw the mayor at an event, and he said, 'How many cases do you have against the District?' and I said 'a few,' " Bender said.

His affection for his fellow combatants is so great that when he threw a birthday party years ago, he invited only his lawyers. About 30 came to the restaurant, where Bender hung a "Bender's Barristers Club" sign and handed out diplomas from "Bender Law School."

"He thoroughly enjoys a good controversy and draws strength from it," said Stephen Joel Trachtenberg, the president of George Washington University, where Bender is a generous donor. "He's a very nuanced and complicated man. It's not as if those descriptions of him as a tough guy are wrong. He is a man with many sides to him. If attacked, he fights back with everything. If he thinks you are wrong, he's not a man who understands the meaning of the word 'compromise.' But at the same time, he is very funny and charitable."

Bender, who lost a son to AIDS in 1995, donates heavily to programs that fight the disease. "He's personally given away hundreds of thousands of dollars to a whole panoply of programs from pediatric AIDS to the transgendered community," said D.C. Council member David A. Catania (I-At Large), who chairs the committee on health care. "To be sure, he is a very complicated character. I've never met someone with such a capacity of determination. I would never want to be on the other side of Morty Bender."

When he split from his first wife in 1977, Bender not only sued her for divorce based on adultery, he filed suit against her lover for "criminal conversation," an ancient legal theory that holds a husband has exclusive rights to his wife's affection and can sue anyone who interferes. Bender won.

In July, Bender gave his second wife, Grace, a 60th birthday party at the Mandarin Oriental Hotel. The couple transformed the space into Hotel Nacional, a Havana landmark where Grace Bender grew up as the daughter of the hotel manager. They flew in cigar rollers from Miami for the 350 guests, hired two Latin bands and commissioned a cake reproduction of the Nacional from a celebrity baker in Manhattan. Morton Bender balked at the hotel's charge for 20 pounds of caviar and insisted on bringing in his own, less expensive caviar. The catering director objected. Bender won.

Bender is currently suing Independence Federal Savings Bank, the District bank where he is the largest shareholder. He tried to take control of the bank last fall, but shareholders rejected his candidates for the board of directors. So Bender filed suit, alleging that the election was tainted by improprieties. In the preliminary stage, Bender won.

When Bender realized that the law firm representing him before the zoning board on the Chain Bridge Road project was also representing Independence in its fight against him, he pointed out the conflict, he said. The firm stopped representing him. The lawyer involved, Holland and Knight partner Norman "Chip" Glasgow Jr., declined to comment.

"I'm fit to be tied," Bender said. "I'm going to sue them."

For years, Bender has wrangled with the District over the tax rate for six vacant historic buildings on N Street NW near the Tabard Inn. He bought them 18 years ago for $8 million cash and has tried to win approval to turn them into a hotel.

He has also fought the city over its assessment of his home, the former Korean Embassy in Massachusetts Avenue Heights. The city assessed the eight-bedroom, nine-bath house resembling a French chateau at $3.2 million in 2002; Bender argued it was worth $2.2 million, and the taxes should have been lower. He lost that one.

"I stand up to be counted," Bender is fond of saying. "No one stands up for rights anymore."

The Battle of Chain Bridge Road comes to a head tomorrow, when the Board of Zoning Adjustment holds the fifth and final hearing on the matter. It began in 2002, when Bender paid $6 million for two pieces of land on the road.

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One tract was anchored by a modest house, which Bender demolished. The smaller lot held the vacant Chain Bridge Road School, used by the children of freed slaves who lived along the road after the Civil War. The original one-room 1865 schoolhouse was replaced by a two-floor stucco structure in 1923, which closed as a school in 1941 but remained on the property.

Right after Bender bought the lots, the neighbors got the school named a historic landmark, ensuring he couldn't knock it down and limiting the development potential.

"They started the war," Bender said.

Early discussions between Bender and the neighbors about his plans went nowhere. He ended up suing one neighbor over a retaining wall that encroached 15 inches onto his new property. He won in D.C. Superior Court but not before the judge questioned why Bender brought the case.

"It seems to be the height of folly, laced with a bit of vindictiveness the source of which is unknown to the court, for plaintiff to insist that this attractive and necessary wall be removed simply so that it can be reconstructed about two feet further down the hill," Judge Geoffrey M. Alprin wrote.

Under current zoning laws, Bender can build nine houses on Chain Bridge Road, said Maxine Brown Roberts of the D.C. Planning Office. Asked why he wants to build 13, Bender sketched on a piece of paper how he can maximize profits from 13 houses. His plans meet the minimum lot requirements under the zoning rules, he said.

If the neighbors wanted lower density, they should have petitioned the city to increase the lot requirements, he said. The houses, one of which would be nearly 10,000 square feet, would sell between $3 million and $5 million each, he said.

Across the street is Battery Kemble Park, a former Union Army fort, where dog walkers chat about Bender's plans. "People are just furious that someone would come who doesn't care about the neighborhood and would put 13 mansions on 3.5 acres," said Hattie Babbitt, wife of former Interior secretary Bruce Babbitt, who walks their German shorthaired pointer in the park.

Like many residential streets in the District and close-in suburbs, Chain Bridge Road has been under development pressure. Aging homeowners have sold, and newcomers are replacing modest houses with towering homes.

"Suddenly, a three-story house goes up next to you -- the light gets cut off half the day, and the vegetable garden you had last year won't grow because there's no sun," said Alma Gates, the advisory neighborhood commissioner, who has lived in there since 1969.

To slow the trend, the neighborhood persuaded the city in 1999 to enact zoning rules that protect mature trees and limit development there.

"We've reached our limit," said Mitchell, adding that neighbors would have backed Bender had he planned six to eight houses. "But to talk about 13 houses is completely disrespectful of the land."

If Bender wins, she says she will sell. "I can't imagine staying in the neighborhood if those houses come in," said Mitchell, who has lived in an 1894 farmhouse for 30 years.

City agencies that reviewed Bender's plan have issued conflicting opinions. The Planning Office recommended approval if Bender dropped one house and lowered the height of another, among other conditions. But the city's Urban Forestry Administration said the zoning board should reject the plan because it violates the special zoning protection for mature trees.

Bender has at least one ally on the street. "Every time someone wants to build a house in this neighborhood, the neighbors get all excited," said Bernard Gewirz, an acquaintance of Bender's. "It's 'I've got mine, and keep the other people out.' "

If they lose before the zoning board, the neighbors say they will probably take Bender to court. And if Bender loses, he might do the same.

Or not.

"I can put a farm over there," he said. "I was thinking of pigs and peacocks. Peacocks make a hell of a racket."

FBI/DEA/ATF/USMS:

Suspect Held In Slaying Of Fla. Family (AP)

AP, October 28, 2006

(AP) A family of four was gunned down execution-style along a dark and deserted stretch of highway. Each was lying down or kneeling, and the mother was clutching her two young sons.

Authorities announced Friday it was no random act of violence, and that the Escobedos fell prey to a dangerous drug trade. The suspected killer was in custody, they said.

Jose Luis Escobedo, 28, was likely involved in cocaine trafficking, and he and his family were killed "for drugs, money or both," Sheriff Ken Mascara said.

The suspect was among three men and a woman who were arrested Wednesday on drug charges and are "persons of interest" in the killings, Mascara said. None had been charged with the slayings, and another man is being sought, he said.

The sheriff identified the drug suspects as Danny Varela, 26, Liana Lopez, 18, and Daniel Troya and Ricardo Sanchez, both 23.

A fifth man, Juan Gutierrez, was arrested and charged in the drug case but is not named as a person of interest in the slayings. He told authorities he and Varela were at the Escobedos' home before the killings and helped destroy drug packaging materials, according to court papers.

The five made their initial appearances in federal court Friday in Fort Pierce, said Jeannette Moran, a Drug Enforcement Administration spokeswoman. A bond hearing was set for Nov. 3. All the suspects have lengthy criminal records, including arrests for burglary, drugs and weapons possession.

Escobedo, his 25-year-old wife, Yessica Guerrero Escobedo, and their sons, Luis Julian, 4, and Luis Damian, 3, were found shot to death Oct. 13 along Florida's Turnpike near Port St. Lucie, about 50 miles north of their home in the Palm Beach County city of Greenacres.

Police searching the home after the killings found evidence that the father was involved in drug trafficking, Drug Enforcement Administration agent David Weeks said in court papers filed Friday. The items were said to include "suspected drug ledgers" and plastic packaging used to wrap illegal drugs.

Investigators linked the drug suspects to Escobedo through references in the ledgers, among other things, Weeks said.

A search of the West Palm Beach home where three of the men under arrest were living turned up suspected cocaine, Ecstasy and drug packaging materials, the DEA agent said. Investigators also found more than a dozen guns, including an AK-47 assault rifle. Weeks did not say if the weapons were used in the killings.

There also was a photograph of Escobedo with one of the suspects, according to court papers.

The sheriff would not say which of the suspects is believed to have shot the family. But he told The Associated Press that it appeared those responsible for the killings were in custody.

"Indications are that there may be homicide charges filed," said Troya's lawyer, Ruben Garcia. "That's all I can tell you right now."

Lopez's attorney, Ronald Chapman, said he had just been assigned the case and wasn't prepared to comment. Messages left for the other suspects' attorneys were not returned.

Investigators believe the family's Jeep was pulled to the side of the highway and that someone inside the vehicle shot the family and drove away. The Jeep was found abandoned in West Palm Beach three days later.

The family had moved to Florida in June from the Brownsville, Texas, area.

The sheriff said Escobedo's brother was involved in a heroin ring and is believed to be a fugitive in Mexico.

Suspect In Custody In Slaying Of Family; Drug Connection Is Seen (AP)

AP, October 27, 2006

WEST PALM BEACH, Fla. - Authorities investigating the slaying of a family of four alongside a Florida highway said Friday that the father was probably involved in drug trafficking and that the suspected killer was in custody.

The suspect was among three men and a woman who were arrested Wednesday on drug charges and are "persons of interest" in the killings, St. Lucie County Sheriff Ken Mascara said. No one has been charged in the slayings.

The couple and their two young sons were found shot to death Oct. 13 off a desolate stretch of Florida's Turnpike near Port St. Lucie, about 50 miles north of their home in the Palm Beach County city of Greenacres.

Police searching the victims' home after the killings found evidence that the dead father, Jose Luis Escobedo, 28, had been involved in cocaine trafficking, Drug Enforcement Administration agent David Weeks said in court papers filed Friday. The items included "suspected drug ledgers" and plastic packaging used to wrap illegal narcotics.

Investigators linked the drug suspects to Escobedo through references in the ledgers that included detailed accounts of drug payments and debts owed, among other things, the DEA agent said.

A search of the West Palm Beach home where the three male suspects were living turned up suspected cocaine, Ecstasy and drug packaging materials, the agent said. Investigators also found more than a dozen guns, including an AK-47 assault rifle. The DEA agent did not say if the weapons were used in the killings.

There was also a photograph of Escobedo with one of the suspects, Danny Varela, 26, according to court papers. The sheriff identified the other suspects as Liana Lopez, 18, Daniel Troya, 23, and Ricardo Sanchez, 23.

DOJ_NMG_0087782

Mascara would not say which of the suspects is believed to have shot Escobedo, his 25-year-old wife, Yessica Guerrero Escobedo, and their sons, Luis Julian, 4, and Luis Damian, 3. But he told The Associated Press that it appeared those responsible for the killings were in custody.

The four suspects are charged with possession of cocaine with intent to distribute.

A fifth man, Juan Gutierrez, was also arrested and charged in the drug case but he is not named as a person of interest in the slayings. According to court papers, he was cooperating with authorities, and told them that he and Varela were at the Escobedo's home before the killings and helped destroy drug packaging materials.

Officials also cleared Michael James Naujalis, of Lake Worth, of involvement in the case. Naujalis was the last registered owner of a 1999 red Dodge conversion van that authorities believe was involved in the murders. Naujalis had sold the van in August to Varela, but Varela had never completed the transfer of title and ownership.

DEA spokeswoman Jeannette Moran said they made their initial appearances in federal court Friday in Fort Pierce. A bond hearing was set for Nov. 3. All the suspects have lengthy criminal records, including arrests for burglary, drugs and weapons possession.

Lopez's attorney, Ronald Chapman, said Friday he had just been assigned the case by the federal court and wasn't prepared to comment. Troya's attorney, Ruben Garcia, also said he had just been assigned the case.

"Indications are that there may be homicide charges filed," Garcia said Friday. "That's all I can tell you right now."

Telephone messages left for the other suspects' attorneys were not immediately returned.

Mascara said the investigation of the deaths quickly led them to believe this was a deliberate act on the family for drugs, money or both.

Investigators believe the family's Jeep was pulled to the side of the highway sometime between 1:30 a.m. and 3 a.m., and that someone inside the vehicle shot them and drove away. Authorities have said the victims appeared to be lying down or kneeling when they were shot. The woman was clutching her two sons in an apparent effort to protect them.

The Jeep was found abandoned in West Palm Beach three days later.

The family had moved to Florida in June from the Brownsville, Texas, area.

The sheriff said Escobedo's brother was involved in a heroin ring and is believed to be a fugitive in Mexico, but he said that case has no relation to the killings.

Around The Nation (WT)

The Washington Times, October 30, 2006

Suspect in killing of family in custody

WEST PALM BEACH, Fla. -- Authorities investigating the slaying of a family of four alongside a Florida highway said yesterday that the father probably was involved in drug trafficking and that the suspected killer was in custody.

The suspect was among three men and a woman who were arrested Wednesday on drug charges and are "persons of interest" in the killings, Sheriff Ken Mascara said. None had been charged with the slayings, he said. Another man is being sought, he said.

The couple and their two young sons were found fatally shot Oct. 13 off a stretch of Florida's Turnpike near Port St. Lucie, about 50 miles north of their home in the Palm Beach County city of Greenacres.

Police searching the home after the killings found evidence that the father, Jose Luis Escobedo, was involved in drug trafficking, Drug Enforcement Administration agent David Weeks said in court papers filed yesterday.

Soldier arraigned on murder charges

FORT CAMPBELL, Ky. -- The Army arraigned a 101st Airborne Division soldier yesterday who was charged with raping and killing a 14-year-old Iraqi girl and killing three others in her family.

Pfc. Bryan L. Howard is accused of plotting in March to rape and kill the teenager in Mahmoudiya, a village about 20 miles south of Baghdad. Three other soldiers and a former Army private from the division's 502nd Infantry Regiment also face charges related to the attack.

Pfc. Howard deferred entering a plea during the proceedings at Fort Campbell. Both his attorney, Capt. Ryan Rosauer, and his father, Lynn Howard, declined to speak to reporters.

Two other soldiers accused of rape and murder in the incident -- Sgt. Paul E. Cortez and Pfc. Jesse V. Spielman -- could get the death sentence if they are convicted, a military judge ruled earlier this month. Both will be arraigned soon, the military said.

Former Army Pvt. Steve Green also faces rape and murder charges but is being tried in federal court.

Clinton office searched for powdery substance

DOJ_NMG_0087783

NEW YORK -- Police and Secret Service agents determined yesterday that a suspicious substance found at former President Bill Clinton's office in Manhattan was not toxic.

Mr. Clinton was not at the office at the time, officials said. A woman opened an envelope that contained a white powdery substance and called authorities.

Police and emergency crews were called to the Harlem office building about 3:45 p.m. Yellow police tape blocked off the sidewalk in front of the building, but traffic was not disrupted.

Clinton spokesman Jay Carson said the building was not evacuated. He had no other details.

Secret Service spokesman Eric Zahren said a field test on the substance found it to be inert.

Killer confessed to more murders

SHREVEPORT, La. -- Shortly before he was executed in Florida this week, serial killer Danny Rolling handed his spiritual adviser a handwritten confession to a grisly triple murder 17 years ago in his hometown of Shreveport, police said yesterday.

"I, and I alone am guilty," the one-page note said. "It was my hand that took those precious lights out of this ole dark world. With all my heart & soul would I could bring them back."

Rolling, the son of a Shreveport police officer, was executed Wednesday for killing five college students in Gainesville, Fla., in a string of slayings in 1990.

Police have long suspected that Rolling also stabbed William T. Grissom, 55, his daughter, Julie, 24, and grandson Sean, 8, as they got ready for dinner on Nov. 4, 1989, in Mr. Grissom's home.

From wire dispatches and staff reports

4 Are Linked To The Killing Of A Family On A Roadside (NYT)

By Terry Aguayo

The New York Times, October 28, 2006

MIAMI, Oct. 27 — Four people were arrested on Wednesday on federal drug charges and linked to the shooting deaths of a family of four this month, the St. Lucie County Sheriff's Office said Friday.

One victim may have been involved in drug dealings with the suspects, officials said.

Sheriff Ken Mascara said his office "now considers these four individuals people of interest" in the killing of the Escobedo family, Jose Luis Escobedo, 28; his wife, Yessica Guerrero Escobedo, 25; and their sons, Luis Julian, 4, and Luis Damian, 3. Their bodies were found on Oct. 13 on a remote part of Florida's Turnpike near Port St. Lucie, 120 miles north of Miami.

"Our investigation quickly leads us to believe that this was a deliberate act of premeditated murder on the Escobedo family for drugs, money or both," Sheriff Mascara said.

The four suspects, Liana Lopez, 18; Ricardo Sanchez, 23; Daniel Troya, also 23; and Danny Varela, 26, were charged with possession of cocaine with intent to distribute after a search of their house in West Palm Beach turned up what appeared to be cocaine, as well as Ecstasy tablets, drug packaging and 13 firearms, the authorities said. A photograph of Mr. Varela and Mr. Escobedo was also found.

The suspects, all of whom have extensive criminal records, have not been charged in the killings, but the police have said they think that the person who pulled the trigger is in the group.

In a search of the Escobedos' house in Greenacres, investigators recovered "items which led them to conclude that the home may have been utilized to facilitate narcotics trafficking," David Weeks, an agent from the Drug Enforcement Administration, wrote in an affidavit.

Among the items found were plastic packaging and "suspected drug ledgers," one of which listed nicknames that, the affidavit said, were thought to refer to Mr. Sanchez and Ms. Lopez under the title "Money that needs to get paid."

Investigators said they thought the family, which moved here from the Brownsville, Tex., region several months ago, had been traveling with their killer in their Jeep Cherokee when the car pulled to the roadside. Each family member was shot several times on the grass outside the S.U.V. by someone inside who presumably used it as a getaway vehicle, officials said.

Ms. Escobedo had cradled the children under her arms to try to protect them from the gunfire, the police said. The vehicle was recovered three days later in an industrial section of West Palm Beach, 70 miles south of the crime scene.

Florida Holding Four People In Highway Murder Investigation (BLOOM)

By Todd Zeranski

Bloomberg, October 28, 2006

Oct. 27 (Bloomberg) -- Florida authorities are holding four people in connection with the slayings of a family whose bodies were found on the side of the state turnpike, police said.

DOJ_NMG_0087784

The four ``persons of interest'' are being held on drug charges in Palm Beach County, according to sheriff's officials from St. Lucie County, where the victims were found. The four haven't been charged in the killings, the St. Lucie County officials said in a televised news conference.

Police have found a van they had sought in connection with the crimes and are searching for its registered owner, they said.

The bodies of a man, a woman and two young boys were found Oct. 13 on the south side of the turnpike in Fort Pierce, about 125 miles (201 kilometers) north of Miami in St. Lucie County.

The man's brother may be connected to a large cocaine- and heroin-trafficking ring, police said in the news conference. Officials from the federal Drug Enforcement Agency and the Bureau of Alcohol, Tobacco, Firearms and Explosives assisted in the investigation.

All four suspects, three men and one woman, all have felony convictions for cocaine trafficking, police said.

Family's Killing Linked To Drugs, Money (STCN)

Scripps Treasure Coast Newspapers, October 28, 2006

WEST PALM BEACH — Two weeks after a family of four was gunned down on the side of Florida's Turnpike, investigators said the crime was related to the theft of drugs and money and named several "people of interest" believed connected to the killings.

However, a man named as the owner of a van sought in the case was cleared of any involvement. Michael James Naujalis, 24, of Lake Worth, sold the van to one of the suspects, who failed to transfer the title and registration, St. Lucie County Sheriff Ken Mascara said in a press release late Friday.

Advertisement

Though Naujalis was not involved, the van still is believed to have been used in the murders, Mascara said.

Four of five people arrested on federal drug charges in West Palm Beach remain "people of interest" in the Oct. 13 slaying of the Escobedo family.

"We are looking at these individuals as being connected to the murders," Mascara said during a news conference in Palm Beach County on Friday. "We have a very good idea of how it went down, but we don't want to reveal it."

Liana Lopez, 18; Daniel Troya, 23; Daniel Varela, 26; and Ricardo Sanchez, 23, were in custody on drug charges and are "people of interest" in the deaths of Jose Luis Escobedo, 28, his wife, Yessica, 25, and their sons Luis Damien, 4, and Luis Julian, 3.

A fifth man, Juan C. Gutierrez, 20, of West Palm Beach, has been charged in the drug case but is not connected to the killings, authorities said.

The family's execution was not random or a revenge killing but "a deliberate act of premeditated murder" related to the "ongoing" theft of drugs, money or both that "culminated" on the side of the turnpike, Mascara said.

Jose Luis Escobedo and his younger brother, Jose Manuel Escobedo, 28, had drug charges in their past. Their criminal histories do relate to the crime, Mascara said.

Within 24 hours of the killings, the Drug Enforcement Administration was involved, and within 36 hours they had identified the people of interest named Friday. The individuals knew the Escobedo family, Mascara said.

When asked if the killer was in custody, the sheriff said, "We would hope so."

The five made their first appearances in federal court in Fort Pierce Friday morning and are expected to appear in court for a detention hearing next Friday. All are charged with possession with intent to distribute 500 or more grams of cocaine between May and October 2006.

'MADE PROGRESS'

"Investigators have worked day and night on this case for the past two weeks," he said. "We have made progress, but we need more information."

The family were natives of Brownsville, Texas, who had lived in Greenacres for only a few months before their deaths. They were buried in Brownsville on Monday in a ceremony attended by hundreds of friends and relatives.

Yessica's brother, Mike Guerrera, of Brownsville, said by phone he didn't know what to say about the accusations that his brother-in-law was involved in the drug trade.

"Even if my brother-in-law was doing something, it's not right to kill the kids like that," he said. "I hope we get justice done."

If the people in custody are responsible, Guerrera said he will feel somewhat relieved to know the killers are caught.

"Those kinds of people being loose — you never know if it could happen to another family," he said.

SEARCHING THE HOMES

DOJ_NMG_0087785

After the Escobedo family was shot to death, investigators searched their home in Greenacres and found "items which led them to conclude that the home may have been utilized to facilitate narcotics trafficking," according to an affidavit filed in the case.

Investigators found suspected drug ledgers and plastic packaging materials typically used for wrapping "narcotic substances into kilogram quantities." One of the ledgers contained a list called "Money that needs to get paid."

The ledger pointed investigators to Varela, Sanchez and Lopez, whose nicknames were all listed in one of the books. On Oct. 25, a search warrant was served at a home in West Palm Beach, where Mascara said Troya and Sanchez lived and Lopez and Varela were frequent visitors.

Hundreds of grams of cocaine powder and crack cocaine were found in various rooms, along with tablets of MDMA, also known as ecstasy. Thirteen guns, including an AK-47 in a closet, were found in the house.

A photo in the home showed Varela and Escobedo, the affidavit states.

Although many guns were removed from the home, it was not clear whether any were used to kill the Escobedos, Mascara said.

Sheriff Calls Drug Suspects 'People Of Interest' In Death Of Parents, Two Young Sons (FLSUNSEN)

By Jerome Burdi, South Florida Sun-sentinel

South Florida Sun-Sentinel, October 28, 2006

West Palm Beach · Jose Escobedo was caught up in a web of drugs, guns and money. He brought his wife and two young boys from Texas and got involved with drug dealers and traffickers. At least one of them shot all four Escobedos to death on a dark stretch of Florida's Turnpike.

Yessica Escobedo was found sheltering her sons in her arms.

The St. Lucie County sheriff and federal documents on Friday began painting a picture of the ruthless homicides and the people authorities think are responsible.

"These people all do know each other. We do not feel it was a revenge killing," St. Lucie County Sheriff Ken Mascara said. "We think it was either related to the theft of drugs or money or both."

At a news conference, Mascara named four "people of interest" in the Escobedo family homicide. They are in federal custody after the Drug Enforcement Administration on Wednesday night raided their rented West Palm Beach home, in the 6400 block of Garden Court in the Briar Bay development.

They are Ricardo Sanchez and Daniel Troya, both 23; Daniel Varela, 26; and Liana Lopez, 18, of Greenacres. They are being held without bond in the Palm Beach County Jail, facing federal charges of cocaine possession with intent to sell. No one has been charged in the Escobedo killings.

The four appeared in federal court in Fort Pierce on Friday and were assigned attorneys, said Alicia Valle, special counsel to the U.S. Attorney's Office. They are scheduled to return to court Friday.

Juan Gutierrez, 20, was arrested on the drug charges with the others Wednesday but is not connected to the killings, investigators said.

The search Wednesday turned up cocaine, crack and Ecstasy; 13 guns in the garage; and an assault rifle in the master bedroom, according to the U.S. Attorney Office's criminal complaint. The guns are being tested for a connection to the killings, St. Lucie Sheriff's Lt. Jerry Rothman said.

Authorities turned up a photo of Varela with Jose Escobedo.

During an Oct. 14 search of the Escobedo home in Greenacres, local authorities concluded that the home might have been used for drug trafficking, according to the complaint.

They found drug ledgers with names and initials, figures and notations to calculate debt and payment, the complaint reads. Some of the initials and nicknames match the drug suspects. Another list read "Money that needs to get paid," according to the complaint.

Escobedo had computer printouts of jail booking photographs of Sanchez and Lopez, who had been charged with probation violation and drug charges, respectively.

The DEA was brought into the homicide investigation within the first 36 hours, when authorities had an idea who killed Escobedo, 28; his wife, Yessica, 25; and sons Luis Damien, 4, and Luis Julian, 3. Their bodies were found Oct. 13 along a desolate stretch of the turnpike in Port St. Lucie.

The Escobedos moved from Brownsville, Texas, to Greenacres in June.

"We think the theft of drugs and money was an ongoing theft and it culminated on the shoulder of the Florida Turnpike," Mascara said Friday.

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Detectives began looking at drug involvement when they traveled to Texas, confirming that Escobedo's brother, Jose Manuel Escobedo, was involved in heroin and cocaine trafficking. He is a fugitive from federal authorities and believed to be in Matamoros, Mexico, Mascara said.

The four well-known drug suspects have 27 felony arrests among them on drugs, robbery and battery charges, Mascara said. Troya has spent five years in prison between two convictions, including burglary, battery and grand theft, according to the state Department of Corrections.

"The entire community has been up in arms about this homicide," Mascara said. "We receive calls daily about people being fearful."

Neighbors said the four-bedroom, single-family house in the gated Briar Bay community was quiet, with comings and goings at night. Varela, Sanchez and Troya lived there and Lopez, Varela's girlfriend, visited often, according to the complaint.

St. Lucie County investigators Friday cleared the owner of a red van thought to have been used in the murders. Michael Naujalis, 23, of Lake Worth, sold the van to Varela in August but never removed his license plat, and Varela never completed the transfer of title.

Investigators: Escobedo Home Used For Drug Trafficking (PALMBEACHP)

Palm Beach Post (FL), October 27, 2006

FORT PIERCE — When investigators searched the rented Greenacres home of the family found gunned down on the side of Florida's Turnpike, they found items that led them to believe the home was used to "facilitate narcotics trafficking," according to court documents obtained this morning.

Among the items discovered at the home at 1244 Olympic Circle, where Jose Luis Escobedo Jr and his wife and two children lived, were: suspected drug ledgers in the form of handwritten lists of names and figures; documents containing a running tabulation of debts and payments and plastic packaging materials typically used to wrap narcotics into kilogram quantities, according to the court documents.

One of the ledger's found was titled: "Money that needs to get paid."

"The evidence seized from the Escobedo residence, combined with information obtained during interviews with family members and associates of the victims, led law enforcement officers to conclude that Jose Luis Escobedo Jr. was likely involved in cocaine trafficking activities before he was murdered on or about October 13, 2006," according to a criminal complaint.

The items found in the home led investigators to five people who were arrested Thursday night on federal charges of possession with the intent to distribute 500 grams of cocaine. The five defendants were in federal court in Fort Pierce this morning for their first appearance.

During the homicide investigation, investigators found evidence linking Danny Varela, 26; Daniel Troya, 23; and Ricardo Sanchez Jr, 23. to Escobedo, according to the complaint. They executed a search warrant on Wednesday at Varela's home at 6458 Garden Court in West Palm Beach. The other two men are also from West Palm Beach.

In that home, they found crack and powder cocaine, ecstasy, what appeared to be packing material for kilograms of cocaine and 13 firearms, according to the complaint. They also discovered drug paraphernalia, such as scales, a suspected drug ledger and razor blades. In a bedroom closet, they found an "AK-47-style assault rifle," the documents state.

Two other people were arrested in connection with this case: Liana Lee Lopez, 18, of Greenacres and Juan C. Gutierez, 20 of West Palm Beach.

Suspects In Escobedo Case 'seemed Like Drug Dealers' (FPTRIB)

By DEREK SIMMONSEN And GABRIEL MARGASAK, staff writers

Fort Pierce Tribune, October 30, 2006

WEST PALM BEACH — The alleged drug dealers hid in plain sight amid the quiet gated neighborhood of Briar Bay.

They stashed their hundreds of grams of crack and powder cocaine, their Ecstasy pills and a small armory of guns in an almost 3,000-square foot home. But neighbors suspected something with all the flashy cars and comings and goings at all hours.

Advertisement

Yet the operation's downfall would come at the end of the trail of blood from a family of four killed on the shoulder of Florida's Turnpike about two weeks ago.

U.S. Drug Enforcement Administration agents announced Friday they had arrested five people at the home on cocaine distribution charges. St. Lucie County Sheriff Ken Mascara said four of them were "people of interest" in the killings of Jose Luis Escobedo, 28, his wife, Yessica, 25, and their sons Luis Damien, 4, and Luis Julian, 3.

Officials said Jose Luis Escobedo was part of the drug operation and his family had been killed because of it.

None of his alleged drug associates had been charged in the killings as of Saturday.

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Investigators did clear the owner of a 1999 Red Dodge conversion van thought to have been used in the killings.

Lake Worth resident Michael James Naujalis, 23, was the registered owner but said he sold the van to Daniel Varela, 26, a person of interest in the killings and one of the five arrested on drug charges last week. Varela never transferred the title.

"After extensive questioning and review of the sale documentations, Naujalis has been cleared of any involvement in the murders. The van, which was previously owned by Naujalis, continues to play a pivotal part in the murders," Mascara said in a statement.

Steve Naujalis, Michael Naujalis's father, told WPTV News Channel 5 reporter Marci Gonzalez that his son met Varela while fishing but didn't know anything about the drug operation.

"My kid's scared for his life. Wouldn't you be?" he told Gonzalez. "We know how this works ... court date's over, then my kid's a target for everybody, right?"

St. Lucie County Sheriff's Office officials and other agencies declined to release any further information in the case Saturday. One law enforcement official said authorities would remain tight lipped so as not to upset the ongoing murder investigation.

In West Palm Beach, those who lived near the alleged drug house said the residents of one house on Garden Court stood out among a population that includes many families and older residents.

Federal drug agents said Daniel Troya, 23, Ricardo Sanchez, 23, and Varela lived there. Varela's supposed girlfriend Liana Lopez, 18, also spent time there.

Mascara said the suspects had 27 felony arrests among them on drugs, robbery and battery charges, Mascara said.

Troya has spent five years in prison on burglary, battery and grand theft convictions, according to the state Department of Corrections.

Sanchez cousin, Juan C. Gutierrez, 20, who was also arrested on the drug charge, said he also spent time at the home but authorities said he was not connected to the killings.

The front yard was well-kept with several palm trees outside and children rode bicycles and played in the street out front.

But Kristen Sacks, 32, who lives a few doors down from the home, said people came in and out of the house at all hours of the day and night and they tended to drive flashy, customized cars, like what you see in the movies.

"They seemed different from the rest of the neighbors," she said. "They seemed like drug dealers to us."

Although learning they were arrested on drug charges didn't come as a shock, she was surprised to hear they might be suspected of murder.

Maricela Rocha, 39, who lives next door to the home, said the new neighbors moved in about two months earlier.

"Most of the neighbors, we know each other, we talk to each other," she said. "They never talked to anyone."

Sun-Sentinel contributed to this report

Men Allegedly Linked To Highway Killings (UPI)

United Press International, October 28, 2006

WEST PALM BEACH, Fla., Oct. 28 (UPI) -- Florida police Saturday had in custody four men allegedly tied to the execution-style killing of a family of four on a deserted stretch of highway.

Police said at least one of the four men, ranging in age from 18 to 26, killed Jose Escobedo, 28, his wife Yessica, 25, and their two children, Luis Julian, 4, and Luis Damian, 3, The Palm Beach Post reported.

The family was found shot to death Oct. 13 along Florida's Turnpike near Port St. Lucie, about 50 miles north of their home in Greenacres.

Escobedo was involved with drug traffickers and he and his family were killed "for drugs, money or both," Sheriff Ken Mascara said.

No one was immediately charged in the Escobedo killings.

The four men in custody, held without bond, face federal charges of cocaine possession with intent to sell.

Sheriff: Parents, Kids Killed For Drugs, Money Or Both (CNN)

CNN, October 30, 2006

FORT PIERCE, Florida (CNN) -- Investigators believe the killings of a family of four along Florida's Turnpike this month were premeditated and carried out for "drugs, money or both," St. Lucie County Sheriff Ken Mascara said Friday.

Four people -- a woman and three men -- are in custody on federal drug charges unrelated to the deaths, Mascara said, and they and the missing brother of one of the victims "all do know each other."

"We do not feel it was a revenge killing," Mascara said at a Friday morning news conference. "We think it was related to either the theft of drugs and money or both." (Watch police explain their theory as to what motivated killings -- 1:57)

The four have been identified as "persons of interest" in connection with the October shooting deaths along Florida's Turnpike, the sheriff said.

An official with the St. Lucie County sheriff's office said after the news conference, "We feel comfortable the shooter or shooters is one of these people."

But he added, "We are not ready to charge the shooter or shooters yet."

The drug suspects have been identified as Lianna Lopez, 18, of Greenacres, Florida, and West Palm Beach residents Daniel Troya, 23, Danny Varela, 26, and Ricardo Sanchez, 23.

They appeared in court for the first time Friday on the drug charges. They're being detained at the Palm Beach County Jail.

On October 13, a motorist found the bodies of four family members on the turnpike north of Port St. Lucie. The victims were identified as Jose Luis Escobedo Jr., 28; his wife, Yessica Guerrero Escobedo, 25; and the couple's sons, Luis Damian Escobedo, 3, and Luis Julian Escobedo, 4. All four had been shot to death, autopsies showed.

Authorities said the four were kneeling or lying down when shot.

Mascara has said the family had recently moved from Brownsville, Texas, to West Palm Beach, about an hour south of where the bodies were found. A vehicle believed to belong to the family was found a few days after the slayings, which occurred in St. Lucie County.

Mascara said authorities are searching for the husband's younger brother, Jose Manuel Escobedo, who did not show up for a federal work camp in Louisiana after being sentenced on a drug conspiracy charge. He had been involved in a "significant heroin and cocaine distribution organization," the sheriff said.

About 24 hours after the slayings, said Mascara, the Drug Enforcement Administration became involved in the probe. As the result of the DEA investigation, a Palm Beach County residence was searched Wednesday morning.

"I cannot reveal the nature of the evidence recovered in that search," Mascara said. "However, I can tell you that investigators are reviewing any possible connection of that evidence to the Escobedo murders."

He added, "Despite the crime's initial appearance as a possible random act of violence on a family traveling on the Florida turnpike, our investigation quickly led us to believe this was a deliberate act of premeditated murder on the family for drugs, money or both."

Thursday night, the St. Lucie County Sheriff's Office issued a nationwide bulletin for a 1999 red Dodge conversion van. It was found and is being processed, Mascara said.

However, the registered owner of that van, who was initially called a "person of interest" in the case, has been interviewed and cleared, police said later Friday.

Michael Naujalis, 24, met with detectives Friday and explained to them that he had sold the van to Varela in August. Varela never completed the transfer of title and ownership out of Naujalis' name, according to a sheriff's statement, and Naujalis' tag was still affixed to the van.

"Detectives are satisfied that Naujalis was not involved in the Escobedo family homicides and is no longer considered a person of interest," the statement said.

Drugs, Money Figure In Murder Of Former Texas Family (KWTX)

KWTX-TV, October 27, 2006

(October 27, 2006)—A former Texas man who was killed along with his wife and two young children was likely involved in the narcotics trade according to new court documents.

The bodies of 28-year-old Jose Luis Escobedo and his wife and two young sons were found alongside the Florida Turnpike.

They had all been shot to death as the mother evidently tried to shield the children.

An affidavit filed Friday by a Drug Enforcement Administration agent says evidence found in the Escobedo family home points toward drug trafficking.

It includes what are described as "suspected drug ledgers," as well as plastic packaging used to wrap drugs.

Meanwhile, investigators say they're confident that one of four drug suspects is the person who gunned down the family earlier this month.

The sheriff investigating this month's killings won't say which of the four is the accused shooter.

But he says those responsible for the killings are in custody.

Sheriff Ken Mascara isn't disclosing a motive but says investigators quickly concluded that the Escobedos were gunned down for drugs, money or both.

He notes that Escobedo's brother is involved in a significant heroin distribution organization.

He's believed to be hiding out in Mexico.

The murder victims had moved to Florida several months ago from Brownsville.

Illegal Immigrant Drug Offenders Face Deportation, Prison Or Both (ASPTIMES)

By Joel Stonington

Aspen Times, October 27, 2006

'It's one of those cases of plead and deport'

In December, police arrested Jesus Gabriel Soto Sandoval in the drug sting at two local restaurants. Less than six months after his deportation, Sandoval was back in Aspen and in custody for cocaine possession.

So, deport him again and save the cost of prison or punish him so he won't come back for a third crack at dealing cocaine out the back door of an Aspen restaurant?

It's a question members of law enforcement and the legal community differ on greatly. For example, in a separate case Thursday, Jose de Fletes Rodriguez was sentenced to five years of probation for possession of less than one gram of cocaine. He was arrested in a traffic stop after a tip from undercover DEA agents in the latest Aspen-area sting operation - known as the "wiretap case."

"It's one of those cases of plead and deport," said his attorney, Arnie Mordkin.

In Soto Sandoval's case, it's not so simple the second time around. The first time, authorities caught him with a half gram of cocaine while working at Little Annie's Eating House, and he pleaded guilty to possession in a bargain that resulted in dropping the charges of dealing cocaine and conspiracy to deal. Six months later, police caught him with cocaine while he was working at Campo de Fiori.

"My clear position is that this is his second time on a drug felony within a year ," said Gail Nichols, assistant district attorney. "He needs to be punished or he'll just come back and do it again."

But Soto Sandoval's sentencing hearing hit a snag Thursday because the minimum sentence for a second drug offense while on parole is four years in prison. Further, he will go straight from this decision back into the hands of Immigration and Customs Enforcement, where he will likely face federal prison time for unlawful re-entry by a felon.

"One half of all our criminal caseload is related to immigration; that is a significant change over the last five years," said Troy Eid, the U.S. attorney for Colorado. Though the vast majority of prosecutions for re-entry are of violent felons, some drug crimes can be considered violent, Eid said. Eid has committed to taking all cases of felons who have re-entered America illegally.

"The U.S. Attorney's Office has historically prosecuted people who have re-entered and have prior felonies," said Eid's spokesman, Jeff Dorschner. "Under Troy Eid's leadership, that has become a top priority."

Greg Greer, a public defender representing Soto Sandoval, said re-entry cases are better for padding a prosecutor's statistics than for helping society. The U.S. attorney can seem tough on crime by upping convictions because proof that a violent felon re-entered after deportation can be simple.

"It's a slam-dunk and an easy conviction statistic for any prosecutor," Greer said. "You keep him for an extra two years, then keep him in fed prison for two years ... then deport him. It's an awful lot of resources to use. Prison is expensive."

Both Nichols and Greer agree every case is different and there is a lot of discretion in charging the criminals. They also agreed that in a case like Soto Sandoval's, all the possible punitive measures need to be taken into account. Hence, Nichols and Greer put off Soto Sandoval's sentencing for two more weeks while they figure out what to ask for.

"I'm hearing from friends who do federal defense work that they are prosecuting these cases a lot," Greer said. "I have heard this valley is a source of a large number of them."

Joel Stonington's e-mail is jstonington@aspentimes.com

Owens Drug Talk No Love-in (RMN)

By David Montero

Rocky Mountain News, October 27, 2006

Pro-pot protesters give the governor no peace at Capitol

The scene might've been something Gov. Bill Owens would envision in a bad dream - or in this case, maybe a bad drug trip.

Protestors of all ages - most dressed in green, waving signs and chanting loud enough to drown out what he said - stood on the capitol steps Friday morning to support the legalization of marijuana while mocking Owens.

The Republican governor lined up with Attorney General John Suthers and about a dozen law enforcement officials to explain why they thought the statewide ballot measure was a bad idea.

He tried a soft opening, but the hostilities began before he even started.

"Lie louder, Bill," a lone voice shouted. "We can't hear you."

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"I'm really proud to be here with so many people who are concerned about the impact of legalizing marijuana in the state of Colorado," Owens said with a smile, trying to laugh off the taunts before continuing down the rabbit hole.

"Voting yes on Amendment 44 will have the explicit effect of legalizing the possession of an ounce of marijuana in this state," he said. "But a yes vote will have countless, implicit effects that are much more serious than the drug itself."

"Like telling the truth?" another voice derisively yelled from the crowd.

So much for peace, love and understanding.

Owens hurried through the rest of his comments, telling the wall of green shirts and sign wavers they risked dangers from second-hand smoke if the measure passed and that's why his administration signed into law the Clean Indoor Air Act that restricted smoking in restaurants and bars.

"Can we smoke pot in casinos?" a sarcastic voice asked, referring to the exemption under the law that allows cigarettes to be smoked in gambling halls.

The phalanx of uniformed officers behind him shifted nervously in the face of the more than 50 people determined not to listen or accept any point being made by the governor's contingent.

Owens introduced Park County Sheriff Fred Wegener, who had recently become famous for being the face of Bailey - the site of a shooting at Platte Canyon High School in which a 16-year-old girl was killed and several other girls were held hostage and sexually assaulted.

Mason Tvert, campaign manager for Amendment 44, said before the news conference that Wegener had better not try to use that crime for political gain.

Minutes into his comments, Wegener alluded to the tragedy.

"What about the possibilities of this individual being a pilot or a bus driver? The potential consequences of their actions are too horrific to ignore," Wegener said, his voice starting to quiver. "Couldn't happen? That's what was said about a school shooting in Bailey."

The crowd jeered. Tvert huffed. Wegener stared.

Pot smokers will tell you the most intense part of the joint is right at the end - the roach clip, in drug parlance.

The news conference was getting to the roach clip.

Sensing it, the crowd began chanting, "Hey, ho - you say drink, we say no."

The face for the anti-marijuana initiative for several debates slowly took the podium and waited a few seconds to see if the crowd would stop the anti-booze, pro-pot chant.

"Hey, ho - you say drink, we say no," they continued.

Seeing they weren't in a mind to quit, Attorney General John Suthers began talking. He cited his statistics about the level of THC in pot increasing dramatically in the past 17 years.

"Hey, ho - you say drink, we say no," the crowd bellowed.

Suthers plowed ahead with more statistics. At times, he couldn't be heard. After about four minutes, he asked Colorado voters not "to wave the white flag" in the drug war. He moved back to his place amongst the law enforcement officials, and the crowd crowed over its perceived victory.

Owens seethed.

"Ladies and gentlemen, this is a sad day for Colorado," Owens said to rising jeers. It got so loud, he had to repeat it. "Ladies and gentlemen, this is a sad day for Colorado."

He said in his decade of political life in Colorado, he had never been shouted down like that before. Owens complained about the lack of civil debate on the matter.

The crowd chanted: "What do we want? A safer choice. When do we want it? Now."

Owens tried to take a question from a television reporter over the chants, and it looked like it might not happen when Tvert raised his arms like Moses over the Red Sea and the crowd immediately stopped.

"Wow. Boy, that's amazing," Owens said sarcastically.

Later, Tvert held his own news conference and noted nobody was trying to shout him down or opposed the amendment. He brought the former Seattle Police Chief to explain why fighting pot with laws made no sense. He expressed indignation at the law enforcement officials and Owens for opposing the measure.

"Clearly they haven't done their jobs. They haven't educated people about drugs. They've simply pushed people from one drug they don't like to the other one they do. I think it's telling that Gov. Owens supported the largest drug dealer in the state of Colorado - and perhaps this country - for the Senate seat in this state," he said, referring to unsuccessful 2004 Senate candidate Pete Coors.

Tvert might be pushing pot, but wasn't passing the peace pipe.

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Officials, Pro-44 Lobbyists Clash (DTC)

By John Fryar, The Daily Times-Call

Daily Times-Call, October 30, 2006

DENVER — Supporters of Amendment 44 outnumbered the state and local law enforcement officials who gathered Friday on the state Capitol steps to detail their opposition to that marijuana-legalization initiative.

"This is a sad day for Colorado," Gov. Bill Owens said after the pro-44 demonstrators heckled and chanted during the anti-44 news conference.

Owens, one of the featured speakers at the news conference, complained he'd never before seen a news conference where a legitimate debate by organizers was "shouted down."

Owens ignored a challenge from Amendment 44 proponent Mason Tvert to debate the initiative, which asks voters to make it legal under state law for anyone age 21 and older to possess up to an ounce of marijuana.

In the news conference sponsored by Save Our Society from Drugs, one of the groups campaigning against Amendment 44, Owens and Colorado Attorney General John Suthers were joined by about a dozen law enforcement officers, including Boulder County Sheriff Joe Pelle and Weld County Sheriff John Cooke.

But more than four dozen

marijuana-legalization supporters showed up, many of them wearing green "Yes on 44" shirts and carrying signs directed at the anti-44 law officers that said, "Protect the People, Not Your Jobs." Demonstrators aligned with SAFER, the group supporting Amendment 44 that contends marijuana offers a safer alternative to alcohol, jeered when Suthers said: "There is nothing safe about marijuana."

Accompanying Tvert and the SAFER protestors was Norm Stamper, a 34-year law enforcement veteran who was a San Diego police officer before serving as Seattle's police chief from 1994 to 2000.

Stamper said in an interview that drug prohibitions have led to more death, disease and crime than would have been the case under a system of taxation, regulation and control of drugs like marijuana.

Marijuana laws now "are not working and need to change," Tvert said.

But Owens, Suthers and law enforcement officials at the news conference offered a laundry list of reasons against the measure.

"We are also concerned that legalizing marijuana will cause a spike in impaired-driving fatalities and injuries caused by more motorists driving impaired on marijuana," said Park County Sheriff Fred Wegener, president of County Sheriffs of Colorado.

"The reality also exists that it is more difficult for law enforcement to detect impairment caused by marijuana and other drugs as compared to alcohol," Wegener said.

John Fryar can be reached by e-mail at jfryar@times-call.com.

Protest Erupts Over Marijuana At State Capitol (9News)

9news.com, October 27, 2006

DENVER - A news conference about Amendment 44 turned into a war of words on the steps of the State Capitol.

What was supposed to be a news conference on Amendment 44 turned into a war of words on the steps of the State Capitol Friday. 9NEWS at 5 p.m. October 27, 2006.

Governor Owens and members of different law enforcement agencies initially gathered to speak out against Amendment 44.

The amendment would make it legal for people 21 and older to possess up to an ounce of marijuana in Colorado.

After the news conference began, it quickly became a contest of who could be the loudest.

"We're trying to have a legitimate debate, but we're being shouted down by you all," said Owens.

The group SAFER, which supports Amendment 44, shouted things like, "What do we want? A safer choice."

"Marijuana smoke is every bit as cancer causing as cigarette smoke," said Owens.

Colorado Attorney General John Suthers met the most opposition when he was at the podium.

Park County Sheriff Fred Wegener was also there.

"It doesn't make sense, it's irresponsible," said Wegener.

"As law enforcement, we see the direct results on young lives, your children and your grandchildren," said Lt. Col. Rick Salas with the Colorado State Patrol.

Supporters of the amendment were joined by a former police officer in Seattle, who supports legalizing marijuana.

"I think it's tragic that police officials and local leaders don't do their homework. Marijuana is not a gateway drug," said Norman Stamper, former Seattle Police officer.

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Supporters of Amendment 44 say it is a better alternative than alcohol.

"There are parents here and professionals and students and children who realize these laws are not working and need to change," said Mason Tvert, the SAFER campaign director.

U.S. Court Upholds Law Denying College Loans To Drug Offenders (BLOOM)

By Paul Basken

Bloomberg, October 28, 2006

Oct. 27 (Bloomberg) -- A federal judge in South Dakota upheld a law making students ineligible for federally backed college loans once they have been convicted on a drug charge.

U.S. District Judge Charles Kornmann, ruling in a case brought by three student plaintiffs and backed by the American Civil Liberties Union, said that students enjoy no guaranteed right to financial aid and that the legislative branch has wide discretion in setting punishment for drug law violators.

``The Constitution affords no right to a higher education," Kornmann, based in Aberdeen, South Dakota, wrote today in his decision granting a dismissal of the case as requested by the defendant, the U.S. Department of Education.

The lawsuit was organized by Students for Sensible Drug Policy, a Washington-based advocacy group, which said it has not decided its next step. ``We're weighing our options," said Kris Krane, the group's executive director.

The suit argued that the law enacted in 1998 violates due- process and double-jeopardy provisions of the U.S. Constitution.

The law discriminates against poorer students who rely on federal aid to pay tuition, said Kraig Selken, a senior at Northern State University, in Aberdeen, and one of the three student plaintiffs. Selken, who lost his student aid after a marijuana conviction, said students have a harder time improving their lives because of the law.

The federal government spends more than $78 billion a year on student financial aid. About two-thirds of the nation's 19 million undergraduate students receive some type of assistance, according to the Education Department.

`Health and Safety'

The Education Department supports the law as part of a government effort ``to decrease illegal drug use and protect the health and safety of all our nation's students," department spokesman Chad Colby said after the suit was filed in March.

The Education Department initially enforced the law against students with any drug convictions. Under that policy, the law affected 35,000 students a year, said Adam Wolf, the ACLU's lead attorney in the case. Congress earlier this year revised the law, saying it applies only to convictions occurring while the student is in school.

The case is Students For Sensible Drug Policy Foundation v. Spellings, CIV. 06-3007, U.S. District Court for the Northern District of South Dakota.

Eight Charged In Alleged Internet Drug Sales (AP)

AP, October 30, 2006

CHICAGO (AP) -- A crackdown on Internet sales of anabolic steroids and other prescription drugs has led to criminal charges against eight defendants in two separate cases.

In one case, federal prosecutors say six defendants were charged with conspiracy to distribute controlled substances. That carries a maximum penalty of five years in prison and a 250-thousand dollar fine.

The complaint in that case alleges that beginning in 2003, the Web site PM-eds-dot-com took drug orders from the Tinley Park residence of Larry Calow. It then forwarded them to a site in Mexico manned by his brother, Gary Calow. The complaint says the drugs then were smuggled into the United States for shipment to customers.

The U-S attorney's office says PM-eds-dot-com and a sister Internet pharmacy business were created by the Calow brothers and co-defendant Ricky Boros of Oak Brook.

Snoop Dogg Suspected Of Weapon, Drug Possession (LAT)

From A Times Staff Writer

The Los Angeles Times, October 28, 2006

The rapper-actor known as Snoop Dogg was arrested Thursday at Bob Hope Airport in Burbank on suspicion of being a felon in possession of a gun and of transporting marijuana, police said.

The performer, whose real name is Calvin Broadus, was arrested by officers from the Burbank-Glendale-Pasadena Airport Authority Police Department at 3:45 p.m.

Officers had approached him for a vehicle code violation in the passenger loading and unloading zone.

Police said they soon discovered a gun and marijuana in his vehicle.

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He was freed on $35,000 bond and is scheduled to be arraigned in Los Angeles County Superior Court in Burbank on Dec. 12. Last month, Broadus was arrested after allegedly trying to bring a collapsible police baton aboard a plane at John Wayne Airport in Orange County.

Snoop Dogg Arrested On Drug, Gun Charges (AP)

AP, October 27, 2006

BURBANK, Calif. — Snoop Dogg was arrested on suspicion of illegal drug and gun possession, police said.

The rapper, whose real name is Calvin Broadus, was arrested at 3:45 p.m. Thursday at Bob Hope Airport, police said. Snoop Dogg posted $35,000 bail and was scheduled to appear in court Dec. 12.

Airport police officers stopped Snoop Dogg at a loading zone for a vehicle code violation. When officers searched the vehicle they found a gun and marijuana, police said.

"There was no basis for this arrest," the rapper's lawyer, Donald Etra, said in a statement. "We believe that once this is cleared up, all charges will be dismissed."

The Orange County district attorney's office has been considering charges against Snoop Dogg after authorities last month discovered a 53-centimetre collapsible baton in his bags as he boarded a New York-bound flight from John Wayne International Airport.

The rapper was convicted in 1990 of cocaine possession and charged with gun possession after a 1993 traffic stop. He pleaded guilty in exchange for three years' probation and a promise to make public service announcements against violence.

He was acquitted of murder in 1996 following the death of an alleged gang member who was killed by gunfire from the vehicle Snoop Dogg was travelling in.

form. www.thestar.com online since 1996.

IMMIGRATION:

The Fence Campaign (NYT)

The New York Times, October 30, 2006

President Bush signed a bill to authorize a 700-mile border fence last week, thus enshrining into federal law a key part of the Republicans' midterm election strategy. The party of the Iraq war and family values desperately needs you to forget about dead soldiers and randy congressmen, and to think instead about the bad things immigrants will do to us if we don't wall them out. Hence the fence, and the ad campaigns around it.

Across the country, candidates are trying to stir up a voter frenzy using immigrants for bait. They accuse their opponents of being amnesty-loving fence-haters, and offer themselves as jut-jawed defenders of the homeland because they want the fence. But the fence is the product of a can't-do, won't-do approach to a serious national problem. And the ads are built on a foundation of lies:

Lie No. 1: We're building a 700-mile fence. The bill signed by Mr. Bush includes no money for fence building. Congress has authorized $1.2 billion as a down payment for sealing the border, but that money is also meant for roads, electronic sensors and other security tactics preferred by the Department of Homeland Security, which doesn't want a 700-mile fence. Indian tribes, members of Congress and local leaders will also have considerable say in where to put the fence, which could cost anywhere from $2 billion to $9 billion, depending on whose estimates you believe.

"It's one thing to authorize. It's another thing to actually appropriate the money and do it," said Senator John Cornyn, a Texas Republican. "I'm not sure that's the most practical use of that money."

Lie No. 2: A fence will help. A 700-mile fence, if it works, will only drive immigrants to other parts of the 2,000-mile border. In parts of the trackless Southwest, building the fence will require building new roads. Who uses roads? Immigrants and smugglers. And no fence will do anything about the roughly 40 percent of illegal immigrants who enter legally and overstay their visas.

Lie No. 3: The Senate's alternative bill was weak, and its supporters favored amnesty. In May, the Senate passed a bill that had a fence. Not only that, it had money for a fence. It also included tough measures for cracking down on illegal hiring. It demanded that illegal immigrants get right with the law by paying fines and taxes, learning English and getting to the back of the citizenship line. It went overboard in some ways, weakening legal protections for immigrants and hindering judicial oversight. But it went far beyond the fence-only approach. Its shortcomings and differences with the House bill might have been worked out in negotiations over the summer. But instead, House Republican leaders held months of hearings to attack the Senate bill. And all we were left with was the fence.

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Will the Republican strategy work? We'll know next week, but we hold out hope that hard-line candidates are misreading the electorate. Voters all over are concerned about immigration, of course, but many polls have repeatedly shown that they warm to reasonable solutions and not to stridency. They can recognize the difference between the marauding army of fence-jumpers they see in commercials and the immigrants who have become their neighbors, co-workers, customers and friends. Citizen anger cuts both ways, and many voters, Latinos in particular, say they are put off by the Republican hysteria.

Poll results in some races suggest that xenophobia and voter deception are not necessarily a ticket to victory. In Arizona, Randy Graf, a Republican, is running for Congress as a single-issue candidate focused on border security, Minuteman-style. He has said that if his strident argument won't fly in his prickly border state, it might not fly anywhere. He is trailing Gabrielle Giffords, a moderate Democrat who supports the comprehensive approach to immigration reform endorsed by the Senate and — once upon a time — by President Bush.

Whatever happens in November, Congress will eventually have to deal with the 12 million illegal immigrants unaffected by the fence, and the future flow of immigrant workers. That means tackling "amnesty" directly. The sad thing is that Democrats and moderate Republicans — and Mr. Bush — already did this, and settled on an approach that is both tough and smart.

But now is the time for stirring up voters, and the pliant Mr. Bush has decided to go along, adding his signature to the shortsighted politics of fear.

CONGRESS-ADMINISTRATION:

Washington Whispers (USNEWS)

By Paul Bedard And Angie C. Marek

U.S. News and World Report, October 30, 2006

Get ready to hear a lot more about the Terps, Francis Scott Key, and the glorious blue crab if the Democrats take charge of the House in this week's midterm elections. That's because Mr. Maryland, Rep. Steny Hoyer, is set to move in as the House majority leader, the No. 2 slot behind likely Speaker Nancy Pelosi, by reason of, in no small part, his coast-to-coast campaigning-37 House districts in October alone. "Yeah, you could call him 'Mr. Maryland,'" says a pal. More than any other Maryland House member, Hoyer wears his state colors for all to see. Start with the University of Maryland, his alma mater. He's a regular at Terrapin games and even has a carved turtle on his desk. His betting currency of choice is lump crabmeat. Then there are his replicas of historical Maryland scenes like the Revolutionary War battle at Fort McHenry, which led Key to write "the Star-Spangled Banner."

There's also a softer side to the 67-year-old "Silver Fox." He has helped to establish "Judy Centers," named for his late wife, throughout the state to help in early-childhood development. And every day, he brings his English springer spaniel, Charlotte, to his office, where she guards the Maryland seal at the entrance.

But don't ask him about moving his Maryland museum to the majority leader's office. Like a superstitious skipjack captain, he's not going there until it happens.

A Compliment but Steeped in Politics

No, Vice President Dick Cheney wasn't losing his mind last week when he said Sen. Hillary Rodham Clinton is a formidable 2008 presidential candidate who can win. Insiders say he was telling the truth-and trying to invigorate his base in the GOP against a familiar but recently quiet foil. "That was good for us," says a Bushie. "You'll see more of that."

Why a Rice-Obama Race Isn't Crazy

Pollster John Zogby is following a trend in next week's midterm elections that could have a huge impact in the 2008 presidential race: Will black Republicans win black votes? He thinks they will, just as when about 40 percent of the Hispanic vote moved into the GOP column in 2004, breaking the proverbial political barrier. He's focused on Maryland Senate candidate Michael Steele, the lone black Republican seeking statewide office who could win. What would it take? Zogby thinks if 20 percent or more vote Steele, it will represent a major shift away from the Democrats and signal what he's dubbed "the Emerging African-American Icon." It could have a huge impact in 2008. Just think, he says, if Secretary of State Condi Rice runs for president and gets 25 percent of the black vote to add to the Republican base. Bingo-front-runner. And, he adds, let's say media favorite Illinois Sen. Barack Obama challenges Sen. Hillary Rodham Clinton. If he gets half of the black vote, which is 25 percent of the Democratic base, "it thrusts him at least into the high second tier" of candidates, and maybe, maybe, we have the first ever black-versus-black presidential campaign.

Are Higher Taxes In The Offing? (WSJ)

By John D. Mckinnon

DOJ_NMG_0087795

The Wall Street Journal, October 30, 2006

WASHINGTON -- Republicans' 11th-hour campaign strategy includes stirring voter fears of a Democratic tax increase. But a big increase would be unlikely under a Democratic Congress, at least over the next two years.

In part, that is because Democratic leaders have, as the election nears, limited their options by repudiating proposals once popular in the party, like boosting taxes on the rich and on investments. Democrats don't want to "retroactively roll back the tax cut," New York Democratic Rep. Charles Rangel, who would become chairman of the tax-writing House Ways and Means Committee, said in an interview last week. Leaving the breaks in place until their scheduled expiration in 2010 is "good tax policy and good politics," he added.

Even if Mr. Rangel and other congressional leaders sought to go back on those promises, they would be hemmed in by moderate members in the party that they recruited to pick up seats in Republican-leaning districts. Many of those politicians have said they would be reluctant to back any tax increases. And President Bush likely would veto any such proposals.

That isn't to say that Democrats don't want to make changes in tax policy if they win a majority in the House or Senate on Nov. 7, or that their influence won't be felt. They likely would block any attempts to extend estate-tax relief after 2010 -- a proposal that nearly passed earlier this year under the Republican-led Congress. And they have said they would push for higher taxes on corporations, particularly oil companies, by eliminating breaks and urging a crackdown on "loopholes."

Focusing on the AMT

Democrats say they would also likely try to steer any new revenue toward paying for extending tax breaks aimed at lower and middle-income families, like a child credit, the 10% rate for low-income families; and relief from the so-called marriage penalty -- a set of provisions that can cause people who are married to pay more in tax than if they were single. Another tax issue for many Democratic lawmakers is relief from the alternative minimum tax, a complex set of provisions designed to make sure people don't rack up so many deductions and credits that they avoid taxes altogether.

For all the tax talk in the 2006 campaign, it is the 2008 election that will have more significant implications for tax policy. That is because voters then will be choosing a new president as well as a new Congress -- and those politicians will determine the fate of Mr. Bush's tax cuts, most of which are slated to expire during that congressional term, in 2010. The question then will be which, if any, are extended and which are allowed to expire.

Mr. Rangel and other Democrats remain coy on that issue. "I don't know how much time is being spent on 2010, to be honest," he said. "I don't know what the situation will be in 2010, we don't know what the economy will be. ... I'm 76, I don't buy green bananas." Republicans regularly cite remarks Mr. Rangel was quoted making a month ago saying he "cannot think of one" tax cut he would extend. He now says he simply wasn't ruling anything out.

With Republicans on the defensive this year on issues such as Iraq and ethics, the White House and party leaders are trying to stoke fears that a Democratic Congress would weaken the fight against terrorists and would boost taxes. The Republican National Committee recently released an Internet ad titled "Tax Man," purporting to show life under a Democratic Congress, showing a tax collector popping up in the delivery room, at a funeral, taking the pacifier from a baby in his stroller. "If Democrats take over Congress, they will raise taxes by $2.4 trillion to keep up with their reckless spending," the narrator says.

Indeed, ever since President Bush and the Republican Congress pushed through a massive tax cut in 2001, many Democrats have talked about "rolling back" some of those cuts, particularly on the wealthiest Americans. Massachusetts Democratic Sen. John Kerry made it a centerpiece of his 2004 campaign against Mr. Bush. For much of the year, Democratic House leaders in Washington ripped the Bush tax cuts, promising to raise income-tax rates for people making more than $250,000 or $300,000, and threatening the dividend and capital-gains breaks that Republicans passed in 2003.

Moderating the Rhetoric

But with the election getting closer, Democratic leaders, including would-be House Speaker Nancy Pelosi of California, have moderated their rhetoric, at least somewhat, suggesting that Democrats could fund any desired spending increases with offsetting budget cuts, rather than tax increases.

"It doesn't have to be [that] if you invest in something, you have to therefore raise taxes," Ms. Pelosi said recently on CNBC's "Kudlow & Company." "You can make substitutions," she added.

Democrats are focused on closing the "tax gap" -- the estimated annual $300 billion or so in taxes that are owed but not collected by the federal government -- to raise revenue. That includes a number of tax shelter loophole-closers. Democrats also have promised to roll back tax breaks for oil companies and other multinationals. Democrats likely would resort to those before attacking any of the existing Bush breaks.

A senior Democratic House leadership aide said that "a number of our members see the value" of the investor breaks, and "there's no way we're rolling them back." The aide added that lawmakers may discuss raising rates for the highest-income households and could even propose that in the House budget resolution. But "I don't know that it's going to happen," the aide

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said. "If that was at the top of [Ms. Pelosi's] agenda, she would have put it in the Six for '06" -- her list of top priorities for the Congress that begins in January.

That list includes eliminating tax policies that benefit big oil companies and encourage shifting of jobs overseas; making college tuition tax-deductible; rewriting the Medicare drug benefit; expanding stem-cell research; and overhauling U.S. policy in the war against terrorism, including a phased redeployment of forces out of Iraq starting this year.

Another factor that would tie the hands of Mr. Rangel and Ms. Pelosi: many incoming freshman Democrats in the House would be more moderate than their leaders, and reluctant to go along with broad assaults on the Bush tax cuts. By Republicans' count, more than a dozen Democratic challengers have avoided taking a position on the Bush cuts. And at least a few have endorsed the Bush tax cuts and called for their permanent extension. Those members -- and many incumbent moderate Democrats -- would be loath to risk their hard-won seats by enacting tax increases.

Debate in Indiana

At a recent congressional debate in Indiana, Democratic candidate Brad Ellsworth, seeking to oust Rep. John Hostettler, brushed off his opponent's suggestion that he would vote with his liberal leadership. "I've signed a pledge with the American Taxpayers Association not to raise taxes," he said. He promised to focus instead on cutting government spending. "A lot of money comes into our government," said Mr. Ellsworth, a local sheriff. "What makes Hoosiers so mad is when you see the wasteful spending."

Republicans say the point isn't that their tax cuts will be wiped out immediately. They say Democrats hope to remain in control long enough to let the tax cuts expire on their own in 2010. "The Democrats are still determined to raise your taxes, and if they gain control of the Congress, they can do so without lifting a finger," Mr. Bush said in his radio address on Saturday. But Mr. Bush, like other Republicans, makes the issue seem urgent.

"Next time you're having dinner at home, look around the table and multiply the number of children you have by $500," he said in his radio address, referring to the amount by which the per-child credit would decrease if the current law expires in 2010. "That's how much more you will be sending to Washington in taxes if Democrats take control of the Congress."

To the extent that Democrats talk about 2010, they say they wouldn't let breaks like the child credit expire. In the meantime, Mr. Rangel said a priority for him beforehand would be trying to find some way of easing the burden on lower and middle-income families of the alternative minimum tax.

Originally aimed at very high-income people, the AMT has begun to snare more middle-class families, driving up their tax bills. Because it is triggered by big deductions, it is hitting people who pay high state and local taxes. And it is projected to grow so large in the coming decade that within a few years it will account for more federal tax dollars than the regular income tax.

Mr. Rangel, whose district is centered in Harlem, is eager to find a solution to the AMT problem, which he fears will hamper development in urban cores. It's an expensive proposition, because federal budget projections now rely on all the money the AMT will raise in coming years. And the easiest way to fix it -- shifting the burden back to the highest-income earners -- is unpalatable to Republicans.

Some Republicans say a deal is at least possible, if Democrats are willing to give ground elsewhere -- say, by lowering income-tax rates again, or allowing overhauls of the corporate income tax that would exclude income earned abroad. Democrats say they would like to overhaul the AMT as part of a broader revamp of the entire tax code.

But few observers say such sweeping changes are possible over the next two years, as both sides maneuver for advantage in the 2008 presidential race. That campaign likely will also decide the long-term fate of Mr. Bush's rate cuts and dividend and capital-gains breaks, as well as the estate tax.

Top Democrat Casts Doubt On Regulatory Co-operation (FT)

By Jeremy Grant And Holly Yeager In Washington

Financial Times, October 30, 2006

Financial regulators on both sides of the Atlantic may not be able to resolve policy disputes through co-operation and the creation of a global regulator should be considered, according to Barney Frank, the senior Democratic congressman.

The views of the man widely expected take over the chair of the House financial services committee if the Democrats retake the chamber stand in stark contrast to those of the Securities and Exchange Commission, the financial regulator that the committee oversees.

Christopher Cox, chairman of the SEC, has been at pains in recent months to highlight stepped-up co-operation with foreign regulators such as the UK's Financial Services Authority.

This co-operation is seen as necessary as exchanges consolidate beyond regional borders, moves highlighted by the proposed New York Stock Exchange merger with Euronext.

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"Doesn't that sound like fun," Mr Frank said of such co-operation. "Joint action is theoretically [good] but what does that mean? In American baseball, if the runner and the ball arrive at the base at the same time, the tie goes to the fielder. Who breaks a tie if there is a disagreement over policy between the SEC and FSA?"

Asked if a supra-national regulator would be needed, he told the Financial Times: "I don't know. At this point that's something to look into."

He also dismissed fears in Europe about the prospect of tough Sarbanes-Oxley compliance laws moving beyond the US.

Mr Frank is the senior Democrat on the House financial services committee, and is poised to take over the chairmanship from Michael Oxley, the Republican co-author of Sarbox who is retiring.

He said the idea that Sarbox could be more widely applied abroad was "not going to happen" because it was being watered down in the US.

Business and financial leaders in Europe continue to fret about the possibility that Sarbox could find its way to the UK and elsewhere through the back door, such as if a stock exchange in the US acquired one in the UK.

Asked if Europeans were justified of such concerns, Mr Frank said: "It's not going any further. Six months from now it will be less of a burden for companies than it is today." His view reflects a belief in Washington that Sarbox should not be changed through Congress.

Instead, the two regulators responsible for overseeing how it is implemented – the SEC and Public Company Accounting Oversight Board, the accounting watchdog – should clarify how sections of the law should be implemented.

Business fury at Sox is focused on Section 404, requiring CEOs to regularly evaluate a company's internal controls and to have these checked by external auditors. Critics have also hit at guidance from the PCAOB on whether such internal controls and evaluations are adequate, saying it has been needlessly aggressive. Both agencies are in December expected to unveil fresh guidance on Section 404 of Accounting Standard No. 2 guidance. Mr Frank said: "They have the authority to thin out what is required. We think the accountants probably overloaded on the audit requirements."

NIH's New Ethics Rules Lead Some To Ponder Jumping Ship (WP/AP)

By Rita Beamish

The Washington Post, October 30, 2006

Nearly 40 percent of the scientists conducting hands-on research at the National Institutes of Health say they are looking for other jobs or are considering doing so to escape new ethics rules that have curtailed their opportunity to earn outside income.

Most scientists say the ethics crackdown is too severe, and nearly three-quarters of them think it will hinder the government's ability to attract and keep medical researchers, according to a survey commissioned by the government's premier medical research agency.

The tightened rules were established last year after NIH found that dozens of scientists had run afoul of existing restrictions with private consulting deals that had enriched them with money from drug and biotechnology companies.

Outside income from such companies is now banned. NIH also is placing greater restrictions and disclosure requirements on employees' financial holdings.

"Of course we are concerned when any employees are saying they might consider leaving as a result of a change of policy," said Raynard S. Kington, the agency's principal deputy director. But he said in a telephone interview Friday that the survey results are muddy because they combine those actively seeking to leave and those thinking about it.

NIH Director Elias A. Zerhouni, in a letter Thursday to the staff, said the survey "does suggest concerns about the impact of the regulations on recruitment and retention." But he added: "At this time we do not anticipate revisions in the regulations."

About 8,000 NIH employees, or about half the workforce, responded to the Internet-based survey. Employee job satisfaction was generally high, the survey found. But 39 percent of the scientists researching disease and cures -- known as tenure and tenure-track scientists -- said they were actively seeking new work or considering leaving NIH because of the rules.

Overall, 3,336 NIH scientists responded to the survey, including 512 tenure and tenure-track researchers.

Among all NIH scientists, 18 percent said they were trying to leave or considering it. Those not in the tenure group typically do not conduct research and instead manage outside research performed with NIH money by universities and other nonfederal entities. They are less likely to have private consulting opportunities.

One-third of all NIH scientists said they thought the new rules would hurt NIH's ability to fulfill its mission, and most said the old rules could have been enforced better rather than tightened.

Kington highlighted a finding that nearly nine in 10 scientists reported they intend to work at NIH a year from now. Despite rumblings of low morale, he said the scientists' job satisfaction rate of 81 percent reflects one of the government's most positive workforces.

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Officials also emphasized employees' opinion that the new rules will boost the agency's credibility with the public; 73 percent of the employees who responded agreed with that, the survey found.

Arthur Caplan, medical ethics chairman at the University of Pennsylvania, said tighter rules are needed but "we still haven't figured out exactly how to manage conflict of interest."

"The leaders of the NIH and in Congress have to think a bit harder about giving a tiny bit of breathing room so that NIH scientists are not sent into a monastery from which they can't ever come out in the name of scientific integrity," he said.

Anti-secrecy Panel Called 'Puppet' (WT)

By Shaun Waterman

The Washington Times, October 30, 2006

A panel set up last year to reduce excessive secrecy in government is being labeled toothless after its chairman told lawmakers that he could not act except at the request of the president.

"The statute under which we operate provides that [President Bush] must request the board undertake such a review before it can proceed," wrote L. Britt Snider, chairman of the Public Interest Declassification Board, to Sen. Ron Wyden, Oregon Democrat.

Government transparency advocates say that if the statute is interpreted that way, it makes the board, in the words of Steven Aftergood, of the Federation of American Scientists, "a White House puppet."

Mr. Aftergood said, "The board needs the capacity for independent action; otherwise it might as well not exist."

The letter from Mr. Snider says it is "an interim response" to a request from Mr. Wyden and a bipartisan group of colleagues for the board to review two reports from the Senate Select Committee on Intelligence that assessed U.S. intelligence about Iraq before the 2003 invasion, in the light of what has been learned since.

"We believe that portions of these two reports remain unnecessarily classified," wrote committee members Sens. Christopher S. Bond, Missouri Republican; Dianne Feinstein, California Democrat; Mike DeWine, Ohio Republican; Russ Feingold, Wisconsin Democrat; Orrin G. Hatch, Utah Republican; and Vice Chairman John D. Rockefeller IV, West Virginia Democrat, in a letter last month.

They requested that the board review the reports to see whether they were overclassified -- the first test of the board's role as a watchdog for secrecy policy.

"I think the intelligence community used their black highlighters excessively as they reviewed these reports," Mr. Wyden said at the time. "I am particularly concerned it appears that information may have been classified to shield individuals from accountability."

The board was established in law in 2000, after a 1997 recommendation from a commission headed by Sen. Daniel Patrick Moynihan, New York Democrat. The board was set up, according to the statute, "To promote the fullest possible public access to a thorough, accurate, and reliable documentary record of significant U.S. national security decisions and ... activities."

But the administration did not appoint any members until September 2004, and no funds were appropriated for it until last year.

Now the board says it is stuck in the middle of a tussle about its authority between lawmakers and the White House.

"The White House position is they have to request "any review such as that of the Senate committee report," Mr. Snider said. "The senators believe they can ask independently. ... We're kind of stuck in the middle."

Mr. Snider said the board was "waiting for guidance from the White House" about how to proceed. The board's executive secretary, J. William Leonard, added that the board was keen to get things right the first time around.

"There's a desire that [this first request] is processed in accordance with the statute, because it will be establishing a precedent," he said.

Seniors Fret Over Changes In Medicare Drug Program (USAT)

By Richard Wolf

USA Today, October 30, 2006

WOOSTER, Ohio — Gordon Musch stares into a computer monitor and listens while an insurance counselor peppers him with unfamiliar terms.

For Musch, like millions of other seniors and people with disabilities, it's time to learn again about Medicare's prescription-drug program. It was confusing the first time around. Now, there are even more plans to consider for 2007. The enrollment period begins Nov. 15 and ends Dec. 31, but officials say those who wait past early December could face delays.

The lowest-priced premiums have risen considerably. Lists of covered drugs have changed, as have rules that must be followed to get coverage.

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And plans that last year provided continuous insurance throughout the year for all drugs now have a "coverage gap" for brand-name drugs. Most plans have a gap that begins when total drug costs reach $2,250 and ends when the beneficiary has spent $3,600 out of pocket.

For all those reasons, experts say, virtually everyone in the program should shop around.

That's what Musch is doing here, about an hour south of Cleveland in Ohio's farm country.

"What you did would take me five or six hours to struggle through," he tells the state counselor helping him choose three alternatives from Ohio's 61 plans for next year. Only Pennsylvania and West Virginia, with 66, have more.

"My older brother's a physicist, my younger brother's a pharmacist, and I'm an engineer, and we've all found it to be very, very complicated," Musch says. "I feel sorry for the mass of elderly people out there. It's got to be very confusing for them."

Prescription-drug coverage was added to the Medicare program by Congress in 2003. Under the program, which took effect this year, coverage is provided by private insurers approved by Medicare. Most states have about 40 plans this year, rising to more than 50 next year.

In addition to widespread confusion, the program got off to a rough start. Thousands of low-income beneficiaries who previously received their drugs through Medicaid were mistakenly dropped or overcharged. Millions more with slightly higher incomes were never reached and remain outside the program.

Medicare officials hope for a smoother transition to the program's second year. They have improved the online "Plan Finder" used by beneficiaries, their families and friends, and insurance counselors to find the best plans in terms of price, drug coverage and convenience. Average monthly premiums are $24 to $29, below original estimates.

"People seem a lot more OK with it this year," says Lynn Heskett of the Ohio Department of Insurance, who travels a 27-county area advising Medicare beneficiaries about their choices. "I haven't had many people who were really angry."

National advocates are beginning to hear complaints. Vicki Gottlich of the Center for Medicare Advocacy says beneficiaries are finding their deductibles and co-payments rising, even if premiums are not. "A lot of this is hidden," she says.

Deane Beebe of the Medicare Rights Center says low-income beneficiaries who applied for extra financial assistance this year are getting letters from Medicare stating that they have to prove their case again.

"They're calling us in a panic," she says. "They're very confused about the process, and what they have to do."

In Wooster and thousands of other communities across the country, counselors are beginning to help seniors and people with disabilities research their options for 2007. They're finding many who need to switch plans:

·Cinda Meyer, 56, of Seville, Ohio, wants out of the Humana plan which last year offered continuous coverage for all her drugs. This year, Humana will only cover generics continuously, and premiums are rising.

"Less coverage for more money doesn't sound good to me," Meyer says. She plans to switch to a plan with complete coverage, even though its monthly premium will be about $95, up from the $64 she paid this year.

·Delbert Moine, 74, of Rittman, Ohio, plans to leave the same Humana plan because it's no longer the best deal for him. He's staying with Humana in a plan that has a gap in coverage but lower premiums.

"It's cost-effective for my wife and me, but you've got to persevere," Moine says. At one point this year, Social Security stopped automatically deducting premiums from their monthly benefits, and both Medicare and Humana asked for direct payments.

·Musch, 67, of West Salem, kept his former employer's retiree coverage this year. But since it's not considered "credible" coverage by Medicare, he must pay 1% more in premiums for every month he stays outside the program. Because the signup period ended May 15 this year, that means a 7% penalty for 2007. If he waited another year, it would be 19%.

"It behooves me to get into a plan," Musch says. Despite the program's complexity, he says, "Most of the people that I talk to have been satisfied with it."

Democrats Critical Of New Medicare Guide (NYT)

By Robert Pear

The New York Times, October 30, 2006

WASHINGTON, Oct. 29 — Congressional Democrats say a new government publication being sent to all Medicare beneficiaries inappropriately favors private insurance plans over the traditional government-run program.

The publication, the 2007 Medicare handbook, "presents a misleading and biased view of Medicare coverage and options," the Democrats said last week in a letter to Michael O. Leavitt, the secretary of health and human services.

Beneficiaries use the handbook as an authoritative guide. It has become more important in the last few years as Medicare has become more complex, with new insurance options and a prescription drug benefit offered by scores of competing private insurers.

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"The 2007 handbook strongly favors health maintenance organizations, preferred provider organizations and other private Medicare Advantage plans over the traditional Medicare fee-for-service program," the Democrats said in the letter.

The Bush administration defended the handbook and said beneficiaries could save significant amounts — more than $100 a month on average — by enrolling in private health plans that provided a full package of benefits including doctors' services, hospital care and prescription drugs.

"Our only goal is to provide information that is accurate, useful and objective," said Lorraine A. Ryan, a spokeswoman at the federal Centers for Medicare and Medicaid Services.

Managed care plans often have networks of doctors and hospitals, and beneficiaries may have to pay higher fees, exceeding what they would pay under traditional Medicare, if they go outside the network. In traditional Medicare, patients can choose from a broader range of doctors and hospitals, although a small number of doctors say they do not take Medicare patients because they consider the payments inadequate.

The letter to Mr. Leavitt was signed by Senators Max Baucus of Montana and John D. Rockefeller IV of West Virginia, and by Representatives Sherrod Brown of Ohio, John D. Dingell of Michigan, Charles B. Rangel of New York and Pete Stark of California. They are the senior Democrats on committees and subcommittees with authority over Medicare. Their concerns will carry more weight and could inspire legislation if Democrats gain seats in Congress in the Nov. 7 elections.

Senior Democrats have repeatedly suggested that the federal government is paying excessive subsidies to private plans to get them to participate in Medicare, though some Democrats have voted for higher payment rates because their constituents like the private plans.

Thus, for example, while Congress was debating an overhaul of Medicare in 2003, Senator Charles E. Schumer, Democrat of New York, proposed higher payment rates as a way of "enticing H.M.O.'s back to Long Island." Senator John Kerry, Democrat of Massachusetts, supported the proposal, saying he was "a strong supporter of the wonderful health plans we have in Massachusetts," especially nonprofit plans like Harvard Pilgrim.

Federal officials say that 7 million of the 42 million Medicare beneficiaries are in Medicare Advantage plans, an increase of more than 1 million over last year.

The new handbook, "Medicare and You 2007," begins with a chart comparing the original Medicare program with "Medicare Advantage plans like H.M.O.'s and P.P.O.'s." Under traditional Medicare, it says, "your costs may be higher than in Medicare Advantage plans." In private plans, it says, "you may get extra benefits," including eyeglasses, hearing aids and dental care.

William A. Dombi, vice president of the National Association for Home Care, a trade group, said he shared the concern about what he described as "official cheerleading" for Medicare health plans. "Many home health agencies have found that they can deliver more care, and more effective care, to patients in traditional Medicare than to those in Medicare Advantage plans," Mr. Dombi said.

Traditional Medicare has no co-payment for home care, he said, but some private Medicare plans charge $20 to $35 a visit.

Under federal law, the secretary of health and human services is to disseminate information comparing the performance of private plans under Medicare. But Consumers Union pointed out that this information was missing for more than half of the plans listed in the 2007 handbook. Federal officials said some of the data would be made available on the Internet.

Boehner Says Bush Still Faces Social Security Hurdle (Update1) (BLOOM)

By Bob Willis

Bloomberg, October 30, 2006

Oct. 29 (Bloomberg) -- President George W. Bush may have a hard time getting his plans for overhauling Social Security and other entitlement programs through Congress in his last two years in office, House Majority Leader John Boehner said.

``We can't look at these big problems we have and think we're going to solve them in a very short period of time," Boehner, a Republican from Ohio, said today on ABC's ``This Week" program. ``Until people truly understand the magnitude of the problem we're facing with the large entitlement programs, trying to talk about options for fixing them is premature."

Bush said Oct. 22 that he planned to revive his plans for revamping Social Security, the government retirement program, after the Nov. 7 elections for Congress. With polls showing Democrats poised to overturn the Republican majority in the House and pick up seats in the Senate next week, resistance from Republicans such as Boehner may block Bush's Social Security goal for the remainder of his term.

Democrats aren't backing off their opposition to Bush's plan. The Democratic Senatorial Campaign Committee issued a statement last week noting Bush's remarks about his agenda and telling voters, ``Just when you thought your Social Security was safe from privatization, George Bush is bringing back his plan."

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The 71-year-old program is projected to start paying out more than it gets in tax revenue beginning in 2017, according to a May report by its trustees. The president last year set aside his proposal to divert a portion of payroll taxes to individual accounts in the face of opposition from the public, Democrats and members of his own party.

Election

On another subject that is having an impact on Republican attempts to hold their congressional majorities, Boehner again said neither he nor House Speaker Dennis Hastert were aware of graphic messages that former Republican Representative Mark Foley sent to a teenage former congressional page.

``Neither the speaker, myself or anyone know of the sexually explicit instant messages," said Boehner. ``If anyone of us would have known about this, we would have dragged him out of there by his tie."

Foley, 52, resigned from Congress Sept. 29 after being confronted by ABC News about the messages.

Boehner repeated past statements that he had discussed with Hastert months ago messages sent by Foley to another former page, asking about his birthday and requesting a picture.

`Contact'

``All I was told that there had been contact between Foley and a former page," Boehner, 56, said. ``I believe that I talked to the speaker about this. I believe that he told me it had been taken care of."

Hastert has said he didn't recall the conversation. Both men have appeared before the House ethics committee, which is investigating what the leaders knew about Foley's contacts with pages, teenagers who run errands for lawmakers.

Foley's seat in a historically Republican district in Florida is among those that his party is in jeopardy of losing in the Nov. 7 election. Democrats need to gain 15 seats and six in the Senate to win majorities. The independent Cook Political Report lists the races for 25 Republican House seats as toss- ups. Democrats are making strong challenges for Republican-held Senate seats in seven states while Republicans are threatening the Democratic hold on two Senate seats, according to the Cook Political Report analysis.

National Poll

A poll for Newsweek magazine released yesterday showed Democratic congressional candidates are backed by 53 percent of likely voters and Republican candidates get support from 39 percent. The nationwide poll was taken Oct. 26-27 and has a margin of error of plus or minus 4 percentage points.

Boehner said such national polls ``don't mean anything because what we have are 435 individual races all around the country, local candidates running on local issues."

If Republicans succeed in mobilizing ``all of our voters, we'll do well on Election Day," he said.

Senator Charles Schumer of New York, head of the Democratic Senate campaign organization, said his party is ``right on the edge" of taking control of the Senate.

``This election, more and more and more, is becoming a referendum on George Bush," Schumer said on the ``Fox News Sunday" program.

Local Issues

His Republican counterpart, Senator Elizabeth Dole of North Carolina, said that while the war in Iraq and the economy are major issues in the campaign, most races will turn on local concerns.

``Our candidates are talking about issues that are important in their states," Dole said on the Fox program.

Both agreed that Iraq is a major issue in the race.

One of the Senate seats being targeted by Democrats is that of incumbent Republican Rick Santorum in Pennsylvania. A poll conducted Oct. 16-25 for the Philadelphia Inquirer found Democratic challenger Bob Casey is leading with 54 percent support to 38 percent for Santorum, the third-ranking Republican in the Senate. Last month the margin was 11 percentage points. The Inquirer reported that doubts about the war are contributing to Casey's lead.

Another close fight is being waged in Missouri, where Republican Senator Jim Talent is tied with his Democratic rival, state Auditor Claire McCaskill, according to a poll for the St. Louis Post-Dispatch and television station KMOV. Both had 47 percent support in the poll taken last week, the newspaper said.

Recent polls also show Democrats leading in the Senate races in Montana, Ohio, Rhode Island and Virginia, all seats currently held by Republicans. The Republican candidate is narrowly ahead in Tennessee.

In the contest to replace retiring Democratic Senator Paul Sarbanes in Maryland, Representative Ben Cardin is leading Republican Lieutenant Governor Michael Steele 54 percent to 43 percent, a poll taken Oct. 22-26 for the Washington Post showed.

As Election Day draws near, Bush is stepping up his campaign appearances for Republican congressional candidates. The president made campaign appearances last week in Iowa, Florida, Michigan, Indiana and South Carolina. He plans events this week in Georgia, Texas, Montana and Nevada.

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It's Who? You Know. (WP)

By Al Kamen

The Washington Post, October 30, 2006

State Department career diplomats are in an uproar over the recent appointment of a mid-level civil servant who worked for Undersecretary Karen Hughes to a top job running the new Public Diplomacy Rapid Response office in Brussels.

In an unusually strong letter last week to Secretary of State Condoleezza Rice , J. Anthony Holmes , head of the American Foreign Service Association, called the selection of Diane Zeleny a "pre-cooked deal," apparently done by manipulating the process and violating personnel rules and standard practices. AFSA, he said, was filing a grievance "to undo this assignment."

The job opening was never properly advertised. It was quietly announced at virtually the last minute in the personnel selection cycle, sources said, so there was no way top officers could apply for it.

Not so, say department officials. There was nothing untoward. The Brussels job wasn't created until the yearly State Department selection process was largely completed, and most people had already received their next posting. In addition, Hughes and Rice believe Zeleny is "the right person for the job," a spokesman said, "and they have full confidence in her."

Holmes's protest comes at a time when career officers were already upset over a wave of lower-level officers with political connections leapfrogging to top jobs. Also new rules require service in hardship posts, especially Iraq, before anyone can get the cushier European jobs. And many of those jobs are being shifted to send diplomats to Sudan and other garden spots.

The Brussels job, Holmes said, "might well have been a perfect fit . . . for a veteran coming out of . . . Iraq, Afghanistan, Pakistan or Saudi Arabia." But Zeleny was the only one who applied. Holmes called the selection "unfathomable."

Well, not really. Zeleny, who moved to Brussels for this new job at the end of August, has worked for several years in Europe, including in Brussels and at other posts. Besides, Zeleny is married to Reuel Marc Gerecht , an author and a former CIA Middle East specialist who was an early participant in the Project for the New American Century, the neocon hub and center for Iraq war enthusiasts. Gerecht, an expert on terrorism, was a prominent promoter of the war and has met with President Bush to offer advice on Iraq.

Victoria Nuland , a career officer now in Brussels as our ambassador to NATO, is a pal, and Nuland's husband is Robert Kagan , an author and Washington Post columnist and a PNAC founding member. So now there's four for bridge.

Hardly "unfathomable."They Weren't Even Pool Reporters

White House spokesman Tony Snow was hounded by reporters last week as he insisted that Vice President Cheney 's approval of "a dunk in the water" during a radio interview in no way indicated that he approved of waterboarding, a torture technique meant to simulate drowning.

Snow pointed out to incredulous reporters that Cheney was very careful in his use of language and the word "waterboarding" was never uttered. If he meant waterboarding, he would have said it.

Reporters weren't buying it.

"So, wait a minute," CBS reporter Jim Axelrod said. "So 'dunk in the water' means what? We have a pool now at Guantanamo and they go swimming?"

"You doing stand-up?" Snow asked.

"Saying that Vice President Cheney doesn't make mistakes like this," said ABC's Ann Compton , doesn't quite wash. "He did go up and curse a senator to his face on the Senate floor and accidentally shot his friend. So he's not perfect," she noted.

"Not germane," Snow said.

It is clear from the transcript that the interviewer brought up "dunking" in a discussion about terrorism and questioning techniques.

Perhaps Cheney thought he was talking about those county-fair water tanks: five tickets for $10, throw the ball, hit the target, and the person sitting above drops into the water?

As Defense Secretary Donald Rumsfeld told reporters: "Back off."Invading Iraq, Invading Normandy

Speaking of Rumsfeld, Friday's column omitted a statement in one interview that gave important perspective to the current deep divisions over Iraq.

"I think that our country has always had dissent of various types. I lived through World War II," he said. (Rumsfeld was 13 years old when the war ended.) "And there were vicious comments made against our political leadership during that conflict. But the American people absorbed it. We persisted."

Yes. Who can forget those huge riots in Times Square, protesting the D-Day landings?

Beer PAC Aims To Put Congress Under Influence (USAT)

By Thomas Frank

DOJ_NMG_0087803

USA Today, October 30, 2006

WASHINGTON — When Congress returns Nov. 13, one bill likely to get a vote is a measure to curb underage drinking.

But the bill before the House is much different from the version lawmakers introduced last year.

Gone are sections that urged the NCAA to ban alcohol ads during college sportscasts and that called alcohol "the most heavily used drug by children." Added is a sentence that could help beer distributors fend off challenges to state regulations that require them — and only them — to transport beer to retailers.

The National Beer Wholesalers Association, a little-known but influential advocacy group, takes credit for the additional line and worked with the alcohol industry to delete the other sections. The beer group's political action committee (PAC) is one of the top givers to congressional candidates for the Nov. 7 elections.

The beer wholesalers are "the pit bull of the alcoholic-beverage industry," says George Hacker, who directs an anti-alcohol campaign led by the Center for Science in the Public Interest, a consumer group.

Since 1999, the beer wholesalers' PAC has given $8.6 million to federal candidates, exceeding donations by the American Medical Association, the American Bankers Association and the National Association of Home Builders for that period, according to the non-partisan Center for Responsive Politics, which tracks campaign funds.

That money opens doors to lawmakers' offices, where beer-association lobbyists fight to cut taxes, block federal efforts to regulate drinking, and erase descriptions of alcohol's economic and health costs in bills. Since 2005, the association has donated the maximum $10,000 in campaign contributions allowed to about 135 lawmakers, mostly Republicans, according to records of the Center for Responsive Politics and the Federal Election Commission. Many recipients support association priorities.

"They get an immediate audience when they want it because of the money they've given and the relationships they've developed," Hacker says. "They have lots more leverage with (congressional) leadership than even members of Congress do."

Chuck Hurley, CEO of Mothers Against Drunk Driving, says that leverage was shown when the association won an audience with the seven sponsors of the underage-drinking bill. "To have a meeting with that many members to change a bill requires a fair amount of access," says Hurley, a longtime congressional staffer, lobbyist and highway-safety expert.

The beer association's small size — more than 1,900 members — makes its political largesse striking. The biggest PACs include the 56,000-member Association of Trial Lawyers of America, the 750,000-member International Brotherhood of Electrical Workers and the National Association of Realtors, about 1.4 million strong.

"Our members understand the importance of advocacy," says Craig Purser, the beer association's president. Beer, he notes, is regulated and taxed by the federal government and states. Both also license beer distributors. And alcohol faces sharp scrutiny as states have tightened drunken-driving laws and health advocates focus on underage binge drinking.

That helps explain why the beer association and other alcohol-industry groups got lawmakers to delete from the underage-drinking bill three pages of "findings" that detailed alcohol's insidious effects. "There are some things you don't want in the Congressional Record if you don't agree with them or don't think them to be true," Purser says.

Last year, the beer wholesalers helped remove from a highway bill that became law "troubling provisions aimed at mandating programs to deal with drunk driving," according to the association's 2005 annual report.

Rep. Rosa DeLauro, D-Conn., a sponsor of the underage-drinking measure, says cutting the three pages of findings "doesn't change the bill." It authorizes $72 million for underage-drinking prevention programs over four years and requires an annual federal report on those under 21 who drink.

The beer association got sponsors to add a sentence to the bill calling for "continued state regulation" of alcohol. That seemingly benign phrase helps beer distributors fight large retailers such as Costco that want to take over beer distribution, says Eric Shepard, executive editor of Beer Marketer's Insights, an industry newsletter. "It helps legitimize the positions beer wholesalers have and the roles they play," Shepard says.

The beer association rose from obscurity after Congress doubled the beer excise tax to $18 a barrel in 1991, which Purser describes as a "a wake-up call." A top priority has been repealing the increase, proposed in a bill that has 207 sponsors in the House and 13 in the Senate. Since 2005, about 160 of those sponsors have received $1.35 million from the association, according to Center for Responsive Politics data.

Purser says contributions aren't tied to any single issue but are given based on candidates' "understanding of issues important to beer distributors."

The repeal, proposed regularly since the mid-1990s, has not passed. No one, however, has sought to raise beer taxes. "Any time you've got almost 50% of one chamber wanting to reduce the tax," Purser says, "that makes it much more difficult for them to advocate for increasing the tax."

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OTHER NEWS:

Pain From U.S. Housing Slump Is Likely To Linger, But Some Say Worst May Be Past By JAMES R. HAGERTY (WSJ)

The Wall Street Journal, October 30, 2006

Just when the gloomier pundits were starting to enjoy the housing slump, optimists are piping up to declare it could be almost over.

Former Federal Reserve Chairman Alan Greenspan, whose interest-rate cuts helped create what he once called "froth" in house prices, said in a speech last week that he detected "early signs of stabilization" in the housing market. Some Wall Street economists also are saying the worst may be behind us.

Not so fast, replies Ian Shepherdson, chief U.S. economist at High Frequency Economics Ltd., a Valhalla, N.Y., research firm: "It's going to get worse before it gets better."

CAST YOUR VOTE

Question of the Day:1 How will home prices in your neighborhood change over the next year?

Both camps are making valid points. The maximum impact of falling home construction may have hit the U.S. economy in the third quarter, some economists say. But that doesn't mean the housing market is on the verge of a miracle recovery. Construction is expected to fall further as builders struggle to shed a glut of unsold homes. And many economists expect house and condominium prices to continue falling for at least an additional six months to a year in parts of the nation where speculators went wild.

For now, the consensus among economists is that the housing downturn will remain a drag on the economy but probably won't sink the U.S. into a recession next year. Even Mr. Shepherdson, among the most bearish, believes the U.S. has a 60% chance of averting a recession in 2007. In any case, the weak housing market will remain painful for speculators who loaded up on credit to buy near the top -- and for millions of people working in housing-related industries. Just last week, Countrywide Financial, the U.S.'s largest mortgage lender, announced plans to shed about 2,500 jobs, or 4.5% of the company's total.

Largely because residential investment dropped at an annual rate of 17%, inflation-adjusted economic growth in the U.S. slowed to a feeble rate of 1.6% in the third quarter, according to an estimate released by the Commerce Department. Without that drop in residential building, economists said, the growth rate would have been about 2.7%.

After the third-quarter carnage, expect "some gradual improvement from here," says Peter Kretzmer, a senior economist at Bank of America in New York. He expects residential construction to decline at an annual rate of 13% in the current quarter, 5% in next year's first quarter and 2.2% in the second quarter before starting to grow again. Mr. Shepherdson disagrees, arguing that the drop in construction will accelerate before the market regains balance.

Offsetting the housing damage are several positives. Gasoline prices and mortgage interest rates have fallen in recent months. The stock-market rally has made some people feel richer, even as those who trust only in real estate feel poorer. And job growth, though unspectacular, continues at a "solid" pace, says Scott Anderson, an economist at Wells Fargo in Minneapolis.

With home prices flat to lower in much of the country, Americans already have less ability to tap their home equity to finance spending. But it is unclear how much effect that will have on consumer spending. Some economists believe that rising wages, the stock-market rally and lower energy costs will be enough to keep Americans loading their shopping carts with iPods and flat-screen TVs.

Mr. Greenspan sees hope in the rate of applications for home-purchase mortgages. After falling in the second half of 2005 and earlier this year, they have leveled off in recent weeks.

Some of the optimists' arguments are dubious. To bolster its position that the housing market is stabilizing, the National Association of Realtors last week trumpeted a 2.4% decline during September in the number of previously occupied homes offered for sale through multiple-listing services. But the Realtors' news release didn't mention that listings almost always decline in September, when the back-to-school season means fewer people are moving. Over the past 20 years, listings have declined an average of 3.4% in September, says Ivy Zelman, a Cleveland-based housing analyst for Credit Suisse.

Ms. Zelman, who last year correctly predicted a plunge in home-builder share prices, thinks investors who now are bidding those prices back up are way too early. Sales of new homes are unlikely to start rising again before early 2008, she says. Meanwhile, "land is going down in value daily," she says.

Joshua Shapiro, chief U.S. economist at research firm MFR in New York, is more upbeat but still thinks home prices will "stagnate" on a nationwide basis for several years, as rises in parts of the country are offset by continued declines elsewhere.

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After the unusually steep surge in home prices during the first half of this decade, he says, it will take time for incomes to catch up again with housing costs.

Bursting Bubble Blues (NYT)

By Paul Krugman

The New York Times, October 30, 2006

Here are the five stages of housing grief:

1. Housing bubble? What housing bubble? "A national severe price distortion [in housing] seems most unlikely in the United States." (Alan Greenspan, October 2004)

2. "There's a little froth in this market," but "we don't perceive that there is a national bubble." (Alan Greenspan, May 2005)

3. Housing is slumping, but "despite what you hear from some of the Eeyores in the analytical community, a recession is not visible on the horizon." (Richard Fisher, president of the Federal Reserve Bank of Dallas, August 2006)

4. Well, that was a lousy quarter, but "I feel good about the U.S. economy, I really do." (Henry Paulson, the Treasury secretary, last Friday)

5. Insert expletive here.

We've now reached stage 4. Will we move on to stage 5?

Over the last few years, most good U.S. economic news has been the result of soaring home prices. Spending on new houses created jobs and poured cash into the economy. Consumers borrowed against the rising values of existing homes and went on a buying spree, spending more than they earned for the first time since the great depression.

But the housing boom became a bubble, fueled by a surge of irresponsible bank lending, which continues even now. (Yesterday's Denver Post tells of a runaway prisoner who managed to borrow enough to buy three expensive houses while on the lam, then bought two more while in prison.) The question now is how much pain the bursting bubble will inflict.

Last week's report on G.D.P. showed the first signs of serious economic damage. According to the "advance" estimates (which are often subject to major revisions), growth in the third quarter of 2006 slowed to its worst level since early 2003. A plunge in spending on residential construction, which fell at an annual rate of 17 percent, was the main culprit. But was that just a temporary setback, or the beginning of something much worse?

Some say the worst is already over. Mr. Greenspan, who's been an optimist all the way, now argues that the latest data on new-home sales and mortgage applications suggest that housing has already bottomed out. Business investment is still growing briskly, and so far consumers haven't cut their spending. So maybe this is as bad as it gets.

But I think the pessimists have a stronger case. There's a lot of evidence that home prices, although they've started to decline, are still way out of line. Spending on home construction remains abnormally high as a percentage of G.D.P., because banks are still lending freely in spite of rapidly rising foreclosure rates.

This means that home sales probably still have a long way to fall. And you don't want to make too much of the fact that some housing indicators have turned up; those indicators tend to bounce around a lot from month to month.

Moreover, much of the good news in the latest economic report is unsustainable at best, suspect at worst. Almost half of last quarter's estimated growth was the result of a reported surge in automobile output, which some observers think was a statistical illusion, not something that really happened.

So this is probably just the beginning. How bad can it get? Well, you don't have to go far to find grim forecasts: Merrill Lynch predicts that the unemployment rate will rise from 4.6 percent now to 5.8 percent by the end of next year.

In case you're wondering, I don't blame the Bush administration for the latest bad economic numbers. If anyone is to blame for the current situation, it's Mr. Greenspan, who pooh-poohed warnings about an emerging bubble and did nothing to crack down on irresponsible lending.

Still, the bad news will have political consequences. The Bush administration has been trying to shift attention away from the disaster in Iraq to an allegedly booming economy. That strategy wasn't working too well even when the headline numbers were good, because it never felt like a boom to most Americans. But now even the headline numbers have turned lousy.

And if that hurts the G.O.P. in next week's election, well, there's a certain poetic justice involved. The administration tried to claim undeserved credit for the positive effects of the housing boom, so why shouldn't it receive some blame for the negative effects of the housing bust?

Pressure On Your Health Benefits (TIME)

By Kathleen Kingsbury

Time, October 30, 2006

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After watching health-care costsÂ rise more than 60% in the past five years, most of America's 177 million insured workers are bracing for another dose of pain. As this November once again brings open-enrollment season--that annual headache of working out how much more of our paychecks will go to health benefits next year--2007 looks to bring no relief. For the average employee, premiums and out-of-pocket expenses will reach $2,904 a year for a family, up $300 from 2006. That's the pass-along pain of the costs that employers now endure, nearly $9,000 per employee, up an estimated $518 from this year.

Containing those costs is a new corporate imperative. Among the tactics: bosses are skimping on raises. They're being more restrictive about covering family members and offering more preventive programs to keep workers healthy--or at least forcing them to take more responsibility for their health-care spending. That is, if they even offer health benefits. Thirty-nine percent of companies offer no medical benefits, up from 31% in 2000. About 60% of companies say they expect coverage to decrease. So it's not surprising that 80% of Americans polled say the system is broken. "Really all humanity has been stripped out," says Cathi Shaefer, a grocery clerk for the supermarket giant Safeway in Upland, Calif. "The care of people is getting a lot less attention than numbers."

The few companies that have been able to keep their costs down could gain an advantage over rivals, since the disparity between those paying the highest price for health care and those paying the lowest is estimated at $3,000 per employee. For a firm of 10,000 workers, that's $30 million, a chunk of change that would have nearly any executive sweating his competitiveness.

One antidote to the cost spiral: puny raises and fatter deductibles. "Most companies realize they couldn't hire anybody if they didn't offer medical benefits," says Helen Darling, president of the National Business Group on Health. "But they also expect employees to share more of the burden." Workers can't help feeling it. According to Department of Labor statistics, salaries rose 3% from June 2005 to June 2006, but inflation rose 4.7% and health care 8%.

Those numbers won't change much in 2007. Someone making $40,000 a year can anticipate a 4% pay increase next year. (Don't spend it all in one place.) With health-care costs expected to rise about 7%, that means at least 16% of that raise would go to higher premiums or new out-of-pocket expenses. Stated another way, your 4% raise is actually closer to 3%. Of course, employers tend to look at it differently. "It's a phenomenon we call the hidden paycheck because companies have essentially been substituting health-benefit dollars for salary and merit increases," says Ron Fontanetta of the benefits-consulting firm Towers Perrin.

Companies are also saving money by cracking down on eligibility and raising costs for extended family coverage. Many have begun to impose a monthly surcharge of $50 to $200 to cover spouses and partners who could otherwise get coverage from their employer. Employees are now often paying more to cover their dependents themselves. Following the automobile industry's lead, many firms--about half of all businesses--are conducting audits, requiring marriage licenses or birth certificates to verify coverage for some spouses and dependents. Ford has cut more than 50,000 people from its rolls and Chrysler 26,000. That's a drop in the bucket when you expect to spend $2.3 billion on health care, Chrysler spokesman David Elshoff says, "but at that amount, you're looking at every option to bring costs down."

In addition to being less generous, businesses are being less paternal too, forcing workers to be more accountable for spending, a practice called consumer-driven health care. One immediate change has been a move away from fixed co-payments for such medical expenses as doctor visits and prescription drugs. That's being supplanted by coinsurance, under which the covered person pays a percentage of the expense. Nearly half of companies will have made the switch by next year. "The idea is to get employees to think before heading to the doctor for a cold," says Columbia University professor of health management Sherry Glied, "to shop around a little for the best price."

Another option growing in popularity: high-deductible health plans coupled with a reimbursement mechanism, most often a health-savings account. Younger and healthier workers increasingly select such coverage, which combines a deductible of at least $1,000 with a tax-deferred savings account to which employers sometimes contribute. Chicago-based accounting firm Blackman Kallick offered its more than 200 employees the plan this year. "About 10% chose it," says human-resources manager Suzanne Palombi, "many more than we anticipated." For Blackman, that equates to a 33% drop in premium costs for those workers.

Such savings from high-deductible plans, however, are most likely short lived. A study by benefits-consulting firm Watson Wyatt Worldwide found no correlation between high-deductible plans and companies with the lowest health-care costs. And a Rand Corp. report last week showed that people with such coverage more often forgo necessary care--which generally leads to greater expense later.

Indeed, most corporations are focused on giving employees incentives to stay healthy. Some 60% promote preventive care through wellness programs, including smoking cessation and health-club discounts. "More than ever before, companies are seeing the link between good health and productivity," says Beth Bierbower, vice president of product innovation for insurance provider Humana. "So they're engaging employees more on what their personal needs are."

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Humana offers customers several wellness components in their plans. One includes a point system, designed by British firm Virgin, in which a pedometer records an employee's movements. Each step, with extra credit for exercise activities, is converted into points that can buy music, sports equipment and even airline tickets. At Illinois-based International Truck and Engine Co., a similar program has its workforce racing CEO Daniel Ustian to better health. A quarter of its 17,000 employees put in 27 miles a week.

It's not the walkers who are the problem, though. Since 10% of employees account for 70% of costs, identifying and caring for those at the highest risk for illness is a priority. Employees at South Carolina's private utility SCANA who fill out annual health assessments get a special break: their premiums don't rise. Of the company's 15,000 workers, 94% took advantage of that offer this year. The data SCANA and other companies collect can then go toward disease management for such illnesses as diabetes and high blood pressure. At International Truck and Engine, where costs have remained flat the past two years, health professionals call chronically ill employees regularly (unless they opt out) to offer advice on care and medication. SCANA provides drugs through an in-house pharmacy. "We then can buy drugs at a wholesale price," says Joe Bouknight, SCANA's human-resources director. "In 2007 that will represent a nice discount for us and our employees." If only that were true for the rest of us.

America's Best Health Plans (USNEWS)

By Michelle Andrews

U.S. News and World Report, October 30, 2006

When Betty Noel was diagnosed with endometrial cancer last year, her husband, Larry, figured most of the costs would be paid by healthcare coverage from his job managing the garden shop at a Kmart in Lynchburg, Va. But when he got a $13,270 bill for the first month of Betty's radiation therapy, he found out differently. K Care Value Plan, his health insurer, informed him that the maximum coverage for outpatient services was $1,200 a year. Larry and Betty would be responsible for coming up with the rest. "We were shocked," says Larry, 59, who was paying about $300 a month for coverage. "I pay more than that just in premiums every year."

The Noels' experience is hardly unique. As healthcare costs have continued to climb-premiums rose 7.7 percent this year-employers have been shifting more of them onto workers' shoulders. The $5 copay has gone the way of the nickel candy bar. These days you can expect to shell out $20 or more every time you visit the doctor and pony up 20 to 30 percent coinsurance for some drugs and services. Annual deductibles of $1,000 or more are becoming more common.

At the same time, benefits are shrinking. "Definitely, we are seeing a trend toward lower benefits across the board," says Beth Darnley, chief program officer for the Patient Advocate Foundation, a nonprofit based in Newport News, Va., that helps people resolve health coverage problems. In the Noels' case, the foundation contacted Kmart. Within a few months the company revised its insurance to cover up to $500,000 annually for inpatient and outpatient care combined. (Kmart declined to comment.)

Out of pocket. That was good news, but it didn't solve all of the Noels'problems. Larry still had to withdraw $5,000 from his 401(k) retirement plan and take $4,000 out of their savings to cover the 20 percent coinsurance they owed for Betty's cancer care. He says, "Sometimes I wonder-what if I get to the point where I can't afford this anymore?"

It's a question many people are asking themselves. Healthcare ranked as the No. 1 concern, outpolling war and terrorism, among those responding to the annual health confidence survey released last week by the Employee Benefit Research Institute. Six in 10 respondents rated the American health system "fair" or "poor," and more than half said they are not satisfied with the cost of healthcare. In studies, people consistently give the healthcare system high marks for quality, and the rankings assembled here and on the Web by U.S.News in partnership with the National Committee for Quality Assurance, managed care's primary accrediting body, showcase the top performers in this important area. But people are worried about expenses, and as healthcare costs continue to shift to individuals, anxiety and dissatisfaction mount.

The buzzword for this cost-shifting is "consumerism." The latest hot concept to capture the imagination of health plans, employers, politicians, and policy wonks, consumerism hands the healthcare reins to individuals, giving them more responsibility for making decisions about their medical care-and a bigger financial stake in paying for it. The most high-profile way that consumerism has entered the mainstream is through health savings accounts (HSAs)-tax-advantaged financial accounts, attached to high-deductible health plans, that people can use to cover their medical bills and save for future medical costs. In addition, health plans are offering members a growing array of "consumer driven" tools that aim to help those in any kind of health plan evaluate healthcare prices, pick doctors and hospitals that are both cost effective and high in quality, get appropriate screenings and tests, and otherwise manage their health. Employers, meanwhile, are steering workers toward cheaper drugs, medical services, and providers by offering lower copayments and other incentives for certain choices.

It's 'Seller Beware' In Housing (USNEWS)

DOJ_NMG_0087808

By Alex Markels

U.S. News and World Report, October 30, 2006

Roger Maehler has good reason to feel smug about the panoramic mountain views from his new backyard.

"I think I got a good deal," the Scottsdale, Ariz., resident says of the acre-plus adobe ranchette he snagged last week for $655,000-a 23 percent discount from the original $850,000 asking price.

Complete with swimming pool, spa, and a big-screen TV in the great room, the sprawling five-bedroom property was high on his list when he began shopping for a new home in May. But like many buyers these days, Maehler decided to hold off and see how the weakening market shook out over the summer. "I guess it was worth the wait," he says.

Since prices topped out in July, the housing downturn now underway in many parts of the country has already lopped $10,000, or 4.3 percent, off the median price of an existing home, the largest dollar decline the National Association of Realtors has ever recorded. Prices of newly built homes have slumped even more, sinking by 15.5 percent since their April peak, according to the Commerce Department.

Contrarians. While some areas like Houston and Seattle have bucked the trend, prices in once hot markets like Boston are now down by more than 10 percent from their high point. The same goes for parts of the Phoenix area, where the number of homes on the market has more than doubled to 45,000 since last October.

"I literally could have spent eight hours a day, five days a week looking at houses," says Maehler, who toured more than 30 properties before making a bid.

Indeed, the national inventory of 4.3 million unsold homes now stands at about a seven-month supply, a glut some economists say will persist until sellers make meaningful cuts in their asking prices. "Buyers want more than the traditional 2 to 5 percent price reduction before they sign on the dotted line," says Gregory Miller, chief economist for SunTrust Bank, who doesn't expect a significant reduction in inventory until early next year.

That assumes, of course, that sellers like Zaher El-Assi are willing to play along. Even after more than a year with his condo on the market, the Boston resident has steadfastly refused his real-estate agent's pleas to lower the $799,000 price. "I just want to see if I can get the right price," he says of the two offers he has turned down already.

People like El-Assi are "the seller's equivalent of the Looky Lou," says Jason Weissman, his frustrated broker, who estimates that as many as a third of sellers in the Boston area aren't serious about pricing their homes to sell.

Such inflexibility worries economists like Mark Zandi, who says it could take a "Roto-Rooter" to finally flush stubborn sellers-and their market-clogging inventory-from real-estate listings.

In the short run, he expects the market could stabilize somewhat as new construction slows and dejected sellers temporarily pull their homes off during the slow winter season. "But it could very well be a dead-cat bounce," the Moody's Economy.com chief economist says of the chance that a strong economy and persistent inflation will push up mortgage interest rates-just as sellers move to relist their houses in the spring. If that happens, "it'll come right out of housing prices again."

Bush Ventures Into 'killing Fields' In First Mid-term Foray (FT)

By Caroline Daniel In Sellersburg, Indiana

Financial Times, October 30, 2006

President George W. Bush finally gave a new meaning to the word bully in his bully pulpit at the weekend.

With just 11 days before the end of his last political campaign, Mr Bush on Saturday starred in his first public rally of the mid-term elections. He rolled up his blue shirtsleeves to lambast Democrats as the party that would raise taxes and negotiate with terrorists.

Selling his party's message in Indiana, the president resembled an old-fashioned revivalist. His evocation of Democratic sins spurred the crowd at the Silver Creek High School, Sellersburg, into an ecstatic chorus of "Amen", "That's right", and one man spontaneously interjecting "You're the man, George".

The official White House transcript showed that the speech was punctuated by 98 bursts of applause and 12 "boos" at the spectre of activist judges, House Democrat leader Nancy Pelosi and gay marriage. The crowd of 4,000 – die-hard Republicans, the merely curious and an Abraham Lincoln impersonator – stamped their feet with unabashed approval and waggled pom-poms.

In a moment more pantomime than politics, Mr Bush encouraged the audience to shout "Just Say No" as he asked: "When it comes to detaining terrorists, what's the Democrats' answer? When it comes to trying terrorists, what's the Democrats' answer?"

For a beaming Mr Bush it was a welcome return to a vernacular he has long been at ease with. Four years ago he held more than 30 public rallies in the congressional campaign.

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In a sign of how his popularity has ebbed, Laura Bush, the First Lady who is more popular than her husband, appeared at two rallies on Saturday. Senator John McCain, the aspiring presidential candidate for 2008, has already held eight rallies this season – he did two on Saturday in Connecticut.

The fact that Mr Bush was in the ninth district of Indiana, a traditionally conservative region in a state that has only voted for the Democratic presidential candidate four times since 1896, underlines the challenge facing the party. It was the first visit by a sitting president since Lyndon Johnson opened a post office in 1964.

Sellersburg is located in the southern tip of the state, next to Kentucky. It is in the heart of the Ohio River valley, an area White House strategists concede is a significant problem.

"A Republican consultant referred to Indiana, Ohio and Pennsylvania as the killing fields of the Republicans this year," says Charlie Cook, publisher of the Cook Political Report. "There are no three worse states in the union for Republican House candidates."

Polls show three Indiana seats are at risk. Jeff Hostettler has already been written off as one of the three most vulnerable Republican incumbents, with Chris Chocola nearly as shaky. Mike Sodrel, whose district includes Sellersburg, stood hip to hip with Mr Bush. He has the best hope of retaining his seat, trailing by 2 percentage points in polls.

The White House is paying attention. Last week Mrs Bush made the second of two visits, posing with pumpkins. Barbara Bush, the president's mother, has been through and on Monday Tony Snow, the White House spokesman, will visit Jeffersonville, eight miles away.

Saturday's rally was pure White House stagecraft. The lone black person in the room, and a Hispanic couple, were positioned directly behind Mr Bush. Dozens of ostensibly handcrafted signs – including "Moms for Mike" – were handed out by campaign aides.

Although strategists have dismissed the power of "values voters" in this election, arguing they have been trumped by Iraq and the economy, many of the crowd stressed the primacy of social issues. "Sodrel is against abortion and is pro-gun. My husband is a gun nut. Family values are the top issue for me. The other side are trying to kill babies and take away our guns," said Candace Crone, who described herself as "someone who loves my country".

Penne Keith, whose husband painted an American flag on his front lawn after the terror attacks in 2001, said she admired Mr Bush as "very moral, a Christian believer . . . My husband called in sick today to attend the rally, the first day he has missed this whole year."

The question is whether those at the rally show the same loyalty on November 7. In a nod that his own legacy is at stake, Mr Bush urged them to vote. "Your vote will have an impact not only on your lives here, but an impact that will help determine the course of this nation."

Bush Shows Potency In Rallying The Faithful (NYT)

By Jim Rutenberg

The New York Times, October 30, 2006

WASHINGTON, Oct. 29 — For all the talk about the political baggage that President Bush carries this year, his stop in Indiana on Saturday showed that he could still turn on — and, White House strategists say, turn out — the most faithful party voters.

Women screamed his name, men chanted "U.S.A.," and no one doubted that the 4,000 people packed into a high school gymnasium for a rally in Sellersburg were primed to urge friends and neighbors to vote on Nov. 7 for Representative Mike Sodrel, who won his seat by just 1,300 votes two years ago.

The scene will repeat itself over and over before Nov. 7, as President Bush plunges into a blitz of rallies for embattled candidates. As the White House moves into its end game for this campaign, a crucial element is the use of the president to rally core voters in certain districts — and either to stop a Democratic takeover of the House and possibly the Senate in the last two years of Mr. Bush's presidency, or, at least, to keep the opposition's gains to a minimum.

The appearances buck the conventional wisdom that Mr. Bush is such a pariah to Republicans that he cannot be of much use on the campaign trail. White House strategists say they have carefully selected several make-or-break races in which the president's presence can still make a difference.

Over the next few days, Mr. Bush, whom members of both parties count as a thoroughbred campaigner, will go to Georgia (twice), Montana, Nevada and Texas.

"In a lot of these places a presidential appearance is going to make a difference in that district," Tony Snow, the White House press secretary, said in an interview on Sunday. Mr. Snow said Mr. Bush would use the appearances to press a new message that the Democrats have not united on a plan for Iraq.

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The strategy is not without its risks. It keeps Mr. Bush front and center when even strategists close to the White House have wondered in private conversations whether it would be better for him to focus on being presidential — perhaps concentrating on foreign policy — when Democrats are working hard to make the elections a national referendum on his policies.

"Anytime Bush is out, he's still on the news at night nationally and in newspapers in all of these competitive districts," said Bill Burton, a spokesman for the Democratic Congressional Campaign Committee. "Wherever he goes, he's still hurting Republican incumbents."

The parade of Republican officeholders publicly distancing themselves from Mr. Bush has not let up. And that is seriously limiting the places where he can be of help. Last week, Representative John Hostettler, Republican of Indiana, told The Evansville Courier and Press that he had declined White House offers of help: "We just decided, just said, 'Just stay in Washington,' " the paper quoted Mr. Hostettler as saying.

But battles like Mr. Sodrel's, against Baron Hill, a former Democratic congressman, will be decided by which side can turn out its core voters. And that is something White House planners say Mr. Bush is still able to do. Yes, only 38 percent of respondents to the latest New York Times/CBS News poll said they approved of the job the president was doing. But that is still something for the White House to work with.

Many of the president's most loyal followers live in places like Sellersburg, where Mr. Bush beat John Kerry by nearly 20 percentage points in 2004, and where his message of low taxes and national defense can still pack a wallop.

Mr. Sodrel's campaign manager, Cam Savage, was only too happy to point out that the 4,000 tickets for the event sold out in just a couple of hours. In the 2000 census, Sellersburg had just over 6,000 residents.

The president's announced stops this week are in other fairly small towns that voted for him by wide margins: Billings, Mont.; Elko, Nev.; Perry, Ga.; Statesboro, Ga.; and Sugar Land, Tex. The combined population of those five places is just over 200,000.

In essence, these are slivers of the country where Mr. Bush's appearances will make a big splash in local papers and on local radio, where he is relatively popular, and where the election will hinge on base voters rather than, say, swing voters who may find him polarizing.

The president's two stops in Georgia on Monday and Tuesday are for two Republicans, Max Burns and Mac Collins, who are making headway in challenges against two Democratic incumbents, Representatives John Barrow and Jim Marshall, respectively. Mr. Bush is popular enough in those areas that the Democratic incumbents have tried to align themselves with him.

"We've gotten rid of 6,500 tickets for the rally already. We'd take him anytime," Tim Baker, Mr. Burns's campaign manager, said. "Bush will help our voters understand the stakes and get them to polls."

And then there are stops like the one on Monday in Sugar Land, for the seat that had belonged to Representative Tom DeLay, whose sudden resignation this year put a usually safe Republican seat in jeopardy.

Mr. Bush won the district over Mr. Kerry in 2004 by nearly 30 percentage points, but the Democrat, Nick Lampson, is favored to win. His main Republican opponent will need all the help she can get from Mr. Bush. She is a write-in candidate with a name that may not be easy to remember: Shelley Sekula-Gibbs.

A Tangle Of A Race To Fill DeLay's Old Seat (NYT)

By Ralph Blumenthal

The New York Times, October 30, 2006

HOUSTON, Oct. 29 — Hoping against the odds to keep a prize Republican Congressional seat from falling to the Democrats next week, President Bush travels to his home state on Monday for a rally in the district long led by his Texas ally Tom DeLay.

But in a topsy-turvy race with more than its share of bizarre twists, the rally in Sugar Land is not for Mr. DeLay, the former House majority leader. Mr. DeLay, who is facing legal and ethical questions, capped a primary victory in March with the announcement that he was abandoning his run for a 12th term, resigning from Congress and moving to Virginia.

Instead, Mr. Bush is the headliner for a Houston councilwoman, Shelley Sekula-Gibbs, who emerged only in August as the Republican choice for the 22nd Congressional District and who is running in two elections: the general election on Nov. 7 and a special election the same day to fill Mr. DeLay's unexpired term. Her main opponent to fill the House seat for the next two years is Nick Lampson, a Democrat and former congressman who has been campaigning for more than a year and is favored to win.

"The president is coming to rally the troops, and I am so thrilled," Ms. Sekula-Gibbs, a dermatologist serving her third two-year term on the Houston City Council, said Friday by phone from the campaign trail. Asked if Mr. Bush's negative approval ratings could hurt her, she was indignant. "Only a Democrat would say that," she said. "He's tremendous. I'm thrilled he's coming."

As for Mr. Lampson, she said, "He's toast."

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Mr. Lampson, 61, who lost his House seat in a neighboring district after the 2003 redistricting engineered by Mr. DeLay, has shored up his moderate credentials with endorsements from the Veterans of Foreign Wars and the National Rifle Association and has been beaming victory grins at campaign stops.

"This has been, believe it or not, a fun race," he told National Public Radio last week. "I thought it was going to be difficult and very ugly. It has not turned out that way."

But discord broke out Friday after Ms. Sekula-Gibbs showed up inside a Sugar Land polling place where voters were casting early ballots, setting off charges by Texas Democrats and the Lampson camp that she had willfully broken the law by campaigning inside a polling place. Ms. Sekula-Gibbs said she had been campaigning outside and briefly went in to use the restroom and inquire about voter turnout.

In one of the many oddities of the race, Ms. Sekula-Gibbs, 53, is running twice, as her campaign jingle, "Vote Twice for Shelley," to the tune of "Roll Out the Barrel," reminds voters. She is on the ballot with three other Republicans and a Libertarian in the special election that Gov. Rick Perry, a Republican, waited until the last minute to call to fill Mr. DeLay's unexpired term until January. And she is a write-in candidate against Mr. Lampson as well as a Libertarian and two other write-ins in the general election to the 2007-8 Congress.

Only the Libertarian candidate, Bob Smither, 62, an engineer, appears on the ballot in both elections.

Mr. Lampson, perhaps reluctant to risk a loss for little gain, chose not to run in the special election. If Ms. Sekula-Gibbs takes the interim House seat but loses the general election, she would still be compelled to give up her Council position, a base for future campaigns, which has prompted speculation that she may turn down the interim seat. She declined to say.

"I'm running for both seats; I'm winning both seats," she said several times.

Her exclusion from the ballot in the general election goes back to the April decision by Mr. DeLay to give up his re-election race. He is under indictment in Austin in a felony campaign finance case and is facing an ethics investigation into his relationship with the lobbyist Jack Abramoff in Washington.

The Texas Republican Party sought to designate a replacement candidate, but the Democrats, eager to keep the focus on Mr. DeLay and his problems, sued to keep him on the ballot. They argued that the voters had chosen Mr. DeLay as the Republican candidate and that replacing him on his assertion that he would not be a Texas resident on Election Day, as required under the Constitution, amounted to illegal manipulation of the voting list.

A federal judge agreed, preventing the Republicans from listing anyone but Mr. DeLay.

Ms. Sekula-Gibbs, in turn, has been trying to educate voters in how to use the new computerized voting machines to spell out her name.

Midterm Vote May Define Rove's Legacy (WP)

By Michael Abramowitz

The Washington Post, October 30, 2006

By many calculations, Democrats are ready to make big gains in the midterm elections, enough to take over the House and possibly the Senate. But White House Chief of Staff Joshua B. Bolten says there is one reason he is feeling upbeat amid so much Republican gloom.

"I believe Karl Rove," Bolten said in an interview in his West Wing office Friday. "Karl Rove, somewhere inside that massive brain of his, has figured out the political landscape more clearly than the entire collection of conventional-wisdom pundits and pollsters in the entire city of Washington."

That was true for two elections in a row, in 2002 and 2004, and President Bush's senior adviser has insisted to West Wing colleagues and party faithful alike that it will be again. But Rove is just eight days from having his genius designation revoked -- or upgraded to platinum status.

Even within Rove's own party, expectations are widespread that the Nov. 7 elections will mark a repudiation for the base-rallying, contrast-drawing brand of politics with which he and Bush have been so closely aligned. But it is a mark of the particular place Rove holds in the Washington psyche that even the most exuberant Democrats are wondering why he seems so confident.

There are two questions. Is Rove just acting cocky as a way of lifting GOP morale, or does he really believe it? And, if the latter, is he deluding himself, or does he once again know something that Democrats do not?

The answers have implications well beyond Rove's reputation. Midterm congressional losses for the GOP, some analysts and Republican veterans believe, could effectively end the Bush presidency two years ahead of schedule.

If the Republicans were to lose control of at least one chamber, those in the party who have long seen Rove's approach as polarizing would feel emboldened. At the same time, a new panel co-chaired by the man who exemplifies the GOP

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establishment, former secretary of state James A. Baker III, is preparing to chart a new course on the Iraq war -- which polls suggest is the single largest reason for the Republicans' current travails.

"The architect may find his engineering plans were faulty," said one former senior official of past GOP administrations, who has watched the current one with increasing dismay. "Turning out the base this year may not be a winning or a governing strategy. America seems to be looking forward to making things work together, rather than dividing people across the board."

Rove is dismissive of the idea that the Republicans will lose the 15 House seats or six Senate seats required to cede control to the Democrats. On Tuesday, when the White House hosted radio talk show hosts from around the country, Rove did at least 13 interviews. He was on the phone with Washington association executives with what one called "happy talk" about voter-turnout metrics, polling data and campaign funding.

"I look at the individual races as clear-eyed as I can every single day, knowing what we are doing and knowing that we have the capacity to move the resources in if we need to do more," Rove said in a brief telephone interview from the road last week. "Incumbents are hard to defeat. Our candidates by and large have significantly more resources than they have. And we have succeeded in making these races choices between two local candidates."

An object of fascination on both the left and right, Rove at age 55 counts as one of the most celebrated and notorious figures in modern presidential history. Inside the White House, he is a revered figure, known as something of a jokester who will show up at senior staff meetings bearing snacks and promising a coup if Bolten is absent. Ed Rogers, a prominent GOP lobbyist, calls him "the glue" that holds the White House together.

Rove has also acquired something close to cult status among movement conservatives: After the president, Laura Bush and Vice President Cheney, Rove is the most powerful draw on the GOP fundraising circuit. He has headlined more than 100 fundraisers this campaign cycle, raising close to $13 million for Republican candidates and causes.

And when he does show up to speak, as at the annual dinner of the Erie County Republican Party earlier this month in Buffalo, Rove is greeted like a visitor from Hollywood. Rove worked the room, posing for pictures, signing programs and making small talk with hundreds of GOP faithful, none of whom seemed disappointed that a deputy White House chief of staff was a last-minute substitute for Sen. John McCain (R-Ariz.).

The trip was arranged at the behest of embattled Rep. Thomas M. Reynolds (R-N.Y.), the chairman of the House Republican campaign committee. Before the speech, Reynolds said, he made sure Rove inspected the damage from an unexpected snowstorm and received a briefing from Federal Emergency Management Agency officials. A few days later, Bush declared a federal emergency, making the city eligible for up to $200 million in disaster aid.

The White House says Rove had nothing to do with the designation, but Reynolds was clearly happy with the visit. "He has recognized that all politics is local," Reynolds said. Referring to Rove's overnight visit in the middle of a busy campaign season, he said, "The guy did a real favor for me."

The flip side of adulation is paranoia. Many Democrats are convinced Rove has some trick up his sleeve -- Osama bin Laden in the freezer, perhaps, ready for release just before Election Day -- that will save the Republicans from electoral disaster this fall.

"Karl is an absolute figure of fascination," said Walter Isaacson, president of the Aspen Institute, which hosted Rove at its annual "Ideas Festival" this summer. "What stuns people who don't know him is how personally charming he is, especially people who consider him the devil or a strange genius."

Isaacson said Rove not only answered questions for close to 90 minutes before a packed auditorium but also bantered for hours afterward with the high-powered attendees from the worlds of policy, politics and big business. For 40 minutes, he said, Rove engaged in the fine points of stem cell research with Silicon Valley venture capitalist John Doerr. "It always astonishes me that he knows more details about policy than anyone else -- that's the source of his strength," said Isaacson, who has also dealt with Rove extensively on issues of Louisiana reconstruction.

Rove was formally in charge of White House policy until this past spring, when he gave up the portfolio as part of a reshuffling of responsibilities engineered by Bolten. The shake-up was widely seen in Washington as a rebuke to Rove, though Bolten said he wanted to free up his friend for the big strategic thinking and politics he believes he does best.

Rove reads and makes comments on virtually everything the president is slated to say, plays a pivotal role in shaping the overall White House message and still plays an influential role on policy, according to Bolten. His decades-old relationship with the president appears strong and deep, as the two confer every day, sometimes multiple times, on political developments and other issues. He works closely with Republican National Committee Chairman Ken Mehlman to coordinate strategy, resource decisions and get-out-the vote efforts.

Bolten, who says he holds only Bush in higher regard than Rove, said he felt that when he took over this spring, Rove's portfolio, "even with his extraordinary abilities, would be unmanageable, especially going into a campaign season." Being in charge of the policy process, he said, requires a more neutral hand.

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Rove "has very strongly held views," Bolten said. "He's best when he's liberated to assert his views and explain why."

Soon after the shake-up, Rove was relieved of what was probably an even bigger distraction -- the long-running investigation by Special Counsel Patrick J. Fitzgerald into his role in the outing of the name of a CIA agent. Though Fitzgerald cleared Rove, many conservatives believe the investigation played a role in the drift of the second Bush term.

"Rove has been much weaker in the last year and a half, in large measure because of Fitzgerald, and Bush has not been as politically successful," said William Kristol, the editor of the Weekly Standard. Kristol voiced worry that moderates will try to "scapegoat" Rove after the election.

Associates say Rove is privately frustrated that individual candidates have not been more aggressive in drawing contrasts with Democrats on national security. In Buffalo, Rove dished out red meat with relish, pausing in the middle of an attack on Democrats for their votes against Bush's anti-terrorism policies to needle Senate Democratic Leader Harry M. Reid for a recent controversy in Nevada. "You may have read about his land swaps," Rove noted dryly.

Rove sarcastically questioned Rep. John P. Murtha's plan for pulling troops out of Iraq and creating a rapid-response force to deal with contingencies in the Middle East, possibly at the American base in Okinawa. "I am from Texas -- I am a simple boy," Rove joked, before noting that Okinawa is close to 5,000 miles from Baghdad.

"It is foolishness to suggest that this is a real plan for America," Rove said. "The real plan is this: Fight, beat 'em, win."

But there is little evidence that White House political efforts on Iraq have worked as Rove had hoped. Rove this summer signaled his desire that the war could be neutralized or even turned into an asset for Republican candidates who cast Democrats as defeatist. Instead, many candidates have been distancing themselves from Bush on the war. And while Bush in 2004 showed he could lose independent voters and still win the election, this year's polls show swing voters even more powerfully against the GOP.

"It has been clear for a long time that the independents are consolidating a view that is very anti-the-Bush-administration, very anti-the-Iraq-war," said Ruy Teixeira, a joint fellow at the liberal Center for American Progress and the Century Foundation. "Maybe they were believing their press clippings that all they need is their base."

Rove voices impatience with the notion that his own reputation is on the ballot. "I understand some will see the election as a judgment on me," he said. "But the fact of the matter is that, look what has been set in motion -- a broader, deeper, strengthened Republican Party, and with an emphasis on grass-roots neighbor-to-neighbor politics, is going to continue."

While Rove's confidence in the midterms does not waver, he said the conservative changes that Bush has promoted do not hinge on just one election: "1938 was a huge wipeout for the Democrats -- do you think that was the end of the New Deal?"

Evangelical-GOP Alliance Weakens (AP-Y)

By Rachel Zoll

AP, October 30, 2006

Of the many disturbing trends for Republicans this campaign season, one of the most troubling is the drop in support among white evangelicals.

The number of conservative Christians with a favorable view of the party has plummeted from 74 percent to 54 percent between 2004 and this year, according to the Pew Research Center for the People & the Press. Evangelicals comprise more than one-third of GOP voters.

But analysts say it's far too soon to write off the powerful Republican-evangelical alliance that helped the party dominate in the 2004 election.

Conservative Christians have been here before — disappointed that Republicans they helped elect failed to enact the evangelical agenda — yet they have consistently returned to the GOP. Even as they question the current Republican leadership, evangelicals are far more supportive than other Americans of President Bush and the party, the Pew Center found.

"There's a lot of discontentment," said Marvin Olasky, editor of the Christian newsweekly World and a framer of the "compassionate conservative" language used by Bush. "But unfortunately for most conservative evangelicals, there's no alternative."

That doesn't mean the GOP can rest easy. Damage over the past two years could cost Republicans on Nov. 7 if disenchanted evangelical voters stay home. And tensions with a core constituency would muddy the run-up to the 2008 presidential race.

Evangelical frustration is apparent in their qualified endorsements of GOP candidates.

James Dobson of Focus on the Family said at a September "Stand for the Family" rally in the battleground state of Pennsylvania that Republicans have made no progress on issues important to Christians who helped put the GOP in control.

Still, he told attendees to vote.

"Whether Republicans deserve the power they were given," Dobson said, "the alternatives are downright frightening."

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The complaints are familiar. Through every Republican victory since the Moral Majority was formed in 1979, abortion remained legal, gay couples won greater acceptance and prayer was still barred from public schools.

In 1999, Cal Thomas and Ed Dobson, both veterans of the Moral Majority, examined these failures in their book "Blinded by Might," and concluded that politics was too corrupt to be used to spread Christian morality in America. A few other evangelicals suggested conservative Christians withdraw from politics and focus instead on faith.

The retreat never happened. Between 1999 and 2004, the share of white evangelicals identifying themselves as Republican grew from 39 percent to 49 percent, the Pew Center found.

It's unclear whether this campaign season will be different.

Like many other Americans, evangelicals are upset by U.S. strategy in Iraq, corruption in the Republican-led Congress, and the case of former GOP Rep. Mark Foley, who sent sexually explicit e-mails to pages.

But conservative Christian grievances go further.

Dobson and other evangelicals have accused Congress of ignoring their policy agenda on marriage and abortion. The Bush administration did give evangelicals what they wanted most — conservative U.S. Supreme Court justices — by appointing John Roberts and Samuel Alito.

Yet, even that victory was sullied.

Many evangelicals complained that Bush's pitch to Christians on behalf of his first choice for the seat now held by Alito, Harriet Miers, was based on her conservative Christian faith. Those who considered her unqualified for the post found the approach patronizing.

Disillusionment has led to a backlash. Some evangelicals are once again warning that lawmakers are using Christians for their votes and politics is corrupting the church.

In the book "Tempting Faith, An Inside Story of Political Seduction," author David Kuo, a former aide in the White House faith-based office, wrote that Bush aides privately called conservative Christians "nuts," "ridiculous" and "goofy."

Kuo, a born-again Christian, said Republicans have failed to fulfill campaign promises to evangelicals, yet have kept Christians on their side by portraying Bush as "pastor-in-chief."

"So much of the support for his presidency comes purely on the basis of his Christian faith," Kuo said in a phone interview. "The biblical notion is to defer to your pastor. Christian political leaders have taken advantage of that — portraying themselves as spiritual leaders — but they're not. They're political leaders."

William Martin, author of "With God on Our Side, The Rise of the Religious Right in America," said Kuo's book may have an impact because it touches on the long-standing evangelical sensitivity to being marginalized by broader society.

But Martin said only a small minority of evangelicals believe they should abandon politics — leaving the Republican grip on the movement intact for now.

"The great advantage that conservatives have had within the evangelical community is that a consistent, coherent message has been repeated over and over and over to people who meet together one, two, three times a week," Martin said. "Liberals really have nothing comparable to that."

As Election Closes In, E-mail A Rapid-fire Political Weapon (USAT)

By David Jackson

USA Today, October 30, 2006

WASHINGTON — Every weekday at 8 a.m., right after President Bush meets with senior staff, his communications team huddles in a second floor West Wing office to plan new moves in the information war.

Rob Saliterman, the White House director of rapid response, fires salvos throughout the day.

His weapons: e-mails.

The White House digital war room blasts thousands of electronic messages each day, aimed at more than 2,000 targets. They include journalists, Republican staffers in government, radio talk show hosts, television bookers, Internet bloggers and what White House communications director Kevin Sullivan described as other “interested parties.”

Whether trumpeting a presidential speech or seeking to shoot down an unflattering news story, the Bush administration's “rapid response unit” is a place where politics grapples with the 24/7 news cycle — especially in an election year.

“We call it rapid response, but we look at it as being on offense,” Sullivan said. “We want to respond to things that are misleading before they become part of conventional wisdom.”

In recent months, many missives reflect what President Bush and GOP candidates discuss on the campaign trail: the record-breaking stock market, immigration and legislation authorizing a fence along the U.S.-Mexican border, and developments in Iraq.

“ 'Tis the season,” Sullivan said. “There have been more stories to respond to as we have gotten closer” to Election Day.

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Democrats also take part. For every e-mail in which the Bush administration touts progress, the staff of Senate Minority Leader Harry Reid, D-Nev., sends a response. A recent example criticized a speech on Iraq by Vice President Cheney with this headline: "Cheney stays the course. Alone."

"We don't want anything to slip by," said Rebecca Kirszner, communications director for the Senate Democratic Communications Center, which Reid created to counter the White House. Her group also keeps well-tended lists of e-mail targets.

Bush's digital warriors send several e-mails on a busy day. On Sept. 6, the day Bush proposed his plan for military trials of terrorism suspects, the White House sent at least seven missives. They included two "fact sheets" explaining the program, a list detailing myths and facts about the CIA's interrogations of these suspects, and another titled "Setting the Record Straight" addressed to critics of the plan.

A month later, the White House's rapid response team cranked out four e-mails covering the national intelligence estimate on Iraq, job creation, budget deficits, and Democrats and taxes.

War rooms in politics are nothing new. The term harks back to Bill Clinton's presidential campaign of 1992, when his advisers developed an aggressive strategy to fight attacks. Douglas Sosnik, a former Clinton political director, said e-mails weren't the tool of choice back then because "it was not nearly as ubiquitous in peoples' lives then as it is now."

The Bush White House began expanding its e-mail strategy in March 2004, according to Sullivan, in response to criticism of its terrorism policies by former National Security Council staff member Richard Clarke. Traffic ticked up in mid-November 2005, as Bush prepared a series of speeches on the Iraq war.

Robert Schmuhl, a professor of American studies at the University of Notre Dame, said the e-mail barrage reflects the fact that much of government has turned into a permanent political campaign. He called the result "spincraft, as opposed to stagecraft."

Sometimes the White House's message can get lost, however. "An e-mail avalanche leads to numbness," said Lanny Davis, an attorney who handled rapid response for the Clinton administration. "The effect of it is minimal."

Too Little, Too Late? (NSWK)

By Marcus Mabry

Newsweek, October 30, 2006

As the race for Congress enters the homestretch, the Republicans find themselves limping to the finish line, according to the new NEWSWEEK Poll. President Bush's approval rating continues a slow but steady climb—from an all-time NEWSWEEK-poll low of 33 percent three weeks ago to 37 percent today. But it may be too little, too late: if the midterm elections were held today, 53 percent of those likely to go to the polls would vote for the Democratic candidate in their Congressional district versus just 39 percent who would vote for the Republican.

But the poll is not all bad news for the GOP. President Bush declared this week that the administration was putting the Baghdad government on notice that it had to make progress in stemming sectarian violence and rebuilding the country. Otherwise, Washington would consider changes to its Iraq policy. And it worked—at the margins. Almost half of all Americans still believe taking military action in Iraq was a mistake, but the gap between those who say it was and those who say it was the right decision has narrowed: from 54 to 39 last week to 49 to 43 this week—from a 15-point margin to just six points.

Faith that the United States is making progress in Iraq is up slightly, too: from 25 percent of Americans last week to 29 percent this week. A solid majority still believes the United States is losing ground, but their ranks have decreased from 65 percent to 60 percent. The biggest change is among Republicans. Last week, 50 percent of Republicans said America was making progress in Iraq (35 percent said we were losing ground). This week 65 percent of Republicans say we're making progress and only 22 percent say we're losing ground.

That's good news for the GOP, relatively speaking. But relative is about the only kind of good news the Republicans get these days. (Sixty-one percent of Americans still say Washington should set a timetable for a withdrawal of U.S. forces, including 39 percent of Republicans.)

When all Americans were asked which they would rather see happen: the GOP retain control of Congress or the Democrats win enough seats to take over one or both houses, 50 percent of adults said they want a Democratic takeover while 35 percent said they wanted the Republicans to hold tight the reigns of power; in last week's poll, 55 percent wanted the Democrats to take over and 32 wanted the Republicans to retain power.

And while 61 percent of Americans are still dissatisfied with the direction of the country, that compares to 67 percent who were dissatisfied in two NEWSWEEK polls earlier this month. The ranks of the satisfied have grown, if not swelled, from 25 percent to 31 percent.

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On the issues, Republicans have staunched their own political bloodletting, pulling even with Democrats on signature GOP issues: for instance, 40 percent of Americans trust Republicans more on handling terrorism; 39 percent trust Democrats more—a statistical tie. And when it comes to which party voters trust more on moral values, Americans are evenly split at 38 percent. The GOP has slightly narrowed the trust gap on other issues, but the Democrats still lead—on Iraq (45 to 33); the economy (47 to 34); health care (53 to 26); immigration (40 to 32); federal spending and the deficit (47 to 31); and stem-cell research (48 to 26). They even tie, statistically, on what used to be bedrock Republican issues: 39 to 37, in favor of the Democrats, on guns; and 38 to 36 in favor of the Democrats on crime. On abortion, Democrats win 42 to 33 and on same-sex marriage, 41 to 33.

Most worrisome for the GOP? As a wave of negative political ads from both parties takes to the airwaves in the final days before the election, voters so far judge the Republican ads more harshly. Overall, about two-thirds of registered voters say neither parties' ads have made much difference in how they're going to vote. Just 9 percent of registered voters who have seen Republican advertisements say the spots make them more likely to vote for Republican candidates; 24 percent say the ads make them less likely. The Democrats seem to turn off fewer voters with their commercials and win more over, but it's still a wash. Fourteen percent of registered voters say they're more likely to vote for a Democrat because of the ads they've seen; 16 percent say they're less likely.

And the GOP seems to be risking a backlash with some of its most risqué advertisements. The most widely viewed of the commercials in the NEWSWEEK poll—the Michael J. Fox ad in support of stem-cell research, which aired in Missouri and Maryland (and is the only ad in the poll seen by a majority of Americans)—was considered acceptable by 62 percent of registered voters who saw it. But of the 24 percent of registered voters who said they'd seen the ad "critical of a Tennessee Senate candidate that shows a young woman who says she met him at a party," only 20 percent found it acceptable; an overwhelming 77 percent of those who had seen it said the ad was "too extreme."

Which begs a question: Just how scary will things get between now and Nov. 7?

The NEWSWEEK poll, conducted Oct. 26-27, has a margin of error of plus or minus 4 percentage points. In conducting the poll, Princeton Survey Research Associates International interviewed 1,002 adults aged 18 and older.

In Key House Races, Democrats Run To The Right (NYT)

By Shaila Dewan And Anne E. Kornblut

The New York Times, October 30, 2006

ASHEVILLE, N.C., Oct. 28 — In their push to win back control of the House, Democrats have turned to conservative and moderate candidates who fit the profiles of their districts more closely than the profile of the national party.

One such candidate, Heath Shuler, was courted by Republicans to run for office in 2001. Mr. Shuler, 34, is a retired National Football League quarterback who is running in the 11th Congressional District in North Carolina. He is an evangelical Christian and holds fast to many conservative social views, like opposition to abortion rights.

"My guess is that if Democrats are in the majority, it's going to be because of these New Democrat, Blue Dog candidates out there winning in these competitive swing districts," Representative Ron Kind of Wisconsin, co-chairman of a caucus of centrist House Democrats, said in an interview.

But if candidates like Mr. Shuler do help the Democrats gain majority control of Congress, it could come at a political price, which may include tensions in the party between its new centrists and its more liberal political base.

While Democratic leaders have gone to great lengths to promote the views of these candidates, some, like Mr. Shuler, have views on issues like gun control and abortion that are far out of step with the prevailing views of the Democrats who control the party. On some issues, they may even be expected to side with Republicans and the Bush White House.

Democratic officials said they did not set out with the intention of finding moderates to run. Instead, as they searched for candidates with the greatest possibility of winning against Republicans, they said, they wound up with a number who reflected more moderate views.

That was especially true in suburban areas and some rural districts, said Representative Rahm Emanuel of Illinois, chairman of the Democratic Congressional Campaign Committee. "As a group, they are moderate in temperament and reformers in spirit," Mr. Emanuel said.

In Indiana, for example, Brad Ellsworth, a Democrat running to unseat Representative John Hostettler, brags about the "A" rating he has received from the National Rifle Association. In Kentucky, Mike Weaver, a Democrat who opposes abortion rights, is running against Representative Ron Lewis, a Republican. Gabrielle Giffords, a Democrat running for an open House seat in Arizona, is presenting herself as a fiscal conservative, saying she would oppose Congressional pay increases until the federal budget is balanced.

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If this crop of moderate and conservative Democrats arrived on Capitol Hill as members of a Democratic majority, they would not have much power individually to change the face of Congress — an argument that has been used against Mr. Shuler by the incumbent, Representative Charles H. Taylor, who is chairman of the House Appropriations Subcommittee on the Interior.

Instead, party veterans would remain in chairmanships and House leadership posts; several officials said they did not expect a moderate revolution to erupt or to threaten the position of Representative Nancy Pelosi of California as the Democratic leader in the House.

"But will they have an impact? Absolutely," Mr. Emanuel said. "They're going to have an impact on the Congress and the caucus." A prime example is Mr. Shuler, who addresses environmental conservation from the viewpoint of an avid hunter and speaks of health care for the poor as a moral responsibility.

Collectively, the group could tilt the balance of power within the party, which has been struggling to define itself in recent elections. The candidates cover the spectrum on political issues; some are fiscally conservative and moderate or liberal on social issues, some are the reverse. They could influence negotiations with Republicans on a variety of issues, including Social Security and stem cell research.

There are two main groups of moderate Democrats in the House: the Blue Dog Coalition, a caucus of socially conservative and moderate members formed in 1994; and the New Democrat Coalition, a caucus of centrists formed in 1997. While there are differences between the two — the Blue Dogs tend to be more rural and Southern, with occasional alliances with Republicans, while the New Democrats are more suburban and wealthy and place a premium on party loyalty — there are members who belong to both. Both, of course, have a stake in helping the centrist candidates succeed.

Representative Ellen O. Tauscher of California, a co-chairwoman of the 47-member New Democrat Coalition, said that 27 of the top 40 contested House seats were being pursued by Democrats who have pledged to become members of the group, which says its chief issues are national security and fiscal responsibility.

"I think there's tremendous agreement and awareness that getting the majority and running over the left cliff is what our Republican opponents would dearly love," Ms. Tauscher said, adding that this was something "we've got to fight."

The centrist movement was embodied by former President Bill Clinton, who rose to prominence through the Democratic Leadership Council, which embraced a so-called third way of politics and eschewed what it saw as outdated liberalism.

Yet since Mr. Clinton left office, Democrats have seemed to drift back in the direction of their liberal identity, nominating two presidential contenders who were seen as less committed to the moderate cause.

"The Democrats as a whole have begun to understand and recognize, as I did, that we have the extreme left and the extreme right, and 80 percent of America is in the middle," Mr. Shuler said on a campaign stop last week at the Asheville-Buncombe Technical Community College. "People need to start working together."

Mr. Shuler grew up in a Democratic family, the son of a mailman in Bryson City, N.C. He has set out to bring Democrats who have voted Republican, like Brenda Davis, back into the fold.

From behind the counter at the Spud & Deb's hunting and pet supply store in Enka, N.C., Ms. Davis, 41, said she voted Republican in the last election because of her religious beliefs, but this time is supporting Mr. Shuler.

"Considering my son is a marine and he's done two tours in Iraq," Ms. Davis said, "I'm with the Democrats."

In 2001, Republicans tried unsuccessfully to persuade Mr. Shuler, who was then living in Knoxville, Tenn., to run for Congress even though he had rarely shown interest enough in politics to vote.

But Democrats found Mr. Shuler an equally appealing candidate, for some of the same reasons. After intense recruiting, he agreed to run this year as a Democrat in the Blue Ridge Mountains of western North Carolina, where he was a high school football star. Despite his lack of political experience, polls indicate that he has pushed the Republican incumbent, Mr. Taylor, into a dead heat.

In this corner of the state, where the rivers churn with whitewater and the mountainsides brighten into rusty glory each autumn, second homes for the wealthy have driven up the cost of living even as manufacturing jobs have become scarce, and the social spending cuts that people associated with the Republican Party are no more palatable than the social liberalism of the Democrats.

Mr. Taylor, a wealthy tree farmer and banker, took office in 1991 and has held it since, and he has talked up his ability to bring federal money to the district.

Asked if he could envision a Democratic Party with, say, an anti-abortion platform, Mr. Shuler did not hesitate. "I'm pro-life and I'm part of the Democratic Party, so I hope it's part of the platform," he said. "Someone needs to lead."

In this election cycle, the Democrats' desire for a victory in Congress has overridden concerns that candidates like Mr. Shuler are too far right for the party base. But there are questions about what will happen down the line.

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"I don't think people like Shuler will be the core of the Democratic Party," said Mark Bloom, a writer who is a volunteer for MoveOn.org, the liberal advocacy group, at its storefront office in downtown Asheville. "If people like Shuler turn out to not be progressive enough for my tastes, I'll work to replace him."

In the view of Don Yelton, a Jupiter, N.C., resident, a decisive nationwide realignment is playing out in conservative districts like this one. Although the majority of registered voters are Democrats, President Bush won here by a comfortable margin.

Mr. Yelton, 59 and a lifelong Democrat, said he recently changed parties, in part because he believed that the Democrats had suppressed anti-abortion viewpoints. He is running as a Republican for clerk of court in Buncombe County.

"There's going to be a moderate party for Joe Blow, and whether that party is the Republican Party or the Democratic Party, that's the battle we're seeing," Mr. Yelton said. "I expect to see Hillary Clinton quoting Scripture before it's over with."

It's Lonely At The Top (TIME)

By Karen Tumulty, Mike Allen

Time, October 30, 2006

"Stay the course" is a time-honored rallying cry in politics. But it has always been more a slogan than a strategy, meant to show the steadfastness of the person who shouts it rather than what he actually intends to do. More telling is when staying the course turns into "constantly changing tactics to meet the situation on the ground." That is how President Bush is now describing the battle plan in Iraq. It also pretty neatly sums up what his presidency has come to as he reaches the eve of a midterm congressional election that has turned into a referendum on Bush himself--and on a policy in Iraq that has left him more isolated than at any other point in his presidency.

The last time control of Congress was up for grabs in a midterm election, it seemed Republican candidates across the country couldn't see enough of--or be seen enough with--George W. Bush. In the closing five days of 2002, Bush swooped through 17 cities, playing to tens of thousands of voters who packed tarmacs and arenas from Aberdeen, S.D., to Blountville, Tenn. This midterm election is also turning out to be all about Bush, but it's a much lonelier experience for him. He still fills smaller rooms, especially the kind where people are willing to write five-figure checks for the privilege of lunch with a Republican President. And he's welcomed warmly in places where having local reporters point out Bush's difficulties provides a diversion from the candidate's own. But when Air Force One touches down in tightly contested congressional districts these days, it often turns out that the G.O.P. candidate there has discovered a previous commitment elsewhere, the political equivalent of suddenly needing to have your tires rotated. Yes, it's true that Florida Congressman Clay Shaw has been running radio ads to boast of his record working closely with a President, but the one he's talking about is Bill Clinton.

THE IRAQ VERDICT

THE CAMPAIGN TRAIL IS NOT THE ONLY place where Bush is watching his friends scatter. Only 38% percent of Americans say they still believe his invasion of Iraq was a good idea, and 61% percent say they don't think he has a clear plan for handling the war. But Bush has lived by the political philosophy that when the crowd is against you, you just strut more boldly across the stage. That's why he held a news conference a few days ago to hug his war policy even tighter. It is there that he argued that staying the course means "constantly changing tactics" and that benchmarks (good) aren't the same as timetables (bad). But it was as if no one was listening. Iraqi Prime Minister Nouri al-Maliki declared that he wouldn't abide by either one if it was imposed by Washington, and that morning's headlines had Bush's top general in Iraq, George W. Casey, breaking ranks to suggest he was thinking about asking for more troops. That was just about the last thing any Republican wanted to hear with less than two weeks to go before an election. Within 24 hours, therefore, Casey was back on message with a statement in which his office said he had given the "wrong impression." Al-Maliki and Bush took a few more days to get back in synch, by issuing a declaration that they had agreed to speed up training for Iraqi security forces.

Meanwhile, even as Bush was praising Defense Secretary Donald Rumsfeld as "a smart, tough, capable administrator," endangered Republicans like Kentucky Representative Anne Northup and Ohio Senator Mike DeWine have been joining the increasingly loud chorus of calls for the Secretary's ouster. And pressure for change is not coming only from the desperate and the wobbly. Texas Senator Kay Bailey Hutchison--a Bush loyalist well ahead in her bid for re-election--is expressing regret for her vote to authorize the invasion and is advocating partitioning Iraq along ethnic lines. "We have to step back and stop trying to put our American ideas onto this problem," she told the Houston Chronicle.

Iraq is what has put the President on the eve of a possible rebuke by voters. And if Bush were a different kind of politician--if he loved political jawboning like Lyndon Johnson or could show political elasticity like Bill Clinton--this moment might be less significant. But Bush has perfected the art of governing from inside his razor-thin majority, and is proud above all of his ideological toughness. That's why the midterms could do more than change the balance of power in Washington, if current polls are right and one or both houses shift to Democratic hands. The election might also produce a different kind of presidential style. Bush has sounded wistful lately about his more bipartisan days as a Texas Governor. "As you know, in Austin I was able to work

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with Democrats and Republicans to get a lot done," he said in an interview last week with Texas-based Belo Broadcasting. That's a new tone for a leader whose confidence and convictions have given his party its backbone for the past six years.

IT'S THE PRESIDENT, STUPID

FOR THE MOMENT, HOWEVER, SILVER linings in the President's predicament are so scant around the White House that when a conservative commentator recently asked Bush to give him some good news, Bush replied, "You're talking to Noah about the flood." Even the President knows this election has become a national referendum on him and his performance. In the latest Washington Post--ABC News poll, 31% of those surveyed said they will use their congressional votes to register their opposition to Bush, which was almost double the percentage who said they felt that way before the last midterm. By comparison, only 17% said they plan to use their vote to show support for Bush. And Democrats are stoking that sentiment in ads like the one the Democratic Congressional Campaign Committee (DCCC) is running on television in Connecticut's Second District, in which an announcer intones: "Rob Simmons said he'd represent us, but George Bush always comes first." In fact, you are far more likely to see Bush in a Democratic ad this year than a Republican one. The President is now being featured in 89 separate TV commercials for Democratic House candidates nationwide. Says DCCC spokesman Bill Burton: "No other issue is that dominant."

Of course, the President and his party still have some built-in advantages. The gerrymandering of the past decade has turned the vast majority of congressional districts into fortresses for incumbents, to the point where the number of House seats in serious contention is only about three dozen, compared with roughly 100 in the 1994 landslide that brought the G.O.P. to power with a 54-seat pickup. And the Republicans retain their advantage in money and, most operatives on both sides agree, the pinpoint sophistication of their turnout operation among a conservative base in which Bush still has nearly 90% approval in most polls. But even Republicans fret their loyalists have been discouraged by the Mark Foley scandal, and can't match the Democrats in passion. That fervor is being fueled by the bare-knuckled veterans who are heading up their House and Senate campaigns--New York Senator Charles Schumer and Chicago Congressman Rahm Emanuel--who have been urging their candidates to punch back at Bush directly on national security. And they have. In Rhode Island, Democratic Senate nominee Sheldon Whitehouse has been running an ad in which he says, "We need to send a clear signal that, folks, we are really getting out" of Iraq. So upended is the political calculus that it is now Republicans like Senate majority leader Bill Frist who are urging their candidates to steer clear of the war in favor of pocketbook issues.

CAPITAL CONFLICT

SO WHAT DOES IT MEAN IF WASHINGTON does become a stage of sectarian conflict after Nov. 7? For one thing, most of Bush's legislative agenda could be bound for gridlock. White House officials still talk hopefully of expanding Bush's No Child Left Behind education legislation. Other issues for which they argue they could get some kind of bipartisan traction include moving toward energy independence, lowering health-care costs and measures to fight terrorism. Bush's advisers even talk of enlisting Democrats for some grand push for entitlement reform, although anything like Bush's disastrous effort to add private accounts to Social Security would seem out of the question, given his inability to get anywhere even with a Republican Congress.

One area in which the President and a Democratic Congress might be able to make common cause is the immigration bill that has been one of his signature issues. The Senate has gone along with Bush's comprehensive approach, which includes both tougher enforcement of the border and expanded legalization for immigrants who are already in this country. But the closest thing to an immigration policy to come out of House Republicans was a 700-mile "virtual fence" along the border--a politically expedient idea that, enacted on its own, leaves Bush with less to horse-trade in his efforts to get what he really wants, which is serious reform. With that in mind, White House officials resisted holding a signing ceremony on the fence bill. But House Republican leaders were so insistent that the White House finally agreed to a low-key event in the Roosevelt Room with just six minutes of presidential remarks.

As for what direction the Democrats are likely to take, much would depend on whether would-be House Speaker Nancy Pelosi decides the next two years are about revenge, or about governing--and whether she can keep her troops in line. "They listen to no one," she told TIME earlier this year. "They don't even listen to each other." Pelosi's initial goals, which she says she wants to accomplish in the Democrats' first 100 legislative hours in power, are modest and relatively uncontroversial. She would have the House pass bills aimed at raising the minimum wage, cutting student-loan interest rates, allowing the Federal Government to negotiate directly with pharmaceutical companies for lower drug prices for Medicare patients, and reforming lobbying practices.

Pelosi needs 15 seats to become the next Speaker, but if her majority is only a vote or two, she's not likely to get much further than her 100-hour plan. More conservative Democrats, many of them newly elected from Republican-leaning districts, would hold the balance of power. If the Democrats have a more comfortable majority, however, the party's edgier, angrier side could emerge, especially on the question of whether or how quickly to withdraw from Iraq. One of the early tests of which

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direction Pelosi would take could be an expected fight for majority leader between the current whip Steny Hoyer and Pennsylvania's John Murtha, who has become a hero to the antiwar left.

If lame-duck Presidents are to achieve anything, they often have to look for ways to go around Congress, especially when it is in the hands of the other party. Clinton used Executive Orders and his bully pulpit to encourage school uniforms, impose ergonomic rules on employers and prevent mining, logging and development on 60 million acres of public land. White House press secretary Tony Snow says Bush may take the same bypass around Capitol Hill. "He told all of us, 'Put on your track shoes. We're going to run to the finish,'" Snow said. "He's going to be aggressive on a lot of fronts. He's been calling all his Cabinet secretaries and telling them, 'You tell me administratively everything you can do between now and the end of the presidency. I want to see your to-do list and how you expect to do it.' We're going to try to be as ambitious and bold as we can possibly be."

In fact, when it comes to deploying its Executive power, which is dear to Bush's understanding of the presidency, the President's team has been planning for what one strategist describes as "a cataclysmic fight to the death" over the balance between Congress and the White House if confronted with congressional subpoenas it deems inappropriate. The strategist says the Bush team is "going to assert that power, and they're going to fight it all the way to the Supreme Court on every issue, every time, no compromise, no discussion, no negotiation."

MR. OPTIMISM

AS FOR THE BIGGEST CHALLENGE OF ALL to Bush's presidency, some clarity on Iraq may come after the elections, when Bush receives a much anticipated report from the Iraq Study Group, the commission headed by former Secretary of State James Baker (Jimmy, as the President calls the longtime family consigliere) and Lee Hamilton, vice chairman of the 9/11 commission. Administration officials say they expect the report no sooner than December, and they hope it includes recommendations they can embrace rather than a menu of options that would put the ball back in their court.

Baker has said he wants the panel of Republicans and Democrats to come to a consensus--which has some Administration officials skeptical about how much clarity will emerge. "I welcome all these efforts," Bush said at his news conference. "My Administration will carefully consider any proposal that will help us achieve victory." That gives Bush a lot of leeway for a real course correction without saying--perhaps even knowing--what is to come from the Baker-Hamilton group. A senior Administration official says, "The only things we've ruled out are getting out immediately, phased withdrawal without any reference to events on the ground and partitioning the country into three parts. Those are all nonstarters." That's a very narrow range of exceptions; even the Democrats, by and large, aren't advocating those approaches.

However bleak the President's situation may look to outsiders, aides say he appears to be reveling in campaigning, and was joking about Detroit Tigers pitcher Kenny Rogers' doing better in the World Series than he did when he played for Bush's Texas Rangers in the 1990s. "Sometimes he'll premise a point he makes by saying 'Call me Mr. Happy, but I think ...' or 'I know I'm Mr. Optimism, but ...,'" says an aide. A presidential adviser who has recently talked to Bush says he believes the President will finish stronger than most people think, largely because of the determination that critics call stubbornness. "This guy, at 11:59 and 58 seconds on the 20th of January 2009, in the moment before his successor is inaugurated, is still going to be trying to make it work in Iraq," the adviser says. "He really believes it can work, and he believes that his will can be part of a formula to make it work in Iraq, and that's a course for us to defeat radical Islamic terrorism."

Friends describe a President who knows he's the same person today that he was at his Gallup-poll peak of 90% approval after 9/11 and that he was in the depths of 31% last spring. In Journeys with George, her documentary about Bush's first campaign, former NBC producer Alexandra Pelosi--who, as it happens, is the daughter of the woman who has the most to gain in these elections--tells of being invited to Bush's private compartment on his campaign plane when she was having a low moment. "They can say what they want about me," she remembered him saying, "but at least I know who I am, and I know who my friends are." As Bush girds for tectonic change, that certitude will be tested as never before.

For the latest Campaign 2006 news, blogs and analysis, go to time.com With reporting by With reporting by Perry Bacon Jr., Massimo Calabresi, Timothy J. Burger/ Washington

Fatter 401(k)'s Might Not Be Enough To Save The GOP (USNEWS)

By James Pethokoukis

U.S. News and World Report, October 30, 2006

How will investors affect the midterm congressional elections November 7?

Political pundits want to know-and for good reason. Slightly more than half of all U.S. households own stock, either directly or through retirement accounts like 401(k)'s and IRAs, according to the Investment Company Institute. In the early 1990s, only about a third did.

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During the 2004 presidential election, about 46 percent of voters, according to polling by Zogby International, identified themselves as members of the "investor class." And this group voted for President Bush in a landslide over Sen. John Kerry, 61 percent to 39 percent.

Of course, the term investor class may just mean middle-to-upper-income white men, a group that typically votes GOP. But investors are now far more diverse than that. Some 91 million Americans owned mutual funds in 2005. In about a quarter of fund-owning households, women make the investment decisions.

"The investor class has been the great hope of Republicans," says Charles Gabriel, political analyst at the Washington research arm of Prudential Securities. "The theory was that if you turned voters into stakeholders, they would pay closer attention ... to legislation that would hurt companies." Yet Gabriel wonders how energetic investors will be, since the Dow Jones industrial average has only recently returned to levels last seen in 2000.

Surprise! A Zogby poll taken in mid-June, as the market rally was beginning, showed Bush with a 41 percent approval rating among investors. That's not so hot, but it was better than his 36 percent approval rating overall. Investors checking their financial statements this month will find a nice "October surprise." The S&P 500 gained 5 percent in the third quarter and is up about 13 percent since early June. "The economy is in very good shape right now," says David Gitlitz, chief economist at TrendMacrolytics. "Investors have every reason to be happy with what is going on."

All this seemed to be helping Bush and the congressional GOP-ratings for both were rising-until the Mark Foley page scandal broke.

Democrats will correctly point out that stocks have historically done better when their party has controlled the White House than when the GOP has. So why do investors keep favoring Republicans? A recent study offers this possible explanation: While past Democratic presidents may have pursued market-friendly policies, investors stubbornly expect future ones not to. One reason may be that the GOP tends to aggressively support more favorable treatment of capital gains and dividend income. Rates for both were cut in 2003.

By contrast, Kerry vice presidential candidate John Edwards, a possible 2008 White House contender, has advocated raising capital-gains rates for wealthier investors.

Turnout, Not Burnout (USNEWS)

By Dan Gilgoff

U.S. News and World Report, October 30, 2006

BLUE BELL, PA.-Here's Rick Santorum's plan to close his challenger's big lead in the polls and pull off a surprise win next week: a phone bank staffed with a half-dozen die-hard volunteers in this Philadelphia suburb. "The Republican Party is committed to protecting America in the war on terror and securing our borders," says Jack Posobiec, a Temple University senior, into a phone receiver on the second-to-last Tuesday before the election. "Can the party count on your vote?" Posobiec takes down the "Yes" response on a sheet of paper that will be scanned into the GOP's vast national voter database, then dials the next number on his list. It's the kind of person-to-person transaction, repeated millions of times over, that forms the grass-roots ground game credited with delivering the Republican gains of 2002 and 2004.

This year, facing its toughest political climate in over a decade (Santorum is just one of several Republican senators in a fight for their political lives), the GOP is counting on that get-out-the-vote machine more than ever. "Turnout in an off-year election is more important than in a presidential election because voters on both sides are less motivated," says a senior Republican adviser. Turnout this year is expected to be down by more than a third from 2004, which is why more than 20 GOP phone banks and volunteer centers across Pennsylvania have already contacted more than a million voters most likely to back Santorum-who is running up to 12 points behind challenger Bob Casey Jr. "The goal is to get [Casey's lead] to single digits by Election Day," says Santorum campaign manager Vince Galko. "The grass roots will take it from there."

Dispirited. With only days to go, however, achieving that goal appears iffy, at best. The revved-up Republican base that staffed the election-eve blizzard of phone calls and door knocks in 2002 and 2004 as part of the GOP's "72-hour plan" now appears dispirited. At the Blue Bell phone bank, one volunteer called a half-dozen Republicans who'd expressed interest in joining this year's "72-hour task force" before finding a taker. The Democrats, meanwhile, say they've improved their ground game since 2004, when the Democratic National Committee's voter file-the road map for turnout efforts-was so glitch-prone that Ohio's Democratic Party couldn't access it until a week before Election Day. In dozens of close races nationwide, the ability of the GOP turnout effort to deliver again, or the Democrats' ability to best it, will determine the outcome next week-and, with it, which party controls Congress.

The Democrats, by relying on organized labor, had historically maintained an edge on turnout operations-until President Bush was elected. But the GOP, under the direction of White House political chief Karl Rove and Republican National Committee Chairman Ken Mehlman, began running its turnout operation like a business, giving state parties customized volunteer

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recruitment and voter contact goals. In this cycle, Mehlman received weekly reports from state parties that showed how well each was managing its "metric" goals, starting a full year before Election Day.

The Year The Democrats Punched Back (TIME)

By Joe Klein

Time, October 30, 2006

First, the Republicans tried to attack Democrats on national security, their old, reliable soft-on-terrorism gambit. But that didn't work, in part because George W. Bush's own National Intelligence Council issued a report that said the Administration's policies were probably adding to the sum total of terrorists in the world. Then the Republicans tried to accuse Democrats of being soft on illegal immigrants. But that didn't work because the President himself was notoriously humane on immigration—and it was the Republican Congress that had failed to produce a tough immigration bill.

In recent weeks, the Republicans unwrapped another moldy chestnut, advertisements proclaiming that Democrats will raise taxes. But that didn't seem to be working either because voters were focused on Iraq and Mark Foley. And so last week the Republicans unleashed a series of ads painting the Democrats as sex-crazed, homosexual-loving, porn-perusing—and in the case of the novelist and Virginia Senate candidate Jim Webb, porn-writing—perverts. It was vivid proof that the prospect of a hanging doesn't always concentrate the mind. Sometimes it leads to feral, piss-pants desperation.

Most of the media attention was centered on the Democratic candidate for U.S. Senate from Tennessee, Harold Ford Jr., and why not? He's young, attractive and black—and you know how dangerously sexy those people are. But there was enough other action around the country—the attack on the sex scenes in Webb's novels, sex-related claims against Democratic congressional candidates in New York and Minnesota—for the outlines of the new Republican strategy to become clear. Even President Bush leaped on a New Jersey court decision favorable to homosexual couples, calling it another case of liberal judicial activism.

Ford's crime was his attendance, along with 3,000 other people, at a Super Bowl party sponsored by Playboy magazine last year. This inspired the Republicans to run their now famous ad featuring a scantily clad white actress who claimed to have met Ford at the party and then, in the punch line, pooched her lips, winked and whispered, "Harold, call me." A second ad accused Ford of having "Hollywood values," for what it said was his support of gay marriage and the distribution of morning-after birth-control pills to teenagers.

Neither claim is true. It remains to be seen what, if any, effect these ads will have, but Ford responded immediately with a spot featuring average Tennesseans expressing their disgust with the Republicans. A woman named Maura Satchell says, "My son's life is on the line in Iraq, and they're putting out these ads just to distract us."

Rapid response to Republican attacks has been a key to Ford's unlikely strength in Tennessee. In early October, for example, the Republican candidate, Bob Corker, accused Ford of being pro-amnesty for illegal immigrants. Ford's response was immediate and lethal: an ad claiming that Corker's construction company had employed illegal aliens. In fact, a Corker work site had been raided by the Immigration and Naturalization Service. "Rapid response is a rule I set down for all our candidates this year," says Senator Charles Schumer of New York, chairman of the Democratic Senatorial Campaign Committee (DSCC). "If you want [financial] support from us, you have to respond within 24 hours after you've been attacked."

Obviously, John Kerry's lamblike response to the attacks on his character during the 2004 presidential campaign, especially those emanating from the Swift Boat Veterans for Truth, is very much on Democrats' minds in 2006. But Schumer learned the lesson in his Senate race against Alfonse D'Amato in 1998. "Fonzi attacked me for being soft on crime, and we came right back at him with a tough series of ads with the tagline 'Alfonse D'Amato: too many lies for too long.'" Schumer says that perhaps the most important ad run by a Democrat this year appeared in July in the Ohio Senate race.

The Republican, Mike DeWine, had put up a spot that called into question Democrat Sherrod Brown's record on national security, using a smudged, smoking, slightly distorted image of the World Trade Center terrorist attack. The thrust of the ad was accurate: Brown is a mortal dove who repeatedly voted against increases in the intelligence budget. And the attack had been expected. "Our candidates were really worried about how to counter the Republicans on national security," says J.B. Poersch, executive Director of the DSCC. "It's what worked against us in 2002 and 2004."

But Brown responded with a spot that began, "It's sad. Mike DeWine exploiting images of 9/11 to smear Sherrod Brown ..." and quickly pivoted to Brown's favorite issue: [DeWine] supported trade deals with China, even after thousands of lost jobs and the transfer of sensitive military technology ..." Polls show Brown well ahead now—and the ad also had a spillover effect. "Our other candidates saw Brown's success," says Poersch, "and they began to feel confident that they could survive Republican national-security attacks."

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As a result, the political-advertising phenomenon of 2006: almost all of the best ads this year, in both the Senate and House races, have been Democratic counterpunches. Of course, it is easier to strike back at an exhausted opponent, and 2006 may be remembered as the year that the Reagan Revolution finally crested and began to recede.

On Time Mobile, you can now read Joe Klein's column every week free on the Web browser of your cell phone or mobile device. Go to mobile.time.com

Battling For The Show-Me Moms (TIME)

By Massimo Calabresi

Time, October 30, 2006

Call them the show-me moms. They may be this political season's equivalent of the soccer moms or the NASCAR dads--a slice of the electorate that turns out to be vital to one party's triumph, or either's. This year strategists on both sides are focused on a small subset of females: white women over 55 in the South who were raised as Democrats but tend to be culturally conservative. The group eschews party loyalty in favor of candidates offering practical solutions to problems like education, security and health care and is "very critical," says a top G.O.P. strategist, in the deadlocked Senate races in Missouri, Tennessee and Virginia. To take the Senate, Democrats probably need to win at least two of the races in those red-state redoubts.

Women in general are more independent than men, decide later how to vote and--older women especially-- are more active in midterm elections, all of which means they are central to Democratic attempts to make up for the men the party can't win in the upper South. Democrats are optimistic about swaying older women, says pollster Celinda Lake, because they "were among the most supportive in the early days of the war in Iraq and now are some of the most critical." While 54% of Southern women voted for Bush in 2004, a recent Associated Press poll found that only 32% of them approve of his handling of the war, compared with 36% of all Southerners. Republicans argue that they can hold these show-me moms by stressing the good economy and the moderate popularity of President Bush's prescription-drug program.

The fight for the matron vote can get rough. Senator Jim Talent, the Missouri incumbent who faces a hard contest against state auditor Claire McCaskill, has spent heavily on ads accusing her of failing to investigate abusive nursing homes. And last week in Virginia, Republicans spent more than $1 million on TV ads attacking challenger James Webb for, among other things, a 1979 article opposing women in combat and his novels, whose raunchy sex scenes incumbent George Allen called "demeaning to women." This close to Election Day, there are still plenty of votes to scrap for: a recent Missouri poll found 5% of men are unsure but 9% of women still in play.

Politics: The Sleepers (NSWK)

Newsweek, October 30, 2006

All politics is local, except when it isn't. Next week Americans will head to the polls with national and international issues on their minds. Chief among them: Iraq, the top issue for 29 percent of voters in the NEWSWEEK Poll (the largest percentage for any issue, followed by the economy at 21 percent). Democrats, the party preferred by 53 percent of voters to control Congress, seem poised for big gains. But a host of sleeper social issues, including abortion, same-sex marriage and stem-cell research will keep campaign 2006 interesting to the end.

ISSUES 2006

STEM CELLS

In Missouri, the Fox Effect

When Michael J. Fox picked up the phone early last Tuesday morning he was greeted by his mother, in a fury. Two days before, Fox had appeared in a television advertisement for Democratic Missouri Senate candidate Claire McCaskill. Fox, the actor stricken with Parkinson's disease, was supporting McCaskill and other Democratic candidates because of their support for research on embryonic stem cells. Now Rush Limbaugh, the conservative talk-radio host, was accusing Fox of "exaggerating the effects of the disease" in order to secure sympathy. How could Limbaugh be so cruel, Fox's mother wanted to know. Fox told her Limbaugh wasn't getting to him. "I have four kids," he later told NEWSWEEK. "I have to set an example on how you deal with bullies."

For a moment last week, Fox and Limbaugh made stem-cell research the premier topic in campaign 2006, no small feat for any issue that isn't Iraq or a sex scandal. "We wanted to make sure [stem cells] were at the forefront in the campaign," he says. "That we're talking about this 11 days before the election is just phenomenal."

But back in Missouri, Fox's candidate claimed she hadn't been following the fracas. Were stem cells one of her top five priorities? "That [is] a mean question to ask!" she replied, indicating she'd rather not say. If she sounded a bit tepid, it's because no one in Missouri seems to know quite how stem cells are going to play this year. Next week, when voters choose between

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McCaskill and Jim Talent, the Republican incumbent, they'll also vote on an amendment to the state's constitution guaranteeing protection for federally sanctioned stem-cell research. Critics say it creates a legal foundation for the cloning of human embryos and the destruction of innocent life. After Fox's ad hit the airwaves, opponents of the measure struck back with their own celebrity-filled ad. Most memorable: James Caviezel, the actor who played Jesus in "The Passion of the Christ," opening the ad in lilting ancient Aramaic. It was a day or so before Caviezel's words were translated as "You betray the Son of Man with a kiss." But his intended message was instantly apparent: conservative Christians, come and vote.

If they do, in large numbers, it could spell trouble for McCaskill, who has trailed Talent in recent polls. But Talent himself seems in no rush to step forward as the face of stem-cell foes, mindful that embryonic research splits conservatives—some of whom protest the use of human embryos, while others champion the prospect of cures. (Talent's campaign did not respond to requests for a comment.)

Missouri is a bellwether: a McCaskill win could push candidates in future races to champion stem cells on the stump. In the meantime Fox is doing plenty of pushing on his own. This week he'll travel to Iowa, Ohio and Virginia to stump for supporters of the research. The political arena exacerbates his Parkinson's symptoms, but Fox refuses to slow down. "I'm tired of having my hope qualified as false," he says. "We've reached a point where this can happen now if people get their votes right."

—Jonathan Darman with Lee Hudson Teslik

GAY MARRIAGE

A Wake-Up Call in New Jersey

The Republicans were clearly hoping for a little déjà vu. In 2004, they seized on 11 gay-marriage ballot initiatives to get fired-up conservatives to the polls. Though eight states will vote on similar measures this fall, the issue hasn't been nearly as electrifying. At least not until last week, when the New Jersey Supreme Court ordered the state legislature to grant gays the same marriage rights as straight couples. Though the court said lawmakers didn't have to call it "marriage," the semantics mattered little. "It's a gift to the White House and the Republican Party if they're smart enough to use it," says Gary Bauer, president of the conservative group American Values. President George W. Bush himself extolled the "sacred institution" of heterosexual marriage and complained about "another activist court issue."

In the past two years, says Family Research Council president Tony Perkins, conservatives have passed gay-marriage bans in 16 states (all but five states now have some kind of ban in place) and won eight court victories. "People were somewhat complacent," Perkins says, "but this clearly brings the issue of the defense of marriage back into focus."

With less than two weeks left before the polls close, social conservatives think gay marriage can make a difference again, especially in tight Senate races in Virginia and Tennessee, where marriage amendments are already on the ballot. Bauer says his group may run ads touting the New Jersey ruling in some battleground states.

Gay-rights advocates don't expect to win many—or maybe any—of the eight ballot initiatives. But, after two years of gay marriage in Massachusetts, they think voters might not be as alarmed about the idea as they were in '04. "An angry electorate is looking for real answers on the economy, the war in Iraq," says Human Rights Campaign president Joe Solmonese. "It's just not going to resonate this year." If it does, he says, gay-rights groups will press their case where they've had better luck—in court.

—Debra Rosenberg

THE RIGHT TO DIE

Schiavo on the Hustings

The fireworks began before the candidates' debate even started. Last week Michael Schiavo took a seat only 15 feet away from Colorado Rep. Marilyn Musgrave—all the better to taunt her. She had been an outspoken advocate of what Schiavo considered government intrusion in his wife Terri's right-to-die case last year. When Musgrave's camp objected to Schiavo's presence, one of the event hosts tried, unsuccessfully, to have a cop force him to change seats. Though Musgrave wasn't asked about Terri during the debate, Schiavo had already met his goal—evoking his wife's case, and the privacy concerns it raised, for the press and the public. "What you went through is the epitome of what's wrong with the country," one man told him afterward.

The issues dominating this election season remain Iraq, terrorism and various scandals, but the Schiavo matter may prove to be a sleeper issue. It has cropped up in contests across the country—from the Florida governor's race to close congressional campaigns in Connecticut, Pennsylvania and points west. Schiavo himself has helped stoke the debate by campaigning for candidates who backed his position on Terri's case and lambasting those who opposed him. Using funds raised by TerriPAC, a political committee he founded last year, he has also given 15 candidates a total of $20,000. All of it is aimed at driving home his message: "Government should not interfere with personal matters," says Schiavo, who still seethes at the memory of Congress's and President Bush's attempts to block removal of Terri's feeding tube.

After mourning Terri's death, Schiavo had planned to move on with his life (he has a second wife and two kids). But in the course of writing a book about the case, he reviewed news footage that he'd never seen from the height of the controversy. He became incensed all over again—and decided to do something about it, teaming up with Democratic consultant Derek Newton.

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Schiavo's hardly an electrifying speaker, and he mangles names on the stump. But he has an ordinary-guy appeal and a wrenching tale. Formerly a Republican, he's now a Democrat, though he has supported candidates from both parties. As Election Day nears, he's trying to squeeze in one more round of campaign stops, in response to requests from candidates in Georgia, Iowa and Virginia. And after Nov. 7? "On to 2008," he says. An activist has been born.

—Arian Campo-Flores with Jim Moscou in Colorado

ABORTION

A Hard Line on the Plains

Tiffany Campbell had a serious problem. The ultrasound showed her 15-week-old embryos had twin-to-twin transfusion syndrome, an often fatal complication. Campbell, who lives in South Dakota, was rushed to Cincinnati, where she underwent a procedure that aborted one fetus in order to save the other. On the way home, says Campbell, she and her husband talked about a new South Dakota law that bans all abortions, except to save the life of the mother. "I'm not really for abortion," says Campbell, 30, still pregnant with the surviving twin. "But then you realize it's not all black and white."

Opponents of South Dakota's abortion ban hope such stories will persuade voters to overturn the law on Election Day next week. Pro-life forces see South Dakota as the beachhead of a new campaign to challenge Roe v. Wade, the 1973 Supreme Court case that established abortion rights. Pro-choice advocates say that defeating the measure will send a signal to the 14 other states considering abortion bans, including cases involving rape and incest, to abandon their efforts.

The law was driven by Leslee Unruh, a Sioux Falls activist who shared with lawmakers her regret over her own abortion. "I bought the feminist line 'It's my body'," said Unruh. Polls show opponents of the ban with a slight lead. Last week the South Dakota Campaign for Healthy Families, a grass-roots organization opposed to the ban, signed up a new volunteer: Tiffany Campbell. "As long as I'm on bed rest, I've got plenty of time to stuff envelopes," she says. For Campbell, a registered Republican, this is her first political campaign.

—Karen Breslau with Debra Rosenberg in Washington and Bill Harlan in Sioux Falls

Was Politics Always Such A Contact Sport? (USNEWS)

By Brian Duffy

U.S. News and World Report, October 30, 2006

It's back-and just in time, too. Gay marriage, the campaign stalwart that pulled such a star turn in the presidential election two years ago, had been unaccountably missing in the previously torpid midterm elections. But thanks to what President Bush called that "activist court" in New Jersey, the old guy is back in the game and ready, it seems, to play for keeps. Less than 24 hours after the New Jersey Supreme Court announced its ruling that gay couples are entitled to the same legal rights as heterosexuals, the president slipped a nifty reference to gay marriage into the top of his stump speech (tossing in, for good measure, that Democrats would raise taxes and leave America unprotected), and suddenly he had something to talk about besides Iraq that actually might help his reeling Republican brethren at the polls next week. Well, hope, as the saying has it, does spring eternal.

Say what you will, using the gay marriage issue is good politics. And compared with some of the other shenanigans on the hustings the past few weeks, it looks almost Jeffersonian. Every election year has its share of below-the-belt ads and barroom brawling. But with a turbocharged Internet, the explosion of YouTube and other social-networking sites, and the profusion of so many rabidly partisan blogs, Election '06 has already set new standards for incivility, mendacity, and a bunch of other 75-cent words your faithful Webster's has for generally churlish behavior. The Washington Post called it "kitchen-sink time" in the campaign, and that just about gets it, because it's hard to imagine any unspeakable thing one candidate hasn't thrown at another during this potential power-shifting year. Sexual perversion, moral bankruptcy (the details of the precise charges cannot be shared in a family magazine, sorry)-they've all taken pride of place in campaigns from one end of the nation to another.

In kinder days, Alfred E. Smith said of campaign speech: "No matter how thin you slice it, it's still baloney." This year, you'd have to amend Smith's adage with another term that can't be used in a family publication.

A Bitter War's Latest Front (USNEWS)

By Liz Halloran

U.S. News and World Report, October 30, 2006

SIOUX FALLS, S.D.-There were only about a half dozen of them, but it was the first time they'd shown up at the state's single abortion clinic: veteran protesters in the abortion wars, carrying placards depicting bloody fetuses and aiming cameras at people headed for the clinic run by Planned Parenthood, a simple one-story structure on busy West 41st Street. One protester, in a hooded sweatshirt and camouflage jacket, called a woman leaving the lot a "baby killer" and when asked whom he represented, responded, "Jesus Christ."

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Their arrival in this sparsely populated state, a little more than two weeks before voters here will decide whether to overturn a nearly complete ban on medical abortions, infuriated none other than Leslee Unruh, a leader in the state's journey to the March passage of the most restrictive law in the nation. In the process, she has earned a national name by helping to rewrite the antiabortion playbook. "I can't stand the way they do things," Unruh said last week about the protesters' in-your-face strategy. "The anger approach doesn't work because they have no compassion for the women going in there."

During an interview at the Sioux Falls headquarters of Vote Yes for Life, the organization she heads that's campaigning to uphold the state ban, Unruh spoke about her own abortion years ago and her campaign to focus not on confrontation but on the personal stories of women like her who have had or considered abortions. But activists on both sides are riveted by the bottom-line question voters here will answer next week: Can Unruh's new sell persuade South Dakotans to endorse a state law that ignores a U.S. Supreme Court precedent and makes no specific abortion exceptions in cases of incest or rape, or when a mother's health is threatened?

If the answer is no, then the probable conclusion-pending litigation of some sort-is that even abortion opponents aren't willing to so dramatically limit the rights of the mother. But if the answer is yes, then similar legislation is likely to move forward in other states, and so is a legal challenge that could reach the Supreme Court. National abortion-rights groups, alarmed by that possibility, have been working with a state coalition of medical workers, abortion-rights activists, and others to convince voters that the law should be repealed. The group, South Dakota Campaign for Healthy Families, gathered enough signatures earlier this year to get a challenge to the law on the ballot, arguing that it is unconstitutional and will compromise women's health. "This is not just a ban; it also jeopardizes doctors who even want to talk to their patients openly and honestly," says Jan Nicolay, 64, a former educator and GOP state legislator who speaks for the coalition.

The law, on hold pending next week's vote, makes abortion a felony unless the woman's life is in danger. It also bars anyone-physicians and pharmacists included-from providing emergency contraception, except in cases where a pregnancy has not yet been determined by "conventional medical testing." Unruh argues that the law's minimal emergency contraception allowance provides a rape and incest exception. Planned Parenthood State Director Kate Looby calls that an "inane argument" because emergency contraception is only effective up to 72 hours after sexual contact and is already difficult to access in many parts of the state.

Why I Would Vote No On Pot (TIME)

By Sanjay Gupta

Time, October 30, 2006

Maybe it's because I was born a couple of months after Woodstock and wasn't around when marijuana was as common as iPods are today, but I'm constantly amazed that after all these years--and all the wars on drugs and all the public-service announcements--nearly 15 million Americans still use marijuana at least once a month. California and 10 other states have already decriminalized marijuana for medical use. Now two of those states--Colorado and Nevada--are considering ballot initiatives that would legalize up to an ounce of pot for personal use by people 21 and older, whether or not there is a medical need.

What do voters need to know before going to the polls?

The first is that marijuana isn't really very good for you. True, there are health benefits for some patients. Several recent studies, including a new one from the Scripps Research Institute, show that THC, the chemical in marijuana responsible for the high, can help slow the progress of Alzheimer's disease. (In fact, it seems to block the formation of disease-causing plaques better than several mainstream drugs.) Other studies have shown THC to be a very effective antinausea treatment for people--cancer patients undergoing chemotherapy, for example--for whom conventional medications aren't working. And medical cannabis has shown promise relieving pain in patients with multiple sclerosis and reducing intraocular pressure in glaucoma patients.

But I suspect that most of the people eager to vote yes on the new ballot measures aren't suffering from glaucoma, Alzheimer's or chemo-induced nausea. Many of them just want to get stoned legally. That's why I, like many other doctors, am unimpressed with the proposed legislation, which would legalize marijuana irrespective of any medical condition.

Why do I care? As Dr. Nora Volkow, director of the National Institute on Drug Abuse, puts it, "Numerous deleterious health consequences are associated with [marijuana's] short- and long-term use, including the possibility of becoming addicted."

What are other health consequences? Frequent marijuana use can seriously affect your short-term memory. It can impair your cognitive ability (why do you think people call it dope?) and lead to long-lasting depression or anxiety. While many people smoke marijuana to relax, it can have the opposite effect on frequent users. And smoking anything, whether it's tobacco or marijuana, can seriously damage your lung tissue.

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The Nevada and Colorado marijuana initiatives have gained support from unlikely places. More than 33 religious leaders in Nevada have endorsed the measure, arguing that permissive legalization, accompanied by stringent regulations and penalties, can cut down on illegal drug trafficking and make communities safer.

Perhaps. But I'm here to tell you, as a doctor, that despite all the talk about the medical benefits of marijuana, smoking the stuff is not going to do your health any good. And if you get high before climbing behind the wheel of a car, you will be putting yourself and those around you in danger.

Sanjay Gupta is a neurosurgeon. Check out his podcast at cnn.com/health With reporting by With reporting by Matt Sloane/Atlanta

Does Barack Really Rock? (USNEWS)

By Gloria Borger

U.S. News and World Report, October 30, 2006

I know: you're sick of politics. That's because we're a week away from the midterm elections, and all you seem to be seeing are nasty TV ads. And if you're going to vote (and please do), chances are you're casting your ballot as a way to register your disgust. You probably want to record your feelings against something-whether it's the war, the president, a Democratic congressional takeover. Most of you think Congress is corrupt, you worry that the situation in Iraq is getting worse, not better, and you don't like the direction in which the country is heading. No wonder you're cranky.

We're all cranky. Which is why, when someone like Barack Obama writes a book called The Audacity of Hope, we perk right up. As cynical as we've all become, we still like the sound of his call for a new kind of politics-rooted in faith, inclusiveness, and bipartisanship. When Obama allowed that he just might be considering a presidential run, some positively jumped for joy: A young (45) African-American with no political baggage, the first-term Democrat from Illinois is full of optimism. He may even be authentic. "A vessel for people's hopes," is how Chicago political consultant and Obama friend David Axelrod puts it. "Someone who can bring some wisdom to the table."

Obama has a great story to tell: half-Kenyan, half-Kansan, born in Hawaii, Harvard law school grad, first black president of the law review, state senator, U.S. senator. Charming, self-effacing, a family man. And as far as Democrats are concerned, he's two more things: first, someone who took an early stand against the Iraq war (unlike, say, John Kerry and Hillary Rodham Clinton). And second, he's not Clinton. "He's not the vehicle for a stop-anybody movement," says Axelrod. "If he runs, it won't be because he's an alternative to anybody."

That may be true-in his own mind. But in the case of just about everyone else, Obama is an alternative-not only to the lightning rod that is Hillary Clinton but also to a generation of boomers who may need to finally cede the stage. In his new book, Obama-born in 1961, which makes him a very late boomer-writes that in watching the Newt Gingrich-Bill Clinton saga play out a decade ago he felt as if he were watching a couple of old generals fight the last war. "I sometimes felt as if I were watching the psychodrama of the baby boom generation-a tale rooted in old grudges and revenge plots hatched on a handful of college campuses long ago-played out on the national stage." He's right-and he's also right to point out that the fights continued right up through the last election, and even into this one. So Obama, his friend Axelrod says, will be able to relate to those younger voters and bring them into the Democratic fold.

Wishy-washy? Maybe, but there's a flip side to Obama's youth: his inexperience. Sure, you say, there's an easy way to handle that problem. After all, the folks with experience are the ones who messed up Iraq. But maybe it wasn't their experience; they could just have been the wrong people. (Paging Donald Rumsfeld.) In a post-9/11 world, it's hard to see how we elect someone without the important national security cred: If terrorism remains the big issue it is now, inexperience won't cut it with the soccer moms. There's no giving anyone the benefit of the doubt, not now. George W. Bush may have chosen-and stuck with-the wrong team. Trouble is, he was too green to understand when they were wrong.

All Politics Is Local? New Mexico Is Test (LAT)

By Mark Z. Barabak

The Los Angeles Times, October 30, 2006

Albuquerque — Fighting for control of the House, Democrats and Republicans have cast the midterm election in starkly different terms. To Democrats, it is a national referendum on President Bush; to Republicans, a contrast between local candidates.

The outcome Nov. 7 will probably depend on whether those who turn out to vote are more like Anne Campbell or Don Natvig.

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Campbell, a 45-year-old nurse, had trouble deciding between Republican Rep. Heather A. Wilson and her Democratic opponent, state Atty. Gen. Patricia Madrid, until she watched them debate last week. Although Campbell is a Democrat, she was impressed with Wilson's crisp performance and now leans toward the incumbent.

"I think it needs to be a local election," Campbell said, loading groceries into the back of her gray minivan at a big-box mall on the north side of town. "I certainly wouldn't vote against Heather Wilson because of President Bush."

Natvig, who teaches biology at the University of New Mexico, has met Wilson and believes "she's an OK person" and "fairly sincere." But the lanky 54-year-old Democrat plans to vote for Madrid — even though he's no big fan. "I don't want to support the Republican administration," he said, adding, "I see my vote as being in support of a [Democratic] Congress."

New Mexico's 1st Congressional District is high on both parties' target lists in these final campaign days, as Democrats fight for the 15 seats they need to take over the House. More than $11.5 million has been raised and spent here by the candidates and their allies, a state record, and couch potatoes have been bombarded with more than 11,500 TV spots since July.

The district, which takes in Albuquerque and part of its suburbs, is odd in some ways.

Although Democrats outnumber Republicans, the GOP has held the congressional seat for its entire existence, nearly 40 years. No incumbent has ever been defeated, not even in the big Democratic elections of 1974 and 1982.

Still, few places are better to watch the fight for control of Congress. The district, at the intersection of Route 66 and the Rio Grande, is home to a liberal college community, conservative military retirees, and social moderates whose defense and high-tech jobs depend on fat Pentagon budgets. About one in three voters is Latino.

Moreover, as they run neck and neck, the two candidates personify the broad strategy of their respective parties.

Consider the first words each uttered in their televised debate.

"Elections are about choices, and the differences between my opponent and I are many," Republican Wilson said, a line she repeated through the evening. "If you want higher taxes and a weaker national defense, you should vote for Mrs. Madrid."

"I'm running for Congress because it's time for a change in this country," Democrat Madrid responded. "George Bush has been an unmitigated, abject failure, and Heather Wilson has been with him every step of the way."

A political panorama

The issues and advertisements that have played across this high-desert district offer a panorama of the year in politics. There has been scandal, with cameo mentions of former Reps. Tom DeLay, Randy "Duke" Cunningham and Mark Foley. Stem-cell research, soaring gas prices and rising healthcare costs have been discussed, along with the sway of special interests in Washington and Santa Fe, the state capital.

But the war in Iraq has dominated the campaign above all and presented the starkest contrast between the two candidates, just as it has in many races across the country.

Wilson has carefully sculpted an image of independence from Bush and GOP leaders in Congress, parting ways at various times on budget, healthcare and ethics issues.

But the Air Force Academy graduate has been unflagging in her support of the war, casting Madrid as inexperienced and dangerously naive when it comes to Iraq and terrorism.

In the debate, Wilson characterized her opponent's position this way: "Bring the guys home. Quit. Surrender." Madrid, who favors a withdrawal of U.S. troops but has offered no clear timetable, retorted: "Staying the course is not a plan. Paralysis is not a plan."

In terms of public opinion, the Democrat would seem to have the upper hand on the issue. An Albuquerque Journal poll published this month found that 52% of New Mexicans thought the U.S. should have stayed out of Iraq.

More often than not, they believed the administration cherry-picked and sometimes manipulated intelligence, a charge Madrid has used against Wilson, who serves on the House Intelligence Committee.

Wilson rejects the allegation.

But the poll also found considerable ambivalence about the war — only 15% supported an immediate withdrawal — a sentiment that surfaced in a series of voter interviews in the district last week.

Shanna Chavarria, a 49-year-old homemaker and a Democrat, said she wished the U.S. had not invaded Iraq and was eager "to get us home, get us out."

But, she went on, "We're there. I think we need to finish the job."

She plans to vote for Madrid, however, because Wilson is "just too party-line. Whatever the Republicans did, she did."

The Bush factor

That strong, almost reflexive anti-GOP sentiment poses the greatest threat to Wilson, a smart and nimble campaigner who has weathered several tough reelection fights since going to Congress in 1998.

She won thanks to strong Democratic and Latino support, but surveys suggest many of those voters are straying this time.

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"That's where Iraq comes in," said Brian Sanderoff, the state's leading political pollster. "That's where Bush comes in."

With the president at a lackluster 36% approval rating in Albuquerque, Wilson has tried hard to distance herself from Bush and the White House.

She has been hammered for skipping a vote on Iraq this year to attend a presidential fundraiser.

So when strategist Karl Rove came to town in late September, Wilson's campaign announced she would skip the event, which was closed to reporters. Party officials would not even say where Rove planned to appear.

During last week's debate, Wilson twice refused to answer when asked whether she though Bush had been a good president.

The next day, at a news conference at her campaign headquarters, Wilson was asked four more times and again would not offer an opinion.

"History will judge," she said.

The campaign here typifies the broader national contest in other ways.

Both parties have spent millions of dollars on TV spots — mainly attack ads — as have labor unions, trial lawyers, Realtors and other interest groups, according to TNS Media Intelligence/Campaign Media Analysis Group, a national firm that tracks campaign advertising.

The race has been nasty, like so many others in this corrosively negative campaign season.

Madrid calls her opponent a liar and says Wilson, who served on the board overseeing the congressional page program, "looked the other way and didn't protect our children" from Foley's behavior. Wilson said she had no way of knowing what the ex-Florida lawmaker was saying in private e-mails.

Wilson says Madrid is "willing to cheat to win" and aired a TV spot accusing Madrid of allowing a man to "walk" after an attempted rape. A state prosecutor said the ad distorted the facts of a case involving a fictitious teen in an Internet chat room.

The two camps even quibbled over who got the better spot in the State Fair parade, and the politics behind their placement.

Campbell, the nurse who leans toward a Wilson vote, said all of it was enough to make a person stay home on election day.

"They're just awful," she said of the ads, which are inescapable for anyone watching Albuquerque TV.

"You feel bad about both of them."

In Minnesota, 'Everyman' On The Ballot Political Novice Battles Republican Incumbent, With Iraq And Immigration At Forefront By DAVID ROGERS (WSJ)

The Wall Street Journal, October 30, 2006

ROCHESTER, Minn. -- If there is one House race that captures the struggle between Republican power in Congress and a grass-roots demand for change, it is here in Minnesota's First District.

Twelve-year incumbent Rep. Gil Gutknecht is a political survivor and force for the dairy industry as a senior member of the House Agriculture Committee. But in a district President Bush carried twice, the Republican Party and corporate allies are spending heavily to fend off Democrat Tim Walz, a high-school teacher and political newcomer.

Three possible 2008 presidential contenders -- Republican Sen. John McCain and Democratic Sens. John Kerry and Barack Obama -- are all due here this week. Mr. McCain's appearance, which his camp says is to help re-elect Gov. Tim Pawlenty, not Mr. Gutknecht per se, touches a nerve since Mr. Walz -- a retired National Guard master sergeant -- is a fellow veteran and has been attacked by Mr. Gutknecht for supporting immigration policies akin to the Arizona senator's.

"It's been, 'Holy smokes, the First District can elect a guy who woke up one morning and said let's change this country and let's do this together,' " Mr. Walz laughs.

The heart of his campaign is just that: Everyman running for Congress. With his former National Guard artillery unit deployed in Iraq, Mr. Walz emphasizes the need for change in the war's strategy. But most of all, given the House's low standing in opinion polls and voter anxiety about America losing its way, he sees his candidacy as a wake-up call for Congress and the nation.

REPRESENTATIVE RACES

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See more information2 on Minnesota's first congressional district, plus profiles of more than a dozen others across the nation.

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"When you wake up Nov. 8, it can be a brand new world," he told supporters last week in Owatonna. "It's not vindictiveness. It's not us saying all our Republican neighbors are wrong. It's us saying this Congress is broken. This rubber-stamp Congress is not giving this country the ability to move forward and compromise.

"If you know how good we are going to feel, picture for a moment how the rest of the world is going to feel. When they wake up Nov. 8, they're going to look and say, 'The Americans are back.' "

Up and down the ballot, Minnesota is a battleground this fall with a Senate seat and the governor's mansion also up for grabs. Early in the nominating process during the spring, Mr. Walz -- who bears a resemblance to another high-school teacher and coach: House Speaker Dennis Hastert of Illinois -- showed promise but was overlooked nationally because of his lack of political experience. He and his fellow Democratic-Farmer-Labor Party candidates are their own cast of characters, less a political party than a repertory company for modern America.

The DFL's field includes a black Muslim; a former Federal Bureau of Investigation agent who was an early outspoken critic of the agency's 9/11 performance; and a child-safety advocate whose son was abducted years ago. But just as the party is seeking change in Washington, it is also struggling to deal with change among its own ranks.

Women and minorities have demanded more of a voice. The retirement of Rep. Martin Sabo, a Democrat, has forced the Fifth District -- made up primarily of Minneapolis and close-in suburbs -- to confront how much it has changed from the working-class neighborhoods that first sent Mr. Sabo to Congress 28 years ago.

Keith Ellison, an antiwar state legislator who would be the first Muslim ever in Congress, won the primary last month with the help of a relatively new Somalian immigrant population. Supporters praise the young African-American attorney as a new voice for the party, but Mr. Ellison's history of parking tickets and tax liens have caused his candidacy to divide longtime allies such as former Vice President Walter Mondale and Mr. Sabo.

The Fifth District is more gentrified but still Democratic. Mr. Mondale says it has changed significantly, "and Keith is part of that change and he will be a good congressman." But Mr. Sabo, whose favored candidate lost in the primary, hasn't made any endorsement. Instead, he has permitted his photograph to be used in campaign literature for independent candidate Tammy Lee, who hopes for an upset and is drawing support from disaffected Democrats as well as conservative bloggers who feel Republican Alan Fine has no chance.

"I'm the palatable alternative to Keith Ellison," says Ms. Lee. "He has a lot of baggage. ... You have a lot of Democrats, lifelong Democrats, who are very uncomfortable sending Keith Ellison to Washington."

Mr. Ellison says of his critics: "When I'm talking about health care and getting out of the war, they are talking about me. The image that's being created is Keith's careless. Maybe I have been careless and I am wrong for it. The voters will decide if I am too careless to go to Congress."

Minnesota's Sixth District, which stretches from the Twin Cities suburbs to St. Cloud, is another open seat -- held by a Republican. Both parties rejected more moderate nominees last spring, and the result has been a nasty, costly contest that has largely eclipsed others in the state.

Democrat Patty Wetterling is proving more resilient than Republicans expected against state Sen. Michelle Bachmann. In recent days, the St. Cloud Times and a suburban newspaper chain, both of which opposed her candidacy two years ago, have endorsed Ms. Wetterling, and polls show a tight race in a district Mr. Bush won with 57% of the vote in 2004.

In the First District, both national parties have entered the fray's home stretch with attack ads focused on the race's top issues: immigration and the war in Iraq. Labor unions are helping Mr. Walz; Agriculture Secretary Mike Johanns and first lady Laura Bush made back-to-back appearances with Mr. Gutknecht, and, led by agribusiness interests, political action committees have contributed almost $200,000 into the contest since Labor Day.

In an interview during the spring, Mr. Gutknecht played down the political threat posed by the war. But after traveling to Baghdad this summer, he began expressing doubts about the direction of U.S. policy. "The American people are incredibly patient, but their patience is almost at the end," he says.

The congressman faults the Mark Foley page scandal for a drop in his own polls during the first week of October, but says he has recovered. The first lady puts "more of a human face" on the administration and, he says, will help him reach out to swing voters. "They don't wake up in the morning angry at George Bush," he says. "They wake up frustrated and ask themselves, are we doing the right thing?"

Mr. Walz began running a new Iraq war TV ad last week, showing him standing before empty football bleachers intended to represent the number of dead U.S. troops, now approaching 3,000. "Serving right now are kids I taught, coached and trained to be soldiers," he says to the camera. "They deserve a plan for Iraq to govern itself so they can come home."

To blunt the war issue, Republicans have attacked Mr. Walz on illegal immigration. The challenger has proposed that undocumented workers be put on a path toward earned citizenship, but only if they first return to their native country and legally re-enter the U.S.

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This is a position akin to one championed by prominent House conservative Rep. Mike Pence (R., Ind.) and to the right of Mr. McCain, but Republicans are spending heavily on spots accusing Mr. Walz of supporting a sweeping amnesty.

Mr. Walz says he hopes voters will see the attacks as another aspect of Washington they want changed.

Liberal Republican Suburb Turns Furious With G.O.P. (NYT)

By Jodi Kantor

The New York Times, October 30, 2006

BELLEVUE, Wash., Oct. 24 — The M.B.A.'s have had it. The engineers are fuming.

For as long as anyone here can remember, Bellevue has been a stronghold of socially liberal Republicanism. First, it was a prosperous Seattle bedroom community, then a technological boomtown, where employees of Microsoft and Internet start-ups consistently voted for fiscal restraint and hands-off government.

But now, voters here are accusing the party in power of overspending and overreaching — and when they do, they sound like people who write manifestos, not software code.

"I'm a mild-mannered guy," Michael Mattison, a partner in a software venture development firm, said as he stabbed a piece of halibut in the sunlit dining room of a local bistro. "But we can no longer be subdued."

Bellevue has been growing more Democratic for several years, thanks to an influx of liberal voters and a professional class that is changing teams. This year, Bellevue may send its first Democrat to Congress. Darcy Burner, who even supporters admit is inexperienced, may unseat Representative Dave Reichert, a well-liked, longtime public servant, simply because constituents want Democratic control of the House of Representatives.

"I am a Republican and have traditionally voted that way," Tony Schuler, an operations services manager at Microsoft with a Harvard M.B.A., said as he sat with his wife, Deanna, in their home above Lake Sammamish. But Mr. Schuler abhors what he sees as a new Republican habit of meddling in private affairs.

"The Schiavo case. Tapping people without a warrant. Whether or not people are gay," he said. "Let people be free! It's not government's job to interfere with those things."

In Bellevue, the professional is political. Rather than religion or culture, what unites the diverse population — a quarter of residents are foreign born — are the values of their workplaces: technological innovation, accuracy, efficiency.

And this year, one issue incenses them above all others: restrictions on embryonic stem cell research.

It is a matter of concern across the country, even across parties. But for many engineers and their ilk, restriction of stem cell research is what gay marriage is to conservative Christians, a phenomenon so counter to their basic values that they cannot vote for any candidate who supports it. After all, for Bellevue's professionals, science is not only a means of creating wealth but also an idealistic pursuit, the most promising way they know of improving the human condition.

"For hundreds of years, science has had its own jurisprudence over the truth. It's called peer review, and it works pretty well," said Mr. Mattison, whose father had Alzheimer's and his uncle Parkinson's disease. "I'm outraged that a mere politician would interpret science for me."

Voters like Mr. Mattison should be "natural constituents of Republicans," said Robert E. Lang, a professor of urban planning at Virginia Tech who did research on Bellevue for a coming book on fast-growing "boomburbs," which have city-size populations but suburb-like atmospheres. "They're golfers," Mr. Lang said. (Actually, Mr. Mattison prefers fly-fishing with private guides.)

Voters here also describe themselves as "obsessed" by the mounting national debt, which Mr. Mattison calls a "greater threat than terrorism" to the nation's health.

Lara Peterson, a single mother who markets hardware for Microsoft, said, "It makes me insane to know that we had this huge budget surplus, and yet we've run up such debt in a six-year period."

Ms. Peterson has adopted two daughters from China and is working on a third. As Gwen, her eldest, considered whether biting into an apple would dislodge her dangling front teeth, Ms. Peterson acknowledged that her fixation was personal.

China gains "so much power and control by carrying so much of our debt," said Ms. Peterson, who described herself as a Democrat who often crosses party lines. If the United States one day resists repayment, she said, her girls will "never have an ability to have a relationship with their country."

The politics of Microsoft employees is a subdrama unto itself. In the 2000 presidential election, many voted for President Bush, who was expected to curtail the Clinton administration's antitrust case against the company. But now "the vibe is pretty Democratic," Ms. Peterson said, and many employees who cursed the Democrats just a few years ago now plan on voting for the party.

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Microsoft looms so large here, it influences the views even of those it does not employ. Several members of the First Congregational Church of Bellevue, speaking over home-pressed apple cider, said they were mortified by America's role abroad in a way they had not been since the Vietnam War.

They do have one source of global pride, though: Bill and Melinda Gates' work in Africa, which they see as a kind of alternative to official foreign policy and an example of how the United States should be helping the most troubled spots on earth.

When she travels abroad, said Mary Nassif, a school psychologist, "I may not take pride in being American, but I love saying I'm from Seattle."

On a recent evening, immigrants gathered at the Crossroads Mall, where the food court's attempt at internationalism — a pad Thai vendor here, some trays of tandoori there — seemed bland compared with its mix of Eritrean, Laotian and Somali patrons. These immigrants, many from conservative religious backgrounds, are among the Bellevue Republicans who feel the strongest connection to their party on social issues.

Take Pia and Bong Bernadino, who moved here in 2002 from New Jersey, boarding a train without jobs or even acquaintances awaiting them. Ms. Bernadino had been scheduled to meet a friend in the lobby of the World Trade Center at 9 a.m. on Sept. 11, 2001; both she and the friend were late. Later, she taught at a kindergarten on Canal Street, where the students were so traumatized, they used their coloring time to draw babies falling out of the sky.

The Bernadinos moved west to escape their shock and to pursue Mr. Bernadino's long-held dream of working for Microsoft. Now Mr. Bernadino spends his days there as a game developer and his evenings running a Web design business with his wife; they also plan to start an online store for novels signed by their authors. They are saving for a house and sending money home to family in the Philippines.

This year, as always, they are voting for candidates "with a strong family orientation," Mr. Bernadino said. "We're very devout Catholics. If someone is promoting pro-choice it may be questionable for us."

Their other concern is diversity. To their delight, the ballot they received in the mail this year had translations in seven languages, including their native Tagalog. "This is paradise, the land of opportunity," Ms. Bernadino said of Bellevue.

Sheraz Malik, 29, is a Pakistani Muslim who came to the United States alone 10 years ago and became a citizen. Mr. Malik co-founded a long-distance Internet telephone service, which he used to court his fiancée, a Pakistani woman in Dubai. (It is not exactly an arranged marriage, he explained between bites of a hot dog; his parents shortlisted candidates, and after a year of online conversations, he chose one.)

Though Republican policies are generally favorable to his native country and his religious values, Mr. Malik said, he has drifted toward the Democrats since Sept. 11. "When the U.K. had the train blast, they didn't go out and start bombing people," he said. "They examined what they were doing wrong, both in terms of security and why a British-born Pakistani would do that."

Soon he will cast an even more profound vote than the one in November, deciding whether to bring his bride here or move with her back to Pakistan. If he leaves, it will be partly because of post-Sept. 11 changes, like immigration registration measures and what he sees as a general erosion of due process.

"If you're fighting for freedom outside the U.S. and then you suppress freedom at home," he said, "then what are you fighting for in the first place?"

With The House In The Balance, Pelosi Serves As A Focal Point For Both Parties (NYT)

By Jennifer Steinhauer

The New York Times, October 30, 2006

ATLANTA — The young women on the porch were whispering, their tittering just audible over Bill Clinton's remarks to the 300 or so Democratic donors gathered here for lunch.

Representative Nancy Pelosi, mindful that some guests had paid $10,000 for a plate of chicken and bread pudding, shot a frown — the sort a grandmother gives when someone arrives at Christmas dinner in a wrinkled shirt — and in a split second, the whispers ceased. Ms. Pelosi's face resumed its trademark molar-baring smile.

There it was in one brief moment, the three essential elements of Ms. Pelosi's campaign to bring Congress under control of her Democratic Party, preferably with her favored alliteration: message, money, manners.

With the Republican ascendancy in Washington in peril and Ms. Pelosi in line to become the country's first female speaker of the House, she has emerged as a searing symbol of the country's deep partisan divide.

For Republican strategists laboring to maintain control of Congress, she is the personification of liberal lunacy, an Armani-clad elitist who will help push lawmakers toward an agenda of multicultural, tax-raising appeasement.

To many Democrats, Ms. Pelosi embodies their raw antipathy for a Republican Party that has held them largely to the margins for more than a decade, and their hope that a Democratic Congress could make trouble for a president with whom they are at bitter odds.

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"I wouldn't say I'm tough," Ms. Pelosi, 66, said in an interview at the home of Representative John Lewis of Georgia, who was host for the luncheon. "I think I am firm and strong."

Indeed, her smile-while-she-gnaws-at-you style and her legislative prowess have gained her respect, if not good wishes, from colleagues and foes.

Aided by a highly partisan House, she has overseen the most uniform voting record of any Democratic caucus since the 1950s. Her steely strategy for sinking President Bush's plan to overhaul Social Security succeeded.

She has raised more money for Democrats in this election cycle than any other candidate except Senator Hillary Rodham Clinton — just over $50 million. In September, her party's House campaign raised $14.4 million, outpacing Republicans.

"I am a big fan," said Dick Armey, the former Republican majority leader of the House and co-architect of his party's coup in the 1994 election. "She is an able person and serious about her work and a very pleasant person with whom to work."

Conceding that he disagreed with Ms. Pelosi on everything that matters — "She's misguided" — Mr. Armey added: "You don't get to be minority leader without being intelligent. I'm no longer in office, so I am free to be a nice person. If I had been majority leader and said, 'I like Nancy Pelosi,' I would be crucified."

In her stump speech, Ms. Pelosi has been laying out an agenda for what a Democratic-led House would do in its first 100 hours. Her planning has unnerved Republicans, some of whom are taking aim at her in campaign advertisements.

"I don't take it personally," Ms. Pelosi said, "nor should they."

She arrived at the luncheon here from the airport (she had been raising money in New York, and would go on to Florida to raise more) in a signature lilac suit and strolled into the racially mixed crowd of Atlanta's Democratic elite.

She made her way through the crowd greeting many people by first name, smiling. "How was Paris?" she asked Ann Cox Chambers, a billionaire former ambassador, clutching her hand.

Ms. Pelosi ate nothing and even in casual conversation seemed to be reading from a script. One woman complained to her about Republican advertisements. "The Republicans are unconcerned about money, truth or decency," Ms. Pelosi said, staring into the woman's eyes while delivering one of her standard speech lines.

In her formal remarks over lunch, she forgot one line and stuffed it awkwardly into her close. "Thank — Are you ready for a Democratic victory? — you!"

Representative Barney Frank, Democrat of Massachusetts, said of Ms. Pelosi, "She smiles too much in public." Mr. Frank attributed her image problems with some people to "sexism, partly."

"She is an attractive woman who dresses very well and is soft spoken, from a generation that has a certain kind of softness," he said.

Ms. Pelosi was uninterested in talking about why some people seem angry that she wears expensive suits or make fun of her speaking style, and she said she found her sex an asset.

"Women are very excited about the prospect of a woman speaker," she said, sitting in the Lewises' living room.

Her campaign aides play down her ambition, denying that she ever planned to lead anything — an assertion Ms. Pelosi repeated in the interview.

But current and former associates describe her as infused with political aspirations almost from birth.

"She has always wanted to be speaker," said Tony Coelho, a former House Democratic whip. "She told me so 10 or 15 years ago."

Born and raised in Baltimore, Ms. Pelosi is a lifelong Democrat raised at the till of the "favor bank" developed by her father, Thomas J. D'Alesandro Jr., a congressman in the 1940s and the mayor of Baltimore during most of Ms. Pelosi's childhood.

Ms. Pelosi often mentions learning from her father's practice of keeping note of people he had helped and calling in stamp-licking, envelope-stuffing favors from them at election time.

Her family's fierce partisanship is legendary. When President Ronald Reagan was running for re-election against Walter Mondale, the president went to Baltimore to dedicate a monument. White House officials called Ms. Pelosi's mother to ask if they could collect Mr. D'Alesandro on the way.

Her mother replied, "After what he has done to poor people, he should not come to our house," Ms. Pelosi said in the interview here. "She made it clear that would not be happening."

Ms. Pelosi's version of the favor bank involves seeking money and support from Democratic officeholders, donors and organizations around the country. She makes it clear in phone conversations that she knows what their individual wishes may be, and that if they hope to see them attended to should "her candidates" take back the House, they need to pay upfront, several people whom she has contacted said.

"She's relentless," said a national union official, who said Ms. Pelosi had been calling in recent months, looking for money for campaigns and volunteers. The official, an admirer who spoke on the condition of anonymity because getting on Ms. Pelosi's bad side "ain't pretty," added, "She can really smell the goal line."

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Ms. Pelosi married her husband, Paul, a millionaire real estate investor, in 1963. They moved to Mr. Pelosi's hometown, San Francisco, and had five children. From early in her married life, she began holding fund-raisers, for which she cooked the food and her children served it.

She rose quickly in the party, becoming chairwoman of the California Democratic Party. In 1983, when Phillip Burton, the congressman for the Fifth District in California, died, his wife, Sala, won an election to complete his term. But in 1987, Ms. Burton became ill with cancer, and she summoned her politically-powerful family to her deathbed to suggest Ms. Pelosi — who had recently lost a bid to become chairwoman of the national Democratic Party — to take her place.

"She saw a lot more than I did at that point about Nancy's leadership potential," said John Burton, a former state senator and Phillip's brother. "And she was more than right."

Ms. Pelosi's victory in that election came in part by coloring her competitor in the primary, Harry Britt, as too liberal. In every election since, she has been derided by her district's most liberal activists as not liberal enough.

That constituency is furious that she has been largely absent from the same-sex marriage fracas, voted to pay for the Iraq war and has refused to move to impeach Mr. Bush.

Code Pink, an antiwar group, has picketed her town hall meetings. "She represents one of the most progressive districts in the country," said Medea Benjamin, co-founder of the group. "We keep pulling her back to what we hope are her real roots."

That first campaign also presaged Ms. Pelosi's proclivity for sticking to her message, her ability to avoid being disarmed by her critics and her taste for retribution.

"The first time she ran for Congress, I was angry about people supporting her opponent," Mr. Burton said. "I was yelling and screaming and she would just go to another church bingo game. She said, 'Don't worry about it; some day they will realize how unimportant they really are.' And after it was over, she didn't do much for them."

Her voting record is among the most liberal in Congress. She gets an "A" from the National Abortion and Reproductive Rights Action League and an "F" from the National Rifle Association. She favors alternative sentencing over prison construction, schools without prayer and death with taxes. She voted against the use of force in Iraq, though after the war started she voted to finance it.

In Ms. Pelosi's vision for those first 100 hours, a Democratic-led veto-proof majority would "drain the swamp of Washington," create a new rules package that would include pay-as-you-go budgeting, immediately adopt the recommendations of the 9/11 Commission, increase the minimum wage to $7.25 and broaden the types of stem cell research allowed with federal money.

She also imagines cutting the interest rate on student loans and "ending tax giveaways for big oil."

Still, she has risen in the ranks by being not a voice of her party, but its able banker. When she campaigned for whip, she filled the Democratic Congressional war chest with $3 million, and she continues to curry favor by flipping through her Rolodex of the rich.

"She has the best personal fund-raising base of any candidate outside of a president," Mr. Burton said.

Ms. Pelosi seemed at her most comfortable — and polished — at a fund-raiser recently in the wealthy Bel Air section of Los Angeles, where she was introduced by the actress Annette Bening, serenaded by a folk guitarist and surrounded by the sort of women who know better than to wear high heels to a garden party.

Before walking into the backyard, Ms. Pelosi went to greet one young volunteer, the granddaughter of the hostess, and took her face gently into her hands and thanked her.

She then emerged, beaming at the crowd, largely female and many of a certain age, and announced, "At last we have a seat at the table."

Lobbyists Won't Like What Pelosi Has In Mind (WP)

By Jeffrey H. Birnbaum

The Washington Post, October 30, 2006

Odds are that lobbying in the House of Representatives is about to get harder.

If Democrats gain the 15 seats they need to win control of the House -- and most analysts think they will -- one of the first things the new House will do is restrict or end outright a slew of lobbying practices.

In a little-publicized statement, Rep. Nancy Pelosi (D-Calif.), the House Democratic leader, has promised to change the chamber's rules to reflect the provisions of her not-so-modestly-named Honest Leadership and Open Government Act of 2006. The months-old measure would, among other things, prohibit House members from accepting gifts and travel from lobbyists or from organizations that employ lobbyists.

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The Pelosi bill includes changes not only to House rules but also to federal laws. Any changes in law would have to be approved by the Senate and the president before they could take effect. But the House can alter its own rules anytime, and that's precisely what Pelosi proposes to do as the House's first official act next year -- after it selects her as speaker.

Congress has come close to reining in lobbyists before, and it wound up doing nothing of the kind. Several of the proposals in Pelosi's bill (H.R. 4682, for you wonks out there) were wending their way through the system but died after lawmakers concluded -- incorrectly, it turned out -- that voters didn't care much about congressional "corruption." Pelosi's bill, with small modifications, was tested in the House and lost by just three votes.

Now, spokeswoman Jennifer Crider said, Pelosi is committed to passing "the elements within the Honest Leadership and Open Government Act that are within the House rules." Any variations from the original, Crider said, would be "slight."

That would be a major development for K Street. If the House rules were altered in ways that even came close to Pelosi's preferences, lobbying of House members would be changed significantly and immediately. The new rules would apply as soon as they were approved by a simple majority.

The Senate would be trickier. Election analysts say it's a tossup whether Democrats will control the Senate next year. If it does, Jim Manley, spokesman for Senate Democratic Leader Harry M. Reid, said, "Ethics reform will be a priority." But he noted that a two-thirds vote of the Senate is needed to modify its rules, which would make a quick assault on lobbying difficult.

Not so in the House. The biggest change proposed by Pelosi would be the ban on gifts and travel. Pelosi would prohibit House members and their staff from using corporate jets for travel taken as part of their official duties. She would also prevent them from taking anything of value from lobbyists, including meals, tickets and entertainment.

The ban would apply not just to lobbyists' gifts but also to gifts from nongovernmental groups that hire lobbyists. House members and their aides would also be barred from accepting transportation or lodging for any trips that are funded, arranged, requested, planned or even attended by lobbyists.

These are all reactions to the Jack Abramoff scandal. Abramoff infamously took Rep. Robert W. Ney (R-Ohio) on a golfing trip to Scotland on a private jet. The result was a series of convictions on fraud and public corruption charges against Ney, Abramoff and others in federal court this year.

In an attempt to slow the revolving door between the public and private sectors, Pelosi would deprive lawmakers-turned-lobbyists of a few of their congressional perks. She would eliminate the House rule that gives access to the House gym, the House floor and its cloak rooms to former members of Congress who are registered to lobby -- access that was temporarily taken away earlier this year.

Pelosi would also require House members and their aides to disclose to the House ethics committee whenever they are negotiating for jobs in the private sector. The disclosure would have to be made within three business days after the talks begin.

Because of the notorious Bridge to Nowhere in Alaska and other controversial pork barrel projects, reform-minded lawmakers have been pressing to make it more difficult to slip narrowly focused spending provisions into legislation. Taking up their cause, Pelosi would end the practice of adding such measures to bills after House-Senate negotiators have completed their work. She would also insist that bills be made available to the public at least 24 hours before they could be voted on by the full House; some types of bills would have to be available for three days.

In addition, Pelosi would broaden a rule change adopted by the House this year that would force lawmakers to disclose the sponsors of "earmarked" spending and tax measures -- and to reveal their details -- before the bills that contain them can become law.

The Pelosi bill would crack down on lobbyists directly by creating an Office of Public Integrity. The new agency, which would be overseen by the House inspector general, would audit and investigate lobbyists' periodic filings and refer any problems they find to the U.S. attorney's office. Currently there is little if any serious enforcement of lobbying-disclosure laws.

The Pelosi measure would also make it tougher for Congress to spend public money in ways that widen the budget deficit. She would bar the House from taking up major budget bills that increase the government's deficit, at least compared to the latest estimate from the nonpartisan Congressional Budget Office.

Pelosi would even stop the Democrats from doing what Republicans did to help solidify their majority -- at least when it comes to dealing with lobbyists. Republican leaders pressured major lobbying offices and trade associations in town to hire former Republican staffers and lawmakers in senior positions. That effort, known as the K Street Project, was designed to increase the flow of campaign contributions to Republican candidates and causes.

Pelosi would specifically prohibit House members from using their official actions to influence any employment decisions "on the basis of partisan political affiliation."

None of the provisions would be implemented until early next year, when the new Congress convenes. And if history is a guide, lobbyists and their lawmaker friends will probably manage to water down at least some of them before they come to a vote.

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But if Democrats win a congressional majority in next week's elections, a leading reason will be the public's disgust with congressional ethics, or lack thereof. It would only make sense for the new leadership to respond by loosening the links that bind lawmakers and lobbyists.

Pelosi's Liberal Label Is All Relative (LAT)

By Mark Z. Barabak

The Los Angeles Times, October 30, 2006

SAN FRANCISCO — To much of the country, Nancy Pelosi is the liberal embodiment of a city as crazy as its near-vertical hills. But here at home, the Democratic House leader is seen as something else: sober, centrist and very much a part of the political establishment, for good or bad.

For five years, ever since she entered the congressional leadership, Pelosi has balanced the interests of 200-plus colleagues of varied philosophies with the demands of a district about as far left politically as it is geographically.

Now she is within hailing distance of history; if Democrats win control of the House on Nov. 7, she would be the first woman ever to serve as speaker.

Her success is all the more striking given the persistent through-the-looking-glass quality of San Francisco politics. Where else would Willie Brown be elected as the moderate candidate for mayor? Or dignitaries clamor for a place among the drag queens and genitalia celebrated in the annual Lesbian Gay Bisexual Transgender Parade?

In 2004, Sen. John F. Kerry won 62% of the presidential vote at home in Massachusetts. Here, he garnered 85%.

"If there's a stereotype of California as the 'Left Coast,' San Francisco is the epicenter," said pollster Mark DiCamillo.

"Many 'moderates' in San Francisco would be burned as witches elsewhere," agreed Alex Clemens, a local media and campaign consultant.

It is easy to lampoon San Francisco as the world's largest open-air asylum, as conservatives, in particular, are wont to do. On Nov. 7, the day the nation decides control of Congress, voters here will weigh an initiative making it official city policy to seek the ouster of President Bush and Vice President Cheney. This after the pair ignored a ballot measure two years ago demanding an immediate U.S. withdrawal from Iraq.

But San Francisco is also a tough political town, more like New York or Boston than any West Coast city. Campaigns, a widely appreciated form of civic theater, are personal and often vicious.

The first time Pelosi, a longtime Democratic activist, ran for Congress, billboards across the city mocked her as "the party girl of the party." She squeaked to victory — thanks, in an exquisite footnote, to the crossover support of San Francisco's Republicans, who found Pelosi less objectionable than her even more liberal opponent.

Since that 1987 race, Pelosi has routinely won reelection with 80% or more of the vote, freeing her to travel the country and pay the dues needed to climb the congressional ladder — and, she hopes, elect enough Democrats in November to make her third in line to the presidency.

Not that everyone here welcomes the prospect. Even as Republicans across the country vilify Pelosi as the face of the lunatic left, here she faces the enmity of the fire-breathing liberals she supposedly represents. Only in San Francisco would Pelosi be picketed as a right-wing warmonger, as she was at a January town hall meeting overrun by protesters who jeered her refusal to cut off funds for U.S. troops in Iraq. There is "always a group that you don't go far enough with," Pelosi said with a shrug a few days later.

Given the intensity of political combat, it is probably no accident that so many of California's elected leaders — from Hiram Johnson to Pat Brown to Dianne Feinstein — emerged from San Francisco's 47 square miles of volatility. (Sen. Feinstein, a liberal by most standards, is another politician seen by the San Francisco left as too cozy with business and a bit of a prig.)

"Every two blocks has its own special-interest group or political club or advocacy organization," said Clemens, exaggerating only slightly. "Those who survive tend to have thick skins, quick minds and a halfway decent sense of humor."

San Francisco, with its seafaring roots in the Gold Rush, has long been a harbor for those of a different ilk: the beatniks of North Beach, the hippies of Haight-Ashbury, the gays and lesbians who transformed the Castro district. But it was not always a Democratic fortress. Just about 30 years ago, a staunchly conservative city supervisor named John Barbagelata came within a whisker of being elected mayor in a brutal election widely viewed as a political watershed. He was defeated by liberal George Moscone, who threw City Hall open to women, gays and other disenfranchised minorities.

That, in turn, hastened the city's leftward shift, which continued even after Moscone's November 1978 assassination by Supervisor Dan White, an avenger of the city's fading old guard. "His mayoralty was the critical break point," said Richard DeLeon, an author and political scientist at San Francisco State University.

Pelosi, a Democratic fixture for nearly 40 years, represents everywhere but the southwest corner of the city. Chinatown, Nob Hill, North Beach and other landmarks are all part of her domain. Even as she built a national profile, her staff worked hard

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on the nuts and bolts of constituent service — chasing tardy Social Security checks and the like — helping secure Pelosi's hold on the district.

Pelosi has compiled a reliably liberal voting record over the years, supporting legal abortion with few restrictions, stiffer gun control, gay rights and a needle-exchange program to prevent the spread of AIDS. She opposed welfare reform and voted against the 1991 Persian Gulf War and the October 2002 resolution authorizing the invasion of Iraq.

But to critics on the left, Pelosi is a sellout who "can talk the talk [but] doesn't walk the walk," as her Green Party challenger, Krissy Keefer, states on her campaign website. Among the particulars: Pelosi's support for trade deals, commercial activity in the Presidio (part of Golden Gate National Recreation Area) and legislation cracking down on rave parties. On the war, Pelosi is faulted for endorsing an immediate pullout from Iraq but not pushing her view as the party's position — a move that would have surely jeopardized her leadership job.

"From Ohio, Pelosi looks liberal," Keefer said in an interview. But San Francisco has "a completely different paradigm and idea about how things should be."

If that perspective seems loopy to some, Eric Jaye — a consultant on Pelosi's first campaign — offered this: "While you have a certain component of San Francisco that a nation loves to fear, take comfort, America, in the fact those people don't like Nancy Pelosi either."

Menendez Has A Narrow Lead, But It's Kean N.J. Trusts (BCR)

By Herb Jackson

Bergen County Record, October 30, 2006

AP New Jersey Sen. Robert Menendez addresses the crowd at a morning East Orange Democratic Fall breakfast at Nanina's in the Park in Belleville, N.J.

Complete results: The Record voter poll

Democrat Bob Menendez holds a six-point lead in the race for U.S. Senate even though more New Jersey voters like and trust Republican Tom Kean Jr., a poll by The Record found.

That may be because New Jerseyans, by a wide margin, want Democrats to control Congress in January, the poll also found.

"Any other political year, I think the Republicans win that seat," said pollster Del Ali of Research 2000, the Rockville, Md., firm that conducted the survey. "The only thing saving Menendez is the climate out there."

Menendez led Kean 48 percent to 42 percent in the survey of 600 likely voters taken Monday through Wednesday. Just 10 percent said they were very or somewhat likely to change their minds by Election Day.

The poll found the electorate sharply split by gender. Women preferred Menendez 52 percent to 37 percent, while Kean had a three-point edge among men. Kean also held a five-point lead in South Jersey, while Menendez had a 10-point lead in the more populous northern part of the state.

The poll's margin of error was plus or minus 4 percentage points.

Menendez was appointed to the Senate in January after serving 13 years in the House, and has cast the campaign primarily as a referendum on President Bush and the war in Iraq, which he voted against in 2002. He has depicted Kean as a rubber stamp for Bush and countered attacks on his ethics by questioning Kean's fund-raising practices and votes in the state Legislature.

Kean, a state senator from Union County, has accused Menendez of lining his pockets with taxpayer money by collecting more than $300,000 in rent over nine years from a federally subsidized non-profit organization in Union City. Federal prosecutors have subpoenaed information about the lease, but Menendez says it was approved by House ethics attorneys.

The poll found voters believe Kean is more trustworthy by a 49 percent to 36 percent ratio, and they personally like Kean more than Menendez, 48 percent to 33 percent.

But even among people who consider Kean more trustworthy, 35 percent are voting for Menendez, apparently because other factors are more important.

Thirty percent of voters said the Iraq war was the most important issue in deciding their vote, compared with 10 percent who said corruption. Voters also want to see Democrats rather than Republicans control Congress -- by a margin of 18 percentage points, 53 percent to 35 percent.

To control the Senate, Democrats need to pick up six seats nationwide and not lose any. Menendez occupies the only vulnerable Democratic seat, political handicappers say, and both parties have spent millions of dollars on ads here in recent weeks.

Bush is very unpopular. In the poll, 37 percent said Bush was doing an excellent or good job as president, while 31 percent said he was doing a fair job and 32 percent said he was doing a poor job.

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Early in the campaign, Republicans had hoped that raising the state sales tax would make Governor Corzine unpopular and voter anger at Trenton Democrats would drag Menendez down.

But the poll found that while Corzine is not popular, he's faring far better than Bush. Forty-four percent said Corzine is doing an excellent or good job, 38 percent a fair job and 10 percent a poor job.

Voters see both Senate candidates as flawed. The poll found 41 percent have a favorable opinion of Menendez while 38 percent have an unfavorable opinion. Kean's favorable/unfavorable ratio of 40 percent to 32 percent was slightly better.

When asked how they felt about the choice of candidates, 45 percent said they were very or somewhat satisfied, while 44 percent said they were not very satisfied or not at all satisfied.

"I don't think voters are crazy about either man," Ali said. "It's like voting for the lesser of two evils. They really want Democrats to take over, but really don't like Menendez."

Menendez spokesman Matthew Miller said voters "understand the stakes are high in this campaign.

"They're rejecting Tom Kean Jr.'s smears because they want a candidate who is talking about issues that matter to them, and who they know will stand up to George Bush and change the direction of the country."

Kean spokeswoman Jill Hazelbaker said it continues to be a tight race, and argued Menendez should be doing better given the way voters feel about his party. She noted that until this weekend, Menendez had been spending more heavily than Kean on TV advertising, but the two candidates' airtime is going to be closer down the stretch.

"I think you're going to see numbers move a bit," Hazelbaker said. "We just started running some positive advertisements. As people are given more reasons to vote for Tom Kean, as they see him as a moderate, as independent, you're going to see numbers change from Menendez to Kean."

The poll found voters consider both candidates to have run equally negative campaigns, and most said TV advertising had not affected their choice. But among those who said their vote was swayed by the depictions in the ads of Menendez as corrupt and Kean as a rubber stamp, slightly more said they were inclined to vote against Menendez than against Kean.

That difference could be critical if the spread between the candidates was one or two percentage points, Ali said, "but you have to give the edge to Menendez.

"In spite of all his problems, his unfavorables, he's still ahead. If voters were going to make the jump to Kean, you'd think he'd be ahead by now," Ali said.

Poll: N.J. Democrat Leads Senate Race (AP-Y)

By Rebecca Santana

AP, October 30, 2006

Sen. Robert Menendez holds a slight lead over Republican Tom Kean Jr. in their Senate race with just over a week left before election day, a poll published Sunday found.

Democrat Menendez leads Kean 48-42 percent, according to a poll of 600 likely voters published Sunday in The Record of Bergen County.

Thirty percent of voters said the Iraq war was the most important issue in deciding their vote. Voters also want to see Democrats rather than Republicans control Congress, 53-35 percent.

President Bush remains unpopular, with only 37 percent saying he was doing an excellent or good job. Menendez's campaign strategy has been dominated by efforts to tie Kean to Bush administration policies, while Kean has painted Menendez as a corrupt politician.

"Any other political year, I think the Republicans win that seat," said pollster Del Ali of Research 2000, the Rockville, Md., firm that conducted the survey. "The only thing saving Menendez is the climate out there."

The poll said voters found Kean more trustworthy by a 49-36 percent ratio, and they personally like him more than Menendez, 48-33 percent. But of those voters who consider Kean more trustworthy, 35 percent are voting for Menendez because they feel other factors, such as the war in Iraq and putting Democrats back in control of Congress, are more important.

The poll had a margin of error of plus or minus four percentage points. It was conducted by phone Oct. 23-25.

Gay Ruling May Boost N.J. Values Vote (WT)

By Amy Fagan

The Washington Times, October 30, 2006

Last week's New Jersey Supreme Court decision granting recognition to same-sex couples could energize concerned values voters, some activists say, in a heavily Democratic state where Republican Tom Kean Jr. is making a strong challenge to Sen. Robert Menendez.

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"There'll be a backlash," predicted Len Deo, president of New Jersey Family Policy Council. "I've been talking to friends, and they're bewildered by this decision. They're upset."

New Jersey's state Supreme Court ruled Wednesday that same-sex couples were treated unequally by the state and ordered the Legislature to correct this -- leaving open the question of whether the new status would be called "marriage." Richard J. Codey, Democratic president of the state Senate, told the Philadelphia Inquirer that the state will stop short of calling it "marriage."

But Tom McClusky, vice president for government affairs at the Family Research Council, said the decision "could make a difference" for Mr. Kean, who said last week that he'd support a state constitutional amendment to protect traditional marriage. The amendment is being pushed by conservative groups.

But Larry Cirignano, executive director of CatholicVote.org said that both Mr. Menendez and Mr. Kean are "hedging" on the complex issue and that values voters won't be energized unless they see a "champion" against same-sex "marriage" -- which neither candidate is.

"Unless the candidates make it an issue ... I don't see that it will have a huge impact," Mr. Cirignano said.

The hard-fought contest between Mr. Menendez and Mr. Kean is one of the few Senate seats that Republicans think they can wrench away from Democrats next week. The National Republican Senatorial Committee recently purchased $3.5 million in ad time to help Mr. Kean in the final days.

Both candidates have said they support traditional marriage as between a man and a woman but oppose amending the federal Constitution to ban same-sex "marriage."

After last week's decision, however, Mr. Kean wasted no time in saying he'd support amending the state constitution to clarify that marriage should be between a man and a woman.

"I still believe that marriage is and should be between one man and one woman, and I would support an amendment to the state constitution reaffirming that definition," he said.

Mr. Menendez reiterated that he also believes marriage is between a man and a woman, but supports civil unions that afford same-sex couples full legal benefits.

"The Supreme Court affirmed those rights today, and it is now up to the Legislature to decide how they are to be administered," he said. "I will not support any constitutional amendment that takes away people's legal rights."

Mr. Cirignano said that neither of the candidates' positions are crystal clear and that "neither campaign is going to be out touting" the marriage issue with a little more than a week until the election, especially because it's difficult to gauge where the state electorate stands.

Indeed, both camps quickly shifted focus to other topics, with the Kean camp returning to corruption accusations against Mr. Menendez and Mr. Menendez attacking Mr. Kean over the Iraq war.

Democrat state lobbyist Rick Thigpen said Republicans have used same-sex "marriage" to rally their base in other states, but won't be able to do that in liberal New Jersey because Mr. Menendez's position doesn't present "a clear target for them to shoot at."

A Rutgers-Eagleton poll in June found that 49 percent of New Jerseyans support legalizing same-sex "marriage" and 44 percent oppose it.

New Jersey's Senate Race (NYT)

The New York Times, October 30, 2006

One of the first big decisions Jon Corzine had to make as governor of New Jersey was the appointment of a new senator to take his place in Washington. Mr. Corzine chose the less-than-charismatic Representative Robert Menendez, and as a result, New Jersey has the only Senate race this fall in which a Democratic incumbent seems to be in any danger of defeat. Nevertheless, in his race with State Senator Thomas Kean Jr., there is no question that Mr. Menendez is the better choice.

The 38-year-old Mr. Kean, a son of the former New Jersey governor and co-chairman of the 9/11 commission, is the latest in what has become a very long line of second- and third-generation politicians hoping to achieve high office on the back of their parents' reputations. Many of his positions seem to come from a campaign playbook rather than conviction. He has called for the ouster of Defense Secretary Donald Rumsfeld while failing to criticize President Bush for keeping Mr. Rumsfeld on.

Mr. Kean supports both balanced budgets and all of the administration's tax cuts. Except for vague promises to vote against pork and to be tough against corruption, he fails to suggest any budget reductions to deal with the deficit. He wants voters to believe he would practice his father's moderate brand of politics, but there is little to suggest he is much more than a conservative Republican who opposes drilling in the Arctic National Wildlife Refuge.

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Mr. Menendez, 52, shows a much better grasp of the issues. In the House, where he was the third-highest ranking Democrat, he was an accomplished legislator. He opposed the resolution authorizing President Bush to go to war in Iraq, and he has been outspoken in criticizing the administration's conduct of the war.

Mr. Menendez has a history of ethical lapses that have been all too common for Democratic officials in New Jersey, especially for those, like him, who continue to take an active part in local party politics. If re-elected, the senator should make it clear he is giving up any role in the Hudson County Democratic organization. But Mr. Kean has gone so far overboard in criticizing the senator that he has attempted to use an episode in which Mr. Menendez actually fought corruption early in his career as an example of unethical behavior.

Mr. Kean actually has a couple of ethical blemishes of his own. In one case, he accepted thousands of dollars of campaign donations last year from executives of the Horizon Blue Cross and Blue Shield health insurance companies while on the same day voting with his party in the State Senate to maintain a tax exemption for the companies.

New Jersey voters have a choice between a lawmaker who has done a good job of representing the state's concerns and the nation's interests in the House and the Senate and a state legislator with a shallow grasp of the issues and a famous name. Our unqualified endorsement goes to Robert Menendez.

Kennedy Targets Klobuchar's Character In U.S. Senate Debate (KCS)

By Patrick Condon

The Kansas City Star, October 30, 2006

ST. PAUL - Republican U.S. Senate candidate Mark Kennedy questioned the honesty of his Democratic opponent Amy Klobuchar during a debate Sunday night, scaling up his rhetoric against her with ten days to go until the election.

Kennedy several times brought up the flap over a possibly stolen Kennedy ad that was leaked to the Klobuchar campaign, suggesting that Klobuchar waited several days before reporting the incident to the FBI; and what he claimed was the refusal of the Klobuchar-led Hennepin County Attorney's office to fully respond to Republican Party requests for information about the office's prosecution of criminals.

"If you won't give Minnesota voters straight answers on these issues, why should they trust you in the U.S. Senate?" Kennedy asked Klobuchar.

Klobuchar hit back by contrasting her response to the stolen ad to the response of Republican congressional leaders in the scandal surrounding disgraced U.S. Rep. Mark Foley, who recently resigned amid allegations of improper contact with underage House pages. Kennedy is a Republican U.S. House member, though he's had no connection with the Foley incident.

"When I found out someone not from our campaign had improperly taken an ad, I immediately reported it to the FBI," Klobuchar said. "That's more than I can say about the leadership of this Congress when they found out someone was soliciting pages."

Klobuchar fired her chief spokeswoman after she viewed the content of an unreleased TV ad for Kennedy that had been sent to the Klobuchar campaign by a liberal blogger.

Klobuchar said Kennedy's tack illustrated that his campaign is one of "attacks instead of ideas."

With the Foley affair and other congressional scandals generating headlines this election season, Kennedy also was asked during the debate if the Republican Party still represents American values.

"Yes, Republicans I believe do represent the values of Minnesotans," Kennedy replied. "Yes, there have been scandals, and some have been horrifying. Those involved need to be held accountable, and they are being held accountable. Some are in jail, and they deserve to be."

The televised debate, held at the University of St. Thomas, touched most often on the war in Iraq and homeland security. Kennedy, as he has in recent days, touted his support for the U.S. effort in that country, saying that mistakes have been made but that drawing down resources now would create a breeding ground for future terrorist attacks on American soil.

Klobuchar and Independence Party candidate Robert Fitzgerald both called for new strategies in Iraq. With Kennedy criticizing Klobuchar's calls for diplomacy as naive, she pointed out that even Defense Secretary Donald Rumsfeld said recently that the solution must be "a political one. This country is in civil war," Klobuchar said.

Fitzgerald seized on his first opportunity to bring his upstart candidacy to TV viewers, having been excluded from the first TV debate two weeks ago on NBC's "Meet the Press." Fitzgerald said both candidates are too reliant on support from corporate donors and their own political parties.

"To think that either of these two is going to achieve meaningful reform is ludicrous," Fitzgerald said. "You don't put replacement parts into a broken machine."

The candidates are set for two more debates between now and Election Day, the next this Thursday in Rochester and the final one the following Sunday at the Fitzgerald Theater in downtown St. Paul.

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Allen Credo Is Put To The Test (WT)

By Christina Bellantoni

The Washington Times, October 30, 2006

When Virginia legislators gathered around Gov. George Allen's kitchen table in 1994 and told the Republican they thought eliminating parole would never work, he dismissed their skepticism in plain terms: "Nothing's impossible."

It was that attitude and his work as governor that made national Republicans take notice and begin considering Mr. Allen, now a U.S. senator, as a 2008 presidential contender.

Mr. Allen, seeking a second term on Nov. 7, had hoped accomplishments such as parole abolition would define his candidacy and secure an easy re-election. Instead, calling an Indian-American staffer for Democratic challenger James H. Webb Jr. "macaca" this summer thrust the race into the national spotlight and made it a neck-and-neck contest.

"All this stuff he did as governor, it's absolutely unbelievable," said Delegate David B. Albo, Fairfax Republican, who recalled the kitchen meeting. "But no one ever knows anything about that because all they hear about is 'macaca.' "

Mr. Allen has apologized and says he made up the word, adding he never would have used it had he known it was considered a racial slur in some cultures.

Still, the incident set in motion a chain of events that have kept the cowboy-boot-wearing Mr. Allen below 50 percent in the polls, despite his past popularity in Virginia and a more-than-20-year political career.

Some of Mr. Allen's former football teammates at the University of Virginia told reporters that as a young man he regularly used racial slurs to describe blacks, but Mr. Allen, 54, says the "N-word" was never part of his vocabulary, and most teammates say they never heard him use the term.

The tobacco-chewing senator is often teased for making too many football references during legislative speeches, but says the game has shaped his governing philosophy.

Mr. Allen says his father, the late famed Redskins coach George H. Allen, taught him the four "F's" -- faith, freedom, family and football.

Among those football lessons: "Get knocked down, get back up," and a player's ability to "catch, kick, punt or long snap" is more important than his background.

"You don't care about [players'] race, religion, their ethnicity, what college they went to," Mr. Allen says. "You care about whether they can help the team win. [Football is] a true meritocracy, where everyone has that equal opportunity to compete and succeed, based upon their own hard work, diligence and capabilities. That's what we should aspire to in our society."

That theory has led to Mr. Allen's own trademarked brand of politicking -- "commonsense Jeffersonian conservatism."

He says the ideals include limited government, low taxes and improving education to keep the United States globally competitive.

This year is the first time Mr. Allen, a former state lawmaker and congressman, has had to run a major race as the establishment candidate instead of as a reformer. That style helped him unseat two-term Democratic Sen. Charles S. Robb in 2000.

Most Virginians remember Mr. Allen for his gubernatorial record -- parole abolition, welfare reform and working with a Democrat-controlled state legislature to create nationally recognized education standards.

His good-natured public disposition and record have attracted national attention and prompted 215 Washington insiders to choose him in an April 2005 National Journal poll as the most likely 2008 Republican presidential nominee.

Supporters lauded his "Reagan-like" appeal and said he was one of few Southern politicians with "the experience and charisma to become a national candidate."

But 177 Republican and Democratic insiders in a recent National Journal poll agreed that he has run the worst campaign of any Senate candidate this fall.

"This one-time presidential wannabe has ushered himself off the national stage, and he will be lucky to win re-election," one Republican said. "Should have been a slam dunk in Virginia."

Mr. Allen further complicated his re-election bid when he said a reporter asking about his Jewish heritage was making "aspersions." The next day, he acknowledged his maternal grandfather was Jewish.

Mr. Allen says he learned to be tough by spending summers on a cattle ranch as a young man. While there, he learned the Western way with horses, "breaking them fast and hard in the mud and sand," and an Eastern way, with "a cube of sugar and an apple."

He was employing the Western way when he said of the Democrats who controlled the legislature in the 1990s: "Let's enjoy knocking their soft teeth down their whiny throats."

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Mr. Allen's younger sister, Jennifer, in her 2000 book "Fifth Quarter," portrays her oldest brother as a bully unafraid of roughing up his siblings.

Passages from the book are often cited as examples of Mr. Allen's character, but critics usually don't mention his sister's depiction of him as a star student, or that he set out a chair in honor of his late father at his gubernatorial inauguration.

Mr. Allen has dismissed the questions of his character as a liberal smear and says if the election is decided on the issues and his record, he will beat Mr. Webb, 60, a decorated Vietnam veteran and former secretary of the Navy under President Reagan.

Webb Of Deception (WT)

By Milton R. Copulos

The Washington Times, October 30, 2006

In this age of political cynicism, it is unremarkable that a politician would change his position on an issue, or even take conflicting positions. But Jim Webb's transformation from the nominally conservative Republican who served as the Reagan administration's secretary of the Navy to a left-wing Democratic Senate candidate rivals St. Paul's conversion on the road to Damascus. Divine intervention, of course, is one possibility. A more likely explanation, however, is that the public persona Mr. Webb presents is actually a fabrication, as carefully crafted as any character in the novels he has penned.

The shift is truly remarkable. He once refused to shake John Kerry's hand, and in a 2004 USA Today editorial wrote that his 1971 Senate testimony had "defamed a generation of honorable men." Now he trumpets Mr. Kerry's endorsement. He once called the Clinton Administration among "the most corrupt" in modern history in one of many attacks aimed at the former president. Now he has Bill Clinton host a fundraiser. Mr. Webb served in one of the most conservative administrations in American history. Today, he has embraced the entire agenda of the Democratic Party's far-left wing.

In fairness, Mr. Webb has remained extremely consistent on some issues. One example is his disdain for women in military service. When his 1979 article "Women Can't Fight" and its impact on the treatment of women at the United States Naval Academy became a major campaign issue, Mr. Webb quickly countered with claims that when serving as Secretary of the Navy he "opened up more billets" (e.g. military specialties) to women than any of his predecessors. What he fails to note in heralding this accomplishment was that it occurred under duress.

The truth is that Sens. William Proxmire, William Cohen and John McCain had all informed Mr. Webb that legislation forcing the Navy to open more billets to women would be forthcoming if the action was not taken independently. Moreover, Maryland Rep. Beverly Byron had already introduced legislation (H.R. 3786) that would mandate just such changes. So, the expansion of opportunities for women was not the result of some epiphany, but rather an instance of Mr. Webb simply yielding to congressional pressure.

A perhaps more revealing indication of his true feelings at that time was his attempt to forestall construction of a Vietnam Women's Memorial. In 1987, the addition to the existing memorial of a statue to recognize the service of women in Vietnam had become a matter of controversy. Jim Webb, then Secretary of the Navy, contacted Interior Secretary Don Hodel, saying that as a member of the administration, he wanted to discuss the proposed change. A Hodel undersecretary, Earl Gjelde, was given the job of responding to the query.

I found out about this when Mr. Hodel, who was inclined to approve the addition, called me to ask my opinion. He also asked that I call Mr. Gjelde about Mr. Webb's call. I explained that since my mother had held ID card #1008 in the Women's Auxiliary Army Corps in World War II, and my mother-in-law had been in the nurse cadet corps, I could hardly object to recognizing the wartime service of any woman. Besides, having spent several years in military hospitals, I deeply appreciated the contribution of women in uniform, particularly nurses.

When I reached Mr. Gjelde, I understood why I had been asked to make the call. He was appalled at Mr. Webb's attitude and comments. First, Mr. Webb was incensed that Mr. Hodel had not called him back personally, arguing that since he was a service secretary, the secretary of the interior, not his deputy, should have responded. After mollifying Mr. Webb, they got to the real issue. Mr. Webb listed his reasons for opposing the change.

First, he argued, "only" (his characterization) 10,000 women served in Vietnam. Moreover, "Only" eight died. Finally, women did not serve in combat. In his typically understated fashion, Mr. Gjelde said he found the comments "inappropriate." The question on both our minds was: Where was Mr. Webb's arbitrary line? Would it be 25,000 serving? Or would it be 50,000 or 100,000? Would it require that at least 50 have been killed, or 100 or 1,000? While it was true that women did not carry rifles in the jungle, they dealt daily with the carnage that came with combat. This included broken and torn 19-, 20- and 21-year-old bodies, some of which would never again be whole. Further, the field hospitals and bases they served in were just as vulnerable to rocket attack as any other post. Perhaps in the macho world according to Jim Webb that sort of stress didn't warrant recognition, but in mine it certainly did.

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Ironically, Mr. Webb often noted that his second wife, a remarkable and accomplished woman, had been a military nurse in order to refute charges that he was disdainful of women in uniform. This fact makes his opposition to the women's memorial even more revealing, and even more shameful.

Milton R. Copulos served as one of the four members of the sculpture selection panel that chose the statue added to the Vietnam Veterans Memorial.

Md. Senate Rivals Spar On Iraq, Abortion (MERCN)

By Kristen Wyatt

The San Jose Mercury News, October 30, 2006

WASHINGTON - Rivals in Maryland's closely watched Senate race sparred over Iraq, abortion and stem cell research on Sunday, with the Republican saying the war is "a mess" and states should decide abortion rights.

Michael Steele, the Republican lieutenant governor, said the situation in Iraq was not President Bush's fault and he faulted the Pentagon for poor planning.

"There's not a great deal of confidence on the ground that we can get this thing done," Steele said. "The Department of Defense did not give the president the kind of strategy to win this war." Asked where the war stood now, he replied, "I think the war in Iraq stands with a mess we have to fix."

Democratic Rep. Ben Cardin repeated his opposition to the war - he voted against authorizing the use of force - but said he opposed a deadline for withdrawal.

Cardin has said he thinks U.S. troops could be withdrawn by 2007, but said during the debate on NBC's "Meet the Press" that the date is a goal, not a deadline.

"I don't believe in a time schedule," Cardin said. He said some troops should come home immediately while the U.S. regroups and tries to find other countries as partners in stabilizing Iraq.

"It is reasonable to believe our troops could be out by the end of 2007," he said.

Steele and Cardin are competing for the seat left open by retiring Democratic Sen. Paul Sarbanes in predominantly Democratic Maryland. Democrats must gain six seats to take control of the Senate.

A poll released Sunday by The Washington Post had Cardin leading Steele by 11 percentage points.

Steele, a conservative Catholic, would not say whether he would vote for a constitutional amendment banning abortion, saying abortion was not an issue for the federal government to decide.

"I think Roe v. Wade is a matter that should've been left up to the states," Steele said.

Cardin said abortion should remain legal and that he would have opposed the nomination of the newest Supreme Court justice, Samuel Alito. While Alito worked in the Reagan administration, he wrote a memo that said there was no constitutional right to an abortion.

The candidates also clashed on embryonic stem cell research. Steele defended his television ad in which his sister, who has multiple sclerosis, calls a Cardin ad tasteless because it airs an endorsement from actor Michael J. Fox, who has Parkinson's disease.

Steele repeated that he opposes funding for stem cell research that kills a human embryo and said he would like to see unused embryos at fertility clinics be used in adoptions rather than discarded.

"We could set up adoptions for those embryos," Steele said. He said embryonic stem cell research is "not fully developed" and should not be funded.

Cardin repeated his support for federal funding of the research. It holds promise for advocates of patients with a variety of illnesses because of the cells' potential to transform into any type of human tissue, perhaps leading to new treatments.

Meanwhile, Steele was questioned about whether he tries to distance himself from the president.

"I'm not running away from George Bush. I'm not running toward George Bush. I'm running for the United States Senate," Steele said.

Cardin said Congress should have investigated whether the president overstepped the law with his domestic wiretapping program. "Congress needs to exercise its oversight function," Cardin said.

An independent candidate in the race, Kevin Zeese, was not invited to the debate. The Cardin-Steele debate, their fourth meeting, may be the last before election day, though Cardin's camp said it was possible they would meet again Friday.

Debate Puts Steele On Defense (WP)

By Matthew Mosk And Ann E. Marimow

The Washington Post, October 30, 2006

DOJ_NMG_0087844

Republican Michael S. Steele struggled to soften his long-held views on touchstone social issues yesterday after being challenged repeatedly on his conservative beliefs during his final televised debate in the campaign for Maryland's open U.S. Senate seat.

The debate on NBC's "Meet the Press" put on display the stark differences between Steele and Democratic Rep. Benjamin L. Cardin as they enter their final week of campaigning.

The two spent half the debate clashing on the war in Iraq -- with Steele saying the conflict "has been worth it to the extent that what we're trying to establish there is a beachhead of democracy." Cardin called it a "tragedy" and urged a gradual pullout of troops.

But the most dramatic exchanges came when host Tim Russert pressed Steele about his opposition to abortion and embryonic stem cell research, and about his long-standing support for President Bush. Such views don't typically sit well in heavily Democratic Maryland, and they have gone largely unmentioned by Steele during his year on the campaign trail.

The lieutenant governor responded by telling Russert that he would not support a constitutional amendment to ban abortion and would support research conducted on embryonic stem cells, so long as the embryo is not destroyed.

When Russert asked him, "Are you running as a proud Bush Republican?" Steele replied pointedly, "I'm a proud Republican."

This marked the first time in a series of debates that Steele has appeared on the defensive. During a televised forum last week, it was Cardin who was put on the spot about the route of Metro's proposed Purple Line and, more broadly, his knowledge of key issues in the Washington suburbs.

Cardin, a 10-term congressman from the Baltimore area, appeared nervous at times yesterday but stuck to a series of talking points about his consistent opposition to the president and the war.

Steele's answers showcased what has been a slow drift from his conservative moorings. It's a shift that in part owes to the realities of campaigning in a state where two-thirds of all voters support abortion rights and only one-third approve of President Bush's job performance, according to a Washington Post poll published yesterday.

"Steele got caught between his base and the deep blue sea," said Walter Ludwig, a Democratic consultant who advised Kweisi Mfume in the primary. "It's tough for him because he knows that if he says what he really thinks, that's not what voters of Maryland really want."

Steele acknowledged after the debate that he has undergone something of a transformation. In February, he likened embryonic stem cell research to Nazi experimentation, later apologizing for the remarks. And he campaigned fiercely for Bush in 2004.

"Have I moved off of my philosophical orientation on these issues? The answer is no," Steele said. "But I have learned to listen to the people. . . . In that sense, I have grown."

Carol Hirschburg, a GOP political consultant, said Russert's selection of such topics -- abortion and stem cell research rather than taxes or homeland security -- "were not designed to favor a Republican." She said it highlighted the difficulty Steele faces, especially when Cardin consistently tries to link him to the unpopular president. The Post poll showed Steele trailing Cardin by 11 percentage points.

"The challenge Michael faces, which I think he has handled extremely adroitly, is that he has to make the campaign about him and what kind of human being he is, and that he can be trusted by the people to do what he thinks is the right thing," Hirschburg said.

If the race were merely a contest of personalities, the Post poll shows, Steele would fare better. By 2 to 1, likely voters said they found the lieutenant governor more appealing than Cardin. Even Democrats said that was clear during the debate, with Steele appearing engaging while Cardin was sober and restrained.

When pressed, Steele tried to use humor to diffuse awkward moments, as when Russert played a clip of Steele forcefully endorsing Bush at the 2004 Republican National Convention and read news clips saying Steele was recruited to run by Bush strategist Karl Rove and Vice President Cheney.

"I've been outed," Steele said, laughing. "Okay, everybody, I'm a Republican."

Russert was undeterred, holding up a Steele bumper sticker that read, "Steele Democrat."

"That's not truth in advertising," Russert said.

"You've never heard of 'Reagan Democrats?' " Steele responded.

"It doesn't say, 'I'm a Steele Democrat.' It says 'Steele Democrat.' "

At times, Steele attempted to take on the role of moderator, directly challenging Cardin, for instance, on a vote against stem cell research. The bill would have required the National Institutes of Health to conduct the research without destroying embryos.

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In the House, all of Maryland's Democrats and Republican Wayne T. Gilchrest joined in voting against the measure. In the Senate, though, the bill was passed with the support of both of Maryland's Democrats.

"What do Senator [Paul S.] Sarbanes and Senator [Barbara A.] Mikulski not know that you know, that caused them to vote for it, and you against it?" asked Steele, who sat elbow-to-elbow with Cardin.

Cardin responded that the vote "would do nothing at all to advance embryonic stem cell research," and that the Senate backed it as part of a compromise bill.

On the same topic, Russert asked Steele whether his opposition to destroying embryos for research would extend to fertility clinics that routinely discard embryos not used in pregnancies.

"I won't close down the fertility clinics," Steele said, but would "pursue options that would allow us to look at adoption."

Among the most jarring moments came when Russert confronted Steele on contradictions from past statements.

For instance, Russert asked Steele whether he still considers Clarence Thomas a hero. Steele replied that he has disagreed with the black Supreme Court justice on a number of issues, including affirmative action.

"I strongly support affirmative action," Steele said, an assertion Russert quickly disputed.

"No, I've always supported affirmative action," Steele said sternly.

"Well, if we go back in 1991, we've got a program here called 'Affirmative Action That Doesn't Work,' 'Affirmative Action's Become a Race-Based Quota Formula,' " Russert said.

"That's -- but that's not the same as saying, 'I don't support it," Steele responded.

Russert also pressed Steele on whether he would support a constitutional amendment to outlaw abortion. At first, Steele said, "I don't think that's been proposed."

When Russert corrected him, Steele said he would not and believes laws on abortions should be left to the states.

After the debate, Steele said, "Everyone knows I'm a pro-life Roman Catholic. The idea of tinkering with the constitution goes against my sensibilities."

Douglas Stiegler, executive director of the socially conservative Family Protection Lobby, said Steele's answers did not concern him. "It sounds like he's trying not to get into that debate," Stiegler said. "From a political standpoint, I don't blame him."

Russert also pressed Cardin on abortion, asking about his vote against requiring minors to consult parents about the procedure.

"Parents should be involved in their children, absolutely," Cardin said. "The problem is you don't want it to become an obstacle, particularly where there has been family abuse. . . . You don't want it used as a way of preventing a child from getting the necessary medical attention."

Half of the one-hour show was devoted to the public's growing unease with the Iraq war.

Russert opened the show with a litany of Steele's shifting statements on the war and later asked Cardin to defend his suggestion that he would consider cutting off money for the war to force President Bush to withdraw troops.

Steele acknowledged that the war has "frustrated the American people" but said that even knowing what he knows today, "I would think we'd still prosecute the war."

Russert then presented Cardin with his own words from a newspaper article that suggested he would be willing to cut off money for troops in Iraq.

"You would vote to cut off funding for our troops while the war is going on?" Russert asked.

"No, I will never support turning our backs on our troops," Cardin said, adding that he would consider using the appropriations process to put pressure on the president to present a detailed war plan.

Steele Regrets The Race Issue Not Mentioned In Cardin Debate (WT)

By Jon Ward

The Washington Times, October 30, 2006

Lt. Gov. Michael S. Steele and Rep. Benjamin L. Cardin debated yesterday on national television about the Iraq war, the Republican Party and stem-cell research, but the decisive role that black voters will play in Maryland's U.S. Senate race was not mentioned.

"I would have liked to spent a little more time on ... an attitude in this campaign, where race has come into play," Mr. Steele, a Republican, said after appearing on NBC's "Meet the Press," the country's top-ranked Sunday morning political show.

Mr. Steele, who in 2002 became the first black person elected to a statewide office in Maryland, must win over black Democratic voters to overcome the Democrats' 2-to-1 advantage in registered voters. That's possible, say the state's black leaders, because Democrats have taken their vote for granted.

"Meet the Press" host Tim Russert asked pointed, detailed questions about plans for U.S. troops in Iraq, stem-cell research, abortion, judicial nominees and whether Mr. Steele was a "proud Bush Republican."

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But Mr. Russert did not ask about the prospect of black Democrats, who make up about 40 percent of the state party, crossing party lines to vote for Mr. Steele.

"I don't do horse-race questions," Mr. Russert told The Washington Times. "Black voters have the same concerns as white voters, when it comes to the war in Iraq, stem-cell research, abortion, Supreme Court."

Mr. Russert also said it was important to know "whether this was a referendum on George W. Bush, and whether Michael Steele was running away from him."

He asked Mr. Steele about "Steele Democrat" bumper stickers and whether he was "running away" from President Bush.

Mr. Steele, 48, said he was not running away from the president.

"That's exactly what Ben Cardin wants this race to be about," he said. "When this race is about Democrats and Republicans ... all they have to say is, 'The bogeyman is Republican.' "

Mr. Cardin's two-pronged campaign strategy has been to portray Mr. Steele as an ally of President Bush and to run on his record as a 10-term congressman to prove he knows how to "get things done" in Congress.

A Democratic memo last spring advised Maryland Democrats to "knock Steele down" by tying him to President Bush, turning Mr. Steele "into a typical Republican in the eyes of voters, as opposed to an African-American candidate."

Mr. Cardin's primary win over Kweisi Mfume, former president of the National Association for the Advancement of Colored People, was by a small margin because Mr. Mfume overwhelmingly won in Prince George's County and Baltimore city, where black Democrats make up most of the electorate.

The televised debate was a more favorable setting for Mr. Cardin, 63, than a debate Wednesday in which Green Party candidate Kevin B. Zeese, 51, and a free-for-all atmosphere put Mr. Cardin on the defensive.

Mr. Cardin declined to appear at a debate Thursday with Mr. Steele and Mr. Zeese before the Charles County NAACP, citing previously scheduled events.

Mr. Steele and Mr. Cardin may debate one more time this Friday before the Collective Banking Group, a group of black pastors in Prince George's County.

Some Democrats thought Mr. Steele received favorable treatment from Mr. Russert.

"Russert treated you very unfairly," Sen. Barbara A. Mikulski told Mr. Cardin before a rally in Montgomery County. "He let Steele go on these monologues and he cut you off too many times, but you held your own."

On Iraq, Mr. Russert asked Mr. Steele whether he had a firm position, pointing out statements he has made that have contradicted one another.

Mr. Steele said the U.S. government should pressure the Iraqi government to take responsibility for its country. If that does not work, he said, then in 60 to 90 days, the U.S. should "evaluate whether it is ... worth sacrificing another American life for a cause that the Iraqi government and the Iraqi people do not themselves believe in."

Pulling U.S. troops out "would be on the table, absolutely," Mr. Steele said.

Mr. Russert pressed Mr. Cardin on a comment he made in the Baltimore Sun this month that he would be open to cutting off funding for U.S. troops.

Mr. Cardin said he would "never support turning our backs on our troops."

Mr. Cardin also said the war in Iraq is a civil war and "not a war on terror." He denied ever calling for a timetable to withdraw troops, though he has said "it is reasonable" to expect all U.S. troops to be out by the end of 2007.

Mr. Steele said the war "has been worth it to the extent that what we're trying to establish there is a beachhead of democracy." He also said that he would have voted to invade Iraq, even knowing all he does now.

Mr. Cardin reiterated his support for embryonic stem-cell research, while Mr. Steele again said he supports all types of stem-cell research except for embryonic.

Mr. Cardin said he has "supported" anti-cloning legislation. However, Douglas Johnson, legislative director of National Right to Life, said Mr. Cardin has twice voted against bills that would have banned cloning, in 2001 and 2003.

Mr. Russert asked Mr. Steele whether he would vote for a constitutional amendment to ban abortion, and Mr. Steele said he would not.

A Washington Post poll released yesterday showed Mr. Cardin leading Mr. Steele by 11 points. However, two polls in the last week have shown the race to be a dead heat, and the Cook Political Report on Friday switched the race from a likely Democratic retention to a tossup.

Mr. Cardin and Mr. Steele are vying to replace retiring Sen. Paul S. Sarbanes, a Democrat.

O'Malley, Party Try To Stir Base Vote (WP)

By Steve Vogel And John Wagner

The Washington Post, October 30, 2006

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Baltimore Mayor Martin O'Malley looked at the sea of enthusiastic Democratic supporters at a Silver Spring high school yesterday and was quick to lay claim to his roots.

"It's great to be back in Montgomery County, my home county," O'Malley, who grew up in Bethesda and Rockville, said at the outset of his remarks at a rally at Montgomery Blair High School.

Both Democrats and Republicans are pouring time and resources into capturing votes in Maryland's most populous county, and any hometown claim a candidate can make cannot hurt.

With 273,234 registered Democrats in Montgomery -- more than twice the 125,534 Republicans -- it is a battle the Democrats can feel comfortable about winning. But the margin of victory will probably play a large role in determining the outcome of both O'Malley's gubernatorial race against Republican Gov. Robert L. Ehrlich Jr. and the U.S. Senate race between Democratic Rep. Benjamin L. Cardin and Republican Lt. Gov. Michael S. Steele.

Ehrlich and Steele appeared in the county last week and say they hope to improve on their performance in 2002.

Yesterday's rally -- held before several hundred cheering and sign-waving supporters -- was part of an effort to mobilize the Democratic base and to reach out to Democratic voters who do not normally vote in non-presidential election years. O'Malley was joined by all of the statewide candidates, including Cardin, as well as a large roster of county Democrats.

Montgomery County Executive Douglas M. Duncan, appearing with O'Malley for the first time since he dropped out of the Democratic primary for governor in June citing depression, was given a rousing welcome. In his remarks, Duncan criticized a new television ad for Ehrlich that includes disparaging remarks the county executive made about O'Malley before dropping out of the race.

Duncan called the ad an attempt to "mislead the public" into believing he supported Ehrlich. "If they got quotes from me about Ehrlich, you couldn't print them," Duncan added.

Ehrlich, who was shown to be trailing O'Malley by 10 percentage points in a Washington Post poll published yesterday, said his campaign was making a vigorous play for the Montgomery vote.

"People tend to look at Prince George's County and Montgomery County as places a Republican is just not going to win," Ehrlich said Thursday during a visit to a Wheaton police station, where he announced funding for programs to track sexual predators. "However, you still need to hit your targets in order to win."

Although Republicans acknowledge that it is impractical to expect to win a majority of votes in Montgomery, they want to do better than in the last election, when Ehrlich won 38.3 percent of the vote against former lieutenant governor Kathleen Kennedy Townsend (D).

"We've picked up," Ehrlich said. However, the Post poll of 1,000 likely voters yesterday showed Ehrlich with no greater support in the Washington suburbs than he had in 2002.

But Ehrlich said the endorsement he received last week from the Washington Post might help him win over voters in the Washington suburbs. The governor said his positions on the environment, education and transportation -- including the intercounty connector -- have won him support.

"Last time, it was a very tough thing," Ehrlich said. "I was a Baltimore area congressman, unknown around here, running against Bobby Kennedy's daughter in the Washington suburbs. This time, I've spent a lot of time here."

O'Malley portrayed the governor yesterday as out of touch with the Montgomery electorate, hammering Ehrlich for saying two years ago that multiculturalism is "bunk."

"Anybody who doesn't think multiculturalism is good for America, come to Montgomery County," O'Malley said.

Democrats are hoping the presence of two Montgomery candidates on the statewide ticket -- State's Attorney Douglas F. Gansler, the nominee for attorney general, and Del. Peter Franchot, the nominee for comptroller -- will bring out voters who will also support O'Malley and Cardin.

In an effort to blunt the impact of the Post poll, Ehrlich's campaign sent a memo to supporters via e-mail suggesting the contest was much tighter. It said the most recent survey conducted by Ehrlich's pollster found O'Malley leading Ehrlich 46 percent to 45 percent. One percent favored third-party candidates, the memo said, and 8 percent were undecided.

"We are sending this information to you because we are convinced that recent public polls have been wildly off the mark and run counter to what we have been seeing," the Ehrlich campaign e-mail said.

Meanwhile, O'Malley won the endorsement of the Baltimore Sun yesterday. The Democratic candidate also touted the results of the Post poll. In an appearance in Arbutus, Ehrlich's home town, O'Malley acknowledged that polls are only "snapshots in time."

"The nice thing about this snapshot is it's only nine days out and we're 10 points up," O'Malley said.

His comments came at an event where O'Malley won the endorsements of two former leaders of Democrats for Ehrlich, a group formed in 2002 to support the then-congressman.

"I am ashamed, embarrassed and feel very foolish for what I did," said Wayne Frazier, the group's former chairman.

Unregulated Groups Wield Millions To Sway Voters (LAT)

By Stephanie Simon

The Los Angeles Times, October 30, 2006

— Unions, corporations and wealthy individuals have pumped nearly $300 million this year into unregulated political groups, funding dozens of aggressive and sometimes shadowy campaigns independent of party machines.

The groups, both liberal and conservative, air TV and radio spots, conduct polls, run phone banks, canvass door-to-door and stage get-out-the-vote rallies, with no oversight by the Federal Election Commission. Set up as tax-exempt "issue advocacy" committees, they cannot explicitly endorse candidates. But they can do everything short of telling voters how to mark their ballots.

Because they can accept unlimited donations from any source, the committees — known as 527s — have emerged as the favored vehicle for millionaires and interest groups seeking to set the political agenda.

"It's become the new way to do business in politics," said Pete Maysmith, a national director of Common Cause, a nonprofit that lobbies for more transparency in campaign finance.

Named for a section of the IRS code, 527s have been around for years but became a political force in 2004 after the Bipartisan Campaign Reform Act of 2002 — also known as the McCain--Feingold Bill — limited donations to political parties. Groups such as Swift Boat Veterans for Truth on the right and America Coming Together on the left contributed $600 million that year, with a heavy focus on the presidential race.

The cash flow is lower this year because it's a midterm campaign, but 527s and a related type of organization known as 501(c)s have expanded their reach. With the Nov. 7 election days away, the groups are flooding the airwaves in state and local races as well as congressional contests.

By far the largest chunk of unregulated money — nearly $60 million — comes straight out of union treasuries and is used mostly to benefit Democratic candidates and causes. Conservatives are fighting back with multimillion-dollar donations from a California TV executive and the Texas developer who financed the Swift Boat ads.

In California, unregulated funds — mostly donated by New York developer Howard S. Rich — are bankrolling the campaign for Proposition 90, which would limit the government's ability to seize private property. In Missouri, such money paid for a celebrity-studded TV ad opposing a ballot initiative on stem-cell research.

In Ohio, a 527 has run some of the most provocative radio spots of the campaign season, with an African American announcer accusing Democrats of "decimating our people" by promoting abortions of "black babies." Another group funded by black Republicans has bought airtime on radio stations in Maryland and Florida to assert that Democrats "have bamboozled blacks" and want to keep them in poverty.

'Yeah, right'

Here in eastern Colorado, a 527 called Coloradans for Life has raised more than $1 million to oppose Republican Rep. Marilyn N. Musgrave — spending nearly as much on the race as the Democratic candidate. A radio ad championing "the unborn" gave many voters the impression the group was an anti-abortion organization attacking Musgrave from the right. In fact, it's funded by three millionaire liberals.

At a recent reception for rural Republicans, chiropractor Philip Pollock rushed up to Musgrave to complain about what he called the "underhanded, back-door" tactic.

"I just heard those ads. Coloradans for Life — totally ridiculous," he said. "What happened to ... campaign finance reform?"

"You mean getting the big money out of politics?" Musgrave asked.

Pollock shook his head in disgust. "Yeah, right."

The campaign finance reforms that took effect for 2004 limit individuals to about $100,000 in total contributions to all candidates, parties and political action committees per election cycle. Parties and PACs remain extremely influential. PACs, for instance, are expected to funnel more than $1 billion to candidates this year by bundling contributions from trial lawyers, beer wholesalers, pharmaceutical makers and other groups.

But more than 70 individuals have maxed out their PAC and party contributions; If they want to pump more cash into the election, they must donate to 527s and 501(c)s. Many prefer that approach because they can control how the money is used.

The 501(c) groups do not have to disclose donors or itemize spending. The 527s must report donors and expenses, but the groups are often ephemeral, forming under a generic name for a few months and then dissolving. That makes it all but impossible to sort through IRS filings and pick out which organizations will get involved in which races. By law, these groups cannot coordinate their activity with candidates.

"The first warning you have is often when you see their ad on TV," said Robert Duffy, a political scientist at Colorado State University who tracks the groups. "These 527s throw a whole lot of unpredictability into campaigns."

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In 2004, Democrats dominated 527 fundraising, led by financier George Soros and insurance magnate Peter B. Lewis, who each contributed more than $23 million. This year, Soros and others are focused instead on long-term party-building efforts, such as strengthening liberal think tanks and building a national voter database.

Two Republicans now top the donors' list compiled by the Center for Responsive Politics, a nonprofit research firm based in Washington.

Homebuilder Bob Perry, who financed the Swift Boat ads, has pumped $5 million into TV ads attacking Democratic congressional incumbents in Georgia, Iowa and Oregon as tax-and-spend liberals. GOP backer A. Jerrold Perenchio, who owns the Spanish-language television network Univision, has spent $5 million on ads in Missouri and Ohio featuring images of terrorism and warnings about those who would "cut and run" in Iraq.

Here in Colorado, the 527 targeting Musgrave is funded by siblings Patricia Stryker and Jon L. Stryker, billionaire heirs to a medical-supply fortune, and by Tim Gill, a software developer.

They bankrolled a similar effort in 2004, with TV ads that portrayed Musgrave picking soldiers' pockets as an announcer accused her of voting to cut veterans' benefits.

Their TV campaign this year has been far less dramatic but still controversial, accusing Musgrave of cutting a program that protects clean drinking water. In fact, Musgrave did not vote on that issue, though she has cast other votes that environmentalists say would weaken water protection.

Thanks, but no thanks

Musgrave's Democratic challenger, Angie Paccione, watched the water ad with a sinking heart. Like many candidates, she regards 527s as a mixed blessing. The independent group has undoubtedly given her campaign a boost; when the national Democratic Party canceled $630,000 worth of TV ads in the district, Patricia Stryker wrote a check for $720,000 to keep anti-Musgrave spots on the air.

But Paccione has no control over the message. Attacks such as the pickpocket dramatization could alienate voters. She considers ads like the one on water a waste of money.

"Clean drinking water?" Paccione said. "Holy smokes! There's a litany of things you could do against Marilyn Musgrave. Clean drinking water is not one of them."

Paccione's own ads portray Musgrave as a conservative ideologue.

A lawsuit pending in federal court aims to rein in 527 activity. But political analysts say they don't expect much to change, even if the case succeeds.

"Political money is like water. It will find an outlet," said Jeffrey M. Berry, a political science professor at Tufts University. "If 527s are banned, will another vehicle pop up? Absolutely."

Party Chiefs Debate Voter Motivation (WT)

By Eric Pfeiffer

The Washington Times, October 30, 2006

Democratic and Republican party leaders continue to debate which issues -- and scandals -- will drive voters to the polls next week for midterm elections.

"I think that there will be different issues in different districts," Republican National Committee Chairman Ken Mehlman said yesterday on CBS' "Face the Nation." "There are two kinds of overriding issues that seem to be applying in most districts, and one is the question of whether Americans want to see their taxes go up. ... The other question is, 'What do we do in the war on terror?' "

During his own CBS appearance, Democratic National Committee Chairman Howard Dean said his party would not raise taxes on all Americans and promised to fight a "smarter" war on terrorism.

"We have no intention of raising taxes except on the people who have got enormous tax breaks, like the oil companies, from the Republicans," Mr. Dean said. "We need a minimum wage [increase]. America needs a raise. The Congress has gotten their raises, but the American people haven't gotten theirs."

Mr. Dean denied Republican accusations that his party would try to impeach President Bush if it wins control of Congress.

"I think that is also a scare tactic," he said.

Meanwhile, House Majority Leader John A. Boehner said he doesn't think the Mark Foley congressional page scandal will hurt Republicans at the ballot box.

"The House ethics committee is doing a very good investigation in a bipartisan way. I was happy to meet with them, and I believe that they'll have a report coming soon," the Ohio Republican said on ABC's "This Week." "What the American people want to know is who is going to take care of them when it comes to lowering their taxes, securing our borders and providing the president with the tools to fight the terrorists?"

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Mr. Boehner acknowledged that Iraq is a prominent issue but said it won't work in the Democrats' favor. "We don't have a national election. And all these big national polls that show the trends don't mean anything because what we have are 435 individual races all around the country, local candidates running on local issues."

The two sides also debated the motives behind a campaign advertisement run in the U.S. Senate race in Tennessee. Critics said the ad, run against Rep. Harold E. Ford Jr., a black Democrat, has racist overtones. The ad was pulled after criticism from both parties.

"The ad that you are talking about is an ad that is being run independently of the Republican National Committee," Mr. Mehlman said.

Mr. Ford told "Fox News Sunday" that he thinks the ad is racist and is glad it was pulled. "I think it was smut. I don't think race had anything to do with that ad," he said. "The party of family values should not have run that in Tennessee, or anywhere for that matter."

The System's Broken (NYT)

By Bob Herbert

The New York Times, October 30, 2006

Greencastle, Ind.

The middle-aged woman filling her gas tank on a day of endless rain laughed when a reporter asked her about the coming elections. "Politics," she said, "are for silly people. Those ads come on television and I reach for the remote."

I asked if she was planning to vote on Nov. 7.

"No," she said. "That stuff really turns me off."

If you pay close attention to the news and then go out and talk to ordinary people, it's hard not to come away with the feeling that the system of politics and government in the U.S. is broken. I spent the past week talking to residents in Chicago, southern Michigan and Indiana. No one was happy about the direction the country has taken, but not even the most faithful voters were confident that their ballot would make any substantial difference.

"I vote," said Angela Buehl, who lives in a suburb of Indianapolis, "but I don't think anybody in Washington is listening to me." She mimicked talking into a telephone: "Hello ... Hello ...?"

The politicians, special interests and the media are in a state of high excitement over next week's midterm elections. They are addicted to the blood sport of politics, and this is a championship encounter. But that excitement contrasts with what seems to be an increasing sense of disenchantment and unease that ordinary Americans are feeling when it comes to national politics and government. For far too many of them, the government in Washington is remote, unresponsive and ineffective.

Voters and nonvoters alike expressed frustration with the fact that we are stuck in a war in Iraq that hardly anyone still supports but no one in government knows how to end.

Several people mentioned that their families were struggling financially at a time when the stock market had soared to all-time highs and the Bush administration was crowing about how well the economy was doing.

Nearly all said they were repelled by the relentless barrage of tasteless and idiotic campaign commercials. "Talk to me," said a woman in Mishawaka, Ind. "Don't assume I'm an imbecile."

A pair of front-page articles in The Times last week showed the stark contrast in the way that insiders and outsiders view the off-year elections. Corporations, reacting to the possibility that the Republicans might lose control of one or both houses of Congress, are hedging their bets by pumping up campaign donations to Democratic candidates. One way or another, they will be in the loop. That story ran on Saturday.

A day earlier, The Times reported on Democratic concerns that black voters, disillusioned by voter suppression efforts and a pervasive belief that their votes will not be properly counted, may not turn out in the numbers that the party was hoping for.

The system is broken. Most politicians would rather sacrifice their first born than tell voters the honest truth about tough issues. Big money and gerrymandering have placed government out of the reach of most Americans. While some changes in the House are expected this year, the Brookings Institution and the Cato Institute tell us (in a joint report) that since 1998, House incumbents have won more than 98 percent of their re-election races.

Millions of thoughtful Americans have become so estranged from the political process that they've tuned out entirely. Voters hungry for a serious discussion of complex issues are fed a steady diet of ideological talking heads hurling insults in one- or two-minute television segments.

DePauw University held a two-day conference last week on issues confronting the U.S. I was struck by the extent to which the people who attended the forums were interested in seeking out practical, nonpartisan, nonideological solutions to the wide range of problems discussed.

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The frustration with the current state of government and politics was palpable. One man, Ned Lamkin, asked me if it wouldn't be a good idea to create some sort of national forum for a serious extended discussion of ways to fix, or at least improve, the system. He's on to something. Among other things, I'd love to see a nonpartisan series of high-profile, nationally televised town hall meetings that would explore ways of making government and politics fairer, more open and more responsive to the will of the people.

American-style democracy needs to be energized, revitalized. The people currently in charge are not up to the task. It's time to bring the intelligence, creativity and energy of the broader population into the quest for constructive change.

The Decline Of Trust (WP)

By Sebastian Mallaby

The Washington Post, October 30, 2006

In 1995 Francis Fukuyama came out with a book called "Trust," in which he argued that a society's capacity for cooperation underpins its prosperity. The same year, Robert Putnam's famous article, "Bowling Alone," lamented that the United States was depleting its stock of precious social capital. The question of trust -- in government and also in communities -- preoccupied politicians too. "It Takes a Village," Hillary Rodham Clinton urged in the title of her 1996 book, which became a best seller.

You don't hear much about trust these days. Instead, we want accountability.

You see this most viciously in politics. In the mid-term campaigns, nobody has time for trust. The name of the game is to hold opponents accountable by attacking their records -- for failings real or imagined. If the Democrats capture one or both chambers, it will be largely because they promise to hold the president accountable.

This reflects a shift somewhere around 2003 or 2004. In the 1990s, after academics and pundits began talking about trust, the nation did actually become more trusting. The share of Americans saying they trust government "most of the time" or "just about always" rose from 21 percent in 1994 to 56 percent in 2002. Equally, elections became less abrasively focused on accountability. In 2000, according to John Geer of Vanderbilt University, a relatively low 40 percent of the messages in presidential TV spots were negative, down from 47 percent four years earlier.

But some time after the Iraq invasion, these trends reversed. In 2004 the share of Americans saying they trusted government fell to 47 percent, and this month a CBS News-New York Times poll put it at a rock-bottom 28 percent. Meanwhile Geer's measures show that in the 2004 election negative messages jumped to 50 percent of the total, and he guesses that this year's congressional races are the most negative in history.

There's been a similar change in corporate America. In the late 1990s, the new thing for corporate managers was to trust ordinary employees. Company hierarchies were flattened so that people in the middle could demonstrate initiative rather than suffocating under bureaucratic controls. In 1999, the Harvard Business Review reported that 30,000 articles on trusting and empowering middle managers had appeared in the business press over the previous four years.

That paradigm ended in 2002 with Enron, WorldCom and dozens of lesser corporate scandals. Suddenly nobody wanted to trust managers; they wanted to audit them. Instead of the era of management empowerment, we entered the era of mandatory online ethics training. Meanwhile private-equity firms are raising record sums to take over companies on the premise that incumbent managers need to be kicked rather than trusted.

What to make of this shift? Holding people accountable is a good thing:

This season's negative campaigning

can be seen (admittedly, with many despicable exceptions) as a healthy reaction to poor congressional performance. Equally, the 2002 scandals justified the Sarbanes-Oxley reforms of corporate governance. There are reasons we hold teachers accountable for failing

schools and put travelers through metal detectors.

But trust, when not abused, is nonetheless an asset. Accountants, lawyers and online training sessions impose costs on businesses; it would be cheaper to trust people if that were possible. Likewise, as Marc Hetherington of Vanderbilt University has demonstrated, government is constrained if nobody trusts it. The Great Society programs were possible because Americans trusted government in the 1960s; the creation of the Medicare prescription drug program arguably reflected the peaking of trust in government in 2003. But Bill Clinton's health care reform was thwarted in the low-trust early 1990s, and nobody now trusts government to modernize entitlements. Meanwhile President Bush had enormous foreign policy momentum in 2002-03 because Americans trusted him. Thanks to the Iraq mess, Americans are now focused on holding Bush accountable, and his options are limited.

There are powerful reasons trust tends to decline and accountability advances. Mobile societies tend to have weak bonds; the Internet makes it easier to hold people accountable and encourages acerbic negativity. And the absence of trust can feed on itself. Leaders function under stifling oversight; this causes them to perform sluggishly, so trust continues to stagnate. But

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occasionally there is a chance to escape this trap: A shock causes trust to rise, leaders have a chance to lead and there's an opportunity to boost trust still further.

We've recently had a double opportunity. The boom of the 1990s boosted trust in business; the 2001 terrorist attacks boosted trust in government. But CEOs and politicians abused these gifts with scandals and incompetence. Such is the cost of corporate malfeasance and the Iraq war: Precious social capital is destroyed by leaders' avarice and hubris.

Out Of Work In Michigan? Wyoming Wants You. (CSM)

By Amanda Paulson

The Christian Science Monitor, October 30, 2006

WRIGHT, WYO.

When Zeb and Sharon Goodrich look out their front door these days, they see antelope, sweeping treeless plains, and dozens of jack rabbits - a far cry from the view at their previous home in Lake Odessa, Mich.

"I miss the trees," Mr. Goodrich admits. "I was in shock when I [saw] how many trees there weren't." On the other hand, he likes that "you feel like you have room to breathe."

More important: He has good work, and lots of it.

Goodrich's job as a welder for a mine- services company pays far better than the welding he was doing back in Michigan, especially when he factors in the opportunity for overtime. And unlike the jobs in Michigan, it's not in danger of disappearing any time soon.

The Goodriches are at the vanguard of a small, new migration westward. As a result of aggressive recruiting on the part of job-rich and labor-poor Wyoming - and their family's willingness to leave roots and relatives behind in search of a more secure future - Zeb, Sharon, and their two young boys moved more than 1,000 miles this spring to a region in the throes of an oil, gas, and coal boom.

Employers in Wyoming are hoping that many more follow. For nearly a year, several county economic development councils and companies have targeted Michigan, with its large pool of skilled blue-collar labor and dwindling jobs, to try and fill the state's thousands of job openings. They've conducted three job fairs and placed a huge billboard outside Flint, Mich: "Live and Work in Wyoming!" And they're having some success.

"The Michigan folks are really fitting in," says Ruth Benson, director of the Campbell County Economic Development Corporation, just back from a recent recruiting trip.

Few of the Michiganders who move let Ms. Benson know they've done so, but she knows of at least 65 who have moved to her county in recent months, and hears of many more. Her county's website, www.jobswyoming.net, has been getting thousands of hits. "It's not for everyone," she says of the move, "but it's good for some."

Campbell County - which produces more than 35 percent of the coal used for the nation's electricity - is filled with evidence of the boom. Lines of trucks and cars - especially at shift changes - wind through roads in an otherwise barren landscape. Gas wells dot scrubland near the highway. Houses are going up all over.

Unemployment in the county is 1.7 percent - compared with 3.6 percent in the state and 7.1 percent in Michigan. And the mineral industry has given Wyoming a budget surplus of nearly $2 billion - evidence of which is seen in the new schools, civic centers, and infrastructure springing up.

In tiny Wright, for instance, where the Goodriches live, the population of 1,500 has four or five new playgrounds, a stocked fishing pond for kids, a new library, and a recreation center with an indoor pool.

"They're not burning the desk to heat the school," Zeb says with a laugh.

Such a boom has a downside too, though, as many families learn when they try to find a place to live - especially if they also need to sell a home in a depressed market like Michigan's.

The growing population has sent housing prices soaring, and many newcomers have to wait months just to find a place that's available. Motels are filled with laborers, and many companies need to offer temporary housing to lure workers. The lower-paying service sector has also had a hard time finding and keeping workers, with so many better-paying jobs available.

Benson is hoping that once the county is able to lure more skilled workers for the high-paying energy-related jobs, their "trailing spouses" will follow, and hopefully fill some of the many service and part-time positions. Sharon, for instance, has already bought a day-care center in Wright, which serves 51 kids.

She's enjoying her work, especially since it keeps her with 4-year-old Zeb Jr. and 3-year-old Jacob.

But the main change for the better has been for her husband. Back in Michigan, Zeb was doing welding on water heaters, bored by the monotonous work and making some $30,000 to $40,000 a year. Now, he works at P&H MinePro Services, repairing and building the massive coal mining equipment. The only thing that keeps him from overtime is the need to spend time with his family, and he loves the work - even when it means 14-hour nighttime shifts.

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"I call my friends and ask how their job is, and then say, 'Oh, I worked on the world's largest electric shovel last night,' " he says, grinning. "It's not hard to make six figures here if you don't mind working."

He remembers an ethanol plant back in Michigan that got 10,000 applications for 35 jobs. Here, he jokes, "you've got 35 people applying for the 10,000 jobs."

Still, despite his best efforts, none of his friends have followed him. And even Benson admits it can be an uphill struggle to get people to leave their extended families to come to an area they may never have heard of.

When she and officials in several other counties first realized what a labor shortage they had, they tried recruiting from Texas and the Gulf states, encouraging those displaced by hurricane Katrina to move to Wyoming.

"It was late fall, and they'd call and ask about the weather and all but hang up on you," she remembers.

Michigan, with its own tough winters and outdoorsman culture, has been a better fit, but it's still a challenge. Also, the area's employers don't want just any workers - they need heavy equipment operators, electricians, welders, mechanics, and other skilled laborers.

The growing population, though, is creating some need for a few other professions too. Richard Andriaens, Gillette's chief of police, moved here from Royal Oak, Mich., nearly two years ago. Budget cuts forced him to take an early retirement from the police department there, and as he scanned Michigan for police chief openings, he happened across an advertisement for Gillette, Campbell County's largest town.

"I thought, if we're going to move an hour, why not 20 hours?" he remembers. Since then, he's brought three more Michiganders to the department, and is going back on another recruiting trip in November.

The lack of shopping has been a bit tough for his wife, but mostly he says it's been a welcome change.

"I used to commute to work with half the number of people in this entire state," he says. His oldest son shot his first antelope and mule deer a few weeks ago, and his other three kids have all adapted quickly. "The best kept secret out here is the weather," he laughs.

As with the Goodriches, Chief Andriaens says the hardest part has been being away from family, but he's never looked back.

"I'm from a blue-collar family, and the blue-collar orientation makes you set strong roots," he says. "But if you have even a little bit of an entrepreneurial spirit, then the opportunities here are just incredible."

Fewer Teens Are Giving Birth, But Cost To Taxpayers Still Steep (USAT)

By Wendy Koch

USA Today, October 30, 2006

Teen childbearing has declined sharply since the early 1990s but remains costly to U.S. taxpayers, incurring a tab of least $9.1 billion in 2004, according to a report released today.

The children of teen mothers have higher health care, foster care and incarceration costs than those of older parents, says the report commissioned by the National Campaign to Prevent Teen Pregnancy, a non-profit advocacy group. Like their parents, they earn less as adults and pay less in taxes.

“It's important to remind people the problems are very serious and expensive,” says Sarah Brown, the group's director. She welcomes a one-third decline from 62 births per 1,000 teen girls in 1991 to 41 births in 2004. She attributes the drop to social changes that have led teens to use contraception or abstain from sex.

The abortion rate dropped even more, from 37 abortions per 1,000 teen girls in 1991 to 22 in 2002, the last year for which figures are available, according to the Guttmacher Institute, a non-profit organization that studies sexual and reproductive health policy.

Still, Brown says, the teen birth rate is four to five times the rate in much of Europe and more than twice that of Canada. “We can't let this nation think everything's been done,” she says, noting the rate of decline has slowed.

The report, By the Numbers: The Public Costs of Teen Childbearing, looks only at costs clearly linked to a teen birth rather than associated risks such as poverty. Written by Saul Hoffman, an economics professor at the University of Delaware, it is based largely on 2004 data that have not been publicized.

Most of the costs in 2004 — $8.6 billion — were incurred by mothers 17 and younger. Compared with women who have a first child at 20 or 21, those girls are more than twice as likely to have a child placed in foster care, to be reported for child abuse or neglect, and to have a son sent to prison. Their kids are far more likely to drop out of high school and their daughters to become teen mothers themselves, the report states.

“Teen birth rates drive a lot of negative social indicators,” says Wade Horn, assistant secretary for children and families at the Health and Human Services Department.

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The report says the 2004 costs of teen childbearing include $1.9 billion for health care, $2.3 billion for child welfare, $2.1 billion for incarceration and $2.9 billion in lower tax revenue. That federal, state and local tab is offset slightly by family support for younger teens. The cost to government averages $1,430 per child per year.

The price tag varies by state, depending on the number of births and benefit levels, from $12 million in Vermont to $1 billion in Texas.

Teen birth rates generally have fallen since 1957 but rose in the late 1980s. The subsequent drop saved taxpayers an estimated $6.7 billion nationally in 2004, the report says. The savings ranged from more than $1 billion in California to $5 million in Wyoming.

The report updates a 1996 study on the costs of teen childbearing but is the first to provide state-by-state costs.

A Case For Strengthening Marriage (WP)

By Leah Ward Sears

The Washington Post, October 30, 2006

For the first time in history, less than half of U.S. households are headed by married couples. And on Sept. 29, the Centers for Disease Control and Prevention released data showing that almost 36 percent of all births are the result of unmarried childbearing, the highest percentage ever recorded.

In family law, as in the rest of American society, there is an intensifying debate about how we should respond to this kind of news. Should law and society actively seek new ways to support marriage? Or should family law strive to be marriage-neutral by providing more rights and benefits to its alternatives, such as cohabitation and single parenthood?

Some family law experts argue that our most pressing need is to find ways to equally support a wide variety of family forms. For example, the respected American Law Institute, an organization of judges, lawyers and legal scholars that periodically drafts model laws and other proposals for legal reform, has proposed a new set of laws that promotes this "family diversity model." In "Principles of the Law of Family Dissolution," some ALI scholars argue that family law should focus less on trying to channel people into marriage and more on being "fair" to people in different relationships -- in other words, that it should take families as it finds them.

I am not a law professor. But from where I sit as chief justice of the Supreme Court of Georgia, a family law that fails to encourage marriage ignores the fact that marriage has long been associated with an impressively broad array of positive outcomes for children and adults alike. Experts who contend that we need to move "beyond marriage" say they are only responding to the facts. But here is one major fact: High rates of family fragmentation hurt children.

For example, studies have consistently shown that children raised outside marriage suffer disproportionately from physical and mental illness; are more likely to drop out of school, abuse drugs or alcohol, and engage in violence or suffer it in their homes; and are less likely to attend college. Child Trends, a nonpartisan research organization summed up the evidence in 2002: "Children in single-parent families, children born to unmarried mothers, and children in step-families or cohabiting relationships face higher risks of poor outcomes."

Of course, many hard-working single parents do an excellent job of raising children, and they need our support, too. But I believe that building a healthy marriage culture in America is a legitimate concern for family law.

I am not alone. For example, "Reconceiving the Family," a new book published by Cambridge University Press critiquing the ALI's "principles," has contributions from 27 family law scholars, including two other state supreme court chief justices. The Institute for American Values recently published a statement, signed by many legal and family scholars, that concluded that "a prime goal of family law should be to identify new ways to support marriage as a social institution so that each year more children are protected by being raised within the marital unions of their parents." Moreover, the supreme court in my state just established a Commission on Children, Marriage and Family Law with an important goal: to find ways to reduce unnecessary divorce and unmarried childbearing.

Why are state judges such as myself so concerned about strengthening marriage? Start with the basics: Fragmenting families are flooding our court dockets. Since I became a trial judge in 1989, the percentage of domestic relations cases has risen sharply; they now account for 65 percent of all cases in Georgia at the Superior Court level. Last year more than 14,000 children were in the care of the Georgia Division of Family and Children Services, and nearly 24,000 were admitted to a youth detention center. One out of every four Georgia children under 18 has a case with the Office of Child Support Enforcement.

These figures are typical of what is happening in every state. For judges, they represent a difficult workload. For families, they represent an astonishing level of necessary but intrusive government oversight. For government, they represent a mountain of resources that could be used for other purposes. For children, they are a tragedy.

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As a judge I am often frustrated that I must work within a system designed only to pick up the pieces after families have already fallen apart or failed to come together. We must work to prevent family fragmentation, because the consequences for children and society are severe.

If we look for solutions, we will find them. What we do not yet know how to accomplish, we can learn. Americans believe that problems, no matter how difficult, should be addressed and not merely endured. Whether it is racism, crime or poverty, Americans believe that we can find ways to make a difference. Accepting the decline of marriage as inevitable means giving up on far too many of our children. They deserve better than that.

Supply Side The Sanford Model By STEPHEN MOORE (WSJ)

The Wall Street Journal, October 30, 2006

Just when you thought that there weren't any small-government conservatives left in the Republican Party, along comes South Carolina Gov. Mark Sanford, who may be the only politician in America this year under assault for governing as a fiscal tightwad. What's really unusual about Mr. Sanford's bid for re-election is that some of his most formidable adversaries are the old bull politicians in his own party.

The state's Republican Senate Finance Committee chairman Verne Smith, for example, has just cut a campaign ad for Tommy Moore, the Democrat running against the governor. The ad slams Mr. Sanford for his attempts to squeeze too much grease from the state budget. Mr. Smith has evidently never forgiven him for dramatizing the legislature's overspending by holding a press conference inside the state Capitol in Columbia with two squealing pigs: one named "Pork" and the other "Barrel."

"Hey, it worked," Mr. Sanford says unapologetically of this stunt, which attracted nationwide attention. The legislature went back and cut $16 million in earmarks. He has vetoed hundreds of spending bills, including the entire budget in 2004 and 2006 -- although almost all of these vetoes were overridden by -- who else? -- the state Republican House and Senate. "If I weren't fighting the legislature on overspending, I wouldn't be doing my job," he says about this intraparty squabbling. Then he adds: "Frankly, I wish there were more of this budget strife in Washington." Words for George W. Bush to live by.

Despite the turmoil Mr. Sanford has stirred up during the past four years, he's racked up some pretty impressive accomplishments. Though his effort to phase out the state income tax was killed in the senate, he chopped the personal income tax rate on small businesses, to 5% from 7%, for the first time in South Carolina history. He took a state that was labeled a "judicial hell hole" and passed reforms, despised by trial lawyers, that will penalize frivolous lawsuits. He even cut the average wait time to get a driver's license renewal to 15 minutes from over an hour.

Mr. Sanford's real passion is school reform -- which is urgently needed in a state that ranks 48th, 49th or 50th in almost all measures of student performance. He openly ridicules the "failed monopoly" school system and for this the left has accused him of being virulently anti-public education (although school spending rose 20% in his first term). He also persuaded the legislature to approve charter schools and a private school tax credit bill -- and might have gotten more done if it weren't for his prickly personality.

This is the lingering complaint about Mr. Sanford (which he readily concedes): He "doesn't play in the sandbox well with others." Even some of the governor's first-term supporters, who at first liked the idea that this former three-term congressman would shake up the stuffy political establishment in Columbia, have come to regard Mr. Sanford as too abrasive and self-righteous.

Just last week South Carolina's largest newspaper, The State -- which endorsed him four years ago -- published a scathing denunciation charging among other things that the governor "doesn't want government to be more effective as much as he wants it to be cheaper," and that his first term has been all about "tax cuts and privatizing everything he could -- even the schools." The fiercest indictment: "He had run as a conservative . . . but [is] as close to an ideologically pure libertarian as you can get." Egads!

But with qualifications like his, it is no wonder that a number of leading conservatives across the country, disgusted with GOP gorging on pork and deficit spending, are looking at Mr. Sanford as a potentially attractive new entrant into the 2008 presidential race.

First, however, there is the little matter of re-election. Opponent Tommy Moore -- a man who boasts that he has spent half his life (28 years) in the state legislature -- is predictably attacking the governor for slashing vital services like education. Mr. Sanford is certainly vulnerable to the Democratic tide that could oust many GOP incumbents next week, but he remains admired by most voters. The latest Clemson University poll has him leading the race 58% to 31%.

Those good numbers may seem surprising, given the budget wars in Columbia and the drubbing he has taken from the media for being so aggravatingly uncompromising. But Mr. Sanford has a gift for turning liberal complaints against him into virtues with voters. After Time magazine rated him one of the three worst governors in America, Mr. Sanford openly scoffed. "All the top grades went to the tax and spenders," he laughs. "Believe me, I'm never going to win that kind of beauty contest, nor do I

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want to." He points out that in the same issue Time rated Ted Kennedy one of the top 10 senators in America. In South Carolina, that's enough said.

Mr. Sanford is still criticized to this day for the piggies stunt -- the House speaker claimed that he "defiled" the state capital -- but the governor says the voters have a different attitude. Breaking into a pronounced Southern drawl he says: "They tell me: 'You go bring some more pigs up there, governor. We're tired of the way they're spending our money.'"

That's the way many conservative Americans feel about Washington these days -- and why Republicans may fare so poorly next Tuesday. Political commentators such as the Washington Post's David Broder may write glowingly about how California Gov. Arnold Schwarzenegger has discovered the new formula for GOP governance: Toss aside ideology and sprint to the 50-yardline. But the Sanford model -- holding firm on limited government principles -- is a far more compelling lesson for how Republicans can recapture the good graces of their conservative voting base.

Big-Name Anger On Behalf Of The Little Guy (WP)

By Christopher Lee

The Washington Post, October 30, 2006

WAR ON THE MIDDLE CLASS

How the Government, Big Business, and Special Interest Groups Are Waging War on the American Dream and How to Fight Back

By Lou Dobbs

Viking, 251 pp., $24.95

Lou Dobbs is one of the professional angry men of cable television news.

The host of CNN's "Lou Dobbs Tonight" has carved a niche as a self-styled former Republican who refuses to sit by while big corporations, Congress and the Bush administration repeatedly take aim at the little guy in America.

On his show and in his book, "War on the Middle Class," the financial reporter-turned-pundit rails against "elites," globalization, illegal immigrants, the outsourcing of U.S. jobs, lobbyists, politicians, health-care costs and exorbitant CEO pay.

"I can't take seriously anyone who takes either the Republican Party or Democratic Party seriously," writes Dobbs, 61, "in part, because neither party takes you and me seriously; in part, because both are bought and paid for by corporate America and special interests. And neither party gives a damn about the middle class."

Dobbs sees an America with failing public schools, increasingly unaffordable health care, timid news media, politicians who serve the interests of lobbyists and corporations, and big companies that pay executives far too much while laying off workers and sending their jobs overseas in pursuit of cheap labor. And don't get him started on the "dysfunctional" federal government's failure to stop the entry into the country of illegal immigrants, whom he views as a threat to American culture, security and wages.

Dobbs details his displeasure in 12 easily digested chapters, each taking on a different subject but all replete with overheated prose.

"Each night, as I conclude my nightly broadcast on CNN, I have the gut-sick feeling that we have chronicled another twenty-four hours in the decline of our great democratic republic and the bankrupting of our free enterprise economy," he writes in a typical passage.

Still, millions of Americans share his anger, and it is not hard to see why. From 1992 to 2004, average pay for corporate chief executive officers rose from $1.8 million a year to $9.6 million. The heads of some bankrupt companies continue to collect millions of dollars in compensation even as workers are sent packing. Big businesses and other organizations spent $2.14 billion -- more than $5.8 million a day -- lobbying Congress and federal agencies in 2004. Ordinary Americans would be forgiven for suspecting that most of those efforts were not to benefit them.

The United States has lost millions of manufacturing jobs in recent decades. Increasingly, companies are shedding U.S.-based software programmers, call-center employees, aircraft maintenance personnel and accountants and replacing them with cheaper labor in countries such as India. Corporate profits have nearly doubled since 2000, while U.S. workers have seen little or no increase in real wages, their pension plans have disappeared, and employers have shifted health-care costs to them.

"[H]ow prosperous a nation are we when working Americans aren't being allowed to share equally in what we glibly call 'prosperity?' " Dobbs asks.

The book is well packaged but does not break new ground. The outrages Dobbs chronicles, such as the influence-peddling of lobbyist Jack Abramoff and the nominal relocations overseas by U.S. companies seeking to evade taxes, have been well documented in the same media that Dobbs complain have "turned away from the hard work and expense of fact-finding and investigation to the reporting of what is easy and convenient."

Speaking of easy and convenient, Dobbs seems to have done no new interviewing and instead quotes most of the people in his book straight from their appearances on his show. Even the book's title is a rip-off of the name of an ongoing series on his

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broadcast, making it essentially an exercise in brand extension. The inclusion of the full texts of the Declaration of Independence and the Constitution may be patriotic, but they also add bulk to what otherwise would be a modest volume of 212 pages.

There are a few sloppy errors: "California congresswoman Dana Rorhbacher," a Republican, is, in fact, a man whose last name is spelled "Rohrabacher." Democratic Sen. Byron L. Dorgan is from North Dakota, not North Carolina. And Dobbs's critique of national media organizations as being out of touch with Middle America because they are headquartered in New York and Washington falls flat coming from a man whose television show is based in New York.

Like many pundits, Dobbs is better at identifying problems than at solving them. Urging people to be more engaged in the political process and to vote the bums out is a sensible suggestion, if not a novel one. But if voters drop their party affiliations and register as independents, as he recommends -- and has done himself -- the result will be major-party candidates more tied to the views of the hard-core primary voters who remain.

Dobbs proposes "complete public financing" of federal elections, an idea that would not curtail outside political spending by people such as billionaire George Soros and groups such as Swift Boat Veterans for Truth. Dobbs would make members of Congress wait five years to become lobbyists, rather than the current one year. But earlier he points out that such waiting periods do not work because former politicians immediately land lucrative jobs advising big firms on lobbying matters anyway.

Dobbs advocates inspecting every cargo container bound for the United States, rather than the 5 percent currently examined, a sound idea from a security standpoint but a policy so logistically difficult and costly that it would probably bring ports to a standstill.

Dobbs would fine employers $50,000 for every illegal immigrant they hire. He would establish a national core curriculum and standards for classroom size and teacher pay, effectively removing schools from the control of the local and state officials -- and taxpayers -- who provide most of the funding.

"No one will give us our country back, not without a fight," he writes.

Dobbs, a well-compensated television personality, is not a member of the middle class that he defends so vigorously. He has the kind of national profile that led his publisher to put his face on the book's cover to sell more copies. While outsourcing, illegal immigration and high CEO pay may be bad for the middle class, they have been pretty good for Lou Dobbs's career.

For Congress In Virginia (WP)

The Washington Post, October 30, 2006

AFTER SIX terms in Congress representing Northern Virginia's 11th District, Rep. Thomas M. Davis III , a one-man political whirlwind, is a force to be reckoned with. Energetic, practical and astute, he is a deal-maker's deal-maker who has used his considerable clout as chairman of the House Government Reform Committee to good effect.

One example is his bill to give the District of Columbia's delegate in Congress full voting rights -- a proposal that would, at last, enfranchise the District's mostly Democratic residents while placating the GOP by adding a second new congressional seat for mostly Republican Utah. Another example is his important proposal to ensure Metro's future with $1.5 billion in federal funding over a decade -- a fat carrot conditioned on Maryland, Virginia and the District together dedicating an equal amount to the transit system. The bill, which still faces hurdles in the Senate, is a smart and creative bit of legislating.

Mr. Davis is a partisan Republican but also a moderate and a pragmatist who knows how to strike deals with Democrats. That alone makes him part of a small fraternity and an important one for a congressional district that is itself politically moderate -- and increasingly Democratic.

His Democratic opponent, Andrew Hurst, is a thoughtful, articulate lawyer. He has bruised Mr. Davis by spotlighting his partisanship and fundraising -- voting with the Bush administration the great majority of the time and sharing his own campaign cash with right-wing Republican candidates for Congress elsewhere. However, Mr. Hurst, whose own local civic involvement has been slight, concedes he is no match for the incumbent on local issues.

In Virginia's 8th District, we have been critical of Rep. James P. Moran Jr. , a Democrat whose past bouts of hot temper, atrocious judgment and ethical bumbling cast doubt on his fitness for office. Nor have we forgotten his pernicious remark that Jewish Americans bore special responsibility for leading the nation into war in Iraq.

However, neither major party has come up with a viable alternative to Mr. Moran, and after more than two decades in public office, including five years as mayor of Alexandria and 16 years in Congress, he appears unlikely to be dislodged. Mr. Moran has broken with his party in backing sensible free-trade measures and is pressing for infrastructure improvements to help absorb the 20,000 new military employees whose jobs are to be relocated to Fort Belvoir. He had a decent record in the past two years in Congress. He is well liked by many of his constituents, who have been willing to overlook his missteps because he remains conscientious about his duties in office and attentive to local concerns. There is something to admire in all that, and it is the basis for our endorsing him this year, with the above-stated reservations.

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By contrast, his Republican opponent in this year's race, attorney Tom M. O'Donoghue, is a blank slate on issues of special concern to the 8th District. Mr. O'Donoghue, a major in the Army Reserve and a veteran of Iraq and Afghanistan, is intelligent and eager to serve. But having all but ignored local questions during the decade-plus he has lived in Northern Virginia, he is ill-equipped to represent the area in Congress. An independent candidate, James T. "Jim" Hurysz, is running a hard-line anti-growth campaign; he has little local support.

In Virginia's 10th District, we endorsed Rep. Frank R. Wolf , a Republican, in a previous editorial.

Two Top Jobs In Maryland (WP)

The Washington Post, October 30, 2006

HAVING ALREADY endorsed Maryland Gov. Robert L. Ehrlich Jr. (R) for a second term in office, we turn our attention to the other two top jobs in state government: attorney general and comptroller.

Democrat Douglas F. Gansler and Republican Scott L. Rolle, two tough-minded, able and experienced prosecutors, are running to be Maryland's attorney general. The race is one-sided: no Republican has been elected attorney general of Maryland since 1919, and Mr. Gansler enjoys an enormous edge in campaign cash, name recognition and organization. That's a good thing, since it is also the case that he is the better pick to be the state's top law officer and run an office of nearly 400 lawyers.

Mr. Gansler, Montgomery County's top prosecutor since 1999 and a federal prosecutor before that, is a fine lawyer and administrator who has set himself an ambitious agenda for the job he seeks. He has pledged to focus on the environment, particularly cleaning up the Chesapeake Bay; he plans to employ underutilized state and federal enforcement tools to crack down on agribusiness polluters that he believes have evaded the law.

As we noted when we endorsed Mr. Gansler for the Democratic nomination, he is an unusually brash, outspoken public official whose appetite for publicity has earned him detractors. Still, if he sticks to the law and learns the art of understatement, he may easily win allies, for he has the energy and intellect to be a first-rate attorney general.

Mr. Rolle, the chief prosecutor in Frederick County, has run a campaign stressing tougher treatment for child sex predators, including abolishing parole for them. On a range of other issues -- including abortion, which he opposes -- his views are well to the right of what most Marylanders believe. We don't doubt his legal acuity, but his experience is no match for Mr. Gansler's.

The race for Maryland's comptroller, the state's chief tax collector, is even more one-sided. Del. Peter V.R. Franchot , a Montgomery County Democrat, is a 20-year veteran of state politics whose independent-mindedness and broad familiarity with state finances make him easily more qualified than Anne M. McCarthy, the Republican candidate. Ms. McCarthy, a former business school dean, is a novice in state politics who has lived in Maryland just four years.

Yemen Arrests 8 It Links To Plot By Al Qaeda (NYT)

By Hassan M. Fattah

The New York Times, October 30, 2006

DUBAI, United Arab Emirates, Oct. 29 — Security officials in Yemen have arrested eight men, including several Europeans and Australians, as well as a Somali, in what was described as a plot linked to Al Qaeda to smuggle weapons from Yemen to Somalia, Yemen's official news agency reported Sunday.

Security officials said the men, who were arrested Oct. 16, include three Australians, a Briton, a German, a Dane, a Somali and an eighth suspect of undisclosed nationality.

"Preliminary investigations indicate that they are members of Al Qaeda," an Interior Ministry official said in a statement carried by the state-run news agency, Saba.

If the men are convicted, it may offer the most concrete link of a growing Qaeda presence in Somalia, where the Islamic Courts Union, an Islamist group, has struggled to consolidate its position after taking control of Mogadishu, the country's capital, in June.

Officials said the men, who were not identified, had converted to Islam and had received religious instruction in Yemen. They were arrested trying to smuggle light arms, presumably across the Gulf of Aden, a common smuggling route for refugees escaping Somalia and for drugs and contraband brought into Africa.

Yemen, where tribal wars and revenge attacks claim up to 1,200 lives every year, has one of the largest ratios of guns per capita in the world, with thriving arms markets in most major towns and cities.

U.S., Allies Practice Intercepts In Gulf (WT)

By Nicholas Kralev

The Washington Times, October 30, 2006

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The United States and five other countries will begin an exercise in the Persian Gulf today simulating the interdiction of a ship carrying nuclear materials to a state of "proliferation concern" -- most likely Iran.

U.S. officials said that Muslim countries will take part for the first time in a Proliferation Security Initiative (PSI) exercise, part of Washington's global effort to disrupt traffic in weapons of mass destruction and related materials.

"From news reports, we know that the exercise has gotten the attention of the Iranian government," said Robert G. Joseph, undersecretary of state for arms control and international security. "This is an exercise that will test our capability to intercept illicit traffic."

The West suspects Iran of trying to build a nuclear weapon, but Tehran insists that it seeks nuclear energy only for civilian purposes.

Vessels, aircraft and special teams for the live phase of the exercise will be provided by the United States, Britain, France, Italy, Australia and the host, Bahrain. Preparations have involved 25 countries, including South Korea, which has not formally joined the PSI, Mr. Joseph told reporters.

"The United States appreciates the leadership of Bahrain, Kuwait, Qatar and the United Arab Emirates to ensure that the Gulf states will actively prevent the proliferation of weapons of mass destruction, their delivery systems and related materials," the State Department said.

The PSI began in 2003 with 11 countries and has grown to 80, Mr. Joseph said.

The Bush administration plans to apply some of the program's interdiction practices in carrying out a U.N. Security Council resolution imposed this month that bans imports and exports of nuclear and other illicit cargo to North Korea.

China and South Korea, however, are reluctant to intercept North Korean ships. Seoul has said it is thinking of joining the PSI, but a senior State Department official said China ruled out membership during a visit last week by Secretary of State Condoleezza Rice.

Also today, the United States and Russia will head the first meeting of an initiative to combat nuclear terrorism, announced by Presidents Bush and Vladimir Putin in July.

The session will be held in Morocco, which the senior official said has "very strong nonproliferation credentials" and whose participation will "send the right signal" that this is not just a Western effort.

The other participants will be Britain, China, France, Australia, Canada, Germany, Italy, Japan, Kazakhstan and Turkey, the official said.

Report Assails N. Korea Rights Record (AP)

By Edward Harris

AP, October 30, 2006

A Nobel prize-winning Holocaust survivor, an anti-Soviet dissident and a former European leader called Sunday for U.N. Security Council action on North Korea over its "egregious" human rights record.

Elie Wiesel, who survived the Nazi death camp at Auschwitz and later won a Nobel peace prize, commissioned a 123-page report detailing North Korean atrocities with dissident playwright turned Czech President Vaclav Havel and a former prime minister of Norway, Kjell Magne Bondevik.

In the report, the three said the dispute over the country's nuclear program should not eclipse deadly political repression there, but rather the council should open another path to influence North Korea by taking on leader Kim Jong Il's regime over its treatment of the country's 23 million people.

While a unanimous October Security Council resolution imposed sanctions on North Korea over its Oct. 9 nuclear test, the report is "urging the United Nations to get involved in the North Korea issue also from the human rights perspective," Bondevik said by telephone from Norway.

"Nowhere else in the world today is there such an abuse of rights, as institutionalized as it is in North Korea," Bondevik told the Associated Press. "The leaders are committing crimes against humanity."

The report argues that Security Council action is warranted under a resolution unanimously approved in April by the 15-nation council that endorsed a 2005 agreement aimed at preventing tragedies like the 1994 Rwanda genocide.

North Korea's actions toward its people — like food policies that helped fuel a late-1990s famine that killed as many as 1 million people and a prison system holding some 200,000 political prisoners — present a nontraditional threat to international peace, which the report argues is covered by the recent resolution.

The report, written by law firm DLA Piper and the non-governmental organization U.S. Committee for Human Rights in North Korea, urged the Security Council to adopt a non-punitive resolution that would demand unhindered access to North Korea by humanitarian workers, the release of all political prisoners and the admission of U.N. human rights investigators.

The report envisions a diplomatic process parallel to the one dealing with North Korea's nuclear program.

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"Although in recent weeks the international focus has been on North Korea's nuclear weapons test, the situation in that country is also one of the most egregious human rights and humanitarian disasters in the world today," the report said.

Reached Friday, the North Korean mission to the United Nations said no officials, including U.N. Ambassador Pak Gil Yon, were available for comment.

Bondevik acknowledged that a resolution on North Korea over its internal policies could be a hard sell for some council members — like China, which is also accused of holding political prisoners.

But he said the threat to international peace posed by North Korea would trump such considerations.

"I hope this report will describe in detail the abuses — and this will encourage the member countries, even China, that we have to act," he said. "We can't wait any longer."

Nuclear Test Should Prompt Action On Human Rights In North Korea: Experts (AFP-Y)

By P. Parameswaran

AFP, October 30, 2006

North Korea's defiant nuclear weapons test paves the way for UN Security Council action to combat the country's perennial human rights and humanitarian problems, an expert report says.

The 142-page report, commissioned by former Czech president Vaclav Havel, ex-Norwegian prime minister Kjell Bondevik and US Nobel Peace Prize laureate Elie Wiesel, said the human plight in the reclusive nation deserved to be treated on a parallel track with the security threat.

The trio commissioned the report because they felt that "for far too long, the security threat posed by North Korea has relegated the human rights concerns in the impoverished country to a second-class status."

The October 9 nuclear weapons test "demonstrated the fallacy of the argument that not antagonizing its government on human rights concerns would promote successful engagement on security issues," said the report prepared by DLA Piper LLP, a global legal firm, and the US Committee for Human Rights in North Korea.

"Our argument is very clear: the North Korean themselves have formally decoupled the security issue from the human rights and humanitarian issues," said Jared Genser, a DLA Piper lawyer who coordinated the project.

Based on a comprehensive review of published information and first-hand interviews, the report concluded that "North Korea has violated its responsibility to protect its own citizens from crimes against humanity being committed in the country."

Coupled with North Korea's refusal to accept prior recommendations from UN bodies to remedy the situation, "UN Security Council action is warranted," it said.

The report covered research on areas such as the historical context of international concern over the Korean peninsula, the major human rights concerns, including food policy, famine and political prisoners, and the transnational effects of the crises, such as refugee exodus.

"The evidence and analysis contained in this report is deeply disturbing," Havel, Bondevik and Wiesel of Boston University, the 1986 Nobel Peace Prize winner, said in a foreword of the report.

"Indeed, it is clear that Kim Jong Il and the North Korean government are actively committing crimes against humanity," they charged.

North Korea allowed as many as one million, and possibly many more, of its own people to die during the famine in the 1990s, they said.

Hunger and starvation remained a "persistent" problem, they said, pointing out that over 37 percent of children in North Korea were "chronically malnourished."

Furthermore, North Korea imprisons more than 200,000 people in its modern-day gulag, and it is estimated that more than 400,000 have died in that system over 30 years, they said.

Widely condemned internationally, the North Korean nuclear test came after Pyongyang walked out of prolonged nuclear talks with the United States, China, Russia, Japan and South Korea.

Pyongyang had earlier agreed in principle to abandon its nuclear weapons in return for energy and other aid as well as diplomatic guarantees.

Turn North Korea Into A Human Rights Issue (NYT)

By Vaclav Havel, Kjell Magne Bondevik And Elie Wiesel

The New York Times, October 30, 2006

WHILE the focus in recent weeks has been on North Korea's nuclear test, we shouldn't lose sight of the fact that the government there is also responsible for one of the most egregious human-rights and humanitarian disasters in the world today.

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For more than a decade, many in the international community have argued that to focus on the suffering of the North Korean people would risk driving the country away from discussions over its nuclear program.

But with his recent actions, North Korea's leader, Kim Jong-il, has shown that this approach neither stopped the development of his nuclear program nor helped North Koreans. It is time, therefore, for a renewed international effort to ameliorate the crisis facing the country's citizens.

And with the unanimous adoption by the United Nations Security Council of the doctrine that each state has a responsibility to protect its own citizens from the most egregious of human-rights abuses, a new instrument for diplomacy has emerged.

States will retain sovereignty over their own territory, but if they should fail to protect their own citizens from severe human-rights abuses, the international community now has an obligation to intervene through regional bodies and the United Nations, up to and including the Security Council.

It is in this context that, working with the law firm DLA Piper and the United States Committee for Human Rights in North Korea, we commissioned a report on the failure of the North Korean government to exercise its responsibility to protect its own people. The evidence and analysis in this report are deeply disturbing. Indeed, it is clear that North Korea is actively committing crimes against humanity — against its own people.

North Korea allowed perhaps one million — and possibly many more — of its own citizens to die during the famine in the 1990's. This was caused in part by the government's decision to reduce food purchases as international assistance increased so that it could divert resources to its military and nuclear program.

Hunger and starvation remain a persistent problem today, with more than 37 percent of North Korean children chronically malnourished. And yet North Korea has requested less food assistance from the World Food Program and refuses to let the program monitor food distribution in some 42 of 203 counties in the country.

As a result of the cuts in food aid, the program has said that millions of North Koreans will face real hardship this winter and many aid groups have warned of another famine.

Furthermore, North Korea holds as many as 200,000 people in its political prisons. Not only are real or imagined dissenters imprisoned, but so are their relatives, including the elderly and children, under a guilt-by-association system instituted by North Korea's founder, Kim Il-sung.

Prisoners in the gulag are provided starvation-level rations, forced to work long days under brutal conditions, and many face torture or execution for trivial offenses. It is estimated that more than 400,000 have died in the North Korean gulag over 30 years.

The few attempts by the international community to engage with North Korea on human rights and humanitarian concerns have come up short. Resolutions adopted by the General Assembly and the Commission on Human Rights have been repudiated by North Korean representatives and then ignored.

In addition, North Korea refuses to recognize the legitimacy of the United Nations special rapporteur on human rights in North Korea and has denied his numerous requests for access to the country.

Kim Jong-il has proven that the international community's restraint in openly discussing North Korea's treatment of its own people did not yield compromise on the nuclear issue. It merely allowed him to decouple the two issues.

Now that Kim Jong-il's nuclear weapons test has attracted the attention and condemnation of the world, it is imperative to seize this opportunity and once again engage with Pyongyang on human rights and humanitarian concerns.

Our report recommends that, as a first step, the Council should adopt a non-punitive resolution urging open access to North Korea for humanitarian relief, the release of political prisoners, access for the special rapporteur and engagement by the United Nations.

We also urge the incoming secretary-general, Ban Ki-Moon, to make his first official action a briefing of the Security Council on this dire situation.

Protecting the people of North Korea requires nothing less.

Bush May Start Talks With N. Korea, Former Envoy Says (Update1) (BLOOM)

By Heejin Koo

Bloomberg, October 30, 2006

Oct. 30 (Bloomberg) -- President George W. Bush may bow to political pressure from within the U.S. and agree to direct talks with a nuclear-armed North Korea, according to a former State Department specialist on Kim Jong Il's regime.

``President Bush doesn't change his policy because of external pressure," Kenneth Quinones, 63, said in an interview on Jeju island, South Korea. ``If he's going to change in the near future, it's because of domestic political pressure."

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U.S. officials have refused North Korea's demands for bilateral talks, urging the Asian nation to return to six-nation negotiations on ending its weapons program that have been suspended since November last year. North Korea announced on Oct. 9 it had detonated a nuclear bomb.

Failure by the Republican Party to keep control of Congress in elections on Nov. 7 will probably encourage Bush to begin direct negotiations, according to Quinones, a former State Department director of North Korean affairs. Democratic candidates are backed by 53 percent of likely voters, according to a Newsweek poll of 1,002 people, conducted between Oct. 19 and 20 with a margin of error of 4 percentage points.

``In Washington, surprisingly, there is within the Republican Party growing pressure on Bush to show flexibility," said Quinones. ``If the Republicans lose, then yes, I have no doubt Bush will show greater flexibility."

Reaching Agreements

Quinones, a professor of Korean Studies at Japan's Akita International University, was involved in so-called back channel talks between the State Department and North Korea's delegation to the United Nations till February this year. He was in South Korea last week to give a lecture.

The U.S. and North Korea in 1994 reached an agreement for North Korea to abandon its weapons program to get assistance to build two reactors for generating power.

The accord unraveled when the North admitted in October 2002 it was proceeding with its weapons plan in violation of the pact. Bush had already branded the country part of an ``axis of evil" for developing weapons of mass destruction and selling drugs and counterfeit money. Iraq and Iran were the other countries named in the ``axis of evil."

North Korea must return to the six-nation talks, which include the U.S., China, Russia, Japan and South Korea, and the U.S. won't negotiate outside that framework, according to U.S. Secretary of State Condoleezza Rice said on Oct. 20.

Refusal to Return

Kim's regime has refused to return until the U.S. removes financial sanctions imposed last year for money-laundering and counterfeiting.

``President Bush's whole claim of `I want a peaceful diplomatic solution, but I won't negotiate' -- it's a total contradiction," Quinones said. ``You can't have one without the other."

The commander of the U.S. Forces Korea and the United Nations Command, General Burwell Bell, also urged North Korea to return to talks.

``I hope for a peaceful and diplomatic resolution to the North Korean nuclear issue," Bell told reporters at a briefing held at the Yongsan Eighth U.S. Army base in Seoul today. ``If deterrence fails, and North Korea attacks the Republic of Korea, the ROK-U.S. alliance will quickly and decisively defeat any aggression."

The nuclear test heightened tensions on the Korean peninsula, where North and South remain technically at war because no peace treaty was signed to end their 1950-53 conflict, and raised concerns of a regional arms race.

``Moderate right-wing factions" including former Secretary of State James Baker and former President George H.W. Bush will urge the administration to meet with the North, Quinones said.

Frozen Funds

One possible compromise is over $24 million of North Korean funds frozen at Banco Delta Asia in Macau, China, after the U.S. Treasury Department in September last year designated the lender as a money-laundering threat, Quinones said.

North Korea offered to transfer the money to a New York account, allowing the U.S. to monitor its distribution, according to Quinones.

``The Treasury Department flatly rejected the idea," Quinones said, without specifying where he obtained the information. ``If it comes to a choice between Washington accepting that compromise and allowing the transfer of funds, or war, everybody will push Washington to take the compromise offer."

Quinones said he does not expect Japan, Taiwan or South Korea to begin nuclear weapons programs while the international community to trying to revive negotiations.

``If the six-party talks completely collapse, then we could see an unraveling of the present balance of power."

A Campaign For Settlers In Golan Heights (WP)

By Scott Wilson

The Washington Post, October 30, 2006

KATZRIN On the edge of this growing Jewish settlement, which bills itself as "the city of water and wine," Moti Bar is building a stylish microbrewery and restaurant in a glass and stone shopping mall that opened a few months ago. His venture, all the way down to the imported copper brew tanks, is a bet that Israel will remain in the Golan Heights for years to come.

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The high-end beer and view of the Sea of Galilee are designed to appeal to Israeli yuppies, who are being encouraged more aggressively than ever to move to this rugged plateau seized from Syria in the 1967 Middle East war. Dozens of newly graded home sites stretch westward, and a large industrial park called Golantech is emerging a few miles from Bar's pub.

"We're living our life as if we'll be here forever," said Bar, 42, who commutes from the nearby community of Kanaf. "And I don't think there is any reason why we should leave."

Israel's summer war with Hezbollah, the Lebanese Shiite militia that acts as Syria's military proxy, has revived the decades-old contest over the Golan Heights. This latest phase is also being shaped by demographic changes epitomized by this expanding settlement.

Israel annexed the Golan Heights in 1981 and offered its Arab residents citizenship in the Jewish state, something it has not extended to Palestinians in the West Bank and Gaza Strip. The annexation was not recognized internationally, however, and most of the Arabs here refused the offer as a protest against what they consider an illegal occupation. But they do have residency rights that allow them to travel throughout Israel and vote in local elections.

Most of the Arabs in Golan are Druze, members of a sect that split from Islam centuries ago and has large followings in Lebanon, Syria and Israel. Unlike most of the Druze in Israel, those here identify themselves as Arabs and do not serve in the Israeli military. The vast majority consider themselves citizens of Syria, although a small percentage support Israel's presence here.

For years, the Israeli military discouraged civilian settlement in Golan, particularly along the frontier with Syria, for fear the area would emerge again as a battlefield. Some small Israeli settlements were established there anyway, but in the past 15 years all new growth has occurred within existing settlement boundaries rather than in new areas.

The pace has picked up in recent years. Now, for the first time, the number of Jewish settlers in Golan may soon exceed the nearly 20,000 Arab residents whose families remained here after the war. The milestone may have already been passed, Arab leaders concede, with 400 Jewish families moving into Golan each year.

Since the Lebanon war ended on Aug. 14, settler leaders have launched a $250,000 advertising campaign to attract young Israelis with the lure of free land and a lifestyle ethic that blends Marlboro Country, Napa Valley and the X Games. Their goal is to double the Jewish population in Golan to 40,000 within a decade through an appeal that emphasizes cowboy hats over skullcaps.

At the same time, Syrian President Bashar al-Assad has called for new negotiations on Golan, emboldened by Israel's inconclusive fight against Hezbollah. For years, the Syrian government has helped arm and fund Hezbollah to strengthen its own hand in talks on the region. The Syrian army, meanwhile, has maintained quiet along the heavily mined frontier.

In a recent interview with the German magazine Der Spiegel, Assad added an ominous note to his previous calls for talks, warning that "when the hope disappears, then maybe war really is the only solution." In response, Israeli Prime Minister Ehud Olmert called Golan "an inseparable part of the state of Israel."

"No doubt the steadfastness of the resistance in Lebanon, ending the legend of the undefeatable Israeli army, has strengthened our belief that the end of the occupation is closer than ever," said Hail Abu Jabal, 62, a Druze political leader in the town of Majdal Shams who spent seven years in Israeli prisons for campaigning against Israel's hold on Golan. "But expanding these settlements is a mistake, making peace more distant and violent confrontation closer."

Rising from the Sea of Galilee to snowcapped Mount Hermon, Golan is a rocky slope of vineyards, cattle ranches, fruit orchards and remnants of conflict. Vast minefields stretch out behind barbed-wire fences, and the overgrown remains of Syrian houses, military barracks and mosques line mostly empty roads. Trenches and earthworks still score the land where the Israeli army has twice fought Syrian forces.

For decades, Israeli military leaders considered Golan an essential high-ground buffer against Syrian invasion and peppered the region with bases. In recent years, though, some Israeli generals have argued that air power has reduced the strategic importance of the heights. It still remains a training ground for the infantry and armored corps.

Perhaps more important, the region provides a third of Israel's drinking water.

"Until the war with Lebanon, there was no talk of giving back the Golan Heights. Most of the focus was on Israel's real problem, which is with the Palestinians," said Eli Malka, 48, the leader of a group of Golan settlements that is using government money to fund the ad blitz. "We're building, we're growing. And I don't see the prospect of any talks with Assad."

Jewish history here is visible in the remains of a 4th-century synagogue, among others found in Golan, that has been turned into a tourist site on the edge of this settlement of 7,500 people. But most of the roughly 100 families moving each year to Katzrin -- the largest of 33 Jewish communities in Golan -- are secular Israelis like Topaz Barkai, a 32-year-old former banker who arrived last month.

Barkai's father was killed in Golan during the 1973 Arab-Israeli war while her mother was pregnant with her. She was born here, then spent much of her adult life studying and working in Tel Aviv, the cosmopolitan coastal city she still visits for

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professional soccer games and nightclubs. Her new job is to persuade friends to move to Golan, with its skiing, water sports, cattle ranching and boutique wineries.

"We're trying to make this place younger," Barkai said.

A year and a half ago, the Golan lifestyle drew Einbar Pelter and her husband, Tal, an army officer and aspiring vintner. The couple moved with their two young children from a town near the seaside city of Netanya to Merom Golan, a farming collective founded a month after the 1967 war.

Pelter, a landscaper whose front yard is now a mix of grape vines, lavender and herbs, said the promise of free land, a communal setting and wilderness made them set aside qualms about relocating to an occupied region. Pelter Wines now appear on Tel Aviv wine lists.

"Even if it is going to be temporary, we thought it would be worthwhile," said Pelter, 32, who has seen her new neighborhood fill up over the past year. "A community that isn't growing has an expiration date on it."

The population of roughly 7,000 Arabs who remained after the 1967 war has grown to about 20,000. Most of them refused citizenship. Those who accepted are ostracized to this day in the four insular mountain towns where the Druze population is concentrated.

"After almost 60 years, the basic question of whether the Israelis have a right to create a Jewish state is being asked again after this war," said Taiseer Maray, director of Golan for Development, an Arab-rights organization in Majdal Shams. "This shows the stupidity of power. If I were a clever Zionist, the first thing I'd do is seek peace."

In Maray's Israeli travel document, the space beside "Nationality" reads "undefined." It is an apt description of a population that gathers Fridays at an overlook on the edge of the town to shout to relatives across the border with Syria.

The Arabs here are allowed to sell their apples in Syria and study at Damascus University. Hundreds of graduates have returned, many of them working in summer camps, professional clubs and civic groups, the main venues for political organizing.

"The feeling among the people here is that the Syrians could come back any day," said Maray, who has not seen his three brothers in Damascus since the 1967 war. "The settlers now talk about breaking down the boundaries between us with jobs and investment."

Arab grievances here center on the preferential treatment Israeli settlements receive in allocation of water, which is scarce and expensive for many Arab farmers. Meanwhile, civic campaigns for the removal of the Israeli military base on a hill in the center of Majdal Shams have been ignored.

In recent weeks, a group calling itself the Syrian National Alliance has been posting communiques around town calling for a new campaign against the Israeli occupation, including armed operations. "But we really don't know who they are," said Ayman Abu Jabal, 40, a former prisoner who works for Golan for Development. "So far they have not been very convincing."

Abu Jabal, a distant relative of Hail's, has followed that route before. As a member of the now-defunct Syrian Resistance Movement, he spent 12 years in Israeli jails for blowing up an Israeli military warehouse in 1985. No one was injured.

"What we want is for our rights to be the same as theirs," Abu Jabal said. "I'm not against the Jew as a person. But we want the occupation to end and for us to live in peace."

Israeli Labor Votes To Stay In Gov't (AP)

By Mark Lavie

AP, October 30, 2006

Israel's dovish Labor Party bent its ideology Sunday and voted to stay in Prime Minister Ehud Olmert's government, despite his intention to add an ultra-hawkish party to his ruling coalition.

The vote clears the way for Olmert to bring hard-liner Avigdor Lieberman and his party into the government, giving the premier a large cushion of parliamentary support with the approach of crucial votes, including the state budget. In the past, Lieberman has called for bombing Iran, Egypt and Palestinian population centers, as well as drawing Israel's borders to exclude most of its Arab citizens.

In a show of hands after a stormy convention, the party endorsed the stand of its leader, Defense Minister Amir Peretz, that it was better to stay in the government and influence policy than to wither away in the parliamentary opposition.

Peretz denounced Lieberman's policies. "We're talking about a man with a world view that is extreme, clear and infuriating," he said. "We will stay (in the government) in order not to let these views be realized."

Opponents, led by Cabinet Minister Ophir Pines-Paz, argued that Labor would be committing electoral suicide by sitting at the same Cabinet table with Lieberman and his hawkish Yisrael Beiteinu Party. Labor traditionally has led the dovish camp that favors compromise toward peace with the Palestinians.

Pines-Paz was expected to resign from the Cabinet, where he serves as culture, science and sports minister. Arab members of the party also were considering an exit.

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Peretz dismissed his critics. "I don't need anyone to preach to me about my loyalty to peace," he told the gathering, where rivals scuffled in front of the podium. "I certainly don't need anyone to preach to me about principles of human dignity and equality."

Olmert is to convene a Cabinet session Monday to approve the addition of Yisrael Beiteinu, and the parliament is expected to give its endorsement later in the week.

Lieberman is to be the only Cabinet minister from his party, serving as deputy prime minister in charge of dealing with strategic threats against Israel, primarily the nuclear threat from Iran.

Olmert's original coalition had a seemingly comfortable majority of 67 seats in the 120-seat parliament, but Labor itself disrupted the equation when several of its lawmakers said they would vote against the budget. If the Olmert government fails to pass a budget by the end of March, it must resign.

With Lieberman's 11 seats, the coalition's strength is boosted to 78 seats, and a mini-rebellion by some of the 19 Labor Party lawmakers would not bring down the government.

Israeli Official Asks President To Step Aside (NYT)

By Greg Myre

The New York Times, October 30, 2006

JERUSALEM, Oct. 29 — Israel's attorney general said Sunday that President Moshe Katsav should temporarily step aside while prosecutors decide whether to charge him with sex crimes.

Mr. Katsav has come under intense pressure to resign, or at least to suspend his official duties temporarily, and the remarks by the attorney general, Menachem Mazuz, made the president's position appear even more tenuous. Two weeks ago, the police recommended that prosecutors file charges, including rape and sexual assault, after accusations were made by several women who have served on his staff.

Mr. Mazuz will make the final decision about whether to charge Mr. Katsav. That announcement could still be weeks away.

"The more serious the allegations and the farther along in the process, the obligation increases for the president to take the step of temporarily suspending his term," Mr. Mazuz said in a letter to the High Court of Justice.

Mr. Katsav, whose position is largely ceremonial, has denied any wrongdoing. "Sooner or later it will be proven that the allegations against him are false," the president's office said in a statement on Sunday evening.

An Israeli president cannot stand trial while in office. However, the Parliament can impeach him, and once out of office, a former president can be prosecuted. Mr. Katsav's seven-year term expires next year.

In a separate development, neighboring Egypt has renewed its efforts to ease Israeli-Palestinian tensions and to try to broker a deal that would free an Israeli soldier captured by Gaza militants in return for a large number of Palestinian prisoners.

Egypt said Sunday that it had invited the exiled political leader of Hamas, Khaled Meshal, who is based in Syria, to come to Cairo for discussions on a prisoner exchange.

Such talks would also address the stalled efforts by Hamas, a militant Islamic group that controls the Palestinian government, and Fatah, a secular movement, to end their feuding and to form a national unity government.

Senior Hamas leaders plan to travel to Cairo for the talks in the next few days, but Mr. Meshal will not be among them, [a news agency] reported Sunday night from Damascus, Syria.

Egyptian officials have privately expressed sharp criticism of Mr. Meshal and Hamas, which has strong links to the Muslim Brotherhood, a group that is officially banned in Egypt. The Egyptians have also expressed frustration at the inability of the Palestinian government to calm the turmoil in the Gaza Strip.

Palestinian militants, including members of Hamas, seized the Israeli soldier on June 25, and the Palestinians are seeking to swap him for a large number of Palestinian prisoners. Israeli troops, who left Gaza last year, re-entered the coastal territory after the soldier was captured.

In a related development, the Israeli newspaper Maariv reported Friday that Israel might bomb a narrow strip along Gaza's southern border in an attempt to destroy weapons-smuggling tunnels linked to Egypt.

Israel's military has not commented on the report, but it appeared to raise concerns in Egypt about further instability in Gaza.

Palestinian security officials said a Hamas militant, Baker al-Assar, 20, was killed Sunday when a tunnel he was digging from southern Gaza into Egypt collapsed.

Egyptian officials said they had redeployed security forces around the border with Gaza specifically to help stop the smuggling. They denied reports, though, that they had moved 5,000 troops to the border, which would be a violation of an agreement with Israel that allows 750 Egyptian border guards.

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"Egypt is anxious to have calm on its border with Gaza and there are communications to guarantee this between the Egyptian and Palestinian sides," an Egyptian presidential spokesman, Soliman Awad, said in an interview.

Muslim Leader Dies In Nigeria Air Crash (FT)

By Dino Mahtani

Financial Times, October 30, 2006

Nigeria's top Muslim leader, at least two senators and a state deputy governor were killed on Sunday when a passenger aircraft crashed shortly after take-off from the capital Abuja. The crash, involving the local ADC Airlines, is Nigeria's third big civil aviation disaster in the past year.

According to the airline, the aircraft was carrying 105 passengers and crew.

The crash will be a significant blow to the country's efforts at persuading international aviation agencies it has done enough to merit a clean bill of health in its aviation sector since embarking on urgent reforms in recent months. The sector faces an international audit next month.

The death of Muhammed Maccido, who is otherwise known as the Sultan of Sokoto, will also send shockwaves through the mainstream Islamic community in Nigeria, where half of the estimated 140m population is Muslim.

The sultan is an influential figure among the Nigerian political elite and normally would have been expected to play a role in endorsing the selection of what many Nigerians are expecting to be a Muslim candidate for presidential elections next year.

Muslim leaders will be expected to elect a new sultan after a period of mourning, and the appointment of a successor will be followed with interest by political forces in the north. While the sultan may be the spiritual head of Nigeria's Muslims, his authority depends on political leeway given to him by politicians, including the president.

President Olusegun Obasanjo yesterday ordered an investigation into the crash. He has previously blamed corruption and corner cutting for two air disasters last year that killed more than 200 people.

Sunday's crash adds yet more influential Nigerians to the country's aviation death toll. In September, 10 senior generals died in a military aircraft crash. Last year, a leading presidential adviser also died in one of the two passenger airline crashes.

The country's aviation accident investigation and prevention bureau blamed bad weather, poor runway lighting and crew incompetence for one of last year's airline crashes. But Roland Iyayi, head of the Nigerian Airspace Management Agency, has said measures are needed to counter "systemic failures" inherent in air safety infrastructure and procedures.

Nigeria, which has seen domestic air travel boom in the past few years, is due to be audited by the International Civil Aviation Organisation next month. The audit will be instrumental in determining whether Nigerian-registered air carriers, such as Virgin Nigeria, can fly to other countries, in particular the US.

Industry executives say they do not expect Nigeria to meet the main regulatory and infrastructure requirements demanded by auditors.

Nigerian Airliner Carrying 104 Crashes In Abuja (WP/AP)

By Bashir Adigun, Associated Press

The Washington Post, October 30, 2006

ABUJA, Nigeria, Oct. 29 -- A Nigerian airliner with 104 people aboard slammed into the ground moments after takeoff Sunday, the third deadly crash of a passenger plane in less than a year in this West African country. Six people survived.

Among those killed was the man regarded as the spiritual leader of Nigeria's Muslims, and thousands of people gathered at a regional airport to receive his body.

The Boeing 737 crashed one minute after taking off from the Abuja airport, said Sam Adurogboye, an Aviation Ministry spokesman. President Olusegun Obasanjo ordered an immediate investigation into the cause of the crash, said his spokeswoman, Remi Oyo.

Rescue workers found debris from the plane, body parts and luggage strewn over an area the size of a football field. The plane went down inside the sprawling airport compound about two miles from the runway. Smoke rose from the aircraft's mangled and smoldering fuselage. Its tail hung from a tree.

Emergency workers pulled blackened corpses from the wreckage, then covered the bodies with white sheets and hauled them away in stretchers.

Through the day, airport security officials kept back anxious people seeking information about friends or loved ones.

Adurogboye said 104 passengers and crew members had been aboard the flight, and he knew of six survivors who had been taken to a hospital. "Obviously the rest are feared dead," he said.

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The plane was bound for the northwest city of Sokoto, about 500 miles northwest of Abuja, the capital, state radio said, adding that it had gone down during a storm. Witnesses said there was a rainstorm around the time the aircraft took off, but rains later subsided, giving way to overcast skies.

In an announcement broadcast on state radio, the Sokoto state government announced that the sultan of Sokoto, Muhammadu Maccido, died in the crash. Maccido headed the National Supreme Council for Islamic Affairs in Nigeria. The panel determines when Muslim fasts should begin and end, and decides policy for Nigeria's 70 million Muslims.

Maccido's body was immediately flown to Sokoto, where thousands of people awaited its arrival at the airport. He was buried Sunday in accordance with Islamic custom, and the Sokoto state government declared six days of mourning.

Mustapha Shehu, spokesman for the Sokoto state government, had said earlier that the sultan's son, Muhammed Maccido, a senator, also was aboard the flight, along with Abdulrahman Shehu Shagari, son of former Nigerian president Shehu Shagari, who was in office from 1979 to 1983. Their fates were not immediately known.

Oyo said Obasanjo was "deeply and profoundly shocked and saddened. . . . He offers condolences to all Nigerians, especially family, friends and associates of those who may have been on board."

The Boeing 737-2B7 owned by ADC Airlines, a private Nigerian company, was manufactured in 1983, Adurogboye said.

Nigerian Plane Crash Kills 98, Including Top Muslim Leader (NYT)

By Lydia Polgreen

The New York Times, October 30, 2006

DAKAR, Senegal, Oct. 29 — A commercial airliner with 104 passengers and crew members on board, including the spiritual leader of Nigeria's vast Muslim population, crashed shortly after takeoff in the Nigerian capital, Abuja, on Sunday. It was the third deadly passenger plane crash in Nigeria in a little more than a year.

Six people were taken to local hospitals, aviation officials told reporters at the crash site. The other 98 people on board were presumed dead. The plane crashed just past the runway at the Abuja airport after taking off in stormy weather, and the wreckage was strewn across a wooded area beyond the runway. News agencies reported that some bodies had been recovered, but it was unclear how many.

The flight was operated by ADC Airlines, one of Nigeria's many small domestic airlines. The 23-year-old plane was a Boeing 737-2B7, The Associated Press reported, quoting an Aviation Ministry spokesman.

The plane was headed to Sokoto, the capital of a state near Nigeria's northern border. Among the passengers was the sultan of Sokoto, Muhammadu Maccido, the spiritual leader since 1996 of Nigeria's Muslims, who are believed to constitute half of the country's estimated population of 130 million.

"It is a terrible tragedy, an unimaginable loss," said Mustapha Shehu, a spokesman for the Sokoto State government, in a telephone interview just moments after the sultan's body had been brought to Sokoto for burial by a government plane. "Everyone is in mourning."

The crash was the latest in a string of disasters in Nigeria's skies. More than 200 people died in two aviation accidents in Nigeria in 2005. Last October, a flight operated by Bellview Airlines, one of the country's most popular carriers, crashed shortly after taking off from Lagos on its way to Abuja, killing 117 people.

Just two months later, a flight operated by Sosoliso Airlines crashed on the runway at Port Harcourt, the main hub of Nigeria's oil industry. Dozens of high school students on their way home for Christmas from an elite boarding school in Abuja were among the more than 100 people killed in that crash.

The two episodes, coming just months apart, prompted the government to ground the entire domestic fleet of both airlines for inspections. Nigerian aviation officials later said that sudden weather changes were to blame for both accidents.

Last month 10 senior military officials were killed in a military plane crash in Benue State.

Despite its vast oil wealth — Nigeria is the world's sixth-largest oil exporter — its infrastructure is crumbling, and traveling even a few hundred miles by road takes more than a day.

With most domestic fares running at least $100 one-way in a country where 60 percent of the people live in poverty, the airlines tend to cater to the country's business and political elite. Politicians, diplomats and prominent business people have been among the dead in recent crashes.

In addition to the sultan, several top Sokoto State officials were on the plane, Mr. Shehu said, including two senators and the deputy governor. The group had been in the capital attending a government meeting on education, Mr. Shehu said.

The death of the sultan leaves Nigeria's Muslim population without one of its most prominent voices against interreligious conflict as the country enters a contentious period leading up to elections next year. Mr. Maccido was crucial in calming religious tensions in 2002, when deadly riots broke out over a beauty pageant in northern Nigeria, and in 2004, when interreligious violence killed dozens in Plateau State.

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The 2007 presidential election is likely to fan these flames again as the largely Muslim north and the largely Christian south battle over which region the country's next president will come from.

Is A Moat The Answer? (NSWK)

By Kevin Peraino And Joanna Chen

Newsweek, October 30, 2006

In search of a creative way to stop militants and weapons smugglers from infiltrating across the Egypt-Gaza border, Israelis are talking about building a six-mile moat filled with Mediterranean seawater along the southern boundary. The plan was first considered seriously in 2000; in 2004 the Defense Ministry even opened bids for construction. But the project was dropped after government legal experts feared it would require destroying hundreds of Palestinian houses along the canal route. Brig. Gen. Tzvika Foghel, who studied the idea in 2001 as the IDF Southern Command chief of staff, says geologists warned that if the construction weren't done right, it could contaminate water supplies in both Gaza and Egypt and destabilize land under Palestinian homes. It would also have been prohibitively expensive—$250 million.

That doesn't matter so much now. After this summer's conflicts—during which militants tunneled from Gaza to Israel to capture and kill Israeli soldiers—the idea has gained new currency. Nervous Israelis are eager to put distance between themselves and their enemies. "I don't believe in coexistence," hard-liner Avigdor Lieberman, who just agreed to join Prime Minister Ehud Olmert's coalition, told NEWSWEEK recently. Neither do a growing number of his countrymen; polls show strong support for his hawkish views. Even Foghel says he's convinced the moat is "a good solution," adding that Gaza residents might grow to like relaxing by their new moat, and even fishing in it. "It will be something nice to look at," he says.

Central America: Ortega And Ollie—Again (NSWK)

By Michael Isikoff And Joseph Contreras

Newsweek, October 30, 2006

The Bush Administration is increasingly worried that ex-Sandinista leader Daniel Ortega—once the scourge of the Reagan White House—may prevail in the first round of Nicaragua's presidential election Nov. 5. But it wasn't happy when another Reagan-era figure flew to Managua to rally opposition to Ortega. In a speech to a group of old anti-Sandinista rebels, Iran-contra figure Oliver North compared an Ortega victory to the seizure of power by Mussolini and Hitler—and charged that Venezuelan President Hugo Chávez was behind Ortega. The visit blindsided officials in the U.S. Embassy, who demanded to know why North was stoking old passions. North said he was simply responding to an invitation from his old contra pals, who wanted to give him an award. "I only go where I'm invited," he said.

Bush officials are worried that Chávez is backing Ortega financially. The Venezuelan president has signed a deal to provide low-cost oil to Sandinista mayors as a way of boosting Ortega's campaign. The prospect of another leftist taking power in Latin America prompted Commerce Secretary Carlos Gutierrez to warn that an Ortega triumph might endanger a free-trade treaty with the United States. But officials are wary of saying too much—or backing one of several rival candidates—lest they too be accused of meddling.

Mexican Police Move Into Oaxaca (FT)

By Adam Thomson

Financial Times, October 30, 2006

Mexican federal police have moved into the southern state of Oaxaca in response to growing levels of violence that has turned the once-popular tourist destination into a virtual war zone.

President Vicente Fox decided to act after three people, including a US citizen, were shot dead on Friday in what were believed to be skirmishes between local police and protesters.

The presence of federal forces – about 3,000 arrived in and around the city of Oaxaca on Saturday – is the latest reminder of how far things have spun out of control from what initially began in May as a strike by teachers who were demanding more pay.

Mr Fox, who ends his six-year mandate on December 1, is desperate to hand over a peaceful and law-abiding country to Felipe Calderón, the president-elect and a member of Mr Fox's centre-right National Action Party (PAN), and Oaxaca has become the biggest test of his ability to do so.

Last week most of the state's 50,000 teachers voted to return to classes after five months of occupying the colonial city's main square. But the remaining teachers, together with members of the People's Popular Assembly of Oaxaca (Appo), an umbrella group of indigenous, social and labour organisations, have vowed to continue the resistance until Ulises Ruiz, the state's governor, resigns.

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The teachers and the Appo accuse Mr Ruiz, of the Institutional Revolutionary Party (PRI), of electoral fraud and authoritarianism. On Saturday, Appo leaders rejected the federal government's demands to clear the barricades that the protesters have raised all around the city to prevent reprisals from local police.

Flavio Sosa, leader of the Appo, said on the weekend that Mr Ruiz's resignation is not negotiable, although he said that his organisation is willing to continue talks with the federal government.

Police Storm Oaxaca To Suppress Protest (WP/AP)

By Mark Stevenson

The Washington Post, October 30, 2006

OAXACA, Mexico, Oct. 29 -- On the order of President Vicente Fox, federal police backed by armored vehicles and water cannons tore down barricades and stormed embattled Oaxaca on Sunday, seizing control of the city center from protesters who had held it for five months.

A 15-year-old boy guarding one barricade was killed by a tear gas canister, said Jesica Sanchez, a human rights worker.

The conflict has pitted the governor of the state of Oaxaca against a coalition of citizen groups and striking teachers demanding his ouster.

With helicopters roaring overhead, police earlier entered the city, normally a picturesque tourist destination, from several sides. They marched up to a final metal barrier blocking the center, but pulled back as protesters armed with sticks attacked them from behind, hurling burning tires. The air filled with black smoke and tear gas.

Some demonstrators used syringes to pierce their arms and legs, then painted signs in their own blood decrying the police.

As night fell, however, protesters abandoned the center and regrouped at a local university. They pledged to continue their battle to persuade Gov. Ulises Ruiz Ortiz to resign, even as police tore down the banners and tents in the center that had served as demonstration headquarters.

At least eight people have died in the unrest since August, including Brad Will, an American and volunteer correspondent for the Web site Indymedia.org who was shot dead Friday along with two Mexican protesters. Fox, who leaves office Dec. 1, had for months resisted repeated calls to send federal forces to quell the protests.

In Oaxaca, the teachers protest is an annual rite that began 26 years ago. The protests are usually peaceful and generally last a week or two, but this year the teachers became infuriated when Ruiz sent police to forcefully remove demonstrators from the city's idyllic squares.

Last week, teachers tentatively ratified an agreement that would allow them to return to classes at an unspecified date and receive 30 percent raises spread over six years. Their unmet central demand, Ruiz's resignation, threatened to undermine the fragile pact.

Police Start Push To Retake Oaxaca (WT/AP)

By Mark Stevenson

The Washington Times, October 30, 2006

OAXACA, Mexico -- Federal police with assault rifles and riot shields advanced into Oaxaca yesterday, bypassing or extinguishing barricades of burning tires and tree trunks in this normally picturesque tourist destination that has been racked by five months of protests and violence.

Officers in bulky black helmets lined a highway just shy of a sign reading "Welcome to Oaxaca" and used fire extinguishers to douse flames at a roadblock abandoned by retreating demonstrators.

Flanked by armored vehicles, water cannons and bulldozers and with helicopters roaring overhead, they faced a knot of protesters who yelled insults and readied piles of stones to hurl. Some protesters used syringes to pierce their arms and legs, then paint signs decrying the police in blood.

In other parts of the city, columns of police climbed over burned cars and moved past hijacked tractor-trailers, buses and other debris used to block streets, in their march downtown. Instead of offering resistance, many protesters retreated, pledging a massive defensive in the city center.

Some residents emerged from their homes to cheer and wave white flags at marching police.

What began in late May as a teachers strike in this colonial southern Mexican city spiraled into chaos as anarchists, students and Indian groups seized the central plaza and barricaded streets throughout the city to demand the ouster of Oaxaca state Gov. Ulises Ruiz.

Police and state forces, often in plain clothes, have shot at protesters, setting off clashes in which at least eight persons have died.

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President Vicente Fox, who leaves office Dec. 1, resisted repeated calls to send federal forces to Oaxaca until Saturday, a day after gunfire killed a U.S. activist-journalist and two residents.

Although some protesters retreated, others fortified their posts at street blockades, pledging a street-by-street defense against the Federal Preventive Police. Bertha Munoz, one of the movement's leaders, said many of the demonstrators were peaceful.

"How can we confront them? We have already seen the R-15 [rifles] and AK-47s they carry," she said. "What do our people have? Most have just come to bring them flowers."

The Interior Department issued an ominous statement demanding that protesters give up their occupation of the city immediately, but officials said yesterday that they hoped negotiations could avoid further bloodshed.

Protesters accused Mr. Ruiz of rigging his 2004 election and using thugs to kill or intimidate political opponents. They say they will not return home without his resignation.

In Mexico City, several hundred supporters of the Oaxaca protests converged on a hotel where Mr. Ruiz was rumored to be staying, damaging the grounds around the entrance and screaming, "Murderer."

The protesters estimated that 4,000 federal police officers had taken up positions on the edges of the city. There were no official reports, however, on how many officers were sent to Oaxaca, which is the capital of the state of the same name.

Mexican Federal Police And Army Move To Retake Oaxaca (NYT)

By Marc Lacey

The New York Times, October 30, 2006

OAXACA, Mexico, Oct. 29 — Federal forces moved to take back this picturesque tourist town one cobblestone street at a time on Sunday, bashing through barricades and pushing back activists who had seized the downtown five months ago in an increasingly ugly dispute with the state governor.

Police officers wearing riot gear and carrying shields were backed by water cannons, police helicopters and heavily armed soldiers as they marched from all directions toward Oaxaca's main square, the Zócalo, which used to draw tourists but in recent months has been a giant encampment for an array of groups intent on toppling Ulises Ruiz, the governor of Oaxaca State.

The police, estimated to number in the thousands, met resistance in some areas. Demonstrators clutching rocks and sticks tried to stop them. Buses shuttling police officers to the center of town were pelted with stones, and bonfires in the middle of streets sent huge plumes of smoke into the sky.

By Sunday night, the Zócalo was ringed by police officers in riot gear and appeared to be controlled by federal forces.

The tension here spilled over into Mexico City on Sunday, with supporters of the Oaxaca protesters surrounding a hotel where Governor Ruiz was thought to be staying and shouting: "Murderer! Murderer!"

The operation, ordered by President Vicente Fox in his final month in office, did not become the bloodbath that many had feared. Mr. Fox ordered the raid on Saturday after two protesters and an American activist working as a journalist here were killed Friday, the latest in a string of deaths for which protesters blamed provocateurs linked to the government.

Protesters said the police killed one of their supporters in the raid, although police officials did not confirm the death.

The Fox administration said in a statement on Sunday night that it had acted because state and local authorities could no longer guarantee public security and "radical groups, out of control, had put at risk the peace of the citizenry."

The unrest began in May as a teachers' strike. But when Mr. Ruiz sent the police to break up the peaceful demonstrations, other activists joined in and the situation quickly spiraled out of control.

The original dispute with the teachers was recently settled with a pay raise. The teachers have said they intend to return to classes on Monday, allowing 1.3 million children to resume their studies.

But on Sunday, many demonstrators, some with bandanas pulled over their noses to protect against tear gas, vowed to continue pressing for the removal of Mr. Ruiz. They accuse him of rigging the 2004 gubernatorial election and ruling the state with an iron hand.

"The very hour that the governor leaves, we will stop these protests and go home," said Joel Santiago, 38, who stood on the front lines of one standoff with officers on Sunday. "The people are tired of this man treating us as though we're nothing."

Some residents were clearly tired of the protesters, as well. As troops advanced, some people came out of their homes to applaud their arrival, and what they hoped was the end of the lawlessness that had taken over Oaxaca. "Thank you for coming to the rescue of our city," said Teófilo Rodríguez, 56, a businessman.

Oaxaca, a six-hour drive southeast of Mexico City, is known for its colonial charm, with centuries-old architecture and a distinct regional cuisine. But on Sunday it more closely resembled an urban jungle. Protesters from the Oaxaca People's Popular Assembly, or A.P.P.O., a loose coalition of interests that had laid siege to the Zócalo and taken over radio stations, hustled through the streets, taunting the authorities and then fleeing at each advance.

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Protest slogans were painted on buildings everywhere and the burned-out remains of cars and buses litter the roads. On Sunday night, protestors were torching buses in the center of town.

On the main highway leading to Mexico City, police officers in riot gear spent most of Sunday standing in formation, eyeing several hundred protesters manning a barricade of stones and tree trunks 200 feet away.

At one point, a woman approached the officers and stuck white roses and carnations in their all-black uniforms. “It makes me sad that they want to kill my people,” she said. “I want to change their hearts.”

Other demonstrators drew their own blood to protest the arrival of the authorities. They had health workers stick needles in their veins, and the blood that flowed out was then dripped onto street signs and used to paint messages on their chests.

At about 3 p.m., the police officers began advancing. Water cannons were fired on people who did not clear the way. Chaos ensued as men, women and children fled.

Elsewhere, bulldozers cleared some of the hundreds of barricades that had been erected around the town.

The roots of the conflict have less to do with leftist ideology or a peasant uprising than with political patronage and old political rivalries, people here say.

Over the past two decades, as Mexico’s political system has opened up, brutally poor Oaxaca has remained a virtual one-party state, controlled by the Institutional Revolutionary Party, the machinelike organization that ruled the entire country until Mr. Fox’s victory in 2000.

After taking office in a disputed election, Mr. Ruiz eliminated millions in community subsidies and began a series of public works projects that involved condemning land, often taking it from farmers at rock-bottom prices, protesters say. He also forbade marches and protests in the Zócalo, angering groups that routinely used protests to demand more government aid.

“He didn’t realize it, but he was closing the escape valves that let the pressure off,” said Flavio Sosa, the head of the New Left of Oaxaca, a political pressure group, and a leader of the A.P.P.O.

When Mr. Ruiz sent in poorly trained riot police officers to oust striking teachers from the Zócalo on June 14, the crisis began.

“This is a fight about power, about money, and the problem of poverty, as well,” said Rosa Nida Villalobos, the head of Priista Women, a group that supports the governor, in an interview last week. “It’s a monster with a thousand heads and a thousand interests.”

Mexican Police Storm Protesters In Oaxaca (LAT)

By Sam Enriquez And Reed Johnson

The Los Angeles Times, October 30, 2006

Oaxaca, Mexico — Thousands of federal riot police using tear gas and water cannons battled demonstrators in this once-picturesque state capital Sunday, prompting striking teachers and leftist groups to abandon the central square they had held for five months.

After hours of smoky clashes in the streets, the end of a political crisis that had left at least nine dead and tested President Vicente Fox came quietly.

With police halted at the edge of the central square, or Zocalo, late Sunday, demonstrators who had encamped there since May demanding the resignation of the state's governor started heading home.

"We've decided we're going to leave this space," said Daniel Reyes, a spokesman for the striking teachers.

But Reyes added that a march was planned for today, ending at the Zocalo.

"This is the heart and the house of the people," he said. "This is ours, and we'll take it back peacefully."

Protest leaders also said that a 15-year-old boy had been shot and killed, a report that could not be verified.

About 4,600 Federal Preventive Police officers moved into the sprawling city of 275,000 people about 230 miles southeast of Mexico City on Sunday morning after three people, including an American, were killed Friday.

With water cannons and riot shields, police dispersed protesters from behind barricades of rocks, tree trunks and sheet metal.

They were met with taunts, pleas, scoldings and the occasional hurled rock. Some demonstrators threw Molotov cocktails, triggering a return volley of tear gas.

Police then retreated to the edge of the Zocalo and waited for several hours before protesters started leaving about sundown.

Most of the resistance appeared to be peaceful. Many protesters stood face to face with the rows of incoming officers, chanting slogans. Others cut themselves with knives and syringes, smearing their blood on placards and the Mexican flag. Local websites reported about 50 arrests.

Protest leaders voiced anger at police tactics.

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"The police came in fighting, as is their habit," Flavio Sosa, a leader of the protest coalition, the Popular Assembly of the People of Oaxaca, said in a radio interview.

The federal forces were dispatched over the weekend by Fox to end an increasingly ugly standoff between local government authorities and the union representing 70,000 striking public school teachers.

The dispute over better pay and working conditions had mushroomed into a larger political struggle as a loose coalition of trade unionists, indigenous groups, anarchists and leftist activists backed the teachers' call for Gov. Ulises Ruiz to resign.

Teachers union leader Enrique Rueda Pacheco said the protesters' demand for Ruiz's resignation was not negotiable.

"We don't agree with an operation of this nature they will resolve the conflict, because it's not going to resolve it," Rueda Pacheco said in a radio interview. "There are going to remain some wounds that this police operation isn't going to be able to wipe away."

The protesters accuse Ruiz of rigging the 2004 gubernatorial election, and more generally of maintaining the system of autocratic rule and patronage politics used by his Institutional Revolutionary Party, or PRI, during the 71 years it held a virtual monopoly on Mexican government.

Ruiz, speaking to local media Sunday, ruled out resignation.

Famous for its graceful colonial-era buildings and vibrant indigenous cuisine and art, the city of Oaxaca is now a trash-strewn, graffiti-covered combat zone that has seen its normally flourishing tourist trade fall drastically.

Fox's decision to send in federal police, after insisting for months the standoff was a local problem, caps a strategic battle to wrest control of the state capital without sparking a major altercation at a time of great political tension nationwide.

The country has been on edge for months after a disputed presidential election in July, escalating drug-related violence along the U.S. border and the Pacific coast, and a high-profile street brawl in May pitting federal and state police against residents of the town of San Salvador Atenco, near Mexico City.

A week ago, it seemed the conflict in Oaxaca might be at an end, after teachers tentatively agreed to return to work in exchange for a 30% raise over six years.

But the killing of American journalist Bradley Roland Will, 36, and two Mexican men Friday apparently prompted Fox to send in federal police, ostensibly to prevent further bloodshed.

Will, a photojournalist with an Internet-based alternative news agency, was shot in the abdomen while trying to conduct interviews at a street barricade.

Fox has been criticized by political opponents who charge that by not intervening sooner in Oaxaca, the federal government was seeking to placate Ruiz, because Fox's successor, President-elect Felipe Calderon, will need the support of the PRI to govern.

Fox's decision to send police to Oaxaca also goes against a long-standing reticence to use federal forces against protesters, after the government's brutal suppression of demonstrations in the 1960s and 1970s during the so-called dirty war sparked international condemnation.

The long-term aftermath for Fox and Calderon is unclear. The Zocalo, once filled with the tents of protesters, began to be covered again — this time with the tarps of soldiers and police.

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Enriquez reported from Oaxaca and Johnson from Mexico City. Times staff writer Carlos Martínez in Mexico City contributed to this report.

Brazil's Da Silva Wins Re-Election, But Campaign Rifts May Persist (WSJ)

By Matt Moffett And Geraldo Samor

The Wall Street Journal, October 30, 2006

RIO DE JANEIRO -- Using charisma and a common touch to overcome corruption scandals, President Luiz Inácio Lula da Silva easily won a second four-year term in Brazil's balloting.

Mr. da Silva, a pragmatic leftist who gained respect from financial markets in his first term, led centrist challenger Geraldo Alckmin by 60.8% to 39.2%, with 99.6% of the vote counted.

Despite the wide margin of victory, Mr. da Silva, Brazil's first blue-collar president, will face a formidable challenge to heal the rifts left by a bitter, bruising campaign that played on class and regional differences. Fallout from the electoral fight, including a criminal investigation of alleged smear tactics by operatives of Mr. da Silva's Workers Party, could undercut Mr. da Silva's ability to push the legislative changes needed to spark Brazil's slow-growing economy.

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To overcome a series of corruption scandals during his administration, Mr. da Silva rallied his base using a strategy of attacking "elites," who he warned would cut social-welfare programs. The results of yesterday's election exposed deep divisions within Brazilian society.

Mr. da Silva won 77% of the vote in the vast, arid Northeast, where the president was born and where people tend to be poorer, darker-skinned and less-educated than in the South of Brazil. The Northeast has benefited from the administration's program to provide welfare stipends to poor families.

But Mr. Alckmin won in the more developed South, outpolling Mr. da Silva 53%-47%. Mr. Alckmin also won by four points in his home state of São Paulo, center of much of Brazil's industry and media. Overall, Mr. da Silva won in four of Brazil's five geographical regions. The shrillness of the campaign prompted two of Brazil's newsmagazines to devote recent cover stories to the polarization between the country's poorer north and richer south. "Two Brazils after the vote?" asked one publication, Veja, while another, IstoE, exhorted, "We must unite Brazil."

The wounds left by the election may make it harder for Mr. da Silva to take steps to boost an economy that has grown an average of 2.8% a year during his first term, far below the pace of Brazil's emerging-market peers. Economists say Brazil needs to overhaul its labor, tax and social-security laws to shrink government and make the business environment less costly and bureaucratic.

Mr. da Silva will have to move quickly. "His best chance to get the needed reforms passed will be early into his administration, since his power will decline the closer he gets to the end of his second term," says Susan Kaufman Purcell, director of the Center for Hemispheric Policy at the University of Miami. Brazilian presidents are constitutionally barred from a third successive term.

Mr. da Silva may well begin his second term ensnarled in further controversy. Mr. Alckmin's coalition has motioned for Brazil's Electoral Court to investigate whether Mr. da Silva used his office to plot and later cover up a case in which Workers Party operatives were caught with $770,000 that prosecutors allege they were going to use to buy a bogus dossier linking a leading opposition politician to a procurement scam.

If the court finds that Mr. da Silva was involved, the attorney general could file suit to strip the president of his office. Mr. da Silva has denied involvement and hasn't been charged. Most analysts don't envision such a scenario. "If the dossier has not done [Mr. da Silva] in by now, it is improbable it will in the future," says Johns Hopkins University Latin America scholar Riordan Roett.

But dealing with the dossier mess could dissipate the da Silva administration's energies and make it harder to coexist with Mr. Alckmin's Social Democratic Party, the main opposition. In a radio interview last week, former Social Democratic President Fernando Henrique Cardoso said the party wouldn't seek to impeach Mr. da Silva. But he added, "That doesn't mean mistakes go unpunished. ... Are we going to pretend [the dossier affair] doesn't exist?"

With many of his closest allies having been forced to resign because of corruption scandals, Mr. da Silva has been reaching out to some business and political heavyweights who might bring new blood into a second-term administration. In the past few months, Mr. da Silva has been courting industrialists, including Jorge Gerdau, chairman of the giant steelmaker Gerdau SA, say people familiar with the matter.

Mr. da Silva is also considering an administration post for Antonio Delfim Netto, a former finance minister during a relatively prosperous period of the 1970s known as the "Brazilian Miracle," according to local media reports and political watchers. Besides being well-regarded by business, Mr. Netto is a member of a large party whose support Mr. da Silva will need to push his agenda through Congress.

Despite political roadblocks, Brazil's economy has some trends working in its favor. Besides healthy international demand for Brazilian commodities, such as soybeans and iron ore, Brazilian interest rates have been moving steadily downward. They have fallen to 13.75% from 19% a year ago.

Brazil's President Roars Back To Win Vote (NYT)

By Larry Rohter

The New York Times, October 30, 2006

RIO DE JANEIRO, Oct. 29 — Overcoming a series of corruption and political scandals that tarred his image and undermined his credibility, President Luiz Inácio Lula da Silva of Brazil won a landslide re-election victory in a runoff vote on Sunday.

With 99 percent of the vote counted, Mr. da Silva, a former factory worker and labor union leader running as the candidate of the left-wing Workers Party, had 60.8 percent of the vote. The percentage of the vote going to his opponent, Geraldo Alckmin of the center-left Brazilian Social Democratic Party, dropped in comparison with the 41.6 percent he won in the first round of balloting on Oct. 1, when Mr. da Silva fell just short of the majority he needed to win outright.

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"This is an extraordinary result, one that gives him a legitimacy that all the accusations had perhaps broken," said Jairo Nicolau, a television commentator and political science professor at the Candido Mendes University here, referring to Mr. da Silva. "It's one thing to win a narrow victory and something else altogether to register this level of support after all that has happened."

Wearing a T-shirt that proclaimed "The victory is Brazil's," Mr. da Silva spoke to supporters at a hotel in São Paulo on Sunday night, saying that "Brazil is living a magical moment" and expressing his gratitude to voters for their faith in him. "The people knew how to distinguish between what was true and what wasn't," he said, before adding that he had "learned a lot" in power and promising to make a greater effort to combat corruption.

Mr. da Silva took office in January 2003, promising a new era of social justice and clean government in this nation of 185 million people, the world's fourth-largest democracy. But his luster began to fade a year later, when an aide was caught on film soliciting campaign donations from numbers-game kingpins here.

Then, in May of last year, a much larger scandal erupted. Though it was initially limited to corruption in government contracts, investigations by congressional committees and the news media soon established the existence of an illegal multimillion-dollar slush fund used to finance Mr. da Silva's 2002 campaign, and to pay off legislators from small political parties to support his government.

The metastasizing scandals forced the resignation of Mr. da Silva's chief of staff and his minister of finance, as well as the president, treasurer and secretary general of the party Mr. da Silva founded in 1980 and has led ever since. As a result, opinion polls taken late last year consistently indicated that the president would be defeated if he ran for re-election.

To make matters worse, the police last month apprehended operatives of Mr. da Silva's party as they were about to pay $792,000 in cash for a dossier they apparently thought would damage Mr. Alckmin's chances. Though that weakened Mr. da Silva in the first round of balloting, he benefited from an improved economy and a welfare program that delivers a monthly stipend of about $45 to nearly 12 million poor families.

"Lula's turnaround is based mostly on the economy," said Alberto Carlos Almeida, a political scientist. "That, combined with the social programs, gives the electorate the impression that he is really taking care of the poor. There is the appearance of stability, and so people want continuity."

After being chastised by the first-round vote on Oct. 1, Mr. da Silva adopted a new campaign slogan: "Don't trade the sure thing for the dubious." That clearly resonated with the working-class voters who have always provided his electoral base.

"Lula cares about the poor, and that's what matters to me, more than all this talk about corruption, which we've always had," Jane Cunha, a 56-year-old maid, said at a polling place here Sunday morning. "I earn the minimum wage, and thanks to him, my salary has gone up $20 a month and the price of food has gone down enough that I'm eating a lot more meat than in the past."

Mr. da Silva has governed on the right, at least as regards his conservative economic policy. He has run up the kind of budget surpluses that delight Wall Street and the International Monetary Fund, and bank profits are at an all-time high.

But in recent weeks, he has "campaigned on the left," in the words of Marco Aurelio Garcia, Mr. da Silva's national security adviser. A loan repayment to the I.M.F., for example, was repackaged as Mr. da Silva giving the organization its walking papers, and telling it to keep its nose out of Brazil's affairs.

In addition, the president repeatedly accused Mr. Alckmin of planning to dismantle the government's social welfare programs and to privatize state-owned companies and banks.

"Alckmin was pushed to the right and placed on the defensive, and was never able to get out of that posture," Mr. Nicolau said. "He could neither defend himself nor offer his own program."

As is often the case, the candidates' personalities also played a part in voters' calculations. Mr. da Silva never passed up an opportunity to refer to his humble origins, similar to those of a majority of the electorate, while Mr. Alckmin, a physician whose specialty is anesthesiology, proved unable to shake his image as a bland and somewhat pedantic son of the middle class.

"I think Alckmin had the better platform, but he lacks charisma," said Renato Bruzzi, a 57- year-old engineer who voted for the challenger nonetheless. "Lula is a fighter and the people identify with him. Alckmin is well-qualified to be a good president. But he has that professorial air that irritates people a bit."

Mr. Alckmin sought to capitalize on the corruption scandals, making them the centerpiece of his campaign. But he was perceived as being too aggressive on the subject, and the lack of progress in the official investigation of the dossier scandal undermined his argument that Mr. da Silva was ultimately responsible.

"Because of all the corruption denunciations, I voted for Alckmin in the first round, based on emotion," said Valmir Moura, a 38-year-old office clerk here. "But this time I stopped to reason things through, and I realized his whole campaign is based on nothing but accusations and that he hasn't presented a program for governing. So I went back to Lula."

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Brazilian President Wins Second Term By Sizable Margin (WP)

By Monte Reel

The Washington Post, October 30, 2006

RIO DE JANIERO, Oct. 29 -- Brazilians cast a vote of confidence for President Luiz Inacio Lula da Silva on Sunday, granting a landslide victory to the former union leader whose first term was marked by a significant reduction of poverty and by corruption scandals that implicated some of his closest aides.

Lula received about 60 percent of the votes, outpacing former Sao Paulo state Gov. Geraldo Alckmin by more than 20 points.

During the campaign, Lula cast himself as the champion of the country's poor, touting a 19 percent decrease in poverty rates, minimum wage increases and millions of new jobs. But he also had to defend himself against several corruption allegations, the most recent of which was an accusation that his campaign had paid for damaging information against his political opponents. That accusation dominated headlines before the first-round vote on Oct. 1, when Lula narrowly failed to win a majority, forcing Sunday's runoff against Alckmin.

During a victory speech Sunday night, Lula thanked voters for rejecting the allegations and credited a rising standard of living among the poor as a key to his victory.

"Above all, the people felt they were improving -- no one can be opposed to that idea," Lula said. "The people felt -- at their tables, on their plates and in their pockets -- their lives getting better."

Lula, 61, grew up in poverty, dropping out of school in the fifth grade and working as a shoeshine boy, peanut vendor and lathe operator. During the country's military dictatorship of the 1970s and '80s, he became a union leader and a prominent voice of opposition. He was elected president of the world's fifth-largest country in 2002, becoming a by-the-bootstraps symbol of success in a country where two-thirds of the population lives on less than $500 a month.

His first term's signature program extended welfare benefits to more than 11 million low-income families on the condition that their children attend school and get health checkups. Such programs have helped increase the spending power of the poorest tenth of the population by about 23 percent.

"During the first round, I didn't vote for Lula because of all of the corruption, but this time -- at the last minute -- I decided to vote for him," said Lucia Moraes de Souza, 42, a cashier in a market here. "He has done a lot to help the poor and the middle classes. Alckmin to me looks like he was born rich."

Alckmin, 54, a former doctor, had pinned much of his election hopes on the scandals, which began more than a year ago with congressional vote-buying evidence against Lula's political party. That scandal forced cabinet minister Jose Dirceu to resign. Lula's finance minister also stepped down after being accused of involvement in a kickback scheme for municipal contracts. Alckmin tried to cast himself as a counterpoint, adopting the slogan: "For a Decent Brazil."

"People have had enough of the scandals. They don't want to hear about them anymore," Rogerio Schmitt, a political analyst in Sao Paulo, said before Sunday's balloting. "There has been little new evidence of wrongdoing, so very few people are paying attention to it."

Alckmin's promises of lower taxes and more rapid growth of the gross domestic product also failed to energize voters. That the economy grew by only about 2.5 percent last year -- one of the most sluggish rates in Latin America -- seemed less important to many voters than the lowered inflation and currency gains of the past four years. For many, Alckmin was simply the person to direct protest votes toward, a passive foil in an election completely defined by the charismatic but controversial Lula.

"This has nothing to do with Alckmin," said Gerson Costa, 37, a graphic designer who voted for Alckmin on Sunday. "It's a clear referendum on Lula. In 2002, I voted for Lula because I thought, 'This guy will be different.' I was wrong, and now I can't stand him."

During his first term, Lula approached foreign policy pragmatically, preferring to play the role of negotiator rather than firebrand. Lula has preserved free-market economic reforms implemented by his predecessor, Fernando Henrique Cardoso, and has tried to serve as a communicator able to maintain generally friendly relations with both Venezuela's Hugo ChÃ¡vez and President Bush. On Sunday he said that he has tried to encourage regional trade alliances, citing his strong support of South America's Mercosur trading bloc as an example of his regional leadership.

Analysts said that in his second term, Lula will be pressured to enact major reforms of Brazil's large labor sector and enormous pension system, which many believe could prevent the country from reaching growth rates needed to sustain the poverty reduction measures Lula achieved during his first term.

Brazil's President Easily Wins 2nd Term (AP)

By Stan Lehman

DOJ_NMG_0087876

AP, October 30, 2006

President Luiz Inacio Lula da Silva brushed aside corruption allegations and won re-election in a landslide as Brazilians rewarded their first working-class leader for diminishing grinding poverty and improving the economy of Latin America's largest nation.

The leftist former union leader cruised to a runoff victory Sunday with strong support from tens of millions of poor voters, easily topping center-right rival Geraldo Alckmin, whose tepid campaign style and robotic image failed to win over ordinary Brazilians.

With 99 percent of the votes counted, Silva had 61 percent support compared to 39 percent for Alckmin, Sao Paulo state's former governor.

"We're going to do a lot better in my second term than we did in the first," Silva told cheering supporters in a Sao Paulo hotel. "The foundation is in place, and now we have to get to work."

Beaming in a white T-shirt emblazoned with "It's Brazil's Victory" in the yellow and green colors of the Brazilian flag, Silva promised to boost growth and reduce inequality to put the country on track to reach the ranks of developed nations.

Alckmin congratulated Silva in a telephone call, then told reporters he planned to stay in politics but didn't outline his next steps. He made no reference to the corruption allegations against Silva's party that he pressed during the campaign.

"Life and democracy are similar. Sometimes you win, sometimes you have hard times," Alckmin said.

Silva's win came after Alckmin made a surprisingly strong showing in a first round of voting on Oct. 1. The vote went to a second round after Silva failed to get 50 percent plus one vote required for an outright win.

But Silva had the firm support of Brazil's poor, who have benefited over the past three years as Silva increased social spending without raising taxes. Silva also overcame corruption scandals that tarnished the image of his administration.

While Alckmin was seen as more business-friendly, investors and big business from Brazil to Wall Street gave high marks to Silva's conservative economic policies that prompted slow and sustainable economic growth with rising foreign investment.

While Silva came to power four years ago by employing strong leftist rhetoric, he ended up governing as a centrist and is considered much more moderate than South American leftist leaders like Bolivia's Evo Morales and Venezuela's Hugo Chavez. Analysts said Silva probably won't change much in his second term.

His Workers Party has been battered for two years by charges of vote-buying and illegal campaign financing, scandals that have cost the former labor leader and lathe operator his reputation as a bastion of political ethics.

Nearly 126 million Brazilians voted in Sunday's runoff elections for president and for governor in 10 of Brazil's 27 states.

Polls before the first round of voting had predicted Silva would win outright then, but his campaign was tripped up after the news media ran photos of $770,000 in cash that members of his Workers Party allegedly planned to spend purchasing an incriminating file about Alckmin and his allies.

Regardless, Alckmin failed to make the corruption charges stick to Silva during the second round.

Instead, Silva battered his opponent with accusations that the former governor of Brazil's richest state would privatize cherished state industries and end the popular Family Allowance program that provides monthly payouts to 11 million poor families as long as they keep their children in school and get them vaccinated.

Silva managed to funnel more money to the program because of the country's improving economy and through more aggressive tax collection, and Alckmin was forced to defend himself by saying he would maintain the program, which has helped lift millions out of poverty.

Also, Silva managed to reduce Brazil's notoriously high inflation through high interest rates, and prices of staples such as rice and beans even dropped.

Aloisio Pisco, a 36-year-old doorman, said Silva's handling of the economy earned him the right to a second term.

"Lula, he's the best; he's created jobs and prices are cheaper," Pisco said after voting in Sao Paulo.

Others said Alckmin deserved high marks for his adept administration of Sao Paulo state.

"I thought Alckmin was better prepared to become president," said Reginaldo Fernando Pittarelli, 29-year-old machinery designer. "And I would have never voted for Lula because of all the corruption surrounding his government."

Lula Wins Easy Victory In Brazil Election (FT)

By Jonathan Wheatley In São Paulo

Financial Times, October 30, 2006

President Luiz Inácio Lula da Silva of Brazil won a decisive victory in the country's presidential election last night.

With 99 per cent of the votes counted, Mr Lula da Silva had won 60.8 per cent compared with 39.2 per cent for his challenger, Geraldo Alckmin, of the centrist opposition PSDB.

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With victory secure, Mr Lula da Silva told supporters he would follow “tough fiscal policies” in his second mandates. He added: “At the same time, I am convinced that the solution for Brazil’s problems [lies in] economic growth and income distribution,” including increases in the national minimum wage at rates ahead of the rate of inflation.

He predicted Brazil’s economy would accelerate next year because of increased investments in ports, roads and other infrastructure projects. “We have already predicted for next year an expansion of 5 per cent. I think Brazil may grow by 5 per cent or 6 per cent.” Brazil’s economy is expected to grow about 3 per cent this year.

The president was forced into a surprise second-round run-off after failing to win an outright majority in the first round on October 1, when Brazilians also voted for state governorships and state and federal legislatures.

Then, Mr Lula da Silva won 48.6 per cent of the vote against 41.6 per cent for Mr Alckmin. The vote for Mr Alckmin was bigger than predicted and appeared to have given him a chance of victory in the run-off.

Mr Lula da Silva has won solid support among the country’s poor – the majority of voters – for his income distribution initiatives and other welfare programmes. Before the first round he was expected to win an outright majority mainly on the basis of overwhelming support in the poorer north-east of the country.

But his lead evaporated before the first round when members of his Workers’ party (PT) campaign team were implicated in an attempt to smear the opposition’s candidate for the governorship of São Paulo state. The scandal served as a reminder of the string of corruption allegations that have dogged Mr Lula da Silva’s administration for much of his four-year term.

The president pulled ahead quickly in campaigning for the second round after he and his aides began branding the PSDB as a rightwing party adverse to any state involvement in the economy.

They made particular play of the former PSDB government’s record on privatisation. Large parts of the state economy were privatised in the 1990s and, although standards of public services such as telephony have improved dramatically, public service tariffs have also risen sharply and privatisation remains deeply unpopular.

The PT’s anti-liberal rhetoric during the second round has caused consternation among many economists, who see it as a sign that spending cuts, needed to release money for investment and growth, are less likely under a second Lula administration than the first.

Brazil's Lula Captures A Second Term (LAT)

By Patrick J. Mcdonnell And Marcelo Soares

The Los Angeles Times, October 30, 2006

Sao Paulo, Brazil — A chastened President Luiz Inacio Lula da Silva won a landslide victory Sunday, gaining a second term as leader of Latin America's largest nation.

With 99% of the ballots counted, official tallies showed the leftist incumbent with 61% of the vote, compared with 39% for his challenger, former Sao Paulo Gov. Geraldo Alckmin of the centrist Brazilian Social Democracy Party.

As the victory became clear and the chief of the electoral court declared the lead insurmountable, Alckmin called the president Sunday evening to offer congratulations.

Polls had shown the president, known as Lula, leading by more than 20 percentage points going into Sunday's vote after he failed to garner a simple majority to win the Oct. 1 general election.

Analysts said Lula's unremitting portrayal of Alckmin as a corporate lackey intent on giving away the government to private investors put the challenger on the defensive.

On the streets of this industrial city, activists wearing the red of Lula's Workers' Party started celebrating before the official results were announced.

"We in Brazil have the second opportunity to elect a working man," said Rosangela Rigo, 42, a psychologist dressed in red who was waiting in line for a movie after voting for Lula.

A smiling, relaxed Lula struck a magnanimous tone as he voted at a state school in Sao Bernardo do Campo, the industrial suburb near here where he got his start as an up-from-the-assembly-line union activist confronting corrupt bosses and the former military dictatorship.

'Magic moment'

Despite his first-round disappointment, Lula thanked God for the runoff vote, calling it a "magic moment" that galvanized his supporters.

"It was a way for the people to demand more of the candidates," Lula said of the second-round vote. "I'm happy because the Brazilian people recognized the work of the past four years and were very generous."

In brief remarks, Lula returned to trademark themes, promising to enhance education and improve income distribution in a nation of 185 million people that is widely regarded as among the world's more unequal societies.

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Alckmin's candidacy was always a long shot, but corruption scandals swirling around Lula and his party sapped support and forced the runoff.

Several minor leftist candidates dismayed at Lula's economic pragmatism and his party's corruption also drew support away from the president in the Oct. 1 election. But the runoff featured two candidates, and many on the left seemed to think they had no choice but to vote for Lula.

"I voted painfully for Lula," said Cristina Figueiro, 35, a lawyer in Sao Paulo. "But when it comes to the second round, one has to choose between the dirty and the badly washed."

The president's backers said Lula would probably emerge stronger than ever after Sunday's vote. But opponents countered that Lula's poor early showing meant he would have to compromise more with the opposition on a range of economic and social challenges confronting Brazil.

Lacking a majority in Congress, Lula will be obliged to form coalitions to help push through his planned reforms.

The president has pledged to expand social service programs for the poor and working class, bolster the minimum wage, bring down interest rates and increase a desultory economic growth rate that has deeply worried many Brazilians, as has increasing crime.

Survived a scandal

Days before the Oct. 1 vote, the news media in Brazil published photographs showing stacks of cash totaling more than $700,000 that Lula backers allegedly planned to use to purchase information incriminating Alckmin's party.

Lula was forced to dismiss several advisors, and the scandal cost him votes in the first election.

Lula started off the second phase of the campaign slowly, stumbling in the first of four debates and acknowledging his poor performance. He had avoided debates altogether in the first round, apparently confident of victory.

But the charismatic incumbent eventually gained momentum and flashed the populist charm that helped propel him to office in 2002 on his fourth try at the presidency.

In the monthlong campaign, Lula, 61, painted Alckmin as a technocrat eager to slice social service programs begun during Lula's term and sell off public assets such as the national bank, postal service, the government-owned energy conglomerate Petrobras, and even the Amazon.

Alckmin denied the charges, at times donning jackets and caps emblazoned with the logos of state-owned companies. But his party's history of privatizing government assets left many poor and working-class workers wary that he might cater to his wealthy supporters at their expense.

"State ownership versus privatization became a mandatory theme in the political debate," said Helgio Trindade, a political scientist in Porto Alegre.

Some observers said Alckmin might have overplayed his image as a competent executive poised to topple Brazil's first working-class president. Lula's supporters rallied to the cry of defending the "people's president."

Alckmin "showed himself as a good manager, the manager of Brazil Co. But Brazil is not a private company, it's a country, and he was not prepared for that kind of debate," said Demetrio Magnoli, a sociologist and columnist in Sao Paulo.

Many Brazilians have commented on the need to heal wounds after an acrimonious campaign that revealed stark divisions between the poor north, where Lula ran strong, and the comparatively wealthy south, the base of Alckmin's support.

Experts have spoken of a U.S.-style red state vs. blue state rift that threatens to divide the country even more in coming years.

"You know I am a peaceful man," Lula said during one of his final campaign stops, his reelection seemingly assured. "Political parties understand that there's a time to fight and a time to vote and manage the country."

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Times staff writer McDonnell reported from Buenos Aires and special correspondent Soares from Sao Paulo. Andres D'Alessandro of The Times' Buenos Aires Bureau contributed to this report.

Brazilian President Lula Da Silva Wins Runoff (MCT)

By Jack Chang

McClatchy Newspapers, October 30, 2006

RIO DE JANEIRO, Brazil - Having survived corruption scandals and desertions by longtime allies, Brazilian President Luiz Inacio Lula da Silva won re-election Sunday in a landslide victory that promises to strengthen his weakened government.

With 90.6 percent of polling places counted Sunday night, the 61-year-old former union leader won 60.5 percent of the vote in the runoff, while challenger Geraldo Alckmin, the former governor of the country's richest and most populous state, garnered 39.4 percent of votes. Brazilians also voted in 10 gubernatorial runoff elections.

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The results confirmed public opinion polls showing the president running away with the second-round election after doing more poorly than predicted in the Oct. 1 first-round vote and falling short of the majority he would have needed for an outright win.

The victory also capped a tumultuous first term in office, during which the president weathered a revolt by the radical wing of his center-left Workers' Party and almost succumbed to a wave of corruption scandals.

Political analysts said the president's first-round chances were hurt after members of his party and campaign were caught in mid-September allegedly trying to mount a failed smear campaign against Alckmin and another rival. The president had already spent much of last year mired in a bribes-for-votes scandal involving top administration officials.

"We didn't have any new developments in this latest scandal, so that played in Lula's favor in the second round," said Alessandra Alde, a political scientist at the University Research Institute of Rio de Janeiro. "People are skeptical of their politicians and think they're all the same, so these scandals always had a limited effect."

What put the president on top were a solid, if unspectacular, economy and social programs that transferred billions of dollars in welfare aid to Brazil's poorest, voters and analysts said. The president's humble origins - he was the son of illiterate parents in the country's poor northeast - also won over many voters.

His policies apparently had its effects. Between 2003 and 2005, the number of people in extreme poverty dropped 19 percent, one study shows.

"He helped people who were never given any attention to," said Deise de Oliveira, an accountant from a working-class Rio de Janeiro neighborhood who voted for Lula. "He did good things despite the scandals. He's with the poor, while Alckmin is with the elites."

Another Lula supporter, teacher Melissa Ferreira, said the president had broken with past governments by giving federal investigators free rein to weed out corruption, which had always existed.

"Corruption is a thing that didn't just start now," Ferreira said. "It's only appearing now because Lula's government is looking into it."

Alckmin and other critics say the president used aid programs to buy the votes of poor Brazilians and say his government set a new low for scandal. They also point out that many of the government's aid programs started under former President Fernando Henrique Cardoso, who hails, along with Alckmin, from the centrist Brazilian Social Democracy Party.

"The money is helping people, but they've become hostages to it," said Rio de Janeiro public school principal Tony Menezes, who voted for Alckmin Sunday. "They receive this help, and they don't want to lose it, so they vote for Lula."

Speaking to reporters Sunday morning after voting in a suburb of Sao Paulo city, Lula was already proclaiming victory.

"The re-election is an important thing," he said. "I am happy because the Brazilian people recognized the work of these four years and were very generous."

Alckmin, deserted in the end by many of his political allies, was still betting on an upset victory as he voted in a Sao Paulo neighborhood Sunday morning.

The second-round campaign was marked by ideological debates, with the president accusing Alckmin of planning to privatize state-owned companies and cut welfare benefits to poor Brazilians.

Alckmin scurried to defuse the president's attacks while hammering the incumbent over accusations of government corruption.

Despite the rhetorical sparring, the candidates' platforms were not very different, Alde said. Both candidates pushed pro-business platforms such as running primary budget surpluses and checking inflation although Alckmin has said he would more aggressively cut government spending.

That orthodox fiscal policy cost Lula, in the first years of his presidency, the support of many longtime allies who left the Workers' Party accusing the president of betraying his radical roots.

Two party defectors, senators Cristovam Buarque and Heloisa Helena Lima de Moraes Carvalho, ran against Lula this year and between them amassed more than 9 percent of the first-round vote.

Nonetheless, Lula's party emerges from this election season as a political force, controlling the second largest group of representatives in the lower house of the federal Congress and at least four of the country's 27 governorships. Lula also will start his final four-year term with the support of at least 17 governors.

The country's top electoral official, however, has said the president could be removed from office if continuing investigations into the failed smear campaign reveal wrongdoing on his part.

Brown To Back More Emissions Trading (FT)

By Christopher Adams And Jimmy Burns

Financial Times, October 30, 2006

DOJ_NMG_0087880

Gordon Brown will on Monday throw his weight behind a massive expansion of carbon trading to tackle global warming, rather than raising billions of pounds in green taxes.

The chancellor, flanked by Tony Blair, will useMonday's release of a report by Sir Nicholas Stern, former World Bank chief economist and a senior UK civil servant, to propose a sweeping overhaul of Europe's fledgling emissions trading scheme, arguing that climate change is "a global challenge that requires a global solution".

And, in an effort to push climate change up the international agenda, the chancellor will appoint Al Gore, former US vice-president and an environmental campaigner, as an adviser on green issues.

In a letter to European Union leaders, the chancellor will propose cuts in carbon dioxide emissions of 30 per cent by 2020 and of 60 per cent by 2050.

He will suggest that the scheme, under which industrial polluters have to buy credits to emit more than a set level of greenhouse gases, be extended to cover more than half of all emissions and that trading permits should be auctioned.

Mr Brown wants to link the trading scheme with similar markets in California and elsewhere.

But he will face tough questioning over a document leaked at the weekend showing that the government is considering a raft of green taxes on consumers.

The paper, prepared by David Miliband, environment secretary, and submitted to the Treasury ahead of the pre-Budget report, floats measures including: "pay as you drive" road pricing; raising air passenger duty; imposing VAT on EU flights; and levies on energy wasting appliances.

Road tax could also be increased for gas-guzzling cars, it says.

The paper is evidence of a belief in Whitehall that consumers might be prepared to accept higher taxes to tackle global warming. Labour is seeking to boost its environmental credentials amid Conservative support for a shift towards green taxation. David Cameron, Tory leader, said he would back taxing air travel and planned to install a wind turbine on the roof of Downing Street if elected.

Treasury insiders said Mr Brown would consider the Miliband proposals "in the round" and was not ruling anything in or out. "We'll make our decisions about tax at the normal time," said one.

The Stern review, which was commissioned by the government to look at the economics of climate change, warns that failure to tackle global warming will wreak an economic catastrophe.

Changes that would be "difficult or impossible to reverse" threaten to knock 10 to 20 per cent off annual global output by the end of the century.

In contrast, the review argues that acting now to reduce carbon dioxide emissions would cost just one per cent of output. Sir Nicholas also advocates a doubling in global research and development spending on energy to $20bn (£10.6bn) and much greater use of techniques such as carbon capture and storage.

Mr Brown is also expected to announce on Monday measures to boost bio-fuels and to give statutory backing to long-term emissions targets, rather than annual ones as proposed by the Conservatives.

Report To Tell Consumers To Brace For 'Green' Taxes (WT)

By George Jones

The Washington Times, October 30, 2006

LONDON -- Britain's consumers will be told today to prepare for new "green" taxes on cars, fuel, air travel and consumer electronics to curb pollution and avert a looming global catastrophe caused by climate change.

A report drawn up by Nicholas Stern, the government's chief economist, says that ignoring global warming could lead to economic upheaval on the scale of the 1930s Depression and turn 200 million people into refugees as their homes are hit by drought or flood.

Ministers plan to use the report to pave the way for "eco-taxes" to persuade people to adopt less-polluting lifestyles. A start is likely to be made in the federal budget in the spring.

Environment Secretary David Miliband has proposed an end to cheaper gasoline, even if oil prices fall. In a leaked letter to the treasury secretary, he called for "pay-as-you drive" charges to be extended nationwide, taxes on inexpensive flights and levies on energy-wasting domestic appliances.

Prime Minister Tony Blair and Chancellor Gordon Brown -- Mr. Blair's likely successor when he steps down next year -- were to signal their support for the potentially unpopular message by attending the formal publication of the Stern report in London today.

Mr. Brown will call for a global carbon market and promise to set targets to reduce greenhouse-gas emissions in a climate-change bill. He will announce that former U.S. Vice President Al Gore, a leading advocate of tackling climate change, has agreed to act as his adviser.

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Mr. Stern, whose 700-page report was widely leaked over the weekend, has convinced the Cabinet that urgent action has to be taken now. His report states that no matter what is done, the chance to keep greenhouse gases at a level that scientists say should avoid the worst effects of climate change "is already almost out of reach."

But he says the benefits of worldwide steps to tackle climate change would greatly outweigh the costs.

Mr. Miliband, who is taking the lead in pressing for green taxes, said yesterday that tackling climate change was the "defining challenge for our generation." He acknowledged that the tax system had a part to play, although he refused to comment on the leak of the letter that he sent to the chancellor this month.

"Market-based instruments, including taxes, need to play a substantial role. As our understanding of climate change increases, it is clear that more needs to be done," Mr. Miliband said in the letter obtained by the Mail on Sunday newspaper.

He told Mr. Brown that "a substantial increase" in the tax on higher-emission vehicles should be considered, as well as charging road users for the full environmental effect of their journeys.

He said gasoline prices should be kept high at the pumps by raising fuel taxes if the oil price drops significantly. He proposed charging air passengers an extra $9 per flight and putting a value-added tax on flights to countries of the European Union.

Mr. Miliband also wants to steer consumers toward buying electrical goods that are more energy efficient.

David Cameron, the Conservative Party leader, has said he wants to raise the percentage of revenue that comes from green taxes. "That means we've got to look at things like air transport, like the gas-guzzling cars. We'll come up with those ideas closer to a general election."

He said that he did not want to stop people going on a family vacation but that the Tories would put a tax on air travel if it was thought necessary.

British Government Report Calls For Broad Effort On Climate Issues (NYT)

By Andrew C. Revkin

The New York Times, October 30, 2006

A report commissioned by the British government and scheduled for release Monday calls for substantial international cooperation to combat global warming and doubling public spending on research into low-carbon technologies.

The main findings of the 16-month study, led by Sir Nicholas Stern, the chief of Britain's economic service, were described over the weekend in several British news reports. [A] news agency quoted the report's 27-page summary as saying, "The evidence gathered by the review leads to a simple conclusion: the benefits of strong, early action considerably outweigh the costs."

The report, prepared for Tony Blair, the prime minister, and Gordon Brown, the finance minister, has been heavily promoted by Britain and environmental groups as one of the most authoritative reviews of climate costs, although some economists and energy experts at anti-regulatory research groups saw it as understating the cost of an accelerated transition away from the fossil fuels that provide nearly 90 percent of the world's energy today.

The report, called the Stern Review on the Economics of Climate Change, will be published online at sternreview.org.uk.

If emissions are not cut and temperatures rise as many scientists project, [a news] agency quoted the report as saying that, among various impacts, melting glaciers would threaten one sixth of the world population by raising sea levels and drying up river sources.

The Observer, a British newspaper, reported that the study cited a figure of £3.68 trillion (the equivalent of $6.98 trillion) as the cost to society of failing to start blunting global warming within a decade.

"Our actions over the coming few decades could create risks of major disruption to economic and social activity, later in this century and in the next, on a scale similar to those associated with the great wars and the economic depression of the first half of the 20th century," the report said, according to [a news agency].

The study estimated that the cost of cutting emissions in 2050 to 60 percent to 80 percent below 1990 levels would be about 1 percent of total global economic activity by then, [a news agency] and The Observer said. If emissions cannot be cut to those levels, the cost from climatic impacts could be 5 to 20 times higher, The Observer cited the study as saying.

The study, according to the news reports, said that progress would best be accomplished by doubling global investment in research on climate-friendly energy technologies and placing a rising cost on further emissions of the greenhouse gases, led by carbon dioxide, to propel the shift toward non-polluting options.

The news reports on the study are consistent with presentations by Sir Nicholas, including a speech last January at Oxford University.

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Other recent estimates of the eventual annual costs of stabilizing concentrations of greenhouse gases over the 21st century have ranged from 1 percent of global gross domestic product to 16 percent by around 2100, not counting any savings from averted damage.

By comparison, the world is currently spending just over $1 trillion a year, or about 2.5 percent of global gross global domestic product, on defense, according to a yearly survey by the Stockholm International Peace Research Institute. (Military spending in the United States is about 3.7 percent of gross domestic product.)

"This confirms what we've seen for a long time," said Kert Davies, a climate-policy coordinator for Greenpeace. "The longer we take to act, the greater the costs will be."

Jerry Taylor, an expert on energy and climate policy at the Cato Institute, a libertarian research group in Washington, said the wide range of cost estimates for cutting emissions "basically tells you we're guessing."

Overall, he said, he put more faith in academic analyses than one produced at a government's request, particularly at a time when the public appears eager to see signs of action on the issue.

The release of the 700-page report, which was 16 months in the making, will come one week before the start of the latest round of talks on the Kyoto Protocol, the first international pact requiring cuts in heat-trapping emissions.

The United States has not ratified the Kyoto pact but is a party to the voluntary treaty that preceded it, which requires all signatories to seek to avoid a dangerous buildup of greenhouse gases.

The Kyoto Protocol, an addendum to the original treaty, requires three dozen participating industrialized countries to cut their combined emissions 5 percent below 1990 levels between 2008 and 2012.

At the moment, many of the three dozen industrialized countries bound by the pact are not on track to meet targets. And there are few indications of a shift toward accepting binding restrictions in the United States, the world's biggest emitter of greenhouse gases, or China and India, which are projected to be the dominant source of emissions in a couple of decades.

Belgian Role Model (WSJ)

The Wall Street Journal, October 30, 2006

Al Gore may have failed to carry his home state of Tennessee as a Presidential candidate, but the former Vice President is all the rage in . . . Belgium. The country has even named a tax after him.

Earlier this month, Mr. Gore spent a day in Brussels to promote his film on global warming. "Our planet has a fever, and the fever has been getting steadily higher," he said in a speech. "It is in fact a full-scale planetary emergency." Within days, Belgian politicians were rewriting their tax laws to do something about this looming calamity.

Prime Minister Guy Verhofstadt invoked his American visitor in proposing a new "environmentally friendly" tax on packages that would penalize users of aluminum or plastic and provide incentives to switch to paper or cardboard, whose production releases less CO2 into the atmosphere. The details have yet to be worked out, but the idea is for milk sold in, say, a plastic bottle to cost more than milk sold in a cardboard container.

"We must take Al Gore's message seriously," Mr. Verhofstadt told parliament the other day. The measure, introduced into the draft 2007 budget, was fast dubbed "the Gore tax." Also in the works are tax breaks for car pollution filters and deductions for energy-efficient investors.

To be sure, this Belgian scheme to save the planet also raises a bundle for the politicians to spend, to the tune of roughly €600 million ($750 million) a year. A government spokesman says that the revenue will make up for what it expects to lose from planned reductions in social taxes, which are some of the highest in Europe. Evidently the government figures that dressing the new tax package in Al Gore green will make it go down easier. If the former veep decides he can't beat Hillary Clinton for the 2008 Democratic nomination, he can always try Europe.

Monitors Say Vote On Serbian Constitution Is Too Close To Call (NYT)

By Nicholas Wood

The New York Times, October 30, 2006

LJUBLJANA, Serbia, Oct. 29 — Estimates by an independent election monitoring group showed Sunday that a vote on Serbia's new constitution was too close to call.

Official results were not expected until Monday. The monitoring group said its survey showed that 52 percent of voters had approved the document, with a margin of error of two percentage points, making the estimated victory margin statistically insignificant. The proposed constitution needed support from more than 50 percent of voters to pass.

The Center for Free Elections and Democracy, the monitoring group, came up with its figure by interviewing officials at 600 of the country's 2,000 polling places to learn their vote tallies and by extrapolating from them.

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The group also watched voting at those and other polling places to check for irregularities. The Belgrade-based group, which has monitored 10 Serbian elections since 2004, has called those elections correctly.

One of the most discussed provisions of the 206-article constitution declared that the province of Kosovo is an "integral part of Serbia." The declaration was symbolic, because the fate of the province lies with the United Nations Security Council, which is likely to vote to enable Kosovo's independence.

Critics of the constitution have said the document would not move the country far enough toward full democracy.

The proposed constitution was drafted and supported by nationalists and pro-democracy reformers in Parliament. Many reformers supported the document despite its flaws because they wanted to make clear to Serbs that they were doing everything they could to hold on to the province.

Reformers feared that the United Nations vote would create a backlash that could lead to gains for the Serbian Radical Party, the leading nationalist party. They also agreed to rush through the drafting of the constitution so it could be in place before the United Nations vote.

Despite the high-profile provision on Kosovo, the document did not seem to excite the populace. Voting was so slow over the weekend that it appeared the constitution might not get the needed votes, which would be a significant embarrassment for the government.

Voting surged late Sunday after an intensive get-out-the-vote campaign in the afternoon. Senior politicians as well as members of the Serbian Orthodox Church issued statements urging people to vote.

"Citizens, get out and circle 'yes' for Serbia, 'yes' for a better life for every citizen," President Boris Tadic was quoted as saying by the state-run Tanjug news agency.

Between 2 p.m. and 8 p.m., when the polls closed, an estimated 20 percent of Serbia's electorate went to the polls. Officials of the monitoring group said they recorded an increase in reports of electoral irregularities during that time. The group did not consider the irregularities significant enough to compromise the vote.

The overall turnout was 53.5 percent, according to the group's survey.

Kosovo is regarded by many Serbs as being central to their national identity. It has been administered by the United Nations since June 1999, when NATO-led troops took control of the province after 78 days of bombing. NATO wrested Kosovo from the hands of Yugoslav security forces accused of committing widespread atrocities against the majority Albanian population.

Kosovo's future is the subject of United Nations-led negotiations between the Serbian government and ethnic Albanians in the province. The ethnic Albanians want independence, while the Serbian government and the province's small Serbian community demand that Kosovo remain part of Serbia.

Few Western diplomats say the groups will be able to reach agreement, leaving the decision to the United Nations Security Council, which is expected to impose a settlement in the next several months to enable Kosovo to claim independence.

While much of the constitution's contents had been heavily criticized by rights groups as contradictory in parts and giving too much power to Parliament, there was little public debate about its contents. The charter would replace one drafted by the authoritarian government of Slobodan Milosevic in 1990.

Serbia's government worked hard to help ensure the adoption of the new charter. A government-financed publicity campaign urged people to vote "yes," and voting was held over two days in an attempt to draw Serbia's election-weary voters to the polls.

Kosovo's estimated 1.3 million ethnic Albanians were also excluded from the election. Including the Albanians would have increased the number of voters and made it difficult to secure approval of more than 50 percent of the electorate.

"The government gambled," said Bratislav Grubacic, a leading political analyst and editor of the VIP news agency in Belgrade. "They hoped by putting Kosovo in the constitution, they would manage to draw out the Serbian electorate."

Serb Vote Reasserts Claim Over Kosovo (AP)

By Katarina Kratovac

AP, October 30, 2006

Serbia's top leaders said Sunday that voters approved a new constitution reasserting Serbia's claim over the U.N.-administered Kosovo province, a predominantly ethnic Albanian region whose status is the focus of international negotiations.

Election officials and an independent commission also predicted the charter's adoption, based on early returns from the weekend referendum. But official results were not expected until Monday.

Serbia's opposition Liberal Party charged there was "massive fraud" at polling stations in the final hours of voting, with people allegedly voting several times and without identification papers.

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Western diplomats had already warned that only the international talks can decide the future of Kosovo, which ethnic Albanians want to be independent. But Serbian politicians hope the new charter will bolster their bargaining position. Ethnic Serbs consider Kosovo the historic and cultural heartland of their nation.

Independence-seeking ethnic Albanians form 90 percent of the population in Kosovo, which has been under U.N. administration since U.S.-led NATO air strikes halted a Serb crackdown on the separatists in 1999.

The need for a new constitution arose in June after Montenegro — Serbia's last partner from the former Yugoslav federation — declared independence and left Serbia on its own for the first time since 1918.

To win adoption, the charter needed to get "yes" votes from more than 50 percent of Serbia's 6.6 million registered voters and a majority of registered voters also had to cast ballots to make the referendum valid.

The Belgrade-based Center for Free Elections and Democracy, an independent monitoring group, said its surveys indicated both thresholds were met. It put turnout at 53.3 percent and said its sample counts at polls indicated 96 percent of ballots favored the new charter.

State referendum authorities announced similar results, saying 96 percent voted in favor of the new charter — based on just under 11 percent of ballots counted — and estimated turnout at 53.6 percent.

Those figures would produce a "yes" vote of just over 51 percent of all registered voters.

Serbia's conservative Prime Minister Vojislav Kostunica and pro-Western President Boris Tadic both proclaimed victory for the constitution.

"This is a great moment for Serbia," Kostunica told Serbian state television. "This is a historic moment, a beginning of a new era."

Tadic said a "huge job is now behind us." He said the "best thing about this constitution is that we now leave behind us" the charter adopted during the regime of the late autocratic leader Slobodan Milosevic.

Kostunica said the turnout was "adequate, considering that opponents chose to boycott the vote" rather than cast "no" votes. "We have reasons to be very happy."

The referendum was strongly condemned by ethnic Albanians, who have long boycotted any ballot under Serb auspices and were not listed on the voter rolls, purportedly for that reason.

Some government opponents and nongovernment organizations also criticized the charter as hastily drafted and flawed on issues such as independence of the judiciary, equal rights for minorities and autonomy for local governments.

In Serbia's northern Vojvodina province, where turnout was very low, provincial assembly speaker Bojan Kostres accused authorities of "forcing the new constitution" on the people.

"The final voting hours were very strange, with a sudden, steep rise in turnout," Kostres said.

For many Serbs, the charter's key point was its declaration that Kosovo is an "integral part of Serbia."

Serbs in Kosovo began celebrating even before official results were announced. Hundreds gathered Sunday night in Kosovska Mitrovica, waving banners, cheering and shouting "Kosovo is the heart of Serbia" as NATO peacekeepers watched and dispatched reinforcements to the scene.

Bulgarian President Wins Re-election: Partial Results (AFP)

By Diana Simeonova

AFP, October 30, 2006

Bulgarian President Georgy Parvanov won re-election with an unassailable lead in his run-off battle against ultra-nationalist challenger Volen Siderov, the central electoral committee said based on partial results.

The electoral committee said a count of 98.11 percent of the ballots cast gave the 49-year-old incumbent 75.7 percent of the vote, while his rival scored 24.3 percent.

Turnout by 7:00 pm (1700 GMT) was 41.2 percent, it added.

"This is an unprecedented, historic result," Parvanov told a news conference late Sunday.

"The result is a recognition of the policies we followed during our first five-year term," he said, adding that he would continue to be a president with "a clear social engagement at home".

He also promised to continue what he called his "active" and "consistent" foreign policy.

"It will be oriented towards securing a dignified European Union membership, and at the same time maintaining our national identity and working in solidarity with our European partners."

Parvanov, a pro-European former leader of the Socialist Party who prided himself in being "the president of all Bulgarians," won the first ballot last weekend with a commanding lead of 64 percent against Siderov's 21.5 percent but failed to avert a run-off as voter participation was below 50 percent.

No minimum turnout was required in the second round.

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Parvanov is the first Bulgarian president to be re-elected since the fall of communism in 1989, and is now all but certain to fulfill his dream of presiding over the official entry of his Balkan nation into the European Union on January 1.

Support for the youthful 49-year-old leader has surged since he first took office in 2001, making him Bulgaria's most popular and trusted politician.

Under his leadership, Bulgaria joined NATO in 2004 and earlier this year received the green light to join the EU in two months' time.

Parvanov also played a key role in the formation of the current Socialist-led government after inconclusive general elections in June last year and the ensuing political deadlock threatened to stall reforms and postpone EU accession.

Parvanov also supported the signing this year of an agreement to set up three US military facilities in Bulgaria.

At the same time, he has worked to thaw Bulgarian-Russian relations, which have deteriorated badly since the fall of communism.

A proponent of ethnic tolerance, he developed good relations with the Turkish minority Movement for Rights and Freedoms party. He was fiercely attacked as a "Turkish puppet" by runner-up Siderov, known for his hostile statements against Bulgaria's Roma and Turkish minorities, each of which comprise 10 percent of the population.

Firebrand Siderov, 50, attempted to belittle all of Parvanov's achievements during the presidential campaign.

A sharp-tongued populist speaker, he garnered support from many disillusioned Bulgarians, impoverished during the transition period from communism and apprehensive about the challenges of EU membership.

Nevertheless, by simply gaining a berth in the two-way final race, the short grey-haired former journalist changed his country's political landscape by ripping apart its traditional balance between moderate left- and right-wing parties.

"What we achieved is a feat in peacetime," Siderov told a press conference late Sunday, lashing out against "the sea of malice ... the consistent, massive, evil campaign fought against us from all sides".

"Our result marks a crucial stage in the development of Bulgarian nationalism that has now proved itself a factor in Bulgarian politics and can no longer be disregarded or played down," Siderov said.

In his latest public appearances before the vote, Siderov sought to tone down his aggressive rhetoric in order to appeal to a larger voter base, but after losing the run-off he returned to a more radical discourse against "the mafia that stops at nothing."

"Parvanov was elected with the votes of the Roma neighbourhoods and the Turks," he said.

Nicaragua's Critical Elections (WT)

By Jose Rizo

The Washington Times, October 30, 2006

On Sunday -- just two days before the American election -- Nicaraguans will also have an election to choose a new president. With an estimated 400,000 of them living in Florida alone, and the potential of a flood of new immigrants should the Nicaraguan election herald a return to policies which failed in the past, the United States has a lot at stake. Many observers of the political situation in Central America are deeply concerned about the upcoming Nicaraguan election because former President Daniel Ortega is leading in most polls. Although Mr. Ortega and the rest of his Sandinista colleagues claim to have learned from their mistakes, many Nicaraguans are rightly convinced that if the Sandinistas win the election they would revert to their failed leftist policies of the past.

Most polls show that the election is a tight race between Mr. Ortega and myself, and any candidate only needs 35 percent of the vote to win in the first-round vote. If no one wins, there will be a second round in December. But there is a risk that Mr. Ortega could squeak by with a win in the first round since the anti-Sandinista vote is split. In 2001, I ran as vice president against Mr. Ortega and our liberal party, the Constitutional Liberal Party (or PLC), won by a landslide. If elected, I will work very closely with the United States and other allies in guaranteeing that Central America and the Western Hemisphere are prosperous and secure. I am called the "clean hands" candidate because I have served my country honorably, and, unlike other candidates, I have never been implicated in any corruption scandal.

Upon becoming president, I will promote a constitutional ban on presidential re-election in Nicaragua. My economic policy is called "Nicaragua First" and is designed to take full advantage of the trade, investment and employment opportunities that have been created by the Central American Free Trade Agreement. It is also founded on truly free, transparent and open-market strategies and institutions.

In an extraordinary turn of events, President Enrique Bolanos turned against the party that elected him and decided to promote presidential candidate Eduardo Montealegre. The Ethics and Transparency Commission of the Nicaraguan Congress recently found Mr. Montealegre responsible for the looting of Treasury funds for the benefit of his own bank while he was secretary of the treasury for Mr. Bolanos. The Sandinistas are gleeful about this split in the PLC vote and are quietly supporting it.

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The most surprising development in this Nicaraguan political fight is the strong intervention of Bush administration. It has been misled by the Bolanos administration and their key cronies who are desperate to hold onto power. This confusing and troubling U.S. involvement in this election is so transparent that many prominent U.S. citizens have felt compelled to openly call for a more neutral American policy. Unfortunately, as it did with Iraq, the Bush administration is receiving its information from biased exile leaders and misguided policy experts. If the Sandinistas win the election, they will most likely enact their previous failed totalitarian policies and join the likes of Cuban leader Fidel Castro and Venezuelan leader Hugo Chavez in the anti-American crusade in Latin America. More importantly, tens of thousands of Nicaraguans will likely flee the country again and seek to relocate in the United States.

It is not too late for the Bush administration to declare its neutrality in the upcoming election and its willingness to work with any democratically elected government. Unless it does so within the next 10 days, it might actually help cause what it fears the most: the election of Daniel Ortega as president of Nicaragua.

Jose Rizo is former vice president of Nicaragua. He is running for president representing the PLC, the largest political party in Nicaragua. Mr. Rizo also studied at the London School of Economics.

Losing Nicaragua, Again (WP)

By Robert D. Novak

The Washington Post, October 30, 2006

Oliver North and his associates were leaving Managua last Tuesday on a private plane after a dramatic surprise visit when they heard news they could scarcely comprehend. The State Department had just issued a "public announcement" that, in effect, warned Americans not to travel to Nicaragua because of the prospect for "violent demonstrations" and "sporadic acts of violence" leading up to the Nov. 5 presidential election there.

The North group had seen nothing in Nicaragua to justify a travel advisory, normally issued when life and limb of visiting Americans are at risk. U.S. and Nicaraguan security officials alike are dumbfounded, and the State Department did not explain it to me. That buttresses suspicion that the U.S. government wants to keep away meddling Americans like North, who seek to influence an election that now appears likely to return Daniel Ortega and the Sandinistas to power after an absence of 16 years.

The seemingly unavoidable outcome of next Sunday's election is a Nicaraguan tragedy, losing at the ballot box what was won two decades ago by the blood of contra fighters and the risking of Ronald Reagan's presidency. Because the anti-Sandinista vote is split, Ortega figures to return his Marxist-Leninist party -- now backed by Hugo ChÃ¡vez's Venezuelan petrodollars -- to the presidential palace. Apart from the misery to be inflicted on the Nicaraguan people, this reflects the deterioration of U.S. influence in the Western Hemisphere under the Bush administration.

Nicaraguan law permits the election of a president with as little as 35 percent of the vote if he is five percentage points ahead of his nearest competitor. That now seems probable with the anti-Sandinista vote divided between two major candidates: former vice president Jose Rizo and banker Eduardo Montealegre. The former contras blame this state of affairs on the Bush administration in general and, specifically, on the U.S. ambassador in Managua, Paul Trivelli.

The looming political fiasco in Nicaragua comes as no surprise. Adolfo Calero, a Washington-based contra leader in the '80s, returned to the U.S. capital in April to issue a warning. He asserted that tacit U.S. support for Montealegre and opposition to Rizo was a horrendous political error and that the only hope to hold off the Sandinistas was to support Rizo. But official doors were closed to Calero. The occasion of Calero's visit was a reunion of contra leaders, their former CIA handlers and Ollie North, who as a Marine lieutenant colonel ran the Nicaraguan account at the Reagan White House. The festivities were marred by fear and frustration over the coming election.

North went public in his syndicated column of Oct. 6. He contended that "official U.S. policy in Nicaragua has been blind to the realities of Nicaraguan politics." He said Ambassador Trivelli "has to stop pressuring private sector leaders with potential reprisals" for backing Rizo and his Liberal Party. North called on Secretary of State Condoleezza Rice to visit Managua and meet with all anti-Sandinista candidates -- including Rizo.

In Washington, North was ignored. He and his colleagues paid a hastily arranged visit to Managua Monday, Oct. 23, and publicly pleaded with Nicaraguans to reject the Sandinistas. The apparent U.S. reaction was Tuesday's official U.S. government warning that implies Americans would do well to stay away from now until April 18. By urging "American residents and visitors in Nicaragua " to be "vigilant," the U.S. government was telling the old contras to keep hands off.

Dewey Claridge, the famous CIA contra handler, put it bluntly in an e-mail to associates: "Just when you think the State Department's level of stupidity has reached bedrock and can go no further, it comes up with this nonsense, probably the [work] of Trivelli and his paranoia that Oliver North's visit to Managua to receive a testimonial and lay a wreath at the tomb of the fallen . . . is the Contra War II."

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State Department spokesmen would not elaborate on the basis for the travel advisory, but the department's security personnel and Nicaraguan police privately said they saw none for such a warning. The real warning should be about the return of the Sandinistas, in league with Havana and Caracas, thanks to another failure in U.S. policy.

U.S. Jobs Shape Condoms' Role In Foreign Aid (NYT)

By Celia W. Dugger

The New York Times, October 29, 2006

EUFAULA, Alabama — Here in this courtly, antebellum town, Alabama's condom production has survived an onslaught of Asian competition, thanks to the patronage of straitlaced congressmen from this Bible Belt state.

Behind the scenes, the politicians have ensured that companies in Alabama won federal contracts to make billions of condoms over the years for AIDS prevention and family planning programs overseas, though Asian factories could do the job at less than half the cost.

In recent years, the state's condom manufacturers fell hundreds of millions of condoms behind on orders, and the federal aid agency began buying them from Asia. The use of Asian-made condoms has contributed to layoffs that are coming next month.

But Senator Jeff Sessions, Republican of Alabama, has quietly pressed to maintain the unqualified priority for American-made condoms and is likely to prevail if the past is any guide.

"What's wrong with helping the American worker at the same time we are helping people around the world?" asked the senator's spokesman, Michael Brumas.

That question goes to the heart of an intensifying debate among wealthy nations about to what degree foreign aid is about saving jobs at home or lives abroad.

Britain, Ireland and Norway have all sought to make aid more cost effective by opening contracts in their programs to fight global poverty to international competition. The United States, meanwhile, continues to restrict bidding on billions of dollars worth of business to companies operating in America, and not just those that make condoms.

The wheat to feed the starving must be grown in United States and shipped to Africa, enriching agribusiness giants like Archer Daniels Midland and Cargill. The American consulting firms that carry out antipoverty programs abroad — dubbed beltway bandits by critics — do work that some advocates say local groups in developing countries could often manage at far less cost.

The history of the federal government's condom purchases embodies the tradeoffs that characterize foreign aid American-style. Alabama's congressmen have long preserved several hundred factory jobs here by insisting that the United States Agency for International Development buy condoms made here, though, probably in a nod to their conservative constituencies, most have typically done so discreetly.

Those who favor tying aid to domestic interests say that it not only preserves jobs and supports American companies, but helps ensure broad political support for foreign aid, which is not always popular.

On the other hand, skepticism of foreign aid is frequently rooted in the perception that the money is not well spent. Blame often falls on corrupt leaders in poor countries, but aid from rich nations with restrictions requiring it to be spent in the donor country can also reduce effectiveness.

The United States government, the world's largest donor of condoms, has bought more than nine billion condoms over the past two decades. Under President Bush's global AIDS plan, which dedicates billions of dollars to fight the epidemic, a third of the money for prevention must go to promoting abstinence. But that leaves two-thirds for other programs, so the federal government's distribution of condoms has risen, to over 400 million a year.

Over the years, Usaid could have afforded even more condoms — among the most effective methods for slowing the spread of AIDS — if it had it bought them from the lowest bidders on the world market, as have the United Nations Population Fund and many other donors.

Randall L. Tobias, who heads Usaid, declined through a spokesman to be interviewed on this topic. His predecessor, Andrew Natsios, sought to weaken the hold of what he sometimes called a cartel of domestic interest groups over foreign aid. He tried, for example, to persuade Congress to allow the purchase of some African food to feed Africa's hungry. Congress killed that proposal last year and again this year.

Hilary Benn, Britain's secretary of state for international development, said in an interview that in 2001 his country untied its aid from requirements that only British firms could bid for international antipoverty work.

"If you untie aid, it's 100 percent clear you're giving aid to reduce poverty and not to benefit your own country's commercial interests," he said.

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In recent years, most of the low-end condom business has moved to Asia, including Australia-based Ansell, which used to have plants in Alabama. American makers cannot compete with Asia on price — unless they have the federal contract.

The last American factory making condoms for Usaid sits anonymously in a pine-shaded industrial park here in Eufaula. Inside a modern, low-slung building owned by Alatech Healthcare, ingenious contraptions almost as long as a football field repeatedly dip 16,000 phallic-shaped bulbs into vats of latex, with the capacity to turn out a billion condoms a year.

The equation of need is never straightforward. Africa's need to forestall its slow-motion catastrophe of AIDS deaths is vast. But there is need here, too.

Most of the 260 people employed at this factory and the company's packaging plant in Slocomb are women, some the children of sharecroppers and textile factory workers, many of them struggling to support families on $7 to $8 an hour.

The most vulnerable among them — single mothers and older women with scant education — are the most fearful of foreign competition. All feel the looming threat.

"It's cheaper, yeah," said Lisa Jackson, 42, a worker in the packaging plant. "But we Americans should have first choice. We need our jobs to stay in America. We got to feed our families. I just wish it had never come to sending manufacturing jobs overseas."

From 2003 to 2005, Alatech and one other company making condoms for Usaid fell behind on their orders, agency officials said. Last year, the other company went bankrupt. So Usaid ordered condoms from Asia, the first of which were shipped last year. With only a single American company still in line for the federal contract, agency officials are wary of ruling out Asian suppliers.

At such moments in the past, Alabama's politicians have come to the rescue of the state's condom industry. This time was no exception.

Senator Richard C. Shelby, a Republican on the Appropriations Committee, had a provision tucked into the 2004 budget bill requiring that Usaid buy only American-made condoms to the extent possible, given cost and availability. His spokeswoman, Kate Boyd, said the agency did not tell him it was worried about the relative cost of American and Asian-made condoms.

Senator Sessions wrote Usaid a letter last year saying it should purchase condoms from foreign producers only after it had bought all the condoms American companies could make, noting it was "extremely important to jobs in my state."

Usaid assured the senator in writing that it "remains committed to prioritizing domestic suppliers."

On the strength of that, Alatech bought the more modern Eufaula plant from its bankrupt rival. Without the government contract, the company's president, Larry Povlacs, said, Alatech would go out of business.

In interviews, agency officials were noncommittal about whether they would halt all purchases in Asia. Condoms made there cost around 2 cents each, opposed to about 5 cents for those made here.

"At the end of the day, it's all a political process," Bob Lester, who recently retired after 31 years as a lawyer at Usaid, said of such decisions. "The foreign aid program has very few rabbis. Why make enemies when you don't have to?"

Duff Gillespie, a retired senior Usaid official who is now a professor at the Johns Hopkins School of Public Health, said that over the years officials at Usaid raised the prospect of foreign competition to tamp down what he called "the greed factor" of Alabama condom manufacturers.

But whenever the staff pushed to buy in Asia, Alabama politicians pushed right back.

During the Reagan years, the offices of two Alabamans, Representative William Dickinson, a Republican, and Senator Howell Heflin, a Democrat, caught wind of one such move. Mike Houston, chief of staff to Senator Heflin, recalled being tipped off by Mr. Dickinson's chief of staff.

"He says, 'Well, A.I.D. is going to buy condoms from Korea,' " Mr. Houston recalled. " 'The reason is they can get three condoms for the price of one that they're paying us.' " Mr. Houston said he asked in amazement, "You mean we're making rubbers in Alabama?"

The congressmen's staffs threatened to introduce amendments to require that condoms be made in America. The agency backed off.

Further attempts to open up bidding proved fruitless. Representative Jim McDermott, a Democrat from Washington State, had seen the devastation of AIDS firsthand in the 1980s as a State Department medical officer in Africa. But he said he could not break what he called the "stranglehold" of Alabama congressmen on the condom rules.

In the mid-to-late 1990s, Representative Sonny Callahan, a Republican from Alabama, served as chairman of the Appropriations subcommittee that shaped Usaid's budget. Brian Atwood, who headed Usaid in those years, said no administrator "in his right mind" would have tried to cut Alabama out of the condom contract at a time when many Republicans were deeply hostile to foreign aid.

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Then in 2001, after decades of negotiation, the United States and other wealthy donor nations reached a nonbinding agreement to open at least some foreign aid contracts to all qualified bidders. Included were those for commodities bound for the world's poorest nations.

Usaid decided the agreement did not apply to condoms since some went to more advanced developing countries. Alabama's manufacturers kept the condom business once again.

William Nicol, who heads the poverty reduction division of the Development Assistance Committee at the Organization for Economic Cooperation and Development, a group of economically advanced countries, scoffed at Usaid's interpretation. "That's rubbish," he said in a telephone interview.

The condom companies' inability in recent years to fulfill Usaid's orders accomplished what the gentleman's agreement did not: the entry of Asian competitors.

Usaid has asked Alatech to make 201 million condoms next year, less than half of this year's order, and ordered another 100 million made in Korea and China.

Come Nov. 15, Alatech will lay off more than half its work force. Those jobs fell victim to Usaid's smaller orders for condoms, foreign competition and automation.

The reactions of these workers ranged from philosophical to panicked.

One, Garry Appling, a 41-year-old single mother, has worked before as a $6-an-hour cashier at Krystal, the fast food restaurant, and another at $7.15 an hour in a chicken processing plant. She said her 10-year-old daughter, Anterria, worries that she will have to go back to the chicken plant, a place so cold and wet Ms. Appling often fell ill.

But even facing her own impending job loss, Ms. Appling took a moment to empathize with the women making condoms on the other side of the world.

"We need a job — I guess they do, too," she said, during a brief pause from feeding condoms into an intricate, rotating, whooshing machine that tested them for holes. "It's sad.

"At the same time, the United States can't just keep helping overseas. They've got to help us, too."

Chinese Shadows (WSJ)

The Wall Street Journal, October 30, 2006

If U.S. politicians think they can impose trade barriers without consequences for American economic interests, they should take a look at China these days. Beijing is reacting to America's talk of tariffs and limits on foreign investment by imposing new restrictions on foreign investment in that country.

Earlier this month, the Carlyle private equity fund agreed to buy half, rather than 85%, of a state-owned construction firm after Beijing bureaucrats intervened. A French firm's bid for China's dominant cookware manufacturer is under competition review. Foreign investment in the brokerage industry has been recently shuttered. And so on.

The most egregious example may be the continuing saga of Guangdong Development Bank, a bankrupt lender in which Citigroup and Societe Generale were competing to buy a majority stake. After bidding, however, they were told they'd have to settle for only 20% of the equity. The State Council in Beijing is still figuring out how to handle the bids. This is the equivalent of President Bush's Cabinet blocking a bank merger in Atlanta -- or perhaps Members of Congress objecting to a takeover of a relatively small U.S. oil company by a Chinese company. Never mind that more foreign cash and know-how are exactly what China needs if it wants to clean up its lumbering, corrupt banking industry.

Lest you think we're exaggerating the anticompetitive mood, consider China's new "Rules on the Merger with and Acquisition of Domestic Enterprises by Foreign Investors," enacted by six Chinese regulatory agencies last month. The rules provide the Communist Party with a mechanism to regulate foreign mergers and acquisitions, impose new guidelines on offshore financing of Chinese companies, and give the Ministry of Commerce the authority to squash deals it doesn't like, among other things.

Beijing's regulators aren't exactly exemplars of transparency, so it's hard to know if this is the start of a broader anti-foreign backlash, or simply an effort to duplicate regulatory language used elsewhere. To date, no major deals have been blocked under the new rules. But there's still plenty of room for worry.

Take Article 40, which gives the Ministry of Commerce room to halt foreign acquisitions of Chinese companies in "core industries," without defining, exactly, what those industries are. Some are easy to guess: Media, for one, is unlikely to be opened up anytime soon given that the Party's control rests on its stranglehold on information. But what about other state-dominated sectors -- such as steel, automobiles, retail, or China's horribly backward mobile phone industry?

Article 40 also gives Beijing the right to block acquisitions of Chinese domestic firms with a "well-known" trademark or a "traditional" Chinese brand. That's odd, given that China doesn't possess any well-known international brands -- or register many of its nascent brands with foreign patent offices. Perhaps this is simply Commerce's way of planning for the future.

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We're told that the Ministry of Commerce may very well allow the French-Sino cookware merger when it hears the case in the coming weeks. But the broader reversion to economic nationalism remains a worry -- which is why American politicians shouldn't give Beijing politicians any more protectionist episodes to emulate.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Rasmussen Poll Shows Increase In Confidence On War On Terror. A national Rasmussen Report survey of 1,000 adults (+/- 3%) taken October 25-26 shows a "slight rebound in confidence among the American public" on the war on terror. Right now, 38% say the US and its allies "are winning the war while 29% say terrorists have the edge." Earlier in October, the "public assessment was much more bleak. Just 31% thought the U.S. and its allies were winning while 36% gave terrorists the advantage." But President Bush's handling of Iraq continues to receive low scores, with 50% calling it "poor," and 30% "excellent" or "good."

SouthCom Head Says Guantanamo Bay Meets Geneva Standards. McClatchy (10/29, Rosenberg) reports, "Just days into the job, the Pentagon's new Southern Command chief made an overnight weekend visit to the U.S. Navy base at Guantanamo Bay - and declared captive conditions compatible with the Geneva Conventions." Admiral James Stavridis, speaking to the McClatchy-owned Miami Herald, called detainees "a hearty bunch" and assessed interrogations as "amicable conversations between two people." He found the 14 "high-value detainees" to be in "very good shape." About 15 sites carried this story.

HOMELAND RESPONSE:

TSA's "Observational Techniques" Passenger Screening Program Defended. In an op-ed for the Washington Post (10/29, B3, 748K) Paul Ekman, professor emeritus of psychology at the University of California at San Francisco and pro bono adviser to the Transportation Security Administration's SPOT program, writes, "Critics of the controversial new security program…known as SPOT, for Screening Passengers by Observational Techniques -- have said that it is an unnecessary invasion of privacy, based on an untested method of observation, that is unlikely to yield much in the way of red-handed terrorists set on blowing up a plane or flying it into a building, but would violate fliers' civil rights. I disagree. I've participated in four decades' worth of research into deception and demeanor, and I know that researchers have amassed enough knowledge about how someone who is lying looks and behaves that it would be negligent not to use it in the search for terrorists. Along with luggage checks, radar screening, bomb-sniffing dogs and the rest of our security arsenal, observational techniques can help reduce

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risks -- and potentially prevent another deadly assault like the attacks of Sept. 11, 2001."

WAR NEWS:

Bush, Maliki Smooth Over Differences Via Videoconference. Coverage of President Bush's videoconference with Iraqi PM Nouri al-Maliki highlighted the discord over the past week and the inability or unwillingness of Baghdad to curb militia violence. NBC Nightly News (10/28, lead story, 0:40, Jordan, 9.87M) reported the videoconference took place "after a week of growing tension over how Baghdad is coping with the violence. Aides said he is in charge of making Iraq secure and the U.S. is there to help, not run the show. Americans are deeply uneasy about the war. Twenty-nine percent say the US is making progress in efforts to make Iraq more secure, while 60% say the U.S. is losing ground."

The New York Times (10/29, A1, Tavernise, 1.21M) reports Bush "stepped into an increasingly fractious relationship with the Iraqi government in a videoconference with Baghdad on Saturday." An "acrimonious conversation" between Ambassador Zalmay Khalilzad and Maliki appears to represent "a growing schism between the Shiite-led Iraqi government and its American supporters, a division building for months that burst into full public view this week." The pessimistic article observes criticism by both sides of key figures: Khalilzad is blamed by Iraqi leaders for "intense efforts to bring minority Sunni Arabs into Iraqi politics. Shiite leaders say he has worked so hard to involve Sunnis that he has abandoned the Shiites." Meanwhile, Maliki's "early months as prime minister were widely described in Washington as a disappointment."

The Washington Post (10/29, A19, Knickmeyer, 748K) reports Bush "coaxed" Maliki "back into a common front with the U.S. administration Saturday, soothing the Iraqi leader." The Post calls the past week evidence of "an embarrassing rift" and notes pessimistically that the proposed commission "for speeding up the training of Iraq's security forces, moving ahead on efforts to put Iraq in control of those forces, and making the Iraqi government responsible for the country's security" follows another commission that was unable to prevent the "explosion" of sectarian warfare.

The Los Angeles Times (10/29, Daragahi, 918K) reports Bush "upheld Washington's commitment to his Shiite-dominated government despite its failure to rein in the Shiite militias, which form a nucleus of Maliki's political base." However, the Times also reports in a more optimistic light, "Maliki and U.S. officials have pressured anti-American Shiite cleric Muqtada Sadr to crack down on a powerful and volatile militia nominally under his control. On Saturday, several members of his organization said that Sadr had designated a committee of loyalists to investigate and purge his organization of the most egregious troublemakers."

The AP (10/28) reports Bush "reaffirmed his support for Iraq's prime minister, telling Nouri al Maliki that he isn't 'America's man in Iraq' but a sovereign leader whom the U.S. is aiding."

CNN.com (10/28) reports Maliki "referred to the boundary between himself and the United States, telling U.S. President Bush that he answers first to the Iraqi government and people, according to an Iraqi official." The AP (10/28) reports Bush "reaffirmed his support" for Maliki, telling him "that he isn't 'America's man in Iraq' but a sovereign leader whom the U.S. is aiding."

Iraqi And US Governments Differ On Timetables. The Washington Post (10/29, Pincus, 748K) reports, "Recent discussion about Iraq has focused on the U.S. and Iraqi governments setting benchmarks for improving stability so the United States can eventually draw down troops, but public statements have made it difficult to determine who has agreed to what. The situation seemed to change over the course of the week, until finally it appeared that little had really happened." The Post lists statements by Khalilzad, Maliki, Bush, Defense Secretary Donald Rumsfeld, and White House spokesman Tony Snow that resulted in the "videoconference to smooth out the differences that had bubbled up during the week."

Aide Says Iraqi PM Uses US Voters' Angst. The AP (10/29, Hurst, Abdul-Zahra) reports Maliki said Bush "promised to move swiftly to turn over full control of the Iraqi army to the Baghdad government." A close Maliki aide "said later the prime minister was intentionally playing on U.S. voter displeasure with the war to strengthen his hand with Washington." Hassan al-Suneid declared that "issues needed airing at a higher level" than with Khalilzad, adding that Maliki "complained to Bush that Khalilzad, an Afghan-born Sunni Muslim, was treating the Shiite al-Maliki imperiously."

The Washington Times (10/29, 88K) also reports on the discord, leading, "A festering grievance between Iraqi Prime Minister Nouri al-Maliki and the United States escalated yesterday with Mr. al-Maliki telling President Bush that America's ambassador in Baghdad acts like a viceroy instead of a diplomat."

October May Be Remembered As War's "Tipping Point." The Washington Post (10/29, Ricks, Baker, 748K) says in a bleak front page story that this month "may be remembered as the month that the U.S. experience in Iraq hit a tipping point, when the violence flared and shook both the military command in Iraq and the political establishment back in Washington. Plans to stabilize

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Baghdad collided with a surge in violence during the holy month of Ramadan. Sectarian revenge killings spread, consuming a town 50 miles from the capital." US officials "spoke of setting benchmarks for the Iraqi government to take on more responsibility, only to have the Iraqi prime minister call that suggestion election-year grandstanding." President Bush "compared the situation to the 1968 Tet Offensive -- often seen as a turning point in the Vietnam War -- and urged Americans not to become disillusioned.

NBC Nightly News (10/28, story 2, 03:16, Seigenthaler, 9.87M) reported a rocket attack at a Baghdad market Saturday "killed a person and injured 35 others. The Pentagon said one US Marine was killed in a separate incident bringing the number of troops killed this month to 98."

Iraqis, Americans Live In Two Worlds In Iraq. The New York Times (10/29, Tavernise, 1.21M) reports, "Part of the problem is that the Americans cannot see for themselves how bad things get when they are not around. ... When Americans move through Iraq, they do so like a giant ship cutting through a thick and treacherous sea. They move slowly, displacing the harsh reality on both sides, carving out a trough of safety around them. But after they pass, reality closes back in, in all its sucking, swirling fury. That reality is terrifying because much of Iraq is a place without rules or laws, in which armed gangs, sometimes dressed as police officers, can come into any house and do exactly as they please."

Troops Work In Villages To Sway Iraqis. The Washington Post (10/29, White, 748K) reports in a relatively cheerful article on troops serving in Mustafar, Iraq, "It is in small villages like these that U.S. soldiers say they are making their biggest strides but also face their biggest challenges. Commanders in Iraq say they can win any battle against armed insurgents and conduct any military operation successfully, but persuading Iraqis to believe in Iraq could end up being the most difficult battle in this war. There are places in Iraq where U.S. troops are greeted with suspicion. And there are others where they confront grave danger. ... But in some of the small towns that ring the southern edge of Baghdad, the situation is quite different. For many residents, the daily dose of roadside bombs and gunshots that plague the capital is glimpsed only on television. Here, U.S. forces work to provide more electricity, to ensure water supplies are clean and to fix roads. The locals appear to appreciate it, but they also appear to genuinely fear what could happen if U.S. forces leave."

Baghdad Enjoys Respite From Violence. NBC Nightly News (10/28, story 3, 03:42, Arraf, 9.87M) reported, "In a city where life is a game of chance, a Saturday afternoon escape is playing bingo. This man has just won a mobile phone. He has come here with a group of relatives. It's felt more secure in the past few days he said." Iraqi man: "We haven't heard a lot of explosions in the last two or three days." NBC (Arraf): "Officials and ordinary Iraqis are hoping desperately the relative quiet in Baghdad is not just a temporary lull."

"Little Things" Fade From Iraqi Life. The New York Times (10/29, A6, Tavernise, 1.21M) reports on a discussion among four Iraqi women of life amidst Iraq's dangers: "Their stories began with a familiar theme: the shrinking lives of middle-class families in the capital. Social clubs have emptied out. Weddings have been sparsely attended. But as the circle has become smaller, and as they focus intensely on just staying alive, they said, even the basics are being stripped away. ... Life was also hard under Saddam Hussein, the women pointed out. Plans were equally impossible to build. But the basic fabric of life, visiting family, attending weddings and funerals, was for the most part intact. Now Iraqis are letting go even of those parts."

Returning WPost Correspondent Dismayed By Baghdad's Changes. In the Washington Post (10/29, B1, 748K) Outlook section, Post reporter Anthony Shadid returns to Baghdad after "nearly a year" of absence and reports, "On my return, it was difficult to grasp how atomized and violent the 1,250-year-old city has become. Even on the worst days, I had always found Baghdad's most redeeming quality to be its resilience, a tenacious refusal among people I met over three years to surrender to the chaos unleashed when the Americans arrived. That resilience is gone, overwhelmed by civil war, anarchy or whatever term could possibly fit. Baghdad now is convulsed by hatred, paralyzed by suspicion; fear has forced many to leave. Carnage its rhythm and despair its mantra, the capital, it seems, no longer embraces life."

Iraq Claims To Have Captured Zarqawi's Cameraman. The AP (10/28) reports, "Iraq's Defense Ministry said Saturday that the Iraqi army captured a man thought to be the personal cameraman for Abu Musab al-Zarqawi, the slain leader of al-Qaida in Iraq, the country's most feared terrorist group." Reportedly, "Khalid al-Hayani was detained in Diyala province, northeast of Baghdad."

IED-Defusing Specialists' Challenges Profiled. The 5,000-word cover article for the Washington Post Sunday Magazine (10/29) describes the work of soldiers trying to defuse IEDs, "the explosive booby traps that kill more Americans than any other weapon." Writer Whitney Terrell rides along in a minesweeping truck, and says "25,000 improvised explosive devices…have been aimed at American troops since the war in Iraq began, severing limbs and crushing the skulls of U.S. soldiers and journalists alike." Lt. Nate Rawlings' troops – "with whom I am embedded -- are

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the leading edge of a $6.1 billion Pentagon effort to win the war against roadside bombings in Iraq."

Hoagland Recommends Shultz As Iraq "Policy Czar." In his Washington Post (10/29, 748K) column, Jim Hoagland writes, "There seems to be almost no learning curve in Washington's dealing with Iraq's societal and religious cleavages and prickly nationalistic politicians ... This midterm election is a moment of accountability, as Bush acknowledged at the news conference where he sought to fend off intimations of disillusionment. It is the time for voters and citizens to examine recent and past mistakes and omissions of U.S. policy in Iraq and then vote accordingly. ... [Bush] should give a senior Republican wise person complete powers to steer a new course, guided by the recommendations of the Baker-Hamilton study group and others. George Shultz, Ronald Reagan's secretary of state (and, like Jim Baker, an ex-Marine), is the outstanding candidate for a salvage mission on Iraq."

Iraq Foundation Director Argues Against Partition. In the Washington Post (10/29, 748K), Iraq Foundation executive director Rend al-Rahim writes, "An increasing number of lawmakers in Congress are considering Iraq's partition into Kurdish, Sunni and Shiite regions under the umbrella of a loose confederation. But partition is neither desirable nor feasible. Neat partition lines are impossible because few regions in Iraq are ethnically or confessionally homogeneous. ... A plan to partition Iraq would plunge the country into total civil war far more widespread and bloody than the sectarian and factional violence we are witnessing now."

Rich Predicts Changes Inevitable In Iraq Policy. In the New York Times (10/29, 1.21M), columnist Frank Rich writes after watching a joint appearance by Ambassador Khalilzad and General George Casey, "If there really is light at the end of the tunnel, why after three and a half years can't we yet guarantee light in Baghdad?" Rich continues, "In keeping with the political cynicism that gave birth to this war and has recklessly prolonged it, the only ones being kept in the dark about this inevitable denouement are our fighting men and women. They remain trapped, dying in accelerating numbers ... Mr. Maliki is not cracking down on rampaging militias but running interference for their kingpin, Moktada al-Sadr." Rich predicts, "After Election Day, adults in Washington will step in, bow to the obvious and pull the plug. The current administration strategy -- praying for a miracle -- is not an option. The current panacea favored by anxious Republican Congressional candidates -- firing Donald Rumsfeld -- is too little, too late."

NATO Troops Battle Afghan Insurgents. The AP (10/28, Abrashi) reports that in Uruzgan province, "NATO and Afghan troops battled a large group of insurgents who attacked a military base in southern Afghanistan Saturday, killing 55 suspected militants, the alliance said. A roadside blast killed one NATO soldier and wounded eight others." A later version of the AP article gives the insurgent death toll as "at least 70." BBC.com (10/29) carries a similar report.

NATO Commander Vows Probe Of Civilian Deaths. CNN.com (10/29) reports NATO Supreme Allied Commander Gen. James Jones promised Afghan President Hamid Karzai that a "full investigation of an incident involving the unintended death of around 70 Afghan civilians would be launched." The AP (10/29, Abrashi) reports Jones "apologized Saturday for civilian deaths caused by fighting between Taliban militants and NATO forces earlier in the week, but said insurgents endanger civilians by hiding among them."

NYTimes Continues Study Of Coalition Pursuit Of Taliban. In the New York Times Magazine (10/29), writer Elizabeth Rubin concludes her two-part story with an article on coalition forces' pursuit of the Taliban that tops 5,000 words. She says the "final draft of the U.S. military's latest counterinsurgency manual, written under the direction of Lt. Gen. David Petraeus and Lt. Gen. James Mattis, emphasizes that if you skimp on resources, endurance and meeting the population's security requirements, you lose. Yet for the past five years, the Pashtun provinces have been plagued by a lack of troops and resources. James Dobbins, President George W. Bush's former special envoy to Afghanistan, blames the White House, which he said had a predisposition against nation-building and international peacekeeping. ... 'In manpower and money,' he added, 'this was the least resourced American nation-building effort in our history.'"

Army Could Be Stretched Too Thin. The Houston Chronicle (10/29, Hedges, 535K) reports from Fort Hood, "The quick pace of comings and goings is evidence of an Army strained to the breaking point, with little in reserve if the United States is forced to respond to a new crisis, according to military analysts." Retired Maj. Gen. Barry McCaffrey asks, "What happens if we have to confront North Korea or Iran?" While some military leaders "said the Army is adapting to pressure on staffing and other aspects of its operation," the "anecdotal testimony of strain on families is backed by figures compiled by the Pentagon."

Democrats At Crossroads Over "Antiwar" Legacy. In a "Week in Review" piece for the New York Times (10/29, 1.21M) David D. Kirkpatrick writes, "Democrats

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have spent three decades trying to exorcise the ghost" of George McGovern, but "as they look ahead, Democrats are torn between two visions of their history. Some potential candidates in the 2008 Democratic primary and many liberal activists argue that the Republican responsibility for the Iraq war has, in effect, freed the Democrats from Mr. McGovern's legacy. They say the 2006 elections will provide a mandate for a new antiwar argument: that troops can be pulled from Iraq in order to shore up American security elsewhere in the world. Other strategists and political scientists argue that the Iraq war has given the Democrats a different opportunity to lay to rest their McGovernite image, in part by rejecting calls for a quick withdrawal in Iraq."

Boot Says Military Must Adjust To Decentralized Foes. In his column for the Los Angeles Times (10/29, 918K), Max Boot writes about the need throughout history to adjust to technological revolutions. He argues, "We have an insurmountable advantage in high-end military hardware. ... But all that spending produces weapons systems that aren't much good for pacifying Baghdad or Kandahar. ... Our scientific sophistication gives us a reasonable chance of shooting down a nuclear-tipped missile, but a nuclear suitcase smuggled into the U.S. would be much harder to detect. To stop such stealthy threats, we need to get much better at human intelligence, counterinsurgency, information operations and related disciplines. ... It may sound melodramatic, but the future of U.S. power rests on our ability to remake a government still structured for Industrial Age warfare to do battle with decentralized adversaries in the Information Age."

CORPORATE SCANDALS:

Groups Aligned With White House Reportedly Plan Sarbanes-Oxley Rollback. The New York Times (10/29, Labaton, 1.21M) reports on its front page that two "influential industry groups with close ties to administration officials" who are "frustrated" with the Sarbanes-Oxley Act "are drafting proposals to provide broad new protections…from criminal cases," as well as "a stronger shield against civil lawsuits from investors." The Times adds, "To alleviate concerns that the new Congress may not adopt the proposals…many are being tailored so that they could be adopted through rulemaking by the S.E.C. and enforcement policy changes at the Justice Department. The proposals will begin to be laid out in public shortly after Election Day, members of the groups said in recent interviews."

CRIMINAL LAW:

Ehrlich Aide Was Subpoenaed By US Over Slots. The Baltimore Sun (10/29, Green) reports, "Gov. Robert L. Ehrlich Jr. acknowledged yesterday that a top aide received subpoenas from federal prosecutors investigating in 2004 what published reports said was the influence of slot-machine gambling interests in Annapolis, an admission that led to a demand by his Democratic opponent that the administration release full details of the probe." The Sun continues, "The legal requests came from the office of then-U.S. Attorney Thomas M. DiBiagio, who had been recommended for the post by Ehrlich. … The subpoenas were issued to Paul E. Schurick, the governor's communications director and one of the key figures in Ehrlich's attempts to legalize slot machines, and were first reported this month by The Washington Post. Schurick received the requests on June 2 and June 16 in 2004 as part of a probe into gambling, the paper said, adding that the governor's press office - still run by Schurick - would not comment on them." The Sun adds, "Responding to a question from a caller on Stateline with Governor Ehrlich on WBAL radio yesterday, the governor for the first time spoke publicly about the inquiry. … 'Paul cooperated, produced everything that they wanted and nothing came of it,' said Ehrlich, responding to the caller." The Sun notes, "Later in the day, when asked for more details about what his office had provided to investigators, Ehrlich said, 'How would I know?' and added that the line of questioning was prompted by a Democratic Party memo distributed last week. It could not be learned whether federal prosecutors were targeting specific individuals in their investigation."

Katrina's Effect On San Antonio Crime Unclear. The San Antonio Express-News (10/29, Bensman) reports, "Just days after the first of about 30,000 Louisiana hurricane evacuees began arriving in San Antonio, Mayor Phil Hardberger was asked a simple question he laughingly brushed off. What might be the impact of the influx on city crime rates and services?" The Express-News continues, "More than a year later, the issue remains unaddressed, conspicuously so in light of a 55 percent spike in murders the first eight months of this year, increasing violent crime rates in San Antonio, a stretched police force and widespread media reports linking some evacuees in Houston to similar crime trends there. … So: Did the sudden arrival of about 30,000 evacuees, a group equal to Del Rio in population, cause additional crime? The question, loaded with the kind of politically sensitive racial implications that can discomfit some politicians, is much more than academic. Millions of dollars could be at stake." The Express-News

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adds, "The San Antonio Express-News spent four months trying to determine whether a link exists between evacuees and crime in San Antonio. Among the highlights were an extensive analysis of crime data and interviews with dozens of street-level officers, community leaders, business owners, residents and evacuees throughout the city: … Steeply declining rates of violent crime and property crime during the first eight months of 2005 suddenly reversed after they arrived, although there is no proof evacuees caused it. Houston, however, has successfully cited a similar coincidence of suddenly rising crime to argue for more federal money. … Of the 55 percent spike in San Antonio's murders this year, three suspects and two victims were found to be evacuees. Several other cases have suspected links, but dozens of cases could neither be included nor excluded as related to evacuees. Unlike Houston, the San Antonio Police Department homicide unit never has been asked to methodically look for such a connection that could be cited in a request for federal funds."

MS-13 Seen As Growing Threat In Texas. The Dallas Morning News (10/29, Mclemore) reports from Pharr, TX, "Shortly after midnight in late September, a Texas National Guard soldier with night-vision equipment spied four figures slipping through the brush and alerted Border Patrol agents. .. The men were arrested, and one in particular stood out for the extensive tattoos across his face, body and arms. … A fingerprint check showed Santos Chileno-Gomez, a 23-year-old Salvadoran, had been deported for an assault on a Long Island, N.Y., police officer. His lengthy criminal record – and the tattoos – labeled him as a member of Mara Salvatrucha 13, a vicious international street gang that federal authorities call one of the most violent in the U.S." The News adds, "Mr. Chileno-Gomez is among 76 MS-13 members apprehended by the Border Patrol in the Rio Grande Valley during the just-ended fiscal year. That total was up from 62 the previous year, showing the gang's resilience to federal efforts aimed at rooting it out and its determination to travel almost at will through Texas to cliques operating throughout the U.S. … And, some police agencies believe, there is evidence that MS-13 has taken sides in the bloody war among drug cartels that's playing out in Nuevo Laredo. … Officials estimate there are up to 10,000 hard-core members of the gang operating in 33 states, the largest clusters living in Los Angeles, Washington, D.C., and the Mid-Atlantic region. But Texas is one of the fastest-growing states for MS-13, simply by virtue of geography."

Mendendez Attorney's Query To Federal Prosecutors Sparks Kean Salvo. The Newark Star-Ledger (NJ) (10/29, Howlett) reports, "Republican state Sen. Tom Kean Jr. yesterday questioned why Democratic U.S. Sen. Robert Menendez would enlist the services of one the state's top defense lawyers if he isn't under a federal criminal investigation." The Star-Ledger continues, "Menendez has said the lawyer, Joseph Hayden, contacted the U.S. attorney around the time a subpoena was issued for records from a federally funded nonprofit agency that paid more than $300,000 to rent a row house that Menendez owned in Union City." The Star-Ledger adds, "Hayden was doing a 'favor' for the campaign, Menendez spokesman Matt Miller said, not personally representing Menendez. Miller declined to say who in the campaign reached out to Hayden and asked him to make the call, except to say it was not Menendez. … 'We were trying to find out what was going on,' Miller said of tapping Hayden. 'We were just looking to find out in the midst of all these rumors what the facts were.' … Miller declined to say what the campaign gleaned from Hayden's conversation with federal authorities. 'I'm just not going to go there,' he said." The Star-Ledger notes, "Such a scenario makes no sense, Kean said during a press conference in Mountainside yesterday. … 'Every criminal defense attorney knows that you don't reach out to the U.S. Attorney's Office during a pending criminal investigation unless you are representing a subject, target or witness,' he said."

Raymond Discusses New Hampshire GOP Phone-Jamming Operation. NBC Nightly News (10/28, story 6, 2:55, Seigenthaler, 9.87M) reported, "As the election draws near, it turns into the season when dirty tricks can come into play. Neither Republicans nor Democrats can claim the high ground. What is rare is hearing from someone that got caught." NBC (Myers) talked to Allen Raymond, for years a "prominent Republican operative with a reputation for bare-knuckle tactics. … Raymond admits four years ago he went beyond pushing the envelope and crossed the line. He spent three months in prison. Now in a civil suit Democrats are trying to tie his misdeeds to the White House. It happened during a hard-fought battle for the Senate in New Hampshire. Raymond was running a telemarketing firm. He says an old friend from the Republican National Committee came to him with an idea: Use nonstop hang-up calls to tie up Democratic phone lines on Election Day." Raymond: "We were trying to stop them from operating efficiently." NBC (Myers): "On Election Day the plan worked until nervous state Republicans pulled the plug. The Republican candidate won, though there is no evidence that phone jamming made the difference. How common are dirty tricks in Republican and Democratic politics?" Raymond: "Fairly common. Let's be clear on something: The New Hampshire phone jamming was not a dirty trick, it was criminal." NBC (Myers): "He pleaded guilty to conspire to make harassing phone calls," and the RNC "spent an estimated $3 million to defend its high-ranking operative. Others charged, including Raymond, did not get

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the RNC's support. They think because they paid $3 million to defend this guy they have something to hide." Raymond: "That is a fair assumption to make. They need to answer for that." NBC (Myers): "The RNC and the White House deny authorizing the operation. Raymond is now shunned by his party and, as a felon, unable to vote."

CIVIL RIGHTS:

New York Officials Pleased By Fire Department Recruiting Efforts. The New York Post (10/29, Gallahue) reports, "The FDNY's million-dollar diversity drive is starting to pay off as the department heads into its final week of recruiting." The Post continues, "Forced to extend its deadline due to lagging numbers, the FDNY's aggressive campaign to bring minorities into the department has managed to boost its pool of applicants by thousands, the Fire Commissioner Nicholas Scoppetta announced yesterday. … 'The results are impressive,' he said. 'We have over 20,000 applicants [who] filed [to take the test] as of yesterday, and 35 percent of those applications are from minorities - and we still have a week to go.' … Applicants have until Nov. 3 to sign up for the test, which is given every four years." The Post notes, "Last year, the city and the FDNY put more than $3 million into the department's Recruitment and Diversity Unit as the Justice Department probed the department for allegedly discriminatory hiring practices. More than 90 percent of the 11,000-member force is white."

The New York Daily News (10/29, Brosh, Singleton) reports, "In May, with the department's hiring practices under investigation by the Justice Department, the FDNY launched a multimillion-dollar ad campaign to lure more minority-group firefighters. In August, it relaxed its hiring requirements - the latest move in an uphill effort to increase the diversity of a department that is 91% white."

Lowell, MA, Seeks Ballot Help In Immigrant Areas. The Boston Globe (10/29, Reid) reports, "In the past in Lowell (MA), voter registration efforts in the city's immigrant communities have fallen short and advocacy groups have charged that voters who speak languages other than English have faced problems at the polls. … During this year's election campaigns, the city and a number of groups have worked to deal with both situations." The Globe continues, "Volunteers from ONE Lowell, an immigrant advocacy group, have spent the past several weeks canvassing neighborhoods throughout the city to register new voters. Translators and bilingual poll workers have been recruited and trained for duty at voting precincts in neighborhoods with the highest population of non-English-speaking residents. Ballot instructions and voting information have been printed in Khmer, Spanish, and Portuguese for distribution on Election Day, Nov. 7." The Globe adds, "Gail Cenik, a manager with the city's Election Commission, said her office has concentrated on education to familiarize people with the voting process. … Cenik's comments reflect efforts by the city to correct many of the problems that have plagued the last two elections in Lowell. In March, the US Department of Justice began an investigation into alleged voting rights violations faced by Cambodian-Americans who tried to vote in elections held last November. … The federal investigation was prompted by complaints from the New York-based Asian American Legal Defense and Education Fund. The advocacy group surveyed the city's polling places in that election and found several problems, including statements that several voters were directed to the wrong polling places and one instance in which a voter's name was misspelled on the voting roll." The Globe notes, "Justice Department spokeswoman Cynthia Magnuson confirmed the ongoing investigation and declined to provide further details."

Panel Investigating Voting System Firm's Takeover By Venezuelan Company. The New York Times (10/29, Golden, 1.21M) reports on its front page that the Committee on Foreign Investment in the United States is investigating the takeover of Sequoia Voting Systems, a "leading American manufacturer of electronic voting systems," by Smartmatic, a "small software company that has been linked to the leftist Venezuelan government of President Hugo Chávez. The inquiry is focusing on the Venezuelan owners" of Smartmatic and is "trying to determine whether the government in Caracas has any control or influence over the firm's operations, government officials and others familiar with the investigation said."

Will Says HAVA Could Muck Up Tallying Of Votes. In his Washington Post (10/29, B7, 748K) column, George Will writes, "The hoariest jest in conservatism's repertoire is that the three least credible assertions in the English language are 'The check is in the mail,' 'Of course I'll respect you as much in the morning' and 'I'm from the government, and I'm here to help you.' Which brings us to the exquisitely named Help America Vote Act. Having fixed Iraq and New Orleans, the federal government's healing touch is now being applied to voting. As a result, days -- perhaps weeks -- might pass after Election Day without the nation's knowing which party controls the House or Senate. If that happens, one reason might be HAVA, that 2002 bit of federal helpfulness. … Democracy is not a mere game. But -- write this on a piece of paper, using a No. 2 pencil -- neither is it an activity from which it is sensible to demand more precision than can reasonably be expected when, on a November Tuesday, 100 million people record billions of political choices."

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US Catholic Bishops Release Guidelines On Ministering To Gays. The New York Times (10/29, A18, Goodstein, 1.21M) reports that American Roman Catholic bishops "have drafted new guidelines for ministry to gay people that affirm church teaching against same-sex relationships, marriages and adoptions by gay couples, yet encourage parishes to reach out to gay Catholics who feel alienated by their church." The guidelines "recommend baptizing the adopted children of same-sex couples, as long as the children will be raised as Catholics. It says that gay people may benefit from revealing their 'tendencies' to friends, family and their priest, but should not make 'general public announcements' about it in the parish." The Washington Post (10/29, A9, 748K) reports, "An early draft of the guidelines welcomes celibate gay men and lesbians to take part in parish life while asserting the church's 'right to deny roles of service to those whose behavior violates her teaching.'"

Same-Sex Marriage Debate Mimics Earlier Arguments Over Interracial Marriage. The New York Times (10/29, Liptak, 1.21M) reports, "People on both sides of the same-sex marriage issue say there are important lessons from the earlier debate over laws banning interracial marriages." Maggie Gallagher, the president of the Institute for Marriage and Public Policy, "said the contrast between the political landscape when the Supreme Court acted in 1967 and that facing proponents of gay marriage today is stark and telling. 'When the court moved to strike down the interracial marriage laws,' Ms. Gallagher said, 'the democratic process was in the process of getting rid of these laws. What's happening now is exactly the opposite: more and more states are moving to protect marriage.'"

ANTITRUST:

Media Ownership Rules Under Scrutiny. The New York Times (10/29, Siklos) reports, "It is hard to find any public policy question that feels less relevant by the minute than whether one person or company should be permitted to own television stations and newspapers in the same market." The Times continues, "Rules barring cross-ownership went into effect in 1975 but were overturned by the Federal Communications Commission three years ago. But, soon after, an appellate court effectively sent the decision back for another go-round, which is under way. This month in Los Angeles, the commission held a public hearing, the first of a series around the country, to look at newspaper-TV cross-ownership but also to examine other, more pertinent questions — for instance, how many radio or television stations a single owner can have in a single market." The Times adds, "A Supreme Court ruling from 1945 may best sum up why the F.C.C. scrutinizes such affairs: to ensure 'the widest possible dissemination of information from diverse and antagonistic sources.' It's too bad we can't skip months of table-thumping hearings over thousands of pages of studies and filings and just acknowledge that the media landscape is changing quickly. … The reality is that even if media companies could own more TV stations and newspapers in the same city, they might not think that it's such a brilliant idea any more. As the F.C.C.'s chairman, Kevin J. Martin, said recently: 'We need to develop a rule for cross-ownership that reflects current market characteristics, including the struggling nature of today's newspaper industry.'" The Times notes, "The Tribune Company is Exhibit A, of course. Its past success with a triple play of television, newspaper and radio in its hometown of Chicago has not translated into financial brilliance in New York and Los Angeles, where it owns Newsday and The Los Angeles Times, as well as the television stations WPIX and KTLA. Under pressure from its biggest shareholder and a slumping share price, the company has said it is exploring all options, including selling part or all of itself. … In addition to Chicago, there are markets like Atlanta, where the privately held Cox Enterprises owns The Atlanta Journal-Constitution, television, cable and much else. In these places, cross-ownership appears to have served its corporate orchestrators well."

ENVIRONMENT:

Atmospheric Research Center's Management Agreement Up For Bid. The Los Angeles Times (10/29, Riccardi, 918K) reports management of the National Center for Atmospheric Research "is up for grabs. Since 1997, National Science Foundation policy has required that all government research institutions be subject to a competitive bidding process when their contracts come up for renewal. Foundation officials say that a formal request for bids is imminent and that the competition will be open to all organizations -- academic, nonprofit and for-profit."

Southern California Wildfire Continues To Blaze. NBC Nightly News (10/28, story 4, 2:30, Seigenthaler, 9.87M) reported that in southern California, "a major wildfire is burning out of control. The fire is still threatening homes. It is happening about 80 miles east of Los Angeles."

US Seeks Arsonist In California Wildfires. The New York Times/AP (10/29, Press) reports, "Calmer winds on Saturday helped crews fighting a huge wildfire that killed four firefighters and critically injured a fifth, while investigators searched for the arsonist who set the blaze roaring through the canyons of Southern California. … Now in its third day,

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the fire that broke out in uninhabited brushland about 90 miles east of Los Angeles has blackened 39,900 acres, or more than 62 square miles, the authorities said. The fire was 40 percent contained, they added." The AP continues, "A reward for information leading to the arsonist rose to $500,000 on Friday, as $100,000 posted by Riverside County multiplied with matching offers from the state; neighboring San Bernardino County; a Rancho Mirage resident, Tim Blixseth; and the Morongo Band of Mission Indians, which has a casino in nearby Cabazon. … Forecasters predicted winds would ease and temperatures would drop slightly throughout the weekend, which could help as crews work in steep terrain to build fire lines around the blaze." The AP notes, "Investigators were looking into whether the wildfire was related to other blazes in recent months, including a canyon fire last weekend, though a sheriff's spokesman said there was no immediate indication of a serial arsonist. .. .Residents said they saw two young men leaving the area where the fire broke out west of the San Jacinto Mountains."

FBI/DEA/ATF/USMS:

Meth Labs Curbed Under New Rules. The Fort Worth Star-Telegram (10/29, Jarvis, Svokos) reports, "Several times a day, pharmacists throughout North Texas get blasted by sniffling, sneezing allergy and sinus sufferers who hate what they have to go through to get their Sudafed." The Star-Telegram continues, "First, consumers must show a photo ID, and then they must sign their name while someone on the other side of the counter fills in a log. It can take five minutes or more to get any medication that contains pseudoephedrine, the popular decongestant that criminals have used to make methamphetamine. … 'It makes me very, very aggravated and irritated,' said Mandi Elias of Arlington, who shopped recently at the south Arlington SuperTarget. 'It's just so frustrating because I'm used to picking it up at the counter and going.'" The Star-Telegram adds, "Such retail inconvenience is succeeding, however, in making it tough for would-be meth cooks to buy enough decongestant to produce the highly addictive substance that sheriffs nationwide identify as the country's No. 1 drug problem. … New laws limiting how much pseudoephedrine consumers can buy at a time have slashed the numbers of clandestine meth labs, which have blown up in rural areas and residential neighborhoods, law enforcement experts say. … But just as quickly, Mexican drug cartels have stepped in to fill the void. Mexican manufacturers now buy large quantities of decongestant tablets from China, Panama and India to make 'ice,' what some experts say is a purer, more potent form of the drug." The Star-Telegram notes, "The federal Combat Meth Act took effect just last month. Signed by President Bush in March, the law limits pseudoephedrine sales to 3.6 grams per day and 9 grams every 30 days. … It also requires purchasers to provide identification and sign a logbook. Sellers must keep the products behind the counter or under lock and key and must register online with the U.S. Attorney General. .. .Texans have had more than a year to get used to a similar state law."

Marshals Lead Pittsburgh Sweep Of Sex Offenders. The Pittsburgh Post-Gazette (10/29, Ove) reports, "Squads of federal marshals and police rounded up hundreds of sexual predators and gang members in the eastern half of the United States as part of a nationwide manhunt that included 26 arrests in the city of Pittsburgh on Wednesday." The Post-Gazette continues, "Deferring to the U.S. Justice Department, Pittsburgh police said they couldn't discuss the charges or provide any details. … But some of those caught here were sex offenders; others were fugitives with warrants for a variety of other felonies." The Post-Gazette adds, "Attorney General Alberto Gonzalez will announce the national results on Thursday in Washington, D.C., and locally U.S. Attorney Mary Beth Buchanan plans a news conference to detail the arrests in the 25-county Western Pennsylvania district. … The roundup is the second part of a national effort to hunt down sex offenders. The first phase was in April, when the marshals arrested 1,102 fugitives on various sex offense charges in 27 states west of the Mississippi River. … A similar operation last year, which targeted mostly violent repeat offenders, netted 10,340 fugitives across the United States, the largest fugitive apprehension in history. In this region, more than 100 were captured. … This time the marshals and local police concentrated heavily on Megan's Law violators and other sexual predators, including those who have failed to register as sex offenders or are not living at the addresses where their Megan's Law form says they should be."

IMMIGRATION:

Immigrant Activists Claim CIS Erecting Barriers To Citizenship. The Los Angeles Times (10/29, Watanabe, 918K) reports, "Immigrant advocacy groups are decrying an array of proposed federal measures, including application fee increases and online filing requirements, that they fear will sharply reduce the ability of some legal immigrants to become U.S. citizens. As President Bush signed a controversial bill last week authorizing 700 miles of new fencing along the U.S.-Mexico border, immigrant rights groups charge that the U.S. Bureau of Citizenship and Immigration Services is erecting a virtual 'second wall' that would disproportionately hurt Mexican immigrants, who tend

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to be less educated and earn lower incomes than others. Last week, a coalition of more than 230 religious, labor and immigrant rights groups delivered a letter to citizenship bureau Director Emilio Gonzalez, expressing strong concern about application fee increases that could double to $800, a 'digital barrier' of a mandatory online filing system, extensive new paperwork and a revised history and civics test they fear could be more difficult." Some fear the Bush Administration "is seeking to tighten access to citizenship to bar potential new Democratic voters. But US immigration officials flatly deny any partisan motives."

TAX:

NYTimes Blames Bush For Failing To Rework AMT. The New York Times (10/29, 1.21M), in an editorial, writes, "One of President Bush's be-very-afraid lines this campaign season is that Democrats, if elected, will raise taxes. What he doesn't say is that if you are one of tens of millions of Americans who make between $75,000 and $500,000 a year, your taxes are already scheduled to rise starting next year — because of laws that Mr. Bush championed and other actions he failed to take. The higher taxes stem from the alternative minimum tax. … Mr. Bush set the trap in 2001 — and in 2003, 2004 and 2006. In each of those years, he flogged for new tax cuts without requiring corresponding long-term changes in the existing rules for the alternative tax. It was well known that failure to update the alternative tax would create perverse interactions with the new tax cuts, causing filers' tax bills to drop because of the cuts, only to shoot back up again from the alternative levy."

CONGRESS-ADMINISTRATION:

Snow Said To Have Succeeded In Changing Tone Of White House Briefings. In a 5,000 word profile of White House Press Secretary Tony Snow for the New York Times Magazine (10/29), Rolling Stone's Ben Wallace-Wells writes, "For the most part, Snow's two predecessors in the Bush White House tended to look as if they regarded the twice-daily meetings with the press as painful procedures. Still, these are anxious days for the White House, with the president's approval ratings stuck below 40 percent — the sort of number that has a way of emboldening the reporters and making the atmosphere in the press room particularly aggressive. So the Bush White House has turned to Snow…in the hope that he can change the tone and project a confident, prime-time sort of calm. Gone already is the firing squad of the Scott McClellan days, and there is little echo of the testy, you-don't-need-to-know authority of President Bush's first press secretary, Ari Fleischer. Snow's style is basically cheery: Gee, isn't it fun to run the world?"

GAO's Walker Warns Mounting Debt And Entitlements Will Prove Disastrous. The AP (10/28, Crenson) says the GAO's David Walker "sure talks like he's running for office. 'This is about The future of our country, our kids and grandkids,' the comptroller general of the United States warns a packed hall at Austin's historic Driskill Hotel. 'We the people have to rise up to make sure things get changed.' … The accountant-in-chief's professional opinion is that the American public needs to tell Washington it's time to steer the nation off the path to financial ruin." According to the AP, "The vast majority of economists and budget analysts agree: The ship of state is on a disastrous course, and will founder on the reefs of economic disaster if nothing is done to correct it."

Prospects For McConnell-Reid Senate Previewed. The Washington Post (10/29, A4, Babington, 748K) writes that whether Republican Mitch McConnell or Democrat Harry Reid "prevails as the Senate's next majority leader, one thing seems certain: Either one will show more interest in the institution's often obscure traditions" than exiting Majority Leader Bill Frist. But what that means as a practical matter "is less certain. Some congressional scholars say it could mean greater bipartisan accord because McConnell and Reid are consummate deal-makers whose top priority is legislative achievement, whereas Frist's presidential ambitions have shadowed his comments and deeds as majority leader. But both men are also dogged by questions about financial dealings that could provide ammunition for opponents in the next Congress, which is virtually sure to be narrowly divided."

Thune's Role In Providing $2.3 Billion In Loan Guarantees To Railroad Scrutinized. The Los Angeles Times (10/29, Havemann, 918K) reports that when Sen. John Thune "narrowly lost a bid for the Senate in 2002, his career followed a familiar pattern: He became a Washington lobbyist. He soon gained as a client a little-known Midwestern railroad. The Dakota, Minnesota & Eastern Railroad Corp. may have been small, but its ambitions were not. It was seeking more than $2 billion in federal loan guarantees to help finance a major renovation of its entire rail network and an expansion into the coal fields of Wyoming's Powder River Basin." According to the Times, now that Thune "helped attach a provision to last year's huge transportation bill, prospects for DM&E's $2.3 billion in loan guarantees are looking brighter. The federal government now is in a position to approve one of the largest loan guarantees in its history." The transportation bill "did not

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mention DM&E, but by raising the government's loan guarantee authority tenfold, to $35 billion, it made the railroad's request more likely to succeed. Whatever the outcome of the DM&E aid request, the fact that a lawmaker who is a former lobbyist helped it along speaks volumes about how business sometimes gets done in Washington."

Many NIH Research Scientists Consider Leaving Over New Ethics Guidelines. The AP (10/28, Beamish) reports, "Nearly 40% of the scientists conducting hands-on research at the National Institutes of Health say they are looking for other jobs or are considering doing so to escape new ethics rules that have curtailed their opportunity to earn outside income. Most scientists say the ethics crackdown is too severe, and nearly three-quarters of them believe it will hinder the government's ability to attract and keep medical researchers, according to a survey commissioned by the government's premier medical research agency."

NASA Seen As Likely To Approve Hubble Repair Mission. The Washington Post (10/29, A3, Kaufman, 748K) reports that on Tuesday NASA Administrator Michael Griffin will announce whether the Hubble telescope "will be repaired or will be allowed to gradually run out of steam. NASA said Friday that a series of events and briefings will follow the announcement at Goddard Space Flight Center in Greenbelt -- the kind of activity that often accompanies a decision to go ahead with a big mission. But agency officials said that no decision had been reached and that Griffin will study the pros and cons over the weekend."

OTHER NEWS:

Economy Not Winning Midterm Support For Republicans. CNN (10/28, Holmes) reported, "As Republicans fight to keep control of the House and Senate, President Bush touts economic growth as a key reason Americans should support the GOP. But this year, many voters appear to be tuning out that message." CNN (Schneider) continued, "For over 30 years, polls for CNN and 'Time' magazine have been asking people, 'How well are things going in the country today?' In economic bad times, no more than 40% say things are going well. … In good times, 60% or more say things are going well. … What happens when the number who say things are going well falls in the middle? Then you don't get a pocketbook election. The election is about something else. … So where are we in 2006? According to a CNN poll by the Opinion Research Corporation, about half the country says things are going well, while half say things are going badly. Here's the good news. The stock market has reached record highs. Gas prices have dropped. Now here's the bad news. Wages are stagnant. Home values are dropping. Manufacturing jobs are fleeing overseas. The punch line? For most voters, 2006 is not a pocketbook election. It's about something else. More than anything else, war."

In a Washington Post (10/29, B1, 748K) op-ed, Yale University's Jacob Hacker writes, "In the final days of this fall's campaign, Republicans have turned to an unexpected issue: the economy. President Bush touted the nation's prosperity last week, insisting that 'a strong economy is going to help our candidates.' And why not? The Dow is soaring. Unemployment is low. Inflation is tame. Gas prices are falling. And the overall economy has been growing steadily. … There's just one problem: Despite the sunny talk and favorable numbers, voters aren't happy with the economy. Though they've become somewhat more positive in recent weeks, they remain strikingly dissatisfied -- and favor Democrats by wide margins on economic issues." With voters feeling that "their jobs, health care, pensions and family finances" may be at risk, Republican "bragging about the economy may appear not as saviors, but as out of touch."

Economy Dragging On Republicans In Midwest. NBC Nightly News (10/28, story 5, 2:20, Seigenthaler, 9.87M) ran a feature on voters in Ohio, where "it is the economy hurting Republicans who are locked in tight races across the state. The unemployment average is a full point higher than the national average, and according to polls two-thirds of Ohioians think the economy is bad and getting worse. … All of the good economic news the President has talked about during the campaign surging stock market, falling gas prices and low unemployment is not being felt throughout the industrial Midwest."

Armey Says Republicans "Have No One To Blame But Ourselves." In a Washington Post (10/29, B1, 748K) op-ed, former House Majority Leader Dick Armey writes, "Somewhere along the road to a 'permanent majority,' the Republican Revolution of 1994 went off track. For several years, we had confidence in our convictions and trusted that the American people would reward our efforts. And they did. But today, my Republican friends in Congress stand on the precipice of an electoral rout." Republican lawmakers "forgot the party's principles, became enamored with power and position, and began putting politics over policy. Now, the Democrats are reaping the rewards of our neglect -- and we have no one to blame but ourselves."

Kinsley Says "New Yellow Dogs" Putting Party Above Candidates' Merits. In his Washington Post (10/29, B7, 748K) column, Michael Kinsley writes, "In a remarkable editorial on Wednesday, the New York Times endorsed Diane Farrell for Congress from a district in Connecticut. Who is Diane Farrell? I have no idea, and the Times seemed to

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have not a lot." Rep. Christopher Shays "has held the seat for almost 20 years and been endorsed by the Times 'in every race in which he has faced a serious opponent' -- until now." The Times decided to "'strongly endorse' Shays's opponent, entirely because she's a Democrat. Or rather, because she is not a Republican: 'Mr. Shays has been a good congressman, but not good enough to overcome the fact that his re-election would help empower a party that is long overdue for a shakeup.' … People just love to say, 'I evaluate each candidate on his or her own merits' -- even when it's not true. But this year does seem to be different. … These New Yellow Dogs are voting for the Democrat, simply out of anger at or frustration with the Republican Party."

WPost Says Democrats Will Need To Offer Better Proposals If They Take Control. Under the headline "What Democrats Would Do," the Washington Post (10/29, B6, 748K) editorializes that the party's "agenda is a hodgepodge of good ideas, bad ideas and no ideas." It is "heavy on ideas -- raising the minimum wage, letting the government negotiate Medicare drug prices -- that may have more popular appeal than real-world impact. … Other proposals sound good but are bad policy. Screening 100 percent of cargo containers at the point of origin would be expensive, time-consuming and impractical. The vow to 'prevent outsourcing of critical components of our national security infrastructure -- such as ports, airports and mass transit -- to foreign interests that put America at risk' is more Dubai ports demagoguery." Democrats "will need to do better than what they've proposed in 2006 if they are given the chance to govern in 2007."

Chait Says Democrats "Actually Have An Agenda." In his Los Angeles Times (10/29, 918K) column, Jonathan Chait writes that Democrats "actually have an agenda. Republicans aren't saying why the Democratic agenda is wrong, or why their own is better. They're just ignoring it. If you're like most people, you probably have no idea what that agenda is. Let me list it: Put new rules in place to break the link between lobbyists and legislation. Enact all the recommendations made by the 9/11 commission. Raise the federal minimum wage to $7.25 an hour. Cut the interest rate on federally supported student loans in half. Allow the government to negotiate directly with pharmaceutical companies for lower drug prices for Medicare patients. Broaden the types of stem cell research allowed with federal funds. Impose pay-as-you-go budget rules, requiring that new entitlement spending or tax cuts be offset with entitlement spending cuts or tax hikes. Republicans disagree with all these items."

LATimes Decries Racial "Suggestion" In Today's Campaign Ads. The Los Angeles Times (10/29, 918K) editorializes that while campaign ads "clearly pandering to prejudice" are "yesterday's style. Today's is all about suggestion." In Massachusetts, Kerry Healey (R), "in a contest for governor with black Democrat" Deval Patrick "is running a commercial that shows a nervous white woman being stalked. It ends with: 'Deval Patrick, he should be ashamed -- not governor,'" alluding to Patrick's "support for a rapist he believed was not guilty until a DNA test proved him wrong. … Then there is the appalling flier recently put out by Democrats attacking Georgia Gov. George Ervin 'Sonny' Perdue. It shows a photograph of a civil rights marcher being beaten to the ground by a white officer with the caption: 'Remember this? Their last attempt to stop us from voting.' Beneath is a photo of Perdue, the state's white governor, signing a voter identification bill into law, and the words: 'Their current attempt to stop us from voting. Don't let the Bush/Perdue Republican Mafia take away our vote!' Requiring an ID to vote is hardly the equivalent of racial disenfranchisement." The Times says the Republican ad targeting Harold Ford Jr. in Tennessee is "the most masterful of the genre." The Times concludes, "These ads and commercials themselves may not be overtly racist, they just hope you are."

Bush Begins Cross-Country Campaign Swing In Indiana, South Carolina. NBC Nightly News (10/28, lead story, 3:10, Seigenthaler, 9.87M) was the only network to air a newscast last night, and it led by reporting that President Bush "hit the campaign trail today. The President stopped for congressional Republican candidates and took aim at Democrats, saying they don't have a plan to win in Iraq." NBC (Jordan): "Nine days until Election Day and this is the first time voters got a chance to see the President in person for free. He took the opportunity to urge support for Republican candidates and his policy in Iraq. President Bush came out swinging on the campaign trail, stopping for a Republican congressman in a tight reelection bid." Bush: I want you to think about the Democrat plan for success: There isn't one." NBC (Jordan): "In South Carolina at a rally with 5,000 US forces, President Bush said Iraq was central to winning the war on terror." Bush: "If the United States of America were to leave before the job is done, the enemy will follow us here."

Major national newspapers focus on the Indiana event, and report the crowd was energetic and enthusiastic. The Washington Post (10/29, A7, Abramowitz, 748K) reports Bush "plunged into retail politicking for the first time this campaign season" in a visit to Sellersburg, Indiana, in the district of IN9 Rep. Mike Sodrel (R), who faces a tough race against ex-Rep. Baron Hill (D). The Post says Bush told a "raucous crowd of several thousand Republican partisans on Saturday that the Democrats would raise taxes and retreat from Iraq" if they win congressional control. The crowd "interrupted the president repeatedly with loud applause and

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chants of 'USA! USA!'" as Bush cast the elections as a "decisive turning point in the affairs of the country. 'The outcome of this election will determine how much money you have in your pocket,' Bush shouted, his voice seeming to crack at points. 'The outcome of this election will determine whether this government does its most fundamental job, and that is to protect the American people.'" Bush said he "was going to 'sprint to the finish line,' and rallies are planned in the coming week in Georgia, Texas, Nevada and Montana."

The Washington Times (10/29, Curl, 88K) says the President "yelled himself hoarse in his first public political rally of the 2006 election campaign, whipping thousands of supporters into chants of 'USA!' as he criticized Democrats for being weak on national security and anxious to increase taxes." The Times says the "Republican stronghold" will be an "early harbinger of whether Republicans hold control" on Election Day. Indiana's polls, along with Kentucky's, will be the first to close on November 7.

The New York Times (10/29, A24, Rutenberg, 1.21M) runs its story under the headline "A Warm Welcome For Bush The Campaigner, In Indiana," saying the President addressed "wildly cheering supporters," telling them that "Democrats did not want to investigate, prosecute or even detain terrorists and had no plan for Iraq. And, introducing a relatively new line in his election-year stump speech, Mr. Bush criticized the 'activist' New Jersey Supreme Court's ruling" on same-sex partnerships.

The AP (10/28) says Bush is now "campaigning aggressively ahead of the high-stakes" elections, and told the Indiana crowd that Democrats "should not be trusted to control Congress because they have no idea how to win in Iraq. 'I want you to think about the Democrat plan for success. There isn't one,' Bush told thousands of energized Republicans packed into a high school gymnasium. 'They are in agreement on one thing -- they will leave before the job is done, and we will not let them.'"

CNN (10/28, Quijano) reported, "President Bush hit the campaign trail this morning, first stopping off in Indiana. … At his first public campaign rally this election season, President Bush tried to go on the offense, hitting Democrats on the issue analysts say is Republicans' biggest political liability: Iraq." President Bush: "And all the people listening here, I want you to think about the Democrat plan for success: There isn't one." Quijano: "With a little over a week to go until the congressional midterm elections, both the President and first lady Laura Bush tackled domestic politics Saturday, each campaigning in different states." First Lady Laura Bush: "And thanks for coming to support Congressman Tom Reynolds and Congressman Randy Kuhl, both to be re- elected to the United States Congress."

Bush Said To Be Sticking To "Friendly Country." The Los Angeles Times (10/29, Hennessy-Fiske, Gerstenzang, 918K) reports on the event under the headline "Bush Picks His Battles In Friendly Country," also noting the "raucous crowd," the "USA" shouts, and how they stomped their feet and shook "dozens of red, white and blue pompoms." But the rest of the report focuses on how Bush is "playing to his base of conservative Republicans in such strongholds as Sellersburg, Statesboro, Ga., and Sugar Land, Texas. With Republican control of Congress at risk, the president's visits and tone could determine the fate of a handful of close races. Besieged Republican candidates have distanced themselves from the president in recent debates, TV ads and closed fundraisers as his approval rating remained below 40% this month. It has become increasingly difficult for the party to take advantage of the office of the president, GOP strategists say. Democrats in Maryland, Missouri and Pennsylvania have launched ads that remind voters of their opponents' support for Bush."

President Highlights Stark Differences Between Parties. Also in the Los Angeles Times (10/29, 918K), Ronald Brownstein writes that "Bush and Republicans in many of the nation's key races are presenting divergent, even contradictory, visions of how Washington should operate after next week's election. Around the country, GOP incumbents and challengers alike are running against the relentless partisan conflict that defined the final years of Bill Clinton's presidency and have colored virtually every day of Bush's." While "Republicans almost everywhere are presenting themselves as flexible and independent problem solvers who will reach across party lines to build consensus on difficult issues," Bush is "moving in the opposite direction. As he often does when he's under political pressure, he's accentuating the disagreements between the parties and presenting the differences in the starkest possible terms. He's displayed that instinct most clearly in the highly charged way he has framed the debate over Iraq and the war on terrorism."

The Boston Globe (10/29, Milligan, 425K) says the "increasing unpopularity of the Iraq war is making some voters tire of the defiant demeanor showcased by the majority party in recent years, analysts say -- a special problem for those whose political style most resembles President Bush."

Rove Giving "Virtuoso Performance" As Midterms Enter Endgame. The Los Angeles Times (10/29, Hamburger, Wallsten, 918K) runs a generally positive front-page feature on Karl Rove, saying the "top strategist is in rare form for the midterm endgame." Focusing on a recent trip to bolster "endangered" Rep. Tom Reynolds, the Times says Rove "delivered a fiery speech to 500 party activists, then shook every available hand and posed for snapshots like a rock star. He toured suburbs recently trashed by a snowstorm. He also found time to huddle with local strategists. But the most significant element of Rove's

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effort…may have occurred behind closed doors, when the White House strategist met with a federal disaster relief official contemplating how to respond to the storm. Four days after the meeting, Reynolds announced that President Bush would authorize millions of dollars in federal disaster aid for the area." The Times says that while polls show Democrats "extending their leads in pivotal races across the country," the "man largely responsible for the Republicans' glory days -- and arguably still the most powerful political operative in the United States -- is far from discouraged." Instead, Rove "is giving a virtuoso performance designed to prevent the Democrats from taking control of the House and Senate or, if that is no longer possible, to hold down the size of the Democratic victory to make it easier for the GOP to come back in 2008."

Democrats Race To Catch Up With GOP's GOTV Advantages. The New York Times (10/29, Nagourney, 1.21M) reports on its front page that Democrats "are pushing into high gear this weekend a sharply expanded campaign to get their voters to the polls," confronting a facet of the endgame that traditionally favors Republicans. Party leaders "expressed anxiety" that Republicans would "again out-organize them in the approximately 20 House and 3 Senate races that both sides agree will determine the outcome of the midterm elections." While Democrats "have invested heavily in catching up" with the GOP's "sophisticated get-out-the-vote operation," DNC Chairman Howard Dean said the rival party "continued to have a clear superiority in identifying voters they can persuade to vote for their candidates and then getting them to cast ballots." Dean said, "I think we've closed the gap, but I don't think we are there yet. It's going to take some time. I think we could match them in 2008, if everything goes right, in voter turnout." But other Democratic leaders disputed Dean's view, saying they were "increasingly confident about their party's ability to achieve parity, and perhaps regain its dominance, against the Republican get-out-the-vote machinery."

NRSC's Forti, DCCC's Lapp Have Campaigns' Final Days In Their Hands. The Washington Post (10/29, Vandehei, Cillizza, 748K) runs a front-page feature on the NRSC's Carl Forti and the DCCC's John Lapp, who "run the independent expenditure arms of their parties' campaign committees, the place where many of the negative ads that voters are seeing are financed, produced and strategically placed on television stations across the country. In the final days of the campaign, they will easily outspend the candidates themselves in many of the most competitive House races. They will decide the final images that many voters see in this campaign. Warning for the fainthearted: Most of the ads will be dark and accusatory." Officials in both parties said "one bad call could make or break a House race," and there is "no precise formula for determining the smartest choices."

Broder Says Bush Still Sees Democrats Only As "Opponents." In his Washington Post (10/29, B7, 748K) column, David Broder says Bush is "not yet ready to think of Democrats except as opponents." Broder recalls that it was "the combination of a Democratic president, Bill Clinton, and the Republican Congress elected in 1994 that finally got a grip on budget deficits and produced the only balanced budgets of modern times," and expresses hopes that immigration, tax, and Social Security reform could all advance if there is again a power split.

WPost Poll Shows Democrats Leading Maryland Gubernatorial, Senate Races. On its front page, the Washington Post (10/29, Barnes, Mosk, 748K) reports a new Post poll indicates a "strong Democratic tide in Maryland threatens to swamp" Gov. Robert Ehrlich (R) and hold the state's open US Senate seat. The poll of 1,003 registered voters who said they were "absolutely certain to vote" (+/- 3%), taken October 22-26, shows Baltimore Mayor Martin O'Malley (D) at 55% and Ehrlich at 45% in the gubernatorial race. In the Senate race, MD3 Rep. Ben Cardin (D) is at 54%, Lt. Gov Michael Steele (R) 43%, and third-party candidate Kevin Zeese 1%. The Republican campaigns "disputed the poll, saying it was too different from recent polls that they had seen that showed the races much closer." Ehrlich campaign manager Bo Harmon said, "It is simply unrealistic to think that a governor with approval ratings as high as this, who has provided record education funding and cut crime around the state is losing by 10 points to the mayor of the deadliest city in the country." And Steele spokesman Doug Heye said, "It is a dead heat, and Michael Steele is gaining ground every day."

Steele Crashes State NAACP Convention To Criticize Cardin. The Washington Times (10/29, Miller, 88K) reports Steele "made an unscheduled appearance at the NAACP state convention" in Baltimore Saturday, where he criticized Cardin "for paying only lip service to black voters." Steele said, "I'm tired of listening to leadership that fails to deliver." Cardin told the NAACP that "returning a Democrat to Maryland's Senate seat would help the party take control of the chamber and challenge President Bush's policies."

O'Malley Charges Ehrlich With Use Of "Coded" Racial Language. The Washington Post (10/29, C5, Wagner, 748K) reports O'Malley also addressed the NAACP gathering, where he accused Ehrlich "of using racially 'coded, charged language' when talking about Baltimore's schoolchildren" and accused Ehrlich of "pursuing policies unfriendly to African Americans." Ehrlich, "who entered the room after O'Malley had finished speaking, offered no direct response from the podium, instead listing the African

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Americans he has appointed to key positions and the programs he has supported. Afterward, he called the mayor 'uniformly negative.'"

Third-Party Senate Hopeful Zeese Profiled. The Washington Post (10/29, C6, Wan, 748K) profiles Zeese.

Webb Blasts "Unprincipled, Small-Minded, Power-Hungry" Allen. The Washington Post (10/29, C6, Craig, Shear, 748K) reports Virginia Senate candidate James Webb (D) "delivered his strongest criticism" of Sen. George Allen (R) "of the fall campaign, vigorously defending himself against Allen's charges that he wrote sex-laced passages in his fiction novels. He called on voters to reject what he called the 'smear tactics' of Allen and his campaign," particularly on the Allen camp's release of sexually explicit excerpts of Webb's novels." Webb said, "The fish rots from the head down. Our government should no longer be in the hands of a group of unprincipled, small-minded, power-hungry character assassins."

The Washington Times (10/29, McLaughlin, 88K) reports Webb said Allen "crossed the line when he used salacious excerpts from his wartime novels to question his character and respect for women." Speaking in Annandale, Webb said, "I've lived in the real world, and I reported the real world in my writings. … I have written what I have seen, and that is the duty of a writer -- to help people understand the world around us with all of its beauty and all of its flaws." The Allen campaign's decision to highlight Webb's novels "angered Democrats and disappointed at least one Republican. 'It's so dirty,' Michelle Malkin, a conservative columnist, said on Fox News. 'It looks desperate. It looks pathetic, and it looks so immature. … This is fiction.'"

NYTimes Endorses Lamont In Connecticut Senate Race. The New York Times (10/29, 1.21M) endorses businessman Ned Lamont (D) in the Connecticut Senate race, saying that the "fatal problem" with incumbent Sen. Joseph Lieberman "is not that he was wrong about the invasion" of Iraq, "but that he has not shown any capacity to grow and change." Lieberman "has changed his tone but not his underlying conviction that he has been right all along." He and President Bush "are still on the very same page, encouraging the American people to believe that there is a happy ending for American involvement in Iraq, and that all it takes is the perseverance to keep marching toward the end of the rainbow." Lamont "has run a far less polished campaign than Mr. Lieberman, but the more we see of him, the more impressed we are by his intelligence and his growing sophistication about the issues facing the nation. He is very much in the Connecticut mold of basically moderate, principled politicians, and his willingness to take on Mr. Lieberman when no one else dared to do it showed real courage and conviction. He would make a good senator. More important, he has the capacity to continually become a better one."

Campaign Is Most Expensive In Connecticut History. The New York Times (10/29, A30, Medina, 1.21M) writes that while Lieberman "may have lost the Democratic primary to a novice politician, his bid in the general election has come with all the financial advantages of a major party candidate and an 18-year incumbent." Lieberman's "financial prowess" has prompted Lamont "to dig deeper into his pockets, putting $12.7 million into the campaign so far." The race "has quickly become the most expensive in the state's history, with Mr. Lieberman spending $11.5 million and Mr. Lamont spending $8.6 million through the end of September. And there is no sign of slowing down."

Bloomberg Plays Big Role In Lieberman Reelection Effort. The AP (10/28) writes that if Lieberman wins, "it's a safe bet New York Mayor Michael Bloomberg will be high on his thank-you list. Bloomberg, a Republican who shares Lieberman's independent streak, is playing a prominent role helping to raise money" for Lieberman, and "has also dispatched several campaign operatives to Connecticut to help Lieberman reach GOP and independent voters as the race closes."

Kean Has Two-Point Lead In Rasmussen New Jersey Senate Poll. A Rasmussen Reports poll of 500 likely New Jersey voters (+/- 4.5%), taken October 25, finds state Sen. Tom Kean Jr. (R) at 43% and US Sen. Bob Menendez (D) at 41%.

Bayonne Development Role Shows Two Sides Of Menendez. The New York Times (10/29, Kocieniewski, Rivera, 1.21M) runs a front-page report on the role of Menendez in the construction of a new waterfront development in Bayonne, New Jersey. While Menendez "is not directly involved" in the project, "his influence can be seen throughout it." The project "is being built with the help of nearly $30 million in federal funds that Mr. Menendez secured using his trademark policy expertise and aggressive politicking." It will contain "movie studios and shops, marinas and waterfront parks, and 6,600 homes." But the project "has also produced considerable work for some of his chief political supporters." The project "displays the two contrasting images of Mr. Menendez -- one a fiery advocate who brings home federal aid for his constituents, the other a political empire builder who detractors say pushes too much largess toward his friends."

Corker, Ford Meet In Final Televised Tennessee Senate Debate. The Memphis Commercial Appeal (10/29, Locker, 172K) reports TN9 Rep. Harold Ford Jr. (D) "drove home his message for change"

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while Bob Corker (R) "emphasized his 'Tennessee life' and values in Saturday night's final televised debate" of the Tennessee Senate campaign. Neither candidate "unveiled new themes in their meeting at Vanderbilt University. And some attacks that dominated the previous two debates in Memphis and Chattanooga were absent. But the negative TV attack ads of the past three weeks surfaced at the end of the face-off." Ford said, "I was a little surprised to see the smut and the slime coming into my living room during family time." Corker said he "didn't like the ads and that he asked his national party to remove them. He asked Ford to join him in calling for all ads not put up directly by the two candidates' campaigns to cease. But he said after the debate that the national Democratic Party is spending $2.7 million on ads compared to $813,000 by the national GOP over the last two weeks."

Brooks Says Senate Would Miss Santorum's Antipoverty Efforts. In his New York Times (10/29, 1.21M) column, David Brooks writes, "Every poll suggests that Rick Santorum will lose his race to return to the U.S. Senate. That's probably good news in Pennsylvania's bobo suburbs, where folks regard Santorum as an ideological misfit and a social blight. But it's certainly bad for poor people around the world. For there has been at least one constant in Washington over the past 12 years: almost every time a serious piece of antipoverty legislation surfaces in Congress, Rick Santorum is there playing a leadership role. … The bottom line is this: If serious antipoverty work is going to be done, it's going to emerge from a coalition of liberals and religious conservatives. Without Santorum, that's less likely to happen."

GOP Hopes Of Pickup Fading In TX17. Under the headline "GOP Hopes Fade For Taking District Bush Calls Home," the Washington Times (10/29, Aynesworth, 88K) reports that while Texas Republicans "spent much of this year thinking they had a good chance to defeat" TX17 Rep. Chet Edwards (D). But now, Republican Van Taylor's campaign, "though well-funded, seems bogged down."

Democrats Could Gain Up To Eight GOP-Held Governor's Offices. The Washington Times (10/29, Pfeiffer, 88K) reports Democrats "are quietly poised to win a majority of the nation's gubernatorial offices" on November 7. The "latest polls" show Democrats could pick up currently Republican-held governorships "in eight states: Alaska, Colorado, Maryland, Massachusetts, Minnesota, New York, Nevada and Ohio." DGA Communications Director Bernie Campbell said, "It's a volatile climate out there. A combination of things is working in our favor -- voter confidence in Democrats and building on the past accomplishments of our current governors."

Recently Unknown Palin Poised To Win Alaska Gubernatorial Race. The New York Times (10/29, A25, Yardley, 1.21M) profiles ex-Wasilla, Alaska, mayor Sarah Palin, who, until she "trounced Gov. Frank Murkowski in the Republican primary," was "hardly known" outside Wasilla. But now she has a "sizable lead in most polls" over ex-Gov. Tony Knowles (D). Palin "stands out in a state that has seen few fresh faces in politics. She is untainted by government scandal and unburdened by political debt. She is a conservative Christian who opposes abortion." She is "portraying herself as a needed outside agent of change" at a time when the FBI "is investigating links between Republican leaders in the Legislature and a major player in the oil industry."

Crist Leads Davis By Six Points In Florida Gubernatorial Poll. The St. Petersburg Times (10/28, Smith) reports Florida gubernatorial a poll of 800 voters (+/- 3.5%) for the newspaper by Schroth/Eldon and the Polling Company, taken October 22-25, shows state Attorney General Charlie Crist (R) at 48% and FL11 Rep. Jim Davis (D) at 42%.

Beebe Has Eight-Point Lead In Arkansas Gubernatorial Poll. A Rasmussen Reports poll of 500 likely Arkansas voters (+/- 4.5%), taken October 22, finds state Attorney General Mike Beebe (D) at 49% and Asa Hutchinson (R) at 41%.

Ritter Leads By 12 Points In Colorado Gubernatorial Poll. A Rasmussen Reports poll of 500 likely Colorado voters (+/- 4.5%), taken October 22, finds Denver District Attorney Bill Ritter (D) at 51% and CO7 Rep. Bob Beauprez (R) at 39%.

Patrick Has 24-Point Lead In Massachusetts Gubernatorial Poll. A Rasmussen Reports poll of 500 likely Massachusetts voters (+/- 4.5%), taken October 22, finds former Assistant Attorney General Deval Patrick (D) at 53%, Lt. Gov. Kerry Healey (R) at 29%, and businessman Christy Mihos (I) at 11%.

Gibbons Willing To Take Polygraph Over Assault Allegation. The Los Angeles Times (10/29, 918K) reports NV2 Rep. Jim Gibbons (R), running for governor, "said he'd be willing to take a polygraph to prove he did not assault" Las Vegas cocktail waitress Chrissy Mazzeo. Mazzeo "has said Gibbons pushed her up against a wall at a Las Vegas restaurant Oct. 13 and made a sexual advance while he and a prominent GOP operative were walking her to

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her truck." Gibbons says she "tripped and he caught her, then walked away."

Female Candidates Well-Positioned In Races In Western States. The New York Times Magazine (10/29, Starr) runs a feature on women seeking office in Western states. In WA8, Darcy Burner (D) "appears to have a good shot," and in AZ8, Gabrielle Giffords (D) "is favored to win." Nevada Democratic gubernatorial nominee Dina Titus is "headlining an almost all-female ticket," and NM1, where Rep. Heather Wilson (R) faces state Attorney General Patricia Madrid (D), "will send a woman to Congress no matter which party prevails." The West is said to be "well poised to retain its status as an incubator of female leadership."

More Than One-Third Now Seek Political Information Online. The AP (10/29, Lester) reports, "Increasing numbers of people looking for political news are going online -- with more than a third now saying they check the Internet for such information." An AP-AOL News poll found they are "more likely to be younger, better educated and male than the population in general." While 35% "say they go to the Internet for political updates about campaigns and candidates, that number grows to 43 percent of likely voters -- and they tend to be more liberal than conservative."

Bush's Use Of "Internets" And "The Google" Examined. CNN (10/28, Nguyen) reported, "President Bush is a 21st century president, right? We know that, but like many of his fellow Baby Boomers, he still appears to have a 20th century vocabulary." CNN (Moos) continued, "He can handle a power saw, but when it comes to the power of the Internet…" President Bush: "I hear there's rumors on the Internets." Moos: "Not once, but at least twice, President Bush has inexplicably added an 's.' … And now the leader dubbed 'Googler-in-Chief' by the 'Wall Street Journal' has struck again. During a CNBC interview, the President was asked if he ever Googles." Bush: "Occasionally. One of the things I've used on the Google is I can pull up maps." Moos: "'The Google?' It may be petty, but 'the Google' had techno geeks agog. I wonder on which one of the Internets he uses the Google on."

WPost Supports Review Of Virginia's Mental Health Laws. The Washington Post (10/29, B6, 748K), in an editorial, writes, "Increasing numbers of mentally ill people in Virginia end up on the streets, in court or in jail, instead of in treatment, where they belong. Chief Justice Leroy R. Hassell Sr. of the Virginia Supreme Court has launched a commission to revamp state mental health laws, including the state's outmoded criteria for civil commitment, which provide emergency treatment only when people are an 'imminent danger' to themselves or others. … At a recent hearing, however, Sen. Kenneth W. Stolle (R-Virginia Beach) warned the court not to overstep its role by getting involved in policy." The Post contends, "Justice Hassell should be applauded instead of criticized."

Nuclear-Armed Iran Seen As Grave Danger To US, Israel, Sunnis. In an 8,000-word article for the New York Times Magazine (10/29) titled, "Islam, Terror And The Second Nuclear Age," Noah Feldman, a law professor at New York University and adjunct senior fellow at the Council on Foreign Relations, writes, "A nuclear Iran means, at the very least, a realignment of power dynamics in the Persian Gulf. It could potentially mean much more: a historic shift in the position of the long-subordinated Shiite minority relative to the power and prestige of the Sunni majority, which traditionally dominated the Muslim world. Many Arab Sunnis fear that the moment is ripe for a Shiite rise." Near the end of the article Feldman concludes the US "has strong reason to block its enemy Iran from acquiring nuclear weapons…because the Islamic Republic of Iran as currently constituted is definitionally anti-American. There need not be a direct threat of Iranian first use against either the United States or Israel for this reason to weigh heavily. A nuclear Iran will be a stronger and more effective enemy in pursuing anti-American policies under the banner of Islam. … If and when Iran does have the bomb, its enhanced power and prestige will certainly be lent to policies that it conceives as promoting the Islamic interest."

Journalist Warns Discussions Of Iran And Iraq Sound Similar. In the Los Angeles Times (10/29, 918K), journalist Jon Sawyer comments about the "déjà vu" caused by current discussion of Iran as a threat: "Four weeks ago, Congress enacted and President Bush signed the Iran Freedom Support Act, a resolution very much in the spirit of the 1998 Iraq Liberation Act. ... But if the confrontation over Iran's alleged nuclear weapons program ends in war — initiated by this administration or the next — you can bet this law will be cited as proof that Congress was onboard all along. The congressional action isn't the only sign of déjà vu. Recent months have seen the creation of an 'Iran directorate' at the Pentagon, using some of the same personnel as the Office of Special Plans" that was "accused of massaging raw intelligence on Iraq to make the case for war look far more solid than in fact it was."

Russia Surpasses US In Arms Sales To Developing World. In a front page article, the New York Times (10/29, Shanker, 1.21M) reports that "an annual study by the Congressional Research Service that is considered the most thorough compilation of statistics available in an unclassified form" found that "Russia surpassed the United

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States in 2005 as the leader in weapons deals with the developing world, and its new agreements included selling $700 million in surface-to-air missiles to Iran and eight new aerial refueling tankers to China." Those "sales to improve Iran's air-defense system are particularly troubling to the United States because they would complicate the task of Pentagon planners should the president order airstrikes on Iran's nuclear weapons facilities." Also, those "extensive trade relations" have partly been behind Russian officials' "expressed reluctance to vote for the most stringent economic sanctions" on Tehran. Additionally, "Russia's weapons sales to China…worry Pentagon planners" as "Taiwan remains a potential flash point between Beijing and Washington." Previously, the US "regularly dominated" the "highly competitive global arms bazaar in the developing world" since the fall of the USSR. However, the report finds "France ranked second in arms transfer agreements to developing nations, with $6.3 billion, and the United States was third, with $6.2 billion."

US Considers Deploying Patriot System Near Tokyo. The AP (10/29, Greimel) reports, "Washington unofficially informed the Japanese government it is considering putting Patriot Advanced Capability 3 surface-to-air interceptor missiles around Yokota Air Base in Tokyo's western suburbs and around Yokosuka Naval Base, south of the capital, the Nihon Keizai newspaper reported without saying how it got the information." The Pentagon has "already confirmed that the first batch of equipment for the PAC-3 missiles arrived in Okinawa in southern Japan, where the bulk of U.S. forces in the nation are stationed." The Los Angeles Times (10/29, 918K) carries an abbreviated version of this article.

Domestic Concerns Said To Shape US Foreign Aid. The New York Times (10/29, Dugger, 1.21M) reports on its front page, "Britain, Ireland and Norway have all sought to make aid more cost effective by opening contracts in their programs to fight global poverty to international competition. The United States, meanwhile, continues to restrict bidding on billions of dollars worth of business to companies operating in America" and "American consulting firms that carry out antipoverty programs abroad — dubbed beltway bandits by critics — do work that some advocates say local groups in developing countries could often manage at far less cost." While "those who favor tying aid to domestic interests say that it not only preserves jobs and supports American companies, but helps ensure broad political support for foreign aid, which is not always popular," the "skepticism of foreign aid is frequently rooted in the perception that the money is not well spent." The federal government's condom purchases show "the tradeoffs that characterize foreign aid American-style." Asian produced condoms are cheaper, but Alabama Congressmen have protected their local plant's contract, as "Without the government contract," the company, Alatech, "would go out of business."

Tight Energy Markets Fund, Distort Diplomacy In Favor Of Hostile Nations. The Washington Times (10/29, Sands, 88K) reports, "Exploiting tight global energy markets and soaring gas prices in recent years, leading energy producers around the globe are using their export windfalls to challenge U.S. interests, intimidate U.S. allies and, in some cases, bankroll terrorist and insurgent groups fighting U.S. forces," as "hundreds of billions of dollars swelling the coffers of regimes hostile to the United States." Flynt Leverett, a former top Middle East adviser in the Bush administration, and Pierre Noel, a research fellow with the French Institute of International Relations, say "Major producers such as Venezuela, Russia and Iran have teamed up with emerging energy consumers -- notably China -- in an 'axis of oil' to frustrate U.S. foreign-policy objectives." Secretary of State Condoleezza Rice "conceded earlier this year she underestimated the ways the 'energy question' distorted international relations."

Chirac Said To Be Under "Unrelenting" Attack In France. The New York Times (10/29, A3, Sciolino, 1.21M) reports that French president Jacques Chirac "has been under unrelenting — indeed unprecedented — attack," and it has "crescendoed since Mr. Chirac suffered what has been called a mild cerebral attack a year ago, focusing on his age, his leadership and his legacy." This "disillusionment with Mr. Chirac is not only personal but also a reflection of the dread among the French public that their nation has lost its glory abroad and its way at home." His "1995 campaign promises to 'mend the social fracture' in France and reduce unemployment, among other things, have been unfulfilled," and "As the end of his political career draws near, the fear of him has receded, and the time to settle scores has come." However, "Chirac is not a politician who can go quietly into the night," and he "has refused to announce that he will not run for a third term next spring, saying that he will announce his decision next March." Still, "conventional wisdom is that Mr. Chirac plans to retire but refuses to become a lame duck."

French Youths Set Bus Ablaze, Seriously Burn Woman. The AP (10/28) reports, "A group of marauding teenagers set fire to a bus Saturday in the southern French port city of Marseille, seriously wounding a passenger and leaving three others suffering from smoke inhalation," when "three or four young people burst onto a bus in the southern French city and tossed inside a bottle of flammable liquid before fleeing." One of the passengers, a 26-year-old

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woman, "suffered second- and third-degree burns on her arms, legs and face." Scattered violence resulted in six police officers with minor injuries and 47 arrests. "Bands of youths torched two public buses, and in troubled neighborhoods around the country, youths set fire to a total of 277 vehicles."

Eastern Europe Sees Rise Of Populism, Nationalism. The Washington Times/AP (10/29, Gera) reports, "Political life has fallen into disarray in Eastern Europe, and many are asking what has gone wrong in the 2½ years since these former communist countries joined the European Union." Some "specialists on the region say people are simply exhausted after years of economic sacrifices made to join the EU and NATO. They now lack the clear goals that drove them toward the West" and "discontent is mounting as the instant riches many thought would come from EU membership have failed to materialize." Jiri Pehe, a political analyst and director of New York University in Prague, notes "we see now…a rise of populists and nationalism," but "also stressed that the 'democratic framework is very strong, and it's supported by the outside,' thanks to the region's integration with the West."

Abbas Considering Calling On Jordan PLO Troops Against Hamas. The Washington Times/AP (10/29, Teibel) reports that according to the Palestinian officials, "Palestinian Authority President Mahmoud Abbas hopes to beef up his loyalist forces with Palestine Liberation Organization troops from Jordan… as rival Palestinian factions bolstered their ranks in anticipation of a feared civil war." While "Israel has objected in the past to letting members of the Jordan-based Badr Brigade enter Palestinian areas," the officials say "Israeli officials said they would consider allowing them in" due to the "intensifying" conflict between Fatah "and forces loyal to the militantly anti-Israel Hamas government." However," Israeli authorities were not immediately available for comment yesterday."

Fox Orders Police Into Oaxaca Following Killings. The Washington Post (10/29, A14, Roig-Franzia, 748K) reports that following the shooting death of U.S. journalist Brad Will and two protesters, Mexican "President Vicente Fox on Saturday ordered federal police to seize control of strike-ravaged Oaxaca de Juarez," a move he had resisted "Despite pressure from Oaxaca's tourist industry." As "federal officers have been accused in the past of inciting violence," Mexican presidents usually are "reluctant to use force." This five-month conflict "has pitted the governor of the state of Oaxaca against a coalition of citizen groups and striking teachers demanding his ouster," and "the demonstrations have left the region a shambles and scared away the tourists who are the foundation of the city's economy." While strikers blame "the killings on plainclothes paramilitary members affiliated with Gov. Ulises Ruiz's Institutional Revolutionary Party," the governor's office says it was "members of the Popular Assembly of the People of Oaxaca, or APPO, an umbrella group that includes union members and indigenous groups that have joined the teachers' protest." This "spike in violence also seemed to suggest that there will be a long wait before Oaxaca's stunning colonial streets are once again crawling with camera-toting tourists. After the shootings, the U.S. ambassador in Mexico, Tony Garza, warned Americans to stay away."

The New York Times (10/29, A4, Lacey) adds that federal riot police officers and soldiers are "poised to end an increasingly violent protest," although it is "unclear…whether the federal troops intended to take over Oaxaca by force or to merely put pressure on the protesters to continue the monthslong negotiations to end the impasse." While "the federal government issued a statement ordering the protesters to 'immediately hand over streets, plazas, public buildings and private property' so that officials could 'guarantee public order and adherence to the law, as well as preserve respect for the population's individual guarantees,'" the "blunt" response from Florentino López, spokesman for the APPO was, "We're going to resist the attack." Meanwhile, "the mayor of a nearby town said the five men being detained for possible involvement in Mr. Will's killing were…police officers and local officials."

The AP (10/29, Romero) identities that mayor as Mayor Manuel Martinez Feria of the nearby town of Santa Lucia del Camino, and he identified the men "as two members of Santa Lucia's city council, two of that town's police officers and a former justice of the peace from another town." Additionally, "U.S. Ambassador Tony Garza said in a statement that the shooters may have been Oaxaca police, and the Mexico City newspaper El Universal published photos Saturday identifying some of the men firing at protesters as local officials."

The Los Angeles Times (10/29, Enriquez, Johnson, 918K) adds, "by Saturday evening, there were signs that both the protesters and federal officials might be stepping back from a confrontation." APPO leader Flavio Sosa "indicated that his group would continue to maintain its barricades but would not fight back if the federal forces attempted to dismantle them." Meanwhile, Arturo Chavez Chavez, deputy secretary of state, said "that the federal forces had been sent only to prevent more violence and were not 'contemplating any type of action' on Saturday or today."

Castro Makes TV Appearance. The AP (10/28) reports, "The ailing Fidel Castro appeared on Cuban state television for the first time in more than a month Saturday, looking thin and tired but walking and ridiculing recent rumors

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of his death," and saying "they were the work of his enemies." Castro "said his recovery would be long and not without risk," but added, "I'm not the least bit afraid of what will occur." The BBC (10/29) also covers this story on their website.

Contras Divided Over Support For Ortega. The Los Angeles Times (10/29, Tobar, 918K) reports that a "split in the Contras highlights a growing frustration among the rural population that makes up the movement's rank and file, analysts say." Now, "Several Contra leaders who have defected to the Sandinista cause say they feel the movement's right-wing political allies have taken them for granted." Salvador Talavera, president of the Nicaraguan Resistance Party, the conservative political group started by the demobilized Contras, "signed a 'peace agreement' with the Sandinistas by which the Contras promised not to go to war again should their bitterest foe, Daniel Ortega, win the Nov. 5 presidential election." It "was a big boost for Ortega" and "a stunning setback to the presidential aspirations of Eduardo Montealegre of the conservative Nicaraguan Liberal Alliance."

NYTimes Says Nicaragua Took "Giant Step Backward" With Abortion Law. The New York Times (10/29, 1.21M) editorializes, "The rights and safety of Nicaragua's women took a giant step backward last week when the country's legislature passed a law criminalizing all abortions, with no exceptions." The Times says Nicaragua's ban "was a clear bid to curry support from the Catholic Church before next weekend's presidential elections."

Bolivia Signs New Energy Deals With Foreign Corporations. BBC.com (10/29) reports that although some "were signed with only minutes to go before the deadline," Bolivia has made new energy deals with 10 foreign gas and oil firms. "After President Evo Morales nationalised the oil and gas industry in May to give the state more control and a larger slice of profits," he gave them "six months to sign contracts giving up majority control of their Bolivian operations." The "deal with Petrobras - the largest foreign investor in the industry - came as a significant boost for Mr Morales as the Brazilians have invested more than $1bn in Bolivian gas. However, Petrobras and the Brazilian government had been angered by the way the Bolivians conducted negotiations."

Venezuelan Town Faces Mining Ban. The New York Times (10/29, A4, Romero, 1.21M) reports La Paragua, Venezuela, "has become a focus of efforts by President Hugo Chávez to halt much of the mining, citing environmental concerns. In September, army soldiers sent here to enforce a mining ban killed six miners, setting off violent protests." The Times adds, "The government has promised to create jobs for miners in tourism or agriculture, and to teach them to plant crops like cassava or corn. But miners say the promises have not been fulfilled, and last year, hundreds near the town of Las Claritas blocked a highway to Brazil and threw Molotov cocktails at troops."

Polls Show Lula With "Insurmountable" Lead In Brazil's Presidential Runoff Election. The New York Times (10/29, A4, Rohter, 1.21M) reports, "Rebuked at the polls four weeks ago because of voter irritation with a corruption scandal and his unwillingness to answer questions about it, Brazil's president, Luiz Inácio Lula da Silva, heads into a runoff vote on Sunday with a lead that every poll suggests is insurmountable." The "final round of public opinion surveys published Friday shows Mr. da Silva…defeating his opponent, Geraldo Alckmin…by at least 60 percent to 40 percent." He was "able to pull away from Mr. Alckmin over the past several weeks, in part, by labeling him a one-note candidate who spoke more of corruption than of his own plans for Brazil."

The Washington Post (10/29, A14, Reel, 748K) adds, "Bolsa Familia is the cash assistance program that pays more than 11 million low-income families in Brazil about $40 per month in cash if they meet conditions such as ensuring their children regularly attend school and have regular health checkups and vaccinations," and "it has been instrumental in helping President Luiz Inacio Lula da Silva overcome corruption scandals and build a lead of more than 20 points in opinion polls." Poor Brazilians "strongly associate the program with Lula…and surveys indicate that support for Lula among the two-thirds of the population that lives on less than $500 per month is powering his reelection hopes."

The AP (10/29, Astor) notes that "da Silva has revived the populist rhetoric he had largely shed since taking office," and his "Fiery speeches contrasting the lives of Brazil's poor with the wealthy elite have left many Brazilians wondering whether he would push the country to the left." Although "few believe Silva would adopt the radical populism of Venezuela's Hugo Chavez, they worry that he could entrench divisions in Brazil" between the rich and poor.

Kabila, Bemba Compete In Congolese Runoff Election. BBC.com (10/28) reports, "Voting has opened for a new president of the Democratic Republic of Congo, in one of Africa's most significant elections for many years. President Joseph Kabila, who came to power after his father Laurent was assassinated in 2001, is facing former rebel leader Jean-Pierre Bemba. … Sunday's run-off will conclude the DRC's first fully democratic polls since independence in 1960 and is aimed at restoring peace to one of Africa's largest and most turbulent states."

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The Washington Post (10/29, A16, McCrummen, 748K) reports, "There is an exuberant, if fragile, sense in eastern Congo these days that the country is inching toward one of the most significant moments in its post-colonial history. In the culmination of the first multiparty elections in 40 years, tens of millions of people are expected at the polls Sunday for the runoff vote for president and to elect, for the first time, provincial legislators tasked with bringing democracy closer to people who have seen decades of epic corruption and two ruthless wars. The process has been largely peaceful, the result of a massive logistical effort by the United Nations, which has deployed 17,500 peacekeepers; international donors, who have given $450 million; and mainly, the Congolese themselves."

The Los Angeles Times (10/29, Sanders, 918K) reports, "Anxious Congolese returned to the polls this morning to complete the first democratic presidential election in more than 40 years. But fears of renewed violence in this Central African giant largely overshadowed the hope and optimism many had expressed during the first round of voting."

Sudan Denies Accusation Of Bombing Chadian Towns. The AP (10/28) reports, "Chad accused neighboring Sudan on Saturday of bombing four towns along its eastern border, close to Sudan's volatile western Darfur region where thousands have been displaced by three years of conflict." Sudanese army spokesman Brig. Gen. Osman Mohammed al-Aghbash denied the report. The AP adds, "There has been no independent confirmation of the Chadian government's allegations that Sudan's air force attacked the villages of Bahai, Tine, Kayarin and Bamina on Friday."

"Secret Lover" Anti-AIDS Campaign Stirred Controversy In Swaziland. The Washington Post (10/29, A15, Timberg, 748K) reports on a new Swazi anti-AIDS campaign "arrived without warning" with a the message "Your secret lover can kill you," ads that were different from "bland billboards suggesting that more condoms or a positive attitude toward the disease would curb its spread." The new ads disappeared two weeks later "in a frenzy of controversy," but they have "sparked a passionate national debate about how best to combat a disease that, Swazis say, has pushed their country to the brink of collapse. And the ads forced many here to confront how freewheeling sex was fueling an epidemic of early death." The Post writes, "Although polygamy is common -- the king has 13 wives -- even more common, Swazis say, are relationships in which men have only one wife but girlfriends also. Women often maintain several partners as well."

Six-Year-Old Boy Works As Indentured Servant In Africa. The New York Times (10/29, Lafraniere, 1.21M) reports on child labor in Africa, telling the story through the eyes of six-year-old Mark Kwadwo, and says that "no means is the child trafficking trade uniquely African. Children are forced to race camels in the Middle East, weave carpets in India and fill brothels all over the developing world." The UN's International Labor Organization "estimates that 1.2 million are sold into servitude every year in an illicit trade that generates as much as $10 billion annually. Studies show they are most vulnerable in Asia, Latin America and Africa. Africa's children, the world's poorest, account for roughly one-sixth of the trade, according to the labor organization. Data is notoriously scarce, but it suggests victimization of African children on a huge scale."

WPost Condemns Libyan Trial Of Healthcare Workers. In an editorial, the Washington Post (10/29, B6, 748K) condemns the Libyan trial of five Bulgarian nurses and a Palesinian doctor who are "are accused of intentionally injecting the AIDS virus into more than 400 Libyan children." The Post describes the charges as "an attempt to deflect Libyans' attention from the shocking state of their own medical system." The Post concludes, "If Libya nonetheless goes ahead with this travesty of justice, it will be saying that it prefers to scapegoat foreigners rather than admit to the weakness of its own medical system. The first victims will be the health workers. But they will be followed by the Libyans themselves, who need a government with the honesty to confront the true causes of HIV infections."

Kristof Calls On World Leaders To Intervene In Darfur. In an op-ed in the New York Times (10/29, 1.21M) Nicholas Kristof writes, "This past week alone, Sudan expelled the U.N. envoy for Sudan and sent a proxy army to invade eastern Chad. Those moves underscored both the audacity of Sudan's leaders and the fecklessness of the rest of the world's," but Kristoff says, "[T]here's plenty we can do." He proposes several steps, including, "Kofi Annan should appoint a new U.N. Envoy of utmost prominence. … The envoy's job would be to lead an intensive negotiation aimed at achieving a political settlement." Also, "President Bush and European leaders need to use their leverage on four nations in particular to make them part of the solution: China, Saudi Arabia, Egypt and Libya."

THE BIG PICTURE

Headlines From Today's Front Pages.

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Los Angeles Times:
"Bush's Family Profits from 'No Child' Act."
"Alaska Villagers Living in Bird Flu's Flight Path."
"The Selfless and the Dead."
"Transplant Monitor Lax in Oversight."

New York Times:
"Living With Love, Chaos and Haley."
"S.E.C. Inquiry on Hedge Fund Draws Scrutiny."
"U.S. to Hand Iraq a New Timetable on Security Role."
"With Guarded Cheer, Democrats Dare to Believe this is Their Time."
"On Baghdad Streets, a Police Partnership Falters."
"That Squish Behind the Jet Seat May Be an Open Ketchup Pack."

Washington Post:
"In a Land Without Order, Punishment is Power."
"How Foley Skirted Rules to Pursue Relationships."
"Democrats Strengthen Chances for Senate."
"'Click Fraud' Threatens Foundation of Web Ads."
"Gunshot Sensors are Giving D.C. Police Jump on Suspects."

Washington Times:
"Bush Sticks to Mission: U.S. Victory."
"Retail Goliath Casts Shadow."
"GOP Seeks to get back on Message."
"Ehrlich Woos Anti-O'Malley Democrats."
"P.S. I Don't Love You."

Detroit Free Press:
"For the Birds- Mitch Albom: Victory Not in the Cards."

Atlanta Journal-Constitution:
"World's Largest Cocktail Feud."
"Candidates' Mouthpieces have Teeth."
"Stem Cell Impasse Isakson Believes he has a Solution."
"A Tale of Remorse and Reconciliation in Americus."
"Was Jesus Rich?"

Dallas Morning News:
"U.S. Shifts Gears on Iraq."
"A Life Rebuilt."
"Diocese Say No, for Now, to Episcopal Split."
"Perry, Strayhorn Hunt for Voting Mother Lode."

Houston Chronicle:
"It's Perry's to Lose, But Turnout is Key."
"The New Face of Appalachia."
""Panama Vote Today Affects Port Here."
"Skilling's Case Stands Apart in Corporate Crime."

Story Lineup From Last Night's Network News:
ABC: Preempted By Football
CBS: Preempted By Football
NBC: Bush On The Campaign Trail; Violence In Iraq; Slight Calm In Iraqi Life; California Wildfires; Midterm Election Issues; Dirty Bipartisan Tricks; A High School Changing Statistics; Cardinals Are Champs; Single Women Opt To Adopt Internationally.

WASHINGTON'S SCHEDULE

Today's Events In Washington.
White House:

PRESIDENT BUSH — 12:45 p.m. Indian Victory 2006 rally, Silver Creek High School, Silver Creek, Ind. 5:15 p.m. Greets troops, Charleston, S.C. 7:05 p.m. Attends Republican National Committee Dinner, The Sanctuary at Kiawah Island, Kiawah Island, S.C. Closed Press.

VICE PRESIDENT CHENEY -- No public schedule.

US Senate: No scheduled events.

US House: No scheduled events.

Other: US-AFGHAN BUSINESS _ Afghan-American Chamber of Commerce and Afghanistan International Chamber of Commerce hold annual U.S.-Afghan Business Matchmaking Conference 2006. Location: Four Seasons Hotel, 2800 Pennsylvania Ave. NW. Contacts: Chamber office, 703-442-5005

MARINE CORPS MARATHON _ The 31st Marine Corps Marathon will be run, starting at the U.S. Marine Corps (Iwo Jima) Memorial in Arlington, Va. Location: As noted. Contacts: Beth Kline, 703-432-1165

SCIENCE EDUCATION _ The National Science Resources Center of the Smithsonian Institution and the National Academies National Science Resources Center host a national symposium on science education, "Changing the Course of Science Education: A Symposium for Key Stakeholders in America's Future." Highlights: Opening reception. Note: This event at the Doubletree Hotel, 1515 Rhode Island Ave. NW. Location: Keck Center of the National Academies, 500 Fifth St. NW. Contacts: Barbara Thomas, 202-633-2978

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Rasmussen Poll Shows Increase In Confidence On War On Terror. A national Rasmussen Report survey of 1,000 adults (+/- 3%) taken October 25-26 shows a "slight rebound in confidence among the American public" on the war on terror. Right now, 38% say the US and its allies "are winning the war while 29% say terrorists have the edge." Earlier in October, the "public assessment was much more bleak. Just 31% thought the U.S. and its allies were winning while 36% gave terrorists the advantage." But President Bush's handling of Iraq continues to receive low scores, with 50% calling it "poor," and 30% "excellent" or "good."

SouthCom Head Says Guantanamo Bay Meets Geneva Standards. McClatchy (10/29, Rosenberg) reports, "Just days into the job, the Pentagon's new Southern Command chief made an overnight weekend visit to the U.S. Navy base at Guantanamo Bay - and declared captive conditions compatible with the Geneva Conventions." Admiral James Stavridis, speaking to the McClatchy-owned Miami Herald, called detainees "a hearty bunch" and assessed interrogations as "amicable conversations between two people." He found the 14 "high-value detainees" to be in "very good shape." About 15 sites carried this story.

HOMELAND RESPONSE:

TSA's "Observational Techniques" Passenger Screening Program Defended. In an op-ed for the Washington Post (10/29, B3, 748K) Paul Ekman, professor emeritus of psychology at the University of California at San Francisco and pro bono adviser to the Transportation Security Administration's SPOT program, writes, "Critics of the controversial new security program…known as SPOT, for Screening Passengers by Observational Techniques -- have said that it is an unnecessary invasion of privacy, based on an untested method of observation, that is unlikely to yield much in the way of red-handed terrorists set on blowing up a plane or flying it into a building, but would violate fliers' civil rights. I disagree. I've participated in four decades' worth of research into deception and demeanor, and I know that researchers have amassed enough knowledge about how someone who is lying looks and behaves that it would be negligent not to use it in the search for terrorists. Along with luggage checks, radar screening, bomb-sniffing dogs and the rest of our security arsenal, observational techniques can help reduce risks -- and potentially prevent another deadly assault like the attacks of Sept. 11, 2001."

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WAR NEWS:

Bush, Maliki Smooth Over Differences Via Videoconference. Coverage of President Bush's videoconference with Iraqi PM Nouri al-Maliki highlighted the discord over the past week and the inability or unwillingness of Baghdad to curb militia violence. NBC Nightly News (10/28, lead story, 0:40, Jordan, 9.87M) reported the videoconference took place "after a week of growing tension over how Baghdad is coping with the violence. Aides said he is in charge of making Iraq secure and the U.S. is there to help, not run the show. Americans are deeply uneasy about the war. Twenty-nine percent say the US is making progress in efforts to make Iraq more secure, while 60% say the U.S. is losing ground."

The New York Times (10/29, A1, Tavernise, 1.21M) reports Bush "stepped into an increasingly fractious relationship with the Iraqi government in a videoconference with Baghdad on Saturday." An "acrimonious conversation" between Ambassador Zalmay Khalilzad and Maliki appears to represent "a growing schism between the Shiite-led Iraqi government and its American supporters, a division building for months that burst into full public view this week." The pessimistic article observes criticism by both sides of key figures: Khalilzad is blamed by Iraqi leaders for "intense efforts to bring minority Sunni Arabs into Iraqi politics. Shiite leaders say he has worked so hard to involve Sunnis that he has abandoned the Shiites." Meanwhile, Maliki's "early months as prime minister were widely described in Washington as a disappointment."

The Washington Post (10/29, A19, Knickmeyer, 748K) reports Bush "coaxed" Maliki "back into a common front with the U.S. administration Saturday, soothing the Iraqi leader." The Post calls the past week evidence of "an embarrassing rift" and notes pessimistically that the proposed commission "for speeding up the training of Iraq's security forces, moving ahead on efforts to put Iraq in control of those forces, and making the Iraqi government responsible for the country's security" follows another commission that was unable to prevent the "explosion" of sectarian warfare.

The Los Angeles Times (10/29, Daragahi, 918K) reports Bush "upheld Washington's commitment to his Shiite-dominated government despite its failure to rein in the Shiite militias, which form a nucleus of Maliki's political base." However, the Times also reports in a more optimistic light, "Maliki and U.S. officials have pressured anti-American Shiite cleric Muqtada Sadr to crack down on a powerful and volatile militia nominally under his control. On Saturday, several members of his organization said that Sadr had designated a committee of loyalists to investigate and purge his organization of the most egregious troublemakers."

The AP (10/28) reports Bush "reaffirmed his support for Iraq's prime minister, telling Nouri al Maliki that he isn't 'America's man in Iraq' but a sovereign leader whom the U.S. is aiding."

CNN.com (10/28) reports Maliki "referred to the boundary between himself and the United States, telling U.S. President Bush that he answers first to the Iraqi government and people, according to an Iraqi official." The AP (10/28) reports Bush "reaffirmed his support" for Maliki, telling him "that he isn't 'America's man in Iraq' but a sovereign leader whom the U.S. is aiding."

Iraqi And US Governments Differ On Timetables. The Washington Post (10/29, Pincus, 748K) reports, "Recent discussion about Iraq has focused on the U.S. and Iraqi governments setting benchmarks for improving stability so the United States can eventually draw down troops, but public statements have made it difficult to determine who has agreed to what. The situation seemed to change over the course of the week, until finally it appeared that little had really happened." The Post lists statements by Khalilzad, Maliki, Bush, Defense Secretary Donald Rumsfeld, and White House spokesman Tony Snow that resulted in the "videoconference to smooth out the differences that had bubbled up during the week."

Aide Says Iraqi PM Uses US Voters' Angst. The AP (10/29, Hurst, Abdul-Zahra) reports Maliki said Bush "promised to move swiftly to turn over full control of the Iraqi army to the Baghdad government." A close Maliki aide "said later the prime minister was intentionally playing on U.S. voter displeasure with the war to strengthen his hand with Washington." Hassan al-Suneid declared that "issues needed airing at a higher level" than with Khalilzad, adding that Maliki "complained to Bush that Khalilzad, an Afghan-born Sunni Muslim, was treating the Shiite al-Maliki imperiously."

The Washington Times (10/29, 88K) also reports on the discord, leading, "A festering grievance between Iraqi Prime Minister Nouri al-Maliki and the United States escalated yesterday with Mr. al-Maliki telling President Bush that America's ambassador in Baghdad acts like a viceroy instead of a diplomat."

October May Be Remembered As War's "Tipping Point." The Washington Post (10/29, Ricks, Baker, 748K) says in a bleak front page story that this month "may be remembered as the month that the U.S. experience in Iraq hit a tipping point, when the violence flared and shook both the military command in Iraq and the political establishment back in Washington. Plans to stabilize Baghdad collided with a surge in violence during the holy month of Ramadan. Sectarian revenge killings spread, consuming a town 50 miles from the capital." US officials

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"spoke of setting benchmarks for the Iraqi government to take on more responsibility, only to have the Iraqi prime minister call that suggestion election-year grandstanding." President Bush "compared the situation to the 1968 Tet Offensive -- often seen as a turning point in the Vietnam War -- and urged Americans not to become disillusioned.

NBC Nightly News (10/28, story 2, 03:16, Seigenthaler, 9.87M) reported a rocket attack at a Baghdad market Saturday "killed a person and injured 35 others. The Pentagon said one US Marine was killed in a separate incident bringing the number of troops killed this month to 98."

Iraqis, Americans Live In Two Worlds In Iraq. The New York Times (10/29, Tavernise, 1.21M) reports, "Part of the problem is that the Americans cannot see for themselves how bad things get when they are not around. ... When Americans move through Iraq, they do so like a giant ship cutting through a thick and treacherous sea. They move slowly, displacing the harsh reality on both sides, carving out a trough of safety around them. But after they pass, reality closes back in, in all its sucking, swirling fury. That reality is terrifying because much of Iraq is a place without rules or laws, in which armed gangs, sometimes dressed as police officers, can come into any house and do exactly as they please."

Troops Work In Villages To Sway Iraqis. The Washington Post (10/29, White, 748K) reports in a relatively cheerful article on troops serving in Mustafar, Iraq, "It is in small villages like these that U.S. soldiers say they are making their biggest strides but also face their biggest challenges. Commanders in Iraq say they can win any battle against armed insurgents and conduct any military operation successfully, but persuading Iraqis to believe in Iraq could end up being the most difficult battle in this war. There are places in Iraq where U.S. troops are greeted with suspicion. And there are others where they confront grave danger. ... But in some of the small towns that ring the southern edge of Baghdad, the situation is quite different. For many residents, the daily dose of roadside bombs and gunshots that plague the capital is glimpsed only on television. Here, U.S. forces work to provide more electricity, to ensure water supplies are clean and to fix roads. The locals appear to appreciate it, but they also appear to genuinely fear what could happen if U.S. forces leave."

Baghdad Enjoys Respite From Violence. NBC Nightly News (10/28, story 3, 03:42, Arraf, 9.87M) reported, "In a city where life is a game of chance, a Saturday afternoon escape is playing bingo. This man has just won a mobile phone. He has come here with a group of relatives. It's felt more secure in the past few days he said." Iraqi man: "We haven't heard a lot of explosions in the last two or three days." NBC (Arraf): "Officials and ordinary Iraqis are hoping desperately the relative quiet in Baghdad is not just a temporary lull."

"Little Things" Fade From Iraqi Life. The New York Times (10/29, A6, Tavernise, 1.21M) reports on a discussion among four Iraqi women of life amidst Iraq's dangers: "Their stories began with a familiar theme: the shrinking lives of middle-class families in the capital. Social clubs have emptied out. Weddings have been sparsely attended. But as the circle has become smaller, and as they focus intensely on just staying alive, they said, even the basics are being stripped away. ... Life was also hard under Saddam Hussein, the women pointed out. Plans were equally impossible to build. But the basic fabric of life, visiting family, attending weddings and funerals, was for the most part intact. Now Iraqis are letting go even of those parts."

Returning WPost Correspondent Dismayed By Baghdad's Changes. In the Washington Post (10/29, B1, 748K) Outlook section, Post reporter Anthony Shadid returns to Baghdad after "nearly a year" of absence and reports, "On my return, it was difficult to grasp how atomized and violent the 1,250-year-old city has become. Even on the worst days, I had always found Baghdad's most redeeming quality to be its resilience, a tenacious refusal among people I met over three years to surrender to the chaos unleashed when the Americans arrived. That resilience is gone, overwhelmed by civil war, anarchy or whatever term could possibly fit. Baghdad now is convulsed by hatred, paralyzed by suspicion; fear has forced many to leave. Carnage its rhythm and despair its mantra, the capital, it seems, no longer embraces life."

Iraq Claims To Have Captured Zarqawi's Cameraman. The AP (10/28) reports, "Iraq's Defense Ministry said Saturday that the Iraqi army captured a man thought to be the personal cameraman for Abu Musab al-Zarqawi, the slain leader of al-Qaida in Iraq, the country's most feared terrorist group." Reportedly, "Khalid al-Hayani was detained in Diyala province, northeast of Baghdad."

IED-Defusing Specialists' Challenges Profiled. The 5,000-word cover article for the Washington Post Sunday Magazine (10/29) describes the work of soldiers trying to defuse IEDs, "the explosive booby traps that kill more Americans than any other weapon." Writer Whitney Terrell rides along in a minesweeping truck, and says "25,000 improvised explosive devices…have been aimed at American troops since the war in Iraq began, severing limbs and crushing the skulls of U.S. soldiers and journalists alike." Lt. Nate Rawlings' troops – "with whom I am embedded -- are the leading edge of a $6.1 billion Pentagon effort to win the war against roadside bombings in Iraq."

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Hoagland Recommends Shultz As Iraq "Policy Czar." In his Washington Post (10/29, 748K) column, Jim Hoagland writes, "There seems to be almost no learning curve in Washington's dealing with Iraq's societal and religious cleavages and prickly nationalistic politicians ... This midterm election is a moment of accountability, as Bush acknowledged at the news conference where he sought to fend off intimations of disillusionment. It is the time for voters and citizens to examine recent and past mistakes and omissions of U.S. policy in Iraq and then vote accordingly. ... [Bush] should give a senior Republican wise person complete powers to steer a new course, guided by the recommendations of the Baker-Hamilton study group and others. George Shultz, Ronald Reagan's secretary of state (and, like Jim Baker, an ex-Marine), is the outstanding candidate for a salvage mission on Iraq."

Iraq Foundation Director Argues Against Partition. In the Washington Post (10/29, 748K), Iraq Foundation executive director Rend al-Rahim writes, "An increasing number of lawmakers in Congress are considering Iraq's partition into Kurdish, Sunni and Shiite regions under the umbrella of a loose confederation. But partition is neither desirable nor feasible. Neat partition lines are impossible because few regions in Iraq are ethnically or confessionally homogeneous. ... A plan to partition Iraq would plunge the country into total civil war far more widespread and bloody than the sectarian and factional violence we are witnessing now."

Rich Predicts Changes Inevitable In Iraq Policy. In the New York Times (10/29, 1.21M), columnist Frank Rich writes after watching a joint appearance by Ambassador Khalilzad and General George Casey, "If there really is light at the end of the tunnel, why after three and a half years can't we yet guarantee light in Baghdad?" Rich continues, "In keeping with the political cynicism that gave birth to this war and has recklessly prolonged it, the only ones being kept in the dark about this inevitable denouement are our fighting men and women. They remain trapped, dying in accelerating numbers ... Mr. Maliki is not cracking down on rampaging militias but running interference for their kingpin, Moktada al-Sadr." Rich predicts, "After Election Day, adults in Washington will step in, bow to the obvious and pull the plug. The current administration strategy -- praying for a miracle -- is not an option. The current panacea favored by anxious Republican Congressional candidates -- firing Donald Rumsfeld -- is too little, too late."

NATO Troops Battle Afghan Insurgents. The AP (10/28, Abrashi) reports that in Uruzgan province, "NATO and Afghan troops battled a large group of insurgents who attacked a military base in southern Afghanistan Saturday, killing 55 suspected militants, the alliance said. A roadside blast killed one NATO soldier and wounded eight others." A later version of the AP article gives the insurgent death toll as "at least 70." BBC.com (10/29) carries a similar report.

NATO Commander Vows Probe Of Civilian Deaths. CNN.com (10/29) reports NATO Supreme Allied Commander Gen. James Jones promised Afghan President Hamid Karzai that a "full investigation of an incident involving the unintended death of around 70 Afghan civilians would be launched." The AP (10/29, Abrashi) reports Jones "apologized Saturday for civilian deaths caused by fighting between Taliban militants and NATO forces earlier in the week, but said insurgents endanger civilians by hiding among them."

NYTimes Continues Study Of Coalition Pursuit Of Taliban. In the New York Times Magazine (10/29), writer Elizabeth Rubin concludes her two-part story with an article on coalition forces' pursuit of the Taliban that tops 5,000 words. She says the "final draft of the U.S. military's latest counterinsurgency manual, written under the direction of Lt. Gen. David Petraeus and Lt. Gen. James Mattis, emphasizes that if you skimp on resources, endurance and meeting the population's security requirements, you lose. Yet for the past five years, the Pashtun provinces have been plagued by a lack of troops and resources. James Dobbins, President George W. Bush's former special envoy to Afghanistan, blames the White House, which he said had a predisposition against nation-building and international peacekeeping. ... 'In manpower and money,' he added, 'this was the least resourced American nation-building effort in our history.'"

Army Could Be Stretched Too Thin. The Houston Chronicle (10/29, Hedges, 535K) reports from Fort Hood, "The quick pace of comings and goings is evidence of an Army strained to the breaking point, with little in reserve if the United States is forced to respond to a new crisis, according to military analysts." Retired Maj. Gen. Barry McCaffrey asks, "What happens if we have to confront North Korea or Iran?" While some military leaders "said the Army is adapting to pressure on staffing and other aspects of its operation," the "anecdotal testimony of strain on families is backed by figures compiled by the Pentagon."

Democrats At Crossroads Over "Antiwar" Legacy. In a "Week in Review" piece for the New York Times (10/29, 1.21M) David D. Kirkpatrick writes, "Democrats have spent three decades trying to exorcise the ghost" of George McGovern, but "as they look ahead, Democrats are torn between two visions of their history. Some potential candidates in the 2008 Democratic primary and many liberal

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activists argue that the Republican responsibility for the Iraq war has, in effect, freed the Democrats from Mr. McGovern's legacy. They say the 2006 elections will provide a mandate for a new antiwar argument: that troops can be pulled from Iraq in order to shore up American security elsewhere in the world. Other strategists and political scientists argue that the Iraq war has given the Democrats a different opportunity to lay to rest their McGovernite image, in part by rejecting calls for a quick withdrawal in Iraq."

Boot Says Military Must Adjust To Decentralized Foes. In his column for the Los Angeles Times (10/29, 918K), Max Boot writes about the need throughout history to adjust to technological revolutions. He argues, "We have an insurmountable advantage in high-end military hardware. ... But all that spending produces weapons systems that aren't much good for pacifying Baghdad or Kandahar. ... Our scientific sophistication gives us a reasonable chance of shooting down a nuclear-tipped missile, but a nuclear suitcase smuggled into the U.S. would be much harder to detect. To stop such stealthy threats, we need to get much better at human intelligence, counterinsurgency, information operations and related disciplines. ... It may sound melodramatic, but the future of U.S. power rests on our ability to remake a government still structured for Industrial Age warfare to do battle with decentralized adversaries in the Information Age."

CORPORATE SCANDALS:

Groups Aligned With White House Reportedly Plan Sarbanes-Oxley Rollback. The New York Times (10/29, Labaton, 1.21M) reports on its front page that two "influential industry groups with close ties to administration officials" who are "frustrated" with the Sarbanes-Oxley Act "are drafting proposals to provide broad new protections…from criminal cases," as well as "a stronger shield against civil lawsuits from investors." The Times adds, "To alleviate concerns that the new Congress may not adopt the proposals…many are being tailored so that they could be adopted through rulemaking by the S.E.C. and enforcement policy changes at the Justice Department. The proposals will begin to be laid out in public shortly after Election Day, members of the groups said in recent interviews."

CRIMINAL LAW:

Ehrlich Aide Was Subpoenaed By US Over Slots. The Baltimore Sun (10/29, Green) reports, "Gov. Robert L. Ehrlich Jr. acknowledged yesterday that a top aide received subpoenas from federal prosecutors investigating in 2004 what published reports said was the influence of slot-machine gambling interests in Annapolis, an admission that led to a demand by his Democratic opponent that the administration release full details of the probe." The Sun continues, "The legal requests came from the office of then-U.S. Attorney Thomas M. DiBiagio, who had been recommended for the post by Ehrlich. … The subpoenas were issued to Paul E. Schurick, the governor's communications director and one of the key figures in Ehrlich's attempts to legalize slot machines, and were first reported this month by The Washington Post. Schurick received the requests on June 2 and June 16 in 2004 as part of a probe into gambling, the paper said, adding that the governor's press office - still run by Schurick - would not comment on them." The Sun adds, "Responding to a question from a caller on Stateline with Governor Ehrlich on WBAL radio yesterday, the governor for the first time spoke publicly about the inquiry. … 'Paul cooperated, produced everything that they wanted and nothing came of it,' said Ehrlich, responding to the caller." The Sun notes, "Later in the day, when asked for more details about what his office had provided to investigators, Ehrlich said, 'How would I know?' and added that the line of questioning was prompted by a Democratic Party memo distributed last week. It could not be learned whether federal prosecutors were targeting specific individuals in their investigation."

Katrina's Effect On San Antonio Crime Unclear. The San Antonio Express-News (10/29, Bensman) reports, "Just days after the first of about 30,000 Louisiana hurricane evacuees began arriving in San Antonio, Mayor Phil Hardberger was asked a simple question he laughingly brushed off. What might be the impact of the influx on city crime rates and services?" The Express-News continues, "More than a year later, the issue remains unaddressed, conspicuously so in light of a 55 percent spike in murders the first eight months of this year, increasing violent crime rates in San Antonio, a stretched police force and widespread media reports linking some evacuees in Houston to similar crime trends there. … So: Did the sudden arrival of about 30,000 evacuees, a group equal to Del Rio in population, cause additional crime? The question, loaded with the kind of politically sensitive racial implications that can discomfit some politicians, is much more than academic. Millions of dollars could be at stake." The Express-News adds, "The San Antonio Express-News spent four months trying to determine whether a link exists between evacuees and crime in San Antonio. Among the highlights were an extensive analysis of crime data and interviews with dozens of street-level officers, community leaders, business owners, residents and evacuees throughout the city: … Steeply declining rates of violent crime and property crime during the first eight months of 2005 suddenly reversed after they arrived, although there

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is no proof evacuees caused it. Houston, however, has successfully cited a similar coincidence of suddenly rising crime to argue for more federal money. … Of the 55 percent spike in San Antonio's murders this year, three suspects and two victims were found to be evacuees. Several other cases have suspected links, but dozens of cases could neither be included nor excluded as related to evacuees. Unlike Houston, the San Antonio Police Department homicide unit never has been asked to methodically look for such a connection that could be cited in a request for federal funds."

MS-13 Seen As Growing Threat In Texas. The Dallas Morning News (10/29, Mclemore) reports from Pharr, TX, "Shortly after midnight in late September, a Texas National Guard soldier with night-vision equipment spied four figures slipping through the brush and alerted Border Patrol agents. .. The men were arrested, and one in particular stood out for the extensive tattoos across his face, body and arms. … A fingerprint check showed Santos Chileno-Gomez, a 23-year-old Salvadoran, had been deported for an assault on a Long Island, N.Y., police officer. His lengthy criminal record – and the tattoos – labeled him as a member of Mara Salvatrucha 13, a vicious international street gang that federal authorities call one of the most violent in the U.S." The News adds, "Mr. Chileno-Gomez is among 76 MS-13 members apprehended by the Border Patrol in the Rio Grande Valley during the just-ended fiscal year. That total was up from 62 the previous year, showing the gang's resilience to federal efforts aimed at rooting it out and its determination to travel almost at will through Texas to cliques operating throughout the U.S. … And, some police agencies believe, there is evidence that MS-13 has taken sides in the bloody war among drug cartels that's playing out in Nuevo Laredo. … Officials estimate there are up to 10,000 hard-core members of the gang operating in 33 states, the largest clusters living in Los Angeles, Washington, D.C., and the Mid-Atlantic region. But Texas is one of the fastest-growing states for MS-13, simply by virtue of geography."

Mendendez Attorney's Query To Federal Prosecutors Sparks Kean Salvo. The Newark Star-Ledger (NJ) (10/29, Howlett) reports, "Republican state Sen. Tom Kean Jr. yesterday questioned why Democratic U.S. Sen. Robert Menendez would enlist the services of one the state's top defense lawyers if he isn't under a federal criminal investigation." The Star-Ledger continues, "Menendez has said the lawyer, Joseph Hayden, contacted the U.S. attorney around the time a subpoena was issued for records from a federally funded nonprofit agency that paid more than $300,000 to rent a row house that Menendez owned in Union City." The Star-Ledger adds, "Hayden was doing a 'favor' for the campaign, Menendez spokesman Matt Miller said, not personally representing Menendez. Miller declined to say who in the campaign reached out to Hayden and asked him to make the call, except to say it was not Menendez. … 'We were trying to find out what was going on,' Miller said of tapping Hayden. 'We were just looking to find out in the midst of all these rumors what the facts were.' … Miller declined to say what the campaign gleaned from Hayden's conversation with federal authorities. 'I'm just not going to go there,' he said." The Star-Ledger notes, "Such a scenario makes no sense, Kean said during a press conference in Mountainside yesterday. … 'Every criminal defense attorney knows that you don't reach out to the U.S. Attorney's Office during a pending criminal investigation unless you are representing a subject, target or witness,' he said."

Raymond Discusses New Hampshire GOP Phone-Jamming Operation. NBC Nightly News (10/28, story 6, 2:55, Seigenthaler, 9.87M) reported, "As the election draws near, it turns into the season when dirty tricks can come into play. Neither Republicans nor Democrats can claim the high ground. What is rare is hearing from someone that got caught." NBC (Myers) talked to Allen Raymond, for years a "prominent Republican operative with a reputation for bare-knuckle tactics. … Raymond admits four years ago he went beyond pushing the envelope and crossed the line. He spent three months in prison. Now in a civil suit Democrats are trying to tie his misdeeds to the White House. It happened during a hard-fought battle for the Senate in New Hampshire. Raymond was running a telemarketing firm. He says an old friend from the Republican National Committee came to him with an idea: Use nonstop hang-up calls to tie up Democratic phone lines on Election Day." Raymond: "We were trying to stop them from operating efficiently." NBC (Myers): "On Election Day the plan worked until nervous state Republicans pulled the plug. The Republican candidate won, though there is no evidence that phone jamming made the difference. How common are dirty tricks in Republican and Democratic politics?" Raymond: "Fairly common. Let's be clear on something: The New Hampshire phone jamming was not a dirty trick, it was criminal." NBC (Myers): "He pleaded guilty to conspire to make harassing phone calls," and the RNC "spent an estimated $3 million to defend its high-ranking operative. Others charged, including Raymond, did not get the RNC's support. They think because they paid $3 million to defend this guy they have something to hide." Raymond: "That is a fair assumption to make. They need to answer for that." NBC (Myers): "The RNC and the White House deny authorizing the operation. Raymond is now shunned by his party and, as a felon, unable to vote."

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CIVIL RIGHTS:

New York Officials Pleased By Fire Department Recruiting Efforts. The New York Post (10/29, Gallahue) reports, "The FDNY's million-dollar diversity drive is starting to pay off as the department heads into its final week of recruiting." The Post continues, "Forced to extend its deadline due to lagging numbers, the FDNY's aggressive campaign to bring minorities into the department has managed to boost its pool of applicants by thousands, the Fire Commissioner Nicholas Scoppetta announced yesterday. … 'The results are impressive,' he said. 'We have over 20,000 applicants [who] filed [to take the test] as of yesterday, and 35 percent of those applications are from minorities - and we still have a week to go.' … Applicants have until Nov. 3 to sign up for the test, which is given every four years." The Post notes, "Last year, the city and the FDNY put more than $3 million into the department's Recruitment and Diversity Unit as the Justice Department probed the department for allegedly discriminatory hiring practices. More than 90 percent of the 11,000-member force is white."

The New York Daily News (10/29, Brosh, Singleton) reports, "In May, with the department's hiring practices under investigation by the Justice Department, the FDNY launched a multimillion-dollar ad campaign to lure more minority-group firefighters. In August, it relaxed its hiring requirements - the latest move in an uphill effort to increase the diversity of a department that is 91% white."

Lowell, MA, Seeks Ballot Help In Immigrant Areas. The Boston Globe (10/29, Reid) reports, "In the past in Lowell (MA), voter registration efforts in the city's immigrant communities have fallen short and advocacy groups have charged that voters who speak languages other than English have faced problems at the polls. … During this year's election campaigns, the city and a number of groups have worked to deal with both situations." The Globe continues, "Volunteers from ONE Lowell, an immigrant advocacy group, have spent the past several weeks canvassing neighborhoods throughout the city to register new voters. Translators and bilingual poll workers have been recruited and trained for duty at voting precincts in neighborhoods with the highest population of non-English-speaking residents. Ballot instructions and voting information have been printed in Khmer, Spanish, and Portuguese for distribution on Election Day, Nov. 7." The Globe adds, "Gail Cenik, a manager with the city's Election Commission, said her office has concentrated on education to familiarize people with the voting process. … Cenik's comments reflect efforts by the city to correct many of the problems that have plagued the last two elections in Lowell. In March, the US Department of Justice began an investigation into alleged voting rights violations faced by Cambodian-Americans who tried to vote in elections held last November. … The federal investigation was prompted by complaints from the New York-based Asian American Legal Defense and Education Fund. The advocacy group surveyed the city's polling places in that election and found several problems, including statements that several voters were directed to the wrong polling places and one instance in which a voter's name was misspelled on the voting roll." The Globe notes, "Justice Department spokeswoman Cynthia Magnuson confirmed the ongoing investigation and declined to provide further details."

Panel Investigating Voting System Firm's Takeover By Venezuelan Company. The New York Times (10/29, Golden, 1.21M) reports on its front page that the Committee on Foreign Investment in the United States is investigating the takeover of Sequoia Voting Systems, a "leading American manufacturer of electronic voting systems," by Smartmatic, a "small software company that has been linked to the leftist Venezuelan government of President Hugo Chávez. The inquiry is focusing on the Venezuelan owners" of Smartmatic and is "trying to determine whether the government in Caracas has any control or influence over the firm's operations, government officials and others familiar with the investigation said."

Will Says HAVA Could Muck Up Tallying Of Votes. In his Washington Post (10/29, B7, 748K) column, George Will writes, "The hoariest jest in conservatism's repertoire is that the three least credible assertions in the English language are 'The check is in the mail,' 'Of course I'll respect you as much in the morning' and 'I'm from the government, and I'm here to help you.' Which brings us to the exquisitely named Help America Vote Act. Having fixed Iraq and New Orleans, the federal government's healing touch is now being applied to voting. As a result, days -- perhaps weeks -- might pass after Election Day without the nation's knowing which party controls the House or Senate. If that happens, one reason might be HAVA, that 2002 bit of federal helpfulness. … Democracy is not a mere game. But -- write this on a piece of paper, using a No. 2 pencil -- neither is it an activity from which it is sensible to demand more precision than can reasonably be expected when, on a November Tuesday, 100 million people record billions of political choices."

US Catholic Bishops Release Guidelines On Ministering To Gays. The New York Times (10/29, A18, Goodstein, 1.21M) reports that American Roman Catholic bishops "have drafted new guidelines for ministry to gay people that affirm church teaching against same-sex relationships, marriages and adoptions by gay couples, yet

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encourage parishes to reach out to gay Catholics who feel alienated by their church." The guidelines "recommend baptizing the adopted children of same-sex couples, as long as the children will be raised as Catholics. It says that gay people may benefit from revealing their 'tendencies' to friends, family and their priest, but should not make 'general public announcements' about it in the parish." The Washington Post (10/29, A9, 748K) reports, "An early draft of the guidelines welcomes celibate gay men and lesbians to take part in parish life while asserting the church's 'right to deny roles of service to those whose behavior violates her teaching.'"

Same-Sex Marriage Debate Mimics Earlier Arguments Over Interracial Marriage. The New York Times (10/29, Liptak, 1.21M) reports, "People on both sides of the same-sex marriage issue say there are important lessons from the earlier debate over laws banning interracial marriages." Maggie Gallagher, the president of the Institute for Marriage and Public Policy, "said the contrast between the political landscape when the Supreme Court acted in 1967 and that facing proponents of gay marriage today is stark and telling. 'When the court moved to strike down the interracial marriage laws,' Ms. Gallagher said, 'the democratic process was in the process of getting rid of these laws. What's happening now is exactly the opposite: more and more states are moving to protect marriage.'"

ANTITRUST:

Media Ownership Rules Under Scrutiny. The New York Times (10/29, Siklos) reports, "It is hard to find any public policy question that feels less relevant by the minute than whether one person or company should be permitted to own television stations and newspapers in the same market." The Times continues, "Rules barring cross-ownership went into effect in 1975 but were overturned by the Federal Communications Commission three years ago. But, soon after, an appellate court effectively sent the decision back for another go-round, which is under way. This month in Los Angeles, the commission held a public hearing, the first of a series around the country, to look at newspaper-TV cross-ownership but also to examine other, more pertinent questions — for instance, how many radio or television stations a single owner can have in a single market." The Times adds, "A Supreme Court ruling from 1945 may best sum up why the F.C.C. scrutinizes such affairs: to ensure 'the widest possible dissemination of information from diverse and antagonistic sources.' It's too bad we can't skip months of table-thumping hearings over thousands of pages of studies and filings and just acknowledge that the media landscape is changing quickly. … The reality is that even if media companies could own more TV stations and newspapers in the same city, they might not think that it's such a brilliant idea any more. As the F.C.C.'s chairman, Kevin J. Martin, said recently: 'We need to develop a rule for cross-ownership that reflects current market characteristics, including the struggling nature of today's newspaper industry.'" The Times notes, "The Tribune Company is Exhibit A, of course. Its past success with a triple play of television, newspaper and radio in its hometown of Chicago has not translated into financial brilliance in New York and Los Angeles, where it owns Newsday and The Los Angeles Times, as well as the television stations WPIX and KTLA. Under pressure from its biggest shareholder and a slumping share price, the company has said it is exploring all options, including selling part or all of itself. … In addition to Chicago, there are markets like Atlanta, where the privately held Cox Enterprises owns The Atlanta Journal-Constitution, television, cable and much else. In these places, cross-ownership appears to have served its corporate orchestrators well."

ENVIRONMENT:

Atmospheric Research Center's Management Agreement Up For Bid. The Los Angeles Times (10/29, Riccardi, 918K) reports management of the National Center for Atmospheric Research "is up for grabs. Since 1997, National Science Foundation policy has required that all government research institutions be subject to a competitive bidding process when their contracts come up for renewal. Foundation officials say that a formal request for bids is imminent and that the competition will be open to all organizations -- academic, nonprofit and for-profit."

Southern California Wildfire Continues To Blaze. NBC Nightly News (10/28, story 4, 2:30, Seigenthaler, 9.87M) reported that in southern California, "a major wildfire is burning out of control. The fire is still threatening homes. It is happening about 80 miles east of Los Angeles."

US Seeks Arsonist In California Wildfires. The New York Times/AP (10/29, Press) reports, "Calmer winds on Saturday helped crews fighting a huge wildfire that killed four firefighters and critically injured a fifth, while investigators searched for the arsonist who set the blaze roaring through the canyons of Southern California. … Now in its third day, the fire that broke out in uninhabited brushland about 90 miles east of Los Angeles has blackened 39,900 acres, or more than 62 square miles, the authorities said. The fire was 40 percent contained, they added." The AP continues, "A reward for information leading to the arsonist rose to $500,000 on Friday, as $100,000 posted by Riverside County multiplied with matching offers from the state; neighboring San Bernardino County; a Rancho Mirage resident, Tim

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Blixseth; and the Morongo Band of Mission Indians, which has a casino in nearby Cabazon. … Forecasters predicted winds would ease and temperatures would drop slightly throughout the weekend, which could help as crews work in steep terrain to build fire lines around the blaze." The AP notes, "Investigators were looking into whether the wildfire was related to other blazes in recent months, including a canyon fire last weekend, though a sheriff's spokesman said there was no immediate indication of a serial arsonist. .. .Residents said they saw two young men leaving the area where the fire broke out west of the San Jacinto Mountains."

FBI/DEA/ATF/USMS:

Meth Labs Curbed Under New Rules. The Fort Worth Star-Telegram (10/29, Jarvis, Svokos) reports, "Several times a day, pharmacists throughout North Texas get blasted by sniffling, sneezing allergy and sinus sufferers who hate what they have to go through to get their Sudafed." The Star-Telegram continues, "First, consumers must show a photo ID, and then they must sign their name while someone on the other side of the counter fills in a log. It can take five minutes or more to get any medication that contains pseudoephedrine, the popular decongestant that criminals have used to make methamphetamine. … 'It makes me very, very aggravated and irritated,' said Mandi Elias of Arlington, who shopped recently at the south Arlington SuperTarget. 'It's just so frustrating because I'm used to picking it up at the counter and going.'" The Star-Telegram adds, "Such retail inconvenience is succeeding, however, in making it tough for would-be meth cooks to buy enough decongestant to produce the highly addictive substance that sheriffs nationwide identify as the country's No. 1 drug problem. … New laws limiting how much pseudoephedrine consumers can buy at a time have slashed the numbers of clandestine meth labs, which have blown up in rural areas and residential neighborhoods, law enforcement experts say. … But just as quickly, Mexican drug cartels have stepped in to fill the void. Mexican manufacturers now buy large quantities of decongestant tablets from China, Panama and India to make 'ice,' what some experts say is a purer, more potent form of the drug." The Star-Telegram notes, "The federal Combat Meth Act took effect just last month. Signed by President Bush in March, the law limits pseudoephedrine sales to 3.6 grams per day and 9 grams every 30 days. … It also requires purchasers to provide identification and sign a logbook. Sellers must keep the products behind the counter or under lock and key and must register online with the U.S. Attorney General. .. .Texans have had more than a year to get used to a similar state law."

Marshals Lead Pittsburgh Sweep Of Sex Offenders. The Pittsburgh Post-Gazette (10/29, Ove) reports, "Squads of federal marshals and police rounded up hundreds of sexual predators and gang members in the eastern half of the United States as part of a nationwide manhunt that included 26 arrests in the city of Pittsburgh on Wednesday." The Post-Gazette continues, "Deferring to the U.S. Justice Department, Pittsburgh police said they couldn't discuss the charges or provide any details. … But some of those caught here were sex offenders; others were fugitives with warrants for a variety of other felonies." The Post-Gazette adds, "Attorney General Alberto Gonzalez will announce the national results on Thursday in Washington, D.C., and locally U.S. Attorney Mary Beth Buchanan plans a news conference to detail the arrests in the 25-county Western Pennsylvania district. … The roundup is the second part of a national effort to hunt down sex offenders. The first phase was in April, when the marshals arrested 1,102 fugitives on various sex offense charges in 27 states west of the Mississippi River. … A similar operation last year, which targeted mostly violent repeat offenders, netted 10,340 fugitives across the United States, the largest fugitive apprehension in history. In this region, more than 100 were captured. … This time the marshals and local police concentrated heavily on Megan's Law violators and other sexual predators, including those who have failed to register as sex offenders or are not living at the addresses where their Megan's Law form says they should be."

IMMIGRATION:

Immigrant Activists Claim CIS Erecting Barriers To Citizenship. The Los Angeles Times (10/29, Watanabe, 918K) reports, "Immigrant advocacy groups are decrying an array of proposed federal measures, including application fee increases and online filing requirements, that they fear will sharply reduce the ability of some legal immigrants to become U.S. citizens. As President Bush signed a controversial bill last week authorizing 700 miles of new fencing along the U.S.-Mexico border, immigrant rights groups charge that the U.S. Bureau of Citizenship and Immigration Services is erecting a virtual 'second wall' that would disproportionately hurt Mexican immigrants, who tend to be less educated and earn lower incomes than others. Last week, a coalition of more than 230 religious, labor and immigrant rights groups delivered a letter to citizenship bureau Director Emilio Gonzalez, expressing strong concern about application fee increases that could double to $800, a 'digital barrier' of a mandatory online filing system, extensive new paperwork and a revised history and civics test they fear could be more difficult." Some fear the Bush Administration

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"is seeking to tighten access to citizenship to bar potential new Democratic voters. But US immigration officials flatly deny any partisan motives."

TAX:

NYTimes Blames Bush For Failing To Rework AMT. The New York Times (10/29, 1.21M), in an editorial, writes, "One of President Bush's be-very-afraid lines this campaign season is that Democrats, if elected, will raise taxes. What he doesn't say is that if you are one of tens of millions of Americans who make between $75,000 and $500,000 a year, your taxes are already scheduled to rise starting next year — because of laws that Mr. Bush championed and other actions he failed to take. The higher taxes stem from the alternative minimum tax. … Mr. Bush set the trap in 2001 — and in 2003, 2004 and 2006. In each of those years, he flogged for new tax cuts without requiring corresponding long-term changes in the existing rules for the alternative tax. It was well known that failure to update the alternative tax would create perverse interactions with the new tax cuts, causing filers' tax bills to drop because of the cuts, only to shoot back up again from the alternative levy."

CONGRESS-ADMINISTRATION:

Snow Said To Have Succeeded In Changing Tone Of White House Briefings. In a 5,000 word profile of White House Press Secretary Tony Snow for the New York Times Magazine (10/29), Rolling Stone's Ben Wallace-Wells writes, "For the most part, Snow's two predecessors in the Bush White House tended to look as if they regarded the twice-daily meetings with the press as painful procedures. Still, these are anxious days for the White House, with the president's approval ratings stuck below 40 percent — the sort of number that has a way of emboldening the reporters and making the atmosphere in the press room particularly aggressive. So the Bush White House has turned to Snow…in the hope that he can change the tone and project a confident, prime-time sort of calm. Gone already is the firing squad of the Scott McClellan days, and there is little echo of the testy, you-don't-need-to-know authority of President Bush's first press secretary, Ari Fleischer. Snow's style is basically cheery: Gee, isn't it fun to run the world?"

GAO's Walker Warns Mounting Debt And Entitlements Will Prove Disastrous. The AP (10/28, Crenson) says the GAO's David Walker "sure talks like he's running for office. 'This is about The future of our country, our kids and grandkids,' the comptroller general of the United States warns a packed hall at Austin's historic Driskill Hotel. 'We the people have to rise up to make sure things get changed.' … The accountant-in-chief's professional opinion is that the American public needs to tell Washington it's time to steer the nation off the path to financial ruin." According to the AP, "The vast majority of economists and budget analysts agree: The ship of state is on a disastrous course, and will founder on the reefs of economic disaster if nothing is done to correct it."

Prospects For McConnell-Reid Senate Previewed. The Washington Post (10/29, A4, Babington, 748K) writes that whether Republican Mitch McConnell or Democrat Harry Reid "prevails as the Senate's next majority leader, one thing seems certain: Either one will show more interest in the institution's often obscure traditions" than exiting Majority Leader Bill Frist. But what that means as a practical matter "is less certain. Some congressional scholars say it could mean greater bipartisan accord because McConnell and Reid are consummate deal-makers whose top priority is legislative achievement, whereas Frist's presidential ambitions have shadowed his comments and deeds as majority leader. But both men are also dogged by questions about financial dealings that could provide ammunition for opponents in the next Congress, which is virtually sure to be narrowly divided."

Thune's Role In Providing $2.3 Billion In Loan Guarantees To Railroad Scrutinized. The Los Angeles Times (10/29, Havemann, 918K) reports that when Sen. John Thune "narrowly lost a bid for the Senate in 2002, his career followed a familiar pattern: He became a Washington lobbyist. He soon gained as a client a little-known Midwestern railroad. The Dakota, Minnesota & Eastern Railroad Corp. may have been small, but its ambitions were not. It was seeking more than $2 billion in federal loan guarantees to help finance a major renovation of its entire rail network and an expansion into the coal fields of Wyoming's Powder River Basin." According to the Times, now that Thune "helped attach a provision to last year's huge transportation bill, prospects for DM&E's $2.3 billion in loan guarantees are looking brighter. The federal government now is in a position to approve one of the largest loan guarantees in its history." The transportation bill "did not mention DM&E, but by raising the government's loan guarantee authority tenfold, to $35 billion, it made the railroad's request more likely to succeed. Whatever the outcome of the DM&E aid request, the fact that a lawmaker who is a former lobbyist helped it along speaks volumes about how business sometimes gets done in Washington."

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Many NIH Research Scientists Consider Leaving Over New Ethics Guidelines. The AP (10/28, Beamish) reports, "Nearly 40% of the scientists conducting hands-on research at the National Institutes of Health say they are looking for other jobs or are considering doing so to escape new ethics rules that have curtailed their opportunity to earn outside income. Most scientists say the ethics crackdown is too severe, and nearly three-quarters of them believe it will hinder the government's ability to attract and keep medical researchers, according to a survey commissioned by the government's premier medical research agency."

NASA Seen As Likely To Approve Hubble Repair Mission. The Washington Post (10/29, A3, Kaufman, 748K) reports that on Tuesday NASA Administrator Michael Griffin will announce whether the Hubble telescope "will be repaired or will be allowed to gradually run out of steam. NASA said Friday that a series of events and briefings will follow the announcement at Goddard Space Flight Center in Greenbelt -- the kind of activity that often accompanies a decision to go ahead with a big mission. But agency officials said that no decision had been reached and that Griffin will study the pros and cons over the weekend."

OTHER NEWS:

Economy Not Winning Midterm Support For Republicans. CNN (10/28, Holmes) reported, "As Republicans fight to keep control of the House and Senate, President Bush touts economic growth as a key reason Americans should support the GOP. But this year, many voters appear to be tuning out that message." CNN (Schneider) continued, "For over 30 years, polls for CNN and 'Time' magazine have been asking people, 'How well are things going in the country today?' In economic bad times, no more than 40% say things are going well. … In good times, 60% or more say things are going well. … What happens when the number who say things are going well falls in the middle? Then you don't get a pocketbook election. The election is about something else. … So where are we in 2006? According to a CNN poll by the Opinion Research Corporation, about half the country says things are going well, while half say things are going badly. Here's the good news. The stock market has reached record highs. Gas prices have dropped. Now here's the bad news. Wages are stagnant. Home values are dropping. Manufacturing jobs are fleeing overseas. The punch line? For most voters, 2006 is not a pocketbook election. It's about something else. More than anything else, war."

In a Washington Post (10/29, B1, 748K) op-ed, Yale University's Jacob Hacker writes, "In the final days of this fall's campaign, Republicans have turned to an unexpected issue: the economy. President Bush touted the nation's prosperity last week, insisting that 'a strong economy is going to help our candidates.' And why not? The Dow is soaring. Unemployment is low. Inflation is tame. Gas prices are falling. And the overall economy has been growing steadily. … There's just one problem: Despite the sunny talk and favorable numbers, voters aren't happy with the economy. Though they've become somewhat more positive in recent weeks, they remain strikingly dissatisfied -- and favor Democrats by wide margins on economic issues." With voters feeling that "their jobs, health care, pensions and family finances" may be at risk, Republican "bragging about the economy may appear not as saviors, but as out of touch."

Economy Dragging On Republicans In Midwest. NBC Nightly News (10/28, story 5, 2:20, Seigenthaler, 9.87M) ran a feature on voters in Ohio, where "it is the economy hurting Republicans who are locked in tight races across the state. The unemployment average is a full point higher than the national average, and according to polls two-thirds of Ohioians think the economy is bad and getting worse. … All of the good economic news the President has talked about during the campaign surging stock market, falling gas prices and low unemployment is not being felt throughout the industrial Midwest."

Armey Says Republicans "Have No One To Blame But Ourselves." In a Washington Post (10/29, B1, 748K) op-ed, former House Majority Leader Dick Armey writes, "Somewhere along the road to a 'permanent majority,' the Republican Revolution of 1994 went off track. For several years, we had confidence in our convictions and trusted that the American people would reward our efforts. And they did. But today, my Republican friends in Congress stand on the precipice of an electoral rout." Republican lawmakers "forgot the party's principles, became enamored with power and position, and began putting politics over policy. Now, the Democrats are reaping the rewards of our neglect -- and we have no one to blame but ourselves."

Kinsley Says "New Yellow Dogs" Putting Party Above Candidates' Merits. In his Washington Post (10/29, B7, 748K) column, Michael Kinsley writes, "In a remarkable editorial on Wednesday, the New York Times endorsed Diane Farrell for Congress from a district in Connecticut. Who is Diane Farrell? I have no idea, and the Times seemed to have not a lot." Rep. Christopher Shays "has held the seat for almost 20 years and been endorsed by the Times 'in every race in which he has faced a serious opponent' -- until now." The Times decided to "'strongly endorse' Shays's opponent, entirely because she's a Democrat. Or rather, because she is not a Republican: 'Mr. Shays has been a good congressman, but not good enough to overcome the

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fact that his re-election would help empower a party that is long overdue for a shakeup.' … People just love to say, 'I evaluate each candidate on his or her own merits' -- even when it's not true. But this year does seem to be different. … These New Yellow Dogs are voting for the Democrat, simply out of anger at or frustration with the Republican Party."

WPost Says Democrats Will Need To Offer Better Proposals If They Take Control. Under the headline "What Democrats Would Do," the Washington Post (10/29, B6, 748K) editorializes that the party's "agenda is a hodgepodge of good ideas, bad ideas and no ideas." It is "heavy on ideas -- raising the minimum wage, letting the government negotiate Medicare drug prices -- that may have more popular appeal than real-world impact. … Other proposals sound good but are bad policy. Screening 100 percent of cargo containers at the point of origin would be expensive, time-consuming and impractical. The vow to 'prevent outsourcing of critical components of our national security infrastructure -- such as ports, airports and mass transit -- to foreign interests that put America at risk' is more Dubai ports demagoguery." Democrats "will need to do better than what they've proposed in 2006 if they are given the chance to govern in 2007."

Chait Says Democrats "Actually Have An Agenda." In his Los Angeles Times (10/29, 918K) column, Jonathan Chait writes that Democrats "actually have an agenda. Republicans aren't saying why the Democratic agenda is wrong, or why their own is better. They're just ignoring it. If you're like most people, you probably have no idea what that agenda is. Let me list it: Put new rules in place to break the link between lobbyists and legislation. Enact all the recommendations made by the 9/11 commission. Raise the federal minimum wage to $7.25 an hour. Cut the interest rate on federally supported student loans in half. Allow the government to negotiate directly with pharmaceutical companies for lower drug prices for Medicare patients. Broaden the types of stem cell research allowed with federal funds. Impose pay-as-you-go budget rules, requiring that new entitlement spending or tax cuts be offset with entitlement spending cuts or tax hikes. Republicans disagree with all these items."

LATimes Decries Racial "Suggestion" In Today's Campaign Ads. The Los Angeles Times (10/29, 918K) editorializes that while campaign ads "clearly pandering to prejudice" are "yesterday's style. Today's is all about suggestion." In Massachusetts, Kerry Healey (R), "in a contest for governor with black Democrat" Deval Patrick "is running a commercial that shows a nervous white woman being stalked. It ends with: 'Deval Patrick, he should be ashamed -- not governor,'" alluding to Patrick's "support for a rapist he believed was not guilty until a DNA test proved him wrong. … Then there is the appalling flier recently put out by Democrats attacking Georgia Gov. George Ervin 'Sonny' Perdue. It shows a photograph of a civil rights marcher being beaten to the ground by a white officer with the caption: 'Remember this? Their last attempt to stop us from voting.' Beneath is a photo of Perdue, the state's white governor, signing a voter identification bill into law, and the words: 'Their current attempt to stop us from voting. Don't let the Bush/Perdue Republican Mafia take away our vote!' Requiring an ID to vote is hardly the equivalent of racial disenfranchisement." The Times says the Republican ad targeting Harold Ford Jr. in Tennessee is "the most masterful of the genre." The Times concludes, "These ads and commercials themselves may not be overtly racist, they just hope you are."

Bush Begins Cross-Country Campaign Swing In Indiana, South Carolina. NBC Nightly News (10/28, lead story, 3:10, Seigenthaler, 9.87M) was the only network to air a newscast last night, and it led by reporting that President Bush "hit the campaign trail today. The President stopped for congressional Republican candidates and took aim at Democrats, saying they don't have a plan to win in Iraq." NBC (Jordan): "Nine days until Election Day and this is the first time voters got a chance to see the President in person for free. He took the opportunity to urge support for Republican candidates and his policy in Iraq. President Bush came out swinging on the campaign trail, stopping for a Republican congressman in a tight reelection bid." Bush: I want you to think about the Democrat plan for success: There isn't one." NBC (Jordan): "In South Carolina at a rally with 5,000 US forces, President Bush said Iraq was central to winning the war on terror." Bush: "If the United States of America were to leave before the job is done, the enemy will follow us here."

Major national newspapers focus on the Indiana event, and report the crowd was energetic and enthusiastic. The Washington Post (10/29, A7, Abramowitz, 748K) reports Bush "plunged into retail politicking for the first time this campaign season" in a visit to Sellersburg, Indiana, in the district of IN9 Rep. Mike Sodrel (R), who faces a tough race against ex-Rep. Baron Hill (D). The Post says Bush told a "raucous crowd of several thousand Republican partisans on Saturday that the Democrats would raise taxes and retreat from Iraq" if they win congressional control. The crowd "interrupted the president repeatedly with loud applause and chants of 'USA! USA!'" as Bush cast the elections as a "decisive turning point in the affairs of the country. 'The outcome of this election will determine how much money you have in your pocket,' Bush shouted, his voice seeming to crack at points. 'The outcome of this election will determine whether this government does its most fundamental job, and that is to protect the American people.'" Bush said he "was

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going to 'sprint to the finish line,' and rallies are planned in the coming week in Georgia, Texas, Nevada and Montana."

The Washington Times (10/29, Curl, 88K) says the President "yelled himself hoarse in his first public political rally of the 2006 election campaign, whipping thousands of supporters into chants of 'USA!' as he criticized Democrats for being weak on national security and anxious to increase taxes." The Times says the "Republican stronghold" will be an "early harbinger of whether Republicans hold control" on Election Day. Indiana's polls, along with Kentucky's, will be the first to close on November 7.

The New York Times (10/29, A24, Rutenberg, 1.21M) runs its story under the headline "A Warm Welcome For Bush The Campaigner, In Indiana," saying the President addressed "wildly cheering supporters," telling them that "Democrats did not want to investigate, prosecute or even detain terrorists and had no plan for Iraq. And, introducing a relatively new line in his election-year stump speech, Mr. Bush criticized the 'activist' New Jersey Supreme Court's ruling" on same-sex partnerships.

The AP (10/28) says Bush is now "campaigning aggressively ahead of the high-stakes" elections, and told the Indiana crowd that Democrats "should not be trusted to control Congress because they have no idea how to win in Iraq. 'I want you to think about the Democrat plan for success. There isn't one,' Bush told thousands of energized Republicans packed into a high school gymnasium. 'They are in agreement on one thing -- they will leave before the job is done, and we will not let them.'"

CNN (10/28, Quijano) reported, "President Bush hit the campaign trail this morning, first stopping off in Indiana. … At his first public campaign rally this election season, President Bush tried to go on the offense, hitting Democrats on the issue analysts say is Republicans' biggest political liability: Iraq." President Bush: "And all the people listening here, I want you to think about the Democrat plan for success: There isn't one." Quijano: "With a little over a week to go until the congressional midterm elections, both the President and first lady Laura Bush tackled domestic politics Saturday, each campaigning in different states." First Lady Laura Bush: "And thanks for coming to support Congressman Tom Reynolds and Congressman Randy Kuhl, both to be re- elected to the United States Congress."

Bush Said To Be Sticking To "Friendly Country." The Los Angeles Times (10/29, Hennessy-Fiske, Gerstenzang, 918K) reports on the event under the headline "Bush Picks His Battles In Friendly Country," also noting the "raucous crowd," the "USA" shouts, and how they stomped their feet and shook "dozens of red, white and blue pompoms." But the rest of the report focuses on how Bush is "playing to his base of conservative Republicans in such strongholds as Sellersburg, Statesboro, Ga., and Sugar Land, Texas. With Republican control of Congress at risk, the president's visits and tone could determine the fate of a handful of close races. Besieged Republican candidates have distanced themselves from the president in recent debates, TV ads and closed fundraisers as his approval rating remained below 40% this month. It has become increasingly difficult for the party to take advantage of the office of the president, GOP strategists say. Democrats in Maryland, Missouri and Pennsylvania have launched ads that remind voters of their opponents' support for Bush."

President Highlights Stark Differences Between Parties. Also in the Los Angeles Times (10/29, 918K), Ronald Brownstein writes that "Bush and Republicans in many of the nation's key races are presenting divergent, even contradictory, visions of how Washington should operate after next week's election. Around the country, GOP incumbents and challengers alike are running against the relentless partisan conflict that defined the final years of Bill Clinton's presidency and have colored virtually every day of Bush's." While "Republicans almost everywhere are presenting themselves as flexible and independent problem solvers who will reach across party lines to build consensus on difficult issues," Bush is "moving in the opposite direction. As he often does when he's under political pressure, he's accentuating the disagreements between the parties and presenting the differences in the starkest possible terms. He's displayed that instinct most clearly in the highly charged way he has framed the debate over Iraq and the war on terrorism."

The Boston Globe (10/29, Milligan, 425K) says the "increasing unpopularity of the Iraq war is making some voters tire of the defiant demeanor showcased by the majority party in recent years, analysts say -- a special problem for those whose political style most resembles President Bush."

Rove Giving "Virtuoso Performance" As Midterms Enter Endgame. The Los Angeles Times (10/29, Hamburger, Wallsten, 918K) runs a generally positive front-page feature on Karl Rove, saying the "top strategist is in rare form for the midterm endgame." Focusing on a recent trip to bolster "endangered" Rep. Tom Reynolds, the Times says Rove "delivered a fiery speech to 500 party activists, then shook every available hand and posed for snapshots like a rock star. He toured suburbs recently trashed by a snowstorm. He also found time to huddle with local strategists. But the most significant element of Rove's effort…may have occurred behind closed doors, when the White House strategist met with a federal disaster relief official contemplating how to respond to the storm. Four days after the meeting, Reynolds announced that President Bush would authorize millions of dollars in federal disaster aid for the area." The Times says that while polls show Democrats "extending their leads in pivotal races across the country," the "man largely responsible for the Republicans' glory days -- and arguably still the most powerful political operative in the

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United States -- is far from discouraged." Instead, Rove "is giving a virtuoso performance designed to prevent the Democrats from taking control of the House and Senate or, if that is no longer possible, to hold down the size of the Democratic victory to make it easier for the GOP to come back in 2008."

Democrats Race To Catch Up With GOP's GOTV Advantages. The New York Times (10/29, Nagourney, 1.21M) reports on its front page that Democrats "are pushing into high gear this weekend a sharply expanded campaign to get their voters to the polls," confronting a facet of the endgame that traditionally favors Republicans. Party leaders "expressed anxiety" that Republicans would "again out-organize them in the approximately 20 House and 3 Senate races that both sides agree will determine the outcome of the midterm elections." While Democrats "have invested heavily in catching up" with the GOP's "sophisticated get-out-the-vote operation," DNC Chairman Howard Dean said the rival party "continued to have a clear superiority in identifying voters they can persuade to vote for their candidates and then getting them to cast ballots." Dean said, "I think we've closed the gap, but I don't think we are there yet. It's going to take some time. I think we could match them in 2008, if everything goes right, in voter turnout." But other Democratic leaders disputed Dean's view, saying they were "increasingly confident about their party's ability to achieve parity, and perhaps regain its dominance, against the Republican get-out-the-vote machinery."

NRSC's Forti, DCCC's Lapp Have Campaigns' Final Days In Their Hands. The Washington Post (10/29, Vandehei, Cillizza, 748K) runs a front-page feature on the NRSC's Carl Forti and the DCCC's John Lapp, who "run the independent expenditure arms of their parties' campaign committees, the place where many of the negative ads that voters are seeing are financed, produced and strategically placed on television stations across the country. In the final days of the campaign, they will easily outspend the candidates themselves in many of the most competitive House races. They will decide the final images that many voters see in this campaign. Warning for the fainthearted: Most of the ads will be dark and accusatory." Officials in both parties said "one bad call could make or break a House race," and there is "no precise formula for determining the smartest choices."

Broder Says Bush Still Sees Democrats Only As "Opponents." In his Washington Post (10/29, B7, 748K) column, David Broder says Bush is "not yet ready to think of Democrats except as opponents." Broder recalls that it was "the combination of a Democratic president, Bill Clinton, and the Republican Congress elected in 1994 that finally got a grip on budget deficits and produced the only balanced budgets of modern times," and expresses hopes that immigration, tax, and Social Security reform could all advance if there is again a power split.

WPost Poll Shows Democrats Leading Maryland Gubernatorial, Senate Races. On its front page, the Washington Post (10/29, Barnes, Mosk, 748K) reports a new Post poll indicates a "strong Democratic tide in Maryland threatens to swamp" Gov. Robert Ehrlich (R) and hold the state's open US Senate seat. The poll of 1,003 registered voters who said they were "absolutely certain to vote" (+/- 3%), taken October 22-26, shows Baltimore Mayor Martin O'Malley (D) at 55% and Ehrlich at 45% in the gubernatorial race. In the Senate race, MD3 Rep. Ben Cardin (D) is at 54%, Lt. Gov Michael Steele (R) 43%, and third-party candidate Kevin Zeese 1%. The Republican campaigns "disputed the poll, saying it was too different from recent polls that they had seen that showed the races much closer." Ehrlich campaign manager Bo Harmon said, "It is simply unrealistic to think that a governor with approval ratings as high as this, who has provided record education funding and cut crime around the state is losing by 10 points to the mayor of the deadliest city in the country." And Steele spokesman Doug Heye said, "It is a dead heat, and Michael Steele is gaining ground every day."

Steele Crashes State NAACP Convention To Criticize Cardin. The Washington Times (10/29, Miller, 88K) reports Steele "made an unscheduled appearance at the NAACP state convention" in Baltimore Saturday, where he criticized Cardin "for paying only lip service to black voters." Steele said, "I'm tired of listening to leadership that fails to deliver." Cardin told the NAACP that "returning a Democrat to Maryland's Senate seat would help the party take control of the chamber and challenge President Bush's policies."

O'Malley Charges Ehrlich With Use Of "Coded" Racial Language. The Washington Post (10/29, C5, Wagner, 748K) reports O'Malley also addressed the NAACP gathering, where he accused Ehrlich "of using racially 'coded, charged language' when talking about Baltimore's schoolchildren" and accused Ehrlich of "pursuing policies unfriendly to African Americans." Ehrlich, "who entered the room after O'Malley had finished speaking, offered no direct response from the podium, instead listing the African Americans he has appointed to key positions and the programs he has supported. Afterward, he called the mayor 'uniformly negative.'"

Third-Party Senate Hopeful Zeese Profiled. The Washington Post (10/29, C6, Wan, 748K) profiles Zeese.

Webb Blasts "Unprincipled, Small-Minded, Power-Hungry" Allen. The Washington Post (10/29, C6, Craig, Shear, 748K) reports Virginia Senate candidate James Webb (D) "delivered his strongest criticism" of Sen.

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George Allen (R) "of the fall campaign, vigorously defending himself against Allen's charges that he wrote sex-laced passages in his fiction novels. He called on voters to reject what he called the 'smear tactics' of Allen and his campaign," particularly on the Allen camp's release of sexually explicit excerpts of Webb's novels." Webb said, "The fish rots from the head down. Our government should no longer be in the hands of a group of unprincipled, small-minded, power-hungry character assassins."

The Washington Times (10/29, McLaughlin, 88K) reports Webb said Allen "crossed the line when he used salacious excerpts from his wartime novels to question his character and respect for women." Speaking in Annandale, Webb said, "I've lived in the real world, and I reported the real world in my writings. … I have written what I have seen, and that is the duty of a writer -- to help people understand the world around us with all of its beauty and all of its flaws." The Allen campaign's decision to highlight Webb's novels "angered Democrats and disappointed at least one Republican. 'It's so dirty,' Michelle Malkin, a conservative columnist, said on Fox News. 'It looks desperate. It looks pathetic, and it looks so immature. … This is fiction.'"

NYTimes Endorses Lamont In Connecticut Senate Race. The New York Times (10/29, 1.21M) endorses businessman Ned Lamont (D) in the Connecticut Senate race, saying that the "fatal problem" with incumbent Sen. Joseph Lieberman "is not that he was wrong about the invasion" of Iraq, "but that he has not shown any capacity to grow and change." Lieberman "has changed his tone but not his underlying conviction that he has been right all along." He and President Bush "are still on the very same page, encouraging the American people to believe that there is a happy ending for American involvement in Iraq, and that all it takes is the perseverance to keep marching toward the end of the rainbow." Lamont "has run a far less polished campaign than Mr. Lieberman, but the more we see of him, the more impressed we are by his intelligence and his growing sophistication about the issues facing the nation. He is very much in the Connecticut mold of basically moderate, principled politicians, and his willingness to take on Mr. Lieberman when no one else dared to do it showed real courage and conviction. He would make a good senator. More important, he has the capacity to continually become a better one."

Campaign Is Most Expensive In Connecticut History. The New York Times (10/29, A30, Medina, 1.21M) writes that while Lieberman "may have lost the Democratic primary to a novice politician, his bid in the general election has come with all the financial advantages of a major party candidate and an 18-year incumbent." Lieberman's "financial prowess" has prompted Lamont "to dig deeper into his pockets, putting $12.7 million into the campaign so far." The race "has quickly become the most expensive in the state's history, with Mr. Lieberman spending $11.5 million and Mr. Lamont spending $8.6 million through the end of September. And there is no sign of slowing down."

Bloomberg Plays Big Role In Lieberman Reelection Effort. The AP (10/28) writes that if Lieberman wins, "it's a safe bet New York Mayor Michael Bloomberg will be high on his thank-you list. Bloomberg, a Republican who shares Lieberman's independent streak, is playing a prominent role helping to raise money" for Lieberman, and "has also dispatched several campaign operatives to Connecticut to help Lieberman reach GOP and independent voters as the race closes."

Kean Has Two-Point Lead In Rasmussen New Jersey Senate Poll. A Rasmussen Reports poll of 500 likely New Jersey voters (+/- 4.5%), taken October 25, finds state Sen. Tom Kean Jr. (R) at 43% and US Sen. Bob Menendez (D) at 41%.

Bayonne Development Role Shows Two Sides Of Menendez. The New York Times (10/29, Kocieniewski, Rivera, 1.21M) runs a front-page report on the role of Menendez in the construction of a new waterfront development in Bayonne, New Jersey. While Menendez "is not directly involved" in the project, "his influence can be seen throughout it." The project "is being built with the help of nearly $30 million in federal funds that Mr. Menendez secured using his trademark policy expertise and aggressive politicking." It will contain "movie studios and shops, marinas and waterfront parks, and 6,600 homes." But the project "has also produced considerable work for some of his chief political supporters." The project "displays the two contrasting images of Mr. Menendez -- one a fiery advocate who brings home federal aid for his constituents, the other a political empire builder who detractors say pushes too much largess toward his friends."

Corker, Ford Meet In Final Televised Tennessee Senate Debate. The Memphis Commercial Appeal (10/29, Locker, 172K) reports TN9 Rep. Harold Ford Jr. (D) "drove home his message for change" while Bob Corker (R) "emphasized his 'Tennessee life' and values in Saturday night's final televised debate" of the Tennessee Senate campaign. Neither candidate "unveiled new themes in their meeting at Vanderbilt University. And some attacks that dominated the previous two debates in Memphis and Chattanooga were absent. But the negative TV attack ads of the past three weeks surfaced at the end of the face-off." Ford said, "I was a little surprised to see the smut and the slime coming into my living room during family time." Corker said he "didn't like the ads and that he asked his national

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party to remove them. He asked Ford to join him in calling for all ads not put up directly by the two candidates' campaigns to cease. But he said after the debate that the national Democratic Party is spending $2.7 million on ads compared to $813,000 by the national GOP over the last two weeks."

Brooks Says Senate Would Miss Santorum's Antipoverty Efforts. In his New York Times (10/29, 1.21M) column, David Brooks writes, "Every poll suggests that Rick Santorum will lose his race to return to the U.S. Senate. That's probably good news in Pennsylvania's bobo suburbs, where folks regard Santorum as an ideological misfit and a social blight. But it's certainly bad for poor people around the world. For there has been at least one constant in Washington over the past 12 years: almost every time a serious piece of antipoverty legislation surfaces in Congress, Rick Santorum is there playing a leadership role. … The bottom line is this: If serious antipoverty work is going to be done, it's going to emerge from a coalition of liberals and religious conservatives. Without Santorum, that's less likely to happen."

GOP Hopes Of Pickup Fading In TX17. Under the headline "GOP Hopes Fade For Taking District Bush Calls Home," the Washington Times (10/29, Aynesworth, 88K) reports that while Texas Republicans "spent much of this year thinking they had a good chance to defeat" TX17 Rep. Chet Edwards (D). But now, Republican Van Taylor's campaign, "though well-funded, seems bogged down."

Democrats Could Gain Up To Eight GOP-Held Governor's Offices. The Washington Times (10/29, Pfeiffer, 88K) reports Democrats "are quietly poised to win a majority of the nation's gubernatorial offices" on November 7. The "latest polls" show Democrats could pick up currently Republican-held governorships "in eight states: Alaska, Colorado, Maryland, Massachusetts, Minnesota, New York, Nevada and Ohio." DGA Communications Director Bernie Campbell said, "It's a volatile climate out there. A combination of things is working in our favor -- voter confidence in Democrats and building on the past accomplishments of our current governors."

Recently Unknown Palin Poised To Win Alaska Gubernatorial Race. The New York Times (10/29, A25, Yardley, 1.21M) profiles ex-Wasilla, Alaska, mayor Sarah Palin, who, until she "trounced Gov. Frank Murkowski in the Republican primary," was "hardly known" outside Wasilla. But now she has a "sizable lead in most polls" over ex-Gov. Tony Knowles (D). Palin "stands out in a state that has seen few fresh faces in politics. She is untainted by government scandal and unburdened by political debt. She is a conservative Christian who opposes abortion." She is "portraying herself as a needed outside agent of change" at a time when the FBI "is investigating links between Republican leaders in the Legislature and a major player in the oil industry."

Crist Leads Davis By Six Points In Florida Gubernatorial Poll. The St. Petersburg Times (10/28, Smith) reports Florida gubernatorial a poll of 800 voters (+/- 3.5%) for the newspaper by Schroth/Eldon and the Polling Company, taken October 22-25, shows state Attorney General Charlie Crist (R) at 48% and FL11 Rep. Jim Davis (D) at 42%.

Beebe Has Eight-Point Lead In Arkansas Gubernatorial Poll. A Rasmussen Reports poll of 500 likely Arkansas voters (+/- 4.5%), taken October 22, finds state Attorney General Mike Beebe (D) at 49% and Asa Hutchinson (R) at 41%.

Ritter Leads By 12 Points In Colorado Gubernatorial Poll. A Rasmussen Reports poll of 500 likely Colorado voters (+/- 4.5%), taken October 22, finds Denver District Attorney Bill Ritter (D) at 51% and CO7 Rep. Bob Beauprez (R) at 39%.

Patrick Has 24-Point Lead In Massachusetts Gubernatorial Poll. A Rasmussen Reports poll of 500 likely Massachusetts voters (+/- 4.5%), taken October 22, finds former Assistant Attorney General Deval Patrick (D) at 53%, Lt. Gov. Kerry Healey (R) at 29%, and businessman Christy Mihos (I) at 11%.

Gibbons Willing To Take Polygraph Over Assault Allegation. The Los Angeles Times (10/29, 918K) reports NV2 Rep. Jim Gibbons (R), running for governor, "said he'd be willing to take a polygraph to prove he did not assault" Las Vegas cocktail waitress Chrissy Mazzeo. Mazzeo "has said Gibbons pushed her up against a wall at a Las Vegas restaurant Oct. 13 and made a sexual advance while he and a prominent GOP operative were walking her to her truck." Gibbons says she "tripped and he caught her, then walked away."

Female Candidates Well-Positioned In Races In Western States. The New York Times Magazine (10/29, Starr) runs a feature on women seeking office in Western states. In WA8, Darcy Burner (D) "appears to have a good shot," and in AZ8, Gabrielle Giffords (D) "is favored to win." Nevada Democratic gubernatorial nominee Dina Titus is "headlining an almost all-female ticket," and NM1, where Rep. Heather Wilson (R) faces state Attorney General Patricia Madrid (D), "will send a woman to Congress no matter which

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party prevails." The West is said to be "well poised to retain its status as an incubator of female leadership."

More Than One-Third Now Seek Political Information Online. The AP (10/29, Lester) reports, "Increasing numbers of people looking for political news are going online -- with more than a third now saying they check the Internet for such information." An AP-AOL News poll found they are "more likely to be younger, better educated and male than the population in general." While 35% "say they go to the Internet for political updates about campaigns and candidates, that number grows to 43 percent of likely voters -- and they tend to be more liberal than conservative."

Bush's Use Of "Internets" And "The Google" Examined. CNN (10/28, Nguyen) reported, "President Bush is a 21st century president, right? We know that, but like many of his fellow Baby Boomers, he still appears to have a 20th century vocabulary." CNN (Moos) continued, "He can handle a power saw, but when it comes to the power of the Internet…" President Bush: "I hear there's rumors on the Internets." Moos: "Not once, but at least twice, President Bush has inexplicably added an 's.' … And now the leader dubbed 'Googler-in-Chief' by the 'Wall Street Journal' has struck again. During a CNBC interview, the President was asked if he ever Googles." Bush: "Occasionally. One of the things I've used on the Google is I can pull up maps." Moos: "'The Google?' It may be petty, but 'the Google' had techno geeks agog. I wonder on which one of the Internets he uses the Google on."

WPost Supports Review Of Virginia's Mental Health Laws. The Washington Post (10/29, B6, 748K), in an editorial, writes, "Increasing numbers of mentally ill people in Virginia end up on the streets, in court or in jail, instead of in treatment, where they belong. Chief Justice Leroy R. Hassell Sr. of the Virginia Supreme Court has launched a commission to revamp state mental health laws, including the state's outmoded criteria for civil commitment, which provide emergency treatment only when people are an 'imminent danger' to themselves or others. … At a recent hearing, however, Sen. Kenneth W. Stolle (R-Virginia Beach) warned the court not to overstep its role by getting involved in policy." The Post contends, "Justice Hassell should be applauded instead of criticized."

Nuclear-Armed Iran Seen As Grave Danger To US, Israel, Sunnis. In an 8,000-word article for the New York Times Magazine (10/29) titled, "Islam, Terror And The Second Nuclear Age," Noah Feldman, a law professor at New York University and adjunct senior fellow at the Council on Foreign Relations, writes, "A nuclear Iran means, at the very least, a realignment of power dynamics in the Persian Gulf. It could potentially mean much more: a historic shift in the position of the long-subordinated Shiite minority relative to the power and prestige of the Sunni majority, which traditionally dominated the Muslim world. Many Arab Sunnis fear that the moment is ripe for a Shiite rise." Near the end of the article Feldman concludes the US "has strong reason to block its enemy Iran from acquiring nuclear weapons…because the Islamic Republic of Iran as currently constituted is definitionally anti-American. There need not be a direct threat of Iranian first use against either the United States or Israel for this reason to weigh heavily. A nuclear Iran will be a stronger and more effective enemy in pursuing anti-American policies under the banner of Islam. … If and when Iran does have the bomb, its enhanced power and prestige will certainly be lent to policies that it conceives as promoting the Islamic interest."

Journalist Warns Discussions Of Iran And Iraq Sound Similar. In the Los Angeles Times (10/29, 918K), journalist Jon Sawyer comments about the "déjà vu" caused by current discussion of Iran as a threat: "Four weeks ago, Congress enacted and President Bush signed the Iran Freedom Support Act, a resolution very much in the spirit of the 1998 Iraq Liberation Act. ... But if the confrontation over Iran's alleged nuclear weapons program ends in war — initiated by this administration or the next — you can bet this law will be cited as proof that Congress was onboard all along. The congressional action isn't the only sign of déjà vu. Recent months have seen the creation of an 'Iran directorate' at the Pentagon, using some of the same personnel as the Office of Special Plans" that was "accused of massaging raw intelligence on Iraq to make the case for war look far more solid than in fact it was."

Russia Surpasses US In Arms Sales To Developing World. In a front page article, the New York Times (10/29, Shanker, 1.21M) reports that "an annual study by the Congressional Research Service that is considered the most thorough compilation of statistics available in an unclassified form" found that "Russia surpassed the United States in 2005 as the leader in weapons deals with the developing world, and its new agreements included selling $700 million in surface-to-air missiles to Iran and eight new aerial refueling tankers to China." Those "sales to improve Iran's air-defense system are particularly troubling to the United States because they would complicate the task of Pentagon planners should the president order airstrikes on Iran's nuclear weapons facilities." Also, those "extensive trade relations" have partly been behind Russian officials' "expressed reluctance to vote for the most stringent economic sanctions" on Tehran. Additionally, "Russia's weapons sales to China…worry Pentagon planners" as "Taiwan remains a potential flash point between Beijing and Washington."

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Previously, the US "regularly dominated" the "highly competitive global arms bazaar in the developing world" since the fall of the USSR. However, the report finds "France ranked second in arms transfer agreements to developing nations, with $6.3 billion, and the United States was third, with $6.2 billion."

US Considers Deploying Patriot System Near Tokyo. The AP (10/29, Greimel) reports, "Washington unofficially informed the Japanese government it is considering putting Patriot Advanced Capability 3 surface-to-air interceptor missiles around Yokota Air Base in Tokyo's western suburbs and around Yokosuka Naval Base, south of the capital, the Nihon Keizai newspaper reported without saying how it got the information." The Pentagon has "already confirmed that the first batch of equipment for the PAC-3 missiles arrived in Okinawa in southern Japan, where the bulk of U.S. forces in the nation are stationed." The Los Angeles Times (10/29, 918K) carries an abbreviated version of this article.

Domestic Concerns Said To Shape US Foreign Aid. The New York Times (10/29, Dugger, 1.21M) reports on its front page, "Britain, Ireland and Norway have all sought to make aid more cost effective by opening contracts in their programs to fight global poverty to international competition. The United States, meanwhile, continues to restrict bidding on billions of dollars worth of business to companies operating in America" and "American consulting firms that carry out antipoverty programs abroad — dubbed beltway bandits by critics — do work that some advocates say local groups in developing countries could often manage at far less cost." While "those who favor tying aid to domestic interests say that it not only preserves jobs and supports American companies, but helps ensure broad political support for foreign aid, which is not always popular," the "skepticism of foreign aid is frequently rooted in the perception that the money is not well spent." The federal government's condom purchases show "the tradeoffs that characterize foreign aid American-style." Asian produced condoms are cheaper, but Alabama Congressmen have protected their local plant's contract, as "Without the government contract," the company, Alatech, "would go out of business."

Tight Energy Markets Fund, Distort Diplomacy In Favor Of Hostile Nations. The Washington Times (10/29, Sands, 88K) reports, "Exploiting tight global energy markets and soaring gas prices in recent years, leading energy producers around the globe are using their export windfalls to challenge U.S. interests, intimidate U.S. allies and, in some cases, bankroll terrorist and insurgent groups fighting U.S. forces," as "hundreds of billions of dollars swelling the coffers of regimes hostile to the United States." Flynt Leverett, a former top Middle East adviser in the Bush administration, and Pierre Noel, a research fellow with the French Institute of International Relations, say "Major producers such as Venezuela, Russia and Iran have teamed up with emerging energy consumers -- notably China -- in an 'axis of oil' to frustrate U.S. foreign-policy objectives." Secretary of State Condoleezza Rice "conceded earlier this year she underestimated the ways the 'energy question' distorted international relations."

Chirac Said To Be Under "Unrelenting" Attack In France. The New York Times (10/29, A3, Sciolino, 1.21M) reports that French president Jacques Chirac "has been under unrelenting — indeed unprecedented — attack," and it has "crescendoed since Mr. Chirac suffered what has been called a mild cerebral attack a year ago, focusing on his age, his leadership and his legacy." This "disillusionment with Mr. Chirac is not only personal but also a reflection of the dread among the French public that their nation has lost its glory abroad and its way at home." His "1995 campaign promises to 'mend the social fracture' in France and reduce unemployment, among other things, have been unfulfilled," and "As the end of his political career draws near, the fear of him has receded, and the time to settle scores has come." However, "Chirac is not a politician who can go quietly into the night," and he "has refused to announce that he will not run for a third term next spring, saying that he will announce his decision next March." Still, "conventional wisdom is that Mr. Chirac plans to retire but refuses to become a lame duck."

French Youths Set Bus Ablaze, Seriously Burn Woman. The AP (10/28) reports, "A group of marauding teenagers set fire to a bus Saturday in the southern French port city of Marseille, seriously wounding a passenger and leaving three others suffering from smoke inhalation," when "three or four young people burst onto a bus in the southern French city and tossed inside a bottle of flammable liquid before fleeing." One of the passengers, a 26-year-old woman, "suffered second- and third-degree burns on her arms, legs and face." Scattered violence resulted in six police officers with minor injuries and 47 arrests. "Bands of youths torched two public buses, and in troubled neighborhoods around the country, youths set fire to a total of 277 vehicles."

Eastern Europe Sees Rise Of Populism, Nationalism. The Washington Times/AP (10/29, Gera) reports, "Political life has fallen into disarray in Eastern Europe, and many are asking what has gone wrong in the 2½ years since these former communist countries joined the

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European Union." Some "specialists on the region say people are simply exhausted after years of economic sacrifices made to join the EU and NATO. They now lack the clear goals that drove them toward the West" and "discontent is mounting as the instant riches many thought would come from EU membership have failed to materialize." Jiri Pehe, a political analyst and director of New York University in Prague, notes "we see now…a rise of populists and nationalism," but "also stressed that the 'democratic framework is very strong, and it's supported by the outside,' thanks to the region's integration with the West."

Abbas Considering Calling On Jordan PLO Troops Against Hamas. The Washington Times/AP (10/29, Teibel) reports that according to the Palestinian officials, "Palestinian Authority President Mahmoud Abbas hopes to beef up his loyalist forces with Palestine Liberation Organization troops from Jordan… as rival Palestinian factions bolstered their ranks in anticipation of a feared civil war." While "Israel has objected in the past to letting members of the Jordan-based Badr Brigade enter Palestinian areas," the officials say "Israeli officials said they would consider allowing them in" due to the "intensifying" conflict between Fatah "and forces loyal to the militantly anti-Israel Hamas government." However," Israeli authorities were not immediately available for comment yesterday."

Fox Orders Police Into Oaxaca Following Killings. The Washington Post (10/29, A14, Roig-Franzia, 748K) reports that following the shooting death of U.S. journalist Brad Will and two protesters, Mexican "President Vicente Fox on Saturday ordered federal police to seize control of strike-ravaged Oaxaca de Juarez," a move he had resisted "Despite pressure from Oaxaca's tourist industry." As "federal officers have been accused in the past of inciting violence," Mexican presidents usually are "reluctant to use force." This five-month conflict "has pitted the governor of the state of Oaxaca against a coalition of citizen groups and striking teachers demanding his ouster," and "the demonstrations have left the region a shambles and scared away the tourists who are the foundation of the city's economy." While strikers blame "the killings on plainclothes paramilitary members affiliated with Gov. Ulises Ruiz's Institutional Revolutionary Party," the governor's office says it was "members of the Popular Assembly of the People of Oaxaca, or APPO, an umbrella group that includes union members and indigenous groups that have joined the teachers' protest." This "spike in violence also seemed to suggest that there will be a long wait before Oaxaca's stunning colonial streets are once again crawling with camera-toting tourists. After the shootings, the U.S. ambassador in Mexico, Tony Garza, warned Americans to stay away."

The New York Times (10/29, A4, Lacey) adds that federal riot police officers and soldiers are "poised to end an increasingly violent protest," although it is "unclear…whether the federal troops intended to take over Oaxaca by force or to merely put pressure on the protesters to continue the monthslong negotiations to end the impasse." While "the federal government issued a statement ordering the protesters to 'immediately hand over streets, plazas, public buildings and private property' so that officials could 'guarantee public order and adherence to the law, as well as preserve respect for the population's individual guarantees,'" the "blunt" response from Florentino López, spokesman for the APPO was, "We're going to resist the attack." Meanwhile, "the mayor of a nearby town said the five men being detained for possible involvement in Mr. Will's killing were…police officers and local officials."

The AP (10/29, Romero) identities that mayor as Mayor Manuel Martinez Feria of the nearby town of Santa Lucia del Camino, and he identified the men "as two members of Santa Lucia's city council, two of that town's police officers and a former justice of the peace from another town." Additionally, "U.S. Ambassador Tony Garza said in a statement that the shooters may have been Oaxaca police, and the Mexico City newspaper El Universal published photos Saturday identifying some of the men firing at protesters as local officials."

The Los Angeles Times (10/29, Enriquez, Johnson, 918K) adds, "by Saturday evening, there were signs that both the protesters and federal officials might be stepping back from a confrontation." APPO leader Flavio Sosa "indicated that his group would continue to maintain its barricades but would not fight back if the federal forces attempted to dismantle them." Meanwhile, Arturo Chavez Chavez, deputy secretary of state, said "that the federal forces had been sent only to prevent more violence and were not 'contemplating any type of action' on Saturday or today."

Castro Makes TV Appearance. The AP (10/28) reports, "The ailing Fidel Castro appeared on Cuban state television for the first time in more than a month Saturday, looking thin and tired but walking and ridiculing recent rumors of his death," and saying "they were the work of his enemies." Castro "said his recovery would be long and not without risk," but added, "I'm not the least bit afraid of what will occur." The BBC (10/29) also covers this story on their website.

Contras Divided Over Support For Ortega. The Los Angeles Times (10/29, Tobar, 918K) reports that a "split in the Contras highlights a growing frustration among the rural population that makes up the movement's rank and file, analysts say." Now, "Several Contra leaders who have

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defected to the Sandinista cause say they feel the movement's right-wing political allies have taken them for granted." Salvador Talavera, president of the Nicaraguan Resistance Party, the conservative political group started by the demobilized Contras, "signed a 'peace agreement' with the Sandinistas by which the Contras promised not to go to war again should their bitterest foe, Daniel Ortega, win the Nov. 5 presidential election." It "was a big boost for Ortega" and "a stunning setback to the presidential aspirations of Eduardo Montealegre of the conservative Nicaraguan Liberal Alliance."

NYTimes Says Nicaragua Took "Giant Step Backward" With Abortion Law. The New York Times (10/29, 1.21M) editorializes, "The rights and safety of Nicaragua's women took a giant step backward last week when the country's legislature passed a law criminalizing all abortions, with no exceptions." The Times says Nicaragua's ban "was a clear bid to curry support from the Catholic Church before next weekend's presidential elections."

Bolivia Signs New Energy Deals With Foreign Corporations. BBC.com (10/29) reports that although some "were signed with only minutes to go before the deadline," Bolivia has made new energy deals with 10 foreign gas and oil firms. "After President Evo Morales nationalised the oil and gas industry in May to give the state more control and a larger slice of profits," he gave them "six months to sign contracts giving up majority control of their Bolivian operations." The "deal with Petrobras - the largest foreign investor in the industry - came as a significant boost for Mr Morales as the Brazilians have invested more than $1bn in Bolivian gas. However, Petrobras and the Brazilian government had been angered by the way the Bolivians conducted negotiations."

Venezuelan Town Faces Mining Ban. The New York Times (10/29, A4, Romero, 1.21M) reports La Paragua, Venezuela, "has become a focus of efforts by President Hugo Chávez to halt much of the mining, citing environmental concerns. In September, army soldiers sent here to enforce a mining ban killed six miners, setting off violent protests." The Times adds, "The government has promised to create jobs for miners in tourism or agriculture, and to teach them to plant crops like cassava or corn. But miners say the promises have not been fulfilled, and last year, hundreds near the town of Las Claritas blocked a highway to Brazil and threw Molotov cocktails at troops."

Polls Show Lula With "Insurmountable" Lead In Brazil's Presidential Runoff Election. The New York Times (10/29, A4, Rohter, 1.21M) reports, "Rebuked at the polls four weeks ago because of voter irritation with a corruption scandal and his unwillingness to answer questions about it, Brazil's president, Luiz Inácio Lula da Silva, heads into a runoff vote on Sunday with a lead that every poll suggests is insurmountable." The "final round of public opinion surveys published Friday shows Mr. da Silva…defeating his opponent, Geraldo Alckmin…by at least 60 percent to 40 percent." He was "able to pull away from Mr. Alckmin over the past several weeks, in part, by labeling him a one-note candidate who spoke more of corruption than of his own plans for Brazil."

The Washington Post (10/29, A14, Reel, 748K) adds, "Bolsa Familia is the cash assistance program that pays more than 11 million low-income families in Brazil about $40 per month in cash if they meet conditions such as ensuring their children regularly attend school and have regular health checkups and vaccinations," and "it has been instrumental in helping President Luiz Inacio Lula da Silva overcome corruption scandals and build a lead of more than 20 points in opinion polls." Poor Brazilians "strongly associate the program with Lula…and surveys indicate that support for Lula among the two-thirds of the population that lives on less than $500 per month is powering his reelection hopes."

The AP (10/29, Astor) notes that "da Silva has revived the populist rhetoric he had largely shed since taking office," and his "Fiery speeches contrasting the lives of Brazil's poor with the wealthy elite have left many Brazilians wondering whether he would push the country to the left." Although "few believe Silva would adopt the radical populism of Venezuela's Hugo Chavez, they worry that he could entrench divisions in Brazil" between the rich and poor.

Kabila, Bemba Compete In Congolese Runoff Election. BBC.com (10/28) reports, "Voting has opened for a new president of the Democratic Republic of Congo, in one of Africa's most significant elections for many years. President Joseph Kabila, who came to power after his father Laurent was assassinated in 2001, is facing former rebel leader Jean-Pierre Bemba. … Sunday's run-off will conclude the DRC's first fully democratic polls since independence in 1960 and is aimed at restoring peace to one of Africa's largest and most turbulent states."

The Washington Post (10/29, A16, McCrummen, 748K) reports, "There is an exuberant, if fragile, sense in eastern Congo these days that the country is inching toward one of the most significant moments in its post-colonial history. In the culmination of the first multiparty elections in 40 years, tens of millions of people are expected at the polls Sunday for the runoff vote for president and to elect, for the first time, provincial legislators tasked with bringing democracy closer to people who have seen decades of epic corruption and two ruthless wars. The process has been largely peaceful, the result of a massive logistical effort by the United Nations, which has deployed 17,500 peacekeepers; international

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donors, who have given $450 million; and mainly, the Congolese themselves."

The Los Angeles Times (10/29, Sanders, 918K) reports, "Anxious Congolese returned to the polls this morning to complete the first democratic presidential election in more than 40 years. But fears of renewed violence in this Central African giant largely overshadowed the hope and optimism many had expressed during the first round of voting."

Sudan Denies Accusation Of Bombing Chadian Towns. The AP (10/28) reports, "Chad accused neighboring Sudan on Saturday of bombing four towns along its eastern border, close to Sudan's volatile western Darfur region where thousands have been displaced by three years of conflict." Sudanese army spokesman Brig. Gen. Osman Mohammed al-Aghbash denied the report. The AP adds, "There has been no independent confirmation of the Chadian government's allegations that Sudan's air force attacked the villages of Bahai, Tine, Kayarin and Bamina on Friday."

"Secret Lover" Anti-AIDS Campaign Stirred Controversy In Swaziland. The Washington Post (10/29, A15, Timberg, 748K) reports on a new Swazi anti-AIDS campaign "arrived without warning" with a the message "Your secret lover can kill you," ads that were different from "bland billboards suggesting that more condoms or a positive attitude toward the disease would curb its spread." The new ads disappeared two weeks later "in a frenzy of controversy," but they have "sparked a passionate national debate about how best to combat a disease that, Swazis say, has pushed their country to the brink of collapse. And the ads forced many here to confront how freewheeling sex was fueling an epidemic of early death." The Post writes, "Although polygamy is common -- the king has 13 wives -- even more common, Swazis say, are relationships in which men have only one wife but girlfriends also. Women often maintain several partners as well."

Six-Year-Old Boy Works As Indentured Servant In Africa. The New York Times (10/29, Lafraniere, 1.21M) reports on child labor in Africa, telling the story through the eyes of six-year-old Mark Kwadwo, and says that "no means is the child trafficking trade uniquely African. Children are forced to race camels in the Middle East, weave carpets in India and fill brothels all over the developing world." The UN's International Labor Organization "estimates that 1.2 million are sold into servitude every year in an illicit trade that generates as much as $10 billion annually. Studies show they are most vulnerable in Asia, Latin America and Africa. Africa's children, the world's poorest, account for roughly one-sixth of the trade, according to the labor organization. Data is notoriously scarce, but it suggests victimization of African children on a huge scale."

WPost Condemns Libyan Trial Of Healthcare Workers. In an editorial, the Washington Post (10/29, B6, 748K) condemns the Libyan trial of five Bulgarian nurses and a Palesinian doctor who are "are accused of intentionally injecting the AIDS virus into more than 400 Libyan children." The Post describes the charges as "an attempt to deflect Libyans' attention from the shocking state of their own medical system." The Post concludes, "If Libya nonetheless goes ahead with this travesty of justice, it will be saying that it prefers to scapegoat foreigners rather than admit to the weakness of its own medical system. The first victims will be the health workers. But they will be followed by the Libyans themselves, who need a government with the honesty to confront the true causes of HIV infections."

Kristof Calls On World Leaders To Intervene In Darfur. In an op-ed in the New York Times (10/29, 1.21M) Nicholas Kristof writes, "This past week alone, Sudan expelled the U.N. envoy for Sudan and sent a proxy army to invade eastern Chad. Those moves underscored both the audacity of Sudan's leaders and the fecklessness of the rest of the world's," but Kristoff says, "[T]here's plenty we can do." He proposes several steps, including, "Kofi Annan should appoint a new U.N. Envoy of utmost prominence. … The envoy's job would be to lead an intensive negotiation aimed at achieving a political settlement." Also, "President Bush and European leaders need to use their leverage on four nations in particular to make them part of the solution: China, Saudi Arabia, Egypt and Libya."

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:

"Bush's Family Profits from 'No Child' Act."
"Alaska Villagers Living in Bird Flu's Flight Path."
"The Selfless and the Dead."
"Transplant Monitor Lax in Oversight."

New York Times:

"Living With Love, Chaos and Haley."
"S.E.C. Inquiry on Hedge Fund Draws Scrutiny."
"U.S. to Hand Iraq a New Timetable on Security Role."
"With Guarded Cheer, Democrats Dare to Believe this is Their Time."
"On Baghdad Streets, a Police Partnership Falters."
"That Squish Behind the Jet Seat May Be an Open Ketchup Pack."

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Washington Post:
"In a Land Without Order, Punishment is Power."
"How Foley Skirted Rules to Pursue Relationships."
"Democrats Strengthen Chances for Senate."
"'Click Fraud' Threatens Foundation of Web Ads."
"Gunshot Sensors are Giving D.C. Police Jump on Suspects."

Washington Times:
"Bush Sticks to Mission: U.S. Victory."
"Retail Goliath Casts Shadow."
"GOP Seeks to get back on Message."
"Ehrlich Woos Anti-O'Malley Democrats."
"P.S. I Don't Love You."

Detroit Free Press:
"For the Birds- Mitch Albom: Victory Not in the Cards."

Atlanta Journal-Constitution:
"World's Largest Cocktail Feud."
"Candidates' Mouthpieces have Teeth."
"Stem Cell Impasse Isakson Believes he has a Solution."
"A Tale of Remorse and Reconciliation in Americus."
"Was Jesus Rich?"

Dallas Morning News:
"U.S. Shifts Gears on Iraq."
"A Life Rebuilt."
"Diocese Say No, for Now, to Episcopal Split."
"Perry, Strayhorn Hunt for Voting Mother Lode."

Houston Chronicle:
"It's Perry's to Lose, But Turnout is Key."
"The New Face of Appalachia."
""Panama Vote Today Affects Port Here."
"Skilling's Case Stands Apart in Corporate Crime."

Story Lineup From Last Night's Network News:
ABC: Preempted By Football
CBS: Preempted By Football
NBC: Bush On The Campaign Trail; Violence In Iraq; Slight Calm In Iraqi Life; California Wildfires; Midterm Election Issues; Dirty Bipartisan Tricks; A High School Changing Statistics; Cardinals Are Champs; Single Women Opt To Adopt Internationally.

WASHINGTON'S SCHEDULE

Today's Events In Washington.
White House:

PRESIDENT BUSH — 12:45 p.m. Indian Victory 2006 rally, Silver Creek High School, Silver Creek, Ind. 5:15 p.m. Greets troops, Charleston, S.C. 7:05 p.m. Attends Republican National Committee Dinner, The Sanctuary at Kiawah Island, Kiawah Island, S.C. Closed Press.

VICE PRESIDENT CHENEY -- No public schedule.

US Senate: No scheduled events.

US House: No scheduled events.

Other: US-AFGHAN BUSINESS _ Afghan-American Chamber of Commerce and Afghanistan International Chamber of Commerce hold annual U.S.-Afghan Business Matchmaking Conference 2006. Location: Four Seasons Hotel, 2800 Pennsylvania Ave. NW. Contacts: Chamber office, 703-442-5005

MARINE CORPS MARATHON _ The 31st Marine Corps Marathon will be run, starting at the U.S. Marine Corps (Iwo Jima) Memorial in Arlington, Va. Location: As noted. Contacts: Beth Kline, 703-432-1165

SCIENCE EDUCATION _ The National Science Resources Center of the Smithsonian Institution and the National Academies National Science Resources Center host a national symposium on science education, "Changing the Course of Science Education: A Symposium for Key Stakeholders in America's Future." Highlights: Opening reception. Note: This event at the Doubletree Hotel, 1515 Rhode Island Ave. NW. Location: Keck Center of the National Academies, 500 Fifth St. NW. Contacts: Barbara Thomas, 202-633-2978

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DEPARTMENT OF JUSTICE *NEWS CLIPS*

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: SUNDAY, OCTOBER 29, 2006 7:45 AM EST

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TERRORISM NEWS:

New Southcom Leader Approves Of Conditions At Guantanamo Bay (SCCD/MCT)

By Carol Rosenberg

The State College Centre Daily/McClatchy, October 29, 2006

MIAMI - Just days into the job, the Pentagon's new Southern Command chief made an overnight weekend visit to the U.S. Navy base at Guantanamo Bay - and declared captive conditions compatible with the Geneva Conventions.

Navy Adm. James Stavridis said Saturday he met with about 300 U.S. military personnel and saw about 50 of the 435 captives held at the base, including the so-called high-value terrorist suspects who had recently been moved there from secret CIA custody.

"I went and saw their facility," the admiral told The Miami Herald in a telephone interview after a 24-hour visit to the remote Navy base in southeast Cuba.

He declined to give specifics on where the latest arrivals are being kept, and under what circumstances. But he declared them "in appropriate conditions commensurate with Common Article 3 of the Geneva Conventions. I laid eyes on it; they're in good shape in that regard."

After being stung by a U.S. Supreme Court decision earlier this year, the Bush administration reversed course and declared that - although enemy combatants, not prisoners of war - the alleged al-Qaida and Taliban captives were entitled to the protections.

They were just this month granted their first visits with the International Committee of the Red Cross, after up to four years in secret U.S. captivity and so-called CIA "black sites."

In the course of the site inspection, the admiral said, he saw detainees in a range of locations - being interrogated, playing soccer and exercising individually - and found them "a hearty bunch."

Interrogations, he said, struck him as "amicable conversations between two people."

Referring to the 14 high-value detainees in particular, he said they were in "very good shape."

President Bush ordered the men sent to the detention camps for possible trial around Labor Day, including suspected Sept. 11 mastermind Khalid Sheik Mohammed - who published reports allege was subjected to a rough interrogation technique called water-boarding, and at one point purportedly confessed to wielding the knife that beheaded Wall Street Journal correspondent Daniel Pearl, in January 2002 in Pakistan.

In parallel, the first Navy admiral to oversee military operations in Latin America and the Caribbean also met with about 300 sailors and soldiers at the base - from senior commanders to camp guards - and declared himself impressed with their professionalism in what he called "a stressful environment down there."

U.S. forces at Guantanamo, he said, are "interacting daily with very, very dangerous terrorists" in typical one-year tours that he described as "hardship duty" that separates them from their families.

His Miami-based staff, he said, would propose improvements in housing and other activities for them.

As he took the job Oct. 19, Stavridis said he'd visit the controversial camps first, and then follow up later with trips to Colombia and Central America, where U.S. forces work with those host countries. Cuba has virtually no engagement with the U.S. military under four-decade-old U.S. policy.

During his visit, Stavridis said he met senior detention camp staff, "looked every one of them in the eye and said we're going to run this camp in a transparent and legal fashion."

Separately, he said, he also toured the portion of the base where the U.S. military might house migrants found at sea during a rafter crisis similar to the huge numbers of Haitians and Cubans who were interdicted by the U.S. in the mid-1990s.

He declared the base suitable for "very barebones" humanitarian relief and would develop contingency plans - although he said he didn't foresee any crisis on the horizon.

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During the `90s, the U.S. Navy base threw up tent camps around the 45-square-mile base to house a migrant population that swelled at one point to about 40,000.

HOMELAND RESPONSE:

How To Spot A Terrorist On The Fly (WP)

By Paul Ekman

The Washington Post, October 29, 2006

The man in the cheap brown jacket stood slumped in line, staring at the ground. His hands were fidgety, reaching repeatedly into his inside jacket pocket, or patting it from the outside. A momentary look of anguish, just 1/15th of a second or so, occasionally flashed across his face -- the inner corners of his eyebrows would go up, so that his brows sloped down from the center of his forehead, his cheeks would rise, and the corners of his lips would pull down slightly. He was exhibiting what I call a micro-expression, a sign of an emotion being concealed.

The question was: What was he concealing? And why?

To the behavior-detection officers I was with at Boston's Logan International Airport, his combination of mannerisms -- the micro-expression, the slumped posture, the pocket-patting -- was unusual enough to raise a red flag. They called a uniformed state police officer, who asked the man the purpose of his travel. It turned out that he was on the way to the funeral of his brother, who had died unexpectedly. That was the reason for the bowed head. The frequent chest-patting was to reassure himself that he had his boarding pass. The micro-expression was an attempt to conceal his grief.

The man was not a terrorist, nor a malefactor of any kind, but just an innocent traveler carrying some extra emotional baggage that day. So why single him out for questioning because of a fleeting expression and a sad-sack posture?

Critics of the controversial new security program I was taking stock of -- known as SPOT, for Screening Passengers by Observational Techniques -- have said that it is an unnecessary invasion of privacy, based on an untested method of observation, that is unlikely to yield much in the way of red-handed terrorists set on blowing up a plane or flying it into a building, but would violate fliers' civil rights.

I disagree. I've participated in four decades' worth of research into deception and demeanor, and I know that researchers have amassed enough knowledge about how someone who is lying looks and behaves that it would be negligent not to use it in the search for terrorists. Along with luggage checks, radar screening, bomb-sniffing dogs and the rest of our security arsenal, observational techniques can help reduce risks -- and potentially prevent another deadly assault like the attacks of Sept. 11, 2001.

A lot has been said about the 9/11 hijackers' unusual behavior in the days before they boarded their ill-fated flights. Several of them were repeatedly questioned, but no one recognized their lies. An airport screener later said he had been suspicious of one because of his strange demeanor on the day of the attacks. But the screener had no training that would have given him the confidence to act on his suspicions.

The hijackers' lies -- to visa interviewers and airport check-in workers -- succeeded largely because airport personnel weren't taught how to spot liars. They had to rely on their hunches. The people who might have saved the lives of many Americans were needlessly handicapped.

Imagine if that screener had been taught to discern the signs of deception in a person's facial expressions, voice, body language and gestures. With such training, he could have been confident enough to report the hijacker's behavior. SPOT, which the Transportation Security Administration introduced this year at 14 U.S. airports, including Washington's Dulles International, is the first attempt at using observational techniques as part of our security approach, and it is promising. Preliminary findings show that the overwhelming number of those who are taken out of line and detained for further investigation were intending to commit or had committed some kind of wrongdoing: They were wanted criminals, drug smugglers, money smugglers, illegal immigrants -- and, yes, a few were suspected terrorists.

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SPOT's officers, working in pairs, stand off to the side, scanning passengers at a security checkpoint for signs of any behaviors on the officers' checklist, such as repeated patting of the chest -- which might mean that a bomb is strapped too tightly under a person's jacket -- or a micro-expression.

The items on the SPOT checklist are culled from law enforcement experience and research on deception and demeanor. What about your face, voice and body betrays the fact that you're lying? I've been studying this question for nearly 40 years, ever since I began researching it in the 1970s with Maureen O'Sullivan of the University of San Francisco and, several years later, with Mark Frank of the State University of New York at Buffalo.

In our studies, we recorded interviews set up in such a way that we knew when a person was lying. Afterward, we replayed the videotapes over and over in slow motion to identify the expressions and behaviors that distinguish lying from truth-telling. We spent hours identifying the precise moment-to-moment movements of the facial muscles based on my Facial Action Coding System (FACS) -- a catalogue of every conceivable facial expression that I created and published in 1978 -- to get comprehensive evidence of the kinds of facial looks that accompany spoken lies. Once such expressions are identified, people can be quickly trained to recognize them as they occur.

We also looked at the behavioral signs that accompany the act of thinking up an answer on the spot (e.g., an increase in pauses) and signs of emotion in the face, voice or gesture that contradict the words being spoken ("The answer is definitely no" accompanied by just a slight nod of the head).

The facial expressions we identified allowed us to correctly determine who was lying 70 percent of the time; when the rest of demeanor is added, it pushes accuracy close to 100 percent.

Tools like this are indispensable to the future of airport security, and more are coming. Within the next year or two, maybe sooner, it will be possible to program surveillance cameras hooked to computers that spit out FACS data to identify anyone whose facial expressions are different from the previous two dozen people in line.

Someday, remote surveillance devices may identify anyone whose blood pressure and heart rate are much higher than those of the previous two dozen people. While this will provide an important new way of knowing that something is amiss, it does open a Pandora's box. Legislation to protect privacy and prevent misuse of such a technique should be enacted now.

Meanwhile, short-term research on several questions -- whether SPOT misses people whose behaviors are on its checklist; whether other behaviors should be included on the list; and whether additional training would increase observers' accuracy -- could help improve the program.

Civil libertarians have raised the expected concerns about using observational techniques at airports: that SPOT spots more than just terrorists; that minorities, who fear discrimination and might act more nervous than others, may be unfairly singled out; that most of the people identified are innocent.

But the day I spent at Logan confirmed for me that SPOT violates no one's civil rights. Few people were identified. Nearly always, the answers to initial questions made further investigation unnecessary. No record was made, and the passenger lost no time.

Observational techniques are not a substitute for all the other techniques we now use to catch would-be terrorists. But they add another layer to transportation security. They are now being used at fewer than one in 10 major U.S. airports. We need to use them everywhere.

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Paul Ekman, professor emeritus of psychology
at the University of California at San Francisco,
is a pro bono adviser to the Transportation Security Adminstration's SPOT program.

WAR NEWS:

Seeking To Ease Rift, Bush Confers With Iraq Premier (NYT)

By Sabrina Tavernise
The New York Times, October 29, 2006

DOJ_NMG_0087945

BAGHDAD, Oct. 28 — President Bush stepped into an increasingly fractious relationship with the Iraqi government in a videoconference with Baghdad on Saturday after days of angry comments by Iraqi leaders about what they see as American meddling.

The 50-minute conference between Mr. Bush and Prime Minister Nuri Kamal al-Maliki took place after an acrimonious conversation late Friday between Mr. Maliki and the American ambassador, Zalmay Khalilzad. According to an aide to Mr. Maliki, the Iraqi leader said that he was "a friend of the United States, but not America's man in Iraq."

The sharp remarks appear to be part of a growing schism between the Shiite-led Iraqi government and its American supporters, a division building for months that burst into full public view this week. Mr. Maliki spoke out angrily on Wednesday against the idea of American deadlines for action on stabilizing Iraq. Mr. Khalilzad publicly detailed the benchmarks the day before.

Iraqi leaders say that the United States, in particular Mr. Khalilzad, has been too meddlesome in internal affairs.

In the videoconference, Mr. Maliki, sitting beside Mr. Khalilzad in the Green Zone, opened with praise for Mr. Bush, according to Tony Snow, the White House press secretary. "History will record that because of your efforts Iraq is a free country," Mr. Maliki said, echoing a statement he made on his trip to Washington three months ago, according to Mr. Snow, who sat in on the session.

Mr. Snow said that Mr. Maliki made "no demands, and it was a very cordial discussion." But the prime minister, he said, made clear that he wanted to move quickly toward "an Iraqi assumption of command and control" over forces operating in Baghdad and elsewhere.

A Maliki spokesman, Ali Dabbagh, said the prime minister had said the Iraqi government wanted more control over its army, which operates under Americans.

The meeting, the second in 12 days for Mr. Bush and Mr. Maliki, was clearly part of a White House effort to diffuse tensions between the two governments.

The push for more Iraqi control comes just as American military commanders are saying the Iraqi Army needs more time to improve. America's top military commander in Iraq, Gen. George W. Casey Jr., said this week that it would be another 12 to 18 months before Iraqi troops would be ready to take over.

A central irritant for the Shiite leaders is what they say is an American preoccupation with Shiite militias — often linked to political parties — that have been responsible for much of the bloodshed here in the past year. Shiites fault American officials, particularly Mr. Khalilzad, for treating militias as enemies on a par with the Sunni insurgency.

"The forces need to know one clear fact," said one prominent Shiite politician. "Who is the real enemy here? It is the Saddamists and the takfiris." Takfiris are Sunni extremists.

That preoccupation has distracted American military policy, Shiite leaders say, and led to gaps in protection of Shiite areas vulnerable to attacks by Sunni militants, a position that American military commanders strongly dispute. Leaders argue that the Iraqis should be allowed to protect these areas themselves, an assertion that raises a distant but real American fear — that the government could use the largely Shiite army selectively, or that it could even become one side of a civil war.

Mr. Maliki leads a government that is a fragile coalition between Sunnis, Kurds and other groups, but with the arguments made in recent days, appears to be placing himself firmly inside the Shiite camp, lending an increasingly sectarian tinge to the Iraqi political landscape.

One major lever the Iraqis have is the United Nations agreement that extends legal authority for foreign troops to be here. Senior officials are trying to amend the agreement, which expires on Dec. 31, in order to give the government more control over parts of the army sooner, a process American officials are watching worriedly.

In Washington, the administration has sought to smooth relations, particularly as midterm elections near.

Part of the Shiites' anger seems to center on Mr. Khalilzad. A Sunni Muslim born in Afghanistan, Mr. Khalilzad has been most closely associated with his intense efforts to bring minority Sunni Arabs into Iraqi politics. Shiite leaders say he has worked so hard to involve Sunnis that he has abandoned the Shiites.

The meeting on Saturday, whose participants included Stephen J. Hadley, Mr. Bush's national security adviser, was also notable for what was not discussed. Mr. Bush did not raise the White House frustrations with the comparatively small number of

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Iraqi troops dedicated to the latest effort to secure Baghdad. Nor was there discussion, Mr. Snow said, of seeking to further incorporate the militia of the Shiite cleric Moktada al-Sadr into the army.

In recent days, other officials have stressed that Mr. Bush is doing all he can to bolster Mr. Maliki, whose early months as prime minister were widely described in Washington as a disappointment. But several officials have noted recently that Mr. Bush has promised to support Mr. Maliki only as long as he makes what Mr. Bush calls "hard decisions."

"No one has said what happens if he stops making those decisions," one senior official said early this week. "I don't think anyone knows."

Mr. Maliki took issue even with aspects of the enterprise that Americans have gone to great lengths to make work.

The White House, in a statement, said the leaders had agreed on the goals of accelerating the pace of training the Iraqi Security Force, Iraqi assumption of command and control over its forces, and transferring responsibility for security to the government of Iraq. A working group was set up to achieve them.

The military on Saturday announced the death of another American soldier from "enemy action" on Friday in Anbar Province in western Iraq. It has also said a soldier was killed in Diyala Province on Thursday. The deaths bring the toll for American troops this month to 98, the highest for one month in more than a year.

Also on Saturday, 11 Iraqi soldiers were kidnapped at a fake checkpoint in the heavily Sunni village of Adhaim, north of Baghdad. South of Baghdad in the town of Iskandariya, five Iraqis were killed and 11 wounded in a car bombing.

David E. Sanger and Jim Rutenberg contributed reporting from Washington, and Abdul Razzaq al-Saiedi from Baghdad.

Bush, Iraqi Premier Act To Close Rift After Week Of Tension (WP)

By Ellen Knickmeyer, Washington Post Foreign Service

The Washington Post, October 29, 2006

BAGHDAD, Oct. 28 -- President Bush coaxed Iraqi Prime Minister Nouri al-Maliki back into a common front with the U.S. administration Saturday, soothing the Iraqi leader in a 50-minute video link-up after a week of missteps and sharp words exposed tensions between the two allies.

Both leaders declared themselves "committed to the partnership" and prepared to work "in every way possible for a stable, democratic Iraq and for victory in the war on terror," the White House said in a statement after the Baghdad-Washington teleconference.

Bush and Maliki also agreed to create a top-level committee to come up with recommendations for speeding up the training of Iraq's security forces, moving ahead on efforts to put Iraq in control of those forces, and making the Iraqi government responsible for the country's security. Maliki's spokesman, Ali Dabbagh, said the recommendations would include timelines.

The proposed commission, which is to include Iraqi government ministers, U.S. Army Gen. George W. Casey Jr. and U.S. Ambassador Zalmay Khalilzad, will be at least the second high-level U.S.-Iraqi commission established here since the summer of 2005 to try to speed up Iraq's takeover of security and the withdrawal of U.S. forces.

Since formation of the first panel, sectarian warfare between Sunnis and Shiites has exploded, taking Iraqi civilian casualties this summer to the highest level of the war and helping to push American combat deaths this month to their third-highest figure since U.S. troops entered Iraq in March 2003.

For the Bush administration, Saturday's accord gave hope of closing an embarrassing rift that broke open just as Bush was trying to show that his much-criticized Iraq policy was adapting to the increasing violence. Congressional elections, just 10 days away, are focused heavily on the unpopular 3 1/2 -year-old war.

Maliki had sought Saturday's talk, aides said, because he was unhappy over what he took as Washington's dictating of terms to his government. The Iraqi leader was intent on showing that Khalilzad "was no L. Paul Bremer," the Associated Press quoted one Maliki aide as saying, referring to the American appointed to run Iraq shortly after the U.S. invasion.

The falling-out between the two administrations had its roots in growing U.S. frustration -- expressed privately by American officials -- over what is seen as the slowness of Maliki's roughly five-month-old government to quell both a Sunni Arab insurgency and the even bloodier Shiite-Sunni sectarian struggle.

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Feathers were ruffled Tuesday, when Khalilzad held a news conference with Casey to announce what he said were new commitments from Iraq's government on timelines and reforms meant to speed the day when U.S. troops could leave.

Maliki angrily denied any such commitment in a news conference the next day, and he followed up with interviews stressing that he and his government were independent of the United States.

Point made, White House spokesman Tony Snow said after Saturday's videoconference. "He's not America's man in Iraq," Snow told reporters. "The United States is there in a role to assist him. He's the prime minister -- he's the leader of the Iraqi people. He is, in fact, the sovereign leader of Iraq."

Snow said that Bush assured Maliki of continuing U.S. support despite midterm election criticism of the war. "Both leaders understand the political pressures going on. But the president told him: Don't worry about politics in the United States because we are with you, and we are going to be with you," Snow said.

Maliki's spokesman called the statement of U.S. support gratifying.

"The agreement shows there is a strategic alliance between the two countries for fighting terrorist groups and full support between President Bush and his administration to the government of Maliki," Dabbagh said. "It's a clear message to all in Iraq and the world that the administration supports the Maliki cabinet."

The U.S. military on Saturday reported the combat death of a U.S. Marine in Anbar province, raising to 98 the number of U.S. personnel killed in October.

In other violence around Iraq, one person was killed and 35 wounded in Baghdad when a rocket slammed into an outdoor market in the southern neighborhood of Dora.

Police also found 10 bodies of victims of apparent sectarian violence -- seven around Baghdad and three in Baqubah, 35 miles northeast of the capital.

In Kirkuk, 10 armed men stormed the house of a female rights activist, Halima Ahmad Hussein al-Jubouri, and killed her in front of her children, police Capt. Emad Khidir said.

At least 12 other people were reported killed in shootings and bomb attacks nationwide. The number of killings that reach public notice each day is a fraction of that logged by Iraq's morgues and hospitals.

Other Washington Post staff in Iraq contributed to this report.

Iraqi Premier Makes His Case To Bush (LAT)

By Borzou Daragahi, Times Staff Writer

The Los Angeles Times, October 29, 2006

Maliki, in a talk with the president aimed at easing tensions, asks for more control over security forces.

Iraq's prime minister pressed President Bush on Saturday to give his government a freer hand to fight Sunni Arab insurgents and neutralize the Shiite Muslim militias knocking the country off balance, in a conversation meant to smooth tensions that had flared over security disagreements and election-year rhetoric.

Bush, in a 50-minute videoconference with Prime Minister Nouri Maliki, upheld Washington's commitment to his Shiite-dominated government despite its failure to rein in the Shiite militias, which form a nucleus of Maliki's political base.

Maliki and U.S. officials have pressured anti-American Shiite cleric Muqtada Sadr to crack down on a powerful and volatile militia nominally under his control. On Saturday, several members of his organization said that Sadr had designated a committee of loyalists to investigate and purge his organization of the most egregious troublemakers.

The committee has already expelled and publicly denounced 30 self-styled Sadr movement members, said Qusai Abdul-Wahab, a member of parliament loyal to the cleric.

Saturday's conversation between Bush and Maliki followed a week of recriminations between U.S. officials in Baghdad and the Iraqi government over the potential disbanding and disarming of Sadr's Al Mahdi army and other paramilitary groups allegedly responsible for the kidnapping, torture and killing of thousands of Sunni Arab men.

At least 20 such slaying victims, some bearing electrical drill and hot-iron wounds on their bodies and gunshot wounds to the head, were discovered Saturday in Baghdad.

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At a private meeting Friday, Maliki demanded of U.S. Ambassador Zalmay Khalilzad that he respect Iraq's sovereignty, aides to the prime minister said. Maliki's reported message came in the face of mounting American demands for his government to take security steps against Sadr.

Khalilzad and other U.S. officials have referred to timelines that the Iraqi government must abide by or face unspecified consequences.

But there was no mention of timelines or deadlines in a joint statement issued Saturday after Bush and Maliki spoke, just a commitment to "accelerating the pace of training the Iraqi security force, and transferring responsibility for security" to Iraqis.

"As leaders of two great countries, we are committed to the security and prosperity of a democratic Iraq and the global fight against terrorism which affects all our citizens," the statement said.

With nine days left before Americans go to the polls, Bush has tried to bolster support for the increasingly unpopular war in Iraq by acknowledging setbacks and embracing a schedule of benchmarks for Iraq's political progress.

But Maliki's opposition to deadlines and his criticism that the U.S. attitude toward his government has encouraged the insurgents have put the Bush administration on the defensive.

"There are no strains in the relationship," White House spokesman Tony Snow said Saturday.

He added that Maliki was "not America's man in Iraq. The United States is there in a role to assist him. He's the prime minister — he's the leader of the Iraqi people. He is, in fact, the sovereign leader of Iraq."

Maliki asked Bush to give him the power to consolidate authority over security forces. The hodgepodge security arrangement in Baghdad, he told Bush, was allowing insurgents to flee one area for another after staging attacks, said Haidar Abadi, a confidant of the prime minister and a leader of his Islamic Dawa Party.

Maliki asked Bush to let his security forces enter areas controlled by U.S. forces, Abadi said.

"He asked the president to allow the Iraqi government to have a stronger and freer hand in managing the security situation in Iraq," he said. "We don't have control over the movement of security forces."

Sharp disagreements over the handling of the Shiite militias have frayed relations between Maliki's government and U.S. officials in Baghdad.

Khalilzad has demanded that the Iraqi government take the same zero-tolerance stance toward Shiite militias that it has with regard to Sunni Arab insurgents. But Maliki told Bush he had a different formula for disarming the Shiite fighters, Abadi said.

There are signs that Maliki's approach is producing some results.

Shortly after he visited Sadr in his Najaf home to discuss security issues, the cleric created the purging committee and gave it the power to investigate those purporting to act in the name of his organization and expel those involved in criminal activity.

The committee is headed by Sheik Mohammed Fartusi and Sheik Ali Kufi, two captains in the Sadr movement.

"The committee has great authority," Sheik Hazem Araji, a Sadr deputy in Baghdad, said in an interview. "Any violator will be kicked out of the Mahdi army and their name will be publicly announced."

Maliki told Bush that the Shiite militias would disappear when the Sunnis' campaign of bombing and shooting civilians and officials and attacking Shiite holy sites subsided.

There were few signs Saturday that such a prospect was on the horizon.

At least one U.S. service member was reported killed in Iraq, bringing to 98 the number of American troops killed here this month. The Marine, assigned to Regimental Combat Team 5, died Friday of combat injuries sustained in the western province of Al Anbar, the military said.

Insurgents blew up a minor Shiite shrine near the northern city of Kirkuk on Saturday, placing a bomb in the tomb of Imam Ismael in the village of Shikha.

Authorities found the bodies of four Iraqi soldiers in northern Baghdad. Twelve other soldiers were kidnapped while driving through a Sunni insurgent stronghold north of the capital.

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Bush Reaffirms Support For Iraq's Prime Minister (AP)

AP, October 28, 2006

WASHINGTON -- President Bush on Saturday reaffirmed his support for Iraq's prime minister, telling Nouri al Maliki that he isn't "America's man in Iraq" but a sovereign leader whom the U.S. is aiding.

Playing down tensions over a U.S. plan for benchmarks toward reducing the violence, the leaders said they were "committed to the partnership" and would work "in every way possible for a stable, democratic Iraq and for victory in the war on terror."

In a statement after a 50-minute video conference, Messrs. Bush and Maliki outlined three goals: speeding up the training of Iraq's security forces; moving ahead with Iraqi control of its forces; and making the Iraqi government responsible for the country's security. A special group of high-level Iraqi ministers will work with the top U.S. commander in Iraq, Gen. George Casey, and Ambassador Zalmay Khalilzad to recommend how best to achieve those goals.

"As leaders of two great countries, we are committed to the security and prosperity of a democratic Iraq and the global fight against terrorism which affects all our citizens," according to their joint statement.

Mr. Maliki had squabbled with the Bush administration this week over his objections to a timeline proposed by Washington for bringing security to Iraq. "There are no strains in the relationship," Mr. Snow said.

During the video hookup, Mr. Maliki told Mr. Bush, "History will record that because of your efforts, Iraq is a free country," according to White House press secretary Tony Snow.

"What you've got in Maliki is a guy who is making decisions," Mr. Snow said after the session. "He's making tough decisions, and he's showing toughness and he's also showing political skill in dealing with varying factions within his own country. And both leaders understand the political pressures going on."

Mr. Maliki was quoted by a close aide as having told Mr. Khalilzad on Friday, "I am a friend of the United States, but I am not America's man in Iraq."

In response, Mr. Snow told reporters Saturday, "He's not America's man in Iraq. The United States is there in a role to assist him. He's the prime minister -- he's the leader of the Iraqi people. He is, in fact, the sovereign leader of Iraq."

"In this prime minister, you have somebody in the Iraqi government who wants to take charge, who wants to take responsibility, is working on all fronts, on the economic side, on the security side, and on the political reconciliation side," the spokesman said. "And he believes it's important to do whatever he can to build greater faith and trust with the Iraqi people in the democracy. So the president's very happy actually with the way the prime minister is working."

After a tense week in U.S.-Iraqi relations, the prime minister and the U.S. ambassador issued a rare joint statement Friday in which Iraq reaffirmed its commitment to a "good and strong" relationship with the U.S.

The joint statement said that Iraq "made clear the issues that must be resolved with timelines for them to take positive steps forward." Mr. Maliki had issued several public statements this week declaring that the U.S. had no right to impose "timetables" on his government. That contradicted Ambassador Zalmay Khalilzad's assertion that the Maliki government had already agreed to set timelines for curbing violence and solving other problems. The statement was issued after the two men met "to discuss our ongoing efforts to bring peace and security to Iraq and create a better future for all Iraqis," the highly unusual joint statement said.

Calm Gives Way to Chaos

The U.S. military, meanwhile, announced the death of a Marine in Anbar province of Baghdad on Friday, raising to 98 the number of American forces killed in Iraq in October, already the fourth-deadliest month since the Iraq war began in March 2003.

The relative five-day calm in Baghdad in the five days since the end of the holy month of Ramadan ceded ground Saturday to a fresh outbreak of bloodletting.

Clashes erupted Saturday between U.S. and Iraqi troops and gunmen in the city of Ramadi, an insurgency stronghold where scores of militants staged a military-like parade last week not far from the local U.S. base. The troops used loudspeakers to ask residents to stay indoors.

One person was killed and 35 wounded when a rocket slammed into an outdoor market in Baghdad's turbulent southern neighborhood of Dora, police Lt. Mohammed al Baghdadi said. A second person was killed and nine were wounded when a bomb went off in a minibus in an eastern Baghdad district.

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Iraqi Prime Minister: 'I'm Not America's Man' (CNN)

CNN.com, October 28, 2006

BAGHDAD, Iraq (CNN) -- Iraqi Prime Minister Nuri al-Maliki on Saturday referred to the boundary between himself and the United States, telling U.S. President Bush that he answers first to the Iraqi government and people, according to an Iraqi official.

The clarification first came up Friday during a private meeting between al-Maliki and U.S. Ambassador Zalmay Khalilzad, according to an Iraqi parliament member who is also al-Maliki's senior aide.

"I consider myself a friend of the U.S., but I'm not America's man in Iraq," al-Maliki told the U.S. ambassador, according to Hassan al-Seneid.

The prime minister told Khalilzad that as head of a national unity government, he must win the approval of Iraq's parliament before acting on any proposals, al-Seneid said.

Al-Maliki repeated the message to Bush during a video conference Saturday, in which the two leaders discussed transferring power to Iraqi forces, Iraqi government spokesman Ali Dabbagh said.

White House spokesman Tony Snow agreed with al-Maliki's stance. "He's not America's man in Iraq," The Associated Press quoted Snow as saying. "The United States is there in a role to assist him. He's the prime minister -- he's the leader of the Iraqi people. He is, in fact, the sovereign leader of Iraq."

"There are no strains in the relationship," Snow added, according to AP.

Bush and al-Maliki agreed on three goals during their 50-minute talk: accelerating the training of Iraqi security forces; eventual control by Iraq of its forces, and the transfer of security responsibilities to the Iraqi government.

Absent among those goals was the dismantling of militias, which have been blamed for leading death squads and sectarian vendettas against Iraqi civilians.

On Saturday, Iraqi authorities found the bodies of 25 people across Baghdad -- all believed to be the victims of Sunni-Shiite violence. Some, with hands and feet bound, showed signs of torture, police said.

Al-Maliki has been critical of the setting of timelines and the U.S. military effort, particularly a raid in Baghdad's Sadr City to detain a death squad leader this week.

Bush and al-Maliki agreed to form "a high level working group to put forward recommendations on how to reach those goals," according to their joint statement. The group would include Iraq's national security adviser, ministers of defense and interior, U.S. Gen. George Casey and Khalilzad, the statement added. Women's rights leader killed

Violence in Iraq killed at least three people and wounded scores more on Saturday.

Police were also investigating the killing of a women's rights leader in Iraq.

Gunmen reportedly stormed Faliha Ahmed Hassan's house in Hawija, about 43 miles southwest of Kirkuk, and shot her to death on Friday evening.

Also in Hawija, gunmen on Saturday morning killed an Iraqi soldier and wounded three others in an attack on a joint Iraqi army and police patrol, a Kirkuk police official said.

Iraqi security forces were also targeted in eastern Baghdad. A roadside bomb wounded two Iraqi police officers in charge of guarding an oil industry facility Saturday morning, an Iraqi police spokesman said.

Also in eastern Baghdad, a bomb planted in a parked minibus exploded on Palestine Street, killing a civilian and wounding eight others, Iraqi emergency police said.

In a separate attack in the southern neighborhood of Dora, eight mortars exploded at a bus station, killing a civilian and wounding 30 others, Iraqi emergency police said.

And, in what has become a common occurrence, Iraq police found 10 bullet-riddled bodies thought to belong to victims of Sunni-Shiite sectarian vendettas.

West of the capital in Anbar province, a U.S. Marine with the Regimental Combat Team 5 died Friday after being wounded in battle, the U.S. military said Saturday.

The U.S. military death toll for the war is 2,811. So far this month, 98 troops have died. The deadliest month for U.S. forces in Iraq was November 2004, with 137 killed.Other developments

The Iraqi Army has captured the cameraman for Abu Musab al-Zarqawi, the slain former leader of Al Qaeda in Iraq, a spokesman for Iraq's Ministry of Defense said Saturday. During the capture of Khaled al-Khayyali, documents and tapes were seized that detailed past crimes committed by al-Zarqawi, operations that had been carried out and more operations that were planned, said spokesman Mohammed al-Askari. Al-Zarqawi was killed in a U.S. airstrike in June.

U.S.-led coalition forces killed a terrorist suspect and detained 10 Iraqis believed responsible "for the movement of foreign fighters" into the country during a raid south of Baghdad on Saturday morning, the U.S. military said. The raid was part of an effort to cut back on the number of car bombs and roadside attacks on the military there, the military added.

Timetables? Depends On Who's Talking (WP)

By Walter Pincus

The Washington Post, October 29, 2006

Recent discussion about Iraq has focused on the U.S. and Iraqi governments setting benchmarks for improving stability so the United States can eventually draw down troops, but public statements have made it difficult to determine who has agreed to what. The situation seemed to change over the course of the week, until finally it appeared that little had really happened.

On Tuesday, U.S. ambassador Zalmay Khalilzad told a Baghdad news conference that the Iraqi government had agreed to benchmarks and timelines. "Iraqi leaders must step up to achieve key political and security milestones on which they have agreed," he said. "Iraqi leaders have agreed to a timeline for making the hard decisions needed to resolve these issues."

He added that Iraqi President Jalal Talabani has "made these commitments public" and that the United States will support the Iraqis "in their effort to meet these benchmarks."

Khalilzad described some of the specifics: Over the next 12 months, "assuming that the Iraqi leaders deliver on the commitments that they have made," there will be action on allowing constitutional amendment, disarming militias, making laws to administer oil revenue and improving security institutions.

On Wednesday in Baghdad, however, Iraqi Prime Minister Nouri al-Maliki contradicted Khalilzad.

"I affirm that this government represents the will of the people, and no one has the right to impose a timetable on it," he said. "The Americans have the right to review their policies, but we do not believe in a timetable."

Hours later, in Washington, President Bush staked out a middle ground. He said that Iraq had indeed agreed to a schedule but that specific benchmarks were in the works.

Iraq has "agreed to a schedule for resolving issues, such as disarming illegal militias and death squads, sharing oil revenues, amending the Iraqi constitution and reforming the de-Baathification process," Bush said. "The first objective is to develop benchmarks that the [Iraqi] government agrees with and that we think are important."

On Thursday, Defense Secretary Donald H. Rumsfeld made benchmarks seem further down the road. Benchmarks are "still in discussions," he said. They will cover political, economic and security issues "to see how we get from where we are through this year and through next year and accomplish the things that are in our mutual interest."

Friday, White House press secretary Tony Snow cast the issue in even broader terms. "What you do have is collaborative efforts to try to work toward a series of goals, political, economic and security. . . . The Iraqis have already published a lot of their economic and political goals. And as I've also explained, for obvious reasons, you don't really go public with a lot of the security stuff, because it in fact tips your hand."

Later Friday, Maliki and Khalilzad met. They released a statement that still did not resolve whether the two governments are setting out specific deadlines.

It read: "Iraq and the United States are committed to working together to respond to the needs of the people. The Iraqi government has made clear the issues that must be resolved, with timelines, to take positive steps forward on behalf of the Iraqi people. The United States fully supports their goals and will help make them a success."

Yesterday, Bush and Maliki had a 50-minute videoconference to smooth out the differences that had bubbled up during the week. Afterward, they released a statement that made no mention of timelines, benchmarks or schedules.

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"We have three common goals: accelerating the pace of training the Iraqi Security Force, Iraqi assumption of command and control over Iraqi forces, and transferring responsibility for security to the Government of Iraq," the statement said.

Aide: Iraqi Leader Using U.S. Angst (AP-Y)

By Steven R. Hurst And Qassim Abdul-zahra, Associated Press Writers

AP, October 29, 2006

After a hastily arranged video conference with George Bush, Iraq's prime minister said Saturday that the U.S. president promised to move swiftly to turn over full control of the Iraqi army to the Baghdad government. A close aide to Nouri al-Maliki said later the prime minister was intentionally playing on U.S. voter displeasure with the war to strengthen his hand with Washington.

Hassan al-Suneid, a member of al-Maliki's inner circle, said the video conference was sought because issues needed airing at a higher level than with U.S. Ambassador Zalmay Khalilzad.

Al-Suneid said the prime minister complained to Bush that Khalilzad, an Afghan-born Sunni Muslim, was treating the Shiite al-Maliki imperiously.

"The U.S. ambassador is not (L. Paul) Bremer (the former U.S. administrator in Iraq). He does not have a free rein to do what he likes. Khalilzad must not behave like Bremer but rather like an ambassador," al-Suneid quoted al-Maliki as saying.

The remarks were the fourth time in a week that al-Maliki challenged the U.S. handling of the war. The ripostes flowed from an announcement by Khalilzad on Tuesday that al-Maliki had agreed to a U.S. plan to set timelines for progress in quelling violence in Iraq.

Al-Maliki's anger grew through the week until on Friday, al-Suneid said, the prime minister told Khalilzad: "I am a friend of the United States, but I am not America's man in Iraq."

After Saturday's talks, White House spokesman Tony Snow said of al-Maliki: "He's not America's man in Iraq. The United States is there in a role to assist him. He's the prime minister — he's the leader of the Iraqi people."

Snow said that reports of a rift between the United States and Iraq were wrong and that Bush had full confidence in al-Maliki.

"What you've got in Maliki is a guy who is making decisions. He's making tough decisions, and he's showing toughness and he's also showing political skill in dealing with varying factions within his own country. And both leaders understand the political pressures going on."

Snow said Bush told al-Maliki not to worry about U.S. politics "because we are with you and we are going to be with you."

Al-Suneid, however, said al-Maliki was intentionally using the displeasure of American voters over Bush's handling of the war to strengthen his position.

"It's al-Maliki's chance to get what he wants. It's a chance for al-Maliki to force a better deal for himself," he said.

Al-Suneid said Bush accepted Iraq's position that a renewal of the U.N. mandate for the U.S.-led military force was conditional on swift action to hand full control of the Iraqi army to the Baghdad government and the withdrawal of coalition forces from Iraqi cities and towns when the army is ready to take control.

Bush also agreed to set up a joint military operations room early next year that would give Iraqi authorities a say in the movement of U.S. and Iraqi troops, al-Suneid said. That is meant to head off unannounced raids like one Wednesday in Baghdad that targeted an alleged Shiite death squad leader.

Al-Maliki, who depends heavily on Shiite politicians whose parties have heavily armed militias, complained angrily about the U.S.-backed raid and demanded he be consulted before such operations in the future.

The United States said the death squad leader was on a preapproved list and the raid to capture him did not require specific Iraqi government approval. The man was not caught.

It was not clear whether al-Maliki's tough stance in recent days is a matter of conviction or a bid to bolster support among his domestic constituency — or both.

A joint statement issued after the video conference between al-Maliki and Bush said both sides "are committed to the partnership our two countries and two governments have formed and will work in every way possible for a stable, democratic Iraq and for victory in the war on terror."

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It said the two sides agreed to form a working group "to make recommendations on how these goals can be best achieved." It will consist of the U.S. military commander, Gen. George Casey, Khalilzad and Iraq's national security adviser and ministers of defense and interior.

Al-Maliki has grown increasingly prickly as the Americans have pressed him to rein in Shiite militias and crush death squads that have sprung up since a Shiite shrine was bombed by Sunni insurgents in February. Thousands of Sunnis have died in revenge attacks, many under brutal torture.

The Sunnis, particularly disaffected insurgents, have fought back vigorously in a sectarian bloodbath verging on civil war.

The U.S. military on Saturday reported the combat death of a U.S. Marine in Anbar province, raising to 98 the number of U.S. personnel killed in October — the fourth deadliest month for American forces since the war began in March 2003.

Violence also returned to the capital after a relative five-day calm following the end of the holy month of Ramadan.

One person was killed and 35 wounded when a rocket slammed into an outdoor market in Baghdad's turbulent southern neighborhood of Dora, while a bomb in a minibus killed a second person and wounded nine in an eastern district, police said.

Police also found 10 bodies of victims of apparent sectarian violence — seven in several parts of Baghdad and three in Baqouba, 35 miles northeast of the capital.

Eleven other people were reported killed in shootings and bomb attacks nationwide.

Iraqi Leader Critical Of U.S. Envoy (WT)

The Washington Times, October 29, 2006

BAGHDAD -- A festering grievance between Iraqi Prime Minister Nouri al-Maliki and the United States escalated yesterday with Mr. al-Maliki telling President Bush that America's ambassador in Baghdad acts like a viceroy instead of a diplomat.

Hassan al-Suneid, a member of Mr. al-Maliki's inner circle, said a hastily arranged videoconference with the president was needed because issues needed airing at a higher level than with U.S. Ambassador Zalmay Khalilzad.

Mr. al-Suneid also said the prime minister complained to Mr. Bush that Mr. Khalilzad, an Afghan-born Sunni Muslim, was treating the Shi'ite Mr. al-Maliki imperiously.

"The U.S. ambassador is not [L. Paul] Bremer. He does not have a free rein to do what he likes. Khalilzad must not behave like Bremer, but rather like an ambassador," Mr. al-Suneid quoted Mr. al-Maliki as telling the president. Mr. Bremer had the power to make laws by decree, many of which are still in force today.

The exchange punctuated one of the bloodiest months since the U.S. invasion.

The military announced yesterday that a Marine died from wounds in Anbar province on Friday, bringing the U.S. death toll so far this month in Iraq to 98, the highest since January 2005.

Since the summer, Iraqis have been dying at a rate of about 3,000 a month, prompting Mr. al-Maliki's government this month to stop releasing body counts to the United Nations.

Mr. Bush's Republican Party faces possible loss of control of Congress in the Nov. 7 elections, with dismay over his Iraq policy a critical factor in voter intentions.

White House spokesman Tony Snow dismissed talk of a rift between Iraq's leader and the United States.

"There are no strains in the relationship," Mr. Snow told reporters at Andrews Air Force Base after the 50-minute videoconference.

Mr. Snow said that Mr. Bush told Mr. al-Maliki not to worry about U.S. politics "because we are with you, and we are going to be with you."

Yesterday marked the fourth time in a week that Mr. al-Maliki challenged the U.S. handling of the war. The ripostes flowed from an announcement by Mr. Khalilzad on Tuesday that Mr. al-Maliki had agreed to a U.S. plan to set timelines for progress in quelling violence in Iraq.

Mr. al-Suneid, however, said Mr. al-Maliki was intentionally using the displeasure of American voters over Mr. Bush's handling of the war to strengthen his position.

"It's al-Maliki's chance to get what he wants. It's a chance for al-Maliki to force a better deal for himself," he said.

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Mr. al-Suneid said Mr. Bush accepted Iraq's position that a renewal of the U.N. mandate for the U.S.-led military force was conditional on swift action to hand full control of the Iraqi army to the Baghdad government and the withdrawal of coalition forces from Iraqi cities and towns when the army is ready to take control.

Mr. Bush also agreed to set up a joint military-operations room early next year that would give Iraqi authorities a say in the movement of U.S. and Iraqi troops, Mr. al-Suneid said. That is meant to head off unannounced raids like one Wednesday in Baghdad that targeted a purported Shi'ite death-squad leader.

Mr. al-Maliki, who depends heavily on Shi'ite politicians whose parties have heavily armed militias with links to death squads, complained angrily about the U.S.-backed raid and demanded he be consulted before such operations in the future.

The United States said that the death-squad leader was on a preapproved list and that the raid to capture him did not require specific Iraqi government approval. The man was not caught.

A joint statement issued after the videoconference between Mr. al-Maliki and Mr. Bush said both sides "are committed to the partnership our two countries and two governments have formed and will work in every way possible for a stable, democratic Iraq and for victory in the war on terror."

It said the two sides agreed to form a working group "to make recommendations on how these goals can be best achieved." It will consist of the U.S. military commander Gen. George Casey, Mr. Khalilzad, Iraq's national security adviser and its ministers of defense and interior.

Mr. al-Maliki has grown increasingly prickly as the U.S. has pressed him to rein in Shi'ite militias and crush death squads that have sprung up since a Shi'ite shrine was bombed by Sunni insurgents in February. Thousands of Sunnis and Shi'ites have died in revenge attacks, many under brutal torture.

Violence also returned to the capital after five days of relative calm following the end of the holy month of Ramadan.

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Eleven other persons were reported killed in shootings and bomb attacks nationwide.

Tipping Point For War's Supporters? (WP)

By Thomas E. Ricks And Peter Baker, Washington Post Staff Writers

The Washington Post, October 29, 2006

In Past Month, Even Stalwarts Have Called for Change in Iraq Policy

As the fighting in Iraq swerved toward civil war in February, Senate Armed Services Committee Chairman John W. Warner (R-Va.) expressed "a high degree of confidence" that a new government would take charge and that by the end of the year the conflict "won't be the same."

As October opened, Warner returned from Iraq with a far grimmer assessment. "The situation," he said, "is simply drifting sidewise." His judgment gave voice to Republican doubt that had been suppressed in a campaign season. Lawmakers who had vowed to "stay the course" called for change. One GOP senator declared Iraq "on the verge of chaos." By last week, President Bush was saying he too is "not satisfied" and is looking for a fresh approach.

October 2006 may be remembered as the month that the U.S. experience in Iraq hit a tipping point, when the violence flared and shook both the military command in Iraq and the political establishment back in Washington.

Plans to stabilize Baghdad collided with a surge in violence during the holy month of Ramadan. Sectarian revenge killings spread, consuming a town 50 miles from the capital. U.S. officials spoke of setting benchmarks for the Iraqi government to take on more responsibility, only to have the Iraqi prime minister call that suggestion election-year grandstanding. Bush compared the situation to the 1968 Tet Offensive -- often seen as a turning point in the Vietnam War -- and urged Americans not to become disillusioned.

"October has been very busy from a standpoint of operations on the ground and certainly back here in Washington," White House counselor Dan Bartlett said.

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With Iraq again dominating the national dialogue right before key midterm elections, "there's an expectation in the air that after the election, the partisanship and the politically charged environment will dissipate somewhat and people can start looking for ways to work together on this issue," Bartlett said.

Republicans are anxious about what happens in the meantime; polls show wide discontent. "Republicans are responding to the nervousness of the American people," said Sen. Lindsey O. Graham (R-S.C.). "People have begun to wonder about the basic premise that the Iraqi people are capable of solving their problems politically."

If October does prove to be a turning point for the Iraq war, historians are likely to point to two events, one in domestic U.S. politics and the other in Iraq.

The first was Warner's visit to Baghdad. As the chairman of Armed Services, a stalwart Bush supporter and a pillar of the Republican establishment, he rattled much of Washington with his dour assessment Oct. 5. If events have not improved in 60 to 90 days, he said, the Bush administration should find a new course. While still opposed to a precipitous troop withdrawal, Warner made clear that staying the course is no longer a viable option.

Warner's comments proved to be the starting gun for a race toward an exit strategy. Other Republicans had nursed similar doubts but kept quiet for fear of giving Democrats ammunition in a tough campaign cycle. Warner's remarks freed them to express their own misgivings.

Sen. Kay Bailey Hutchison, a Republican from the president's state of Texas, began talking about the need for a different approach in Iraq, such as partition. In Virginia, Sen. George Allen, who maintained in September that he would not "second-guess" the war, said that "mistakes have been made, and progress has been far too slow." More Republican candidates called for Defense Secretary Donald H. Rumsfeld to be fired.

Sen. John Cornyn (R-Tex.), a strong Bush supporter, was struck that Warner's comments echoed those of the ranking Democrat on Armed Services, Sen. Carl M. Levin (Mich.), who has advocated putting more pressure on the Iraqi government.

"They reminded me of some of the things Senator Levin has been saying for some time," Cornyn said last week. "We fought to allow Iraqis to control their own future, and I'm a little concerned about our making demands on them as if we are an occupying force."

In Iraq, meanwhile, the key moment was the realization by top commanders in mid-October that sending 12,000 U.S. troops back into Baghdad did not have the calming effect that had been hoped for. As Shiite-Sunni tensions erupted in the city, civilian casualties doubled in a matter of months, with 2,660 deaths in September alone.

"Operation Together Forward has made a difference in the focus areas, but has not met our overall expectations of sustaining a reduction in the levels of violence," Army Maj. Gen. William B. Caldwell IV said Oct. 19, using the U.S. military name for the Baghdad operation. In other words, the U.S. military had played its ace in the hole -- it had asserted itself in Iraq's most important city -- yet had not been able to improve deteriorating security in the capital.

A Marine colonel said he is seeing a major shift even inside the military. "There's a concern now that there wasn't previously," said the colonel, who remains on active duty and is not authorized to speak publicly on political matters. "Folks that took things at face value in the past are asking more questions."

Searching for a way out, Washington has focused new attention on the work of the Iraq Study Group, a panel of well-connected luminaries led by former secretary of state James A. Baker III and former representative Lee H. Hamilton (D-Ind.). Recommendations from the group, once seen as a sop to Congress, are expected in late December or early January and promise to be the first major subject tackled by the members of the next Congress.

People familiar with the group's option papers expect it to recommend either a scaling back of U.S. ambitions in Iraq, making stability rather than democracy the top priority, or, less likely, a slow but steady withdrawal of U.S. forces.

In the wake of Warner's revelation and the unchecked violence in Iraq, Bush's language in discussing the war changed markedly. As late as the end of August, he was still describing his policy as "stay the course." But with Democrats pounding away in campaign advertising, saying he refused to recognize the unfolding disaster in Iraq, the White House officially jettisoned the phrase this month, saying it did not adequately describe the administration's flexible approach.

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"We've never been 'stay the course,' " Bush told an interviewer. The concept will not die that easily, though. On Friday night, Vice President Cheney told reporters traveling with him on Air Force Two that "the United States' ability to stay the course and get the job done is a very, very important piece of business."

As congressional Republicans peeled away from the president, the White House grew more isolated. Debate over a National Intelligence Estimate's conclusion that Iraq had become a "cause celebre" for Islamic extremists and several books critical of the administration's handling of the war kept interfering with the White House message.

Democrats, once deeply divided over the war, coalesced around the idea of a phased withdrawal and aired television ads on Iraq in most of the competitive races around the country. Republican candidates, on the other hand, started ignoring Karl Rove's advice to talk about the war. Senate Majority Leader Bill Frist (R-Tenn.) told an interviewer that "the challenge is to get Americans to focus on pocketbook issues, and not on the Iraq and terror issue."

Other conservatives grew more skeptical that there is anything the United States can now do to fix Iraq. "I don't know what the new course would be," said Richard N. Perle, former head of the Pentagon's Defense Policy Board and an early supporter of the war. "The options are extremely limited now. The new course that's necessary is new Iraqi leadership."

The last full week of October underscored the fitful attempts by the White House to get on top of the situation. U.S. officials announced plans for benchmarks for Iraqis to assume more security duties, but Prime Minister Nouri al-Maliki said his government had not agreed to any deadlines. Bush called his second news conference in as many weeks to assure the American public that he is "not satisfied" with the way things are going, while still asserting that "absolutely, we're winning."

Inside the White House, officials were glum, trying just to get through the election in hopes that after the rhetoric fades there might be a chance for both parties to fashion a new approach. "I'm not disparaging new ideas; I'm welcoming new ideas," national security adviser Stephen J. Hadley said in an interview. But, he noted, "no one I know has come up with a silver bullet."

Hadley described the administration's three top priorities: a political agreement among Iraqi sects, enhanced security with Iraqis taking more of the lead and greater international support. "There's an opportunity to try to figure out how to do better," he said. "A lot of it is not a conception issue; it's an execution issue. It's an execution issue for the American government, and it's an execution issue for the Iraqi government."

All the while, in the background was the drumbeat of U.S. deaths in Iraq, with October's toll of 98 so far the worst in a month since January 2005. Iraqi forces have recently paid an even heavier price, with 300 troops dying during the month of Ramadan, the U.S. military said.

A series of grim events on the ground in Iraq deepened fears that the nation is sliding closer to a full-blown civil war. A battle between two towns -- one Shiite, one Sunni -- on opposite banks of the Tigris River earlier in the month epitomized the factors tearing the country apart. A vengeance killing blamed on Sunni Arab insurgents based in the farm hamlet of Duluiyah prompted a killing spree targeting Sunnis across the river in the predominantly Shiite city of Balad. The U.S. military and residents of both Duluiyah and Balad accused the towns' police of taking part in the killings.

Looking for protection, Shiites in Balad turned not to their elected government or to the U.S. military but to Shiite militias, summoning them from Baghdad. By the time the killing ebbed three days later, at least 80 people were dead. Balad was all but empty of Sunni families, which had lived among Shiites for generations.

The militias blamed in many of the Sunni deaths belong to two Shiite religious parties that dominate Iraq's five-month-old government. Maliki, a Shiite, has used his position to block U.S. efforts to crack down on militias. Last week he denounced a U.S.-backed Iraqi raid into Sadr City seeking the most notorious of the death-squad leaders. U.S. officials had not notified Maliki before the raid.

The White House said reports of a rift were overblown, but privately U.S. officials wondered about the Maliki government's competence. Maliki's comments last week underscored a growing divide. "If anyone is responsible for the poor security situation in Iraq," he said, "it is the coalition."

Looming over this deteriorating situation is the fact that, despite the training of 310,000 Iraqi soldiers and police officers -- close to the number once thought necessary to ensure security -- those new forces have not brought calm to the capital and the area around it.

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Experts disagree whether the past month represents the beginning of the end of the U.S. involvement in Iraq. But there was little question among them about whether it will be remembered as a major turning point. "We are at a real crossroads," said Graham, who sits on the Senate Armed Services panel. "Personally," said James Burk, a military expert at Texas A&M University, "I think the 'experiment' . . . is over."

But Dov S. Zakheim, who was a senior Pentagon official under Rumsfeld, said he thinks this is simply the beginning of a new phase in the U.S. effort in Iraq.

"Everyone knows that if we leave Iraq, not only will that country have little hope of regaining any form of stability, we will likely destabilize the entire region," he said. So the current turmoil reflects the "recognition in all policy circles that we are about to enter a new phase."

Correspondent Ellen Knickmeyer in Baghdad contributed to this report.

Iraq And Americans: One Land, Two Worlds (NYT)

By Sabrina Tavernise

The New York Times, October 29, 2006

BAGHDAD

ABU HUSSEIN is a 31-year-old Iraqi who works on an American military base. He used to commute. But last year his life collapsed and now he lives at work.

His story is familiar. He quickly moved his family out of Iraq after his children's doctor and a neighbor, both Shiites, were killed in their Baghdad neighborhood on the same day. His family was denied residency in Jordan, so he moved them back to Iraq, but to a southern city that had no jobs.

Now he sleeps on a cot in the base. He works day and night for two months at a stretch. He counts himself lucky. "The base is the safest place in all of Baghdad," he said.

Last week, an intense debate was taking place in the United States about how long American troops would have to stay in Iraq to keep security. But in the view of many Iraqis, that is something Americans have never been able to offer. And the longer they stay, the less confidence Iraqis have that the Americans will be able to do so. That distrust has hardened over three and a half years, adding ever more distance between two worlds: That of the American soldiers who are trying to do a job here, and that of the Iraqis and the grim realities that they must live with and the Americans try to navigate.

Part of the problem is that the Americans cannot see for themselves how bad things get when they are not around.

No one knows this better than Iraqi workers on bases. Like stowaways from another world, they adopt a kind of American identity. They take names like Joe and Ozzy. They learn how to swear and talk American slang.

These Iraqis know all too well what life is like outside. Abu Hussein tried for years to get them to protect Iraqis coming in and out of the base by shielding the civilian parking lot to hide the license plates from the eyes of Iraqis who hate those who work for Americans. Blast walls were erected only recently. "Everybody knows I'm going to leave from the gate," Abu Hussein said, his face tight with worry. "I have no weapon. I am isolated."

An American soldier, on the other hand, "is in a Humvee with armor and weapons."

Indeed, the divide is so profound that an American private had to dress in full battle armor this month to walk 20 paces outside the gate to an Iraqi employee parking lot in order to pick up a book.

When Americans move through Iraq, they do so like a giant ship cutting through a thick and treacherous sea. They move slowly, displacing the harsh reality on both sides, carving out a trough of safety around them. But after they pass, reality closes back in, in all its sucking, swirling fury.

That reality is terrifying because much of Iraq is a place without rules or laws, in which armed gangs, sometimes dressed as police officers, can come into any house and do exactly as they please.

This broad challenge for the Americans — making security last past the moment the Humvee on patrol rolls away from the house — could be seen last week in even the smallest ways in Ur, a sliver of residential blocks just north of Sadr City, the impoverished Shiite district where unruly militias are strong.

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The Americans began sweeping in late in August, going house to house looking for weapons. It had been more than a year since they had patrolled Ur, and residents were surprised to see them.

The neighborhood was mostly middle class and heavily Shiite, but while the Americans were gone its northeast corner had become the site of brutal executions: Authorities found 90 bodies there in the heat of August, most of them victims of Shiite death squads that had driven into the area from Sadr City.

"They killed openly, they did not hide," said a worker in eastern Ur who said he witnessed as many as 40 daytime executions, over several months, near a shop where he works. An Iraqi Army checkpoint was less than a mile away.

After the sweeps, fewer bodies were found, but the hard part — keeping the area clear of killings — had only just begun.

A deep fear had settled in the neighborhood's northeastern edge, the area closest to the militia stronghold.

At dusk on a recent Sunday, Sgt. Andrew Pokora stood in a courtyard with a nervous Shiite woman. Her husband had spoken to American soldiers before and they had found the conversation useful. It was the third time Americans had come to the house in recent weeks.

"What do you need from him?" asked the wife, her voice tense. "Every day Americans are coming here. The neighbors are asking why."

The neighbors were suspicious because the family had moved only recently from a hard-line Sunni neighborhood, Ameriya, from which Shiites were being driven out. They had not yet proved to their neighbors that they could be trusted, even though a sticker portraying a Shiite cleric was stuck to their battered white door.

Outside that door spread a vast expanse of dirt fields and garbage where gangs of men who like the cleric move. They call themselves the army of the Mahdi, a Shiite saint, and are known as brutal killers.

"Danger for us, for me, for my husband!" the woman told the Americans, standing firm as other family members wandered out into the small darkening courtyard. "They will say we are your client."

Sergeant Pokora, a bright, young soldier from Connecticut, relented. He wrote down the man's telephone number, thinking it best to call the husband later.

Even in safer areas, engaging Iraqis on the topic of their lives is difficult. Earlier that afternoon, the sergeant had sunk into a spongy couch in the living room of a housewife in Ur, trying to gain her confidence. "Do you feel safe when you see the police?" he asked, through a teenage interpreter.

She replied in a quiet voice, nodding slightly. Three tiny children with saucer eyes stared.

"She says she feels happy when she sees them," a translator told him.

"Ask her how she feels when American troops come through her neighborhood."

Another phrase in Arabic.

"Happy," the translator said.

The sergeant smiled and squinted in mock skepticism.

"Tell her to be honest," he said. "It's Ramadan."

And he didn't give up. He urged her to come to an American base if she had a tip. He said they would pay for it.

The Iraqi and American worlds in Iraq were not always quite so separate. In 2003, Iraqis lined up at the gate of the Rustimiya base waiting their turn to ask for jobs. Now the road is empty, with discarded plastic bags swirling in the wind.

American soldiers in northern Baghdad went to a public swimming pool shortly after the invasion in 2003. The former head of the Olympic Committee, Ahmed al-Hijiya, tried to organize a soccer game between an American military unit and a semi-professional Iraqi team earlier this year, but requirements for blast walls torpedoed the suggestion. In July, Mr. Hijiya was kidnapped from his office in central Baghdad. He and 23 other victims, 20 of them guards, are still missing, according to the Olympic Committee's office manager.

Today, the approach to the base is empty and ominous: A two-story watch tower peers down at anyone seeking entry, the guards shouting barely intelligible words in English. Guns are pointed. Nerves are keyed up.

Earlier this month, four teenagers who had worked as cleaners in Rustamiya were killed by gunmen who followed them to their homes in Nahariya, a suburb near the base, a worker who knew them said. A translator was killed the same week.

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On a recent Friday morning, an Iraqi man wearing glasses stood alone near the highway outside the base, staring at approaching cars, as if he was remembering license plates.

In Iraqi Villages, Troops See Strides And A Big Challenge (WP)

By Josh White, Washington Post Staff Writer

The Washington Post, October 29, 2006

MUSTAFAR, Iraq -- The smell of baking bread wafted over the dusty central square as children clamored to get closer to the U.S. troops and their hulking armored vehicles. Lt. John Sirhal tried fruitlessly to keep order among a group of boys waiting for M&Ms, while Capt. Adam Sawyer calmly walked up to businessmen hawking their wares.

Samir Hassan, a 53-year-old shopkeeper, said he was happy with the U.S. forces who have maintained peace around his home. But the Iraqi police who have set up a checkpoint at the entrance to Mustafar have made the residents uneasy, he said, as have the Shiite militias that operate just miles away.

"We feel safe here," Hassan said, waving his arm at the throngs of people in the streets on a recent day. "But now we can't go to Baghdad. We need to have security in Iraq. The government has no control, and I don't trust the Iraqi forces."

It is in small villages like these that U.S. soldiers say they are making their biggest strides but also face their biggest challenges. Commanders in Iraq say they can win any battle against armed insurgents and conduct any military operation successfully, but persuading Iraqis to believe in Iraq could end up being the most difficult battle in this war.

There are places in Iraq where U.S. troops are greeted with suspicion. And there are others where they confront grave danger. More than 90 American servicemen have been killed in hostile action across Iraq this month.

But in some of the small towns that ring the southern edge of Baghdad, the situation is quite different. For many residents, the daily dose of roadside bombs and gunshots that plague the capital is glimpsed only on television. Here, U.S. forces work to provide more electricity, to ensure water supplies are clean and to fix roads. The locals appear to appreciate it, but they also appear to genuinely fear what could happen if U.S. forces leave.

Lt. Col. Mark Suich, commander of the 1st Squadron, 89th Cavalry Regiment, is on the leading edge of the campaign to win over a swath of land south of Baghdad that includes Mustafar. He said the key to success in Iraq is to hand over control to the Iraqis, but that doing so could take time.

"Ultimately, they need to see the government functioning, especially in the area of security," said Suich, 42, of Greenville, Pa. "It's a long process to make people change their minds. It's stuff you can't do overnight."

In Mustafar, residents are just beginning to trust the Iraqi police, a ragtag group that periodically makes the short trek from its checkpoint into town to buy lunch or gifts. So far, no one has tried to sneak weapons past the checkpoint, and there has been no violence in the village for weeks.

It has also been peaceful in nearby Abu Hillan, a tiny collection of houses of Sunni Arabs along a strip of dirt road. Residents there recently teamed with a neighboring town and with U.S. soldiers to tap into an electrical substation, boosting their daily availability of electricity from about two hours to more than 20.

"We're happier now," said Othman Ibrahim, 23, a fireplug of a farmer with coarse hands and soft eyes. "We like the U.S. soldiers because they came in and made things better. But we don't trust the Iraqi army, and while there are still militias, we're never going to trust them."

Ibrahim also has difficulty trusting the government. Though he likes the idea of democracy, he said, he isn't sure what difference it has made or will make.

"We are farmers, and we know nothing about democracy," he said, shaking his head. "We see no changes because of it."

Sawyer, who commands the regiment's C Troop and spends much of his time working to improve services in the region, said it could be years before large-scale improvements are made.

"I can't fix electricity overnight, but we can come in and do the little things, and those little things do matter," Sawyer said, shortly after surveying a vacant building he hopes to turn into a medical clinic. "You will gain more from these things than you can possibly gain from using your weapon. It's all about taking baby steps."

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Suich acknowledges that his squadron is fighting two main battles, one with armed insurgents and one with the idea of a new Iraq. He said he plans to build locals' trust of Iraqi troops by gradually dispatching them on joint patrols with their U.S. counterparts.

"We have to be patient, we have to be persistent, and we have to go back to them and go back to them," Suich said.

At a compound for Special Operations forces near Baghdad, civil affairs officers are working to speed things up by offering medical services and interest-free business loans.

On a recent afternoon, dozens of families lined up to see doctors and to receive gifts such as shoes, school supplies and board games.

"There's no doubt in my mind that we have terrorists coming through the gate here, and we help them, too," said Maj. Stephen Przybelski, a civil affairs officer from Green Bay, Wis. "Maybe we'll turn someone. I don't know how many we can turn, but if we can turn one or two, how many people's lives have we saved?"

One of the clinic's main forces is Dr. Turki, an Iraqi American who lives in Centreville, Va., and returned to Iraq to help her country. Turki, who didn't want to give her full name for security reasons, said she treats many Iraqis who are afraid to be seen with U.S. forces but really want their help.

She said she has high hopes.

"It's so hard these days, and I feel so sad for what is going on here," she said. "I wish one day to open my eyes and see peace all over Iraq."

After Sirhal, the lieutenant, handed out candy to children in Mustafar, he paused and looked out over the villagers who were smiling and waving.

"This really does make me proud," said Sirhal, 27, of Bloomfield Hills, Mich. "You see how they are here? It could be like this everywhere. We just have to be patient."

Iraqis See The Little Things Fade Away In War's Gloom (NYT)

By Sabrina Tavernise

The New York Times, October 29, 2006

BAGHDAD, Oct. 28 — The things the women missed were almost too small to notice at first.

Simple numbers and dates began to elude their memories. They were hugging their children less. Past pleasures, eating and listening to music, began to feel flat. They were shouting at their husbands like army commanders.

Small as they seemed, these scraps of life were the effects of the war as discussed by four Iraqi women on a cloudy Saturday afternoon in a women's center in Baghdad.

Their stories began with a familiar theme: the shrinking lives of middle-class families in the capital. Social clubs have emptied out. Weddings have been sparsely attended. But as the circle has become smaller, and as they focus intensely on just staying alive, they said, even the basics are being stripped away.

"All the elements of society have been dismantled," said Fawsia Abdul al-Attiya, a sociologist and a professor at Baghdad University. "You are afraid because you are a woman, a man, a Sunni, a Shiite, a Kurd.

"All these things start to change society."

In a room in the Amal Women's Network that was strewn with remnants of a morning meeting — a half-eaten piece of cake, an orange peel, some crumpled tissues — the women talked about the changes forced on their lives by that fear.

One of the women, a senior employee in an Iraqi ministry that is now run by religious Shiites, recalled recently walking through the gate of her office building with several colleagues, two wearing form-fitting dresses with bare heads and a third in a hijab, when security guards pulled the third woman aside.

"They told her to tell her friends to be more cautious," she said, leaning out of her high-backed chair. She asked that her name not be used because it would be recognized. She has received two threats on her life.

Her own office was a measure of just how far relations between Iraqis have unraveled. She has worked with her colleagues for 21 years, but in the past year, strange new alliances and rivalries have emerged. In business trips abroad, lists of those permitted to go were compiled along sectarian lines. Shiites chose Shiites. Sunnis chose Sunnis.

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Basma al-Khateeb, a 47-year-old mother of three, shook her head sadly at the familiar tale. "We never dreamed it would be like this," she said.

Ms. Khateeb, who runs a program for youths at the center, said she missed the very simple pleasures that gave life its texture.

"Walking. Riding a bicycle down the street. We gave up so many things we used to do," she said. "Now we call them accessories."

Private lives have been dented and squeezed into uncomfortable positions. Houda, a 40-year-old layout designer for a magazine in Baghdad who would not give her last name, said the violence had cast her and her husband in the roles of emergency room doctors, shouting orders and performing urgent tasks. Little time remains for intimacy. The last time she remembers feeling happy together was a year ago.

"Something has changed," she said. "There is a kind of dryness between us now."

One conversation that comes up daily is about leaving Iraq, but there are no answers.

It is a daily struggle not to shout at her two teenage girls, one that she usually loses. She has stopped hugging and kissing them, a strange byproduct of extreme stress, she said. Recently, her 15-year-old called to say she missed her, though they had not been apart.

"I feel surrounded by threats," she said. "When I go to work. When they go to school."

As the violence tears the fabric of society, breaking communities and long-established social networks, even peoples' thinking is muted. Plans for the future are too painful, too breakable, many Baghdad residents say, and so their thoughts stay fixed on the immediate.

"The events are too big to comprehend, and the mind stops thinking," Ms. Attiya said. The result, she said, is a distracted population with vastly diminished ambitions.

With jobs too difficult or too dangerous to find in many cases, young people in particular have put aside their dreams. In such an environment, the allure of populist leaders and militias offering protection, a sense of purpose and belonging has become compelling.

For the women — secular, middle class, employed and part of an increasingly slender slice of Iraq's population — the effects have been on a more personal scale.

Many reported a new difficulty with memory, particularly of numbers and dates.

For Houda, it happened in front of a television set. She sat down to turn on her favorite Egyptian television show a few days ago, and for several minutes she could not remember the channel.

"It was a blankness," she said. "My brain is loaded. It is not active like before."

The feeling is particularly intense for those who have lost a close relative, especially a child. Haifa Hassan, an English teacher whose 12-year-old son was kidnapped while he walked home from school this summer and then brutally killed, has a face like a mask. She finds it hard to smile, and when she does, it is more a grimace.

She has trouble sleeping at night. She tries to nap, but when her husband enters the bedroom, her eyes are often open, staring ahead.

"My son dies every day," she said, recalling his small body and neck with rope marks. She left Iraq with her husband and remaining son this month.

Life has become so hard that many Iraqis find it too painful to partake of the world outside. Houda said she can no longer stomach movies, bright things that show varnished, perfect lives. She has not watched a movie all the way through in more than a year.

Life was also hard under Saddam Hussein, the women pointed out. Plans were equally impossible to build. But the basic fabric of life, visiting family, attending weddings and funerals, was for the most part intact. Now Iraqis are letting go even of those parts.

The ministry employee sat at the table looking agitated. She attended the funeral for the mother of a good friend this month. The family was Christian, large and respected in the community, and before the war, such a funeral would draw hundreds.

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Instead, 10 people came to the church service, and only one, the dead woman's son-in-law, risked following the casket out to the cemetery. Even her daughter stayed home.

Those who escape to Jordan or Syria or the Kurdish enclave in northern Iraq describe stumbling around for days, extremely disoriented.

One of the women recalled that when she saw her children in a mall in Jordan, she was overcome by a feeling of indescribable relief. The lights were bright. Her children were safe, and drinking fruit shakes. But they were also melancholy, tinged with the memory of what had been lost.

Hana Edwar, the director of the women's center, said she brought a group of young people to a scenic lakeside resort in Iraqi Kurdistan in September. When a group gathered there for prayer, one young man joked that he did not need to pray because he was already in heaven.

"Really, you feel how much we miss these things," Ms. Edwar said. "How much we miss them."

A year ago, there was still so much hope, she said, "but now the light is so weak."

A stanza by her favorite poet, Muhammad al-Jawahiri, runs constantly in her mind.

"Oh open-handed Tigris!" it says. "Our ambitions have fallen so low that even the simplest among them is not promised."

This Is Baghdad. What Could Be Worse? (WP)

By Anthony Shadid

The Washington Post, October 29, 2006

There was an almost forgettable exchange earlier this month in the Iraqi National Assembly, itself on the fringe of relevance in today's disintegrating Iraq. Lawmakers debated whether legislation should be submitted to a committee to determine if it was compatible with Islam. Ideas were put forth, as well as criticism. Why not a committee to determine whether legislation endorses democratic principles? one asked. In stepped Mahmoud Mashadani, the assembly's speaker, to settle the dispute.

"Any law or decision that goes against Islam, we'll put it under the kundara!" he thundered.

"God is greatest!" lawmakers shouted back, in a rare moment of agreement between Sunni and Shiite Muslims.

Kundara means shoe, and the bit of bluster by Mashadani said a lot about Baghdad today.

It had been almost a year since I was in the Iraqi capital, where I worked as a reporter in the days of Saddam Hussein, the U.S.-led invasion in 2003, and the occupation, guerrilla war and religious resurgence that followed. On my return, it was difficult to grasp how atomized and violent the 1,250-year-old city has become. Even on the worst days, I had always found Baghdad's most redeeming quality to be its resilience, a tenacious refusal among people I met over three years to surrender to the chaos unleashed when the Americans arrived. That resilience is gone, overwhelmed by civil war, anarchy or whatever term could possibly fit. Baghdad now is convulsed by hatred, paralyzed by suspicion; fear has forced many to leave. Carnage its rhythm and despair its mantra, the capital, it seems, no longer embraces life.

"A city of ghosts," a friend told me, her tone almost funereal.

The commotion in the streets -- goods spilling across sidewalks, traffic snarled under a searing sun -- once prompted the uninitiated to conclude that Baghdad was reviving. Of course, they were seeing the city through a windshield, the often angry voices on the streets inaudible. Today, with traffic dwindling, stores shuttered and streets empty by nightfall, that conceit no longer holds.

Even the propaganda, once ubiquitous and often incongruous, is gone. One piece I recalled from two years ago: a map of Iraq divided into three colored bands. In white, it read, "Progress." In red, "Iraq." In white again, "Prosperity." The promises are now more modest: "However strong the wind," reads a new poster of a woman clutching her child, "it will pass." More indicative of the mood, perhaps, was one of the old banners still hanging. Faded and draped over a building scarred with craters from the invasion, it was an ad for the U.S.-funded Iraqi network, al-Iraqiya. In Arabic, its slogan reads, "Prepare your eyes for more."

As I spoke to friends, some for the first time in more than a year, that was their fear: more of the kundara.

"When anyone is against you, when anyone has differences with me, I will put a kundara in his mouth, I will shove a kundara down his throat, I will hit him with a kundara, and so on," another friend told me.

"We live in a kundara culture today."

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I had first met Karima Salman during the U.S. invasion. She was a stout Shiite Muslim matriarch with eight children, living in a three-room apartment in the working-class district of Karrada. Trash was piled at her entrance, a dented, rusted steel gate perched along a sagging brick sidewalk. When I visited last year, the street, still one of the safer ones in Baghdad, exuded a veneer of normalcy. Makeshift markets overflowed with goods piled on rickety stands: socks imported from China, T-shirts from Syria and stacks of shoes, sunglasses and lingerie. Down the street were toys: plastic guns, a Barbie knockoff in a black veil, and a pirate carrying an AK-47 and a grenade. There was a "Super Mega Heavy Metal Fighter" action figure and a doll that, when squeezed, played "It's a Small World."

On this day, the metal stands were empty, as were the streets.

"Praise God," Karima said as I asked how she was. In a moment, her smile faded as she realized the absurdity of her words. "Of course, it's not good," she said, shaking her head. "There's nothing that's ever happened like what's happening in Iraq."

On June 23, 2005, three car bombs detonated in Karrada, outside her home, wrecking the Abdul-Rasul Ali mosque and spraying shrapnel that sliced into the forearm of one of her five daughters, Hiba. Friends at school nicknamed her "Shrapnel Hiba." Two months ago, yet another bomb hurled glass through their window, cutting the head of Hiba's twin sister, Duaa. Four stitches sealed the wound. Over that time, Karima lost her job as a maid at the Palm Hotel, where she had earned about $33 a month.

"People are too scared to come," she said matter of factly.

Next to her sat her son Mohammed. During the invasion, Mohammed, an ex-convict, had joined a motley unit of a dozen men patrolling Baghdad's streets as part of the Baath Party militia. Now he had entered the ranks of the Mahdi Army, a Shiite militia loyal to a young cleric, Moqtada al-Sadr, and blamed for many of today's sectarian killings in Baghdad. Karima's son-in-law Ali had been an officer in the American-equipped police force, earning $300 a month. He quit after receiving a death threat. Now he, too, had joined the Mahdi Army.

"Not all of them are good," Karima told me, casting a glance at her son.

Stocky and a little surly, Mohammed smiled. "Who else is going to protect Iraq?" he asked.

They debated the causes of the violence that, these days, is the topic of almost every conversation. Radical Sunnis, the Americans, Iranian agents, other militias. "Even the Egyptians," Karima offered. "And the Sudanese," Mohammed added.

"Brothers are killing their brothers," she said.

Stories poured forth: a bomb amputating the arm of a 10-year-old neighbor; another killing Marwan, the barber.

"If they brought the Israelis, the Jews, and they ruled Iraq, it would be better," said Karima, her face framed by a black veil. Sunlight bathed the room; electricity, as usual, was cut off. "It would be a million times better than a Sunni, a million times better than a Shiite."

Her first grandchild, 2-month-old Fahd, sat next to her. His expression was rare in Baghdad: eyes expectant, fearless.

"Is it not a pity to bring a baby in a world like this?" she asked. "It's a shame."

Her eldest daughter, Fatima, looked on.

"One-third of us are dying, one-third of us are fleeing and one-third of us will be widows," she said.

"This is Iraq," Karima added.

The last time I had visited Faruq Saad Eddin, he and his wife, Muna, had argued over whether their eldest son should have left the country. We sat in Jihad, a neighborhood so dangerous now that a stranger risks death by entering it. A generator droned in the background; occasional bomb blasts thundered in the distance, probably homemade mines targeting U.S. patrols. An urbane former diplomat, Faruq had been upset. He worried about what would become of his ancient land if its capable fled.

"You can't just cut out and run away," he told me. "This is our country and sooner or later our children will come back. The resilience of the people, that's what 11,000 years means," he said. "Someone who has 11,000 years, 100 years to lose here or there is not that much."

On April 17, Faruq and Muna left Iraq at the insistence of their son, who had paid a year's rent for an apartment in Jordan. A month later, a car bomb detonated outside their Baghdad home, shattering the windows in the room where we once had shared bitter coffee.

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On a cool morning in the Amman neighborhood of Umm al-Summaq, Faruq shook his head at the arbitrariness of fate.

"We would have been killed, no doubt about it," he said.

"We are all stranded, here and there, Iraqis," he added.

A friend once compared the elderly who are reluctant to leave Baghdad to the blind. Take them away from the familiarity of their home, garden and street, and they become lost and disoriented. Faruq has sought new routines: morning strolls, e-mails to friends, a voracious appetite for news and late-night updates on his favorite baseball team, the St. Louis Cardinals. His apartment overlooked the rolling hills of Amman, glowing in the morning's soft sun; his granddaughter Mayasa played giddily next to him with a stuffed toy.

"I should feel happy," he said.

He shook his head again, a gesture that meant he wasn't.

"We have a heavy heart, really," he said after a few moments of silence. "Just knowing what's happening makes us grieve."

I had come to know Wamidh Nadhme in 2002, before the invasion. A professor of political science at Baghdad University, he was a forthright voice in those tense, uneasy days when Hussein was still in power. He tried to speak with complete honesty despite the possible consequences of doing so in a police state. With an ever-present Dunhill cigarette, he would slowly field questions back then, reasoning out every intricate response, surrounded by his French-style furniture, worn Persian carpets and a framed piece of papyrus from Egypt, where he had spent time in exile as a young activist. But on this visit, reason eluded him, as did explanation.

"I find myself unable to understand what's going on," he said.

Wamidh had settled into what he called "withdrawal." He still visited the university once a week, but Baghdad was simply too dangerous to venture outside. After nightfall, the streets of his neighborhood of Adhamiya look like they might an hour or so before dawn: dark, without traffic, and menacing. As we talked, helicopters rumbled overhead. Gunfire burst almost continuously.

"You feel like the country is exploding," he said.

We traded stories. One I had heard from a friend: Insurgents stopped a driver at a checkpoint. They opened his trunk. "Why do you have a spare tire?" the insurgent asked solemnly. "You don't have trust in God?"

Well into 2005, Wamidh has bristled at the notion of a sectarian divide, even as the very geography of Baghdad began to transform into Shiite and Sunni halves divided by the Tigris River. Like many Iraqis, he blamed the Americans for naively viewing the country solely through that sectarian prism before the war, then forging policies that helped make it that way afterward. He ran through other "awful mistakes": the carnage unleashed by Sunni insurgents affiliated with al-Qaeda, the assassination of a Shiite ayatollah in 2003 who may have bridged differences, the devolution of Sadr's movement today into armed, revenge-minded mobs.

As Wamidh finished, he flashed his customary modesty. "Perhaps you could correct me?" he offered.

I asked him whether it would become worse if the American military withdrew.

He looked at me for a moment without saying anything, as though he were a little confused.

"What could be worse?" he asked, knitting his brow.

I saw Wamidh again a week later, and the question had lingered with him. "I sometimes wonder what I would do if I were the Americans," he said over a traditional Ramadan dinner. His answer seemed to hurt him. "I have no idea, really."

"It's like a volcano that has erupted. How do you stop that?"

On April 9, 2003, Firdaus Square became the lasting image of the U.S. entry into Baghdad. In its center was a metal statue of Hussein in a suit, his arm outstretched in socialist realist fashion. Like an arena of spectators, columns of descending height encircled him, each bearing the initials "S.H." on their cupolas. By early afternoon that day, hundreds of Iraqis swarmed around the statue with one task in mind: bring it down. It marked the fall. A year later, amid uprisings by Sunni insurgents in Fallujah and Sadr's militia in Baghdad and the south, it spoke of occupation. The square was deserted, guarded by U.S. tanks whose barrels read, "Beastly Boy" and "Bloodlust." Soldiers, edgy, had orders to shoot anyone with a weapon. At times, music blared over speakers on a Humvee.

One song: "Ring of Fire," by Johnny Cash.

As I stood in Firdaus Square this day, after invasion, liberation and occupation, I wondered what word described Baghdad.

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"This is a civil war now," Harith Abdel-Hamid, a psychiatrist, had told me, trying to diagnose the madness. "When you see hundreds of people killed every day, corpses of people tortured in the streets every day, what else does it mean?"

"Call it what you will," he said, "but it is a civil war."

Perhaps. But I felt as though I was witnessing something more: the final, frenzied maturity of once-inchoate forces unleashed more than three years ago by the invasion. There was civil war-style sectarian killing, its echoes in Lebanon a generation ago. Alongside it were gangland turf battles over money, power and survival; a raft of political parties and their militias fighting a zero-sum game; a raging insurgency; the collapse of authority; social services a chimera; and no way forward for an Iraqi government ordered to act by Americans who themselves are still seen as the final arbiter and, as a result, still depriving that government of legitimacy.

Civil war was perhaps too easy a term, a little too tidy.

I looked out on the square. On one side were rows of concrete barricades and barbed wire, having faded almost organically into the landscape. In another direction, a billboard read: "Terrorism has no religion." Across the street, a poster portraying Iraqi police pleaded: "We are the heroes fighting for the sake of Baghdad." In the middle of the square, on the stone perch where Hussein's statue once stood, were torn scraps of other posters: "Your voice," "the nation," "patriotism," "dialogue," "building the future." The words were isolated, without context, like fragments of a clay tablet.

Sirens soon pierced the square. Two armed police escorts, headed in opposite directions, rushed along the street. Each frantically waved at the other to pull over. Guns dangling from the window, they fired volleys into the air to intimidate each other.

In time, the one with fewer rifles and fewer men let the other pass. They were playing by the rules of the kundara.

In the square, Salam Ahmed sat with a friend, Saad Nasser, under the statue, looking out at the scene.

"They died under Saddam, and they're dying now," Salam said.

Unshaven, wearing a baseball cap, Saad looked at the ground. He was grim, angry and dejected.

"No one can stop it but God," he said. "Only God has the power."

Iraq: Army Has Al-Zarqawi's Cameraman (AP)

AP, October 29, 2006

Iraq's Defense Ministry said Saturday that the Iraqi army captured a man thought to be the personal cameraman for Abu Musab al-Zarqawi, the slain leader of al-Qaida in Iraq, the country's most feared terrorist group.

Spokesman Mohammed al-Askari told al-Iraqiyah television that Khalid al-Hayani was detained in Diyala province, northeast of Baghdad.

He declined to say when the capture occurred or give al-Hayani's nationality, saying that could hinder future operations against terrorists. He said videotapes and documents were found in al-Hayani's possession but did not describe their contents.

The Jordanian-born al-Zarqawi, who was killed by a U.S. airstrike June 7 in Diyala, had appeared in several videos posted on militant Internet sites.

One clip often played on Middle Eastern TV news channels showed him clad in black and firing a machine gun. An earlier one purported to show al-Zarqawi with his face covered, speaking to the camera before he slit the throat of a Western hostage.

The Bomb Squad (WP)

By Whitney Terrell

The Washington Post, October 29, 2006

Their job: Hunt down and disarm the explosive booby traps that kill more Americans than any other weapon. Try not to die doing it.

1ST LT. NATE RAWLINGS IS STANDING IN THE CAMP LIBERTY MOTOR POOL, just west of Baghdad, trying to figure out why a NASCAR track dryer should be welded to one of his minesweeping trucks. In such situations, Rawlings -- who is 6-2, 230 pounds -- resembles an offensive lineman who has been asked to dance ballet. His brow furrows, his comic-book square chin dips with respectful curiosity. But he'd like to make sure that this step is really necessary. "What happens if [it's] hit with shrapnel?" he asks the Asymmetric Warfare Group man.

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The Asymmetric Warfare Man -- who has what I can only hope is an irrational fear that if I use his name, insurgents will go to America and hunt down his family -- bites his lip. A retired officer, he has his web belt cinched so tight that it acts as a corset, flaring out his rib cage. He's here to help the Army combat unconventional weapons by inventing contraptions such as the dryer, which is supposed to blow dirt off of buried bombs. Also, his wife kicked him out. ("Go!" is what he remembers her saying. "You've been wanting to since Day One of the war. You'll hate yourself if you don't.")

"This gas can, okay, it sits right here?" The Asymmetric Warfare Man squats beside the dryer, which resembles a lawn mower engine bolted to a jet turbine bolted to an elbow of air-conditioning duct. He taps its exposed gas can, and continues. Maybe if Rawlings mounted some fire retardant next to the gas can, it would powder in a blast? Render the fuel inert? And then act as a fire retardant for the whole thing? "That's not too bad," the Asymmetric Warfare Man declares, gaining momentum. "Whaddya think?"

"I don't like it," Rawlings says.

Neither do I, given that I'm going to be riding in one of these minesweeping trucks tomorrow. The shrapnel Rawlings mentions is an all-too-likely possibility, considering the 25,000 improvised explosive devices, or IEDs, that have been aimed at American troops since the war in Iraq began, severing limbs and crushing the skulls of U.S. soldiers and journalists alike. It doesn't help that Rawlings's soldiers -- with whom I am embedded -- are the leading edge of a $6.1 billion Pentagon effort to win the war against roadside bombings in Iraq.

They're IED hunters. It's their job to find the bombs that the insurgents plant. It's Rawlings's job to make sure they don't get blown up trying.

"When I first started," Rawlings shouts as the dryer revs up for a demonstration, "I used to sit by the radio 14 hours a day. I'd stay till 4 in the morning, whatever it took, listening to my guys out on patrol until I was sure they'd made it home okay."

Rawlings isn't supposed to worry this much. Part of the Pentagon's spending has paid for specially armored trucks -- such as the RG-31 we've been inspecting -- designed to protect his soldiers from IED blasts. On the other hand, as we drive back to his headquarters, we pass another unit's RG-31: Its engine compartment and four-foot-tall front tires are gone; the ballistic windows in its cab and armored bed are spiderwebbed from an IED attack that wounded two.

"Yeah, well," Rawlings says. "That vehicle looked a lot better when we first towed it in. People have been stripping parts from it."

It's hard to tell whether he's reassuring himself or me.

It's even harder to try to bridge the gulf between Rawlings's language -- this war's now-familiar lexicon of "flaks" and "mortar pits" and scouts who disappear in a "fine red mist" -- and what I know of his life as a history major at Princeton University, where he graduated in 2004. A "big, beefy rugger player from Chattanooga" -- in the words of his writing professor, John McPhee -- Rawlings was the kind of romantic enthusiast that I remember emulating when I attended Princeton in the early '90s. In addition to rugby, he wrestled and acted as the social chair of Tiger Inn, a notoriously rowdy club, while at the same time studying with historian Sean Wilentz and researching a thesis on a Confederate ancestor in Tennessee. Rawlings also considered military service a family responsibility, and, following in the footsteps of his uncle and grandfather, who fought in Vietnam and WWII, respectively, he joined ROTC three weeks before 9/11. That decision has led him to a desk in this plywood-floored tactical operations center, or TOC, surrounded by soldiers from E Company, 1st Battalion, 22nd Infantry's Ironclaw team. His deployment didn't kill his romantic streak -- in an e-mail last winter, he described his first firefight by writing, "Teddy Roosevelt would have found that engagement rather sporty" -- but after six months in Iraq, that part of him seems to be struggling against the messiness of the fight against IEDs.

Until recently, he tells me, most IED patrols were done on foot -- a process that often involved uncovering bombs by hand. When I express disbelief, Rawlings cites the experiences of Sgt. Willard Peterson, who is sitting in a dusty leather chair five feet away from us.

"Effective but dangerous" is Peterson's verdict on this method, delivered in the same tone that he has already used to tell me that Army life is "slightly incompatible" with his Mormon upbringing.

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"I lost a lot of friends like that," Peterson says, describing how, during a foot patrol, one friend decided to search for bombs beside a wall covered with anti-American graffiti. He found one. "It was an ambush," Peterson explains. "Blew that wall up and killed him."

Despite his Ivy League background, Rawlings is clearly at home in the ramshackle confines of the TOC, which serves as a clubhouse for the soldiers who live in rows of blindingly white trailers out back. He can be found there at all hours, and is always willing to stop what he's doing and engage in discussions on the value of the energy drink Rip It ("That stuff will keep you up forever"), evaluations of insurgents' seized weapons ("What's that, a flintlock musket?") or mildly didactic history lessons ("What is unique about Harry S Truman's name? His middle initial doesn't need a period after it"). The prevailing mood of the place is a half-goofy, half-gallows humor -- for platoon assignments, Rawlings has written FIND BOMBS, BLOW UP BOMBS on the dry erase board behind his head -- that I recognize from the hunting clubs I grew up with.

This afternoon, as Peterson calmly recites the multiple ways that an IED can be triggered and, thus, kill, Rawlings launches into a spirited defense -- against withering remarks from skeptics -- of a French movie whose director, he claims, "is supposed to be the next Hitchcock." Meanwhile, he's fixing a torn cardboard cutout used to stencil E Company's numbers on the Ironclaw vehicles, and shouting modifications to Peterson's lecture -- "The worst thing the insurgents do is put the bombs out right after our trucks go by" -- through its panels. Then a call crackles over the radio, and its 20-year-old operator shouts out: "Hey, they found a cache -- the infantry patrol. They got anti-tank mines, rockets, ball bearings, cellphones!"

All the makings for an IED.

And that, of course, is where my hunting club analogy fails. Because Ironclaw teams are really being hunted, every bit as much as they are doing the hunting.

The company's commander, Capt. Samuel Olan, strides out of his office to plot the weapons caches on a glossy aerial map of western Baghdad, where E Company began patrolling a month ago. Things have been pretty quiet. But the discovery of these new weapons stockpiles, combined with a recent order to repaint his Ironclaw trucks -- and thus cover the markings of the more experienced unit his men have replaced -- tells Olan that the honeymoon is about to end.

"They're going to give us a welcome party," he says. "Because they know -- especially now that we're putting new numbers on the vehicles. They think, 'These guys are here from the States. They don't know anything.' It's like in high school -- you see the new kid and say, 'Let's go fight him!'"

Fortunately, the man who ushers me out of Camp Liberty's gates the next morning hardly qualifies as a new kid. At 24, Sgt. Kristopher Tate is on his second tour in Iraq, and yet his face remains fresh and animated -- a young Sugar Ray Leonard, if the champ had also fancied gold teeth. Tate's looks have gotten him a lot of attention from women who work at the bases surrounding E Company's headquarters. But what he'd wanted to be was a ballplayer, a center fielder. "My dream stopped because I went to a small school," he told me. "LaPoynor High School in Larue, Texas. Nobody scouted me."

Except the Army.

Now a career soldier, Tate leads the RG-31 in which I've been assigned to ride -- and the convoy behind it -- with the casual confidence of the athlete he used to be. "You got something?" he shouts up at his gunner, whose tan boots are dancing nervously on the gunner's platform beside my seat.

The gunner, Pfc. Jeffrey McGorvin drops down in a squat. He's about 5-4 -- too short to use the .50-caliber's sling seat -- Jersey-accented and apple-cheeked.

"There's this white rock with wires coming off the top," he says.

"Keep going," Tate tells his driver who has (in my opinion) reasonably hit the brakes. "Even if that is an IED, we got to set up security. Gonna have to pass it, anyway." Until this moment, I've been using Tate's vehicle as an armored tour bus and gawking at the Iraqi countryside. That's what the RG-31 is designed to be. From the outside, it resembles a cross between a covered pickup and a Land Rover. But its great tactical advantages are the spacious, shatterproof windows that wrap the cab and the armored back bed, where Tate and I sit in air-conditioned comfort next to a cooler of Gatorade. The soldiers inside -- the "window lickers," as they're called -- have a 360-degree view of the roadway, marred only by the matte black circles of gun ports and the occasional divot left by an AK-47 round. The day is sunny and beautiful, the roads are clear, the soldiers seem relaxed (though later they explain that they were unnerved by the lack of traffic, which often precedes an IED attack) and, as I gawk, I've been

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trying to describe the territory that my country is spending more than $300 billion to pacify. If you ignore the palm trees, much of it resembles western Kansas -- dry, distant plains, fields of irrigated corn and wheat, white-green stands of trees shimmering along the waterways -- which is a disappointment, because, for that kind of money, I think Kansas would've come along quietly.

But that's just in the rural areas. The rest, the gutted industrial ruins, the cinder-block strip malls, the apocalyptic fields of pureed brick where U.S. forces have bombed something, all of this is much more difficult to define. From house to house the scenery radically shifts, as if someone were channel-surfing through different worlds. Shaded, landscaped mansions bunkered with parked Mercedes share blocks with goat herders and thatch-roofed huts; in the towns, the Iraqis stare poker-faced, dressed in white robes and oil-stained mechanics' jumpsuits alike.

For the last half-hour, I've almost forgotten about IEDs. "That's what we're looking for," Tate says. "Something different. Something that doesn't fit."

Tate points over my shoulder to a mundane landscape of dusty grass along a highway that is backed by a canal and then a raked hayfield in which a flock of pigeons has landed to eat. No ominous music plays; there's no sound, beyond the grind of the RG's transmission and Tate's measured breathing. And then I notice a tiny white rock with a pair of wires drifting out of it and burrowing into the grass. "All right, let's do an interrogation," Tate says as the RG-31 speeds up, fleeing the object's theoretical blast range. In Army-speak, bombs are interrogated just as insurgents are; the difference is that everybody hopes the bombs stay quiet. "Go on and bring the Buffalo up here."

The Buffalo is the star of the Ironclaw program, and, like any star, it has its own press kit, music video, theme song and testimonial page. These are all available at the Web site run by its producer, Force Protection Inc., which describes its product as "able to withstand bomb blasts that would shred a lesser vehicle" and "a regular truck but on steroids." The 27-foot-long machine comes equipped with a mechanical arm and claw (thus the "Ironclaw" team), five-inch-thick windows and steel-lined, blast-proof tires. But its secret weapon is the revolutionary "V-shaped hull design" that will part the shock waves and shrapnel column of an IED just as a boat hull parts water.

That's what I'm told, at least. But to me, the Buffalo looks like a phone line repair truck.

Accompanied by a young pair of fruit stand vendors and an Iraqi in a melon truck, my RG crew watches from a safe distance as the Buffalo, operated by Sgt. Brett Eggleston and three other soldiers, creeps a mere 10 feet from the potential IED and unfolds its mechanical arm to interrogate. Eggleston can park that close thanks, in part, to the "electronic countermeasures" that many Army vehicles carry and which are designed to block the cellphone calls that frequently trigger IEDs. Still, cellphones aren't the only way to detonate surplus artillery rounds -- the favored payload for these weapons. Some insurgents tape frayed wires inside a cardboard tube (called "crush wires"); when a Humvee runs this over, the wires complete a circuit, ignite a blasting cap and, thus, detonate the bomb. Even IEDs with cellphone triggers include a washing machine timer as a backup; when it winds down, the rounds blast off. This tends to make interrogations a nerve-racking ordeal. "We don't know what it feels like in here" when an IED goes off, one Buffalo crewman, Spec. Brendon Croteau, has acknowledged to me. "We haven't been blown up yet."

And this is where the whole expedition turns . . . well, into a "Wizard of Oz" moment for me. Because as I peer through the haze of the Iraqi noon, the Buffalo's claw ponderously raking the grass beside the road, I realize that the heart of the Pentagon's program for defeating IEDs is: 1) buy some armored trucks with big windows; 2) send young soldiers out to drive up next to bombs; 3) investigate with a phone truck.

As Tate points out later: "I've seen tanks destroyed. I've seen Bradleys destroyed . . . There's only so much armor can do."

Fortunately, this particular wired rock turns out to be an irrigation pump. After another hour or so, I'm dropped off at a nearby patrol base.

Fifteen minutes later, Tate's RG-31 nearly runs over an IED.

McGorvin -- dubbed "the Jedi master" by his fellow soldiers for his ability to, as they put it, "detect ordnance" -- tells me about it the next day as he fidgets on a torn couch behind the TOC. He explains that he sensed the bomb a mile before he reached it -- noticing first the grinning face of a taxi driver who squatted down behind his cab to key a Motorola phone. A few minutes later as the convoy rumbled through a small town, McGorvin felt it again outside a cluster of mud wattle shacks, their yards suspiciously empty.

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Then, all at once, his RG-31 passed a mound of dirt with a cone of rusty metal showing through its side. McGorvin's gaze locked on a sliver of blue plastic tucked behind the mound. "I got something!" he yelled. "I don't know what it is, but it's got a cellphone on it!"

The RG-31's armor wouldn't protect McGorvin standing in his gunner's nest, so, as radios barked and the convoy scattered, he tucked his thighs against his chest and squatted.

"McGorvin -- good looking," Tate shouted as their truck finally jolted to a stop outside the bomb's blast radius.

"My gunner's got two rounds on the left side," Tate radioed to Eggleston, who was waiting in the Buffalo. "I'll walk you to it."

As the Buffalo team prayed, Eggleston lowered its nine-pronged claw -- his "pooper scooper," as he calls it -- toward the buried IED. He followed his progress on a color monitor connected to a camera on the arm's first joint. Gingerly, he scratched the dirt, revealing two rusty 130mm artillery shells and then, zooming in, found a blue Nokia cellphone, battery and a washing machine timer that had been wired to a blasting cap in the nose of the first shell.

"What type of rounds you got?" radioed Sgt. Thomas Sutton, the leader of the Ironclaw team. "What kind of initiation system?"

Distracted and infuriated by this interruption, Eggleston -- who prefers to work in complete silence -- remembers quietly heaving a few empty water bottles around the cabin, then shaking his fists at the heavens. When he'd calmed himself, he returned to the controls, tangled the claw in the ignition wire and -- carefully, carefully -- lifted the cellphone, timer and battery clear of the charge, disarming the IED.

"For the third time," he radioed Sutton, "I've got two 130mm rounds." And then, having pawed around a bit more where the rounds were buried, he keyed his mike again. "No, check that. I've got three."

McGorvin's IED was one of 2,625 such bombs found or detonated during the month of July: 959 of them were discovered, while 1,666 exploded. Numbers such as these have made IEDs the leading killer of U.S. troops in Iraq, which places McGorvin and his buddies squarely on the front lines of the war. It also means their stories -- "Gets the blood flowing!" I hear McGorvin exclaim to Tate when he's finished -- carry an extra authority, one they seem acutely aware of. Nearly all them instruct me, "Just tell people what it's really like over here." At first I assume this is a reference to the administration complaint that the war isn't going as badly as the media make it appear. And yet, the longer I stay with the unit, the less certain I am that their version of Iraq is meant to toe anybody's party line.

This is certainly true of Corbett Baxter, a sweat-soaked first lieutenant who has been doing eight- to 10-hour foot patrols every day. "It's a [expletive] classic area," he says after Rawlings and I meet him in an empty briefing room. He gazes blankly at the far wall, perspiration still beading high up in the bluish skin of his shaved head, despite the icy air-conditioning. "A mixed Shia and Sunni population, everybody living together peacefully. But in the last few days, everybody, all the families I've got to know -- they've all left. Fled."

Baxter stops and stares at me. His eyes are dark and hollow. Most of the roughly 35,000 people at Camp Liberty never leave the gates, and those who do, including the Ironclaw teams, rarely leave the paved roads. It is as if the New York police department patrolled only Broadway, First Avenue and Eighth Avenue, leaving the rest of the city in darkness. Baxter, however, has seen that darkness.

"I would walk through these neighborhoods where I had kids running all over," he tells me. "I'd sit down and have chai with them. As far as I can tell, they liked having us there, but they're gone. You know what I'm doing now? Now all I'm doing is waiting for the [expletives] who chased them out to come in."

Like the Ironclaw teams, Baxter has seen the center of the war. The facts he's returned with don't necessarily fit the Army's -- or, certainly, Washington's -- official version of the war's progress, but because they're true, he tells them to me anyway. I have a different experience the next day when Rawlings and I visit the 16th Engineering Brigade, which is the "executive agent" for the Ironclaw teams. Maj. Mitch Gargac, who greets us, is eager to talk about the showers, latrines, Hesco barriers (bags filled with sand) and concrete T-walls that his engineers build inside the wire. We sit in a video conference room whose stadium-style seats and blond wood furnishings are as nice as anything Rawlings saw at Princeton. But when I ask about the Ironclaw program -- for instance, how many teams exist or how many bombs they've found -- Gargac admits, "Truthfully, I don't know if I can say."

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Instead, he introduces me to the brigade's "Baghdad Is Beautiful" program. Its chief, Lt. Col. Tris Cooper, has $80 million to spend and flashes charts that say things such as: "Electricity: Goal: increase production." And "Health Care: Goal: construct facilities." They contain no statistics. Even if I hadn't just read reports concluding that Baghdad residents get only five to eight hours of power a day and that the U.S.-based contractor, Parsons, has failed to deliver 130 of 150 promised health clinics, I would find this performance depressing. After all, Rawlings and I have just been out driving around Baghdad. Baghdad is not beautiful. Baghdad is covered with trash and saturated with the ugliest kind of danger. As we leave the briefing, Rawlings -- who is as optimistic an Army supporter as you can find -- looks as if he's seen a ghost. He hustles off for the reality of his Humvee while I snap pictures of Gargac, guarding the parking lot. My camera breaks.

Gargac is just doing his job, I understand -- which is, in part, to paint the war in as positive a light as possible, when dealing with the media. (In September, six weeks after I leave Iraq, following multiple e-mail requests, he tells me that Ironclaw teams around Baghdad have found 1,247 IEDs since January, a number positive enough that I wonder why he didn't give it to me in the first place.) But the meeting highlights the difference between the stories that the Ironclaw team tells about the war and those told by Army officials or politicians. The soldiers know that Baghdad isn't beautiful. But neither is it completely accurate to call the varied landscape they drive through each day a "Dante-esque hell" or "nightmarish" -- two descriptions of Baghdad that I find in U.S. newspapers on my return. And so, caught between opposing, abstract versions of the war, they refuse to simplify: This story means we're winning. This story means we're losing.

They live among facts too overwhelming to parse: Rawlings opens the door of a shrapnel-shredded truck on a highway south of Baghdad to find a beheaded child, on his dead father's lap, cradling a flat of eggs. Only one is broken.

Tate picks up a scrap of rubber on a roadway to find himself staring at an IED. One night, during an ambush, a brave sergeant named Travis Parker sprints across 100 yards of open highway under fire, in the dark, to deliver ammunition to Rawlings's Bradley. Peterson's friend is scraped up off the pavement after the graffiti-covered wall explodes in his face. Or it's a good week, and they putter past verdant date groves undisturbed and, quite frankly, bored for hour after hour, day after day. McGorvin fantasizes about returning in peacetime and driving the same roads in a rental car. Rawlings blasts rock-and-roll under highway overpasses. Tate keeps track of which houses on their route have the best landscaping.

For them, these stories are the war, period. They are not sound bites to be scooped up to justify some larger political narrative. Their attitude reminds me of the soldiers in Erich Maria Remarque's WWI novel All Quiet on the Western Front , which Rawlings says he's reading. At one point, as the narrator watches a friend die, he notes: "We have lost all sense of other considerations, because they are artificial. Only the facts are real and important to us."

Rawlings comes the closest to stating this outright. One night around 3 a.m. -- Rawlings's usual bedtime -- I push him to talk about politics and war. I tell him that if he wants to be a writer (a profession he says he's considering), he's going to have to have opinions, to not worry too much about upsetting anybody.

Rawlings, clearly uncomfortable with the topic, ends up surprising me. He begins talking about seeing Ken Mehlman, the Republican National Committee chairman, on "Meet the Press" after the Valerie Plame scandal. "It was like an opera," he says, in a tone that makes me feel this isn't a compliment. "Everything the guy says comes out in three's. Two good things for us, one bad thing for them. I went to work the next day, saw my guys getting ready to go to Iraq -- I hated the idea that while we were working, he's flinging around political stuff."

I hear a conversation in Camp Liberty's posh, 1,000-seat cafeteria that crystallizes this thought for me. A well-fed soldier is polishing the vocabularies of two foreign national workers. A severe over-cleanliness of uniform already defines him as a "fobbit," someone who never leaves his FOB, which stands for "forward operating base." But he's well on his way to defining "vicarious," too. "Like, there are politicians who talk about this war 'vicariously,'" he says, his voice rising, indignant. "They don't know anything about the war because they've never been here. They just want to get their face on TV and make people think they're looking out for them, and so they say the war is bad, but they don't know whether it is or it isn't."

It's a worthy question, whether the war is good or bad. But when the Ironclaw team is outside the wire, looking down on a bomb, it's too late to ask.

THE SECOND IED DIDN'T EVEN TICKLE MCGORVIN'S JEDI SENSE. Just a few hours after the first bomb they'd found, the soldiers were cruising down a hardball road, open scrub on the left, a canal on the right backed by corn stubble and the silver

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swoops of power lines angling through it, off to the horizon. Light poles, evenly spaced, dotted the road. As his RG-31 slowed for a speed bump, McGorvin heard a small pop, and a foot-high column of dust bloomed on the right shoulder of the road. It looked as if a bullet might have struck there.

"McGorvin -- did you see that?" shouted Spec. Jose Fuentes, 21, who rode in the RG's passenger seat. "What the [expletive] was it?"

"Incoming?"

"I don't know. It wasn't loud enough for incoming."

Tate, expecting an imminent attack, shouted to his driver, Pfc. David Griffin. "Hey, you got to go on past. Even if it is an IED, we got to get to the other side."

Griffin was a rookie, in country only a few weeks. But being a Missourian, he had plenty of experience on bad roads: He gunned the RG like a pro, slamming through potholes so hard that the crew nearly jolted out of their seats.

Once they were clear, Tate radioed the convoy they'd left behind, his voice quieter than usual: "Hey, an IED just went off. Everybody move up!"

This time the insurgents had timed the convoy's speed by the light poles along the road, which allowed them to set off their bomb just as the trucks arrived. The puff of smoke signaled the ignition of a blasting cap that had inexplicably failed to detonate two 130mm rounds. Otherwise, the RG-31 carrying Tate, Fuentes and McGorvin -- who was standing up, unprotected, in his gunner's hatch -- would've been hit directly.

McGorvin squatted down in the RG's cab and held his hands out, palms down. "Look at this, Fuentes," he said, as his fingers shook.

In the middle of the convoy, a soldier had seen three Iraqis emerge from some bushes and fold up a tripod -- a device they'd likely used to time the convoy's approach. Sutton backed his RG-31 past the unexploded rounds and, regulations be damned, left the pavement and hurtled down a dirt road after them.

Though the three triggermen escaped Sutton's wrath by crossing a canal, an infantry unit picked them up 30 minutes later.

Up at the lead vehicle, a curious kind of giddiness descended. It wasn't fear exactly -- there was constant chatter, constant activity. That's the strange thing about the front lines: There's a high. Everyone, even a general, has to admit that you've visited a privileged place. Which, in turn, makes it harder and harder to fit in anywhere else.

Other voices rehashed the luck of the near miss, the fizzle of the bomb.

"Damn, we almost died," someone said.

But Fuentes understood the paradox of this high: As good as it felt, it was also changing each one of them, in ways nobody could predict. Before the team dismounted to pull guard, he told McGorvin and Tate, "I love you guys."

Then he turned to Griffin, the new driver. "Welcome to the war," he said.

POSTSCRIPT:

Recently, E Company's patrol area expanded eastward into more urban areas of Baghdad, and attacks on their vehicles increased. In an e-mail dated September 13, Rawlings reported that the lead RG-31 I'd ridden in had been hit by a bomb, which cracked but did not shatter its windows. McGorvin was struck in the face by shrapnel, the blast's only casualty. He returned to duty after three days' rest. The company is scheduled to return to the United States at year's end.

Whitney Terrell is the New Letters writer in residence at the University of Missouri at Kansas City. His second novel, The King of Kings County, was just released in paperback.

. . . But A U.S. Policy Czar Might Help (WP)

By Jim Hoagland

The Washington Post, October 29, 2006

Political rhetoric serves in an election season to deny the obvious and get voters to suspend belief in their own judgments. Thus George W. Bush in recent days, urging the American public not to "allow our dissatisfaction to turn into disillusionment about our purpose" in Iraq.

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The reality is that deep disillusionment has already taken hold, especially among those who supported "our purpose" of regime change in Iraq. It is the conduct of the war in Bush's hands that has spread -- precisely, Mr. President -- disillusionment that will almost certainly cost the Republicans the House and perhaps the Senate on Nov. 7.

Admitting this has to be the point of departure in Bush's search for a new approach to Iraq and a new approach to an American public that -- for good reason -- has largely stopped believing him on Iraq.

There seems to be almost no learning curve in Washington's dealing with Iraq's societal and religious cleavages and prickly nationalistic politicians, who have been shoved aside or undermined for not showering effusive praise on Bush for their liberation or for asserting their own priorities and political legitimacy.

It was Groundhog Day all over again last week as Prime Minister Nouri al-Maliki reacted irritably to Ambassador Zalmay Khalilzad and Bush announcing that Maliki would do X, Y and Z -- "benchmarks" in presidential parlance -- or else. Nobody seems to have imagined that the besieged Maliki would want to announce his government's programs instead. Bush sought to placate the Iraqi yesterday by holding and then publicizing a 50-minute video conference with the still-fuming Maliki.

Until then, the sequence was a culturally insensitive replay of the moments that quickly soured the initial chances in 2003 to let Iraqis take charge and to try to come to terms with their Arab and Iranian neighbors, who have instead helped destabilize Iraq since.

First, proconsul L. Paul Bremer cavalierly dismissed the proposed six-person provisional government that had been constructed over two years of painful negotiations abroad between Kurds, Shiites and Sunnis. Bremer then threatened to dismiss the subsequent interim government if it did not carry out his wishes. And so on.

This is not ancient history. On orders from a myopic White House last spring, Khalilzad openly intervened in the negotiations for an Iraqi prime minister to block incumbent Ibrahim al-Jafari and create a situation in which Maliki -- Jafari's deputy and dependent on Shiite radicals for votes -- was the only viable candidate to run Iraq.

Maliki's claims to legitimacy were destroyed by that open American micromanagement. Khalilzad's subsequent sales campaign for the "national unity" government -- which has quickly become a collection of corrupt and sectarian fiefdoms -- has damaged his effectiveness.

I have written relatively little about Iraq's tortured path since that moment, in part because I hoped Maliki would prove me wrong but also because what would happen, and was happening, seemed so depressingly obvious.

This midterm election is a moment of accountability, as Bush acknowledged at the news conference where he sought to fend off intimations of disillusionment. It is the time for voters and citizens to examine recent and past mistakes and omissions of U.S. policy in Iraq and then vote accordingly.

Bush seemed to draw a comparison between Vietnam and Iraq last week during an interview with ABC News. It was left to author David Halberstam to point out that the important part of the exchange was that neither Bush nor his interviewer seemed to have a firm grip on what Vietnam's Tet Offensive had been about.

"I don't know what either of them is really saying," Halberstam observed on National Public Radio. "The president has been exceptionally weak on the history of the Vietnam War." Was Bush saying, implausibly, that "Tet was a victory for America but a political defeat, and therefore . . . the war is really going better than this momentary glitch shows?"

Halberstam is a voice worth listening to on this comparison. His dispatches from Vietnam argued initially that the conflict could be won if strategy and tactics were changed. Only later did he come to the conclusion that the conduct of the war had finally made it unwinnable.

It is not Bush's poor grasp of Vietnam but his poor grasp of Iraq that is the urgent problem. After Nov. 7 the president should stop pretending to run an Iraq policy that has in fact beached him like a dying whale. He should give a senior Republican wise person complete powers to steer a new course, guided by the recommendations of the Baker-Hamilton study group and others.

George Shultz, Ronald Reagan's secretary of state (and, like Jim Baker, an ex-Marine), is the outstanding candidate for a salvage mission on Iraq. He will not want to become the Iraq czar. But if it happens, I will quickly offer Shultz my congratulations, and my apologies.

Partition Is Not The Solution . . . (WP)

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By Rend Al-rahim

The Washington Post, October 29, 2006

Desperate to find solutions to the violence in Iraq and thus an exit strategy for the United States, an increasing number of lawmakers in Congress are considering Iraq's partition into Kurdish, Sunni and Shiite regions under the umbrella of a loose confederation. But partition is neither desirable nor feasible.

Neat partition lines are impossible because few regions in Iraq are ethnically or confessionally homogeneous. The governorates of Diyala, Mosul, Salahuddin, Hilla, Kirkuk and Basra are intermixed or have large minorities scattered throughout each province. In Baghdad, with probably a quarter of Iraq's population, the ethnic and sectarian groups are inextricably interwoven.

A plan to partition Iraq would plunge the country into total civil war far more widespread and bloody than the sectarian and factional violence we are witnessing now. The partition of India and Pakistan in 1947 resulted in 2 million dead and 11 million displaced. The death toll and refugee numbers from collective murder, reprisal killings and ethnic cleansing in Iraq would be comparable, dwarfing the casualties in Iraq today.

Nor would conflict end once areas had been purified at this horrific human cost. As in Kashmir, regions along the partition lines would continue to be contested for decades, leading to continued violence and warfare. The belt of towns surrounding Baghdad would be a war zone of competing territorial claims, as would the border regions skirting Kirkuk, Mosul and Diyala.

With the exception of the Kurdish regional government, the institutions of local governance, including regional councils, regional assemblies and the local police forces, are underdeveloped and fragmented, with little capacity to preserve the rule of law or deliver services. In such an environment, partition will inevitably lead to a meltdown of authority, and internecine fighting would intensify. We have had a harbinger of such warfare in the so-called stable areas in the south, where fighting has erupted in Basra, Diwaniyah and Amarah among the various Shiite factions; it has been contained only provisionally and with the greatest difficulty. With control of resources and absolute power as the beckoning prize, the factions would battle even more viciously for supremacy.

Iraq's neighbors would not stand by and passively witness the turmoil attending efforts at partition. There is too much at stake for all of them, and several are already meddling in Iraq's internal affairs. If Iraq is partitioned, Iran, Turkey, Syria and Saudi Arabia will intervene -- either militarily and directly, as Turkey might do in Kurdistan and northern Iraq, or by increasing and expanding support to Iraqi factions, or both. In the case of Iran, a stepped-up nonmilitary Iranian presence and increased support for pro-Iranian groups are both feasible and likely options. Iraq would thus become the battleground of an undeclared war for control not only of Iraq but of the entire Middle East.

The most probable outcome of this violent competition for territory, resources and power would be a radical Sunni, Taliban-style regime in the west and in parts of central Iraq that would be a breeding ground for terrorism. In the south it is likely there would be a fundamentalist Shiite regime pliant to Iran's will. In both cases these would be authoritarian regimes hostile to pluralism and genuine democracy. Unchecked by a stunted and impotent national government, these governments would use their resources to promote their radical ideologies abroad, support like-minded movements in neighboring countries and destabilize the region. Meanwhile, Baghdad would remain a war-torn city with a fig-leaf government too feeble to hold itself together, let alone uphold the rule of law across the country.

These are hardly the outcomes for which the United States fought a war to remove Saddam Hussein from power and for which Iraqis and Americans continue to pay a price in precious lives and resources. Rather than seeking ways to weaken the national government, we should find ways to strengthen and empower it to do a better job, and seriously consider substantially increasing the number of Iraqi army troops and raising the number of U.S. forces at least temporarily.

At this stage, strengthening the national government and providing it with the tools and institutions to enforce the rule of law is far more likely to produce a stable country that can govern and defend itself and be a friend to the United States. This, rather than a misguided plan of partition, presents a viable exit strategy for the United States and a definition of success in Iraq.

We need to engage in new thinking and develop new strategies for Iraq, but above all, no matter how dire the situation, we must not grasp at options that look good in theory but would prove disastrous in practice.

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The writer is executive director of the Iraq Foundation. She served as the representative of the interim Iraqi government to the United States from November 2003 to December 2004. This article expresses her personal opinion only.

Dying To Save The G.O.P. Congress (NYT)

By Frank Rich

The New York Times, October 29, 2006

IF you happened to be up around dawn on Tuesday, you could witness the death rattle of our adventure in Iraq live on CNN. Zalmay Khalilzad, the American ambassador, and Gen. George W. Casey Jr., the American commander, were making new promises from the bunker of the Green Zone, inspiring about as much confidence as Jackie Gleason and Art Carney hatching a get-rich-quick scheme to sell a kitchen gadget on "The Honeymooners."</object.title>

"Success in Iraq is possible and can be achieved on a realistic timetable," said Mr. Khalilzad. Iraq can be "in a very good place in 12 months," said General Casey. Even a child could see how much was wrong with this picture.

If there really is light at the end of the tunnel, why after three and a half years can't we yet guarantee light in Baghdad? Symbolically enough, television transmission of the Khalilzad-Casey press conference was interrupted by another of the city's daily power failures. If Iraq's leaders had signed on to the 12-month plan of "benchmarks" the Americans advertised, why were those leaders nowhere in sight? We found out one day later, when the prime minister, Nuri al-Maliki, mocked the very idea of an America-imposed timetable. "I am positive that this is not the official policy of the American government, but rather a result of the ongoing election campaign," he said, adding dismissively, "And that does not concern us much."

Give the Iraqi leader credit for a Borat-like candor that almost every American in this sorry tale lacks. Of course all the White House's latest jabberwocky about "benchmarks" and "milestones" and "timetables" (never to be confused with those Defeatocrats' "timelines") is nothing more than an election-year P.R. strategy, as is the laughable banishment of "stay the course." There is no new American plan to counter the apocalypse now playing out in Iraq, only new packaging to pacify American voters between now and Nov. 7. And recycled packaging at that: President Bush had last announced that he and Mr. Maliki were developing "benchmarks" to "measure progress" in Iraq back in June.

As Richard Holbrooke, the broker of the Bosnia peace accords, has observed, the only real choice left for the president now is either "escalation or disengagement." But there are no troops, let alone money or national will, for escalation. Disengagement within a year, however, is favored by 54 percent of Americans and, more important, 71 percent of Iraqis. After Election Day, adults in Washington will step in, bow to the obvious and pull the plug. The current administration strategy — praying for a miracle — is not an option. The current panacea favored by anxious Republican Congressional candidates — firing Donald Rumsfeld — is too little, too late.

The adults in charge of disengagement will include the Bush family consigliere, James Baker, whose bipartisan Iraq Study Group will present its findings after the election, and John Warner, the Senate Armed Services Committee chairman, who has promised a re-evaluation of Iraq policy within roughly the same time frame. Democrats will have a role in direct proportion to the clout they gain in the midterms.

One way or another the various long-shot exit scenarios being debated in the capital will be sorted out: federalism and partition; reaching out somehow for help from Iran and Syria; replacing Mr. Maliki with a Saddam-lite strongman. There will be some kind of timeline, or whatever you want to call it, with enforced benchmarks, or whatever you want to call them, for phased withdrawal. (Read "Out of Iraq: A Practical Plan for Withdrawal Now" by George McGovern and William R. Polk for a particularly persuasive blueprint.) In any event, the timeline will end no later than Inauguration Day 2009.

In keeping with the political cynicism that gave birth to this war and has recklessly prolonged it, the only ones being kept in the dark about this inevitable denouement are our fighting men and women. They remain trapped, dying in accelerating numbers in a civil war that is now killing so many Iraqi civilians that Mr. Maliki this month ordered his health ministry to stop releasing any figures.

Our troops are held hostage by the White House's political imperatives as much as they are by the violence. Desperate to maintain the election-year P.R. ruse that an undefined "victory" is still within reach, Mr. Bush went so far at Wednesday's press conference as to say that "absolutely, we're winning" in Iraq. He explained his rationale to George Stephanopoulos last weekend,

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when he asserted that the number of casualties was the enemy's definition of success or failure, not his. "I define success or failure as to whether or not the Iraqis will be able to defend themselves," the president said, and "as to whether the unity government" is making the "difficult decisions necessary to unite the country."

Unfortunately, the war is a calamity by both of those definitions as well. The American command's call for a mere 3,000 more Iraqi troops to help defend Baghdad has gone unanswered. As we've learned from Operation Together Forward, when Iraqis do stand up, violence goes up. And when American and British troops stand down, murderous sectarian militias, some of them allied with that "unity" government, fill the vacuum, taking over entire cities like Amara and Balad in broad daylight. As for those "difficult decisions" Mr. Bush regards as so essential, the Iraqi government's policy is cut and run. Mr. Maliki is not cracking down on rampaging militias but running interference for their kingpin, Moktada al-Sadr. Mr. Maliki treats this radical anti-American Shiite cleric, his political ally, with far more deference than he shows the American president.

The ultimate chutzpah is that Mr. Bush, the man who sold us Saddam's imminent mushroom clouds and "Mission Accomplished," is trivializing the chaos in Iraq as propaganda. The enemy's "sophisticated" strategy, he said in last weekend's radio address, is to distribute "images of violence" to television networks, Web sites and journalists to "demoralize our country."

This is a morally repugnant argument. The "images of violence" from Iraq are not fake — like, say, the fiction our government manufactured about the friendly-fire death of Pat Tillman or the upbeat news stories the Pentagon spends millions of dollars planting in Iraqi newspapers today. These images of violence are real. Americans really are dying at the fastest pace in at least a year, and Iraqis in the greatest numbers to date. To imply that this carnage is magnified by the news media, whether the American press or Al Jazeera, is to belittle the gravity of the escalated bloodshed and to duck accountability for the mismanagement of the war. Mr. Bush's logic is reminiscent of Jeffrey Skilling's obtuse view of his innocence in the Enron scandal, though at least Mr. Skilling has been held accountable for the wreckage of lives on his watch.

It is also wrong to liken what's going on now, as Mr. Bush has, to the Tet offensive. That sloppy Vietnam analogy was first made by Mr. Rumsfeld in June 2004 to try to explain away the explosive rise in the war's violence at that time. It made a little more sense then, since both the administration and the American public were still being startled by the persistence of the Iraq insurgency, much as the Johnson administration and Walter Cronkite were by the Viet Cong's tenacity in 1968. Before Tet, as Stanley Karnow's history, "Vietnam," reminds us, public approval of L.B.J.'s conduct of the war still stood at 40 percent, yet to hit rock bottom.

Where we are in Iraq today is not 1968 but 1971, after the bottom had fallen out, Johnson had abdicated and America had completely turned on Vietnam. At that point, approval of Richard Nixon's handling of the war was at 34 percent, comparable to Mr. Bush's current 30. The percentage of Americans who thought the Vietnam War was "morally wrong" stood at 51, comparable to the 58 percent who now think the Iraq war was a mistake. Many other Vietnam developments in 1971 have their counterparts in 2006: the leaking of classified Pentagon reports revealing inept and duplicitous war policy, White House demonization of the press, the joining of moderate Republican senators with Democrats to press for a specific date for American withdrawal.

That's why it seemed particularly absurd when, in his interview with Mr. Stephanopoulos last weekend, Mr. Bush said that "the fundamental question" Americans must answer is "should we stay?" They've been answering that question loud and clear for more than a year now.

What we should be thinking about instead are our obligations to those who are doing the staying. Kevin Tillman, who served with his brother in Iraq and Afghanistan, observed in an angry online essay this month: "Somehow back at home, support for the soldiers meant having a 5-year-old kindergartener scribble a picture with crayons and send it overseas, or slapping stickers on cars, or lobbying Congress for an extra pad in a helmet."

If we really support the troops, we'll move past Mr. Bush's "fundamental question" to one from 1971 posed by a 27-year-old Vietnam veteran, John Kerry, before the Senate Foreign Relations Committee: "How do you ask a man to be the last man to die for a mistake?"

NATO, Afghan Troops Battle Insurgents (AP)

By Fisnik Abrashi

Associated Press, October 29, 2006

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KABUL, Afghanistan (AP) -- NATO and Afghan troops battled a large group of insurgents who attacked a military base in southern Afghanistan Saturday, killing 55 suspected militants, the alliance said. A roadside blast killed one NATO soldier and wounded eight others.

The fighting in Uruzgan province came a day after an international human rights group criticized NATO-led troops in Afghanistan, saying their tactics increasingly endanger civilians and are turning the population against the Western alliance.

NATO's top commander apologized Saturday for civilian deaths caused by fighting between Taliban militants and NATO forces earlier in the week, but said insurgents endanger civilians by hiding among them.

"Sadly, in asymmetric warfare, when you're battling an insurgency, typically the insurgents do not play by the same rules that we would like to play by," U.S. Gen. James L. Jones said.

Some 100 to 150 militants attacked a military base north of Tarin Kowt in Uruzgan, NATO said. NATO-led and Afghan troops fought back with small arms fire, attack helicopters and airstrikes.

"Initial battle damage assessment indicates that up to 55 insurgents were killed," NATO said. One Afghan soldier was wounded.

On Sunday, a roadside blast killed one NATO soldier and wounded eight other troops in Uruzgan, the alliance said. Three civilians were wounded. The nationalities of the slain and wounded soldiers were not disclosed.

A purported statement by the Taliban leadership, meanwhile, said the hardline militia has ruled out talks with President Hamid Karzai's government as long as foreign troops remain in the country.

The New York-based Human Rights Watch complained Friday that NATO's recent operations have killed dozens of civilians, but it also criticized the Taliban and other insurgents for putting civilians at risk "by using populated areas to launch attacks on NATO and Afghan government forces."

"While NATO forces try to minimize harm to civilians, they obviously are not doing enough," said Sam Zarifi, the group's Asia research director. "NATO's tactics are increasingly endangering the civilians they are supposed to be protecting and turning the local population against them."

He spoke on the same day that the International Red Cross urged all sides in the Afghan conflict to spare civilians.

Jones, the NATO commander, expressed regret for civilian deaths but said Taliban fighters use civilians as human shields and said that in the heat of battle it can be difficult to separate the two.

The death of a civilian "is something that causes anybody in uniform to lose a lot of sleep," Jones said at a news conference at Bagram, the largest U.S. base in Afghanistan.

His comments came four days after clashes between NATO-led troops and insurgents in the south that Afghan officials say killed 30 to 80 civilians, including women and children. NATO said its initial investigation found 12 civilians killed.

The 32,000-strong NATO-led force took command of security operations in Afghanistan last month. The alliance has been battling resurgent Taliban militants in the south and east in the worst upsurge of violence since the 2001 U.S.-led invasion ousted the Taliban.

A Taliban statement e-mailed to The Associated Press by purported militia spokesman Muhammad Hanif dismissed Karzai's offer for talks Friday and called his administration a "puppet government." Hanif's exact ties to Taliban leaders are unclear, and it was not possible to verify the statement's authenticity.

"We say even today that there is no possibility of any talks when the country is under occupation," it said. "Any talks with aggressors would amount to selling the country."

On Friday, Karzai reiterated to reporters that he was ready to negotiate with Mullah Omar if the fugitive stops receiving support from neighboring Pakistan. Karzai says Omar is hiding in the Pakistani city of Quetta, while Pakistan says he is in Afghanistan.

Over the past two years, hundreds of Taliban supporters, including some senior officials, have reconciled with Karzai's government, but there is no indication that high-level talks with the rebel leadership have occurred.

Karzai made a similar offer in an interview with AP last January, telling Omar to "get in touch" if he wanted to talk peace, but fighting has since escalated sharply.

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Human Rights Watch argued that NATO is relying too much on aircraft to attack insurgent positions. In June, the U.S. Central Command reported 340 airstrikes in Afghanistan, double the 160 strikes in Iraq in the same month, the group noted.

Maj. Luke Knittig, the spokesman for NATO's International Security Assistance Force in Afghanistan, said that "airpower is used extensively because it is an advantage and it can be decisive at a close fight."

But, he added, "its careful application is mandatory."

NATO: 70 Suspected Insurgents Killed (NSDY/AP)

By Fisnik Abrashi

Long Island Newsday/AP, October 29, 2006

KABUL, Afghanistan -- NATO and Afghan troops killed 70 suspected militants who attacked a military base in southern Afghanistan, while a roadside blast killed one NATO soldier and wounded eight others, the alliance said Sunday.

Some 100 to 150 militants attacked a military base north of Tarin Kowt in Uruzgan on Saturday, said Maj. Luke Knittig, a spokesman for the NATO-led force. The alliance and Afghan troops fought back for several hours with small arms fire, attack helicopters and airstrikes.

Seventy insurgents were killed, Knittig said, upgrading an earlier estimate of 55 dead. One Afghan soldier was wounded. It was impossible to independently verify the death toll at the remote battle site.

On Sunday, a roadside blast killed one NATO soldier and wounded eight in Uruzgan, the alliance said. Three civilians were wounded. The nationalities of the slain and wounded soldiers were not disclosed.

Saturday's fighting in Uruzgan province came a day after an international human rights group criticized NATO-led troops in Afghanistan, saying their tactics increasingly endanger civilians and are turning the population against the Western alliance.

NATO's top commander apologized Saturday for civilian deaths caused by fighting between Taliban militants and NATO forces earlier in the week, but said insurgents endanger civilians by hiding among them.

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The death of a civilian "is something that causes anybody in uniform to lose a lot of sleep," Jones said at a news conference at Bagram, the largest U.S. base in Afghanistan.

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Nato Kills 55 Afghan "Militants" (BBC)

BBC.com, October 29, 2006

Nato forces in Afghanistan say they have killed 55 suspected militants in clashes in southern Uruzgan province.

Some 100 to 150 militants attacked the Nato-led International Security Assistance Force troops at their military base north of Tarin Kowt.

Troops responded with small arms fire, attack helicopters and air strikes, the alliance said in a statement.

In a separate incident, a Nato solider was killed and eight injured by a roadside bomb, Nato said.

The blast hit a Nato military convoy in the southern province of Uruzgan, the statement said.

Three civilians were also wounded in the attack and were taken to a military hospital for treatment.

General: 'Mistakes' Made In Afghanistan Strike (CNN)

CNN.com, October 29, 2006

KABUL, Afghanistan (CNN) -- NATO Supreme Allied Commander Gen. James Jones promised Afghan President Hamid Karzai at a news conference Saturday that a full investigation of an incident involving the unintended death of around 70 Afghan civilians would be launched.

Karzai has already assembled a team to investigate reports of civilian casualties caused by NATO air operations in southern Afghanistan.

On Thursday, Karzai issued a presidential decree to look into reports stemming from incidents in the Panjwayi and Pashmul districts of Kandahar province.

The team is made up of tribal and community elders from various districts of Kandahar province.

"The team has been asked to prepare a full and complete account of the incident and identify its causes and victims," Karzai said in a news release.

"The team will investigate the reports of civilian casualties and damages inflicted in this operation. They will also present their suggestions to the president on how such unfortunate incidents could be prevented in the future."

Also, NATO's International Security Assistance Force said it and the Afghan Defense Ministry are conducting a joint investigation into a Tuesday incident "in the Panjwayi district of Kandahar province, in which a number of civilians were killed along with a large number of insurgents."

ISAF commander Gen. David Richards, speaking to reporters in Kabul Saturday, said "in the night in the fog of war, mistakes were made."

ISAF has said they were "satisfied" that they "identified and targeted a group of insurgents," but said they were uncertain how many civilians were killed as a result but believes it to be about 70 individuals.

ISAF said it has consulted local elders and other citizens "who have indicated that the great majority of those killed were Taliban."

The International Committee of the Red Cross said Friday that civilians are being caught in the crossfire.

"Aerial bombardment and ground offensives in populated rural areas, together with recent suicide attacks and roadside bombs in urban areas, have significantly increased the number of innocent civilians killed, injured or displaced," it said.

It urged all parties to respect international humanitarian law and "to maintain a distinction between fighters and civilians at all times." It said the law "also requires the parties to exercise constant care in the conduct of military operations and prohibits attacks directed against civilians or civilian objects."

The fighting in the south has been heavy this year with the resurgence of the Taliban militant movement and the expansion of ISAF in the southern provinces.

There were reports of more deadly violence Friday in the south.

Karim Rahimi, presidential spokesman, confirmed a report that 14 people in a vehicle were killed in a bombing near the Uruzgan provincial capital of Tarin Kowt. Among the victims were children and elderly.

Karzai said he deplores the Taliban and their activities.Karzai willing to talk with Taliban

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Nevertheless, Karzai's spokesman confirmed a report that the president told reporters Friday he is willing to "talk and negotiate" with Taliban militants "for the sake of peace."

Rahimi said Karzai made similar remarks before.

It is unclear whether such a gesture was simply an academic utterance, since the hostilities and hatred between the Taliban and the Afghan government are fierce.

"Those people, if it is Mullah Mohammad Omar or others, if they want to talk and negotiate with us, they are welcome but they should first free themselves from foreign slavery and come to their own land and live in peace," Karzai is quoted as saying.

"For the sake of peace in Afghanistan, we are ready to negotiate with them. We have always negotiated with their supporters and people who control them, and will do again."

One of the others he was referring to is rebel commander Gulbeddin Hekmatyar.

Karzai isn't offering amnesty, the news report said.

And Karzai reportedly said if wanted militants return to Afghanistan, Afghans would be able to take legal action against them. Many of the militants are thought to be across the border in Pakistan.

"If any one had any legal cases against them, they can do that," he reportedly said.

NATO Says 55 Suspected Insurgents Killed (AP)

By Fisnik Abrashi

AP, October 29, 2006

KABUL, Afghanistan - NATO and Afghan troops battled a large group of insurgents who attacked a military base in southern Afghanistan Saturday, killing 55 suspected militants, the alliance said. A roadside blast killed one NATO soldier and wounded eight others.

The fighting in Uruzgan province came a day after an international human rights group criticized NATO-led troops in Afghanistan, saying their tactics increasingly endanger civilians and are turning the population against the Western alliance.

NATO's top commander apologized Saturday for civilian deaths caused by fighting between Taliban militants and NATO forces earlier in the week, but said insurgents endanger civilians by hiding among them.

"Sadly, in asymmetric warfare, when you're battling an insurgency, typically the insurgents do not play by the same rules that we would like to play by," U.S. Gen. James L. Jones said.

Some 100 to 150 militants attacked a military base north of Tarin Kowt in Uruzgan, NATO said. NATO-led and Afghan troops fought back with small arms fire, attack helicopters and airstrikes.

"Initial battle damage assessment indicates that up to 55 insurgents were killed," NATO said. One Afghan soldier was wounded.

On Sunday, a roadside blast killed one NATO soldier and wounded eight other troops in Uruzgan, the alliance said. Three civilians were wounded. The nationalities of the slain and wounded soldiers were not disclosed.

A purported statement by the Taliban leadership, meanwhile, said the hardline militia has ruled out talks with President Hamid Karzai's government as long as foreign troops remain in the country.

The New York-based Human Rights Watch complained Friday that NATO's recent operations have killed dozens of civilians, but it also criticized the Taliban and other insurgents for putting civilians at risk "by using populated areas to launch attacks on NATO and Afghan government forces."

"While NATO forces try to minimize harm to civilians, they obviously are not doing enough," said Sam Zarifi, the group's Asia research director. "NATO's tactics are increasingly endangering the civilians they are supposed to be protecting and turning the local population against them."

He spoke on the same day that the International Red Cross urged all sides in the Afghan conflict to spare civilians.

Jones, the NATO commander, expressed regret for civilian deaths but said Taliban fighters use civilians as human shields and said that in the heat of battle it can be difficult to separate the two.

The death of a civilian "is something that causes anybody in uniform to lose a lot of sleep," Jones said at a news conference at Bagram, the largest U.S. base in Afghanistan.

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His comments came four days after clashes between NATO-led troops and insurgents in the south that Afghan officials say killed 30 to 80 civilians, including women and children. NATO said its initial investigation found 12 civilians killed.

The 32,000-strong NATO-led force took command of security operations in Afghanistan last month. The alliance has been battling resurgent Taliban militants in the south and east in the worst upsurge of violence since the 2001 U.S.-led invasion ousted the Taliban.

A Taliban statement e-mailed to The Associated Press by purported militia spokesman Muhammad Hanif dismissed Karzai's offer for talks Friday and called his administration a "puppet government." Hanif's exact ties to Taliban leaders are unclear, and it was not possible to verify the statement's authenticity.

"We say even today that there is no possibility of any talks when the country is under occupation," it said. "Any talks with aggressors would amount to selling the country."

On Friday, Karzai reiterated to reporters that he was ready to negotiate with Mullah Omar if the fugitive stops receiving support from neighboring Pakistan. Karzai says Omar is hiding in the Pakistani city of Quetta, while Pakistan says he is in Afghanistan.

Over the past two years, hundreds of Taliban supporters, including some senior officials, have reconciled with Karzai's government, but there is no indication that high-level talks with the rebel leadership have occurred.

Karzai made a similar offer in an interview with AP last January, telling Omar to "get in touch" if he wanted to talk peace, but fighting has since escalated sharply.

Human Rights Watch argued that NATO is relying too much on aircraft to attack insurgent positions. In June, the U.S. Central Command reported 340 airstrikes in Afghanistan, double the 160 strikes in Iraq in the same month, the group noted.

Maj. Luke Knittig, the spokesman for NATO's International Security Assistance Force in Afghanistan, said that "airpower is used extensively because it is an advantage and it can be decisive at a close fight."

But, he added, "its careful application is mandatory."

Taking The Fight To The Taliban (NYT)

By Elizabeth Rubin

The New York Times Magazine, October 29, 2006

One morning this summer, I headed out with a U.S. Army convoy of Humvees, a truck called a wrecker and a packed supply truck into the Afghan mountains. I was among some two dozen American and Afghan soldiers from Task Force Warrior, an infantry battalion based in Zabul Province, just north of Kandahar. We trundled up a path fit for goats because the nearby riverbed was perfect for concealing improvised explosive devices, or I.E.D.'s. Soon enough, the truck keeled over into the riverbed anyway. To hoist it up, the wrecker had to crash through wheat fields, and within minutes a gray-bearded farmer appeared brandishing his stick. "Are you Afghan?" he shouted at Farooq, my interpreter. "I have 30 members in my family. Why did you destroy my wheat?" The old farmer then clasped my wrist with his ancient garden tool of a hand. "You Americans are all friends of Bush the persecutor. You see this area" — he swept his other arm in every direction — "these are all Taliban. But they don't have power. As soon as we find power, I will kill all of you."

Farooq tried to calm him, but the farmer was fixated on his crushed wheat stalks until he spotted First Sgt. Ruel Robbins, a red-cheeked, chest-first sort. Robbins looked the farmer over, then said, "Tell him I'm real sorry to drive over his wheat, but I had to 'cause my vehicle turned over." The farmer eyed the sacks in the supply truck; Robbins gave him one of rice and two of flour.

The farmer watched us take off in a swirl of dust, and Specialist Melissa Elliot, who was driving our Humvee, said to Farooq: "We're not trying to hurt them. We're trying to protect their security. Why'd he get so upset with us? Is their wheat part of their religion or something?"

"It's the food for his family, ma'am," Farooq said patiently.

And so began our mission into the mountains of Zabul Province, 6,500 square miles of desert, farmland and 9,000-foot peaks with almost no paved roads to link one patch to the next. It's a place where, just decades ago, families lived as nomads, until King Mohammad Zahir Shah gave them government land to settle on, and where national politics is superseded by Pashtunwali — the Pashtun codes for tribal coexistence, based on retaliation, mediation and hospitality. In 1994, when the

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Taliban movement of young religious students swept into Zabul offering an end to illegal road taxes and warlord rule, Zabul's leaders simply joined hands with their Pashtun brothers. After the Taliban's fall, President Hamid Karzai's nephew was dispatched to head the Zabul Police; in July 2002, I found him besieged by locals, who put feces in his food and threatened to kill him. For five years now American forces have been chasing the Taliban in Zabul and attempting reconstruction. The police buildings have improved. A new hospital (financed by the United Arab Emirates) was finished. Roads were being laid in terrain so remote that when the Americans turned up, the villagers thought they must be Russians. The Americans opened a trade school in Qalat, the capital. But the pace of progress has been painfully slow. These remain the Taliban's mountains.

There are 42,000 U.S. and NATO troops in Afghanistan today, trying to secure a country that is a third again the size of Iraq, where there are almost 150,000 U.S.-led troops. In the past two years, more than 300 American and NATO soldiers have died trying to stave off a resurgent Taliban. Already this year, some 1,500 Afghans have been killed. And while there were just two suicide bombings in 2002, there is now one about every five days.

With the Taliban's alarming offensive, which began last spring, American generals began speaking of a different war — not a war against terror but a war of ideas. In military jargon this meant balancing kinetic and nonkinetic activity. Or, in plain speech, fighting the Taliban versus nation-building, two goals often at odds. "This is the war for the people," Lt. Col. Frank Sturek, the battalion commander of Task Force Warrior, told me. Sturek served in Iraq under Lt. Gen. David Petraeus — one of the military's leading thinkers on counterinsurgency — in Mosul, a city with 50,000 university students. In Zabul, by contrast, the literacy rate is 15 percent, at best. Sometimes Sturek couldn't tell if people wanted to be catapulted to the 21st century or just left alone. On that he deferred to Delbar Jan Arman, the governor of Zabul Province and a former anti-Soviet mujahedeen, who mentored him on local ways — distinguishing a Taliban killing from a tribal feud or a quarrel over a boy lover. Arman explained cultural sensitivities: how pulling off a man's turban or opening the clothing box of a woman could set off a revolt. Sturek would nod. "The standard military play is, Land in, round up the men, find someone who is nasty and mean and arrest him, drop off supplies and split," Sturek told me. "We're trying to humanize ourselves. It's uncomfortable. You train an infantry battalion to kill the enemy, and it's hard to tone it down." The governor's response was always: "The people are simple. We can win this war if the Army stays nice with the people and if we embrace them."

After many sweaty hours, we rumbled into the Alamo Bar and Grill in Kharnay, elevation 8,000 feet. It was a fitting name for an outpost fashioned from a mud schoolhouse — dusty, waterless and powerless except for what the soldiers slurped off a Humvee battery. Charlie Company, Fourth Brigade, 10th Mountain Division, had been based here for nine weeks already when we arrived. They had been living on meals ready to eat, or M.R.E.'s, patrolling the mountains with packs weighing 60 pounds or more, befriending locals and being mortared and ambushed once or twice a week. Their skin was burned, their uniforms ripped. But for this evening, all suffering was suspended for barbecue night. The Humvees had brought frozen slabs of beef from the United States.

In downtime, the soldiers of Charlie Company would cram into a mud room to imbibe American culture — <object.title class="Movie" idsrc="nyt_ttl" value="286678">"Shark Tale," <object.title class="Movie" idsrc="nyt_ttl" value="288851">"The Bourne Supremacy," Lil Wayne, Toby Keith singing his "Taliban Song" — all courtesy of Pvt. Dennis Taylor and his DVD and CD collection. A teenager from Tampa's housing projects, Taylor grew up with the Bloods. The Army has set him straight, even if his buddies teased him because they couldn't decipher his lingo and he wasn't sure what continent he was on or what the Koran was. "It's Islam's holy book," said one soldier. "Man, how can you be fighting here and not know that," another teased. Taylor laughed and shrugged. </object.title></object.title>

At the other end of the spectrum was Cpl. Kyle Hayes, who had made Taylor his project and, like Sgt. Jon Terry, a sentimental tough guy from Louisiana, often shared meals with the Afghan soldiers accompanying their unit to taste their culture and to bond. Hayes owned a Web design company in New York City and until two years ago was touring with his band, "Half Left." The band had a revelation while producing a record near ground zero in Manhattan, and they all joined the Army. Hayes's family was stunned. "I was the only guy at basic training who voted for Kerry," he told me. Sometimes he felt weird on leave in New York City, where people gawk at uniforms, though a few older people thanked him. His life plan, as inscribed in his diary, is to be a rock star, business mogul and founder of a Texan city by 35, governor of Texas by 45 and president by 55.

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Anticipation hung over the Alamo. Charlie Company's next mission was a bit of deceptive theater intended to lure the Taliban into ambushing the soldiers so they could counterattack. Part of the strategy involved Lt. Nathan Shields — a smiling, easygoing officer from Rochester — posing as a gullible new commander. Meanwhile, units hiding in the mountains would block the Taliban's escape. That night, a few squads hiked up a thousand feet, each soldier hauling water (temperatures in the day are usually in the 100's), food, rifle, knife, flashlight and first-aid kit, all atop 35 pounds of armor and ammunition. The Afghan soldiers carried little besides a rifle and ammunition. The American infantryman's burden is the Taliban's biggest advantage. Fleet-footed, carrying little more than an AK and a walkie-talkie, Taliban fighters could sail over the mountains.

The next morning we headed toward Solan, a village so unfriendly that when American soldiers airlifted in a bridge months earlier, it was burned down the next day. "We don't know if the Taliban burnt it or the villagers," Lt. David Patton, a tall, circumspect Texan with Task Force Warrior, said of the bridge in Solan. "Everyone believes in the mission," he added, "but there's an underlying thought that when we leave, it'll go back to the way it was." As Zabul's governor, Arman, had told me, Zabul's religious leaders all supported the Taliban, and in Afghanistan the most powerful platform is the minbar, a pulpit where the mullah delivers his Friday sermon. So although villagers were friendly when the Americans patrolled, they refused to help rebuild a school and a bazaar, for example, fearing retaliation from the Taliban who had destroyed them.

Shortly after we left the first village on our route to Solan, the Afghan soldiers began picking up Taliban radio chatter about the new Americans. Robbins was pleased. We were the bait, and the plan was working. We spread out along the gorge for a long, edgy march. Outside Solan, we met Sayed Ali Sheikh, an elder of the area, in whose compound the Americans had stayed before. He said he couldn't guarantee that the place wasn't rigged with explosives, but nevertheless he handed Robbins the key, showed us shrapnel the size of a skateboard that had ricocheted off a mountain when American planes dropped a 500-pound bomb — and vanished. In no time, the soldiers transformed Ali Sheikh's compound into a base of operations: satellite hookup to call the Air Force for cover, mortar base near the well, sniper positions.

Ten lean men in turbans came to meet Shields, who played his role as new commander somewhat awkwardly. A strange dialogue ensued, led by one of the 10 men, Haji Gailani, whose oversize glasses, gabardine vest and cane denoted authority. He said that they didn't deny Taliban fighters were nearby. "If you can catch those people, thank you," he said. "If you want to slaughter my neck, please do." There was a little nervous laughter. No, no, Shields said, of course not. Then Gailani said: "You have planes. You can hear the Taliban on your radios. And still you cannot force them out of here. How can we?"

Others began to speak up. Planes had attacked the mountains the night before, the men said. They had heard about the bombing of civilians in Kandahar. They wanted to know if they were about to be bombed. Robbins advised them to stay near the thickest walls and shut off the lights. Then they left.

And the waiting began. Pvt. Andrew Richards pulled out photos of his family, who lived in Colombia. Specialist Jonathon Routledge, whose voice still cracked and who couldn't believe he was roped into the Army by some cool recruitment videos, poked at a chick that was pecking at spilled tea. Shields and the medic climbed onto the compound roof to give coordinates in case of a medevac. Pvt. Jason Belford was so itchy that he played can-you-down-a-pack-of-crackers-in-two-minutes.

The radio began sputtering with Taliban voices. An Afghan policeman, who went by the code name No. 5, had found their frequency. He heard them discussing our compound. They knew everything: how many Americans and Afghans, the location of the mortar, the sniper positions, the satellite and the flower (code for me, the woman in the group). Presumably one of our earlier visitors was an informant. No. 5 seemed a little dodgy, too — perhaps working only for the troops, perhaps the Taliban, perhaps both.

Shields, Sgt. Jeff Griffin, Belford and a few others moved out to check the area around the compound for mines. Just as we neared the rock garden, a detonation jolted us. A deafening sound. A black smoke squall. Amazingly, no one was hurt. But something was wrong. They had been out to that rock garden twice and found nothing. Suspicion fell on No. 5.

"Fire a mortar," shouted one of the soldiers. Dan Guenther, a sniper from Texas, spotted something. Everyone assumed an imminent showdown. Someone threw a grenade into an outcropping to see if it was booby-trapped.

"If you're gonna come to the party, come already!" shouted Guenther. Then he suggested they should all run out in front of the house, smack their butts and provoke a fight. It was 6:42 p.m., and the light was fading. Shields and a few others popped out of the compound's shelter, hoping to draw fire. As darkness fell, I climbed up to talk to Specialist Tommy Glasgow, who was

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perched on the roof. He said that there was no way the Taliban would pick a fight after seeing all the U.S. fire power and listening to the bombers occasionally buzzing overhead. We talked about the mission in Zabul, and Glasgow said: "As bad as I don't want to be here, we should be. The Romanians are coming to take over from us, and the Taliban are just gonna cream 'em."

The fight never did come, and when we got back to the Alamo, the Americans were packing, and the Afghan police and soldiers appeared bewildered, convinced they would be dead in 24 hours. One policeman had already defected to the Taliban, I was told. "We'll be bombing this compound in a few weeks 'cause it'll be filled with Taliban," Hayes told me. He tried to find an hour every day to write in his diary. On May 12, for example, he had written: "I killed some people last night. Second squad is out looking for corpses right now. We got mortared right around dark ... when I was getting all the last stuff done for the day, and I got a hypoglycemic attack when I was doing sit-ups. It was still a good day, though. I got a lot done. Everyday I grow stronger."

A few days later, the Alamo was indeed abandoned by the Afghan forces.

The final draft of the U.S. military's latest counterinsurgency manual, written under the direction of Lt. Gen. David Petraeus and Lt. Gen. James Mattis, emphasizes that if you skimp on resources, endurance and meeting the population's security requirements, you lose. Yet for the past five years, the Pashtun provinces have been plagued by a lack of troops and resources. James Dobbins, President George W. Bush's former special envoy to Afghanistan, blames the White House, which he said had a predisposition against nation-building and international peacekeeping. The Bush administration rejected Afghan and State Department appeals to deploy a peacekeeping force in the provinces, dismissed European offers of troops and had already begun shifting military resources to Iraq, Dobbins told me, while U.S. troops in Afghanistan were to be limited to counterterrorism. "In manpower and money," he added, "this was the least resourced American nation-building effort in our history." In Afghanistan, the White House spent 25 times less per capita than in Bosnia and deployed one-fiftieth the troops. Much of the money that was pledged didn't show up for years. "The main lesson of Afghanistan is low input, low output," Dobbins said. "If you commit low levels of military manpower and economic assistance, what you get are low levels of security and economic growth."

The draft counterinsurgency manual is thoughtful, full of details and warnings like these: losing moral legitimacy means losing the war; the more force is used, the less effective it is; provoking combat usually plays into the enemy's hands; and building a government through illegitimate actions like unlawful detention and torture is self-defeating, even against fighters who conceal themselves among noncombatants.

Yet while I was in the south, I saw how readily vicious practices are condoned. An Afghan security official who insisted that I not use his name but who was an aide to a prominent southern governor, told of an instance when they couldn't find a boy suspected of plotting an attack. "We sent out a command — arrest all his brothers, uncles, cousins, relatives, all of them," he said. "When we arrested the relatives, no one knew what that boy was doing. Still we beat them all until they would shout, 'Write that we killed 5 or 10 people, whatever you want, and I will say anything.' " In Zabul's provincial capital, Qalat, the police proudly showed me three "Taliban" they had just captured. One of them had been beaten so badly he could hardly walk, and his feet were oozing puss. His eyes were mere wrinkles in swollen tissue. An American intelligence officer looked slightly embarrassed when he walked into the police station.

With a corrupt justice system, young Afghan men on the receiving end of injustice have often felt their honor could only be restored through acts of revenge. One night, a doctor introduced me to a young farmer who asked me not to use his name. He had been shot by U.S. forces in a gunfight a year earlier. Seven metal clamps were holding his leg in place. Though deeply religious, he never liked the Taliban regime. His family was relieved when Mullah Omar and the "Afghan Arabs" who first came to fight the Soviets in the 1980's fled Kandahar. He believed that Karzai and the international community would help build the country. "But they didn't," he said in the dark little flat where we met. "They just came to arrest the people." His father was a tribal leader with pomegranate orchards, and relatives often appealed to him to get their family members out of Afghan and American prisons. He would urge the Americans not to be fooled by false reports naming "Taliban." The real Taliban had mostly fled to Pakistan.

About a year and a half ago, he told me, a mine exploded next to an American convoy. His father was sitting in a mosque when he was rounded up by coalition troops. Twenty days later, his father's body was dropped off at a hospital. "I couldn't control myself," the young man said, nearly knocking over the gas lamp with his awkward, pogo-stick leg. "I wanted to avenge. I knew

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where the Taliban operated, because they would come at night, and so I found the commander of a small group. He welcomed me warmly and told me: 'It is the time of jihad. You are a lion and a hero.' "

Colonel Sturek, a powerfully built, blue-eyed Maryland man so cleanshaven that he appeared bald, and Governor Arman, a heavily bearded engineer, made an unlikely team. They shared a meal of sheep, rice and melon four times a week to talk strategy. Sturek loved Arman's vision of a network of roads by 2008, linking up Zabul's remote districts, where they would build schools and markets. Zabul straddled the most dangerous stretch of highway in Afghanistan. After 3 each afternoon, Taliban blocked the roads, looking for foreigners, money, spies, satellite phones. Sometimes they would just burn up buses or trucks. They even set loose a donkey on the path to an American base, rigged with rockets, mortars and a detonation card.

Across Afghanistan's southern provinces, American and Afghan troops were responding to the Taliban resurgence with Operation Mountain Thrust. In Zabul, the focus was on Taliban fighters in the Day Chopan mountains. Sturek's goal was to disable the Taliban leadership, allow the Americans to find weapons caches, bring in aid and persuade people that they had no intention of interfering with their religion. As the full moon moved into place last May, enabling a predawn landing, Afghan and American soldiers with Charlie Company, Special Forces and U.S. doctors air-assaulted into the Day Chopan mountains, taking scattered gunfire, and descended on the tiny village of Hazarbuz. Special Forces soldiers with goggled sniffer dogs rounded up the men, numbered their hands with markers and interrogated them. Some were arrested and flown back to base camp. I followed Jeff Griffin and his squad, who were dispatched to the villagers' homes with a message: Governor Arman is coming here to find out what you need, and a medical team has come to treat sick people and animals. This was typical of the American balancing act in Afghanistan. The Village Medical Outreach unit consists of reservist doctors who bring chests full of hygiene kits and medicine to villages that have just been raided by fighting forces.

We climbed up a hill through apricot and almond orchards to reach the scattered homes. We found a woman in a red velvet dress, who had beaded necklaces and a pair of scissors dangling from her neck. She said that the men were all sleeping. Then she said that they had left when we came. Griffin told her about the doctors, but she seemed frightened and said that she didn't want medical attention. We wandered from house to house until a radio call came in from an observation unit. They had seen a boy wearing black, possibly an informant, running toward one of the houses.

More climbing, more rocks, until we reached a wind-swept mountain top where an old crippled man emerged to hug Griffin, who hugged him back, uncomfortably — after all, he had come to search his house. He then ordered the boy in black to move to a clearing so the observation unit, on a nearby mountain, could see if he was the runner. The soldiers rummaged through the house, turning up small piles of paper and boxes that seemed suspect. It turned out that the boxes were full of snuff and the house was just a shop. As we were about to leave, the radio blared out to Griffin: Don't forget to tell them about the Village Medical Outreach.

As we rambled back down under the noonday sun, exhausted and thirsty, plucking apricots, almonds and mulberries off the trees, I remembered the Afghans I'd met complaining about Americans pillaging their harvest. It wasn't hard to see how a few apricots could transmute into theft or how speaking to a woman after you have rounded up all the men could transmute into "Americans are abusing our women." One afternoon, I had a car accident in Zabul. Within minutes, some 100 men pulled over and began heaving the wreck out of the ditch. As I crouched in the dirt wrapped in a tentlike Kuchi shawl, not a single man glanced my way. Rather, they asked my wounded translator if his wife was O.K. Someone must have sensed a foreigner, however, because 10 minutes after we left for the hospital, the Taliban showed up. They pummeled the driver, demanding to know what happened to the foreigner. He lied and saved his life. But that moment, when not one person glanced my way, offered a window into how seriously they abide by rules that are utterly alien to a 19-year-old American soldier. Sturek constantly struggled with pushing "cultural sensitivity" down the chain of command. It was nearly impossible.

On our long walk back down the mountain, two privates were trying to grapple with the contingencies of their lives, free will, U.S. history and America's intangible objectives. They were having an existential moment and craving a meal at Red Lobster. This valley in Zabul reminded one of them, Specialist Joshua Pete, of canyons where the U.S. Army once fought his Navajo ancestors. Pete thought he had had a calling, that his country needed him. But because of Afghanistan, he had lost both his scholarship to Dartmouth and his fiancée. He didn't believe in "this" anymore. Half the Afghans, he said, didn't even want "our

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billions to build this country." He wanted to be home fighting drug gangs in downtown L.A. or helping impoverished people in Flagstaff.

Back in the village of Hazarbuz, I found Governor Arman in his white robes, blazer and turban, sipping tea with Colonel Sturek. After one week, the governor said, once we were all gone, the Taliban would punish the people for sitting with Americans and the governor. Sturek agreed, but added that if the Americans didn't come, the people would have no idea there was an alternative.

Men and boys filtered down to meet the governor. They sat cross-legged, skeptical, nervous. Arman was an earthy man, and while kind ("Tell anyone who has run to the mountains to come talk, there'll be no trouble. I am your governor. Why am I here? To hear your problems."), he also let them have it.

"Look at your kids," he said, pointing to the boys. The men did, and he winced. "Look at their hands and feet, the infections on their skin, their bad education. Everyone looks sick. Don't they have the right to be educated?

"Are the Punjabi kids in this situation?" he then asked, referring to the children of the ruling ethnic group in Pakistan. "Why do people call it jihad here in Afghanistan? Why don't they fight this jihad in Quetta and Pakistan? We need to defend our country from the Punjabis."

He told them that this war was a Pakistani drama. The Pakistanis were sending Taliban to burn Afghan schools while their own children were being educated. If America leaves, he warned, you will all be slaves of Pakistan.

Over the three days we stayed, Arman's speeches grew harsher, and the men who visited him and Sturek grew more numerous and more attentive. The governor and the colonel could pick out the Taliban informants — like the young man with good sneakers whom everyone deferred to. Jin Kong radios, which work with solar power, batteries or a hand crank, were handed out by the U.S. military to the locals. The elders got bicycles; kids, school bags with pencils and other supplies.

Why did these Americans come here, the governor bellowed? Because the Taliban had not been nice with the people of this country. The Taliban beat the women, cut the heads off people, went to the north and made tribal enmity for Afghan people. How many Hazara, he asked, were killed in Shajoy (a district of Zabul)? Taliban had slaughtered hundreds of Hazara, an ethnic group descended from the Mongols and primarily Shiite. Arman repeated the accounts of Taliban cutting the throat of a little girl in front of her mother, then killing the mother, of the Taliban putting a gun in the mouth of a boy, who began to suck it and then they shot him. "Don't you have sons?" he asked. Some of the men averted their eyes, fidgeting in the dust.

On one occasion, Arman asked the men who had come if any among them could read and write. He held up a paper with the word God written on it. None of them could read. "If you can't read the name of God, you are blind," he said. Trying to raise their Pashtun pride, he pointed to one of the interpreters, a Hazara from the neighboring district of Jaghori. "What is your district like?" he asked the interpreter, who dutifully reported it had 72 schools, 32 of them high schools, and that all boys and girls were educated. They had electricity, radio stations, lawyers and engineers. "Why are we Pashtuns always fighting?" asked the governor. "You will all be laborers to the Jaghori people because you are illiterate and uneducated."

Perhaps, but the men wanted to know when their relatives would be let out of U.S. prisons in Kandahar and Bagram. And then a rocket exploded, then another, then gunfire began to echo back and forth between the valley walls. I trekked up to where snipers were perched on a small slope in front of a boulder. On the radio, we could hear Shields, who had taken some men and gone to patrol a valley. He was amazingly calm. "We're under fire," he said. "We're in a riverbed on the side of a hill." In fact, they were pinned down in an irrigation ditch with bullets throwing up dust and rocks all around them. An A-10 Warthog screeched across the sky as a 500-pound bomb smacked the side of the mountain.

We could still hear Shields breathing as he walked up the mountain. And that oddly calm voice: "We're definitely putting ourselves at a disadvantage. Pretty much anywhere I'm standing they could take us out."

A donkey began braying as the full moon drifted up above the mountains. Capt. Craig Johnson told Lieutenant Shields to watch out because shadows would cast long with that moon.

The Taliban, judging from the radio communications we were monitoring, seemed to be wounded and out of ammunition. One of them invited another to prayer. The other demurred, saying he was worried that he would be spotted. "O.K., then pray there, and I'll pray here," the first man said. Later, when I met a Taliban commander in Pakistan, he told me that they knew the

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Americans listened to their radios, so that the five daily prayers were often used as code to signal anything from "I've run out of food" to "Ambush them."

The next afternoon, we flew by helicopter to Andar, a nearby village. I sat in the fields with a former teacher named Anwarjan. The governor had appointed him district chief for all of Day Chopan, but Anwarjan could barely travel. The entire province, he said, was Taliban. Still, he was busy with Shields getting hundreds of kids to school in the central town. He had convinced the parents that Pakistan wants their children to stay wild and uneducated. "I have 300 students now," he said. "They're changed. They are polite, greet people, treat their mothers well. One man can change a generation."

But his efforts, he said, were being undermined by the constant incursions of Taliiban from Pakistan. "The leader of Day Chopan, Mullah Kahar, lives in Quetta," in Pakistan, Anwarjan said. "All the heads are there. So why don't you do anything?"

U.S. intelligence knows the same thing. As Seth Jones, an analyst with Rand, told The New York Times earlier this year, Pakistani intelligence agents are advising the Taliban about coalition plans and tactical operations and provide housing, support and security for Taliban leaders. Sturek told me that the U.S. is well aware that the Taliban heads are in Quetta. On one side, he said, most U.S. policy makers argue that the Pakistanis are our friends. On the other side are those, including some in the military, who say, "Let's just drive into Quetta."

I often received updates from Charlie Company soldiers after leaving Afghanistan. One of their platoon was killed heading up to an observation post in Day Chopan. After they pulled out of Day Chopan, one of the soldiers told me, they heard that things weren't going so well and that the Taliban were using the fact that the Romanians had taken over to claim the Russians were back. And another soldier wrote: "Our platoon got sent to a National Guard unit to help them out. They've lost like six people in the last week, but none of them were from our platoon.We were in Kandahar for a little while to get resupplied, and you're notkidding about the Canadians going down.We kept having to go to the big ceremonies for their bodies to get loaded on the plane.It seemed like they were getting messed up pretty bad. I definitely don't get the whole 'success story' thing."

With Army Stretched Thin, Could The U.S. Respond To A New Crisis? (HC)

By Michael Hedges

Houston Chronicle, October 29, 2006

Retired general says deployments put America in 'strategic peril'

FORT HOOD — At this sprawling base on the Central Texas plains, a few hundred soldiers of the 17,000-member 1st Cavalry Division made tearful goodbyes to family members before making another trip to Iraq this month.

On the other side of Fort Hood, soldiers of the 4th Infantry Division trickled back from Iraq at the end of a bloody, yearlong deployment that left scores of their buddies dead and hundreds more wounded.

The quick pace of comings and goings is evidence of an Army strained to the breaking point, with little in reserve if the United States is forced to respond to a new crisis, according to military analysts.

"One third of our combat units are in Iraq and Afghanistan, and they are the best troops we've ever fielded, but essentially every other brigade is not ready to fight," said retired Maj. Gen. Barry McCaffrey, who makes frequent trips to Iraq as a military consultant.

"America is in a period of strategic peril," he added. "What happens if we have to confront North Korea or Iran?"

Paul Rieckhoff, a former Army captain in Iraq who heads Iraq and Afghanistan Veterans of America, said his organization has gathered extensive evidence that has convinced him the Army is nearing a crisis.

"The rate of deployment is absolutely not sustainable," he said. "We are mortgaging the future of the Army. If this goes on much longer, we are going to get a post-Vietnam-type hangover in the military."

After Vietnam, the Army was called the "hollow force," afflicted with inadequate troop levels, training and equipment, leading to most of its units being rated unfit for combat, military analyst James Jay Carafano of the Heritage Foundation said.

Some military leaders in Washington as well as in Fort Hood, however, said the Army is adapting to pressure on staffing and other aspects of its operation and that the military would be able to muster an appropriate response to another trouble spot in the world.

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The U.S. Army, with a total active force of a half-million, supplies the overwhelming majority of the more than 150,000 service personnel in Iraq and Afghanistan. This month, Army Chief of Staff Gen. Peter Schoomaker indicated the number probably will remain the same through 2010.

"The problem is simple: Our military is designed to win wars quickly, not occupy foreign countries for extended periods," said Carafano.

Military on the defenseGen. Peter Pace, the head of the Joint Chiefs of Staff, conceded last week that the Army and Marines were being forced to deploy more often than the ideal of two years home for every year in a combat zone.

"We are using the force faster than we would like to," he said. "That does not mean that they're not available to go to the next fight."

Pace said troops in combat had all the equipment needed, and units not deployed to Iraq or Afghanistan do not.

"It is true that our units that are here at home are not fully equipped as they would be if there wasn't a war going on," he said. "But none of our potential enemies should miscalculate the capacity of this nation to generate overwhelming combat power tomorrow to defend our national interests."

The repeated deployments to combat zones are causing some senior non-commissioned officers, who are considered the backbone of the Army, to reassess their careers. "We were willing to go to war to defend the country. But when we got in the Army, the idea wasn't to be deployed overseas every other year indefinitely," said Perry Jeffries, 45, of Killeen , a former Army first sergeant who got out after a deployment to Iraq.

Pressures on familiesCol. Larry Phelps, a 28-year veteran, said soldiers entering today's Army understand what is being asked of them. Most embrace it, he said.

"This isn't the Cold War Army anymore," he said. Phelps said the Army today is actually in better shape than it was in the decade after the Vietnam War when he joined.

"I joined the Army in 1978. That was a broken Army," he said. "It was twice the size of the Army we have today, but it was not capable of doing the things we can do today."

Still, the veterans association's Rieckhoff said his group has gathered substantial anecdotal evidence of the strain on soldiers and their families.

"What we are hearing over and over again from senior sergeants and junior officers is that the toll on families is terrible," Rieckhoff said. "Our people don't like to whine in public, but to us they talk about divorces, alcohol abuse, depression."

The anecdotal testimony of strain on families is backed by figures compiled by the Pentagon. Divorce rates among the roughly 55,000 married Army officers tripled to 6 percent between 2002 and 2004. Though the numbers are relatively small, suicides are rising in the Army: In 2005, 83 soldiers committed suicide, compared with 67 in 2004 and 60 in 2003.

Senior officers of the 1st Cavalry Division at Fort Hood strenuously object to any suggestion that their unit is overtaxed by the war.

"At the pace we are on right now, this is a sustainable force," said Brig. Gen. Vincent Brooks, one of two deputy commanders of the division. "I don't think we are at the point of erosion."

Phelps said the Army is more responsive to the pressures on families with the high rate of deployments. He is assigned to stay at Fort Hood while the division deploys to Iraq and work on issues that arise with families of the force's 17,000 troops.

Juggling two battlesBut ample evidence shows that the Army is scrambling to cope with the demands of Iraq and Afghanistan:

•The Army has forced about 75,000 soldiers since 2003 to continue serving after their enlistments ended, a policy called "stop loss." That has applied mostly to units slated to deploy to Iraq and Afghanistan. Now, 11,000 soldiers are serving beyond the term of their enlistments. Of course, the military has extensively tapped Reserve and National Guard units to augment military operations in Iraq and Afghanistan.

•The Army, to keep hitting enlistment targets, has increased financial incentives, added many more recruiters, raised the age of eligible enlistees (from 35 to 40 in January, then to 42 in June) and taken more enlistees who were considered marginal before because of past legal problems.

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•The Pentagon has increasingly relied on contractors in Iraq, with more than 35,000 working there now, mainly in food services, transportation and construction. Some Navy and Air Force personnel also are being pressed into jobs such as driving trucks into Iraq that usually would have been assigned to ground forces.

Military experts said the stressful deployment rate is a result of an Army cut too deep, too fast since the end of the Cold War.

About 504,000 soldiers were in the active-duty Army last week, according to the Pentagon. That compares with nearly 800,000 during peacetime 20 years ago. Since then, the Army was reduced from 18 divisions to 12, then 10.

"We have the smallest army America has fielded since 1939, when the pre-World War II buildup began," McCaffrey said.

After the collapse of the Soviet Union, the consensus in Washington was that the military could be reduced to reap a "peace dividend."

Military planners believed that high-tech weaponry rather than "boots on the ground" was critical, leading to further cuts. Defense Secretary Donald Rumsfeld came into office in 2001 with a commitment to continuing the transformation.

Spanning the globeOf those half-million soldiers, roughly two-thirds are in support roles and can't simply be rotated in and out of Iraq. Tens of thousands are needed in other overseas posts, from Korea to Djibouti to Bosnia. Thousands of others, including recruiters and trainers, are permanently based in the United States.

The assignment of fighting street-by-street battles with insurgents in Iraq has fallen mainly on the Army, and the much smaller but also greatly stressed U.S. Marine Corps, more than the Navy or Air Force, which have been solely in supportive roles since the fall of Baghdad.

Experts said there are no easy solutions to the strains. The Pentagon, beginning in 2004, has reconfigured the existing pool of troops into brigade combat teams of about 4,000 soldiers as a way to get more soldiers into the deployment rotations for Iraq. There are 36 such teams available to deploy. The Army is aiming to increase that to 43 within a couple of years.

Even if the Army added 80,000 soldiers, as Congress proposes to do, it would take years before more brigades would be ready for combat, at a cost of billions of dollars.

But in the long term, analysts said, the United States has to make a significant financial commitment to maintain a military capable of protecting the country and intervening abroad when necessary.

At the height of the Vietnam War, American taxpayers spent 9.4 percent of the gross domestic product on the military. Twenty years ago, during peacetime, 6.2 percent of the GDP was channeled to the Pentagon. That had fallen to 3 percent by 2001. It is now back up to about 4 percent, or roughly $400 billion annually.

"We need to spend about 4 percent of the GDP on the military for the next decade to fix it," Carafano said. "That should be something America can do."

‘Antiwar’ And Other Fighting Words (NYT)

By David D. Kirkpatrick

The New York Times, October 29, 2006

WASHINGTON

DEMOCRATS have spent three decades trying to exorcise the ghost of Senator George S. McGovern, whose losing 1972 presidential campaign calling for a withdrawal from Vietnam crystallized his party’s image as soft on national defense.

But surveying the midterm elections last week, Mr. McGovern, 84, said he sees an opportunity for an antiwar campaign in the 2008 presidential race.

“I would love to be running again if I were 25 years younger,” he said in an interview from his Montana home. “I think I would win.”

On the eve of the midterms, dismay over the Iraq war has propelled the Democrats to a political status they have not enjoyed since before Mr. McGovern: for the first time in decades, polls show that the public trusts Democrats as much as Republicans to handle foreign affairs.

But as they look ahead, Democrats are torn between two visions of their history. Some potential candidates in the 2008 Democratic primary and many liberal activists argue that the Republican responsibility for the Iraq war has, in effect, freed the

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Democrats from Mr. McGovern's legacy. They say the 2006 elections will provide a mandate for a new antiwar argument: that troops can be pulled from Iraq in order to shore up American security elsewhere in the world.

Other strategists and political scientists argue that the Iraq war has given the Democrats a different opportunity to lay to rest their McGovernite image, in part by rejecting calls for a quick withdrawal in Iraq.

"All voters are doing is giving Democrats a chance, and we better not blow it," said Gary Hart, the former senator and presidential candidate.

A younger McGovern could probably win the Democratic primary, Mr. Hart said, but he would still lose the general election. "Just running on a platform of 'get us out of Iraq' is not going to solve the Democrats' problem on the issue of national security," he said.

After Vietnam, there was a brief time when both parties seemed to compete to be seen as the party of restraint: the moment in the 1976 presidential race when Senator Bob Dole, the Republican nominee for vice president, charged that the "Democrat wars" of the 20th century had killed or wounded "1.6 million Americans, enough to fill the city of Detroit."

But the Iranian hostage crisis three years later put an end to that short peace fad. And ever since President Ronald Reagan's campaign for a military buildup, Democrats have suffered from a reputation as the party that was less sure to keep America safe. Their only presidential victories were in the years of relative peace between the end of the cold war and the terrorist attacks of Sept. 11.

During the midterm campaigns, Democrats have risen in the polls merely by attacking President Bush's conduct of the war. They have not spelled out or agreed on a clear alternative of their own.

That luxury, however, is coming to an end. On Nov. 8, the day after the election, attention will shift toward the 2008 presidential race. How to handle Iraq could be the defining issue of the Democratic primary, and criticizing President Bush may not count for much in the general election since the Republican nominee may also be a vocal critic of his administration's handling of the war.

Pleasing the party's "bring 'em home" base while burnishing its security credentials may not be easy. A USA Today poll released Friday showed that more than 80 percent of the public expects Democrats to set a timetable for a withdrawal from Iraq if they take control of Congress. But so far none of Democratic Congressional leaders has called for a fixed deadline.

And although all the potential primary candidates — and President Bush for that matter — say they want the troops home as soon as possible, on the question of a timetable, their views could hardly be more disparate.

Senator Hillary Rodham Clinton, the most prominent candidate, has rejected any timetable for withdrawal. Senator John Kerry, the 2004 nominee, and Senator Russell Feingold of Wisconsin have already called for a fixed deadline.

Many Democrats, Mr. Feingold argued, have made a "serious mistake" by getting caught up in the party's Vietnam history. Fearing Mr. McGovern's fate, they are stuck in what he called "the Iraq trap."

"They think if somebody calls for a timetable to get out of Iraq they will be labeled as 'cut and run,' " Mr. Feingold said. Democratic gains in the 2006 elections, he said, will show that the public accepts the broader argument for a pullout from Iraq in order to fight terrorism more effectively elsewhere in the world.

Kevin Mattson, a liberal historian at Ohio University, argued that the comparisons to the McGovern campaign were misleading and "goofy."

For one thing, unlike critics of the Iraq war, neither Mr. McGovern nor any other prominent Democrat opposed the Vietnam War because it was an impediment to the fight against Communism — an argument that would have been hard to make at that advanced stage of the cold war. Advisers to Vice President Hubert Humphrey urged him to make such a case in 1968 but he refused, Mr. Mattson said.

Others, however, argued that letting their victories this year eclipse the McGovern experience may be the biggest risk that Democrats face in 2008. "My concern is that some Democrats will learn the wrong lessons from our victory," Senator Joe Biden of Delaware said.

Noting the number of conservative Democratic challengers this fall, he said that voters are seeking "a bipartisan consensus" about how to leave more than chaos and instability in Iraq. "A pullout is not a plan," Mr. Biden said, "it is a reaction." What sealed the Democrats' image after Vietnam, historians say, was not just Mr. McGovern's campaign but also their reaction

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as public opinion turned on the war. After 1968, Democrats in Congress began pressing to curtail the war or cut off its financing. And their efforts reached a peak after the post-Watergate midterm election of 1974, when many Democrats interpreted their landslide gains as a mandate to cut back on national defense.

No one is making similar proposals today. But James M. Lindsay, a director of the Robert S. Strauss for International Security and Law at the University of Texas in Austin and a former national security official in the Clinton administration, said big wins in 2006 may well embolden antiwar Democrats in 2008, while pulling "centrists" like Mrs. Clinton closer to withdrawal.

"But there are going to be a lot of Democratic strategists whispering in their ears that 'you don't want to go there' because it is bad politics, and it is bad policy to boot," he said. "The problem is you also have to win the general election. You don't need to appeal to people who have made up their mind and had a bumper sticker on the back of their car for the last four years."

Mr. McGovern, for his part, said the debate reminded him of the way Republicans used to accuse Democrats of being weak on Communism, even though containment was a Democratic idea. "I sure hope we are not going to have 50 years of being weak on terrorism in the eyes of Republicans," he said.

Are We The Mongols Of The Information Age? (LAT)

Max Boot

The Los Angeles Times, October 29, 2006

The future of U.S. power rests in its Industrial Age military adapting to decentralized adversaries.

GREAT POWERS cease to be great for many reasons. In addition to the causes frequently debated — economics, culture, disease, geography — there is an overarching trend. Over the last 500 years, the fate of nations has been increasingly tied to their success, or lack thereof, in harnessing revolutions in military affairs.

These are periods of momentous change when new technologies combine with new doctrines and new forms of organization to transform not only the face of battle but also the nature of the state and of the international system. Because we are in the middle of the fourth major revolution since 1500 — the Information Revolution — it is important to grasp the nature and consequences of these upheavals.

Until the 15th century, the mightiest military forces belonged to the Mongols. But strong as they were in the days of bows and arrows, the Mongols could not keep pace with the spread of gunpowder weapons and the rise of centralized governments that used them. They fell behind, and Europe surged to the forefront. In 1450, Europeans controlled just 15% of the world's surface. By 1914 — following not only the Gunpowder Revolution but also the first Industrial Revolution — their domain had swollen to an astounding 84% of the globe.

Not all European states were equal, of course. Some early leaders in gunpowder technology — for instance, Spain and Portugal — were also-rans when industrialization began in the 18th century. At least Spain and Portugal managed to maintain their independence. Numerous others — from Poland to the Italian city-states — were not so lucky. They endured prolonged occupation by foreigners more skilled than they were at new forms of warfare.

The big winners of the Gunpowder Revolution (from roughly 1500 to 1700) were the northern European states, from Britain to Russia. But the Romanovs, Habsburgs and Ottomans did not survive the cataclysmic conflict of the first Industrial Age — World War I — and their empires collapsed, even as Germany and Japan were catapulting themselves into the upper rank of nation-states largely through their growing military expertise. World War II — the major conflict of the second Industrial Revolution, defined by the internal combustion engine, airplane and radio — further shook up the international balance of power.

The conventional assumption is that the outcome of World War II was virtually foreordained: The Allies won because they were bigger and richer than the Axis. There is some truth to this. But by 1942, Germany, Italy and Japan controlled most of the natural resources of East Asia and Europe. This would have allowed them to match the Allies if they had been more adept at marshaling their military and economic power. The Soviet Union and the United States — the biggest beneficiaries of the second Industrial Revolution — did a better job not just in managing wartime production. They also grabbed the lead in the use of such key weapons as the tank (the Soviet Union) and the long-range bomber and aircraft carrier (the U.S.). There are many reasons why once-dominant powers such as France and Britain had become second-tier ones by 1945, but central among them was their failure to exploit advances in weaponry during the inter-war years.

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The Information Revolution of the late 20th century upset the seemingly stable postwar order. The Soviet Union had no Silicon Valley and could not compete with the United States in incorporating the computer into its economic or military spheres. U.S. prowess at waging war in the Information Age was showcased in the 1991 Persian Gulf War, which, along with the collapse of the Soviet empire, left the United States standing alone as a global hegemon.

But if history teaches any lesson, it is that no military lead is ever safe. Challengers will always find a way to copy or buy the best weapons systems or develop tactics that will offset their effect. Our most formidable enemies, Al Qaeda and its ilk, have done both. They are using relatively simple information technology — the Internet, satellite television, cellphones — to organize a global insurgency. By using such weapons as hijacked airliners and bombs detonated by garage-door openers, they are finding cracks in our defenses.

We have an insurmountable advantage in high-end military hardware. No other state is building nuclear-powered aircraft carriers, stealth fighters or unmanned aerial vehicles. In fact, we spend more on the development and testing of new weapons — $71 billion this year — than any other country spends on its entire defense. But all that spending produces weapons systems that aren't much good for pacifying Baghdad or Kandahar.

Technology isn't irrelevant to the global war on terror. We can use powerful surveillance systems to break up terrorist plots. And "smart bombs" can be invaluable for dealing with the perpetrators. But our enemies can stymie multibillion-dollar spy platforms by using couriers instead of satellite phones, which helps explain why Osama bin Laden remains on the loose.

New revolutions in military affairs, possibly centered on biotechnology and cyber-war, promise to give smaller states or sub-state actors more destructive capacity. Imagine the havoc that could be caused by a genetically engineered contagion combining the worst properties of, say, smallpox and the Ebola virus. Or imagine how much damage our enemies could inflict by using computer viruses — or directed-energy weapons — to immobilize critical bits of our civilian or military computer networks. In theory, it's possible to crash stock markets, send airliners plowing into the ground and blind our most advanced weapons systems.

The most threatening weapon of all harks back to an earlier military revolution. Nuclear bombs haven't been used since 1945, but given their proliferation around the world, it will only be a matter of time. Our scientific sophistication gives us a reasonable chance of shooting down a nuclear-tipped missile, but a nuclear suitcase smuggled into the U.S. would be much harder to detect.

To stop such stealthy threats, we need to get much better at human intelligence, counterinsurgency, information operations and related disciplines. We need more speakers of Arabic and Pashto, more experts who understand tribal relations in Iraq's Anbar province and Pakistan's Northwest Frontier province, more diplomats who can win over audiences on Al Jazeera. And we need to set them loose without having to worry about a burdensome bureaucracy micromanaging their every move.

It may sound melodramatic, but the future of U.S. power rests on our ability to remake a government still structured for Industrial Age warfare to do battle with decentralized adversaries in the Information Age. After all, aren't we the mightiest, richest nation in history? How could our hegemony possibly be endangered? That's what previous superpowers thought too. But their dominance lasted only until they missed a revolutionary turn in military technology and tactics.

CORPORATE SCANDALS:

Businesses Seek Protection On Legal Front (NYT)

By Stephen Labaton

The New York Times, October 29, 2006

WASHINGTON, Oct. 28 — Frustrated with laws and regulations that have made companies and accounting firms more open to lawsuits from investors and the government, corporate America — with the encouragement of the Bush administration — is preparing to fight back.

Now that corruption cases like Enron and WorldCom are falling out of the news, two influential industry groups with close ties to administration officials are hoping to swing the regulatory pendulum in the opposite direction. The groups are drafting

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proposals to provide broad new protections to corporations and accounting firms from criminal cases brought by federal and state prosecutors as well as a stronger shield against civil lawsuits from investors.

Although the details are still being worked out, the groups' proposals aim to limit the liability of accounting firms for the work they do on behalf of clients, to force prosecutors to target individual wrongdoers rather than entire companies, and to scale back shareholder lawsuits.

The groups hope to reduce what they see as some burdens imposed by the Sarbanes-Oxley Act, landmark post-Enron legislation adopted in 2002. The law, which placed significant new auditing and governance requirements on companies, gave broad discretion for interpretation to the Securities and Exchange Commission. The groups are also interested in rolling back rules and policies that have been on the books for decades.

To alleviate concerns that the new Congress may not adopt the proposals — regardless of which party holds power in the legislative branch next year — many are being tailored so that they could be adopted through rulemaking by the S.E.C. and enforcement policy changes at the Justice Department.

The proposals will begin to be laid out in public shortly after Election Day, members of the groups said in recent interviews. One of the committees was formed by the United States Chamber of Commerce and until recently was headed by Robert K. Steel.

Mr. Steel was sworn in last Friday as the new Treasury undersecretary for domestic finance, and he is the senior official in the department who will be formulating the Treasury's views on the issues being studied by the two groups.

The second committee was formed by the Harvard Law professor Hal S. Scott, along with R. Glenn Hubbard, a former chairman of the Council of Economic Advisers for President Bush, and John L. Thornton, a former president of Goldman Sachs, where he worked with Treasury Secretary Henry M. Paulson Jr.

That group has colloquially become known around Washington as the Paulson Committee because the relatively new Treasury secretary issued an encouraging statement when it was formed last month. But administration officials said Friday that he was not playing a role in the group's deliberations.

Its members include Donald L. Evans, a former commerce secretary who remains a close friend of President Bush; Samuel A. DiPiazza Jr., chief executive of PricewaterhouseCoopers, the accounting giant; Robert R. Glauber, former chairman and chief executive of the National Association of Securities Dealers, the private group that oversees the securities industry; and the chief executives of DuPont, Office Depot and the CIT Group.

Jennifer Zuccarelli, a spokeswoman at the Treasury Department, said on Friday that no decision had been made about which recommendations would be supported by the administration.

"While the department always wants to hear new ideas from academic and industry thought leaders, especially to encourage the strength of the U.S. capital markets, Treasury is not a member of these committees and is not collaborating on any findings," Ms. Zuccarelli said.

But another official and committee members noted that Mr. Paulson had recently pressed the groups in private discussions to complete their work so it could be rolled out quickly after the November elections.

Moreover, committee members say that they expect many of their recommendations will be used as part of an overall administration effort to limit what they see as overzealous state prosecutions by such figures as the New York State attorney general Elliot Spitzer and abusive class action lawsuits by investors. The groups will also attempt to lower what they see as the excessive costs associated with the Sarbanes-Oxley Act.

Their critics, however, see the effort as part of a plan to cater to the most well-heeled constituents of the administration and insulate politically connected companies from prosecution at the expense of investors.

One consideration in drafting the proposals has been the chain of events at Arthur Andersen, the accounting firm that was convicted in 2002 of obstruction of justice for shredding Enron-related documents; the conviction was overturned in 2005 by the Supreme Court. The proposals being drafted would aim to limit the liability of auditing firms and include a policy shift to make it harder for prosecutors to bring cases against individuals and companies.

Even though Arthur Andersen played a prominent role in various corporate scandals, some business and legal experts have criticized the decision by the Bush administration to bring a criminal case that had the effect of shutting the firm down.

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The proposed policies would emphasize the prosecution of culpable individuals rather than corporations and auditing firms. That shift could prove difficult for prosecutors because it is often harder to find sufficient evidence to show that specific people at a company were the ones who knowingly violated a law.

One proposal would recommend that the Justice Department sharply curtail its policy of forcing companies under investigation to withhold paying the legal fees of executives suspected of violating the law. Another one would require some investor lawsuits to be handled by arbitration panels, which are traditionally friendlier to defendants.

In an interview last week with Bloomberg News, Mr. Paulson repeated his criticism of the Sarbanes-Oxley law. While it had done some good, he said, it had contributed to "an atmosphere that has made it more burdensome for companies to operate."

Mr. Paulson also repeated a line from his first speech, given at Columbia Business School last August, where he said, "Often the pendulum swings too far and we need to go through a period of readjustment."

Some experts see Mr. Paulson's complaint as a step backward.

"This is an escalation of the culture war against regulation," said James D. Cox, a securities and corporate law professor at Duke Law School. He said many of the proposals, if adopted, "would be a dark day for investors."

Professor Cox, who has studied 600 class action lawsuits over the last decade, said it was difficult to find "abusive or malicious" cases, particularly in light of new laws and court decisions that had made it more difficult to file such suits.

The number of securities class action lawsuits has dropped substantially in each of the last two years, he noted, arguing that the impact of the proposals from the business groups would be that "very few people would be prosecuted."

People involved in the committees said that the timing of the proposals was being dictated by the political calendar: closely following Election Day and as far away as possible from the 2008 elections.

Mr. Hubbard, who is now dean of Columbia Business School, said the committee he helps lead would focus on the lack of proper economic foundation for a number of regulations. Most changes will be proposed through regulation, he said, because "the current political environment is simply not ripe for legislation."

But the politics of changing the rules do not break cleanly along party lines. While some prominent Democrats would surely attack the pro-business efforts, there are others who in the past have been sympathetic.

People involved in the committees' work said that their objective was to improve the attractiveness of American capital-raising markets by scaling back rules whose costs outweigh their benefits.

"We think the legal liability issues are the most serious ones," said Professor Scott, the director of the committee singled out by Mr. Paulson. "Companies don't want to use our markets because of what they see as the substantial, and in their view excessive, liability."

Committee officials disputed the notion that they were simply catering to powerful business interests seeking to benefit from loosening regulations that could wind up hurting investors.

"It's unfortunate to the extent that this has been politicized," said Robert E. Litan, a former Justice Department official and senior fellow at the Brookings Institution who is overseeing the committee's legal liability subgroup. "The objectives are clearly not to gut such reforms as Sarbanes-Oxley. I'm for cost-effective regulation."

The main Sarbanes-Oxley provision that both committees are focusing on is a part that is commonly called Section 404, which requires audits of companies' internal financial controls. Some business experts praise this section as having made companies more transparent and better managed, but many smaller companies call the section too costly and unnecessary.

Members of the two committees said that they had reached a consensus that Section 404, along with greater threat of investor lawsuits and government prosecutions, had discouraged foreign companies from issuing new stock on exchanges in the United States in recent months.

The committee members said that an increase in stock offerings abroad was evidence that the American liability system and tougher auditing standards were taking a toll on the competitiveness of American markets. But others see different reasons for the trend and few links to liability and accounting rules.

Bill Daley, a former commerce secretary in the Clinton administration who is the co-chairman of the Chamber of Commerce group, expects proposed changes to liability standards for accounting firms and corporations to draw the most flak.

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But he said that the changes affecting accounting firms are of paramount importance to prevent the further decline in competition. Only four major firms were left after Andersen's collapse.

Another contentious issue concerns a proposal to eliminate the use of a broadly written and long-established anti-fraud rule, known as Rule 10b-5, that allows shareholders to sue companies for fraud. The change could be accomplished by a vote of the S.E.C.

John C. Coffee, a professor of securities law at Columbia Law School and an adviser to the Paulson Committee, said that he had recommended that the S.E.C. adopt the exception to Rule 10b-5 so that only the commission could bring such lawsuits against corporations.

But other securities law experts warned that such a move would extinguish a fundamental check on corporate malfeasance.

"It would be a shocking turning back to say only the commission can bring fraud cases," said Harvey J. Goldschmid, a former S.E.C. commissioner and law professor at Columbia University. "Private enforcement is a necessary supplement to the work that the S.E.C. does. It is also a safety valve against the potential capture of the agency by industry."

CRIMINAL LAW:

Ehrlich Bristles At Probe Questions (BSUN)

By Andrew A. Green, Sun Reporter

The Baltimore Sun, October 29, 2006

Aide subpoenaed by U.S. attorney over slots in 2004

Ehrlich angered by probe questions

Gov. Robert L. Ehrlich Jr. acknowledged yesterday that a top aide received subpoenas from federal prosecutors investigating in 2004 what published reports said was the influence of slot-machine gambling interests in Annapolis, an admission that led to a demand by his Democratic opponent that the administration release full details of the probe.

The legal requests came from the office of then-U.S. Attorney Thomas M. DiBiagio, who had been recommended for the post by Ehrlich.

The subpoenas were issued to Paul E. Schurick, the governor's communications director and one of the key figures in Ehrlich's attempts to legalize slot machines, and were first reported this month by The Washington Post. Schurick received the requests on June 2 and June 16 in 2004 as part of a probe into gambling, the paper said, adding that the governor's press office - still run by Schurick - would not comment on them.

Responding to a question from a caller on Stateline with Governor Ehrlich on WBAL radio yesterday, the governor for the first time spoke publicly about the inquiry.

"Paul cooperated, produced everything that they wanted and nothing came of it," said Ehrlich, responding to the caller.

Later in the day, when asked for more details about what his office had provided to investigators, Ehrlich said, "How would I know?" and added that the line of questioning was prompted by a Democratic Party memo distributed last week. It could not be learned whether federal prosecutors were targeting specific individuals in their investigation.

Democratic Party spokesman David Paulson denied that any "memo or e-mail on this sordid episode" was distributed.

A spokesman for Baltimore Mayor Martin O'Malley, the Democratic nominee for governor, said Ehrlich's acknowledgement that his communications chief received a subpoena is further evidence that the governor did nothing to eliminate the "culture of corruption" he campaigned against four years ago.

"There are all these criminal investigations, and they just cover them up," said O'Malley spokesman Steve Kearney. "There's this one that they hid for two years. There's the federal investigation of governor's deputy chief of staff [Edward B. Miller, who created a compay that lobbyist Jack Abramoff said he used to launder money]. ... There's the federal investigation into the governor's top fundraiser [Richard E. Hug] setting up secret nonprofits. ... Taxpayers deserve answers - and they deserve better."

There is no indication that Miller and Hug are the subject of current investigations, although Miller's company received a subpoena in the Abramoff probe, and Hug's slots-related fundraising activities were examined by federal investigators.

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Ehrlich has supported a slots bill in each of his four years, but the House of Delegates killed it every time. With millions of dollars of profits at stake, the gambling and horse racing industries have spent heavily in Annapolis - making $700,000 in campaign donations in the five years prior to 2004, according to a Common Cause study, and spending up to $600,000 yearly on lobbyists.

A month before DiBiagio subpoenaed Schurick, he wrote a memo to his staff pressuring them to aggressively pursue public corruption cases. The meeting agenda, obtained by The Sun, said DiBiagio wanted "three 'front-page' indictments" by that November to cement his office's status as a premier investigative agency.

About a month after Schurick was contacted, DiBiagio's powers to investigate public corruption were severely curtailed by a new directive from his bosses who said that officials with the Bush administration Justice Department in Washington had to approve any such investigations.

The caller to WBAL who raised the issue - who identified himself only as "Leo" - questioned the timing and asked Ehrlich if anyone in the governor's administration or on the governor's behalf intervened to quash the investigation, a suggestion that drew Ehrlich's anger.

"The timing of it was very coincidental, because as you know, Mr. Schurick was subpoenaed in June of 2004, and then it was about four weeks after that the Department of Justice, which is of course run by Republicans, stripped him of his authority to pursue public corruption investigations," the caller said.

Ehrlich said: "Are you suggesting through that statement that something nefarious happened? When the guy prosecuted my superintendent of Maryland state police?" referring to Edward T. Norris, who pleaded guilty to misusing a police account for personal gain while city police commissioner.

"I think that your call is really inappropriate. I think it's partisan. I think that you are trying to damage the reputation of somebody who has worked for Democrats most of their life," Ehrlich said. Schurick was once chief of staff to then-Gov. William Donald Schaefer.

"I think the timing of your call is ridiculous. Nothing came of it. Everybody knows it. Can you imagine, if something would have been there, the Baltimore Sun not jumping on that. So my answer to you is 'Give me a break.' And the election is in 11 days," Ehrlich said.

Neither Schurick nor DiBiagio returned phone messages seeking comment yesterday.

In an opinion piece published in The Sun a little more than a year after announcing his resignation in December 2004, DiBiagio wrote that he had been under "constant pressure to aim low and look the other way from potentially corrupt officials. The pressure finally culminated in a threat that I would be 'hurt' if I continued."

Ehrlich's relationship with DiBiagio soured as the U.S. attorney pursued public corruption instead of gun crimes. The governor said yesterday that he had virtually no contact with DiBiagio after his appointment.

DiBiagio's apparent investigation into the influence of slots backers wasn't limited to the Ehrlich administration. In 2003, Senate President Thomas V. Mike Miller, a Democrat, was also under investigation for slots-related donations to a national state legislative political committee he led. The investigation was ultimately dropped.

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Sun reporter Kelly Brewington contributed to this article.

Katrina Crime: Perceived Or Real? (SAEN)

By Todd Bensman, Express-News Staff

San Antonio Express-News, October 29, 2006

Just days after the first of about 30,000 Louisiana hurricane evacuees began arriving in San Antonio, Mayor Phil Hardberger was asked a simple question he laughingly brushed off. What might be the impact of the influx on city crime rates and services?

It was Sept. 7, 2005, and the mayor was riding high on national praise for a CNN appearance during which he had projected an image of his city as unflinchingly philanthropic. People displaced by Katrina still were flooding in.

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"That's like if my house is on fire and I'm looking to you for a bucket of water, and you ask what the new house will look like," he said with a laugh. "Everybody's been worried about crime, and the impact on social services. But so far, it is just worry; it hasn't been factual."

More than a year later, the issue remains unaddressed, conspicuously so in light of a 55 percent spike in murders the first eight months of this year, increasing violent crime rates in San Antonio, a stretched police force and widespread media reports linking some evacuees in Houston to similar crime trends there.

So: Did the sudden arrival of about 30,000 evacuees, a group equal to Del Rio in population, cause additional crime? The question, loaded with the kind of politically sensitive racial implications that can discomfit some politicians, is much more than academic. Millions of dollars could be at stake.

In choosing not to ask, San Antonio's political leadership potentially turned its back on federal money that Houston has gained by citing an evacuee link to a increasing murder rate and other violent crime.

It also invites speculation and perceptions not necessarily grounded in fact.

City leaders, such as Hardberger, several council members and top police officials, assert the evacuees have had no effect on crime. Those who interact most closely with some of the city's highest concentrations of evacuees, including beat cops, business owners and the evacuees themselves, say the opposite is true.

The San Antonio Express-News spent four months trying to determine whether a link exists between evacuees and crime in San Antonio. Among the highlights were an extensive analysis of crime data and interviews with dozens of street-level officers, community leaders, business owners, residents and evacuees throughout the city:

Steeply declining rates of violent crime and property crime during the first eight months of 2005 suddenly reversed after they arrived, although there is no proof evacuees caused it. Houston, however, has successfully cited a similar coincidence of suddenly rising crime to argue for more federal money.

Crime hot spots developed after evacuees arrived in and around some of the 170 apartment complexes where they resettled. For example, one 10-mile stretch of W.W. White Road contributed 20 percent of a citywide spike in armed robberies last fall. In contrast, at least one complex had lower crime after relatively large numbers of evacuees moved in, based on several measures of crime.

Of the 55 percent spike in San Antonio's murders this year, three suspects and two victims were found to be evacuees. Several other cases have suspected links, but dozens of cases could neither be included nor excluded as related to evacuees. Unlike Houston, the San Antonio Police Department homicide unit never has been asked to methodically look for such a connection that could be cited in a request for federal funds.

Violence and criminal activity involving evacuees occurred as the result of interaction between San Antonio residents and the new arrivals, often over drugs.

A coincidence of crime

The Louisiana evacuees found much more than a welcoming refuge when they showed up in need at San Antonio's doorstep last summer. Compared with their crime-ridden neighborhoods back home, evacuees found relative peace and security here. Most came from the same few districts responsible for making New Orleans notorious as the nation's most lethally violent city.

But San Antonio had been enjoying eight months of double-digit downturns in serious crime, such as murder, robbery and rape and sexual assaults, when the newcomers began settling into local shelters and hotels on Sept. 2, 2005.

Then the trend, for reasons unknown, reversed significantly in certain categories of crime. By Christmas 2005, San Antonio was beset by double-digit rises in the kind of crime that residents in any city especially fear and loathe.

Compared with the September-to-December period a year earlier, armed robberies of businesses were up 42 percent, and of people up 18 percent. Vehicle theft was up 18 percent, and weapons violations 33 percent, to name a few.

The number of residents' calls for police ballooned and is now on track to set a record by breaking the 1 million mark this year, with an average 8,500 more calls for police per month from September 2005 through July 30 than the same period a year earlier. The swell began just after evacuees arrived, taxing street cops and stretching response times.

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The Houston metropolitan area, which received five times as many evacuees but is three times the size of the San Antonio area, experienced a similar coincidence of higher crime after evacuees arrived on a comparative scale.

Neither Houston nor the Express-News was able to examine the only unassailable evidence that would link imported criminal elements to higher crime: last known addresses for either suspects or victims. Many crimes remain unsolved with no suspects to identify.

The absence of suspect arrests and publicly available information that would prove an evacuee link to specific crimes has left some crime victims to draw their own conclusions.

Ed Theo Flores, owner of the family-run Theo's Brake and Tire Service near downtown for 40 years, had experienced only one crime in the business' history, and that was two decades ago. In a few weeks after more than 50 evacuee families moved in to the hotel next door to his shop, Flores reported three cars stolen off his lot and a break-in that cost him hundreds of dollars in tools. No arrests were made.

"I'm not blaming anything on the Katrina people," Flores said, choosing his words carefully. "I'm just saying the coincidence is right there."

The hotel did have problems with the evacuees. It was forced to evict a third of the guests for drugs and prostitution, said Janice Maragakis, spokeswoman for hotel owner Accor North America. Police reports confirm an increase in arrests at the address.

More than half of the city's evacuee population now is gone, having begun trickling out of town when Federal Emergency Management Agency housing vouchers started running out last spring, officials report. The overall total crime rate citywide has tapered off.

Today, top police officials are quick to highlight that total crime doesn't look bad.

From September 2005 through July, total crime citywide was up only 2.3 percent and total violent crime came out about even.

"The big picture is that violent crime is down," Police Chief William McManus said.

But total citywide numbers touted by police officials don't tell what happened for many months in neighborhoods after evacuees settled in them.

The period from September 2005 through July shows that several crime categories remained in double-digit higher territory over the same period a year earlier. Those include drug crimes, up 14 percent; total aggravated robberies, up 27 percent; and vehicle theft, up 17 percent.

Open to debate

Houston's attempt to peg a statistical correlation of higher crime rates to the arrival of evacuees has brought in millions of dollars to help pay its police and fire bills. But that city's correlation — and the Express-News' attempt to replicate Houston's analysis — is open to debate.

Criminologist Dr. Peter Scharf, director of the University of New Orleans Center for Society, Law and Justice, said the newspaper's findings, as well as Houston's, of the apparent shifts in the crime trends are "highly probative," suggesting some degree of proof.

"I think you're on to something," Scharf said after examining the Express-News findings. "And the lack of curiosity in your town is really interesting."

Scharf is studying the migration of people from the nation's most criminally prolific districts in New Orleans to Texas and back. He said it helps no one to casually dismiss what to him is an obvious pattern in which violent crime has followed one of the most dangerous criminal underclasses in the country.

It is likely no coincidence, Scharf also said, that crime rates in New Orleans fell from the nation's highest to nearly zero when just those few flooded high-crime districts emptied into Texas. Now, New Orleans crime is approaching old highs — in new areas — as evacuees settle in them, Scharf said.

Still, he cautioned that correlating a short-term crime spike with the arrival of evacuees is at best a crude barometer justifying more study and cannot be used to rule out other possible causes of a crime trend.

Other criminologists go further.

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"I think saying that comes pretty close to demonizing people who were evacuated. All you can say is that's interesting, that went up," said Dr. Michael J. Gilbert, associate professor in the University of Texas at San Antonio criminal justice department and Mayor Phil Hardberger's appointee to a local crime commission.

"While that's perfectly rational thinking, it may be misleading in terms of what this data may actually mean. I think they're (city of Houston) trying to make the best case they can to get money when it's not defensible."

He and other experts say the coincidence that a sudden spike in major crime occurred with the arrival of evacuees might easily be explained by population increases, shifts in police tactics or changing drug trade dynamics.

Albert Steven Dietz, a criminal justice professor at Texas State University in San Marcos, said the post-September crime rate jumps in San Antonio indicate to him that some evacuees may have contributed out of proportion to their numbers — but for just the first few months of their residency.

He said a logical assumption is that the simple crime trend becomes less indicative after evacuees disburse throughout the city and, for instance, find opportunities to leave the criminal underworld, if they were part of it.

Is perception reality?

While nearly impossible to easily verify the origins of all arrestees through available public records, a perception accompanies the pattern of increasing crime: Based in truth or not, some people who interact closely with evacuees believe elements of that imported population are committing the crimes. Among them are police, prosecutors, apartment complex managers, neighboring residents and business owners.

Perhaps most credibly, though, evacuees themselves in a dozen apartment complexes told the Express-News they believe some in their own ranks are responsible for violence, thievery and drug dealing that have made their own law-abiding lives in San Antonio as miserable as they were in New Orleans.

Among those who came to San Antonio were at least 140 probationers and parolees from Louisiana who hadn't reported to a parole or probation officer in either Texas or their home state, the Express-News reported in July.

Evacuees in the Huntley Manor apartments in East San Antonio, where calls for police jumped after some 50 Katrina evacuee families settled there, tell tales of conflicts involving young Louisiana men that went on for months, even after management, who did not respond to interview requests, arranged extra security.

One police report tells of 10 men chasing off the drivers of a meat delivery truck, then looting the vehicle in a frenzy until it was empty.

Josh Hooper, a young man from New Orleans, boasted of participating in conflicts.

"It got crazy around here. It was shooting and shooting, for real," he said, getting into a car with friends. "We did shoot back. I'm gonna tell you for real. You think somebody shootin' at me and I ain't gonna shoot back? For real. This is Texas; everybody got a gun."

Several evacuees said the complex has settled down noticeably since most of their compatriots moved, a story echoed elsewhere.

Evacuees living in West and North San Antonio complained bitterly about similar problems they say are caused by fellow evacuees, sometimes young men fighting over drugs with young San Antonio men.

"The thugs and criminals here (in San Antonio) met up and socialized with the thugs and criminals from there (New Orleans)," said Stephaney Wyeth, a 58-year-old grandmother from New Orleans, describing the nightly drug dealing, shootings and fights she endured in her Northwest San Antonio complex.

Buyers looking for drugs mistakenly knock on her door all night long, she said.

"It seems like our complex is the whole city's place to come and get drugs," Wyeth said, wishing her fellow evacuees would leave. "We have a lot of criminals in the building."

Yolanda Herbert, 43, blames local San Antonio youths for instigating violence with the New Orleans crowd.

"I think they're just getting with the wrong people," she said. "I believe they're being influenced by other gangsters that's from here who know where to go and what to do."

Others said they were targets of locals interested in stealing financial aid that everyone on the street knew the evacuees received. Evacuee Lavell Simpson said groups of Hispanic youths preyed on the evacuees at his complex near Lackland AFB.

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He said a group of three young Hispanics once attacked him "to take me for my jewelry."

"They can tell who we are," Simpson said, sitting on the stairwell leading up to his apartment one afternoon. "We dress different. We talk different. We walk different."

In late July, a Katrina evacuee was shot in the leg during a robbery at his apartment in 3100 block of East Commerce. He had cashed a FEMA check. The robbers got away.

Several hot spots exist

The Express-News tried to discern whether data supported perceptions among evacuees and residents both in and around 10 of the more than 170 apartment complexes where evacuees resettled last fall. The complexes were selected because they hosted high concentrations of evacuees.

Three measurements — police offense reports, residents' calls for police and total crime offense reports in a half-mile surrounding radius — showed rises in and around four of the 10 complexes compared with the same time period a year before. Five others showed declines in one or two of those measurements but increases in others. One of the 10 complexes showed declines in all three.

Residents who live in other complexes that took in large numbers of evacuees said what cold hard numbers can't. They've been feeling more afraid — of evacuees.

Evacuee Trina Boone of New Orleans, a mother of two young children who lives at Artisan at Willow Springs on Gembler Road, showed a bullet hole that was fired through her apartment one morning in June.

"To be honest, they selling a lot of weed," she said. "We have a lot of fightin' and shootin', all kinds of whatnot; that's why I'm moving out of here."

Another hot spot centers on an urban strip of W.W. White Road on San Antonio's East Side, where businesses from major chains to small eateries sustained a spike in armed robberies that frightened owners into organizing to defend themselves.

Crime data support their claims, but in other parts of the city, residents made claims against evacuees that data did not appear to support.

For instance, Nette Hinton, a retired U.S. Customs officer and member of Dignowity Hill Homeowners Association east of downtown, blamed evacuees who she believed traveled from other parts of the city to commit crimes along a stretch of Hackberry Street that police had worked years to reduce.

An analysis of crime data showed crime and calls for police service on and around Hackberry Street actually fell after evacuees came to San Antonio.

Still, Hinton believes political timidity has caused city officials to turn a blind eye to concerns like hers.

The former agent said leaders "probably hesitate to point fingers at the bad elements because it's antithetical to the kindly face we presented to Katrina evacuees. I think we're embarrassed to say there were some thugs and they're still here preying on people."

Not to wonder why

In Houston, which also received five times as many evacuees as San Antonio, the statistical impact is not much greater because its population is three times the Alamo City's size.

After tracing murders and noting leaps in other violent crime near resettlement areas, the administration of Houston Mayor Bill White has aggressively pursued more than $30 million in federal money for public safety costs. The money has gone to pay police and fire overtime and for five new police academy training classes.

In San Antonio, police overtime costs have gone up and remained higher since the evacuees came. No evidence has surfaced that these increased costs are linked to serving San Antonio's evacuees. City officials blame various nonpreventable operations for higher overtime costs but do allow for the possibility of evacuee-related services as a cause.

Houston has claimed the evacuee link wholeheartedly, with some success. Houston won an $18 million Department of Justice grant after White lobbied Houston's congressional delegation.

"My opinion is it never hurts to ask," said Gary E. Gray, assistant director for Houston's finance department. "If you don't ask what's possible, nothing's going to happen."

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A number of San Antonio city leaders, including top police commanders, professed ignorance of Houston's problem with "Katrina crime" and its pursuit of federal funds and said they saw no need to follow suit. Yet money is tight.

San Antonio's leaders, voting last month on a new budget, had to scrimp and scrape $2.4 million in city tax money out of next year's budget to help fund a 54-officer addition to its 2,069-member force that McManus said was hundreds short of what is needed.

In San Antonio, police overtime costs were falling steadily for the eight months before evacuees arrived, then from September 2005 through December rose to a record $6.7 million, of which $4 million was evacuee-related and reimbursed by FEMA, according to figures supplied by the city's finance department.

Houston has fought to recover more of the costs than it was reimbursed during that four-month period, as well as extra costs through May.

San Antonio's police overtime costs were up 11 percent from January through May, amounting to $400,000 more over the same period a year earlier.

Houston has also sought federal money for fire department overtime since the initial influx of evacuees.

Last October, before the shelters were closed, San Antonio top officials repeatedly assured the media that little anticipated crime had surfaced.

However, data from September 2005 to December show the number of crime reports generated from a half-mile area around the KellyUSA shelter spiked more than 160 percent, from 27 to 71, as a result of robberies, burglaries and drugs.

One office that did try to track crime related to evacuees is the Bexar County district attorney's office, which identified at least 135 prosecutions of evacuees staying in shelters last fall. Offenses ranged from rape to petty larceny and theft. One evacuee was charged with murder.

The DA's office initiated the count, First Assistant District Attorney Cliff Herberg said, should it need to justify federal funding requests later, but let the program lapse after the shelters emptied. A Police Department effort to code evacuee arrests also ended after a short time for reasons that remain unclear.

"I certainly think the impact has been much more, much more" than the 135 criminal prosecutions, Herberg said. "I think we're all aware of that. There's been a criminal element over there that has become a criminal element here."

Yet most other public officials posit various other causes for more crime while excluding evacuees. Councilwoman Sheila McNeil, whose district is bedeviled by a spiking number of armed robberies, dismissed the evacuees as a possible contributor.

"Part of it happens during the Christmas holidays," McNeil said of the robberies. "No one speculated what it could be, just Christmas time and people needed extra money. I've talked to our police officers and they have not given me that indication (of an evacuee link)."

In August, as the council was considering the slim police-hiring budget, Hardberger also excluded evacuees and blamed higher crime on an annual summer cycle. When asked if he'd ever considered that evacuees he embraced a year earlier brought crime to his city, the mayor said: "I don't believe the statistics will support that in San Antonio."

He said he was not interested in learning if it was true so the city might benefit from federal money.

"I know the statistics are up," Hardberger said. "But I'm not seeking a scapegoat here."

Several hours after that interview, however, the mayor phoned to say he'd had a change of heart and had asked City Manager Sheryl Sculley to examine the question.

"We need to look at the facts, and if we're going to look at the facts you'd better gather the facts first, and that's what I'm going to be doing," Hardberger said.

Two weeks later, the mayor's initiative produced a single-page interoffice memo from James Glass, manager of the SAPD Strategic Analysis and Mapping Office, to McManus.

The Aug. 16 memo titled "Analysis of Crime & Katrina Evacuees," cited an evacuee population number between five and six times lower than the nearly 30,000 that FEMA and Red Cross officials provided to the Express-News.

It went on to state in part, "the results from this micro level analysis are inconclusive" and that more study of updated information would be necessary. Police spokesman Gabe Trevino dismissed the short study, saying "That doesn't tell you anything. We can't say one way or another."

But when questioned about a possible Katrina link to higher crime and federal money, McManus cited the memo as grounds for why he was not inclined to order a more rigorous examination.

"We can't pinpoint any increases in crime to any particular population," he said.

The disinclination to learn more has carried over into enforcement strategy. Apartment complexes with large numbers of evacuees never figured into a special police task force that McManus deployed for 60 days this summer to target high crime areas, even though SAPD Capt. Cris Anderson, its commander, said he believed an evacuee-crime link existed.

Since Katrina evacuees arrived, Anderson said one night as his task force went into action where no evacuees lived, "there are more hot spots and violent pockets in town, and I just don't believe it's coincidental."

In contrast, a similar counter-crime task force fielded by Houston focused on evacuee complexes.

Gilbert, the UTSA criminologist, said all the debate about Katrina crime in Houston and perceptions about it in San Antonio should be viewed through a wider lens of time.

Compared with high violent crime in the late 1980s, San Antonio is enjoying historically low crime overall, even with its new population, in defiance of what studies like those he has authored show: Crime is usually higher in poor communities.

"San Antonio is a very poor city," he said. "And yet we have a very safe city, comparatively." tbensman@express-news.net

News Researcher Julie Domel analyzed the statistical data for this report.

Vicious MS-13 Gang Seen As Growing Threat (DMN)

By David Mclemore, The Dallas Morning News

The Dallas Morning News, October 29, 2006

Authorities target group in Texas and across U.S.

PHARR, Texas – Shortly after midnight in late September, a Texas National Guard soldier with night-vision equipment spied four figures slipping through the brush and alerted Border Patrol agents.

The men were arrested, and one in particular stood out for the extensive tattoos across his face, body and arms.

AP Wilmer Matamoros, 23, a Mara Salvatrucha gang leader, was imprisoned earlier this year in Tegucigalpa, Honduras.

A fingerprint check showed Santos Chileno-Gomez, a 23-year-old Salvadoran, had been deported for an assault on a Long Island, N.Y., police officer. His lengthy criminal record – and the tattoos – labeled him as a member of Mara Salvatrucha 13, a vicious international street gang that federal authorities call one of the most violent in the U.S.

Mr. Chileno-Gomez is among 76 MS-13 members apprehended by the Border Patrol in the Rio Grande Valley during the just-ended fiscal year. That total was up from 62 the previous year, showing the gang's resilience to federal efforts aimed at rooting it out and its determination to travel almost at will through Texas to cliques operating throughout the U.S.

And, some police agencies believe, there is evidence that MS-13 has taken sides in the bloody war among drug cartels that's playing out in Nuevo Laredo.

"They are getting more disciplined and more organized. And they're getting smarter," said Susan Ritter, chairwoman of the criminal justice department at the University of Texas at Brownsville, who is preparing a scholarly research article on MS-13.

"In Texas, they often hold meetings or recruitment drives in public under the guise of legitimate activity, such as a soccer game or barbecue. There has been talk of efforts to join forces and operate with one overall leader. That hasn't happened yet," she said.

Officials estimate there are up to 10,000 hard-core members of the gang operating in 33 states, the largest clusters living in Los Angeles, Washington, D.C., and the Mid-Atlantic region. But Texas is one of the fastest-growing states for MS-13, simply by virtue of geography.

"From Honduras and El Salvador, the quickest routes in the U.S. are the smuggling pipelines that run from Mexico directly into the Valley," said Border Patrol Supervisory Agent Roy Cervantes. "From here, they quickly move on to Dallas or Houston and blend in with the immigrant communities there. They want out of the border area as quickly as possible."

In March 2005, when local police and federal agents began a national yearlong sweep of gang members, MS-13 members were involved in two shootings a week apart in Dallas that underscored the gang's violent streak. One involved a 14-year-old boy who was shot in the face and survived.

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Eduardo Galicia, 19, wasn't so lucky.

Police said Mr. Galicia was playing soccer at a playground near Love Field when a man identified as an MS-13 member walked up and asked in Spanish, "What gang are you down with?" When Mr. Galicia said he didn't belong to a gang and turned to walk away, the man shot him in the back of the head. Dallas police made four arrests.

That year, Immigration and Customs Enforcement investigators estimated there were about 140 MS-13 members in the North Texas region. In raids last March, police arrested about 44. Local police say the national roundup of gang members has forced MS-13 members to take a decidedly lower profile in the Dallas area.

"I'm not saying we don't have a problem," said Sgt. Mark Langford of the Dallas Police gang unit. "That would be naive. We're always watching."

It's a sentiment shared by police in Dallas' suburban neighbors.

"We're not seeing a lot of crime directly attributable to MS-13 members. It's minimal," said David Tull, spokesman for the Irving Police Department. "We're not in denial. We know they're out there.

"We hear on the street that someone is coming in and we'll see graffiti around town, but unless we can get them in the light at the right time, we don't get a chance to get them."

Said Patrick Murphy of the Carrollton police: "It's really difficult to say how many MS-13 gang members we have. ... They come and go constantly."

That fluidity – members moving among cliques and back and forth to Central America – makes it hard to pin down numbers in any community with any accuracy, police said.

"This is a gang that operates across borders. It's common to see members of the L.A. clique work in El Salvador, or Salvadoran members operating in New York, recruiting or sharing tactics," said Brian Trucheon, director of the FBI's MS-13 National Gang Task Force, created in 2004. "The scary thing for us is how quickly they can evolve to move around obstacles law enforcement throws up."

Gang's beginnings

MS-13 began in the Ramparts section of Los Angeles in the mid-1980s to protect refugees of El Salvador's civil war from other street gangs. Mara Salvatrucha is street slang for "Salvadoran guard posse." The tattoos gang members use as a mark of identity and pride invariably involve the initials MS and the number 13, a designation of an earlier alliance with a Southern California gang.

A 2005 Department of Homeland Security gang threat assessment identified MS-13 as one of the largest and most violent gangs in the country. That February, Immigration and Customs Enforcement agents launched a national sweep – Operation Community Shield – targeting MS-13 members. It was later expanded to include other violent gangs. More than 3,000 gangsters were eventually rounded up, one third of them affiliated with MS-13.

The gang's terrifying reputation includes a callous disregard for life and a willingness to use extreme violence with weapons ranging from machetes to semi-automatic rifles.

"Machetes, decapitations and sexual violence against victims are a common tool of intimidation," said Alonzo Pena, the ICE special agent in charge for South Texas. "They are growing rapidly and pose a significant risk to our communities. This is a gang we can't allow to continue to grow."

Intelligence gathering

As a policy, ICE agents conduct face-to-face interviews with any member of the group arrested in Texas in an attempt to gather detailed intelligence.

One sign of the group's increased organization: Recently, MS-13 leaders have told members to remove tattoos from their faces, necks and arms to avoid notice from law enforcement. During interviews with agents, MS-13 members now deny involvement and insist their tattoos are residue of past involvement.

"We're sure that's just disinformation they're feeding us," Mr. Pena said. "The rule of MS-13 is once in, always in."

Houston, with its large Central American immigrant community, is the group's center of activity in Texas, authorities said.

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"It doesn't surprise us that they are coming in greater numbers across the border," said Shawna Dunlap, an FBI special agent in Houston. She said Houston saw an increase in what she called "high-profile" gang activity last year, including extortion, robbery and kidnapping.

"About 50 percent of those we see in Houston have been deported multiple times," she said.

While not the largest gang in Houston, MS-13 has become a significant player, said Capt. Mike Graham of the Houston police gang division. He said the gang is getting more organized.

"Our biggest challenge is that they are so transient," he said. "They prey on immigrants, but they don't necessarily stay in the immigrant communities. MS-13 is all over the city. If things get hot for them in Houston, they can disappear to North Carolina or D.C."

The FBI now assigns 10 agents to work with Houston police for investigations involving MS-13.

Homegrown threat

While MS-13 recruits heavily from El Salvador and Honduras and Central American refugees in the U.S., this is no invasion from south of the border. MS-13 is strictly a homegrown gang.

"Only after they were deported did the gang spread to Central America," said UT-Brownsville's Dr. Ritter, who set out to research the gang because she found little information available.

Once back in El Salvador and Honduras, members of MS-13 quickly fought with existing gangs for control, Dr. Ritter said. Both countries got tough, enacting stringent anti-gang laws known as super mano dura, or super hard hand, which provide hard prison time for those simply found to be MS-13 members.

Wherever it spreads, MS-13's business is crime, including drugs, extortion, human smuggling, car theft and contract killings.

"They're very opportunistic and diverse in criminal activities," said Mr. Trucheon of the FBI task force. "In some cities, they specialize in robbery; in others, extortion or crimes of violence. When they move into a community, they'll prey on the lawful and the law-breakers alike."

And intelligence gathered by U.S. and Mexican law enforcement agencies indicates the gang's growing presence in the smuggling operations of Mexican drug cartels.

While the FBI says the evidence is indefinite, other agencies say MS-13 appears to have taken sides with the Sinaloa cartel in its vicious turf war with the Gulf cartel to control narcotics trafficking in Nuevo Laredo.

Like the Zetas, a gang of Mexican ex-military commandos, MS-13 members are believed to serve as cartel enforcers on both sides of the border.

"They've shown themselves willing to hire out to protect drug loads, smuggle aliens and intimidate witnesses. If they can find a way to make a dollar engaging in criminal activity, they'll do it," said Mr. Pena of ICE.

"We have received intel that in a short time, MS-13 has taken control of the rail lines in Southern Mexico used to transport illegal immigrants in from Central America," Mr. Pena said. "They are heavily involved in the human trafficking network, and they collect 'taxes' – extortion – from immigrants and the smugglers. MS-13 rapidly becomes a force to be reckoned with wherever they set up."

Border arrests

Many of the gang members apprehended in South Texas by the Border Patrol appear to be new recruits journeying to join cliques in the U.S. or older members traveling on gang business. Some are messengers, a position of trust within the gang's hierarchy.

The biggest border apprehension occurred in February 2005, when a car carrying a load of narcotics was stopped by a Department of Public Safety trooper near Falfurrias in Brooks County. One of the men inside was Ebner Rivera-Paz, a top leader of MS-13.

He had recently escaped from a Honduran prison, where he was being kept for his role in ordering gunmen to open fire on a bus with automatic weapons in Tegucigalpa. Twenty-eight people were killed; the intended target was an enemy of MS-13.

Mr. Rivera-Paz was convicted in federal court for illegal re-entry and deported this year to Honduras. It was his fifth deportation.

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"When we apprehend these guys, they clearly are not afraid of the courts or law enforcement," said Mr. Cervantes of the Border Patrol. "And when they get deported, it won't be long until they return. To follow the smuggling route from Honduras takes about a month."

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Gang Violence in N. Texas

Three examples of known MS-13 activity in the Dallas area:

March 2005: A 14-year-old boy was shot in the face in northwest Dallas but survived. MS-13 members were detained by police and immigration officers.

March 2005: Eduardo Galicia, 19, was playing soccer near Bachman Lake when he was approached by a gunman who asked, "What gang are you down with?" According to a police report, Mr. Galicia replied that he was not a gang member and turned to walk away. He was shot in the back of the head and killed. Suspected MS-13 members were arrested and charged.

December 2001: A 21-year-old Javier Calzada, 21, was shot to death in Grand Prairie. Later, MS-13 member Brenda Paz, who had turned government witness after moving to Virginia, told police she witnessed the shooting by other gang members. She was found stabbed to death and nearly decapitated along the Shenandoah River in 2003.

SOURCE: Dallas Morning News research

Lawyer's Query To U.S. Attorney Prompts A New Salvo From Kean (NSL)

By Deborah Howlett, Star-ledger Staff

Newark Star-Ledger (NJ), October 29, 2006

Republican state Sen. Tom Kean Jr. yesterday questioned why Democratic U.S. Sen. Robert Menendez would enlist the services of one the state's top defense lawyers if he isn't under a federal criminal investigation.

Menendez has said the lawyer, Joseph Hayden, contacted the U.S. attorney around the time a subpoena was issued for records from a federally funded nonprofit agency that paid more than $300,000 to rent a row house that Menendez owned in Union City.

Hayden was doing a "favor" for the campaign, Menendez spokesman Matt Miller said, not personally representing Menendez. Miller declined to say who in the campaign reached out to Hayden and asked him to make the call, except to say it was not Menendez.

"We were trying to find out what was going on," Miller said of tapping Hayden. "We were just looking to find out in the midst of all these rumors what the facts were."

Miller declined to say what the campaign gleaned from Hayden's conversation with federal authorities. "I'm just not going to go there," he said.

Such a scenario makes no sense, Kean said during a press conference in Mountainside yesterday.

"Every criminal defense attorney knows that you don't reach out to the U.S. Attorney's Office during a pending criminal investigation unless you are representing a subject, target or witness," he said.

As an attorney for the campaign, Hayden would not have had the "standing" to inquire about the case, said Kean's campaign counsel Scott Weber of the Patton Boggs law firm in Washington, D.C. "The first question (from the U.S. Attorney's Office) would have been 'Who do you represent?'" said Weber, a former federal prosecutor. "If you're not representing someone, the conversation ends."

Hayden, who could not be reached yesterday, earlier told The Star-Ledger that he and Menendez never talked after the call, even though Menendez has said they did.

Miller said yesterday that there was confusion because "there was no substantive conversation; the senator called to thank him."

Menendez's federal campaign financial reports show no payment to Hayden for legal work, nor any in-kind donation from Hayden.

"He was never officially retained as counsel," Miller said. "He did it as an individual volunteer activity, which is completely permissible under campaign finance law."

With the polls showing the campaign a virtual dead heat 10 days before the election, Menendez continues to insist that there is no ongoing federal criminal investigation.

Deborah Howlett covers politics. She may be reached at dhowlett@starledger.com or (609) 989-0273.

CIVIL RIGHTS:

EVERYONE'S IN FDNY'S HIRING POOL (NYPOST)

By Patrick Gallahue

The New York Post, October 29, 2006

October 29, 2006 -- The FDNY's million-dollar diversity drive is starting to pay off as the department heads into its final week of recruiting.

Forced to extend its deadline due to lagging numbers, the FDNY's aggressive campaign to bring minorities into the department has managed to boost its pool of applicants by thousands, the Fire Commissioner Nicholas Scoppetta announced yesterday.

"The results are impressive," he said. "We have over 20,000 applicants [who] filed [to take the test] as of yesterday, and 35 percent of those applications are from minorities - and we still have a week to go."

Applicants have until Nov. 3 to sign up for the test, which is given every four years.

Last year, the city and the FDNY put more than $3 million into the department's Recruitment and Diversity Unit as the Justice Department probed the department for allegedly discriminatory hiring practices. More than 90 percent of the 11,000-member force is white.

Scoppetta said more than 275 volunteer recruiters visited more than 2,400 events during the drive.

On the original deadline date, Oct. 13, the overall number of applicants was well below average, although the applicant pool was reportedly a little over 31 percent minority.

In the last two weeks, the department has been able to boost both those numbers.

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A Minority Report The FDNY Likes (NYDN)

By Brendan Brosh And Don Singleton, Daily News Writers

New York Daily News, October 29, 2006

The FDNY's effort to diversify what has been a largely white, male department has paid off with increased applications from minorities, officials said yesterday.

Fire Commissioner Nicholas Scoppetta said a stepped-up recruitment effort has resulted in 20,000 applications, 35% of them from minority group members, who want to take a civil service exam scheduled for Jan. 20.

Early this month, Scoppetta had reported that the department had received only 12,000 applications, down from about 20,000 during a comparable period in 2002.

Scoppetta's response was to extend the application deadline by three weeks, to Nov. 3, and to hold 2,400 recruiting events manned by 275 volunteer recruiters from within the FDNY.

The department has also operated a phone bank, contacting individuals who have indicated an interest in joining up. A total of 42,000 applications were sent out as part of the drive, Scoppetta said.

"It's never been easier to file to become a firefighter," said Scoppetta. "It's a very simple application - no one should be intimidated."

In May, with the department's hiring practices under investigation by the Justice Department, the FDNY launched a multimillion-dollar ad campaign to lure more minority-group firefighters. In August, it relaxed its hiring requirements - the latest move in an uphill effort to increase the diversity of a department that is 91% white.

Lowell Blitzes Immigrant Areas With Ballot Help (BOS)

By Alexander Reid, Globe Staff

The Boston Globe, October 29, 2006

It is a truism of any political election: Every vote counts.

In the past in Lowell, voter registration efforts in the city's immigrant communities have fallen short and advocacy groups have charged that voters who speak languages other than English have faced problems at the polls.

During this year's election campaigns, the city and a number of groups have worked to deal with both situations.

Volunteers from ONE Lowell, an immigrant advocacy group, have spent the past several weeks canvassing neighborhoods throughout the city to register new voters. Translators and bilingual poll workers have been recruited and trained for duty at voting precincts in neighborhoods with the highest population of non-English-speaking residents. Ballot instructions and voting information have been printed in Khmer, Spanish, and Portuguese for distribution on Election Day, Nov. 7.

Gail Cenik, a manager with the city's Election Commission, said her office has concentrated on education to familiarize people with the voting process.

"There's a population in this city that's never voted before, even though they're citizens and have the right to," she said. "For whatever reasons, they don't participate and we want to change that."

Cenik's comments reflect efforts by the city to correct many of the problems that have plagued the last two elections in Lowell. In March, the US Department of Justice began an investigation into alleged voting rights violations faced by Cambodian-Americans who tried to vote in elections held last November.

The federal investigation was prompted by complaints from the New York-based Asian American Legal Defense and Education Fund. The advocacy group surveyed the city's polling places in that election and found several problems, including statements that several voters were directed to the wrong polling places and one instance in which a voter's name was misspelled on the voting roll.

Previously, the legal defense fund had reported on voting problems in the 2004 elections when several voters were not given provisional ballots after their names were found to be missing from the list of registered voters. Others were turned away and told to register in the next election. Those specific problems were not evident in the 2005 election.

Justice Department spokeswoman Cynthia Magnuson confirmed the ongoing investigation and declined to provide further details.

With the federal probe underway, the city opened discussions with representatives from the legal defense fund and ONE Lowell.

The issue is critical considering Lowell's large number of Cambodians, many of whom are new to the election process. The 2000 Census indicates that about 9,000 people of Cambodian ancestry live in Lowell but organizations that work with immigrant communities say the actual figure is closer to 25,000. Overall, Lowell has about 105,000 residents and about 70 percent of them are white.

Voter registration has been a major focus in the weeks leading up to this election.

The Election Commission has been setting up voter registration tables at neighborhood gatherings and events, and at the Southeast Asian Water Festival in August. Public-service announcements have aired on local cable-access programs that target ethnic communities.

Volunteers from ONE Lowell have gone door-to-door to households in the Acre, Back Central, Lower Belvidere, and Middle Highlands neighborhoods to sign up unregistered voters. They've also gone onto the campuses of the University of Massachusetts at Lowell and Middlesex Community College.

Victoria Fahlberg, executive director of ONE Lowell, said the agency had pursued unregistered voters for the past four years but the effort this year was increased, thanks in part to a $40,000 grant from the Theodore Edson Parker Foundation and $3,000 from the Massachusetts Immigrant Refugee Advocacy Coalition.

Fahlberg said the money has been used to pay volunteers who were fluent in Khmer and Spanish. She said voter registration focused primarily on Cambodians but has been broadened to include residents who speak Spanish and Portuguese.

"There are many legislative issues that have come up over the years that have affected immigrants," Fahlberg said, "but their voices are not heard because they didn't have sufficient voting constituency to hold elected officials accountable."

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Since late July, Robyn Long-Navas, a worker with ONE Lowell, has accompanied volunteers registering voters in neighborhoods across the city.

"We make it convenient for them," she said. "If they're over 18 and a citizen, they only have to fill out and sign the form." Long-Navas said ONE Lowell will convene a seminar at City Hall tomorrow evening for first-time voters.

Cenik, the Elections Commission manager, said such efforts have helped boost the number of registered voters in the coming election to 49,176 compared to last year's total of 47,403.

Beyond registering new voters, the city also has tried to address obstacles that voters faced when they have shown up at the polls. The survey by the legal defense fund noted an absence of foreign-language materials, including ballots, voting instructions, and information about provisional ballots. It also noted the lack of bilingual poll workers and translators to help non-English-speaking voters.

City officials intend to address the problems by supplying printed materials translated into Khmer, Spanish, and Portuguese. Informational signs also will be posted at polling places. Cenik said her office will deploy 21 poll workers and translators, and pay them between $90 and $125 to work on Election Day.

Assistant City Solicitor Brian W. Leahey said the measures should make this a more problem-free election. "We're hoping that we've put enough things in place to make sure this election is better than the last one."

Glenn D. Magpantay, a staff attorney for the legal defense fund, said his organization will monitor the upcoming election to see whether the city's changes are adequate.

"We are hoping that some of the things we discussed with the city last spring will come to fruition," he said. "We feel like the city has made progress but the best way to tell is by what happens on Nov. 7."

U.S. Investigates Voting Machines' Venezuela Ties (NYT)

By Tim Golden

The New York Times, October 29, 2006

The federal government is investigating the takeover last year of a leading American manufacturer of electronic voting systems by a small software company that has been linked to the leftist Venezuelan government of President Hugo Chávez.

The inquiry is focusing on the Venezuelan owners of the software company, the Smartmatic Corporation, and is trying to determine whether the government in Caracas has any control or influence over the firm's operations, government officials and others familiar with the investigation said.

The inquiry on the eve of the midterm elections is being conducted by the Committee on Foreign Investment in the United States, or Cfius, the same panel of 12 government agencies that reviewed the abortive attempt by a company in Dubai to take over operations at six American ports earlier this year.

The committee's formal inquiry into Smartmatic and its subsidiary, Sequoia Voting Systems of Oakland, Calif., was first reported Saturday in The Miami Herald.

Officials of both Smartmatic and the Venezuelan government strongly denied yesterday that President Chávez's administration, which has been bitterly at odds with Washington, has any role in Smartmatic.

"The government of Venezuela doesn't have anything to do with the company aside from contracting it for our electoral process," the Venezuelan ambassador in Washington, Bernardo Alvarez, said last night.

Smartmatic was a little-known firm with no experience in voting technology before it was chosen by the Venezuelan authorities to replace the country's elections machinery ahead of a contentious referendum that confirmed Mr. Chávez as president in August 2004.

Seven months before that voting contract was awarded, a Venezuelan government financing agency invested more than $200,000 into a smaller technology company, owned by some of the same people as Smartmatic, that joined with Smartmatic as a minor partner in the bid.

In return, the government agency was given a 28 percent stake in the smaller company and a seat on its board, which was occupied by a senior government official who had previously advised Mr. Chávez on elections technology. But Venezuelan officials later insisted that the money was merely a small-business loan and that it was repaid before the referendum.

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With a windfall of some $120 million from its first three contracts with Venezuela, Smartmatic then bought the much larger and more established Sequoia Voting Systems, which now has voting equipment installed in 17 states and the District of Columbia.

Since its takeover by Smartmatic in March 2005, Sequoia has worked aggressively to market its voting machines in Latin America and other developing countries. "The goal is to create the world's leader in electronic voting solutions," said Mitch Stoller, a company spokesman.

But the role of the young Venezuelan engineers who founded Smartmatic has become less visible in public documents as the company has been restructured into an elaborate web of offshore companies and foreign trusts.

"The government should know who owns our voting machines; that is a national security concern," said Representative Carolyn B. Maloney, Democrat of New York, who asked the Bush administration in May to review the Sequoia takeover.

"There seems to have been an obvious effort to obscure the ownership of the company," Ms. Maloney said of Smartmatic in a telephone interview yesterday. "The Cfius process, if it is moving forward, can determine that."

The concern over Smartmatic's purchase of Sequoia comes amid rising unease about the security of touch-screen voting machines and other electronic elections systems.

Government officials familiar with the Smartmatic inquiry said they doubted that even if the Chávez government was some kind of secret partner in the company, it would try to influence elections in the United States. But some of them speculated that the purchase of Sequoia could help Smartmatic sell its products in Latin America and other developing countries, where safeguards against fraud are weaker.

A spokeswoman for the Treasury Department, which oversees the foreign investment committee, said she could not comment on whether the panel was conducting a formal investigation.

"Cfius has been in contact with the company," said the spokeswoman, Brookly McLaughlin, citing discussions that were first disclosed in July. "It is important that the process is conducted in a professional and nonpolitical manner."

The committee has wide authority to review foreign investments in the United States that might have national security implications. In practice, though, it has focused mainly on foreign acquisitions of defense companies and other investments in traditional security realms.

Since the political furor over the Dubai ports deal, members of Congress from both parties have sought to widen the purview of such reviews to incorporate other emerging national security concerns.

In late July, the House and the Senate overwhelmingly approved legislation to expand the committee's scope, give a greater role to the office of the director of national intelligence and strengthen Congressional oversight of the review process.

But the Bush administration opposed major changes, and Congressional leaders did not act to reconcile the two bills before Congress adjourned.

Foreigners seeking to buy American companies in areas like defense manufacturing typically seek the committee's review themselves before going ahead with a purchase. Legal experts said it would be highly unusual for the panel to investigate a transaction like the Sequoia takeover, and even more unusual for the panel to try to nullify the transaction so long after it was completed.

It is unclear, moreover, what the government would need to uncover about the Sequoia sale to take such an action.

The investment committee's review typically involves an initial 30-day examination of any transactions that might pose a threat to national security, including a collective assessment from the intelligence community. Should concerns remain, one of the agencies involved can request an additional and more rigorous 45-day investigation.

In the case of the ports deal, the transaction was approved by the investment committee. But the Dubai company later abandoned the deal, agreeing to sell out to an American company after a barrage of criticism by legislators from both parties who said the administration had not adequately reviewed the deal or informed Congress about its implications.

The concerns about possible ties between the owners of Smartmatic and the Chávez government have been well known to United States foreign-policy officials since before the 2004 recall election in which Mr. Chávez, a strong ally of President Fidel Castro of Cuba, won by an official margin of nearly 20 percent.

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Opposition leaders asserted that the balloting had been rigged. But a statistical analysis of the distribution of the vote by American experts in electronic voting security showed that the result did not fit the pattern of irregularities that the opposition had claimed.

At the same time, the official audit of the vote by the Venezuelan election authorities was badly flawed, one of the American experts said. “They did it all wrong,” one of the authors of the study, Avi Rubin, a professor of computer science at Johns Hopkins University, said in an interview.

Opposition members of Venezuela’s electoral council had also protested that they were excluded from the bidding process in which Smartmatic and a smaller company, the Bizta Corporation, were selected to replace a $120 million system that had been built by Election Systems and Software of Omaha.

Smartmatic was then a fledgling technology start-up. Its registered address was the Boca Raton, Fla., home of the father of one of the two young Venezuelan engineers who were its principal officers, Antonio Mugica and Alfredo Anzola, and it had a one-room office with a single secretary.

The company claimed to have only two going ventures, small contracts for secure communications software that a Smartmatic spokesman said had a total value of about $2 million.

At that point, Bizta amounted to even less. Company documents, first reported in 2004 by The Herald, showed the firm to be virtually dormant until it received the $200,000 investment from a fund controlled by the Venezuelan Finance Ministry, which took a 28 percent stake in return.

Weeks before Bizta and Smartmatic won the referendum contract, the government also placed a senior official of the Science Ministry, Omar Montilla, on Bizta’s board, alongside Mr. Mugica and Mr. Anzola. Mr. Montilla, The Herald reported, had acted as an adviser to Mr. Chávez on elections technology.

More recent corporate documents show that before and after Smartmatic’s purchase of Sequoia from a British-owned firm, the company was reorganized in an array of holding companies based in Delaware (Smartmatic International), the Netherlands (Smartmatic International Holding, B.V.), and Curaçao (Smartmatic International Group, N.V.). The firm’s ownership was further shielded in two Curaçao trusts.

Mr. Stoller, the Smartmatic spokesman, said that the reorganization was done simply to help expand the company’s international operations, and that it had not tried to hide its ownership, which he said was more than 75 percent in the hands of Mr. Mugica and his family.

“No foreign government or entity, including Venezuela, has ever held any stake in Smartmatic,” Mr. Stoller said. “Smartmatic has always been a privately held company, and despite that, we’ve been fully transparent about the ownership of the corporation.”

Mr. Stoller emphasized that Bizta was a separate company and said the shares the Venezuelan government received in it were “the guarantee for a loan.”

Mr. Stoller also described concerns about the security of Sequoia’s electronic systems as unfounded, given their certification by federal and state election agencies.

But after a municipal primary election in Chicago in March, Sequoia voting machines were blamed for a series of delays and irregularities. Smartmatic’s new president, Jack A. Blaine, acknowledged in a public hearing that Smartmatic workers had been flown up from Venezuela to help with the vote.

Some problems with the election were later blamed on a software component, which transmits the voting results to a central computer, that was developed in Venezuela.

Who Needs To 'Help' America Vote? (WP)

By George F. Will

The Washington Post, October 29, 2006

The hoariest jest in conservatism's repertoire is that the three least credible assertions in the English language are "The check is in the mail," "Of course I'll respect you as much in the morning" and "I'm from the government, and I'm here to help you." Which brings us to the exquisitely named Help America Vote Act.

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Having fixed Iraq and New Orleans, the federal government's healing touch is now being applied to voting. As a result, days -- perhaps weeks -- might pass after Election Day without the nation's knowing which party controls the House or Senate. If that happens, one reason might be HAVA, that 2002 bit of federal helpfulness.

For over two centuries before Congress passed HAVA, Americans voted. Really. Unlike today, those who were elected -- Clay, Webster, Lincoln and lesser lights -- often were more complex and sophisticated than the voting machinery.

Using pencils to make marks on paper and later using machines to punch holes in paper ballots, voters -- without federal help; imagine -- caused Congresses and presidents to come and go. States ran elections; some ran them better than others. Some ballots have been better designed than others, as have some voting machines. Most have been adequate. The gross defects of American voting practices were laws that established or permitted discrimination and other abuses. Tardily, but emphatically, those laws were changed and other abuses were halted.

Then came 2000 and Florida and the 36-day lawyers' scrum about George W. Bush's 537-vote margin of victory. In response to which, Congress passed HAVA, which in 2006 may produce fresh confirmation of the prudential axiom that the pursuit of the perfect is the enemy of the good.

The lesson that should have been learned from Florida was: In Florida, as in life generally, one should pursue as much precision as is reasonable -- but not more. When, as very rarely happens, a large electorate, such as that state's 6.1 million voters in 2000, is evenly divided, the many errors and ambiguities that inevitably will occur during the marking of millions of ballots will be much more numerous than the margin of victory. That is unfortunate, but no great injustice will be done, no matter who is declared the winner in a contest that is essentially tied.

Unfortunately, the lesson the nation chose to learn from Florida was that American technological wizardry could prevent such highly unusual events, and no expense should be spared to do so. Hence HAVA, which made $3.8 billion available for states to purchase the most modern voting equipment.

On Election Day, 38 percent of the nation's voters will use touch screens to record their choices, according to Election Data Services. Unlike optical scanners that read markings put on paper ballots, most touch-screen machines -- including those that the New York Times reports will be used in about half of the 45 districts with the most closely contested House races -- produce no paper that can be consulted for verification of the results if a recount is required.

Maryland's new $106 million touch-screen system melted into a chaos of mechanical and human errors in last month's primary election. Lawsuits have been filed in five states seeking to block the use of touch-screen machines.

Today's political climate -- hyperpartisanship leavened by paranoia and exploited by a national surplus of lawyers -- makes this an unpropitious moment for introducing new voting technologies that will be administered by poll workers who often are retirees for whom the task of working a DVD player is a severe challenge. Furthermore, an election is, after all, a government program, and readers of Genesis know that new knowledge often brings trouble. So we should not be surprised if, on Nov. 7, new voting machinery does what new technologies -- dams, bridges, steamships, airplanes -- have done through history: malfunction.

Football, in its disproportionate pursuit of error-free officiating, now relies on instant replays because . . . well, because it can. This technology does indeed reduce human error. But it also reduces games to coagulation as players stand around waiting for officials to study video in the hope of achieving a degree of precision and certainty more appropriate to delicate surgery than to the violent thrashing of huge padded men in what is -- lest we forget, as the judicial solemnities of instant replay cause us to forget -- a game.

Democracy is not a mere game. But -- write this on a piece of paper, using a No. 2 pencil -- neither is it an activity from which it is sensible to demand more precision than can reasonably be expected when, on a November Tuesday, 100 million people record billions of political choices.

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Bishops Draft Rules On Ministering To Gays (NYT)

By Laurie Goodstein

The New York Times, October 29, 2006

DOJ_NMG_0088011

The nation's Roman Catholic bishops have drafted new guidelines for ministry to gay people that affirm church teaching against same-sex relationships, marriages and adoptions by gay couples, yet encourage parishes to reach out to gay Catholics who feel alienated by their church.

The bishops' document, the result of a four-year effort, gives specific instructions on some of the conundrums now faced in many parishes.

The guidelines recommend baptizing the adopted children of same-sex couples, as long as the children will be raised as Catholics. It says that gay people may benefit from revealing their "tendencies" to friends, family and their priest, but should not make "general public announcements" about it in the parish.

The guidelines also say that gay men and lesbians have "no moral obligation to attempt" therapy, an apparent reference to therapy programs that claim to change gay people's sexual orientation. It says that while "some have found therapy helpful," there is "no scientific consensus" either on therapy or the causes of homosexuality.

The bishops will vote on the document — "Ministry to Persons with a Homosexual Inclination: Guidelines for Pastoral Care" — when the United States Conference of Catholic Bishops meets Nov. 13-16 in Baltimore. It could be amended, and needs a two-thirds majority to pass.

Bishop Arthur J. Serratelli of Paterson, N.J., the chairman of the bishops doctrine committee, which wrote the new guidelines, said that although it was difficult to predict whether it would pass, "It's a very sound document, a very clear document. My sense is that the bishops will readily embrace it."

Gay Catholic leaders who had read the draft, however, predicted that it would only further alienate gays and their families from the church.

"There certainly is some lovely language that sounds welcoming in here," said Sam Sinnett, president of DignityUSA, an organization for gay Catholics, "but essentially they're repeating all the spiritually violent things they've been saying about gay and lesbian Catholics for a couple of decades — that we are 'objectively disordered' and our relationships are intrinsically evil."

A previous document, issued by a committee of bishops in 1997, was directed primarily at parents with gay children. But it proved controversial and was never approved by the bishops conference.

This new document puts more emphasis on the church's moral teaching about sexuality. It says that although having a "homosexual inclination" is not itself a sin, homosexual sex is a sin — as are premarital sex and adultery. The answer in all these situations is chastity.

The document says that although the church teaches that homosexuality is "objectively disordered" — a teaching in the catechism that says homosexual acts violate the natural law — the church is not saying that homosexual people themselves are disordered or "rendered morally defective by this inclination."

Such distinctions will provide little comfort to gay Catholics, said Francis DeBernardo, executive director of New Ways Ministry, a gay outreach group for Catholics based in Maryland. Mr. DeBernardo criticized the document for saying that gay people should make their sexuality known only to a small group, and that gay people whose behavior "violates" church teaching should be denied leadership roles in parishes.

"Gay and lesbian people are going to read those remarks and see them as offensive, as telling them to go underground," he said.

That is not the intention, said the Rev. Thomas G. Weinandy, who worked on the document as executive director for the United States bishops' secretariat for doctrine and pastoral practices.

"The bishops would like people with homosexual inclinations to really participate in the church, but they don't want to 'give scandal,' " Father Weinandy said. "If you knew a heterosexual couple were just cohabitating and not married, you wouldn't let them be eucharistic ministers either."

The Rev. James Martin, an editor at the Jesuit magazine America, said, "The document expresses the tension in the church between a sincere desire to minister to gays and lesbians, and the reality that many gays and lesbians feel unwelcome in the church by virtue of the church's teaching."

The bishops have issued statements in recent years condemning gay marriage, gay adoption and benefits for gay partners. They have historically been more attuned to gay issues, however, than some of their colleagues overseas. Last year, the Vatic an

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issued an “instruction” saying that men with “deep-seated” homosexual attraction should not be ordained. In its wake, some American bishops commented in their diocesan newspapers or privately to their priests that they did not regard this as a ban on ordaining gay men, and would continue to accept gay candidates on a case-by-case basis.

The bishops said they felt the need for clear guidelines because there were many pastoral ministries for gay people in parishes and dioceses around the country, and “confusion” about what was an “authentic” Catholic approach, Father Weinandy said. He noted that the Vatican had disciplined the founders of New Ways Ministry, the Rev. Robert Nugent and Sister Jeannine Gramick, for preaching acceptance of gay relationships.

As such, the guidelines repeatedly say that bishops should not countenance church leaders and pastoral workers who fail to uphold its teachings on homosexuality, or who advocate harm toward gay people.

It says, “The church cannot support organizations or individuals whose work contradicts, is ambiguous about, or neglects her teaching on sexuality.”

Gay Couples' Adopted Kids May Be Baptized, Catholic Draft Says (WP)

The Washington Post, October 29, 2006

Children adopted by gay couples may be baptized in the Roman Catholic Church, even though the church does not support such adoptions, calling them "a pastoral concern," according to new guidelines for ministering to gay men and lesbians that will be presented to U.S. bishops next month in Baltimore.

The 23-page draft document affirms traditional church teachings on same-sex issues, such as forbidding the blessing of same-sex unions or marriages, and addresses some relatively new issues, such as discrimination against and harassment of gay men and lesbians.

The document, "Ministry to Persons with a Homosexual Inclination: Guidelines for Pastoral Care," marks the first time in nearly 10 years that U.S. bishops have addressed such ministry in detail. Bishops will debate and vote on the guidelines at their annual fall meeting, Nov. 13 to 16, in Baltimore.

An early draft of the guidelines welcomes celibate gay men and lesbians to take part in parish life while asserting the church's "right to deny roles of service to those whose behavior violates her teaching." Public announcements of one's sexual orientation "are not helpful and should not be encouraged," the draft cautions, and it says church ministers must not bless same-sex unions or marriages or promote them in any way.

The bishops' Secretariat for Doctrine and Pastoral Practices took four years to draft the document.

Gay Marriage Through A Black-White Prism (NYT)

By Adam Liptak

The New York Times, October 29, 2006

IN 1947, the county clerk in Los Angeles refused to marry Andrea Perez and Sylvester Davis. They were of different races, and a California law said that “all marriages of white persons with Negroes, Mongolians, members of the Malay race or mulattoes are illegal.” The next year, the California Supreme Court, by a vote of 4 to 3, struck down that law in Perez v. Sharp.

In 2003, in another 4-to-3 decision, the Massachusetts Supreme Judicial Court authorized gay marriages, and it invoked the Perez case as a model.

Last week, in a third 4-to-3 decision, the New Jersey Supreme Court stopped just short of endorsing gay marriages. It instructed the State Legislature to provide gay unions with a full complement of legal rights but said that the question of whether to call such unions “marriages” was a political, not judicial, one.

The New Jersey court did not mention the Perez case by name and it said that interracial marriage was not a useful touchstone in thinking about same-sex marriage.

But people on both sides of the same-sex marriage issue say there are important lessons from the earlier debate over laws banning interracial marriages, about the reasoning in the Perez decision and about how, over two decades, that decision came to be accepted in the courts, in state legislatures and in the popular culture. Unsurprisingly, they differ about what those lessons are.

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Gay-marriage advocates say the logic of the Perez decision applies directly to gay unions. After all, they point out, the decision said that "the essence of the right to marry is freedom to join in marriage with the person of one's choice."

Chief Justice Margaret H. Marshall of the Supreme Judicial Court of Massachusetts, writing for the majority in the 2003 decision, agreed. "In this case, as in Perez," she wrote, "a statute deprives individuals of access to an institution of fundamental legal, personal and social significance — the institution of marriage — because of a single trait." It made no difference, she wrote, that one trait was skin color and the other sexual orientation.

Advocates for gay marriage say there is much to be learned from Perez. "No one is saying that the experiences of racial minorities are identical to the experiences of same-sex couples," said Evan Wolfson, executive director of Freedom to Marry. "There are always differences, but there are profound similarities."

Opponents of gay marriage, on the other hand, say the judicial and legislative aftermath of Perez is more telling than the decision itself. Although 29 other states had laws barring interracial marriage at the time of the Perez case, no other state supreme court followed California. Instead, over time many state legislatures repealed the bans; in some states the laws remained on the books, but went largely unenforced.

In the end, it took two decades before the United States Supreme Court struck down in 1967 all of the 16 remaining antimiscegenation laws, in Loving v. Virginia, involving a Virginia couple who had been convicted of violating that state's interracial marriage ban.

This history, opponents of gay marriage say, shows that the Perez court usurped the democratic process, imposing a decision that most of the country, however unfairly, was not ready to embrace.

Maggie Gallagher, the president of the Institute for Marriage and Public Policy, which opposes gay marriage, said the contrast between the political landscape when the Supreme Court acted in 1967 and that facing proponents of gay marriage today is stark and telling.

"When the court moved to strike down the interracial marriage laws," Ms. Gallagher said, "the democratic process was in the process of getting rid of these laws. What's happening now is exactly the opposite: more and more states are moving to protect marriage."

In last week's decision from New Jersey, the justices in the majority tried to find what they considered middle ground. They affirmed gay couples' right to equal treatment, even as they said there was no constitutional right to same-sex marriage. Writing for the majority, Justice Barry T. Albin noted that the Loving case concerned heterosexual couples facing "intolerable racial distinctions" and did not apply to sexual orientation.

The fate of marriage in the courts may be about to come full circle. In the next year or so, the California Supreme Court will hear a gay-marriage case. Ms. Gallagher said that if that court — the court that decided Perez almost 60 years ago — rejects same-sex marriage, "we're out of the gay-marriage question for 10 years."

That may be an overstatement, as challenges are pending in Connecticut and Maryland, too, and the New Jersey Legislature may yet allow gay marriage by statute.

Although the United States Supreme Court in 2003 struck down a Texas law making gay sex a crime, few experts believe that the court is poised to rule in favor of gay marriage anytime soon. "As I look at possible votes on the Supreme Court," said Andrew Koppelman, a law professor at Northwestern who supports gay marriage, "I have a lot of trouble getting to one."

But time may be on the side of gay marriage, he added, noting that two decades passed before the Supreme Court, in Loving, got around to endorsing the decision in Perez.

ANTITRUST:

In A Blurry World, Ownership Is Yesterday's News (NYT)

By Richard Siklos

The New York Times, October 29, 2006

IT is hard to find any public policy question that feels less relevant by the minute than whether one person or company should be permitted to own television stations and newspapers in the same market.

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Rules barring cross-ownership went into effect in 1975 but were overturned by the Federal Communications Commission three years ago. But, soon after, an appellate court effectively sent the decision back for another go-round, which is under way. This month in Los Angeles, the commission held a public hearing, the first of a series around the country, to look at newspaper-TV cross-ownership but also to examine other, more pertinent questions — for instance, how many radio or television stations a single owner can have in a single market.

A Supreme Court ruling from 1945 may best sum up why the F.C.C. scrutinizes such affairs: to ensure "the widest possible dissemination of information from diverse and antagonistic sources." It's too bad we can't skip months of table-thumping hearings over thousands of pages of studies and filings and just acknowledge that the media landscape is changing quickly.

The reality is that even if media companies could own more TV stations and newspapers in the same city, they might not think that it's such a brilliant idea any more. As the F.C.C.'s chairman, Kevin J. Martin, said recently: "We need to develop a rule for cross-ownership that reflects current market characteristics, including the struggling nature of today's newspaper industry."

The Tribune Company is Exhibit A, of course. Its past success with a triple play of television, newspaper and radio in its hometown of Chicago has not translated into financial brilliance in New York and Los Angeles, where it owns Newsday and The Los Angeles Times, as well as the television stations WPIX and KTLA. Under pressure from its biggest shareholder and a slumping share price, the company has said it is exploring all options, including selling part or all of itself.

In addition to Chicago, there are markets like Atlanta, where the privately held Cox Enterprises owns The Atlanta Journal-Constitution, television, cable and much else. In these places, cross-ownership appears to have served its corporate orchestrators well.

Here is one small example: by using its media properties to promote a new Web venture, Cox has taken an early stab at fending off the efforts of the Google and Yahoo juggernauts. It has introduced a local search business in Atlanta called Kudzu.com, and, on Monday, is set to announce that it is rolling out Kudzu.com in three more markets where it has cable operations and can capitalize on its local relationships with advertisers.

The cross-media holdings by Tribune and Cox in their hometowns, by the way, were in place when the new rules took effect and so were permitted to stay. Another city that gained exemption from the rule is New York, where the News Corporation owns The New York Post and two television stations.

But what does it say about the appeal of cross-ownership that The Post has lost money since the News Corporation's chairman, Rupert Murdoch, acquired it for the second time, in 1993, and that Mr. Murdoch, whose roots are in ink and paper, has otherwise quit the newspaper business in the United States in favor of television, cable channels and the Internet?

Having asked a few media executives whether relaxed rules would lead them to pursue cross-ownership, my sense is that it's basically a one-way street: the newspaper people might like to secure a place on the TV dial, not the other way around. Most broadcasters would prefer that the F.C.C. let them gobble up more television or radio stations in a single market.

It's also worth noting that people are not exactly leaping into the local TV station business, either. The decades-old network affiliate system is in transition as most viewers across the country get their stations via satellite and cable and as more network programming is finding its way directly onto DVDs and the Web. In this environment, some station owners are starting to feel a financial pinch, though not as acutely as their newspaper counterparts.

The daily newspaper business in particular has been suffering from what management consultants politely call value destruction: even though they may reach more readers via the Web, their business model is being undermined and their profit is flat or declining. Still, there are no doubt budding media grandees or private-equity gurus who would take a crack at owning TV and newspaper outlets in the same city if given half a chance.

Big media's argument for relaxing cross-ownership rules is that the days when broadcast TV and newspapers wholly dominated their markets are dimming. Publishers and broadcasters need scale to compete effectively in an era when cable, digitization and the Internet have vastly increased the number of sources of news and information in a market.

But the most important reason that cross-ownership rules no longer make sense is this: the distinctions between print and television are starting to blur in a digital world. Video on the Web is the biggest thing since turkey and gravy. Companies like Tribune have argued that their TV expertise will increasingly lead to more attractive and useful Web sites incorporating video clips alongside articles, and vice versa.

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On the other side, many people, including artists, minority groups, consumer advocates and academics, say the rules should be maintained. Their basic counter-argument is that consolidation in all its different guises — radio-TV, multiple radio stations in a market, newspaper-TV ownership and so on — has inevitably led to homogeneity and blandness.

The Consumers Union says digital media have not led to as much variety and democratization as people might think. According to a study it conducted, about 70 percent of online news consumers said an association with a traditional news source makes online news more credible. Another study found that local television stations and newspapers were by far its respondents' chief sources of news. In other words, most people either watch local television or read the local paper — and it is those outlets' Web sites that will probably carry the most clout.

ANOTHER group's study filed in the proceedings last week aimed to debunk the contention — apparently embraced by the F.C.C. in the past — that cross-ownership led to improved news and public affairs programming at the television stations in question. But the report's author, an assistant professor at the University of Michigan, lost me when he noted that he was measuring only the quantity, not the quality, of programming in markets where newspapers and TV stations are jointly owned. "Systematic tools for evaluating the quality of news programming would also be useful," he wrote. Yikes, no thanks.

Yes, there is too much blandness in big media. Yes, television and newspapers are still the popular providers of local news. And, yes, it's probably impossible to say that consolidation has succeeded in every case in providing more news "from diverse and antagonistic sources."

But cross-media ownership is neither the solution to the industry's woes nor the potential bogeyman it might have once appeared. We're in a different game now.

ENVIRONMENT:

Climate Research Center's Oversight Up For Bidding (LAT)

By Nicholas Riccardi, Times Staff Writer

The Los Angeles Times, October 29, 2006

denver — Wanna run a government lab staffed by hundreds of scientists tackling climate issues like global warming?

For the first time in 46 years, management of the National Center for Atmospheric Research, perched on a ridge under the Rocky Mountains northwest of here, is up for grabs. Since 1997, National Science Foundation policy has required that all government research institutions be subject to a competitive bidding process when their contracts come up for renewal.

Foundation officials say that a formal request for bids is imminent and that the competition will be open to all organizations — academic, nonprofit and for-profit. Since its founding in 1960, the atmospheric center, based in Boulder, has been run by a nonprofit consortium of 70 universities, the University Corporation for Atmospheric Research.

The center's research on global warming and its forecasts of rising temperatures, fiercer wildfires and stronger storms have drawn the ire of some politicians. But officials in Washington say that politics will not affect the competition.

"This doesn't really have anything to do with the science that's getting done there," said Kristin Spencer, the agreements officer at the National Science Foundation who is handling the competition.

The current five-year agreement to run the atmospheric center, which ends in September 2008, is worth $548 million.

Senate Environment and Public Works Committee Chairman James M. Inhofe (R-Okla.), who contends that human-caused global warming is a "hoax," wrote to the foundation in February to confirm it was putting the atmospheric center's management agreement out for bid. He also asked for lists of the roughly 1,000 employees of the center and its operating consortium, as well as the identities of such employees under contract with other government agencies or nonprofits.

Committee spokesman Matthew Dempsey said Inhofe was simply doing his job and had no interest in injecting politics into science. "As chairman of the … committee that has jurisdiction over issues of climate change, Sen. Inhofe remains committed to providing oversight of all climate change programs and ensuring accountability and transparency by government agencies," Dempsey said.

The National Center for Atmospheric Research is the last of the five federally funded research centers operated by the National Science Foundation to go out for bid. Only one has changed management as the result of competition: Last year,

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management of the Department of Energy's research labs at Los Alamos, N.M., switched from the University of California to a team headed by the private for-profit Bechtel Group.

The president of the University Corporation for Atmospheric Research, Rick Anthes, said the National Science Foundation warned the consortium in 2003 that it would have to compete to hold on to the atmospheric center. Anthes said he had no problem with that.

"We are very concerned with any political interference with this process," but, Anthes said, he expects "the NSF will run a very fair process."

"There's no guarantee … [but] we expect to win," Anthes added. "The success record is so strong."

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Arsonist Sought As Calmer Winds Aid Firefighters (NYT/AP)

By The Associated Press

The New York Times, October 29, 2006

BEAUMONT, Calif., Oct. 28 (AP) — Calmer winds on Saturday helped crews fighting a huge wildfire that killed four firefighters and critically injured a fifth, while investigators searched for the arsonist who set the blaze roaring through the canyons of Southern California.

"It looks like things are beginning to turn in our favor," said Bill Peters, a California Department of Forestry spokesman. "We had a good overnight. It wasn't nearly as windy as it's been."

Now in its third day, the fire that broke out in uninhabited brushland about 90 miles east of Los Angeles has blackened 39,900 acres, or more than 62 square miles, the authorities said. The fire was 40 percent contained, they added.

A reward for information leading to the arsonist rose to $500,000 on Friday, as $100,000 posted by Riverside County multiplied with matching offers from the state; neighboring San Bernardino County; a Rancho Mirage resident, Tim Blixseth; and the Morongo Band of Mission Indians, which has a casino in nearby Cabazon.

Forecasters predicted winds would ease and temperatures would drop slightly throughout the weekend, which could help as crews work in steep terrain to build fire lines around the blaze.

Investigators were looking into whether the wildfire was related to other blazes in recent months, including a canyon fire last weekend, though a sheriff's spokesman said there was no immediate indication of a serial arsonist.

Residents said they saw two young men leaving the area where the fire broke out west of the San Jacinto Mountains.

The fire destroyed about 10 structures, including homes; forced 700 people to flee; and flushed coyotes and other wildlife into the open.

Santa Ana winds gusted to 45 miles an hour but kept the fire in undeveloped land, away from homes in Riverside County. About 2,700 firefighters worked to corral the flames and a DC-10 jet capable of dropping 12,000-gallon loads of retardant joined a fleet of firefighting helicopters and airtankers.

The Forest Service and the state Department of Forestry were investigating the firefighters' deaths, gathering information on weather, topography and fuel.

The four firefighters were killed Thursday when the wind blew a wall of flames down on them in the hills near Palm Springs as they tried to protect a home.

Michael Wakowski, a fire division chief in the San Bernardino National Forest, said it did not appear the crew did anything wrong.

"Sometimes things go bad, I hate to say," he said.

FBI/DEA/ATF/USMS:

New Rules Cut Number Of Meth Labs (FWST)

By Jan Jarvis And Heather Svokos

The Fort Worth Star-Telegram, October 29, 2006

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Several times a day, pharmacists throughout North Texas get blasted by sniffling, sneezing allergy and sinus sufferers who hate what they have to go through to get their Sudafed.

First, consumers must show a photo ID, and then they must sign their name while someone on the other side of the counter fills in a log. It can take five minutes or more to get any medication that contains pseudoephedrine, the popular decongestant that criminals have used to make methamphetamine.

"It makes me very, very aggravated and irritated," said Mandi Elias of Arlington, who shopped recently at the south Arlington SuperTarget. "It's just so frustrating because I'm used to picking it up at the counter and going."

Such retail inconvenience is succeeding, however, in making it tough for would-be meth cooks to buy enough decongestant to produce the highly addictive substance that sheriffs nationwide identify as the country's No. 1 drug problem.

New laws limiting how much pseudoephedrine consumers can buy at a time have slashed the numbers of clandestine meth labs, which have blown up in rural areas and residential neighborhoods, law enforcement experts say.

But just as quickly, Mexican drug cartels have stepped in to fill the void. Mexican manufacturers now buy large quantities of decongestant tablets from China, Panama and India to make "ice," what some experts say is a purer, more potent form of the drug.

"We got so much meth coming up from Mexico." said Herschel Tebay, commander of the Tarrant County Narcotics Unit. "Over 50 percent of the cases that we're actively working on are meth." Growing demand for treatment

The federal Combat Meth Act took effect just last month. Signed by President Bush in March, the law limits pseudoephedrine sales to 3.6 grams per day and 9 grams every 30 days.

It also requires purchasers to provide identification and sign a logbook. Sellers must keep the products behind the counter or under lock and key and must register online with the U.S. Attorney General.

Texans have had more than a year to get used to a similar state law.

Since August 2005, pharmacists have been required to keep pseudoephedrine behind the counter. No one under 16 may purchase products containing the medication. The law limits consumers to no more than 6 grams of pseudoephedrine, the equivalent of two packages, at a time. Retailers must keep a log of those who buy it and maintain the records for two years.

There's little doubt that the restrictions have helped, experts said.

"We've pretty much shut down the mom and pop labs," said Tebay, whose team coordinates drug investigations. "We've gone from having 80 to 100 a year to running across maybe 20 to 25."

Statewide, the number of clandestine meth labs has dropped as well — down about 40 percent in the past few years. In 2005, 270 meth labs were found in Texas, compared with 452 in 2004 and 677 in 2003, according to the National Clandestine Laboratory Database, a clearinghouse for all federal, state and local lab seizures. It is operated by the El Paso Intelligence Center.

Through May of this year, the Texas Department of Public Safety had seized 86 meth labs, down from 382 the previous year, the most current figures available.

But those restrictions have little impact on the meth made and distributed in Mexico.

Last year, the Dallas-Fort Worth area ranked as one of the five largest trans-shipment zones for methamphetamine in the country, according to the U.S. Justice Department. When meth comes across the border, it comes most often to New York, Miami, San Diego, Houston and Dallas-Fort Worth.

Not surprisingly, demand for meth addiction treatment is growing. Meth is one of the most addictive drugs and is one of the toughest to quit for good.

In 2001, 2,574 people — 7 percent of admissions — reported meth as their primary drug, according to the Texas Department of State Health Services.

By 2005, that number had nearly tripled to 7,714 people or 15 percent of admissions — and those were only indigent clients in need of substance abuse treatment at state-funded clinics.

In Tarrant County, 24 percent of the 4,608 adults admitted to treatment facilities in 2005 were there for because of a meth or amphetamine addiction, the state agency said.

Consider some recent area examples:

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The Rev. Terry Hornbuckle, the former pastor of Arlington's Agape Christian Fellowship who was convicted in August of raping three women, tested positive for meth twice in the last year and a half. Witnesses testified during his trial that meth was Hornbuckle's drug of choice.

Scott Barnett, Bedford's former planning and community development director, was fired in February after being arrested for meth possession. Barnett was making almost $97,000 a year and had worked for the city for more than 20 years.

On Aug. 31, Fort Worth police arrested local car dealer Stephen Herman Blevins on suspicion of drug possession with intent to deliver. They found 48 pounds of methamphetamine — with a street value of $2 million (or nearly $500,000 wholesale). The bust was one of the largest meth seizures in the city's history.

And just this week, the Tarrant County medical examiner ruled that Michael Callahan, a 54-year-old found dead in a vacant lot in far south Fort Worth on Sept. 3 had died accidentally from acute methamphetamine intoxication. Reformulated products

With no sign of demand for meth slowing, some pharmaceutical companies have responded by reformulating products to include phenylephrine so they don't have to be put them behind the counter, said Darrell Spence of Fort Worth, immediate past president of the Texas Pharmacy Association.

Phenylephrine is a decongestant that, like pseudoephedrine, works by shrinking blood vessels. It can be taken orally but is also found in nasal sprays such as Neo-Synephrine. It cannot be used to make meth. The maximum daily adult dosage for phenylephrine is 60 mg; for pseudoephedrine it is 240 mg.

In January 2005, Pfizer, which makes Sudafed, began marketing Sudafed PE, which contains phenylephrine. Since then, other cold medications including Dayquil, Theraflu and Alka-Seltzer Plus have hit the market with new formulas containing phenylephrine.

But there have been questions about the effectiveness of the decongestant in the dose available.

Two University of Florida pharmacists argued that the drug was ineffective at the Food and Drug Administration's approved dose, in a July peer-reviewed letter to the Journal of Allergy and Clinical Immunology.

"When ingested, it becomes inactivated between the gut and the liver," according to Leslie Hendeles, one of the University of Florida pharmacists who warned that the drug is poorly absorbed in the bloodstream.

In 1976, the FDA said that a 10 milligram dose was safe and effective, making it possible for companies to use the ingredient without conducting studies, according to the University of Florida pharmacists.

But some people say the drug does not work at the 10 milligram dosage.

"In my experience, it is not as effective at drying up stuffy noses," Spence said.

The maker of Claritin-D, the best-selling branded cold product with $302.5 million in sales this year, used another strategy. Schering-Plough began an advertising campaign this fall telling consumers that it chose not to change its formula, which contains pseudoephedrine. The original formula — even though it's kept behind the pharmacy counter — works best, the manufacturer says.

Still it's a hassle when someone gets sick after the pharmacy closes, said Elias, the Arlington mother.

"When the kids get sick at 11 or 12 at night, I can't get anything for them," she said. "I have to wait until the next day."

Federal Marshals, Police Step-up Effort To Nab Sex Offenders (PPG)

By Torsten Ove, Pittsburgh Post-gazette

Pittsburgh Post-Gazette, October 29, 2006

Squads of federal marshals and police rounded up hundreds of sexual predators and gang members in the eastern half of the United States as part of a nationwide manhunt that included 26 arrests in the city of Pittsburgh on Wednesday.

Deferring to the U.S. Justice Department, Pittsburgh police said they couldn't discuss the charges or provide any details.

But some of those caught here were sex offenders; others were fugitives with warrants for a variety of other felonies.

Attorney General Alberto Gonzalez will announce the national results on Thursday in Washington, D.C., and locally U.S. Attorney Mary Beth Buchanan plans a news conference to detail the arrests in the 25-county Western Pennsylvania district.

The roundup is the second part of a national effort to hunt down sex offenders. The first phase was in April, when the marshals arrested 1,102 fugitives on various sex offense charges in 27 states west of the Mississippi River.

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A similar operation last year, which targeted mostly violent repeat offenders, netted 10,340 fugitives across the United States, the largest fugitive apprehension in history. In this region, more than 100 were captured.

This time the marshals and local police concentrated heavily on Megan's Law violators and other sexual predators, including those who have failed to register as sex offenders or are not living at the addresses where their Megan's Law form says they should be.

Keeping track of sex offenders has long been a headache for police who are often overburdened with other duties.

But this year a new law has designated the marshals service as the lead agency to hunt them down across the U.S.

The law, the Adam Walsh Child Protection and Safety Act, was signed by President Bush on July 27, the 25th anniversary of the abduction and murder of 6-year-old Adam Walsh in Florida.

Adam's father, John Walsh, is the host of "America's Most Wanted." He and his wife, Reve, attended the signing in the White House Rose Garden.

Under the law, convicted sex offenders who fail to register with local authorities will be charged with a felony in the U.S. District Courts. Previously, each state dealt with failure to register differently.

The first man in the country to be charged with the new federal crime of failure to register is John Henry Gill, 47, who was indicted last week in Salt Lake City.

The marshals' new initiative has parallels with the Justice Department crackdown on illegal guns under Project Safe Neighborhoods, in which the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives is the designated agency for pursuing ex-cons caught carrying weapons, a federal crime.

The marshals will assume a similar role for convicted sex offenders. Although he was not among those caught last week, one local example of the kind of fugitive the marshals will pursue is Larry M. Williams, 33, of Lincoln-Lemington, who was arrested at a North Side mosque this summer.

In addition to being wanted on federal weapons charges, he was also wanted for failure to register as a sex offender following his rape conviction in the state of Washington.

Since the Adam Walsh law went into affect, deputy marshals have been training with the National Center for Missing and Exploited Children to get up to speed on Megan's Law registry and child predator issues.

IMMIGRATION:

Critics Attack Proposed Rules For Citizenship (LAT)

By Teresa Watanabe, Times Staff Writer

The Los Angeles Times, October 29, 2006

Fee hikes, new tests, online filings called barriers for poor.

Immigrant advocacy groups are decrying an array of proposed federal measures, including application fee increases and online filing requirements, that they fear will sharply reduce the ability of some legal immigrants to become U.S. citizens.

As President Bush signed a controversial bill last week authorizing 700 miles of new fencing along the U.S.-Mexico border, immigrant rights groups charge that the U.S. Bureau of Citizenship and Immigration Services is erecting a virtual "second wall" that would disproportionately hurt Mexican immigrants, who tend to be less educated and earn lower incomes than others.

Last week, a coalition of more than 230 religious, labor and immigrant rights groups delivered a letter to citizenship bureau Director Emilio Gonzalez, expressing strong concern about application fee increases that could double to $800, a "digital barrier" of a mandatory online filing system, extensive new paperwork and a revised history and civics test they fear could be more difficult.

"Together they appear to us a clear strategy pursued through administrative fiat to make the dream of American citizenship unattainable for many lower-income, less-educated immigrants," said the letter, which was initiated by the Chicago-based Illinois Coalition for Immigrant and Refugee Rights.

Some activists fear the Bush administration is seeking to tighten access to citizenship to bar potential new Democratic voters. But U.S. immigration officials flatly deny any partisan motives.

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They say they are merely aiming to make the system more efficient, financially self-sustaining and better able to ensure that new citizens understand foundational American values and historical events. Some of the initiatives, including the move to automation and a revised test, were recommended in 1997 by the U.S. Commission on Immigration Reform under the Clinton administration. The final proposals are expected to be announced in the next few months and take 12 to 18 months to implement.

"There is no more priceless gift a person can receive than American citizenship," said Christopher Bentley, spokesman for the citizenship bureau in Washington. "Our expectation is that people who have the opportunity to become U.S. citizens realize that the cost and sacrifice is worth the investment in their future."

Some immigrants would seem to agree. At a recent citizenship workshop in Los Angeles, where volunteers served 2,000 people who lined up for hours to apply for naturalization, machine operator Arturo Reyna said he scrimped and saved for a year to pay the $400 application fee. The native of Mexico, whose wife, Rosa, is a U.S. citizen, said the price was eminently worth the right to vote and to live here with his family.

"There are big groups trying to stop immigration," said Reyna, 30. "We don't like these things, but we can't vote. As a citizen, you can take part in decisions."

Victor Yebra, a 38-year-old silk screener who illegally crossed the U.S.-Mexico border as a boy to join his bracero father and subsequently won amnesty, said some immigrants might find higher application fees or online filing requirements onerous. But he said they would not dissuade those determined to become citizens.

"A lot of people here won't want to deal with these things, but I think they'll find a way to do it," Yebra said. "It's all for your own good future."

The proposed changes have, however, alarmed many — and not only in the Latino community. Koreans accounted for about one-fourth of the organizations signing the letter of protest to Gonzalez.

Koreans began naturalizing in greater numbers in the mid-1990s, when the Los Angeles riot and welfare cutbacks aimed at immigrants showed them the importance of civic influence, said Eun Sook Lee, executive director of the National Korean American Service & Education Consortium in Koreatown. Still, she said, about 300,000 Korean immigrants eligible to become citizens have not yet done so.

"With these measures, the message they're sending is that they want to delay full civic participation of new citizens," Lee said.

According to scholars, the politics of naturalization are nearly as old as citizenship rites themselves.

At the turn of the 20th century, urban political machines trolling for voters in several states pushed through so many fraudulent naturalizations that Congress passed a landmark immigration reform bill in 1906, said Lorraine McDonnell, a UC Santa Barbara political science professor. Among other things, she said, the reform bill required for the first time that applicants be able to speak English.

More recently, the Clinton administration was accused of "importing votes" by relaxing normal immigration procedures in its Citizenship USA campaign to register 1 million mostly Latino new voters before the 1996 elections. The charges by Republicans and other critics sparked a three-year Justice Department investigation, which ultimately rejected charges of partisan motives but found slipshod management, including lax background checks that allowed 6,000 possible criminals to become citizens.

To become citizens, legal permanent residents must reside in the United States for five years — or three years if they are married to a U.S. citizen or serve in the military. They must also pass English and civics tests, be of "good moral character" and take an oath of allegiance.

Concern about the civics test dates back to 1997, when the U.S. Commission on Immigration Reform criticized it for relying on "memorization of discrete facts rather than on substantive understanding of the basic concepts of civic participation."

Under the Bush administration, activists feared that the tests would become more difficult and the format changed to multiple choice, which some immigrants are unfamiliar with, said Fred Tsao of the Illinois immigration coalition, which has closely tracked the issue.

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Tsao and others said their anxiety mounted after the Senate passed Republican-sponsored legislation this year setting as goals for the revised test understanding of major documents, such as the Federalist Papers and Emancipation Proclamation, and important historical events, such as major court decisions and key figures in U.S. politics, science, business and art.

Those concerns, however, have abated somewhat. Immigration officials began meeting regularly with adult educators and immigrant advocates, and assured them the test's format and degree of difficulty would not change.

"We want to add meaning to the process, not make it harder, so we have assurances that this exercise empowers [new citizens] to take their rightful place in society," the citizenship bureau's Bentley said.

As one example, he said, questions about the American flag's colors might be jettisoned in favor of those about key rights, such as voting.

Activists are more concerned about proposed fee increases and mandatory online filing. The fees have increased to $400 from $95 since 1998 and are set to possibly double after immigration officials complete a fee survey later this year.

Marcelo Gaete of the Los Angeles-based National Assn. of Latino Elected and Appointed Officials Educational Fund said that hundreds of immigrants in two recent citizenship workshops could not afford to pay the current fees and would suffer if they were increased.

But Bentley said the fee hikes were inevitable because the citizenship bureau receives no regular budget appropriation and must be self-sustaining. A special five-year budget appropriation of $440 million that reduced the application backlog from 3.8 million cases in January 2004 to 120,000 as of August is set to run out, requiring new revenue to sustain the progress, he said.

To promote efficiency, Bentley said the agency also aims to eliminate paper filing and transform to an all-electronic system in the next five years. "The infrastructure we have now is broken," he said. "We have to come into the 21st century."

Activists, however, say an online filing requirement will shut out many immigrants without access to computers and open the door to abuse from unscrupulous immigration businesses.

By requiring a 19-page form simply to register for an online account, the new system will all but eliminate the ability to offer mass citizenship application workshops, said Laura Burdick deputy director for national programs at the Catholic Legal Immigration Network in Washington.

"This is not a Democratic or Republican issue," Burdick said. "Citizenship is in everyone's interest."

TAX:

Future Tax Shock (NYT)

The New York Times, October 29, 2006

One of President Bush's be-very-afraid lines this campaign season is that Democrats, if elected, will raise taxes. What he doesn't say is that if you are one of tens of millions of Americans who make between $75,000 and $500,000 a year, your taxes are already scheduled to rise starting next year — because of laws that Mr. Bush championed and other actions he failed to take.

The higher taxes stem from the alternative minimum tax, a levy that is supposed to snare multimillionaires who would otherwise get away with using excessive tax shelters to wipe out their tax bills. But these days, the alternative tax is snaring many upper-middle-income filers.

Mr. Bush set the trap in 2001 — and in 2003, 2004 and 2006. In each of those years, he flogged for new tax cuts without requiring corresponding long-term changes in the existing rules for the alternative tax. It was well known that failure to update the alternative tax would create perverse interactions with the new tax cuts, causing filers' tax bills to drop because of the cuts, only to shoot back up again from the alternative levy.

Mr. Bush said he would vanquish the problem through tax reform. Didn't happen. Congress never wrestled with lasting solutions. The truth is, the president and lawmakers are paralyzed. To fix the alternative tax while keeping the Bush tax cuts on the books would result in the loss of some $800 billion in revenue over 10 years, blowing a hole in the federal budget and exposing how utterly unaffordable the tax cuts of the last five years really are.

The taxpayers wrongly afflicted by the alternative tax are not tax dodgers. For the most part, they are couples with children who have broken into the ranks of six-figure earners, and who live in high-tax states like New York and California. They are being

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penalized, in effect, for claiming everyday deductions — like write-offs for dependents and property taxes — which, under the alternative tax rules, are viewed as excessive shelters.

Meanwhile, multimillionaires are not being snared at nearly the same rate as other filers. In part, that's because much of the income of the superrich comes from investments. The tax breaks for investments — the grail of the administration's tax-cutting crusade — are not counted as shelters under the alternative tax the way, say, children are.

For the past few years, Congress has papered over the mess by passing temporary relief measures to shield most — though not all — upper-middle-income taxpayers from having to pay the alternative tax. The latest stopgap expires at the end of this year, leaving taxpayers exposed at ever lower income levels. Congress could pass another temporary stay, and it will probably do so.

But stopgaps do little to protect the families already being unfairly clobbered by the alternative tax. And they make the nation's underlying budget problems worse. Like the Bush tax cuts themselves, they result in less tax revenue than is needed, requiring the government to borrow heavily. The mounting debt of the Bush years — all of which must be paid back with interest — makes tax increases or budget cuts, or both, inevitable.

The president wants to push off the day of reckoning until he leaves the White House, while whipping up voter fear of future tax increases. But the reality is that he and his supporters have laid the groundwork for higher taxes and hamstrung government, no matter who is in office in the months and years to come.

CONGRESS-ADMINISTRATION:

What He's Trying To Say (NYT)

By Ben Wallace-Wells

The New York Times, October 29, 2006

The White House, like any castle, has its own peculiar rituals, and in the five months that Tony Snow has been President George W. Bush's press secretary, he has begun to learn them. For instance, at some point in virtually every televised press briefing, a middle-aged man named Raghubir Goyal, who is The India Globe's Washington correspondent, will thrust his arm anxiously into the air, be called on and deliver a rambling monologue about the perfidies of Pakistan in general and Pakistan's president, Gen.

Pervez Musharraf, in particular. And a man named Lester Kinsolving, a radio host and reporter for a Baltimore station with a big grin and game-show-host wavy hair, will interrupt a back-and-forth on, say, the operational capacities of Al Qaeda to read confounding questions he has written out, word for word, before the press briefing began.

"Tony," Kinsolving began one morning in September, "The Washington Times noted on Page 1 that the Congressional Black Caucus will remain exclusively black. Does the president support or oppose this racial segregation, which excluded California Congressman Pete Stark — who risked his life for civil rights in Mississippi — because Stark was born white?"

Snow grinned and shook his head and began to point to some other reporter, any other reporter.

"No, wait a minute," Kinsolving said, "are you just going to evade that question?"

No," Snow said, beginning to laugh, enjoying the exchange, his deep voice booming, "I'm going to laugh at it." He did. So did the rest of the room.

Snow, who is 51, is 6-foot-4, with a genial lectern slouch and a chin that looks as if it were built for contact. But the first thing you notice about him is his facility at managing the fragile balance of a press room, its constant teeter between sincerity, open hostility and absurdity. Kinsolving's and Goyal's questions were sometimes land mines for previous press secretaries. Snow brushes past them genially. For the most part, Snow's two predecessors in the Bush White House tended to look as if they regarded the twice-daily meetings with the press as painful procedures. Still, these are anxious days for the White House, with the president's approval ratings stuck below 40 percent — the sort of number that has a way of emboldening the reporters and making the atmosphere in the press room particularly aggressive. So the Bush White House has turned to Snow, a longtime broadcaster at Fox News, in the hope that he can change the tone and project a confident, prime-time sort of calm. Gone

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already is the firing squad of the Scott McClellan days, and there is little echo of the testy, you-don't-need-to-know authority of President Bush's first press secretary,

Ari Fleischer. Snow's style is basically cheery: Gee, isn't it fun to run the world?

From the perspective of the White House, the classic Tony Snow moment came on Sept. 12, when he was challenged by David Gregory, the chief White House correspondent from NBC News, who has become perhaps the most consistently aggressive of the big-time correspondents. Vice President Dick Cheney had charged that the Democrats' talk of withdrawing the troops from Iraq "validates the strategy of the terrorists," and

John Boehner, the House majority leader, had phrased the matter even more harshly, saying of the Democrats, "I wonder if they're more interested in protecting the terrorists than they are in protecting the American people." Gregory began caustically: "As you know, this is not a campaign season about whether America is a great place or not, right? I mean, it's a lot more substantive than that, and it has to do with the path that this president took the country after 9/11." Then he asked whether the president supported Cheney's statement. Snow, who had been on the job for about four months, went further than that. "I think it's true," he said.

Then what Snow did was give an abbreviated but learned-sounding tour through the history of Al Qaeda's conflict with the United States. "Osama bin Laden has made it clear . . . if the United States is pushed from Iraq, it will be to the eternal humiliation of the United States," Snow said. "Bin Laden drew the conclusion when we left Somalia that the Americans didn't have what it took to stick it out." He continued, "So, as an objective assessment about the way in which bin Laden views the United States," Cheney's saying Democratic debates over Iraq withdrawal would strengthen terrorists "is a true statement."

It may not have survived scholarly scrutiny, but Snow's response was like a temporary pontoon bridge built to scurry the troops across the river: it got the job done. There was a desultory follow-up, but even Gregory, in his broadcast that evening, played the controversy over Cheney's comments as a simple, partisan spat. "The press briefing that day," says Dan Bartlett, counselor to the president and Snow's boss, "was amazing. Tony took a line that could have been a real problem and completely deflated it."

Snow has had to do a lot of deflating since coming on board. He has become the public face of an administration under the most sustained period of pressure that it has yet seen; his job is managing the siege. The White House has chosen not to switch course on its major policy initiatives, abroad or at home, even though its major legislative efforts, from Social Security privatization to comprehensive immigration reform, have stalled, and its initiatives in Iraq and Afghanistan are troubled at best. Nor has the administration changed the substance of its message. With midterm elections approaching and the administration keeping one eye on its legacy, the White House is simply betting that it can sell it all better this time, with a little more skill and a little more finesse. Tony Snow's tenure is becoming a study in the science — and limits — of political charm.

A few years ago, the conservative media consultant Frank Luntz did a focus group studying the on-air styles of the various Sunday talk-show hosts, including Snow. He found that Snow graded very highly among both liberal and conservative viewers, in large part because his style was different from most conservatives on television.

"Republicans for a decade have been very good at pushing their message on people," Luntz told me recently over the phone. "Tony does something completely different — he pulls you in. Watch his facial expression — he's almost always smiling, which is different from other press secretaries. He speaks softly, and so you turn up the volume on your television. You don't feel like you're being sold something. With Tony, it's a conversation. You don't stand up and cheer when Tony finishes speaking; you nod your head in affirmation."

Luntz paused, then said: "Look, Tony's good on message, but he's not great. Ari Fleischer was better. Tony's genius is his style of communication, and that's exactly what the president needs right now."

"If Tony Snow had been press secretary instead of Scott McClellan during the initial revelation of the Valerie Plame stuff," says Eric Alterman, a journalism professor at Brooklyn College and a liberal media critic, "I think it wouldn't have been nearly what it was. Snow would have known how to handle it."

The successes of press secretaries are always hidden — one-day negative stories that didn't become four-day negative stories, attacks on the president that didn't take hold. But given the tortured recent history of relations between the White House and its press corps, that's no small claim. Scott McClellan, a longtime Bush loyalist and Snow's immediate predecessor, had

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trouble with White House reporters from the beginning. As Jay Rosen, a journalism professor at New York University, put it to me, McClellan "was a strategic noncommunicator," and having him in the job was tantamount to "mooning the press." The situation seemed to become untenable, though, with the Plame scandal, after it turned out that Karl Rove, the deputy chief of staff, and

I. Lewis Libby Jr., the vice president's chief of staff, had discussed Plame's role as an intelligence officer with reporters; McClellan had previously insisted, steadfastly, that they had not. Members of the press corps say that that experience convinced them that McClellan couldn't be relied upon to deliver anything more than White House spin. "With Scott, you found that if you tried to debate something, you just got into a recitation of the White House's line, and with Valerie Plame this became painfully obvious," Mark Silva of The Chicago Tribune told me. When

Joshua Bolten was picked to be the new White House chief of staff early last spring, he started the search for a new spokesman. "This isn't to disparage Scott or anything, but we were looking for a game changer in that position," Dan Bartlett, the president's communications director, told me.

Mark Halperin, the political director of ABC News and the author of a recent book about politicians and the press, says he has seen a change. "More so than many of his predecessors, Tony understands that questions are being asked in the public interest, and he tries to answer in the spirit in which he's been asked," he said. "It's at the margins, but there's an improvement."

And in the months since Bolten took over and hired Snow, this famously closed White House has become marginally more open. It has given reporters more on-the-record access to the president and has brought in more governmental experts to brief the press. White House officials say that these changes came, in part, at Snow's urging. Snow also asked for a large role in policy making. And though Snow himself says, "Let's just say I'm satisfied on that count," so far evidence of his policy influence is hard to discern. "It's not like he has more access than Scott did, because he doesn't," one senior administration official told me. "If there's a change, it's that Tony is maybe a little more assertive when he's at the table, but Scott had the same seat."

I asked Bartlett for an example of an issue on which Snow's influence was evident. He thought hard and then told me that he had pushed really hard for the president to make the speech to the N.A.A.C.P., an outreach last July to black Americans, in advance of the first anniversary of Hurricane Katrina. Bush was generally lauded for the appearance — his first at the N.A.A.C.P. since he became president — but it has hardly represented a central part of the president's agenda.

According to White House officials, Snow does play a bigger role than previous press secretaries did in helping to design the day's responses to anticipated press inquiries. But Snow's more obvious success has been within the theatrical confines of the press room — in deflecting damaging stories before they gain traction, in phrasing the president's position more eloquently and precisely than Bush himself is able to and in imposing the White House's line on the story of the day.

"I don't think Tony fully realized when he started," Bartlett told me, "how much of an elephant in the room the briefing is. When you get done preparing for the gaggle, doing the gaggle, preparing for the briefing, doing the briefing, taking reporter's calls, that's basically your day. It's not like you've got all this time left to do other stuff."

One of the peculiarities of the White House press room is that it has its own academic: a Towson University political-science professor named Martha Joynt Kumar, who has been attending press briefings since 1975 but is free from the obligations of her colleagues, who actually ask questions and then produce stories. Professor Kumar simply observes, and her scholarship is aimed at writing about White House communication with the news media.

Kumar says that the job changed in 1995, when President Clinton's press secretary, Mike McCurry, decided to televise the daily briefing in its entirety. The midday show gave the White House a daily platform to promote its message, she says, and turned the press secretary into a more visible public figure. Snow is taking greater advantage of this, she says, than any press secretary has before. He has begun to speak at fund-raisers for Congressional candidates, something no previous press secretary has done. He is scheduled as the headline act for at least a dozen such events before Election Day. All of these appearances have been booked by the White House political operation, which says it isn't keeping tabs on how much money Snow brings in. But to judge from his Oct. 14 appearance at a fund-raiser for Speaker J. Dennis Hastert, at which 850 people paid $175 apiece to see him speak, it is not an insignificant sum. Kumar says that the fund-raisers, which are purely political rather than informational, represent "a real change from previous administrations, and a real danger."

There is a natural tension between these two parts of the press secretary's job — the political and the informational — and occasionally Snow has overreached on the politics. In July, defending Bush's veto of legislation that would increase federal

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financing of embryonic-stem-cell research, Snow told reporters that the president's position was that such research amounted to "murder." This was not a position that the president had taken previously, and a week later, Snow apologized to reporters for "overstepping my brief." It echoed a jaunty claim Snow made during his first press briefing, when he guaranteed that the Senate would pass the president's comprehensive immigration-reform bill, legislation that Snow himself lobbied vigorously for during his first weeks as press secretary (on influential conservative television shows like Lou Dobbs's and Bill O'Reilly's) but did not pass the Senate this year.

"The test for Tony is whether he doesn't just become seen as a pitchman, as advancing a position, and whether he keeps a reputation as someone who can provide accurate information," Kumar told me. "Because providing accurate information is the job — if you don't do that, you lose your credibility as press secretary. So much of that job is still in that room."

Watching Snow in that room when he is working fluently and well is really something; the press secretary is gloriously glib. One Wednesday in the middle of September, he rebuffed a grandstanding network television reporter who had brought a big dictionary into the briefing room, trying to force Snow to square the definition of "fascism," with its references to an ideology of the supremacy of a strong centralized state and powerful bureaucracy, with the president's claim that the terrorists of Al Qaeda were "Islamofascists"; Al Qaeda, obviously, has no bureaucrats at all. Snow replied that bin Laden had called for the adoption of Sharia across the Muslim world and said he wanted to re-establish the Islamic caliphate, stretching from Spain to Asia. "It fits," Snow said, not smiling, just plain and factual, "all of the descriptions you've had."

It was a classic Snow moment. Following his political hero, Ronald Reagan, Snow has developed an instinct for clarity, for boiling things down. He has a tendency to speak about even the most complex issues in simple terms, something that can lead him into clichés. ("Race relations aren't hard; people make them hard," he has said.)

When I met with Snow in his office at the end of September, he talked about the constraints on a press secretary's power. At the end of that week, the precise limitations became a little more apparent, as the White House was caught in a series of snowballing scandals: the release of a National Intelligence Estimate that found that the war in Iraq was inspiring more Muslims to join the jihadist cause; the publication of Bob Woodward's book <object.title class="Movie" idsrc="nyt_ttl" value="279002">"State of Denial," which described a White House too stubborn to accept the grim realities on the ground in Iraq; and the transgressions of the Republican representative

Mark Foley, who resigned after it was revealed he'd sent sexually suggestive instant messages to male House pages. Snow looked a little less fresh and a little less happy than when I'd seen him a few weeks earlier, and he was beginning to make mistakes. He had tried to pass off the Foley scandal as "simply naughty e-mails," which made it seem as if the White House wasn't taking the scandal seriously, and he would spend much of the next several days backtracking. When he tried to debunk a series of Woodward's findings as the reporter's own invention, the press didn't buy Snow's line. As for the intelligence estimate, Snow pooh-poohed the estimate's findings and failed to keep the story from continuing for a second and third day. Referring to the N.I.E. story, Kumar told me: "Tony lost control of the room that day. That's the only time I've seen that happen."</object.title>

Snow was born in Berea, Ky., and grew up in Cincinnati. His father was a high-school principal and his mother was a nurse. (She died of colon cancer when Snow was 17.) "I was the kind of kid," Snow says, when asked about his boyhood self, "who went to summer school because I liked it."

This is the way Snow and his friends tell the story of Tony Snow: he is an earnest, bookish guy whose passion is for burrowing down into wonky issues. "With Tony, sometimes you have to say, 'No, you can't read all 300 pages of that report,' " Marty Ryan, who was Snow's executive producer at "Fox News Sunday," told me. (Like many conservatives who came of age when he did, when conservatism was still more of a philosophical project than a political one, Snow has a tendency to insist on the intellectual agility of his fellow travelers. When I asked him to describe his boss, he said that the president "reminds me of one of those guys who walks through a gym playing 40 games of chess at once and can keep all the moves in his head.")

Snow graduated from Davidson College in Charlotte, N.C., with a degree in philosophy in 1977 and then, after brief stints teaching school in Africa and then in Cincinnati, started sending out applications to newspapers. "Seemed like the best job in the world — you get to talk to all kinds of people you could never get near otherwise," Snow told me. Two years out of Davidson, he landed on the editorial page of The Greensboro Record, in North Carolina (circulation, 33,000), working for Terry Eastland, a young conservative writer who is now the publisher of The Weekly Standard. Snow would follow Eastland to The Norfolk

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Virginian-Pilot. From there he went to The Daily Press of Newport News, Va. At Eastland's direction, Snow once spent a couple of months on the news desk at The Greensboro Record, but otherwise he has always been an opinion writer, not a reporter. He does not have a great deal of reverence for the old-time idea of the objective, truth-seeking reporter: "God, the source of all fact and truth, is objective," he once told an audience at Hillsdale College, in Spring Arbor, Mich., "but journalists, who often know very little, are not." (This is unusually direct Godspeak from Snow, who is a Catholic convert and talks with little of the direct religiosity of the president.) Snow moved on to conservative editorial pages in bigger markets — to The Detroit News, where he spent three years and where he met the woman he would marry, Jill Ellen Walker, and then, in 1987, to Washington, where he oversaw The Washington Times's editorial pages. He has been in the capital ever since.

Snow knows everyone in Washington. This doesn't betray any particular social promiscuity — Snow spends most of his weekends with his wife and three children. It is simply a result of the forceful inertia of having spent almost two decades being affable and important in a city that values both qualities. Testimonies to his geniality are rampant. "We had political differences, but that made it fun to argue with him, not hard to argue with him like some others," Gordon Morse, a friend and a liberal editorial writer who worked with Snow at The Daily Press, told me. "We'd be 24 and going to see some Mad Max movie and happily quarreling about politics, and he's the same guy now." Snow is friends with more journalists than politicians, and more conservatives than liberals, but not to the point of exclusion. Snow is friendly with the conservative activist Grover Norquist and with the Democratic partisan Sidney Blumenthal, two of the more polarizing figures in Washington.

In 1991, Snow was hired to work as a speechwriter for President George H. W. Bush. "He had a big office over in the Old Executive Office Building," Morse told me. "He was very much taken with the place." The thrill passed quickly. With the gulf war over, the White House was becoming marked by infighting and began spiraling toward a losing election campaign. John Sununu, the chief of staff who hired Snow, resigned shortly after Snow came on board. Snow was reassigned soon after to one of the less glamorous jobs in the communications office, ghostwriting op-eds for senior administration officials. I asked Snow about the experience. "In the first Bush White House, we were undone by backstabbing," he told me fiercely. "People were just being vicious to one another. They were trying to serve their own interest, and not the president's." It is the lone bitter thing I've ever heard him say.

After he left the first Bush White House, he stayed friendly with an obscure White House employee from New Jersey named Linda Tripp, who stayed on during the Clinton administration. When Tripp decided to write a tell-all book about the Democratic administration, it was Snow, of all her Bush White House contacts, she asked for help. Snow put Tripp in touch with the conservative literary agent and columnist Lucianne Goldberg. Later Tripp befriended Monica Lewinsky, who confided that she had been having an affair with the president, and a scandal was soon born.

Snow wrote a column for The Detroit News and sampled a number of different jobs; for a while, he was Rush Limbaugh's guest host, but it became clear that Snow was, in Eastland's words, "not inclined to bash as much as some people." There was also a philosophical difference: Snow's the kind of conservative who is at home in the modern, bourgeois world and is not particularly interested in attacking it. He went to Rock 'n' Roll Fantasy Camp; he is friendly with Ian Anderson, the singer and rock flautist who leads Jethro Tull.

In 1996, Snow switched to a different medium and signed on as the host of a new program, "Fox News Sunday." Fox's executives were looking for a fresh face and noticed Snow during some appearances he'd made on "CBS Morning News." "What he had was all the stuff you couldn't teach," Marty Ryan, Snow's producer at Fox News, told me. In the program's early days, when it was having trouble getting guests, Snow used to chat up senators and representatives, trying to get them on his show. Snow stayed at "Fox News Sunday" for more than seven years, conducting interviews and managing a panel of first three and then four other pundits. He was nimble and, for an anchor, comparatively retiring. "One of Tony's great strengths," Ryan told me, "was knowing how to give others their space." In 2004, Snow left to do his own program on Fox News Radio.

Then, in early 2005, Snow received a diagnosis of colon cancer, the same disease that killed his mother. He had chemotherapy and two operations. Having had cancer, he subsequently said, shifted his perspective. "It sounds trite, but it's true," he told me. "You have a relish and appreciation for life you didn't have before. It gives you a fresh wonder about the world, and about people."

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Last spring, when Bolten talked to Snow about succeeding McClellan, he doubted his chances at persuading Snow to join the White House. But he made his case anyway: the president's "fundamentals" were sound, Bolten said. Snow agreed. Snow would be this administration's daily public face, trying to bring public opinion back into the president's favor. As a commentator, Snow called the president "something of an embarrassment." He called the White House "impotent." Snow didn't really need the job. "My first response was no," he recalls. But as he thought about it more, Snow says, he realized that he "always liked the president, from back when he worked for his father's campaign." And after all, this is the reason most people come to Washington, not just to hover around power but to wield it.

"Every administration has ups and downs in the relationship between the White House and the press — certainly Nixon had moments that were as bad as any now, and Clinton and Reagan probably did, too," says David Greenberg, a professor of history and media at Rutgers who studies presidential communication. "But two things that are going on now are genuinely new. The first is that conservatives have had a great deal of success with a political strategy that includes demonizing the liberal media, and so there is a confidence there now that didn't exist with Nixon or Reagan, that this will work politically. But the other thing is the increased partisanship of the media, the rise of cable news, of Internet news, an increasing shrillness among even newspaper columnists, has served to discredit the idea of a mainstream media, and gives politicians a way to get around them."

The Bush administration played to this demonization of the liberal media with its first two press secretaries, who were often hostile and generally withholding with the press corps. The White House seemed to be sending a message to its base: not only are the mainstream media the enemy, they're also unnecessary. With Snow they've chosen a different tone, but the changes Greenberg talks about still offer him the possibility, the hope, that presidential communication might be liberated from the press room — that he might speak directly to the people, every day, not just as a press secretary does, interrupted and directed by reporters, but as a politician might. "One thing I've noticed about Tony as press secretary is he isn't trying to only speak to the reporters in the room — it seems like he's also trying to speak past them, to people watching at home," John Moody, a senior vice president at Fox News and Snow's former boss, told me.

One of the most visible changes since Snow arrived has been the increase in the number of "fact sheets" the press office issues to challenge the interpretation of the news in the mainstream press. Before Snow became press secretary, such releases used to be comparatively rare; they now appear nearly every day. In part they're aimed at a fair-minded correcting of the record, and in part they're meant to tweak critical reporters, but they've also proved enormously helpful for conservative bloggers. "It's really useful and smart — it puts bloggers in the position of going directly to the unexpurgated text and seeing what's being spun or played or ignored, and it certainly circulates," Glenn Reynolds, a law professor at the University of Tennessee and the proprietor of the influential conservative blog Instapundit, told me. "Particularly if your administration regards the press as an essentially hostile enterprise, you want to give people more direct access."

Most of the people who work for Snow in the press secretary's office look really young. ("Seems like his whole staff is 26," I said to Kumar. She snorted. "Twenty-six? They look about 23 to me.") And that makes sense: working in the White House imposes its own brutalities on your life. Snow says he wakes up every morning before 4 and has his first meeting, with the national security adviser, at half past 6. From then, he is performing or preparing to perform for the next 12 to 14 hours. "The job is hell, it is political war," Frank Luntz says, "and it has been for 10 years" — ever since McCurry instituted the televised daily briefing. "Every day, you wake up knowing the battle is just as tough, the enemy just as ferocious. You're outnumbered 30 to 1. You can't just beat 29 of them, you have to beat all 30 of them, every single day." This is the reason, Luntz says, that the "best press secretaries do their best work in their first year." No wonder, then, that after four years, Scott McClellan began to crack.

These are still early days for Snow, and this kind of fraying has been only intermittently visible. "Who knows how I'll feel in two years?" Snow says. "But it's fun right now. When you live on deadlines, it creates a pleasant pressure to perform and to deliver."

I went to see Snow's press briefing one Friday late in September. Over the previous 24 hours, the first excerpts from Woodward's book had begun to trickle out, and the administration was getting pummeled. Snow had been on the phone all morning, speaking to Secretary of State Condoleezza Rice and other foreign-policy officials, trying to figure out where the Woodward account could be challenged, trying to get the administration's story right, and he pushed back the press briefing by almost two hours to give himself time to prepare. He undoubtedly knew that no matter how well he did that day, the lead

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paragraphs in the next day's papers would still reflect poorly on the White House. The best he could hope for was that the eighth paragraph, the one with the administration's response, would come off as sympathetic, would be carefully phrased. The reporters started to file in 10 minutes before the delayed briefing was to start. A young White House aide called out a five-minute warning, then a two-minute warning, then Snow walked out of the elevator to the lectern and put down his briefing book and a cup of coffee.

He smiled, knowing what was coming. And he genuinely looked as if he were enjoying the moment. "Hello everybody," he said. "We'll go right to questions."

GAO Chief Warns Economic Disaster Looms (AP)

By Matt Crenson, Associated Press

AP, October 28, 2006

AUSTIN — David Walker sure talks like he's running for office. "This is about the future of our country, our kids and grandkids," the comptroller general of the United States warns a packed hall at Austin's historic Driskill Hotel. "We the people have to rise up to make sure things get changed."

But Walker doesn't want, or need, your vote this November. He already has a job as head of the Government Accountability Office, an investigative arm of Congress that audits and evaluates the performance of the federal government.

Basically, that makes Walker the nation's accountant-in-chief. And the accountant-in-chief's professional opinion is that the American public needs to tell Washington it's time to steer the nation off the path to financial ruin.

From the hustings and the airwaves this campaign season, America's political class can be heard debating Capitol Hill sex scandals, the wisdom of the war in Iraq and which party is tougher on terror. Democrats and Republicans talk of cutting taxes to make life easier for the American people.

What they don't talk about is a dirty little secret everyone in Washington knows, or at least should. The vast majority of economists and budget analysts agree: The ship of state is on a disastrous course, and will founder on the reefs of economic disaster if nothing is done to correct it.

There's a good reason politicians don't like to talk about the nation's long-term fiscal prospects. The subject is short on political theatrics and long on complicated economics, scary graphs and very big numbers. It reveals serious problems and offers no easy solutions. Anybody who wanted to deal with it seriously would have to talk about raising taxes and cutting benefits, nasty nostrums that might doom any candidate who prescribed them.

"There's no sexiness to it," laments Leita Hart-Fanta, an accountant who has just heard Walker's pitch. She suggests recruiting a trusted celebrity — maybe Oprah — to sell fiscal responsibility to the American people.

Walker doesn't want to make balancing the federal government's books sexy — he just wants to make it politically palatable. He has committed to touring the nation through the 2008 elections, talking to anybody who will listen about the fiscal black hole Washington has dug itself, the "demographic tsunami" that will come when the baby boom generation begins retiring and the recklessness of borrowing money from foreign lenders to pay for the operation of the U.S. government.

"He can speak forthrightly and independently because his job is not in jeopardy if he tells the truth," said Isabel Sawhill, a senior fellow in economic studies at the Brookings Institution.

Walker can talk in public about the nation's impending fiscal crisis because he has one of the most secure jobs in Washington. As comptroller general of the United States — basically, the government's chief accountant — he is serving a 15-year term that runs through 2013.

This year Walker has spoken to the Union League Club of Chicago and the Rotary Club of Atlanta, the Sons of the American Revolution and the World Future Society. But the backbone of his campaign has been the Fiscal Wake-up Tour, a traveling roadshow of economists and budget analysts who share Walker's concern for the nation's budgetary future.

"You can't solve a problem until the majority of the people believe you have a problem that needs to be solved," Walker says.

Polls suggest that Americans have only a vague sense of their government's long-term fiscal prospects. When pollsters ask Americans to name the most important problem facing America today — as a CBS News/New York Times poll of 1,131

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Americans did in September — issues such as the war in Iraq, terrorism, jobs and the economy are most frequently mentioned. The deficit doesn't even crack the top 10.

Yet on the rare occasions that pollsters ask directly about the deficit, at least some people appear to recognize it as a problem. In a survey of 807 Americans last year by the Pew Center for the People and the Press, 42% of respondents said reducing the deficit should be a top priority; another 38% said it was important but a lower priority.

So the majority of the public appears to agree with Walker that the deficit is a serious problem, but only when they're made to think about it. Walker's challenge is to get people not just to think about it, but to pressure politicians to make the hard choices that are needed to keep the situation from spiraling out of control.

To show that the looming fiscal crisis is not a partisan issue, he brings along economists and budget analysts from across the political spectrum. In Austin, he's accompanied by Diane Lim Rogers, a liberal economist from the Brookings Institution, and Alison Acosta Fraser, director of the Roe Institute for Economic Policy Studies at the Heritage Foundation, a conservative think tank.

"We all agree on what the choices are and what the numbers are," Fraser says.

Their basic message is this: If the United States government conducts business as usual over the next few decades, a national debt that is already $8.5 trillion could reach $46 trillion or more, adjusted for inflation. That's almost as much as the total net worth of every person in America — Bill Gates, Warren Buffett and those Google guys included.

A hole that big could paralyze the U.S. economy; according to some projections, just the interest payments on a debt that big would be as much as all the taxes the government collects today.

And every year that nothing is done about it, Walker says, the problem grows by $2 trillion to $3 trillion.

People who remember Ross Perot's rants in the 1992 presidential election may think of the federal debt as a problem of the past. But it never really went away after Perot made it an issue, it only took a breather. The federal government actually produced a surplus for a few years during the 1990s, thanks to a booming economy and fiscal restraint imposed by laws that were passed early in the decade. And though the federal debt has grown in dollar terms since 2001, it hasn't grown dramatically relative to the size of the economy.

But that's about to change, thanks to the country's three big entitlement programs — Social Security, Medicaid and especially Medicare. Medicaid and Medicare have grown progressively more expensive as the cost of health care has dramatically outpaced inflation over the past 30 years, a trend that is expected to continue for at least another decade or two.

And with the first baby boomers becoming eligible for Social Security in 2008 and for Medicare in 2011, the expenses of those two programs are about to increase dramatically due to demographic pressures. People are also living longer, which makes any program that provides benefits to retirees more expensive.

Medicare already costs four times as much as it did in 1970, measured as a percentage of the nation's gross domestic product. It currently comprises 13% of federal spending; by 2030, the Congressional Budget Office projects it will consume nearly a quarter of the budget.

Economists Jagadeesh Gokhale of the American Enterprise Institute and Kent Smetters of the University of Pennsylvania have an even scarier way of looking at Medicare. Their method calculates the program's long-term fiscal shortfall — the annual difference between its dedicated revenues and costs — over time.

By 2030 they calculate Medicare will be about $5 trillion in the hole, measured in 2004 dollars. By 2080, the fiscal imbalance will have risen to $25 trillion. And when you project the gap out to an infinite time horizon, it reaches $60 trillion.

Medicare so dominates the nation's fiscal future that some economists believe health care reform, rather than budget measures, is the best way to attack the problem.

"Obviously health care is a mess," says Dean Baker, a liberal economist at the Center for Economic and Policy Research, a Washington think tank. "No one's been willing to touch it, but that's what I see as front and center."

Social Security is a much less serious problem. The program currently pays for itself with a 12.4% payroll tax, and even produces a surplus that the government raids every year to pay other bills. But Social Security will begin to run deficits during the next century, and ultimately would need an infusion of $8 trillion if the government planned to keep its promises to every beneficiary.

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Calculations by Boston University economist Lawrence Kotlikoff indicate that closing those gaps — $8 trillion for Social Security, many times that for Medicare — and paying off the existing deficit would require either an immediate doubling of personal and corporate income taxes, a two-thirds cut in Social Security and Medicare benefits, or some combination of the two.

Why is America so fiscally unprepared for the next century? Like many of its citizens, the United States has spent the last few years racking up debt instead of saving for the future. Foreign lenders — primarily the central banks of China, Japan and other big U.S. trading partners — have been eager to lend the government money at low interest rates, making the current $8.5-trillion deficit about as painful as a big balance on a zero-percent credit card.

In her part of the fiscal wake-up tour presentation, Rogers tries to explain why that's a bad thing. For one thing, even when rates are low a bigger deficit means a greater portion of each tax dollar goes to interest payments rather than useful programs. And because foreigners now hold so much of the federal government's debt, those interest payments increasingly go overseas rather than to U.S. investors.

More serious is the possibility that foreign lenders might lose their enthusiasm for lending money to the United States. Because treasury bills are sold at auction, that would mean paying higher interest rates in the future. And it wouldn't just be the government's problem. All interest rates would rise, making mortgages, car payments and student loans costlier, too.

A modest rise in interest rates wouldn't necessarily be a bad thing, Rogers said. America's consumers have as much of a borrowing problem as their government does, so higher rates could moderate overconsumption and encourage consumer saving. But a big jump in interest rates could cause economic catastrophe. Some economists even predict the government would resort to printing money to pay off its debt, a risky strategy that could lead to runaway inflation.

Macroeconomic meltdown is probably preventable, says Anjan Thakor, a professor of finance at Washington University in St. Louis. But to keep it at bay, he said, the government is essentially going to have to renegotiate some of the promises it has made to its citizens, probably by some combination of tax increases and benefit cuts.

But there's no way to avoid what Rogers considers the worst result of racking up a big deficit — the outrage of making our children and grandchildren repay the debts of their elders.

"It's an unfair burden for future generations," she says.

You'd think young people would be riled up over this issue, since they're the ones who will foot the bill when they're out in the working world. But students take more interest in issues like the Iraq war and gay marriage than the federal government's finances, says Emma Vernon, a member of the University of Texas Young Democrats.

"It's not something that can fire people up," she says.

The current political climate doesn't help. Washington tends to keep its fiscal house in better order when one party controls Congress and the other is in the White House, says Sawhill.

"It's kind of a paradoxical result. Your commonsense logic would tell you if one party is in control of everything they should be able to take action," Sawhill says.

But the last six years of Republican rule have produced tax cuts, record spending increases and a Medicare prescription drug plan that has been widely criticized as fiscally unsound. When President Clinton faced a Republican Congress during the 1990s, spending limits and other legislative tools helped produce a surplus.

So maybe a solution is at hand.

"We're likely to have at least partially divided government again," Sawhill said, referring to predictions that the Democrats will capture the House, and possibly the Senate, in next month's elections.

But Walker isn't optimistic that the government will be able to tackle its fiscal challenges so soon.

"Realistically what we hope to accomplish through the fiscal wake-up tour is ensure that any serious candidate for the presidency in 2008 will be forced to deal with the issue," he says. "The best we're going to get in the next couple of years is to slow the bleeding."

Elections May Bring New Accord In Senate (WP)

By Charles Babington, Washington Post Staff Writer

The Washington Post, October 29, 2006

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McConnell, Reid Have History of Deal-Making

Regardless of whether Mitch McConnell (R-Ky.) or Harry M. Reid (D-Nev.) prevails as the Senate's next majority leader, one thing seems certain: Either one will show more interest in the institution's often obscure traditions than the departing majority leader, Bill Frist (R-Tenn.).

What that means as a practical matter, however, is less certain. Some congressional scholars say it could mean greater bipartisan accord because McConnell and Reid are consummate deal-makers whose top priority is legislative achievement, whereas Frist's presidential ambitions have shadowed his comments and deeds as majority leader. But both men are also dogged by questions about financial dealings that could provide ammunition for opponents in the next Congress, which is virtually sure to be narrowly divided.

McConnell and Reid rose through the Senate ranks by mastering the rules and building strong relationships with colleagues. Both are combative lawyer-politicians who overcame childhood challenges and are now in their mid-60s. Unlike Frist, a surgeon, they are veteran practitioners of the Senate's opaque, clubby brand of politics, with no apparent desire to become president or grab television time to espouse their parties' goals.

Many senators say that either Reid or McConnell, because of their backgrounds, can lead the Senate with more skill than Frist, 54, who struggled to build winning coalitions on issues such as immigration, Social Security and the nominations of several judges and John R. Bolton as U.S. ambassador to the United Nations.

Former senator Alan K. Simpson (R-Wyo.) said McConnell and Reid are tenacious politicians steeped in the Senate's ways. McConnell, he said, "is one of the sawiest political operatives that I've ever worked with." He called Reid, a former amateur boxer, "an old fist-fighter and a hell of a trial lawyer."

Each has shown an occasional independent streak. McConnell was one of three GOP senators to vote against a constitutional ban on flag desecration, which failed this year by one vote. Reid was among 14 Democrats who backed it. Reid bucks Democratic orthodoxy by opposing legalized abortion in most circumstances.

Still, both men, Simpson said, will have to play down their partisan tendencies and emphasize their desire for legislative accomplishments if the next Congress is to succeed. "It doesn't matter who the leader is if there's no outreach to the other party," he said.

Such efforts have begun. Reid phoned McConnell shortly before Congress recessed last month "to discuss his desire to work together next year on a bipartisan basis to work on the priorities of the American people," said Reid spokesman Jim Manley. He said McConnell "expressed a similar desire and willingness."

In a recent interview, McConnell said he especially hopes the next Congress will address the long-term financial needs of Social Security and Medicare. He blamed Democrats for blocking President Bush's 2005 bid to revamp Social Security. "When are we going to deal with these problems?" he asked.

Reid said last week: "If Republicans are serious about addressing this nation's fiscal problems and strengthening Social Security and Medicare, Senate Democrats are willing to reach across the aisle and get to work." But he ruled out "privatizing Social Security."

Former Senate majority leader Thomas A. Daschle (D-S.D.), now with a Washington lobbying firm, said that partisans and colleagues will pull Reid and McConnell in different directions and that the next Senate's fate will largely turn on how they react.

"They will be under great pressure from some in their ranks to engage in partisan combat, especially with the presidential election only two years away," Daschle said. "But regardless of who has the majority, they will also be under equal pressure to prove that they can govern."

In their combined 42 years in the Senate, McConnell and Reid have toiled energetically for their parties, raising funds and recruiting candidates while becoming personally well off. But their energies have triggered criticisms. Recent hard-hitting news articles have focused on questionable land transactions by Reid and aggressive fundraising by McConnell.

The two men say they have played by the rules and have broken no laws, and neither appears subject to a serious challenge from party colleagues. But the recent round of articles suggests that both continue to test the limits on raising and spending campaign money -- a practice almost certain to draw more scrutiny when one of them assumes the Senate's top post.

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"The no-quarter-asked, no-quarter-given atmosphere is not going to disappear after this campaign," said Ross K. Baker, a Rutgers University scholar on Congress. "Any weakness will be highlighted; any lapse will be emphasized."

McConnell, 64, who battled polio as a child, is best-known for his fierce resistance to a series of campaign finance changes generally dubbed McCain-Feingold. He argues unapologetically that politicians should raise as much money as legally possible to further their goals and attack their enemies.

His no-holds-barred approach to fundraising has endeared him to many GOP colleagues but has prompted criticism from others. Most recently, the Lexington (Ky.) Herald-Leader published a series of articles portraying the senator as an insatiable solicitor of political money from interest groups -- including tobacco companies, car makers and pharmaceutical firms -- with whom he is cozy.

The articles concluded that McConnell has raised nearly $220 million during his Senate career, and pushes so hard that even his closest allies sometimes rebel. "Are you feeling a choking sensation?" a vice president for R.J. Reynolds Tobacco Co. was quoted as saying in an e-mail after the senator had asked the firm for $200,000 in "soft money" to aid Republican campaigns.

McConnell defends his aggressive fundraising, equating political advocacy with free speech. "You must have money in politics, because it's the only way the candidates can get their message across," he said.

Reid, 66, has occasionally been forced to explain his involvement in transactions that mixed politics with profits. In 2003, the Los Angeles Times published lengthy articles chronicling his sponsorship of legislation that promised benefits to Nevada developers, corporations and institutions whose lobbyists included the senator's sons and son-in-law. Reid's staff later barred relatives from lobbying his office.

This month, the Associated Press reported that Reid did not disclose to Congress that he sold land in Nevada to a friend's company in 2001 and took part ownership of the firm. He collected a sizeable profit when the land was sold again in 2004. Reid, who had a hardscrabble childhood, said he had never tried to hide his ownership of the land, but later he amended his ethics reports to more fully reflect the transactions.

Reid said these issues are behind him, and he promised a new tone in Washington if Democrats take over the Senate.

Project Chugs Along With Senator's Help (LAT)

By Joel Havemann, Times Staff Writer

The Los Angeles Times, October 29, 2006

John Thune has given steam to railroad plans of an ex-lobbying client.

washington — When John Thune, a congressman from South Dakota, narrowly lost a bid for the Senate in 2002, his career followed a familiar pattern: He became a Washington lobbyist.

He soon gained as a client a little-known Midwestern railroad. The Dakota, Minnesota & Eastern Railroad Corp. may have been small, but its ambitions were not. It was seeking more than $2 billion in federal loan guarantees to help finance a major renovation of its entire rail network and an expansion into the coal fields of Wyoming's Powder River Basin.

DM&E paid Thune about $220,000 in 2003 and 2004 for his lobbying, but the loan guarantee request languished at the Federal Railroad Administration. Without the government's backing, the company said, its upgrade would not be possible.

Today, Thune is a U.S. senator. And after the South Dakota Republican helped attach a provision to last year's huge transportation bill, prospects for DM&E's $2.3 billion in loan guarantees are looking brighter.

The federal government now is in a position to approve one of the largest loan guarantees in its history, apparently the biggest since its 1980 bailout of Chrysler Corp. The transportation bill did not mention DM&E, but by raising the government's loan guarantee authority tenfold, to $35 billion, it made the railroad's request more likely to succeed.

Whatever the outcome of the DM&E aid request, the fact that a lawmaker who is a former lobbyist helped it along speaks volumes about how business sometimes gets done in Washington, where members of Congress frequently attach pet projects to broader legislation.

The DM&E project has broad support in the Upper Midwest from farmers and miners who say they need the expanded rail capacity to move their coal, corn and ethanol to market. Supporters say it would create thousands of jobs in the region.

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The project "advances a lot of federal policies that are important in different ways — energy, agriculture and transportation," said DM&E President and Chief Executive Kevin Schieffer.

Thune takes pride in helping the venture along. "The project could transform South Dakota's economy for generations," he said in a news release after the transportation bill became law.

But the railroad expansion is not without critics, foremost among them the world-famous Mayo Clinic in Rochester, Minn., which does not want more freight trains rumbling past its hospital complex.

Some opponents also charge that such a large federal loan guarantee for one company is a classic example of pork-barrel spending, and that Thune's recent connection to DM&E makes it unseemly.

"The DM&E subsidy and its backing by a former lobbyist turned senator represents many of the things that are wrong with Washington today," said Walter Mondale, the former vice president and a former U.S. senator from Minnesota. Mondale, now a lawyer in Minneapolis, used to be a trustee of the Mayo Clinic and opposes the rail project.

Mondale sees the potential DM&E loan guarantee as a giant earmark — a funding provision, usually of a few million dollars, that a lawmaker inserts into a spending bill for the benefit of his or her constituents. The transportation bill had more than 6,000 earmarks, including the storied "bridge to nowhere" intended to connect the Alaskan mainland to an island with 50 inhabitants.

"I consider the DM&E earmark to be even more egregious," Mondale said.

Matthew K. Rose, chairman and president of Burlington Northern Santa Fe Corp., whose BNSF Railway competes in the same region as DM&E, has called the loan guarantee "bad public policy."

"If the government allows non-market-based loans of this magnitude for certain carriers," he told a conference this month, "that will have a negative effect on railroads' ability and willingness to invest private capital."

The aid package is not an actual loan and would cost the U.S. nothing if the railroad paid its lenders back. Only if DM&E were to default on its loans would taxpayers have to foot the bill.

Still, the request has run afoul of budget watchdog groups.

The National Taxpayers Union, in a report this month, noted that DM&E already had the biggest federal rail rehabilitation loan guarantee ($233 million), and said the coal fields of the Powder River Basin were already served by two bigger railroads, the BNSF and the Union Pacific.

More fundamentally, it said, "floating a taxpayer-backed credit line to a private company is simply wrong."

Tom Schatz, president of Citizens Against Government Waste, said the sequence of events surrounding DM&E's request and the increasing of the government's loan guarantee authority raised the question of whether "Thune is still working for the railroad."

Thune declined to comment for this article, but his staff rejected any suggestion of impropriety. Spokesman Kyle Downey called it "a desperate attempt to smear the senator."

"The senator has spent his entire professional career in this area. He has a level of expertise going back two decades," Downey said. Thune is a former South Dakota state railroad commissioner.

In any case, Thune's staff says, he was a bit player in writing the loan authority increase into the transportation bill.

But a news release issued by Thune's office last year quoted Sen. Trent Lott (R-Miss.), a key author of the highway bill, as saying, "Sen. Thune's leadership and hard work were essential to making the [loan guarantee] provision a reality."

The accounting firm BearingPoint said in a report in May that even if DM&E were to secure the loans, the company's cash flow would fall short of the amount needed for debt repayment for at least two decades.

"The company appears to be a poor credit risk," BearingPoint said.

"We have serious concerns about the ability of DM&E to repay such a loan" — an outcome that would leave Washington holding the bag.

DM&E has dismissed the BearingPoint audit as based on incomplete information.

BearingPoint acknowledged that its analysis was imprecise because DM&E, as a privately held company, withheld financial data that publicly traded companies would have to divulge.

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The railroad company aims to replace 580 miles of old track and lay an additional 280 miles of new track with the $2.3 billion it could borrow with its loan guarantee. It intends to spend $4 billion in private funds modernizing its fleet of freight cars.

The proposal might have been clear sailing if DM&E's tracks did not run within blocks of the Mayo Clinic, which has organized a lobby called the Rochester Coalition to fight the railroad over safety concerns.

"In any category you want to look at — collisions, derailments, worker accidents — they are the least safe railroad in the country," said Rochester Coalition consultant Lawrence Mann, a Washington lawyer specializing in railroad safety.

In 2004, a DM&E train derailed when it hit an improperly aligned switch in Balaton, Minn., spilling 15,000 gallons of flammable alcohol and forcing the evacuation of 100 residents.

"If the Balaton accident had occurred in Rochester, it would have been catastrophic," said Mayo spokesman Chris Gade.

If Mayo is so concerned about safety, DM&E said, it ought to welcome the rehabilitation of track that dates back 80 years in some spots.

"From a safety standpoint," said CEO Schieffer, "it would be irresponsible not to be for this."

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Ethics Rules Send NIH Scientists Packing (AP)

By Rita Beamish

AP, October 28, 2006

Nearly 40% of the scientists conducting hands-on research at the National Institutes of Health say they are looking for other jobs or are considering doing so to escape new ethics rules that have curtailed their opportunity to earn outside income.

Most scientists say the ethics crackdown is too severe, and nearly three-quarters of them believe it will hinder the government's ability to attract and keep medical researchers, according to a survey commissioned by the government's premier medical research agency.

The tightened rules were put in place last year after NIH found dozens of scientists had run afoul of existing restrictions on private consulting deals that had enriched them with money from drug and biotechnology companies.

Outside income from such companies is now banned. NIH also is placing greater restrictions and disclosure requirements on employees' financial holdings.

"Of course we are concerned when any employees are saying they might consider leaving as a result of a change of policy," said Dr. Raynard Kington, the agency's principal deputy director. But he said in a telephone interview Friday that the survey results are muddy because they combine both those actively seeking to leave and those thinking about it.

NIH Director Elias Zerhouni, in a letter Thursday to the staff, said the survey "does suggest concerns about the impact of the regulations on recruitment and retention." But he added, "At this time we do not anticipate revisions in the regulations."

About 8,000 NIH employees, or about half the workforce, responded to the Internet-based survey.

Employee job satisfaction was high overall, the survey found. But 39% of the scientists researching disease and cures — known as tenure and tenure-track scientists — said they actively were seeking new work or considering leaving NIH because of the rules.

Overall, 3,336 NIH scientists responded to the survey, including 512 tenure and tenure-track researchers.

Among all NIH scientists, only 18% said they were trying to leave or considering it. Those who are not in the tenure group typically do not conduct research themselves and instead manage outside research conducted with NIH money by universities and other non-federal entities. They are less likely to have private consulting opportunities.

One-third of all NIH scientists said they believed the new rules will hurt NIH's ability to fulfill its mission, and most said the old rules could have been enforced better rather than tightened.

NIH officials said they now want to question former and potential employees to see how the changes influenced their decisions.

Kington highlighted a finding that nearly nine in 10 scientists reported they still intend to work at NIH a year from now. Despite rumblings of low morale, he said the scientists' job satisfaction rate of 81% reflects one of the government's most positive workforces.

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Officials also emphasized employees' belief that the new rules will boost the agency's credibility with the public. Seventy-three% of the employees who responded agreed with that, the survey found.

"We have to monitor closely and we'll continue do that, and if we show through our evaluations objective evidence of an impact on our ability to recruit and retain the smartest staff, scientific and non-scientific, that we can, then we will be the first ones to make the case for modifying the rules, but we're not there yet," Kington said.

One NIH administrator who left over the ethics rules said the agency's changes were handled poorly.

"Dedicated public servants were harassed right out of NIH. That's a disservice to us all," said Edward Maibach, the former associate director of the biggest NIH component, the National Cancer Institute. He is now director of Public Health Communication at the George Washington University. Maibach said he left the NCI nearly two years ago because new financial disclosure requirements invaded his privacy.

The changes are "a dramatic backlash," to earlier policies encouraging outside work by NIH scientists to speed practical application of scientific advances, he said.

Arthur Caplan, medical ethics chairman at the University of Pennsylvania, said tighter rules were needed but "we still haven't figured out exactly how to manage conflict of interest."

"To have a large number of the senior scientists unhappy spells trouble. You don't want them to retire or leave," he said.

"The leaders of the NIH and in Congress have to think a bit harder about giving a tiny bit of breathing room so that NIH scientists are not sent into a monastery from which they can't ever come out in the name of scientific integrity."

NASA Deciding Whether To Close A Window Into Space (WP)

By Marc Kaufman, Washington Post Staff Writer

The Washington Post, October 29, 2006

Future of Hubble Telescope to Be Announced on Tuesday

As NASA learned when it canceled a planned shuttle mission to keep alive the Hubble Space Telescope almost three years ago, its orbiting source of jaw-dropping intergalactic images and deep insights into the early days of the universe had become something of an astronomic rock star.

The scientific and public response was overwhelming: The then-14-year-old Hubble had to be saved before its batteries and gyroscopes failed, and NASA was seriously misguided for refusing to send a shuttle crew to keep it running. This view was strongly endorsed by an expert panel convened by the National Academy of Sciences in late 2004.

Soon after, Michael D. Griffin became NASA administrator and agreed to reconsider the Hubble mission. On Tuesday, he will announce whether the telescope will be repaired or will be allowed to gradually run out of steam.

NASA said Friday that a series of events and briefings will follow the announcement at Goddard Space Flight Center in Greenbelt -- the kind of activity that often accompanies a decision to go ahead with a big mission. But agency officials said that no decision had been reached and that Griffin will study the pros and cons over the weekend.

"Every scientist on the face of the globe, and many people in the general public, are watching this, looking forward to a decision," said Mario Livio, head of the science program at the Space Telescope Science Institute in Baltimore, which manages the Hubble's scheduling and research for NASA. "I'm cautiously optimistic, but there are so many factors involved."

For Griffin, it is a tough choice -- balancing the undeniable success of the Hubble against the equally undeniable risks to the astronauts who would fix it, as well as the unforgiving schedule of shuttle flights needed to complete the international space station.

The decision by his predecessor, Sean O'Keefe, to scrub the Hubble repair mission was made after the 2003 Columbia disaster, when it was not clear when the shuttles would get back into space.

Griffin has often said that he believes the telescope is one of the great scientific instruments of all time and that it deserves to be repaired.

"If we can do it safely, we want to do it," Griffin said at a September briefing after the successful landing of the space shuttle Atlantis. "But we have new constraints on . . . the space shuttle system. We have a new understanding of its fragility and vulnerability."

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An aerospace engineer, Griffin worked for two years in the early 1980s on issues related to the Hubble project.

Among the major constraints are that the space shuttle fleet is aging fast and that NASA is eager to finish assembly of the space station by 2010, so the three remaining spacecraft can be retired. A mission to Hubble could interfere with the schedule.

After two fatal shuttle disasters, NASA is also increasingly focused on safety and on having backup systems for crews if their spaceship gets damaged. In theory, the international space station is the standby shelter for a spacecraft in trouble, but it would be unreachable on a flight to the Hubble. That is because the orbits of Hubble and the space station are very different, and a shuttle launched to the Hubble would not have the fuel and power to shift orbits to reach the station.

As a result, the crew of a Hubble-bound shuttle has only about three weeks' time to repair any damage to the spaceship. That would hardly leave time for the final contingency, preparing and launching a second shuttle for a rescue mission.

"We've had three successful shuttle missions since Columbia, and we've learned a lot about inspecting and repairing the vehicle," NASA spokesman Allard Beutel said. "So we have a lot more capability and flexibility, but clearly some safety issues remain."

Griffin met with his top lieutenants Friday for a final discussion of whether the mission can be done safely and without too much disruption to the space station assembly schedule.

Reflecting Griffin's hope to make room for the mission, a Hubble launch has been penciled in for spring 2008, though officials say the date is a place-holder rather than a sign that a positive decision has been made.

The Hubble, which has been repaired and upgraded four times by astronauts since it was launched in 1990, has had a remarkable record of scientific breakthroughs.

Because it orbits 380 miles above Earth, away from the haze of the atmosphere, it can identify and photograph distant galaxies and matter never before examined. Astronomers have used Hubble images to fix the age of the universe at 13.7 billion years, to discover massive black holes at the center of many galaxies, and to explore a mysterious force called dark energy, which, by acting against the forces of gravity, is causing the universe to expand. Livio of the Space Telescope Science Institute said dark energy is probably the most significant issue in physics today, and losing Hubble would freeze promising research into its nature for as much as a decade.

But some believe Hubble's greatest accomplishment lies in a less rarified realm -- that it has greatly popularized astronomy with its stunning and awe-inspiring images of the universe.

Each of the four earlier Hubble repair missions included some upgrading of instruments, and a possible fifth mission would similarly increase its capacities. Two powerful -- and very expensive -- instruments have been manufactured specifically for the Hubble. They would greatly increase the telescope's ability to look deep into space and to study the chemical composition of the far-distant gas between galaxies.

Livio said the unprecedented power of the new Wide Field Camera 3 would, for instance, enable astronomers to learn about even earlier phases of the universe's formation by making observations in the infrared and ultraviolet wavelengths. The new Cosmic Origins Spectrograph will examine the subatomic baryon particles that inhabit the space between galaxies. The instruments cost $200 million and may have no other use if they cannot be delivered to the Hubble, Livio said.

If Hubble is not repaired, NASA estimates that it will probably keep working into 2008 or 2009. The James Webb Space Telescope, a replacement of sorts but with different capabilities, is scheduled to be launched in 2013.

NASA officials say the Hubble repair decision will be made on the basis of safety, engineering and scheduling concerns, but it will also say a lot about NASA's priorities. The speed-up in assembly of the space station is both because it is well behind schedule, and because NASA is eager to get out of the space shuttle business so it can focus on President Bush's initiative to return to the moon by 2020 and then explore Mars.

The costs of both the shuttle program and the new manned exploration mission are great, and NASA has said the basic science budget will grow more slowly or be cut as a result. Because the telescope is one of the gems of the NASA science directorate, some see the fate of Hubble as indicative of where the agency is headed.

"This is a terribly important decision, and it has so many political and scientific overtones," said J. Craig Wheeler, astronomy professor at the University of Texas at Austin and president of the American Astronomical Society.

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"It's very important for those who want to continue working with Hubble, important for those who want to do other space science, and it's important as an indication of that evolving balance between space science and human space exploration," he said. "And it shows that NASA has an enormous number of big issues on its plate right now."

OTHER NEWS:

It's Not The Economy, Stupid (WP)

By Jacob S. Hacker

The Washington Post, October 29, 2006

In the final days of this fall's campaign, Republicans have turned to an unexpected issue: the economy. President Bush touted the nation's prosperity last week, insisting that "a strong economy is going to help our candidates."

And why not? The Dow is soaring. Unemployment is low. Inflation is tame. Gas prices are falling. And the overall economy has been growing steadily. If Americans practice what political scientists call "retrospective voting" (captured by President Ronald Reagan's famous question: "Are you better off today than you were four years ago?"), then one would think that incumbent politicians should be cruising to victory.

There's just one problem: Despite the sunny talk and favorable numbers, voters aren't happy with the economy. Though they've become somewhat more positive in recent weeks, they remain strikingly dissatisfied -- and favor Democrats by wide margins on economic issues.

Many observers have attributed the disconnect to the war in Iraq. Unhappiness over the conflict, they argue, is coloring voters' economic perceptions. Yet a similar disconnect played out in the early 1990s, when voters also felt much more negative about economic conditions than the numbers would have suggested. Then, as now, conventional economic indicators didn't seem to capture voters' fundamental anxieties -- the sense that their jobs, health care, pensions and family finances were ever more at risk.

In this climate, Republicans bragging about the economy may appear not as saviors, but as out of touch -- much as the administration appears on the other dominant campaign issue, the war in Iraq. Just as events in Iraq undermine GOP reassurances about the conflict, so anxious financial discussions in American homes help explain why Republicans are gaining so little from today's economic numbers -- numbers that once would have seemed like tickets to victory.

In the past, the link between economic conditions and election results seemed simple. Economist Ray Fair's landmark 1978 paper "The Effect of Economic Events on Votes for President" in the Review of Economics and Statistics showed that a simple forecast based on election-year economic numbers (primarily inflation and economic growth) did a remarkably good job of predicting the result of presidential elections in the 20th century.

But models such as Fair's are becoming increasingly less reliable, according to Dartmouth political scientist Joseph Bafumi in a recent paper, "The Stubborn American Voter." For example, Fair's approach overshot President Bush's margin of victory in 2004 by 6.5 percentage points. And the last president to lose an election when the raw economic numbers predicted otherwise in Fair's equation was George H.W. Bush, running for reelection in 1992.

Some analysts have described current voter angst as a hangover of economic success. "Americans have developed perfectionist standards," economics columnist Robert J. Samuelson has argued. "We expect total prosperity and are disappointed by anything less." And conservative pundit George Will recently decried the nation's "economic hypochondria" -- an entitlement mentality characterized by a low threshold for economic pain.

But the problem isn't the public -- it's the standard statistics used to judge the economy. Inflation, unemployment and economic growth all capture economic performance at a particular moment or period. Yet a growing body of theory and evidence suggests that to understand public perceptions, one should look at the security and stability of family finances over time. With that perspective, the grounds for unease suddenly look much clearer.

Consider the evidence of rising income inequality in the United States. In a path-breaking recent paper, "The Evolution of Top Incomes: A Historical and International Perspective," Thomas Piketty of Ã‰coles Normales SupÃ©rieure in Paris and Emmanuel Saez of the University of California at Berkeley have shown that the share of national income held by the richest 1

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percent of Americans -- stable at about 32 percent throughout the middle decades of the 20th century -- began to rise sharply in the late 1970s and by 2002 had surpassed 40 percent. In the past few years, most income gains have gone to people at the very top of the income ladder, with middle-class Americans seeing only a small boost in their economic standing.

Yet there's another reason for middle-class dissatisfaction. Many assume that growing income inequality means that rich people are becoming steadily richer. But virtually all income statistics are based on annual snapshots of Americans' finances, so they cannot tell us whether rich people stay rich -- or whether poor people stay poor. In other words, these statistics tell us about inequality, but not about mobility -- either up the income ladder or down it.

This is a major oversight, because there's good reason to think that our economic lives are more unstable than they used to be. Bankruptcy, for instance, is much more common today than it was just 25 years ago, and research by Elizabeth Warren of Harvard Law School -- presented in a 2003 law review article, "Financial Collapse and Class Status" -- shows that many of those who file for bankruptcy were once squarely middle class. Princeton economist Henry Farber, in his article "What Do We Know About Job Loss in the United States?" has found that the likelihood that a worker will lose a job over a three-year period has been rising -- and is now about as high as it was in the early 1980s, which saw the worst economic downturn since the Great Depression.

In my own research using the Panel Study of Income Dynamics -- a survey that has traced a large sample of Americans over time -- I've found that family incomes have become much more unstable since the 1970s; the gap between our income in a good year and our income in a bad year has expanded. Increasingly, it seems, Americans are living on a financial roller coaster.

Of course, roller coasters go up as well as down, so it's tempting to think that the net effect of economic instability is a wash. But instability causes hardship even when the "average" experience stays constant. In their seminal 1979 article "Prospect Theory: An Analysis of Decisions Under Risk," psychologists Daniel Kahneman and Amos Tversky showed that people dislike losing things they already have much more than they like gaining things they don't have -- a phenomenon known as "loss aversion." As a result, losses in income are psychologically difficult even when followed by equal or even larger gains. And, of course, it's on those downward trips that people lose their houses, their jobs, their retirement savings and other staples of middle-class life.

Loss aversion is surprisingly strong. In a recent nationwide survey by the polling firm Lake Research Partners, respondents were asked whether they preferred "the stability of knowing your present sources of income are protected" or "opportunity to make money in the future." By a two-to-one margin, Americans chose stability over opportunity.

This helps explain why Americans are so dissatisfied with the current economy. They see the overall gains, but they don't think that those gains have translated into greater security for their families, and they're worried about the risk -- whether it be the loss of a job, unexpected medical costs or some other setback. A majority of registered voters say the economy is getting better, according to a Washington Post-ABC News poll last week. But more than three-quarters still say they are either falling behind or just holding steady. The actual or possible erosion of safety nets (such as Social Security, guaranteed pensions and workplace health insurance) only heightens such concerns.

Loss aversion may also help explain the muted public reception to Bush's "Ownership Society" agenda, which was shelved after his proposal for private Social Security accounts crashed and burned (though, much to the dismay of Republican candidates, Bush recently said he wants to tackle the issue again). According to polls, many voters thought they would do better with private accounts. Yet they intensely feared the risks, such as a stock-market downturn or outliving their savings.

Does all this foretell a major shift in U.S. politics, as increasingly insecure Americans demand change? Democratic pollster Nancy Wiefek thinks so. "The main political cleavage now is no longer income but risk," she said. And in Europe, according to recent studies by Harvard scholar Torben Iversen, voters appear capable of figuring out how at risk they are, and supporting or opposing specific social policies in response.

However, competitive left-of-center parties in Europe put ambitious alternatives on the agenda. In the United States, despite public unease, Democrats have talked mostly about the minimum wage and Wal-Mart, rather than trying to mobilize the risk-fraught middle class.

The continuing economic disconnect carries a clear prescription: Republicans would do better to acknowledge middle-class strains, rather than to just repeat the strong-economy mantra. In a 2005 strategy memo, Republican political consultant

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Frank Luntz put "insecurity" at the top of his list of "words that work" in connecting with voters on the economy. It still works -- but it's likely to be working for Democrats, not Republicans, on Nov. 7.

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Where We Went Wrong (WP)

By Dick Armey

The Washington Post, October 29, 2006

Somewhere along the road to a "permanent majority," the Republican Revolution of 1994 went off track. For several years, we had confidence in our convictions and trusted that the American people would reward our efforts. And they did.

But today, my Republican friends in Congress stand on the precipice of an electoral rout. Even the best-case scenarios suggest wafer-thin majorities and a legislative agenda in disarray. With eight days before the election, House speaker-in-waiting Nancy Pelosi has already begun her transition planning.

Where did the revolution go astray? How did we go from the big ideas and vision of 1994 to the cheap political point-scoring on meaningless wedge issues of today -- from passing welfare reform and limited government to banning horsemeat and same-sex marriage?

The answer is simple: Republican lawmakers forgot the party's principles, became enamored with power and position, and began putting politics over policy. Now, the Democrats are reaping the rewards of our neglect -- and we have no one to blame but ourselves.

In 1989, Newt Gingrich rose to the number two leadership position in the House after a contentious three-way race pitting young backbench conservatives such as myself, Bob Walker, Joe Barton and others against old bulls such as Minority Leader Bob Michel and other ranking members. We thought they suffered from a minority party mindset and were too accommodating of the Democrats. Out of congressional power for nearly two generations, Republicans had become complacent. Senior members of the party were happy to accept the crumbs afforded by Democratic chairmen. Life was comfortable in the minority as long as you did not rock the boat. Members received their perks -- such as travel abroad and special banking privileges -- and enough pork projects for reelection. The entire Congress lived by the rule of parochial politics.

Gingrich and I and a handful of true believers in Ronald Reagan's conservative vision set the goal of retaking the House. The "Contract With America" outlined our platform of limited government. This vision appealed to both the social and economic wings of the conservative movement; equally important, it included institutional reforms for a Congress that had grown increasingly arrogant and corrupt. The contract nationalized the vision of the Republican Party in a way that unified our base and appealed to independents. We championed national issues, not local pork projects or the creature comforts of high office.

In 1994, this vision was validated when Republicans took 54 seats in the House, eight seats in the Senate and control of both houses of Congress.

Welfare reform in 1996 only affirmed the revolution. Bureaucrats, special interests and the White House all claimed that the sky would fall if we touched this failed Great Society program, but we held firm. When you take on a sacred cow, you must kill it completely -- tinkering on the margins is ineffective. In the end, the reform proved so successful and popular that President Bill Clinton (who rejected the original bill twice) considers it one of the best ideas his administration ever had.

At one point during the welfare reform debates, a member approached me and said, "Dick, I know this is the right thing to do, but my constituents just won't understand." I told him, "So you're telling me they are smart enough to vote for you but not smart enough to understand this?" He ended up voting to pass the bill.

Yet despite such successes, we didn't learn the right political lessons. A few months before the victory on welfare, we lost the battle over the federal government shutdown of 1995, when we were outmaneuvered by Clinton, a masterful political operator. After that fight, too many Republicans apparently concluded that America wanted bigger government. This misreading was the first step on the road away from the Reagan legacy.

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We emerged as a wounded party; we stopped trusting the public; and we internalized the wrong lesson. Since the party won the majority in 1994, the GOP Conference had been consistent in requiring offsetting spending cuts for any new spending initiatives. (In fact, during the aftermath of a large Mississippi River flood, Rep. Jim Nussle even waited to find and approve offsets before moving the relief legislation for his own state of Iowa.) But by the summer of 1997, the appropriators -- rightly called the "third party" of Congress -- had begun to pass spending bills with Democrats. As soon as politics superseded policy and principle, the avalanche of earmarks that is crushing the party began.

Now spending is out of control. Rather than rolling back government, we have a new $1.2 trillion Medicare prescription drug benefit, and non-defense discretionary spending is growing twice as fast as it had in the Clinton administration. Meanwhile, Social Security is collapsing while rogue nations are going nuclear and the Middle East is more combustible than ever. Yet Republican lawmakers have taken up such issues as flag burning, Terri Schiavo and same-sex marriage.

They're fooling only themselves.

If Democrats take control of Congress on Nov. 7, they will form an accidental majority. They are not succeeding because of their principles or policy proposals, but simply because they have kept their heads down. Republicans, fearful of taking on big tasks and challenges, may be defeated next month by a party that offers nothing on the key issues of our day.

Pelosi says she would preside over a moderate Democratic majority, and has committed to raising taxes only as a last resort. But Democratic policy goals such as nationalized health care and low-interest student loans are expensive, and dozens of new spending "priorities" will crop up as soon as the election results are tallied. Democrats have promised that all new spending will be offset by tax increases, so will they raise taxes in the run-up to the 2008 race?

In essence, Pelosi will be forced to choose between a vocal base -- expecting immediate satisfaction on issues such as withdrawing from Iraq, legalizing same-sex marriage and the impeachment of President Bush -- or policies that are tolerable to a majority of Americans. That's quite a dilemma: appeasing a base that has been hungry for political revenge since 2000 and 2004, or alienating moderate and swing voters.

Pelosi has stated that House committee chairmen will be chosen by seniority. This could backfire on the Democrats, because members from the most consistently partisan districts are usually the ones who stick around the longest. Chairmen have the power of the subpoena; Rep. John Conyers Jr. (D-Mich.), the would-be judiciary chairman, has already drafted articles of impeachment for Bush, while others are calling for investigations on the war in Iraq and the federal reaction to Hurricane Katrina. A revenge-hungry Democratic majority, substituting political grudge matches for serious policy, will not remain a majority for long.

How can the Republicans respond?

The leadership must remember that the modern conservative movement is a fusion of social and fiscal conservatives united in their belief in limited government. The party must keep both in the fold. Republicans also need to get back to being the party of big ideas. The greatest threat to American prosperity today is a catastrophic fiscal meltdown resulting from long-term entitlements. Democrats have already lined up behind the solution of raising taxes and reducing benefits. But Americans want more freedom and choice in education, health care and retirement security. Republicans -- too busy dreaming up wedge issues to score cheap points against Democrats -- have lost sight of their broad national agenda.

The likely Republican losses in next week's elections will not constitute a repudiation of the conservative legacy that drove the Reagan presidency and created the Contract With America. To the contrary, it would represent a rejection of big government conservatism. When we get back to being the party of limited government, putting a national agenda ahead of parochial short-term politics, we will again be a party that the American voters will trust to deal with the serious challenges facing our nation.

The 2006 midterm elections will be a success for the Democrats. Republicans will have to manage their own disappointment. Fingers will be pointed, and various villains will be fashioned out of recent events. But the plain fact is that Republicans have been setting the stage for this outcome for nearly a decade, running from themselves and their own principles. We will not find ourselves by conforming to the status quo, but by returning to our Reagan roots.

When we act like us we win. When we act like them we lose. Let's win.

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Return Of The Yellow Dog (WP)

By Michael Kinsley

The Washington Post, October 29, 2006

In a remarkable editorial on Wednesday, the New York Times endorsed Diane Farrell for Congress from a district in Connecticut.

Who is Diane Farrell? I have no idea, and the Times seemed to have not a lot. After eight years as first selectman of Westport, the paper noted somewhat desperately, "she has a better understanding than most legislators of the impact of federal mandates and tax policy on local government." By contrast her opponent, Christopher Shays, has held the seat for almost 20 years and been endorsed by the Times "in every race in which he has faced a serious opponent" -- until now.

Shays is a Republican, but not excessively so. He's moderate in policy and in temperament. In fact, he's just the kind of Republican that the Times ordinarily likes to dig up and endorse to prove that it's not blindly Democratic. And they still like him: "[W]e have admired his independence and respected his leadership."

Yet the Times decided to "strongly endorse" Shays's opponent, entirely because she's a Democrat. Or rather, because she is not a Republican: "Mr. Shays has been a good congressman, but not good enough to overcome the fact that his re-election would help empower a party that is long overdue for a shakeup."

One of the axioms of small-d democratic piety in this country is that you vote for the person and not the party. People just love to say, "I evaluate each candidate on his or her own merits" -- even when it's not true.

But this year does seem to be different. You hear people say -- though rarely as forthrightly as the Times -- that they are voting for the party and not the person. The Republican candidate for the Senate or House may be saintlike in general, no worse than muddled on the war in Iraq and good on stem cell research. She may never even have met Jack Abramoff.

Meanwhile, the Democrat may be a grotesque hack just inches from indictment, whose views on Iraq are equally muddled with less excuse (since loyalty to the president is not a factor). Nevertheless, these New Yellow Dogs are voting for the Democrat, simply out of anger at or frustration with the Republican Party.

The term "yellow dog Democrats" used to mean someone who would vote for any Democrat over any Republican, even if the Democrat were a yellow dog. In recent decades there has been no such person, but this year the dog might have a shot.

And for those who might feel sheepish (to introduce another animal) about voting the party line, my advice is: Relax. There is nothing wrong with voting for the party rather than the person. In fact, there is even nothing wrong with blindly voting for the Democrat (or, I suppose, the Republican) even if you know nothing else about him or her.

In other democracies, such as Britain, this person-not-the-party piety is not just unknown; it would be hard to comprehend. Whatever Burke may have said, a member of Parliament is your representative. He or she runs on a party platform promising various things, and if that party wins a majority of seats it "forms a government." You would be silly to vote for the person and not the party. The party's views are what counts. The person's views are almost irrelevant.

Even under the American arrangement, there is nothing ignoble about voting the party line. It is an efficient way to minimize your information costs. A candidate's party affiliation doesn't tell you everything you would like to know, but it tells you something. Indeed, it tells you a lot -- enough so that it makes sense to vote your party preference even when you know nothing else about a candidate. Or even vote for a candidate you actively dislike.

True, people might question your sanity if you were to declare that you were voting for the Democratic Party agenda. The what? If there's anything worse than ignoring that famous elephant in the room, it's imagining a donkey that's not in the room. Even so, a vote for the Democrat is a vote against the Republican. And voting "no" to a record of failure is more important for the functioning of democracy than voting "yes" to any number of promises about the future.

It was not Newt Gingrich's Contract With America that caused the great Republican sweep of 1994: It was disgust, skillfully nurtured by Republicans, with the Democratic-controlled Congress.

Disgust for Congress is higher than ever. But this time around, at least until recently, the disgust has seemed to be less partisan. The Democrats were not as ruthless or as skilled about associating the sins of Congress with the party that controls it.

So what do you need? Permission? You've got it. I give you permission to vote for -- or against -- the party and not the person. And don't forget to vote.

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What Democrats Would Do (WP)

The Washington Post, October 29, 2006

Their agenda is a hodgepodge of good ideas, bad ideas and no ideas.

PERHAPS, AS President Bush says, it's too early for Democrats to be "measuring their drapes" in congressional leadership offices. But with it looking increasingly as if Democrats, after 12 years in the minority, will take over the House at least, it's worth looking at their stated agenda -- "A New Direction for America" -- for a glimpse at what a Democratic majority might entail.

On national security, the House Democrats' plan offers more goals than details. Who could disagree with promises to "eliminate Osama Bin Laden, destroy terrorist networks like al-Qaeda, finish the job in Afghanistan and end the threat posed by the Taliban" or "redouble efforts to stop nuclear weapons development in Iran and North Korea?" But the hard part -- on which Democrats offer no details -- is how that is to be done.

On Iraq in particular, the agenda calls for "the responsible redeployment of U.S. forces," with "Iraqis assuming primary responsibility for securing and governing their country." Again, what's missing are the details of what "responsible redeployment" might look like. "Insist that Iraqis make the political compromises necessary to unite their country and defeat the insurgency," the Democrats say. Okay, what if that insistence doesn't yield the desired result?

As to another piece of the security agenda, energy independence, the Democrats assert that they will "achieve energy independence for America by 2020 by eliminating reliance on oil from the Middle East and other unstable regions of the world" -- a super-sized version of Mr. Bush's pledge to "replace more than 75 percent of our oil imports from the Middle East by 2025." The Democratic plan for doing this -- tax credits and research funds -- sounds remarkably like the Bush approach, down to increased use of switch-grass ethanol. Unlike the president, the Democrats rightly frame energy independence as an environmental as well as national security issue; like the president, they're unwilling -- for the obvious reason that they don't want to be branded as tax-raisers -- to recommend a carbon tax.

The agenda is heavy on ideas -- raising the minimum wage, letting the government negotiate Medicare drug prices -- that may have more popular appeal than real-world impact, though we agree it's past time for the minimum wage to go up. Other proposals sound good but are bad policy. Screening 100 percent of cargo containers at the point of origin would be expensive, time-consuming and impractical. The vow to "prevent outsourcing of critical components of our national security infrastructure -- such as ports, airports and mass transit -- to foreign interests that put America at risk" is more Dubai ports demagoguery.

Making the first $3,000 of college tuition tax deductible would be a wasteful way -- albeit one that resonates with voters -- of ensuring affordability if Democrats don't impose an income cutoff; none is mentioned in the proposal. The laudable pledge to lift the ban on federal funding for embryonic stem cell research passed the Republican-controlled House and would almost certainly again face a presidential veto.

The Democrats promise a return to "pay as you go" budget discipline, something that is sorely overdue. But the agenda does not then explain how to pay for a raft of new spending and tax credits, from cutting college loan interest rates in half to doubling funding for basic research to giving a $1,000 match to middle- and working-class families that contribute at least that much to a retirement account.

The agenda is best on outlining a specific new ethics package (though it's questionable whether even a Democratic-controlled Senate would be willing to go along) and promising a legislative process that is more open and fair to the minority. It's weakest in what it doesn't say about how to tackle the looming surge in entitlement spending. Predictably, Democrats renew their vow not to "privatize Social Security in whole or in part"; equally predictably, they are silent about what, precisely, they would do to put Social Security and, even more important, Medicare on a sustainable and affordable course. Also unmentioned are trade and immigration, issues on which the party, as well as voters, are divided.

Campaign documents are, almost by definition, gauzy things -- long on poll-tested rhetoric and short on specifics. Elections aren't the best time for politicians to be playing up sacrifice and hard choices. House Democrats say their document isn't meant to be a comprehensive menu, just an indication of priorities. But Democrats will need to do better than what they've proposed in 2006 if they are given the chance to govern in 2007.

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Running Against The Boogeyman (LAT)

Jonathan Chait

The Los Angeles Times, October 29, 2006

Jonathan Chait: Party of ideas? Not the GOP

WHEN Republicans explain their strategy for the upcoming election, the two phrases they always use are "referendum election" and "choice election" — and the latter is how they want to frame this year's vote.

A referendum election is one in which voters make their decision on the basis of whether the party in power deserves to stay there. From the Republicans' point of view, that's very bad because almost everybody believes they have failed miserably.

A choice election, on the other hand, is one in which voters weigh the two parties against each other. That kind of election gives the Republicans a fighting chance. The subtext of a choice election is: We may have screwed everything up, but the other party is worse. That's how President Bush won reelection.

In principle, the Republicans are right about this. Democracy is a process of compromises and imperfect choices. Asking the voters to compare the two sides is the right thing to do. The trouble is, that isn't really what the Republicans want to do at all.

How do I know this? Because the Democrats running for the House of Representatives actually have an agenda. Republicans aren't saying why the Democratic agenda is wrong, or why their own is better. They're just ignoring it.

If you're like most people, you probably have no idea what that agenda is. Let me list it:

• Put new rules in place to break the link between lobbyists and legislation.

• Enact all the recommendations made by the 9/11 commission.

• Raise the federal minimum wage to $7.25 an hour.

• Cut the interest rate on federally supported student loans in half.

• Allow the government to negotiate directly with pharmaceutical companies for lower drug prices for Medicare patients.

• Broaden the types of stem cell research allowed with federal funds.

• Impose pay-as-you-go budget rules, requiring that new entitlement spending or tax cuts be offset with entitlement spending cuts or tax hikes.

Republicans disagree with all these items. Indeed, the reason these items are on the Democratic agenda is that Republicans in Congress have blocked them from coming up for a vote. So where's the Republican rebuttal?

Now, I'm not saying that the GOP needs to hold some Oxford-style intellectual debate. But shouldn't the party offer some rebuttal?

You know, "Raising the minimum wage would kill millions of jobs," or, "Pay-as-you-go budget rules will require tax hikes or cuts in your Medicare benefits," or, "Why should we waste billions of dollars preventing terrorist attacks that haven't even happened yet?" These are just some off-the-cuff suggestions. I'm sure Republican political consultants could do better.

My point is, we're not even getting a debate about a caricature of the Democratic position, let alone the actual one. Instead, we're getting things like this: GOP Rep. John Hostettler of Indiana is running an ad warning that if Democrats take power and California Democrat Nancy Pelosi becomes House speaker, she "will then put in motion her radical plan to advance the homosexual agenda, led by Barney Frank, reprimanded by the House after paying for sex with a man who ran a gay brothel out of Congressman Frank's home."

What is the homosexual agenda? The ad does not say. (Apparently it involves raising the minimum wage and cutting the interest rate on government-backed student loans. I can just see it if the Democrats win — all those gay Wal-Mart employees, cackling with glee as they use their fat $7.25-an-hour salaries to pay off their suddenly puny college debts.)

Which is my point. Republicans don't want an actual choice election, they want to run against a mythological Democratic Party so frightening that the voters overlook all the GOP's failures.

Not all the Republican campaigns are as vicious and mindless as Hostettler's. But nearly all of those campaigns are trying to run against a boogeyman. They raise the specter of a radical Democratic agenda, but they refuse to say what they don't like about that agenda. And there's a good reason for that: It's popular.

Racism Enters The Races (LAT)

DOJ_NMG_0088044

The Los Angeles Times, October 29, 2006

The ads may not be overt, but across the country campaigns are trying to tap into a vein of fear and bigotry.

IT'S THAT TIME of year. A nip is in the air, the football season is nearly halfway over, the holidays are almost upon us and right on schedule — just before the Nov. 7 elections — the airwaves are full of racially tinged politicking. Republicans and Democrats, Northerners and Southerners alike, are attempting to tap a vein of voter fear and bigotry.

Commercials clearly pandering to prejudice, such as the infamous 1988 Willie Horton spot that painted Gov. Michael S. Dukakis as soft on crime and Sen. Jesse Helms' 1990 ad blaming affirmative action for taking jobs from white men, are yesterday's style. Today's is all about suggestion.

In Massachusetts, white Republican Kerry Healey, in a contest for governor with black Democrat Patrick Deval, is running a commercial that shows a nervous white woman being stalked. It ends with: "Deval Patrick, he should be ashamed — not governor," alluding to Deval's support for a rapist he believed was not guilty until a DNA test proved him wrong.

The spot is filmed from the perspective of the would-be attacker, and viewers are divided on what they see. Is the camera a stand-in for Deval? For black men in general? For attackers regardless of race?

Then there is the appalling flier recently put out by Democrats attacking Georgia Gov. George Ervin "Sonny" Perdue. It shows a photograph of a civil rights marcher being beaten to the ground by a white officer with the caption: "Remember this? Their last attempt to stop us from voting." Beneath is a photo of Perdue, the state's white governor, signing a voter identification bill into law, and the words: "Their current attempt to stop us from voting. Don't let the Bush/Perdue Republican Mafia take away our vote!"

Requiring an ID to vote is hardly the equivalent of racial disenfranchisement, but the ad taps into the anguish of the civil rights period and smears it all over the Republican leadership — without, of course, actually calling them baton-wielding racists.

The most masterful of the genre is the television spot in Tennessee targeting Harold Ford Jr. Ford is a black Democrat running for the Senate against Republican Bob Corker, and the commercial ends with a bare-shouldered blond urging Ford, a bachelor, to call her.

Ford admitted that he attended a Super Bowl party sponsored by Playboy, and social conservatives in Tennessee might be offended by this regardless of anyone's race. So isn't the issue fair game? Probably. And would it be better or worse for the ad's sponsors to insinuate that Ford's flirting must be with a black Playboy hostess instead?

Context provides the moral thicket. Consider that when South Carolina finally repealed its Constitution's ban on interracial marriage in 1998 — 31 years after the U.S. Supreme Court struck down such laws — almost half of white voters voted to keep it in place. These ads and commercials themselves may not be overtly racist, they just hope you are.

On Campaign Stop, Bush Rallies Loyalists (WP)

By Michael Abramowitz, Washington Post Staff Writer

The Washington Post, October 29, 2006

Indiana Event Kicks Off Stretch-Run Appearances for Embattled GOP Candidates

SELLERSBURG, Ind., Oct. 28 -- After months of fundraising, President Bush plunged into retail politicking for the first time this campaign season, telling a raucous crowd of several thousand Republican partisans on Saturday that the Democrats would raise taxes and retreat from Iraq if they win control of Congress next week.

The cheers were deafening inside the packed gymnasium at Silver Creek High School here when Bush emerged beaming, with his blue shirt-sleeves rolled up, alongside endangered Rep. Michael E. Sodrel (R-Ind.).

The crowd interrupted the president repeatedly with loud applause and chants of "USA! USA!" as he cast the Nov. 7 midterm elections as a decisive turning point in the affairs of the country.

"The outcome of this election will determine how much money you have in your pocket," Bush shouted, his voice seeming to crack at points. "The outcome of this election will determine whether this government does its most fundamental job, and that is to protect the American people."

Bush has devoted considerable time and energy raising money for GOP candidates around the country, but Saturday's event represented the first time he has tried to rally grass-roots Republican voters. White House officials have said the new

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campaign finance law restricting the use of unregulated campaign contributions for such events has made it harder for candidates to stage such rallies.

But Bush has also had to be careful about where to go, since in many states and congressional districts his presence could work against GOP candidates. Democrats have aired television ads targeting an assortment of Republican candidates by showing footage of them with Bush, whose popularity has slid markedly in the last year.

With 10 days to go until the election, Bush said Saturday he was going to "sprint to the finish line," and rallies are planned in the coming week in Georgia, Texas, Nevada and Montana, where incumbent Sen. Conrad Burns (R) is in a desperate battle to save his seat. White House officials are hoping the president's visits will energize GOP voters, a key factor in their assessment that they can still retain their congressional majorities.

In an interview Friday, White House Chief of Staff Joshua B. Bolten indicated Bush will not back away from his sharp focus on national security, and discounted polls suggesting the administration may be driving away independent voters with its policy on Iraq.

"The Iraq war has been a strain on this country for good reason. Nobody should like seeing on the screen the losses that we and the Iraqis are suffering there," Bolten said. "But I think when you vacillate on the principles you believe in, you end up alienating your base without winning the middle."

Bolten said that Bush remains undeterred from his basic approach to governing.

"A lot of the winning and losing here is going to be done in individual races that have almost nothing to do with the national policies," he said. "Clearly this is going to be a very close election for control. And there's a number of Republican seats now in jeopardy because of the Foley scandal, Bob Ney. . . . I don't think that actually implicates the fundamental policy or political strategy. I don't expect either a defeat or a repudiation."

Following the Indiana rally, Bush flew to South Carolina for a Republican National Committee fundraiser and a spirited rally with troops at Charleston Air Force Base.

Indiana, a heavily Republican state, is shaping up as a critical battleground in next week's elections, with at least three GOP incumbents high on the Democrats' target list. In the 9th District, which includes Sellersburg and other southern parts of the state, Sodrel ousted Democratic incumbent Baron Hill by 1,425 votes in 2004. He now faces a fierce rematch with the former high school basketball star.

Many high-profile figures of both parties have been here on behalf of the candidates, with former president Bill Clinton appearing for Hill and first lady Laura Bush and Vice President Cheney helping Sodrel raise campaign funds. Sodrel told the crowd Saturday that he was "proud to stand" with the president.

Hill used Bush's visit to attack Sodrel as a "rubber stamp for the administration."

In Washington, meanwhile, Senate Democratic leader Harry M. Reid (Nev.) reacted sharply to Bush's latest attacks on Democrats, saying that this Halloween the Bush administration was "running its national security policy like a Charlie Brown special" and was disguising the "scary facts" about the war.

Although the Indiana crowd was wild in its enthusiasm, at least one backer of the president voiced some anxiety about Iraq. Samantha Grimm, a registered nurse, said she "absolutely" supports the president on the war but asked: "When is it going to be over -- when do you say enough is enough?"

Bush reprised familiar themes about taxes and the war. However, he employed a new rhetorical device, as he once again accused congressional Democrats of repeatedly trying to block his anti-terrorism policies. Democrats say they simply want to carry out such policies while safeguarding rights.

"In all these vital measures for fighting the war on terror, the Democrats in Washington follow a simple philosophy: Just say no," Bush said. "When it comes to listening in on the terrorists, what's the Democratic answer? 'Just say no.' When it comes to detaining terrorists, what's the Democrat answer?"

"Just say no," the crowd replied.

Bush Rallies Base To 'Just Say No' (WT)

By Joseph Curl, The Washington Times

DOJ_NMG_0088046

The Washington Times, October 29, 2006

SELLERSBURG, Ind. -- President Bush yesterday yelled himself hoarse in his first public political rally of the 2006 election campaign, whipping thousands of supporters into chants of "USA!" as he criticized Democrats for being weak on national security and anxious to increase taxes.

Swooping into a Republican stronghold that on Election Day will be an early harbinger of whether Republicans hold control of Congress, Mr. Bush led the crowd in a chant that gave new meaning to an old Reagan-era slogan.

"The Democrats in Washington follow a simple philosophy: Just say no," the president said.

"When it comes to listening in on the terrorists, what's the Democratic answer? Just say no. When it comes to detaining terrorists, what's the Democrat answer?" Mr. Bush asked.

"Just say no!" the crowd shouted.

"So when the Democrats ask for your vote on Nov. 7, what are you going to say?"

"Just say no!" the audience replied.

With just nine days to go before the midterm elections, the White House has settled on a simple strategy: Turn out the base.

Yesterday's rally in the Ohio River Valley was aimed at boosting Republican Rep. Mike Sodrel, who is in a tough re-election battle with former Rep. Baron Hill. It was the first of Mr. Bush's nearly 90 political events this season that was open to the public. The latest poll shows Mr. Hill opening up a double-digit lead on Mr. Sodrel, who won the seat in 2004 by fewer than 1,500 votes. The president beat Sen. John Kerry in 2004 with 59 percent of the vote in this southern Indiana district.

Mr. Bush has spent the past few weeks visiting other districts he won handily in 2004, but where Republican candidates are struggling to hold on to conservative voters.

Last week, Mr. Bush raised funds for a Republican in Sarasota, Fla., where the president beat Sen. John Kerry by a 13-point margin in 2004. Even though Republicans outnumber Democrats 2-to-1 in the district, the party's candidate, car salesman Vern Buchanan, trails his opponent by 11 points in the latest poll.

The White House views a handful of races along the borders of Indiana, Kentucky and Ohio as pivotal to holding control of the House.

"The Ohio River Valley is the problem," a senior administration official said last week on the condition of anonymity. "I think we've got three seats really at risk."

Rep. John Hostettler, an incumbent whose district is in the southwestern part of Indiana, is trailing by seven points in the most recent poll. Several candidates in Ohio, including Rep. Steve Chabot, whose district borders Kentucky, are locked in tossup battles.

In Kentucky, another handful of races in districts along the river could determine who controls Congress. Rep. Anne M. Northup, who recently split with the president by calling for the resignation of Defense Secretary Donald H. Rumsfeld, is in a tossup race. Rep. Geoff Davis, the Republican running in a district that in 2004 delivered a 27-point victory for Mr. Bush, cannot pull away from his opponent, former Rep. Ken Lucas.

"If we lose three and [zero], it's going to be a very close-run thing, but we'll probably keep the House. ...That is to say, lose two or three in Indiana and lose none in Kentucky," the administration official said. "If it's two and [zero], we'll keep the House. If it's two and one, it's going to be a very close-run thing."

The White House knows the stakes in the Ohio River Valley: First lady Laura Bush, former first lady Barbara Bush and House Majority Leader John A. Boehner, Ohio Republican, have all made recent visits to Clark County, Ind. Press secretary Tony Snow drops into nearby Jeffersonville tomorrow.

Yesterday's presidential visit to Clark County, the first since Lyndon B. Johnson stopped here in 1964 to dedicate a post office, sent this tiny town into a tizzy. Residents lined the streets awaiting the motorcade, and businesses along Indiana Avenue posted "Welcome President Bush" signs.

The 4,000 supporters packed into a high school gymnasium remained on their feet throughout the president's 33-minute speech. They booed whenever Mr. Bush mentioned Democrats such as "the member from California, the ranking leader, the minority leader in the House, who wants to be the speaker ...."

Rep. Nancy Pelosi, he said, claims to "love tax cuts."

"Given her record, she must be a secret admirer," he said. Ticking off a list of votes the San Francisco liberal has cast against tax cuts, he broke the crowd up when he leaned into the microphone and shouted: "If this is the Democrats' idea of love, I wouldn't want to see what hate looks like."

Afterward, as the crowd filed out of Silver Creek High School, David Blocker of Elizabeth, Ind., said he "loved the speech."

The owner of a trucking company, who was wearing a shirt that said, "W -- Still the President," said he supports Mr. Bush's war on terrorism.

But Annette Dailey, a part-time UPS worker, said she will cast her vote against Mr. Sodrel, based on the president's Iraq policy.

"I've got three little boys, and I'd really like to see us get out of the role of being the world's bully," she said inside the family room of her home, which bore a yard sign for Mr. Hill. "I'm worried that 15 years from now, when they're of age, we're still going to be at war. I'd like for us to get back to where we take care of our own country first."

A Warm Welcome For Bush The Campaigner, In Indiana (NYT)

By Jim Rutenberg

The New York Times, October 29, 2006

SELLERSBURG, Ind., Oct. 28 — In an appearance that amounted to his first traditional campaign rally of the election season, President Bush on Saturday told wildly cheering supporters here that Democrats did not want to investigate, prosecute or even detain terrorists and had no plan for Iraq.

And, introducing a relatively new line in his election-year stump speech, Mr. Bush criticized the "activist" New Jersey Supreme Court's ruling this week that same-sex couples were entitled to the same legal rights and benefits as heterosexual couples.

"We believe that marriage is a union between a man and a woman and should be defended," Mr. Bush said, reminding the crowd of his two conservative Supreme Court appointees, Justice Samuel A. Alito Jr. and Chief Justice John G. Roberts Jr. "I will continue to appoint judges who strictly interpret the law."

Aides said Mr. Bush's appearance on Saturday was the first of many planned for the final days before the Nov. 7 election, as he pivots from the role of fund-raiser in chief to that of cheerleader in chief.

For Mr. Bush, it was a return to the kind of campaigning he likes best. He gave his speech in rolled-up shirtsleeves, standing before an ecstatic crowd packed into a high school gymnasium. They waved pompoms and held signs that said "Welcome to Bush Country" or simply "W," and hooted their support with deafening enthusiasm. Their cheers nearly overwhelmed the shouts of an antiwar demonstrator, whose protests were barely audible, and occasionally drowned out the president.

Mr. Bush went onstage with Representative Mike Sodrel, one of three Indiana Republicans facing tough Democratic opposition this year. The president's list of Democrats' deficiencies included their votes against the administration's program to wiretap phone conversations of terrorism suspects without warrants and their opposition to trying terrorism suspects in special military tribunals without habeas corpus.

"In all these vital measures for fighting the war on terror, the Democrats in Washington follow a simple philosophy: Just Say No," Mr. Bush said, borrowing the line from Nancy Reagan's 1980s campaign against drugs. He continued that theme in a call-and-response with the crowd, asking, "When it comes to listening in on the terrorists, what's the Democratic answer?"

"Just say no," the audience answered.

"When it comes to detaining terrorists, what's the Democratic answer?" Mr. Bush asked.

"Just say no," the crowd of roughly 4,000 answered.

"When the Democrats ask for your vote November the seventh, what are you going to say?" Mr. Bush asked.

"Just say no," the crowd replied.

Democrats and some Republicans in Congress have pushed for greater restrictions on the president's authority to order wiretaps without warrants. Jim Manley, a spokesman for Senator Harry Reid of Nevada, the Democratic leader, said they had called for a more solid legal foundation in trying terrorism suspects.

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Mr. Manley said the president was practicing “the politics of fear and smear.”

“Of course we want to listen to and detain terrorists,” Mr. Manley said. “We just don’t want to give the president a blank check.”

Continuing his national security theme, Mr. Bush left here for South Carolina to attend a rally for troops at the Charleston Air Force Base.

To a crowd of hundreds of servicemembers gathered on the tarmac, Mr. Bush gave a streamlined version of his stump speech, removing direct mention of Democrats or the coming election, and appeared to direct criticism at the opposition.

“I know some in America don’t believe Iraq is the central front in the war on terror — that’s fine, and they can have that opinion,” Mr. Bush said. “But Osama bin Laden knows it’s the central front in the war on terror.”

And he offered words for those who have lost loved ones in the war.

“I make them this pledge,” he said. “We will honor their sacrifice by completing the mission, by defeating the terrorists and laying the foundation of peace for generations to come.”

Mr. Bush has not set aside his fund-raising duties entirely. On Saturday evening, he appeared at a private event for the Republican National Committee on Kiawah Island, a resort community off the coast of South Carolina, that organizers said raised about $1 million.

In Campaign Mode, Bush Takes On Dems (AP)

AP, October 28, 2006

SELLERSBURG, Ind. (AP) — President Bush, campaigning aggressively ahead of the high-stakes Nov. 7 elections, said Saturday Democrats should not be trusted to control Congress because they have no idea how to win in Iraq.

"I want you to think about the Democrat plan for success. There isn't one," Bush told thousands of energized Republicans packed into a high school gymnasium. "They are in agreement on one thing — they will leave before the job is done, and we will not let them."

The rally was aimed at boosting GOP Rep. Mike Sodrel, facing former Democratic Rep. Baron Hill for the third time in a rural southern Indiana district so evenly divided between the parties that each man has won once.

Before leaving Washington, the president spoke for 50 minutes with Iraq's prime minister, seeking to ease recent tensions over a U.S. plan for benchmarks for reducing the violence.

Until the Indiana campaign stop, all of Bush's approximately 90 political events in the 2005-2006 election season were fundraisers with donors willing to pay a high price to see him.

The rally was the president's first free appearance and came in the final stretch of an election that will determine whether Republicans retain their majorities in the House and Senate.

The president has five more rallies scheduled so far through Thursday, in Texas, Montana and Nevada, and two in Georgia.

Later Saturday in South Carolina, Bush spoke to troops on a tarmac at Charleston Air Force Base, repeating his full-throated defense of his Iraq policy in a speech that was stripped of its earlier partisan jabs. But the appearance created potent images, as Bush, surrounded by troops in camouflage, strode into his audience's view from between hulking C-17 cargo planes as soaring music blared.

"It's a hard fight," the president said of Iraq. "And we've got a lot of brave citizens of ours in the midst of the fight. But we have a plan for victory."

The president also raised money for the Republican National Committee at a resort and spa on picturesque Kiawah Island. That fundraiser and one with Vice President Dick Cheney on Friday night, also on Kiawah, were expected to bring in $1 million total.

At the Indiana rally, a large group of protesters gathered across the road. But inside the steamy gym, the president basked in the reception. The screaming, foot-stomping audience frequently drowned out his words with applause, chants and cheers.

He was interrupted several times by people calling for the troops to come home, but supporters countered with "USA" chants.

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Bush — his sleeves rolled up, a wide grin on his face — gave out hugs and handshakes, cuddled babies passed up to him over the crowd and waved at his supporters. The wear of the campaign season showed in his voice, which sounded as if it might soon give out.

To support his claim that Democrats are offering no clear alternative to his leadership on Iraq, the president noted some Democrats have urged an immediate pullout of U.S. troops from Iraq, while others have advocated a specific date by which all American soldiers will come home or cutting off money for the war.

"Five years after September the 11th, too many Democrats still do not get it," Bush said. "The best way to protect the homeland is to find the enemy and defeat them overseas."

A new Associated Press-AOL News poll that found likely voters — angry at Bush and citing Iraq and the economy as their top issues — overwhelmingly prefer Democrats over Republicans. The poll found voters think Democrats would do a better job on Iraq by a 15-point margin.

And though Democrats have not coalesced around one Iraq strategy, the president's talk of benchmarks, tactics and goals has been criticized as also not clear. Bush refuses, for instance, to say what the consequences would be for the Iraqi government if it does not meet benchmarks.

"Since 2003, President Bush has laid out nine different plans for victory in Iraq, none of them serious and none of them workable. And most seriously, this incompetence has hindered our ability to fight international terror," said the Democratic candidate for Senate in Virginia, Jim Webb. A decorated Vietnam combat veteran whose son is on active duty in Iraq, Webb was selected to speak for his party in delivering the weekly radio response to Bush.

In recent days, a feud between the Bush administration and the Iraqi government has put the White House on the defensive and undermined the president's attempt to put a new face on his much-criticized Iraq strategy. After the videoconference, Bush and al-Maliki issued a joint statement saying they were "committed to the partnership."

Bush has taken lately to pleading with voters not to see the election as a done deal, trying Saturday to prevent GOP complacence with criticism of Democratic votes against his controversial proposal for detaining, interrogating and trying suspected terrorists

"In all these vital measures for fighting the war on terror, the Democrats in Washington follow a simple philosophy: Just say no," he said.

"So when the Democrats ask for your vote on November the 7th, what are you going to say?" Bush yelled. "Just say no!" the audience yelled back.

Also Saturday, on a conference call aimed at boosting Republican turnout, Bush told 3,000 local-level Republican activists of his electoral confidence.

In his speech, Bush stuck to his theme that Democrats would raise taxes if they gain control of Congress. "They want to get in your pocketbook," he said. "We're not going to let them."

Bush Picks His Battles In Friendly Country (LAT)

By Molly Hennessy-fiske And James Gerstenzang, Times Staff Writers

The Los Angeles Times, October 29, 2006

The president is in public campaign mode for Republicans -- and making sure to go only where he's wanted.

At his first campaign rally this election season, President Bush on Saturday galvanized supporters in a packed high school gym by pledging to oppose gay marriage, a theme Republican candidates have revived in the wake of a New Jersey court ruling in favor of gay couples.

"Activist judges try to define America by court order," Bush told the crowd of 4,000 at Silver Creek High School, flanked by Rep. Mike Sodrel (R-Ind.), who is running for reelection. "Just this week in New Jersey, another activist court issued a ruling that raises doubt about the institution of marriage. We believe marriage is the union between a man and a woman."

At that, the raucous crowd went wild, shouting "USA," stomping their feet and shaking dozens of red, white and blue pompoms.

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The New Jersey Supreme Court last week ruled that gay and lesbian couples in that state should have all the rights and benefits of marriage; the justices left it up to legislators to decide whether to call such partnerships marriages or civil unions. Same-sex marriage was a motivating issue for social conservatives in the 2004 election, but has been overshadowed in this year's campaign by the war in Iraq.

Constitutional amendments banning same-sex marriage will be on the ballot in eight states this November, including South Carolina, which Bush visited late Saturday to greet troops and attend a campaign fundraiser outside Charleston.

Bush has appeared at private fundraisers for individual candidates, but now is launching a string of five preelection public rallies in the next four days. He's speaking out on tax cuts, national security and same-sex marriage while playing to his base of conservative Republicans in such strongholds as Sellersburg, Statesboro, Ga., and Sugar Land, Texas.

With Republican control of Congress at risk, the president's visits and tone could determine the fate of a handful of close races.

Besieged Republican candidates have distanced themselves from the president in recent debates, TV ads and closed fundraisers as his approval rating remained below 40% this month. It has become increasingly difficult for the party to take advantage of the office of the president, GOP strategists say.

Democrats in Maryland, Missouri and Pennsylvania have launched ads that remind voters of their opponents' support for Bush.

"Michael Steele: Right for Bush, wrong for Maryland," says one of the latest TV ads from Democratic Rep. Benjamin L. Cardin, which features Lt. Gov. Steele praising Bush at the 2004 Republican National Convention. Steele is challenging Cardin.

On Friday, Democrat Jerry McNerney invited Bush to return to California's 11th District and campaign for Rep. Richard W. Pombo (R-Tracy), whom the president visited last month, because he "reminds voters that both Bush and Pombo are satisfied with the lack of ethics and integrity in Congress." McNerney is trying to unseat Pombo.

Bush's travel schedule was plotted last week based on where he could do the most good for candidates who are in close races in Republican areas, said Deputy Press Secretary Tony Fratto. Sodrel won his southern Indiana district two years ago by 1,425 of 283,000 votes. The president carried the district that year with 59% of the vote.

"He's going to tight races where we think his presence can help put a guy over the line," Fratto said.

The campaign landscape has changed dramatically since the midterm election of 2002, when Bush's approval rating was 64%. Back then, Bush targeted battleground districts for large, boisterous rallies.

But he has been more low-key this campaign season. At a Thursday fundraising rally in Michigan that brought in $700,000 for the Senate campaign of Mike Bouchard, a catering hall smaller than a high school gymnasium was less than half full.

Bush is to focus on red states during the coming week in the hope of drawing crowds and boosting beleaguered Republican House campaigns in states he won by large margins in 2004.

"That's where he's more useful," said Charles Black, a Republican strategist close to presidential advisor Karl Rove.

In a blue state like Pennsylvania, a presidential visit could hurt Republican Sen. Rick Santorum more than it helps, Black said. The state is home to 600,000 more Democrats than Republicans, voter registration records indicate.

"To win, [Santorum] needs to get all the Republicans and some of the Democrats. Well, the president's influence is good on the Republicans but could work against him among Democrats, so why put him there?" Black said.

Bush plans to campaign Monday in Sugar Land, where former Rep. Tom DeLay was a political fixture for more than a decade — more evidence of the degree to which Republicans are struggling. DeLay carried 63% of the vote two years ago and Bush won 64% in 2004. But the former House majority leader abandoned his reelection bid and resigned his seat after former aides pleaded guilty in the Jack Abramoff influence-peddling scandal.

The president is also scheduled to make repeat visits Monday and Tuesday to two Georgia districts, starting with a rally Monday in Statesboro for Max Burns, a Republican seeking to unseat incumbent Democratic Rep. John Barrow.

The district is so Republican, and so pro-Bush, that even Barrow is airing television ads that proclaim: "I agree with George Bush."

On Thursday, Bush is to hold a rally in Billings, Mont. — he won the state with 59% of the vote two years ago — then stop in Nevada.

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Bush will probably make 20 stops before election day to help House candidates, possibly in Ohio, North Carolina, Iowa, Indiana and Florida, according to GOP strategist Scott Reed.

"In this phase of the game, it's about winning a day in the news, and a visit by the president will about guarantee you win the day," Reed said.

He called Bush's agenda "a last-minute flurry to limit the losses … and keep the House from going Democrat."

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Hennessy-Fiske reported from Indiana and Gerstenzang from Washington.

Partisan Rhetoric Even In Wartime Sets Bush Apart (LAT)

Ronald Brownstein Washington Outlook

The Los Angeles Times, October 29, 2006

President Bush and Republicans in many of the nation's key races are presenting divergent, even contradictory, visions of how Washington should operate after next week's election.

Around the country, GOP incumbents and challengers alike are running against the relentless partisan conflict that defined the final years of Bill Clinton's presidency and have colored virtually every day of Bush's.

From House members such as Christopher Shays in Connecticut to Sens. Jim Talent in Missouri and Mike DeWine in Ohio and Senate challengers in Maryland, New Jersey and Tennessee, Republicans almost everywhere are presenting themselves as flexible and independent problem solvers who will reach across party lines to build consensus on difficult issues.

Bush is moving in the opposite direction. As he often does when he's under political pressure, he's accentuating the disagreements between the parties and presenting the differences in the starkest possible terms. He's displayed that instinct most clearly in the highly charged way he has framed the debate over Iraq and the war on terrorism.

Bush now routinely labels Democrats "the party of cut-and-run." At a recent Republican fundraiser, Bush went much further. "The Democrat Party … has evolved from one that was confident in its capacity to help deal with the problems of the world to one that … has an approach of doubt and defeat," he declared.

Bush has absorbed his share of body blows from Democrats criticizing his management of the war. But tagging his rivals as the party of "defeat" is nonetheless extraordinary language for a commander in chief to use in a political campaign.

Other wartime presidents have been much more reluctant to argue that only their party was committed to success. Consider the way President Johnson approached the 1966 elections as the Vietnam War was escalating. To begin with, Johnson spent most of that October away from the campaign, on a 17-day tour of Asia that included Vietnam.

Then, at a news conference just before election day, Johnson dismissed the idea that congressional losses for the Democratic Party would affect either the thinking of the North Vietnamese or America's support for the troops in the field. If Republicans gained seats, he continued, "They may talk, and argue, and fight, and criticize, and play politics from time to time, but when they call the vote on supporting the men … in the Senate it will be 83 to 2 and in the House it will be 410-5."

In 1942, the first election after Pearl Harbor, President Franklin D. Roosevelt was even more emphatic about separating war and politics. Roosevelt spent much of that fall visiting defense facilities on a tour during which he barred press coverage and insisted on being accompanied by Republican as well as Democratic local officials. When the chairman of the Democratic National Committee suggested that a GOP takeover of the House would be bad for the country, Roosevelt publicly rebuked him.

Even President Nixon displayed more restraint during the 1970 midterm election. Nixon barnstormed the country asking voters to elect members of Congress who would support his war policy. But he took pains to avoid claiming that only his party wanted to win. "This is not a partisan issue," Nixon declared that October at a rally for a Texas Republican Senate candidate named George H.W. Bush.

Can that Bush's son succeed with his more polarizing strategy? It depends on how success is defined. His sharp attacks on Democrats could rally the conservative base enough to maintain a slim Senate majority by holding GOP seats in enough right-

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leaning states, such as Missouri and Tennessee. Though it seems much less likely, it might even help the GOP hold enough Republican-leaning House seats to eke out a tiny majority in that chamber.

But even if Bush succeeds, such a result still will measure how much he has retreated from his hopes of building a broad majority coalition. From Connecticut to Colorado, he is facing enormous resistance this fall from voters outside his bedrock base of conservatives and Republicans. In polls, he now looks less like the president of all the people than the champion of a single faction.

In the latest Gallup poll, just 28% of independents and 24% of moderates approved of Bush's job performance. His support among Democrats and liberals registered in the single digits. In Los Angeles Times/Bloomberg polls last week of four states Bush carried in 2004 — Ohio, Missouri, Tennessee and Virginia — only majorities of Republicans and conservatives said the country should continue on the course he's set out. In each case less than one-third of independents, and less than one-fifth of moderates, agreed. Don't even ask what Democrats and liberals think.

Even if Republicans hold one or both congressional chambers, future presidential candidates in both parties are likely to question a political strategy that generates so much division. Matthew Dowd, the senior strategist for Bush's 2004 reelection campaign, says the smart candidates for 2008 will learn more from the politicians this year pursuing common ground.

Example A may be California Gov. Arnold Schwarzenegger, whom Dowd is advising. Schwarzenegger, a Republican, is heading for a convincing victory in the biggest blue state of all by offering a hybrid left-right agenda that bridges the ideological differences Bush routinely inflames. Schwarzenegger "is going to win primarily because of his leadership style over the last year: bipartisan, consensus, let's not look at things as an ideology," Dowd predicts. "It should send a signal to anybody running in '08."

More immediately, the response to Schwarzenegger and the other candidates promising reconciliation should tell Bush and lawmakers in both parties that after November's vote, America wants them to put aside their own war long enough to find a new direction in Iraq and more consensus on stubborn problems at home.

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Ronald Brownstein's column appears every Sunday. See current and past Brownstein columns at http://www.latimes.com/brownstein .

Iraq War's Unpopularity Sours Many Voters On The Republicans' Swagger (BOS)

By Susan Milligan

The Boston Globe, October 29, 2006

WASHINGTON -- They strode into Washington talking tough and wearing cowboy boots. One warned of faceless terrorists who "drive taxi cabs in the daytime and kill at night." Others linked homosexuality to bigamy and incest. Together, they unapologetically froze out the minority Democrats on Capitol Hill.

Now, the Republican Party's chief swashbucklers are a politically endangered species. Lawmakers who have been running Washington with a strong hand and even stronger rhetoric are themselves scrambling for reelection in Senate races in Pennsylvania, Montana, and Virginia.

Republicans built and expanded their majorities with a commanding style and tough stances on terrorism and other issues, a leadership style many voters found appealing in a post-9/11 world, analysts say. And the GOP is still hoping to hang on to some critical seats by portraying Democrats as weak-kneed and soft on terrorism.

But the increasing unpopularity of the Iraq war is making some voters tire of the defiant demeanor showcased by the majority party in recent years, analysts say -- a special problem for those whose political style most resembles President Bush.

"The less successful the war has been, the less plausible it has been for Bush to be stomping around in his cowboy boots," said Ralph Whitehead , a professor at the University of Massachusetts at Amherst. "The plausibility of Bush's electoral swagger as the campaigner-in-chief for his party depends to some extent on the plausibility of his military swagger as commander-in-chief of his country's presence in Iraq."

House and Senate leaders are suffering too, from a voter backlash against the "hubris" of the GOP majority, said Marshall Wittmann , a former staffer to Republican Senator John McCain who now works for the Progressive Policy Institute.

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When the nation was united in the drive to find Osama bin Laden -- "dead or alive," as Bush vowed -- Americans were attracted to the hard-line talk of Washington's Republican leaders. But with bin Laden still at large and the death toll mounting in Iraq, some voters are opting for candidates favoring a less rigid approach.

Several of the party's most outspokenly partisan lawmakers have already been forced out of office. Former House majority leader Tom DeLay , the Texas Republican and onetime exterminator who brazenly -- and very successfully -- marginalized Democrats in the House, is now out of his job and facing a trial for allegedly misdirecting campaign funds.

Representative Bob Ney , who pleaded guilty to corruption charges, said he will quit his Ohio seat. And California's swaggering former Representative Randy "Duke" Cunningham -- who once warned that Senator John F. Kerry of Massachusetts would become a "Jane Fonda commander-in-chief" -- is now in prison for taking bribes.

President Bush's approval ratings are running about 40 percent, while Defense Secretary Donald H. Rumsfeld -- whose irascible nature charmed much of Washington five years ago, making him a model of an alpha male, now faces frequent demands for his resignation, including from Republicans in close election campaigns.

California Governor Arnold Schwarzenegger -- who once called his Democratic opponents "girlie men" -- has dialed down his rhetoric since he lost several statewide referendums and is now widely favored to win reelection Nov. 7.

But several sitting senators who have defined Washington's swaggering Republican are fighting to keep their jobs. Two-term Pennsylvania Senator Rick Santorum, who chairs the GOP Conference in the Senate and who once was considered a contender for his party's 2008 presidential nomination, is now trailing badly in the polls against Democrat Bob Casey Jr.

Santorum's blunt rhetoric against abortion and homosexuality won him points among Christian conservatives, but his comments about working women and gays have come back to haunt him this year. His comments to the Globe last year blaming Boston's "liberalism" for the Catholic church sex abuse crisis has also hurt him in some swing communities, analysts said, but Santorum has not toned down his demeanor.

"With Santorum, there's no warm. It's hot or cold with him," said Jon Delano , a political scientist at Carnegie Mellon University in Pittsburgh. Added Whitehead: "He's gone from talking to his base to yelling at his base. He's not talking to any swing voters."

Senator George Allen , too, is facing a tough fight for reelection. The cowboy-boot-wearing Allen, with his penchant for Confederate memorabilia, has been a mainstay of the GOP's conservative base. But a series of gaffes this year have damaged him.

Since then, Allen has softened his demeanor somewhat, noting in a CNN interview that his recently discovered Jewish heritage has reinforced his commitment to equality. "I have been a leader for fighting against anti-Semitism and intolerance, but now it's personal," Allen said.

In Montana, Senator Conrad Burns is in an uphill fight against Democrat Jon Tester. Burns -- who once referred to Arabs as "ragheads" -- this year called his house painter "a nice little Guatemalan man," and said the United States is under threat from terrorists who "drive taxi cabs in the daytime and kill at night," prompting criticism from Muslims.

Howard Reiter , a political science professor at the University of Connecticut, said female voters especially are being turned off this year by the tough-talking Republicans, accounting for a substantial gender gap in some close races.

And the mere fact that Republicans have controlled both chambers of Congress and the White House for most of the last six years has made voters less patient with the politicians' style, Delano said. What sounded like confidence and decisiveness in past campaigns now seems arrogant, he said.

"I think people are tired of division and partisan politics," Delano said. "And because Republicans are running the show, they bear the brunt of the blame, fairly or not."

Democrats Push To Counter G.O.P. In Turnout Race (NYT)

By Adam Nagourney

The New York Times, October 29, 2006

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VINITA PARK, Mo., Oct. 28 — Democrats are pushing into high gear this weekend a sharply expanded campaign to get their voters to the polls, even as some party leaders expressed anxiety that Republicans would again out-organize them in the approximately 20 House and 3 Senate races that both sides agree will determine the outcome of the midterm elections.

After two national elections in which Republicans' sophisticated get-out-the-vote operation helped them triumph over their opponents, Democrats have invested heavily in catching up.

The success of that effort could be crucial to their hopes on Nov. 7. Notwithstanding polls that show broad Democratic strength, control of Congress appears to rest on a relatively few races in which the candidates are separated by razor-thin margins. Those are precisely the kinds of races where turnout efforts can make a difference, and the Republicans' track record on getting their supporters to the polls in districts they focus on is a primary reason that the White House continues to express confidence that it can at least limit Democratic gains this year.

Howard Dean, the Democratic national chairman, said Friday that he was confident that a swell of enthusiasm among Democratic voters, combined with what he characterized as despondency among Republicans, would push Democrats to victory, an assessment that even some Republican strategists said they shared. But in an interview, Mr. Dean said that Republicans continued to have a clear superiority in identifying voters they can persuade to vote for their candidates and then getting them to cast ballots.

"I think we've closed the gap, but I don't think we are there yet," Mr. Dean said. "It's going to take some time. I think we could match them in 2008, if everything goes right, in voter turnout."

Other Democratic leaders disputed Mr. Dean's view, saying they were increasingly confident about their party's ability to achieve parity, and perhaps regain its dominance, against the Republican get-out-the-vote machinery. Democrats pointed to evidence of what the party's $35 million in spending on turnout programs, nearly matching Republicans, has given them in tight races like the Senate campaign here in Missouri, where Senator Jim Talent, a Republican, won office in 2002 by just 21,000 votes.

But Democratic Party leaders acknowledged structural shortcomings that could continue to give Republicans the advantage. Republicans have spent the past three years building a detailed national database of voters, including their voting history and consumer data that the party has used to predict their political leanings and identify the issues that most motivate them. The Democrats' voter list is not as expansive or comprehensive, though Mr. Dean said he hoped that would be repaired by the next presidential election

And while Republicans have centralized their turnout operation under the Republican National Committee, Democrats have been forced to maneuver within a fractured system involving a series of different committees and private groups, sometimes working at cross purposes, from district to district across the country.

"These other groups are calling: stem cell research, labor unions," said Charlene Zeni Connolly, 57, a retired teacher who was making calls near here recently on behalf of Claire McCaskill, the Democratic candidate for Senate. "People are getting really irritated. They are saying, 'If you call again, I won't vote for her.' "

For all that, evidence of newfound Democratic attention to getting out the vote, an area of politics where the party once dominated, was on display here and in other parts of the country this week as turnout operations, many in the making for nearly two years, began to unfold their final 10-day plans.

For two cold and rainy hours the other night, Brendan Fahey, 27, a two-time Iraq war veteran, led a team of three Democratic workers on a door-knocking mission through a trim, middle-class neighborhood of two-family brick homes in this city northwest of St. Louis. They careened from house to house — holding street maps and a computer-generated list of likely supporters gleaned from two years of market research, telephone calls and earlier visits — as they executed the final stages of a plan began when Democratic Party strategists opened offices here 15 months ago.

In Florida, the campaign of Ron Klein, a Democrat challenging Representative E. Clay Shaw Jr., a Republican, made a final telephone canvass of voters who live in the state but spend the summers elsewhere, typically thousands of miles outside Mr. Shaw's district in Southern Florida, to make sure they were returning to their winter homes by Election Day or had voted by absentee ballot. As part of the "Snowbird Program," the Klein campaign said it had tracked down the Northern addresses and telephone numbers of thousands of Democratic and independent voters in anticipation of this week.

Through it all, Republicans have shown no sign of backing off, matching Democrats door for door and telephone for telephone.

"Do you want a lawn sign?" Tom Applewhite, 20, a St. Louis University student working for Mr. Talent, asked a woman who answered a door near here after she promised that she would indeed vote for Mr. Talent.

Mr. Applewhite, who had guided a squad of Republican volunteers for a relatively early afternoon tour to avoid the misstep of upsetting St. Louis Cardinals fans by banging on the door in the middle of the World Series games, went to his red Chevrolet pickup and returned with a "Talent for Senate" sign.

On Saturday, while in Indiana, Mr. Bush held a conference call with 300 Republican activists from around the country, to fire them up going into the final week, said Tony Fratto, a White House spokesman.

The emphasis on this fundamental element of campaigns came as the two parties made final, frenetic decisions about where to put advertising money and other resources, with Democrats trying to expand the playing field and Republicans building defenses around what they hope will be enough House and Senate seats to cling to control of Congress. Democrats need to pick up 15 seats to win the House, a prospect of which they are increasingly confident, while facing the tougher task of winning 6 seats to capture the Senate.

Emboldened by polls showing rising public unhappiness with Republicans, Democrats tried to open new fronts in some unlikely places, including Kansas, where Nancy Boyda, a Democrat, is challenging Representative Jim Ryun, who is seeking a sixth term. The race is so overlooked nationally that some Democratic officials in Washington joked they would not have been able to name the Democratic challenger before this week.

Republicans said they saw no evidence that Mr. Ryun was in trouble and suggested that Democrats were trying to rattle them. Still, the Republican Party began running advertisements to defend five more incumbents, in states including Colorado and New York, who are showing signs of slipping. And President Bush on Saturday began another series of swings into what had been solidly Republican territory to help generate more enthusiasm and raise money to help pay for the late advertising and voter turnout push.

In his assessment of his party's get-out-the-vote apparatus, Mr. Dean said he thought Republicans did have an advantage by running a centralized operation. He said that after the election he intended to call the leaders of the House and Senate Democratic committees "to try to build a relationship the way the Republicans do it."

He added, "I don't admire anything that Republicans have done to this country, but I greatly admire their election model, and that's what we intend to build, if not surpass, by 2008."

Mr. Dean's assessment that Democrats are still being outpaced by Republicans stood in contrast to the views offered by leaders of the House and Senate Democratic committee, some of whom have clashed with Mr. Dean about basic party-building strategies this year.

"We believe we are now equal to them," said Senator Charles E. Schumer of New York, who is heading his party's campaign to take back the Senate. Referring to the Republican triumph in 2004, Mr. Schumer said: "We saw what they did and we said we can't be caught again that way. From the outset, we put a very large effort into this."

Karin Johanson, the executive director of the Democratic Congressional Campaign Committee, said that given the efforts of her committee and labor unions, "I think we are in very good shape right now."

Republicans said they noted, with concern but not surprise, that Democrats had taken lessons from them. "Democrats are smart, and they have learned from what we are doing," said Ken Mehlman, the chairman of the Republican National Committee. "But I certainly think we learned a lot from what they did in 1998 and 2000."

Still, Republicans are hardly sanguine going into this election storm, even with the backstop of a get-out-the-vote operation.

Some party strategists, speaking on the condition of anonymity in offering a critique of their own operation, said they were worried that the Republican demoralization would sap some of the energy from the program, discouraging the final-weekend surge of volunteers that they found during happier campaigns. By contrast, Democrats are getting help this year in recruiting volunteers from an arena that has more often taunted Democratic officialdom, bloggers and groups like the A.F.L.-C.I.O. and MoveOn.org, which has started sophisticated Internet-based turnout operations that rival what even some party committees are doing.

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"We're in about 40 districts right now," said Eli Pariser, executive director of MoveOn.org. Mr. Pariser said his group had trained 70,000 people to use its Web-based program to call prospective Democratic voters on lists that MoveOn.org had assembled.

The two parties are planning to spend around $70 million on turnout operations, according to interviews, and in the process, they are expanding the very nature of what voter turnout means.

Republicans are using their phone callers not only to find supporters but also to push Republican lines of attacks, calculated to reflect the messages these same voters are presumably seeing in television advertisements or by watching Mr. Bush on the news. In recent days, Republicans working telephone banks were instructed to say that a Republican victory was crucial to holding down taxes and protecting the nation's security, the two messages that have proved particularly effective with Republican base voters.

Democrats, who have dutifully studied Republican successes in 2002 and 2004, have used consumer, demographic and polling data to predict the political leanings of infrequent voters. Here in Missouri, for example, canvassers are more likely to talk to single women about health care.

Because of Mr. Talent's narrow victory last time, Republicans and Democrats landed here hard and early this campaign, and both sides think that is what will make the difference in a race that could well determine which party controls the Senate next year.

"They are proud of their turnout operation," Ms. McCaskill said. "They think they have a machine-like operation in the Republican Party. They are just pouring money into it."

As Elections Near, Dueling With Dollars (WP)

By Jim Vandehei And Chris Cillizza, Washington Post Staff Writers

The Washington Post, October 29, 2006

Party Operatives Try To Influence Races

John Lapp, a 35-year-old Democratic strategist in charge of spending $60 million to defeat Republicans, had reason to feel aggressive. Internal party polls late last week showed 30 GOP House incumbents tied or behind. Armed with that information, Lapp approved a series of television ads attacking Rep. Jim Ryun, a Republican from a conservative corner of Kansas who suddenly looked a lot more vulnerable than before.

A few blocks away on Capitol Hill, Carl Forti, with a similar budget to protect the GOP majority, was playing defense. His own polls showed a growing number of House Republicans in serious trouble. Forti, 34, had little choice but to buy ads to protect suddenly at-risk Reps. Charles Bass (N.H.) and John R. "Randy" Kuhl Jr. (N.Y.).

Lapp and Forti make dozens of decisions like these every day, and the outcomes will only grow in importance during this final full week of the 2006 campaign. Betting right could well decide who controls the House after the Nov. 7 midterm elections, and by how many seats, according to strategists in both parties.

Forti and Lapp run the independent expenditure arms of their parties' campaign committees, the place where many of the negative ads that voters are seeing are financed, produced and strategically placed on television stations across the country. In the final days of the campaign, they will easily outspend the candidates themselves in many of the most competitive House races. They will decide the final images that many voters see in this campaign. Warning for the fainthearted: Most of the ads will be dark and accusatory.

One bad call could make or break a House race, officials in both parties said. There is no precise formula for determining the smartest choices. There are only polls, historical trends, anecdotal evidence and instinct, all of which can be flawed. Operatives in both parties described the process by which these decisions are made, in most cases on the condition that they not be quoted by name.

At the Democratic Congressional Campaign Committee, where Lapp works, officials are more confident than ever that they will gain a minimum of 18 seats, three more than they need for a majority, and possibly more than 40 if they catch a bunch of breaks in the remaining nine days. Expectations have evolved from simply winning a majority to setting the stage for a blowout.

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The committee recently commissioned polls in almost 20 "bubble districts" that once looked difficult to win but now appear within reach. These include the open seat in Nevada's 2nd District and the one held by Rep. Gil Gutkneckt (R-Minn.). Lapp's team has polls showing Democrats close in all the races.

Over at the National Republican Congressional Committee, where Forti operates, officials said they see the situation as less bleak than they did a few weeks ago, immediately after the Mark Foley page scandal broke.

Based on polling, Republican strategists say a half-dozen seats, including open seats in Colorado, Arizona and Ohio, appear unwinnable. Six other races, including one for the seat held by Rep. Curt Weldon (R-Pa.), are looking dire but not hopeless.

Most worrisome, GOP strategists say, is that 20 or more additional Republican incumbents are essentially tied or holding very small leads -- a danger zone for a sitting member of Congress in a tough political environment. This has left Forti and colleagues in survival mode.

A look at recent expenditures by the NRCC reveals the wide range of seats Forti must find a way to win. In a two-day period last week, the committee paid for polls in 14 races. Ten of those surveys were in districts of Republican incumbents, including previously safe seats such as that of Rep. Mark Edward Souder in Indiana.

It is Forti's job to decide whom the NRCC can save.

Under campaign law, the independent organizations are prohibited from coordinating with candidates they assist. There are limits to the discussions Forti and Lapp can have with even their bosses, as well as with other staffers on campaign committees. This leaves both with enormous power.

Forti ran the NRCC's independent expenditure effort in the previous two election cycles. He maintains a spartan staff, relying on his own campaign know-how as well as the legal guidance of NRCC general counsel Don McGahn.

At the White House, such strategists as Karl Rove have boasted publicly that Republicans' superior program for turning out voters -- which exceeded expectations in 2002 and 2004 -- will work again to save them from defeat Nov. 7. But a senior Republican operative involved in party planning said the GOP's turnout operation can usually make a decisive difference only in races decided by about one percentage point. Moreover, the operative said, it is difficult to set up turnout operations during the homestretch of races that Republicans previously did not expect to be so competitive, such as Souder's. "It is easier to move financial resources than human resources," the operative said.

So Forti is moving the financial resources around to improve his odds, sometimes for reasons that are not obvious to outsiders. (He declined to comment on party strategy.)

The NRCC, for instance, is spending money to win the open seat vacated by Rep. Robert W. Ney (R-Ohio), who has been indicted, and to defend Rep. John N. Hostettler (Ind.), despite what polls and operatives suggest are fading prospects for victory in both races. "It forces them to spend money," said a GOP strategist familiar with endgame planning.

Most of the time, spending is a more straightforward investment in self-preservation. Republicans late last week started running ads to defend Bass and have already spent hundreds of thousands of dollars to protect Rep. Richard W. Pombo (Calif.). Democrats have bought television time in both districts.

"If they go anywhere, we will just follow them in," the GOP strategist said. Republicans on Capitol Hill are more concerned about Pombo than Bass.

The calculations change by the day. Republicans had all but written off Rep. Don Sherwood (Pa.) a few weeks ago after Democrats ran ads highlighting allegations from his former mistress that he had tried to strangle her. But GOP polling now shows the race tightening after an appearance by President Bush increased to 70 percent from 50 percent the percentage of conservatives who said they were excited about turning out to vote for the incumbent. Democrats said their polls still show Sherwood being clobbered.

"Republicans are playing a game of whack-a-mole while we are expanding the number of races in play by the day," Lapp said.

Lapp -- who was picked for the job after a three-minute first-time meeting with DCCC Chairman Rahm Emanuel (Ill.) in 2004 -- has slowly expanded the number of seats Democrats are targeting, but not as broadly and quickly as some strategists

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would like. Lapp runs a much larger operation than Forti; it includes a personal team of opposition researchers. He is called a "maniac, but in a good way," by Bill Burton, a longtime DCCC colleague.

Lapp, like Forti, lives on polling these days. He reviews a half-dozen new polls each day and can turn data into an on-air ad within 24 hours.

But there is more to smart spending than voter surveys.

In Washington's 5th District, Lapp is running ads hitting freshman Rep. Cathy McMorris despite the strong Republican tilt of the district. That's because ad time in the Spokane media market, which covers almost the entire district, is relatively inexpensive, allowing the DCCC to fund a week of ads for just over $300,000. It is a cheap bet, even for a long shot.

But Lapp is not running ads against Rep. Jean Schmidt (Ohio) who, despite woeful reelection numbers, benefits from the high price of television time in the Cincinnati market. This decision could save Schmidt's job, strategists in both parties say.

The DCCC is set to launch an ad against Rep. Ron Lewis in Kentucky's 2nd District with what one operative described as "guilt money," after committee officials played a major role in persuading state Rep. Mike Weaver to challenge the incumbent.

Lapp also plays mind games. Because both parties have a staff member who monitors potential ad buys, Lapp will spend time calling television stations to inquire about ad buys he never plans to make -- just to confuse or intimidate Republicans.

Most times, the calls are for real. Take Illinois' 6th District, where Iraq war veteran Tammy Duckworth (D) is running low on cash in her race against state Sen. Peter Roskam. The DCCC recently stepped in, raising its commitment to $2.7 million in the costly Chicago media market in hopes of keeping her chances alive in the last week.

Howard Wolfson, who sat in Lapp's chair during the 2002 election cycle, said knowing where to spend and, as important, where not to spend is by far the most difficult part of the job.

"Where Republicans choose to defend and where Democrats choose to attack are critically important," he said.

Research database editor Derek Willis contributed to this report.

Can Bush Cross The Aisle? (WP)

By David S. Broder

The Washington Post, October 29, 2006

With all the parsing that was needed to make sense of President Bush's convoluted explanations of his Iraq policies during last week's lengthy news conference, it's not surprising that another question -- on another topic -- received little notice.

It was, in the president's judgment, "a tricky little question" that Stephen Dinan of the Washington Times asked -- one that seemingly caught him by surprise.

"With a Republican Congress," Dinan said, "you failed to achieve three major goals of your second term: Social Security reform, a tax code overhaul and a comprehensive immigration bill. Why shouldn't Americans give Democrats a chance to work with you on those issues, especially when divided government seemed to work in the late 1990s on the budget?"

When the president recovered from his surprise at the question from the conservative newspaper's correspondent, he went into his familiar, assertive, told-you-so mode. "First," he said, "I haven't given up on any of those issues. I've got two years left to achieve them. And I firmly believe it is more likely to achieve those three objectives with a Republican-controlled Congress and a Republican-controlled Senate. And I believe I'll be working with a Republican-controlled Congress and a Republican-controlled Senate."

Bush went on for four paragraphs spelling out his belief that Republicans would defy the pollsters and pundits and win the Nov. 7 election, segued into a rap about the joys of electioneering and wound up by telling the questioner, "Anyway, thanks for asking about the campaign."

At no point did he venture within six feet of the original question -- and it's not hard to see why. He's not yet ready to think of Democrats except as opponents.

But the premise of Dinan's question is historically correct. It was the combination of a Democratic president, Bill Clinton, and the Republican Congress elected in 1994 that finally got a grip on budget deficits and produced the only balanced budgets of modern times.

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It was not a smooth or easy process; indeed, in 1995, the first year after the Republican takeover of the House and Senate, the budget negotiations collapsed and government shut down for a few days amid bitter partisan recrimination.

But both sides were chastened by the experience. When Clinton was reelected with a Republican Congress in 1996, he and House Speaker Newt Gingrich cut the deal the next year that moved the budget out of the red for the first time in 29 years.

They discussed a similar fix for Social Security, using some of the new surplus to ease transition costs to a reformed system. But then Monica happened, and all bets were off.

What are the chances that divided government could also be productive in the final two years of the Bush presidency? Better than might be imagined -- especially given the president's agenda.

Comprehensive immigration reform? The bill embodying most of what the president wanted was co-sponsored by Republican John McCain and Democrat Ted Kennedy. On the vote for passage, Democrats were 38 to 4 in favor, Republicans 32 to 23 against. Clearly, the president's best allies on immigration are on the Democratic side.

Tax reform? Well, the last major successful reform of the code took place in 1986, when Republicans controlled the White House and the Senate and Democrats held the House. Instrumental in its passage was Democrat Bill Bradley, then a senator from New Jersey. Last week Bradley was back in Washington to support another Democratic senator, Ron Wyden of Oregon, who offered an open invitation to Bush to join in moving forward a long-overdue cleanup of the tax code.

Social Security reform, the third of the president's objectives, will be politically difficult no matter which party controls Congress. For most Democrats, the president's proposal to carve out room for individually owned accounts is a nonstarter. But if Bush is willing to do what his ally, Sen. Bob Bennett of Utah, suggested long ago and postpone private accounts until steps are taken to solve the system's long-term fiscal problems, he may find the Democrats ready to listen to his other ideas for reform.

None of this would be easy, and all of it would require a new willingness on Bush's part to open himself to genuine negotiations with the next Congress. But the rewards for the country could be very large.

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Poll Puts Maryland Democrats In The Lead (WP)

By Robert Barnes And Matthew Mosk, Washington Post Staff Writers

The Washington Post, October 29, 2006

Races Are Much Closer, GOP Candidates Say

A strong Democratic tide in Maryland threatens to swamp Republican Gov. Robert L. Ehrlich Jr.'s reelection bid and bolsters the party's efforts to retain control of an important U.S. Senate seat, according to a new Washington Post poll.

Baltimore Mayor Martin O'Malley (D) held a 10 percentage point lead over Ehrlich, and Democratic Senate nominee Rep. Benjamin L. Cardin had a similar advantage over Republican Lt. Gov. Michael S. Steele among likely voters in the Post poll, which was conducted last Sunday through Thursday. The leads were well beyond the survey's three percentage point margin of error.

The poll of 1,000 voters showed that the state's overwhelmingly Democratic electorate is highly disturbed about national issues -- extremely critical of President Bush, more upset about the war in Iraq than voters in the rest of the country and eager to shift power in Washington from the Republican Party.

Those strong feelings are a heavy weight for Ehrlich and Steele, who four years ago claimed the state's top offices for the GOP for the first time in nearly 40 years and have tried to foster a Republican resurgence in the state.

Steele, whose campaign to replace retiring Sen. Paul S. Sarbanes (D) has sought to play down his past Republican activism and project an independent image, doesn't do much better in the poll with Democratic voters than Republicans who have gone before him. His appeal to fellow African Americans has not swayed that group.

In the governor's race, those surveyed did not seem to view the contest as a referendum on Ehrlich, unlike most reelection campaigns. A majority of voters had a favorable opinion of the governor and said they believe he has done a good job. Nevertheless, one in five of those who approved of Ehrlich's performance as governor said they would vote for O'Malley.

Ehrlich's support among Democrats was half of what exit polls showed it to be four years ago, and voters who described themselves as political moderates returned to the Democratic fold, the poll showed.

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The Republican candidates disputed the poll, saying it was too different from recent polls that they had seen that showed the races much closer.

"It is a dead heat, and Michael Steele is gaining ground every day," said Doug Heye, Steele's campaign spokesman.

Ehrlich's campaign was especially dismissive of the findings.

"It is simply unrealistic to think that a governor with approval ratings as high as this, who has provided record education funding and cut crime around the state is losing by 10 points to the mayor of the deadliest city in the country," said Bo Harmon, Ehrlich's campaign manager.

Harmon also called the poll's demographics "wildly skewed" since the results reflected few undecided voters. Nearly all the likely voters gave their opinion on how they would cast their ballots if the election were held the day they were interviewed. In a follow-up question, about 15 percent of each candidate's supporters said there was a chance they could change their minds by Election Day.

The poll is not a prediction of Election Day but a portrait of the Maryland political landscape completed 12 days before voters go to the polls. Last-minute developments, campaign spending, get-out-the-vote efforts and enthusiasm for the candidates all could affect the final results.

Especially important will be the African American turnout, which heavily favors Democrats. Blacks make up 28 percent of Maryland's adult population and 25 percent of likely voters in the poll, but some strategists wonder whether the actual turnout will be that high.Invading Ehrlich Territory

Ehrlich's hopes rest with voters such as Patrick Aldrich, a 39-year-old account manager from Owings Mills in Baltimore County.

"I just find his manner down-to-earth and real. He's not the typical politician," Aldrich said last week, as his 2-year-old son squawked in the background. "His views are things that I agree with."

White, male, parent, in a suburb distant from Washington -- Aldrich represents the kind of voter with whom Ehrlich connected four years ago when he defeated then-Lt. Gov. Kathleen Kennedy Townsend (D).

But O'Malley, whom the poll shows leading 55 to 45 percent, has cut into Ehrlich's support among such voters and draws strong allegiance from groups that have traditionally supported Democrats but that strayed four years ago.

"These results show that Marylanders want new ideas to help their families, not more dirty tricks and misleading attack ads from a desperate politician," said Hari Sevugen, O'Malley's communications director. "They want a governor who will fight for Maryland families, not one who will fight for the special interests and George Bush."

O'Malley retains support in the overwhelmingly Democratic Washington suburbs, and he also cuts into Ehrlich's previous strongholds in the counties surrounding Baltimore, according to the poll. O'Malley has a 26 percentage point advantage among women, who narrowly supported Townsend four years ago. Many of those who described themselves as moderates abandoned the Democrats in 2002; O'Malley has a 15 percentage point advantage among moderates in the current poll.

The poll continued to show Ehrlich with relatively high favorability ratings and job approval numbers, and unlike in a Post poll in June, a majority of Marylanders now believe that the state is headed in the right direction.

Respondents were just as likely to describe O'Malley as honest, a strong leader and someone with a vision for the state's future. Voters also said they thought O'Malley would do as well as Ehrlich confronting the issues of crime, taxes and the state economy and gave him a slight advantage on the issue they said was most important for the next governor: public education.

O'Malley was seen as more likely to understand "the problems of people like you" and had a nearly 2 to 1 advantage on "working effectively with the state legislature."

Ehrlich has bombarded the state with ads that skewer O'Malley's leadership of Baltimore, blaming him for the city's failing schools and high crime rate. But voters' views of how things are going in Baltimore did not change from the Post poll in June, and of those who said O'Malley had changed the city, 44 percent said it was for the better, as opposed to 9 percent who said he'd made things there worse.

Just as then-Gov. Parris N. Glendening's unpopularity at the end of his tenure hindered Townsend four years ago, Ehrlich seems to suffer from the national political climate. Although 75 percent of the voters said Bush would not be a factor in the governor's race, nearly 20 percent said one reason for their vote for governor would be to express opposition to Bush.

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Henry Evans, 60, a postal carrier from Prince George's County, said he has no problem with the way Ehrlich has done his job but is backing O'Malley. "My reason is that Governor Ehrlich has supported the president and what's going on in Iraq," Evans said. "I'm against that."Factoring In Bush

The issue is more pronounced in the Senate race, where nearly one in three voters in the poll said their opposition to Bush would be a factor.

Nearly six in 10 likely voters said they "strongly" believe the war in Iraq was not worth fighting, far higher than other Americans, according to a Washington Post-ABC poll this month, and 53 percent of Marylanders polled said it would be a good thing if control of Congress switched from Republican to Democrat, as opposed to 21 percent who said it would be a bad thing.

National GOP leaders have invested more than $1 million in Steele's campaign, in part because they view his effort as a critical first step in any broader attempt to break the virtual lock on the African American vote that Democrats have held.

Steele has tried to present himself as a different kind of candidate with his out-of-the-box campaign advertisements, criticisms of both political parties and such high-profile supporters as hip-hop recording mogul Russell Simmons and Cathy L. Hughes, the Radio One founder and chairwoman.

But Democrats have sought to link Steele with Bush -- who has a 6 percent approval rating among African Americans surveyed. Steele has support from 14 percent of black voters, not significantly higher than the support Ehrlich is receiving, the poll shows. Overall, Cardin leads Steele 54 to 43 percent, with independent candidate Kevin Zeese receiving 1 percent of the vote.

"Michael Steele's problem is that . . . he's a Republican at the absolute worst time in the world for a politician to be a Republican," said David Bositis, an expert on black voting patterns at the Joint Center for Political and Economic Studies.

Steele's spokesman Heye disagreed: "Michael Steele's message is resonating with African American voters. . . . His message of opportunity, hope and bringing change to Washington has resonated and is continuing to resonate with African American voters."

But Kenneth Kirby, 52, a former airline worker from Annapolis who is black, said he supports Cardin because he's a loyal Democrat. He said he stopped considering Steele "after I learned he was, essentially, a Bush appointee."

Steele gets more than 90 percent of the Republican vote and leads among independents, but, like Ehrlich, he has made little headway among the half of the voters who identify themselves as Democrats. Statewide, 55 percent of voters are registered as Democrats.

Cardin has maintained strong support in spite of projecting a somewhat bland persona during much of the campaign. Likely voters said they consider him the more honest and trustworthy of the two and the one more likely to share their values.

"Michael Steele's attempts to hide his support for the Bush agenda have failed," said Oren Shur, Cardin's spokesman.

But one aspect of Steele's folksy television ads has resonated with voters: He is considered by twice as many voters to have the more appealing personality.Closing the Gap

The poll's depiction of where the race stood between last Sunday and Thursday presents a hefty burden for the two Republican candidates, said Paul S. Herrnson, a political science professor at the University of Maryland, College Park.

"It's really hard for a candidate to close a double-digit lead in two weeks, particularly if the candidates are already very well known," Herrnson said.

Still, some variables could change the dynamics during the closing weeks. The biggest is turnout. The two Republicans could close the gap if fear about the validity of the state's voting system depresses turnout, or if African Americans -- the most Democratic of voting groups -- aren't enthusiastic about the race.

The Post poll showed that based upon answers to questions such as certainty to vote, enthusiasm about the candidates and interest in the races, about 25 percent of the "likely voters" would be African American.

That is numerically higher than past exit polls have shown: In the past seven elections for president, Senate and governor, the estimate of black voters ranged from 19 percent to 24 percent. But even if the black turnout is as low as it was in the 2002 election -- 22 percent, according to exit polls -- Cardin and O'Malley would still hold leads, although they would be narrower.

Another factor is the financial advantage Ehrlich apparently holds, according to the most recent financial statements the gubernatorial candidates have submitted. As of last week, O'Malley had $600,000, and Ehrlich had more than $2 million left to spend during the campaign's closing days.

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And one sign of the Ehrlich campaign's get-out-the-vote effort is the record number of absentee ballots that have been requested. Almost as many have been requested by Republicans as Democrats, despite the huge registration differences.

Polling director Jon Cohen and database editor Dan Keating contributed to this report.

Steele Hits Cardin For Paying Lip Service To Black Voters (WT)

By S.a. Miller, The Washington Times

The Washington Times, October 29, 2006

BALTIMORE -- Maryland Lt. Gov. Michael S. Steele yesterday made an unscheduled appearance at the NAACP state convention and criticized Democratic U.S. Senate nominee Rep. Benjamin L. Cardin for paying only lip service to black voters.

"I'm tired of listening to leadership that fails to deliver," Mr. Steele, Republican nominee for senator, said after Mr. Cardin listed statistics showing inequalities for blacks, including their elevated high school dropout rate.

"I'm tired of hearing people quote statistics of our communities and over the 20 years that they have served in Congress have done nothing," said Mr. Steele, the first black elected to statewide office in Maryland. "I'm tired of leadership that fails to lead, but blames and name calls and points fingers."

Mr. Cardin, a 10-term congressman, later told The Washington Times the criticism would not stick to his campaign. "My record speaks for itself," he said.

Mr. Cardin told the leaders of the National Association for the Advancement of Colored People that returning a Democrat to Maryland's Senate seat would help the party take control of the chamber and challenge President Bush's policies.

"Mr. Steele does not like to be identified with George Bush, but he was recruited by George Bush," he said. "He brought George Bush into Maryland for fundraising. He agrees with George Bush's agenda."

Mr. Steele had not been scheduled to participate in the forum, but he decided to after Mr. Cardin skipped a debate Thursday sponsored by the NAACP branch in Charles County.

Mr. Cardin has been criticized for missing the debate because the move might have offended black Southern Maryland voters, and also for stumbling and stammering through a televised debate Wednesday. Their next scheduled -- and perhaps final -- debate before the Nov. 7 election takes place this morning on NBC's "Meet the Press."

Mr. Steele blasted Mr. Cardin for helping gut the state teacher pension system as House speaker of the General Assembly, voting in Congress against prison-sentencing reform and failing to address school problems in his congressional district.

"I've spent an academic year taking school buses, taking classes and teaching classes in our public school system," Mr. Steele said. "Mr. Cardin, have you visited Frederick Douglas High School, have you been to Carver High School, have you been to Fairmont Heights High School in Prince George's County? We've missed you, sir."

Green Party nominee Kevin B. Zeese and write-in candidate Lee Young also participated in the 45-minute forum. Each candidate gave an opening statement and had one minute to respond to questions from the audience.

Black voters could decide the election. They account for about 40 percent of Democratic voters in Maryland, where registered Democrats outnumber Republicans nearly 2-to-1. Mr. Cardin has struggled to woo black voters amid criticism that the state Democratic Party blocked the candidacy of former NAACP leader Kweisi Mfume, who narrowly lost the primary despite Mr. Cardin spending about $3 million more on his campaign. Mr. Steele's potential to break the Democratic lock on black voters has helped make his party competitive in the state for the first time in a generation.

Candidates from other Maryland races also spoke at the forum, including Gov. Robert L. Ehrlich Jr., a Republican seeking re-election, and Baltimore Mayor Martin O'Malley, the Democratic challenger.

O'Malley Assails Ehrlich On Race (WP)

By John Wagner, Washington Post Staff Writer

The Washington Post, October 29, 2006

Baltimore Mayor Martin O'Malley accused Gov. Robert L. Ehrlich Jr. yesterday of using racially "coded, charged language" when talking about Baltimore's schoolchildren and accused the Republican incumbent of pursuing policies unfriendly to African Americans.

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The broadside by the Democratic challenger came during a candidate forum sponsored by the NAACP in Baltimore that also drew contenders in the U.S. Senate race and other contests.

Ehrlich, who entered the room after O'Malley had finished speaking, offered no direct response from the podium, instead listing the African Americans he has appointed to key positions and the programs he has supported. Afterward, he called the mayor "uniformly negative."

The pointed remarks underscored the importance of black voters in an election nine days away.

O'Malley hammered the governor for his past assertion that "multiculturalism is bunk," accused him of working to strip the NAACP of its tax-exempt status and said Ehrlich has been "talking out of both sides of his mouth" about Baltimore's arrest policies -- delivering different messages to white and black audiences.

"Our current governor of Maryland declares over and over and over again that multiculturalism is bunk, that history has shown that a multicultural people can never thrive and survive," O'Malley said. "Obviously, the governor does not come to Baltimore City very often. We are a multicultural city in a multicultural state in the strongest and greatest multicultural nation ever created on God's multicultural planet."

Ehrlich took a very different tack minutes later when he took the stage, by which time O'Malley had left for a funeral. Ehrlich ran through a list of 15 African Americans, starting with Lt. Gov. Michael S. Steele, whom he has appointed in the past four years.

He followed that with a list of such initiatives as construction projects at historically black colleges and universities, changes to minority business contracting rules and the renaming of Baltimore-Washington International Airport to honor Thurgood Marshall.

"And we have more to do, and thank you for your attention," he concluded, then walked off stage.

Asked later what he thought of O'Malley's message, Ehrlich said: "He's uniformly negative. I just got up and talked about the successes of our administration."

Ehrlich spokeswoman Shareese DeLeaver said O'Malley was "trying to create a division that doesn't exist between Governor Ehrlich and Maryland's black voters."

Marvin "Doc" Cheatham, president of the Baltimore NAACP, bemoaned the animosity between the candidates.

"The mayor and the governor have both failed us and our children because they have not come together," he said in an interview. "They need to set aside the politics."

Exchanges between the Senate candidates, who shared the stage, also grew testy at times.

Rep. Benjamin L. Cardin (D) argued that Steele would do President Bush's bidding. Steele (R) responded that Cardin's long tenure in politics has left him out of touch.

Cardin said their biggest policy difference was on the Iraq war. "I opposed the war in Iraq four years ago," Cardin said. "Michael Steele to this day believes it's the right thing to do."

Steele later said that a lack of international involvement in Iraq had made it "a mess" and cautioned against pulling out too soon. "We need to focus on bringing our troops home but be mindful of the Iraq that we leave behind," he said.

O'Malley's remarks came after Ehrlich has spent months airing ads about Baltimore's low-performing schools. O'Malley has expressed frustration with the tactic, noting that scores are improving, particularly in younger grades. Yesterday's remarks were his most spirited thus far.

"Why is he spending so much money belittling the progress of our people, talking in coded, charged language about those city kids and those city schools, as if the children of our city are not blessed with the same brains that God has given the children in every part of our state?" O'Malley asked.

O'Malley also brought up a 2001 letter that Ehrlich, then a congressman, sent to the IRS asking the agency to follow up on a request for an investigation of the NAACP's tax-exempt status. Ehrlich's fundraising chief, Richard E. Hug, was among several Republicans who made the request.

"Rather than work to bridge the divide, he decided to use his wealthy and influential friends like Dick Hug to try to influence the IRS to shut down the NAACP," O'Malley said yesterday.

The mayor criticized Ehrlich's veto of legislation increasing the minimum wage and said Ehrlich's record on promoting use of African American contractors is "abysmal" -- something Ehrlich aides strongly dispute.

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For Zeese, Third-Party Campaign Is Not A Matter Of Odds (WP)

By William Wan, Washington Post Staff Writer

The Washington Post, October 29, 2006

It was early in the morning, and already you could hear the edge creeping into Kevin Zeese's voice.

The night before was supposed to be the crowning moment for him, a chance to ignite his struggling campaign for U.S. Senate. The night before, he had finally pushed his way into a rare three-way debate in Baltimore.

The next morning, however, he woke to find a sharp dose of reality waiting at his doorstep. Newspaper headlines recounted a heated debate between Republican Lt. Gov. Michael S. Steele and Democrat Rep. Benjamin L. Cardin. The front-page photo in The Washington Post, Zeese angrily pointed out, had cut him out of the picture entirely. His name wasn't mentioned until the 11th paragraph.

And so, he turned to his computer, as he often does in such moments, and began sending messages out into the Internet ether -- e-mails and postings expressing his frustration, anger and, most of all, his urge to fight the establishment.

It's a tough world for independent candidates such as Zeese, pleading for attention only to be treated as a crazy Quixote tilting at the windmills, rationing campaign funds that look like crumbs compared with your opponents', and dreading that pesky question that dogs you at every turn: Do you really expect to win?

But for this role, Zeese is uniquely qualified. He has spent his life fighting for the impossible.

For 26 years, he worked as a lawyer trying to legalize marijuana and end the war on drugs. In 2004, at a point when Ralph Nader's own Green Party refused to support him, Zeese signed up to become Nader's spokesman.

Now Zeese, 51, is running an uphill campaign of his own and looking to win, he insists. But can he?

That is missing the point entirely, his parents say. "With Kevin, it's always been a question of right and wrong," said his father, Charles, 74.

Born in Queens, N.Y., into a middle-class family, Zeese grew up as the stubborn son of a public school teacher and an intensive-care nurse. In elementary school, after a music teacher refused to acknowledge the accordion as a wind instrument, Zeese marched to the library and came back armed with books to prove his teacher wrong.

"We were called to school a lot," said his mother, Barbara, 74.

His father tells this story: When Zeese was about 9, he took his younger brother's most valuable baseball card and tore it apart. "He was always pushing his siblings to be better, and he told Mark, 'You'll never be known or famous collecting baseball cards. You have to do something more important.' "

Zeese has spent his entire life looking for that something. "I tend to take on tough causes," he said. "If it's easy, it's not worth doing, because someone else will do it."

For years he was a registered Democrat. But in 1996, disillusioned with President Bill Clinton, Zeese cast a vote for Libertarian Harry Browne.

In 2000, he voted absentee for Nader, then rushed to Michigan to campaign for Vice President and Democratic candidate Al Gore -- a mistake he swears he will never repeat: "I wasn't fully committed. I was hedging my bets, falling into the trap of lesser evilism."

When he finally committed, Zeese discovered the ultimate windmill: an uphill struggle with high stakes, fierce arguments and issues clearly divided, at least in his eyes, between right and wrong.

Last year, he courted and united several parties, becoming, according to his campaign, the first candidate in U.S. history to represent the Libertarians, Greens and Populists. The alliance is crucial, Zeese said, for him to have any prayer at electability.

Even now, however, the numbers suggest that may be a difficult, perhaps impossible, goal.

It's hard to measure Zeese's support. (He is rarely included in polls and earned less than the margin of error in the most recent.) The voter registration numbers look just as bad. Democrats make up 55 percent of Maryland's voters; Republicans about 29 percent. Altogether, the Greens, Libertarians and Populists make up less than half of a percent. Even adding in every unaffiliated voter in Maryland, the total hovers around 14 percent.

To make matters worse, Zeese has raised about $70,000 -- a drop in the bucket compared to Steele and Cardin's millions.

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So Zeese and his supporters have focused on gaining access to debates. A debate, after all, means free air time, guaranteed media presence and a chance to reach hundreds of thousands of voters.

Appearing on stage with Steele and Cardin would also give Zeese's candidacy an air of legitimacy, the appearance of equal footing. Without that come the questions: Isn't a vote for you a wasted vote? Isn't a vote for you a spoiler vote?

His answer: There is nothing to spoil. Zeese, who is liberal on many issues, calls Cardin and Steele equally bad choices. "People have grown up listening to a lie," he said. "The two parties give you a choice of A or B. But it's a false choice, because there's really a C."

So what does "C" represent?

For Zeese, it means addressing the "real issues," including the war in Iraq, the deepening gap between the wealthy and the poor and the need for a national health care plan.

But most of all, it means ending "corporate control of government." Corporate influence is the most common target of his tirades. It is also, scholars say, a pervasive theme among third parties, who see politics less about left and right and more as clean versus corrupt.

Both of Zeese's opponents have acknowledged the problem of corporate influence. In television ads and speeches, Cardin and Steele have positioned themselves as outsiders -- independent from corporate influence (although both have accepted donations from corporate interests) and from their own parties (although Steele has served as state Republican chair and Cardin has voted largely with his party).

If voters could see all three of them side by side, Zeese reasoned, then they would see what a real independent looks like. If only he could get into a debate.

This month, in an old gothic Baltimore church, Zeese finally got his wish. He took to the stage with Steele, who had the polished look of a businessman, and Cardin, who was working his typically calm countenance into an angry scowl.

Zeese -- with his legs splayed and his hands running through his hair -- appeared more policy wonk than politician.

On Iraq, while Steele fumbled a vague response and Cardin talked about international efforts, Zeese called for an immediate withdrawal in four to six months. When Steele talked about empowering black entrepreneurs and Cardin opposed tax cuts, Zeese talked of making higher education free and overhauling the income tax system.

When the debate ended, Cardin was encircled by a crowd of reporters, almost crushing him. Others made a rush for Steele, who had slipped quietly out the back. Zeese's supporters tried hard to steer reporters toward him. One chatted with him briefly but left when he spotted Cardin. Another approached only to pose the spoiler question. Zeese, nonetheless, looked invigorated. "A slugfest, don't you think? Cardin hitting Steele. Steele hitting Cardin. Me hammering both."

The enthusiasm stayed with him through the night, as he drove back to Takoma Park in his hybrid car, and into the morning, when he picked up his newspaper and began to read with anger. By late morning, he decided an obvious winner had emerged. "It was such a clear, decisive victory," he said. "I don't think there's any question who won the debate last night. Do you?"

Researcher Meg Smith contributed to this report.

Webb Defends Novels Against Attacks (WP)

By Tim Craig And Michael D. Shear, Washington Post Staff Writers

The Washington Post, October 29, 2006

Allen Has Crossed a 'Line That Should Never Be Crossed,' Candidate Says

Virginia U.S. Senate candidate James Webb yesterday delivered his strongest criticism of incumbent Sen. George Allen of the fall campaign, vigorously defending himself against Allen's charges that he wrote sex-laced passages in his fiction novels.

He called on voters to reject what he called the "smear tactics" of Allen and his campaign, who released excerpts Thursday from Webb's novels to the Drudge Report Web site and said the writings were lurid and inappropriate for a man seeking to serve in the Senate.

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"The fish rots from the head down," Webb (D) said, referring to his belief that Allen (R) is responsible for his campaign staff's tactics and has now shown his true character. "Our government should no longer be in the hands of a group of unprincipled, small-minded, power-hungry character assassins."

Allen, speaking to reporters near Richmond yesterday after winning the endorsement of the National Rifle Association's political action committee, said Webb's career as an author of fictional works was part of his record.

"My record as a United States senator is an open book. My opponent has a record as well," Allen told reporters. "He, in his advertisements, points out that he's an author, that he's a writer of books. That's part of his record. These passages in his books are part of his open record. I'll let the people of Virginia be the judge as to whose record they are more comfortable with."

Allen's attack is the latest twist in a nasty, close campaign that is central to the Democrats' hopes of retaking the Senate.

Webb, joined at a rally in Fairfax County by Gov. Timothy M. Kaine (D) and former governor Mark R. Warner (D), said that the Allen campaign is belittling his life as a soldier and the service members who study his works. Kaine and Warner predicted that Allen's late campaign maneuver would backfire.

With some of the most forceful language he has used on the campaign trail, Webb said he was proud of his writing because it reflects the things he saw as a combat Marine in Vietnam and later as a journalist reporting on war-torn regions such as Beirut in the early 1980s.

The one-time boxer charged that Allen, the son of a former Washington Redskins head coach, has lived a life of privilege as a "a pampered public official." Allen, who did not serve in the military, was a college football player at the University of Virginia and spent one summer working on a ranch.

"When George Allen and his campaign take some small excerpts from my novels and not only criticizes them but uses them to question my ethics, my profession, my character, that is a line that should never be crossed," Webb said at Edgar Allen Poe Middle School in Annandale.

"I have lived in the real world, and I have reported the real world in my writings. I started working when I was 12 years old, and I fought in a brutal war. I saw its ugliness while George Allen was hanging out at a dude ranch," Webb said at a get-out-the-vote rally attended by about 300 people.

Allen said he spent time at a "real ranch" in Winnemucca, Nev., well after the end of the Vietnam War.

On Friday, Webb, a former secretary of the Navy, said Allen's sister, Jennifer, wrote a book that included descriptions of her brother's harsh physical treatment of her. Allen said yesterday, "Her book is a novelization. . . . I didn't write those passages in my sister's book."

Kaine drew comparisons to his campaign last year against Republican Jerry W. Kilgore, who aired a TV ad saying Kaine opposed the death penalty even for people like Adolf Hitler. "It's the same kind of nonsense," Kaine said. The Republicans "never know when to stop. They always go over the top, and it always backfires."

Warner noted that Republican Sen. John McCain, an Allen supporter, has praised Webb's novels. "All they do is smear, smear, smear," Warner said of the Allen campaign.

Allen said he stood by his release of Webb's racy book passages, saying that they are an indication of what Webb will do.

"Not just me, but others find those passages to be demeaning to women," Allen said. Allen's campaign also has released a 1979 magazine article by Webb questioning women in combat and saying a Naval Academy dormitory was "a horny woman's dream."

Yesterday, House Majority Leader H. Morgan Griffith (R-Salem) called Webb's writings "disrespectful and demeaning." Del. Terrie Lynne Suit (R-Virginia Beach) said Webb's books were "not suitable for children and, frankly, many adults."

Webb has apologized for the magazine article, saying he used needlessly harsh language. But Webb made no apologies yesterday for his novels, among which are "Lost Soldiers," "Something to Die For," "A Sense of Honor" and "Fields of Fire."

Webb said yesterday that "Fields of Fire," a novel about the Vietnam War, has been on the Marine Corps reading list for 20 years and is the "most-taught piece of literature regarding the Vietnam War" on college campuses. He said that a "A Sense of Honor" is published by the U.S. Naval Institute, an independent organization that produces books about the military, and added that the book frequently is read by service members.

Interviews with voters yesterday suggested that Allen's attack may reinforce what people already think about Webb.

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Donald L. Boswell, 55, director of law enforcement for the state Department of Motor Vehicles, said it was fair for Allen to criticize Webb's books. "He did freely choose to write," said Boswell, who was at the NRA event near Richmond. "I think holding him accountable for that is the same as holding Hollywood and the movie industry accountable for the movies they produce."

At Webb's rally in Annandale, Joan Brookshire said Allen was engaged in the "sleaziest campaigning. I now feel like knocking on every door in Virginia," said Brookshire, 75, of Alexandria. "Why would they use excerpts like this out of books that are classics?"

Also yesterday, Webb gave a Democratic response to President Bush's weekly radio address, saying he opposed the war before it began. A Democratic Congress, he predicted, would demand from Day One that Bush find "a real way forward in Iraq."

Allen traveled through the Shenandoah Valley before ending his day at the rally outside Richmond with the NRA.

Allen "is someone who Virginia gun owners and sportsmen know, like and trust," said Chuck Cunningham, the NRA's federal affairs director and chairman of Sportsmen for Allen. The NRA's political action committee has given an A rating to Webb and an A-plus rating to Allen.

Webb Defends Sexual Explicitness Of His Novels (WT)

By Seth McLaughlin, The Washington Times

The Washington Times, October 29, 2006

Virginia U.S. Senate candidate James H. Webb Jr. said yesterday that incumbent Sen. George Allen crossed the line when he used salacious excerpts from his wartime novels to question his character and respect for women.

"I've lived in the real world, and I reported the real world in my writings," Mr. Webb, a Democrat, told about 300 people at the Edgar Allan Poe Middle School in Annandale.

His remarks came after the campaign of Mr. Allen, a Republican, issued a press release Thursday highlighting the excerpts, which include apparent father-son incest, an acrobatic young stripper and the homosexual behavior of prison guards in Vietnam.

The Allen camp said the novels portrays women as "servile, subordinate, inept, incompetent, promiscuous, perverted or some combination of these."

Mr. Webb, joined yesterday by fellow Democrats Gov. Timothy M. Kaine and former Gov. Mark Warner, responded by reading reviews that praised his novels as masterpieces and described him as "a moral philosopher of the military ... when fiction seems to find it harder and harder to address moral issues."

"I have written what I have seen, and that is the duty of a writer -- to help people understand the world around us with all of its beauty and all of its flaws," said Mr. Webb, a Vietnam veteran and former U.S. Navy secretary.

Chris LaCivita, an Allen campaign spokesman, said Mr. Webb's response showed he was becoming "unhinged."

"George Allen's record as governor and U.S. senator has been an open book for years," he said. "Now that Jim Webb's books have been opened, he can't take any scrutiny."

The Allen campaign's decision to introduce the excerpts, in a close race that will be decided Nov. 7, angered Democrats and disappointed at least one Republican.

"It's so dirty," Michelle Malkin, a conservative columnist, said on Fox News. "It looks desperate. It looks pathetic, and it looks so immature. ... This is fiction."

However, others saw the excerpts as further proof that Mr. Webb does not respect women.

"Sadly, the degrading manner in which women are depicted in his novels fits a larger pattern that is evident in his nonfiction writings as well," said state Delegate M. Kirkland Cox, Colonial Heights Republican.

This is the latest salvo in a race muddied with character attacks. Mr. Allen's 20-plus years of public service and Mr. Webb's push for economic fairness and opposition to the Iraq war have often been lost amid the attacks.

The race started devolving in August when Mr. Allen was videotaped calling an Indian-American volunteer for the Webb campaign "macaca." He also faced accusations he used the "N-word" in the 1970s and stumbled over questions about his Jewish heritage.

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Mr. Webb yesterday said he could have used the situations against Mr. Allen, but has chosen not to because they are "not relevant to what I'm trying to do."

Mr. Webb has faced criticism for an article he wrote in 1977 that questioned a woman's place at the U.S. Naval Academy.

It appeared Mr. Allen would refocus his campaign on his record when he pledged in a rare statewide address Oct. 2 to spend the final five weeks of the campaign talking about the issues that matter most to voters.

"The Allen campaign has made smear tactics the centerpiece of their entire effort," Mr. Webb said. "If you want to find accountability for this, remember that the fish rots from the head down."

Mr. Webb yesterday also used the weekly Democratic radio address to criticize President Bush and his supporters, such as Mr. Allen, for what he regards as botching the Iraq war. "With the right leadership, the situation in Iraq is solvable, in a way that will increase stability in the Middle East and reduce the threat of international terrorism," he said.

The Senate Race In Connecticut (NYT)

The New York Times, October 29, 2006

The Congressional elections are very much about America's problems in Iraq. But the campaigns have shed little light on exactly what should happen next. Nowhere is that more true than in Connecticut. The two leading candidates, Ned Lamont and Joseph Lieberman, have clear disagreements over whether invading Iraq was a good idea in the first place, but grow much fuzzier when the question of future strategy comes up.

Mr. Lieberman, a three-term Democratic senator now running as an independent, talks about the threat of Islamic terrorism. Mr. Lamont, who beat Mr. Lieberman in the Democratic primary, reminds voters what a mess the invasion created. When it comes to the next step, Mr. Lieberman seems to mimic the Bush administration's proposal to stay the course (while no longer mentioning that toxic phrase) with new tactics. Mr. Lamont is close to the Senate Democrats (minus Mr. Lieberman) who demanded a timetable for withdrawal without being too firm on what that ought to entail.

No one expects legislators to dictate military tactics. But what we need from the next crop of elected officials in Washington is a willingness to face reality, to choose from among difficult options and have the courage to be honest with the public about the consequences. On those points, Mr. Lamont is by far the better candidate.

Two months ago, Connecticut's Democratic voters sent Mr. Lieberman what should have been a jarring wake-up call when they rejected him for Mr. Lamont, a relative newcomer. We have been waiting to see what lessons the state's best-known politician took from his defeat, and from the daily evidence of the deterioration of the situation in Iraq.

We wanted to see a capacity for growth and change in Mr. Lieberman. The country is full of Republicans who now realize the Iraq invasion was a disaster, either in its basic concept or in its execution. The most honorable of them are in agony over what has happened. Mr. Lieberman, who had not only continually defended the administration's Iraq policy but also attacked Democrats who criticized the president, had more cause for soul-searching than most.

But instead of re-evaluating his own positions, Mr. Lieberman blamed his constituents for failing to notice that he had offered some negative comments about the conduct of the war, too, mainly when he was running for the Democratic nomination for president in 2004. He did not protest when Dick Cheney said that people who voted for Mr. Lamont were giving comfort to "Al Qaeda types." His only reflection seemed devoted to a re-examination of the rules for getting back on the ballot.

Since his primary defeat, Mr. Lieberman has run a well-packaged campaign built around his self-assigned bipartisan image — "It's not about politics," say his ads. But it is very much about politics — from the flood of special interest campaign donations that has been running Mr. Lieberman's way to the old Karl Rove lesson that political winners never admit to error.

We are living in perilous times. Being able to work with the opposition party — Mr. Lieberman's claim to fame — is hardly a sign of moral courage when the opposition party controls the White House, Senate and House of Representatives. President Bush did not need Mr. Lieberman's persistent support on Iraq when he had the deference of his own party members in Congress. What the country needed — and what Connecticut had the right to expect — was for Mr. Lieberman to risk some of his bipartisan clout to call attention to the way Iraq was spiraling out of control.

The fatal problem with Mr. Lieberman's candidacy is not that he was wrong about the invasion, but that he has not shown any capacity to grow and change. Suggesting that getting rid of Donald Rumsfeld might be a good idea is hardly a breakthrough

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at a time when the secretary of defense's supporters are pretty much limited to the president and members of the Rumsfeld family.

Mr. Lieberman has changed his tone but not his underlying conviction that he has been right all along. He and Mr. Bush are still on the very same page, encouraging the American people to believe that there is a happy ending for American involvement in Iraq, and that all it takes is the perseverance to keep marching toward the end of the rainbow.

Ned Lamont has run a far less polished campaign than Mr. Lieberman, but the more we see of him, the more impressed we are by his intelligence and his growing sophistication about the issues facing the nation. He is very much in the Connecticut mold of basically moderate, principled politicians, and his willingness to take on Mr. Lieberman when no one else dared to do it showed real courage and conviction. He would make a good senator. More important, he has the capacity to continually become a better one. We endorse Ned Lamont for Senate.

A Senate Race Riding On Cash Flow (NYT)

By Jennifer Medina

The New York Times, October 29, 2006

HARTFORD, Oct. 27 — While Senator Joseph I. Lieberman may have lost the Democratic primary to a novice politician, his bid in the general election has come with all the financial advantages of a major party candidate and an 18-year incumbent.

Meanwhile, his financial prowess has prompted his opponent, Ned Lamont, to dig deeper into his pockets, putting $12.7 million into the campaign so far.

Mr. Lieberman, who has run for national office twice, has tapped into millions of dollars from the networks of major Republican and Democratic donors, as well as from business groups and lobbyists who have rallied around him, and several out-of-state independent groups who do not coordinate directly with the campaign.

The hotly contested Senate race has quickly become the most expensive in the state's history, with Mr. Lieberman spending $11.5 million and Mr. Lamont spending $8.6 million through the end of September.

And there is no sign of slowing down. There have been fund-raising meals for Mr. Lieberman several times a week. Mr. Lamont, a cable executive from Greenwich, Conn., has twice contributed $2 million to his campaign in the last two weeks. Late Friday, the Lamont campaign said that he would lend an additional $2 million toward the election effort.

Mr. Lieberman, who has kept up a brisk fund-raising schedule since losing the primary in August, has been able to deftly use his experience and career ties all over the county at a time that he needs it most to battle for his seat in the Senate. At the same time Mr. Lamont, who hoped for considerable financial support from major Democratic donors, has struggled somewhat to match Mr. Lieberman's resources.

In August, Mr. Lamont's advisers said they expected to spend roughly $6 million in the general election, but that number was quickly eclipsed. Mr. Lieberman raised that amount in just more than a month, according to reports filed with the Federal Election Commission. He has raised a total of $14.8 million, another record for a campaign in this state.

Advisers to Mr. Lamont say they made a decision not to focus on fund-raising efforts, using the events more as political rallies.

Last week, Senator Hillary Rodham Clinton played host to a fund-raiser for Mr. Lamont at a home on the Upper East Side. Earlier this year, former Ambassador Joseph C. Wilson IV played host to an event on Mr. Lamont's behalf.

The campaign has also worked with Mr. Lamont's longtime friends in Greenwich to organize a "Republicans for Lamont" fund-raiser.

As of the end of September, roughly 70 percent of Mr. Lamont's money has come from his own pocket.

Filings show there are far more Republican donors rallying to the side of Mr. Lieberman, who has crisscrossed the country and raised about $5 million since losing the primary, campaign finance records show.

Prominent Republican donors listed in Mr. Lieberman's campaign filings are Joseph Allbaugh, one of President Bush's close advisers during the 2000 campaign, and Don Nickles, the former assistant leader in the Senate. Several outside groups, known as 527s, have also rallied to Mr. Lieberman's side.

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The Connecticut Issues Project, which is sending out mailings praising Mr. Lieberman for his work on the submarine base in Connecticut, is being financed largely by out-of-state donors who typically give to Republicans. The Free Enterprise Fund, which is running ads against Democrats in several other states, has also run television ads criticizing Mr. Lamont's business.

Each campaign has tried to use the source of financing as a line of attack, with the Lieberman campaign accusing Mr. Lamont of trying to buy the election, while the Lamont campaign has said Mr. Lieberman's support from prominent Republicans is a sign that he is too chummy with the White House.

The latest sparks came early this week, when the Lamont campaign filed a complaint with the Federal Election Commission about nearly $380,000 the Lieberman campaign listed as "petty cash" to pay for volunteers in the final two weeks of the primary. Tammy Sun, a spokeswoman for Mr. Lieberman, said the money was used to pay for young workers used in the field operation in the last days of the campaign.

By law, a campaign must keep a journal of petty cash payments of less than $100, but it is not required to make the contents of the journal public. Ms. Sun declined to allow reporters to examine the journal, saying there is no evidence of wrongdoing.

Several campaign finance experts said that while the expenditure was an unusually large sum of money to be listed as petty cash, it would be legal as long as each of the payments was less than $100.

Bloomberg Raises Cash For Lieberman (AP)

AP, October 28, 2006

HARTFORD, Connecticut (AP) -- If Sen. Joe Lieberman wins a fourth term on November 7, it's a safe bet New York Mayor Michael Bloomberg will be high on his thank-you list.

Bloomberg, a Republican who shares Lieberman's independent streak, is playing a prominent role helping to raise money for the Democratic senator, the Lieberman campaign said Saturday.

The mayor has also dispatched several campaign operatives to Connecticut to help Lieberman reach GOP and independent voters as the race closes. Lieberman is running as an independent after losing to wealthy businessman Ned Lamont in the Democratic primary.

"The mayor has been extremely generous personally in being willing to help us raise money," Lieberman spokesman Dan Gerstein said.

Bloomberg appeared at a major Chicago fundraising event for Lieberman recently. He will campaign with Lieberman on Monday in Stamford, greeting commuters and formally endorsing him. Bloomberg will also host a fundraiser next week at his home, Gerstein said.

Bloomberg operatives are helping to build Lieberman's get-out-the-vote effort, which is targeting a mix of Democratic, Republican and independent supporters.

Because of Lieberman's independent status, he cannot rely on his party's organization to help him identify voters and get them to the polls.

"We're leveraging the very relevant experience of the Bloomberg operation to help us in what can charitably be described as a unique situation," said Gerstein.

The Bloomberg team has valuable experience identifying such voters in New York City, which is considered Democratic turf, said Gerstein.

"They have a fine-tuned understanding of how to reach across party lines," said Gerstein. "Mayor Bloomberg is a very independent-minded leader with broad appeal who was operating in a very Democratic electorate."

Bloomberg also is backing Connecticut Republicans Gov. M. Jodi Rell and Rep. Christopher Shays, who is locked in a tough re-election fight.

Lamont, who founded a cable television company, has put more than $14 million of his family's money into his campaign, including a $2 million loan he made to the campaign on Friday, his campaign confirmed.

Lieberman enjoys a double-digit lead in the latest statewide polls. Republican Alan Schlesinger trails far behind in the polls.

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Waterfront Project Reflects 2 Images Of A Senator (NYT)

By David Kocieniewski And Ray Rivera

The New York Times, October 29, 2006

BAYONNE, N.J. — Senator Robert Menendez is not directly involved in building the new waterfront development that will soon rise here in the shadow of the Statue of Liberty. But his influence can be seen throughout it.

The project, which occupies the 437-acre site of the abandoned Military Ocean Terminal, is being built with the help of nearly $30 million in federal funds that Mr. Menendez secured using his trademark policy expertise and aggressive politicking. His work provided the seed money for a plan to produce movie studios and shops, marinas and waterfront parks, and 6,600 homes.

The project has also produced considerable work for some of his chief political supporters.

The first major contract to develop the site went to a company that hired a Menendez friend and political confidant, Donald Scarinci, to lobby for it. That developer later took on Mr. Menendez's former campaign treasurer, Carl Goldberg, as a partner. Bonds for a portion of the project were underwritten by Dennis Enright, a top campaign contributor, while Kay LiCausi, a former Menendez Congressional aide and major fund-raiser, received lucrative work lobbying for the project.

Mr. Menendez said he had no role in securing the contracts for any of his friends. But the project, known as the Peninsula at Bayonne Harbor, nonetheless displays the two contrasting images of Mr. Menendez — one a fiery advocate who brings home federal aid for his constituents, the other a political empire builder who detractors say pushes too much largess toward his friends.

Whether the considerable clout wielded by Mr. Menendez in Congress is matched by cronyism, or worse, at home, has become one of the central issues in the Senate race he is waging against State Senator Thomas H. Kean Jr., his Republican challenger.

Republicans have portrayed Mr. Menendez as a modern-day political boss, presiding over an apparatus not of union stewards, ward heelers and precinct captains, but of lawyers, developers and lobbyists who fill his campaign coffers.

In a year when Republican candidates are on the defensive, Mr. Kean's steady attacks on Mr. Menendez's ethics have made the New Jersey race one of nation's closest and nastiest. A defeat here, where Democrats have not lost a Senate race since 1972, would endanger the party's hopes of winning control of the upper chamber.

Mr. Menendez brushes aside the questions about his ethics as "guilt by geography," a reference to his rise in politics in Hudson County, where the reputation for machine politics and official mischief is notable even by New Jersey standards. Mr. Menendez asserts that in 32 years in political office he has never once used his power to steer a contract to an ally.

Mr. Menendez's supporters say the attacks are simply a way for Republicans to avoid talking about issues he has campaigned on, including Iraq, terrorism and stem cell research. "Those are the things that matter to people, which Senator Menendez is far superior on, both in his knowledge and in his ability to articulate," said State Senator Bernard Kenny, chairman of the Hudson County Democratic Organization.

Even Mr. Menendez's critics concede his success in bringing federal transportation and environmental funds to the state while serving in the House for 13 years. That money helped revitalize blighted communities in his district, particularly a stretch along the Hudson that has come to be known as New Jersey's Gold Coast.

It should not be odd then, Mr. Menendez says, that developers and business leaders have expressed their approval by contributing to his campaigns.

"If someone agrees with your policy goals, is it surprising that they would support you?" he said in a recent interview. "What are they supposed to do? Give to someone who opposes their vision?"

A Land of Scandal

In many ways Mr. Kean has tried to turn the election into a referendum on Hudson County and its checkered political history.

The densely packed county was once a destination for generations of Irish, Italian and Cuban immigrants, including Mr. Menendez's parents, drawn by low rents and the promise of work in the factories and shipyards that stared across the harbor at the New York City skyline.

Today, the county functions almost like New York's sixth borough, as young professionals, families and banking firms flee to cities like Hoboken and Jersey City in search of rents that are lower than in Manhattan.

But while the county's demographics have shifted, and many of its communities have gained new vibrancy, its reputation for corruption has endured. It was here that Frank "Boss" Hague, Jersey City mayor from 1917 to 1947, famously declared "I am the law," while ruling over a machine that controlled governors, judges and United States senators. When he died, he had a net worth of $10 million though his salary never eclipsed $8,000 a year.

In the 1980s, after an onslaught of corruption cases hit the county, The Jersey Journal declared in a headline, "No Hudson officials indicted today."

These days, the political power structure is less influential and more decentralized than in the past. The taint of scandal continues, however. Since 2002, about 20 public officials, including former County Executive Robert Janiszewski, have been indicted or convicted of corruption charges.

But Mr. Menendez, who grew up in Union City, says he is proud of his roots and of the way that he fought his way up, unlike his opponent, the scion of a famous New Jersey political family who was appointed to his first posts in the State Assembly and Senate.

In fact, Mr. Menendez's reputation as a tenacious infighter was born challenging the political establishment. In 1981, as a young lawyer serving as school board secretary, he became a government witness after discovering that the mayor, William V. Musto, who had been both mentor and father figure to him after his own father committed suicide, was diverting school funds to organized crime.

To many, the act was seen as a shameful betrayal, stirring so much resentment that Mr. Menendez said he took to wearing a bulletproof vest during the trial. When he made a bid to run against Mr. Musto for mayor, fliers filled the streets depicting him as a plump bird in a cage, with the caption, "Once a canary, always a canary."

Mr. Menendez lost the election, but four years later he ran again and won, becoming the state's first Hispanic to be elected mayor.

He went on to become the first Hispanic elected to the State Assembly, the State Senate and, in 1993, the first to represent New Jersey in the House of Representatives, where he rose to be the third-ranking Democrat. Jon S. Corzine appointed him to finish out the final year of his Senate term after Mr. Corzine was elected governor in 2005.

In Washington, he has become a respected voice on issues like immigration and transportation, and a staunch defender of liberal causes like stem cell research and abortion rights. He has also broken with his party to support deregulation of the financial services industry, a growing force in the New Jersey economy, and his devout opposition to Fidel Castro has won him near folk-hero status, and generous campaign contributions, in South Florida.

But critics from both parties say that some of Mr. Menendez's most ardent battles have been fought to preserve his own power, and protect government contracts of his patrons.

"If you're going to cross him or his people, you're in for the fight of your life," said William O'Dea, a Democratic freeholder from Hudson County who has clashed with Mr. Menendez over the apportionment of county contracts.

A Friend's Good Fortune

Perhaps no one has done more to foster Mr. Menendez's political success than Mr. Scarinci, a childhood friend who has stood by him from the days when he was battling Mr. Musto, and before. And few have benefited more from that success: among Mr. Menendez's first acts as Union City mayor was to name Mr. Scarinci city attorney.

Mr. Scarinci has since contributed more than $250,000 to state Democrats and helped raise millions more; he and his wife and members of his law firm have contributed more than $40,000 to Mr. Menendez's Congressional campaigns since 1997. As his chief campaign fund-raiser, Mr. Scarinci was so closely associated with Mr. Menendez that many elected officials came to view him as the congressman's emissary.

As he raised money for Mr. Menendez and helped him navigate the treacherous currents of Hudson County politics, Mr. Scarinci also won millions of dollars in state and local contracts for his law firm, many of them with government entities over which Mr. Menendez and his allies hold immense influence.

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For example, after Mr. Menendez was named to head Gov. James E. McGreevey's transition team, he lobbied vigorously to help Mr. Scarinci win a legal contract with the Casino Reinvestment Development Authority, according to three officials familiar with the appointment. Mr. Scarinci's firm has made $2.8 million from that contract since 2002.

Mr. Scarinci does not deny that his firm has benefited from his political activity.

"It's not the political connections as much as you're involved," he said in an interview earlier this year. "So when they win, you're not going to hire some stranger, you're going to hire someone you're comfortable with, someone you trust."

Mr. Menendez insists that he has never helped Mr. Scarinci get or keep a contract, except when he was mayor and it was his duty to appoint legal counsel.

But in 1999, Mr. Menendez led a fierce recall effort against his former protégé, Mayor Rudy Garcia of Union City, because, Mr. Garcia says, he had fired Mr. Scarinci as city attorney. Mr. Menendez says it was because Mr. Garcia wanted his job in Congress. Whatever the cause, there was no mistaking who won: Mr. Garcia resigned as mayor in 2000, and his successor promptly rehired Mr. Scarinci.

Mr. Scarinci was forced to sever his ties with the campaign last month, after the release of audio tapes recorded in 1999 in which he is heard advising a client who held a lucrative psychiatric contract with Hudson County to hire another physician as a "favor" to Mr. Menendez.

The psychiatrist with the contract, Oscar Sandoval, who is being sued by the county for allegedly bribing Mr. Janiszewski, the former county executive, to win contracts in the first place, said in an interview that Mr. Scarinci's message was clear: hire Mr. Menendez's friend or risk losing the contracts.

After the tapes were released, Mr. Scarinci issued written statements denying Dr. Sandoval's allegations and insisting that his dealings with him were never directed or requested by Mr. Menendez.

True or not, the tapes have provided fodder to Mr. Kean, who in ads has promised to free New Jersey from "the clutch of corruption."

In September, United States Attorney Christopher J. Christie also subpoenaed the records of a Hudson County social services agency that leased a building, for $300,000 over nearly 10 years, from Mr. Menendez while, as a House member, he helped it win millions in federal financing. Mr. Kean has used the subpoenas to assert that Mr. Menendez is under criminal investigation, which Mr. Christie's office has never confirmed. Mr. Menendez denies that he is under investigation and says that the House Ethics Committee's legal counsel cleared the deal.

Questions About Contracts

Mr. Menendez's involvement in the Bayonne project began in the mid-1990s, as he fought to save the base, which provided 2,500 jobs and was Bayonne's largest employer. Once that fight was lost, he began a new battle for federal financing necessary to transform the site into a thriving addition to the local economy — including $11.6 million from the Army for environmental cleanup, $7 million in Defense Department funds to stabilize the shoreline, and $3.2 million for road improvements to make the area more accessible to the New Jersey Turnpike.

Project officials say that Mr. Menendez had no role in awarding contracts and that without his support the development would never have gotten off the ground.

But the board created to oversee the project, the Bayonne Local Redevelopment Authority, was appointed by one of his allies, Mayor Joseph V. Doria Jr. The selection process for a developer — which was based not on price but on the subjective assessment of the redevelopment authority — was also led by people who are Menendez allies.

And the redevelopment authority's first executive director was Nicholas A. Chiaravalloti, a lawyer who had once worked in Mr. Scarinci's office. After assembling the contract specifications for the project, Mr. Chiaravalloti left in late 2002 to accept a job on Mr. Menendez's Congressional staff.

Dozens of companies expressed interest in the development, and two submitted detailed written proposals. The new executive director, Nancy Kist, who had worked as Mr. Doria's legal counsel before being appointed to the authority, said she forwarded both proposals to the board.

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But at least one board member remembers seeing only the plan submitted by Fidelco Bayonne Realty — Mr. Scarinci's client. Two principals of the second group, George Figliolia, president of BG Builders, and Angelo Cali, a co-owner in Cali Futures, said they were never asked to give a presentation.

Maria Karczewski, who served on the seven-member board from 2002 until this January, said the Fidelco offer was the only one presented, though she said she did not believe Mr. Menendez had an influence on that decision. Three other board members said they recalled a presentation by Fidelco but could not recall whether they had seen the second one.

In public hearings, Ms. Kist urged the board to accept Fidelco's proposal because it included movie and television production facilities as well as housing, and also gave local officials a voice in shaping the project.

But some city officials said that once Fidelco hired Mr. Scarinci, it was clear who would get the contract.

"People knew that Menendez was running the show because he brought all the federal money," said City Councilman Anthony Chiappone, a rival of Mr. Doria who said he is frustrated that he and others have been excluded from the decision-making process. "And everyone in Hudson County politics know that Scarinci is his No. 1 guy, so any contractor who hires him gets treated like they have Menendez's seal of approval."

Steve Kalafer, a principal in Fidelco, said he hired Mr. Scarinci's firm because it had a long track record of getting waterfront development projects through Hudson County's maze of legal and governmental regulations.

"In every community there's one firm that has the experience and credibility with the local governing agencies to get projects done," he said. "I didn't bother to interview any other firm because I didn't want to try and reinvent the wheel."

Mr. Kalafer said that Fidelco's decision to bring Mr. Menendez's former campaign treasurer, Carl Goldberg, into the project as a partner in 2005 was based on his track record as a developer rather than any political connections. He said that Mr. Menendez played no role in Fidelco's decision to hire Mr. Scarinci or team up with Mr. Goldberg.

"Other than a smile and an occasional passing comment like, 'how's the project going?' I've never had any discussions with the senator about it," Mr. Kalafer said.

Royal Caribbean Cruises, one of the development's first tenants, hired a former Menendez staffer and fund-raiser, Kay LiCausi, who was vice chairwoman of the Hudson County Democratic Organization, to lobby for state and federal support.

Ms. LiCausi left her job on Mr. Menendez's staff in 2002, but she has maintained a close relationship with the congressman, who has acknowledged helping her get more than $200,000 in lobbying work for campaign committees over which he controlled or had strong influence. He has also recommended her for other lobbying work, which he compared to writing a reference letter for any deserving former employee.

In August 2004, just months after Royal Caribbean hired her, paying her more than $180,000 over the next two years, Mr. Menendez announced the first of two appropriations totaling $9.5 million to repair shoreline and extend a berth for the company's huge cruise ships.

Mr. Menendez said in an interview last week that Ms. LiCausi's role with the firm did not affect his actions, and that he did not consider it a conflict of interest to be obtaining tax dollars for companies who hire his own fund-raisers as lobbyists.

"If these people, these companies have success, that's their own initiative," he said, adding that several of the contractors involved in the project have never contributed to him or hired any of his supporters.

Royal Caribbean also hired Dennis Enright, a top contributor to Mr. Menendez, to underwrite a $16.5 million bond issue to help pay for terminal repairs.

A Royal Caribbean spokesman said the company never discussed the hires with Mr. Menendez, and that Ms. LiCausi and Mr. Enright were chosen because they were the best people for the job. Ms. LiCausi and Mr. Enright did not return repeated phone calls seeking comment for this article.

Mr. Menendez says that he is being held to a different standard because of where he comes from, saying that Mr. Kean has accepted campaign contributions from government contractors, and asserting that his opponent would never have received his first Assembly and State Senate appointments without his family's considerable "political muscle."

"You do that when you come from Hudson County, it's called bossism," Mr. Menendez said. "But I guess when you come from my opponent's background, it's just leadership."

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Caution Prevails In Last TV Debate (MCA)

By Richard Locker

Memphis Commercial Appeal, October 29, 2006

Ford, Corker sidestep controversy, criticize attack ads

NASHVILLE -- Democrat Harold Ford Jr. drove home his message for change while Republican Bob Corker emphasized his "Tennessee life" and values in Saturday night's final televised debate of Tennessee's U.S. Senate race.

Neither unveiled new themes in their meeting at Vanderbilt University. And some attacks that dominated the previous two debates in Memphis and Chattanooga were absent.

But the negative TV attack ads of the past three weeks surfaced at the end of the face-off as veteran WTVF-TV anchor Chris Clark asked both to comment.

"I was a little surprised to see the smut and the slime coming into my living room during family time," Ford said of two ads sponsored by the Republican National Committee. One featured a bare-shouldered blond woman saying she had met Ford at the "Playboy party" and asking him to "call me."

Corker said he didn't like the ads and that he asked his national party to remove them. He asked Ford to join him in calling for all ads not put up directly by the two candidates' campaigns to cease. But he said after the debate that the national Democratic Party is spending $2.7 million on ads compared to $813,000 by the national GOP over the last two weeks.

The two sparred most pointedly over tax and spending issues. Corker charged that Ford had voted 78 times to raise taxes during his 10 years in the House -- to which Ford responded that he had never voted for a final federal budget bill that was not balanced.

Ford in turn said Corker had raised taxes three times as mayor of Chattanooga, and he tried to link Corker to the state income tax that former governor Don Sundquist proposed. But accusing Ford of "taking liberties with the facts throughout the campaign," Corker said the income tax didn't surface until more than 21/2 years after he stepped down as Sundquist's finance commissioner and returned to Chattanooga.

The two also responded to audience questions, prescreened by the League of Women Voters, on illegal immigration, Social Security, health care, the minimum wage, the federal deficit, human rights and how to deal with North Korea's nuclear weapons program.

Ford said President Bush should appoint "three emissaries" -- former senator Howard Baker, former secretary of state Madeleine Albright and former Georgia senator Sam Nunn -- to deal with North Korea and former secretary of state Colin Powell to work with the Iraqi government on a new strategy there.

Corker said he believes the six-party diplomatic talks underway over North Korea "are very healthy" but its neighboring countries should take a more active role in persuading North Korea's leaders to back down on nuclear weapons.

Ford used several of the questions to say that Corker's GOP has been in control of Congress and the White House for the last six years but has done little to resolve the nation's problems.

Both said Social Security must be made solvent. Corker said he would favor allowing younger workers to set up private accounts with a portion of their Social Security taxes but only after Social Security is "made structurally sound."

Ford said, "I think Social Security should go first to people who need it the most -- people who have worked 30 to 40 years who have earned it should get it before" others more affluent. He renewed his call for a program in which every newborn gets $500 deposited in a special account at birth that he, she or anybody can contribute to and which can be used only for college , a down payment on a house or retirement.

"This race boils down to a very simple premise," Ford said. "If you like what has gone on in Washington for the last six years, you don't want to vote for me ... (But) if you believe your children deserve a better America than we have today, I'm asking you to vote for me. I'm not going to be a parrot for anyone in Washington other than you."

Corker emphasized the dominant theme of his campaign's biographical TV ads, that he has the experience and Tennessee values to represent Tennesseans in the Senate. "I've lived a Tennessee life. I grew up in Tennessee, went to public schools, graduated from UT ...

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"This is not a referendum," Corker said. "This is a choice between two individuals who could not have led a more different life and who have had different life experiences. I think you want someone who thinks like you think, someone who has the ability to solve complex problems."

Political Theater And The Real Rick Santorum (NYT)

By David Brooks

The New York Times, October 29, 2006

Every poll suggests that Rick Santorum will lose his race to return to the U.S. Senate. That's probably good news in Pennsylvania's bobo suburbs, where folks regard Santorum as an ideological misfit and a social blight. But it's certainly bad for poor people around the world.

For there has been at least one constant in Washington over the past 12 years: almost every time a serious piece of antipoverty legislation surfaces in Congress, Rick Santorum is there playing a leadership role.

In the mid-1990s, he was a floor manager for welfare reform, the most successful piece of domestic legislation of the past 10 years. He then helped found the Renewal Alliance to help charitable groups with funding and parents with flextime legislation.

More recently, he has pushed through a stream of legislation to help the underprivileged, often with Democratic partners. With Dick Durbin and Joe Biden, Santorum has sponsored a series of laws to fight global AIDS and offer third world debt relief. With Chuck Schumer and Harold Ford, he's pushed to offer savings accounts to children from low-income families. With John Kerry, he's proposed homeownership tax credits. With Chris Dodd, he backed legislation authorizing $860 million for autism research. With Joe Lieberman he pushed legislation to reward savings by low-income families.

In addition, he's issued a torrent of proposals, many of which have become law: efforts to fight tuberculosis; to provide assistance to orphans and vulnerable children in developing countries; to provide housing for people with AIDS; to increase funding for Social Services Block Grants and organizations like Healthy Start and the Children's Aid Society; to finance community health centers; to combat genocide in Sudan.

I could fill this column, if not this entire page, with a list of ideas, proposals and laws Santorum has poured out over the past dozen years. It's hard to think of another politician who has been so active and so productive on these issues.

Like many people who admire his output, I disagree with Santorum on key matters like immigration, abortion, gay marriage. I'm often put off by his unnecessarily slashing style and his culture war rhetoric.

But government is ultimately not about the theater or the light shows of public controversy, it's about legislation and results. And the substance of Santorum's work is impressive. Bono, who has worked closely with him over the years, got it right: "I would suggest that Rick Santorum has a kind of Tourette's disease; he will always say the most unpopular thing. But on our issues, he has been a defender of the most vulnerable."

Santorum doesn't have the jocular manner of most politicians. His colleagues' eyes can glaze over as he lectures them on the need to, say, devote a week of Senate floor time to poverty. He's not the most social member of the club. Many politicians praise family values and seem to spend as little time as possible with their own families, but Santorum is at home almost constantly. And there is sometimes a humorlessness to his missionary zeal.

But no one can doubt his rigor. Jonathan Rauch of The National Journal wrote the smartest review of Santorum's book, "It Takes a Family." Rauch noted that while Goldwaterite conservatives see the individual as the essential unit of society, Santorum sees the family as the essential unit.

Rauch observed, "Where Goldwater denounced collectivism as the enemy of the individual, Santorum denounces individualism as the enemy of the family." That belief has led Santorum in interesting and sometimes problematical directions, but the argument itself is a serious one. His discussion of the philosopher Alasdair MacIntyre, for example, is as sophisticated as anything in Barack Obama's recent book. If Santorum were pro-choice, he'd be a media star and a campus hero.

The bottom line is this: If serious antipoverty work is going to be done, it's going to emerge from a coalition of liberals and religious conservatives. Without Santorum, that's less likely to happen. If senators are going to be honestly appraised, it's going to require commentators who can look beyond the theater of public controversy and at least pretend to care about actual legislation. Santorum has never gotten a fair shake from the media.

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And so after Election Day, the underprivileged will probably have lost one of their least cuddly but most effective champions.

GOP Hopes Fade For Taking District Bush Calls Home (WT)

By Hugh Aynesworth, The Washington Times

The Washington Times, October 29, 2006

WACO, Texas -- Texas Republicans spent much of this year thinking they had a good chance to defeat an eight-term Democrat in this central Texas congressional district.

Today, Republican Van Taylor's campaign in the 17th District, though well-funded, seems bogged down. Several polls indicate that incumbent Chet Edwards, 54, will easily retain the seat he has held for 16 years.

The Republican Party promised to campaign heavily for Mr. Taylor when he won the primary in March. He was told he could expect money, rallies featuring party stalwarts and national press exposure.

For the Republicans, Mr. Taylor seemed like the perfect fit.

The 10-year Marine veteran who served in Iraq seemed likely to blend in perfectly with the pro-military constituency that permeates this area near Fort Hood.

Some local conservatives also saw an excellent opportunity to rid themselves of an embarrassing situation -- a Democrat representing President Bush, whose Crawford ranch is in the district.

"It's an embarrassment," said M. A. Taylor, the McLennan County Republican chairman, who is not related to the candidate. "This area overwhelmingly supports the president and is overwhelmingly Republican, and yet we have a congressman who supposedly represents our interests. It is nothing short of personally humiliating."

But something happened along the way that turned the odds against Mr. Taylor.

Mr. Edwards refused to attack Mr. Bush, unlike most Democrats across the country, and he has spoken about his efforts to protect the Waco VA hospital and to fight for the military.

He reminds voters that he is a member of the Appropriations Committee and is the top-ranking Democrat on its military quality of life and veterans affairs subcommittee.

"In a Congress where committee assignments really make a difference, the fact that I am the ranking member on the committee that funds the VA health care system has given me the experience and insight into the political process and the VA system itself," Mr. Edwards said at a recent debate in College Station.

Meanwhile, Mr. Taylor tells voters he served two tours in Iraq as a captain with the 4th Marines, 3rd Recon Battalion, and comes from a long line of soldiers, dating back to the Civil War.

The race has not been cheap. According to Congressional Quarterly's Political Money Line, Mr. Taylor has raised almost $2 million, while Mr. Edwards has raised more than $2.8 million, among the most of any Democrat running for Congress.

Though Mr. Edwards has used much of his campaign war chest to promote past service, Mr. Taylor has attacked the Democrat as a "career politician," a man out of step with "family values" in the district.

Some of Mr. Taylor's television ads have been called "fanciful" or less than fair. In fact, "some of his attacks on Edwards' voting record are simply not true," said Gary Halter, professor of political science at Texas A&M University.

As the criticism of Mr. Taylor's campaign increased, the excitement from Republican leaders in Washington has cooled.

The National Republican Congressional Committee canceled $1.5 million in television ads it had scheduled to run in the waning days of the campaign, but the Taylor campaign is still fighting.

"We're prepared to win this race," said Mike Spellings, a campaign spokesman. "We're confident voters are responding to his message."

Democrats Aim To Regain Majority Of Governors (WT)

By Eric Pfeiffer, The Washington Times

The Washington Times, October 29, 2006

Democrats are quietly poised to win a majority of the nation's gubernatorial offices in the midterm elections next week, as most of the attention focuses on the battle for control of Congress.

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Republicans currently hold 28 gubernatorial seats. However, a number of them are in what are considered liberal states that appear to have stronger Democratic candidates than in recent years.

According to the latest polls, Democrats could win in eight states: Alaska, Colorado, Maryland, Massachusetts, Minnesota, New York, Nevada and Ohio.

"It's a volatile climate out there," said Bernie Campbell, communications director for the Democratic Governors' Association (DGA). "A combination of things is working in our favor -- voter confidence in Democrats and building on the past accomplishments of our current governors."

Gov. Bill Richardson, New Mexico Democrat, said during a recent appearance in Washington that his party is benefiting from a bounce in the polls because of voter dissatisfaction with President Bush and Congress. Mr. Richardson, the president of the DGA, is far ahead in his own re-election campaign.

Republican governors who are running competitive races in the so-called "blue" states this year have been successful by embracing a more independent agenda and distancing themselves from the administration.

"The issues environment has been challenging for Republicans," said Phil Musser, executive director of the Republican Governors Association (RGA).

Mr. Musser cited gubernatorial races in California and Oregon as evidence that Republicans can still buck the national trend working against others in their party. California Gov. Arnold Schwarzenegger is leading his Democratic opponent, state Treasurer Phil Angelides, in the polls. In Oregon, Republican nominee Ron Saxton is running a surprisingly close race against incumbent Gov. Theodore R. Kulongoski.

"You still need the core base, but it's less about ideology and more about being pragmatic," Mr. Musser said of their success.

Some Republicans have complained privately that the White House has focused too much on maintaining a majority in Congress and has virtually ignored Republican gubernatorial races, both in fundraising and in appearances by Mr. Bush and other leading party figures.

"They gave up on us a long time ago," said one source, who asked to remain anonymous because of a continued involvement in Republican campaigns.

"The top priority has been Congress," Mr. Musser acknowledged, "especially early in the cycle."

However, he said that the RGA has raised $20 million for its races this year and has an estimated $6 million to $7 million advantage over the DGA.

A significant part of that money will be used to get voters to the polls on Election Day. "Money is critical to it," he said.

Novice Stands Her Ground On Veterans' Turf In Alaska (NYT)

By William Yardley

The New York Times, October 29, 2006

WASILLA, Alaska — Voters have not elected a woman as governor of Alaska in 47 years of statehood, and just a few months ago, before she trounced Gov. Frank Murkowski in the Republican primary, Sarah Palin was hardly known outside this growing suburb of Anchorage.

Now Ms. Palin, 42, has a sizable lead in most polls over Tony Knowles, a former Democratic governor who has survived in a conservative state by working closely with the powerful oil industry and cultivating ties across party lines.

Her secret?

"She's a suburban mom," said Dan Newman, the pastor of Wasilla Christian Fellowship, one of several evangelical churches here, and a Palin supporter. "It's almost the opposite of what you'd expect from Alaska."

Ms. Palin, the former mayor of Wasilla, stands out in a state that has seen few fresh faces in politics. She is untainted by government scandal and unburdened by political debt. She is a conservative Christian who opposes abortion. She runs marathons. She fishes. She hunts.

"We always have a choice," Ms. Palin, who was an infant when her family moved to Alaska so her father could take a job teaching school, said in an interview. "We can go backwards and be real negative or we can go forward and be positive."

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Still, political analysts say Ms. Palin is not a lock to win.

Mr. Knowles has been able to keep the race competitive, in part by questioning whether Ms. Palin has the experience to lead a state where voters measure politicians on issues as wide-ranging as energy exploration, aerial wolf hunting and subsistence fishing in the arctic bush.

Mr. Knowles, 63, tries to sell his experience, having served eight years in the governor's office in Juneau, leaving in 2002 because of term limits. He also casts Ms. Palin as provincial.

More specifically, Mr. Knowles has suggested that Ms. Palin lacks the backbone and skills to negotiate with oil companies to build a new natural gas pipeline, something they agree is critical for the state economy as oil production declines on the North Slope. About 85 percent of the state's general revenue comes from taxes on the oil industry and many people view the new gas pipeline as Alaska's next natural resource boom.

Ms. Palin is portraying herself as a needed outside agent of change at a time when the Federal Bureau of Investigation is investigating links between Republican leaders in the Legislature and a major player in the oil industry. The tactic worked well in the August primary, with only 19 percent of voters supporting Governor Murkowski's bid for a second term.

Two of the three members of the state's Congressional delegation, Senator Ted Stevens and Representative Don Young, have been in office for a total of 71 years. The third, Senator Lisa Murkowski, has been in office since 2002 in the seat her father held for 22 years before that.

Ms. Palin's rise to prominence has come in part by turning the spotlight on the failings of her party. She accused one of her fellow members of the Alaska Oil and Gas Conservation Commission of misusing his office to do political work.

Some of the accusations proved true, but Ms. Palin was striking close to home. The person she accused was Randy Ruedrich, the chairman of the state Republican Party.

Mr. Ruedrich, who says he and the party are actively supporting Ms. Palin in the election, has refused her suggestion that he should resign.

"When Ms. Palin becomes governor she will be a member of my 90-member executive committee," Mr. Ruedrich said in an interview. "I have one vote and she has one vote in that 90-member body."

Adding to the party tension is the candidacy of Andrew Halcro, who was a Republican during his two terms in the State House and is running for governor as an independent. The three candidates have appeared together frequently in forums and debates around the state. While Mr. Halcro, 42, trails far behind the others, he receives coverage in the news media, and opinions differ on whether he will draw more voters from Ms. Palin or Mr. Knowles.

Dreams of a new economic boom in natural gas development have dominated the race for all three candidates.

Mr. Knowles talks confidently about the benefits of squeezing as much as 100 trillion cubic feet of natural gas deposits from the North Slope through a 48-inch pipeline for decades into the future. He says the project, estimated to cost more than $20 billion, could give the rest of Alaska's economy time to diversify, a long-sought goal many say was overlooked during the oil rush of the 1970s and 1980s.

Mr. Knowles said the gas pipeline, which could take 10 years just to build, would provide money to improve state education. Noting a rise in average temperature in the state, he also said Alaska could position itself as "a research center for climate change and how to deal with it."

Some economists have said that the state has already increased the tourism and cargo shipping industries, and they say that a gas pipeline, while a boost for the state, would not have the same kind of impact as the Trans-Alaska oil pipeline.

"I'm not going to say that booms and busts are gone forever, but we're a little less susceptible now," said Neal Fried, an economist with the Alaska Department of Labor.

Still, nearly every Alaska resident recently received an annual dividend check from oil production. This year the amount was $1,106.96, and the belief that the state's natural resources will remain its economic backbone is deeply held, whether the resource was gold a century ago or gas in the future.

The gas pipeline seems to take on particular urgency in an election year, just as it did four years ago when Governor Murkowski, then a senator, returned from Washington. He has worked for more than two years but failed to strike a deal.

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Ms. Palin, like Mr. Knowles, said she wanted the state to expand negotiations beyond BP, Exxon Mobil and Conoco Phillips, the three oil companies with which Governor Murkowski has been negotiating.

But Ms. Palin also recalled that the pipeline was a topic of discussion when she was a child and said that Mr. Knowles is being "disingenuous" when he says urgently that he wants pipeline proposals on his desk in the governor's office by Jan. 31, 2007.

New Governor's Name Is ... Crist. Or Davis. The Race Remains Too Close To Call. (STPETE)

By Adam Smith

St. Petersburg Times, October 28, 2006

Republican Charlie Crist may be trouncing Jim Davis in money and sheer number of TV commercials, but a new St. Petersburg Times poll shows Davis remains solidly in the game as Election Day looms.

The poll found Attorney General Crist leading Democratic U.S. Rep. Davis by six percentage points, 48 percent to 42 percent, with 10 percent of voters still undecided. Independent voters stand to tip the election Nov. 7, with one in five still unsure between the two.

"I would not put my hand in my pockets and place a heavy bet on either one of these candidates. I think it's too close to call," said pollster Rob Schroth. "I think on Election Day, it's going to be close."

The Oct. 22-25 statewide telephone survey of 800 voters was conducted for the St. Petersburg Times by Schroth/Eldon & Associates, which usually works with Democrats, and the Polling Co., which typically works with Republicans. The margin of error is plus or minus 3.5 percentage points.

"The fact that the governor's race is still in play shows that Florida is still a red and blue state - more of a purple state," said pollster Kellyanne Conway of the Polling Co.

Crist is clearly better positioned, but both candidates head into the final stretch with some advantages.

For Davis, who has been unable to afford nearly as much TV advertising as Crist, anti-Republican sentiment is a big help. More than four in 10 Davis supporters said they're backing him mostly because of his political party or because they don't trust or dislike his opponent.

"As far as politicians go Charlie Crist is probably not that bad, but on the other hand he's a Republican, and right now I'm not too happy with the Republican Party," said 57-year-old Wes McKenzie, a county employee from St. Petersburg who has no party affiliation and has already voted for Davis.

Crist, though, is winning over about one in five Democrats, while Davis is backed by about one in 10 Republicans. The attorney general also is effectively tied with Davis among independents, and was leading 47 percent to 42 percent among woman. Democrats typically need an advantage in both those groups to win statewide.

What's more, the voters surveyed this week also trusted Crist slightly more than Davis to improve public schools, stand up to special interests and handle hurricane insurance reform. All are centerpieces of Davis' campaign message.

"I want to vote for Crist because he says he's going to try to do something about property taxes and insurance, so hopefully he's not lying," said 59-year-old Republican nurse Barbara Martin of Cape Coral, who has heard little about Davis.

Crist was leading Davis in every region except Democrat-rich South Florida, where the Tampa congressman leads 55 percent to 38 percent. Ground zero for the race is Tampa Bay, home of both Crist and Davis, and the attorney general leads there 48 percent to 40 percent.

In increasingly Republican Hillsborough County, Davis' home county, Crist has a 12 percentage point lead. In Crist's home county of Pinellas the attorney general leads by six percentage points.

"I don't think Davis has done very well for us in Congress and in Washington, so what makes you think he's going to do better as governor," asked David Hammons, a retired Democrat from Largo. "Crist seems like he wants to do what's right for the people."

Republicans in Florida have a far better voter mobilization operation than Democrats, but the poll points to potential trouble spots for Crist in energizing the conservative base.

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A social moderate who is ambivalent on restricting abortions and espouses a "live and let live" philosophy, Crist had a smaller lead in conservative North Florida, 47 percent to 37 percent, than Republicans typically expect. A small majority of voters who described themselves as born again Christians backed Crist.

"You have to wonder if there's still some doubt about whether Charlie Crist is a true conservative," said pollster Tom Eldon.

That's precisely the concern of 31-year-old Shane Abbott, a Republican pharmacist from the Panhandle town of De Funiak Springs. For the first time, he may skip voting in the governor's race.

"I can't feel good about voting for either one of them," Abbott said. "Morally, ethically , I see no Christian values or a large lack of Christian values."

The poll found Florida voters, if not happy with the way things are going in their state, then at least far happier with Florida's direction than the country's.

They were evenly divided when asked whether things are moving in the right or wrong direction in the Sunshine State.

Davis made history in picking the first African-American running mate, former state Sen. Daryl Jones, but the poll found no evidence that's helping Davis. Democrats in Florida typically win nine of 10 African-American votes, but the St. Petersburg Times poll found 69 percent of black voters with Davis and 16 percent with Crist. Fourteen percent were undecided.

Among Hispanic voters, another heavily coveted voter group, Crist led 59 percent to 32 percent. But the margins of error for both minority groups are high - plus or minus nearly 10 percent for African-Americans and nearly 11 percent for Hispanics.

The strikingly different takes of African-American and Hispanic Floridians highlight the nuances of the state's diverse electorate.

"Florida can really teach a lesson for the rest of the country as a bellwether in terms of not muddying together the so-called 'minority vote,' " Conway said.

So how would the pollsters advise the candidates to finish off the race for the Governor's mansion?

Crist, they said, needs to closely ally himself with popular outgoing Gov. Jeb Bush. And, Conway suggested, he should probably avoid becoming too negative in his campaign given that he has been winning over Democrats, independents and women who are likely to be alienated by attacks on Davis.

Davis, on the other hand, needs to ramp up attacks on Crist to raise doubts about him among swing voters, which could be tough given Davis' limited resources. The pollsters also said Davis should work to mobilize African-American voters and stress his opposition - and Crist's support for - how the unpopular FCAT test is used in Florida.

Times staff writer Joni James contributed to this report. Adam C. Smith can be reached at 727893-8241 or asmith@sptimes.com

Politician Disputes Waitress' Claim (LAT)

From Times News Reports

The Los Angeles Times, October 29, 2006

Five-term U.S. Rep. Jim Gibbons, the GOP gubernatorial candidate, said he'd be willing to take a polygraph to prove he did not assault a Las Vegas cocktail waitress.

Chrissy Mazzeo, 32, has said Gibbons pushed her up against a wall at a Las Vegas restaurant Oct. 13 and made a sexual advance while he and a prominent GOP operative were walking her to her truck. Gibbons, 61, says she tripped and he caught her, then walked away.

She called police that night but withdrew her complaint the next day, saying she had been threatened and pressured by someone claiming ties to the Gibbons campaign.

Winning Women? (NYT)

By Alexandra Starr

The New York Times Magazine, October 29, 2006

Darcy Burner has never held public office — the former Microsoft project manager is just 35 — but nonetheless she appears to have a good shot at becoming the first Democratic representative from Washington's Eighth District. The timing of her bid is propitious: in this scandal-saturated election year, her lack of political experience may be a boon. And the fact that Burner

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is an adept fund-raiser has fueled her quick rise. There's another, slightly more intangible factor at play, too: Evergreen-state residents are accustomed to female leadership. "You don't have the hurdle of convincing voters that women can do the job when the models include people without a Y chromosome," Burner told me recently. And in fact, Washington is the only state in the nation where both senators and the governor are women.

The West has always been known for "breaking the bonds of custom," as the historian Fredrick Jackson Turner put it. That has provided opportunities to enterprising men, but women have left their mark as well. In politics, they've become a fixture to an extent not seen even in liberal bastions like Massachusetts. Women have resided in Arizona's gubernatorial mansion for nearly a decade. Neighboring California's two senators are female, as is nearly a third of that state's House delegation. And the November elections could sweep more Western women into office. State Senator Dina Titus, Democrat of Nevada, is waging a campaign for governor, headlining an almost all-female ticket. Gabrielle Giffords is favored to win Arizona's Eighth District for the Democrats. And one of the most tightly fought races in the country — a showdown between a four-term representative, Heather Wilson (Republican of New Mexico), and Attorney General Patricia Madrid — will send a woman to Congress no matter which party prevails.

While plenty of Republican female stars — like former Supreme Court Justice Sandra Day O'Connor — got their starts out West, most of the region's female candidates for high office this year are Democrats. Representative Rahm Emanuel of Chicago, chairman of the Democratic Congressional Campaign Committee, says that regional and national trends make Democratic female candidates ideal standard-bearers. "Education, the environment and livability issues are coming to the forefront in that part of the country, and these women speak to the changing nature of the region," he says.

To be sure, these candidates will not win or lose their races on the basis of their sex alone. Talent on the stump, credentials and fund-raising will be decisive. The fact that they have the opportunity to make their case, however, speaks to Western states' receptivity to women in public life. That legacy dates back to the pioneer era and was partly born of necessity. The agricultural model of the ranch — unlike, say, the Southern plantation — often demanded that the sexes work side by side. Western states were the first to grant female suffrage, and allowing women access to the ballot was followed by electing them to high office: the first U.S. congresswoman hailed from Montana, the first female state senator from Utah.

To this day, political parties in Western states tend to be more open to women than the networks that reign in parts of the East Coast. "The process for getting on the ballot isn't as transparent in states with entrenched machines," says Debbie Walsh, director of the Center for American Women and Politics at Rutgers University. She points to her home state, New Jersey, where county chairmen — and they are almost always men — often determine who will run. "In part because those decisions are generally made behind closed doors, it makes it harder for women to get involved," Walsh says. Indeed, the Garden State and Massachusetts — two states with strong machines — have all-male Congressional delegations, despite their progressive political leanings.

Of course, even this year, some of the Western women challengers will fall short. Incumbents aren't shoo-ins, either. Senator Maria Cantwell, a Washington State Democrat, is facing a tough re-election challenge. Nevertheless, given the region's more transparent political parties and history, it is well poised to retain its status as an incubator of female leadership. That may bode well for Senator Hillary Clinton if she decides to make a bid for the presidency. She would have trouble carrying states in the South, but if Western voters extend their embrace of female leadership to the highest levels of government, a promotion from the Senate to the White House could be within her reach.

Candidates, Parties Target Web Audience (AP)

By Will Lester

AP, October 29, 2006

WASHINGTON - Increasing numbers of people looking for political news are going online - with more than a third now saying they check the Internet for such information.

That group is more likely to be younger, better educated and male than the population in general, an Associated Press-AOL News poll found.

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While 35 percent say they go to the Internet for political updates about campaigns and candidates, that number grows to 43 percent of likely voters - and they tend to be more liberal than conservative.

With midterm elections less than two weeks away, the online audience is getting deluged with e-mail and election updates from the news, campaign and political Web sites.

Those who use the Web point to the convenience, the wide variety of information and the range of intense emotion available.

The poll found that four in 10 men search the Web for political news compared to three in 10 women. About four in 10 of those under age 50 search the Web for political news, compared with fewer than two in 10 of those 65 and over. And more than half of those with college degrees look to the Web for politics, compared with a third of those who have some college and fewer than one in six with a high school education or less.

The most popular destinations are the news sites, with nine of 10 in the online political audience saying they go to news sites. Just over a third go to candidate's sites and almost half check out political sites.

The number who go online has grown from about a fourth in this country six years ago, according to the Pew Research Center. Fewer than half of those who go online are regular users of the Web for political news.

While the online browsers go to a wide variety of sites, they overwhelmingly trust what they see on the news sites,

Seven in 10 said news sites are the most trustworthy, according to the poll of 2,000 adults taken Oct. 20-25. It has a margin of sampling error of plus or minus 2.5 percentage points, larger for subgroups.

Mental Health Reform, Please (WP)

The Washington Post, October 29, 2006

Virginia's mental health laws are stuck in the past.

VIRGINIA OFFICIALS are taking some encouraging steps aimed at fixing the state's broken mental health system, but this much-needed effort has come under attack. The assault is misplaced.

Increasing numbers of mentally ill people in Virginia end up on the streets, in court or in jail, instead of in treatment, where they belong. Chief Justice Leroy R. Hassell Sr. of the Virginia Supreme Court has launched a commission to revamp state mental health laws, including the state's outmoded criteria for civil commitment, which provide emergency treatment only when people are an "imminent danger" to themselves or others. Justice Hassell wants those laws examined, with the hope of presenting "reform legislation" to the 2008 General Assembly.

At a recent hearing, however, Sen. Kenneth W. Stolle (R-Virginia Beach) warned the court not to overstep its role by getting involved in policy. According to the Richmond Times-Dispatch, Mr. Stolle, chairman of the Senate Courts of Justice Committee, said he didn't think judges should "tell us how we should deal with mental health." Justice Hassell should be applauded instead of criticized. Judges see firsthand the impact of untreated people on the criminal justice system and the inadequacy of laws that deal with the problem. Their advice to lawmakers is invaluable.

There is a precedent, too. In the 1990s, family violence was spotlighted as an issue by then-Chief Justice Harry L. Carrico, and reform followed.

Coincidental with the state effort, Fairfax County, through its so-called Beeman Commission, is analyzing its own mental services during a time of increased need and dwindling resources. These two efforts highlight Virginia's desperate situation and the need for solutions.

Islam, Terror And The Second Nuclear Age (NYT)

By Noah Feldman

The New York Times Magazine, October 29, 2006

I.

For nearly 50 years, worries about a nuclear Middle East centered on Israel. Arab leaders resented the fact that Israel was the only atomic power in the region, a resentment heightened by America's tacit approval of the situation. But they were also pretty certain that Israel (which has never explicitly acknowledged having nuclear weapons) would not drop the bomb except as

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a very last resort. That is why Egypt and Syria were unafraid to attack Israel during the October 1973 Yom Kippur War. "Israel will not be the first country in the region to use nuclear weapons," went the Israelis' coy formula. "Nor will it be the second."

Today the nuclear game in the region has changed. When the Arab League's secretary general, Amr Moussa, called for "a Middle East free of nuclear weapons" this past May, it wasn't Israel that prompted his remarks. He was worried about Iran, whose self-declared ambition to become a nuclear power has been steadily approaching realization.

The anti-Israel statements of the Iranian president, Mahmoud Ahmadinejad, coupled with Iran's support for Hezbollah and Hamas, might lead you to think that the Arab states would welcome Iran's nuclear program. After all, the call to wipe the Zionist regime from the map is a longstanding cliché of Arab nationalist rhetoric. But the interests of Shiite non-Arab Iran do not always coincide with those of Arab leaders. A nuclear Iran means, at the very least, a realignment of power dynamics in the Persian Gulf. It could potentially mean much more: a historic shift in the position of the long-subordinated Shiite minority relative to the power and prestige of the Sunni majority, which traditionally dominated the Muslim world. Many Arab Sunnis fear that the moment is ripe for a Shiite rise. Iraq's Shiite majority has been asserting the right to govern, and the lesson has not been lost on the Shiite majority in Bahrain and the large minorities in Lebanon and Saudi Arabia. King Abdullah of Jordan has warned of a "Shiite crescent" of power stretching from Iran to Lebanon via Iraq and (by proxy) Syria.

But geopolitics is not the only reason Sunni Arab leaders are rattled by the prospect of a nuclear Iran. They also seem to be worried that the Iranians might actually use nuclear weapons if they get them. A nuclear attack on Israel would engulf the whole region. But that is not the only danger: Sunnis in Saudi Arabia and elsewhere fear that the Iranians might just use a nuclear bomb against them. Even as Iran's defiance of the United States and Israel wins support among some Sunnis, extremist Sunnis have been engaging in the act of takfir, condemning all Shiites as infidels. On the ground in Iraq, Sunni takfiris are putting this theory into practice, aiming at Shiite civilians and killing them indiscriminately. Shiite militias have been responding in kind, and massacres of Sunni civilians are no longer isolated events.

Adding the nuclear ingredient to this volatile mix will certainly produce an arms race. If Iran is going to get the bomb, its neighbors will have no choice but to keep up. North Korea, now protected by its own bomb, has threatened proliferation — and in the Middle East it would find a number of willing buyers. Small principalities with huge U.S. Air Force bases, like Qatar, might choose to rely on an American protective umbrella. But Saudi Arabia, which has always seen Iran as a threatening competitor, will not be willing to place its nuclear security entirely in American hands. Once the Saudis are in the hunt, Egypt will need nuclear weapons to keep it from becoming irrelevant to the regional power balance — and sure enough, last month Gamal Mubarak, President Mubarak's son and Egypt's heir apparent, very publicly announced that Egypt should pursue a nuclear program.

Given the increasing instability of the Middle East, nuclear proliferation there is more worrisome than almost anywhere else on earth. As nuclear technology spreads, terrorists will enjoy increasing odds of getting their hands on nuclear weapons. States — including North Korea — might sell bombs or give them to favored proxy allies, the way Iran gave Hezbollah medium-range rockets that Hezbollah used this summer during its war with Israel. Bombing through an intermediary has its advantages: deniability is, after all, the name of the game for a government trying to avoid nuclear retaliation.

Proliferation could also happen in other ways. Imagine a succession crisis in which the Saudi government fragments and control over nuclear weapons, should the Saudis have acquired them, falls into the hands of Saudi elites who are sympathetic to Osama bin Laden, or at least to his ideas. Or Al Qaeda itself could purchase ready-made bombs, a feat technically much less difficult than designing nuclear weapons from scratch. So far, there are few nuclear powers from whom such bombs can be directly bought: as of today, only nine nations in the world belong to the nuclear club. But as more countries get the bomb, tracing the seller will become harder and harder, and the incentive to make a sale will increase.

II.

The prospect of not just one Islamic bomb, but many, inevitably concentrates the mind on how Muslims — whether Shiite or Sunni — might use their nuclear weapons. In the mid-1980's, when Pakistan became the first Islamic state to go nuclear, it was still possible to avoid asking the awkward question of whether there was something distinctive about Islamic belief or practice that made possession of nuclear technology especially worrisome. Most observers assumed that Islamic states could be deterred from using nuclear force just like other states: by the threat of massive retaliation.

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During the last two decades, however, there has been a profound change in the way violence is discussed and deployed in the Muslim world. In particular, we have encountered the rise of suicide bombing. In historic terms, this development is new and unexpected. Suicide bombing has no traditional basis in Islam. As a technique, it was totally absent from the successful Afghan jihad against the Soviet Union. Although suicide bombing as a tool of stateless terrorists was dreamed up a hundred years ago by the European anarchists immortalized in Joseph Conrad's <object.title class="Movie" idsrc="nyt_ttl" value="130290;147096;43433;133169;43434;109253;109292">"Secret Agent," it became a tool of modern terrorist warfare only in 1983, when Shiite militants blew up the U.S. Marine barracks in Lebanon. </object.title>

Since then, suicide bombing has spread through the Muslim world with astonishing speed and on a surprising course. The vocabulary of martyrdom and sacrifice, the formal videotaped preconfession of faith, the technological tinkering to increase deadliness — all are now instantly recognizable to every Muslim. And as suicide bombing has penetrated Islamic cultural consciousness, its list of targets has steadily expanded. First the targets were American soldiers, then mostly Israelis, including women and children. From Lebanon and Israel, the technique of suicide bombing moved to Iraq, where the targets have included mosques and shrines, and the intended victims have mostly been Shiite Iraqis. The newest testing ground is Afghanistan, where both the perpetrators and the targets are orthodox Sunni Muslims. Not long ago, a bombing in Lashkar Gah, the capital of Helmand Province, killed Muslims, including women, who were applying to go on pilgrimage to Mecca. Overall, the trend is definitively in the direction of Muslim-on-Muslim violence. By a conservative accounting, more than three times as many Iraqis have been killed by suicide bombings in the last 3 years as have Israelis in the last 10. Suicide bombing has become the archetype of Muslim violence — not just to frightened Westerners but also to Muslims themselves.

What makes suicide bombing especially relevant to the nuclear question is that, by design, it unsettles the theory of deterrence. When the suicide bomber dies in an attack, he means to send the message "You cannot stop me, because I am already willing to die." To make the challenge to deterrence even more stark, a suicide bomber who blows up a market or a funeral gathering in Iraq or Afghanistan is willing to kill innocent bystanders, including fellow Muslims. According to the prevailing ideology of suicide bombing, these victims are subjected to an involuntary martyrdom that is no less glorious for being unintentional.

So far, the nonstate actors who favor suicide bombing have limited their collateral damage to those standing in the way of their own bombs. But the logic of sacrificing other Muslims against their own wills could be extended to the national level. If an Islamic state or Islamic terrorists used nuclear weapons against Israel, the United States or other Western targets, like London or Madrid, the guaranteed retaliation would cost the lives of thousands and maybe millions of Muslims. But following the logic of suicide bombing, the original bomber might reason that those Muslims would die in God's grace and that others would live on to fight the jihad. No state in the Muslim world has openly embraced such a view. But after 9/11, we can no longer treat the possibility as fanciful.

Raising the question of Islamic belief and the bomb, however, is not a substitute for strategic analysis of the rational interests of Islamic governments. Like other states, Islamic states act on the basis of ordinary power politics as much as or more than on the basis of religious motivation. Pakistan, which tested a series of warheads in 1998, at the height of tensions with India, has not used its atomic power as a tool of the faithful in a global jihad. The proliferation operation spearheaded by the nuclear scientist — and sometime Pakistani national hero — Dr. Abdul Qadeer Khan appears to have been based on a combination of national interest and greed, not on religious fervor. Khan found buyers in Iran and Libya, but also in decidedly non-Islamic North Korea. (In a twist much stranger than fiction,

Saddam Hussein apparently turned down the offer.)

Some observers think that Iran, too, wants the bomb primarily to improve its regional position and protect itself against regime change — not to annihilate Israel. According to this view, Iran's nuclear push reflects a drive to what is sometimes called national greatness and might more accurately be defined as the ability of a country to thumb its nose at the United States without fear of major repercussions. A televised pageant hastily arranged to celebrate Iran's atomic program in April of this year featured traditional Persian dancing and colorful local garb intermixed with make-believe vials of enriched uranium. To an Iranian audience accustomed to decoding official symbols, these references were nationalist, not pan-Islamic. (They were also subtly subversive of the mullahs: singing and dancing are not favored forms of expression in the clerical enclave of Qom.)

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But at the same time, Ahmadinejad has emphasized Iran's pan-Islamic aspirations to act on behalf of Muslims everywhere. An emerging nuclear power needs friends. Right now Iran wants to reduce, not promote, division between Sunnis and Shiites — and promoting broader "Islamic" interests by going after Israel is one way to lessen Sunni fears about Iran's rise. Ahmadinejad has put his money where his mouth is, providing Hezbollah with medium-range missiles — though apparently not chemical warheads — to use against Israel. The nationalist language he has sometimes used at home may be a cover for sincerely held pan-Islamic ends — a version of the old revolutionary strategy of making nationalist claims in order to attract the support of those fellow Iranians who do not respond well to Islamist ideology. That it is convenient for Iran to emphasize Islamic unity does not mean that at least some of its leaders do not believe in it as a motivating goal.+

It is common among foreign-policy realists to suppose that a country acting on nationalist motives is easier to deter than a country moved by religious ones. There is no especially strong evidence for this assumption — plenty of nationalist regimes have done crazy things when they logically should have been deterred — but the claim has a common-sense ring to it. Nationalists care about peoples and states, which need to be alive to prosper. It is a basic tenet of nationalism that there is nothing higher than the nation-state itself, the pinnacle of a people's self-expression. Religious thinkers, on the other hand, believe almost by definition that there is something in heaven greater than government here on earth. Under the right circumstances, they might sacrifice lives — including their own — to serve the divine will as they interpret it.

III.

We urgently need to know, then, what Islam says about the bomb. Of course there is no single answer to this question. The world's billion-plus Muslims differ regarding many aspects of their 1,400-year-old religious tradition. Furthermore, nuclear weapons are a relatively new technology, unforeseen by the Prophet and unmentioned in the Koran. Nevertheless, contemporary Muslims are engaged in interpreting their tradition to ascertain how and when nuclear power may be used. Their writings, contained in fatwas and treatises that can be found on the Web and in print, tell a fascinating and disturbing story.

The Islamic discussion of nuclear weapons is profoundly intertwined with a parallel discussion of suicide bombing that is also taking place in the Muslim world. Suicide bombing and nuclear weapons typically kill without discrimination, murdering soldiers or civilians, men or women or children. And using nuclear force against another nuclear power can be suicidal, in the broad sense that retaliation may destroy the nation that attacked first. Beyond these commonalities is the fact that the rise of suicide bombing is driving a historic reconsideration of what might be called the Islamic ethics of violence. To consider Islam and the bomb today must thus inevitably draw us into the complex legal and political thinking of those Muslim authorities who justify the use of force.

The story starts with traditional Islamic law. The Shariah never followed the Roman adage that in war the laws are silent. Because jihad is a pillar of Islam, and because in Islam God's word takes legal form, the classical scholars devoted considerable care to identifying the laws of jihad. In common with the just-war doctrine developed in Christian Europe, the law of jihad governed when it was permissible to fight and what means could lawfully be adopted once warfare had begun. There were basic ground rules about who was fair game. "A woman was found killed in one of the battles fought by the Messenger of God," runs a report about the Prophet Muhammad considered reliable and binding by the Muslim scholars. "So the Messenger of God forbade the killing of women and children." This report was universally understood to prohibit the deliberate killing of noncombatant women and children. Some scholars interpreted it to mean that anyone incapable of warfare should be protected and so extended the ban to the elderly, the infirm and even male peasants, who as a rule did not fight. Muslims living among the enemy were also out of bounds. These rather progressive principles were broadly accepted by the Islamic legal authorities, Sunni and Shiite alike. For well over a thousand years, no one seriously questioned them.

Such black-and-white rules were well suited to the hand-to-hand or horse-to-horse combat characteristic of limited medieval wars. A few quirky challenges did arise, and the Muslim lawyers had to deal with them. The great theologian and jurist al-Ghazali, who wrote in the 11th and 12th centuries and was widely noted for his revival of religious piety and his skepticism of secular philosophy, dealt with the problem of human shields. He ruled that if the enemy drove captured Muslims before him, the Muslim army could still fight back, even if it might mean killing some of those Muslims. The reason he gave was that "we know that the law intends minimizing killing." There was also the catapult — precursor of artillery and air power — which was capable of sending a burning projectile into a populated city, where the resulting fire might kill women or children. Authorities differed on

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whether that tactic was permissible. Some disallowed the catapult when children or Muslim captives were in the city. In support, they cited a verse from the Koran that reads, "Had they been separated clearly, then We would have chastised the unbelievers among them with a painful chastisement." According to this school of thought, the "separation" of permissible targets (i.e., non-Muslim men) from impermissible targets is the precondition for a general attack. Another school of thought, by contrast, permitted the use of the catapult regardless of collateral damage in order to serve the general interest of the Muslims.

No law can exist for a millennium without being broken, and there are scattered historical reports, mostly from Christian chroniclers, of Muslim forces acting outside the bounds of lawful jihad, without the authorization of the scholars. Men were always considered legitimate targets, and Muslim armies sometimes slaughtered them just as Muslims could be slaughtered by their enemies. Remarkably enough, though, the legal principles of jihad protecting women, children and fellow Muslims survived well into the modern era, when the secular regimes of the Muslim world began to fight according to secular ideas. The World War I Armenian genocide, which took place in the last, secularizing gasp of the declining Ottoman Empire, was the first really substantial systematic violation of the ban on killing women and children in recorded Islamic history. In the bloody 20th century, when mass exterminations took place in Europe, Africa and Asia, Muslim states had a relatively better record, marred of course by Saddam Hussein's gassing of the Kurds. And there have been the genocidal killings in Darfur in this new century. Even these horrific events, however, were not dignified by the claim that they were permitted under the law of jihad.

IV.

The last two decades have seen a challenge to this Islamic tradition of warfare under law, a challenge driven mostly by the attempt to justify suicide bombing despite its evident inconsistency with Islamic tradition. On the subject of suicide, the Koran could hardly be clearer: "Do not kill yourselves; for surely God has been merciful to you." Faced with this explicit text, the solution of the militant Islamist ideologues has been to avoid the category of suicide altogether and to treat the bomber as a martyr rather than as one who has taken his own life. This interpretation is not very convincing in historical terms: martyrdom classically meant that another person killed the Muslim warrior, not that he pushed the button himself. Nevertheless, many Muslims now seem to find the argument convincing. Even among rather secular Muslims, it has become standard to refer to suicide bombers as martyrs.

The killing of women, children and Muslim men, however, has proved harder to explain away as a permissible exercise of jihad. The reaction to 9/11, which has (so far) been the high-water mark of suicide bombing, illustrates the nature of the difficulty of reconciling suicide bombing with Islamic law. One problem concerns the offensive nature of the attack at a time when the United States was not at war with any Muslim entity. Offensive jihad requires the authorization of a legitimate Muslim leader, absent on 9/11. A more serious concern was the obvious reality that the 9/11 attacks were certain to kill — and did kill — women, children and Muslims, all in direct contravention of classical jihad principles. Since the whole point of 9/11 was to announce and embody jihad on the international stage, the attacks quickly became the centerpiece of a high-stakes debate about whether they did or did not qualify as legitimate acts of jihad.

In the immediate aftermath of 9/11, it was sometimes asserted in the West that there were no Muslim voices condemning the attacks. This was never true. Prominent Muslim scholars expressed their disapprobation in public arenas like television and the Internet. These included senior Sunni scholars like the grand mufti of Saudi Arabia and the head of Al-Azhar, in Egypt, nominally the flagship institution of Sunni higher learning — who gave a news conference. More popular figures, like Al Jazeera's resident cleric, Sheik Yusuf al-Qaradawi, explained that Islam "considers the attack on innocent human beings a grave sin." Shiite scholars also spoke out, including Ayatollah Ali Khamenei, the supreme leader of Iran.

The position of the Muslim scholars and observers who condemned the 9/11 attacks was simple and consistent across the Sunni-Shiite divide: this was not jihad but an unlawful use of violence. Offensive jihad was prohibited in the absence of formal authorization by a Muslim leader. But even if the attacks could somehow be construed as defensive, the perpetrators of 9/11 broke the rules with their willingness to kill women and children. In confident and insistent tones, these critics cited the classical scholars and insisted that nothing in Islamic law could justify the tactics used by Al Qaeda. Ayatollah Muhammad Husayn Fadlallah, the Lebanese cleric whose spiritual authority is recognized by Hezbollah, gave an interview to the Beirut newspaper Al Safir in which he asserted that given their impermissible choice of targets, the 9/11 bombers were not martyrs but "merely suicides."

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At the same time, it is important to note that in 2001 few prominent Muslim scholars — the Saudi grand mufti was the main exception — condemned the use of suicide bombings in all circumstances. Fadlallah approved the attack on the U.S. Marines in 1983 and, according to the United States, played a role in ordering it. Qaradawi, whose television presence gives him reason to stay within the Islamist mainstream, distinguished the 9/11 attacks from the permissible defensive jihad of the Palestinians. He was happy to praise a God who "through his infinite wisdom ... has given the weak a weapon the strong do not have, and that is their ability to turn their bodies into bombs as Palestinians do." Qaradawi has also repeated the common view that the killing of Israeli women is justified on the grounds that all Israelis must serve in the military, and so no Israeli is a true noncombatant: "An Israeli woman is not like women in our societies, because she is a soldier."

The equivocation by Muslim scholars with respect to the technique of suicide bombing reflected the reality that throughout the Muslim world, Palestinian suicide bombers were by 2001 identified as martyrs dying in a just cause. This, in turn, was the natural outgrowth of the decades before suicide bombing, when Palestinian terrorists were applauded for killing Israeli civilians, including women and children. Given that embracing Palestinian suicide bombing had become a widespread social norm, it would have been essentially unthinkable for an important Muslim scholar to condemn the practice without losing his standing among Muslims worldwide. In the Islamic world, as in the U.S. Supreme Court, the legal authorities cannot get too far away from their public constituency without paying a price.

What happened, in other words, is that without the scholars paying too much attention to the question, the killing of Israeli women and children had become a kind of exception to the ordinary laws of jihad. Opportunists like bin Laden then began to widen the loophole to include new victims. With respect to the unauthorized nature of his offensive jihad, bin Laden asserted that in fact the attacks were defensive, since in his mind the U.S. was occupying the sacred soil of Saudi Arabia — just as Israel was occupying the Muslim land of Palestine. Once all of Saudi Arabia was placed on a par with the holy cities of Mecca and Medina, traditionally closed to non-Muslims, the presence of American soldiers anywhere on the Arabian Peninsula (even if their presence was with the permission of the Saudi government) could be depicted as a profanation, a violation of the Prophet's deathbed directive to "banish the pagans from the Arabian Peninsula."

Bin Laden was embroidering on the theories of his onetime mentor Abdullah Azzam, the intellectual godfather of Al Qaeda. Azzam was a Palestinian Islamist who made his way to Afghanistan via Saudi Arabia and established the so-called Bureau of Services to channel Arab youth into the Afghan jihad. As Azzam trod his personal path from Palestinian militancy to universal pan-Islamic jihadism, he wrote an influential treatise called "Defense of Muslim Lands." In it, Azzam argued that not a single hand span of Muslim territory anywhere could ever be ceded to the enemy "because the land belongs to Allah and to Islam." Though Azzam would never have acknowledged it, his account of the divine ownership of Muslim lands was probably influenced — unconsciously, to be sure — by religious-Zionist claims about the holiness of the Land of Israel.

When it came to the killing of civilians, bin Laden's thought developed more gradually. In early pronouncements, before 9/11, he spoke as if the killing of women and children was inherently an atrocity. "Nor should one forget," he admonished an interviewer in 1996, "the deliberate, premeditated dropping of the H bombs [sic] on cities with their entire populations of children, elderly and women, as was the case with Hiroshima and Nagasaki." After 9/11, however, the argument changed. Now bin Laden began to suggest that American civilians were fair game. He could not argue that like Israelis, all Americans were subject to mandatory military service. Instead he proposed that because "the American people are the ones who choose their government by their own free will," and because they "have the ability and choice to refuse the policies of their government," attacks on American civilians were justified. Voting was now playing the role for Americans that military service played in the case of Israelis: the active step transforming civilians into fair game.

Such an appeal to collective responsibility was, however, pretty weak in Islamic legal terms. It might suffice for bin Laden's videotaped self-justifications, and it might salve the consciences of potential jihadis hoping to join the rank and file of Al Qaeda. But it would never satisfy serious students of classical Islamic law, who found the 9/11 attacks problematic from an Islamic legal perspective.

In Saudi Arabia in particular, radical Muslim scholars with much more learning than bin Laden have sought to develop legally persuasive justifications for civilian killings. Probably the most sophisticated effort from a legal standpoint is a document titled "A Treatise on the Law of the Use of Weapons of Mass Destruction Against the Unbelievers," written in 2003 by a brilliant

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Saudi dissident named Sheik Nasir bin Hamad al-Fahd. (Fahd, a theorist rather than an activist, is currently back in prison, as he has been off and on for almost a decade.) The treatise begins with the assumption that the world's Muslims are under attack. But how are today's Muslims supposed to defend themselves, given their military inferiority? Fahd's response is that, if they have no other choice, they may use any means necessary — including methods that would otherwise violate the laws of jihad. "If the unbelievers can be repelled . . . only by using" weapons of mass destruction, then "their use is permissible, even if you kill them without exception."

Lest his argument prove too much, Fahd tempers it by the claim that the Muslims fighting the jihad may not inflict disproportionately more harm on the enemy than the enemy has inflicted on them. That raises the question of the extent of American guilt. "Some Brothers have added up the number of Muslims killed directly or indirectly by [American] weapons and come up with a figure of nearly ten million," the treatise states. This total, Fahd concludes, would authorize the use of weapons of mass destruction to kill 10 million Americans: indeed, "it would be permissible with no need for further [legal] argument." (The number is never explained or analyzed, and you might assume that it was meant to correspond very roughly to the population of New York.)

Fahd's arguments sit uneasily with the classical Islamic discussions of the laws of jihad. The classical Islamic law never explicitly says that women and children may be intentional targets if it is the only way to win the jihad. It does not allow violations of the law just because the enemy has broken the rules or killed many Muslims. So the treatise must fall back on whatever evidence it can muster from the classical sources that seems to modify the basic rules. The catapult rears its head and is cited as precedent for nonspecific killing. The right to fight even when Muslim hostages may be killed is brought out as proof of the permissibility of collateral damage when there is no other choice.

The legal arguments in use here are stronger than bin Laden's makeweights, but they, too, would probably not be sufficient on their own to justify the deviation from the legal traditions of jihad wrought by today's jihadis. The notion that it's right because it's necessary is doing the real work, and old-fashioned legal arguments are following along. It is no accident that the argument from necessity has been so prominent in modern Western writing about modern warfare in general and the nuclear bomb in particular. If the technology of mass destruction can be exported, why not the justification that comes with it?

Within the world of radical Islam, there are those who believe that the erosion of the laws of jihad has gone too far. There are reports of difficulty recruiting foreign candidates for suicide missions directed at Iraqi civilians. The debate about how jihad may be prosecuted is not over by any means. But it is an unavoidable fact that the classic restrictions on the killing of women, children and Muslims in jihad have been deeply undermined in the last decade.

V.

If the Islamic laws of war are under revision, or at least the subject of intense debate, what does that mean for the question of the Islamic bomb? The answer is that the expanding religious sanction for violence once thought unacceptable opens the way for new kinds of violence to be introduced and seen as legitimate in turn. First Israeli women and children became acceptable targets; then Americans; then Shiites; and now Sunnis of unstinting orthodoxy. It would seem that no one is out of bounds.

It is therefore now possible to imagine that the classical Islamic principles governing war would not be applied even by a self-consciously Islamic regime deciding when and if to detonate a nuclear device. The traditional ban on killing women, children and fellow Muslims would have gone a long way toward banning most potential uses of nuclear power by a sincerely Islamic state actor. As those prohibitions have eroded, the reassurance that might be afforded by a state's Islamic commitments has waned.

This means that a nuclear Islamic state would be at least as willing to use its weapons as a comparable non-Islamic state. But would an Islamic state be prepared to take the jihad to the enemy even if it would result in what amounts to collective suicide through the destruction of the state and its citizens? If the leaders of Iran or some future leaders of a radicalized, nuclear Saudi Arabia shared the aspiration to martyrdom of so many young jihadis around the world, might they be prepared to attack Israel or the United States, even if the inevitable result were the martyrdom of their entire people?

The answer depends to a large degree on whether you consider Islam susceptible to the kind of apocalyptic, millennial thought that might lead whole peoples, rather than just individuals, into suicidal behavior. It is important to note that for all his talk of the war between civilizations, bin Laden has never spoken of the end of days. For him, the battle between the Muslims and the

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infidels is part of earthly human life, and has indeed been with us since the days of the Prophet himself. The war intensifies and lessens with time, but it is not something that occurs out of time or with the expectation that time itself will stop. Bin Laden and his sympathizers want to re-establish the caliphate and rule the Muslim world, but unlike some earlier revivalist movements within Sunni Islam, they do not declare their leader as the mahdi, or guided one, whose appearance will usher in a golden age of justice and peace to be followed by the Day of Judgment.

From this perspective, the utter destruction of civilization would be a mistake, not the fulfillment of the divine plan. Even the most radical Sunni theorists of jihad invoke a passage from the Koran according to which civilization itself — "the crops and the cattle" — must not and cannot be destroyed completely. Bin Laden might seem to have few qualms about killing millions of Americans or other Westerners. He might well use a nuclear device if he gambled that there would be no enemy for the United States to bomb in retaliation. But even he might not be prepared to unleash a global nuclear conflagration on the expectation that a better order would emerge once many millions of Muslims and infidels died. (Bin Laden has called for Muslims to acquire nuclear weapons, and in the 1990's reportedly tried to acquire them himself — but there is little hard evidence that he has made subsequent efforts in that direction.)

With respect to Shiite eschatology, there is greater reason for concern. Iran's Shiism is of the "Twelver" variety, so called because the 12th imam in the line of succession from the Prophet disappeared into a state of occultation — or being hidden — from which he is expected to return as the mahdi. Ayatollah Khomeini played on the messianic overtones of this belief during the Iranian revolution, in which some of his followers went so far as to hint that he might be the returning imam. Moktada al-Sadr's Shiite militia in Iraq is called Army of the Mahdi. Recently, Iran's president, Mahmoud Ahmadinejad, contributed to renewed focus on the mahdi, by saying publicly that the mission of the Islamic revolution in Iran is to pave the way for the mahdi's return, and by visiting the mosque at Jamkaran, on the outskirts of Qom, where, according to one tradition, the vanished imam was last seen. Some reports suggest that youth religion in Iran in increasingly focused on veneration of the vanished imam.

Islam has a vision of the end of days, with wars between the faithful and the tribes of Gog and Magog (Yuj and Majuj in their Arabic incarnation). Twelver Shiism is, at its core, an eschatological faith, focused on the ultimate return of the imam-mahdi, who will restore the Shiites to their rightful place and redeem their generations of suffering. Since the vanished imam is by tradition a human who has never died, but remains in occultation, he is also believed to affect the course of events even from his hidden place. And Shiite tradition fills in the picture of the mahdi's return with an elaborate account of signs that will herald the event, including advance messengers, earthquakes and bloodshed.

But belief in redemption — even accompanied by wars and death and the defeat of the infidels — need not translate into a present impulse to create a violent crisis that would precipitate the messianic situation. Like their Jewish counterparts, Shiite religious authorities have traditionally sought to resist speculation about the imminence of a messianic return. Shiite messianic thought is less focused than its messianic Christian counterpart on generating global crisis and letting God sort things out. Khomeini himself believed that the mahdi's advent could be hastened — but by social justice, not by provoking war. This put him on the activist side of Shiite teaching about the mahdi, much as he was also an activist about the exercise of worldly power by the mullahs. A popular revolutionary slogan urged the imam's coming but asserted that Khomeini would govern alongside him.

Other Shiite thinkers, by contrast, take a more fatalist stance, and prefer to believe that the mahdi's coming cannot be hastened by human activity — a view that corresponds loosely to Ayatollah Ali al-Sistani's belief, with regard to Iraq and elsewhere, that the clerics should not themselves govern. One small, semi-secret Iranian organization, the Hojjatiya Society, was banned and persecuted by Khomeini's government in part for its quiescent view that the mahdi's arrival could not be hastened.

Ahmadinejad is not the only or even the most important player in Iran's nuclear game. The supreme leader, Ayatollah Khamenei, still makes the ultimate decisions on armaments and other matters, and there are numerous factions in the country with opposed interests and ideology and goals. Nevertheless, Ahmadinejad has in some respects succeeded in making the nuclear issue his own, and as a result his personal views about the end of days have been the subject of much speculation and innuendo, inside Iran and out. The Mideast scholar Bernard Lewis, in a recent Wall Street Journal column, hinted darkly and without much evidence that Ahmadinejad might be planning a nuclear attack on Israel for the Night of Power (this year it fell on Aug. 22), when the Prophet Muhammad made his mystical journey to the Furthest Mosque, associated in tradition with al-Aqsa in Jerusalem. Rumors, possibly spread by Ahmadinejad's enemies, have tied him to the outlawed Hojjatiya — a link mistakenly

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interpreted outside Iran as evidence that he might want to bring back the imam by violence, rather than that he might prefer to wait piously and prepare for the imam's eventual return on his own schedule. It is of course impossible to gauge the man's religious sensibilities perfectly. Yet the relative absence of a contemporary Shiite trend to messianic brinkmanship suggests that Ahmadinejad's recent emphasis on the mahdi may be interpreted more in terms of an attempt to summon Khomeini's legacy and Iran's revolutionary moment than as a desperate willingness to bring the nation to the edge of war. When Ahmadinejad invoked the mahdi in his now-famous letter to George Bush, he seemed to be using the doctrine in ecumenical terms, emphasizing the Islamic tradition that Jesus — revered as a prophet, though not as the Son of God — will return alongside the mahdi and govern in tandem with him.

So although a renewed Shiite messianism does create some cause for concern about the potential uses of an Iranian bomb — in particular because it suggests that Ahmadinejad may be more a utopian than a realist — it is almost certainly a mistake to anticipate that Iran would use its nuclear power in a way that would provoke large-scale retaliation and assured self-destruction. Iranian leaders have been more than ready to sacrifice their own citizens in large numbers. During the Iran-Iraq war, major efforts went into recruiting young boys to the Basij militias, which were then sent to the front lines on what were essentially suicide missions. Religion played the central part in motivating the teenage soldiers, and it is reasonable to believe that religion helped salve the consciences of those who ordered these children into battle. Yet even this discounting of the value of human life — in a war started by Saddam Hussein, not by Iran — fell short of voluntarily putting an entire nation at risk. Ahmadinejad surely understands the consequences of using a nuclear bomb, and Shiite Islam, even in its messianic incarnation, still falls short of inviting nuclear retaliation and engendering collective suicide.

VI.

These worries about an Islamic bomb raise the question of why we trust any nation with the power that a nuclear capacity confers. Why, for instance, do we trust ourselves, given that we remain the only nation actually to have used nuclear weapons? The standard answer to why we keep our nuclear bombs — a response developed during the cold war — is that we must have the capability to deter anyone who might attack us first. The promise of mutually assured destruction was its own kind of collective suicide pact, albeit one supposed to scare both sides out of pushing the button. That is why, throughout the heyday of the unilateral disarmament movement, critics of this justification pointed out that our threat was only credible if we were, in fact, prepared to kill millions of civilians in a rapid act of retaliation. If this kind of killing was morally unjustified, went their argument, then the threat to use it was also immoral.

The truth is that we hold on to our nuclear capability not only as a matter of deterrence but also to maintain our own global strategic position. If we do not want Islamic states — or anyone else for that matter — to have a nuclear capability, it is not necessarily because we consider them especially likely to bring on their own destruction by using it. It is, rather, that we do not want to cede some substantial chunk of our own global power to them. This principle — if it is a principle — lies behind the general strategy that is embedded in the international nuclear-nonproliferation treaty. Everybody involved understands that if any government got a chance to acquire nuclear power before the other treaty members had a chance to notice and impose sanctions, it would jump at the opportunity.

So the nonproliferation regime is not and could never be based on some principle of international fairness. But it does not follow that the United States and its allies should simply accept the development of nuclear technology by just anyone. It should be relevant to our deliberations that a particular candidate is our enemy. When it comes to Islamic states, there is serious reason to worry that, both now and in the immediately foreseeable future, popular anti-American sentiment is especially likely to play an important role in the shaping of foreign policy. Over the next quarter-century, it is conceivable and certainly desirable that Islamism and anti-Americanism may be unlinked. But we must be honest and acknowledge that in the short term at least, the U.S. democratization strategy has done almost nothing to reduce Islamist anti-Americanism, whether Shiite or Sunni — this despite the fact that the same strategy has benefited Islamists across the region by allowing them to run for office and enter government.

Much of the reason for this close linkage between Islamism and anti-Americanism comes from Iran. As an enemy of the United States, which has worked consistently against American interests, Iran is in a category by itself, most nearly matched by

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North Korea, the other still-standing member of President Bush's axis of evil. In this, Iran's motives have been primarily Islamic-ideological, not pragmatic.

For many years under the shah, Iran was a natural American ally — precisely because it was Shiite and non-Arab, and uncomfortably close to the Soviet Union and its fantasy of a warm-water port. Even after the 1979 revolution and the hostage crisis, it is possible that the United States would have eventually reopened relations with an avowedly Islamic Iran had the government softened its anti-Americanism. The United States has never made secularism a condition of friendship. It has been fully prepared to support Islamic states like Saudi Arabia, and even used religion to cement the anti-Communist alliance during the cold war. The Iraqi Shiite Islamists have been willing to work alongside the Americans, and the United States has in return treated them as its allies, democratically chosen by the Iraqi electorate.

Islamist anti-Americanism is the direct legacy of Ayatollah Khomeini's success in marrying Islamic faith to anti-imperialism — making "Death to America" into a religious chant, not just a political slogan. Of course the United States was hardly blameless. It did everything it could to open itself to the imperialist charge, including, in Iran, backing the famous 1953 countercoup that removed from power Iran's first democratically legitimate prime minister, Mohammed Mossadegh. Contemporary Islamists can also point to America's continuing hypocritical support of regional authoritarian regimes.

Iranian-rooted Islamist anti-Americanism has worked far better than its designers might have imagined, spreading to Sunni Islamists who have little love to lose for Iran. The marriage of Islamism and anti-Americanism will probably be considered by history as the most significant consequence of the Iranian revolution. Anti-Americanism has become a staple of Islamist sermons and Web postings, an effective tool for drawing to the movement angry young people who might not naturally be drawn to religion. Bin Ladenism, in this sense, owes much to the Iranian revolution even though Al Qaeda was never Iran's direct ally. United States support for Israel has always been an important part of the argument for Islamist anti-Americanism, but today it is by no means a necessary component. If U.S. support of Israel were to weaken, the American presence in Iraq and elsewhere in the gulf would easily substitute as a basis for hatred.

The United States therefore has strong reason to block its enemy Iran from acquiring nuclear weapons — not simply because Iran will seek to become a greater regional power, as any nation might do, but because the Islamic Republic of Iran as currently constituted is definitionally anti-American. There need not be a direct threat of Iranian first use against either the United States or Israel for this reason to weigh heavily. A nuclear Iran will be a stronger and more effective enemy in pursuing anti-American policies under the banner of Islam. That will not change until the Iranian state abandons either its Islamic identity or its association between Islam and anti-Americanism. Iran's eagerness to acquire nuclear capacity need not be a result of a particularly Islamic motivation, but if and when Iran does have the bomb, its enhanced power and prestige will certainly be lent to policies that it conceives as promoting the Islamic interest.

Whether force, negotiation or some combination is the right path to take to keep Iran from going nuclear is of course a hugely important question. It turns on many uncertain facts, like the true progress of Iran's nuclear program and how much it can be affected by air attack; Iran's capacity and will to retaliate against an attack; whether there is any chance Iran would respond to negotiations; and the ability of the United States to withstand any retaliation while 150,000 U.S. troops are in Iraq. As we have recently learned in Iraq, it is not enough to think you have a good reason to go to war — you must also have a realistic understanding of the practical and moral costs of things going horribly wrong. Any choice, though, must be made against the backdrop of the reality that the Islamic government of Iran is not only unlikely to collapse soon — it is also very unlikely to become less anti-American in the near future.

The same, unfortunately, is true of the world's Islamist movements, for whom anti-Americanism remains a rallying cry and a principle of belief. Perhaps the promotion of democracy in the region, pursued consistently by the United States over the long term, might someday allow the rise of leaders whose Islamism is tempered by the need to satisfy their constituents' domestic needs — and who eschew anti-Americanism as wasteful and misguided. Iraq was the test case of whether this change could occur in the short term. But we failed to make the experiment work and gave Iraq's Islamist politicians, Shiite and Sunni alike, ample grounds to continue the anti-American rhetoric that comes so easily to them. In the wake of our tragic mismanagement of Iraq, we are certainly a generation or more from any such unlinking of Islamism and anti-Americanism, if it is to occur at all. And Islamism itself shows no signs of being on the wane as a social or political force.

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That means that the best we can hope for in nuclear Islamic states in the near term is a rational dictator like Pervez Musharraf of Pakistan, who sees his bread buttered on the side of an alliance with the West. Such rulers can be very strong and can bring stability, but we also know that their rule (or reign) promotes Islamist opposition, with its often violent overtones. When such rulers die or otherwise fall from power, the Islamists will be poised to use the international power conferred by nuclear weapons to pursue their own ends — ends for now overwhelmingly likely to be anti-American.

None of this is inherent in the structure of Islam itself. Islam contains a rich and multivocal set of traditions and ideas, susceptible to being used for good or ill, for restraint or destruction. This interpretive flexibility — equally characteristic of the other great world religions — does not rob Islam of its distinctiveness. An Islamic bomb would not be just the same as the nationalist bomb of a majority-Muslim state, nor would it be the same as a Christian bomb or a Jewish one. But its role in history will depend, ultimately, on the meaning Muslims give it, and the uses to which they put their faith and their capabilities. In confronting the possibility of the Islamic bomb, we — Muslims and non-Muslims alike — need to remember that Islam exists both as an ideal system of morals and values and as a force that motivates actual people living today, with all the frailties and imperfections that make us human.

Iran Sounds An Awful Lot Like Iraq (LAT)

By Jon Sawyer, Jon Sawyer Is Director Of The Washington-based Pulitzer Center On Crisis Reporting. He Has Reported

The Los Angeles Times, October 29, 2006

There is a disturbing sense of déjà vu in Washington's actions and rhetoric.

AN EMBATTLED president, a Congress distracted by a sex scandal, looming midterm elections — and yet overwhelming agreement, with scant debate or publicity, on fateful legislation that set the nation on a path to war.

It happened eight autumns ago, when three-quarters of the House of Representatives and every single senator voted for regime change in Iraq.

Has it happened again, on Iran?

Four weeks ago, Congress enacted and President Bush signed the Iran Freedom Support Act, a resolution very much in the spirit of the 1998 Iraq Liberation Act. It mandates sanctions against any country aiding Iran's nuclear programs, even those to which that country is legally entitled under the Nuclear Nonproliferation Treaty.

The new law got virtually no coverage in the congressional rush to adjourn and amid the controversy surrounding e-mails between Rep. Mark Foley (R-Fla.) and teenage boys serving in the House page program. It has been overshadowed since by North Korea's explosion of a nuclear device and the world's debate about how to respond.

But if the confrontation over Iran's alleged nuclear weapons program ends in war — initiated by this administration or the next — you can bet this law will be cited as proof that Congress was onboard all along.

The congressional action isn't the only sign of déjà vu. Recent months have seen the creation of an "Iran directorate" at the Pentagon, using some of the same personnel as the Office of Special Plans, the shadowy Pentagon outfit led by former Undersecretary of Defense for Policy Douglas J. Feith that was accused of massaging raw intelligence on Iraq to make the case for war look far more solid than in fact it was.

Iran has now supplanted Iraq as the greatest single threat to the United States, according to the National Security Strategy released earlier this year. Articles in the New Yorker and Time describe an accelerated rate of contingency military planning in an environment in which many senior officials — on the military and civilian sides — consider war with Iran more a question of when rather than if.

As in the run-up to the Iraq war, there are assertions of a broad consensus of experts' views that Iran is intent on developing a nuclear weapons capability; and, just as in 2003, there are muted voices questioning how definitive the evidence is. (The most recent National Intelligence Estimate found that Iran's progress toward weapons capability was actually slower than previously thought, and Director of National Intelligence John D. Negroponte says that, in his view, Iran is still four to nine years away from having the bomb.)

Once again, U.S. officials are discounting the work of U.N. weapons inspectors on site, and, once again, those inspectors — and the agencies for which they work — are saying that the best way to contain the nuclear threat is to keep them in place.

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"People confuse knowledge, industrial capacity and intention," Mohamed ElBaradei, director of the International Atomic Energy Agency, told Newsweek magazine in an interview last week. "A lot of what you see about Iran right now is assessment of intentions."

He and other IAEA officials warn that the Bush administration's hard-line suspicions of Iran could make reading those intentions even harder. Tehran has already suspended IAEA access to some nuclear facilities and could expel the international inspectors entirely. It happened in Iraq in 1998 — and the vacuum that followed made possible ever-more speculative estimates as to Iraq's imagined progress toward fielding weapons of mass destruction.

The run-up to possible war is also marked, yet again, by the absence of firsthand knowledge of the enemy.

The war to topple Saddam Hussein came 12 years after the rupture of diplomatic relations, with U.S. policymakers dependent on questionable exile groups long removed from direct knowledge of conditions inside the country. In the case of Iran, the gap is longer still — nearly 27 years since Ayatollah Ruhollah Khomeini seized power.

Assistant Secretary of State R. Nicholas Burns announced earlier this year that State Department diplomats would be based in Dubai and elsewhere in the Middle East and Europe to monitor Iran, in a move he likened to Riga Station, the Latvian capital where, during the 1920s and 1930s, diplomats such as George Kennan kept tabs on the Soviet Union. The effort comes late. As Burns himself acknowledged, as recently as early last year, "there were exactly two people focusing full time on Iran" at the State Department.

To be sure, war with Iran is nowhere near as inevitable as the neoconservative proponents of aggressive action would make it appear. The U.S. military is mired in Iraq. The combination of vast oil reserves and 70 million people make Iran a formidable adversary, one that has shown itself more than willing to rely on groups such as Hezbollah or Hamas to wage terrorism on the United States, Israel and allied nations. Here at home, meanwhile, public opinion surveys show little appetite for another go at preventive war.

In the face of those hurdles, and the acknowledged gaps in proven facts, it is remarkable that the neoconservative handmaidens of the Iraq war are so assertive on Iran, as to the inevitability of war and the rightness of waging it.

Last April, the Weekly Standard ran an article nearly 8,000 words long laying out the case for war, why diplomacy and sanctions are doomed to fail and why letting Tehran actualize its nuclear weapons potential would be more threatening to the U.S. and to the world than the consequences of whatever it takes — even land invasion on the scale of Iraq — to prevent that from happening. The article's author was Reuel Marc Gerecht, a former CIA Middle East specialist and resident fellow at the American Enterprise Institute who has a record of being articulate, confident and — in the case of Iraq — wrong.

An issue brief that Gerecht wrote for the American Enterprise Institute in August 2002 predicted that the U.S. invasion of Iraq would likely prompt "simultaneous uprisings" by freedom-seeking Iranians. A November 2002 column dismissed concerns that war with Iraq would destabilize the Middle East. "The one truly unsettling thing a second Persian Gulf war might unleash," Gerecht wrote, "is Iraqi democracy." In February 2003, he brushed aside concerns that the Iraq war might inspire acts of terrorism by Muslims in Europe. "The coming war in Iraq," he wrote, "will probably diminish, not enhance, the odds that young Muslim males will become holy warriors…."

But at a time when a majority of Americans have turned against the Iraq war, when Bush's long advantage on national security issues is under fire and when Democrats dream of wresting control of not just the House of Representatives but the Senate too, the most extraordinary parallel to the pre-Iraq-war environment is that so many Democrats have given the administration a vote on Iran that amounts to yet another blank-check endorsement of U.S. unilateralism — even as diplomats struggle in New York to craft a multilateral approach to Iran.

Rep. Maxine Waters (D-Los Angeles) voted for the Iran Freedom Support Act. So did House Minority Whip Steny Hoyer (D-Md.). So did all but 21 members of the House and every member of the Senate, which approved the measure by unanimous voice vote.

The law they backed codifies existing U.S. sanctions against Iran — and extends those sanctions to any countries or companies deemed to have aided Iran in the development or acquisition of nuclear weapons or of "destabilizing numbers and types" of advanced conventional weapons. It states the sense of Congress that the United States shall not enter into any form of cooperation with the government of any country that so aids Iran, unless and until Iran has suspended all uranium enrichment-

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related and reprocessing-related nuclear activity and has "committed to verifiably refrain from such activity in the future" — even though such activities are permitted under the terms of the Nuclear Nonproliferation Treaty.

Democrats who voted for the measure were at pains to distinguish it from the Iraq Liberation Act, noting, for example, that the legislation specifically rejected military aid to opponents of Iran's current government, and that it calls for Iran's "democratic transformation," not regime change. Among those who favor both, however, this is seen as little more than a wink and a nod.

Michael Ledeen, an American Enterprise Institute scholar, has beaten the Iran war drums for years. He told the House International Relations Committee in testimony last March that he was untroubled that the new law stops short of explicitly calling for regime change. "People are just afraid of coming out and using the language," he said. "You cannot have freedom in Iran without bringing down the mullahs, so what are we talking about?"

In 1998, the Clinton administration went along with the Iraq Liberation Act reluctantly, fearing that the law's stark anti-Saddam Hussein line would tie its hands. Republican leaders were demanding a tough line, and Democrats, facing midterm elections in the shadow of President Clinton's pending impeachment, were eager to go along.

For all its bellicose rhetoric on Iran, the Bush administration appeared to have similar reservations about the Iran Freedom Support Act. It staved off congressional action for more than a year, contending that mandatory sanctions would short-circuit the delicate diplomacy of taking Iran to the U.N. Security Council. To critics within the administration, the law raised the specter of U.S. unilateralism at a moment when Washington needed allies more than ever.

The administration eventually gave in to congressional insistence on tough talk — not just from Republicans but from Democrats, the latter seizing the chance to draw a foreign policy red line while at the same time assailing Bush for wasting lives and dollars in Iraq.

Smart politics? Most Republicans and most Democrats appear to believe that it is — that it's a good idea to take Iran off the table, to make sure it doesn't figure as an issue in the Nov. 7 elections. It's reminiscent of the decision many of them made before the midterms in 1998 and again in 2002, when the bipartisan vote authorizing use of force against Iraq made the looming war almost a nonissue in that year's midterm elections.

Maybe this time, on Iran, someone will yet decide that it's worth taking the debate to the people.

Russia Led Arms Sales To Developing World In ’05 (NYT)

By Thom Shanker

The New York Times, October 29, 2006

WASHINGTON, Oct. 28 — Russia surpassed the United States in 2005 as the leader in weapons deals with the developing world, and its new agreements included selling $700 million in surface-to-air missiles to Iran and eight new aerial refueling tankers to China, according to a new Congressional study.

Those weapons deals were part of the highly competitive global arms bazaar in the developing world that grew to $30.2 billion in 2005, up from $26.4 billion in 2004. It is a market that the United States has regularly dominated.

Russia’s agreements with Iran are not the biggest part of its total sales — India and China are its principal buyers. But the sales to improve Iran’s air-defense system are particularly troubling to the United States because they would complicate the task of Pentagon planners should the president order airstrikes on Iran’s nuclear weapons facilities.

The Bush administration has vowed a diplomatic solution in dealing with Iran. But as United Nations diplomats argue over potential sanctions against Iran for its nuclear ambitions, Russian officials have expressed reluctance to vote for the most stringent economic sanctions, partly owing to Moscow’s extensive trade relations with Tehran.

Russia’s weapons sales to China also worry Pentagon planners. Although China has joined the United States in partnership to press for a resumption of six-party talks to end North Korea’s nuclear weapons program after its recent test, Taiwan remains a potential flash point between Beijing and Washington.

Thus, China’s ability to refuel its attack planes and bombers to enable them to fly farther from Chinese soil could require the United States Navy to operate even farther out to sea should the United States military be called to deal with a crisis in the Taiwan Strait. That would have an impact on the range and number of air missions of United States Navy aircraft launched from carriers.

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Details of the specific weapons deals in the global arms trade last year are included in an annual study by the Congressional Research Service that is considered the most thorough compilation of statistics available in an unclassified form. The report was delivered to members of Congress on Friday.

Among other arms transfers described in the study was a statistic that a single, unnamed nation — but one identified separately by Pentagon and other administration officials to be North Korea — shipped about 40 ballistic missiles to other nations in the four-year period ending in 2005, the only nation to have done so. Transfers of these weapons are prohibited under international agreements to control the trade of ballistic missiles.

United Nations sanctions passed earlier this month after the North Korean nuclear test include a new and specific ban on trade or transport of ballistic missiles and missile parts to or from North Korea.

The report, entitled "Conventional Arms Transfers to Developing Nations," found that Russia's arms agreements with the developing world totaled $7 billion in 2005, an increase from its $5.4 billion in sales in 2004. That figure surpassed the United States' annual sales agreements to the developing world for the first time since the collapse of the Soviet Union.

France ranked second in arms transfer agreements to developing nations, with $6.3 billion, and the United States was third, with $6.2 billion.

The leading buyer in the developing world in 2005 was India, with $5.4 billion in weapons purchases, followed by Saudi Arabia with $3.4 billion and China with $2.8 billion.

The total value of all arms sales deals worldwide, when counting both developing and developed nations, in 2005 was $44.2 billion.

The Russian sales in 2005 included 29 of the SA-15 Gauntlet surface-to-air missile systems for Iran; Russia also signed deals to upgrade Iran's Su-24 bombers and MIG-29 fighter aircraft, as well as its T-72 battle tanks.

"For a period of time, in the mid-1990s, the Russian government agreed not to make new advanced weapons sales to the Iran government," wrote Richard F. Grimmett, author of the study by the Congressional Research Service, a division of the Library of Congress. "That agreement has since been rescinded by Russia. As the U.S. focuses increasing attention on Iran's efforts to enhance its nuclear as well as conventional military capabilities, major arms transfers to Iran continue to be a matter of concern."

Russia also agreed in 2005 to sell China eight of the IL-78M aerial refueling tanker aircraft, according to the study.

In 2005, the United States led in total arms transfer agreements, when deals to both developed and developing nations are combined. The total was $12.8 billion, down from $13.2 billion in 2004.

The report charted no blockbuster military sales deals by the United States in 2005, and the total in many ways was reached by sales of spare parts for weapons purchased under previous contracts.

France ranked second in total sales, with $7.9 billion, up from $2.2 billion in 2004. Russia was third when sales to developing and developed nations were combined, with $7.4 billion, up from $5.6 billion in 2004.

The study uses figures in 2005 dollars, with amounts for previous years adjusted to account for inflation.

Report: U.S. Mulls Defenses For Tokyo (AP)

By Hans Greimel

AP, October 29, 2006

The U.S. is considering deploying its advanced Patriot missile defense system near Tokyo after North Korea's recent missile and nuclear tests, a newspaper reported Sunday.

Washington unofficially informed the Japanese government it is considering putting Patriot Advanced Capability 3 surface-to-air interceptor missiles around Yokota Air Base in Tokyo's western suburbs and around Yokosuka Naval Base, south of the capital, the Nihon Keizai newspaper reported without saying how it got the information.

The added defenses would cover critical U.S. military installations on the outskirts of Tokyo.

The move would be part of a previously announced U.S.-Japanese effort to deploy PAC-3 missile defense systems around the country as the two allies look for ways to counter what is seen as a growing threat from neighboring North Korea.

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North Korea alarmed the region in July by test firing several missiles, including a long-range model believed capable of striking the western U.S. Earlier this month, the isolated communist country sparked global outrage by its first-ever test of a nuclear bomb.

Analysts doubt North Korea's ability to accurately deliver atomic weapons atop its missiles. But after the missile test, the U.S. and Japan announced plans to deploy the Patriots, which are designed to destroy ballistic or cruise missiles and aircraft.

U.S. military officials have already confirmed that the first batch of equipment for the PAC-3 missiles arrived in Okinawa in southern Japan, where the bulk of U.S. forces in the nation are stationed.

The Patriots would be used as a last resort if Standard Missile-3 interceptors fired from U.S. and Japanese ships fail to knock out incoming missiles, the report said.

U.S. May Deploy Patriot Missiles (LAT)

From Times Wire Reports

The Los Angeles Times, October 29, 2006

The United States is considering deploying its advanced Patriot missile defense system near Tokyo after North Korea's recent missile and nuclear tests, a Japanese newspaper reported today.

Washington unofficially informed the Japanese government that it was considering the surface-to-air interceptor missiles around two U.S. bases, Yokota Air Base in Tokyo's western suburbs and Yokosuka naval base, south of the capital, the Nihon Keizai newspaper reported.

The move would be part of an ongoing U.S.-Japanese effort to counter what is seen as North Korea's growing threat.

U.S. Jobs Shape Condoms' Role In Foreign Aid (NYT)

By Celia W. Dugger

The New York Times, October 29, 2006

EUFAULA, Alabama — Here in this courtly, antebellum town, Alabama's condom production has survived an onslaught of Asian competition, thanks to the patronage of straitlaced congressmen from this Bible Belt state.

Behind the scenes, the politicians have ensured that companies in Alabama won federal contracts to make billions of condoms over the years for AIDS prevention and family planning programs overseas, though Asian factories could do the job at less than half the cost.

In recent years, the state's condom manufacturers fell hundreds of millions of condoms behind on orders, and the federal aid agency began buying them from Asia. The use of Asian-made condoms has contributed to layoffs that are coming next month.

But Senator Jeff Sessions, Republican of Alabama, has quietly pressed to maintain the unqualified priority for American-made condoms and is likely to prevail if the past is any guide.

"What's wrong with helping the American worker at the same time we are helping people around the world?" asked the senator's spokesman, Michael Brumas.

That question goes to the heart of an intensifying debate among wealthy nations about to what degree foreign aid is about saving jobs at home or lives abroad.

Britain, Ireland and Norway have all sought to make aid more cost effective by opening contracts in their programs to fight global poverty to international competition. The United States, meanwhile, continues to restrict bidding on billions of dollars worth of business to companies operating in America, and not just those that make condoms.

The wheat to feed the starving must be grown in United States and shipped to Africa, enriching agribusiness giants like Archer Daniels Midland and Cargill. The American consulting firms that carry out antipoverty programs abroad — dubbed beltway bandits by critics — do work that some advocates say local groups in developing countries could often manage at far less cost.

The history of the federal government's condom purchases embodies the tradeoffs that characterize foreign aid American-style. Alabama's congressmen have long preserved several hundred factory jobs here by insisting that the United States Agency

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for International Development buy condoms made here, though, probably in a nod to their conservative constituencies, most have typically done so discreetly.

Those who favor tying aid to domestic interests say that it not only preserves jobs and supports American companies, but helps ensure broad political support for foreign aid, which is not always popular.

On the other hand, skepticism of foreign aid is frequently rooted in the perception that the money is not well spent. Blame often falls on corrupt leaders in poor countries, but aid from rich nations with restrictions requiring it to be spent in the donor country can also reduce effectiveness.

The United States government, the world's largest donor of condoms, has bought more than nine billion condoms over the past two decades. Under President Bush's global AIDS plan, which dedicates billions of dollars to fight the epidemic, a third of the money for prevention must go to promoting abstinence. But that leaves two-thirds for other programs, so the federal government's distribution of condoms has risen, to over 400 million a year.

Over the years, Usaid could have afforded even more condoms — among the most effective methods for slowing the spread of AIDS — if it had it bought them from the lowest bidders on the world market, as have the United Nations Population Fund and many other donors.

Randall L. Tobias, who heads Usaid, declined through a spokesman to be interviewed on this topic. His predecessor, Andrew Natsios, sought to weaken the hold of what he sometimes called a cartel of domestic interest groups over foreign aid. He tried, for example, to persuade Congress to allow the purchase of some African food to feed Africa's hungry. Congress killed that proposal last year and again this year.

Hilary Benn, Britain's secretary of state for international development, said in an interview that in 2001 his country untied its aid from requirements that only British firms could bid for international antipoverty work.

"If you untie aid, it's 100 percent clear you're giving aid to reduce poverty and not to benefit your own country's commercial interests," he said.

In recent years, most of the low-end condom business has moved to Asia, including Australia-based Ansell, which used to have plants in Alabama. American makers cannot compete with Asia on price — unless they have the federal contract.

The last American factory making condoms for Usaid sits anonymously in a pine-shaded industrial park here in Eufaula. Inside a modern, low-slung building owned by Alatech Healthcare, ingenious contraptions almost as long as a football field repeatedly dip 16,000 phallic-shaped bulbs into vats of latex, with the capacity to turn out a billion condoms a year.

The equation of need is never straightforward. Africa's need to forestall its slow-motion catastrophe of AIDS deaths is vast. But there is need here, too.

Most of the 260 people employed at this factory and the company's packaging plant in Slocomb are women, some the children of sharecroppers and textile factory workers, many of them struggling to support families on $7 to $8 an hour.

The most vulnerable among them — single mothers and older women with scant education — are the most fearful of foreign competition. All feel the looming threat.

"It's cheaper, yeah," said Lisa Jackson, 42, a worker in the packaging plant. "But we Americans should have first choice. We need our jobs to stay in America. We got to feed our families. I just wish it had never come to sending manufacturing jobs overseas."

From 2003 to 2005, Alatech and one other company making condoms for Usaid fell behind on their orders, agency officials said. Last year, the other company went bankrupt. So Usaid ordered condoms from Asia, the first of which were shipped last year. With only a single American company still in line for the federal contract, agency officials are wary of ruling out Asian suppliers.

At such moments in the past, Alabama's politicians have come to the rescue of the state's condom industry. This time was no exception.

Senator Richard C. Shelby, a Republican on the Appropriations Committee, had a provision tucked into the 2004 budget bill requiring that Usaid buy only American-made condoms to the extent possible, given cost and availability. His spokeswoman, Kate Boyd, said the agency did not tell him it was worried about the relative cost of American and Asian-made condoms.

Senator Sessions wrote Usaid a letter last year saying it should purchase condoms from foreign producers only after it had bought all the condoms American companies could make, noting it was "extremely important to jobs in my state."

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Usaid assured the senator in writing that it "remains committed to prioritizing domestic suppliers."

On the strength of that, Alatech bought the more modern Eufaula plant from its bankrupt rival. Without the government contract, the company's president, Larry Povlacs, said, Alatech would go out of business.

In interviews, agency officials were noncommittal about whether they would halt all purchases in Asia. Condoms made there cost around 2 cents each, opposed to about 5 cents for those made here.

"At the end of the day, it's all a political process," Bob Lester, who recently retired after 31 years as a lawyer at Usaid, said of such decisions. "The foreign aid program has very few rabbis. Why make enemies when you don't have to?"

Duff Gillespie, a retired senior Usaid official who is now a professor at the Johns Hopkins School of Public Health, said that over the years officials at Usaid raised the prospect of foreign competition to tamp down what he called "the greed factor" of Alabama condom manufacturers.

But whenever the staff pushed to buy in Asia, Alabama politicians pushed right back.

During the Reagan years, the offices of two Alabamans, Representative William Dickinson, a Republican, and Senator Howell Heflin, a Democrat, caught wind of one such move. Mike Houston, chief of staff to Senator Heflin, recalled being tipped off by Mr. Dickinson's chief of staff.

"He says, 'Well, A.I.D. is going to buy condoms from Korea,' " Mr. Houston recalled. " 'The reason is they can get three condoms for the price of one that they're paying us.' " Mr. Houston said he asked in amazement, "You mean we're making rubbers in Alabama?"

The congressmen's staffs threatened to introduce amendments to require that condoms be made in America. The agency backed off.

Further attempts to open up bidding proved fruitless. Representative Jim McDermott, a Democrat from Washington State, had seen the devastation of AIDS firsthand in the 1980s as a State Department medical officer in Africa. But he said he could not break what he called the "stranglehold" of Alabama congressmen on the condom rules.

In the mid-to-late 1990s, Representative Sonny Callahan, a Republican from Alabama, served as chairman of the Appropriations subcommittee that shaped Usaid's budget. Brian Atwood, who headed Usaid in those years, said no administrator "in his right mind" would have tried to cut Alabama out of the condom contract at a time when many Republicans were deeply hostile to foreign aid.

Then in 2001, after decades of negotiation, the United States and other wealthy donor nations reached a nonbinding agreement to open at least some foreign aid contracts to all qualified bidders. Included were those for commodities bound for the world's poorest nations.

Usaid decided the agreement did not apply to condoms since some went to more advanced developing countries. Alabama's manufacturers kept the condom business once again.

William Nicol, who heads the poverty reduction division of the Development Assistance Committee at the Organization for Economic Cooperation and Development, a group of economically advanced countries, scoffed at Usaid's interpretation. "That's rubbish," he said in a telephone interview.

The condom companies' inability in recent years to fulfill Usaid's orders accomplished what the gentleman's agreement did not: the entry of Asian competitors.

Usaid has asked Alatech to make 201 million condoms next year, less than half of this year's order, and ordered another 100 million made in Korea and China.

Come Nov. 15, Alatech will lay off more than half its work force. Those jobs fell victim to Usaid's smaller orders for condoms, foreign competition and automation.

The reactions of these workers ranged from philosophical to panicked.

One, Garry Appling, a 41-year-old single mother, has worked before as a $6-an-hour cashier at Krystal, the fast food restaurant, and another at $7.15 an hour in a chicken processing plant. She said her 10-year-old daughter, Anterria, worries that she will have to go back to the chicken plant, a place so cold and wet Ms. Appling often fell ill.

But even facing her own impending job loss, Ms. Appling took a moment to empathize with the women making condoms on the other side of the world.

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"We need a job — I guess they do, too," she said, during a brief pause from feeding condoms into an intricate, rotating, whooshing machine that tested them for holes. "It's sad.

"At the same time, the United States can't just keep helping overseas. They've got to help us, too."

Fueling U.S. Adversaries (WT)

By David R. Sands, The Washington Times

The Washington Times, October 29, 2006

Special Report

These are flush times for some of America's most determined adversaries.

Exploiting tight global energy markets and soaring gas prices in recent years, leading energy producers around the globe are using their export windfalls to challenge U.S. interests, intimidate U.S. allies and, in some cases, bankroll terrorist and insurgent groups fighting U.S. forces.

Major producers such as Venezuela, Russia and Iran have teamed up with emerging energy consumers -- notably China -- in an "axis of oil" to frustrate U.S. foreign-policy objectives, according to Flynt Leverett, a former top Middle East adviser in the Bush administration, and Pierre Noel, a research fellow with the French Institute of International Relations.

"The political consequences of recent changes in global energy markets are posing the most profound challenge to American hegemony since the end of the Cold War," the two concluded in a recent survey in the journal National Interest.

Even Secretary of State Condoleezza Rice, a veteran of both Bush administrations and a longtime foreign-policy scholar, conceded earlier this year she underestimated the ways the "energy question" distorted international relations.

"I can tell you that nothing has really taken me aback more as secretary of state than the way the politics of energy is -- I will use the word 'warping' -- diplomacy around the world," she told the Senate Foreign Relations Committee in April.

"It has given extraordinary power to some states that are using that power in not very good ways for the international system, states that would have otherwise have very little power," she said.

Andrei Illarianov, top economic adviser to Russian President Vladimir Putin before resigning last year in protest at the government's anti-democratic policies, said reform at home and cooperation with the West both declined sharply as the Kremlin seized control of the country's biggest energy companies.

"The correlation was very direct," said Mr. Illarianov, now a research fellow at the Cato Institute, a Washington-based libertarian think tank.

While oil prices have retreated from the mid-July record of $78 a barrel, the current $57-a-barrel price remains far above the levels of just a few years ago.

The result: hundreds of billions of dollars swelling the coffers of regimes hostile to the United States.

Mr. Noel, in a talk last week, said the idea of a direct link between terrorism and oil is "simplistic," saying it was not likely that a different U.S. energy policy and drastic reductions in American energy imports from the Middle East would make a dent in terrorist-financing networks.

Iran aside, he added, none of the countries that have most recently obtained nuclear weapons, from India and Israel to North Korea, relied on oil money to fund their research programs.

Still, some of the main problem countries on the U.S. diplomatic horizon all have one thing in common: deep energy pockets.

• Iran's Islamist regime, sitting on the world's third-largest known oil reserves and second-largest natural-gas reserves, so far has dismissed U.S.-led efforts to sanction and isolate its economy over its suspected nuclear-weapons programs.

Even before this year's surge in prices, Iran was earning $30 billion more annually from its oil exports alone compared with a decade ago, according to the D.C.-based Institute for International Economics.

The windfall has not only allowed hard-line President Mahmoud Ahmadinejad to boost social spending at home, but to finance groups considered terrorist by the State Department, such as Hezbollah in southern Lebanon and Hamas and Islamic Jihad in the Palestinian territories.

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GlobalSecurity.org, which tracks international terrorist groups, said Hezbollah was founded by Iranian agents in the early 1980s and the group "receives substantial amounts of financial, training, weapons, explosives, political, diplomatic and organizational aid" from both Iran and Syria, putting Tehran's annual assistance at between $25 million and $50 million.

Iran is also widely thought to be the source of the wads of cash Hezbollah leaders were distributing to followers in the aftermath of this summer's 34-day war with Israel.

• Analysts also see oil as the lubricant enabling Venezuelan President Hugo Chavez to conduct an outspokenly anti-American foreign policy as head of the world's fifth-largest oil exporter.

Planning Minister Jorge Giordani said last week that oil revenues for the state-owned energy company have soared from $9.84 billion in 2003 to $33.5 billion so far in 2006, with transfer payments from the oil sector to the government up 65 per cent in the past two years.

The flamboyant Mr. Chavez has used the petrodollars to finance a foreign policy sharply at odds with Washington -- even though the United States is Venezuela's single biggest oil-export market.

He has openly promoted leftist political allies in Bolivia and other Latin American countries, subsidized the ailing economy of Cuban dictator Fidel Castro and recently conducted an expensive global lobbying campaign in a failed bid to win a seat on the U.N. Security Council.

The State Department's annual global terrorism survey concluded it was "unclear" whether any of Venezuela's oil wealth had made its way to leftist guerrilla groups fighting the U.S.-backed government in neighboring Colombia. But the report found Caracas' cooperation in the global war on terror "negligible."

Mr. Chavez "persisted in public criticism of U.S. counterterrorism efforts, publicly championed Iraqi terrorists, deepened Venezuelan collaboration with state sponsors of terrorism such as Cuba and Iran, and was unwilling to deny safe haven to members of Colombian terrorist groups," the State Department report found.

• Sudan began exporting oil only seven years ago, but energy riches have left it largely indifferent to outside critics of its brutal campaign against rebel groups in the country's western region of Darfur, a campaign the U.S. government has formally labeled a "genocide."

Despite a decade of U.S. sanctions and pressure on investment by international energy companies, Sudan's economy grew by 8 percent in 2005 and is expected to expand by 12 percent this year -- almost entirely because of oil exports. Sudan is now sub-Saharan Africa's third-largest oil producer, trailing only Nigeria and Angola.

Khartoum has had no difficulty financing its army and Arab militias known as the "Janjaweed" in the Darfur conflict. Former Finance Minister Abda Yahia el-Mahdi recently told the New York Times that 70 percent of the government's oil revenues are devoted to defense and to arms manufacture.

Mr. Leverett and Mr. Noel say the Iran and Sudan cases illustrate another way the "axis of oil" distorts global politics and frustrates U.S. foreign-policy goals.

Major energy importers such as China, they say, shield hostile governments from U.S. pressure.

With a veto as a permanent member of the U.N. Security Council, China has acted as a brake on U.S. plans for tough action against Iran and Sudan. China's state energy companies are busy locking up supplier deals and joint oil-field development projects.

"China's search for oil is making it a new competitor to the United States for influence, especially in the Middle East, Central Asia and Africa," the analysts say.

A report from a Council on Foreign Relations task force on U.S. energy policy chaired by former Energy Secretary James R. Schlesinger and former CIA chief John M. Deutch concluded earlier this month that competition among major importers will only increase, harming U.S. influence.

"Large oil consumers have tended to become especially focused on securing supply and ignore the effects of their investments on corruption and mismanagement," the task force found. "In Sudan, for example, despite civil war and widespread human rights abuses, the Chinese government and its oil enterprises are funding extensive oil supply and infrastructure projects."

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Energy clout is even playing a growing role in the sectarian tensions dividing Iraq and the Middle East. Plans for greater autonomy for Iraq's warring regions have foundered over the basic fact that most of the country's oil wealth is found in provinces dominated by Iraq's Kurds and Shi'ite Muslim Arabs -- leaving Sunni Arabs out in the cold.

Mamoun Fandy, an influential Arab newspaper columnist and a professor of Middle East Studies at the National Defense University, said the region's leading Sunni governments fear a loss of major oil-producing assets with the rise of Shi'ite political movements linked to Iran.

Even in strictly Sunni Saudi Arabia, many of the country's most productive fields are found in the eastern part of the country inhabited by the country's small Shi'ite minority.

"It sometimes seems that every place you find an oil well, there is a Shi'ite standing by it," he said.

Accentuating the trend of mixing oil and politics is the increasing clout of state-owned national oil companies, or NOCs, most under close supervision of their parent governments, in global energy markets.

NOCs hold nearly three-quarters of the world's proven oil reserves.

The largest private firm on the list of oil-reserve giants -- ExxonMobil -- now ranks only 12th in the world in known reserves, far behind the state-owned oil companies of Saudi Arabia, Russia, Mexico, Venezuela, Iraq and Iran.

The transforming power of oil and natural gas can be seen clearly in the evolving foreign policy of Russia.

In the 1990s, when global oil prices plummeted, the near-bankrupt government of then-President Boris Yeltsin posed few challenges to U.S. and Western European foreign-policy goals, including the expansion of NATO to Russia's doorstep and the bombing campaign against Serbia, Moscow's ally, in the 1999 Kosovo war.

After 2000, the Kremlin under President Vladimir Putin first moved to bring Russian energy firms such as Yukos under its direct control, and used the money and market clout to revitalize Russian foreign policy.

In talks with the European Union and the countries on its border that are dependent on Russian oil and natural gas, Moscow has not been shy about advertising its new clout.

"It is the ultimate weapon they can use against us," said Nikoloz Rurua, deputy chairman of the committee on defense and security in Georgia's parliament.

Add Mr. Leverett and Mr. Noel: "Moscow is using its market power to push back against the United States in arenas where it perceives U.S. infringement on its interests."

Just last week, Russian newspapers reported that Ukraine -- target of a brief cutoff by Moscow last winter -- was being asked to make political concessions in return for a new natural-gas supply deal with Russia.

The concessions included slowing Ukraine's drive to join NATO and linking Ukraine's bid to join the World Trade Organization to Russia's own stalled application.

"I would say quite openly that we need to synchronize the negotiation process of our countries on WTO," Russian Prime Minister Mikhail Fradkov said after a meeting Wednesday to conclude the deal with his Ukrainian counterpart, Viktor Yanukovych.

But Ukrainian opposition leader Yulia Tymoshenko denounced the natural-gas deal as "treason" and warned Ukraine was losing its independence from Russia.

Chirac's Last Act: Lion In Winter, Wolves All Around (NYT)

By Elaine Sciolino

The New York Times, October 29, 2006

PARIS, Oct. 28 — From afar, Jacques Chirac is the embodiment of France. Charming, debonair, skilled in the national art of social discourse, France's president since 1995 seems to be gliding toward retirement and a respectable place in history.

But here at home, he has been under unrelenting — indeed unprecedented — attack, so much so that the newspaper Libération has named "Chiracophobia" as "the new national sport."

The assaults have crescendoed since Mr. Chirac suffered what has been called a mild cerebral attack a year ago, focusing on his age, his leadership and his legacy. The newspaper Le Monde described him as "the absent one" and even suggested that he consider resigning.

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A TNS Sofres poll this month gave him an approval rating of 24 percent, up from 16 percent last July, but still making him the most unpopular French president since the firm began presidential polling in 1978.

The disillusionment with Mr. Chirac is not only personal but also a reflection of the dread among the French public that their nation has lost its glory abroad and its way at home. That feeling is especially acute on the anniversary this week of the brutal unrest that gripped several suburbs a year ago.

Widespread criticism that little has changed to improve the plight of the country's underclass underscores a larger point: that Mr. Chirac's 1995 campaign promises to "mend the social fracture" in France and reduce unemployment, among other things, have been unfulfilled.

The most recent bludgeoning came on two evenings this week, in a four-hour documentary of his political career that aired on France 2 television — the first time an assessment of a sitting president has been shown on public television in prime time.

France's political elite — many of them onetime friends and colleagues of Mr. Chirac — lined up to tell stories about his thirst for power, his betrayals, his opportunism and his policy U-turns that have earned him the nickname "the Weathervane."

"A sort of political Don Juan, more preoccupied with the conquest or the preservation of power than by its execution," said Philippe Séguin, a minister in the 1980s.

A "chevalier of opportunism" who put into place a system of "corruption" in the years he was mayor of Paris, said Raymond Barre, the former prime minister who was part of Mr. Chirac's own camp.

Olivier Stirn, a former minister who worked under Mr. Chirac in the 1970s, described him even more brutally. "Chirac," he said, "is a killer."

Certainly, Patrick Rotman, the historian who made the television documentary, whose two parts were titled "The Young Wolf" and "The Old Lion," had a lot of material to work with.

Mr. Chirac, who turns 74 next month, has held no jobs outside of government. He joined the civil service in the 1950s, was elected to Parliament in 1967 and became a junior minister for the first time later that year. He was prime minister in the 1970s and again in the 1980s.

He is the only sitting politician who has served every Fifth Republic president since Charles de Gaulle. Many French people have never known politics without him.

"Chirac was a wild cat who eliminated everyone in his way to the Élysée," Mr. Rotman said. "Now he is rather alone and isolated. It's the tragedy of powerful men who were kings, who gave their lives to win power and at the end of their reign are abandoned."

Mr. Rotman's documentary is perhaps the most authoritative but only one of many attempts to write Mr. Chirac's political history — and obituary — in the past year. As the end of his political career draws near, the fear of him has receded, and the time to settle scores has come.

In his third volume of memoirs published this month, for example, former President Valéry Giscard d'Estaing accuses Mr. Chirac, a fellow politician of the center-right, of a double betrayal in the 1981 presidential election, which brought François Mitterrand, the Socialist leader, to power. Instead of supporting Mr. Giscard d'Estaing against Mr. Mitterrand, Mr. Chirac ran as well. Even worse, Mr. Giscard d'Estaing recounts a deathbed conversation in which Mr. Mitterrand credits his victory in the second round to secret support from Mr. Chirac.

"What motivates him is a fanatical desire to reach the presidency of the Republic," Mr. Giscard d'Estaing wrote in the book, already a best seller. "This obsession wipes out everything else — convictions as well as respect for the rules."

In "The Irresponsible," another best seller, Hervé Gattegno, a journalist for Le Monde, accuses Mr. Chirac of transforming France into an autocracy, using his presidency with "political and judicial irresponsibility, as a debtor without scruples uses his insolvency."

Earlier, "The Tragedy of the President," an unforgiving portrait by veteran journalist Franz-Olivier Giesbert, drew on private conversations with Mr. Chirac and pictured him as personifying the decline of France. The book was a runaway best seller.

"By cowardice as much as blindness, he persists in pursuing policies that have been leading the country to ruin for more than 20 years," Mr. Giesbert wrote.

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As Mr. Giesbert explained to an interviewer after the book was published, “We are in the world of Shakespeare now, and the king is alone because he killed off any rivals and many friends.”

But Mr. Chirac is not a politician who can go quietly into the night. The aura of the presidency is too powerful, the adulation of the crowd intoxicating. The French have already looked beyond him, but he is unready to say adieu.

Mr. Chirac has refused to announce that he will not run for a third term next spring, saying that he will announce his decision next March.

Last weekend, Prime Minister Dominique de Villepin perpetuated the notion that there might be a third term for Mr. Chirac, praising his experience and calling the question of his running again “legitimate.”

The conventional wisdom is that Mr. Chirac plans to retire but refuses to become a lame duck, even though others seem to have made him one already. An IFOP poll last week said that only 2 percent of the French people want him to run again as the ruling, right-wing UMP party candidate in next spring’s presidential election.

So for the moment, he is busily doing what he does best — schmoozing, breaking bread with farmers and carrying the French tricolor around the world.

This week, this perpetual campaigner is in China. There is of course business to do — billions of dollars of contracts were signed as France joined the rush to profit from China’s boom.

It was a good week to be away given the anniversary of the civil unrest and the episodic acts of violence in recent days.

Mr. Chirac seemed happy in China, playing the role of the “lapin Duracell” or Energizer bunny — the unstoppable politician plunging into a sea of Chinese and being honored with a full military parade at Tiananmen Square.

This welcome seemed appropriate since Mr. Chirac’s main achievements, many here believe, have been on the world stage. According to a Paris-Match poll earlier this month, 78 percent of those polled approved of his handling of foreign affairs.

Part of that popularity stems from his opposition to the American-led war in Iraq in 2003. That may turn out to have been his best political move.

Indeed, in a 48-page special report on the “enigma” of Mr. Chirac in the journal L’Histoire this month, Jean-Luc Parodi, one of France’s leading research directors, suggested that there will be only one moment in which Mr. Chirac was “totally in balance with French society: when he refused to engage France in the Iraq adventure.”

Youths Set Fire To Bus In Marseille, Seriously Burning Woman (AP)

AP, October 28, 2006

MARSEILLE, France (AP) — A group of marauding teenagers set fire to a bus Saturday in the southern French port city of Marseille, seriously wounding a passenger and leaving three others suffering from smoke inhalation, police said.

French police have braced for a surge of violence this weekend, a year after three weeks of riots swept through France's poor neighborhoods, where many immigrants and their French-born children live. Scattered violence was reported Friday, the one-year anniversary of the 2005 riots, and another attack was reported Saturday in Marseille.

Three or four young people burst onto a bus in the southern French city and tossed inside a bottle of flammable liquid before fleeing, police said, citing witnesses' accounts. A fire stared, seriously injuring a 26-year-old woman who suffered second- and third-degree burns on her arms, legs and face.

Three others were brought to a hospital to be treated for smoke inhalation, police said. The bus was destroyed.

In scattered violence from Friday night to Saturday morning, six police officers suffered minor injuries and 47 people were arrested, the Interior Minister said. Bands of youths torched two public buses, and in troubled neighborhoods around the country, youths set fire to a total of 277 vehicles, police said.

On an average night in France, up to 100 cars are torched. In a statement, the Interior Ministry described the anniversary night as "relatively calm."

Tne unrest could have been much worse.

At the height of last year's rioting, about 1,400 cars were burned nationwide in a single night. The rioting was fueled by anger at France's failure to offer equal chances to many minorities — especially Arabs and blacks — and France's 5 million-strong Muslim population.

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The rioting was sparked by the deaths of two teens who were electrocuted in a power substation in Clichy-sous-Bois on Oct. 27, 2005, where they were hiding after what they thought was a police chase.

Ahead of the weekend, the national police said about 4,000 people extra police and riot officers were deployed across the country to cope with a possible resurgence of violence. Some 7,000 police are at the ready on an average night in France, officials have said.

Reforms Roiling Eastern Europe (WT/AP)

By Vanessa Gera, Associated Press

The Washington Times, October 29, 2006

WARSAW -- Anti-government rallies rock Budapest, the Hungarian capital. Political intrigue in Poland holds up new roads and housing. Populists take power in Slovakia, vowing to undo economic reforms. And the Czech Republic goes without a functioning government for months.

Political life has fallen into disarray in Eastern Europe, and many are asking what has gone wrong in the 2½ years since these former communist countries joined the European Union, expecting to reap the fruits of democracy and open markets.

Many specialists on the region say people are simply exhausted after years of economic sacrifices made to join the EU and NATO. They now lack the clear goals that drove them toward the West after the fall of communism in 1989.

And their discontent is mounting as the instant riches many thought would come from EU membership have failed to materialize.

"The common phenomenon in all these countries is transition fatigue," said Gergely Hudecz, a political analyst with the DZ Bank in Budapest. "The electorate has had enough of reforms."

Gone is the strong external pressure that pushed governments in Warsaw, Budapest, Prague and Bratislava, Slovakia, to shutter unproductive factories and sell off state companies, in the face of opposition from newly unemployed workers hurt by rising costs.

All four countries have replaced the leaders who took them into the bloc, and some have opted for parties pledging to restore the welfare benefits that were slashed to qualify for membership.

The greatest disruption has been in Hungary, where Socialist Prime Minister Ferenc Gyurcsany outraged the country by saying in a recording leaked last month that the government had "lied morning, evening and night" about the economy. That sparked weeks of daily anti-government protests, including two nights of riots.

To the north in Poland, twin brothers with prickly nationalist views -- President Lech Kaczynski and Prime Minister Jaroslaw Kaczynski -- lead a country bogged down in frequent Cabinet reshuffles and convoluted political maneuverings.

The bickering has slowed down construction to ease a housing shortage and modernization of the dilapidated road system.

In the latest twist, the prime minister brought back into his Cabinet Andrzej Lepper, a fiery populist known for organizing anti-EU protests, less than a month after booting him out for demanding more spending.

In Prague, politics have been stalemated since a June election delivered a lower house of parliament divided evenly between left and right.

And in neighboring Slovakia, Prime Minister Robert Fico took power this summer on pledges to undo many of the economic reforms that have made his nation the darling of foreign investors.

His left-wing party generated anxiety when it built a coalition with an ultranationalist party.

After admission to the EU, "what we see now is a rise of populists and nationalism. Frustrations, sentiments and emotions, which were suppressed during the process of admission, are now coming to the surface," said Jiri Pehe, a political analyst and director of New York University in Prague.

But Mr. Pehe also stressed that the "democratic framework is very strong, and it's supported by the outside," thanks to the region's integration with the West.

Mikulas Dzurinda, the former prime minister of Slovakia, oversaw major pro-market reforms, including a flat tax that created strong economic growth. He acknowledges that voters are disillusioned to find themselves still lagging so far behind the West.

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"People thought there was something like a Marshall Plan for the eastern part of Europe that would automatically allow us to reach the richest countries in the union," Mr. Dzurinda said. "Now I notice something like frustration."

Abbas Eyes PLO Troops In Jordan (WT/AP)

By Amy Teibel, Associated Press

The Washington Times, October 29, 2006

JERUSALEM -- Palestinian Authority President Mahmoud Abbas hopes to beef up his loyalist forces with Palestine Liberation Organization troops from Jordan, Palestinian officials said, as rival Palestinian factions bolstered their ranks in anticipation of a feared civil war.

Israel has objected in the past to letting members of the Jordan-based Badr Brigade enter Palestinian areas.

But with clashes intensifying between Mr. Abbas' Fatah Party and forces loyal to the militantly anti-Israel Hamas government, Israeli officials said they would consider allowing them in, according to the Palestinian officials, who spoke on the condition of anonymity because no decision had been made.

Israeli authorities were not immediately available for comment yesterday.

Palestinian officials did not say how many Badr forces Mr. Abbas hopes to mobilize. What is most important to him is that he would command their loyalty as head of the PLO, the officials said.

Mr. Abbas, elected separately last year, is nominally the supreme commander of all seven Palestinian security branches, and most security personnel were hired by Fatah, which controlled the Palestinian Authority for more than a decade.

But after Hamas swept Fatah from office in January elections, it set up its own militia, which now numbers 5,700 armed men, and announced plans to recruit an additional 1,500 in the West Bank, Fatah's stronghold.

The rival security forces have clashed frequently in the Gaza Strip in recent weeks as political tensions between the two sides grow. The violence has left more than a dozen dead and stoked fears of a bloody showdown.

The European Union, U.S. and other donors cut off hundreds of millions of dollars in aid to the Palestinian Authority after Hamas took power in March. Despite growing hardship in the Palestinian areas, Hamas has rejected international calls to renounce violence and recognize Israel's right to exist.

Mr. Abbas plans to dissolve the Hamas-led government within two weeks if the Islamic militant group does not agree to a coalition with Fatah, Palestinian officials said Friday.

Meanwhile, Palestinian factions that kidnapped an Israeli soldier four months ago offered conflicting assessments yesterday on whether a prisoner swap was imminent.

Abu Mujahed, a spokesman for the Popular Resistance Committees, said his faction has agreed to an Egyptian proposal to release Cpl. Gilad Shalit in return for hundreds of Palestinian prisoners.

But a spokesman for the military wing of the Palestinians' ruling Hamas party said prospects for an imminent deal have faded.

Israeli officials have said they were unaware of any progress to win Cpl. Shalit's release.

Cpl. Shalit was captured on June 25 in a cross-border raid and is thought to be held in Gaza.

Police Ordered To Oaxaca After 3 Killings In Strike (WP)

By Manuel Roig-Franzia

The Washington Post, October 29, 2006

MEXICO CITY, Oct. 28 -- President Vicente Fox on Saturday ordered federal police to seize control of strike-ravaged Oaxaca de Juarez, a popular tourist destination where a U.S. journalist was among three people killed Friday.

Despite pressure from Oaxaca's tourist industry, Fox had been reluctant to intervene in a five-month conflict that has pitted the governor of the state of Oaxaca against a coalition of citizen groups and striking teachers demanding his ouster. But the shooting death of Brad Will, 36, a volunteer correspondent for the Web site Indymedia.org, and two Mexican protesters prompted the president to respond with force for the first time.

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Several Mexican newspapers published front-page photographs of the mortally wounded Will lying in the street with blood trailing from a gunshot wound in his stomach. Photographs also showed rifle-wielding men in civilian clothes roaming the streets. Indymedia, citing a witness account, said Will was pulled to safety after being shot but died before reaching the hospital.

Strikers blamed the killings on plainclothes paramilitary members affiliated with Gov. Ulises Ruiz's Institutional Revolutionary Party, or PRI. The governor's office accused members of the Popular Assembly of the People of Oaxaca, or APPO, an umbrella group that includes union members and indigenous groups that have joined the teachers' protest.

Fox did not say how many federal police he planned to send to Oaxaca. Officers began arriving there by plane Saturday. In a statement, he said the mobilization was a response to events that threaten "the order and peace of citizens in the region."

Strike leaders reinforced barricades and vowed not to budge.

"These forces coming here are only going to make things worse," Florentino LÃ³pez MartÃ-nez, an APPO organizer, said in a telephone interview from downtown Oaxaca. "This is not a solution to the problem."

Mexican presidents are often reluctant to use force because federal officers have been accused in the past of inciting violence, most notably during student protests before the 1968 Olympics in Mexico City. Nonetheless, Fox ordered federal police to take over the city of Nuevo Laredo last year to quell an outburst of drug violence.

In Oaxaca de Juarez, the teachers' protest is an annual rite that began 26 years ago. The protests are usually peaceful and generally last a week or two, but this year the teachers became infuriated when Ruiz sent hundreds of police to forcefully remove demonstrators from the city's idyllic squares. APPO soon took on a greater role in the demonstrations, pushing an agenda of economic, social and political reform in Mexico's second-poorest state.

The demonstrations have left the region a shambles and scared away the tourists who are the foundation of the city's economy. Death estimates during the strike range from nine to 14, and APPO leaders say that more than a dozen of their members have disappeared. Countless downtown businesses have closed, buses have been set on fire, demonstrators have barricaded themselves in government buildings and protest blockades have cut off main thoroughfares. At times in the past five months, residents have been warned not to leave their homes. Shots have been fired at a university radio station, and more than a million students have been unable to attend classes.

"The city is practically kidnapped by all this," Luz Divina Sarate, a Ruiz spokeswoman, said in a telephone interview. "The people are tired of this."

Friday's shootings at several flash points in and around Oaxaca de Juarez took place despite signs of progress in negotiations with the striking teachers. Last week, teachers tentatively ratified an agreement that would allow them to return to classes at some unspecified date and receive 30 percent raises spread over six years.

But their unmet central demand -- the resignation of Ruiz -- threatened to undermine the fragile pact. Even as Friday's deaths reignited passions Saturday, federal negotiators continued to meet with teachers union leaders in Mexico City.

The spike in violence also seemed to suggest that there will be a long wait before Oaxaca's stunning colonial streets are once again crawling with camera-toting tourists. After the shootings, the U.S. ambassador in Mexico, Tony Garza, warned Americans to stay away.

3 Killed In Mexican Protest; Police Move In (NYT)

By Marc Lacey

The New York Times, October 29, 2006

OAXACA, Mexico, Oct. 28 — Hundreds of federal riot police officers and soldiers took up positions outside this besieged tourist city in southern Mexico on Saturday, poised to end an increasingly violent protest that has shut the downtown for five months and left about a dozen people dead.

Tension hung heavily in the air as night fell. Protesters appeared to be digging in at the barricades that they had constructed around town from sand bags, old tires, barbed wire and burned-out vehicles.

The federal government issued a statement ordering the protesters to “immediately hand over streets, plazas, public buildings and private property” so that officials could “guarantee public order and adherence to the law, as well as preserve respect for the population’s individual guarantees.”

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But the protesters' response was blunt.

"We're going to resist the attack," declared Florentino López, spokesman for the Oaxaca People's Popular Assembly, or A.P.P.O., a loose coalition of interests that has laid siege to the city's central square, or Zócalo, taken over radio stations and defaced much of the town with protest messages.

President Vincente Fox, in his final month in office, on Saturday ordered the federal troops in after three people, including a New York photographer, were killed in Oaxaca the evening before. The photographer, Bradley Roland Will, 36, who was shot twice in the abdomen, was a well-known activist on the Lower East Side who lived at times as a squatter in city-owned buildings.

The crisis in Oaxaca began in May when schoolteachers went on strike, an annual exercise that had usually led to a pay raise. But when Ulises Ruiz, the governor of Oaxaca State, ordered the protests broken up, leftists came to the teachers' aid.

Soon, Oaxaca's picturesque downtown was in the hands of the demonstrators, all with their own grievances against a local government they accuse of heavy-handed tactics.

"The roots of a revolution are gestating in Oaxaca," says Zenén Bravo Castellanos, a teacher who heads the Revolutionary Popular Front, one group leading the protests. "The people of Oaxaca are tired of so many corrupt governments."

After five months of standoff, with occasional bursts of violence, Mr. Fox's patience apparently ended with the latest deaths. It was unclear, however, whether the federal troops intended to take over Oaxaca by force or to merely put pressure on the protesters to continue the monthslong negotiations to end the impasse.

The teachers have reached a deal to return to classes, although some glitches remain. The other protesters, however, have vowed to continue to control the town until Governor Ruiz resigns.

Mr. Will, active in left-leaning political causes, was filming the standoff for an organization called Independent Media Center, or Indymedia. He was among the plaintiffs who had won a $120,000 settlement from New York City after officials demolished an East Fifth Street building despite a judge's order that it remain standing until people squatting there could retrieve their belongings.

Mr. Will worked as a freelance photographer and reporter for the New York City chapter of the Indypendent, a radical collective that published a weekly newspaper and maintained a Web site dedicated to subjects like immigration, the Iraq war and the struggles of the developing world. In recent years he traveled widely in Latin America.

In Manhattan on Saturday night, about 100 people gathered outside the Mexican Consulate for a somber remembrance of Mr. Will. People lighted candles and incense and held a large banner that read, "Bring Brad Will's Assassin to Justice."

Witnesses in Oaxaca said a plainclothes police officer was responsible for his death. Protest leaders said such violence by the authorities would only inflame the already volatile situation.

The Oaxaca attorney general, Lizbeth Cana, labeled the protesters urban guerrillas and said it was understandable that local people were lashing out at them violently. "The people are fed up with permanent violence, threats and kidnappings," she said, according to The Associated Press. But the mayor of a nearby town said the five men being detained for possible involvement in Mr. Will's killing were not disgruntled ordinary local citizens but police officers and local officials.

"Oaxaca is a question mark," Flavio Sosa, a leader of A.P.P.O., said before the federal forces arrived. "No one knows what's going to happen."

Mexican President Sends Police To Oaxaca (AP)

By Rebeca Romero

AP, October 29, 2006

Shop owners shuttered their businesses and demonstrators built up street barricades Saturday after President Vicente Fox ordered federal police to intervene in this picturesque city torn by more than five months of protests and violence.

Fox, who leaves office Dec. 1, had refused repeated requests to use force in Oaxaca even as the southern city slid into chaos. But gunbattles Friday that killed a U.S. journalist and at least two Mexicans apparently exhausted his patience.

Fox's Interior Department issued an ominous statement late Saturday demanding protest leaders "immediately hand over streets, plazas, public buildings and private property" so that federal authorities can "guarantee public order and adherence to the law, as well as preserve respect for the population's individual guarantees."

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Mexican Deputy Interior Secretary Arturo Chavez said late Saturday that the police operation would not begin Saturday night or early Sunday.

It was unclear how many officers of the Federal Preventative Police were converging on this long popular tourist destination, though police in gray uniforms and carrying riot shields poured off of transport planes at Oaxaca's airport, which was closed to commercial traffic.

Teacher's union leader Daniel Rosas said protesters believed 4,000 federal police had arrived.

In unrest that began with a teacher strike for higher pay, leftists have blocked streets for months demanding the ouster of Oaxaca state Gov. Ulises Ruiz. They claim the state government has sent gunmen and thugs to provoke them.

After Fox announced he was ordering in federal police, protesters fortified their positions by piling up sandbags and parking large trucks and buses across roads leading into the center of Oaxaca.

Some demonstrators rolled enormous tree trunks across the main highway leading into Oaxaca from Mexico City, waving Mexican flags and chanting "Get out Ulises!"

With neat piles of rocks behind them ready for confrontation should police try to storm town, the demonstrators left just one lane open and were only allowing taxis and other local through. Nearby a sign trumpeted tourist attractions and proclaimed "Welcome to Oaxaca!"

"I think there's going to be violence," said Eutelma Cruz, a 54-year-old housewife and protester. "I hope (federal forces) intervene and find a peaceful solution."

Men also were seen removing broadcast equipment from one of the local radio stations seized by protesters months ago. A second station held by leftists remained on the air, urging Oaxaca's residents to prevent federal police from entering the city.

"We're not afraid. We were born to die," said Iris Hernandez, 29, who was guarding a roadblock.

Few people ventured from their homes. Across the heart of the city, nearly all shops and restaurants closed early. Street vendors packed up their wares and disappeared.

"We're afraid there is going to be more shooting," said Juan Lopez said as he pulled metal shutters down over the glass storefront of a sporting goods shop a half block from Oaxaca's leafy central plaza surrounded by arcaded colonial-era buildings.

Friday's deadly violence began when gunmen tried to remove a street blockade in a rough neighborhood. Journalist Bradley Roland Will, 36, of New York, was hit in the abdomen and died later at a Red Cross hospital.

Oaxaca resident Esteban Zurrita was shot dead and the bullet-ridden body of another man, Emilio Alonso Fabian, was discovered about two miles away. A photographer for the Mexican newspaper Milenio was slightly injured.

Will worked for Indymedia.org, an independent Web-based media organization and sold video on a freelance basis, said friends and Indymedia colleague Hinrich Schuleze. He had been documenting the upheaval in Internet dispatches that showed strong sympathy for the protesters.

"What can you say about this movement, this revolutionary moment," he wrote in a dispatch dated Oct. 16. "You know it is building, growing, shaping, you can feel it, trying desperately for a direct democracy."

Oaxaca Attorney General Lizbeth Cana, who has likened the protesters to urban guerrillas, said the shooting was sparked by angry townspeople defending themselves against the demonstrators.

"The people are fed up with permanent violence, threats and kidnappings," she said.

But U.S. Ambassador Tony Garza said in a statement that the shooters may have been Oaxaca police, and the Mexico City newspaper El Universal published photos Saturday identifying some of the men firing at protesters as local officials.

Mayor Manuel Martinez Feria of the nearby town of Santa Lucia del Camino said five men who appeared in the photos brandishing pistols had been turned over to state officials for possible involvement in Will's killing. He identified them as two members of Santa Lucia's city council, two of that town's police officers and a former justice of the peace from another town.

Local police officers — often out of uniform — and armed gangs have staged sporadic attacks on protesters, and at least five other people have been killed.

Several other shootings and clashes were reported in Oaxaca on Friday, and Red Cross officials said Saturday they treated 18 additional victims of violence, though none suffered gunshot wounds.

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Teachers went on strike in May demanding higher pay and better working conditions. But after police attacked one of their demonstrations in June, they extended their demands to include a call for Ruiz's resignation and were joined by leftists, students and Indian groups.

The struggle escalated into a fight for control of Oaxaca's streets as demonstrators occupied the central plaza, built barricades, seized radio and television stations, drove off local police and burned buses.

The protesters contend the 2004 governor's election was rigged by Ruiz, a member of the former longtime governing Institutional Revolutionary Party, which lost its hold on Mexico's presidency when Fox was elected six years ago.

Ruiz repeatedly has asked federal authorities to send troops to restore order, but Fox's government had insisted on trying to solve the dispute through negotiations.

Friday's clashes came a day after teachers agreed to end their strike, which has kept 1.3 million children out of classes across the southern state. The deal had been expected to take the sting out of the protests. But Rosas, the teacher's union leader, said late Saturday that Fox's decision to send federal forces could negate the agreement.

Oaxaca, famed for its colonial architecture and as a center of Indian handicrafts and cuisine, is one of the most famous inland tourist attractions in Mexico. Mountains overlooking the city hold the imposing ruins of the Zapotec city of Monte Alban.

Mexican Forces Converge On Oaxaca City (LAT)

By Sam Enriquez And Reed Johnson, Times Staff Writers

The Los Angeles Times, October 29, 2006

Fox sends soldiers and police to try to end a standoff between striking teachers and the governor's backers.

Federal riot police and soldiers toting shields and automatic weapons massed around this beleaguered colonial city Saturday in a bid to end a five-month standoff between striking teachers and supporters of state Gov. Ulises Ruiz, amid escalating violence that included the Friday shooting deaths of a U.S. journalist and two Mexican men.

But by Saturday evening, there were signs that both the protesters and federal officials might be stepping back from a confrontation that has caused at least nine deaths and paralyzed Oaxaca city, the state capital, since the strike began in May.

Hundreds of army troops and officers of the Federal Preventive Police began arriving here Saturday morning by plane and bus. They were dispatched by President Vicente Fox, who for months had resisted calls by Ruiz and Oaxacan businessmen for the federal government to intervene directly to end the occupation of Oaxaca by the striking teachers and an umbrella protest group, the Popular Assembly of the People of Oaxaca, known by its Spanish-language initials APPO.

Some APPO members had pledged to fight to the death to maintain the occupation. In recent days the group has barricaded city streets with tree trunks, sandbags and overturned buses and vans.

But APPO leader Flavio Sosa, reached late Saturday night, indicated that his group would continue to maintain its barricades but would not fight back if the federal forces attempted to dismantle them.

"We're going to maintain our barricades in the city. If the PFP wants to clear them, let them clear them," he said, referring to the federal police. "We won't resist, but tomorrow we'll march to show our disapproval for the presence" of the federal police and troops.

Sosa said the group was willing to attend negotiations.

"We'll go together with the striking teachers. We'll continue with our movement demanding Ulises Ruiz step down, and we'll state our disapproval of the PFP's presence," he said.

About the same time Saturday night, Arturo Chavez Chavez, deputy secretary of state, said at a Mexico City news conference that the federal forces had been sent only to prevent more violence and were not "contemplating any type of action" on Saturday or today.

He also said that the Oaxaca union representing the 70,000 striking teachers had agreed that they would return to their classrooms Monday.

As darkness fell, many streets were virtually deserted as businesses shuttered their storefronts and fearful residents hunkered down inside their homes.

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The smell of burning wood and rubber hung in the air, and a local radio station operated by the protesters urged people to resist any takeover attempt by police and the army. About 200 to 300 protesters gathered in the Zocalo, or central square, listening to impassioned speeches exhorting them to stick together in opposing the federal forces.

'They can shoot me'

But on the city's periphery, the resistance appeared to be minimal. Only about 50 protesters were massed along the main highway that connects the central city to the airport, in contrast to the thousands who had taken part in previous actions. Some carried tree branches for self-defense. Twenty-four Coke bottles filled with gasoline stood at the ready.

"They can shoot me, they can kill me," one elderly male protester said.

At nightfall, it was still unclear how many police officers had taken up positions in and around the capital.

Protesters estimated that 2,000 to 4,000 police had arrived, but federal officials refused to confirm those numbers.

Carlos Abascal, Mexico's interior minister, said Saturday night that the federal police had been sent to maintain civic order, not to take sides or "to curtail the freedom of expression or the liberty of demonstrating of all Oaxacans."

Late Saturday afternoon, the federal government issued an ultimatum demanding that APPO leaders "immediately hand over streets, plazas, public buildings and private property" so that federal authorities could "guarantee public order and adherence to the law."

Fox's decision to send federal police came one week after the state's teachers tentatively agreed to return to work in exchange for a 30% raise over six years. On average, Oaxacan elementary school teachers earn about $600 a month.

U.S. journalist killed

The decision also was made just hours after the death of Bradley Roland Will, 36, a New York City political activist and photojournalist with Independent Media Center, or Indymedia, an Internet-based alternative news agency, who had been in the region for four weeks documenting the conflict with photographs and video.

Will was shot in the abdomen Friday afternoon while attempting to conduct interviews at a street barricade and died en route to the hospital, according to witnesses and Indymedia's website.

Some witnesses said that Will was shot by a plainclothes undercover policeman.

Tony Garza, U.S. ambassador to Mexico, issued a statement calling Will's death "senseless" and saying that it "underscores the critical need for a return to lawfulness and order in Oaxaca."

A Oaxaca resident also was shot to death Friday, and the bullet-riddled body of a third man was discovered about two miles away, according to news reports.

Once a popular tourist destination famed for its pre-Columbian ruins and colorful Indian culture, Oaxaca has been transformed into a tense encampment of streets blocked with concrete hunks and sheet metal, public buildings slathered in graffiti and scores of shuttered businesses.

Deadly dispute

At least nine people have been killed during the dispute, which began in the spring when teachers went on strike to demand better wages and working conditions.

Teachers subsequently occupied the Zocalo, pitching tents and raising banners there and in surrounding streets. Gradually the teachers were joined by trade unionists, leftist activists, indigenous groups and others demanding the governor's resignation and conducting a campaign of mostly peaceful civil disobedience.

On June 14, Ruiz sent police officers to try to oust the protesters, prompting a melee in which police pummeled demonstrators with truncheons, according to Mexico's human rights commission. Since then protesters have seized radio stations, and both sides have taken up rocks, clubs, machetes, Molotov cocktails and firearms.

Though much of the violence reported to date has been inflicted against the protesters by cruising vigilantes, protesters contend that Ruiz and his supporters have been attempting to goad them into retaliation that would justify crushing the occupation.

Among other grievances, the protesters say that Ruiz, a member of the Institutional Revolutionary Party, or PRI, which dominated Mexican politics for seven decades, manipulated votes in the 2004 governor's election. Ruiz, who has denied those charges, has spurned calls for his resignation while beseeching Fox to use force to end the demonstrations.

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Enriquez reported from Oaxaca and Johnson from Mexico City. Times staff writer Carlos Martínez in Mexico City and special correspondent Rafael Bucio in Oaxaca contributed to this report.

Castro Appears On TV, Scoffs At Rumors Of His Death (AP)

AP, October 28, 2006

HAVANA, Cuba (AP) -- The ailing Fidel Castro appeared on Cuban state television for the first time in more than a month Saturday, looking thin and tired but walking and ridiculing recent rumors of his death.

The 80-year-old Cuban leader temporarily ceded power to his brother Raul in July following intestinal surgery for an undisclosed ailment. Fidel Castro had not been seen since mid-September, when photographs of him greeting world leaders at a summit in Havana were released.

Saturday's video showed him walking slowly but steadily in an unidentified room and reading a newspaper in a loud voice.

"They've declared me moribund prematurely," he said, holding a copy of Saturday's edition of Granma, the Communist Party daily newspaper.

"But it pleases me to send my compatriots and friends this small video."

He said his recovery would be long and not without risk.

But he added: "I'm not the least bit afraid of what will occur."

The Cuban dictator said he was "coming along just as planned" and called rumors of his death ridiculous and insulting, claiming they were the work of his enemies.

"Let's see what they say now," he said.

The Cuban government has treated Castro's ailment as a state secret.

Rumors that he might have died intensified in recent weeks. He has not made a public appearance since July 26, a few days before he underwent surgery.

On Friday, Castro's close friend and ally Venezuelan President Hugo Chavez said the Cuban leader was up and about and taking trips at night into the countryside.

Cuba TV Shows Pictures Of Castro (BBC)

BBC.com, October 29, 2006

He was shown walking unassisted and reading Saturday's newspaper Cuban television has broadcast the first images of President Fidel Castro in more than a month, defiantly addressing rumours that he had died.

Mr Castro said his recovery would be long and not without risk, but said he was "coming along just as planned."

He called the rumours "ridiculous" and said: "Let's see what they say now."

The 80-year-old, who temporarily handed over power to his younger brother in July following intestinal surgery, had not been seen since mid-September.

In the new video footage the ailing president was pictured walking unassisted and - to underscore that it is not archive material - reading a copy of Saturday's edition of Granma, the Communist Party daily newspaper.

"Now, when our enemies have prematurely declared me moribund or dead, I'm happy to send to our compatriots and friends around the world this short film footage," he said.

Cuban officials attending a ballet festival in Havana said they were delighted to see the images of President Castro.

"This is excellent news for everyone - all Cubans, and all of Cuba's friends," Vice President Carlos Lage said.

"We are really happy to see that Fidel is better and that every day he is moving forward," Foreign Minister Felipe Perez Roque said. "He's not been lost, just working on his [recovery] plan."

State secret

Images of Mr Castro were shown in September to quell rumours Earlier this month, Time magazine quoted an unnamed US official alleging that the president had terminal cancer.

Mr Castro's younger brother, Raul, denied this, saying the president, was "getting better all the time".

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Mr Castro handed temporary power to his brother in July, prompting speculation that his 47-year rule was nearly over.

Cubans were told that details of the ailment would be kept secret to prevent Cuba's enemies from taking advantage of them.

Images of a frail Mr Castro were released on his birthday, on 13 August, in an attempt to quell rumours that he had died.

More recently, video images were broadcast showing Mr Castro, in his hospital bed and wearing pyjamas, greeting visiting Venezuelan President Hugo Chavez.

Former Contra Fighters Divided Over Ortega (LAT)

By Héctor Tobar, Times Staff Writer

The Los Angeles Times, October 29, 2006

One pair of brothers stopped speaking after the younger defected.

The old guerrilla fighter has many battle scars. He'll roll up his pant leg and show you his prosthetic device if you're interested. Years ago, during the war, he lost his leg when he stepped on a mine laid by his enemies, the Sandinistas.

It's been a long time since Jose "the Jackal" Talavera has tried to kill Sandinistas. The leftists haven't ruled the country for 16 years, but the onetime Contra commander still despises them.

"They filled the country with Cubans and Bulgarians," Talavera, 46, said of the Sandinistas, who had close ties to the former Soviet bloc. "Our war against them was just and heroic."

The Talavera family lost three brothers in the 1980s to the U.S.-backed war against the leftist regime. Now, like many other Contra families, the surviving brothers are split over whether they should support the Sandinistas in next month's presidential election.

Last month, "the Jackal" turned on his TV and saw his younger brother, Salvador "the Little Jackal" Talavera, not only shaking hands with Sandinista leaders but embracing them.

Salvador Talavera is the president of the Nicaraguan Resistance Party, the conservative political group started by the demobilized Contras a decade ago. Last month, the 40-year-old signed a "peace agreement" with the Sandinistas by which the Contras promised not to go to war again should their bitterest foe, Daniel Ortega, win the Nov. 5 presidential election.

The agreement was a big boost for Ortega, and the Little Jackal is now featured in Sandinista campaign commercials.

"We Contras are becoming conscious of our rights for the first time," Salvador Talavera said, explaining his party's decision to break with its conservative allies, who've won every presidential election since 1990.

"Years of bad decisions by these right-wing governments have brought Daniel Ortega to the brink of power," he said.

Jose Talavera said he told his younger brother that supporting the Sandinistas was immoral. The brothers haven't talked since. "Like good democrats, we have to respect the political decisions other people make," Jose Talavera said.

The split in the Contras highlights a growing frustration among the rural population that makes up the movement's rank and file, analysts say.

Thousands of peasants who were granted land in exchange for giving up their armed struggle against the Sandinistas have yet to receive formal title to those properties, despite 16 years of right-wing government. And Nicaragua's adoption of free-trade policies has hurt the nation's agricultural sector.

"There's a lot of frustration in the Contra corridor," said Oscar Rene Vargas, a political analyst here, referring to a stretch of rural Nicaragua reaching from the Honduran border southward. "Promises were made to them, and those promises were not kept." As a result, Vargas said, the Sandinista National Liberation Front was gaining ground in rural areas that have long been conservative strongholds.

Several Contra leaders who have defected to the Sandinista cause say they feel the movement's right-wing political allies have taken them for granted.

"Seven thousand of our wounded war veterans are neglected," Salvador Talavera said. "We've been working in this alliance, but what's in it for us? We left our companions buried in shallow graves to bring these people to power. And now they have forgotten about us."

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The younger Talavera believes that guerrilla veterans have been used as right-wing political props in three consecutive victories over the Sandinistas in presidential elections.

"They've used us as their shock troops," he said. "When the elections come, they go and get the old Contra commanders and give us new suits."

Talavera's decision to sign the agreement with the Sandinistas on Sept. 15 was a stunning setback to the presidential aspirations of Eduardo Montealegre of the conservative Nicaraguan Liberal Alliance.

The Nicaraguan Resistance had backed Montealegre until Salvador Talavera's appearance last month with Ortega on a stage in Managua, the capital. Montealegre is the favored candidate of the U.S. Embassy here and is seen by many Nicaraguan conservatives as the best hope for preventing an Ortega victory.

"It was a low blow against Montealegre … and also very astute on the part of Salvador Talavera," said Carlos Tunnermann, a political analyst and former Nicaraguan ambassador to the United States. "And it allowed Daniel Ortega to put forward an image of reconciliation."

Salvador Talavera said many Contras also felt "a profound resentment" toward their old U.S. allies. "We kept gringo blood from being shed here, and we stopped what was then known as communism from reaching the frontiers of the United States," he said. But recently, the U.S. has "not considered even a small budget to help those heroic fighters who served them."

Jose Talavera understands his brother's frustrations, but not the decision to aid the family's old enemies.

"We have to keep the government from falling into the hands of the Sandinistas," he said. The older Talavera has just opened a new office for his group of Contra dissidents behind Montealegre's campaign headquarters.

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Nicaragua Bans Abortion (NYT)

The New York Times, October 29, 2006

The rights and safety of Nicaragua's women took a giant step backward last week when the country's legislature passed a law criminalizing all abortions, with no exceptions. The previous law permitted an abortion if the mother's life was in danger.

Latin America has the world's strictest laws on abortion. But that does not discourage it. Latin America also has the world's highest abortion rates, averaging nearly one per woman over the course of her reproductive lifetime.

Nicaragua's ban, which passed 52 to 0, was a clear bid to curry support from the Catholic Church before next weekend's presidential elections. Conservative parties were expected to vote for the legislation. But Daniel Ortega's Sandinistas also backed it. Once the party of social revolution, the Sandinistas have become the party of political opportunism.

If Nicaraguans want to see the possible consequences of their new law, they can look next door to El Salvador, where all abortions have been banned since 1998. If doctors find evidence of an abortion, they are required to report their patients to the police. Women who sought medical help after a botched abortion have been handcuffed to their hospital beds. And some women with late-term abortions have been given 30-year prison terms.

The only good news out of Nicaragua is that legislators declined to take up a proposal that would drastically increase prison sentences for women who have abortions and people who perform them.

Bolivia Agrees New Energy Deals (BBC)

BBC.com, October 29, 2006

Some deals were signed with only minutes to go before the deadline Bolivia has agreed energy deals with 10 foreign gas and oil firms, just before a deadline for foreign firms to agree new contracts or leave the country.

Brazil's Petrobras and Spain's Repsol were among eight to reach agreement on Saturday, after two deals on Friday.

The contracts come after President Evo Morales nationalised the oil and gas industry in May to give the state more control and a larger slice of profits.

He said that now Bolivia would no longer be "a beggar state".

"We will continue in this path of recovering our natural resources," said Mr Morales, " not only the hydrocarbons but... all non-renewable natural resources that belong to the Bolivian people."

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Under the terms of the president's 1 May decree, foreign companies had six months to sign contracts giving up majority control of their Bolivian operations.

The companies will also have to work in partnership with the re-founded Bolivian state energy firm, Yacimientos Petroliferos Fiscales Bolivianos (YPBF).

The BBC's Damian Kahya in La Paz says a deal with Petrobras - the largest foreign investor in the industry - came as a significant boost for Mr Morales as the Brazilians have invested more than $1bn in Bolivian gas.

However, Petrobras and the Brazilian government had been angered by the way the Bolivians conducted negotiations, accusing them of bullying, our correspondent says.

Deals with seven more firms, including the second largest investor Spain's Repsol and the UK's BG Group, were announced a few hours' before the deadline expired.

Details of the contracts signed on Friday are not yet available, but the president of YPBF, said they would bring Bolivia $120m (£63m) in annual gas revenues.

'Rocky' negotiations

The negotiation process has not been simple. Talks were dealt a blow in September when Andres Soliz Rada, a main player in the nationalisation process, resigned as energy minister.

Mr Soliz had clashed with state-owned Petrobras, the biggest investor in Bolivia's energy industry.

However, Mr Rada was replaced by Carlos Villegas, and talks proved to be more fruitful.

There were other problems including a lack of money that hampered Bolivia's YPBF, in its plans to buy control of the assets like refineries and pipelines.

YPBF also missed a 1 July deadline to restructure itself so it would be better able to handle its more dominant position in the oil and gas industry.

Boomtown In Venezuela Confronts Mining Ban (NYT)

By Simon Romero

The New York Times, October 29, 2006

LA PARAGUA, Venezuela — This dusty, remote river port in southeastern Venezuela feels a bit like a latter-day Deadwood. Dreams of striking it rich in gold or diamonds have drawn about 5,000 people to La Paragua and some 40,000 to nearby areas, from beyond this country to Brazil, Colombia and Guyana.

Shopkeepers from the Middle East cater to a clientele that communicates in a local patois of Spanish, Portuguese and Guyanese-accented English. Between forays into the bush, the miners support a cauldron of bars, prostitutes and storefronts dealing in precious metals.

But the town has become a focus of efforts by President Hugo Chávez to halt much of the mining, citing environmental concerns. In September, army soldiers sent here to enforce a mining ban killed six miners, setting off violent protests. Miners blocked access to the town, burning army vehicles, and destroyed the mayor's residence in the nearby town of Maripa.

A dark mood weighs heavily here. Residents speak with fear about army checkpoints and the presence of soldiers who threaten their livelihoods. Graffiti on the walls of dozens of buildings rail at Mr. Chávez, mourn the miners and even take shots at the government's recent military purchases from Russia.

Residents say they will stay and that the mining will go on. Longino Guerra, an immigrant from the Canary Islands who operates a warehousing and bush-pilot service in La Paragua, said, "As long as there are diamonds and gold in the ground, there will be miners here."

But the environmental toll can be high. Open-pit mines scar the fragile landscape of Bolívar State, home to the soaring sandstone mesas known as tepuis, and to Angel Falls, the world's highest waterfall. The mercury used to pry gold from riverbeds pollutes water systems, and dredging and mining operations erode riverbanks and silt up the river. That threatens the Guri hydroelectric complex, which provides Venezuela up to three-quarters of its electricity.

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"It's a complicated situation with no easy solution," said Argenis Palacio, an official with the National Statistics Institute who has been taking a census of the area. "We've encountered miners from as far away as the Czech Republic and Portugal who are drawn here by the idea that there is no oversight of their activities."

The government has promised to create jobs for miners in tourism or agriculture, and to teach them to plant crops like cassava or corn. But miners say the promises have not been fulfilled, and last year, hundreds near the town of Las Claritas blocked a highway to Brazil and threw Molotov cocktails at troops.

In early October, border tensions were added to the fury over the September killings, when Venezuelan soldiers killed a Guyanese citizen, claiming he was smuggling gasoline across the border for generators used in the area's mines. Maps in Venezuela still claim large swaths of Guyana, describing the region as a "reclamation zone."

When the national guard was responsible for the area, it was accused of human rights abuses and taking bribes. Last year, Mr. Chávez replaced it with an army-led force called TO-5, for Theater of Operations No. 5. Now, Gen. Raúl Baduel, the defense minister, said, prosecutors plan to investigate 18 military officials with the new force.

The general has described the September attack as an enforcement operation that went awry. Troops were sent to a camp detected in an area where mining was prohibited with orders to destroy machinery and tools, he told reporters.

But the soldiers shot at least seven miners with high-caliber weapons at close range, killing all but one.

The lone survivor, a Venezuelan who suffered multiple gunshot wounds, survived by pretending he was dead, his sister said. That man, Manuel Felipe Lizardi, 36, has been recovering at a hospital three hours away in Ciudad Bolívar.

"He had the angels by his side," said the sister, Berenice Lizardi, 28. "Now I'm afraid the army will come after him and us."

The justice minister, Jesse Chacón, said ballistic studies of the corpses "makes us suppose there was at least an excess use of force."

"Control over security in the area got out of the hands of the government," said Alexander Luzardo, a professor of anthropology and environmental rights at Central University of Venezuela and a former Chávez campaign official.

He said the incident was a blow both to the government's environmental policy and its approach to indigenous groups, since small-scale mining was essentially condoned during most of Mr. Chávez's government, which began in 1998. "Nothing justifies the killing," he said.

Manuel Rosales, the main opposition candidate in presidential elections set for December, came here recently to criticize the government's inability to carry out viable mining guidelines. Further political fallout may depend on the government's ability to counter claims that soldiers demand money from miners for allowing them to work.

Still, even as the town has crystallized into a place of frustration with the army and Mr. Chávez's government, the mining goes on. Residents gathered on a recent afternoon at a riverfront bar to watch miners emerge muddy and exhausted from days in the bush.

"If Chávez wants to empty the mines, we're finished," said Ana Victoria Mendoza Palma, 23, a cook. "The government says it wants miners to work in tourism, but why would anyone come here?"

President Holds A Big Lead As Brazil Prepares To Vote (NYT)

By Larry Rohter

The New York Times, October 29, 2006

RIO DE JANEIRO, Oct. 28 — Rebuked at the polls four weeks ago because of voter irritation with a corruption scandal and his unwillingness to answer questions about it, Brazil's president, Luiz Inácio Lula da Silva, heads into a runoff vote on Sunday with a lead that every poll suggests is insurmountable. A win would guarantee him another four years in office.

A final round of public opinion surveys published Friday shows Mr. da Silva, a former factory worker and labor leader, defeating his opponent, Geraldo Alckmin of the Brazilian Social Democratic Party, by at least 60 percent to 40 percent. More than 125 million Brazilians are registered for the runoff vote, which is required because Mr. da Silva fell just short of a majority in the first round of balloting on Oct. 1.

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"Everything indicates that this is going to be a resounding, unquestionable victory for Lula, despite all the scandals," said Jairo Nicolau, a political science professor at Candido Mendes University, using Mr. da Silva's nickname. Mr. Nicolau said that if the polls were right, Mr. da Silva would duplicate the landslide victory that carried him into office in 2002.

Mr. Alckmin, a 53-year-old physician and former governor of São Paulo, Brazil's richest and most populous state, was able to force a second round largely because of a late-breaking political scandal. In mid-September, the police apprehended operatives of Mr. da Silva's left-wing Workers Party as they were about to pay $792,000 in cash for a dossier they apparently hoped would incriminate Mr. Alckmin's camp in a notorious corruption scheme.

Mr. da Silva, who turned 61 on Friday, has denied any involvement in the skulduggery, which forced the resignation of his campaign manager and was, according to the police, organized by his former bodyguard and several other aides and friends.

Mr. da Silva has been able to pull away from Mr. Alckmin over the past several weeks, in part, by labeling him a one-note candidate who spoke more of corruption than of his own plans for Brazil.

The campaigning featured relatively little in the way of conventional rallies and marches. Instead, both Mr. da Silva and Mr. Alckmin focused their efforts on the news media and on forming alliances, some of them ideologically illogical, with the governors, mayors, legislators and other local political bosses who are traditionally the power brokers in Brazilian politics.

This week, for example, Mr. da Silva campaigned alongside the scion of one of the conservative family dynasties that he always blames for the poverty and backwardness of his native Northeast region. Mr. Alckmin, whose party is center-left, was pilloried for allying himself with the populist former governor of Rio de Janeiro state, nominally a leftist like Mr. da Silva but one of the president's main rivals.

Mr. da Silva has offered only one formal news conference since taking office in January 2003, and also chose to absent himself from a candidates' debate just before the first-round vote. Polls cited that decision, seen as arrogant, as one of the reasons for a sudden drop in his popularity, and during the second round of campaigning he was much more available, agreeing to four debates with Mr. Alckmin.

The last of those debates took place here on Friday night, with a panel of undecided voters supplying questions. "The scandals just don't stop," Mr. Alckmin said, at one point turning away from the panel to face Mr. da Silva directly. "They haven't learned. They haven't investigated. They hide everything."

Mr. da Silva responded that no government had done more than his to root out corruption, which he described as "a tumor embedded" in the Brazilian body politic.

Cash Aid Program Bolsters Lula's Reelection Prospects (WP)

By Monte Reel

The Washington Post, October 29, 2006

Incentives for Families To Help Themselves Spreads Beyond Brazil

ALTO DE SANTA HELENA, Brazil, Oct. 28 -- In this sparsely furnished cinder-block house with seven rooms, one tattered love seat and no chairs, the refrigerator doesn't work and the electric stove won't heat up. But the 13-inch television can conjure a picture through its rabbit-ear antenna, and that's what Edmundo Rodrigues da Silva points to when explaining how he'll vote in Brazil's presidential election Sunday.

"The reason I got the television was to keep my kids in the house, instead of watching them go to a neighbor's house to watch their television," said Rodrigues da Silva, a 54-year-old father of seven and a subsistence farmer. "And the reason I was able to get it was President Lula. After he got into office, we got Bolsa Familia."

Bolsa Familia is the cash assistance program that pays more than 11 million low-income families in Brazil about $40 per month in cash if they meet conditions such as ensuring their children regularly attend school and have regular health checkups and vaccinations. The assistance was enough for Rodrigues da Silva to afford his first television set, and it has been instrumental in helping President Luiz Inacio Lula da Silva overcome corruption scandals and build a lead of more than 20 points in opinion polls heading into the runoff against former Sao Paulo state governor Geraldo Alckmin.

Such "conditional cash transfer" aid programs have spread throughout Latin America in recent years and have recently been exported to the United States, where New York Mayor Michael R. Bloomberg this month announced that his city would

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adopt a version. Like most of the other examples, Brazil's program is popular among voters, and Lula has promoted Bolsa Familia as the cornerstone of his first term. Even Alckmin has used the program as a campaign tool -- he has tried to remind voters that his party launched an early version of the program during the presidency of Fernando Henrique Cardoso in the 1990s.

But the poor strongly associate the program with Lula, who poured billions into it, and surveys indicate that support for Lula among the two-thirds of the population that lives on less than $500 per month is powering his reelection hopes. Even though Alckmin has a strong advantage among voters in high income brackets, Lula is expected to gain 63 percent of total valid votes versus 36.8 percent for Alckmin, according to a poll released this week by the firm CNT/Sensus.

Lula, 61, who achieved national prominence as a union leader, narrowly failed to win the election outright during a first-round vote Oct. 1, which came in the wake of allegations that his aides tried to buy incriminating information about his opponents with briefcases full of cash. The scandal has quieted, with Lula promising to investigate and punish those involved.

During the campaign's final televised debate Friday night, Lula painted Alckmin as the candidate who favors the rich and would sell off state companies, while continuing to tout Bolsa Familia as his signature program. Lula has been following the formula for weeks, and political analysts said it has helped him comfortably pad his lead.

"The Bolsa Familia program is probably the most successful social program in Brazil's history, and it's also very different from the programs of the past," said Rogerio Schmitt, a political analyst in Sao Paulo. "Instead of just giving money to the poor, this has strings attached. So the idea is that the requirements will help make sure that in the future, the children of the families won't need the program."

Skeptics contend that the cash assistance programs divert focus in developing countries from making structural reforms in education and the economy -- changes that many analysts say Brazil's next president will be pressured to address. And because the proliferation of such programs is so recent -- Mexico launched its pioneering Opportunidades program in 1997 -- experts say it is too soon to make definitive judgments about long-term benefits.

In this village of about 190 families, local officials say that school attendance is up, child labor down and health care more consistent. Rodrigues da Silva's wife, Ana Lucia, keeps her children's vaccination cards stashed in the wooden box above the basin outside where she scrubs laundry. Their 8-year-old son, Edvan, walks with his mom each month to a health clinic to get weighed and briefly examined. The teacher at his school sends attendance cards to a government office every three months. If a student's attendance is below 85 percent and he or she doesn't have a valid excuse, the parents' benefits can be pulled.

But obvious problems persist here. If a chair in the school breaks, for example, the students have to wait until the next school year to get a replacement, Rodrigues da Silva said. Finding qualified teachers willing to come to a poverty-racked rural area is just as difficult as it always has been, he said.

"It's clear that more children are attending school, for example, but it's not clear that they are learning more," said Eduardo Lora, a principal adviser with the research department of the Inter-American Development Bank in Washington who has analyzed conditional cash transfer programs in Latin America. "The main constraint is the quality of the schools. But when people say that the money would be better spent to improve education, it's very difficult because we don't know of simple ways to improve education."

Even though Lula's government more than doubled social spending during his term, to about $8 billion last year, the Bolsa Familia program is a small part of the federal budget in a country of 185 million where most workers pay about 36 percent of their income in taxes, Lora said. The cost falls in line with most of the other similar conditional cash aid programs in Latin America -- about 0.3 percent of a country's gross domestic product, Lora said.

Ramon Marcelo da Silva coordinates the Bolsa Familia program for 16 towns in this pocket of Minas Gerais state, overseeing benefits for about 95,000 people -- about half of the region's total population. He said that since he began two years ago, he has repeatedly heard a familiar complaint of critics of welfare programs: You shouldn't give people fish, but instead, teach them to fish.

"The problem is that in some rivers there is nothing to fish," Marcelo da Silva said. "There's just nothing there."

Besides the TV, the Rodrigues da Silva family uses its aid money to buy school supplies and food. In one of the house's bare rooms, tubes of toothpaste and bars of soap sit on a windowsill, where one glass pane has been replaced by a piece of cardboard. Against one cracked wall is a small stack of rice, beans, sunflower seeds, paraffin and olive oil. All of it was bought

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with money from the Bolsa Familia program. Ana Lucia said it is enough to turn the vegetables, fruits and herbs the family grows outside the house into full meals.

She estimated that the vast majority of her neighbors -- "probably 99 percent" -- also received payments from Bolsa Familia, which is available to families with per capita incomes less than about $55 per month. And in the village, she and her husband said they knew of only three people who planned to vote for Alckmin instead of Lula. One reason, they said, is that they hope Lula will increase the payments distributed under the program.

"Now I want to buy furniture," Ana Lucia said.

Brazil's President Revives Rhetoric (AP)

By Michael Astor

AP, October 29, 2006

Facing a surprisingly rough campaign, President Luiz Inacio Lula da Silva has revived the populist rhetoric he had largely shed since taking office.

Fiery speeches contrasting the lives of Brazil's poor with the wealthy elite have left many Brazilians wondering whether he would push the country to the left if he wins a second four-year term in Sunday's runoff election.

Silva, a former union firebrand and Brazil's first working-class president, faced similar fears four years ago, but calmed them by adhering to market-friendly, pro-business policies that won praise even from conservatives.

But with his administration engulfed in corruption scandals, Silva has returned to his traditional base — the poor — rallying them with claims that his opponent, Geraldo Alckmin, would sell off cherished state assets and eliminate popular programs such as Family Allowance, which gives needy families monthly subsidies.

"The rich don't need the Brazilian state. The ones who need it are the poor people of this country," Silva said at rally on Sao Paulo's poor east side. "The poor are the ones who need public universities because the rich can pay — or even study in Paris."

While few believe Silva would adopt the radical populism of Venezuela's Hugo Chavez, they worry that he could entrench divisions in Brazil, which has one of the world's widest gaps between rich and poor.

"It's very easy to mobilize the poor. What's hard is to demobilize them after the election," said Bolivar Lamounier, director of the Augurium political consulting firm. "I'm afraid if he wins a second term, which looks likely, he will be tempted to take an authoritarian turn."

According to two polls released Saturday night, Silva led Alckmin by 22 percentage points. Both the Ibope and the Datafolha institutes said Silva would win 61 percent of the valid votes, while Alckmin would get 39 percent.

The Ibope survey interviewed about 8,680 people on Saturday, while Datafolha talked to 12,820 Brazilians between Friday and Saturday. Both polls, conducted for Globo TV, had a margin of error of 2 percentage points.

In the first round on Oct. 1, Silva fell just short of the 50 percent needed to avoid a runoff. Polls had predicted he would win outright but then news media ran photos of $770,000 in cash that members of his party allegedly planned to spend on purchasing an incriminating file about Alckmin and his allies.

Although Silva was never personally implicated, the expose reinforced suspicions of government corruption — suspicions driven home by Alckmin in his campaign speeches.

It was then that Silva stepped up the class-driven rhetoric.

He called Alckmin a tool of the rich and out of touch with the common man, while his allies painted a corruption scandal enveloping Silva's party as an elitist-driven conspiracy.

"The raw and naked truth is that, in the elite's political program ... the poor have not been included," Silva said at a Sao Paulo rally. "During elections the poor are worth more than bankers, but after the elections the poor are not even invited in for coffee."

The first-round vote split the nation along geographic lines, with Silva winning handily in Brazil's poor north while Alckmin took the industrialized south, including Sao Paulo, the state he served as governor.

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In the second round, Silva counterattacked with an appeal to national pride, claiming that Alckmin would privatize government-run companies that are sacred cows to many Brazilians — oil giant Petrobras, Banco do Brasil, the national post office.

Alckmin called the president a "liar" to his face during their first debate — but Silva hammered away at the theme, and analysts say many of Brazil's 125 million voters believed him.

"It's not very difficult with the low level of education in Brazil to motivate this prejudice," Lamounier said. "It was very hard to carry out privatization in Brazil, and while it a made good business sense, when poor people got their phone bills or light bills they just saw that things cost a lot."

Alckmin has played on fears that Silva, like Chavez, could rewrite the constitution to give the poor more power. Silva has denied any attempt to split the country along class lines.

His socialist fire has already inflamed prejudices among upper-class Brazilians.

"If he's elected I hope he gets impeached during his first days in office," said Remo Dalla Zanna, a 67-year-old economist. "He's not the kind of person I want governing my country. I don't want a crude and ignorant union leader. No one I know is going to vote for him."

The poor majority, in large part, remains Silva's devout power base.

"With Lula, things have gotten much better for the poor," said Celsinha Coqueiro de Sousa, a 52-year-old maid, "and I hope they will get even better."

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Associated Press writer Hellen Berger contributed to this report from Sao Paulo.

DR Congo Votes For New President (BBC)

BBC.com, October 28, 2006

Voting has opened for a new president of the Democratic Republic of Congo, in one of Africa's most significant elections for many years.

President Joseph Kabila, who came to power after his father Laurent was assassinated in 2001, is facing former rebel leader Jean-Pierre Bemba.

The UN-backed election is intended to crown a peace process that ended five bloody years of civil war in 2003.

Correspondents say the outcome could shape the future for much of Africa.

Sunday's run-off will conclude the DRC's first fully democratic polls since independence in 1960 and is aimed at restoring peace to one of Africa's largest and most turbulent states.

The BBC's Mark Doyle in Kinshasa says it is impossible to exaggerate how the destiny of DR Congo could shape the future of Africa.

Joseph Kabila (left) is running off against Jean-Pierre Bemba (right) Nine African states border the country and all were affected by the wars caused by the long lack of real government in DR Congo, the power vacuum at the heart of Africa, he says.

UN officials say the polls are the most important on the continent since the 1994 election of Nelson Mandela that ended apartheid in South Africa.

However, our correspondent says the candidates are not Nelson Mandelas and neither of them has a good record of being a democrat.

Mr Kabila has strong support in the east of Congo; Mr Bemba is popular in the west.

This political split across the geography of a vast nation is the same split that in the past led to a war in which four million people are estimated to have died, our correspondent adds.

'Tense but manageable'

Mr Kabila won first round polls on 30 July, but fell just short of the 50% needed for outright victory.

At least 23 were killed in armed clashes between the two men's security forces in Kinshasa after the results were announced.

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United Nations Secretary General Kofi Annan has called on the two candidates to ensure that the election is peaceful. Both men have promised to urge their supporters against violence and to abide by election rules.

A UN official in Kinshasa has described the situation as "tense but manageable".

Extra UN peacekeeping troops are on standby in the east of the country. In the capital, Kinshasa, the UN is being backed up by a special European Union military force.

Final Stage Of Election In Congo Holds Hopes Of Many For Peace (WP)

By Stephanie McCrummen

The Washington Post, October 29, 2006

GOMA, Congo, Oct. 28 -- By 8 a.m. Thursday, several dozen people had already lined up at the election commission office. Some had walked miles in leather loafers or flip-flops, ridden bicycles with skinny tires across lumpy dirt roads or traveled by car through the rolling green jungle.

Then they waited. They explained. They argued. They walked to a different election office across town, and back again. At last, lucky Augistin Busaka reached the plastic orange table inside the old stone building where stacks of handwritten lists spilled onto towers of cards and more lists. He handed an election worker a letter of introduction that began, "Dear Sirs," which he hoped would help him obtain the coveted prize: a voting card.

"I want peace," he said, explaining that his farm remains in the hands of one of several militia groups fighting in the palmy mountains around here. "Whatever it costs. If I have to walk 60 kilometers, I'm going to walk it, just to vote."

There is an exuberant, if fragile, sense in eastern Congo these days that the country is inching toward one of the most significant moments in its post-colonial history.

In the culmination of the first multiparty elections in 40 years, tens of millions of people are expected at the polls Sunday for the runoff vote for president and to elect, for the first time, provincial legislators tasked with bringing democracy closer to people who have seen decades of epic corruption and two ruthless wars.

The process has been largely peaceful, the result of a massive logistical effort by the United Nations, which has deployed 17,500 peacekeepers; international donors, who have given $450 million; and mainly, the Congolese themselves.

The Congolese Independent Election Commission has managed the mind-boggling, largely pen-and-paper task of registering 60 million voters across a mostly roadless country the size of the United States east of the Mississippi. Through posters, music and even theater, election workers have explained such basics as how to mark a ballot, a task that continued until nightfall Saturday in Goma, a dirt-street town of wooden kiosks and markets.

Although an estimated 70 percent of registered voters turned out for the first round of elections in July, in this eastern province alone nearly 37,000 ballots were voided. Some people, for instance, had seized a long-awaited chance to express themselves, writing, "You fool!" next to the picture of a despised candidate or, "You are my savior, I love you so much!" next to a favored one.

"People drew faces on the candidates and things like that," said Jason Luneno, who leads a group that promotes good governance and educates voters in Goma. "So all that was an expression of anger. . . . Our job is to sensitize people not to do that again. So with all that, we hope the election will be successful."

In general, the Congolese seem to be sharply divided between the two presidential candidates. The western half of the country, including the capital, Kinshasa, voted heavily in the first round for Jean-Pierre Bemba, a businessman from that region.

Here in the war-ravaged east, people voted overwhelming for Joseph Kabila, whose father, Laurent Kabila, led a rebellion in 1997 that toppled Mobutu Sese Seko, who, with U.S. support, ruled the country by force for 37 years. By some estimates, he looted billions from the government of this nation abundant with diamonds and minerals.

The younger Kabila took power after his father was assassinated in 2001 and in the east is generally credited with helping to end major fighting among various militias. Some of the groups have demobilized, others have been integrated into the national army, and some still roam here, seeming to have settled into a routine of brutal violence. Human rights groups estimate that 4 million people have died as a result of the fighting since 1998. And even now more than 1,000 die daily because of hunger, disease and other consequences of being run into an unforgiving jungle.

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And so, the elections have been greeted in eastern Congo as a chance at lasting peace.

On Thursday, the lines at the election commission office grew longer and sweatier as the day wore on.

Here was Angalia Kifene, an evangelical minister who was chased from his village three times by militiamen who came looting and killing, and Gilbert Banyawesize, who had to flee his village twice, and Mugenzi Isaac, at the moment a farmer without a farm. Isaac had walked through the dawn to get his voting card and was waiting now, more defiant than downtrodden.

"I have no farm now because it's been taken over by Nkunda's forces," Isaac said angrily, referring to Laurent Nkunda, perhaps the most notorious warlord here. Nkunda's militias forced Isaac to flee to Goma, where he makes what money he can these days carrying luggage for U.N. officials or wealthy businessmen passing through. "We hope if we have a responsible president, we will be able to go home."

As the last-minute scramble for voting cards went on, minivans plastered with Kabila's face and loaded with supporters -- often paid with lunch -- zoomed around the dusty streets. Many other vans advertising the provincial candidates -- in Goma, there are no fewer than 143 vying for three seats -- sped around blaring Congolese music as a voice from a loudspeaker urged people to vote for No. 53, or No. 61, or No. 72.

Nkunda's party, which once controlled a vast swath of the east, lost heavily in the first round of voting. Although some provincial candidates remain affiliated with his party, very few have openly advertised the fact in the last few days before the election, instead posting big smiling photos of Kabila on the vans, a sign of the warlord's waning power.

Indeed, whether the losers accept the results -- or whether the winner is able to fold them into the new government -- remains an open question in eastern Congo, as well as in Kinshasa, where forces loyal to Bemba and Kabila clashed after the first round of voting and elsewhere in recent days.

And beyond the announcement of results next month, a more complicated matter remains: governing a country where most institutions of democracy remain weak. Many Congolese have no access to courts. Some agencies and many of the soon-to-be-created provincial legislatures, which will manage 40 percent of the country's revenue, according to the new constitution, do not yet have physical buildings.

The bureau of information in Goma, for instance, consists of a room with three dangling light bulbs and four donated desks. Recently, three men, reading newspapers, seemed simply to have dropped by.

"Three years ago, no one would have believed we would have gotten this far," said Jason Stearns, an analyst with the International Crisis Group. "But the U.N., regional leaders, the Congolese, while they've been successful in organizing the election, they haven't been successful in creating other trappings of democracy. You can't just vote and go home."

At the moment, at least, residents of Goma say they are ready.

Throughout the day Friday, hundreds of Congolese poll watchers turned up at the election commission office to get their accreditation. Thousands more gathered at a plywood electoral commission stand set up at the center of town. They were there for their voting cards, and a commission official called their names from a megaphone: "Mongane! Muhindo! Mutubaze! Muindo! Mumbere!"

Among the handful of workers there was Mbalamiramwira Mukenge, born, he said, in 1978. Forced into one rebel group, he switched to another, then went back to the first, and in recent months decided he had had enough of it all.

He went to a government demobilization center, where he renounced the life of a soldier in return for a promised $300. When he arrived in Goma to get the money, however, he received only $25. With his home village still under the control of a militia, he roamed the city until he found a place to sleep.

One recent morning, officials found him curled up at the electoral commission stand and gave him a job as a guard.

"I'm hoping with the election coming that we'll have peace in the country," said Mukenge, adding that he wants to resume his studies and become a teacher. "Maybe I will be someone in the future government."

Fears Usurp Optimism In Congo Vote (LAT)

By Edmund Sanders, Times Staff Writer

The Los Angeles Times, October 29, 2006

Violence ahead of the presidential runoff sparks the question: Will the loser abide by the results peacefully?

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Anxious Congolese returned to the polls this morning to complete the first democratic presidential election in more than 40 years. But fears of renewed violence in this Central African giant largely overshadowed the hope and optimism many had expressed during the first round of voting.

Millions were expected to line up at 50,000 polling stations nationwide, just as they did July 30 for the first round; however, officials worried that heavy thunderstorms this morning in Kinshasa, the capital, could affect turnout. The initial round had ended without any of 33 presidential contenders garnering the required 50% of ballots.

In today's runoff, voters faced two choices: transitional President Joseph Kabila, the son of assassinated President Laurent Kabila; and his archenemy, Jean-Pierre Bemba, a businessman-turned-militia leader who serves as a vice president.

In August, the men's private security forces fought for three days, killing at least two dozen people in Kinshasa. Ever since, the capital has remained on edge, worried the election's loser will resort to violence and plunge the country back into civil war.

"If they are really democrats, as they pretend to be, they should accept the results," said Heritier Lionga, an economics student at Protestant University of Congo. "But I'm not optimistic. Everyone is afraid. We hope whatever happens won't last for a long time."

As election day approached, United Nations tanks and armored personnel carriers took up position in front of the Independent Election Commission, media outlets and the candidates' campaign headquarters. About 2,500 U.N. troops, some working behind sandbag positions, are providing security along with 1,700 European Union soldiers. Military helicopters occasionally buzzed overhead.

Independent as of 1960, the Democratic Republic of Congo, formerly known as Zaire, endured decades of dictatorship and kleptocracy under strongman Mobutu Sese Seko, followed by four years of civil and regional war that killed about 4 million people, mostly from disease and hunger. A transitional government was installed in 2003.

International experts say the election could help stabilize one of Africa's most populous and resource-rich — but also most traumatized — nations.

"The transition represents the best possibility that has existed for many years, possibly ever, to get things going right in this very big and very important country," U.S. Ambassador Roger Meece said in an interview.

Meece said he remained optimistic despite the fact that he was among several diplomats briefly ensnared in the fighting in August. The clashes rocked an upscale riverfront neighborhood where Kabila, Bemba and many international diplomats live, leaving stray bullet holes in some of the elegant mansions and turning Bemba's personal helicopter into a pile of melted metal and ash. "That was an ugly period," Meece said.

Reissued assurances

Since then, a flurry of internationally supervised commissions and peace agreements have worked to ensure that the candidates will accept the will of the voters. So far, both have pledged to shun violence and keep their fighters off the streets, although the men made similar promises during the first round.

The media-shy Kabila, 35, who backed down last week from the only scheduled debate, is considered the front-runner. He won 45% of the vote in July, with strong support in the eastern part of the country. He recently forged coalitions with other top vote-getters, including a son of Mobutu and an ex-premier who ranked third in the first round.

Kabila declined to be interviewed last week, but he told the BBC that he would "without question" accept the poll's results. Some diplomats blame him for instigating the August standoff by dispatching some of his estimated 5,000 presidential guard soldiers to surround the election commission offices when the results were scheduled to be released.

Bemba, who received 20% of the vote in the first round and remains popular in Kinshasa and much of the west, has been working hard to replace his tough-guy image with a more "presidential" look, shunning traditional Congolese shirts in favor of dark suits and red power ties.

"I'm a democrat," he said last week. "In a democracy, winning and losing is a result of the will of the people."

But he insisted he would not shy away from confrontation, if provoked. "In a democracy, tanks and troops have no place in the streets," he said. But "I will defend myself."

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Experts say the outcome could be close, despite Kabila's strong first-round lead. Bemba won endorsements from another strong first-round contender, Oscar Kashala, a Harvardeducated cancer doctor who returned to Congo last year and generated enthusiasm among students and intellectuals.

Although veteran opposition leader Etienne Tshisekedi has refused to endorse either candidate, many of his supporters are backing Bemba.

'Framework for the future'

Election commission officials have until Nov. 19 to announce the provisional results, but they hope to make an announcement by Nov. 10 to avoid the climate of rumors and speculation that fueled August clashes, said Apollinaire Malu-Malu, president of the commission. But he warned against high expectations, noting that the new government will face challenges in reforming the army, providing social services and maintaining security.

"The elections are not the end," he said. "They just provide a framework for the future. It's a new point of departure."

Officials at the U.N., which is funding the $500-million election, said they had reevaluated security since the August standoff. "It's been beefed up," said Roberto Valent, deputy director for the U.N. Development Program in Kinshasa.

Analysts say Kabila and Bemba appear to be preparing for a fight, gathering weapons and soldiers.

Bemba's private militia in Kinshasa is estimated to consist of from 600 to 1,000 fighters, about twice the number he had during the first round. He also draws strong support from unemployed youths, who probably would rally to his cause in the event of another confrontation.

There are reports that Angolan troops are gathering along the border, presumably to come to the aid of Kabila. The reports stir memories of Angola's assistance to Kabila's father in the late 1990s, when Congo's civil war drew in its neighbors, snowballing into what many call Africa's "First World War."

"They are definitely arming," said Jason Stearns, senior analyst at the International Crisis Group, a conflict-resolution research organization. "But I don't expect a return to all-out war. The key will be for the winner to be able to consolidate his position, both politically and militarily. It cannot be a winner-take-all scenario."

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Sudan Denies Report That It Bombed Towns In Chad (AP)

AP, October 28, 2006

N'DJAMENA, Chad (AP) — Chad accused neighboring Sudan on Saturday of bombing four towns along its eastern border, close to Sudan's volatile western Darfur region where thousands have been displaced by three years of conflict.

The Sudanese army spokesman, Brig. Gen. Osman Mohammed al-Aghbash, denied the Chadian report and said Sudanese forces "have no interest in intervening there."

There has been no independent confirmation of the Chadian government's allegations that Sudan's air force attacked the villages of Bahai, Tine, Kayarin and Bamina on Friday.

"Sudan has to stop ... otherwise we are going to take measures," Chadian Foreign Minister Ahmat Allam-mi told journalists Saturday without elaborating. "We are not going to accept any other aggression. Our forces will take all necessary measures to respond."

On Wednesday, Chad accused Sudan of supporting rebels that have attacked three eastern towns in recent days. Officials said the rebels had been driven back across the border.

The United Nations announced Friday that it was sending a mission to Chad and the Central African Republic to look for ways to keep the escalating conflict in Darfur from spilling into other countries.

Rebel groups are using various nations as rear bases to stage destabilizing attacks in both Chad and Sudan's western Darfur region, and "the humanitarian fallout is extremely serious," U.N. Undersecretary-General for Peacekeeping Jean-Marie Guehenno said in New York.

Al-Aghbash, the Sudanese spokesman, said a senior military delegation visited Chad's capital of N'Djamena last week seeking to improve relations between the two countries' militaries. He denied Sudan allows Chadian rebels to operate from Sudanese territory.

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After an April rebel attack on N'Djamena, Chadian President Idriss Deby accused Sudan of supporting the Chadian rebels, which Sudan denied. He closed the border and severed diplomatic ties, but the two countries resumed relations and reopened the border in August.

Human rights groups have long warned the violence in Darfur could destabilize the entire region. More than 200,000 people are believed to have been killed and 2.5 million people displaced in a three-year conflict between Darfurian rebels and the Sudanese government.

Chadian rebels, who include army deserters and some of Deby's relatives, have had sporadic clashes with Chad's army since October 2005. Deby, who first took power at the head of his own rebel army in 1990, won elections in May that the main opposition parties boycotted because they claimed they had been rigged.

The competition for power in Chad has become more intense since the country began exporting oil in 2004.

In Swaziland, 'Secret Lovers' Confronted In Fight Against AIDS (WP)

By Craig Timberg

The Washington Post, October 29, 2006

MBABANE, Swaziland -- This tiny kingdom's new anti-AIDS campaign arrived without warning one day in July, featuring a slogan both unusually explicit and dripping with implied accusations: Makhwapheni Uyabulala.

Your secret lover can kill you.

Despite living in a country that has the world's highest rate of HIV, Swazis had grown accustomed to bland billboards suggesting that more condoms or a positive attitude toward the disease would curb its spread. These new ads were different.

By the time they disappeared two weeks later in a frenzy of controversy, they had sparked a passionate national debate about how best to combat a disease that, Swazis say, has pushed their country to the brink of collapse. And the ads forced many here to confront how freewheeling sex was fueling an epidemic of early death.

In Swaziland's bustling capital, callers were jamming the lines of radio shows. Men at pubs began looking askance as their friends maneuvered their way into casual hookups. And Musa Ndlangamandla, the stocky 35-year-old editor of the Swazi Observer newspaper, began rethinking his attitude toward casual relationships.

"Sometimes you need shock therapy," said Ndlangamandla, a short man with a neatly trimmed goatee, broad shoulders and a bit of a beer belly. He was so impressed by the campaign that he began printing "Say No to Multiple Sex Partners!" in capital red letters on the front page, just below the newspaper's nameplate.

Swaziland, a southern African country about half the size of Maryland, at first glance appears deeply traditional, with cattle roaming freely among clusters of mud-and-thatch huts nestled in the green folds of steep mountainsides. But Swazis say it is modernizing at warp speed, with new highways, shopping malls and easy access to American soap operas and gossip about the exploits of Hollywood celebrities.

Although polygamy is common -- the king has 13 wives -- even more common, Swazis say, are relationships in which men have only one wife but girlfriends also. Women often maintain several partners as well. A study by a Christian aid group, World Vision, reported in May that in several southern villages, roughly three out of five residents, both men and women, reported having two or more sexual partners in the past three months.

The word makhwapheni (pronounced "ma-kwa-penny"), which means "your secret lover," became the centerpiece of radio and newspaper ads on the order of Derek von Wissell, 62, a courtly, gray-haired former cabinet minister who founded the national AIDS commission in 2002. He grew frustrated with his agency's inability to curb a virus that had infected an estimated 200,000 of Swaziland's 1 million residents. Among adults 15 to 49, the rate was even higher, with one out of three infected.

Von Wissell concluded that the vague, unfocused public education campaigns common here and throughout Africa had failed. In this, he was persuaded in part by the research of Daniel T. Halperin, an AIDS expert for the U.S. Agency for International Development based in Swaziland, who in speeches and private presentations pointed to dozens of studies showing that condom promotion campaigns were having little impact and that it would be more effective to target the multiple, concurrent sexual relationships that fuel high rates of HIV.

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"We have been pussyfooting around sex," von Wissell said in an interview in his office in a small concrete building dominated by a convenience store and gas station. "The first thing you must recognize is that sex spreads HIV."

The issue of multiple sexual partners has rarely been the focus of anti-AIDS campaigns in Africa, both because of taboos against publicly discussing sex and because of a long-standing consensus among anti-AIDS groups that educational messages should inspire hope rather than fear, researchers say. Campaigns have been especially careful to avoid suggesting that people with the disease -- including millions of women who had sex only with their unfaithful husbands -- bear any blame for contracting it.

The makhwapheni campaign cast that conventional wisdom aside in what von Wissell said was a desperate bid to force Swazis to take responsibility for protecting themselves, and their loved ones, from AIDS.

The ads were designed to look like cellphone text messages. Perhaps the most brazen was written as a sexual invitation from a married woman to her secret lover. Beside the image of the cellphone screen, the words "why kill your family" were written in English. In smaller letters, in siSwati, the dominant language in Swaziland, was the slogan "makhwapheni uyabulala" -- your secret lover can kill you.

Another ad, also in siSwati, bore a similar cellphone message, but next to it were the words "watifaka elubishini," which mean "and more orphans were left behind."

But some Swazis, such as activist Gcebile Ndlovu, 44, who had spent years battling the stigma surrounding AIDS, said they felt insulted and undermined by the campaign.

Ndlovu, a mother of three who has a round face and graying hair that she wears in braids, had watched her husband shrivel up and die from AIDS eight years ago. The makhwapheni ads outraged her, she said. They blamed the victims. And, she said, they would increase the stigma that she and other activists carrying the virus had struggled to ease.

"Who wants to be called a makhwapheni?" Ndlovu said as she wiped tears from her eyes. "Is this campaign going to encourage people to test, so that they know their status? Or is it going to drive people underground?"

For activists, the campaign painfully recalled an earlier era of the epidemic, before the arrival of antiretroviral drugs here made AIDS a chronic but survivable disease for many. AIDS activists also objected to the moralizing tone of the makhwapheni ads. They preferred messages urging wider use of condoms.

"Don't tell me how many people to have sex with," Ndlovu said. "You can't dictate that to me. I go to bed with someone. That's my choice. Rather, tell me how to be safer."

In just a few days, Ndlovu and another AIDS activist organized one of the largest demonstrations in Swaziland's limited history of democratic protests. Hundreds of men and women, many wearing T-shirts with the words "I am HIV positive," delivered a petition to the office of the prime minister. Then they marched on von Wissell's office, singing "Away with makhwapheni!"

Von Wissell refused to meet the throng, but a few days later, he gave in to the complaints and suspended the campaign.

The word makhwapheni, however, was not so easily erased from the minds of Swazis. All over the country, it continued to dominate conversations. When cellphones buzzed with the arrival of text messages, some would joke, "Is that your makhwapheni?"

Radio host Bongani Dlamini, 50, who used one of Swaziland's most popular shows to defend polygamy and other Swazi traditions, attempted to eliminate the word on his show, out of deference to von Wissell's decision. But his callers would not follow such edicts. They kept calling, and they kept demanding that Swazis abandon their makhwaphenis.

"Those are the people who are doing the damage!" callers raged, Dlamini recalled.

It was about this same time, AIDS activists say, that children of women with HIV began asking their mothers, "Do you have a makhwapheni?" In other families, the frenzy stirred up by the campaign, activists said, prompted at least a few families to banish relatives who were open about having HIV.

"It was saying, women are prostitutes, women are the ones bringing HIV into the home as if it was us who were bringing HIV here," said Siphiwe Hlophe, 47, a friend of Ndlovu's who helped organize the protests.

But von Wissell was convinced that the message, even if it upset some, was working. And in the face of attack, he had decided not on surrender but on a tactical retreat. In meetings with Ndlovu and other activists, he vowed to resume the campaign, with an important concession. The word at the center of the controversy, makhwapheni, would be used no more.

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The new campaign, which includes television ads, began in late September, two months after the makhwapheni messages were suspended.

The changes are not nearly enough for Ndlovu, though she says that she has lost the will to continue the fight. "Even now," she said, her soft voice cracking with hurt, "the messages are the same. And because I'm quiet, Siphiwe is quiet, no one is saying anything about it."

Von Wissell was not entirely pleased with the outcome, either, fearing that the loss of his shocking slogan watered down the impact of the ads. Preliminary research on the makhwapheni campaign, conducted for the AIDS commission, showed tremendous reach throughout Swaziland.

Among Swazis surveyed, 86 percent had heard of the campaign, and despite the controversy, 91 percent agreed with its message warning against the dangers of multiple sexual partners, and 78 percent said it made them consider changing their own sexual behavior. The study was funded by the U.S. Agency for International Development.

It is far too soon to tell whether the makhwapheni campaign, or its toned-down successor, caused changes that will lower Swaziland's HIV rate.

The AIDS activists who opposed it remain doubtful.

"I wonder how many Swazis are now faithful to their partners?" Hlophe said with a skeptical smile. "It did not make any difference."

But one man it did affect was Ndlangamandla, the newspaper editor.

Years of watching Swazis die, including several friends, did not force him to accept that his fondness for girlfriends endangered him and his wife, and ran the risk of making their two children orphans. The makhwapheni campaign -- and especially the conversations it provoked -- did.

"I will be at the bar," Ndlangamandla said, "but you'll never find me with another woman. I'm scared."

Africa's World Of Forced Labor, In A 6-Year-Old's Eyes (NYT)

By Sharon Lafraniere

The New York Times, October 29, 2006

KETE KRACHI, Ghana — Just before 5 a.m., with the sky still dark over Lake Volta, Mark Kwadwo was rousted from his spot on the damp dirt floor. It was time for work.

Shivering in the predawn chill, he helped paddle a canoe a mile out from shore. For five more hours, as his coworkers yanked up a fishing net, inch by inch, Mark bailed water to keep the canoe from swamping.

He last ate the day before. His broken wooden paddle was so heavy he could barely lift it. But he raptly followed each command from Kwadwo Takyi, the powerfully built 31-year-old in the back of the canoe who freely deals out beatings.

"I don't like it here," he whispered, out of Mr. Takyi's earshot.

Mark Kwadwo is 6 years old. About 30 pounds, dressed in a pair of blue and red underpants and a Little Mermaid T-shirt, he looks more like an oversized toddler than a boat hand. He is too little to understand why he has wound up in this fishing village, a two-day trek from his home.

But the three older boys who work with him know why. Like Mark, they are indentured servants, leased by their parents to Mr. Takyi for as little as $20 a year.

Until their servitude ends in three or four years, they are as trapped as the fish in their nets, forced to work up to 14 hours a day, seven days a week, in a trade that even adult fishermen here call punishing and, at times, dangerous.

Mr. Takyi's boys — conscripts in a miniature labor camp, deprived of schooling, basic necessities and freedom — are part of a vast traffic in children that supports West and Central African fisheries, quarries, cocoa and rice plantations and street markets. The girls are domestic servants, bread bakers, prostitutes. The boys are field workers, cart pushers, scavengers in abandoned gem and gold mines.

By no means is the child trafficking trade uniquely African. Children are forced to race camels in the Middle East, weave carpets in India and fill brothels all over the developing world.

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The International Labor Organization, a United Nations agency, estimates that 1.2 million are sold into servitude every year in an illicit trade that generates as much as $10 billion annually.

Studies show they are most vulnerable in Asia, Latin America and Africa.

Africa's children, the world's poorest, account for roughly one-sixth of the trade, according to the labor organization. Data is notoriously scarce, but it suggests victimization of African children on a huge scale.

A 2002 study supervised by the labor organization estimated that nearly 12,000 trafficked children toiled in the cocoa fields of Ivory Coast alone. The children, who had no relatives in the area, cleared fields with machetes, applied pesticides and sliced open cocoa pods for beans.

In an analysis in February, Unicef says child trafficking is growing in West and Central Africa, driven by huge profits and partly controlled by organized networks that transport children both within and between countries.

"We know it is a huge problem in Africa," said Pamela Shifman, a child protection officer at the New York headquarters of Unicef. "A lot of it is visible. You see the kids being exploited. You watch it happen. Somebody brought the kids to the place where they are. Somebody exploited their vulnerability."

Otherwise, she asked, "How did they get there?"

John R. Miller, the director of the State Department Office to Monitor and Combat Trafficking in Persons, said the term trafficking failed to convey the brutality of what was occurring.

"A child does not consent," he said. "The loss of choice, the deception, the use of frauds, the keeping of someone at work with little or no pay, the threats if they leave — it is slavery."

Some West African families see it more as a survival strategy. In a region where nearly two-thirds of the population lives on less than $1 a day, the compensation for the temporary loss of a child keeps the rest of the family from going hungry. Some parents argue that their children are better off learning a trade than starving at home.

Indeed, the notion that children should be in the care of their parents is not a given in much of African society.

Parents frequently hand off children to even distant relatives if it appears they will have a chance at education and more opportunity.

Only in the past six years or so has it become clear how traffickers take advantage of this custom to buy and sell children, sometimes with no more ceremony than a goat deal.

In 2001, 35 children, half of them under age 15, were discovered aboard a vessel in a Benin port. They said they were being shipped to Gabon to work.

In 2003, Nigerian police rescued 194 malnourished children from stone quarries north of Lagos. At least 13 other children had died and been buried near the pits, the police said.

Last year, Nigerian police stumbled upon 64 girls aged 14 and younger, packed inside a refrigerated truck built to haul frozen fish. They had traveled hundreds of miles from central Nigeria, the police said, and were destined for work as housemaids in Lagos.

In response to such reports, African nations have passed a raft of legislation against trafficking, adopting or strengthening a dozen laws last year alone.

There were nearly 200 prosecutions of traffickers on the continent last year, four times as many as in 2003, according to the State Department's trafficking office.

Some countries are encouraging villages to form their own surveillance committees. In Burkina Faso, the government reported, such committees, together with the police, freed 644 children from traffickers in 2003. Still, government officials in the region say, only a tiny fraction of victims are detected.

Ghana, an Oregon-size nation of 21 million people, has yet to prosecute anyone under the new antitrafficking law it adopted last December. But the government has taken other steps — including eliminating school fees that forced youngsters out of classrooms, increasing birth registrations so that children have legal identities and extending small loans to about 1,200 mothers to give them alternatives to leasing out their children.

The International Organization for Migration, an intergovernmental agency set up after World War II to help refugees, has also mounted a United States-financed program to rescue children from the fishing industry.

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Since 2003, the organization says, 587 children have been freed from Ghana's Lake Volta region, taken to shelters for counseling and medical treatment, then reunited with parents or relatives.

"We sign a social contract with the fishermen," said Eric Peasah, the agency's Ghana field representative. "If they have 10 children, we say, 'Release four, and you can't get more, or you will be prosecuted.' Once they sign that, we come back and say we want to release more."

To reduce child trafficking significantly, said Marilyn Amponsah Annan, who is in charge of children's issues for the Ghanaian government, adults must be convinced that children have the right to be educated, to be protected, and to be spared adult burdens — in short, the right to a childhood.

"You see so many children with so many fishermen," she said. "Those little hands, those little bodies. It is always very sad, because this is the world of adults.

"We have to educate these communities because they do not know any other way of existence. They believe this is what they need to do to survive."

That is the fishermen's favorite defense in Kete Krachi, a day's drive through dense forests from Ghana's capital, Accra. For the area's roughly 9,000 residents, fishing is their lifeblood. Children keep it going.

Nearly every canoe here holds at least a few of them, some no older than 5 or 6, often supervised by a teenager. A dozen boys, interviewed in their canoes or as they sewed up ratty nets ashore, spoke of backbreaking toil, 100-hour workweeks and frequent beatings. They bore a pervasive fear of diving into the lake's murky waters to free a tangled net, and never resurfacing.

One 10-year-old said he was sometimes so exhausted that he fell asleep as he paddled. Asked when he rested, another boy paused from his net mending, seemingly confused. "This is what you see now," he said.

They never see the pittance they earn. The fishermen say they pay parents or relatives each December, typically on trips to the families' villages during the December holidays.

The children's sole comfort seems to be the shared nature of their misery, a camaraderie of lost boys who have not seen their families in years, have no say in their fate and, in some cases, were lured by false promises of schooling or a quick homecoming.

On Nkomi, a grassy island in the lake, Kwasi Tweranim, in his mid to late teens, and Kwadwo Seaako, perhaps 12 or 13, seemed united by fear and resentment of their boss. Both bear inchlong scars on their scalps where, they said, he struck them with a wooden paddle.

"I went down to disentangle the net, and when I came up, my master said that I had left part of it down there," Kwasi said. "Then I saw black, and woke up in another boat. Only the grace of God saved me."

Kwadwo, stammering badly, said he had been punished when the net rolled in the water.

Not every fisherman is so pitiless. Christian Lissah employs eight children under 13, mostly distant relatives. He said he knew many children who were treated no better than workhorses, and some who had drowned.

"In general, this is not a good practice because people mishandle the children," he said. Yet he said he could not imagine how he would fish profitably without child workers, and depends on friends and acquaintances to keep him supplied — for a commission.

"You must get people who are a very low background who need money," he said. "Some of them are eager to release their children."

Mark Kwadwo's parents, Joe Obrenu and his wife, Ama, were an easy sell. Mr. Obrenu fished the seas off Aboadzi, a hilly, sun-drenched town on the Gulf of Guinea, and his wife dried the catch for sale. But the two often ran short of food, said Mark's aunt, Adwoa Awotwe. Over the years, they sold five of their children into labor, she said, including Mark's 9-year-old sister Hagar, who performs domestic chores for Mr. Takyi.

Mr. Obrenu drummed up other recruits from neighbors, sometimes to their lasting regret. "It was hunger, to get a little money; the whole today, I have not eaten," said Efua Mansah, whose 7-year-old son, Kwabena, boarded a small blue bus with Mr. Takyi four years ago for the 250-mile trip to Kete Krachi.

She has seen him only twice since then. In all that time, Mr. Takyi has paid her $66, she said, a third of which she spent on buses and ferries to pick up the money.

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In her one-room hut decorated with empty plastic bottles, she forced back tears. "I want to bring my son home," she said.

Mark also cried when his turn to leave came this year, his aunt said, so his mother told him that Mr. Takyi would take him to his father. Instead, he was brought to Mr. Takyi's compound of caked mud huts, to a dark six-foot-square cubicle with a single tiny window. He shares it with five other children, buzzing flies and a few buckets of fish bait.

In two days, a smile never creased Mark's delicate features. He seldom offered more than a nod or a shake of the head, with a few telling exceptions: "I was beaten in the house. I can't remember what I did, but he caned me," he said of Mr. Takyi.

Mr. Takyi, who sleeps and works in the same gray T-shirt, is disarmingly frank about his household. He can afford to feed the children only twice a day, he said, and cannot clothe them adequately. He himself has been paddling the lake since age 8.

"I can understand how the children feel," he said. "Because I didn't go to school, this is work I must do. I also find it difficult."

Yet he does not hesitate to break a branch from the nearest tree to wake the boys for the midnight shift.

"Almost all the boys are very troublesome," he complained. "I want them to be humble children, but they don't obey my orders."

One recent morning, his young crew, wrapped in thin bedsheets for warmth, hiked in the darkness down to the shore.

They paddled out in two leaky but stable canoes, searching the water for a piece of foam that marked where their net was snagged on submerged tree stumps. Kwabena, 11, stripped off his cutoff shorts and dived in with an 18-year-old to free it, yanking it at one point with his teeth.

Mark has not mastered the rhythm of paddling. Mr. Takyi said the boy cries when the water is rough or he is cold. He cannot swim a stroke. If the canoe capsizes, Mr. Takyi said, he will save him.

"I can't pay what is asked for older boys," Mr. Takyi said, as Mark bailed out the canoe with the sawed-off bottom of a plastic cooking oil container. "That is why I go for this. When I get money, I go to get another one."

In the other canoe, Kwame Akuban and Kofi Quarshie plucked fish from the net with the air of prisoners waiting for their terms to end.

Kofi, 10, said his mother had told him his earnings would feed their family. But he suspects another motive. "They didn't like me," he said softly.

Kwame, 12, said his parents had promised to retrieve him in a year's time and send him to school.

"I have been here three years and I am not going home, and I am not happy," he said quietly.

As if on cue, Mr. Takyi shouted: "Remove the fish faster, or I will cane you."

Running away is a common fantasy among the boys. Kofi Nyankom, who came from Mark's hometown three years ago, at age 9, was one of the few to actually try it.

Last December, he ran to town half-naked, his back a mass of bruises. He said Mr. Takyi had tied up him and whipped him.

George Achibra, a school district official, demanded that the police intervene, and Mr. Takyi was forced to let Kofi go.

But before many weeks passed, he had brought in a replacement — younger, more helpless, more submissive. It was Mark Kwadwo.

A Travesty In Libya (WP)

The Washington Post, October 29, 2006

A new cure for AIDS: Shoot foreigners.

IN AN attempt to shed his rogue status, Libyan leader Moammar Gaddafi has foresworn weapons of mass destruction and agreed to compensate the families of those who died in the 1988 Lockerbie bombing. But on Tuesday a trial reopens that could again tarnish Libya's image. Five Bulgarian nurses and a Palestinian doctor are accused of intentionally injecting the AIDS virus into more than 400 Libyan children. The accusations are an attempt to deflect Libyans' attention from the shocking state of their own medical system. The evidence against the six foreigners is flimsy, but they could face a firing squad.

The infections occurred at a children's hospital eight years ago in Benghazi, a city in Libya's northeast. When the outbreak was discovered, a local magazine suggested that the infections reflected poor standards of hospital hygiene: Children were often treated with unscreened blood products, and equipment was not always cleaned before reuse. But Libyan authorities seized the

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foreign health workers at the hospital and tortured them until they confessed to malpractice. The foreigners were convicted and sentenced to be executed. But Libya's Supreme Court ordered a retrial following foreign protests.

The prosecution's case in the new trial is built on a report by five Libyan physicians. The British science journal, Nature, obtained this report and showed it to Western medical experts, who determined that it contained no real evidence. Meanwhile, the Libyan court has refused to admit as evidence an investigation done by two prominent European AIDS experts. The Europeans concluded that the infections had begun before the foreign health workers had even arrived in Benghazi. They also noted that many of the children were infected with hepatitis B and C, evidence consistent with the theory that the HIV was spread by poor hospital hygiene.

The European Commission and the United States have called for the release of the health workers. If Libya nonetheless goes ahead with this travesty of justice, it will be saying that it prefers to scapegoat foreigners rather than admit to the weakness of its own medical system. The first victims will be the health workers. But they will be followed by the Libyans themselves, who need a government with the honesty to confront the true causes of HIV infections.

If Not Now, When? (NYT)

By Nicholas D. Kristof

The New York Times, October 29, 2006

Perhaps the most extraordinary aspect of Darfur isn't that gunmen on the Sudanese payroll heave babies into bonfires as they shout epithets against blacks. It's that the rest of us are responding only with averted eyes and polite tut-tutting.

This past week alone, Sudan expelled the U.N. envoy for Sudan and sent a proxy army to invade eastern Chad. Those moves underscored both the audacity of Sudan's leaders and the fecklessness of the rest of the world's.

In fact, there's plenty we can do. The international community has focused on getting U.N. peacekeepers into Darfur, but Sudan refuses to admit them. The stalemate drags on; the slaughter continues — but here's what we can do:

• Kofi Annan should appoint a new U.N. envoy of utmost prominence. Possibilities include Bill Clinton, Jimmy Carter, Richard Holbrooke and Bernard Kouchner (a founder of Doctors Without Borders). The envoy's job would be to lead an intensive negotiation aimed at achieving a political settlement.

The focus has been on getting U.N. peacekeepers into Darfur, and they are needed, but in the long run only a peace accord can calm Darfur. "This is distracting from the main need," Mudawi Ibrahim Adam, a Sudanese human rights campaigner, said of the focus on peacekeepers. In May a peace agreement was stillborn after only one Darfur rebel faction signed it, but the pact can be renegotiated, for the differences are small and bridgeable.

• President Bush and European leaders need to use their leverage on four nations in particular to make them part of the solution: China, Saudi Arabia, Egypt and Libya. China is playing a disgraceful role underwriting the Darfur genocide, by giving Sudan the guns used to shoot children and by protecting Sudan in the U.N. Security Council. And the three Arab states need to be involved so that Sudan cannot claim that plans to protect Darfuris are American or Jewish plots to dismember the country.

"It is very clear there is a plan to redraw the region," the Sudanese president, Omar Hassan al-Bashir, said last month, explaining the calls for U.N. peacekeepers in Darfur. "Any state in the region should be weakened, dismembered in order to protect the Israelis."

Sudanese journalists say that Mr. Bashir has cleverly used such arguments to portray himself as a nationalist, and as a result is in a stronger position now than when he started killing babies in Darfur. Arab leaders need to show that they care about Muslim children being shot even when Israel is not responsible.

• To get more coverage on Al Jazeera and other Arab networks, Mr. Annan could take a planeload of Arab journalists on a visit to Darfur refugee camps. Condi Rice could do the same. The U.S. could put video footage (I'd supply some) of Darfur atrocities on its Arabic-language satellite television station, Al Hurra.

• The U.S., France and U.N. should immediately send peacekeepers to Chad and the Central African Republic to prop up those countries (the U.S. can supply airlift, intelligence and communications support, but our ground troops would create a backlash). Sudan has sent proxy forces to invade both, and they are teetering.

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• We need contingency plans for forcible military intervention. There is talk that in the coming months Sudan's janjaweed militias may start systematically massacring some of the two million people who have taken shelter in camps in Darfur. If that were to happen, U.N. and NATO forces would have to go in and rescue those people — and if Sudan knew of such contingency plans, that would make massacres less likely.

• The U.S. and French air forces should jointly impose a no-fly zone from the French air base in Abéché, Chad, as the Chadian president has invited us to do.

• Western countries should apply targeted sanctions that freeze international assets of Sudanese leaders whom the U.N. has already listed as involved in the genocide.

• Mr. Bush must use his bully pulpit. He could invite Arab and African leaders to the White House for a summit on Darfur. He could suggest to the Chinese president, Hu Jintao, that they jointly visit the area.

After fewer than 10,000 white people had died in Kosovo, the U.S. intervened to prevent a genocide. So far, several hundred thousand black people have been slaughtered in Darfur, and our president hasn't even dedicated a speech to it.

If we don't try bold new approaches now, when? After 750,000 have died and Chad has collapsed? After all north central Africa is in chaos and 1.5 million are dead? When?

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TERRORISM NEWS:

New Southcom Leader Approves Of Conditions At Guantanamo Bay (SCCD/MCT)

By Carol Rosenberg

The State College Centre Daily/McClatchy, October 29, 2006

MIAMI - Just days into the job, the Pentagon's new Southern Command chief made an overnight weekend visit to the U.S. Navy base at Guantanamo Bay - and declared captive conditions compatible with the Geneva Conventions.

Navy Adm. James Stavridis said Saturday he met with about 300 U.S. military personnel and saw about 50 of the 435 captives held at the base, including the so-called high-value terrorist suspects who had recently been moved there from secret CIA custody.

"I went and saw their facility," the admiral told The Miami Herald in a telephone interview after a 24-hour visit to the remote Navy base in southeast Cuba.

He declined to give specifics on where the latest arrivals are being kept, and under what circumstances. But he declared them "in appropriate conditions commensurate with Common Article 3 of the Geneva Conventions. I laid eyes on it; they're in good shape in that regard."

After being stung by a U.S. Supreme Court decision earlier this year, the Bush administration reversed course and declared that - although enemy combatants, not prisoners of war - the alleged al-Qaida and Taliban captives were entitled to the protections.

They were just this month granted their first visits with the International Committee of the Red Cross, after up to four years in secret U.S. captivity and so-called CIA "black sites."

In the course of the site inspection, the admiral said, he saw detainees in a range of locations - being interrogated, playing soccer and exercising individually - and found them "a hearty bunch."

Interrogations, he said, struck him as "amicable conversations between two people."

Referring to the 14 high-value detainees in particular, he said they were in "very good shape."

President Bush ordered the men sent to the detention camps for possible trial around Labor Day, including suspected Sept. 11 mastermind Khalid Sheik Mohammed - who published reports allege was subjected to a rough interrogation technique called water-boarding, and at one point purportedly confessed to wielding the knife that beheaded Wall Street Journal correspondent Daniel Pearl, in January 2002 in Pakistan.

In parallel, the first Navy admiral to oversee military operations in Latin America and the Caribbean also met with about 300 sailors and soldiers at the base - from senior commanders to camp guards - and declared himself impressed with their professionalism in what he called "a stressful environment down there."

U.S. forces at Guantanamo, he said, are "interacting daily with very, very dangerous terrorists" in typical one-year tours that he described as "hardship duty" that separates them from their families.

His Miami-based staff, he said, would propose improvements in housing and other activities for them.

As he took the job Oct. 19, Stavridis said he'd visit the controversial camps first, and then follow up later with trips to Colombia and Central America, where U.S. forces work with those host countries. Cuba has virtually no engagement with the U.S. military under four-decade-old U.S. policy.

During his visit, Stavridis said he met senior detention camp staff, "looked every one of them in the eye and said we're going to run this camp in a transparent and legal fashion."

Separately, he said, he also toured the portion of the base where the U.S. military might house migrants found at sea during a rafter crisis similar to the huge numbers of Haitians and Cubans who were interdicted by the U.S. in the mid-1990s.

He declared the base suitable for "very barebones" humanitarian relief and would develop contingency plans - although he said he didn't foresee any crisis on the horizon.

During the `90s, the U.S. Navy base threw up tent camps around the 45-square-mile base to house a migrant population that swelled at one point to about 40,000.

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HOMELAND RESPONSE:

How To Spot A Terrorist On The Fly (WP)

By Paul Ekman

The Washington Post, October 29, 2006

The man in the cheap brown jacket stood slumped in line, staring at the ground. His hands were fidgety, reaching repeatedly into his inside jacket pocket, or patting it from the outside. A momentary look of anguish, just 1/15th of a second or so, occasionally flashed across his face -- the inner corners of his eyebrows would go up, so that his brows sloped down from the center of his forehead, his cheeks would rise, and the corners of his lips would pull down slightly. He was exhibiting what I call a micro-expression, a sign of an emotion being concealed.

The question was: What was he concealing? And why?

To the behavior-detection officers I was with at Boston's Logan International Airport, his combination of mannerisms -- the micro-expression, the slumped posture, the pocket-patting -- was unusual enough to raise a red flag. They called a uniformed state police officer, who asked the man the purpose of his travel. It turned out that he was on the way to the funeral of his brother, who had died unexpectedly. That was the reason for the bowed head. The frequent chest-patting was to reassure himself that he had his boarding pass. The micro-expression was an attempt to conceal his grief.

The man was not a terrorist, nor a malefactor of any kind, but just an innocent traveler carrying some extra emotional baggage that day. So why single him out for questioning because of a fleeting expression and a sad-sack posture?

Critics of the controversial new security program I was taking stock of -- known as SPOT, for Screening Passengers by Observational Techniques -- have said that it is an unnecessary invasion of privacy, based on an untested method of observation, that is unlikely to yield much in the way of red-handed terrorists set on blowing up a plane or flying it into a building, but would violate fliers' civil rights.

I disagree. I've participated in four decades' worth of research into deception and demeanor, and I know that researchers have amassed enough knowledge about how someone who is lying looks and behaves that it would be negligent not to use it in the search for terrorists. Along with luggage checks, radar screening, bomb-sniffing dogs and the rest of our security arsenal, observational techniques can help reduce risks -- and potentially prevent another deadly assault like the attacks of Sept. 11, 2001.

A lot has been said about the 9/11 hijackers' unusual behavior in the days before they boarded their ill-fated flights. Several of them were repeatedly questioned, but no one recognized their lies. An airport screener later said he had been suspicious of one because of his strange demeanor on the day of the attacks. But the screener had no training that would have given him the confidence to act on his suspicions.

The hijackers' lies -- to visa interviewers and airport check-in workers -- succeeded largely because airport personnel weren't taught how to spot liars. They had to rely on their hunches. The people who might have saved the lives of many Americans were needlessly handicapped.

Imagine if that screener had been taught to discern the signs of deception in a person's facial expressions, voice, body language and gestures. With such training, he could have been confident enough to report the hijacker's behavior. SPOT, which the Transportation Security Administration introduced this year at 14 U.S. airports, including Washington's Dulles International, is the first attempt at using observational techniques as part of our security approach, and it is promising. Preliminary findings show that the overwhelming number of those who are taken out of line and detained for further investigation were intending to commit or had committed some kind of wrongdoing: They were wanted criminals, drug smugglers, money smugglers, illegal immigrants -- and, yes, a few were suspected terrorists.

SPOT's officers, working in pairs, stand off to the side, scanning passengers at a security checkpoint for signs of any behaviors on the officers' checklist, such as repeated patting of the chest -- which might mean that a bomb is strapped too tightly under a person's jacket -- or a micro-expression.

The items on the SPOT checklist are culled from law enforcement experience and research on deception and demeanor. What about your face, voice and body betrays the fact that you're lying? I've been studying this question for nearly 40 years, ever since I began researching it in the 1970s with Maureen O'Sullivan of the University of San Francisco and, several years later, with Mark Frank of the State University of New York at Buffalo.

In our studies, we recorded interviews set up in such a way that we knew when a person was lying. Afterward, we replayed the videotapes over and over in slow motion to identify the expressions and behaviors that distinguish lying from truth-telling. We spent hours identifying the precise moment-to-moment movements of the facial muscles based on my Facial Action Coding

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System (FACS) -- a catalogue of every conceivable facial expression that I created and published in 1978 -- to get comprehensive evidence of the kinds of facial looks that accompany spoken lies. Once such expressions are identified, people can be quickly trained to recognize them as they occur.

We also looked at the behavioral signs that accompany the act of thinking up an answer on the spot (e.g., an increase in pauses) and signs of emotion in the face, voice or gesture that contradict the words being spoken ("The answer is definitely no" accompanied by just a slight nod of the head).

The facial expressions we identified allowed us to correctly determine who was lying 70 percent of the time; when the rest of demeanor is added, it pushes accuracy close to 100 percent.

Tools like this are indispensable to the future of airport security, and more are coming. Within the next year or two, maybe sooner, it will be possible to program surveillance cameras hooked to computers that spit out FACS data to identify anyone whose facial expressions are different from the previous two dozen people in line.

Someday, remote surveillance devices may identify anyone whose blood pressure and heart rate are much higher than those of the previous two dozen people. While this will provide an important new way of knowing that something is amiss, it does open a Pandora's box. Legislation to protect privacy and prevent misuse of such a technique should be enacted now.

Meanwhile, short-term research on several questions -- whether SPOT misses people whose behaviors are on its checklist; whether other behaviors should be included on the list; and whether additional training would increase observers' accuracy -- could help improve the program.

Civil libertarians have raised the expected concerns about using observational techniques at airports: that SPOT spots more than just terrorists; that minorities, who fear discrimination and might act more nervous than others, may be unfairly singled out; that most of the people identified are innocent.

But the day I spent at Logan confirmed for me that SPOT violates no one's civil rights. Few people were identified. Nearly always, the answers to initial questions made further investigation unnecessary. No record was made, and the passenger lost no time.

Observational techniques are not a substitute for all the other techniques we now use to catch would-be terrorists. But they add another layer to transportation security. They are now being used at fewer than one in 10 major U.S. airports. We need to use them everywhere.

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WAR NEWS:

Seeking To Ease Rift, Bush Confers With Iraq Premier (NYT)

By Sabrina Tavernise
The New York Times, October 29, 2006

BAGHDAD, Oct. 28 — President Bush stepped into an increasingly fractious relationship with the Iraqi government in a videoconference with Baghdad on Saturday after days of angry comments by Iraqi leaders about what they see as American meddling.

The 50-minute conference between Mr. Bush and Prime Minister Nuri Kamal al-Maliki took place after an acrimonious conversation late Friday between Mr. Maliki and the American ambassador, Zalmay Khalilzad. According to an aide to Mr. Maliki, the Iraqi leader said that he was “a friend of the United States, but not America’s man in Iraq.”

The sharp remarks appear to be part of a growing schism between the Shiite-led Iraqi government and its American supporters, a division building for months that burst into full public view this week. Mr. Maliki spoke out angrily on Wednesday against the idea of American deadlines for action on stabilizing Iraq. Mr. Khalilzad publicly detailed the benchmarks the day before.

Iraqi leaders say that the United States, in particular Mr. Khalilzad, has been too meddlesome in internal affairs.

In the videoconference, Mr. Maliki, sitting beside Mr. Khalilzad in the Green Zone, opened with praise for Mr. Bush, according to Tony Snow, the White House press secretary. “History will record that because of your efforts Iraq is a free country,” Mr. Maliki said, echoing a statement he made on his trip to Washington three months ago, according to Mr. Snow, who sat in on the session.

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Mr. Snow said that Mr. Maliki made "no demands, and it was a very cordial discussion." But the prime minister, he said, made clear that he wanted to move quickly toward "an Iraqi assumption of command and control" over forces operating in Baghdad and elsewhere.

A Maliki spokesman, Ali Dabbagh, said the prime minister had said the Iraqi government wanted more control over its army, which operates under Americans.

The meeting, the second in 12 days for Mr. Bush and Mr. Maliki, was clearly part of a White House effort to diffuse tensions between the two governments.

The push for more Iraqi control comes just as American military commanders are saying the Iraqi Army needs more time to improve. America's top military commander in Iraq, Gen. George W. Casey Jr., said this week that it would be another 12 to 18 months before Iraqi troops would be ready to take over.

A central irritant for the Shiite leaders is what they say is an American preoccupation with Shiite militias — often linked to political parties — that have been responsible for much of the bloodshed here in the past year. Shiites fault American officials, particularly Mr. Khalilzad, for treating militias as enemies on a par with the Sunni insurgency.

"The forces need to know one clear fact," said one prominent Shiite politician. "Who is the real enemy here? It is the Saddamists and the takfiris." Takfiris are Sunni extremists.

That preoccupation has distracted American military policy, Shiite leaders say, and led to gaps in protection of Shiite areas vulnerable to attacks by Sunni militants, a position that American military commanders strongly dispute. Leaders argue that the Iraqis should be allowed to protect these areas themselves, an assertion that raises a distant but real American fear — that the government could use the largely Shiite army selectively, or that it could even become one side of a civil war.

Mr. Maliki leads a government that is a fragile coalition between Sunnis, Kurds and other groups, but with the arguments made in recent days, appears to be placing himself firmly inside the Shiite camp, lending an increasingly sectarian tinge to the Iraqi political landscape.

One major lever the Iraqis have is the United Nations agreement that extends legal authority for foreign troops to be here. Senior officials are trying to amend the agreement, which expires on Dec. 31, in order to give the government more control over parts of the army sooner, a process American officials are watching worriedly.

In Washington, the administration has sought to smooth relations, particularly as midterm elections near.

Part of the Shiites' anger seems to center on Mr. Khalilzad. A Sunni Muslim born in Afghanistan, Mr. Khalilzad has been most closely associated with his intense efforts to bring minority Sunni Arabs into Iraqi politics. Shiite leaders say he has worked so hard to involve Sunnis that he has abandoned the Shiites.

The meeting on Saturday, whose participants included Stephen J. Hadley, Mr. Bush's national security adviser, was also notable for what was not discussed. Mr. Bush did not raise the White House frustrations with the comparatively small number of Iraqi troops dedicated to the latest effort to secure Baghdad. Nor was there discussion, Mr. Snow said, of seeking to further incorporate the militia of the Shiite cleric Moktada al-Sadr into the army.

In recent days, other officials have stressed that Mr. Bush is doing all he can to bolster Mr. Maliki, whose early months as prime minister were widely described in Washington as a disappointment. But several officials have noted recently that Mr. Bush has promised to support Mr. Maliki only as long as he makes what Mr. Bush calls "hard decisions."

"No one has said what happens if he stops making those decisions," one senior official said early this week. "I don't think anyone knows."

Mr. Maliki took issue even with aspects of the enterprise that Americans have gone to great lengths to make work.

The White House, in a statement, said the leaders had agreed on the goals of accelerating the pace of training the Iraqi Security Force, Iraqi assumption of command and control over its forces, and transferring responsibility for security to the government of Iraq. A working group was set up to achieve them.

The military on Saturday announced the death of another American soldier from "enemy action" on Friday in Anbar Province in western Iraq. It has also said a soldier was killed in Diyala Province on Thursday. The deaths bring the toll for American troops this month to 98, the highest for one month in more than a year.

Also on Saturday, 11 Iraqi soldiers were kidnapped at a fake checkpoint in the heavily Sunni village of Adhaim, north of Baghdad. South of Baghdad in the town of Iskandariya, five Iraqis were killed and 11 wounded in a car bombing.

David E. Sanger and Jim Rutenberg contributed reporting from Washington, and Abdul Razzaq al-Saiedi from Baghdad.

Bush, Iraqi Premier Act To Close Rift After Week Of Tension (WP)

By Ellen Knickmeyer, Washington Post Foreign Service

The Washington Post, October 29, 2006

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BAGHDAD, Oct. 28 -- President Bush coaxed Iraqi Prime Minister Nouri al-Maliki back into a common front with the U.S. administration Saturday, soothing the Iraqi leader in a 50-minute video link-up after a week of missteps and sharp words exposed tensions between the two allies.

Both leaders declared themselves "committed to the partnership" and prepared to work "in every way possible for a stable, democratic Iraq and for victory in the war on terror," the White House said in a statement after the Baghdad-Washington teleconference.

Bush and Maliki also agreed to create a top-level committee to come up with recommendations for speeding up the training of Iraq's security forces, moving ahead on efforts to put Iraq in control of those forces, and making the Iraqi government responsible for the country's security. Maliki's spokesman, Ali Dabbagh, said the recommendations would include timelines.

The proposed commission, which is to include Iraqi government ministers, U.S. Army Gen. George W. Casey Jr. and U.S. Ambassador Zalmay Khalilzad, will be at least the second high-level U.S.-Iraqi commission established here since the summer of 2005 to try to speed up Iraq's takeover of security and the withdrawal of U.S. forces.

Since formation of the first panel, sectarian warfare between Sunnis and Shiites has exploded, taking Iraqi civilian casualties this summer to the highest level of the war and helping to push American combat deaths this month to their third-highest figure since U.S. troops entered Iraq in March 2003.

For the Bush administration, Saturday's accord gave hope of closing an embarrassing rift that broke open just as Bush was trying to show that his much-criticized Iraq policy was adapting to the increasing violence. Congressional elections, just 10 days away, are focused heavily on the unpopular 3 1/2 -year-old war.

Maliki had sought Saturday's talk, aides said, because he was unhappy over what he took as Washington's dictating of terms to his government. The Iraqi leader was intent on showing that Khalilzad "was no L. Paul Bremer," the Associated Press quoted one Maliki aide as saying, referring to the American appointed to run Iraq shortly after the U.S. invasion.

The falling-out between the two administrations had its roots in growing U.S. frustration -- expressed privately by American officials -- over what is seen as the slowness of Maliki's roughly five-month-old government to quell both a Sunni Arab insurgency and the even bloodier Shiite-Sunni sectarian struggle.

Feathers were ruffled Tuesday, when Khalilzad held a news conference with Casey to announce what he said were new commitments from Iraq's government on timelines and reforms meant to speed the day when U.S. troops could leave.

Maliki angrily denied any such commitment in a news conference the next day, and he followed up with interviews stressing that he and his government were independent of the United States.

Point made, White House spokesman Tony Snow said after Saturday's videoconference. "He's not America's man in Iraq," Snow told reporters. "The United States is there in a role to assist him. He's the prime minister -- he's the leader of the Iraqi people. He is, in fact, the sovereign leader of Iraq."

Snow said that Bush assured Maliki of continuing U.S. support despite midterm election criticism of the war. "Both leaders understand the political pressures going on. But the president told him: Don't worry about politics in the United States because we are with you, and we are going to be with you," Snow said.

Maliki's spokesman called the statement of U.S. support gratifying.

"The agreement shows there is a strategic alliance between the two countries for fighting terrorist groups and full support between President Bush and his administration to the government of Maliki," Dabbagh said. "It's a clear message to all in Iraq and the world that the administration supports the Maliki cabinet."

The U.S. military on Saturday reported the combat death of a U.S. Marine in Anbar province, raising to 98 the number of U.S. personnel killed in October.

In other violence around Iraq, one person was killed and 35 wounded in Baghdad when a rocket slammed into an outdoor market in the southern neighborhood of Dora.

Police also found 10 bodies of victims of apparent sectarian violence -- seven around Baghdad and three in Baqubah, 35 miles northeast of the capital.

In Kirkuk, 10 armed men stormed the house of a female rights activist, Halima Ahmad Hussein al-Jubouri, and killed her in front of her children, police Capt. Emad Khidir said.

At least 12 other people were reported killed in shootings and bomb attacks nationwide. The number of killings that reach public notice each day is a fraction of that logged by Iraq's morgues and hospitals.

Other Washington Post staff in Iraq contributed to this report.

Iraqi Premier Makes His Case To Bush (LAT)

By Borzou Daragahi, Times Staff Writer

The Los Angeles Times, October 29, 2006

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Maliki, in a talk with the president aimed at easing tensions, asks for more control over security forces.

Iraq's prime minister pressed President Bush on Saturday to give his government a freer hand to fight Sunni Arab insurgents and neutralize the Shiite Muslim militias knocking the country off balance, in a conversation meant to smooth tensions that had flared over security disagreements and election-year rhetoric.

Bush, in a 50-minute videoconference with Prime Minister Nouri Maliki, upheld Washington's commitment to his Shiite-dominated government despite its failure to rein in the Shiite militias, which form a nucleus of Maliki's political base.

Maliki and U.S. officials have pressured anti-American Shiite cleric Muqtada Sadr to crack down on a powerful and volatile militia nominally under his control. On Saturday, several members of his organization said that Sadr had designated a committee of loyalists to investigate and purge his organization of the most egregious troublemakers.

The committee has already expelled and publicly denounced 30 self-styled Sadr movement members, said Qusai Abdul-Wahab, a member of parliament loyal to the cleric.

Saturday's conversation between Bush and Maliki followed a week of recriminations between U.S. officials in Baghdad and the Iraqi government over the potential disbanding and disarming of Sadr's Al Mahdi army and other paramilitary groups allegedly responsible for the kidnapping, torture and killing of thousands of Sunni Arab men.

At least 20 such slaying victims, some bearing electrical drill and hot-iron wounds on their bodies and gunshot wounds to the head, were discovered Saturday in Baghdad.

At a private meeting Friday, Maliki demanded of U.S. Ambassador Zalmay Khalilzad that he respect Iraq's sovereignty, aides to the prime minister said. Maliki's reported message came in the face of mounting American demands for his government to take security steps against Sadr.

Khalilzad and other U.S. officials have referred to timelines that the Iraqi government must abide by or face unspecified consequences.

But there was no mention of timelines or deadlines in a joint statement issued Saturday after Bush and Maliki spoke, just a commitment to "accelerating the pace of training the Iraqi security force, and transferring responsibility for security" to Iraqis.

"As leaders of two great countries, we are committed to the security and prosperity of a democratic Iraq and the global fight against terrorism which affects all our citizens," the statement said.

With nine days left before Americans go to the polls, Bush has tried to bolster support for the increasingly unpopular war in Iraq by acknowledging setbacks and embracing a schedule of benchmarks for Iraq's political progress.

But Maliki's opposition to deadlines and his criticism that the U.S. attitude toward his government has encouraged the insurgents have put the Bush administration on the defensive.

"There are no strains in the relationship," White House spokesman Tony Snow said Saturday.

He added that Maliki was "not America's man in Iraq. The United States is there in a role to assist him. He's the prime minister — he's the leader of the Iraqi people. He is, in fact, the sovereign leader of Iraq."

Maliki asked Bush to give him the power to consolidate authority over security forces. The hodgepodge security arrangement in Baghdad, he told Bush, was allowing insurgents to flee one area for another after staging attacks, said Haidar Abadi, a confidant of the prime minister and a leader of his Islamic Dawa Party.

Maliki asked Bush to let his security forces enter areas controlled by U.S. forces, Abadi said.

"He asked the president to allow the Iraqi government to have a stronger and freer hand in managing the security situation in Iraq," he said. "We don't have control over the movement of security forces."

Sharp disagreements over the handling of the Shiite militias have frayed relations between Maliki's government and U.S. officials in Baghdad.

Khalilzad has demanded that the Iraqi government take the same zero-tolerance stance toward Shiite militias that it has with regard to Sunni Arab insurgents. But Maliki told Bush he had a different formula for disarming the Shiite fighters, Abadi said.

There are signs that Maliki's approach is producing some results.

Shortly after he visited Sadr in his Najaf home to discuss security issues, the cleric created the purging committee and gave it the power to investigate those purporting to act in the name of his organization and expel those involved in criminal activity.

The committee is headed by Sheik Mohammed Fartusi and Sheik Ali Kufi, two captains in the Sadr movement.

"The committee has great authority," Sheik Hazem Araji, a Sadr deputy in Baghdad, said in an interview. "Any violator will be kicked out of the Mahdi army and their name will be publicly announced."

Maliki told Bush that the Shiite militias would disappear when the Sunnis' campaign of bombing and shooting civilians and officials and attacking Shiite holy sites subsided.

There were few signs Saturday that such a prospect was on the horizon.

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At least one U.S. service member was reported killed in Iraq, bringing to 98 the number of American troops killed here this month. The Marine, assigned to Regimental Combat Team 5, died Friday of combat injuries sustained in the western province of Al Anbar, the military said.

Insurgents blew up a minor Shiite shrine near the northern city of Kirkuk on Saturday, placing a bomb in the tomb of Imam Ismael in the village of Shikha.

Authorities found the bodies of four Iraqi soldiers in northern Baghdad. Twelve other soldiers were kidnapped while driving through a Sunni insurgent stronghold north of the capital.

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Bush Reaffirms Support For Iraq's Prime Minister (AP)

AP, October 28, 2006

WASHINGTON -- President Bush on Saturday reaffirmed his support for Iraq's prime minister, telling Nouri al Maliki that he isn't "America's man in Iraq" but a sovereign leader whom the U.S. is aiding.

Playing down tensions over a U.S. plan for benchmarks toward reducing the violence, the leaders said they were "committed to the partnership" and would work "in every way possible for a stable, democratic Iraq and for victory in the war on terror."

In a statement after a 50-minute video conference, Messrs. Bush and Maliki outlined three goals: speeding up the training of Iraq's security forces; moving ahead with Iraqi control of its forces; and making the Iraqi government responsible for the country's security. A special group of high-level Iraqi ministers will work with the top U.S. commander in Iraq, Gen. George Casey, and Ambassador Zalmay Khalilzad to recommend how best to achieve those goals.

"As leaders of two great countries, we are committed to the security and prosperity of a democratic Iraq and the global fight against terrorism which affects all our citizens," according to their joint statement.

Mr. Maliki had squabbled with the Bush administration this week over his objections to a timeline proposed by Washington for bringing security to Iraq. "There are no strains in the relationship," Mr. Snow said.

During the video hookup, Mr. Maliki told Mr. Bush, "History will record that because of your efforts, Iraq is a free country," according to White House press secretary Tony Snow.

"What you've got in Maliki is a guy who is making decisions," Mr. Snow said after the session. "He's making tough decisions, and he's showing toughness and he's also showing political skill in dealing with varying factions within his own country. And both leaders understand the political pressures going on."

Mr. Maliki was quoted by a close aide as having told Mr. Khalilzad on Friday, "I am a friend of the United States, but I am not America's man in Iraq."

In response, Mr. Snow told reporters Saturday, "He's not America's man in Iraq. The United States is there in a role to assist him. He's the prime minister -- he's the leader of the Iraqi people. He is, in fact, the sovereign leader of Iraq."

"In this prime minister, you have somebody in the Iraqi government who wants to take charge, who wants to take responsibility, is working on all fronts, on the economic side, on the security side, and on the political reconciliation side," the spokesman said. "And he believes it's important to do whatever he can to build greater faith and trust with the Iraqi people in the democracy. So the president's very happy actually with the way the prime minister is working."

After a tense week in U.S.-Iraqi relations, the prime minister and the U.S. ambassador issued a rare joint statement Friday in which Iraq reaffirmed its commitment to a "good and strong" relationship with the U.S.

The joint statement said that Iraq "made clear the issues that must be resolved with timelines for them to take positive steps forward." Mr. Maliki had issued several public statements this week declaring that the U.S. had no right to impose "timetables" on his government. That contradicted Ambassador Zalmay Khalilzad's assertion that the Maliki government had already agreed to set timelines for curbing violence and solving other problems. The statement was issued after the two men met "to discuss our ongoing efforts to bring peace and security to Iraq and create a better future for all Iraqis," the highly unusual joint statement said.

Calm Gives Way to Chaos

The U.S. military, meanwhile, announced the death of a Marine in Anbar province of Baghdad on Friday, raising to 98 the number of American forces killed in Iraq in October, already the fourth-deadliest month since the Iraq war began in March 2003.

The relative five-day calm in Baghdad in the five days since the end of the holy month of Ramadan ceded ground Saturday to a fresh outbreak of bloodletting.

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Clashes erupted Saturday between U.S. and Iraqi troops and gunmen in the city of Ramadi, an insurgency stronghold where scores of militants staged a military-like parade last week not far from the local U.S. base. The troops used loudspeakers to ask residents to stay indoors.

One person was killed and 35 wounded when a rocket slammed into an outdoor market in Baghdad's turbulent southern neighborhood of Dora, police Lt. Mohammed al Baghdadi said. A second person was killed and nine were wounded when a bomb went off in a minibus in an eastern Baghdad district.

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Iraqi Prime Minister: 'I'm Not America's Man' (CNN)

CNN.com, October 28, 2006

BAGHDAD, Iraq (CNN) -- Iraqi Prime Minister Nuri al-Maliki on Saturday referred to the boundary between himself and the United States, telling U.S. President Bush that he answers first to the Iraqi government and people, according to an Iraqi official.

The clarification first came up Friday during a private meeting between al-Maliki and U.S. Ambassador Zalmay Khalilzad, according to an Iraqi parliament member who is also al-Maliki's senior aide.

"I consider myself a friend of the U.S., but I'm not America's man in Iraq," al-Maliki told the U.S. ambassador, according to Hassan al-Seneid.

The prime minister told Khalilzad that as head of a national unity government, he must win the approval of Iraq's parliament before acting on any proposals, al-Seneid said.

Al-Maliki repeated the message to Bush during a video conference Saturday, in which the two leaders discussed transferring power to Iraqi forces, Iraqi government spokesman Ali Dabbagh said.

White House spokesman Tony Snow agreed with al-Maliki's stance. "He's not America's man in Iraq," The Associated Press quoted Snow as saying. "The United States is there in a role to assist him. He's the prime minister -- he's the leader of the Iraqi people. He is, in fact, the sovereign leader of Iraq."

"There are no strains in the relationship," Snow added, according to AP.

Bush and al-Maliki agreed on three goals during their 50-minute talk: accelerating the training of Iraqi security forces; eventual control by Iraq of its forces, and the transfer of security responsibilities to the Iraqi government.

Absent among those goals was the dismantling of militias, which have been blamed for leading death squads and sectarian vendettas against Iraqi civilians.

On Saturday, Iraqi authorities found the bodies of 25 people across Baghdad -- all believed to be the victims of Sunni-Shiite violence. Some, with hands and feet bound, showed signs of torture, police said.

Al-Maliki has been critical of the setting of timelines and the U.S. military effort, particularly a raid in Baghdad's Sadr City to detain a death squad leader this week.

Bush and al-Maliki agreed to form "a high level working group to put forward recommendations on how to reach those goals," according to their joint statement. The group would include Iraq's national security adviser, ministers of defense and interior, U.S. Gen. George Casey and Khalilzad, the statement added. Women's rights leader killed

Violence in Iraq killed at least three people and wounded scores more on Saturday.

Police were also investigating the killing of a women's rights leader in Iraq.

Gunmen reportedly stormed Faliha Ahmed Hassan's house in Hawija, about 43 miles southwest of Kirkuk, and shot her to death on Friday evening.

Also in Hawija, gunmen on Saturday morning killed an Iraqi soldier and wounded three others in an attack on a joint Iraqi army and police patrol, a Kirkuk police official said.

Iraqi security forces were also targeted in eastern Baghdad. A roadside bomb wounded two Iraqi police officers in charge of guarding an oil industry facility Saturday morning, an Iraqi police spokesman said.

Also in eastern Baghdad, a bomb planted in a parked minibus exploded on Palestine Street, killing a civilian and wounding eight others, Iraqi emergency police said.

In a separate attack in the southern neighborhood of Dora, eight mortars exploded at a bus station, killing a civilian and wounding 30 others, Iraqi emergency police said.

And, in what has become a common occurrence, Iraq police found 10 bullet-riddled bodies thought to belong to victims of Sunni-Shiite sectarian vendettas.

West of the capital in Anbar province, a U.S. Marine with the Regimental Combat Team 5 died Friday after being wounded in battle, the U.S. military said Saturday.

The U.S. military death toll for the war is 2,811. So far this month, 98 troops have died. The deadliest month for U.S. forces in Iraq was November 2004, with 137 killed.Other developments

The Iraqi Army has captured the cameraman for Abu Musab al-Zarqawi, the slain former leader of Al Qaeda in Iraq, a spokesman for Iraq's Ministry of Defense said Saturday. During the capture of Khaled al-Khayyali, documents and tapes were seized that detailed past crimes committed by al-Zarqawi, operations that had been carried out and more operations that were planned, said spokesman Mohammed al-Askari. Al-Zarqawi was killed in a U.S. airstrike in June.

U.S.-led coalition forces killed a terrorist suspect and detained 10 Iraqis believed responsible "for the movement of foreign fighters" into the country during a raid south of Baghdad on Saturday morning, the U.S. military said. The raid was part of an effort to cut back on the number of car bombs and roadside attacks on the military there, the military added.

Timetables? Depends On Who's Talking (WP)

By Walter Pincus

The Washington Post, October 29, 2006

Recent discussion about Iraq has focused on the U.S. and Iraqi governments setting benchmarks for improving stability so the United States can eventually draw down troops, but public statements have made it difficult to determine who has agreed to what. The situation seemed to change over the course of the week, until finally it appeared that little had really happened.

On Tuesday, U.S. ambassador Zalmay Khalilzad told a Baghdad news conference that the Iraqi government had agreed to benchmarks and timelines. "Iraqi leaders must step up to achieve key political and security milestones on which they have agreed," he said. "Iraqi leaders have agreed to a timeline for making the hard decisions needed to resolve these issues."

He added that Iraqi President Jalal Talabani has "made these commitments public" and that the United States will support the Iraqis "in their effort to meet these benchmarks."

Khalilzad described some of the specifics: Over the next 12 months, "assuming that the Iraqi leaders deliver on the commitments that they have made," there will be action on allowing constitutional amendment, disarming militias, making laws to administer oil revenue and improving security institutions.

On Wednesday in Baghdad, however, Iraqi Prime Minister Nouri al-Maliki contradicted Khalilzad.

"I affirm that this government represents the will of the people, and no one has the right to impose a timetable on it," he said. "The Americans have the right to review their policies, but we do not believe in a timetable."

Hours later, in Washington, President Bush staked out a middle ground. He said that Iraq had indeed agreed to a schedule but that specific benchmarks were in the works.

Iraq has "agreed to a schedule for resolving issues, such as disarming illegal militias and death squads, sharing oil revenues, amending the Iraqi constitution and reforming the de-Baathification process," Bush said. "The first objective is to develop benchmarks that the [Iraqi] government agrees with and that we think are important."

On Thursday, Defense Secretary Donald H. Rumsfeld made benchmarks seem further down the road. Benchmarks are "still in discussions," he said. They will cover political, economic and security issues "to see how we get from where we are through this year and through next year and accomplish the things that are in our mutual interest."

Friday, White House press secretary Tony Snow cast the issue in even broader terms. "What you do have is collaborative efforts to try to work toward a series of goals, political, economic and security. . . . The Iraqis have already published a lot of their economic and political goals. And as I've also explained, for obvious reasons, you don't really go public with a lot of the security stuff, because it in fact tips your hand."

Later Friday, Maliki and Khalilzad met. They released a statement that still did not resolve whether the two governments are setting out specific deadlines.

It read: "Iraq and the United States are committed to working together to respond to the needs of the people. The Iraqi government has made clear the issues that must be resolved, with timelines, to take positive steps forward on behalf of the Iraqi people. The United States fully supports their goals and will help make them a success."

Yesterday, Bush and Maliki had a 50-minute videoconference to smooth out the differences that had bubbled up during the week. Afterward, they released a statement that made no mention of timelines, benchmarks or schedules.

"We have three common goals: accelerating the pace of training the Iraqi Security Force, Iraqi assumption of command and control over Iraqi forces, and transferring responsibility for security to the Government of Iraq," the statement said.

Aide: Iraqi Leader Using U.S. Angst (AP-Y)

By Steven R. Hurst And Qassim Abdul-zahra, Associated Press Writers

AP, October 29, 2006

After a hastily arranged video conference with George Bush, Iraq's prime minister said Saturday that the U.S. president promised to move swiftly to turn over full control of the Iraqi army to the Baghdad government. A close aide to Nouri al-Maliki said later the prime minister was intentionally playing on U.S. voter displeasure with the war to strengthen his hand with Washington.

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Hassan al-Suneid, a member of al-Maliki's inner circle, said the video conference was sought because issues needed airing at a higher level than with U.S. Ambassador Zalmay Khalilzad.

Al-Suneid said the prime minister complained to Bush that Khalilzad, an Afghan-born Sunni Muslim, was treating the Shiite al-Maliki imperiously.

"The U.S. ambassador is not (L. Paul) Bremer (the former U.S. administrator in Iraq). He does not have a free rein to do what he likes. Khalilzad must not behave like Bremer but rather like an ambassador," al-Suneid quoted al-Maliki as saying.

The remarks were the fourth time in a week that al-Maliki challenged the U.S. handling of the war. The ripostes flowed from an announcement by Khalilzad on Tuesday that al-Maliki had agreed to a U.S. plan to set timelines for progress in quelling violence in Iraq.

Al-Maliki's anger grew through the week until on Friday, al-Suneid said, the prime minister told Khalilzad: "I am a friend of the United States, but I am not America's man in Iraq."

After Saturday's talks, White House spokesman Tony Snow said of al-Maliki: "He's not America's man in Iraq. The United States is there in a role to assist him. He's the prime minister — he's the leader of the Iraqi people."

Snow said that reports of a rift between the United States and Iraq were wrong and that Bush had full confidence in al-Maliki.

"What you've got in Maliki is a guy who is making decisions. He's making tough decisions, and he's showing toughness and he's also showing political skill in dealing with varying factions within his own country. And both leaders understand the political pressures going on."

Snow said Bush told al-Maliki not to worry about U.S. politics "because we are with you and we are going to be with you."

Al-Suneid, however, said al-Maliki was intentionally using the displeasure of American voters over Bush's handling of the war to strengthen his position.

"It's al-Maliki's chance to get what he wants. It's a chance for al-Maliki to force a better deal for himself," he said.

Al-Suneid said Bush accepted Iraq's position that a renewal of the U.N. mandate for the U.S.-led military force was conditional on swift action to hand full control of the Iraqi army to the Baghdad government and the withdrawal of coalition forces from Iraqi cities and towns when the army is ready to take control.

Bush also agreed to set up a joint military operations room early next year that would give Iraqi authorities a say in the movement of U.S. and Iraqi troops, al-Suneid said. That is meant to head off unannounced raids like one Wednesday in Baghdad that targeted an alleged Shiite death squad leader.

Al-Maliki, who depends heavily on Shiite politicians whose parties have heavily armed militias, complained angrily about the U.S.-backed raid and demanded he be consulted before such operations in the future.

The United States said the death squad leader was on a preapproved list and the raid to capture him did not require specific Iraqi government approval. The man was not caught.

It was not clear whether al-Maliki's tough stance in recent days is a matter of conviction or a bid to bolster support among his domestic constituency — or both.

A joint statement issued after the video conference between al-Maliki and Bush said both sides "are committed to the partnership our two countries and two governments have formed and will work in every way possible for a stable, democratic Iraq and for victory in the war on terror."

It said the two sides agreed to form a working group "to make recommendations on how these goals can be best achieved." It will consist of the U.S. military commander, Gen. George Casey, Khalilzad and Iraq's national security adviser and ministers of defense and interior.

Al-Maliki has grown increasingly prickly as the Americans have pressed him to rein in Shiite militias and crush death squads that have sprung up since a Shiite shrine was bombed by Sunni insurgents in February. Thousands of Sunnis have died in revenge attacks, many under brutal torture.

The Sunnis, particularly disaffected insurgents, have fought back vigorously in a sectarian bloodbath verging on civil war.

The U.S. military on Saturday reported the combat death of a U.S. Marine in Anbar province, raising to 98 the number of U.S. personnel killed in October — the fourth deadliest month for American forces since the war began in March 2003.

Violence also returned to the capital after a relative five-day calm following the end of the holy month of Ramadan.

One person was killed and 35 wounded when a rocket slammed into an outdoor market in Baghdad's turbulent southern neighborhood of Dora, while a bomb in a minibus killed a second person and wounded nine in an eastern district, police said.

Police also found 10 bodies of victims of apparent sectarian violence — seven in several parts of Baghdad and three in Baqouba, 35 miles northeast of the capital.

Eleven other people were reported killed in shootings and bomb attacks nationwide.

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Iraqi Leader Critical Of U.S. Envoy (WT)

The Washington Times, October 29, 2006

BAGHDAD -- A festering grievance between Iraqi Prime Minister Nouri al-Maliki and the United States escalated yesterday with Mr. al-Maliki telling President Bush that America's ambassador in Baghdad acts like a viceroy instead of a diplomat.

Hassan al-Suneid, a member of Mr. al-Maliki's inner circle, said a hastily arranged videoconference with the president was needed because issues needed airing at a higher level than with U.S. Ambassador Zalmay Khalilzad.

Mr. al-Suneid also said the prime minister complained to Mr. Bush that Mr. Khalilzad, an Afghan-born Sunni Muslim, was treating the Shi'ite Mr. al-Maliki imperiously.

"The U.S. ambassador is not [L. Paul] Bremer. He does not have a free rein to do what he likes. Khalilzad must not behave like Bremer, but rather like an ambassador," Mr. al-Suneid quoted Mr. al-Maliki as telling the president. Mr. Bremer had the power to make laws by decree, many of which are still in force today.

The exchange punctuated one of the bloodiest months since the U.S. invasion.

The military announced yesterday that a Marine died from wounds in Anbar province on Friday, bringing the U.S. death toll so far this month in Iraq to 98, the highest since January 2005.

Since the summer, Iraqis have been dying at a rate of about 3,000 a month, prompting Mr. al-Maliki's government this month to stop releasing body counts to the United Nations.

Mr. Bush's Republican Party faces possible loss of control of Congress in the Nov. 7 elections, with dismay over his Iraq policy a critical factor in voter intentions.

White House spokesman Tony Snow dismissed talk of a rift between Iraq's leader and the United States.

"There are no strains in the relationship," Mr. Snow told reporters at Andrews Air Force Base after the 50-minute videoconference.

Mr. Snow said that Mr. Bush told Mr. al-Maliki not to worry about U.S. politics "because we are with you, and we are going to be with you."

Yesterday marked the fourth time in a week that Mr. al-Maliki challenged the U.S. handling of the war. The ripostes flowed from an announcement by Mr. Khalilzad on Tuesday that Mr. al-Maliki had agreed to a U.S. plan to set timelines for progress in quelling violence in Iraq.

Mr. al-Suneid, however, said Mr. al-Maliki was intentionally using the displeasure of American voters over Mr. Bush's handling of the war to strengthen his position.

"It's al-Maliki's chance to get what he wants. It's a chance for al-Maliki to force a better deal for himself," he said.

Mr. al-Suneid said Mr. Bush accepted Iraq's position that a renewal of the U.N. mandate for the U.S.-led military force was conditional on swift action to hand full control of the Iraqi army to the Baghdad government and the withdrawal of coalition forces from Iraqi cities and towns when the army is ready to take control.

Mr. Bush also agreed to set up a joint military-operations room early next year that would give Iraqi authorities a say in the movement of U.S. and Iraqi troops, Mr. al-Suneid said. That is meant to head off unannounced raids like one Wednesday in Baghdad that targeted a purported Shi'ite death-squad leader.

Mr. al-Maliki, who depends heavily on Shi'ite politicians whose parties have heavily armed militias with links to death squads, complained angrily about the U.S.-backed raid and demanded he be consulted before such operations in the future.

The United States said that the death-squad leader was on a preapproved list and that the raid to capture him did not require specific Iraqi government approval. The man was not caught.

A joint statement issued after the videoconference between Mr. al-Maliki and Mr. Bush said both sides "are committed to the partnership our two countries and two governments have formed and will work in every way possible for a stable, democratic Iraq and for victory in the war on terror."

It said the two sides agreed to form a working group "to make recommendations on how these goals can be best achieved." It will consist of the U.S. military commander Gen. George Casey, Mr. Khalilzad, Iraq's national security adviser and its ministers of defense and interior.

Mr. al-Maliki has grown increasingly prickly as the U.S. has pressed him to rein in Shi'ite militias and crush death squads that have sprung up since a Shi'ite shrine was bombed by Sunni insurgents in February. Thousands of Sunnis and Shi'ites have died in revenge attacks, many under brutal torture.

Violence also returned to the capital after five days of relative calm following the end of the holy month of Ramadan.

One person was killed and 35 wounded when a rocket slammed into an outdoor market in Baghdad's turbulent southern neighborhood of Dora, while a bomb in a minibus killed a second person and wounded nine in an eastern district, police said.

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Police also found 10 bodies of victims of apparent sectarian violence -- seven in several parts of Baghdad and three in Baqouba, 35 miles northeast of the capital.

Eleven other persons were reported killed in shootings and bomb attacks nationwide.

Tipping Point For War's Supporters? (WP)

By Thomas E. Ricks And Peter Baker, Washington Post Staff Writers

The Washington Post, October 29, 2006

In Past Month, Even Stalwarts Have Called for Change in Iraq Policy

As the fighting in Iraq swerved toward civil war in February, Senate Armed Services Committee Chairman John W. Warner (R-Va.) expressed "a high degree of confidence" that a new government would take charge and that by the end of the year the conflict "won't be the same."

As October opened, Warner returned from Iraq with a far grimmer assessment. "The situation," he said, "is simply drifting sidewise." His judgment gave voice to Republican doubt that had been suppressed in a campaign season. Lawmakers who had vowed to "stay the course" called for change. One GOP senator declared Iraq "on the verge of chaos." By last week, President Bush was saying he too is "not satisfied" and is looking for a fresh approach.

October 2006 may be remembered as the month that the U.S. experience in Iraq hit a tipping point, when the violence flared and shook both the military command in Iraq and the political establishment back in Washington.

Plans to stabilize Baghdad collided with a surge in violence during the holy month of Ramadan. Sectarian revenge killings spread, consuming a town 50 miles from the capital. U.S. officials spoke of setting benchmarks for the Iraqi government to take on more responsibility, only to have the Iraqi prime minister call that suggestion election-year grandstanding. Bush compared the situation to the 1968 Tet Offensive -- often seen as a turning point in the Vietnam War -- and urged Americans not to become disillusioned.

"October has been very busy from a standpoint of operations on the ground and certainly back here in Washington," White House counselor Dan Bartlett said.

With Iraq again dominating the national dialogue right before key midterm elections, "there's an expectation in the air that after the election, the partisanship and the politically charged environment will dissipate somewhat and people can start looking for ways to work together on this issue," Bartlett said.

Republicans are anxious about what happens in the meantime; polls show wide discontent. "Republicans are responding to the nervousness of the American people," said Sen. Lindsey O. Graham (R-S.C.). "People have begun to wonder about the basic premise that the Iraqi people are capable of solving their problems politically."

If October does prove to be a turning point for the Iraq war, historians are likely to point to two events, one in domestic U.S. politics and the other in Iraq.

The first was Warner's visit to Baghdad. As the chairman of Armed Services, a stalwart Bush supporter and a pillar of the Republican establishment, he rattled much of Washington with his dour assessment Oct. 5. If events have not improved in 60 to 90 days, he said, the Bush administration should find a new course. While still opposed to a precipitous troop withdrawal, Warner made clear that staying the course is no longer a viable option.

Warner's comments proved to be the starting gun for a race toward an exit strategy. Other Republicans had nursed similar doubts but kept quiet for fear of giving Democrats ammunition in a tough campaign cycle. Warner's remarks freed them to express their own misgivings.

Sen. Kay Bailey Hutchison, a Republican from the president's state of Texas, began talking about the need for a different approach in Iraq, such as partition. In Virginia, Sen. George Allen, who maintained in September that he would not "second-guess" the war, said that "mistakes have been made, and progress has been far too slow." More Republican candidates called for Defense Secretary Donald H. Rumsfeld to be fired.

Sen. John Cornyn (R-Tex.), a strong Bush supporter, was struck that Warner's comments echoed those of the ranking Democrat on Armed Services, Sen. Carl M. Levin (Mich.), who has advocated putting more pressure on the Iraqi government.

"They reminded me of some of the things Senator Levin has been saying for some time," Cornyn said last week. "We fought to allow Iraqis to control their own future, and I'm a little concerned about our making demands on them as if we are an occupying force."

In Iraq, meanwhile, the key moment was the realization by top commanders in mid-October that sending 12,000 U.S. troops back into Baghdad did not have the calming effect that had been hoped for. As Shiite-Sunni tensions erupted in the city, civilian casualties doubled in a matter of months, with 2,660 deaths in September alone.

"Operation Together Forward has made a difference in the focus areas, but has not met our overall expectations of sustaining a reduction in the levels of violence," Army Maj. Gen. William B. Caldwell IV said Oct. 19, using the U.S. military name

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for the Baghdad operation. In other words, the U.S. military had played its ace in the hole -- it had asserted itself in Iraq's most important city -- yet had not been able to improve deteriorating security in the capital.

A Marine colonel said he is seeing a major shift even inside the military. "There's a concern now that there wasn't previously," said the colonel, who remains on active duty and is not authorized to speak publicly on political matters. "Folks that took things at face value in the past are asking more questions."

Searching for a way out, Washington has focused new attention on the work of the Iraq Study Group, a panel of well-connected luminaries led by former secretary of state James A. Baker III and former representative Lee H. Hamilton (D-Ind.). Recommendations from the group, once seen as a sop to Congress, are expected in late December or early January and promise to be the first major subject tackled by the members of the next Congress.

People familiar with the group's option papers expect it to recommend either a scaling back of U.S. ambitions in Iraq, making stability rather than democracy the top priority, or, less likely, a slow but steady withdrawal of U.S. forces.

In the wake of Warner's revelation and the unchecked violence in Iraq, Bush's language in discussing the war changed markedly. As late as the end of August, he was still describing his policy as "stay the course." But with Democrats pounding away in campaign advertising, saying he refused to recognize the unfolding disaster in Iraq, the White House officially jettisoned the phrase this month, saying it did not adequately describe the administration's flexible approach.

"We've never been 'stay the course,' " Bush told an interviewer. The concept will not die that easily, though. On Friday night, Vice President Cheney told reporters traveling with him on Air Force Two that "the United States' ability to stay the course and get the job done is a very, very important piece of business."

As congressional Republicans peeled away from the president, the White House grew more isolated. Debate over a National Intelligence Estimate's conclusion that Iraq had become a "cause celebre" for Islamic extremists and several books critical of the administration's handling of the war kept interfering with the White House message.

Democrats, once deeply divided over the war, coalesced around the idea of a phased withdrawal and aired television ads on Iraq in most of the competitive races around the country. Republican candidates, on the other hand, started ignoring Karl Rove's advice to talk about the war. Senate Majority Leader Bill Frist (R-Tenn.) told an interviewer that "the challenge is to get Americans to focus on pocketbook issues, and not on the Iraq and terror issue."

Other conservatives grew more skeptical that there is anything the United States can now do to fix Iraq. "I don't know what the new course would be," said Richard N. Perle, former head of the Pentagon's Defense Policy Board and an early supporter of the war. "The options are extremely limited now. The new course that's necessary is new Iraqi leadership."

The last full week of October underscored the fitful attempts by the White House to get on top of the situation. U.S. officials announced plans for benchmarks for Iraqis to assume more security duties, but Prime Minister Nouri al-Maliki said his government had not agreed to any deadlines. Bush called his second news conference in as many weeks to assure the American public that he is "not satisfied" with the way things are going, while still asserting that "absolutely, we're winning."

Inside the White House, officials were glum, trying just to get through the election in hopes that after the rhetoric fades there might be a chance for both parties to fashion a new approach. "I'm not disparaging new ideas; I'm welcoming new ideas," national security adviser Stephen J. Hadley said in an interview. But, he noted, "no one I know has come up with a silver bullet."

Hadley described the administration's three top priorities: a political agreement among Iraqi sects, enhanced security with Iraqis taking more of the lead and greater international support. "There's an opportunity to try to figure out how to do better," he said. "A lot of it is not a conception issue; it's an execution issue. It's an execution issue for the American government, and it's an execution issue for the Iraqi government."

All the while, in the background was the drumbeat of U.S. deaths in Iraq, with October's toll of 98 so far the worst in a month since January 2005. Iraqi forces have recently paid an even heavier price, with 300 troops dying during the month of Ramadan, the U.S. military said.

A series of grim events on the ground in Iraq deepened fears that the nation is sliding closer to a full-blown civil war. A battle between two towns -- one Shiite, one Sunni -- on opposite banks of the Tigris River earlier in the month epitomized the factors tearing the country apart. A vengeance killing blamed on Sunni Arab insurgents based in the farm hamlet of Duluiyah prompted a killing spree targeting Sunnis across the river in the predominantly Shiite city of Balad. The U.S. military and residents of both Duluiyah and Balad accused the towns' police of taking part in the killings.

Looking for protection, Shiites in Balad turned not to their elected government or to the U.S. military but to Shiite militias, summoning them from Baghdad. By the time the killing ebbed three days later, at least 80 people were dead. Balad was all but empty of Sunni families, which had lived among Shiites for generations.

The militias blamed in many of the Sunni deaths belong to two Shiite religious parties that dominate Iraq's five-month-old government. Maliki, a Shiite, has used his position to block U.S. efforts to crack down on militias. Last week he denounced a

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U.S.-backed Iraqi raid into Sadr City seeking the most notorious of the death-squad leaders. U.S. officials had not notified Maliki before the raid.

The White House said reports of a rift were overblown, but privately U.S. officials wondered about the Maliki government's competence. Maliki's comments last week underscored a growing divide. "If anyone is responsible for the poor security situation in Iraq," he said, "it is the coalition."

Looming over this deteriorating situation is the fact that, despite the training of 310,000 Iraqi soldiers and police officers -- close to the number once thought necessary to ensure security -- those new forces have not brought calm to the capital and the area around it.

Experts disagree whether the past month represents the beginning of the end of the U.S. involvement in Iraq. But there was little question among them about whether it will be remembered as a major turning point. "We are at a real crossroads," said Graham, who sits on the Senate Armed Services panel. "Personally," said James Burk, a military expert at Texas A&M University, "I think the 'experiment' . . . is over."

But Dov S. Zakheim, who was a senior Pentagon official under Rumsfeld, said he thinks this is simply the beginning of a new phase in the U.S. effort in Iraq.

"Everyone knows that if we leave Iraq, not only will that country have little hope of regaining any form of stability, we will likely destabilize the entire region," he said. So the current turmoil reflects the "recognition in all policy circles that we are about to enter a new phase."

Correspondent Ellen Knickmeyer in Baghdad contributed to this report.

Iraq And Americans: One Land, Two Worlds (NYT)

By Sabrina Tavernise

The New York Times, October 29, 2006

BAGHDAD

ABU HUSSEIN is a 31-year-old Iraqi who works on an American military base. He used to commute. But last year his life collapsed and now he lives at work.

His story is familiar. He quickly moved his family out of Iraq after his children's doctor and a neighbor, both Shiites, were killed in their Baghdad neighborhood on the same day. His family was denied residency in Jordan, so he moved them back to Iraq, but to a southern city that had no jobs.

Now he sleeps on a cot in the base. He works day and night for two months at a stretch. He counts himself lucky. "The base is the safest place in all of Baghdad," he said.

Last week, an intense debate was taking place in the United States about how long American troops would have to stay in Iraq to keep security. But in the view of many Iraqis, that is something Americans have never been able to offer. And the longer they stay, the less confidence Iraqis have that the Americans will be able to do so. That distrust has hardened over three and a half years, adding ever more distance between two worlds: That of the American soldiers who are trying to do a job here, and that of the Iraqis and the grim realities that they must live with and the Americans try to navigate.

Part of the problem is that the Americans cannot see for themselves how bad things get when they are not around.

No one knows this better than Iraqi workers on bases. Like stowaways from another world, they adopt a kind of American identity. They take names like Joe and Ozzy. They learn how to swear and talk American slang.

These Iraqis know all too well what life is like outside. Abu Hussein tried for years to get them to protect Iraqis coming in and out of the base by shielding the civilian parking lot to hide the license plates from the eyes of Iraqis who hate those who work for Americans. Blast walls were erected only recently. "Everybody knows I'm going to leave from the gate," Abu Hussein said, his face tight with worry. "I have no weapon. I am isolated."

An American soldier, on the other hand, "is in a Humvee with armor and weapons."

Indeed, the divide is so profound that an American private had to dress in full battle armor this month to walk 20 paces outside the gate to an Iraqi employee parking lot in order to pick up a book.

When Americans move through Iraq, they do so like a giant ship cutting through a thick and treacherous sea. They move slowly, displacing the harsh reality on both sides, carving out a trough of safety around them. But after they pass, reality closes back in, in all its sucking, swirling fury.

That reality is terrifying because much of Iraq is a place without rules or laws, in which armed gangs, sometimes dressed as police officers, can come into any house and do exactly as they please.

This broad challenge for the Americans — making security last past the moment the Humvee on patrol rolls away from the house — could be seen last week in even the smallest ways in Ur, a sliver of residential blocks just north of Sadr City, the impoverished Shiite district where unruly militias are strong.

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The Americans began sweeping in late in August, going house to house looking for weapons. It had been more than a year since they had patrolled Ur, and residents were surprised to see them.

The neighborhood was mostly middle class and heavily Shiite, but while the Americans were gone its northeast corner had become the site of brutal executions: Authorities found 90 bodies there in the heat of August, most of them victims of Shiite death squads that had driven into the area from Sadr City.

"They killed openly, they did not hide," said a worker in eastern Ur who said he witnessed as many as 40 daytime executions, over several months, near a shop where he works. An Iraqi Army checkpoint was less than a mile away.

After the sweeps, fewer bodies were found, but the hard part — keeping the area clear of killings — had only just begun.

A deep fear had settled in the neighborhood's northeastern edge, the area closest to the militia stronghold.

At dusk on a recent Sunday, Sgt. Andrew Pokora stood in a courtyard with a nervous Shiite woman. Her husband had spoken to American soldiers before and they had found the conversation useful. It was the third time Americans had come to the house in recent weeks.

"What do you need from him?" asked the wife, her voice tense. "Every day Americans are coming here. The neighbors are asking why."

The neighbors were suspicious because the family had moved only recently from a hard-line Sunni neighborhood, Ameriya, from which Shiites were being driven out. They had not yet proved to their neighbors that they could be trusted, even though a sticker portraying a Shiite cleric was stuck to their battered white door.

Outside that door spread a vast expanse of dirt fields and garbage where gangs of men who like the cleric move. They call themselves the army of the Mahdi, a Shiite saint, and are known as brutal killers.

"Danger for us, for me, for my husband!" the woman told the Americans, standing firm as other family members wandered out into the small darkening courtyard. "They will say we are your client."

Sergeant Pokora, a bright, young soldier from Connecticut, relented. He wrote down the man's telephone number, thinking it best to call the husband later.

Even in safer areas, engaging Iraqis on the topic of their lives is difficult. Earlier that afternoon, the sergeant had sunk into a spongy couch in the living room of a housewife in Ur, trying to gain her confidence. "Do you feel safe when you see the police?" he asked, through a teenage interpreter.

She replied in a quiet voice, nodding slightly. Three tiny children with saucer eyes stared.

"She says she feels happy when she sees them," a translator told him.

"Ask her how she feels when American troops come through her neighborhood."

Another phrase in Arabic.

"Happy," the translator said.

The sergeant smiled and squinted in mock skepticism.

"Tell her to be honest," he said. "It's Ramadan."

And he didn't give up. He urged her to come to an American base if she had a tip. He said they would pay for it.

The Iraqi and American worlds in Iraq were not always quite so separate. In 2003, Iraqis lined up at the gate of the Rustimiya base waiting their turn to ask for jobs. Now the road is empty, with discarded plastic bags swirling in the wind.

American soldiers in northern Baghdad went to a public swimming pool shortly after the invasion in 2003. The former head of the Olympic Committee, Ahmed al-Hijiya, tried to organize a soccer game between an American military unit and a semi-professional Iraqi team earlier this year, but requirements for blast walls torpedoed the suggestion. In July, Mr. Hijiya was kidnapped from his office in central Baghdad. He and 23 other victims, 20 of them guards, are still missing, according to the Olympic Committee's office manager.

Today, the approach to the base is empty and ominous: A two-story watch tower peers down at anyone seeking entry, the guards shouting barely intelligible words in English. Guns are pointed. Nerves are keyed up.

Earlier this month, four teenagers who had worked as cleaners in Rustamiya were killed by gunmen who followed them to their homes in Nahariya, a suburb near the base, a worker who knew them said. A translator was killed the same week.

On a recent Friday morning, an Iraqi man wearing glasses stood alone near the highway outside the base, staring at approaching cars, as if he was remembering license plates.

In Iraqi Villages, Troops See Strides And A Big Challenge (WP)

By Josh White, Washington Post Staff Writer

The Washington Post, October 29, 2006

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MUSTAFAR, Iraq -- The smell of baking bread wafted over the dusty central square as children clamored to get closer to the U.S. troops and their hulking armored vehicles. Lt. John Sirhal tried fruitlessly to keep order among a group of boys waiting for M&Ms, while Capt. Adam Sawyer calmly walked up to businessmen hawking their wares.

Samir Hassan, a 53-year-old shopkeeper, said he was happy with the U.S. forces who have maintained peace around his home. But the Iraqi police who have set up a checkpoint at the entrance to Mustafar have made the residents uneasy, he said, as have the Shiite militias that operate just miles away.

"We feel safe here," Hassan said, waving his arm at the throngs of people in the streets on a recent day. "But now we can't go to Baghdad. We need to have security in Iraq. The government has no control, and I don't trust the Iraqi forces."

It is in small villages like these that U.S. soldiers say they are making their biggest strides but also face their biggest challenges. Commanders in Iraq say they can win any battle against armed insurgents and conduct any military operation successfully, but persuading Iraqis to believe in Iraq could end up being the most difficult battle in this war.

There are places in Iraq where U.S. troops are greeted with suspicion. And there are others where they confront grave danger. More than 90 American servicemen have been killed in hostile action across Iraq this month.

But in some of the small towns that ring the southern edge of Baghdad, the situation is quite different. For many residents, the daily dose of roadside bombs and gunshots that plague the capital is glimpsed only on television. Here, U.S. forces work to provide more electricity, to ensure water supplies are clean and to fix roads. The locals appear to appreciate it, but they also appear to genuinely fear what could happen if U.S. forces leave.

Lt. Col. Mark Suich, commander of the 1st Squadron, 89th Cavalry Regiment, is on the leading edge of the campaign to win over a swath of land south of Baghdad that includes Mustafar. He said the key to success in Iraq is to hand over control to the Iraqis, but that doing so could take time.

"Ultimately, they need to see the government functioning, especially in the area of security," said Suich, 42, of Greenville, Pa. "It's a long process to make people change their minds. It's stuff you can't do overnight."

In Mustafar, residents are just beginning to trust the Iraqi police, a ragtag group that periodically makes the short trek from its checkpoint into town to buy lunch or gifts. So far, no one has tried to sneak weapons past the checkpoint, and there has been no violence in the village for weeks.

It has also been peaceful in nearby Abu Hillan, a tiny collection of houses of Sunni Arabs along a strip of dirt road. Residents there recently teamed with a neighboring town and with U.S. soldiers to tap into an electrical substation, boosting their daily availability of electricity from about two hours to more than 20.

"We're happier now," said Othman Ibrahim, 23, a fireplug of a farmer with coarse hands and soft eyes. "We like the U.S. soldiers because they came in and made things better. But we don't trust the Iraqi army, and while there are still militias, we're never going to trust them."

Ibrahim also has difficulty trusting the government. Though he likes the idea of democracy, he said, he isn't sure what difference it has made or will make.

"We are farmers, and we know nothing about democracy," he said, shaking his head. "We see no changes because of it."

Sawyer, who commands the regiment's C Troop and spends much of his time working to improve services in the region, said it could be years before large-scale improvements are made.

"I can't fix electricity overnight, but we can come in and do the little things, and those little things do matter," Sawyer said, shortly after surveying a vacant building he hopes to turn into a medical clinic. "You will gain more from these things than you can possibly gain from using your weapon. It's all about taking baby steps."

Suich acknowledges that his squadron is fighting two main battles, one with armed insurgents and one with the idea of a new Iraq. He said he plans to build locals' trust of Iraqi troops by gradually dispatching them on joint patrols with their U.S. counterparts.

"We have to be patient, we have to be persistent, and we have to go back to them and go back to them," Suich said.

At a compound for Special Operations forces near Baghdad, civil affairs officers are working to speed things up by offering medical services and interest-free business loans.

On a recent afternoon, dozens of families lined up to see doctors and to receive gifts such as shoes, school supplies and board games.

"There's no doubt in my mind that we have terrorists coming through the gate here, and we help them, too," said Maj. Stephen Przybelski, a civil affairs officer from Green Bay, Wis. "Maybe we'll turn someone. I don't know how many we can turn, but if we can turn one or two, how many people's lives have we saved?"

One of the clinic's main forces is Dr. Turki, an Iraqi American who lives in Centreville, Va., and returned to Iraq to help her country. Turki, who didn't want to give her full name for security reasons, said she treats many Iraqis who are afraid to be seen with U.S. forces but really want their help.

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She said she has high hopes.

"It's so hard these days, and I feel so sad for what is going on here," she said. "I wish one day to open my eyes and see peace all over Iraq."

After Sirhal, the lieutenant, handed out candy to children in Mustafar, he paused and looked out over the villagers who were smiling and waving.

"This really does make me proud," said Sirhal, 27, of Bloomfield Hills, Mich. "You see how they are here? It could be like this everywhere. We just have to be patient."

Iraqis See The Little Things Fade Away In War's Gloom (NYT)

By Sabrina Tavernise

The New York Times, October 29, 2006

BAGHDAD, Oct. 28 — The things the women missed were almost too small to notice at first.

Simple numbers and dates began to elude their memories. They were hugging their children less. Past pleasures, eating and listening to music, began to feel flat. They were shouting at their husbands like army commanders.

Small as they seemed, these scraps of life were the effects of the war as discussed by four Iraqi women on a cloudy Saturday afternoon in a women's center in Baghdad.

Their stories began with a familiar theme: the shrinking lives of middle-class families in the capital. Social clubs have emptied out. Weddings have been sparsely attended. But as the circle has become smaller, and as they focus intensely on just staying alive, they said, even the basics are being stripped away.

"All the elements of society have been dismantled," said Fawsia Abdul al-Attiya, a sociologist and a professor at Baghdad University. "You are afraid because you are a woman, a man, a Sunni, a Shiite, a Kurd.

"All these things start to change society."

In a room in the Amal Women's Network that was strewn with remnants of a morning meeting — a half-eaten piece of cake, an orange peel, some crumpled tissues — the women talked about the changes forced on their lives by that fear.

One of the women, a senior employee in an Iraqi ministry that is now run by religious Shiites, recalled recently walking through the gate of her office building with several colleagues, two wearing form-fitting dresses with bare heads and a third in a hijab, when security guards pulled the third woman aside.

"They told her to tell her friends to be more cautious," she said, leaning out of her high-backed chair. She asked that her name not be used because it would be recognized. She has received two threats on her life.

Her own office was a measure of just how far relations between Iraqis have unraveled. She has worked with her colleagues for 21 years, but in the past year, strange new alliances and rivalries have emerged. In business trips abroad, lists of those permitted to go were compiled along sectarian lines. Shiites chose Shiites. Sunnis chose Sunnis.

Basma al-Khateeb, a 47-year-old mother of three, shook her head sadly at the familiar tale. "We never dreamed it would be like this," she said.

Ms. Khateeb, who runs a program for youths at the center, said she missed the very simple pleasures that gave life its texture.

"Walking. Riding a bicycle down the street. We gave up so many things we used to do," she said. "Now we call them accessories."

Private lives have been dented and squeezed into uncomfortable positions. Houda, a 40-year-old layout designer for a magazine in Baghdad who would not give her last name, said the violence had cast her and her husband in the roles of emergency room doctors, shouting orders and performing urgent tasks. Little time remains for intimacy. The last time she remembers feeling happy together was a year ago.

"Something has changed," she said. "There is a kind of dryness between us now."

One conversation that comes up daily is about leaving Iraq, but there are no answers.

It is a daily struggle not to shout at her two teenage girls, one that she usually loses. She has stopped hugging and kissing them, a strange byproduct of extreme stress, she said. Recently, her 15-year-old called to say she missed her, though they had not been apart.

"I feel surrounded by threats," she said. "When I go to work. When they go to school."

As the violence tears the fabric of society, breaking communities and long-established social networks, even peoples' thinking is muted. Plans for the future are too painful, too breakable, many Baghdad residents say, and so their thoughts stay fixed on the immediate.

"The events are too big to comprehend, and the mind stops thinking," Ms. Attiya said. The result, she said, is a distracted population with vastly diminished ambitions.

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With jobs too difficult or too dangerous to find in many cases, young people in particular have put aside their dreams. In such an environment, the allure of populist leaders and militias offering protection, a sense of purpose and belonging has become compelling.

For the women — secular, middle class, employed and part of an increasingly slender slice of Iraq's population — the effects have been on a more personal scale.

Many reported a new difficulty with memory, particularly of numbers and dates.

For Houda, it happened in front of a television set. She sat down to turn on her favorite Egyptian television show a few days ago, and for several minutes she could not remember the channel.

"It was a blankness," she said. "My brain is loaded. It is not active like before."

The feeling is particularly intense for those who have lost a close relative, especially a child. Haifa Hassan, an English teacher whose 12-year-old son was kidnapped while he walked home from school this summer and then brutally killed, has a face like a mask. She finds it hard to smile, and when she does, it is more a grimace.

She has trouble sleeping at night. She tries to nap, but when her husband enters the bedroom, her eyes are often open, staring ahead.

"My son dies every day," she said, recalling his small body and neck with rope marks. She left Iraq with her husband and remaining son this month.

Life has become so hard that many Iraqis find it too painful to partake of the world outside. Houda said she can no longer stomach movies, bright things that show varnished, perfect lives. She has not watched a movie all the way through in more than a year.

Life was also hard under Saddam Hussein, the women pointed out. Plans were equally impossible to build. But the basic fabric of life, visiting family, attending weddings and funerals, was for the most part intact. Now Iraqis are letting go even of those parts.

The ministry employee sat at the table looking agitated. She attended the funeral for the mother of a good friend this month. The family was Christian, large and respected in the community, and before the war, such a funeral would draw hundreds. Instead, 10 people came to the church service, and only one, the dead woman's son-in-law, risked following the casket out to the cemetery. Even her daughter stayed home.

Those who escape to Jordan or Syria or the Kurdish enclave in northern Iraq describe stumbling around for days, extremely disoriented.

One of the women recalled that when she saw her children in a mall in Jordan, she was overcome by a feeling of indescribable relief. The lights were bright. Her children were safe, and drinking fruit shakes. But they were also melancholy, tinged with the memory of what had been lost.

Hana Edwar, the director of the women's center, said she brought a group of young people to a scenic lakeside resort in Iraqi Kurdistan in September. When a group gathered there for prayer, one young man joked that he did not need to pray because he was already in heaven.

"Really, you feel how much we miss these things," Ms. Edwar said. "How much we miss them."

A year ago, there was still so much hope, she said, "but now the light is so weak."

A stanza by her favorite poet, Muhammad al-Jawahiri, runs constantly in her mind.

"Oh open-handed Tigris!" it says. "Our ambitions have fallen so low that even the simplest among them is not promised."

This Is Baghdad. What Could Be Worse? (WP)

By Anthony Shadid

The Washington Post, October 29, 2006

There was an almost forgettable exchange earlier this month in the Iraqi National Assembly, itself on the fringe of relevance in today's disintegrating Iraq. Lawmakers debated whether legislation should be submitted to a committee to determine if it was compatible with Islam. Ideas were put forth, as well as criticism. Why not a committee to determine whether legislation endorses democratic principles? one asked. In stepped Mahmoud Mashadani, the assembly's speaker, to settle the dispute.

"Any law or decision that goes against Islam, we'll put it under the kundara!" he thundered.

"God is greatest!" lawmakers shouted back, in a rare moment of agreement between Sunni and Shiite Muslims.

Kundara means shoe, and the bit of bluster by Mashadani said a lot about Baghdad today.

It had been almost a year since I was in the Iraqi capital, where I worked as a reporter in the days of Saddam Hussein, the U.S.-led invasion in 2003, and the occupation, guerrilla war and religious resurgence that followed. On my return, it was difficult to grasp how atomized and violent the 1,250-year-old city has become. Even on the worst days, I had always found Baghdad's

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most redeeming quality to be its resilience, a tenacious refusal among people I met over three years to surrender to the chaos unleashed when the Americans arrived. That resilience is gone, overwhelmed by civil war, anarchy or whatever term could possibly fit. Baghdad now is convulsed by hatred, paralyzed by suspicion; fear has forced many to leave. Carnage its rhythm and despair its mantra, the capital, it seems, no longer embraces life.

"A city of ghosts," a friend told me, her tone almost funereal.

The commotion in the streets -- goods spilling across sidewalks, traffic snarled under a searing sun -- once prompted the uninitiated to conclude that Baghdad was reviving. Of course, they were seeing the city through a windshield, the often angry voices on the streets inaudible. Today, with traffic dwindling, stores shuttered and streets empty by nightfall, that conceit no longer holds.

Even the propaganda, once ubiquitous and often incongruous, is gone. One piece I recalled from two years ago: a map of Iraq divided into three colored bands. In white, it read, "Progress." In red, "Iraq." In white again, "Prosperity." The promises are now more modest: "However strong the wind," reads a new poster of a woman clutching her child, "it will pass." More indicative of the mood, perhaps, was one of the old banners still hanging. Faded and draped over a building scarred with craters from the invasion, it was an ad for the U.S.-funded Iraqi network, al-Iraqiya. In Arabic, its slogan reads, "Prepare your eyes for more."

As I spoke to friends, some for the first time in more than a year, that was their fear: more of the kundara.

"When anyone is against you, when anyone has differences with me, I will put a kundara in his mouth, I will shove a kundara down his throat, I will hit him with a kundara, and so on," another friend told me.

"We live in a kundara culture today."

I had first met Karima Salman during the U.S. invasion. She was a stout Shiite Muslim matriarch with eight children, living in a three-room apartment in the working-class district of Karrada. Trash was piled at her entrance, a dented, rusted steel gate perched along a sagging brick sidewalk. When I visited last year, the street, still one of the safer ones in Baghdad, exuded a veneer of normalcy. Makeshift markets overflowed with goods piled on rickety stands: socks imported from China, T-shirts from Syria and stacks of shoes, sunglasses and lingerie. Down the street were toys: plastic guns, a Barbie knockoff in a black veil, and a pirate carrying an AK-47 and a grenade. There was a "Super Mega Heavy Metal Fighter" action figure and a doll that, when squeezed, played "It's a Small World."

On this day, the metal stands were empty, as were the streets.

"Praise God," Karima said as I asked how she was. In a moment, her smile faded as she realized the absurdity of her words. "Of course, it's not good," she said, shaking her head. "There's nothing that's ever happened like what's happening in Iraq."

On June 23, 2005, three car bombs detonated in Karrada, outside her home, wrecking the Abdul-Rasul Ali mosque and spraying shrapnel that sliced into the forearm of one of her five daughters, Hiba. Friends at school nicknamed her "Shrapnel Hiba." Two months ago, yet another bomb hurled glass through their window, cutting the head of Hiba's twin sister, Duaa. Four stitches sealed the wound. Over that time, Karima lost her job as a maid at the Palm Hotel, where she had earned about $33 a month.

"People are too scared to come," she said matter of factly.

Next to her sat her son Mohammed. During the invasion, Mohammed, an ex-convict, had joined a motley unit of a dozen men patrolling Baghdad's streets as part of the Baath Party militia. Now he had entered the ranks of the Mahdi Army, a Shiite militia loyal to a young cleric, Moqtada al-Sadr, and blamed for many of today's sectarian killings in Baghdad. Karima's son-in-law Ali had been an officer in the American-equipped police force, earning $300 a month. He quit after receiving a death threat. Now he, too, had joined the Mahdi Army.

"Not all of them are good," Karima told me, casting a glance at her son.

Stocky and a little surly, Mohammed smiled. "Who else is going to protect Iraq?" he asked.

They debated the causes of the violence that, these days, is the topic of almost every conversation. Radical Sunnis, the Americans, Iranian agents, other militias. "Even the Egyptians," Karima offered. "And the Sudanese," Mohammed added.

"Brothers are killing their brothers," she said.

Stories poured forth: a bomb amputating the arm of a 10-year-old neighbor; another killing Marwan, the barber.

"If they brought the Israelis, the Jews, and they ruled Iraq, it would be better," said Karima, her face framed by a black veil. Sunlight bathed the room; electricity, as usual, was cut off. "It would be a million times better than a Sunni, a million times better than a Shiite."

Her first grandchild, 2-month-old Fahd, sat next to her. His expression was rare in Baghdad: eyes expectant, fearless.

"Is it not a pity to bring a baby in a world like this?" she asked. "It's a shame."

Her eldest daughter, Fatima, looked on.

"One-third of us are dying, one-third of us are fleeing and one-third of us will be widows," she said.

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"This is Iraq," Karima added.

The last time I had visited Faruq Saad Eddin, he and his wife, Muna, had argued over whether their eldest son should have left the country. We sat in Jihad, a neighborhood so dangerous now that a stranger risks death by entering it. A generator droned in the background; occasional bomb blasts thundered in the distance, probably homemade mines targeting U.S. patrols. An urbane former diplomat, Faruq had been upset. He worried about what would become of his ancient land if its capable fled.

"You can't just cut out and run away," he told me. "This is our country and sooner or later our children will come back. The resilience of the people, that's what 11,000 years means," he said. "Someone who has 11,000 years, 100 years to lose here or there is not that much."

On April 17, Faruq and Muna left Iraq at the insistence of their son, who had paid a year's rent for an apartment in Jordan. A month later, a car bomb detonated outside their Baghdad home, shattering the windows in the room where we once had shared bitter coffee.

On a cool morning in the Amman neighborhood of Umm al-Summaq, Faruq shook his head at the arbitrariness of fate.

"We would have been killed, no doubt about it," he said.

"We are all stranded, here and there, Iraqis," he added.

A friend once compared the elderly who are reluctant to leave Baghdad to the blind. Take them away from the familiarity of their home, garden and street, and they become lost and disoriented. Faruq has sought new routines: morning strolls, e-mails to friends, a voracious appetite for news and late-night updates on his favorite baseball team, the St. Louis Cardinals. His apartment overlooked the rolling hills of Amman, glowing in the morning's soft sun; his granddaughter Mayasa played giddily next to him with a stuffed toy.

"I should feel happy," he said.

He shook his head again, a gesture that meant he wasn't.

"We have a heavy heart, really," he said after a few moments of silence. "Just knowing what's happening makes us grieve."

I had come to know Wamidh Nadhme in 2002, before the invasion. A professor of political science at Baghdad University, he was a forthright voice in those tense, uneasy days when Hussein was still in power. He tried to speak with complete honesty despite the possible consequences of doing so in a police state. With an ever-present Dunhill cigarette, he would slowly field questions back then, reasoning out every intricate response, surrounded by his French-style furniture, worn Persian carpets and a framed piece of papyrus from Egypt, where he had spent time in exile as a young activist. But on this visit, reason eluded him, as did explanation.

"I find myself unable to understand what's going on," he said.

Wamidh had settled into what he called "withdrawal." He still visited the university once a week, but Baghdad was simply too dangerous to venture outside. After nightfall, the streets of his neighborhood of Adhamiya look like they might an hour or so before dawn: dark, without traffic, and menacing. As we talked, helicopters rumbled overhead. Gunfire burst almost continuously.

"You feel like the country is exploding," he said.

We traded stories. One I had heard from a friend: Insurgents stopped a driver at a checkpoint. They opened his trunk. "Why do you have a spare tire?" the insurgent asked solemnly. "You don't have trust in God?"

Well into 2005, Wamidh has bristled at the notion of a sectarian divide, even as the very geography of Baghdad began to transform into Shiite and Sunni halves divided by the Tigris River. Like many Iraqis, he blamed the Americans for naively viewing the country solely through that sectarian prism before the war, then forging policies that helped make it that way afterward. He ran through other "awful mistakes": the carnage unleashed by Sunni insurgents affiliated with al-Qaeda, the assassination of a Shiite ayatollah in 2003 who may have bridged differences, the devolution of Sadr's movement today into armed, revenge-minded mobs.

As Wamidh finished, he flashed his customary modesty. "Perhaps you could correct me?" he offered.

I asked him whether it would become worse if the American military withdrew.

He looked at me for a moment without saying anything, as though he were a little confused.

"What could be worse?" he asked, knitting his brow.

I saw Wamidh again a week later, and the question had lingered with him. "I sometimes wonder what I would do if I were the Americans," he said over a traditional Ramadan dinner. His answer seemed to hurt him. "I have no idea, really."

"It's like a volcano that has erupted. How do you stop that?"

On April 9, 2003, Firdaus Square became the lasting image of the U.S. entry into Baghdad. In its center was a metal statue of Hussein in a suit, his arm outstretched in socialist realist fashion. Like an arena of spectators, columns of descending height encircled him, each bearing the initials "S.H." on their cupolas. By early afternoon that day, hundreds of Iraqis swarmed around the statue with one task in mind: bring it down. It marked the fall. A year later, amid uprisings by Sunni insurgents in Fallujah and

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Sadr's militia in Baghdad and the south, it spoke of occupation. The square was deserted, guarded by U.S. tanks whose barrels read, "Beastly Boy" and "Bloodlust." Soldiers, edgy, had orders to shoot anyone with a weapon. At times, music blared over speakers on a Humvee.

One song: "Ring of Fire," by Johnny Cash.

As I stood in Firdaus Square this day, after invasion, liberation and occupation, I wondered what word described Baghdad.

"This is a civil war now," Harith Abdel-Hamid, a psychiatrist, had told me, trying to diagnose the madness. "When you see hundreds of people killed every day, corpses of people tortured in the streets every day, what else does it mean?"

"Call it what you will," he said, "but it is a civil war."

Perhaps. But I felt as though I was witnessing something more: the final, frenzied maturity of once-inchoate forces unleashed more than three years ago by the invasion. There was civil war-style sectarian killing, its echoes in Lebanon a generation ago. Alongside it were gangland turf battles over money, power and survival; a raft of political parties and their militias fighting a zero-sum game; a raging insurgency; the collapse of authority; social services a chimera; and no way forward for an Iraqi government ordered to act by Americans who themselves are still seen as the final arbiter and, as a result, still depriving that government of legitimacy.

Civil war was perhaps too easy a term, a little too tidy.

I looked out on the square. On one side were rows of concrete barricades and barbed wire, having faded almost organically into the landscape. In another direction, a billboard read: "Terrorism has no religion." Across the street, a poster portraying Iraqi police pleaded: "We are the heroes fighting for the sake of Baghdad." In the middle of the square, on the stone perch where Hussein's statue once stood, were torn scraps of other posters: "Your voice," "the nation," "patriotism," "dialogue," "building the future." The words were isolated, without context, like fragments of a clay tablet.

Sirens soon pierced the square. Two armed police escorts, headed in opposite directions, rushed along the street. Each frantically waved at the other to pull over. Guns dangling from the window, they fired volleys into the air to intimidate each other.

In time, the one with fewer rifles and fewer men let the other pass. They were playing by the rules of the kundara.

In the square, Salam Ahmed sat with a friend, Saad Nasser, under the statue, looking out at the scene.

"They died under Saddam, and they're dying now," Salam said.

Unshaven, wearing a baseball cap, Saad looked at the ground. He was grim, angry and dejected.

"No one can stop it but God," he said. "Only God has the power."

Iraq: Army Has Al-Zarqawi's Cameraman (AP)

AP, October 29, 2006

Iraq's Defense Ministry said Saturday that the Iraqi army captured a man thought to be the personal cameraman for Abu Musab al-Zarqawi, the slain leader of al-Qaida in Iraq, the country's most feared terrorist group.

Spokesman Mohammed al-Askari told al-Iraqiyah television that Khalid al-Hayani was detained in Diyala province, northeast of Baghdad.

He declined to say when the capture occurred or give al-Hayani's nationality, saying that could hinder future operations against terrorists. He said videotapes and documents were found in al-Hayani's possession but did not describe their contents.

The Jordanian-born al-Zarqawi, who was killed by a U.S. airstrike June 7 in Diyala, had appeared in several videos posted on militant Internet sites.

One clip often played on Middle Eastern TV news channels showed him clad in black and firing a machine gun. An earlier one purported to show al-Zarqawi with his face covered, speaking to the camera before he slit the throat of a Western hostage.

The Bomb Squad (WP)

By Whitney Terrell

The Washington Post, October 29, 2006

Their job: Hunt down and disarm the explosive booby traps that kill more Americans than any other weapon. Try not to die doing it.

1ST LT. NATE RAWLINGS IS STANDING IN THE CAMP LIBERTY MOTOR POOL, just west of Baghdad, trying to figure out why a NASCAR track dryer should be welded to one of his minesweeping trucks. In such situations, Rawlings -- who is 6-2, 230 pounds -- resembles an offensive lineman who has been asked to dance ballet. His brow furrows, his comic-book square chin dips with respectful curiosity. But he'd like to make sure that this step is really necessary. "What happens if [it's] hit with shrapnel?" he asks the Asymmetric Warfare Group man.

The Asymmetric Warfare Man -- who has what I can only hope is an irrational fear that if I use his name, insurgents will go to America and hunt down his family -- bites his lip. A retired officer, he has his web belt cinched so tight that it acts as a corset,

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flaring out his rib cage. He's here to help the Army combat unconventional weapons by inventing contraptions such as the dryer, which is supposed to blow dirt off of buried bombs. Also, his wife kicked him out. ("Go!" is what he remembers her saying. "You've been wanting to since Day One of the war. You'll hate yourself if you don't.")

"This gas can, okay, it sits right here?" The Asymmetric Warfare Man squats beside the dryer, which resembles a lawn mower engine bolted to a jet turbine bolted to an elbow of air-conditioning duct. He taps its exposed gas can, and continues. Maybe if Rawlings mounted some fire retardant next to the gas can, it would powder in a blast? Render the fuel inert? And then act as a fire retardant for the whole thing? "That's not too bad," the Asymmetric Warfare Man declares, gaining momentum. "Whaddya think?"

"I don't like it," Rawlings says.

Neither do I, given that I'm going to be riding in one of these minesweeping trucks tomorrow. The shrapnel Rawlings mentions is an all-too-likely possibility, considering the 25,000 improvised explosive devices, or IEDs, that have been aimed at American troops since the war in Iraq began, severing limbs and crushing the skulls of U.S. soldiers and journalists alike. It doesn't help that Rawlings's soldiers -- with whom I am embedded -- are the leading edge of a $6.1 billion Pentagon effort to win the war against roadside bombings in Iraq.

They're IED hunters. It's their job to find the bombs that the insurgents plant. It's Rawlings's job to make sure they don't get blown up trying.

"When I first started," Rawlings shouts as the dryer revs up for a demonstration, "I used to sit by the radio 14 hours a day. I'd stay till 4 in the morning, whatever it took, listening to my guys out on patrol until I was sure they'd made it home okay."

Rawlings isn't supposed to worry this much. Part of the Pentagon's spending has paid for specially armored trucks -- such as the RG-31 we've been inspecting -- designed to protect his soldiers from IED blasts. On the other hand, as we drive back to his headquarters, we pass another unit's RG-31: Its engine compartment and four-foot-tall front tires are gone; the ballistic windows in its cab and armored bed are spiderwebbed from an IED attack that wounded two.

"Yeah, well," Rawlings says. "That vehicle looked a lot better when we first towed it in. People have been stripping parts from it."

It's hard to tell whether he's reassuring himself or me.

It's even harder to try to bridge the gulf between Rawlings's language -- this war's now-familiar lexicon of "flaks" and "mortar pits" and scouts who disappear in a "fine red mist" -- and what I know of his life as a history major at Princeton University, where he graduated in 2004. A "big, beefy rugger player from Chattanooga" -- in the words of his writing professor, John McPhee -- Rawlings was the kind of romantic enthusiast that I remember emulating when I attended Princeton in the early '90s. In addition to rugby, he wrestled and acted as the social chair of Tiger Inn, a notoriously rowdy club, while at the same time studying with historian Sean Wilentz and researching a thesis on a Confederate ancestor in Tennessee. Rawlings also considered military service a family responsibility, and, following in the footsteps of his uncle and grandfather, who fought in Vietnam and WWII, respectively, he joined ROTC three weeks before 9/11. That decision has led him to a desk in this plywood-floored tactical operations center, or TOC, surrounded by soldiers from E Company, 1st Battalion, 22nd Infantry's Ironclaw team. His deployment didn't kill his romantic streak -- in an e-mail last winter, he described his first firefight by writing, "Teddy Roosevelt would have found that engagement rather sporty" -- but after six months in Iraq, that part of him seems to be struggling against the messiness of the fight against IEDs.

Until recently, he tells me, most IED patrols were done on foot -- a process that often involved uncovering bombs by hand. When I express disbelief, Rawlings cites the experiences of Sgt. Willard Peterson, who is sitting in a dusty leather chair five feet away from us.

"Effective but dangerous" is Peterson's verdict on this method, delivered in the same tone that he has already used to tell me that Army life is "slightly incompatible" with his Mormon upbringing.

"I lost a lot of friends like that," Peterson says, describing how, during a foot patrol, one friend decided to search for bombs beside a wall covered with anti-American graffiti. He found one. "It was an ambush," Peterson explains. "Blew that wall up and killed him."

Despite his Ivy League background, Rawlings is clearly at home in the ramshackle confines of the TOC, which serves as a clubhouse for the soldiers who live in rows of blindingly white trailers out back. He can be found there at all hours, and is always willing to stop what he's doing and engage in discussions on the value of the energy drink Rip It ("That stuff will keep you up forever"), evaluations of insurgents' seized weapons ("What's that, a flintlock musket?") or mildly didactic history lessons ("What is unique about Harry S Truman's name? His middle initial doesn't need a period after it"). The prevailing mood of the place is a half-goofy, half-gallows humor -- for platoon assignments, Rawlings has written FIND BOMBS, BLOW UP BOMBS on the dry erase board behind his head -- that I recognize from the hunting clubs I grew up with.

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This afternoon, as Peterson calmly recites the multiple ways that an IED can be triggered and, thus, kill, Rawlings launches into a spirited defense -- against withering remarks from skeptics -- of a French movie whose director, he claims, "is supposed to be the next Hitchcock." Meanwhile, he's fixing a torn cardboard cutout used to stencil E Company's numbers on the Ironclaw vehicles, and shouting modifications to Peterson's lecture -- "The worst thing the insurgents do is put the bombs out right after our trucks go by" -- through its panels. Then a call crackles over the radio, and its 20-year-old operator shouts out: "Hey, they found a cache -- the infantry patrol. They got anti-tank mines, rockets, ball bearings, cellphones!"

All the makings for an IED.

And that, of course, is where my hunting club analogy fails. Because Ironclaw teams are really being hunted, every bit as much as they are doing the hunting.

The company's commander, Capt. Samuel Olan, strides out of his office to plot the weapons caches on a glossy aerial map of western Baghdad, where E Company began patrolling a month ago. Things have been pretty quiet. But the discovery of these new weapons stockpiles, combined with a recent order to repaint his Ironclaw trucks -- and thus cover the markings of the more experienced unit his men have replaced -- tells Olan that the honeymoon is about to end.

"They're going to give us a welcome party," he says. "Because they know -- especially now that we're putting new numbers on the vehicles. They think, 'These guys are here from the States. They don't know anything.' It's like in high school -- you see the new kid and say, 'Let's go fight him!'"

Fortunately, the man who ushers me out of Camp Liberty's gates the next morning hardly qualifies as a new kid. At 24, Sgt. Kristopher Tate is on his second tour in Iraq, and yet his face remains fresh and animated -- a young Sugar Ray Leonard, if the champ had also fancied gold teeth. Tate's looks have gotten him a lot of attention from women who work at the bases surrounding E Company's headquarters. But what he'd wanted to be was a ballplayer, a center fielder. "My dream stopped because I went to a small school," he told me. "LaPoynor High School in Larue, Texas. Nobody scouted me."

Except the Army.

Now a career soldier, Tate leads the RG-31 in which I've been assigned to ride -- and the convoy behind it -- with the casual confidence of the athlete he used to be. "You got something?" he shouts up at his gunner, whose tan boots are dancing nervously on the gunner's platform beside my seat.

The gunner, Pfc. Jeffrey McGorvin drops down in a squat. He's about 5-4 -- too short to use the .50-caliber's sling seat -- Jersey-accented and apple-cheeked.

"There's this white rock with wires coming off the top," he says.

"Keep going," Tate tells his driver who has (in my opinion) reasonably hit the brakes. "Even if that is an IED, we got to set up security. Gonna have to pass it, anyway." Until this moment, I've been using Tate's vehicle as an armored tour bus and gawking at the Iraqi countryside. That's what the RG-31 is designed to be. From the outside, it resembles a cross between a covered pickup and a Land Rover. But its great tactical advantages are the spacious, shatterproof windows that wrap the cab and the armored back bed, where Tate and I sit in air-conditioned comfort next to a cooler of Gatorade. The soldiers inside -- the "window lickers," as they're called -- have a 360-degree view of the roadway, marred only by the matte black circles of gun ports and the occasional divot left by an AK-47 round. The day is sunny and beautiful, the roads are clear, the soldiers seem relaxed (though later they explain that they were unnerved by the lack of traffic, which often precedes an IED attack) and, as I gawk, I've been trying to describe the territory that my country is spending more than $300 billion to pacify. If you ignore the palm trees, much of it resembles western Kansas -- dry, distant plains, fields of irrigated corn and wheat, white-green stands of trees shimmering along the waterways -- which is a disappointment, because, for that kind of money, I think Kansas would've come along quietly.

But that's just in the rural areas. The rest, the gutted industrial ruins, the cinder-block strip malls, the apocalyptic fields of pureed brick where U.S. forces have bombed something, all of this is much more difficult to define. From house to house the scenery radically shifts, as if someone were channel-surfing through different worlds. Shaded, landscaped mansions bunkered with parked Mercedes share blocks with goat herders and thatch-roofed huts; in the towns, the Iraqis stare poker-faced, dressed in white robes and oil-stained mechanics' jumpsuits alike.

For the last half-hour, I've almost forgotten about IEDs. "That's what we're looking for," Tate says. "Something different. Something that doesn't fit."

Tate points over my shoulder to a mundane landscape of dusty grass along a highway that is backed by a canal and then a raked hayfield in which a flock of pigeons has landed to eat. No ominous music plays; there's no sound, beyond the grind of the RG's transmission and Tate's measured breathing. And then I notice a tiny white rock with a pair of wires drifting out of it and burrowing into the grass. "All right, let's do an interrogation," Tate says as the RG-31 speeds up, fleeing the object's theoretical blast range. In Army-speak, bombs are interrogated just as insurgents are; the difference is that everybody hopes the bombs stay quiet. "Go on and bring the Buffalo up here."

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The Buffalo is the star of the Ironclaw program, and, like any star, it has its own press kit, music video, theme song and testimonial page. These are all available at the Web site run by its producer, Force Protection Inc., which describes its product as "able to withstand bomb blasts that would shred a lesser vehicle" and "a regular truck but on steroids." The 27-foot-long machine comes equipped with a mechanical arm and claw (thus the "Ironclaw" team), five-inch-thick windows and steel-lined, blast-proof tires. But its secret weapon is the revolutionary "V-shaped hull design" that will part the shock waves and shrapnel column of an IED just as a boat hull parts water.

That's what I'm told, at least. But to me, the Buffalo looks like a phone line repair truck.

Accompanied by a young pair of fruit stand vendors and an Iraqi in a melon truck, my RG crew watches from a safe distance as the Buffalo, operated by Sgt. Brett Eggleston and three other soldiers, creeps a mere 10 feet from the potential IED and unfolds its mechanical arm to interrogate. Eggleston can park that close thanks, in part, to the "electronic countermeasures" that many Army vehicles carry and which are designed to block the cellphone calls that frequently trigger IEDs. Still, cellphones aren't the only way to detonate surplus artillery rounds -- the favored payload for these weapons. Some insurgents tape frayed wires inside a cardboard tube (called "crush wires"); when a Humvee runs this over, the wires complete a circuit, ignite a blasting cap and, thus, detonate the bomb. Even IEDs with cellphone triggers include a washing machine timer as a backup; when it winds down, the rounds blast off. This tends to make interrogations a nerve-racking ordeal. "We don't know what it feels like in here" when an IED goes off, one Buffalo crewman, Spec. Brendon Croteau, has acknowledged to me. "We haven't been blown up yet."

And this is where the whole expedition turns . . . well, into a "Wizard of Oz" moment for me. Because as I peer through the haze of the Iraqi noon, the Buffalo's claw ponderously raking the grass beside the road, I realize that the heart of the Pentagon's program for defeating IEDs is: 1) buy some armored trucks with big windows; 2) send young soldiers out to drive up next to bombs; 3) investigate with a phone truck.

As Tate points out later: "I've seen tanks destroyed. I've seen Bradleys destroyed . . . There's only so much armor can do."

Fortunately, this particular wired rock turns out to be an irrigation pump. After another hour or so, I'm dropped off at a nearby patrol base.

Fifteen minutes later, Tate's RG-31 nearly runs over an IED.

McGorvin -- dubbed "the Jedi master" by his fellow soldiers for his ability to, as they put it, "detect ordnance" -- tells me about it the next day as he fidgets on a torn couch behind the TOC. He explains that he sensed the bomb a mile before he reached it -- noticing first the grinning face of a taxi driver who squatted down behind his cab to key a Motorola phone. A few minutes later as the convoy rumbled through a small town, McGorvin felt it again outside a cluster of mud wattle shacks, their yards suspiciously empty.

Then, all at once, his RG-31 passed a mound of dirt with a cone of rusty metal showing through its side. McGorvin's gaze locked on a sliver of blue plastic tucked behind the mound. "I got something!" he yelled. "I don't know what it is, but it's got a cellphone on it!"

The RG-31's armor wouldn't protect McGorvin standing in his gunner's nest, so, as radios barked and the convoy scattered, he tucked his thighs against his chest and squatted.

"McGorvin -- good looking," Tate shouted as their truck finally jolted to a stop outside the bomb's blast radius.

"My gunner's got two rounds on the left side," Tate radioed to Eggleston, who was waiting in the Buffalo. "I'll walk you to it."

As the Buffalo team prayed, Eggleston lowered its nine-pronged claw -- his "pooper scooper," as he calls it -- toward the buried IED. He followed his progress on a color monitor connected to a camera on the arm's first joint. Gingerly, he scratched the dirt, revealing two rusty 130mm artillery shells and then, zooming in, found a blue Nokia cellphone, battery and a washing machine timer that had been wired to a blasting cap in the nose of the first shell.

"What type of rounds you got?" radioed Sgt. Thomas Sutton, the leader of the Ironclaw team. "What kind of initiation system?"

Distracted and infuriated by this interruption, Eggleston -- who prefers to work in complete silence -- remembers quietly heaving a few empty water bottles around the cabin, then shaking his fists at the heavens. When he'd calmed himself, he returned to the controls, tangled the claw in the ignition wire and -- carefully, carefully -- lifted the cellphone, timer and battery clear of the charge, disarming the IED.

"For the third time," he radioed Sutton, "I've got two 130mm rounds." And then, having pawed around a bit more where the rounds were buried, he keyed his mike again. "No, check that. I've got three."

McGorvin's IED was one of 2,625 such bombs found or detonated during the month of July: 959 of them were discovered, while 1,666 exploded. Numbers such as these have made IEDs the leading killer of U.S. troops in Iraq, which places McGorvin and his buddies squarely on the front lines of the war. It also means their stories -- "Gets the blood flowing!" I hear McGorvin exclaim to Tate when he's finished -- carry an extra authority, one they seem acutely aware of. Nearly all them instruct me, "Just

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tell people what it's really like over here." At first I assume this is a reference to the administration complaint that the war isn't going as badly as the media make it appear. And yet, the longer I stay with the unit, the less certain I am that their version of Iraq is meant to toe anybody's party line.

This is certainly true of Corbett Baxter, a sweat-soaked first lieutenant who has been doing eight- to 10-hour foot patrols every day. "It's a [expletive] classic area," he says after Rawlings and I meet him in an empty briefing room. He gazes blankly at the far wall, perspiration still beading high up in the bluish skin of his shaved head, despite the icy air-conditioning. "A mixed Shia and Sunni population, everybody living together peacefully. But in the last few days, everybody, all the families I've got to know -- they've all left. Fled."

Baxter stops and stares at me. His eyes are dark and hollow. Most of the roughly 35,000 people at Camp Liberty never leave the gates, and those who do, including the Ironclaw teams, rarely leave the paved roads. It is as if the New York police department patrolled only Broadway, First Avenue and Eighth Avenue, leaving the rest of the city in darkness. Baxter, however, has seen that darkness.

"I would walk through these neighborhoods where I had kids running all over," he tells me. "I'd sit down and have chai with them. As far as I can tell, they liked having us there, but they're gone. You know what I'm doing now? Now all I'm doing is waiting for the [expletives] who chased them out to come in."

Like the Ironclaw teams, Baxter has seen the center of the war. The facts he's returned with don't necessarily fit the Army's -- or, certainly, Washington's -- official version of the war's progress, but because they're true, he tells them to me anyway. I have a different experience the next day when Rawlings and I visit the 16th Engineering Brigade, which is the "executive agent" for the Ironclaw teams. Maj. Mitch Gargac, who greets us, is eager to talk about the showers, latrines, Hesco barriers (bags filled with sand) and concrete T-walls that his engineers build inside the wire. We sit in a video conference room whose stadium-style seats and blond wood furnishings are as nice as anything Rawlings saw at Princeton. But when I ask about the Ironclaw program -- for instance, how many teams exist or how many bombs they've found -- Gargac admits, "Truthfully, I don't know if I can say."

Instead, he introduces me to the brigade's "Baghdad Is Beautiful" program. Its chief, Lt. Col. Tris Cooper, has $80 million to spend and flashes charts that say things such as: "Electricity: Goal: increase production." And "Health Care: Goal: construct facilities." They contain no statistics. Even if I hadn't just read reports concluding that Baghdad residents get only five to eight hours of power a day and that the U.S.-based contractor, Parsons, has failed to deliver 130 of 150 promised health clinics, I would find this performance depressing. After all, Rawlings and I have just been out driving around Baghdad. Baghdad is not beautiful. Baghdad is covered with trash and saturated with the ugliest kind of danger. As we leave the briefing, Rawlings -- who is as optimistic an Army supporter as you can find -- looks as if he's seen a ghost. He hustles off for the reality of his Humvee while I snap pictures of Gargac, guarding the parking lot. My camera breaks.

Gargac is just doing his job, I understand -- which is, in part, to paint the war in as positive a light as possible, when dealing with the media. (In September, six weeks after I leave Iraq, following multiple e-mail requests, he tells me that Ironclaw teams around Baghdad have found 1,247 IEDs since January, a number positive enough that I wonder why he didn't give it to me in the first place.) But the meeting highlights the difference between the stories that the Ironclaw team tells about the war and those told by Army officials or politicians. The soldiers know that Baghdad isn't beautiful. But neither is it completely accurate to call the varied landscape they drive through each day a "Dante-esque hell" or "nightmarish" -- two descriptions of Baghdad that I find in U.S. newspapers on my return. And so, caught between opposing, abstract versions of the war, they refuse to simplify: This story means we're winning. This story means we're losing.

They live among facts too overwhelming to parse: Rawlings opens the door of a shrapnel-shredded truck on a highway south of Baghdad to find a beheaded child, on his dead father's lap, cradling a flat of eggs. Only one is broken.

Tate picks up a scrap of rubber on a roadway to find himself staring at an IED. One night, during an ambush, a brave sergeant named Travis Parker sprints across 100 yards of open highway under fire, in the dark, to deliver ammunition to Rawlings's Bradley. Peterson's friend is scraped up off the pavement after the graffiti-covered wall explodes in his face. Or it's a good week, and they putter past verdant date groves undisturbed and, quite frankly, bored for hour after hour, day after day. McGorvin fantasizes about returning in peacetime and driving the same roads in a rental car. Rawlings blasts rock-and-roll under highway overpasses. Tate keeps track of which houses on their route have the best landscaping.

For them, these stories are the war, period. They are not sound bites to be scooped up to justify some larger political narrative. Their attitude reminds me of the soldiers in Erich Maria Remarque's WWI novel All Quiet on the Western Front , which Rawlings says he's reading. At one point, as the narrator watches a friend die, he notes: "We have lost all sense of other considerations, because they are artificial. Only the facts are real and important to us."

Rawlings comes the closest to stating this outright. One night around 3 a.m. -- Rawlings's usual bedtime -- I push him to talk about politics and war. I tell him that if he wants to be a writer (a profession he says he's considering), he's going to have to have opinions, to not worry too much about upsetting anybody.

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Rawlings, clearly uncomfortable with the topic, ends up surprising me. He begins talking about seeing Ken Mehlman, the Republican National Committee chairman, on "Meet the Press" after the Valerie Plame scandal. "It was like an opera," he says, in a tone that makes me feel this isn't a compliment. "Everything the guy says comes out in three's. Two good things for us, one bad thing for them. I went to work the next day, saw my guys getting ready to go to Iraq -- I hated the idea that while we were working, he's flinging around political stuff."

I hear a conversation in Camp Liberty's posh, 1,000-seat cafeteria that crystallizes this thought for me. A well-fed soldier is polishing the vocabularies of two foreign national workers. A severe over-cleanliness of uniform already defines him as a "fobbit," someone who never leaves his FOB, which stands for "forward operating base." But he's well on his way to defining "vicarious," too. "Like, there are politicians who talk about this war 'vicariously,'" he says, his voice rising, indignant. "They don't know anything about the war because they've never been here. They just want to get their face on TV and make people think they're looking out for them, and so they say the war is bad, but they don't know whether it is or it isn't."

It's a worthy question, whether the war is good or bad. But when the Ironclaw team is outside the wire, looking down on a bomb, it's too late to ask.

THE SECOND IED DIDN'T EVEN TICKLE MCGORVIN'S JEDI SENSE. Just a few hours after the first bomb they'd found, the soldiers were cruising down a hardball road, open scrub on the left, a canal on the right backed by corn stubble and the silver swoops of power lines angling through it, off to the horizon. Light poles, evenly spaced, dotted the road. As his RG-31 slowed for a speed bump, McGorvin heard a small pop, and a foot-high column of dust bloomed on the right shoulder of the road. It looked as if a bullet might have struck there.

"McGorvin -- did you see that?" shouted Spec. Jose Fuentes, 21, who rode in the RG's passenger seat. "What the [expletive] was it?"

"Incoming?"

"I don't know. It wasn't loud enough for incoming."

Tate, expecting an imminent attack, shouted to his driver, Pfc. David Griffin. "Hey, you got to go on past. Even if it is an IED, we got to get to the other side."

Griffin was a rookie, in country only a few weeks. But being a Missourian, he had plenty of experience on bad roads: He gunned the RG like a pro, slamming through potholes so hard that the crew nearly jolted out of their seats.

Once they were clear, Tate radioed the convoy they'd left behind, his voice quieter than usual: "Hey, an IED just went off. Everybody move up!"

This time the insurgents had timed the convoy's speed by the light poles along the road, which allowed them to set off their bomb just as the trucks arrived. The puff of smoke signaled the ignition of a blasting cap that had inexplicably failed to detonate two 130mm rounds. Otherwise, the RG-31 carrying Tate, Fuentes and McGorvin -- who was standing up, unprotected, in his gunner's hatch -- would've been hit directly.

McGorvin squatted down in the RG's cab and held his hands out, palms down. "Look at this, Fuentes," he said, as his fingers shook.

In the middle of the convoy, a soldier had seen three Iraqis emerge from some bushes and fold up a tripod -- a device they'd likely used to time the convoy's approach. Sutton backed his RG-31 past the unexploded rounds and, regulations be damned, left the pavement and hurtled down a dirt road after them.

Though the three triggermen escaped Sutton's wrath by crossing a canal, an infantry unit picked them up 30 minutes later.

Up at the lead vehicle, a curious kind of giddiness descended. It wasn't fear exactly -- there was constant chatter, constant activity. That's the strange thing about the front lines: There's a high. Everyone, even a general, has to admit that you've visited a privileged place. Which, in turn, makes it harder and harder to fit in anywhere else.

Other voices rehashed the luck of the near miss, the fizzle of the bomb.

"Damn, we almost died," someone said.

But Fuentes understood the paradox of this high: As good as it felt, it was also changing each one of them, in ways nobody could predict. Before the team dismounted to pull guard, he told McGorvin and Tate, "I love you guys."

Then he turned to Griffin, the new driver. "Welcome to the war," he said.

POSTSCRIPT:

Recently, E Company's patrol area expanded eastward into more urban areas of Baghdad, and attacks on their vehicles increased. In an e-mail dated September 13, Rawlings reported that the lead RG-31 I'd ridden in had been hit by a bomb, which cracked but did not shatter its windows. McGorvin was struck in the face by shrapnel, the blast's only casualty. He returned to duty after three days' rest. The company is scheduled to return to the United States at year's end.

Whitney Terrell is the New Letters writer in residence at the University of Missouri at Kansas City. His second novel, The King of Kings County, was just released in paperback.

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. . . But A U.S. Policy Czar Might Help (WP)

By Jim Hoagland

The Washington Post, October 29, 2006

Political rhetoric serves in an election season to deny the obvious and get voters to suspend belief in their own judgments. Thus George W. Bush in recent days, urging the American public not to "allow our dissatisfaction to turn into disillusionment about our purpose" in Iraq.

The reality is that deep disillusionment has already taken hold, especially among those who supported "our purpose" of regime change in Iraq. It is the conduct of the war in Bush's hands that has spread -- precisely, Mr. President -- disillusionment that will almost certainly cost the Republicans the House and perhaps the Senate on Nov. 7.

Admitting this has to be the point of departure in Bush's search for a new approach to Iraq and a new approach to an American public that -- for good reason -- has largely stopped believing him on Iraq.

There seems to be almost no learning curve in Washington's dealing with Iraq's societal and religious cleavages and prickly nationalistic politicians, who have been shoved aside or undermined for not showering effusive praise on Bush for their liberation or for asserting their own priorities and political legitimacy.

It was Groundhog Day all over again last week as Prime Minister Nouri al-Maliki reacted irritably to Ambassador Zalmay Khalilzad and Bush announcing that Maliki would do X, Y and Z -- "benchmarks" in presidential parlance -- or else. Nobody seems to have imagined that the besieged Maliki would want to announce his government's programs instead. Bush sought to placate the Iraqi yesterday by holding and then publicizing a 50-minute video conference with the still-fuming Maliki.

Until then, the sequence was a culturally insensitive replay of the moments that quickly soured the initial chances in 2003 to let Iraqis take charge and to try to come to terms with their Arab and Iranian neighbors, who have instead helped destabilize Iraq since.

First, proconsul L. Paul Bremer cavalierly dismissed the proposed six-person provisional government that had been constructed over two years of painful negotiations abroad between Kurds, Shiites and Sunnis. Bremer then threatened to dismiss the subsequent interim government if it did not carry out his wishes. And so on.

This is not ancient history. On orders from a myopic White House last spring, Khalilzad openly intervened in the negotiations for an Iraqi prime minister to block incumbent Ibrahim al-Jafari and create a situation in which Maliki -- Jafari's deputy and dependent on Shiite radicals for votes -- was the only viable candidate to run Iraq.

Maliki's claims to legitimacy were destroyed by that open American micromanagement. Khalilzad's subsequent sales campaign for the "national unity" government -- which has quickly become a collection of corrupt and sectarian fiefdoms -- has damaged his effectiveness.

I have written relatively little about Iraq's tortured path since that moment, in part because I hoped Maliki would prove me wrong but also because what would happen, and was happening, seemed so depressingly obvious.

This midterm election is a moment of accountability, as Bush acknowledged at the news conference where he sought to fend off intimations of disillusionment. It is the time for voters and citizens to examine recent and past mistakes and omissions of U.S. policy in Iraq and then vote accordingly.

Bush seemed to draw a comparison between Vietnam and Iraq last week during an interview with ABC News. It was left to author David Halberstam to point out that the important part of the exchange was that neither Bush nor his interviewer seemed to have a firm grip on what Vietnam's Tet Offensive had been about.

"I don't know what either of them is really saying," Halberstam observed on National Public Radio. "The president has been exceptionally weak on the history of the Vietnam War." Was Bush saying, implausibly, that "Tet was a victory for America but a political defeat, and therefore . . . the war is really going better than this momentary glitch shows?"

Halberstam is a voice worth listening to on this comparison. His dispatches from Vietnam argued initially that the conflict could be won if strategy and tactics were changed. Only later did he come to the conclusion that the conduct of the war had finally made it unwinnable.

It is not Bush's poor grasp of Vietnam but his poor grasp of Iraq that is the urgent problem. After Nov. 7 the president should stop pretending to run an Iraq policy that has in fact beached him like a dying whale. He should give a senior Republican wise person complete powers to steer a new course, guided by the recommendations of the Baker-Hamilton study group and others.

George Shultz, Ronald Reagan's secretary of state (and, like Jim Baker, an ex-Marine), is the outstanding candidate for a salvage mission on Iraq. He will not want to become the Iraq czar. But if it happens, I will quickly offer Shultz my congratulations, and my apologies.

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Partition Is Not The Solution . . . (WP)

By Rend Al-rahim

The Washington Post, October 29, 2006

Desperate to find solutions to the violence in Iraq and thus an exit strategy for the United States, an increasing number of lawmakers in Congress are considering Iraq's partition into Kurdish, Sunni and Shiite regions under the umbrella of a loose confederation. But partition is neither desirable nor feasible.

Neat partition lines are impossible because few regions in Iraq are ethnically or confessionally homogeneous. The governorates of Diyala, Mosul, Salahuddin, Hilla, Kirkuk and Basra are intermixed or have large minorities scattered throughout each province. In Baghdad, with probably a quarter of Iraq's population, the ethnic and sectarian groups are inextricably interwoven.

A plan to partition Iraq would plunge the country into total civil war far more widespread and bloody than the sectarian and factional violence we are witnessing now. The partition of India and Pakistan in 1947 resulted in 2 million dead and 11 million displaced. The death toll and refugee numbers from collective murder, reprisal killings and ethnic cleansing in Iraq would be comparable, dwarfing the casualties in Iraq today.

Nor would conflict end once areas had been purified at this horrific human cost. As in Kashmir, regions along the partition lines would continue to be contested for decades, leading to continued violence and warfare. The belt of towns surrounding Baghdad would be a war zone of competing territorial claims, as would the border regions skirting Kirkuk, Mosul and Diyala.

With the exception of the Kurdish regional government, the institutions of local governance, including regional councils, regional assemblies and the local police forces, are underdeveloped and fragmented, with little capacity to preserve the rule of law or deliver services. In such an environment, partition will inevitably lead to a meltdown of authority, and internecine fighting would intensify. We have had a harbinger of such warfare in the so-called stable areas in the south, where fighting has erupted in Basra, Diwaniyah and Amarah among the various Shiite factions; it has been contained only provisionally and with the greatest difficulty. With control of resources and absolute power as the beckoning prize, the factions would battle even more viciously for supremacy.

Iraq's neighbors would not stand by and passively witness the turmoil attending efforts at partition. There is too much at stake for all of them, and several are already meddling in Iraq's internal affairs. If Iraq is partitioned, Iran, Turkey, Syria and Saudi Arabia will intervene -- either militarily and directly, as Turkey might do in Kurdistan and northern Iraq, or by increasing and expanding support to Iraqi factions, or both. In the case of Iran, a stepped-up nonmilitary Iranian presence and increased support for pro-Iranian groups are both feasible and likely options. Iraq would thus become the battleground of an undeclared war for control not only of Iraq but of the entire Middle East.

The most probable outcome of this violent competition for territory, resources and power would be a radical Sunni, Taliban-style regime in the west and in parts of central Iraq that would be a breeding ground for terrorism. In the south it is likely there would be a fundamentalist Shiite regime pliant to Iran's will. In both cases these would be authoritarian regimes hostile to pluralism and genuine democracy. Unchecked by a stunted and impotent national government, these governments would use their resources to promote their radical ideologies abroad, support like-minded movements in neighboring countries and destabilize the region. Meanwhile, Baghdad would remain a war-torn city with a fig-leaf government too feeble to hold itself together, let alone uphold the rule of law across the country.

These are hardly the outcomes for which the United States fought a war to remove Saddam Hussein from power and for which Iraqis and Americans continue to pay a price in precious lives and resources. Rather than seeking ways to weaken the national government, we should find ways to strengthen and empower it to do a better job, and seriously consider substantially increasing the number of Iraqi army troops and raising the number of U.S. forces at least temporarily.

At this stage, strengthening the national government and providing it with the tools and institutions to enforce the rule of law is far more likely to produce a stable country that can govern and defend itself and be a friend to the United States. This, rather than a misguided plan of partition, presents a viable exit strategy for the United States and a definition of success in Iraq.

We need to engage in new thinking and develop new strategies for Iraq, but above all, no matter how dire the situation, we must not grasp at options that look good in theory but would prove disastrous in practice.

The writer is executive director of the Iraq Foundation. She served as the representative of the interim Iraqi government to the United States from November 2003 to December 2004. This article expresses her personal opinion only.

Dying To Save The G.O.P. Congress (NYT)

By Frank Rich

The New York Times, October 29, 2006

DOJ_NMG_0088163

IF you happened to be up around dawn on Tuesday, you could witness the death rattle of our adventure in Iraq live on CNN. Zalmay Khalilzad, the American ambassador, and Gen. George W. Casey Jr., the American commander, were making new promises from the bunker of the Green Zone, inspiring about as much confidence as Jackie Gleason and Art Carney hatching a get-rich-quick scheme to sell a kitchen gadget on "The Honeymooners."</object.title>

"Success in Iraq is possible and can be achieved on a realistic timetable," said Mr. Khalilzad. Iraq can be "in a very good place in 12 months," said General Casey. Even a child could see how much was wrong with this picture.

If there really is light at the end of the tunnel, why after three and a half years can't we yet guarantee light in Baghdad? Symbolically enough, television transmission of the Khalilzad-Casey press conference was interrupted by another of the city's daily power failures. If Iraq's leaders had signed on to the 12-month plan of "benchmarks" the Americans advertised, why were those leaders nowhere in sight? We found out one day later, when the prime minister, Nuri al-Maliki, mocked the very idea of an America-imposed timetable. "I am positive that this is not the official policy of the American government, but rather a result of the ongoing election campaign," he said, adding dismissively, "And that does not concern us much."

Give the Iraqi leader credit for a Borat-like candor that almost every American in this sorry tale lacks. Of course all the White House's latest jabberwocky about "benchmarks" and "milestones" and "timetables" (never to be confused with those Defeatocrats' "timelines") is nothing more than an election-year P.R. strategy, as is the laughable banishment of "stay the course." There is no new American plan to counter the apocalypse now playing out in Iraq, only new packaging to pacify American voters between now and Nov. 7. And recycled packaging at that: President Bush had last announced that he and Mr. Maliki were developing "benchmarks" to "measure progress" in Iraq back in June.

As Richard Holbrooke, the broker of the Bosnia peace accords, has observed, the only real choice left for the president now is either "escalation or disengagement." But there are no troops, let alone money or national will, for escalation. Disengagement within a year, however, is favored by 54 percent of Americans and, more important, 71 percent of Iraqis. After Election Day, adults in Washington will step in, bow to the obvious and pull the plug. The current administration strategy — praying for a miracle — is not an option. The current panacea favored by anxious Republican Congressional candidates — firing Donald Rumsfeld — is too little, too late.

The adults in charge of disengagement will include the Bush family consigliere, James Baker, whose bipartisan Iraq Study Group will present its findings after the election, and John Warner, the Senate Armed Services Committee chairman, who has promised a re-evaluation of Iraq policy within roughly the same time frame. Democrats will have a role in direct proportion to the clout they gain in the midterms.

One way or another the various long-shot exit scenarios being debated in the capital will be sorted out: federalism and partition; reaching out somehow for help from Iran and Syria; replacing Mr. Maliki with a Saddam-lite strongman. There will be some kind of timeline, or whatever you want to call it, with enforced benchmarks, or whatever you want to call them, for phased withdrawal. (Read "Out of Iraq: A Practical Plan for Withdrawal Now" by George McGovern and William R. Polk for a particularly persuasive blueprint.) In any event, the timeline will end no later than Inauguration Day 2009.

In keeping with the political cynicism that gave birth to this war and has recklessly prolonged it, the only ones being kept in the dark about this inevitable denouement are our fighting men and women. They remain trapped, dying in accelerating numbers in a civil war that is now killing so many Iraqi civilians that Mr. Maliki this month ordered his health ministry to stop releasing any figures.

Our troops are held hostage by the White House's political imperatives as much as they are by the violence. Desperate to maintain the election-year P.R. ruse that an undefined "victory" is still within reach, Mr. Bush went so far at Wednesday's press conference as to say that "absolutely, we're winning" in Iraq. He explained his rationale to George Stephanopoulos last weekend, when he asserted that the number of casualties was the enemy's definition of success or failure, not his. "I define success or failure as to whether or not the Iraqis will be able to defend themselves," the president said, and "as to whether the unity government" is making the "difficult decisions necessary to unite the country."

Unfortunately, the war is a calamity by both of those definitions as well. The American command's call for a mere 3,000 more Iraqi troops to help defend Baghdad has gone unanswered. As we've learned from Operation Together Forward, when Iraqis do stand up, violence goes up. And when American and British troops stand down, murderous sectarian militias, some of them allied with that "unity" government, fill the vacuum, taking over entire cities like Amara and Balad in broad daylight. As for those "difficult decisions" Mr. Bush regards as so essential, the Iraqi government's policy is cut and run. Mr. Maliki is not cracking down on rampaging militias but running interference for their kingpin, Moktada al-Sadr. Mr. Maliki treats this radical anti-American Shiite cleric, his political ally, with far more deference than he shows the American president.

The ultimate chutzpah is that Mr. Bush, the man who sold us Saddam's imminent mushroom clouds and "Mission Accomplished," is trivializing the chaos in Iraq as propaganda. The enemy's "sophisticated" strategy, he said in last weekend's radio address, is to distribute "images of violence" to television networks, Web sites and journalists to "demoralize our country."

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This is a morally repugnant argument. The “images of violence” from Iraq are not fake — like, say, the fiction our government manufactured about the friendly-fire death of Pat Tillman or the upbeat news stories the Pentagon spends millions of dollars planting in Iraqi newspapers today. These images of violence are real. Americans really are dying at the fastest pace in at least a year, and Iraqis in the greatest numbers to date. To imply that this carnage is magnified by the news media, whether the American press or Al Jazeera, is to belittle the gravity of the escalated bloodshed and to duck accountability for the mismanagement of the war. Mr. Bush’s logic is reminiscent of Jeffrey Skilling’s obtuse view of his innocence in the Enron scandal, though at least Mr. Skilling has been held accountable for the wreckage of lives on his watch.

It is also wrong to liken what’s going on now, as Mr. Bush has, to the Tet offensive. That sloppy Vietnam analogy was first made by Mr. Rumsfeld in June 2004 to try to explain away the explosive rise in the war’s violence at that time. It made a little more sense then, since both the administration and the American public were still being startled by the persistence of the Iraq insurgency, much as the Johnson administration and Walter Cronkite were by the Viet Cong’s tenacity in 1968. Before Tet, as Stanley Karnow’s history, “Vietnam,” reminds us, public approval of L.B.J.’s conduct of the war still stood at 40 percent, yet to hit rock bottom.

Where we are in Iraq today is not 1968 but 1971, after the bottom had fallen out, Johnson had abdicated and America had completely turned on Vietnam. At that point, approval of Richard Nixon’s handling of the war was at 34 percent, comparable to Mr. Bush’s current 30. The percentage of Americans who thought the Vietnam War was “morally wrong” stood at 51, comparable to the 58 percent who now think the Iraq war was a mistake. Many other Vietnam developments in 1971 have their counterparts in 2006: the leaking of classified Pentagon reports revealing inept and duplicitous war policy, White House demonization of the press, the joining of moderate Republican senators with Democrats to press for a specific date for American withdrawal.

That’s why it seemed particularly absurd when, in his interview with Mr. Stephanopoulos last weekend, Mr. Bush said that “the fundamental question” Americans must answer is “should we stay?” They’ve been answering that question loud and clear for more than a year now.

What we should be thinking about instead are our obligations to those who are doing the staying. Kevin Tillman, who served with his brother in Iraq and Afghanistan, observed in an angry online essay this month: “Somehow back at home, support for the soldiers meant having a 5-year-old kindergartener scribble a picture with crayons and send it overseas, or slapping stickers on cars, or lobbying Congress for an extra pad in a helmet.”

If we really support the troops, we’ll move past Mr. Bush’s “fundamental question” to one from 1971 posed by a 27-year-old Vietnam veteran, John Kerry, before the Senate Foreign Relations Committee: “How do you ask a man to be the last man to die for a mistake?”

NATO, Afghan Troops Battle Insurgents (AP)

By Fisnik Abrashi

Associated Press, October 29, 2006

KABUL, Afghanistan (AP) -- NATO and Afghan troops battled a large group of insurgents who attacked a military base in southern Afghanistan Saturday, killing 55 suspected militants, the alliance said. A roadside blast killed one NATO soldier and wounded eight others.

The fighting in Uruzgan province came a day after an international human rights group criticized NATO-led troops in Afghanistan, saying their tactics increasingly endanger civilians and are turning the population against the Western alliance.

NATO's top commander apologized Saturday for civilian deaths caused by fighting between Taliban militants and NATO forces earlier in the week, but said insurgents endanger civilians by hiding among them.

"Sadly, in asymmetric warfare, when you're battling an insurgency, typically the insurgents do not play by the same rules that we would like to play by," U.S. Gen. James L. Jones said.

Some 100 to 150 militants attacked a military base north of Tarin Kowt in Uruzgan, NATO said. NATO-led and Afghan troops fought back with small arms fire, attack helicopters and airstrikes.

"Initial battle damage assessment indicates that up to 55 insurgents were killed," NATO said. One Afghan soldier was wounded.

On Sunday, a roadside blast killed one NATO soldier and wounded eight other troops in Uruzgan, the alliance said. Three civilians were wounded. The nationalities of the slain and wounded soldiers were not disclosed.

A purported statement by the Taliban leadership, meanwhile, said the hardline militia has ruled out talks with President Hamid Karzai's government as long as foreign troops remain in the country.

The New York-based Human Rights Watch complained Friday that NATO's recent operations have killed dozens of civilians, but it also criticized the Taliban and other insurgents for putting civilians at risk "by using populated areas to launch attacks on NATO and Afghan government forces."

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"While NATO forces try to minimize harm to civilians, they obviously are not doing enough," said Sam Zarifi, the group's Asia research director. "NATO's tactics are increasingly endangering the civilians they are supposed to be protecting and turning the local population against them."

He spoke on the same day that the International Red Cross urged all sides in the Afghan conflict to spare civilians.

Jones, the NATO commander, expressed regret for civilian deaths but said Taliban fighters use civilians as human shields and said that in the heat of battle it can be difficult to separate the two.

The death of a civilian "is something that causes anybody in uniform to lose a lot of sleep," Jones said at a news conference at Bagram, the largest U.S. base in Afghanistan.

His comments came four days after clashes between NATO-led troops and insurgents in the south that Afghan officials say killed 30 to 80 civilians, including women and children. NATO said its initial investigation found 12 civilians killed.

The 32,000-strong NATO-led force took command of security operations in Afghanistan last month. The alliance has been battling resurgent Taliban militants in the south and east in the worst upsurge of violence since the 2001 U.S.-led invasion ousted the Taliban.

A Taliban statement e-mailed to The Associated Press by purported militia spokesman Muhammad Hanif dismissed Karzai's offer for talks Friday and called his administration a "puppet government." Hanif's exact ties to Taliban leaders are unclear, and it was not possible to verify the statement's authenticity.

"We say even today that there is no possibility of any talks when the country is under occupation," it said. "Any talks with aggressors would amount to selling the country."

On Friday, Karzai reiterated to reporters that he was ready to negotiate with Mullah Omar if the fugitive stops receiving support from neighboring Pakistan. Karzai says Omar is hiding in the Pakistani city of Quetta, while Pakistan says he is in Afghanistan.

Over the past two years, hundreds of Taliban supporters, including some senior officials, have reconciled with Karzai's government, but there is no indication that high-level talks with the rebel leadership have occurred.

Karzai made a similar offer in an interview with AP last January, telling Omar to "get in touch" if he wanted to talk peace, but fighting has since escalated sharply.

Human Rights Watch argued that NATO is relying too much on aircraft to attack insurgent positions. In June, the U.S. Central Command reported 340 airstrikes in Afghanistan, double the 160 strikes in Iraq in the same month, the group noted.

Maj. Luke Knittig, the spokesman for NATO's International Security Assistance Force in Afghanistan, said that "airpower is used extensively because it is an advantage and it can be decisive at a close fight."

But, he added, "its careful application is mandatory."

NATO: 70 Suspected Insurgents Killed (NSDY/AP)

By Fisnik Abrashi

Long Island Newsday/AP, October 29, 2006

KABUL, Afghanistan -- NATO and Afghan troops killed 70 suspected militants who attacked a military base in southern Afghanistan, while a roadside blast killed one NATO soldier and wounded eight others, the alliance said Sunday.

Some 100 to 150 militants attacked a military base north of Tarin Kowt in Uruzgan on Saturday, said Maj. Luke Knittig, a spokesman for the NATO-led force. The alliance and Afghan troops fought back for several hours with small arms fire, attack helicopters and airstrikes.

Seventy insurgents were killed, Knittig said, upgrading an earlier estimate of 55 dead. One Afghan soldier was wounded. It was impossible to independently verify the death toll at the remote battle site.

On Sunday, a roadside blast killed one NATO soldier and wounded eight in Uruzgan, the alliance said. Three civilians were wounded. The nationalities of the slain and wounded soldiers were not disclosed.

Saturday's fighting in Uruzgan province came a day after an international human rights group criticized NATO-led troops in Afghanistan, saying their tactics increasingly endanger civilians and are turning the population against the Western alliance.

NATO's top commander apologized Saturday for civilian deaths caused by fighting between Taliban militants and NATO forces earlier in the week, but said insurgents endanger civilians by hiding among them.

"Sadly, in asymmetric warfare, when you're battling an insurgency, typically the insurgents do not play by the same rules that we would like to play by," U.S. Gen. James L. Jones said.

The New York-based Human Rights Watch complained Friday that NATO's recent operations have killed dozens of civilians, but it also criticized the Taliban and other insurgents for putting civilians at risk "by using populated areas to launch attacks on NATO and Afghan government forces."

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Jones, the NATO commander, expressed regret for civilian deaths but said Taliban fighters use civilians as human shields and said that in the heat of battle it can be difficult to separate the two.

The death of a civilian "is something that causes anybody in uniform to lose a lot of sleep," Jones said at a news conference at Bagram, the largest U.S. base in Afghanistan.

His comments came four days after clashes between NATO-led troops and insurgents in the south that Afghan officials say killed 30 to 80 civilians, including women and children. NATO said its initial investigation found 12 civilians killed.

The 32,000-strong NATO-led force took command of security operations in Afghanistan last month. The alliance has been battling resurgent Taliban militants in the south and east in the worst upsurge of violence since the 2001 U.S.-led invasion ousted the Taliban.

A purported statement by the Taliban leadership, meanwhile, said the hardline militia has ruled out talks with President Hamid Karzai's government as long as foreign troops remain in the country.

The statement, e-mailed to The Associated Press by purported militia spokesman Muhammad Hanif, dismissed Karzai's offer for talks Friday and called his administration a "puppet government." Hanif's exact ties to Taliban leaders are unclear, and it was not possible to verify the statement's authenticity.

On Friday, Karzai reiterated to reporters that he was ready to negotiate with Mullah Omar if the fugitive stops receiving support from neighboring Pakistan. Karzai says Omar is hiding in the Pakistani city of Quetta, while Pakistan says he is in Afghanistan.

Over the past two years, hundreds of Taliban supporters, including some senior officials, have reconciled with Karzai's government, but there is no indication that high-level talks with the rebel leadership have occurred.

Nato Kills 55 Afghan "Militants" (BBC)

BBC.com, October 29, 2006

Nato forces in Afghanistan say they have killed 55 suspected militants in clashes in southern Uruzgan province.

Some 100 to 150 militants attacked the Nato-led International Security Assistance Force troops at their military base north of Tarin Kowt.

Troops responded with small arms fire, attack helicopters and air strikes, the alliance said in a statement.

In a separate incident, a Nato solider was killed and eight injured by a roadside bomb, Nato said.

The blast hit a Nato military convoy in the southern province of Uruzgan, the statement said.

Three civilians were also wounded in the attack and were taken to a military hospital for treatment.

General: 'Mistakes' Made In Afghanistan Strike (CNN)

CNN.com, October 29, 2006

KABUL, Afghanistan (CNN) -- NATO Supreme Allied Commander Gen. James Jones promised Afghan President Hamid Karzai at a news conference Saturday that a full investigation of an incident involving the unintended death of around 70 Afghan civilians would be launched.

Karzai has already assembled a team to investigate reports of civilian casualties caused by NATO air operations in southern Afghanistan.

On Thursday, Karzai issued a presidential decree to look into reports stemming from incidents in the Panjwayi and Pashmul districts of Kandahar province.

The team is made up of tribal and community elders from various districts of Kandahar province.

"The team has been asked to prepare a full and complete account of the incident and identify its causes and victims," Karzai said in a news release.

"The team will investigate the reports of civilian casualties and damages inflicted in this operation. They will also present their suggestions to the president on how such unfortunate incidents could be prevented in the future."

Also, NATO's International Security Assistance Force said it and the Afghan Defense Ministry are conducting a joint investigation into a Tuesday incident "in the Panjwayi district of Kandahar province, in which a number of civilians were killed along with a large number of insurgents."

ISAF commander Gen. David Richards, speaking to reporters in Kabul Saturday, said "in the night in the fog of war, mistakes were made."

ISAF has said they were "satisfied" that they "identified and targeted a group of insurgents," but said they were uncertain how many civilians were killed as a result but believes it to be about 70 individuals.

ISAF said it has consulted local elders and other citizens "who have indicated that the great majority of those killed were Taliban."

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The International Committee of the Red Cross said Friday that civilians are being caught in the crossfire.

"Aerial bombardment and ground offensives in populated rural areas, together with recent suicide attacks and roadside bombs in urban areas, have significantly increased the number of innocent civilians killed, injured or displaced," it said.

It urged all parties to respect international humanitarian law and "to maintain a distinction between fighters and civilians at all times." It said the law "also requires the parties to exercise constant care in the conduct of military operations and prohibits attacks directed against civilians or civilian objects."

The fighting in the south has been heavy this year with the resurgence of the Taliban militant movement and the expansion of ISAF in the southern provinces.

There were reports of more deadly violence Friday in the south.

Karim Rahimi, presidential spokesman, confirmed a report that 14 people in a vehicle were killed in a bombing near the Uruzgan provincial capital of Tarin Kowt. Among the victims were children and elderly.

Karzai said he deplores the Taliban and their activities.Karzai willing to talk with Taliban

Nevertheless, Karzai's spokesman confirmed a report that the president told reporters Friday he is willing to "talk and negotiate" with Taliban militants "for the sake of peace."

Rahimi said Karzai made similar remarks before.

It is unclear whether such a gesture was simply an academic utterance, since the hostilities and hatred between the Taliban and the Afghan government are fierce.

"Those people, if it is Mullah Mohammad Omar or others, if they want to talk and negotiate with us, they are welcome but they should first free themselves from foreign slavery and come to their own land and live in peace," Karzai is quoted as saying.

"For the sake of peace in Afghanistan, we are ready to negotiate with them. We have always negotiated with their supporters and people who control them, and will do again."

One of the others he was referring to is rebel commander Gulbeddin Hekmatyar.

Karzai isn't offering amnesty, the news report said.

And Karzai reportedly said if wanted militants return to Afghanistan, Afghans would be able to take legal action against them. Many of the militants are thought to be across the border in Pakistan.

"If any one had any legal cases against them, they can do that," he reportedly said.

NATO Says 55 Suspected Insurgents Killed (AP)

By Fisnik Abrashi

AP, October 29, 2006

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The fighting in Uruzgan province came a day after an international human rights group criticized NATO-led troops in Afghanistan, saying their tactics increasingly endanger civilians and are turning the population against the Western alliance.

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The New York-based Human Rights Watch complained Friday that NATO's recent operations have killed dozens of civilians, but it also criticized the Taliban and other insurgents for putting civilians at risk "by using populated areas to launch attacks on NATO and Afghan government forces."

"While NATO forces try to minimize harm to civilians, they obviously are not doing enough," said Sam Zarifi, the group's Asia research director. "NATO's tactics are increasingly endangering the civilians they are supposed to be protecting and turning the local population against them."

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He spoke on the same day that the International Red Cross urged all sides in the Afghan conflict to spare civilians.

Jones, the NATO commander, expressed regret for civilian deaths but said Taliban fighters use civilians as human shields and said that in the heat of battle it can be difficult to separate the two.

The death of a civilian "is something that causes anybody in uniform to lose a lot of sleep," Jones said at a news conference at Bagram, the largest U.S. base in Afghanistan.

His comments came four days after clashes between NATO-led troops and insurgents in the south that Afghan officials say killed 30 to 80 civilians, including women and children. NATO said its initial investigation found 12 civilians killed.

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Over the past two years, hundreds of Taliban supporters, including some senior officials, have reconciled with Karzai's government, but there is no indication that high-level talks with the rebel leadership have occurred.

Karzai made a similar offer in an interview with AP last January, telling Omar to "get in touch" if he wanted to talk peace, but fighting has since escalated sharply.

Human Rights Watch argued that NATO is relying too much on aircraft to attack insurgent positions. In June, the U.S. Central Command reported 340 airstrikes in Afghanistan, double the 160 strikes in Iraq in the same month, the group noted.

Maj. Luke Knittig, the spokesman for NATO's International Security Assistance Force in Afghanistan, said that "airpower is used extensively because it is an advantage and it can be decisive at a close fight."

But, he added, "its careful application is mandatory."

Taking The Fight To The Taliban (NYT)

By Elizabeth Rubin

The New York Times Magazine, October 29, 2006

One morning this summer, I headed out with a U.S. Army convoy of Humvees, a truck called a wrecker and a packed supply truck into the Afghan mountains. I was among some two dozen American and Afghan soldiers from Task Force Warrior, an infantry battalion based in Zabul Province, just north of Kandahar. We trundled up a path fit for goats because the nearby riverbed was perfect for concealing improvised explosive devices, or I.E.D.'s. Soon enough, the truck keeled over into the riverbed anyway. To hoist it up, the wrecker had to crash through wheat fields, and within minutes a gray-bearded farmer appeared brandishing his stick. “Are you Afghan?” he shouted at Farooq, my interpreter. “I have 30 members in my family. Why did you destroy my wheat?” The old farmer then clasped my wrist with his ancient garden tool of a hand. “You Americans are all friends of Bush the persecutor. You see this area” — he swept his other arm in every direction — “these are all Taliban. But they don’t have power. As soon as we find power, I will kill all of you.”

Farooq tried to calm him, but the farmer was fixated on his crushed wheat stalks until he spotted First Sgt. Ruel Robbins, a red-cheeked, chest-first sort. Robbins looked the farmer over, then said, “Tell him I’m real sorry to drive over his wheat, but I had to ’cause my vehicle turned over.” The farmer eyed the sacks in the supply truck; Robbins gave him one of rice and two of flour.

The farmer watched us take off in a swirl of dust, and Specialist Melissa Elliot, who was driving our Humvee, said to Farooq: “We’re not trying to hurt them. We’re trying to protect their security. Why’d he get so upset with us? Is their wheat part of their religion or something?”

“It’s the food for his family, ma’am,” Farooq said patiently.

And so began our mission into the mountains of Zabul Province, 6,500 square miles of desert, farmland and 9,000-foot peaks with almost no paved roads to link one patch to the next. It’s a place where, just decades ago, families lived as nomads, until King Mohammad Zahir Shah gave them government land to settle on, and where national politics is superseded by Pashtunwali — the Pashtun codes for tribal coexistence, based on retaliation, mediation and hospitality. In 1994, when the Taliban movement of young religious students swept into Zabul offering an end to illegal road taxes and warlord rule, Zabul’s leaders simply joined hands with their Pashtun brothers. After the Taliban’s fall, President Hamid Karzai’s nephew was

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dispatched to head the Zabul Police; in July 2002, I found him besieged by locals, who put feces in his food and threatened to kill him. For five years now American forces have been chasing the Taliban in Zabul and attempting reconstruction. The police buildings have improved. A new hospital (financed by the United Arab Emirates) was finished. Roads were being laid in terrain so remote that when the Americans turned up, the villagers thought they must be Russians. The Americans opened a trade school in Qalat, the capital. But the pace of progress has been painfully slow. These remain the Taliban's mountains.

There are 42,000 U.S. and NATO troops in Afghanistan today, trying to secure a country that is a third again the size of Iraq, where there are almost 150,000 U.S.-led troops. In the past two years, more than 300 American and NATO soldiers have died trying to stave off a resurgent Taliban. Already this year, some 1,500 Afghans have been killed. And while there were just two suicide bombings in 2002, there is now one about every five days.

With the Taliban's alarming offensive, which began last spring, American generals began speaking of a different war — not a war against terror but a war of ideas. In military jargon this meant balancing kinetic and nonkinetic activity. Or, in plain speech, fighting the Taliban versus nation-building, two goals often at odds. "This is the war for the people," Lt. Col. Frank Sturek, the battalion commander of Task Force Warrior, told me. Sturek served in Iraq under Lt. Gen. David Petraeus — one of the military's leading thinkers on counterinsurgency — in Mosul, a city with 50,000 university students. In Zabul, by contrast, the literacy rate is 15 percent, at best. Sometimes Sturek couldn't tell if people wanted to be catapulted to the 21st century or just left alone. On that he deferred to Delbar Jan Arman, the governor of Zabul Province and a former anti-Soviet mujahedeen, who mentored him on local ways — distinguishing a Taliban killing from a tribal feud or a quarrel over a boy lover. Arman explained cultural sensitivities: how pulling off a man's turban or opening the clothing box of a woman could set off a revolt. Sturek would nod. "The standard military play is, Land in, round up the men, find someone who is nasty and mean and arrest him, drop off supplies and split," Sturek told me. "We're trying to humanize ourselves. It's uncomfortable. You train an infantry battalion to kill the enemy, and it's hard to tone it down." The governor's response was always: "The people are simple. We can win this war if the Army stays nice with the people and if we embrace them."

After many sweaty hours, we rumbled into the Alamo Bar and Grill in Kharnay, elevation 8,000 feet. It was a fitting name for an outpost fashioned from a mud schoolhouse — dusty, waterless and powerless except for what the soldiers slurped off a Humvee battery. Charlie Company, Fourth Brigade, 10th Mountain Division, had been based here for nine weeks already when we arrived. They had been living on meals ready to eat, or M.R.E.'s, patrolling the mountains with packs weighing 60 pounds or more, befriending locals and being mortared and ambushed once or twice a week. Their skin was burned, their uniforms ripped. But for this evening, all suffering was suspended for barbecue night. The Humvees had brought frozen slabs of beef from the United States.

In downtime, the soldiers of Charlie Company would cram into a mud room to imbibe American culture — <object.title class="Movie" idsrc="nyt_ttl" value="286678">"Shark Tale," <object.title class="Movie" idsrc="nyt_ttl" value="288851">"The Bourne Supremacy," Lil Wayne, Toby Keith singing his "Taliban Song" — all courtesy of Pvt. Dennis Taylor and his DVD and CD collection. A teenager from Tampa's housing projects, Taylor grew up with the Bloods. The Army has set him straight, even if his buddies teased him because they couldn't decipher his lingo and he wasn't sure what continent he was on or what the Koran was. "It's Islam's holy book," said one soldier. "Man, how can you be fighting here and not know that," another teased. Taylor laughed and shrugged. </object.title></object.title>

At the other end of the spectrum was Cpl. Kyle Hayes, who had made Taylor his project and, like Sgt. Jon Terry, a sentimental tough guy from Louisiana, often shared meals with the Afghan soldiers accompanying their unit to taste their culture and to bond. Hayes owned a Web design company in New York City and until two years ago was touring with his band, "Half Left." The band had a revelation while producing a record near ground zero in Manhattan, and they all joined the Army. Hayes's family was stunned. "I was the only guy at basic training who voted for Kerry," he told me. Sometimes he felt weird on leave in New York City, where people gawk at uniforms, though a few older people thanked him. His life plan, as inscribed in his diary, is to be a rock star, business mogul and founder of a Texan city by 35, governor of Texas by 45 and president by 55.

Anticipation hung over the Alamo. Charlie Company's next mission was a bit of deceptive theater intended to lure the Taliban into ambushing the soldiers so they could counterattack. Part of the strategy involved Lt. Nathan Shields — a smiling, easygoing officer from Rochester — posing as a gullible new commander. Meanwhile, units hiding in the mountains would block the Taliban's escape. That night, a few squads hiked up a thousand feet, each soldier hauling water (temperatures in the day are usually in the 100's), food, rifle, knife, flashlight and first-aid kit, all atop 35 pounds of armor and ammunition. The Afghan soldiers carried little besides a rifle and ammunition. The American infantryman's burden is the Taliban's biggest advantage. Fleet-footed, carrying little more than an AK and a walkie-talkie, Taliban fighters could sail over the mountains.

The next morning we headed toward Solan, a village so unfriendly that when American soldiers airlifted in a bridge months earlier, it was burned down the next day. "We don't know if the Taliban burnt it or the villagers," Lt. David Patton, a tall, circumspect Texan with Task Force Warrior, said of the bridge in Solan. "Everyone believes in the mission," he added, "but

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there's an underlying thought that when we leave, it'll go back to the way it was." As Zabul's governor, Arman, had told me, Zabul's religious leaders all supported the Taliban, and in Afghanistan the most powerful platform is the minbar, a pulpit where the mullah delivers his Friday sermon. So although villagers were friendly when the Americans patrolled, they refused to help rebuild a school and a bazaar, for example, fearing retaliation from the Taliban who had destroyed them.

Shortly after we left the first village on our route to Solan, the Afghan soldiers began picking up Taliban radio chatter about the new Americans. Robbins was pleased. We were the bait, and the plan was working. We spread out along the gorge for a long, edgy march. Outside Solan, we met Sayed Ali Sheikh, an elder of the area, in whose compound the Americans had stayed before. He said he couldn't guarantee that the place wasn't rigged with explosives, but nevertheless he handed Robbins the key, showed us shrapnel the size of a skateboard that had ricocheted off a mountain when American planes dropped a 500-pound bomb — and vanished. In no time, the soldiers transformed Ali Sheikh's compound into a base of operations: satellite hookup to call the Air Force for cover, mortar base near the well, sniper positions.

Ten lean men in turbans came to meet Shields, who played his role as new commander somewhat awkwardly. A strange dialogue ensued, led by one of the 10 men, Haji Gailani, whose oversize glasses, gabardine vest and cane denoted authority. He said that they didn't deny Taliban fighters were nearby. "If you can catch those people, thank you," he said. "If you want to slaughter my neck, please do." There was a little nervous laughter. No, no, Shields said, of course not. Then Gailani said: "You have planes. You can hear the Taliban on your radios. And still you cannot force them out of here. How can we?"

Others began to speak up. Planes had attacked the mountains the night before, the men said. They had heard about the bombing of civilians in Kandahar. They wanted to know if they were about to be bombed. Robbins advised them to stay near the thickest walls and shut off the lights. Then they left.

And the waiting began. Pvt. Andrew Richards pulled out photos of his family, who lived in Colombia. Specialist Jonathon Routledge, whose voice still cracked and who couldn't believe he was roped into the Army by some cool recruitment videos, poked at a chick that was pecking at spilled tea. Shields and the medic climbed onto the compound roof to give coordinates in case of a medevac. Pvt. Jason Belford was so itchy that he played can-you-down-a-pack-of-crackers-in-two-minutes.

The radio began sputtering with Taliban voices. An Afghan policeman, who went by the code name No. 5, had found their frequency. He heard them discussing our compound. They knew everything: how many Americans and Afghans, the location of the mortar, the sniper positions, the satellite and the flower (code for me, the woman in the group). Presumably one of our earlier visitors was an informant. No. 5 seemed a little dodgy, too — perhaps working only for the troops, perhaps the Taliban, perhaps both.

Shields, Sgt. Jeff Griffin, Belford and a few others moved out to check the area around the compound for mines. Just as we neared the rock garden, a detonation jolted us. A deafening sound. A black smoke squall. Amazingly, no one was hurt. But something was wrong. They had been out to that rock garden twice and found nothing. Suspicion fell on No. 5.

"Fire a mortar," shouted one of the soldiers. Dan Guenther, a sniper from Texas, spotted something. Everyone assumed an imminent showdown. Someone threw a grenade into an outcropping to see if it was booby-trapped.

"If you're gonna come to the party, come already!" shouted Guenther. Then he suggested they should all run out in front of the house, smack their butts and provoke a fight. It was 6:42 p.m., and the light was fading. Shields and a few others popped out of the compound's shelter, hoping to draw fire. As darkness fell, I climbed up to talk to Specialist Tommy Glasgow, who was perched on the roof. He said that there was no way the Taliban would pick a fight after seeing all the U.S. fire power and listening to the bombers occasionally buzzing overhead. We talked about the mission in Zabul, and Glasgow said: "As bad as I don't want to be here, we should be. The Romanians are coming to take over from us, and the Taliban are just gonna cream 'em."

The fight never did come, and when we got back to the Alamo, the Americans were packing, and the Afghan police and soldiers appeared bewildered, convinced they would be dead in 24 hours. One policeman had already defected to the Taliban, I was told. "We'll be bombing this compound in a few weeks 'cause it'll be filled with Taliban," Hayes told me. He tried to find an hour every day to write in his diary. On May 12, for example, he had written: "I killed some people last night. Second squad is out looking for corpses right now. We got mortared right around dark ... when I was getting all the last stuff done for the day, and I got a hypoglycemic attack when I was doing sit-ups. It was still a good day, though. I got a lot done. Everyday I grow stronger."

A few days later, the Alamo was indeed abandoned by the Afghan forces.

The final draft of the U.S. military's latest counterinsurgency manual, written under the direction of Lt. Gen. David Petraeus and Lt. Gen. James Mattis, emphasizes that if you skimp on resources, endurance and meeting the population's security requirements, you lose. Yet for the past five years, the Pashtun provinces have been plagued by a lack of troops and resources. James Dobbins, President George W. Bush's former special envoy to Afghanistan, blames the White House, which he said had a predisposition against nation-building and international peacekeeping. The Bush administration rejected Afghan and State Department appeals to deploy a peacekeeping force in the provinces, dismissed European offers of troops and had already begun shifting military resources to Iraq, Dobbins told me, while U.S. troops in Afghanistan were to be limited to counterterrorism.

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"In manpower and money," he added, "this was the least resourced American nation-building effort in our history." In Afghanistan, the White House spent 25 times less per capita than in Bosnia and deployed one-fiftieth the troops. Much of the money that was pledged didn't show up for years. "The main lesson of Afghanistan is low input, low output," Dobbins said. "If you commit low levels of military manpower and economic assistance, what you get are low levels of security and economic growth."

The draft counterinsurgency manual is thoughtful, full of details and warnings like these: losing moral legitimacy means losing the war; the more force is used, the less effective it is; provoking combat usually plays into the enemy's hands; and building a government through illegitimate actions like unlawful detention and torture is self-defeating, even against fighters who conceal themselves among noncombatants.

Yet while I was in the south, I saw how readily vicious practices are condoned. An Afghan security official who insisted that I not use his name but who was an aide to a prominent southern governor, told of an instance when they couldn't find a boy suspected of plotting an attack. "We sent out a command — arrest all his brothers, uncles, cousins, relatives, all of them," he said. "When we arrested the relatives, no one knew what that boy was doing. Still we beat them all until they would shout, 'Write that we killed 5 or 10 people, whatever you want, and I will say anything.' " In Zabul's provincial capital, Qalat, the police proudly showed me three "Taliban" they had just captured. One of them had been beaten so badly he could hardly walk, and his feet were oozing puss. His eyes were mere wrinkles in swollen tissue. An American intelligence officer looked slightly embarrassed when he walked into the police station.

With a corrupt justice system, young Afghan men on the receiving end of injustice have often felt their honor could only be restored through acts of revenge. One night, a doctor introduced me to a young farmer who asked me not to use his name. He had been shot by U.S. forces in a gunfight a year earlier. Seven metal clamps were holding his leg in place. Though deeply religious, he never liked the Taliban regime. His family was relieved when Mullah Omar and the "Afghan Arabs" who first came to fight the Soviets in the 1980's fled Kandahar. He believed that Karzai and the international community would help build the country. "But they didn't," he said in the dark little flat where we met. "They just came to arrest the people." His father was a tribal leader with pomegranate orchards, and relatives often appealed to him to get their family members out of Afghan and American prisons. He would urge the Americans not to be fooled by false reports naming "Taliban." The real Taliban had mostly fled to Pakistan.

About a year and a half ago, he told me, a mine exploded next to an American convoy. His father was sitting in a mosque when he was rounded up by coalition troops. Twenty days later, his father's body was dropped off at a hospital. "I couldn't control myself," the young man said, nearly knocking over the gas lamp with his awkward, pogo-stick leg. "I wanted to avenge. I knew where the Taliban operated, because they would come at night, and so I found the commander of a small group. He welcomed me warmly and told me: 'It is the time of jihad. You are a lion and a hero.' "

Colonel Sturek, a powerfully built, blue-eyed Maryland man so cleanshaven that he appeared bald, and Governor Arman, a heavily bearded engineer, made an unlikely team. They shared a meal of sheep, rice and melon four times a week to talk strategy. Sturek loved Arman's vision of a network of roads by 2008, linking up Zabul's remote districts, where they would build schools and markets. Zabul straddled the most dangerous stretch of highway in Afghanistan. After 3 each afternoon, Taliban blocked the roads, looking for foreigners, money, spies, satellite phones. Sometimes they would just burn up buses or trucks. They even set loose a donkey on the path to an American base, rigged with rockets, mortars and a detonation card.

Across Afghanistan's southern provinces, American and Afghan troops were responding to the Taliban resurgence with Operation Mountain Thrust. In Zabul, the focus was on Taliban fighters in the Day Chopan mountains. Sturek's goal was to disable the Taliban leadership, allow the Americans to find weapons caches, bring in aid and persuade people that they had no intention of interfering with their religion. As the full moon moved into place last May, enabling a predawn landing, Afghan and American soldiers with Charlie Company, Special Forces and U.S. doctors air-assaulted into the Day Chopan mountains, taking scattered gunfire, and descended on the tiny village of Hazarbuz. Special Forces soldiers with goggled sniffer dogs rounded up the men, numbered their hands with markers and interrogated them. Some were arrested and flown back to base camp. I followed Jeff Griffin and his squad, who were dispatched to the villagers' homes with a message: Governor Arman is coming here to find out what you need, and a medical team has come to treat sick people and animals. This was typical of the American balancing act in Afghanistan. The Village Medical Outreach unit consists of reservist doctors who bring chests full of hygiene kits and medicine to villages that have just been raided by fighting forces.

We climbed up a hill through apricot and almond orchards to reach the scattered homes. We found a woman in a red velvet dress, who had beaded necklaces and a pair of scissors dangling from her neck. She said that the men were all sleeping. Then she said that they had left when we came. Griffin told her about the doctors, but she seemed frightened and said that she didn't want medical attention. We wandered from house to house until a radio call came in from an observation unit. They had seen a boy wearing black, possibly an informant, running toward one of the houses.

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More climbing, more rocks, until we reached a wind-swept mountain top where an old crippled man emerged to hug Griffin, who hugged him back, uncomfortably — after all, he had come to search his house. He then ordered the boy in black to move to a clearing so the observation unit, on a nearby mountain, could see if he was the runner. The soldiers rummaged through the house, turning up small piles of paper and boxes that seemed suspect. It turned out that the boxes were full of snuff and the house was just a shop. As we were about to leave, the radio blared out to Griffin: Don't forget to tell them about the Village Medical Outreach.

As we rambled back down under the noonday sun, exhausted and thirsty, plucking apricots, almonds and mulberries off the trees, I remembered the Afghans I'd met complaining about Americans pillaging their harvest. It wasn't hard to see how a few apricots could transmute into theft or how speaking to a woman after you have rounded up all the men could transmute into "Americans are abusing our women." One afternoon, I had a car accident in Zabul. Within minutes, some 100 men pulled over and began heaving the wreck out of the ditch. As I crouched in the dirt wrapped in a tentlike Kuchi shawl, not a single man glanced my way. Rather, they asked my wounded translator if his wife was O.K. Someone must have sensed a foreigner, however, because 10 minutes after we left for the hospital, the Taliban showed up. They pummeled the driver, demanding to know what happened to the foreigner. He lied and saved his life. But that moment, when not one person glanced my way, offered a window into how seriously they abide by rules that are utterly alien to a 19-year-old American soldier. Sturek constantly struggled with pushing "cultural sensitivity" down the chain of command. It was nearly impossible.

On our long walk back down the mountain, two privates were trying to grapple with the contingencies of their lives, free will, U.S. history and America's intangible objectives. They were having an existential moment and craving a meal at Red Lobster. This valley in Zabul reminded one of them, Specialist Joshua Pete, of canyons where the U.S. Army once fought his Navajo ancestors. Pete thought he had had a calling, that his country needed him. But because of Afghanistan, he had lost both his scholarship to Dartmouth and his fiancée. He didn't believe in "this" anymore. Half the Afghans, he said, didn't even want "our billions to build this country." He wanted to be home fighting drug gangs in downtown L.A. or helping impoverished people in Flagstaff.

Back in the village of Hazarbuz, I found Governor Arman in his white robes, blazer and turban, sipping tea with Colonel Sturek. After one week, the governor said, once we were all gone, the Taliban would punish the people for sitting with Americans and the governor. Sturek agreed, but added that if the Americans didn't come, the people would have no idea there was an alternative.

Men and boys filtered down to meet the governor. They sat cross-legged, skeptical, nervous. Arman was an earthy man, and while kind ("Tell anyone who has run to the mountains to come talk, there'll be no trouble. I am your governor. Why am I here? To hear your problems."), he also let them have it.

"Look at your kids," he said, pointing to the boys. The men did, and he winced. "Look at their hands and feet, the infections on their skin, their bad education. Everyone looks sick. Don't they have the right to be educated?

"Are the Punjabi kids in this situation?" he then asked, referring to the children of the ruling ethnic group in Pakistan. "Why do people call it jihad here in Afghanistan? Why don't they fight this jihad in Quetta and Pakistan? We need to defend our country from the Punjabis."

He told them that this war was a Pakistani drama. The Pakistanis were sending Taliban to burn Afghan schools while their own children were being educated. If America leaves, he warned, you will all be slaves of Pakistan.

Over the three days we stayed, Arman's speeches grew harsher, and the men who visited him and Sturek grew more numerous and more attentive. The governor and the colonel could pick out the Taliban informants — like the young man with good sneakers whom everyone deferred to. Jin Kong radios, which work with solar power, batteries or a hand crank, were handed out by the U.S. military to the locals. The elders got bicycles; kids, school bags with pencils and other supplies.

Why did these Americans come here, the governor bellowed? Because the Taliban had not been nice with the people of this country. The Taliban beat the women, cut the heads off people, went to the north and made tribal enmity for Afghan people. How many Hazara, he asked, were killed in Shajoy (a district of Zabul)? Taliban had slaughtered hundreds of Hazara, an ethnic group descended from the Mongols and primarily Shiite. Arman repeated the accounts of Taliban cutting the throat of a little girl in front of her mother, then killing the mother, of the Taliban putting a gun in the mouth of a boy, who began to suck it and then they shot him. "Don't you have sons?" he asked. Some of the men averted their eyes, fidgeting in the dust.

On one occasion, Arman asked the men who had come if any among them could read and write. He held up a paper with the word God written on it. None of them could read. "If you can't read the name of God, you are blind," he said. Trying to raise their Pashtun pride, he pointed to one of the interpreters, a Hazara from the neighboring district of Jaghori. "What is your district like?" he asked the interpreter, who dutifully reported it had 72 schools, 32 of them high schools, and that all boys and girls were educated. They had electricity, radio stations, lawyers and engineers. "Why are we Pashtuns always fighting?" asked the governor. "You will all be laborers to the Jaghori people because you are illiterate and uneducated."

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Perhaps, but the men wanted to know when their relatives would be let out of U.S. prisons in Kandahar and Bagram. And then a rocket exploded, then another, then gunfire began to echo back and forth between the valley walls. I trekked up to where snipers were perched on a small slope in front of a boulder. On the radio, we could hear Shields, who had taken some men and gone to patrol a valley. He was amazingly calm. "We're under fire," he said. "We're in a riverbed on the side of a hill." In fact, they were pinned down in an irrigation ditch with bullets throwing up dust and rocks all around them. An A-10 Warthog screeched across the sky as a 500-pound bomb smacked the side of the mountain.

We could still hear Shields breathing as he walked up the mountain. And that oddly calm voice: "We're definitely putting ourselves at a disadvantage. Pretty much anywhere I'm standing they could take us out."

A donkey began braying as the full moon drifted up above the mountains. Capt. Craig Johnson told Lieutenant Shields to watch out because shadows would cast long with that moon.

The Taliban, judging from the radio communications we were monitoring, seemed to be wounded and out of ammunition. One of them invited another to prayer. The other demurred, saying he was worried that he would be spotted. "O.K., then pray there, and I'll pray here," the first man said. Later, when I met a Taliban commander in Pakistan, he told me that they knew the Americans listened to their radios, so that the five daily prayers were often used as code to signal anything from "I've run out of food" to "Ambush them."

The next afternoon, we flew by helicopter to Andar, a nearby village. I sat in the fields with a former teacher named Anwarjan. The governor had appointed him district chief for all of Day Chopan, but Anwarjan could barely travel. The entire province, he said, was Taliban. Still, he was busy with Shields getting hundreds of kids to school in the central town. He had convinced the parents that Pakistan wants their children to stay wild and uneducated. "I have 300 students now," he said. "They're changed. They are polite, greet people, treat their mothers well. One man can change a generation."

But his efforts, he said, were being undermined by the constant incursions of Taliiban from Pakistan. "The leader of Day Chopan, Mullah Kahar, lives in Quetta," in Pakistan, Anwarjan said. "All the heads are there. So why don't you do anything?"

U.S. intelligence knows the same thing. As Seth Jones, an analyst with Rand, told The New York Times earlier this year, Pakistani intelligence agents are advising the Taliban about coalition plans and tactical operations and provide housing, support and security for Taliban leaders. Sturek told me that the U.S. is well aware that the Taliban heads are in Quetta. On one side, he said, most U.S. policy makers argue that the Pakistanis are our friends. On the other side are those, including some in the military, who say, "Let's just drive into Quetta."

I often received updates from Charlie Company soldiers after leaving Afghanistan. One of their platoon was killed heading up to an observation post in Day Chopan. After they pulled out of Day Chopan, one of the soldiers told me, they heard that things weren't going so well and that the Taliban were using the fact that the Romanians had taken over to claim the Russians were back. And another soldier wrote: "Our platoon got sent to a National Guard unit to help them out. They've lost like six people in the last week, but none of them were from our platoon.We were in Kandahar for a little while to get resupplied, and you're notkidding about the Canadians going down.We kept having to go to the big ceremonies for their bodies to get loaded on the plane.It seemed like they were getting messed up pretty bad. I definitely don't get the whole 'success story' thing."

With Army Stretched Thin, Could The U.S. Respond To A New Crisis? (HC)

By Michael Hedges

Houston Chronicle, October 29, 2006

Retired general says deployments put America in 'strategic peril'

FORT HOOD — At this sprawling base on the Central Texas plains, a few hundred soldiers of the 17,000-member 1st Cavalry Division made tearful goodbyes to family members before making another trip to Iraq this month.

On the other side of Fort Hood, soldiers of the 4th Infantry Division trickled back from Iraq at the end of a bloody, yearlong deployment that left scores of their buddies dead and hundreds more wounded.

The quick pace of comings and goings is evidence of an Army strained to the breaking point, with little in reserve if the United States is forced to respond to a new crisis, according to military analysts.

"One third of our combat units are in Iraq and Afghanistan, and they are the best troops we've ever fielded, but essentially every other brigade is not ready to fight," said retired Maj. Gen. Barry McCaffrey, who makes frequent trips to Iraq as a military consultant.

"America is in a period of strategic peril," he added. "What happens if we have to confront North Korea or Iran?"

Paul Rieckhoff, a former Army captain in Iraq who heads Iraq and Afghanistan Veterans of America, said his organization has gathered extensive evidence that has convinced him the Army is nearing a crisis.

"The rate of deployment is absolutely not sustainable," he said. "We are mortgaging the future of the Army. If this goes on much longer, we are going to get a post-Vietnam-type hangover in the military."

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After Vietnam, the Army was called the "hollow force," afflicted with inadequate troop levels, training and equipment, leading to most of its units being rated unfit for combat, military analyst James Jay Carafano of the Heritage Foundation said.

Some military leaders in Washington as well as in Fort Hood, however, said the Army is adapting to pressure on staffing and other aspects of its operation and that the military would be able to muster an appropriate response to another trouble spot in the world.

The U.S. Army, with a total active force of a half-million, supplies the overwhelming majority of the more than 150,000 service personnel in Iraq and Afghanistan. This month, Army Chief of Staff Gen. Peter Schoomaker indicated the number probably will remain the same through 2010.

"The problem is simple: Our military is designed to win wars quickly, not occupy foreign countries for extended periods," said Carafano.

Military on the defenseGen. Peter Pace, the head of the Joint Chiefs of Staff, conceded last week that the Army and Marines were being forced to deploy more often than the ideal of two years home for every year in a combat zone.

"We are using the force faster than we would like to," he said. "That does not mean that they're not available to go to the next fight."

Pace said troops in combat had all the equipment needed, and units not deployed to Iraq or Afghanistan do not.

"It is true that our units that are here at home are not fully equipped as they would be if there wasn't a war going on," he said. "But none of our potential enemies should miscalculate the capacity of this nation to generate overwhelming combat power tomorrow to defend our national interests."

The repeated deployments to combat zones are causing some senior non-commissioned officers, who are considered the backbone of the Army, to reassess their careers. "We were willing to go to war to defend the country. But when we got in the Army, the idea wasn't to be deployed overseas every other year indefinitely," said Perry Jeffries, 45, of Killeen , a former Army first sergeant who got out after a deployment to Iraq.

Pressures on familiesCol. Larry Phelps, a 28-year veteran, said soldiers entering today's Army understand what is being asked of them. Most embrace it, he said.

"This isn't the Cold War Army anymore," he said. Phelps said the Army today is actually in better shape than it was in the decade after the Vietnam War when he joined.

"I joined the Army in 1978. That was a broken Army," he said. "It was twice the size of the Army we have today, but it was not capable of doing the things we can do today."

Still, the veterans association's Rieckhoff said his group has gathered substantial anecdotal evidence of the strain on soldiers and their families.

"What we are hearing over and over again from senior sergeants and junior officers is that the toll on families is terrible," Rieckhoff said. "Our people don't like to whine in public, but to us they talk about divorces, alcohol abuse, depression."

The anecdotal testimony of strain on families is backed by figures compiled by the Pentagon. Divorce rates among the roughly 55,000 married Army officers tripled to 6 percent between 2002 and 2004. Though the numbers are relatively small, suicides are rising in the Army: In 2005, 83 soldiers committed suicide, compared with 67 in 2004 and 60 in 2003.

Senior officers of the 1st Cavalry Division at Fort Hood strenuously object to any suggestion that their unit is overtaxed by the war.

"At the pace we are on right now, this is a sustainable force," said Brig. Gen. Vincent Brooks, one of two deputy commanders of the division. "I don't think we are at the point of erosion."

Phelps said the Army is more responsive to the pressures on families with the high rate of deployments. He is assigned to stay at Fort Hood while the division deploys to Iraq and work on issues that arise with families of the force's 17,000 troops.

Juggling two battlesBut ample evidence shows that the Army is scrambling to cope with the demands of Iraq and Afghanistan:

·The Army has forced about 75,000 soldiers since 2003 to continue serving after their enlistments ended, a policy called "stop loss." That has applied mostly to units slated to deploy to Iraq and Afghanistan. Now, 11,000 soldiers are serving beyond the term of their enlistments. Of course, the military has extensively tapped Reserve and National Guard units to augment military operations in Iraq and Afghanistan.

·The Army, to keep hitting enlistment targets, has increased financial incentives, added many more recruiters, raised the age of eligible enlistees (from 35 to 40 in January, then to 42 in June) and taken more enlistees who were considered marginal before because of past legal problems.

·The Pentagon has increasingly relied on contractors in Iraq, with more than 35,000 working there now, mainly in food services, transportation and construction. Some Navy and Air Force personnel also are being pressed into jobs such as driving trucks into Iraq that usually would have been assigned to ground forces.

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Military experts said the stressful deployment rate is a result of an Army cut too deep, too fast since the end of the Cold War.

About 504,000 soldiers were in the active-duty Army last week, according to the Pentagon. That compares with nearly 800,000 during peacetime 20 years ago. Since then, the Army was reduced from 18 divisions to 12, then 10.

"We have the smallest army America has fielded since 1939, when the pre-World War II buildup began," McCaffrey said.

After the collapse of the Soviet Union, the consensus in Washington was that the military could be reduced to reap a "peace dividend."

Military planners believed that high-tech weaponry rather than "boots on the ground" was critical, leading to further cuts. Defense Secretary Donald Rumsfeld came into office in 2001 with a commitment to continuing the transformation.

Spanning the globeOf those half-million soldiers, roughly two-thirds are in support roles and can't simply be rotated in and out of Iraq. Tens of thousands are needed in other overseas posts, from Korea to Djibouti to Bosnia. Thousands of others, including recruiters and trainers, are permanently based in the United States.

The assignment of fighting street-by-street battles with insurgents in Iraq has fallen mainly on the Army, and the much smaller but also greatly stressed U.S. Marine Corps, more than the Navy or Air Force, which have been solely in supportive roles since the fall of Baghdad.

Experts said there are no easy solutions to the strains. The Pentagon, beginning in 2004, has reconfigured the existing pool of troops into brigade combat teams of about 4,000 soldiers as a way to get more soldiers into the deployment rotations for Iraq. There are 36 such teams available to deploy. The Army is aiming to increase that to 43 within a couple of years.

Even if the Army added 80,000 soldiers, as Congress proposes to do, it would take years before more brigades would be ready for combat, at a cost of billions of dollars.

But in the long term, analysts said, the United States has to make a significant financial commitment to maintain a military capable of protecting the country and intervening abroad when necessary.

At the height of the Vietnam War, American taxpayers spent 9.4 percent of the gross domestic product on the military. Twenty years ago, during peacetime, 6.2 percent of the GDP was channeled to the Pentagon. That had fallen to 3 percent by 2001. It is now back up to about 4 percent, or roughly $400 billion annually.

"We need to spend about 4 percent of the GDP on the military for the next decade to fix it," Carafano said. "That should be something America can do."

‘Antiwar’ And Other Fighting Words (NYT)

By David D. Kirkpatrick

The New York Times, October 29, 2006

WASHINGTON

DEMOCRATS have spent three decades trying to exorcise the ghost of Senator George S. McGovern, whose losing 1972 presidential campaign calling for a withdrawal from Vietnam crystallized his party’s image as soft on national defense.

But surveying the midterm elections last week, Mr. McGovern, 84, said he sees an opportunity for an antiwar campaign in the 2008 presidential race.

“I would love to be running again if I were 25 years younger,” he said in an interview from his Montana home. “I think I would win.”

On the eve of the midterms, dismay over the Iraq war has propelled the Democrats to a political status they have not enjoyed since before Mr. McGovern: for the first time in decades, polls show that the public trusts Democrats as much as Republicans to handle foreign affairs.

But as they look ahead, Democrats are torn between two visions of their history. Some potential candidates in the 2008 Democratic primary and many liberal activists argue that the Republican responsibility for the Iraq war has, in effect, freed the Democrats from Mr. McGovern’s legacy. They say the 2006 elections will provide a mandate for a new antiwar argument: that troops can be pulled from Iraq in order to shore up American security elsewhere in the world.

Other strategists and political scientists argue that the Iraq war has given the Democrats a different opportunity to lay to rest their McGovernite image, in part by rejecting calls for a quick withdrawal in Iraq.

“All voters are doing is giving Democrats a chance, and we better not blow it,” said Gary Hart, the former senator and presidential candidate.

A younger McGovern could probably win the Democratic primary, Mr. Hart said, but he would still lose the general election. “Just running on a platform of ‘get us out of Iraq’ is not going to solve the Democrats’ problem on the issue of national security,” he said.

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After Vietnam, there was a brief time when both parties seemed to compete to be seen as the party of restraint: the moment in the 1976 presidential race when Senator Bob Dole, the Republican nominee for vice president, charged that the "Democrat wars" of the 20th century had killed or wounded "1.6 million Americans, enough to fill the city of Detroit."

But the Iranian hostage crisis three years later put an end to that short peace fad. And ever since President Ronald Reagan's campaign for a military buildup, Democrats have suffered from a reputation as the party that was less sure to keep America safe. Their only presidential victories were in the years of relative peace between the end of the cold war and the terrorist attacks of Sept. 11.

During the midterm campaigns, Democrats have risen in the polls merely by attacking President Bush's conduct of the war. They have not spelled out or agreed on a clear alternative of their own.

That luxury, however, is coming to an end. On Nov. 8, the day after the election, attention will shift toward the 2008 presidential race. How to handle Iraq could be the defining issue of the Democratic primary, and criticizing President Bush may not count for much in the general election since the Republican nominee may also be a vocal critic of his administration's handling of the war.

Pleasing the party's "bring 'em home" base while burnishing its security credentials may not be easy. A USA Today poll released Friday showed that more than 80 percent of the public expects Democrats to set a timetable for a withdrawal from Iraq if they take control of Congress. But so far none of Democratic Congressional leaders has called for a fixed deadline.

And although all the potential primary candidates — and President Bush for that matter — say they want the troops home as soon as possible, on the question of a timetable, their views could hardly be more disparate.

Senator Hillary Rodham Clinton, the most prominent candidate, has rejected any timetable for withdrawal. Senator John Kerry, the 2004 nominee, and Senator Russell Feingold of Wisconsin have already called for a fixed deadline.

Many Democrats, Mr. Feingold argued, have made a "serious mistake" by getting caught up in the party's Vietnam history. Fearing Mr. McGovern's fate, they are stuck in what he called "the Iraq trap."

"They think if somebody calls for a timetable to get out of Iraq they will be labeled as 'cut and run,' " Mr. Feingold said. Democratic gains in the 2006 elections, he said, will show that the public accepts the broader argument for a pullout from Iraq in order to fight terrorism more effectively elsewhere in the world.

Kevin Mattson, a liberal historian at Ohio University, argued that the comparisons to the McGovern campaign were misleading and "goofy."

For one thing, unlike critics of the Iraq war, neither Mr. McGovern nor any other prominent Democrat opposed the Vietnam War because it was an impediment to the fight against Communism — an argument that would have been hard to make at that advanced stage of the cold war. Advisers to Vice President Hubert Humphrey urged him to make such a case in 1968 but he refused, Mr. Mattson said.

Others, however, argued that letting their victories this year eclipse the McGovern experience may be the biggest risk that Democrats face in 2008. "My concern is that some Democrats will learn the wrong lessons from our victory," Senator Joe Biden of Delaware said.

Noting the number of conservative Democratic challengers this fall, he said that voters are seeking "a bipartisan consensus" about how to leave more than chaos and instability in Iraq. "A pullout is not a plan," Mr. Biden said, "it is a reaction." What sealed the Democrats' image after Vietnam, historians say, was not just Mr. McGovern's campaign but also their reaction as public opinion turned on the war. After 1968, Democrats in Congress began pressing to curtail the war or cut off its financing. And their efforts reached a peak after the post-Watergate midterm election of 1974, when many Democrats interpreted their landslide gains as a mandate to cut back on national defense.

No one is making similar proposals today. But James M. Lindsay, a director of the Robert S. Strauss for International Security and Law at the University of Texas in Austin and a former national security official in the Clinton administration, said big wins in 2006 may well embolden antiwar Democrats in 2008, while pulling "centrists" like Mrs. Clinton closer to withdrawal.

"But there are going to be a lot of Democratic strategists whispering in their ears that 'you don't want to go there' because it is bad politics, and it is bad policy to boot," he said. "The problem is you also have to win the general election. You don't need to appeal to people who have made up their mind and had a bumper sticker on the back of their car for the last four years."

Mr. McGovern, for his part, said the debate reminded him of the way Republicans used to accuse Democrats of being weak on Communism, even though containment was a Democratic idea. "I sure hope we are not going to have 50 years of being weak on terrorism in the eyes of Republicans," he said.

Are We The Mongols Of The Information Age? (LAT)

Max Boot

The Los Angeles Times, October 29, 2006

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The future of U.S. power rests in its Industrial Age military adapting to decentralized adversaries.

GREAT POWERS cease to be great for many reasons. In addition to the causes frequently debated — economics, culture, disease, geography — there is an overarching trend. Over the last 500 years, the fate of nations has been increasingly tied to their success, or lack thereof, in harnessing revolutions in military affairs.

These are periods of momentous change when new technologies combine with new doctrines and new forms of organization to transform not only the face of battle but also the nature of the state and of the international system. Because we are in the middle of the fourth major revolution since 1500 — the Information Revolution — it is important to grasp the nature and consequences of these upheavals.

Until the 15th century, the mightiest military forces belonged to the Mongols. But strong as they were in the days of bows and arrows, the Mongols could not keep pace with the spread of gunpowder weapons and the rise of centralized governments that used them. They fell behind, and Europe surged to the forefront. In 1450, Europeans controlled just 15% of the world's surface. By 1914 — following not only the Gunpowder Revolution but also the first Industrial Revolution — their domain had swollen to an astounding 84% of the globe.

Not all European states were equal, of course. Some early leaders in gunpowder technology — for instance, Spain and Portugal — were also-rans when industrialization began in the 18th century. At least Spain and Portugal managed to maintain their independence. Numerous others — from Poland to the Italian city-states — were not so lucky. They endured prolonged occupation by foreigners more skilled than they were at new forms of warfare.

The big winners of the Gunpowder Revolution (from roughly 1500 to 1700) were the northern European states, from Britain to Russia. But the Romanovs, Habsburgs and Ottomans did not survive the cataclysmic conflict of the first Industrial Age — World War I — and their empires collapsed, even as Germany and Japan were catapulting themselves into the upper rank of nation-states largely through their growing military expertise. World War II — the major conflict of the second Industrial Revolution, defined by the internal combustion engine, airplane and radio — further shook up the international balance of power.

The conventional assumption is that the outcome of World War II was virtually foreordained: The Allies won because they were bigger and richer than the Axis. There is some truth to this. But by 1942, Germany, Italy and Japan controlled most of the natural resources of East Asia and Europe. This would have allowed them to match the Allies if they had been more adept at marshaling their military and economic power. The Soviet Union and the United States — the biggest beneficiaries of the second Industrial Revolution — did a better job not just in managing wartime production. They also grabbed the lead in the use of such key weapons as the tank (the Soviet Union) and the long-range bomber and aircraft carrier (the U.S.). There are many reasons why once-dominant powers such as France and Britain had become second-tier ones by 1945, but central among them was their failure to exploit advances in weaponry during the inter-war years.

The Information Revolution of the late 20th century upset the seemingly stable postwar order. The Soviet Union had no Silicon Valley and could not compete with the United States in incorporating the computer into its economic or military spheres. U.S. prowess at waging war in the Information Age was showcased in the 1991 Persian Gulf War, which, along with the collapse of the Soviet empire, left the United States standing alone as a global hegemon.

But if history teaches any lesson, it is that no military lead is ever safe. Challengers will always find a way to copy or buy the best weapons systems or develop tactics that will offset their effect. Our most formidable enemies, Al Qaeda and its ilk, have done both. They are using relatively simple information technology — the Internet, satellite television, cellphones — to organize a global insurgency. By using such weapons as hijacked airliners and bombs detonated by garage-door openers, they are finding cracks in our defenses.

We have an insurmountable advantage in high-end military hardware. No other state is building nuclear-powered aircraft carriers, stealth fighters or unmanned aerial vehicles. In fact, we spend more on the development and testing of new weapons — $71 billion this year — than any other country spends on its entire defense. But all that spending produces weapons systems that aren't much good for pacifying Baghdad or Kandahar.

Technology isn't irrelevant to the global war on terror. We can use powerful surveillance systems to break up terrorist plots. And "smart bombs" can be invaluable for dealing with the perpetrators. But our enemies can stymie multibillion-dollar spy platforms by using couriers instead of satellite phones, which helps explain why Osama bin Laden remains on the loose.

New revolutions in military affairs, possibly centered on biotechnology and cyber-war, promise to give smaller states or sub-state actors more destructive capacity. Imagine the havoc that could be caused by a genetically engineered contagion combining the worst properties of, say, smallpox and the Ebola virus. Or imagine how much damage our enemies could inflict by using computer viruses — or directed-energy weapons — to immobilize critical bits of our civilian or military computer networks. In theory, it's possible to crash stock markets, send airliners plowing into the ground and blind our most advanced weapons systems.

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The most threatening weapon of all harks back to an earlier military revolution. Nuclear bombs haven't been used since 1945, but given their proliferation around the world, it will only be a matter of time. Our scientific sophistication gives us a reasonable chance of shooting down a nuclear-tipped missile, but a nuclear suitcase smuggled into the U.S. would be much harder to detect.

To stop such stealthy threats, we need to get much better at human intelligence, counterinsurgency, information operations and related disciplines. We need more speakers of Arabic and Pashto, more experts who understand tribal relations in Iraq's Anbar province and Pakistan's Northwest Frontier province, more diplomats who can win over audiences on Al Jazeera. And we need to set them loose without having to worry about a burdensome bureaucracy micromanaging their every move.

It may sound melodramatic, but the future of U.S. power rests on our ability to remake a government still structured for Industrial Age warfare to do battle with decentralized adversaries in the Information Age. After all, aren't we the mightiest, richest nation in history? How could our hegemony possibly be endangered? That's what previous superpowers thought too. But their dominance lasted only until they missed a revolutionary turn in military technology and tactics.

CORPORATE SCANDALS:

Businesses Seek Protection On Legal Front (NYT)

By Stephen Labaton

The New York Times, October 29, 2006

WASHINGTON, Oct. 28 — Frustrated with laws and regulations that have made companies and accounting firms more open to lawsuits from investors and the government, corporate America — with the encouragement of the Bush administration — is preparing to fight back.

Now that corruption cases like Enron and WorldCom are falling out of the news, two influential industry groups with close ties to administration officials are hoping to swing the regulatory pendulum in the opposite direction. The groups are drafting proposals to provide broad new protections to corporations and accounting firms from criminal cases brought by federal and state prosecutors as well as a stronger shield against civil lawsuits from investors.

Although the details are still being worked out, the groups' proposals aim to limit the liability of accounting firms for the work they do on behalf of clients, to force prosecutors to target individual wrongdoers rather than entire companies, and to scale back shareholder lawsuits.

The groups hope to reduce what they see as some burdens imposed by the Sarbanes-Oxley Act, landmark post-Enron legislation adopted in 2002. The law, which placed significant new auditing and governance requirements on companies, gave broad discretion for interpretation to the Securities and Exchange Commission. The groups are also interested in rolling back rules and policies that have been on the books for decades.

To alleviate concerns that the new Congress may not adopt the proposals — regardless of which party holds power in the legislative branch next year — many are being tailored so that they could be adopted through rulemaking by the S.E.C. and enforcement policy changes at the Justice Department.

The proposals will begin to be laid out in public shortly after Election Day, members of the groups said in recent interviews. One of the committees was formed by the United States Chamber of Commerce and until recently was headed by Robert K. Steel.

Mr. Steel was sworn in last Friday as the new Treasury undersecretary for domestic finance, and he is the senior official in the department who will be formulating the Treasury's views on the issues being studied by the two groups.

The second committee was formed by the Harvard Law professor Hal S. Scott, along with R. Glenn Hubbard, a former chairman of the Council of Economic Advisers for President Bush, and John L. Thornton, a former president of Goldman Sachs, where he worked with Treasury Secretary Henry M. Paulson Jr.

That group has colloquially become known around Washington as the Paulson Committee because the relatively new Treasury secretary issued an encouraging statement when it was formed last month. But administration officials said Friday that he was not playing a role in the group's deliberations.

Its members include Donald L. Evans, a former commerce secretary who remains a close friend of President Bush; Samuel A. DiPiazza Jr., chief executive of PricewaterhouseCoopers, the accounting giant; Robert R. Glauber, former chairman and chief executive of the National Association of Securities Dealers, the private group that oversees the securities industry; and the chief executives of DuPont, Office Depot and the CIT Group.

Jennifer Zuccarelli, a spokeswoman at the Treasury Department, said on Friday that no decision had been made about which recommendations would be supported by the administration.

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"While the department always wants to hear new ideas from academic and industry thought leaders, especially to encourage the strength of the U.S. capital markets, Treasury is not a member of these committees and is not collaborating on any findings," Ms. Zuccarelli said.

But another official and committee members noted that Mr. Paulson had recently pressed the groups in private discussions to complete their work so it could be rolled out quickly after the November elections.

Moreover, committee members say that they expect many of their recommendations will be used as part of an overall administration effort to limit what they see as overzealous state prosecutions by such figures as the New York State attorney general Elliot Spitzer and abusive class action lawsuits by investors. The groups will also attempt to lower what they see as the excessive costs associated with the Sarbanes-Oxley Act.

Their critics, however, see the effort as part of a plan to cater to the most well-heeled constituents of the administration and insulate politically connected companies from prosecution at the expense of investors.

One consideration in drafting the proposals has been the chain of events at Arthur Andersen, the accounting firm that was convicted in 2002 of obstruction of justice for shredding Enron-related documents; the conviction was overturned in 2005 by the Supreme Court. The proposals being drafted would aim to limit the liability of auditing firms and include a policy shift to make it harder for prosecutors to bring cases against individuals and companies.

Even though Arthur Andersen played a prominent role in various corporate scandals, some business and legal experts have criticized the decision by the Bush administration to bring a criminal case that had the effect of shutting the firm down.

The proposed policies would emphasize the prosecution of culpable individuals rather than corporations and auditing firms. That shift could prove difficult for prosecutors because it is often harder to find sufficient evidence to show that specific people at a company were the ones who knowingly violated a law.

One proposal would recommend that the Justice Department sharply curtail its policy of forcing companies under investigation to withhold paying the legal fees of executives suspected of violating the law. Another one would require some investor lawsuits to be handled by arbitration panels, which are traditionally friendlier to defendants.

In an interview last week with Bloomberg News, Mr. Paulson repeated his criticism of the Sarbanes-Oxley law. While it had done some good, he said, it had contributed to "an atmosphere that has made it more burdensome for companies to operate."

Mr. Paulson also repeated a line from his first speech, given at Columbia Business School last August, where he said, "Often the pendulum swings too far and we need to go through a period of readjustment."

Some experts see Mr. Paulson's complaint as a step backward.

"This is an escalation of the culture war against regulation," said James D. Cox, a securities and corporate law professor at Duke Law School. He said many of the proposals, if adopted, "would be a dark day for investors."

Professor Cox, who has studied 600 class action lawsuits over the last decade, said it was difficult to find "abusive or malicious" cases, particularly in light of new laws and court decisions that had made it more difficult to file such suits.

The number of securities class action lawsuits has dropped substantially in each of the last two years, he noted, arguing that the impact of the proposals from the business groups would be that "very few people would be prosecuted."

People involved in the committees said that the timing of the proposals was being dictated by the political calendar: closely following Election Day and as far away as possible from the 2008 elections.

Mr. Hubbard, who is now dean of Columbia Business School, said the committee he helps lead would focus on the lack of proper economic foundation for a number of regulations. Most changes will be proposed through regulation, he said, because "the current political environment is simply not ripe for legislation."

But the politics of changing the rules do not break cleanly along party lines. While some prominent Democrats would surely attack the pro-business efforts, there are others who in the past have been sympathetic.

People involved in the committees' work said that their objective was to improve the attractiveness of American capital-raising markets by scaling back rules whose costs outweigh their benefits.

"We think the legal liability issues are the most serious ones," said Professor Scott, the director of the committee singled out by Mr. Paulson. "Companies don't want to use our markets because of what they see as the substantial, and in their view excessive, liability."

Committee officials disputed the notion that they were simply catering to powerful business interests seeking to benefit from loosening regulations that could wind up hurting investors.

"It's unfortunate to the extent that this has been politicized," said Robert E. Litan, a former Justice Department official and senior fellow at the Brookings Institution who is overseeing the committee's legal liability subgroup. "The objectives are clearly not to gut such reforms as Sarbanes-Oxley. I'm for cost-effective regulation."

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The main Sarbanes-Oxley provision that both committees are focusing on is a part that is commonly called Section 404, which requires audits of companies' internal financial controls. Some business experts praise this section as having made companies more transparent and better managed, but many smaller companies call the section too costly and unnecessary.

Members of the two committees said that they had reached a consensus that Section 404, along with greater threat of investor lawsuits and government prosecutions, had discouraged foreign companies from issuing new stock on exchanges in the United States in recent months.

The committee members said that an increase in stock offerings abroad was evidence that the American liability system and tougher auditing standards were taking a toll on the competitiveness of American markets. But others see different reasons for the trend and few links to liability and accounting rules.

Bill Daley, a former commerce secretary in the Clinton administration who is the co-chairman of the Chamber of Commerce group, expects proposed changes to liability standards for accounting firms and corporations to draw the most flak. But he said that the changes affecting accounting firms are of paramount importance to prevent the further decline in competition. Only four major firms were left after Andersen's collapse.

Another contentious issue concerns a proposal to eliminate the use of a broadly written and long-established anti-fraud rule, known as Rule 10b-5, that allows shareholders to sue companies for fraud. The change could be accomplished by a vote of the S.E.C.

John C. Coffee, a professor of securities law at Columbia Law School and an adviser to the Paulson Committee, said that he had recommended that the S.E.C. adopt the exception to Rule 10b-5 so that only the commission could bring such lawsuits against corporations.

But other securities law experts warned that such a move would extinguish a fundamental check on corporate malfeasance.

"It would be a shocking turning back to say only the commission can bring fraud cases," said Harvey J. Goldschmid, a former S.E.C. commissioner and law professor at Columbia University. "Private enforcement is a necessary supplement to the work that the S.E.C. does. It is also a safety valve against the potential capture of the agency by industry."

CRIMINAL LAW:

Ehrlich Bristles At Probe Questions (BSUN)

By Andrew A. Green, Sun Reporter

The Baltimore Sun, October 29, 2006

Aide subpoenaed by U.S. attorney over slots in 2004

Ehrlich angered by probe questions

Gov. Robert L. Ehrlich Jr. acknowledged yesterday that a top aide received subpoenas from federal prosecutors investigating in 2004 what published reports said was the influence of slot-machine gambling interests in Annapolis, an admission that led to a demand by his Democratic opponent that the administration release full details of the probe.

The legal requests came from the office of then-U.S. Attorney Thomas M. DiBiagio, who had been recommended for the post by Ehrlich.

The subpoenas were issued to Paul E. Schurick, the governor's communications director and one of the key figures in Ehrlich's attempts to legalize slot machines, and were first reported this month by The Washington Post. Schurick received the requests on June 2 and June 16 in 2004 as part of a probe into gambling, the paper said, adding that the governor's press office - still run by Schurick - would not comment on them.

Responding to a question from a caller on Stateline with Governor Ehrlich on WBAL radio yesterday, the governor for the first time spoke publicly about the inquiry.

"Paul cooperated, produced everything that they wanted and nothing came of it," said Ehrlich, responding to the caller.

Later in the day, when asked for more details about what his office had provided to investigators, Ehrlich said, "How would I know?" and added that the line of questioning was prompted by a Democratic Party memo distributed last week. It could not be learned whether federal prosecutors were targeting specific individuals in their investigation.

Democratic Party spokesman David Paulson denied that any "memo or e-mail on this sordid episode" was distributed.

A spokesman for Baltimore Mayor Martin O'Malley, the Democratic nominee for governor, said Ehrlich's acknowledgement that his communications chief received a subpoena is further evidence that the governor did nothing to eliminate the "culture of corruption" he campaigned against four years ago.

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"There are all these criminal investigations, and they just cover them up," said O'Malley spokesman Steve Kearney. "There's this one that they hid for two years. There's the federal investigation of governor's deputy chief of staff [Edward B. Miller, who created a compay that lobbyist Jack Abramoff said he used to launder money]. ... There's the federal investigation into the governor's top fundraiser [Richard E. Hug] setting up secret nonprofits. ... Taxpayers deserve answers - and they deserve better."

There is no indication that Miller and Hug are the subject of current investigations, although Miller's company received a subpoena in the Abramoff probe, and Hug's slots-related fundraising activities were examined by federal investigators.

Ehrlich has supported a slots bill in each of his four years, but the House of Delegates killed it every time. With millions of dollars of profits at stake, the gambling and horse racing industries have spent heavily in Annapolis - making $700,000 in campaign donations in the five years prior to 2004, according to a Common Cause study, and spending up to $600,000 yearly on lobbyists.

A month before DiBiagio subpoenaed Schurick, he wrote a memo to his staff pressuring them to aggressively pursue public corruption cases. The meeting agenda, obtained by The Sun, said DiBiagio wanted "three 'front-page' indictments" by that November to cement his office's status as a premier investigative agency.

About a month after Schurick was contacted, DiBiagio's powers to investigate public corruption were severely curtailed by a new directive from his bosses who said that officials with the Bush administration Justice Department in Washington had to approve any such investigations.

The caller to WBAL who raised the issue - who identified himself only as "Leo" - questioned the timing and asked Ehrlich if anyone in the governor's administration or on the governor's behalf intervened to quash the investigation, a suggestion that drew Ehrlich's anger.

"The timing of it was very coincidental, because as you know, Mr. Schurick was subpoenaed in June of 2004, and then it was about four weeks after that the Department of Justice, which is of course run by Republicans, stripped him of his authority to pursue public corruption investigations," the caller said.

Ehrlich said: "Are you suggesting through that statement that something nefarious happened? When the guy prosecuted my superintendent of Maryland state police?" referring to Edward T. Norris, who pleaded guilty to misusing a police account for personal gain while city police commissioner.

"I think that your call is really inappropriate. I think it's partisan. I think that you are trying to damage the reputation of somebody who has worked for Democrats most of their life," Ehrlich said. Schurick was once chief of staff to then-Gov. William Donald Schaefer.

"I think the timing of your call is ridiculous. Nothing came of it. Everybody knows it. Can you imagine, if something would have been there, the Baltimore Sun not jumping on that. So my answer to you is 'Give me a break.' And the election is in 11 days," Ehrlich said.

Neither Schurick nor DiBiagio returned phone messages seeking comment yesterday.

In an opinion piece published in The Sun a little more than a year after announcing his resignation in December 2004, DiBiagio wrote that he had been under "constant pressure to aim low and look the other way from potentially corrupt officials. The pressure finally culminated in a threat that I would be 'hurt' if I continued."

Ehrlich's relationship with DiBiagio soured as the U.S. attorney pursued public corruption instead of gun crimes. The governor said yesterday that he had virtually no contact with DiBiagio after his appointment.

DiBiagio's apparent investigation into the influence of slots backers wasn't limited to the Ehrlich administration. In 2003, Senate President Thomas V. Mike Miller, a Democrat, was also under investigation for slots-related donations to a national state legislative political committee he led. The investigation was ultimately dropped.

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Sun reporter Kelly Brewington contributed to this article.

Katrina Crime: Perceived Or Real? (SAEN)

By Todd Bensman, Express-News Staff

San Antonio Express-News, October 29, 2006

Just days after the first of about 30,000 Louisiana hurricane evacuees began arriving in San Antonio, Mayor Phil Hardberger was asked a simple question he laughingly brushed off. What might be the impact of the influx on city crime rates and services?

It was Sept. 7, 2005, and the mayor was riding high on national praise for a CNN appearance during which he had projected an image of his city as unflinchingly philanthropic. People displaced by Katrina still were flooding in.

"That's like if my house is on fire and I'm looking to you for a bucket of water, and you ask what the new house will look like," he said with a laugh. "Everybody's been worried about crime, and the impact on social services. But so far, it is just worry; it hasn't been factual."

More than a year later, the issue remains unaddressed, conspicuously so in light of a 55 percent spike in murders the first eight months of this year, increasing violent crime rates in San Antonio, a stretched police force and widespread media reports linking some evacuees in Houston to similar crime trends there.

So: Did the sudden arrival of about 30,000 evacuees, a group equal to Del Rio in population, cause additional crime? The question, loaded with the kind of politically sensitive racial implications that can discomfit some politicians, is much more than academic. Millions of dollars could be at stake.

In choosing not to ask, San Antonio's political leadership potentially turned its back on federal money that Houston has gained by citing an evacuee link to a increasing murder rate and other violent crime.

It also invites speculation and perceptions not necessarily grounded in fact.

City leaders, such as Hardberger, several council members and top police officials, assert the evacuees have had no effect on crime. Those who interact most closely with some of the city's highest concentrations of evacuees, including beat cops, business owners and the evacuees themselves, say the opposite is true.

The San Antonio Express-News spent four months trying to determine whether a link exists between evacuees and crime in San Antonio. Among the highlights were an extensive analysis of crime data and interviews with dozens of street-level officers, community leaders, business owners, residents and evacuees throughout the city:

Steeply declining rates of violent crime and property crime during the first eight months of 2005 suddenly reversed after they arrived, although there is no proof evacuees caused it. Houston, however, has successfully cited a similar coincidence of suddenly rising crime to argue for more federal money.

Crime hot spots developed after evacuees arrived in and around some of the 170 apartment complexes where they resettled. For example, one 10-mile stretch of W.W. White Road contributed 20 percent of a citywide spike in armed robberies last fall. In contrast, at least one complex had lower crime after relatively large numbers of evacuees moved in, based on several measures of crime.

Of the 55 percent spike in San Antonio's murders this year, three suspects and two victims were found to be evacuees. Several other cases have suspected links, but dozens of cases could neither be included nor excluded as related to evacuees. Unlike Houston, the San Antonio Police Department homicide unit never has been asked to methodically look for such a connection that could be cited in a request for federal funds.

Violence and criminal activity involving evacuees occurred as the result of interaction between San Antonio residents and the new arrivals, often over drugs.

A coincidence of crime

The Louisiana evacuees found much more than a welcoming refuge when they showed up in need at San Antonio's doorstep last summer. Compared with their crime-ridden neighborhoods back home, evacuees found relative peace and security here. Most came from the same few districts responsible for making New Orleans notorious as the nation's most lethally violent city.

But San Antonio had been enjoying eight months of double-digit downturns in serious crime, such as murder, robbery and rape and sexual assaults, when the newcomers began settling into local shelters and hotels on Sept. 2, 2005.

Then the trend, for reasons unknown, reversed significantly in certain categories of crime. By Christmas 2005, San Antonio was beset by double-digit rises in the kind of crime that residents in any city especially fear and loathe.

Compared with the September-to-December period a year earlier, armed robberies of businesses were up 42 percent, and of people up 18 percent. Vehicle theft was up 18 percent, and weapons violations 33 percent, to name a few.

The number of residents' calls for police ballooned and is now on track to set a record by breaking the 1 million mark this year, with an average 8,500 more calls for police per month from September 2005 through July 30 than the same period a year earlier. The swell began just after evacuees arrived, taxing street cops and stretching response times.

The Houston metropolitan area, which received five times as many evacuees but is three times the size of the San Antonio area, experienced a similar coincidence of higher crime after evacuees arrived on a comparative scale.

Neither Houston nor the Express-News was able to examine the only unassailable evidence that would link imported criminal elements to higher crime: last known addresses for either suspects or victims. Many crimes remain unsolved with no suspects to identify.

The absence of suspect arrests and publicly available information that would prove an evacuee link to specific crimes has left some crime victims to draw their own conclusions.

Ed Theo Flores, owner of the family-run Theo's Brake and Tire Service near downtown for 40 years, had experienced only one crime in the business' history, and that was two decades ago. In a few weeks after more than 50 evacuee families moved into the hotel next door to his shop, Flores reported three cars stolen off his lot and a break-in that cost him hundreds of dollars in tools. No arrests were made.

"I'm not blaming anything on the Katrina people," Flores said, choosing his words carefully. "I'm just saying the coincidence is right there."

The hotel did have problems with the evacuees. It was forced to evict a third of the guests for drugs and prostitution, said Janice Maragakis, spokeswoman for hotel owner Accor North America. Police reports confirm an increase in arrests at the address.

More than half of the city's evacuee population now is gone, having begun trickling out of town when Federal Emergency Management Agency housing vouchers started running out last spring, officials report. The overall total crime rate citywide has tapered off.

Today, top police officials are quick to highlight that total crime doesn't look bad.

From September 2005 through July, total crime citywide was up only 2.3 percent and total violent crime came out about even.

"The big picture is that violent crime is down," Police Chief William McManus said.

But total citywide numbers touted by police officials don't tell what happened for many months in neighborhoods after evacuees settled in them.

The period from September 2005 through July shows that several crime categories remained in double-digit higher territory over the same period a year earlier. Those include drug crimes, up 14 percent; total aggravated robberies, up 27 percent; and vehicle theft, up 17 percent.

Open to debate

Houston's attempt to peg a statistical correlation of higher crime rates to the arrival of evacuees has brought in millions of dollars to help pay its police and fire bills. But that city's correlation — and the Express-News' attempt to replicate Houston's analysis — is open to debate.

Criminologist Dr. Peter Scharf, director of the University of New Orleans Center for Society, Law and Justice, said the newspaper's findings, as well as Houston's, of the apparent shifts in the crime trends are "highly probative," suggesting some degree of proof.

"I think you're on to something," Scharf said after examining the Express-News findings. "And the lack of curiosity in your town is really interesting."

Scharf is studying the migration of people from the nation's most criminally prolific districts in New Orleans to Texas and back. He said it helps no one to casually dismiss what to him is an obvious pattern in which violent crime has followed one of the most dangerous criminal underclasses in the country.

It is likely no coincidence, Scharf also said, that crime rates in New Orleans fell from the nation's highest to nearly zero when just those few flooded high-crime districts emptied into Texas. Now, New Orleans crime is approaching old highs — in new areas — as evacuees settle in them, Scharf said.

Still, he cautioned that correlating a short-term crime spike with the arrival of evacuees is at best a crude barometer justifying more study and cannot be used to rule out other possible causes of a crime trend.

Other criminologists go further.

"I think saying that comes pretty close to demonizing people who were evacuated. All you can say is that's interesting, that went up," said Dr. Michael J. Gilbert, associate professor in the University of Texas at San Antonio criminal justice department and Mayor Phil Hardberger's appointee to a local crime commission.

"While that's perfectly rational thinking, it may be misleading in terms of what this data may actually mean. I think they're (city of Houston) trying to make the best case they can to get money when it's not defensible."

He and other experts say the coincidence that a sudden spike in major crime occurred with the arrival of evacuees might easily be explained by population increases, shifts in police tactics or changing drug trade dynamics.

Albert Steven Dietz, a criminal justice professor at Texas State University in San Marcos, said the post-September crime rate jumps in San Antonio indicate to him that some evacuees may have contributed out of proportion to their numbers — but for just the first few months of their residency.

He said a logical assumption is that the simple crime trend becomes less indicative after evacuees disburse throughout the city and, for instance, find opportunities to leave the criminal underworld, if they were part of it.

Is perception reality?

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While nearly impossible to easily verify the origins of all arrestees through available public records, a perception accompanies the pattern of increasing crime: Based in truth or not, some people who interact closely with evacuees believe elements of that imported population are committing the crimes. Among them are police, prosecutors, apartment complex managers, neighboring residents and business owners.

Perhaps most credibly, though, evacuees themselves in a dozen apartment complexes told the Express-News they believe some in their own ranks are responsible for violence, thievery and drug dealing that have made their own law-abiding lives in San Antonio as miserable as they were in New Orleans.

Among those who came to San Antonio were at least 140 probationers and parolees from Louisiana who hadn't reported to a parole or probation officer in either Texas or their home state, the Express-News reported in July.

Evacuees in the Huntley Manor apartments in East San Antonio, where calls for police jumped after some 50 Katrina evacuee families settled there, tell tales of conflicts involving young Louisiana men that went on for months, even after management, who did not respond to interview requests, arranged extra security.

One police report tells of 10 men chasing off the drivers of a meat delivery truck, then looting the vehicle in a frenzy until it was empty.

Josh Hooper, a young man from New Orleans, boasted of participating in conflicts.

"It got crazy around here. It was shooting and shooting, for real," he said, getting into a car with friends. "We did shoot back. I'm gonna tell you for real. You think somebody shootin' at me and I ain't gonna shoot back? For real. This is Texas; everybody got a gun."

Several evacuees said the complex has settled down noticeably since most of their compatriots moved, a story echoed elsewhere.

Evacuees living in West and North San Antonio complained bitterly about similar problems they say are caused by fellow evacuees, sometimes young men fighting over drugs with young San Antonio men.

"The thugs and criminals here (in San Antonio) met up and socialized with the thugs and criminals from there (New Orleans)," said Stephaney Wyeth, a 58-year-old grandmother from New Orleans, describing the nightly drug dealing, shootings and fights she endured in her Northwest San Antonio complex.

Buyers looking for drugs mistakenly knock on her door all night long, she said.

"It seems like our complex is the whole city's place to come and get drugs," Wyeth said, wishing her fellow evacuees would leave. "We have a lot of criminals in the building."

Yolanda Herbert, 43, blames local San Antonio youths for instigating violence with the New Orleans crowd.

"I think they're just getting with the wrong people," she said. "I believe they're being influenced by other gangsters that's from here who know where to go and what to do."

Others said they were targets of locals interested in stealing financial aid that everyone on the street knew the evacuees received. Evacuee Lavell Simpson said groups of Hispanic youths preyed on the evacuees at his complex near Lackland AFB.

He said a group of three young Hispanics once attacked him "to take me for my jewelry."

"They can tell who we are," Simpson said, sitting on the stairwell leading up to his apartment one afternoon. "We dress different. We talk different. We walk different."

In late July, a Katrina evacuee was shot in the leg during a robbery at his apartment in 3100 block of East Commerce. He had cashed a FEMA check. The robbers got away.

Several hot spots exist

The Express-News tried to discern whether data supported perceptions among evacuees and residents both in and around 10 of the more than 170 apartment complexes where evacuees resettled last fall. The complexes were selected because they hosted high concentrations of evacuees.

Three measurements — police offense reports, residents' calls for police and total crime offense reports in a half-mile surrounding radius — showed rises in and around four of the 10 complexes compared with the same time period a year before. Five others showed declines in one or two of those measurements but increases in others. One of the 10 complexes showed declines in all three.

Residents who live in other complexes that took in large numbers of evacuees said what cold hard numbers can't. They've been feeling more afraid — of evacuees.

Evacuee Trina Boone of New Orleans, a mother of two young children who lives at Artisan at Willow Springs on Gembler Road, showed a bullet hole that was fired through her apartment one morning in June.

"To be honest, they selling a lot of weed," she said. "We have a lot of fightin' and shootin', all kinds of whatnot; that's why I'm moving out of here."

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Another hot spot centers on an urban strip of W.W. White Road on San Antonio's East Side, where businesses from major chains to small eateries sustained a spike in armed robberies that frightened owners into organizing to defend themselves.

Crime data support their claims, but in other parts of the city, residents made claims against evacuees that data did not appear to support.

For instance, Nette Hinton, a retired U.S. Customs officer and member of Dignowity Hill Homeowners Association east of downtown, blamed evacuees who she believed traveled from other parts of the city to commit crimes along a stretch of Hackberry Street that police had worked years to reduce.

An analysis of crime data showed crime and calls for police service on and around Hackberry Street actually fell after evacuees came to San Antonio.

Still, Hinton believes political timidity has caused city officials to turn a blind eye to concerns like hers.

The former agent said leaders "probably hesitate to point fingers at the bad elements because it's antithetical to the kindly face we presented to Katrina evacuees. I think we're embarrassed to say there were some thugs and they're still here preying on people."

Not to wonder why

In Houston, which also received five times as many evacuees as San Antonio, the statistical impact is not much greater because its population is three times the Alamo City's size.

After tracing murders and noting leaps in other violent crime near resettlement areas, the administration of Houston Mayor Bill White has aggressively pursued more than $30 million in federal money for public safety costs. The money has gone to pay police and fire overtime and for five new police academy training classes.

In San Antonio, police overtime costs have gone up and remained higher since the evacuees came. No evidence has surfaced that these increased costs are linked to serving San Antonio's evacuees. City officials blame various nonpreventable operations for higher overtime costs but do allow for the possibility of evacuee-related services as a cause.

Houston has claimed the evacuee link wholeheartedly, with some success. Houston won an $18 million Department of Justice grant after White lobbied Houston's congressional delegation.

"My opinion is it never hurts to ask," said Gary E. Gray, assistant director for Houston's finance department. "If you don't ask what's possible, nothing's going to happen."

A number of San Antonio city leaders, including top police commanders, professed ignorance of Houston's problem with "Katrina crime" and its pursuit of federal funds and said they saw no need to follow suit. Yet money is tight.

San Antonio's leaders, voting last month on a new budget, had to scrimp and scrape $2.4 million in city tax money out of next year's budget to help fund a 54-officer addition to its 2,069-member force that McManus said was hundreds short of what is needed.

In San Antonio, police overtime costs were falling steadily for the eight months before evacuees arrived, then from September 2005 through December rose to a record $6.7 million, of which $4 million was evacuee-related and reimbursed by FEMA, according to figures supplied by the city's finance department.

Houston has fought to recover more of the costs than it was reimbursed during that four-month period, as well as extra costs through May.

San Antonio's police overtime costs were up 11 percent from January through May, amounting to $400,000 more over the same period a year earlier.

Houston has also sought federal money for fire department overtime since the initial influx of evacuees.

Last October, before the shelters were closed, San Antonio top officials repeatedly assured the media that little anticipated crime had surfaced.

However, data from September 2005 to December show the number of crime reports generated from a half-mile area around the KellyUSA shelter spiked more than 160 percent, from 27 to 71, as a result of robberies, burglaries and drugs.

One office that did try to track crime related to evacuees is the Bexar County district attorney's office, which identified at least 135 prosecutions of evacuees staying in shelters last fall. Offenses ranged from rape to petty larceny and theft. One evacuee was charged with murder.

The DA's office initiated the count, First Assistant District Attorney Cliff Herberg said, should it need to justify federal funding requests later, but let the program lapse after the shelters emptied. A Police Department effort to code evacuee arrests also ended after a short time for reasons that remain unclear.

"I certainly think the impact has been much more, much more" than the 135 criminal prosecutions, Herberg said. "I think we're all aware of that. There's been a criminal element over there that has become a criminal element here."

Yet most other public officials posit various other causes for more crime while excluding evacuees. Councilwoman Sheila McNeil, whose district is bedeviled by a spiking number of armed robberies, dismissed the evacuees as a possible contributor.

"Part of it happens during the Christmas holidays," McNeil said of the robberies. "No one speculated what it could be, just Christmas time and people needed extra money. I've talked to our police officers and they have not given me that indication (of an evacuee link)."

In August, as the council was considering the slim police-hiring budget, Hardberger also excluded evacuees and blamed higher crime on an annual summer cycle. When asked if he'd ever considered that evacuees he embraced a year earlier brought crime to his city, the mayor said: "I don't believe the statistics will support that in San Antonio."

He said he was not interested in learning if it was true so the city might benefit from federal money.

"I know the statistics are up," Hardberger said. "But I'm not seeking a scapegoat here."

Several hours after that interview, however, the mayor phoned to say he'd had a change of heart and had asked City Manager Sheryl Sculley to examine the question.

"We need to look at the facts, and if we're going to look at the facts you'd better gather the facts first, and that's what I'm going to be doing," Hardberger said.

Two weeks later, the mayor's initiative produced a single-page interoffice memo from James Glass, manager of the SAPD Strategic Analysis and Mapping Office, to McManus.

The Aug. 16 memo titled "Analysis of Crime & Katrina Evacuees," cited an evacuee population number between five and six times lower than the nearly 30,000 that FEMA and Red Cross officials provided to the Express-News.

It went on to state in part, "the results from this micro level analysis are inconclusive" and that more study of updated information would be necessary. Police spokesman Gabe Trevino dismissed the short study, saying "That doesn't tell you anything. We can't say one way or another."

But when questioned about a possible Katrina link to higher crime and federal money, McManus cited the memo as grounds for why he was not inclined to order a more rigorous examination.

"We can't pinpoint any increases in crime to any particular population," he said.

The disinclination to learn more has carried over into enforcement strategy. Apartment complexes with large numbers of evacuees never figured into a special police task force that McManus deployed for 60 days this summer to target high crime areas, even though SAPD Capt. Cris Anderson, its commander, said he believed an evacuee-crime link existed.

Since Katrina evacuees arrived, Anderson said one night as his task force went into action where no evacuees lived, "there are more hot spots and violent pockets in town, and I just don't believe it's coincidental."

In contrast, a similar counter-crime task force fielded by Houston focused on evacuee complexes.

Gilbert, the UTSA criminologist, said all the debate about Katrina crime in Houston and perceptions about it in San Antonio should be viewed through a wider lens of time.

Compared with high violent crime in the late 1980s, San Antonio is enjoying historically low crime overall, even with its new population, in defiance of what studies like those he has authored show: Crime is usually higher in poor communities.

"San Antonio is a very poor city," he said. "And yet we have a very safe city, comparatively." tbensman@express-news.net

News Researcher Julie Domel analyzed the statistical data for this report.

Vicious MS-13 Gang Seen As Growing Threat (DMN)

By David Mclemore, The Dallas Morning News

The Dallas Morning News, October 29, 2006

Authorities target group in Texas and across U.S.

PHARR, Texas – Shortly after midnight in late September, a Texas National Guard soldier with night-vision equipment spied four figures slipping through the brush and alerted Border Patrol agents.

The men were arrested, and one in particular stood out for the extensive tattoos across his face, body and arms.

AP Wilmer Matamoros, 23, a Mara Salvatrucha gang leader, was imprisoned earlier this year in Tegucigalpa, Honduras.

A fingerprint check showed Santos Chileno-Gomez, a 23-year-old Salvadoran, had been deported for an assault on a Long Island, N.Y., police officer. His lengthy criminal record – and the tattoos – labeled him as a member of Mara Salvatrucha 13, a vicious international street gang that federal authorities call one of the most violent in the U.S.

Mr. Chileno-Gomez is among 76 MS-13 members apprehended by the Border Patrol in the Rio Grande Valley during the just-ended fiscal year. That total was up from 62 the previous year, showing the gang's resilience to federal efforts aimed at rooting it out and its determination to travel almost at will through Texas to cliques operating throughout the U.S.

And, some police agencies believe, there is evidence that MS-13 has taken sides in the bloody war among drug cartels that's playing out in Nuevo Laredo.

"They are getting more disciplined and more organized. And they're getting smarter," said Susan Ritter, chairwoman of the criminal justice department at the University of Texas at Brownsville, who is preparing a scholarly research article on MS-13.

"In Texas, they often hold meetings or recruitment drives in public under the guise of legitimate activity, such as a soccer game or barbecue. There has been talk of efforts to join forces and operate with one overall leader. That hasn't happened yet," she said.

Officials estimate there are up to 10,000 hard-core members of the gang operating in 33 states, the largest clusters living in Los Angeles, Washington, D.C., and the Mid-Atlantic region. But Texas is one of the fastest-growing states for MS-13, simply by virtue of geography.

"From Honduras and El Salvador, the quickest routes in the U.S. are the smuggling pipelines that run from Mexico directly into the Valley," said Border Patrol Supervisory Agent Roy Cervantes. "From here, they quickly move on to Dallas or Houston and blend in with the immigrant communities there. They want out of the border area as quickly as possible."

In March 2005, when local police and federal agents began a national yearlong sweep of gang members, MS-13 members were involved in two shootings a week apart in Dallas that underscored the gang's violent streak. One involved a 14-year-old boy who was shot in the face and survived.

Eduardo Galicia, 19, wasn't so lucky.

Police said Mr. Galicia was playing soccer at a playground near Love Field when a man identified as an MS-13 member walked up and asked in Spanish, "What gang are you down with?" When Mr. Galicia said he didn't belong to a gang and turned to walk away, the man shot him in the back of the head. Dallas police made four arrests.

That year, Immigration and Customs Enforcement investigators estimated there were about 140 MS-13 members in the North Texas region. In raids last March, police arrested about 44. Local police say the national roundup of gang members has forced MS-13 members to take a decidedly lower profile in the Dallas area.

"I'm not saying we don't have a problem," said Sgt. Mark Langford of the Dallas Police gang unit. "That would be naive. We're always watching."

It's a sentiment shared by police in Dallas' suburban neighbors.

"We're not seeing a lot of crime directly attributable to MS-13 members. It's minimal," said David Tull, spokesman for the Irving Police Department. "We're not in denial. We know they're out there.

"We hear on the street that someone is coming in and we'll see graffiti around town, but unless we can get them in the light at the right time, we don't get a chance to get them."

Said Patrick Murphy of the Carrollton police: "It's really difficult to say how many MS-13 gang members we have. ... They come and go constantly."

That fluidity – members moving among cliques and back and forth to Central America – makes it hard to pin down numbers in any community with any accuracy, police said.

"This is a gang that operates across borders. It's common to see members of the L.A. clique work in El Salvador, or Salvadoran members operating in New York, recruiting or sharing tactics," said Brian Trucheon, director of the FBI's MS-13 National Gang Task Force, created in 2004. "The scary thing for us is how quickly they can evolve to move around obstacles law enforcement throws up."

Gang's beginnings

MS-13 began in the Ramparts section of Los Angeles in the mid-1980s to protect refugees of El Salvador's civil war from other street gangs. Mara Salvatrucha is street slang for "Salvadoran guard posse." The tattoos gang members use as a mark of identity and pride invariably involve the initials MS and the number 13, a designation of an earlier alliance with a Southern California gang.

A 2005 Department of Homeland Security gang threat assessment identified MS-13 as one of the largest and most violent gangs in the country. That February, Immigration and Customs Enforcement agents launched a national sweep – Operation Community Shield – targeting MS-13 members. It was later expanded to include other violent gangs. More than 3,000 gangsters were eventually rounded up, one third of them affiliated with MS-13.

The gang's terrifying reputation includes a callous disregard for life and a willingness to use extreme violence with weapons ranging from machetes to semi-automatic rifles.

"Machetes, decapitations and sexual violence against victims are a common tool of intimidation," said Alonzo Pena, the ICE special agent in charge for South Texas. "They are growing rapidly and pose a significant risk to our communities. This is a gang we can't allow to continue to grow."

Intelligence gathering

As a policy, ICE agents conduct face-to-face interviews with any member of the group arrested in Texas in an attempt to gather detailed intelligence.

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One sign of the group's increased organization: Recently, MS-13 leaders have told members to remove tattoos from their faces, necks and arms to avoid notice from law enforcement. During interviews with agents, MS-13 members now deny involvement and insist their tattoos are residue of past involvement.

"We're sure that's just disinformation they're feeding us," Mr. Pena said. "The rule of MS-13 is once in, always in."

Houston, with its large Central American immigrant community, is the group's center of activity in Texas, authorities said.

"It doesn't surprise us that they are coming in greater numbers across the border," said Shawna Dunlap, an FBI special agent in Houston. She said Houston saw an increase in what she called "high-profile" gang activity last year, including extortion, robbery and kidnapping.

"About 50 percent of those we see in Houston have been deported multiple times," she said.

While not the largest gang in Houston, MS-13 has become a significant player, said Capt. Mike Graham of the Houston police gang division. He said the gang is getting more organized.

"Our biggest challenge is that they are so transient," he said. "They prey on immigrants, but they don't necessarily stay in the immigrant communities. MS-13 is all over the city. If things get hot for them in Houston, they can disappear to North Carolina or D.C."

The FBI now assigns 10 agents to work with Houston police for investigations involving MS-13.

Homegrown threat

While MS-13 recruits heavily from El Salvador and Honduras and Central American refugees in the U.S., this is no invasion from south of the border. MS-13 is strictly a homegrown gang.

"Only after they were deported did the gang spread to Central America," said UT-Brownsville's Dr. Ritter, who set out to research the gang because she found little information available.

Once back in El Salvador and Honduras, members of MS-13 quickly fought with existing gangs for control, Dr. Ritter said. Both countries got tough, enacting stringent anti-gang laws known as super mano dura, or super hard hand, which provide hard prison time for those simply found to be MS-13 members.

Wherever it spreads, MS-13's business is crime, including drugs, extortion, human smuggling, car theft and contract killings.

"They're very opportunistic and diverse in criminal activities," said Mr. Trucheon of the FBI task force. "In some cities, they specialize in robbery; in others, extortion or crimes of violence. When they move into a community, they'll prey on the lawful and the law-breakers alike."

And intelligence gathered by U.S. and Mexican law enforcement agencies indicates the gang's growing presence in the smuggling operations of Mexican drug cartels.

While the FBI says the evidence is indefinite, other agencies say MS-13 appears to have taken sides with the Sinaloa cartel in its vicious turf war with the Gulf cartel to control narcotics trafficking in Nuevo Laredo.

Like the Zetas, a gang of Mexican ex-military commandos, MS-13 members are believed to serve as cartel enforcers on both sides of the border.

"They've shown themselves willing to hire out to protect drug loads, smuggle aliens and intimidate witnesses. If they can find a way to make a dollar engaging in criminal activity, they'll do it," said Mr. Pena of ICE.

"We have received intel that in a short time, MS-13 has taken control of the rail lines in Southern Mexico used to transport illegal immigrants in from Central America," Mr. Pena said. "They are heavily involved in the human trafficking network, and they collect 'taxes' – extortion – from immigrants and the smugglers. MS-13 rapidly becomes a force to be reckoned with wherever they set up."

Border arrests

Many of the gang members apprehended in South Texas by the Border Patrol appear to be new recruits journeying to join cliques in the U.S. or older members traveling on gang business. Some are messengers, a position of trust within the gang's hierarchy.

The biggest border apprehension occurred in February 2005, when a car carrying a load of narcotics was stopped by a Department of Public Safety trooper near Falfurrias in Brooks County. One of the men inside was Ebner Rivera-Paz, a top leader of MS-13.

He had recently escaped from a Honduran prison, where he was being kept for his role in ordering gunmen to open fire on a bus with automatic weapons in Tegucigalpa. Twenty-eight people were killed; the intended target was an enemy of MS-13.

Mr. Rivera-Paz was convicted in federal court for illegal re-entry and deported this year to Honduras. It was his fifth deportation.

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"When we apprehend these guys, they clearly are not afraid of the courts or law enforcement," said Mr. Cervantes of the Border Patrol. "And when they get deported, it won't be long until they return. To follow the smuggling route from Honduras takes about a month."

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Gang Violence in N. Texas

Three examples of known MS-13 activity in the Dallas area:

March 2005: A 14-year-old boy was shot in the face in northwest Dallas but survived. MS-13 members were detained by police and immigration officers.

March 2005: Eduardo Galicia, 19, was playing soccer near Bachman Lake when he was approached by a gunman who asked, "What gang are you down with?" According to a police report, Mr. Galicia replied that he was not a gang member and turned to walk away. He was shot in the back of the head and killed. Suspected MS-13 members were arrested and charged.

December 2001: A 21-year-old Javier Calzada, 21, was shot to death in Grand Prairie. Later, MS-13 member Brenda Paz, who had turned government witness after moving to Virginia, told police she witnessed the shooting by other gang members. She was found stabbed to death and nearly decapitated along the Shenandoah River in 2003.

SOURCE: Dallas Morning News research

Lawyer's Query To U.S. Attorney Prompts A New Salvo From Kean (NSL)

By Deborah Howlett, Star-ledger Staff

Newark Star-Ledger (NJ), October 29, 2006

Republican state Sen. Tom Kean Jr. yesterday questioned why Democratic U.S. Sen. Robert Menendez would enlist the services of one the state's top defense lawyers if he isn't under a federal criminal investigation.

Menendez has said the lawyer, Joseph Hayden, contacted the U.S. attorney around the time a subpoena was issued for records from a federally funded nonprofit agency that paid more than $300,000 to rent a row house that Menendez owned in Union City.

Hayden was doing a "favor" for the campaign, Menendez spokesman Matt Miller said, not personally representing Menendez. Miller declined to say who in the campaign reached out to Hayden and asked him to make the call, except to say it was not Menendez.

"We were trying to find out what was going on," Miller said of tapping Hayden. "We were just looking to find out in the midst of all these rumors what the facts were."

Miller declined to say what the campaign gleaned from Hayden's conversation with federal authorities. "I'm just not going to go there," he said.

Such a scenario makes no sense, Kean said during a press conference in Mountainside yesterday.

"Every criminal defense attorney knows that you don't reach out to the U.S. Attorney's Office during a pending criminal investigation unless you are representing a subject, target or witness," he said.

As an attorney for the campaign, Hayden would not have had the "standing" to inquire about the case, said Kean's campaign counsel Scott Weber of the Patton Boggs law firm in Washington, D.C. "The first question (from the U.S. Attorney's Office) would have been 'Who do you represent?'" said Weber, a former federal prosecutor. "If you're not representing someone, the conversation ends."

Hayden, who could not be reached yesterday, earlier told The Star-Ledger that he and Menendez never talked after the call, even though Menendez has said they did.

Miller said yesterday that there was confusion because "there was no substantive conversation; the senator called to thank him."

Menendez's federal campaign financial reports show no payment to Hayden for legal work, nor any in-kind donation from Hayden.

"He was never officially retained as counsel," Miller said. "He did it as an individual volunteer activity, which is completely permissible under campaign finance law."

With the polls showing the campaign a virtual dead heat 10 days before the election, Menendez continues to insist that there is no ongoing federal criminal investigation.

Deborah Howlett covers politics. She may be reached at dhowlett@starledger.com or (609) 989-0273.

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CIVIL RIGHTS:

EVERYONE'S IN FDNY'S HIRING POOL (NYPOST)

By Patrick Gallahue

The New York Post, October 29, 2006

October 29, 2006 -- The FDNY's million-dollar diversity drive is starting to pay off as the department heads into its final week of recruiting.

Forced to extend its deadline due to lagging numbers, the FDNY's aggressive campaign to bring minorities into the department has managed to boost its pool of applicants by thousands, the Fire Commissioner Nicholas Scoppetta announced yesterday.

"The results are impressive," he said. "We have over 20,000 applicants [who] filed [to take the test] as of yesterday, and 35 percent of those applications are from minorities - and we still have a week to go."

Applicants have until Nov. 3 to sign up for the test, which is given every four years.

Last year, the city and the FDNY put more than $3 million into the department's Recruitment and Diversity Unit as the Justice Department probed the department for allegedly discriminatory hiring practices. More than 90 percent of the 11,000-member force is white.

Scoppetta said more than 275 volunteer recruiters visited more than 2,400 events during the drive.

On the original deadline date, Oct. 13, the overall number of applicants was well below average, although the applicant pool was reportedly a little over 31 percent minority.

In the last two weeks, the department has been able to boost both those numbers.

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A Minority Report The FDNY Likes (NYDN)

By Brendan Brosh And Don Singleton, Daily News Writers

New York Daily News, October 29, 2006

The FDNY's effort to diversify what has been a largely white, male department has paid off with increased applications from minorities, officials said yesterday.

Fire Commissioner Nicholas Scoppetta said a stepped-up recruitment effort has resulted in 20,000 applications, 35% of them from minority group members, who want to take a civil service exam scheduled for Jan. 20.

Early this month, Scoppetta had reported that the department had received only 12,000 applications, down from about 20,000 during a comparable period in 2002.

Scoppetta's response was to extend the application deadline by three weeks, to Nov. 3, and to hold 2,400 recruiting events manned by 275 volunteer recruiters from within the FDNY.

The department has also operated a phone bank, contacting individuals who have indicated an interest in joining up. A total of 42,000 applications were sent out as part of the drive, Scoppetta said.

"It's never been easier to file to become a firefighter," said Scoppetta. "It's a very simple application - no one should be intimidated."

In May, with the department's hiring practices under investigation by the Justice Department, the FDNY launched a multimillion-dollar ad campaign to lure more minority-group firefighters. In August, it relaxed its hiring requirements - the latest move in an uphill effort to increase the diversity of a department that is 91% white.

Lowell Blitzes Immigrant Areas With Ballot Help (BOS)

By Alexander Reid, Globe Staff

The Boston Globe, October 29, 2006

It is a truism of any political election: E very vote counts.

In the past in Lowell, voter registration efforts in the city's immigrant communities have fallen short and advocacy groups have charged that voters who speak languages other than English have faced problems at the polls.

During this year's election campaigns, the city and a number of groups have worked to deal with both situations.

Volunteers from ONE Lowell, an immigrant advocacy group, have spent the past several weeks canvassing neighborhoods throughout the city to register new voters. Translators and bilingual poll workers have been recruited and trained for duty at voting precincts in neighborhoods with the highest population of non-English-speaking residents. Ballot instructions and voting information have been printed in Khmer, Spanish, and Portuguese for distribution on Election Day, Nov. 7.

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Gail Cenik, a manager with the city's Election Commission, said her office has concentrated on education to familiarize people with the voting process.

"There's a population in this city that's never voted before, even though they're citizens and have the right to," she said. "For whatever reasons, they don't participate and we want to change that."

Cenik's comments reflect efforts by the city to correct many of the problems that have plagued the last two elections in Lowell. In March, the US Department of Justice began an investigation into alleged voting rights violations faced by Cambodian-Americans who tried to vote in elections held last November.

The federal investigation was prompted by complaints from the New York-based Asian American Legal Defense and Education Fund. The advocacy group surveyed the city's polling places in that election and found several problems, including statements that several voters were directed to the wrong polling places and one instance in which a voter's name was misspelled on the voting roll.

Previously, the legal defense fund had reported on voting problems in the 2004 elections when several voters were not given provisional ballots after their names were found to be missing from the list of registered voters. Others were turned away and told to register in the next election. Those specific problems were not evident in the 2005 election.

Justice Department spokeswoman Cynthia Magnuson confirmed the ongoing investigation and declined to provide further details.

With the federal probe underway, the city opened discussions with representatives from the legal defense fund and ONE Lowell.

The issue is critical considering Lowell's large number of Cambodians, many of whom are new to the election process. The 2000 C ensus indicates that about 9,000 people of Cambodian ancestry live in Lowell but organizations that work with immigrant communities say the actual figure is closer to 25,000. Overall, Lowell has about 105,000 residents and about 70 percent of them are white.

Voter registration has been a major focus in the weeks leading up to this election.

The Election Commission has been setting up voter registration tables at neighborhood gatherings and events, and at the Southeast Asian Water Festival in August. Public-service announcements have aired on local cable-access programs that target ethnic communities.

Volunteers from ONE Lowell have gone door-to-door to households in the Acre, Back Central, Lower Belvidere, and Middle Highlands neighborhoods to sign up unregistered voters. They've also gone onto the campuses of the University of Massachusetts at Lowell and Middlesex Community College.

Victoria Fahlberg, executive director of ONE Lowell, said the agency had pursued unregistered voters for the past four years but the effort this year was increased, thanks in part to a $40,000 grant from the Theodore Edson Parker Foundation and $3,000 from the Massachusetts Immigrant Refugee Advocacy Coalition.

Fahlberg said the money has been used to pay volunteers who were fluent in Khmer and Spanish. She said voter registration focused primarily on Cambodians but has been broadened to include residents who speak Spanish and Portuguese.

"There are many legislative issues that have come up over the years that have affected immigrants," Fahlberg said, "but their voices are not heard because they didn't have sufficient voting constituency to hold elected officials accountable."

Since late July, Robyn Long-Navas, a worker with ONE Lowell, has accompanied volunteers registering voters in neighborhoods across the city.

"We make it convenient for them," she said. "If they're over 18 and a citizen, they only have to fill out and sign the form." Long-Navas said ONE Lowell will convene a seminar at City Hall tomorrow evening for first-time voters.

Cenik, the Elections Commission manager, said such efforts have helped boost the number of registered voters in the coming election to 49,176 compared to last year's total of 47,403.

Beyond registering new voters, the city also has tried to address obstacles that voters faced when they have shown up at the polls. The survey by the legal defense fund noted an absence of foreign-language materials, including ballots, voting instructions, and information about provisional ballots. It also noted the lack of bilingual poll workers and translators to help non-English-speaking voters.

City officials intend to address the problems by supplying printed materials translated into Khmer, Spanish, and Portuguese. Informational signs also will be posted at polling places. Cenik said her office will deploy 21 poll workers and translators, and pay them between $90 and $125 to work on Election Day.

Assistant City Solicitor Brian W. Leahey said the measures should make this a more problem-free election. "We're hoping that we've put enough things in place to make sure this election is better than the last one."

Glenn D. Magpantay, a staff attorney for the legal defense fund, said his organization will monitor the upcoming election to see whether the city's changes are adequate.

"We are hoping that some of the things we discussed with the city last spring will come to fruition," he said. "We feel like the city has made progress but the best way to tell is by what happens on Nov. 7."

U.S. Investigates Voting Machines' Venezuela Ties (NYT)

By Tim Golden

The New York Times, October 29, 2006

The federal government is investigating the takeover last year of a leading American manufacturer of electronic voting systems by a small software company that has been linked to the leftist Venezuelan government of President Hugo Chávez.

The inquiry is focusing on the Venezuelan owners of the software company, the Smartmatic Corporation, and is trying to determine whether the government in Caracas has any control or influence over the firm's operations, government officials and others familiar with the investigation said.

The inquiry on the eve of the midterm elections is being conducted by the Committee on Foreign Investment in the United States, or Cfius, the same panel of 12 government agencies that reviewed the abortive attempt by a company in Dubai to take over operations at six American ports earlier this year.

The committee's formal inquiry into Smartmatic and its subsidiary, Sequoia Voting Systems of Oakland, Calif., was first reported Saturday in The Miami Herald.

Officials of both Smartmatic and the Venezuelan government strongly denied yesterday that President Chávez's administration, which has been bitterly at odds with Washington, has any role in Smartmatic.

"The government of Venezuela doesn't have anything to do with the company aside from contracting it for our electoral process," the Venezuelan ambassador in Washington, Bernardo Alvarez, said last night.

Smartmatic was a little-known firm with no experience in voting technology before it was chosen by the Venezuelan authorities to replace the country's elections machinery ahead of a contentious referendum that confirmed Mr. Chávez as president in August 2004.

Seven months before that voting contract was awarded, a Venezuelan government financing agency invested more than $200,000 into a smaller technology company, owned by some of the same people as Smartmatic, that joined with Smartmatic as a minor partner in the bid.

In return, the government agency was given a 28 percent stake in the smaller company and a seat on its board, which was occupied by a senior government official who had previously advised Mr. Chávez on elections technology. But Venezuelan officials later insisted that the money was merely a small-business loan and that it was repaid before the referendum.

With a windfall of some $120 million from its first three contracts with Venezuela, Smartmatic then bought the much larger and more established Sequoia Voting Systems, which now has voting equipment installed in 17 states and the District of Columbia.

Since its takeover by Smartmatic in March 2005, Sequoia has worked aggressively to market its voting machines in Latin America and other developing countries. "The goal is to create the world's leader in electronic voting solutions," said Mitch Stoller, a company spokesman.

But the role of the young Venezuelan engineers who founded Smartmatic has become less visible in public documents as the company has been restructured into an elaborate web of offshore companies and foreign trusts.

"The government should know who owns our voting machines; that is a national security concern," said Representative Carolyn B. Maloney, Democrat of New York, who asked the Bush administration in May to review the Sequoia takeover.

"There seems to have been an obvious effort to obscure the ownership of the company," Ms. Maloney said of Smartmatic in a telephone interview yesterday. "The Cfius process, if it is moving forward, can determine that."

The concern over Smartmatic's purchase of Sequoia comes amid rising unease about the security of touch-screen voting machines and other electronic elections systems.

Government officials familiar with the Smartmatic inquiry said they doubted that even if the Chávez government was some kind of secret partner in the company, it would try to influence elections in the United States. But some of them speculated that the purchase of Sequoia could help Smartmatic sell its products in Latin America and other developing countries, where safeguards against fraud are weaker.

A spokeswoman for the Treasury Department, which oversees the foreign investment committee, said she could not comment on whether the panel was conducting a formal investigation.

"Cfius has been in contact with the company," said the spokeswoman, Brookly McLaughlin, citing discussions that were first disclosed in July. "It is important that the process is conducted in a professional and nonpolitical manner."

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The committee has wide authority to review foreign investments in the United States that might have national security implications. In practice, though, it has focused mainly on foreign acquisitions of defense companies and other investments in traditional security realms.

Since the political furor over the Dubai ports deal, members of Congress from both parties have sought to widen the purview of such reviews to incorporate other emerging national security concerns.

In late July, the House and the Senate overwhelmingly approved legislation to expand the committee's scope, give a greater role to the office of the director of national intelligence and strengthen Congressional oversight of the review process.

But the Bush administration opposed major changes, and Congressional leaders did not act to reconcile the two bills before Congress adjourned.

Foreigners seeking to buy American companies in areas like defense manufacturing typically seek the committee's review themselves before going ahead with a purchase. Legal experts said it would be highly unusual for the panel to investigate a transaction like the Sequoia takeover, and even more unusual for the panel to try to nullify the transaction so long after it was completed.

It is unclear, moreover, what the government would need to uncover about the Sequoia sale to take such an action.

The investment committee's review typically involves an initial 30-day examination of any transactions that might pose a threat to national security, including a collective assessment from the intelligence community. Should concerns remain, one of the agencies involved can request an additional and more rigorous 45-day investigation.

In the case of the ports deal, the transaction was approved by the investment committee. But the Dubai company later abandoned the deal, agreeing to sell out to an American company after a barrage of criticism by legislators from both parties who said the administration had not adequately reviewed the deal or informed Congress about its implications.

The concerns about possible ties between the owners of Smartmatic and the Chávez government have been well known to United States foreign-policy officials since before the 2004 recall election in which Mr. Chávez, a strong ally of President Fidel Castro of Cuba, won by an official margin of nearly 20 percent.

Opposition leaders asserted that the balloting had been rigged. But a statistical analysis of the distribution of the vote by American experts in electronic voting security showed that the result did not fit the pattern of irregularities that the opposition had claimed.

At the same time, the official audit of the vote by the Venezuelan election authorities was badly flawed, one of the American experts said. "They did it all wrong," one of the authors of the study, Avi Rubin, a professor of computer science at Johns Hopkins University, said in an interview.

Opposition members of Venezuela's electoral council had also protested that they were excluded from the bidding process in which Smartmatic and a smaller company, the Bizta Corporation, were selected to replace a $120 million system that had been built by Election Systems and Software of Omaha.

Smartmatic was then a fledgling technology start-up. Its registered address was the Boca Raton, Fla., home of the father of one of the two young Venezuelan engineers who were its principal officers, Antonio Mugica and Alfredo Anzola, and it had a one-room office with a single secretary.

The company claimed to have only two going ventures, small contracts for secure communications software that a Smartmatic spokesman said had a total value of about $2 million.

At that point, Bizta amounted to even less. Company documents, first reported in 2004 by The Herald, showed the firm to be virtually dormant until it received the $200,000 investment from a fund controlled by the Venezuelan Finance Ministry, which took a 28 percent stake in return.

Weeks before Bizta and Smartmatic won the referendum contract, the government also placed a senior official of the Science Ministry, Omar Montilla, on Bizta's board, alongside Mr. Mugica and Mr. Anzola. Mr. Montilla, The Herald reported, had acted as an adviser to Mr. Chávez on elections technology.

More recent corporate documents show that before and after Smartmatic's purchase of Sequoia from a British-owned firm, the company was reorganized in an array of holding companies based in Delaware (Smartmatic International), the Netherlands (Smartmatic International Holding, B.V.), and Curaçao (Smartmatic International Group, N.V.). The firm's ownership was further shielded in two Curaçao trusts.

Mr. Stoller, the Smartmatic spokesman, said that the reorganization was done simply to help expand the company's international operations, and that it had not tried to hide its ownership, which he said was more than 75 percent in the hands of Mr. Mugica and his family.

"No foreign government or entity, including Venezuela, has ever held any stake in Smartmatic," Mr. Stoller said. "Smartmatic has always been a privately held company, and despite that, we've been fully transparent about the ownership of the corporation."

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Mr. Stoller emphasized that Bizta was a separate company and said the shares the Venezuelan government received in it were “the guarantee for a loan.”

Mr. Stoller also described concerns about the security of Sequoia’s electronic systems as unfounded, given their certification by federal and state election agencies.

But after a municipal primary election in Chicago in March, Sequoia voting machines were blamed for a series of delays and irregularities. Smartmatic’s new president, Jack A. Blaine, acknowledged in a public hearing that Smartmatic workers had been flown up from Venezuela to help with the vote.

Some problems with the election were later blamed on a software component, which transmits the voting results to a central computer, that was developed in Venezuela.

Who Needs To 'Help' America Vote? (WP)

By George F. Will

The Washington Post, October 29, 2006

The hoariest jest in conservatism's repertoire is that the three least credible assertions in the English language are "The check is in the mail," "Of course I'll respect you as much in the morning" and "I'm from the government, and I'm here to help you." Which brings us to the exquisitely named Help America Vote Act.

Having fixed Iraq and New Orleans, the federal government's healing touch is now being applied to voting. As a result, days -- perhaps weeks -- might pass after Election Day without the nation's knowing which party controls the House or Senate. If that happens, one reason might be HAVA, that 2002 bit of federal helpfulness.

For over two centuries before Congress passed HAVA, Americans voted. Really. Unlike today, those who were elected -- Clay, Webster, Lincoln and lesser lights -- often were more complex and sophisticated than the voting machinery.

Using pencils to make marks on paper and later using machines to punch holes in paper ballots, voters -- without federal help; imagine -- caused Congresses and presidents to come and go. States ran elections; some ran them better than others. Some ballots have been better designed than others, as have some voting machines. Most have been adequate. The gross defects of American voting practices were laws that established or permitted discrimination and other abuses. Tardily, but emphatically, those laws were changed and other abuses were halted.

Then came 2000 and Florida and the 36-day lawyers' scrum about George W. Bush's 537-vote margin of victory. In response to which, Congress passed HAVA, which in 2006 may produce fresh confirmation of the prudential axiom that the pursuit of the perfect is the enemy of the good.

The lesson that should have been learned from Florida was: In Florida, as in life generally, one should pursue as much precision as is reasonable -- but not more. When, as very rarely happens, a large electorate, such as that state's 6.1 million voters in 2000, is evenly divided, the many errors and ambiguities that inevitably will occur during the marking of millions of ballots will be much more numerous than the margin of victory. That is unfortunate, but no great injustice will be done, no matter who is declared the winner in a contest that is essentially tied.

Unfortunately, the lesson the nation chose to learn from Florida was that American technological wizardry could prevent such highly unusual events, and no expense should be spared to do so. Hence HAVA, which made $3.8 billion available for states to purchase the most modern voting equipment.

On Election Day, 38 percent of the nation's voters will use touch screens to record their choices, according to Election Data Services. Unlike optical scanners that read markings put on paper ballots, most touch-screen machines -- including those that the New York Times reports will be used in about half of the 45 districts with the most closely contested House races -- produce no paper that can be consulted for verification of the results if a recount is required.

Maryland's new $106 million touch-screen system melted into a chaos of mechanical and human errors in last month's primary election. Lawsuits have been filed in five states seeking to block the use of touch-screen machines.

Today's political climate -- hyperpartisanship leavened by paranoia and exploited by a national surplus of lawyers -- makes this an unpropitious moment for introducing new voting technologies that will be administered by poll workers who often are retirees for whom the task of working a DVD player is a severe challenge. Furthermore, an election is, after all, a government program, and readers of Genesis know that new knowledge often brings trouble. So we should not be surprised if, on Nov. 7, new voting machinery does what new technologies -- dams, bridges, steamships, airplanes -- have done through history: malfunction.

Football, in its disproportionate pursuit of error-free officiating, now relies on instant replays because . . . well, because it can. This technology does indeed reduce human error. But it also reduces games to coagulation as players stand around waiting for officials to study video in the hope of achieving a degree of precision and certainty more appropriate to delicate surgery than

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to the violent thrashing of huge padded men in what is -- lest we forget, as the judicial solemnities of instant replay cause us to forget -- a game.

Democracy is not a mere game. But -- write this on a piece of paper, using a No. 2 pencil -- neither is it an activity from which it is sensible to demand more precision than can reasonably be expected when, on a November Tuesday, 100 million people record billions of political choices.

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Bishops Draft Rules On Ministering To Gays (NYT)

By Laurie Goodstein

The New York Times, October 29, 2006

The nation's Roman Catholic bishops have drafted new guidelines for ministry to gay people that affirm church teaching against same-sex relationships, marriages and adoptions by gay couples, yet encourage parishes to reach out to gay Catholics who feel alienated by their church.

The bishops' document, the result of a four-year effort, gives specific instructions on some of the conundrums now faced in many parishes.

The guidelines recommend baptizing the adopted children of same-sex couples, as long as the children will be raised as Catholics. It says that gay people may benefit from revealing their "tendencies" to friends, family and their priest, but should not make "general public announcements" about it in the parish.

The guidelines also say that gay men and lesbians have "no moral obligation to attempt" therapy, an apparent reference to therapy programs that claim to change gay people's sexual orientation. It says that while "some have found therapy helpful," there is "no scientific consensus" either on therapy or the causes of homosexuality.

The bishops will vote on the document — "Ministry to Persons with a Homosexual Inclination: Guidelines for Pastoral Care" — when the United States Conference of Catholic Bishops meets Nov. 13-16 in Baltimore. It could be amended, and needs a two-thirds majority to pass.

Bishop Arthur J. Serratelli of Paterson, N.J., the chairman of the bishops doctrine committee, which wrote the new guidelines, said that although it was difficult to predict whether it would pass, "It's a very sound document, a very clear document. My sense is that the bishops will readily embrace it."

Gay Catholic leaders who had read the draft, however, predicted that it would only further alienate gays and their families from the church.

"There certainly is some lovely language that sounds welcoming in here," said Sam Sinnett, president of DignityUSA, an organization for gay Catholics, "but essentially they're repeating all the spiritually violent things they've been saying about gay and lesbian Catholics for a couple of decades — that we are 'objectively disordered' and our relationships are intrinsically evil."

A previous document, issued by a committee of bishops in 1997, was directed primarily at parents with gay children. But it proved controversial and was never approved by the bishops conference.

This new document puts more emphasis on the church's moral teaching about sexuality. It says that although having a "homosexual inclination" is not itself a sin, homosexual sex is a sin — as are premarital sex and adultery. The answer in all these situations is chastity.

The document says that although the church teaches that homosexuality is "objectively disordered" — a teaching in the catechism that says homosexual acts violate the natural law — the church is not saying that homosexual people themselves are disordered or "rendered morally defective by this inclination."

Such distinctions will provide little comfort to gay Catholics, said Francis DeBernardo, executive director of New Ways Ministry, a gay outreach group for Catholics based in Maryland. Mr. DeBernardo criticized the document for saying that gay people should make their sexuality known only to a small group, and that gay people whose behavior "violates" church teaching should be denied leadership roles in parishes.

"Gay and lesbian people are going to read those remarks and see them as offensive, as telling them to go underground," he said.

That is not the intention, said the Rev. Thomas G. Weinandy, who worked on the document as executive director for the United States bishops' secretariat for doctrine and pastoral practices.

"The bishops would like people with homosexual inclinations to really participate in the church, but they don't want to 'give scandal,' " Father Weinandy said. "If you knew a heterosexual couple were just cohabitating and not married, you wouldn't let them be eucharistic ministers either."

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The Rev. James Martin, an editor at the Jesuit magazine America, said, “The document expresses the tension in the church between a sincere desire to minister to gays and lesbians, and the reality that many gays and lesbians feel unwelcome in the church by virtue of the church’s teaching.”

The bishops have issued statements in recent years condemning gay marriage, gay adoption and benefits for gay partners. They have historically been more attuned to gay issues, however, than some of their colleagues overseas. Last year, the Vatican issued an “instruction” saying that men with “deep-seated” homosexual attraction should not be ordained. In its wake, some American bishops commented in their diocesan newspapers or privately to their priests that they did not regard this as a ban on ordaining gay men, and would continue to accept gay candidates on a case-by-case basis.

The bishops said they felt the need for clear guidelines because there were many pastoral ministries for gay people in parishes and dioceses around the country, and “confusion” about what was an “authentic” Catholic approach, Father Weinandy said. He noted that the Vatican had disciplined the founders of New Ways Ministry, the Rev. Robert Nugent and Sister Jeannine Gramick, for preaching acceptance of gay relationships.

As such, the guidelines repeatedly say that bishops should not countenance church leaders and pastoral workers who fail to uphold its teachings on homosexuality, or who advocate harm toward gay people.

It says, “The church cannot support organizations or individuals whose work contradicts, is ambiguous about, or neglects her teaching on sexuality.”

Gay Couples' Adopted Kids May Be Baptized, Catholic Draft Says (WP)

The Washington Post, October 29, 2006

Children adopted by gay couples may be baptized in the Roman Catholic Church, even though the church does not support such adoptions, calling them "a pastoral concern," according to new guidelines for ministering to gay men and lesbians that will be presented to U.S. bishops next month in Baltimore.

The 23-page draft document affirms traditional church teachings on same-sex issues, such as forbidding the blessing of same-sex unions or marriages, and addresses some relatively new issues, such as discrimination against and harassment of gay men and lesbians.

The document, "Ministry to Persons with a Homosexual Inclination: Guidelines for Pastoral Care," marks the first time in nearly 10 years that U.S. bishops have addressed such ministry in detail. Bishops will debate and vote on the guidelines at their annual fall meeting, Nov. 13 to 16, in Baltimore.

An early draft of the guidelines welcomes celibate gay men and lesbians to take part in parish life while asserting the church's "right to deny roles of service to those whose behavior violates her teaching." Public announcements of one's sexual orientation "are not helpful and should not be encouraged," the draft cautions, and it says church ministers must not bless same-sex unions or marriages or promote them in any way.

The bishops' Secretariat for Doctrine and Pastoral Practices took four years to draft the document.

Gay Marriage Through A Black-White Prism (NYT)

By Adam Liptak

The New York Times, October 29, 2006

IN 1947, the county clerk in Los Angeles refused to marry Andrea Perez and Sylvester Davis. They were of different races, and a California law said that “all marriages of white persons with Negroes, Mongolians, members of the Malay race or mulattoes are illegal.” The next year, the California Supreme Court, by a vote of 4 to 3, struck down that law in Perez v. Sharp.

In 2003, in another 4-to-3 decision, the Massachusetts Supreme Judicial Court authorized gay marriages, and it invoked the Perez case as a model.

Last week, in a third 4-to-3 decision, the New Jersey Supreme Court stopped just short of endorsing gay marriages. It instructed the State Legislature to provide gay unions with a full complement of legal rights but said that the question of whether to call such unions “marriages” was a political, not judicial, one.

The New Jersey court did not mention the Perez case by name and it said that interracial marriage was not a useful touchstone in thinking about same-sex marriage.

But people on both sides of the same-sex marriage issue say there are important lessons from the earlier debate over laws banning interracial marriages, about the reasoning in the Perez decision and about how, over two decades, that decision came to be accepted in the courts, in state legislatures and in the popular culture. Unsurprisingly, they differ about what those lessons are.

Gay-marriage advocates say the logic of the Perez decision applies directly to gay unions. After all, they point out, the decision said that “the essence of the right to marry is freedom to join in marriage with the person of one’s choice.”

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Chief Justice Margaret H. Marshall of the Supreme Judicial Court of Massachusetts, writing for the majority in the 2003 decision, agreed. "In this case, as in Perez," she wrote, "a statute deprives individuals of access to an institution of fundamental legal, personal and social significance — the institution of marriage — because of a single trait." It made no difference, she wrote, that one trait was skin color and the other sexual orientation.

Advocates for gay marriage say there is much to be learned from Perez. "No one is saying that the experiences of racial minorities are identical to the experiences of same-sex couples," said Evan Wolfson, executive director of Freedom to Marry. "There are always differences, but there are profound similarities."

Opponents of gay marriage, on the other hand, say the judicial and legislative aftermath of Perez is more telling than the decision itself. Although 29 other states had laws barring interracial marriage at the time of the Perez case, no other state supreme court followed California. Instead, over time many state legislatures repealed the bans; in some states the laws remained on the books, but went largely unenforced.

In the end, it took two decades before the United States Supreme Court struck down in 1967 all of the 16 remaining antimiscegenation laws, in Loving v. Virginia, involving a Virginia couple who had been convicted of violating that state's interracial marriage ban.

This history, opponents of gay marriage say, shows that the Perez court usurped the democratic process, imposing a decision that most of the country, however unfairly, was not ready to embrace.

Maggie Gallagher, the president of the Institute for Marriage and Public Policy, which opposes gay marriage, said the contrast between the political landscape when the Supreme Court acted in 1967 and that facing proponents of gay marriage today is stark and telling.

"When the court moved to strike down the interracial marriage laws," Ms. Gallagher said, "the democratic process was in the process of getting rid of these laws. What's happening now is exactly the opposite: more and more states are moving to protect marriage."

In last week's decision from New Jersey, the justices in the majority tried to find what they considered middle ground. They affirmed gay couples' right to equal treatment, even as they said there was no constitutional right to same-sex marriage. Writing for the majority, Justice Barry T. Albin noted that the Loving case concerned heterosexual couples facing "intolerable racial distinctions" and did not apply to sexual orientation.

The fate of marriage in the courts may be about to come full circle. In the next year or so, the California Supreme Court will hear a gay-marriage case. Ms. Gallagher said that if that court — the court that decided Perez almost 60 years ago — rejects same-sex marriage, "we're out of the gay-marriage question for 10 years."

That may be an overstatement, as challenges are pending in Connecticut and Maryland, too, and the New Jersey Legislature may yet allow gay marriage by statute.

Although the United States Supreme Court in 2003 struck down a Texas law making gay sex a crime, few experts believe that the court is poised to rule in favor of gay marriage anytime soon. "As I look at possible votes on the Supreme Court," said Andrew Koppelman, a law professor at Northwestern who supports gay marriage, "I have a lot of trouble getting to one."

But time may be on the side of gay marriage, he added, noting that two decades passed before the Supreme Court, in Loving, got around to endorsing the decision in Perez.

ANTITRUST:

In A Blurry World, Ownership Is Yesterday's News (NYT)

By Richard Siklos

The New York Times, October 29, 2006

IT is hard to find any public policy question that feels less relevant by the minute than whether one person or company should be permitted to own television stations and newspapers in the same market.

Rules barring cross-ownership went into effect in 1975 but were overturned by the Federal Communications Commission three years ago. But, soon after, an appellate court effectively sent the decision back for another go-round, which is under way. This month in Los Angeles, the commission held a public hearing, the first of a series around the country, to look at newspaper-TV cross-ownership but also to examine other, more pertinent questions — for instance, how many radio or television stations a single owner can have in a single market.

A Supreme Court ruling from 1945 may best sum up why the F.C.C. scrutinizes such affairs: to ensure "the widest possible dissemination of information from diverse and antagonistic sources." It's too bad we can't skip months of table-thumping hearings over thousands of pages of studies and filings and just acknowledge that the media landscape is changing quickly.

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The reality is that even if media companies could own more TV stations and newspapers in the same city, they might not think that it's such a brilliant idea any more. As the F.C.C.'s chairman, Kevin J. Martin, said recently: "We need to develop a rule for cross-ownership that reflects current market characteristics, including the struggling nature of today's newspaper industry."

The Tribune Company is Exhibit A, of course. Its past success with a triple play of television, newspaper and radio in its hometown of Chicago has not translated into financial brilliance in New York and Los Angeles, where it owns Newsday and The Los Angeles Times, as well as the television stations WPIX and KTLA. Under pressure from its biggest shareholder and a slumping share price, the company has said it is exploring all options, including selling part or all of itself.

In addition to Chicago, there are markets like Atlanta, where the privately held Cox Enterprises owns The Atlanta Journal-Constitution, television, cable and much else. In these places, cross-ownership appears to have served its corporate orchestrators well.

Here is one small example: by using its media properties to promote a new Web venture, Cox has taken an early stab at fending off the efforts of the Google and Yahoo juggernauts. It has introduced a local search business in Atlanta called Kudzu.com, and, on Monday, is set to announce that it is rolling out Kudzu.com in three more markets where it has cable operations and can capitalize on its local relationships with advertisers.

The cross-media holdings by Tribune and Cox in their hometowns, by the way, were in place when the new rules took effect and so were permitted to stay. Another city that gained exemption from the rule is New York, where the News Corporation owns The New York Post and two television stations.

But what does it say about the appeal of cross-ownership that The Post has lost money since the News Corporation's chairman, Rupert Murdoch, acquired it for the second time, in 1993, and that Mr. Murdoch, whose roots are in ink and paper, has otherwise quit the newspaper business in the United States in favor of television, cable channels and the Internet?

Having asked a few media executives whether relaxed rules would lead them to pursue cross-ownership, my sense is that it's basically a one-way street: the newspaper people might like to secure a place on the TV dial, not the other way around. Most broadcasters would prefer that the F.C.C. let them gobble up more television or radio stations in a single market.

It's also worth noting that people are not exactly leaping into the local TV station business, either. The decades-old network affiliate system is in transition as most viewers across the country get their stations via satellite and cable and as more network programming is finding its way directly onto DVDs and the Web. In this environment, some station owners are starting to feel a financial pinch, though not as acutely as their newspaper counterparts.

The daily newspaper business in particular has been suffering from what management consultants politely call value destruction: even though they may reach more readers via the Web, their business model is being undermined and their profit is flat or declining. Still, there are no doubt budding media grandees or private-equity gurus who would take a crack at owning TV and newspaper outlets in the same city if given half a chance.

Big media's argument for relaxing cross-ownership rules is that the days when broadcast TV and newspapers wholly dominated their markets are dimming. Publishers and broadcasters need scale to compete effectively in an era when cable, digitization and the Internet have vastly increased the number of sources of news and information in a market.

But the most important reason that cross-ownership rules no longer make sense is this: the distinctions between print and television are starting to blur in a digital world. Video on the Web is the biggest thing since turkey and gravy. Companies like Tribune have argued that their TV expertise will increasingly lead to more attractive and useful Web sites incorporating video clips alongside articles, and vice versa.

On the other side, many people, including artists, minority groups, consumer advocates and academics, say the rules should be maintained. Their basic counter-argument is that consolidation in all its different guises — radio-TV, multiple radio stations in a market, newspaper-TV ownership and so on — has inevitably led to homogeneity and blandness.

The Consumers Union says digital media have not led to as much variety and democratization as people might think. According to a study it conducted, about 70 percent of online news consumers said an association with a traditional news source makes online news more credible. Another study found that local television stations and newspapers were by far its respondents' chief sources of news. In other words, most people either watch local television or read the local paper — and it is those outlets' Web sites that will probably carry the most clout.

ANOTHER group's study filed in the proceedings last week aimed to debunk the contention — apparently embraced by the F.C.C. in the past — that cross-ownership led to improved news and public affairs programming at the television stations in question. But the report's author, an assistant professor at the University of Michigan, lost me when he noted that he was measuring only the quantity, not the quality, of programming in markets where newspapers and TV stations are jointly owned. "Systematic tools for evaluating the quality of news programming would also be useful," he wrote. Yikes, no thanks.

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Yes, there is too much blandness in big media. Yes, television and newspapers are still the popular providers of local news. And, yes, it's probably impossible to say that consolidation has succeeded in every case in providing more news "from diverse and antagonistic sources."

But cross-media ownership is neither the solution to the industry's woes nor the potential bogeyman it might have once appeared. We're in a different game now.

ENVIRONMENT:

Climate Research Center's Oversight Up For Bidding (LAT)

By Nicholas Riccardi, Times Staff Writer

The Los Angeles Times, October 29, 2006

denver — Wanna run a government lab staffed by hundreds of scientists tackling climate issues like global warming?

For the first time in 46 years, management of the National Center for Atmospheric Research, perched on a ridge under the Rocky Mountains northwest of here, is up for grabs. Since 1997, National Science Foundation policy has required that all government research institutions be subject to a competitive bidding process when their contracts come up for renewal.

Foundation officials say that a formal request for bids is imminent and that the competition will be open to all organizations — academic, nonprofit and for-profit. Since its founding in 1960, the atmospheric center, based in Boulder, has been run by a nonprofit consortium of 70 universities, the University Corporation for Atmospheric Research.

The center's research on global warming and its forecasts of rising temperatures, fiercer wildfires and stronger storms have drawn the ire of some politicians. But officials in Washington say that politics will not affect the competition.

"This doesn't really have anything to do with the science that's getting done there," said Kristin Spencer, the agreements officer at the National Science Foundation who is handling the competition.

The current five-year agreement to run the atmospheric center, which ends in September 2008, is worth $548 million.

Senate Environment and Public Works Committee Chairman James M. Inhofe (R-Okla.), who contends that human-caused global warming is a "hoax," wrote to the foundation in February to confirm it was putting the atmospheric center's management agreement out for bid. He also asked for lists of the roughly 1,000 employees of the center and its operating consortium, as well as the identities of such employees under contract with other government agencies or nonprofits.

Committee spokesman Matthew Dempsey said Inhofe was simply doing his job and had no interest in injecting politics into science. "As chairman of the … committee that has jurisdiction over issues of climate change, Sen. Inhofe remains committed to providing oversight of all climate change programs and ensuring accountability and transparency by government agencies," Dempsey said.

The National Center for Atmospheric Research is the last of the five federally funded research centers operated by the National Science Foundation to go out for bid. Only one has changed management as the result of competition: Last year, management of the Department of Energy's research labs at Los Alamos, N.M., switched from the University of California to a team headed by the private for-profit Bechtel Group.

The president of the University Corporation for Atmospheric Research, Rick Anthes, said the National Science Foundation warned the consortium in 2003 that it would have to compete to hold on to the atmospheric center. Anthes said he had no problem with that.

"We are very concerned with any political interference with this process," but, Anthes said, he expects "the NSF will run a very fair process."

"There's no guarantee … [but] we expect to win," Anthes added. "The success record is so strong."

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Arsonist Sought As Calmer Winds Aid Firefighters (NYT/AP)

By The Associated Press

The New York Times, October 29, 2006

BEAUMONT, Calif., Oct. 28 (AP) — Calmer winds on Saturday helped crews fighting a huge wildfire that killed four firefighters and critically injured a fifth, while investigators searched for the arsonist who set the blaze roaring through the canyons of Southern California.

"It looks like things are beginning to turn in our favor," said Bill Peters, a California Department of Forestry spokesman. "We had a good overnight. It wasn't nearly as windy as it's been."

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Now in its third day, the fire that broke out in uninhabited brushland about 90 miles east of Los Angeles has blackened 39,900 acres, or more than 62 square miles, the authorities said. The fire was 40 percent contained, they added.

A reward for information leading to the arsonist rose to $500,000 on Friday, as $100,000 posted by Riverside County multiplied with matching offers from the state; neighboring San Bernardino County; a Rancho Mirage resident, Tim Blixseth; and the Morongo Band of Mission Indians, which has a casino in nearby Cabazon.

Forecasters predicted winds would ease and temperatures would drop slightly throughout the weekend, which could help as crews work in steep terrain to build fire lines around the blaze.

Investigators were looking into whether the wildfire was related to other blazes in recent months, including a canyon fire last weekend, though a sheriff's spokesman said there was no immediate indication of a serial arsonist.

Residents said they saw two young men leaving the area where the fire broke out west of the San Jacinto Mountains.

The fire destroyed about 10 structures, including homes; forced 700 people to flee; and flushed coyotes and other wildlife into the open.

Santa Ana winds gusted to 45 miles an hour but kept the fire in undeveloped land, away from homes in Riverside County. About 2,700 firefighters worked to corral the flames and a DC-10 jet capable of dropping 12,000-gallon loads of retardant joined a fleet of firefighting helicopters and airtankers.

The Forest Service and the state Department of Forestry were investigating the firefighters' deaths, gathering information on weather, topography and fuel.

The four firefighters were killed Thursday when the wind blew a wall of flames down on them in the hills near Palm Springs as they tried to protect a home.

Michael Wakowski, a fire division chief in the San Bernardino National Forest, said it did not appear the crew did anything wrong.

"Sometimes things go bad, I hate to say," he said.

FBI/DEA/ATF/USMS:

New Rules Cut Number Of Meth Labs (FWST)

By Jan Jarvis And Heather Svokos

The Fort Worth Star-Telegram, October 29, 2006

Several times a day, pharmacists throughout North Texas get blasted by sniffling, sneezing allergy and sinus sufferers who hate what they have to go through to get their Sudafed.

First, consumers must show a photo ID, and then they must sign their name while someone on the other side of the counter fills in a log. It can take five minutes or more to get any medication that contains pseudoephedrine, the popular decongestant that criminals have used to make methamphetamine.

"It makes me very, very aggravated and irritated," said Mandi Elias of Arlington, who shopped recently at the south Arlington SuperTarget. "It's just so frustrating because I'm used to picking it up at the counter and going."

Such retail inconvenience is succeeding, however, in making it tough for would-be meth cooks to buy enough decongestant to produce the highly addictive substance that sheriffs nationwide identify as the country's No. 1 drug problem.

New laws limiting how much pseudoephedrine consumers can buy at a time have slashed the numbers of clandestine meth labs, which have blown up in rural areas and residential neighborhoods, law enforcement experts say.

But just as quickly, Mexican drug cartels have stepped in to fill the void. Mexican manufacturers now buy large quantities of decongestant tablets from China, Panama and India to make "ice," what some experts say is a purer, more potent form of the drug.

"We got so much meth coming up from Mexico." said Herschel Tebay, commander of the Tarrant County Narcotics Unit. "Over 50 percent of the cases that we're actively working on are meth." Growing demand for treatment

The federal Combat Meth Act took effect just last month. Signed by President Bush in March, the law limits pseudoephedrine sales to 3.6 grams per day and 9 grams every 30 days.

It also requires purchasers to provide identification and sign a logbook. Sellers must keep the products behind the counter or under lock and key and must register online with the U.S. Attorney General.

Texans have had more than a year to get used to a similar state law.

Since August 2005, pharmacists have been required to keep pseudoephedrine behind the counter. No one under 16 may purchase products containing the medication. The law limits consumers to no more than 6 grams of pseudoephedrine, the equivalent of two packages, at a time. Retailers must keep a log of those who buy it and maintain the records for two years.

There's little doubt that the restrictions have helped, experts said.

"We've pretty much shut down the mom and pop labs," said Tebay, whose team coordinates drug investigations. "We've gone from having 80 to 100 a year to running across maybe 20 to 25."

Statewide, the number of clandestine meth labs has dropped as well — down about 40 percent in the past few years. In 2005, 270 meth labs were found in Texas, compared with 452 in 2004 and 677 in 2003, according to the National Clandestine Laboratory Database, a clearinghouse for all federal, state and local lab seizures. It is operated by the El Paso Intelligence Center.

Through May of this year, the Texas Department of Public Safety had seized 86 meth labs, down from 382 the previous year, the most current figures available.

But those restrictions have little impact on the meth made and distributed in Mexico.

Last year, the Dallas-Fort Worth area ranked as one of the five largest trans-shipment zones for methamphetamine in the country, according to the U.S. Justice Department. When meth comes across the border, it comes most often to New York, Miami, San Diego, Houston and Dallas-Fort Worth.

Not surprisingly, demand for meth addiction treatment is growing. Meth is one of the most addictive drugs and is one of the toughest to quit for good.

In 2001, 2,574 people — 7 percent of admissions — reported meth as their primary drug, according to the Texas Department of State Health Services.

By 2005, that number had nearly tripled to 7,714 people or 15 percent of admissions — and those were only indigent clients in need of substance abuse treatment at state-funded clinics.

In Tarrant County, 24 percent of the 4,608 adults admitted to treatment facilities in 2005 were there for because of a meth or amphetamine addiction, the state agency said.

Consider some recent area examples:

The Rev. Terry Hornbuckle, the former pastor of Arlington's Agape Christian Fellowship who was convicted in August of raping three women, tested positive for meth twice in the last year and a half. Witnesses testified during his trial that meth was Hornbuckle's drug of choice.

Scott Barnett, Bedford's former planning and community development director, was fired in February after being arrested for meth possession. Barnett was making almost $97,000 a year and had worked for the city for more than 20 years.

On Aug. 31, Fort Worth police arrested local car dealer Stephen Herman Blevins on suspicion of drug possession with intent to deliver. They found 48 pounds of methamphetamine — with a street value of $2 million (or nearly $500,000 wholesale). The bust was one of the largest meth seizures in the city's history.

And just this week, the Tarrant County medical examiner ruled that Michael Callahan, a 54-year-old found dead in a vacant lot in far south Fort Worth on Sept. 3 had died accidentally from acute methamphetamine intoxication. Reformulated products

With no sign of demand for meth slowing, some pharmaceutical companies have responded by reformulating products to include phenylephrine so they don't have to be put them behind the counter, said Darrell Spence of Fort Worth, immediate past president of the Texas Pharmacy Association.

Phenylephrine is a decongestant that, like pseudoephedrine, works by shrinking blood vessels. It can be taken orally but is also found in nasal sprays such as Neo-Synephrine. It cannot be used to make meth. The maximum daily adult dosage for phenylephrine is 60 mg; for pseudoephedrine it is 240 mg.

In January 2005, Pfizer, which makes Sudafed, began marketing Sudafed PE, which contains phenylephrine. Since then, other cold medications including Dayquil, Theraflu and Alka-Seltzer Plus have hit the market with new formulas containing phenylephrine.

But there have been questions about the effectiveness of the decongestant in the dose available.

Two University of Florida pharmacists argued that the drug was ineffective at the Food and Drug Administration's approved dose, in a July peer-reviewed letter to the Journal of Allergy and Clinical Immunology .

"When ingested, it becomes inactivated between the gut and the liver," according to Leslie Hendeles, one of the University of Florida pharmacists who warned that the drug is poorly absorbed in the bloodstream.

In 1976, the FDA said that a 10 milligram dose was safe and effective, making it possible for companies to use the ingredient without conducting studies, according to the University of Florida pharmacists.

But some people say the drug does not work at the 10 milligram dosage.

"In my experience, it is not as effective at drying up stuffy noses," Spence said.

The maker of Claritin-D, the best-selling branded cold product with $302.5 million in sales this year, used another strategy. Schering-Plough began an advertising campaign this fall telling consumers that it chose not to change its formula, which contains

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pseudoephedrine. The original formula — even though it's kept behind the pharmacy counter — works best, the manufacturer says.

Still it's a hassle when someone gets sick after the pharmacy closes, said Elias, the Arlington mother.

"When the kids get sick at 11 or 12 at night, I can't get anything for them," she said. "I have to wait until the next day."

Federal Marshals, Police Step-up Effort To Nab Sex Offenders (PPG)

By Torsten Ove, Pittsburgh Post-gazette

Pittsburgh Post-Gazette, October 29, 2006

Squads of federal marshals and police rounded up hundreds of sexual predators and gang members in the eastern half of the United States as part of a nationwide manhunt that included 26 arrests in the city of Pittsburgh on Wednesday.

Deferring to the U.S. Justice Department, Pittsburgh police said they couldn't discuss the charges or provide any details.

But some of those caught here were sex offenders; others were fugitives with warrants for a variety of other felonies.

Attorney General Alberto Gonzalez will announce the national results on Thursday in Washington, D.C., and locally U.S. Attorney Mary Beth Buchanan plans a news conference to detail the arrests in the 25-county Western Pennsylvania district.

The roundup is the second part of a national effort to hunt down sex offenders. The first phase was in April, when the marshals arrested 1,102 fugitives on various sex offense charges in 27 states west of the Mississippi River.

A similar operation last year, which targeted mostly violent repeat offenders, netted 10,340 fugitives across the United States, the largest fugitive apprehension in history. In this region, more than 100 were captured.

This time the marshals and local police concentrated heavily on Megan's Law violators and other sexual predators, including those who have failed to register as sex offenders or are not living at the addresses where their Megan's Law form says they should be.

Keeping track of sex offenders has long been a headache for police who are often overburdened with other duties.

But this year a new law has designated the marshals service as the lead agency to hunt them down across the U.S.

The law, the Adam Walsh Child Protection and Safety Act, was signed by President Bush on July 27, the 25th anniversary of the abduction and murder of 6-year-old Adam Walsh in Florida.

Adam's father, John Walsh, is the host of "America's Most Wanted." He and his wife, Reve, attended the signing in the White House Rose Garden.

Under the law, convicted sex offenders who fail to register with local authorities will be charged with a felony in the U.S. District Courts. Previously, each state dealt with failure to register differently.

The first man in the country to be charged with the new federal crime of failure to register is John Henry Gill, 47, who was indicted last week in Salt Lake City.

The marshals' new initiative has parallels with the Justice Department crackdown on illegal guns under Project Safe Neighborhoods, in which the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives is the designated agency for pursuing ex-cons caught carrying weapons, a federal crime.

The marshals will assume a similar role for convicted sex offenders. Although he was not among those caught last week, one local example of the kind of fugitive the marshals will pursue is Larry M. Williams, 33, of Lincoln-Lemington, who was arrested at a North Side mosque this summer.

In addition to being wanted on federal weapons charges, he was also wanted for failure to register as a sex offender following his rape conviction in the state of Washington.

Since the Adam Walsh law went into affect, deputy marshals have been training with the National Center for Missing and Exploited Children to get up to speed on Megan's Law registry and child predator issues.

IMMIGRATION:

Critics Attack Proposed Rules For Citizenship (LAT)

By Teresa Watanabe, Times Staff Writer

The Los Angeles Times, October 29, 2006

Fee hikes, new tests, online filings called barriers for poor.

Immigrant advocacy groups are decrying an array of proposed federal measures, including application fee increases and online filing requirements, that they fear will sharply reduce the ability of some legal immigrants to become U.S. citizens.

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As President Bush signed a controversial bill last week authorizing 700 miles of new fencing along the U.S.-Mexico border, immigrant rights groups charge that the U.S. Bureau of Citizenship and Immigration Services is erecting a virtual "second wall" that would disproportionately hurt Mexican immigrants, who tend to be less educated and earn lower incomes than others.

Last week, a coalition of more than 230 religious, labor and immigrant rights groups delivered a letter to citizenship bureau Director Emilio Gonzalez, expressing strong concern about application fee increases that could double to $800, a "digital barrier" of a mandatory online filing system, extensive new paperwork and a revised history and civics test they fear could be more difficult.

"Together they appear to us a clear strategy pursued through administrative fiat to make the dream of American citizenship unattainable for many lower-income, less-educated immigrants," said the letter, which was initiated by the Chicago-based Illinois Coalition for Immigrant and Refugee Rights.

Some activists fear the Bush administration is seeking to tighten access to citizenship to bar potential new Democratic voters. But U.S. immigration officials flatly deny any partisan motives.

They say they are merely aiming to make the system more efficient, financially self-sustaining and better able to ensure that new citizens understand foundational American values and historical events. Some of the initiatives, including the move to automation and a revised test, were recommended in 1997 by the U.S. Commission on Immigration Reform under the Clinton administration. The final proposals are expected to be announced in the next few months and take 12 to 18 months to implement.

"There is no more priceless gift a person can receive than American citizenship," said Christopher Bentley, spokesman for the citizenship bureau in Washington. "Our expectation is that people who have the opportunity to become U.S. citizens realize that the cost and sacrifice is worth the investment in their future."

Some immigrants would seem to agree. At a recent citizenship workshop in Los Angeles, where volunteers served 2,000 people who lined up for hours to apply for naturalization, machine operator Arturo Reyna said he scrimped and saved for a year to pay the $400 application fee. The native of Mexico, whose wife, Rosa, is a U.S. citizen, said the price was eminently worth the right to vote and to live here with his family.

"There are big groups trying to stop immigration," said Reyna, 30. "We don't like these things, but we can't vote. As a citizen, you can take part in decisions."

Victor Yebra, a 38-year-old silk screener who illegally crossed the U.S.-Mexico border as a boy to join his bracero father and subsequently won amnesty, said some immigrants might find higher application fees or online filing requirements onerous. But he said they would not dissuade those determined to become citizens.

"A lot of people here won't want to deal with these things, but I think they'll find a way to do it," Yebra said. "It's all for your own good future."

The proposed changes have, however, alarmed many — and not only in the Latino community. Koreans accounted for about one-fourth of the organizations signing the letter of protest to Gonzalez.

Koreans began naturalizing in greater numbers in the mid-1990s, when the Los Angeles riot and welfare cutbacks aimed at immigrants showed them the importance of civic influence, said Eun Sook Lee, executive director of the National Korean American Service & Education Consortium in Koreatown. Still, she said, about 300,000 Korean immigrants eligible to become citizens have not yet done so.

"With these measures, the message they're sending is that they want to delay full civic participation of new citizens," Lee said.

According to scholars, the politics of naturalization are nearly as old as citizenship rites themselves.

At the turn of the 20th century, urban political machines trolling for voters in several states pushed through so many fraudulent naturalizations that Congress passed a landmark immigration reform bill in 1906, said Lorraine McDonnell, a UC Santa Barbara political science professor. Among other things, she said, the reform bill required for the first time that applicants be able to speak English.

More recently, the Clinton administration was accused of "importing votes" by relaxing normal immigration procedures in its Citizenship USA campaign to register 1 million mostly Latino new voters before the 1996 elections. The charges by Republicans and other critics sparked a three-year Justice Department investigation, which ultimately rejected charges of partisan motives but found slipshod management, including lax background checks that allowed 6,000 possible criminals to become citizens.

To become citizens, legal permanent residents must reside in the United States for five years — or three years if they are married to a U.S. citizen or serve in the military. They must also pass English and civics tests, be of "good moral character" and take an oath of allegiance.

Concern about the civics test dates back to 1997, when the U.S. Commission on Immigration Reform criticized it for relying on "memorization of discrete facts rather than on substantive understanding of the basic concepts of civic participation."

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Under the Bush administration, activists feared that the tests would become more difficult and the format changed to multiple choice, which some immigrants are unfamiliar with, said Fred Tsao of the Illinois immigration coalition, which has closely tracked the issue.

Tsao and others said their anxiety mounted after the Senate passed Republican-sponsored legislation this year setting as goals for the revised test understanding of major documents, such as the Federalist Papers and Emancipation Proclamation, and important historical events, such as major court decisions and key figures in U.S. politics, science, business and art.

Those concerns, however, have abated somewhat. Immigration officials began meeting regularly with adult educators and immigrant advocates, and assured them the test's format and degree of difficulty would not change.

"We want to add meaning to the process, not make it harder, so we have assurances that this exercise empowers [new citizens] to take their rightful place in society," the citizenship bureau's Bentley said.

As one example, he said, questions about the American flag's colors might be jettisoned in favor of those about key rights, such as voting.

Activists are more concerned about proposed fee increases and mandatory online filing. The fees have increased to $400 from $95 since 1998 and are set to possibly double after immigration officials complete a fee survey later this year.

Marcelo Gaete of the Los Angeles-based National Assn. of Latino Elected and Appointed Officials Educational Fund said that hundreds of immigrants in two recent citizenship workshops could not afford to pay the current fees and would suffer if they were increased.

But Bentley said the fee hikes were inevitable because the citizenship bureau receives no regular budget appropriation and must be self-sustaining. A special five-year budget appropriation of $440 million that reduced the application backlog from 3.8 million cases in January 2004 to 120,000 as of August is set to run out, requiring new revenue to sustain the progress, he said.

To promote efficiency, Bentley said the agency also aims to eliminate paper filing and transform to an all-electronic system in the next five years. "The infrastructure we have now is broken," he said. "We have to come into the 21st century."

Activists, however, say an online filing requirement will shut out many immigrants without access to computers and open the door to abuse from unscrupulous immigration businesses.

By requiring a 19-page form simply to register for an online account, the new system will all but eliminate the ability to offer mass citizenship application workshops, said Laura Burdick deputy director for national programs at the Catholic Legal Immigration Network in Washington.

"This is not a Democratic or Republican issue," Burdick said. "Citizenship is in everyone's interest."

TAX:

Future Tax Shock (NYT)

The New York Times, October 29, 2006

One of President Bush's be-very-afraid lines this campaign season is that Democrats, if elected, will raise taxes. What he doesn't say is that if you are one of tens of millions of Americans who make between $75,000 and $500,000 a year, your taxes are already scheduled to rise starting next year — because of laws that Mr. Bush championed and other actions he failed to take.

The higher taxes stem from the alternative minimum tax, a levy that is supposed to snare multimillionaires who would otherwise get away with using excessive tax shelters to wipe out their tax bills. But these days, the alternative tax is snaring many upper-middle-income filers.

Mr. Bush set the trap in 2001 — and in 2003, 2004 and 2006. In each of those years, he flogged for new tax cuts without requiring corresponding long-term changes in the existing rules for the alternative tax. It was well known that failure to update the alternative tax would create perverse interactions with the new tax cuts, causing filers' tax bills to drop because of the cuts, only to shoot back up again from the alternative levy.

Mr. Bush said he would vanquish the problem through tax reform. Didn't happen. Congress never wrestled with lasting solutions. The truth is, the president and lawmakers are paralyzed. To fix the alternative tax while keeping the Bush tax cuts on the books would result in the loss of some $800 billion in revenue over 10 years, blowing a hole in the federal budget and exposing how utterly unaffordable the tax cuts of the last five years really are.

The taxpayers wrongly afflicted by the alternative tax are not tax dodgers. For the most part, they are couples with children who have broken into the ranks of six-figure earners, and who live in high-tax states like New York and California. They are being penalized, in effect, for claiming everyday deductions — like write-offs for dependents and property taxes — which, under the alternative tax rules, are viewed as excessive shelters.

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Meanwhile, multimillionaires are not being snared at nearly the same rate as other filers. In part, that's because much of the income of the superrich comes from investments. The tax breaks for investments — the grail of the administration's tax-cutting crusade — are not counted as shelters under the alternative tax the way, say, children are.

For the past few years, Congress has papered over the mess by passing temporary relief measures to shield most — though not all — upper-middle-income taxpayers from having to pay the alternative tax. The latest stopgap expires at the end of this year, leaving taxpayers exposed at ever lower income levels. Congress could pass another temporary stay, and it will probably do so.

But stopgaps do little to protect the families already being unfairly clobbered by the alternative tax. And they make the nation's underlying budget problems worse. Like the Bush tax cuts themselves, they result in less tax revenue than is needed, requiring the government to borrow heavily. The mounting debt of the Bush years — all of which must be paid back with interest — makes tax increases or budget cuts, or both, inevitable.

The president wants to push off the day of reckoning until he leaves the White House, while whipping up voter fear of future tax increases. But the reality is that he and his supporters have laid the groundwork for higher taxes and hamstrung government, no matter who is in office in the months and years to come.

CONGRESS-ADMINISTRATION:

What He's Trying To Say (NYT)

By Ben Wallace-Wells

The New York Times, October 29, 2006

The White House, like any castle, has its own peculiar rituals, and in the five months that Tony Snow has been President George W. Bush's press secretary, he has begun to learn them. For instance, at some point in virtually every televised press briefing, a middle-aged man named Raghubir Goyal, who is The India Globe's Washington correspondent, will thrust his arm anxiously into the air, be called on and deliver a rambling monologue about the perfidies of Pakistan in general and Pakistan's president, Gen.

Pervez Musharraf, in particular. And a man named Lester Kinsolving, a radio host and reporter for a Baltimore station with a big grin and game-show-host wavy hair, will interrupt a back-and-forth on, say, the operational capacities of Al Qaeda to read confounding questions he has written out, word for word, before the press briefing began.

"Tony," Kinsolving began one morning in September, "The Washington Times noted on Page 1 that the Congressional Black Caucus will remain exclusively black. Does the president support or oppose this racial segregation, which excluded California Congressman Pete Stark — who risked his life for civil rights in Mississippi — because Stark was born white?"

Snow grinned and shook his head and began to point to some other reporter, any other reporter.

"No, wait a minute," Kinsolving said, "are you just going to evade that question?"

No," Snow said, beginning to laugh, enjoying the exchange, his deep voice booming, "I'm going to laugh at it." He did. So did the rest of the room.

Snow, who is 51, is 6-foot-4, with a genial lectern slouch and a chin that looks as if it were built for contact. But the first thing you notice about him is his facility at managing the fragile balance of a press room, its constant teeter between sincerity, open hostility and absurdity. Kinsolving's and Goyal's questions were sometimes land mines for previous press secretaries. Snow brushes past them genially. For the most part, Snow's two predecessors in the Bush White House tended to look as if they regarded the twice-daily meetings with the press as painful procedures. Still, these are anxious days for the White House, with the president's approval ratings stuck below 40 percent — the sort of number that has a way of emboldening the reporters and making the atmosphere in the press room particularly aggressive. So the Bush White House has turned to Snow, a longtime broadcaster at Fox News, in the hope that he can change the tone and project a confident, prime-time sort of calm. Gone already is the firing squad of the Scott McClellan days, and there is little echo of the testy, you-don't-need-to-know authority of President Bush's first press secretary,

Ari Fleischer. Snow's style is basically cheery: Gee, isn't it fun to run the world?

From the perspective of the White House, the classic Tony Snow moment came on Sept. 12, when he was challenged by David Gregory, the chief White House correspondent from NBC News, who has become perhaps the most consistently aggressive of the big-time correspondents. Vice President Dick Cheney had charged that the Democrats' talk of withdrawing the troops from Iraq "validates the strategy of the terrorists," and

John Boehner, the House majority leader, had phrased the matter even more harshly, saying of the Democrats, "I wonder if they're more interested in protecting the terrorists than they are in protecting the American people." Gregory began caustically:

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"As you know, this is not a campaign season about whether America is a great place or not, right? I mean, it's a lot more substantive than that, and it has to do with the path that this president took the country after 9/11." Then he asked whether the president supported Cheney's statement. Snow, who had been on the job for about four months, went further than that. "I think it's true," he said.

Then what Snow did was give an abbreviated but learned-sounding tour through the history of Al Qaeda's conflict with the United States. "Osama bin Laden has made it clear . . . if the United States is pushed from Iraq, it will be to the eternal humiliation of the United States," Snow said. "Bin Laden drew the conclusion when we left Somalia that the Americans didn't have what it took to stick it out." He continued, "So, as an objective assessment about the way in which bin Laden views the United States," Cheney's saying Democratic debates over Iraq withdrawal would strengthen terrorists "is a true statement."

It may not have survived scholarly scrutiny, but Snow's response was like a temporary pontoon bridge built to scurry the troops across the river: it got the job done. There was a desultory follow-up, but even Gregory, in his broadcast that evening, played the controversy over Cheney's comments as a simple, partisan spat. "The press briefing that day," says Dan Bartlett, counselor to the president and Snow's boss, "was amazing. Tony took a line that could have been a real problem and completely deflated it."

Snow has had to do a lot of deflating since coming on board. He has become the public face of an administration under the most sustained period of pressure that it has yet seen; his job is managing the siege. The White House has chosen not to switch course on its major policy initiatives, abroad or at home, even though its major legislative efforts, from Social Security privatization to comprehensive immigration reform, have stalled, and its initiatives in Iraq and Afghanistan are troubled at best. Nor has the administration changed the substance of its message. With midterm elections approaching and the administration keeping one eye on its legacy, the White House is simply betting that it can sell it all better this time, with a little more skill and a little more finesse. Tony Snow's tenure is becoming a study in the science — and limits — of political charm.

A few years ago, the conservative media consultant Frank Luntz did a focus group studying the on-air styles of the various Sunday talk-show hosts, including Snow. He found that Snow graded very highly among both liberal and conservative viewers, in large part because his style was different from most conservatives on television.

"Republicans for a decade have been very good at pushing their message on people," Luntz told me recently over the phone. "Tony does something completely different — he pulls you in. Watch his facial expression — he's almost always smiling, which is different from other press secretaries. He speaks softly, and so you turn up the volume on your television. You don't feel like you're being sold something. With Tony, it's a conversation. You don't stand up and cheer when Tony finishes speaking; you nod your head in affirmation."

Luntz paused, then said: "Look, Tony's good on message, but he's not great. Ari Fleischer was better. Tony's genius is his style of communication, and that's exactly what the president needs right now."

"If Tony Snow had been press secretary instead of Scott McClellan during the initial revelation of the Valerie Plame stuff," says Eric Alterman, a journalism professor at Brooklyn College and a liberal media critic, "I think it wouldn't have been nearly what it was. Snow would have known how to handle it."

The successes of press secretaries are always hidden — one-day negative stories that didn't become four-day negative stories, attacks on the president that didn't take hold. But given the tortured recent history of relations between the White House and its press corps, that's no small claim. Scott McClellan, a longtime Bush loyalist and Snow's immediate predecessor, had trouble with White House reporters from the beginning. As Jay Rosen, a journalism professor at New York University, put it to me, McClellan "was a strategic noncommunicator," and having him in the job was tantamount to "mooning the press." The situation seemed to become untenable, though, with the Plame scandal, after it turned out that Karl Rove, the deputy chief of staff, and

I. Lewis Libby Jr., the vice president's chief of staff, had discussed Plame's role as an intelligence officer with reporters; McClellan had previously insisted, steadfastly, that they had not. Members of the press corps say that that experience convinced them that McClellan couldn't be relied upon to deliver anything more than White House spin. "With Scott, you found that if you tried to debate something, you just got into a recitation of the White House's line, and with Valerie Plame this became painfully obvious," Mark Silva of The Chicago Tribune told me. When

Joshua Bolten was picked to be the new White House chief of staff early last spring, he started the search for a new spokesman. "This isn't to disparage Scott or anything, but we were looking for a game changer in that position," Dan Bartlett, the president's communications director, told me.

Mark Halperin, the political director of ABC News and the author of a recent book about politicians and the press, says he has seen a change. "More so than many of his predecessors, Tony understands that questions are being asked in the public interest, and he tries to answer in the spirit in which he's been asked," he said. "It's at the margins, but there's an improvement."

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And in the months since Bolten took over and hired Snow, this famously closed White House has become marginally more open. It has given reporters more on-the-record access to the president and has brought in more governmental experts to brief the press. White House officials say that these changes came, in part, at Snow's urging. Snow also asked for a large role in policy making. And though Snow himself says, "Let's just say I'm satisfied on that count," so far evidence of his policy influence is hard to discern. "It's not like he has more access than Scott did, because he doesn't," one senior administration official told me. "If there's a change, it's that Tony is maybe a little more assertive when he's at the table, but Scott had the same seat."

I asked Bartlett for an example of an issue on which Snow's influence was evident. He thought hard and then told me that he had pushed really hard for the president to make the speech to the N.A.A.C.P., an outreach last July to black Americans, in advance of the first anniversary of Hurricane Katrina. Bush was generally lauded for the appearance — his first at the N.A.A.C.P. since he became president — but it has hardly represented a central part of the president's agenda.

According to White House officials, Snow does play a bigger role than previous press secretaries did in helping to design the day's responses to anticipated press inquiries. But Snow's more obvious success has been within the theatrical confines of the press room — in deflecting damaging stories before they gain traction, in phrasing the president's position more eloquently and precisely than Bush himself is able to and in imposing the White House's line on the story of the day.

"I don't think Tony fully realized when he started," Bartlett told me, "how much of an elephant in the room the briefing is. When you get done preparing for the gaggle, doing the gaggle, preparing for the briefing, doing the briefing, taking reporter's calls, that's basically your day. It's not like you've got all this time left to do other stuff."

One of the peculiarities of the White House press room is that it has its own academic: a Towson University political-science professor named Martha Joynt Kumar, who has been attending press briefings since 1975 but is free from the obligations of her colleagues, who actually ask questions and then produce stories. Professor Kumar simply observes, and her scholarship is aimed at writing about White House communication with the news media.

Kumar says that the job changed in 1995, when President Clinton's press secretary, Mike McCurry, decided to televise the daily briefing in its entirety. The midday show gave the White House a daily platform to promote its message, she says, and turned the press secretary into a more visible public figure. Snow is taking greater advantage of this, she says, than any press secretary has before. He has begun to speak at fund-raisers for Congressional candidates, something no previous press secretary has done. He is scheduled as the headline act for at least a dozen such events before Election Day. All of these appearances have been booked by the White House political operation, which says it isn't keeping tabs on how much money Snow brings in. But to judge from his Oct. 14 appearance at a fund-raiser for Speaker J. Dennis Hastert, at which 850 people paid $175 apiece to see him speak, it is not an insignificant sum. Kumar says that the fund-raisers, which are purely political rather than informational, represent "a real change from previous administrations, and a real danger."

There is a natural tension between these two parts of the press secretary's job — the political and the informational — and occasionally Snow has overreached on the politics. In July, defending Bush's veto of legislation that would increase federal financing of embryonic-stem-cell research, Snow told reporters that the president's position was that such research amounted to "murder." This was not a position that the president had taken previously, and a week later, Snow apologized to reporters for "overstepping my brief." It echoed a jaunty claim Snow made during his first press briefing, when he guaranteed that the Senate would pass the president's comprehensive immigration-reform bill, legislation that Snow himself lobbied vigorously for during his first weeks as press secretary (on influential conservative television shows like Lou Dobbs's and Bill O'Reilly's) but did not pass the Senate this year.

"The test for Tony is whether he doesn't just become seen as a pitchman, as advancing a position, and whether he keeps a reputation as someone who can provide accurate information," Kumar told me. "Because providing accurate information is the job — if you don't do that, you lose your credibility as press secretary. So much of that job is still in that room."

Watching Snow in that room when he is working fluently and well is really something; the press secretary is gloriously glib. One Wednesday in the middle of September, he rebuffed a grandstanding network television reporter who had brought a big dictionary into the briefing room, trying to force Snow to square the definition of "fascism," with its references to an ideology of the supremacy of a strong centralized state and powerful bureaucracy, with the president's claim that the terrorists of Al Qaeda were "Islamofascists"; Al Qaeda, obviously, has no bureaucrats at all. Snow replied that bin Laden had called for the adoption of Sharia across the Muslim world and said he wanted to re-establish the Islamic caliphate, stretching from Spain to Asia. "It fits," Snow said, not smiling, just plain and factual, "all of the descriptions you've had."

It was a classic Snow moment. Following his political hero, Ronald Reagan, Snow has developed an instinct for clarity, for boiling things down. He has a tendency to speak about even the most complex issues in simple terms, something that can lead him into clichés. ("Race relations aren't hard; people make them hard," he has said.)

When I met with Snow in his office at the end of September, he talked about the constraints on a press secretary's power. At the end of that week, the precise limitations became a little more apparent, as the White House was caught in a series of

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snowballing scandals: the release of a National Intelligence Estimate that found that the war in Iraq was inspiring more Muslims to join the jihadist cause; the publication of Bob Woodward's book <object.title class="Movie" idsrc="nyt_ttl" value="279002">"State of Denial," which described a White House too stubborn to accept the grim realities on the ground in Iraq; and the transgressions of the Republican representative

Mark Foley, who resigned after it was revealed he'd sent sexually suggestive instant messages to male House pages. Snow looked a little less fresh and a little less happy than when I'd seen him a few weeks earlier, and he was beginning to make mistakes. He had tried to pass off the Foley scandal as "simply naughty e-mails," which made it seem as if the White House wasn't taking the scandal seriously, and he would spend much of the next several days backtracking. When he tried to debunk a series of Woodward's findings as the reporter's own invention, the press didn't buy Snow's line. As for the intelligence estimate, Snow pooh-poohed the estimate's findings and failed to keep the story from continuing for a second and third day. Referring to the N.I.E. story, Kumar told me: "Tony lost control of the room that day. That's the only time I've seen that happen."</object.title>

Snow was born in Berea, Ky., and grew up in Cincinnati. His father was a high-school principal and his mother was a nurse. (She died of colon cancer when Snow was 17.) "I was the kind of kid," Snow says, when asked about his boyhood self, "who went to summer school because I liked it."

This is the way Snow and his friends tell the story of Tony Snow: he is an earnest, bookish guy whose passion is for burrowing down into wonky issues. "With Tony, sometimes you have to say, 'No, you can't read all 300 pages of that report,' " Marty Ryan, who was Snow's executive producer at "Fox News Sunday," told me. (Like many conservatives who came of age when he did, when conservatism was still more of a philosophical project than a political one, Snow has a tendency to insist on the intellectual agility of his fellow travelers. When I asked him to describe his boss, he said that the president "reminds me of one of those guys who walks through a gym playing 40 games of chess at once and can keep all the moves in his head.")

Snow graduated from Davidson College in Charlotte, N.C., with a degree in philosophy in 1977 and then, after brief stints teaching school in Africa and then in Cincinnati, started sending out applications to newspapers. "Seemed like the best job in the world — you get to talk to all kinds of people you could never get near otherwise," Snow told me. Two years out of Davidson, he landed on the editorial page of The Greensboro Record, in North Carolina (circulation, 33,000), working for Terry Eastland, a young conservative writer who is now the publisher of The Weekly Standard. Snow would follow Eastland to The Norfolk Virginian-Pilot. From there he went to The Daily Press of Newport News, Va. At Eastland's direction, Snow once spent a couple of months on the news desk at The Greensboro Record, but otherwise he has always been an opinion writer, not a reporter. He does not have a great deal of reverence for the old-time idea of the objective, truth-seeking reporter: "God, the source of all fact and truth, is objective," he once told an audience at Hillsdale College, in Spring Arbor, Mich., "but journalists, who often know very little, are not." (This is unusually direct Godspeak from Snow, who is a Catholic convert and talks with little of the direct religiosity of the president.) Snow moved on to conservative editorial pages in bigger markets — to The Detroit News, where he spent three years and where he met the woman he would marry, Jill Ellen Walker, and then, in 1987, to Washington, where he oversaw The Washington Times's editorial pages. He has been in the capital ever since.

Snow knows everyone in Washington. This doesn't betray any particular social promiscuity — Snow spends most of his weekends with his wife and three children. It is simply a result of the forceful inertia of having spent almost two decades being affable and important in a city that values both qualities. Testimonies to his geniality are rampant. "We had political differences, but that made it fun to argue with him, not hard to argue with him like some others," Gordon Morse, a friend and a liberal editorial writer who worked with Snow at The Daily Press, told me. "We'd be 24 and going to see some Mad Max movie and happily quarreling about politics, and he's the same guy now." Snow is friends with more journalists than politicians, and more conservatives than liberals, but not to the point of exclusion. Snow is friendly with the conservative activist Grover Norquist and with the Democratic partisan Sidney Blumenthal, two of the more polarizing figures in Washington.

In 1991, Snow was hired to work as a speechwriter for President George H. W. Bush. "He had a big office over in the Old Executive Office Building," Morse told me. "He was very much taken with the place." The thrill passed quickly. With the gulf war over, the White House was becoming marked by infighting and began spiraling toward a losing election campaign. John Sununu, the chief of staff who hired Snow, resigned shortly after Snow came on board. Snow was reassigned soon after to one of the less glamorous jobs in the communications office, ghostwriting op-eds for senior administration officials. I asked Snow about the experience. "In the first Bush White House, we were undone by backstabbing," he told me fiercely. "People were just being vicious to one another. They were trying to serve their own interest, and not the president's." It is the lone bitter thing I've ever heard him say.

After he left the first Bush White House, he stayed friendly with an obscure White House employee from New Jersey named Linda Tripp, who stayed on during the Clinton administration. When Tripp decided to write a tell-all book about the Democratic administration, it was Snow, of all her Bush White House contacts, she asked for help. Snow put Tripp in touch with

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the conservative literary agent and columnist Lucianne Goldberg. Later Tripp befriended Monica Lewinsky, who confided that she had been having an affair with the president, and a scandal was soon born.

Snow wrote a column for The Detroit News and sampled a number of different jobs; for a while, he was Rush Limbaugh's guest host, but it became clear that Snow was, in Eastland's words, "not inclined to bash as much as some people." There was also a philosophical difference: Snow's the kind of conservative who is at home in the modern, bourgeois world and is not particularly interested in attacking it. He went to Rock 'n' Roll Fantasy Camp; he is friendly with Ian Anderson, the singer and rock flautist who leads Jethro Tull.

In 1996, Snow switched to a different medium and signed on as the host of a new program, "Fox News Sunday." Fox's executives were looking for a fresh face and noticed Snow during some appearances he'd made on "CBS Morning News." "What he had was all the stuff you couldn't teach," Marty Ryan, Snow's producer at Fox News, told me. In the program's early days, when it was having trouble getting guests, Snow used to chat up senators and representatives, trying to get them on his show. Snow stayed at "Fox News Sunday" for more than seven years, conducting interviews and managing a panel of first three and then four other pundits. He was nimble and, for an anchor, comparatively retiring. "One of Tony's great strengths," Ryan told me, "was knowing how to give others their space." In 2004, Snow left to do his own program on Fox News Radio.

Then, in early 2005, Snow received a diagnosis of colon cancer, the same disease that killed his mother. He had chemotherapy and two operations. Having had cancer, he subsequently said, shifted his perspective. "It sounds trite, but it's true," he told me. "You have a relish and appreciation for life you didn't have before. It gives you a fresh wonder about the world, and about people."

Last spring, when Bolten talked to Snow about succeeding McClellan, he doubted his chances at persuading Snow to join the White House. But he made his case anyway: the president's "fundamentals" were sound, Bolten said. Snow agreed. Snow would be this administration's daily public face, trying to bring public opinion back into the president's favor. As a commentator, Snow called the president "something of an embarrassment." He called the White House "impotent." Snow didn't really need the job. "My first response was no," he recalls. But as he thought about it more, Snow says, he realized that he "always liked the president, from back when he worked for his father's campaign." And after all, this is the reason most people come to Washington, not just to hover around power but to wield it.

"Every administration has ups and downs in the relationship between the White House and the press — certainly Nixon had moments that were as bad as any now, and Clinton and Reagan probably did, too," says David Greenberg, a professor of history and media at Rutgers who studies presidential communication. "But two things that are going on now are genuinely new. The first is that conservatives have had a great deal of success with a political strategy that includes demonizing the liberal media, and so there is a confidence there now that didn't exist with Nixon or Reagan, that this will work politically. But the other thing is the increased partisanship of the media, the rise of cable news, of Internet news, an increasing shrillness among even newspaper columnists, has served to discredit the idea of a mainstream media, and gives politicians a way to get around them."

The Bush administration played to this demonization of the liberal media with its first two press secretaries, who were often hostile and generally withholding with the press corps. The White House seemed to be sending a message to its base: not only are the mainstream media the enemy, they're also unnecessary. With Snow they've chosen a different tone, but the changes Greenberg talks about still offer him the possibility, the hope, that presidential communication might be liberated from the press room — that he might speak directly to the people, every day, not just as a press secretary does, interrupted and directed by reporters, but as a politician might. "One thing I've noticed about Tony as press secretary is he isn't trying to only speak to the reporters in the room — it seems like he's also trying to speak past them, to people watching at home," John Moody, a senior vice president at Fox News and Snow's former boss, told me.

One of the most visible changes since Snow arrived has been the increase in the number of "fact sheets" the press office issues to challenge the interpretation of the news in the mainstream press. Before Snow became press secretary, such releases used to be comparatively rare; they now appear nearly every day. In part they're aimed at a fair-minded correcting of the record, and in part they're meant to tweak critical reporters, but they've also proved enormously helpful for conservative bloggers. "It's really useful and smart — it puts bloggers in the position of going directly to the unexpurgated text and seeing what's being spun or played or ignored, and it certainly circulates," Glenn Reynolds, a law professor at the University of Tennessee and the proprietor of the influential conservative blog Instapundit, told me. "Particularly if your administration regards the press as an essentially hostile enterprise, you want to give people more direct access."

Most of the people who work for Snow in the press secretary's office look really young. ("Seems like his whole staff is 26," I said to Kumar. She snorted. "Twenty-six? They look about 23 to me.") And that makes sense: working in the White House imposes its own brutalities on your life. Snow says he wakes up every morning before 4 and has his first meeting, with the national security adviser, at half past 6. From then, he is performing or preparing to perform for the next 12 to 14 hours. "The job is hell, it is political war," Frank Luntz says, "and it has been for 10 years" — ever since McCurry instituted the televised daily

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briefing. “Every day, you wake up knowing the battle is just as tough, the enemy just as ferocious. You’re outnumbered 30 to 1. You can’t just beat 29 of them, you have to beat all 30 of them, every single day.” This is the reason, Luntz says, that the “best press secretaries do their best work in their first year.” No wonder, then, that after four years, Scott McClellan began to crack.

These are still early days for Snow, and this kind of fraying has been only intermittently visible. “Who knows how I’ll feel in two years?” Snow says. “But it’s fun right now. When you live on deadlines, it creates a pleasant pressure to perform and to deliver.”

I went to see Snow’s press briefing one Friday late in September. Over the previous 24 hours, the first excerpts from Woodward’s book had begun to trickle out, and the administration was getting pummeled. Snow had been on the phone all morning, speaking to Secretary of State Condoleezza Rice and other foreign-policy officials, trying to figure out where the Woodward account could be challenged, trying to get the administration’s story right, and he pushed back the press briefing by almost two hours to give himself time to prepare. He undoubtedly knew that no matter how well he did that day, the lead paragraphs in the next day’s papers would still reflect poorly on the White House. The best he could hope for was that the eighth paragraph, the one with the administration’s response, would come off as sympathetic, would be carefully phrased. The reporters started to file in 10 minutes before the delayed briefing was to start. A young White House aide called out a five-minute warning, then a two-minute warning, then Snow walked out of the elevator to the lectern and put down his briefing book and a cup of coffee.

He smiled, knowing what was coming. And he genuinely looked as if he were enjoying the moment. “Hello everybody,” he said. “We’ll go right to questions.”

GAO Chief Warns Economic Disaster Looms (AP)

By Matt Crenson, Associated Press

AP, October 28, 2006

AUSTIN — David Walker sure talks like he's running for office. "This is about the future of our country, our kids and grandkids," the comptroller general of the United States warns a packed hall at Austin's historic Driskill Hotel. "We the people have to rise up to make sure things get changed."

But Walker doesn't want, or need, your vote this November. He already has a job as head of the Government Accountability Office, an investigative arm of Congress that audits and evaluates the performance of the federal government.

Basically, that makes Walker the nation's accountant-in-chief. And the accountant-in-chief's professional opinion is that the American public needs to tell Washington it's time to steer the nation off the path to financial ruin.

From the hustings and the airwaves this campaign season, America's political class can be heard debating Capitol Hill sex scandals, the wisdom of the war in Iraq and which party is tougher on terror. Democrats and Republicans talk of cutting taxes to make life easier for the American people.

What they don't talk about is a dirty little secret everyone in Washington knows, or at least should. The vast majority of economists and budget analysts agree: The ship of state is on a disastrous course, and will founder on the reefs of economic disaster if nothing is done to correct it.

There's a good reason politicians don't like to talk about the nation's long-term fiscal prospects. The subject is short on political theatrics and long on complicated economics, scary graphs and very big numbers. It reveals serious problems and offers no easy solutions. Anybody who wanted to deal with it seriously would have to talk about raising taxes and cutting benefits, nasty nostrums that might doom any candidate who prescribed them.

"There's no sexiness to it," laments Leita Hart-Fanta, an accountant who has just heard Walker's pitch. She suggests recruiting a trusted celebrity — maybe Oprah — to sell fiscal responsibility to the American people.

Walker doesn't want to make balancing the federal government's books sexy — he just wants to make it politically palatable. He has committed to touring the nation through the 2008 elections, talking to anybody who will listen about the fiscal black hole Washington has dug itself, the "demographic tsunami" that will come when the baby boom generation begins retiring and the recklessness of borrowing money from foreign lenders to pay for the operation of the U.S. government.

"He can speak forthrightly and independently because his job is not in jeopardy if he tells the truth," said Isabel Sawhill, a senior fellow in economic studies at the Brookings Institution.

Walker can talk in public about the nation's impending fiscal crisis because he has one of the most secure jobs in Washington. As comptroller general of the United States — basically, the government's chief accountant — he is serving a 15-year term that runs through 2013.

This year Walker has spoken to the Union League Club of Chicago and the Rotary Club of Atlanta, the Sons of the American Revolution and the World Future Society. But the backbone of his campaign has been the Fiscal Wake-up Tour, a traveling roadshow of economists and budget analysts who share Walker's concern for the nation's budgetary future.

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"You can't solve a problem until the majority of the people believe you have a problem that needs to be solved," Walker says.

Polls suggest that Americans have only a vague sense of their government's long-term fiscal prospects. When pollsters ask Americans to name the most important problem facing America today — as a CBS News/New York Times poll of 1,131 Americans did in September — issues such as the war in Iraq, terrorism, jobs and the economy are most frequently mentioned. The deficit doesn't even crack the top 10.

Yet on the rare occasions that pollsters ask directly about the deficit, at least some people appear to recognize it as a problem. In a survey of 807 Americans last year by the Pew Center for the People and the Press, 42% of respondents said reducing the deficit should be a top priority; another 38% said it was important but a lower priority.

So the majority of the public appears to agree with Walker that the deficit is a serious problem, but only when they're made to think about it. Walker's challenge is to get people not just to think about it, but to pressure politicians to make the hard choices that are needed to keep the situation from spiraling out of control.

To show that the looming fiscal crisis is not a partisan issue, he brings along economists and budget analysts from across the political spectrum. In Austin, he's accompanied by Diane Lim Rogers, a liberal economist from the Brookings Institution, and Alison Acosta Fraser, director of the Roe Institute for Economic Policy Studies at the Heritage Foundation, a conservative think tank.

"We all agree on what the choices are and what the numbers are," Fraser says.

Their basic message is this: If the United States government conducts business as usual over the next few decades, a national debt that is already $8.5 trillion could reach $46 trillion or more, adjusted for inflation. That's almost as much as the total net worth of every person in America — Bill Gates, Warren Buffett and those Google guys included.

A hole that big could paralyze the U.S. economy; according to some projections, just the interest payments on a debt that big would be as much as all the taxes the government collects today.

And every year that nothing is done about it, Walker says, the problem grows by $2 trillion to $3 trillion.

People who remember Ross Perot's rants in the 1992 presidential election may think of the federal debt as a problem of the past. But it never really went away after Perot made it an issue, it only took a breather. The federal government actually produced a surplus for a few years during the 1990s, thanks to a booming economy and fiscal restraint imposed by laws that were passed early in the decade. And though the federal debt has grown in dollar terms since 2001, it hasn't grown dramatically relative to the size of the economy.

But that's about to change, thanks to the country's three big entitlement programs — Social Security, Medicaid and especially Medicare. Medicaid and Medicare have grown progressively more expensive as the cost of health care has dramatically outpaced inflation over the past 30 years, a trend that is expected to continue for at least another decade or two.

And with the first baby boomers becoming eligible for Social Security in 2008 and for Medicare in 2011, the expenses of those two programs are about to increase dramatically due to demographic pressures. People are also living longer, which makes any program that provides benefits to retirees more expensive.

Medicare already costs four times as much as it did in 1970, measured as a percentage of the nation's gross domestic product. It currently comprises 13% of federal spending; by 2030, the Congressional Budget Office projects it will consume nearly a quarter of the budget.

Economists Jagadeesh Gokhale of the American Enterprise Institute and Kent Smetters of the University of Pennsylvania have an even scarier way of looking at Medicare. Their method calculates the program's long-term fiscal shortfall — the annual difference between its dedicated revenues and costs — over time.

By 2030 they calculate Medicare will be about $5 trillion in the hole, measured in 2004 dollars. By 2080, the fiscal imbalance will have risen to $25 trillion. And when you project the gap out to an infinite time horizon, it reaches $60 trillion.

Medicare so dominates the nation's fiscal future that some economists believe health care reform, rather than budget measures, is the best way to attack the problem.

"Obviously health care is a mess," says Dean Baker, a liberal economist at the Center for Economic and Policy Research, a Washington think tank. "No one's been willing to touch it, but that's what I see as front and center."

Social Security is a much less serious problem. The program currently pays for itself with a 12.4% payroll tax, and even produces a surplus that the government raids every year to pay other bills. But Social Security will begin to run deficits during the next century, and ultimately would need an infusion of $8 trillion if the government planned to keep its promises to every beneficiary.

Calculations by Boston University economist Lawrence Kotlikoff indicate that closing those gaps — $8 trillion for Social Security, many times that for Medicare — and paying off the existing deficit would require either an immediate doubling of personal and corporate income taxes, a two-thirds cut in Social Security and Medicare benefits, or some combination of the two.

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Why is America so fiscally unprepared for the next century? Like many of its citizens, the United States has spent the last few years racking up debt instead of saving for the future. Foreign lenders — primarily the central banks of China, Japan and other big U.S. trading partners — have been eager to lend the government money at low interest rates, making the current $8.5-trillion deficit about as painful as a big balance on a zero-percent credit card.

In her part of the fiscal wake-up tour presentation, Rogers tries to explain why that's a bad thing. For one thing, even when rates are low a bigger deficit means a greater portion of each tax dollar goes to interest payments rather than useful programs. And because foreigners now hold so much of the federal government's debt, those interest payments increasingly go overseas rather than to U.S. investors.

More serious is the possibility that foreign lenders might lose their enthusiasm for lending money to the United States. Because treasury bills are sold at auction, that would mean paying higher interest rates in the future. And it wouldn't just be the government's problem. All interest rates would rise, making mortgages, car payments and student loans costlier, too.

A modest rise in interest rates wouldn't necessarily be a bad thing, Rogers said. America's consumers have as much of a borrowing problem as their government does, so higher rates could moderate overconsumption and encourage consumer saving. But a big jump in interest rates could cause economic catastrophe. Some economists even predict the government would resort to printing money to pay off its debt, a risky strategy that could lead to runaway inflation.

Macroeconomic meltdown is probably preventable, says Anjan Thakor, a professor of finance at Washington University in St. Louis. But to keep it at bay, he said, the government is essentially going to have to renegotiate some of the promises it has made to its citizens, probably by some combination of tax increases and benefit cuts.

But there's no way to avoid what Rogers considers the worst result of racking up a big deficit — the outrage of making our children and grandchildren repay the debts of their elders.

"It's an unfair burden for future generations," she says.

You'd think young people would be riled up over this issue, since they're the ones who will foot the bill when they're out in the working world. But students take more interest in issues like the Iraq war and gay marriage than the federal government's finances, says Emma Vernon, a member of the University of Texas Young Democrats.

"It's not something that can fire people up," she says.

The current political climate doesn't help. Washington tends to keep its fiscal house in better order when one party controls Congress and the other is in the White House, says Sawhill.

"It's kind of a paradoxical result. Your commonsense logic would tell you if one party is in control of everything they should be able to take action," Sawhill says.

But the last six years of Republican rule have produced tax cuts, record spending increases and a Medicare prescription drug plan that has been widely criticized as fiscally unsound. When President Clinton faced a Republican Congress during the 1990s, spending limits and other legislative tools helped produce a surplus.

So maybe a solution is at hand.

"We're likely to have at least partially divided government again," Sawhill said, referring to predictions that the Democrats will capture the House, and possibly the Senate, in next month's elections.

But Walker isn't optimistic that the government will be able to tackle its fiscal challenges so soon.

"Realistically what we hope to accomplish through the fiscal wake-up tour is ensure that any serious candidate for the presidency in 2008 will be forced to deal with the issue," he says. "The best we're going to get in the next couple of years is to slow the bleeding."

Elections May Bring New Accord In Senate (WP)

By Charles Babington, Washington Post Staff Writer

The Washington Post, October 29, 2006

McConnell, Reid Have History of Deal-Making

Regardless of whether Mitch McConnell (R-Ky.) or Harry M. Reid (D-Nev.) prevails as the Senate's next majority leader, one thing seems certain: Either one will show more interest in the institution's often obscure traditions than the departing majority leader, Bill Frist (R-Tenn.).

What that means as a practical matter, however, is less certain. Some congressional scholars say it could mean greater bipartisan accord because McConnell and Reid are consummate deal-makers whose top priority is legislative achievement, whereas Frist's presidential ambitions have shadowed his comments and deeds as majority leader. But both men are also dogged by questions about financial dealings that could provide ammunition for opponents in the next Congress, which is virtually sure to be narrowly divided.

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McConnell and Reid rose through the Senate ranks by mastering the rules and building strong relationships with colleagues. Both are combative lawyer-politicians who overcame childhood challenges and are now in their mid-60s. Unlike Frist, a surgeon, they are veteran practitioners of the Senate's opaque, clubby brand of politics, with no apparent desire to become president or grab television time to espouse their parties' goals.

Many senators say that either Reid or McConnell, because of their backgrounds, can lead the Senate with more skill than Frist, 54, who struggled to build winning coalitions on issues such as immigration, Social Security and the nominations of several judges and John R. Bolton as U.S. ambassador to the United Nations.

Former senator Alan K. Simpson (R-Wyo.) said McConnell and Reid are tenacious politicians steeped in the Senate's ways. McConnell, he said, "is one of the savviest political operatives that I've ever worked with." He called Reid, a former amateur boxer, "an old fist-fighter and a hell of a trial lawyer."

Each has shown an occasional independent streak. McConnell was one of three GOP senators to vote against a constitutional ban on flag desecration, which failed this year by one vote. Reid was among 14 Democrats who backed it. Reid bucks Democratic orthodoxy by opposing legalized abortion in most circumstances.

Still, both men, Simpson said, will have to play down their partisan tendencies and emphasize their desire for legislative accomplishments if the next Congress is to succeed. "It doesn't matter who the leader is if there's no outreach to the other party," he said.

Such efforts have begun. Reid phoned McConnell shortly before Congress recessed last month "to discuss his desire to work together next year on a bipartisan basis to work on the priorities of the American people," said Reid spokesman Jim Manley. He said McConnell "expressed a similar desire and willingness."

In a recent interview, McConnell said he especially hopes the next Congress will address the long-term financial needs of Social Security and Medicare. He blamed Democrats for blocking President Bush's 2005 bid to revamp Social Security. "When are we going to deal with these problems?" he asked.

Reid said last week: "If Republicans are serious about addressing this nation's fiscal problems and strengthening Social Security and Medicare, Senate Democrats are willing to reach across the aisle and get to work." But he ruled out "privatizing Social Security."

Former Senate majority leader Thomas A. Daschle (D-S.D.), now with a Washington lobbying firm, said that partisans and colleagues will pull Reid and McConnell in different directions and that the next Senate's fate will largely turn on how they react.

"They will be under great pressure from some in their ranks to engage in partisan combat, especially with the presidential election only two years away," Daschle said. "But regardless of who has the majority, they will also be under equal pressure to prove that they can govern."

In their combined 42 years in the Senate, McConnell and Reid have toiled energetically for their parties, raising funds and recruiting candidates while becoming personally well off. But their energies have triggered criticisms. Recent hard-hitting news articles have focused on questionable land transactions by Reid and aggressive fundraising by McConnell.

The two men say they have played by the rules and have broken no laws, and neither appears subject to a serious challenge from party colleagues. But the recent round of articles suggests that both continue to test the limits on raising and spending campaign money -- a practice almost certain to draw more scrutiny when one of them assumes the Senate's top post.

"The no-quarter-asked, no-quarter-given atmosphere is not going to disappear after this campaign," said Ross K. Baker, a Rutgers University scholar on Congress. "Any weakness will be highlighted; any lapse will be emphasized."

McConnell, 64, who battled polio as a child, is best-known for his fierce resistance to a series of campaign finance changes generally dubbed McCain-Feingold. He argues unapologetically that politicians should raise as much money as legally possible to further their goals and attack their enemies.

His no-holds-barred approach to fundraising has endeared him to many GOP colleagues but has prompted criticism from others. Most recently, the Lexington (Ky.) Herald-Leader published a series of articles portraying the senator as an insatiable solicitor of political money from interest groups -- including tobacco companies, car makers and pharmaceutical firms -- with whom he is cozy.

The articles concluded that McConnell has raised nearly $220 million during his Senate career, and pushes so hard that even his closest allies sometimes rebel. "Are you feeling a choking sensation?" a vice president for R.J. Reynolds Tobacco Co. was quoted as saying in an e-mail after the senator had asked the firm for $200,000 in "soft money" to aid Republican campaigns.

McConnell defends his aggressive fundraising, equating political advocacy with free speech. "You must have money in politics, because it's the only way the candidates can get their message across," he said.

Reid, 66, has occasionally been forced to explain his involvement in transactions that mixed politics with profits. In 2003, the Los Angeles Times published lengthy articles chronicling his sponsorship of legislation that promised benefits to Nevada

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developers, corporations and institutions whose lobbyists included the senator's sons and son-in-law. Reid's staff later barred relatives from lobbying his office.

This month, the Associated Press reported that Reid did not disclose to Congress that he sold land in Nevada to a friend's company in 2001 and took part ownership of the firm. He collected a sizeable profit when the land was sold again in 2004. Reid, who had a hardscrabble childhood, said he had never tried to hide his ownership of the land, but later he amended his ethics reports to more fully reflect the transactions.

Reid said these issues are behind him, and he promised a new tone in Washington if Democrats take over the Senate.

Project Chugs Along With Senator's Help (LAT)

By Joel Havemann, Times Staff Writer

The Los Angeles Times, October 29, 2006

John Thune has given steam to railroad plans of an ex-lobbying client.

washington — When John Thune, a congressman from South Dakota, narrowly lost a bid for the Senate in 2002, his career followed a familiar pattern: He became a Washington lobbyist.

He soon gained as a client a little-known Midwestern railroad. The Dakota, Minnesota & Eastern Railroad Corp. may have been small, but its ambitions were not. It was seeking more than $2 billion in federal loan guarantees to help finance a major renovation of its entire rail network and an expansion into the coal fields of Wyoming's Powder River Basin.

DM&E paid Thune about $220,000 in 2003 and 2004 for his lobbying, but the loan guarantee request languished at the Federal Railroad Administration. Without the government's backing, the company said, its upgrade would not be possible.

Today, Thune is a U.S. senator. And after the South Dakota Republican helped attach a provision to last year's huge transportation bill, prospects for DM&E's $2.3 billion in loan guarantees are looking brighter.

The federal government now is in a position to approve one of the largest loan guarantees in its history, apparently the biggest since its 1980 bailout of Chrysler Corp. The transportation bill did not mention DM&E, but by raising the government's loan guarantee authority tenfold, to $35 billion, it made the railroad's request more likely to succeed.

Whatever the outcome of the DM&E aid request, the fact that a lawmaker who is a former lobbyist helped it along speaks volumes about how business sometimes gets done in Washington, where members of Congress frequently attach pet projects to broader legislation.

The DM&E project has broad support in the Upper Midwest from farmers and miners who say they need the expanded rail capacity to move their coal, corn and ethanol to market. Supporters say it would create thousands of jobs in the region.

The project "advances a lot of federal policies that are important in different ways — energy, agriculture and transportation," said DM&E President and Chief Executive Kevin Schieffer.

Thune takes pride in helping the venture along. "The project could transform South Dakota's economy for generations," he said in a news release after the transportation bill became law.

But the railroad expansion is not without critics, foremost among them the world-famous Mayo Clinic in Rochester, Minn., which does not want more freight trains rumbling past its hospital complex.

Some opponents also charge that such a large federal loan guarantee for one company is a classic example of pork-barrel spending, and that Thune's recent connection to DM&E makes it unseemly.

"The DM&E subsidy and its backing by a former lobbyist turned senator represents many of the things that are wrong with Washington today," said Walter Mondale, the former vice president and a former U.S. senator from Minnesota. Mondale, now a lawyer in Minneapolis, used to be a trustee of the Mayo Clinic and opposes the rail project.

Mondale sees the potential DM&E loan guarantee as a giant earmark — a funding provision, usually of a few million dollars, that a lawmaker inserts into a spending bill for the benefit of his or her constituents. The transportation bill had more than 6,000 earmarks, including the storied "bridge to nowhere" intended to connect the Alaskan mainland to an island with 50 inhabitants.

"I consider the DM&E earmark to be even more egregious," Mondale said.

Matthew K. Rose, chairman and president of Burlington Northern Santa Fe Corp., whose BNSF Railway competes in the same region as DM&E, has called the loan guarantee "bad public policy."

"If the government allows non-market-based loans of this magnitude for certain carriers," he told a conference this month, "that will have a negative effect on railroads' ability and willingness to invest private capital."

The aid package is not an actual loan and would cost the U.S. nothing if the railroad paid its lenders back. Only if DM&E were to default on its loans would taxpayers have to foot the bill.

Still, the request has run afoul of budget watchdog groups.

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The National Taxpayers Union, in a report this month, noted that DM&E already had the biggest federal rail rehabilitation loan guarantee ($233 million), and said the coal fields of the Powder River Basin were already served by two bigger railroads, the BNSF and the Union Pacific.

More fundamentally, it said, "floating a taxpayer-backed credit line to a private company is simply wrong."

Tom Schatz, president of Citizens Against Government Waste, said the sequence of events surrounding DM&E's request and the increasing of the government's loan guarantee authority raised the question of whether "Thune is still working for the railroad."

Thune declined to comment for this article, but his staff rejected any suggestion of impropriety. Spokesman Kyle Downey called it "a desperate attempt to smear the senator."

"The senator has spent his entire professional career in this area. He has a level of expertise going back two decades," Downey said. Thune is a former South Dakota state railroad commissioner.

In any case, Thune's staff says, he was a bit player in writing the loan authority increase into the transportation bill.

But a news release issued by Thune's office last year quoted Sen. Trent Lott (R-Miss.), a key author of the highway bill, as saying, "Sen. Thune's leadership and hard work were essential to making the [loan guarantee] provision a reality."

The accounting firm BearingPoint said in a report in May that even if DM&E were to secure the loans, the company's cash flow would fall short of the amount needed for debt repayment for at least two decades.

"The company appears to be a poor credit risk," BearingPoint said.

"We have serious concerns about the ability of DM&E to repay such a loan" — an outcome that would leave Washington holding the bag.

DM&E has dismissed the BearingPoint audit as based on incomplete information.

BearingPoint acknowledged that its analysis was imprecise because DM&E, as a privately held company, withheld financial data that publicly traded companies would have to divulge.

The railroad company aims to replace 580 miles of old track and lay an additional 280 miles of new track with the $2.3 billion it could borrow with its loan guarantee. It intends to spend $4 billion in private funds modernizing its fleet of freight cars.

The proposal might have been clear sailing if DM&E's tracks did not run within blocks of the Mayo Clinic, which has organized a lobby called the Rochester Coalition to fight the railroad over safety concerns.

"In any category you want to look at — collisions, derailments, worker accidents — they are the least safe railroad in the country," said Rochester Coalition consultant Lawrence Mann, a Washington lawyer specializing in railroad safety.

In 2004, a DM&E train derailed when it hit an improperly aligned switch in Balaton, Minn., spilling 15,000 gallons of flammable alcohol and forcing the evacuation of 100 residents.

"If the Balaton accident had occurred in Rochester, it would have been catastrophic," said Mayo spokesman Chris Gade.

If Mayo is so concerned about safety, DM&E said, it ought to welcome the rehabilitation of track that dates back 80 years in some spots.

"From a safety standpoint," said CEO Schieffer, "it would be irresponsible not to be for this."

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Ethics Rules Send NIH Scientists Packing (AP)

By Rita Beamish

AP, October 28, 2006

Nearly 40% of the scientists conducting hands-on research at the National Institutes of Health say they are looking for other jobs or are considering doing so to escape new ethics rules that have curtailed their opportunity to earn outside income.

Most scientists say the ethics crackdown is too severe, and nearly three-quarters of them believe it will hinder the government's ability to attract and keep medical researchers, according to a survey commissioned by the government's premier medical research agency.

The tightened rules were put in place last year after NIH found dozens of scientists had run afoul of existing restrictions on private consulting deals that had enriched them with money from drug and biotechnology companies.

Outside income from such companies is now banned. NIH also is placing greater restrictions and disclosure requirements on employees' financial holdings.

"Of course we are concerned when any employees are saying they might consider leaving as a result of a change of policy," said Dr. Raynard Kington, the agency's principal deputy director. But he said in a telephone interview Friday that the survey results are muddy because they combine both those actively seeking to leave and those thinking about it.

NIH Director Elias Zerhouni, in a letter Thursday to the staff, said the survey "does suggest concerns about the impact of the regulations on recruitment and retention." But he added, "At this time we do not anticipate revisions in the regulations."

About 8,000 NIH employees, or about half the workforce, responded to the Internet-based survey.

Employee job satisfaction was high overall, the survey found. But 39% of the scientists researching disease and cures — known as tenure and tenure-track scientists — said they actively were seeking new work or considering leaving NIH because of the rules.

Overall, 3,336 NIH scientists responded to the survey, including 512 tenure and tenure-track researchers.

Among all NIH scientists, only 18% said they were trying to leave or considering it. Those who are not in the tenure group typically do not conduct research themselves and instead manage outside research conducted with NIH money by universities and other non-federal entities. They are less likely to have private consulting opportunities.

One-third of all NIH scientists said they believed the new rules will hurt NIH's ability to fulfill its mission, and most said the old rules could have been enforced better rather than tightened.

NIH officials said they now want to question former and potential employees to see how the changes influenced their decisions.

Kington highlighted a finding that nearly nine in 10 scientists reported they still intend to work at NIH a year from now. Despite rumblings of low morale, he said the scientists' job satisfaction rate of 81% reflects one of the government's most positive workforces.

Officials also emphasized employees' belief that the new rules will boost the agency's credibility with the public. Seventy-three% of the employees who responded agreed with that, the survey found.

"We have to monitor closely and we'll continue do that, and if we show through our evaluations objective evidence of an impact on our ability to recruit and retain the smartest staff, scientific and non-scientific, that we can, then we will be the first ones to make the case for modifying the rules, but we're not there yet," Kington said.

One NIH administrator who left over the ethics rules said the agency's changes were handled poorly.

"Dedicated public servants were harassed right out of NIH. That's a disservice to us all," said Edward Maibach, the former associate director of the biggest NIH component, the National Cancer Institute. He is now director of Public Health Communication at the George Washington University. Maibach said he left the NCI nearly two years ago because new financial disclosure requirements invaded his privacy.

The changes are "a dramatic backlash," to earlier policies encouraging outside work by NIH scientists to speed practical application of scientific advances, he said.

Arthur Caplan, medical ethics chairman at the University of Pennsylvania, said tighter rules were needed but "we still haven't figured out exactly how to manage conflict of interest."

"To have a large number of the senior scientists unhappy spells trouble. You don't want them to retire or leave," he said.

"The leaders of the NIH and in Congress have to think a bit harder about giving a tiny bit of breathing room so that NIH scientists are not sent into a monastery from which they can't ever come out in the name of scientific integrity."

NASA Deciding Whether To Close A Window Into Space (WP)

By Marc Kaufman, Washington Post Staff Writer

The Washington Post, October 29, 2006

Future of Hubble Telescope to Be Announced on Tuesday

As NASA learned when it canceled a planned shuttle mission to keep alive the Hubble Space Telescope almost three years ago, its orbiting source of jaw-dropping intergalactic images and deep insights into the early days of the universe had become something of an astronomic rock star.

The scientific and public response was overwhelming: The then-14-year-old Hubble had to be saved before its batteries and gyroscopes failed, and NASA was seriously misguided for refusing to send a shuttle crew to keep it running. This view was strongly endorsed by an expert panel convened by the National Academy of Sciences in late 2004.

Soon after, Michael D. Griffin became NASA administrator and agreed to reconsider the Hubble mission. On Tuesday, he will announce whether the telescope will be repaired or will be allowed to gradually run out of steam.

NASA said Friday that a series of events and briefings will follow the announcement at Goddard Space Flight Center in Greenbelt -- the kind of activity that often accompanies a decision to go ahead with a big mission. But agency officials said that no decision had been reached and that Griffin will study the pros and cons over the weekend.

"Every scientist on the face of the globe, and many people in the general public, are watching this, looking forward to a decision," said Mario Livio, head of the science program at the Space Telescope Science Institute in Baltimore, which manages the Hubble's scheduling and research for NASA. "I'm cautiously optimistic, but there are so many factors involved."

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For Griffin, it is a tough choice -- balancing the undeniable success of the Hubble against the equally undeniable risks to the astronauts who would fix it, as well as the unforgiving schedule of shuttle flights needed to complete the international space station.

The decision by his predecessor, Sean O'Keefe, to scrub the Hubble repair mission was made after the 2003 Columbia disaster, when it was not clear when the shuttles would get back into space.

Griffin has often said that he believes the telescope is one of the great scientific instruments of all time and that it deserves to be repaired.

"If we can do it safely, we want to do it," Griffin said at a September briefing after the successful landing of the space shuttle Atlantis. "But we have new constraints on . . . the space shuttle system. We have a new understanding of its fragility and vulnerability."

An aerospace engineer, Griffin worked for two years in the early 1980s on issues related to the Hubble project.

Among the major constraints are that the space shuttle fleet is aging fast and that NASA is eager to finish assembly of the space station by 2010, so the three remaining spacecraft can be retired. A mission to Hubble could interfere with the schedule.

After two fatal shuttle disasters, NASA is also increasingly focused on safety and on having backup systems for crews if their spaceship gets damaged. In theory, the international space station is the standby shelter for a spacecraft in trouble, but it would be unreachable on a flight to the Hubble. That is because the orbits of Hubble and the space station are very different, and a shuttle launched to the Hubble would not have the fuel and power to shift orbits to reach the station.

As a result, the crew of a Hubble-bound shuttle has only about three weeks' time to repair any damage to the spaceship. That would hardly leave time for the final contingency, preparing and launching a second shuttle for a rescue mission.

"We've had three successful shuttle missions since Columbia, and we've learned a lot about inspecting and repairing the vehicle," NASA spokesman Allard Beutel said. "So we have a lot more capability and flexibility, but clearly some safety issues remain."

Griffin met with his top lieutenants Friday for a final discussion of whether the mission can be done safely and without too much disruption to the space station assembly schedule.

Reflecting Griffin's hope to make room for the mission, a Hubble launch has been penciled in for spring 2008, though officials say the date is a place-holder rather than a sign that a positive decision has been made.

The Hubble, which has been repaired and upgraded four times by astronauts since it was launched in 1990, has had a remarkable record of scientific breakthroughs.

Because it orbits 380 miles above Earth, away from the haze of the atmosphere, it can identify and photograph distant galaxies and matter never before examined. Astronomers have used Hubble images to fix the age of the universe at 13.7 billion years, to discover massive black holes at the center of many galaxies, and to explore a mysterious force called dark energy, which, by acting against the forces of gravity, is causing the universe to expand. Livio of the Space Telescope Science Institute said dark energy is probably the most significant issue in physics today, and losing Hubble would freeze promising research into its nature for as much as a decade.

But some believe Hubble's greatest accomplishment lies in a less rarified realm -- that it has greatly popularized astronomy with its stunning and awe-inspiring images of the universe.

Each of the four earlier Hubble repair missions included some upgrading of instruments, and a possible fifth mission would similarly increase its capacities. Two powerful -- and very expensive -- instruments have been manufactured specifically for the Hubble. They would greatly increase the telescope's ability to look deep into space and to study the chemical composition of the far-distant gas between galaxies.

Livio said the unprecedented power of the new Wide Field Camera 3 would, for instance, enable astronomers to learn about even earlier phases of the universe's formation by making observations in the infrared and ultraviolet wavelengths. The new Cosmic Origins Spectrograph will examine the subatomic baryon particles that inhabit the space between galaxies. The instruments cost $200 million and may have no other use if they cannot be delivered to the Hubble, Livio said.

If Hubble is not repaired, NASA estimates that it will probably keep working into 2008 or 2009. The James Webb Space Telescope, a replacement of sorts but with different capabilities, is scheduled to be launched in 2013.

NASA officials say the Hubble repair decision will be made on the basis of safety, engineering and scheduling concerns, but it will also say a lot about NASA's priorities. The speed-up in assembly of the space station is both because it is well behind schedule, and because NASA is eager to get out of the space shuttle business so it can focus on President Bush's initiative to return to the moon by 2020 and then explore Mars.

The costs of both the shuttle program and the new manned exploration mission are great, and NASA has said the basic science budget will grow more slowly or be cut as a result. Because the telescope is one of the gems of the NASA science directorate, some see the fate of Hubble as indicative of where the agency is headed.

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"This is a terribly important decision, and it has so many political and scientific overtones," said J. Craig Wheeler, astronomy professor at the University of Texas at Austin and president of the American Astronomical Society.

"It's very important for those who want to continue working with Hubble, important for those who want to do other space science, and it's important as an indication of that evolving balance between space science and human space exploration," he said. "And it shows that NASA has an enormous number of big issues on its plate right now."

OTHER NEWS:

It's Not The Economy, Stupid (WP)

By Jacob S. Hacker

The Washington Post, October 29, 2006

In the final days of this fall's campaign, Republicans have turned to an unexpected issue: the economy. President Bush touted the nation's prosperity last week, insisting that "a strong economy is going to help our candidates."

And why not? The Dow is soaring. Unemployment is low. Inflation is tame. Gas prices are falling. And the overall economy has been growing steadily. If Americans practice what political scientists call "retrospective voting" (captured by President Ronald Reagan's famous question: "Are you better off today than you were four years ago?"), then one would think that incumbent politicians should be cruising to victory.

There's just one problem: Despite the sunny talk and favorable numbers, voters aren't happy with the economy. Though they've become somewhat more positive in recent weeks, they remain strikingly dissatisfied -- and favor Democrats by wide margins on economic issues.

Many observers have attributed the disconnect to the war in Iraq. Unhappiness over the conflict, they argue, is coloring voters' economic perceptions. Yet a similar disconnect played out in the early 1990s, when voters also felt much more negative about economic conditions than the numbers would have suggested. Then, as now, conventional economic indicators didn't seem to capture voters' fundamental anxieties -- the sense that their jobs, health care, pensions and family finances were ever more at risk.

In this climate, Republicans bragging about the economy may appear not as saviors, but as out of touch -- much as the administration appears on the other dominant campaign issue, the war in Iraq. Just as events in Iraq undermine GOP reassurances about the conflict, so anxious financial discussions in American homes help explain why Republicans are gaining so little from today's economic numbers -- numbers that once would have seemed like tickets to victory.

In the past, the link between economic conditions and election results seemed simple. Economist Ray Fair's landmark 1978 paper "The Effect of Economic Events on Votes for President" in the Review of Economics and Statistics showed that a simple forecast based on election-year economic numbers (primarily inflation and economic growth) did a remarkably good job of predicting the result of presidential elections in the 20th century.

But models such as Fair's are becoming increasingly less reliable, according to Dartmouth political scientist Joseph Bafumi in a recent paper, "The Stubborn American Voter." For example, Fair's approach overshot President Bush's margin of victory in 2004 by 6.5 percentage points. And the last president to lose an election when the raw economic numbers predicted otherwise in Fair's equation was George H.W. Bush, running for reelection in 1992.

Some analysts have described current voter angst as a hangover of economic success. "Americans have developed perfectionist standards," economics columnist Robert J. Samuelson has argued. "We expect total prosperity and are disappointed by anything less." And conservative pundit George Will recently decried the nation's "economic hypochondria" -- an entitlement mentality characterized by a low threshold for economic pain.

But the problem isn't the public -- it's the standard statistics used to judge the economy. Inflation, unemployment and economic growth all capture economic performance at a particular moment or period. Yet a growing body of theory and evidence suggests that to understand public perceptions, one should look at the security and stability of family finances over time. With that perspective, the grounds for unease suddenly look much clearer.

Consider the evidence of rising income inequality in the United States. In a path-breaking recent paper, "The Evolution of Top Incomes: A Historical and International Perspective," Thomas Piketty of Ã‰coles Normales SupÃ©rieure in Paris and Emmanuel Saez of the University of California at Berkeley have shown that the share of national income held by the richest 1 percent of Americans -- stable at about 32 percent throughout the middle decades of the 20th century -- began to rise sharply in the late 1970s and by 2002 had surpassed 40 percent. In the past few years, most income gains have gone to people at the very top of the income ladder, with middle-class Americans seeing only a small boost in their economic standing.

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Yet there's another reason for middle-class dissatisfaction. Many assume that growing income inequality means that rich people are becoming steadily richer. But virtually all income statistics are based on annual snapshots of Americans' finances, so they cannot tell us whether rich people stay rich -- or whether poor people stay poor. In other words, these statistics tell us about inequality, but not about mobility -- either up the income ladder or down it.

This is a major oversight, because there's good reason to think that our economic lives are more unstable than they used to be. Bankruptcy, for instance, is much more common today than it was just 25 years ago, and research by Elizabeth Warren of Harvard Law School -- presented in a 2003 law review article, "Financial Collapse and Class Status" -- shows that many of those who file for bankruptcy were once squarely middle class. Princeton economist Henry Farber, in his article "What Do We Know About Job Loss in the United States?" has found that the likelihood that a worker will lose a job over a three-year period has been rising -- and is now about as high as it was in the early 1980s, which saw the worst economic downturn since the Great Depression.

In my own research using the Panel Study of Income Dynamics -- a survey that has traced a large sample of Americans over time -- I've found that family incomes have become much more unstable since the 1970s; the gap between our income in a good year and our income in a bad year has expanded. Increasingly, it seems, Americans are living on a financial roller coaster.

Of course, roller coasters go up as well as down, so it's tempting to think that the net effect of economic instability is a wash. But instability causes hardship even when the "average" experience stays constant. In their seminal 1979 article "Prospect Theory: An Analysis of Decisions Under Risk," psychologists Daniel Kahneman and Amos Tversky showed that people dislike losing things they already have much more than they like gaining things they don't have -- a phenomenon known as "loss aversion." As a result, losses in income are psychologically difficult even when followed by equal or even larger gains. And, of course, it's on those downward trips that people lose their houses, their jobs, their retirement savings and other staples of middle-class life.

Loss aversion is surprisingly strong. In a recent nationwide survey by the polling firm Lake Research Partners, respondents were asked whether they preferred "the stability of knowing your present sources of income are protected" or "opportunity to make money in the future." By a two-to-one margin, Americans chose stability over opportunity.

This helps explain why Americans are so dissatisfied with the current economy. They see the overall gains, but they don't think that those gains have translated into greater security for their families, and they're worried about the risk -- whether it be the loss of a job, unexpected medical costs or some other setback. A majority of registered voters say the economy is getting better, according to a Washington Post-ABC News poll last week. But more than three-quarters still say they are either falling behind or just holding steady. The actual or possible erosion of safety nets (such as Social Security, guaranteed pensions and workplace health insurance) only heightens such concerns.

Loss aversion may also help explain the muted public reception to Bush's "Ownership Society" agenda, which was shelved after his proposal for private Social Security accounts crashed and burned (though, much to the dismay of Republican candidates, Bush recently said he wants to tackle the issue again). According to polls, many voters thought they would do better with private accounts. Yet they intensely feared the risks, such as a stock-market downturn or outliving their savings.

Does all this foretell a major shift in U.S. politics, as increasingly insecure Americans demand change? Democratic pollster Nancy Wiefek thinks so. "The main political cleavage now is no longer income but risk," she said. And in Europe, according to recent studies by Harvard scholar Torben Iversen, voters appear capable of figuring out how at risk they are, and supporting or opposing specific social policies in response.

However, competitive left-of-center parties in Europe put ambitious alternatives on the agenda. In the United States, despite public unease, Democrats have talked mostly about the minimum wage and Wal-Mart, rather than trying to mobilize the risk-fraught middle class.

The continuing economic disconnect carries a clear prescription: Republicans would do better to acknowledge middle-class strains, rather than to just repeat the strong-economy mantra. In a 2005 strategy memo, Republican political consultant Frank Luntz put "insecurity" at the top of his list of "words that work" in connecting with voters on the economy. It still works -- but it's likely to be working for Democrats, not Republicans, on Nov. 7.

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Where We Went Wrong (WP)

By Dick Armey

The Washington Post, October 29, 2006

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Somewhere along the road to a "permanent majority," the Republican Revolution of 1994 went off track. For several years, we had confidence in our convictions and trusted that the American people would reward our efforts. And they did.

But today, my Republican friends in Congress stand on the precipice of an electoral rout. Even the best-case scenarios suggest wafer-thin majorities and a legislative agenda in disarray. With eight days before the election, House speaker-in-waiting Nancy Pelosi has already begun her transition planning.

Where did the revolution go astray? How did we go from the big ideas and vision of 1994 to the cheap political point-scoring on meaningless wedge issues of today -- from passing welfare reform and limited government to banning horsemeat and same-sex marriage?

The answer is simple: Republican lawmakers forgot the party's principles, became enamored with power and position, and began putting politics over policy. Now, the Democrats are reaping the rewards of our neglect -- and we have no one to blame but ourselves.

In 1989, Newt Gingrich rose to the number two leadership position in the House after a contentious three-way race pitting young backbench conservatives such as myself, Bob Walker, Joe Barton and others against old bulls such as Minority Leader Bob Michel and other ranking members. We thought they suffered from a minority party mindset and were too accommodating of the Democrats. Out of congressional power for nearly two generations, Republicans had become complacent. Senior members of the party were happy to accept the crumbs afforded by Democratic chairmen. Life was comfortable in the minority as long as you did not rock the boat. Members received their perks -- such as travel abroad and special banking privileges -- and enough pork projects for reelection. The entire Congress lived by the rule of parochial politics.

Gingrich and I and a handful of true believers in Ronald Reagan's conservative vision set the goal of retaking the House. The "Contract With America" outlined our platform of limited government. This vision appealed to both the social and economic wings of the conservative movement; equally important, it included institutional reforms for a Congress that had grown increasingly arrogant and corrupt. The contract nationalized the vision of the Republican Party in a way that unified our base and appealed to independents. We championed national issues, not local pork projects or the creature comforts of high office.

In 1994, this vision was validated when Republicans took 54 seats in the House, eight seats in the Senate and control of both houses of Congress.

Welfare reform in 1996 only affirmed the revolution. Bureaucrats, special interests and the White House all claimed that the sky would fall if we touched this failed Great Society program, but we held firm. When you take on a sacred cow, you must kill it completely -- tinkering on the margins is ineffective. In the end, the reform proved so successful and popular that President Bill Clinton (who rejected the original bill twice) considers it one of the best ideas his administration ever had.

At one point during the welfare reform debates, a member approached me and said, "Dick, I know this is the right thing to do, but my constituents just won't understand." I told him, "So you're telling me they are smart enough to vote for you but not smart enough to understand this?" He ended up voting to pass the bill.

Yet despite such successes, we didn't learn the right political lessons. A few months before the victory on welfare, we lost the battle over the federal government shutdown of 1995, when we were outmaneuvered by Clinton, a masterful political operator. After that fight, too many Republicans apparently concluded that America wanted bigger government. This misreading was the first step on the road away from the Reagan legacy.

We emerged as a wounded party; we stopped trusting the public; and we internalized the wrong lesson. Since the party won the majority in 1994, the GOP Conference had been consistent in requiring offsetting spending cuts for any new spending initiatives. (In fact, during the aftermath of a large Mississippi River flood, Rep. Jim Nussle even waited to find and approve offsets before moving the relief legislation for his own state of Iowa.) But by the summer of 1997, the appropriators -- rightly called the "third party" of Congress -- had begun to pass spending bills with Democrats. As soon as politics superseded policy and principle, the avalanche of earmarks that is crushing the party began.

Now spending is out of control. Rather than rolling back government, we have a new $1.2 trillion Medicare prescription drug benefit, and non-defense discretionary spending is growing twice as fast as it had in the Clinton administration. Meanwhile, Social Security is collapsing while rogue nations are going nuclear and the Middle East is more combustible than ever. Yet Republican lawmakers have taken up such issues as flag burning, Terri Schiavo and same-sex marriage.

They're fooling only themselves.

If Democrats take control of Congress on Nov. 7, they will form an accidental majority. They are not succeeding because of their principles or policy proposals, but simply because they have kept their heads down. Republicans, fearful of taking on big tasks and challenges, may be defeated next month by a party that offers nothing on the key issues of our day.

Pelosi says she would preside over a moderate Democratic majority, and has committed to raising taxes only as a last resort. But Democratic policy goals such as nationalized health care and low-interest student loans are expensive, and dozens of

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new spending "priorities" will crop up as soon as the election results are tallied. Democrats have promised that all new spending will be offset by tax increases, so will they raise taxes in the run-up to the 2008 race?

In essence, Pelosi will be forced to choose between a vocal base -- expecting immediate satisfaction on issues such as withdrawing from Iraq, legalizing same-sex marriage and the impeachment of President Bush -- or policies that are tolerable to a majority of Americans. That's quite a dilemma: appeasing a base that has been hungry for political revenge since 2000 and 2004, or alienating moderate and swing voters.

Pelosi has stated that House committee chairmen will be chosen by seniority. This could backfire on the Democrats, because members from the most consistently partisan districts are usually the ones who stick around the longest. Chairmen have the power of the subpoena; Rep. John Conyers Jr. (D-Mich.), the would-be judiciary chairman, has already drafted articles of impeachment for Bush, while others are calling for investigations on the war in Iraq and the federal reaction to Hurricane Katrina. A revenge-hungry Democratic majority, substituting political grudge matches for serious policy, will not remain a majority for long.

How can the Republicans respond?

The leadership must remember that the modern conservative movement is a fusion of social and fiscal conservatives united in their belief in limited government. The party must keep both in the fold. Republicans also need to get back to being the party of big ideas. The greatest threat to American prosperity today is a catastrophic fiscal meltdown resulting from long-term entitlements. Democrats have already lined up behind the solution of raising taxes and reducing benefits. But Americans want more freedom and choice in education, health care and retirement security. Republicans -- too busy dreaming up wedge issues to score cheap points against Democrats -- have lost sight of their broad national agenda.

The likely Republican losses in next week's elections will not constitute a repudiation of the conservative legacy that drove the Reagan presidency and created the Contract With America. To the contrary, it would represent a rejection of big government conservatism. When we get back to being the party of limited government, putting a national agenda ahead of parochial short-term politics, we will again be a party that the American voters will trust to deal with the serious challenges facing our nation.

The 2006 midterm elections will be a success for the Democrats. Republicans will have to manage their own disappointment. Fingers will be pointed, and various villains will be fashioned out of recent events. But the plain fact is that Republicans have been setting the stage for this outcome for nearly a decade, running from themselves and their own principles. We will not find ourselves by conforming to the status quo, but by returning to our Reagan roots.

When we act like us we win. When we act like them we lose. Let's win.

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Return Of The Yellow Dog (WP)

By Michael Kinsley

The Washington Post, October 29, 2006

In a remarkable editorial on Wednesday, the New York Times endorsed Diane Farrell for Congress from a district in Connecticut.

Who is Diane Farrell? I have no idea, and the Times seemed to have not a lot. After eight years as first selectman of Westport, the paper noted somewhat desperately, "she has a better understanding than most legislators of the impact of federal mandates and tax policy on local government." By contrast her opponent, Christopher Shays, has held the seat for almost 20 years and been endorsed by the Times "in every race in which he has faced a serious opponent" -- until now.

Shays is a Republican, but not excessively so. He's moderate in policy and in temperament. In fact, he's just the kind of Republican that the Times ordinarily likes to dig up and endorse to prove that it's not blindly Democratic. And they still like him: "[W]e have admired his independence and respected his leadership."

Yet the Times decided to "strongly endorse" Shays's opponent, entirely because she's a Democrat. Or rather, because she is not a Republican: "Mr. Shays has been a good congressman, but not good enough to overcome the fact that his re-election would help empower a party that is long overdue for a shakeup."

One of the axioms of small-d democratic piety in this country is that you vote for the person and not the party. People just love to say, "I evaluate each candidate on his or her own merits" -- even when it's not true.

But this year does seem to be different. You hear people say -- though rarely as forthrightly as the Times -- that they are voting for the party and not the person. The Republican candidate for the Senate or House may be saintlike in general, no worse than muddled on the war in Iraq and good on stem cell research. She may never even have met Jack Abramoff.

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Meanwhile, the Democrat may be a grotesque hack just inches from indictment, whose views on Iraq are equally muddled with less excuse (since loyalty to the president is not a factor). Nevertheless, these New Yellow Dogs are voting for the Democrat, simply out of anger at or frustration with the Republican Party.

The term "yellow dog Democrats" used to mean someone who would vote for any Democrat over any Republican, even if the Democrat were a yellow dog. In recent decades there has been no such person, but this year the dog might have a shot.

And for those who might feel sheepish (to introduce another animal) about voting the party line, my advice is: Relax. There is nothing wrong with voting for the party rather than the person. In fact, there is even nothing wrong with blindly voting for the Democrat (or, I suppose, the Republican) even if you know nothing else about him or her.

In other democracies, such as Britain, this person-not-the-party piety is not just unknown; it would be hard to comprehend. Whatever Burke may have said, a member of Parliament is your representative. He or she runs on a party platform promising various things, and if that party wins a majority of seats it "forms a government." You would be silly to vote for the person and not the party. The party's views are what counts. The person's views are almost irrelevant.

Even under the American arrangement, there is nothing ignoble about voting the party line. It is an efficient way to minimize your information costs. A candidate's party affiliation doesn't tell you everything you would like to know, but it tells you something. Indeed, it tells you a lot -- enough so that it makes sense to vote your party preference even when you know nothing else about a candidate. Or even vote for a candidate you actively dislike.

True, people might question your sanity if you were to declare that you were voting for the Democratic Party agenda. The what? If there's anything worse than ignoring that famous elephant in the room, it's imagining a donkey that's not in the room. Even so, a vote for the Democrat is a vote against the Republican. And voting "no" to a record of failure is more important for the functioning of democracy than voting "yes" to any number of promises about the future.

It was not Newt Gingrich's Contract With America that caused the great Republican sweep of 1994: It was disgust, skillfully nurtured by Republicans, with the Democratic-controlled Congress.

Disgust for Congress is higher than ever. But this time around, at least until recently, the disgust has seemed to be less partisan. The Democrats were not as ruthless or as skilled about associating the sins of Congress with the party that controls it.

So what do you need? Permission? You've got it. I give you permission to vote for -- or against -- the party and not the person. And don't forget to vote.

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What Democrats Would Do (WP)

The Washington Post, October 29, 2006

Their agenda is a hodgepodge of good ideas, bad ideas and no ideas.

PERHAPS, AS President Bush says, it's too early for Democrats to be "measuring their drapes" in congressional leadership offices. But with it looking increasingly as if Democrats, after 12 years in the minority, will take over the House at least, it's worth looking at their stated agenda -- "A New Direction for America" -- for a glimpse at what a Democratic majority might entail.

On national security, the House Democrats' plan offers more goals than details. Who could disagree with promises to "eliminate Osama Bin Laden, destroy terrorist networks like al-Qaeda, finish the job in Afghanistan and end the threat posed by the Taliban" or "redouble efforts to stop nuclear weapons development in Iran and North Korea?" But the hard part -- on which Democrats offer no details -- is how that is to be done.

On Iraq in particular, the agenda calls for "the responsible redeployment of U.S. forces," with "Iraqis assuming primary responsibility for securing and governing their country." Again, what's missing are the details of what "responsible redeployment" might look like. "Insist that Iraqis make the political compromises necessary to unite their country and defeat the insurgency," the Democrats say. Okay, what if that insistence doesn't yield the desired result?

As to another piece of the security agenda, energy independence, the Democrats assert that they will "achieve energy independence for America by 2020 by eliminating reliance on oil from the Middle East and other unstable regions of the world" -- a super-sized version of Mr. Bush's pledge to "replace more than 75 percent of our oil imports from the Middle East by 2025." The Democratic plan for doing this -- tax credits and research funds -- sounds remarkably like the Bush approach, down to increased use of switch-grass ethanol. Unlike the president, the Democrats rightly frame energy independence as an environmental as well as national security issue; like the president, they're unwilling -- for the obvious reason that they don't want to be branded as tax-raisers -- to recommend a carbon tax.

The agenda is heavy on ideas -- raising the minimum wage, letting the government negotiate Medicare drug prices -- that may have more popular appeal than real-world impact, though we agree it's past time for the minimum wage to go up. Other proposals sound good but are bad policy. Screening 100 percent of cargo containers at the point of origin would be expensive,

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time-consuming and impractical. The vow to "prevent outsourcing of critical components of our national security infrastructure -- such as ports, airports and mass transit -- to foreign interests that put America at risk" is more Dubai ports demagoguery.

Making the first $3,000 of college tuition tax deductible would be a wasteful way -- albeit one that resonates with voters -- of ensuring affordability if Democrats don't impose an income cutoff; none is mentioned in the proposal. The laudable pledge to lift the ban on federal funding for embryonic stem cell research passed the Republican-controlled House and would almost certainly again face a presidential veto.

The Democrats promise a return to "pay as you go" budget discipline, something that is sorely overdue. But the agenda does not then explain how to pay for a raft of new spending and tax credits, from cutting college loan interest rates in half to doubling funding for basic research to giving a $1,000 match to middle- and working-class families that contribute at least that much to a retirement account.

The agenda is best on outlining a specific new ethics package (though it's questionable whether even a Democratic-controlled Senate would be willing to go along) and promising a legislative process that is more open and fair to the minority. It's weakest in what it doesn't say about how to tackle the looming surge in entitlement spending. Predictably, Democrats renew their vow not to "privatize Social Security in whole or in part"; equally predictably, they are silent about what, precisely, they would do to put Social Security and, even more important, Medicare on a sustainable and affordable course. Also unmentioned are trade and immigration, issues on which the party, as well as voters, are divided.

Campaign documents are, almost by definition, gauzy things -- long on poll-tested rhetoric and short on specifics. Elections aren't the best time for politicians to be playing up sacrifice and hard choices. House Democrats say their document isn't meant to be a comprehensive menu, just an indication of priorities. But Democrats will need to do better than what they've proposed in 2006 if they are given the chance to govern in 2007.

Running Against The Boogeyman (LAT)

Jonathan Chait

The Los Angeles Times, October 29, 2006

Jonathan Chait: Party of ideas? Not the GOP

WHEN Republicans explain their strategy for the upcoming election, the two phrases they always use are "referendum election" and "choice election" — and the latter is how they want to frame this year's vote.

A referendum election is one in which voters make their decision on the basis of whether the party in power deserves to stay there. From the Republicans' point of view, that's very bad because almost everybody believes they have failed miserably.

A choice election, on the other hand, is one in which voters weigh the two parties against each other. That kind of election gives the Republicans a fighting chance. The subtext of a choice election is: We may have screwed everything up, but the other party is worse. That's how President Bush won reelection.

In principle, the Republicans are right about this. Democracy is a process of compromises and imperfect choices. Asking the voters to compare the two sides is the right thing to do. The trouble is, that isn't really what the Republicans want to do at all.

How do I know this? Because the Democrats running for the House of Representatives actually have an agenda. Republicans aren't saying why the Democratic agenda is wrong, or why their own is better. They're just ignoring it.

If you're like most people, you probably have no idea what that agenda is. Let me list it:

· Put new rules in place to break the link between lobbyists and legislation.

· Enact all the recommendations made by the 9/11 commission.

· Raise the federal minimum wage to $7.25 an hour.

· Cut the interest rate on federally supported student loans in half.

· Allow the government to negotiate directly with pharmaceutical companies for lower drug prices for Medicare patients.

· Broaden the types of stem cell research allowed with federal funds.

· Impose pay-as-you-go budget rules, requiring that new entitlement spending or tax cuts be offset with entitlement spending cuts or tax hikes.

Republicans disagree with all these items. Indeed, the reason these items are on the Democratic agenda is that Republicans in Congress have blocked them from coming up for a vote. So where's the Republican rebuttal?

Now, I'm not saying that the GOP needs to hold some Oxford-style intellectual debate. But shouldn't the party offer some rebuttal?

You know, "Raising the minimum wage would kill millions of jobs," or, "Pay-as-you-go budget rules will require tax hikes or cuts in your Medicare benefits," or, "Why should we waste billions of dollars preventing terrorist attacks that haven't even happened yet?" These are just some off-the-cuff suggestions. I'm sure Republican political consultants could do better.

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My point is, we're not even getting a debate about a caricature of the Democratic position, let alone the actual one. Instead, we're getting things like this: GOP Rep. John Hostettler of Indiana is running an ad warning that if Democrats take power and California Democrat Nancy Pelosi becomes House speaker, she "will then put in motion her radical plan to advance the homosexual agenda, led by Barney Frank, reprimanded by the House after paying for sex with a man who ran a gay brothel out of Congressman Frank's home."

What is the homosexual agenda? The ad does not say. (Apparently it involves raising the minimum wage and cutting the interest rate on government-backed student loans. I can just see it if the Democrats win — all those gay Wal-Mart employees, cackling with glee as they use their fat $7.25-an-hour salaries to pay off their suddenly puny college debts.)

Which is my point. Republicans don't want an actual choice election, they want to run against a mythological Democratic Party so frightening that the voters overlook all the GOP's failures.

Not all the Republican campaigns are as vicious and mindless as Hostettler's. But nearly all of those campaigns are trying to run against a boogeyman. They raise the specter of a radical Democratic agenda, but they refuse to say what they don't like about that agenda. And there's a good reason for that: It's popular.

Racism Enters The Races (LAT)

The Los Angeles Times, October 29, 2006

The ads may not be overt, but across the country campaigns are trying to tap into a vein of fear and bigotry.

IT'S THAT TIME of year. A nip is in the air, the football season is nearly halfway over, the holidays are almost upon us and right on schedule — just before the Nov. 7 elections — the airwaves are full of racially tinged politicking. Republicans and Democrats, Northerners and Southerners alike, are attempting to tap a vein of voter fear and bigotry.

Commercials clearly pandering to prejudice, such as the infamous 1988 Willie Horton spot that painted Gov. Michael S. Dukakis as soft on crime and Sen. Jesse Helms' 1990 ad blaming affirmative action for taking jobs from white men, are yesterday's style. Today's is all about suggestion.

In Massachusetts, white Republican Kerry Healey, in a contest for governor with black Democrat Patrick Deval, is running a commercial that shows a nervous white woman being stalked. It ends with: "Deval Patrick, he should be ashamed — not governor," alluding to Deval's support for a rapist he believed was not guilty until a DNA test proved him wrong.

The spot is filmed from the perspective of the would-be attacker, and viewers are divided on what they see. Is the camera a stand-in for Deval? For black men in general? For attackers regardless of race?

Then there is the appalling flier recently put out by Democrats attacking Georgia Gov. George Ervin "Sonny" Perdue. It shows a photograph of a civil rights marcher being beaten to the ground by a white officer with the caption: "Remember this? Their last attempt to stop us from voting." Beneath is a photo of Perdue, the state's white governor, signing a voter identification bill into law, and the words: "Their current attempt to stop us from voting. Don't let the Bush/Perdue Republican Mafia take away our vote!"

Requiring an ID to vote is hardly the equivalent of racial disenfranchisement, but the ad taps into the anguish of the civil rights period and smears it all over the Republican leadership — without, of course, actually calling them baton-wielding racists.

The most masterful of the genre is the television spot in Tennessee targeting Harold Ford Jr. Ford is a black Democrat running for the Senate against Republican Bob Corker, and the commercial ends with a bare-shouldered blond urging Ford, a bachelor, to call her.

Ford admitted that he attended a Super Bowl party sponsored by Playboy, and social conservatives in Tennessee might be offended by this regardless of anyone's race. So isn't the issue fair game? Probably. And would it be better or worse for the ad's sponsors to insinuate that Ford's flirting must be with a black Playboy hostess instead?

Context provides the moral thicket. Consider that when South Carolina finally repealed its Constitution's ban on interracial marriage in 1998 — 31 years after the U.S. Supreme Court struck down such laws — almost half of white voters voted to keep it in place. These ads and commercials themselves may not be overtly racist, they just hope you are.

On Campaign Stop, Bush Rallies Loyalists (WP)

By Michael Abramowitz, Washington Post Staff Writer

The Washington Post, October 29, 2006

Indiana Event Kicks Off Stretch-Run Appearances for Embattled GOP Candidates

SELLERSBURG, Ind., Oct. 28 -- After months of fundraising, President Bush plunged into retail politicking for the first time this campaign season, telling a raucous crowd of several thousand Republican partisans on Saturday that the Democrats would raise taxes and retreat from Iraq if they win control of Congress next week.

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The cheers were deafening inside the packed gymnasium at Silver Creek High School here when Bush emerged beaming, with his blue shirt-sleeves rolled up, alongside endangered Rep. Michael E. Sodrel (R-Ind.).

The crowd interrupted the president repeatedly with loud applause and chants of "USA! USA!" as he cast the Nov. 7 midterm elections as a decisive turning point in the affairs of the country.

"The outcome of this election will determine how much money you have in your pocket," Bush shouted, his voice seeming to crack at points. "The outcome of this election will determine whether this government does its most fundamental job, and that is to protect the American people."

Bush has devoted considerable time and energy raising money for GOP candidates around the country, but Saturday's event represented the first time he has tried to rally grass-roots Republican voters. White House officials have said the new campaign finance law restricting the use of unregulated campaign contributions for such events has made it harder for candidates to stage such rallies.

But Bush has also had to be careful about where to go, since in many states and congressional districts his presence could work against GOP candidates. Democrats have aired television ads targeting an assortment of Republican candidates by showing footage of them with Bush, whose popularity has slid markedly in the last year.

With 10 days to go until the election, Bush said Saturday he was going to "sprint to the finish line," and rallies are planned in the coming week in Georgia, Texas, Nevada and Montana, where incumbent Sen. Conrad Burns (R) is in a desperate battle to save his seat. White House officials are hoping the president's visits will energize GOP voters, a key factor in their assessment that they can still retain their congressional majorities.

In an interview Friday, White House Chief of Staff Joshua B. Bolten indicated Bush will not back away from his sharp focus on national security, and discounted polls suggesting the administration may be driving away independent voters with its policy on Iraq.

"The Iraq war has been a strain on this country for good reason. Nobody should like seeing on the screen the losses that we and the Iraqis are suffering there," Bolten said. "But I think when you vacillate on the principles you believe in, you end up alienating your base without winning the middle."

Bolten said that Bush remains undeterred from his basic approach to governing.

"A lot of the winning and losing here is going to be done in individual races that have almost nothing to do with the national policies," he said. "Clearly this is going to be a very close election for control. And there's a number of Republican seats now in jeopardy because of the Foley scandal, Bob Ney. . . . I don't think that actually implicates the fundamental policy or political strategy. I don't expect either a defeat or a repudiation."

Following the Indiana rally, Bush flew to South Carolina for a Republican National Committee fundraiser and a spirited rally with troops at Charleston Air Force Base.

Indiana, a heavily Republican state, is shaping up as a critical battleground in next week's elections, with at least three GOP incumbents high on the Democrats' target list. In the 9th District, which includes Sellersburg and other southern parts of the state, Sodrel ousted Democratic incumbent Baron Hill by 1,425 votes in 2004. He now faces a fierce rematch with the former high school basketball star.

Many high-profile figures of both parties have been here on behalf of the candidates, with former president Bill Clinton appearing for Hill and first lady Laura Bush and Vice President Cheney helping Sodrel raise campaign funds. Sodrel told the crowd Saturday that he was "proud to stand" with the president.

Hill used Bush's visit to attack Sodrel as a "rubber stamp for the administration."

In Washington, meanwhile, Senate Democratic leader Harry M. Reid (Nev.) reacted sharply to Bush's latest attacks on Democrats, saying that this Halloween the Bush administration was "running its national security policy like a Charlie Brown special" and was disguising the "scary facts" about the war.

Although the Indiana crowd was wild in its enthusiasm, at least one backer of the president voiced some anxiety about Iraq. Samantha Grimm, a registered nurse, said she "absolutely" supports the president on the war but asked: "When is it going to be over -- when do you say enough is enough?"

Bush reprised familiar themes about taxes and the war. However, he employed a new rhetorical device, as he once again accused congressional Democrats of repeatedly trying to block his anti-terrorism policies. Democrats say they simply want to carry out such policies while safeguarding rights.

"In all these vital measures for fighting the war on terror, the Democrats in Washington follow a simple philosophy: Just say no," Bush said. "When it comes to listening in on the terrorists, what's the Democratic answer? 'Just say no.' When it comes to detaining terrorists, what's the Democrat answer?"

"Just say no," the crowd replied.

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Bush Rallies Base To 'Just Say No' (WT)

By Joseph Curl, The Washington Times

The Washington Times, October 29, 2006

SELLERSBURG, Ind. -- President Bush yesterday yelled himself hoarse in his first public political rally of the 2006 election campaign, whipping thousands of supporters into chants of "USA!" as he criticized Democrats for being weak on national security and anxious to increase taxes.

Swooping into a Republican stronghold that on Election Day will be an early harbinger of whether Republicans hold control of Congress, Mr. Bush led the crowd in a chant that gave new meaning to an old Reagan-era slogan.

"The Democrats in Washington follow a simple philosophy: Just say no," the president said.

"When it comes to listening in on the terrorists, what's the Democratic answer? Just say no. When it comes to detaining terrorists, what's the Democrat answer?" Mr. Bush asked.

"Just say no!" the crowd shouted.

"So when the Democrats ask for your vote on Nov. 7, what are you going to say?"

"Just say no!" the audience replied.

With just nine days to go before the midterm elections, the White House has settled on a simple strategy: Turn out the base.

Yesterday's rally in the Ohio River Valley was aimed at boosting Republican Rep. Mike Sodrel, who is in a tough re-election battle with former Rep. Baron Hill. It was the first of Mr. Bush's nearly 90 political events this season that was open to the public. The latest poll shows Mr. Hill opening up a double-digit lead on Mr. Sodrel, who won the seat in 2004 by fewer than 1,500 votes. The president beat Sen. John Kerry in 2004 with 59 percent of the vote in this southern Indiana district.

Mr. Bush has spent the past few weeks visiting other districts he won handily in 2004, but where Republican candidates are struggling to hold on to conservative voters.

Last week, Mr. Bush raised funds for a Republican in Sarasota, Fla., where the president beat Sen. John Kerry by a 13-point margin in 2004. Even though Republicans outnumber Democrats 2-to-1 in the district, the party's candidate, car salesman Vern Buchanan, trails his opponent by 11 points in the latest poll.

The White House views a handful of races along the borders of Indiana, Kentucky and Ohio as pivotal to holding control of the House.

"The Ohio River Valley is the problem," a senior administration official said last week on the condition of anonymity. "I think we've got three seats really at risk."

Rep. John Hostettler, an incumbent whose district is in the southwestern part of Indiana, is trailing by seven points in the most recent poll. Several candidates in Ohio, including Rep. Steve Chabot, whose district borders Kentucky, are locked in tossup battles.

In Kentucky, another handful of races in districts along the river could determine who controls Congress. Rep. Anne M. Northup, who recently split with the president by calling for the resignation of Defense Secretary Donald H. Rumsfeld, is in a tossup race. Rep. Geoff Davis, the Republican running in a district that in 2004 delivered a 27-point victory for Mr. Bush, cannot pull away from his opponent, former Rep. Ken Lucas.

"If we lose three and [zero], it's going to be a very close-run thing, but we'll probably keep the House. ...That is to say, lose two or three in Indiana and lose none in Kentucky," the administration official said. "If it's two and [zero], we'll keep the House. If it's two and one, it's going to be a very close-run thing."

The White House knows the stakes in the Ohio River Valley: First lady Laura Bush, former first lady Barbara Bush and House Majority Leader John A. Boehner, Ohio Republican, have all made recent visits to Clark County, Ind. Press secretary Tony Snow drops into nearby Jeffersonville tomorrow.

Yesterday's presidential visit to Clark County, the first since Lyndon B. Johnson stopped here in 1964 to dedicate a post office, sent this tiny town into a tizzy. Residents lined the streets awaiting the motorcade, and businesses along Indiana Avenue posted "Welcome President Bush" signs.

The 4,000 supporters packed into a high school gymnasium remained on their feet throughout the president's 33-minute speech. They booed whenever Mr. Bush mentioned Democrats such as "the member from California, the ranking leader, the minority leader in the House, who wants to be the speaker ...."

Rep. Nancy Pelosi, he said, claims to "love tax cuts."

"Given her record, she must be a secret admirer," he said. Ticking off a list of votes the San Francisco liberal has cast against tax cuts, he broke the crowd up when he leaned into the microphone and shouted: "If this is the Democrats' idea of love, I wouldn't want to see what hate looks like."

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Afterward, as the crowd filed out of Silver Creek High School, David Blocker of Elizabeth, Ind., said he "loved the speech."

The owner of a trucking company, who was wearing a shirt that said, "W -- Still the President," said he supports Mr. Bush's war on terrorism.

But Annette Dailey, a part-time UPS worker, said she will cast her vote against Mr. Sodrel, based on the president's Iraq policy.

"I've got three little boys, and I'd really like to see us get out of the role of being the world's bully," she said inside the family room of her home, which bore a yard sign for Mr. Hill. "I'm worried that 15 years from now, when they're of age, we're still going to be at war. I'd like for us to get back to where we take care of our own country first."

A Warm Welcome For Bush The Campaigner, In Indiana (NYT)

By Jim Rutenberg

The New York Times, October 29, 2006

SELLERSBURG, Ind., Oct. 28 — In an appearance that amounted to his first traditional campaign rally of the election season, President Bush on Saturday told wildly cheering supporters here that Democrats did not want to investigate, prosecute or even detain terrorists and had no plan for Iraq.

And, introducing a relatively new line in his election-year stump speech, Mr. Bush criticized the "activist" New Jersey Supreme Court's ruling this week that same-sex couples were entitled to the same legal rights and benefits as heterosexual couples.

"We believe that marriage is a union between a man and a woman and should be defended," Mr. Bush said, reminding the crowd of his two conservative Supreme Court appointees, Justice Samuel A. Alito Jr. and Chief Justice John G. Roberts Jr. "I will continue to appoint judges who strictly interpret the law."

Aides said Mr. Bush's appearance on Saturday was the first of many planned for the final days before the Nov. 7 election, as he pivots from the role of fund-raiser in chief to that of cheerleader in chief.

For Mr. Bush, it was a return to the kind of campaigning he likes best. He gave his speech in rolled-up shirtsleeves, standing before an ecstatic crowd packed into a high school gymnasium. They waved pompoms and held signs that said "Welcome to Bush Country" or simply "W," and hooted their support with deafening enthusiasm. Their cheers nearly overwhelmed the shouts of an antiwar demonstrator, whose protests were barely audible, and occasionally drowned out the president.

Mr. Bush went onstage with Representative Mike Sodrel, one of three Indiana Republicans facing tough Democratic opposition this year. The president's list of Democrats' deficiencies included their votes against the administration's program to wiretap phone conversations of terrorism suspects without warrants and their opposition to trying terrorism suspects in special military tribunals without habeas corpus.

"In all these vital measures for fighting the war on terror, the Democrats in Washington follow a simple philosophy: Just Say No," Mr. Bush said, borrowing the line from Nancy Reagan's 1980s campaign against drugs. He continued that theme in a call-and-response with the crowd, asking, "When it comes to listening in on the terrorists, what's the Democratic answer?"

"Just say no," the audience answered.

"When it comes to detaining terrorists, what's the Democratic answer?" Mr. Bush asked.

"Just say no," the crowd of roughly 4,000 answered.

"When the Democrats ask for your vote November the seventh, what are you going to say?" Mr. Bush asked.

"Just say no," the crowd replied.

Democrats and some Republicans in Congress have pushed for greater restrictions on the president's authority to order wiretaps without warrants. Jim Manley, a spokesman for Senator Harry Reid of Nevada, the Democratic leader, said they had called for a more solid legal foundation in trying terrorism suspects.

Mr. Manley said the president was practicing "the politics of fear and smear."

"Of course we want to listen to and detain terrorists," Mr. Manley said. "We just don't want to give the president a blank check."

Continuing his national security theme, Mr. Bush left here for South Carolina to attend a rally for troops at the Charleston Air Force Base.

To a crowd of hundreds of servicemembers gathered on the tarmac, Mr. Bush gave a streamlined version of his stump speech, removing direct mention of Democrats or the coming election, and appeared to direct criticism at the opposition.

"I know some in America don't believe Iraq is the central front in the war on terror — that's fine, and they can have that opinion," Mr. Bush said. "But Osama bin Laden knows it's the central front in the war on terror."

And he offered words for those who have lost loved ones in the war.

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"I make them this pledge," he said. "We will honor their sacrifice by completing the mission, by defeating the terrorists and laying the foundation of peace for generations to come."

Mr. Bush has not set aside his fund-raising duties entirely. On Saturday evening, he appeared at a private event for the Republican National Committee on Kiawah Island, a resort community off the coast of South Carolina, that organizers said raised about $1 million.

In Campaign Mode, Bush Takes On Dems (AP)

AP, October 28, 2006

SELLERSBURG, Ind. (AP) — President Bush, campaigning aggressively ahead of the high-stakes Nov. 7 elections, said Saturday Democrats should not be trusted to control Congress because they have no idea how to win in Iraq.

"I want you to think about the Democrat plan for success. There isn't one," Bush told thousands of energized Republicans packed into a high school gymnasium. "They are in agreement on one thing — they will leave before the job is done, and we will not let them."

The rally was aimed at boosting GOP Rep. Mike Sodrel, facing former Democratic Rep. Baron Hill for the third time in a rural southern Indiana district so evenly divided between the parties that each man has won once.

Before leaving Washington, the president spoke for 50 minutes with Iraq's prime minister, seeking to ease recent tensions over a U.S. plan for benchmarks for reducing the violence.

Until the Indiana campaign stop, all of Bush's approximately 90 political events in the 2005-2006 election season were fundraisers with donors willing to pay a high price to see him.

The rally was the president's first free appearance and came in the final stretch of an election that will determine whether Republicans retain their majorities in the House and Senate.

The president has five more rallies scheduled so far through Thursday, in Texas, Montana and Nevada, and two in Georgia.

Later Saturday in South Carolina, Bush spoke to troops on a tarmac at Charleston Air Force Base, repeating his full-throated defense of his Iraq policy in a speech that was stripped of its earlier partisan jabs. But the appearance created potent images, as Bush, surrounded by troops in camouflage, strode into his audience's view from between hulking C-17 cargo planes as soaring music blared.

"It's a hard fight," the president said of Iraq. "And we've got a lot of brave citizens of ours in the midst of the fight. But we have a plan for victory."

The president also raised money for the Republican National Committee at a resort and spa on picturesque Kiawah Island. That fundraiser and one with Vice President Dick Cheney on Friday night, also on Kiawah, were expected to bring in $1 million total.

At the Indiana rally, a large group of protesters gathered across the road. But inside the steamy gym, the president basked in the reception. The screaming, foot-stomping audience frequently drowned out his words with applause, chants and cheers.

He was interrupted several times by people calling for the troops to come home, but supporters countered with "USA" chants.

Bush — his sleeves rolled up, a wide grin on his face — gave out hugs and handshakes, cuddled babies passed up to him over the crowd and waved at his supporters. The wear of the campaign season showed in his voice, which sounded as if it might soon give out.

To support his claim that Democrats are offering no clear alternative to his leadership on Iraq, the president noted some Democrats have urged an immediate pullout of U.S. troops from Iraq, while others have advocated a specific date by which all American soldiers will come home or cutting off money for the war.

"Five years after September the 11th, too many Democrats still do not get it," Bush said. "The best way to protect the homeland is to find the enemy and defeat them overseas."

A new Associated Press-AOL News poll that found likely voters — angry at Bush and citing Iraq and the economy as their top issues — overwhelmingly prefer Democrats over Republicans. The poll found voters think Democrats would do a better job on Iraq by a 15-point margin.

And though Democrats have not coalesced around one Iraq strategy, the president's talk of benchmarks, tactics and goals has been criticized as also not clear. Bush refuses, for instance, to say what the consequences would be for the Iraqi government if it does not meet benchmarks.

"Since 2003, President Bush has laid out nine different plans for victory in Iraq, none of them serious and none of them workable. And most seriously, this incompetence has hindered our ability to fight international terror," said the Democratic

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candidate for Senate in Virginia, Jim Webb. A decorated Vietnam combat veteran whose son is on active duty in Iraq, Webb was selected to speak for his party in delivering the weekly radio response to Bush.

In recent days, a feud between the Bush administration and the Iraqi government has put the White House on the defensive and undermined the president's attempt to put a new face on his much-criticized Iraq strategy. After the videoconference, Bush and al-Maliki issued a joint statement saying they were "committed to the partnership."

Bush has taken lately to pleading with voters not to see the election as a done deal, trying Saturday to prevent GOP complacence with criticism of Democratic votes against his controversial proposal for detaining, interrogating and trying suspected terrorists

"In all these vital measures for fighting the war on terror, the Democrats in Washington follow a simple philosophy: Just say no," he said.

"So when the Democrats ask for your vote on November the 7th, what are you going to say?" Bush yelled. "Just say no!" the audience yelled back.

Also Saturday, on a conference call aimed at boosting Republican turnout, Bush told 3,000 local-level Republican activists of his electoral confidence.

In his speech, Bush stuck to his theme that Democrats would raise taxes if they gain control of Congress. "They want to get in your pocketbook," he said. "We're not going to let them."

Bush Picks His Battles In Friendly Country (LAT)

By Molly Hennessy-fiske And James Gerstenzang, Times Staff Writers

The Los Angeles Times, October 29, 2006

The president is in public campaign mode for Republicans -- and making sure to go only where he's wanted.

At his first campaign rally this election season, President Bush on Saturday galvanized supporters in a packed high school gym by pledging to oppose gay marriage, a theme Republican candidates have revived in the wake of a New Jersey court ruling in favor of gay couples.

"Activist judges try to define America by court order," Bush told the crowd of 4,000 at Silver Creek High School, flanked by Rep. Mike Sodrel (R-Ind.), who is running for reelection. "Just this week in New Jersey, another activist court issued a ruling that raises doubt about the institution of marriage. We believe marriage is the union between a man and a woman."

At that, the raucous crowd went wild, shouting "USA," stomping their feet and shaking dozens of red, white and blue pompoms.

The New Jersey Supreme Court last week ruled that gay and lesbian couples in that state should have all the rights and benefits of marriage; the justices left it up to legislators to decide whether to call such partnerships marriages or civil unions. Same-sex marriage was a motivating issue for social conservatives in the 2004 election, but has been overshadowed in this year's campaign by the war in Iraq.

Constitutional amendments banning same-sex marriage will be on the ballot in eight states this November, including South Carolina, which Bush visited late Saturday to greet troops and attend a campaign fundraiser outside Charleston.

Bush has appeared at private fundraisers for individual candidates, but now is launching a string of five preelection public rallies in the next four days. He's speaking out on tax cuts, national security and same-sex marriage while playing to his base of conservative Republicans in such strongholds as Sellersburg, Statesboro, Ga., and Sugar Land, Texas.

With Republican control of Congress at risk, the president's visits and tone could determine the fate of a handful of close races.

Besieged Republican candidates have distanced themselves from the president in recent debates, TV ads and closed fundraisers as his approval rating remained below 40% this month. It has become increasingly difficult for the party to take advantage of the office of the president, GOP strategists say.

Democrats in Maryland, Missouri and Pennsylvania have launched ads that remind voters of their opponents' support for Bush.

"Michael Steele: Right for Bush, wrong for Maryland," says one of the latest TV ads from Democratic Rep. Benjamin L. Cardin, which features Lt. Gov. Steele praising Bush at the 2004 Republican National Convention. Steele is challenging Cardin.

On Friday, Democrat Jerry McNerney invited Bush to return to California's 11th District and campaign for Rep. Richard W. Pombo (R-Tracy), whom the president visited last month, because he "reminds voters that both Bush and Pombo are satisfied with the lack of ethics and integrity in Congress." McNerney is trying to unseat Pombo.

Bush's travel schedule was plotted last week based on where he could do the most good for candidates who are in close races in Republican areas, said Deputy Press Secretary Tony Fratto. Sodrel won his southern Indiana district two years ago by 1,425 of 283,000 votes. The president carried the district that year with 59% of the vote.

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"He's going to tight races where we think his presence can help put a guy over the line," Fratto said.

The campaign landscape has changed dramatically since the midterm election of 2002, when Bush's approval rating was 64%. Back then, Bush targeted battleground districts for large, boisterous rallies.

But he has been more low-key this campaign season. At a Thursday fundraising rally in Michigan that brought in $700,000 for the Senate campaign of Mike Bouchard, a catering hall smaller than a high school gymnasium was less than half full.

Bush is to focus on red states during the coming week in the hope of drawing crowds and boosting beleaguered Republican House campaigns in states he won by large margins in 2004.

"That's where he's more useful," said Charles Black, a Republican strategist close to presidential advisor Karl Rove.

In a blue state like Pennsylvania, a presidential visit could hurt Republican Sen. Rick Santorum more than it helps, Black said. The state is home to 600,000 more Democrats than Republicans, voter registration records indicate.

"To win, [Santorum] needs to get all the Republicans and some of the Democrats. Well, the president's influence is good on the Republicans but could work against him among Democrats, so why put him there?" Black said.

Bush plans to campaign Monday in Sugar Land, where former Rep. Tom DeLay was a political fixture for more than a decade — more evidence of the degree to which Republicans are struggling. DeLay carried 63% of the vote two years ago and Bush won 64% in 2004. But the former House majority leader abandoned his reelection bid and resigned his seat after former aides pleaded guilty in the Jack Abramoff influence-peddling scandal.

The president is also scheduled to make repeat visits Monday and Tuesday to two Georgia districts, starting with a rally Monday in Statesboro for Max Burns, a Republican seeking to unseat incumbent Democratic Rep. John Barrow.

The district is so Republican, and so pro-Bush, that even Barrow is airing television ads that proclaim: "I agree with George Bush."

On Thursday, Bush is to hold a rally in Billings, Mont. — he won the state with 59% of the vote two years ago — then stop in Nevada.

Bush will probably make 20 stops before election day to help House candidates, possibly in Ohio, North Carolina, Iowa, Indiana and Florida, according to GOP strategist Scott Reed.

"In this phase of the game, it's about winning a day in the news, and a visit by the president will about guarantee you win the day," Reed said.

He called Bush's agenda "a last-minute flurry to limit the losses … and keep the House from going Democrat."

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Hennessy-Fiske reported from Indiana and Gerstenzang from Washington.

Partisan Rhetoric Even In Wartime Sets Bush Apart (LAT)

Ronald Brownstein Washington Outlook

The Los Angeles Times, October 29, 2006

President Bush and Republicans in many of the nation's key races are presenting divergent, even contradictory, visions of how Washington should operate after next week's election.

Around the country, GOP incumbents and challengers alike are running against the relentless partisan conflict that defined the final years of Bill Clinton's presidency and have colored virtually every day of Bush's.

From House members such as Christopher Shays in Connecticut to Sens. Jim Talent in Missouri and Mike DeWine in Ohio and Senate challengers in Maryland, New Jersey and Tennessee, Republicans almost everywhere are presenting themselves as flexible and independent problem solvers who will reach across party lines to build consensus on difficult issues.

Bush is moving in the opposite direction. As he often does when he's under political pressure, he's accentuating the disagreements between the parties and presenting the differences in the starkest possible terms. He's displayed that instinct most clearly in the highly charged way he has framed the debate over Iraq and the war on terrorism.

Bush now routinely labels Democrats "the party of cut-and-run." At a recent Republican fundraiser, Bush went much further. "The Democrat Party … has evolved from one that was confident in its capacity to help deal with the problems of the world to one that … has an approach of doubt and defeat," he declared.

Bush has absorbed his share of body blows from Democrats criticizing his management of the war. But tagging his rivals as the party of "defeat" is nonetheless extraordinary language for a commander in chief to use in a political campaign.

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Other wartime presidents have been much more reluctant to argue that only their party was committed to success. Consider the way President Johnson approached the 1966 elections as the Vietnam War was escalating. To begin with, Johnson spent most of that October away from the campaign, on a 17-day tour of Asia that included Vietnam.

Then, at a news conference just before election day, Johnson dismissed the idea that congressional losses for the Democratic Party would affect either the thinking of the North Vietnamese or America's support for the troops in the field. If Republicans gained seats, he continued, "They may talk, and argue, and fight, and criticize, and play politics from time to time, but when they call the vote on supporting the men … in the Senate it will be 83 to 2 and in the House it will be 410-5."

In 1942, the first election after Pearl Harbor, President Franklin D. Roosevelt was even more emphatic about separating war and politics. Roosevelt spent much of that fall visiting defense facilities on a tour during which he barred press coverage and insisted on being accompanied by Republican as well as Democratic local officials. When the chairman of the Democratic National Committee suggested that a GOP takeover of the House would be bad for the country, Roosevelt publicly rebuked him.

Even President Nixon displayed more restraint during the 1970 midterm election. Nixon barnstormed the country asking voters to elect members of Congress who would support his war policy. But he took pains to avoid claiming that only his party wanted to win. "This is not a partisan issue," Nixon declared that October at a rally for a Texas Republican Senate candidate named George H.W. Bush.

Can that Bush's son succeed with his more polarizing strategy? It depends on how success is defined. His sharp attacks on Democrats could rally the conservative base enough to maintain a slim Senate majority by holding GOP seats in enough right-leaning states, such as Missouri and Tennessee. Though it seems much less likely, it might even help the GOP hold enough Republican-leaning House seats to eke out a tiny majority in that chamber.

But even if Bush succeeds, such a result still will measure how much he has retreated from his hopes of building a broad majority coalition. From Connecticut to Colorado, he is facing enormous resistance this fall from voters outside his bedrock base of conservatives and Republicans. In polls, he now looks less like the president of all the people than the champion of a single faction.

In the latest Gallup poll, just 28% of independents and 24% of moderates approved of Bush's job performance. His support among Democrats and liberals registered in the single digits. In Los Angeles Times/Bloomberg polls last week of four states Bush carried in 2004 — Ohio, Missouri, Tennessee and Virginia — only majorities of Republicans and conservatives said the country should continue on the course he's set out. In each case less than one-third of independents, and less than one-fifth of moderates, agreed. Don't even ask what Democrats and liberals think.

Even if Republicans hold one or both congressional chambers, future presidential candidates in both parties are likely to question a political strategy that generates so much division. Matthew Dowd, the senior strategist for Bush's 2004 reelection campaign, says the smart candidates for 2008 will learn more from the politicians this year pursuing common ground.

Example A may be California Gov. Arnold Schwarzenegger, whom Dowd is advising. Schwarzenegger, a Republican, is heading for a convincing victory in the biggest blue state of all by offering a hybrid left-right agenda that bridges the ideological differences Bush routinely inflames. Schwarzenegger "is going to win primarily because of his leadership style over the last year: bipartisan, consensus, let's not look at things as an ideology," Dowd predicts. "It should send a signal to anybody running in '08."

More immediately, the response to Schwarzenegger and the other candidates promising reconciliation should tell Bush and lawmakers in both parties that after November's vote, America wants them to put aside their own war long enough to find a new direction in Iraq and more consensus on stubborn problems at home.

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Ronald Brownstein's column appears every Sunday. See current and past Brownstein columns at http://www.latimes.com/brownstein .

Iraq War's Unpopularity Sours Many Voters On The Republicans' Swagger (BOS)

By Susan Milligan

The Boston Globe, October 29, 2006

WASHINGTON -- They strode into Washington talking tough and wearing cowboy boots. One warned of faceless terrorists who "drive taxi cabs in the daytime and kill at night." Others linked homosexuality to bigamy and incest. Together, they unapologetically froze out the minority Democrats on Capitol Hill.

Now, the Republican Party's chief swashbucklers are a politically endangered species. Lawmakers who have been running Washington with a strong hand and even stronger rhetoric are themselves scrambling for reelection in Senate races in Pennsylvania, Montana, and Virginia.

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Republicans built and expanded their majorities with a commanding style and tough stances on terrorism and other issues, a leadership style many voters found appealing in a post-9/11 world, analysts say. And the GOP is still hoping to hang on to some critical seats by portraying Democrats as weak-kneed and soft on terrorism.

But the increasing unpopularity of the Iraq war is making some voters tire of the defiant demeanor showcased by the majority party in recent years, analysts say -- a special problem for those whose political style most resembles President Bush.

"The less successful the war has been, the less plausible it has been for Bush to be stomping around in his cowboy boots," said Ralph Whitehead , a professor at the University of Massachusetts at Amherst. "The plausibility of Bush's electoral swagger as the campaigner-in-chief for his party depends to some extent on the plausibility of his military swagger as commander-in-chief of his country's presence in Iraq."

House and Senate leaders are suffering too, from a voter backlash against the "hubris" of the GOP majority, said Marshall Wittmann , a former staffer to Republican Senator John McCain who now works for the Progressive Policy Institute.

When the nation was united in the drive to find Osama bin Laden -- "dead or alive," as Bush vowed -- Americans were attracted to the hard-line talk of Washington's Republican leaders. But with bin Laden still at large and the death toll mounting in Iraq, some voters are opting for candidates favoring a less rigid approach.

Several of the party's most outspokenly partisan lawmakers have already been forced out of office. Former House majority leader Tom DeLay , the Texas Republican and onetime exterminator who brazenly -- and very successfully -- marginalized Democrats in the House, is now out of his job and facing a trial for allegedly misdirecting campaign funds.

Representative Bob Ney , who pleaded guilty to corruption charges, said he will quit his Ohio seat. And California's swaggering former Representative Randy "Duke" Cunningham -- who once warned that Senator John F. Kerry of Massachusetts would become a "Jane Fonda commander-in-chief" -- is now in prison for taking bribes.

President Bush's approval ratings are running about 40 percent, while Defense Secretary Donald H. Rumsfeld -- whose irascible nature charmed much of Washington five years ago, making him a model of an alpha male, now faces frequent demands for his resignation, including from Republicans in close election campaigns.

California Governor Arnold Schwarzenegger -- who once called his Democratic opponents "girlie men" -- has dialed down his rhetoric since he lost several statewide referendums and is now widely favored to win reelection Nov. 7.

But several sitting senators who have defined Washington's swaggering Republican are fighting to keep their jobs. Two-term Pennsylvania Senator Rick Santorum, who chairs the GOP Conference in the Senate and who once was considered a contender for his party's 2008 presidential nomination, is now trailing badly in the polls against Democrat Bob Casey Jr.

Santorum's blunt rhetoric against abortion and homosexuality won him points among Christian conservatives, but his comments about working women and gays have come back to haunt him this year. His comments to the Globe last year blaming Boston's "liberalism" for the Catholic church sex abuse crisis has also hurt him in some swing communities, analysts said, but Santorum has not toned down his demeanor.

"With Santorum, there's no warm. It's hot or cold with him," said Jon Delano , a political scientist at Carnegie Mellon University in Pittsburgh. Added Whitehead: "He's gone from talking to his base to yelling at his base. He's not talking to any swing voters."

Senator George Allen , too, is facing a tough fight for reelection. The cowboy-boot-wearing Allen, with his penchant for Confederate memorabilia, has been a mainstay of the GOP's conservative base. But a series of gaffes this year have damaged him.

Since then, Allen has softened his demeanor somewhat, noting in a CNN interview that his recently discovered Jewish heritage has reinforced his commitment to equality. "I have been a leader for fighting against anti-Semitism and intolerance, but now it's personal," Allen said.

In Montana, Senator Conrad Burns is in an uphill fight against Democrat Jon Tester. Burns -- who once referred to Arabs as "ragheads" -- this year called his house painter "a nice little Guatemalan man," and said the United States is under threat from terrorists who "drive taxi cabs in the daytime and kill at night," prompting criticism from Muslims.

Howard Reiter , a political science professor at the University of Connecticut, said female voters especially are being turned off this year by the tough-talking Republicans, accounting for a substantial gender gap in some close races.

And the mere fact that Republicans have controlled both chambers of Congress and the White House for most of the last six years has made voters less patient with the politicians' style, Delano said. What sounded like confidence and decisiveness in past campaigns now seems arrogant, he said.

"I think people are tired of division and partisan politics," Delano said. "And because Republicans are running the show, they bear the brunt of the blame, fairly or not."

Democrats Push To Counter G.O.P. In Turnout Race (NYT)

DOJ_NMG_0088233

By Adam Nagourney

The New York Times, October 29, 2006

VINITA PARK, Mo., Oct. 28 — Democrats are pushing into high gear this weekend a sharply expanded campaign to get their voters to the polls, even as some party leaders expressed anxiety that Republicans would again out-organize them in the approximately 20 House and 3 Senate races that both sides agree will determine the outcome of the midterm elections.

After two national elections in which Republicans' sophisticated get-out-the-vote operation helped them triumph over their opponents, Democrats have invested heavily in catching up.

The success of that effort could be crucial to their hopes on Nov. 7. Notwithstanding polls that show broad Democratic strength, control of Congress appears to rest on a relatively few races in which the candidates are separated by razor-thin margins. Those are precisely the kinds of races where turnout efforts can make a difference, and the Republicans' track record on getting their supporters to the polls in districts they focus on is a primary reason that the White House continues to express confidence that it can at least limit Democratic gains this year.

Howard Dean, the Democratic national chairman, said Friday that he was confident that a swell of enthusiasm among Democratic voters, combined with what he characterized as despondency among Republicans, would push Democrats to victory, an assessment that even some Republican strategists said they shared. But in an interview, Mr. Dean said that Republicans continued to have a clear superiority in identifying voters they can persuade to vote for their candidates and then getting them to cast ballots.

"I think we've closed the gap, but I don't think we are there yet," Mr. Dean said. "It's going to take some time. I think we could match them in 2008, if everything goes right, in voter turnout."

Other Democratic leaders disputed Mr. Dean's view, saying they were increasingly confident about their party's ability to achieve parity, and perhaps regain its dominance, against the Republican get-out-the-vote machinery. Democrats pointed to evidence of what the party's $35 million in spending on turnout programs, nearly matching Republicans, has given them in tight races like the Senate campaign here in Missouri, where Senator Jim Talent, a Republican, won office in 2002 by just 21,000 votes.

But Democratic Party leaders acknowledged structural shortcomings that could continue to give Republicans the advantage. Republicans have spent the past three years building a detailed national database of voters, including their voting history and consumer data that the party has used to predict their political leanings and identify the issues that most motivate them. The Democrats' voter list is not as expansive or comprehensive, though Mr. Dean said he hoped that would be repaired by the next presidential election

And while Republicans have centralized their turnout operation under the Republican National Committee, Democrats have been forced to maneuver within a fractured system involving a series of different committees and private groups, sometimes working at cross purposes, from district to district across the country.

"These other groups are calling: stem cell research, labor unions," said Charlene Zeni Connolly, 57, a retired teacher who was making calls near here recently on behalf of Claire McCaskill, the Democratic candidate for Senate. "People are getting really irritated. They are saying, 'If you call again, I won't vote for her.' "

For all that, evidence of newfound Democratic attention to getting out the vote, an area of politics where the party once dominated, was on display here and in other parts of the country this week as turnout operations, many in the making for nearly two years, began to unfold their final 10-day plans.

For two cold and rainy hours the other night, Brendan Fahey, 27, a two-time Iraq war veteran, led a team of three Democratic workers on a door-knocking mission through a trim, middle-class neighborhood of two-family brick homes in this city northwest of St. Louis. They careened from house to house — holding street maps and a computer-generated list of likely supporters gleaned from two years of market research, telephone calls and earlier visits — as they executed the final stages of a plan began when Democratic Party strategists opened offices here 15 months ago.

In Florida, the campaign of Ron Klein, a Democrat challenging Representative E. Clay Shaw Jr., a Republican, made a final telephone canvass of voters who live in the state but spend the summers elsewhere, typically thousands of miles outside Mr. Shaw's district in Southern Florida, to make sure they were returning to their winter homes by Election Day or had voted by absentee ballot. As part of the "Snowbird Program," the Klein campaign said it had tracked down the Northern addresses and telephone numbers of thousands of Democratic and independent voters in anticipation of this week.

Through it all, Republicans have shown no sign of backing off, matching Democrats door for door and telephone for telephone.

"Do you want a lawn sign?" Tom Applewhite, 20, a St. Louis University student working for Mr. Talent, asked a woman who answered a door near here after she promised that she would indeed vote for Mr. Talent.

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Mr. Applewhite, who had guided a squad of Republican volunteers for a relatively early afternoon tour to avoid the misstep of upsetting St. Louis Cardinals fans by banging on the door in the middle of the World Series games, went to his red Chevrolet pickup and returned with a "Talent for Senate" sign.

On Saturday, while in Indiana, Mr. Bush held a conference call with 300 Republican activists from around the country, to fire them up going into the final week, said Tony Fratto, a White House spokesman.

The emphasis on this fundamental element of campaigns came as the two parties made final, frenetic decisions about where to put advertising money and other resources, with Democrats trying to expand the playing field and Republicans building defenses around what they hope will be enough House and Senate seats to cling to control of Congress. Democrats need to pick up 15 seats to win the House, a prospect of which they are increasingly confident, while facing the tougher task of winning 6 seats to capture the Senate.

Emboldened by polls showing rising public unhappiness with Republicans, Democrats tried to open new fronts in some unlikely places, including Kansas, where Nancy Boyda, a Democrat, is challenging Representative Jim Ryun, who is seeking a sixth term. The race is so overlooked nationally that some Democratic officials in Washington joked they would not have been able to name the Democratic challenger before this week.

Republicans said they saw no evidence that Mr. Ryun was in trouble and suggested that Democrats were trying to rattle them. Still, the Republican Party began running advertisements to defend five more incumbents, in states including Colorado and New York, who are showing signs of slipping. And President Bush on Saturday began another series of swings into what had been solidly Republican territory to help generate more enthusiasm and raise money to help pay for the late advertising and voter turnout push.

In his assessment of his party's get-out-the-vote apparatus, Mr. Dean said he thought Republicans did have an advantage by running a centralized operation. He said that after the election he intended to call the leaders of the House and Senate Democratic committees "to try to build a relationship the way the Republicans do it."

He added, "I don't admire anything that Republicans have done to this country, but I greatly admire their election model, and that's what we intend to build, if not surpass, by 2008."

Mr. Dean's assessment that Democrats are still being outpaced by Republicans stood in contrast to the views offered by leaders of the House and Senate Democratic committee, some of whom have clashed with Mr. Dean about basic party-building strategies this year.

"We believe we are now equal to them," said Senator Charles E. Schumer of New York, who is heading his party's campaign to take back the Senate. Referring to the Republican triumph in 2004, Mr. Schumer said: "We saw what they did and we said we can't be caught again that way. From the outset, we put a very large effort into this."

Karin Johanson, the executive director of the Democratic Congressional Campaign Committee, said that given the efforts of her committee and labor unions, "I think we are in very good shape right now."

Republicans said they noted, with concern but not surprise, that Democrats had taken lessons from them. "Democrats are smart, and they have learned from what we are doing," said Ken Mehlman, the chairman of the Republican National Committee. "But I certainly think we learned a lot from what they did in 1998 and 2000."

Still, Republicans are hardly sanguine going into this election storm, even with the backstop of a get-out-the-vote operation.

Some party strategists, speaking on the condition of anonymity in offering a critique of their own operation, said they were worried that the Republican demoralization would sap some of the energy from the program, discouraging the final-weekend surge of volunteers that they found during happier campaigns. By contrast, Democrats are getting help this year in recruiting volunteers from an arena that has more often taunted Democratic officialdom, bloggers and groups like the A.F.L.-C.I.O. and MoveOn.org, which has started sophisticated Internet-based turnout operations that rival what even some party committees are doing.

"We're in about 40 districts right now," said Eli Pariser, executive director of MoveOn.org. Mr. Pariser said his group had trained 70,000 people to use its Web-based program to call prospective Democratic voters on lists that MoveOn.org had assembled.

The two parties are planning to spend around $70 million on turnout operations, according to interviews, and in the process, they are expanding the very nature of what voter turnout means.

Republicans are using their phone callers not only to find supporters but also to push Republican lines of attacks, calculated to reflect the messages these same voters are presumably seeing in television advertisements or by watching Mr. Bush on the news. In recent days, Republicans working telephone banks were instructed to say that a Republican victory was crucial to holding down taxes and protecting the nation's security, the two messages that have proved particularly effective with Republican base voters.

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Democrats, who have dutifully studied Republican successes in 2002 and 2004, have used consumer, demographic and polling data to predict the political leanings of infrequent voters. Here in Missouri, for example, canvassers are more likely to talk to single women about health care.

Because of Mr. Talent's narrow victory last time, Republicans and Democrats landed here hard and early this campaign, and both sides think that is what will make the difference in a race that could well determine which party controls the Senate next year.

"They are proud of their turnout operation," Ms. McCaskill said. "They think they have a machine-like operation in the Republican Party. They are just pouring money into it."

As Elections Near, Dueling With Dollars (WP)

By Jim Vandehei And Chris Cillizza, Washington Post Staff Writers

The Washington Post, October 29, 2006

Party Operatives Try To Influence Races

John Lapp, a 35-year-old Democratic strategist in charge of spending $60 million to defeat Republicans, had reason to feel aggressive. Internal party polls late last week showed 30 GOP House incumbents tied or behind. Armed with that information, Lapp approved a series of television ads attacking Rep. Jim Ryun, a Republican from a conservative corner of Kansas who suddenly looked a lot more vulnerable than before.

A few blocks away on Capitol Hill, Carl Forti, with a similar budget to protect the GOP majority, was playing defense. His own polls showed a growing number of House Republicans in serious trouble. Forti, 34, had little choice but to buy ads to protect suddenly at-risk Reps. Charles Bass (N.H.) and John R. "Randy" Kuhl Jr. (N.Y.).

Lapp and Forti make dozens of decisions like these every day, and the outcomes will only grow in importance during this final full week of the 2006 campaign. Betting right could well decide who controls the House after the Nov. 7 midterm elections, and by how many seats, according to strategists in both parties.

Forti and Lapp run the independent expenditure arms of their parties' campaign committees, the place where many of the negative ads that voters are seeing are financed, produced and strategically placed on television stations across the country. In the final days of the campaign, they will easily outspend the candidates themselves in many of the most competitive House races. They will decide the final images that many voters see in this campaign. Warning for the fainthearted: Most of the ads will be dark and accusatory.

One bad call could make or break a House race, officials in both parties said. There is no precise formula for determining the smartest choices. There are only polls, historical trends, anecdotal evidence and instinct, all of which can be flawed. Operatives in both parties described the process by which these decisions are made, in most cases on the condition that they not be quoted by name.

At the Democratic Congressional Campaign Committee, where Lapp works, officials are more confident than ever that they will gain a minimum of 18 seats, three more than they need for a majority, and possibly more than 40 if they catch a bunch of breaks in the remaining nine days. Expectations have evolved from simply winning a majority to setting the stage for a blowout.

The committee recently commissioned polls in almost 20 "bubble districts" that once looked difficult to win but now appear within reach. These include the open seat in Nevada's 2nd District and the one held by Rep. Gil Gutkneckt (R-Minn.). Lapp's team has polls showing Democrats close in all the races.

Over at the National Republican Congressional Committee, where Forti operates, officials said they see the situation as less bleak than they did a few weeks ago, immediately after the Mark Foley page scandal broke.

Based on polling, Republican strategists say a half-dozen seats, including open seats in Colorado, Arizona and Ohio, appear unwinnable. Six other races, including one for the seat held by Rep. Curt Weldon (R-Pa.), are looking dire but not hopeless.

Most worrisome, GOP strategists say, is that 20 or more additional Republican incumbents are essentially tied or holding very small leads -- a danger zone for a sitting member of Congress in a tough political environment. This has left Forti and colleagues in survival mode.

A look at recent expenditures by the NRCC reveals the wide range of seats Forti must find a way to win. In a two-day period last week, the committee paid for polls in 14 races. Ten of those surveys were in districts of Republican incumbents, including previously safe seats such as that of Rep. Mark Edward Souder in Indiana.

It is Forti's job to decide whom the NRCC can save.

Under campaign law, the independent organizations are prohibited from coordinating with candidates they assist. There are limits to the discussions Forti and Lapp can have with even their bosses, as well as with other staffers on campaign committees. This leaves both with enormous power.

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Forti ran the NRCC's independent expenditure effort in the previous two election cycles. He maintains a spartan staff, relying on his own campaign know-how as well as the legal guidance of NRCC general counsel Don McGahn.

At the White House, such strategists as Karl Rove have boasted publicly that Republicans' superior program for turning out voters -- which exceeded expectations in 2002 and 2004 -- will work again to save them from defeat Nov. 7. But a senior Republican operative involved in party planning said the GOP's turnout operation can usually make a decisive difference only in races decided by about one percentage point. Moreover, the operative said, it is difficult to set up turnout operations during the homestretch of races that Republicans previously did not expect to be so competitive, such as Souder's. "It is easier to move financial resources than human resources," the operative said.

So Forti is moving the financial resources around to improve his odds, sometimes for reasons that are not obvious to outsiders. (He declined to comment on party strategy.)

The NRCC, for instance, is spending money to win the open seat vacated by Rep. Robert W. Ney (R-Ohio), who has been indicted, and to defend Rep. John N. Hostettler (Ind.), despite what polls and operatives suggest are fading prospects for victory in both races. "It forces them to spend money," said a GOP strategist familiar with endgame planning.

Most of the time, spending is a more straightforward investment in self-preservation. Republicans late last week started running ads to defend Bass and have already spent hundreds of thousands of dollars to protect Rep. Richard W. Pombo (Calif.). Democrats have bought television time in both districts.

"If they go anywhere, we will just follow them in," the GOP strategist said. Republicans on Capitol Hill are more concerned about Pombo than Bass.

The calculations change by the day. Republicans had all but written off Rep. Don Sherwood (Pa.) a few weeks ago after Democrats ran ads highlighting allegations from his former mistress that he had tried to strangle her. But GOP polling now shows the race tightening after an appearance by President Bush increased to 70 percent from 50 percent the percentage of conservatives who said they were excited about turning out to vote for the incumbent. Democrats said their polls still show Sherwood being clobbered.

"Republicans are playing a game of whack-a-mole while we are expanding the number of races in play by the day," Lapp said.

Lapp -- who was picked for the job after a three-minute first-time meeting with DCCC Chairman Rahm Emanuel (Ill.) in 2004 -- has slowly expanded the number of seats Democrats are targeting, but not as broadly and quickly as some strategists would like. Lapp runs a much larger operation than Forti; it includes a personal team of opposition researchers. He is called a "maniac, but in a good way," by Bill Burton, a longtime DCCC colleague.

Lapp, like Forti, lives on polling these days. He reviews a half-dozen new polls each day and can turn data into an on-air ad within 24 hours.

But there is more to smart spending than voter surveys.

In Washington's 5th District, Lapp is running ads hitting freshman Rep. Cathy McMorris despite the strong Republican tilt of the district. That's because ad time in the Spokane media market, which covers almost the entire district, is relatively inexpensive, allowing the DCCC to fund a week of ads for just over $300,000. It is a cheap bet, even for a long shot.

But Lapp is not running ads against Rep. Jean Schmidt (Ohio) who, despite woeful reelection numbers, benefits from the high price of television time in the Cincinnati market. This decision could save Schmidt's job, strategists in both parties say.

The DCCC is set to launch an ad against Rep. Ron Lewis in Kentucky's 2nd District with what one operative described as "guilt money," after committee officials played a major role in persuading state Rep. Mike Weaver to challenge the incumbent.

Lapp also plays mind games. Because both parties have a staff member who monitors potential ad buys, Lapp will spend time calling television stations to inquire about ad buys he never plans to make -- just to confuse or intimidate Republicans.

Most times, the calls are for real. Take Illinois' 6th District, where Iraq war veteran Tammy Duckworth (D) is running low on cash in her race against state Sen. Peter Roskam. The DCCC recently stepped in, raising its commitment to $2.7 million in the costly Chicago media market in hopes of keeping her chances alive in the last week.

Howard Wolfson, who sat in Lapp's chair during the 2002 election cycle, said knowing where to spend and, as important, where not to spend is by far the most difficult part of the job.

"Where Republicans choose to defend and where Democrats choose to attack are critically important," he said.

Research database editor Derek Willis contributed to this report.

Can Bush Cross The Aisle? (WP)

By David S. Broder

The Washington Post, October 29, 2006

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With all the parsing that was needed to make sense of President Bush's convoluted explanations of his Iraq policies during last week's lengthy news conference, it's not surprising that another question -- on another topic -- received little notice.

It was, in the president's judgment, "a tricky little question" that Stephen Dinan of the Washington Times asked -- one that seemingly caught him by surprise.

"With a Republican Congress," Dinan said, "you failed to achieve three major goals of your second term: Social Security reform, a tax code overhaul and a comprehensive immigration bill. Why shouldn't Americans give Democrats a chance to work with you on those issues, especially when divided government seemed to work in the late 1990s on the budget?"

When the president recovered from his surprise at the question from the conservative newspaper's correspondent, he went into his familiar, assertive, told-you-so mode. "First," he said, "I haven't given up on any of those issues. I've got two years left to achieve them. And I firmly believe it is more likely to achieve those three objectives with a Republican-controlled Congress and a Republican-controlled Senate. And I believe I'll be working with a Republican-controlled Congress and a Republican-controlled Senate."

Bush went on for four paragraphs spelling out his belief that Republicans would defy the pollsters and pundits and win the Nov. 7 election, segued into a rap about the joys of electioneering and wound up by telling the questioner, "Anyway, thanks for asking about the campaign."

At no point did he venture within six feet of the original question -- and it's not hard to see why. He's not yet ready to think of Democrats except as opponents.

But the premise of Dinan's question is historically correct. It was the combination of a Democratic president, Bill Clinton, and the Republican Congress elected in 1994 that finally got a grip on budget deficits and produced the only balanced budgets of modern times.

It was not a smooth or easy process; indeed, in 1995, the first year after the Republican takeover of the House and Senate, the budget negotiations collapsed and government shut down for a few days amid bitter partisan recrimination.

But both sides were chastened by the experience. When Clinton was reelected with a Republican Congress in 1996, he and House Speaker Newt Gingrich cut the deal the next year that moved the budget out of the red for the first time in 29 years.

They discussed a similar fix for Social Security, using some of the new surplus to ease transition costs to a reformed system. But then Monica happened, and all bets were off.

What are the chances that divided government could also be productive in the final two years of the Bush presidency? Better than might be imagined -- especially given the president's agenda.

Comprehensive immigration reform? The bill embodying most of what the president wanted was co-sponsored by Republican John McCain and Democrat Ted Kennedy. On the vote for passage, Democrats were 38 to 4 in favor, Republicans 32 to 23 against. Clearly, the president's best allies on immigration are on the Democratic side.

Tax reform? Well, the last major successful reform of the code took place in 1986, when Republicans controlled the White House and the Senate and Democrats held the House. Instrumental in its passage was Democrat Bill Bradley, then a senator from New Jersey. Last week Bradley was back in Washington to support another Democratic senator, Ron Wyden of Oregon, who offered an open invitation to Bush to join in moving forward a long-overdue cleanup of the tax code.

Social Security reform, the third of the president's objectives, will be politically difficult no matter which party controls Congress. For most Democrats, the president's proposal to carve out room for individually owned accounts is a nonstarter. But if Bush is willing to do what his ally, Sen. Bob Bennett of Utah, suggested long ago and postpone private accounts until steps are taken to solve the system's long-term fiscal problems, he may find the Democrats ready to listen to his other ideas for reform.

None of this would be easy, and all of it would require a new willingness on Bush's part to open himself to genuine negotiations with the next Congress. But the rewards for the country could be very large.

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Poll Puts Maryland Democrats In The Lead (WP)

By Robert Barnes And Matthew Mosk, Washington Post Staff Writers

The Washington Post, October 29, 2006

Races Are Much Closer, GOP Candidates Say

A strong Democratic tide in Maryland threatens to swamp Republican Gov. Robert L. Ehrlich Jr.'s reelection bid and bolsters the party's efforts to retain control of an important U.S. Senate seat, according to a new Washington Post poll.

Baltimore Mayor Martin O'Malley (D) held a 10 percentage point lead over Ehrlich, and Democratic Senate nominee Rep. Benjamin L. Cardin had a similar advantage over Republican Lt. Gov. Michael S. Steele among likely voters in the Post poll, which was conducted last Sunday through Thursday. The leads were well beyond the survey's three percentage point margin of error.

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The poll of 1,000 voters showed that the state's overwhelmingly Democratic electorate is highly disturbed about national issues -- extremely critical of President Bush, more upset about the war in Iraq than voters in the rest of the country and eager to shift power in Washington from the Republican Party.

Those strong feelings are a heavy weight for Ehrlich and Steele, who four years ago claimed the state's top offices for the GOP for the first time in nearly 40 years and have tried to foster a Republican resurgence in the state.

Steele, whose campaign to replace retiring Sen. Paul S. Sarbanes (D) has sought to play down his past Republican activism and project an independent image, doesn't do much better in the poll with Democratic voters than Republicans who have gone before him. His appeal to fellow African Americans has not swayed that group.

In the governor's race, those surveyed did not seem to view the contest as a referendum on Ehrlich, unlike most reelection campaigns. A majority of voters had a favorable opinion of the governor and said they believe he has done a good job. Nevertheless, one in five of those who approved of Ehrlich's performance as governor said they would vote for O'Malley.

Ehrlich's support among Democrats was half of what exit polls showed it to be four years ago, and voters who described themselves as political moderates returned to the Democratic fold, the poll showed.

The Republican candidates disputed the poll, saying it was too different from recent polls that they had seen that showed the races much closer.

"It is a dead heat, and Michael Steele is gaining ground every day," said Doug Heye, Steele's campaign spokesman.

Ehrlich's campaign was especially dismissive of the findings.

"It is simply unrealistic to think that a governor with approval ratings as high as this, who has provided record education funding and cut crime around the state is losing by 10 points to the mayor of the deadliest city in the country," said Bo Harmon, Ehrlich's campaign manager.

Harmon also called the poll's demographics "wildly skewed" since the results reflected few undecided voters. Nearly all the likely voters gave their opinion on how they would cast their ballots if the election were held the day they were interviewed. In a follow-up question, about 15 percent of each candidate's supporters said there was a chance they could change their minds by Election Day.

The poll is not a prediction of Election Day but a portrait of the Maryland political landscape completed 12 days before voters go to the polls. Last-minute developments, campaign spending, get-out-the-vote efforts and enthusiasm for the candidates all could affect the final results.

Especially important will be the African American turnout, which heavily favors Democrats. Blacks make up 28 percent of Maryland's adult population and 25 percent of likely voters in the poll, but some strategists wonder whether the actual turnout will be that high.Invading Ehrlich Territory

Ehrlich's hopes rest with voters such as Patrick Aldrich, a 39-year-old account manager from Owings Mills in Baltimore County.

"I just find his manner down-to-earth and real. He's not the typical politician," Aldrich said last week, as his 2-year-old son squawked in the background. "His views are things that I agree with."

White, male, parent, in a suburb distant from Washington -- Aldrich represents the kind of voter with whom Ehrlich connected four years ago when he defeated then-Lt. Gov. Kathleen Kennedy Townsend (D).

But O'Malley, whom the poll shows leading 55 to 45 percent, has cut into Ehrlich's support among such voters and draws strong allegiance from groups that have traditionally supported Democrats but that strayed four years ago.

"These results show that Marylanders want new ideas to help their families, not more dirty tricks and misleading attack ads from a desperate politician," said Hari Sevugen, O'Malley's communications director. "They want a governor who will fight for Maryland families, not one who will fight for the special interests and George Bush."

O'Malley retains support in the overwhelmingly Democratic Washington suburbs, and he also cuts into Ehrlich's previous strongholds in the counties surrounding Baltimore, according to the poll. O'Malley has a 26 percentage point advantage among women, who narrowly supported Townsend four years ago. Many of those who described themselves as moderates abandoned the Democrats in 2002; O'Malley has a 15 percentage point advantage among moderates in the current poll.

The poll continued to show Ehrlich with relatively high favorability ratings and job approval numbers, and unlike in a Post poll in June, a majority of Marylanders now believe that the state is headed in the right direction.

Respondents were just as likely to describe O'Malley as honest, a strong leader and someone with a vision for the state's future. Voters also said they thought O'Malley would do as well as Ehrlich confronting the issues of crime, taxes and the state economy and gave him a slight advantage on the issue they said was most important for the next governor: public education.

O'Malley was seen as more likely to understand "the problems of people like you" and had a nearly 2 to 1 advantage on "working effectively with the state legislature."

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Ehrlich has bombarded the state with ads that skewer O'Malley's leadership of Baltimore, blaming him for the city's failing schools and high crime rate. But voters' views of how things are going in Baltimore did not change from the Post poll in June, and of those who said O'Malley had changed the city, 44 percent said it was for the better, as opposed to 9 percent who said he'd made things there worse.

Just as then-Gov. Parris N. Glendening's unpopularity at the end of his tenure hindered Townsend four years ago, Ehrlich seems to suffer from the national political climate. Although 75 percent of the voters said Bush would not be a factor in the governor's race, nearly 20 percent said one reason for their vote for governor would be to express opposition to Bush.

Henry Evans, 60, a postal carrier from Prince George's County, said he has no problem with the way Ehrlich has done his job but is backing O'Malley. "My reason is that Governor Ehrlich has supported the president and what's going on in Iraq," Evans said. "I'm against that."Factoring In Bush

The issue is more pronounced in the Senate race, where nearly one in three voters in the poll said their opposition to Bush would be a factor.

Nearly six in 10 likely voters said they "strongly" believe the war in Iraq was not worth fighting, far higher than other Americans, according to a Washington Post-ABC poll this month, and 53 percent of Marylanders polled said it would be a good thing if control of Congress switched from Republican to Democrat, as opposed to 21 percent who said it would be a bad thing.

National GOP leaders have invested more than $1 million in Steele's campaign, in part because they view his effort as a critical first step in any broader attempt to break the virtual lock on the African American vote that Democrats have held.

Steele has tried to present himself as a different kind of candidate with his out-of-the-box campaign advertisements, criticisms of both political parties and such high-profile supporters as hip-hop recording mogul Russell Simmons and Cathy L. Hughes, the Radio One founder and chairwoman.

But Democrats have sought to link Steele with Bush -- who has a 6 percent approval rating among African Americans surveyed. Steele has support from 14 percent of black voters, not significantly higher than the support Ehrlich is receiving, the poll shows. Overall, Cardin leads Steele 54 to 43 percent, with independent candidate Kevin Zeese receiving 1 percent of the vote.

"Michael Steele's problem is that . . . he's a Republican at the absolute worst time in the world for a politician to be a Republican," said David Bositis, an expert on black voting patterns at the Joint Center for Political and Economic Studies.

Steele's spokesman Heye disagreed: "Michael Steele's message is resonating with African American voters. . . . His message of opportunity, hope and bringing change to Washington has resonated and is continuing to resonate with African American voters."

But Kenneth Kirby, 52, a former airline worker from Annapolis who is black, said he supports Cardin because he's a loyal Democrat. He said he stopped considering Steele "after I learned he was, essentially, a Bush appointee."

Steele gets more than 90 percent of the Republican vote and leads among independents, but, like Ehrlich, he has made little headway among the half of the voters who identify themselves as Democrats. Statewide, 55 percent of voters are registered as Democrats.

Cardin has maintained strong support in spite of projecting a somewhat bland persona during much of the campaign. Likely voters said they consider him the more honest and trustworthy of the two and the one more likely to share their values.

"Michael Steele's attempts to hide his support for the Bush agenda have failed," said Oren Shur, Cardin's spokesman.

But one aspect of Steele's folksy television ads has resonated with voters: He is considered by twice as many voters to have the more appealing personality.Closing the Gap

The poll's depiction of where the race stood between last Sunday and Thursday presents a hefty burden for the two Republican candidates, said Paul S. Herrnson, a political science professor at the University of Maryland, College Park.

"It's really hard for a candidate to close a double-digit lead in two weeks, particularly if the candidates are already very well known," Herrnson said.

Still, some variables could change the dynamics during the closing weeks. The biggest is turnout. The two Republicans could close the gap if fear about the validity of the state's voting system depresses turnout, or if African Americans -- the most Democratic of voting groups -- aren't enthusiastic about the race.

The Post poll showed that based upon answers to questions such as certainty to vote, enthusiasm about the candidates and interest in the races, about 25 percent of the "likely voters" would be African American.

That is numerically higher than past exit polls have shown: In the past seven elections for president, Senate and governor, the estimate of black voters ranged from 19 percent to 24 percent. But even if the black turnout is as low as it was in the 2002 election -- 22 percent, according to exit polls -- Cardin and O'Malley would still hold leads, although they would be narrower.

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Another factor is the financial advantage Ehrlich apparently holds, according to the most recent financial statements the gubernatorial candidates have submitted. As of last week, O'Malley had $600,000, and Ehrlich had more than $2 million left to spend during the campaign's closing days.

And one sign of the Ehrlich campaign's get-out-the-vote effort is the record number of absentee ballots that have been requested. Almost as many have been requested by Republicans as Democrats, despite the huge registration differences.

Polling director Jon Cohen and database editor Dan Keating contributed to this report.

Steele Hits Cardin For Paying Lip Service To Black Voters (WT)

By S.a. Miller, The Washington Times

The Washington Times, October 29, 2006

BALTIMORE -- Maryland Lt. Gov. Michael S. Steele yesterday made an unscheduled appearance at the NAACP state convention and criticized Democratic U.S. Senate nominee Rep. Benjamin L. Cardin for paying only lip service to black voters.

"I'm tired of listening to leadership that fails to deliver," Mr. Steele, Republican nominee for senator, said after Mr. Cardin listed statistics showing inequalities for blacks, including their elevated high school dropout rate.

"I'm tired of hearing people quote statistics of our communities and over the 20 years that they have served in Congress have done nothing," said Mr. Steele, the first black elected to statewide office in Maryland. "I'm tired of leadership that fails to lead, but blames and name calls and points fingers."

Mr. Cardin, a 10-term congressman, later told The Washington Times the criticism would not stick to his campaign. "My record speaks for itself," he said.

Mr. Cardin told the leaders of the National Association for the Advancement of Colored People that returning a Democrat to Maryland's Senate seat would help the party take control of the chamber and challenge President Bush's policies.

"Mr. Steele does not like to be identified with George Bush, but he was recruited by George Bush," he said. "He brought George Bush into Maryland for fundraising. He agrees with George Bush's agenda."

Mr. Steele had not been scheduled to participate in the forum, but he decided to after Mr. Cardin skipped a debate Thursday sponsored by the NAACP branch in Charles County.

Mr. Cardin has been criticized for missing the debate because the move might have offended black Southern Maryland voters, and also for stumbling and stammering through a televised debate Wednesday. Their next scheduled -- and perhaps final -- debate before the Nov. 7 election takes place this morning on NBC's "Meet the Press."

Mr. Steele blasted Mr. Cardin for helping gut the state teacher pension system as House speaker of the General Assembly, voting in Congress against prison-sentencing reform and failing to address school problems in his congressional district.

"I've spent an academic year taking school buses, taking classes and teaching classes in our public school system," Mr. Steele said. "Mr. Cardin, have you visited Frederick Douglas High School, have you been to Carver High School, have you been to Fairmont Heights High School in Prince George's County? We've missed you, sir."

Green Party nominee Kevin B. Zeese and write-in candidate Lee Young also participated in the 45-minute forum. Each candidate gave an opening statement and had one minute to respond to questions from the audience.

Black voters could decide the election. They account for about 40 percent of Democratic voters in Maryland, where registered Democrats outnumber Republicans nearly 2-to-1. Mr. Cardin has struggled to woo black voters amid criticism that the state Democratic Party blocked the candidacy of former NAACP leader Kweisi Mfume, who narrowly lost the primary despite Mr. Cardin spending about $3 million more on his campaign. Mr. Steele's potential to break the Democratic lock on black voters has helped make his party competitive in the state for the first time in a generation.

Candidates from other Maryland races also spoke at the forum, including Gov. Robert L. Ehrlich Jr., a Republican seeking re-election, and Baltimore Mayor Martin O'Malley, the Democratic challenger.

O'Malley Assails Ehrlich On Race (WP)

By John Wagner, Washington Post Staff Writer

The Washington Post, October 29, 2006

Baltimore Mayor Martin O'Malley accused Gov. Robert L. Ehrlich Jr. yesterday of using racially "coded, charged language" when talking about Baltimore's schoolchildren and accused the Republican incumbent of pursuing policies unfriendly to African Americans.

The broadside by the Democratic challenger came during a candidate forum sponsored by the NAACP in Baltimore that also drew contenders in the U.S. Senate race and other contests.

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Ehrlich, who entered the room after O'Malley had finished speaking, offered no direct response from the podium, instead listing the African Americans he has appointed to key positions and the programs he has supported. Afterward, he called the mayor "uniformly negative."

The pointed remarks underscored the importance of black voters in an election nine days away.

O'Malley hammered the governor for his past assertion that "multiculturalism is bunk," accused him of working to strip the NAACP of its tax-exempt status and said Ehrlich has been "talking out of both sides of his mouth" about Baltimore's arrest policies -- delivering different messages to white and black audiences.

"Our current governor of Maryland declares over and over and over again that multiculturalism is bunk, that history has shown that a multicultural people can never thrive and survive," O'Malley said. "Obviously, the governor does not come to Baltimore City very often. We are a multicultural city in a multicultural state in the strongest and greatest multicultural nation ever created on God's multicultural planet."

Ehrlich took a very different tack minutes later when he took the stage, by which time O'Malley had left for a funeral. Ehrlich ran through a list of 15 African Americans, starting with Lt. Gov. Michael S. Steele, whom he has appointed in the past four years.

He followed that with a list of such initiatives as construction projects at historically black colleges and universities, changes to minority business contracting rules and the renaming of Baltimore-Washington International Airport to honor Thurgood Marshall.

"And we have more to do, and thank you for your attention," he concluded, then walked off stage.

Asked later what he thought of O'Malley's message, Ehrlich said: "He's uniformly negative. I just got up and talked about the successes of our administration."

Ehrlich spokeswoman Shareese DeLeaver said O'Malley was "trying to create a division that doesn't exist between Governor Ehrlich and Maryland's black voters."

Marvin "Doc" Cheatham, president of the Baltimore NAACP, bemoaned the animosity between the candidates.

"The mayor and the governor have both failed us and our children because they have not come together," he said in an interview. "They need to set aside the politics."

Exchanges between the Senate candidates, who shared the stage, also grew testy at times.

Rep. Benjamin L. Cardin (D) argued that Steele would do President Bush's bidding. Steele (R) responded that Cardin's long tenure in politics has left him out of touch.

Cardin said their biggest policy difference was on the Iraq war. "I opposed the war in Iraq four years ago," Cardin said. "Michael Steele to this day believes it's the right thing to do."

Steele later said that a lack of international involvement in Iraq had made it "a mess" and cautioned against pulling out too soon. "We need to focus on bringing our troops home but be mindful of the Iraq that we leave behind," he said.

O'Malley's remarks came after Ehrlich has spent months airing ads about Baltimore's low-performing schools. O'Malley has expressed frustration with the tactic, noting that scores are improving, particularly in younger grades. Yesterday's remarks were his most spirited thus far.

"Why is he spending so much money belittling the progress of our people, talking in coded, charged language about those city kids and those city schools, as if the children of our city are not blessed with the same brains that God has given the children in every part of our state?" O'Malley asked.

O'Malley also brought up a 2001 letter that Ehrlich, then a congressman, sent to the IRS asking the agency to follow up on a request for an investigation of the NAACP's tax-exempt status. Ehrlich's fundraising chief, Richard E. Hug, was among several Republicans who made the request.

"Rather than work to bridge the divide, he decided to use his wealthy and influential friends like Dick Hug to try to influence the IRS to shut down the NAACP," O'Malley said yesterday.

The mayor criticized Ehrlich's veto of legislation increasing the minimum wage and said Ehrlich's record on promoting use of African American contractors is "abysmal" -- something Ehrlich aides strongly dispute.

For Zeese, Third-Party Campaign Is Not A Matter Of Odds (WP)

By William Wan, Washington Post Staff Writer

The Washington Post, October 29, 2006

It was early in the morning, and already you could hear the edge creeping into Kevin Zeese's voice.

The night before was supposed to be the crowning moment for him, a chance to ignite his struggling campaign for U.S. Senate. The night before, he had finally pushed his way into a rare three-way debate in Baltimore.

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The next morning, however, he woke to find a sharp dose of reality waiting at his doorstep. Newspaper headlines recounted a heated debate between Republican Lt. Gov. Michael S. Steele and Democrat Rep. Benjamin L. Cardin. The front-page photo in The Washington Post, Zeese angrily pointed out, had cut him out of the picture entirely. His name wasn't mentioned until the 11th paragraph.

And so, he turned to his computer, as he often does in such moments, and began sending messages out into the Internet ether -- e-mails and postings expressing his frustration, anger and, most of all, his urge to fight the establishment.

It's a tough world for independent candidates such as Zeese, pleading for attention only to be treated as a crazy Quixote tilting at the windmills, rationing campaign funds that look like crumbs compared with your opponents', and dreading that pesky question that dogs you at every turn: Do you really expect to win?

But for this role, Zeese is uniquely qualified. He has spent his life fighting for the impossible.

For 26 years, he worked as a lawyer trying to legalize marijuana and end the war on drugs. In 2004, at a point when Ralph Nader's own Green Party refused to support him, Zeese signed up to become Nader's spokesman.

Now Zeese, 51, is running an uphill campaign of his own and looking to win, he insists. But can he?

That is missing the point entirely, his parents say. "With Kevin, it's always been a question of right and wrong," said his father, Charles, 74.

Born in Queens, N.Y., into a middle-class family, Zeese grew up as the stubborn son of a public school teacher and an intensive-care nurse. In elementary school, after a music teacher refused to acknowledge the accordion as a wind instrument, Zeese marched to the library and came back armed with books to prove his teacher wrong.

"We were called to school a lot," said his mother, Barbara, 74.

His father tells this story: When Zeese was about 9, he took his younger brother's most valuable baseball card and tore it apart. "He was always pushing his siblings to be better, and he told Mark, 'You'll never be known or famous collecting baseball cards. You have to do something more important.' "

Zeese has spent his entire life looking for that something. "I tend to take on tough causes," he said. "If it's easy, it's not worth doing, because someone else will do it."

For years he was a registered Democrat. But in 1996, disillusioned with President Bill Clinton, Zeese cast a vote for Libertarian Harry Browne.

In 2000, he voted absentee for Nader, then rushed to Michigan to campaign for Vice President and Democratic candidate Al Gore -- a mistake he swears he will never repeat: "I wasn't fully committed. I was hedging my bets, falling into the trap of lesser evilism."

When he finally committed, Zeese discovered the ultimate windmill: an uphill struggle with high stakes, fierce arguments and issues clearly divided, at least in his eyes, between right and wrong.

Last year, he courted and united several parties, becoming, according to his campaign, the first candidate in U.S. history to represent the Libertarians, Greens and Populists. The alliance is crucial, Zeese said, for him to have any prayer at electability.

Even now, however, the numbers suggest that may be a difficult, perhaps impossible, goal.

It's hard to measure Zeese's support. (He is rarely included in polls and earned less than the margin of error in the most recent.) The voter registration numbers look just as bad. Democrats make up 55 percent of Maryland's voters; Republicans about 29 percent. Altogether, the Greens, Libertarians and Populists make up less than half of a percent. Even adding in every unaffiliated voter in Maryland, the total hovers around 14 percent.

To make matters worse, Zeese has raised about $70,000 -- a drop in the bucket compared to Steele and Cardin's millions.

So Zeese and his supporters have focused on gaining access to debates. A debate, after all, means free air time, guaranteed media presence and a chance to reach hundreds of thousands of voters.

Appearing on stage with Steele and Cardin would also give Zeese's candidacy an air of legitimacy, the appearance of equal footing. Without that come the questions: Isn't a vote for you a wasted vote? Isn't a vote for you a spoiler vote?

His answer: There is nothing to spoil. Zeese, who is liberal on many issues, calls Cardin and Steele equally bad choices. "People have grown up listening to a lie," he said. "The two parties give you a choice of A or B. But it's a false choice, because there's really a C."

So what does "C" represent?

For Zeese, it means addressing the "real issues," including the war in Iraq, the deepening gap between the wealthy and the poor and the need for a national health care plan.

But most of all, it means ending "corporate control of government." Corporate influence is the most common target of his tirades. It is also, scholars say, a pervasive theme among third parties, who see politics less about left and right and more as clean versus corrupt.

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Both of Zeese's opponents have acknowledged the problem of corporate influence. In television ads and speeches, Cardin and Steele have positioned themselves as outsiders -- independent from corporate influence (although both have accepted donations from corporate interests) and from their own parties (although Steele has served as state Republican chair and Cardin has voted largely with his party).

If voters could see all three of them side by side, Zeese reasoned, then they would see what a real independent looks like. If only he could get into a debate.

This month, in an old gothic Baltimore church, Zeese finally got his wish. He took to the stage with Steele, who had the polished look of a businessman, and Cardin, who was working his typically calm countenance into an angry scowl.

Zeese -- with his legs splayed and his hands running through his hair -- appeared more policy wonk than politician.

On Iraq, while Steele fumbled a vague response and Cardin talked about international efforts, Zeese called for an immediate withdrawal in four to six months. When Steele talked about empowering black entrepreneurs and Cardin opposed tax cuts, Zeese talked of making higher education free and overhauling the income tax system.

When the debate ended, Cardin was encircled by a crowd of reporters, almost crushing him. Others made a rush for Steele, who had slipped quietly out the back. Zeese's supporters tried hard to steer reporters toward him. One chatted with him briefly but left when he spotted Cardin. Another approached only to pose the spoiler question. Zeese, nonetheless, looked invigorated. "A slugfest, don't you think? Cardin hitting Steele. Steele hitting Cardin. Me hammering both."

The enthusiasm stayed with him through the night, as he drove back to Takoma Park in his hybrid car, and into the morning, when he picked up his newspaper and began to read with anger. By late morning, he decided an obvious winner had emerged. "It was such a clear, decisive victory," he said. "I don't think there's any question who won the debate last night. Do you?"

Researcher Meg Smith contributed to this report.

Webb Defends Novels Against Attacks (WP)

By Tim Craig And Michael D. Shear, Washington Post Staff Writers

The Washington Post, October 29, 2006

Allen Has Crossed a 'Line That Should Never Be Crossed,' Candidate Says

Virginia U.S. Senate candidate James Webb yesterday delivered his strongest criticism of incumbent Sen. George Allen of the fall campaign, vigorously defending himself against Allen's charges that he wrote sex-laced passages in his fiction novels.

He called on voters to reject what he called the "smear tactics" of Allen and his campaign, who released excerpts Thursday from Webb's novels to the Drudge Report Web site and said the writings were lurid and inappropriate for a man seeking to serve in the Senate.

"The fish rots from the head down," Webb (D) said, referring to his belief that Allen (R) is responsible for his campaign staff's tactics and has now shown his true character. "Our government should no longer be in the hands of a group of unprincipled, small-minded, power-hungry character assassins."

Allen, speaking to reporters near Richmond yesterday after winning the endorsement of the National Rifle Association's political action committee, said Webb's career as an author of fictional works was part of his record.

"My record as a United States senator is an open book. My opponent has a record as well," Allen told reporters. "He, in his advertisements, points out that he's an author, that he's a writer of books. That's part of his record. These passages in his books are part of his open record. I'll let the people of Virginia be the judge as to whose record they are more comfortable with."

Allen's attack is the latest twist in a nasty, close campaign that is central to the Democrats' hopes of retaking the Senate.

Webb, joined at a rally in Fairfax County by Gov. Timothy M. Kaine (D) and former governor Mark R. Warner (D), said that the Allen campaign is belittling his life as a soldier and the service members who study his works. Kaine and Warner predicted that Allen's late campaign maneuver would backfire.

With some of the most forceful language he has used on the campaign trail, Webb said he was proud of his writing because it reflects the things he saw as a combat Marine in Vietnam and later as a journalist reporting on war-torn regions such as Beirut in the early 1980s.

The one-time boxer charged that Allen, the son of a former Washington Redskins head coach, has lived a life of privilege as a "a pampered public official." Allen, who did not serve in the military, was a college football player at the University of Virginia and spent one summer working on a ranch.

"When George Allen and his campaign take some small excerpts from my novels and not only criticizes them but uses them to question my ethics, my profession, my character, that is a line that should never be crossed," Webb said at Edgar Allen Poe Middle School in Annandale.

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"I have lived in the real world, and I have reported the real world in my writings. I started working when I was 12 years old, and I fought in a brutal war. I saw its ugliness while George Allen was hanging out at a dude ranch," Webb said at a get-out-the-vote rally attended by about 300 people.

Allen said he spent time at a "real ranch" in Winnemucca, Nev., well after the end of the Vietnam War.

On Friday, Webb, a former secretary of the Navy, said Allen's sister, Jennifer, wrote a book that included descriptions of her brother's harsh physical treatment of her. Allen said yesterday, "Her book is a novelization. . . . I didn't write those passages in my sister's book."

Kaine drew comparisons to his campaign last year against Republican Jerry W. Kilgore, who aired a TV ad saying Kaine opposed the death penalty even for people like Adolf Hitler. "It's the same kind of nonsense," Kaine said. The Republicans "never know when to stop. They always go over the top, and it always backfires."

Warner noted that Republican Sen. John McCain, an Allen supporter, has praised Webb's novels. "All they do is smear, smear, smear," Warner said of the Allen campaign.

Allen said he stood by his release of Webb's racy book passages, saying that they are an indication of what Webb will do.

"Not just me, but others find those passages to be demeaning to women," Allen said. Allen's campaign also has released a 1979 magazine article by Webb questioning women in combat and saying a Naval Academy dormitory was "a horny woman's dream."

Yesterday, House Majority Leader H. Morgan Griffith (R-Salem) called Webb's writings "disrespectful and demeaning." Del. Terrie Lynne Suit (R-Virginia Beach) said Webb's books were "not suitable for children and, frankly, many adults."

Webb has apologized for the magazine article, saying he used needlessly harsh language. But Webb made no apologies yesterday for his novels, among which are "Lost Soldiers," "Something to Die For," "A Sense of Honor" and "Fields of Fire."

Webb said yesterday that "Fields of Fire," a novel about the Vietnam War, has been on the Marine Corps reading list for 20 years and is the "most-taught piece of literature regarding the Vietnam War" on college campuses. He said that a "A Sense of Honor" is published by the U.S. Naval Institute, an independent organization that produces books about the military, and added that the book frequently is read by service members.

Interviews with voters yesterday suggested that Allen's attack may reinforce what people already think about Webb.

Donald L. Boswell, 55, director of law enforcement for the state Department of Motor Vehicles, said it was fair for Allen to criticize Webb's books. "He did freely choose to write," said Boswell, who was at the NRA event near Richmond. "I think holding him accountable for that is the same as holding Hollywood and the movie industry accountable for the movies they produce."

At Webb's rally in Annandale, Joan Brookshire said Allen was engaged in the "sleaziest campaigning. I now feel like knocking on every door in Virginia," said Brookshire, 75, of Alexandria. "Why would they use excerpts like this out of books that are classics?"

Also yesterday, Webb gave a Democratic response to President Bush's weekly radio address, saying he opposed the war before it began. A Democratic Congress, he predicted, would demand from Day One that Bush find "a real way forward in Iraq."

Allen traveled through the Shenandoah Valley before ending his day at the rally outside Richmond with the NRA.

Allen "is someone who Virginia gun owners and sportsmen know, like and trust," said Chuck Cunningham, the NRA's federal affairs director and chairman of Sportsmen for Allen. The NRA's political action committee has given an A rating to Webb and an A-plus rating to Allen.

Webb Defends Sexual Explicitness Of His Novels (WT)

By Seth McLaughlin, The Washington Times

The Washington Times, October 29, 2006

Virginia U.S. Senate candidate James H. Webb Jr. said yesterday that incumbent Sen. George Allen crossed the line when he used salacious excerpts from his wartime novels to question his character and respect for women.

"I've lived in the real world, and I reported the real world in my writings," Mr. Webb, a Democrat, told about 300 people at the Edgar Allan Poe Middle School in Annandale.

His remarks came after the campaign of Mr. Allen, a Republican, issued a press release Thursday highlighting the excerpts, which include apparent father-son incest, an acrobatic young stripper and the homosexual behavior of prison guards in Vietnam.

The Allen camp said the novels portrays women as "servile, subordinate, inept, incompetent, promiscuous, perverted or some combination of these."

Mr. Webb, joined yesterday by fellow Democrats Gov. Timothy M. Kaine and former Gov. Mark Warner, responded by reading reviews that praised his novels as masterpieces and described him as "a moral philosopher of the military ... when fiction seems to find it harder and harder to address moral issues."

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"I have written what I have seen, and that is the duty of a writer -- to help people understand the world around us with all of its beauty and all of its flaws," said Mr. Webb, a Vietnam veteran and former U.S. Navy secretary.

Chris LaCivita, an Allen campaign spokesman, said Mr. Webb's response showed he was becoming "unhinged."

"George Allen's record as governor and U.S. senator has been an open book for years," he said. "Now that Jim Webb's books have been opened, he can't take any scrutiny."

The Allen campaign's decision to introduce the excerpts, in a close race that will be decided Nov. 7, angered Democrats and disappointed at least one Republican.

"It's so dirty," Michelle Malkin, a conservative columnist, said on Fox News. "It looks desperate. It looks pathetic, and it looks so immature. ... This is fiction."

However, others saw the excerpts as further proof that Mr. Webb does not respect women.

"Sadly, the degrading manner in which women are depicted in his novels fits a larger pattern that is evident in his nonfiction writings as well," said state Delegate M. Kirkland Cox, Colonial Heights Republican.

This is the latest salvo in a race muddied with character attacks. Mr. Allen's 20-plus years of public service and Mr. Webb's push for economic fairness and opposition to the Iraq war have often been lost amid the attacks.

The race started devolving in August when Mr. Allen was videotaped calling an Indian-American volunteer for the Webb campaign "macaca." He also faced accusations he used the "N-word" in the 1970s and stumbled over questions about his Jewish heritage.

Mr. Webb yesterday said he could have used the situations against Mr. Allen, but has chosen not to because they are "not relevant to what I'm trying to do."

Mr. Webb has faced criticism for an article he wrote in 1977 that questioned a woman's place at the U.S. Naval Academy.

It appeared Mr. Allen would refocus his campaign on his record when he pledged in a rare statewide address Oct. 2 to spend the final five weeks of the campaign talking about the issues that matter most to voters.

"The Allen campaign has made smear tactics the centerpiece of their entire effort," Mr. Webb said. "If you want to find accountability for this, remember that the fish rots from the head down."

Mr. Webb yesterday also used the weekly Democratic radio address to criticize President Bush and his supporters, such as Mr. Allen, for what he regards as botching the Iraq war. "With the right leadership, the situation in Iraq is solvable, in a way that will increase stability in the Middle East and reduce the threat of international terrorism," he said.

The Senate Race In Connecticut (NYT)

The New York Times, October 29, 2006

The Congressional elections are very much about America's problems in Iraq. But the campaigns have shed little light on exactly what should happen next. Nowhere is that more true than in Connecticut. The two leading candidates, Ned Lamont and Joseph Lieberman, have clear disagreements over whether invading Iraq was a good idea in the first place, but grow much fuzzier when the question of future strategy comes up.

Mr. Lieberman, a three-term Democratic senator now running as an independent, talks about the threat of Islamic terrorism. Mr. Lamont, who beat Mr. Lieberman in the Democratic primary, reminds voters what a mess the invasion created. When it comes to the next step, Mr. Lieberman seems to mimic the Bush administration's proposal to stay the course (while no longer mentioning that toxic phrase) with new tactics. Mr. Lamont is close to the Senate Democrats (minus Mr. Lieberman) who demanded a timetable for withdrawal without being too firm on what that ought to entail.

No one expects legislators to dictate military tactics. But what we need from the next crop of elected officials in Washington is a willingness to face reality, to choose from among difficult options and have the courage to be honest with the public about the consequences. On those points, Mr. Lamont is by far the better candidate.

Two months ago, Connecticut's Democratic voters sent Mr. Lieberman what should have been a jarring wake-up call when they rejected him for Mr. Lamont, a relative newcomer. We have been waiting to see what lessons the state's best-known politician took from his defeat, and from the daily evidence of the deterioration of the situation in Iraq.

We wanted to see a capacity for growth and change in Mr. Lieberman. The country is full of Republicans who now realize the Iraq invasion was a disaster, either in its basic concept or in its execution. The most honorable of them are in agony over what has happened. Mr. Lieberman, who had not only continually defended the administration's Iraq policy but also attacked Democrats who criticized the president, had more cause for soul-searching than most.

But instead of re-evaluating his own positions, Mr. Lieberman blamed his constituents for failing to notice that he had offered some negative comments about the conduct of the war, too, mainly when he was running for the Democratic nomination for president in 2004. He did not protest when Dick Cheney said that people who voted for Mr. Lamont were giving comfort to "Al Qaeda types." His only reflection seemed devoted to a re-examination of the rules for getting back on the ballot.

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Since his primary defeat, Mr. Lieberman has run a well-packaged campaign built around his self-assigned bipartisan image — "It's not about politics," say his ads. But it is very much about politics — from the flood of special interest campaign donations that has been running Mr. Lieberman's way to the old Karl Rove lesson that political winners never admit to error.

We are living in perilous times. Being able to work with the opposition party — Mr. Lieberman's claim to fame — is hardly a sign of moral courage when the opposition party controls the White House, Senate and House of Representatives. President Bush did not need Mr. Lieberman's persistent support on Iraq when he had the deference of his own party members in Congress. What the country needed — and what Connecticut had the right to expect — was for Mr. Lieberman to risk some of his bipartisan clout to call attention to the way Iraq was spiraling out of control.

The fatal problem with Mr. Lieberman's candidacy is not that he was wrong about the invasion, but that he has not shown any capacity to grow and change. Suggesting that getting rid of Donald Rumsfeld might be a good idea is hardly a breakthrough at a time when the secretary of defense's supporters are pretty much limited to the president and members of the Rumsfeld family.

Mr. Lieberman has changed his tone but not his underlying conviction that he has been right all along. He and Mr. Bush are still on the very same page, encouraging the American people to believe that there is a happy ending for American involvement in Iraq, and that all it takes is the perseverance to keep marching toward the end of the rainbow.

Ned Lamont has run a far less polished campaign than Mr. Lieberman, but the more we see of him, the more impressed we are by his intelligence and his growing sophistication about the issues facing the nation. He is very much in the Connecticut mold of basically moderate, principled politicians, and his willingness to take on Mr. Lieberman when no one else dared to do it showed real courage and conviction. He would make a good senator. More important, he has the capacity to continually become a better one. We endorse Ned Lamont for Senate.

A Senate Race Riding On Cash Flow (NYT)

By Jennifer Medina

The New York Times, October 29, 2006

HARTFORD, Oct. 27 — While Senator Joseph I. Lieberman may have lost the Democratic primary to a novice politician, his bid in the general election has come with all the financial advantages of a major party candidate and an 18-year incumbent.

Meanwhile, his financial prowess has prompted his opponent, Ned Lamont, to dig deeper into his pockets, putting $12.7 million into the campaign so far.

Mr. Lieberman, who has run for national office twice, has tapped into millions of dollars from the networks of major Republican and Democratic donors, as well as from business groups and lobbyists who have rallied around him, and several out-of-state independent groups who do not coordinate directly with the campaign.

The hotly contested Senate race has quickly become the most expensive in the state's history, with Mr. Lieberman spending $11.5 million and Mr. Lamont spending $8.6 million through the end of September.

And there is no sign of slowing down. There have been fund-raising meals for Mr. Lieberman several times a week. Mr. Lamont, a cable executive from Greenwich, Conn., has twice contributed $2 million to his campaign in the last two weeks. Late Friday, the Lamont campaign said that he would lend an additional $2 million toward the election effort.

Mr. Lieberman, who has kept up a brisk fund-raising schedule since losing the primary in August, has been able to deftly use his experience and career ties all over the county at a time that he needs it most to battle for his seat in the Senate. At the same time Mr. Lamont, who hoped for considerable financial support from major Democratic donors, has struggled somewhat to match Mr. Lieberman's resources.

In August, Mr. Lamont's advisers said they expected to spend roughly $6 million in the general election, but that number was quickly eclipsed. Mr. Lieberman raised that amount in just more than a month, according to reports filed with the Federal Election Commission. He has raised a total of $14.8 million, another record for a campaign in this state.

Advisers to Mr. Lamont say they made a decision not to focus on fund-raising efforts, using the events more as political rallies.

Last week, Senator Hillary Rodham Clinton played host to a fund-raiser for Mr. Lamont at a home on the Upper East Side. Earlier this year, former Ambassador Joseph C. Wilson IV played host to an event on Mr. Lamont's behalf.

The campaign has also worked with Mr. Lamont's longtime friends in Greenwich to organize a "Republicans for Lamont" fund-raiser.

As of the end of September, roughly 70 percent of Mr. Lamont's money has come from his own pocket.

Filings show there are far more Republican donors rallying to the side of Mr. Lieberman, who has crisscrossed the country and raised about $5 million since losing the primary, campaign finance records show.

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Prominent Republican donors listed in Mr. Lieberman's campaign filings are Joseph Allbaugh, one of President Bush's close advisers during the 2000 campaign, and Don Nickles, the former assistant leader in the Senate. Several outside groups, known as 527s, have also rallied to Mr. Lieberman's side.

The Connecticut Issues Project, which is sending out mailings praising Mr. Lieberman for his work on the submarine base in Connecticut, is being financed largely by out-of-state donors who typically give to Republicans. The Free Enterprise Fund, which is running ads against Democrats in several other states, has also run television ads criticizing Mr. Lamont's business.

Each campaign has tried to use the source of financing as a line of attack, with the Lieberman campaign accusing Mr. Lamont of trying to buy the election, while the Lamont campaign has said Mr. Lieberman's support from prominent Republicans is a sign that he is too chummy with the White House.

The latest sparks came early this week, when the Lamont campaign filed a complaint with the Federal Election Commission about nearly $380,000 the Lieberman campaign listed as "petty cash" to pay for volunteers in the final two weeks of the primary. Tammy Sun, a spokeswoman for Mr. Lieberman, said the money was used to pay for young workers used in the field operation in the last days of the campaign.

By law, a campaign must keep a journal of petty cash payments of less than $100, but it is not required to make the contents of the journal public. Ms. Sun declined to allow reporters to examine the journal, saying there is no evidence of wrongdoing.

Several campaign finance experts said that while the expenditure was an unusually large sum of money to be listed as petty cash, it would be legal as long as each of the payments was less than $100.

Bloomberg Raises Cash For Lieberman (AP)

AP, October 28, 2006

HARTFORD, Connecticut (AP) -- If Sen. Joe Lieberman wins a fourth term on November 7, it's a safe bet New York Mayor Michael Bloomberg will be high on his thank-you list.

Bloomberg, a Republican who shares Lieberman's independent streak, is playing a prominent role helping to raise money for the Democratic senator, the Lieberman campaign said Saturday.

The mayor has also dispatched several campaign operatives to Connecticut to help Lieberman reach GOP and independent voters as the race closes. Lieberman is running as an independent after losing to wealthy businessman Ned Lamont in the Democratic primary.

"The mayor has been extremely generous personally in being willing to help us raise money," Lieberman spokesman Dan Gerstein said.

Bloomberg appeared at a major Chicago fundraising event for Lieberman recently. He will campaign with Lieberman on Monday in Stamford, greeting commuters and formally endorsing him. Bloomberg will also host a fundraiser next week at his home, Gerstein said.

Bloomberg operatives are helping to build Lieberman's get-out-the-vote effort, which is targeting a mix of Democratic, Republican and independent supporters.

Because of Lieberman's independent status, he cannot rely on his party's organization to help him identify voters and get them to the polls.

"We're leveraging the very relevant experience of the Bloomberg operation to help us in what can charitably be described as a unique situation," said Gerstein.

The Bloomberg team has valuable experience identifying such voters in New York City, which is considered Democratic turf, said Gerstein.

"They have a fine-tuned understanding of how to reach across party lines," said Gerstein. "Mayor Bloomberg is a very independent-minded leader with broad appeal who was operating in a very Democratic electorate."

Bloomberg also is backing Connecticut Republicans Gov. M. Jodi Rell and Rep. Christopher Shays, who is locked in a tough re-election fight.

Lamont, who founded a cable television company, has put more than $14 million of his family's money into his campaign, including a $2 million loan he made to the campaign on Friday, his campaign confirmed.

Lieberman enjoys a double-digit lead in the latest statewide polls. Republican Alan Schlesinger trails far behind in the polls.

Waterfront Project Reflects 2 Images Of A Senator (NYT)

By David Kocieniewski And Ray Rivera

The New York Times, October 29, 2006

DOJ_NMG_0088248

BAYONNE, N.J. — Senator Robert Menendez is not directly involved in building the new waterfront development that will soon rise here in the shadow of the Statue of Liberty. But his influence can be seen throughout it.

The project, which occupies the 437-acre site of the abandoned Military Ocean Terminal, is being built with the help of nearly $30 million in federal funds that Mr. Menendez secured using his trademark policy expertise and aggressive politicking. His work provided the seed money for a plan to produce movie studios and shops, marinas and waterfront parks, and 6,600 homes.

The project has also produced considerable work for some of his chief political supporters.

The first major contract to develop the site went to a company that hired a Menendez friend and political confidant, Donald Scarinci, to lobby for it. That developer later took on Mr. Menendez's former campaign treasurer, Carl Goldberg, as a partner. Bonds for a portion of the project were underwritten by Dennis Enright, a top campaign contributor, while Kay LiCausi, a former Menendez Congressional aide and major fund-raiser, received lucrative work lobbying for the project.

Mr. Menendez said he had no role in securing the contracts for any of his friends. But the project, known as the Peninsula at Bayonne Harbor, nonetheless displays the two contrasting images of Mr. Menendez — one a fiery advocate who brings home federal aid for his constituents, the other a political empire builder who detractors say pushes too much largess toward his friends.

Whether the considerable clout wielded by Mr. Menendez in Congress is matched by cronyism, or worse, at home, has become one of the central issues in the Senate race he is waging against State Senator Thomas H. Kean Jr., his Republican challenger.

Republicans have portrayed Mr. Menendez as a modern-day political boss, presiding over an apparatus not of union stewards, ward heelers and precinct captains, but of lawyers, developers and lobbyists who fill his campaign coffers.

In a year when Republican candidates are on the defensive, Mr. Kean's steady attacks on Mr. Menendez's ethics have made the New Jersey race one of nation's closest and nastiest. A defeat here, where Democrats have not lost a Senate race since 1972, would endanger the party's hopes of winning control of the upper chamber.

Mr. Menendez brushes aside the questions about his ethics as "guilt by geography," a reference to his rise in politics in Hudson County, where the reputation for machine politics and official mischief is notable even by New Jersey standards. Mr. Menendez asserts that in 32 years in political office he has never once used his power to steer a contract to an ally.

Mr. Menendez's supporters say the attacks are simply a way for Republicans to avoid talking about issues he has campaigned on, including Iraq, terrorism and stem cell research. "Those are the things that matter to people, which Senator Menendez is far superior on, both in his knowledge and in his ability to articulate," said State Senator Bernard Kenny, chairman of the Hudson County Democratic Organization.

Even Mr. Menendez's critics concede his success in bringing federal transportation and environmental funds to the state while serving in the House for 13 years. That money helped revitalize blighted communities in his district, particularly a stretch along the Hudson that has come to be known as New Jersey's Gold Coast.

It should not be odd then, Mr. Menendez says, that developers and business leaders have expressed their approval by contributing to his campaigns.

"If someone agrees with your policy goals, is it surprising that they would support you?" he said in a recent interview. "What are they supposed to do? Give to someone who opposes their vision?"

A Land of Scandal

In many ways Mr. Kean has tried to turn the election into a referendum on Hudson County and its checkered political history.

The densely packed county was once a destination for generations of Irish, Italian and Cuban immigrants, including Mr. Menendez's parents, drawn by low rents and the promise of work in the factories and shipyards that stared across the harbor at the New York City skyline.

Today, the county functions almost like New York's sixth borough, as young professionals, families and banking firms flee to cities like Hoboken and Jersey City in search of rents that are lower than in Manhattan.

But while the county's demographics have shifted, and many of its communities have gained new vibrancy, its reputation for corruption has endured. It was here that Frank "Boss" Hague, Jersey City mayor from 1917 to 1947, famously declared "I am the law," while ruling over a machine that controlled governors, judges and United States senators. When he died, he had a net worth of $10 million though his salary never eclipsed $8,000 a year.

In the 1980s, after an onslaught of corruption cases hit the county, The Jersey Journal declared in a headline, "No Hudson officials indicted today."

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These days, the political power structure is less influential and more decentralized than in the past. The taint of scandal continues, however. Since 2002, about 20 public officials, including former County Executive Robert Janiszewski, have been indicted or convicted of corruption charges.

But Mr. Menendez, who grew up in Union City, says he is proud of his roots and of the way that he fought his way up, unlike his opponent, the scion of a famous New Jersey political family who was appointed to his first posts in the State Assembly and Senate.

In fact, Mr. Menendez's reputation as a tenacious infighter was born challenging the political establishment. In 1981, as a young lawyer serving as school board secretary, he became a government witness after discovering that the mayor, William V. Musto, who had been both mentor and father figure to him after his own father committed suicide, was diverting school funds to organized crime.

To many, the act was seen as a shameful betrayal, stirring so much resentment that Mr. Menendez said he took to wearing a bulletproof vest during the trial. When he made a bid to run against Mr. Musto for mayor, fliers filled the streets depicting him as a plump bird in a cage, with the caption, "Once a canary, always a canary."

Mr. Menendez lost the election, but four years later he ran again and won, becoming the state's first Hispanic to be elected mayor.

He went on to become the first Hispanic elected to the State Assembly, the State Senate and, in 1993, the first to represent New Jersey in the House of Representatives, where he rose to be the third-ranking Democrat. Jon S. Corzine appointed him to finish out the final year of his Senate term after Mr. Corzine was elected governor in 2005.

In Washington, he has become a respected voice on issues like immigration and transportation, and a staunch defender of liberal causes like stem cell research and abortion rights. He has also broken with his party to support deregulation of the financial services industry, a growing force in the New Jersey economy, and his devout opposition to Fidel Castro has won him near folk-hero status, and generous campaign contributions, in South Florida.

But critics from both parties say that some of Mr. Menendez's most ardent battles have been fought to preserve his own power, and protect government contracts of his patrons.

"If you're going to cross him or his people, you're in for the fight of your life," said William O'Dea, a Democratic freeholder from Hudson County who has clashed with Mr. Menendez over the apportionment of county contracts.

A Friend's Good Fortune

Perhaps no one has done more to foster Mr. Menendez's political success than Mr. Scarinci, a childhood friend who has stood by him from the days when he was battling Mr. Musto, and before. And few have benefited more from that success: among Mr. Menendez's first acts as Union City mayor was to name Mr. Scarinci city attorney.

Mr. Scarinci has since contributed more than $250,000 to state Democrats and helped raise millions more; he and his wife and members of his law firm have contributed more than $40,000 to Mr. Menendez's Congressional campaigns since 1997. As his chief campaign fund-raiser, Mr. Scarinci was so closely associated with Mr. Menendez that many elected officials came to view him as the congressman's emissary.

As he raised money for Mr. Menendez and helped him navigate the treacherous currents of Hudson County politics, Mr. Scarinci also won millions of dollars in state and local contracts for his law firm, many of them with government entities over which Mr. Menendez and his allies hold immense influence.

For example, after Mr. Menendez was named to head Gov. James E. McGreevey's transition team, he lobbied vigorously to help Mr. Scarinci win a legal contract with the Casino Reinvestment Development Authority, according to three officials familiar with the appointment. Mr. Scarinci's firm has made $2.8 million from that contract since 2002.

Mr. Scarinci does not deny that his firm has benefited from his political activity.

"It's not the political connections as much as you're involved," he said in an interview earlier this year. "So when they win, you're not going to hire some stranger, you're going to hire someone you're comfortable with, someone you trust."

Mr. Menendez insists that he has never helped Mr. Scarinci get or keep a contract, except when he was mayor and it was his duty to appoint legal counsel.

But in 1999, Mr. Menendez led a fierce recall effort against his former protégé, Mayor Rudy Garcia of Union City, because, Mr. Garcia says, he had fired Mr. Scarinci as city attorney. Mr. Menendez says it was because Mr. Garcia wanted his job in Congress. Whatever the cause, there was no mistaking who won: Mr. Garcia resigned as mayor in 2000, and his successor promptly rehired Mr. Scarinci.

Mr. Scarinci was forced to sever his ties with the campaign last month, after the release of audio tapes recorded in 1999 in which he is heard advising a client who held a lucrative psychiatric contract with Hudson County to hire another physician as a "favor" to Mr. Menendez.

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The psychiatrist with the contract, Oscar Sandoval, who is being sued by the county for allegedly bribing Mr. Janiszewski, the former county executive, to win contracts in the first place, said in an interview that Mr. Scarinci's message was clear: hire Mr. Menendez's friend or risk losing the contracts.

After the tapes were released, Mr. Scarinci issued written statements denying Dr. Sandoval's allegations and insisting that his dealings with him were never directed or requested by Mr. Menendez.

True or not, the tapes have provided fodder to Mr. Kean, who in ads has promised to free New Jersey from "the clutch of corruption."

In September, United States Attorney Christopher J. Christie also subpoenaed the records of a Hudson County social services agency that leased a building, for $300,000 over nearly 10 years, from Mr. Menendez while, as a House member, he helped it win millions in federal financing. Mr. Kean has used the subpoenas to assert that Mr. Menendez is under criminal investigation, which Mr. Christie's office has never confirmed. Mr. Menendez denies that he is under investigation and says that the House Ethics Committee's legal counsel cleared the deal.

Questions About Contracts

Mr. Menendez's involvement in the Bayonne project began in the mid-1990s, as he fought to save the base, which provided 2,500 jobs and was Bayonne's largest employer. Once that fight was lost, he began a new battle for federal financing necessary to transform the site into a thriving addition to the local economy — including $11.6 million from the Army for environmental cleanup, $7 million in Defense Department funds to stabilize the shoreline, and $3.2 million for road improvements to make the area more accessible to the New Jersey Turnpike.

Project officials say that Mr. Menendez had no role in awarding contracts and that without his support the development would never have gotten off the ground.

But the board created to oversee the project, the Bayonne Local Redevelopment Authority, was appointed by one of his allies, Mayor Joseph V. Doria Jr. The selection process for a developer — which was based not on price but on the subjective assessment of the redevelopment authority — was also led by people who are Menendez allies.

And the redevelopment authority's first executive director was Nicholas A. Chiaravalloti, a lawyer who had once worked in Mr. Scarinci's office. After assembling the contract specifications for the project, Mr. Chiaravalloti left in late 2002 to accept a job on Mr. Menendez's Congressional staff.

Dozens of companies expressed interest in the development, and two submitted detailed written proposals. The new executive director, Nancy Kist, who had worked as Mr. Doria's legal counsel before being appointed to the authority, said she forwarded both proposals to the board.

But at least one board member remembers seeing only the plan submitted by Fidelco Bayonne Realty — Mr. Scarinci's client. Two principals of the second group, George Figliolia, president of BG Builders, and Angelo Cali, a co-owner in Cali Futures, said they were never asked to give a presentation.

Maria Karczewski, who served on the seven-member board from 2002 until this January, said the Fidelco offer was the only one presented, though she said she did not believe Mr. Menendez had an influence on that decision. Three other board members said they recalled a presentation by Fidelco but could not recall whether they had seen the second one.

In public hearings, Ms. Kist urged the board to accept Fidelco's proposal because it included movie and television production facilities as well as housing, and also gave local officials a voice in shaping the project.

But some city officials said that once Fidelco hired Mr. Scarinci, it was clear who would get the contract.

"People knew that Menendez was running the show because he brought all the federal money," said City Councilman Anthony Chiappone, a rival of Mr. Doria who said he is frustrated that he and others have been excluded from the decision-making process. "And everyone in Hudson County politics know that Scarinci is his No. 1 guy, so any contractor who hires him gets treated like they have Menendez's seal of approval."

Steve Kalafer, a principal in Fidelco, said he hired Mr. Scarinci's firm because it had a long track record of getting waterfront development projects through Hudson County's maze of legal and governmental regulations.

"In every community there's one firm that has the experience and credibility with the local governing agencies to get projects done," he said. "I didn't bother to interview any other firm because I didn't want to try and reinvent the wheel."

Mr. Kalafer said that Fidelco's decision to bring Mr. Menendez's former campaign treasurer, Carl Goldberg, into the project as a partner in 2005 was based on his track record as a developer rather than any political connections. He said that Mr. Menendez played no role in Fidelco's decision to hire Mr. Scarinci or team up with Mr. Goldberg.

"Other than a smile and an occasional passing comment like, 'how's the project going?' I've never had any discussions with the senator about it," Mr. Kalafer said.

Royal Caribbean Cruises, one of the development's first tenants, hired a former Menendez staffer and fund-raiser, Kay LiCausi, who was vice chairwoman of the Hudson County Democratic Organization, to lobby for state and federal support.

Ms. LiCausi left her job on Mr. Menendez's staff in 2002, but she has maintained a close relationship with the congressman, who has acknowledged helping her get more than $200,000 in lobbying work for campaign committees over which he controlled or had strong influence. He has also recommended her for other lobbying work, which he compared to writing a reference letter for any deserving former employee.

In August 2004, just months after Royal Caribbean hired her, paying her more than $180,000 over the next two years, Mr. Menendez announced the first of two appropriations totaling $9.5 million to repair shoreline and extend a berth for the company's huge cruise ships.

Mr. Menendez said in an interview last week that Ms. LiCausi's role with the firm did not affect his actions, and that he did not consider it a conflict of interest to be obtaining tax dollars for companies who hire his own fund-raisers as lobbyists.

"If these people, these companies have success, that's their own initiative," he said, adding that several of the contractors involved in the project have never contributed to him or hired any of his supporters.

Royal Caribbean also hired Dennis Enright, a top contributor to Mr. Menendez, to underwrite a $16.5 million bond issue to help pay for terminal repairs.

A Royal Caribbean spokesman said the company never discussed the hires with Mr. Menendez, and that Ms. LiCausi and Mr. Enright were chosen because they were the best people for the job. Ms. LiCausi and Mr. Enright did not return repeated phone calls seeking comment for this article.

Mr. Menendez says that he is being held to a different standard because of where he comes from, saying that Mr. Kean has accepted campaign contributions from government contractors, and asserting that his opponent would never have received his first Assembly and State Senate appointments without his family's considerable "political muscle."

"You do that when you come from Hudson County, it's called bossism," Mr. Menendez said. "But I guess when you come from my opponent's background, it's just leadership."

Caution Prevails In Last TV Debate (MCA)

By Richard Locker

Memphis Commercial Appeal, October 29, 2006

Ford, Corker sidestep controversy, criticize attack ads

NASHVILLE -- Democrat Harold Ford Jr. drove home his message for change while Republican Bob Corker emphasized his "Tennessee life" and values in Saturday night's final televised debate of Tennessee's U.S. Senate race.

Neither unveiled new themes in their meeting at Vanderbilt University. And some attacks that dominated the previous two debates in Memphis and Chattanooga were absent.

But the negative TV attack ads of the past three weeks surfaced at the end of the face-off as veteran WTVF-TV anchor Chris Clark asked both to comment.

"I was a little surprised to see the smut and the slime coming into my living room during family time," Ford said of two ads sponsored by the Republican National Committee. One featured a bare-shouldered blond woman saying she had met Ford at the "Playboy party" and asking him to "call me."

Corker said he didn't like the ads and that he asked his national party to remove them. He asked Ford to join him in calling for all ads not put up directly by the two candidates' campaigns to cease. But he said after the debate that the national Democratic Party is spending $2.7 million on ads compared to $813,000 by the national GOP over the last two weeks.

The two sparred most pointedly over tax and spending issues. Corker charged that Ford had voted 78 times to raise taxes during his 10 years in the House -- to which Ford responded that he had never voted for a final federal budget bill that was not balanced.

Ford in turn said Corker had raised taxes three times as mayor of Chattanooga, and he tried to link Corker to the state income tax that former governor Don Sundquist proposed. But accusing Ford of "taking liberties with the facts throughout the campaign," Corker said the income tax didn't surface until more than 21/2 years after he stepped down as Sundquist's finance commissioner and returned to Chattanooga.

The two also responded to audience questions, prescreened by the League of Women Voters, on illegal immigration, Social Security, health care, the minimum wage, the federal deficit, human rights and how to deal with North Korea's nuclear weapons program.

Ford said President Bush should appoint "three emissaries" -- former senator Howard Baker, former secretary of state Madeleine Albright and former Georgia senator Sam Nunn -- to deal with North Korea and former secretary of state Colin Powell to work with the Iraqi government on a new strategy there.

Corker said he believes the six-party diplomatic talks underway over North Korea "are very healthy" but its neighboring countries should take a more active role in persuading North Korea's leaders to back down on nuclear weapons.

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Ford used several of the questions to say that Corker's GOP has been in control of Congress and the White House for the last six years but has done little to resolve the nation's problems.

Both said Social Security must be made solvent. Corker said he would favor allowing younger workers to set up private accounts with a portion of their Social Security taxes but only after Social Security is "made structurally sound."

Ford said, "I think Social Security should go first to people who need it the most -- people who have worked 30 to 40 years who have earned it should get it before" others more affluent. He renewed his call for a program in which every newborn gets $500 deposited in a special account at birth that he, she or anybody can contribute to and which can be used only for college, a down payment on a house or retirement.

"This race boils down to a very simple premise," Ford said. "If you like what has gone on in Washington for the last six years, you don't want to vote for me ... (But) if you believe your children deserve a better America than we have today, I'm asking you to vote for me. I'm not going to be a parrot for anyone in Washington other than you."

Corker emphasized the dominant theme of his campaign's biographical TV ads, that he has the experience and Tennessee values to represent Tennesseans in the Senate. "I've lived a Tennessee life. I grew up in Tennessee, went to public schools, graduated from UT ...

"This is not a referendum," Corker said. "This is a choice between two individuals who could not have led a more different life and who have had different life experiences. I think you want someone who thinks like you think, someone who has the ability to solve complex problems."

Political Theater And The Real Rick Santorum (NYT)

By David Brooks

The New York Times, October 29, 2006

Every poll suggests that Rick Santorum will lose his race to return to the U.S. Senate. That's probably good news in Pennsylvania's bobo suburbs, where folks regard Santorum as an ideological misfit and a social blight. But it's certainly bad for poor people around the world.

For there has been at least one constant in Washington over the past 12 years: almost every time a serious piece of antipoverty legislation surfaces in Congress, Rick Santorum is there playing a leadership role.

In the mid-1990s, he was a floor manager for welfare reform, the most successful piece of domestic legislation of the past 10 years. He then helped found the Renewal Alliance to help charitable groups with funding and parents with flextime legislation.

More recently, he has pushed through a stream of legislation to help the underprivileged, often with Democratic partners. With Dick Durbin and Joe Biden, Santorum has sponsored a series of laws to fight global AIDS and offer third world debt relief. With Chuck Schumer and Harold Ford, he's pushed to offer savings accounts to children from low-income families. With John Kerry, he's proposed homeownership tax credits. With Chris Dodd, he backed legislation authorizing $860 million for autism research. With Joe Lieberman he pushed legislation to reward savings by low-income families.

In addition, he's issued a torrent of proposals, many of which have become law: efforts to fight tuberculosis; to provide assistance to orphans and vulnerable children in developing countries; to provide housing for people with AIDS; to increase funding for Social Services Block Grants and organizations like Healthy Start and the Children's Aid Society; to finance community health centers; to combat genocide in Sudan.

I could fill this column, if not this entire page, with a list of ideas, proposals and laws Santorum has poured out over the past dozen years. It's hard to think of another politician who has been so active and so productive on these issues.

Like many people who admire his output, I disagree with Santorum on key matters like immigration, abortion, gay marriage. I'm often put off by his unnecessarily slashing style and his culture war rhetoric.

But government is ultimately not about the theater or the light shows of public controversy, it's about legislation and results. And the substance of Santorum's work is impressive. Bono, who has worked closely with him over the years, got it right: "I would suggest that Rick Santorum has a kind of Tourette's disease; he will always say the most unpopular thing. But on our issues, he has been a defender of the most vulnerable."

Santorum doesn't have the jocular manner of most politicians. His colleagues' eyes can glaze over as he lectures them on the need to, say, devote a week of Senate floor time to poverty. He's not the most social member of the club. Many politicians praise family values and seem to spend as little time as possible with their own families, but Santorum is at home almost constantly. And there is sometimes a humorlessness to his missionary zeal.

But no one can doubt his rigor. Jonathan Rauch of The National Journal wrote the smartest review of Santorum's book, "It Takes a Family." Rauch noted that while Goldwaterite conservatives see the individual as the essential unit of society, Santorum sees the family as the essential unit.

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Rauch observed, “Where Goldwater denounced collectivism as the enemy of the individual, Santorum denounces individualism as the enemy of the family.” That belief has led Santorum in interesting and sometimes problematical directions, but the argument itself is a serious one. His discussion of the philosopher Alasdair MacIntyre, for example, is as sophisticated as anything in Barack Obama’s recent book. If Santorum were pro-choice, he’d be a media star and a campus hero.

The bottom line is this: If serious antipoverty work is going to be done, it’s going to emerge from a coalition of liberals and religious conservatives. Without Santorum, that’s less likely to happen. If senators are going to be honestly appraised, it’s going to require commentators who can look beyond the theater of public controversy and at least pretend to care about actual legislation. Santorum has never gotten a fair shake from the media.

And so after Election Day, the underprivileged will probably have lost one of their least cuddly but most effective champions.

GOP Hopes Fade For Taking District Bush Calls Home (WT)

By Hugh Aynesworth, The Washington Times

The Washington Times, October 29, 2006

WACO, Texas -- Texas Republicans spent much of this year thinking they had a good chance to defeat an eight-term Democrat in this central Texas congressional district.

Today, Republican Van Taylor's campaign in the 17th District, though well-funded, seems bogged down. Several polls indicate that incumbent Chet Edwards, 54, will easily retain the seat he has held for 16 years.

The Republican Party promised to campaign heavily for Mr. Taylor when he won the primary in March. He was told he could expect money, rallies featuring party stalwarts and national press exposure.

For the Republicans, Mr. Taylor seemed like the perfect fit.

The 10-year Marine veteran who served in Iraq seemed likely to blend in perfectly with the pro-military constituency that permeates this area near Fort Hood.

Some local conservatives also saw an excellent opportunity to rid themselves of an embarrassing situation -- a Democrat representing President Bush, whose Crawford ranch is in the district.

"It's an embarrassment," said M. A. Taylor, the McLennan County Republican chairman, who is not related to the candidate. "This area overwhelmingly supports the president and is overwhelmingly Republican, and yet we have a congressman who supposedly represents our interests. It is nothing short of personally humiliating."

But something happened along the way that turned the odds against Mr. Taylor.

Mr. Edwards refused to attack Mr. Bush, unlike most Democrats across the country, and he has spoken about his efforts to protect the Waco VA hospital and to fight for the military.

He reminds voters that he is a member of the Appropriations Committee and is the top-ranking Democrat on its military quality of life and veterans affairs subcommittee.

"In a Congress where committee assignments really make a difference, the fact that I am the ranking member on the committee that funds the VA health care system has given me the experience and insight into the political process and the VA system itself," Mr. Edwards said at a recent debate in College Station.

Meanwhile, Mr. Taylor tells voters he served two tours in Iraq as a captain with the 4th Marines, 3rd Recon Battalion, and comes from a long line of soldiers, dating back to the Civil War.

The race has not been cheap. According to Congressional Quarterly's Political Money Line, Mr. Taylor has raised almost $2 million, while Mr. Edwards has raised more than $2.8 million, among the most of any Democrat running for Congress.

Though Mr. Edwards has used much of his campaign war chest to promote past service, Mr. Taylor has attacked the Democrat as a "career politician," a man out of step with "family values" in the district.

Some of Mr. Taylor's television ads have been called "fanciful" or less than fair. In fact, "some of his attacks on Edwards' voting record are simply not true," said Gary Halter, professor of political science at Texas A&M University.

As the criticism of Mr. Taylor's campaign increased, the excitement from Republican leaders in Washington has cooled.

The National Republican Congressional Committee canceled $1.5 million in television ads it had scheduled to run in the waning days of the campaign, but the Taylor campaign is still fighting.

"We're prepared to win this race," said Mike Spellings, a campaign spokesman. "We're confident voters are responding to his message."

Democrats Aim To Regain Majority Of Governors (WT)

By Eric Pfeiffer, The Washington Times

The Washington Times, October 29, 2006

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Democrats are quietly poised to win a majority of the nation's gubernatorial offices in the midterm elections next week, as most of the attention focuses on the battle for control of Congress.

Republicans currently hold 28 gubernatorial seats. However, a number of them are in what are considered liberal states that appear to have stronger Democratic candidates than in recent years.

According to the latest polls, Democrats could win in eight states: Alaska, Colorado, Maryland, Massachusetts, Minnesota, New York, Nevada and Ohio.

"It's a volatile climate out there," said Bernie Campbell, communications director for the Democratic Governors' Association (DGA). "A combination of things is working in our favor -- voter confidence in Democrats and building on the past accomplishments of our current governors."

Gov. Bill Richardson, New Mexico Democrat, said during a recent appearance in Washington that his party is benefiting from a bounce in the polls because of voter dissatisfaction with President Bush and Congress. Mr. Richardson, the president of the DGA, is far ahead in his own re-election campaign.

Republican governors who are running competitive races in the so-called "blue" states this year have been successful by embracing a more independent agenda and distancing themselves from the administration.

"The issues environment has been challenging for Republicans," said Phil Musser, executive director of the Republican Governors Association (RGA).

Mr. Musser cited gubernatorial races in California and Oregon as evidence that Republicans can still buck the national trend working against others in their party. California Gov. Arnold Schwarzenegger is leading his Democratic opponent, state Treasurer Phil Angelides, in the polls. In Oregon, Republican nominee Ron Saxton is running a surprisingly close race against incumbent Gov. Theodore R. Kulongoski.

"You still need the core base, but it's less about ideology and more about being pragmatic," Mr. Musser said of their success.

Some Republicans have complained privately that the White House has focused too much on maintaining a majority in Congress and has virtually ignored Republican gubernatorial races, both in fundraising and in appearances by Mr. Bush and other leading party figures.

"They gave up on us a long time ago," said one source, who asked to remain anonymous because of a continued involvement in Republican campaigns.

"The top priority has been Congress," Mr. Musser acknowledged, "especially early in the cycle."

However, he said that the RGA has raised $20 million for its races this year and has an estimated $6 million to $7 million advantage over the DGA.

A significant part of that money will be used to get voters to the polls on Election Day. "Money is critical to it," he said.

Novice Stands Her Ground On Veterans' Turf In Alaska (NYT)

By William Yardley

The New York Times, October 29, 2006

WASILLA, Alaska — Voters have not elected a woman as governor of Alaska in 47 years of statehood, and just a few months ago, before she trounced Gov. Frank Murkowski in the Republican primary, Sarah Palin was hardly known outside this growing suburb of Anchorage.

Now Ms. Palin, 42, has a sizable lead in most polls over Tony Knowles, a former Democratic governor who has survived in a conservative state by working closely with the powerful oil industry and cultivating ties across party lines.

Her secret?

"She's a suburban mom," said Dan Newman, the pastor of Wasilla Christian Fellowship, one of several evangelical churches here, and a Palin supporter. "It's almost the opposite of what you'd expect from Alaska."

Ms. Palin, the former mayor of Wasilla, stands out in a state that has seen few fresh faces in politics. She is untainted by government scandal and unburdened by political debt. She is a conservative Christian who opposes abortion. She runs marathons. She fishes. She hunts.

"We always have a choice," Ms. Palin, who was an infant when her family moved to Alaska so her father could take a job teaching school, said in an interview. "We can go backwards and be real negative or we can go forward and be positive."

Still, political analysts say Ms. Palin is not a lock to win.

Mr. Knowles has been able to keep the race competitive, in part by questioning whether Ms. Palin has the experience to lead a state where voters measure politicians on issues as wide-ranging as energy exploration, aerial wolf hunting and subsistence fishing in the arctic bush.

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Mr. Knowles, 63, tries to sell his experience, having served eight years in the governor's office in Juneau, leaving in 2002 because of term limits. He also casts Ms. Palin as provincial.

More specifically, Mr. Knowles has suggested that Ms. Palin lacks the backbone and skills to negotiate with oil companies to build a new natural gas pipeline, something they agree is critical for the state economy as oil production declines on the North Slope. About 85 percent of the state's general revenue comes from taxes on the oil industry and many people view the new gas pipeline as Alaska's next natural resource boom.

Ms. Palin is portraying herself as a needed outside agent of change at a time when the Federal Bureau of Investigation is investigating links between Republican leaders in the Legislature and a major player in the oil industry. The tactic worked well in the August primary, with only 19 percent of voters supporting Governor Murkowski's bid for a second term.

Two of the three members of the state's Congressional delegation, Senator Ted Stevens and Representative Don Young, have been in office for a total of 71 years. The third, Senator Lisa Murkowski, has been in office since 2002 in the seat her father held for 22 years before that.

Ms. Palin's rise to prominence has come in part by turning the spotlight on the failings of her party. She accused one of her fellow members of the Alaska Oil and Gas Conservation Commission of misusing his office to do political work.

Some of the accusations proved true, but Ms. Palin was striking close to home. The person she accused was Randy Ruedrich, the chairman of the state Republican Party.

Mr. Ruedrich, who says he and the party are actively supporting Ms. Palin in the election, has refused her suggestion that he should resign.

"When Ms. Palin becomes governor she will be a member of my 90-member executive committee," Mr. Ruedrich said in an interview. "I have one vote and she has one vote in that 90-member body."

Adding to the party tension is the candidacy of Andrew Halcro, who was a Republican during his two terms in the State House and is running for governor as an independent. The three candidates have appeared together frequently in forums and debates around the state. While Mr. Halcro, 42, trails far behind the others, he receives coverage in the news media, and opinions differ on whether he will draw more voters from Ms. Palin or Mr. Knowles.

Dreams of a new economic boom in natural gas development have dominated the race for all three candidates.

Mr. Knowles talks confidently about the benefits of squeezing as much as 100 trillion cubic feet of natural gas deposits from the North Slope through a 48-inch pipeline for decades into the future. He says the project, estimated to cost more than $20 billion, could give the rest of Alaska's economy time to diversify, a long-sought goal many say was overlooked during the oil rush of the 1970s and 1980s.

Mr. Knowles said the gas pipeline, which could take 10 years just to build, would provide money to improve state education. Noting a rise in average temperature in the state, he also said Alaska could position itself as "a research center for climate change and how to deal with it."

Some economists have said that the state has already increased the tourism and cargo shipping industries, and they say that a gas pipeline, while a boost for the state, would not have the same kind of impact as the Trans-Alaska oil pipeline.

"I'm not going to say that booms and busts are gone forever, but we're a little less susceptible now," said Neal Fried, an economist with the Alaska Department of Labor.

Still, nearly every Alaska resident recently received an annual dividend check from oil production. This year the amount was $1,106.96, and the belief that the state's natural resources will remain its economic backbone is deeply held, whether the resource was gold a century ago or gas in the future.

The gas pipeline seems to take on particular urgency in an election year, just as it did four years ago when Governor Murkowski, then a senator, returned from Washington. He has worked for more than two years but failed to strike a deal.

Ms. Palin, like Mr. Knowles, said she wanted the state to expand negotiations beyond BP, Exxon Mobil and Conoco Phillips, the three oil companies with which Governor Murkowski has been negotiating.

But Ms. Palin also recalled that the pipeline was a topic of discussion when she was a child and said that Mr. Knowles is being "disingenuous" when he says urgently that he wants pipeline proposals on his desk in the governor's office by Jan. 31, 2007.

New Governor's Name Is ... Crist. Or Davis. The Race Remains Too Close To Call. (STPETE)

By Adam Smith

St. Petersburg Times, October 28, 2006

Republican Charlie Crist may be trouncing Jim Davis in money and sheer number of TV commercials, but a new St. Petersburg Times poll shows Davis remains solidly in the game as Election Day looms.

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The poll found Attorney General Crist leading Democratic U.S. Rep. Davis by six percentage points, 48 percent to 42 percent, with 10 percent of voters still undecided. Independent voters stand to tip the election Nov. 7, with one in five still unsure between the two.

"I would not put my hand in my pockets and place a heavy bet on either one of these candidates. I think it's too close to call," said pollster Rob Schroth. "I think on Election Day, it's going to be close."

The Oct. 22-25 statewide telephone survey of 800 voters was conducted for the St. Petersburg Times by Schroth/Eldon & Associates, which usually works with Democrats, and the Polling Co., which typically works with Republicans. The margin of error is plus or minus 3.5 percentage points.

"The fact that the governor's race is still in play shows that Florida is still a red and blue state - more of a purple state," said pollster Kellyanne Conway of the Polling Co.

Crist is clearly better positioned, but both candidates head into the final stretch with some advantages.

For Davis, who has been unable to afford nearly as much TV advertising as Crist, anti-Republican sentiment is a big help. More than four in 10 Davis supporters said they're backing him mostly because of his political party or because they don't trust or dislike his opponent.

"As far as politicians go Charlie Crist is probably not that bad, but on the other hand he's a Republican, and right now I'm not too happy with the Republican Party," said 57-year-old Wes McKenzie, a county employee from St. Petersburg who has no party affiliation and has already voted for Davis.

Crist, though, is winning over about one in five Democrats, while Davis is backed by about one in 10 Republicans. The attorney general also is effectively tied with Davis among independents, and was leading 47 percent to 42 percent among woman. Democrats typically need an advantage in both those groups to win statewide.

What's more, the voters surveyed this week also trusted Crist slightly more than Davis to improve public schools, stand up to special interests and handle hurricane insurance reform. All are centerpieces of Davis' campaign message.

"I want to vote for Crist because he says he's going to try to do something about property taxes and insurance, so hopefully he's not lying," said 59-year-old Republican nurse Barbara Martin of Cape Coral, who has heard little about Davis.

Crist was leading Davis in every region except Democrat-rich South Florida, where the Tampa congressman leads 55 percent to 38 percent. Ground zero for the race is Tampa Bay, home of both Crist and Davis, and the attorney general leads there 48 percent to 40 percent.

In increasingly Republican Hillsborough County, Davis' home county, Crist has a 12 percentage point lead. In Crist's home county of Pinellas the attorney general leads by six percentage points.

"I don't think Davis has done very well for us in Congress and in Washington, so what makes you think he's going to do better as governor," asked David Hammons, a retired Democrat from Largo. "Crist seems like he wants to do what's right for the people."

Republicans in Florida have a far better voter mobilization operation than Democrats, but the poll points to potential trouble spots for Crist in energizing the conservative base.

A social moderate who is ambivalent on restricting abortions and espouses a "live and let live" philosophy, Crist had a smaller lead in conservative North Florida, 47 percent to 37 percent, than Republicans typically expect. A small majority of voters who described themselves as born again Christians backed Crist.

"You have to wonder if there's still some doubt about whether Charlie Crist is a true conservative," said pollster Tom Eldon.

That's precisely the concern of 31-year-old Shane Abbott, a Republican pharmacist from the Panhandle town of De Funiak Springs. For the first time, he may skip voting in the governor's race.

"I can't feel good about voting for either one of them," Abbott said. "Morally, ethically , I see no Christian values or a large lack of Christian values."

The poll found Florida voters, if not happy with the way things are going in their state, then at least far happier with Florida's direction than the country's.

They were evenly divided when asked whether things are moving in the right or wrong direction in the Sunshine State.

Davis made history in picking the first African-American running mate, former state Sen. Daryl Jones, but the poll found no evidence that's helping Davis. Democrats in Florida typically win nine of 10 African-American votes, but the St. Petersburg Times poll found 69 percent of black voters with Davis and 16 percent with Crist. Fourteen percent were undecided.

Among Hispanic voters, another heavily coveted voter group, Crist led 59 percent to 32 percent. But the margins of error for both minority groups are high - plus or minus nearly 10 percent for African-Americans and nearly 11 percent for Hispanics.

The strikingly different takes of African-American and Hispanic Floridians highlight the nuances of the state's diverse electorate.

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"Florida can really teach a lesson for the rest of the country as a bellwether in terms of not muddying together the so-called 'minority vote,' " Conway said.

So how would the pollsters advise the candidates to finish off the race for the Governor's mansion?

Crist, they said, needs to closely ally himself with popular outgoing Gov. Jeb Bush. And, Conway suggested, he should probably avoid becoming too negative in his campaign given that he has been winning over Democrats, independents and women who are likely to be alienated by attacks on Davis.

Davis, on the other hand, needs to ramp up attacks on Crist to raise doubts about him among swing voters, which could be tough given Davis' limited resources. The pollsters also said Davis should work to mobilize African-American voters and stress his opposition - and Crist's support for - how the unpopular FCAT test is used in Florida.

Times staff writer Joni James contributed to this report. Adam C. Smith can be reached at 727893-8241 or asmith@sptimes.com

Politician Disputes Waitress' Claim (LAT)

From Times News Reports

The Los Angeles Times, October 29, 2006

Five-term U.S. Rep. Jim Gibbons, the GOP gubernatorial candidate, said he'd be willing to take a polygraph to prove he did not assault a Las Vegas cocktail waitress.

Chrissy Mazzeo, 32, has said Gibbons pushed her up against a wall at a Las Vegas restaurant Oct. 13 and made a sexual advance while he and a prominent GOP operative were walking her to her truck. Gibbons, 61, says she tripped and he caught her, then walked away.

She called police that night but withdrew her complaint the next day, saying she had been threatened and pressured by someone claiming ties to the Gibbons campaign.

Winning Women? (NYT)

By Alexandra Starr

The New York Times Magazine, October 29, 2006

Darcy Burner has never held public office — the former Microsoft project manager is just 35 — but nonetheless she appears to have a good shot at becoming the first Democratic representative from Washington's Eighth District. The timing of her bid is propitious: in this scandal-saturated election year, her lack of political experience may be a boon. And the fact that Burner is an adept fund-raiser has fueled her quick rise. There's another, slightly more intangible factor at play, too: Evergreen-state residents are accustomed to female leadership. "You don't have the hurdle of convincing voters that women can do the job when the models include people without a Y chromosome," Burner told me recently. And in fact, Washington is the only state in the nation where both senators and the governor are women.

The West has always been known for "breaking the bonds of custom," as the historian Fredrick Jackson Turner put it. That has provided opportunities to enterprising men, but women have left their mark as well. In politics, they've become a fixture to an extent not seen even in liberal bastions like Massachusetts. Women have resided in Arizona's gubernatorial mansion for nearly a decade. Neighboring California's two senators are female, as is nearly a third of that state's House delegation. And the November elections could sweep more Western women into office. State Senator Dina Titus, Democrat of Nevada, is waging a campaign for governor, headlining an almost all-female ticket. Gabrielle Giffords is favored to win Arizona's Eighth District for the Democrats. And one of the most tightly fought races in the country — a showdown between a four-term representative, Heather Wilson (Republican of New Mexico), and Attorney General Patricia Madrid — will send a woman to Congress no matter which party prevails.

While plenty of Republican female stars — like former Supreme Court Justice Sandra Day O'Connor — got their starts out West, most of the region's female candidates for high office this year are Democrats. Representative Rahm Emanuel of Chicago, chairman of the Democratic Congressional Campaign Committee, says that regional and national trends make Democratic female candidates ideal standard-bearers. "Education, the environment and livability issues are coming to the forefront in that part of the country, and these women speak to the changing nature of the region," he says.

To be sure, these candidates will not win or lose their races on the basis of their sex alone. Talent on the stump, credentials and fund-raising will be decisive. The fact that they have the opportunity to make their case, however, speaks to Western states' receptivity to women in public life. That legacy dates back to the pioneer era and was partly born of necessity. The agricultural model of the ranch — unlike, say, the Southern plantation — often demanded that the sexes work side by side. Western states were the first to grant female suffrage, and allowing women access to the ballot was followed by electing them to high office: the first U.S. congresswoman hailed from Montana, the first female state senator from Utah.

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To this day, political parties in Western states tend to be more open to women than the networks that reign in parts of the East Coast. “The process for getting on the ballot isn’t as transparent in states with entrenched machines,” says Debbie Walsh, director of the Center for American Women and Politics at Rutgers University. She points to her home state, New Jersey, where county chairmen — and they are almost always men — often determine who will run. “In part because those decisions are generally made behind closed doors, it makes it harder for women to get involved,” Walsh says. Indeed, the Garden State and Massachusetts — two states with strong machines — have all-male Congressional delegations, despite their progressive political leanings.

Of course, even this year, some of the Western women challengers will fall short. Incumbents aren’t shoo-ins, either. Senator Maria Cantwell, a Washington State Democrat, is facing a tough re-election challenge. Nevertheless, given the region’s more transparent political parties and history, it is well poised to retain its status as an incubator of female leadership. That may bode well for Senator Hillary Clinton if she decides to make a bid for the presidency. She would have trouble carrying states in the South, but if Western voters extend their embrace of female leadership to the highest levels of government, a promotion from the Senate to the White House could be within her reach.

Candidates, Parties Target Web Audience (AP)

By Will Lester

AP, October 29, 2006

WASHINGTON - Increasing numbers of people looking for political news are going online - with more than a third now saying they check the Internet for such information.

That group is more likely to be younger, better educated and male than the population in general, an Associated Press-AOL News poll found.

While 35 percent say they go to the Internet for political updates about campaigns and candidates, that number grows to 43 percent of likely voters - and they tend to be more liberal than conservative.

With midterm elections less than two weeks away, the online audience is getting deluged with e-mail and election updates from the news, campaign and political Web sites.

Those who use the Web point to the convenience, the wide variety of information and the range of intense emotion available.

The poll found that four in 10 men search the Web for political news compared to three in 10 women. About four in 10 of those under age 50 search the Web for political news, compared with fewer than two in 10 of those 65 and over. And more than half of those with college degrees look to the Web for politics, compared with a third of those who have some college and fewer than one in six with a high school education or less.

The most popular destinations are the news sites, with nine of 10 in the online political audience saying they go to news sites. Just over a third go to candidate's sites and almost half check out political sites.

The number who go online has grown from about a fourth in this country six years ago, according to the Pew Research Center. Fewer than half of those who go online are regular users of the Web for political news.

While the online browsers go to a wide variety of sites, they overwhelmingly trust what they see on the news sites,

Seven in 10 said news sites are the most trustworthy, according to the poll of 2,000 adults taken Oct. 20-25. It has a margin of sampling error of plus or minus 2.5 percentage points, larger for subgroups.

Mental Health Reform, Please (WP)

The Washington Post, October 29, 2006

Virginia's mental health laws are stuck in the past.

VIRGINIA OFFICIALS are taking some encouraging steps aimed at fixing the state's broken mental health system, but this much-needed effort has come under attack. The assault is misplaced.

Increasing numbers of mentally ill people in Virginia end up on the streets, in court or in jail, instead of in treatment, where they belong. Chief Justice Leroy R. Hassell Sr. of the Virginia Supreme Court has launched a commission to revamp state mental health laws, including the state's outmoded criteria for civil commitment, which provide emergency treatment only when people are an "imminent danger" to themselves or others. Justice Hassell wants those laws examined, with the hope of presenting "reform legislation" to the 2008 General Assembly.

At a recent hearing, however, Sen. Kenneth W. Stolle (R-Virginia Beach) warned the court not to overstep its role by getting involved in policy. According to the Richmond Times-Dispatch, Mr. Stolle, chairman of the Senate Courts of Justice Committee, said he didn't think judges should "tell us how we should deal with mental health." Justice Hassell should be

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applauded instead of criticized. Judges see firsthand the impact of untreated people on the criminal justice system and the inadequacy of laws that deal with the problem. Their advice to lawmakers is invaluable.

There is a precedent, too. In the 1990s, family violence was spotlighted as an issue by then-Chief Justice Harry L. Carrico, and reform followed.

Coincidental with the state effort, Fairfax County, through its so-called Beeman Commission, is analyzing its own mental services during a time of increased need and dwindling resources. These two efforts highlight Virginia's desperate situation and the need for solutions.

Islam, Terror And The Second Nuclear Age (NYT)

By Noah Feldman

The New York Times Magazine, October 29, 2006

I.

For nearly 50 years, worries about a nuclear Middle East centered on Israel. Arab leaders resented the fact that Israel was the only atomic power in the region, a resentment heightened by America's tacit approval of the situation. But they were also pretty certain that Israel (which has never explicitly acknowledged having nuclear weapons) would not drop the bomb except as a very last resort. That is why Egypt and Syria were unafraid to attack Israel during the October 1973 Yom Kippur War. "Israel will not be the first country in the region to use nuclear weapons," went the Israelis' coy formula. "Nor will it be the second."

Today the nuclear game in the region has changed. When the Arab League's secretary general, Amr Moussa, called for "a Middle East free of nuclear weapons" this past May, it wasn't Israel that prompted his remarks. He was worried about Iran, whose self-declared ambition to become a nuclear power has been steadily approaching realization.

The anti-Israel statements of the Iranian president, Mahmoud Ahmadinejad, coupled with Iran's support for Hezbollah and Hamas, might lead you to think that the Arab states would welcome Iran's nuclear program. After all, the call to wipe the Zionist regime from the map is a longstanding cliché of Arab nationalist rhetoric. But the interests of Shiite non-Arab Iran do not always coincide with those of Arab leaders. A nuclear Iran means, at the very least, a realignment of power dynamics in the Persian Gulf. It could potentially mean much more: a historic shift in the position of the long-subordinated Shiite minority relative to the power and prestige of the Sunni majority, which traditionally dominated the Muslim world. Many Arab Sunnis fear that the moment is ripe for a Shiite rise. Iraq's Shiite majority has been asserting the right to govern, and the lesson has not been lost on the Shiite majority in Bahrain and the large minorities in Lebanon and Saudi Arabia. King Abdullah of Jordan has warned of a "Shiite crescent" of power stretching from Iran to Lebanon via Iraq and (by proxy) Syria.

But geopolitics is not the only reason Sunni Arab leaders are rattled by the prospect of a nuclear Iran. They also seem to be worried that the Iranians might actually use nuclear weapons if they get them. A nuclear attack on Israel would engulf the whole region. But that is not the only danger: Sunnis in Saudi Arabia and elsewhere fear that the Iranians might just use a nuclear bomb against them. Even as Iran's defiance of the United States and Israel wins support among some Sunnis, extremist Sunnis have been engaging in the act of takfir, condemning all Shiites as infidels. On the ground in Iraq, Sunni takfiris are putting this theory into practice, aiming at Shiite civilians and killing them indiscriminately. Shiite militias have been responding in kind, and massacres of Sunni civilians are no longer isolated events.

Adding the nuclear ingredient to this volatile mix will certainly produce an arms race. If Iran is going to get the bomb, its neighbors will have no choice but to keep up. North Korea, now protected by its own bomb, has threatened proliferation — and in the Middle East it would find a number of willing buyers. Small principalities with huge U.S. Air Force bases, like Qatar, might choose to rely on an American protective umbrella. But Saudi Arabia, which has always seen Iran as a threatening competitor, will not be willing to place its nuclear security entirely in American hands. Once the Saudis are in the hunt, Egypt will need nuclear weapons to keep it from becoming irrelevant to the regional power balance — and sure enough, last month Gamal Mubarak, President Mubarak's son and Egypt's heir apparent, very publicly announced that Egypt should pursue a nuclear program.

Given the increasing instability of the Middle East, nuclear proliferation there is more worrisome than almost anywhere else on earth. As nuclear technology spreads, terrorists will enjoy increasing odds of getting their hands on nuclear weapons. States — including North Korea — might sell bombs or give them to favored proxy allies, the way Iran gave Hezbollah medium-range rockets that Hezbollah used this summer during its war with Israel. Bombing through an intermediary has its advantages: deniability is, after all, the name of the game for a government trying to avoid nuclear retaliation.

Proliferation could also happen in other ways. Imagine a succession crisis in which the Saudi government fragments and control over nuclear weapons, should the Saudis have acquired them, falls into the hands of Saudi elites who are sympathetic to Osama bin Laden, or at least to his ideas. Or Al Qaeda itself could purchase ready-made bombs, a feat technically much less difficult than designing nuclear weapons from scratch. So far, there are few nuclear powers from whom such bombs can be

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directly bought: as of today, only nine nations in the world belong to the nuclear club. But as more countries get the bomb, tracing the seller will become harder and harder, and the incentive to make a sale will increase.

II.

The prospect of not just one Islamic bomb, but many, inevitably concentrates the mind on how Muslims — whether Shiite or Sunni — might use their nuclear weapons. In the mid-1980's, when Pakistan became the first Islamic state to go nuclear, it was still possible to avoid asking the awkward question of whether there was something distinctive about Islamic belief or practice that made possession of nuclear technology especially worrisome. Most observers assumed that Islamic states could be deterred from using nuclear force just like other states: by the threat of massive retaliation.

During the last two decades, however, there has been a profound change in the way violence is discussed and deployed in the Muslim world. In particular, we have encountered the rise of suicide bombing. In historic terms, this development is new and unexpected. Suicide bombing has no traditional basis in Islam. As a technique, it was totally absent from the successful Afghan jihad against the Soviet Union. Although suicide bombing as a tool of stateless terrorists was dreamed up a hundred years ago by the European anarchists immortalized in Joseph Conrad's <object.title class="Movie" idsrc="nyt_ttl" value="130290;147096;43433;133169;43434;109253;109292">"Secret Agent," it became a tool of modern terrorist warfare only in 1983, when Shiite militants blew up the U.S. Marine barracks in Lebanon. </object.title>

Since then, suicide bombing has spread through the Muslim world with astonishing speed and on a surprising course. The vocabulary of martyrdom and sacrifice, the formal videotaped preconfession of faith, the technological tinkering to increase deadliness — all are now instantly recognizable to every Muslim. And as suicide bombing has penetrated Islamic cultural consciousness, its list of targets has steadily expanded. First the targets were American soldiers, then mostly Israelis, including women and children. From Lebanon and Israel, the technique of suicide bombing moved to Iraq, where the targets have included mosques and shrines, and the intended victims have mostly been Shiite Iraqis. The newest testing ground is Afghanistan, where both the perpetrators and the targets are orthodox Sunni Muslims. Not long ago, a bombing in Lashkar Gah, the capital of Helmand Province, killed Muslims, including women, who were applying to go on pilgrimage to Mecca. Overall, the trend is definitively in the direction of Muslim-on-Muslim violence. By a conservative accounting, more than three times as many Iraqis have been killed by suicide bombings in the last 3 years as have Israelis in the last 10. Suicide bombing has become the archetype of Muslim violence — not just to frightened Westerners but also to Muslims themselves.

What makes suicide bombing especially relevant to the nuclear question is that, by design, it unsettles the theory of deterrence. When the suicide bomber dies in an attack, he means to send the message "You cannot stop me, because I am already willing to die." To make the challenge to deterrence even more stark, a suicide bomber who blows up a market or a funeral gathering in Iraq or Afghanistan is willing to kill innocent bystanders, including fellow Muslims. According to the prevailing ideology of suicide bombing, these victims are subjected to an involuntary martyrdom that is no less glorious for being unintentional.

So far, the nonstate actors who favor suicide bombing have limited their collateral damage to those standing in the way of their own bombs. But the logic of sacrificing other Muslims against their own wills could be extended to the national level. If an Islamic state or Islamic terrorists used nuclear weapons against Israel, the United States or other Western targets, like London or Madrid, the guaranteed retaliation would cost the lives of thousands and maybe millions of Muslims. But following the logic of suicide bombing, the original bomber might reason that those Muslims would die in God's grace and that others would live on to fight the jihad. No state in the Muslim world has openly embraced such a view. But after 9/11, we can no longer treat the possibility as fanciful.

Raising the question of Islamic belief and the bomb, however, is not a substitute for strategic analysis of the rational interests of Islamic governments. Like other states, Islamic states act on the basis of ordinary power politics as much as or more than on the basis of religious motivation. Pakistan, which tested a series of warheads in 1998, at the height of tensions with India, has not used its atomic power as a tool of the faithful in a global jihad. The proliferation operation spearheaded by the nuclear scientist — and sometime Pakistani national hero — Dr. Abdul Qadeer Khan appears to have been based on a combination of national interest and greed, not on religious fervor. Khan found buyers in Iran and Libya, but also in decidedly non-Islamic North Korea. (In a twist much stranger than fiction,

Saddam Hussein apparently turned down the offer.)

Some observers think that Iran, too, wants the bomb primarily to improve its regional position and protect itself against regime change — not to annihilate Israel. According to this view, Iran's nuclear push reflects a drive to what is sometimes called national greatness and might more accurately be defined as the ability of a country to thumb its nose at the United States without fear of major repercussions. A televised pageant hastily arranged to celebrate Iran's atomic program in April of this year featured traditional Persian dancing and colorful local garb intermixed with make-believe vials of enriched uranium. To an Iranian

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audience accustomed to decoding official symbols, these references were nationalist, not pan-Islamic. (They were also subtly subversive of the mullahs: singing and dancing are not favored forms of expression in the clerical enclave of Qom.)

But at the same time, Ahmadinejad has emphasized Iran's pan-Islamic aspirations to act on behalf of Muslims everywhere. An emerging nuclear power needs friends. Right now Iran wants to reduce, not promote, division between Sunnis and Shiites — and promoting broader "Islamic" interests by going after Israel is one way to lessen Sunni fears about Iran's rise. Ahmadinejad has put his money where his mouth is, providing Hezbollah with medium-range missiles — though apparently not chemical warheads — to use against Israel. The nationalist language he has sometimes used at home may be a cover for sincerely held pan-Islamic ends — a version of the old revolutionary strategy of making nationalist claims in order to attract the support of those fellow Iranians who do not respond well to Islamist ideology. That it is convenient for Iran to emphasize Islamic unity does not mean that at least some of its leaders do not believe in it as a motivating goal.+

It is common among foreign-policy realists to suppose that a country acting on nationalist motives is easier to deter than a country moved by religious ones. There is no especially strong evidence for this assumption — plenty of nationalist regimes have done crazy things when they logically should have been deterred — but the claim has a common-sense ring to it. Nationalists care about peoples and states, which need to be alive to prosper. It is a basic tenet of nationalism that there is nothing higher than the nation-state itself, the pinnacle of a people's self-expression. Religious thinkers, on the other hand, believe almost by definition that there is something in heaven greater than government here on earth. Under the right circumstances, they might sacrifice lives — including their own — to serve the divine will as they interpret it.

III.

We urgently need to know, then, what Islam says about the bomb. Of course there is no single answer to this question. The world's billion-plus Muslims differ regarding many aspects of their 1,400-year-old religious tradition. Furthermore, nuclear weapons are a relatively new technology, unforeseen by the Prophet and unmentioned in the Koran. Nevertheless, contemporary Muslims are engaged in interpreting their tradition to ascertain how and when nuclear power may be used. Their writings, contained in fatwas and treatises that can be found on the Web and in print, tell a fascinating and disturbing story.

The Islamic discussion of nuclear weapons is profoundly intertwined with a parallel discussion of suicide bombing that is also taking place in the Muslim world. Suicide bombing and nuclear weapons typically kill without discrimination, murdering soldiers or civilians, men or women or children. And using nuclear force against another nuclear power can be suicidal, in the broad sense that retaliation may destroy the nation that attacked first. Beyond these commonalities is the fact that the rise of suicide bombing is driving a historic reconsideration of what might be called the Islamic ethics of violence. To consider Islam and the bomb today must thus inevitably draw us into the complex legal and political thinking of those Muslim authorities who justify the use of force.

The story starts with traditional Islamic law. The Shariah never followed the Roman adage that in war the laws are silent. Because jihad is a pillar of Islam, and because in Islam God's word takes legal form, the classical scholars devoted considerable care to identifying the laws of jihad. In common with the just-war doctrine developed in Christian Europe, the law of jihad governed when it was permissible to fight and what means could lawfully be adopted once warfare had begun. There were basic ground rules about who was fair game. "A woman was found killed in one of the battles fought by the Messenger of God," runs a report about the Prophet Muhammad considered reliable and binding by the Muslim scholars. "So the Messenger of God forbade the killing of women and children." This report was universally understood to prohibit the deliberate killing of noncombatant women and children. Some scholars interpreted it to mean that anyone incapable of warfare should be protected and so extended the ban to the elderly, the infirm and even male peasants, who as a rule did not fight. Muslims living among the enemy were also out of bounds. These rather progressive principles were broadly accepted by the Islamic legal authorities, Sunni and Shiite alike. For well over a thousand years, no one seriously questioned them.

Such black-and-white rules were well suited to the hand-to-hand or horse-to-horse combat characteristic of limited medieval wars. A few quirky challenges did arise, and the Muslim lawyers had to deal with them. The great theologian and jurist al-Ghazali, who wrote in the 11th and 12th centuries and was widely noted for his revival of religious piety and his skepticism of secular philosophy, dealt with the problem of human shields. He ruled that if the enemy drove captured Muslims before him, the Muslim army could still fight back, even if it might mean killing some of those Muslims. The reason he gave was that "we know that the law intends minimizing killing." There was also the catapult — precursor of artillery and air power — which was capable of sending a burning projectile into a populated city, where the resulting fire might kill women or children. Authorities differed on whether that tactic was permissible. Some disallowed the catapult when children or Muslim captives were in the city. In support, they cited a verse from the Koran that reads, "Had they been separated clearly, then We would have chastised the unbelievers among them with a painful chastisement." According to this school of thought, the "separation" of permissible targets (i.e., non-Muslim men) from impermissible targets is the precondition for a general attack. Another school of thought, by contrast, permitted the use of the catapult regardless of collateral damage in order to serve the general interest of the Muslims.

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No law can exist for a millennium without being broken, and there are scattered historical reports, mostly from Christian chroniclers, of Muslim forces acting outside the bounds of lawful jihad, without the authorization of the scholars. Men were always considered legitimate targets, and Muslim armies sometimes slaughtered them just as Muslims could be slaughtered by their enemies. Remarkably enough, though, the legal principles of jihad protecting women, children and fellow Muslims survived well into the modern era, when the secular regimes of the Muslim world began to fight according to secular ideas. The World War I Armenian genocide, which took place in the last, secularizing gasp of the declining Ottoman Empire, was the first really substantial systematic violation of the ban on killing women and children in recorded Islamic history. In the bloody 20th century, when mass exterminations took place in Europe, Africa and Asia, Muslim states had a relatively better record, marred of course by Saddam Hussein's gassing of the Kurds. And there have been the genocidal killings in Darfur in this new century. Even these horrific events, however, were not dignified by the claim that they were permitted under the law of jihad.

IV.

The last two decades have seen a challenge to this Islamic tradition of warfare under law, a challenge driven mostly by the attempt to justify suicide bombing despite its evident inconsistency with Islamic tradition. On the subject of suicide, the Koran could hardly be clearer: "Do not kill yourselves; for surely God has been merciful to you." Faced with this explicit text, the solution of the militant Islamist ideologues has been to avoid the category of suicide altogether and to treat the bomber as a martyr rather than as one who has taken his own life. This interpretation is not very convincing in historical terms: martyrdom classically meant that another person killed the Muslim warrior, not that he pushed the button himself. Nevertheless, many Muslims now seem to find the argument convincing. Even among rather secular Muslims, it has become standard to refer to suicide bombers as martyrs.

The killing of women, children and Muslim men, however, has proved harder to explain away as a permissible exercise of jihad. The reaction to 9/11, which has (so far) been the high-water mark of suicide bombing, illustrates the nature of the difficulty of reconciling suicide bombing with Islamic law. One problem concerns the offensive nature of the attack at a time when the United States was not at war with any Muslim entity. Offensive jihad requires the authorization of a legitimate Muslim leader, absent on 9/11. A more serious concern was the obvious reality that the 9/11 attacks were certain to kill — and did kill — women, children and Muslims, all in direct contravention of classical jihad principles. Since the whole point of 9/11 was to announce and embody jihad on the international stage, the attacks quickly became the centerpiece of a high-stakes debate about whether they did or did not qualify as legitimate acts of jihad.

In the immediate aftermath of 9/11, it was sometimes asserted in the West that there were no Muslim voices condemning the attacks. This was never true. Prominent Muslim scholars expressed their disapprobation in public arenas like television and the Internet. These included senior Sunni scholars like the grand mufti of Saudi Arabia and the head of Al-Azhar, in Egypt, nominally the flagship institution of Sunni higher learning — who gave a news conference. More popular figures, like Al Jazeera's resident cleric, Sheik Yusuf al-Qaradawi, explained that Islam "considers the attack on innocent human beings a grave sin." Shiite scholars also spoke out, including Ayatollah Ali Khamenei, the supreme leader of Iran.

The position of the Muslim scholars and observers who condemned the 9/11 attacks was simple and consistent across the Sunni-Shiite divide: this was not jihad but an unlawful use of violence. Offensive jihad was prohibited in the absence of formal authorization by a Muslim leader. But even if the attacks could somehow be construed as defensive, the perpetrators of 9/11 broke the rules with their willingness to kill women and children. In confident and insistent tones, these critics cited the classical scholars and insisted that nothing in Islamic law could justify the tactics used by Al Qaeda. Ayatollah Muhammad Husayn Fadlallah, the Lebanese cleric whose spiritual authority is recognized by Hezbollah, gave an interview to the Beirut newspaper Al Safir in which he asserted that given their impermissible choice of targets, the 9/11 bombers were not martyrs but "merely suicides."

At the same time, it is important to note that in 2001 few prominent Muslim scholars — the Saudi grand mufti was the main exception — condemned the use of suicide bombings in all circumstances. Fadlallah approved the attack on the U.S. Marines in 1983 and, according to the United States, played a role in ordering it. Qaradawi, whose television presence gives him reason to stay within the Islamist mainstream, distinguished the 9/11 attacks from the permissible defensive jihad of the Palestinians. He was happy to praise a God who "through his infinite wisdom ... has given the weak a weapon the strong do not have, and that is their ability to turn their bodies into bombs as Palestinians do." Qaradawi has also repeated the common view that the killing of Israeli women is justified on the grounds that all Israelis must serve in the military, and so no Israeli is a true noncombatant: "An Israeli woman is not like women in our societies, because she is a soldier."

The equivocation by Muslim scholars with respect to the technique of suicide bombing reflected the reality that throughout the Muslim world, Palestinian suicide bombers were by 2001 identified as martyrs dying in a just cause. This, in turn, was the natural outgrowth of the decades before suicide bombing, when Palestinian terrorists were applauded for killing Israeli civilians, including women and children. Given that embracing Palestinian suicide bombing had become a widespread social norm, it

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would have been essentially unthinkable for an important Muslim scholar to condemn the practice without losing his standing among Muslims worldwide. In the Islamic world, as in the U.S. Supreme Court, the legal authorities cannot get too far away from their public constituency without paying a price.

What happened, in other words, is that without the scholars paying too much attention to the question, the killing of Israeli women and children had become a kind of exception to the ordinary laws of jihad. Opportunists like bin Laden then began to widen the loophole to include new victims. With respect to the unauthorized nature of his offensive jihad, bin Laden asserted that in fact the attacks were defensive, since in his mind the U.S. was occupying the sacred soil of Saudi Arabia — just as Israel was occupying the Muslim land of Palestine. Once all of Saudi Arabia was placed on a par with the holy cities of Mecca and Medina, traditionally closed to non-Muslims, the presence of American soldiers anywhere on the Arabian Peninsula (even if their presence was with the permission of the Saudi government) could be depicted as a profanation, a violation of the Prophet's deathbed directive to "banish the pagans from the Arabian Peninsula."

Bin Laden was embroidering on the theories of his onetime mentor Abdullah Azzam, the intellectual godfather of Al Qaeda. Azzam was a Palestinian Islamist who made his way to Afghanistan via Saudi Arabia and established the so-called Bureau of Services to channel Arab youth into the Afghan jihad. As Azzam trod his personal path from Palestinian militancy to universal pan-Islamic jihadism, he wrote an influential treatise called "Defense of Muslim Lands." In it, Azzam argued that not a single hand span of Muslim territory anywhere could ever be ceded to the enemy "because the land belongs to Allah and to Islam." Though Azzam would never have acknowledged it, his account of the divine ownership of Muslim lands was probably influenced — unconsciously, to be sure — by religious-Zionist claims about the holiness of the Land of Israel.

When it came to the killing of civilians, bin Laden's thought developed more gradually. In early pronouncements, before 9/11, he spoke as if the killing of women and children was inherently an atrocity. "Nor should one forget," he admonished an interviewer in 1996, "the deliberate, premeditated dropping of the H bombs [sic] on cities with their entire populations of children, elderly and women, as was the case with Hiroshima and Nagasaki." After 9/11, however, the argument changed. Now bin Laden began to suggest that American civilians were fair game. He could not argue that like Israelis, all Americans were subject to mandatory military service. Instead he proposed that because "the American people are the ones who choose their government by their own free will," and because they "have the ability and choice to refuse the policies of their government," attacks on American civilians were justified. Voting was now playing the role for Americans that military service played in the case of Israelis: the active step transforming civilians into fair game.

Such an appeal to collective responsibility was, however, pretty weak in Islamic legal terms. It might suffice for bin Laden's videotaped self-justifications, and it might salve the consciences of potential jihadis hoping to join the rank and file of Al Qaeda. But it would never satisfy serious students of classical Islamic law, who found the 9/11 attacks problematic from an Islamic legal perspective.

In Saudi Arabia in particular, radical Muslim scholars with much more learning than bin Laden have sought to develop legally persuasive justifications for civilian killings. Probably the most sophisticated effort from a legal standpoint is a document titled "A Treatise on the Law of the Use of Weapons of Mass Destruction Against the Unbelievers," written in 2003 by a brilliant Saudi dissident named Sheik Nasir bin Hamad al-Fahd. (Fahd, a theorist rather than an activist, is currently back in prison, as he has been off and on for almost a decade.) The treatise begins with the assumption that the world's Muslims are under attack. But how are today's Muslims supposed to defend themselves, given their military inferiority? Fahd's response is that, if they have no other choice, they may use any means necessary — including methods that would otherwise violate the laws of jihad. "If the unbelievers can be repelled . . . only by using" weapons of mass destruction, then "their use is permissible, even if you kill them without exception."

Lest his argument prove too much, Fahd tempers it by the claim that the Muslims fighting the jihad may not inflict disproportionately more harm on the enemy than the enemy has inflicted on them. That raises the question of the extent of American guilt. "Some Brothers have added up the number of Muslims killed directly or indirectly by [American] weapons and come up with a figure of nearly ten million," the treatise states. This total, Fahd concludes, would authorize the use of weapons of mass destruction to kill 10 million Americans: indeed, "it would be permissible with no need for further [legal] argument." (The number is never explained or analyzed, and you might assume that it was meant to correspond very roughly to the population of New York.)

Fahd's arguments sit uneasily with the classical Islamic discussions of the laws of jihad. The classical Islamic law never explicitly says that women and children may be intentional targets if it is the only way to win the jihad. It does not allow violations of the law just because the enemy has broken the rules or killed many Muslims. So the treatise must fall back on whatever evidence it can muster from the classical sources that seems to modify the basic rules. The catapult rears its head and is cited as precedent for nonspecific killing. The right to fight even when Muslim hostages may be killed is brought out as proof of the permissibility of collateral damage when there is no other choice.

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The legal arguments in use here are stronger than bin Laden's makeweights, but they, too, would probably not be sufficient on their own to justify the deviation from the legal traditions of jihad wrought by today's jihadis. The notion that it's right because it's necessary is doing the real work, and old-fashioned legal arguments are following along. It is no accident that the argument from necessity has been so prominent in modern Western writing about modern warfare in general and the nuclear bomb in particular. If the technology of mass destruction can be exported, why not the justification that comes with it?

Within the world of radical Islam, there are those who believe that the erosion of the laws of jihad has gone too far. There are reports of difficulty recruiting foreign candidates for suicide missions directed at Iraqi civilians. The debate about how jihad may be prosecuted is not over by any means. But it is an unavoidable fact that the classic restrictions on the killing of women, children and Muslims in jihad have been deeply undermined in the last decade.

V.

If the Islamic laws of war are under revision, or at least the subject of intense debate, what does that mean for the question of the Islamic bomb? The answer is that the expanding religious sanction for violence once thought unacceptable opens the way for new kinds of violence to be introduced and seen as legitimate in turn. First Israeli women and children became acceptable targets; then Americans; then Shiites; and now Sunnis of unstinting orthodoxy. It would seem that no one is out of bounds.

It is therefore now possible to imagine that the classical Islamic principles governing war would not be applied even by a self-consciously Islamic regime deciding when and if to detonate a nuclear device. The traditional ban on killing women, children and fellow Muslims would have gone a long way toward banning most potential uses of nuclear power by a sincerely Islamic state actor. As those prohibitions have eroded, the reassurance that might be afforded by a state's Islamic commitments has waned.

This means that a nuclear Islamic state would be at least as willing to use its weapons as a comparable non-Islamic state. But would an Islamic state be prepared to take the jihad to the enemy even if it would result in what amounts to collective suicide through the destruction of the state and its citizens? If the leaders of Iran or some future leaders of a radicalized, nuclear Saudi Arabia shared the aspiration to martyrdom of so many young jihadis around the world, might they be prepared to attack Israel or the United States, even if the inevitable result were the martyrdom of their entire people?

The answer depends to a large degree on whether you consider Islam susceptible to the kind of apocalyptic, millennial thought that might lead whole peoples, rather than just individuals, into suicidal behavior. It is important to note that for all his talk of the war between civilizations, bin Laden has never spoken of the end of days. For him, the battle between the Muslims and the infidels is part of earthly human life, and has indeed been with us since the days of the Prophet himself. The war intensifies and lessens with time, but it is not something that occurs out of time or with the expectation that time itself will stop. Bin Laden and his sympathizers want to re-establish the caliphate and rule the Muslim world, but unlike some earlier revivalist movements within Sunni Islam, they do not declare their leader as the mahdi, or guided one, whose appearance will usher in a golden age of justice and peace to be followed by the Day of Judgment.

From this perspective, the utter destruction of civilization would be a mistake, not the fulfillment of the divine plan. Even the most radical Sunni theorists of jihad invoke a passage from the Koran according to which civilization itself — "the crops and the cattle" — must not and cannot be destroyed completely. Bin Laden might seem to have few qualms about killing millions of Americans or other Westerners. He might well use a nuclear device if he gambled that there would be no enemy for the United States to bomb in retaliation. But even he might not be prepared to unleash a global nuclear conflagration on the expectation that a better order would emerge once many millions of Muslims and infidels died. (Bin Laden has called for Muslims to acquire nuclear weapons, and in the 1990's reportedly tried to acquire them himself — but there is little hard evidence that he has made subsequent efforts in that direction.)

With respect to Shiite eschatology, there is greater reason for concern. Iran's Shiism is of the "Twelver" variety, so called because the 12th imam in the line of succession from the Prophet disappeared into a state of occultation — or being hidden — from which he is expected to return as the mahdi. Ayatollah Khomeini played on the messianic overtones of this belief during the Iranian revolution, in which some of his followers went so far as to hint that he might be the returning imam. Moktada al-Sadr's Shiite militia in Iraq is called Army of the Mahdi. Recently, Iran's president, Mahmoud Ahmadinejad, contributed to renewed focus on the mahdi, by saying publicly that the mission of the Islamic revolution in Iran is to pave the way for the mahdi's return, and by visiting the mosque at Jamkaran, on the outskirts of Qom, where, according to one tradition, the vanished imam was last seen. Some reports suggest that youth religion in Iran in increasingly focused on veneration of the vanished imam.

Islam has a vision of the end of days, with wars between the faithful and the tribes of Gog and Magog (Yuj and Majuj in their Arabic incarnation). Twelver Shiism is, at its core, an eschatological faith, focused on the ultimate return of the imam-mahdi, who will restore the Shiites to their rightful place and redeem their generations of suffering. Since the vanished imam is by tradition a human who has never died, but remains in occultation, he is also believed to affect the course of events even from his

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hidden place. And Shiite tradition fills in the picture of the mahdi's return with an elaborate account of signs that will herald the event, including advance messengers, earthquakes and bloodshed.

But belief in redemption — even accompanied by wars and death and the defeat of the infidels — need not translate into a present impulse to create a violent crisis that would precipitate the messianic situation. Like their Jewish counterparts, Shiite religious authorities have traditionally sought to resist speculation about the imminence of a messianic return. Shiite messianic thought is less focused than its messianic Christian counterpart on generating global crisis and letting God sort things out. Khomeini himself believed that the mahdi's advent could be hastened — but by social justice, not by provoking war. This put him on the activist side of Shiite teaching about the mahdi, much as he was also an activist about the exercise of worldly power by the mullahs. A popular revolutionary slogan urged the imam's coming but asserted that Khomeini would govern alongside him.

Other Shiite thinkers, by contrast, take a more fatalist stance, and prefer to believe that the mahdi's coming cannot be hastened by human activity — a view that corresponds loosely to Ayatollah Ali al-Sistani's belief, with regard to Iraq and elsewhere, that the clerics should not themselves govern. One small, semi-secret Iranian organization, the Hojjatiya Society, was banned and persecuted by Khomeini's government in part for its quiescent view that the mahdi's arrival could not be hastened.

Ahmadinejad is not the only or even the most important player in Iran's nuclear game. The supreme leader, Ayatollah Khamenei, still makes the ultimate decisions on armaments and other matters, and there are numerous factions in the country with opposed interests and ideology and goals. Nevertheless, Ahmadinejad has in some respects succeeded in making the nuclear issue his own, and as a result his personal views about the end of days have been the subject of much speculation and innuendo, inside Iran and out. The Mideast scholar Bernard Lewis, in a recent Wall Street Journal column, hinted darkly and without much evidence that Ahmadinejad might be planning a nuclear attack on Israel for the Night of Power (this year it fell on Aug. 22), when the Prophet Muhammad made his mystical journey to the Furthest Mosque, associated in tradition with al-Aqsa in Jerusalem. Rumors, possibly spread by Ahmadinejad's enemies, have tied him to the outlawed Hojjatiya — a link mistakenly interpreted outside Iran as evidence that he might want to bring back the imam by violence, rather than that he might prefer to wait piously and prepare for the imam's eventual return on his own schedule. It is of course impossible to gauge the man's religious sensibilities perfectly. Yet the relative absence of a contemporary Shiite trend to messianic brinkmanship suggests that Ahmadinejad's recent emphasis on the mahdi may be interpreted more in terms of an attempt to summon Khomeini's legacy and Iran's revolutionary moment than as a desperate willingness to bring the nation to the edge of war. When Ahmadinejad invoked the mahdi in his now-famous letter to George Bush, he seemed to be using the doctrine in ecumenical terms, emphasizing the Islamic tradition that Jesus — revered as a prophet, though not as the Son of God — will return alongside the mahdi and govern in tandem with him.

So although a renewed Shiite messianism does create some cause for concern about the potential uses of an Iranian bomb — in particular because it suggests that Ahmadinejad may be more a utopian than a realist — it is almost certainly a mistake to anticipate that Iran would use its nuclear power in a way that would provoke large-scale retaliation and assured self-destruction. Iranian leaders have been more than ready to sacrifice their own citizens in large numbers. During the Iran-Iraq war, major efforts went into recruiting young boys to the Basij militias, which were then sent to the front lines on what were essentially suicide missions. Religion played the central part in motivating the teenage soldiers, and it is reasonable to believe that religion helped salve the consciences of those who ordered these children into battle. Yet even this discounting of the value of human life — in a war started by Saddam Hussein, not by Iran — fell short of voluntarily putting an entire nation at risk. Ahmadinejad surely understands the consequences of using a nuclear bomb, and Shiite Islam, even in its messianic incarnation, still falls short of inviting nuclear retaliation and engendering collective suicide.

VI.

These worries about an Islamic bomb raise the question of why we trust any nation with the power that a nuclear capacity confers. Why, for instance, do we trust ourselves, given that we remain the only nation actually to have used nuclear weapons? The standard answer to why we keep our nuclear bombs — a response developed during the cold war — is that we must have the capability to deter anyone who might attack us first. The promise of mutually assured destruction was its own kind of collective suicide pact, albeit one supposed to scare both sides out of pushing the button. That is why, throughout the heyday of the unilateral disarmament movement, critics of this justification pointed out that our threat was only credible if we were, in fact, prepared to kill millions of civilians in a rapid act of retaliation. If this kind of killing was morally unjustified, went their argument, then the threat to use it was also immoral.

The truth is that we hold on to our nuclear capability not only as a matter of deterrence but also to maintain our own global strategic position. If we do not want Islamic states — or anyone else for that matter — to have a nuclear capability, it is not necessarily because we consider them especially likely to bring on their own destruction by using it. It is, rather, that we do not want to cede some substantial chunk of our own global power to them. This principle — if it is a principle — lies behind the general strategy that is embedded in the international nuclear-nonproliferation treaty. Everybody involved understands that if any

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government got a chance to acquire nuclear power before the other treaty members had a chance to notice and impose sanctions, it would jump at the opportunity.

So the nonproliferation regime is not and could never be based on some principle of international fairness. But it does not follow that the United States and its allies should simply accept the development of nuclear technology by just anyone. It should be relevant to our deliberations that a particular candidate is our enemy. When it comes to Islamic states, there is serious reason to worry that, both now and in the immediately foreseeable future, popular anti-American sentiment is especially likely to play an important role in the shaping of foreign policy. Over the next quarter-century, it is conceivable and certainly desirable that Islamism and anti-Americanism may be unlinked. But we must be honest and acknowledge that in the short term at least, the U.S. democratization strategy has done almost nothing to reduce Islamist anti-Americanism, whether Shiite or Sunni — this despite the fact that the same strategy has benefited Islamists across the region by allowing them to run for office and enter government.

Much of the reason for this close linkage between Islamism and anti-Americanism comes from Iran. As an enemy of the United States, which has worked consistently against American interests, Iran is in a category by itself, most nearly matched by North Korea, the other still-standing member of President Bush's axis of evil. In this, Iran's motives have been primarily Islamic-ideological, not pragmatic.

For many years under the shah, Iran was a natural American ally — precisely because it was Shiite and non-Arab, and uncomfortably close to the Soviet Union and its fantasy of a warm-water port. Even after the 1979 revolution and the hostage crisis, it is possible that the United States would have eventually reopened relations with an avowedly Islamic Iran had the government softened its anti-Americanism. The United States has never made secularism a condition of friendship. It has been fully prepared to support Islamic states like Saudi Arabia, and even used religion to cement the anti-Communist alliance during the cold war. The Iraqi Shiite Islamists have been willing to work alongside the Americans, and the United States has in return treated them as its allies, democratically chosen by the Iraqi electorate.

Islamist anti-Americanism is the direct legacy of Ayatollah Khomeini's success in marrying Islamic faith to anti-imperialism — making "Death to America" into a religious chant, not just a political slogan. Of course the United States was hardly blameless. It did everything it could to open itself to the imperialist charge, including, in Iran, backing the famous 1953 countercoup that removed from power Iran's first democratically legitimate prime minister, Mohammed Mossadegh. Contemporary Islamists can also point to America's continuing hypocritical support of regional authoritarian regimes.

Iranian-rooted Islamist anti-Americanism has worked far better than its designers might have imagined, spreading to Sunni Islamists who have little love to lose for Iran. The marriage of Islamism and anti-Americanism will probably be considered by history as the most significant consequence of the Iranian revolution. Anti-Americanism has become a staple of Islamist sermons and Web postings, an effective tool for drawing to the movement angry young people who might not naturally be drawn to religion. Bin Ladenism, in this sense, owes much to the Iranian revolution even though Al Qaeda was never Iran's direct ally. United States support for Israel has always been an important part of the argument for Islamist anti-Americanism, but today it is by no means a necessary component. If U.S. support of Israel were to weaken, the American presence in Iraq and elsewhere in the gulf would easily substitute as a basis for hatred.

The United States therefore has strong reason to block its enemy Iran from acquiring nuclear weapons — not simply because Iran will seek to become a greater regional power, as any nation might do, but because the Islamic Republic of Iran as currently constituted is definitionally anti-American. There need not be a direct threat of Iranian first use against either the United States or Israel for this reason to weigh heavily. A nuclear Iran will be a stronger and more effective enemy in pursuing anti-American policies under the banner of Islam. That will not change until the Iranian state abandons either its Islamic identity or its association between Islam and anti-Americanism. Iran's eagerness to acquire nuclear capacity need not be a result of a particularly Islamic motivation, but if and when Iran does have the bomb, its enhanced power and prestige will certainly be lent to policies that it conceives as promoting the Islamic interest.

Whether force, negotiation or some combination is the right path to take to keep Iran from going nuclear is of course a hugely important question. It turns on many uncertain facts, like the true progress of Iran's nuclear program and how much it can be affected by air attack; Iran's capacity and will to retaliate against an attack; whether there is any chance Iran would respond to negotiations; and the ability of the United States to withstand any retaliation while 150,000 U.S. troops are in Iraq. As we have recently learned in Iraq, it is not enough to think you have a good reason to go to war — you must also have a realistic understanding of the practical and moral costs of things going horribly wrong. Any choice, though, must be made against the backdrop of the reality that the Islamic government of Iran is not only unlikely to collapse soon — it is also very unlikely to become less anti-American in the near future.

The same, unfortunately, is true of the world's Islamist movements, for whom anti-Americanism remains a rallying cry and a principle of belief. Perhaps the promotion of democracy in the region, pursued consistently by the United States over the long

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term, might someday allow the rise of leaders whose Islamism is tempered by the need to satisfy their constituents' domestic needs — and who eschew anti-Americanism as wasteful and misguided. Iraq was the test case of whether this change could occur in the short term. But we failed to make the experiment work and gave Iraq's Islamist politicians, Shiite and Sunni alike, ample grounds to continue the anti-American rhetoric that comes so easily to them. In the wake of our tragic mismanagement of Iraq, we are certainly a generation or more from any such unlinking of Islamism and anti-Americanism, if it is to occur at all. And Islamism itself shows no signs of being on the wane as a social or political force.

That means that the best we can hope for in nuclear Islamic states in the near term is a rational dictator like Pervez Musharraf of Pakistan, who sees his bread buttered on the side of an alliance with the West. Such rulers can be very strong and can bring stability, but we also know that their rule (or reign) promotes Islamist opposition, with its often violent overtones. When such rulers die or otherwise fall from power, the Islamists will be poised to use the international power conferred by nuclear weapons to pursue their own ends — ends for now overwhelmingly likely to be anti-American.

None of this is inherent in the structure of Islam itself. Islam contains a rich and multivocal set of traditions and ideas, susceptible to being used for good or ill, for restraint or destruction. This interpretive flexibility — equally characteristic of the other great world religions — does not rob Islam of its distinctiveness. An Islamic bomb would not be just the same as the nationalist bomb of a majority-Muslim state, nor would it be the same as a Christian bomb or a Jewish one. But its role in history will depend, ultimately, on the meaning Muslims give it, and the uses to which they put their faith and their capabilities. In confronting the possibility of the Islamic bomb, we — Muslims and non-Muslims alike — need to remember that Islam exists both as an ideal system of morals and values and as a force that motivates actual people living today, with all the frailties and imperfections that make us human.

Iran Sounds An Awful Lot Like Iraq (LAT)

By Jon Sawyer, Jon Sawyer Is Director Of The Washington-based Pulitzer Center On Crisis Reporting. He Has Reported
The Los Angeles Times, October 29, 2006

There is a disturbing sense of déjà vu in Washington's actions and rhetoric.

AN EMBATTLED president, a Congress distracted by a sex scandal, looming midterm elections — and yet overwhelming agreement, with scant debate or publicity, on fateful legislation that set the nation on a path to war.

It happened eight autumns ago, when three-quarters of the House of Representatives and every single senator voted for regime change in Iraq.

Has it happened again, on Iran?

Four weeks ago, Congress enacted and President Bush signed the Iran Freedom Support Act, a resolution very much in the spirit of the 1998 Iraq Liberation Act. It mandates sanctions against any country aiding Iran's nuclear programs, even those to which that country is legally entitled under the Nuclear Nonproliferation Treaty.

The new law got virtually no coverage in the congressional rush to adjourn and amid the controversy surrounding e-mails between Rep. Mark Foley (R-Fla.) and teenage boys serving in the House page program. It has been overshadowed since by North Korea's explosion of a nuclear device and the world's debate about how to respond.

But if the confrontation over Iran's alleged nuclear weapons program ends in war — initiated by this administration or the next — you can bet this law will be cited as proof that Congress was onboard all along.

The congressional action isn't the only sign of déjà vu. Recent months have seen the creation of an "Iran directorate" at the Pentagon, using some of the same personnel as the Office of Special Plans, the shadowy Pentagon outfit led by former Undersecretary of Defense for Policy Douglas J. Feith that was accused of massaging raw intelligence on Iraq to make the case for war look far more solid than in fact it was.

Iran has now supplanted Iraq as the greatest single threat to the United States, according to the National Security Strategy released earlier this year. Articles in the New Yorker and Time describe an accelerated rate of contingency military planning in an environment in which many senior officials — on the military and civilian sides — consider war with Iran more a question of when rather than if.

As in the run-up to the Iraq war, there are assertions of a broad consensus of experts' views that Iran is intent on developing a nuclear weapons capability; and, just as in 2003, there are muted voices questioning how definitive the evidence is. (The most recent National Intelligence Estimate found that Iran's progress toward weapons capability was actually slower than previously thought, and Director of National Intelligence John D. Negroponte says that, in his view, Iran is still four to nine years away from having the bomb.)

Once again, U.S. officials are discounting the work of U.N. weapons inspectors on site, and, once again, those inspectors — and the agencies for which they work — are saying that the best way to contain the nuclear threat is to keep them in place.

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"People confuse knowledge, industrial capacity and intention," Mohamed ElBaradei, director of the International Atomic Energy Agency, told Newsweek magazine in an interview last week. "A lot of what you see about Iran right now is assessment of intentions."

He and other IAEA officials warn that the Bush administration's hard-line suspicions of Iran could make reading those intentions even harder. Tehran has already suspended IAEA access to some nuclear facilities and could expel the international inspectors entirely. It happened in Iraq in 1998 — and the vacuum that followed made possible ever-more speculative estimates as to Iraq's imagined progress toward fielding weapons of mass destruction.

The run-up to possible war is also marked, yet again, by the absence of firsthand knowledge of the enemy.

The war to topple Saddam Hussein came 12 years after the rupture of diplomatic relations, with U.S. policymakers dependent on questionable exile groups long removed from direct knowledge of conditions inside the country. In the case of Iran, the gap is longer still — nearly 27 years since Ayatollah Ruhollah Khomeini seized power.

Assistant Secretary of State R. Nicholas Burns announced earlier this year that State Department diplomats would be based in Dubai and elsewhere in the Middle East and Europe to monitor Iran, in a move he likened to Riga Station, the Latvian capital where, during the 1920s and 1930s, diplomats such as George Kennan kept tabs on the Soviet Union. The effort comes late. As Burns himself acknowledged, as recently as early last year, "there were exactly two people focusing full time on Iran" at the State Department.

To be sure, war with Iran is nowhere near as inevitable as the neoconservative proponents of aggressive action would make it appear. The U.S. military is mired in Iraq. The combination of vast oil reserves and 70 million people make Iran a formidable adversary, one that has shown itself more than willing to rely on groups such as Hezbollah or Hamas to wage terrorism on the United States, Israel and allied nations. Here at home, meanwhile, public opinion surveys show little appetite for another go at preventive war.

In the face of those hurdles, and the acknowledged gaps in proven facts, it is remarkable that the neoconservative handmaidens of the Iraq war are so assertive on Iran, as to the inevitability of war and the rightness of waging it.

Last April, the Weekly Standard ran an article nearly 8,000 words long laying out the case for war, why diplomacy and sanctions are doomed to fail and why letting Tehran actualize its nuclear weapons potential would be more threatening to the U.S. and to the world than the consequences of whatever it takes — even land invasion on the scale of Iraq — to prevent that from happening. The article's author was Reuel Marc Gerecht, a former CIA Middle East specialist and resident fellow at the American Enterprise Institute who has a record of being articulate, confident and — in the case of Iraq — wrong.

An issue brief that Gerecht wrote for the American Enterprise Institute in August 2002 predicted that the U.S. invasion of Iraq would likely prompt "simultaneous uprisings" by freedom-seeking Iranians. A November 2002 column dismissed concerns that war with Iraq would destabilize the Middle East. "The one truly unsettling thing a second Persian Gulf war might unleash," Gerecht wrote, "is Iraqi democracy." In February 2003, he brushed aside concerns that the Iraq war might inspire acts of terrorism by Muslims in Europe. "The coming war in Iraq," he wrote, "will probably diminish, not enhance, the odds that young Muslim males will become holy warriors…."

But at a time when a majority of Americans have turned against the Iraq war, when Bush's long advantage on national security issues is under fire and when Democrats dream of wresting control of not just the House of Representatives but the Senate too, the most extraordinary parallel to the pre-Iraq-war environment is that so many Democrats have given the administration a vote on Iran that amounts to yet another blank-check endorsement of U.S. unilateralism — even as diplomats struggle in New York to craft a multilateral approach to Iran.

Rep. Maxine Waters (D-Los Angeles) voted for the Iran Freedom Support Act. So did House Minority Whip Steny Hoyer (D-Md.). So did all but 21 members of the House and every member of the Senate, which approved the measure by unanimous voice vote.

The law they backed codifies existing U.S. sanctions against Iran — and extends those sanctions to any countries or companies deemed to have aided Iran in the development or acquisition of nuclear weapons or of "destabilizing numbers and types" of advanced conventional weapons. It states the sense of Congress that the United States shall not enter into any form of cooperation with the government of any country that so aids Iran, unless and until Iran has suspended all uranium enrichment-related and reprocessing-related nuclear activity and has "committed to verifiably refrain from such activity in the future" — even though such activities are permitted under the terms of the Nuclear Nonproliferation Treaty.

Democrats who voted for the measure were at pains to distinguish it from the Iraq Liberation Act, noting, for example, that the legislation specifically rejected military aid to opponents of Iran's current government, and that it calls for Iran's "democratic transformation," not regime change. Among those who favor both, however, this is seen as little more than a wink and a nod.

Michael Ledeen, an American Enterprise Institute scholar, has beaten the Iran war drums for years. He told the House International Relations Committee in testimony last March that he was untroubled that the new law stops short of explicitly calling

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for regime change. "People are just afraid of coming out and using the language," he said. "You cannot have freedom in Iran without bringing down the mullahs, so what are we talking about?"

In 1998, the Clinton administration went along with the Iraq Liberation Act reluctantly, fearing that the law's stark anti-Saddam Hussein line would tie its hands. Republican leaders were demanding a tough line, and Democrats, facing midterm elections in the shadow of President Clinton's pending impeachment, were eager to go along.

For all its bellicose rhetoric on Iran, the Bush administration appeared to have similar reservations about the Iran Freedom Support Act. It staved off congressional action for more than a year, contending that mandatory sanctions would short-circuit the delicate diplomacy of taking Iran to the U.N. Security Council. To critics within the administration, the law raised the specter of U.S. unilateralism at a moment when Washington needed allies more than ever.

The administration eventually gave in to congressional insistence on tough talk — not just from Republicans but from Democrats, the latter seizing the chance to draw a foreign policy red line while at the same time assailing Bush for wasting lives and dollars in Iraq.

Smart politics? Most Republicans and most Democrats appear to believe that it is — that it's a good idea to take Iran off the table, to make sure it doesn't figure as an issue in the Nov. 7 elections. It's reminiscent of the decision many of them made before the midterms in 1998 and again in 2002, when the bipartisan vote authorizing use of force against Iraq made the looming war almost a nonissue in that year's midterm elections.

Maybe this time, on Iran, someone will yet decide that it's worth taking the debate to the people.

Russia Led Arms Sales To Developing World In '05 (NYT)

By Thom Shanker

The New York Times, October 29, 2006

WASHINGTON, Oct. 28 — Russia surpassed the United States in 2005 as the leader in weapons deals with the developing world, and its new agreements included selling $700 million in surface-to-air missiles to Iran and eight new aerial refueling tankers to China, according to a new Congressional study.

Those weapons deals were part of the highly competitive global arms bazaar in the developing world that grew to $30.2 billion in 2005, up from $26.4 billion in 2004. It is a market that the United States has regularly dominated.

Russia's agreements with Iran are not the biggest part of its total sales — India and China are its principal buyers. But the sales to improve Iran's air-defense system are particularly troubling to the United States because they would complicate the task of Pentagon planners should the president order airstrikes on Iran's nuclear weapons facilities.

The Bush administration has vowed a diplomatic solution in dealing with Iran. But as United Nations diplomats argue over potential sanctions against Iran for its nuclear ambitions, Russian officials have expressed reluctance to vote for the most stringent economic sanctions, partly owing to Moscow's extensive trade relations with Tehran.

Russia's weapons sales to China also worry Pentagon planners. Although China has joined the United States in partnership to press for a resumption of six-party talks to end North Korea's nuclear weapons program after its recent test, Taiwan remains a potential flash point between Beijing and Washington.

Thus, China's ability to refuel its attack planes and bombers to enable them to fly farther from Chinese soil could require the United States Navy to operate even farther out to sea should the United States military be called to deal with a crisis in the Taiwan Strait. That would have an impact on the range and number of air missions of United States Navy aircraft launched from carriers.

Details of the specific weapons deals in the global arms trade last year are included in an annual study by the Congressional Research Service that is considered the most thorough compilation of statistics available in an unclassified form. The report was delivered to members of Congress on Friday.

Among other arms transfers described in the study was a statistic that a single, unnamed nation — but one identified separately by Pentagon and other administration officials to be North Korea — shipped about 40 ballistic missiles to other nations in the four-year period ending in 2005, the only nation to have done so. Transfers of these weapons are prohibited under international agreements to control the trade of ballistic missiles.

United Nations sanctions passed earlier this month after the North Korean nuclear test include a new and specific ban on trade or transport of ballistic missiles and missile parts to or from North Korea.

The report, entitled "Conventional Arms Transfers to Developing Nations," found that Russia's arms agreements with the developing world totaled $7 billion in 2005, an increase from its $5.4 billion in sales in 2004. That figure surpassed the United States' annual sales agreements to the developing world for the first time since the collapse of the Soviet Union.

France ranked second in arms transfer agreements to developing nations, with $6.3 billion, and the United States was third, with $6.2 billion.

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The leading buyer in the developing world in 2005 was India, with $5.4 billion in weapons purchases, followed by Saudi Arabia with $3.4 billion and China with $2.8 billion.

The total value of all arms sales deals worldwide, when counting both developing and developed nations, in 2005 was $44.2 billion.

The Russian sales in 2005 included 29 of the SA-15 Gauntlet surface-to-air missile systems for Iran; Russia also signed deals to upgrade Iran's Su-24 bombers and MIG-29 fighter aircraft, as well as its T-72 battle tanks.

"For a period of time, in the mid-1990s, the Russian government agreed not to make new advanced weapons sales to the Iran government," wrote Richard F. Grimmett, author of the study by the Congressional Research Service, a division of the Library of Congress. "That agreement has since been rescinded by Russia. As the U.S. focuses increasing attention on Iran's efforts to enhance its nuclear as well as conventional military capabilities, major arms transfers to Iran continue to be a matter of concern."

Russia also agreed in 2005 to sell China eight of the IL-78M aerial refueling tanker aircraft, according to the study.

In 2005, the United States led in total arms transfer agreements, when deals to both developed and developing nations are combined. The total was $12.8 billion, down from $13.2 billion in 2004.

The report charted no blockbuster military sales deals by the United States in 2005, and the total in many ways was reached by sales of spare parts for weapons purchased under previous contracts.

France ranked second in total sales, with $7.9 billion, up from $2.2 billion in 2004. Russia was third when sales to developing and developed nations were combined, with $7.4 billion, up from $5.6 billion in 2004.

The study uses figures in 2005 dollars, with amounts for previous years adjusted to account for inflation.

Report: U.S. Mulls Defenses For Tokyo (AP)

By Hans Greimel

AP, October 29, 2006

The U.S. is considering deploying its advanced Patriot missile defense system near Tokyo after North Korea's recent missile and nuclear tests, a newspaper reported Sunday.

Washington unofficially informed the Japanese government it is considering putting Patriot Advanced Capability 3 surface-to-air interceptor missiles around Yokota Air Base in Tokyo's western suburbs and around Yokosuka Naval Base, south of the capital, the Nihon Keizai newspaper reported without saying how it got the information.

The added defenses would cover critical U.S. military installations on the outskirts of Tokyo.

The move would be part of a previously announced U.S.-Japanese effort to deploy PAC-3 missile defense systems around the country as the two allies look for ways to counter what is seen as a growing threat from neighboring North Korea.

North Korea alarmed the region in July by test firing several missiles, including a long-range model believed capable of striking the western U.S. Earlier this month, the isolated communist country sparked global outrage by its first-ever test of a nuclear bomb.

Analysts doubt North Korea's ability to accurately deliver atomic weapons atop its missiles. But after the missile test, the U.S. and Japan announced plans to deploy the Patriots, which are designed to destroy ballistic or cruise missiles and aircraft.

U.S. military officials have already confirmed that the first batch of equipment for the PAC-3 missiles arrived in Okinawa in southern Japan, where the bulk of U.S. forces in the nation are stationed.

The Patriots would be used as a last resort if Standard Missile-3 interceptors fired from U.S. and Japanese ships fail to knock out incoming missiles, the report said.

U.S. May Deploy Patriot Missiles (LAT)

From Times Wire Reports

The Los Angeles Times, October 29, 2006

The United States is considering deploying its advanced Patriot missile defense system near Tokyo after North Korea's recent missile and nuclear tests, a Japanese newspaper reported today.

Washington unofficially informed the Japanese government that it was considering the surface-to-air interceptor missiles around two U.S. bases, Yokota Air Base in Tokyo's western suburbs and Yokosuka naval base, south of the capital, the Nihon Keizai newspaper reported.

The move would be part of an ongoing U.S.-Japanese effort to counter what is seen as North Korea's growing threat.

U.S. Jobs Shape Condoms' Role In Foreign Aid (NYT)

By Celia W. Dugger

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The New York Times, October 29, 2006

EUFAULA, Alabama — Here in this courtly, antebellum town, Alabama's condom production has survived an onslaught of Asian competition, thanks to the patronage of straitlaced congressmen from this Bible Belt state.

Behind the scenes, the politicians have ensured that companies in Alabama won federal contracts to make billions of condoms over the years for AIDS prevention and family planning programs overseas, though Asian factories could do the job at less than half the cost.

In recent years, the state's condom manufacturers fell hundreds of millions of condoms behind on orders, and the federal aid agency began buying them from Asia. The use of Asian-made condoms has contributed to layoffs that are coming next month.

But Senator Jeff Sessions, Republican of Alabama, has quietly pressed to maintain the unqualified priority for American-made condoms and is likely to prevail if the past is any guide.

"What's wrong with helping the American worker at the same time we are helping people around the world?" asked the senator's spokesman, Michael Brumas.

That question goes to the heart of an intensifying debate among wealthy nations about to what degree foreign aid is about saving jobs at home or lives abroad.

Britain, Ireland and Norway have all sought to make aid more cost effective by opening contracts in their programs to fight global poverty to international competition. The United States, meanwhile, continues to restrict bidding on billions of dollars worth of business to companies operating in America, and not just those that make condoms.

The wheat to feed the starving must be grown in United States and shipped to Africa, enriching agribusiness giants like Archer Daniels Midland and Cargill. The American consulting firms that carry out antipoverty programs abroad — dubbed beltway bandits by critics — do work that some advocates say local groups in developing countries could often manage at far less cost.

The history of the federal government's condom purchases embodies the tradeoffs that characterize foreign aid American-style. Alabama's congressmen have long preserved several hundred factory jobs here by insisting that the United States Agency for International Development buy condoms made here, though, probably in a nod to their conservative constituencies, most have typically done so discreetly.

Those who favor tying aid to domestic interests say that it not only preserves jobs and supports American companies, but helps ensure broad political support for foreign aid, which is not always popular.

On the other hand, skepticism of foreign aid is frequently rooted in the perception that the money is not well spent. Blame often falls on corrupt leaders in poor countries, but aid from rich nations with restrictions requiring it to be spent in the donor country can also reduce effectiveness.

The United States government, the world's largest donor of condoms, has bought more than nine billion condoms over the past two decades. Under President Bush's global AIDS plan, which dedicates billions of dollars to fight the epidemic, a third of the money for prevention must go to promoting abstinence. But that leaves two-thirds for other programs, so the federal government's distribution of condoms has risen, to over 400 million a year.

Over the years, Usaid could have afforded even more condoms — among the most effective methods for slowing the spread of AIDS — if it had it bought them from the lowest bidders on the world market, as have the United Nations Population Fund and many other donors.

Randall L. Tobias, who heads Usaid, declined through a spokesman to be interviewed on this topic. His predecessor, Andrew Natsios, sought to weaken the hold of what he sometimes called a cartel of domestic interest groups over foreign aid. He tried, for example, to persuade Congress to allow the purchase of some African food to feed Africa's hungry. Congress killed that proposal last year and again this year.

Hilary Benn, Britain's secretary of state for international development, said in an interview that in 2001 his country untied its aid from requirements that only British firms could bid for international antipoverty work.

"If you untie aid, it's 100 percent clear you're giving aid to reduce poverty and not to benefit your own country's commercial interests," he said.

In recent years, most of the low-end condom business has moved to Asia, including Australia-based Ansell, which used to have plants in Alabama. American makers cannot compete with Asia on price — unless they have the federal contract.

The last American factory making condoms for Usaid sits anonymously in a pine-shaded industrial park here in Eufaula. Inside a modern, low-slung building owned by Alatech Healthcare, ingenious contraptions almost as long as a football field repeatedly dip 16,000 phallic-shaped bulbs into vats of latex, with the capacity to turn out a billion condoms a year.

The equation of need is never straightforward. Africa's need to forestall its slow-motion catastrophe of AIDS deaths is vast. But there is need here, too.

Most of the 260 people employed at this factory and the company's packaging plant in Slocomb are women, some the children of sharecroppers and textile factory workers, many of them struggling to support families on $7 to $8 an hour.

The most vulnerable among them — single mothers and older women with scant education — are the most fearful of foreign competition. All feel the looming threat.

"It's cheaper, yeah," said Lisa Jackson, 42, a worker in the packaging plant. "But we Americans should have first choice. We need our jobs to stay in America. We got to feed our families. I just wish it had never come to sending manufacturing jobs overseas."

From 2003 to 2005, Alatech and one other company making condoms for Usaid fell behind on their orders, agency officials said. Last year, the other company went bankrupt. So Usaid ordered condoms from Asia, the first of which were shipped last year. With only a single American company still in line for the federal contract, agency officials are wary of ruling out Asian suppliers.

At such moments in the past, Alabama's politicians have come to the rescue of the state's condom industry. This time was no exception.

Senator Richard C. Shelby, a Republican on the Appropriations Committee, had a provision tucked into the 2004 budget bill requiring that Usaid buy only American-made condoms to the extent possible, given cost and availability. His spokeswoman, Kate Boyd, said the agency did not tell him it was worried about the relative cost of American and Asian-made condoms.

Senator Sessions wrote Usaid a letter last year saying it should purchase condoms from foreign producers only after it had bought all the condoms American companies could make, noting it was "extremely important to jobs in my state."

Usaid assured the senator in writing that it "remains committed to prioritizing domestic suppliers."

On the strength of that, Alatech bought the more modern Eufaula plant from its bankrupt rival. Without the government contract, the company's president, Larry Povlacs, said, Alatech would go out of business.

In interviews, agency officials were noncommittal about whether they would halt all purchases in Asia. Condoms made there cost around 2 cents each, opposed to about 5 cents for those made here.

"At the end of the day, it's all a political process," Bob Lester, who recently retired after 31 years as a lawyer at Usaid, said of such decisions. "The foreign aid program has very few rabbis. Why make enemies when you don't have to?"

Duff Gillespie, a retired senior Usaid official who is now a professor at the Johns Hopkins School of Public Health, said that over the years officials at Usaid raised the prospect of foreign competition to tamp down what he called "the greed factor" of Alabama condom manufacturers.

But whenever the staff pushed to buy in Asia, Alabama politicians pushed right back.

During the Reagan years, the offices of two Alabamans, Representative William Dickinson, a Republican, and Senator Howell Heflin, a Democrat, caught wind of one such move. Mike Houston, chief of staff to Senator Heflin, recalled being tipped off by Mr. Dickinson's chief of staff.

"He says, 'Well, A.I.D. is going to buy condoms from Korea,' " Mr. Houston recalled. " 'The reason is they can get three condoms for the price of one that they're paying us.' " Mr. Houston said he asked in amazement, "You mean we're making rubbers in Alabama?"

The congressmen's staffs threatened to introduce amendments to require that condoms be made in America. The agency backed off.

Further attempts to open up bidding proved fruitless. Representative Jim McDermott, a Democrat from Washington State, had seen the devastation of AIDS firsthand in the 1980s as a State Department medical officer in Africa. But he said he could not break what he called the "stranglehold" of Alabama congressmen on the condom rules.

In the mid-to-late 1990s, Representative Sonny Callahan, a Republican from Alabama, served as chairman of the Appropriations subcommittee that shaped Usaid's budget. Brian Atwood, who headed Usaid in those years, said no administrator "in his right mind" would have tried to cut Alabama out of the condom contract at a time when many Republicans were deeply hostile to foreign aid.

Then in 2001, after decades of negotiation, the United States and other wealthy donor nations reached a nonbinding agreement to open at least some foreign aid contracts to all qualified bidders. Included were those for commodities bound for the world's poorest nations.

Usaid decided the agreement did not apply to condoms since some went to more advanced developing countries. Alabama's manufacturers kept the condom business once again.

William Nicol, who heads the poverty reduction division of the Development Assistance Committee at the Organization for Economic Cooperation and Development, a group of economically advanced countries, scoffed at Usaid's interpretation. "That's rubbish," he said in a telephone interview.

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The condom companies' inability in recent years to fulfill Usaid's orders accomplished what the gentleman's agreement did not: the entry of Asian competitors.

Usaid has asked Alatech to make 201 million condoms next year, less than half of this year's order, and ordered another 100 million made in Korea and China.

Come Nov. 15, Alatech will lay off more than half its work force. Those jobs fell victim to Usaid's smaller orders for condoms, foreign competition and automation.

The reactions of these workers ranged from philosophical to panicked.

One, Garry Appling, a 41-year-old single mother, has worked before as a $6-an-hour cashier at Krystal, the fast food restaurant, and another at $7.15 an hour in a chicken processing plant. She said her 10-year-old daughter, Anterria, worries that she will have to go back to the chicken plant, a place so cold and wet Ms. Appling often fell ill.

But even facing her own impending job loss, Ms. Appling took a moment to empathize with the women making condoms on the other side of the world.

"We need a job — I guess they do, too," she said, during a brief pause from feeding condoms into an intricate, rotating, whooshing machine that tested them for holes. "It's sad.

"At the same time, the United States can't just keep helping overseas. They've got to help us, too."

Fueling U.S. Adversaries (WT)

By David R. Sands, The Washington Times

The Washington Times, October 29, 2006

Special Report

These are flush times for some of America's most determined adversaries.

Exploiting tight global energy markets and soaring gas prices in recent years, leading energy producers around the globe are using their export windfalls to challenge U.S. interests, intimidate U.S. allies and, in some cases, bankroll terrorist and insurgent groups fighting U.S. forces.

Major producers such as Venezuela, Russia and Iran have teamed up with emerging energy consumers -- notably China -- in an "axis of oil" to frustrate U.S. foreign-policy objectives, according to Flynt Leverett, a former top Middle East adviser in the Bush administration, and Pierre Noel, a research fellow with the French Institute of International Relations.

"The political consequences of recent changes in global energy markets are posing the most profound challenge to American hegemony since the end of the Cold War," the two concluded in a recent survey in the journal National Interest.

Even Secretary of State Condoleezza Rice, a veteran of both Bush administrations and a longtime foreign-policy scholar, conceded earlier this year she underestimated the ways the "energy question" distorted international relations.

"I can tell you that nothing has really taken me aback more as secretary of state than the way the politics of energy is -- I will use the word 'warping' -- diplomacy around the world," she told the Senate Foreign Relations Committee in April.

"It has given extraordinary power to some states that are using that power in not very good ways for the international system, states that would have otherwise have very little power," she said.

Andrei Illarianov, top economic adviser to Russian President Vladimir Putin before resigning last year in protest at the government's anti-democratic policies, said reform at home and cooperation with the West both declined sharply as the Kremlin seized control of the country's biggest energy companies.

"The correlation was very direct," said Mr. Illarianov, now a research fellow at the Cato Institute, a Washington-based libertarian think tank.

While oil prices have retreated from the mid-July record of $78 a barrel, the current $57-a-barrel price remains far above the levels of just a few years ago.

The result: hundreds of billions of dollars swelling the coffers of regimes hostile to the United States.

Mr. Noel, in a talk last week, said the idea of a direct link between terrorism and oil is "simplistic," saying it was not likely that a different U.S. energy policy and drastic reductions in American energy imports from the Middle East would make a dent in terrorist-financing networks.

Iran aside, he added, none of the countries that have most recently obtained nuclear weapons, from India and Israel to North Korea, relied on oil money to fund their research programs.

Still, some of the main problem countries on the U.S. diplomatic horizon all have one thing in common: deep energy pockets.

· Iran's Islamist regime, sitting on the world's third-largest known oil reserves and second-largest natural-gas reserves, so far has dismissed U.S.-led efforts to sanction and isolate its economy over its suspected nuclear-weapons programs.

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Even before this year's surge in prices, Iran was earning $30 billion more annually from its oil exports alone compared with a decade ago, according to the D.C.-based Institute for International Economics.

The windfall has not only allowed hard-line President Mahmoud Ahmadinejad to boost social spending at home, but to finance groups considered terrorist by the State Department, such as Hezbollah in southern Lebanon and Hamas and Islamic Jihad in the Palestinian territories.

GlobalSecurity.org, which tracks international terrorist groups, said Hezbollah was founded by Iranian agents in the early 1980s and the group "receives substantial amounts of financial, training, weapons, explosives, political, diplomatic and organizational aid" from both Iran and Syria, putting Tehran's annual assistance at between $25 million and $50 million.

Iran is also widely thought to be the source of the wads of cash Hezbollah leaders were distributing to followers in the aftermath of this summer's 34-day war with Israel.

· Analysts also see oil as the lubricant enabling Venezuelan President Hugo Chavez to conduct an outspokenly anti-American foreign policy as head of the world's fifth-largest oil exporter.

Planning Minister Jorge Giordani said last week that oil revenues for the state-owned energy company have soared from $9.84 billion in 2003 to $33.5 billion so far in 2006, with transfer payments from the oil sector to the government up 65 percent in the past two years.

The flamboyant Mr. Chavez has used the petrodollars to finance a foreign policy sharply at odds with Washington -- even though the United States is Venezuela's single biggest oil-export market.

He has openly promoted leftist political allies in Bolivia and other Latin American countries, subsidized the ailing economy of Cuban dictator Fidel Castro and recently conducted an expensive global lobbying campaign in a failed bid to win a seat on the U.N. Security Council.

The State Department's annual global terrorism survey concluded it was "unclear" whether any of Venezuela's oil wealth had made its way to leftist guerrilla groups fighting the U.S.-backed government in neighboring Colombia. But the report found Caracas' cooperation in the global war on terror "negligible."

Mr. Chavez "persisted in public criticism of U.S. counterterrorism efforts, publicly championed Iraqi terrorists, deepened Venezuelan collaboration with state sponsors of terrorism such as Cuba and Iran, and was unwilling to deny safe haven to members of Colombian terrorist groups," the State Department report found.

· Sudan began exporting oil only seven years ago, but energy riches have left it largely indifferent to outside critics of its brutal campaign against rebel groups in the country's western region of Darfur, a campaign the U.S. government has formally labeled a "genocide."

Despite a decade of U.S. sanctions and pressure on investment by international energy companies, Sudan's economy grew by 8 percent in 2005 and is expected to expand by 12 percent this year -- almost entirely because of oil exports. Sudan is now sub-Saharan Africa's third-largest oil producer, trailing only Nigeria and Angola.

Khartoum has had no difficulty financing its army and Arab militias known as the "Janjaweed" in the Darfur conflict. Former Finance Minister Abda Yahia el-Mahdi recently told the New York Times that 70 percent of the government's oil revenues are devoted to defense and to arms manufacture.

Mr. Leverett and Mr. Noel say the Iran and Sudan cases illustrate another way the "axis of oil" distorts global politics and frustrates U.S. foreign-policy goals.

Major energy importers such as China, they say, shield hostile governments from U.S. pressure.

With a veto as a permanent member of the U.N. Security Council, China has acted as a brake on U.S. plans for tough action against Iran and Sudan. China's state energy companies are busy locking up supplier deals and joint oil-field development projects.

"China's search for oil is making it a new competitor to the United States for influence, especially in the Middle East, Central Asia and Africa," the analysts say.

A report from a Council on Foreign Relations task force on U.S. energy policy chaired by former Energy Secretary James R. Schlesinger and former CIA chief John M. Deutch concluded earlier this month that competition among major importers will only increase, harming U.S. influence.

"Large oil consumers have tended to become especially focused on securing supply and ignore the effects of their investments on corruption and mismanagement," the task force found. "In Sudan, for example, despite civil war and widespread human rights abuses, the Chinese government and its oil enterprises are funding extensive oil supply and infrastructure projects."

Energy clout is even playing a growing role in the sectarian tensions dividing Iraq and the Middle East. Plans for greater autonomy for Iraq's warring regions have foundered over the basic fact that most of the country's oil wealth is found in provinces dominated by Iraq's Kurds and Shi'ite Muslim Arabs -- leaving Sunni Arabs out in the cold.

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Mamoun Fandy, an influential Arab newspaper columnist and a professor of Middle East Studies at the National Defense University, said the region's leading Sunni governments fear a loss of major oil-producing assets with the rise of Shi'ite political movements linked to Iran.

Even in strictly Sunni Saudi Arabia, many of the country's most productive fields are found in the eastern part of the country inhabited by the country's small Shi'ite minority.

"It sometimes seems that every place you find an oil well, there is a Shi'ite standing by it," he said.

Accentuating the trend of mixing oil and politics is the increasing clout of state-owned national oil companies, or NOCs, most under close supervision of their parent governments, in global energy markets.

NOCs hold nearly three-quarters of the world's proven oil reserves.

The largest private firm on the list of oil-reserve giants -- ExxonMobil -- now ranks only 12th in the world in known reserves, far behind the state-owned oil companies of Saudi Arabia, Russia, Mexico, Venezuela, Iraq and Iran.

The transforming power of oil and natural gas can be seen clearly in the evolving foreign policy of Russia.

In the 1990s, when global oil prices plummeted, the near-bankrupt government of then-President Boris Yeltsin posed few challenges to U.S. and Western European foreign-policy goals, including the expansion of NATO to Russia's doorstep and the bombing campaign against Serbia, Moscow's ally, in the 1999 Kosovo war.

After 2000, the Kremlin under President Vladimir Putin first moved to bring Russian energy firms such as Yukos under its direct control, and used the money and market clout to revitalize Russian foreign policy.

In talks with the European Union and the countries on its border that are dependent on Russian oil and natural gas, Moscow has not been shy about advertising its new clout.

"It is the ultimate weapon they can use against us," said Nikoloz Rurua, deputy chairman of the committee on defense and security in Georgia's parliament.

Add Mr. Leverett and Mr. Noel: "Moscow is using its market power to push back against the United States in arenas where it perceives U.S. infringement on its interests."

Just last week, Russian newspapers reported that Ukraine -- target of a brief cutoff by Moscow last winter -- was being asked to make political concessions in return for a new natural-gas supply deal with Russia.

The concessions included slowing Ukraine's drive to join NATO and linking Ukraine's bid to join the World Trade Organization to Russia's own stalled application.

"I would say quite openly that we need to synchronize the negotiation process of our countries on WTO," Russian Prime Minister Mikhail Fradkov said after a meeting Wednesday to conclude the deal with his Ukrainian counterpart, Viktor Yanukovych.

But Ukrainian opposition leader Yulia Tymoshenko denounced the natural-gas deal as "treason" and warned Ukraine was losing its independence from Russia.

Chirac's Last Act: Lion In Winter, Wolves All Around (NYT)

By Elaine Sciolino

The New York Times, October 29, 2006

PARIS, Oct. 28 — From afar, Jacques Chirac is the embodiment of France. Charming, debonair, skilled in the national art of social discourse, France's president since 1995 seems to be gliding toward retirement and a respectable place in history.

But here at home, he has been under unrelenting — indeed unprecedented — attack, so much so that the newspaper Libération has named "Chiracophobia" as "the new national sport."

The assaults have crescendoed since Mr. Chirac suffered what has been called a mild cerebral attack a year ago, focusing on his age, his leadership and his legacy. The newspaper Le Monde described him as "the absent one" and even suggested that he consider resigning.

A TNS Sofres poll this month gave him an approval rating of 24 percent, up from 16 percent last July, but still making him the most unpopular French president since the firm began presidential polling in 1978.

The disillusionment with Mr. Chirac is not only personal but also a reflection of the dread among the French public that their nation has lost its glory abroad and its way at home. That feeling is especially acute on the anniversary this week of the brutal unrest that gripped several suburbs a year ago.

Widespread criticism that little has changed to improve the plight of the country's underclass underscores a larger point: that Mr. Chirac's 1995 campaign promises to "mend the social fracture" in France and reduce unemployment, among other things, have been unfulfilled.

The most recent bludgeoning came on two evenings this week, in a four-hour documentary of his political career that aired on France 2 television — the first time an assessment of a sitting president has been shown on public television in prime time.

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France's political elite — many of them onetime friends and colleagues of Mr. Chirac — lined up to tell stories about his thirst for power, his betrayals, his opportunism and his policy U-turns that have earned him the nickname "the Weathervane."

"A sort of political Don Juan, more preoccupied with the conquest or the preservation of power than by its execution," said Philippe Séguin, a minister in the 1980s.

A "chevalier of opportunism" who put into place a system of "corruption" in the years he was mayor of Paris, said Raymond Barre, the former prime minister who was part of Mr. Chirac's own camp.

Olivier Stirn, a former minister who worked under Mr. Chirac in the 1970s, described him even more brutally. "Chirac," he said, "is a killer."

Certainly, Patrick Rotman, the historian who made the television documentary, whose two parts were titled "The Young Wolf" and "The Old Lion," had a lot of material to work with.

Mr. Chirac, who turns 74 next month, has held no jobs outside of government. He joined the civil service in the 1950s, was elected to Parliament in 1967 and became a junior minister for the first time later that year. He was prime minister in the 1970s and again in the 1980s.

He is the only sitting politician who has served every Fifth Republic president since Charles de Gaulle. Many French people have never known politics without him.

"Chirac was a wild cat who eliminated everyone in his way to the Élysée," Mr. Rotman said. "Now he is rather alone and isolated. It's the tragedy of powerful men who were kings, who gave their lives to win power and at the end of their reign are abandoned."

Mr. Rotman's documentary is perhaps the most authoritative but only one of many attempts to write Mr. Chirac's political history — and obituary — in the past year. As the end of his political career draws near, the fear of him has receded, and the time to settle scores has come.

In his third volume of memoirs published this month, for example, former President Valéry Giscard d'Estaing accuses Mr. Chirac, a fellow politician of the center-right, of a double betrayal in the 1981 presidential election, which brought François Mitterrand, the Socialist leader, to power. Instead of supporting Mr. Giscard d'Estaing against Mr. Mitterrand, Mr. Chirac ran as well. Even worse, Mr. Giscard d'Estaing recounts a deathbed conversation in which Mr. Mitterrand credits his victory in the second round to secret support from Mr. Chirac.

"What motivates him is a fanatical desire to reach the presidency of the Republic," Mr. Giscard d'Estaing wrote in the book, already a best seller. "This obsession wipes out everything else — convictions as well as respect for the rules."

In "The Irresponsible," another best seller, Hervé Gattegno, a journalist for Le Monde, accuses Mr. Chirac of transforming France into an autocracy, using his presidency with "political and judicial irresponsibility, as a debtor without scruples uses his insolvency."

Earlier, "The Tragedy of the President," an unforgiving portrait by veteran journalist Franz-Olivier Giesbert, drew on private conversations with Mr. Chirac and pictured him as personifying the decline of France. The book was a runaway best seller.

"By cowardice as much as blindness, he persists in pursuing policies that have been leading the country to ruin for more than 20 years," Mr. Giesbert wrote.

As Mr. Giesbert explained to an interviewer after the book was published, "We are in the world of Shakespeare now, and the king is alone because he killed off any rivals and many friends."

But Mr. Chirac is not a politician who can go quietly into the night. The aura of the presidency is too powerful, the adulation of the crowd intoxicating. The French have already looked beyond him, but he is unready to say adieu.

Mr. Chirac has refused to announce that he will not run for a third term next spring, saying that he will announce his decision next March.

Last weekend, Prime Minister Dominique de Villepin perpetuated the notion that there might be a third term for Mr. Chirac, praising his experience and calling the question of his running again "legitimate."

The conventional wisdom is that Mr. Chirac plans to retire but refuses to become a lame duck, even though others seem to have made him one already. An IFOP poll last week said that only 2 percent of the French people want him to run again as the ruling, right-wing UMP party candidate in next spring's presidential election.

So for the moment, he is busily doing what he does best — schmoozing, breaking bread with farmers and carrying the French tricolor around the world.

This week, this perpetual campaigner is in China. There is of course business to do — billions of dollars of contracts were signed as France joined the rush to profit from China's boom.

It was a good week to be away given the anniversary of the civil unrest and the episodic acts of violence in recent days.

Mr. Chirac seemed happy in China, playing the role of the "lapin Duracell" or Energizer bunny — the unstoppable politician plunging into a sea of Chinese and being honored with a full military parade at Tiananmen Square.

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This welcome seemed appropriate since Mr. Chirac's main achievements, many here believe, have been on the world stage. According to a Paris-Match poll earlier this month, 78 percent of those polled approved of his handling of foreign affairs.

Part of that popularity stems from his opposition to the American-led war in Iraq in 2003. That may turn out to have been his best political move.

Indeed, in a 48-page special report on the "enigma" of Mr. Chirac in the journal L'Histoire this month, Jean-Luc Parodi, one of France's leading research directors, suggested that there will be only one moment in which Mr. Chirac was "totally in balance with French society: when he refused to engage France in the Iraq adventure."

Youths Set Fire To Bus In Marseille, Seriously Burning Woman (AP)

AP, October 28, 2006

MARSEILLE, France (AP) — A group of marauding teenagers set fire to a bus Saturday in the southern French port city of Marseille, seriously wounding a passenger and leaving three others suffering from smoke inhalation, police said.

French police have braced for a surge of violence this weekend, a year after three weeks of riots swept through France's poor neighborhoods, where many immigrants and their French-born children live. Scattered violence was reported Friday, the one-year anniversary of the 2005 riots, and another attack was reported Saturday in Marseille.

Three or four young people burst onto a bus in the southern French city and tossed inside a bottle of flammable liquid before fleeing, police said, citing witnesses' accounts. A fire stared, seriously injuring a 26-year-old woman who suffered second- and third-degree burns on her arms, legs and face.

Three others were brought to a hospital to be treated for smoke inhalation, police said. The bus was destroyed.

In scattered violence from Friday night to Saturday morning, six police officers suffered minor injuries and 47 people were arrested, the Interior Minister said. Bands of youths torched two public buses, and in troubled neighborhoods around the country, youths set fire to a total of 277 vehicles, police said.

On an average night in France, up to 100 cars are torched. In a statement, the Interior Ministry described the anniversary night as "relatively calm."

Tne unrest could have been much worse.

At the height of last year's rioting, about 1,400 cars were burned nationwide in a single night. The rioting was fueled by anger at France's failure to offer equal chances to many minorities — especially Arabs and blacks — and France's 5 million-strong Muslim population.

The rioting was sparked by the deaths of two teens who were electrocuted in a power substation in Clichy-sous-Bois on Oct. 27, 2005, where they were hiding after what they thought was a police chase.

Ahead of the weekend, the national police said about 4,000 people extra police and riot officers were deployed across the country to cope with a possible resurgence of violence. Some 7,000 police are at the ready on an average night in France, officials have said.

Reforms Roiling Eastern Europe (WT/AP)

By Vanessa Gera, Associated Press

The Washington Times, October 29, 2006

WARSAW -- Anti-government rallies rock Budapest, the Hungarian capital. Political intrigue in Poland holds up new roads and housing. Populists take power in Slovakia, vowing to undo economic reforms. And the Czech Republic goes without a functioning government for months.

Political life has fallen into disarray in Eastern Europe, and many are asking what has gone wrong in the 2½ years since these former communist countries joined the European Union, expecting to reap the fruits of democracy and open markets.

Many specialists on the region say people are simply exhausted after years of economic sacrifices made to join the EU and NATO. They now lack the clear goals that drove them toward the West after the fall of communism in 1989.

And their discontent is mounting as the instant riches many thought would come from EU membership have failed to materialize.

"The common phenomenon in all these countries is transition fatigue," said Gergely Hudecz, a political analyst with the DZ Bank in Budapest. "The electorate has had enough of reforms."

Gone is the strong external pressure that pushed governments in Warsaw, Budapest, Prague and Bratislava, Slovakia, to shutter unproductive factories and sell off state companies, in the face of opposition from newly unemployed workers hurt by rising costs.

All four countries have replaced the leaders who took them into the bloc, and some have opted for parties pledging to restore the welfare benefits that were slashed to qualify for membership.

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The greatest disruption has been in Hungary, where Socialist Prime Minister Ferenc Gyurcsany outraged the country by saying in a recording leaked last month that the government had "lied morning, evening and night" about the economy. That sparked weeks of daily anti-government protests, including two nights of riots.

To the north in Poland, twin brothers with prickly nationalist views -- President Lech Kaczynski and Prime Minister Jaroslaw Kaczynski -- lead a country bogged down in frequent Cabinet reshuffles and convoluted political maneuverings.

The bickering has slowed down construction to ease a housing shortage and modernization of the dilapidated road system.

In the latest twist, the prime minister brought back into his Cabinet Andrzej Lepper, a fiery populist known for organizing anti-EU protests, less than a month after booting him out for demanding more spending.

In Prague, politics have been stalemated since a June election delivered a lower house of parliament divided evenly between left and right.

And in neighboring Slovakia, Prime Minister Robert Fico took power this summer on pledges to undo many of the economic reforms that have made his nation the darling of foreign investors.

His left-wing party generated anxiety when it built a coalition with an ultranationalist party.

After admission to the EU, "what we see now is a rise of populists and nationalism. Frustrations, sentiments and emotions, which were suppressed during the process of admission, are now coming to the surface," said Jiri Pehe, a political analyst and director of New York University in Prague.

But Mr. Pehe also stressed that the "democratic framework is very strong, and it's supported by the outside," thanks to the region's integration with the West.

Mikulas Dzurinda, the former prime minister of Slovakia, oversaw major pro-market reforms, including a flat tax that created strong economic growth. He acknowledges that voters are disillusioned to find themselves still lagging so far behind the West.

"People thought there was something like a Marshall Plan for the eastern part of Europe that would automatically allow us to reach the richest countries in the union," Mr. Dzurinda said. "Now I notice something like frustration."

Abbas Eyes PLO Troops In Jordan (WT/AP)

By Amy Teibel, Associated Press

The Washington Times, October 29, 2006

JERUSALEM -- Palestinian Authority President Mahmoud Abbas hopes to beef up his loyalist forces with Palestine Liberation Organization troops from Jordan, Palestinian officials said, as rival Palestinian factions bolstered their ranks in anticipation of a feared civil war.

Israel has objected in the past to letting members of the Jordan-based Badr Brigade enter Palestinian areas.

But with clashes intensifying between Mr. Abbas' Fatah Party and forces loyal to the militantly anti-Israel Hamas government, Israeli officials said they would consider allowing them in, according to the Palestinian officials, who spoke on the condition of anonymity because no decision had been made.

Israeli authorities were not immediately available for comment yesterday.

Palestinian officials did not say how many Badr forces Mr. Abbas hopes to mobilize. What is most important to him is that he would command their loyalty as head of the PLO, the officials said.

Mr. Abbas, elected separately last year, is nominally the supreme commander of all seven Palestinian security branches, and most security personnel were hired by Fatah, which controlled the Palestinian Authority for more than a decade.

But after Hamas swept Fatah from office in January elections, it set up its own militia, which now numbers 5,700 armed men, and announced plans to recruit an additional 1,500 in the West Bank, Fatah's stronghold.

The rival security forces have clashed frequently in the Gaza Strip in recent weeks as political tensions between the two sides grow. The violence has left more than a dozen dead and stoked fears of a bloody showdown.

The European Union, U.S. and other donors cut off hundreds of millions of dollars in aid to the Palestinian Authority after Hamas took power in March. Despite growing hardship in the Palestinian areas, Hamas has rejected international calls to renounce violence and recognize Israel's right to exist.

Mr. Abbas plans to dissolve the Hamas-led government within two weeks if the Islamic militant group does not agree to a coalition with Fatah, Palestinian officials said Friday.

Meanwhile, Palestinian factions that kidnapped an Israeli soldier four months ago offered conflicting assessments yesterday on whether a prisoner swap was imminent.

Abu Mujahed, a spokesman for the Popular Resistance Committees, said his faction has agreed to an Egyptian proposal to release Cpl. Gilad Shalit in return for hundreds of Palestinian prisoners.

But a spokesman for the military wing of the Palestinians' ruling Hamas party said prospects for an imminent deal have faded.

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Israeli officials have said they were unaware of any progress to win Cpl. Shalit's release.

Cpl. Shalit was captured on June 25 in a cross-border raid and is thought to be held in Gaza.

Police Ordered To Oaxaca After 3 Killings In Strike (WP)

By Manuel Roig-Franzia

The Washington Post, October 29, 2006

MEXICO CITY, Oct. 28 -- President Vicente Fox on Saturday ordered federal police to seize control of strike-ravaged Oaxaca de Juarez, a popular tourist destination where a U.S. journalist was among three people killed Friday.

Despite pressure from Oaxaca's tourist industry, Fox had been reluctant to intervene in a five-month conflict that has pitted the governor of the state of Oaxaca against a coalition of citizen groups and striking teachers demanding his ouster. But the shooting death of Brad Will, 36, a volunteer correspondent for the Web site Indymedia.org, and two Mexican protesters prompted the president to respond with force for the first time.

Several Mexican newspapers published front-page photographs of the mortally wounded Will lying in the street with blood trailing from a gunshot wound in his stomach. Photographs also showed rifle-wielding men in civilian clothes roaming the streets. Indymedia, citing a witness account, said Will was pulled to safety after being shot but died before reaching the hospital.

Strikers blamed the killings on plainclothes paramilitary members affiliated with Gov. Ulises Ruiz's Institutional Revolutionary Party, or PRI. The governor's office accused members of the Popular Assembly of the People of Oaxaca, or APPO, an umbrella group that includes union members and indigenous groups that have joined the teachers' protest.

Fox did not say how many federal police he planned to send to Oaxaca. Officers began arriving there by plane Saturday. In a statement, he said the mobilization was a response to events that threaten "the order and peace of citizens in the region."

Strike leaders reinforced barricades and vowed not to budge.

"These forces coming here are only going to make things worse," Florentino LÃ³pez MartÃ-nez, an APPO organizer, said in a telephone interview from downtown Oaxaca. "This is not a solution to the problem."

Mexican presidents are often reluctant to use force because federal officers have been accused in the past of inciting violence, most notably during student protests before the 1968 Olympics in Mexico City. Nonetheless, Fox ordered federal police to take over the city of Nuevo Laredo last year to quell an outburst of drug violence.

In Oaxaca de Juarez, the teachers' protest is an annual rite that began 26 years ago. The protests are usually peaceful and generally last a week or two, but this year the teachers became infuriated when Ruiz sent hundreds of police to forcefully remove demonstrators from the city's idyllic squares. APPO soon took on a greater role in the demonstrations, pushing an agenda of economic, social and political reform in Mexico's second-poorest state.

The demonstrations have left the region a shambles and scared away the tourists who are the foundation of the city's economy. Death estimates during the strike range from nine to 14, and APPO leaders say that more than a dozen of their members have disappeared. Countless downtown businesses have closed, buses have been set on fire, demonstrators have barricaded themselves in government buildings and protest blockades have cut off main thoroughfares. At times in the past five months, residents have been warned not to leave their homes. Shots have been fired at a university radio station, and more than a million students have been unable to attend classes.

"The city is practically kidnapped by all this," Luz Divina Sarate, a Ruiz spokeswoman, said in a telephone interview. "The people are tired of this."

Friday's shootings at several flash points in and around Oaxaca de Juarez took place despite signs of progress in negotiations with the striking teachers. Last week, teachers tentatively ratified an agreement that would allow them to return to classes at some unspecified date and receive 30 percent raises spread over six years.

But their unmet central demand -- the resignation of Ruiz -- threatened to undermine the fragile pact. Even as Friday's deaths reignited passions Saturday, federal negotiators continued to meet with teachers union leaders in Mexico City.

The spike in violence also seemed to suggest that there will be a long wait before Oaxaca's stunning colonial streets are once again crawling with camera-toting tourists. After the shootings, the U.S. ambassador in Mexico, Tony Garza, warned Americans to stay away.

3 Killed In Mexican Protest; Police Move In (NYT)

By Marc Lacey

The New York Times, October 29, 2006

OAXACA, Mexico, Oct. 28 — Hundreds of federal riot police officers and soldiers took up positions outside this besieged tourist city in southern Mexico on Saturday, poised to end an increasingly violent protest that has shut the downtown for five months and left about a dozen people dead.

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Tension hung heavily in the air as night fell. Protesters appeared to be digging in at the barricades that they had constructed around town from sand bags, old tires, barbed wire and burned-out vehicles.

The federal government issued a statement ordering the protesters to "immediately hand over streets, plazas, public buildings and private property" so that officials could "guarantee public order and adherence to the law, as well as preserve respect for the population's individual guarantees."

But the protesters' response was blunt.

"We're going to resist the attack," declared Florentino López, spokesman for the Oaxaca People's Popular Assembly, or A.P.P.O., a loose coalition of interests that has laid siege to the city's central square, or Zócalo, taken over radio stations and defaced much of the town with protest messages.

President Vincente Fox, in his final month in office, on Saturday ordered the federal troops in after three people, including a New York photographer, were killed in Oaxaca the evening before. The photographer, Bradley Roland Will, 36, who was shot twice in the abdomen, was a well-known activist on the Lower East Side who lived at times as a squatter in city-owned buildings.

The crisis in Oaxaca began in May when schoolteachers went on strike, an annual exercise that had usually led to a pay raise. But when Ulises Ruiz, the governor of Oaxaca State, ordered the protests broken up, leftists came to the teachers' aid.

Soon, Oaxaca's picturesque downtown was in the hands of the demonstrators, all with their own grievances against a local government they accuse of heavy-handed tactics.

"The roots of a revolution are gestating in Oaxaca," says Zenén Bravo Castellanos, a teacher who heads the Revolutionary Popular Front, one group leading the protests. "The people of Oaxaca are tired of so many corrupt governments."

After five months of standoff, with occasional bursts of violence, Mr. Fox's patience apparently ended with the latest deaths. It was unclear, however, whether the federal troops intended to take over Oaxaca by force or to merely put pressure on the protesters to continue the monthslong negotiations to end the impasse.

The teachers have reached a deal to return to classes, although some glitches remain. The other protesters, however, have vowed to continue to control the town until Governor Ruiz resigns.

Mr. Will, active in left-leaning political causes, was filming the standoff for an organization called Independent Media Center, or Indymedia. He was among the plaintiffs who had won a $120,000 settlement from New York City after officials demolished an East Fifth Street building despite a judge's order that it remain standing until people squatting there could retrieve their belongings.

Mr. Will worked as a freelance photographer and reporter for the New York City chapter of the Indypendent, a radical collective that published a weekly newspaper and maintained a Web site dedicated to subjects like immigration, the Iraq war and the struggles of the developing world. In recent years he traveled widely in Latin America.

In Manhattan on Saturday night, about 100 people gathered outside the Mexican Consulate for a somber remembrance of Mr. Will. People lighted candles and incense and held a large banner that read, "Bring Brad Will's Assassin to Justice."

Witnesses in Oaxaca said a plainclothes police officer was responsible for his death. Protest leaders said such violence by the authorities would only inflame the already volatile situation.

The Oaxaca attorney general, Lizbeth Cana, labeled the protesters urban guerrillas and said it was understandable that local people were lashing out at them violently. "The people are fed up with permanent violence, threats and kidnappings," she said, according to The Associated Press. But the mayor of a nearby town said the five men being detained for possible involvement in Mr. Will's killing were not disgruntled ordinary local citizens but police officers and local officials.

"Oaxaca is a question mark," Flavio Sosa, a leader of A.P.P.O., said before the federal forces arrived. "No one knows what's going to happen."

Mexican President Sends Police To Oaxaca (AP)

By Rebeca Romero

AP, October 29, 2006

Shop owners shuttered their businesses and demonstrators built up street barricades Saturday after President Vicente Fox ordered federal police to intervene in this picturesque city torn by more than five months of protests and violence.

Fox, who leaves office Dec. 1, had refused repeated requests to use force in Oaxaca even as the southern city slid into chaos. But gunbattles Friday that killed a U.S. journalist and at least two Mexicans apparently exhausted his patience.

Fox's Interior Department issued an ominous statement late Saturday demanding protest leaders "immediately hand over streets, plazas, public buildings and private property" so that federal authorities can "guarantee public order and adherence to the law, as well as preserve respect for the population's individual guarantees."

Mexican Deputy Interior Secretary Arturo Chavez said late Saturday that the police operation would not begin Saturday night or early Sunday.

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It was unclear how many officers of the Federal Preventative Police were converging on this long popular tourist destination, though police in gray uniforms and carrying riot shields poured off of transport planes at Oaxaca's airport, which was closed to commercial traffic.

Teacher's union leader Daniel Rosas said protesters believed 4,000 federal police had arrived.

In unrest that began with a teacher strike for higher pay, leftists have blocked streets for months demanding the ouster of Oaxaca state Gov. Ulises Ruiz. They claim the state government has sent gunmen and thugs to provoke them.

After Fox announced he was ordering in federal police, protesters fortified their positions by piling up sandbags and parking large trucks and buses across roads leading into the center of Oaxaca.

Some demonstrators rolled enormous tree trunks across the main highway leading into Oaxaca from Mexico City, waving Mexican flags and chanting "Get out Ulises!"

With neat piles of rocks behind them ready for confrontation should police try to storm town, the demonstrators left just one lane open and were only allowing taxis and other local through. Nearby a sign trumpeted tourist attractions and proclaimed "Welcome to Oaxaca!"

"I think there's going to be violence," said Eutelma Cruz, a 54-year-old housewife and protester. "I hope (federal forces) intervene and find a peaceful solution."

Men also were seen removing broadcast equipment from one of the local radio stations seized by protesters months ago. A second station held by leftists remained on the air, urging Oaxaca's residents to prevent federal police from entering the city.

"We're not afraid. We were born to die," said Iris Hernandez, 29, who was guarding a roadblock.

Few people ventured from their homes. Across the heart of the city, nearly all shops and restaurants closed early. Street vendors packed up their wares and disappeared.

"We're afraid there is going to be more shooting," said Juan Lopez said as he pulled metal shutters down over the glass storefront of a sporting goods shop a half block from Oaxaca's leafy central plaza surrounded by arcaded colonial-era buildings.

Friday's deadly violence began when gunmen tried to remove a street blockade in a rough neighborhood. Journalist Bradley Roland Will, 36, of New York, was hit in the abdomen and died later at a Red Cross hospital.

Oaxaca resident Esteban Zurrita was shot dead and the bullet-ridden body of another man, Emilio Alonso Fabian, was discovered about two miles away. A photographer for the Mexican newspaper Milenio was slightly injured.

Will worked for Indymedia.org, an independent Web-based media organization and sold video on a freelance basis, said friends and Indymedia colleague Hinrich Schuleze. He had been documenting the upheaval in Internet dispatches that showed strong sympathy for the protesters.

"What can you say about this movement, this revolutionary moment," he wrote in a dispatch dated Oct. 16. "You know it is building, growing, shaping, you can feel it, trying desperately for a direct democracy."

Oaxaca Attorney General Lizbeth Cana, who has likened the protesters to urban guerrillas, said the shooting was sparked by angry townspeople defending themselves against the demonstrators.

"The people are fed up with permanent violence, threats and kidnappings," she said.

But U.S. Ambassador Tony Garza said in a statement that the shooters may have been Oaxaca police, and the Mexico City newspaper El Universal published photos Saturday identifying some of the men firing at protesters as local officials.

Mayor Manuel Martinez Feria of the nearby town of Santa Lucia del Camino said five men who appeared in the photos brandishing pistols had been turned over to state officials for possible involvement in Will's killing. He identified them as two members of Santa Lucia's city council, two of that town's police officers and a former justice of the peace from another town.

Local police officers — often out of uniform — and armed gangs have staged sporadic attacks on protesters, and at least five other people have been killed.

Several other shootings and clashes were reported in Oaxaca on Friday, and Red Cross officials said Saturday they treated 18 additional victims of violence, though none suffered gunshot wounds.

Teachers went on strike in May demanding higher pay and better working conditions. But after police attacked one of their demonstrations in June, they extended their demands to include a call for Ruiz's resignation and were joined by leftists, students and Indian groups.

The struggle escalated into a fight for control of Oaxaca's streets as demonstrators occupied the central plaza, built barricades, seized radio and television stations, drove off local police and burned buses.

The protesters contend the 2004 governor's election was rigged by Ruiz, a member of the former longtime governing Institutional Revolutionary Party, which lost its hold on Mexico's presidency when Fox was elected six years ago.

Ruiz repeatedly has asked federal authorities to send troops to restore order, but Fox's government had insisted on trying to solve the dispute through negotiations.

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Friday's clashes came a day after teachers agreed to end their strike, which has kept 1.3 million children out of classes across the southern state. The deal had been expected to take the sting out of the protests. But Rosas, the teacher's union leader, said late Saturday that Fox's decision to send federal forces could negate the agreement.

Oaxaca, famed for its colonial architecture and as a center of Indian handicrafts and cuisine, is one of the most famous inland tourist attractions in Mexico. Mountains overlooking the city hold the imposing ruins of the Zapotec city of Monte Alban.

Mexican Forces Converge On Oaxaca City (LAT)

By Sam Enriquez And Reed Johnson, Times Staff Writers

The Los Angeles Times, October 29, 2006

Fox sends soldiers and police to try to end a standoff between striking teachers and the governor's backers.

Federal riot police and soldiers toting shields and automatic weapons massed around this beleaguered colonial city Saturday in a bid to end a five-month standoff between striking teachers and supporters of state Gov. Ulises Ruiz, amid escalating violence that included the Friday shooting deaths of a U.S. journalist and two Mexican men.

But by Saturday evening, there were signs that both the protesters and federal officials might be stepping back from a confrontation that has caused at least nine deaths and paralyzed Oaxaca city, the state capital, since the strike began in May.

Hundreds of army troops and officers of the Federal Preventive Police began arriving here Saturday morning by plane and bus. They were dispatched by President Vicente Fox, who for months had resisted calls by Ruiz and Oaxacan businessmen for the federal government to intervene directly to end the occupation of Oaxaca by the striking teachers and an umbrella protest group, the Popular Assembly of the People of Oaxaca, known by its Spanish-language initials APPO.

Some APPO members had pledged to fight to the death to maintain the occupation. In recent days the group has barricaded city streets with tree trunks, sandbags and overturned buses and vans.

But APPO leader Flavio Sosa, reached late Saturday night, indicated that his group would continue to maintain its barricades but would not fight back if the federal forces attempted to dismantle them.

"We're going to maintain our barricades in the city. If the PFP wants to clear them, let them clear them," he said, referring to the federal police. "We won't resist, but tomorrow we'll march to show our disapproval for the presence" of the federal police and troops.

Sosa said the group was willing to attend negotiations.

"We'll go together with the striking teachers. We'll continue with our movement demanding Ulises Ruiz step down, and we'll state our disapproval of the PFP's presence," he said.

About the same time Saturday night, Arturo Chavez Chavez, deputy secretary of state, said at a Mexico City news conference that the federal forces had been sent only to prevent more violence and were not "contemplating any type of action" on Saturday or today.

He also said that the Oaxaca union representing the 70,000 striking teachers had agreed that they would return to their classrooms Monday.

As darkness fell, many streets were virtually deserted as businesses shuttered their storefronts and fearful residents hunkered down inside their homes.

The smell of burning wood and rubber hung in the air, and a local radio station operated by the protesters urged people to resist any takeover attempt by police and the army. About 200 to 300 protesters gathered in the Zocalo, or central square, listening to impassioned speeches exhorting them to stick together in opposing the federal forces.

'They can shoot me'

But on the city's periphery, the resistance appeared to be minimal. Only about 50 protesters were massed along the main highway that connects the central city to the airport, in contrast to the thousands who had taken part in previous actions. Some carried tree branches for self-defense. Twenty-four Coke bottles filled with gasoline stood at the ready.

"They can shoot me, they can kill me," one elderly male protester said.

At nightfall, it was still unclear how many police officers had taken up positions in and around the capital.

Protesters estimated that 2,000 to 4,000 police had arrived, but federal officials refused to confirm those numbers.

Carlos Abascal, Mexico's interior minister, said Saturday night that the federal police had been sent to maintain civic order, not to take sides or "to curtail the freedom of expression or the liberty of demonstrating of all Oaxacans."

Late Saturday afternoon, the federal government issued an ultimatum demanding that APPO leaders "immediately hand over streets, plazas, public buildings and private property" so that federal authorities could "guarantee public order and adherence to the law."

Fox's decision to send federal police came one week after the state's teachers tentatively agreed to return to work in exchange for a 30% raise over six years. On average, Oaxacan elementary school teachers earn about $600 a month.

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U.S. journalist killed

The decision also was made just hours after the death of Bradley Roland Will, 36, a New York City political activist and photojournalist with Independent Media Center, or Indymedia, an Internet-based alternative news agency, who had been in the region for four weeks documenting the conflict with photographs and video.

Will was shot in the abdomen Friday afternoon while attempting to conduct interviews at a street barricade and died en route to the hospital, according to witnesses and Indymedia's website.

Some witnesses said that Will was shot by a plainclothes undercover policeman.

Tony Garza, U.S. ambassador to Mexico, issued a statement calling Will's death "senseless" and saying that it "underscores the critical need for a return to lawfulness and order in Oaxaca."

A Oaxaca resident also was shot to death Friday, and the bullet-riddled body of a third man was discovered about two miles away, according to news reports.

Once a popular tourist destination famed for its pre-Columbian ruins and colorful Indian culture, Oaxaca has been transformed into a tense encampment of streets blocked with concrete hunks and sheet metal, public buildings slathered in graffiti and scores of shuttered businesses.

Deadly dispute

At least nine people have been killed during the dispute, which began in the spring when teachers went on strike to demand better wages and working conditions.

Teachers subsequently occupied the Zocalo, pitching tents and raising banners there and in surrounding streets. Gradually the teachers were joined by trade unionists, leftist activists, indigenous groups and others demanding the governor's resignation and conducting a campaign of mostly peaceful civil disobedience.

On June 14, Ruiz sent police officers to try to oust the protesters, prompting a melee in which police pummeled demonstrators with truncheons, according to Mexico's human rights commission. Since then protesters have seized radio stations, and both sides have taken up rocks, clubs, machetes, Molotov cocktails and firearms.

Though much of the violence reported to date has been inflicted against the protesters by cruising vigilantes, protesters contend that Ruiz and his supporters have been attempting to goad them into retaliation that would justify crushing the occupation.

Among other grievances, the protesters say that Ruiz, a member of the Institutional Revolutionary Party, or PRI, which dominated Mexican politics for seven decades, manipulated votes in the 2004 governor's election. Ruiz, who has denied those charges, has spurned calls for his resignation while beseeching Fox to use force to end the demonstrations.

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Enriquez reported from Oaxaca and Johnson from Mexico City. Times staff writer Carlos Martínez in Mexico City and special correspondent Rafael Bucio in Oaxaca contributed to this report.

Castro Appears On TV, Scoffs At Rumors Of His Death (AP)

AP, October 28, 2006

HAVANA, Cuba (AP) -- The ailing Fidel Castro appeared on Cuban state television for the first time in more than a month Saturday, looking thin and tired but walking and ridiculing recent rumors of his death.

The 80-year-old Cuban leader temporarily ceded power to his brother Raul in July following intestinal surgery for an undisclosed ailment. Fidel Castro had not been seen since mid-September, when photographs of him greeting world leaders at a summit in Havana were released.

Saturday's video showed him walking slowly but steadily in an unidentified room and reading a newspaper in a loud voice.

"They've declared me moribund prematurely," he said, holding a copy of Saturday's edition of Granma, the Communist Party daily newspaper.

"But it pleases me to send my compatriots and friends this small video."

He said his recovery would be long and not without risk.

But he added: "I'm not the least bit afraid of what will occur."

The Cuban dictator said he was "coming along just as planned" and called rumors of his death ridiculous and insulting, claiming they were the work of his enemies.

"Let's see what they say now," he said.

The Cuban government has treated Castro's ailment as a state secret.

Rumors that he might have died intensified in recent weeks. He has not made a public appearance since July 26, a few days before he underwent surgery.

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On Friday, Castro's close friend and ally Venezuelan President Hugo Chavez said the Cuban leader was up and about and taking trips at night into the countryside.

Cuba TV Shows Pictures Of Castro (BBC)

BBC.com, October 29, 2006

He was shown walking unassisted and reading Saturday's newspaper Cuban television has broadcast the first images of President Fidel Castro in more than a month, defiantly addressing rumours that he had died.

Mr Castro said his recovery would be long and not without risk, but said he was "coming along just as planned."

He called the rumours "ridiculous" and said: "Let's see what they say now."

The 80-year-old, who temporarily handed over power to his younger brother in July following intestinal surgery, had not been seen since mid-September.

In the new video footage the ailing president was pictured walking unassisted and - to underscore that it is not archive material - reading a copy of Saturday's edition of Granma, the Communist Party daily newspaper.

"Now, when our enemies have prematurely declared me moribund or dead, I'm happy to send to our compatriots and friends around the world this short film footage," he said.

Cuban officials attending a ballet festival in Havana said they were delighted to see the images of President Castro.

"This is excellent news for everyone - all Cubans, and all of Cuba's friends," Vice President Carlos Lage said.

"We are really happy to see that Fidel is better and that every day he is moving forward," Foreign Minister Felipe Perez Roque said. "He's not been lost, just working on his [recovery] plan."

State secret

Images of Mr Castro were shown in September to quell rumours Earlier this month, Time magazine quoted an unnamed US official alleging that the president had terminal cancer.

Mr Castro's younger brother, Raul, denied this, saying the president, was "getting better all the time".

Mr Castro handed temporary power to his brother in July, prompting speculation that his 47-year rule was nearly over.

Cubans were told that details of the ailment would be kept secret to prevent Cuba's enemies from taking advantage of them.

Images of a frail Mr Castro were released on his birthday, on 13 August, in an attempt to quell rumours that he had died.

More recently, video images were broadcast showing Mr Castro, in his hospital bed and wearing pyjamas, greeting visiting Venezuelan President Hugo Chavez.

Former Contra Fighters Divided Over Ortega (LAT)

By Héctor Tobar, Times Staff Writer

The Los Angeles Times, October 29, 2006

One pair of brothers stopped speaking after the younger defected.

The old guerrilla fighter has many battle scars. He'll roll up his pant leg and show you his prosthetic device if you're interested. Years ago, during the war, he lost his leg when he stepped on a mine laid by his enemies, the Sandinistas.

It's been a long time since Jose "the Jackal" Talavera has tried to kill Sandinistas. The leftists haven't ruled the country for 16 years, but the onetime Contra commander still despises them.

"They filled the country with Cubans and Bulgarians," Talavera, 46, said of the Sandinistas, who had close ties to the former Soviet bloc. "Our war against them was just and heroic."

The Talavera family lost three brothers in the 1980s to the U.S.-backed war against the leftist regime. Now, like many other Contra families, the surviving brothers are split over whether they should support the Sandinistas in next month's presidential election.

Last month, "the Jackal" turned on his TV and saw his younger brother, Salvador "the Little Jackal" Talavera, not only shaking hands with Sandinista leaders but embracing them.

Salvador Talavera is the president of the Nicaraguan Resistance Party, the conservative political group started by the demobilized Contras a decade ago. Last month, the 40-year-old signed a "peace agreement" with the Sandinistas by which the Contras promised not to go to war again should their bitterest foe, Daniel Ortega, win the Nov. 5 presidential election.

The agreement was a big boost for Ortega, and the Little Jackal is now featured in Sandinista campaign commercials.

"We Contras are becoming conscious of our rights for the first time," Salvador Talavera said, explaining his party's decision to break with its conservative allies, who've won every presidential election since 1990.

"Years of bad decisions by these right-wing governments have brought Daniel Ortega to the brink of power," he said.

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Jose Talavera said he told his younger brother that supporting the Sandinistas was immoral. The brothers haven't talked since. "Like good democrats, we have to respect the political decisions other people make," Jose Talavera said.

The split in the Contras highlights a growing frustration among the rural population that makes up the movement's rank and file, analysts say.

Thousands of peasants who were granted land in exchange for giving up their armed struggle against the Sandinistas have yet to receive formal title to those properties, despite 16 years of right-wing government. And Nicaragua's adoption of free-trade policies has hurt the nation's agricultural sector.

"There's a lot of frustration in the Contra corridor," said Oscar Rene Vargas, a political analyst here, referring to a stretch of rural Nicaragua reaching from the Honduran border southward. "Promises were made to them, and those promises were not kept." As a result, Vargas said, the Sandinista National Liberation Front was gaining ground in rural areas that have long been conservative strongholds.

Several Contra leaders who have defected to the Sandinista cause say they feel the movement's right-wing political allies have taken them for granted.

"Seven thousand of our wounded war veterans are neglected," Salvador Talavera said. "We've been working in this alliance, but what's in it for us? We left our companions buried in shallow graves to bring these people to power. And now they have forgotten about us."

The younger Talavera believes that guerrilla veterans have been used as right-wing political props in three consecutive victories over the Sandinistas in presidential elections.

"They've used us as their shock troops," he said. "When the elections come, they go and get the old Contra commanders and give us new suits."

Talavera's decision to sign the agreement with the Sandinistas on Sept. 15 was a stunning setback to the presidential aspirations of Eduardo Montealegre of the conservative Nicaraguan Liberal Alliance.

The Nicaraguan Resistance had backed Montealegre until Salvador Talavera's appearance last month with Ortega on a stage in Managua, the capital. Montealegre is the favored candidate of the U.S. Embassy here and is seen by many Nicaraguan conservatives as the best hope for preventing an Ortega victory.

"It was a low blow against Montealegre … and also very astute on the part of Salvador Talavera," said Carlos Tunnermann, a political analyst and former Nicaraguan ambassador to the United States. "And it allowed Daniel Ortega to put forward an image of reconciliation."

Salvador Talavera said many Contras also felt "a profound resentment" toward their old U.S. allies. "We kept gringo blood from being shed here, and we stopped what was then known as communism from reaching the frontiers of the United States," he said. But recently, the U.S. has "not considered even a small budget to help those heroic fighters who served them."

Jose Talavera understands his brother's frustrations, but not the decision to aid the family's old enemies.

"We have to keep the government from falling into the hands of the Sandinistas," he said. The older Talavera has just opened a new office for his group of Contra dissidents behind Montealegre's campaign headquarters.

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Nicaragua Bans Abortion (NYT)

The New York Times, October 29, 2006

The rights and safety of Nicaragua's women took a giant step backward last week when the country's legislature passed a law criminalizing all abortions, with no exceptions. The previous law permitted an abortion if the mother's life was in danger.

Latin America has the world's strictest laws on abortion. But that does not discourage it. Latin America also has the world's highest abortion rates, averaging nearly one per woman over the course of her reproductive lifetime.

Nicaragua's ban, which passed 52 to 0, was a clear bid to curry support from the Catholic Church before next weekend's presidential elections. Conservative parties were expected to vote for the legislation. But Daniel Ortega's Sandinistas also backed it. Once the party of social revolution, the Sandinistas have become the party of political opportunism.

If Nicaraguans want to see the possible consequences of their new law, they can look next door to El Salvador, where all abortions have been banned since 1998. If doctors find evidence of an abortion, they are required to report their patients to the police. Women who sought medical help after a botched abortion have been handcuffed to their hospital beds. And some women with late-term abortions have been given 30-year prison terms.

The only good news out of Nicaragua is that legislators declined to take up a proposal that would drastically increase prison sentences for women who have abortions and people who perform them.

Bolivia Agrees New Energy Deals (BBC)

DOJ_NMG_0088286

BBC.com, October 29, 2006

Some deals were signed with only minutes to go before the deadline Bolivia has agreed energy deals with 10 foreign gas and oil firms, just before a deadline for foreign firms to agree new contracts or leave the country.

Brazil's Petrobras and Spain's Repsol were among eight to reach agreement on Saturday, after two deals on Friday.

The contracts come after President Evo Morales nationalised the oil and gas industry in May to give the state more control and a larger slice of profits.

He said that now Bolivia would no longer be "a beggar state".

"We will continue in this path of recovering our natural resources," said Mr Morales, " not only the hydrocarbons but... all non-renewable natural resources that belong to the Bolivian people."

Under the terms of the president's 1 May decree, foreign companies had six months to sign contracts giving up majority control of their Bolivian operations.

The companies will also have to work in partnership with the re-founded Bolivian state energy firm, Yacimientos Petroliferos Fiscales Bolivianos (YPBF).

The BBC's Damian Kahya in La Paz says a deal with Petrobras - the largest foreign investor in the industry - came as a significant boost for Mr Morales as the Brazilians have invested more than $1bn in Bolivian gas.

However, Petrobras and the Brazilian government had been angered by the way the Bolivians conducted negotiations, accusing them of bullying, our correspondent says.

Deals with seven more firms, including the second largest investor Spain's Repsol and the UK's BG Group, were announced a few hours' before the deadline expired.

Details of the contracts signed on Friday are not yet available, but the president of YPBF, said they would bring Bolivia $120m (£63m) in annual gas revenues.

'Rocky' negotiations

The negotiation process has not been simple. Talks were dealt a blow in September when Andres Soliz Rada, a main player in the nationalisation process, resigned as energy minister.

Mr Soliz had clashed with state-owned Petrobras, the biggest investor in Bolivia's energy industry.

However, Mr Rada was replaced by Carlos Villegas, and talks proved to be more fruitful.

There were other problems including a lack of money that hampered Bolivia's YPBF, in its plans to buy control of the assets like refineries and pipelines.

YPBF also missed a 1 July deadline to restructure itself so it would be better able to handle its more dominant position in the oil and gas industry.

Boomtown In Venezuela Confronts Mining Ban (NYT)

By Simon Romero

The New York Times, October 29, 2006

LA PARAGUA, Venezuela — This dusty, remote river port in southeastern Venezuela feels a bit like a latter-day Deadwood. Dreams of striking it rich in gold or diamonds have drawn about 5,000 people to La Paragua and some 40,000 to nearby areas, from beyond this country to Brazil, Colombia and Guyana.

Shopkeepers from the Middle East cater to a clientele that communicates in a local patois of Spanish, Portuguese and Guyanese-accented English. Between forays into the bush, the miners support a cauldron of bars, prostitutes and storefronts dealing in precious metals.

But the town has become a focus of efforts by President Hugo Chávez to halt much of the mining, citing environmental concerns. In September, army soldiers sent here to enforce a mining ban killed six miners, setting off violent protests. Miners blocked access to the town, burning army vehicles, and destroyed the mayor's residence in the nearby town of Maripa.

A dark mood weighs heavily here. Residents speak with fear about army checkpoints and the presence of soldiers who threaten their livelihoods. Graffiti on the walls of dozens of buildings rail at Mr. Chávez, mourn the miners and even take shots at the government's recent military purchases from Russia.

Residents say they will stay and that the mining will go on. Longino Guerra, an immigrant from the Canary Islands who operates a warehousing and bush-pilot service in La Paragua, said, "As long as there are diamonds and gold in the ground, there will be miners here."

But the environmental toll can be high. Open-pit mines scar the fragile landscape of Bolívar State, home to the soaring sandstone mesas known as tepuis, and to Angel Falls, the world's highest waterfall. The mercury used to pry gold from riverbeds pollutes water systems, and dredging and mining operations erode riverbanks and silt up the river. That threatens the Guri hydroelectric complex, which provides Venezuela up to three-quarters of its electricity.

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"It's a complicated situation with no easy solution," said Argenis Palacio, an official with the National Statistics Institute who has been taking a census of the area. "We've encountered miners from as far away as the Czech Republic and Portugal who are drawn here by the idea that there is no oversight of their activities."

The government has promised to create jobs for miners in tourism or agriculture, and to teach them to plant crops like cassava or corn. But miners say the promises have not been fulfilled, and last year, hundreds near the town of Las Claritas blocked a highway to Brazil and threw Molotov cocktails at troops.

In early October, border tensions were added to the fury over the September killings, when Venezuelan soldiers killed a Guyanese citizen, claiming he was smuggling gasoline across the border for generators used in the area's mines. Maps in Venezuela still claim large swaths of Guyana, describing the region as a "reclamation zone."

When the national guard was responsible for the area, it was accused of human rights abuses and taking bribes. Last year, Mr. Chávez replaced it with an army-led force called TO-5, for Theater of Operations No. 5. Now, Gen. Raúl Baduel, the defense minister, said, prosecutors plan to investigate 18 military officials with the new force.

The general has described the September attack as an enforcement operation that went awry. Troops were sent to a camp detected in an area where mining was prohibited with orders to destroy machinery and tools, he told reporters.

But the soldiers shot at least seven miners with high-caliber weapons at close range, killing all but one.

The lone survivor, a Venezuelan who suffered multiple gunshot wounds, survived by pretending he was dead, his sister said. That man, Manuel Felipe Lizardi, 36, has been recovering at a hospital three hours away in Ciudad Bolívar.

"He had the angels by his side," said the sister, Berenice Lizardi, 28. "Now I'm afraid the army will come after him and us."

The justice minister, Jesse Chacón, said ballistic studies of the corpses "makes us suppose there was at least an excess use of force."

"Control over security in the area got out of the hands of the government," said Alexander Luzardo, a professor of anthropology and environmental rights at Central University of Venezuela and a former Chávez campaign official.

He said the incident was a blow both to the government's environmental policy and its approach to indigenous groups, since small-scale mining was essentially condoned during most of Mr. Chávez's government, which began in 1998. "Nothing justifies the killing," he said.

Manuel Rosales, the main opposition candidate in presidential elections set for December, came here recently to criticize the government's inability to carry out viable mining guidelines. Further political fallout may depend on the government's ability to counter claims that soldiers demand money from miners for allowing them to work.

Still, even as the town has crystallized into a place of frustration with the army and Mr. Chávez's government, the mining goes on. Residents gathered on a recent afternoon at a riverfront bar to watch miners emerge muddy and exhausted from days in the bush.

"If Chávez wants to empty the mines, we're finished," said Ana Victoria Mendoza Palma, 23, a cook. "The government says it wants miners to work in tourism, but why would anyone come here?"

President Holds A Big Lead As Brazil Prepares To Vote (NYT)

By Larry Rohter

The New York Times, October 29, 2006

RIO DE JANEIRO, Oct. 28 — Rebuked at the polls four weeks ago because of voter irritation with a corruption scandal and his unwillingness to answer questions about it, Brazil's president, Luiz Inácio Lula da Silva, heads into a runoff vote on Sunday with a lead that every poll suggests is insurmountable. A win would guarantee him another four years in office.

A final round of public opinion surveys published Friday shows Mr. da Silva, a former factory worker and labor leader, defeating his opponent, Geraldo Alckmin of the Brazilian Social Democratic Party, by at least 60 percent to 40 percent. More than 125 million Brazilians are registered for the runoff vote, which is required because Mr. da Silva fell just short of a majority in the first round of balloting on Oct. 1.

"Everything indicates that this is going to be a resounding, unquestionable victory for Lula, despite all the scandals," said Jairo Nicolau, a political science professor at Candido Mendes University, using Mr. da Silva's nickname. Mr. Nicolau said that if the polls were right, Mr. da Silva would duplicate the landslide victory that carried him into office in 2002.

Mr. Alckmin, a 53-year-old physician and former governor of São Paulo, Brazil's richest and most populous state, was able to force a second round largely because of a late-breaking political scandal. In mid-September, the police apprehended operatives of Mr. da Silva's left-wing Workers Party as they were about to pay $792,000 in cash for a dossier they apparently hoped would incriminate Mr. Alckmin's camp in a notorious corruption scheme.

Mr. da Silva, who turned 61 on Friday, has denied any involvement in the skulduggery, which forced the resignation of his campaign manager and was, according to the police, organized by his former bodyguard and several other aides and friends.

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Mr. da Silva has been able to pull away from Mr. Alckmin over the past several weeks, in part, by labeling him a one-note candidate who spoke more of corruption than of his own plans for Brazil.

The campaigning featured relatively little in the way of conventional rallies and marches. Instead, both Mr. da Silva and Mr. Alckmin focused their efforts on the news media and on forming alliances, some of them ideologically illogical, with the governors, mayors, legislators and other local political bosses who are traditionally the power brokers in Brazilian politics.

This week, for example, Mr. da Silva campaigned alongside the scion of one of the conservative family dynasties that he always blames for the poverty and backwardness of his native Northeast region. Mr. Alckmin, whose party is center-left, was pilloried for allying himself with the populist former governor of Rio de Janeiro state, nominally a leftist like Mr. da Silva but one of the president's main rivals.

Mr. da Silva has offered only one formal news conference since taking office in January 2003, and also chose to absent himself from a candidates' debate just before the first-round vote. Polls cited that decision, seen as arrogant, as one of the reasons for a sudden drop in his popularity, and during the second round of campaigning he was much more available, agreeing to four debates with Mr. Alckmin.

The last of those debates took place here on Friday night, with a panel of undecided voters supplying questions. "The scandals just don't stop," Mr. Alckmin said, at one point turning away from the panel to face Mr. da Silva directly. "They haven't learned. They haven't investigated. They hide everything."

Mr. da Silva responded that no government had done more than his to root out corruption, which he described as "a tumor embedded" in the Brazilian body politic.

Cash Aid Program Bolsters Lula's Reelection Prospects (WP)

By Monte Reel

The Washington Post, October 29, 2006

Incentives for Families To Help Themselves Spreads Beyond Brazil

ALTO DE SANTA HELENA, Brazil, Oct. 28 -- In this sparsely furnished cinder-block house with seven rooms, one tattered love seat and no chairs, the refrigerator doesn't work and the electric stove won't heat up. But the 13-inch television can conjure a picture through its rabbit-ear antenna, and that's what Edmundo Rodrigues da Silva points to when explaining how he'll vote in Brazil's presidential election Sunday.

"The reason I got the television was to keep my kids in the house, instead of watching them go to a neighbor's house to watch their television," said Rodrigues da Silva, a 54-year-old father of seven and a subsistence farmer. "And the reason I was able to get it was President Lula. After he got into office, we got Bolsa Familia."

Bolsa Familia is the cash assistance program that pays more than 11 million low-income families in Brazil about $40 per month in cash if they meet conditions such as ensuring their children regularly attend school and have regular health checkups and vaccinations. The assistance was enough for Rodrigues da Silva to afford his first television set, and it has been instrumental in helping President Luiz Inacio Lula da Silva overcome corruption scandals and build a lead of more than 20 points in opinion polls heading into the runoff against former Sao Paulo state governor Geraldo Alckmin.

Such "conditional cash transfer" aid programs have spread throughout Latin America in recent years and have recently been exported to the United States, where New York Mayor Michael R. Bloomberg this month announced that his city would adopt a version. Like most of the other examples, Brazil's program is popular among voters, and Lula has promoted Bolsa Familia as the cornerstone of his first term. Even Alckmin has used the program as a campaign tool -- he has tried to remind voters that his party launched an early version of the program during the presidency of Fernando Henrique Cardoso in the 1990s.

But the poor strongly associate the program with Lula, who poured billions into it, and surveys indicate that support for Lula among the two-thirds of the population that lives on less than $500 per month is powering his reelection hopes. Even though Alckmin has a strong advantage among voters in high income brackets, Lula is expected to gain 63 percent of total valid votes versus 36.8 percent for Alckmin, according to a poll released this week by the firm CNT/Sensus.

Lula, 61, who achieved national prominence as a union leader, narrowly failed to win the election outright during a first-round vote Oct. 1, which came in the wake of allegations that his aides tried to buy incriminating information about his opponents with briefcases full of cash. The scandal has quieted, with Lula promising to investigate and punish those involved.

During the campaign's final televised debate Friday night, Lula painted Alckmin as the candidate who favors the rich and would sell off state companies, while continuing to tout Bolsa Familia as his signature program. Lula has been following the formula for weeks, and political analysts said it has helped him comfortably pad his lead.

"The Bolsa Familia program is probably the most successful social program in Brazil's history, and it's also very different from the programs of the past," said Rogerio Schmitt, a political analyst in Sao Paulo. "Instead of just giving money to the poor,

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this has strings attached. So the idea is that the requirements will help make sure that in the future, the children of the families won't need the program."

Skeptics contend that the cash assistance programs divert focus in developing countries from making structural reforms in education and the economy -- changes that many analysts say Brazil's next president will be pressured to address. And because the proliferation of such programs is so recent -- Mexico launched its pioneering Opportunidades program in 1997 -- experts say it is too soon to make definitive judgments about long-term benefits.

In this village of about 190 families, local officials say that school attendance is up, child labor down and health care more consistent. Rodrigues da Silva's wife, Ana Lucia, keeps her children's vaccination cards stashed in the wooden box above the basin outside where she scrubs laundry. Their 8-year-old son, Edvan, walks with his mom each month to a health clinic to get weighed and briefly examined. The teacher at his school sends attendance cards to a government office every three months. If a student's attendance is below 85 percent and he or she doesn't have a valid excuse, the parents' benefits can be pulled.

But obvious problems persist here. If a chair in the school breaks, for example, the students have to wait until the next school year to get a replacement, Rodrigues da Silva said. Finding qualified teachers willing to come to a poverty-racked rural area is just as difficult as it always has been, he said.

"It's clear that more children are attending school, for example, but it's not clear that they are learning more," said Eduardo Lora, a principal adviser with the research department of the Inter-American Development Bank in Washington who has analyzed conditional cash transfer programs in Latin America. "The main constraint is the quality of the schools. But when people say that the money would be better spent to improve education, it's very difficult because we don't know of simple ways to improve education."

Even though Lula's government more than doubled social spending during his term, to about $8 billion last year, the Bolsa Familia program is a small part of the federal budget in a country of 185 million where most workers pay about 36 percent of their income in taxes, Lora said. The cost falls in line with most of the other similar conditional cash aid programs in Latin America -- about 0.3 percent of a country's gross domestic product, Lora said.

Ramon Marcelo da Silva coordinates the Bolsa Familia program for 16 towns in this pocket of Minas Gerais state, overseeing benefits for about 95,000 people -- about half of the region's total population. He said that since he began two years ago, he has repeatedly heard a familiar complaint of critics of welfare programs: You shouldn't give people fish, but instead, teach them to fish.

"The problem is that in some rivers there is nothing to fish," Marcelo da Silva said. "There's just nothing there."

Besides the TV, the Rodrigues da Silva family uses its aid money to buy school supplies and food. In one of the house's bare rooms, tubes of toothpaste and bars of soap sit on a windowsill, where one glass pane has been replaced by a piece of cardboard. Against one cracked wall is a small stack of rice, beans, sunflower seeds, paraffin and olive oil. All of it was bought with money from the Bolsa Familia program. Ana Lucia said it is enough to turn the vegetables, fruits and herbs the family grows outside the house into full meals.

She estimated that the vast majority of her neighbors -- "probably 99 percent" -- also received payments from Bolsa Familia, which is available to families with per capita incomes less than about $55 per month. And in the village, she and her husband said they knew of only three people who planned to vote for Alckmin instead of Lula. One reason, they said, is that they hope Lula will increase the payments distributed under the program.

"Now I want to buy furniture," Ana Lucia said.

Brazil's President Revives Rhetoric (AP)

By Michael Astor

AP, October 29, 2006

Facing a surprisingly rough campaign, President Luiz Inacio Lula da Silva has revived the populist rhetoric he had largely shed since taking office.

Fiery speeches contrasting the lives of Brazil's poor with the wealthy elite have left many Brazilians wondering whether he would push the country to the left if he wins a second four-year term in Sunday's runoff election.

Silva, a former union firebrand and Brazil's first working-class president, faced similar fears four years ago, but calmed them by adhering to market-friendly, pro-business policies that won praise even from conservatives.

But with his administration engulfed in corruption scandals, Silva has returned to his traditional base — the poor — rallying them with claims that his opponent, Geraldo Alckmin, would sell off cherished state assets and eliminate popular programs such as Family Allowance, which gives needy families monthly subsidies.

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"The rich don't need the Brazilian state. The ones who need it are the poor people of this country," Silva said at rally on Sao Paulo's poor east side. "The poor are the ones who need public universities because the rich can pay — or even study in Paris."

While few believe Silva would adopt the radical populism of Venezuela's Hugo Chavez, they worry that he could entrench divisions in Brazil, which has one of the world's widest gaps between rich and poor.

"It's very easy to mobilize the poor. What's hard is to demobilize them after the election," said Bolivar Lamounier, director of the Augurium political consulting firm. "I'm afraid if he wins a second term, which looks likely, he will be tempted to take an authoritarian turn."

According to two polls released Saturday night, Silva led Alckmin by 22 percentage points. Both the Ibope and the Datafolha institutes said Silva would win 61 percent of the valid votes, while Alckmin would get 39 percent.

The Ibope survey interviewed about 8,680 people on Saturday, while Datafolha talked to 12,820 Brazilians between Friday and Saturday. Both polls, conducted for Globo TV, had a margin of error of 2 percentage points.

In the first round on Oct. 1, Silva fell just short of the 50 percent needed to avoid a runoff. Polls had predicted he would win outright but then news media ran photos of $770,000 in cash that members of his party allegedly planned to spend on purchasing an incriminating file about Alckmin and his allies.

Although Silva was never personally implicated, the expose reinforced suspicions of government corruption — suspicions driven home by Alckmin in his campaign speeches.

It was then that Silva stepped up the class-driven rhetoric.

He called Alckmin a tool of the rich and out of touch with the common man, while his allies painted a corruption scandal enveloping Silva's party as an elitist-driven conspiracy.

"The raw and naked truth is that, in the elite's political program ... the poor have not been included," Silva said at a Sao Paulo rally. "During elections the poor are worth more than bankers, but after the elections the poor are not even invited in for coffee."

The first-round vote split the nation along geographic lines, with Silva winning handily in Brazil's poor north while Alckmin took the industrialized south, including Sao Paulo, the state he served as governor.

In the second round, Silva counterattacked with an appeal to national pride, claiming that Alckmin would privatize government-run companies that are sacred cows to many Brazilians — oil giant Petrobras, Banco do Brasil, the national post office.

Alckmin called the president a "liar" to his face during their first debate — but Silva hammered away at the theme, and analysts say many of Brazil's 125 million voters believed him.

"It's not very difficult with the low level of education in Brazil to motivate this prejudice," Lamounier said. "It was very hard to carry out privatization in Brazil, and while it a made good business sense, when poor people got their phone bills or light bills they just saw that things cost a lot."

Alckmin has played on fears that Silva, like Chavez, could rewrite the constitution to give the poor more power. Silva has denied any attempt to split the country along class lines.

His socialist fire has already inflamed prejudices among upper-class Brazilians.

"If he's elected I hope he gets impeached during his first days in office," said Remo Dalla Zanna, a 67-year-old economist. "He's not the kind of person I want governing my country. I don't want a crude and ignorant union leader. No one I know is going to vote for him."

The poor majority, in large part, remains Silva's devout power base.

"With Lula, things have gotten much better for the poor," said Celsinha Coqueiro de Sousa, a 52-year-old maid, "and I hope they will get even better."

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Associated Press writer Hellen Berger contributed to this report from Sao Paulo.

DR Congo Votes For New President (BBC)

BBC.com, October 28, 2006

Voting has opened for a new president of the Democratic Republic of Congo, in one of Africa's most significant elections for many years.

President Joseph Kabila, who came to power after his father Laurent was assassinated in 2001, is facing former rebel leader Jean-Pierre Bemba.

The UN-backed election is intended to crown a peace process that ended five bloody years of civil war in 2003.

Correspondents say the outcome could shape the future for much of Africa.

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Sunday's run-off will conclude the DRC's first fully democratic polls since independence in 1960 and is aimed at restoring peace to one of Africa's largest and most turbulent states.

The BBC's Mark Doyle in Kinshasa says it is impossible to exaggerate how the destiny of DR Congo could shape the future of Africa.

Joseph Kabila (left) is running off against Jean-Pierre Bemba (right) Nine African states border the country and all were affected by the wars caused by the long lack of real government in DR Congo, the power vacuum at the heart of Africa, he says.

UN officials say the polls are the most important on the continent since the 1994 election of Nelson Mandela that ended apartheid in South Africa.

However, our correspondent says the candidates are not Nelson Mandelas and neither of them has a good record of being a democrat.

Mr Kabila has strong support in the east of Congo; Mr Bemba is popular in the west.

This political split across the geography of a vast nation is the same split that in the past led to a war in which four million people are estimated to have died, our correspondent adds.

'Tense but manageable'

Mr Kabila won first round polls on 30 July, but fell just short of the 50% needed for outright victory.

At least 23 were killed in armed clashes between the two men's security forces in Kinshasa after the results were announced.

United Nations Secretary General Kofi Annan has called on the two candidates to ensure that the election is peaceful. Both men have promised to urge their supporters against violence and to abide by election rules.

A UN official in Kinshasa has described the situation as "tense but manageable".

Extra UN peacekeeping troops are on standby in the east of the country. In the capital, Kinshasa, the UN is being backed up by a special European Union military force.

Final Stage Of Election In Congo Holds Hopes Of Many For Peace (WP)

By Stephanie McCrummen

The Washington Post, October 29, 2006

GOMA, Congo, Oct. 28 -- By 8 a.m. Thursday, several dozen people had already lined up at the election commission office. Some had walked miles in leather loafers or flip-flops, ridden bicycles with skinny tires across lumpy dirt roads or traveled by car through the rolling green jungle.

Then they waited. They explained. They argued. They walked to a different election office across town, and back again. At last, lucky Augistin Busaka reached the plastic orange table inside the old stone building where stacks of handwritten lists spilled onto towers of cards and more lists. He handed an election worker a letter of introduction that began, "Dear Sirs," which he hoped would help him obtain the coveted prize: a voting card.

"I want peace," he said, explaining that his farm remains in the hands of one of several militia groups fighting in the palmy mountains around here. "Whatever it costs. If I have to walk 60 kilometers, I'm going to walk it, just to vote."

There is an exuberant, if fragile, sense in eastern Congo these days that the country is inching toward one of the most significant moments in its post-colonial history.

In the culmination of the first multiparty elections in 40 years, tens of millions of people are expected at the polls Sunday for the runoff vote for president and to elect, for the first time, provincial legislators tasked with bringing democracy closer to people who have seen decades of epic corruption and two ruthless wars.

The process has been largely peaceful, the result of a massive logistical effort by the United Nations, which has deployed 17,500 peacekeepers; international donors, who have given $450 million; and mainly, the Congolese themselves.

The Congolese Independent Election Commission has managed the mind-boggling, largely pen-and-paper task of registering 60 million voters across a mostly roadless country the size of the United States east of the Mississippi. Through posters, music and even theater, election workers have explained such basics as how to mark a ballot, a task that continued until nightfall Saturday in Goma, a dirt-street town of wooden kiosks and markets.

Although an estimated 70 percent of registered voters turned out for the first round of elections in July, in this eastern province alone nearly 37,000 ballots were voided. Some people, for instance, had seized a long-awaited chance to express themselves, writing, "You fool!" next to the picture of a despised candidate or, "You are my savior, I love you so much!" next to a favored one.

"People drew faces on the candidates and things like that," said Jason Luneno, who leads a group that promotes good governance and educates voters in Goma. "So all that was an expression of anger. . . . Our job is to sensitize people not to do that again. So with all that, we hope the election will be successful."

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In general, the Congolese seem to be sharply divided between the two presidential candidates. The western half of the country, including the capital, Kinshasa, voted heavily in the first round for Jean-Pierre Bemba, a businessman from that region.

Here in the war-ravaged east, people voted overwhelming for Joseph Kabila, whose father, Laurent Kabila, led a rebellion in 1997 that toppled Mobutu Sese Seko, who, with U.S. support, ruled the country by force for 37 years. By some estimates, he looted billions from the government of this nation abundant with diamonds and minerals.

The younger Kabila took power after his father was assassinated in 2001 and in the east is generally credited with helping to end major fighting among various militias. Some of the groups have demobilized, others have been integrated into the national army, and some still roam here, seeming to have settled into a routine of brutal violence. Human rights groups estimate that 4 million people have died as a result of the fighting since 1998. And even now more than 1,000 die daily because of hunger, disease and other consequences of being run into an unforgiving jungle.

And so, the elections have been greeted in eastern Congo as a chance at lasting peace.

On Thursday, the lines at the election commission office grew longer and sweatier as the day wore on.

Here was Angalia Kifene, an evangelical minister who was chased from his village three times by militiamen who came looting and killing, and Gilbert Banyawesize, who had to flee his village twice, and Mugenzi Isaac, at the moment a farmer without a farm. Isaac had walked through the dawn to get his voting card and was waiting now, more defiant than downtrodden.

"I have no farm now because it's been taken over by Nkunda's forces," Isaac said angrily, referring to Laurent Nkunda, perhaps the most notorious warlord here. Nkunda's militias forced Isaac to flee to Goma, where he makes what money he can these days carrying luggage for U.N. officials or wealthy businessmen passing through. "We hope if we have a responsible president, we will be able to go home."

As the last-minute scramble for voting cards went on, minivans plastered with Kabila's face and loaded with supporters -- often paid with lunch -- zoomed around the dusty streets. Many other vans advertising the provincial candidates -- in Goma, there are no fewer than 143 vying for three seats -- sped around blaring Congolese music as a voice from a loudspeaker urged people to vote for No. 53, or No. 61, or No. 72.

Nkunda's party, which once controlled a vast swath of the east, lost heavily in the first round of voting. Although some provincial candidates remain affiliated with his party, very few have openly advertised the fact in the last few days before the election, instead posting big smiling photos of Kabila on the vans, a sign of the warlord's waning power.

Indeed, whether the losers accept the results -- or whether the winner is able to fold them into the new government -- remains an open question in eastern Congo, as well as in Kinshasa, where forces loyal to Bemba and Kabila clashed after the first round of voting and elsewhere in recent days.

And beyond the announcement of results next month, a more complicated matter remains: governing a country where most institutions of democracy remain weak. Many Congolese have no access to courts. Some agencies and many of the soon-to-be-created provincial legislatures, which will manage 40 percent of the country's revenue, according to the new constitution, do not yet have physical buildings.

The bureau of information in Goma, for instance, consists of a room with three dangling light bulbs and four donated desks. Recently, three men, reading newspapers, seemed simply to have dropped by.

"Three years ago, no one would have believed we would have gotten this far," said Jason Stearns, an analyst with the International Crisis Group. "But the U.N., regional leaders, the Congolese, while they've been successful in organizing the election, they haven't been successful in creating other trappings of democracy. You can't just vote and go home."

At the moment, at least, residents of Goma say they are ready.

Throughout the day Friday, hundreds of Congolese poll watchers turned up at the election commission office to get their accreditation. Thousands more gathered at a plywood electoral commission stand set up at the center of town. They were there for their voting cards, and a commission official called their names from a megaphone: "Mongane! Muhindo! Mutubaze! Muindo! Mumbere!"

Among the handful of workers there was Mbalamiramwira Mukenge, born, he said, in 1978. Forced into one rebel group, he switched to another, then went back to the first, and in recent months decided he had had enough of it all.

He went to a government demobilization center, where he renounced the life of a soldier in return for a promised $300. When he arrived in Goma to get the money, however, he received only $25. With his home village still under the control of a militia, he roamed the city until he found a place to sleep.

One recent morning, officials found him curled up at the electoral commission stand and gave him a job as a guard.

"I'm hoping with the election coming that we'll have peace in the country," said Mukenge, adding that he wants to resume his studies and become a teacher. "Maybe I will be someone in the future government."

Fears Usurp Optimism In Congo Vote (LAT)

DOJ_NMG_0088293

By Edmund Sanders, Times Staff Writer

The Los Angeles Times, October 29, 2006

Violence ahead of the presidential runoff sparks the question: Will the loser abide by the results peacefully?

Anxious Congolese returned to the polls this morning to complete the first democratic presidential election in more than 40 years. But fears of renewed violence in this Central African giant largely overshadowed the hope and optimism many had expressed during the first round of voting.

Millions were expected to line up at 50,000 polling stations nationwide, just as they did July 30 for the first round; however, officials worried that heavy thunderstorms this morning in Kinshasa, the capital, could affect turnout. The initial round had ended without any of 33 presidential contenders garnering the required 50% of ballots.

In today's runoff, voters faced two choices: transitional President Joseph Kabila, the son of assassinated President Laurent Kabila; and his archenemy, Jean-Pierre Bemba, a businessman-turned-militia leader who serves as a vice president.

In August, the men's private security forces fought for three days, killing at least two dozen people in Kinshasa. Ever since, the capital has remained on edge, worried the election's loser will resort to violence and plunge the country back into civil war.

"If they are really democrats, as they pretend to be, they should accept the results," said Heritier Lionga, an economics student at Protestant University of Congo. "But I'm not optimistic. Everyone is afraid. We hope whatever happens won't last for a long time."

As election day approached, United Nations tanks and armored personnel carriers took up position in front of the Independent Election Commission, media outlets and the candidates' campaign headquarters. About 2,500 U.N. troops, some working behind sandbag positions, are providing security along with 1,700 European Union soldiers. Military helicopters occasionally buzzed overhead.

Independent as of 1960, the Democratic Republic of Congo, formerly known as Zaire, endured decades of dictatorship and kleptocracy under strongman Mobutu Sese Seko, followed by four years of civil and regional war that killed about 4 million people, mostly from disease and hunger. A transitional government was installed in 2003.

International experts say the election could help stabilize one of Africa's most populous and resource-rich — but also most traumatized — nations.

"The transition represents the best possibility that has existed for many years, possibly ever, to get things going right in this very big and very important country," U.S. Ambassador Roger Meece said in an interview.

Meece said he remained optimistic despite the fact that he was among several diplomats briefly ensnared in the fighting in August. The clashes rocked an upscale riverfront neighborhood where Kabila, Bemba and many international diplomats live, leaving stray bullet holes in some of the elegant mansions and turning Bemba's personal helicopter into a pile of melted metal and ash. "That was an ugly period," Meece said.

Reissued assurances

Since then, a flurry of internationally supervised commissions and peace agreements have worked to ensure that the candidates will accept the will of the voters. So far, both have pledged to shun violence and keep their fighters off the streets, although the men made similar promises during the first round.

The media-shy Kabila, 35, who backed down last week from the only scheduled debate, is considered the front-runner. He won 45% of the vote in July, with strong support in the eastern part of the country. He recently forged coalitions with other top vote-getters, including a son of Mobutu and an ex-premier who ranked third in the first round.

Kabila declined to be interviewed last week, but he told the BBC that he would "without question" accept the poll's results. Some diplomats blame him for instigating the August standoff by dispatching some of his estimated 5,000 presidential guard soldiers to surround the election commission offices when the results were scheduled to be released.

Bemba, who received 20% of the vote in the first round and remains popular in Kinshasa and much of the west, has been working hard to replace his tough-guy image with a more "presidential" look, shunning traditional Congolese shirts in favor of dark suits and red power ties.

"I'm a democrat," he said last week. "In a democracy, winning and losing is a result of the will of the people."

But he insisted he would not shy away from confrontation, if provoked. "In a democracy, tanks and troops have no place in the streets," he said. But "I will defend myself."

Experts say the outcome could be close, despite Kabila's strong first-round lead. Bemba won endorsements from another strong first-round contender, Oscar Kashala, a Harvardeducated cancer doctor who returned to Congo last year and generated enthusiasm among students and intellectuals.

Although veteran opposition leader Etienne Tshisekedi has refused to endorse either candidate, many of his supporters are backing Bemba.

'Framework for the future'

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Election commission officials have until Nov. 19 to announce the provisional results, but they hope to make an announcement by Nov. 10 to avoid the climate of rumors and speculation that fueled August clashes, said Apollinaire Malu-Malu, president of the commission. But he warned against high expectations, noting that the new government will face challenges in reforming the army, providing social services and maintaining security.

"The elections are not the end," he said. "They just provide a framework for the future. It's a new point of departure."

Officials at the U.N., which is funding the $500-million election, said they had reevaluated security since the August standoff. "It's been beefed up," said Roberto Valent, deputy director for the U.N. Development Program in Kinshasa.

Analysts say Kabila and Bemba appear to be preparing for a fight, gathering weapons and soldiers.

Bemba's private militia in Kinshasa is estimated to consist of from 600 to 1,000 fighters, about twice the number he had during the first round. He also draws strong support from unemployed youths, who probably would rally to his cause in the event of another confrontation.

There are reports that Angolan troops are gathering along the border, presumably to come to the aid of Kabila. The reports stir memories of Angola's assistance to Kabila's father in the late 1990s, when Congo's civil war drew in its neighbors, snowballing into what many call Africa's "First World War."

"They are definitely arming," said Jason Stearns, senior analyst at the International Crisis Group, a conflict-resolution research organization. "But I don't expect a return to all-out war. The key will be for the winner to be able to consolidate his position, both politically and militarily. It cannot be a winner-take-all scenario."

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Sudan Denies Report That It Bombed Towns In Chad (AP)

AP, October 28, 2006

N'DJAMENA, Chad (AP) — Chad accused neighboring Sudan on Saturday of bombing four towns along its eastern border, close to Sudan's volatile western Darfur region where thousands have been displaced by three years of conflict.

The Sudanese army spokesman, Brig. Gen. Osman Mohammed al-Aghbash, denied the Chadian report and said Sudanese forces "have no interest in intervening there."

There has been no independent confirmation of the Chadian government's allegations that Sudan's air force attacked the villages of Bahai, Tine, Kayarin and Bamina on Friday.

"Sudan has to stop ... otherwise we are going to take measures," Chadian Foreign Minister Ahmat Allam-mi told journalists Saturday without elaborating. "We are not going to accept any other aggression. Our forces will take all necessary measures to respond."

On Wednesday, Chad accused Sudan of supporting rebels that have attacked three eastern towns in recent days. Officials said the rebels had been driven back across the border.

The United Nations announced Friday that it was sending a mission to Chad and the Central African Republic to look for ways to keep the escalating conflict in Darfur from spilling into other countries.

Rebel groups are using various nations as rear bases to stage destabilizing attacks in both Chad and Sudan's western Darfur region, and "the humanitarian fallout is extremely serious," U.N. Undersecretary-General for Peacekeeping Jean-Marie Guehenno said in New York.

Al-Aghbash, the Sudanese spokesman, said a senior military delegation visited Chad's capital of N'Djamena last week seeking to improve relations between the two countries' militaries. He denied Sudan allows Chadian rebels to operate from Sudanese territory.

After an April rebel attack on N'Djamena, Chadian President Idriss Deby accused Sudan of supporting the Chadian rebels, which Sudan denied. He closed the border and severed diplomatic ties, but the two countries resumed relations and reopened the border in August.

Human rights groups have long warned the violence in Darfur could destabilize the entire region. More than 200,000 people are believed to have been killed and 2.5 million people displaced in a three-year conflict between Darfurian rebels and the Sudanese government.

Chadian rebels, who include army deserters and some of Deby's relatives, have had sporadic clashes with Chad's army since October 2005. Deby, who first took power at the head of his own rebel army in 1990, won elections in May that the main opposition parties boycotted because they claimed they had been rigged.

The competition for power in Chad has become more intense since the country began exporting oil in 2004.

In Swaziland, 'Secret Lovers' Confronted In Fight Against AIDS (WP)

By Craig Timberg

DOJ_NMG_0088295

The Washington Post, October 29, 2006

MBABANE, Swaziland -- This tiny kingdom's new anti-AIDS campaign arrived without warning one day in July, featuring a slogan both unusually explicit and dripping with implied accusations: Makhwapheni Uyabulala.

Your secret lover can kill you.

Despite living in a country that has the world's highest rate of HIV, Swazis had grown accustomed to bland billboards suggesting that more condoms or a positive attitude toward the disease would curb its spread. These new ads were different.

By the time they disappeared two weeks later in a frenzy of controversy, they had sparked a passionate national debate about how best to combat a disease that, Swazis say, has pushed their country to the brink of collapse. And the ads forced many here to confront how freewheeling sex was fueling an epidemic of early death.

In Swaziland's bustling capital, callers were jamming the lines of radio shows. Men at pubs began looking askance as their friends maneuvered their way into casual hookups. And Musa Ndlangamandla, the stocky 35-year-old editor of the Swazi Observer newspaper, began rethinking his attitude toward casual relationships.

"Sometimes you need shock therapy," said Ndlangamandla, a short man with a neatly trimmed goatee, broad shoulders and a bit of a beer belly. He was so impressed by the campaign that he began printing "Say No to Multiple Sex Partners!" in capital red letters on the front page, just below the newspaper's nameplate.

Swaziland, a southern African country about half the size of Maryland, at first glance appears deeply traditional, with cattle roaming freely among clusters of mud-and-thatch huts nestled in the green folds of steep mountainsides. But Swazis say it is modernizing at warp speed, with new highways, shopping malls and easy access to American soap operas and gossip about the exploits of Hollywood celebrities.

Although polygamy is common -- the king has 13 wives -- even more common, Swazis say, are relationships in which men have only one wife but girlfriends also. Women often maintain several partners as well. A study by a Christian aid group, World Vision, reported in May that in several southern villages, roughly three out of five residents, both men and women, reported having two or more sexual partners in the past three months.

The word makhwapheni (pronounced "ma-kwa-penny"), which means "your secret lover," became the centerpiece of radio and newspaper ads on the order of Derek von Wissell, 62, a courtly, gray-haired former cabinet minister who founded the national AIDS commission in 2002. He grew frustrated with his agency's inability to curb a virus that had infected an estimated 200,000 of Swaziland's 1 million residents. Among adults 15 to 49, the rate was even higher, with one out of three infected.

Von Wissell concluded that the vague, unfocused public education campaigns common here and throughout Africa had failed. In this, he was persuaded in part by the research of Daniel T. Halperin, an AIDS expert for the U.S. Agency for International Development based in Swaziland, who in speeches and private presentations pointed to dozens of studies showing that condom promotion campaigns were having little impact and that it would be more effective to target the multiple, concurrent sexual relationships that fuel high rates of HIV.

"We have been pussyfooting around sex," von Wissell said in an interview in his office in a small concrete building dominated by a convenience store and gas station. "The first thing you must recognize is that sex spreads HIV."

The issue of multiple sexual partners has rarely been the focus of anti-AIDS campaigns in Africa, both because of taboos against publicly discussing sex and because of a long-standing consensus among anti-AIDS groups that educational messages should inspire hope rather than fear, researchers say. Campaigns have been especially careful to avoid suggesting that people with the disease -- including millions of women who had sex only with their unfaithful husbands -- bear any blame for contracting it.

The makhwapheni campaign cast that conventional wisdom aside in what von Wissell said was a desperate bid to force Swazis to take responsibility for protecting themselves, and their loved ones, from AIDS.

The ads were designed to look like cellphone text messages. Perhaps the most brazen was written as a sexual invitation from a married woman to her secret lover. Beside the image of the cellphone screen, the words "why kill your family" were written in English. In smaller letters, in siSwati, the dominant language in Swaziland, was the slogan "makhwapheni uyabulala" -- your secret lover can kill you.

Another ad, also in siSwati, bore a similar cellphone message, but next to it were the words "watifaka elubishini," which mean "and more orphans were left behind."

But some Swazis, such as activist Gcebile Ndlovu, 44, who had spent years battling the stigma surrounding AIDS, said they felt insulted and undermined by the campaign.

Ndlovu, a mother of three who has a round face and graying hair that she wears in braids, had watched her husband shrivel up and die from AIDS eight years ago. The makhwapheni ads outraged her, she said. They blamed the victims. And, she said, they would increase the stigma that she and other activists carrying the virus had struggled to ease.

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"Who wants to be called a makhwapheni?" Ndlovu said as she wiped tears from her eyes. "Is this campaign going to encourage people to test, so that they know their status? Or is it going to drive people underground?"

For activists, the campaign painfully recalled an earlier era of the epidemic, before the arrival of antiretroviral drugs here made AIDS a chronic but survivable disease for many. AIDS activists also objected to the moralizing tone of the makhwapheni ads. They preferred messages urging wider use of condoms.

"Don't tell me how many people to have sex with," Ndlovu said. "You can't dictate that to me. I go to bed with someone. That's my choice. Rather, tell me how to be safer."

In just a few days, Ndlovu and another AIDS activist organized one of the largest demonstrations in Swaziland's limited history of democratic protests. Hundreds of men and women, many wearing T-shirts with the words "I am HIV positive," delivered a petition to the office of the prime minister. Then they marched on von Wissell's office, singing "Away with makhwapheni!"

Von Wissell refused to meet the throng, but a few days later, he gave in to the complaints and suspended the campaign.

The word makhwapheni, however, was not so easily erased from the minds of Swazis. All over the country, it continued to dominate conversations. When cellphones buzzed with the arrival of text messages, some would joke, "Is that your makhwapheni?"

Radio host Bongani Dlamini, 50, who used one of Swaziland's most popular shows to defend polygamy and other Swazi traditions, attempted to eliminate the word on his show, out of deference to von Wissell's decision. But his callers would not follow such edicts. They kept calling, and they kept demanding that Swazis abandon their makhwaphenis.

"Those are the people who are doing the damage!" callers raged, Dlamini recalled.

It was about this same time, AIDS activists say, that children of women with HIV began asking their mothers, "Do you have a makhwapheni?" In other families, the frenzy stirred up by the campaign, activists said, prompted at least a few families to banish relatives who were open about having HIV.

"It was saying, women are prostitutes, women are the ones bringing HIV into the home as if it was us who were bringing HIV here," said Siphiwe Hlophe, 47, a friend of Ndlovu's who helped organize the protests.

But von Wissell was convinced that the message, even if it upset some, was working. And in the face of attack, he had decided not on surrender but on a tactical retreat. In meetings with Ndlovu and other activists, he vowed to resume the campaign, with an important concession. The word at the center of the controversy, makhwapheni, would be used no more.

The new campaign, which includes television ads, began in late September, two months after the makhwapheni messages were suspended.

The changes are not nearly enough for Ndlovu, though she says that she has lost the will to continue the fight. "Even now," she said, her soft voice cracking with hurt, "the messages are the same. And because I'm quiet, Siphiwe is quiet, no one is saying anything about it."

Von Wissell was not entirely pleased with the outcome, either, fearing that the loss of his shocking slogan watered down the impact of the ads. Preliminary research on the makhwapheni campaign, conducted for the AIDS commission, showed tremendous reach throughout Swaziland.

Among Swazis surveyed, 86 percent had heard of the campaign, and despite the controversy, 91 percent agreed with its message warning against the dangers of multiple sexual partners, and 78 percent said it made them consider changing their own sexual behavior. The study was funded by the U.S. Agency for International Development.

It is far too soon to tell whether the makhwapheni campaign, or its toned-down successor, caused changes that will lower Swaziland's HIV rate.

The AIDS activists who opposed it remain doubtful.

"I wonder how many Swazis are now faithful to their partners?" Hlophe said with a skeptical smile. "It did not make any difference."

But one man it did affect was Ndlangamandla, the newspaper editor.

Years of watching Swazis die, including several friends, did not force him to accept that his fondness for girlfriends endangered him and his wife, and ran the risk of making their two children orphans. The makhwapheni campaign -- and especially the conversations it provoked -- did.

"I will be at the bar," Ndlangamandla said, "but you'll never find me with another woman. I'm scared."

Africa's World Of Forced Labor, In A 6-Year-Old's Eyes (NYT)

By Sharon Lafraniere

The New York Times, October 29, 2006

KETE KRACHI, Ghana — Just before 5 a.m., with the sky still dark over Lake Volta, Mark Kwadwo was rousted from his spot on the damp dirt floor. It was time for work.

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Shivering in the predawn chill, he helped paddle a canoe a mile out from shore. For five more hours, as his coworkers yanked up a fishing net, inch by inch, Mark bailed water to keep the canoe from swamping.

He last ate the day before. His broken wooden paddle was so heavy he could barely lift it. But he raptly followed each command from Kwadwo Takyi, the powerfully built 31-year-old in the back of the canoe who freely deals out beatings.

"I don't like it here," he whispered, out of Mr. Takyi's earshot.

Mark Kwadwo is 6 years old. About 30 pounds, dressed in a pair of blue and red underpants and a Little Mermaid T-shirt, he looks more like an oversized toddler than a boat hand. He is too little to understand why he has wound up in this fishing village, a two-day trek from his home.

But the three older boys who work with him know why. Like Mark, they are indentured servants, leased by their parents to Mr. Takyi for as little as $20 a year.

Until their servitude ends in three or four years, they are as trapped as the fish in their nets, forced to work up to 14 hours a day, seven days a week, in a trade that even adult fishermen here call punishing and, at times, dangerous.

Mr. Takyi's boys — conscripts in a miniature labor camp, deprived of schooling, basic necessities and freedom — are part of a vast traffic in children that supports West and Central African fisheries, quarries, cocoa and rice plantations and street markets. The girls are domestic servants, bread bakers, prostitutes. The boys are field workers, cart pushers, scavengers in abandoned gem and gold mines.

By no means is the child trafficking trade uniquely African. Children are forced to race camels in the Middle East, weave carpets in India and fill brothels all over the developing world.

The International Labor Organization, a United Nations agency, estimates that 1.2 million are sold into servitude every year in an illicit trade that generates as much as $10 billion annually.

Studies show they are most vulnerable in Asia, Latin America and Africa.

Africa's children, the world's poorest, account for roughly one-sixth of the trade, according to the labor organization. Data is notoriously scarce, but it suggests victimization of African children on a huge scale.

A 2002 study supervised by the labor organization estimated that nearly 12,000 trafficked children toiled in the cocoa fields of Ivory Coast alone. The children, who had no relatives in the area, cleared fields with machetes, applied pesticides and sliced open cocoa pods for beans.

In an analysis in February, Unicef says child trafficking is growing in West and Central Africa, driven by huge profits and partly controlled by organized networks that transport children both within and between countries.

"We know it is a huge problem in Africa," said Pamela Shifman, a child protection officer at the New York headquarters of Unicef. "A lot of it is visible. You see the kids being exploited. You watch it happen. Somebody brought the kids to the place where they are. Somebody exploited their vulnerability."

Otherwise, she asked, "How did they get there?"

John R. Miller, the director of the State Department Office to Monitor and Combat Trafficking in Persons, said the term trafficking failed to convey the brutality of what was occurring.

"A child does not consent," he said. "The loss of choice, the deception, the use of frauds, the keeping of someone at work with little or no pay, the threats if they leave — it is slavery."

Some West African families see it more as a survival strategy. In a region where nearly two-thirds of the population lives on less than $1 a day, the compensation for the temporary loss of a child keeps the rest of the family from going hungry. Some parents argue that their children are better off learning a trade than starving at home.

Indeed, the notion that children should be in the care of their parents is not a given in much of African society.

Parents frequently hand off children to even distant relatives if it appears they will have a chance at education and more opportunity.

Only in the past six years or so has it become clear how traffickers take advantage of this custom to buy and sell children, sometimes with no more ceremony than a goat deal.

In 2001, 35 children, half of them under age 15, were discovered aboard a vessel in a Benin port. They said they were being shipped to Gabon to work.

In 2003, Nigerian police rescued 194 malnourished children from stone quarries north of Lagos. At least 13 other children had died and been buried near the pits, the police said.

Last year, Nigerian police stumbled upon 64 girls aged 14 and younger, packed inside a refrigerated truck built to haul frozen fish. They had traveled hundreds of miles from central Nigeria, the police said, and were destined for work as housemaids in Lagos.

In response to such reports, African nations have passed a raft of legislation against trafficking, adopting or strengthening a dozen laws last year alone.

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There were nearly 200 prosecutions of traffickers on the continent last year, four times as many as in 2003, according to the State Department's trafficking office.

Some countries are encouraging villages to form their own surveillance committees. In Burkina Faso, the government reported, such committees, together with the police, freed 644 children from traffickers in 2003. Still, government officials in the region say, only a tiny fraction of victims are detected.

Ghana, an Oregon-size nation of 21 million people, has yet to prosecute anyone under the new antitrafficking law it adopted last December. But the government has taken other steps — including eliminating school fees that forced youngsters out of classrooms, increasing birth registrations so that children have legal identities and extending small loans to about 1,200 mothers to give them alternatives to leasing out their children.

The International Organization for Migration, an intergovernmental agency set up after World War II to help refugees, has also mounted a United States-financed program to rescue children from the fishing industry.

Since 2003, the organization says, 587 children have been freed from Ghana's Lake Volta region, taken to shelters for counseling and medical treatment, then reunited with parents or relatives.

"We sign a social contract with the fishermen," said Eric Peasah, the agency's Ghana field representative. "If they have 10 children, we say, 'Release four, and you can't get more, or you will be prosecuted.' Once they sign that, we come back and say we want to release more."

To reduce child trafficking significantly, said Marilyn Amponsah Annan, who is in charge of children's issues for the Ghanaian government, adults must be convinced that children have the right to be educated, to be protected, and to be spared adult burdens — in short, the right to a childhood.

"You see so many children with so many fishermen," she said. "Those little hands, those little bodies. It is always very sad, because this is the world of adults.

"We have to educate these communities because they do not know any other way of existence. They believe this is what they need to do to survive."

That is the fishermen's favorite defense in Kete Krachi, a day's drive through dense forests from Ghana's capital, Accra. For the area's roughly 9,000 residents, fishing is their lifeblood. Children keep it going.

Nearly every canoe here holds at least a few of them, some no older than 5 or 6, often supervised by a teenager. A dozen boys, interviewed in their canoes or as they sewed up ratty nets ashore, spoke of backbreaking toil, 100-hour workweeks and frequent beatings. They bore a pervasive fear of diving into the lake's murky waters to free a tangled net, and never resurfacing.

One 10-year-old said he was sometimes so exhausted that he fell asleep as he paddled. Asked when he rested, another boy paused from his net mending, seemingly confused. "This is what you see now," he said.

They never see the pittance they earn. The fishermen say they pay parents or relatives each December, typically on trips to the families' villages during the December holidays.

The children's sole comfort seems to be the shared nature of their misery, a camaraderie of lost boys who have not seen their families in years, have no say in their fate and, in some cases, were lured by false promises of schooling or a quick homecoming.

On Nkomi, a grassy island in the lake, Kwasi Tweranim, in his mid to late teens, and Kwadwo Seaako, perhaps 12 or 13, seemed united by fear and resentment of their boss. Both bear inchlong scars on their scalps where, they said, he struck them with a wooden paddle.

"I went down to disentangle the net, and when I came up, my master said that I had left part of it down there," Kwasi said. "Then I saw black, and woke up in another boat. Only the grace of God saved me."

Kwadwo, stammering badly, said he had been punished when the net rolled in the water.

Not every fisherman is so pitiless. Christian Lissah employs eight children under 13, mostly distant relatives. He said he knew many children who were treated no better than workhorses, and some who had drowned.

"In general, this is not a good practice because people mishandle the children," he said. Yet he said he could not imagine how he would fish profitably without child workers, and depends on friends and acquaintances to keep him supplied — for a commission.

"You must get people who are a very low background who need money," he said. "Some of them are eager to release their children."

Mark Kwadwo's parents, Joe Obrenu and his wife, Ama, were an easy sell. Mr. Obrenu fished the seas off Aboadzi, a hilly, sun-drenched town on the Gulf of Guinea, and his wife dried the catch for sale. But the two often ran short of food, said Mark's aunt, Adwoa Awotwe. Over the years, they sold five of their children into labor, she said, including Mark's 9-year-old sister Hagar, who performs domestic chores for Mr. Takyi.

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Mr. Obrenu drummed up other recruits from neighbors, sometimes to their lasting regret. “It was hunger, to get a little money; the whole today, I have not eaten,” said Efua Mansah, whose 7-year-old son, Kwabena, boarded a small blue bus with Mr. Takyi four years ago for the 250-mile trip to Kete Krachi.

She has seen him only twice since then. In all that time, Mr. Takyi has paid her $66, she said, a third of which she spent on buses and ferries to pick up the money.

In her one-room hut decorated with empty plastic bottles, she forced back tears. “I want to bring my son home,” she said.

Mark also cried when his turn to leave came this year, his aunt said, so his mother told him that Mr. Takyi would take him to his father. Instead, he was brought to Mr. Takyi’s compound of caked mud huts, to a dark six-foot-square cubicle with a single tiny window. He shares it with five other children, buzzing flies and a few buckets of fish bait.

In two days, a smile never creased Mark’s delicate features. He seldom offered more than a nod or a shake of the head, with a few telling exceptions: “I was beaten in the house. I can’t remember what I did, but he caned me,” he said of Mr. Takyi.

Mr. Takyi, who sleeps and works in the same gray T-shirt, is disarmingly frank about his household. He can afford to feed the children only twice a day, he said, and cannot clothe them adequately. He himself has been paddling the lake since age 8.

“I can understand how the children feel,” he said. “Because I didn’t go to school, this is work I must do. I also find it difficult.”

Yet he does not hesitate to break a branch from the nearest tree to wake the boys for the midnight shift.

“Almost all the boys are very troublesome,” he complained. “I want them to be humble children, but they don’t obey my orders.”

One recent morning, his young crew, wrapped in thin bedsheets for warmth, hiked in the darkness down to the shore.

They paddled out in two leaky but stable canoes, searching the water for a piece of foam that marked where their net was snagged on submerged tree stumps. Kwabena, 11, stripped off his cutoff shorts and dived in with an 18-year-old to free it, yanking it at one point with his teeth.

Mark has not mastered the rhythm of paddling. Mr. Takyi said the boy cries when the water is rough or he is cold. He cannot swim a stroke. If the canoe capsizes, Mr. Takyi said, he will save him.

“I can’t pay what is asked for older boys,” Mr. Takyi said, as Mark bailed out the canoe with the sawed-off bottom of a plastic cooking oil container. “That is why I go for this. When I get money, I go to get another one.”

In the other canoe, Kwame Akuban and Kofi Quarshie plucked fish from the net with the air of prisoners waiting for their terms to end.

Kofi, 10, said his mother had told him his earnings would feed their family. But he suspects another motive. “They didn’t like me,” he said softly.

Kwame, 12, said his parents had promised to retrieve him in a year’s time and send him to school.

“I have been here three years and I am not going home, and I am not happy,” he said quietly.

As if on cue, Mr. Takyi shouted: “Remove the fish faster, or I will cane you.”

Running away is a common fantasy among the boys. Kofi Nyankom, who came from Mark’s hometown three years ago, at age 9, was one of the few to actually try it.

Last December, he ran to town half-naked, his back a mass of bruises. He said Mr. Takyi had tied up him and whipped him.

George Achibra, a school district official, demanded that the police intervene, and Mr. Takyi was forced to let Kofi go.

But before many weeks passed, he had brought in a replacement — younger, more helpless, more submissive. It was Mark Kwadwo.

A Travesty In Libya (WP)

The Washington Post, October 29, 2006

A new cure for AIDS: Shoot foreigners.

IN AN attempt to shed his rogue status, Libyan leader Moammar Gaddafi has foresworn weapons of mass destruction and agreed to compensate the families of those who died in the 1988 Lockerbie bombing. But on Tuesday a trial reopens that could again tarnish Libya's image. Five Bulgarian nurses and a Palestinian doctor are accused of intentionally injecting the AIDS virus into more than 400 Libyan children. The accusations are an attempt to deflect Libyans' attention from the shocking state of their own medical system. The evidence against the six foreigners is flimsy, but they could face a firing squad.

The infections occurred at a children's hospital eight years ago in Benghazi, a city in Libya's northeast. When the outbreak was discovered, a local magazine suggested that the infections reflected poor standards of hospital hygiene: Children were often treated with unscreened blood products, and equipment was not always cleaned before reuse. But Libyan authorities seized the foreign health workers at the hospital and tortured them until they confessed to malpractice. The foreigners were convicted and sentenced to be executed. But Libya's Supreme Court ordered a retrial following foreign protests.

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The prosecution's case in the new trial is built on a report by five Libyan physicians. The British science journal, Nature, obtained this report and showed it to Western medical experts, who determined that it contained no real evidence. Meanwhile, the Libyan court has refused to admit as evidence an investigation done by two prominent European AIDS experts. The Europeans concluded that the infections had begun before the foreign health workers had even arrived in Benghazi. They also noted that many of the children were infected with hepatitis B and C, evidence consistent with the theory that the HIV was spread by poor hospital hygiene.

The European Commission and the United States have called for the release of the health workers. If Libya nonetheless goes ahead with this travesty of justice, it will be saying that it prefers to scapegoat foreigners rather than admit to the weakness of its own medical system. The first victims will be the health workers. But they will be followed by the Libyans themselves, who need a government with the honesty to confront the true causes of HIV infections.

If Not Now, When? (NYT)

By Nicholas D. Kristof

The New York Times, October 29, 2006

Perhaps the most extraordinary aspect of Darfur isn't that gunmen on the Sudanese payroll heave babies into bonfires as they shout epithets against blacks. It's that the rest of us are responding only with averted eyes and polite tut-tutting.

This past week alone, Sudan expelled the U.N. envoy for Sudan and sent a proxy army to invade eastern Chad. Those moves underscored both the audacity of Sudan's leaders and the fecklessness of the rest of the world's.

In fact, there's plenty we can do. The international community has focused on getting U.N. peacekeepers into Darfur, but Sudan refuses to admit them. The stalemate drags on; the slaughter continues — but here's what we can do:

· Kofi Annan should appoint a new U.N. envoy of utmost prominence. Possibilities include Bill Clinton, Jimmy Carter, Richard Holbrooke and Bernard Kouchner (a founder of Doctors Without Borders). The envoy's job would be to lead an intensive negotiation aimed at achieving a political settlement.

The focus has been on getting U.N. peacekeepers into Darfur, and they are needed, but in the long run only a peace accord can calm Darfur. "This is distracting from the main need," Mudawi Ibrahim Adam, a Sudanese human rights campaigner, said of the focus on peacekeepers. In May a peace agreement was stillborn after only one Darfur rebel faction signed it, but the pact can be renegotiated, for the differences are small and bridgeable.

· President Bush and European leaders need to use their leverage on four nations in particular to make them part of the solution: China, Saudi Arabia, Egypt and Libya. China is playing a disgraceful role underwriting the Darfur genocide, by giving Sudan the guns used to shoot children and by protecting Sudan in the U.N. Security Council. And the three Arab states need to be involved so that Sudan cannot claim that plans to protect Darfuris are American or Jewish plots to dismember the country.

"It is very clear there is a plan to redraw the region," the Sudanese president, Omar Hassan al-Bashir, said last month, explaining the calls for U.N. peacekeepers in Darfur. "Any state in the region should be weakened, dismembered in order to protect the Israelis."

Sudanese journalists say that Mr. Bashir has cleverly used such arguments to portray himself as a nationalist, and as a result is in a stronger position now than when he started killing babies in Darfur. Arab leaders need to show that they care about Muslim children being shot even when Israel is not responsible.

· To get more coverage on Al Jazeera and other Arab networks, Mr. Annan could take a planeload of Arab journalists on a visit to Darfur refugee camps. Condi Rice could do the same. The U.S. could put video footage (I'd supply some) of Darfur atrocities on its Arabic-language satellite television station, Al Hurra.

· The U.S., France and U.N. should immediately send peacekeepers to Chad and the Central African Republic to prop up those countries (the U.S. can supply airlift, intelligence and communications support, but our ground troops would create a backlash). Sudan has sent proxy forces to invade both, and they are teetering.

· We need contingency plans for forcible military intervention. There is talk that in the coming months Sudan's janjaweed militias may start systematically massacring some of the two million people who have taken shelter in camps in Darfur. If that were to happen, U.N. and NATO forces would have to go in and rescue those people — and if Sudan knew of such contingency plans, that would make massacres less likely.

· The U.S. and French air forces should jointly impose a no-fly zone from the French air base in Abéché, Chad, as the Chadian president has invited us to do.

· Western countries should apply targeted sanctions that freeze international assets of Sudanese leaders whom the U.N. has already listed as involved in the genocide.

· Mr. Bush must use his bully pulpit. He could invite Arab and African leaders to the White House for a summit on Darfur. He could suggest to the Chinese president, Hu Jintao, that they jointly visit the area.

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After fewer than 10,000 white people had died in Kosovo, the U.S. intervened to prevent a genocide. So far, several hundred thousand black people have been slaughtered in Darfur, and our president hasn't even dedicated a speech to it.

If we don't try bold new approaches now, when? After 750,000 have died and Chad has collapsed? After all north central Africa is in chaos and 1.5 million are dead? When?

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USDOJ- Office of Public Affairs

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Judge Sets Schedule For Hearing Detainee Suits. The AP (10/28) reports, "A federal judge Friday set the stage for the next push by the Bush administration to get all the lawsuits by detainees at Guantanamo Bay thrown out of U.S. courts." The AP continues, "U.S. District Judge James Robertson laid out a five-week schedule for the Justice Department and lawyers for Salim Ahmed Hamdan to file written arguments in the detainee's challenge to his confinement. … Hundreds of other detainees also are challenging their detentions in lawsuits." The AP adds, "It was a challenge by lawyers for Hamdan, Osama bin-Laden's former driver, that led to the Supreme Court ruling in June striking down the Bush administration's plan for military commission trials. … The new Military Commissions Act, which President Bush signed on Oct. 17, strips U.S. courts of jurisdiction to hear the detainees' challenges to their indefinite detentions. Hamdan's lawyers say the new provision is 'of doubtful constitutionality.' … Ten days ago, the Justice Department filed a copy of the new law with the court in Hamdan's case. Robertson said in a one-page order the Justice Department filing 'is deemed to be a motion to dismiss' Hamdan's case."

Cheney Clarifies Comments Regarding "Dunking" Detainees. The NBC Nightly News (10/27, story 4, 0:50, Williams, 9.87M) reported, "There was additional controversy today about comments Vice President Dick Cheney made to a conservative talk radio host this week. The radio host made a reference to dunking terrorists in water which a lot of people took as a reference to the interrogation technique called 'water boarding' which is viewed around the world as a form of torture." Host: "Would you agree a dunk in water is a no-brainer if it can save lives?" Cheney: "Well, it's a no-brainer for me, but for a while there I was criticized as being the Vice President for torture. We don't torture. That's not what we're involved in. We live up to our obligations." NBC: "White House spokesman Tony Snow said today the Vice President was not referring to water boarding."

The Washington Post (10/28, A2, Eggen, 748K), in an article titled, "Cheney Defends 'Dunk In The Water' Remark: Addressing Alarm Over the Comment, Vice President Says He Was Not Referring to Waterboarding," reports Vice President Cheney "said yesterday that he was not referring to an interrogation technique known as 'waterboarding' when he told an interviewer this week that dunking terrorism suspects in water was a 'no-brainer.' Cheney told reporters aboard Air Force Two last night that he did not talk about any specific interrogation technique during his interview Tuesday with a conservative radio host. 'I didn't say anything about waterboarding. … He didn't even use that phrase,' Cheney said on a flight to Washington from South Carolina." According to the Post, "The comments were aimed at calming a growing furor over Cheney's comments, which were taken by many human rights advocates and legal experts as an endorsement of waterboarding as a method of questioning. … 'Would you agree a dunk in water is a no-brainer if it can save lives?' Scott Hennen of WDAY in Fargo, N.D., asked Cheney on Tuesday. 'Well, it's a no-brainer for me,' Cheney responded. Cheney also said he agreed with Hennen that the debate over interrogation techniques was 'a little silly,' and he praised the information obtained from U.S. terrorism suspects during questioning."

Snow Fends Off "Waterboarding" Questions. The New York Times (10/28, Lewis, 1.21M) reports White House spokesman Tony Snow "said Mr. Cheney was not endorsing water-boarding." Snow "said Mr. Cheney was not, in fact, referring to any technique, whether it was torture or not, because administration officials do not discuss interrogation methods. President Bush was also confronted by reporters about Mr. Cheney's comments as he made a joint appearance with Jaap de Hoop Scheffer, the secretary general of NATO. 'This country does not torture; we're not going to torture,' Mr. Bush said, without referring directly to Mr. Cheney or his comments." Snow, "who spent much of his day dealing with questions about the comments, told reporters that none of them related to interrogation techniques, which are classified. 'I'm telling you what the vice president's view is, which is it wasn't about waterboarding. Period,' he said." The Los Angeles Times (10/28, Gerstenzang, 918K) reports that when "asked what 'dunk in water' was referring to if not water-boarding…Snow said, 'I will let you draw your own conclusions, because you clearly have.'"

Human Rights Activists Blast Cheney. The AP (10/27) reports, "Human rights groups complained that

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Cheney's comments amounted to an endorsement of water boarding, in which the victim believes he is about to drown." Larry Cox, executive director of Amnesty International USA, "said in a statement, 'What's really a no-brainer is that no U.S. official, much less a vice president, should champion torture. Vice President Cheney's advocacy of water boarding sets a new human rights low at a time when human rights is already scraping the bottom of the Bush administration barrel.'" BBC.co (10/28) reports president Bush "has reiterated his position that the US administration does not condone torture, following comments by Vice President Dick Cheney. … The BBC's Matt Wells in Washington says Mr Cheney's comment was made on Tuesday but only came to light on Friday, exacerbated by a stormy and confrontational White House press briefing."

Albany Terror Case Informant Sentenced To Time Served For License Fraud. The Albany Times-Union (10/28, Lyons) reported, "A Pakistani immigrant whose own crimes led him to serve as an FBI informant in an Albany-based counterterrorism sting walked out of federal court a free man Friday after a judge sentenced him to time served in consideration for his years of undercover work." Shahed Hussain "talked briefly outside court with his longtime FBI handler, Special Agent Timothy Coll, then quickly left the courthouse without commenting to reporters. Hussain's own legal problems began about five years ago when he was arrested in an FBI fraud investigation that was launched shortly after the 9/11 attacks." He "has since been credited with helping the FBI arrest more than a dozen people, including the people involved in the DMV scandal," in which he was arrested, "and a member of an Afghani-based heroin trafficking ring." The AP (10/28) noted that Hussain "had acknowledged cooperating with the FBI in hopes of reducing his sentence after his arrest for helping about 80 immigrants fraudulently obtain state drivers' licenses in Albany. … Hussain's credibility was an issue in the mosque case, where a jury found imam Yassin Aref and Albany pizzeria owner Mohammed Hossain guilty of money laundering in support of terrorism."

Hamid Hayat Lawyers Seek New Trial, Citing Juror Misconduct. The AP (10/28) reported, "Attorneys for a Lodi man convicted this spring by a federal jury of supporting terrorists have asked a judge to grant a new trail after reports of juror misconduct. In a 106-page motion filed Friday, Hamid Hayat's lawyers said reports of 'extensive misconduct' by jury foreman Joseph Cote demand court review." Defense attorneys Wazhma Mojaddidi and Dennis Riordan "cited reports by juror Alicia Lopez and Theresa Berkeley-Simmons that Cote used racial slurs during the trail, including saying that Pakistanis or Muslims all 'look alike' if dressed the same. They also pointed to an Atlantic magazine interview that Cote gave after the trial where he said he likened Hayat to young Pakistani men responsible for the London subway bombings." The AP added that Hayat's lawyers also "said U.S. District Judge Garland E. Burrell Jr., should have allowed a retired FBI agent to testify about the bureau's interview procedures. They said James Wedick…would have revealed the inappropriateness of Hayat's confession."

US Counterterrorism Strategy In North Africa Questioned. The Washington Post (10/28, A1, Whitlock, 748K), in an front-page article titled, "Taking Terror Fight To N. Africa Leads U.S. To Unlikely Alliances," reports, "Locked in a prison here [Algiers], for now, is a desert bandit dubbed the 'Bin Laden of the Sahara,' whose capture was secretly orchestrated by U.S. forces." Amari Saifi, "a former Algerian army paratrooper, was caught in 2004 after he and a band of rebel fighters kidnapped 32 European tourists in the Algerian Sahara and ransomed them for about $6 million. Since then, the U.S. government has cited his case as a model for terrorist-hunting operations and a justification for expanding U.S. military, diplomatic and intelligence programs in North Africa." However, according to the Post, "A close examination of how Saifi was apprehended…highlights the quandaries facing the United States. … In its search for allies in an unstable region, the U.S. government reached out to Libya…and to other countries it has condemned for abusing human rights. Some security analysts and European counterterrorism officials question the U.S. strategy." The Post adds, "Regardless of Saifi's fate, U.S. officials say they consider North Africa an increasingly strategic front. … Together, the Defense and State departments are devoting $500 million to new counterterrorism programs in the region. Last year, the Pentagon sponsored Operation Flintlock. … About 700 U.S. Special Forces personnel trained troops from nine African nations, leading a war game that mirrored the effort to hunt down Saifi a year earlier."

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PATRIOT ACT:

ACLU Drops Legal Challenge To Patriot Act.

The AP (10/28, Irwin) reports, "The American Civil Liberties Union on Friday dropped a lawsuit challenging the constitutionality of the USA Patriot Act." The AP continues, "The ACLU said it was withdrawing the lawsuit filed more than three years ago because of 'improvements to the law.' The Justice Department argued last month that amendments approved by Congress in March 2006 had corrected any constitutional flaws in the Patriot Act. … 'While the reauthorized Patriot Act is far from perfect, we succeeded in stemming the damage from some of the Bush administration's most reckless policies,' Ann Beeson, associate legal director of the ACLU in New York, said in a written statement." The AP adds, "The lawsuit, filed in July 2003 on behalf of the Muslim Community Association of Ann Arbor and five other nonprofit groups, was the first legal challenge to Section 215, the part of the Patriot Act that lets federal agents obtain such things as library records and medical information. … The ACLU said the revisions allow people receiving demands for records to consult with a lawyer and challenge the demands in court." The AP notes, "The Justice Department, which first asked that the lawsuit be dismissed in December 2003, said it was pleased by the ACLU's action, which was contained in a one-paragraph notice filed with U.S. District Judge Denise Page Hood in Detroit. … 'We ... reiterate that the Patriot Act is a legitimate and important tool that has better helped law enforcement fight terrorism while simultaneously protecting our valued civil liberties,' Justice spokeswoman Tasia Scolinos said."

The Detroit News (10/28, Cardenas) reports, "The ACLU originally filed the suit against the government on behalf of a coalition of groups that argued that Section 215 of the Patriot Act passed in October 2001 was unconstitutional because it gave wide and secret investigative powers to federal agents to obtain books, records, papers, documents, e-mails and even a DNA sample without notifying the targeted person or group. … The suit was withdrawn on Friday after Congress revised the Patriot Act in March to allow those who receive a demand for records to consult with a lawyer and challenge the demand in court. … 'While the reauthorized Patriot Act is far from perfect, we succeeded in stemming the damage from some of the Bush administration's most reckless policies,' said Ann Beeson, ACLU's associate legal director, in a statement. … 'The ACLU will continue to monitor how the government applies the broad Section 215 power and we will challenge unconstitutional demands on a case-by-case basis,' Beeson said."

Local Television. Many local television networks reported that the ACLU dropped its lawsuit challenging the Patriot Act due to recent improvements to the law. Some examples: WJRT-TV Flint, (10/28, 7:01 a.m.) broadcasted, "The American Civil Liberties Union says it's dropping a lawsuit challenging the constitutionality of the USA Patriot Act. The ACLU says it's withdrawn the lawsuit because of improvements to the anti-terrorism law. Justice Department lawyers argued that amendments approved by congress in March had corrected any constitutional flaws in the Patriot Act."

WZZM-TV Grand Rapids, (10/28, 11:22 p.m.) broadcasted, "Civil Liberties Union has dropped a lawsuit challenging the 'Patriot Act.' The ACLU says it's withdrawing the lawsuit because of improvements to anti-terrorism laws. The lawsuit was filed back in 2003 on behalf of the Muslim Community Association of Ann Arbor and five other groups. It was the first legal challenge of the 'Patriot Act' that lets federal agents obtain things like library records and medical information." 'WJBK-TV Detroit, (10/28, 8:32 a.m.) broadcasted, "The American Civil Liberties union is dropping its challenge of the Patriot Act in the United States. They filed three years ago on behalf of Muslim and Arab American groups. It challenged the law that let people get personal information. They said they would drop lawsuit because the government made improvements to the act."

KPRC-TV Houston, (10/28, 9:00 a.m.) broadcasted, "The American Civil Liberties Union is dropping its lawsuit, challenging the Patriot Act. The ACLU says recent 'improvements' make the lawsuit unnecessary."

WSBT-TV South Bend, (10/28, 8:33 a.m.) broadcasted, "The Justice Department argued last month that amendments approved by Congress corrected any constitutional flaws in the Patriot Act."

HOMELAND RESPONSE:

Chertoff Discusses Border Security Activities. Homeland Security Secretary Michael Chertoff appeared on Fox News (10/27, MacCallum) to discuss border security. He said in part, "We've put more fencing up, we've deployed a lot more Border Patrol, and we've put the

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National Guard in place. We've seen a reversal in the momentum. The numbers of people coming across that we're seeing entering illegally is now beginning to decline. That doesn't mean we can declare victory, but it means we've finally turned the corner and we're moving in the right direction. What it is going to require is persistent application of resources. We're going to have to use these high-tech tools. We're going to have to put up the fencing, particularly in those areas where it's easier for people to get to a trafficked road or a bus station or something like that, because we need to slow them up."

Government Computer News (10/28, Hostetler) reports, "As the United States faces threats from weapons of mass destruction—radiological, chemical, biological or nuclear—as well as high-consequence international and homegrown plots, the Homeland Security Department is working with state, local, federal and international law enforcement to defend the country from terrorism." GCN continues, "Homeland Security secretary Michael Chertoff said stopping domestic terrorism threats is best done through shared intelligence, starting at the local level. To ensure that this coordination and collaboration happens, DHS will establish fusion centers, stocked with experts, and will work to grant clearance of classified information more quickly. … Both initiatives are part of the department's effort to take its relationships with major city police chiefs and information sharing to the next level, Chertoff said at the annual International Association of Chiefs of Police conference in Boston last week." GCN adds, "DHS plans to have 20 fusion centers by the end of the fiscal year and up to 35 fusion centers by the end of the next fiscal year. They have already invested $380 million in state-run fusion centers. Some states that have fusion centers include Colorado, Illinois, Maryland and New York. … The Justice Department has issued regulations for the fusion centers. … The agency will also work toward speeding up and broadening the clearance process."

Dobbs Says Mexico Threatening US Security. At the start of CNN's Lou Dobbs Tonight (10/27), host Dobbs said, "Just one day after President Bush signed legislation here in Washington to build a border fence, the government of Mexico is threatening the sovereignty and national security of the United States. President Vicente Fox and President-Elect Felipe Calderon are both asserting that the United States has no right to build such a fence along our southern border. At the same time, the White House and its allies in corporate America appear determined to create a new North American union, incorporating Canada, Mexico, and the United States. Such a union would, in effect, create a giant nation, including those three countries."

TSA Delays Deadline For Baggage Handlers' Background Checks. The Los Angeles Times (10/28, 918K) reports the Transportation Security Administration "has rolled back the deadlines for criminal-background checks for tens of thousands of airline workers who handle cargo loaded onto passenger airplanes, saying the industry cannot meet the timetables. 'TSA has concluded that the regulated community will be unable to meet some deadlines in the air cargo final rule because of the large number of employees and agents subject to the requirements,' the agency said in a notice published this week. The rules were originally slated to go into effect from Oct . 23 to Dec. 1. They require background checks and security training for an estimated 50,000 workers employed by the airlines or by airline contractors handling cargo, said TSA spokesman Darrin Kayser. Under the new timetables, several deadlines have been pushed back as far as mid-2007."

Suspicious Powder Found In Letter Addressed To Bill Clinton Office. The New York Times (10/28, 1.21M) reports former President Clinton's Harlem office "was shut down yesterday afternoon after a woman in the office opened a letter and a suspicious white powder spilled out, the police said. The substance was later found to be nontoxic, but its discovery led the authorities to evacuate two floors of the building." The AP (10/28) reports Secret Service spokesman Eric Zahren "said a field test on the substance found it to be inert."

FBI Agents Teach Oklahoma First Responders About Homemade Bombs. The Oklahoman (10/28, Baldwin) reported, "Five dozen emergency first responders and bomb technicians throughout the state should be a little safer after learning about homemade bomb factories this week" at a "professional continuing education classes offered by the University of Central Oklahoma's newly created Institute for Forensic Science. Kirk Yeager, an FBI bomb expert, said, 'We want to give them an understanding about what they could run across so they can assess the situation and say that something isn't right.'" The Oklahoman noted that Yeager

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"has been involved in bombing investigations as far away as in Israel, Peru and Turkey," and he "said he shared his worldwide experiences because whatever trends are seen abroad could end up here in the United States." Another of the instructors, Oklahoma City FBI Special Agent Barry Black, said that "in the field, first responders in instances such as drug raids need to recognize the types of chemicals used to make the explosives."

Grad Student's Fake Boarding Pass Web Site Prompts Visit From FBI. WISH-TV Indianapolis (10/28, Perkins) reported on its Web site from a story broadcast Friday, "An IU student's research on airport security has landed him in hot water with federal investigators. He found a way to forge boarding passes, and then put the instructions online." Christopher Soghoian "says he wanted to show the Transportation Security Agency that anyone could find their way past a key line of defense. … Soghoian said anyone could make up a name. He insists airport workers will simply check for ID, scan the barcode at the gate, and let the ticket holder board the plane without any questions. Indiana Homeland Security chief Eric Dietz disagrees, 'Well, I think you can find a number of small loopholes, but you have to look at what it does to the overall system. It takes a piece approach as opposed to a system approach.'" Soghoian "says he's received at least one visit from the FBI and a congressman has called for his arrest."

In the Washington Post (10/28) "Security Fix" blog, Brian Krebs also wrote, "When I phoned Soghoian Friday evening, he abruptly ended our conversation shortly after it began by saying that two FBI agents were banging on his door asking to speak with him. A short time later, the tool he had posted on his site vanished. I later caught up with Soghoian in an online chat channel, but he was reluctant to say much before consulting an attorney. 'I had a conversion with the FBI tonight,' Soghoian told me. 'We agreed that the issue of boarding passes is important, but that my particular approach could be improved upon.' Wendy Osborne, a special agent with the FBI's Indianapolis field office, declined to discuss the matter, but said Soghoian was not arrested. 'We do take precautions when there are potential security problems in light of everything that's going on these days.'"

Bloomberg Expands Search For Human Remains Near WTC Site. The New York Times (10/28, Dunlap, 1.21M) reports, "The Bloomberg administration said yesterday that it would cast a net well beyond ground zero, from Broadway to the Hudson River, from the bottom of manholes to the top of nearby skyscrapers, in its search for human remains from Sept. 11, 2001."

Congress Urged To Curb Suits Against Third Parties Arising From Terrorist Incidents. In an op-ed for the Wall Street Journal (10/28, A7, 2.03M) Ted Frank, resident fellow at the American Enterprise Institute, writes, "Plaintiffs' attorneys are weaving creative legal theories to hold legitimate third parties liable for the intentional acts of terrorists. This friendly fire could end up doing almost as much financial damage as the terrorists themselves, with the lawyers getting rich in the process." Frank notes, "After 9/11, lawsuits would have bankrupted several corporate victims of the attacks were it not for a $7 billion, taxpayer-funded bailout of potential plaintiffs. Even so, several dozen claimants opted for litigation. Naturally, their lawyers have sued everyone from the airlines to Boeing to Motorola to New York City. Many of these cases are still in pre-trial proceedings. … If courts are not going to apply the antiterrorism laws sensibly, Congress should amend them to make clear that civil liability is limited to those who commit criminal acts of international terrorism, and those who aid and abet with specific intent to commit terror. Otherwise, terrorists can damage the global economy simply by inducing fratricidal litigation."

WAR NEWS:

Maliki, Khalilzad Publicly Pledge Continued Cooperation. ABC World News (10/27, story 3, 2:15, Gibson, 8.78M) reported, "Overseas, in Iraq, the American ambassador and Iraq's Prime Minister issued a rare, joint statement today, after a week of public tensions between the two governments. Iraq said it is committed to a good and strong relationship with the U.S. Iraq also said there should be time lines, laying out steps Iraq must take to improve conditions there."

The Los Angeles Times (10/28, Daragahi, 918K) reports that in "the latest example of tension between the two governments," Iraqi Prime Minister Nouri al-Maliki "sharply criticized U.S. policy Friday during a private meeting with U.S. Ambassador Zalmay Khalilzad, "pointing to America's failure to either reduce violence or give his government authority over security matters." He "criticized what he called the

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patronizing U.S. tone toward the Iraqi government and warned U.S. Ambassador Zalmay Khalilzad to respect Iraq's sovereignty." This "stood in stark contrast with a joint public statement issued after the meeting," when "al-Maliki and the U.S. Embassy said they had agreed to unspecified 'timelines' to make tough political and security decisions on the country's future." Coming after "days of back-and-forth recriminations, the contrast between private criticism and the public statement brought into sharper focus a dispute that may have already undermined the Shiite-led government and increased friction between America and the country's majority sect." The "squabbling and confusion" is due to "prickly truths" - Al-Maliki's government has lost public backers, even as the U.S. government "has little choice but to back al-Maliki's Iranian-influenced Shiite government."

The New York Times (10/28, Burns, 1.21M) reports, "With recent events in Iraq causing growing strains between the Bush administration and the Iraqi government, the two governments issued a tautly worded statement through the American Embassy in Baghdad on Friday renewing their commitment to work together for peace and security in Iraq." The Times adds, "The dispute over benchmarks reflects a deeper divide between the religious Shiite parties and the Americans, who were once seen by the Shiites as a partner in wresting power from the Sunni minority through elections."

The Washington Post (10/28, A11, Anderson, 748K) mentions the announcement towards the end of a story focusing on the hunt for an abducted US soldier. The Washington Times/AP (10/28, Hurst) also covers this story.

Violence Sees Lull In Baghdad. In a front page article, the Washington Post (10/28, Knickmeyer, 748K) reports, "For the people of Baghdad, death took something of a holiday this week. By Thursday, U.S. and Iraqi military commanders were staring at murder rates that had fallen by half since Monday." Explanations could include the week long slamic holiday Eid al-Fitr, or the "massive American operation" that "shut down some of Baghdad's most dangerous neighborhoods" as they search for a missing soldier. Howver, "U.S. military officers played down the notion that their troops' increased operations and the sealing off of Sadr City had contributed to the drop in violence, saying it was a normal calm for Eid." Still, no one is "counting on the decline in killing to continue."

US Continues Search For Abducted Soldier In Baghdad. The Washington Post (10/28, A11, Anderson, 748K) reports, "U.S. and Iraqi forces returned to Sadr City on Friday to search the Shiite Muslim slum for a missing U.S. soldier," who was abducted while visiting relatives, "occasionally engaging in gun battles with members of local militias during their hunt." The "U.S. and Iraqi forces have conducted an intense hunt across Baghdad, searching cars at checkpoints, going door to door and raiding areas where they think he might be held." According to Iraqi Prime Minister Nouri al-Maliki, "the soldier's brother was kidnapped with him but had been released.." Analysts say "that rogue units of the" Mahdi Army militia may no longer be under Moqtada al-Sadr's control, "and Maliki said in the interview that some Sunnis now operate in the name of the Mahdi Army." He added, "we don't know what the Mahdi Army means anymore."

US Citizen Will Not Yet Be Turned Over For Iraqi Death Sentence. The Washington Post/AP (10/28, A6) reports that .S. District Judge Royce Lamberth ruled that Mohammad Munaf, a U.S. citizen who was sentenced to death by an Iraqi court for "helping in the 2005 kidnapping of three Romanian journalists in Baghdad" is not to be "handed over by the U.S. military until the Supreme Court hears his case, a federal appeals court ruled yesterday. Munaf "said his trial was flawed and his confession coerced." However, Judge Lamberth also "ruled that he has no authority to intervene," and "the U.S. Court of Appeals for the D.C. Circuit also declined to step in." Therefore the wait will be only the "10 days to appeal to the Supreme Court and wait for it to rule before" the military turns Munaf over Iraqi officials.

Report Says Halliburton Subsidiary Abuses Federal Regulations. The Washington Post (10/28, D2, Witte, 748K) reports that a report released yesterday by Auditors for the Special Inspector General for Iraq Reconstruction found that Halliburton subsidiary KBR Inc. "is abusing federal regulations by marking nearly all information it gives to the government about its operations in Iraq 'proprietary,' a practice that promotes unnecessary secrecy and could hurt competition." The auditors also "concluded that the company's actions represent 'an abuse' of the Federal Acquisition Regulation." While Halliburton spokeswoman Cathy Mann said in a written response "that using the proprietary stamp was 'not only encouraged, but required' by the Army," the report says "Army officials are working on ways to get KBR to cut down on the practice."

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The New York Times (10/28, Glanz, Norris, 1.21M) leads that KBR "systematically misused federal rules to withhold basic information on its practices from American officials." It "is the first time the federal government has weighed in and accused it of systematically engaging in a practice aimed at veiling its business practices in Iraq," and this report come "at a critical time for the company, as Halliburton is trying to spin off the subsidiary."

The Financial Times (10/28, Kirchgaessner) notes, "As a result of the investigation, army officials said they would prepare a modification to a multi-billion dollar Halliburton contract – known as Logcap – to 'provide guidance' to KBR on the marking of proprietary data."

Kurdish President Says Iraq Must Decide Partition Issue. The Wall Street Journal (10/28, A6, Miller, 2.03M) reports on an interview with Massoud Barzani, the president of Kurdistan. He say "American forces are not 'occupiers' or the 'enemy,' but 'liberators.'" However, "having been both saved and betrayed by previous American governments, he knows the risks of tying Kurdish fortunes too closely to an administration facing public disenchantment with its Iraq policies." Still, "the secret of Kurdistan's relative success so far -- and of America's enduring popularity here -- is the officially unacknowledged fact that the three provinces of the Kurdish north are already quasi-independent," and "Washington's refusal to accept this self-evident political reality does not trouble Mr. Barzani." However, while "Having an independent state is the natural legitimate right of our people," Barazani adds that "the parliament of Kurdistan has decided to remain within a federal, democratic Iraq." On the fate of Iraq, he says "Only a voluntary union can work. Either you have federalism with Baghdad as a federal capital with a special status, or you have separation." Also, "he was clearly annoyed by a slight: The fact that the congressionally created Iraq Study Group…has not traveled to Kurdistan." On oil, "Barzani is willing to share revenues with Baghdad, the principle of control is vital to Kurdistan if it is to have an independent revenue stream."

King Criticizes State Of Iraqi Leadership. Colbert I. King writes in his column in the Washington Post (10/28, A15, 748K), "Frederick Jones, the NSC's communications director, said yesterday that no American official has ever met" Grand Ayatollah Ali Sistani, "Iraq's most powerful figure." This is because "Sistani has designated himself off-limits to Americans," who "he considers…infidels." This "reveals the extent to which the Bush administration is now, and always has been, out of its depth in Iraq." Today his "Shiites are the major political force in Iraq," and he, "according to Newsweek, forbids music for entertainment, dancing and playing chess, and forbids women from shaking the hands of any men other than their fathers, brothers or husbands. His whole purpose is to promote Shiite theology and keep Iraq as a democratic, but decidedly Islamic, state." Meanwhile, his "chief competition" is the "anti-American Shiite cleric, Moqtada al-Sadr," whose organization "infiltrated Iraqi military and police units" and to whose call the "Iraqi parliament, truth be told, responds." After "Billions spent, thousands of Americans dead or maimed, U.S. armed forces exhausted, stretched thin and working around the clock," was this "what George W. Bush had in mind?"

Bush, NATO Secretary-General Discuss Taliban's Use Of Human Shields. The Washington Times/AP (10/28) reports, "President Bush and NATO Secretary-General Jaap de Hoop Scheffer yesterday discussed how the Taliban has begun using Afghan civilians as human shields. In a meeting at the White House, Mr. de Hoop Scheffer said that he was saddened by recent deaths of Afghans and that the alliance is committed to defending democracy in the nation once ruled by the repressive Taliban regime." According to the White House, "the two leaders did not discuss NATO troop levels or the suspension of two German soldiers in connection with photographs of troops posing with human skulls."

Mine In Afghan Road Kills 14, Wounds Three Civilians. The New York Times (10/28, Wafa, 1.21M) reports, "An explosion from a mine in a road on Friday killed 14 civilians and wounded three others in a suburb of the capital city in the southern province of Uruzgan," as the "group of elderly people, youths and children…were riding in a pickup truck toward the provincial capital, Trinkot, for the celebration of Id al-Fitr." According to a spokesman for the provincial governor, "the government was investigating whether the mine had been laid recently by suspected Taliban fighters or was left over from the Soviet invasion."

Photos Of Soldiers With Skulls "Rattles" German Military. The Washington Post (10/28, A9, Whitlock, 748K) reports, "A scandal over soldiers caught playing with human skulls has rattled the German military and prompted a reexamination of the country's growing role in global

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peacekeeping missions. German military officials said Friday that they had suspended two soldiers and were investigating several others suspected of desecrating skulls while serving in Afghanistan as part of a NATO-led force in 2003 and 2004. Photos of troops mocking the freshly unearthed skulls…have shocked many Germans since they were first published" and "more have surfaced daily." The incident "has led officials here to question whether Germany has fully digested the political and security risks involved in such assignments," even as "the images of German soldiers playing with human remains has led to public revulsion and inevitable comparisons to the horrors perpetrated under Nazi rule." However, as yet "there have been few calls for Germany to curtail its participation in Afghanistan or in other missions."

CORPORATE SCANDALS:

Orbital Sciences Corp To Restate Earnings After Finding Misdated Options. The Washington Post (10/28, D1, Hart) reports, "Orbital Sciences Corp., a Dulles maker of booster rockets and space systems for the government and military, yesterday joined the parade of companies that have disclosed problems in their compensation practices, saying an internal review found some misdated stock options." The Post continues, "The company said the review found no fraud or intentional misconduct in connection with the errors and that it would revise past financial statements. Most of the options in question were granted more than five years ago, said David W. Thompson, Orbital's chairman and chief executive. … 'Financial impacts are not material to the results for this year or for any prior period over the past five years,' he told investors in a conference call yesterday." The Post adds, "Orbital expects to record pretax costs of about $300,000 in 2006, $2.5 million between 2001 and 2005 and $11.5 million between 1990, when the company went public, and 2001. … Orbital joins more than 100 companies nationwide that have been investigated for the practice of backdating stock options, in which options are dated to a time when the stock price is lower so the profit is higher after the options are exercised. … Last week, SafeNet Inc., a Maryland information security firm, said certain options over the past six years were accounted for using incorrect dates. Minnesota-based UnitedHealth Group Inc., one of the largest managed health-care companies, is under investigation for backdating stock options. In both cases, the inquiries prompted executives to step down."

Private Law Firms Play Key Role In Options Probes. The Wall Street Journal (10/28, A1, Bandler, Scannell) reports, "With more than 130 companies under federal scrutiny, the investigation into stock-option backdating has rapidly become one of the broadest corporate scandals in decades. It is so broad, in fact, that federal authorities can't possibly do thorough examinations of every company. … Instead, they outsource a big chunk of the job." The Journal continues, "Regulators and prosecutors are relying on suspect companies to investigate themselves by hiring outside law firms. The firms are supposed to hand over their findings to the Securities and Exchange Commission or federal prosecutors, who then use them to help decide which cases to pursue further. The feds often ask for any especially incriminating documents to be delivered in a handy folder they call a 'hot binder.' … That has long been a common practice for companies in potential legal trouble, partly because it can lead to leniency as reward for a self-examination well done. But not since the overseas bribery scandal of the 1970s have so many public corporations been in trouble at the same time. The federal investigation has enveloped icons of success like Apple Computer Inc., Home Depot Inc., giant insurer UnitedHealth Group Inc., and dozens of Silicon Valley companies." The Journal adds, "The mass exercise in self-policing already has produced some dramatic results. More than 40 executives or directors have resigned or been pushed out in the wake of internal probes that found options backdating problems. The most prominent is William McGuire, chief executive of UnitedHealth, who is leaving his post by Dec. 1. Outside lawyers hired by the company found evidence of rampant backdating of options that enriched him and other insiders. Dr. McGuire, who has said he did nothing improper, stands to lose more than $100 million alone after agreeing to reprice his options."

SEC Queries JP Morgan Over Bisys-One Group Link. The Wall Street Journal (10/28, A3, Lauricella) reports, "J.P. Morgan Chase & Co. says it received an inquiry from the Securities and Exchange Commission relating to the relationship between Bisys Fund Services Inc. and One Group Funds, which the bank acquired as part of its 2004 purchase of Bank One Corp." The Journal continues, "The SEC is investigating a total of 27 mutual funds1 that it says may have accepted kickbacks totaling hundreds of

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millions of dollars in recent years, according to people familiar with the matter. AmSouth Bancorp of Birmingham, Ala., was the first to acknowledge possible charges last summer. The other 25 firms aren't known. J.P. Morgan acknowledged the inquiry in an interview, but declined to comment further." The Journal adds, "The probe stems from a $21.4 million settlement the SEC reached last month with Bisys Fund Services Inc., a unit of Bisys Group Inc., which provides back-office support to financial companies. … In the wake of the settlement, the SEC sent letters to some of the funds in question, asking for details about their relationships with Bisys, as well as asking whether the funds have undertaken internal reviews of the relationship and what sorts of information had been provided to fund board of directors about the Bisys relationship, according to people with knowledge of the letters."

Former Computer Associates CEO Awaits Sentencing. The Wall Street Journal (10/28, A2, Bulkeley) reports, "As one of the last chief executives to face sentencing for crimes committed in the stock-market-bubble era, Sanjay Kumar, who orchestrated a $2.2 billion accounting fraud as CEO of Computer Associates International Inc., goes before a federal judge in Brooklyn on Thursday -- the same day his former company reports second-quarter earnings." The Journal continues, "Mr. Kumar, 44 years old, who resigned his job in 2004, pleaded guilty to eight counts of securities fraud and obstruction of justice in April. At the end of many quarterly financial periods in the 1990s and 2000, Mr. Kumar helped sign and backdate contracts for big sales of corporate software in order to book the revenue and meet quarterly earnings projections in what prosecutors called '35-day months.' Once the Securities and Exchange Commission started investigating, Mr. Kumar lied to government agents and sent the corporate general counsel to Hawaii to bribe a potentially hostile witness, according to evidence filed in the case." The Journal adds, "U.S. District Judge I. Leo Glasser has broad discretion in sentencing. Two lawyers who have followed the case, but declined to be identified, said they think the most likely term would be eight to 12 years. However, if Judge Glasser orders sequential sentencing on each charge the term could be 90 years. … The likely jail sentence puts a sad end to the meteoric career of Mr. Kumar, who grew up in poverty after his family emigrated from Sri Lanka, and worked his way up to the lofty position and a $300 million stock award in 1999. .. .But the sentencing hasn't been the end of CA's problems. Since Mr. Kumar resigned in 2004, a few months before he was indicted, the company has changed its name to CA Inc., paid the SEC $225 million in fines and replaced most of its top executives, while operating under the oversight of a government-appointed examiner."

Cooperating With US To Catch Big Fish Pays Off For Corporate Small Fry. The AP (10/28, Gordon) reports, "Helping the government land the biggest fish has been paying off for the slightly smaller fry in the prosecution of high-profile corporate fraud by way of a yawning gap in their prison sentences." The AP continues, "Jeffrey Skilling, Enron Corp.'s former chief executive who became an embodiment of corporate corruption, was handed a 24-year-plus sentence on Monday. That was the toughest penalty by far in the catastrophic collapse of the energy giant. Skilling's one-time protege at the company, finance chief Andrew Fastow -- architect of the complex web of off-the-books partnerships that hid some $1 billion in debt -- received a six-year jail term in September after cooperating with the prosecutors and helping them secure Skilling's conviction." The AP adds, "The judge said Fastow deserved leniency because of his 'exceptional' cooperation with the government. … 'The lesson that comes out of the Enron sentences is that if ultimately you're facing criminal charges, it's fine to be high up in the company. Just don't be at the very top,' said Robert Mintz, a former federal prosecutor who heads the white-collar defense practice at McCarter & English in Newark, N.J." The AP notes, "Prosecutors like to work from the bottom up, so for CEOs caught up in scandals, he said, 'There's nowhere to turn in the event of an indictment.' … Washed ashore by the wave of corporate scandals in recent years have been executive flippers who have cut deals, turning against and talking about their bosses who have taken their chances at trial. Chief executives are far more likely to go to trial, partly because of ego, the conviction they did nothing wrong, or because prosecutors are far less willing to cut a deal."

CRIMINAL LAW:

Safavian Sentenced To Eighteen Months In Prison. The Washington Post (10/28, A3, Schmidt, 748K) reports U.S. District Judge Paul L. Friedman sentenced David H. Safavian, "a former top Bush administration official, to 18

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months in prison for lying and concealing unethical dealings with lobbyist Jack Abramoff. During an unusual hearing that lasted much of the day, Friedman wrestled with how to mete out justice to Safavian. He said Safavian was a man who had 'pulled himself up by his bootstraps' and had been 'a very good person to a lot of people.' But, the judge said, Safavian also committed 'an abuse of the public trust' in his relationship with the lobbyist." Safavian, "a former chief of staff for the General Services Administration, wept as he told Friedman that he knows now he never should have given Abramoff inside information about government-owned real estate that the lobbyist wanted to acquire. At the time, Safavian said, he thought what he was doing was innocuous. 'I didn't see anything wrong in helping Jack,' he said." The Washington Times/AP (10/28) reports, "During his sentencing, Safavian apologized for giving the appearance of impropriety but said it was not fraudulent. 'Yes, Jack Abramoff was a friend, but he wasn't my co-conspirator and I wasn't his,' Safavian said. 'There was no conspiracy to defraud anyone, least of all the taxpayers.'" The Los Angeles Times/AP (10/28) reports Safavian said Abramoff "used and manipulated him and he never meant to hurt anyone."

Government Executive (10/28, Mandel) reports, "The 18-month sentence fell halfway between the defense's recommendation that he serve between zero and 12 months, and a Justice Department recommendation for 30 to 37 months. D.C. District Judge Paul Friedman also declined to impose a fine along with prison time, based on a pre-sentencing report that found Safavian's finances ruined by legal fees. … 'I think since Mr. Safavian is going to serve some time in prison, to impose a fine is punishing Mrs. Safavian and perhaps other relatives,' Friedman said." GE adds, "The sentencing was complicated by questions of what guidelines should apply to each of the counts and potential adjustments to the term. Peter Zeidenberg, the lead prosecuting attorney, argued that the sentence should be extended because Safavian perjured himself while testifying during his trial. Defense attorney Barbara Van Gelder argued that the sentence should be shortened because her client accepted responsibility for his actions. … Friedman rejected the government's argument for a longer sentence. He conceded that 'it was hard to believe some of what Mr. Safavian said' during the trial, such as his statement that he had not stopped to question the inordinately low costs that Abramoff quoted to him for a lavish trip to play golf in Scotland. But Friedman said there was gray area in the subjectivity of testimony centering on what Safavian believed, which separated the case from ones in which defendants had clearly lied about basic, objective facts of the case."

Judge Uses Sentencing To Rail Against Lobbyists. The New York Times (10/28, Shenon, 1.21M) reports Friedman "used the sentencing hearing to speak out against what he said was a growing culture of corruption in Washington encouraged by high-priced lobbyists. 'He came to work in an environment that has become, frankly, more and more corrupt,' Judge Friedman said in announcing Mr. Safavian's sentence, which was half of the three-year prison term sought by the Justice Department. 'It's become corrupted by money,' Judge Friedman added. 'You've literally got lobbyists sitting in Congressional offices writing legislation. That's what's going on.'"

House Ethics Committee Will Not Release Foley Report Before Elections. The Washington Post (10/28, A6, Weisman, 748K) reports, "The House ethics committee has all but wrapped up the investigative phase of its probe into the actions of former representative Mark Foley, informing key witnesses that they will not be summoned back for more questioning, lawyers in the case said yesterday. But those lawyers indicated that the committee is unlikely to release its report on the Florida Republican -- or even an interim memo -- before the Nov. 7 elections. … A committee report could have resurrected Democratic charges of a coverup, some Democrats hoped." The Post notes, "The most glaring hole in the testimony is the apparent decision not to call Rep. Jim Kolbe, who was aware of inappropriate e-mails from Foley to a page as far back as 2000 and whose conduct with former pages has also drawn scrutiny. Korenna Cline, a Kolbe spokeswoman, said the ethics committee has had no contact with the congressman or his staff."

Longtime Illinois Political Fundraiser Pleads Guilty In Kickback Probe. The Chicago Tribune (10/28, Coen, O'Connor, Long) reported, "Political insider Stuart Levine pleaded guilty Friday to scheming to squeeze millions of dollars from firms seeking state business, and authorities alleged in the clearest detail yet that he had the help of Gov. Rod Blagojevich's top campaign supporters. The new allegations in the plea agreement of Levine, a longtime Republican fundraiser reappointed to state boards by the Democratic governor, only increased the questions about corruption swirling around the race for governor with

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little more than a week until the Nov. 7 election. In the…plea agreement, federal authorities spell out allegations that Blagojevich's two top fundraisers schemed almost from the beginning of the governor's administration to use their newfound influence for corrupt purposes." However, Blagojevich on Friday "said Levine's plea shows he began his misdeeds before Blagojevich became governor."

The AP (10/28, Robinson) reported, "Disappointing Republicans, though, Stuart Levine's 58-page plea agreement with federal prosecutors contained no allegations of wrongdoing on the part of the Democratic governor, who is waging a re-election campaign while coping with a federal corruption investigation. All the same, the massive document was crammed with details of corruption in state government and guaranteed to fuel campaign fireworks. Levine told how he worked closely with Blagojevich fundraiser Antoin 'Tony' Rezko, now also facing federal charges, and that Rezko and others close to the governor provided him with a high degree of political clout."

Four Convicted In Honolulu Airport Contract Fraud Conspiracy. The Honolulu Star Bulletin (10/28, Barayuga) reported, "A federal jury convicted two former airport officials and two contractors of conspiracy and mail fraud" Friday "in a bid-rigging scheme at Honolulu Airport. The jury deliberated for just more than six hours to unanimously find Dennis Hirokawa, 64, former superintendent of airport maintenance; Richard Okada, 65, former director of the Visitor Information Program; and contractors Michael Furukawa, 60, and Wes Uemura, 61, guilty of conspiracy." The Star Bulletin noted, "Charles Goodwin, special agent in charge of the FBI here, said he hopes the convictions serve as a deterrent. 'And as time goes by and we pursue more and more corruption, more and more people will step forward because they see the government serious about taking it on at the state and federal level,' he said."

DOJ Cancels Faith-Based Prison Rehabilitation Program. The New York Times (10/28, Banerjee, 1.21M) reports the Justice Department "has canceled its proposal for a religion-based prison rehabilitation program that critics and constitutional law experts contended would have violated the separation of church and state. On March 31, the department announced that it was seeking proposals for a 'single-faith, residential re-entry program' that would be adopted initially in as many as six federal prisons and run in each by an organization of a particular denomination. The proposed program, among others, was challenged in a lawsuit filed on May 4 in the Federal District Court in Madison, Wis., by the Freedom From Religion Foundation, a watchdog group. By May 26, the department had suspended its request for proposals for the program, and on Thursday it canceled the program 'in its entirety,' according to the Web site for the Office of Justice Programs of the federal Bureau of Prisons, a branch of the Justice Department."

Role Of Faith In Kuo's Book Explored. The New York Times' Samuel Freedman (10/28) writes, "In an election season, how could an 'inside story of political seduction,' to quote the subtitle of David Kuo's 'Tempting Faith,' not be mined for every politically explosive example it offers? … Naturally, those skeptical of the faith-based initiative are saying, 'I told you so,' and stalwart defenders of the Bush administration are issuing emphatic denials or even suggesting that Mr. Kuo is either Judas or a fresh candidate for the axis of evil. But though 'Tempting Faith' (Free Press) is a story about the Bush presidency, it is even more a story about Mr. Kuo. As much as it is a story about politics, it is also a story about faith."

SCOTUS To Rule On Police Officers' Responsibility During High-Speed Chases. The Washington Post (10/28, A5, Lane, 748K) reports the Supreme Court "stepped into the national debate on the risks of high-speed police car chases yesterday, announcing that it will decide whether the Constitution permits police to use deadly force against a fleeing motorist whose only suspected offense is speeding or reckless driving. The court's decision was a victory for a Georgia police officer appealing a ruling earlier this year by the Atlanta-based U.S. Court of Appeals for the 11th Circuit. That court had concluded that the officer acted unreasonably by ramming a fleeing speeder, causing a crash that left the driver, Victor Harris, paralyzed." The Los Angeles Times (10/28, Savage, 918K) reports, "Eight years ago, the justices shielded police officers from being sued in federal court for deaths and injuries resulting from high-speed chases. The only exception, the court said, is when police act out of 'an improper or malicious motive,' such as 'to terrorize, cause harm or kill' a suspect."

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Two New York Men Seek New Trial Over Courtroom Chaos. The New York Times (10/28, Brick) reports, "The crime scene was the courthouse, and the witnesses were lawyers, court officers, a court reporter and a judge. The indictment described the momentary chaos of an afternoon last winter. … 'It happened right here,' said the prosecutor, Robert J. Walsh, addressing the jury and motioning toward the defendants. 'They tried to escape.' … But when testimony began this week, witnesses offered all the complexity of the world outside the courthouse." The Times adds, "Had one of the men signaled to start the attack? Had the other said his intent was suicide? Were the makeshift knives found in their clothing or on the floor? Where had the armed court sergeant and the unarmed judge been standing? … The men at the defense table in State Supreme Court in Brooklyn last January, Kayson Pearson, 24, and Troy Hendrix, 22, had been on trial for kidnapping, raping and killing Romona Moore, a third-year psychology student at Hunter College. She was savagely tortured. The maximum penalty was life. On Jan. 19, the trial ended abruptly." The Times adds, "Courthouse disturbances do not make for predictable cases. Some defendants who live to tell about them are acquitted, like Angela Davis in California in 1972 and Jose Dominguez in the Bronx in 1991. In Missouri, a man convicted in the courthouse where he had killed his wife in 1992 awaits a new trial on account of the venue. In Atlanta, defense lawyers have asked to move the trial of a man who escaped the courthouse in March 2005."

New York Officials Rule Homicide In Baby Girl's Death. The New York Times (10/28, Buckley, Khan) reports, "A 13-month-old girl died early yesterday after being found unconscious in her Brooklyn home, and her death has been declared a homicide by the medical examiner's office. The police have not identified any suspects." The Times continues, "A spokeswoman for the medical examiner's office said the baby had skull fractures and other injuries, and the police said her body was bruised. … The police said that the baby's mother, whom they identified as Antigua Lucas, 19, told them that she had found the baby, Teira Lewis, not breathing around 2:15 a.m. Ms. Lucas said that Teira had been sick at 11:30 p.m., but that she managed to soothe the baby to sleep, according to the police." The Times adds, "After finding the baby unresponsive, Ms. Lucas said, she rushed out of her second-floor apartment at 270 Glenmore Avenue in East New York, the police said, frantic and looking for help. She flagged down a private sanitation company worker, who called 911, the authorities said. … The baby was taken to Brookdale University Hospital and Medical Center and declared dead at 3 a.m., the police said. The Administration for Children's Services was investigating the death."

Malvo Confesses To Killing Of Arizona Golfer. USA Today/AP (10/28) reports, "Convicted Washington-area sniper Lee Boyd Malvo confessed to police that he and cohort John Allen Muhammad were responsible for the 2002 killing of a 60-year-old man on a Tucson golf course, Tucson authorities said Friday." The AP continues, "Malvo said he was sorry for the family of Jerry Taylor, said Detective Benjamin Jimenez of the Tucson Police Department. … 'He welled up a few times in tears during the interview,' Jimenez said." The AP adds, "Malvo spoke to police in Maryland for two hours Thursday after he received immunity from prosecution, Tucson Capt. Bill Richards said. Malvo said the shooting took place while he and Muhammad were in the area visiting Muhammad's older sister, Richards said. … Tucson police had long sought to speak with Malvo about the March 19, 2002, death of Taylor, 60, who died from a single gunshot fired from long range as he practiced chip shots at the golf course. The case had never been conclusively tied to Muhammad and Malvo." The AP notes, "Muhammad and Malvo were arrested for 10 killings and three woundings in the Washington, D.C., area during three weeks in October 2002. They were accused of roaming the area with a Bushmaster .223-caliber rifle that they fired from the trunk of a Chevrolet Caprice at random victims."

Judge Denies Bond For Florida Cuban Spying Suspect. The Miami Herald (10/28, Weaver) reported, "A Florida International University professor charged with being an unregistered agent of Cuba's communist government won't be released before trial, a Miami federal judge ruled Friday." Carlos Alvarez "could flee to Cuba if he's freed before the January trial, U.S. District Judge K. Michael Moore said. He denied Alvarez's bid for bond." The Herald noted Alvarez "gave self-incriminating statements to FBI agents in the summer of 2005 because he believed they would not charge him if he cooperated with them. His lawyer has asked the judge to suppress that evidence, the core of the U.S. attorney's case against him."

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FBI Puts Wyoming Agents In Charge Of Beauprez Ad Probe. In a widely-distributed story, the AP (10/28, Paulson) reported Denver FBI spokeswoman Rene VonderHaar "said Friday that Wyoming officials would take over an investigation into a Colorado gubernatorial candidate's campaign ad to avoid potential conflicts of interest after authorities learned a Denver-area federal agent may have been involved. The investigation is examining whether GOP Rep. Bob Beauprez accessed a restricted federal database for information used in a television ad to attack his Democratic challenger, Bill Ritter." The AP noted, "Cory Voorhis, a federal Immigration and Customs Enforcement agent and registered Colorado Republican, provided the information, a person in government who was briefed on the investigation told The Associated Press last week."

Pataki Chooses Former Federal Prosecutor For Havesi Probe. The New York Times (10/28, Cooper) reports, "Gov. George E. Pataki appointed a former federal prosecutor on Friday to determine whether the ethics case against Comptroller Alan G. Hevesi for using a state worker to chauffeur his wife was strong enough to seek his removal from office." The Times continues, "Mr. Pataki, who cut short a trip to Hungary to deal with the Hevesi affair, had been expected to announce his decision on whether to invoke a little-known law to call the State Senate into special session to consider removing Mr. Hevesi. But Mr. Pataki, a Republican who leaves office at the end of the year, said he wanted to take the extra step of having an outside expert review the case before calling for the removal of Mr. Hevesi, a Democrat who is seeking re-election, less than two weeks before the election. … 'This is a provision of the law that, to the best of our knowledge, has never been used,' Mr. Pataki said. 'And it is an extraordinary act for officials to overturn an election of a statewide elected official after a vote by the people of New York, and obviously it's something that, if it's used at all, has to be used cautiously and with great, great care.' … So Mr. Pataki appointed David N. Kelley, a former United States attorney for the Southern District of New York, to review the case. Mr. Kelley — who has prosecuted terrorism cases and who won high-profile convictions against Martha Stewart and Bernard J. Ebbers, the former chief executive of WorldCom — is a registered Democrat who won the praise of people within his party for his work as a prosecutor."

Bloomberg (10/28, Quint, Braun) reports, "Pataki said he hoped he could have a report from Kelley, who served as U.S. attorney for the Southern District of New York, within a week. … Pataki, who leaves office Dec. 31, acted after the state Ethics Commission this week said Hevesi improperly used staffers as his wife's chauffeur and didn't show any intention of repaying the state until his opponent in the Nov. 7 election exposed the practice. New York Attorney General Eliot Spitzer, a Democrat who is leading in the race for governor, yesterday withdrew his endorsement of Hevesi, also a Democrat, for re- election as the state's fiscal watchdog." Bloomberg adds, "Pataki said Kelley would get more than a week if needed it, and probably would present the case to the Senate if there is a decision to proceed with it. Kelley served in the U.S. attorney's office in New York from 1988 to 2005 before joining law firm Cahill, Gordon & Reindel in September 2005. … Prior to his appointment as U.S. attorney in 2003, he was named co-chair of the Justice Department's investigation into the Sept. 11 terrorist attacks. He personally prosecuted John Walker Lindh, dubbed the 'American Taliban.' As a U.S. attorney, he also served as a member of President George W. Bush's Corporate Fraud Task Force and the Attorney General's Advisory Committee for White Collar Crime."

Doolittle Faces Voters With Uncertain Legal Fate. The Sacramento Bee (10/28, Whitney) reports, "Voters in the 4th Congressional District will go to the polls Nov. 7 to decide whether Rep. John Doolittle deserves an eighth term without knowing whether he will face federal prosecution in connection with the ongoing investigation of disgraced lobbyist Jack Abramoff." The Bee continues, "The Roseville Republican, who once called Abramoff a good friend, has not been called before a grand jury or otherwise been publicly identified by the Justice Department as being under investigation. … 'We are not going to confirm or deny investigations into any individuals,' said Brian Sierra, spokesman for the Justice Department's criminal section." The Bee adds, "The only congressman to have pleaded guilty in connection with Abramoff is Rep. Bob Ney, R-Ohio, who pleaded Oct. 14 to conspiracy and making false statements and is awaiting sentencing. … Doolittle's long relationship with Abramoff, however, included elements of the kind that contributed to the legal troubles of many of the eight people, including congressional aides and lobbyists, who already have pleaded guilty. … Doolittle has insisted he's done no

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wrong and is paying a prominent criminal attorney in Virginia to clear his name. The legal tab so far is about $50,000." The Bee notes, "The attorney, David Barger, stressed that he had been told by the Justice Department last week that 'Congressman Doolittle is not a target of its investigation.' … But other criminal defense attorneys said the fact that the Justice Department has not identified Doolittle as a target means little because that typically doesn't happen until all the evidence is gathered and charges are imminent."

New York Man Pleads Guilty To Managing Prostitution Ring. The AP (10/28) reports, "A Bronx man admitted yesterday that for six years he managed a multi-city prostitution ring that included underage girls." The AP continues, "In pleading guilty to two federal charges in Trenton, Matthew Thompkins, 38, said the ring ran from 1999 to December 2005 in Atlantic City, Boston, Las Vegas, Miami and New York. He is the seventh member to plead guilty in the case, according to the U.S. Attorney's Office. … Thompkins pleaded guilty to conspiracy to transport minors to engage in prostitution, which carries a sentence of five to 30 years in prison and a fine of up to $250,000, and conspiracy to engage in money laundering, punishable by up to 20 years in prison and a fine of $250,000 or twice the loss to victims. Sentencing is to be March 2."

The Newark Star-Ledger (NJ) (10/28, Martin) reports, "Thompkins acknowledged building and training a 'stable' of young prostitutes, housing them in apartments and homes in New York and New Jersey, and hiding millions of dollars in illegal sex proceeds in their names. … His arrest last December by the FBI followed an unusual foray by federal investigators into a crime typically left to local police. … But prosecutors said Thompkins, for years known only by his nickname, 'Knowledge,' wasn't the typical pimp. He ran his operation so proficiently that his counterparts in the sex-trade industry gave him the ultimate honor three years ago: a 4-foot-high trophy declaring him 'International Pimp of the Year.' … 'He was the master pimp,' Assistant U.S. Attorney Jason Richardson said." The Star-Ledger notes, "Thompkins, 37, pleaded guilty to conspiring to launder money and transport minors across state lines for prostitution. His plea agreement calls for between 10 and 24 years in prison. U.S. District Judge Freda Wolfson set sentencing for March 2. .. .The plea followed similar admissions from six other defendants. Some cooperated with the FBI; none has been sentenced."

US Charges Florida Man In Online Hacking Plot. The Tampa Tribune (10/28, Silvestrini) reports, "A Seminole man slowed a Massachusetts company's Web site by electronically hijacking other people's computers and directing them to launch an attack, a federal criminal complaint alleges." The Tribune continues, "Federal authorities in Massachusetts charged John Bombard, 32, with two counts of intentionally accessing a protected computer without authorization, charges that carry a maximum of two years in federal prison. … The complaint charges Bombard with hacking into two computer systems June 15, 2004, to establish a "bot" network of compromised computers from which he launched a denial of service attack on Akamai Technologies servers." The Tribune adds, "A bot, short for robot, is a computer program that seeks vulnerable computers and runs silently in the background until it receives directions from a controlling computer. … According to the Justice Department, some experts think networks of bots, also called "botnets," now send up to three-quarters of all spam. … A denial of service attack is one in which many compromised computers attack a single target, consuming the target's bandwidth or overloading its resources. Legitimate users of the targeted system are unable to use its services." The Tribune notes, "The federal charges say Bombard used a variant of the Gaobot worm to infect networks of computers at two major universities, which are not named. The complaint also doesn't say how many computers were used in the attack."

Puerto Rico Jury Spares Convicted Murderer From Death Penalty. The AP (10/28, Vargas) reports, "A jury sentenced a man to life in prison Friday for murder instead of giving him a death sentence sought by prosecutors in a case that sparked renewed opposition to capital punishment nearly 80 years after it was outlawed in this U.S. territory. Carlos Ayala Lopez wept and hugged his attorney after hearing the verdict. Ayala was found guilty three months ago of killing Jose Rodriguez Reyes, a guard at the Veteran's Medical Center in suburban Rio Piedras, in 2002." The AP continues, "Critics, including the governor and Catholic church leaders, spoke out against federal prosecutors' decision to seek the death penalty. Puerto Rico abolished capital punishment in 1929. The last execution was in 1927, when a man was hanged for murder." The AP adds, "Federal prosecutors can seek the death penalty in some cases because Puerto Rico is subject to U.S.

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federal law. Federal prosecutors claimed jurisdiction in Ayala's case because the killing took place at a federally run institution. … Prosecutors said Ayala shot Rodriguez while trying to steal his gun for a planned drug trafficking operation. … The jury of six men and six women, which convicted Ayala in July, reconvened for the penalty phase of the trial and deliberated for about six hours before delivering the sentence."

FBI Mulls Probe Of Rep Porter Over Fundraising Calls. The Las Vegas Sun (10/28, Cook) reports, "U.S. Rep. Jon Porter released phone records and copies of his daily schedule Friday that he claims disprove a former staffer's allegations that the congressman made illegal fundraising phone calls from his government offices in Henderson and Washington, D.C." The Sun continues, "While the records - which in some cases had names and phone numbers blacked out - do not prove that the allegations are false, they appear to conflict with some of the charges leveled by Porter's one-time executive assistant and scheduler, Jim Shepard. … The records show, for example, that Porter made fundraising and other phone calls from a campaign cell phone on April 18, a day when his schedule shows that he was at his district office. … But his chief of staff, Mike Hesse, said he and Porter were out to lunch when the calls were made, and offered a receipt from about 11:45 a.m. at Sweet Tomatoes to prove it." The Sun adds, "Similarly, on April 21, when Shepard claims he witnessed Porter make fundraising calls between 1:30 p.m. and 2:30 p.m. at his Henderson office, Porter's schedule shows that the congressman left for a meeting with Clark County School District officials at 1:15 p.m. and remained out of the office the rest of the day. … Shepard said he remembers the meeting with school officials being delayed and that the schedule - which he kept while he was on Porter's staff - does not match e-mails and call logs he retained. He said he could not share the call logs on the advice of his attorney. … The documents from Porter came on the same day that the U.S. attorney's office turned over a complaint about the calls to the FBI. … 'We did receive a referral,' said FBI spokesman Dave Staretz. 'I can't go into any particulars. We will evaluate the case and determine whether we will open a preliminary inquiry.' .. .In a statement, Las Vegas-based U.S. Attorney Daniel Bogden emphasized that no decision has been made on whether to proceed on the request for an investigation from Nevada Democratic Party Chairman Tom Collins."

Man Admits Louisiana Murders Before Being Executed In Florida. The AP (10/28) reports, "Before being executed for five Florida murders, serial killer Danny Rolling gave his spiritual adviser a handwritten confession to a grisly murder triple slaying 17 years ago in his home town of Shreveport." The AP continues, "Police and the Rev. Mike Hudspeth released copies of that apology and confession on Friday, two days after Rolling's execution." The AP adds, "Police have long suspected that Rolling stabbed William T. Grissom, 55, his 24-year-old daughter, Julie, and his 8-year-old grandson, Sean, as they got ready for dinner on Nov. 4, 1989, in Grissom's Shreveport home. … They had been sure of it since 1997, when Rolling sent a detailed confession, including a description of the crime scene, to the woman he had married in prison, and she sent it to police, said retired police detectives Don Ashley and Danny Fogger, who had worked on the case." The AP notes, "Since Rolling had pleaded guilty in Florida to killing five college students and his execution was expected, Louisiana authorities saw little reason to try him. … Still, police said Friday, it is a relief to have a signed, public confession."

New York Judge Sentences Mafia Figure To Life For Two Murders. The New York Times (10/28, Rashbaum) reports, "Baldassare Amato, a powerful Bonanno crime family figure who represents the group's traditional Sicilian roots, stood silently with his arms crossed yesterday as a federal judge denounced him and meted out a life sentence for two 1992 Mafia murders." The Times continues, "As the judge, Nicholas G. Garaufis of United States District Court in Brooklyn, tore into him for 'using murder as a business tactic,' at several points Mr. Amato raised his right hand to his chin and then crossed his arms again in front of his chest. … 'Mr. Amato,' said the judge, making no effort to mask his disgust, 'you're just a plain, wanton murderer and a Mafia assassin. The sentence I'm going to give you, as far as I'm concerned, is a gift.'" The Times adds, "Mr. Amato, 54, dressed in a gray prison sweatshirt and khaki trousers, appeared unmoved when the judge handed down the life sentence, almost as though it were a cost of doing business. He and his lawyer had both declined to address the court. … After pronouncing the sentence, Judge Garaufis asked the lead prosecutor in the case, Assistant United States Attorney John Buretta, how much of a fine he could levy. … Mr. Buretta said the maximum was $250,000, and the judge levied it."

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The New York Post (10/28, Gallahue) reports, "Garaufis tore into…Amato, convicted of two murders, after his lawyer asked him to consider sending him to a prison close to New York City for the sake of the Bonnano-family soldier's relatives. … 'My compassion is overcome by my disgust and disdain for this defendant,' he said. … Amato was convicted of racketeering and murdering two men, restaurant owner Sabastiano DiFalco and New York Post delivery supervisor Robert Perrino."

CIVIL LAW:

Lawsuit Over Promotion Of Christianity At USAF Academy Thrown Out. The New York Times/AP (10/28) reports, "A federal judge on Friday threw out a lawsuit against the Air Force that contended that evangelical Christian values were being illegally pushed on academy cadets. An academy graduate said he would appeal the decision by the judge, James A. Parker of Federal District Court in Albuquerque. 'Our fight is far from over,' said the graduate, Mikey Weinstein of Albuquerque. The case was brought by Mr. Weinstein and other Air Force Academy graduates who contended that a military chaplain had violated their right to religious freedom by urging cadets to attend Christian services or face 'the fires of hell.'"

The Washington Times/AP (10/28, Jordan) reports, "The judge also rejected claims by Air Force Master Sgt. Phillip T. Burleigh, who asked to be included in the lawsuit, saying he was discriminated against in 1997 for not attending prayer meetings." Burleigh "said his supervisor used government resources to evangelize recruits, including hiring religious motivational speakers to lecture at mandatory-attendance conferences."

CIVIL RIGHTS:

Drifter Sought In Probe Of DC Hate Graffiti. The Washington Times (10/28, Cella) reports, "Federal and Arlington County authorities are searching for a drifter they believe has been drawing swastikas and other graffiti in the area around Arlington National Cemetery." The Times continues, "Police say that Ronald Bost, 47, of no fixed address, is responsible for a rash of vandalism near Arlington Memorial Bridge and Memorial Drive. … One July incident on a construction site at the Memorial Avenue Rehabilitation Project cost $1,000 to clean." The Times adds, "U.S. Park Police Detective Kevin Fornshill said that Bost is the 'chief suspect' in the case, based largely on the fact that Bost has been arrested four times by park police on vandalism charges since the mid-1990s. … 'He's out again and he's doing it again,' Detective Fornshill said. … In 2004, Bost was arrested for painting swastikas and anti-Semitic obscenities over signs near the Netherlands Carillon at Arlington Cemetery. … His vandalism has been identified around the George Washington Parkway, as far south as Ronald Reagan Washington National Airport and as far north as the Francis Scott Key Bridge."

DA Charges 11 In Orange County Voter Registration Fraud Probe. The Los Angeles Times (10/28, Berthelsen, Hanley) reports, "The Orange County district attorney's office has charged 11 people with fraudulent voter registration stemming from a Republican registration drive this year that resulted in dozens of Democrats unwittingly being signed up as Republicans. … Those charged had been paid as much as $10 for each voter they registered as part of a Republican Party effort to recruit more voters in central Orange County. The area includes the district represented by Democratic Rep. Loretta Sanchez, a regular target of Republicans, and a competitive state Senate race." The Times continues, "The cases were filed Tuesday, and three defendants were arrested Wednesday and Thursday. They are in custody and are scheduled to be arraigned today and Monday. The district attorney's office refused to release any information about them, including details usually available, such as the names and charges. … Sources said a press conference is scheduled for Monday, a week before the Nov. 7 election, with Republican Secretary of State Bruce McPherson, who is locked in a tight election battle with Democratic state Sen. Debra Bowen." The Times notes, "The prosecution highlights problems that can occur with signature-gathering and voter registration campaigns in which the workers are paid by the signature. Campaign watchdogs have derisively called it a 'bounty hunter' system that creates incentives for often transient, low-paid workers to pad their results to make more money."

DOJ Official Meets With Lake Charles, LA, Residents Over Police Shooting. The Lake Charles (LA) American Press (10/28, Cormier) reports, "Several Lake Charles residents met with an official

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representing the U.S. Justice Department to start a dialogue about the relationship between the community and police since the Oct. 12 fatal police shooting of 29-year-old Trent Buckins." The American Press continues, "The official with the Justice Department's Community Relations Service declined to speak to the American Press, citing governmental restrictions. .. .Since the November 2004 Chateau Du Lac fatal shooting by police, the Justice Department has had an official visit Lake Charles to help build more trust between the public and police." The American Press adds, "The residents who attended Friday's meeting at City Hall — two police officials also attended — are pleased with the Justice Department's involvement. … 'I think this is another positive step in the long process to gain clarity to what happened,' the Rev. Henry Mancuso said. He was representing the city's Leadership Team for Community and Race Relations. … 'This will be a long process to find out the truth of what happened. Until then, there will be tension in the community.' … The federal government's response will be helpful in healing whatever wounds have been created since the most recent fatal police shooting, Mancuso said."

Indianapolis Police Union Alleges Recruitment Bias. The Indianapolis Star (10/28, O'Shaughnessy) reports, "The police union is accusing the city of racial discrimination by stacking the first recruit class of the merged Indianapolis Metropolitan Police Department with minorities." The Star continues, "Vince Huber, president of the Indianapolis Fraternal Order of Police, said the department added minority candidates to its new recruit class at the expense of white applicants. … Indianapolis Police Chief Michael Spears acknowledged that the department reached into the next recruit class for qualified minorities to increase the diversity in the class, which begins training Nov. 13. … But he said adding minorities to the list did not come at the expense of any white applicants. Instead, he said the move simply increased the number of names submitted for approval to the department's merit board." The Star notes, "The upcoming recruit class will be the largest in history, reflecting a need to keep up with planned retirements and provide enough officers for the larger, merged department. The IPD and Marion County Sheriff's Department will complete the consolidation of their operations Jan. 1. … 'We want to make sure we get the most qualified applicants possible,' Huber said. '(But) the process should be color-blind.' .. .The merit board, which must approve hiring, promotion and termination decisions, approved 55 candidates. The class includes 16 black, one Hispanic and 38 white candidates, for a minority representation of 31 percent. … The city's Police and Fire departments have operated under a U.S. Justice Department consent decree since 1978 that requires them to reflect the racial composition of the county workforce, which is about 21 percent black. That hasn't been met. … Currently, 15 percent of the IPD's 1,184 sworn officers are black, and 10 percent of the 397 sheriff's deputies are black."

Mississippi Voters May Be Left Out Of Election. The Biloxi Sun Herald (10/28, Lafontaine) reports, "Nearly 1,000 new residents (of Waveland, MS) likely will be left out of next month's city elections, according to Waveland attorneys." The Herald continues, "City leaders hired an independent consulting firm this year to figure a way to include hundreds of new voters living in a newly annexed section of town. … Waveland attorney Zach Butterworth said the Justice Department has not yet determined whether the new voters will be allowed to vote in the Nov. 7 election. .. . 'The new area could have a minimal impact on the elections and the federal government needs to decide if the new voters can be included,' he said." The Herald notes, "According to federal legislation adopted in the 1960s, the Justice Department must review changes in ballot procedures, voting districts and other electoral rules in several states - mostly in the South - to ensure that minorities maintain influence in elections. … The city settled an annexation dispute in July with neighboring Bay St. Louis in a deal that gave Waveland a stretch of land along the western right of way of Mississippi 603. … Butterworth said new voters in the annexed area will be able to vote in the congressional elections, but not the city. … Before the annexation dispute was settled, the federal government approved a request from the city to merge its voting precincts into one location at the City Hall complex on Coleman Avenue, since Katrina damaged or destroyed many polling places. … Butterworth said if the Justice Department approves the annexed voters, the most likely scenario would be to include them as part of Ward 4, rather than redrawing the ward lines."

New Jersey Same-Sex Couples Consider Personal Economic Impact Of Ruling. The New York Times (10/28, Kelley, 1.21M) reports that for same-sex couples in New Jersey, the state Supreme Court's ruling

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on partnership rights last week has financial impact. Cynthia and Lucy Vandenberg, "who have been partners for 12 years, have been forced to open their checkbooks repeatedly over the years to pay thousands of dollars in taxes on health benefits and for legal transactions that married couples rarely face. There was the $1,500 to change their surnames, for instance, the $1,400 or so in taxes they paid annually for additional health benefits, and the $1,000 they spent so one could adopt the biological child of the other. … Now they wonder how the court's decision will affect their next child, a son Lucy is carrying."

New Jersey Legislative Action Could Take A While. Under the headline "Civil Union Or Marriage? A Long Wait In New Jersey," the New York Times (10/28, Mansnerus, 1.21M) also reports that while the court ordered state legislators to work out a way ensure full rights and benefits for same-sex couples, legislators said it "might take months to decide what to call the solution -- marriage or something else," since the "next few months are booked up."

NYTimes Accuses Bush Of Exploiting "Homophobia" During Campaign Speeches. The New York Times (10/28, 1.21M)editorializes, "When future generations of Americans look back on the current era, they'll puzzle over what it was about George W. Bush that made people imagine there was anything compassionate to his conservatism. Having apparently lost all hope that he can use terrorism to scare voters into electing Republicans this November, the president has now begun raising the threat of gay marriage. The moment the New Jersey Supreme Court issued a ruling on the subject this week, Mr. Bush began using every possible excuse to bring up 'activist' judges and gay weddings on the campaign trail. 'I mentioned his love for his family,' Mr. Bush said at a rally for a Republican Senate candidate in Michigan. 'He understands what I know, that marriage is a fundamental institution of our civilization. Yesterday in New Jersey we had another activist court issue a ruling…' … If the last month has taught us anything about the Republican Party, it is that homophobia is campaign strategy, not conviction."

Student Criticizes Conservative Activist's "Academic Bill Of Rights." In an op-ed for the Washington Post (10/28, A15, 748K) Asheesh Kapur Siddique, a Princeton University student, writes that Universities "are under attack from people who want to inject partisan politics into our classrooms. Led by activist David Horowitz, some conservatives are pushing for the adoption of an 'Academic Bill of Rights' (ABOR) across America. The bill takes the form of student resolutions or legislative proposals claiming to protect the academic freedom of college students from ideological indoctrination by professors. … In truth, these efforts only hurt the students they purport to help. Horowitz and his backers aren't protecting our rights; they're impeding our educations. The Academic Bill of Rights would substitute political correctness for the free exchange of ideas on campus by preventing faculty and students from discussing fresh or controversial ideas in class."

ANTITRUST:

Private Equity Funds Bid For Tribune Company. The New York Times (10/28, Sorkin) reports, "The Tribune Company received several preliminary offers late yesterday from a series of private equity firms, according to people briefed on the auction." The Times continues, "The preliminary offers, which are nonbinding and known as 'indications of interest,' are the first step in an auction for Tribune, which said last month that it would consider selling its 11 newspapers and 25 television stations. … The company includes assets like The Los Angeles Times, The Chicago Tribune, The Baltimore Sun, Newsday and the Chicago Cubs." The Times adds, "Among Tribune's suitors, these people said, are a group including Providence Equity Partners, Madison Dearborn Partners and Apollo Management; another consortium including Thomas H. Lee Partners and the Texas Pacific Group; and the Carlyle Group and Bain Capital, which are each planning to bid separately. … Notably absent from the bidding was any major newspaper company, though it remained possible that Gannett or another rival company could emerge. … Tribune has a market value of $8.2 billion. Analysts have had scattered estimates about how much the company could be sold for, with some estimating a price as high as $10 billion and others estimating Tribune will not fetch any premium."

Maryland Man Begin Bid For Baltimore Sun. The Washington Times (10/28, Lengell) reports, "The man behind a local effort to buy the Baltimore Sun from the Tribune Co. said yesterday he is encouraged by the amount of community support he has received. … 'I have never witnessed this kind of response to a business transaction,' said Theodore G. Venetoulis, a former Baltimore County politician and current owner of a Maryland news and political magazine.

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'Newspapers still have a very substantial role in people's lives. It touches the core of people.'" The Times adds, "Mr. Venetoulis said he received several telephone calls from potential investors after reports were published yesterday revealing the group's intentions. … 'The group we've put together understand two things,' said Mr. Venetoulis, who lost a Democratic primary bid for governor in 1978. 'One, that this will not be an investment that will provide the usual yield and return that some investors will be used to. Secondly, they've agreed that they would not in any way attempt to jeopardize the paper's independence or attempt to give it a certain ideological bent.'" The Times notes, "The Baltimore group is the latest to seek to buy metropolitan daily newspapers from embattled corporations. … A group led by public relations and advertising executive Brian Tierney recently paid $515 million for the Philadelphia Inquirer and Philadelphia Daily News. .. A group led by Jack Welch, the former head of General Electric Co., said this week that it was interested in buying the Boston Globe. And in Los Angeles, three billionaires, including music executive David Geffen, have said they want to buy the Los Angeles Times, which also is owned by the Tribune Co."

Google Takes Advertising Plans To Madison Avenue. The Washington Post (10/28, D1, Goo) reports, "Just a few years ago, Google was a bit player on Madison Avenue. It specialized in tiny text ads shown alongside search results and in the margins of thousands of Web sites that partner with Google. … But recently Google has moved beyond search, reaching out to big advertisers to sell them online graphical or display ads on its partner sites. The firm is developing new Web video ad formats that could give TV commercials a run for their money and has been staffing up new projects to sell ads offline in newspapers and magazines and on radio." The Post continues, "Earlier this month, Google's ambitions were on display when it opened its new office in the old Port Authority building, covering 1 1/2 floors on an entire Manhattan block in the funky Chelsea neighborhood. The company has recruited executives from some of the biggest media firms and is rapidly expanding its 500-member team here in an attempt to cultivate relationships with Madison Avenue and large advertisers. … Google's strategy is to bring the math and science that fueled its search-engine ad success to other forms of marketing. The company's existing text-ad system allows advertisers to see how many people click on each ad and pay only when someone clicks, helping advertisers calculate the return on their marketing dollars. Eventually Google hopes to offer similar metrics for online video ads and off-line campaigns, though it is still in the early stages of figuring out how those might work."

Arcelor Mittal Takes Stake In Noble. The AP (10/28) reports, "Arcelor Mittal SA said Friday it was merging a unit that makes steel for the auto industry with Michigan-based laser welder Noble International Ltd. in return for a 40 percent stake in the business and a $300 million payment." The AP continues, "The Luxembourg-based steelmaker - currently being formed from a tie-up between Arcelor SA and Mittal Steel Co. NV - said it would become Noble's largest stockholder when the deal was complete." The AP adds, "Arcelor Mittal said this would strengthen the company's position with the global car industry. The transaction will combine Arcelor's laser-welded tailored blank business TBA - the largest in Europe - with Noble, North America's largest producer of laser-welded steel products. … Mittal has significant U.S. operations through its earlier acquisition of International Steel Group. … Combining expected results for this year, the combined Arcelor-Noble business would have a revenue of $1.1 billion and earnings before interest, taxes, depreciation and amortization of $122 million." The AP notes, "The Arcelor unit employs 670 people at nine plants in Europe, one in the U.S. and a quarter stake in a joint venture in China. The company said its revenue would be around $500 million this year. … Noble, headquartered in Warren, has more than 2,000 workers at 12 plants in the U.S., Canada, Mexico and Australia. It expects 2006 revenue to hit $600 million. Earlier this month, it bought Pullman Industries Inc., which makes steel tubular parts for carmakers."

FCC Sets November 3 Vote On AT&T-BellSouth Deal. Bloomberg (10/28, Peterson) reports, "The U.S. Federal Communications Commission plans to vote Nov. 3 on AT&T Inc.'s $82 billion purchase of BellSouth Corp., three weeks after a deadlock on the terms of approval derailed a previously scheduled vote." Bloomberg continues, "The commission, which released its agenda for the meeting today, hasn't indicated what types of conditions it may place on the deal, the biggest telephone-company combination ever." Bloomberg adds, "Facing pressure from the panel's two Democrats, AT&T earlier this month offered concessions including a price freeze on certain business data services and $10-a-month high-speed Internet access for some

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BellSouth customers. Rival companies want tougher conditions, such as price controls. … 'We still continue to believe there's a good chance the FCC will conditionally approve the necessary AT&T-BellSouth license transfers at some point in November,' Stifel Nicolaus & Co. analyst Blair Levin said today in an investor note." Bloomberg notes, "FCC approval is the last regulatory hurdle for San Antonio-based AT&T, the biggest U.S. phone company, to complete the transaction, which the companies announced almost eight months ago. The Justice Department and 18 states cleared the deal without conditions. FCC deliberations have been complicated by the likely recusal of one member, which leaves the panel evenly split between Democrats and Republicans. … FCC Chairman Kevin Martin, a Republican who initially proposed approving the deal without conditions, postponed an Oct. 13 vote after Democrats Michael Copps and Jonathan Adelstein, who are seeking conditions, asked for public comment on AT&T's proposals."

Smithfield Gambles On Merger While Foes Fight Expansion. The Newport News (VA) Daily Press (10/28) reports, "Smithfield Foods adversaries are trying to ensure that the world's largest pork company loses a $100 million bet. … If the Department of Justice allows Smithfield to purchase Premium Standard Farms, the $674 million deal will help Smithfield further bolster its position as the company that raises and slaughters the most hogs in the country." The Press continues, "A line of opponents has formed to protest, saying Smithfield will dominate the price of hogs. Smithfield and Premium knew the fight was coming, so the deal stipulates that Smithfield will pay $100 million to Premium if anti-trust regulators deny the deal. … But Smithfield was willing to take the risk. Smithfield gained confidence by surviving federal regulatory scrutiny when it bought Farmland Foods in 2003. Many of the same groups that opposed that deal also oppose this new one. The National Farmers Union, along with a coalition of rural and farm groups, made a case to the Justice Department this week, arguing the deal should be denied. … 'The packing industry is already pretty drastically consolidated,' said Fred Stokes, spokesman for the Organization for Competitive Markets, an agricultural think tank funded by independent farmers. 'And here's the No. 1 hog producer buying the No. 2 guy.'" The Press adds. "The opponents of the deal include a growing list of Midwestern politicians, who say the deal will give Smithfield the ability to determine hog prices. They formally asked the Justice Department to scrutinize the merger and have called for congressional hearings. … Smithfield is already the largest processor of hogs, with 26 percent of the market. By adding Premium, the company will have 31 percent. Farmers worry that with less competition for buying hogs, Smithfield can drive down prices. … Smithfield opponents say Premium had the only other slaughter facility in the Southeast. Without that competitor, Smithfield can set the prices it pays all farmers in the region to raise hogs, said Michael Stumo, general counsel for the competitive markets group."

Becton, Dickinson Wins FTC Approval For TriPath Deal. The Bergen County Record (10/28, Prial) reports, "Becton, Dickinson and Co. said Friday that federal antitrust approval has moved it a step closer to its planned $350 million acquisition of TriPath Imaging Inc., a manufacturer of cancer-screening products." The Record continues, "BD has said adding TriPath's technology will help it expand its presence in the field of cancer diagnostics. … The deal, which the Franklin Lakes-based maker of medical devices announced in August, still needs to be approved by TriPath's shareholders, said BD spokeswoman Colleen White." The Record adds, "The Federal Trade Commission, which oversees antitrust matters in the United States, said in a statement that it had completed its investigation of the deal and did not plan to take action. … As advances in research have created new opportunities for treating various forms of cancer, the potentially broad -- and lucrative -- market for cancer treatments has prompted health care companies large and small to target oncology. … TriPath, based in Burlington, N.C., uses sophisticated computer imaging to detect cell abnormalities that might indicate the onset of cancer. … BD already owns a 6.5 percent stake in TriPath."

ENVIRONMENT:

9th Circuit Halts Stryker Activity In Hawaii. The Honolulu Star-Bulletin (10/28, Kakesako) reports, "The Army lost a major court battle to local environmentalists and anti-war activists yesterday and might not be ready to deploy a Stryker brigade to Iraq late next year." The Star-Bulletin continues, "A 9th U.S. Circuit Court of Appeals panel in San Francisco, in a 2-1 decision, issued a temporary injunction halting construction, training and any other activities dealing with the $1.5 billion Stryker Combat Brigade planned for the 25th Infantry Division. … David Henkin, Earthjustice attorney,

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said the case now reverts to U.S. District Judge Dave Ezra to determine if any Stryker-related construction or training can occur while the Army works on a new environmental impact statement. … Henkin said he will not only ask Ezra to prevent the Army from causing 'irreparable harm' to environment, but he also does not want the Stryker conversion to be so far along that it cannot be stopped." The Star-Bulletin adds, "The Army has said the 2nd Brigade Combat Team has completed 60 percent of its training and received 70 percent of its equipment. The 2nd Brigade is slated to grow into a 3,500-member combat unit built around 328 of the 19-ton, eight-wheeled vehicles. … Before the injunction was put into effect, the Army had said the 2nd Brigade would be ready to deploy to Iraq by November 2007 as the fifth of seven planned Stryker units. … In court papers, Ron Borne, director of transformation for the 25th Infantry Division's 2nd Brigade Combat Team, listed Stryker-related construction projects that must be completed for the Army to meet its deadline. … The Army issued a terse statement yesterday: 'We are in receipt of the court order, and we are complying.' … A federal appeals panel ruled Oct. 5 that the Army had violated the National Environmental Policy Act by failing to consider other locations outside of Schofield Barracks for its fifth Stryker brigade."

Firefighters Continue To Combat California Fire That Has Already Killed Four. All three networks led with the California fires. ABC World News (10/27, lead story, 3:00, Gibson, 8.78M) reported "thousands of acres in southern California are now a wasteland and a crime scene. Tonight, authorities are offering $400,000 in their search for the person or persons who started a blaze that killed four fire fighters. President Bush has offered his condolences for the greatest loss of life among fire fighting personnel since 2001. As for the fire itself, thousands of acres are still burning and winds are still blowing."

The CBS Evening News (10/27, lead story, 2:12, Couric, 7.66M) reported, "The flames have now burned almost 38 square miles in the mountains of Southern California. And hundreds of firefighters are trying to stop it. That killer wildfire in southern California is only getting bigger. Officials say it was started yesterday by arsonists. And now it's being aided and abetted by the weather. Strong winds are driving the flames and the fear is that a huge wall of fire will head toward more populated areas."

The NBC Nightly News (10/27, story 1, 5:50, Alexander, 9.87M) added, "Wind gusts today topped 60 miles per hour making what's already a heartbreaking firefight, that much more difficult. Roaring flames and black smoke again painted these dry desert mountains near Palm Springs. For firefighters and investigators, it's a bitter two-front battle, hunting both the fast-moving fire and an arsonist wanted for what is the nation's deadliest wildfire in more than five years."

The Los Angeles Times (10/28, Kelly, Abrams, Reston, Gold, 918K) reports, "Battling gusting Santa Ana winds, fire crews today fought to try to contain the fast-moving Esperanza arson fire that has killed four firefighters. … The rough terrain in the San Jacinto Mountains of Riverside County just west of Palm Springs posed difficult problems for firefighters trying to keep the blaze from the more populated areas, Janet M. Upton, of the California Department of Forestry and Fire Protection, said today. Winds are expected to gust up to 45 mph and firefighters are facing a long day. … In Washington, the White House joined the list of public officials to express their condolences over the firefighters' deaths. 'A little bit ago, the president placed a phone call to Tom Tidwell, who's the deputy regional forester of the U.S. Forest Service, to express condolences over what is now being called the Esperanza incident, a fire near Palm Springs, California, that has claimed the lives of four firefighters,' said spokesman Tony Snow. The president also 'said he hopes that whoever is the perpetrator will be caught quickly and brought to justice.'"

The Los Angeles Times (10/28, Pugmire, 918K) reports, "More than 100 tips have been received by the Riverside County Sheriff's Department as the intense hunt for the person or group that started the fatal Esperanza fire near Cabazon continued today. The pool of reward money also grew from $100,000 to $400,000 when the state added $100,000, as did San Bernardino County and the Morongo band of Mission Indians." The Washington Post (10/28, A3, Geis, Pomfret, 748K) reports, "Fire officials said the blaze was only 25 percent contained, and in the areas already burned a sloping, blackened moonscape was still smoldering." The New York Times (10/28, Archibold, 1.21M) reports, "The wind and towering columns of smoke have made it difficult for the authorities to assess their progress, but with additional firefighters and equipment, they say they are making headway."

Religious Groups Oppose Controversial Appalachian Mining Practices. The New York

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Times (10/28, Banerjee, 1.21M) reports, "The windswept ridge that Sharman Chapman-Crane hiked to on a recent fall afternoon is the kind of place, she said, that she normally would avoid. From there, she could see what she loved about Appalachia and what it had lost, and she wanted her visitors to see it, too. … In the middle of the peaks, several stood stripped bare and chopped up, a result of an increasingly common and controversial coal mining practice called mountaintop removal." Chapman-Crane and the Mennonite Central Committee Appalachia "are trying to halt mountaintop removal, and at the heart of their work, they say, is their faith. They are part of an awakening among religious people to environmental issues, said Paul Gorman, executive director of the National Religious Partnership for the Environment, an interreligious alliance. Increasingly, religious people across denominations are organizing around local issues, like preventing a landfill, preserving wetlands and changing mining."

NYTimes Urges Administration To Expand Flu Vaccine Production. The New York Times (10/28, 1.21M) editorializes, "The World Health Organization's new plan for ramping up the production of flu vaccine is a measure of how unprepared the world is to cope with an onslaught of pandemic influenza. The plan, conceived by a group of more than 120 experts, lays out a sensible path toward vaccine sufficiency— but it will take years to complete and cost up to $10 billion. … The Bush administration's pledge of $10 million to W.H.O. to help other countries develop vaccines and manufacturing capacity is prompt but woefully short. The administration has also invested substantially in vaccine research, including $1 billion to develop new cell-based technologies that would allow rapid expansion of production in an emergency. Although those investments are primarily for our own benefit, the knowledge generated is likely to help others around the world. Still, both the American and global efforts ought to be intensified. The administration's goal of being able to make enough vaccine quickly to protect all Americans is also probably four to five years away.'

FBI/DEA/ATF/USMS:

Montana Man Sentenced To Probation For Firearms Violations. The Helena (MT) Independent Record (10/28, Byron) reports, "A Jefferson County (MT) man was sentenced to three years of probation and a $2,500 fine for being a convicted felon in possession of firearms. … Edward Betka, 61, received the sentence Friday in U.S. District Court in Missoula." The IR continues, According to information from the office of Bill Mercer, United States Attorney for the District of Montana, Betka's possession of firearms came to the attention of federal officials after a fire raced through his Basin home in July 2005. … The fire was being investigated as a possible arson case, and a deputy fire marshal accompanied Betka into the home while he retrieved various firearms." The IR adds, "The fire marshal watched Betka pull an undamaged gun case from under his bed, which contained two expensive-looking, high-powered scope-mounted rifles. A friend offered to store the firearms at his home, and took possession of three rifles, one shotgun and a .44-revolver from Betka. … However, Betka wasn't supposed to have any guns, since he was convicted of making false income tax returns, mail fraud, and false representation of a Social Security number in U.S. District Court in Wisconsin in 1990. Convicted felons are not allowed to own or be around firearms."

Federal Agents Were Planning Raid Of California DA's Home Before His Death. The Santa Rosa (CA) Press-Democrat (10/28, Geniella) reports, "Federal agents were preparing to raid the secluded Hopland home of Mendocino County District Attorney Norman Vroman at the time of his death to search for maturing marijuana plants and a possible stash of illegal weapons." The Press-Democrat continues, "Agents said overflights had detected at least 25 marijuana plants growing on Vroman's property at the end of Sanel Valley Road. … Investigators also suspected Vroman, a self-described 'gun nut,' may have added to his personal gun collection by taking home weapons seized during drug and other raids or bought with drug-related asset forfeiture money, according to federal Alcohol, Tobacco and Firearms agents." The Press-Democrat adds, "Three days before Vroman died Sept. 21 after a massive heart attack, the FBI's Public Corruption Unit began reviewing results of an investigation involving agents from the ATF and the Drug Enforcement Agency, according to internal documents obtained by The Press Democrat and statements from agents who asked not to be identified. … Documents show federal investigators were completing affidavits in support of warrants to search Vroman's home when he suffered the heart attack Sept. 19 as he prepared to drive to work. Vroman was found

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by a family member slumped over the wheel of his county-owned car. Vroman died two days later at a Santa Rosa hospital. … The federal government doesn't recognize California's medical marijuana laws. Vroman was the first district attorney in the state to implement identity cards for patients who have a doctor's permission to use marijuana. Whether Vroman obtained one himself is unknown because confidentiality laws prevent that disclosure. … Documents show tensions rose within federal agencies as investigators pressed to raid the home of a high-profile district attorney who at the time of his death was engaged in a tough re-election fight with Fort Bragg attorney Meredith Lintott."

Maryland Man Pleads Guilty To Abortion Clinic Bomb Plot. The Washington Post (10/28, B4, Castaneda) reports, "A Prince George's County man admitted in federal court yesterday that he intended to attack a Berwyn Heights abortion clinic with a pipe bomb this past summer." The Post continues, "During a hearing in U.S. District Court in Greenbelt, Robert Weiler Jr., 25, pleaded guilty to possessing a pipe bomb, being a felon in possession of a firearm and attempting to destroy or damage an abortion clinic. … A plea agreement worked out between Weiler's attorney and Assistant U.S. Attorney Bryan E. Foreman calls for Weiler to be sentenced to five years in federal prison. … U.S. District Judge Deborah K. Chasanow scheduled sentencing for Dec. 18." The Post adds, "Weiler said little during the hearing. He gave brief answers to Chasanow's questions about his background and mental health and about whether he understood the terms of his plea. … When asked whether he had been treated for alcoholism or mental illness, Weiler replied that he had met with a mental health expert at the Charles County Detention Center. He did not elaborate. … The defendant's parents had tipped off Prince George's police to his plans, calling to report their suspicions June 4, more than a week after he disappeared from their home and stopped returning their calls. … On June 7, Robert Weiler Jr. called agents of the federal Bureau of Alcohol, Tobacco, Firearms and Explosives to turn himself in. When he was arrested the next morning at a rest stop in Western Maryland, he told agents that he had a handgun stolen from a friend and that he had made a pipe bomb and left it in the closet of a house in Riverdale Heights. Hours later, the bomb was partially detonated by bomb squad technicians."

TAX:

NYTimes Concerned About "Political Motivation" In IRS Collection Delay. The New York Times (10/28, 1.21M) editorializes, "To avoid looking like Scrooge, the Internal Revenue Service typically lets up around the holidays in its hounding of tax delinquents. But this month, the indulgence began even before Macy's was decorated. The Times's David Cay Johnston reported yesterday that on Oct. 10, the I.R.S. commissioner Mark Everson told his troops to delay tax enforcement in areas affected by Hurricane Katrina -- until after the midterm elections and the holiday season. … In delaying the enforcement actions, there's no avoiding the appearance of a political motivation."

CONGRESS-ADMINISTRATION:

Rangel Says Democrats Will Not Roll Back Bush Tax Cuts. The Washington Post (10/28, D1, Montgomery, 748K) reports Rep. Charles Rangel, who "stands to take over the tax-writing House Ways and Means Committee," said he "had no intention of rolling back" President Bush's first-term tax cuts if the Democrats take the House. Rangel said, "I think it would be ridiculous for us in 2007 to be talking about 2010 tax cuts. I don't want to go retroactive in terms of any of the tax cuts. I think retroactive tax increases are bad tax policy." The Post says that as the "prognosis for Republicans to maintain control has grown increasingly gloomy, Rangel has become a favorite rhetorical punching bag for President Bush and Republican leaders."

Waxman Plans Aggressive Expansion Of Corporate Oversight. The Wall Street Journal (10/28, Dreazen, 2.03M) reports on its front page that Rep. Henry Waxman, who stands to take over the House Government Reform Committee, said he would "aggressively expand oversight of many large industries -- with a focus on drug prices, oil-company profits and Halliburton Co.'s contracting work in Iraq." Waxman said he "also would boost oversight of the Bush administration, along with 'waste, fraud and abuse' across the federal government -- especially rebuilding efforts in Iraq and the Hurricane Katrina-ravaged Gulf Coast. The committee has extensive -- and vaguely defined -- oversight responsibilities covering broad swaths of corporate America

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and the government, and the chairman has the power to issue subpoenas, compel testimony and call hearings."

Michaud Plans To Challenge Filner For Veterans Affairs Committee Chairmanship. CQ Daily (10/27, Yoest) reports that Rep. Bob Filner "may be in line to become the next chairman of the Veterans' Affairs Committee if the Democrats win control of the House, but his behavior as ranking member has raised questions about whether he's the right Democrat for the job.," and Me2 Rep. Michael Michaud (D) plans to challenge Filner's chairmanship. CQ Daily writes, "Filner's hot temperament, visible in his fights with current chairman Steve Buyer, R-Ind., and a profanity-laced tirade outside VA headquarters in June, have raised some eyebrows."

WSJournal Chides Democrats Over Silence On Agenda Specifics. The Wall Street Journal (10/28, A6, 2.03M) editorializes, "A joke in Washington these days is that the only thing that can save the Republicans on Election Day is the Democrats. House Speaker-in-waiting Nancy Pelosi seems to get this joke, because with few exceptions she's kept her Members tight-lipped and unspecific: As New York Senator Chuck Schumer has put it, why take the focus off the GOP? This is in notable contrast to 1994, when the Gingrich Republicans ended a 40-year Democratic House majority by laying out a 10-item agenda known as the Contract with America. What Democrats are campaigning on this year is a Non-Contract with America -- mostly generalities about 'helping the middle class' and 'ending the corruption in Washington.' As a campaign strategy, this may well pay off. But if they do win, Democrats will have to fill their campaign vacuum with something, and the best clue to what that would be is what they've already proposed."

White House Reportedly Trimming 2008 Army Budget Request. The New York Times (10/28, Cloud, 1.21M) reports White House budget officials "are planning on asking for a $121 billion budget for the Army next year, not the $138 billion that senior Army officials have been seeking, two senior Pentagon officials said. Army officials were told of the decision in an Oct. 19 memorandum from Deputy Defense Secretary Gordon R. England, which noted that changes in the Army allotment were still possible, as deliberations continued over the Bush administration's budget for the 2008 fiscal year, said officials who had seen the memorandum. The Army budget figure was first reported by Bloomberg News." The Times adds, "it appears that the preliminary decision to scale back the annual budget request for the Army could be offset later in the year, in a so-called supplemental appropriation like those Congress has passed every year since 2001. The extra money in those bills has financed the wars in Iraq and Afghanistan, as well as unanticipated costs elsewhere."

Rice Said To Rely On Zelikow To Provide Policy Alternatives. A profile in today's New York Times (10/28, Cooper, Sanger, 1.21M) reports, "For the last 18 months, Philip D. Zelikow has churned out confidential memorandums and proposals for his boss and close friend, Condoleezza Rice, that often depart sharply from the Bush administration's current line." Zelikow's "ideas would have found a more natural home under President George H. W. Bush, for whom [he and] Rice worked on the staff of the National Security Council. They reflect a sense that American influence is perishable, and can be damaged by overreaching, as allies and other partners react against decisions made in Washington. They form a kind of foreign policy realism that was eclipsed in Mr. Bush's first term, in favor of a more ideological, unilateral ethos, but that has made something of a comeback in his second term."

OTHER NEWS:

Slow GDP Growth Blamed On Weak Housing Market. ABC World News (10/27, story 2, 3:30, Gibson, 8.78M) reported, "Economists expressed some surprise when analysts released figures showing that the gross domestic product of the country rose 1.6%. That's the weakest showi in the economy in four years. The reason, the slumping housing market. If housing was factored out, the GDP would have been more than 1% higher. ABC's Barbara Pinto on how wide-spread is the housing slump."

The CBS Evening News (10/27, story 4, 2:00, Couric, 7.66M) reported, "The Bush administration today put out one of the last vague economic numbers before the election. It shows the economy slowed sharply in the third quarter of this year growing at an annual rate of just 1.6%. The slowest in more than three years."

The NBC Nightly News (10/27, story 6, 0:30, Williams, 9.87M) reported, "The news on the economy tonight is not good. Gross domestic product, GDP., the broadest measure of the nation's economic growth slowed to a crawl in the third quarter clocking in at an annual rate of 1.6%. That's the

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worst showing in more than three years. The weak housing market is cited as the main culprit here."

The Washington Post (10/28, A1, Henderson, 748K) reports, "The cooling housing market sent a chill through the economy in the third quarter, helping to slow growth to its weakest pace in more than three years, the government said yesterday. The nation's gross domestic product…expanded at a sluggish 1.6 percent annual rate in the quarter, down from a moderate 2.6 percent pace in the second quarter, the Commerce Department reported. In the first three months of the year, the economy grew at a sizzling 5.6 percent annual rate. With less than two weeks to go before the midterm congressional elections, the report instantly became campaign ammunition. Democrats emphasized the slowdown while Republicans highlighted signs of economic strength." The Post adds, "Home building plunged at a 17.4 percent annual rate in the third quarter, the steepest fall in four consecutive quarters of declines, the report showed. … Heading into the final campaign stretch, President Bush and other Republicans have emphasized the good economic news, such as the low 4.6 percent unemployment rate, rising incomes and falling oil prices."

The Wall Street Journal (10/28, A3, 2.03M) reports, "Economists chalked up the weak GDP reading to the housing slump and growing trade deficit. Some focused on the positive: Consumers were spending and there's potential for growth. But not everyone is sold that a rebound is in the works. … With midterm elections less than two weeks away, the report also sparked debate. Some economists said a long period of tepid growth is in store, citing an expected decrease in production in the housing and auto sectors. Others said recession is a possibility. Yet, many economists predicted the economy will bounce back during the current quarter, particularly if gasoline prices don't soar again." The Financial Times (10/28, Guha) reports, "Inflation pressures eased a little, with the core personal consumption expenditure deflator rising at an annualised rate of 2.3 per cent, down from 2.7 per cent."

Gutierrez Contends US Economy Is Strong Despite "Housing Correction." The New York Times (10/28, Porter, 1.21M) reports, "evidence of a decline in inflation coupled with vigorous consumer spending left most economists saying that the overall economy is unlikely to be dragged into a recession even as the housing market continues to falter. … With the midterm elections little more than a week away, the Bush administration sought to persuade voters that the economy, while beating at a slower pace, remains healthy. 'We have a very strong, large resilient economy that can absorb a housing correction,' said Carlos M. Gutierrez, the commerce secretary. 'If you isolate the impact of the housing correction and look at all the rest, those are solid numbers.' But Democrats seized on the report to criticize the administration's economic management."

Consumer Sentiment Improves. The Washington Times (10/28, Hill, 88K) reports, " The steep downturn in the housing market took its toll on the economy in the summer quarter. … Consumers have been bolstered by a record fast drop in oil and gasoline prices since Labor Day, and a move by the Dow Jones Industrial Average to surpass its previous record high set in 2000. A measure of consumer sentiment published by the University of Michigan yesterday showed an uptick in response to both developments, which may stimulate stronger consumer spending in the final quarter of the year."

Blunt Frustrated By Public Perception Of Economy. House Majority Whip Roy Blunt said on Fox News (10/27, Scott), "It's been one of the frustrations for me for the last couple of years, that the true story of the economy I think hasn't gotten across to the American people. So many people for so long responded to polls, a significant number of people saying they thought that the economy was great for them, but based on everything they were hearing and reading, they knew it had to be bad. And I think there is a settling in here over the last several weeks of how strong this economy is."

GDP Report Causes Stocks To Move Lower. The New York Times/AP (10/28) reports, "Stocks pulled back yesterday after a government report stirred concerns that the economy may be slowing too much. … While investors expected that yesterday's advance reading on gross domestic product from the Commerce Department would show slowing growth, the report underscored concern that a cooling housing market could spill over into other parts of the economy." The Dow Jones industrial average "was down 73.40 points, or 0.60 percent, at 12,090.26. The average had achieved a new high close in each of the previous four sessions and in 13 of the previous 18 sessions. Broader stock indicators also moved lower yesterday. The Standard & Poor's 500-stock index slipped 11.74 points, or 0.85 percent, to 1,377.34, and the Nasdaq composite index fell 28.48 points, or 1.20 percent, to 2,350.62." The Wall Street Journal (10/28, B1, Anand, 2.03M) reports October "is shaping up as

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the blue-chip average's strongest month in more than a year. The Dow industrials are up 3.52% in October. If that holds up it would be the best month since July 2005. … The last few weeks' gains have been driven largely by strong corporate earnings, coupled with falling gasoline prices and the perception of a benign economy."

Dollar Loses Value Due To Concerns Arising From GDP Report. The Wall Street Journal (10/28, B2, Molinski, 2.03M) reports, "The dollar dropped to a one-month low against the yen Friday as worries of a slowing U.S. economy boosted the chances of interest-rate cuts next year by the Federal Reserve. The dollar's downward spiral was triggered by a weaker-than-expected third-quarter gross-domestic-product report, which sent the dollar to the one-month low of 117.13 yen, while the euro hit a three-week high at $1.2751. The dollar recovered slightly against its rivals later in the session, but remained overall in negative territory. Speaking on CNBC television shortly after the data were released, U.S. Treasury Secretary Henry Paulson sought to reassure markets, saying the U.S. economy was 'healthy,' but many currency analysts weren't convinced."

Gasoline Prices Expected To Rise Over The Next Week. The Wall Street Journal (10/28, A5, Levine, 2.03M) reports, "Wholesale gasoline prices have shot up over the past week, and prices at the pump may soon follow. U.S. prices have dropped an average of 27% to $2.20 a gallon of regular gas Friday from a peak of $3.03 a gallon in August, according to the AAA, the motorist organization. … But the retail price slide may be coming to a halt. Wholesale gasoline prices have risen 8.9% over the past 10 days, to $1.56 a gallon in New York Mercantile Exchange trading Friday. Spot crude-oil prices, meanwhile, have gone up 5.4% over the past nine days period, to $60.75 a barrel Friday, stemming a plunge that had taken the price from $77.03 a barrel in July to $57.22 a barrel Oct. 12. There's often a 10-day or two-week time lag before changes in the wholesale gasoline market show up at the pump. And more than a week of data is needed to mark a trend in the volatile energy market." The Journal notes, "the average U.S. price of regular gasoline rose a little over a penny Thursday and Friday, to $2.20 a gallon, the first consecutive-day increases since the first week of August, according to the AAA."

OPEC Likely To Reduce Production. The Wall Street Journal (10/28, B5, Chambers, 2.03M) reports, "After losing a quarter of its value from record highs, crude oil has very likely bottomed for the year as the northern hemisphere winter ushers in the prospect of a modest resurgence in prices. Growing belief in the Organization of Petroleum Exporting Countries' ability to cut oil production and the advent of cold temperatures whittling away high U.S. oil stockpiles pushed prices above $60 a barrel again this week. Oil was given additional support Friday by reports that Saudi Arabia and Bahrain are leading a deployment of naval forces in the Persian Gulf after receiving information suggesting 'a strong possibility' that insurgents may attack a major oil-loading facility in Saudi Arabia. The warning served as a reminder of oil's vulnerability to terror threats."

Campaigns Turn Increasingly Nasty As Parties Joust For Control. All three networks led their Friday broadcasts with California's fires, but coverage of the upcoming midterm elections made up a major part of subsequent reporting. Much of the focus was on the Virginia US Senate race, though the increasing negativity of close races across the country is receiving a lot of attention.

The NBC Nightly News (10/27, story 3, 2:30, Williams, 9.87M) reported, "We turn now to politics, to this increasingly bitter campaign season with just 11 days to go now, and it's getting even uglier out there. The close Virginia Senate race is just one case in point. The Republican George Allen attacking sexually graphic passages from two novels that Democrat Jim Webb wrote about his Vietnam War experiences." NBC (Reid) continued, "Jim Webb, a highly decorated Marine in Vietnam, wrote a series of war novels, but now that he's in a close race for the U.S. Senate in Virginia, sexually graphic passages from his books have become campaign fodder. … In Tennessee, Republicans are no longer running this ad." Campaign ad: "Harold, call me." NBC (Reid) continued, "Supporters of Harold Ford called it racist, but Republicans switched it with this." Campaign ad: "He campaigns in a church. But took cash from Hollywood's top x-rated porn moguls." NBC (Reid) continued, "Some Democrats are doing it, too. This from Chris Carney of Pennsylvania." Campaign ad: "She made a 911 call alleging that he had choked her. Sherwood campaigned on family values. He has no family values." NBC (Reid) continued, "Republican Don Sherwood admits he had a mistress but denies he choked her. Negative campaigning can backfire especially when it looks like a desperation tactic but political analysts say the reason there's

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so many negative ads out there is because most of the time, they work."

The Los Angeles Times (10/28, Simon, Alonso-Zaldivar, 918K) writes that in the "waning days of this year's closely contested midterm election, attacks aimed at impugning a candidate's character and morals are increasingly dominating campaigns, raising questions about the appropriate boundaries and tenor of the debate." University of Pennsylvania political scientist Don Kettl said, "We've reached the point where negative ads have become more important than positive campaigns, and there's almost no line left to cross. If it's there to be found, the highly paid opposition researchers will find it. And if they find it, they'll use it." But NRCC spokesman Carl Forti was more direct. "Negative ads work, which is why you see so many of them," Forti said.

Analysts Still Give Democrats Overall Edge. As the midterm campaign season nears its close, political observers continue to update their projections. On Friday, the Cook Political Report moved the Maryland Senate race between Democratic Rep. Ben Cardin and Republican Lt. Gov. Michael Steele from "leans Democratic" to "toss-up," saying the race "is closer than most observers expected it to be." Cook also moved FL13, NY24, and OH18 from "toss-up" to "lean Democratic," and moved FL16 from "leans Democratic" to "toss-up." Meanwhile the Rothenberg Political Report updated its overall projections Friday, saying Democrats will gain 18-28 House seats, "with the caveat that larger gains surely are possible," four to seven Senate seats, and six to 10 governorships.

Earlier Friday, the White House Bulletin updated its list of how Cook, Rothenberg, Larry Sabato of the University of Virginia, and CQ Politics handicappers are rating the House races, and formed a composite rating based on their picks. Almost all the movement was toward the Democrats, and there are now nine GOP-held seats either likely or leaning Democratic, and another 19 in the toss-up category. There are no Democratic seats currently favoring the Republicans or in the toss-up category. In addition, three new races previously considered safe for the Republicans, CA50, IN3, and NY25, were added to the toss-up list.

Meanwhile, the Democratic Democracy Corps said Friday that a "wealth of new public poll releases confirm that Democrats hold a commanding and stable lead in the race for Congress." Democrats "have slipped slightly in the generic congressional contest this week but still lead by 15 points and attract a clear majority of 53 percent across the most recent seven surveys."

Reliability Of Polls Examined. The Wall Street Journal (10/28, A5, 2.03M) examines the reliability of polls in past years, noting that in 1994, "few pundits predicted the landslide. In July 1994, the Pew Research Center said that 47% of voters would likely vote Democratic, while 45% would vote Republican. By November, the poll showed Republicans ahead by just two percentage points."

Democrats Outraised Republicans In Early October, But Still Lag In Cash On Hand. The Washington Post (10/28, A8, Birnbaum, 748K) reports that while Democrats "continued to raise large amounts of campaign cash this month," it was "not enough to erase the Republicans' multimillion-dollar lead." Democratic committees outraised Republican committees during the first 18 days of October, gathering $25.9 million while Republicans collected $18.6 million. But the "last-minute fundraising surge was not enough to overcome the GOP's earlier fundraising advantage. The three national Republican Party committees had $17 million more cash on hand than their Democratic counterparts as of Oct. 18."

The Wall Street Journal (10/28, A2, Cummings, 2.03M) says the "rush of final campaign spending next week will provide important clues to where the Republican firewall against a Democratic takeover of the Senate is shifting -- and whether Republicans are even trying to build one to protect their House majority." The Journal raises a few "big Senate questions: Now that the Republican Party has decided to stop investing in Ohio, where incumbent Sen. Mike DeWine is trailing in polls, where does the money go? Will the party divert big money from the Buckeye State to make a last stand in Tennessee, where Republican Bob Corker is fighting to hold the seat of departing Senate Majority Leader Bill Frist, or double-down its bet on Virginia Sen. George Allen?"

Corporate Donors Shift Giving To Democrats. The New York Times (10/28, Zeleny, Pilhofer, 1.21M) reports, "Corporate America is already thinking beyond Election Day, increasing its share of last-minute donations to Democratic candidates and quietly devising strategies for how to work with Democrats if they win control of Congress." The "shift in political giving, for the first 18 days of October, has not been this pronounced in the final stages of a campaign" since the 1994 Republican sweep.

Capitol Hill's GOP Centrists Fear Their Small Ranks Will Dwindle Even More. The New York Times

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(10/28, Hulse, 1.21M) reports Republican Senate and House centrists, "facing the loss of fellow moderates" in November, are "faulting Congressional and party leaders for pursuing a strategy dominated by conservative themes. Leading moderates say Republicans concentrated on social wedge issues like same-sex marriage while pressing national security almost to the exclusion of popular wage and health policies that could have helped endangered Republicans in the Northeast and the Midwest." Two GOP senators seen as moderates, Lincoln Chafee of Rhode Island and Mike DeWine of Ohio, "are in serious jeopardy. Two leading House moderates are retiring, another lost a primary, and at least six others are in difficult re-election fights in Connecticut, New Hampshire, New York, Ohio, Pennsylvania and elsewhere." Sen. Olympia Snowe said, "There wasn't an impetus to help develop a political and legislative plan that incorporated the broad umbrella of philosophy in our party. I think they always operated under the wrong assumption that you just appeal to the base and no more than that."

DNC Ramps Up Outreach To Black Voters. The Washington Times (10/28, Debose, 88K) reports the DNC "is hiring more black advertisers, pollsters and grass-roots operatives in a revamped effort to increase turnout by black voters." Spokeswoman Amaya Smith said, "There are a lot of races that will be impacted by African-American and Hispanic voters in crucial states, and we had a lot of candidates stress that they need these votes to win. … We are reaching out to people who we know are our voters but may not have come out in the last election."

Director Zucker Making Internet Spots For RNC. The Washington Times (10/28, Ballon, 88K) reports David Zucker, director of comedies like "Airplane!" and "The Naked Gun," is "now focusing his camera to mock Democrats in political ads." The "one-time liberal activist" and former campaign adviser to President Clinton is now making Internet ads for the RNC. Zucker "defected to the Republican Party after the September 11 attacks, supported President Bush in 2004 and has become more vocal in his beliefs -- disregarding the possible impact on his career in Hollywood, a liberal haven."

Allen Camp Hits Webb Over Explicit Passages In His Novels. The CBS Evening News (10/27, story 3, 2:10, Couric, 7.66M) reported, "It's 11 days and counting until the midterm elections. And Virginia's wild Senate race could help determine the balance of power in Congress. In this one as in so many others as we come down to the wire, everything seems to be fair game." CBS (Borger) continued, "Consider it one more race stuck in the muck. Today it was Virginia's turn. Republican Senator George Allen's campaign sent out a press release detailing steamy sex scenes in novels written over the last 30 years by opponent Jim Webb. … But wait a minute, this race was supposed to be about issues. Mostly Iraq."

CNN's Anderson Cooper 360 (10/27, King) reported, "With control of Congress at stake, many races are not only close; they're downright ugly. That, of course, is nothing new. What is new, though, is how a work of fiction is becoming fact in one vicious campaign. It's in Virginia, where the Republican incumbent, under fire for his own remarks, wants voters to know what his Democratic challenger wrote years ago. The writing is explicit and shocking. It's also purely made up, fiction."

The Washington Post (10/28, Shear, Craig, 748K) reports on its front page that Sen. George Allen, facing a tight race in Virginia, has accused Democratic rival James Web of "writing inappropriate sex scenes and demeaning descriptions of women in his fictional books." The Post says the "allegations about sex-laced passages" in five of Webb's historical novels "inject a new question into a campaign that has centered almost exclusively on character issues: Should the author of a fictional work who runs for office be personally held to account for the scenes in his books?" Webb said in response, "To take these things out and pull excerpts out and force them on people…is just a classic example of the way this campaign is run. Literature is literature. I've made my career as a novelist. George Allen doesn't have a record to run on."

The New York Times (10/28, Hernandez, 1.21M) says the Allen campaign "issued a news release that quoted the passages and called them 'very disturbing for a candidate hoping to represent families of Virginians.'" The release "also asserted that Mr. Webb's writings were filled with 'chauvinistic attitudes and sexually exploitive references.'" As part of their response, Democrats circulated comments by Sen.John McCain "praising one of the novels, 'Lost Soldiers,' that the Allen campaign had singled out because it described a provocative scene involving a boy." Webb also "attacked Mr. Allen personally. 'You ought to read what George Allen's sister wrote about him if you want to read about attitudes toward females,' he said, alluding to an autobiography by Jennifer Allen in which she describes her brother as a bully

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who once dragged her upstairs by her hair because she had defied her father at bedtime."

The Washington Times (10/28, McLaughlin, 88K) adds that Webb "said he was warned by friends before entering the race that the 2 million words he has published made him an opposition researcher's dream and that they would be taken out of context to be used against him."

Allen Leads Webb By One Point In Rasmussen Poll. A Rasmussen Reports roll of 500 likely voters (+/- 4.5%), taken October 24, shows Sen. George (R) at 49% and James Webb (D) at 48%.

Lynne Cheney Spars With Blitzer Over Her Own Novel. Second Lady Lynne Cheney, appearing on CNN's The Situation Room (10/27, Blitzer), said, "Jim Webb is full of baloney. I have never written anything sexually explicit. His novels are full of sexual, explicit references to incest, sexually explicit references -- well, you know, I just don't want my grandchildren to turn on the television set. This morning, Imus was reading from the novels, and it's triple-X rated." Blitzer: "Here's what the Democratic Party put out today, the Democratic Senatorial Campaign Committee: 'Lynne Cheney's book featured brothels and attempted rape. In 1981, Vice President Dick Cheney's wife, Lynne, wrote a book called 'Sisters,' which featured a lesbian love affair, brothels and attempted rapes.'" Cheney: "No." Blitzer: "'In 1988, Lynn Cheney wrote about a Republican vice president who dies of a heart attack while having sex with his mistress.' Is that true?" Cheney: "Nothing explicit. And actually, that was full of lies." Blitzer: "But you did write a book entitled 'Sisters'? .. And it did have lesbian characters?" Cheney: "This description -- no, not necessarily. This description is a lie. I'll stand on that."

Dowd Mocks Allen's Charges Against Webb. In her New York Times (10/28, 1.21M) column, Maureen Dowd writes, "Candidates around the country have been race-baiting, gay-baiting, Michael J. Fox-baiting and Hispanic-baiting. But now it has come to this: Republicans are novel-baiting. Still trying to recover his balance, after slipping on a macaca and admitting he was a Jewish bubba, one criticized for using racist language, displaying a Confederate flag at home and keeping a hangman's noose at his old law office, Senator George Allen of Virginia unleashed a vicious attack on Jim Webb Thursday night. He called him a fiction writer."

Unlike 2004, Values Issues Not On Ohio's Radar This Year. The Washington Post (10/28, B9, Koff, Sloat, 748K) reports that in Ohio, where in 2004 "Republicans fused love of God and love of country into such a potent political message" that Democrats "were discombobulated," this year voters seem more concerned with the economy and the war in Iraq. Not much is "being said on the campaign trail about the 'three G's' -- gays, guns and God -- in any part of Ohio," and in the state's conservative southwest, "barely a peep is heard about abortion or other social issues." However, on its front page, the Wall Street Journal (10/28, Calmes, 2.03M) says evangelicals are trying to excite their base in the state. The "turnout machine that has pulled evangelical conservatives to the polls in massive numbers is churning away, and for a reason little appreciated outside their circles: the sense that voting is their Christian duty."

"Daily Show" To Broadcast From Ohio Next Week. The AP (10/28) reports Comedy Central's "Daily Show" will spend the last week before the election broadcasting from Ohio. Host Jon Stewart said, "We wanted to go there because Ohio was so crucial last time. They were sort of the focal point, the swing state, if you will." Stewart said "many of the big-name politicians the show approached -- including U.S. Sens. George Voinovich and Mike DeWine, Gov. Bob Taft and gubernatorial candidates Ted Strickland and Ken Blackwell -- declined."

Judge Rules Ohio Exit Polling Rules Are Legal. The New York Times/AP (10/28) reports Federal District Court Judge Michael Watson, who had struck down Ohio rules on exit polling, "ruled Friday that revised guidelines for the practice were legal, rejecting a call for clarification by the national news media."

Steele's Pediatrician Sister Defends Him On Stem Cells In TV Ad. The New York Times (10/28, Rutenberg, 1.21M) examines an ad for Maryland Republican Senate candidate Michael Steele, which responds to an ad for Democrat Ben Cardin that featured Michael J. Fox accusing Steele "of wanting to 'put limits on the most promising stem cell research.'" In the ad, pediatrician Monica Turner, Steele's sister, says Steele "does support stem cell research, and he cares deeply for those who suffer from disease," then says she herself has multiple sclerosis. The Times says the "Cardin advertisement with Mr. Fox was a powerful repudiation of Mr. Steele, given by one of the nation's leading advocates for stem cell research. But Mr.

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Steele's sister would seem no less effective in this ad defending her brother, in calm but firm terms."

Third-Party Maryland Candidate Does Not Want To Be A "Spoiler." The Washington Times (10/28, Miller, 88K) reports Kevin Zeese, running for the US Senate in Maryland as the coalition candidate of three minor parties, said his campaign "is gaining momentum because of gaffes" by Cardin. Zeese, who is at about six percent in recent polls, "bristled at the suggestion that he could cost Mr. Cardin the election by fracturing the congressman's liberal voter base." Zeese said, "I'm certainly not going to be a spoiler. It is a question of people hearing me. If they hear me, I'll win."

Bloomberg Lends Campaign Operatives To Lieberman. The New York Times (10/28, Cardwell, 1.21M) reports Sen. Joseph Lieberman "is deploying a secret weapon" in the final days of his run for reelection as an independent: a "sophisticated operation to identify and turn out voters, courtesy of Mayor Michael R. Bloomberg." The "Bloomberg group includes several top-level operatives who played key roles in the mayor's decisive re-election last year or who are in the administration, and have taken leaves from their jobs to work on Mr. Lieberman's campaign." The team has helped to "open campaign offices, devised a strategy to reach voters and are corralling enough volunteers to cover 2,800 shifts at more than 700 polling sites on Election Day." The Times says that since Lieberman "does not have a party apparatus to help build his field operation, the efforts of the Bloomberg team could prove critical in one of the most closely watched races in the nation." The Times links Bloomberg's support for Lieberman with talk of a 2008 Bloomberg presidential run, saying that the "workers on loan are the most vivid example yet" of how Bloomberg "could build a permanent political apparatus to support like-minded independent candidates across the country -- if not a national bid for himself."

Whitehouse Leads Chafee By 10 Points In Rasmussen Poll. A Rasmussen Reports roll of 500 likely voters (+/- 4.5%), taken October 25, shows Sheldon Whitehouse (D) at 43% and Sen. Lincoln Chafee (R) at 33%. Two weeks ago, Whitehouse led by just three points.

Party Label Dragging Chafee Down In Rhode Island. The Washington Times (10/28, Fagan, 88K) reports on the Rhode Island Senate race. While Chafee "often bucks Republicans on issues from taxes to abortion and voted against the Iraq war," Whitehouse "has tried to paint him as a boon to the Republican majority and Mr. Bush's agenda -- a theme that seems to have resonated."

Corker Leads Ford By One Point In Rasmussen Poll. A Rasmussen Reports roll of 500 likely voters (+/- 4.5%), taken October 25, shows Bob Corker (R) at 47% and Rep. Harold Ford, Jr., at 46%.

Wal-Mart Cuts Ties With GOP Strategist Involved With Anti-Ford Ad. The New York Times (10/28, Barbaro, 1.21M) reports Wal-Mart said Friday night "that it had cut ties with a prominent Republican strategist," Terry Nelson, who helped make the now-pulled RNC ad mocking Ford. The Times says Wal-Mart was "under pressure from black leaders and union groups" to dissociate itself from Nelson.

Wamp Says Corker "Has The Momentum." Rep. Zach Wamp said on Fox News (10/27, Colby), "I know both these guys better than anybody. I've known Bob Corker for 20 years and I've known Harold Ford for 10 years. They're both sharp, smart. I like them both a whole lot. But I think the decision's going to be: Who is going to represent Tennessee values in the way they carry themselves and they vote? And that's why Bob Corker has the momentum right now."

Talent Leads McCaskill By Two Points In Rasmussen Poll. A Rasmussen Reports roll of 500 likely voters (+/- 4.5%), taken October 25, shows Missouri Sen. Jim Talent (R) at 48% and State Auditor Claire McCaskill (D) at 46%.

Santorum Says He Is "Running Full-Tilt." Sen. Rick Santorum said on MSNBC (10/27, Cosby), "My opponent's doing two campaign events a week. I repeat that -- two a week. I'm just running full-tilt. I know I have to earn this job every six years -- and not just every six years, every day during the six years. And my opponent has a very famous name. His father was the governor. And he's won elections because of the last name. And he thinks that's going to win him this one, and I think the people of Pennsylvania are going to give him a little surprise on Election Day."

In Indiana, Local Issues Hurting GOP House Candidates. The Wall Street Journal (10/28, A4, Schatz, 2.03M) runs a feature on House races in usually Republican Indiana, where three GOP incumbents -- Chris Chocola, John Hostettler, and Mike Sodrel – are in tight contests. Voters are dissatisfied with how the GOP-led state

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government "has handled local issues," and "Democratic challengers are successfully tapping into that sentiment to sway voters, and turning local issues into a decisive factor here at a time when global issues such as terrorism and the Iraq war continue to dominate in races across the country."

Kuhl Facing Tough Contest In Usually GOP-Solid NY29. The New York Times (10/28, Santos, 1.21M) reports that in NY29, where President Bush won 56% of the vote in 2004, his highest share in any district in the state, Republican Rep. Randy Kuhl "faces a spirited challenge from a Democratic newcomer, Eric Massa." The national GOP "has stepped up efforts to safeguard Mr. Kuhl's seat, which has long seemed comfortably secure. Last month, Vice President Dick Cheney flew to Rochester for a fund-raiser for Mr. Kuhl," and First Lady Laura Bush "is scheduled to campaign for him" today. Massa has "stepped up fund-raising efforts, with noteworthy success. He raised $171,000 from Sept. 30 to Oct. 18, or nearly three times as much as Mr. Kuhl, who collected $65,000."

Ballot Measures Could Boost Democrats This Year. The Washington Post (10/28, Goldfarb, Broder, 748K) reports on its front page that ballot initiatives, which in 2004 tended to bring Republican voters to the polls, could benefit Democrats this year. Measures to increase the minimum wage "are before voters in six states," and "four of those, Arizona, Ohio, Missouri and Montana, feature close Senate races with a GOP incumbent. In Missouri, moreover, a measure backing stem cell research is ahead in the polls -- which Democrats say could lift their candidate." While eight states have ballot measures to ban same-sex marriage, "their impact may be less than in previous years. Few of these states have competitive Senate or House races. And in those that do, such as Virginia and Tennessee, the issue is not as prominent as it was around the country in 2004." The Washington Post (10/28, B1, Jenkins, 748K) runs a report on the campaigns over the Virginia gay marriage ballot question, while BBC.com (10/27) runs down ballot measures before voters across the US.

NYTimes Backs Rhode Island Ballot Measure On Felons' Voting Rights. The New York Times (10/28, 1.21M) editorializes, "Rhode Island voters will have a chance on Nov. 7 to do the right thing and amend their state Constitution to restore voting rights to felons who have completed their prison sentences. Allowing former convicts to vote strengthens democracy, and helps them to integrate into society and move beyond a life of crime."

Small Colorado Newspaper Reverses Stance On Gay Marriage Amendment. The Los Angeles Times (10/28, Simon, 918K) reports Colorado's Grand Junction Daily Sentinel "last week urged voters to reject a proposed state constitutional amendment banning same-sex marriage," saying the "traditional concept of marriage is not endangered in this state." But on Friday, the "editorial page editor, Bob Silbernagel, said he had changed his mind." Silbernagel said he "was jolted" by the New Jersey Supreme Court decision on same-sex partnership rights. So he "dashed off a six-paragraph retraction of his earlier editorial. The new piece informed the Daily Sentinel's 30,000 readers that Amendment 43 was 'a virtual necessity.'"

"Rising Star" Obama Swings Through Los Angeles. Under the headline "A Rising Star From Illinois Makes Some Noise In L.A." the Los Angeles Times (10/28, Hall, 918K) reports Sen. Barack Obama "swung through Los Angeles on Friday," addressing a "rapt crowd" at the California African American Museum, speaking at a news conference at USC, and then delivering "a 14-minute speech in shirt sleeves at a campus rally with Democratic gubernatorial candidate Phil Angelides, Los Angeles Mayor Antonio Villaraigosa and just about every other California Democratic office holder who could find their way to USC."

Schwarzenegger Seen As Having Made Big Comeback. The NBC Nightly News (10/27, story 5, 3:50, Brokaw, 9.87M) interviewed Gov. Arnold Schwarzenegger, asking, "As a Republican governor of nation's largest state do you feel very close to the Republican Administration of George W. Bush?" Schwarzenegger: "We try to work together with the Bush Administration on many, many different issues and there's many issues that we're doing really well with and there's many issues that we're fighting over." Brokaw: "A very big issue, the environment and especially global warming. You're a long way from the Bush Administration policies in those areas." Schwarzenegger: "There's no one in the federal government that is criticizing us. We have to make sure we're less reliant on fossil fuel, on foreign oil and domestic oil as far as that goes." Brokaw: "Campaigning is very expensive and Schwarzenegger has raised more than $100 million, much of it from the insurance industry, developers and others with business with the state. You said

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you wouldn't take any money from special interest." Schwarzenegger: "I said there would be a different story when I get in there because I'm financially independent so I cannot be bought. No such thing as money in and favors out."

ABC World News (10/27, story 4, 16:00, Gibson, 8.78M) said that "for a while, one of the GOP's marquee names, Gov. Arnold Schwarzenegger of California, was on the endangered list. But he has now opened a 17-point lead in the polls. The turnaround began once he started displaying a quality you don't associate with the former Terminator: humility.

California Gubernatorial Hopefuls Fight Over "Green" Credentials. The Los Angeles Times (10/28, Reiterman, 918K) reports on how both Schwarzenegger and Angelides are trying to claim the "green" mantle in California. Schwarzenegger, the "pro-business Hummer aficionado and former movie star," has "used his office to undertake high-profile initiatives for air quality and the protection of ocean and forestland," but critics say his "less visible actions sometimes have belied his lofty words." Meanwhile, Angelides, "a hybrid-driving former developer who has bumped heads with conservationists, has employed the financial clout of two of the nation's largest pension funds -- with far less fanfare -- to establish himself as a 'green' investor."

Perry Leads Bell By 11 Points In Texas Gubernatorial Poll. A Rasmussen Reports roll of 500 likely voters (+/- 4.5%), taken October 23, finds Gov. Rick Perry (R) leading the Texas gubernatorial field with 36%, followed by ex-Rep. Chris Bell (D) at 25%, Comptroller Carole Keeton Strayhorn (I) at 22%, and author Kinky Friedman (I) at 12%.

Faso Ad Blasts Spitzer Over Ties To Hevesi. The New York Times (10/28, Healy, 1.21M) examines an ad for New York Republican gubernatorial candidate John Faso that ties Democrat Eliot Spitzer, the heavy favorite, to Democratic State Comptroller Alan Hevesi, who faces ethics questions. The ad says Spitzer "has one set of standards for his friends and another for everyone else. … Hevesi knowingly and intentionally broke the law, stealing tens of thousands of dollars from taxpayers. But when Sheriff of Wall Street had a chance to investigate and call for Hevesi's resignation, Spitzer said no.'" The Times says "hammering Mr. Spitzer with the Hevesi scandal could score points, and the ad does so effectively. Still, making hay over the comptroller may not lead many voters to support a candidate they do not know well (Mr. Faso) over one who has high favorability ratings (Mr. Spitzer)."

WSJournal Notes Hevesi's Record As "Corporate Scold." The Wall Street Journal (10/28, A6, 2.03M) in an editorial, notes that Hevesi "was recently found to have used a public employee at taxpayer expense to chauffeur his wife around for three years. Mr. Hevesi somehow failed to disclose this personal use of public assets, and he has since claimed he merely 'forgot' to reimburse the state. … We'd normally ignore this kind of state government corruption. But Mr. Hevesi's spectacle is instructive because in recent years he has been one of America's loudest corporate scolds. As Comptroller, he supervises the state's pension money and he has used that post to slam corporate officials who played even tangential roles in corporate scandals."

Hand Sanitizer Becomes A Must On The Campaign Trail. The New York Times (10/28, Leibovich, 1.21M) runs a light feature on the "germs, parasites and all the bacterial unpleasantness" that get spread around through campaign-trail "glad-handing and flesh-pressing." Anne Ryun, wife of Rep. Jim Ryun, "has become obsessive about using hand sanitizer," like "so many other people involved in politics these days." She squirted "antiseptic goop" on people lined up to meet Vice President Cheney at a Topeka fundraiser this month, and when Cheney "was done meeting and greeting, he, too, rubbed his hands vigorously with the stuff, dispensed in dollops by an aide when the vice president was out of public view. That has become routine in this peak season of handshaking, practiced by everyone from the most powerful leaders to the lowliest hopefuls. Politics is personal at all levels, and germs do not discriminate."

Court To Hear Appeal From Parents Of Autistic Child. The New York Times/AP (10/28, Press) reports the Supreme Court "agreed Friday to consider an appeal by an autistic child and his parents, who want to sue over his school accommodations without hiring a lawyer. The parents, Jeff and Sandee Winkelman, say they cannot afford a lawyer to argue their court case against the school district of Parma, Ohio, near Cleveland, over the education of their son, Jacob. The federal appeals court in Cincinnati ruled that the Winkelmans, suing under the Individuals With Disabilities Education Act, had to find a lawyer to represent Jacob, although other federal courts have ruled differently in

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cases involving that law. The Bush administration then urged the justices to take the case, saying that in adopting the measure, Congress clearly intended that parents be able to represent their children in such court proceedings."

Bill Clinton Plans Birthday-Weekend Fundraisers For His Causes. The New York Times (10/28, Healy, Konigsberg, 1.21M) reports ex-President Clinton "is making another king-of-the-world swing through Manhattan this weekend, doing two of the things he does best: reveling in adulation and raising money. Over three days of festivities to mark his 60th birthday -- which include a golf tournament and a concert by the Rolling Stones at the Beacon Theater -- Mr. Clinton expects to bring in more than $20 million for his foundation's array of philanthropic projects."

Dixie Chicks Documentary Garners Free Publicity From Networks. The Washington Post's Lisa de Moraes (10/28, C1) writes, "NBC and CW networks became unwitting stealth-marketing partners with the Weinstein Co. when they refused to air ads for the film company's upcoming docu-flick about the storm that erupted when the Dixie Chicks' lead singer said in a 2003 concert she was ashamed President Bush was from her home state of Texas. … It all started earlier this week when Weinstein submitted ads for its new Barbara Kopple documentary 'Shut Up & Sing' to the broadcast networks for review by their standards and practices departments. NBC said it 'cannot accept these spots as they are disparaging to President Bush.'"

Los Angeles Clergy Sex Abuse Cases Settled For $10 Million. The New York Times (10/28, Banerjee) reports, "The Roman Catholic Archdiocese of Los Angeles and a Catholic religious order have agreed to pay $10 million to settle claims made by seven victims of sexual abuse by clergy members, lawyers for the parties involved said Friday." The Times continues, "While the amount per victim is large relative to payments made to settle sexual abuse cases in other parts of the country, it is typical of the sums paid in California, which has a taken a strong stance toward the Catholic Church in abuse cases. In 2003, for example, the state extended its statute of limitations for child sexual abuse cases, and the Los Angeles District Attorney's Office has been conducting a criminal investigation into the archdiocese since 2002." The Times adds, "More than 95 percent of the $10 million settlement will be paid by the religious order, the Carmelites, Province of the Most Pure Heart of Mary, which is based in Darien, Ill. The archdiocese will pay less than 5 percent, lawyers for the plaintiffs and the order said. … The settlement for the most part is not covered by the Carmelites' insurance, said Jim Geoly, the order's lawyer, adding that the order might have to borrow money to pay the sum. … The seven plaintiffs accused four Carmelite priests and one Carmelite brother of sexual abuse in a period from the early 1950s to the late 1970s."

South Korean Media Cite "Activity" At North Korean Nuclear Site. The AP (10/28, Lim) carries South Korean media reports that officials in Seoul "have observed activities at the North's suspected nuclear test site that may be preparations for a second test." Anonymous sources "said Seoul is keeping a close watch on the movements of trucks and soldiers at the Punggye-ri site in the country's remote northeast." One "official confirmed activities at the site, but said another test 'is not believed to be imminent.'" The AP adds, "It was not immediately clear how the military officials first spotted the activity at the site. However, the United States and South Korea generally share intelligence information from satellite images."

Seoul Begins To Implement Sanctions. The New York Times (10/28, Fackler, 1.21M) continues reporting on South Korean efforts to "gingerly" implement the sanctions specified in United Nations Security Council Resolution 1718. "South Korea has taken a first step" by "banning visits by officials involved in the North's nuclear weapons program. And in a sign of how Seoul has struggled to carry out [the sanctions] without antagonizing the heavily armed North, a third top government official involved in North Korea offered to resign Friday over the test." The Times call the travel ban "largely symbolic in a country that gets few North Korean visitors at all, much less officials engaged in the North's covert nuclear weapons efforts. It falls short of American requests that South Korea join a United States-led effort to inspect North Korean ships for nuclear and missile-related technology." The Times adds, "In addition to not becoming involved in searching North Korean ships, Seoul also has so far balked at taking more punishing steps, like closing a South Korean-run industrial park and a tourist resort in North Korea, which are the North's largest economic contacts with the outside world."

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Tehran Confirms Uranium Enrichment Underway In Second Cascade. The New York Times (10/28, Fathi, 1.21M) notes a statement from a semi-official Iranian news agency that Tehran "has begun to enrich uranium in a second network of centrifuges, …in defiance of a United Nations Security Council demand that it halt its nuclear program." The ISNA Student News Agency said "Iran installed a second cascade of 164 centrifuges two weeks ago and successfully injected gas into it last week, theoretically doubling its enrichment capacity." President Bush "said he was aware of 'speculation' that Iran has started enriching uranium in a second network. 'Whether they doubled it or not, the idea of Iran having a nuclear weapon is unacceptable,' Mr. Bush said." Russian Defense Minister Sergei Ivanov "said it was too early to speak about Iran being able to produce weapons-grade uranium." Iranian nuclear negotiator Ali Larijani "said Tehran was still willing to resolve its nuclear issue through negotiations," but "also rejected comments made by the foreign minister, Manouchehr Mottaki, who said last week that Iran might consider suspending its program during negotiations." The Washington Post (10/28, A10, Lynch, 748K) includes a short piece focused on President Bush's statement.

The AP (10/28, Karimi) says Tehran issued "a defiant new message to the U.N. Security Council." The "State Department said it was up to the International Atomic Energy Agency to assess the reports. 'I cannot confirm those reports. We are not on the ground,' State Department spokesman Sean McCormack said." Also, French President Jacques Chirac "expressed support for sanctions against Iran but insisted that they be temporary and reversible." The Washington Times/AP (10/28, Karimi) runs the AP story.

Under the headline, "Iranian Nuclear Effort Defies U.N. Council Again," the Washington Post (10/28, A10, Lynch, 748K) adds Tehran "has once again defied the [UNSC's] repeated demands to halt its nuclear activities." The statement "came as U.N. negotiations became bogged down in the face of Russia's and China's reluctance to slap tough sanctions on Tehran. U.S. and European officials say they anticipate a long, hard diplomatic struggle over the coming weeks to fashion a formal reaction to Iran's enrichment activities."

Rice Says Hezbollah Must Disarm To Join Lebanese Politics. The AP (10/28) reports Secretary of State Condoleezza Rice "stepped up international pressure on Hezbollah to disarm, saying in a television interview aired Friday that the guerrilla group must surrender its weapons if it wants to remain part of Lebanon's political process." She "urged Hezbollah to lay down its arms according to the cease-fire that ended" the Israel-Hezbollah war, "and choose between being a militant group and a legitimate political organization." The AP says the group "is under heavy international pressure to surrender its weapons, but…has refused to disarm." Rice "also urged the Lebanese government to end what it called Hezbollah's 'state within a state' and prevent weapons from reaching the militant group." She later "warned that as Lebanon tries to rebuild, some people might try to destabilize its Western-backed government."

US Ambassador Said To Manage Difficult Portfolio In Caracas. The New York Times (10/28, Romero, 1.21M) profiles US Ambassador to Venezuela William Brownfield. "With relations between Washington and Caracas at a low ebb, Mr. Brownfield, a loquacious Texan and career diplomat, has one of the most challenging jobs of any American ambassador. Though at a career stage when some would prefer a plush embassy in a friendly country, Mr. Brownfield seems to relish the opportunity to engage Venezuelans on a street level." He finds "himself fighting an uphill battle almost wherever he goes." Venezuela, "paradoxically, maintains resilient commercial ties with the United States. Anti-American sentiment is often directed personally at" Brownfield, and "newspapers have dubbed him el Tejano, the Texan, a nod to his straightforward if ironic style in pressing ahead with his street diplomacy."

Bogota Undergoing Renaissance After Years Of Chaos. The Los Angeles Times (10/28, Kraul, 918K) runs a feature on Bogota, saying the Colombian city was "once a world capital of mayhem" but is "now held up as a model." Ten years ago, Bogota's Bosa slum was home to "open sewage and gun-toting gangs bent on muggings and murder." But today, Bosa "has paved streets, new schools, health clinics and cafeterias, and links to a new mass transit system. … Like much of this re-energized capital of more than 7 million inhabitants, the war zone that was Bosa has been transformed." The Times credits "visionary leadership" from three recent mayors for "helping turn the city around."

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Indigenous Supporters Turn Against Bolivia's Morales Over Coca Policy. The Washington Times (10/28, Arostegui, 88K) reports, "Indigenous coca farmers who helped put President Evo Morales in power are violently resisting even the token eradication efforts demanded by the United States to avoid Bolivia's decertification as a country cooperating against drug trafficking." Morales has overseen the implementation of "laws permitting peasant farmers to grow up to half an acre of coca for traditional use," but angry "farmers are backing demands for increased acreage with road blocks and gunfights that so far have killed two growers and wounded two police officers." Morales' "government…is divided on how to proceed," with some "elements" of the administration "concerned that as much as half the current coca production is being diverted into the production of cocaine for the illicit international market. The State Department publicly warned Mr. Morales during his visit to the United Nations in New York last month that Bolivia must eliminate 12,000 acres of coca cultivation or face decertification as a country cooperating against drug trafficking, which would mean a cutoff of aid.

Pilots' Lawyer Says Brazilian Controllers Approved Altitude Before Fatal Crash. The New York Times (10/28, Prada, Wald, 1.21M) reports, "The lawyer representing the pilots of an American corporate jet that apparently collided with a Brazilian airliner on Sept. 29 said Friday that his clients were at their assigned altitude at the time of the crash, despite a flight plan that specified a different altitude." The Embraer "apparently clipped a Boeing 737" at 37,000 feet, causing the 737 to crash, "killing all 154 people on board." While Brazilian prosecutors claim the pilots deviated from their flight plan, the pilots told their American lawyer "that when they took off from the southeastern city of São José dos Campos, where their new plane had been made, they were given a clearance by Brazilian air traffic control that superseded the flight plan."

Paris Deploys Extra Police To Stem Rash Of Bus Burnings. The Washington Post (10/28, A9, Moore, 748K) notes French media reporting that "officials deployed 4,000 extra police officers in the country's poorest suburban areas Friday as the anniversary of last year's wave of arson attacks arrived with only scattered incidents of violence." The Post reports "several weeks of increasing tension in the suburban areas of Paris where residents -- most of whom are Arab and African immigrants and their French-born children -- have complained that the government had not lived up to promises it made, after last year's nationwide rampage, to improve living conditions and employment opportunities." Two public buses were attacked "in the northern suburbs of Paris early in the evening." The Post adds, "Allegations that the government has failed to respond adequately to demands for improvements in the poor suburbs, along with parallel concerns over security and an increasing Muslim population, are among the most contentious issues in the French presidential campaign."

Under the headline, "Speeches And Arson Recall Last Year's Unrest In France," the New York Times (10/28, Bernard, 1.21M) reports, "Hooded attackers burned two buses on Friday night in a city near this Paris suburb on the anniversary of the start of last year's suburban unrest." Before the bus attacks yesterday, "several hundred people in [a] poor suburb of Paris participated in a silent march in memory of two teenagers whose accidental deaths last year triggered three weeks of unrest that shook the country. In speeches after the march, local officials and family members of the teenagers called for calm." The Times says many mourners "expressed not only sadness over the deaths, but also disappointment with how little things had changed in France's tough suburbs." The violence last year "shed light on the plight of the country's underprivileged populations, mainly Arabs and black Africans and their French-born children, who feel disenfranchised."

The Los Angeles Times (10/28, Rubin, Sicakyuz, 918K) adds, "One word summed up the mood at the commemoration Friday of the deaths of two French youths whose electrocution set off a series of fiery riots a year ago. 'Triste,' said one person after another in French. Sad." The youth's deaths one year ago "brought to the surface fury at France's failure to integrate minorities, primarily of African and Middle Eastern origins." The Times adds, "Although there are 5 million Muslims in France, the majority from immigrant backgrounds, few have made their way into the country's elite. … Most live in desolate concrete housing projects or dilapidated homes in suburbs an hour or more by bus or train from the large French cities where most jobs are. Unemployment is well above 20% and in some cases as high as 40%, according to French newspapers."

The Washington Times/AP (10/28, Ganley) focuses its reporting on yesterday's bus attacks, noting, "Flaming cars became a symbol of three weeks of rampages last year,

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which jolted the nation into recognizing discontent among many minorities -- especially those of Arab and black African origin, and France's 5 million-strong Muslim population."

Abe Veers Toward Center In First Month As Japan's Prime Minister. The New York Times (10/28, Onishi, 1.21M) reports that while Shinzo Abe "rose to become postwar Japan's youngest prime minister by hewing to a conservative, nationalist agenda," in his first month in power he has "made a beeline toward the center, reaching out to China and South Korea as this region confronted North Korea's recent nuclear test. He has made surprising, if grudging, admissions about Japan's militarist past, assuaging the regional tensions that emerged" under predecessor Junichiro Koizumi. The Times says it is "too early to tell whether Mr. Abe's month in power is evidence of an innate pragmatism, or whether he is consolidating his power before pushing a more conservative agenda. But he has reassured voters in Japan and officials in Washington, won tentative praise from skeptics in China and South Korea and unsettled the Japanese right."

Sri Lankan Government To Meet With Tamil Tigers Today. The Los Angeles Times (10/28, Chu, 918K) reports Sri Lankan government representatives and Tamil Tiger rebels are "due to sit down today for their first face-to-face talks in months" in what "could be the last, best hope for averting all-out war." Both sides "have been stung by heavy losses and international criticism in recent weeks, following a surge in combat that has left hundreds dead and thousands more refugees in their own country, forced to flee homes and livelihoods to avoid the crossfire." The New York Times (10/28, Senanayake, 1.21M) and BBC.com (10/28) also report on the meeting.

Pronk Will Remain In Sudan Envoy Job Through December. The New York Times (10/28, Schneider, 1.21M) notes an announcement by the office of UN Secretary-General Kofi Annan that his special representative for Sudan, Jan Pronk, "will continue to hold his office until his contract expires at the end of the year, but his role is expected to be mainly symbolic." Annan will send him to Khartoum soon, "but only to organize a transfer to Taye Zerihoun, the officer in charge of the United Nations mission in Sudan. He will then return to New York to finish out his term." Annan's office "said the United Nations did not expect the Sudanese government to reject the compromise," however, Sudanese Ambassador Abdalmahmood Abdalhaleem Mohamad "said his government would not sanction Mr. Pronk's return."

"Forgotten" Eastern Sudan Begins Post-Conflict Recovery. The New York Times (10/28, Gettleman, 1.21M) details the "desolation and despair" present in eastern Sudan. "What is different about the crisis … is that few outside organizations are paying attention. While there are an estimated 25,000 aid workers in Darfur, the war-ravaged region on the other side of the country that has become the focus of a ceaseless flurry of diplomatic activity, here in Togley there are not even plastic tarps for the huts." The Times calls eastern Sudan the "forgotten Sudan, an intriguing, isolated, sun-blasted corner of the country where a conservative culture and a slow-burning war have conspired to keep the people mired in neglect despite the area's port and oil riches." Despite an October 14 ceasefire, "the neglect will take years to reverse. Eastern Sudan, which encompasses roughly 180,000 square miles and nearly four million people, is the poorest part of the country, with the highest infant mortality rate and a per capita income in some areas of 25 cents a day, a small fraction of the national average." The Times adds, "One of the reasons that the east has largely gone unnoticed is that the scale of fighting could never compete with the conflicts in Darfur or southern Sudan." However, "the east is increasingly vital to the nation, home to gold mines and the country's major oil pipeline and port."

UN Forces Free Mobutu's Son Ahead Of Congolese Vote. The New York Times (10/28, Gettleman, 1.21M) reports, "United Nations forces plunged into Congo's election-related violence again on Friday, this time rescuing a politician who had been kidnapped by rivals. … All across Kinshasa, United Nations troops are hunkered down behind sandbags or prowling the garbage-strewn streets in armored personnel carriers bristling with machine guns and water cannons." The Times notes an "increasingly edgy atmosphere in the prelude to the runoff presidential election scheduled for" tomorrow. Yesterday, UN forces negotiated the release of Nzanga Mobutu, son of former dictator Mobutu Sese Seko, who had been detained by soldiers loyal to challenger Jean-Pierre Bemba because he had been campaigning for President Joseph Kabila's reelection. "Both camps accuse each other of intimidating

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voters," and, the Times says, "the country has had a dismal political history." Kabila is favored to win reelection after garnering 45 percent in the first round.

The AP (10/27) adds Mobutu was "evacuated from a town where he was held captive overnight by forces loyal to the opposition." His detention "increased tensions ahead of Sunday's runoff."

Ethiopian, Eritrean Forces Could Widen Somali Conflict. The Washington Post/AP (10/28, A10) cites a recent United Nations report claiming that "thousands of Ethiopian and Eritrean troops are in Somalia, backing opposing sides in the struggle for control of the country… The involvement of the two rivals could set the stage for a regional war." The report is quoted saying, "Both sides in the Somali conflict are reported to have major outside backers -- the government supported by Ethiopia, Uganda and Yemen; the Islamic courts receiving aid from Iran, Libya, Saudi Arabia and Gulf States." The Post says the two sides "have been girding for battle for weeks," and the document "was written to help U.N. officials map a strategy on aid to" Somalia. The Washington Times/AP (10/28, Tomlinson) runs a version of the AP story, noting, "Ethiopia and Eritrea fought a two-year border war that remains unresolved. The top U.S. diplomat to Africa, Jendayi Frazer, last week accused Eritrea of using Somalia to open a second front against Ethiopia. In Washington on Thursday, State Department spokesman Sean McCormack called on Ethiopia and Eritrea not to further aggravate the situation."

China-Africa Summit Highlights Growing Economic Interdependence. The Wall Street Journal (10/28, A2, Oster, 2.03M) reports, "Anyone wanting to find an African leader this coming week will need to book a ticket to Beijing." Forty-eight of Africa's 53 heads of state "will descend on the Chinese capital for the biggest gathering of foreign leaders Beijing has ever hosted. The three-day summit will highlight a mushrooming trade relationship between the world's most populous country and its second-biggest continent that is stirring angst among some in Washington." While China had a "modern presence in Africa" for strategic reasons during the Cold War, more recently its "focus has changed to acquiring natural resources to fuel China's galloping economy."

Lithuania Learns About Kremlin Oil Game The Hard Way. The New York Times (10/28, Kramer, 1.21M) writes, "The Russian government has never been straightforward about its plans to take control of the oil and gas business. So, Lithuanians were suspicious when Russia said it shut its pipeline -- the only one supplying Russian crude oil -- in late July because of a leak." But it was "not so much the pipeline the Russians were concerned about" as what the "pipeline was connected to: Lithuania's sole refinery. And because Russia often gets what it wants, it may not matter that the Lithuanian government had signed an agreement in June to sell the refinery to a Polish company, PKN Orlen, for much more than Russia had offered." An analyst said, "The goal was to force Lithuania to reconsider the sale. They wanted a Russian company to buy the refinery, but for cheaper than a market price." The Times says Lithuania's "brush with Kremlin oil politics, critics of Russian business practices say, is a case study of what Vice President Dick Cheney called Moscow's use of energy exports as 'tools for intimidation and blackmail' in relations with its neighbors."

WPost Optimistic About Resolution Of Central Europe's Political Woes. The Washington Post (10/28, A14, 748K) examines the "dismal political picture" in four formerly Communist EU states --the Czech Republic, Hungary, Poland, and Slovakia – but says the "gloom seems overstated. Despite the political malaise, Central European countries are flourishingly economically, and their abundant workers and hungry entrepreneurs promise to revive Europe as a whole. The rise of populist and nationalist parties is in part a reaction to years of enforced consensus under previous governments" that were trying to meet EU entry criteria. But as Russia "grows ever more aggressive toward its neighbors, the former Soviet satellites will probably respond by burrowing more deeply into the European Union and NATO."

Senegal President Urges World Attention To Africa's High Oil Prices. In a Washington Post (10/28, A15, 748K) op-ed, Senegal President Abdoulaye Wade writes, :Although gasoline prices have dropped recently in the United States, many Americans continue to worry about the toll of oil dependence at the gas pump and on the U.S. economy. As an African, I feel their pain -- and then some. While the price of a barrel of crude has recently dipped below $60, oil still costs twice as much as it did three years ago --

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and experts fully expect the price to climb higher. President Bush, a one-time oilman, has warned Americans about the danger of a country's being 'addicted to oil.' Yet the toll of oil dependence in the United States pales beside the pain that soaring oil prices cause in Africa. … If the price of crude oil reaches $100 a barrel within the next year -- as some analysts predict -- a pan-African disaster will be upon us." President Wade says it is "in the interest not only of America but also the petroleum industry not to have an Africa in ruins."

Suez Crisis Marked Start Of Intense US Intervention In Middle East. In a New York Times (10/28, 1.21M) op-ed, Boston University Professor of History and International Relations David Fromkin reflects on the 50th anniversary of the Suez Crisis, calling it "a divide in the history of the Middle East. It was the moment when America pushed out the Europeans and then tried to take their place -- and the reverberations are still felt today."

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:
"'Devil Winds' Stoke Fatal Fire."
"Flames Ambush Man 'Who Could Do Anything.'"
"No Easy Answer To 'Kurdish Question.'"
"Getty Toughens Up Its Rules For Acquisition."
"A County Of Bad Ol' Boys."

New York Times:
"Democrats Get Late Donations From Business."
"Rice's Counselor Gives Advice Others May Not Want To Hear."
"Bloomberg, Seeing A Soul Mate, Sends Troops To Help Lieberman."
"New York Bets On High-Tech To Aid Upstate."
"Burst Of Wind-Driven Flames Engulfed Firefighters."
"In Clean Politics, Flesh Is Pressed, Then Sanitized."

Washington Post:
"In Baghdad, A Sudden Chance To Play."
"Housing Slump Slows Economy."
"Ballot Issues Could Rally Liberal Base."
"Taking Terror Fight To N. Africa Leads U.S. To Unlikely Alliances."
"Allen Blasts Webb Novels."
"Marathoner Is Taking A Journey Of The Sole."

Washington Times:
"U.S., Iraq Affirm 'Good, Strong' Ties."
"DNC Wooing Black Voters."
"Coca Growers Resist Bolivia Crackdown."
"Housing Slows Economic Growth."
"Suit Against Air Force Academy Dismissed."
"Ethiopian's Trial Focuses On Female Circumcision."
"Webb Hit For Novels' Sex-Laced Language."

Detroit Free Press:
"Dream Over."

Atlanta Journal-Constitution:
"Death And Redemption."
"End Of Line For Ford In Hapeville."
"Dash For Bargains Starts At Midnight After Thanksgiving."
"Perdue Failed To Disclose Land Buy Near Prized Tract."

Dallas Morning News:
"Black Radio Turns Up The Volume."
"Activists Putting Heat On Barton."
"In Smoke And Flames, They Disappeared."
"Audit: KBR Too Secretive."
"Family: Nanny's Note Exonerates Widow."

Houston Chronicle:
"Audit: KBR Hid Data On Its Work In Iraq."
"Write-Ins May Make For A Long Election Night."
"U.S. Journalist Slain In Mexico."
"Threatened Frogs Are VIPs For Hotel — And Houston Zoo."
"Green Tea Shows Promise In HIV Fight."

Story Lineup From Last Night's Network News:
ABC: Wildfire Still Raging; Economy And The Housing Market; Marine Corps Marathon Honors Loss of Soldiers; Scharzenegger As The Comeback Kid; Captain Rye Barcott, Person Of The Week.
CBS: Palm Springs Wildfires; Firefighter Deaths; Mudslinging Virginia Senate Campaign; Voters Views On The Economy; A Look At Stem Cell Research; Gallaudet Protests; Prison Fashion Statement.
NBC: North Korea; Iraq-Sectarian Violence; Hawaii Earthquake; Houston Flooded; Legislators Under Fire; Stock Market; Population Growth-Nevada; Gas Prices; Lawyer In The Family; School Bands Of New Orleans.

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WASHINGTON'S SCHEDULE

Today's Events In Washington.

White House:

PRESIDENT BUSH — 1 p.m. Attends Sodrel for Congress and Indiana Victory 2006 rally, Silver Creek High School, Sellersburg, Ind. 5:55 p.m. Attends RNC dinner, The Sanctuary at Kiawah Island, South Carolina.

VICE PRESIDENT CHENEY -- No public schedule.

US Senate: No scheduled events.

US House: No scheduled events.

Other: POLITICAL MANAGEMENT-OAS _ 9 a.m. - 6 p.m. Josi Miquel Insulza, Secretary General of the Organization of American States, delivers keynote address at GWU's "International Seminar of Political Communication and Marketing for Governments." Location: Morton Auditorium, 805 21st St. NW. Contacts: Wendy Carey, 202-994-3087

PECK AWARDS-SCHLESINGER-PANETTA _ 10 a.m. Smithsonian holds two town hall sessions with 2006 Paul Peck Presidential Award winners: former White House Chief of Staff Leon Panetta and author Arthur M. Schlesinger Jr. Location: Nan Tucker McEvoy Auditorium, National Portrait Gallery, 8th and F streets N.W. Contacts: Lauren Hassel, 202-275-1768.

KASHMIR'S FUTURE _ 6:30 p.m. - 9 p.m. Georgetown University and the Kashmiri American Council hold forum on "Kashmir: Future Approaches." With speakers from Christians and Muslims for Peace; University of San Francisco; Embassy of Pakistan, others. Location: GWU, Marvin Center, 800 21st St. NW. Contacts: Farhat Ali Zaidi, 202-243-6500 ext 2005

BRIAN LAMB-HELEN THOMAS _ 7 p.m. C-SPANs Brian Lamb receives the Helen Thomas Award for Excellence in Journalism from the American News Womens Club. Award will be presented by Thomas and CBS' Bob Schieffer. Location: Fairmont Hotel, 2401 M St. NW. Contacts: Karen James Cody, 202-452-4169

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: SATURDAY, OCTOBER 28, 2006 7:45 AM EDT

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TERRORISM NEWS:

Judge Sets Schedule For Hearing Detainee Suits. The AP (10/28) reports, "A federal judge Friday set the stage for the next push by the Bush administration to get all the lawsuits by detainees at Guantanamo Bay thrown out of U.S. courts." The AP continues, "U.S. District Judge James Robertson laid out a five-week schedule for the Justice Department and lawyers for Salim Ahmed Hamdan to file written arguments in the detainee's challenge to his confinement. … Hundreds of other detainees also are challenging their detentions in lawsuits." The AP adds, "It was a challenge by lawyers for Hamdan, Osama bin-Laden's former driver, that led to the Supreme Court ruling in June striking down the Bush administration's plan for military commission trials. … The new Military Commissions Act, which President Bush signed on Oct. 17, strips U.S. courts of jurisdiction to hear the detainees' challenges to their indefinite detentions. Hamdan's lawyers say the new provision is 'of doubtful constitutionality.' … Ten days ago, the Justice Department filed a copy of the new law with the court in Hamdan's case. Robertson said in a one-page order the Justice Department filing 'is deemed to be a motion to dismiss' Hamdan's case."

Cheney Clarifies Comments Regarding "Dunking" Detainees. The NBC Nightly News (10/27, story 4, 0:50, Williams, 9.87M) reported, "There was additional controversy today about comments Vice President Dick Cheney made to a conservative talk radio host this week. The radio host made a reference to dunking terrorists in water which a lot of people took as a reference to the interrogation technique called 'water boarding' which is viewed around the world as a form of torture." Host: "Would you agree a dunk in water is a no-brainer if it can save lives?" Cheney: "Well, it's a no-brainer for me, but for a while there I was criticized as being the Vice President for torture. We don't torture. That's not what we're involved in. We live up to our obligations." NBC: "White House spokesman Tony Snow said today the Vice President was not referring to water boarding."

The Washington Post (10/28, A2, Eggen, 748K), in an article titled, "Cheney Defends 'Dunk In The Water' Remark: Addressing Alarm Over the Comment, Vice President Says He Was Not Referring to Waterboarding," reports Vice President Cheney "said yesterday that he was not referring to an interrogation technique known as 'waterboarding' when he told an interviewer this week that dunking terrorism suspects in water was a 'no-brainer.' Cheney told reporters aboard Air Force Two last night that he did not talk about any specific interrogation technique during his interview Tuesday with a conservative radio host. 'I didn't say anything about waterboarding. … He didn't even use that phrase,' Cheney said on a flight to Washington from South Carolina." According to the Post, "The comments were aimed at calming a growing furor over Cheney's comments, which were taken by many human rights advocates and legal experts as an endorsement of waterboarding as a method of questioning. … 'Would you agree a dunk in water is a no-brainer if it can save lives?' Scott Hennen of WDAY in Fargo, N.D., asked Cheney on Tuesday. 'Well, it's a no-brainer for me,' Cheney responded. Cheney also said he agreed with Hennen that the debate over interrogation techniques was 'a little silly,' and he praised the information obtained from U.S. terrorism suspects during questioning."

Snow Fends Off "Waterboarding" Questions. The New York Times (10/28, Lewis, 1.21M) reports White House spokesman Tony Snow "said Mr. Cheney was not endorsing water-boarding." Snow "said Mr. Cheney was not, in fact, referring to any technique, whether it was torture or not, because administration officials do not discuss interrogation methods. President Bush was also confronted by reporters about Mr. Cheney's comments as he made a joint appearance with Jaap de Hoop Scheffer, the secretary general of NATO. 'This country does not torture; we're not going to torture,' Mr. Bush said, without referring directly to Mr. Cheney or his comments." Snow, "who spent much of his day dealing with questions about the comments, told reporters that none of them related to interrogation techniques, which are classified. 'I'm telling you what the vice president's view is, which is it wasn't about waterboarding. Period,' he said." The Los Angeles Times (10/28, Gerstenzang, 918K) reports that when "asked what 'dunk in water' was referring to if not water-boarding…Snow said, 'I will let you draw your own conclusions, because you clearly have.'"

Human Rights Activists Blast Cheney. The AP (10/27) reports, "Human rights groups complained that Cheney's comments amounted to an endorsement of water boarding, in which the victim believes he is about to drown." Larry Cox, executive director of Amnesty International USA, "said in a statement, 'What's really a no-brainer is that no U.S. official, much less a vice president, should champion torture. Vice President Cheney's advocacy of water boarding sets a new human rights low at a time when human rights is already scraping the bottom of the Bush administration barrel.'" BBC.co (10/28) reports president Bush "has reiterated his position that the US administration does not condone torture, following comments by Vice President Dick Cheney. … The BBC's Matt Wells in Washington says Mr

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Cheney's comment was made on Tuesday but only came to light on Friday, exacerbated by a stormy and confrontational White House press briefing."

Albany Terror Case Informant Sentenced To Time Served For License Fraud. The Albany Times-Union (10/28, Lyons) reported, "A Pakistani immigrant whose own crimes led him to serve as an FBI informant in an Albany-based counterterrorism sting walked out of federal court a free man Friday after a judge sentenced him to time served in consideration for his years of undercover work." Shahed Hussain "talked briefly outside court with his longtime FBI handler, Special Agent Timothy Coll, then quickly left the courthouse without commenting to reporters. Hussain's own legal problems began about five years ago when he was arrested in an FBI fraud investigation that was launched shortly after the 9/11 attacks." He "has since been credited with helping the FBI arrest more than a dozen people, including the people involved in the DMV scandal," in which he was arrested, "and a member of an Afghani-based heroin trafficking ring." The AP (10/28) noted that Hussain "had acknowledged cooperating with the FBI in hopes of reducing his sentence after his arrest for helping about 80 immigrants fraudulently obtain state drivers' licenses in Albany. … Hussain's credibility was an issue in the mosque case, where a jury found imam Yassin Aref and Albany pizzeria owner Mohammed Hossain guilty of money laundering in support of terrorism."

Hamid Hayat Lawyers Seek New Trial, Citing Juror Misconduct. The AP (10/28) reported, "Attorneys for a Lodi man convicted this spring by a federal jury of supporting terrorists have asked a judge to grant a new trail after reports of juror misconduct. In a 106-page motion filed Friday, Hamid Hayat's lawyers said reports of 'extensive misconduct' by jury foreman Joseph Cote demand court review." Defense attorneys Wazhma Mojaddidi and Dennis Riordan "cited reports by juror Alicia Lopez and Theresa Berkeley-Simmons that Cote used racial slurs during the trail, including saying that Pakistanis or Muslims all 'look alike' if dressed the same. They also pointed to an Atlantic magazine interview that Cote gave after the trial where he said he likened Hayat to young Pakistani men responsible for the London subway bombings." The AP added that Hayat's lawyers also "said U.S. District Judge Garland E. Burrell Jr., should have allowed a retired FBI agent to testify about the bureau's interview procedures. They said James Wedick…would have revealed the inappropriateness of Hayat's confession."

US Counterterrorism Strategy In North Africa Questioned. The Washington Post (10/28, A1, Whitlock, 748K), in an front-page article titled, "Taking Terror Fight To N. Africa Leads U.S. To Unlikely Alliances," reports, "Locked in a prison here [Algiers], for now, is a desert bandit dubbed the 'Bin Laden of the Sahara,' whose capture was secretly orchestrated by U.S. forces." Amari Saifi, "a former Algerian army paratrooper, was caught in 2004 after he and a band of rebel fighters kidnapped 32 European tourists in the Algerian Sahara and ransomed them for about $6 million. Since then, the U.S. government has cited his case as a model for terrorist-hunting operations and a justification for expanding U.S. military, diplomatic and intelligence programs in North Africa." However, according to the Post, "A close examination of how Saifi was apprehended…highlights the quandaries facing the United States. … In its search for allies in an unstable region, the U.S. government reached out to Libya…and to other countries it has condemned for abusing human rights. Some security analysts and European counterterrorism officials question the U.S. strategy." The Post adds, "Regardless of Saifi's fate, U.S. officials say they consider North Africa an increasingly strategic front. … Together, the Defense and State departments are devoting $500 million to new counterterrorism programs in the region. Last year, the Pentagon sponsored Operation Flintlock. … About 700 U.S. Special Forces personnel trained troops from nine African nations, leading a war game that mirrored the effort to hunt down Saifi a year earlier."

PATRIOT ACT:

ACLU Drops Legal Challenge To Patriot Act. The AP (10/28, Irwin) reports, "The American Civil Liberties Union on Friday dropped a lawsuit challenging the constitutionality of the USA Patriot Act." The AP continues, "The ACLU said it was withdrawing the lawsuit filed more than three years ago because of 'improvements to the law.' The Justice Department argued last month that amendments approved by Congress in March 2006 had corrected any constitutional flaws in the Patriot Act. … 'While the reauthorized Patriot Act is far from perfect, we succeeded in stemming the damage from some of the Bush administration's most reckless policies,' Ann Beeson, associate legal director of the ACLU in New York, said in a written statement." The AP adds, "The lawsuit, filed in July 2003 on behalf of the Muslim Community Association of Ann Arbor and five other nonprofit groups, was the first legal challenge to Section 215, the part of the Patriot Act that lets federal agents obtain such things as library records and medical information. … The ACLU said the revisions allow people receiving demands for records to consult with a lawyer and challenge the demands in court." The AP notes, "The Justice Department, which first asked that the lawsuit be dismissed in December 2003, said it was pleased by the

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ACLU's action, which was contained in a one-paragraph notice filed with U.S. District Judge Denise Page Hood in Detroit. … 'We ... reiterate that the Patriot Act is a legitimate and important tool that has better helped law enforcement fight terrorism while simultaneously protecting our valued civil liberties,' Justice spokeswoman Tasia Scolinos said."

The Detroit News (10/28, Cardenas) reports, "The ACLU originally filed the suit against the government on behalf of a coalition of groups that argued that Section 215 of the Patriot Act passed in October 2001 was unconstitutional because it gave wide and secret investigative powers to federal agents to obtain books, records, papers, documents, e-mails and even a DNA sample without notifying the targeted person or group. … The suit was withdrawn on Friday after Congress revised the Patriot Act in March to allow those who receive a demand for records to consult with a lawyer and challenge the demand in court. … 'While the reauthorized Patriot Act is far from perfect, we succeeded in stemming the damage from some of the Bush administration's most reckless policies,' said Ann Beeson, ACLU's associate legal director, in a statement. … 'The ACLU will continue to monitor how the government applies the broad Section 215 power and we will challenge unconstitutional demands on a case-by-case basis,' Beeson said."

Local Television. Many local television networks reported that the ACLU dropped its lawsuit challenging the Patriot Act due to recent improvements to the law. Some examples: WJRT-TV Flint, (10/28, 7:01 a.m.) broadcasted, "The American Civil Liberties Union says it's dropping a lawsuit challenging the constitutionality of the USA Patriot Act. The ACLU says it's withdrawn the lawsuit because of improvements to the anti-terrorism law. Justice Department lawyers argued that amendments approved by congress in March had corrected any constitutional flaws in the Patriot Act."

WZZM-TV Grand Rapids, (10/28, 11:22 p.m.) broadcasted, "Civil Liberties Union has dropped a lawsuit challenging the 'Patriot Act.' The ACLU says it's withdrawing the lawsuit because of improvements to anti-terrorism laws. The lawsuit was filed back in 2003 on behalf of the Muslim Community Association of Ann Arbor and five other groups. It was the first legal challenge of the 'Patriot Act' that lets federal agents obtain things like library records and medical information." 'WJBK-TV Detroit, (10/28, 8:32 a.m.) broadcasted, "The American Civil Liberties union is dropping its challenge of the Patriot Act in the United States. They filed three years ago on behalf of Muslim and Arab American groups. It challenged the law that let people get personal information. They said they would drop lawsuit because the government made improvements to the act."

KPRC-TV Houston, (10/28, 9:00 a.m.) broadcasted, "The American Civil Liberties Union is dropping its lawsuit, challenging the Patriot Act. The ACLU says recent 'improvements' make the lawsuit unnecessary."

WSBT-TV South Bend, (10/28, 8:33 a.m.) broadcasted, "The Justice Department argued last month that amendments approved by Congress corrected any constitutional flaws in the Patriot Act."

HOMELAND RESPONSE:

Chertoff Discusses Border Security Activities.

Homeland Security Secretary Michael Chertoff appeared on Fox News (10/27, MacCallum) to discuss border security. He said in part, "We've put more fencing up, we've deployed a lot more Border Patrol, and we've put the National Guard in place. We've seen a reversal in the momentum. The numbers of people coming across that we're seeing entering illegally is now beginning to decline. That doesn't mean we can declare victory, but it means we've finally turned the corner and we're moving in the right direction. What it is going to require is persistent application of resources. We're going to have to use these high-tech tools. We're going to have to put up the fencing, particularly in those areas where it's easier for people to get to a trafficked road or a bus station or something like that, because we need to slow them up."

Government Computer News (10/28, Hostetler) reports, "As the United States faces threats from weapons of mass destruction—radiological, chemical, biological or nuclear—as well as high-consequence international and homegrown plots, the Homeland Security Department is working with state, local, federal and international law enforcement to defend the country from terrorism." GCN continues, "Homeland Security secretary Michael Chertoff said stopping domestic terrorism threats is best done through shared intelligence, starting at the local level. To ensure that this coordination and collaboration happens, DHS will establish fusion centers, stocked with experts, and will work to grant clearance of classified information more quickly. … Both initiatives are part of the department's effort to take its relationships with major city police chiefs and information sharing to the next level, Chertoff said at the annual International Association of Chiefs of Police conference in Boston last week." GCN adds, "DHS plans to have 20 fusion centers by the end of the fiscal year and up to 35 fusion centers by the end of the next fiscal year. They have already invested $380 million in state-run fusion centers. Some states that have fusion centers include Colorado, Illinois, Maryland and New York. … The Justice Department has issued regulations for the fusion centers. … The agency will also work toward speeding up and broadening the clearance process."

Dobbs Says Mexico Threatening US Security. At the start of CNN's Lou Dobbs Tonight (10/27), host Dobbs said,

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"Just one day after President Bush signed legislation here in Washington to build a border fence, the government of Mexico is threatening the sovereignty and national security of the United States. President Vicente Fox and President-Elect Felipe Calderon are both asserting that the United States has no right to build such a fence along our southern border. At the same time, the White House and its allies in corporate America appear determined to create a new North American union, incorporating Canada, Mexico, and the United States. Such a union would, in effect, create a giant nation, including those three countries."

TSA Delays Deadline For Baggage Handlers' Background Checks. The Los Angeles Times (10/28, 918K) reports the Transportation Security Administration "has rolled back the deadlines for criminal-background checks for tens of thousands of airline workers who handle cargo loaded onto passenger airplanes, saying the industry cannot meet the timetables. 'TSA has concluded that the regulated community will be unable to meet some deadlines in the air cargo final rule because of the large number of employees and agents subject to the requirements,' the agency said in a notice published this week. The rules were originally slated to go into effect from Oct . 23 to Dec. 1. They require background checks and security training for an estimated 50,000 workers employed by the airlines or by airline contractors handling cargo, said TSA spokesman Darrin Kayser. Under the new timetables, several deadlines have been pushed back as far as mid-2007."

Suspicious Powder Found In Letter Addressed To Bill Clinton Office. The New York Times (10/28, 1.21M) reports former President Clinton's Harlem office "was shut down yesterday afternoon after a woman in the office opened a letter and a suspicious white powder spilled out, the police said. The substance was later found to be nontoxic, but its discovery led the authorities to evacuate two floors of the building." The AP (10/28) reports Secret Service spokesman Eric Zahren "said a field test on the substance found it to be inert."

FBI Agents Teach Oklahoma First Responders About Homemade Bombs. The Oklahoman (10/28, Baldwin) reported, "Five dozen emergency first responders and bomb technicians throughout the state should be a little safer after learning about homemade bomb factories this week" at a "professional continuing education classes offered by the University of Central Oklahoma's newly created Institute for Forensic Science. Kirk Yeager, an FBI bomb expert, said, 'We want to give them an understanding about what they could run across so they can assess the situation and say that something isn't right.'" The Oklahoman noted that Yeager "has been involved in bombing investigations as far away as in Israel, Peru and Turkey," and he "said he shared his worldwide experiences because whatever trends are seen abroad could end up here in the United States." Another of the instructors, Oklahoma City FBI Special Agent Barry Black, said that "in the field, first responders in instances such as drug raids need to recognize the types of chemicals used to make the explosives."

Grad Student's Fake Boarding Pass Web Site Prompts Visit From FBI. WISH-TV Indianapolis (10/28, Perkins) reported on its Web site from a story broadcast Friday, "An IU student's research on airport security has landed him in hot water with federal investigators. He found a way to forge boarding passes, and then put the instructions online." Christopher Soghoian "says he wanted to show the Transportation Security Agency that anyone could find their way past a key line of defense. … Soghoian said anyone could make up a name. He insists airport workers will simply check for ID, scan the barcode at the gate, and let the ticket holder board the plane without any questions. Indiana Homeland Security chief Eric Dietz disagrees, 'Well, I think you can find a number of small loopholes, but you have to look at what it does to the overall system. It takes a piece approach as opposed to a system approach.'" Soghoian "says he's received at least one visit from the FBI and a congressman has called for his arrest."

In the Washington Post (10/28) "Security Fix" blog, Brian Krebs also wrote, "When I phoned Soghoian Friday evening, he abruptly ended our conversation shortly after it began by saying that two FBI agents were banging on his door asking to speak with him. A short time later, the tool he had posted on his site vanished. I later caught up with Soghoian in an online chat channel, but he was reluctant to say much before consulting an attorney. 'I had a conversion with the FBI tonight,' Soghoian told me. 'We agreed that the issue of boarding passes is important, but that my particular approach could be improved upon.' Wendy Osborne, a special agent with the FBI's Indianapolis field office, declined to discuss the matter, but said Soghoian was not arrested. 'We do take precautions when there are potential security problems in light of everything that's going on these days.'"

Bloomberg Expands Search For Human Remains Near WTC Site. The New York Times (10/28, Dunlap, 1.21M) reports, "The Bloomberg administration said yesterday that it would cast a net well beyond ground zero, from Broadway to the Hudson River, from the bottom of manholes to the top of nearby skyscrapers, in its search for human remains from Sept. 11, 2001."

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Congress Urged To Curb Suits Against Third Parties Arising From Terrorist Incidents. In an op-ed for the Wall Street Journal (10/28, A7, 2.03M) Ted Frank, resident fellow at the American Enterprise Institute, writes, "Plaintiffs' attorneys are weaving creative legal theories to hold legitimate third parties liable for the intentional acts of terrorists. This friendly fire could end up doing almost as much financial damage as the terrorists themselves, with the lawyers getting rich in the process." Frank notes, "After 9/11, lawsuits would have bankrupted several corporate victims of the attacks were it not for a $7 billion, taxpayer-funded bailout of potential plaintiffs. Even so, several dozen claimants opted for litigation. Naturally, their lawyers have sued everyone from the airlines to Boeing to Motorola to New York City. Many of these cases are still in pre-trial proceedings. … If courts are not going to apply the antiterrorism laws sensibly, Congress should amend them to make clear that civil liability is limited to those who commit criminal acts of international terrorism, and those who aid and abet with specific intent to commit terror. Otherwise, terrorists can damage the global economy simply by inducing fratricidal litigation."

WAR NEWS:

Maliki, Khalilzad Publicly Pledge Continued Cooperation. ABC World News (10/27, story 3, 2:15, Gibson, 8.78M) reported, "Overseas, in Iraq, the American ambassador and Iraq's Prime Minister issued a rare, joint statement today, after a week of public tensions between the two governments. Iraq said it is committed to a good and strong relationship with the U.S. Iraq also said there should be time lines, laying out steps Iraq must take to improve conditions there."

The Los Angeles Times (10/28, Daragahi, 918K) reports that in "the latest example of tension between the two governments," Iraqi Prime Minister Nouri al-Maliki "sharply criticized U.S. policy Friday during a private meeting with U.S. Ambassador Zalmay Khalilzad, "pointing to America's failure to either reduce violence or give his government authority over security matters." He "criticized what he called the patronizing U.S. tone toward the Iraqi government and warned U.S. Ambassador Zalmay Khalilzad to respect Iraq's sovereignty." This "stood in stark contrast with a joint public statement issued after the meeting," when "al-Maliki and the U.S. Embassy said they had agreed to unspecified 'timelines' to make tough political and security decisions on the country's future." Coming after "days of back-and-forth recriminations, the contrast between private criticism and the public statement brought into sharper focus a dispute that may have already undermined the Shiite-led government and increased friction between America and the country's majority sect." The "squabbling and confusion" is due to "prickly truths" - Al-Maliki's government has lost public backers, even as the U.S. government "has little choice but to back al-Maliki's Iranian-influenced Shiite government."

The New York Times (10/28, Burns, 1.21M) reports, "With recent events in Iraq causing growing strains between the Bush administration and the Iraqi government, the two governments issued a tautly worded statement through the American Embassy in Baghdad on Friday renewing their commitment to work together for peace and security in Iraq." The Times adds, "The dispute over benchmarks reflects a deeper divide between the religious Shiite parties and the Americans, who were once seen by the Shiites as a partner in wresting power from the Sunni minority through elections."

The Washington Post (10/28, A11, Anderson, 748K) mentions the announcement towards the end of a story focusing on the hunt for an abducted US soldier. The Washington Times/AP (10/28, Hurst) also covers this story.

Violence Sees Lull In Baghdad. In a front page article, the Washington Post (10/28, Knickmeyer, 748K) reports, "For the people of Baghdad, death took something of a holiday this week. By Thursday, U.S. and Iraqi military commanders were staring at murder rates that had fallen by half since Monday." Explanations could include the week long slamic holiday Eid al-Fitr, or the "massive American operation" that "shut down some of Baghdad's most dangerous neighborhoods" as they search for a missing soldier. Howver, "U.S. military officers played down the notion that their troops' increased operations and the sealing off of Sadr City had contributed to the drop in violence, saying it was a normal calm for Eid." Still, no one is "counting on the decline in killing to continue."

US Continues Search For Abducted Soldier In Baghdad. The Washington Post (10/28, A11, Anderson, 748K) reports, "U.S. and Iraqi forces returned to Sadr City on Friday to search the Shiite Muslim slum for a missing U.S. soldier," who was abducted while visiting relatives, "occasionally engaging in gun battles with members of local militias during their hunt." The "U.S. and Iraqi forces have conducted an intense hunt across Baghdad, searching cars at checkpoints, going door to door and raiding areas where they think he might be held." According to Iraqi Prime Minister Nouri al-Maliki, "the soldier's brother was kidnapped with him but had been released.." Analysts say "that rogue units of the" Mahdi Army militia may no longer be under Moqtada al-Sadr's control, "and Maliki said in the interview that some Sunnis now operate in the name of the Mahdi Army." He added, "we don't know what the Mahdi Army means anymore."

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US Citizen Will Not Yet Be Turned Over For Iraqi Death Sentence. The Washington Post/AP (10/28, A6) reports that .S. District Judge Royce Lamberth ruled that Mohammad Munaf, a U.S. citizen who was sentenced to death by an Iraqi court for "helping in the 2005 kidnapping of three Romanian journalists in Baghdad" is not to be "handed over by the U.S. military until the Supreme Court hears his case, a federal appeals court ruled yesterday. Munaf "said his trial was flawed and his confession coerced." However, Judge Lamberth also "ruled that he has no authority to intervene," and "the U.S. Court of Appeals for the D.C. Circuit also declined to step in." Therefore the wait will be only the "10 days to appeal to the Supreme Court and wait for it to rule before" the military turns Munaf over Iraqi officials.

Report Says Halliburton Subsidiary Abuses Federal Regulations. The Washington Post (10/28, D2, Witte, 748K) reports that a report released yesterday by Auditors for the Special Inspector General for Iraq Reconstruction found that Halliburton subsidiary KBR Inc. "is abusing federal regulations by marking nearly all information it gives to the government about its operations in Iraq 'proprietary,' a practice that promotes unnecessary secrecy and could hurt competition." The auditors also "concluded that the company's actions represent 'an abuse' of the Federal Acquisition Regulation." While Halliburton spokeswoman Cathy Mann said in a written response "that using the proprietary stamp was 'not only encouraged, but required' by the Army," the report says "Army officials are working on ways to get KBR to cut down on the practice."

The New York Times (10/28, Glanz, Norris, 1.21M) leads that KBR "systematically misused federal rules to withhold basic information on its practices from American officials." It "is the first time the federal government has weighed in and accused it of systematically engaging in a practice aimed at veiling its business practices in Iraq," and this report come "at a critical time for the company, as Halliburton is trying to spin off the subsidiary."

The Financial Times (10/28, Kirchgaessner) notes, "As a result of the investigation, army officials said they would prepare a modification to a multi-billion dollar Halliburton contract – known as Logcap – to 'provide guidance' to KBR on the marking of proprietary data."

Kurdish President Says Iraq Must Decide Partition Issue. The Wall Street Journal (10/28, A6, Miller, 2.03M) reports on an interview with Massoud Barzani, the president of Kurdistan. He say "American forces are not 'occupiers' or the 'enemy,' but 'liberators.'" However, "having been both saved and betrayed by previous American governments, he knows the risks of tying Kurdish fortunes too closely to an administration facing public disenchantment with its Iraq policies." Still, "the secret of Kurdistan's relative success so far -- and of America's enduring popularity here -- is the officially unacknowledged fact that the three provinces of the Kurdish north are already quasi-independent," and "Washington's refusal to accept this self-evident political reality does not trouble Mr. Barzani." However, while "Having an independent state is the natural legitimate right of our people," Barazani adds that "the parliament of Kurdistan has decided to remain within a federal, democratic Iraq." On the fate of Iraq, he says "Only a voluntary union can work. Either you have federalism with Baghdad as a federal capital with a special status, or you have separation." Also, "he was clearly annoyed by a slight: The fact that the congressionally created Iraq Study Group…has not traveled to Kurdistan." On oil, "Barzani is willing to share revenues with Baghdad, the principle of control is vital to Kurdistan if it is to have an independent revenue stream."

King Criticizes State Of Iraqi Leadership. Colbert I. King writes in his column in the Washington Post (10/28, A15, 748K), "Frederick Jones, the NSC's communications director, said yesterday that no American official has ever met" Grand Ayatollah Ali Sistani, "Iraq's most powerful figure." This is because "Sistani has designated himself off-limits to Americans," who "he considers…infidels." This "reveals the extent to which the Bush administration is now, and always has been, out of its depth in Iraq." Today his "Shiites are the major political force in Iraq," and he, "according to Newsweek, forbids music for entertainment, dancing and playing chess, and forbids women from shaking the hands of any men other than their fathers, brothers or husbands. His whole purpose is to promote Shiite theology and keep Iraq as a democratic, but decidedly Islamic, state." Meanwhile, his "chief competition" is the "anti-American Shiite cleric, Moqtada al-Sadr," whose organization "infiltrated Iraqi military and police units" and to whose call the "Iraqi parliament, truth be told, responds." After "Billions spent, thousands of Americans dead or maimed, U.S. armed forces exhausted, stretched thin and working around the clock," was this "what George W. Bush had in mind?"

Bush, NATO Secretary-General Discuss Taliban's Use Of Human Shields. The Washington Times/AP (10/28) reports, "President Bush and NATO Secretary-General Jaap de Hoop Scheffer yesterday discussed how the Taliban has begun using Afghan civilians as human shields. In a meeting at the White House, Mr. de Hoop Scheffer said that he was saddened by recent deaths of Afghans and that the alliance is committed to defending democracy in the nation once ruled by the repressive Taliban regime." According to the White House, "the two leaders did not discuss NATO troop levels or the suspension of two

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German soldiers in connection with photographs of troops posing with human skulls."

Mine In Afghan Road Kills 14, Wounds Three Civilians. The New York Times (10/28, Wafa, 1.21M) reports, "An explosion from a mine in a road on Friday killed 14 civilians and wounded three others in a suburb of the capital city in the southern province of Uruzgan," as the "group of elderly people, youths and children…were riding in a pickup truck toward the provincial capital, Trinkot, for the celebration of Id al-Fitr." According to a spokesman for the provincial governor, "the government was investigating whether the mine had been laid recently by suspected Taliban fighters or was left over from the Soviet invasion."

Photos Of Soldiers With Skulls "Rattles" German Military. The Washington Post (10/28, A9, Whitlock, 748K) reports, "A scandal over soldiers caught playing with human skulls has rattled the German military and prompted a reexamination of the country's growing role in global peacekeeping missions. German military officials said Friday that they had suspended two soldiers and were investigating several others suspected of desecrating skulls while serving in Afghanistan as part of a NATO-led force in 2003 and 2004. Photos of troops mocking the freshly unearthed skulls…have shocked many Germans since they were first published" and "more have surfaced daily." The incident "has led officials here to question whether Germany has fully digested the political and security risks involved in such assignments," even as "the images of German soldiers playing with human remains has led to public revulsion and inevitable comparisons to the horrors perpetrated under Nazi rule." However, as yet "there have been few calls for Germany to curtail its participation in Afghanistan or in other missions."

CORPORATE SCANDALS:

Orbital Sciences Corp To Restate Earnings After Finding Misdated Options. The Washington Post (10/28, D1, Hart) reports, "Orbital Sciences Corp., a Dulles maker of booster rockets and space systems for the government and military, yesterday joined the parade of companies that have disclosed problems in their compensation practices, saying an internal review found some misdated stock options." The Post continues, "The company said the review found no fraud or intentional misconduct in connection with the errors and that it would revise past financial statements. Most of the options in question were granted more than five years ago, said David W. Thompson, Orbital's chairman and chief executive. … 'Financial impacts are not material to the results for this year or for any prior period over the past five years,' he told investors in a conference call yesterday." The Post adds, "Orbital expects to record pretax costs of about $300,000 in 2006, $2.5 million between 2001 and 2005 and $11.5 million between 1990, when the company went public, and 2001. … Orbital joins more than 100 companies nationwide that have been investigated for the practice of backdating stock options, in which options are dated to a time when the stock price is lower so the profit is higher after the options are exercised. … Last week, SafeNet Inc., a Maryland information security firm, said certain options over the past six years were accounted for using incorrect dates. Minnesota-based UnitedHealth Group Inc., one of the largest managed health-care companies, is under investigation for backdating stock options. In both cases, the inquiries prompted executives to step down."

Private Law Firms Play Key Role In Options Probes. The Wall Street Journal (10/28, A1, Bandler, Scannell) reports, "With more than 130 companies under federal scrutiny, the investigation into stock-option backdating has rapidly become one of the broadest corporate scandals in decades. It is so broad, in fact, that federal authorities can't possibly do thorough examinations of every company. … Instead, they outsource a big chunk of the job." The Journal continues, "Regulators and prosecutors are relying on suspect companies to investigate themselves by hiring outside law firms. The firms are supposed to hand over their findings to the Securities and Exchange Commission or federal prosecutors, who then use them to help decide which cases to pursue further. The feds often ask for any especially incriminating documents to be delivered in a handy folder they call a 'hot binder.' … That has long been a common practice for companies in potential legal trouble, partly because it can lead to leniency as reward for a self-examination well done. But not since the overseas bribery scandal of the 1970s have so many public corporations been in trouble at the same time. The federal investigation has enveloped icons of success like Apple Computer Inc., Home Depot Inc., giant insurer UnitedHealth Group Inc., and dozens of Silicon Valley companies." The Journal adds, "The mass exercise in self-policing already has produced some dramatic results. More than 40 executives or directors have resigned or been pushed out in the wake of internal probes that found options backdating problems. The most prominent is William McGuire, chief executive of UnitedHealth, who is leaving his post by Dec. 1. Outside lawyers hired by the company found evidence of rampant backdating of options that enriched him and other insiders. Dr. McGuire, who has said he did nothing improper, stands to lose more than $100 million alone after agreeing to reprice his options."

SEC Queries JP Morgan Over Bisys-One Group Link. The Wall Street Journal (10/28, A3, Lauricella) reports, "J.P. Morgan Chase & Co. says it received an inquiry from the Securities and Exchange Commission relating to the

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relationship between Bisys Fund Services Inc. and One Group Funds, which the bank acquired as part of its 2004 purchase of Bank One Corp." The Journal continues, "The SEC is investigating a total of 27 mutual funds1 that it says may have accepted kickbacks totaling hundreds of millions of dollars in recent years, according to people familiar with the matter. AmSouth Bancorp of Birmingham, Ala., was the first to acknowledge possible charges last summer. The other 25 firms aren't known. J.P. Morgan acknowledged the inquiry in an interview, but declined to comment further." The Journal adds, "The probe stems from a $21.4 million settlement the SEC reached last month with Bisys Fund Services Inc., a unit of Bisys Group Inc., which provides back-office support to financial companies. … In the wake of the settlement, the SEC sent letters to some of the funds in question, asking for details about their relationships with Bisys, as well as asking whether the funds have undertaken internal reviews of the relationship and what sorts of information had been provided to fund board of directors about the Bisys relationship, according to people with knowledge of the letters."

Former Computer Associates CEO Awaits Sentencing. The Wall Street Journal (10/28, A2, Bulkeley) reports, "As one of the last chief executives to face sentencing for crimes committed in the stock-market-bubble era, Sanjay Kumar, who orchestrated a $2.2 billion accounting fraud as CEO of Computer Associates International Inc., goes before a federal judge in Brooklyn on Thursday -- the same day his former company reports second-quarter earnings." The Journal continues, "Mr. Kumar, 44 years old, who resigned his job in 2004, pleaded guilty to eight counts of securities fraud and obstruction of justice in April. At the end of many quarterly financial periods in the 1990s and 2000, Mr. Kumar helped sign and backdate contracts for big sales of corporate software in order to book the revenue and meet quarterly earnings projections in what prosecutors called '35-day months.' Once the Securities and Exchange Commission started investigating, Mr. Kumar lied to government agents and sent the corporate general counsel to Hawaii to bribe a potentially hostile witness, according to evidence filed in the case." The Journal adds, "U.S. District Judge I. Leo Glasser has broad discretion in sentencing. Two lawyers who have followed the case, but declined to be identified, said they think the most likely term would be eight to 12 years. However, if Judge Glasser orders sequential sentencing on each charge the term could be 90 years. … The likely jail sentence puts a sad end to the meteoric career of Mr. Kumar, who grew up in poverty after his family emigrated from Sri Lanka, and worked his way up to the lofty position and a $300 million stock award in 1999. .. .But the sentencing hasn't been the end of CA's problems. Since Mr. Kumar resigned in 2004, a few months before he was indicted, the company has changed its name to CA Inc., paid the SEC $225 million in fines and replaced most of its top executives, while operating under the oversight of a government-appointed examiner."

Cooperating With US To Catch Big Fish Pays Off For Corporate Small Fry. The AP (10/28, Gordon) reports, "Helping the government land the biggest fish has been paying off for the slightly smaller fry in the prosecution of high-profile corporate fraud by way of a yawning gap in their prison sentences." The AP continues, "Jeffrey Skilling, Enron Corp.'s former chief executive who became an embodiment of corporate corruption, was handed a 24-year-plus sentence on Monday. That was the toughest penalty by far in the catastrophic collapse of the energy giant. Skilling's one-time protege at the company, finance chief Andrew Fastow -- architect of the complex web of off-the-books partnerships that hid some $1 billion in debt -- received a six-year jail term in September after cooperating with the prosecutors and helping them secure Skilling's conviction." The AP adds, "The judge said Fastow deserved leniency because of his 'exceptional' cooperation with the government. … 'The lesson that comes out of the Enron sentences is that if ultimately you're facing criminal charges, it's fine to be high up in the company. Just don't be at the very top,' said Robert Mintz, a former federal prosecutor who heads the white-collar defense practice at McCarter & English in Newark, N.J." The AP notes, "Prosecutors like to work from the bottom up, so for CEOs caught up in scandals, he said, 'There's nowhere to turn in the event of an indictment.' … Washed ashore by the wave of corporate scandals in recent years have been executive flippers who have cut deals, turning against and talking about their bosses who have taken their chances at trial. Chief executives are far more likely to go to trial, partly because of ego, the conviction they did nothing wrong, or because prosecutors are far less willing to cut a deal."

CRIMINAL LAW:

Safavian Sentenced To Eighteen Months In Prison. The Washington Post (10/28, A3, Schmidt, 748K) reports U.S. District Judge Paul L. Friedman sentenced David H. Safavian, "a former top Bush administration official, to 18 months in prison for lying and concealing unethical dealings with lobbyist Jack Abramoff. During an unusual hearing that lasted much of the day, Friedman wrestled with how to mete out justice to Safavian. He said Safavian was a man who had 'pulled himself up by his bootstraps' and had been 'a very good person to a lot of people.' But, the judge said, Safavian also committed 'an abuse of the public trust' in his relationship with the lobbyist." Safavian, "a former chief of staff for the General Services Administration, wept as he told

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Friedman that he knows now he never should have given Abramoff inside information about government-owned real estate that the lobbyist wanted to acquire. At the time, Safavian said, he thought what he was doing was innocuous. 'I didn't see anything wrong in helping Jack,' he said." The Washington Times/AP (10/28) reports, "During his sentencing, Safavian apologized for giving the appearance of impropriety but said it was not fraudulent. 'Yes, Jack Abramoff was a friend, but he wasn't my co-conspirator and I wasn't his,' Safavian said. 'There was no conspiracy to defraud anyone, least of all the taxpayers.'" The Los Angeles Times/AP (10/28) reports Safavian said Abramoff "used and manipulated him and he never meant to hurt anyone."

Government Executive (10/28, Mandel) reports, "The 18-month sentence fell halfway between the defense's recommendation that he serve between zero and 12 months, and a Justice Department recommendation for 30 to 37 months. D.C. District Judge Paul Friedman also declined to impose a fine along with prison time, based on a pre-sentencing report that found Safavian's finances ruined by legal fees. … 'I think since Mr. Safavian is going to serve some time in prison, to impose a fine is punishing Mrs. Safavian and perhaps other relatives,' Friedman said." GE adds, "The sentencing was complicated by questions of what guidelines should apply to each of the counts and potential adjustments to the term. Peter Zeidenberg, the lead prosecuting attorney, argued that the sentence should be extended because Safavian perjured himself while testifying during his trial. Defense attorney Barbara Van Gelder argued that the sentence should be shortened because her client accepted responsibility for his actions. … Friedman rejected the government's argument for a longer sentence. He conceded that 'it was hard to believe some of what Mr. Safavian said' during the trial, such as his statement that he had not stopped to question the inordinately low costs that Abramoff quoted to him for a lavish trip to play golf in Scotland. But Friedman said there was gray area in the subjectivity of testimony centering on what Safavian believed, which separated the case from ones in which defendants had clearly lied about basic, objective facts of the case."

Judge Uses Sentencing To Rail Against Lobbyists. The New York Times (10/28, Shenon, 1.21M) reports Friedman "used the sentencing hearing to speak out against what he said was a growing culture of corruption in Washington encouraged by high-priced lobbyists. 'He came to work in an environment that has become, frankly, more and more corrupt,' Judge Friedman said in announcing Mr. Safavian's sentence, which was half of the three-year prison term sought by the Justice Department. 'It's become corrupted by money,' Judge Friedman added. 'You've literally got lobbyists sitting in Congressional offices writing legislation. That's what's going on.'"

House Ethics Committee Will Not Release Foley Report Before Elections. The Washington Post (10/28, A6, Weisman, 748K) reports, "The House ethics committee has all but wrapped up the investigative phase of its probe into the actions of former representative Mark Foley, informing key witnesses that they will not be summoned back for more questioning, lawyers in the case said yesterday. But those lawyers indicated that the committee is unlikely to release its report on the Florida Republican -- or even an interim memo -- before the Nov. 7 elections. … A committee report could have resurrected Democratic charges of a coverup, some Democrats hoped." The Post notes, "The most glaring hole in the testimony is the apparent decision not to call Rep. Jim Kolbe, who was aware of inappropriate e-mails from Foley to a page as far back as 2000 and whose conduct with former pages has also drawn scrutiny. Korenna Cline, a Kolbe spokeswoman, said the ethics committee has had no contact with the congressman or his staff."

Longtime Illinois Political Fundraiser Pleads Guilty In Kickback Probe. The Chicago Tribune (10/28, Coen, O'Connor, Long) reported, "Political insider Stuart Levine pleaded guilty Friday to scheming to squeeze millions of dollars from firms seeking state business, and authorities alleged in the clearest detail yet that he had the help of Gov. Rod Blagojevich's top campaign supporters. The new allegations in the plea agreement of Levine, a longtime Republican fundraiser reappointed to state boards by the Democratic governor, only increased the questions about corruption swirling around the race for governor with little more than a week until the Nov. 7 election. In the…plea agreement, federal authorities spell out allegations that Blagojevich's two top fundraisers schemed almost from the beginning of the governor's administration to use their newfound influence for corrupt purposes." However, Blagojevich on Friday "said Levine's plea shows he began his misdeeds before Blagojevich became governor."

The AP (10/28, Robinson) reported, "Disappointing Republicans, though, Stuart Levine's 58-page plea agreement with federal prosecutors contained no allegations of wrongdoing on the part of the Democratic governor, who is waging a re-election campaign while coping with a federal corruption investigation. All the same, the massive document was crammed with details of corruption in state government and guaranteed to fuel campaign fireworks. Levine told how he worked closely with Blagojevich fundraiser Antoin 'Tony' Rezko, now also facing federal charges, and that Rezko and others close to the governor provided him with a high degree of political clout."

Four Convicted In Honolulu Airport Contract Fraud Conspiracy. The Honolulu Star Bulletin (10/28,

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Barayuga) reported, "A federal jury convicted two former airport officials and two contractors of conspiracy and mail fraud" Friday "in a bid-rigging scheme at Honolulu Airport. The jury deliberated for just more than six hours to unanimously find Dennis Hirokawa, 64, former superintendent of airport maintenance; Richard Okada, 65, former director of the Visitor Information Program; and contractors Michael Furukawa, 60, and Wes Uemura, 61, guilty of conspiracy." The Star Bulletin noted, "Charles Goodwin, special agent in charge of the FBI here, said he hopes the convictions serve as a deterrent. 'And as time goes by and we pursue more and more corruption, more and more people will step forward because they see the government serious about taking it on at the state and federal level,' he said."

DOJ Cancels Faith-Based Prison Rehabilitation Program. The New York Times (10/28, Banerjee, 1.21M) reports the Justice Department "has canceled its proposal for a religion-based prison rehabilitation program that critics and constitutional law experts contended would have violated the separation of church and state. On March 31, the department announced that it was seeking proposals for a 'single-faith, residential re-entry program' that would be adopted initially in as many as six federal prisons and run in each by an organization of a particular denomination. The proposed program, among others, was challenged in a lawsuit filed on May 4 in the Federal District Court in Madison, Wis., by the Freedom From Religion Foundation, a watchdog group. By May 26, the department had suspended its request for proposals for the program, and on Thursday it canceled the program 'in its entirety,' according to the Web site for the Office of Justice Programs of the federal Bureau of Prisons, a branch of the Justice Department."

Role Of Faith In Kuo's Book Explored. The New York Times' Samuel Freedman (10/28) writes, "In an election season, how could an 'inside story of political seduction,' to quote the subtitle of David Kuo's 'Tempting Faith,' not be mined for every politically explosive example it offers? … Naturally, those skeptical of the faith-based initiative are saying, 'I told you so,' and stalwart defenders of the Bush administration are issuing emphatic denials or even suggesting that Mr. Kuo is either Judas or a fresh candidate for the axis of evil. But though 'Tempting Faith' (Free Press) is a story about the Bush presidency, it is even more a story about Mr. Kuo. As much as it is a story about politics, it is also a story about faith."

SCOTUS To Rule On Police Officers' Responsibility During High-Speed Chases. The Washington Post (10/28, A5, Lane, 748K) reports the Supreme Court "stepped into the national debate on the risks of high-speed police car chases yesterday, announcing that it will decide whether the Constitution permits police to use deadly force against a fleeing motorist whose only suspected offense is speeding or reckless driving. The court's decision was a victory for a Georgia police officer appealing a ruling earlier this year by the Atlanta-based U.S. Court of Appeals for the 11th Circuit. That court had concluded that the officer acted unreasonably by ramming a fleeing speeder, causing a crash that left the driver, Victor Harris, paralyzed." The Los Angeles Times (10/28, Savage, 918K) reports, "Eight years ago, the justices shielded police officers from being sued in federal court for deaths and injuries resulting from high-speed chases. The only exception, the court said, is when police act out of 'an improper or malicious motive,' such as 'to terrorize, cause harm or kill' a suspect."

Two New York Men Seek New Trial Over Courtroom Chaos. The New York Times (10/28, Brick) reports, "The crime scene was the courthouse, and the witnesses were lawyers, court officers, a court reporter and a judge. The indictment described the momentary chaos of an afternoon last winter. … 'It happened right here,' said the prosecutor, Robert J. Walsh, addressing the jury and motioning toward the defendants. 'They tried to escape.' … But when testimony began this week, witnesses offered all the complexity of the world outside the courthouse." The Times adds, "Had one of the men signaled to start the attack? Had the other said his intent was suicide? Were the makeshift knives found in their clothing or on the floor? Where had the armed court sergeant and the unarmed judge been standing? … The men at the defense table in State Supreme Court in Brooklyn last January, Kayson Pearson, 24, and Troy Hendrix, 22, had been on trial for kidnapping, raping and killing Romona Moore, a third-year psychology student at Hunter College. She was savagely tortured. The maximum penalty was life. On Jan. 19, the trial ended abruptly." The Times adds, "Courthouse disturbances do not make for predictable cases. Some defendants who live to tell about them are acquitted, like Angela Davis in California in 1972 and Jose Dominguez in the Bronx in 1991. In Missouri, a man convicted in the courthouse where he had killed his wife in 1992 awaits a new trial on account of the venue. In Atlanta, defense lawyers have asked to move the trial of a man who escaped the courthouse in March 2005."

New York Officials Rule Homicide In Baby Girl's Death. The New York Times (10/28, Buckley, Khan) reports, "A 13-month-old girl died early yesterday after being found unconscious in her Brooklyn home, and her death has been declared a homicide by the medical examiner's office. The police have not identified any suspects." The Times continues, "A spokeswoman for the medical examiner's office

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said the baby had skull fractures and other injuries, and the police said her body was bruised. … The police said that the baby's mother, whom they identified as Antigua Lucas, 19, told them that she had found the baby, Teira Lewis, not breathing around 2:15 a.m. Ms. Lucas said that Teira had been sick at 11:30 p.m., but that she managed to soothe the baby to sleep, according to the police." The Times adds, "After finding the baby unresponsive, Ms. Lucas said, she rushed out of her second-floor apartment at 270 Glenmore Avenue in East New York, the police said, frantic and looking for help. She flagged down a private sanitation company worker, who called 911, the authorities said. … The baby was taken to Brookdale University Hospital and Medical Center and declared dead at 3 a.m., the police said. The Administration for Children's Services was investigating the death."

Malvo Confesses To Killing Of Arizona Golfer. USA Today/AP (10/28) reports, "Convicted Washington-area sniper Lee Boyd Malvo confessed to police that he and cohort John Allen Muhammad were responsible for the 2002 killing of a 60-year-old man on a Tucson golf course, Tucson authorities said Friday." The AP continues, "Malvo said he was sorry for the family of Jerry Taylor, said Detective Benjamin Jimenez of the Tucson Police Department. … 'He welled up a few times in tears during the interview,' Jimenez said." The AP adds, "Malvo spoke to police in Maryland for two hours Thursday after he received immunity from prosecution, Tucson Capt. Bill Richards said. Malvo said the shooting took place while he and Muhammad were in the area visiting Muhammad's older sister, Richards said. … Tucson police had long sought to speak with Malvo about the March 19, 2002, death of Taylor, 60, who died from a single gunshot fired from long range as he practiced chip shots at the golf course. The case had never been conclusively tied to Muhammad and Malvo." The AP notes, "Muhammad and Malvo were arrested for 10 killings and three woundings in the Washington, D.C., area during three weeks in October 2002. They were accused of roaming the area with a Bushmaster .223-caliber rifle that they fired from the trunk of a Chevrolet Caprice at random victims."

Judge Denies Bond For Florida Cuban Spying Suspect. The Miami Herald (10/28, Weaver) reported, "A Florida International University professor charged with being an unregistered agent of Cuba's communist government won't be released before trial, a Miami federal judge ruled Friday." Carlos Alvarez "could flee to Cuba if he's freed before the January trial, U.S. District Judge K. Michael Moore said. He denied Alvarez's bid for bond." The Herald noted Alvarez "gave self-incriminating statements to FBI agents in the summer of 2005 because he believed they would not charge him if he cooperated with them. His lawyer has asked the judge to suppress that evidence, the core of the U.S. attorney's case against him."

FBI Puts Wyoming Agents In Charge Of Beauprez Ad Probe. In a widely-distributed story, the AP (10/28, Paulson) reported Denver FBI spokeswoman Rene VonderHaar "said Friday that Wyoming officials would take over an investigation into a Colorado gubernatorial candidate's campaign ad to avoid potential conflicts of interest after authorities learned a Denver-area federal agent may have been involved. The investigation is examining whether GOP Rep. Bob Beauprez accessed a restricted federal database for information used in a television ad to attack his Democratic challenger, Bill Ritter." The AP noted, "Cory Voorhis, a federal Immigration and Customs Enforcement agent and registered Colorado Republican, provided the information, a person in government who was briefed on the investigation told The Associated Press last week."

Pataki Chooses Former Federal Prosecutor For Havesi Probe. The New York Times (10/28, Cooper) reports, "Gov. George E. Pataki appointed a former federal prosecutor on Friday to determine whether the ethics case against Comptroller Alan G. Hevesi for using a state worker to chauffeur his wife was strong enough to seek his removal from office." The Times continues, "Mr. Pataki, who cut short a trip to Hungary to deal with the Hevesi affair, had been expected to announce his decision on whether to invoke a little-known law to call the State Senate into special session to consider removing Mr. Hevesi. But Mr. Pataki, a Republican who leaves office at the end of the year, said he wanted to take the extra step of having an outside expert review the case before calling for the removal of Mr. Hevesi, a Democrat who is seeking re-election, less than two weeks before the election. … 'This is a provision of the law that, to the best of our knowledge, has never been used,' Mr. Pataki said. 'And it is an extraordinary act for officials to overturn an election of a statewide elected official after a vote by the people of New York, and obviously it's something that, if it's used at all, has to be used cautiously and with great, great care.' … So Mr. Pataki appointed David N. Kelley, a former United States attorney for the Southern District of New York, to review the case. Mr. Kelley — who has prosecuted terrorism cases and who won high-profile convictions against Martha Stewart and Bernard J. Ebbers, the former chief executive of WorldCom — is a registered Democrat who won the praise of people within his party for his work as a prosecutor."

Bloomberg (10/28, Quint, Braun) reports, "Pataki said he hoped he could have a report from Kelley, who served as U.S. attorney for the Southern District of New York, within a

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week. … Pataki, who leaves office Dec. 31, acted after the state Ethics Commission this week said Hevesi improperly used staffers as his wife's chauffeur and didn't show any intention of repaying the state until his opponent in the Nov. 7 election exposed the practice. New York Attorney General Eliot Spitzer, a Democrat who is leading in the race for governor, yesterday withdrew his endorsement of Hevesi, also a Democrat, for re- election as the state's fiscal watchdog." Bloomberg adds, "Pataki said Kelley would get more than a week if needed it, and probably would present the case to the Senate if there is a decision to proceed with it. Kelley served in the U.S. attorney's office in New York from 1988 to 2005 before joining law firm Cahill, Gordon & Reindel in September 2005. … Prior to his appointment as U.S. attorney in 2003, he was named co-chair of the Justice Department's investigation into the Sept. 11 terrorist attacks. He personally prosecuted John Walker Lindh, dubbed the 'American Taliban.' As a U.S. attorney, he also served as a member of President George W. Bush's Corporate Fraud Task Force and the Attorney General's Advisory Committee for White Collar Crime."

Doolittle Faces Voters With Uncertain Legal Fate. The Sacramento Bee (10/28, Whitney) reports, "Voters in the 4th Congressional District will go to the polls Nov. 7 to decide whether Rep. John Doolittle deserves an eighth term without knowing whether he will face federal prosecution in connection with the ongoing investigation of disgraced lobbyist Jack Abramoff." The Bee continues, "The Roseville Republican, who once called Abramoff a good friend, has not been called before a grand jury or otherwise been publicly identified by the Justice Department as being under investigation. … 'We are not going to confirm or deny investigations into any individuals,' said Brian Sierra, spokesman for the Justice Department's criminal section." The Bee adds, "The only congressman to have pleaded guilty in connection with Abramoff is Rep. Bob Ney, R-Ohio, who pleaded Oct. 14 to conspiracy and making false statements and is awaiting sentencing. … Doolittle's long relationship with Abramoff, however, included elements of the kind that contributed to the legal troubles of many of the eight people, including congressional aides and lobbyists, who already have pleaded guilty. … Doolittle has insisted he's done no wrong and is paying a prominent criminal attorney in Virginia to clear his name. The legal tab so far is about $50,000." The Bee notes, "The attorney, David Barger, stressed that he had been told by the Justice Department last week that 'Congressman Doolittle is not a target of its investigation.' … But other criminal defense attorneys said the fact that the Justice Department has not identified Doolittle as a target means little because that typically doesn't happen until all the evidence is gathered and charges are imminent."

New York Man Pleads Guilty To Managing Prostitution Ring. The AP (10/28) reports, "A Bronx man admitted yesterday that for six years he managed a multi-city prostitution ring that included underage girls." The AP continues, "In pleading guilty to two federal charges in Trenton, Matthew Thompkins, 38, said the ring ran from 1999 to December 2005 in Atlantic City, Boston, Las Vegas, Miami and New York. He is the seventh member to plead guilty in the case, according to the U.S. Attorney's Office. … Thompkins pleaded guilty to conspiracy to transport minors to engage in prostitution, which carries a sentence of five to 30 years in prison and a fine of up to $250,000, and conspiracy to engage in money laundering, punishable by up to 20 years in prison and a fine of $250,000 or twice the loss to victims. Sentencing is to be March 2."

The Newark Star-Ledger (NJ) (10/28, Martin) reports, "Thompkins acknowledged building and training a 'stable' of young prostitutes, housing them in apartments and homes in New York and New Jersey, and hiding millions of dollars in illegal sex proceeds in their names. … His arrest last December by the FBI followed an unusual foray by federal investigators into a crime typically left to local police. … But prosecutors said Thompkins, for years known only by his nickname, 'Knowledge,' wasn't the typical pimp. He ran his operation so proficiently that his counterparts in the sex-trade industry gave him the ultimate honor three years ago: a 4-foot-high trophy declaring him 'International Pimp of the Year.' … 'He was the master pimp,' Assistant U.S. Attorney Jason Richardson said." The Star-Ledger notes, "Thompkins, 37, pleaded guilty to conspiring to launder money and transport minors across state lines for prostitution. His plea agreement calls for between 10 and 24 years in prison. U.S. District Judge Freda Wolfson set sentencing for March 2. .. .The plea followed similar admissions from six other defendants. Some cooperated with the FBI; none has been sentenced."

US Charges Florida Man In Online Hacking Plot. The Tampa Tribune (10/28, Silvestrini) reports, "A Seminole man slowed a Massachusetts company's Web site by electronically hijacking other people's computers and directing them to launch an attack, a federal criminal complaint alleges." The Tribune continues, "Federal authorities in Massachusetts charged John Bombard, 32, with two counts of intentionally accessing a protected computer without authorization, charges that carry a maximum of two years in federal prison. … The complaint charges Bombard with hacking into two computer systems June 15, 2004, to establish a "bot" network of compromised computers from which he launched a denial of service attack on Akamai Technologies servers." The Tribune adds, "A bot, short for robot, is a computer program that seeks vulnerable

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computers and runs silently in the background until it receives directions from a controlling computer. … According to the Justice Department, some experts think networks of bots, also called "botnets," now send up to three-quarters of all spam. … A denial of service attack is one in which many compromised computers attack a single target, consuming the target's bandwidth or overloading its resources. Legitimate users of the targeted system are unable to use its services." The Tribune notes, "The federal charges say Bombard used a variant of the Gaobot worm to infect networks of computers at two major universities, which are not named. The complaint also doesn't say how many computers were used in the attack."

Puerto Rico Jury Spares Convicted Murderer From Death Penalty. The AP (10/28, Vargas) reports, "A jury sentenced a man to life in prison Friday for murder instead of giving him a death sentence sought by prosecutors in a case that sparked renewed opposition to capital punishment nearly 80 years after it was outlawed in this U.S. territory. Carlos Ayala Lopez wept and hugged his attorney after hearing the verdict. Ayala was found guilty three months ago of killing Jose Rodriguez Reyes, a guard at the Veteran's Medical Center in suburban Rio Piedras, in 2002." The AP continues, "Critics, including the governor and Catholic church leaders, spoke out against federal prosecutors' decision to seek the death penalty. Puerto Rico abolished capital punishment in 1929. The last execution was in 1927, when a man was hanged for murder." The AP adds, "Federal prosecutors can seek the death penalty in some cases because Puerto Rico is subject to U.S. federal law. Federal prosecutors claimed jurisdiction in Ayala's case because the killing took place at a federally run institution. … Prosecutors said Ayala shot Rodriguez while trying to steal his gun for a planned drug trafficking operation. … The jury of six men and six women, which convicted Ayala in July, reconvened for the penalty phase of the trial and deliberated for about six hours before delivering the sentence."

FBI Mulls Probe Of Rep Porter Over Fundraising Calls. The Las Vegas Sun (10/28, Cook) reports, "U.S. Rep. Jon Porter released phone records and copies of his daily schedule Friday that he claims disprove a former staffer's allegations that the congressman made illegal fundraising phone calls from his government offices in Henderson and Washington, D.C." The Sun continues, "While the records - which in some cases had names and phone numbers blacked out - do not prove that the allegations are false, they appear to conflict with some of the charges leveled by Porter's one-time executive assistant and scheduler, Jim Shepard. … The records show, for example, that Porter made fundraising and other phone calls from a campaign cell phone on April 18, a day when his schedule shows that he was at his district office. … But his chief of staff, Mike Hesse, said he and Porter were out to lunch when the calls were made, and offered a receipt from about 11:45 a.m. at Sweet Tomatoes to prove it." The Sun adds, "Similarly, on April 21, when Shepard claims he witnessed Porter make fundraising calls between 1:30 p.m. and 2:30 p.m. at his Henderson office, Porter's schedule shows that the congressman left for a meeting with Clark County School District officials at 1:15 p.m. and remained out of the office the rest of the day. … Shepard said he remembers the meeting with school officials being delayed and that the schedule - which he kept while he was on Porter's staff - does not match e-mails and call logs he retained. He said he could not share the call logs on the advice of his attorney. … The documents from Porter came on the same day that the U.S. attorney's office turned over a complaint about the calls to the FBI. … 'We did receive a referral,' said FBI spokesman Dave Staretz. 'I can't go into any particulars. We will evaluate the case and determine whether we will open a preliminary inquiry.' .. .In a statement, Las Vegas-based U.S. Attorney Daniel Bogden emphasized that no decision has been made on whether to proceed on the request for an investigation from Nevada Democratic Party Chairman Tom Collins."

Man Admits Louisiana Murders Before Being Executed In Florida. The AP (10/28) reports, "Before being executed for five Florida murders, serial killer Danny Rolling gave his spiritual adviser a handwritten confession to a grisly murder triple slaying 17 years ago in his home town of Shreveport." The AP continues, "Police and the Rev. Mike Hudspeth released copies of that apology and confession on Friday, two days after Rolling's execution." The AP adds, "Police have long suspected that Rolling stabbed William T. Grissom, 55, his 24-year-old daughter, Julie, and his 8-year-old grandson, Sean, as they got ready for dinner on Nov. 4, 1989, in Grissom's Shreveport home. … They had been sure of it since 1997, when Rolling sent a detailed confession, including a description of the crime scene, to the woman he had married in prison, and she sent it to police, said retired police detectives Don Ashley and Danny Fogger, who had worked on the case." The AP notes, "Since Rolling had pleaded guilty in Florida to killing five college students and his execution was expected, Louisiana authorities saw little reason to try him. … Still, police said Friday, it is a relief to have a signed, public confession."

New York Judge Sentences Mafia Figure To Life For Two Murders. The New York Times (10/28, Rashbaum) reports, "Baldassare Amato, a powerful Bonanno crime family figure who represents the group's traditional Sicilian roots, stood silently with his arms crossed yesterday

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as a federal judge denounced him and meted out a life sentence for two 1992 Mafia murders." The Times continues, "As the judge, Nicholas G. Garaufis of United States District Court in Brooklyn, tore into him for 'using murder as a business tactic,' at several points Mr. Amato raised his right hand to his chin and then crossed his arms again in front of his chest. … 'Mr. Amato,' said the judge, making no effort to mask his disgust, 'you're just a plain, wanton murderer and a Mafia assassin. The sentence I'm going to give you, as far as I'm concerned, is a gift.'" The Times adds, "Mr. Amato, 54, dressed in a gray prison sweatshirt and khaki trousers, appeared unmoved when the judge handed down the life sentence, almost as though it were a cost of doing business. He and his lawyer had both declined to address the court. … After pronouncing the sentence, Judge Garaufis asked the lead prosecutor in the case, Assistant United States Attorney John Buretta, how much of a fine he could levy. … Mr. Buretta said the maximum was $250,000, and the judge levied it."

The New York Post (10/28, Gallahue) reports, "Garaufis tore into…Amato, convicted of two murders, after his lawyer asked him to consider sending him to a prison close to New York City for the sake of the Bonnano-family soldier's relatives. … 'My compassion is overcome by my disgust and disdain for this defendant,' he said. … Amato was convicted of racketeering and murdering two men, restaurant owner Sabastiano DiFalco and New York Post delivery supervisor Robert Perrino."

CIVIL LAW:

Lawsuit Over Promotion Of Christianity At USAF Academy Thrown Out. The New York Times/AP (10/28) reports, "A federal judge on Friday threw out a lawsuit against the Air Force that contended that evangelical Christian values were being illegally pushed on academy cadets. An academy graduate said he would appeal the decision by the judge, James A. Parker of Federal District Court in Albuquerque. 'Our fight is far from over,' said the graduate, Mikey Weinstein of Albuquerque. The case was brought by Mr. Weinstein and other Air Force Academy graduates who contended that a military chaplain had violated their right to religious freedom by urging cadets to attend Christian services or face 'the fires of hell.'"

The Washington Times/AP (10/28, Jordan) reports, "The judge also rejected claims by Air Force Master Sgt. Phillip T. Burleigh, who asked to be included in the lawsuit, saying he was discriminated against in 1997 for not attending prayer meetings." Burleigh "said his supervisor used government resources to evangelize recruits, including hiring religious motivational speakers to lecture at mandatory-attendance conferences."

CIVIL RIGHTS:

Drifter Sought In Probe Of DC Hate Graffiti. The Washington Times (10/28, Cella) reports, "Federal and Arlington County authorities are searching for a drifter they believe has been drawing swastikas and other graffiti in the area around Arlington National Cemetery." The Times continues, "Police say that Ronald Bost, 47, of no fixed address, is responsible for a rash of vandalism near Arlington Memorial Bridge and Memorial Drive. … One July incident on a construction site at the Memorial Avenue Rehabilitation Project cost $1,000 to clean." The Times adds, "U.S. Park Police Detective Kevin Fornshill said that Bost is the 'chief suspect' in the case, based largely on the fact that Bost has been arrested four times by park police on vandalism charges since the mid-1990s. … 'He's out again and he's doing it again,' Detective Fornshill said. … In 2004, Bost was arrested for painting swastikas and anti-Semitic obscenities over signs near the Netherlands Carillon at Arlington Cemetery. … His vandalism has been identified around the George Washington Parkway, as far south as Ronald Reagan Washington National Airport and as far north as the Francis Scott Key Bridge."

DA Charges 11 In Orange County Voter Registration Fraud Probe. The Los Angeles Times (10/28, Berthelsen, Hanley) reports, "The Orange County district attorney's office has charged 11 people with fraudulent voter registration stemming from a Republican registration drive this year that resulted in dozens of Democrats unwittingly being signed up as Republicans. … Those charged had been paid as much as $10 for each voter they registered as part of a Republican Party effort to recruit more voters in central Orange County. The area includes the district represented by Democratic Rep. Loretta Sanchez, a regular target of Republicans, and a competitive state Senate race." The Times continues, "The cases were filed Tuesday, and three defendants were arrested Wednesday and Thursday. They are in custody and are scheduled to be arraigned today and Monday. The district attorney's office refused to release any information about them, including details usually available, such as the names and charges. … Sources said a press conference is scheduled for Monday, a week before the Nov. 7 election, with Republican Secretary of State Bruce McPherson, who is locked in a tight election battle with Democratic state Sen. Debra Bowen." The Times notes, "The prosecution highlights problems that can occur with signature-gathering and voter registration campaigns in which the workers are paid by the signature. Campaign watchdogs have derisively called it a 'bounty hunter' system

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that creates incentives for often transient, low-paid workers to pad their results to make more money."

DOJ Official Meets With Lake Charles, LA, Residents Over Police Shooting. The Lake Charles (LA) American Press (10/28, Cormier) reports, "Several Lake Charles residents met with an official representing the U.S. Justice Department to start a dialogue about the relationship between the community and police since the Oct. 12 fatal police shooting of 29-year-old Trent Buckins." The American Press continues, "The official with the Justice Department's Community Relations Service declined to speak to the American Press, citing governmental restrictions. .. .Since the November 2004 Chateau Du Lac fatal shooting by police, the Justice Department has had an official visit Lake Charles to help build more trust between the public and police." The American Press adds, "The residents who attended Friday's meeting at City Hall — two police officials also attended — are pleased with the Justice Department's involvement. … 'I think this is another positive step in the long process to gain clarity to what happened,' the Rev. Henry Mancuso said. He was representing the city's Leadership Team for Community and Race Relations. … 'This will be a long process to find out the truth of what happened. Until then, there will be tension in the community.' … The federal government's response will be helpful in healing whatever wounds have been created since the most recent fatal police shooting, Mancuso said."

Indianapolis Police Union Alleges Recruitment Bias. The Indianapolis Star (10/28, O'Shaughnessy) reports, "The police union is accusing the city of racial discrimination by stacking the first recruit class of the merged Indianapolis Metropolitan Police Department with minorities." The Star continues, "Vince Huber, president of the Indianapolis Fraternal Order of Police, said the department added minority candidates to its new recruit class at the expense of white applicants. … Indianapolis Police Chief Michael Spears acknowledged that the department reached into the next recruit class for qualified minorities to increase the diversity in the class, which begins training Nov. 13. … But he said adding minorities to the list did not come at the expense of any white applicants. Instead, he said the move simply increased the number of names submitted for approval to the department's merit board." The Star notes, "The upcoming recruit class will be the largest in history, reflecting a need to keep up with planned retirements and provide enough officers for the larger, merged department. The IPD and Marion County Sheriff's Department will complete the consolidation of their operations Jan. 1. … 'We want to make sure we get the most qualified applicants possible,' Huber said. '(But) the process should be color-blind.' .. .The merit board, which must approve hiring, promotion and termination decisions, approved 55 candidates. The class includes 16 black, one Hispanic and 38 white candidates, for a minority representation of 31 percent. … The city's Police and Fire departments have operated under a U.S. Justice Department consent decree since 1978 that requires them to reflect the racial composition of the county workforce, which is about 21 percent black. That hasn't been met. … Currently, 15 percent of the IPD's 1,184 sworn officers are black, and 10 percent of the 397 sheriff's deputies are black."

Mississippi Voters May Be Left Out Of Election. The Biloxi Sun Herald (10/28, Lafontaine) reports, "Nearly 1,000 new residents (of Waveland, MS) likely will be left out of next month's city elections, according to Waveland attorneys." The Herald continues, "City leaders hired an independent consulting firm this year to figure a way to include hundreds of new voters living in a newly annexed section of town. … Waveland attorney Zach Butterworth said the Justice Department has not yet determined whether the new voters will be allowed to vote in the Nov. 7 election. .. . 'The new area could have a minimal impact on the elections and the federal government needs to decide if the new voters can be included,' he said." The Herald notes, "According to federal legislation adopted in the 1960s, the Justice Department must review changes in ballot procedures, voting districts and other electoral rules in several states - mostly in the South - to ensure that minorities maintain influence in elections. … The city settled an annexation dispute in July with neighboring Bay St. Louis in a deal that gave Waveland a stretch of land along the western right of way of Mississippi 603. … Butterworth said new voters in the annexed area will be able to vote in the congressional elections, but not the city. … Before the annexation dispute was settled, the federal government approved a request from the city to merge its voting precincts into one location at the City Hall complex on Coleman Avenue, since Katrina damaged or destroyed many polling places. … Butterworth said if the Justice Department approves the annexed voters, the most likely scenario would be to include them as part of Ward 4, rather than redrawing the ward lines."

New Jersey Same-Sex Couples Consider Personal Economic Impact Of Ruling. The New York Times (10/28, Kelley, 1.21M) reports that for same-sex couples in New Jersey, the state Supreme Court's ruling on partnership rights last week has financial impact. Cynthia and Lucy Vandenberg, "who have been partners for 12 years, have been forced to open their checkbooks repeatedly over the years to pay thousands of dollars in taxes on health benefits and for legal transactions that married couples rarely face. There was the $1,500 to change their surnames, for

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instance, the $1,400 or so in taxes they paid annually for additional health benefits, and the $1,000 they spent so one could adopt the biological child of the other. … Now they wonder how the court's decision will affect their next child, a son Lucy is carrying."

New Jersey Legislative Action Could Take A While. Under the headline "Civil Union Or Marriage? A Long Wait In New Jersey," the New York Times (10/28, Mansnerus, 1.21M) also reports that while the court ordered state legislators to work out a way ensure full rights and benefits for same-sex couples, legislators said it "might take months to decide what to call the solution -- marriage or something else," since the "next few months are booked up."

NYTimes Accuses Bush Of Exploiting "Homophobia" During Campaign Speeches. The New York Times (10/28, 1.21M)editorializes, "When future generations of Americans look back on the current era, they'll puzzle over what it was about George W. Bush that made people imagine there was anything compassionate to his conservatism. Having apparently lost all hope that he can use terrorism to scare voters into electing Republicans this November, the president has now begun raising the threat of gay marriage. The moment the New Jersey Supreme Court issued a ruling on the subject this week, Mr. Bush began using every possible excuse to bring up 'activist' judges and gay weddings on the campaign trail. 'I mentioned his love for his family,' Mr. Bush said at a rally for a Republican Senate candidate in Michigan. 'He understands what I know, that marriage is a fundamental institution of our civilization. Yesterday in New Jersey we had another activist court issue a ruling…' … If the last month has taught us anything about the Republican Party, it is that homophobia is campaign strategy, not conviction."

Student Criticizes Conservative Activist's "Academic Bill Of Rights." In an op-ed for the Washington Post (10/28, A15, 748K) Asheesh Kapur Siddique, a Princeton University student, writes that Universities "are under attack from people who want to inject partisan politics into our classrooms. Led by activist David Horowitz, some conservatives are pushing for the adoption of an 'Academic Bill of Rights' (ABOR) across America. The bill takes the form of student resolutions or legislative proposals claiming to protect the academic freedom of college students from ideological indoctrination by professors. … In truth, these efforts only hurt the students they purport to help. Horowitz and his backers aren't protecting our rights; they're impeding our educations. The Academic Bill of Rights would substitute political correctness for the free exchange of ideas on campus by preventing faculty and students from discussing fresh or controversial ideas in class."

ANTITRUST:

Private Equity Funds Bid For Tribune Company. The New York Times (10/28, Sorkin) reports, "The Tribune Company received several preliminary offers late yesterday from a series of private equity firms, according to people briefed on the auction." The Times continues, "The preliminary offers, which are nonbinding and known as 'indications of interest,' are the first step in an auction for Tribune, which said last month that it would consider selling its 11 newspapers and 25 television stations. … The company includes assets like The Los Angeles Times, The Chicago Tribune, The Baltimore Sun, Newsday and the Chicago Cubs." The Times adds, "Among Tribune's suitors, these people said, are a group including Providence Equity Partners, Madison Dearborn Partners and Apollo Management; another consortium including Thomas H. Lee Partners and the Texas Pacific Group; and the Carlyle Group and Bain Capital, which are each planning to bid separately. … Notably absent from the bidding was any major newspaper company, though it remained possible that Gannett or another rival company could emerge. … Tribune has a market value of $8.2 billion. Analysts have had scattered estimates about how much the company could be sold for, with some estimating a price as high as $10 billion and others estimating Tribune will not fetch any premium."

Maryland Man Begin Bid For Baltimore Sun. The Washington Times (10/28, Lengell) reports, "The man behind a local effort to buy the Baltimore Sun from the Tribune Co. said yesterday he is encouraged by the amount of community support he has received. … 'I have never witnessed this kind of response to a business transaction,' said Theodore G. Venetoulis, a former Baltimore County politician and current owner of a Maryland news and political magazine. 'Newspapers still have a very substantial role in people's lives. It touches the core of people.'" The Times adds, "Mr. Venetoulis said he received several telephone calls from potential investors after reports were published yesterday revealing the group's intentions. … 'The group we've put together understand two things,' said Mr. Venetoulis, who lost a Democratic primary bid for governor in 1978. 'One, that this will not be an investment that will provide the usual yield and return that some investors will be used to. Secondly, they've agreed that they would not in any way attempt to jeopardize the paper's independence or attempt to give it a certain ideological bent.'" The Times notes, "The Baltimore group is the latest to seek to buy metropolitan daily newspapers from embattled corporations. … A group led by public relations and advertising executive Brian Tierney recently paid $515 million for the Philadelphia Inquirer and Philadelphia Daily News. .. A group led by Jack Welch, the former head of General Electric

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Co., said this week that it was interested in buying the Boston Globe. And in Los Angeles, three billionaires, including music executive David Geffen, have said they want to buy the Los Angeles Times, which also is owned by the Tribune Co."

Google Takes Advertising Plans To Madison Avenue. The Washington Post (10/28, D1, Goo) reports, "Just a few years ago, Google was a bit player on Madison Avenue. It specialized in tiny text ads shown alongside search results and in the margins of thousands of Web sites that partner with Google. … But recently Google has moved beyond search, reaching out to big advertisers to sell them online graphical or display ads on its partner sites. The firm is developing new Web video ad formats that could give TV commercials a run for their money and has been staffing up new projects to sell ads offline in newspapers and magazines and on radio." The Post continues, "Earlier this month, Google's ambitions were on display when it opened its new office in the old Port Authority building, covering 1 1/2 floors on an entire Manhattan block in the funky Chelsea neighborhood. The company has recruited executives from some of the biggest media firms and is rapidly expanding its 500-member team here in an attempt to cultivate relationships with Madison Avenue and large advertisers. … Google's strategy is to bring the math and science that fueled its search-engine ad success to other forms of marketing. The company's existing text-ad system allows advertisers to see how many people click on each ad and pay only when someone clicks, helping advertisers calculate the return on their marketing dollars. Eventually Google hopes to offer similar metrics for online video ads and off-line campaigns, though it is still in the early stages of figuring out how those might work."

Arcelor Mittal Takes Stake In Noble. The AP (10/28) reports, "Arcelor Mittal SA said Friday it was merging a unit that makes steel for the auto industry with Michigan-based laser welder Noble International Ltd. in return for a 40 percent stake in the business and a $300 million payment." The AP continues, "The Luxembourg-based steelmaker - currently being formed from a tie-up between Arcelor SA and Mittal Steel Co. NV - said it would become Noble's largest stockholder when the deal was complete." The AP adds, "Arcelor Mittal said this would strengthen the company's position with the global car industry. The transaction will combine Arcelor's laser-welded tailored blank business TBA - the largest in Europe - with Noble, North America's largest producer of laser-welded steel products. … Mittal has significant U.S. operations through its earlier acquisition of International Steel Group. … Combining expected results for this year, the combined Arcelor-Noble business would have a revenue of $1.1 billion and earnings before interest, taxes, depreciation and amortization of $122 million." The AP notes, "The Arcelor unit employs 670 people at nine plants in Europe, one in the U.S. and a quarter stake in a joint venture in China. The company said its revenue would be around $500 million this year. … Noble, headquartered in Warren, has more than 2,000 workers at 12 plants in the U.S., Canada, Mexico and Australia. It expects 2006 revenue to hit $600 million. Earlier this month, it bought Pullman Industries Inc., which makes steel tubular parts for carmakers."

FCC Sets November 3 Vote On AT&T-BellSouth Deal. Bloomberg (10/28, Peterson) reports, "The U.S. Federal Communications Commission plans to vote Nov. 3 on AT&T Inc.'s $82 billion purchase of BellSouth Corp., three weeks after a deadlock on the terms of approval derailed a previously scheduled vote." Bloomberg continues, "The commission, which released its agenda for the meeting today, hasn't indicated what types of conditions it may place on the deal, the biggest telephone-company combination ever." Bloomberg adds, "Facing pressure from the panel's two Democrats, AT&T earlier this month offered concessions including a price freeze on certain business data services and $10-a-month high-speed Internet access for some BellSouth customers. Rival companies want tougher conditions, such as price controls. … 'We still continue to believe there's a good chance the FCC will conditionally approve the necessary AT&T-BellSouth license transfers at some point in November,' Stifel Nicolaus & Co. analyst Blair Levin said today in an investor note." Bloomberg notes, "FCC approval is the last regulatory hurdle for San Antonio-based AT&T, the biggest U.S. phone company, to complete the transaction, which the companies announced almost eight months ago. The Justice Department and 18 states cleared the deal without conditions. FCC deliberations have been complicated by the likely recusal of one member, which leaves the panel evenly split between Democrats and Republicans. … FCC Chairman Kevin Martin, a Republican who initially proposed approving the deal without conditions, postponed an Oct. 13 vote after Democrats Michael Copps and Jonathan Adelstein, who are seeking conditions, asked for public comment on AT&T's proposals."

Smithfield Gambles On Merger While Foes Fight Expansion. The Newport News (VA) Daily Press (10/28) reports, "Smithfield Foods adversaries are trying to ensure that the world's largest pork company loses a $100 million bet. … If the Department of Justice allows Smithfield to purchase Premium Standard Farms, the $674 million deal will help Smithfield further bolster its position as the company that raises and slaughters the most hogs in the country." The Press continues, "A line of opponents has formed to protest, saying Smithfield will dominate the price of hogs. Smithfield and Premium knew the fight was coming, so the deal

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stipulates that Smithfield will pay $100 million to Premium if anti-trust regulators deny the deal. … But Smithfield was willing to take the risk. Smithfield gained confidence by surviving federal regulatory scrutiny when it bought Farmland Foods in 2003. Many of the same groups that opposed that deal also oppose this new one. The National Farmers Union, along with a coalition of rural and farm groups, made a case to the Justice Department this week, arguing the deal should be denied. … 'The packing industry is already pretty drastically consolidated,' said Fred Stokes, spokesman for the Organization for Competitive Markets, an agricultural think tank funded by independent farmers. 'And here's the No. 1 hog producer buying the No. 2 guy.'" The Press adds. "The opponents of the deal include a growing list of Midwestern politicians, who say the deal will give Smithfield the ability to determine hog prices. They formally asked the Justice Department to scrutinize the merger and have called for congressional hearings. … Smithfield is already the largest processor of hogs, with 26 percent of the market. By adding Premium, the company will have 31 percent. Farmers worry that with less competition for buying hogs, Smithfield can drive down prices. … Smithfield opponents say Premium had the only other slaughter facility in the Southeast. Without that competitor, Smithfield can set the prices it pays all farmers in the region to raise hogs, said Michael Stumo, general counsel for the competitive markets group."

Becton, Dickinson Wins FTC Approval For TriPath Deal. The Bergen County Record (10/28, Prial) reports, "Becton, Dickinson and Co. said Friday that federal antitrust approval has moved it a step closer to its planned $350 million acquisition of TriPath Imaging Inc., a manufacturer of cancer-screening products." The Record continues, "BD has said adding TriPath's technology will help it expand its presence in the field of cancer diagnostics. … The deal, which the Franklin Lakes-based maker of medical devices announced in August, still needs to be approved by TriPath's shareholders, said BD spokeswoman Colleen White." The Record adds, "The Federal Trade Commission, which oversees antitrust matters in the United States, said in a statement that it had completed its investigation of the deal and did not plan to take action. … As advances in research have created new opportunities for treating various forms of cancer, the potentially broad -- and lucrative -- market for cancer treatments has prompted health care companies large and small to target oncology. … TriPath, based in Burlington, N.C., uses sophisticated computer imaging to detect cell abnormalities that might indicate the onset of cancer. … BD already owns a 6.5 percent stake in TriPath."

ENVIRONMENT:

9th Circuit Halts Stryker Activity In Hawaii. The Honolulu Star-Bulletin (10/28, Kakesako) reports, "The Army lost a major court battle to local environmentalists and anti-war activists yesterday and might not be ready to deploy a Stryker brigade to Iraq late next year." The Star-Bulletin continues, "A 9th U.S. Circuit Court of Appeals panel in San Francisco, in a 2-1 decision, issued a temporary injunction halting construction, training and any other activities dealing with the $1.5 billion Stryker Combat Brigade planned for the 25th Infantry Division. … David Henkin, Earthjustice attorney, said the case now reverts to U.S. District Judge Dave Ezra to determine if any Stryker-related construction or training can occur while the Army works on a new environmental impact statement. … Henkin said he will not only ask Ezra to prevent the Army from causing 'irreparable harm' to environment, but he also does not want the Stryker conversion to be so far along that it cannot be stopped." The Star-Bulletin adds, "The Army has said the 2nd Brigade Combat Team has completed 60 percent of its training and received 70 percent of its equipment. The 2nd Brigade is slated to grow into a 3,500-member combat unit built around 328 of the 19-ton, eight-wheeled vehicles. … Before the injunction was put into effect, the Army had said the 2nd Brigade would be ready to deploy to Iraq by November 2007 as the fifth of seven planned Stryker units. … In court papers, Ron Borne, director of transformation for the 25th Infantry Division's 2nd Brigade Combat Team, listed Stryker-related construction projects that must be completed for the Army to meet its deadline. … The Army issued a terse statement yesterday: 'We are in receipt of the court order, and we are complying.' … A federal appeals panel ruled Oct. 5 that the Army had violated the National Environmental Policy Act by failing to consider other locations outside of Schofield Barracks for its fifth Stryker brigade."

Firefighters Continue To Combat California Fire That Has Already Killed Four. All three networks led with the California fires. ABC World News (10/27, lead story, 3:00, Gibson, 8.78M) reported "thousands of acres in southern California are now a wasteland and a crime scene. Tonight, authorities are offering $400,000 in their search for the person or persons who started a blaze that killed four fire fighters. President Bush has offered his condolences for the greatest loss of life among fire fighting personnel since 2001. As for the fire itself, thousands of acres are still burning and winds are still blowing."

The CBS Evening News (10/27, lead story, 2:12, Couric, 7.66M) reported, "The flames have now burned almost 38 square miles in the mountains of Southern

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California. And hundreds of firefighters are trying to stop it. That killer wildfire in southern California is only getting bigger. Officials say it was started yesterday by arsonists. And now it's being aided and abetted by the weather. Strong winds are driving the flames and the fear is that a huge wall of fire will head toward more populated areas."

The NBC Nightly News (10/27, story 1, 5:50, Alexander, 9.87M) added, "Wind gusts today topped 60 miles per hour making what's already a heartbreaking firefight, that much more difficult. Roaring flames and black smoke again painted these dry desert mountains near Palm Springs. For firefighters and investigators, it's a bitter two-front battle, hunting both the fast-moving fire and an arsonist wanted for what is the nation's deadliest wildfire in more than five years."

The Los Angeles Times (10/28, Kelly, Abrams, Reston, Gold, 918K) reports, "Battling gusting Santa Ana winds, fire crews today fought to try to contain the fast-moving Esperanza arson fire that has killed four firefighters. … The rough terrain in the San Jacinto Mountains of Riverside County just west of Palm Springs posed difficult problems for firefighters trying to keep the blaze from the more populated areas, Janet M. Upton, of the California Department of Forestry and Fire Protection, said today. Winds are expected to gust up to 45 mph and firefighters are facing a long day. … In Washington, the White House joined the list of public officials to express their condolences over the firefighters' deaths. 'A little bit ago, the president placed a phone call to Tom Tidwell, who's the deputy regional forester of the U.S. Forest Service, to express condolences over what is now being called the Esperanza incident, a fire near Palm Springs, California, that has claimed the lives of four firefighters,' said spokesman Tony Snow. The president also 'said he hopes that whoever is the perpetrator will be caught quickly and brought to justice.'"

The Los Angeles Times (10/28, Pugmire, 918K) reports, "More than 100 tips have been received by the Riverside County Sheriff's Department as the intense hunt for the person or group that started the fatal Esperanza fire near Cabazon continued today. The pool of reward money also grew from $100,000 to $400,000 when the state added $100,000, as did San Bernardino County and the Morongo band of Mission Indians." The Washington Post (10/28, A3, Geis, Pomfret, 748K) reports, "Fire officials said the blaze was only 25 percent contained, and in the areas already burned a sloping, blackened moonscape was still smoldering." The New York Times (10/28, Archibold, 1.21M) reports, "The wind and towering columns of smoke have made it difficult for the authorities to assess their progress, but with additional firefighters and equipment, they say they are making headway."

Religious Groups Oppose Controversial Appalachian Mining Practices. The New York Times (10/28, Banerjee, 1.21M) reports, "The windswept ridge that Sharman Chapman-Crane hiked to on a recent fall afternoon is the kind of place, she said, that she normally would avoid. From there, she could see what she loved about Appalachia and what it had lost, and she wanted her visitors to see it, too. … In the middle of the peaks, several stood stripped bare and chopped up, a result of an increasingly common and controversial coal mining practice called mountaintop removal." Chapman-Crane and the Mennonite Central Committee Appalachia "are trying to halt mountaintop removal, and at the heart of their work, they say, is their faith. They are part of an awakening among religious people to environmental issues, said Paul Gorman, executive director of the National Religious Partnership for the Environment, an interreligious alliance. Increasingly, religious people across denominations are organizing around local issues, like preventing a landfill, preserving wetlands and changing mining."

NYTimes Urges Administration To Expand Flu Vaccine Production. The New York Times (10/28, 1.21M) editorializes, "The World Health Organization's new plan for ramping up the production of flu vaccine is a measure of how unprepared the world is to cope with an onslaught of pandemic influenza. The plan, conceived by a group of more than 120 experts, lays out a sensible path toward vaccine sufficiency— but it will take years to complete and cost up to $10 billion. … The Bush administration's pledge of $10 million to W.H.O. to help other countries develop vaccines and manufacturing capacity is prompt but woefully short. The administration has also invested substantially in vaccine research, including $1 billion to develop new cell-based technologies that would allow rapid expansion of production in an emergency. Although those investments are primarily for our own benefit, the knowledge generated is likely to help others around the world. Still, both the American and global efforts ought to be intensified. The administration's goal of being able to make enough vaccine quickly to protect all Americans is also probably four to five years away.'

FBI/DEA/ATF/USMS:

Montana Man Sentenced To Probation For Firearms Violations. The Helena (MT) Independent Record (10/28, Byron) reports, "A Jefferson County (MT) man was sentenced to three years of probation and a $2,500 fine for being a convicted felon in possession of firearms. … Edward Betka, 61, received the sentence Friday in U.S. District Court in Missoula." The IR continues, According to

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information from the office of Bill Mercer, United States Attorney for the District of Montana, Betka's possession of firearms came to the attention of federal officials after a fire raced through his Basin home in July 2005. … The fire was being investigated as a possible arson case, and a deputy fire marshal accompanied Betka into the home while he retrieved various firearms." The IR adds, "The fire marshal watched Betka pull an undamaged gun case from under his bed, which contained two expensive-looking, high-powered scope-mounted rifles. A friend offered to store the firearms at his home, and took possession of three rifles, one shotgun and a .44-revolver from Betka. … However, Betka wasn't supposed to have any guns, since he was convicted of making false income tax returns, mail fraud, and false representation of a Social Security number in U.S. District Court in Wisconsin in 1990. Convicted felons are not allowed to own or be around firearms."

Federal Agents Were Planning Raid Of California DA's Home Before His Death. The Santa Rosa (CA) Press-Democrat (10/28, Geniella) reports, "Federal agents were preparing to raid the secluded Hopland home of Mendocino County District Attorney Norman Vroman at the time of his death to search for maturing marijuana plants and a possible stash of illegal weapons." The Press-Democrat continues, "Agents said overflights had detected at least 25 marijuana plants growing on Vroman's property at the end of Sanel Valley Road. … Investigators also suspected Vroman, a self-described 'gun nut,' may have added to his personal gun collection by taking home weapons seized during drug and other raids or bought with drug-related asset forfeiture money, according to federal Alcohol, Tobacco and Firearms agents." The Press-Democrat adds, "Three days before Vroman died Sept. 21 after a massive heart attack, the FBI's Public Corruption Unit began reviewing results of an investigation involving agents from the ATF and the Drug Enforcement Agency, according to internal documents obtained by The Press Democrat and statements from agents who asked not to be identified. … Documents show federal investigators were completing affidavits in support of warrants to search Vroman's home when he suffered the heart attack Sept. 19 as he prepared to drive to work. Vroman was found by a family member slumped over the wheel of his county-owned car. Vroman died two days later at a Santa Rosa hospital. … The federal government doesn't recognize California's medical marijuana laws. Vroman was the first district attorney in the state to implement identity cards for patients who have a doctor's permission to use marijuana. Whether Vroman obtained one himself is unknown because confidentiality laws prevent that disclosure. … Documents show tensions rose within federal agencies as investigators pressed to raid the home of a high-profile district attorney who at the time of his death was engaged in a tough re-election fight with Fort Bragg attorney Meredith Lintott."

Maryland Man Pleads Guilty To Abortion Clinic Bomb Plot. The Washington Post (10/28, B4, Castaneda) reports, "A Prince George's County man admitted in federal court yesterday that he intended to attack a Berwyn Heights abortion clinic with a pipe bomb this past summer." The Post continues, "During a hearing in U.S. District Court in Greenbelt, Robert Weiler Jr., 25, pleaded guilty to possessing a pipe bomb, being a felon in possession of a firearm and attempting to destroy or damage an abortion clinic. … A plea agreement worked out between Weiler's attorney and Assistant U.S. Attorney Bryan E. Foreman calls for Weiler to be sentenced to five years in federal prison. … U.S. District Judge Deborah K. Chasanow scheduled sentencing for Dec. 18." The Post adds, "Weiler said little during the hearing. He gave brief answers to Chasanow's questions about his background and mental health and about whether he understood the terms of his plea. … When asked whether he had been treated for alcoholism or mental illness, Weiler replied that he had met with a mental health expert at the Charles County Detention Center. He did not elaborate. … The defendant's parents had tipped off Prince George's police to his plans, calling to report their suspicions June 4, more than a week after he disappeared from their home and stopped returning their calls. … On June 7, Robert Weiler Jr. called agents of the federal Bureau of Alcohol, Tobacco, Firearms and Explosives to turn himself in. When he was arrested the next morning at a rest stop in Western Maryland, he told agents that he had a handgun stolen from a friend and that he had made a pipe bomb and left it in the closet of a house in Riverdale Heights. Hours later, the bomb was partially detonated by bomb squad technicians."

TAX:

NYTimes Concerned About "Political Motivation" In IRS Collection Delay. The New York Times (10/28, 1.21M) editorializes, "To avoid looking like Scrooge, the Internal Revenue Service typically lets up around the holidays in its hounding of tax delinquents. But this month, the indulgence began even before Macy's was decorated. The Times's David Cay Johnston reported yesterday that on Oct. 10, the I.R.S. commissioner Mark Everson told his troops to delay tax enforcement in areas affected by Hurricane Katrina -- until after the midterm elections and the holiday season. … In delaying the enforcement actions, there's no avoiding the appearance of a political motivation."

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CONGRESS-ADMINISTRATION:

Rangel Says Democrats Will Not Roll Back Bush Tax Cuts. The Washington Post (10/28, D1, Montgomery, 748K) reports Rep. Charles Rangel, who "stands to take over the tax-writing House Ways and Means Committee," said he "had no intention of rolling back" President Bush's first-term tax cuts if the Democrats take the House. Rangel said, "I think it would be ridiculous for us in 2007 to be talking about 2010 tax cuts. I don't want to go retroactive in terms of any of the tax cuts. I think retroactive tax increases are bad tax policy." The Post says that as the "prognosis for Republicans to maintain control has grown increasingly gloomy, Rangel has become a favorite rhetorical punching bag for President Bush and Republican leaders."

Waxman Plans Aggressive Expansion Of Corporate Oversight. The Wall Street Journal (10/28, Dreazen, 2.03M) reports on its front page that Rep. Henry Waxman, who stands to take over the House Government Reform Committee, said he would "aggressively expand oversight of many large industries -- with a focus on drug prices, oil-company profits and Halliburton Co.'s contracting work in Iraq." Waxman said he "also would boost oversight of the Bush administration, along with 'waste, fraud and abuse' across the federal government -- especially rebuilding efforts in Iraq and the Hurricane Katrina-ravaged Gulf Coast. The committee has extensive -- and vaguely defined -- oversight responsibilities covering broad swaths of corporate America and the government, and the chairman has the power to issue subpoenas, compel testimony and call hearings."

Michaud Plans To Challenge Filner For Veterans Affairs Committee Chairmanship. CQ Daily (10/27, Yoest) reports that Rep. Bob Filner "may be in line to become the next chairman of the Veterans' Affairs Committee if the Democrats win control of the House, but his behavior as ranking member has raised questions about whether he's the right Democrat for the job.," and Me2 Rep. Michael Michaud (D) plans to challenge Filner's chairmanship. CQ Daily writes, "Filner's hot temperament, visible in his fights with current chairman Steve Buyer, R-Ind., and a profanity-laced tirade outside VA headquarters in June, have raised some eyebrows."

WSJournal Chides Democrats Over Silence On Agenda Specifics. The Wall Street Journal (10/28, A6, 2.03M) editorializes, "A joke in Washington these days is that the only thing that can save the Republicans on Election Day is the Democrats. House Speaker-in-waiting Nancy Pelosi seems to get this joke, because with few exceptions she's kept her Members tight-lipped and unspecific: As New York Senator Chuck Schumer has put it, why take the focus off the GOP? This is in notable contrast to 1994, when the Gingrich Republicans ended a 40-year Democratic House majority by laying out a 10-item agenda known as the Contract with America. What Democrats are campaigning on this year is a Non-Contract with America -- mostly generalities about 'helping the middle class' and 'ending the corruption in Washington.' As a campaign strategy, this may well pay off. But if they do win, Democrats will have to fill their campaign vacuum with something, and the best clue to what that would be is what they've already proposed."

White House Reportedly Trimming 2008 Army Budget Request. The New York Times (10/28, Cloud, 1.21M) reports White House budget officials "are planning on asking for a $121 billion budget for the Army next year, not the $138 billion that senior Army officials have been seeking, two senior Pentagon officials said. Army officials were told of the decision in an Oct. 19 memorandum from Deputy Defense Secretary Gordon R. England, which noted that changes in the Army allotment were still possible, as deliberations continued over the Bush administration's budget for the 2008 fiscal year, said officials who had seen the memorandum. The Army budget figure was first reported by Bloomberg News." The Times adds, "it appears that the preliminary decision to scale back the annual budget request for the Army could be offset later in the year, in a so-called supplemental appropriation like those Congress has passed every year since 2001. The extra money in those bills has financed the wars in Iraq and Afghanistan, as well as unanticipated costs elsewhere."

Rice Said To Rely On Zelikow To Provide Policy Alternatives. A profile in today's New York Times (10/28, Cooper, Sanger, 1.21M) reports, "For the last 18 months, Philip D. Zelikow has churned out confidential memorandums and proposals for his boss and close friend, Condoleezza Rice, that often depart sharply from the Bush administration's current line." Zelikow's "ideas would have found a more natural home under President George H. W. Bush, for whom [he and] Rice worked on the staff of the National Security Council. They reflect a sense that American influence is perishable, and can be damaged by overreaching, as allies and other partners react against decisions made in Washington. They form a kind of foreign policy realism that was eclipsed in Mr. Bush's first term, in favor of a more ideological, unilateral ethos, but that has made something of a comeback in his second term."

OTHER NEWS:

Slow GDP Growth Blamed On Weak Housing Market. ABC World News (10/27, story 2, 3:30, Gibson,

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8.78M) reported, "Economists expressed some surprise when analysts released figures showing that the gross domestic product of the country rose 1.6%. That's the weakest showi in the economy in four years. The reason, the slumping housing market. If housing was factored out, the GDP would have been more than 1% higher. ABC's Barbara Pinto on how wide-spread is the housing slump."

The CBS Evening News (10/27, story 4, 2:00, Couric, 7.66M) reported, "The Bush administration today put out one of the last vague economic numbers before the election. It shows the economy slowed sharply in the third quarter of this year growing at an annual rate of just 1.6%. The slowest in more than three years."

The NBC Nightly News (10/27, story 6, 0:30, Williams, 9.87M) reported, "The news on the economy tonight is not good. Gross domestic product, GDP., the broadest measure of the nation's economic growth slowed to a crawl in the third quarter clocking in at an annual rate of 1.6%. That's the worst showing in more than three years. The weak housing market is cited as the main culprit here."

The Washington Post (10/28, A1, Henderson, 748K) reports, "The cooling housing market sent a chill through the economy in the third quarter, helping to slow growth to its weakest pace in more than three years, the government said yesterday. The nation's gross domestic product…expanded at a sluggish 1.6 percent annual rate in the quarter, down from a moderate 2.6 percent pace in the second quarter, the Commerce Department reported. In the first three months of the year, the economy grew at a sizzling 5.6 percent annual rate. With less than two weeks to go before the midterm congressional elections, the report instantly became campaign ammunition. Democrats emphasized the slowdown while Republicans highlighted signs of economic strength." The Post adds, "Home building plunged at a 17.4 percent annual rate in the third quarter, the steepest fall in four consecutive quarters of declines, the report showed. … Heading into the final campaign stretch, President Bush and other Republicans have emphasized the good economic news, such as the low 4.6 percent unemployment rate, rising incomes and falling oil prices."

The Wall Street Journal (10/28, A3, 2.03M) reports, "Economists chalked up the weak GDP reading to the housing slump and growing trade deficit. Some focused on the positive: Consumers were spending and there's potential for growth. But not everyone is sold that a rebound is in the works. … With midterm elections less than two weeks away, the report also sparked debate. Some economists said a long period of tepid growth is in store, citing an expected decrease in production in the housing and auto sectors. Others said recession is a possibility. Yet, many economists predicted the economy will bounce back during the current quarter, particularly if gasoline prices don't soar again." The Financial Times (10/28, Guha) reports, "Inflation pressures eased a little, with the core personal consumption expenditure deflator rising at an annualised rate of 2.3 per cent, down from 2.7 per cent."

Gutierrez Contends US Economy Is Strong Despite "Housing Correction." The New York Times (10/28, Porter, 1.21M) reports, "evidence of a decline in inflation coupled with vigorous consumer spending left most economists saying that the overall economy is unlikely to be dragged into a recession even as the housing market continues to falter. … With the midterm elections little more than a week away, the Bush administration sought to persuade voters that the economy, while beating at a slower pace, remains healthy. 'We have a very strong, large resilient economy that can absorb a housing correction,' said Carlos M. Gutierrez, the commerce secretary. 'If you isolate the impact of the housing correction and look at all the rest, those are solid numbers.' But Democrats seized on the report to criticize the administration's economic management."

Consumer Sentiment Improves. The Washington Times (10/28, Hill, 88K) reports, " The steep downturn in the housing market took its toll on the economy in the summer quarter. … Consumers have been bolstered by a record fast drop in oil and gasoline prices since Labor Day, and a move by the Dow Jones Industrial Average to surpass its previous record high set in 2000. A measure of consumer sentiment published by the University of Michigan yesterday showed an uptick in response to both developments, which may stimulate stronger consumer spending in the final quarter of the year."

Blunt Frustrated By Public Perception Of Economy. House Majority Whip Roy Blunt said on Fox News (10/27, Scott), "It's been one of the frustrations for me for the last couple of years, that the true story of the economy I think hasn't gotten across to the American people. So many people for so long responded to polls, a significant number of people saying they thought that the economy was great for them, but based on everything they were hearing and reading, they knew it had to be bad. And I think there is a settling in here over the last several weeks of how strong this economy is."

GDP Report Causes Stocks To Move Lower. The New York Times/AP (10/28) reports, "Stocks pulled back yesterday after a government report stirred concerns that the economy may be slowing too much. … While investors expected that yesterday's advance reading on gross domestic product from the Commerce Department would show slowing growth, the report underscored concern that a cooling housing market could spill over into other parts of the economy." The Dow Jones industrial average "was down 73.40 points, or 0.60 percent, at 12,090.26. The average had achieved a new high close in each of the previous four sessions and in 13 of the previous 18 sessions. Broader stock indicators also moved lower yesterday. The Standard

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& Poor's 500-stock index slipped 11.74 points, or 0.85 percent, to 1,377.34, and the Nasdaq composite index fell 28.48 points, or 1.20 percent, to 2,350.62." The Wall Street Journal (10/28, B1, Anand, 2.03M) reports October "is shaping up as the blue-chip average's strongest month in more than a year. The Dow industrials are up 3.52% in October. If that holds up it would be the best month since July 2005. … The last few weeks' gains have been driven largely by strong corporate earnings, coupled with falling gasoline prices and the perception of a benign economy."

Dollar Loses Value Due To Concerns Arising From GDP Report. The Wall Street Journal (10/28, B2, Molinski, 2.03M) reports, "The dollar dropped to a one-month low against the yen Friday as worries of a slowing U.S. economy boosted the chances of interest-rate cuts next year by the Federal Reserve. The dollar's downward spiral was triggered by a weaker-than-expected third-quarter gross-domestic-product report, which sent the dollar to the one-month low of 117.13 yen, while the euro hit a three-week high at $1.2751. The dollar recovered slightly against its rivals later in the session, but remained overall in negative territory. Speaking on CNBC television shortly after the data were released, U.S. Treasury Secretary Henry Paulson sought to reassure markets, saying the U.S. economy was 'healthy,' but many currency analysts weren't convinced."

Gasoline Prices Expected To Rise Over The Next Week. The Wall Street Journal (10/28, A5, Levine, 2.03M) reports, "Wholesale gasoline prices have shot up over the past week, and prices at the pump may soon follow. U.S. prices have dropped an average of 27% to $2.20 a gallon of regular gas Friday from a peak of $3.03 a gallon in August, according to the AAA, the motorist organization. … But the retail price slide may be coming to a halt. Wholesale gasoline prices have risen 8.9% over the past 10 days, to $1.56 a gallon in New York Mercantile Exchange trading Friday. Spot crude-oil prices, meanwhile, have gone up 5.4% over the past nine days period, to $60.75 a barrel Friday, stemming a plunge that had taken the price from $77.03 a barrel in July to $57.22 a barrel Oct. 12. There's often a 10-day or two-week time lag before changes in the wholesale gasoline market show up at the pump. And more than a week of data is needed to mark a trend in the volatile energy market." The Journal notes, "the average U.S. price of regular gasoline rose a little over a penny Thursday and Friday, to $2.20 a gallon, the first consecutive-day increases since the first week of August, according to the AAA."

OPEC Likely To Reduce Production. The Wall Street Journal (10/28, B5, Chambers, 2.03M) reports, "After losing a quarter of its value from record highs, crude oil has very likely bottomed for the year as the northern hemisphere winter ushers in the prospect of a modest resurgence in prices. Growing belief in the Organization of Petroleum Exporting Countries' ability to cut oil production and the advent of cold temperatures whittling away high U.S. oil stockpiles pushed prices above $60 a barrel again this week. Oil was given additional support Friday by reports that Saudi Arabia and Bahrain are leading a deployment of naval forces in the Persian Gulf after receiving information suggesting 'a strong possibility' that insurgents may attack a major oil-loading facility in Saudi Arabia. The warning served as a reminder of oil's vulnerability to terror threats."

Campaigns Turn Increasingly Nasty As Parties Joust For Control. All three networks led their Friday broadcasts with California's fires, but coverage of the upcoming midterm elections made up a major part of subsequent reporting. Much of the focus was on the Virginia US Senate race, though the increasing negativity of close races across the country is receiving a lot of attention.

The NBC Nightly News (10/27, story 3, 2:30, Williams, 9.87M) reported, "We turn now to politics, to this increasingly bitter campaign season with just 11 days to go now, and it's getting even uglier out there. The close Virginia Senate race is just one case in point. The Republican George Allen attacking sexually graphic passages from two novels that Democrat Jim Webb wrote about his Vietnam War experiences." NBC (Reid) continued, "Jim Webb, a highly decorated Marine in Vietnam, wrote a series of war novels, but now that he's in a close race for the U.S. Senate in Virginia, sexually graphic passages from his books have become campaign fodder. … In Tennessee, Republicans are no longer running this ad." Campaign ad: "Harold, call me." NBC (Reid) continued, "Supporters of Harold Ford called it racist, but Republicans switched it with this." Campaign ad: "He campaigns in a church. But took cash from Hollywood's top x-rated porn moguls." NBC (Reid) continued, "Some Democrats are doing it, too. This from Chris Carney of Pennsylvania." Campaign ad: "She made a 911 call alleging that he had choked her. Sherwood campaigned on family values. He has no family values." NBC (Reid) continued, "Republican Don Sherwood admits he had a mistress but denies he choked her. Negative campaigning can backfire especially when it looks like a desperation tactic but political analysts say the reason there's so many negative ads out there is because most of the time, they work."

The Los Angeles Times (10/28, Simon, Alonso-Zaldivar, 918K) writes that in the "waning days of this year's closely contested midterm election, attacks aimed at impugning a candidate's character and morals are increasingly dominating campaigns, raising questions about the appropriate boundaries and tenor of the debate." University of Pennsylvania political scientist Don Kettl said, "We've reached the point where negative ads have become

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more important than positive campaigns, and there's almost no line left to cross. If it's there to be found, the highly paid opposition researchers will find it. And if they find it, they'll use it." But NRCC spokesman Carl Forti was more direct. "Negative ads work, which is why you see so many of them," Forti said.

Analysts Still Give Democrats Overall Edge. As the midterm campaign season nears its close, political observers continue to update their projections. On Friday, the Cook Political Report moved the Maryland Senate race between Democratic Rep. Ben Cardin and Republican Lt. Gov. Michael Steele from "leans Democratic" to "toss-up," saying the race "is closer than most observers expected it to be." Cook also moved FL13, NY24, and OH18 from "toss-up" to "lean Democratic," and moved FL16 from "leans Democratic" to "toss-up." Meanwhile the Rothenberg Political Report updated its overall projections Friday, saying Democrats will gain 18-28 House seats, "with the caveat that larger gains surely are possible," four to seven Senate seats, and six to 10 governorships.

Earlier Friday, the White House Bulletin updated its list of how Cook, Rothenberg, Larry Sabato of the University of Virginia, and CQ Politics handicappers are rating the House races, and formed a composite rating based on their picks. Almost all the movement was toward the Democrats, and there are now nine GOP-held seats either likely or leaning Democratic, and another 19 in the toss-up category. There are no Democratic seats currently favoring the Republicans or in the toss-up category. In addition, three new races previously considered safe for the Republicans, CA50, IN3, and NY25, were added to the toss-up list.

Meanwhile, the Democratic Democracy Corps said Friday that a "wealth of new public poll releases confirm that Democrats hold a commanding and stable lead in the race for Congress." Democrats "have slipped slightly in the generic congressional contest this week but still lead by 15 points and attract a clear majority of 53 percent across the most recent seven surveys."

Reliability Of Polls Examined. The Wall Street Journal (10/28, A5, 2.03M) examines the reliability of polls in past years, noting that in 1994, "few pundits predicted the landslide. In July 1994, the Pew Research Center said that 47% of voters would likely vote Democratic, while 45% would vote Republican. By November, the poll showed Republicans ahead by just two percentage points."

Democrats Outraised Republicans In Early October, But Still Lag In Cash On Hand. The Washington Post (10/28, A8, Birnbaum, 748K) reports that while Democrats "continued to raise large amounts of campaign cash this month," it was "not enough to erase the Republicans' multimillion-dollar lead." Democratic committees outraised Republican committees during the first 18 days of October, gathering $25.9 million while Republicans collected $18.6 million. But the "last-minute fundraising surge was not enough to overcome the GOP's earlier fundraising advantage. The three national Republican Party committees had $17 million more cash on hand than their Democratic counterparts as of Oct. 18."

The Wall Street Journal (10/28, A2, Cummings, 2.03M) says the "rush of final campaign spending next week will provide important clues to where the Republican firewall against a Democratic takeover of the Senate is shifting -- and whether Republicans are even trying to build one to protect their House majority." The Journal raises a few "big Senate questions: Now that the Republican Party has decided to stop investing in Ohio, where incumbent Sen. Mike DeWine is trailing in polls, where does the money go? Will the party divert big money from the Buckeye State to make a last stand in Tennessee, where Republican Bob Corker is fighting to hold the seat of departing Senate Majority Leader Bill Frist, or double-down its bet on Virginia Sen. George Allen?"

Corporate Donors Shift Giving To Democrats. The New York Times (10/28, Zeleny, Pilhofer, 1.21M) reports, "Corporate America is already thinking beyond Election Day, increasing its share of last-minute donations to Democratic candidates and quietly devising strategies for how to work with Democrats if they win control of Congress." The "shift in political giving, for the first 18 days of October, has not been this pronounced in the final stages of a campaign" since the 1994 Republican sweep.

Capitol Hill's GOP Centrists Fear Their Small Ranks Will Dwindle Even More. The New York Times (10/28, Hulse, 1.21M) reports Republican Senate and House centrists, "facing the loss of fellow moderates" in November, are "faulting Congressional and party leaders for pursuing a strategy dominated by conservative themes. Leading moderates say Republicans concentrated on social wedge issues like same-sex marriage while pressing national security almost to the exclusion of popular wage and health policies that could have helped endangered Republicans in the Northeast and the Midwest." Two GOP senators seen as moderates, Lincoln Chafee of Rhode Island and Mike DeWine of Ohio, "are in serious jeopardy. Two leading House moderates are retiring, another lost a primary, and at least six others are in difficult re-election fights in Connecticut, New Hampshire, New York, Ohio, Pennsylvania and elsewhere." Sen. Olympia Snowe said, "There wasn't an impetus to help develop a political and legislative plan that incorporated the broad umbrella of philosophy in our party. I think they always operated under the wrong assumption that you just appeal to the base and no more than that."

DNC Ramps Up Outreach To Black Voters. The Washington Times (10/28, Debose, 88K) reports the DNC "is hiring more black advertisers, pollsters and grass-roots operatives in a revamped effort to increase turnout by black voters." Spokeswoman Amaya Smith said, "There are a lot of

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races that will be impacted by African-American and Hispanic voters in crucial states, and we had a lot of candidates stress that they need these votes to win. … We are reaching out to people who we know are our voters but may not have come out in the last election."

Director Zucker Making Internet Spots For RNC. The Washington Times (10/28, Ballon, 88K) reports David Zucker, director of comedies like "Airplane!" and "The Naked Gun," is "now focusing his camera to mock Democrats in political ads." The "one-time liberal activist" and former campaign adviser to President Clinton is now making Internet ads for the RNC. Zucker "defected to the Republican Party after the September 11 attacks, supported President Bush in 2004 and has become more vocal in his beliefs -- disregarding the possible impact on his career in Hollywood, a liberal haven."

Allen Camp Hits Webb Over Explicit Passages In His Novels. The CBS Evening News (10/27, story 3, 2:10, Couric, 7.66M) reported, "It's 11 days and counting until the midterm elections. And Virginia's wild Senate race could help determine the balance of power in Congress. In this one as in so many others as we come down to the wire, everything seems to be fair game." CBS (Borger) continued, "Consider it one more race stuck in the muck. Today it was Virginia's turn. Republican Senator George Allen's campaign sent out a press release detailing steamy sex scenes in novels written over the last 30 years by opponent Jim Webb. … But wait a minute, this race was supposed to be about issues. Mostly Iraq."

CNN's Anderson Cooper 360 (10/27, King) reported, "With control of Congress at stake, many races are not only close; they're downright ugly. That, of course, is nothing new. What is new, though, is how a work of fiction is becoming fact in one vicious campaign. It's in Virginia, where the Republican incumbent, under fire for his own remarks, wants voters to know what his Democratic challenger wrote years ago. The writing is explicit and shocking. It's also purely made up, fiction."

The Washington Post (10/28, Shear, Craig, 748K) reports on its front page that Sen. George Allen, facing a tight race in Virginia, has accused Democratic rival James Web of "writing inappropriate sex scenes and demeaning descriptions of women in his fictional books." The Post says the "allegations about sex-laced passages" in five of Webb's historical novels "inject a new question into a campaign that has centered almost exclusively on character issues: Should the author of a fictional work who runs for office be personally held to account for the scenes in his books?" Webb said in response, "To take these things out and pull excerpts out and force them on people…is just a classic example of the way this campaign is run. Literature is literature. I've made my career as a novelist. George Allen doesn't have a record to run on."

The New York Times (10/28, Hernandez, 1.21M) says the Allen campaign "issued a news release that quoted the passages and called them 'very disturbing for a candidate hoping to represent families of Virginians.'" The release "also asserted that Mr. Webb's writings were filled with 'chauvinistic attitudes and sexually exploitive references.'" As part of their response, Democrats circulated comments by Sen.John McCain "praising one of the novels, 'Lost Soldiers,' that the Allen campaign had singled out because it described a provocative scene involving a boy." Webb also "attacked Mr. Allen personally. 'You ought to read what George Allen's sister wrote about him if you want to read about attitudes toward females,' he said, alluding to an autobiography by Jennifer Allen in which she describes her brother as a bully who once dragged her upstairs by her hair because she had defied her father at bedtime."

The Washington Times (10/28, McLaughlin, 88K) adds that Webb "said he was warned by friends before entering the race that the 2 million words he has published made him an opposition researcher's dream and that they would be taken out of context to be used against him."

Allen Leads Webb By One Point In Rasmussen Poll. A Rasmussen Reports roll of 500 likely voters (+/- 4.5%), taken October 24, shows Sen. George (R) at 49% and James Webb (D) at 48%.

Lynne Cheney Spars With Blitzer Over Her Own Novel. Second Lady Lynne Cheney, appearing on CNN's The Situation Room (10/27, Blitzer), said, "Jim Webb is full of baloney. I have never written anything sexually explicit. His novels are full of sexual, explicit references to incest, sexually explicit references -- well, you know, I just don't want my grandchildren to turn on the television set. This morning, Imus was reading from the novels, and it's triple-X rated." Blitzer: "Here's what the Democratic Party put out today, the Democratic Senatorial Campaign Committee: 'Lynne Cheney's book featured brothels and attempted rape. In 1981, Vice President Dick Cheney's wife, Lynne, wrote a book called 'Sisters,' which featured a lesbian love affair, brothels and attempted rapes.'" Cheney: "No." Blitzer: "'In 1988, Lynn Cheney wrote about a Republican vice president who dies of a heart attack while having sex with his mistress.' Is that true?" Cheney: "Nothing explicit. And actually, that was full of lies." Blitzer: "But you did write a book entitled 'Sisters'? .. And it did have lesbian characters?" Cheney: "This description -- no, not necessarily. This description is a lie. I'll stand on that."

Dowd Mocks Allen's Charges Against Webb. In her New York Times (10/28, 1.21M) column, Maureen Dowd writes, "Candidates around the country have been race-baiting, gay-baiting, Michael J. Fox-baiting and Hispanic-baiting. But now it has come to this: Republicans are novel-

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baiting. Still trying to recover his balance, after slipping on a macaca and admitting he was a Jewish bubba, one criticized for using racist language, displaying a Confederate flag at home and keeping a hangman's noose at his old law office, Senator George Allen of Virginia unleashed a vicious attack on Jim Webb Thursday night. He called him a fiction writer."

Unlike 2004, Values Issues Not On Ohio's Radar This Year. The Washington Post (10/28, B9, Koff, Sloat, 748K) reports that in Ohio, where in 2004 "Republicans fused love of God and love of country into such a potent political message" that Democrats "were discombobulated," this year voters seem more concerned with the economy and the war in Iraq. Not much is "being said on the campaign trail about the 'three G's' -- gays, guns and God -- in any part of Ohio," and in the state's conservative southwest, "barely a peep is heard about abortion or other social issues." However, on its front page, the Wall Street Journal (10/28, Calmes, 2.03M) says evangelicals are trying to excite their base in the state. The "turnout machine that has pulled evangelical conservatives to the polls in massive numbers is churning away, and for a reason little appreciated outside their circles: the sense that voting is their Christian duty."

"Daily Show" To Broadcast From Ohio Next Week. The AP (10/28) reports Comedy Central's "Daily Show" will spend the last week before the election broadcasting from Ohio. Host Jon Stewart said, "We wanted to go there because Ohio was so crucial last time. They were sort of the focal point, the swing state, if you will." Stewart said "many of the big-name politicians the show approached -- including U.S. Sens. George Voinovich and Mike DeWine, Gov. Bob Taft and gubernatorial candidates Ted Strickland and Ken Blackwell -- declined."

Judge Rules Ohio Exit Polling Rules Are Legal. The New York Times/AP (10/28) reports Federal District Court Judge Michael Watson, who had struck down Ohio rules on exit polling, "ruled Friday that revised guidelines for the practice were legal, rejecting a call for clarification by the national news media."

Steele's Pediatrician Sister Defends Him On Stem Cells In TV Ad. The New York Times (10/28, Rutenberg, 1.21M) examines an ad for Maryland Republican Senate candidate Michael Steele, which responds to an ad for Democrat Ben Cardin that featured Michael J. Fox accusing Steele "of wanting to 'put limits on the most promising stem cell research.'" In the ad, pediatrician Monica Turner, Steele's sister, says Steele "does support stem cell research, and he cares deeply for those who suffer from disease," then says she herself has multiple sclerosis. The Times says the "Cardin advertisement with Mr. Fox was a powerful repudiation of Mr. Steele, given by one of the nation's leading advocates for stem cell research. But Mr. Steele's sister would seem no less effective in this ad defending her brother, in calm but firm terms."

Third-Party Maryland Candidate Does Not Want To Be A "Spoiler." The Washington Times (10/28, Miller, 88K) reports Kevin Zeese, running for the US Senate in Maryland as the coalition candidate of three minor parties, said his campaign "is gaining momentum because of gaffes" by Cardin. Zeese, who is at about six percent in recent polls, "bristled at the suggestion that he could cost Mr. Cardin the election by fracturing the congressman's liberal voter base." Zeese said, "I'm certainly not going to be a spoiler. It is a question of people hearing me. If they hear me, I'll win."

Bloomberg Lends Campaign Operatives To Lieberman. The New York Times (10/28, Cardwell, 1.21M) reports Sen. Joseph Lieberman "is deploying a secret weapon" in the final days of his run for reelection as an independent: a "sophisticated operation to identify and turn out voters, courtesy of Mayor Michael R. Bloomberg." The "Bloomberg group includes several top-level operatives who played key roles in the mayor's decisive re-election last year or who are in the administration, and have taken leaves from their jobs to work on Mr. Lieberman's campaign." The team has helped to "open campaign offices, devised a strategy to reach voters and are corralling enough volunteers to cover 2,800 shifts at more than 700 polling sites on Election Day." The Times says that since Lieberman "does not have a party apparatus to help build his field operation, the efforts of the Bloomberg team could prove critical in one of the most closely watched races in the nation." The Times links Bloomberg's support for Lieberman with talk of a 2008 Bloomberg presidential run, saying that the "workers on loan are the most vivid example yet" of how Bloomberg "could build a permanent political apparatus to support like-minded independent candidates across the country -- if not a national bid for himself."

Whitehouse Leads Chafee By 10 Points In Rasmussen Poll. A Rasmussen Reports roll of 500 likely voters (+/- 4.5%), taken October 25, shows Sheldon Whitehouse (D) at 43% and Sen. Lincoln Chafee (R) at 33%. Two weeks ago, Whitehouse led by just three points.

Party Label Dragging Chafee Down In Rhode Island. The Washington Times (10/28, Fagan, 88K) reports on the Rhode Island Senate race. While Chafee "often bucks Republicans on issues from taxes to abortion and voted against the Iraq war," Whitehouse "has tried to paint him as a boon to the Republican majority and Mr. Bush's agenda -- a theme that seems to have resonated."

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Corker Leads Ford By One Point In Rasmussen Poll. A Rasmussen Reports roll of 500 likely voters (+/- 4.5%), taken October 25, shows Bob Corker (R) at 47% and Rep. Harold Ford, Jr., at 46%.

Wal-Mart Cuts Ties With GOP Strategist Involved With Anti-Ford Ad. The New York Times (10/28, Barbaro, 1.21M) reports Wal-Mart said Friday night "that it had cut ties with a prominent Republican strategist," Terry Nelson, who helped make the now-pulled RNC ad mocking Ford. The Times says Wal-Mart was "under pressure from black leaders and union groups" to dissociate itself from Nelson.

Wamp Says Corker "Has The Momentum." Rep. Zach Wamp said on Fox News (10/27, Colby), "I know both these guys better than anybody. I've known Bob Corker for 20 years and I've known Harold Ford for 10 years. They're both sharp, smart. I like them both a whole lot. But I think the decision's going to be: Who is going to represent Tennessee values in the way they carry themselves and they vote? And that's why Bob Corker has the momentum right now."

Talent Leads McCaskill By Two Points In Rasmussen Poll. A Rasmussen Reports roll of 500 likely voters (+/- 4.5%), taken October 25, shows Missouri Sen. Jim Talent (R) at 48% and State Auditor Claire McCaskill (D) at 46%.

Santorum Says He Is "Running Full-Tilt." Sen. Rick Santorum said on MSNBC (10/27, Cosby), "My opponent's doing two campaign events a week. I repeat that -- two a week. I'm just running full-tilt. I know I have to earn this job every six years -- and not just every six years, every day during the six years. And my opponent has a very famous name. His father was the governor. And he's won elections because of the last name. And he thinks that's going to win him this one, and I think the people of Pennsylvania are going to give him a little surprise on Election Day."

In Indiana, Local Issues Hurting GOP House Candidates. The Wall Street Journal (10/28, A4, Schatz, 2.03M) runs a feature on House races in usually Republican Indiana, where three GOP incumbents -- Chris Chocola, John Hostettler, and Mike Sodrel – are in tight contests. Voters are dissatisfied with how the GOP-led state government "has handled local issues," and "Democratic challengers are successfully tapping into that sentiment to sway voters, and turning local issues into a decisive factor here at a time when global issues such as terrorism and the Iraq war continue to dominate in races across the country."

Kuhl Facing Tough Contest In Usually GOP-Solid NY29. The New York Times (10/28, Santos, 1.21M) reports that in NY29, where President Bush won 56% of the vote in 2004, his highest share in any district in the state, Republican Rep. Randy Kuhl "faces a spirited challenge from a Democratic newcomer, Eric Massa." The national GOP "has stepped up efforts to safeguard Mr. Kuhl's seat, which has long seemed comfortably secure. Last month, Vice President Dick Cheney flew to Rochester for a fund-raiser for Mr. Kuhl," and First Lady Laura Bush "is scheduled to campaign for him" today. Massa has "stepped up fund-raising efforts, with noteworthy success. He raised $171,000 from Sept. 30 to Oct. 18, or nearly three times as much as Mr. Kuhl, who collected $65,000."

Ballot Measures Could Boost Democrats This Year. The Washington Post (10/28, Goldfarb, Broder, 748K) reports on its front page that ballot initiatives, which in 2004 tended to bring Republican voters to the polls, could benefit Democrats this year. Measures to increase the minimum wage "are before voters in six states," and "four of those, Arizona, Ohio, Missouri and Montana, feature close Senate races with a GOP incumbent. In Missouri, moreover, a measure backing stem cell research is ahead in the polls -- which Democrats say could lift their candidate." While eight states have ballot measures to ban same-sex marriage, "their impact may be less than in previous years. Few of these states have competitive Senate or House races. And in those that do, such as Virginia and Tennessee, the issue is not as prominent as it was around the country in 2004." The Washington Post (10/28, B1, Jenkins, 748K) runs a report on the campaigns over the Virginia gay marriage ballot question, while BBC.com (10/27) runs down ballot measures before voters across the US.

NYTimes Backs Rhode Island Ballot Measure On Felons' Voting Rights. The New York Times (10/28, 1.21M) editorializes, "Rhode Island voters will have a chance on Nov. 7 to do the right thing and amend their state Constitution to restore voting rights to felons who have completed their prison sentences. Allowing former convicts to vote strengthens democracy, and helps them to integrate into society and move beyond a life of crime."

Small Colorado Newspaper Reverses Stance On Gay Marriage Amendment. The Los Angeles Times (10/28, Simon, 918K) reports Colorado's Grand Junction Daily Sentinel "last week urged voters to reject a proposed state constitutional amendment banning same-sex marriage," saying the "traditional concept of marriage is not endangered in this state." But on Friday, the "editorial page editor, Bob Silbernagel, said he had changed his mind." Silbernagel said he "was jolted" by the New Jersey Supreme Court decision on same-sex partnership rights. So he "dashed off a six-paragraph retraction of his earlier editorial. The new piece informed the Daily Sentinel's 30,000 readers that Amendment 43 was 'a virtual necessity.'"

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"Rising Star" Obama Swings Through Los Angeles. Under the headline "A Rising Star From Illinois Makes Some Noise In L.A." the Los Angeles Times (10/28, Hall, 918K) reports Sen. Barack Obama "swung through Los Angeles on Friday," addressing a "rapt crowd" at the California African American Museum, speaking at a news conference at USC, and then delivering "a 14-minute speech in shirt sleeves at a campus rally with Democratic gubernatorial candidate Phil Angelides, Los Angeles Mayor Antonio Villaraigosa and just about every other California Democratic office holder who could find their way to USC."

Schwarzenegger Seen As Having Made Big Comeback. The NBC Nightly News (10/27, story 5, 3:50, Brokaw, 9.87M) interviewed Gov. Arnold Schwarzenegger, asking, "As a Republican governor of nation's largest state do you feel very close to the Republican Administration of George W. Bush?" Schwarzenegger: "We try to work together with the Bush Administration on many, many different issues and there's many issues that we're doing really well with and there's many issues that we're fighting over." Brokaw: "A very big issue, the environment and especially global warming. You're a long way from the Bush Administration policies in those areas." Schwarzenegger: "There's no one in the federal government that is criticizing us. We have to make sure we're less reliant on fossil fuel, on foreign oil and domestic oil as far as that goes." Brokaw: "Campaigning is very expensive and Schwarzenegger has raised more than $100 million, much of it from the insurance industry, developers and others with business with the state. You said you wouldn't take any money from special interest." Schwarzenegger: "I said there would be a different story when I get in there because I'm financially independent so I cannot be bought. No such thing as money in and favors out."

ABC World News (10/27, story 4, 16:00, Gibson, 8.78M) said that "for a while, one of the GOP's marquee names, Gov. Arnold Schwarzenegger of California, was on the endangered list. But he has now opened a 17-point lead in the polls. The turnaround began once he started displaying a quality you don't associate with the former Terminator: humility.

California Gubernatorial Hopefuls Fight Over "Green" Credentials. The Los Angeles Times (10/28, Reiterman, 918K) reports on how both Schwarzenegger and Angelides are trying to claim the "green" mantle in California. Schwarzenegger, the "pro-business Hummer aficionado and former movie star," has "used his office to undertake high-profile initiatives for air quality and the protection of ocean and forestland," but critics say his "less visible actions sometimes have belied his lofty words." Meanwhile, Angelides, "a hybrid-driving former developer who has bumped heads with conservationists, has employed the financial clout of two of the nation's largest pension funds -- with far less fanfare -- to establish himself as a 'green' investor."

Perry Leads Bell By 11 Points In Texas Gubernatorial Poll. A Rasmussen Reports roll of 500 likely voters (+/- 4.5%), taken October 23, finds Gov. Rick Perry (R) leading the Texas gubernatorial field with 36%, followed by ex-Rep. Chris Bell (D) at 25%, Comptroller Carole Keeton Strayhorn (I) at 22%, and author Kinky Friedman (I) at 12%.

Faso Ad Blasts Spitzer Over Ties To Hevesi. The New York Times (10/28, Healy, 1.21M) examines an ad for New York Republican gubernatorial candidate John Faso that ties Democrat Eliot Spitzer, the heavy favorite, to Democratic State Comptroller Alan Hevesi, who faces ethics questions. The ad says Spitzer "has one set of standards for his friends and another for everyone else. … Hevesi knowingly and intentionally broke the law, stealing tens of thousands of dollars from taxpayers. But when Sheriff of Wall Street had a chance to investigate and call for Hevesi's resignation, Spitzer said no.'" The Times says "hammering Mr. Spitzer with the Hevesi scandal could score points, and the ad does so effectively. Still, making hay over the comptroller may not lead many voters to support a candidate they do not know well (Mr. Faso) over one who has high favorability ratings (Mr. Spitzer)."

WSJournal Notes Hevesi's Record As "Corporate Scold." The Wall Street Journal (10/28, A6, 2.03M) in an editorial, notes that Hevesi "was recently found to have used a public employee at taxpayer expense to chauffeur his wife around for three years. Mr. Hevesi somehow failed to disclose this personal use of public assets, and he has since claimed he merely 'forgot' to reimburse the state. … We'd normally ignore this kind of state government corruption. But Mr. Hevesi's spectacle is instructive because in recent years he has been one of America's loudest corporate scolds. As Comptroller, he supervises the state's pension money and he has used that post to slam corporate officials who played even tangential roles in corporate scandals."

Hand Sanitizer Becomes A Must On The Campaign Trail. The New York Times (10/28, Leibovich, 1.21M) runs a light feature on the "germs, parasites and all the bacterial unpleasantness" that get spread around through campaign-trail "glad-handing and flesh-pressing." Anne Ryun, wife of Rep. Jim Ryun, "has become obsessive about using hand sanitizer," like "so many other people involved in politics these days." She squirted "antiseptic goop" on people lined up to meet Vice President Cheney at a Topeka fundraiser this month, and when Cheney "was done meeting

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and greeting, he, too, rubbed his hands vigorously with the stuff, dispensed in dollops by an aide when the vice president was out of public view. That has become routine in this peak season of handshaking, practiced by everyone from the most powerful leaders to the lowliest hopefuls. Politics is personal at all levels, and germs do not discriminate."

Court To Hear Appeal From Parents Of Autistic Child. The New York Times/AP (10/28, Press) reports the Supreme Court "agreed Friday to consider an appeal by an autistic child and his parents, who want to sue over his school accommodations without hiring a lawyer. The parents, Jeff and Sandee Winkelman, say they cannot afford a lawyer to argue their court case against the school district of Parma, Ohio, near Cleveland, over the education of their son, Jacob. The federal appeals court in Cincinnati ruled that the Winkelmans, suing under the Individuals With Disabilities Education Act, had to find a lawyer to represent Jacob, although other federal courts have ruled differently in cases involving that law. The Bush administration then urged the justices to take the case, saying that in adopting the measure, Congress clearly intended that parents be able to represent their children in such court proceedings."

Bill Clinton Plans Birthday-Weekend Fundraisers For His Causes. The New York Times (10/28, Healy, Konigsberg, 1.21M) reports ex-President Clinton "is making another king-of-the-world swing through Manhattan this weekend, doing two of the things he does best: reveling in adulation and raising money. Over three days of festivities to mark his 60th birthday -- which include a golf tournament and a concert by the Rolling Stones at the Beacon Theater -- Mr. Clinton expects to bring in more than $20 million for his foundation's array of philanthropic projects."

Dixie Chicks Documentary Garners Free Publicity From Networks. The Washington Post's Lisa de Moraes (10/28, C1) writes, "NBC and CW networks became unwitting stealth-marketing partners with the Weinstein Co. when they refused to air ads for the film company's upcoming docu-flick about the storm that erupted when the Dixie Chicks' lead singer said in a 2003 concert she was ashamed President Bush was from her home state of Texas. … It all started earlier this week when Weinstein submitted ads for its new Barbara Kopple documentary 'Shut Up & Sing' to the broadcast networks for review by their standards and practices departments. NBC said it 'cannot accept these spots as they are disparaging to President Bush.'"

Los Angeles Clergy Sex Abuse Cases Settled For $10 Million. The New York Times (10/28, Banerjee) reports, "The Roman Catholic Archdiocese of Los Angeles and a Catholic religious order have agreed to pay $10 million to settle claims made by seven victims of sexual abuse by clergy members, lawyers for the parties involved said Friday." The Times continues, "While the amount per victim is large relative to payments made to settle sexual abuse cases in other parts of the country, it is typical of the sums paid in California, which has a taken a strong stance toward the Catholic Church in abuse cases. In 2003, for example, the state extended its statute of limitations for child sexual abuse cases, and the Los Angeles District Attorney's Office has been conducting a criminal investigation into the archdiocese since 2002." The Times adds, "More than 95 percent of the $10 million settlement will be paid by the religious order, the Carmelites, Province of the Most Pure Heart of Mary, which is based in Darien, Ill. The archdiocese will pay less than 5 percent, lawyers for the plaintiffs and the order said. … The settlement for the most part is not covered by the Carmelites' insurance, said Jim Geoly, the order's lawyer, adding that the order might have to borrow money to pay the sum. … The seven plaintiffs accused four Carmelite priests and one Carmelite brother of sexual abuse in a period from the early 1950s to the late 1970s."

South Korean Media Cite "Activity" At North Korean Nuclear Site. The AP (10/28, Lim) carries South Korean media reports that officials in Seoul "have observed activities at the North's suspected nuclear test site that may be preparations for a second test." Anonymous sources "said Seoul is keeping a close watch on the movements of trucks and soldiers at the Punggye-ri site in the country's remote northeast." One "official confirmed activities at the site, but said another test 'is not believed to be imminent.'" The AP adds, "It was not immediately clear how the military officials first spotted the activity at the site. However, the United States and South Korea generally share intelligence information from satellite images."

Seoul Begins To Implement Sanctions. The New York Times (10/28, Fackler, 1.21M) continues reporting on South Korean efforts to "gingerly" implement the sanctions specified in United Nations Security Council Resolution 1718. "South Korea has taken a first step" by "banning visits by officials involved in the North's nuclear weapons program. And in a sign of how Seoul has struggled to carry out [the sanctions] without antagonizing the heavily armed North, a third top government official involved in North Korea offered to resign Friday over the test." The Times call the travel ban "largely symbolic in a country that gets few North Korean visitors at all, much less officials engaged in the North's covert nuclear weapons efforts. It falls short of American

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requests that South Korea join a United States-led effort to inspect North Korean ships for nuclear and missile-related technology." The Times adds, "In addition to not becoming involved in searching North Korean ships, Seoul also has so far balked at taking more punishing steps, like closing a South Korean-run industrial park and a tourist resort in North Korea, which are the North's largest economic contacts with the outside world."

Tehran Confirms Uranium Enrichment Underway In Second Cascade. The New York Times (10/28, Fathi, 1.21M) notes a statement from a semi-official Iranian news agency that Tehran "has begun to enrich uranium in a second network of centrifuges, …in defiance of a United Nations Security Council demand that it halt its nuclear program." The ISNA Student News Agency said "Iran installed a second cascade of 164 centrifuges two weeks ago and successfully injected gas into it last week, theoretically doubling its enrichment capacity." President Bush "said he was aware of 'speculation' that Iran has started enriching uranium in a second network. 'Whether they doubled it or not, the idea of Iran having a nuclear weapon is unacceptable,' Mr. Bush said." Russian Defense Minister Sergei Ivanov "said it was too early to speak about Iran being able to produce weapons-grade uranium." Iranian nuclear negotiator Ali Larijani "said Tehran was still willing to resolve its nuclear issue through negotiations," but "also rejected comments made by the foreign minister, Manouchehr Mottaki, who said last week that Iran might consider suspending its program during negotiations." The Washington Post (10/28, A10, Lynch, 748K) includes a short piece focused on President Bush's statement.

The AP (10/28, Karimi) says Tehran issued "a defiant new message to the U.N. Security Council." The "State Department said it was up to the International Atomic Energy Agency to assess the reports. 'I cannot confirm those reports. We are not on the ground,' State Department spokesman Sean McCormack said." Also, French President Jacques Chirac "expressed support for sanctions against Iran but insisted that they be temporary and reversible." The Washington Times/AP (10/28, Karimi) runs the AP story.

Under the headline, "Iranian Nuclear Effort Defies U.N. Council Again," the Washington Post (10/28, A10, Lynch, 748K) adds Tehran "has once again defied the [UNSC's] repeated demands to halt its nuclear activities." The statement "came as U.N. negotiations became bogged down in the face of Russia's and China's reluctance to slap tough sanctions on Tehran. U.S. and European officials say they anticipate a long, hard diplomatic struggle over the coming weeks to fashion a formal reaction to Iran's enrichment activities."

Rice Says Hezbollah Must Disarm To Join Lebanese Politics. The AP (10/28) reports Secretary of State Condoleezza Rice "stepped up international pressure on Hezbollah to disarm, saying in a television interview aired Friday that the guerrilla group must surrender its weapons if it wants to remain part of Lebanon's political process." She "urged Hezbollah to lay down its arms according to the cease-fire that ended" the Israel-Hezbollah war, "and choose between being a militant group and a legitimate political organization." The AP says the group "is under heavy international pressure to surrender its weapons, but…has refused to disarm." Rice "also urged the Lebanese government to end what it called Hezbollah's 'state within a state' and prevent weapons from reaching the militant group." She later "warned that as Lebanon tries to rebuild, some people might try to destabilize its Western-backed government."

US Ambassador Said To Manage Difficult Portfolio In Caracas. The New York Times (10/28, Romero, 1.21M) profiles US Ambassador to Venezuela William Brownfield. "With relations between Washington and Caracas at a low ebb, Mr. Brownfield, a loquacious Texan and career diplomat, has one of the most challenging jobs of any American ambassador. Though at a career stage when some would prefer a plush embassy in a friendly country, Mr. Brownfield seems to relish the opportunity to engage Venezuelans on a street level." He finds "himself fighting an uphill battle almost wherever he goes." Venezuela, "paradoxically, maintains resilient commercial ties with the United States. Anti-American sentiment is often directed personally at" Brownfield, and "newspapers have dubbed him el Tejano, the Texan, a nod to his straightforward if ironic style in pressing ahead with his street diplomacy."

Bogota Undergoing Renaissance After Years Of Chaos. The Los Angeles Times (10/28, Kraul, 918K) runs a feature on Bogota, saying the Colombian city was "once a world capital of mayhem" but is "now held up as a model." Ten years ago, Bogota's Bosa slum was home to "open sewage and gun-toting gangs bent on muggings and murder." But today, Bosa "has paved streets, new schools, health clinics and cafeterias, and links to a new mass transit system. … Like much of this re-energized capital of more than 7 million inhabitants, the war zone that was Bosa has been transformed." The Times credits "visionary leadership" from three recent mayors for "helping turn the city around."

Indigenous Supporters Turn Against Bolivia's Morales Over Coca Policy. The Washington Times (10/28, Arostegui, 88K) reports, "Indigenous coca farmers who helped put President Evo Morales in power are violently

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resisting even the token eradication efforts demanded by the United States to avoid Bolivia's decertification as a country cooperating against drug trafficking." Morales has overseen the implementation of "laws permitting peasant farmers to grow up to half an acre of coca for traditional use," but angry "farmers are backing demands for increased acreage with road blocks and gunfights that so far have killed two growers and wounded two police officers." Morales' "government…is divided on how to proceed," with some "elements" of the administration "concerned that as much as half the current coca production is being diverted into the production of cocaine for the illicit international market. The State Department publicly warned Mr. Morales during his visit to the United Nations in New York last month that Bolivia must eliminate 12,000 acres of coca cultivation or face decertification as a country cooperating against drug trafficking, which would mean a cutoff of aid.

Pilots' Lawyer Says Brazilian Controllers Approved Altitude Before Fatal Crash. The New York Times (10/28, Prada, Wald, 1.21M) reports, "The lawyer representing the pilots of an American corporate jet that apparently collided with a Brazilian airliner on Sept. 29 said Friday that his clients were at their assigned altitude at the time of the crash, despite a flight plan that specified a different altitude." The Embraer "apparently clipped a Boeing 737" at 37,000 feet, causing the 737 to crash, "killing all 154 people on board." While Brazilian prosecutors claim the pilots deviated from their flight plan, the pilots told their American lawyer "that when they took off from the southeastern city of São José dos Campos, where their new plane had been made, they were given a clearance by Brazilian air traffic control that superseded the flight plan."

Paris Deploys Extra Police To Stem Rash Of Bus Burnings. The Washington Post (10/28, A9, Moore, 748K) notes French media reporting that "officials deployed 4,000 extra police officers in the country's poorest suburban areas Friday as the anniversary of last year's wave of arson attacks arrived with only scattered incidents of violence." The Post reports "several weeks of increasing tension in the suburban areas of Paris where residents -- most of whom are Arab and African immigrants and their French-born children -- have complained that the government had not lived up to promises it made, after last year's nationwide rampage, to improve living conditions and employment opportunities." Two public buses were attacked "in the northern suburbs of Paris early in the evening." The Post adds, "Allegations that the government has failed to respond adequately to demands for improvements in the poor suburbs, along with parallel concerns over security and an increasing Muslim population, are among the most contentious issues in the French presidential campaign."

Under the headline, "Speeches And Arson Recall Last Year's Unrest In France," the New York Times (10/28, Bernard, 1.21M) reports, "Hooded attackers burned two buses on Friday night in a city near this Paris suburb on the anniversary of the start of last year's suburban unrest." Before the bus attacks yesterday, "several hundred people in [a] poor suburb of Paris participated in a silent march in memory of two teenagers whose accidental deaths last year triggered three weeks of unrest that shook the country. In speeches after the march, local officials and family members of the teenagers called for calm." The Times says many mourners "expressed not only sadness over the deaths, but also disappointment with how little things had changed in France's tough suburbs." The violence last year "shed light on the plight of the country's underprivileged populations, mainly Arabs and black Africans and their French-born children, who feel disenfranchised."

The Los Angeles Times (10/28, Rubin, Sicakyuz, 918K) adds, "One word summed up the mood at the commemoration Friday of the deaths of two French youths whose electrocution set off a series of fiery riots a year ago. 'Triste,' said one person after another in French. Sad." The youth's deaths one year ago "brought to the surface fury at France's failure to integrate minorities, primarily of African and Middle Eastern origins." The Times adds, "Although there are 5 million Muslims in France, the majority from immigrant backgrounds, few have made their way into the country's elite. … Most live in desolate concrete housing projects or dilapidated homes in suburbs an hour or more by bus or train from the large French cities where most jobs are. Unemployment is well above 20% and in some cases as high as 40%, according to French newspapers."

The Washington Times/AP (10/28, Ganley) focuses its reporting on yesterday's bus attacks, noting, "Flaming cars became a symbol of three weeks of rampages last year, which jolted the nation into recognizing discontent among many minorities -- especially those of Arab and black African origin, and France's 5 million-strong Muslim population."

Abe Veers Toward Center In First Month As Japan's Prime Minister. The New York Times (10/28, Onishi, 1.21M) reports that while Shinzo Abe "rose to become postwar Japan's youngest prime minister by hewing to a conservative, nationalist agenda," in his first month in power he has "made a beeline toward the center, reaching out to China and South Korea as this region confronted North Korea's recent nuclear test. He has made surprising, if grudging, admissions about Japan's militarist past, assuaging the regional tensions that emerged" under predecessor Junichiro Koizumi. The Times says it is "too early to tell

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whether Mr. Abe's month in power is evidence of an innate pragmatism, or whether he is consolidating his power before pushing a more conservative agenda. But he has reassured voters in Japan and officials in Washington, won tentative praise from skeptics in China and South Korea and unsettled the Japanese right."

Sri Lankan Government To Meet With Tamil Tigers Today. The Los Angeles Times (10/28, Chu, 918K) reports Sri Lankan government representatives and Tamil Tiger rebels are "due to sit down today for their first face-to-face talks in months" in what "could be the last, best hope for averting all-out war." Both sides "have been stung by heavy losses and international criticism in recent weeks, following a surge in combat that has left hundreds dead and thousands more refugees in their own country, forced to flee homes and livelihoods to avoid the crossfire." The New York Times (10/28, Senanayake, 1.21M) and BBC.com (10/28) also report on the meeting.

Pronk Will Remain In Sudan Envoy Job Through December. The New York Times (10/28, Schneider, 1.21M) notes an announcement by the office of UN Secretary-General Kofi Annan that his special representative for Sudan, Jan Pronk, "will continue to hold his office until his contract expires at the end of the year, but his role is expected to be mainly symbolic." Annan will send him to Khartoum soon, "but only to organize a transfer to Taye Zerihoun, the officer in charge of the United Nations mission in Sudan. He will then return to New York to finish out his term." Annan's office "said the United Nations did not expect the Sudanese government to reject the compromise," however, Sudanese Ambassador Abdalmahmood Abdalhaleem Mohamad "said his government would not sanction Mr. Pronk's return."

"Forgotten" Eastern Sudan Begins Post-Conflict Recovery. The New York Times (10/28, Gettleman, 1.21M) details the "desolation and despair" present in eastern Sudan. "What is different about the crisis … is that few outside organizations are paying attention. While there are an estimated 25,000 aid workers in Darfur, the war-ravaged region on the other side of the country that has become the focus of a ceaseless flurry of diplomatic activity, here in Togley there are not even plastic tarps for the huts." The Times calls eastern Sudan the "forgotten Sudan, an intriguing, isolated, sun-blasted corner of the country where a conservative culture and a slow-burning war have conspired to keep the people mired in neglect despite the area's port and oil riches." Despite an October 14 ceasefire, "the neglect will take years to reverse. Eastern Sudan, which encompasses roughly 180,000 square miles and nearly four million people, is the poorest part of the country, with the highest infant mortality rate and a per capita income in some areas of 25 cents a day, a small fraction of the national average." The Times adds, "One of the reasons that the east has largely gone unnoticed is that the scale of fighting could never compete with the conflicts in Darfur or southern Sudan." However, "the east is increasingly vital to the nation, home to gold mines and the country's major oil pipeline and port."

UN Forces Free Mobutu's Son Ahead Of Congolese Vote. The New York Times (10/28, Gettleman, 1.21M) reports, "United Nations forces plunged into Congo's election-related violence again on Friday, this time rescuing a politician who had been kidnapped by rivals. … All across Kinshasa, United Nations troops are hunkered down behind sandbags or prowling the garbage-strewn streets in armored personnel carriers bristling with machine guns and water cannons." The Times notes an "increasingly edgy atmosphere in the prelude to the runoff presidential election scheduled for" tomorrow. Yesterday, UN forces negotiated the release of Nzanga Mobutu, son of former dictator Mobutu Sese Seko, who had been detained by soldiers loyal to challenger Jean-Pierre Bemba because he had been campaigning for President Joseph Kabila's reelection. "Both camps accuse each other of intimidating voters," and, the Times says, "the country has had a dismal political history." Kabila is favored to win reelection after garnering 45 percent in the first round.

The AP (10/27) adds Mobutu was "evacuated from a town where he was held captive overnight by forces loyal to the opposition." His detention "increased tensions ahead of Sunday's runoff."

Ethiopian, Eritrean Forces Could Widen Somali Conflict. The Washington Post/AP (10/28, A10) cites a recent United Nations report claiming that "thousands of Ethiopian and Eritrean troops are in Somalia, backing opposing sides in the struggle for control of the country… The involvement of the two rivals could set the stage for a regional war." The report is quoted saying, "Both sides in the Somali conflict are reported to have major outside backers -- the government supported by Ethiopia, Uganda and Yemen; the Islamic courts receiving aid from Iran, Libya, Saudi Arabia and Gulf States." The Post says the two sides "have been girding for battle for weeks," and the document "was written to help U.N. officials map a strategy on aid to" Somalia. The Washington Times/AP (10/28, Tomlinson) runs a version of the AP story, noting, "Ethiopia and Eritrea fought a two-year border war that remains unresolved. The top U.S. diplomat to Africa, Jendayi Frazer, last week accused Eritrea of using Somalia to open a second front against Ethiopia. In Washington on Thursday, State Department spokesman

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Sean McCormack called on Ethiopia and Eritrea not to further aggravate the situation."

China-Africa Summit Highlights Growing Economic Interdependence. The Wall Street Journal (10/28, A2, Oster, 2.03M) reports, "Anyone wanting to find an African leader this coming week will need to book a ticket to Beijing." Forty-eight of Africa's 53 heads of state "will descend on the Chinese capital for the biggest gathering of foreign leaders Beijing has ever hosted. The three-day summit will highlight a mushrooming trade relationship between the world's most populous country and its second-biggest continent that is stirring angst among some in Washington." While China had a "modern presence in Africa" for strategic reasons during the Cold War, more recently its "focus has changed to acquiring natural resources to fuel China's galloping economy."

Lithuania Learns About Kremlin Oil Game The Hard Way. The New York Times (10/28, Kramer, 1.21M) writes, "The Russian government has never been straightforward about its plans to take control of the oil and gas business. So, Lithuanians were suspicious when Russia said it shut its pipeline -- the only one supplying Russian crude oil -- in late July because of a leak." But it was "not so much the pipeline the Russians were concerned about" as what the "pipeline was connected to: Lithuania's sole refinery. And because Russia often gets what it wants, it may not matter that the Lithuanian government had signed an agreement in June to sell the refinery to a Polish company, PKN Orlen, for much more than Russia had offered." An analyst said, "The goal was to force Lithuania to reconsider the sale. They wanted a Russian company to buy the refinery, but for cheaper than a market price." The Times says Lithuania's "brush with Kremlin oil politics, critics of Russian business practices say, is a case study of what Vice President Dick Cheney called Moscow's use of energy exports as 'tools for intimidation and blackmail' in relations with its neighbors."

WPost Optimistic About Resolution Of Central Europe's Political Woes. The Washington Post (10/28, A14, 748K) examines the "dismal political picture" in four formerly Communist EU states --the Czech Republic, Hungary, Poland, and Slovakia – but says the "gloom seems overstated. Despite the political malaise, Central European countries are flourishingly economically, and their abundant workers and hungry entrepreneurs promise to revive Europe as a whole. The rise of populist and nationalist parties is in part a reaction to years of enforced consensus under previous governments" that were trying to meet EU entry criteria. But as Russia "grows ever more aggressive toward its neighbors, the former Soviet satellites will probably respond by burrowing more deeply into the European Union and NATO."

Senegal President Urges World Attention To Africa's High Oil Prices. In a Washington Post (10/28, A15, 748K) op-ed, Senegal President Abdoulaye Wade writes, :Although gasoline prices have dropped recently in the United States, many Americans continue to worry about the toll of oil dependence at the gas pump and on the U.S. economy. As an African, I feel their pain -- and then some. While the price of a barrel of crude has recently dipped below $60, oil still costs twice as much as it did three years ago -- and experts fully expect the price to climb higher. President Bush, a one-time oilman, has warned Americans about the danger of a country's being 'addicted to oil.' Yet the toll of oil dependence in the United States pales beside the pain that soaring oil prices cause in Africa. … If the price of crude oil reaches $100 a barrel within the next year -- as some analysts predict -- a pan-African disaster will be upon us." President Wade says it is "in the interest not only of America but also the petroleum industry not to have an Africa in ruins."

Suez Crisis Marked Start Of Intense US Intervention In Middle East. In a New York Times (10/28, 1.21M) op-ed, Boston University Professor of History and International Relations David Fromkin reflects on the 50th anniversary of the Suez Crisis, calling it "a divide in the history of the Middle East. It was the moment when America pushed out the Europeans and then tried to take their place -- and the reverberations are still felt today."

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:

"'Devil Winds' Stoke Fatal Fire."
"Flames Ambush Man 'Who Could Do Anything.'"
"No Easy Answer To 'Kurdish Question.'"
"Getty Toughens Up Its Rules For Acquisition."
"A County Of Bad Ol' Boys."

New York Times:

"Democrats Get Late Donations From Business."
"Rice's Counselor Gives Advice Others May Not Want To Hear."
"Bloomberg, Seeing A Soul Mate, Sends Troops To Help Lieberman."
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"Housing Slump Slows Economy."
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"Taking Terror Fight To N. Africa Leads U.S. To Unlikely Alliances."
"Allen Blasts Webb Novels."
"Marathoner Is Taking A Journey Of The Sole."

Washington Times:
"U.S., Iraq Affirm 'Good, Strong' Ties."
"DNC Wooing Black Voters."
"Coca Growers Resist Bolivia Crackdown."
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"Perdue Failed To Disclose Land Buy Near Prized Tract."

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"Activists Putting Heat On Barton."
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CBS: Palm Springs Wildfires; Firefighter Deaths; Mudslinging Virginia Senate Campaign; Voters Views On The Economy; A Look At Stem Cell Research; Gallaudet Protests; Prison Fashion Statement.
NBC: North Korea; Iraq-Sectarian Violence; Hawaii Earthquake; Houston Flooded; Legislators Under Fire; Stock Market; Population Growth-Nevada; Gas Prices; Lawyer In The Family; School Bands Of New Orleans.

WASHINGTON'S SCHEDULE

Today's Events In Washington.

White House:

PRESIDENT BUSH — 1 p.m. Attends Sodrel for Congress and Indiana Victory 2006 rally, Silver Creek High School, Sellersburg, Ind. 5:55 p.m. Attends RNC dinner, The Sanctuary at Kiawah Island, South Carolina.

VICE PRESIDENT CHENEY -- No public schedule.

US Senate: No scheduled events.

US House: No scheduled events.

Other: POLITICAL MANAGEMENT-OAS _ 9 a.m. - 6 p.m. Josi Miquel Insulza, Secretary General of the Organization of American States, delivers keynote address at GWU's "International Seminar of Political Communication and Marketing for Governments." Location: Morton Auditorium, 805 21st St. NW. Contacts: Wendy Carey, 202-994-3087

PECK AWARDS-SCHLESINGER-PANETTA _ 10 a.m. Smithsonian holds two town hall sessions with 2006 Paul Peck Presidential Award winners: former White House Chief of Staff Leon Panetta and author Arthur M. Schlesinger Jr. Location: Nan Tucker McEvoy Auditorium, National Portrait Gallery, 8th and F streets N.W. Contacts: Lauren Hassel, 202-275-1768.

KASHMIR'S FUTURE _ 6:30 p.m. - 9 p.m. Georgetown University and the Kashmiri American Council hold forum on "Kashmir: Future Approaches." With speakers from Christians and Muslims for Peace; University of San Francisco; Embassy of Pakistan, others. Location: GWU, Marvin Center, 800 21st St. NW. Contacts: Farhat Ali Zaidi, 202-243-6500 ext 2005

BRIAN LAMB-HELEN THOMAS _ 7 p.m. C-SPANs Brian Lamb receives the Helen Thomas Award for Excellence in Journalism from the American News Womens Club. Award will be presented by Thomas and CBS' Bob Schieffer. Location: Fairmont Hotel, 2401 M St. NW. Contacts: Karen James Cody, 202-452-4169

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: SATURDAY, OCTOBER 28, 2006 7:45 AM EDT

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TERRORISM NEWS:

Judge Sets Schedule On Detainee Lawsuits (AP)

AP, October 28, 2006

WASHINGTON - A federal judge Friday set the stage for the next push by the Bush administration to get all the lawsuits by detainees at Guantanamo Bay thrown out of U.S. courts.

U.S. District Judge James Robertson laid out a five-week schedule for the Justice Department and lawyers for Salim Ahmed Hamdan to file written arguments in the detainee's challenge to his confinement.

Hundreds of other detainees also are challenging their detentions in lawsuits.

It was a challenge by lawyers for Hamdan, Osama bin-Laden's former driver, that led to the Supreme Court ruling in June striking down the Bush administration's plan for military commission trials.

The new Military Commissions Act, which President Bush signed on Oct. 17, strips U.S. courts of jurisdiction to hear the detainees' challenges to their indefinite detentions. Hamdan's lawyers say the new provision is "of doubtful constitutionality."

Ten days ago, the Justice Department filed a copy of the new law with the court in Hamdan's case. Robertson said in a one-page order the Justice Department filing "is deemed to be a motion to dismiss" Hamdan's case.

Patrick Leahy, the ranking Democrat on the Senate Judiciary Committee, has said the provision to strip detainees of access to U.S. courts would "take our civilized society back some 900 years to King John at Runnymede which led to the adoption of the Magna Carta."

Cheney Defends 'Dunk In The Water' Remark (WP)

By Dan Eggen, Washington Post Staff Writer

The Washington Post, October 28, 2006

Addressing Alarm Over the Comment, Vice President Says He Was Not Referring to Waterboarding

Vice President Cheney said yesterday that he was not referring to an interrogation technique known as "waterboarding" when he told an interviewer this week that dunking terrorism suspects in water was a "no-brainer."

Cheney told reporters aboard Air Force Two last night that he did not talk about any specific interrogation technique during his interview Tuesday with a conservative radio host.

"I didn't say anything about waterboarding. . . . He didn't even use that phrase," Cheney said on a flight to Washington from South Carolina.

Earlier in the day, White House press secretary Tony Snow told reporters that the vice president was talking literally about "a dunk in the water," though neither Snow nor Cheney explained what that meant or whether such a tactic had been used against U.S. detainees.

"A dunk in the water is a dunk in the water," Snow said.

The comments were aimed at calming a growing furor over Cheney's comments, which were taken by many human rights advocates and legal experts as an endorsement of waterboarding as a method of questioning.

Coming shortly before the midterm elections, the remarks prompted a wide range of political figures -- from Sen. John F. Kerry (D-Mass.) to Cheney's wife, Lynne -- to weigh in on the issue, providing another unexpected controversy for Republicans as they fight to keep control of Congress. Reporters peppered Snow with questions about the interview during Snow's two daily news briefings.

Waterboarding, in which a prisoner is secured with his feet above his head and has water poured on a cloth over his face, is one of several methods of simulating drowning that date at least to the Spanish Inquisition. It has been specifically prohibited by the U.S. Army and widely condemned as torture by human rights groups and international courts.

"Would you agree a dunk in water is a no-brainer if it can save lives?" Scott Hennen of WDAY in Fargo, N.D., asked Cheney on Tuesday. "Well, it's a no-brainer for me," Cheney responded.

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Cheney also said he agreed with Hennen that the debate over interrogation techniques was "a little silly," and he praised the information obtained from U.S. terrorism suspects during questioning.

Hennen said in an interview yesterday that he did not know precisely which technique Cheney was referring to and was only passing along a question he had heard from a listener.

"It's impossible for me to say 'Did the listener mean waterboarding?' and 'Is waterboarding torture?' and that sort of thing," Hennen said. "I can't get in the vice president's head, and I can't get in the listener's head."

Many legal experts said it was reasonable to conclude that Cheney was referring to waterboarding, since it has been a widely debated U.S. interrogation technique that uses water to subject a suspect to the fear of drowning.

U.S. interrogation methods have been the focus of fierce debate since revelations of detainee abuse in Iraq and Afghanistan and the disclosure that the CIA ran a network of secret prisons outside the United States. Numerous sources have confirmed that the CIA used waterboarding in its interrogation of alleged Sept. 11 mastermind Khalid Sheik Mohammed and other "high-value" prisoners.

Some lawmakers have said that they believe waterboarding is illegal under detainee legislation approved last month, but the Bush administration has declined to say what techniques it considers off-limits.

Asked yesterday about Cheney's Tuesday remarks, President Bush did not specifically address them. But he said: "This country doesn't torture. We're not going to torture. We will interrogate people we pick up off the battlefield to determine whether or not they've got information that will be helpful to protect the country."

Human rights and legal experts said yesterday that even if Snow's version of Cheney's remarks is correct, Cheney's comments are troubling because dunking a terrorism suspect in water as part of an interrogation would actually be more physically dangerous than waterboarding. The tactic also would be illegal under U.S. and international laws, they said.

Tom Malinowski, Washington advocacy director for Human Rights Watch, noted that in the 1980s, Chadian forces led by military ruler Hissene Habre allegedly hung people upside down and dunked them in water during questioning. Habre was indicted by a Belgian court for torture and crimes against humanity and faces prosecution in Senegal.

Former CIA general counsel Jeffrey H. Smith said Cheney's comments were "irresponsible" and send a signal to U.S. interrogators that "the people at the top want you to get rough."

"It's clear that the vice president didn't mean a friendly swim at the country club," Smith said. "It would be designed to somehow frighten a prisoner and elicit information from them. Whatever it means, a dunk in the water is not harmless or innocent."

Kerry, the 2004 Democratic presidential nominee, issued a statement saying the comments provided another reason that voters should "change course" by voting for Democrats. "This administration's determination to assert the right to torture has undermined our moral authority, put our troops at greater risk and made our country less safe," Kerry said.

Snow and other Republicans pushed back strongly, arguing that Cheney's remarks had been misinterpreted and that the vice president had been talking about the value of interrogations in preventing terrorist attacks.

"That is a mighty house you are building on top of that molehill," Lynne Cheney said during an appearance on CNN's "The Situation Room." "A mighty mountain. This is complete distortion. He didn't say anything of the kind."

The ambiguities in the waterboarding debate were most evident during two contentious news briefings yesterday as Snow was repeatedly questioned by reporters who did not accept his explanations of Cheney's remarks. Snow repeatedly insisted that Cheney was not referring to waterboarding or any other technique, although he was at a loss to explain how being dunked in water would not also qualify as a method of interrogation.

Snow joked at several points about needing to avoid water-related metaphors in his comments, as when he accused reporters of "fishing" for answers. He declined to say what Cheney meant by dunking terrorism suspects in water but said he would get back to reporters with a fuller explanation, which did not materialize yesterday.

At one point during the first briefing, a frustrated reporter asked: "So the detainees go swimming?"

"I don't know," Snow responded. "We'll have to find out."

Staff writer Peter Baker and staff researcher Julie Tate contributed to this report.

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Furor Over Cheney Remark On Tactics For Terror Suspects (NYT)

By Neil A. Lewis

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — The White House found itself fending off questions on Friday about what Vice President Dick Cheney meant when he agreed with a talk-radio host that there was nothing wrong with dunking a terrorism suspect in water if it saved lives.

Tony Snow, the White House spokesman, said Mr. Cheney was not endorsing water-boarding, a coercive interrogation technique that simulates drowning and that many have said qualifies as torture. Mr. Snow said Mr. Cheney was not, in fact, referring to any technique, whether it was torture or not, because administration officials do not discuss interrogation methods.

President Bush was also confronted by reporters about Mr. Cheney's comments as he made a joint appearance with Jaap de Hoop Scheffer, the secretary general of NATO. "This country does not torture; we're not going to torture," Mr. Bush said, without referring directly to Mr. Cheney or his comments.

The questioning was set off when Mr. Cheney was interviewed Tuesday by Scott Hennen, a conservative radio talk show host in Fargo, N.D. "Would you agree that a dunk in water is a no-brainer if it can save lives?" Mr. Hennen asked.

"Well, it's a no-brainer for me," Mr. Cheney replied. "But for a while there I was criticized as being the vice president for torture. We don't torture. That's not what we're involved in."

Mr. Snow, who spent much of his day dealing with questions about the comments, told reporters that none of them related to interrogation techniques, which are classified. "I'm telling you what the vice president's view is, which is it wasn't about waterboarding. Period," he said.

The exchanges grew testy at times, especially when Mr. Snow said Mr. Cheney is not someone who slips up. One reporter noted that the vice president had once used a profanity on the Senate floor, and also shot a friend in the face during a hunting accident last February.

"That's a great line," Mr. Snow said, "but it's not germane."

Waterboarding is actually not a dunk in the water, but rather, covering a subject's face with a constantly soaked cloth to make breathing difficult. It has been reported as having been used on some suspected members of Al Qaeda who were secretly held by the Central Intelligence Agency until their transfer last month to the United States detention center at Guantánamo Bay, Cuba.

Tom Malinowski, the Washington director of Human Rights Watch, said, "If Iran or Syria detained an American, Cheney is saying that it would be perfectly fine for them to hold that American's head under water until he nearly drowns, if that's what they need to do to save Iranian or Syrian lives."

When Mr. Cheney's wife, Lynne, was asked on CNN about the comments, she told Wolf Blitzer: "That is a mighty house you're building on top of that mole hill there, a mighty mountain. This is complete distortion. He didn't say anything of the kind."

Cheney Calls Dunking Of Terror Suspects A 'No-brainer' (LAT)

By James Gerstenzang, Times Staff Writer

The Los Angeles Times, October 28, 2006

Vice president later says: 'I didn't say anything about water-boarding.'

Comments by Vice President Dick Cheney to a radio interviewer prompted questions Friday about whether he advocated torturing terrorism detainees to obtain information. Cheney denied endorsing torture, and President Bush said that the United States does not practice torture.

Cheney's remarks, in an interview Tuesday with conservative talk-radio host Scott Hennen from Fargo, N.D., stirred up fresh controversy over the interrogation technique known as "water-boarding," which experts say simulates drowning.

Human rights groups sharply criticized Cheney, who said later that he was not specifically talking about water-boarding.

The flap began when the interviewer told Cheney that some of his listeners had asked him to tell the vice president that "if it takes dunking a terrorist in water, we're all for it if it saves American lives." He continued: "This debate seems a little silly given the threat we face, would you agree?"

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Cheney replied: "I do agree. And I think the terrorist threat, for example, with respect to our ability to interrogate high-value detainees like Khalid Shaikh Mohammed, that's been a very important tool that we've had to be able to secure the nation…. We need to be able to continue that."

He was referring to the man captured in Pakistan who officials widely believe masterminded the Sept. 11 attacks.

Cheney was then asked: "Would you agree a dunk in water is a no-brainer if it can save lives?"

The vice president responded: "It's a no-brainer for me, but for a while there, I was criticized as being the vice president 'for torture.' We don't torture. That's not what we're involved in."

Larry Cox, executive director of Amnesty International USA, took issue with Cheney's remarks, issuing a statement saying: "What's really a no-brainer is that no U.S. official, much less a vice president, should champion torture. Vice President Cheney's advocacy of water-boarding sets a new human rights low at a time when human rights is already scraping the bottom of the Bush administration barrel."

Late Friday, Cheney told reporters aboard Air Force Two: "I have said that the interrogation program for a selected number of detainees is … one of the most valuable intelligence programs we have. I believe it has allowed us to prevent terrorist attacks against the United States. I did not talk about specific techniques and won't. I didn't say anything about water-boarding. [The interviewer] didn't even use that phrase."

Asked what "dunk in water" was referring to if not water-boarding, White House Press Secretary Tony Snow said, "I will let you draw your own conclusions, because you clearly have."

Bush, asked Friday about Cheney's comments, told reporters: "This country doesn't torture. We're not going to torture. We will interrogate people we pick up off the battlefield to determine whether or not they've got information that will be helpful to protect the country."

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White House Denies Cheney Hailed "Water Boarding" (AP)

AP, October 27, 2006

WASHINGTON (AP) -- The White House said Friday that Vice President Dick Cheney was not talking about a torture technique known as "water boarding" when he said dunking terrorism suspects in water during questioning was a "no-brainer."

Human rights groups complained that Cheney's comments amounted to an endorsement of water boarding, in which the victim believes he is about to drown.

President Bush, asked about Cheney's comments, said, "This country doesn't torture. We're not going to torture." He spoke at an Oval Office meeting Friday with NATO Secretary-General Jaap de Hoop Scheffer.

Earlier, White House press secretary Tony Snow denied that Cheney had endorsed water boarding.

"You know as a matter of common sense that the vice president of the United States is not going to be talking about water boarding. Never would, never does, never will," Snow said. "You think Dick Cheney's going to slip up on something like this? No, come on."

In an interview Tuesday with WDAY of Fargo, North Dakota, Cheney was asked if "a dunk in water is a no-brainer if it can save lives."

The vice president replied, "Well, it's a no-brainer for me, but for a while there I was criticized as being the vice president for torture. We don't torture. That's not what we're involved in."

Peppered with questions about the remarks, Snow said Cheney did not interpret the question as referring to water boarding and the vice president did not make any comments about water boarding. He said the question put to Cheney was loosely worded.

The administration has repeatedly refused to say which techniques they believe are permitted under the new law. Asked to define a dunk in water, Snow said, "It's a dunk in the water."

Larry Cox, executive director of Amnesty International USA, said in a statement, "What's really a no-brainer is that no U.S. official, much less a vice president, should champion torture. Vice President Cheney's advocacy of water boarding sets a new human rights low at a time when human rights is already scraping the bottom of the Bush administration barrel."

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Human Rights Watch said Cheney's remarks were "the Bush administration's first clear endorsement" of water boarding.

Bush Enters Cheney "Torture Row" (BBC)

BBC.com, October 28, 2006

Mr Bush has repeatedly refused to specify which techniques are used US President George Bush has reiterated his position that the US administration does not condone torture, following comments by Vice President Dick Cheney.

In a radio interview, Mr Cheney said the simulated drowning of terrorism suspects during questioning in order to save American lives was a "no-brainer".

His comments have provoked outrage from anti-torture and human rights groups.

When asked about the remark, President Bush said that the United States does not use torture and was not going to.

The BBC's Matt Wells in Washington says Mr Cheney's comment was made on Tuesday but only came to light on Friday, exacerbated by a stormy and confrontational White House press briefing.

The conservative radio host, Scott Hennen, asked Mr Cheney if he agreed that "a dunk in water is a no-brainer" if it would unearth information of pending attacks and save lives.

Mr Cheney replied: "Well, it's a no-brainer for me." He went on to say that he was not condoning torture but said you can have a robust interrogation programme without torture.

'Off limits'

Evidence has emerged of the existence of secret CIA prisons

Mr Cheney is assumed by human rights groups to have been referring to "water boarding" - a technique in which suspects are made to think that they are drowning.

When asked about the vice-president's comments, Mr Bush said the administration had no intention of torturing suspects, but he has repeatedly refused to specify which techniques are being used.

The White House gave the impression that water boarding would be off limits in pushing through a controversial terror bill just a few weeks ago, our correspondent says.

The US executive director of Amnesty International said Mr Cheney's gaffe revealed the US administration's true intentions for prisoner interrogation in the future.

"What's really a no-brainer is that no US official, much less a vice president, should champion torture," said Larry Cox.

US interrogation techniques have been under the spotlight since evidence emerged of detainee abuse in Iraq and Afghanistan, and the existence of secret CIA prisons.

Informant For FBI Is Freed (ALBANYTU)

By Brendan J. Lyons, Senior Writer

Albany Times Union, October 28, 2006

Pakistani immigrant worked on terrorism sting case in Albany

ALBANY -- A Pakistani immigrant whose own crimes led him to serve as an FBI informant in an Albany-based counterterrorism sting walked out of federal court a free man Friday after a judge sentenced him to time served in consideration for his years of undercover work.

Shahed "Malik" Hussain, 50, emerged as the federal government's star witness last month at the trial of Yassin M. Aref and Mohammed M. Hossain, who were convicted of charges that include money laundering and conspiracy to support terrorism.

"Everything was fair and reasonable under the circumstances," said Hussain's attorney, F. Stanton Ackerman, declining further comment.

Hussain, dressed in a suit, said nothing during the brief proceeding before U.S. District Judge David N. Hurd. Hussain talked briefly outside court with his longtime FBI handler, Special Agent Timothy Coll, then quickly left the courthouse without commenting to reporters.

Hussain's own legal problems began about five years ago when he was arrested in an FBI fraud investigation that was launched shortly after the 9/11 attacks.

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The investigation targeted a ring of corrupt translators, state motor vehicle workers and nearly 100 immigrants who had illegally obtained driver's licenses with help from Hussain. At the time, Hussain owned and operated a Getty gas station on South Pearl Street, near Albany's motor vehicle office. He also worked as a translator for the state Department of Motor Vehicles, and had routinely accepted bribes of several hundred dollars each to help immigrants, who in some cases couldn't drive well, pass written exams they couldn't understand.

Following his arrest in December 2001, and while facing the prospect of a long prison term and eventual deportation to his native Pakistan, Hussain agreed to become an informant for the FBI.

Hussain, who emigrated here in 1993 and still holds a green card, has since been credited with helping the FBI arrest more than a dozen people, including the people involved in the DMV scandal and a member of an Afghani-based heroin trafficking ring.

At the time of his arrest, Hussain was about two weeks away from being sworn in as a naturalized U.S. citizen. He ran gas stations, a beverage center and a retail distribution business in Latham, and shared a modest home in Loudonville with his wife and children.

Shortly after his Loudon Road home burned in 2003, Hussain declared bankruptcy. He has left a wake of debt and disgruntled creditors, including some who have described him as an unscrupulous businessman.

That summer, Hussain was still on the hook as an FBI informant when Coll, a member of the FBI's Joint Terrorism Task Force in Albany, enlisted him to help infiltrate a Central Avenue mosque that had drawn the attention of the FBI after 9/11.

The FBI's primary target was Aref, a Kurdish refugee who had been the mosque's spiritual leader and whom the FBI believes was associated with terrorist figures overseas. Aref has vehemently denied any connection to terrorists and there was no evidence presented at his trial that he'd made anti-American statements while heading the mosque for several years.

Hussain, who speaks five languages, testified last month that Coll ordered him to befriend Hossain, a Bangladeshi immigrant and pizza shop owner who was Aref's friend and a co-founder of the mosque.

Over the next year, Hossain wore a wire to dozens of meetings he had with Aref and Hossain as they discussed Islamic ideology, terrorism and a loan the informant had promised Hossain that turned out to be the foundation of the money laundering charges.

Before the trial began, Hossain's attorney, Kevin A. Luibrand, filed a motion asking the government to turn over "any evidence or information that the government has that the informant has caused another's death ... including acts alleged that he committed overseas."

Federal prosecutors did not turn over any records to defense attorneys related to that request. A federal law enforcement officials close to the case on Friday declined comment on allegations that Hussain may have been tied to a homicide in Lahore, Pakistan.

Shamshad Ahmad, president of the Central Avenue mosque, Masjid Al-Salam, where Aref and Hossain prayed, said rumors have swirled for several years in the area's Pakistani community about the mysterious slaying in Lahore.

"The murdered person belongs to a powerful family there," Ahmad said. "There are people from Pakistan in this region and they know the murder situation over there ..., but they don't want to talk and open up because they think this guy is the FBI's darling and they might be in trouble if they open their mouths."

Assistant U.S. Attorney William Pericak said Hussain may still face immigration problems because of his felony conviction, but that U.S. authorities would try to help him with that situation if needed. Hussain pleaded guilty in April 2003 to a single felony count to settle the charges pending against him. It was that fraud count on which he was sentenced Friday, effectively terminating his debt as an informant.

Pericak contends Hussain only faced a maximum of six months in jail under federal sentencing guidelines. However, attorneys in the case said Hussain could have faced up to 15 years in prison and a fine of up to $250,000 if he had been convicted on felony counts for each of the estimated 80 fraudulent licenses that he has admitted helping immigrants obtain.

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Lodi Man Seeks New Trial In Terrorism Case (MERCN)

The San Jose Mercury News, October 28, 2006

SACRAMENTO - Attorneys for a Lodi man convicted this spring by a federal jury of supporting terrorists have asked a judge to grant a new trail after reports of juror misconduct.

In a 106-page motion filed Friday, Hamid Hayat's lawyers said reports of "extensive misconduct" by jury foreman Joseph Cote demand court review.

"Given the reports of extensive misconduct involved here, the seriousness of such misconduct, and the credibility of the sources, only (an evidentiary) hearing will suffice to resolve the present claim," wrote Wazhma Mojaddidi and Dennis Riordan.

Hayat, 23, was convicted in April of one count of providing material support to terrorists by attending an al-Qaida training camp in Pakistan, and three counts of lying about it to FBI agents.

In court papers, Hayat's attorneys cited reports by juror Alicia Lopez and Theresa Berkeley-Simmons that Cote used racial slurs during the trail, including saying that Pakistanis or Muslims all "look alike" if dressed the same. They also pointed to an Atlantic magazine interview that Cote gave after the trial where he said he likened Hayat to young Pakistani men responsible for the London subway bombings.

This indicates that Cote "flatly disregarded his assurance that he harbored no prejudices against Pakistanis or Muslims, as well as his promise to disregard whatever he had read in the media," the lawyers wrote in the motion.

In addition to complaints about jury bias, Hayat's attorneys said U.S. District Judge Garland E. Burrell Jr., should have allowed a retired FBI agent to testify about the bureau's interview procedures. They said James Wedick, a 34-year veteran of the FBI, would have revealed the inappropriateness of Hayat's confession.

Hayat's attorneys said their client was worn down by the agents' interrogation and confessed to crimes he did not commit.

Hayat is a U.S. citizen of Pakistani descent. He faces up to 39 years in prison.

Prosecutors have until Dec. 15 to file a response, and a hearing is scheduled for Jan. 19.

"We will respond in court at the appropriate time," U.S. attorney McGregor Scott said Saturday.

At trial, prosecutors said Hayat returned from a two-year visit to Pakistan in May 2005 intent on attacking targets that may have included hospitals, banks and grocery stores. His videotaped confession was the heart of the government's case.

Taking Terror Fight To N. Africa Leads U.S. To Unlikely Alliances (WP)

By Craig Whitlock, Washington Post Foreign Service

The Washington Post, October 28, 2006

ALGIERS -- Locked in a prison here, for now, is a desert bandit dubbed the "Bin Laden of the Sahara," whose capture was secretly orchestrated by U.S. forces after a long chase across some of the most forbidding terrain on Earth.

Amari Saifi, 37, a former Algerian army paratrooper, was caught in 2004 after he and a band of rebel fighters kidnapped 32 European tourists in the Algerian Sahara and ransomed them for about $6 million.

Since then, the U.S. government has cited his case as a model for terrorist-hunting operations and a justification for expanding U.S. military, diplomatic and intelligence programs in North Africa.

A close examination of how Saifi was apprehended, however, highlights the quandaries facing the United States as it extends its fight against Islamic terrorism to remote parts of the globe. In its search for allies in an unstable region, the U.S. government reached out to Libya -- then still officially designated a state sponsor of terrorism -- and to other countries it has condemned for abusing human rights.

Some security analysts and European counterterrorism officials question the U.S. strategy. They contend the Pentagon may be inflating the importance of Saifi and the terrorist threat in both the Sahara and an equally large and desolate region to the south known as the Sahel.

By sending troops and partnering with repressive governments, U.S. tactics could backfire, said Hugh Roberts, North Africa project director for the Brussels-based International Crisis Group.

"The idea that you could have major jihadi units holing up there always struck me as implausible," Roberts said. "The quickest way to generate a jihadi movement is to send some U.S. soldiers in there to swagger around. The more visible the U.S. military presence, the bigger the target."

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The hunt for Saifi lasted more than a year and nearly unraveled at the end, despite a joint operation among the U.S. military and seven countries, according to counterterrorism officials in North Africa and Europe. He was caught by happenstance, by a ragtag rebel army in Chad, as he fled his pursuers across the desert.

Although Saifi was finally transferred to Algerian custody, there are signs that he may not be in prison much longer. After giving him a life sentence last year, the Algerian government said this spring it might release him under an amnesty program, reflecting doubts as to how big a threat he posed in the first place.

Regardless of Saifi's fate, U.S. officials say they consider North Africa an increasingly strategic front. With weak governments and poorly patrolled borders, the region has already attracted Islamic radicals looking for a place to set up training camps and spread their ideology, officials say.

Together, the Defense and State departments are devoting $500 million to new counterterrorism programs in the region. Last year, the Pentagon sponsored Operation Flintlock, the largest U.S. joint military exercise in North Africa since World War II. About 700 U.S. Special Forces personnel trained troops from nine African nations, leading a war game that mirrored the effort to hunt down Saifi a year earlier.

"The threat is evolving," said Rear Adm. Richard K. Gallagher, a top commander at the U.S. European Command in Stuttgart, Germany, which is responsible for most of Africa. "Africa, for a lot of reasons, is a place that we've got to care hugely about. We ignore Africa at our peril."The Kidnappings

In February 2003, a band of Islamic extremists began scouring the desert expanse of southern Algeria for kidnap victims. The sparsely populated region's colored sand dunes and craggy mountains were a magnet for European tourists.

Soon, foreigners began to vanish, two or three at a time. Within a month, 32 Europeans -- mostly Germans, but also Austrian, Swedish, Swiss and Dutch citizens -- had been rounded up.

The kidnappers belonged to the Salafist Group for Preaching and Combat, a movement dedicated to overthrowing the Algerian government. Despite its local origins, the group has recently reached out to al-Qaeda and other networks in an attempt to broaden its scope.

The leader of the cell, Saifi, was a tall, bearded man who dressed in shabby robes and worn-out sneakers; often he wore black eye makeup to ward off the sun's glare. Known as Abderrazak al-Para, or "the paratrooper," he had deserted from the Algerian army in 1991.

"In the beginning, the entire group was very convinced of the plan: 'Europeans -- that'll bring us money and weapons,' " said Rainer Bracht, a German construction worker who was among the hostages. "In the beginning, they always told us, 'You will be free soon, it'll be just a couple of weeks.' But then it took longer and longer."

On May 13, 2003, Algerian troops surrounded some of the fighters on a mountain range. After a gun battle, 17 hostages were rescued and nine kidnappers were killed, according to the Algerian government. But the soldiers were unable to capture Saifi, who escaped with half of his men and 15 tourists.

As the group trekked south, they hid under rock formations to avoid detection from the skies. The trip was arduous, with temperatures climbing to 110 degrees. One German died of heat exhaustion, but Saifi otherwise took care to keep his captives alive.

"His men held him in high esteem and showed respect," recalled Martin Hainz, a Bavarian painter who was taken hostage. "He emanated a lot of authority, but his behavior was not authoritarian. He did not give orders; he listened and made remarks."

In July 2003, Saifi and his crew crossed into Mali, an impoverished and landlocked country. Hiding among desert nomads, the kidnappers negotiated through intermediaries with the German and Libyan governments, seeking cash. A month later, the rest of the hostages were released near the Algeria-Mali border. Although Germany and Libya have denied paying a ransom, other European officials said the two countries provided funds.

Flush with money, Saifi bought protection from local tribes, European counterterrorism officials said. He shopped on the black market for automatic rifles, missile launchers and 4x4 trucks. He expanded his militia to include fresh recruits from Mali, Chad and Niger.

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"At this point, he starts to become an important threat," said Louis Caprioli, former director of international counterterrorism for the DST, the French counterintelligence service, which was working with the U.S. military to track Saifi. "And the armies of Niger and Mali couldn't do anything about him."Warnings Heeded

At the time of the kidnappings, the U.S. government was starting a counterterrorism program in North Africa called the Pan-Sahel Initiative.

The program represented a response to worries that remote areas of North Africa could serve as a base for al-Qaeda or other Islamic extremists seeking to relocate after the U.S. invasion of Afghanistan in 2001. The initiative, led by the U.S. European Command, was designed to share intelligence and train ill-equipped militaries in the region.

The program had its critics, inside and outside the U.S. government, who questioned whether North African radicals had the potential to pose an external threat. They also wondered whether it made sense for the U.S. military to increase its presence in yet another predominantly Muslim part of the world.

The Sahara hostage-takings, however, gave a boost to military leaders who had been warning about the potential for trouble in North Africa. Since then, Congress has listened, budgeting $500 million over the next six years for an expanded version of the original program called the Trans-Saharan Counterterrorism Initiative.

Gallagher, of the U.S. European Command, said the military wanted to keep a light footprint in North Africa. "We want to get out in front of these problems and train these nations to deal with it," he said.

In a visit to Algiers in February to promote the program, Henry A. Crumpton, the State Department's counterterrorism coordinator, warned leaders from across North Africa that Saifi "underscored the real threat posed to the region." The Algerian Salafist group, he added, "has become a regional terrorist organization, recruiting and operating in all of your countries -- and beyond."Coordinated Pursuit

After the last hostages were freed, the U.S. military took effective control of the international hunt for Saifi, according to U.S. and European counterterrorism officials. Saifi had avoided the Algerian army by slipping past unguarded borders and vanishing into the desert. Now U.S. forces began tracking him with spy satellites and reconnaissance aircraft.

Overcoming regional hostilities, the U.S. military persuaded Mali, Niger, Algeria and Chad to cooperate on a plan to corral Saifi. U.S. Special Forces gave crash training to local soldiers. Under pressure, Saifi and his militia moved out of Mali in January 2004, crossed through Niger and entered Chad, covering about 1,000 miles of harsh terrain.

On March 9, 2004, troops from Niger and Chad caught up to Saifi in northwestern Chad. Bolstered by U.S. supplies, they killed 43 of Saifi's fighters. But once again, the desert bandit escaped.

A week later, Saifi and 16 followers were wandering through the Tibesti Mountains, short of water and food and unaware they had encroached on turf controlled by a Chadian rebel group. The rebels, known as the Movement for Democracy and Justice in Chad, were enemies of the Chadian army. But they also didn't like the looks of the interlopers from Algeria and took them captive.

"We were astonished to see these people," Ousmane Hissein, a Chadian rebel leader in exile, said in an interview in Paris. "We tried to figure out who they were and where they were coming from." News reports on shortwave radio eventually revealed Saifi's identity.

Hissein said the rebels offered to turn Saifi over to Algeria, Germany, France and the United States, but all said no. Each country had been involved in chasing Saifi across the desert but did not want to risk a diplomatic rupture with the government of Chad by dealing with the rebels.

Once again, Libya agreed to serve as an intermediary. Relations between the governments in Tripoli and Washington had warmed since Moammar Gaddafi had ended his program to develop weapons of mass destruction four months earlier. But the alliance was still awkward; Libya had been branded a terrorist sponsor by the State Department since 1979, a label that would persist until June 2006.

The Chadian rebels, however, did not trust Gaddafi. They had accused him of assassinating one of their leaders years before. Negotiations stalled for months.

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Losing patience, Gaddafi threatened to send his troops into Chad to attack the rebels, Hissein said. But U.S. diplomats, worried about the risk of a regional war, intervened, persuading Gaddafi to pull back and work a deal. "The Americans played a huge role in all of this," Hissein added.

Seven months after he was captured by the rebels, Saifi was handed over at a border crossing to Libyan authorities, who extradited him to Algeria. The rebels are vague about whether they received any money in return.Eligible for Amnesty

In June 2005, Saifi was scheduled to go on trial in Algiers. For unexplained reasons, Algerian security services did not bring him to the courtroom, and he was sentenced in absentia to life in prison. Rumors spread that he was dead.

Not so, according to Abdelhaq Layada, founder of the Armed Islamic Group, which fought the Algerian government during the 1990s in a horrific civil war that killed an estimated 200,000 people. Layada, who was recently released from prison as part of an amnesty for convicted terrorists, said he hoped Saifi would soon win his freedom.

"Yes, he's still alive," Layada said during an interview outside Algiers. "He's a Muslim, and he loves Muhammad our prophet, and he loves Allah. He was doing what he thought was right."

Algerian justice officials declined requests for an interview. In March, however, Justice Minister Tayeb Belaiz said Saifi would be eligible for consideration under the amnesty. Interior Minister Noureddine Yazid Zerhouni called it "a sensitive case" but wouldn't rule out his release.

Saifi has been indicted in Germany, but Algeria generally doesn't extradite its citizens to Europe. He is not wanted on criminal charges in the United States.

A U.S. counterterrorism official said the Bush administration would be unlikely to protest publicly if Saifi is released.

"We would support the Algerians," the official said, speaking on condition of anonymity. The Algerian government, the official added, has made "political overtures to leaders and individuals who are willing to lay down their arms. We encourage that."

Staff writer Karen DeYoung in Washington and special correspondent Silke Lode in Berlin contributed to this report.

PATRIOT ACT:

ACLU Drops Patriot Act Challenge (AP)

By Jim Irwin, Associated Press Writer

AP, October 28, 2006

DETROIT — The American Civil Liberties Union on Friday dropped a lawsuit challenging the constitutionality of the USA Patriot Act.

The ACLU said it was withdrawing the lawsuit filed more than three years ago because of "improvements to the law." The Justice Department argued last month that amendments approved by Congress in March 2006 had corrected any constitutional flaws in the Patriot Act.

"While the reauthorized Patriot Act is far from perfect, we succeeded in stemming the damage from some of the Bush administration's most reckless policies," Ann Beeson, associate legal director of the ACLU in New York, said in a written statement.

The lawsuit, filed in July 2003 on behalf of the Muslim Community Association of Ann Arbor and five other nonprofit groups, was the first legal challenge to Section 215, the part of the Patriot Act that lets federal agents obtain such things as library records and medical information.

The ACLU said the revisions allow people receiving demands for records to consult with a lawyer and challenge the demands in court.

The Justice Department, which first asked that the lawsuit be dismissed in December 2003, said it was pleased by the ACLU's action, which was contained in a one-paragraph notice filed with U.S. District Judge Denise Page Hood in Detroit.

"We ... reiterate that the Patriot Act is a legitimate and important tool that has better helped law enforcement fight terrorism while simultaneously protecting our valued civil liberties," Justice spokeswoman Tasia Scolinos said.

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The ACLU argued that Section 215, which allows the FBI access to any "tangible things" such as books and documents through an order from a secret court, does not require investigators to show probable cause. It asked that the Justice Department be barred from using the provision.

Hood ruled on Oct. 3 that the ACLU's clients had shown they were harmed by the anti-terrorism law adopted after the Sept. 11, 2001, terrorist attacks and that the lawsuit could proceed. But the ruling came after the law had been amended, prompting the ACLU to drop its case.

The ACLU said it would continue to monitor how the government applied Section 215 and would remain ready to defend any individual, business or organization receiving demands for information under the provision.

The group also said it is continuing its legal fight against a more frequently used provision of the Patriot Act that authorizes national security letters. Such letters allow the executive branch of government to obtain records about people in terrorism and espionage investigations without a judge's approval or a grand jury subpoena.

ACLU Drops Patriot Act Suit (DEN)

By Edward L. Cardenas

Detroit News, October 28, 2006

Civil liberties organization says Congress' move to check federal investigative powers prompted action.

DETROIT -- The American Civil Liberties Union on Friday withdrew a lawsuit filed three years ago in U.S. District Court in Detroit that challenged a provision in the Patriot Act.

The ACLU originally filed the suit against the government on behalf of a coalition of groups that argued that Section 215 of the Patriot Act passed in October 2001 was unconstitutional because it gave wide and secret investigative powers to federal agents to obtain books, records, papers, documents, e-mails and even a DNA sample without notifying the targeted person or group.

The suit was withdrawn on Friday after Congress revised the Patriot Act in March to allow those who receive a demand for records to consult with a lawyer and challenge the demand in court.

"While the reauthorized Patriot Act is far from perfect, we succeeded in stemming the damage from some of the Bush administration's most reckless policies," said Ann Beeson, ACLU's associate legal director, in a statement.

"The ACLU will continue to monitor how the government applies the broad Section 215 power and we will challenge unconstitutional demands on a case-by-case basis," Beeson said.

The Justice Department said it was pleased by the ACLU's action.

"We ... reiterate that the Patriot Act is a legitimate and important tool that has better helped law enforcement fight terrorism while simultaneously protecting our valued civil liberties," Justice spokeswoman Tasia Scolinos told The Associated Press.

Imad Hamad, director of the American-Arab Anti-Discrimination Committee, which was one of the organizations that was included in the suit, said the "withdrawal does not mean total approval of the act or total approval of the provisions.

"We are to keep our eyes wide open as we move forward," he said.

Earlier last month U.S. District Court Judge Denise Page Hood rejected a motion by the government to dismiss the case.

In the 15-page decision issued Sept. 29 that allowed the ACLU to continue its suit, Hood said the civil liberties groups had 30 days to amend its original complaint to address the amendments made by Congress.

HOMELAND RESPONSE:

Chertoff Lays Out Plan To Police Chiefs (GCN)

By Kerri Hostetler, GCN Staff

Government Computer News, October 28, 2006

As the United States faces threats from weapons of mass destruction—radiological, chemical, biological or nuclear—as well as high-consequence international and homegrown plots, the Homeland Security Department is working with state, local, federal and international law enforcement to defend the country from terrorism.

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Homeland Security secretary Michael Chertoff said stopping domestic terrorism threats is best done through shared intelligence, starting at the local level. To ensure that this coordination and collaboration happens, DHS will establish fusion centers, stocked with experts, and will work to grant clearance of classified information more quickly.

Both initiatives are part of the department's effort to take its relationships with major city police chiefs and information sharing to the next level, Chertoff said at the annual International Association of Chiefs of Police conference in Boston last week.

The nation saw how important information sharing is two weeks ago. Chertoff cited the recent incident involving the small airplane crashing into the New York City high rise as a great example of agencies working together. It was not immediately known if the crash was a terrorist attack, but first responders were able to inform officials within DHS of what was happening on site, allowing the department to respond to the situation.

Fusion centers are a step in making this a reality around the country.

"First of all, we are going to build upon some of our early initial effort to establish fusion centers by creating a national network of intelligence fusion centers to support state and local decision-makers, chiefs of police, and state and local intelligence officials," Chertoff said.

The fusion centers will be made up of intelligence personnel from the federal intelligence community, subject matter experts and intelligence analysts and operators of local police departments, DHS officials said.

The goal is to "become more deeply embedded in one another's day-to-day intelligence analysis and operational activity," Chertoff said.

Chertoff said of the fusion centers, " it's important to recognize that these are going to be critical pathways for the sharing of information and expertise across the whole spectrum of concerns we gave in dealing with the possibility of terrorism."

DHS plans to have 20 fusion centers by the end of the fiscal year and up to 35 fusion centers by the end of the next fiscal year. They have already invested $380 million in state-run fusion centers. Some states that have fusion centers include Colorado, Illinois, Maryland and New York.

The Justice Department has issued regulations for the fusion centers.

The agency will also work toward speeding up and broadening the clearance process.

Chertoff also said, "As necessary, we're going to work to be more nimble and quicker in granting top secret and SCI [sensitive compartmented information] clearance for those who do not require that level of classified access."

Also, real-time and strategic information sharing is the thrust behind DHS encouraging state and local law enforcement agencies to provide a list of important officials and institutions in their cities that need access to critical information as quickly as federal officials do.

Chertoff assured the chiefs of police that DHS is here to help.

"We will share information. We will share training. We will share tools. And, we will work as a team to make sure that whether terrorism comes in the airplanes, from across the ocean, or whether it's born in apartment buildings in or cities and towns, we will detect it. We will prevent it. And, we will respond to it effectively in the interest of protecting our families, our friends, our loved ones, and our fellow citizens," Chertoff said.

Airlines Delay In Checking Workers (LAT)

From Newsday

The Los Angeles Times, October 28, 2006

An estimated 50,000 cargo handlers were to be screened by Dec. 1. A federal agency has extended the deadline.

The Transportation Security Administration has rolled back the deadlines for criminal-background checks for tens of thousands of airline workers who handle cargo loaded onto passenger airplanes, saying the industry cannot meet the timetables.

"TSA has concluded that the regulated community will be unable to meet some deadlines in the air cargo final rule because of the large number of employees and agents subject to the requirements," the agency said in a notice published this week.

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The rules were originally slated to go into effect from Oct . 23 to Dec. 1. They require background checks and security training for an estimated 50,000 workers employed by the airlines or by airline contractors handling cargo, said TSA spokesman Darrin Kayser.

Under the new timetables, several deadlines have been pushed back as far as mid-2007. The agency also will open the regulation to a new round of public comment, which could lead to more changes.

Air cargo has long been described as the weak underbelly of aviation security since the packages loaded into planes undergo far less scrutiny than passengers or their luggage. This week, a report card by the Council on Foreign Relations gave cargo security a D-plus.

Several security experts blasted the delays as inexcusable at a time when aviation threats remain high.

"How is it possible that we check everyone in the passenger terminal, but we don't check the people loading cargo on the plane itself?" asked Isaac Yeffet, a former security chief for El Al Israel Airlines and now a private consultant.

Yeffet criticized the TSA for what he called its lack of urgency, citing the recent leaked report that undercover agents were able to smuggle prohibited items past the agency's screeners at Newark International Airport in 20 out of 22 attempts.

"This is not the security that the American people need or deserve," he said.

But TSA officials said they were implementing other programs to beef up air cargo security, including a known-shipper program to distinguish higher-risk cargo, and canine units to sniff for explosives. They defended the changes as "a more realistic timetable" based on the 4,500 responses they received from the industry — a view seconded by air carriers.

John Meenan, executive vice president of the Air Transport Assn., said the new timetable would allow the process "to be completed in an orderly fashion with the full support of the airline industry."

Suspicious Letter Shuts Clinton's Harlem Office (NYT)

By The New York Times

The New York Times, October 28, 2006

Former President Bill Clinton's Harlem office was shut down yesterday afternoon after a woman in the office opened a letter and a suspicious white powder spilled out, the police said.

The substance was later found to be nontoxic, but its discovery led the authorities to evacuate two floors of the building, at 55 West 125th Street, and to decontaminate several workers in the office. Mr. Clinton was not there at the time the substance was found. The police said the letter included a "rambling diatribe."

It was the third time since 2001 that a letter containing a mysterious but nontoxic substance had been sent to Mr. Clinton's office, the police said. The previous substance was determined to be flour, but it was unclear last night what the latest substance was and whether the incident was connected to the previous two.

"Clinton is aware of the situation, but will continue his normal activities," Richard Staropoli, the assistant special agent in charge of the Secret Service in New York, said. "This has not affected the former president or Mrs. Clinton in any way."

Mr. Clinton attended a large birthday party last night at the Gramercy Park Hotel as part of a three-day celebration to raise money for charity. Police and emergency crews were called to the building about 3:45 pm. According to officials, a member of Mr. Clinton's staff called the authorities moments after she opened a package addressed to Mr. Clinton that contained a letter.

At least three people in the office came in direct contact with the powder, though no one was injured.

Substance At Clinton's Office Not Toxic (USAT/AP)

USA Today, October 28, 2006

NEW YORK (AP) — Police and Secret Service agents determined Friday that a suspicious substance found at former President Clinton's office in Manhattan was not toxic.

A staff member opened package delivered to the president's office that contained a white powdery substance and a letter, and called authorities, said Secret Service spokesman Richard Staropoli. He described the letter as a "rambling diatribe."

Clinton was not at the office at the time because he was attending events for his three-day birthday bash, a fundraising event for his foundation. His birthday was in August.

"The situation has not affected the president or Mrs. Clinton in any way whatsoever," Staropoli said.

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Police and emergency crews were called to the Harlem office building around 3:45 p.m. Yellow police tape blocked off the sidewalk in front of the building, but traffic was not disrupted.

Clinton spokesman Jay Carson said the building was not evacuated. He had no other details.

Secret Service spokesman Eric Zahren said a field test on the substance found it to be inert.

Clinton signed a 10-year lease for the 8,300-square-foot penthouse floor of the 14-story building in 2001.

The city's Administration for Children's Services has a field office on four lower floors of the building.

Training Gets Under Way At UCO Forensics Center (OKLA)

By Diana Baldwin, Staff Writer

The Oklahoman, October 28, 2006

EDMOND — Five dozen emergency first responders and bomb technicians throughout the state should be a little safer after learning about homemade bomb factories this week.

The course was one of the first professional continuing education classes offered by the University of Central Oklahoma's newly created Institute for Forensic Science.

Kirk Yeager, an FBI bomb expert, said, "We want to give them an understanding about what they could run across so they can assess the situation and say that something isn't right."

Homemade bombs or improvised explosives are devices made from materials available in the home or that can be easily purchased. Bomb factories are found in garages, trunks of vehicles and motel rooms.

Improvised explosives vary in size and design. They can range from the estimated 4,800-pound fertilizer bomb that resulted in the deaths of 168 people in the 1995 Oklahoma City bombing to the single chemical bomb in the backpack of a University of Oklahoma student that exploded and killed him outside a packed football stadium last fall.

Yeager, a supervisory bomb specialist and forensic examiner at FBI headquarters in Quantico, Va., was one of the instructors for the class held on the Edmond campus. He has been involved in bombing investigations as far away as in Israel, Peru and Turkey. One of his latest assignments was in Great Britain when authorities said they foiled a plot to bomb a U.S.-bound flight. Discovery of the plot caused officials to ban liquids and gels in airline passengers' carry-on bags. He also worked on the case in which three Americans were killed in the Gaza Strip.

Yeager said he shared his worldwide experiences because whatever trends are seen abroad could end up here in the United States.

Ten bomb technicians were among those attending the class also taught by Oklahoma City FBI Special Agent Barry Black. Yeager said the interaction between the first responders and bomb technicians makes for a good situation in the classroom.

"It really enriches the whole experience," Yeager said.

In the field, first responders in instances such as drug raids need to recognize the types of chemicals used to make the explosives, said Black, a bomb technician and training coordinator.

"They need to know enough to take a step back and call the bomb squad," Black said.

With today's violent drug laboratories, Yeager said, many officers are taking a bomb tech with them to the scene.

The goals of the class were to teach recognition of the bombs or chemicals and safe handling.

Training professionals, students Dwight E. Adams, retired director of the FBI lab in Quantico, became the head of the newly created Institute for Forensic Science in July.

The institute provides continuing education for professionals and enhances student education opportunities on campus. Yeager also spoke to student forensic classes this week.

The institute's first class for professionals was held earlier this month for the Oklahoma State Bureau of Investigation on human hair identification.

A recording of this week's class on bomb factories will be available on a DVD to professionals, Adams said. It also will be posted on a law enforcement Internet site. The information will not be distributed publicly because of the sensitive material used by law enforcement officers.

Other professional training sessions for law enforcement officers, forensic scientists and attorneys are planned.

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IU Student Set Up Website For Fake Boarding Passes (WISH)

By Tony Perkins

WISH-TV, October 26, 2006

An IU student's research on airport security has landed him in hot water with federal investigators. He found a way to forge boarding passes, and then put the instructions online.

The student researcher says he wanted to show the Transportation Security Agency that anyone could find their way past a key line of defense.

IU doctoral candidate Christopher Soghoian wanted to prove terrorists can get past security workers on the way to airport gates. He even manufactured a 10-step process that he says makes it "insanely easy" to board a plane.

Soghoian thought that the flaw was significant. Significant enough that he put the information on the Internet. He displayed a fake Northwest Airlines pass that features Osama Bin Laden's name.

He created a ticket in which the most-wanted terrorist suspect flies coach.

Soghoian said anyone could make up a name. He insists airport workers will simply check for ID, scan the barcode at the gate, and let the ticket holder board the plane without any questions.

Indiana Homeland Security chief Eric Dietz disagrees, "Well, I think you can find a number of small loopholes, but you have to look at what it does to the overall system. It takes a piece approach as opposed to a system approach."

Dietz says someone who actually tries to use a fake boarding pass won't get past additional levels of airport security.

"We can have college kids forging drivers licenses, we can certainly can forge a boarding pass. That's why we have defense in depth," Dietz said.

Airline passengers appreciated Soghoian's research but they wished he didn't try to made it public.

"Well, I think anytime you are talking about security, you need to take it to somebody right way. Take it to some police department or something. Never publicize it, never put it out there. If I were to see it on the Internet, that's putting somebody's life in jeopardy, and so forth," Jesus Trujillo from Hagerman, New Mexico said.

"I think they should use their abilities and work with the airlines to make sure things like this don't happen." Jeff Bruns of Hagerstown said.

24 Hour News 8 contacted Soghoian by e-mail, and he responded that he won't talk to reporters about his research until he hires a lawyer.

He says he's received at least one visit from the FBI and a congressman has called for his arrest.

In the meantime, Soghoian's research on forging an airline boarding pass has been taken off-line.

Mayor Expands Search For 9/11 Remains (NYT)

By David W. Dunlap

The New York Times, October 28, 2006

The Bloomberg administration said yesterday that it would cast a net well beyond ground zero, from Broadway to the Hudson River, from the bottom of manholes to the top of nearby skyscrapers, in its search for human remains from Sept. 11, 2001.

The chief medical examiner is to inspect the roofs of the Millenium Hotel and 1 Liberty Plaza, opposite the World Trade Center site. Tiny bone fragments may be found there, mixed in with the stone ballast, as they were atop the former Deutsche Bank building, according to a report prepared for Mayor Michael R. Bloomberg.

Key downtown redevelopment agencies have headquarters in the 53-story Liberty Plaza tower. It is also where victims' family members can visit privately in a room set aside for them on the 20th floor.

The largest potential search site is the four-block-long, 60-foot-wide service road between the trade center pit and West Street. Dozens of bones and bone fragments have been found in the last week and a half in an abandoned, damaged manhole that had been buried under several feet of fill.

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A layer of trade center debris may still exist between the original roadway and the current service road, said the report by David J. Burney, the commissioner of the Department of Design and Construction, and Charles J. Maikish, the executive director of the Lower Manhattan Construction Command Center.

An expanded search may take a year or longer, Deputy Mayor Edward Skyler said. At times, it will require the overnight closing of some lanes of West Street. He said he could not estimate the cost.

"We are going to search high and low for anything we can find," Mr. Skyler said, "and if the result of all this work is only one more remain or one more piece of personal property, it will still have been worth it."

Family members said the proposed measures did not go far enough. For instance, they said workers ought to dig up the whole service road rather than conduct exploratory excavations as recommended. And they called again for the city to relinquish its role to the federal Joint P.O.W.-M.I.A. Accounting Command, which recovers and identifies service members who have been killed in action.

"Doing more of the same wrong thing in a larger area cannot serve any useful purpose," said Sally Regenhard. She has yet to recover her son, Christian, who was killed in the 2001 terrorist attack.

But Mr. Skyler said the city had the experience and the forensic anthropologists needed to do the job, including two veterans of the accounting command. "The same expertise that JPAC would bring to the table, the city has," he said.

Another site where trade center debris may be found, the report said, is the small block between Liberty and Cedar Streets. St. Nicholas Greek Orthodox Church stood there until 9/11, when it was destroyed by the collapse of 2 World Trade Center. No buildings are there now.

Inspection is also warranted, the report said, at Fiterman Hall, a badly damaged building north of ground zero that is to be demolished, and 130 Cedar Street, south of ground zero, which is to be renovated.

The report called for the visual inspection of as many as 500 subterranean structures — manholes, service boxes, valve chambers and cable-splicing chambers — between Broadway and the Hudson River and Barclay and Albany Streets. If trade center debris is found, the report said, the chief medical examiner should be called in to sift it.

Mayor Bloomberg went further and said that any extraneous material, like silt, should be removed and sifted by the medical examiner. He accepted the rest of the report.

Follow The Money (WSJ)

By Ted Frank

The Wall Street Journal, October 28, 2006

The trial lawyers have now enlisted themselves in the war against terror. One can imagine a parody -- a team of wing-tipped attorneys parachuting into the wilds of Afghanistan, armed with subpoenas forcing Osama bin Laden to produce all relevant documents and secure his attendance at a 20-day videotaped deposition (damn the Geneva Conventions against torture). The legal and photocopying bills alone crush al Qaeda.

The reality is more prosaic, and less amusing. For just as Willie Sutton legendarily said he robbed banks "because that's where the money is," plaintiffs' attorneys are weaving creative legal theories to hold legitimate third parties liable for the intentional acts of terrorists. This friendly fire could end up doing almost as much financial damage as the terrorists themselves, with the lawyers getting rich in the process.

The roots of this folly are in the 1970s, when many state courts began to decide that the intentional acts of criminals shouldn't bar plaintiffs from collecting money from others with deeper pockets. So if you are carjacked -- sue the parking- lot owner. Most legislatures have yet to reverse this radical legal change.

Thus trial lawyers, thanks to New York Supreme Court Justice Nicholas Figueroa's generous rulings and jury instructions, persuaded a jury in October last year that the terrorists who planted a truck bomb in the World Trade Center garage in 1993 were only 32% responsible, while the Port Authority of New York and New Jersey was 68% responsible -- and therefore, under New York law, wholly on the hook for $1.8 billion in damages.

After 9/11, lawsuits would have bankrupted several corporate victims of the attacks were it not for a $7 billion, taxpayer-funded bailout of potential plaintiffs. Even so, several dozen claimants opted for litigation. Naturally, their lawyers have sued

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everyone from the airlines to Boeing to Motorola to New York City. Many of these cases are still in pre-trial proceedings. Attorneys are asking for billions of dollars in damages.

Banks are not immune from terrorist-related lawsuits, either. They're getting hauled into court because of who has accounts at their institutions.

Federal laws permit parties injured by an act of terrorism to recover treble damages and attorneys' fees in civil suits against terrorists. Fair enough. But an act of terrorism may also include "knowingly providing material support or resources to a foreign terrorist organization." The vagueness and breadth of this language is the source of the mischief: Following the 9/11 attacks, the U.S. started cracking down on front organizations for Islamic terror groups that posed as charities; and some of these faux-charities had accounts at international banks. Bingo. Lawsuits are pending now that claim, in effect, that the banks should have known then what the U.S. government did not decide until years later.

For example, on Aug. 22, 2003, the U.S. designated Interpal and Comité de Bienfaisance pour la Solidarité avec la Palestine (CBSP), among others, as international terrorist organizations. These two outfits channeled funds to the Orwellian-named "Union of the Good" militant group, which in turn supported Hamas. Three days before the designation, on Aug. 19, 2003, a Hamas suicide bomber, Raed Abdul Hamid Misk, blew himself up on the Egged No. 2 bus in Jerusalem, killing and wounding dozens.

The American victims and their families have sued over this and other attacks; but they have not sued Misk -- who, now beyond earthly jurisdiction, will have to answer to a higher authority -- nor Hamas, nor "Union of the Good," nor even Interpal or CBSP. Rather, the families are suing NatWest Bank,where Interpal happened to hold some of their bank accounts, and Credit Lyonnais, which once held CBSP money.

The complaint against Credit Lyonnais filed earlier this year spends most of its 79 pages listing heinous acts of Hamas and their consequences. So what does this have to do with Crédit Lyonnais? A small section of the complaint claims that Credit Lyonnais was supposed to be monitoring Al Jazeera in case an official for one of its customers, such as CBSP, said something incriminating. Perversely, the fact that Credit Lyonnais reported suspicious banking activity to regulators is supposed to be evidence that the banks "knew" that the two charities were supporting terrorism.

The plaintiffs make much of the fact that Israel designated CBSP and Interpal unlawful organizations in the late 1990s. But the U.S. did not until 2003 -- and France and Britain have yet to do so, despite extensive investigation. The banking system will grind to a halt if a bank must scrutinize every customer to the degree plaintiffs argue should have been done for CBSP and Interpal -- a degree of scrutiny greater than their own home countries have established.

France and Britain may well be wrong to assess these Hamas-affiliated organizations as "humanitarian": Money is fungible, and Hamas can readily shift its own funds from feeding constituents to making bombs. But criminal prosecutors, not contingency-fee-hunting trial lawyers, should chase terrorist financing. The latter are more interested in wealth than guilt: Trial lawyers have every motivation to attempt to attach blame to the deepest and most readily available pocket instead of the actual culpable parties. Nor do they bear the diplomatic consequences for the U.S. when they baselessly tread upon the wrong toes.

Both NatWest Bank and Credit Lyonnais filed motions before Judge Charles Sifton of the Eastern District of New York to dismiss the cases against them. In vain: The lawsuits go forward and are in the pre-trial discovery stage.

If courts are not going to apply the antiterrorism laws sensibly, Congress should amend them to make clear that civil liability is limited to those who commit criminal acts of international terrorism, and those who aid and abet with specific intent to commit terror. Otherwise, terrorists can damage the global economy simply by inducing fratricidal litigation.

Mr. Frank is a resident fellow at the American Enterprise Institute and director of the AEI Liability Project. He blogs at PointOfLaw.com1.

WAR NEWS:

Iraqi Prime Minister Criticizes U.S. Policy (LAT)

By Borzou Daragahi, Times Staff Writer

The Los Angeles Times, October 28, 2006

DOJ_NMG_0088402

Baghdad, Iraq — The Iraqi prime minister sharply criticized U.S. policy Friday during a private meeting with the U.S. ambassador, pointing to America's failure to either reduce violence or give his government authority over security matters.

The criticism in private was the latest example of tension between the two governments and stood in stark contrast with a joint public statement issued after the meeting.

In the statement, Prime Minister Nouri al-Maliki and the U.S. Embassy said they had agreed to unspecified "timelines" to make tough political and security decisions on the country's future.

Privately, however, al-Maliki criticized what he called the patronizing U.S. tone toward the Iraqi government and warned U.S. Ambassador Zalmay Khalilzad to respect Iraq's sovereignty, according to two of the prime minister's advisers.

"I'm a friend to the United States, but not America's man in Iraq," al-Maliki told Khalilzad, according to Hassan al-Senaid, one of the prime minister's closest advisers.

Previously, al-Maliki had vehemently rejected the notion of deadlines for his government to achieve key goals, but the statement said "the Iraqi government has made clear the issues that must be resolved with timelines for them to take positive steps forward on behalf of the Iraqi people."

The statement said "Iraq and the United States are committed to working together to respond to the needs of the people." It affirmed that America "will continue to stand by the Iraqi government" amid rumors Washington may be seeking alternatives to Baghdad's current Shiite-led administration.

Al-Maliki's supporters downplayed the reference to timelines as insignificant, saying they were meant as rough guidelines to hand security over to Iraqis.

U.S. officials in Baghdad could not be reached for comment.

Following days of back-and-forth recriminations, the contrast between private criticism and the public statement brought into sharper focus a dispute that may have already undermined the Shiite-led government and increased friction between America and the country's majority sect.

Khalilzad is at odds with al-Maliki on how to address the Shiite militias wreaking havoc on large parts of the country. Khalilzad last year convinced Sunni Arabs now victimized by the militias to enter the government. The ambassador has insisted that the Shiite armed groups and Sunni Arab insurgents be treated similarly.

Al-Maliki draws political support from the groups backing militias. He says they should be drawn into the political process and disarmed peacefully. U.S. military and political officials have grown frustrated over perceived Iraqi government inaction on militias, now deemed by Americans as the No. 1 impetus of sectarian violence.

Khalilzad told reporters Tuesday that Iraqis must "achieve key political and security milestones" by certain deadlines, or face unspecified consequences. But he was rebuffed by both al-Maliki and U.S. Defense Secretary Donald H. Rumsfeld, who told critics to "back off" making unreasonable demands of the five-month-old Iraqi government.

Al-Maliki's inner circle, huddled in a late-night briefing, said the prime minister would call President Bush on Saturday to clear the air about what the government views as unproductive interference on the part of U.S. officials in Baghdad.

"Khalilzad's demand for a timetable was clear interference with the sovereignty of the Iraqi government," said Nada Sudani, a member of parliament who belongs to al-Maliki's Dawa Party. "Maliki rejects any exterior body giving a timeline for the performance of the Iraqi government."

Prickly truths underlie the squabbling and confusion: Al-Maliki's government has lost public backers over five months of car bombs, death squad slayings and economic misery, and increasingly relies for support on narrow cliques of Islamist political parties, including the radical movement of cleric Muqtada al-Sadr.

The U.S. government, undertaking a massive nation-building project while fighting off a ferocious insurgency, has little choice but to back al-Maliki's Iranian-influenced Shiite government. Any U.S. move against al-Maliki could spark even greater violence and anti-American animosity.

Al-Maliki has demanded that Americans let him try to politically co-opt al-Sadr, who has gone from a rabble-rousing street firebrand in the early days after the U.S. invasion to one of the most powerful figures in the country with 30 seats in parliament and control over several key ministries.

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There have been numerous signs that al-Sadr himself has tired of the most troublesome of his self-styled loyalists. During prayers Friday in the southern city of Kufa, al-Sadr's principal pulpit, his deputy denounced recent violence in Iraq caused by "people who violated and stood against the wise and honorable leadership" of the young cleric.

"If you would ever fail to comply with (his orders), then I frankly tell you that you will regret it, and you'd rather die," warned Sheik Jabir Khafaji, one of Sadr's chief advisers.

Among his followers' alleged misdeeds was the Monday night abduction of a U.S. soldier of Iraqi descent. The Iraqi family of the missing army translator issued an appeal for his release as U.S. soldiers continued a days-long crackdown on the volatile Sadr City where they suspect he's being held, according to Iraq's Al-Sharqiya television.

Witnesses said U.S. forces raided schools, mosques and homes over the last few days in search of the missing soldier.

Al-Sharqiya television said the missing soldier's name is Ahmad Qusai Tai. He was taken from a home in central Baghdad on Monday night after he left the Green Zone to spend Muslim holidays with relatives in the capital.

Tai's mother, according to an Al-Sharqiya interview, has pleaded for his captors to treat him with mercy and return him to his family.

Sadr City is a stronghold of bands of al-Sadr's self-described followers, who call themselves the al-Mahdi army. Al-Sadr launched the organization as a tool to mobilize and organize Shiites who are poor, young and pious.

But U.S. and Iraqi officials suspect splinter groups under no central authority have begun using the al-Mahdi army as a cover for various forms of criminal activity, including wanton targeting of Sunni Arab men.

Al-Sadr has ordered followers to refrain from violence during the latest U.S. raids, and for the most part Friday, the command held. "The Mahdi army members are restraining themselves," said Qahtan Sudani, a 28-year-old Sadr City resident and follower of the movement. "It's Muqtada's' orders that confrontation with the occupier will be through peaceful methods."

At least one U.S. soldier was reported killed Friday, bringing the number of American troops killed in Iraq so far this month to 97, the highest number for any single month since January 2005. The soldier, assigned to the 3rd Brigade of the 1st Cavalry Division, died of wounds sustained in combat in Diyala province Thursday.

A special correspondent in Baghdad contributed to this report.

Fighting Split, U.S. And Iraq Renew Vow To Work For Peace (NYT)

By John F. Burns

The New York Times, October 28, 2006

BAGHDAD, Oct. 27 — With recent events in Iraq causing growing strains between the Bush administration and the Iraqi government, the two governments issued a tautly worded statement through the American Embassy in Baghdad on Friday renewing their commitment to work together for peace and security in Iraq.

The statement, remarkable for the fact that the two governments found it necessary, followed a meeting between Prime Minister Nuri Kamal al-Maliki and Zalmay Khalilzad, the American ambassador. The three-paragraph joint statement issued afterward appeared aimed at tamping down frictions between the governments while countering a growing perception in Baghdad and Washington that the increasingly grim situation here is driving a wedge between them.

The statement said Mr. Maliki and Mr. Khalilzad — who have meet regularly during Mr. Maliki's six months in office — "were pleased to meet today to discuss our ongoing efforts to bring peace and security to Iraq and create a better future for all Iraqis." Usually, meetings between the two men, with offices close to each other in Baghdad's Green Zone government compound, are not the subject of official announcements.

"While we recognize the difficulties, we know that our continued partnership and strategic alliance will allow us to meet the challenges facing Iraq," the statement said. "The United States will continue to stand by the Iraqi government, and the Iraqi government welcomes the support of the United States as it moves forward with plans for national reconciliation, economic progress and the strengthening of the Iraqi security forces."

The statement concluded: "The government of Iraq is committed to a good and strong relationship with the U.S. government to work together toward a democratic, stable Iraq, and to confront the terrorist challenges in light of the strategic alliance between the two countries."

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The statement followed an outburst on Wednesday in which Mr. Maliki spoke out forcefully against the idea of American-imposed benchmarks or timelines for action on the most critical issues dividing the Shiite, Sunni and Kurdish populations. The benchmarks have been pushed by the Bush administration as a means of pulling the country back from the brink of civil war.

But Mr. Maliki astonished American officials here by saying Wednesday that "this is an elected government and no one has the right to set a timetable for it." He spoke 24 hours after Mr. Khalilzad and Gen. George W. Casey Jr., the top American commander in Iraq, had spoken of a timeline for action on the toughest issues as a centerpiece of a joint Iraqi and American strategy for winning the war.

In Washington, President Bush and Defense Secretary Donald H. Rumsfeld have both sought to calm the political storm in Baghdad. At his news conference on Wednesday, Mr. Bush said American officials were "working with the Iraqi government to have certain benchmarks to meet as a way to determine whether or not they are making the hard decisions necessary to achieve peace."

But he said Mr. Maliki was right in his insistence on Iraq's right to make its own decisions. "This is a sovereign government," he said. At a Pentagon news conference on Thursday, Mr. Rumsfeld said the idea of benchmarks did not involve fixed deadlines or penalties for the Iraqis.

The issues outlined by Mr. Khalilzad and General Casey defined the struggle for political and economic power that is tearing at the fragile coalition of Shiites, Sunnis and Kurds that make up the Maliki government. They include the role of the Shiite militias, which have played a widening role in the bloodshed across the country, the division of oil revenues and the balance to be struck between holding officials of Saddam Hussein's government accountable and opening the door to rehabilitation.

Days before Mr. Maliki's outburst, American officials handed out what they described as a "notional political timetable" setting out a series of deadlines for legislative and executive actions. The timetable ran from September this year through March 2007, and Mr. Khalilzad said it had been drawn up in consultation with the Maliki government.

High on the list was the passage of laws governing the disarming of militias, an amnesty for certain fighters and a program for reintegrating militia members into civilian life.

The dispute over benchmarks reflects a deeper divide between the religious Shiite parties and the Americans, who were once seen by the Shiites as a partner in wresting power from the Sunni minority through elections. But the Americans have become increasingly unpopular with the Shiites as they have pushed plans for a reconciliation with the Sunnis, which the Americans hope would dampen the Sunni insurgency.

But Shiites have chafed at the American push for reconciliation, in particular with the role played by Mr. Khalilzad, who is a Sunni Muslim. In recent weeks, Mr. Maliki and other high-ranking Shiites have begun to chafe at American military control of the new Iraqi Army, and have grown increasingly bitter over American statements identifying Shiite militias as equally responsible with the Sunni insurgents for the violence here.

One of the most senior Shiite government officials, Adel Abdul-Mahdi, a vice president, told reporters in the southern city of Najaf on Friday that the American focus on disbanding the militias was misplaced.

"There are some attempts to advance the fight against the militias and delay the fight against terrorism and the insurgency," he said after meeting with Iraq's most revered Shiite cleric, Grand Ayatollah Ali al-Sistani. "We warn of the dangers of these attempts."

For the second time this week, American troops rolled in force into the stronghold of radical Shiite cleric Moktada al-Sadr's Mahdi Army on Friday in search of a missing American soldier, but this time withdrew without clashing with fighters there, authorities said.

Search For U.S. Soldier Spurs Sadr City Battles (WP)

By John Ward Anderson, Washington Post Foreign Service

The Washington Post, October 28, 2006

Translator's Brother Was Freed, Premier Says

BAGHDAD, Oct. 27 -- U.S. and Iraqi forces returned to Sadr City on Friday to search the Shiite Muslim slum for a missing U.S. soldier, occasionally engaging in gun battles with members of local militias during their hunt.

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The soldier, an Iraqi-born translator whose name has not been released, was abducted by gunmen in Karrada, a middle-class Shiite neighborhood in central Baghdad, while visiting relatives on Monday, the start of the Muslim holiday of Eid al-Fitr, according to the U.S. military. U.S. soldiers rarely, if ever, are allowed to wander alone on the streets of Baghdad, and the visit had not been approved, military officials said.

U.S. and Iraqi forces have conducted an intense hunt across Baghdad, searching cars at checkpoints, going door to door and raiding areas where they think he might be held.

In an interview with [a] news service Thursday, Iraqi Prime Minister Nouri al-Maliki said the soldier's brother was kidnapped with him but had been released.

"The brother who was released said he had been abducted by the Mahdi Army," Maliki said, referring to the militia headed by Moqtada al-Sadr, an anti-U.S. cleric. "But we don't know what the Mahdi Army means anymore."

The militia, which has clashed with U.S. troops on several occasions, is accused of being behind death squads that have slaughtered thousands of Sunni Arabs. Many analysts say they believe that rogue units of the militia may no longer be under Sadr's control, and Maliki said in the interview that some Sunnis now operate in the name of the Mahdi Army.

Sadr's political movement is a key member of Maliki's governing Shiite coalition, and U.S. officials have expressed frustration that he has not done more to disarm the group.

"We asked the Sadr movement to look" for the missing soldier, Maliki said, "and they swear they know nothing."

On Wednesday, U.S. troops launched two raids in Sadr City, a teeming Baghdad slum and home to 2.5 million Shiites, many of whom are Sadr loyalists.

Maliki said in the ... interview that the target of Wednesday's U.S. operation was Abu Deraa, who is considered a death squad leader responsible for killing scores of Sunnis. It was unclear whether Abu Deraa is a suspect in the kidnapping of the U.S. soldier, and U.S. officials declined to comment.

"We are conducting operations in search of the soldier, but there are many other operations as well, and we don't want to identify any people as targets" because it could tip them off, said Lt. Col. Christopher C. Garver, a U.S. military spokesman.

On Thursday, U.S. soldiers blocked entrances to Sadr City with armored vehicles, sandbags and concertina wire. Traffic backed up in both directions for hours as soldiers waved cars through one at a time for searches.

"They turned Sadr City to hell these last three days," said Abdul Hameed Swadi, waiting in the jam of cars outside one of the bridges into Sadr City.

"Why are we waiting like this?" a woman cloaked in a black robe yelled to an Iraqi soldier standing with the Americans.

"It's an order from the Americans," the Iraqi soldier said.

"You are in the Iraqi army," she yelled back. "What kind of army are you?"

An Iraqi Interior Ministry spokesman said the Friday incursion into Sadr City targeted the Zahraa mosque and Hakim High School. He said gunfights erupted between members of the Mahdi Army and U.S. troops, and that U.S. planes targeted the two buildings and destroyed them. He said it was unclear whether there were casualties. The account could not be independently verified.

Meanwhile, in an apparent effort to tamp down reports of disagreement between the United States and Iraq over timelines and benchmarks for progress in Iraq, Maliki and U.S. Ambassador Zalmay Khalilzad issued a rare joint news release late Friday, saying they were "committed to working together to respond to the needs of the people."

"The Iraqi government has made clear the issues that must be resolved with timelines for them to take positive steps forward on behalf of the Iraqi people," the statement said, without elaborating on what issues would be subject to timelines. Maliki had previously said he did not want timelines imposed on his government by the United States.

Also Friday, the U.S. military announced that a soldier who was killed in Diyala province on Thursday was the 97th U.S. fatality of the month, making October the deadliest month for U.S. forces in Iraq since January 2005, when 106 service members died.

Correspondent Ellen Knickmeyer and Washington Post staff in Kirkuk and Baghdad contributed to this report.

U.S., Iraq Affirm 'Good, Strong' Ties (WT/AP)

DOJ_NMG_0088406

By Steven R. Hurst, Associated Press

The Washington Times, October 28, 2006

BAGHDAD -- The American ambassador and Iraqi prime minister issued a rare joint statement yesterday in which Iraq reaffirmed its commitment to a "good and strong" relationship with Washington -- a bid to dampen speculation about souring ties less than two weeks before U.S. midterm elections.

The statement followed a tense week in U.S.-Iraqi relations, as Washington has stepped up pressure on Prime Minister Nouri al-Maliki to crack down on Shi'ite militias and death squads behind a wave of sectarian killings. Mr. al-Maliki, whose political standing is beholden to the two main militias, has repeatedly said he would disband "illegal armed groups" but so far has taken little action.

On Tuesday, U.S. Ambassador Zalmay Khalilzad announced the centerpiece of the Bush administration's new strategy: The establishment of a timeline to curb violence and solve other Iraqi problems. He said Mr. al-Maliki had agreed to the plan.

But over the next two days, Mr. al-Maliki publicly and heatedly said that he saw imposition of timelines as an infringement on Iraqi sovereignty. Then he said that the timeline program was a product of U.S. electoral politics.

The White House on Thursday said Mr. al-Maliki's comments were taken out of context. But hours later, the Iraqi leader reissued the same complaint, unambiguously in an interview with British journalists.

Yesterday's joint statement was issued in English on a U.S. Embassy letterhead and in Arabic by the prime minister's office after Mr. Khalilzad and Mr. al-Maliki held an unannounced meeting earlier in the day.

It said the "Iraqi government has made clear the issues that must be resolved with timelines."

Language in the statement suggested a clear attempt to dampen further speculation about a fraying of ties between the two governments.

"The government of Iraq is committed to a good and strong relationship with the U.S. government to work together toward a democratic, stable Iraq, and to confront the terrorist challenges in light of the strategic alliance between the two countries," it said.

Baghdad has been awash with speculation that the Bush administration was preparing to dump Mr. al-Maliki, who was the compromise candidate for prime minister from among the dominant Shi'ite Muslims in parliament. His government has been in power five months.

In an apparent bid to squelch such talk, the statement said, "The United States will continue to stand by the Iraqi government."

The U.S. military yesterday announced the death of a soldier in combat in Diyala province northeast of Baghdad, raising to 97 the number of American troops killed in Iraq during October, now the fourth-deadliest month since the war began in 2003.

The soldier, assigned to the 3rd Brigade Combat Team, 1st Cavalry Division, was wounded in combat Thursday "and later died of wounds," the military said.

Baghdad's post-Ramadan calm held into a fifth day, as a flood of U.S. troops continued combing dangerous neighborhoods for a kidnapped American soldier, whose Iraqi family yesterday issued a plea for mercy.

There were only two reported violent deaths in the capital and eight elsewhere in the country. But authorities in Suwayrah and Kut, south of Baghdad, reported pulling nine more bodies from the Tigris River, tortured and fatally shot.

The U.S. military refused to confirm the identity of the kidnapped U.S. soldier, after the independent Sharqiyah TV channel said he was Ahmed Qusai al-Taayie, a naturalized American born in Iraq. The television station said his mother asked his captors to show him mercy as a fellow Muslim.

The quiet in Baghdad, which has proven illusive over the longer term, followed a day of bloody house-to-house fighting that killed 43 persons outside a chaotic city to the north.

The battle between Sunni insurgents and Iraqi police near Baqouba, 35 miles northeast of Baghdad, killed one civilian and 24 police. U.S. troops later joined the fight, aiding in a counterattack in which 18 insurgents died, eight were wounded and 27 captured, the military said.

In Baghdad, A Sudden Chance To Play (WP)

DOJ_NMG_0088407

By Ellen Knickmeyer, Washington Post Foreign Service

The Washington Post, October 28, 2006

Lull in Violence During Holiday Frees Families Long Confined by Fear

BAGHDAD, Oct. 27 -- Maybe it was because this week was the Islamic holiday Eid al-Fitr, and even killers have to stay home with their families once a year. Maybe it was because a massive American operation had shut down some of Baghdad's most dangerous neighborhoods, and U.S. soldiers with M-16 rifles were opening car trunks, favorite places for killers to stash their guns, bombs and struggling kidnap victims.

For the people of Baghdad, death took something of a holiday this week. By Thursday, U.S. and Iraqi military commanders were staring at murder rates that had fallen by half since Monday. On Thursday, Baghdad logged only one man killed by one bomb, the government said. It made for marveling.

"Quietest day in months," said Brig. Abdul-Karim Khalaf, a spokesman for the Interior Ministry. "Still quiet," Khalaf said Friday.

On Monday, as the week-long holiday began, Ali Rahad and his co-workers pushed open the rusty gates of the Tofaha amusement park, gingerly, as an experiment. Tofaha -- the name means "apple" -- last opened for business almost exactly a year ago, on the previous Eid holiday.

Tofaha has only aged swings, slides with the shine long worn off and heavy merry-go-rounds, on a city lot with the grass worn to dirt by children's feet. But it's one of the few places where families might conceivably go -- Baghdad has few public parks, and many of the riverbanks where people used to picnic have been blocked off by the concrete blast walls of Iraqi and U.S. military bases.

So people at the park were hopeful. On Monday, Rahad, who runs a shooting gallery at Tofaha, waited. And waited. "Nobody came," the gangly 20-year-old said. Unsure if the quiet would last, Baghdad's people were still afraid, he said.

Eid marks the end of a demanding month of dawn-to-dusk fasting for Muslims. Families normally pass the holiday boisterously, traveling to see relatives and taking to the streets to parade in newly received finery.

But since last year's holiday, the streets have been rendered largely deserted by a surge of Shiite and Sunni gunmen. The street outside the amusement park is pitted from bombs, and shops are shuttered. The neighborhood, Radill, is just outside Sadr City, a Shiite enclave where death squads hide.

"All the families are suffering," Rahad said. "The kids are small, they forget what's going on. They don't understand why there are explosions and killing, and why they have to be jailed in their houses."

By Wednesday, people were venturing out. On Thursday morning, in a neighborhood near the amusement park, shop owner Allah Abdul Hussein consulted with his wife as he looked at their cooped-up 2-year-old daughter, Nour.

Hussein and his wife considered: Tofaha traditionally had drawn both Sunni and Shiite families; maybe that would protect it from bombs by either side. By midday, Hussein and his wife dared. They put Nour in the car and went to the park.

"Because nothing happened today, I brought them here, to have fun," Hussein said. A solemn Nour, in a new dress with a ruffled heart spread across the bodice, held his hand. Cowed, she looked up at the green helium balloon tied to her other hand and looming over her, bigger than her body.

In Hilla, a city about 60 miles south of Baghdad, Mohammed Salman, a 32-year-old former government employee laid off when the war began, got word that Tofaha was open for Eid. Hilla has had so many bombs, Salman said, that there was no place left for his children to play. "They were crying in the house, begging me to take them out," he said. "It's Eid, it's Eid, we must go," his son told him. So Salman drove them to Tofaha.

At Tofaha, younger children sat stiffly on swings and on the saddles of merry-go-rounds. Play was something that had grown unfamiliar to them.

Twelve-year-old Maisa Mohammed moved among them in a holiday ensemble of heels and a blue chiffon gown, with purple sunglasses and, in her hair, an orange ostrich plume. She had come here Tuesday and Wednesday as well.

Older children like Maisa helped younger ones climb ladders to slides and taught them to pump their legs on swings. "I was dreaming to come here, to play," Maisa said. Except for school, she said, she hadn't been out since last Eid.

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Five-year-old Mutaz clung, unsmiling and unmoving, to his grandmother each time she put him on a piece of playground equipment. His mother, Dunya Abdul Rahman, 34, scrunched her face when asked the last time she had taken Mutaz outside the house. "Phoooh!" Rahman exclaimed, trying to think. "Six months."

"I am afraid someone will kidnap him, kill him," Rahman said. "He is the only son I have. I cannot even send him to school."

"Tell them in America about the children in Iraq," Rahman said, her hair awry, her eyes haunted. "Tell them about the children in prison."

The park would be open only another day, through the end of Eid on Friday. No one was counting on the decline in killing to continue. The American operation that shut down normal traffic in Shiite neighborhoods was temporary, part of a search for a kidnapped American soldier.

U.S. military officers played down the notion that their troops' increased operations and the sealing off of Sadr City had contributed to the drop in violence, saying it was a normal calm for Eid. "We can't cordon off Iraq," said Col. Nelson McCouch, a public affairs officer in Baghdad.

At Tofaha, younger children started smiling, yelling, shouting one another's names across the playground as the afternoon wore on. Rahad oversaw a line of boys at his shooting gallery, clustering for a shot at the bull's-eye with wooden-stock rifles, real military weapons stripped of their ammunition clips.

"We are having fun!" shouted Mariam and Batool, two next-door neighbors, answering questions as they soared on swings, their hair flying. "We are not afraid!"

Hussein was. He pulled Nour out of the park. "We're leaving fast, while it's still safe," he said.

At the slide, the children who remained broke into smiles each time their feet landed in the dirt at the bottom. They huddled there for a second before running off, overcome by excitement. Maisa, her orange ostrich plume still high, slid again and again. She stored up the exhilaration that would take her through to next Eid, if war didn't overtake her.

"One time, in a year," Maisa said. "Every year."

Special correspondent Naseer Nouri contributed to this report.

U.S. Citizen Won't Be Handed To Iraq, Federal Court Says (WP/AP)

Associated Press

The Washington Post, October 28, 2006

A U.S. citizen who was sentenced to death by an Iraqi court this month will not be handed over by the U.S. military until the Supreme Court hears his case, a federal appeals court ruled yesterday.

An Iraqi judge found Mohammad Munaf guilty of helping in the 2005 kidnapping of three Romanian journalists in Baghdad. Munaf, who was born in Iraq and became a U.S. citizen in 2000, said his trial was flawed and his confession coerced.

Since his arrest in May 2005 near Baghdad, Munaf has been held at Camp Cropper, where the U.S. military keeps high-value detainees, on behalf of Multinational Force-Iraq.

In Washington, U.S. District Judge Royce Lamberth ruled that he has no authority to intervene because Munaf, 53, was being held by coalition military forces.

Yesterday, the U.S. Court of Appeals for the D.C. Circuit also declined to step in. The court said that the military must give Munaf 10 days to appeal to the Supreme Court and wait for it to rule before transferring him to Iraqi officials.

U.S. Finds Too Many KBR Reports 'Proprietary' (WP)

By Griff Witte, Washington Post Staff Writer

The Washington Post, October 28, 2006

A Halliburton Co. subsidiary is abusing federal regulations by marking nearly all information it gives to the government about its operations in Iraq "proprietary," a practice that promotes unnecessary secrecy and could hurt competition, according to a report released yesterday by U.S. auditors.

Under federal law, contractors are allowed to mark some documents proprietary, especially when they are bidding on a deal. But auditors for the Special Inspector General for Iraq Reconstruction found Halliburton subsidiary KBR Inc. was using that stamp even with such basic records as daily head counts of how many people ate at the company's dining facilities. KBR is the

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Pentagon's largest contractor in Iraq, providing logistics support for the Army including meals, fuel, laundry service and base construction.

Auditors concluded that the company's actions represent "an abuse" of the Federal Acquisition Regulation, the set of rules for government contracts.

In effect, the report said, KBR has turned contracting rules "designed to protect truly proprietary information and to enhance procurement competition . . . into a mechanism to prevent the government from releasing normally transparent information, thus potentially hindering competition and oversight."

In a written response, Halliburton spokeswoman Cathy Mann said that using the proprietary stamp was "not only encouraged, but required" by the Army.

"KBR has included proprietary markings on the majority of its data and property in support of its government contracts for the U.S. Army for at least the last decade," Mann said.

According to the report, Army officials are working on ways to get KBR to cut down on the practice.

KBR and the Defense Department were both criticized last year after it came to light that the company had advised Pentagon officials to heavily redact a series of unfavorable audits before they were delivered to United Nations monitors. The Pentagon complied.

Sen. Byron L. Dorgan (D-N.D.), who has conducted a series of hearings on contractor abuses as chair of the Democratic Policy Committee, said yesterday that he had been denied information about KBR's operations in Iraq because it had been deemed proprietary.

"The American people don't have access to information that should be made available," Dorgan said.

But Stan Soloway, who leads a contractor trade group called the Professional Services Council, said it was not unusual for a company to want to protect information that could give it an edge over other firms. That's particularly true for KBR, which Soloway said has had proprietary information leak out. "This is a company that's been once burned and is going to be twice shy," he said. "To say this is abuse is an overreach."

Report Says Iraq Contractor Is Hiding Data From U.S. (NYT)

By James Glanz And Floyd Norris

The New York Times, October 28, 2006

A Halliburton subsidiary that has been subjected to numerous investigations for billions of dollars of contracts it has received for work in Iraq has systematically misused federal rules to withhold basic information on its practices from American officials, a federal oversight agency said yesterday.

The contracts awarded to the company, KBR, formerly named Kellogg Brown & Root, are for housing, food, fuel and other necessities to American troops and government officials in Iraq, and for restoring that country's crucial oil infrastructure. The contracts total about $20 billion.

The oversight agency, the Office of the Special Inspector General for Iraq Reconstruction, said KBR refused to disclose information as basic as how many people are fed each day in its dining facilities and how many gallons of fuel are delivered to foreign embassies in Iraq, claiming that the data was proprietary, meaning it would unfairly help its business competitors.

Although KBR has been subjected to a growing number of specific investigations and paid substantial fines, this marks the first time the federal government has weighed in and accused it of systematically engaging in a practice aimed at veiling its business practices in Iraq.

The allegations come at a critical time for the company, as Halliburton is attempting to spin off the subsidiary. And in July, the Army announced that it would terminate KBR's largest contract with the government, and the company says that it will compete to regain some of that business when the government calls for new bids.

Proprietary information is protected by the so-called federal acquisition regulations, known as FAR. But the agency said KBR routinely stamped nearly all of the data it collects on its work as proprietary, impeding not only the investigations into the company's activities but also things as simple as managerial oversight of the work.

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"The use of proprietary data markings on reports and information submitted by KBR to the government is an abuse of the FAR and the procurement system," says a memo released yesterday by the special inspector general.

As a result, the memo said, "KBR is not protecting its own data, but is in many instances inappropriately restricting the government's use of information that KBR is required to gather for the government."

The specific examples cited by the inspector general are taken from an $18 billion contract called the Logistics Civil Augmentation Program, informally known as Logcap, under which KBR provides food, fuel, housing, recreational facilities and laundry and other services to American troops, government officials and other contractors in Iraq.

A spokeswoman for Halliburton, Cathy Mann, did not dispute the company's extensive use of the proprietary label but said, "KBR has included proprietary markings on the majority of its data and property in support of its government contracts for the U.S. Army for at least the last decade."

That assertion could not immediately be confirmed with the Army. But in its memo, the inspector general's office said that during the course of its investigation, both Pentagon auditors and Army contracting officers shared serious concerns about the practice.

And a statement released late yesterday by the Army Sustainment Command in Rock Island, Ill., said that it had "implemented corrective actions relative to the concerns raised" in the memo.

Ms. Mann added that KBR believed that the use of proprietary markings in work for the United States government "is not only encouraged, but required" by federal laws restricting the diffusion of American trade secrets abroad.

With the release of the new memo, that argument is unlikely to gain much traction with members of Congress, federal investigators and the numerous critics who have been calling for access to information on KBR's work in Iraq almost since the invasion ended.

"The arrogance is astounding on the part of KBR," said William L. Nash, a retired Army major general who is a senior fellow at the Council on Foreign Relations and an expert on post-conflict zones. "It's time for Congress to step in, because this has just gone too far."

Reaction to the memo on Capitol Hill also revealed that the issue of KBR's performance and investigations of its work are increasingly causing concern on both sides of the political aisle.

Henry A. Waxman, a California Democrat who is the ranking minority member of the House Committee on Government Reform and one of the earliest critics of KBR's use of the proprietary label, said the new memo showed how the company had tried to conceal "corporate profiteering during wartime."

Senator Susan Collins, the Maine Republican who is chairwoman of the Homeland Security and Governmental Affairs Committee, said, "I am concerned that the special inspector general has not always had full cooperation and access to the corporate documents that his office needs to carry out its critical mission."

Access to that information, Senator Collins said, "helps to ensure that government contractors fulfill their contractual obligations and that government gets the best value for taxpayer dollars. The improper use of proprietary claims impedes critical transparency and makes it more difficult for the inspector general's office to complete essential audits."

The Special Inspector General for Iraq Reconstruction is Stuart W. Bowen Jr., a Republican whose investigative zeal has surprised some political analysts who believed that he would be reluctant to expose flaws in the administration's reconstruction program and companies like Halliburton. Dick Cheney was that company's chief executive until he left to run for vice president.

Halliburton has blamed KBR for holding down the company's stock performance, and is planning to sell a 20 percent stake in KBR to the public by the end of the year, and then spin off the rest of the shares in the company to Halliburton shareholders in early 2007, thus severing the corporate ties.

Halliburton, though, would retain some responsibility for dealing with continuing federal investigations of KBR's work in Iraq. Documents filed with the Securities and Exchange Commission as part of the public offering have revealed a wide range of investigations into KBR's work in Iraq, raising the possibilities that investors and the parent company could foot the bill for settlements against KBR.

Those documents, which must reveal potential risks to investors, indicate that continuing Justice Department investigations into KBR's work in Iraq have produced grand jury subpoenas for current and former employees.

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The company could have other liabilities. Outside Iraq, the papers say, there is a Justice Department investigation into possible overcharges in its work in the Balkans from 1996 to 2000. And the securities commission and the Justice Department are investigating payments in Nigeria that may have violated the Foreign Corrupt Practices Act, which bars the bribing of foreign officials.

There is also an antitrust investigation, and the company says investigations into the Nigerian project found information that "former employees may have engaged in coordinated bidding with one or more competitors on certain foreign construction projects and that such coordination possibly began as early as the mid-1980s."

The memo by the inspector general said that KBR would sometimes provide data to one part of the United States government, like Pentagon auditors, but with the proprietary label that would prevent its release to the public or even to other parts of the government.

In other cases that clearly irritated the inspector general's auditors, KBR would hobble their work by releasing data in the form of gigantic but indigestible tables rather than within the kind of software — like Excel spreadsheets — that would let the auditors do their calculations.

Those findings have raised suspicions that if KBR is going to such lengths to keep the data out of the hands of auditors, then the company must have something to hide, said Frederick D. Barton, a director of the Postconflict Reconstruction Project at the Center for Strategic and International Studies.

"There's been smoke for some time," Mr. Barton said. "This seems to indicate that there was fire as well."

Halliburton stock was weak early in the Bush administration, in part because oil prices fell as the world economy weakened in 2001. But the stock bottomed out at $4.30 in early 2002 and rose sharply thereafter, eventually peaking at $41.98 this April as the oil services industry benefited from increased oil exploration and as the Iraq war got under way.

It dropped as low as $26.33 earlier this month, as oil prices fell. It closed yesterday at $32.15.

Halliburton Arm Accused Of 'abuse' In Iraq (FT)

By Stephanie Kirchgaessner

Financial Times, October 28, 2006

A Halliburton subsidiary that has been awarded billions of dollars in federal contracts in Iraq has been accused by an independent watchdog of "abuse" of government regulations that protect US taxpayers.

Stuart Bowen, the special inspector-general for Iraq reconstruction, said in an interim audit released on Thursday that Halliburton subsidiary Kellogg, Brown and Root (KBR) had, in effect, routinely inappropriately hidden data about one of its contracts from public scrutiny by marking the information as "proprietary".

As a result of the investigation, army officials said they would prepare a modification to a multi-billion dollar Halliburton contract – known as Logcap – to "provide guidance" to KBR on the marking of proprietary data.

It is unclear how much the US military has paid for the contract, but one estimate put the figure at $7bn (€5.5bn, £3.7bn) last year. The contract gives the company the exclusive right to provide logistics support to the US military.

KBR said on Thursday it had used proprietary marking on the majority of its data in support of US army contracts for "at least the last decade" and that the practice was required under the US Trade Secrets Act. The company said the use of proprietary markings were appropriate because, as announced earlier this year, the Logcap contract is expected to be resubmitted for a competitive bid and divided among several contractors.

Questions about the transparency of data KBR provides the government were raised in July, after Mr Bowen announced his office would investigate whether services the US government was receiving under one KBR contract were "reasonable, efficient, and cost-effective".

In his probe of a KBR contract that provides support to the US embassy in Iraq – a contract that falls under the larger Logcap contract – Mr Bowen found that the company wrongly shielded from public consumption data including: daily dining facility headcount; and the number of litres of fuel issued to generators maintained by foreign embassies in Iraq.

The company also initially refused to provide Mr Bowen, a former attorney for President George W. Bush who has emerged as a tough critic of the reconstruction effort, with cost data in a format that was acceptable to his office.

By illegitimately using privacy provisions, which are in place to protect companies competing for federal contract work by allowing them to keep some data secret, the special inspector-general said KBR had prevented the government from releasing "normally transparent information, thus potentially hindering competition and oversight".

The critical audit comes on the heels of a separate report released this week that found that overhead costs had consumed between 11 per cent and 55 per cent of the cost of a handful of reconstruction projects.

Massoud Barzani Kurdistan (WSJ)

By Judith Miller

The Wall Street Journal, October 28, 2006

ERBIL, Iraq -- Unlike Baghdad, 200 miles away, the air here does not echo with the sound of gunfire, car bombs and helicopters. Residents of this city of a million people picnic by day in pristine new parks and sip tea with friends and relatives at night. American forces are not "occupiers" or the "enemy," but "liberators." Mentioning President Bush evokes smiles -- and not of derision.

American forces were "most welcome" when stationed here at the start of the invasion of Iraq, says Massoud Barzani, the president of Kurdistan in the north. Not a single U.S. soldier was killed in his region, he adds proudly, "not even in a traffic accident." Would U.S. forces be welcome back now? "Most certainly," he declared this week in an interview in his newly minted marble (and heavily chandeliered) palace. The more American soldiers the better, a top aide confirms.

The secret of Kurdistan's relative success so far -- and of America's enduring popularity here -- is the officially unacknowledged fact that the three provinces of the Kurdish north are already quasi-independent. On Oct. 11, Iraq's parliament approved a law that would allow the Sunni and Shiite provinces also to form semi-autonomous regions with the same powers that the constitution has confirmed in Kurdistan. And while Kurdish leaders pay lip-service to President Bush's stubborn insistence on the need for a unified Iraq with a strong centralized government, Kurdistan is staunchly resisting efforts to concentrate economic control in Baghdad.

The U.S., Mr. Barzani believes, should leave it to the Iraqis to decide if they want "one or two or three regions." Then, he adds: "But it already exists. The division is there as a practical matter. People are being killed on the basis of identity." As for Baghdad, "it should have a special status as the federal capital. But the rest should be regions that run their own affairs. Or they should be separate. Only a voluntary union can work. Either you have federalism with Baghdad as a federal capital with a special status, or you have separation. Those are the facts." * * *

Even the most fleeting visitor cannot but notice that Kurdistan is almost a full-fledged state. The Kurds have been running their own affairs -- badly at times -- ever since Washington created a safe area after Saddam Hussein crushed their U.S.-encouraged uprising after the 1991 Gulf war, sending much of the traumatized population into the rugged mountains separating Kurdish Iraq from Turkey. After CNN filmed Kurds dying of cold and starvation, President George H.W. Bush declared a "no fly" zone north of the 36th parallel from which Saddam's planes were barred, enabling the Kurds, at long last, to begin governing themselves. And so they have, with a determination born of historic vengeance.

Kurds no longer speak Arabic, but various dialects of Kurdish, in offices and schools throughout the 74,000 square miles that comprise their provinces. They fly their own flag, provide their own services, raise their own army -- the legendarily disciplined Pesh Merga, or "Those Who Face Death" -- and have gradually consolidated their de facto state. Divided between two parties -- Mr. Barzani's Kurdistan Democratic Party, his clan's power base in north Kurdistan, and the southern-based Patriotic Union of Kurdistan, headed by Jalal Talabani, now president of Iraq (or "President of the Green Zone" as Kurds here call the post) -- Kurdistan is booming with construction, new businesses and ambitious dreams of self-rule.

Washington's refusal to accept this self-evident political reality does not trouble Mr. Barzani. On the contrary, he insists Kurdistan will remain part of Iraq -- as long as Iraq remains federal, secular and democratic, and officially blesses the autonomy the Kurds managed to enshrine in the new Iraqi constitution. Besides, the fig-leaf of Iraq is useful: Declaring independence would risk provoking Turkey, for whom an independent Kurdish state is anathema given its own 18-million strong Kurdish population and the continued existence of the terrorist Kurdistan Workers Party -- the PKK -- on the Iraqi-Kurdish side of the border. Yet Mr. Barzani adamantly denies that his fidelity to Iraq is born of fear. "Having an independent state is the natural legitimate right of our

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people," he insisted. "We are not ready to say that because we fear displeasing our neighbors or because we are frightened that they may attack. That's not the case," he said. "We say that because at this stage, the parliament of Kurdistan has decided to remain within a federal, democratic Iraq."

Kurdish aspirations for autonomy, however, clearly require Turkish and Iranian acquiescence, or a persuasive reason for Turkey not to attack. Hence the desire for the redeployment of some American forces to Kurdistan. "The presence of American forces here would be a deterrent to intervention by the neighboring countries," Mr. Barzani says, with characteristic bluntness.

That is unlikely any time soon, say officials in Washington. How would the presence of American forces in what one official called a "land-locked aircraft carrier" help prevent the emergence of an Islamist entity in Iraq's Sunni-dominated center or deter Iranian control of the Shiite south? Moreover, as President Bush noted last week, dismissing proposals to carve Iraq into three virtually autonomous regions as destabilizing, such a division of Iraq would exacerbate Sunni-on-Sunni and Sunni-on-Shiite tensions. "The Kurds will then create problems for Turkey and Syria," President Bush said.

On the contrary, Mr. Barzani insists, Kurdistan seeks good relations "with all its neighbors." Indeed, Turkish-Kurdish and Kurdish-Iranian talks have been ongoing, diplomats say. As for Baghdad, Mr. Barzani adds, no one has tried harder to keep Iraq from splitting apart than the Kurds. "We worked hard with the Sunni community to bring them into the process," he says, "and also to establish Iraq's governing council, the interim and transitional government, and the drafting of the constitution. We played a leading role in the success of the process." But he was clearly annoyed by a slight: The fact that the congressionally created Iraq Study Group, headed by former Republican Secretary of State James Baker and Democratic co-chair Lee Hamilton, which is weighing policy alternatives for Iraq, has not traveled to Kurdistan -- the only successful region of postwar Iraq -- to consult with him. "It's a huge failing in their deliberations," he says. "We remain willing and ready to help whenever our assistance is needed."

Mr. Barzani is not shy about offering advice to Washington. The U.S. needs to revise its policies because "the existing strategy is not effective," he says. American forces could be reduced -- perhaps by half -- he said, but only when Iraqi forces are ready to restore order. But that will not happen, he warns, until the U.S. permits the Iraqi government to rid itself of the "terrorists, chauvinists and extremists" in its ranks who condone and "openly incite the violence on TV" that is destroying what remains of the capital and the country. He refuses to name names. But other Kurds point to such figures as Salah Mutlaq, an extremist Sunni leader, and aides to Moqtada al-Sadr, who heads a radical Shia militia.

"You have a different culture; you're a different people," Mr. Barzani said. "With America's mentality and approach and regulations, we cannot win like this. There must be decisive action so the government can enforce the law and restore its prestige." This Barzani, confident and candid, is different from the reticent figure I first interviewed 15 years ago in his mountain fastness of Barzan. Although plainspoken, "Kak Massoud" -- a respectful but affectionate "Mister" in Kurdish -- was reluctant then to offer an American journalist a frank assessment of his frustrations and aspirations. Not so the man who has evolved into "President Barzani" of Kurdistan, who, based on an informal power-sharing agreement with his rival, President Talibani of Iraq, is determined to seize this historic opportunity to advance his people's interests.

Just as "Kak" has become "president," the Kurds have gone from resistance to nation-building, with all the challenges such a transformation implies. Mr. Barzani has complained that while he and his Pesh Merga knew how to fight, it was "easier to destroy two dams than to build one power plant." Kurdistan is changing, in substance as well as style. The capital is no longer called Erbil (the Arabic), but "Howler," its Kurdish name. While Mr. Barzani, age 60, still wears the pantaloon, cummerbund, tight jacket and twirled turban favored by traditional Kurds, Western-style business suits -- expensive labels, at that -- are favored by Nechervan Barzani, his nephew and the energetic 40-year-old prime minister of the Kurdistan Regional Government.

Gone are the refugee tents -- except for the thousands of Sunni Arab refugees from Baghdad, who, along with some 7,000 Christian families, have migrated here for safety. Temporary structures are being replaced by new brick and cement houses and apartment buildings -- among them many lavish "castles," as the Kurds call these houses nestled in the hills surrounding Erbil. Expensive glass office buildings are springing up throughout the region. Apartments are priced at between $100,000 and $200,000 -- prohibitively expensive; and yet several of these are sold out.

"Kurds have money," Prime Minister Nechervan Barzani told me. "But until recently, they lacked the confidence to invest." If the junior Mr. Barzani is correct, Kurdistan is literally exploding with confidence and new projects befitting its ambitions: Almost $2 billion in Turkish trade and investment -- the result, partly, of his outreach to Ankara -- is financing the construction the Middle

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East's largest new conference center, a new international airport, hotels, parks, bridges, tunnels, overpasses, a refinery and an electrical plant. The Kurdistan Development Council is even advertising Kurdistan as a tourist destination. There are over 70 direct flights a week to the region's two airports from the Middle East and Europe. But Kurdistan's infrastructure is still woefully antiquated, a legacy of Saddam's privation and the ruinous civil war between the clans of Mr. Barzani and Mr. Talabani from 1994 to 1998. Most cities still provide only two-to-three hours of electricity a day. The rest comes from private generators, which the poor can ill afford.

Last spring, public resentment at the lack of services erupted among the frustrated residents of half a dozen Kurdish towns. Consider Halabja, which became instantly infamous in 1988 when Saddam's forces dropped nerve gas there, killing 5,000. In March, its residents trashed the expensive monument erected to commemorate their annihilation, setting the structure on fire and stripping the black marble slabs on which the names of gas attack victims had been etched in gold. On my visit last week, two Pesh Merga were playing "dama," a Kurdish version of chess, with pieces of the marble that had been torn off the wall.

Kurds are now restless after so many years of deprivation, and their expectations are high, Mr. Barzani agreed: "My main objective is to build constitutional institutions in this country, to see a Kurdistan 10 years from now in which each person is safe and free to have his own ideas." He and other government officials were determined to "put the Kurdish house in order," which means continuing to encourage the effort by Nechervan Barzani to join supporters from his and Mr. Talibani's group into one efficient administration. Although grumbling about corruption and nepotism disturbs him, security and political solidarity at home must come first. * * *

There is, of course, the explosive question of oil. While Mr. Barzani is willing to share revenues with Baghdad, the principle of control is vital to Kurdistan if it is to have an independent revenue stream. This issue, and a referendum next year on who should control the oil-rich city of Kirkuk -- which the Kurds claim as their historic capital and whose residents approved a list of Kurdish candidates for Iraq's parliament last year -- are red lines for the Kurdish government. Mr. Barzani is confident that these questions can be resolved through negotiations with Baghdad. But if they cannot, or if the fighting that has gripped much of Iraq escalates beyond the control of American and Iraqi forces, at least the Kurds will not be blamed for the dissolution or partition of Iraq. "Other people will be responsible, not us," he says. "We will never become the cause of the partition of Iraq."

As Mr. Barzani carefully stresses his devotion to Iraqiness -- all the while promoting a political and economic agenda that would reinforce Kurdish exceptionalism -- Americans struggle for an elusive solution to the violence and ethnic strife that abounds. Mr. Barzani wishes the U.S. success, he says, because so much depends on George Bush's determination not to "cut and run." His "courageous decision to liberate Iraq will not be undermined by the mistakes made after that liberation," Mr. Barzani says, although he does resort to an American cliché: "If there are people who think the solution lies in leaving this unfinished, just like Vietnam, that would be a major disaster."

But having been both saved and betrayed by previous American governments, he knows the risks of tying Kurdish fortunes too closely to an administration facing public disenchantment with its Iraq policies. "In building our new federal democratic country, our interests have not contradicted each other," he says cautiously. "They are aligned. But before I trust the United States or other people, I trust my own people."

Ms. Miller, a former New York Times reporter, is a writer in New York.

The Grand Ayatollah Behind The Curtain (WP)

By Colbert I. King

The Washington Post, October 28, 2006

The question directed this week to the National Security Council press office was straightforward: "Has the Grand Ayatollah Ali Sistani met with any American official, either military or civilian, since the U.S. invasion in 2003?" The answer reveals the extent to which the Bush administration is now, and always has been, out of its depth in Iraq.

Grand Ayatollah Ali Sistani is Iraq's most powerful figure. Under the reign of Saddam Hussein, Sistani was forced to keep a low profile, since he was part of the Shiite majority that Hussein's ruling Baath Party controlled with a heavy hand. Sistani was on the receiving end of assassination attempts by Hussein's thugs. But all that changed in the spring of 2003, when the United States toppled the Iraqi regime.

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Today, Sistani's Shiites are the major political force in Iraq. They are leaders in the new government; they run the key Interior Ministry; and one of their own, Nouri al-Maliki, serves as prime minister. Were it not for Iraq's liberation from Hussein's tyranny by U.S. troops, Sistani and his followers would still be under the thumb of Sunnis.

The average Iraqi may not be happy to see the country occupied by foreigners. But if any Iraqi should feel even a tad kindly toward his American liberators, it ought to be the grand ayatollah. After all, he is the chief beneficiary of Hussein's defeat. It's not too much to think that if the president of the United States visits Iraq, Sistani would at least meet him face to face to say thank you. Think again.

Back to the question that started this column: Has Sistani met with any American official in the past 3 1/2 years? Frederick Jones, the NSC's communications director, said yesterday that no American official has ever met Sistani.

But how, you might ask, can that be? After all, since Hussein's statue was pulled down in 2003, Iraq has been visited twice by President Bush. Vice President Cheney has been there, too. Two different secretaries of state -- Colin Powell and Condoleezza Rice -- have dropped in. So have Defense Secretary Donald Rumsfeld, countless high-ranking Pentagon brass and enough U.S. senators and members of the House of Representatives to warrant a congressional annex in the Green Zone.

How is it possible that leaders of the world's most powerful nation -- a country that has generously sent 140,000 of its finest sons and daughters to fight, suffer and die to free Iraq from the Baathist grip -- have not met the Iraqi leader with the most to gain from Hussein's defeat?

It's because the Grand Ayatollah Ali Sistani has designated himself off-limits to Americans. He will not let Bush, Cheney, Rice and company in to see him because they are non-Muslims and thus he considers them to be kafir, or infidels. Sistani regards himself as too good to meet with those who freed him.

What's weird is to hear folks in Washington speak about Sistani's views as if they just got off the phone with him. "Sistani doesn't want clerics to have a role in government," one Washington foreign policy expert told me. "Sistani believes Islam should be the national religion," said another. "Sistani is a pragmatist," said a third. All this is asserted with confidence, when in reality these people know only what they have heard from someone else -- a Muslim go-between or a Sistani envoy.

Bush and his high command have never set eyes on the man. Yet Sistani controls them as if they were puppets on a string. It's like something out of "The Wizard of Oz."

Consider what happened in 2004: Barricaded in a Najaf slum miles from Baghdad, the unseen Sistani was able single-handedly to block the United States from staging a handover of power without elections. He did so by issuing a fatwa that sent thousands into the streets. The Bush people were forced to give ground. A law was drafted that led to elections in 2005.

Sistani's chief competition is not the United States but an anti-American Shiite cleric, Moqtada al-Sadr, and his Badr Organization, which has infiltrated Iraqi military and police units. The Iraqi parliament, truth be told, responds to the calls of the firebrand cleric.

What have we come to? In addition to al-Sadr, today's Iraq is under the influence of a Muslim cleric, Sistani, who, according to Newsweek, forbids music for entertainment, dancing and playing chess, and forbids women from shaking the hands of any men other than their fathers, brothers or husbands. His whole purpose is to promote Shiite theology and keep Iraq as a democratic, but decidedly Islamic, state.

Billions spent, thousands of Americans dead or maimed, U.S. armed forces exhausted, stretched thin and working around the clock -- for that? Is this what George W. Bush had in mind?

NATO Boss, Bush Condemn Taliban Atrocities (WT/AP)

The Washington Times, October 28, 2006

ASSOCIATED PRESS

President Bush and NATO Secretary-General Jaap de Hoop Scheffer yesterday discussed how the Taliban has begun using Afghan civilians as human shields.

In a meeting at the White House, Mr. de Hoop Scheffer said that he was saddened by recent deaths of Afghans and that the alliance is committed to defending democracy in the nation once ruled by the repressive Taliban regime.

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The White House said the two leaders did not discuss NATO troop levels or the suspension of two German soldiers in connection with photographs of troops posing with human skulls.

"What they did talk about is that fact that the Taliban have begun using innocent civilians as human shields," White House spokesman Tony Snow said about the Oval Office meeting, which lasted about an hour.

"Secretary-General de Hoop Scheffer was really adamant about the kind of atrocities that are now being practiced by the Taliban and the importance of continued pressure on them," Mr. Snow said.

NATO expanded its mission this year from the relatively stable northern and western parts of the country to far more dangerous areas in the south, where Taliban militia have been most active since a U.S.-led coalition drove them from the seat of power, Kabul, in 2001. Some 32,000 NATO-led troops are serving in the most dangerous areas of the insurgency-wracked nation.

Yesterday, a roadside blast ripped through a pickup truck in southern Afghanistan, killing 14 villagers who were traveling to a provincial capital for holiday celebrations. Meanwhile, in the southern city of Kandahar, mourners attended a prayer ceremony in memory of civilians killed during NATO operations Tuesday in the nearby Panjwayi district.

NATO said its initial reports found that 12 civilians were killed, but Afghan officials estimated the number of civilians killed at between 30 and 80, including many women and children.

"That's a tragedy, but let me convince you to look at the broader picture," Mr. de Hoop Scheffer said. "[Members of the Taliban] are against democracy. Girls did not go to school when the Taliban was running Afghanistan. Now they go to school. Now there is a precedent. Now there is a government.

"NATO is delivering security," Mr. de Hoop Scheffer said.

Mr. Bush thanked the NATO secretary-general for leading 26 nations of NATO into Afghanistan, and for reaching out to other nations that share its values but have not been considered a part of NATO.

"You know what I know: That the real challenge for the future is to help people of moderation and young democracies succeed in the face of threats and attacks by radicals and extremists who do not share our ideology, have kind of a dark vision of the world," Mr. Bush said.

Mr. de Hoop Scheffer, fresh from a visit with Russian President Vladimir Putin in Moscow, is in Washington for talks about matters including the NATO chief's wish for closer relations between the alliance and Russia.

Russia signed a partnership agreement with NATO in 2002, outlining cooperation in counterterrorism, nonproliferation, peacekeeping and other fields. At the same time, Mr. Putin's government has continued to make public his opposition to the alliance's eastward expansion.

That expansion has included absorption of countries that were part of the former Soviet Union -- the Baltic states of Latvia, Lithuania and Estonia and former members of NATO's Cold War nemesis, the Warsaw Pact: Bulgaria, the Czech Republic and Slovakia, Hungary, Poland and Romania.

Blast In South Afghan Suburb Kills 14 And Wounds 3 (NYT)

By Abdul Waheed Wafa

The New York Times, October 28, 2006

KABUL, Afghanistan, Oct. 27 — An explosion from a mine in a road on Friday killed 14 civilians and wounded three others in a suburb of the capital city in the southern province of Uruzgan, Afghan officials said.

The victims were a group of elderly people, youths and children who were riding in a pickup truck toward the provincial capital, Trinkot, for the celebration of Id al-Fitr, the festival at the end of Ramadan.

A spokesman for the provincial governor said that the government was investigating whether the mine had been laid recently by suspected Taliban fighters or was left over from the Soviet invasion.

Afghan officials also said Friday that they were trying to determine the death toll for civilians from an airstrike late Tuesday by NATO forces in the southern province of Kandahar.

On Thursday, President Hamid Karzai said he would ask a committee of tribal elders and governmental officials for a thorough investigation of the episode. The initial estimates of the death toll ranged from about 40 to 50.

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Mr. Karzai said Friday at a news conference that he had spoken on the phone with a 75-year-old man who lost 19 members of his extended family in the NATO bombing, late on Tuesday.

"Yesterday afternoon I talked with an elder, Haji Abdullah Shah, who lost all his family members," Mr. Karzai said, adding that just one of his sons survived.

"Three other families also lost most members on the bombardment," he said.

As the violence worsens in southern Afghanistan, Mr. Karzai again urged other countries interested in the region to "go to the root of terrorism," a phrase that Afghan officials frequently use to signal their belief that Pakistan is supporting the insurgents, who are believed to be tied to the Taliban, Afghanistan's former rulers.

Mr. Karzai said that there was a need for a "firm coordination between NATO and Afghan troops" to avoid killing civilians during operations.

Photo Scandal Raises Doubts In Germany About Deployments (WP)

By Craig Whitlock, Washington Post Foreign Service

The Washington Post, October 28, 2006

Troops in Afghanistan Played With Skulls

BERLIN, Oct. 27 -- A scandal over soldiers caught playing with human skulls has rattled the German military and prompted a reexamination of the country's growing role in global peacekeeping missions.

German military officials said Friday that they had suspended two soldiers and were investigating several others suspected of desecrating skulls while serving in Afghanistan as part of a NATO-led force in 2003 and 2004. Photos of troops mocking the freshly unearthed skulls -- including one of a uniformed soldier standing next to a human head with his genitals exposed -- have shocked many Germans since they were first published Wednesday in the tabloid newspaper Bild.

The controversy, one of several to surface recently from overseas military missions, has led officials here to question whether Germany has fully digested the political and security risks involved in such assignments. Currently, more than 9,000 German troops are posted in six hot spots around the world, a sharp reversal of the country's decades-long policy of staying out of war zones.

"The German politicians tried to sell this international cooperation and posting of German troops abroad as something good that we were doing for people, that we were bringing help to the starving masses," said Christoph Grams, a military and security analyst for the German Council on Foreign Relations in Berlin. "This shows that what we're doing is perhaps not completely clean. Now, people are paying more attention to the dangers of what we're doing."

Sensitive to its past under Nazi rule, Germany largely avoided international peacekeeping operations until 1999, when it sent troops to the Balkans to help quell the war in Kosovo. Since then, it has gradually expanded its participation in such missions and now also has forces in Afghanistan, Congo, Sudan and Djibouti.

This month, the German navy joined the U.N. peacekeeping force in Lebanon, but only after lawmakers held a long debate over whether the German military should be involved in the same theater of operations as Israeli forces, because of lingering sensitivities from the Holocaust.

The potential for conflict became reality on Tuesday, when six Israeli fighter jets fired warning shots over a German intelligence-gathering vessel off the coast of Lebanon, according to German military officials. Israeli officials denied opening fire but confirmed that Israeli jets approached a helicopter that had taken off from the ship -- carrying a German admiral -- because it was not authorized to fly in the area.

Both governments have played down the seriousness of the incident, but it has underlined the challenges facing the German military as it tries to avoid bloodshed even as it becomes engaged in more overseas missions.

The risks facing the 2,750 German troops in Afghanistan have grown in recent months along with the resurgence in attacks by Taliban forces. Although the Germans are assigned primarily to noncombat duties in northern Afghanistan, their actions have attracted more scrutiny of late.

This month, a Turkish citizen born and raised in Germany who was recently released from the U.S. military prison at Guantanamo Bay, Cuba, said he was physically abused by a German special forces unit in Afghanistan after he was captured

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there in 2002. The German Defense Ministry acknowledged that the prisoner, Murat Kurnaz, had been interrogated by German soldiers and said it would open an inquiry into whether he was mistreated.

Since then, the photos of the skulls have caused an even bigger stir. After an initial batch of pictures was published Wednesday, more have surfaced daily, including one showing a soldier smiling like a pirate at a skull perched on his shoulder.

It was unclear where, exactly, the skulls came from or how old they were. But the images of German soldiers playing with human remains has led to public revulsion and inevitable comparisons to the horrors perpetrated under Nazi rule.

So far, however, there have been few calls for Germany to curtail its participation in Afghanistan or in other missions. And on Wednesday, the German federal cabinet adopted a long-term national security policy that calls for an increased role in such missions in the future.

"It's very healthy for Germany to have an internal discussion about this," said Grams, the military analyst. "If Germany still says yes at the end of the day, it could make German participation even firmer in the future."

CORPORATE SCANDALS:

Orbital Finds Misdated Options (WP)

By Kim Hart, Washington Post Staff Writer

The Washington Post, October 28, 2006

Dulles Company Plans to Restate Past Earnings

Orbital Sciences Corp., a Dulles maker of booster rockets and space systems for the government and military, yesterday joined the parade of companies that have disclosed problems in their compensation practices, saying an internal review found some misdated stock options.

The company said the review found no fraud or intentional misconduct in connection with the errors and that it would revise past financial statements. Most of the options in question were granted more than five years ago, said David W. Thompson, Orbital's chairman and chief executive.

"Financial impacts are not material to the results for this year or for any prior period over the past five years," he told investors in a conference call yesterday.

Orbital expects to record pretax costs of about $300,000 in 2006, $2.5 million between 2001 and 2005 and $11.5 million between 1990, when the company went public, and 2001.

Orbital joins more than 100 companies nationwide that have been investigated for the practice of backdating stock options, in which options are dated to a time when the stock price is lower so the profit is higher after the options are exercised.

Last week, SafeNet Inc., a Maryland information security firm, said certain options over the past six years were accounted for using incorrect dates. Minnesota-based UnitedHealth Group Inc., one of the largest managed health-care companies, is under investigation for backdating stock options. In both cases, the inquiries prompted executives to step down.

Orbital released preliminary third-quarter financial figures yesterday that did not take into account adjustments required by the option findings. Orbital reported revenue of $197.7 million, a 24 percent increase over the comparable period a year ago. Income rose 27 percent, to $8.6 million.

The company said it plans to file its final quarterly statement by Nov. 14.

This is not the first time Orbital has revised financial statements because of accounting problems. In 2000, the firm paid $22.5 million to shareholders who accused it of using fraudulent accounting practices to artificially inflate its stock price. The suit was filed after Orbital restated three quarters of past earnings.

The company has profited from the growth in funding for the U.S. missile-defense program during the past three years. In addition to designing and launching satellites and small space systems, Orbital is working with Boeing Co. to develop systems to propel warheads that intercept hostile missiles. It also has worked with Northrop Grumman Corp. to develop target missiles.

This year, Orbital entered a project with Lockheed Martin Corp. to produce the next generation of manned spacecraft vehicles to replace the current shuttles, which will be taken out of service in 2010. Orbital is charged with developing the crew rescue vehicle.

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During the three months ended Sept. 30, Orbital carried out two space missions, including a missile defense interceptor in September and the launch of a communications satellite this month. The company plans to launch vehicles for the Air Force, the Missile Defense Agency and the Navy before the end of the year.

Legal Aid In Options Probes, Private Law Firms Play Crucial Role (WSJ)

By James Bandler And Kara Scannell

The Wall Street Journal, October 28, 2006

As More Than 130 Companies Come Under Scrutiny, Government Relies on Help Questions About Fairness

With more than 130 companies under federal scrutiny, the investigation into stock-option backdating has rapidly become one of the broadest corporate scandals in decades. It is so broad, in fact, that federal authorities can't possibly do thorough examinations of every company.

Instead, they outsource a big chunk of the job.

Regulators and prosecutors are relying on suspect companies to investigate themselves by hiring outside law firms. The firms are supposed to hand over their findings to the Securities and Exchange Commission or federal prosecutors, who then use them to help decide which cases to pursue further. The feds often ask for any especially incriminating documents to be delivered in a handy folder they call a "hot binder."

That has long been a common practice for companies in potential legal trouble, partly because it can lead to leniency as reward for a self-examination well done. But not since the overseas bribery scandal of the 1970s have so many public corporations been in trouble at the same time. The federal investigation has enveloped icons of success like Apple Computer Inc., Home Depot Inc., giant insurer UnitedHealth Group Inc., and dozens of Silicon Valley companies.

"The sheer magnitude of the numbers of companies, executives and corporate boards that have disclosed options-related investigations is mind-boggling -- unequaled in recent years," says Lynn Turner, a former chief accountant for the SEC.

The mass exercise in self-policing already has produced some dramatic results. More than 40 executives or directors have resigned or been pushed out in the wake of internal probes that found options backdating problems. The most prominent is William McGuire, chief executive of UnitedHealth, who is leaving his post by Dec. 1. Outside lawyers hired by the company found evidence of rampant backdating of options that enriched him and other insiders. Dr. McGuire, who has said he did nothing improper, stands to lose more than $100 million alone after agreeing to reprice his options.

Nearly 70 companies already have said they will need to restate or otherwise reduce profits after acknowledging that faulty accounting of options had inflated the numbers, according to a tally by shareholder advisers Glass Lewis & Co. The firm put the total shaved off at $5.3 billion.

Still, the deputizing approach raises questions about how evenly justice will be applied. Such investigations are typically overseen by outside directors who may have close ties to the company's management -- and who may themselves have been involved in making the option grants at issue. The government risks focusing not on the worst offenders, critics say, but on those companies honest or frightened enough to perform scrupulous self-examinations.

In at least one case, federal officials have stepped in when they felt an internal probe wasn't getting to the bottom of the matter, according to a person familiar with the circumstances. At Affiliated Computer Services Inc., a Dallas-based technology outsourcing company, executives benefited from a tremendously unlikely pattern of timing grants. A Wall Street Journal analysis last March put the odds at 300 billion to one that the dates on which grants purportedly had been awarded to the company's former CEO were chosen randomly. The company used its longtime outside counsel to conduct the probe.

PERFECT PAYDAY

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In May the company announced a preliminary finding that there was no intentional backdating to enrich executives. Government officials prodded ACS to look harder, and the company hired a new team of lawyers with no connection to the firm. "From day one ACS has expected its legal counsel to leave no stone unturned and conduct a thorough, objective, and complete investigation of all the facts, and that is exactly what is occurring," said spokesman Michael Buckley.

In some cases, the outsourcing approach has allowed the government to move unusually swiftly. In August, prosecutors filed criminal charges against three former executives of Comverse Technology Inc., only five months after private lawyers had begun an internal options probe at the New York maker of telecommunications software. The outside lawyers found a key witness, obtained dramatic confessions from the three executives, unearthed a secret options "slush fund" -- and kept government officials informed every step of the way.

Federal officials say it is too early to predict how many cases they will bring. But the government has made it clear it won't pursue every backdater. With so many potential defendants, the government has decided to zero in on the most egregious, those involving self-enrichment by top executives, big sums of money, or brazen efforts to deceive directors, auditors and shareholders.

While the government has long had internal policies that permit it to reward companies for their cooperation, the expectations have been ratcheted up in recent years. Under controversial Justice Department policies in place since 2003, companies are more susceptible to criminal charges unless they are viewed as doing a good job on "cooperation and voluntary disclosure."

The threat of criminal prosecution "is a lot like the guillotine - it tends to focus the mind," says Joseph Grundfest, a former SEC commissioner and a professor of law at Stanford University. "Here you have over 140 companies spending millions each doing the equivalent of Maoist self-criticisms and turning the results over to the authorities."

Critics of the approach say using private lawyers to investigate on behalf of the government can place employees in an unfair position: talk, or you'll lose your job. When speaking to private lawyers hired by the company, employees don't have the legal protections -- against self-incrimination, for instance -- that apply in some government proceedings. The government has relied on internal probes at least since the 1970s bribery scandal, which resulted in hundreds of companies stepping forward, and led to enactment of the Foreign Corrupt Practices Act.

The current investigations are focusing on whether executives improperly enriched themselves through surreptitious backdating of stock options. Options give their recipient the right to buy a stock at a fixed price, and typically allow the recipient to profit if the market value of the stock rises from the day the option was granted. But it turns out many companies cheated by pretending that their options were granted on earlier dates, when the stock price was much lower, a practice that gives an instant paper profit for the grant recipients.

Backdating is illegal if not properly disclosed to shareholders. It also can cause serious accounting and tax problems for companies and executives. To date, five former executives have been charged with criminal fraud violations in connection with the practice, including the three at Comverse.

The government began to cast its eye on the timing of option grants more than three years ago, when the SEC's then-enforcement director, Stephen Cutler, read a news account suggesting that executives had issued grants just prior to the release of favorable news that caused a jump in their company's share prices.

SEC officials gradually began to suspect that something more nefarious was going on. A small number of academic researchers also were suggesting that backdating might explain the happy timing of many grants. An SEC unit in Washington began a limited probe, focusing on fewer than a dozen companies. Federal prosecutors in San Francisco also started examining one case, Brocade Communications Systems Inc., assigning a single prosecutor and one FBI agent.

Last March, The Wall Street Journal reported that statistical evidence strongly suggested backdating had taken place at six companies. Among them: UnitedHealth, ACS and Comverse. The Journal article sent the federal probe into high gear, officials say. All the companies got subpoenas. It also sparked unusual territorial skirmishes between rival U.S. Attorney's offices eager to show they were cracking down on the latest corporate scandal.

An initial volley came from federal prosecutors in Brooklyn, N.Y., who moved quickly to subpoena Comverse, which until recently was headquartered in its district. That prompted the office's crosstown rival in Manhattan to follow suit. Some companies ended up receiving subpoenas from more than one U.S. Attorney looking for the same information about options. Eventually, senior Justice Department officials ruled that cases generally would be handled along geographic lines.

Prosecutors in San Francisco were initially miffed that prosecutors in New York were reaching across the country to subpoena Silicon Valley companies. "Our preference here generally is to try and create a cooperative environment with the firm

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and entity we're looking at so we don't have to start the relationship with grand jury subpoenas," says Kevin Ryan, U.S. Attorney for the Northern District of California, who e didn't directly criticize his counterparts.

Last spring as waves of companies began to step forward to admit options troubles, Mr. Ryan contemplated his office's response. His thinking crystallized while on a family vacation this summer in southern France. There, he sounded out his father-in-law, James Klingbeil, a prominent San Francisco real-estate investor. While the pair sipped wine under an oak tree, Mr. Klingbeil told his prosecutor son-in-law that the arguments by some companies that backdating was acceptable "didn't pass the smell test," both men recall.

While in France, Mr. Ryan fired off a series of urgent emails to his deputy, Eumi Choi, saying that the office needed to jump on the matter. Soon after, the office formed a special task force of prosecutors and agents of the Federal Bureau of Investigation, an idea Mr. Ryan says he'd been weighing before the France trip.

Of more than two dozen cases his office is investigating, Mr. Ryan says "15% to 20% have raised serious issues. We're going to really drill down on those." An FBI agents on his task force, Brian Wickham, says that in the case of one company he declined to identify, an executive's calendar showed him to be out of the country when other documents claimed he was at a board meeting.

Nationally, at least nine U.S. Attorneys offices are probing backdating, assisted by agents with the FBI, Internal Revenue Service and the U.S. Postal Service. The SEC, which is taking the lead on most of the investigations, has assigned more than 150 lawyers and accountants to the task.

The scandal also has been a bonanza for law firms and forensic accountants. UnitedHealth's internal probe looked at almost four million documents and included more than 80 interviews of employees and other witnesses. Another company -- Mercury Interactive Corp. -- said the cost of its internal probe amounted to about $70 million.

The internal probes appear to run the gamut from exhaustive efforts to ferret out wrongdoing to more minimal examinations aimed mostly at correcting the mess backdating makes of a company's financial statements, say lawyers involved. Federal officials say they're well aware of the varying levels of depth of the in-house probes. "We critically evaluate the quality of the investigation. We don't just take their word for it," says Walter Ricciardi, a deputy director of enforcement at the SEC.

The SEC launched a computer-tracking system this week to help it keep tabs on lawyers conducting the probes. The idea is to let government investigators share information with each other about how responsive, independent and thorough they believe private lawyers have been, so the government can judge their credibility of their findings.

At Comverse, confessions elicited by outside lawyers from three senior executives sealed their fates. The company had for many years granted options to senior executives that bore unusually beneficial dates, just ahead of sharp increases in the company's stock price. The Journal story in March said the odds of that happening randomly were one in six billion. In March, a special board committee hired Howard Schiffman, a securities lawyer with the Washington, D.C., law firm of Dickstein Shapiro LLP, to head an internal investigation.

Dickstein put eight senior lawyers on the case and brought in AlixPartners, a forensic-accounting firm. Dozens of Dickstein associates were detailed to perform electronic searches through e-mails and other records.

Within days the Dickstein lawyers began summoning senior Comverse executives to the law firm's midtown Manhattan offices for sometimes grueling interviews. The lawyers spent hours with the company's then-chief executive, Kobi Alexander. At one of these sessions, he admitted to having backdated options grants, according to the government's later criminal case against him.

The private lawyers also found a key witness in Fran Rail, a stock-option administrator, who described efforts by the chief financial officer to hide a secret slush fund from the company's outside auditor. Under sharp questioning from the Dickstein lawyers, the executive, David Kreinberg, said he'd been instructed by Mr. Alexander to keep the account secret, according to a person familiar with Mr. Kreinberg's statements. Earlier this week, he pleaded guilty to fraud charges. Ms. Rail couldn't be reached for comment.

The Dickstein lawyers held regular meetings with the SEC to keep the government briefed on their findings. There was a "daily feeding of information -- millions of documents," says one person involved in the probe. This person said that after the Dickstein lawyers interviewed a key witness, the government had the information in "real-time."

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The Dickstein probe was still going on in late July, when government investigators grew concerned that Mr. Alexander -- an Israeli citizen and U.S. resident -- would flee the country. Federal prosecutors rushed to file criminal charges before several important witnesses were called for interviews. The criminal charges rested on information from the Dickstein lawyers, including purported confessions from all three senior executives who were charged. The government hadn't yet interviewed any of them.

Mr. Alexander later was arrested in the African country of Namibia, where he is facing extradition proceedings.

--Charles Forelle contributed to this article.

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J.P. Morgan Receives SEC Inquiry Related To Bisys (WSJ)

By Tom Lauricella

The Wall Street Journal, October 28, 2006

J.P. Morgan Chase & Co. says it received an inquiry from the Securities and Exchange Commission relating to the relationship between Bisys Fund Services Inc. and One Group Funds, which the bank acquired as part of its 2004 purchase of Bank One Corp.

The SEC is investigating a total of 27 mutual funds1 that it says may have accepted kickbacks totaling hundreds of millions of dollars in recent years, according to people familiar with the matter. AmSouth Bancorp of Birmingham, Ala., was the first to acknowledge possible charges last summer. The other 25 firms aren't known. J.P. Morgan acknowledged the inquiry in an interview, but declined to comment further.

The probe stems from a $21.4 million settlement the SEC reached last month with Bisys Fund Services Inc., a unit of Bisys Group Inc., which provides back-office support to financial companies.

In the wake of the settlement, the SEC sent letters to some of the funds in question, asking for details about their relationships with Bisys, as well as asking whether the funds have undertaken internal reviews of the relationship and what sorts of information had been provided to fund board of directors about the Bisys relationship, according to people with knowledge of the letters.

"The SEC has sent a letter to Banc One Investment Advisors Corporation requesting information concerning the provision of administrative services by The One Group Services Company, an affiliate of BISYS Fund Services, Inc.," the firm said in a statement. "We are moving quickly to thoroughly review the historical records in order to respond to the SEC inquiry."

At the heart of the investigation is whether fund companies accepted kickbacks from Bisys in exchange for recommending the extension of Bisys' contracts to do routine back-office work for the funds. According to the SEC settlement, Bisys and other service providers would bill fund shareholders for doing administrative work, such as preparing shareholder reports or filing prospectuses. But unbeknownst to fund investors or even independent board members, the service providers agreed to rebate a portion of that money to fund advisers, the SEC says.

The advisers then used the shareholder money to cover their marketing expenses, instead of covering the costs out of their own pockets. The SEC didn't name the 27 companies it is investigating. However, AmSouth Bancorp said last summer that the SEC had informed the bank it intended to bring civil charges against it related to its relationship with Bisys. AmSouth says it has been cooperating with the agency.

One Group Services Co., served as the administrator for One Group Funds from December 1995 through October 2000, J.P. Morgan said. At that point Bank One assumed the role of administrator for One Group Funds. J.P. Morgan mutual funds currently have $230 billion under management.

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Corporate Crime Sanjay Kumar Awaits His Sentence (WSJ)

By William M. Bulkeley

The Wall Street Journal, October 28, 2006

As one of the last chief executives to face sentencing for crimes committed in the stock-market-bubble era, Sanjay Kumar, who orchestrated a $2.2 billion accounting fraud as CEO of Computer Associates International Inc., goes before a federal judge in Brooklyn on Thursday -- the same day his former company reports second-quarter earnings.

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Mr. Kumar, 44 years old, who resigned his job in 2004, pleaded guilty to eight counts of securities fraud and obstruction of justice in April. At the end of many quarterly financial periods in the 1990s and 2000, Mr. Kumar helped sign and backdate contracts for big sales of corporate software in order to book the revenue and meet quarterly earnings projections in what prosecutors called "35-day months." Once the Securities and Exchange Commission started investigating, Mr. Kumar lied to government agents and sent the corporate general counsel to Hawaii to bribe a potentially hostile witness, according to evidence filed in the case.

U.S. District Judge I. Leo Glasser has broad discretion in sentencing. Two lawyers who have followed the case, but declined to be identified, said they think the most likely term would be eight to 12 years. However, if Judge Glasser orders sequential sentencing on each charge the term could be 90 years. Eric Komitee, deputy chief of business and securities fraud in the U.S. attorney's office in Brooklyn, declined to comment on what sentence the government recommended. Mr. Kumar's lawyer, Jack Cooney, declined to comment.

The likely jail sentence puts a sad end to the meteoric career of Mr. Kumar, who grew up in poverty after his family emigrated from Sri Lanka, and worked his way up to the lofty position and a $300 million stock award in 1999.

But the sentencing hasn't been the end of CA's problems. Since Mr. Kumar resigned in 2004, a few months before he was indicted, the company has changed its name to CA Inc., paid the SEC $225 million in fines and replaced most of its top executives, while operating under the oversight of a government-appointed examiner.

CA has yet to prove it was the money-spinner the company purported to be when it was inflating its earnings. Even with new management, led by John Swainson, a longtime software executive at International Business Machines Corp., it has continued to announce new restatements of financial results and weaknesses in internal controls.

When it reports earnings for the second quarter ended Sept. 30, investors will be watching for signs of revenue growth from CA's older products, since most recent growth has come from acquisitions. Last summer, the stock fell below $20 a share for the first time in three years as investors fretted about slow growth and continuing management turnover and accounting problems. The stock has bounced back to more than $24 recently following an August announcement of a $2 billion stock buyback funded by debt, and the company plans to cut its 16,000-person work force by 11%.

Sinking Big Fish In Fraud Aids Small Fry (AP-YBIZ)

By Marcy Gordon, Ap Business Writer

AP, October 28, 2006

The Week's Business: Helping Government Land Biggest Corporate Fish Pays Off for Smaller Fry

WASHINGTON (AP) -- Helping the government land the biggest fish has been paying off for the slightly smaller fry in the prosecution of high-profile corporate fraud by way of a yawning gap in their prison sentences.

Jeffrey Skilling, Enron Corp.'s former chief executive who became an embodiment of corporate corruption, was handed a 24-year-plus sentence on Monday. That was the toughest penalty by far in the catastrophic collapse of the energy giant. Skilling's one-time protege at the company, finance chief Andrew Fastow -- architect of the complex web of off-the-books partnerships that hid some $1 billion in debt -- received a six-year jail term in September after cooperating with the prosecutors and helping them secure Skilling's conviction.

The judge said Fastow deserved leniency because of his "exceptional" cooperation with the government.

"The lesson that comes out of the Enron sentences is that if ultimately you're facing criminal charges, it's fine to be high up in the company. Just don't be at the very top," said Robert Mintz, a former federal prosecutor who heads the white-collar defense practice at McCarter & English in Newark, N.J.

Prosecutors like to work from the bottom up, so for CEOs caught up in scandals, he said, "There's nowhere to turn in the event of an indictment."

Washed ashore by the wave of corporate scandals in recent years have been executive flippers who have cut deals, turning against and talking about their bosses who have taken their chances at trial. Chief executives are far more likely to go to trial, partly because of ego, the conviction they did nothing wrong, or because prosecutors are far less willing to cut a deal.

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Another prominent pair, fallen WorldCom Inc. chief executive Bernard Ebbers and Scott Sullivan, the former chief financial officer, present a clear parallel. Ebbers got a 25-year sentence for orchestrating the audacious $11 billion accounting fraud that toppled the company he built from a tiny long-distance phone company into an industry titan. Sullivan, who admitted to providing investors unduly optimistic financial reports and agreed to testify against Ebbers, got five years.

It hasn't always worked out that way, though. A stunning exception came in June 2005, when Richard Scrushy, the flamboyant founder and former chief executive of HealthSouth Corp., was acquitted of all charges -- after five of his former CFOs took the stand and implicated him. It was a stinging setback for the Justice Department prosecutors, whose case against Scrushy had widely been considered among the strongest in the pack of indictments arising from the 2002 corporate scandals.

Scrushy faced what amounted to a life sentence and could have been ordered to forfeit some $278 million in assets if convicted. Seven other HealthSouth defendants -- including four of the former finance chiefs -- got prison terms.

What lessons executives take from the last round of corporate scandals may soon come into view as prosecutors sort out the financial scandal du jour: the suspicious timing of stock options grants to executives at companies around the nation. The former finance chief of Comverse Technology Inc. pleaded guilty Tuesday to conspiring with ex-chief executive Jacob "Kobi" Alexander to backdate stock options and falsify financial statements of the voicemail software maker to pocket millions of dollars and conceal the fraud from shareholders.

David Kreinberg agreed to cooperate in the case against Alexander, who has been the target of an international manhunt. After allegedly transferring $57 million overseas, Alexander was located last month in Namibia in southwest Africa, where he was briefly detained before being freed on bail pending a ruling on an extradition request by U.S. authorities.

Kreinberg faces up to 15 years in prison and could be ordered to pay tens of millions of dollars in restitution. It was not clear what penalties could be imposed on Alexander if he were convicted, though he faces similar charges.

To date in the options granting scandal, at least 149 public companies have disclosed Justice Department, Securities and Exchange Commission or internal investigations of their option awards, according to an Associated Press review.

Rolling the dice on a trial can be risky for CEOs in cases where underlings have turned against them.

"There's no alibi defense" in white-collar cases, notes Peter Henning, a professor at Wayne State University Law School in Detroit. "They're cases about intent."

That means executive defendants can be convinced that they did nothing wrong -- potentially fueling a lack of contrition that can hurt them at trial. Company employees a few rungs down can provide some clues into what was in the CEO's mind, Henning said. And, without an alibi or DNA evidence as you would have in a trial of a violent crime, if jurors believe an executive is involved he may well be found guilty and sent to jail.

Besides the "cooperation discount" for executives who help the government convict a former colleague, there's also a "lack-of-contrition multiplier" that can increase a defendant's sentence, said Henning.

At his sentencing this week, Skilling stood before the judge and said that in terms of contrition and remorse, "... I can't imagine more remorse."

But he stuck to his story. He didn't commit fraud and conspiracy, he said, didn't use shady deals and accounting tricks that contributed to Enron's collapse into bankruptcy, and wasn't responsible for the loss of thousands of jobs, more than $60 billion in the value of Enron stock and over $2 billion in employee pension plans.

"I'm innocent of every one of these charges," Skilling declared.

CRIMINAL LAW:

Official In Abramoff Case Sentenced To 18 Months (WP)

By Susan Schmidt, Washington Post Staff Writer

The Washington Post, October 28, 2006

A federal judge yesterday sentenced David H. Safavian, a former top Bush administration official, to 18 months in prison for lying and concealing unethical dealings with lobbyist Jack Abramoff.

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During an unusual hearing that lasted much of the day, U.S. District Judge Paul L. Friedman wrestled with how to mete out justice to Safavian. He said Safavian was a man who had "pulled himself up by his bootstraps" and had been "a very good person to a lot of people." But, the judge said, Safavian also committed "an abuse of the public trust" in his relationship with the lobbyist.

"Did he believe in public service? I guess he did," Friedman said. "But he also wanted someday to join Mr. Abramoff in that lucrative lobbying business."

Friedman lamented that Washington has become "more and more corrupt," increasingly a home to greedy lobbyists and politicians on the take.

Safavian, 39, a former chief of staff for the General Services Administration, wept as he told Friedman that he knows now he never should have given Abramoff inside information about government-owned real estate that the lobbyist wanted to acquire. At the time, Safavian said, he thought what he was doing was innocuous. "I didn't see anything wrong in helping Jack," he said.

The 18-month jail sentence was about halfway between the 30 to 36 months sought by government prosecutors and the defense's proposal for alternative sentencing that would avoid any prison time at all.

Barbara Van Gelder, Safavian's attorney, urged leniency, telling Friedman that Safavian exhibited an ethical "blind spot" in his dealings with the brazen and flashy Abramoff. "He may have been blinded, dazzled," she said, but his wrongdoing with Abramoff was "isolated, not a man beginning a life of crime."

But prosecutor Peter Zeidenberg asked the judge to add a perjury conviction to Safavian's crimes for his testimony at trial. "For the two days he spent on the witness stand, Mr. Safavian lied about virtually everything," Zeidenberg said. "He testified under oath that he never lied, never concealed. . . . He even went on to say, 'I never gave Jack Abramoff favorable treatment,' " statements the jury rejected in its verdict.

Friedman said he did find some of Safavian's statements from the witness stand "incredible," including the defendant's claim that he believed his payment of $3,100 would cover the cost of a week-long luxury golfing excursion to Scotland with Abramoff. But in the end, the judge decided against the prosecutor's request for a perjury conviction.

Safavian was a lobbyist and congressional aide until 2002, when he joined the GSA, the agency that oversees the purchase and leasing of billions of dollars in federal property around the country. He later became the government's top procurement officer at the Office of Management and Budget.

He was convicted in June of concealing facts about the 2002 golf trip as well as the help he gave to Abramoff, a longtime friend, in trying to acquire two GSA-controlled properties -- one of them the Old Post Office building on Pennsylvania Avenue.

The jury found him guilty of lying to the GSA inspector general and obstructing an inquiry by that office, as well as lying to the Senate Indian Affairs Committee and to a GSA ethics officer.

Trial evidence included stacks of e-mails showing that Safavian secretly maneuvered within the GSA to obtain information for Abramoff about properties he wanted to buy or lease. The two schemed to get members of Congress to pressure the agency for the information.

Friedman said he had received 50 to 60 letters from people attesting to Safavian's good qualities, including one from his former boss Clay Johnson, the OMB's deputy director for management, from friends on Capitol Hill and from his pastor. A letter also came from his sister, who testified tearfully on his behalf yesterday. Her brother, she said, "didn't tell anyone" he was in trouble until his arrest. "He called me at work, sobbing and sobbing. He said, 'I'm so sorry for embarrassing you,' " Mehnaz Safavian said.

Safavian's lawyers said their client will appeal the conviction. Safavian is one of eight people convicted so far in the wide-ranging influence-peddling investigation into Abramoff's lobbying activities on Capitol Hill and in executive branch agencies. Earlier this month, Rep. Robert W. Ney (R-Ohio) became the first lawmaker to plead guilty in the probe. Abramoff and several former congressional aides have pleaded guilty and are cooperating.

One of them, Neil G. Volz, a former Ney aide, went to work with Abramoff, went on the Scotland golf trip and was a central witness in the Safavian trial. Friedman said he was revolted by Volz's testimony that government officials prepared sworn declarations about lobbyist-paid trips based on what "would pass the smell test" -- not what was true. "I wanted to go home and take a shower," the judge said.

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Safavian Given 18 Months (WT/AP)

The Washington Times, October 28, 2006

ASSOCIATED PRESS

Former Bush administration official David Safavian was sentenced to 18 months in federal prison yesterday for concealing his relationship with disgraced lobbyist Jack Abramoff.

Safavian wept as he asked for leniency in his obstruction of justice case, telling a judge that Abramoff manipulated him and drew him into the scandal.

Safavian was convicted in June of lying to investigators about his relationship with the lobbyist while Safavian was chief of staff in the General Services Administration. He helped provide Abramoff with details about GSA projects and offered advice on dealing with the agency.

During his sentencing, Safavian apologized for giving the appearance of impropriety but said it was not fraudulent.

"Yes, Jack Abramoff was a friend, but he wasn't my co-conspirator and I wasn't his," Safavian said. "There was no conspiracy to defraud anyone, least of all the taxpayers."

Early in the hearing, U.S. District Judge Paul L. Friedman told defense attorneys he was leaning toward a sentence of 15 to 21 months in prison and was not convinced Safavian had accepted responsibility for his crimes.

"Get up here and tell me, 'I agree I concealed. I agree I obstructed justice,' " Judge Friedman said. "I don't believe he's done that."

Abramoff is cooperating with an FBI corruption investigation into Congress and the White House. He has admitted using gifts to influence lawmakers.

The investigation snared its first congressman this month when Rep. Bob Ney, Ohio Republican, pleaded guilty to covering up expensive gifts and trips from Abramoff. He admitted taking trips, tickets, meals and campaign donations from Abramoff in return for official actions on behalf of his clients.

Two former aides to Tom DeLay, the former House majority leader, have also pleaded guilty, as has Ney's former chief of staff.

Additionally, Roger Stillwell, a former Interior Department official, pleaded guilty in August to a misdemeanor charge for not reporting tickets he received from Abramoff.

Jail Time For Ex-official In Influence-peddling Case (LAT/AP)

From Associated Press

The Los Angeles Times, October 28, 2006

Former Bush administration official David H. Safavian was sentenced to 18 months in prison Friday for lying and obstructing justice in connection with the Jack Abramoff influence-peddling scandal.

Safavian, the former chief of staff for the General Services Administration, was sentenced on obstruction and concealment charges for lying to investigators about his relationship with Abramoff, the once-powerful Republican lobbyist.

"There was a time when people came to Washington because they thought government could be helpful to people," said U.S. District Judge Paul L. Friedman. "People came to Washington asking not what government could do for them and their friends but what they could do for the public."

Safavian wept in court as he asked for leniency, but Friedman said the ex-bureaucrat had become part of Washington's culture of corruption, where congressmen listen to campaign donors and lobbyists while farming out to staff members the job of writing laws.

Abramoff shook Pennsylvania Avenue from the Capitol to the White House when he pleaded guilty to corruption in January and began cooperating with an FBI investigation.

The case has become an election-year liability for Republicans. Last month, Rep. Bob Ney (R-Ohio) pleaded guilty to taking gifts and trips from Abramoff in return for official favors.

Friedman said he believed Safavian was a good person and could not understand why he got involved with Abramoff.

"Maybe it's hard to resist. Maybe it's hanging out with the big boys," Friedman said. "I'm not sure."

Safavian, who also worked in the White House budget office, gave Abramoff details about GSA projects and offered advice on dealing with the agency. He also accepted a cut-rate golf trip to Scotland aboard a private jet.

"Rather than putting the interest of the public first, he put the interest of Jack Abramoff first," prosecutor Peter R. Zeidenberg said.

Safavian apologized Friday for giving the appearance of impropriety but said it was not fraudulent. He said the lobbyist used and manipulated him and he never meant to hurt anyone.

Safavian argued for no jail time but prosecutors asked for a three-year sentence, saying Safavian lied on the stand. Friedman called Safavian's testimony that he didn't know the value of the Scotland trip and barely read an ethics opinion "incredible" and "hard to believe" but said it wasn't perjury.

Ex-procurement Chief Gets 18 Months In Prison (GOVEXEC)

By Jenny Mandel

Government Executive, October 28, 2006

Former federal procurement chief David Safavian was sentenced on Friday to 18 months in prison for lying and obstructing investigations into his dealings with disgraced lobbyist Jack Abramoff.

Safavian was convicted in June on four of five charges of lying to General Services Administration and Senate officials about his interactions with Abramoff while serving as the chief of staff at GSA, and obstructing a GSA inspector general investigation.

The 18-month sentence fell halfway between the defense's recommendation that he serve between zero and 12 months, and a Justice Department recommendation for 30 to 37 months. D.C. District Judge Paul Friedman also declined to impose a fine along with prison time, based on a pre-sentencing report that found Safavian's finances ruined by legal fees.

"I think since Mr. Safavian is going to serve some time in prison, to impose a fine is punishing Mrs. Safavian and perhaps other relatives," Friedman said.

The sentencing was complicated by questions of what guidelines should apply to each of the counts and potential adjustments to the term. Peter Zeidenberg, the lead prosecuting attorney, argued that the sentence should be extended because Safavian perjured himself while testifying during his trial. Defense attorney Barbara Van Gelder argued that the sentence should be shortened because her client accepted responsibility for his actions.

Friedman rejected the government's argument for a longer sentence. He conceded that "it was hard to believe some of what Mr. Safavian said" during the trial, such as his statement that he had not stopped to question the inordinately low costs that Abramoff quoted to him for a lavish trip to play golf in Scotland. But Friedman said there was gray area in the subjectivity of testimony centering on what Safavian believed, which separated the case from ones in which defendants had clearly lied about basic, objective facts of the case.

Friedman also rejected Van Gelder's argument for a lighter sentence, saying Safavian showed no sign of accepting responsibility for his crimes.

"My words cannot express how sorry I am for the actions at trial here," Safavian told the judge in an appeal for leniency. "I now see that there were appearance [of conflict of interest] issues with some of those actions...I brought notoriety to a good agency, and that makes me sad."

But Friedman said Safavian's statement, his trial testimony and his defense lawyer's briefings all reflected that he continued to consider his conduct itself innocent, viewing the problem as one of others' interpretation of his actions.

Friedman showed the most sympathy at the many appeals made by Safavian's friends and family, and he condemned attacks on Safavian's wife, Jennifer, who works as an aide to Rep. Tom Davis, R-Va.

The judge said he read each of the 50 to 60 letters submitted as character references by Safavian's friends, former colleagues, former subordinates, a fellow police department volunteer, and his grandmother, among others, and he found the universally positive accounts compelling. Safavian's sister also stood before the judge to plead for leniency on her brother's behalf; he cried as she said the convictions did not reflect who her brother really was.

But Friedman ultimately concluded that despite the many accounts of Safavian's upstanding morals, the facts did not merit a lighter sentence. "Mr. Safavian wasn't duped, he isn't naïve, he's smart," Friedman said during a lengthy discussion of his reasoning. "Did he believe in public service? I guess he did. But he also talked about one day wanting to join Mr. Abramoff -- join that lucrative lobbying business."

Linking Safavian's case to the corruption cases that have recently swamped Washington, Friedman said the city has become increasingly corrupt over the years.

"There was a time when people came to Washington asking not what they could do for themselves and their friends, but what they could do for the public," he said.

Safavian plans to request assignment to a prison in Cumberland, Maryland. He also intends to appeal his conviction, and his lawyer said she will argue that he be allowed to remain free on bond until the appeal is decided.

Man Linked To Abramoff Is Sentenced To 18 Months (NYT)

By Philip Shenon

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — A former White House budget official who became entangled in the criminal investigation of the lobbyist Jack Abramoff was sentenced on Friday to 18 months in prison for lying about his relationship to Mr. Abramoff.

The former official, David H. Safavian, wept as he pleaded for leniency from Judge Paul L. Friedman in Federal District Court here. The judge used the sentencing hearing to speak out against what he said was a growing culture of corruption in Washington encouraged by high-priced lobbyists.

“He came to work in an environment that has become, frankly, more and more corrupt,” Judge Friedman said in announcing Mr. Safavian’s sentence, which was half of the three-year prison term sought by the Justice Department.

“It’s become corrupted by money,” Judge Friedman added. “You’ve literally got lobbyists sitting in Congressional offices writing legislation. That’s what’s going on.”

Mr. Safavian’s crimes, he said, were a “classic case of abuse of the public’s trust.”

Mr. Safavian was convicted in June of lying to federal investigators about Mr. Abramoff and the circumstances of his decision to join the lobbyist on a golfing trip to Scotland by private jet in 2002.

Mr. Safavian, a lobbying partner of Mr. Abramoff before joining the Bush administration, accepted an invitation for the trip after telling government ethics officers — falsely, the trial determined — that he faced no conflict of interest because Mr. Abramoff did no business with the executive branch.

In fact, the trial showed, Mr. Safavian had offered his services to Mr. Abramoff at the time as a middleman in acquiring government lands that were controlled by the General Services Administration, where Mr. Safavian had been chief of staff.

Mr. Abramoff pleaded guilty in January to charges of conspiring to corrupt public officials, including Mr. Safavian and Representative Bob Ney, Republican of Ohio, who became the first member of Congress to confess to crimes in the influence-peddling inquiry. Mr. Ney pleaded guilty this month to accepting a long list of illegal gifts from the lobbyist in exchange for official acts.

Mr. Safavian, who resigned in December as head of federal procurement policies at the White House budget office, was the first person to go to trial in the investigation and, even Friday, did not concede that he had lied to investigators or obstructed justice, the crimes for which he was convicted.

Choking back tears, he stood before Judge Friedman and insisted that while his actions might have created the appearance of impropriety, “there was no conspiracy to defraud anybody, least of all taxpayers.” He said that while “Jack Abramoff was my friend, he wasn’t my co-conspirator and I wasn’t his.”

“My words cannot express how sorry I am,” Mr. Safavian said.

“I brought notoriety to a good agency, and that makes me sick,” he said, referring to the General Services Administration, which acts as the federal government’s property manager. “I shouldn’t have given Jack Abramoff any information about the agency, no matter how innocuous it seemed.”

Ethics Report On Foley Not Expected Before Elections (WP)

DOJ_NMG_0088429

By Jonathan Weisman, Washington Post Staff Writer

The Washington Post, October 28, 2006

The House ethics committee has all but wrapped up the investigative phase of its probe into the actions of former representative Mark Foley, informing key witnesses that they will not be summoned back for more questioning, lawyers in the case said yesterday.

But those lawyers indicated that the committee is unlikely to release its report on the Florida Republican -- or even an interim memo -- before the Nov. 7 elections.

The quick pace of the investigation had raised hopes among some Democrats that the committee could release its findings in the coming days, fulfilling a pledge from the committee's top Democrat, Rep. Howard L. Berman (Calif.), that the probe would be wrapped up in "weeks, not months."

The political shock of Foley's sexually explicit instant-message exchanges with former House pages has faded, but questions remain about what senior House GOP leaders knew of Foley's behavior and when they knew it. A committee report could have resurrected Democratic charges of a coverup, some Democrats hoped.

But with many hours of testimony to transcribe into thousands of pages of evidence, it is unrealistic to expect that even an interim memo can be released next week, said Timothy J. Heaphy, the attorney for Foley's former chief of staff, Kirk Fordham.

The task of sifting through evidence and reaching conclusions appears to be at hand. Aides for the Committee on Standards of Official Conduct, as the ethics committee is formally known, told Heaphy that Fordham was free to leave the country yesterday on vacation. Lawyers close to the probe said another pivotal witness, former House clerk Jeff Trandahl, will not be called back for follow-up questions.

The committee has also taken testimony from House Speaker J. Dennis Hastert (R-Ill.) and his top staff; House Majority Leader John A. Boehner (R-Ohio); National Republican Congressional Committee Chairman Thomas M. Reynolds (R-N.Y.); Rep. Rodney Alexander (R-La.), whose former page apparently first brought Foley's e-mails to the attention of the House leadership; Rep. John M. Shimkus (R-Ill.), who chairs the page board; and several other Republican aides.

The most glaring hole in the testimony is the apparent decision not to call Rep. Jim Kolbe (R-Ariz.), who was aware of inappropriate e-mails from Foley to a page as far back as 2000 and whose conduct with former pages has also drawn scrutiny. Korenna Cline, a Kolbe spokeswoman, said the ethics committee has had no contact with the congressman or his staff. Ethics committee staff members would not comment on the course of the investigation but gave no indication that all investigative matters were closed.

Still, the committee has generally garnered praise for the diligence its members have shown. This week's appearance by Hastert was expected to be short and perfunctory. Instead, Hastert remained behind closed doors for nearly three hours with the committee's staff and the four members conducting the Foley probe. Questioning of Hastert's chief counsel, Ted Van Der Meid, stretched on for more than six hours and ended past midnight. Hastert's chief of staff, Scott Palmer, spent a similarly grueling stretch with the committee.

One witness said questions dwelled on meetings between Republican leadership aides, Foley and Foley's staff, and Trandahl.

Outside the committee room, House Republicans, including Hastert, have repeatedly suggested that Democrats should also be scrutinized to determine whether they were aware of Foley's sexually explicit instant messages and leaked them to the news media. But those messages were revealed by former pages only after ABC News published inappropriate but not sexual e-mails, and the committee has not pursued the matter, the witness said.

The Republican members of the investigative panel -- committee Chairman Doc Hastings (Wash.) and Rep. Judy Biggert (Ill.) -- did not dwell on the origins of the e-mails or on the leaks. Likewise, the Democratic members, Berman and Rep. Stephanie Tubbs Jones (Ohio), did not press their party's charges that the Republicans covered up Foley's actions to protect his House seat.

"I did not get the sense that anyone was acting in a partisan way," Heaphy said, stressing that he could not divulge the specific questions asked. "They were pretty much acting as investigators. I was impressed at the level of preparation and insight they showed."

That is a far cry from the dysfunctional committee that has done virtually nothing since February 2005, when GOP leaders ousted the panel's independent-minded chairman, Rep. Joel Hefley (R-Colo.), and replaced him with Hastings, who is considered closer to the Republican leadership.

James Dyer, a former senior House Republican aide now with the lobbying firm Clark & Weinstock, said the Foley matter has shown Republican leaders that they need a strong, credible ethics committee that can take up internal scandals and show the public that House members take such matters seriously.

"If there is a silver lining in all this, it's the re-emergence of a strong ethics committee," Dyer said.

When the page scandal broke Sept. 29, House Minority Leader Nancy Pelosi (Calif.) called for the committee to deliver a preliminary report to the House within 10 days. That goal is long past, but Pelosi has not publicly pressured the committee to move faster.

"The ethics committee seems to be conducting its investigation rapidly," said Pelosi spokeswoman Jennifer Crider. "We'll see how the next phase goes."

Levine Enters Guilty Plea (CHIT)

By Jeff Coen, Matt O'connor And Ray Long, Tribune Staff Reporters

Chicago Tribune, October 28, 2006

2 governor allies aided scheme, U.S. says

Political insider Stuart Levine pleaded guilty Friday to scheming to squeeze millions of dollars from firms seeking state business, and authorities alleged in the clearest detail yet that he had the help of Gov. Rod Blagojevich's top campaign supporters.

The new allegations in the plea agreement of Levine, a longtime Republican fundraiser reappointed to state boards by the Democratic governor, only increased the questions about corruption swirling around the race for governor with little more than a week until the Nov. 7 election.

In the 58-page plea agreement, federal authorities spell out allegations that Blagojevich's two top fundraisers schemed almost from the beginning of the governor's administration to use their newfound influence for corrupt purposes.

The plea agreement identifies Antoin "Tony" Rezko, who has already been indicted on federal corruption charges, as one of those close advisers. The other fundraiser, who is not charged, is identified only as "Individual B." Sources identify him as Christopher Kelly, a south suburban roofing contractor who became a loyal Blagojevich confidant.

Following a fundraiser Friday night, Blagojevich said Levine's plea shows he began his misdeeds before Blagojevich became governor.

"It's my understanding the guilty pleas extend back to acts of wrongdoing that began as early as 2000 or 2001, and my sense of the guilty pleas is that it was a continuation of all of that that spilled over from one administration to the next," he said.

The campaign of Blagojevich's Republican challenger, Judy Baar Topinka, tried Friday to use Levine's guilty plea to tarnish the governor.

Topinka's running mate, Joe Birkett, noted that the plea agreement by Levine--who was a member of the state teachers pension board and state hospital construction board--tied Blagojevich's top two fundraisers to the alleged corruption scheme.

"Rod Blagojevich needs to explain to the voters why his top two fundraisers were knee-deep in corruption in this massive corruption scheme," Birkett said. "It's crystal clear that `Individual B,' Chris Kelly, was in fact part of the shakedown scheme."

Jon Bauman, executive director of the Teachers' Retirement System, confirmed that Kelly is "Individual B," based on his conversations with Levine and subsequent interviews with federal officials. Sources close to the investigation have corroborated the identification.

Kelly's attorney, Michael Monico, said his client denies any wrongdoing. Kelly has not been charged.

"To the extent the plea agreement by inference or innuendo accuses Chris of any wrongdoing, we categorically deny that," Monico said Friday evening.

The plea agreement alleges that Rezko and Kelly used Levine to play politics at the state pension board, along with two stalwarts of the old-guard Republican establishment in Springfield. Although neither was directly named, they are businessman

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William Cellini and lobbyist Robert Kjellander, now the treasurer of the Republican National Committee. Neither Cellini nor Kjellander is charged with a crime.

In his agreement, Levine places himself at the center of a plan to enrich himself, Rezko and their associates, and raise campaign cash through a series of secret, crooked deals involving firms trying to do business with the state's Teachers' Retirement System.

Prosecutors detailed Levine's efforts to solicit kickbacks of millions of dollars from nine investment firms seeking contracts with TRS, and in one case, a $1.5 million political contribution for a public official identified as Blagojevich by sources close to the investigation.

Levine pleaded guilty to one count each of mail fraud and money laundering in exchange for a sentence of about 5 1/2 years in prison and his continued cooperation in ongoing investigations of state government. If not for his cooperation, Levine faced life imprisonment, his lawyer said.

Levine's lawyer, Jeffrey Steinback, said the scope of the corruption was extensive, estimating that Levine and others schemed to steal as much as $20 million to $50 million in government and private funds.

Steinback said he expects Levine's cooperation to extend to testifying at trials and could take two years to complete.

"He is cooperating fully with the government in some very sensitive, ongoing investigations," Steinback said. "I know the government regards him as very important."

The plea agreement disclosed that Levine was reappointed to the Health Facilities Planning Board with the intervention of "Individual A"--previously identified by the Tribune as William Cellini, the Springfield power broker and Blagojevich supporter.

Neither Cellini, who has not been charged, nor his lawyer returned calls Friday seeking comment on the case.

The agreement lays out webs of connections between Levine and other power brokers.

In one key attempted deal in 2004, prosecutors allege Levine learned that the TRS staff was going to recommend that the board approve a $220 million investment with Capri Capital Advisers.

In April 2004, the agreement states, Rezko and Levine arranged to hold up the deal unless real estate investor and Capri co-chairman Thomas Rosenberg, also a Hollywood producer, paid about $2 million in fees to a consultant they chose. In lieu of that, Rosenberg--identified as "Individual J" in the agreement--could make a $1.5 million political contribution "to a certain public official."

Sources have said the money was to go to Blagojevich's campaign fund.

Rosenberg, however, refused to participate in the scheme. Days later, according to the plea agreement, Levine, Rezko, Cellini and Kelly agreed it was too risky to continue demanding money from Rosenberg's firm. The four agreed that while Rosenberg's firm would receive the $220 million allocation from TRS, it would not receive any more business from the state, the plea said.

Kelly, who once headed the governor's campaign fund, is one of Blagojevich's closest confidants, fundraisers and advisers. Kelly befriended Blagojevich years ago and the two remain close, with Kelly playing a significant role in the governor's re-election campaign.

The plea agreement demonstrates the influence the men had over the boards in question when it describes 2003 discussions surrounding the possible merging of TRS with two other state funds. Cellini approached Rezko and Kelly about defeating that plan, the agreement states, though the names of Cellini and Kelly are not used.

With Cellini's intervention, Rezko and Kelly used their influence with senior state officials to oppose a proposed consolidation of state pension funds to halt any chance of Levine losing his pivotal board post, the plea agreement said.

In return, Levine alleged, he agreed to help ensure the Teachers' Retirement System selected investment firms and lawyers favored by Rezko and Kelly.

The plea agreement also referenced Kjellander, though he is not named.

Based on matching the federal records with minutes of the Teachers' Retirement System, Bauman confirmed that Kjellander was "Individual K."

The agreement says that in early 2002, before Blagojevich was elected, Kjellander asked for help from Levine in getting business for an investment firm. The agreement alleges Levine knew Kjellander would receive a finder's fee in the deal.

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Kjellander has maintained in prior interviews that all of his dealings were aboveboard. Kjellander has not been charged with wrongdoing. He could not be reached for comment.

Governor's Campaign Donor Pleads Guilty In Kickback Case (CHIT/AP)

By Mike Robinson, Ap Legal Affairs Writer

Chicago Tribune, October 28, 2006

CHICAGO -- A businessman who funneled thousands of dollars into Gov. Rod Blagojevich's campaign pleaded guilty Friday to using his seats on two state boards in a bid to collect millions of dollars in kickbacks.

Disappointing Republicans, though, Stuart Levine's 58-page plea agreement with federal prosecutors contained no allegations of wrongdoing on the part of the Democratic governor, who is waging a re-election campaign while coping with a federal corruption investigation.

All the same, the massive document was crammed with details of corruption in state government and guaranteed to fuel campaign fireworks.

Levine told how he worked closely with Blagojevich fundraiser Antoin "Tony" Rezko, now also facing federal charges, and that Rezko and others close to the governor provided him with a high degree of political clout.

Levine admitted that he and Rezko planned to demand a $2 million payoff or $1.5 million in campaign contributions to "a certain state official" from a firm that wanted to invest $220 million in pension funds.

The official was Blagojevich, according to an individual familiar with the case who spoke only on condition of anonymity because the investigation is ongoing. But the money never was paid.

Blagojevich issued a statement saying the plea agreement "reveals a pattern of wrongdoing by Stuart Levine that betrayed the trust of Gov. (Jim) Edgar who first appointed him and to all of us here in Illinois."

Levine, 60, a suburban Highland Park millionaire, has been cooperating with federal investigators for more than six months in hopes of getting a break that would whittle down the time he will have to spend behind bars.

Under a deal worked out by defense attorney Jeffrey B. Steinback, Levine pleaded guilty to one count of mail fraud and one of money laundering. He is facing a sentence of five years and seven months, about half of the bottom end of the sentencing range under federal guidelines.

Prosecutors were expected to drop 22 other counts that could have sent Levine to prison for life had he been convicted on all of them.

"Stuart was a very legitimate, hardworking and successful businessman before he got involved with all these boards and illegal business, but you can become intoxicated with the ether of power, the ether of money and the opportunity for more," Steinback told reporters.

In his plea agreement, Levine acknowledged participating in a scheme to defraud the beneficiaries of the Teachers Retirement System, which pays the pensions of downstate and suburban Chicago teachers.

Prosecutors maintain that Levine, Rezko and others schemed to get at least $20 million and perhaps as much a $50 million in assorted kickbacks.

U.S. District Judge Amy J. St. Eve agreed to postpone the sentencing until the investigation is closed and Levine has testified, if need be, against any other defendants.

Levine admitted that the plotters sought to force nine investment firms seeking business from the state Teachers Retirement System to pay millions of dollars in kickbacks through consultants. In two cases, the scheme was hatched before Blagojevich became governor, the document said.

Levine was appointed to his seat on the Teachers Retirement System board in October 2000 by then Gov. George Ryan, now preparing to start his own 6{-year racketeering sentence.

Blagojevich in 2003 named him to a fresh term on the board that places billions of dollars in pension money with investment companies.

The fees that such firms charge can be highly lucrative.

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Levine said in his plea agreement that he found out he would be reappointed to the Teachers Retirement System board at a meeting in Rezko's office with another of the governor's fundraisers also on hand.

Rezko is facing wire fraud, mail fraud and other charges as part of the alleged scheme to pressure investment companies and others to pay kickbacks in exchange for getting money to invest for the pension fund.

When named to the pension board, Levine already had been named by former Gov. Jim Edgar to the Illinois Health Facilities Planning Board, whose decisions also involve big money. Hospitals are unable to raise the money they need for expansion projects without approval from the board.

Levine admitted that he used his position as a member of that board to pressure hospitals in a kickback plot. He admitted pressuring Edward Hospital in Naperville and Mercy Hospital when it sought to build an expansion project in Crystal Lake.

He also confirmed charges in the indictment that as a member of the board of Chicago Medical College, now known as Rosalind Franklin University of Medicine and Science, he awarded two contracts to construction magnate Jacob Kiferbaum in exchange for kickbacks of nearly $1 million on each project, paid through inflated bills from Kiferbaum.

Levine has been one of the most prolific campaign contributors in state politics, reserving most of his generosity for Republican candidates. But he switched allegiances and backed Blagojevich.

State records show he gave some $65,000, much in in-kind contributions such as airplane tickets, to the governor's 2002 campaign.

Supporters of Republican Judy Baar Topinka for governor had hoped for weeks that Levine's plea agreement when it finally came would hand Blagojevich such a black eye that Topinka would take over as frontrunner.

But many of the details had been aired in earlier court papers.

AP Writer Sophia Tareen contributed reporting for this story.

4 Men Found Guilty In Airport Fraud (HSB)

By Debra Barayuga

Honolulu Star-Bulletin, October 26, 2006

Two airport officials and two contractors defrauded the state of millions of dollars

A federal jury convicted two former airport officials and two contractors of conspiracy and mail fraud yesterday in a bid-rigging scheme at Honolulu Airport.

The jury deliberated for just more than six hours to unanimously find Dennis Hirokawa, 64, former superintendent of airport maintenance; Richard Okada, 65, former director of the Visitor Information Program; and contractors Michael Furukawa, 60, and Wes Uemura, 61, guilty of conspiracy.

In addition, Hirokawa was found guilty of 17 counts of mail fraud; Furukawa, 19 counts; and Uemura, 15 counts.

All four defendants were stoic as the court clerk read the guilty verdicts. Relatives in the audience dabbed at their eyes and wept in the courtroom.

Each of the defendants faces five years' imprisonment on the conspiracy count and five years on each of the mail fraud counts when sentenced Jan. 15. U.S. District Judge David Ezra agreed to allow the men to remain free on bail.

U.S. attorney Larry Tong and state Deputy Attorney General Larry Goya prosecuted the case. The four men were "engaged in an elaborate scheme to abuse the public contracting process and caused economic damage to taxpayers," Tong said.

The environment of "pay to play" that the defendants subscribed to "caused a loss of faith in the integrity of state government that can't be measured in dollars and cents," he said.

Dana Ishibashi, attorney for Okada, said only that they were disappointed and will be exploring their options, including whether to appeal.

Defense attorney Howard Luke declined comment.

The verdict brings to an end a joint federal-state investigation that began more than six years ago by the state Attorney General after airport auditors learned the state was billed $14,000 for constructing four 6-foot-long plywood planter boxes to hold poinsettias during the holidays.

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Prosecutors alleged that the four conspired from 1997 to 2002 to obtain $4.8 million in small-purchase contracts under $25,000, a less formal process that requires that three bids be submitted and the work awarded to the lowest bid.

The contracts were mostly awarded to six companies owned by Furukawa and Uemura, prosecutors said. A government expert who reviewed 171 of the jobs that paid contractors $1.4 million valued the work as worth only $380,000.

Tong said he is expects to ask the court to order the defendants to repay $2.5 million.

A civil proceeding is also under way in state court seeking to forfeit property owned by the defendants.

Charles Goodwin, special agent in charge of the FBI here, said he hopes the convictions serve as a deterrent. "And as time goes by and we pursue more and more corruption, more and more people will step forward because they see the government serious about taking it on at the state and federal level," he said.

Proposed Religion-Based Program For Federal Inmates Is Canceled (NYT)

By Neela Banerjee

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — The Justice Department has canceled its proposal for a religion-based prison rehabilitation program that critics and constitutional law experts contended would have violated the separation of church and state.

On March 31, the department announced that it was seeking proposals for a "single-faith, residential re-entry program" that would be adopted initially in as many as six federal prisons and run in each by an organization of a particular denomination. The proposed program, among others, was challenged in a lawsuit filed on May 4 in the Federal District Court in Madison, Wis., by the Freedom From Religion Foundation, a watchdog group.

By May 26, the department had suspended its request for proposals for the program, and on Thursday it canceled the program "in its entirety," according to the Web site for the Office of Justice Programs of the federal Bureau of Prisons, a branch of the Justice Department.

A spokeswoman for the office did not return calls seeking comment.

Religion-based rehabilitation programs in prisons have faced several legal challenges. Civil liberties groups say federal money is being used to proselytize inmates, many of whom do not have secular alternatives for rehabilitation.

Proponents of such programs maintain that religion gives inmates a strong moral foundation to help them re-enter society.

In June, a federal judge in Iowa ruled that a state-financed evangelical Christian prison program was unconstitutional because it was "pervasively sectarian." That case is under appeal.

Robert W. Tuttle, a professor of law at George Washington University, said the proposed single-faith program "was dead in the water" upon introduction. It clearly breached the separation of church and state by financing indoctrination in a particular faith, he said.

The Disillusionment Of A Young White House Evangelical (NYT)

By Samuel G. Freedman

The New York Times, October 28, 2006

In an election season, how could an "inside story of political seduction," to quote the subtitle of David Kuo's "Tempting Faith," not be mined for every politically explosive example it offers?

And Mr. Kuo, who once wrote speeches for William J. Bennett, Pat Robertson, John Ashcroft, Bob Dole and George W. Bush and who served more than two years as second in command at the White House Office of Faith-Based and Community Initiatives, offers plenty.

In his tenure at that office, warm words about compassion, he argues, were belied by meager financing and bureaucratic indifference. Federally financed conferences for religious leaders, he says, were adroitly arranged to benefit threatened Republican incumbents. The conservative Christian leadership that was publicly stroked, he reports, was being privately derided by members of the White House staff.

Naturally, those skeptical of the faith-based initiative are saying, "I told you so," and stalwart defenders of the Bush administration are issuing emphatic denials or even suggesting that Mr. Kuo is either Judas or a fresh candidate for the axis of evil.

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But though "Tempting Faith" (Free Press) is a story about the Bush presidency, it is even more a story about Mr. Kuo. As much as it is a story about politics, it is also a story about faith.

"I set out to write a spiritual book," Mr. Kuo insists, and "Tempting Faith" turns out to be an engrossing piece of religious autobiography and a revealing, sometimes unnerving window into evangelical Christian culture.

There are painful remembrances, like the half-understood decision he and a girlfriend made to seek an abortion, which permanently bumped him off the path of becoming a standard-issue young liberal; and there are painfully comic ones, like the time he felt compelled by Christian faith to blurt out an apology to Hillary Rodham Clinton for all the ugly anti-Hillary jokes he had been slipping into the speeches he wrote.

There is never any suspense about whether the young Christian, lured to Washington to do good, will resist the corrupting temptation to manipulate his faith for political ends. The book's plot, after all, is a time-honored one: fall and redemption, and then fall and redemption again. It is classic testimony, and even ends with a kind of altar call summoning "we Christians" (he means evangelical Christians) to a two-year fast from all political activities besides voting.

For many readers, the real tension will arise from the question of why this obviously intelligent, alert and devoted young man did not see the train wreck coming. The political shenanigans he chronicles are hardly unprecedented, and he had repeatedly witnessed something less than enthusiasm among Republicans (in fact, among Democrats, too) for helping the needy. If the title were not in use, Mr. Kuo might well have called his book "State of Denial."

In elaborating on his case that conservative Christians, himself included, sold their birthright for a mess of pottage, Mr. Kuo mentions perks like presidential attention and conference calls with Karl Rove, symbolic gestures and promises, mostly unfulfilled, of government financing to do good works and combat evil as one sees it.

Those, of course, are the tools put to work with other groups and by every administration. But in Mr. Kuo's story, are there also not elements specific to evangelical culture at work? Is it too much to see the roots there of Mr. Kuo's startling switch from voting for Michael S. Dukakis and interning in the office of Senator Edward M. Kennedy to opposing gay rights, favoring every manner of tax cut and considering liberals the children of darkness?

"I made a seamless transition to embrace all of these positions," Mr. Kuo writes.

Such quick makeovers are not unknown on the secular left or right. But Mr. Kuo gives a strong impression that his was related to the very idea of rapid conversion, a total turning around of one's life, combined with the effect of the ideologically monolithic character of the evangelical congregation he joined in Washington.

And what of the surprisingly uncritical trust that the author, like many other conservative Christians, put in George W. Bush? "Christians trust their Christian president," Mr. Kuo writes; for many of them "George W. Bush can really do no wrong." He "loves Jesus" and is, therefore, "a good man."

In the book and in conversations on the phone and in person, Mr. Kuo is forthright about his own love of Jesus, and he never questions the president's. But he does recognize the temptation this poses for evangelicals like himself — of substituting for Jesus, whom "you can't see," someone else identified with him and ready at hand.

Mr. Kuo's religious forthrightness itself raises another intriguing question about evangelical culture. Evangelicals frequently demonstrate a verbal facility and emotional warmth in articulating their faith — in spontaneous prayer, for example, or in personal testimonies — that other believers envy. But does that put a premium on words and feelings rather than on actions and results?

In 1998, after talking at length with Mr. Bush, then governor of Texas, Mr. Kuo was overwhelmed. "Bush was the real deal," he told himself. "He loved Jesus. He wanted to help the poor." Six years and many disappointments later, Mr. Kuo listened to a speech by the president and concluded: "That same passion for the poor I first heard in Austin was in his voice and in his eyes. But the passion was a passion for talking about compassion, not fighting for compassion."

Ultimately the lesson Mr. Kuo hopes his fellow evangelicals learn goes far beyond this president and his policies. "At the end of the day," he said, "politics is easy; God is hard." Politics, by setting up very tangible enemies to be defeated, "gives the illusion of a solution," he said, while God demands personal transformation. "What," he asked, "is harder than to be transformed by unconditional love?"

This very contrast between political change and personal transformation has deep evangelical roots, of course. Secular progressives might counter with the mirror image of his formulation: God is easy; politics is hard.

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And then there is another possibility: God is hard, and so is politics — at least the politics practiced with a good deal of skepticism, with an anticipation of compromises and setbacks, and with a recognition of the pride and egoism, as the theologian Reinhold Niebuhr pointed out, that infects even (or perhaps especially) humanity's most faith-based initiatives.

High Court To Rule On Deadly Force In Police Chases (WP)

By Charles Lane, Washington Post Staff Writer

The Washington Post, October 28, 2006

The Supreme Court stepped into the national debate on the risks of high-speed police car chases yesterday, announcing that it will decide whether the Constitution permits police to use deadly force against a fleeing motorist whose only suspected offense is speeding or reckless driving.

The court's decision was a victory for a Georgia police officer appealing a ruling earlier this year by the Atlanta-based U.S. Court of Appeals for the 11th Circuit. That court had concluded that the officer acted unreasonably by ramming a fleeing speeder, causing a crash that left the driver, Victor Harris, paralyzed.

The 11th Circuit, like a Georgia federal district judge before it, ruled that the officer, Timothy Scott, had violated a clearly established constitutional rule and could personally be sued.

But Scott's appeal said that the 11th Circuit's decision clashed with rulings by other appeals courts and "will have a chilling effect on seizures of all fleeing suspects across the nation" if the Supreme Court does not reverse it.

At least four members of the court -- the minimum needed to accept a case -- found this argument persuasive enough to grant Scott a hearing.

When the court hears arguments in Scott v. Harris , No. 05-1631, early in 2007, it will be the first time the justices have reexamined the constitutional prerequisites for employing deadly force against unarmed fleeing suspects since 1985.

In that case, which involved not a speeder but a suspected burglar, the court ruled that police may use deadly force only when they have good reason to believe someone will be killed or injured if they do not.

"It is not better that all felony suspects die than that they escape," the court ruled. "A police officer may not seize an unarmed, nondangerous suspect by shooting him dead."

The 11th Circuit cited that ruling to support its decision against Scott, noting that Harris was not suspected of any offense more serious than speeding, a misdemeanor, and posed little risk to the public because the streets were empty at the time.

Scott replied in his brief that the 11th Circuit's ruling puts police in "the untenable position of waiting until a fleeing suspect engaged in reckless and dangerous driving . . . actually maims or kills an innocent bystander before initiating a seizure."

Pursuits -- even of armed and dangerous suspects -- have become controversial in recent years, because of the risk they can pose to third parties and police officers themselves.

A 2004 University of Washington study found that, from 1994 to 2002, 260 to 325 people were killed annually as a result of high-speed chases.

The chase prompting the court's new case began on the night of March 29, 2001, when police tried to pull Harris over for going 73 in a 55-mph zone. Harris fled, accelerating to more than 90 mph and driving against traffic.

Harris later said he was frightened and wanted to avoid an impound fee for his car.

Scott joined the pursuit and radioed his supervisor for permission to attempt a "precision intervention technique," a maneuver in which a police car deliberately bumps a fleeing car at an angle, forcing it to spin out and stop.

Scott's supervisor authorized the maneuver. But Scott instead rammed Harris's car directly from behind, forcing it to career off the road and crash.

Now a quadriplegic, Harris sued Scott, alleging that the officer had violated the Fourth Amendment, which prohibits unreasonable seizures.

A federal district judge in Georgia upheld the suit against Scott in 2003, prompting Scott's appeal to the 11th Circuit.

A decision in the case is expected by July.

Justices To Rule On Police Ramming Car To End Chase (LAT)

By David G. Savage, Times Staff Writer

DOJ_NMG_0088437

The Los Angeles Times, October 28, 2006

The Supreme Court agreed Friday to decide whether police officers can be sued for intentionally ramming a fleeing car during a high-speed chase, causing the death or injury of the driver.

Eight years ago, the justices shielded police officers from being sued in federal court for deaths and injuries resulting from high-speed chases. The only exception, the court said, is when police act out of "an improper or malicious motive," such as "to terrorize, cause harm or kill" a suspect.

In the 1998 case, the parents of a teenager from Sacramento sued after their son was killed when he fell from a motorcycle being pursued by a police cruiser at 100 mph. Because the officer did not intend to harm the cyclist, he could not be held liable, the high court ruled.

In the new case, from Georgia, the justices will consider whether an officer who deliberately hits a fleeing car can be held liable for an accident that follows.

The case began on a March night in 2001 when an officer in Coweta County, Ga., saw a Cadillac going 20 miles above the speed limit. When he gave chase, it sped up, ran through a red light and reached 100 mph on a highway.

A second officer, Timothy Scott, rammed the rear of the speeding vehicle, sending it out of control and over an embankment. The driver, 19-year-old Victor Harris, survived but was rendered a quadriplegic.

He sued, and both a federal judge and the U.S. appeals court in Atlanta agreed that an officer who used "deadly force" by ramming his car into another vehicle could be held liable for the damage he caused.

Under most states' laws, including California's, police officers cannot be sued by someone injured while fleeing from law enforcement. However, police can be sued in federal court if they violate a person's constitutional rights, even if the person is a fleeing felon.

In the Georgia case, lawyers for the injured driver argued that ramming his car amounted to an "unreasonable seizure," a violation of the 4th Amendment. The courts agreed, clearing the way for the suit to go before a jury.

Lawyers for the police officer appealed directly to the Supreme Court, arguing that such a decision, if allowed to stand, endangered the public as well as police. Officers would be forced to allow speeding vehicles to escape if they could be sued for forcibly stopping them, they said.

When trying to stop a fleeing car, police officers try to drive alongside and then nudge the rear to the right so that the car spins out. This is known as PIT, for Pursuit Intervention Technique.

"When it's done right, it's a controlled maneuver, and it stops the car," said Lt. Paul Vernon of the Los Angeles Police Department.

The high court announced late Friday that it would hear the case of Scott vs. Harris.

Also Friday, the court agreed to hear an appeal from the parents of an autistic boy seeking the right to sue for a better learning program for their son. A federal judge in Ohio threw their case out because they did not have a lawyer.

Now, the Supreme Court will decide whether parents, acting without a lawyer, may appeal in court on behalf of their children to seek their rights under the federal Individuals With Disabilities Education Act. That law gives disabled children a right to a "free appropriate public education."

The law also says the school must develop an "individualized education program" for each child with a disability, and the parents are entitled to be part of the team that develops this plan. If the parents are dissatisfied with the plan, they can file a complaint and have a hearing before a local and state administrator. If they are still dissatisfied, they can go to court.

At issue is whether they can do so on their own and without a lawyer.

Jeff and Sandee Winkelman believed their 8-year-old son, Jacob, would benefit from attending a private school that specialized in autism. However, school officials in Parma, Ohio, placed him in a public elementary school, and an administrative hearing officer upheld the school district's decision.

The Winkelmans sent their son to the private school for one year, at a tuition cost of $56,000, and went to federal court to seek reimbursement from the school district.

A federal judge and the U.S. appeals court in Cincinnati ruled the parents could not sue in court without a lawyer.

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Jean-Claude Andre, a Los Angeles lawyer, petitioned the Supreme Court to hear their case. He cited an Education Department study that said the nation had nearly 7 million children with a disability, and of these, about a third came from families with annual incomes of $25,000 or less.

"For the overwhelming majority of these families, like the Winkelmans, the cost of retaining a lawyer is prohibitive," he said. U.S. Solicitor General Paul D. Clement also urged the justices to take up the case of Winkelman vs. Parma City School District and to rule for the family.

Both cases will be argued before the high court early next year and decided by June.

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Convicted Killers See New Trial Over Court Chaos (NYT)

By Michael Brick

The New York Times, October 28, 2006

The crime scene was the courthouse, and the witnesses were lawyers, court officers, a court reporter and a judge. The indictment described the momentary chaos of an afternoon last winter.

"It happened right here," said the prosecutor, Robert J. Walsh, addressing the jury and motioning toward the defendants. "They tried to escape."

But when testimony began this week, witnesses offered all the complexity of the world outside the courthouse.

Had one of the men signaled to start the attack? Had the other said his intent was suicide? Were the makeshift knives found in their clothing or on the floor? Where had the armed court sergeant and the unarmed judge been standing?

The men at the defense table in State Supreme Court in Brooklyn last January, Kayson Pearson, 24, and Troy Hendrix, 22, had been on trial for kidnapping, raping and killing Romona Moore, a third-year psychology student at Hunter College. She was savagely tortured. The maximum penalty was life. On Jan. 19, the trial ended abruptly.

Courthouse disturbances do not make for predictable cases. Some defendants who live to tell about them are acquitted, like Angela Davis in California in 1972 and Jose Dominguez in the Bronx in 1991. In Missouri, a man convicted in the courthouse where he had killed his wife in 1992 awaits a new trial on account of the venue. In Atlanta, defense lawyers have asked to move the trial of a man who escaped the courthouse in March 2005.

Mr. Pearson and Mr. Hendrix never did stand much of a chance to escape. The court clerk behind his desk could push a button to summon backup. His hand gripped the holster of a handgun. The holster he had unclipped.

The court sergeant's holster was made to lock if you fought him for the 9-millimeter Glock loaded with 16 hollow point bullets. The sergeant was 58 years old and 5 feet 10 inches tall, and he would swear that he still had it in him to body slam a young man with his off hand. Next door, a trial for the killing of two police detectives had attracted idle, displeased police detectives.

But timing for a getaway did not look to improve. For three years, hearings had convened high up in the 32-story courthouse, where the elevators were the only way out.

On the second day of the trial, proceedings moved to a room equipped to seat two juries, beside an escalator and a wide staircase. By 4 p.m. the building was clearing. Mr. Pearson was dressed in white from jacket to shoes. Romona Moore's mother gave her testimony, the last of the day. Justice Albert Tomei dismissed the jury. Then everybody moved.

"It was the scariest thing I've ever experienced," said Anna-Sigga Nicolazzi, the prosecutor on the case, speaking from the witness stand this week. "There were so many people screaming and saying different things."

In minutes, Mr. Hendrix was lying on the floor, court officers on him. His eyes were red, and mucus ran from his face. His footprint was on the defense table. The sergeant, James A. Gorra, was cut in three places. A court officer had banged his knee, another was wounded in the neck. Somebody was handcuffing Mr. Pearson. A defense lawyer, Mitchell Dinnerstein, was cut in the face and his shirt was full of blood. Around the room, officers found two sharpened ends of plexiglass and a strange weapon that looked like a pair of eyeglass frames with a masonry nail attached.

A mistrial was declared, new lawyers were appointed and the men watched their trial by video from Rikers Island. When it was done, Justice Tomei gave them life sentences. Mr. Pearson was sent to the Upstate Correctional Facility in Malone, and Mr.

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Hendrix to the Downstate Correctional Facility in Fishkill, 230 miles away. Prison records list their parole eligibility dates as 99/99/9999.

But the Brooklyn district attorney, Charles J. Hynes, who had instructed Ms. Nicolazzi at Brooklyn Law School, did not wait to hear the sentences. On April 4, prosecutors filed a 39-count indictment addressing that January afternoon.

"The courts have to be secured," Mr. Hynes said in an interview. "It's an important thing for the morale of the staff that we don't trivialize the kind of behavior that we allege these guys committed."

The case was assigned to Mr. Walsh, a colleague of Ms. Nicolazzi in the Homicide Bureau. At a plea bargain hearing in June, the defense lawyers, John B. Stella and Philip J. Smallman, requested a trial.

Last week, court officers draped a defense table with black bunting to conceal leg shackles and fitted a prosecution table the same way. Sweatshirts were obtained to replace prison jumpsuits.

The judge, James G. Starkey, betrayed little patience. He ordered jury selection to begin despite his own minor surgery and a funeral Mr. Smallman wanted to attend.

The defendants entered in their new sweatshirts and leather restraining belts. They sat side by side. Mr. Pearson seemed alert and reacted to the proceedings, sometimes whispering to Mr. Hendrix.

Jury selection took three days. The lawyers described the nature of the murder trial, but not its outcome.

"Is this case to try whether they're guilty of trying to escape?" asked one woman, who was eliminated. "If they tried to escape in front of everybody, it's there for everybody to see."

Other candidates made the opposite assumption. One man said: "I would figure the rape and the murder would be more of an issue than them trying to run. I feel like they don't have enough evidence on that case, so you're trying to get them on this."

With 11 jurors sworn in, Justice Starkey asked whether the defense would challenge the next candidate, a woman who appeared fit from summers as a lifeguard. The defendants were giggling. Mr. Stella stood in front of his client and put his hands on the table. "This is the 12th juror," he said. Then he turned and told the judge Mr. Pearson had overruled his legal advice. The prosecutor consented without hesitation, and the woman became Juror No. 12. She looked to be about Ms. Moore's age.

As the trial began, Mr. Walsh told jurors the facts were simple. "This is not a case," he said, "where a crime was committed on the street, the defendants were arrested two weeks later and the jury is left to wonder whether they got the right guy."

Several witnesses said Mr. Hendrix had jumped the table and wrestled Sergeant Gorra for his gun. Sergeant Gorra testified to stiff-arming him airborne and slamming him down. But Court Officer Dennis Cherry recounted applying a neckhold while Court Officer Joseph Dentici swept his legs.

The defense lawyer who had been stabbed, Mr. Dinnerstein, said he had received no stitches, though others said his shirt was soaked with blood. The law defines injury, and serious injury, too. Mr. Walsh submitted hospital records, photographs and weapons as evidence.

And the defense lawyers tested memories. Mr. Stella, who paces the gallery during cross-examination, and Mr. Smallman, who wears an American flag lapel pin, asked each witness about positioning and timing.

Ms. Nicolazzi, the prosecutor from the murder case, gave lawyerly yeses and noes, then described her observations. During her testimony, a public-address system announced the lights would flicker for generator tests. Some jurors shifted in their seats.

From the courtroom next door, Justice Tomei came and gave his account.

"I heard gun, gun, gun, that's all I heard," he testified. "As soon as I heard that, I said, 'I'm out of here.' "

A police detective demonstrated efforts to handcuff Mr. Pearson but said finding the weapon was a blur.

"It was all kind of like one motion," said the detective, Timothy O'Brien. "It's kind of hard to pinpoint A and B and C happened."

Then the prosecutor rested his case. Mr. Pearson and Mr. Hendrix were taken to the Manhattan Detention Complex, where they have the weekend to decide whether they want to testify. It promises to be among the last free choices anybody asks them to make. The year 9999 is not coming soon.

Baby Girl's Death In Brooklyn Is Ruled A Homicide By Officials (NYT)

By Cara Buckley And Daryl Khan

The New York Times, October 28, 2006

A 13-month-old girl died early yesterday after being found unconscious in her Brooklyn home, and her death has been declared a homicide by the medical examiner's office. The police have not identified any suspects.

A spokeswoman for the medical examiner's office said the baby had skull fractures and other injuries, and the police said her body was bruised.

The police said that the baby's mother, whom they identified as Antigua Lucas, 19, told them that she had found the baby, Teira Lewis, not breathing around 2:15 a.m. Ms. Lucas said that Teira had been sick at 11:30 p.m., but that she managed to soothe the baby to sleep, according to the police.

After finding the baby unresponsive, Ms. Lucas said, she rushed out of her second-floor apartment at 270 Glenmore Avenue in East New York, the police said, frantic and looking for help. She flagged down a private sanitation company worker, who called 911, the authorities said.

The baby was taken to Brookdale University Hospital and Medical Center and declared dead at 3 a.m., the police said. The Administration for Children's Services was investigating the death.

Neighbors at Ms. Lucas's building, which sits on a desolate stretch of road lined with industrial warehouses and boarded-up homes, said a worker from the child welfare agency had inquired about the baby's well being about four months ago. The agency would not confirm that claim. But, according to neighbors and the building's landlord, Teira had always appeared to be well kept and happy.

The landlord, who would not give his name, said Ms. Lucas and Teira were the only people listed on the apartment's lease, though one neighbor said she saw Ms. Lucas's male companion with the baby around 6 p.m. Thursday. But, according to the police, Ms. Lucas said she was alone in the apartment when she discovered that Teira could not be woken.

Police Say Malvo Confessed To Killing Arizona Golfer (USAT/AP)

USA Today, October 28, 2006

TUCSON (AP) — Convicted Washington-area sniper Lee Boyd Malvo confessed to police that he and cohort John Allen Muhammad were responsible for the 2002 killing of a 60-year-old man on a Tucson golf course, Tucson authorities said Friday.

Malvo said he was sorry for the family of Jerry Taylor, said Detective Benjamin Jimenez of the Tucson Police Department.

"He welled up a few times in tears during the interview," Jimenez said.

Malvo spoke to police in Maryland for two hours Thursday after he received immunity from prosecution, Tucson Capt. Bill Richards said. Malvo said the shooting took place while he and Muhammad were in the area visiting Muhammad's older sister, Richards said.

Tucson police had long sought to speak with Malvo about the March 19, 2002, death of Taylor, 60, who died from a single gunshot fired from long range as he practiced chip shots at the golf course. The case had never been conclusively tied to Muhammad and Malvo.

Jimenez said Malvo lay in the bushes and shot Taylor as he was retrieving a golf ball. According to Malvo, the two decided to shoot someone on the golf course after conducting surveillance in the desert, Jimenez said.

Taylor's daughter, Cheryll Witz, said Malvo's confession brings closure for her and will allow her to move forward. She said she wrote Malvo a five-page letter in June imploring him to talk to Tucson detectives.

"I needed to know. I really need to forgive him. I do believe that he was brainwashed and I do truly believe that he was made to kill my father," she said.

Tucson police Chief Richard Miranda said Tucson detectives were participating in the Washington-area sniper investigation and noticed similarities between those cases and Taylor's.

Richards said Malvo agreed to testify against Muhammad if Arizona authorities bring charges. He said police are still investigating and have not submitted the case to prosecutors.

Muhammad and Malvo were arrested for 10 killings and three woundings in the Washington, D.C., area during three weeks in October 2002. They were accused of roaming the area with a Bushmaster .223-caliber rifle that they fired from the trunk of a Chevrolet Caprice at random victims.

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Malvo is serving a life term in Virginia for sniper shootings. He is in Maryland awaiting sentencing for six sniper killings in Montgomery County.

The two are suspects in earlier shootings that year in Alabama, Georgia, Louisiana, Maryland and Washington state, and news reports have linked them to shootings in Florida, Texas and California.

Both were convicted of separate Virginia killings in 2003. Muhammad was sentenced to death while Malvo was given a life term.

They were sent to Maryland last year to stand trial for six killings in Montgomery County. Muhammad was convicted in May. Malvo, who pleaded guilty, is to be sentenced Nov. 9.

Professor Accused Of Spying For Cuba Won't Be Released Before Trial (MH)

By Jay Weaver

The Miami Herald, October 28, 2006

A Florida International University professor charged with being an unregistered agent of Cuba's communist government won't be released before trial, a Miami federal judge ruled Friday.

Carlos Alvarez, 61, who is accused of informing on the exile community for Cuban leader Fidel Castro's intelligence arm, could flee to Cuba if he's freed before the January trial, U.S. District Judge K. Michael Moore said. He denied Alvarez's bid for bond.

The father of five has been detained at the Federal Detention Center in downtown Miami since January, when he was arrested along with his wife, who faces the same charge but is free on bond.

"The evidence has shown that the government of the Republic of Cuba appreciates the work that [Alvarez] has performed for it and has acknowledged his efforts with commendations," Moore wrote. ``It is, therefore, a substantial likelihood that defendant would choose to flee."

Alvarez's lawyer, Steve Chaykin, said he could not comment because he was out of town and had not read the ruling.

In the decision, Moore takes a harsh view of Alvarez, a longtime FIU psychology professor, who was charged along with his wife, Elsa, an FIU counselor. After her initial detention, she was released in June.

Moore noted then that the ``weight of the evidence against defendant Elsa Alvarez was substantially different than that against Defendant Carlos Alvarez."

He gave self-incriminating statements to FBI agents in the summer of 2005 because he believed they would not charge him if he cooperated with them. His lawyer has asked the judge to suppress that evidence, the core of the U.S. attorney's case against him.

Prosecutors say Carlos Alvarez allegedly operated as an agent of Cuba from 1978 to July 2005, traveled to Cuba at least 12 times during that period, and met with Castro agents in New York and Mexico. In 2002-04, he also "persisted in maintaining contact with the Cuban Intelligence Service over the objections of his wife," according to court records.

In the 14-page ruling, Moore said Alvarez ``was willing to divulge private information about persons in the community and conceal his efforts to do so by using encryption [on computer disks] and other evasive strategies."

Moore stopped short of saying Alvarez was a danger to the community, another factor considered for bond.

The judge said Alvarez might pose a ``hypothetical danger."

The Alvarez couple, if convicted, face up to 10 years in prison.

Feds In Wyo. Take Over Colorado Ad Probe (WP/AP)

By Steven K. Paulson, The Associated Press

The Washington Post, October 28, 2006

DENVER -- The FBI said Friday that Wyoming officials would take over an investigation into a Colorado gubernatorial candidate's campaign ad to avoid potential conflicts of interest after authorities learned a Denver-area federal agent may have been involved.

The investigation is examining whether GOP Rep. Bob Beauprez accessed a restricted federal database for information used in a television ad to attack his Democratic challenger, Bill Ritter.

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Beauprez has denied any wrongdoing and has refused to disclose the name of the person who gave his campaign the information.

"It's important this thing comes to a close quickly. Right now, we have no indication we are even the subject of an inquiry," Beauprez spokesman John Marshall said.

FBI spokeswoman Rene VonderHaar said the U.S. attorney's office in Denver recused itself from the case when it learned of the possible involvement of a Denver-based federal agent. The Department of Justice transferred control of the investigation to its Cheyenne, Wyo., office, she said.

Cory Voorhis, a federal Immigration and Customs Enforcement agent and registered Colorado Republican, provided the information, a person in government who was briefed on the investigation told The Associated Press last week. The person spoke on condition of anonymity because of the investigation.

Voorhis has not publicly commented.

Spokesmen for the U.S. attorneys in both states refused to comment. ICE officials have not returned calls.

The ad suggested Ritter, a former Denver district attorney, was soft on illegal immigration, saying he accepted a plea bargain with an illegal immigrant arrested in Colorado who was later accused of sexually assaulting a child in California. The ad said the plea bargain didn't require deportation.

State investigators, acting on accusations of wrongdoing by Ritter's campaign, concluded the information came from the National Crime Information Center, a federal database that is supposed to be limited to law-enforcement use. The FBI has launched its own investigation.

Using the database for any purpose other than law enforcement is a federal crime punishable by up to a year in prison.

Pataki Picks Ex-Prosecutor To Weigh In On Hevesi Case (NYT)

By Michael Cooper

The New York Times, October 28, 2006

ALBANY, Oct. 27 — Gov. George E. Pataki appointed a former federal prosecutor on Friday to determine whether the ethics case against Comptroller Alan G. Hevesi for using a state worker to chauffeur his wife was strong enough to seek his removal from office.

Mr. Pataki, who cut short a trip to Hungary to deal with the Hevesi affair, had been expected to announce his decision on whether to invoke a little-known law to call the State Senate into special session to consider removing Mr. Hevesi. But Mr. Pataki, a Republican who leaves office at the end of the year, said he wanted to take the extra step of having an outside expert review the case before calling for the removal of Mr. Hevesi, a Democrat who is seeking re-election, less than two weeks before the election.

“This is a provision of the law that, to the best of our knowledge, has never been used,” Mr. Pataki said. “And it is an extraordinary act for officials to overturn an election of a statewide elected official after a vote by the people of New York, and obviously it’s something that, if it’s used at all, has to be used cautiously and with great, great care.”

So Mr. Pataki appointed David N. Kelley, a former United States attorney for the Southern District of New York, to review the case. Mr. Kelley — who has prosecuted terrorism cases and who won high-profile convictions against Martha Stewart and Bernard J. Ebbers, the former chief executive of WorldCom — is a registered Democrat who won the praise of people within his party for his work as a prosecutor.

The governor said he expected Mr. Kelley to report back to him “within the week,” which could lead Mr. Pataki to announce his intentions shortly before the Nov. 7 elections.

Mr. Hevesi, who unexpectedly finds himself fighting for his political life, reacted to the governor’s announcement by saying, “As a result of this decision, five million voters will choose their next comptroller, and that’s as it should be.”

On Thursday, Eliot Spitzer, the state attorney general and the Democratic nominee for governor, withdrew his support of Mr. Hevesi, and several Democrats running in close local elections have followed suit, distancing themselves from the scandal. Most newspaper editorials in the state have backed J. Christopher Callaghan, the largely unknown Republican who is running to unseat Mr. Hevesi.

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Republicans are pouncing on the Hevesi case to energize their base in an election season that many Republicans had privately feared would be a rout.

On Friday John Faso, the Republican candidate for governor, and Jeanine F. Pirro, the Republican candidate for attorney general, both released television ads seeking to tie their opponents to Mr. Hevesi. And the state Republican Party released an ad on behalf of Mr. Callaghan, whose campaign has so far lacked the money to broadcast its own ads.

By taking even an incremental step that could lead to removal proceedings, Mr. Pataki was steering the state into uncharted waters. Pataki administration officials said they did not believe any statewide elected official in New York had been removed from office since 1913, when Gov. William Sulzer was impeached.

There are two tracks for removing an official. The Democratic-led Assembly can begin impeachment proceedings, but given Assembly Speaker Sheldon Silver's support for Mr. Hevesi, that is considered unlikely. Or the governor can call the Republican-led Senate into session for a trial to remove Mr. Hevesi, which would require the votes of two-thirds of the 62-member Senate, and therefore 7 Democrats among them.

But the way forward is far from clear. The governor said that the law allowing him to seek the removal of an official by the Senate did not appear to have ever been used, and that it gave little guidance in what such a trial might look like, saying only that the Senate shall have the power to make such rules "as it may see fit."

If the governor decides to proceed, Mr. Kelley is likely to present the case against Mr. Hevesi to the Senate, much like a prosecutor. Mr. Hevesi would then have an opportunity to be heard.

Aides to the governor said that if Mr. Hevesi is removed from office, the governor can probably pick a replacement to serve out his term. If Mr. Hevesi resigns, the Legislature as a whole will get to choose a successor, giving the choice to the Democrats.

Blair Horner, the legislative director of the New York Public Interest Research Group, said that it was important for the Senate to establish fair rules, and raised concerns that several senators, including Joseph L. Bruno, the Republican majority leader, had already called for Mr. Hevesi to resign or made statements implying that they thought Mr. Hevesi was guilty. "How can they say they are impartial at trial?" he asked.

A spokesman for the Senate said that the senators would be able to have an open mind when they heard the case.

Mr. Hevesi made it clear in an interview taped Friday with Gabe Pressman for WNBC's "New Forum" that he was still running.

"What I'm doing now, which is a little short of two weeks before an election, is saying to the citizens of New York State: I made a mistake, I really did, a beaut," he said in the interview. "And it's caused me a lot of grief, and I deserve it. But I would like you to analyze that in the context of a 35-year career of service."

New York's Pataki Calls For Review Of Hevesi Findings (Update2) (BLOOM)

By Michael Quint And Martin Z. Braun

Bloomberg, October 28, 2006

Oct. 27 (Bloomberg) -- New York Governor George Pataki today named a former U.S. attorney to review ethics charges against Alan Hevesi, a step that may lead him to recommend that the State Senate remove the comptroller from office.

The governor, a Republican, said he named David Kelley to review the findings to determine ``whether a strong legal case for removal exists." Pataki said he hoped he could have a report from Kelley, who served as U.S. attorney for the Southern District of New York, within a week.

``I don't want to proceed until I am 100 percent confident that a strong case exists that Mr. Hevesi should be removed," Pataki told reporters at his Manhattan office. ``And if in fact that's Mr. Kelley's determination, I will then make the recommendation that the Senate conduct its trial."

Pataki, who leaves office Dec. 31, acted after the state Ethics Commission this week said Hevesi improperly used staffers as his wife's chauffeur and didn't show any intention of repaying the state until his opponent in the Nov. 7 election exposed the practice. New York Attorney General Eliot Spitzer, a Democrat who is leading in the race for governor, yesterday withdrew his endorsement of Hevesi, also a Democrat, for re-election as the state's fiscal watchdog.

Criminal Probe

Hevesi's once-commanding lead over Republican J. Christopher Callaghan is evaporating, according to a WNBC/Marist poll.

Hevesi's actions are also under criminal investigation by Albany County District Attorney David Soares, who has been conducting interviews and issuing subpoenas. Spitzer's office is looking into whether Hevesi's payment of nearly $83,000 was adequate.

Speaking to reporters after Pataki's news conference, Hevesi said, ``As a result of this decision, five million voters will decide who the next comptroller will be, and that's as it should be." He declined to answer questions.

Pataki, asked if Hevesi should resign, said, ``I think he should take a hard look at where he stands right now. You know, his own running mate, Eliot Spitzer, said that he's compromised his ability to fulfill his responsibilities."

The governor said, `This is a sad day for New Yorkers. We have to have confidence in not just our electoral process but also our elected officials, and I will do everything in my power to make sure that continues to be the case for the people of New York."

Prosecutor Background

Pataki said Kelley would get more than a week if needed it, and probably would present the case to the Senate if there is a decision to proceed with it. Kelley served in the U.S. attorney's office in New York from 1988 to 2005 before joining law firm Cahill, Gordon & Reindel in September 2005.

Prior to his appointment as U.S. attorney in 2003, he was named co-chair of the Justice Department's investigation into the Sept. 11 terrorist attacks. He personally prosecuted John Walker Lindh, dubbed the ``American Taliban." As a U.S. attorney, he also served as a member of President George W. Bush's Corporate Fraud Task Force and the Attorney General's Advisory Committee for White Collar Crime.

``It is an extraordinary act for officials to overturn an election of a statewide elected official after a vote by the people of New York, and obviously it's something that if it's used at all has to be used cautiously and with great, great care," said Pataki, who cut short a trip to Hungary to deal with the Hevesi case.

Won't Quit

Should the governor recommend that Hevesi be removed from office, the 62-member Republican-controlled Senate would meet jointly with the seven judges on the Court of Appeals to hear evidence and Hevesi's defense. A two-thirds vote is required to oust Hevesi, who oversees the state's $142.6 billion retirement system, the second-biggest public pension in the U.S.

Hevesi, 65, in a televised debate with Callaghan earlier this week, said he wouldn't resign and refused to comment on what he would do if indicted.

State Senate Majority Leader Joseph Bruno told reporters in Troy today that if Hevesi is re-elected and the Senate acted to remove him before the end of this year, ``after Jan. 1 we have to go through it all again." Bruno is the leader of the 35 Republican senators who are a majority in the Senate.

``I don't believe he will be re-elected," Bruno said. He said Hevesi ``has lost all credibility as a fiscal watchdog."

Poll Plunge

The ethics scandal has drawn attention to a contest that until recently has been overshadowed by the governor's race, U.S. Senator Hillary Clinton's bid for a second term and the battle between Republican Jeanine Pirro and Democrat Andrew Cuomo to succeed Spitzer as attorney general. The scandal has cost Hevesi, who as comptroller oversees the second-largest U.S. public pension, a once-commanding lead.

A WNBC/Marist Poll conducted yesterday found 50 percent of likely supporters supporting Hevesi and 38 percent for Callaghan, a former treasurer of Saratoga County. The 12 percentage point margin was down from 40 points just six days earlier. When voters were told Spitzer withdrew his endorsement of Hevesi, the race became a virtual tie: 44 percent for Hevesi and 43 percent for Callaghan.

Doolittle Legal Fate Uncertain (SACBEE)

By David Whitney, Bee Washington Bureau

The Sacramento Bee, October 28, 2006

DOJ_NMG_0088445

Voters go to polls not knowing if he'll face Abramoff case charges.

Voters in the 4th Congressional District will go to the polls Nov. 7 to decide whether Rep. John Doolittle deserves an eighth term without knowing whether he will face federal prosecution in connection with the ongoing investigation of disgraced lobbyist Jack Abramoff.

The Roseville Republican, who once called Abramoff a good friend, has not been called before a grand jury or otherwise been publicly identified by the Justice Department as being under investigation.

"We are not going to confirm or deny investigations into any individuals," said Brian Sierra, spokesman for the Justice Department's criminal section.

The only congressman to have pleaded guilty in connection with Abramoff is Rep. Bob Ney, R-Ohio, who pleaded Oct. 14 to conspiracy and making false statements and is awaiting sentencing.

Doolittle's long relationship with Abramoff, however, included elements of the kind that contributed to the legal troubles of many of the eight people, including congressional aides and lobbyists, who already have pleaded guilty.

Doolittle has insisted he's done no wrong and is paying a prominent criminal attorney in Virginia to clear his name. The legal tab so far is about $50,000.

The attorney, David Barger, stressed that he had been told by the Justice Department last week that "Congressman Doolittle is not a target of its investigation."

But other criminal defense attorneys said the fact that the Justice Department has not identified Doolittle as a target means little because that typically doesn't happen until all the evidence is gathered and charges are imminent.

"Saying that someone is not a target doesn't really tell you much," said Lawrence Barcella Jr., a former deputy chief of the Justice Department's major crimes division who has extensive experience defending prominent officials charged with political corruption and other white-collar crimes.

"All it means is that the Justice Department is not ready to charge you immediately," Barcella said. "It doesn't necessarily mean you don't have potential jeopardy."

The Democratic Congressional Campaign Committee isn't waiting for official confirmation.

"Do we really want to elect a congressman who might be on his way to jail?" says a mailer the committee sent to voters last week.

"Eight people have been convicted in the Jack Abramoff bribery scandal," it says. "The facts say John Doolittle is likely to be next."

Charlie Brown, Doolittle's Democratic opponent, has tried to paint the Roseville Republican as part of the "culture of corruption" in Washington and has suggested on the stump that Doolittle will be indicted after the election.

Speaking at a fundraiser in Davis earlier this month, Brown said of Doolittle: "First we'll vote him out of office, then we will wait for the indictments."

Doolittle's campaign spokesman, Richard Robinson, called Brown's statement an act of desperation.

The most concrete piece of independent evidence that Doolittle was at least looked at by the Justice Department is in the records of the clerk of the House.

A woman named Tonya Walker, describing herself as a "secretary on behalf of work" but identified elsewhere as working for the Justice Department, went to the clerk's office in August 2005 and registered to review financial disclosure reports Doolittle filed for 2002 and 2003.

Walker also looked at records of other House and Senate members who had been linked to Abramoff, including six years of filings for Doolittle's former chief of staff, David Lopez.

Doolittle's office dismissed this as meaningless.

"No one knows what the Justice Department was looking for considering it pulled records from all sorts of people who had no relationship whatsoever to Mr. Abramoff," said Laura Blackann, the congressman's spokeswoman.

In Abramoff's signed factual basis for his plea to corruption of public officials, he admits to offering "things of value to public officials in exchange for a series of official acts and influence and agreements to provide official action and influence."

Among these "things of value" were election support, employment for relatives and campaign contributions, all of which Doolittle received.

Doolittle accepted $14,000 in direct campaign contributions from Abramoff and $130,000 more from the lobbyist's clients and associates. Doolittle also used Abramoff's skybox at the MCI Center for a 1999 fundraiser in conjunction with a Washington-Sacramento NBA game.

Additionally, the company of Doolittle's wife, Julie, was hired by Abramoff's law firm from September 2002 to February 2004, receiving more than $66,600.

Her company was initially hired to raise money for a fundraiser for an Abramoff charity; she stayed on the payroll for months after that event was canceled.

A federal grand jury investigating Abramoff subpoenaed records related to her work for Doolittle. But John Doolittle said in February that federal investigators later asked for information about his wife's other clients, which would have included him since his campaign pays her a commission for fundraising work.

Doolittle may have been trying to get his wife on Abramoff's payroll as early as 2000, according to a recently disclosed e-mail written by Kevin Ring, a former Doolittle staffer who later was hired by Abramoff.

In the e-mail to Abramoff, Ring quotes Lopez as saying the congressman was excited about the possibility of his wife taking a job for an Abramoff charity and was eager to talk to the lobbyist. The Doolittles say they have no recollection of that.

In addition, Doolittle assisted Abramoff's efforts to win renewal of a contract in 2000 representing the Commonwealth of the Northern Mariana Islands.

Abramoff admitted in his plea deal that he had provided travel for senior members of Ney's staff to go to the Northern Mariana Islands in January 2000 to help him "in obtaining and maintaining lobbying clients."

But three months earlier, in October 1999, Doolittle had publicly worked to elect the commonwealth politician responsible for helping Abramoff get the $100,000-a-month lobbying contract.

In his defense, Blackann said that "the congressman has long been a supporter of the CNMI regardless of whether it was being represented by Mr. Abramoff."

In an interview with The Bee in February, Doolittle said he didn't think anything he did in connection with Abramoff and his clients was wrong, but he acknowledged Abramoff might have a different recollection when, as part of his plea deal, he sat down to tell all to federal prosecutors.

" ... I certainly don't think what he has pled guilty to was part of our relationship, at least not on my end it wasn't, I can say with a certainty," Doolittle said of Abramoff. "But, uh, I don't know what he is saying on his end." About the writer:

The Bee's David Whitney can be reached at (202) 383-0004 or dwhitney@mcclatchydc.com.

BX. PIMP COPS A PLEA (AP)

By Ap

AP, October 28, 2006

October 28, 2006 -- A Bronx man admitted yesterday that for six years he managed a multi-city prostitution ring that included underage girls.

In pleading guilty to two federal charges in Trenton, Matthew Thompkins, 38, said the ring ran from 1999 to December 2005 in Atlantic City, Boston, Las Vegas, Miami and New York. He is the seventh member to plead guilty in the case, according to the U.S. Attorney's Office.

Thompkins pleaded guilty to conspiracy to transport minors to engage in prostitution, which carries a sentence of five to 30 years in prison and a fine of up to $250,000, and conspiracy to engage in money laundering, punishable by up to 20 years in prison and a fine of $250,000 or twice the loss to victims. Sentencing is to be March 2.

The ring took in at least $800,000, officials said. Members would convert the proceeds into money orders of less than $3,000, the legal reporting limit.

A woman who pleaded guilty in June to conspiracy to transport minors for prostitution said she was 16 when she met Thompkins in New York in 1999 and joined the ring. She said she earned him $222,188 in 2004 - yet was paid only $20 a day.

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Thompkins agreed to forfeit $748,243, one New Jersey and three New York properties, and eight vehicles belonging to the ring, authorities said.

Mailman Pimp Awaits Delivery To Jail (NSL)

By John P. Martin, Star-ledger Staff

Newark Star-Ledger (NJ), October 28, 2006

New Yorker admits to raking in millions with nationwide ring

A New York mailman admitted yesterday that he ran a sprawling multimillion-dollar network that shuttled prostitutes as young as 13 from Atlantic City to Las Vegas and cities in between.

Standing in a federal courtroom in Trenton, Matthew Thompkins acknowledged building and training a "stable" of young prostitutes, housing them in apartments and homes in New York and New Jersey, and hiding millions of dollars in illegal sex proceeds in their names.

His arrest last December by the FBI followed an unusual foray by federal investigators into a crime typically left to local police.

But prosecutors said Thompkins, for years known only by his nickname, "Knowledge," wasn't the typical pimp. He ran his operation so proficiently that his counterparts in the sex-trade industry gave him the ultimate honor three years ago: a 4-foot-high trophy declaring him "International Pimp of the Year."

"He was the master pimp," Assistant U.S. Attorney Jason Richardson said.

Thompkins, 37, pleaded guilty to conspiring to launder money and transport minors across state lines for prostitution. His plea agreement calls for between 10 and 24 years in prison. U.S. District Judge Freda Wolfson set sentencing for March 2.

The plea followed similar admissions from six other defendants. Some cooperated with the FBI; none has been sentenced.

The Justice Department highlighted Thompkins' arrest in December as part of Operation Innocence Lost, a national crackdown on underage prostitution. The year-long probe involved investigators from the FBI, New Jersey State Police, the U.S. Postal Service Inspector General's office, and officers in Atlantic City, Pleasantville and Egg Harbor.

Once an imposing 350 pounds, Thompkins had shed nearly a third of his weight when he was led into court yesterday wearing a brown prison jumpsuit, handcuffs and ankle shackles. He waved briefly at more than a dozen relatives who filled three courtroom benches.

"Between 1999 and December 2005, were you a pimp, that is, did you run a prostitution enterprise business?" the judge asked, one of more than 40 questions to spell out the crime.

"Yes," Thompkins replied.

Investigators said Thompkins counted as many as 60 women in his "stable" over the years, sometimes trading them with pimps in other cities. He required each to keep meticulous records, gave them rooms and $30 a day and demanded receipts to track their spending.

Thompkins wasn't accused of using violence against the women, but agents said some of the women were threatened, especially after they began cooperating with authorities. Many said they had been eased, not pushed, into the world of prostitution by Thompkins or others.

"Smooth talk: These guys had the gift of gab," FBI Special Agent Daniel Garrabrant said.

Once in the ring, few managed to get out, he said. The women charged up to $1,000 a night for sex, and passed it all to Thompkins. One prostitute earned $222,000 in a year, prosecutors said.

With the proceeds, Thompkins lived large. He had a fleet of luxury cars, including a Mercedes-Benz and Cadillac Escalade, that were seized in the ring. He agreed to forfeit eight cars, $748,000 and four properties, including a three-story home in Galloway Township, eight miles outside Atlantic City.

Some of the money he hid in bank accounts under the prostitutes' names or in his fledgling New York recording studio, Hoodlum Records.

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Thompkins, who has been held without bail, did not explain his actions but will get a chance to address the judge at sentencing. His defense attorney, Mitchell Elman, declined to comment.

An employee of the Postal Service since 1994, Thompkins agreed to resign as part of his plea. He was promoted to letter carrier about six years ago, though it was not clear when he stopped delivering the mail.

Richardson, the prosecutor, said the postal service wanted to fire Thompkins years ago, but couldn't serve him with termination papers because they couldn't find him.

John P. Martin covers federal courts and law enforcement. He may be reached at jmartin@starledger.com or (973) 622-3405.

Seminole Man Charged In Online Hacking Plot (TAMPTRIB)

By Elaine Silvestrini, The Tampa Tribune

Tampa Tribune, October 28, 2006

TAMPA - A Seminole man slowed a Massachusetts company's Web site by electronically hijacking other people's computers and directing them to launch an attack, a federal criminal complaint alleges.

Federal authorities in Massachusetts charged John Bombard, 32, with two counts of intentionally accessing a protected computer without authorization, charges that carry a maximum of two years in federal prison.

The complaint charges Bombard with hacking into two computer systems June 15, 2004, to establish a "bot" network of compromised computers from which he launched a denial of service attack on Akamai Technologies servers.

A bot, short for robot, is a computer program that seeks vulnerable computers and runs silently in the background until it receives directions from a controlling computer.

According to the Justice Department, some experts think networks of bots, also called "botnets," now send up to three-quarters of all spam.

A denial of service attack is one in which many compromised computers attack a single target, consuming the target's bandwidth or overloading its resources. Legitimate users of the targeted system are unable to use its services.

The federal charges say Bombard used a variant of the Gaobot worm to infect networks of computers at two major universities, which are not named. The complaint also doesn't say how many computers were used in the attack.

Akamai, headquartered in Cambridge, Mass., distributes online content and business processes over a network of computer servers.

The charges allege that, on the day of the attack, Akamai suffered a significant increase in Web traffic to a number of its domain name system servers. The affected customers' Web sites were rendered inaccessible or had their access slowed.

Bombard's attorney did not return a reporter's call seeking comment.

Federal authorities declined to specifically discuss Bombard's case.

John Lynch, deputy chief for the Justice Department's Computer Crime and Intellectual Property Section, said botnets are a growing problem, however.

Experts say people can protect their computers by using firewalls, antivirus programs and spyware protection.

Reporter Elaine Silvestrini can be reached at (813) 259-7837 or esilvestrini@tampatrib.com.

Jury Spares Convicted Murderer From Death Penalty In Puerto Rico (FINDLAW/AP)

By Yaisha Vargas, Associated Press Writer

AP, October 28, 2006

(AP) - SAN JUAN, Puerto Rico-A jury sentenced a man to life in prison Friday for murder instead of giving him a death sentence sought by prosecutors in a case that sparked renewed opposition to capital punishment nearly 80 years after it was outlawed in this U.S. territory. Carlos Ayala Lopez wept and hugged his attorney after hearing the verdict. Ayala was found guilty three months ago of killing Jose Rodriguez Reyes, a guard at the Veteran's Medical Center in suburban Rio Piedras, in 2002.

Critics, including the governor and Catholic church leaders, spoke out against federal prosecutors' decision to seek the death penalty. Puerto Rico abolished capital punishment in 1929. The last execution was in 1927, when a man was hanged for murder.

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Federal prosecutors can seek the death penalty in some cases because Puerto Rico is subject to U.S. federal law. Federal prosecutors claimed jurisdiction in Ayala's case because the killing took place at a federally run institution.

Prosecutors said Ayala shot Rodriguez while trying to steal his gun for a planned drug trafficking operation.

The jury of six men and six women, which convicted Ayala in July, reconvened for the penalty phase of the trial and deliberated for about six hours before delivering the sentence.

Rodriguez's family members said they had hoped Ayala would be executed.

"As long as Puerto Rico doesn't impose death sentences, they won't understand the pain suffered by a family that loses a relative," said Nardelis Rodriguez, the guard's daughter. "It's not a matter of revenge. They killed a good person."

During the trial, protesters held a vigil outside the courthouse. Puerto Rico Gov. Anibal Acevedo Vila, who has urged the U.S. Justice Department not to seek the death penalty in Puerto Rico, said a death sentence in the case would be a "collective tragedy." In May, the Puerto Rican legislature approved a resolution reaffirming the island's anti-death penalty stance.

Death penalty opponents declared victory after learning of the verdict.

"We're very happy there's no death sentence in this case because Puerto Rico doesn't deserve that," said Edgardo Roman, a leader of the Coalition Against the Death Penalty.

Porter Releases Phone Records, Schedules (LVS)

By Tony Cook, Las Vegas Sun

Las Vegas Sun, October 28, 2006

Former aide sticks by his claims

U.S. Rep. Jon Porter released phone records and copies of his daily schedule Friday that he claims disprove a former staffer's allegations that the congressman made illegal fundraising phone calls from his government offices in Henderson and Washington, D.C.

While the records - which in some cases had names and phone numbers blacked out - do not prove that the allegations are false, they appear to conflict with some of the charges leveled by Porter's one-time executive assistant and scheduler, Jim Shepard.

The records show, for example, that Porter made fundraising and other phone calls from a campaign cell phone on April 18, a day when his schedule shows that he was at his district office.

But his chief of staff, Mike Hesse, said he and Porter were out to lunch when the calls were made, and offered a receipt from about 11:45 a.m. at Sweet Tomatoes to prove it.

Federal law and House ethics rules prohibit lawmakers from making fundraising calls from federal buildings, even if the calls are paid for by a campaign.

Similarly, on April 21, when Shepard claims he witnessed Porter make fundraising calls between 1:30 p.m. and 2:30 p.m. at his Henderson office, Porter's schedule shows that the congressman left for a meeting with Clark County School District officials at 1:15 p.m. and remained out of the office the rest of the day.

Shepard said he remembers the meeting with school officials being delayed and that the schedule - which he kept while he was on Porter's staff - does not match e-mails and call logs he retained. He said he could not share the call logs on the advice of his attorney.

The documents from Porter came on the same day that the U.S. attorney's office turned over a complaint about the calls to the FBI.

"We did receive a referral," said FBI spokesman Dave Staretz. "I can't go into any particulars. We will evaluate the case and determine whether we will open a preliminary inquiry."

In a statement, Las Vegas-based U.S. Attorney Daniel Bogden emphasized that no decision has been made on whether to proceed on the request for an investigation from Nevada Democratic Party Chairman Tom Collins.

"There is a distinction between reviewing a request for an investigation and opening an investigation," Bogden said. "We are not stating that Mr. Porter is under investigation, only that the matter will be referred for review."

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Shepard told the Sun last week that he witnessed Porter making fundraising calls on a campaign cell phone from his district office on April 17, 18 and 21, and from his Washington office on June 15 and 16.

The records released Friday by Porter also show that on April 17 Porter made several fundraising phone calls during "call time" allotted in his schedule.

The schedule does not specify a location where the calls were made, but Shepard contends they occurred at Porter's district office.

"I can tell you he was not at the district office," Hesse said. He said he wasn't sure, however, where the calls were made.

On June 15, Porter's schedule shows that no call time was allotted, although Shepard insists Porter made fundraising calls from his Washington office that day.

In phone records provided by Porter for June 15, the names and phone numbers of those he called are blacked out.

Hesse said Porter blacked out the names and numbers of any phone calls that did not occur during a scheduled "call time," a period set aside for the congressman to make calls - professional, personal or political.

The information was blacked out, Hesse said, for privacy reasons.

"We are taking an extraordinary step to prove this is false," Hesse said.

Shepard on Friday stuck by his allegations.

"It is not a complete picture," he said of the records released.

E-mails among Shepard, Hesse and Porter's campaign staff back up his account, Shepard said. Asked about the e-mails, Hesse said he does not remember them and that a search of House computer archives did not turn up any e-mails that Shepard contends he sent to Hesse, including one in which Shepard tells Hesse, "We can NOT let him do this anymore."

Hesse admitted Friday that he did not search for e-mails except those listing him as a recipient. Many e-mails that Shepard points to as proof of his claims were not sent to Hesse.

Hesse also noted that if e-mails were deleted before they were archived, there would be no record of them.

Both Hesse and Shepard agree on at least one thing: Both said they welcome an investigation of the allegations. Tony Cook can be reached at 259-2320 or at tony.cook@lasvegassun.com.

Rolling Admitted Shreveport Murders Before Execution (AP)

AP, October 28, 2006

SHREVEPORT, La. - Before being executed for five Florida murders, serial killer Danny Rolling gave his spiritual adviser a handwritten confession to a grisly murder triple slaying 17 years ago in his home town of Shreveport.

Police and the Rev. Mike Hudspeth released copies of that apology and confession on Friday, two days after Rolling's execution.

Police have long suspected that Rolling stabbed William T. Grissom, 55, his 24-year-old daughter, Julie, and his 8-year-old grandson, Sean, as they got ready for dinner on Nov. 4, 1989, in Grissom's Shreveport home.

They had been sure of it since 1997, when Rolling sent a detailed confession, including a description of the crime scene, to the woman he had married in prison, and she sent it to police, said retired police detectives Don Ashley and Danny Fogger, who had worked on the case.

Since Rolling had pleaded guilty in Florida to killing five college students and his execution was expected, Louisiana authorities saw little reason to try him.

Still, police said Friday, it is a relief to have a signed, public confession.

Hudspeth said that during a two-hour visit on Tuesday, Rolling told him that he had killed the Grissoms, and would give him a written confession the following day. That was the document released at Friday's news conference.

Rolling was executed for killing Sonja Larson, Christina Powell, Christa Hoyt, Tracy Paules and Manny Taboada in 1990 in Gainesville, Fla.

He told a Florida television interviewer in 2000 that he accepted responsibility for the Grissoms' deaths, but stopped short of confessing.

Mafia Figure Is Sentenced To Life Term In 2 Murders (NYT)

By William K. Rashbaum

The New York Times, October 28, 2006

Baldassare Amato, a powerful Bonanno crime family figure who represents the group's traditional Sicilian roots, stood silently with his arms crossed yesterday as a federal judge denounced him and meted out a life sentence for two 1992 Mafia murders.

As the judge, Nicholas G. Garaufis of United States District Court in Brooklyn, tore into him for "using murder as a business tactic," at several points Mr. Amato raised his right hand to his chin and then crossed his arms again in front of his chest.

"Mr. Amato," said the judge, making no effort to mask his disgust, "you're just a plain, wanton murderer and a Mafia assassin. The sentence I'm going to give you, as far as I'm concerned, is a gift."

Mr. Amato, 54, dressed in a gray prison sweatshirt and khaki trousers, appeared unmoved when the judge handed down the life sentence, almost as though it were a cost of doing business. He and his lawyer had both declined to address the court.

After pronouncing the sentence, Judge Garaufis asked the lead prosecutor in the case, Assistant United States Attorney John Buretta, how much of a fine he could levy.

Mr. Buretta said the maximum was $250,000, and the judge levied it.

Mr. Amato, who is known as Baldo and who immigrated to New York from the Sicilian fishing village of Castellammare del Golfo when he was 18, was convicted on July 12 of racketeering conspiracy charges, including the murders of two Bonanno associates.

The jury concluded that he ordered the murder of restaurant owner Sebastiano DiFalco and carried out a second killing himself, shooting Robert Perrino in the head several times.

Prosecutors had presented evidence that the Bonanno family was concerned that Mr. Perrino, a delivery supervisor for The New York Post, might help expose an infiltration of The Post's delivery operation by the crime family.

The judge said that Mr. DiFalco was killed "possibly because Mr. Amato and his Mafia colleagues wanted to take over the business and they might have had a disagreement over price or some other detail."

The six-week trial was a primer on the devastation that federal prosecutors in Brooklyn have wrought on the Bonannos, cutting a swath through the family's ranks and upending its traditions with a growing cadre of informers.

Mr. Amato was also stoical when Judge Garaufis rejected a request by his lawyer, Diarmuid White, for a recommendation that he be sent to a prison in the New York area so his family could visit. "It's for them, your honor," Mr. White said of the family.

The judge was unmoved.

"I have compassion for the defendant's family, and I also have compassion for the members of the families of Sebastiano DiFalco and Robert Perrino," the judge said. "This defendant made it certain that they would never visit their family member, anywhere."

Mr. DiFalco's two nephews were in court yesterday and said they were gratified by the life sentence and the fine against Mr. Amato. "He's a cold and evil person," said one of them, Sal Montoro, 42. He said Mr. Amato had gone to their uncle's wake and vowed to help find the killer.

For Mr. Amato, after the sentence was handed down, it was a brisk, businesslike handshake and a small smile for his lawyer, and he walked out the courtroom's side door to the holding cells, accompanied by United States marshals.

MAFIA MURDERER GETS LIFE (NYPOST)

By Patrick Gallahue

The New York Post, October 28, 2006

October 28, 2006 -- A U.S. judge lit into a convicted Mafia hit man before giving him a life sentence in Brooklyn federal court yesterday.

"Mr. Amato, you're just a plain, wanton murderer and assassin, and the sentence I'm going to give you is a gift," Judge Nicholas Garaufis said.

Garaufis tore into Baldassare "Baldo" Amato, convicted of two murders, after his lawyer asked him to consider sending him to a prison close to New York City for the sake of the Bonnano-family soldier's relatives.

"My compassion is overcome by my disgust and disdain for this defendant," he said.

Amato was convicted of racketeering and murdering two men, restaurant owner Sabastiano DiFalco and New York Post delivery supervisor Robert Perrino.

CIVIL LAW:

Ruling Upholds Air Force On Religious Issue (NYT/AP)

By The Associated Press

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 (AP) — A federal judge on Friday threw out a lawsuit against the Air Force that contended that evangelical Christian values were being illegally pushed on academy cadets.

An academy graduate said he would appeal the decision by the judge, James A. Parker of Federal District Court in Albuquerque. "Our fight is far from over," said the graduate, Mikey Weinstein of Albuquerque.

The case was brought by Mr. Weinstein and other Air Force Academy graduates who contended that a military chaplain had violated their right to religious freedom by urging cadets to attend Christian services or face "the fires of hell." That incident, the group asserted, reflected a broader policy of efforts to evangelize members of the Air Force.

But Judge Parker said the graduates could not claim that their First Amendment rights were violated, because they no longer attended the academy. Moreover, he said, the group failed to give specific examples of which cadets had been harmed, or when.

Last year, an Air Force committee concluded that there was no overt religious bias at the academy.

Suit Against Air Force Academy Dismissed (WT/AP)

By Lara Jakes Jordan, Associated Press

The Washington Times, October 28, 2006

A federal judge yesterday threw out a lawsuit against the U.S. Air Force that contended evangelical Christian values were illegally pushed on Air Force Academy cadets.

U.S. District Judge James A. Parker said the academy graduates who filed suit could not claim their First Amendment rights were violated because they no longer attended the academy.

Moreover, the judge in Albuquerque, N.M., said the group failed to give specific examples of which cadets were harmed or when.

"Without that personal link or connection to future misconduct, plaintiffs have simply not shown that they will suffer an injury in fact that is both concrete and particularized and actual or imminent," Judge Parker wrote.

The case was brought by honors graduate Mikey Weinstein and other Air Force Academy graduates who said a military chaplain violated their religious freedom rights by urging cadets to attend Christian services or face being burned "in the fires of hell." That incident reflected a broader policy, the group charged, of efforts to evangelize Air Force staff.

Mr. Weinstein said he would appeal the decision.

"Our fight is far from over," said the Albuquerque resident.

Last year, an Air Force task force concluded there was no overt religious discrimination at the school but that some cadets and staff were insensitive. And in a step welcomed by conservative Christians, the Air Force in February released new guidelines for religious expression that dropped cautions to top officers about promoting their personal religious views.

The judge also rejected claims by Air Force Master Sgt. Phillip T. Burleigh, who asked to be included in the lawsuit, saying he was discriminated against in 1997 for not attending prayer meetings. Sgt. Burleigh, of Alamogordo, N.M., also said his supervisor used government resources to evangelize recruits, including hiring religious motivational speakers to lecture at mandatory-attendance conferences.

Judge Parker called Sgt. Burleigh's concerns "simply conjectural and hypothetical in nature."

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Mr. Weinstein and a religious freedoms watchdog group in Washington said the ruling delays efforts to protect the rights of people serving in the military.

"Religious bias and the outrageous violations of the separation of church and state continue to spread rampantly throughout our military," Mr. Weinstein said.

The Rev. Barry W. Lynn of the Washington-based Americans United for Separation of Church and State said the case revealed "very serious, systematic violations of the Constitution at the Air Force Academy."

"This is clearly not the end of the story," Mr. Lynn said. "Chaplains and officers are there to meet spiritual needs, and not to convert people to Christianity."

An Air Force Academy spokeswoman declined comment, referring calls to the Pentagon. An Air Force spokesman at the Pentagon said he was not aware of the decision, thus did not have an immediate comment.

CIVIL RIGHTS:

Drifter Sought Over Hate Graffiti (WT)

By Matthew Cella, The Washington Times

The Washington Times, October 28, 2006

Federal and Arlington County authorities are searching for a drifter they believe has been drawing swastikas and other graffiti in the area around Arlington National Cemetery.

Police say that Ronald Bost, 47, of no fixed address, is responsible for a rash of vandalism near Arlington Memorial Bridge and Memorial Drive.

One July incident on a construction site at the Memorial Avenue Rehabilitation Project cost $1,000 to clean.

U.S. Park Police Detective Kevin Fornshill said that Bost is the "chief suspect" in the case, based largely on the fact that Bost has been arrested four times by park police on vandalism charges since the mid-1990s.

"He's out again and he's doing it again," Detective Fornshill said.

In 2004, Bost was arrested for painting swastikas and anti-Semitic obscenities over signs near the Netherlands Carillon at Arlington Cemetery.

His vandalism has been identified around the George Washington Parkway, as far south as Ronald Reagan Washington National Airport and as far north as the Francis Scott Key Bridge.

"The first documented cases we have that are linked to this guy go back to 1997," Detective Fornshill said.

The latest vandalism includes nine cases in which anti-Semitic and anti-Muslim statements and obscene drawings have appeared on construction equipment and road signs in the District and near Arlington National Cemetery and the Iwo Jima Memorial.

Arlington police say they are investigating with the U.S. Park Police because they suspect Bost is connected to at least six recent cases of vandalism in the Rosslyn area.

"We do have a number of cases dating back to 2004 that we think he's responsible for," said John Lisle, a spokesman for Arlington police.

He said the graffiti includes swastikas drawn on signs along a bike path and on newspaper boxes that distribute The Washington Post.

Bost has an extensive arrest record in Virginia, Maryland and the District, mostly for disorderly conduct but also for battery, and he has a felony assault conviction.

Detective Fornshill said that Bost also has been arrested for shouting anti-Semitic statements in Pershing Park in Northwest and outside the U.S. Holocaust Memorial Museum.

U.S. marshals have an arrest warrant for Bost for a parole violation.

Police say Bost is 6-feet-2, weighs 200 pounds and has several tattoos on his arms and hands. Anyone who sees Bost is asked to contact police immediately.

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11 In O.C. Charged With Voter Registration Fraud (LAT)

By Christian Berthelsen And Christine Hanley, Times Staff Writers

The Los Angeles Times, October 28, 2006

Dozens of people who thought they were signing up to be Democrats ended up Republican. Those accused in the case are low-level, per-signature workers.

The Orange County district attorney's office has charged 11 people with fraudulent voter registration stemming from a Republican registration drive this year that resulted in dozens of Democrats unwittingly being signed up as Republicans.

Those charged had been paid as much as $10 for each voter they registered as part of a Republican Party effort to recruit more voters in central Orange County. The area includes the district represented by Democratic Rep. Loretta Sanchez, a regular target of Republicans, and a competitive state Senate race.

The cases were filed Tuesday, and three defendants were arrested Wednesday and Thursday. They are in custody and are scheduled to be arraigned today and Monday. The district attorney's office refused to release any information about them, including details usually available, such as the names and charges.

Sources said a press conference is scheduled for Monday, a week before the Nov. 7 election, with Republican Secretary of State Bruce McPherson, who is locked in a tight election battle with Democratic state Sen. Debra Bowen.

"The only thing I can say is it is our policy to not make comments on pending matters, and I don't have any information to share at this time," said Susan Kang Schroeder, spokeswoman for Dist. Atty. Tony Rackauckas. "That's all I'm saying."

A spokeswoman for McPherson declined to comment.

Frank Barbaro, chairman of the Orange County Democratic Party, issued a statement Thursday congratulating Rackauckas on the arrests, putting the district attorney in the awkward position of not withholding comment on his own case.

"Hopefully, these arrests are a good first step toward discouraging those who would wish to suppress the democratic process, and we are hopeful that more preemptive action will be taken in the future," Barbaro said.

The prosecution highlights problems that can occur with signature-gathering and voter registration campaigns in which the workers are paid by the signature. Campaign watchdogs have derisively called it a "bounty hunter" system that creates incentives for often transient, low-paid workers to pad their results to make more money.

The case has been an embarrassment for the Orange County Republican Party since it first became known in February.

The charges come as the party finds itself reeling from a letter linked to GOP congressional candidate Tan Nguyen that was sent to Latino voters this month in what has been described as an effort to keep them from the polls in next month's election. Nguyen is running against Sanchez.

In both cases, Republican officials have quickly distanced themselves from the actions.

The voter registration charges cover at least 37 instances in which Democratic and Green Party voters and even one noncitizen were registered as Republicans. Each defendant was charged with felony counts of fraudulent completion of registration affidavits. The defendants are all low-level workers who circulated registration cards.

No charges have been filed against the companies or executives whom the Republican Party hired to conduct the registration drive, or party officials.

As many as 100 cases were turned over to prosecutors. In other cases, invalid phone numbers and incorrect addresses had been filled in on the forms.

Orange County election officials discovered the allegedly fraudulent registrations during a routine review in February, and Democrats conducting their own registration drive found more. Barbaro, the Democratic Party chairman, said he forwarded 500 complaints to prosecutors.

Scott Baugh, the chairman of the county Republican Party, said he received complaints from people who received letters welcoming them to the party and that registration workers were fired for being too aggressive or submitting faulty paperwork.

The actions did not benefit the party, he said, because the voters would not vote Republican, and it cost the party money to pay the signature gatherers.

"I hope they rot in jail for stealing from us and disenfranchising other voters," he said Thursday.

The recruiters were working for Bader & Associates, a Newport Beach petition consulting firm contracted by the Republican Party to register voters, and a subcontractor.

Tom Bader, the company owner, said Thursday his firm was never under investigation and cooperated fully.

He said it was difficult to control field workers. He said he no longer conducted voter registration drives, and that the news about the criminal cases hopefully would prevent future fraud.

"This action is really helpful," he said. "It's going to send a signal to those out in the field."

One of his subcontractors, John Burkett of Lake Elsinore, said Thursday that he discovered problems with his recruiters' work when he conducted random checks on the forms they had submitted, and notified his clients about it.

He said his three workers who had been charged quit this year. Like Bader, he no longer works on voter registration drives.

"I had questioned them on their voter registrations, because we found a few that were not sufficient," Burkett said. "That's why I don't work with them anymore."

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Justice Department Official Meets With Residents Regarding Shooting (LCAP)

By Eric Cormier, AMERICAN PRESS

Lake Charles (LA) American Press, October 28, 2006

Several Lake Charles residents met with an official representing the U.S. Justice Department to start a dialogue about the relationship between the community and police since the Oct. 12 fatal police shooting of 29-year-old Trent Buckins.

The official with the Justice Department's Community Relations Service declined to speak to the American Press, citing governmental restrictions.

Since the November 2004 Chateau Du Lac fatal shooting by police, the Justice Department has had an official visit Lake Charles to help build more trust between the public and police.

The residents who attended Friday's meeting at City Hall — two police officials also attended — are pleased with the Justice Department's involvement.

"I think this is another positive step in the long process to gain clarity to what happened," the Rev. Henry Mancuso said. He was representing the city's Leadership Team for Community and Race Relations.

"This will be a long process to find out the truth of what happened. Until then, there will be tension in the community."

The federal government's response will be helpful in healing whatever wounds have been created since the most recent fatal police shooting, Mancuso said.

District A City Councilman Marshall Simien said the Louisiana State Police report on the shooting might not settle the issues that some residents have with police. That is why he respects the work the Justice Department is trying to initiate to end ill will.

"The Police Department is concerned that if the final report comes back and clears the police officer in question, will that end the situation? Our position is no," said Simien.

"The community at this point is not going to take somebody else's word that the shooting was correct because the question is going to be why did it have to happen? Somebody is dead. Why? What part of the training and protocol at the Police Department says this is justified?"

Wilbert Lewis, president of the NAACP's Lake Charles chapter, said the Justice Department's suggestions for dealing with police shootings, and other actions that might adversely affect a city, correspond with programs the nation's oldest civil rights group has championed.

"During the meeting, the issues of the shooting and alleged acts of brutality committed by the Lake Charles Police Department were discussed," Lewis said. "We do have a serious problem, and the key is to get everybody together and solve it."

One of the programs proposed by the Justice Department representative was a course on racial profiling. The NAACP chapter has asked that a citizen's panel, helping to oversee complaints against the Police Department, also be created.

"Everyone plays a major part in this," Lewis said. "We're not saying we can prevent other shootings from happening, but we have to try."

Police spokesman Sgt. Mark Kraus said the meeting was helpful in starting a dialogue between residents and the department. Police officials believe that as long as the public and police can talk, issues can be resolved.

"When that common ground is generally met, situations are helped," Kraus said.

Kraus said it's important that residents understand the issues that officers face every day before wrong conclusions are made regarding shootings and other incidents that may occur.

Mayor Randy Roach is optimistic that the Justice Department's involvement will help curb perceived problems between the police and residents.

"This is an opportunity for us to look at the relationship between law enforcement and the community and make sure we create an atmosphere of mutual trust and respect Roach said.

"The government's community relations officers are trained to make sure incidents like the shooting don't divide a community. Community relations officials help make us sensitive to issues and to address them up front and not ignore them. If we don't, then we will not have dialogue, and then we run the risk of other problems growing."

Union Claims Police-recruit Bias (INDYSTAR)

By Brendan O'Shaughnessy

The Indianapolis Star, October 28, 2006

IPD chief denies white applicants were passed over

The police union is accusing the city of racial discrimination by stacking the first recruit class of the merged Indianapolis Metropolitan Police Department with minorities.

Vince Huber, president of the Indianapolis Fraternal Order of Police, said the department added minority candidates to its new recruit class at the expense of white applicants.

Indianapolis Police Chief Michael Spears acknowledged that the department reached into the next recruit class for qualified minorities to increase the diversity in the class, which begins training Nov. 13.

But he said adding minorities to the list did not come at the expense of any white applicants. Instead, he said the move simply increased the number of names submitted for approval to the department's merit board.

The upcoming recruit class will be the largest in history, reflecting a need to keep up with planned retirements and provide enough officers for the larger, merged department. The IPD and Marion County Sheriff's Department will complete the consolidation of their operations Jan. 1.

"We want to make sure we get the most qualified applicants possible," Huber said. "(But) the process should be color-blind."

"We believe we're following the law," Spears said. "None of the white candidates were dropped off simply because they were white."

The merit board, which must approve hiring, promotion and termination decisions, approved 55 candidates. The class includes 16 black, one Hispanic and 38 white candidates, for a minority representation of 31 percent.

The city's Police and Fire departments have operated under a U.S. Justice Department consent decree since 1978 that requires them to reflect the racial composition of the county workforce, which is about 21 percent black. That hasn't been met.

Currently, 15 percent of the IPD's 1,184 sworn officers are black, and 10 percent of the 397 sheriff's deputies are black.

The decree says the departments should aim to hire classes that are 25 percent black until the long-term goal is achieved. In the late 1970s, blacks made up 11 percent of IPD.

Richard Crenshaw, a retired IPD major who leads Fairness in Law Enforcement, which represents black officers, said that group was formed because the Fraternal Order of Police has never supported quotas or conscious efforts to achieve racial equality.

He said black officers who did not feel they got equal treatment never received FOP support and therefore filed the lawsuits leading to the consent decree.

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Huber said he disagrees with Crenshaw's assessment of the FOP. Black officers are members of the organization, too, he said.

"We don't want any discrimination to take place in any shape or form. The membership overwhelmingly supports challenging hiring and promotions when we don't feel they are right," Huber said.

The merger of the city and county forces will hurt the numbers because the Sheriff's Department does not have as many minorities. As a single department, black representation will drop by 1 percentage point before factoring in the newest recruit class.

Kobi Wright, the city's top lawyer, said his unit and the merit board authorized the Police Department to interview minorities for this class who had been pre-screened for the second class of recruits. He said the city did that because it wants the department to reflect the diversity of the city.

He, too, denied Huber's allegations.

Nobody was bumped from the first IMPD recruit class, he said, because no list of recruits exists until the merit board approves one. Before that happens, he said, the department relies on a pool of applicants so the police force can keep up with retirements.

Wright said Huber's accusation of discrimination is a perfect example of why the city needs to continue operating under the consent decree.

"The consent decree requires that the city take all reasonable measures to meet the goal," Wright said. "It acts as a shield against lawsuits."

Call Star reporter Brendan O'Shaughnessy at (317) 444-2751.

New Voters Likely Out Of City Elections (BSH)

By Ryan Lafontaine

Biloxi Sun Herald, October 28, 2006

WAVELAND - Nearly 1,000 new residents here likely will be left out of next month's city elections, according to Waveland attorneys.

City leaders hired an independent consulting firm this year to figure a way to include hundreds of new voters living in a newly annexed section of town.

Waveland attorney Zach Butterworth said the Justice Department has not yet determined whether the new voters will be allowed to vote in the Nov. 7 election.

"The new area could have a minimal impact on the elections and the federal government needs to decide if the new voters can be included," he said.

According to federal legislation adopted in the 1960s, the Justice Department must review changes in ballot procedures, voting districts and other electoral rules in several states - mostly in the South - to ensure that minorities maintain influence in elections.

The city settled an annexation dispute in July with neighboring Bay St. Louis in a deal that gave Waveland a stretch of land along the western right of way of Mississippi 603.

Butterworth said new voters in the annexed area will be able to vote in the congressional elections, but not the city.

Before the annexation dispute was settled, the federal government approved a request from the city to merge its voting precincts into one location at the City Hall complex on Coleman Avenue, since Katrina damaged or destroyed many polling places.

Urban planners have created several options for redrawing the city's four ward lines, but it's unlikely the federal government will approve any of them in time for elections.

Butterworth said if the Justice Department approves the annexed voters, the most likely scenario would be to include them as part of Ward 4, rather than redrawing the ward lines.

Besides the several hundred annexed voters, City Hall said Friday that a few hundred new voters living in the old city limits had registered since the 2002 elections, but no one seems to know how many people were displaced and have not returned since the storm.

For Gay Couples, Ruling Has A Cash Value (NYT)

By Tina Kelley

The New York Times, October 28, 2006

TRENTON, Oct. 26 — The New Jersey Supreme Court granted gay couples the same rights as married couples this week, leaving it to the State Legislature whether to call their partnerships marriages or civil unions.

But for Cynthia and Lucy Vandenberg, the landmark ruling is also about another M-word: money.

The Vandenbergs, who have been partners for 12 years, have been forced to open their checkbooks repeatedly over the years to pay thousands of dollars in taxes on health benefits and for legal transactions that married couples rarely face.

There was the $1,500 to change their surnames, for instance, the $1,400 or so in taxes they paid annually for additional health benefits, and the $1,000 they spent so one could adopt the biological child of the other.

"For all of this, you need to hire an attorney, or you find out the hard way," said Lucy Vandenberg, 37, the director of the state's Council on Affordable Housing.

Now they wonder how the court's decision will affect their next child, a son Lucy is carrying. Will Cynthia Vandenberg have to pay to adopt him?

The court gave the State Legislature 180 days to amend New Jersey's marriage laws to allow same-sex couples to marry, or to create a parallel system such as a civil union to provide them with all the rights of married couples.

In their decision, the justices made it clear that they understood "the social indignities and economic difficulties" gay couples have faced.

"Without the benefits of marriage, some plaintiffs have had to endure the expensive and time-consuming process of cross-adopting each other's children and effectuating legal surname changes," the court said.

Other "economic disadvantages," the court added, included "paying excessive health insurance premiums because employers did not have enough to provide coverage to domestic partners, not having a right to 'family leave' time, and suffering adverse inheritance tax consequences."

The Vandenbergs, who live in Mill Hill, a gentrifying neighborhood in downtown Trenton, have formed a family with another gay couple, John Hatch, 44, and David Henderson, 48, who live a block and a half away and have been together 18 years.

In a 20-page parental contract signed by all four of them, Mr. Hatch and Mr. Henderson each agreed to be the biological father of one of the Vandenbergs' children, to give up his parental rights so the biological mother's partner could adopt the child, and to share in parenting responsibilities.

In other words, a contractually constructed partnership of four adults to raise the children.

Their daughter, Devin, who is almost 2, calls Lucy "Mama," Cynthia "Mommy," Mr. Hatch "Daddy" and Mr. Henderson "Dad." Devin spends most of her time at the Vandenbergs', though as she gets older she will stay with Mr. Hatch and Mr. Henderson on Tuesday nights and weekends.

They say some straight couples they know envy the arrangement. "It's great having more adults around," Lucy Vandenberg said.

Mr. Henderson, a real estate developer, said so many areas of law involve marriage that it is hard for him to imagine a new legal system that would provide equal protection for him and his family.

If the New Jersey Legislature refuses to approve a same-sex marriage law, he said, "it scares me that they could ever actually create some parallel system that was truly equal. Is separate ever equal?"

During an interview with the family, Cynthia Vandenberg, 43, who stays home with Devin, asked Mr. Hatch whether he and Mr. Henderson would marry, should the New Jersey Legislature agree to same-sex marriage.

"You wouldn't go to Las Vegas?" she asked, then stopped herself. "I mean Atlantic City?"

No, he said, he fantasizes about a celebration in nearby Mill Hill Park.

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All four drove to a rally in Montclair on Wednesday night after the court handed down its decision. Also there was Whitney Pillsbury-Clarke, 37, who lives in South Orange with his partner, John Pillsbury-Clarke, 41, and the three children they took in as foster children and later adopted.

"They'd give us the kids, they wouldn't even blink," he said, referring to the State of New Jersey. "But we were not good enough to get married. That's always burned us."

He described a wall in their house with the various validations of their commitment.

"There's our certificate of domestic partnership in New York City, a commitment ceremony certificate from the Metropolitan Community Church, and a domestic partnership certificate from New Jersey we got two years ago," he said.

As he spoke, his children, Sabrina, 5; Caitlin, 4; and Dylan, 2, piled in and out of a double stroller and skillfully negotiated the sharing of a bag of bread.

"And now maybe there will be a civil union, and eventually, a marriage certificate," he said, adding that he would like to see federally recognized marriage, so his family could move to any state.

"We'll probably need more wall space," he said.

Looming somewhere beyond the Legislature's decision is the question of how other states will treat New Jersey's same-sex couples. The United States Constitution does not require states to recognize marriages from other states, said Andrew Koppelman, a law professor at Northwestern University and the author of "Same Sex, Different States."

"No court in American history has ever so held," he said.

As Mr. Hatch said, "Domestic partnership is pretty good when you're in New Jersey, but it has no benefit when you're not."

And there are other legal questions that have yet to be resolved. For instance, if a same-sex couple lives in New Jersey, would both partners be eligible for health care benefits under a plan offered by a New York company where one of them works?

Debra E. Guston, a Glen Rock lawyer with several gay and lesbian clients, including the Vandenbergs, said she suspected that many thorny legal issues would arise before a new law was in place.

"I'm sure there'll be a partner who passes away during these six months, and the survivor has to deal with whether or not they're exempt from the estate tax," she said.

Already, one of Ms. Guston's clients, a schoolteacher in West Paterson, may be helped by the ruling. The teacher's school board had refused to extend benefits to her partner, but will probably have to reconsider, after the Supreme Court decision.

"It certainly has accelerated the discussion," Ms. Guston said.

Alicia Heath-Toby, 43, of Newark, one of the plaintiffs in the Supreme Court case, spoke at the Montclair rally, summing up her desire to have the same marital rights as straight people, and to have her love described in the same terms — in legal documents, in daily conversation, on insurance forms.

"No longer is it O.K. to check the 'other' box — if I have to check the 'other' box one more time. ..." she said, as the cheering crowd drowned out the rest of her sentence.

" 'Other' is no longer acceptable," she added. "Let us as a state be able to say, I am more than an 'other.' "

Civil Union Or Marriage? A Long Wait In New Jersey (NYT)

By Laura Mansnerus

The New York Times, October 28, 2006

TRENTON, Oct. 27 — New Jersey legislators, sorting through the few options given them by the State Supreme Court's ruling that gay couples be granted the full rights and benefits of heterosexual husbands and wives, cautioned today that it might take months to decide what to call the solution — marriage or something else.

But the next few months are booked up.

"There's a tremendous confluence of pretty significant issues the Legislature must resolve" within the six months allotted by the court, Albert Porroni, the chief counsel of the Office of Legislative Services, said on Friday. He noted that both the Senate and the Assembly were heavily scheduled to work on property tax relief until January, and committed to start working on the budget early next spring. That has stopped some legislators from beginning to work on possible measures, which they were instructed to do by the state's high court on Wednesday.

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On the liberal end of the political spectrum, at least one bill is already being written by a Democratic lawmaker to extend the term "marriage" to same-sex couples. And on the conservative end, some Republicans have revived a proposed constitutional amendment, introduced long ago, that would override the court's decision.

Many legislators, speaking informally since neither chamber has met since the ruling was issued, say the most likely result would be legislation providing for civil unions rather than marriage.

State Senator John Adler, a Democrat from Camden County who is a supporter of expanded rights for gay couples, said on Friday that whatever solution was arrived at, he would object to any interruption of the property tax discussions.

"I understand that for some New Jersey residents this is a burning issue," Mr. Adler said of the gay-marriage ruling. But he added: "For my constituents, the burning issue is property taxes. I don't want to get sidetracked from this crisis."

For now, Mr. Porroni and spokesmen for the legislative party caucuses said they were not aware of any requests to draft measures that would set up a system of civil unions. Bills cannot be introduced until the next session of each chamber — Nov. 9 for the General Assembly and Nov. 13 for the Senate — although legislators may release drafts at any time.

State Senator Loretta Weinberg, a Democrat of Bergen County, said she was "very interested in sponsoring legislation on civil unions," adding that legislation following the court's directions would not be complex. The only real point of contention, Ms. Weinberg said, was whether to use the word "marriage."

"I have trouble explaining this to a fourth grader," Senator Weinberg said. "We're going to do this, but we're going to have an argument over what to call it."

If the argument lasts too long and the Legislature does not meet its deadline, "the court didn't exactly make clear what would happen," Mr. Porroni said.

The Legislature has had other brushes with the court over ambitious mandates handed down. But Mr. Porroni said that in those instances, like any involving state funds, the deadline was imposed by the yearly budget process.

"We never got to the point where we were at loggerheads and the court would have to figure out what to do," he said.

In Massachusetts, the only state to be ordered by its high court to provide for gay marriage, the Legislature also had a 180-day deadline. Within a month of the ruling in November 2003, lawmakers asked for a clarification — which the court gave by ruling that civil unions would not suffice. As a result, the 180-day deadline for the granting of marriage licenses was enforced on schedule.

Laurence Tribe, a constitutional scholar at Harvard Law School, said the Massachusetts Legislature's request "strongly suggested that they were interpreting the 180-day window as perhaps an opportunity to monkey around and not recognize the full rights in the opinion."

"The New Jersey court has not allowed that ambiguity," Professor Tribe said.

In Massachusetts, the deadline was enforced, and gay couples have been able to marry there since May 2004. By that time, however, the Legislature had adopted a constitutional amendment defining marriage as a union of a woman and a man, and providing for civil unions for same-sex couples.

That proposal is to go before the voters on Nov. 7.

Conserving That Compassion (NYT)

The New York Times, October 28, 2006

When future generations of Americans look back on the current era, they'll puzzle over what it was about George W. Bush that made people imagine there was anything compassionate to his conservatism.

Having apparently lost all hope that he can use terrorism to scare voters into electing Republicans this November, the president has now begun raising the threat of gay marriage.

The moment the New Jersey Supreme Court issued a ruling on the subject this week, Mr. Bush began using every possible excuse to bring up "activist" judges and gay weddings on the campaign trail. "I mentioned his love for his family," Mr. Bush said at a rally for a Republican Senate candidate in Michigan. "He understands what I know, that marriage is a fundamental institution of our civilization. Yesterday in New Jersey we had another activist court issue a ruling ..."

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The court in New Jersey, for what it's worth, was hardly activist. The State Legislature had given gay couples the ability to unite in domestic partnerships that gave them most, but not all, of the legal protections available to married heterosexuals. The court simply said that both kinds of partners deserved the same legal protection, and left it up to the lawmakers to figure out how to do it. Hardly a thunderbolt from the sky, but Mr. Bush took up the cause of protecting the "sacred institution that is critical to the health of our society" as if a cadre of antifamily jurists had just abolished matrimony.

All this is, as everyone knows, just a show for rousing the base. If the last month has taught us anything about the Republican Party, it is that homophobia is campaign strategy, not conviction. Congressmen who trust their careers to gay staffers vote for laws to enshrine second-class citizenship for gays in the Constitution. Gay appointees and their partners are treated as married people at official ceremonies and social gatherings. Then whenever an election rolls around, the whole team pretends it's on a mission to save America from gay marriage.

Mr. Bush and his faithful acolytes seem perfectly willing to stoke fears that create division and sorrow in a country that doesn't need any more of either. The president has just a little more than two years left in office. You'd think that for once he'd want to consider devoting his time to making things better instead of worse.

Thought Police In The Lecture Hall (WP)

By Asheesh Kapur Siddique

The Washington Post, October 28, 2006

Universities are the bulwark of democratic societies -- places where individuals with diverse viewpoints come together to learn and to produce new knowledge for addressing social concerns, free of ideological interference. But these centers of freedom are under attack from people who want to inject partisan politics into our classrooms.

Led by activist David Horowitz, some conservatives are pushing for the adoption of an "Academic Bill of Rights" (ABOR) across America. The bill takes the form of student resolutions or legislative proposals claiming to protect the academic freedom of college students from ideological indoctrination by professors.

My classmates at Princeton passed a modified version of the bill in a student referendum in April. In July, Philadelphia's Temple University became the first institution to officially adopt the policy. Arizona's legislature is preparing to consider a version of the bill.

The College Access and Opportunity Act, passed by the House in March and under consideration in the Senate, aims to deny federal funding to institutions -- even private ones -- that refuse to comply with ABOR's limitations on speech.

In truth, these efforts only hurt the students they purport to help. Horowitz and his backers aren't protecting our rights; they're impeding our educations. The Academic Bill of Rights would substitute political correctness for the free exchange of ideas on campus by preventing faculty and students from discussing fresh or controversial ideas in class. It would restrict what professors can teach and what students can learn.

This exchange between teachers and pupils lies at the heart of liberal education. But ABOR's backers argue that professors presenting new ideas might "indoctrinate" or offend students. Their bill denies us the right to evaluate the merits of ideas and arguments for ourselves by banning "political" or "anti-religious" speech from classrooms.

College students are much smarter and more capable of distinguishing between propaganda and informed opinion than Horowitz and his supporters think. We have a right to learn about any issue our knowledgeable professors deem important to our intellectual growth. This proposal would curtail students' discussion of topics deemed "politically controversial" and liable to "offend" a sensitive classmate.

How can I learn about the modern Middle East in my political science classes if my professor isn't allowed to discuss the "controversial" topic of the Iraq war and its regional effects? Should my biology instructor be prevented from teaching evolution out of fear of offending a creationist classmate? And why should schools allow some left-wing campus agitator in Economics 101 to file a complaint because a lecturer discusses market efficiency rather than Marxist theories of labor?

All these scenarios are possible at institutions cowed into incorporating Horowitz's restrictions into their academic policy. The bill's vague language invites any student with an ideological agenda to use its provisions to politicize syllabi and restrict campus speech.

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No disgruntled individual has a right to inhibit everyone else's ability to learn. Youthful skepticism about received wisdom is, of course, essential for intellectual maturation. And a student who puts forth an unpopular argument in class or on an assignment should not be disparaged by an instructor or given a bad grade.

But almost every university has policies prohibiting such harassment along with independent appeals procedures to protect both students and the integrity of the academic environment. Horowitz's restrictions, in contrast, would invite outside monitoring of the classroom, creating hostility between students and professors, and politicizing the intellectual environment at school. It would allow the whims of partisan legislators, rather than the judicious advice of knowledgeable PhDs, to dictate what and how young adults learn.

My classmates and I want our elected leaders to focus on addressing our real concerns when it comes to getting an education -- student loans, skyrocketing tuition and the post-graduation job market. We don't want them making it harder for us to learn by restricting the free exchange of ideas on campus.

The writer is a senior at Princeton University.

ANTITRUST:

Tribune Is Said To Get Bids From Private Equity Firms (NYT)

By Andrew Ross Sorkin

The New York Times, October 28, 2006

The Tribune Company received several preliminary offers late yesterday from a series of private equity firms, according to people briefed on the auction.

The preliminary offers, which are nonbinding and known as “indications of interest,” are the first step in an auction for Tribune, which said last month that it would consider selling its 11 newspapers and 25 television stations.

The company includes assets like The Los Angeles Times, The Chicago Tribune, The Baltimore Sun, Newsday and the Chicago Cubs.

Among Tribune’s suitors, these people said, are a group including Providence Equity Partners, Madison Dearborn Partners and Apollo Management; another consortium including Thomas H. Lee Partners and the Texas Pacific Group; and the Carlyle Group and Bain Capital, which are each planning to bid separately.

Notably absent from the bidding was any major newspaper company, though it remained possible that Gannett or another rival company could emerge.

Tribune has a market value of $8.2 billion. Analysts have had scattered estimates about how much the company could be sold for, with some estimating a price as high as $10 billion and others estimating Tribune will not fetch any premium.

The preliminary offers from the teams of private equity firms were only for the entire company; it was unclear last night whether Tribune was formally entertaining offers for specific assets like The Los Angeles Times, which has been the target of several wealthy Los Angelenos like David Geffen and Eli Broad.

Exact terms of the preliminary offers could not be learned and it was likely they would change substantially once bidders have access to Tribune’s confidential records and books.

Shares of Tribune, which is based in Chicago, fell 32 cents, to $33.47.

Local Support Boosts Baltimore Sun Bidder (WT)

By Sean Lengell, The Washington Times

The Washington Times, October 28, 2006

BALTIMORE -- The man behind a local effort to buy the Baltimore Sun from the Tribune Co. said yesterday he is encouraged by the amount of community support he has received.

"I have never witnessed this kind of response to a business transaction," said Theodore G. Venetoulis, a former Baltimore County politician and current owner of a Maryland news and political magazine. "Newspapers still have a very substantial role in people's lives. It touches the core of people."

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Mr. Venetoulis said he received several telephone calls from potential investors after reports were published yesterday revealing the group's intentions.

"The group we've put together understand two things," said Mr. Venetoulis, who lost a Democratic primary bid for governor in 1978. "One, that this will not be an investment that will provide the usual yield and return that some investors will be used to. Secondly, they've agreed that they would not in any way attempt to jeopardize the paper's independence or attempt to give it a certain ideological bent."

The group includes Abell Foundation President Robert C. Embry Jr. and longtime civic leader Walter Sondheim, the Sun reported.

The founders of the Abell Foundation sold the Baltimore Sun Co. to the Times Mirror Co. in 1986, which sold itself to the Tribune Co. in 2000.

The group has contacted the Tribune Co. about its interest but hasn't made a formal offer for the paper. The Tribune Co. has declined to comment.

Meanwhile, two Boston buyout firms, Bain Capital LLC and Thomas H. Lee Partners LP, may make competing bids for the entire Tribune Co., according to reports published yesterday.

Mr. Venetoulis said that for tax reasons the Tribune Co. was more likely to sell itself as a whole rather than in pieces.

"We'll probably have our best shot at owning the Sun once a private-equity group chooses to spin off the properties," he said. "We can't afford to buy the whole company ourselves."

The Washington-Baltimore Newspaper Guild, which represents the Sun's newsroom staff, recently meet with Mr. Venetoulis' group and said it is open to the idea of a change in ownership.

"It's early to say, but they seem sincere and we like what we've heard so far," said Bill Salganik, a Sun reporter and president of the Washington-Baltimore guild. "We could imagine working with the Venetoulis group."

The Baltimore group is the latest to seek to buy metropolitan daily newspapers from embattled corporations.

A group led by public relations and advertising executive Brian Tierney recently paid $515 million for the Philadelphia Inquirer and Philadelphia Daily News.

A group led by Jack Welch, the former head of General Electric Co., said this week that it was interested in buying the Boston Globe. And in Los Angeles, three billionaires, including music executive David Geffen, have said they want to buy the Los Angeles Times, which also is owned by the Tribune Co.

Most large newspaper companies are publicly held, but as the sector has struggled with declining circulation and advertising revenue, it has fallen into disfavor on Wall Street, often leading to calls to break apart the businesses.

• This article is based in part on wire services reports.

A New Advertising Engine (WP)

By Sara Kehaulani Goo, Washington Post Staff Writer

The Washington Post, October 28, 2006

Google Expands Its Web Reach to Madison Avenue

NEW YORK -- At Google Inc.'s new office near the Hudson River, Volvo's top U.S. advertising manager has just flown in from California to talk about next year's launch of a new car, aimed at the hip, 20-something crowd.

Linda Gangeri, a Volvo executive, wants to hear Google's ideas about online video. She high-fives the company for its recent decision to purchase online video phenomenon YouTube Inc. and asks for Google's thoughts about how to advertise the new car, which Volvo is considering launching with commercials only on the Internet.

"This is a target we've never reached before and one you cannot reach via traditional marketing messages -- they reject it," she tells them. "We look to you and challenge you, with Google being more of that young, targeted mind-set."

Just a few years ago, Google was a bit player on Madison Avenue. It specialized in tiny text ads shown alongside search results and in the margins of thousands of Web sites that partner with Google.

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But recently Google has moved beyond search, reaching out to big advertisers to sell them online graphical or display ads on its partner sites. The firm is developing new Web video ad formats that could give TV commercials a run for their money and has been staffing up new projects to sell ads offline in newspapers and magazines and on radio.

Earlier this month, Google's ambitions were on display when it opened its new office in the old Port Authority building, covering 1 1/2 floors on an entire Manhattan block in the funky Chelsea neighborhood. The company has recruited executives from some of the biggest media firms and is rapidly expanding its 500-member team here in an attempt to cultivate relationships with Madison Avenue and large advertisers.

"There's probably a false assumption in the marketplace that Google is a bunch of machines in Mountain View [Calif.] and we don't have relationships like you might see at Conde Nast up the street or at ABC television," said Patrick Keane, Google's director of product marketing.

Google's strategy is to bring the math and science that fueled its search-engine ad success to other forms of marketing. The company's existing text-ad system allows advertisers to see how many people click on each ad and pay only when someone clicks, helping advertisers calculate the return on their marketing dollars. Eventually Google hopes to offer similar metrics for online video ads and off-line campaigns, though it is still in the early stages of figuring out how those might work.

"They're trying to take the DNA of search marketing" to apply it to other kinds of advertising, said Timothy Hanlon, senior vice president at Denuo, a new-media consulting division of Publicis Groupe. Hanlon added that the bigger pot of money in traditional "brand-marketing budgets" is a natural target for Google.

In wooing Madison Avenue, Google faces some challenges. Its foray into display and video ads brings it face to face with rival Yahoo Inc., which established its office here in 1997 and is regarded as the leader in helping large companies develop branding campaigns on the Web. Last year, Google reorganized its entire sales force into 12 industry-specific teams after realizing that big advertisers didn't want a sales team of "generalists"; they wanted experts familiar with their field.

Ad agencies seem open to working with Google, though some said the search firm has tried to go around them and pitch advertisers directly. And while Google's ad products beyond search are experimental, they seem worth trying, some said.

"The scariest thing about Google is they don't know what they don't know," said Jason Clement, associate director of search engine marketing at Carat Fusion, an advertising agency. "There's a difference between a Harvard mathematician and someone who's been selling ads for 20 years. The mathematician is smarter, but if you want Coca-Cola's dollars, the guy selling billboards for 20 years is the one you want."

Unlike Yahoo, AOL or other Web sites that attract a big audience, Google doesn't sell ads on its home page, Google.com. Instead, it partners with thousands of other Web sites and places ads on them. Most of the ads today are small text items, titled "Ads by Google," but increasingly Google is helping companies place banner and video ads on these same partner sites.

By applying technology to measure their impact, Google plans to differentiate its banner and video ads from those of its competitors. Teaming with online research firm ComScore Networks Inc., Google is trying to correlate the effectiveness of each ad by tracking the number of people exposed to it who later perform searches about the product.

For example, people who visited the AutoTrader.com site this summer were shown an image of a Volvo sport-utility vehicle advertising the car for lease at $389 a month. ComScore placed "cookies," or tracing files, on the computers of visitors and tracked how many typed the word "Volvo" or "Volvo SUV" into a search box weeks or months later. During the Web campaign for the Volvo's XC90, Google said 39 percent of Internet users who were exposed to the ads later conducted online searches for Volvo cars.

While the online campaign was running, Google also measured a 183 percent increase in visits to the Volvo Car Corp. site, Volvocars.com, and a 164 percent increase in the number of people who clicked more deeply into Volvo's site, indicating greater interest.

Google did not try to correlate viewership of the online ads with car sales data. Nor could it say how much impact a TV campaign Volvo also was running might have had on Internet searches or site visits.

Anna Papadopoulos, interactive media director of Volvo's campaign with ad agency Euro RSCG 4D, said Google's data provided Volvo with confidence and made clear that Google wanted to be accountable for the results. "At the very least, we were able to know that the Google campaign was attributed to" those numbers, she said. Papadopoulos said Volvo also advertises with

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other major Internet networks, including Yahoo, Microsoft Corp.'s MSN and AOL, and that each has its strengths. Yahoo and MSN, for example, use technology that can show ads to potential customers who have indicated an interest in products based on past browsing. While Google doesn't offer that capability, Papadopoulos likes Google's hands-on customer service. She said she also was impressed with how Google matched the demographics of likely Volvo buyers with visitor demographics at dozens of small sites.

Google, which announced this month that it was buying online video site YouTube for $1.65 billion in stock, has big plans to expand into video advertising. The firm hasn't announced exactly what it plans to do with YouTube, but both properties are pushing a new kind of Internet advertising called "click to play." The ads are essentially online video commercials that don't play unless a visitor clicks on the image.

Google said it opposes "pre-roll" Web ads, which resemble TV commercials by interrupting site visitors and forcing them to watch a video before they can see the content they are seeking. With Google's click-to-play ad service, advertisers will be able to select specific Web sites where they want their video ad displayed or allow Google to select the sites, based on whether the audience of a Web site or its content matches that of the advertiser.

Google thinks the ads will do well with movie studios, which could use trailers as click-to-play ads, and with carmakers, who can use video to draw Internet users shopping for a car. But the format remains new and largely untested.

As one of the most-searched automakers on the Web, Volvo agreed to use Google's new video format to apply its recent "Who Would You Give a Volvo To?" TV ads to the Web. And it is thinking about using the format for its new car next year.

"As a small brand, we do have to take risks," said Volvo's Gangeri. "But at the same time, if you want to reach a target like [our new vehicle], you can't do that in the safe, secure world of Volvo as we know it."

Arcelor Mittal Takes Stake In Mich. Auto Supplier Noble (AP)

AP, October 28, 2006

BRUSSELS, Belgium - Arcelor Mittal SA said Friday it was merging a unit that makes steel for the auto industry with Michigan-based laser welder Noble International Ltd. in return for a 40 percent stake in the business and a $300 million payment.

The Luxembourg-based steelmaker - currently being formed from a tie-up between Arcelor SA and Mittal Steel Co. NV - said it would become Noble's largest stockholder when the deal was complete.

Arcelor Mittal said this would strengthen the company's position with the global car industry. The transaction will combine Arcelor's laser-welded tailored blank business TBA - the largest in Europe - with Noble, North America's largest producer of laser-welded steel products.

Mittal has significant U.S. operations through its earlier acquisition of International Steel Group.

Combining expected results for this year, the combined Arcelor-Noble business would have a revenue of $1.1 billion and earnings before interest, taxes, depreciation and amortization of $122 million.

The Arcelor unit employs 670 people at nine plants in Europe, one in the U.S. and a quarter stake in a joint venture in China. The company said its revenue would be around $500 million this year.

Noble, headquartered in Warren, has more than 2,000 workers at 12 plants in the U.S., Canada, Mexico and Australia. It expects 2006 revenue to hit $600 million. Earlier this month, it bought Pullman Industries Inc., which makes steel tubular parts for carmakers.

Arcelor Mittal said the deal should close in March 2007 after it wins approval from Noble's stockholders and antitrust regulators.

ON THE NET

Arcelor Mittal SA: http://www.arcelormittal.com

Noble International, Ltd.: http://www.nobleintl.com

FCC Sets Vote On AT&T Purchase Of BellSouth To Nov. 3 (Update1) (BLOOM)

By Molly Peterson

Bloomberg, October 28, 2006

DOJ_NMG_0088466

Oct. 27 (Bloomberg) -- The U.S. Federal Communications Commission plans to vote Nov. 3 on AT&T Inc.'s $82 billion purchase of BellSouth Corp., three weeks after a deadlock on the terms of approval derailed a previously scheduled vote.

The commission, which released its agenda for the meeting today, hasn't indicated what types of conditions it may place on the deal, the biggest telephone-company combination ever.

Facing pressure from the panel's two Democrats, AT&T earlier this month offered concessions including a price freeze on certain business data services and $10-a-month high-speed Internet access for some BellSouth customers. Rival companies want tougher conditions, such as price controls.

``We still continue to believe there's a good chance the FCC will conditionally approve the necessary AT&T-BellSouth license transfers at some point in November," Stifel Nicolaus & Co. analyst Blair Levin said today in an investor note.

FCC approval is the last regulatory hurdle for San Antonio-based AT&T, the biggest U.S. phone company, to complete the transaction, which the companies announced almost eight months ago. The Justice Department and 18 states cleared the deal without conditions. FCC deliberations have been complicated by the likely recusal of one member, which leaves the panel evenly split between Democrats and Republicans.

FCC Chairman Kevin Martin, a Republican who initially proposed approving the deal without conditions, postponed an Oct. 13 vote after Democrats Michael Copps and Jonathan Adelstein, who are seeking conditions, asked for public comment on AT&T's proposals.

The vote could be postponed again if Martin and fellow Republican Deborah Tate fail to reach an agreement with Copps and Adelstein by Nov. 3, analysts said.

Shares of AT&T fell 18 cents to $34.22 at 4 p.m. in New York Stock Exchange composite trading and have risen 40 percent this year. Atlanta-based BellSouth fell 14 cents to $45.04 and has climbed 66 percent this year.

Smithfield Foods Gambling On Merger; Foes Fighting Expansion (DPHR)

By Chris Flores 247-4738

Newport News (VA) Daily Press, October 28, 2006

The pork company's opponents were fighting this week for federal regulators to deny the merger.

Smithfield Foods adversaries are trying to ensure that the world's largest pork company loses a $100 million bet.

If the Department of Justice allows Smithfield to purchase Premium Standard Farms, the $674 million deal will help Smithfield further bolster its position as the company that raises and slaughters the most hogs in the country.

A line of opponents has formed to protest, saying Smithfield will dominate the price of hogs. Smithfield and Premium knew the fight was coming, so the deal stipulates that Smithfield will pay $100 million to Premium if anti-trust regulators deny the deal.

But Smithfield was willing to take the risk. Smithfield gained confidence by surviving federal regulatory scrutiny when it bought Farmland Foods in 2003. Many of the same groups that opposed that deal also oppose this new one. The National Farmers Union, along with a coalition of rural and farm groups, made a case to the Justice Department this week, arguing the deal should be denied.

"The packing industry is already pretty drastically consolidated," said Fred Stokes, spokesman for the Organization for Competitive Markets, an agricultural think tank funded by independent farmers. "And here's the No. 1 hog producer buying the No. 2 guy."

The opponents of the deal include a growing list of Midwestern politicians, who say the deal will give Smithfield the ability to determine hog prices. They formally asked the Justice Department to scrutinize the merger and have called for congressional hearings.

Smithfield is already the largest processor of hogs, with 26 percent of the market. By adding Premium, the company will have 31 percent. Farmers worry that with less competition for buying hogs, Smithfield can drive down prices.

Smithfield opponents say Premium had the only other slaughter facility in the Southeast. Without that competitor, Smithfield can set the prices it pays all farmers in the region to raise hogs, said Michael Stumo, general counsel for the competitive markets group.

"That, per se, should disqualify the acquisition on anti-trust grounds," said Stumo.

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And all sales are under contracts that pay farmers a fee for raising hogs - there is no market price for the hogs themselves to be sold.

"You cannot sell hogs in that region unless you are contracted," said Stumo.

The company also will have a greater concentration of power in the Western and Southern part of the Midwestern hog production area. Even there, only about 10-15 percent of the hogs are sold on an open market.

By purchasing the second-biggest hog producer, Smithfield will raise about 20 percent of the hogs nationwide if the deal closes. Its clout on that side of the business will also help Smithfield influence the purchase of hogs by its competitors.

Stokes said he thinks the case is about as strong as possible, but that doesn't mean the government will intervene. He believes lower-level staff members at the Justice Department will support rejection, but will be overruled by political appointees.

"The chances are good that they're going to approve it," he said.

A Smithfield spokesman didn't return a call for comment.

BD Wins Federal Antitrust Approval For TriPath Deal (BERGCR)

By Dunstan Prial, STAFF WRITER

Bergen County Record, October 28, 2006

Becton, Dickinson and Co. said Friday that federal antitrust approval has moved it a step closer to its planned $350 million acquisition of TriPath Imaging Inc., a manufacturer of cancer-screening products.

BD has said adding TriPath's technology will help it expand its presence in the field of cancer diagnostics.

The deal, which the Franklin Lakes-based maker of medical devices announced in August, still needs to be approved by TriPath's shareholders, said BD spokeswoman Colleen White.

The Federal Trade Commission, which oversees antitrust matters in the United States, said in a statement that it had completed its investigation of the deal and did not plan to take action.

As advances in research have created new opportunities for treating various forms of cancer, the potentially broad -- and lucrative -- market for cancer treatments has prompted health care companies large and small to target oncology.

TriPath, based in Burlington, N.C., uses sophisticated computer imaging to detect cell abnormalities that might indicate the onset of cancer.

BD already owns a 6.5 percent stake in TriPath.

The shares were purchased in 2001, when the two companies first began collaborating to find markers to diagnose cancer.

The acquisition calls for BD, maker of the Ace bandage brand and the world's biggest manufacturer of hypodermic needles, to pay TriPath's stockholders $9.25 a share.

BD's shares fell 18 cents to $70.69 on Friday. TriPath's shares fell 1 cent to $9.13.

At the time the deal was announced, TriPath's shares were valued at $5.12.

A TriPath spokesman did not immediately return a phone call on Friday.

BD's chief executive officer, Edward J. Ludwig, has said the company's strong recent fiscal results will allow BD to pursue growth through acquisitions.

For its fiscal third quarter, which ended June 30, BD reported profit rose 9 percent.This was due in part to the $230 million acquisition in February of GeneOhm, a San Diego-based biotechnology company that has developed a rapid test for diagnosing a powerful virus frequently transmitted among hospital patients.

ENVIRONMENT:

Appeals Court Halts Stryker Activity Here (HSB)

By Gregg K. Kakesako

Honolulu Star-Bulletin, October 28, 2006

DOJ_NMG_0088468

The Army lost a major court battle to local environmentalists and anti-war activists yesterday and might not be ready to deploy a Stryker brigade to Iraq late next year.

A 9th U.S. Circuit Court of Appeals panel in San Francisco, in a 2-1 decision, issued a temporary injunction halting construction, training and any other activities dealing with the $1.5 billion Stryker Combat Brigade planned for the 25th Infantry Division.

David Henkin, Earthjustice attorney, said the case now reverts to U.S. District Judge Dave Ezra to determine if any Stryker-related construction or training can occur while the Army works on a new environmental impact statement.

Henkin said he will not only ask Ezra to prevent the Army from causing "irreparable harm" to environment, but he also does not want the Stryker conversion to be so far along that it cannot be stopped.

The Army has said the 2nd Brigade Combat Team has completed 60 percent of its training and received 70 percent of its equipment. The 2nd Brigade is slated to grow into a 3,500-member combat unit built around 328 of the 19-ton, eight-wheeled vehicles.

Before the injunction was put into effect, the Army had said the 2nd Brigade would be ready to deploy to Iraq by November 2007 as the fifth of seven planned Stryker units.

In court papers, Ron Borne, director of transformation for the 25th Infantry Division's 2nd Brigade Combat Team, listed Stryker-related construction projects that must be completed for the Army to meet its deadline.

The Army issued a terse statement yesterday: "We are in receipt of the court order, and we are complying."

A federal appeals panel ruled Oct. 5 that the Army had violated the National Environmental Policy Act by failing to consider other locations outside of Schofield Barracks for its fifth Stryker brigade.

The court ordered the Army to amend its environmental impact statement -- a process that could take as long as a year. Despite the court's ruling, the Army maintained that it could proceed with 28 Stryker-related construction projects, totaling $693 million, during the review period.

Earthjustice, representing Ilioulaokalani Coalition, Na Imi Pono and Kipuka, sought the temporary injunction last week because the Army planned to start construction Wednesday on a nearly 1,000-acre live-fire training complex at Schofield Barracks.

Henkin said the Army now concedes that this training range is no longer "a critical construction project either for Stryker conversion or to train other units."

Kyle Kajihiro, an anti-war activist, said yesterday that cultural monitors discovered this month what they believe are more than 200 cultural sites, including what could be ancient burial areas.

"It really raises the level of concern since some of them could be sacred burial sites," Kajihiro said.

In court filings last week, Henkin said the Army acknowledged that construction of the $6 million urban-assault course could result in destruction or damage of Hawaiian cultural sites.

Cultural monitors also have had no opportunity to inspect areas where the motor pool and the vehicle wash facility will be built, the environmental group said.

"We're pleased the court recognized the Army's plans to plow ahead with Stryker conversion in Hawaii -- before even looking at other places where it could achieve its goals without destroying cultural sites -- violated both the law and common sense," Henkin said.

In opposing Earthjustice's request for a temporary injunction, U.S. Justice Department attorneys said the appeals court "must balance national security implications of enjoining those activities against the harm alleged by the plaintiffs."

But Earthjustice argued that the Army's "rhetoric rings hollow" that any delay in the development of a Stryker Combat Brigade would jeopardize national security. In an 11-page rebuttal, Henkin said the Army used the same arguments last year.

At that time, Henkin pointed out the Army said any postponement of the 2nd Brigade Combat Team's conversion beyond May 2007 would "significantly degrade the Army's ability to provide effective and ready forces to meet strategic commitments, including ongoing operations in Iraq, and reduce the Army's strategic posture to deter conflict and respond to crisis situations in the Pacific area of responsibility, including the Republic of Korea."

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Initially, May 2007 was the date 25th Infantry Division officials had said the Stryker Brigade Combat Team would be ready for wartime duty.

"The Army fails to explain why this half-year delay, which allegedly posed such dire ramifications, did not, when it came to pass, have any adverse consequences," Henkin said.

Fireman Fights To Live, Comrades Fight Blaze (LAT)

By David Kelly, Jonathan Abrams, Maeve Reston And Scott Gold, Times Staff Writers

The Los Angeles Times, October 28, 2006

BEAUMONT — Battling gusting Santa Ana winds, fire crews today fought to try to contain the fast-moving Esperanza arson fire that has killed four firefighters.

Officials this morning released the names of the dead.

Killed were engine Capt. Mark Loutzenhiser, 44, of Idyllwild; engine operator Jess McLean, 27, of Beaumont; assistant engine operator Jason McKay, 27, of Phelan; and firefighter Daniel Hoover-Najera, 20, of San Jacinto.

A fifth firefighter was in critical condition this morning in Arrowhead Regional Medical Center in Colton. He was identified as Pablo Cerda, 23, of Fountain Valley.

Cerda has burns over 90% of his body, severe lung injuries and was placed on life support. His chances of survival are considered poor.

At an afternoon news conference at Arrowhead, David T. Wong, chief of trauma, said Cerda has had some improvement in his "minute-to-minute condition," but the overall prognosis remains poor because of the severity of the burns.

Cerda may be sent to surgery later today to have the burned skin removed. Cerda remains under heavy sedation, Wong said.

The rough terrain in the San Jacinto Mountains of Riverside County just west of Palm Springs posed difficult problems for firefighters trying to keep the blaze from the more populated areas, Janet M. Upton, of the California Department of Forestry and Fire Protection, said today. Winds are expected to gust up to 45 mph and firefighters are facing a long day.

"It's mountain goat territory," Upton said.

The sharp winds are expected to continue until at least tonight, said Mike Giannini, battalion chief of the Marin County Fire Department, one of the agencies supplying some 1,750 firefighters.

"The next 36 hours are going to be key for this thing," he said.

Firefighters ignited a small backfire in Beaumont about half of a mile away from a school with 80 children with special needs. The children moved into the gymnasium but did not leave the building. The fire was started to ensure that the Esperanza fire did not leap to the school's grounds.

"Anytime we get winds blowing by we are worried, but we were all ready to go if necessary," said Lynn Elder, who handles community relations for the school, Child's Help, in the foothills of the San Jacinto Mountains.

The Esperanza fire was deliberately set Thursday about 1:12 a.m. in the San Gorgonio Wash. Fed by dry fuel and bitter winds, it has consumed more than 24,000 acres, according to the official website.

The fire is about 5% contained, with no indication when it will be fully controlled. The fire continues to move mainly to the west and southwest, being driven by east to northeast winds.

The fire is moving toward Highway 79, south of Interstate 10, threatening to push toward Idyllwild and San Jacinto this morning. It has destroyed 10 homes and another 500 homes and three commercial structures are threatened, according to the CDF.

The Air Quality Management District also warned that smoke from the Esperanza wildfire is expected to create unhealthful air quality conditions today in areas of Riverside and Orange counties.

Despite the loss of four of their own, firefighters this morning braced for their difficult day. At one camp here, firefighters rose from their tents and grabbed coffee. The about 200 to 300 firefighters were briefed about their assignments, which are detailed down to the specific roads and structures they are to protect.

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The sun rose but the wind was already gusting so much that it sent swirling dust devils across the fields at the command post.

About 3 a.m., firefighters evacuated another 100 homes at the south end of Banning, near the foothills below Silent Valley. There were some gusts of wind during the night that sent the fire down toward Banning. The residents went to community centers and to friends' homes.

The South Banning evacuations were in addition to Thursday's at Twin Pines and Poppet Flats. More than 700 people have been evacuated, according to officials.

In Washington, the White House joined the list of public officials to express their condolences over the firefighters' deaths.

"A little bit ago, the president placed a phone call to Tom Tidwell, who's the deputy regional forester of the U.S. Forest Service, to express condolences over what is now being called the Esperanza incident, a fire near Palm Springs, California, that has claimed the lives of four firefighters," said spokesman Tony Snow.

The president also "said he hopes that whoever is the perpetrator will be caught quickly and brought to justice."

More than 100 tips have been delivered to the Riverside County Sheriff's Department as the search continued for those who set the arson fire. Anyone arrested could also face murder charges because of the firefighters' deaths.

Sheriff's spokesman Sgt. Earl Quinata said this morning that there are no suspects and denied a television report that authorities were searching for a suspect in a white van.

The pool of reward money for information grew to $400,000 from the $100,000 Riverside County officials pledged Thursday.

This morning, Gov. Arnold Schwarzenegger announced a state reward of $100,000 for information leading to the arrest and conviction in a California court of the person or persons responsible for setting the Esperanza wildfire.

At another news conference, San Bernardino County Board of Supervisors Chairman Bill Postmus said the county would also offer $100,000.

And the Morongo band of Mission Indians offered $100,000.

On Thursday, Schwarzenegger said that he had instructed his administration "to put every resource into fighting this fire and making sure that the evacuees have everything they need."

The governor declared a state of emergency in Riverside County, which allows the state to provide any needed assistance.

Even as officials pursued the arson investigation, the dead firefighters were a grim reminder of the dangers brought by Santa Ana conditions.

"These winds were devil winds. They came out of nowhere," Pat Boss, a U.S. Forest Service spokesman, said Thursday. "They were fleeing for their lives and the flames caught them."

Thursday's death toll was the highest for California's wild land firefighting community in nearly three decades. In 1979, four state forestry department firefighters were killed when flames overtook them as they walked a bulldozed fire line near San Luis Obispo. The most firefighter deaths in a California wildfire occurred in 1933, when 25 firefighters were killed fighting a Griffith Park blaze.

Three years ago — almost to the day — 14,000 firefighters battled California's worst recorded wildfires, which killed 24 people, destroyed 3,361 homes and burned 739,597 acres in Southern California. One firefighter died, and hundreds more had unforgettable close calls. One of those fires, the Old fire in San Bernardino County, also was an arson fire and remains unsolved.

Earlier Thursday, the fire trapped several hundred people for more than eight hours in the Silent Valley recreational vehicle park. A small army of firefighters circled the park to keep the flames at bay, and by afternoon the danger had subsided, allowing residents to leave the park if they wished.

The fire's speed shocked longtime residents of the remote area who are accustomed to the threat.

John Atherton, a 33-year-old construction manager who was working overnight Thursday, raced home after calling home and telling his wife and children to flee. He grabbed his dog, videos of his three daughters — and tax papers.

"You kind of try to prioritize your whole life in a matter of a half an hour," he said.

He placed sprinklers on his roof. As he left, "the fire all of a sudden turned direction and headed straight toward our home," he said. "That was pretty scary."

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As he made his way down a road toward Banning, traffic was thick with people fleeing. Atherton stopped to help a neighbor herd a llama. "At that point the fire officials told us we were going to have to leave the animals and get out," he said.

Flames hundreds of feet high jumped Highway 243, setting even the guardrail posts ablaze, and were moving toward Highway 79, which was closed between Beaumont and Hemet.

Evacuation centers were established at Banning Community Center and Hemet High School.

Officials said the fire could burn thousands more acres if it reaches parts of the San Bernardino National Forest where an infestation of pine bark beetles has left stands of dead trees. A red flag warning remains in effect throughout much of Southern California because of low humidity and strong winds.

A brush fire burned early this morning in rural southeast Orange County, prompting officials to evacuate 140 people from a campground and to shut down a long stretch of highway for a short time.

The fire broke out about 4:20 a.m. in a wooded area east of Rancho Santa Margarita, near Cleveland National Forest. Authorities safely evacuated 140 people, mostly children, from the nearby Lazy W Ranch camping ground.

The fire, dubbed the "Lazy W", had consumed less than five acres so far, Lynnette Round, a spokeswoman for the Orange County Fire Authority said this morning.

But the blaze, which is mostly contained, forced officials to close Ortega Highway for roughly 30 miles. One of the key arteries to Riverside County was shut down from Antonio Parkway to the Lake Elsinore exits. The highway reopened before 9 a.m.

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Times staff writers Michael Muskal, Mike Anton and Lance Pugmire contributed to this report. Staff writer James Gerstenzang contributed from Washington

Sheriff's Office 'Taking Lots Of Calls' With Arson Tips (LAT)

By Lance Pugmire, Times Staff Writer

The Los Angeles Times, October 28, 2006

More than 100 tips have been received by the Riverside County Sheriff's Department as the intense hunt for the person or group that started the fatal Esperanza fire near Cabazon continued today.

The pool of reward money also grew from $100,000 to $400,000 when the state added $100,000, as did San Bernardino County and the Morongo band of Mission Indians.

"We're taking lots of calls," sheriff's spokesman Sgt. Earl Quinata said this morning. "Our investigators are looking at all the information and following up when necessary."

Quinata said there are no suspects in custody, but an arson-homicide investigation "to find the culprits" is urgently working to "resolve this and assist our firefighters and their families" after the blaze claimed the lives of four U.S. Forest Service crew members Thursday.

The U.S. Forest Service members were caught by flames that shifted in the wind, destroying their firetruck and leaving a fifth member clinging to life.

Fire officials say the Esperanza fire began about 1:10 a.m. Thursday in the foothill area along Esperanza Avenue. Forensic specialists combed the ground near the area searching for clues.

One neighbor near the fire's starting point told The Times he saw two white males in their early 20s fleeing the area. Residents in a Cabazon mobile home community reported they had seen teenagers smoking marijuana in the area.

"There's no indication that [the marijuana smokers are] the source, but we're investigating all tips," Quinata said.

The Riverside County Board of Supervisors has offered a $100,000 reward for anyone providing information that leads to the arrest and conviction of the person or people responsible for starting the blaze.

"The urgency is for people with relevant information to call in," Quinata said.

Anyone with information about how the fire started can report tips to (951) 922-7116.

Calif. Blaze Spreads After Firefighters' Deaths (WP)

By Sonya Geis And John Pomfret, Washington Post Staff Writers

The Washington Post, October 28, 2006

Reward Increased To $500,000 in Suspected Arson

BANNING, Calif., Oct. 27 -- A wildfire that has consumed thousands of acres west of Palm Springs and has killed four U.S. Forest Service firefighters continued to roar Friday, fed by hot, fast and dry winds, while state and local officials boosted the reward to $500,000 to find the suspected arsonist who ignited the blaze.

The Forest Service and the California Department of Forestry and Fire Protection are investigating the deaths, and on Friday a half-dozen investigators wearing yellow protective suits studied the steep dirt driveway of 15400 Gorgonio View Rd. As a fierce wind whipped past the gutted house on a blackened hill above them, an investigator knelt down, then gestured at the canyon wall, from where the flames had come.

Five Forest Service firefighters were trying to protect the house from the wildfire Thursday when the inferno suddenly overwhelmed them. Three died at the scene, and a fourth died soon afterward at a hospital. On Friday the fifth remained in grave condition, with more than 95 percent of his body burned.

The deaths constituted the worst disaster involving a wildfire since 2001, when four firefighters were trapped by flames and killed in a remote part of Washington state.

On Friday, investigators, as well as the men's families and colleagues, struggled to understand how an experienced fire captain and his crew could have been killed.

"They had a real good, experienced crew," said Jerry Garcia, 29, a firefighter who worked with Capt. Mark Loutzenhiser, 43, and Jess McLean, 27, a fire engine operator. "I've been with them on fires, and I felt real safe with them."

McLean, Garcia said, "was someone I really looked up to. Last season was my first season, and I really trusted him."

The doomed firemen were outside their fire engine, apparently running, when flames caught up with them, said Pat Boss, a Forest Service spokesman. Firefighters carry protective shelters, similar to pup tents, that can shield them from flames, but they did not use them, Boss said.

"They had no time to deploy anything, much less even pull it out of their bag," he said. "They had no idea what hit them."

Also killed were Jason McKay, 27, and Daniel Hoover-Najera, 20.

Michael Wakowski, a fire division chief in the San Bernardino National Forest, told the Associated Press it did not appear the crew did anything wrong.

"Sometimes things go bad, I hate to say," he said.

Fires move at varying speeds, as leisurely as an adult on an evening stroll or as fast as a sprinter, said Shankar Mahalingam, an engineering professor and wildfire expert at the University of California at Riverside.

"Sometimes, however, it can move hundreds of yards in an instant when it's pushed by the wind. It can climb up canyons incredibly fast with embers shooting forth," Mahalingam said.

Garcia and his crew were eating lunch under a tree while they waited for counselors and a chaplain. Some watched the progress of the fire from a ridge nearby. More than 1,500 firefighters managed to contain the blaze to 24,000 acres overnight, before winds fanned it again. By sundown Friday, the fire had consumed nearly 40,000 acres -- more than 60 square miles.

Forest Service firefighters were pulled off the fire Thursday to give them a chance to grieve. Garcia said he was "emotionally, mentally, physically drained out. It was a good thing they gave us the day off."

But Capt. Garett Armsby, on the same crew as Garcia, was less patient. "We've got a fire happening at our backdoor," he said. "It's hard to just watch it."

Loutzenhiser left behind a wife and five children. Boss said he was active as a youth coach and umpire.

"The kids loved him," said Boss, a friend of Loutzenhiser's for 23 years. "They used to come up and grab his leg. He was a joy to have around."

Arson investigators said they had no major breakthroughs. Witnesses told the Associated Press that, shortly after the fire started in the town of Cabazon, two young men were seen leaving the area, close to a teenage hangout known as Raccoon Rock.

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Riverside County sheriff's detectives interviewed other witnesses and fielded about 100 tips.

Gov. Arnold Schwarzenegger (R) added $100,000 in state money to a reward posted by Riverside County for information leading to the suspected arsonist's arrest. A Rancho Mirage resident, the Morongo Indian tribe and San Bernardino County each contributed $100,000, raising the total to $500,000.

The terrain in this mountainous area 25 miles west of Palm Springs is rocky and steep, making it difficult to tackle fires. Winds shift direction quickly. Desert scrub and low bushes make explosive tinder for fire. In addition, some fire experts said, the tendency of government authorities to put out smaller wildfires as quickly as they begin can allow the chaparral to grow unhindered, creating the foundation for even bigger blazes.

"We generally try to catch fires and put them out before they reach a critical size," said Walter Boyce, director of the Wildlife Health Center at the University of California at Davis. "Unfortunately, once they reach critical size, it's only a combination of effort, luck, wind and weather -- and mostly it's the weather -- that allows things to get back under control."

Fire officials said the blaze was only 25 percent contained, and in the areas already burned a sloping, blackened moonscape was still smoldering. Many houses in the area -- such as the one on Gorgonio View Road -- are down long, rutted dirt roads, far from neighbors, with views of oak-filled canyons or the desert floor 3,000 feet below. Several houses were melted ruins, with a satellite dish or a scorched refrigerator barely recognizable.

Pomfret reported from Los Angeles.

Burst Of Wind-Driven Flames Engulfed Firefighters (NYT)

By Randal C. Archibold

The New York Times, October 28, 2006

BEAUMONT, Calif., Oct. 27 — The five firefighters of Engine Crew 57 did what they had been trained to do. Spotting great licks of flame nearing a modest house on Thursday morning, they jumped from their truck and began cutting brush and hosing the building.

But then the wildfire did what wind-driven blazes can do: it exploded from a bowl-like gully with deadly ferocity, according to fellow firefighters close to the scene.

There was no time to run, no time to duck into the fire shelters the crew members carried. By the time other firefighters reached them, the Esperanza fire, as the blaze in Twin Pines near here is called, had done its work.

The four other United States Forest Service crews watched helplessly from up on a ridge nearby as the engine crew disappeared in the smoke and flames.

Officials say they believe the fire was intentionally set.

“It blew up like a fireball,” said Pat Boss, a friend of the crew’s captain and a public affairs officer for the Forest Service in Idyllwild, where the captain lived. “They did not see it coming.”

Three of the firefighters died at the scene. They were Jess McLean of Beaumont and Jason McKay of Phelan, who were both 27 and had been in the Forest Service for several years, and Daniel Hoover-Najera, 20, a seasonal worker from San Jacinto on his second tour of fire duty.

The captain, Mark Loutzenhiser, 44, a 21-year veteran and a father of five known for coaching youth sports, died later at a hospital. The fifth crew member, Pablo Cerda, 23, a seasonal worker who lived in Fountain Valley, was in critical condition with burns over almost his entire body.

All firefighting is dangerous, but wildfires bring challenges of wind and difficult terrain. Friends said these crew members measured success by each house or even acre of their forest they preserved.

“He talked about saving the forest, about being proud to save even a few acres,” said Marlene Lopez, a neighbor of Mr. McLean, whom she often saw roaring off to work on his motorcycle or working on fixing up the motorboat in his driveway and his yard.

On Thursday, she said, hours after Mr. McLean’s death, his wife, Karen, wheeled the motorcycle inside the house — not the garage, the house.

“I knew something was terribly wrong and she just cried when I asked her if Jess was O.K.,” Ms. Lopez said.

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State and local authorities have posted rewards totaling $400,000 for information leading to the arrest of the arsonist they believe caused the fire, 90 miles east of downtown Los Angeles.

The deaths have shaken the close-knit world of firefighters here, mostly outdoorsmen who camp and play in the forests they protect, and develop a respect, the word most often used, for the capricious nature of wildfires.

Except for the deaths, this fire probably would not have stood out. It has burned about 39,900 acres, but is dwarfed by other more recent fires, including one in early September that burned more than 200,000 acres north of Los Angeles and was among the largest in state history.

This fire has consumed 10 structures, including five houses, while wildfires in the fall of 2003 in Southern California killed 24 people, destroyed 3,700 homes, and burned 750,000 acres. The record for firefighter deaths is 14 — 10 men and four women who died July 2, 1994, on the side of a ravine in Glenwood Springs, Colo., when fire shot up as if sucked through a chimney.

Groups of firefighters have died before, often caught in the furious Santa Ana winds that blow this time of year and give each fire tricky, hard-to-foresee elements. In this case, the winds have been particularly erratic, so much so that firefighting aircraft have not always been able to attack.

Commanders use computer modeling and mapping and other technology and techniques to get a fix on how the fire is burning and its direction, but a good deal of guesswork and intuition come into play, particularly at the front lines.

"As far as what the fire will do at any particular foot, at any particular second, we can't really say," said Mark Finney, a research forester at the Missoula Fire Sciences Laboratory in Montana. "And those are critical scales for firefighters, and for lots of things: for damage, for effects on vegetation, on houses."

Capt. Joel Vela, a spokesman for the California Department of Forestry, which is coordinating firefighting efforts, said the men experienced hurricane-like conditions at the house, "only instead of rain coming down it was fire."

"It's dark because the smoke has blocked the sun, the wind is blowing, it is like a hurricane," Captain Vela said.

The wind and towering columns of smoke have made it difficult for the authorities to assess their progress, but with additional firefighters and equipment, they say they are making headway. About 2,000 firefighters are at work, and 25 percent of the fire has been contained, they said.

People in Idyllwild, a mountain hamlet of 3,500 people, began organizing fund-raisers for the families of the Crew 57 members. They recalled the firefighters as devoted to family and community.

Captain Loutzenhiser coached volleyball, basketball and baseball, and ran adult athletic leagues, diligently reporting the results to the local newspaper.

Michael Herman, a Forest Service firefighter at the nearby Kenworthy Fire Station, said Mr. McLean was known for hiking steep slopes without breaking a sweat.

Mr. Cerda and Mr. Hoover-Najera were working in the summer and fall and training the rest of the year, on the road toward full-time firefighting jobs, Mr. Boss said.

Mr. McKay, who was raised in the High Desert of Southern California, wanted to be a firefighter since he was a child, family members said. When he was 14, he became a Fire Explorer with the City of Adelanto Fire Department, and later went to Victor Valley College, where he trained to be a wildland firefighter.

The crew members had experienced tough fires before, but with winter approaching and bringing the rains that dampen the hillsides and reduce the fire danger, they were getting ready to wind down. It had been a busy summer here and elsewhere; nationwide 9.4 million acres have burned, well above the 5.3 million average of the past 10 years.

Mr. Loutzenhiser was in the middle of remodeling his house and wanted to finish the work.

" 'I am looking forward to the winter when things slow down,' " Mr. Boss recalled Mr. Loutzenhiser saying last week.

Taking On A Coal Mining Practice As A Matter Of Faith (NYT)

By Neela Banerjee

The New York Times, October 28, 2006

DOJ_NMG_0088475

HALE GAP, Va. — The windswept ridge that Sharman Chapman-Crane hiked to on a recent fall afternoon is the kind of place, she said, that she normally would avoid. From there, she could see what she loved about Appalachia and what it had lost, and she wanted her visitors to see it, too.

The old rounded peaks of the mountains encircled the ridge, dense with trees smudged red and gold. But in the middle of the peaks, several stood stripped bare and chopped up, a result of an increasingly common and controversial coal mining practice called mountaintop removal.

"Doesn't it say in Scripture, 'Who can weigh a mountain, measure a basket of earth?' " Ms. Chapman-Crane said, recalling descriptions of God's omnipotence in Isaiah 40:12. "Well, only God can. But now, the coal companies seem to be able to do it, too."

Ms. Chapman-Crane, her colleagues at the Mennonite Central Committee Appalachia and other Appalachian Christians are trying to halt mountaintop removal, and at the heart of their work, they say, is their faith.

They are part of an awakening among religious people to environmental issues, said Paul Gorman, executive director of the National Religious Partnership for the Environment, an interreligious alliance. Increasingly, religious people across denominations are organizing around local issues, like preventing a landfill, preserving wetlands and changing mining.

"People of faith are thinking afresh about human place and purpose in the greater web of life," Mr. Gorman said. "They are asking, What does it mean to be present in a crisis of God's creation made by God's children?"

Although Christian environmental activists speak out against mountaintop removal at different levels of government, many believe that showing the practice's toll will persuade others to join them in seeking stricter regulation of it, if not an outright ban.

A new group, Christians for the Mountains, urges religious people to take up mountaintop removal "as a spiritual issue," and it has made a DVD that it is distributing to churches and individuals, said Allen Johnson, an evangelical Christian and a founder of the group.

The Rev. John Rausch, director of the Catholic Committee of Appalachia, has led tours of mountaintop removal sites since 1994. Mr. Rausch estimates that 400 people have taken his tour. They learn of the tours by word of mouth or from their churches, pay a few hundred dollars to stay in simple accommodations, hike several miles through forests and mined lands and talk to people whose lives have been affected by mountaintop removal.

The Mennonite Central Committee Appalachia, based in Whitesburg, Ky., gave its first tour in October, focusing on a corner of southeastern Kentucky and southwestern Virginia rich in coal and diverse forests.

On the second morning of the four-day tour, the trip's leaders, Ms. Chapman-Crane and the Rev. Duane Beachey, marched their three-member group up the mile-long trail to Bad Branch Falls. Poplars, beeches, hemlocks and magnolias thatched together a canopy above the trail, and the rain of their leaves made a soft ticking sound. Wild ginseng and wintergreen lined the path. Cottage-size boulders leaned forward over a rushing stream below the trail.

"Not every place on the mountains has waterfalls like Bad Branch," Ms. Chapman-Crane said. "But this is pretty much what it's like on the mountains here. The forests of the Appalachian range are like a northern rain forest."

Mary Yoder, who had volunteered to come on the trip for her congregation, Columbus Mennonite Church in Columbus, Ohio, asked, "So this is the kind of place that gets blown up in mountaintop removal?"

Mr. Chapman-Crane replied, "This is what would be lost, is lost, when they blast a mountaintop."

The United States is rich with coal, and mountaintop removal has begun to replace underground mining in Appalachia as the preferred method of extraction because of its efficiency and lower cost. Mountaintop removal involves leveling mountains with explosives to reach seams of coal. The debris that had once been the mountain is usually dumped by bulldozers and huge trucks into neighboring valleys, burying streams.

The coal industry asserts that mountaintop removal is a safer way to remove coal than sending miners underground and that without it, companies would have to close mines and lay off workers.

Luke Popovich, a spokesman for the National Mining Association, a coal lobbying group, said that by fighting mountaintop removal religious groups might find their priorities colliding.

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"They find themselves in a difficult position," Mr. Popovich said, "because they're expressing support for those who purport to protect nature, and, at the same time, that activism carries implications for the human side of the natural equation. Human welfare depends on the rational exploitation of nature."

Christianity runs wide and deep in Appalachia. At the Courthouse Cafe in Whitesburg, Mr. Beachey explained that as a Christian concern for his neighbors drove his desire to rein in mountaintop removal. But as in much of Appalachia, pastors and churchgoers here are reluctant to stir up trouble: many work for coal companies, or the people next to them in the pew do. Others believe stopping mountaintop removal would eliminate the few jobs that remain.

Many understand their faith differently than Christian environmentalists do. One night, Darrell Caudill and several friends gathered to play their guitars for the environmental tour and sing traditional songs and hymns. Mr. Caudill, 57, works for a coal company and believes in being a good steward of the earth. But to him, he said, being a Christian means being saved and spreading the Gospel. There is no tension between being committed to his faith and supporting mountaintop removal.

"Why did God produce coal then and put it underground?" said Mr. Caudill, who attends a nondenominational evangelical church. "He produced things that we need on this earth. Without coal, you wouldn't have the warmth and light you have right now."

Late in the trip, the tour group drove Lucious Thompson, 63, a former coal miner, to the horseshoe of peaks above McRoberts, where he lives. The peaks have been leveled. The woods where he had hunted are gone. The new grass on the new plateaus barely clings to the soil, which means that McRoberts often floods now after hard rains, he said.

"I've been flooded three times since they started working on the mountaintop," Mr. Thompson said.

He talked of neighbors whose house foundations had been cracked because of the daily blasting, of a pond lost to sludge and of respiratory ailments because of the coal dust flying from the coal trucks.

"The coal company says it's God's will," he said. "Well, God ain't ever run no bulldozer."

People like Mr. Thompson and the woods and mountains of Appalachia seemed to make the point the tour's organizers hoped for. After the tour, Ms. Yoder returned to Columbus to tell her congregation of about 200 what she had learned.

"My comment to the church was that I would do the tour with an open mind," she said, "and my conclusion is there is no room for mountaintop removal in our country."

Preparations For A Flu Pandemic (NYT)

The New York Times, October 28, 2006

The World Health Organization's new plan for ramping up the production of flu vaccine is a measure of how unprepared the world is to cope with an onslaught of pandemic influenza. The plan, conceived by a group of more than 120 experts, lays out a sensible path toward vaccine sufficiency— but it will take years to complete and cost up to $10 billion.

There are no signs yet that the influenza strain causing the greatest concern — a virulent form of avian flu — is ready to sweep through human populations. So far it has infected only 256 people in 10 countries — mostly people in close contact with chickens in Asia — but the highly lethal pathogen has killed some 60 percent of those.

Fortunately, it has not yet developed the ability to spread easily from one person to another, the critical transition for unleashing a pandemic. But if this strain or another does, it will move so rapidly there will be little chance of containing it — unless we start preparing now.

This week, the W.H.O. warned that if a flu pandemic were to occur, the global vaccine supply would fall several billion doses short. It recommended three overlapping responses: increasing the use of vaccines in the normal flu season so that manufacturers are encouraged to expand capacity; new techniques to raise production yields; and development of more potent vaccines that could provide broad and long-lasting immunity.

The price tag would be $3 billion to $10 billion for a global effort that might yield results in three to five years, provided action started now. The Bush administration's pledge of $10 million to W.H.O. to help other countries develop vaccines and manufacturing capacity is prompt but woefully short.

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The administration has also invested substantially in vaccine research, including $1 billion to develop new cell-based technologies that would allow rapid expansion of production in an emergency. Although those investments are primarily for our own benefit, the knowledge generated is likely to help others around the world.

Still, both the American and global efforts ought to be intensified. The administration's goal of being able to make enough vaccine quickly to protect all Americans is also probably four to five years away. Neither America nor the rest of the world is yet ready to handle a worst-case pandemic.

FBI/DEA/ATF/USMS:

Man Gets Probation For Owning Firearms (HIR)

By Eve Byron, IR Staff Writer

Helena (MT) Independent Record, October 28, 2006

A Jefferson County man was sentenced to three years of probation and a $2,500 fine for being a convicted felon in possession of firearms.

Edward Betka, 61, received the sentence Friday in U.S. District Court in Missoula.

According to information from the office of Bill Mercer, United States Attorney for the District of Montana, Betka's possession of firearms came to the attention of federal officials after a fire raced through his Basin home in July 2005.

The fire was being investigated as a possible arson case, and a deputy fire marshal accompanied Betka into the home while he retrieved various firearms.

The fire marshal watched Betka pull an undamaged gun case from under his bed, which contained two expensive-looking, high-powered scope-mounted rifles. A friend offered to store the firearms at his home, and took possession of three rifles, one shotgun and a .44-revolver from Betka.

However, Betka wasn't supposed to have any guns, since he was convicted of making false income tax returns, mail fraud, and false representation of a Social Security number in U.S. District Court in Wisconsin in 1990. Convicted felons are not allowed to own or be around firearms.

On Aug. 22, 2005, the friend turned the firearms over to an ATF special agent, and Betka later was charged and pleaded guilty to being a felon in possession of firearms.

Assistant U.S. Attorney Paulette L. Stewart prosecuted the case for the United States.

Feds Were Planning Raid On Vroman's Home (SRPD)

By Mike Geniella, THE PRESS DEMOCRAT

Santa Rosa (CA) Press-Democrat, October 28, 2006

Agents preparing to search D.A.'s property for suspected pot, weapons

Federal agents were preparing to raid the secluded Hopland home of Mendocino County District Attorney Norman Vroman at the time of his death to search for maturing marijuana plants and a possible stash of illegal weapons.

Agents said overflights had detected at least 25 marijuana plants growing on Vroman's property at the end of Sanel Valley Road.

Investigators also suspected Vroman, a self-described "gun nut," may have added to his personal gun collection by taking home weapons seized during drug and other raids or bought with drug-related asset forfeiture money, according to federal Alcohol, Tobacco and Firearms agents.

Three days before Vroman died Sept. 21 after a massive heart attack, the FBI's Public Corruption Unit began reviewing results of an investigation involving agents from the ATF and the Drug Enforcement Agency, according to internal documents obtained by The Press Democrat and statements from agents who asked not to be identified.

Documents show federal investigators were completing affidavits in support of warrants to search Vroman's home when he suffered the heart attack Sept. 19 as he prepared to drive to work. Vroman was found by a family member slumped over the wheel of his county-owned car. Vroman died two days later at a Santa Rosa hospital.

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Raleigh Vroman said Friday she was unaware of a federal investigation into her husband's activities.

"I don't know what this is about. I don't know anything about marijuana," she said, refusing further comment.

The federal government doesn't recognize California's medical marijuana laws. Vroman was the first district attorney in the state to implement identity cards for patients who have a doctor's permission to use marijuana. Whether Vroman obtained one himself is unknown because confidentiality laws prevent that disclosure.

Documents show tensions rose within federal agencies as investigators pressed to raid the home of a high-profile district attorney who at the time of his death was engaged in a tough re-election fight with Fort Bragg attorney Meredith Lintott.

Vroman's name remains on the Nov. 7 ballot, and there is an active campaign to have voters select his name on Election Day.

FBI spokesman Joseph Shadler said Friday that "given the political sensitivities involved, we won't be making any comments."

In a written statement, an ATF investigator said the U.S. Attorney's Office in San Francisco believed the agents had "probable cause to issue a search warrant for marijuana on Vroman's property, but they refused."

Luke Macaulay, spokesman for the U.S. Attorney's Office in San Francisco, said the office's policy is to neither confirm nor deny an investigation.

After the apparent refusal by the U.S. Attorney's Office, ATF and DEA agents took the case to the FBI's Public Corruption Unit, according to documents and a source close to the case.

Local authorities were deliberately kept out of the federal loop because of fear of leaks to Vroman's office. Vroman and federal authorities often had been at odds since he served nine months in federal prison in 1993 for failure to file income taxes.

In addition, local authorities said federal agents were aware of Vroman's close political and personal ties with former Sheriff Tony Craver. As a result, county Sheriff Kevin Broin and other high-ranking sheriff's officials were in the dark until the end.

"We learned about the federal investigation the day Mr. Vroman was stricken at his home," Capt. Kurt Smallcomb said.

Craver, reached Friday by phone at his new home in Caldwell, Idaho, said he was surprised to learn of the federal inquiry.

"I think it highly unlikely Norm would have contraband, whether marijuana or illegal weapons, at his home," he said.

About the suspicions of federal agents, Craver said, "It's too bad the search warrants weren't served so this kind of stuff could have been cleared up once and for all."

Interim District Attorney Keith Faulder, Vroman's chief deputy, said he learned of the investigation after Vroman was stricken and entered the hospital. Faulder said ATF investigators called and questioned staff members about serial numbers identifying two submachine guns and silencers that were kept in a gun safe in the District Attorney's Office.

The federal investigation stopped days later when Vroman died, and no warrants were issued.

The marijuana allegedly growing on Vroman's property "vanished" the day Vroman was rushed to the hospital, according to documents outlining the DEA investigation.

Since Vroman's death, family and supporters have campaigned aggressively to block the election of Lintott. Vroman's name remains on the Nov. 7 ballot, and if more votes are cast for him than for Lintott, the county Board of Supervisors will appoint a new district attorney.

In the meantime, a legal fight is being waged in the state Court of Appeal, First District, in San Francisco over Mendocino County's decision to proceed with the Nov. 7 election rather than setting a special election. In either case, Faulder has made it clear he wants to succeed Vroman.

Neither Lintott nor her campaign consultant, Terry Price of Santa Rosa, would comment Friday on the Vroman investigation.

In May, it was disclosed that since 1999 Vroman's office had spent $646,348 of $853,122 that flowed into a special "asset forfeiture" account. The total represented the amount of drug-related money and other assets, including guns and cars, seized during county drug raids by local, state and federal agencies. The distribution is overseen by the state Department of Justice.

Vroman's spending included the two submachine guns stored in the office, firearm sound suppressors, a gun safe for the District Attorney's Office and $39,100 in firearms training for his staff.

Comments can take a few minutes to display.

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Your opinions should contribute to a candid and constructive community conversation. Personal attacks and profanity are not permitted. See our full User Agreement and use THIS LINK to notify us of concerns about a comment. We'll then promptly review and remove it if it falls outside our guidelines.

Guilty Plea In Plot To Bomb Abortion Clinic (WP)

By Ruben Castaneda, Washington Post Staff Writer

The Washington Post, October 28, 2006

A Prince George's County man admitted in federal court yesterday that he intended to attack a Berwyn Heights abortion clinic with a pipe bomb this past summer.

During a hearing in U.S. District Court in Greenbelt, Robert Weiler Jr., 25, pleaded guilty to possessing a pipe bomb, being a felon in possession of a firearm and attempting to destroy or damage an abortion clinic.

A plea agreement worked out between Weiler's attorney and Assistant U.S. Attorney Bryan E. Foreman calls for Weiler to be sentenced to five years in federal prison.

U.S. District Judge Deborah K. Chasanow scheduled sentencing for Dec. 18.

Weiler said little during the hearing. He gave brief answers to Chasanow's questions about his background and mental health and about whether he understood the terms of his plea.

When asked whether he had been treated for alcoholism or mental illness, Weiler replied that he had met with a mental health expert at the Charles County Detention Center. He did not elaborate.

"Do you agree that you are, in fact, guilty?" Chasanow asked.

"Yes, your honor, I do," Weiler responded.

Weiler's father, Robert F. Weiler Sr., and mother, Catherine, were in the courtroom yesterday. They and Weiler's attorney, Assistant Federal Public Defender Michael CitaraManis, declined to comment after the hearing.

The defendant's parents had tipped off Prince George's police to his plans, calling to report their suspicions June 4, more than a week after he disappeared from their home and stopped returning their calls.

On June 7, Robert Weiler Jr. called agents of the federal Bureau of Alcohol, Tobacco, Firearms and Explosives to turn himself in. When he was arrested the next morning at a rest stop in Western Maryland, he told agents that he had a handgun stolen from a friend and that he had made a pipe bomb and left it in the closet of a house in Riverdale Heights. Hours later, the bomb was partially detonated by bomb squad technicians.

The next day, Weiler provided a recorded confession in which he said he had intended to use the pipe bomb to blow up an abortion clinic on Greenbelt Road, a short drive from the federal courthouse, according to a statement of facts that is part of the plea agreement. He also said he had planned to use the gun to shoot doctors who perform abortions.

When he appeared in court four days after his arrest, Weiler wore a T-shirt with "Help Cure Abortion" on the front. On the back was "ABORTION: The leading cause of death in America." Yesterday, Weiler wore a short-sleeved white dress shirt and dark trousers.

TAX:

No Taxes Until After The Election (NYT)

The New York Times, October 28, 2006

To avoid looking like Scrooge, the Internal Revenue Service typically lets up around the holidays in its hounding of tax delinquents.

But this month, the indulgence began even before Macy's was decorated. The Times's David Cay Johnston reported yesterday that on Oct. 10, the I.R.S. commissioner Mark Everson told his troops to delay tax enforcement in areas affected by Hurricane Katrina — until after the midterm elections and the holiday season.

Until after the elections?

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To explain his action, Mr. Everson said that a pre-election reprieve was as routine as the Christmastime hiatus. Four former I.R.S. commissioners interviewed by Mr. Johnston disputed that.

Mr. Everson also said that in his mind the elections were part of a continuum that ran through the holidays. That would make him the only person in the country who envisions Congressional campaigns as the start of Christmas shopping season.

Mr. Everson does his agency and law-abiding taxpayers a disservice. In delaying the enforcement actions, there's no avoiding the appearance of a political motivation. Many voters in the devastated areas are bound to be angry at President Bush and, by extension, Republicans. By easing up now, the I.R.S. avoids stoking that anger.

The possibility that Mr. Everson is wielding power in ways to please his boss, President Bush, is especially disturbing given that he has courted that suspicion before. After the administration failed repeatedly this year to achieve its goal of repealing the estate tax, the I.R.S. moved to eliminate the jobs of nearly half of the agency's lawyers who audit estate tax returns. Mr. Everson's explanation that the employees were no longer needed was unconvincing because the agency would not release enough data for researchers to independently verify his claim.

Mr. Everson needs to admit his mistakes, rather than trying to say they were not mistakes at all. And to make the I.R.S. more transparent. And to stay out of politics.

CONGRESS-ADMINISTRATION:

Tax-Cut Rollback Not On Table, Rangel Says (WP)

By Lori Montgomery, Washington Post Staff Writer

The Washington Post, October 28, 2006

Lawmaker Tries to Counter GOP Alerts

To hear Republicans talk, Rep. Charles B. Rangel, the gravel-voiced New York Democrat who stands to take over the tax-writing House Ways and Means Committee, is "giddy" about the chance to undo popular tax cuts enacted during President Bush's first term in office.

But Rangel said yesterday that he had no intention of rolling back the cuts, most of which are scheduled to expire in 2010, if Democrats claim the House on Nov. 7.

"I think it would be ridiculous for us in 2007 to be talking about 2010 tax cuts," Rangel said in an interview. "I don't want to go retroactive in terms of any of the tax cuts. I think retroactive tax increases are bad tax policy."

As the prognosis for Republicans to maintain control has grown increasingly gloomy, Rangel has become a favorite rhetorical punching bag for President Bush and Republican leaders. At fundraisers, in news releases and on the campaign trail, Republicans have been warning voters that a Democratic House would raise taxes and wreak havoc on the nation's economic recovery. They raise the specter of Rangel's bejeweled hands on the controls of federal tax policy like some terrifying Halloween goblin.

Last week, House Majority Leader John A. Boehner (R-Ohio) attacked Rangel by name two days in a row in news releases with such headlines as "Dem Tax Hikes Would Threaten Strong Economy." "The American people don't trust Charlie Rangel and his tax-happy Democrat friends because they know Democrats will work overtime to raise their taxes," Boehner said.

At a fundraiser this week in Florida, Bush reminded the crowd that Rangel, "the ranking member of the Ways and Means Committee . . . would be the one who would take the lead in taxes" if the Democrats take over. Noting that Rangel has said he "couldn't think of one of our tax cuts he would extend," Bush joked, to laughter and applause: "See? They're genetically disposed to raise your taxes."

Rangel, a firebrand liberal and partisan brawler who has represented New York City in Congress since 1971, laughs at such statements. "It's really working my base, too, you know. So it works out for everybody," he said.

Of his comment to Bloomberg News in September that he "cannot think of one" of Bush's tax cuts that merit renewal, Rangel said he was discussing the ground rules for broad-based tax reform to fix what most experts agree is an inefficient and unnecessarily complicated tax system.

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"I was asked, 'Are there any tax cuts you would say you want to extend?' And I said no. And I mean it," Rangel said. "That's what tax simplification is all about -- determining what we're going to keep and what we're not going to keep. I have to say everything is on the table."

Does that mean the cuts that have so far saved taxpayers an estimated $1.1 trillion will not survive their expiration date? Rangel demurs.

"I'm 76 years old. I don't buy green bananas," he said. "Who knows what's going to happen in 2010? It just doesn't make sense, with all the problems we are facing, to be discussing the extension of tax cuts that don't expire till 2010."

If Rangel does become the first Democrat to chair Ways and Means since 1994, he said his first priority will be to restore bipartisan cooperation to a committee that he said has been ruled by Republican fiat. Some "low-hanging fruit" to prove his good intentions: Moving stalled trade agreements and making permanent the research and development tax credit, which firms can claim for research done in the United States. Corporate groups are working to save the credit, which is in danger of expiring unless Congress acts quickly to extend the credit.

Rangel said he also plans to hold a bipartisan retreat to start cracking all the tough fiscal nuts: the spiraling cost of Medicare, the expanding reach of the alternative minimum tax and Social Security reform. But talks will start on his terms, he said. For example, if Bush does not abandon his plan to divert Social Security tax dollars to private accounts, Rangel said, "that means he's not going to deal with it."

"It's much easier to fight [the Republicans] than to work with them. But the American people want us to work together. And I am not convinced [voters] are just teed off with Republicans," he said, laughing. "I'm not being benevolent. I'm not being fair. I'm being as political as I've ever been. It's in the best interest of my party to get something done."

Waxman Plans Tougher Oversight Of Companies (WSJ)

The Wall Street Journal, October 28, 2006

WASHINGTON -- California Rep. Henry Waxman, the vocal corporate critic slated to run a powerful committee if Democrats win the House, said he would aggressively expand oversight of many large industries -- with a focus on drug prices, oil-company profits and Halliburton Co.'s contracting work in Iraq.

In an interview, Rep. Waxman, the senior minority member of the House Government Reform Committee, said he also would boost oversight of the Bush administration, along with "waste, fraud and abuse" across the federal government -- especially rebuilding efforts in Iraq and the Hurricane Katrina-ravaged Gulf Coast. The committee has extensive -- and vaguely defined -- oversight responsibilities covering broad swaths of corporate America and the government, and the chairman has the power to issue subpoenas, compel testimony and call hearings.

Of particular concern, Mr. Waxman said, would be rooting out what he called "profiteering." His aides define the term broadly enough that it encompasses Iraq contracting, the massive growth in homeland security expenditures, pharmaceutical prices and soaring oil-industry profits. Probes into prices and profits could prove controversial, however, because the government itself has never been able to define precisely what constitutes price-gouging or profiteering.

In discussing his goals, Mr. Waxman is touching on many of the hot-button issues being aired both in the campaign and behind the scenes among Democrats. The party has been debating how much to spotlight what could be controversial actions before voters go to the polls, or how much to stick to more general policy slogans. Republicans already have begun trying to cast Mr. Waxman as a partisan who would abuse his investigative powers.

A 32-year veteran of the House, Mr. Waxman, 67 years old, has had little real power since Republicans took control of the House in 1994. Democrats currently are 15 seats shy of a majority, but polls suggest they could win enough seats on Nov. 7 to make up the gap. A Democratic takeover of the Senate also is widely seen as possible, though less likely.

When Democrats last held power, Mr. Waxman headed the Commerce Committee's subcommittee on health and environment, where he was a thorn in the side of big business. He led well-publicized crusades to get tobacco regulated as an addictive drug, increase federal oversight of dietary supplements and toughen auto-emissions standards, and helped write a raft of landmark legislation like the Clean Air Act, the Ryan White AIDS bill and laws mandating smoke-free airplanes, clearer nutritional labeling and access to generic drugs.

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He also showed a keen eye for the theatrical in hearings -- such as the April 14, 1994 session in which the seven chief executive officers of the nation's largest tobacco companies famously testified that "nicotine is not addictive."

In the minority, Mr. Waxman has carved out a role as a self-appointed watchdog. He has issued more than 2,000 investigative reports in the past eight years, cataloging everything from shortcomings in the Department of Homeland Security to misleading information being provided in federally funded abstinence-only programs.

Several business trade groups declined comment on Mr. Waxman. Political analysts said executives -- particularly in industries like managed care and pharmaceuticals -- have reason to fear being targeted by the lawmaker and his investigators.

"Corporate executives may not be familiar with Waxman yet, but some of them will be by this time next year," said Andy Laperriere, a political analyst at the International Strategy & Investment, a brokerage and research firm which has released a series of reports on the business implications of a Democratic House.

As for the administration, he said, "When Republicans wake up at night worrying about oversight, they probably envision Henry Waxman."

Mr. Waxman is only one of several Democrats critical of business and the administration who stand to hold prominent posts if Democrats retake the House. Republicans seeking to bolster their base are pointing out that incoming Democratic chairmen -- particularly those with oversight responsibilities like Mr. Waxman -- would emerge as some of the most important, and powerful, members of the new majority.

Beyond Mr. Waxman, the main Republican targets are Democrats Michigan Rep. John Conyers, who could take over the Judiciary Committee and has talked about the prospect of impeachment proceedings against Mr. Bush; Michigan Rep. John Dingell, who stands to take over the Energy and Commerce Committee; and New York Rep. Charles Rangel, who would run the tax-writing Ways and Means Committee, and who opposes extending many of Mr. Bush's tax cuts.

As chairman, Mr. Waxman would see his committee staff double, to 70. How he used his expanded powers would help shape the direction of a Democratic majority and send an early signal about whether the party plans to spend the next two years battling the administration or seeking common ground so that policy initiatives on issues like health care and the economy stand a better chance of becoming law.

Should Democrats win, Mr. Waxman's ascension to the helm of the Government Reform Committee could further highlight the debate simmering within the party since its 2004 electoral losses. The more liberal wing, represented by candidates like Connecticut Senate challenger Ned Lamont and activist organizations like MoveOn.org, wants the party to take a harsher stance against the Iraq war and corporate conduct. Centrists like New York Sen. Hillary Clinton, by contrast, have tried to shore up the party's standing with the business community and declined to call for an Iraq withdrawal, arguing that would alienate many moderate voters.

Mr. Waxman said he is mindful that his decisions about where to focus his potential new investigative muscle -- and how hard-line a stance to take with the administration and the oil and pharmaceutical industries -- carry political risks for the Democrats. The lawmaker stressed that he has no "agenda" in place to guide his first months as chairman of the committee, no investigations teed up, and that he saw subpoenas as a "last resort" for compelling information that he hoped could be obtained through less confrontational methods.

Mr. Waxman, a fierce critic of the Iraq war, also said he was unlikely to investigate whether the administration had manipulated prewar intelligence on Iraq, a stance likely to disappoint many Democratic liberals.

"I know a lot of people feel it should be investigated, but I just don't know if it would be productive now," he said. "The whole premise of that war has been discredited so thoroughly that I don't know what a hearing would establish that goes beyond that."

Instead, Mr. Waxman said his main focus would be on pocketbook issues like the billions of dollars alleged by government investigators and critics to have been stolen or misspent in Iraq, the high price of many prescription drugs and the oil industry's soaring profits.

In part, Mr. Waxman appears to be falling in line behind the economically populist positions increasingly espoused by Democratic leaders like Nancy Pelosi, the California lawmaker who could become the first female House Speaker in the nation's history. Many Democrats this fall are railing against the oil and drug industries. Ms. Pelosi has said that within the first 100 hours

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of taking power, Democrats would work to raise the minimum wage, cut student-loan interest rates and rewrite the Medicare prescription-drug benefit to take away advantages given pharmaceutical makers.

In recent years, Mr. Waxman has forced the State Department to retract a report that erroneously had suggested that terror-related casualties had declined in 2003 and replace it with one that showed that both fatalities and the overall number of large-scale terror attacks had soared that year. As the ranking member of the Government Reform Committee, he has repeatedly lambasted the administration for the failure to find weapons of mass destruction in Iraq, faulty prewar intelligence and the billions of dollars of no-bid contracts awarded to Halliburton and Kellogg, Brown & Root, its engineering and construction unit.

Halliburton declined to comment about Mr. Waxman specifically, but said the company would cooperate with either party. "KBR has been performing work for the U.S. military for more than 60 years, in both Democratic and Republican administrations, and the company will continue to cooperate with the appropriate government agencies as they fulfill their important oversight responsibilities," says Cathy Mann, a spokeswoman for the company.

Rep. Waxman also has harshly scrutinized the 2003 Medicare prescription-drug bill. In the summer of 2004, he led a group of 19 lawmakers who filed a federal lawsuit demanding that the Department of Health and Human Services disclose disputed cost estimates about the bill after evidence emerged suggesting that former Medicare chief Thomas Scully threatened to fire the program's chief actuary if the staffer told lawmakers the true cost of the program.

Mr. Waxman has in the past said that he wanted to modify the bill to eliminate the so-called donut hole, a coverage gap that impacts many senior citizens, and allow the government to negotiate lower drug prices with pharmaceutical companies.

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This Chairmanship Fight May Not Have Been Anticipated By Democrats (CQ)

By Patrick Yoest

CQ Daily, October 27, 2006

Rep. Bob Filner, D-Calif., may be in line to become the next chairman of the Veterans' Affairs Committee if the Democrats win control of the House, but his behavior as ranking member has raised questions about whether he's the right Democrat for the job.

Enter Rep. Michael H. Michaud of Maine, who plans to challenge Filner for the gavel.

Neither Filner nor Michaud is a veteran, but the similarities end there.

Filner is a fiery former college professor who was jailed in Mississippi as a Freedom Rider in 1961. Michaud is a high school graduate who spent years working in a paper mill.

Filner's hot temperament, visible in his fights with current chairman Steve Buyer, R-Ind., and a profanity-laced tirade outside VA headquarters in June, have raised some eyebrows.

Michaud favors a calmer approach to committee work.

"We'll fight very hard for veterans. . . . But we can do that without loud speeches and rhetoric," Michaud said.

Filner, however, said you have to be loud sometimes to get things done. "I only take the position of the bomb thrower when they exclude me," he said.

The Non-Contract With America (WSJ)

The Wall Street Journal, October 28, 2006

A joke in Washington these days is that the only thing that can save the Republicans on Election Day is the Democrats. House Speaker-in-waiting Nancy Pelosi seems to get this joke, because with few exceptions she's kept her Members tight-lipped and unspecific: As New York Senator Chuck Schumer has put it, why take the focus off the GOP?

This is in notable contrast to 1994, when the Gingrich Republicans ended a 40-year Democratic House majority by laying out a 10-item agenda known as the Contract with America. What Democrats are campaigning on this year is a Non-Contract with America -- mostly generalities about "helping the middle class" and "ending the corruption in Washington."

As a campaign strategy, this may well pay off. But if they do win, Democrats will have to fill their campaign vacuum with something, and the best clue to what that would be is what they've already proposed. We've taken some time to inspect these

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policy priorities and thought we'd share a few of the highlights, if that's the right word. (Warning: Keep sharp objects away from drug-company and Wal-Mart shareholders.)

Tax increases. The Bush tax cuts expire in 2010, and any chance that they'll be made permanent will vanish with a Democratic Congress. The question is whether Democrats will try to raise taxes even sooner. Most Democrats voted against the Bush tax cuts, but this week Ms. Pelosi said on CNBC's Kudlow & Co. that "Democrats like tax cuts. We support middle-class tax cuts."

The same isn't true, however, for the "investor" tax cuts of 2003 that coincided with the acceleration of the current expansion. Ms. Pelosi says reversing these tax cuts "at the high end" would be "an earlier resort." This would raise the top income and dividend tax rate back to 39.6% from 35%, and the capital-gains rate back to 20% from 15%, substantially raising the cost of new investment in the United States. Economist John Rutledge estimates that raising the dividend rate alone would reduce the value of the S&P 500 stocks by between 5% and 8.5%, roughly a $500 to $700 billion decline in the wealth of the 52% of American households that own stock.

"Paygo budgeting." President Bush would no doubt promise to veto any direct tax increase, but having the power of the purse would give Democrats plenty of leverage. What if they framed the political choice as a tax increase on "the rich" versus funding the war on terror?

Democrats have also pledged to restore so-called pay-as-you-go budget rules, which sound like a restraint on budget deficits but in practice restrain only tax cuts. They don't apply to the growth of current entitlement programs or to domestic discretionary spending, only to tax cuts or new entitlements. This formula would probably take us back to the 1980s, when Democrats insisted on higher domestic spending while fighting Ronald Reagan's increases in defense spending.

Health-care regulation. Big Pharma and private insurers, watch out. Michigan's John Dingell, who would run the Energy and Commerce Committee, has co-sponsored the "Patients Before Profits Act" that would gut funding for the new Medicare Advantage plans that are proving so popular with seniors. Instead, he and the other Democrats who run health-care panels want to direct all seniors into a single government-run Medicare drug plan. Another proposal from top Democrats, the Medicare for All Act, would make all Americans, of any age, eligible for Medicare and pay for it with a new 1.7% payroll tax on workers and 7% on employers.

Ms. Pelosi has also pledged to pass, in her first 100 hours as Speaker, legislation to require the government to "negotiate lower drug prices." That's a euphemism for imposing price controls on new medicines, which can take as much as $800 million in research and development to bring to market. The actor Michael J. Fox is getting headlines for his ads in favor of Democrats who support stem-cell research, but price controls would do far more to delay the introduction of new treatments for Alzheimer's, Parkinson's or cancer.

The union label. AFL-CIO headquarters would be rocking with hope once again. A job-killing hike in the minimum wage, to $7.25 from $5.15, would whisk through Congress, and we'd expect that Mr. Bush would sign it.

But another top priority for Democrats is the Employee Free Choice Act, which has at least 215 co-sponsors in the House and 44 in the Senate. This would allow labor to turn workplaces into union shops without an election or secret ballot. Unions would merely have to gather signatures from a majority of workers at a work site, which means labor organizers could strongarm employees who opposed such a petition. This would almost surely pass the House.

Democrats have also moved well to the left on trade since the Bill Clinton-Nafta era. Mr. Bush's trade-promotion authority, allowing up-or-down votes on trade deals without amendment, expires next July, and there's little chance House Democrats would extend it. The entire Democratic leadership opposed free trade with tiny Oman and with Central America, so deals now in the works with Vietnam and other countries would also be long shots. Sorry, Robert Rubin.

Energy. The Pelosi Democrats favor a "windfall" profits tax on oil companies and a virtual moratorium on drilling for more domestic oil in Alaska and on the outer continental shelf (where the U.S. may have more energy than Saudi Arabia). These policies would make the U.S. more dependent on foreign oil. There would also be an effort to pass new, and higher, fuel-mileage mandates, which would make things tougher on what's left of Detroit. And lobbying would begin for the U.S. to sign the Kyoto Protocol on global warming and to subsidize, even more than Republicans already have, ethanol and other "alternative" fuels.

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We could go on, in particular in the regulatory arena, where agencies would be under greater pressure to restrict mergers, among other things. But you get the idea. A Democratic triumph would produce a major shift in the national policy debate, and we can understand why Ms. Pelosi isn't plastering most of this agenda on billboards around the country. Not everything would become law, to be sure, especially if Mr. Bush were finally willing to use his veto pen. However, elections have consequences, and we thought our readers might like to know about them before November 7.

White House Is Trimming Army Budget For Next Year, Officials Say (NYT)

By David S. Cloud

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — White House budget officials are planning on asking for a $121 billion budget for the Army next year, not the $138 billion that senior Army officials have been seeking, two senior Pentagon officials said.

Army officials were told of the decision in an Oct. 19 memorandum from Deputy Defense Secretary Gordon R. England, which noted that changes in the Army allotment were still possible, as deliberations continued over the Bush administration's budget for the 2008 fiscal year, said officials who had seen the memorandum.

The Army budget figure was first reported by Bloomberg News. The request will go to Congress in February.

But it appears that the preliminary decision to scale back the annual budget request for the Army could be offset later in the year, in a so-called supplemental appropriation like those Congress has passed every year since 2001. The extra money in those bills has financed the wars in Iraq and Afghanistan, as well as unanticipated costs elsewhere.

In another memorandum issued this week, Mr. England informed the Army and other military services that the administration's ground rules covering what costs can be included in so-called supplemental spending bills "are being expanded" to include "costs related to the longer war against terror," not just continuing operations in Iraq and Afghanistan.

He said that in some cases the supplemental spending could be used to buy newer equipment or to speed other improvements in military capabilities.

Steven Kosiak, a defense budget analyst at the Center for Strategic and Budgetary Assessments, said the Pentagon was "sending a signal to the services" that they now have permission not to limit their request to war-related costs.

Supplemental financing for the Defense Department this year totaled $117 billion, Mr. Kosiak said.

Though the administration has decided to seek only a $7 billion increase over this year's $114 billion appropriation for the Army, supplemental financing offers a chance for the Army to restore some of the money it has been denied, officials said.

Rice's Counselor Gives Advice Others May Not Want To Hear (NYT)

By Helene Cooper And David E. Sanger

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — For the last 18 months, Philip D. Zelikow has churned out confidential memorandums and proposals for his boss and close friend, Condoleezza Rice, that often depart sharply from the Bush administration's current line.

One described the potential for Iraq to become a "catastrophic failure." Another, among several that have come to light in recent weeks, was an early call for changes in a detention policy that many in the State Department believed was doing tremendous harm to the United States.

Others have proposed new diplomatic initiatives toward North Korea and the Middle East, and one went as far as to call for a reconsideration of the phrase "war on terror" because it alienated many Muslims — an idea that quickly fizzled after opposition from the White House.

Such ideas would have found a more natural home under President George H. W. Bush, for whom Mr. Zelikow and Ms. Rice worked on the staff of the National Security Council. They reflect a sense that American influence is perishable, and can be damaged by overreaching, as allies and other partners react against decisions made in Washington. They form a kind of foreign policy realism that was eclipsed in Mr. Bush's first term, in favor of a more ideological, unilateral ethos, but that has made something of a comeback in his second term.

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Whether Mr. Zelikow, 52, is giving voice to Ms. Rice's private views, or simply serving as an in-house contrarian, remains unclear. Some of his ideas have become policy: he had called for the closure of secret prisons run by the Central Intelligence Agency a year before the Supreme Court decision that prodded the Bush administration to empty them.

The United States offered North Korea a chance to negotiate a permanent peace treaty, per Mr. Zelikow's advice, and he, along with Ms. Rice, was one of the backers of the Iran initiative, in which President Bush offered to reverse three decades of American policy against direct talks with Tehran if Iran suspended its uranium enrichment.

Neither North Korea nor Iran has bitten on the initiatives, but America's allies have applauded them. Mr. Zelikow's assessments of the Iraq war, first disclosed in Bob Woodward's book "State of Denial," were presented to Ms. Rice in 2005.

Ms. Rice keeps Mr. Zelikow close at hand, and the fact that his memorandums have surfaced in recent books and news articles suggests, at a minimum, that he and his allies are aggressively lobbying for his ideas. Mr. Zelikow (pronounced ZELL-i-ko) is being talked about inside the State Department as an outside shot for the vacant job of deputy secretary of state, but some believe that his management style is too combative for the job.

Friends of both officials say that Ms. Rice appears to regard Mr. Zelikow as a kind of intellectual anchor during what has been a turbulent period for American foreign policy, in Iraq and beyond.

"He's a very important intellectual resource, even if she may not always agree with him," said Brent Scowcroft, the former national security adviser, who has been a mentor to both.

Michael A. McFaul, a political science professor at Stanford University who knows both the secretary of state and Mr. Zelikow, said that "the limited results" of the administration's approach had "created space for guys like" Mr. Zelikow.

Mr. Zelikow is hardly a household name, even at the State Department, where his title is counselor to the secretary of state. He has few staffers, no line authority, and occupies an office at the very end of the hall on the seventh floor, where Ms. Rice and other top officials also have their offices. He is a sometimes-geeky intellectual known for fingernails that are bitten down to nubs.

But questions about his role were sharpened last month after Mr. Zelikow gave a speech at the Washington Institute for Near East Policy in which he offered what many believed was an oblique criticism of the decision by Mr. Bush and Ms. Rice not to push Israel to return to the negotiating table with the Palestinians. He also said progress in that conflict was essential to forming a consensus among the United States, moderate Arabs and Europeans on Iran.

The address may have been an example of what Mr. Zelikow, in two speeches last year, called "practical idealism." But it did not go over well. The State Department quickly distanced itself from the speech, issuing a statement denying any linkage, and Israeli officials, flustered by Mr. Zelikow's remarks, said Ms. Rice later assured the Israeli foreign minister, Tzipi Livni, that the United States saw the Iranian and Palestinian issues as two separate matters.

Neither Ms. Rice nor Mr. Zelikow would comment for this article.

But friends of both Ms. Rice and Mr. Zelikow say her initial decision to appoint Mr. Zelikow to the counselor post last year reflects her openness to views at odds with the more ideological approach that has been dominant under President Bush.

Ms. Rice had to expend a substantial amount of her own political capital to get the White House to support her choice, friends say, given Mr. Zelikow's previous job as staff director of the 9/11 Commission, where he played a major role in writing the report that took both the Clinton and Bush administrations to task for failing to act with sufficient seriousness against the threat from Al Qaeda.

But Ms. Rice arrived at the State Department insistent that she would surround herself with her own people, friends say. Vice President Dick Cheney wanted her to appoint his former deputy national security adviser, Eric S. Edelman, as her political director; she balked and instead chose R. Nicholas Burns, a friend who had worked for her at the security council during the administration of the first President Bush. Likewise, in choosing Mr. Zelikow as her counselor, she eschewed Elliott L. Abrams, a darling of neoconservatives and the pro-Israel lobby.

Mr. Zelikow and Ms. Rice co-authored a book about Germany's reunification, "Germany Unified and Europe Transformed: A Study in Statecraft" (Harvard University Press, 1995). It is not exactly light reading, but at its core it is a study in realpolitik, examining — and admiring — the tempered, carefully managed American response to the collapse of the Soviet Union.

It is a book that Mr. Zelikow could write again today, but one that Ms. Rice could not, friends and associates of both say. Ms. Rice herself has said that she went through something of a transformation after the Sept. 11, 2001, attacks, in which she moved

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away from the classical realism of her own roots and Mr. Zelikow's, and closer to the neoconservatives who dominated policy discussions in the first term. Ms. Rice has told friends that President Bush has had a major impact on her thinking in terms of reintroducing values-based politics and ideology.

An example of the distance between Mr. Zelikow and his boss emerged this summer, at the start of the Israel-Hezbollah conflict. The position adopted by Ms. Rice — that Israel be permitted to continue its bombardment of Hezbollah despite the mounting civilian death toll in Lebanon — satisfied conservatives in the administration, including Mr. Cheney, who were pushing for strong American support of Israel.

That support also included the decision by the administration to heed Israel's desire that America not push it to resolve the Palestinian conflict until the Palestinian Authority improved security and cracked down on attacks by groups considered to be terrorist entities by Israel and the United States.

But in his speech to the Washington Institute for Near East Policy, Mr. Zelikow implicitly acknowledged that that stance does not win America any friends in the Muslim world, and thwarts other American foreign policy objectives.

Joseph Nye, the former dean of the Kennedy School of Government at Harvard and one of Mr. Zelikow's friends, said, "If you look at the distance where the administration went away from the realism of the 2000 campaign, Philip never went on that kind of excursion."

Mr. Zelikow sat out the first Bush term, running the Miller Center of Public Affairs at the University of Virginia. But Ms. Rice turned to him for key tasks, and he drafted much of the 2002 "National Security Strategy of the United States," the document that fundamentally reordered American national security doctrine after the Sept. 11 attacks.

He became the executive director of the 9/11 Commission, from where he pressured Ms. Rice to turn over highly classified intelligence estimates and testify in front of the commission. Officials who worked with him marveled at his industry and precision, but described him as far more opinionated than his gather-the-numbers approach might first suggest. Staffers on the commission said other colleagues were assigned the task of smoothing over the bruised egos of those who had crossed Mr. Zelikow.

The position of counselor to the secretary of state, a post that over the years has been filled by some of Washington's brightest diplomatic lights, allows Mr. Zelikow to fly under the radar, and Ms. Rice has used that flexibility from the beginning of her term, when he was sent off to Iraq to provide an outsider's assessment of what had gone wrong.

OTHER NEWS:

Housing Slump Slows Economy (WP)

By Nell Henderson, Washington Post Staff Writer

The Washington Post, October 28, 2006

Growth Far Below Pace Early in Year

The cooling housing market sent a chill through the economy in the third quarter, helping to slow growth to its weakest pace in more than three years, the government said yesterday.

The nation's gross domestic product, the value of all goods and services produced, expanded at a sluggish 1.6 percent annual rate in the quarter, down from a moderate 2.6 percent pace in the second quarter, the Commerce Department reported. In the first three months of the year, the economy grew at a sizzling 5.6 percent annual rate.

With less than two weeks to go before the midterm congressional elections, the report instantly became campaign ammunition. Democrats emphasized the slowdown while Republicans highlighted signs of economic strength.

Financial analysts were split on whether the report reflected an economy poised for a rebound or headed into a prolonged slump. The debate turns on differing forecasts of how the housing market will affect consumer spending.

The sharp slowdown during the year resulted from a combination of soaring energy prices, rising interest rates and plunging home construction and sales. Oil prices and the cost of a 30-year fixed-rate mortgage peaked in July, and gasoline averaged around $3 a gallon for much of the summer.

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Home building plunged at a 17.4 percent annual rate in the third quarter, the steepest fall in four consecutive quarters of declines, the report showed.

"A downturn in the housing market packed a wicked punch for the U.S. economy in the third quarter, but it was not a knockout blow," said Stuart G. Hoffman, chief economist of PNC Financial Services Group.

Optimists note that some forces behind the slowdown have eased. The Federal Reserve has held short-term interest rates steady since June, and mortgage rates have fallen since July. Gaso line and other fuel prices have tumbled since mid-August, putting more cash into consumers' pockets to spend on other things.

Both consumer spending and business investment outside of housing rose faster in the third quarter than in the second, and unemployment remains low, encouraging many analysts to predict that the economy will regain momentum in the coming months.

"The recent slowdown will prove temporary," said James W. Paulsen, chief investment strategist at Wells Capital Management. "Outside of the housing and auto industries, economic growth remains strong and has actually been accelerating."

Other observers were more pessimistic, expecting the housing slump to deepen and continue into next year. That would push up unemployment and prompt consumers to rein in spending, holding economic growth to a crawl through 2007, they said.

"The correction in the housing sector still has a long way to go and the full impact on consumption won't become apparent until next year," said Paul Ashworth, senior U.S. economist for Capital Economics Ltd.

The divergent forecasts explain why the Federal Reserve left its benchmark short-term rate unchanged Wednesday. Central bank policymakers generally share the more upbeat outlook but see the possibility that the economy could weaken more than they expect.

The Commerce Department report also supported the Fed's forecast that slowing economic growth will gradually weaken inflation. Consumer prices, excluding food and energy prices, rose at a 2.3 percent annual rate in the third quarter, according to a Commerce Department price index. That's higher than many central bank policymakers prefer but lower than the 2.7 percent pace of the second quarter.

Heading into the final campaign stretch, President Bush and other Republicans have emphasized the good economic news, such as the low 4.6 percent unemployment rate, rising incomes and falling oil prices.

"It is a healthy economy," Treasury Secretary Henry M. Paulson said yesterday during an interview on CNBC. "The economy is creating new jobs . . . there has a been a real increase in wages."

Democrats countered that the Commerce Department figures reflect a weakening economy.

"Once again, the Bush economy is going in the wrong direction," said Rep. Carolyn B. Maloney (N.Y), the senior House Democrat on Congress's Joint Economic Committee. "An economic recovery that never benefited working Americans in the first place now has slowed to a crawl. President Bush's economic happy talk is betrayed by the facts on the ground and the stats released today."

U.S. Economic Growth Cools Down (WSJ)

The Wall Street Journal, October 28, 2006

WASHINGTON -- Economic growth slowed in the third quarter to its most anemic pace since 2003, highlighting the impact of the housing downturn and raising questions about the economy's direction.

The Commerce Department Friday said the economy expanded at an inflation-adjusted annual rate of 1.6% from July through September. That was slower than the 2.6% rate in the second quarter and the 5.6% surge in the first.

Stocks tumbled in reaction to the weaker-than-expected report, which came after a three-month rally on Wall Street. The Dow Jones Industrial Average retreated from its record, falling 73.40 points to close at 12090.26. Bond prices rose slightly, and the yield on the benchmark 10-year Treasury note fell to 4.67%. (See related story4.)

With midterm elections less than two weeks away, the report also sparked debate. Some economists said a long period of tepid growth is in store, citing an expected decrease in production in the housing and auto sectors. Others said recession is a

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possibility. Yet, many economists predicted the economy will bounce back during the current quarter, particularly if gasoline prices don't soar again.

"A downturn in the housing market packed a wicked punch for the U.S. economy in the third quarter, but it was not a knockout blow," wrote Richard Moody, senior economist at PNC Financial Services Group.

David Huether, chief economist of the National Association of Manufacturers, said rising exports, business investment and consumer spending will cushion the economy from any further downturn in the housing market. "With three of the four pillars of the expansion remaining firm, the foundation for continued growth going forward is solid," he said.

Mr. Huether projects the economy will expand between 2.7% and 3% in the fourth quarter. Similarly the Fed's monetary-policy committee said in the statement accompanying its decision to hold short-term interest rates steady earlier in the week that "Going forward, the economy seems likely to expand at a moderate rate."

Others are less certain. Ian Shepherdson of High Frequency Economics said he expects little improvement in the fourth quarter and minuscule growth next year. He puts the chance of a recession at 40%. Joseph Carson of AllianceBernstein sees 1.9% growth for 2007 and a roughly 25% chance of recession. The economic slowdown "may not be severe in depth," Mr. Carson said, "but it may be pretty long."

Recession, as a rule of thumb, is when the economy contracts for two consecutive quarters. One reason many economists say a slowdown is more likely than an outright recession is because they believe the Fed would lower interest rates if the economy doesn't recover.

Most economists said the Fed will need to see more evidence before it changes its current stance of keeping rates steady as it waits for inflation to ebb. "They're far away from easing at this point," said Jan Hatzius, chief U.S. economist at Goldman Sachs.

Friday's report contained good news on inflation. The Fed's preferred measure of core inflation -- the index of personal consumption expenditures excluding food and energy -- rose at a 2.3% annual rate in the third quarter, down from the second quarter's 2.7%.

Consumers were resilient last quarter, despite high gasoline prices in July and August, but much of their stepped-up activity was offset by a steep plunge in residential construction and greater spending on imported goods.

Separately, the University of Michigan Friday said its index of consumer sentiment rose to 93.6 from 92.3 earlier this month and 85.4 in September. Buoyed by lower gasoline prices, consumers' assessment of current and future conditions rose. The survey also found many people are still concerned about the housing market. "Consumers remain uncertain about how much more home prices might fall and therefore reported their continued reluctance to purchase a home any time soon," said Richard Curtin, who oversees the survey.

Write to Christopher Conkey at christopher.conkey@wsj.com13

Oil And Housing Put Brake On US Growth (FT)

By Krishna Guha

Financial Times, October 28, 2006

US economic growth slowed to an annualised rate of just 1.6 per cent in the third quarter of 2006, figures revealed on Friday, as a brutal correction in housing construction and an oil-fuelled rise in imports dragged down economic activity.

The news of the sharper-than-expected slowdown comes at a bad time for the Republican party, which has been leaning on its economic record to shore up support damaged by the war in Iraq in the run-up to midterm elections for Congress on November 7. Growth in the quarter was the slowest since early 2003.

However, strong consumer spending – particularly on automobiles – ensured the economy continued to expand, though below its potential growth rate.

Inflation pressures eased a little, with the core personal consumption expenditure deflator rising at an annualised rate of 2.3 per cent, down from 2.7 per cent.

Bond prices rallied on the evidence of economic weakness, with the yield on 10-year Treasuries falling to 4.68 per cent, while equity prices stalled.

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Most analysts expect growth will rebound in the current fourth quarter, as lower oil prices depress imports, though it will probably remain below trend.

Figures from the eurozone showed growth in lending to the private sector equalled its highest rate since the launch of the euro in 1999, highlighting robust economic activity in Europe but raising expectations of possible further interest rate rises by the European Central Bank.

Democrats seized on the weak US third-quarter growth numbers as more evidence that the US was "on the wrong track".

However, Hank Paulson, the Treasury secretary, dismissed weak third-quarter growth as a "blip".

In an interview with the Financial Times, Carlos Gutierrez, the commerce secretary, said the capacity of the economy to absorb the correction in housing was "another example of how resilient and how strong this economy is".

Although headline growth was lower than consensus, the report is unlikely to prompt the Federal Reserve into early consideration of interest rate cuts. This week, it issued a statement saying: "Going forward, the economy seems likely to expand at a moderate pace."

The statement was widely seen as a pre-emptive strike ahead of the third-quarter growth report.

Additional reporting by Michael Mackenzie

Growth Slackened In Summer (NYT)

By Eduardo Porter

The New York Times, October 28, 2006

Chilled by a summer slowdown in the housing market, the economy was held to a growth rate of 1.6 percent in the third quarter, the lowest since early 2003, the government reported yesterday.

But evidence of a decline in inflation coupled with vigorous consumer spending left most economists saying that the overall economy is unlikely to be dragged into a recession even as the housing market continues to falter.

"We are in a housing recession, but we are not in a broader economic recession," said Richard B. Hoey, chief economist of Mellon Financial.

The government report, which showed growth slowing from a 5.6 percent pace in the first quarter and 2.6 percent in the second, appeared to validate the expectation of the Federal Reserve chairman, Ben S. Bernanke, that the economy is settling softly into a pace consistent with what he considers an acceptably low level of inflation.

"Ben Bernanke's forecast was that past Fed tightening would slow demand," Mr. Hoey said. "The forecast is tracking as far as I can see."

Stocks fell and bond prices rose as investors factored in the weaker-than-expected growth this summer, concluding that the Fed was less likely to raise interest rates next year.

With the midterm elections little more than a week away, the Bush administration sought to persuade voters that the economy, while beating at a slower pace, remains healthy.

"We have a very strong, large resilient economy that can absorb a housing correction," said Carlos M. Gutierrez, the commerce secretary. "If you isolate the impact of the housing correction and look at all the rest, those are solid numbers."

But Democrats seized on the report to criticize the administration's economic management.

"Economic growth has slowed even before most ordinary Americans have benefited from this recovery," Senator Jack Reed of Rhode Island, the ranking Democrat on the Congressional Joint Economic Committee, said in a statement. "It's clear that we need a new direction in policy to create an economy that works for all Americans."

The economic deceleration in the third quarter was almost single-handedly brought about by the steep contraction in home building.

Residential investment plummeted 17.4 percent in the quarter, its biggest decline in more than 15 years. This alone reduced economic growth in the third quarter by over 1.1 percentage points.

The building of factories, warehouses and commercial structures picked up some of the slack. Business investment, including structures and machinery, added nearly 0.9 percentage point to gross domestic product in the quarter.

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But what is most remarkable is that the pricking of the housing bubble has barely spilled over into consumer spending, which is still chugging along. The government reported that consumer spending grew 3.1 percent in the third quarter — nearly twice as fast as overall economic growth.

"We have the most reckless and relentless consumers in the world," said David Kelly, economic adviser at Putnam Investments in Boston. "It's wonderful."

The housing freeze had long been expected to put a chill on consumers' appetites. Sales of existing homes have declined almost 14 percent over the last year. The median price of new homes has fallen by almost 10 percent in the last 12 months and existing-home prices have started to decline nationwide.

Many economists assumed that just as consumers had leveraged their buying power by borrowing against the value of their homes when house prices were rising, now that house prices are falling they would start saving some money.

That, however, has not happened. Rather, increasing employment and falling gas prices seem to be providing consumers with new reasons to spend. The personal savings rate remained negative, at minus 0.5 percent of total disposable income.

The University of Michigan's index of consumer confidence recorded its eighth-largest monthly gain in October, vaulting to its highest level since June 2005. Optimism was driven by falling gas prices as well as expectations of faster economic growth, larger wage gains and low unemployment.

Richard Curtin, who runs the university's surveys of consumers, noted that consumers remain reluctant to buy a home, keenly aware of the decline in house prices. Still, their overall appetite to spend remains as brisk as ever.

Inflation, meanwhile, has started to abate — at least for now. The measure of inflation preferred by the Fed, which measures the prices of goods and services, excluding food and energy, that consumers buy, rose 2.3 percent in the third quarter. This is down from the 2.7 percent rate of the second quarter, bringing inflation closer to the 1-to-2 percent range Mr. Bernanke considers acceptable.

The growth rate reported by the government is only a preliminary approximation. Historical experience suggests that subsequent revisions could change it substantially, for better or worse.

But whatever the ultimate verdict on the summer period, several economists argue that growth in the fourth quarter is likely to be higher, as consumers spend the extra money in their wallets from lower gasoline prices on other items.

"So far the quarter is going swimmingly," said Richard Yamarone, director of economic research at Argus Research.

The outlook for next year will depend on whether the continuing weakness in the housing market affects spending.

Orawin Velz, director of economic forecasting at the Mortgage Bankers' Association, estimated that the fall in residential investment would continue to drag on the economy through the middle of next year, but that its impact would decline over time. "We think the third quarter will be the peak of the damage," Ms. Velz said.

While many economists foresee a longer period of housing weakness, she said that supply and demand should come into balance by mid-2007 and that home construction would start rising next summer.

Still, if the weak housing market starts cutting into consumption, the drag on overall growth could be more intense.

While it is not yet evident in the official numbers, builders are starting to shed workers as older projects are completed and there are fewer new ones to take up the slack. This will probably cut into workers' income and spending, slowing growth.

In contrast to many business economists, Dean Baker, co-director of the liberal Center for Economic Policy and Research in Washington, argued that a consumer reaction to the weak housing market would pull the economy into a recession next year.

"Homeowners had been pulling equity out of their homes at more than a $700 billion annual rate," Mr. Baker wrote yesterday. "This borrowing will slow sharply in the quarters ahead."

But others insisted that consumer appetites should not be underestimated. "Consumer spending hasn't stopped growing in 59 straight quarters, and some pretty awful things have happened in those 59 quarters," Mr. Yamarone said. "We all keep forgetting that the consumer is resilient."

Housing Slows Economic Growth (WT)

By Patrice Hill, The Washington Times

The Washington Times, October 28, 2006

DOJ_NMG_0088492

The steep downturn in the housing market took its toll on the economy in the summer quarter, holding growth down to a 1.6 percent pace, the slowest in more than three years, the Commerce Department reported yesterday.

Housing construction fell by 17.4 percent after declining by 11 percent in the spring quarter, the biggest drops since 1991, which was the last time the housing market went into such a sharp downturn. The slump in housing largely offset greater strength in business investment in office buildings, plants and computers, as well as an uptick in consumer spending during the third quarter.

"We are feeling the effects of the housing bubble bursting," said Joel Naroff, president of Naroff Economic Advisors, a Pennsylvania forecasting company, expressing hope that housing will rebound quickly. "While the ill wind is not pleasant, it is not likely to be long lasting," he said. "Businesses and households did their part to keep the economy going."

Consumer spending expanded by 3.1 percent while commercial construction jumped by 14 percent and equipment spending rose by 6.4 percent -- all strong showings that muted the collapse in housing.

"Consumers and business investment continued to stave off the recession that the housing adjustment and the tide of imports could easily cause," said Peter Morici, business professor at the University of Maryland.

He calculated that housing subtracted 1.1 percentage points from economic growth while burgeoning imports -- primarily purchases of fuel and goods from China -- deducted another 1.3 points. The trade deficit during the quarter remained at a record 6.1 percent of economic output.

Still, consumers have survived the downdraft in housing pretty well so far, because they still have substantial equity in their homes built up after five years of double-digit gains in many areas, Mr. Morici said. He expects growth to pick up in the months ahead.

Consumers have been bolstered by a record fast drop in oil and gasoline prices since Labor Day, and a move by the Dow Jones Industrial Average to surpass its previous record high set in 2000. A measure of consumer sentiment published by the University of Michigan yesterday showed an uptick in response to both developments, which may stimulate stronger consumer spending in the final quarter of the year.

Some economists are not so sure the economy will bounce back quickly from the housing debacle, however.

Jason Schenker, economist at Wachovia Securities, said the depth of housing's troubles caught many analysts by surprise and is forcing Wachovia and others to revise their forecasts for economic growth.

"We still expect a bumpy-to-soft landing, but not a hard landing" for the economy, he said. "We won't get a recession."

Christian E. Weller, senior economist at the Center for American Progress, a liberal think tank, said the economy cannot easily shake off the effects of the housing slump because of the critical role housing played in boosting economic growth between 2000 and 2005.

"The underlying story is that since the sharp end to the housing boom, there has not yet been a replacement to drive the economy," he said. "Other sectors of the economy either failed to grow fast enough to compensate for these declines, or presented an additional strain on the economy."

Consumers had to dip further into their savings and go deeper into debt to keep contributing to economic growth during the quarter, and federal spending on defense and other areas already is high and cannot be expected to fill in gap, Mr. Weller said.

"The important question is whether the continued expansion in business investment will be enough to create new jobs with higher wages and spur income-led consumption growth," he said. "For the economy to regain a healthier footing and end its dependence on debt, income needs to grow faster again."

House Speaker J. Dennis Hastert, Illinois Republican, sought to put the best face on the news, noting that the economy expanded forthe 20th straight quarter and remains on solid footing.

After A Strong Week, A Whimper (NYT/AP)

By The Associated Press

The New York Times, October 28, 2006

Stocks pulled back yesterday after a government report stirred concerns that the economy may be slowing too much.

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Investors have bid up stocks sharply this month on the notion that the economy is slowing but that the slackening pace poses no threat to corporate profits and consumer spending. Investors are also counting on a gradual slowdown to reduce the threat of inflation and persuade the Federal Reserve to lower short-term interest rates.

While investors expected that yesterday's advance reading on gross domestic product from the Commerce Department would show slowing growth, the report underscored concern that a cooling housing market could spill over into other parts of the economy.

"I think that the market actually was poised for profit taking and consolidation," said Quincy Krosby, chief investment strategist at the Hartford. The G.D.P. report gave investors an excuse to catch their breath after the recent run-up, she said, calling the pullback a healthy pause.

The Dow Jones industrial average was down 73.40 points, or 0.60 percent, at 12,090.26. The average had achieved a new high close in each of the previous four sessions and in 13 of the previous 18 sessions.

Broader stock indicators also moved lower yesterday. The Standard & Poor's 500-stock index slipped 11.74 points, or 0.85 percent, to 1,377.34, and the Nasdaq composite index fell 28.48 points, or 1.20 percent, to 2,350.62.

Technology stocks retreated afternoon after a report from Goldman Sachs that warned of weakness in orders for computer parts.

Over all, the major indexes showed gains for the week despite yesterday's decline. The Dow rose 0.73 percent for the week, while the S.& P. gained 0.64 percent and the Nasdaq added 0.36 percent. Even with the overall advances in the market, the S.& P. stands about 9.8 percent below its high close of 1,527.46 and the Nasdaq is even further off, about 53 percent below its high.

Bonds rose, with the benchmark 10-year Treasury note gaining 11/32, to 10118/32, and the yield, which moves in the opposite direction from the price, falling to 4.67 percent from 4.72 percent late Thursday. The dollar was mixed against other major currencies, while gold prices rose.

The G.D.P., the broadest measure of the economy, showed that growth slowed to 1.6 percent in the third quarter; economists had been expecting a 2.1 percent expansion. The report identified the slumping housing market as a significant drag on growth, as money pumped into home building fell by the largest amount since 1991.

The University of Michigan reported that its consumer sentiment index rose to 93.6 for October from a reading of 85.4 last month, which provided some optimism. A decline in oil prices, which hit lows for the year a week ago and are sharply off midsummer's highs, has left more money in consumers' wallets.

Light crude oil settled up 39 cents, to $60.75 a barrel, on the New York Mercantile Exchange.

Subodh Kumar, chief investment strategist for CIBC World Markets, said the markets moved lower yesterday as investors tried to balance expectations about the economy with Fed policy and oil prices. The central bank left short-term interest rates unchanged on Thursday, as expected, and offered a little-changed opinion on the health of the economy.

"The fact that there is a moderate pullback tells you that the overall market risk is not extreme," he said.

A flood of corporate earnings has held investor attention in recent weeks, with record profits from Chevron giving a dose of good earnings news yesterday. Chevron, which rose 18 cents to $67.68, reported its third-quarter profit surged 40 percent, to $5.02 billion, topping estimates. The year-ago quarter in part reflected costs tied to Hurricane Katrina.

Microsoft fell 1 cent, to $28.34, even though it reported better-than-expected profit and raised its forecast.

Alltel, a wireless carrier, declined $4.19, or 7.2 percent, to $53.99 after its third-quarter profit, though up 11 percent, missed expectations.

BorgWarner fell $3.06, or 5 percent, to $58.25, after its third-quarter profit fell 36 percent as global sales failed to offset sizable production cuts by automakers in North America.

Ingersoll-Rand, which makes industrial equipment, declined $1.45, or 3.7 percent, to $37.45, after posting a 4 percent drop in its third-quarter earnings, in part because of tax expenses and lower sales of its Bobcat equipment. The company also said its fourth-quarter profit would be below what Wall Street had expected.

Dow Steps Back On Concerns About Economy (WSJ)

DOJ_NMG_0088494

By Shefali Anand

The Wall Street Journal, October 28, 2006

What goes up, must eventually take a breather.

After finishing at a record high on each of the week's first four days, the Dow Jones Industrial Average fell Friday amid news of a softer-than-expected economy.

Even so, October is shaping up as the blue-chip average's strongest month in more than a year. The Dow industrials are up 3.52% in October. If that holds up it would be the best month since July 2005, when they jumped 3.56%.

On Friday on normal trading volume, the Dow retreated 73.40 points, or 0.60%, to 12090.26, but it was up 0.7% for the week, and 12.8% year-to-date.

The broad Standard & Poor's 500-stock index slid 0.85%, or 11.74 points, to 1377.34, up 0.6% for the week, and 10.2% in 2006.

The last few weeks' gains have been driven largely by strong corporate earnings, coupled with falling gasoline prices and the perception of a benign economy.

"We've really had a heck of a run...at some point you are going to consolidate a little bit and pause," said Andy Brooks, head of stock trading at Baltimore money-management group T. Rowe Price.

On Friday, investors focused on Commerce Department figures showing quarterly economic growth at the slowest rate in three years, a seasonally adjusted 1.6% annual rate for the third quarter.

The report suggested weakness in the housing market, with investment in residential housing dropping 17%, the steepest drop since the first quarter of 1991.

But worries were muted somewhat because investors already knew housing was weak. Business and consumer spending, about which investors have been concerned lately, rose for the quarter, 8.6% and 3.1% respectively.

Crude-oil futures contracts for December delivery rose on Friday by 39 cents or 0.65% per barrel, to $60.75 at the New York Mercantile Exchange.

The Nasdaq Composite Index, filled with volatile technology stocks, fell 1.20%, or 28.48 points, to 2350.62, its biggest drop since early September, pulled down by big technology stocks such as Intel. The stocks were hit following a report from Goldman Sachs that Asian demand for motherboards is declining.

Meanwhile, oil major Chevron provided an upbeat note by releasing better-than-expected earnings, as did Microsoft after regular trading hours on Thursday.

Microsoft's earnings rose 11% in its first fiscal quarter, while Chevron's third-quarter net income jumped about 40% over the same period last year.

Microsoft stock declined marginally, however, as the company offered disappointing guidance about performance in the current quarter.

In major U.S. market action:

Stocks fell1 and bonds gained2. The 10-year Treasury note rose 11/32, or $3.44 for every $1,000 invested, pushing the yield down to 4.681%. The 30-year bond was up 21/32 to yield 4.799%.

The dollar weakened3. Late in New York, it traded at 117.58 yen, down from 118.39. The euro rose against the dollar to $1.2735 from $1.2690.

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Dollar Declines Against Rivals After A Sign Of Slowing Growth (WSJ)

By Dan Molinski

The Wall Street Journal, October 28, 2006

The dollar dropped to a one-month low against the yen Friday as worries of a slowing U.S. economy boosted the chances of interest-rate cuts next year by the Federal Reserve.

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The dollar's downward spiral was triggered by a weaker-than-expected third-quarter gross-domestic-product report, which sent the dollar to the one-month low of 117.13 yen, while the euro hit a three-week high at $1.2751. The dollar recovered slightly against its rivals later in the session, but remained overall in negative territory.

Speaking on CNBC television shortly after the data were released, U.S. Treasury Secretary Henry Paulson sought to reassure markets, saying the U.S. economy was "healthy," but many currency analysts weren't convinced.

"Although the optimists will be looking for a rebound in the fourth quarter, the [dollar's] momentum now has clearly downshifted going toward the end of the year," said Brian Dolan, head of currency research at Forex.com.

Late Friday, the euro stood at $1.2735 from $1.2690 late Thursday, while the dollar was at 117.58 yen from 118.39 yen. Sterling was fetching $1.8967 from $1.8906 late Thursday. Coming as it did just after the Federal Reserve, in its statement after this week's meeting, seemed to be backing off from further monetary-policy tightening, the GDP number banished any remaining worries of further rate hikes from currency traders minds.

"The GDP report gives the Coup de Grace to the tightening cycle," said Ashraf Laidi, chief foreign exchange analyst at CMC Markets.

In Brazil, where a presidential-election runoff is set for Sunday, the real closed slightly stronger against the dollar Friday.

The dollar's weakness also lifted the Chinese currency, the yuan, to fresh postrevaluation highs in the over-the-counter market of 7.8870 yuan to the dollar. The U.S. currency exited active trade at 7.8891 yuan, down from Thursday's close of 7.8959 yuan.

Onshore markets were little affected by rules from China's foreign-exchange regulator, the State Administration of Foreign Exchange, that banned onshore domestic institutions and individuals from trading in offshore yuan derivatives, dealers said.

--J.R. Wu contributed to this report.

Write to Dan Molinski at Dan.Molinski@dowjones.com1

Wholesale Gasoline Prices Rise, Cost At Pump Could Follow Suit (WSJ)

The Wall Street Journal, October 28, 2006

Wholesale gasoline prices have shot up over the past week, and prices at the pump may soon follow.

U.S. prices have dropped an average of 27% to $2.20 a gallon of regular gas Friday from a peak of $3.03 a gallon in August, according to the AAA, the motorist organization. That has left more money in the pockets of motorists, giving a shot in the arm to retail spending and the U.S. economy.

But the retail price slide may be coming to a halt. Wholesale gasoline prices have risen 8.9% over the past 10 days, to $1.56 a gallon in New York Mercantile Exchange trading Friday. Spot crude-oil prices, meanwhile, have gone up 5.4% over the past nine days period, to $60.75 a barrel Friday, stemming a plunge that had taken the price from $77.03 a barrel in July to $57.22 a barrel Oct. 12.

There's often a 10-day or two-week time lag before changes in the wholesale gasoline market show up at the pump. And more than a week of data is needed to mark a trend in the volatile energy market.

Yet, as another indicator that the price trend may be shifting back up, the average U.S. price of regular gasoline rose a little over a penny Thursday and Friday, to $2.20 a gallon, the first consecutive-day increases since the first week of August, according to the AAA.

The price increases came after key members of the Organization of Petroleum Producing Countries made good on their pledge to cut crude deliveries by 1.2 million barrels a day, and put a floor under the plunging price of crude oil.

In recent days, Saudi Arabia, Iran, the United Arab Emirates and Nigeria all informed their customers that November crude-oil deliveries will be lower. Venezuela suggested that OPEC cut an additional 300,000 barrels a day in December.

Then, in a report Wednesday, the Energy Information Administration said U.S. gasoline, crude oil and distillate fuel inventories fell by 11 million barrels, their largest weekly decline since Hurricane Katrina 13 months ago.

Together, the OPEC and EIA reports helped to persuade traders to bid up wholesale crude oil and gasoline prices.

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Oil Prices, Now Likely At Bottom, Are Poised To Rise, But Moderately By MATT CHAMBERS (WSJ)

The Wall Street Journal, October 28, 2006

After losing a quarter of its value from record highs, crude oil has very likely bottomed for the year as the northern hemisphere winter ushers in the prospect of a modest resurgence in prices.

Growing belief in the Organization of Petroleum Exporting Countries' ability to cut oil production and the advent of cold temperatures whittling away high U.S. oil stockpiles pushed prices above $60 a barrel again this week.

Oil was given additional support Friday by reports that Saudi Arabia and Bahrain are leading a deployment of naval forces in the Persian Gulf after receiving information suggesting "a strong possibility" that insurgents may attack a major oil-loading facility in Saudi Arabia. The warning served as a reminder of oil's vulnerability to terror threats.

Traders on the New York Mercantile Exchange floor say that with prices having held at around $60 a barrel for more than a month, after a rapid drop from their July 14 record of $78.40, chart analysis is also starting to favor a price rise.

"With supplies tightening, participants' confidence in OPEC growing, and colder weather raising heating demand during the current refinery maintenance period, the supertanker that represents market perception is beginning to turn," said Mike Fitzpatrick, an analyst and trader at Fimat USA in New York.

Oil prices skyrocketed during the summer. But traders began selling in earnest near the end of the U.S. summer-driving season, with the trend only exacerbated by the fact the hurricane season turned out to be tame and the Iran nuclear standoff faded from the market's radar.

That prompted investors holding long positions in oil, or bets prices would gain, to bail out, speeding the fall in the price of oil and ultimately pushing benchmark futures in New York to an 11-month low of $56.55 a barrel on Oct. 20.

"We are not sure if we still have longs losing money from much higher levels, but they have been a factor whenever crude prices have tried to rally in October," said Peter Beutel, president of trading advisory firm Cameron Hanover.

Oil prices hit their bottom for the year after OPEC said it planned to cut production by 1.2 million barrels a day to buoy prices. The initial decline was attributed to skepticism about the cartel's ability to enforce the cuts.

But with the United Arab Emirates joining Saudi Arabia in telling customers to expect less oil in November and Iran indicating it is going to follow suit, the prospect of the cuts tightening the crude market is starting to be factored into trades.

"I think a combination of the OPEC meeting and the actual cuts they are putting in place, the fact the market is oversold and with winter coming, has kind of turned the market around," said Tom Bentz, an analyst and trader at BNP Paribas in New York.

Still, the huge price drops of August and September are fresh in analysts' minds and no one expects a fast rise.

Nymex crude prices rose 39 cents to $60.75 a barrel Friday.

In other commodity markets:

SOYBEANS: Prices on the Chicago Board of Trade rose, supported by technical-chart strength and speculative buying. November soybeans advanced 7.75 cents to $6.3550 a bushel.

NATURAL GAS: Futures extended losses for a second straight day on moderating weather forecasts and high levels of gas in underground storage. The November contract expired 34.4 cents lower at $7.153 a million British thermal units on the New York Mercantile Exchange.

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Campaigns Go Negative For A Reason (LAT)

By Richard Simon And Ricardo Alonso-zaldivar, Times Staff Writers

The Los Angeles Times, October 28, 2006

It works, says one expert. But the nastiness of this election season leaves some wondering what line is left to cross.

In the waning days of this year's closely contested midterm election, attacks aimed at impugning a candidate's character and morals are increasingly dominating campaigns, raising questions about the appropriate boundaries and tenor of the debate.

On Friday Jim Webb, the Democratic Senate candidate in Virginia, came under harsh attack for explicit sexual passages he wrote in a novel several years ago — the latest twist in his tight race with Republican incumbent George Allen.

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In Tennessee, much of the week's campaign focused on a television ad featuring a woman suggesting that she had met U.S. Rep. Harold E. Ford Jr., the Senate Democratic candidate, at a Playboy-sponsored party and saying, with a wink: "Harold, call me."

In New York, Michael Arcuri, a Democratic candidate for Congress, was accused of calling a phone-sex line and billing taxpayers for the charge.

And in Pennsylvania, Democrats recently needled President Bush for signing a bill for National Character Counts Week a few days before campaigning for Republican Rep. Don Sherwood, who has admitted to having an affair.

"We've reached the point where negative ads have become more important than positive campaigns, and there's almost no line left to cross," said University of Pennsylvania political scientist Don Kettl. "If it's there to be found, the highly paid opposition researchers will find it. And if they find it, they'll use it."

Looking at it from a campaign strategist's point of view, Carl Forti, spokesman for the National Republican Congressional Committee, said: "Negative ads work, which is why you see so many of them."

The focus on the conduct of candidates comes against the backdrop of a sex scandal involving former Rep. Mark Foley (R-Fla.) that has added to GOP jitters about their ability to hold on to control of Congress.

"High stakes can mean low tactics," said Jack Pitney Jr., a political professor at Claremont McKenna College. "When a great deal is riding on an election, partisans may feel justified in doing things that might otherwise seem out of bounds."

Conservative commentator Tamar Jacoby, who recently called for dialogue between Democrats and Republicans, said the ascendancy of personal attacks reflected a "fundamental mistrust" between political parties in a polarized nation.

"When you think that somebody is fundamentally different from you, and doesn't share your goals for the country, it gets easier and easier to say mean things about them," said Jacoby, a senior fellow at the Manhattan Institute think tank. "It's like what often happens when countries are preparing for war against one another. They start to say really mean things, so it dehumanizes [the opponent] and allows you to go to war."

Jacoby added that the public is both repelled and fascinated by the personal attacks.

"I think the public is fed up with it, but people do pay attention to the ads," she said. "Everybody likes a good fight."

Some candidates are fighting back.

When the National Republican Congressional Committee aired an ad accusing Arcuri of calling a sex hotline, the candidate dug out 2004 phone records to show that an aide had misdialed the number. It had the same last seven digits as the number for the state Department of Criminal Justice Services, which was dialed shortly after the first call, his campaign said. Threatening legal action, Arcuri's campaign persuaded TV stations not to run the ad.

But with control of Congress at stake, even a work of fiction can become a true-to-life campaign issue.

In Virginia, where turnout by conservative voters could prove pivotal, the Allen campaign on Friday seized on Webb's writings — issuing a statement from a "mother of three" calling portions of his books "shocking" and reflecting "a pattern of demeaning treatment toward women."

The conservative Traditional Values Coalition demanded that Webb withdraw from the race, citing his "XXX-rated writing." Webb, a decorated former Marine who fought in Vietnam, has written several war novels.

The attack on Webb came as the Allen campaign has been rocked by charges of racial insensitivity, which have put in play what was once considered a safe GOP seat.

Webb, a former Navy secretary, called the attack a "classic example of the way this campaign has worked. It's smear after smear."

Democrats responded Friday by citing racy novels written by Republicans, including the 1981 novel "Sisters" by Lynne Cheney, Vice President Dick Cheney's wife, which includes a lesbian love affair. Lynne Cheney said Friday on CNN, "I have never written anything sexually explicit."

The attacks are expected to escalate even more before the Nov. 7 election, especially in Virginia, one of three states — along with Tennessee and Missouri — whose races may determine which party controls the Senate. If Democrats can capture two of the three, they could gain a Senate majority, given other expected pickups.

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The Republicans' eleventh-hour attacks follow GOP promises to make the 2006 elections not just about broad national themes but about sharp personal differences between candidates. GOP strategists have said for weeks that they will work to localize races by making them a "choice" between two candidates rather than a referendum on President Bush.

Democrats have focused on character too. In a New York race, Republican Rep. John E. Sweeney is the target of a Democratic-sponsored online ad that uses an actor to portray him carousing at a frat party. "We deserve a congressman who fights for more than his right to party," says the ad. Sweeney was criticized earlier this year after attending a party at Union College.

Such attacks make it harder to govern, Jacoby said, once the election is over and lawmakers have to coexist if not cooperate with one another.

"It's very hard to get to a compromise," she said, " if you don't trust the other guy."

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Times staff writers Peter Wallsten and Moises Mendoza contributed to this report.

Swinging Along (NATJOUR)

By Charlie Cook

National Journal, October 28, 2006

Another week has gone by and little has changed. The Republican Party still seems to be headed toward a very tough election.

In the House, Republicans are most likely to see a net loss of 20 to 35 seats, and with it their majority. In the Senate, the GOP could lose at least four, but a five- or six-seat loss is more likely. A six-seat change tips the chamber into Democratic hands.

Could the situation change? Could the trajectory of this election be altered if the spotlight shifts from Iraq, congressional scandals, budget deficits, Hurricane Katrina, Terri Schiavo, stem-cell research and immigration onto something else, like terrorism or national security? Of course it could. In the time it takes to read this article, something could happen. A confrontation at sea involving a freighter going into or coming out of North Korea, for example, could dominate the news and the public consciousness. But unless something of that magnitude happens, we have to go with the situation as it stands.

While some stick to the assumption that this is a normal political environment, that this election is an "all politics is local" election like 1996, 1998, 2000, 2002 and 2004, they do so in the face of an enormous amount of polling data that demonstrates a horrendous political climate -- the kind that one sees periodically in midterm elections like 1958, 1966, 1974 and 1994, and even occasionally in presidential election years like 1932, 1964 and 1980.

Since 1994 is the most recent of these "wave" elections, when all politics is hardly local, compare the most recent NBC News/Wall Street Journal poll, conducted October 13-16 among 1,006 registered voters nationwide, with the comparable NBC/WSJ poll from October 1994. President Bill Clinton and the Democrats were in the hot seat, headed toward a 52-seat loss in the House and an eight-seat Senate defeat.

In the October 1994 NBC/WSJ poll, 39 percent of voters thought the country was headed in the right direction, compared with 48 percent who said it was on the wrong track -- a nine-point lead for wrong track. In the recent poll, just 26 percent said right direction and 61 percent said wrong track; a net difference of 35 points, significantly worse than 1994.

The October 1994 poll gave Clinton a job approval rating of 48 percent and a disapproval rating of 43 percent, a five-point difference. This month, just 38 percent approved of President Bush's performance compared to 57 percent who disapproved, a net disapproval of 19 points. Again, it's significantly worse than 1994.

In the poll taken 12 years ago, 24 percent approved of the job Congress was doing and 67 percent disapproved, a net disapproval of 43 points. In last week's poll, just 16 percent approved of Congress and a whopping 75 percent disapproved, a 59-point net disapproval.

At this point in 1994, the GOP had moved into a six-point lead in the generic congressional ballot test (44 percent to 38 percent). In the latest poll, the Democrats have a 15-point lead -- 52 percent to 37 percent. Once again, much worse than '94.

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Finally, in October 1994, 39 percent said their congressman had performed well enough to deserve re-election compared with 49 percent who thought it was time to give a new person a chance -- a 10-point difference. In the new poll, the same 39 percent favored re-election, but the percentage preferring a new representative was a bit lower at 45 percent, a six-point difference and only marginally better for incumbents than 12 years ago.

In short, in four of the five diagnostic indicators, the situation is significantly worse for Republicans today than it was for Democrats in 1994. And in the remaining one, this year is marginally better.

Before anyone can erroneously draw the conclusion that this survey is just another mainstream/liberal media effort, the poll was supervised by designates from both the NBC News Political Unit and the political editor of the Wall Street Journal, collaborating with a top pollster from each party. The Democrat is Peter D. Hart, truly one of the deans of the political and Democratic polling communities. The Republican side was headed up by the late Robert Teeter, a true pioneer and leader in polling for the GOP. After Teeter passed away several years ago, Bill McInturff took over. McInturff is a senior partner in Public Opinion Strategies (R), the largest and most-respected survey research firm in the party, with the largest share of sitting senators, governors and House members. So this is hardly a poll that could be labeled slanted, and in fact is designed by two of the best practitioners on the planet.

Does this mean that Democrats are headed to victories of 52 or more seats in the House and eight or more seats in the Senate? Of course not. The number of vulnerable GOP House and Senate seats is smaller than the number Democrats faced in 1994, and the number of retirements this year is less than 12 years ago. But then again, no one is talking about a 52-seat House or eight-seat Senate gain for Democrats this year. In the House in fact, the halfway point between the 20- to 35-seat estimate mentioned above is 27.5 seats, just a bit over half of the 52 seats gained by the GOP in 1994.

Do Republicans have a financial advantage over Democrats in terms of national party spending? Yes, but that advantage is the narrowest its been in 20 years. The Sept. 30 cash-on-hand figures for the Republican National Committee and the GOP Senate and House campaign committees were just $10 million more than the Democratic National Committee and its Senate and House committees, $77 million to $67 million. The GOP spending advantage is there, but it's nothing like the 50- to 125-percent advantages that we have seen in previous elections.

Do Republicans, in their "72-hour program," have a superior get-out-the-vote operation compared with Democrats? No question. But the rule of thumb that campaign professionals have always used is that a strong GOTV operation is good for a point or two, certainly not much more than that. Having to pull out voters who are disillusioned by Iraq, scandals and other issues will be a challenge even for this exquisitely designed operation.

One way of looking at it is that the wave this year may be as big as or even bigger than in 1994, but there are fewer structures on and near the beach, and those that are in danger are made with somewhat sturdier construction than those in 1994, hence the likelihood of smaller losses. But smaller losses like 20 to 35 seats still would cost the GOP the House, and losses of five or six in the Senate put that chamber right at the tipping point.

At this stage, the Cook Political Report puts four GOP seats in the "Lean Democratic" column, and classifies 27 more as "Toss Ups." (Keep in mind that the almost ironclad, years-old policy of the Cook Political Report is to not rate unindicted incumbents worse than a Toss Up.) Another 17 GOP seats are in competitive races, but are still ahead by enough to warrant a "Lean Republican" rating, and then there are 18 more long-shot opportunities for Democrats, those rated in the "Likely Republican" column, leaving 166 as "Solid Republican." No Democratic seats remain in the Toss Up column, while seven are considered "Lean Democratic."

In the Senate, GOP incumbents Rick Santorum in Pennsylvania and Mike DeWine in Ohio remain distinct underdogs. Conrad Burns of Montana and Lincoln Chafee of Rhode Island also run consistently behind and face uphill struggles, but in most polls they are not nearly as far behind as Santorum and DeWine. In Missouri, incumbent Jim Talent is basically running even, while George Allen maintains a modest but consistent lead in Virginia. In the Tennessee Republican open seat, there has been a small but potentially important shift in momentum away from Democratic Rep. Harold Ford Jr. in favor of former Chattanooga Mayor Bob Corker, the GOP standard-bearer. Ford had maintained a small lead and a world-class campaign but stumbled a little bit recently, while the Corker campaign, for the first time in this general election campaign, is showing signs of life. The race is likely to remain very close, but there were no positive signs for the GOP until the last week or two -- now there are.

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Will Republicans pick off a Democratic seat? Republicans continue to argue that Democratic incumbent Debbie Stabenow remains highly vulnerable and that Macomb County Sheriff Mike Bouchard is within single digits and showing signs of life. That seat looks to be a better shot for the GOP than the Cantwell race in Washington state or the open seat in Minnesota.

But the seat most recently considered the best GOP pickup opportunity has seen a bit of a reversal. Republican state Sen. Tom Kean Jr.'s momentum appears to have halted in the last week or two, with very real questions arising about whether Kean will have the funding to compete in the extraordinarily expensive New York City and Philadelphia media markets. Appointed Sen. Robert Menendez (D) remains plagued by ethical and legal allegations -- he clearly has problems -- but the inability of the GOP to commit the $5 million or so necessary to do the job could make the difference.

Could things change, as they did in early September when the pendulum swung from Iraq and scandals to terrorism, national security and appreciation for falling gasoline prices, only to swing back at the end of the month? Sure. But it has to swing, and that does not appear to have happened yet. Maybe it will, but maybe it won't.

Polls And Pundits: How Reliable Are Forecasts? (WSJ)

The Wall Street Journal, October 28, 2006

But will today's polls translate into a Democratic victory on Election Day? History suggests the vagaries of polling and the importance of the final two weeks of campaigning make that far from certain.

Here's a look at how well polls and pundits predict elections:

How reliable are polls? Polls can't predict the outcome of an election; they only take a snapshot at a given moment. Opinions often change in the final days before an election. Up to a quarter of voters don't decide whom they'll vote for until the week before an election, according to Republican pollster Bill McInturff. As many as 8% don't decide until Election Day.

In 1994, when Republicans won control of Congress, few pundits predicted the landslide. In July 1994, the Pew Research Center said that 47% of voters would likely vote Democratic, while 45% would vote Republican. By November, the poll showed Republicans ahead by just two percentage points. Yet Republicans actually ended up trouncing the Democrats, winning 52 House seats and eight Senate seats.

Polls in the run-up to this election are more consistent than usual. From June to late October of this year, people who said they plan to vote Democratic have fluctuated by two percentage points, compared with seven percentage points over the same time period in 1994.

Are polls biased? Polls are only as good as their sample and the questions asked. If the sample group is too narrow or too small, it can skew results. The average size of a poll is 1,000 adults, and pollsters have models that try to include all races, ages and socioeconomic backgrounds.

But modern technology poses new challenges. Most polls depend on land-line phones, but one in 10 adults now has only a cellular telephone. That poses a potential sampling problem, since nearly half of voters with only a cellular phone are under 30 years old, compared with 13% who have land-lines. Still, a recent Pew report concluded that cellphone-only users are not yet "creating a measurable bias in the overall finding."

Early voters also can affect poll bias. About a fifth of all votes cast in the U.S. are cast before Election Day, up from at least 8% in 1994, according to Michael McDonald of George Mason University. This "very subtly biases the results," he says, since this growing category isn't always accounted for in polling models.

What might change in the final days? A lot. A key factor is voter turnout, which is hard to predict. Pew reports that more than half of Democrats say they're enthusiastic about voting, up from 40% in 2002, while Republican enthusiasm is down. Republicans hope the polls aren't capturing large numbers who may be unenthusiastic but nonetheless are dedicated party voters. In recent years, get-out-the-vote campaigns have been the Republican Party's forte.

Democrats are trying to capture Republican and independent voters who are dissatisfied with the Iraq war or Congress. But some traditionally Republican-leaning independents now inclined to vote Democratic could get cold feet in the voting booth, says Andrew Kohut, president of the Pew Research Center.

--Lauren Etter

GOP Retains Cash Edge Over Resurgent Democrats (WP)

DOJ_NMG_0088501

By Jeffrey H. Birnbaum, Washington Post Staff Writer

The Washington Post, October 28, 2006

Democrats continued to raise large amounts of campaign cash this month, but not enough to erase the Republicans' multimillion-dollar lead.

According to the parties' latest financial disclosure statements, Democratic Party committees outraised the national GOP committees during the first 18 days of October. Riding a wave of optimism about the party's chances of gaining seats in the House and the Senate in the Nov. 7 midterm elections, the Democrats' national reelection committees collected $25.9 million in the period. The Republican committees raised $18.6 million in the same period.

In addition, three dozen or more Democrats seeking seats in the House that are occupied by Republicans raised at least $1 million in the current election cycle -- the minimum that, political experts say, would enable a challenger to mount a full-fledged election bid.

Nevertheless, the Democrats' last-minute fundraising surge was not enough to overcome the GOP's earlier fundraising advantage. The three national Republican Party committees had $17 million more cash on hand than their Democratic counterparts as of Oct. 18, according to this week's financial reports.

What's more, Republican committees spent nearly twice as much on their toughest House races than Democratic committees did. The nonpartisan Campaign Finance Institute calculated that Republican committees spent $1 million on average to help each of the 35 GOP incumbents who are considered to be most in danger of losing reelection bids. Democratic committees spent an average of about $574,000 on behalf of each of the party's challengers in those races.

In addition, most of the Republican candidates in the House's tightest contests reported having more money in the bank than their Democratic rivals.

With the midterm elections so near, both parties are pouring huge sums into the House's three dozen or so competitive races.

"During the endgame, the parties are spending as much as the candidates themselves," said Michael J. Malbin, executive director of the Campaign Finance Institute.

Even so, Malbin noted, so many GOP candidates are behind in recent polls that not even their well-funded party committees can afford to expend resources on all of them.

The Democratic Congressional Campaign Committee -- the party's House reelection organization -- reported raising $6.9 million and spending $25.8 million from Oct. 1 to 18, retaining $17.1 million in the bank. The National Republican Congressional Committee reported $6.6 million in receipts and $27.4 million in disbursements over the same period; it still had $18.3 million available.

The Democratic Senatorial Campaign Committee raised $9.1 million and spent $22.5 million from Oct. 1 to 18; it had $9.7 million in the bank. The National Republican Senatorial Committee reported that it collected less than half as much -- $3.6 million -- and dispensed a third as much -- $6.8 million -- from Oct. 1 to Oct. 18, and was left with $8.9 million.

The Democratic National Committee said it collected $10.2 million and spent $13.6 million during the first 18 days of this month. It had $4.8 million in cash as well as $4 million in debt.

The Republican National Committee reported raising $8.4 million and spending $12.9 million during the period. Its cash on hand: $21.8 million.

Politics Campaign Cash Clues (WSJ)

By Jeanne Cummings

The Wall Street Journal, October 28, 2006

WASHINGTON -- A rush of final campaign spending next week will provide important clues to where the Republican firewall against a Democratic takeover of the Senate is shifting -- and whether Republicans are even trying to build one to protect their House majority.

Overall, Republican committees have raised more money than the Democrats, $445 million to $330 million. They also have a cash advantage in the final weeks -- $17 million, reports released Friday show.

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The big Senate questions: Now that the Republican Party has decided to stop investing in Ohio, where incumbent Sen. Mike DeWine is trailing in polls, where does the money go? Will the party divert big money from the Buckeye State to make a last stand in Tennessee, where Republican Bob Corker is fighting to hold the seat of departing Senate Majority Leader Bill Frist, or double-down its bet on Virginia Sen. George Allen, who is clinging to a razor-thin lead?

The Democratic Senatorial Campaign Committee recently sunk $1.7 million into ads attacking Mr. Allen; Republican Party committees countered with $1.4 million, according to a study released this week by the Campaign Finance Institute, a nonpartisan political-money watchdog group.

But the Virginia race remains a dead heat, and party officials on both sides are predicting another $3 million could be spent in the Old Dominion by Election Day.

Republican Party leaders also will have to show their hand in New Jersey, where they have been flirting with spending millions to try to oust freshman Democratic Sen. Bob Menendez. Democrats have used $2 million to build a firewall of their own around Mr. Menendez, who is viewed as their most -- and perhaps only -- vulnerable incumbent in that chamber.

The balance of the Democrats' Senate payout, roughly $16 million, has been used to attack Republicans. Republican Party committees have spent $12 million -- all of it aimed at holding Democrats' net victories to fewer than six, the magic number that would flip control of the chamber.

In the House, where Democrats need 15 seats to win control, the field continues to worsen for Republicans. Party leaders have been forced to spend in such states as Idaho, which wasn't on anyone's map of contested races at the start of the year. It isn't clear they have the money to sustain such a broad defense through Election Day.

In the first two weeks of October, Republican Party committees spread millions of dollars across 53 House races while Democrats concentrated on 33. The Republican expenditures include eleventh-hour contributions to protect incumbents in New Mexico, Virginia, Pennsylvania and West Virginia who have suddenly seen their races turn more competitive. Overall, Republican committees have spent $45 million on House races.

The Democrats have spent $26 million, almost all of it trying to snatch Republican-held seats. Of the eight races in which Democratic incumbents are facing serious challenges, the Republican committees stopped spending money in four earlier this month, all but ceding them.

Among the trends that can be detected in this year's midterms is that both political parties have become more-cohesive units, with members of Congress working as teams to defeat the other side, says Anthony Corrado, an expert on campaign finance at Colby College in Maine.

Behind their loyal small-donor bases, the most important set of contributors for both sides this year are their own incumbents, sitting in safe districts, who are transferring large sums into the central committees to help their colleagues.

Democrats Get Late Donations From Business (NYT)

By Jeff Zeleny And Aron Pilhofer

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — Corporate America is already thinking beyond Election Day, increasing its share of last-minute donations to Democratic candidates and quietly devising strategies for how to work with Democrats if they win control of Congress.

The shift in political giving, for the first 18 days of October, has not been this pronounced in the final stages of a campaign since 1994, when Republicans swept control of the House for the first time in four decades.

Though Democratic control of either chamber of Congress is far from certain, the prospect of a power shift is leading interest groups to begin rethinking well-established relationships, with business lobbyists going as far as finding potential Democratic allies in the freshman class — even if they are still trying to defeat them on the campaign trail — and preparing to extend an olive branch the morning after the election.

Lobbyists, some of whom had fallen out of the habit of attending Democratic events, are even talking about making their way to the Sonnenalp Resort in Vail, Colo., where Representative Nancy Pelosi of California is holding a Speaker's Club ski getaway on Jan. 3. It is an annual affair, but the gathering's title could be especially apt for Ms. Pelosi, the House minority leader,

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who will be on hand to accept $15,000 checks, and could, if everything breaks her way, become the first woman to be House speaker.

"Attendance will be high," said Steve Elmendorf, a former Democratic Congressional aide who has a long list of business lobbying clients. "All Democratic events will see a big increase next year, no question."

While business groups contained their Democratic contributions to only a handful of candidates throughout the year, a shifting political climate and an expanding field of competitive Congressional races has drawn increased donations from corporate political action committees.

For the first nine months of the year, for example, Pfizer's political action committee had given 67 percent of contributions to Republican candidates. But October ushered in a sudden change of fortune, according to disclosure reports, and Democrats received 59 percent of the Pfizer contributions.

Over all, the nation's top corporations still placed larger bets on Republican candidates. But at the very time Republicans began to fret publicly about holding control of Congress, a subtle shift began occurring in contributions to candidates, particularly in open seats.

"We keep fighting up until the last minute of the last day," said William C. Miller, vice president for political affairs at the U.S. Chamber of Commerce, carefully measuring his words to remain positive about the Republicans' chances. "But when the smoke clears on Nov. 8, there are certainly going to be lots of opportunities for us to get to know the new freshman class."

An analysis by The New York Times of contributions from Oct. 1 to 18, the latest data available, shows that donations to Republicans from corporate political action committees dropped by 11 percentage points in favor of Democratic candidates, compared with corporate giving from January through September.

Republicans still received 57 percent of contributions, compared with 43 percent for Democrats, but it was the first double-digit October switch since 1994. "A lot will hold their powder for now," said Brian Wolff, deputy executive director of the Democratic Congressional Campaign Committee. "But after the election, we will have a lot of new friends."

Even before the election, many new contributions were funneled toward open races, like the Eighth Congressional District in Arizona. The Democratic candidate, Gabrielle Giffords, received checks of $5,000 each from the political action committees of United Parcel Service and Union Pacific. Lockheed Martin split the difference, donating $3,000 to Ms. Giffords and sending the same amount to her Republican rival, Randall Graf.

Until October, Lockheed Martin, the giant military contractor, had been following its pattern from recent elections of giving about 70 percent of contributions from its political action committee to Republicans. But Lockheed Martin's generosity shifted in the first half of October, with Democrats receiving 60 percent of donations, or $127,000.

While Republicans and Democrats are feverishly soliciting contributions until Election Day, campaign finance reports filed this week provide a window into the final days of a raucous midterm election campaign. The analysis of 288 corporate political action committees, which have contributed more than $100,000 this election cycle, found that at least 65 committees had increased their ratio of contributions to Democrats by at least 15 percentage points, including Sprint, United Parcel Service and Hewlett-Packard.

A notable exception to the flurry of last-minute giving is Wal-Mart.

"We had a two-year strategy to build up relationships with Democrats," said Lee Culpepper, the vice president for federal government relations at Wal-Mart. "This wasn't something that we decided in August that we needed to do and we ran out helter-skelter to try to do it."

One sign of fresh interest in the prospects of Democratic Congressional races came one morning this week when more than 100 lobbyists crowded into Democratic Party headquarters on Capitol Hill. Over Dunkin' Donuts and coffee, the executive director of the party's Congressional committee, Karin Johanson, delivered a private briefing on the race to a sea of unfamiliar faces, despite spending 30 years in politics.

"People are excited," she said later in an interview. "It was, by far, the best attended one ever."

As some young Republican lobbyists fled Washington to spend the final days working on too-close-to-call races in Ohio or Pennsylvania, their senior counterparts stayed behind to begin studying prospective members of the new freshman class. Even if

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Republicans hold control, the next Congress will almost certainly include at least a handful of moderate Democrats who defeated Republicans and will be looking for allies in the corporate world.

Peter Welch, the Democratic candidate for Vermont's single House seat, has already been telephoning some members of the Washington business lobby, offering an opportunity to begin a good relationship if he wins election. Never mind that his Republican opponent, Martha Rainville, has received a host of endorsements from the business community.

"The real story of the 2006 contributions is what happens in the early phase of 2007, with a change in party control," said Bernadette A. Budde, senior vice president of the Business-Industry Political Action Committee. "There will be proverbial meet-and-greets all over town so we will have a sense of who these people are."

Many of these meet-and-greet sessions will have a dual purpose: political action committees will offer contributions to help candidates wipe away debt their campaigns accrued during the race.

Spending in the midterm election campaign is forecast to reach $2.6 billion, according to the Center for Responsive Politics, including $1 billion from political action committees. While many business groups have been eager to appear as if they have been handily contributing to Democratic efforts, it was not until this month that the trend became apparent enough to quantify beyond party leaders or prospective committee chairmen.

Democrats who are not in tight races — or even standing for re-election in some cases — have seen their contributions increase more than some of those facing the most competitive contests. That is an easy way, lobbyists say, for political action committees to increase the share of their Democratic contributions, a percentage that is carefully tracked by party leaders when they reach the majority.

Representative Adam Smith of Washington, who leads a coalition of centrist Democrats, said he has detected a friendlier relationship with the business community in recent months, a welcome change from years of Republican rule when "Democrats were basically frozen out in every way."

"I hope that the new Democratic majority will take a more open and cooperative approach," Mr. Smith said in an interview. "I hope there won't be a sense of, 'Oh, you gave too much money to Republicans, so we're not going to talk to you.' "

Moderate Republicans Feeling Like Endangered Species (NYT)

By Carl Hulse

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — Facing the loss of fellow moderates in the Nov. 7 elections, Republican centrists in the House and Senate are faulting Congressional and party leaders for pursuing a strategy dominated by conservative themes.

Leading moderates say Republicans concentrated on social wedge issues like same-sex marriage while pressing national security almost to the exclusion of popular wage and health policies that could have helped endangered Republicans in the Northeast and the Midwest.

"There wasn't an impetus to help develop a political and legislative plan that incorporated the broad umbrella of philosophy in our party," said Senator Olympia J. Snowe, Republican of Maine, whom experts expect to be easily re-elected. "I think they always operated under the wrong assumption that you just appeal to the base and no more than that."

Ms. Snowe and other moderates, while holding out hope that most of their counterparts would hang on, were dismayed by the prospect of depleted ranks, saying it could lead to a more polarized Congress.

Two Senate Republicans often found in the small moderate bloc, Lincoln Chafee of Rhode Island and Mike DeWine of Ohio, are in serious jeopardy. Two leading House moderates are retiring, another lost a primary, and at least six others are in difficult re-election fights in Connecticut, New Hampshire, New York, Ohio, Pennsylvania and elsewhere.

The centrists said heavy losses outside strongholds in the South and parts of the West and Midwest could imperil the party's future. They say Republicans cannot sustain a long-term majority unless the party thrives throughout the country.

"There are some people who, because they are so pure and so sure of themselves, they are willing to run the risk of having the Republican Party no longer be national but be more regional," said Representative Sherwood L. Boehlert of New York, a respected moderate who is retiring. "They think they can maintain their majority as a regional party."

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Conservatives say the overall party message was developed to draw the most loyal voters to the polls by emphasizing bedrock principles. The leader of one group that backed conservative candidates in Republican primaries, angering the moderate wing, said some moderates were in trouble simply because they strayed too far, alienating Republicans without attracting Democrats.

"We have people who are certainly well left of the center of the Republican conference on all issues, including economic and growth issues," said the leader, Pat Toomey, a former congressman from Pennsylvania who heads the Club for Growth. "I'm not hoping they lose. But if they do, I think we will be able to recapture those seats with pro-growth candidates who distance themselves from Democrats."

Even conservatives acknowledge that the push did not make it easy for candidates in close races in New England and Ohio.

"It is a real quandary," Senator John Cornyn, Republican of Texas, said. "It is true that in order to motivate folks there has been an appeal made to turn out our conservatives, which by definition doesn't help those who are not as in tune with the base."

In past election cycles, Republican moderates, like their right-leaning Democratic colleagues in the South, have survived by emphasizing differences with their own party on pivotal issues. Independent voters at home have indicated a willingness to back their lawmakers and draw a distinction between them and the party.

But this year, given the Iraq war, dissatisfaction with President Bush and a series of Republican scandals, some voters no longer seem willing to separate the two.

"It appears we have finally pushed them far enough to vote for the Democratic Party," said Sarah Chamberlain Resnick, executive director of the Republican Mainstreet Partnership. "As a loyal Republican, I think that is scary."

Democrats have also made a concerted effort against vulnerable Republican moderates, which Senator Susan Collins, another Republican of Maine, said was not much of a reward for those willing to try to work with the opposition party.

"There is no one who has voted more often with the Democrats than Linc Chafee," Ms. Collins said. "Yet that didn't stop them from going after him with everything they had. That is a good lesson."

Ms. Collins and Ms. Snowe noted that although voters indicate a strong desire for bipartisanship, some lawmakers most likely to be punished are the very ones who have reached across the aisle.

Representative Rahm Emanuel of Illinois, chairman of the Democratic Congressional Campaign Committee, made no apologies for focusing on Republican moderates and said Republicans should blame the party leaders for its approach.

"They left these guys to fend for themselves in districts that have been trending Democratic," Mr. Emanuel said. "What we did was recruit and fully fund our candidates."

Republicans leaning toward the middle on social, environmental and spending matters have been raising the alarm for months, saying the party was missing opportunities to bolster moderate candidates with measures on raising the minimum wage, expanding stem cell research and ethics reform.

But the minimum-wage increase died when it was tied to a move to repeal the estate tax, President Bush vetoed the stem cell measure, and the drive for ethics reform collapsed.

"I don't think the agenda has been particularly helpful," said Representative Michael N. Castle, Republican of Delaware, who said some Republicans had been dismissive of the centrists until the leadership was desperate for votes on major bills.

"I will be the first to say there are those in the Republican Party who feel moderates are essential only in terms of numbers," Mr. Castle said.

While Republican moderates struggle to maintain their numbers, some top Democratic challengers are from the more moderate wing of that party, raising the prospect that some gains will come from the right.

That possibility also gives Republican moderates hope that even if they number fewer, they could potentially band with Democrats in the center to influence measures.

"I think," Ms. Collins said, "the moderates in both parties could be empowered."

DNC Wooing Black Voters (WT)

By Brian Debose, The Washington Times

DOJ_NMG_0088506

The Washington Times, October 28, 2006

The Democratic National Committee is hiring more black advertisers, pollsters and grass-roots operatives in a revamped effort to increase turnout by black voters on Election Day.

Democratic officials say the black vote is essential -- particularly in Senate races -- to beat Republicans.

"There are a lot of races that will be impacted by African-American and Hispanic voters in crucial states, and we had a lot of candidates stress that they need these votes to win," DNC spokeswoman Amaya J. Smith said.

She said the DNC is running a national ad campaign targeting black and Hispanic voters. It also is funding phone banks and has people on call to take voters to the polls.

"We are reaching out to people who we know are our voters but may not have come out in the last election," Miss Smith said.

The difference is the party is not outsourcing its get-out-the-vote operations as it has in the past, said Donna Brazile, a political consultant who heads the DNC Voting Rights Institute.

She said that for the first time in recent memory, the party is taking its political destiny in its own hands, with the operations all being managed by people with experience turning out black and Hispanic voters in their specific cities and states.

"They have been remarkable in correcting the mistakes of the past, and this is the best work I've seen for a midterm election," Miss Brazile said.

Delegate Eleanor Holmes Norton, the District's nonvoting representative, has warned the party for years about the importance of ensuring black voters get to the polls.

"I think they understand that the black vote is a solid, sure vote that you don't have to wonder about," Mrs. Norton said.

According to exit polls in 2004, black voters constituted 11 percent of the electorate, and 88 percent voted for Democrat John Kerry. The impact of black voters in key states is even larger. In Maryland, for example, 23 percent of voters in 2004 were black, and 93 percent of those voted to re-elect Sen. Barbara A. Mikulski, a Democrat.

Historically, Mrs. Norton said, both Republicans and Democrats have underestimated the difficulty in turning out voters for midterm elections, but she said Republicans woke up to that fact in 1994 when they used their get-out-the-vote efforts to wrest control of Congress.

"What gives me hope is that the poll figures are so much better for us than they were for the Republicans in 1994, also a non-presidential year," Mrs. Norton said. But, she added, "Republicans didn't have the turnout machine that they have now and their turnout is better than ours."

Longtime Democratic pollster Ron Lester said Republicans have had more time to perfect their turnout strategies.

Mr. Lester, who lives in Prince George's County, has polled Maryland elections for decades. He said his main problem has been that the national Democratic Party never communicated with the local party and had no system in place to track its voters.

He said Republicans work on turnout year-round and are in constant contact with their voters, making it easy to find them and track their voting habits.

"They use a database that they have been building for years, to the point where today my friends who are Republican pollsters, they can go to a block somewhere in some town and tell you exactly where the three Republican voters live on that block, right off the bat," Mr. Lester said.

Terry McAuliffe recognized this problem in 2001 when he became DNC chairman. He copied the Republican model, investing heavily in building a similar database using credit-card information, vehicle registrations and other data to identify likely Democratic voters.

This database, which cost the party tens of millions of dollars to assemble, has given the Democrats a tool to challenge Republican turnout nearly vote for vote, Mr. Lester said.

"The DNC probably has the most effective technical operation they have had in years, but as always they are still playing catch-up," he said.

Hollywood Director Targets Democrats In Ads (WT)

By Marc Ballon, Special To The Washington Times

DOJ_NMG_0088507

The Washington Times, October 28, 2006

Movie director David Zucker has made a living off of satirical comedies, including "Airplane" and "The Naked Gun," but the one-time liberal activist is now focusing his camera to mock Democrats in political ads.

In Mr. Zucker's opinion, portrayed in Internet ads for the Republican National Committee, Democrats are unable or unwilling to confront threats to America and are fiscally irresponsible.

"I still can't believe I'm a Republican," said Mr. Zucker, a former campaign adviser to President Bill Clinton.

"There are just certain things ingrained in our Jewish roots. Our fathers voted for Roosevelt, and we voted for JFK, [Hubert] Humphrey and Clinton. But the Democratic Party has changed."

Mr. Zucker defected to the Republican Party after the September 11 attacks, supported President Bush in 2004 and has become more vocal in his beliefs -- disregarding the possible impact on his career in Hollywood, a liberal haven.

Mr. Zucker, 58, said he's tired of Democrats calls for "talk, talk, talk" and looking to the United Nations to solve the world's most tangled problems.

Hollywood happily forgives druggy actors and boozy directors, "but I don't think a Republican can be rehabbed," Mr. Zucker said.

Mr. Zucker made an ad attacking Massachusetts Democratic Sen. John Kerry in 2004, appeared on a few talk shows to discuss his political conversion and "fell in with the dark side," quipped his brother Jerry Zucker,co-director of "Airplane" and director of "Ghost."

The RNC asked Mr. Zucker to make the new spoof ads because of his "stellar reputation and high-quality production," said Tara Wall, RNC director of outreach communications.

Like his movies, the Internet spots that Mr. Zucker directed and co-wrote employ fast-paced, gag-a-second slapstick humor that has made him a king of spoof.

One of Mr. Zucker's ads -- funded by the RNC and now available on YouTube.com and an RNC parody site called "America Weakly" -- spoofs the Democrats' reputation as the party of tax-and-spend liberals.

It opens with a shot of a couple peacefully sleeping in bed. A narrator's voice interrupts the calm: "What if you woke up a year from today, the Democrats had taken over, and you were able to see their new taxes?"

Suddenly, a man in a dark suit, the Democratic tax man, appears in the bedroom and holds out his hand for a payoff. He shows up again and again. He hits up a woman who has just given birth, and even demands payment from her newborn. The 90-second spot ends with an army of ominous-looking Democratic tax men, briefcases in hand, marching down the street like some spooky army.

The RNC rejected a second Zucker spot that mocked the Democrats as weak on defense. The controversial ad, which has leaked to YouTube.com, features a Madeleine Albright look-alike handing a basketball autographed by Michael Jordan to North Korean leader Kim Jong-il, an event that actually took place in 2000.

"The Democrats' thoughtful gift had two major results," an ominous voiceover says. Suddenly, an image of a nuclear missile being fired followed flashes on the screen, followed by Mr. Kim doing a reverse dunk.

Republican political strategist Arnold Steinberg thinks such funny ads "can be very effective.". Humorous spots, he said could generate lots of press, thereby broadcasting Mr. Zucker's message to an audience beyond the Internet.

Having spent nearly 30 years spoofing police dramas, disaster flicks and horror films, beginning with the 1977 cult-classic, "The Kentucky Friend Movie," Mr. Zucker now wants to turn his withering satirical eye to politics.

Without divulging too many details, Mr. Zucker said he plans to make a film lampooning politics, sandwiched between a super-heroes spoof and "Scary Movie 5."

"You have people like Michael Moore going into foreign countries saying Americans are the stupidest people in the world," said Mr. Zucker, a father of a 4-year-old daughter and 6-year-old son.

"I want to tell the real America story, that America is a force for good."

Allen Blasts Webb Novels For Sex Scenes (WP)

By Michael D. Shear And Tim Craig, Washington Post Staff Writers

DOJ_NMG_0088508

The Washington Post, October 28, 2006

Veteran Says Works Reflect Trauma of War

RICHMOND, Oct. 27 -- Virginia Sen. George Allen (R) has accused his Democratic opponent, James Webb, of writing inappropriate sex scenes and demeaning descriptions of women in his fictional books, the latest character attack in a close and nasty campaign.

With 10 days remaining before Election Day, the allegations about sex-laced passages in Webb's writings inject a new question into a campaign that has centered almost exclusively on character issues: Should the author of a fictional work who runs for office be personally held to account for the scenes in his books?

Webb, a former U.S. Navy secretary, responded angrily Friday on Washington Post Radio, defending his novels as "serious" works and calling Allen's attack part of the senator's negative campaign that is devoid of ideas. "To take these things out and pull excerpts out and force them on people . . . is just a classic example of the way this campaign is run," Webb said. "Literature is literature. I've made my career as a novelist. George Allen doesn't have a record to run on."

Webb's books, including "Lost Soldiers," "Something to Die For" and "Fields of Fire," are historical novels that describe wartime horrors in Vietnam and people dealing with the aftermath of combat. Webb is a decorated Marine who served in Vietnam.

Allen campaign officials provided excerpts from the books -- some of them depicting acts of incest and graphic sexuality -- to the Drudge Report Web site Thursday night. Matt Drudge's Internet blog often breaks or promotes stories with sensational angles, most recently the scandal involving former Rep. Mark Foley (R-Fla.). Allen's aides, who have been trying to get other news organizations to write about the excerpts for weeks, issued statements saying the fictional scenes in Webb's novels reflect poorly on Webb's character and fitness for office.

Allen told reporters after a campaign stop in Harrisonburg that Webb's books are demeaning to women. "My opponent hasn't been in public office," he said. "But he talks about the books he's written and his creative writing, his novels. Those are some of his writings. . . . People can make that judgment."

Allen's aides would not say whether the senator had read Webb's books. They said he did not know about the books' contents six years ago, when he accepted Webb's endorsement for his first Senate campaign.

Webb said the graphic scenes in his novels, many of which are set in wartime, are taken out of context and do not accurately reflect the books or their content: combat. He said he has written about disturbing scenes that he witnessed on the battlefield or as a journalist in Southeast Asia.

"It is an observation about how the human species lives," Webb said after Mark Plotkin, the radio show's host, read one of the more lurid passages, prompting objections from the candidate.

Webb told Plotkin that listeners should read a book by Allen's sister, Jennifer, who described her brother's harsh physical treatment toward her. He also shot back that Vice President Cheney's wife, Lynne, wrote a novel, "Sisters," which contains scenes of rape and a lesbian love affair. "You can read Lynne Cheney's lesbian love scenes if you want to get graphic on stuff," he said.

In an interview later on CNN, Cheney declared Webb to be "full of baloney" and denied that she wrote anything in "Sisters" that is sexually explicit.

"His novels are full of sexually explicit references to incest -- sexually explicit references," she said.

Her book is out of print and difficult to find, but independent reviews describe it as highly sexual and "steamy" and mention lesbian characters.

Allen's attack on Webb's novels occurred three weeks after the senator gave a two-minute speech pleading for a return to issues after having defended himself against personal-character scandals for months. "The negative personal attacks and baseless allegations have also pulled us away from what you expect and deserve," Allen told voters in the unusual paid television commercial.

By Friday morning, however, the new allegations unleashed by his campaign had become the highlight of morning talk-radio shows and cable news outlets. Conservative groups seized on the news, with one calling for Webb to withdraw for writing "Triple X" novels. Cable news shows debated the issue throughout the day.

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Several Web sites and blogs printed the passages. One, from "Fields of Fire," was: "He saw the invitation with every bouncing breast and curved hip. . . . He was thirteen. . . . She was fifteen. . . ." Another was about a man seeing his mother: "She was naked underneath the robe . . . and the robe fell loosely away, revealing her."

Kay James, an Allen campaign adviser, criticized the writings: "How can women trust Jim Webb to represent their views in the Senate when chauvinistic attitudes and sexually exploitative references run throughout his fiction and nonfiction writings?"

Webb's allies rushed to his defense, saying the attempt to criticize an author for scenes in a work of fiction reflects a Republican campaign in Virginia that is in disarray and desperately searching for a way to win at any cost.

Steve Jarding, a senior Webb adviser, said Allen's lack of wartime experience disqualifies him from commenting on Webb's novels.

"Senator, you have not earned the right to question Jim Webb's wartime experiences," Jarding said. "Perhaps if you had gone to Vietnam and served as a company commander instead of serving as a [cattle] driver at a dude ranch . . . you would temper your feigned indignation."

Best-selling author John Grisham, who with Stephen King held a fundraiser for Webb in Charlottesville, said Friday in an interview: "This is a clear sign of a desperate campaign if they plow through novels trying to find evidence of character. I seriously doubt George Allen is much of a reader, but if he would read more, maybe he would understand the difference between fiction and nonfiction."

Some people said Webb's novels are works of imagination intended to be informative and provide entertainment, not statements of actions that Webb endorses.

Margaret R. Soltan, an English professor at George Washington University, said voters should not regard Webb's novels as indicative of his views, any more than voters in England should have been deterred by some of Winston Churchill's more shocking writing.

"To think along those lines exposes you as a person who has no culture," she said.

Sen. John McCain (R-Ariz.), a Vietnam war hero who has endorsed Allen, praises "Lost Soldiers" on the book jacket. "It captures well the lingering scars of the war," he says. "A novel of revenge and redemption that tells us much about both where Vietnam is headed and where it has been."

An aide to McCain said Friday she could not reach the senator.

Staff writer Robert Barnes contributed to this report.

Virginia Senate Candidate Attacked Over His Novels (NYT)

By Raymond Hernandez

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — The volatile Virginia Senate race took another turn on Friday when the Republican incumbent, George Allen, drew attention to sexually explicit passages from novels written years ago by his Democratic challenger, Jim Webb.

With less than two weeks before Election Day, Mr. Allen, who has been on the defensive because of accusations that he made racially insensitive remarks, issued a news release that quoted the passages and called them “very disturbing for a candidate hoping to represent families of Virginians.”

In the release, titled “Webb’s Weird World,” which was released to and displayed on the Drudge Report Web site, the Allen campaign also asserted that Mr. Webb’s writings were filled with “chauvinistic attitudes and sexually exploitive references.”

Mr. Webb, who was secretary of the Navy in the Reagan administration, has written six novels about the military and wartime, including “Fields of Fire,” an acclaimed 1978 work about the Vietnam War, according to his campaign Web site.

Democrats aligned with the Webb campaign immediately denounced the Allen statement as the act of a desperate politician trying to deflect attention from his own troubles. They also circulated comments by Senator John McCain, Republican of Arizona, praising one of the novels, “Lost Soldiers,” that the Allen campaign had singled out because it described a provocative scene involving a boy.

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Mr. Webb, a Vietnam veteran, reacted angrily in an interview Friday morning on WTOP radio in Washington when the host asked him about the passages, including one in his novel "Something to Die For" involving a stripper that the host read on the air.

"I don't think that's appropriate for you to read on WTOP," Mr. Webb said, according to The Associated Press.

"There are hundreds of thousands of American servicemen who have been in that environment," he added. "It's an observation about how the human species lives."

Mr. Webb then attacked Mr. Allen personally. "You ought to read what George Allen's sister wrote about him if you want to read about attitudes toward females," he said, alluding to an autobiography by Jennifer Allen in which she describes her brother as a bully who once dragged her upstairs by her hair because she had defied her father at bedtime.

The Allen campaign's effort to draw attention to Mr. Webb's writing comes at a particularly sensitive time, as Washington grapples with the political fallout of the Congressional page scandal involving sexually suggestive messages from a Republican congressman.

Beyond that, the statement from Mr. Allen plays neatly into the campaign's larger effort to portray Mr. Webb as hostile to women. The campaign, for example, recently ran advertising accusing Mr. Webb of insensitivity to women's rights, based on an article Mr. Webb wrote nearly 30 years ago arguing against admitting women to the Naval Academy or combat service.

Mr. Webb has apologized for that article and said that he played a significant role in expanding the number of women in Navy leadership positions while he was in the Reagan administration.

In its latest attack, the Allen camp takes particular issue with the portrayal of women in Mr. Webb's novels, saying female characters are consistently "servile, subordinate, inept, incompetent, promiscuous, perverted, or some combination of these."

Until the start of the general election season, Mr. Allen, who was once considered a front-runner for the party's 2008 presidential nomination, appeared to have a significant edge in his race against Mr. Webb.

But two episodes late this summer renewed questions about racial and ethnic insensitivity that have hung over Mr. Allen.

The first involved his use of the word "macaca" to describe a Democratic operative of Indian descent — a word that critics attacked as a racial slur with origins in the name of a type of monkey.

A few weeks later Mr. Allen, who is Presbyterian, responded angrily when a reporter asked whether his mother had been born Jewish. After that exchange, Mr. Allen later said, his mother told him for the first time that her family was indeed Jewish.

On Friday, Chris LaCivita, a consultant for the Allen campaign, issued a statement that Mr. Webb had extolled his experience as a writer "but has anyone really read what he has written?"

"Some of the references are simply disturbing and continue to show a pattern of disrespectful treatment of women," Mr. LaCivita said.

Democrats, who view the Virginia race as possibly one of the most decisive battles of the midterm election, have been bracing for the Allen campaign to mount an attack based on Mr. Webb's novels.

On Friday, they offered a vigorous defense of Mr. Webb, pointing out that Republican authors like Lynne Cheney and I. Lewis Libby Jr., the vice president's wife and his former chief of staff, have produced sexually explicit novels.

Mr. Libby wrote a thriller, "The Apprentice," that includes references to bestiality, pedophilia and rape; Mrs. Cheney, in turn, published "Sisters," a novel that describes a lesbian love affair.

Kristian Denny Todd, a spokeswoman for the Webb campaign, said that a scene in "Lost Soldiers" that describes a father placing his naked son's penis in his mouth involved a cultural expression of affection that Mr. Webb had witnessed as a journalist in Thailand. "He doesn't get it," she said. "But it's a cultural thing."

Ms. Denny Todd said that fiction writers often wrote about things that they do not condone. She added: "It's fiction."

Webb Hit For Novels' Sex-laced Language (WT)

By Seth Mclaughlin, The Washington Times

The Washington Times, October 28, 2006

U.S. Senate candidate James H. Webb Jr. faced more criticism yesterday about his characterizations of women, when critics publicized excerpts of his novels, including graphic sexual passages involving women and children.

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"There is nothing that's been in any of my novels that has not been illuminating of the surroundings, or defining a character or moving a plot," said Mr. Webb, a Democrat. "I'm a serious writer."

Andrea Lafferty, executive director of the Traditional Values Coalition, said she was "sickened" by what she had read.

"Democrat or Republican, an individual like that belongs on the couch of a therapist, not on the floor of the United States Senate," she said.

Laura MacLeod, another woman in the Virginia coalition, said she will take Mr. Webb's novel "Lost Soldiers" to "every ballet practice and every soccer game" until the Nov. 7 election.

Mr. Webb's writings started appearing on conservative blog sites as early as Oct. 16, but were not picked up by the press until Thursday night, which prompted the coalition to hold a press conference yesterday outside Mr. Webb's office in Arlington.

The passages come from five of Mr. Webb's wartime novels, starting with "Fields of Fire" in 1978. The excerpts include pedophilia, acrobatic young strippers and the homosexual behavior of guards at a prison in Vietnam.

The women said Mr. Webb's character is a bigger issue than the Iraq war and that the content of Mr. Webb's work was worse than the sexually explicit e-mails Rep. Mark Foley, Florida Republican, sent to congressional pages.

Mr. Webb said he was warned by friends before entering the race that the 2 million words he has published made him an opposition researcher's dream and that they would be taken out of context to be used against him.

Excerpts were read yesterday morning on the Don Imus radio show on MSNBC and on The Washington Post radio show "The Politics Program With Mark Plotkin," despite Mr. Webb saying that would be inappropriate and that people chose to read his novels.

"Some of Webb's writings are very disturbing for a candidate hoping to represent the families of Virginians in the U.S. Senate," the campaign of incumbent Sen. George Allen, a Republican, stated in a press release. "Webb's novels disturbingly and consistently -- indeed, almost uniformly -- portray women as servile, subordinate, inept, incompetent, promiscuous, perverted or some combination of these."

Webb adviser Steve Jarding responded by saying: "Senator, you have not earned the right to question Jim Webb's wartime experiences, from the ugliness of combat to the ugliness of what happens to civilians in nations ravaged by war. Senator, Jim Webb wrote of things he witnessed. They may have been ugly, but we should learn from their ugliness about the consequences of our votes and actions before we send men and women into war."

The Allen campaign could not be reached for further comment.

Mr. Webb, 60, has been criticized for his views on women since the beginning of the race, particularly for an article he wrote in 1977 that questioned a woman's place at the U.S. Naval Academy.

The criticism yesterday was the latest personal attack in a campaign that has focused more on character than policy issues.

Mr. Allen seemed poised to get the race back on course when he aired a rare, two-minute TV address asking that the final weeks focus only on the major issues, including fighting international terrorism.

But Mr. Allen has continued to run ads hammering Mr. Webb's character, and the Webb campaign has responded.

In August, Mr. Allen, 54, was videotaped at a campaign stop calling an Indian-American volunteer for the Webb campaign "macaca." And former classmates at the University of Virginia have said he used the "n-word" while attending school there in the 1970s.

The coalition's small press conference yesterday sparked a strong reaction from a Webb volunteer going to the headquarters.

"What is outrageous is that the guys who are dying in Iraq and Afghanistan, that's the tragedy," Pat Heineman, the mother of an Army National Guardsman who spent a year in Afghanistan, said to the women.

'Brothels, Sex Kittens, Pedophilia?' (NYT)

By Maureen Dowd

The New York Times, October 28, 2006

Republicans panicking is not a pretty sight.

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Candidates around the country have been race-baiting, gay-baiting, Michael J. Fox-baiting and Hispanic-baiting. But now it has come to this: Republicans are novel-baiting.

Still trying to recover his balance, after slipping on a macaca and admitting he was a Jewish bubba, one criticized for using racist language, displaying a Confederate flag at home and keeping a hangman's noose at his old law office, Senator George Allen of Virginia unleashed a vicious attack on Jim Webb Thursday night. He called him a fiction writer.

Senator Macacawitz, as he is now known in Washington, sent the cyber- gossip Matt Drudge a press release called "Webb's Weird World." It featured racy quotes from his rival's novels and the contention that they were "very disturbing for a candidate hoping to represent the families of Virginians." It said Mr. Webb's novels about the military and war portrayed women as "servile, subordinate, inept, incompetent, promiscuous, perverted, or some combination of these."

Excerpts from Webb novels included passages in which a man performs a sexual act on his son; a "naked young stripper" performs a sexual act on a banana, and male guards at a Vietnamese prison camp perform a sexual act on each other.

"There is nothing that's been in any of my novels that, in my view, hasn't been either illuminating surroundings or defining a character or moving a plot," Mr. Webb said on Washington Post radio yesterday.

Mr. Webb, a 60-year-old former Republican and Vietnam vet who was President Reagan's secretary of the Navy, was already defending himself for a 1979 magazine article called "Women Can't Fight," in which he called a Naval Academy dorm a "horny woman's dream."

He bridled at the latest attack, snapping, "You ought to read what George Allen's sister wrote about him if you want to read about attitudes toward females." Mr. Allen's younger sister, Jennifer, wrote a memoir in which she described her brother pulling a Michael Jackson and dangling her over a railing at Niagara Falls, and slamming a pool cue against her boyfriend's head. (She later said the pool-cue story was a joke, calling the book a novelization of the past.)

So the Old Dominion race now comes down to one guy denying he's a racist and the other denying he's a sexist, and the supposed sexist attacking the supposed racist as a sexist. Webb's campaign sent out a press release yesterday noting that Mr. Allen nearly joined a males-only country club in the '90s, when he was Virginia's governor, and opposed co-education at the Virginia Military Institute.

Women make up half of all Virginia voters, so it's a good bet they will determine who wins the race between two candidates who "exude machismo," as The Washington Post put it: "James Webb, the marine firing his M50 antitank rifles in the jungles of Vietnam, and George Allen, the tobacco-chewing cowboy who as governor once stirred G.O.P. delegates with this line about Democrats: 'Let's enjoy knocking their soft teeth down their whining throats.' "

The Republicans' usual trick — having Dick Cheney terrify women into thinking that terrorists will kill their children if they vote for girly Democrats — isn't flying this year, so now the G.O.P. is resorting to more personal, and goofy, attacks.

Senator Allen may be able to hurt Mr. Webb, especially if he prints up all the steamy quotes on fliers and puts them on the windshields of Virginia churchgoers on Sunday.

Gary Hart, who used to write novels with another former senator, William Cohen, once told me that politicians are suspicious of other pols who read novels, much less write them. "They thought I was strange," he said, "because I was caught reading Tolstoy and Kierkegaard."

The Democratic Senatorial Campaign Committee fought back yesterday by putting out excerpts from G.O.P. pulp fiction. "Brothels, sex kittens, pedophilia?" they began their sampling of Republican scribblers, including Lynne Cheney, Newt Gingrich and Scooter Libby.

The Democrats also turned up a romance novel by Susan Combs, a Republican candidate for Texas comptroller. Ms. Combs wrote "A Perfect Match" about "a freckle-faced brunette," a cryptologist from the National Security Agency who falls for her "gray-eyed bodyguard" with his "powerful, strong arms" and his erotic pistol-cleaning technique. She desired him to "fill the aching void at her center" where a "deep heaviness throbbed in her belly."

It's what the Democrats' candidate, Jim Webb, would diplomatically call "a horny woman's dream."

Hot-Button Social Issues Dim In Ohio Senate Race (WP)

By Stephen Koff And Bill Sloat, Religion News Service

DOJ_NMG_0088513

The Washington Post, October 28, 2006

Economy, War Have Grabbed Voters' Attention

SPRINGFIELD, Ohio -- Russell Mossbarger, a Republican regular, saw President Bush in 2004 as a man who reflected his own moral and Christian beliefs. But then, he says, his party overplayed its churchiness.

"People got tired of it all the time," said Mossbarger, 71, in a bowling alley near Springfield, a small industrial city that is one of Ohio's bellwether communities. "They wore it out, I think."

A Free Will Baptist, Mossbarger wears a ball cap with the U.S. flag. He worries that politicians will try to take "under God" out of the Pledge of Allegiance.

"But this year, other issues are more important," he said. "Jobs are leaving the country. There's war. It's doubtful the Pledge of Allegiance is more important right now."

Two years after Republicans fused love of God and love of country into such a potent political message in Ohio that national Democrats were discombobulated, the combination of patriotic and religious fervor seems dimmed. Now, with a midterm election approaching and one of the hottest Senate races in the country being waged, not much is being said on the campaign trail about the "three G's" -- gays, guns and God -- in any part of Ohio. Here in the southwestern part of the state, barely a peep is heard about abortion or other social issues.

"Actually, I'm not hearing anything. You just hear the usual kind of stuff, like the economy," said Linda S. Rosicka, Clark County's elections director.

Whether the primacy of social issues was overstated in 2004, those issues have largely fallen off the stump in this year's election. When they do come up, it's usually in ways that are less public, such as in gatherings of Christian conservatives supporting Republican Ken Blackwell's gubernatorial campaign.

Sen. Mike DeWine (R), an ardent foe of abortion, hasn't launched any ads or campaign offensives using social issues, but he says he talks about them when asked. He didn't hesitate in an interview to criticize his opponent, Rep. Sherrod Brown (D), on one such issue, saying Brown has failed repeatedly to vote to outlaw late-term or what opponents call "partial birth" abortion.

"There are fundamental differences between Congressman Brown and myself, and one of the fundamental differences is he voted to continue to practice partial-birth abortion," DeWine said.

Brown's campaign says that's because the bill did not allow an exception for the health of the mother.

Social issues still could become crucial behind the scenes in coming weeks, when interest groups try to motivate members to vote for the sake of balance on the Supreme Court or constitutional battles over abortion rights.

But voters rarely hear those issues mentioned in political speeches, in political news stories and commercials, even in talk around the town square. The reason is pretty simple, political experts say: It's the economy. And the war in Iraq. And the war on terrorism.

"They're hearing the news every day about Iraq, they're getting their paycheck every week" and making decisions about taxes, said Brian Nienaber, a vice president of the Tarrance Group, a Republican-leaning Washington polling firm. "In times of war, it is hard to think, 'What kind of social direction should our country be taking?' " he said.

Celinda Lake, a Democratic pollster, says evangelical voters still care deeply about social issues. But, Lake said, "the next tier of voters, the kind of blue-collar, exurban voters who take their kids regularly to church, they're really economically hard-pressed."

Of course, abortion, same-sex marriage, gun rights and fights over religious symbols and words are not the only social issues that can light up a campaign. The minimum wage goes to the heart of a social issue, says the campaign of Brown, the Senate candidate.

"He's met and held events with ministers and pastors across the state in churches on those issues," said Brown spokesman Ben LaBolt. "He believes it's a moral imperative to support working people."

DeWine also supports a ballot measure to raise Ohio's minimum wage.

Back in Springfield, inside a used-car dealership, Barbara Courtney, a Democrat, says hot-button social issues subsided after the 2004 election, when voters approved a state constitutional ban on same-sex marriage.

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"The voters stopped it, and there are other things on people's minds now than all that this year. There's a war, and it hasn't stopped. It's still going on. There are so many people unemployed," she said.

"They aren't praying to stop the gays," she said. "They are praying for work."

Evangelicals Fire Up The Faithful (WSJ)

By Jackie Calmes

The Wall Street Journal, October 28, 2006

Even Those Disappointed With Republicans Seek To Turn Out the Vote

SHARONVILLE, Ohio -- If Republicans still have an ace up their sleeve in this fall campaign, it's people like Phil Burress.

Mr. Burress, a thrice-married, self-described former pornography addict, is president of Citizens for Community Values, a statewide network of politically active Christian conservatives. His work here in 2004 helped turn out evangelical voters who put President Bush over the top in Ohio -- the state that made the difference between victory and defeat.

This time around, Mr. Burress isn't nearly so happy with the president and his party. In fact, he can hardly say enough about how fed up he is with Republicans from Columbus to Washington for not following through on promised social initiatives. He is especially exercised about Ohio's Republican Sen. Mike DeWine, who incensed conservatives last year by helping to broker a compromise with Democrats over confirming the president's judicial nominees.

So what is his advice to others? Hold your nose and vote. And that includes voting for Mr. DeWine, whose fate could determine whether Republicans keep control of the Senate.

That attitude represents an important firewall for the Republican Party at a time when most polls and independent analysts forecast big midterm election losses Nov. 7, threatening the party's majorities in Congress, the governorships and some state legislatures. Republicans worry that religious conservatives, so critical to Republicans' wins of recent years, will stay home this time.

But a look at the movement in Ohio suggests otherwise. The turnout machine that has pulled evangelical conservatives to the polls in massive numbers is churning away, and for a reason little appreciated outside their circles: the sense that voting is their Christian duty. Ron Martin, pastor of Cincinnati's Central Parkway Ministries just south of here, is typical when he tells his church members, worn Bible in hand, "You have a moral obligation to vote." And because such voters' litmus-test issues are abortion and gay marriage, that typically means vote Republican.

Earlier this month, Mr. Burress's organization sent a million voter guides to 7,500 churches statewide for distribution in Sunday bulletins. The guide refers voters to the group's election Web site, where they can type their zip code and see all candidates who will be on their ballots, alongside each candidate's stance on abortion, marriage, pornography and other social issues. Those guides are based on candidates' responses to a questionnaire. Many Democrats, and moderate Republicans, didn't respond; the site notes that.

The 64-year-old Mr. Burress is an essential player in the Bush-era Republican Party's vaunted get-out-the-vote machine. In 2004, he led the drive to put on the Ohio ballot a state constitutional amendment banning same-sex marriages and civil unions. Then he put his organization, based in this conservative Cincinnati suburb, to work registering tens of thousands of new voters to support the amendment.

Those voters turned out and, by and large, also cast ballots for President Bush. On election night, as the battle between Mr. Bush and Sen. John Kerry swung back and forth, Ohio emerged as the state that would decide the outcome. By morning, it had gone Mr. Bush's way -- tipped by a wave of Christian conservative voters larger than expected. Bush strategist Karl Rove calls him one of the party's "spark plugs."

Now, late in this year's campaigns, a new controversy over gay marriage is energizing conservative Christian voters. New Jersey's Supreme Court, in a closely watched case, on Wednesday declared the state has to give same-sex couples the same rights and benefits as those granted to married heterosexuals. Within an hour of the news, the ruling set off a series of conference calls among Christian conservative leaders, including Mr. Burress.

"In the Christian conservative movement, it's created a shock wave," says Harry Jackson Jr., a Pentecostal bishop in Lanham, Md. He, like Mr. Burress, is a board member of the Arlington Group, a national network of conservative religious

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leaders. "This is probably the best possible thing that could have happened to the moral values movement two weeks before the election," he says.

Mr. Burress absorbs all this from behind his desk 500 miles from Washington, D.C. Like others on the religious right, Mr. Burress has had his faith in Republicans shaken by scandals and unfulfilled promises to push harder for a federal amendment against same-sex marriage. And that was before the recent shock over Florida Rep. Mark Foley's improper email messages to young male pages in the House, and reports that Republican leaders failed to heed warnings about them. Then came a book from a former White House aide, alleging that administration officials call evangelicals "nuts" and, with the president's acquiescence, stymie faith-based social initiatives he has long publicly espoused. The White House disputes those claims.

Yet Mr. Burress gets excited when talk turns to his get-out-the-vote efforts. He recently got a call from Pastor Martin, who operates ministries for the poor and homeless in central Cincinnati. The pastor was so vexed at Sen. DeWine that he confessed he might vote for the Democrat, Rep. Sherrod Brown.

"You're not going to vote against DeWine, are you?" Mr. Burress protested. "Let me tell you about Sherrod Brown!" He went on to dismiss the Democrat as a pro-abortion, pro-gay-marriage liberal. And he pointed out that re-electing Mr. DeWine is crucial to keeping a Republican-majority Senate to confirm the president's conservative court nominees. The pastor was converted.

Exit polls of 2004 voters underscored the importance of Christian conservatives to Republicans. Nearly a quarter of all voters were white evangelical born-again Christians. Eight out of ten voted for Mr. Bush. The rest of the electorate went to Democrat John Kerry, 56% to 43%. In a nonpresidential election, turnout falls for all groups. But Mr. Rove predicts evangelicals' turnout "will be substantial," on par with the 2002 midterm when Republicans made gains.

The latest Wall Street Journal/NBC News poll shows Republican voters overall are less interested in the election than Democrats are. But it also shows conservative Republicans far more engaged than nonconservatives. Moderate Republicans have been more disillusioned by spiraling spending, scandals, the war and a sense that the party panders to religious conservatives on social issues.

Recently Mr. Burress traveled to Grand Rapids, Mich., for a conference of nearly 2,000 of the country's leading social conservatives. Attendees were upbeat, he says, galvanized by the stakes in the election. With Bush appointees John Roberts and Samuel Alito on the Supreme Court, "the values voters understand that the next Supreme Court vote could be the one to outlaw abortion," he says.

James Dobson, one of Christian conservatives' foremost national leaders, has held rallies in several cities this fall. In St. Paul, Minn., just after the Foley news broke, he said it made for "a hard day" and he remained "very irritated and disappointed with the Republican Party" for failing to deliver on conservatives' issues. But he urged 2,000-plus listeners, "If you can find a politician who understands the institution of the family...it would be a sin not to vote for him."

His group, Focus on the Family, and another, the Family Research Council, recently released a "Vote Scorecard" for Congress, rating members based on their stances on abortion, judicial nominations, gay marriage and stem-cell research. Every embattled Senate Republican save one -- Lincoln Chafee of Rhode Island -- is given a perfect score. So are many at-risk House Republicans.

Paul Weyrich, who founded the Christian conservative movement with the Rev. Jerry Falwell, says he recently had a conference call with Christian conservatives from Pennsylvania to rally support for Republican Sen. Rick Santorum. He says evangelicals there "are highly motivated for Santorum. Polls showing him way behind don't bother them."

Like evangelicals elsewhere, those in Pennsylvania are circulating voter guides, working phone banks and going door-to-door. The Santorum campaign sends regular emails to evangelical voters, with video links. While it may not be enough to save the senator, given his unpopularity with independents and moderate Republicans, party leaders say a healthy turnout of evangelicals could make the difference for several House members.

In Tennessee, by contrast, Christian conservatives are cool to Republican Senate nominee Bob Corker, skeptical of his claims to oppose abortion rights. Tennessee Right to Life declined to endorse him, even though Democrat Harold Ford favors abortion rights. Yet the antiabortion group's leader said in a statement, "We'll be very busy on other races."

What will bring many out in Tennessee and seven other states are amendments to ban same-sex marriage. In 2004, similar proposals in 11 states proved a magnet for evangelical voters.

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In Missouri, Christian conservatives are mobilized against a proposal favoring stem-cell research. Republicans are banking on these conservatives to also vote for embattled Sen. Jim Talent. He had alienated them by vacillating on the issue. Party leaders are rallying evangelicals with pleas to defeat the pro-abortion rights Democrat, Claire McCaskill, and keep the Senate in Republicans' control.

Here in Ohio, a pro-gambling initiative will draw evangelicals hoping to kill it. They are also excited about Republican gubernatorial candidate Ken Blackwell. In 2004, he was the only Republican leader to support Ohio's successful amendment banning same-sex marriage.

The alliance of religious conservatives and Republicans has come under strain in Ohio. Scandals have touched a number of officials including Republican Gov. Bob Taft. Congress's Jack Abramoff influence-peddling case recently claimed Ohio Republican Rep. Bob Ney, who pled guilty to corruption charges.

"This is what we worked for, to have this?" asks Mr. Burress.

He has other complaints. In Columbus, the Republican-led state Senate gutted a bill his group supported to restrict strip clubs, he says, while in Washington the president works hard on economic conservatives' priorities -- overhauling Social Security and cutting taxes -- but hardly at all against same-sex marriage. For that, Mr. Burress and other conservatives blame Mr. Rove, the president's strategist.

Tensions flared in a conference call several months ago between Christian conservative leaders and Mr. Rove. According to participants, Mr. Rove argued the marriage amendments weren't decisive in Mr. Bush's re-election. Provoked, Mr. Burress approached the speaker phone.

"Mr. Rove, this is Phil Burress. Are you trying to tell me that the president would have won Ohio if the marriage amendment had not been on the ballot?" Bishop Jackson, who is African-American, similarly upbraided Mr. Rove: "Sir, I am part of this group because I grew weary of the Democratic Party taking blacks for granted."

In an interview, Mr. Rove says his point was that Christian conservatives in all states -- not just those with marriage initiatives -- came out in greater numbers in 2004 than in 2000. That reflected general outrage about a Massachusetts court decision favoring same-sex marriage, he says, and conservatives' sense the president is on their side.

Next to Mr. Rove, only Mr. DeWine comes in for harsher criticism from Mr. Burress. "Sen. DeWine has been wrong on so many of the family issues," he says, dropping a two-inch-thick binder of research.

But then Mr. Burress says that Mr. DeWine, father of eight, is "a great family man, a pro-lifer to the bone. That's why we keep him." And with that, he is back again to the forces that keep him and other Christian conservatives politically active -- and voting Republican.

Write to Jackie Calmes at jackie.calmes@wsj.com1

'The Daily Show' Swinging Into Ohio (AP)

AP, October 28, 2006

COLUMBUS, Ohio (AP) -- Comedian Jon Stewart will make a special preview appearance Saturday as Comedy Central's "The Daily Show" gears up for a week of broadcasts from Ohio.

Stewart said the Saturday event will be at Value City Arena, an appearance added after spaces for the four nights of tapings at Ohio State University's more intimate Roy Bowen Theatre filled up.

The Ohio "Midwest Midterm Midtacular" excursion marks the popular news parody show's fifth trip outside New York in 10 years, but its first to "a random zone" outside a big city on the East or West Coast, Stewart said in an interview with The Associated Press.

"We wanted to go there because Ohio was so crucial last time. They were sort of the focal point, the swing state, if you will," he said. "We want to know what happened to all that loving attention that they were given in 2004, and if they feel lonely."

Asked if he would be laughing at Ohio or with Ohio, Stewart equivocated.

"First of all, I didn't realize Ohio was laughing. I was not aware of that," he said. "We will be laughing with parts of Ohio at other parts of Ohio. But I won't say which ones."

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Cleveland Cavaliers star LeBron James -- whom Stewart called "for all intents and purposes, the king of Ohio" -- will be the featured guest on opening night Monday.

Stewart said many of the big-name politicians the show approached -- including U.S. Sens. George Voinovich and Mike DeWine, Gov. Bob Taft and gubernatorial candidates Ted Strickland and Ken Blackwell -- declined.

As for Taft, he said, "We had a shot at him for a bit there. Then we realized that his approval ratings actually make Cheney seem likable."

Judge Approves Ohio Rules On Voter Surveys (NYT/AP)

By The Associated Press

The New York Times, October 28, 2006

COLUMBUS, Ohio, Oct. 27 (AP) — A federal judge who had struck down state rules on conducting surveys of voters leaving polling places ruled Friday that revised guidelines for the practice were legal, rejecting a call for clarification by the national news media.

ABC, CNN, CBS, Fox News, NBC and The Associated Press sued Monday, arguing that Secretary of State J. Kenneth Blackwell's latest directive, which stated that loitering and delaying voters were prohibited, was confusing. Later, and in smaller type, Mr. Blackwell's order noted that the polling practice was legal.

The judge, Michael H. Watson of Federal District Court, ordered the new rules last month when he struck down Mr. Blackwell's 2004 order against polling voters within 100 feet of a voting place.

The news outlets had asked Judge Watson to spell out the rules for county election boards and to force Mr. Blackwell to post them so members of the news media could interview voters leaving polling places on Nov. 7.

In his decision Friday, Judge Watson needled Mr. Blackwell's office for noting the judge's earlier decree in smaller type but said the posting was still legal.

The news media group has jointly conducted surveys of voters leaving polling places for numerous elections, using results to project winners and to analyze political and social trends.

A Candidate's Sister Steps In To Defend Him On Stem Cell Issue (NYT)

By Jim Rutenberg

The New York Times, October 28, 2006

This 30-second television advertisement for Michael Steele, the Republican candidate for Senate in Maryland, is running in Washington and Maryland. It features his sister, Dr. Monica Turner, a pediatrician. The spot is in response to an advertisement for his Democratic opponent, Representative Benjamin L. Cardin, in which the actor Michael J. Fox, who has Parkinson's disease, accuses Mr. Steele of wanting to "put limits on the most promising stem cell research."

PRODUCER — OnMessage Inc.

THE SCRIPT — Mr. Steele says: "I'm Michael Steele, and I approve this message." Dr. Turner says: "I'm Dr. Monica Turner. Congressman Ben Cardin is attacking Michael Steele with deceptive, tasteless ads. He is using the victim of a terrible disease to frighten people all for his own political gain. Mr. Cardin should be ashamed. There's something you should know about Michael Steele. He does support stem cell research, and he cares deeply for those who suffer from disease. How do I know? I'm Michael Steele's little sister. I have M.S., and I know he cares about me."

ON THE SCREEN — The spot opens with images of Mr. Steele, the lieutenant governor, wading through a crowd. It then moves on to his sister, sitting in a brightly lit and austere living room. Dr. Turner, who exhibits no signs of multiple sclerosis, is in a chair, speaking directly into the camera.

ACCURACY — Mr. Steele's campaign says he supports stem cell research that does not require the destruction of embryos. Mr. Fox has recently taken issue with people calling him "a victim," and has dismissed accusations that he has been used by politicians like Mr. Cardin who have featured him in their advertisements this year.

SCORECARD — The Cardin advertisement with Mr. Fox was a powerful repudiation of Mr. Steele, given by one of the nation's leading advocates for stem cell research. But Mr. Steele's sister would seem no less effective in this ad defending her brother, in calm but firm terms. These two campaigns should perhaps return to their earlier advertising duel, over puppies. Mr.

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Steele mockingly implied Mr. Cardin's ads made the Republican out to be such a monster that he hated puppies, and so Mr. Steele appeared in a commercial with one; Mr. Cardin's campaign responded with an ad saying Mr. Steele might like puppies, but he liked President Bush more. JIM RUTENBERG

Third-party Zeese Won't 'Be A Spoiler' (WT)

By S.a. Miller, The Washington Times

The Washington Times, October 28, 2006

Third-party candidate Kevin B. Zeese said yesterday his long-shot run for U.S. Senate in Maryland is gaining momentum because of gaffes by the Democratic nominee, Rep. Benjamin L. Cardin.

Mr. Zeese, the nominee of the Green, Libertarian and Populist parties, said Mr. Cardin "committed political suicide" by skipping a debate Thursday in Charles County sponsored by the National Association for the Advancement of Colored People.

"He chose to offend a key voting block," Mr. Zeese told The Washington Times.

Mr. Zeese, 51, said the pull-out will send ripples of disapproval through the statewide NAACP meeting today in Baltimore and compound resentment about the lack of black candidates at the top of the Democratic ticket.

"It shows a lack of confidence and a willingness to hide rather than confront issues," he said.

Mr. Zeese also said he benefited when Mr. Cardin stumbled and stammered through a televised debate Wednesday when confronted by the Republican nominee, Lt. Gov. Michael S. Steele.

Mr. Cardin declined to respond.

Recent polls show Mr. Cardin and Mr. Steele in a dead heat, with Mr. Zeese garnering about 6 percent of the respondents.

Mr. Zeese bristled at the suggestion that he could cost Mr. Cardin the election by fracturing the congressman's liberal voter base.

"I'm certainly not going to be a spoiler," he said. "It is a question of people hearing me. If they hear me, I'll win."

Mr. Zeese and Mr. Cardin are scheduled to debate at the NAACP's meeting today. Mr. Steele had not committed to attending.

Black voters could decide the election. They account for about 40 percent of Democratic voters in Maryland, where registered Democrats outnumber Republicans nearly 2-to-1.

Mr. Cardin, 63, has struggled to woo black voters amid criticism that the state Democratic Party blocked the candidacy of former NAACP leader Kweisi Mfume, who narrowly lost the primary despite Mr. Cardin outspending him by about $3 million.

"The black community knows that if it had not been for the Democratic leadership selecting Cardin, then Mfume would be the candidate," Mr. Zeese said.

Mr. Steele, 48, the first black elected to statewide office in Maryland, has the potential to break the Democratic lock on black voters and has helped make his party competitive in the state for the first time in a generation.

However, Mr. Zeese, who lives in Takoma Park and is the director of the District-based anti-war group DemocracyRising.US, said his anti-establishment message is more in tune with Maryland's political aesthetic.

"Both of the other candidates are, in my view, exactly what is wrong with politics in America," he said. "Both are special-interest funded and put corporate interests before the people's interests. My views are more consistent with the views of Maryland voters, [and] African Americans will get more from my agenda than from Steele's agenda."

Mr. Zeese proposes a complete withdraw of U.S. troops from Iraq within six months, the elimination of income tax on the first $100,000 earned, universal health care and government-paid college tuition for all citizens.

Mr. Zeese, who concedes that his limited funding and inability to air TV ads has hampered his run, said he will spread his message with grass-roots campaigning at grocery stores, Metro stations and house parties until the Nov. 7 election.

He will participate in an anti-war rally today in Annapolis.

Mr. Zeese frequently criticizes Mr. Cardin's record on the Iraq war, faulting the 10-term congressman for running as an anti-war candidate after repeatedly voting to fund the war and voting against a bill that would have required President Bush to offer an exit strategy.

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Mr. Cardin has made his vote against the Iraq invasion the cornerstone of his campaign and cites it as the chief example of how he "stood up to President Bush."

Mr. Cardin has declined to respond to Mr. Zeese and continues to focus on his run against Mr. Steele.

"Cardin is an insecure guy," Mr. Zeese said. "He is running away from his record [and] the inconsistencies between his rhetoric and his record. ... He is misleading the voters."

Bloomberg Sends Troops To Help Lieberman (NYT)

By Diane Cardwell

The New York Times, October 28, 2006

In his battle for re-election to the United States Senate without the backing of the Democratic Party, Joseph I. Lieberman is deploying a secret weapon in the race's closing days: a sophisticated operation to identify and turn out voters, courtesy of Mayor Michael R. Bloomberg.

The Bloomberg group includes several top-level operatives who played key roles in the mayor's decisive re-election last year or who are in the administration, and have taken leaves from their jobs to work on Mr. Lieberman's campaign.

Since Mr. Lieberman lost the Democratic primary in Connecticut to Ned Lamont, they have helped open campaign offices, devised a strategy to reach voters and are corralling enough volunteers to cover 2,800 shifts at more than 700 polling sites on Election Day, Nov. 7.

Given that Mr. Lieberman does not have a party apparatus to help build his field operation, the efforts of the Bloomberg team could prove critical in one of the most closely watched races in the nation.

"There is no independent network," said Stu Loeser, Mr. Bloomberg's chief spokesman, who played the same role in the re-election effort. "To a certain extent, we were the last independent campaign."

The workers on loan are the most vivid example yet of how Mr. Bloomberg, a Republican who often breaks with his party on issues, could build a permanent political apparatus to support like-minded independent candidates across the country — if not a national bid for himself.

With his 2005 re-election campaign behind him, Mr. Bloomberg has been relishing his role as kingmaker, endorsing Gov. Rod Blagojevich in Illinois and Gov. M. Jodi Rell in Connecticut, raising money for Gov. Arnold Schwarzenegger in California and appearing in a television commercial for Representative Christopher Shays in Connecticut. (Mr. Blagojevich is a Democrat, and the others are Republicans.)

But his work for Mr. Lieberman, which includes substantial fund-raising and Mr. Bloomberg's first out-of-state stumping in addition to the gift of manpower, marks his most intense and direct engagement in someone else's political bid. It may not only broaden his image of nonpartisan, influence-free pragmatism, but it could also test how well his political machine can function in an independent campaign with national repercussions.

Just after losing the Democratic primary, Mr. Lieberman's campaign enlisted Josh Isay, who had worked on Mr. Bloomberg's re-election campaign, as the new media consultant. From his administration, the mayor dispatched Korinne Kubena, the chief of staff to Kevin Sheekey, a deputy mayor who oversaw Mr. Bloomberg's two mayoral campaigns, to direct the get-out-the-vote effort for Mr. Lieberman. Brian Honan, who was the deputy field director in the mayoral campaign and now works in the Bloomberg administration's state lobbying operation, is serving as Ms. Kubena's deputy.

Ariel Dvorkin, an administration aide, is helping compile a voter database for Mr. Lieberman; Josh Gold, who was on Mr. Bloomberg's campaign field staff, is now the deputy director of Mr. Lieberman's Stamford campaign office; and Neil Giacobbi, who became chief of staff to City Councilman David Yassky after running the volunteer effort for Mr. Bloomberg, is the director of the Lieberman office in Stamford.

"The mayor has obviously decided to try to make a difference in a few races in which he believes in the candidate," Mr. Sheekey said. "In some places you can help them by doing a fund-raiser in New York, others where you can help by showing up for a day, and others where you can help by putting folks on the ground."

Lieberman aides say that Mr. Bloomberg brings a certain gloss and legitimacy to Connecticut, where he appears to have a strong appeal.

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"He is an icon of independence and straight talk and putting the public interest over party consideration," said Dan Gerstein, Mr. Lieberman's communication director. "He's a great practitioner and advocate for the kind of politics Joe Lieberman practices."

Aides to both men say they have known each other since before Mr. Bloomberg became mayor and admire each other's accomplishments and independent streaks. Described as having a casual, friendly relationship, they have run into each other at events in Washington over the years and have worked together on various issues involving the city, including domestic security.

Capitalizing on all this, the Lieberman campaign plans for Mr. Bloomberg to greet commuters with the senator on Monday morning in Stamford, and to attend a fund-raiser there. Mr. Bloomberg headlined a fund-raiser in Chicago this week, which raised close to $230,000, according to the campaign. He plans to hold a third fund-raiser at his Upper East Side town house on Wednesday.

Lieberman aides say the money the mayor is raising is crucial, but it is the staff additions that represent an unusual degree of engagement for Mr. Bloomberg and show how he has developed his own potent political team to deploy as he wishes.

That team brings with it an approach that has been under development for some time and is similar to the one that President Bush used in his re-election bid in 2004. For Mr. Bloomberg's first bid in 2001, Mr. Sheekey said, the campaign engaged in a targeting operation that merged voter information with consumer data to identify potential supporters and tailor specific messages to them. That method allows campaigns to identify voters by tastes and habits whether or not they live in an area where support for a particular party is strong.

In that 2001 campaign, outreach was primarily through mail and telephone, since the campaign could not recruit a strong contingent of workers on behalf of a political unknown, Mr. Sheekey said.

By 2005, though, the Bloomberg team was able to bolster its voter identification effort with an aggressive operation involving 50,000 workers fanning out through the city to knock on doors and reinforce the mayor's message, Mr. Sheekey said.

With a version of that machine in Connecticut, Mr. Bloomberg's aides are coy about where it might go next, particularly whether to support other like-minded candidates or even the mayor himself.

"There are a lot of things the mayor had done in his campaign which the Lieberman campaign needed," Mr. Sheekey said. "You get involved in races where you want to make a difference and where you can make a difference, in that order."

Anti-war Chafee In Tight Race In R.I. To Keep His Senate Seat (WT)

By Amy Fagan, The Washington Times

The Washington Times, October 28, 2006

Republicans may lose a key Senate seat they've fought fiercely to hang onto this year, as liberal Republican Sen. Lincoln Chafee trails his Democratic opponent in Democrat-leaning Rhode Island.

This Senate race, perhaps ironically, has become a referendum on President Bush and the Iraq war, observers say. Though Mr. Chafee often bucks Republicans on issues from taxes to abortion and voted against the Iraq war, Democratic candidate Sheldon Whitehouse has tried to paint him as a boon to the Republican majority and Mr. Bush's agenda -- a theme that seems to have resonated. Mr. Chafee is four to ten percentage points behind in recent polls.

"It has become a referendum on Bush and Iraq and people are blaming Chafee even though he voted against the war. It's one of the most ironic elections," said Darrell West, Brown University political science professor.

According to SurveyUSA's October numbers, Mr. Bush's approval rating in this tiny state, where most voters register as "unaffiliated," is the lowest of all 50 states, at 23 percent.

But Republicans say don't count Mr. Chafee out yet. Earlier this year they gave major time and money to help him fend off a more conservative Republican primary challenger and they succeeded when many thought they wouldn't. They contend they'll repeat that on Nov. 7 because Mr. Chafee is an independent voice who matches well with Rhode Island voters and is within striking distance according to the polls, most of which show him within the margin of error.

"This race is neck and neck right now, but at the end of the day Mr. Chafee is going to meet with success and be re-elected," said Dan Ronayne of the National Republican Senatorial Committee (NSRC). "Our focus needs to be on the choice between the two candidates."

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For his part, Mr. Chafee has fought back against the accusation that he is just another Republican by touting his independence on issues such as Iraq, stem-cell research and taxes. He also is trying to steer the race back to local issues -- running recent ads criticizing Mr. Whitehouse for being soft on corruption as state attorney general.

Some say it is difficult to steer the race back to local issues this year. "In an election that has in many respects become nationalized, it's even harder for Chafee to win," said John Fortier of American Enterprise Institute. "It's not an election about primarily what you've done for Rhode Island."

But the fight will only get more intense in the final days. The NRSC has run an ad arguing Mr. Whitehouse will support higher taxes -- prompting Mr. Whitehouse's camp to fire back with an ad showing sharks and claiming national Republicans are back to help Mr. Chafee protect Mr. Bush and keep the party in power.

"A Republican-led Senate is not good for Rhode Island. ... That is the fundamental issue in the race," said Alex Swartsel, spokeswoman for Mr. Whitehouse.

Chafee campaign manager Ian Lang said "there's a reason why Sheldon Whitehouse has only tried to run against George Bush and that's because [Mr. Whitehouse] doesn't have a record. They know if they run against the senator's record they're not going to win."

Wal-Mart Dismisses Adviser Who Created G.O.P. Ad (NYT)

By Michael Barbaro

The New York Times, October 28, 2006

After infuriating Canada's ambassador to the United States and raising the ire of the N.A.A.C.P., a Republican television commercial mocking Representative Harold E. Ford Jr. of Tennessee has become a political liability for an unlikely third party: Wal-Mart Stores.

Under pressure from black leaders and union groups, Wal-Mart, the nation's largest retailer, said last night that it had cut ties with a prominent Republican strategist who helped create the provocative advertisement.

The strategist, Terry Nelson, was hired by Wal-Mart Stores Inc. in 2005 to help burnish its image after a wave of attacks from organized labor and liberal groups.

After Mr. Nelson's affiliation with the Republican commercial became public this week, the Rev. Jesse Jackson demanded that Wal-Mart fire Mr. Nelson and a union group threatened to run advertisements in Tennessee linking the retailer to it.

In the commercial, which was financed by the Republican National Committee, actors in mock interviews spoke sarcastically about Mr. Ford and his candidacy for the Senate seat in Tennessee.

In a scene that black leaders say has racist overtones, a white actress says she met Mr. Ford, who is black, at a "Playboy party."

"Harold, call me," she says coyly.

Canadian officials objected this week to a separate scene in which an actor says, "Canada can take care of North Korea. They're not busy."

The aside is a perceived slight to a country that has troops in Afghanistan as part of NATO forces, and on Wednesday, Michael Wilson, Canada's ambassador to the United States, contacted the White House to complain.

A statement from the Rev. Jesse Jackson, distributed by the group WakeUpWal-Mart.com, which is backed by unions, said, "Wal-Mart has the responsibility to dismiss Terry Nelson, with explanation, and apologize to Harold Ford Jr. Even though the Republican Party pulled the ad, if you throw ink on a suit, you leave a stain. They threw ink on Harold Ford Jr., and many people believed it to be true, resulting in a negative impact."

Wal-Mart said in a statement that Mr. Nelson's Washington consulting firm, Crosslink Strategy Group, "sent a letter to Wal-Mart ending its working relationship with our company."

"We believe this is the right course of action," Wal-Mart said.

A person familiar with the letter said it made clear that the decision to end the relationship was based on requests from Wal-Mart. The person, not authorized to speak publicly, did so on condition of anonymity.

Mr. Nelson did not respond to several telephone and e-mail messages.

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Wal-Mart's relationship with Mr. Nelson threatened to set back the retailer's extensive efforts to reach out to African-Americans, who account for a large number of its employees and customers.

Over the past year, H. Lee Scott Jr., the chief executive, has met with members of the Congressional Black Caucus and appeared on the Rev. Al Sharpton's radio show.

The commercial has created a public relations problem for Republicans less than two weeks before Election Day.

Mr. Nelson has worked for various Republican leaders, including President Bush and Senator John McCain of Arizona. As a founder of Crosslink Strategy Group, he also consults for corporations. Mr. Nelson has helped recruit Wal-Mart's suppliers to join an advocacy group that trumpets its accomplishments and has overseen a program to register Wal-Mart employees to vote in Nov. 7 elections in part as a reaction to Democratic attacks against the company.

In Indiana, Local Issues Take Toll (WSJ)

By Amy Schatz

The Wall Street Journal, October 28, 2006

With Voters Riled by Road Fees, Time Zones, Republicans Focus on National Issues

MISHAWAKA, Ind. -- Preparing to take questions from Rotary Club members at Houlihan's Restaurant here for a weekly luncheon, Republican Rep. Chris Chocola jokes that he has just one rule: "I won't talk about time zones or the toll road."

It has been a dependable laugh line this fall in Mr. Chocola's northern Indiana district, but the issues are no joking matter for the 44-year-old lawmaker and two fellow Republican congressmen in Southern Indiana. According to public and internal polling, all three are in tight races and may lose in next month's election.

One reason: voter dissatisfaction with how the Republican-led state government has handled local issues. Democratic challengers are successfully tapping into that sentiment to sway voters, and turning local issues into a decisive factor here at a time when global issues such as terrorism and the Iraq war continue to dominate in races across the country.

Voter worries about the local economy had already damped support for Mr. Chocola and two other endangered Republican incumbents, Reps. Mike Sodrel and John Hostettler. Two local issues -- a fight over what time zone the state should be in and its leasing of a northern Indiana toll road to a foreign consortium -- have added to voter anger, creating a toxic atmosphere for all Republicans in the state, including the federal lawmakers who have had no direct decision-making authority in these matters. The bad feelings could make it difficult to coax Republicans to the polls on Nov. 7.

The local issues have proven a particular problem for Mr. Chocola, since they affect his constituents disproportionately. The district is split between Central and Eastern time zones and residents of one county -- St. Joseph -- are still miffed that their request to change to the Central time zone from the Eastern so they could be on the same time as nearby Chicago was denied. Residents of other counties, meanwhile, are unhappy with other changes to the state's time-zone policy.

The issue sprang up last year after Indiana decided to observe daylight savings time, which means Hoosiers will change their clocks this weekend along with much of the country. That decision reopened a debate that has festered for well over a hundred years. Indiana counties surrounding Chicago and Evansville traditionally have been on Central Standard Time, while much of the rest of the state is on Eastern Standard Time.

After Indiana adopted daylight savings time, each of its 92 counties was asked to decide which zone they wanted to be in: Central or Eastern. In the end, 17 counties asked to switch to the Central time zone. The federal Department of Transportation, which has the final say over such matters, let eight make the switch. Five months later, six of those counties asked to switch back. They said they were unhappy that neighboring counties weren't allowed to change, too.

"It's a mess," said Ray S. Winey, a native of Mishawaka.

The other local issue working against Mr. Chocola is the leasing of the Indiana Toll Road. Dubbed the "Main Street of the Midwest," the toll road stretches 157 miles between the Ohio and Illinois borders and serves as the main east-west artery in the northern part of the state.

Earlier this year, Gov. Mitch Daniels and state lawmakers agreed to lease the road to a foreign consortium for 75 years. The $3.85 billion deal provided a windfall to fund the state's effort to rebuild local roads and bridges. But the massive deal was a tough sell to some wary residents and remains a deeply divisive issue here.

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In the North, residents have complained that the consortium will almost certainly raise tolls and that too much of the money -- some $2.5 billion -- would be used to fix roads and bridges in other parts of the state. Others, especially in central and southern Indiana, fret about the highway being leased to foreign companies.

Mr. Chocola declined to take a public stand on either the time zones or toll road, saying it would be inappropriate to comment because they aren't before Congress.

State Democrats said he should have stood up for constituents, and have assailed Republicans statewide on both fronts.

The state's largest newspaper, the Indianapolis Star, recently endorsed Democrat Joe Donnelly, Mr. Chocola's opponent, partly because "a congressperson should at least have spoken up informally about the momentous deal involving an interstate highway, even if the federal government was not directly involved."

Mr. Donnelly had voiced opposition to leasing the toll road.

Along the farm fields that blanket Mr. Chocola's district and in small towns like Plymouth, population 9,840, neighbors are waging a battle of yard signs. Neither party has been able to hold the deeply divided district for long; when the two men ran against each other in 2004, Mr. Chocola won a second term with 54% of the vote to Mr. Donnelly's 45%.

Mr. Chocola complains that Republicans aren't getting enough credit for the improving economy, although he acknowledges his constituents have more reason to be concerned than most. His predominantly blue-collar district is home to several auto-parts makers, including Kokomo-based Delphi Corp., which is in bankruptcy protection, and AM General, which makes Hummer SUVs in South Bend.

"I think there's just more anxiety up there, period," said Murray Clark, the state's Republican Party chairman. "They're anxious about the toll road. He's been blamed for that."

Consequently, while other endangered Republicans are turning to local issues to direct voter attention away from the unpopular war in Iraq and other national issues, in Indiana, Mr. Chocola and his two Republican colleagues have sought to focus voters the opposite way. They are talking about tax cuts, immigration and why they think the country would be a much-worse place if Democrat Rep. Nancy Pelosi were to become House Speaker.

Write to Amy Schatz at Amy.Schatz@wsj.com2

A G.O.P. Redoubt Upstate Suddenly Seems Less Sturdy (NYT)

By Fernanda Santos

The New York Times, October 28, 2006

WATKINS GLEN, N.Y., Oct. 26 — This picturesque corner of southwestern New York, with its rugged terrain sheltered by mountains and dotted with lakes, is as red as the blue state of New York gets.

Republicans have outnumbered Democrats here since the Republican Party's founding in 1854. Two years ago, President Bush won 56 percent of the vote in this area's 29th Congressional District, the biggest share of any district in the state.

But as the midterm elections approach, 2004 increasingly seems like a long time ago. The region's freshman Republican congressman, John R. Kuhl Jr., 63, who goes by Randy, faces a spirited challenge from a Democratic newcomer, Eric Massa, 47, a retired Navy commander who disagrees with the incumbent on most issues, from the war to immigration to health care.

In recent weeks, the Republican Party has stepped up efforts to safeguard Mr. Kuhl's seat, which has long seemed comfortably secure. Last month, Vice President Dick Cheney flew to Rochester for a fund-raiser for Mr. Kuhl. Laura Bush is scheduled to campaign for him in the town of Greece, near Rochester, on Saturday, just 10 days before elections nationwide that have the potential to shift control of one or both houses of Congress to the Democrats.

Mr. Massa, meanwhile, has stepped up fund-raising efforts, with noteworthy success. He raised $171,000 from Sept. 30 to Oct. 18, or nearly three times as much as Mr. Kuhl, who collected $65,000, according to the Federal Election Commission. As of Oct. 18, Mr. Massa had about $341,000 left in the bank, about $108,000 more than Mr. Kuhl, according to the commission.

"Frankly, a lot of Republicans, especially the traditional ones, feel betrayed," said Bob Lonsberry, a conservative talk radio host on WHAM-AM (1180) in Rochester. "They don't feel the party is fighting for their values."

In Mr. Kuhl and Mr. Massa, voters here will have a clear choice.

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Mr. Kuhl is a low-key, affable lawyer-turned-politician who served for 24 years as a New York assemblyman and senator, running unopposed several times, before being elected to Congress in 2004.

Since then, he says, he has visited all of the district's 145 communities at least twice.

Mr. Kuhl often speaks of his close relationship with his constituents, and reminds voters of the state and federal dollars he has brought to their hometowns. He likes to say that he went to Washington to "change the system."

Mr. Massa is an energetic campaigner with an electrifying speaking style, taken to moving his hands and stomping his feet for emphasis. He served in Beirut, Bosnia and the Persian Gulf during his 24 years in the Navy and worked on the staff of the House Armed Services Committee. He left that job to work for Gen. Wesley K. Clark's presidential campaign in New Hampshire.

He is a cancer survivor who supports universal health care, while Mr. Kuhl wants reforms to reduce Medicare and Medicaid costs.

Mr. Kuhl says the United States must stay in Iraq to held build a democracy, while Mr. Massa favors dividing Iraq into Sunni, Shiite and Kurdish regions, followed by a gradual withdrawal of American troops.

"I'm not a politician. I'm an old sailor," Mr. Massa said on Wednesday, before he sat down to talk to a group of teachers and veterans at a local sports bar.

"At one point in my life, I was a Republican," he said. "Now, I'm a registered Democrat. I didn't leave the Republican Party; it ran away from me. And because I have experience on both sides of the aisle, I'm bilingual, and bringing that to Congress is what's going to be a major factor to allow me to work with all members."

The 29th district of New York is about as big as the state of Connecticut and is largely agricultural. A budding tourism industry caters to wine and racing fans alike. The track here plays host to a leg of the Nascar series.

"This is a district of small towns and rural counties tied together with a set of communities where people lead a more cosmopolitan lifestyle," said Gerald Gamm, chair of the political science department at the University of Rochester. "But for the most part, this is strong Republican territory, where people believe in balanced budgets, in a government that doesn't meddle in their affairs and uses force responsibly and only if necessary.

"These days," Professor Gamm added, "this is a place filled with discontent."

The economy of upstate New York, which crashed long ago and is still on its knees, is a leading concern, but also weighing heavily on voters' minds are immigration and health care reform, taxes and the war in Iraq, according to interviews with about a dozen farmers, teachers, veterans, firefighters and small-business owners this past week. All expressed disappointment with the Republican Party and President Bush.

Mr. Kuhl has run into this frustration on the campaign trail. In a meeting on Tuesday with about 60 farmers, who rely heavily on Mexican immigrants to harvest their crops, he heard an earful.

The farmers were upset at Congress — and disappointed in Mr. Kuhl — for approving an immigration bill that is heavy on enforcement, but does not provide for a guest-worker program that they say would solve their labor-shortage problems. President Bush signed the bill into law on Thursday.

"There's a big misunderstanding down in Washington that the immigrants we have here are taking jobs away, but these people, they're the only ones willing to do the work," thundered Jeff Morris, who grows wine grapes on 110 acres of land just outside this village in the Finger Lakes region.

"They're the best thing we've got going for us, and they're fundamental to our survival," he added.

Mr. Kuhl told the farmers that he had been convinced that a such a guest worker program might, indeed, make sense.

"The timing is right, from my perspective, to move on a legal, temporary work force for agriculture," Mr. Kuhl said in an interview after the meeting.

An analysis published on Wednesday in the Evans-Novak Political Report, a newsletter edited by Robert D. Novak, the conservative columnist, rated the race as leaning Democrat, while the nonpartisan Cook Political Report said on the same day that the district was leaning Republican.

"The big risk for Kuhl is, are traditional Republicans so ticked off that they're going to sit out this election?" said Mr. Lonsberry, the radio host, whose program has a solid, devoted audience throughout the district.

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"To me," he added, "this election is going to come down to whether a certain number of these Republicans will stay home and the Democrats, who are invigorated by the Massa campaign, will show up to vote en masse."

This Time, Ballot Issues Could Rally Liberal Base (WP)

By Zachary A. Goldfarb And David S. Broder, Washington Post Staff Writers

The Washington Post, October 28, 2006

Wage Initiatives Seen As Favoring Democrats

CLEVELAND -- On a recent Saturday afternoon, a team of canvassers armed with handheld digital devices spread out across the city. Their aim was to urge residents to support a ballot initiative requiring an increase in Ohio's minimum wage.

But one beneficiary could be someone hoping for a new job that pays a good bit better than minimum wage: Rep. Sherrod Brown (D), who is running to unseat Sen. Mike DeWine (R), the two-term incumbent, on Nov. 7.

"Congress has raised its own pay 10 times while the minimum wage stayed the same," Brown told a crowd last weekend at East Cleveland Community Theater.

In 2004, Republicans in Ohio and elsewhere tended to benefit from ballot initiatives. Measures to ban same-sex marriage, for example, passed easily. In the process, some election analysts said, the measures revved the conservative base to help Republican candidates from President Bush on down.

In 2006, Democrats are hoping to prove that ballot politics can work in the other direction. Measures to increase the minimum wage are before voters in six states. Four of those, Arizona, Ohio, Missouri and Montana, feature close Senate races with a GOP incumbent. In Missouri, moreover, a measure backing stem cell research is ahead in the polls -- which Democrats say could lift their candidate.

In Ohio, recent polls show that at least 70 percent of voters support an initiative to raise the minimum wage from $5.15 an hour to $6.85 and index it to inflation. A coalition of labor unions, faith groups and liberal activists is working to pass it. If their efforts also pump up voter turnout for Democrats, Brown said, he is happy for the help.

"Some people will vote because of the minimum wage," Brown said in an interview. "I think it will help bring out voters. I'm guessing those voters will vote for Democrats. It's up to us to make sure they do."

Eight states have ballot measures to ban same-sex marriage, but their impact may be less than in previous years. Few of these states have competitive Senate or House races. And in those that do, such as Virginia and Tennessee, the issue is not as prominent as it was around the country in 2004.

In Virginia, for example, Sen. George Allen (R) supports a proposal against same-sex marriage while former Navy secretary James Webb (D) opposes such a ban. But only a slim majority of the electorate favored the initiative in a recent Washington Post poll, and the Senate race has been dominated by topics such as the war in Iraq and the character of the candidates.

The Missouri stem cell initiative, which the state's Senate candidates disagree on, would amend the state constitution to ensure that any form of research that is legal in the United States cannot be restricted in Missouri. State Auditor Claire Mc Caskill (D) supports the measure, and Sen. James M. Talent (R) opposes it. The initiative is being publicized with more than $15 million from Jim and Virginia Stowers, a Kansas City couple who are benefactors of a vast medical research center.

"There are many people in this state . . . [whose] politics might be different except for stem cell research," McCaskill said in an interview. A recent poll suggested sizable support for the initiative: 58 percent.

But mobilized against the proposal is Missouri's antiabortion movement, a key constituency for Talent, who is neck-and-neck with McCaskill in recent polling.

Advocates of increasing the minimum wage say the issue can be framed as more than economics, echoing as a values issue in the same way abortion and same-sex marriage do. Almost 2 million people make the minimum wage or less, according to the Labor Department. The Center on Budget and Policy Priorities, a left-leaning Washington think tank, estimates that the real buying power of $10,700 -- about what a full-time minimum-wage worker makes in a year, before taxes -- is the lowest in half a century.

"Rewarding hard work with a fair wage is not just an abstract pocketbook economic issue but a statement of values," said Kristina Wilfore, executive director of the Ballot Initiative Strategy Center, which promotes using ballot strategy for liberal causes.

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"While the left usually talks in dry economic terms, the right made a concerted effort to copyright values -- meaning a set of divisive, scapegoating issues. The popularity of the minimum-wage initiatives is a testament to how powerfully progressive values speak to Americans."

In many states, labor is taking the lead on the minimum-wage effort. The AFL-CIO's minimum-wage work is part of its $40 million operation to reach more than 12 million people in union households in 21 states.

Republicans are watching the minimum-wage strategy. The GOP took steps earlier this year to avoid a showdown when Congress tried to raise the minimum wage. Democrats balked when the GOP tried to tie the increase to a tax cut. Aware of emerging minimum-wage efforts, legislators in Arkansas and Michigan raised their states' minimums.

Republicans are banking that their turnout effort this cycle will overcome any enthusiasm among the Democratic base over the minimum wage and other issues.

Mike DuHaime, the Republican National Committee's political director, said he does not discount Democrats' turnout operation. "They have some very good allies like labor and 527 organizations who have a proven history of turning people out," he said. But he added that he is confident that races will hinge on the quality of candidates.

The minimum wage resonates in Ohio because thousands of factory jobs that paid well have been lost and replaced with low-paying service and retail jobs. Since 2000, Ohio's economy has lost more than 200,000 jobs, government statistics show. Policy Matters Ohio, a liberal think tank, estimates that increasing the state's minimum wage would benefit about 700,000 low-wage workers.

Cathy Madewall, 49, an administrative assistant in Cincinnati, said she heard about Let Justice Roll, a faith-based effort in Ohio to raise the minimum wage, at her church. She has not been active in politics in the past, but she has spent hours working for the minimum-wage campaign. And she will vote for a Democratic slate this fall.

"It's a huge issue for a lot of people who are affected by poverty," she said. "Sometimes they're busy working and they don't have time to vote. I think they'll make time to vote."

The idea of pursuing the minimum-wage strategy in Ohio was born after the 2004 election. Ohio Senate Minority Leader C.J. Prentiss, who had tried unsuccessfully to pass minimum-wage legislation, was taken aback by the support for the initiative against same-sex marriage from the GOP base and even African Americans who would ordinarily vote for Democrats.

"We looked at the minimum wage as something that would make sense -- not only energizing the base but also the right and just thing to do," said Prentiss, one of the leaders of the Ohio minimum-wage effort. "It has the same ring for me as for people who are passionate about defining marriage between a man and a woman."

Now, with 10 days till the election, things are looking rosy for Buckeye Democrats. The minimum-wage initiative is likely to pass. Rep. Ted Strickland (D) has a decisive lead in the gubernatorial race over Ohio Secretary of State J. Kenneth Blackwell (R), and Brown has been ahead of DeWine in recent polls.

But it is by no means a sealed deal for Democrats, especially in the Senate race. Some say the initiative might not be linked strongly with Democrats. The measure has widespread support, and DeWine voted for the minimum-wage increase in Congress this year.

In an interview, DeWine said that he supports the minimum-wage initiative and that "it's certainly possible" the Democratic strategy of using the issue to mobilize their base will work. But he cautioned that there are several initiatives on the ballot, "and it's hard to tell what's going to play out. . . . Turnout is a very complex thing. It's nuanced, and you never really know how things will turn out until it's over."

What's more, he said, the GOP base has been growing in intensity as the campaign enters its final stage. "I think it's kicked in pretty hard in the last 10 days or so," DeWine said this week, adding that terrorism and the prospect of Supreme Court appointments are major motivating factors.

Paul Hanrahan, a software programmer in the Cleveland suburb of Rocky River, will vote for the minimum-wage initiative next month. "It will get people off the welfare rolls," he said. "If you give them a minimum wage, maybe people will be able to take care of themselves."

But Hanrahan is no Democrat: He intends to vote down the Republican line on Nov. 7, mainly because, he said, the GOP is more sympathetic to religion and traditional family values.

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With just over a week left in the campaign, Brown strikes the minimum-wage chord hard at nearly every appearance. Recently, he addressed the Service Employees International Union Local 3, and his talk left no doubt in the mind of Anton Farmby, a Local 3 officer, about what the impact of the initiative will be on the Senate race.

"I think Sherrod Brown and all the members of the Democratic ticket will ride on the coattails of the minimum wage," he said.

As Campaign Days Dwindle, Marriage Issue Heats Up In Va. (WP)

By Chris L. Jenkins, Washington Post Staff Writer

The Washington Post, October 28, 2006

N.J. Ruling Sparks Action on Amendment Question

The hundreds of Sunday congregants came to their feet as the Rev. Mark Becton, of Grove Avenue Baptist Church outside Richmond, finished his sermon.

"Believing that God ordained marriage as the institution between one woman and one man . . . I'm voting 'yes' for the marriage amendment," he exhorted, referring to the state constitutional amendment that will be on the Nov. 7 ballot. "I'm voting 'yes' to restate what I know God intended and what I believe our founding fathers understood: Marriage is the union of one man and one woman."

Five days later and across town, Dyana Mason, a gay-rights activist helping to lead the fight against the ballot question, was standing before her own kind of congregation, arguing the opposite: "This amendment is not about defining marriage," she said to a group of youth organizers at Virginia Commonwealth University, referring to the wording of the ballot question, which says that the state will not recognize a relationship between unwed couples that seeks to "approximate the . . . effects of marriage."

"It's important for us . . . to remind people . . . to read the amendment because it will do so much more than just ban gay marriage," she said.

Similar messages will go out from pulpits, by phone and on radio and television and will appear on front doorsteps over the next 10 days as organizers, religious leaders and volunteers for and against the amendment that would ban same-sex marriages, civil unions and domestic partnerships wage well-financed campaigns to win over Virginians.

Their efforts took on fresh urgency this week after the New Jersey Supreme Court directed legislators there to craft a bill offering same-sex couples the same rights as opposite-sex couples. Supporters of the amendment pounced on the decision, saying they will use the New Jersey action to rally conservative voters to the polls.

"It's definitely going to be part of our talking points," said Chris Freund, spokesman for the Family Foundation.

Opponents of the ballot measure recognized the decision's importance to their effort as well, almost immediately sending an e-mail to followers saying that "we can't let this issue get hijacked by those who seek cynically to provoke voters into unreasoned reflex reactions."

As campaign armies fan out, the two sides will try to appeal to different instincts. Supporters are trying to rally their legions by appealing to their strong-felt opposition to same-sex marriage, whereas opponents will try to get voters to set aside their emotions about gay marriage and think about the specific wording of the amendment.

"If this amendment focuses on gay marriage . . . if we get diverted to only an emotional argument, we lose," said Arlington County Board member Jay Fisette (D), who became the state's first openly gay elected official in 1997. "If we focus on what the amendment actually says, we can win."

Same-sex marriages and civil unions are illegal in Virginia, but supporters say the amendment is necessary to protect against judges who might deem the statute unconstitutional, which happened in Massachusetts in 2003.

Polls have shown that the idea has received consistent support, but opponents also see an opportunity for victory. A Washington Post poll released this month found that 53 percent of Virginia voters back the amendment and 43 percent oppose it but that the difference narrowed to a virtual tie when respondents were asked to consider arguments for and against the measure.

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"It's hard to know which side to believe on this thing," said Frederick Nelson, a Richmond office manager who said he has been paying close attention to the issue. "My mind is made up on gay marriage. I don't believe in it. But I just want to know what this thing's going to do. If I can't figure it out, I'll just vote no."

Lisa Trevor, a stay-at-home mother shopping in Alexandria last week, held a similar view. "I can't say that I've come around on the position that gays should be married," she said. "I've heard about what I guess people are saying about what [the amendment] would do. So I guess I'm open to that part. But nothing else."

Trying to bolster their argument that Virginians can change their minds, opponents have highlighted a handful of public officials who once supported the amendment but have switched their positions.

Three Democratic state delegates have renounced their support, saying they had thought more deeply about the amendment's full impact, and state Sen. R. Creigh Deeds (D-Bath), a former nominee for attorney general, said he now opposes the measure after supporting it earlier this year.

"Nothing has happened to change my belief that marriage is between one man and one woman, and nothing could," Deeds said in a statement. "It is clear to me now, however, that the language goes far beyond existing law."

Opponents said that during the next 10 days they will continue a statewide advertising campaign on cable television, pressing voters to think about the impact of the measure.

Supporters said they will focus much of their effort on church members, with messages similar to the one Becton delivered. A group of pastors held a news conference Thursday at Regent University in Alexandria to reaffirm their support for the amendment, citing their belief in "traditional marriage." They also said that the decision in New Jersey was further evidence that more protections are necessary in Virginia.

At the same time, backers of the amendment have started a media blitz. Ads that are airing on Christian and talk radio aim to rebut the notion that the amendment could affect wills and other contracts between all unmarried couples.

"All those rights will continue to be available to all unmarried people," says a fictional character in the ad named Linda. "The real issue is, how are we going to define marriage for our children?"

US Mid-terms: Ballot Propositions (BBC)

BBC.com, October 27, 2006

In elections which could hinge on turnout, both Republican and Democratic Parties will be doing all they can to get their voters to the polls in the US mid-term elections.

A key weapon in the fight for turnout is the ballot proposition: a local initiative attached to the vote which will galvanise electors on ideological or social grounds.

The strategy was used to effect in the 2004 presidential elections, when emotionally-charged issues like same-sex marriage helped sway voters.

This year's mid-term polls - where local issues play big - will see attempts once again to capitalise on the power of the proposition, especially in swing states.

STEM CELL RESEARCH

In Missouri - where the Democrats have identified one of the six potentially winnable seats they need to take control of the Senate - a ballot initiative to allow stem cell research has become a defining issue.

Fox has endorsed Democrats who back stem cell research

Polls put Democratic challenger Claire McCaskill, in the 'yes' camp, and the incumbent Republican Senator Jim Talent neck-and-neck.

Actor Michael J Fox, who has Parkinson's Disease and supports stem cell research, has stepped into the fray with a high-profile campaign advert in which he backs Ms McCaskill.

Sen Talent must keep the support of conservatives who are opposed to the research, without going so far that he alienates undecided moderate voters.

In Wisconsin and Maryland - where the battle is less close - Democratic candidates have based their campaigns around ballot measures on stem cell research. President George W Bush is against the research.

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Voting in shadow of stem cell debate

SAME-SEX MARRIAGE

Voters in eight states - Colorado, Idaho, Pennsylvania, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin - will be balloted on proposals to ban same-sex marriage.

A New Jersey ruling has reignited the debate over same-sex marriage

The Republicans will hope to bring religious conservatives, their traditional support base, flocking to the polls to back any ban. Democrats will seek to dynamise their supporters to oppose it.

A ruling in New Jersey giving gay couples the same rights as heterosexual couples has worked to reignite the debate - probably to the Republicans' advantage. President Bush was quick to make use of the issue in a stump speech in Iowa.

In Virginia, an increase in conservative turnout could help Republican Senator George Allen, whose re-election campaign was hit in the summer by controversy over an alleged racial slur.

In Wisconsin, Republican Mark Green - who supports a ban - may see the benefit as he seeks to beat Democratic Governor Jim Doyle at the polls.

Map: Gay marriage across the US

MINIMUM WAGE

Measures to raise the minimum wage may lend a hand to the Democrats in half-a-dozen tight races for Senate or governorships.

Voters in Arizona, Colorado, Missouri, Montana, Ohio and Nevada will be balloted on whether to raise wages from the federal minimum of $5.15 (£2.70) an hour.

While less emotive than some propositions, polls suggest minimum wage measures are popular and so will increase turnout, to the advantage of the Democrats.

The party is hoping to capitalise on concerns over the state of the American economy, which may be slowing down after a long period of growth. US voters also felt the pinch of higher gas prices earlier this year.

ABORTION

The abortion issue will be galvanising voters in South Dakota.

South Dakota will vote in a referendum on a strict abortion ban

Earlier this year, the state legislature passed a law under which all abortions are banned - including in cases of rape or incest - unless the mother's life is at risk.

However, pro-choice campaigners gathered enough signatures to put a referendum on the ballot, giving voters the option to repeal the ban - or back it.

Supporters of the law, one of the toughest in the US, hope the case could help challenge the 1973 Roe v Wade US Supreme Court decision that legalised abortions everywhere in the country.

However, the issue is creating divisions even within the state's anti-abortion camp, with some believing the measures - signed into law by Republican Governor Mike Rounds - are too restrictive.

ANTI-SMOKING MEASURES

Half-a-dozen states have anti-smoking measures on the ballot on 7 November.

In the key swing state of Ohio, voters will be presented with two options. The first - backed by tobacco-industry money - would impose a partial ban on smoking indoors. The second, backed by anti-smoking groups, would be a more sweeping ban.

Voters in Arizona and Nevada will also find two propositions on the ballot, one stricter than the other, banning smoking in most public places.

A proposition in California would quadruple state cigarette taxes, with the extra revenue going to fund health initiatives and anti-smoking campaigns.

Voters in Arizona, Missouri and South Dakota will also decide on measures to raise taxes on tobacco, though by a lesser degree.

ENERGY TAXATION

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The environmental debate has made it onto the ballot in California, with a proposal to fund alternative energy projects by levying a tax on oil production in the state.

The No on 87 campaign is partly funded by US oil producers

Reports suggest more than $100m (£52.7m) has been spent on the rival campaigns over Proposition 87.

The star-studded, Democrat-backed Yes on 87 camp includes former President Bill Clinton, actress Julia Roberts, tycoon Richard Branson and Google co-founder Larry Page, with the bulk of campaign funding coming from Hollywood producer Steve Bing.

The No on 87 camp is funded largely by "Big Oil", including Chevron and Exxon. Adverts warning voters the measure could hit them at the petrol pump seem to be proving effective.

In addition, Republican Governor Arnold Schwarzenegger - a No campaign supporter - is currently well ahead of Democratic challenger Phil Angelides in the polls.

California to vote on new oil tax

EMINENT DOMAIN

States including California, Florida, Georgia, Idaho, Michigan and New Hampshire have ballot initiatives aimed at restricting eminent domain, or the government's power to seize private property.

The propositions are largely a response to a US Supreme Court ruling in 2005 that gave the government the right to seize homes for "public benefit", where previously they could only be taken for "public use".

Many fear the ruling means land can now be requisitioned for commercial ventures that benefit the local economy, not just public projects like road building.

Earlier this year, activists in New Hampshire tried to seize the home of Justice David Souter, who ruled with the majority in the Supreme Court decision, to highlight opposition to it.

Building Better Citizens (NYT)

The New York Times, October 28, 2006

Rhode Island voters will have a chance on Nov. 7 to do the right thing and amend their state Constitution to restore voting rights to felons who have completed their prison sentences. Allowing former convicts to vote strengthens democracy, and helps them to integrate into society and move beyond a life of crime.

Rhode Island, like many states, restores felons' voting rights only after they have completed not only their prison sentences, but parole and probation. This policy keeps thousands of citizens, many of whom were in for nonviolent crimes, from voting, sometimes for decades. Andres Idarraga, a Brown University student who served more than six years in prison on drug and gun charges, is disqualified from voting for the next 30 years.

Ex-felons go to school, work and pay taxes. Their views about who should represent them should be respected in a democracy. Restoring their right to vote will also help with the critical issue of "re-entry," helping them fit into society so they do not return to crime. The chief of the Providence police wrote in The Providence Journal that denying released prisoners the vote "weakens the long-term prospects for sustainable rehabilitation."

If the amendment passes, a new state statute would also take effect requiring the prison system to help former prisoners register when they are released. Across the country, far too little is done to inform ex-prisoners of when their right to vote is restored, and how to go about qualifying to vote. Election officials often do not know the intricacies of the law, and give out incorrect advice. The combination of the constitutional amendment and the statute would make Rhode Island a model for the nation.

Felon disenfranchisement is a relic of another America. It was often done to keep blacks from voting, or to stigmatize ex-offenders. Rhode Island, which was founded by religious dissenters, can strike an important blow for inclusion by allowing people who have paid their debt to society to participate in democracy.

Marriage Ruling Resonates (LAT)

By Stephanie Simon, Times Staff Writer

The Los Angeles Times, October 28, 2006

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The Grand Junction Daily Sentinel, a small newspaper in western Colorado, last week urged voters to reject a proposed state constitutional amendment banning same-sex marriage. "The traditional concept of marriage is not endangered in this state," the paper wrote.

On Friday, the editorial page editor, Bob Silbernagel, said he had changed his mind.

He was jolted, he said, by the New Jersey Supreme Court decision this week that granted gay and lesbian couples in that state all the rights and benefits of marriage. The court left it up to legislators to decide whether to call such partnerships marriages or civil unions.

Before the New Jersey ruling, Silbernagel said, he had largely stopped worrying about this issue, lulled by a flurry of decisions rejecting same-sex marriage in New York, Washington state and elsewhere. The ruling in New Jersey was his wake-up call.

"We had thought it was adequate to have clear language in state law that marriage was only the union of one woman and one man," Silbernagel said. Now, he said, he realizes that's naive: If a court in New Jersey can grant same-sex couples equal rights, so can a court in Colorado.

So he dashed off a six-paragraph retraction of his earlier editorial. The new piece informed the Daily Sentinel's 30,000 readers that Amendment 43 was "a virtual necessity."

The change of opinion expressed in a small Colorado paper probably will not affect the outcome on election day: The ban on same-sex marriage is expected to pass handily; a poll in mid-September found 52% of voters in support, 42% against.

But the Daily Sentinel's reversal thrilled conservatives who are hoping the New Jersey ruling will help their cause in races across the country. Republicans in close Senate races in Virginia and Tennessee have moved to capitalize on the issue by proclaiming their opposition to same-sex marriage. President Bush raised the subject during campaign stops for Republicans in Iowa and Michigan.

"The New Jersey ruling could be the 'October surprise' that galvanizes social conservatives and sends values voters to the polls in record numbers," said Bill Maier, a vice president of the conservative ministry Focus on the Family.

Lisa Moreno, who's working to defeat the Colorado amendment, wasn't so sure: "I think most Coloradans see through that."

Meanwhile, Silbernagel said he had gotten very little response to his about-face — just one letter by late afternoon. On the paper's website, the editorial barely made it into the top-10 list of most viewed stories. More popular: an article about this week's local snowfall — all 0.18 inches.

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A Rising Star From Illinois Makes Some Noise In L.A. (LAT)

By Carla Hall, Times Staff Writer

The Los Angeles Times, October 28, 2006

Sen. Barack Obama addresses a rapt crowd at an African American museum and attends a Democratic rally at USC.

Barack Obama was telling a story about campaigning for the Senate in Illinois two years ago. He was on a road trip with Dick Durbin, the state's senior senator, he explained. They were traveling in downstate Illinois — far away from Obama's home base of Chicago.

Obama paused before a rapt crowd at the California African American Museum in Exposition Park to deliver an aside: "And southern Illinois is the South."

"HEL-lo!" history professor Wanda Powell rang out in agreement.

"One place we went to was a place called Cairo, Ill.," Obama continued.

"The reason why everybody remembers Cairo is because back in the late '60s and early '70s, Cairo was the site of some of the worst racial violence."

That story ended with Obama and Durbin spotting people in Cairo sporting Obama buttons and ready to fete the candidate with barbecue.

But everyone at the museum already knew how the bigger story unfolded: Democrat Barack Obama — the son of a black father from Kenya and a white mother from Kansas, as he fondly recited several times Friday — electrified the 2004 Democratic

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National Convention as a speaker, won his Senate race and in two short years catapulted from junior senator to fantasy presidential candidate and Time magazine cover guy.

"We brought students here," said Powell, a history professor at Los Angeles Southwest College. "This is a historic moment."

Obama swung through Los Angeles on Friday, speaking to a crowd of 825 at the museum. Then — with actor Ben Affleck — he promoted Proposition 87 at a news conference at USC's Topping Student Center. Later in the afternoon he delivered a 14-minute speech in shirt sleeves at a campus rally with Democratic gubernatorial candidate Phil Angelides, Los Angeles Mayor Antonio Villaraigosa and just about every other California Democratic office holder who could find their way to USC.

People came to the day's events clutching copies of Obama's new book, their cameras and their hopes that he is the political force that can unify a divided country.

"We live in Orange County. We live behind the Orange Curtain," said Jona Knight, a human resources manager, as she waited in line to have her copy of Obama's "The Audacity of Hope" signed. "I'll get his signature on this book. I'll give this book to my grandchildren."

She came with her friend, Pamela Reeves, a paralegal and psychotherapist intern, who said: "It's not just blacks or African Americans — there are a lot of people that feel like they can have a connection with this guy."

Even members of the on-campus chapter of the College Republicans, standing at the back of the Democratic rally with their Schwarzenegger signs, were diplomatic: "I'm not really on point with his views, but he's definitely a popular man," said Cheyenne Steel, a 19-year-old sophomore.

At the museum speech and book signing, sponsored by Eso Won Books and the Urban Issues Forum, Obama signed every volume. As though on an assembly line, people walked by, proffered a book — and Obama, a left-hander who curls his fingers around the pen, flicked out his signature: a big B joined with a big O and a line shooting out from there.

Younger members of the museum crowd wanted him to go with the momentum and run for president in 2008. Older fans counseled caution. "He needs some more seasoning — then there'll be time to run for president," said Quincy Beaver, 84, president of the Martin Luther King Jr. Democratic Club.

Some fretted like worried mothers: "I don't trust the powers-that-be not to have other plans for him," said Valaria Lincoln, 72. "I'm afraid for him."

There were no fears among the students who besieged Obama at USC, wearing Democratic buttons and hoisting cellphone cameras aloft to click him and Affleck as they spoke on behalf of Proposition 87, the Clean Alternative Energy Act.

"He has already proven himself to be the most galvanizing leader to come out of either party, in my opinion, in at least a decade," said Affleck, wearing an untucked blue shirt and gray trousers as he introduced Obama, who was in a white shirt and dark suit jacket and went tie-less all day. "

Obama reminded the audience that the proposition is opposed by the "big boys," meaning the oil companies. And he spoke of the overdependence on foreign oil. "We're sending $800 million a day to some of the most hostile nations and effectively funding both sides in the war on terror."

"It was nice to have Ben Affleck there," said Alexander Shams, a 16-year-old freshman, "but Barack Obama was the star."

At the rally for the Democratic Party in front of a flag-draped Doheny Library, Obama spoke last, after Villaraigosa and Angelides. Under a cloudless sky and bright sun, before hundreds, Obama removed his suit jacket and rolled up his shirt sleeves — a stark contrast to the dark-suited, buttoned-up politicians around him.

"How you doing, USC?" he called out as the crowd roared in delight. "I'm fired up. I'm so fired up I had to take off my jacket."

Once more he went over his message: "We're all connected. We have a stake in each other," he said, "despite our much-vaunted individualism."

He continued: "There's just one ingredient it's going to take to make it happen on Nov. 7," he said. "That's all of you."

Then he managed to segue from Martin Luther King Jr.'s entreaty to his followers in the early days of the Selma marches — not to give up but to stand together — to Angelides (trailing the governor in double digits) and to how all Democrats standing with him would be a powerful force.

Then he was sent off with a crescendo of applause.

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Schwarzenegger, Angelides Both Profess To Lean Green (LAT)

By Tim Reiterman, Times Staff Writer

The Los Angeles Times, October 28, 2006

With perspectives as different as a Hummer and a hybrid, the gubernatorial candidates court the environmental vote.

SAN FRANCISCO — With his popularity lagging, Gov. Arnold Schwarzenegger seized center stage at a United Nations conference in June 2005 by unfurling an ambitious plan for reducing greenhouse gas emissions in the most populous state.

"As of today," he said, "California is going to be the leader in the fight against global warming."

By standing against climate change, the Republican governor set himself apart from the Bush administration and laid claim to a central environmental issue in his reelection effort.

"It was a key symbolic step … that inoculated him against one of the major strategies [his opposition] had: linking him to President Bush and the skepticism the administration has about … whether global warming is real," said Bruce Cain, director of UC Berkeley's Institute of Governmental Studies.

Three days later, Schwarzenegger's Democratic would-be successor, state Treasurer Phil Angelides, told the same conference of his own efforts to protect the planet by steering billions of dollars in public pension money to clean technology, renewable energy projects and developments that would avert urban sprawl.

"California should own this industry," Angelides said, "so we can have a clean environment and the high-wage, high-skill jobs to power our economy."

The episode captures a basic distinction between the environmental records and styles of the leading gubernatorial candidates in the Nov. 7 election.

The pro-business Hummer aficionado and former movie star has used his office to undertake high-profile initiatives for air quality and the protection of ocean and forestland, while critics grumble that his less visible actions sometimes have belied his lofty words.

The state treasurer, a hybrid-driving former developer who has bumped heads with conservationists, has employed the financial clout of two of the nation's largest pension funds — with far less fanfare — to establish himself as a "green" investor.

"The environment is an issue which voters have told us consistently is very important in deciding [how] to vote for major public offices such as governor," said Mark Baldassare, research director at the Public Policy Institute of California.

While Schwarzenegger has been running on the record he fashioned since ousting Gov. Gray Davis in the recall three years ago, his campaign has portrayed Angelides as a scofflaw former developer.

Angelides was cited by federal officials in 1987 for illegally filling wetlands for a development. He eventually agreed to create other wetlands as mitigation.

When Angelides and his partners proposed two housing projects in Sacramento a decade later, the City Council approved a plan he pushed for providing alternative habitat for two endangered species. But environmental groups successfully sued the federal government to block permits for the developments.

After Angelides was elected treasurer in 1998, a compromise negotiated without his involvement set aside habitat, and the developments were built.

Angelides said he built innovative projects that minimized traffic, pollution and effects on wildlife. "Any time you're in business, there are going to be areas of disagreement, and any time you do new things, there always are going to be critics," he said.

As state treasurer, Angelides has headed boards overseeing state employee and teacher retirement funds.

"I began thinking about ways our pension funds could make investments that would … return solid yields at the same time we … advanced marketplace solutions to environmental challenges," he said.

In February 2004, he inaugurated his Green Wave initiative, calling on the two state retirement systems to put $1.5 billion into companies with sound environmental practices and into new technologies.

Angelides' action made California a leader in "green" investments, said Mindy Lubber, head of Ceres, a Boston-based coalition that promotes socially responsible institutional investment.

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During Schwarzenegger's first year in office, environmental groups told him he could build a powerful legacy. Warner Chabot, vice president of the Ocean Conservancy, presented the governor with a doctored photo of Mt. Rushmore that showed Schwarzenegger's face in place of President Theodore Roosevelt's.

Schwarzenegger later established a series of marine preserves between Santa Barbara and Half Moon Bay — about 18% of the ocean waters under state control. Chabot called his ocean policies "bold, visionary and substantial."

Other conservationists, however, have criticized many of the governor's appointments.

"Arnold Schwarzenegger is a master communicator," said Mary Nichols, head of the UCLA Institute of the Environment and former resources secretary under Davis. "But the action has not matched the rhetoric."

In 2005, the governor outraged environmentalists by naming former industry lobbyist Cindy Tuck as head of the Air Resources Board. The state Senate refused to confirm her.

Environmental activists also cried foul that year when, in what the governor's office described as a routine changing of the guard, Schwarzenegger replaced the entire state Reclamation Board, whose members had started taking tough stances against development near levees suspected of being weak.

Environmentalists also have said that only one of his four Coastal Commission appointees has a good voting record.

Terry Tamminen, a Democrat who ran the California Environmental Protection Agency for Schwarzenegger, said the governor appointed the best available people to the commission and chose as chairwoman Meg Caldwell, a Stanford University environmental law lecturer with high marks from conservationists.

By opposing offshore oil drilling, the governor bucked the Bush administration. But environmentalists, residents and Angelides criticize Schwarzenegger for indicating support for a proposed offshore liquid natural gas terminal between Malibu and Oxnard, which they fear would pollute the air, spoil views and encourage more similar development.

Tamminen, now with Schwarzenegger's reelection campaign, denied that the governor has endorsed the proposal. He said Schwarzenegger wants cleaner natural gas for the state but no terminals where they could do environmental harm or present terrorism risks.

The governor has balanced the demands of environmentalists and the business community, said Cain of UC Berkeley.

"What obviously is going on is Arnold is as publicly environmentalist and populist as possible, and as quietly pro-business as possible," he said.

The governor's recent signing of Assembly Bill 32 — setting targets for cutting greenhouse emissions — pleased environmentalists and the 200-member Silicon Valley Leadership Group. But some of Schwarzenegger's most ardent supporters, such as the California Chamber of Commerce, fought the bill, saying it would hurt the economy.

In early 2004, the governor launched the Hydrogen Highway, a system of stations for dispensing the clean-burning fuel as automakers produce vehicles that can run on it. So far, Tamminen said, there are more than 20 stations. The state's goal is about 100 by 2010.

But the governor did not make good on his promise to convert one of his four Hummers to hydrogen. Spokeswoman Julie Soderlund said that instead, he is switching one to bio-diesel, a fuel made with renewable resources such as vegetable oil.

Schwarzenegger opposes Proposition 87 on the November ballot, which would generate $4 billion for renewable energy by charging oil companies extraction fees.

"He supports the goal but does not think the way to do it is through taxes," Tamminen said.

Angelides supports Proposition 87. He also wants to add $1.5 billion in public pension money to the oil fees to create more clean technology and renewable energy.

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Faso Plays Up The Woes Of A Spitzer Ally (NYT)

The New York Times, October 28, 2006

“Corrupt,” a 30-second commercial for John Faso, the Republican candidate for governor, begins running today on network affiliates and cable stations across the state.

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PRODUCER Greener and Hook.

THE SCRIPT Announcer: "Eliot Spitzer has one set of standards for his friends and another for everyone else. New York's Ethics Commission says Spitzer running mate and State Comptroller Alan Hevesi knowingly and intentionally broke the law, stealing tens of thousands of dollars from taxpayers. But when Sheriff of Wall Street had a chance to investigate and call for Hevesi's resignation, Spitzer said no."

Eliot Spitzer: "I know Alan. I know him to be an honest, stupendous public servant."

Announcer: "Eliot Spitzer. Stupendously protecting his cronies at our expense."

ON THE SCREEN Sepia-colored images of Mr. Spitzer, looking stern at times and cackling at others, appear as the announcer speaks. Similar images appear of Mr. Hevesi, including one unflattering close-up of him licking his lips. Newspaper headlines about the Hevesi scandal flash on the screen. The following sentence also appears: "Spitzer refused to investigate or ask for Hevesi to resign." A video clip of Mr. Spitzer's remarks at a Faso-Spitzer debate is used against him; the producer uses a sound effect to create an echo of "servant" from Mr. Spitzer's remarks. The ad ends with these words appearing: "Eliot Spitzer — Stupendously Protecting His Cronies."

ACCURACY Mr. Hevesi is not Mr. Spitzer's running mate; they have been allies and are on the same Democratic ballot on Nov. 7. Mr. Hevesi failed to reimburse the state for use of a public employee to ferry around his wife; after it was revealed, he wrote a check, but he may owe more. Mr. Spitzer did not initiate his own investigation when the Hevesi scandal surfaced; he waited for the Ethics Commission to release its report this week and then began an investigation, which his spokeswoman termed the proper process. Mr. Spitzer withdrew his endorsement of Mr. Hevesi on Thursday, but Mr. Faso is correct in saying that Mr. Spitzer has not called for his resignation.

SCORECARD This is only Mr. Faso's second commercial of the general election campaign; struggling to raise money, he has not been able to afford more, and many New Yorkers still do not know much about him. Hammering Mr. Spitzer with the Hevesi scandal could score points, and the ad does so effectively. Still, making hay over the comptroller may not lead many voters to support a candidate they do not know well (Mr. Faso) over one who has high favorability ratings (Mr. Spitzer). But the ad is a stark reminder of what a political headache Mr. Hevesi has become for his old ally, Mr. Spitzer.

PATRICK HEALY

Ethics -- Public And Private (WSJ)

The Wall Street Journal, October 28, 2006

Corporate ethics has been much in the news in recent years, and the margin for an executive slip-up these days is narrow. Backdate an option to attract a new employee, or fail to supervise a leak probe, and you can face 20 years in the slammer. Rather more lax standards seem to apply to our political class, however, and Exhibit A is Alan Hevesi.

The New York State Comptroller was recently found to have used a public employee at taxpayer expense to chauffeur his wife around for three years. Mr. Hevesi somehow failed to disclose this personal use of public assets, and he has since claimed he merely "forgot" to reimburse the state. The Ethics Commission that looked into the matter found that the $82,688 he did finally pay the state after the allegation came to light wasn't enough to cover the actual cost.

At a recent debate with his GOP opponent, Mr. Hevesi claimed his wife needed the limo service for her security. Alas, her driver had no security background and was unarmed. Mr. Hevesi has nonetheless dismissed the episode as an "aberration" and has refused to resign or drop out of his race for re-election to a second four-year term.

We'd normally ignore this kind of state government corruption. But Mr. Hevesi's spectacle is instructive because in recent years he has been one of America's loudest corporate scolds. As Comptroller, he supervises the state's pension money and he has used that post to slam corporate officials who played even tangential roles in corporate scandals.

Most prominently, he pursued the directors of WorldCom in a lawsuit, claiming they should be held personally liable for not discovering the fraud committed by CFO Scott Sullivan. These directors played no direct role in the accounting fraud at WorldCom and they were also victims of that fraud, losing a combined $250 million in stock when the company went bust.

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But Mr. Hevesi declared when a settlement was reached that "I felt personally that this would be unfair and not a deterrent for future failures on the part of directors if they weren't held personally liable." That use of "personally" is especially redolent now that Mr. Hevesi's taxpayer-paid family limousine service has been exposed.

All of which raises an issue of the difference between public and private standards of accountability. In the wake of this decade's scandals, business executives are subject to greater scrutiny and ever-higher ethics standards. Some of this has been useful, though much of it in our view has been needlessly costly and intrusive. But our public servants, especially those in such corrupt state capitals as Albany and Trenton, haven't been subject to the same degree of accountability.

Only last month and after the Hevesi scandal had first broke, New York Attorney General Eliot Spitzer responded to criticism from his GOP opponent John Faso by saying, "I know Alan. I know him to be an honest, stupendous public servant." Stupendous at least was right. This week, as the public furor grew during an election season, Mr. Spitzer finally turned on Mr. Hevesi and withdrew his political endorsement. That's a long way from cleaning up Albany, but it's a start.

In Clean Politics, Flesh Is Pressed, Then Sanitized (NYT)

By Mark Leibovich

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — Campaigns are filthy. Not only in terms of last-minute smears and dirty tricks. But also as in germs, parasites and all the bacterial unpleasantness that is spread around through so much glad-handing and flesh-pressing.

“You can’t always get to a sink to wash your hands,” said Anne Ryun, wife of Representative Jim Ryun, Republican of Kansas.

Hands would be the untidy appendages that transmit infectious disease.

Like so many other people involved in politics these days, Mrs. Ryun has become obsessive about using hand sanitizer and ensuring that others do, too. She squirted Purell, the antiseptic goop of choice on the stump and self-proclaimed killer of “99.99 percent of most common germs that may cause illness,” on people lined up to meet Vice President Dick Cheney this month at a fund-raiser in Topeka.

When Mr. Cheney was done meeting and greeting, he, too, rubbed his hands vigorously with the stuff, dispensed in dollops by an aide when the vice president was out of public view.

That has become routine in this peak season of handshaking, practiced by everyone from the most powerful leaders to the lowliest hopefuls. Politics is personal at all levels, and germs do not discriminate. Like chicken dinners and lobbyists, they afflict Democrats and Republicans alike. It would be difficult to find an entourage that does not have at least one aide packing Purell.

Some people find that unseemly in itself.

“It’s condescending to the voters,” said Gov. Bill Richardson of New Mexico, a Democrat.

A fervent nonuser of hand sanitizer, Mr. Richardson holds the Guinness Book of World Records mark for shaking the most hands over an eight-hour period (13,392, at the New Mexico State Fair in 2002).

Indeed, what message does it send when politicians, the putative leaders in a government by the people, for the people, feel compelled to wipe off the residues of said people immediately after meeting them?

“The great part about politics is that you’re touching humanity,” Mr. Richardson said. “You’re going to collect bacteria just by existing.”

Still, politics can be an especially dirty place to exist.

“Every time you’re with big groups of people, you’re going to be exposed to rhinoviruses, adenoviruses and the viruses that cause gastroenteritis,” said Senator Tom Coburn, an Oklahoma Republican and physician.

Mr. Coburn said he washed his hands whenever possible but did not use any antigerm lotions. Being a doctor, he said, he has been exposed to more bugs and, thus, enjoys greater immunity than most other people.

For what it is worth, Howard Dean, also a doctor and the chairman of the Democratic National Committee, said he did not bother with the stuff, either.

“If you’ve had children, you’re immune to everything,” said Mr. Dean, a father of two.

As with most things, this places Mr. Dean at loggerheads with President Bush.

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"Good stuff, keeps you from getting colds," Mr. Bush raved about hand sanitizer to Senator Barack Obama, Democrat of Illinois, at a White House encounter early last year.

Mr. Obama, who recounts the episode in his new book, says that after rubbing a blob of it on his own hands, the president offered him some, which he accepted ("not wanting to appear unhygienic.")

Mr. Obama has since started carrying Purell in his traveling bag, a spokesman said.

It is not clear when politicians became so awash in the gel. In one semifamous cleanliness lapse in the 1992 presidential campaign, Bill Clinton, who had just shaken dozens of hands at a tavern in Boston, was handed a pie but no fork on his way to the car. The ravenous Mr. Clinton promptly devoured it using his unwashed hand. He eventually became a serious user of hand wipes and lotions at the urging of his doctor, an aide said.

Senator John McCain, Republican of Arizona, said he learned about hand sanitizer from observing Senator Bob Dole's abundant use of it in his 1996 presidential run. Mr. McCain remains vigilant today.

"I use it all the time," he said through a representative. "I carry it with me in my briefcase."

Purell, which is made by GOJO Industries of Akron, Ohio, came on the market as a consumer product in 1997 and became popular in campaign vans, holding rooms and traveling bags in the 2000 campaign. Donald Trump, the billionaire germophobe who contemplated running for president, even distributed little bottles of it to reporters.

"One of the curses of American society is the simple act of shaking hands," Mr. Trump wrote in his book "Comeback." "I happen to be a clean-hands freak."

Al Gore is, too. He turned his running mate, Senator Joseph I. Lieberman, onto sanitizer in 2000, and Mr. Lieberman became an evangelist.

"He said it was one thing he learned from Gore," said an aide to Senator Harry Reid of Nevada, Rebecca Kirszner, who became a popular dispenser of Purell on a senatorial trip to New Orleans after Hurricane Katrina.

Mr. Richardson said that if he ran for president, as he is considering, he had no intention of conforming to the norms of his antiseptic peers.

"I just won't use the sanitizer," he said. "I've been offered it, but I've turned it down."

This positions Mr. Richardson as the early hygienic maverick of 2008.

"I'm not afraid to get my hands dirty," he said.

Justices To Take Up Autism-Case Dispute (NYT/AP)

By The Associated Press

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 (AP) — The Supreme Court agreed Friday to consider an appeal by an autistic child and his parents, who want to sue over his school accommodations without hiring a lawyer.

The parents, Jeff and Sandee Winkelman, say they cannot afford a lawyer to argue their court case against the school district of Parma, Ohio, near Cleveland, over the education of their son, Jacob.

The federal appeals court in Cincinnati ruled that the Winkelmans, suing under the Individuals With Disabilities Education Act, had to find a lawyer to represent Jacob, although other federal courts have ruled differently in cases involving that law.

The Bush administration then urged the justices to take the case, saying that in adopting the measure, Congress clearly intended that parents be able to represent their children in such court proceedings.

The Winkelmans' suit contested Parma's plan to educate Jacob at a public school. They wanted the district to pay his yearly tuition of $56,000 at a private school that specializes in educating autistic children.

Whether Jacob should have private schooling at public expense is not before the justices, only the question of his parents' right to go into federal court without a lawyer.

The justices also agreed Friday to hear the case of a sheriff's deputy in Georgia who purposely bumped his car into a vehicle he was pursuing at high speed, causing an accident that left the suspect a quadriplegic.

The Sheriff's Office of Coweta County, Ga., had asked the court to consider whether an officer violates a fleeing suspect's constitutional rights by using deadly force to terminate a high-speed chase.

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Two lower federal courts ruled against the deputy, finding that his action was out of proportion to the risk that the suspect had posed to other drivers and pedestrians.

How To Socialize With An Ex-President? Finance His Good Deeds. (NYT)

By Patrick Healy And Eric Konigsberg

The New York Times, October 28, 2006

For New Yorkers thinking of dropping by Pastis this morning to experience the joys of long lines, attitudinal service and cramped tables, forget it — unless you're prepared to spend at least $100,000 for that croque-monsieur, monsieur.

Former President Bill Clinton is making another king-of-the-world swing through Manhattan this weekend, doing two of the things he does best: reveling in adulation and raising money.

Over three days of festivities to mark his 60th birthday — which include a golf tournament and a concert by the Rolling Stones at the Beacon Theater — Mr. Clinton expects to bring in more than $20 million for his foundation's array of philanthropic projects.

His birthday, incidentally, was more than two months ago, and this weekend is the climax of what has been quite a fall season for Mr. Clinton, who is proving once again that he is the hardest-working man in show business. He lined up $7.3 billion in pledges last month for the Clinton Global Initiative, a project of his Clinton Foundation that focuses on fighting poverty and promoting religious tolerance.

And in Toronto last month, at another birthday party in his honor, he raised a separate $21 million for the foundation. He has also raised tens of millions of dollars this year for Democratic candidates.

Some of this weekend's participants say that when it comes to Mr. Clinton, there is no such thing as too much.

"I only wish the weekend cost more, because the more money, the more good work the president can do," said Mark Weiner, a prominent Democratic fund-raiser who is serving as an honorary host of the events. His co-hosts are two other Clinton friends, Ronald W. Burkle, a financier, and Steve Bing, a producer.

Mr. Weiner added: "I consider President Clinton to be the most popular person on the planet, and perhaps the most popular American in the history of this country. And his foundation work is a wonderful thing."

But while there seems to be no shortage of fondness for Mr. Clinton in New York, his industriousness does put him at risk of driving supporters to wonder, what price love?

People contributing $60,000 were invited to a welcome reception at the Gramercy Park Hotel scheduled for last night, a reception and premium dinner seats tonight at the Museum of Natural History, and a reception and Rolling Stones concert tomorrow night, which is also being filmed for a planned Martin Scorsese movie.

In addition to those events, donors who have contributed $100,000 or raised $250,000 also received four tickets for brunch at Pastis with Chelsea Clinton and her parents; "gold" dinner seats tonight; and an invitation for one to play in a presidential golf tournament tomorrow with Mr. Clinton at the Bayonne Golf Club in New Jersey.

Those who have contributed $500,000 — the "birthday chair package" — got "platinum" dinner seating tonight, a backstage pass and dinner with Mr. Clinton before the Stones concert. They can also have their picture taken with him.

One Friend of Bill and a supporter of Hillary Rodham Clinton's senatorial campaigns said privately that he was skipping this weekend because he was "Clintoned out." He added that the Clintons' spate of fund-raisers, which date back to some this summer in the Hamptons, had been "absolutely endless."

James Thurber, director of the Center for Congressional and Presidential Studies at American University in Washington, said that some donors eventually tire of being asked for money. "It's pretty costly these days to be a Friend of Bill, especially since you have to be a Friend of Hillary, too," Mr. Thurber said.

Another Clinton ally, Sarah Kovner, said that she and her husband, the lawyer Victor Kovner, would not be attending. "I have my Vassar reunion this weekend," she said. "Also, I think this one is for really big-money donors. I was at the Clinton Global Initiative, which was my contribution to the foundation."

She said that she considered the relatively cheap "membership" fee of $15,000 to participate in that event money well spent.

"They spend two and a half days talking in a substantive way about the work they're doing," she said. "It's not for people who are interested in just showing up."

A spokesman for Mr. Clinton noted that people who did not support the former president as a candidate are now donating to the foundation's nonpartisan efforts. The activities of the foundation, which had a budget of $42 million last year, include a major H.I.V. initiative that has reduced drug prices from $1,000 a year to about $140 in roughly 60 countries.

Other programs focus on supporting health care and clean water projects and reducing greenhouse gas emissions in 24 major cities.

"If you can raise the money to support your programs, why wouldn't you?" said the president's spokesman, Jay Carson. "$100,000 is AIDS drugs for 500 kids."

The Clinton birthday bash got off to an unofficial start on Thursday night, as about 1,000 people gathered under a tent at Tavern on the Green in Manhattan to celebrate Mrs. Clinton's 59th birthday (which actually fell on the same day as the party). The event cost $1,000 a plate and netted about $1 million for her re-election campaign.

Mr. Clinton's high profile on the fund-raising circuit this year has fueled speculation that his efforts are simply a prelude to what he would provide should Senator Clinton run for president in 2008.

"I think with him standing next to her, she's definitely one of the front-runners," said John Catsimatidis, another high-level Clinton donor.

Terry McAuliffe, Mr. Clinton's longtime confidant and an official organizer of the parties, said that they were being held now, rather than closer to Mr. Clinton's birthday on Aug. 19, because "two months ago would've been right in the middle of the elections" — the thick of campaigning — "and we didn't want to be raising money for his foundation when people could be giving to other Democrats' campaigns."

Mr. McAuliffe said, chuckling, that by now any potential donors to the foundation have had earlier opportunities to give to candidates. "We've already hit everybody up pretty hard by now."

Unaired Ad Gets Dixie Chicks Flick A Whole Lot Of Ink (WP)

By Lisa De Moraes

The Washington Post, October 28, 2006

NBC and CW networks became unwitting stealth-marketing partners with the Weinstein Co. when they refused to air ads for the film company's upcoming docu-flick about the storm that erupted when the Dixie Chicks' lead singer said in a 2003 concert she was ashamed President Bush was from her home state of Texas.

Or, as we like to say here at The TV Column, when refusing ads for a flick about Censorship and Freedom of Speech, it's always best not to tell the producer in writing that you "cannot accept these spots as they are disparaging to the President" or that your network "does not have appropriate programming in which to schedule this spot" -- because such statements are going to wind up in a news release about network censorship.

It all started earlier this week when Weinstein submitted ads for its new Barbara Kopple documentary "Shut Up & Sing" to the broadcast networks for review by their standards and practices departments.

NBC said it "cannot accept these spots as they are disparaging to President Bush."

CW said it "does not have appropriate programming in which to schedule this spot."

Weinstein said: "Eureka!"

And on Thursday evening, it sent out a news release headlined:

"In an Ironic Twist of Events, NBC and the CW Television Networks Refuse to Air Ads for Documentary Focusing on Freedom of Speech."

"It's a sad commentary about the level of fear in our society that a movie about a group of courageous entertainers who were blacklisted for exercising their right of free speech is now itself being blacklisted by corporate America," bemoaned Weinstein Co. co-chairman Harvey Weinstein.

"The idea that anyone should be penalized for criticizing the president is sad and profoundly un-American," he added.

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And, because Weinstein Co. didn't send out the announcement until too late for reporters in some areas of the country to get an "outside expert" on the phone to comment, it even provided them with one, throwing in a quote from "famed litigator David Boies."

(Boies, FYI, is one of the "legal eagles" who crafted the exit agreement from Disney of the former Miramax chiefs -- Bob and Harvey Weinstein, Variety reported back when.)

"It is disappointing and troubling that NBC and The CW would refuse to accept an otherwise appropriate ad merely because it is critical of President Bush," Boies said in the news release.

"Political criticism is at the heart of the First Amendment. The legal issues are complicated; the policy is not. The public deserves to hear more than the official point of view."

All good stuff. But the Weinstein Co. probably should not have thrown in at the end of the release that it is "exploring taking legal action." Way too Snidely Whiplash.

In case you haven't yet seen it, the 15-second version of the ad opens with President Bush saying in a televised speech, "The United States is ridding Iraq of weapons of mass destruction."

Then the words "Lies Exposed" appear on a black screen.

Cut to: Natalie Maines saying she's embarrassed about Bush, to thunderous applause.

Cut to: Clip of some local news chick saying to camera, "The radio station has set up these garbage cans for people to throw out their CDs."

Cut to: Much hooting and hollering at anti-Dixie Chicks protest, with crowd shouting "U.S.A.! U.S.A.! and waving signs suggesting the singers should be tried for treason. "Move to France, Dixie Chicks!" one guy suggests helpfully.

Cut to: The words "Conspiracy Uncovered" on a black screen.

Cut to: The lead singer reading a message that says "Natalie Maines will be shot dead in Dallas, Texas."

Cut to: News conference with someone official-sounding saying, "The FBI had some intelligence, but they didn't share it." (Which in and of itself is actually a very funny line.)

Cut to: Bush saying, presumably to reporters, while walking, "They shouldn't have their feelings hurt because some people don't want to buy their record."

Cut to: Maines on a couch, reading Bush's comment about their feelings being hurt. " 'Have their feelings hurt'?!" she says, incredulously. "What a dumb --"

Before she can get out the last word, the picture cuts away and Voiceover Guy says, "Rated R -- select theaters this Friday."

When a small movie like this one gets a very limited release -- just four theaters this weekend -- with the intention of going wide after that, word of mouth is critical and that's when you often see stealth marketing campaigns, such as whipping the media into a froth over some angle on the flick to generate millions in free publicity. (The movie opens nationwide Nov. 10.)

Yesterday both NBC and CW noted Weinstein Co. hadn't actually tried to make a national media buy for the ads. So, they seemed to be saying, their comments about the ads are a moot point.

"While a spot was submitted to our broadcast standards and practices department for review and was rejected because it violated our policy of not broadcasting ads that deal with issues of public controversy, the Weinstein Company did not make a national media buy for 'Shut Up & Sing,' nor did anyone from the company inquire about buying time on the network," NBC said.

CW, which values brevity, merely said for the record that the Weinstein news release is "flat-out inaccurate. The whole matter is a mystery to The CW."

"We have lots of issues with commercials all the time," Alan Wurtzel from NBC told The TV Column. Wurtzel oversees the standards department in his capacity as president of research and media development of NBC Universal.

"NBC got back to the film company explaining the ads violated NBC's policy against taking ads that dealt with issues of public controversy, and one of the ways they were doing that was being disparaging of Bush. . . . We never heard from them again," he said.

"These are guys who know what the procedure is with respect to ads clearances -- they've done this for 20 years. Normally they'd be on the phone in a second saying either 'how do I fix it to make it comply?' or 'let me talk to your boss.' In neither case did that happen. . . . This leads me to believe they might have had another objective."

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Asked whether he thought NBC had played into the film company's hand, Wurtzel said, "I will say there have been other instances in the past where [companies] get more publicity by having an ad rejected than run."

Los Angeles Abuse Cases Are Settled For $10 Million (NYT)

By Neela Banerjee

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — The Roman Catholic Archdiocese of Los Angeles and a Catholic religious order have agreed to pay $10 million to settle claims made by seven victims of sexual abuse by clergy members, lawyers for the parties involved said Friday.

While the amount per victim is large relative to payments made to settle sexual abuse cases in other parts of the country, it is typical of the sums paid in California, which has a taken a strong stance toward the Catholic Church in abuse cases. In 2003, for example, the state extended its statute of limitations for child sexual abuse cases, and the Los Angeles District Attorney's Office has been conducting a criminal investigation into the archdiocese since 2002.

More than 95 percent of the $10 million settlement will be paid by the religious order, the Carmelites, Province of the Most Pure Heart of Mary, which is based in Darien, Ill. The archdiocese will pay less than 5 percent, lawyers for the plaintiffs and the order said.

The settlement for the most part is not covered by the Carmelites' insurance, said Jim Geoly, the order's lawyer, adding that the order might have to borrow money to pay the sum.

Mr. Geoly said the order wanted to avoid protracted litigation, which he said would have amounted to going to war with the plaintiffs, "because that's what litigation is."

"They are deeply sorry that this sexual abuse occurred and that the church didn't have more understanding of this kind of problem at the time," he said. "They want to do everything they can to make it right, even though money can't make the abuse go away."

The seven plaintiffs accused four Carmelite priests and one Carmelite brother of sexual abuse in a period from the early 1950s to the late 1970s.

Several of the claims focused on the Rev. Dominic Savino, who held several high-ranking faculty positions at Crespi Carmelite High School in the Encino section of the city before he was removed from the ministry in 2002. One plaintiff accused Father Savino and another priest of raping him at the school when he was 15 and continuing the abuse from 1978 to 1979, said John C. Manly, a lawyer for the plaintiff.

Mr. Manly and victims' rights groups welcomed the decision by the Carmelites, though they said that it had been hard-won.

"I'm glad Carmelites did the right thing," said Mr. Manly, himself a Catholic, "but I think that's what's ultimately wrong with the Catholic Church: you shouldn't have to sue your church to get them and the bishop to do the right thing."

Movement Reportedly Seen At N.Korea Site (AP)

By Bo-mi Lim, Associated Press Writer

AP, October 28, 2006

South Korean military officials have observed activities at the North's suspected nuclear test site that may be preparations for a second test, news reports said Saturday.

Yonhap news agency, citing several unidentified military officials, said Seoul is keeping a close watch on the movements of trucks and soldiers at the Punggye-ri site in the country's remote northeast.

"It is clear there are movements at Punggye-ri after the (previous) nuclear test," one military official was quoted as saying. "We are closely monitoring to see if these are preparations for a second nuclear test."

Another official confirmed activities at the site, but said another test "is not believed to be imminent," according to Yonhap.

It was not immediately clear how the military officials first spotted the activity at the site. However, the United States and South Korea generally share intelligence information from satellite images.

Meanwhile, more unidentified South Korean government officials said they are trying to confirm whether a new facility that has been built at the site could be part of preparations for a second nuclear test, the JoongAng Ilbo newspaper reported Saturday.

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South Korea's Defense Ministry said it could not confirm the reports, and the U.S. State Department refused to comment. A Pentagon spokesman, Air Force Maj. David Smith, said: "We don't discuss intelligence issues as a matter of policy."

This is not the first time that suspicious activity has been reported at the North Korean test site. But South Korean officials have said they have no intelligence suggesting another test is imminent.

The reports came a day after the incoming U.N. secretary-general, South Korean Foreign Minister Ban Ki-moon, met with Chinese leaders to discuss sanctions against the North over its Oct. 9 underground nuclear test.

Ban met on Friday with China's President Hu Jintao, State Councilor Tang Jiaxuan and Foreign Minister Li Zhaoxing. South Korea's Foreign Ministry said they would discuss sanctions, but details of their talks were not immediately released.

Ban is visiting the five permanent U.N. Security Council members following his election as secretary-general this month. He pledged to make resolving the North Korea nuclear issue a key priority on his agenda as head of the international body.

The United States has been trying muster greater support for a U.N. Security Council resolution that calls for sanctions in response to the North's nuclear test.

Seoul and Beijing have been reluctant to enforce sanctions over the test for fear they might aggravate their unpredictable neighbor and destabilize the region.

China and South Korea are the North's main aid providers and trade partners, and their participation is considered crucial for the success of the U.N. resolution, which bans the sale of major arms to the North and calls for the inspection of cargo entering and leaving the country.

Associated Press writers Meraiah Foley in Seoul and Audra Ang in Beijing contributed to this report.

Gingerly, South Korea Imposes First Sanction On North (NYT)

By Martin Fackler

The New York Times, October 28, 2006

SEOUL, South Korea, Oct. 27 — South Korea has taken a first step toward imposing United Nations sanctions against North Korea for conducting a nuclear test, banning visits by officials involved in the North's nuclear weapons program.

And in a sign of how Seoul has struggled to carry out the United Nations Security Council resolution without antagonizing the heavily armed North, a third top government official involved in North Korea offered to resign Friday over the test.

The travel ban, first reported by several news organizations on Thursday, is largely symbolic in a country that gets few North Korean visitors at all, much less officials engaged in the North's covert nuclear weapons efforts. It falls short of American requests that South Korea join a United States-led effort to inspect North Korean ships for nuclear and missile-related technology.

South Korean officials have expressed concern that such searches could lead to clashes between South and North Korean warships, something that has occurred in the past.

The resignation offer — by Kim Seung-gyu, head of the National Intelligence Service — came days after the defense minister and the unification minister, the point man on relations with the North, also tendered their resignations.

While President Roh Moo-hyun has not said whether he will accept the resignations, South Korean news media have reported that a cabinet reshuffle is imminent. With the foreign minister, Ban Ki-moon, about to become the new secretary general of the United Nations, Mr. Roh may have to replace all aides who oversee his policy on the North.

The cooperation of South Korea, a major source of trade and investment for the North, is seen as crucial for the success of the United Nations resolution, adopted after the North's test on Oct. 9. The resolution bans the sale of weapons to the North, and restricts sales of luxury goods and travel abroad by its officials.

In addition to not becoming involved in searching North Korean ships, Seoul also has so far balked at taking more punishing steps, like closing a South Korean-run industrial park and a tourist resort in North Korea, which are the North's largest economic contacts with the outside world. Many South Korean officials have said they fear that stronger sanctions could provoke the North into war, or push it toward China.

Using A 2nd Network, Iran Raises Enrichment Ability (NYT)

By Nazila Fathi

The New York Times, October 28, 2006

DOJ_NMG_0088543

TEHRAN, Oct. 27 — Iran has begun to enrich uranium in a second network of centrifuges, an Iranian local news agency reported Friday, in defiance of a United Nations Security Council demand that it halt its nuclear program.

ISNA Student News Agency quoted an "informed source" as saying that Iran installed a second cascade of 164 centrifuges two weeks ago and successfully injected gas into it last week, theoretically doubling its enrichment capacity.

"We now have the product of the second cascade," the unidentified speaker was quoted as saying.

International Atomic Energy Agency inspectors know of this activity, he said.

In Washington, President Bush said he was aware of "speculation" that Iran has started enriching uranium in a second network. "Whether they doubled it or not, the idea of Iran having a nuclear weapon is unacceptable," Mr. Bush said.

But Russia's defense minister, Sergei Ivanov, said it was too early to speak about Iran being able to produce weapons-grade uranium. "These are empty centrifuges," he told the Itar-Tass news agency. "You can't produce anything with them, so to speak about enriching uranium is premature."

The announcement was widely expected. On Monday, the head of the I.A.E.A., Mohamed ElBaradei, said that "based on our most recent inspections, the second centrifuge cascade is in place and ready to go."

As Iran was reporting the doubling of its enrichment capacity, the five permanent members of the Council — the United States, Britain, France, China and Russia — and Germany were discussing a draft resolution to impose sanctions on Iran for its refusal to comply with their earlier demand that it stop enrichment.

The draft resolution would reportedly bar Iranian students from studying nuclear physics at foreign universities, prohibit technical or financial assistance that could benefit the nuclear program and impose a visa ban on any Iranians involved in nuclear activities.

A senior Western diplomat in Tehran said Iran went ahead after seeing the limited sanctions imposed on North Korea after its nuclear test this month. "They were reasonably reassured that if North Korea can live with the sanctions, they can do better," said the diplomat, who refused to be identified. "They think if they give in now, it is a sign of weakness and the West will ask for more."

Iran insists that its program is for peaceful purposes, and that as a member of the Nuclear Nonproliferation Treaty it has the legal right to enrich uranium to produce its own reactor fuel. The United States says Iran, a major oil exporter, has no need for a peaceful nuclear program and is merely using it as a cover for an effort to produce nuclear weapons.

Iran, which already had one cascade of 164 centrifuges in operation, has said repeatedly that it plans to increase the number of centrifuges in operation to 3,000 by the end of this year. In a separate interview, Iran's chief nuclear negotiator, Ali Larijani, said Tehran was still willing to resolve its nuclear issue through negotiations. But he also issued a veiled threat, saying Europeans "should pay the price" if they choose a different path, ISNA reported. He did not elaborate, but it seemed that he was referring to sanctions.

"If Europeans think they can pursue a radical approach toward Iran and negotiate with us on the side as well, they should know that Iranians are not naïve people," he added.

He also rejected comments made by the foreign minister, Manouchehr Mottaki, who said last week that Iran might consider suspending its program during negotiations. "I do not approve this view," he said. "I am in charge of nuclear issues and I do not think the news was accurate."

Members of the Security Council reacted to the announcement immediately, [a news agency] reported.

The Foreign Ministry spokesman in France, Jean-Baptiste Mattéi, said the report increased the international community's worries about the growth of Iran's capacity to produce fissile material.

"The priority is to move toward the negotiation of a Security Council resolution," Mr. Mattéi told reporters in Paris in response to the news.

A British Foreign Office spokesman said it was a matter for the I.A.E.A., the United Nations nuclear agency, to investigate.

Bush Says It's Unacceptable For Iran To Have Nuclear Weapon (WP)

By Colum Lynch, Washington Post Staff Writer

The Washington Post, October 28, 2006

DOJ_NMG_0088544

WASHINGTON - President Bush said on Friday he was aware of "speculation" that Iran has started enriching uranium in a second network of centrifuges and said it was unacceptable for Tehran to have a nuclear weapon.

"It says to me that we must double our effort to work with the international community to persuade the Iranians that there is only isolation from the world if they continue working forward on such a program," Bush told reporters during a meeting with NATO Secretary General Jaap de Hoop Scheffer.

"I've read the speculation that that's what they may be doing. But whether they doubled it or not, the idea of Iran having a nuclear weapon is unacceptable," Bush added.

Iran Doubles Nuke Enrichment Capacity (AP)

By Nasser Karimi, Associated Press Writer

AP, October 28, 2006

Iran has doubled its capacity to enrich uranium by successfully executing the process with a second network of centrifuges, a semiofficial news agency reported Friday, sending a defiant new message to the U.N. Security Council.

Council members are working on a draft resolution that would impose limited sanctions on the Islamic republic because of its refusal to cease enrichment, a process that can produce fuel for a civilian nuclear reactor or fissile material for a warhead.

The Iranian Students News Agency quoted an anonymous official as saying Iran has successfully begun injecting gas into a second network of centrifuges.

"We are injecting gas into the second cascade, which we installed two weeks ago," the official said, according to ISNA.

The news agency said the second cascade had doubled Iran's capacity to enrich uranium.

"We have already exploited the product of the second cascade," the official was quoted as saying.

Iranian authorities are believed to leak ISNA information that they want published but consider too sensitive for release to official media.

The State Department said it was up to the International Atomic Energy Agency to assess the reports. "I cannot confirm those reports. We are not on the ground," State Department spokesman Sean McCormack said.

President Bush said that regardless of the accuracy, it was "unacceptable" for Iran to have a nuclear weapon and the report underscored the need for the United States and its allies to redouble its effort to stop Iran from developing nuclear ambitions.

The U.N. Security Council has demanded that Tehran cease all enrichment-related activities amid fears by the U.S. and its allies that Iran is seeking to develop a program that can make weapons-grade uranium for nuclear warheads. The Iranians claim their nuclear program is peaceful.

France's Foreign Ministry called Iran's expansion of its nuclear program a "negative signal" that should be taken to account at U.N. talks over possible sanctions.

A spokesman for the ministry, Jean-Baptiste Mattei, said the Iranian announcement was not a great surprise because the IAEA, the U.N. nuclear watchdog, had said in August that Iran was developing new nuclear capacities.

"The door to negotiations is always open, but at the same time the priority goes to the negotiations for a U.N. Security Council resolution," Mattei said at a news conference.

French President Jacques Chirac, meanwhile, expressed support for sanctions against Iran but insisted that they be temporary and reversible.

Russian Defense Minister Sergei Ivanov said he didn't "share concerns" about the launching of a second network of centrifuges, expressing confidence that the new centrifuges "are under the complete control of the International Atomic Energy Agency, for scientific research purposes."

He also said the centrifuges were "completely empty, so to talk about enriched uranium or uranium for military use, is at the very least premature."

The basis of his statement was unclear, however. The IAEA monitors both "cascades" of centrifuges, but they are not under its "complete control," as Ivanov asserted. And — unlike Ivanov — the Iranian official cited by ISNA said the second network was no longer empty but enriching small amounts of uranium.

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Other Russian officials also had shared previously shared the opinion of the United States and its western allies, Britain, France and Germany that even "dry testing" centrifuges was cause for concern.

Russia and China, which can veto Security Council resolutions and have close economic ties with Iran, are reportedly pushing for continued dialogue with Iran instead of punishment.

In a separate report on Friday, ISNA quoted Ali Larijani, Iran's top nuclear negotiator, as saying his country's enrichment program should not hinder negotiations with the West.

"It is possible to review both nuclear and regional issues through negotiation," Larijani was quoted as saying.

Larijani called for an open negotiation on the enrichment issue, and blamed the West of being irrational in its opposition to an Iranian nuclear program, which Tehran says is geared toward purely civilian use.

Diplomats, who spoke on condition of anonymity because they were not authorized to divulge the information to media, told The Associated Press on Monday that even the decision to "dry test" the 164 centrifuges in the second Iranian pilot enrichment facility showed Iran's defiance of the Security Council. The council had set an Aug. 31 deadline for Tehran to cease all experiments linked to enrichment.

Iran produced a small batch of low-enriched uranium — suitable as nuclear fuel but not weapons grade — in February, using its initial cascade of 164 centrifuges at its pilot plant at Natanz.

The Iran official quoted by ISNA said the nuclear watchdog was fully aware that Tehran was injecting the gas in its new centrifuges, and that nuclear inspectors had already arrived in Iran.

The Vienna, Austria-based IAEA would not comment on the report.

Iran says it plans to install 3,000 centrifuges at Natanz by the end of this year. Some 54,000 centrifuges would be required to produce enough nuclear fuel for a reactor.

Although Iran is nowhere near that goal, its successful operation of more cascades of centrifuges indicates that the country is gradually mastering the complexities of producing enriched uranium.

The U.S. and its European allies are circulating a draft U.N. Security Council resolution that would ban the sale of missile and nuclear technology to Iran and deny the country certain assistance from the U.N. nuclear watchdog.

The enrichment process takes gas produced from raw uranium and aims to increase its proportion of the uranium-235 isotope, needed for nuclear fission.

The gas is pumped into a centrifuge, which spins, causing a small portion of the heavier, more prevalent uranium-238 isotope to drop away. The gas then proceeds to other centrifuges — thousands of them — where the process is repeated, increasing the proportion of uranium-235.

Enrichment Capacity Doubled, Source Says (WT/AP)

By Nasser Karimi, Associated Press

The Washington Times, October 28, 2006

TEHRAN -- Iran has doubled its capacity to enrich uranium by successfully carrying out the process with a second network of centrifuges, a semiofficial news agency reported yesterday, sending a defiant new message to the U.N. Security Council.

Council members are working on a draft resolution that would impose limited sanctions on the Islamic republic because of its refusal to cease enrichment, a process that can produce fuel for a civilian nuclear reactor or fissile material for a warhead.

The Iranian Students News Agency (ISNA) quoted an anonymous official as saying Iran has successfully begun injecting gas into a second network of centrifuges.

"We are injecting gas into the second cascade, which we installed two weeks ago," the official said, according to ISNA.

The news agency said the second cascade had doubled Iran's capacity to enrich uranium. "We have already exploited the product of the second cascade," the official was quoted.

The State Department said it was up to the International Atomic Energy Agency (IAEA) to assess the reports. "I cannot confirm those reports. We are not on the ground," State Department spokesman Sean McCormack said.

President Bush said that regardless of the accuracy, it was "unacceptable" for Iran to have a nuclear weapon and the report underscored the need for the United States and its allies to redouble an effort to stop Iran from developing nuclear capability.

DOJ_NMG_0088546

The U.N. Security Council has demanded that Tehran cease all enrichment-related activities amid concern by the United States and its allies that Iran is seeking to develop a program that can make weapons-grade uranium for nuclear warheads. The Iranians have said their nuclear program is peaceful.

France's Foreign Ministry called Iran's expansion of its nuclear program a "negative signal" that should be taken to account at U.N. talks over possible sanctions.

French President Jacques Chirac expressed support for sanctions against Iran but insisted they be temporary and reversible.

Russian Defense Minister Sergei Ivanov said he didn't "share concerns" about the starting of a second network of centrifuges, expressing confidence that the new centrifuges "are under the complete control of the [IAEA], for scientific research purposes."

Russia and China, which can veto Security Council resolutions and have close economic ties with Iran, are reportedly pushing for continued dialogue with Iran instead of punishment.

In a separate report yesterday, ISNA quoted Ali Larijani, Iran's top nuclear negotiator, as saying his country's enrichment program should not hinder negotiations with the West.

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The U.S. and its European allies are circulating a draft U.N. Security Council resolution that would ban the sale of missile and nuclear technology to Iran and deny the country certain assistance from the U.N. nuclear watchdog.

Iranian Nuclear Effort Defies U.N. Council Again (WP)

By Colum Lynch, Washington Post Staff Writer

The Washington Post, October 28, 2006

UNITED NATIONS, Oct. 27 -- Iran has once again defied the U.N. Security Council's repeated demands to halt its nuclear activities, firing up a second line of centrifuges to increase its ability to enrich uranium, according to a report by a semi official Iranian news agency.

The report came as U.N. negotiations became bogged down in the face of Russia's and China's reluctance to slap tough sanctions on Tehran. U.S. and European officials say they anticipate a long, hard diplomatic struggle over the coming weeks to fashion a formal reaction to Iran's enrichment activities.

President Bush warned on Friday that it is "unacceptable" for Iran to produce nuclear weapons. But the United States has been stymied in its efforts to gain speedy passage of a sanctions resolution.

Bush said the Iranian report "says to me that we must double our effort to work with the international community to persuade the Iranians that there is only isolation from the world if they continue working forward on such a program."

"The idea of Iran having a nuclear weapon is unacceptable," Bush added after a meeting with NATO Secretary General Jaap de Hoop Scheffer. "And it's unacceptable for the United States, and it's unacceptable to nations we're working with in the United Nations to send a common message."

The Security Council passed a resolution on July 31 threatening to consider sanctions against Iran if it did not suspend its enrichment of uranium and a package of incentives. Those incentives, which include greater access to Western markets and guarantees of foreign-supplied nuclear fuel, are backed by the council's five permanent members -- the United States, Russia, France, Britain and China -- plus Germany.

Iran says that it is willing to restart talks with the major powers to resolve the nuclear crisis but that it will not agree to suspend its enrichment activities as a precondition. It maintains that it has the right, under the 1970 Non-Proliferation Treaty, to enrich uranium for the production of nuclear power for what it describes as a purely civilian energy program.

With no breakthrough in sight, France, Britain and Germany presented the United States, Russia and China this week with a draft resolution that would ban trade related to Iran's nuclear and ballistic-missile programs but would allow Russia to continue to support the construction of an Iranian nuclear facility at Bushehr.

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French President Jacques Chirac told reporters during a visit to the city of Wuhan, China, that "appropriate, adapted, temporary and reversible sanctions will probably have to be found and imposed to show Iran that the whole of the international community does not understand its position," according to [a news agency].

The Bush administration declined to endorse the European draft because of concerns that it is too weak to constrain Iran from pursuing a clandestine nuclear weapons program. But Russian Foreign Minister Sergei Lavrov has suggested that the European draft is too tough and does not conform with the six nations' aim of eliminating "the risks of sensitive technology falling into Iran's hands" while maintaining "vital channels of communication with Iran."

Russia is furious that the United States in July sanctioned two Russian military contractors -- the state arms exporter Rosoboronexport and aircraft manufacturer Sukhoi -- under the 2000 Iran Nonproliferation Act.

Vitaly Churkin, Russia's ambassador to the United Nations, has hinted that the U.S. failure to lift those sanctions could complicate the Iran negotiations. "If we work collectively, we need to work collectively," Churkin said recently. "If they want to go it on their own, you know legislating unilateral sanctions, they are welcome to tackle the problem alone."

Iran is still years away from producing enough highly enriched uranium to build a nuclear bomb, according to analysts. It fired up its first 164-centrifuge line, called a cascade, earlier this year at the Natanz nuclear facility -- where Iran plans to operate up to 3,000 centrifuges. But it has been progressing at a slower rate than expected, producing only a tiny sample of enriched uranium.

David Albright, an expert on the Iran nuclear program and president of the Institute for Science and International Security, said the second cascade is too small to produce sufficient quantities of enriched uranium for a nuclear bomb. The concern, he said, is whether Tehran's nuclear scientists are close to mastering the full-scale enrichment of uranium at the facility. He said the Iranians are clearly "moving forward" in their understanding of the nuclear fuel cycle.

The Iranian Students' News Agency, which is close to the government, reported that Iran began injecting UF-6 gas into the new cascade earlier this week, a key step in producing enriched uranium.

An official at the International Atomic Energy Agency declined to confirm or deny the Iranian report. But the agency's director general, Mohamed ElBaradei, told The Washington Post on Monday that Iran was days away from using the cascade to enrich uranium.

Rice Says Hezbollah Must Disarm To Be Part Of Lebanon's Political Process (USAT/AP)

USA Today, October 28, 2006

BEIRUT (AP) — Secretary of State Condoleezza Rice stepped up international pressure on Hezbollah to disarm, saying in a television interview aired Friday that the guerrilla group must surrender its weapons if it wants to remain part of Lebanon's political process.

Rice urged Hezbollah to lay down its arms according to the cease-fire that ended its 34-day war with Israel last summer, and choose between being a militant group and a legitimate political organization.

Hezbollah is under heavy international pressure to surrender its weapons, but the Iranian- and Syrian-backed group — which holds 11 seats in the Lebanese parliament and two spots in the Cabinet — has refused to disarm.

"If Hezbollah wants to be in politics... Hezbollah should be disarmed. You cannot have one foot in terror and the use of violence and the other foot in politics. It just doesn't work that way," Rice said in an interview with the privately-owned Lebanese Broadcasting Corp.

"Hezbollah has to decide whether it's going to maintain its terrorist wing and remain a terrorist organization or whether it's going to ... be part the political process," she said.

The interview was taped at Rice's office in Washington, and conducted by May Chidiac, a Lebanese journalist who lost an arm and a leg in car bombing in Lebanon in September 2005.

The U.S. government has labeled Hezbollah a terrorist organization and blames it for the deaths of 241 U.S. Marines in the bombing of their Beirut barracks in 1983, as well as for two attacks on the U.S. embassy in Beirut and the 1985 TWA hijacking that killed an American serviceman on board. Hezbollah has repeatedly denied such accusations and says it now opposes terrorism.

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Rice also urged the Lebanese government to end what it called Hezbollah's "state within a state" and prevent weapons from reaching the militant group.

"I'm counting on Lebanon to live up to its obligations, and I'm counting on Lebanon to want to evolve to a normal state," Rice told the satellite channel. "And a normal state has an army and police that answer to the state, not to a state within a state."

The U.N. cease-fire resolution that ended the Hezbollah-Israel war on Aug. 14 called for the Lebanese army to deploy alongside international peacekeepers in Hezbollah strongholds across south Lebanon. Some 16,000 Lebanese troops have fanned out across the region, including along the border with Israel, for the first time in decades.

The two forces are tasked with establishing a Hezbollah-free buffer zone stretching some 30 kilometers (18 miles) north of the Israeli border.

Rice also warned that as Lebanon tries to rebuild, some people might try to destabilize its Western-backed government.

"We've heard that there are people who would like to intimidate or assassinate again," she said, referring to the 2005 assassinations of former Prime Minister Rafik Hariri and other anti-Syrian politicians. She did not elaborate.

Asked if Syria was trying to destabilize Lebanon following its withdrawal last year, Rice said: "It's not any great secret that there are concerns about what Syria, which once occupied the country, might try and do through continuing contacts in the country. But I don't want accuse any one place. I just want to make very clear that the international community believes there should be no foreign intimidation of the Lebanese people."

(hd-aj-lf)

Goodwill Ambassador? Venezuela Is Leery Of U.S. Envoy (NYT)

By Simon Romero

The New York Times, October 28, 2006

LECHERÍA, Venezuela

PRESIDENT HUGO CHÁVEZ does not bother to hide how he feels about William Brownfield, the United States ambassador to this country. “Start packing your bags, mister, if you keep on provoking us,” Mr. Chávez said on TV this year. “Because I’ll kick you out of here.”

Some of Mr. Chávez’s supporters feel the same way. Protesters on motorcycles chased Mr. Brownfield’s car in Caracas last April, beating on its doors and pelting it with tomatoes and eggs. When Mr. Brownfield visited Nueva Esparta last December to hand out baseball equipment, demonstrators threw rocks at his car.

With relations between Washington and Caracas at a low ebb, Mr. Brownfield, a loquacious Texan and career diplomat, has one of the most challenging jobs of any American ambassador. Though at a career stage when some would prefer a plush embassy in a friendly country, Mr. Brownfield seems to relish the opportunity to engage Venezuelans on a street level.

This is no easy undertaking in a country where President Bush is regularly pilloried (an exposition at the Foreign Ministry in Caracas this week depicted Mr. Bush in Nazi clothing).

While Mr. Brownfield is not always greeted with rocks and eggs, he does find himself fighting an uphill battle almost wherever he goes. That much was evident when he arrived here in eastern Venezuela recently, bodyguards in tow, to deliver one of his speeches that gently rankle Mr. Chávez.

Mr. Brownfield started by thanking Venezuela for offering subsidized heating oil to poor Americans this winter. Then he pointed out that Venezuela’s ambassador in Washington similarly travels around the United States speaking to groups interested in Mr. Chávez’s “Bolivarian Revolution.”

“Why, I think my friend Ambassador Bernardo Álvarez is in San Juan at this very moment,” Mr. Brownfield, 54, said in fluent but heavily accented Spanish. (Mr. Álvarez was there to show support for Puerto Rico’s independence movement.)

Finally, responding to questions from local journalists, Mr. Brownfield defended the Bush administration’s recent prohibition on arms sales to Venezuela, after the State Department listed Venezuela as uncooperative in counterterrorism efforts.

That ended his visit here to an American Corner, one of four he has recently opened in the country. These are essentially libraries and information centers run jointly by the State Department and a local group, where people can study English or read up on American history and culture.

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About 30 residents gathered to see him in the municipal building of Lechería, a city led by an anti-Chávez mayor. But even here, the reception was cool. Some tapped messages into their Blackberrys while he spoke. All applauded politely when he finished.

The rest of his trip did not go as smoothly. Tarek William Saab, an author and the governor of Anzoátegui State, described by Mr. Chávez as "the poet of the revolution," refused to meet with Mr. Brownfield. Executives from two American energy companies with operations here also declined because their partner, Venezuela's national oil company, denied Mr. Brownfield permission to enter their refining complex.

SO it goes in a country that, paradoxically, maintains resilient commercial ties with the United States. Anti-American sentiment is often directed personally at Mr. Brownfield, who grew up in a ranching family and sometimes sports a University of Texas baseball cap.

Newspapers have dubbed him el Tejano, the Texan, a nod to his straightforward if ironic style in pressing ahead with his street diplomacy. He grew up not far from Brownfield, a West Texas ranching town named for an ancestor.

After leaving Texas he entered the Foreign Service in the late 1970s, "starting life," as he puts it, in the heart of Venezuela's oil patch in Maracaibo, where there was once an American Consulate. Rising to become one of the most respected American diplomats in Latin America, he accepted assignments in Panama, as political adviser to the United States Southern Command, and as ambassador to Chile. His wife, Kristie A. Kenney, is the United States ambassador to the Philippines.

Since presenting his credentials to Mr. Chávez in August 2004, Mr. Brownfield has repeatedly had to deny claims that the Pentagon is preparing to send the Marines to invade Venezuela. Still, Mr. Chávez finds the United States a convenient boogeyman, using the idea of invasion to strengthen ties with Iran and cement domestic political support.

"We've been a partner with Venezuela for 200 years," Mr. Brownfield said in an interview. "This is a partnership that will endure times of stress."

A hardening of relations seems almost inevitable, with spats emerging almost monthly. The two countries are now clashing over Venezuela's bid to win a seat on the United Nations Security Council and a push by Mr. Brownfield to reopen the consulate in Maracaibo — a support base for Manuel Rosales, the leading opposition candidate in December presidential elections. Both efforts have stalled.

Mr. Brownfield, meanwhile, travels around Venezuela. Often his venues are at baseball diamonds, which he views as areas where the two countries have a history of cooperation. Even Mr. Chávez has been known to don a baseball uniform, evoking youthful dreams of pitching for the San Francisco Giants.

Mr. Brownfield's overtures, like those of American diplomats in Havana, are often regarded here as imperialist aggression. At first glance, the American Corner in Lechería seems benign. Its library has biographies of Bill Clinton, Katharine Graham and Theodore Roosevelt.

But pro-Chávez activists like Eva Golinger, an American lawyer who lives in Caracas, have denounced the American Corners, which are more common in former countries of the Soviet Union, as examples of "psychological and propaganda operations."

"Mr. Brownfield is sticking out his foot, in order to have it stepped on," José Vicente Rangel, Venezuela's vice president, said this year. "What he wants is for some hothead, or some provocateur that they invite themselves, to throw a stone at him."

THE challenges before Mr. Brownfield were evident in a visit to a dilapidated public hospital in Barcelona, a city next to Lechería. He went to publicize a program that brings American doctors to repair cleft palates in poor children.

Families of more than 90 children greeted Mr. Brownfield as he walked throughout the hospital, accompanied by aides and television cameras. Oneida López, the aunt of a 2-year-old boy who had undergone the surgery, said Mr. Brownfield was a "very generous man." But Ms. López said she admired Mr. Chávez more.

She traveled to Barcelona from her home city, Anaco, earlier this month to see the president when he opened a cancer unit at the same hospital. She said she recently started a job as a street sweeper at a cooperative, one of many social welfare programs created by Mr. Chávez. "I love my president," said Ms. López, 31.

Perhaps relations between the countries come into clearer focus when Mr. Brownfield shows his teeth. One story in diplomatic circles in Caracas describes his brief meeting last year with Mr. Chávez.

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"Mr. Brownfield recommended holding a friendly baseball game between the staffs of the presidential palace and the United States Embassy, on the condition that the marines played on the American side. "I have only seven of them here," he told Mr. Chávez, who reacted with a cool smile and ended the encounter.

A spokeswoman at Venezuela's communications ministry said she was unable to confirm details of the meeting. An embassy spokesman said only, "On matters as important as baseball, we don't comment."

Colombia City Makes A U-turn (LAT)

By Chris Kraul, Times Staff Writer

The Los Angeles Times, October 28, 2006

Bogota, once a world capital of mayhem, is now held up as a model.

A decade ago, the Bosa slum was the black hole of Bogota. Its darkest corner was Laurel Park, a grassless, trash-strewn lot with open sewage and gun-toting gangs bent on muggings and murder.

Today, Bosa has paved streets, new schools, health clinics and cafeterias, and links to a new mass transit system. Laurel Park has been rechristened Park of the Arts and is alive with children at play and free theater, fashion shows and concerts.

Like much of this re-energized capital of more than 7 million inhabitants, the war zone that was Bosa has been transformed.

"The change has surprised everyone, not just visibly but socially," said Nubia Zuaza, a community activist who has lived in the area for 20 years. "From a focal point of delinquency, the park now embodies a sense of community that wasn't there before."

The same can be said for much of Bogota, which in the 1990s earned a well-deserved reputation as a world capital of mayhem. Car bombings, assassinations, killings and kidnappings sent thousands of Bogota's residents fleeing to the United States or had them hunkering down in their homes. Bogota was, in many urban experts' view, a failed city choked with traffic and pollution and victimized by a seemingly uncontrollable crime wave.

"When I took office, people told me: 'Nobody can fix this. Bogota is totally hopeless,' " said Enrique Peñalosa, the capital's mayor from 1997 to 2000.

Now, visionary leadership by Peñalosa and two other Bogota mayors is credited with helping turn the city around. Improved public finances, reduced crime and congestion, a slew of public works, and reduced and more orderly traffic have made Colombia's capital livable again.

Urban experts around the world are taking notice. At the architecture exhibition at last month's Venice Biennale, the organizers cited the city as an exemplar in mass transit. Highlighted were the continent's largest network of bike paths and Bogota's 300-mile Transmilenio bus system, which after six years of existence boasts a daily ridership of 1.4 million.

The United Nations, the World Bank and the Bill & Melinda Gates Foundation have cited the 70% drop in Bogota's homicide rate, an even steeper decline in kidnappings, and the addition of a score of public libraries, most of them in poor areas.

But the proof of the turnaround is in the attitudes of the residents. Polls show that citizens who once overwhelmingly saw life here as a cross to bear are hopeful about the future and happier to be here.

"The quality of life has improved with all that's been done, like the schools and the community dining rooms. People see that the government is doing something," said seamstress Sonia Ruiz, 45, a 25-year resident of the Bosa barrio. She spoke as she walked near the Park of the Arts, which on a weekday afternoon was clogged with kids playing on swings and kicking soccer balls.

Another Bosa resident, 50-year-old electrician Manuel Penola, said that the barrio was "no utopia yet" and that break-ins still happen, potholes go months without fixing, and there is flooding after downpours. "But that's because the city is too big, and barrios like this arose illegally with no planning," Penola said. "Now, at least, we have cooking gas and, with the Transmilenio nearby, the streets are safer and a lot less jammed."

The city appears to have entered an era that author Armando Silva hopefully describes as a "culture of citizenship," a term that could never have been applied to Bogota a decade ago.

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"The self-image of crime, violence and no future was so strong in the '90s that no one could see a way out," said Silva, a philosophy professor at the National University of Colombia. "But there has been a change in the political direction of the city, and you have to credit the citizens themselves who demanded it."

Urban planning expert Juan Carlos del Castillo said the seeds of change were planted during the administration of Mayor Jaime Castro in the early 1990s. Castro initiated Bogota's first land-use plan and persuaded the federal legislature to grant him stronger powers, having found himself overshadowed by a city council dominated by corrupt real estate and transportation interests.

"At the time there was total chaos in the city," said Del Castillo, who teaches at the National University of Colombia. "The law of the jungle said that people did whatever they wanted, whether it was walling off a street, ignoring their taxes or gas bills, or parking their cars on sidewalks."

Castro's successor, Antanas Mockus, son of Lithuanian immigrants and a former university rector, tried to restore a sense of citizenship, employing a whimsical approach that included using mimes to shame motorists into heeding stoplights and crosswalks. But he also played fiscal hardball to improve tax collection and clean up the city's finances.

Mockus said in an interview that he also attacked Bogota's seemingly unsolvable crime problem by approaching it as an "epidemiologist would tuberculosis." He mapped out areas where crime was highest and targeted them by increasing patrols and halting liquor sales selectively after 1 a.m. on weekends.

"Crime is caused not only by professional criminals but by social aggression, arguments that get out of hand, often when alcohol is involved," Mockus said. "My approach was that all of us have a rude person inside of us and it's our job to regulate him."

Although crime has by no means disappeared, most Bogotanos you stop on the street tell you their city feels safer.

"Two or three years ago, I never walked downtown alone. Now I feel I'm taking no risk in going," 25-year-old domestic worker Mari Cordero said as she left her job in Bogota's wealthy Chico section.

By the end of Mockus' first term in December 1997 (he was reelected in late 2000 and began a second three-year term in 2001), crime rates had begun to fall and public finances were strengthening. Thanks to Castro's improved property-tax collection and Mockus' reorganization of the power company, Mockus left a budget surplus of about $700 million for incoming Mayor Peñalosa.

A part-time professor and business consultant with the U.S. firm Arthur D. Little before taking office, Peñalosa used the surplus to launch a public works program designed to dramatically reduce traffic, which he describes as Bogota's bane. "Cars are lethal weapons that dehumanize society," he said.

"I could have used the surplus to build seven elevated highways for more cars, but that would have left no money for public spaces or libraries," Peñalosa said. "Those highways would have been undemocratic since 70% of Bogotanos don't have cars."

Using a model set by the Brazilian city of Curitiba, he planned and began construction of the Transmilenio bus system and restricted each private automobile's circulation to five days a week.

The current mayor, Luis Eduardo Garzon, has taken on the poverty fight, guaranteeing free lunches to the poor and elderly in a program called "Bogota Without Hunger" and extending the city's free health clinic network.

The city's development trajectory is not without critics, including Venus Albeiro Silva Gomez, the federal deputy who represents the Bosa district. "Too much of the spending is directed to the north of the city where the rich people live," he said, "and not enough in the south where the poor are."

But few would dispute that Bogota has vastly improved since a decade ago.

"It's difficult to measure, but I think the city has recovered its self-respect," urban planner Del Castillo said. "If you asked people 10 years ago, they'd tell you the city is governed by thieves. Today it's the opposite."

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Times researcher Jenny Carolina Gonzalez contributed to this report.

Coca Growers Resist Bolivia Crackdown (WT)

By Martin Arostegui, The Washington Times

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The Washington Times, October 28, 2006

SANTA CRUZ, Bolivia -- Indigenous coca farmers who helped put President Evo Morales in power are violently resisting even the token eradication efforts demanded by the United States to avoid Bolivia's decertification as a country cooperating against drug trafficking.

Dissatisfied with new laws permitting peasant farmers to grow up to half an acre of coca for traditional use, the farmers are backing demands for increased acreage with road blocks and gunfights that so far have killed two growers and wounded two police officers.

The government, which this week was maneuvering in New York to secure a two-year term on the U.N. Security Council, is divided on how to proceed.

It came to power in January with strong backing from Andean Indians who for centuries have used the coca leaf as a mild stimulant, and Mr. Morales, a former coca grower who heads Bolivia's largest coca-growing syndicate in the Chapare Valley, has repeatedly pledged to use "peaceful" means to limit cultivation of the leaf.

But police and elements in his own government are concerned that as much as half the current coca production is being diverted into the production of cocaine for the illicit international market.

The State Department publicly warned Mr. Morales during his visit to the United Nations in New York last month that Bolivia must eliminate 12,000 acres of coca cultivation or face decertification as a country cooperating against drug trafficking, which would mean a cutoff of aid.

The statement followed talks in Washington with Vice President Alvaro Garcia Linera, who agreed to eradicate roughly 15 percent of the country's estimated coca acreage.

But Felipe Caceres, the vice minister for social defense and a former coca grower himself, said in a recent interview with Bolivia's largest newspaper La Razon, that 50 percent of coca production currently goes to drug trafficking, an estimate supported by national police.

U.S. Ambassador Philip Goldberg also has called on Bolivia to renew joint operations with U.S. anti-drug agencies. But Mr. Morales has rejected U.S. calls to end his policy of permitting traditional coca farmers to cultivate up to 1 cato, or half an acre, of the crop.

"We won't accept impositions," the president said in a speech to the U.N. General Assembly, where he called for coca's legalization.

Instead, Mr. Morales has appealed to the coca syndicates to hold down production out of their own self-interest.

"We cannot allow the uncontrolled growth of coca, as it will reduce the price," Mr. Morales recently told a gathering of the Six Federations of Coca Growers of the Tropic of Cochabamba. He also admitted that "there exists an excess production of coca that generates a legal problem."

Even so, coca growers are now demanding to be allowed to double or triple the permitted acreage. More than 1,200 peasant farmers who have planted about 2,000 acres of new coca in national parklands outside the Chapare Valley have insisted that they need to grow more because of their distance from roads and markets.

Officials of Bolivia's U.S.-trained anti-narcotics unit, the Special Force to Fight Crime and Narcotraffic, have reported that the excess production is controlled by drug traffickers. But police and army teams were pulled off eradication missions after a gunfight two weeks ago in Carrasco National Park in eastern Cochabamba province.

Two coca growers were killed and two seriously wounded police officers had to be evacuated by helicopter during the heavy exchange of automatic weapons fire.

Eleven soldiers including an army major were taken hostage. The servicemen were released following negotiations with the government, but several hundred coca growers then used dynamite to cut the main road between Cochabamba and Santa Cruz.

Interior Minister Alicia Munoz has minimized the incidents. "These conflicts are small. The government's anti-drug policy is macro. It seeks to dignify the coca leaf and eliminate illegal cultivations which exist in protected areas," she said as coca farmers threw up more blockades in the Yungas Valley.

American Pilots Were At Correct Altitude Over Brazil, Lawyer Says (NYT)

By Paulo Prada And Matthew L. Wald

The New York Times, October 28, 2006

RIO DE JANEIRO, Oct. 27 — The lawyer representing the pilots of an American corporate jet that apparently collided with a Brazilian airliner on Sept. 29 said Friday that his clients were at their assigned altitude at the time of the crash, despite a flight plan that specified a different altitude.

The corporate plane was a Legacy, built by Embraer, a Brazilian manufacturer. It apparently clipped a Boeing 737 operated by Gol Linhas Aéreas Inteligentes, which crashed, killing all 154 people on board.

The collision apparently occurred at 37,000 feet. Brazilian prosecutors have noted that the flight plan, filed by the crew before departure, called for that altitude, and then a descent to 36,000 feet before the location where the collision occurred, and then climbing to 38,000.

The lawyer, Roberto A. Torricella Jr., who is based in Miami, said the two American pilots had confirmed those details. But he says they also told him that when they took off from the southeastern city of São José dos Campos, where their new plane had been made, they were given a clearance by Brazilian air traffic control that superseded the flight plan.

The takeoff clearance called for 37,000 feet for the entire route up to the point of the crash, Mr. Torricella said. As a result, he said, the plane was at the proper altitude.

It is unclear whether testimony by Brazilian air traffic controllers, who have been interviewed for the crash investigation, supports that a takeoff clearance of 37,000 feet was granted. Telephone calls to Brazil's civil aviation authority and air force, which are responsible for the investigation, were not returned Friday night. Investigators for state and federal police forces, who are conducting a criminal investigation, could not be reached for comment.

The American pilots, Joseph Lepore, 42, of Bay Shore, N.Y., and Jan Paladino, 34, of Westhampton, N.Y., flying for ExcelAire Service Inc. of Ronkonkoma, N.Y., remain in Brazil. They have not been charged with wrongdoing, but a judge ordered their passports seized to keep them in the country until a criminal investigation is complete.

Mr. Torricella said that the pilots were questioned immediately by investigators and the police, but had not yet been interviewed by the federal police. Aviation experts said the police might not be ready to do so. Searchers only recently found the 737's cockpit voice recorder, which is being sent to Canada for analysis. There may be other evidence that they have not finished analyzing.

In addition, Brazil is holding a presidential election on Sunday, and the crash has inflamed passions. A prosecutor once speculated that the American crew had turned off their transponder, a device that makes the plane more visible on radar and visible to other planes' anticollision warning system.

A Year After Suburban Riots, France Is Mostly Calm (WP)

By Molly Moore, Washington Post Foreign Service

The Washington Post, October 28, 2006

PARIS, Oct. 27 -- French officials deployed 4,000 extra police officers in the country's poorest suburban areas Friday as the anniversary of last year's wave of arson attacks arrived with only scattered incidents of violence, according to early police and news media reports.

The security precautions followed several weeks of increasing tension in the suburban areas of Paris where residents -- most of whom are Arab and African immigrants and their French-born children -- have complained that the government had not lived up to promises it made, after last year's nationwide rampage, to improve living conditions and employment opportunities.

Small groups of men -- some of them armed -- attacked two public buses in the northern suburbs of Paris early in the evening. In one incident, two armed men boarded a bus in front of a train station in the town of Le Blanc-Mesnil, yanked the driver off the vehicle and ordered all the passengers off before throwing a gasoline bomb and burning the bus, French media reported. Authorities reduced bus service into the area and limited night bus service in many other suburbs.

In the past week, about half a dozen public buses have been attacked and set ablaze in suburbs of Paris and Lyon, and gangs wielding rocks and metal pipes have ambushed police in some Paris suburbs.

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Friday morning, in the northern Paris suburb of Clichy-sous-Bois, several hundred residents marched to memorialize the deaths of two local youths last Oct. 27 -- the incident that set off France's worst civil unrest since the student protests in 1968.

The two teenagers were electrocuted when they leapt into an electrical substation to escape police who witnesses said were chasing them. French officials denied that police had been pursuing the youths.

Marchers carried a banner declaring, "Died for nothing." The marchers stopped at the electrical substation where the youths perished and recited prayers in French and Arabic as their families laid plastic-wrapped flowers against the fence.

"Last year we crossed Clichy by weaving between the burnt-out wrecks of cars, creating an image of our city that we didn't want to see," Mayor Claude Dillain told the gathering during a solemn ceremony Friday morning. "Once again France, and even the world, is watching us and waiting to see what we do. So I appeal solemnly for calm and dignity to prevail here."

During last year's violence, gangs of boys and young men torched more than 10,000 cars and attacked nearly 500 schools and other public buildings, mostly government institutions.

Allegations that the government has failed to respond adequately to demands for improvements in the poor suburbs, along with parallel concerns over security and an increasing Muslim population, are among the most contentious issues in the French presidential campaign.

Speeches And Arson Recall Last Year's Unrest In France (NYT)

By Ariane Bernard

The New York Times, October 28, 2006

CLICHY-SOUS-BOIS, France, Oct. 27 — Hooded attackers burned two buses on Friday night in a city near this Paris suburb on the anniversary of the start of last year's suburban unrest.

Additional police officers had been put on duty for Friday night, as France braced for possible violence. In recent weeks, bands of youths had attacked police patrols and buses in the suburbs of Paris and Lyon.

In the Friday night arson, the two buses were attacked separately in Le Blanc-Mesnil, north of Paris. The passengers and drivers of both buses were able to escape unharmed, said the Paris-area transportation authority, the RATP.

In one of the attacks, assailants broke the bus's windows and threw firebombs into the vehicle. A spokeswoman for the RATP said that she was unsure if the bombs were thrown before or after the passengers left the bus. The spokeswoman, who could not be identified by name under the transportation authority's ground rules, said she did not have details of the other attack.

During the day on Friday, several hundred people in this poor suburb of Paris participated in a silent march in memory of two teenagers whose accidental deaths last year triggered three weeks of unrest that shook the country.

In speeches after the march, local officials and family members of the teenagers called for calm. The two teenagers, Bouna Traoré, 15, and Zyed Benna, 17, were electrocuted last Oct. 27 at a power substation where they and a friend were hiding. Some accounts at the time said they had been running from the police. The friend was severely wounded but survived.

"Once more, France, the world, are watching us," said the mayor, Claude Dilain, after dedicating an understated white stone monument in front of the teenagers' school.

"This is a solemn call for calm," said the mayor, who is a Socialist.

The marchers, many of them youths wearing white T-shirts bearing the words "Dead for Nothing," paused by the power substation where the teenagers died. Men and women cried as they passed the site, and an imam said prayers for the dead.

Many expressed not only sadness over the deaths, but also disappointment with how little things had changed in France's tough suburbs. The unrest last year, during which thousands of cars were set ablaze and businesses were trashed, shed light on the plight of the country's underprivileged populations, mainly Arabs and black Africans and their French-born children, who feel disenfranchised. In some immigrant neighborhoods, unemployment runs considerably above the national average.

After the march, Muhittin Altun, 18, the survivor of the accident that killed his friends, said, "You'll see, it's going to explode, it's going to explode everywhere, because for the past year, they have been trying to put us to sleep."

But Sylviane Dubuisson, 52, who runs a bakery here, said she disapproved of the march because she feared it could lead to new violence. Speaking of the two teenagers, she said, "They died, it's sad, but they have to rest in peace and we need to forget."

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French Muslims Mark Day Of Sadness To Honor Dead (LAT)

By Alissa J. Rubin And Achrene Sicakyuz, Times Staff Writers

The Los Angeles Times, October 28, 2006

The anniversary of two youths' deaths finds that little has changed.

CLICHY-SOUS-BOIS, FRANCE — One word summed up the mood at the commemoration Friday of the deaths of two French youths whose electrocution set off a series of fiery riots a year ago.

"Triste," said one person after another in French. Sad.

"The atmosphere was sad," said Maamar Hamoude, who works for a local nonprofit organization, as he stood for a few minutes after the ceremony in this rundown suburb to dedicate a memorial. "It was a paying of respects to the young men who died, and in a certain way to all the young people here who have so little," he said.

Teenagers Bouna Traore and Zyed Benna, children of immigrants from Africa, were apparently fleeing from the police when they were electrocuted a year ago Friday after they took refuge in an electrical transforming station. Their deaths brought to the surface fury at France's failure to integrate minorities, primarily of African and Middle Eastern origins.

In the weeks of rioting that ensued, thousands of cars were set on fire and some shops looted. However, only one person died and a small number were injured.

Although there are 5 million Muslims in France, the majority from immigrant backgrounds, few have made their way into the country's elite. There are barely a handful of minorities in politics, just one junior minister from a minority background, and token numbers in France's top universities and its police force.

Most live in desolate concrete housing projects or dilapidated homes in suburbs an hour or more by bus or train from the large French cities where most jobs are. Unemployment is well above 20% and in some cases as high as 40%, according to French newspapers.

To prepare for the anniversary, the French Interior Ministry put 4,000 additional police on duty. A day earlier, Interior Minister Nicolas Sarkozy announced that police would also guard bus routes to ensure that drivers and passengers were safe.

Although the emotion often portrayed in the media has been anger, what was on display Friday at the memorial was communal mourning. Many people who came to the two-hour ceremony knew the boys who had died and said that the neighborhoods remained a tinderbox, with an underlying tone of hopelessness. Some of the suburbs' young people seem to believe that only through violence are they heard.

"I think last year's riots have helped us being seen by the rest of France," said Leyla, 18, a young woman who knew one of the boys who died. She did not give her last name.

By early evening Friday there were reports of two buses burned near here; in one case, armed men forced the driver and passengers off before setting it alight, according to witnesses.

"In the last year not a lot has changed," said Fariz, 17, who also did not give his last name. "We don't see much difference. Even if they say funds are being spent, the atmosphere is still tense."

Fariz, like many attending the memorial, wore a long white T-shirt with the names of the two boys who died and the words: "Dead For Nothing." Many refused to talk to reporters, simply shaking their heads.

The event began with a silent march from the border of Clichy-sous-Bois through the housing projects where the boys had lived and into the electrical station where they died and then to the college where the memorial was installed.

The mood was somber, the weather gray and damp. Though most of the marchers appeared young, there were older people as well — mothers wearing long African robes and elaborate head scarves; matrons in traditional Islamic hijab and ankle-length coats, their hair covered, speaking softly in Arabic; and older men in the skullcaps often worn by practicing Muslims.

Some speakers offered benedictions in French, some in Arabic — a signal of the divided identity of the community.

Julian, a 17-year-old who has hopes of becoming a film director, said that the government had to do more to improve the projects. "There are lots of promises about urban renovation, and I hope the government will keep its promises," he said. "There are buildings here where the elevators have not worked for years, and our parents pay taxes. The mood is the same as last year."

Clichy-sous-Bois Mayor Claude Dilain agreed. A strong defender of his town, he said that in the eyes of most residents, nothing had changed in the last year.

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At the same time, he added: "It would have been impossible to change things in a year…. I can explain to the Clichois that when the minister of Interior promises a local police station, he can't do it in a year. I can explain to the Clichois that when a tram is promised, it can't be done in a day.

"What I can't explain to them is the lack of political affirmation…. We expected the government to assert that it was no longer acceptable that 10% of the French population live in conditions that do not match Republican values," he said.

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Men Burn Buses In Paris Suburb (WT/AP)

By Elaine Ganley, Associated Press

The Washington Times, October 28, 2006

CLICHY-SOUS-BOIS, France -- Two public buses were torched in a Paris suburb yesterday, the anniversary of the two deaths that ignited weeks of riots in largely immigrant housing projects across France a year ago.

Both buses were burned in Blanc Mesnil, a northern Paris suburb near Clichy-sous-Bois, where last year's violence began, police said.

In the first attack, two armed men forced passengers off the bus before setting it alight, police said. No one was injured.

The second bus was set on fire shortly after.

Witness Thierry Ange, 19, said four hooded men stood in front of the bus, forcing it to stop. He said they pulled the driver out by his tie. He said one of the attackers hit a passenger and kicked her down the bus' steps.

The incidents were the latest in a series of bus burnings over the past few days.

Flaming cars became a symbol of three weeks of rampages last year, which jolted the nation into recognizing discontent among many minorities -- especially those of Arab and black African origin, and France's 5 million-strong Muslim population.

The outburst of anger at the accidental deaths of the two teens -- who were electrocuted in a power substation in Clichy-sous-Bois while hiding from police on Oct. 27, 2005 -- grew into a broader challenge of the French state.

Several hundred people marched silently yesterday through Clichy-sous-Bois, northeast of Paris, in honor of Zyed Benna and Bouna Traore. Zyed, 17, was buried in his father's native Tunisia. Bouna, 15, was of Mauritanian descent.

Adolescent boys in hooded sweat shirts made up a large part of the mixed-race crowd, their heads bent as prayers were read in Arabic and French.

Zyed and Bouna "became a symbol in the projects," said one of Bouna's cousins, Coulibaly.

"I don't see why the violence should recur. That will not solve the problems," she said.

A memorial to the youths was erected yesterday near City Hall, though the site where they died is adorned only with the graffiti and rubble that are the signature of it and similar neighborhoods.

Clichy-sous-Bois has no police station. Officers patrolling here come from outside and have no connection to residents.

Unemployment among the city's 28,000 residents is 23.5 percent -- the national average is 9 percent -- and is 32 percent for those between the ages of 15 and 24, according to the newspaper La Croix.

The police presence was discreet at yesterday's march, but police fanned out elsewhere to brace for possible nighttime violence, with 500 extra riot police assigned to Paris' poor neighborhoods for the anniversary.

Some 100 cars were torched nationwide overnight, half of them in the Paris region, police said. The figure was higher than usual -- police say between 30 and 50 cars are set on fire during an average week, though some weekends the figure jumps to 100. On the most fiery night of last year's riots, more than 1,400 cars went up in flames.

Attackers forced passengers off four buses before torching them in recent days. In response, Interior Minister Nicolas Sarkozy pledged to assign police to protect buses serving some Paris neighborhoods.

France's trouble integrating minorities and the recent unrest are becoming political priorities in the campaign for next year's presidential and parliamentary elections.

Instead of France's vaunted "egalite," or equality, many immigrants and their French-born children suffer police harassment, struggle to find work and live in cinder-block public housing mired in crime and poverty.

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In First Month As Japan's Premier, Abe Veers To Center (NYT)

By Norimitsu Onishi

The New York Times, October 28, 2006

TOKYO, Oct. 27 — Shinzo Abe rose to become postwar Japan's youngest prime minister by hewing to a conservative, nationalist agenda. He stood tough against China and North Korea, and championed the right's touchstone causes on history.

But in the month that he has been prime minister, Mr. Abe, 52, has made a beeline toward the center, reaching out to China and South Korea as this region confronted North Korea's recent nuclear test. He has made surprising, if grudging, admissions about Japan's militarist past, assuaging the regional tensions that emerged under his predecessor, Junichiro Koizumi.

It is too early to tell whether Mr. Abe's month in power is evidence of an innate pragmatism, or whether he is consolidating his power before pushing a more conservative agenda. But he has reassured voters in Japan and officials in Washington, won tentative praise from skeptics in China and South Korea and unsettled the Japanese right.

Mr. Abe has made back-to-back visits to China and South Korea. Both countries had refused to hold summit meetings with Japan because of Mr. Koizumi's annual pilgrimages to the Yasukuni Shrine, the Shinto memorial for Japan's war dead and war criminals, as well as a potent symbol of Japanese militarism in Asia.

Japan's deteriorating relations with China had government officials and policy makers in Asia and the United States worried. Both sides had reached an impasse, with Beijing saying it would not meet Mr. Koizumi unless he stopped visiting the shrine, and Mr. Koizumi insisting that he would not stop.

Mr. Abe, a longtime staunch defender of the visits, has now adopted a softer, ambiguous policy. Mr. Abe says he will neither confirm nor deny whether he has prayed at Yasukuni — while letting his aides inform the news media that he has, in fact, visited the shrine.

"His position on Yasukuni is a symbol of conceding to China and South Korea's demands," said Kim Ho-sup, an expert on Japanese-South Korean relations at Chung-Ang University in Seoul. "He seemed hawkish, but after he became prime minister, he handled relations with Asian neighbors and issues like Yasukuni more diplomatically than Koizumi."

"His visits to China and South Korea were very successful," Mr. Kim said.

Michael J. Green, who handled Asian affairs at the National Security Council until last December and is now at Georgetown University, said Mr. Abe has been "able to recast" Japan's relations with its neighbors away from Yasukuni.

"It was smart domestically because it reassured the center that he was able to deal with neighboring states," Mr. Green said. "It was smart internationally because it gave Japan leverage to deal with North Korea. It was smart with the United States because, even though the United States government wouldn't interfere on the history problem, the Japanese government could sense that there was growing unease in Washington about the state of relations between China and Japan."

Mr. Abe built a conservative base by leading efforts in Parliament to revise school textbooks, which the right argues dwell masochistically on Japan's militarist past, and by casting doubts on the validity of the postwar Tokyo trials that assigned guilt to Japan's wartime leaders. Starting in 2002, he rose to national stardom by being tough on North Korea and China.

But in the last month, Mr. Abe acknowledged that wartime leaders, including his grandfather, Nobusuke Kishi, had "great responsibility" for the war and its damages in Asia. Mr. Abe said he accepted two landmark statements made by Japanese governments in the 1990s, apologizing to the rest of Asia for Japan's imperialist past and recognizing the Japanese Army's role in drafting Asian women as wartime sex slaves, or "comfort women."

Hisahiko Okazaki, a former senior diplomat and a leading conservative commentator close to Mr. Abe, said the prime minister had not forsaken his conservative roots but was merely biding his time.

"Regarding policies toward the comfort women issue and other issues like that, he says they were established by previous governments, right?" Mr. Okazaki said. "Since previous governments set those policies, this government can naturally set its own policy. The current government hasn't done so yet. But I think he'll do it according to his convictions once he consolidates his power."

Mr. Abe's softening seems in keeping with a move to tamp down the nationalism of recent years. Last April, former Bush administration officials, including Mr. Green and James A. Kelley, a former assistant secretary of state for East Asian affairs, said

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at a conference in Tokyo that Yasukuni was giving Japan a black eye. Then J. Thomas Schieffer, the American ambassador to Japan, described as "very disturbing" the view of history presented at Yasukuni's museum — that Japan was tricked into war by the United States and occupied Asia to free it.

Now, Yasukuni officials said that they planned to change an exhibit that states that President Franklin D. Roosevelt forced Japan into war so that the United States could recover from the Great Depression. Taro Nagae, an adviser to Yasukuni and a retired senior researcher at the Defense Agency's National Institute for Defense Studies, said that the museum had planned to review all its exhibits this year, but acknowledged the effects of American unease over the museum.

"I had been feeling it for a while, and when comments by Armitage and Schieffer started appearing on television and in newspapers, I advised in July that we needed to hurry," Mr. Nagae said, referring to Richard L. Armitage, a former deputy secretary of state.

Asked whether the exhibit change was tied to Mr. Abe's administration, Mr. Nagae said: "If I said there was no relationship, I would be lying. There were opinions that we should start the work after the start of the Abe administration."

Sri Lanka, Tamil Tigers Ready To Meet (LAT)

By Henry Chu, Times Staff Writer

The Los Angeles Times, October 28, 2006

The stakes are high but expectations are low as the foes prepare to talk peace again at a time of escalating violence.

COLOMBO, SRI LANKA — In what could be the last, best hope for averting all-out war, the government of this island nation and the rebel Tamil Tigers are due to sit down today for their first face-to-face talks in months over one of Asia's most intractable conflicts.

Both sides have been stung by heavy losses and international criticism in recent weeks, following a surge in combat that has left hundreds dead and thousands more refugees in their own country, forced to flee homes and livelihoods to avoid the crossfire.

In the charged atmosphere, no one is predicting that substantive advances will be made at the negotiating table. But so fierce has been the fighting that even getting the two longtime adversaries to meet today and Sunday in Geneva is being trumpeted as an achievement, and welcomed by residents desperate for a reprieve from the bloodletting.

"For the first round, we are happy that they're going at all," said Jehan Perera of the National Peace Council of Sri Lanka. "The best thing we can hope for is that they commit themselves to stop the violence."

The violence threatens to engulf this teardrop-shaped island, spilling over from the north and east, where the fighting had, until recently, mostly been confined and where the highly armed rebels want to establish an independent homeland for Sri Lanka's ethnic-minority Tamils.

Military checkpoints now ring this capital, in the southwest, amid fears of further attacks like the mine explosion that nearly killed the Pakistani ambassador two months ago. Last week, Tamil Tiger suicide bombers aboard fishing boats shocked the Sri Lankan navy by mounting an assault on a naval base at Galle, a southern port city popular with tourists and far from the traditional theater of war.

Under pressure

Both sides, their casualty counts spiraling since July, are licking their wounds. They are also under intense diplomatic pressure, much of it from major donor countries, to go back to a 2002 cease-fire deal rendered defunct since late last year, when fighting broke wide open again.

"You're getting peace talks because both sides want to communicate to the international community their willingness to negotiate," said analyst Paikiasothy Saravanamuttu, adding: "I would put the bar of expectations fairly low."

This week, Sri Lankan officials unveiled seven areas of discussion they want to pursue with the rebels, including human rights violations and the recruitment of children as fighters, a tactic for which the Tamil Tigers are notorious.

Also on the agenda are issues of economic development and greater autonomy in the north and east — tacit admission by the government that it has failed to address some fundamental grievances underlying discontent in those regions. Sri Lanka's

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Tamil population has complained for decades of discrimination and persecution at the hands of the majority Sinhalese, who dominate politics and the armed forces.

"It's a new approach," Keheliya Rambukwella, the chief government spokesman, said in an interview here.

"Our interest is how to give benefit to the Tamil community. We are not interested in pacifying the LTTE or any terrorist groups," he said, referring to the rebels, formally known as the Liberation Tigers of Tamil Eelam.

Bolstering the government's position is a new cooperation pact with the main Sinhalese opposition parties on resolving the conflict. The accord gives President Mahinda Rajapakse more flexibility by lessening his dependence on the hard-line right-wing parties that helped elevate him to power last year.

However, Rambukwella is modest about what measurable outcomes can emerge from the weekend talks, the first such tete-a-tete since February. Most likely, the government's seven points will have to wait for the future, he acknowledges; the best result to be expected in Switzerland is that both sides agree to talk again, and write down dates in their calendars.

"This time, you sit together and say hello," Rambukwella said.

The Tigers have not responded directly to the government's new plan. Their priority in Geneva, spokesman Daya Master said, will be on easing the growing humanitarian crisis on the Jaffna peninsula in the north, where choked-off roads have led to food shortages and other hardships.

A cessation of hostilities would be possible, he said, "if the Sri Lanka government is willing to stop the military operations." Most observers, however, blame the Tigers for breaching the 2002 truce and initiating the latest cycle of attack and counterattack.

Guerrilla leaders have warned that the Geneva talks represent the island's last chance for peace. Failure, they say, would mean a return to the full-throated civil war of old, in which about 65,000 people have been killed in the last 23 years.

It is difficult to gauge whether such comments are merely bluster or brinkmanship. Many analysts believe that both sides are exhausted from fighting and that the negotiations provide a breather, if nothing else.

Sending a message

Until a few weeks ago, it appeared that the Sri Lankan military had gained the upper hand, wresting territory from the Tigers and inflicting major losses, possibly killing hundreds of guerrillas. Government forces scored notable successes in the east, around the strategically important port city of Trincomalee.

But a campaign in the north met with stiff resistance, forcing a government retreat. Then the rebels struck back, on land and sea, with suicide bombings. On Oct. 16, cars piled with explosives rammed into a navy bus convoy in central Sri Lanka, killing about 100 sailors. Two days later came the raid on the naval base at Galle, in which at least one sailor and 15 rebels died.

"That seemed to be a message from the LTTE, that 'we're evening the score,' " said Saravanamuttu, the analyst.

The hope is that the losses on both sides will be instructive rather than purely destructive.

"They've once again learned that there is no military solution to this conflict," said Swedish Maj. Gen. Ulf Henricsson, the former head of the Scandinavian cease-fire monitoring team in Sri Lanka. "The last three months of more or less war fighting showed them that … the achievements on both sides are very limited and the number of killed on both sides is very high."

An estimated 1,000 people have lost their lives since July. All told, after clashes began erupting late last year, about 2,000 deaths have been reported, half of them civilian. Accusations of abuse by both sides abound.

Whether the respite provided by the peace talks turns out to be lasting or simply the lull before a bigger storm remains to be seen.

Nor is it clear how durable the political rapprochement between the government and opposition parties will prove. The Tigers have long contended that negotiating with a fractious, divided Sri Lankan political establishment was futile, an argument that Rambukwella, the government spokesman, admitted had "a validity" to it.

The newly united front now "needs to yield results. It will be judged on the ability to produce peace and a political negotiated settlement," Saravanamuttu said.

Optimism does not come easily here after countless attempts at a peace process and countless failures. What seemed like a historic chance after the cease-fire agreement four years ago has nearly drained away within a matter of months.

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"Both sides are hurting…. The military solution has not worked out as both of them thought," said Perera of the National Peace Council.

"Maybe there is enough pragmatism on both sides that they realize they have to do something — people are suffering," he said. "It's true, they don't trust each other. But they have to work something out."

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Sri Lankan Government And Tamil Tigers To Meet (NYT)

By Shimali Senanayake

The New York Times, October 28, 2006

COLOMBO, Sri Lanka, Oct. 27 — The two sides in the long, bloody Sri Lankan conflict are due to meet in Geneva this weekend, for the first time since a suicide bombing killed 98 people two weeks ago, the deadliest incident in the conflict in more than four years.

In a crucial test of credibility, negotiators for the Sri Lankan government and the separatist Tamil rebels will try to salvage a frayed 2002 ceasefire and the fitful talks since then to end the bloodshed in this country.

Though both sides promised anew in February, when they last met, to abode by the 2002 truce, the violence has mounted since then, and the conflict has now claimed more than 2,500 lives this year alone. A meeting was to have been held in June in Oslo, and both sides sent representatives, but the Tamil Tigers ultimately decided not to take part.

No one expects major breakthroughs in the two days of talks scheduled in Geneva. “Expectations must not be exaggerated,” Erik Solheim, the international development minister of Norway, who is facilitating the talks, said today in a telephone interview from Geneva. “Most important is that the parties agree to meet again, and that talks have some calming effect on the violence.”

Diplomats and political analysts interviewed in Sri Lanka said that the best that can be expected is an agreement to hold more talks, and perhaps an agenda of what to talk about.

In private, some of them concede that the warring parties appear to have little or no interest in peace talks, and are attending them only as a sop to mounting international pressure.

The government has been criticized for a conducting chilling wave of abductions and extrajudicial killings and for making it hard for humanitarian agencies to gain access to some of the hardest hit parts of the country. For their part, the Tamil Tigers have been added to the European Union’s list of banned terrorist organizations, potentially crimping the group’s ability to raise funds among the Tamil diaspora in Europe.

As for what to discuss in Geneva, the two sides appear to have vastly different priorities. The government wants to discuss political solutions to the conflict, and plans to bring up issues like the rebels’ use of child soldiers. The rebels say the talks should focus on humanitarian issues, on the tattered cease-fire agreement and on opening a highway that links the Tamil-controlled north with the rest of the country.

“If the parties can exchange views, discuss the present situation and set dates for at least two more meetings, then these talks can be deemed a success,” said Jon Hanssen-Bauer, Norway’s special peace envoy.

The 2002 ceasefire hardly now exists, except on paper. In the incident two weeks ago, a suspected Tamil rebel rammed a truck packed with explosives into a convoy of Navy vehicles, killing scores of sailors as well as civilian bystanders. Two days later, using explosive-filled boats, rebels mounted a water-borne suicide attack on a naval base and harbor in a popular tourist area, extending the latest upsurge in violence into a previously calm part of the south that is dominated by the ethnic Sinhalese majority.

The Geneva talks follow a recent agreement between the ruling and opposition parties in Sri Lanka to negotiate a consensus policy on ending the ethnic conflict. That may remove one reason the Tamil Tigers have put forward for resisting a permanent peace deal: that political wrangling among the Sinhalese parties made it impossible for the government to implement one.

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But the talks are also overshadowed by a Supreme Court ruling blocking one of the Tamil rebels' chief demands, that the island's northern and eastern regions, which they consider the historic Tamil homeland, be administered as a single entity. The court ruled last week that a proposed merger of the two regions was unconstitutional.

Crucial Sri Lanka Peace Talks Due (BBC)

BBC.com, October 28, 2006

Violence has soared over recent months Sri Lanka's government and Tamil Tiger rebels start talks in Geneva on Saturday in an effort to avert a slide back into war.

Violence between the two sides has soared - since July 372 security force members, 128 civilians and many rebels have died, the government says.

Correspondents say expectations from the talks are close to zero.

The best scenario, many believe, is that the two sides agree on another date for another round of negotiations.

On the eve of the talks, the rebels said the road linking northern Jaffna peninsula with the rest of the country should be opened to facilitate further negotiations.

Spokesman Daya Master told the Associated Press news agency that the rebels would not agree to any future meetings with the government if the demand was not met.

The road leading to the government-controlled city of Jaffna was closed in early August after fierce fighting broke out between the two sides.

The BBC's Dumeetha Luthra in Colombo says if talks fail diplomats believe it is almost inevitable that Sri Lanka will return to all-out war.

Pressure

Seasoned observers say neither party is sincere in wanting to resume negotiations and that the Geneva meeting is essentially a result of intense international pressure.

The last round of discussions was in Geneva in February. Two subsequent attempts at talks failed, most recently in June.

Since then the international landscape has changed significantly for both sides, our correspondent says.

The rebels have been blacklisted as a terrorist organisation by the European Union and Canada.

The government, meanwhile, is concerned about losing its international credibility.

Both parties have been criticised for human rights abuses, while, on the military front, both have suffered reversals of fortune.

U.N. To Limit The Role Of Its Envoy Expelled By Sudan (NYT)

By Daniel B. Schneider

The New York Times, October 28, 2006

UNITED NATIONS, Oct. 27 — Jan Pronk, a United Nations special envoy who was expelled from Sudan this week, will continue to hold his office until his contract expires at the end of the year, but his role is expected to be mainly symbolic.

The United Nations announced Friday that it planned to send Mr. Pronk back to Khartoum, but only to organize a transfer to Taye Zerihoun, the officer in charge of the United Nations mission in Sudan. He will then return to New York to finish out his term, according to Stéphane Dujarric, the spokesman for Secretary General Kofi Annan.

"The secretary general has made it clear that he alone can decide on the tenure of his special representatives," Mr. Dujarric said. "However, he also realizes that at a critical time in the Darfur negotiations, it is important that we preserve a good working relationship with the government of Sudan, and he is certain that the officer in charge, Taye Zerihoun, will be able to provide this."

Mr. Dujarric said the United Nations did not expect the Sudanese government to reject the compromise.

Only hours after the announcement, however, Abdalmahmood Abdalhaleem Mohamad, Sudan's representative at the United Nations, said his government would not sanction Mr. Pronk's return.

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Mr. Pronk, a former Dutch cabinet minister known for his candor, was ordered out of Sudan on Sunday after he reported on his personal blog that a demoralized Sudanese Army had suffered major defeats in fighting against rebels in the Darfur region of the country.

He also said the military had continued to arm Arab militias responsible for atrocities against civilians, despite commitments to end the practice.

Mr. Pronk, who has held his position for two years and had already announced that he would not seek an extension, returned here on Thursday for a meeting with Mr. Annan. As they met, Mr. Mohamad told reporters that Mr. Pronk "became part of the problem, not the solution."

Some United Nations representatives have been dismayed that a high-ranking representative would post sensitive information on the Web.

On Friday, Mr. Dujarric said United Nations staff guidelines on publications and speeches would be updated to address the issue of blogs.

"The fact that they do not include the word 'blog' does not mean we don't expect our senior officials to use proper judgment," he said.

Mr. Pronk has maintained that the information on his Web site was already available in newspapers published in Sudan.

Misery Churns In Eastern Sudan, Away From Spotlight (NYT)

By Jeffrey Gettleman

The New York Times, October 28, 2006

TOGLEY, Sudan — Ali Hamid Ahmed used to be the elder of a village full of green fields and thousands of goats.

But a little-known war between the government and a spreading rebel force drove his people from their homes to a camp at the far eastern edge of Sudan, where the horizon is paper-flat and the land is about as fertile as a sandbox.

The people here are battered by the sun, the wind and the sand; the tribal scars cut into Mr. Ahmed's face when he was a little boy are constantly creased with dust. Mr. Ahmed's people still call him "the chairman," but out here, Mr. Ahmed says, he is the chairman of nothing.

"We have no animals," he said. "All we have is dirt."

It is a scene of desolation and despair in a country with much of both. But what is different about the crisis in eastern Sudan is that few outside organizations are paying attention. While there are an estimated 25,000 aid workers in Darfur, the war-ravaged region on the other side of the country that has become the focus of a ceaseless flurry of diplomatic activity, here in Togley there are not even plastic tarps for the huts.

Eastern Sudan is forgotten Sudan, an intriguing, isolated, sun-blasted corner of the country where a conservative culture and a slow-burning war have conspired to keep the people mired in neglect despite the area's port and oil riches.

The war may finally be over — eastern rebels who had been fighting for a greater share of the country's resources reached an agreement with the government on Oct. 14 to lay down their weapons in exchange for political representation and a share of the nation's oil money.

But the neglect will take years to reverse. Eastern Sudan, which encompasses roughly 180,000 square miles and nearly four million people, is the poorest part of the country, with the highest infant mortality rate and a per capita income in some areas of 25 cents a day, a small fraction of the national average.

In remote villages, most women cannot even write their own names, partly because of a strict Muslim culture that forbids education for girls and confines them to their homes.

"These women have nothing to do but sit around and drink coffee and scar themselves," said Niyal Mohammed al-Haj, a teacher in Kasala, one of the biggest towns in the east. "Girls don't go to school; boys drop out, and nobody cares."

One of the reasons that the east has largely gone unnoticed is that the scale of fighting could never compete with the conflicts in Darfur or southern Sudan. The fighting here is thought to have claimed between 2,000 and 5,000 lives in the last 10 years, compared with hundreds of thousands in Darfur and the south.

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Yet, the east is increasingly vital to the nation, home to gold mines and the country's major oil pipeline and port. As the troubles intensified in Darfur, Sudan's leaders in Khartoum, the capital, could hardly afford to fight another escalating rebellion.

"Khartoum was facing so much pressure on other fronts, it had to put out this fire," said Ahmed el-Amin Terik, an adviser to the state governor here in Togley. "It wasn't like the eastern rebels were so much of a threat. But even a mosquito doesn't let you sleep."

The eastern rebels do not appreciate being likened to mosquitoes. Most are Beja herdsmen, a proud and traditional group, who strut around in white robes and dusty waistcoats with three-foot-long sabers tucked into their belts. They waged hit-and-run attacks against government soldiers from the backs of their camels. Some are already grumbling about getting a raw deal in the peace effort.

The Beja leadership wanted regional autonomy but instead was given nominal positions in the central government.

The Beja also pushed for a bigger cut of Sudan's growing wealth, which is driven by oil exports, and asked for one dollar for every barrel shipped from Port Sudan, which would amount to around $150 million each year. Instead, the Sudanese government set up a $600 million eastern development fund, a substantial commitment, but one that is guaranteed only for a few years.

These issues are similar to what set off the bloodshed in Darfur and the south, where long-marginalized regional ethnic groups have taken up arms against the ruling group of Arab Sudanese in Khartoum. Critics of the central government say the three separate peace deals that have been reached — for the south in 2005, for Darfur this spring and now for the east — are not only shaky, but may encourage wider unrest.

"The message seems to be, if you want more development, you need to pick up arms," said Abda Yahia el-Mahdi, a former finance minister now in private consulting.

When it came time to sign the eastern peace deal at a ceremony in Asmara, the capital of Eritrea, just east of Sudan, Omar Hassan al-Bashir, the Sudanese president, showed up in Beja dress.

"It was ridiculous," said Hashim Hangag, a spokesman for the Beja Congress political party. "Here was a guy who has never stood with the Beja, pretending to be one of us."

Beja political frustrations have been percolating since the 1950s. The central government dammed their rivers and took their grazing land, while delivering few schools, hospitals or roads. The Beja have always been among the poorest and least educated people in Sudan, marooned in an arid, thinly populated area rife with tuberculosis and malaria, and they hardly had the means to fight back.

In the 1990s, that changed. Sudan's government tried to undermine the Eritrean government by arming Islamic fighters who were waging a holy war against it. Eritrea, in return, began arming the Beja.

Rebels from other tribes and other parts of Sudan flooded into Beja territory and opened a new front against the government, an eastern front — and the alliance eventually took that name. One misimpression of Sudan's rebel movements is that they are isolated to one area and fighting to secede. Many, however, including Darfur's rebel groups, have national ambitions and dream not of carving out their own piece of territory but of overthrowing the Arab-led government.

The fighting displaced thousands of people, including 3,000 now in Togley, who drifted from village to village until all their animals died, and then settled on a chunk of land so dry and fruitless that nobody else wanted it.

A turning point came on Jan. 29, 2005, when government troops in Port Sudan killed 25 unarmed Beja men who were protesting what they called a legacy of exclusion. That drove hundreds more into the ranks of the Eastern Front, and the central government began to fear another Darfur.

Serious peace negotiations started this year, culminating in the October agreement.

Several Beja rebels said they had been pressed to accept a less than satisfying deal because the Eritrean government, which had allowed them to operate out of camps along its border, was eager to normalize relations with Sudan and gave them little choice.

The government and some Beja leaders say that peace will bring desperately needed investment, and with the area safe, more foreign aid will flow in. Right now, just a handful of aid organizations operate here, mostly distributing food.

Mr. Ahmed, the chairman of Togley, hopes to lead his people back to their village, but there are literally minefields between here and there. "I know Darfur has problems," Mr. Ahmed said. "But what about us?"

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Kidnapping And Turmoil Ahead Of Congo Vote (NYT)

By Jeffrey Gettleman

The New York Times, October 28, 2006

KINSHASA, Congo, Oct. 27 — United Nations forces plunged into Congo's election-related violence again on Friday, this time rescuing a politician who had been kidnapped by rivals.

The day before, several people were killed at a prison riot in Kinshasa, the capital, after a band of political prisoners escaped.

All across Kinshasa, United Nations troops are hunkered down behind sandbags or prowling the garbage-strewn streets in armored personnel carriers bristling with machine guns and water cannons.

This is the increasingly edgy atmosphere in the prelude to the runoff presidential election scheduled for Sunday. The United Nations has spent $500 million on the voting, saying that peace in Congo is crucial for peace in all of central Africa.

The incumbent president, Joseph Kabila, is favored to win, but his rival, Jean-Pierre Bemba, a businessman and rebel leader accused of war crimes, remains enormously popular in the capital. It is Mr. Bemba's supporters, legions of young, broke men, who are blamed for much of the violence.

In July, a few days before the first round of voting, Mr. Bemba's supporters burned a policeman to death at a rally. In August, Mr. Bemba's soldiers tangled with Mr. Kabila's troops in a downtown shootout that killed more than 20 people.

This week, Mr. Bemba's soldiers captured Nzanga Mobutu, the son of the former dictator Mobutu Sese Seko. On Thursday, Mr. Mobutu had been campaigning for Mr. Kabila in Gbadolite, a town in the west where support for Mr. Bemba is strong. When Mr. Mobutu and a contingent of armed guards showed up at a radio station owned by Mr. Bemba, a gun battle erupted, killing four people. Mr. Mobutu was not hurt, and after negotiations between the United Nations and Mr. Bemba's supporters on Friday morning, he was driven away in a United Nations tank.

Both camps accuse each other of intimidating voters. "Bemba's guys are determined to burn this country," said Kikaya bin Karubi, one of Mr. Kabila's top aides.

Mr. Bemba's supporters deny that.

"Don't believe anything Kabila's men tell you," said Oscar Kashala, an American-educated doctor who ran for president in July, lost and is now supporting Mr. Bemba. "Congolese politics have always had the color of deceit."

The country has had a dismal political history. King Leopold II of Belgium colonized it in the late 19th century to extract as much rubber and ivory as possible. His overseers were notorious for their use of the chicotte, a hippopotamus-hide whip that they cracked over Congolese backs.

That ended in 1960, when Belgium abruptly pulled out and granted Congo independence. A few years later, Mobutu Sese Seko, a young army colonel, seized power and soon metastasized into the caricature of an African dictator, building palaces and guzzling pink Champagne while his people starved. When Western support dried up, his power faded, and a former Marxist, Laurent D. Kabila, deposed Mr. Mobutu in 1997, leading to years of conflict. The fighting and chaos claimed countless lives — the International Rescue Committee estimated nearly four million.

It was only after Laurent Kabila was assassinated in 2001 and Joseph, his eldest son, took over, that the bloodshed lessened. Mr. Kabila forged a shaky peace with Congo's other warlords, including Mr. Bemba, who was named one of the country's four vice presidents.

Mr. Kabila, 35, spent much of his youth in Tanzania and trained as an army officer in China. Mr. Bemba, 44, is from one of the richest families in the country and was shipped off to Belgium for boarding school as a boy. He later went into business and then became a militia leader, and international human rights groups have accused him of encouraging his troops to brutalize civilians.

In the first round of voting, Mr. Kabila won overwhelmingly in the east, while Mr. Bemba did well in Kinshasa and the west. Mr. Kabila won 45 percent of the vote, compared with Mr. Bemba's 20 percent. International observers said the vote was mostly fair, though marred by logistical hiccups, standard fare in a country the size of western Europe with 60 million people and only 300 miles of paved roads.

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Mobutu's Abduction Heightens Congo Election Tension (AP)

AP, October 27, 2006

KINSHASA, Congo (AP) -- An ally of Congo's president was on Friday evacuated from a town where he was held captive overnight by forces loyal to the opposition.

Nzanga Mobutu, son of late dictator Mobutu Sese Seko, had traveled Thursday to the northern town of Gbadolite to campaign for President Joseph Kabila. Clashes broke out between Mobutu's bodyguards and troops loyal to challenger Jean-Pierre Bemba.

A U.N.-supported radio station reported four people died in the violence.

Bemba's forces captured Mobutu and kept him holed up overnight in a Bemba-owned radio station, U.N. spokesman Jean-Tobie Okala said.

"This morning they agreed to release him," Okala said Friday.

A U.N. tank picked Mobutu up from the radio station and took him to the airport, where he was flown back to the capital, Kinshasa, Okala said.

The incident increased tensions ahead of Sunday's runoff. Voters will choose the mineral-rich central African nation's first democratically elected leader in four decades.

Friday marked the last official day of campaigning, and caravans of Congolese shouting support for their candidates swept through Kinshasa.

Several demonstrators were injured in scuffles that broke out between rival marchers near the city's airport.

Bemba, an ex-rebel leader who is now one of the country's four vice presidents, canceled a rally planned for the day citing security concerns.

On Thursday at least two prisoners were killed in a riot in Kinshasa after authorities tightened restrictions following the escape of a dozen inmates convicted of involvement in the assassination of Kabila's father, President Laurent Kabila.

The runoff was required after no candidate won a simple majority during the first round July 30. Kabila finished with 45 percent, and Bemba was second with 20 percent.

In August, as first-round results trickled in showing Kabila with a firm lead, street battles erupted in Kinshasa between Kabila's troops and Bemba's guards that shook the city and lasted three days. The two sides battled with automatic weapons, heavy guns and tanks. At least 23 people died.

Bemba, 44, once ruled a vast patch of territory in northeastern Congo. He was backed by neighboring Uganda during Congo's 1998-2002 civil war, which drew in the armies of more than half a dozen African nations.

Kabila signed a peace deal with Bemba and other rebels that ended the fighting and reunited the country, and gave rebel leaders top jobs in a transitional government set up in 2003.

U.N. Study: Foreign Troops In Somalia Raise War Risk (WP/AP)

The Washington Post, October 28, 2006

NAIROBI, Oct. 27 -- Thousands of Ethiopian and Eritrean troops are in Somalia, backing opposing sides in the struggle for control of the country, according to a confidential U.N. paper. The involvement of the two rivals could set the stage for a regional war.

The U.N. report, dated Oct. 26, cites diplomatic sources in estimating that "between 6,000 and 8,000 Ethiopians and 2,000 fully equipped Eritrean troops are now inside Somalia supporting" the internationally recognized transitional government and the group known as the Council of Islamic Courts, respectively.

"Both sides in the Somali conflict are reported to have major outside backers -- the government supported by Ethiopia, Uganda and Yemen; the Islamic courts receiving aid from Iran, Libya, Saudi Arabia and Gulf States," the report added.

The transitional government and the Council of Islamic Courts have been girding for battle for weeks. Government forces have dug trenches near the western town of Baidoa, the only town the U.N.-backed government controls. The Islamic group has deployed forces at a strategic town between Baidoa and its headquarters in the Somali capital, Mogadishu.

Since taking Mogadishu in June, the Islamic fighters have extended their hold over much of southern Somalia.

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Ethiopian officials have said they have only a few hundred military advisers assisting the government. The Somali transitional government has accused Eritrea of arming and supporting the Islamic group, a charge Eritrean and Islamic officials have denied.

The paper was written to help U.N. officials map a strategy on aid to Somalia, a severely impoverished country that has not had an effective central government since 1991.

Ethiopia and Eritrea fought a two-year border war that left tens of thousands of people dead and remains unresolved.

Foreign Troops Set Stage For War (WT/AP)

By Chris Tomlinson, Associated Press

The Washington Times, October 28, 2006

NAIROBI, Kenya -- Thousands of Ethiopian and Eritrean troops are in Somalia backing opposing sides in the struggle for control of the strategic country, according to a confidential U.N. briefing paper. The involvement of the two Horn of Africa rivals could set the stage for a regional war.

Islamic radicals, said by the United Nations to be backed by Eritrea, held rallies in several Somali cities calling for a holy war on Ethiopia and the internationally backed Somali government it supports.

The U.N. report dated Oct. 26 and obtained yesterday, cites diplomatic sources in estimating that "between 6,000-8,000 Ethiopians and 2,000 fully equipped Eritrean troops are now inside Somalia supporting" the internationally recognized government and the Islamic group known as the Council of Islamic Courts, respectively.

"Both sides in the Somali conflict are reported to have major outside backers -- the government supported by Ethiopia, Uganda and Yemen; the Islamic courts receiving aid from Iran, Libya, Saudi Arabia and [Persian] Gulf states," the report added.

The transitional government and the Council of Islamic Courts have been girding for battle in recent weeks. Government forces, supported by Ethiopian military advisers, have been seen digging trenches near Baidoa, the only town the U.N.-backed government controls.

The Islamic courts have deployed forces at a strategic town between Baidoa and their headquarters in the Somali capital, Mogadishu, 150 miles to the southeast.

The military moves could be mere posturing ahead of peace talks scheduled for next week in Khartoum, Sudan, but most observers are pessimistic about the chances for an agreement and fear major fighting could follow if talks fail.

"Clearly the situation is rapidly deteriorating and an all-out war is possible," the report said.

Ethiopia and Eritrea fought a two-year border war that remains unresolved. The top U.S. diplomat to Africa, Jendayi Frazer, last week accused Eritrea of using Somalia to open a second front against Ethiopia.

In Washington on Thursday, State Department spokesman Sean McCormack called on Ethiopia and Eritrea not to further aggravate the situation.

"There are tensions between Ethiopia and Eritrea even removing Somalia from the equation. When you add Somalia into the equation, each of Ethiopia and Eritrea's various perceived equities with the various groups in Somalia, then it becomes very complex, a complex situation," he said.

The briefing paper was written to help senior U.N. officials map a strategy of how to provide aid to one of the most impoverished countries in the world, one that has not had an effective central government since 1991.

Geostrategy: China Strengthens Its Ties To Africa (WSJ)

By Shai Oster

The Wall Street Journal, October 28, 2006

Anyone wanting to find an African leader this coming week will need to book a ticket to Beijing.

The heads of all but five of the continent's 53 countries will descend on the Chinese capital for the biggest gathering of foreign leaders Beijing has ever hosted. The three-day summit will highlight a mushrooming trade relationship between the world's most populous country and its second-biggest continent that is stirring angst among some in Washington.

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China's leadership is rolling out an enormous welcome for its African guests that hints at Beijing's grand ambitions for the relationship. The airport expressway flutters with hundreds of welcoming flags; billboards across the city have been covered with messages attesting to Sino-African friendship; and television stations are running specials on Africa tourism.

China's modern presence in Africa dates to the Cold War, when it sought to form "anti-imperialist" alliances there to block the U.S. and its allies. In recent years, the focus has changed to acquiring natural resources to fuel China's galloping economy. African oil currently accounts for a third of China's oil imports -- an amount that is likely to increase, as China is expected to become even more heavily reliant on foreign oil sources.

But China's trade relationship with Africa now goes well beyond oil and other natural resources. Africa also offers a largely untapped and underserved market for Chinese companies as they take steps toward becoming global players. Huawei Technologies Co., for example, China's leading telecommunications-equipment maker, has done a thriving business in Africa even as the company has struggled to penetrate more-developed markets.

China's total trade with Africa has ballooned to about $40 billion last year from $10 billion in 2000. Two-way trade rose 30% last year -- faster than China's overall foreign trade -- and Chinese officials expect it to increase at least 25% this year, to more than $50 billion. China now ranks as Africa's third-largest trading partner, behind the U.S. and France.

In Nigeria, Sudan, Angola and elsewhere, Beijing is seen as a more hands-off alternative to the West, which is increasingly imposing stringent environmental and social conditions on aid to African nations. World Bank President Paul Wolfowitz has publicly complained that Chinese banks ignore human-rights and environmental standards when lending in Africa.

But as the gala summit will demonstrate, China shows no sign of wanting to slow its burgeoning rapport with Africa. From Beijing's perspective, it can't afford to -- especially when it comes to oil. "China's options are limited," said Zhang Zhongxiang, a senior fellow at the East-West Center in Hawaii. "As a late entrant to the international oil game, China has little choice but to strike deals with what the U.S. and others call rogue states to secure oil supplies."

Lithuanians Are Given A Taste Of How Russia Plays The Oil Game (NYT)

By Andrew E. Kramer

The New York Times, October 28, 2006

MOSCOW, Oct. 27 — The Russian government has never been straightforward about its plans to take control of the oil and gas business.

So, Lithuanians were suspicious when Russia said it shut its pipeline — the only one supplying Russian crude oil — in late July because of a leak.

In fact, it was not so much the pipeline the Russians were concerned about, according to Lithuanian officials, analysts and company executives. It was what the pipeline was connected to: Lithuania's sole refinery.

And because Russia often gets what it wants, it may not matter that the Lithuanian government had signed an agreement in June to sell the refinery to a Polish company, PKN Orlen, for much more than Russia had offered.

"The goal was to force Lithuania to reconsider the sale," Tomas Janeliunas, deputy director of the Center for Strategic Studies who has followed the sale closely, said in an interview. "They wanted a Russian company to buy the refinery, but for cheaper than a market price."

Lithuania's brush with Kremlin oil politics, critics of Russian business practices say, is a case study of what Vice President Dick Cheney called Moscow's use of energy exports as "tools for intimidation and blackmail" in relations with its neighbors.

That characterization angered Russian officials, who say they are being discriminated against in the business world as many Russian companies expand their operations into Europe.

"What is all the hysteria about?" President Vladimir V. Putin asked at a meeting with German business executives recently, the Interfax news agency reported. "We cannot understand why the media is nervous about Russia's possible investments in Germany."

Russian companies, their accounts padded by high commodity prices, are on a buying spree overseas. A steel mill in Michigan, a pipeline in Germany and a mine in Australia have recently been sold to the Russian companies Severstal, Gazprom and Rusal, respectively.

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In Lithuania, the government and Yukos, a company very much out of favor with the Kremlin, were trying to sell the Mazeikiu Nafta refinery in Lithuania in a sale organized by Lehman Brothers of New York.

Four companies bid: two from Russia, one from Kazakhstan and one from Poland. The Russian companies, Lukoil and TNK-BP, lost after entering bids lower than the others. When asked to match the competing prices, the Russians declined, Nerijus Eidukevicius, chairman of the board of Mazeikiu refinery, said in an interview in Vilnius.

In June, PKN Orlen won the refinery with a bid of $1.49 billion for Yukos's 53.7 percent stake and $850 million for the 30.6 percent owned by the Lithuanian government.

"They weren't showing interest," Mr. Eidukevicius said of the Russian companies. "It was strange."

In fact, analysts say, the Russian government was pursuing strategies to win the refinery for a Russian company outside the sale process — and at a knockdown price.

At the time of the sale, Yukos was heading into a politically tinged bankruptcy proceeding in Russia. Rosneft, the state oil company, whose chairman, Igor I. Sechin, is a former KGB agent and Mr. Putin's chief of staff, had already acquired most of Yukos in a forced auction in 2004, and had its sights on the rest.

To get to the front of the line for Yukos assets, Rosneft signed a confidential agreement with Western creditor banks in December 2005 to assume Yukos's debt if the banks forced that company into liquidation, which happened in March. This made Rosneft a creditor in the bankruptcy filing.

The Russian bankruptcy receiver representing Rosneft's claim, Eduard Rebgun, then sued in the federal Bankruptcy Court in New York and in the Netherlands to block the refinery sale, but lost both cases. That ended the legal attempts to win title to the refinery outside the sale run by Lehman Brothers.

In what Yukos executives say was a sign of the deep displeasure of the Russian government at these rulings, Russian prosecutors opened criminal fraud investigations against four Yukos executives. The announcement of these investigations came less than an hour after the decision in Amsterdam on Aug. 17.

The former chief executive of Yukos, Steven M. Theede, an American, called the Russian criminal case against him a "vendetta" that reflected the depth of frustration of Russian authorities at the collapse of their six-month effort to buy the Lithuanian refinery and other smaller Yukos assets in Slovakia and Switzerland.

"When anybody stops them from doing anything it makes them angry," Mr. Theede said.

Russia, meanwhile, suffered a setback of a different nature inside Lithuania, political analysts in that country say.

In the midst of the sale process, a pro-Russian politician in the Lithuanian government whose ministry was responsible for overseeing the refinery sale was ousted in a campaign finance scandal. The minister, Viktor Uspaskich, fled to Moscow and is now wanted by Interpol.

The Russian government invited his replacement, Kestutis Dauksys, to a Kremlin meeting on May 23 with Dmitri A. Medvedev, a Russian deputy prime minister, according to Mr. Dauksys. The message, he said, was that the Russians truly wanted the refinery.

"He said the Russian government was interested in who buys Mazeikiu Nafta," Mr. Dauksys recalled in a telephone interview. "He said Russian companies are interested in buying it."

"They thought they could buy it at low cost, but that is not possible today," Mr. Dauksys said of the Russians. He returned to Vilnius.

Aleksandr Temerko, a former vice president of Yukos, said the company interpreted Mr. Dauksys's account of the meeting as a threat to Mazeikiu's Russian-controlled oil supply through the Druzhba pipeline.

The refinery immediately retooled for tanker oil, a decision that proved prescient; the first shipment arrived a week before the pipeline was shut.

The sales contract with PKN Orlen had an escape clause if the market value of the refinery dropped significantly before the sale closed. Lithuanian analysts and politicians said that forcing PKN Orlen to exercise this escape clause, thus reopening the sale for Russian companies, was one motive for the pipeline shutdown.

Then, on Oct. 12, a fire at the Mazeikiu refinery caused about $75 million in damage and lost profit for 2006, according to the Lithuanian government and the Fitch credit rating agency. The fire is expected to reduce output by 50 percent until early next

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year. While arson has not been ruled out, the Lithuanian news media have reported that the likely cause was a petroleum leak. A formal ruling is expected in November.

PKN Orlen, in a statement shortly after the fire, said it would discuss with its lenders whether the sale could go forward.

With his country's largest asset tied up in business negotiations, Russian style, Lithuania's president has hinted at possible reciprocation in kind.

President Valdas Adamkus suggested on Aug. 19 that the only Russian railroad supplying the Kaliningrad region, which passes through Lithuania, could be shut for what the Lithuanian news media called "political repairs."

"We should guarantee the safety of trains and passengers," Mr. Adamkus said, according to the Baltic News Service. "Should repairs be needed in order to increase the safety of railway services, I see no reason to heat up political tensions."

Backsliding In Europe (WP)

The Washington Post, October 28, 2006

Democracies take time to mature, even inside the European Union.

HUNGARY'S commemoration of the 50th anniversary of a failed revolution against communist rule this week degenerated into rioting -- another signal that the democracy that now governs that Central European country is far from healthy. The Socialist prime minister has been under siege from the streets since he was caught admitting that his party lied "morning, noon and night" to win reelection in June. His right-wing opposition has been soft on the racists and extreme nationalists who are at the forefront of the disturbances.

The worse news is that Hungarian politics look pretty good compared with most of the other formerly communist countries of Central Europe. Slovakia, which a year ago was being lionized for its cutting-edge free-market policies, now is governed by a coalition of populists, authoritarians and racists who promise to dismantle the reforms. Poland's government is dominated by twin brothers serving as president and prime minister; their most notable acts have been insults to neighboring Germany and an assault on the independence of the country's central bank. The Czech Republic has had no real government at all since a deadlocked election five months ago. Bulgaria's president finds himself in a runoff election for a new term this weekend with a challenger known for insulting Muslims and Gypsies.

This dismal political picture is creating considerable unease in the European Union, which opened its doors to Poland, Hungary, Slovakia, the Czech Republic and four other former Communist states in 2004 and is due to admit Bulgaria and Romania in January. Some are wondering whether the nationalists and racists now on the fringes of several Central European governments could end up leading them in the future, rupturing the European Union's fundamental commitments to human rights. Others fret that repairing the union's frayed institutions after the rejection of a proposed constitution last year will be impossible with such unattractive and unstable partners -- and that any hope of further E.U. expansion will be lost.

In fact, the gloom seems overstated. Despite the political malaise, Central European countries are flourishingly economically, and their abundant workers and hungry entrepreneurs promise to revive Europe as a whole. The rise of populist and nationalist parties is in part a reaction to years of enforced consensus under previous governments that were trying to meet the European Union's myriad entry criteria. Once the finish line was crossed, a backlash against blending into a single transnational superstate was inevitable. The pendulum will swing back as the populists stumble.

As Russia grows ever more aggressive toward its neighbors, the former Soviet satellites will probably respond by burrowing more deeply into the European Union and NATO. It may be satisfying for Polish nationalists to pretend that Germany is an antagonist or for Hungarians to try equating their current Socialist leaders with the Stalinists of 1956. Yet after 45 years of bitter experience under despotism, Central Europeans won't quickly abandon Western-style democracy or its alliances.

Africa Over A Barrel (WP)

By Abdoulaye Wade

The Washington Post, October 28, 2006

DAKAR, Senegal -- Although gasoline prices have dropped recently in the United States, many Americans continue to worry about the toll of oil dependence at the gas pump and on the U.S. economy. As an African, I feel their pain -- and then some. While

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the price of a barrel of crude has recently dipped below $60, oil still costs twice as much as it did three years ago -- and experts fully expect the price to climb higher.

President Bush, a one-time oilman, has warned Americans about the danger of a country's being "addicted to oil." Yet the toll of oil dependence in the United States pales beside the pain that soaring oil prices cause in Africa.

In sub-Saharan Africa, in particular, the oil crisis is not a vexing "cost crunch"; it is an unfolding catastrophe that could set back efforts to reduce poverty and promote economic development for years.

In the United States, working men and women fretted when gas prices topped $3 a gallon this year. Here in the capital of Senegal, gasoline costs $5.62 a gallon. Unlike the United States, we are not a rich nation. Imagine having to pay such an exorbitant price to fill up your tank -- but in a country where per capita income is $849 a year. Senegal's electrical utility has been forced to turn off the lights throughout the nation for long periods every day, a crippling problem that could be eased if energy cost less.

The math is not hard to do. Everywhere in West Africa, governments are being forced to reallocate lifeline budget subsidies to counterbalance unprecedented oil and electricity prices. Senegal's direct oil subsidies to domestic consumers have increased fivefold since 2002. Niger's fuel costs have quadrupled. Even in Africa's oil-producing nations, windfall profits from oil have failed to reduce poverty. Per capita income in Nigeria is still $1,400 a year.

If the price of crude oil reaches $100 a barrel within the next year -- as some analysts predict -- a pan-African disaster will be upon us. Richer, oil-producing countries in Africa risk being inundated with mass migrations of people seeking survival.

By draining government treasuries, the soaring price of oil in West African nations has made it all but impossible to proceed with antipoverty efforts, and it is hindering work to increase access to public health services and to reduce the spread of AIDS. It is true that man does not live by bread alone. But being freed from the daily necessities of survival is a prerequisite to educating the workforce and building an economy.

The oil shock wave is undermining American aims on the continent, too. As oil prices go into orbit, America's efforts to promote liberal democratic economies and combat terrorism in Africa are sabotaged. I write this as the head of state of a tolerant, pro-Western -- and predominantly Muslim -- nation.

What can be done? Part of the solution must come from Africa itself. This past summer in Dakar, I convened the first meeting of energy ministers from 13 nations to form the Pan-African Non-Petroleum Producers Association (PANPP), with the intention that it serve as a green version of OPEC. The members of PANPP aspire to become leaders in the field of biofuels and alternative energy strategies, following in Brazil's footsteps. But the development of a biofuel industry, particularly cellulosic biofuels made from agricultural wastes and prairie grasses (which President Bush touted in his State of the Union address) could take a decade or more to come to fruition. Africa needs help today.

As a stopgap measure, I propose that our organization ask African oil-producing nations, as well as the international community and major oil companies, to chip in from recent windfall profits to reduce the increase in oil prices that has taken place since 2003.

If ever there were a time when major oil companies such as ExxonMobil, Shell, Chevron, Total and BP could contribute to stabilizing West Africa by reducing the oil surcharge, it is today. As a champion of market economies, I can appreciate that companies do not easily part with profits. But the continued cost of the oil crisis in Africa could easily destabilize oil-producing nations and shrivel downstream markets for the oil companies elsewhere in the continent. It's in the interest not only of America but also the petroleum industry not to have an Africa in ruins.

The writer is president of the Republic of Senegal.

Stuck In The Canal (NYT)

By David Fromkin

The New York Times, October 28, 2006

FIFTY years ago tomorrow — on Oct. 29, 1956 — Israeli paratroops were dropped deep behind Egyptian lines in the Sinai peninsula, opening the way for the ground troops that followed. In a lightning campaign lasting less than five days, the Israelis took control of the entire peninsula. The Israelis had a rendezvous at the Suez Canal with the armed forces of Britain and France.

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But the British and French stopped short of their goal. Like out of shape ex-champions attempting a comeback, the Europeans were unable to get past the first round in their effort to return to the Middle East.

The Suez crisis was a divide in the history of the Middle East. It was the moment when America pushed out the Europeans and then tried to take their place — and the reverberations are still felt today. The road that led to Suez began in 1947, when the British Foreign Office notified the American Department of State that Britain could no longer afford to hold its positions in Greece and Turkey against pressure from Russia. Soon the United States was engaged in an effort to hold the line against Russia — there, but also all around the world.

The Middle East was essential to this policy of containment. The Arabic-speaking Muslim world had been taken in hand by Britain and France after the First World War, and though they had since achieved independence, the countries of the Middle East remained predominantly Western-influenced. European and American oil companies played an important role in Middle Eastern affairs. Britain retained a presence at the strategically vital Suez Canal in the form of a major military base and a garrison of more than 80,000 men. Not until the autumn of 1954 did Britain agree to withdraw from this installation.

The United States had always deplored European — especially British — imperialism. In the First World War, President Woodrow Wilson seemingly hesitated as to which side to join (or whether to at all), and in the end joined Britain and France only as an "associated power" rather than as an ally, thus making clear that our country did not share the goals of the other belligerents — goals that Wilson claimed were imperialistic.

As the United States accepted the responsibility, therefore, of defending the Middle East against possible Soviet aggression, its government was conflicted. In the interest of cold war containment, the United States should have wanted to shore up whatever remained of British and French presence and power in the Middle East, but at the same time the worry was that any association with the Europeans would drag America down.

As early as 1952, the C.I.A. was searching for an Arab leader to support, someone who would make hard, unpopular decisions. Recognizing that such a leader could be expected to have an agenda of his own, the agency needed him to take the lead in defending against Soviet expansionism.

Initially Allen Dulles, director of central intelligence, proposed Gamal Abdel Nasser, the emerging Egyptian dictator. John Foster Dulles, Allen's brother and the secretary of state, agreed. But it soon became evident that Nasser had little or no interest in fighting communism or the Soviet Union. A charismatic figure, he aimed to unite the Arab peoples, and he exploited resentment of Western imperialism to win support. Secretary Dulles then turned to create an alternative anti-Soviet force: the Baghdad Pact, a northern-tier alliance of Turkey, Iran, Iraq and Pakistan. The only Arab state in the lot was Iraq, led by its pro-British prime minister, Nuri as-Said, who was widely perceived as the Anglo-American candidate for leadership of the Arab world, and as such the rival of Nasser.

In putting Nuri as-Said up, Secretary Dulles had in effect challenged Nasser to a duel. Nasser, a military man whose objective was to build his army, showed his independence of the West by ordering arms in large quantity from the Soviet bloc. Dulles took this at first as a bluff; then, when he could not stop it, he took it as a mortal insult — but he floundered, unable to find the right reply.

He offered to finance the Egyptian leader's favorite project: the Aswan High Dam. Then, puzzlingly, he canceled the offer, apparently intending to humiliate Nasser publicly. The Egyptian trumped that. He nationalized the Suez Canal, transferring to Egypt the shares of the company that owned it. Nasser announced that Egypt would finance the dam itself, using the income from the canal. This bold move was a public challenge to Britain, the canal's biggest user and shareholder, and to France, which had created the canal in the 19th century.

President Dwight D. Eisenhower and Secretary Dulles believed that Nasser should be overthrown — some day. Repeatedly they told the British and French that it would be a mistake to use force, at least at the moment. But Britain and France were already planning how they might use force. Frenchmen imagined that Algeria's revolt against them, launched in 1954, was inspired by Nasser, and that without him it would collapse. Britons found themselves losing control of Jordan because of Nasser, and believed that without him they could regain control.

There was more to it. The Western leaders had irrationally come to regard Nasser as dangerous, a Hitler or a Mussolini. Prime Minister Anthony Eden of Britain was typical: a Foreign Office Arabist by background who moved in circles where it was felt

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that Arabs loved Englishmen, Eden believed that Nasser had somehow stolen that love. It was Nasser, he thought, who had taken away Jordan's famed Arab Legion from its British officers. "I want him killed," Eden said. So for months the allies had been conspiring. They would return to the Middle East, and they would invade Egypt. The confiscation of the canal company spurred them into action.

Eden, Prime Minister Guy Mollet of France and his foreign secretary, Christian Pineau, joined by a number of colleagues, hatched a plot based on an earlier plan for France and Israel to act together, and in which Britain now joined. In October 1956, Israel attacked Egypt through Sinai and drove to Suez. Britain and France then invaded, occupying the canal and claiming to be separating the Egyptian and Israeli Armies. The British, French and Israelis stuck to their prefabricated story, but their collusion was evident; soon they had to admit the truth.

The Americans had been kept in the dark, and they took it personally. Eisenhower in particular was angered by British wartime colleagues who had lied and deceived him. "What does Anthony think he is doing?" Eisenhower demanded. "Why is he doing this to me?" He refused to listen to excuses, claiming that "nothing justified double-crossing the United States."

The Soviet leader, Nikita Khrushchev, grandstanded, threatening the Western imperialists. That enabled him to take credit for stopping the Europeans — even though it really was America that did it. The United States acted quietly but effectively. The Treasury Department threatened to withdraw support of the British currency unless the British Army left Egypt. Within 10 days, England would have collapsed financially. The British — and the invasion — stopped. To keep from being thought imperialists, the Eisenhower administration saved Nasser. The Suez crisis was over.

Britain and France had gone to war in order to keep their empires; instead, they lost them. The United States had aimed to keep Russia out of the Middle East, but the Suez crisis, and Khrushchev's rhetoric, brought the Russians in. Eisenhower and Dulles believed that by their actions at Suez they were showing the nonaligned nations that, unlike the British and French, Americans were not imperialists — but the third world remained unconvinced. And in Europe, skeptics claimed the episode showed that the Americans intended to steal the empires of Britain and France.

Britain and France drew opposite conclusions from the Suez experience. Britain noted that it was dependent on the United States and would, for the most part, have to act accordingly and follow wherever America led. France decided that the United States would not protect France's interests, and immediately, under Guy Mollet, began to build the atomic bomb — the result of American policy.

Israel compromised itself through its partnership with European imperialism — providing evidence to enemies who had asserted all along that Israel was no more than a European imperialist itself. And its victory in the Sinai campaign — one of many dazzling triumphs — illustrated the paradox that the more Israel won on the battlefield, the further it got from achieving the peace that it sought.

THE undoing of the British-French-Israeli alliance was that it rested on a lie. It is difficult to re-create the shock felt around the world when it became apparent that these supposedly honorable countries, and the principled statesmen who led them, would stoop to such a ridiculous fabrication. It was disgraceful: that they lied, and that the lie was so childish.

Scenarios had been prepared at various levels of the American government in the event that the Europeans acted against the Nasser regime. So far as I know, none of them envisaged the United States intervening to stop them. Had the allies fully and honestly informed Washington of their intentions, either the Eisenhower administration would have persuaded them to adopt an alternative strategy, or the allies would have convinced Washington to let them go ahead, or the United States would have explained to London how America's control of the British currency gave it a veto power over British policy. One way or another, America's angry reaction would have been avoided.

Though it cannot be proved, the lies of the allies weakened their cause in another important way. It outraged public opinion in France and, especially, Britain. A message was delivered: decision-makers in European governments were on notice that they no longer were free to initiate colonial wars.

The Europeans, to their credit, understood the message. Within years of the Suez crisis, Britain and France began decolonization programs in which they released territories they had held around the world. The winds of change had begun to blow — and they had come from Suez.

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TERRORISM NEWS:

Judge Sets Schedule On Detainee Lawsuits (AP)

AP, October 28, 2006

WASHINGTON - A federal judge Friday set the stage for the next push by the Bush administration to get all the lawsuits by detainees at Guantanamo Bay thrown out of U.S. courts.

U.S. District Judge James Robertson laid out a five-week schedule for the Justice Department and lawyers for Salim Ahmed Hamdan to file written arguments in the detainee's challenge to his confinement.

Hundreds of other detainees also are challenging their detentions in lawsuits.

It was a challenge by lawyers for Hamdan, Osama bin-Laden's former driver, that led to the Supreme Court ruling in June striking down the Bush administration's plan for military commission trials.

The new Military Commissions Act, which President Bush signed on Oct. 17, strips U.S. courts of jurisdiction to hear the detainees' challenges to their indefinite detentions. Hamdan's lawyers say the new provision is "of doubtful constitutionality."

Ten days ago, the Justice Department filed a copy of the new law with the court in Hamdan's case. Robertson said in a one-page order the Justice Department filing "is deemed to be a motion to dismiss" Hamdan's case.

Patrick Leahy, the ranking Democrat on the Senate Judiciary Committee, has said the provision to strip detainees of access to U.S. courts would "take our civilized society back some 900 years to King John at Runnymede which led to the adoption of the Magna Carta."

Cheney Defends 'Dunk In The Water' Remark (WP)

By Dan Eggen, Washington Post Staff Writer

The Washington Post, October 28, 2006

Addressing Alarm Over the Comment, Vice President Says He Was Not Referring to Waterboarding

Vice President Cheney said yesterday that he was not referring to an interrogation technique known as "waterboarding" when he told an interviewer this week that dunking terrorism suspects in water was a "no-brainer."

Cheney told reporters aboard Air Force Two last night that he did not talk about any specific interrogation technique during his interview Tuesday with a conservative radio host.

"I didn't say anything about waterboarding. . . . He didn't even use that phrase," Cheney said on a flight to Washington from South Carolina.

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Earlier in the day, White House press secretary Tony Snow told reporters that the vice president was talking literally about "a dunk in the water," though neither Snow nor Cheney explained what that meant or whether such a tactic had been used against U.S. detainees.

"A dunk in the water is a dunk in the water," Snow said.

The comments were aimed at calming a growing furor over Cheney's comments, which were taken by many human rights advocates and legal experts as an endorsement of waterboarding as a method of questioning.

Coming shortly before the midterm elections, the remarks prompted a wide range of political figures -- from Sen. John F. Kerry (D-Mass.) to Cheney's wife, Lynne -- to weigh in on the issue, providing another unexpected controversy for Republicans as they fight to keep control of Congress. Reporters peppered Snow with questions about the interview during Snow's two daily news briefings.

Waterboarding, in which a prisoner is secured with his feet above his head and has water poured on a cloth over his face, is one of several methods of simulating drowning that date at least to the Spanish Inquisition. It has been specifically prohibited by the U.S. Army and widely condemned as torture by human rights groups and international courts.

"Would you agree a dunk in water is a no-brainer if it can save lives?" Scott Hennen of WDAY in Fargo, N.D., asked Cheney on Tuesday. "Well, it's a no-brainer for me," Cheney responded.

Cheney also said he agreed with Hennen that the debate over interrogation techniques was "a little silly," and he praised the information obtained from U.S. terrorism suspects during questioning.

Hennen said in an interview yesterday that he did not know precisely which technique Cheney was referring to and was only passing along a question he had heard from a listener.

"It's impossible for me to say 'Did the listener mean waterboarding?' and 'Is waterboarding torture?' and that sort of thing," Hennen said. "I can't get in the vice president's head, and I can't get in the listener's head."

Many legal experts said it was reasonable to conclude that Cheney was referring to waterboarding, since it has been a widely debated U.S. interrogation technique that uses water to subject a suspect to the fear of drowning.

U.S. interrogation methods have been the focus of fierce debate since revelations of detainee abuse in Iraq and Afghanistan and the disclosure that the CIA ran a network of secret prisons outside the United States. Numerous sources have confirmed that the CIA used waterboarding in its interrogation of alleged Sept. 11 mastermind Khalid Sheik Mohammed and other "high-value" prisoners.

Some lawmakers have said that they believe waterboarding is illegal under detainee legislation approved last month, but the Bush administration has declined to say what techniques it considers off-limits.

Asked yesterday about Cheney's Tuesday remarks, President Bush did not specifically address them. But he said: "This country doesn't torture. We're not going to torture. We will interrogate people we pick up off the battlefield to determine whether or not they've got information that will be helpful to protect the country."

Human rights and legal experts said yesterday that even if Snow's version of Cheney's remarks is correct, Cheney's comments are troubling because dunking a terrorism suspect in water as part of an interrogation would actually be more physically dangerous than waterboarding. The tactic also would be illegal under U.S. and international laws, they said.

Tom Malinowski, Washington advocacy director for Human Rights Watch, noted that in the 1980s, Chadian forces led by military ruler Hissene Habre allegedly hung people upside down and dunked them in water during questioning. Habre was indicted by a Belgian court for torture and crimes against humanity and faces prosecution in Senegal.

Former CIA general counsel Jeffrey H. Smith said Cheney's comments were "irresponsible" and send a signal to U.S. interrogators that "the people at the top want you to get rough."

"It's clear that the vice president didn't mean a friendly swim at the country club," Smith said. "It would be designed to somehow frighten a prisoner and elicit information from them. Whatever it means, a dunk in the water is not harmless or innocent."

Kerry, the 2004 Democratic presidential nominee, issued a statement saying the comments provided another reason that voters should "change course" by voting for Democrats. "This administration's determination to assert the right to torture has undermined our moral authority, put our troops at greater risk and made our country less safe," Kerry said.

Snow and other Republicans pushed back strongly, arguing that Cheney's remarks had been misinterpreted and that the vice president had been talking about the value of interrogations in preventing terrorist attacks.

"That is a mighty house you are building on top of that molehill," Lynne Cheney said during an appearance on CNN's "The Situation Room." "A mighty mountain. This is complete distortion. He didn't say anything of the kind."

The ambiguities in the waterboarding debate were most evident during two contentious news briefings yesterday as Snow was repeatedly questioned by reporters who did not accept his explanations of Cheney's remarks. Snow repeatedly insisted that

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Cheney was not referring to waterboarding or any other technique, although he was at a loss to explain how being dunked in water would not also qualify as a method of interrogation.

Snow joked at several points about needing to avoid water-related metaphors in his comments, as when he accused reporters of "fishing" for answers. He declined to say what Cheney meant by dunking terrorism suspects in water but said he would get back to reporters with a fuller explanation, which did not materialize yesterday.

At one point during the first briefing, a frustrated reporter asked: "So the detainees go swimming?"

"I don't know," Snow responded. "We'll have to find out."

Staff writer Peter Baker and staff researcher Julie Tate contributed to this report.

Furor Over Cheney Remark On Tactics For Terror Suspects (NYT)

By Neil A. Lewis

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — The White House found itself fending off questions on Friday about what Vice President Dick Cheney meant when he agreed with a talk-radio host that there was nothing wrong with dunking a terrorism suspect in water if it saved lives.

Tony Snow, the White House spokesman, said Mr. Cheney was not endorsing water-boarding, a coercive interrogation technique that simulates drowning and that many have said qualifies as torture. Mr. Snow said Mr. Cheney was not, in fact, referring to any technique, whether it was torture or not, because administration officials do not discuss interrogation methods.

President Bush was also confronted by reporters about Mr. Cheney's comments as he made a joint appearance with Jaap de Hoop Scheffer, the secretary general of NATO. "This country does not torture; we're not going to torture," Mr. Bush said, without referring directly to Mr. Cheney or his comments.

The questioning was set off when Mr. Cheney was interviewed Tuesday by Scott Hennen, a conservative radio talk show host in Fargo, N.D. "Would you agree that a dunk in water is a no-brainer if it can save lives?" Mr. Hennen asked.

"Well, it's a no-brainer for me," Mr. Cheney replied. "But for a while there I was criticized as being the vice president for torture. We don't torture. That's not what we're involved in."

Mr. Snow, who spent much of his day dealing with questions about the comments, told reporters that none of them related to interrogation techniques, which are classified. "I'm telling you what the vice president's view is, which is it wasn't about waterboarding. Period," he said.

The exchanges grew testy at times, especially when Mr. Snow said Mr. Cheney is not someone who slips up. One reporter noted that the vice president had once used a profanity on the Senate floor, and also shot a friend in the face during a hunting accident last February.

"That's a great line," Mr. Snow said, "but it's not germane."

Waterboarding is actually not a dunk in the water, but rather, covering a subject's face with a constantly soaked cloth to make breathing difficult. It has been reported as having been used on some suspected members of Al Qaeda who were secretly held by the Central Intelligence Agency until their transfer last month to the United States detention center at Guantánamo Bay, Cuba.

Tom Malinowski, the Washington director of Human Rights Watch, said, "If Iran or Syria detained an American, Cheney is saying that it would be perfectly fine for them to hold that American's head under water until he nearly drowns, if that's what they need to do to save Iranian or Syrian lives."

When Mr. Cheney's wife, Lynne, was asked on CNN about the comments, she told Wolf Blitzer: "That is a mighty house you're building on top of that mole hill there, a mighty mountain. This is complete distortion. He didn't say anything of the kind."

Cheney Calls Dunking Of Terror Suspects A 'No-brainer' (LAT)

By James Gerstenzang, Times Staff Writer

The Los Angeles Times, October 28, 2006

Vice president later says: 'I didn't say anything about water-boarding.'

Comments by Vice President Dick Cheney to a radio interviewer prompted questions Friday about whether he advocated torturing terrorism detainees to obtain information. Cheney denied endorsing torture, and President Bush said that the United States does not practice torture.

Cheney's remarks, in an interview Tuesday with conservative talk-radio host Scott Hennen from Fargo, N.D., stirred up fresh controversy over the interrogation technique known as "water-boarding," which experts say simulates drowning.

Human rights groups sharply criticized Cheney, who said later that he was not specifically talking about water-boarding.

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The flap began when the interviewer told Cheney that some of his listeners had asked him to tell the vice president that "if it takes dunking a terrorist in water, we're all for it if it saves American lives." He continued: "This debate seems a little silly given the threat we face, would you agree?"

Cheney replied: "I do agree. And I think the terrorist threat, for example, with respect to our ability to interrogate high-value detainees like Khalid Shaikh Mohammed, that's been a very important tool that we've had to be able to secure the nation…. We need to be able to continue that."

He was referring to the man captured in Pakistan who officials widely believe masterminded the Sept. 11 attacks.

Cheney was then asked: "Would you agree a dunk in water is a no-brainer if it can save lives?"

The vice president responded: "It's a no-brainer for me, but for a while there, I was criticized as being the vice president 'for torture.' We don't torture. That's not what we're involved in."

Larry Cox, executive director of Amnesty International USA, took issue with Cheney's remarks, issuing a statement saying: "What's really a no-brainer is that no U.S. official, much less a vice president, should champion torture. Vice President Cheney's advocacy of water-boarding sets a new human rights low at a time when human rights is already scraping the bottom of the Bush administration barrel."

Late Friday, Cheney told reporters aboard Air Force Two: "I have said that the interrogation program for a selected number of detainees is … one of the most valuable intelligence programs we have. I believe it has allowed us to prevent terrorist attacks against the United States. I did not talk about specific techniques and won't. I didn't say anything about water-boarding. [The interviewer] didn't even use that phrase."

Asked what "dunk in water" was referring to if not water-boarding, White House Press Secretary Tony Snow said, "I will let you draw your own conclusions, because you clearly have."

Bush, asked Friday about Cheney's comments, told reporters: "This country doesn't torture. We're not going to torture. We will interrogate people we pick up off the battlefield to determine whether or not they've got information that will be helpful to protect the country."

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White House Denies Cheney Hailed "Water Boarding" (AP)

AP, October 27, 2006

WASHINGTON (AP) -- The White House said Friday that Vice President Dick Cheney was not talking about a torture technique known as "water boarding" when he said dunking terrorism suspects in water during questioning was a "no-brainer."

Human rights groups complained that Cheney's comments amounted to an endorsement of water boarding, in which the victim believes he is about to drown.

President Bush, asked about Cheney's comments, said, "This country doesn't torture. We're not going to torture." He spoke at an Oval Office meeting Friday with NATO Secretary-General Jaap de Hoop Scheffer.

Earlier, White House press secretary Tony Snow denied that Cheney had endorsed water boarding.

"You know as a matter of common sense that the vice president of the United States is not going to be talking about water boarding. Never would, never does, never will," Snow said. "You think Dick Cheney's going to slip up on something like this? No, come on."

In an interview Tuesday with WDAY of Fargo, North Dakota, Cheney was asked if "a dunk in water is a no-brainer if it can save lives."

The vice president replied, "Well, it's a no-brainer for me, but for a while there I was criticized as being the vice president for torture. We don't torture. That's not what we're involved in."

Peppered with questions about the remarks, Snow said Cheney did not interpret the question as referring to water boarding and the vice president did not make any comments about water boarding. He said the question put to Cheney was loosely worded.

The administration has repeatedly refused to say which techniques they believe are permitted under the new law. Asked to define a dunk in water, Snow said, "It's a dunk in the water."

Larry Cox, executive director of Amnesty International USA, said in a statement, "What's really a no-brainer is that no U.S. official, much less a vice president, should champion torture. Vice President Cheney's advocacy of water boarding sets a new human rights low at a time when human rights is already scraping the bottom of the Bush administration barrel."

Human Rights Watch said Cheney's remarks were "the Bush administration's first clear endorsement" of water boarding.

Bush Enters Cheney "Torture Row" (BBC)

BBC.com, October 28, 2006

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Mr Bush has repeatedly refused to specify which techniques are used US President George Bush has reiterated his position that the US administration does not condone torture, following comments by Vice President Dick Cheney.

In a radio interview, Mr Cheney said the simulated drowning of terrorism suspects during questioning in order to save American lives was a "no-brainer".

His comments have provoked outrage from anti-torture and human rights groups.

When asked about the remark, President Bush said that the United States does not use torture and was not going to.

The BBC's Matt Wells in Washington says Mr Cheney's comment was made on Tuesday but only came to light on Friday, exacerbated by a stormy and confrontational White House press briefing.

The conservative radio host, Scott Hennen, asked Mr Cheney if he agreed that "a dunk in water is a no-brainer" if it would unearth information of pending attacks and save lives.

Mr Cheney replied: "Well, it's a no-brainer for me." He went on to say that he was not condoning torture but said you can have a robust interrogation programme without torture.

'Off limits'

Evidence has emerged of the existence of secret CIA prisons

Mr Cheney is assumed by human rights groups to have been referring to "water boarding" - a technique in which suspects are made to think that they are drowning.

When asked about the vice-president's comments, Mr Bush said the administration had no intention of torturing suspects, but he has repeatedly refused to specify which techniques are being used.

The White House gave the impression that water boarding would be off limits in pushing through a controversial terror bill just a few weeks ago, our correspondent says.

The US executive director of Amnesty International said Mr Cheney's gaffe revealed the US administration's true intentions for prisoner interrogation in the future.

"What's really a no-brainer is that no US official, much less a vice president, should champion torture," said Larry Cox.

US interrogation techniques have been under the spotlight since evidence emerged of detainee abuse in Iraq and Afghanistan, and the existence of secret CIA prisons.

Informant For FBI Is Freed (ALBANYTU)

By Brendan J. Lyons, Senior Writer

Albany Times Union, October 28, 2006

Pakistani immigrant worked on terrorism sting case in Albany

ALBANY -- A Pakistani immigrant whose own crimes led him to serve as an FBI informant in an Albany-based counterterrorism sting walked out of federal court a free man Friday after a judge sentenced him to time served in consideration for his years of undercover work.

Shahed "Malik" Hussain, 50, emerged as the federal government's star witness last month at the trial of Yassin M. Aref and Mohammed M. Hossain, who were convicted of charges that include money laundering and conspiracy to support terrorism.

"Everything was fair and reasonable under the circumstances," said Hussain's attorney, F. Stanton Ackerman, declining further comment.

Hussain, dressed in a suit, said nothing during the brief proceeding before U.S. District Judge David N. Hurd. Hussain talked briefly outside court with his longtime FBI handler, Special Agent Timothy Coll, then quickly left the courthouse without commenting to reporters.

Hussain's own legal problems began about five years ago when he was arrested in an FBI fraud investigation that was launched shortly after the 9/11 attacks.

The investigation targeted a ring of corrupt translators, state motor vehicle workers and nearly 100 immigrants who had illegally obtained driver's licenses with help from Hussain. At the time, Hussain owned and operated a Getty gas station on South Pearl Street, near Albany's motor vehicle office. He also worked as a translator for the state Department of Motor Vehicles, and had routinely accepted bribes of several hundred dollars each to help immigrants, who in some cases couldn't drive well, pass written exams they couldn't understand.

Following his arrest in December 2001, and while facing the prospect of a long prison term and eventual deportation to his native Pakistan, Hussain agreed to become an informant for the FBI.

Hussain, who emigrated here in 1993 and still holds a green card, has since been credited with helping the FBI arrest more than a dozen people, including the people involved in the DMV scandal and a member of an Afghani-based heroin trafficking ring.

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At the time of his arrest, Hussain was about two weeks away from being sworn in as a naturalized U.S. citizen. He ran gas stations, a beverage center and a retail distribution business in Latham, and shared a modest home in Loudonville with his wife and children.

Shortly after his Loudon Road home burned in 2003, Hussain declared bankruptcy. He has left a wake of debt and disgruntled creditors, including some who have described him as an unscrupulous businessman.

That summer, Hussain was still on the hook as an FBI informant when Coll, a member of the FBI's Joint Terrorism Task Force in Albany, enlisted him to help infiltrate a Central Avenue mosque that had drawn the attention of the FBI after 9/11.

The FBI's primary target was Aref, a Kurdish refugee who had been the mosque's spiritual leader and whom the FBI believes was associated with terrorist figures overseas. Aref has vehemently denied any connection to terrorists and there was no evidence presented at his trial that he'd made anti-American statements while heading the mosque for several years.

Hussain, who speaks five languages, testified last month that Coll ordered him to befriend Hossain, a Bangladeshi immigrant and pizza shop owner who was Aref's friend and a co-founder of the mosque.

Over the next year, Hossain wore a wire to dozens of meetings he had with Aref and Hossain as they discussed Islamic ideology, terrorism and a loan the informant had promised Hossain that turned out to be the foundation of the money laundering charges.

Before the trial began, Hossain's attorney, Kevin A. Luibrand, filed a motion asking the government to turn over "any evidence or information that the government has that the informant has caused another's death ... including acts alleged that he committed overseas."

Federal prosecutors did not turn over any records to defense attorneys related to that request. A federal law enforcement officials close to the case on Friday declined comment on allegations that Hussain may have been tied to a homicide in Lahore, Pakistan.

Shamshad Ahmad, president of the Central Avenue mosque, Masjid Al-Salam, where Aref and Hossain prayed, said rumors have swirled for several years in the area's Pakistani community about the mysterious slaying in Lahore.

"The murdered person belongs to a powerful family there," Ahmad said. "There are people from Pakistan in this region and they know the murder situation over there ..., but they don't want to talk and open up because they think this guy is the FBI's darling and they might be in trouble if they open their mouths."

Assistant U.S. Attorney William Pericak said Hussain may still face immigration problems because of his felony conviction, but that U.S. authorities would try to help him with that situation if needed. Hussain pleaded guilty in April 2003 to a single felony count to settle the charges pending against him. It was that fraud count on which he was sentenced Friday, effectively terminating his debt as an informant.

Pericak contends Hussain only faced a maximum of six months in jail under federal sentencing guidelines. However, attorneys in the case said Hussain could have faced up to 15 years in prison and a fine of up to $250,000 if he had been convicted on felony counts for each of the estimated 80 fraudulent licenses that he has admitted helping immigrants obtain.

Lyons can be reached at 454-5547 or by e-mail at blyons@timesunion.com.

Lodi Man Seeks New Trial In Terrorism Case (MERCN)

The San Jose Mercury News, October 28, 2006

SACRAMENTO - Attorneys for a Lodi man convicted this spring by a federal jury of supporting terrorists have asked a judge to grant a new trail after reports of juror misconduct.

In a 106-page motion filed Friday, Hamid Hayat's lawyers said reports of "extensive misconduct" by jury foreman Joseph Cote demand court review.

"Given the reports of extensive misconduct involved here, the seriousness of such misconduct, and the credibility of the sources, only (an evidentiary) hearing will suffice to resolve the present claim," wrote Wazhma Mojaddidi and Dennis Riordan.

Hayat, 23, was convicted in April of one count of providing material support to terrorists by attending an al-Qaida training camp in Pakistan, and three counts of lying about it to FBI agents.

In court papers, Hayat's attorneys cited reports by juror Alicia Lopez and Theresa Berkeley-Simmons that Cote used racial slurs during the trail, including saying that Pakistanis or Muslims all "look alike" if dressed the same. They also pointed to an Atlantic magazine interview that Cote gave after the trial where he said he likened Hayat to young Pakistani men responsible for the London subway bombings.

This indicates that Cote "flatly disregarded his assurance that he harbored no prejudices against Pakistanis or Muslims, as well as his promise to disregard whatever he had read in the media," the lawyers wrote in the motion.

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In addition to complaints about jury bias, Hayat's attorneys said U.S. District Judge Garland E. Burrell Jr., should have allowed a retired FBI agent to testify about the bureau's interview procedures. They said James Wedick, a 34-year veteran of the FBI, would have revealed the inappropriateness of Hayat's confession.

Hayat's attorneys said their client was worn down by the agents' interrogation and confessed to crimes he did not commit.

Hayat is a U.S. citizen of Pakistani descent. He faces up to 39 years in prison.

Prosecutors have until Dec. 15 to file a response, and a hearing is scheduled for Jan. 19.

"We will respond in court at the appropriate time," U.S. attorney McGregor Scott said Saturday.

At trial, prosecutors said Hayat returned from a two-year visit to Pakistan in May 2005 intent on attacking targets that may have included hospitals, banks and grocery stores. His videotaped confession was the heart of the government's case.

Taking Terror Fight To N. Africa Leads U.S. To Unlikely Alliances (WP)

By Craig Whitlock, Washington Post Foreign Service

The Washington Post, October 28, 2006

ALGIERS -- Locked in a prison here, for now, is a desert bandit dubbed the "Bin Laden of the Sahara," whose capture was secretly orchestrated by U.S. forces after a long chase across some of the most forbidding terrain on Earth.

Amari Saifi, 37, a former Algerian army paratrooper, was caught in 2004 after he and a band of rebel fighters kidnapped 32 European tourists in the Algerian Sahara and ransomed them for about $6 million.

Since then, the U.S. government has cited his case as a model for terrorist-hunting operations and a justification for expanding U.S. military, diplomatic and intelligence programs in North Africa.

A close examination of how Saifi was apprehended, however, highlights the quandaries facing the United States as it extends its fight against Islamic terrorism to remote parts of the globe. In its search for allies in an unstable region, the U.S. government reached out to Libya -- then still officially designated a state sponsor of terrorism -- and to other countries it has condemned for abusing human rights.

Some security analysts and European counterterrorism officials question the U.S. strategy. They contend the Pentagon may be inflating the importance of Saifi and the terrorist threat in both the Sahara and an equally large and desolate region to the south known as the Sahel.

By sending troops and partnering with repressive governments, U.S. tactics could backfire, said Hugh Roberts, North Africa project director for the Brussels-based International Crisis Group.

"The idea that you could have major jihadi units holing up there always struck me as implausible," Roberts said. "The quickest way to generate a jihadi movement is to send some U.S. soldiers in there to swagger around. The more visible the U.S. military presence, the bigger the target."

The hunt for Saifi lasted more than a year and nearly unraveled at the end, despite a joint operation among the U.S. military and seven countries, according to counterterrorism officials in North Africa and Europe. He was caught by happenstance, by a ragtag rebel army in Chad, as he fled his pursuers across the desert.

Although Saifi was finally transferred to Algerian custody, there are signs that he may not be in prison much longer. After giving him a life sentence last year, the Algerian government said this spring it might release him under an amnesty program, reflecting doubts as to how big a threat he posed in the first place.

Regardless of Saifi's fate, U.S. officials say they consider North Africa an increasingly strategic front. With weak governments and poorly patrolled borders, the region has already attracted Islamic radicals looking for a place to set up training camps and spread their ideology, officials say.

Together, the Defense and State departments are devoting $500 million to new counterterrorism programs in the region. Last year, the Pentagon sponsored Operation Flintlock, the largest U.S. joint military exercise in North Africa since World War II. About 700 U.S. Special Forces personnel trained troops from nine African nations, leading a war game that mirrored the effort to hunt down Saifi a year earlier.

"The threat is evolving," said Rear Adm. Richard K. Gallagher, a top commander at the U.S. European Command in Stuttgart, Germany, which is responsible for most of Africa. "Africa, for a lot of reasons, is a place that we've got to care hugely about. We ignore Africa at our peril."The Kidnappings

In February 2003, a band of Islamic extremists began scouring the desert expanse of southern Algeria for kidnap victims. The sparsely populated region's colored sand dunes and craggy mountains were a magnet for European tourists.

Soon, foreigners began to vanish, two or three at a time. Within a month, 32 Europeans -- mostly Germans, but also Austrian, Swedish, Swiss and Dutch citizens -- had been rounded up.

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The kidnappers belonged to the Salafist Group for Preaching and Combat, a movement dedicated to overthrowing the Algerian government. Despite its local origins, the group has recently reached out to al-Qaeda and other networks in an attempt to broaden its scope.

The leader of the cell, Saifi, was a tall, bearded man who dressed in shabby robes and worn-out sneakers; often he wore black eye makeup to ward off the sun's glare. Known as Abderrazak al-Para, or "the paratrooper," he had deserted from the Algerian army in 1991.

"In the beginning, the entire group was very convinced of the plan: 'Europeans -- that'll bring us money and weapons,' " said Rainer Bracht, a German construction worker who was among the hostages. "In the beginning, they always told us, 'You will be free soon, it'll be just a couple of weeks.' But then it took longer and longer."

On May 13, 2003, Algerian troops surrounded some of the fighters on a mountain range. After a gun battle, 17 hostages were rescued and nine kidnappers were killed, according to the Algerian government. But the soldiers were unable to capture Saifi, who escaped with half of his men and 15 tourists.

As the group trekked south, they hid under rock formations to avoid detection from the skies. The trip was arduous, with temperatures climbing to 110 degrees. One German died of heat exhaustion, but Saifi otherwise took care to keep his captives alive.

"His men held him in high esteem and showed respect," recalled Martin Hainz, a Bavarian painter who was taken hostage. "He emanated a lot of authority, but his behavior was not authoritarian. He did not give orders; he listened and made remarks."

In July 2003, Saifi and his crew crossed into Mali, an impoverished and landlocked country. Hiding among desert nomads, the kidnappers negotiated through intermediaries with the German and Libyan governments, seeking cash. A month later, the rest of the hostages were released near the Algeria-Mali border. Although Germany and Libya have denied paying a ransom, other European officials said the two countries provided funds.

Flush with money, Saifi bought protection from local tribes, European counterterrorism officials said. He shopped on the black market for automatic rifles, missile launchers and 4x4 trucks. He expanded his militia to include fresh recruits from Mali, Chad and Niger.

"At this point, he starts to become an important threat," said Louis Caprioli, former director of international counterterrorism for the DST, the French counterintelligence service, which was working with the U.S. military to track Saifi. "And the armies of Niger and Mali couldn't do anything about him."Warnings Heeded

At the time of the kidnappings, the U.S. government was starting a counterterrorism program in North Africa called the Pan-Sahel Initiative.

The program represented a response to worries that remote areas of North Africa could serve as a base for al-Qaeda or other Islamic extremists seeking to relocate after the U.S. invasion of Afghanistan in 2001. The initiative, led by the U.S. European Command, was designed to share intelligence and train ill-equipped militaries in the region.

The program had its critics, inside and outside the U.S. government, who questioned whether North African radicals had the potential to pose an external threat. They also wondered whether it made sense for the U.S. military to increase its presence in yet another predominantly Muslim part of the world.

The Sahara hostage-takings, however, gave a boost to military leaders who had been warning about the potential for trouble in North Africa. Since then, Congress has listened, budgeting $500 million over the next six years for an expanded version of the original program called the Trans-Saharan Counterterrorism Initiative.

Gallagher, of the U.S. European Command, said the military wanted to keep a light footprint in North Africa. "We want to get out in front of these problems and train these nations to deal with it," he said.

In a visit to Algiers in February to promote the program, Henry A. Crumpton, the State Department's counterterrorism coordinator, warned leaders from across North Africa that Saifi "underscored the real threat posed to the region." The Algerian Salafist group, he added, "has become a regional terrorist organization, recruiting and operating in all of your countries -- and beyond."Coordinated Pursuit

After the last hostages were freed, the U.S. military took effective control of the international hunt for Saifi, according to U.S. and European counterterrorism officials. Saifi had avoided the Algerian army by slipping past unguarded borders and vanishing into the desert. Now U.S. forces began tracking him with spy satellites and reconnaissance aircraft.

Overcoming regional hostilities, the U.S. military persuaded Mali, Niger, Algeria and Chad to cooperate on a plan to corral Saifi. U.S. Special Forces gave crash training to local soldiers. Under pressure, Saifi and his militia moved out of Mali in January 2004, crossed through Niger and entered Chad, covering about 1,000 miles of harsh terrain.

On March 9, 2004, troops from Niger and Chad caught up to Saifi in northwestern Chad. Bolstered by U.S. supplies, they killed 43 of Saifi's fighters. But once again, the desert bandit escaped.

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A week later, Saifi and 16 followers were wandering through the Tibesti Mountains, short of water and food and unaware they had encroached on turf controlled by a Chadian rebel group. The rebels, known as the Movement for Democracy and Justice in Chad, were enemies of the Chadian army. But they also didn't like the looks of the interlopers from Algeria and took them captive.

"We were astonished to see these people," Ousmane Hissein, a Chadian rebel leader in exile, said in an interview in Paris. "We tried to figure out who they were and where they were coming from." News reports on shortwave radio eventually revealed Saifi's identity.

Hissein said the rebels offered to turn Saifi over to Algeria, Germany, France and the United States, but all said no. Each country had been involved in chasing Saifi across the desert but did not want to risk a diplomatic rupture with the government of Chad by dealing with the rebels.

Once again, Libya agreed to serve as an intermediary. Relations between the governments in Tripoli and Washington had warmed since Moammar Gaddafi had ended his program to develop weapons of mass destruction four months earlier. But the alliance was still awkward; Libya had been branded a terrorist sponsor by the State Department since 1979, a label that would persist until June 2006.

The Chadian rebels, however, did not trust Gaddafi. They had accused him of assassinating one of their leaders years before. Negotiations stalled for months.

Losing patience, Gaddafi threatened to send his troops into Chad to attack the rebels, Hissein said. But U.S. diplomats, worried about the risk of a regional war, intervened, persuading Gaddafi to pull back and work a deal. "The Americans played a huge role in all of this," Hissein added.

Seven months after he was captured by the rebels, Saifi was handed over at a border crossing to Libyan authorities, who extradited him to Algeria. The rebels are vague about whether they received any money in return.Eligible for Amnesty

In June 2005, Saifi was scheduled to go on trial in Algiers. For unexplained reasons, Algerian security services did not bring him to the courtroom, and he was sentenced in absentia to life in prison. Rumors spread that he was dead.

Not so, according to Abdelhaq Layada, founder of the Armed Islamic Group, which fought the Algerian government during the 1990s in a horrific civil war that killed an estimated 200,000 people. Layada, who was recently released from prison as part of an amnesty for convicted terrorists, said he hoped Saifi would soon win his freedom.

"Yes, he's still alive," Layada said during an interview outside Algiers. "He's a Muslim, and he loves Muhammad our prophet, and he loves Allah. He was doing what he thought was right."

Algerian justice officials declined requests for an interview. In March, however, Justice Minister Tayeb Belaiz said Saifi would be eligible for consideration under the amnesty. Interior Minister Noureddine Yazid Zerhouni called it "a sensitive case" but wouldn't rule out his release.

Saifi has been indicted in Germany, but Algeria generally doesn't extradite its citizens to Europe. He is not wanted on criminal charges in the United States.

A U.S. counterterrorism official said the Bush administration would be unlikely to protest publicly if Saifi is released.

"We would support the Algerians," the official said, speaking on condition of anonymity. The Algerian government, the official added, has made "political overtures to leaders and individuals who are willing to lay down their arms. We encourage that."

Staff writer Karen DeYoung in Washington and special correspondent Silke Lode in Berlin contributed to this report.

PATRIOT ACT:

ACLU Drops Patriot Act Challenge (AP)

By Jim Irwin, Associated Press Writer

AP, October 28, 2006

DETROIT — The American Civil Liberties Union on Friday dropped a lawsuit challenging the constitutionality of the USA Patriot Act.

The ACLU said it was withdrawing the lawsuit filed more than three years ago because of "improvements to the law." The Justice Department argued last month that amendments approved by Congress in March 2006 had corrected any constitutional flaws in the Patriot Act.

"While the reauthorized Patriot Act is far from perfect, we succeeded in stemming the damage from some of the Bush administration's most reckless policies," Ann Beeson, associate legal director of the ACLU in New York, said in a written statement.

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The lawsuit, filed in July 2003 on behalf of the Muslim Community Association of Ann Arbor and five other nonprofit groups, was the first legal challenge to Section 215, the part of the Patriot Act that lets federal agents obtain such things as library records and medical information.

The ACLU said the revisions allow people receiving demands for records to consult with a lawyer and challenge the demands in court.

The Justice Department, which first asked that the lawsuit be dismissed in December 2003, said it was pleased by the ACLU's action, which was contained in a one-paragraph notice filed with U.S. District Judge Denise Page Hood in Detroit.

"We ... reiterate that the Patriot Act is a legitimate and important tool that has better helped law enforcement fight terrorism while simultaneously protecting our valued civil liberties," Justice spokeswoman Tasia Scolinos said.

The ACLU argued that Section 215, which allows the FBI access to any "tangible things" such as books and documents through an order from a secret court, does not require investigators to show probable cause. It asked that the Justice Department be barred from using the provision.

Hood ruled on Oct. 3 that the ACLU's clients had shown they were harmed by the anti-terrorism law adopted after the Sept. 11, 2001, terrorist attacks and that the lawsuit could proceed. But the ruling came after the law had been amended, prompting the ACLU to drop its case.

The ACLU said it would continue to monitor how the government applied Section 215 and would remain ready to defend any individual, business or organization receiving demands for information under the provision.

The group also said it is continuing its legal fight against a more frequently used provision of the Patriot Act that authorizes national security letters. Such letters allow the executive branch of government to obtain records about people in terrorism and espionage investigations without a judge's approval or a grand jury subpoena.

ACLU Drops Patriot Act Suit (DEN)

By Edward L. Cardenas

Detroit News, October 28, 2006

Civil liberties organization says Congress' move to check federal investigative powers prompted action.

DETROIT -- The American Civil Liberties Union on Friday withdrew a lawsuit filed three years ago in U.S. District Court in Detroit that challenged a provision in the Patriot Act.

The ACLU originally filed the suit against the government on behalf of a coalition of groups that argued that Section 215 of the Patriot Act passed in October 2001 was unconstitutional because it gave wide and secret investigative powers to federal agents to obtain books, records, papers, documents, e-mails and even a DNA sample without notifying the targeted person or group.

The suit was withdrawn on Friday after Congress revised the Patriot Act in March to allow those who receive a demand for records to consult with a lawyer and challenge the demand in court.

"While the reauthorized Patriot Act is far from perfect, we succeeded in stemming the damage from some of the Bush administration's most reckless policies," said Ann Beeson, ACLU's associate legal director, in a statement.

"The ACLU will continue to monitor how the government applies the broad Section 215 power and we will challenge unconstitutional demands on a case-by-case basis," Beeson said.

The Justice Department said it was pleased by the ACLU's action.

"We ... reiterate that the Patriot Act is a legitimate and important tool that has better helped law enforcement fight terrorism while simultaneously protecting our valued civil liberties," Justice spokeswoman Tasia Scolinos told The Associated Press.

Imad Hamad, director of the American-Arab Anti-Discrimination Committee, which was one of the organizations that was included in the suit, said the "withdrawal does not mean total approval of the act or total approval of the provisions.

"We are to keep our eyes wide open as we move forward," he said.

Earlier last month U.S. District Court Judge Denise Page Hood rejected a motion by the government to dismiss the case.

In the 15-page decision issued Sept. 29 that allowed the ACLU to continue its suit, Hood said the civil liberties groups had 30 days to amend its original complaint to address the amendments made by Congress.

HOMELAND RESPONSE:

Chertoff Lays Out Plan To Police Chiefs (GCN)

By Kerri Hostetler, GCN Staff

Government Computer News, October 28, 2006

DOJ_NMG_0088586

As the United States faces threats from weapons of mass destruction—radiological, chemical, biological or nuclear—as well as high-consequence international and homegrown plots, the Homeland Security Department is working with state, local, federal and international law enforcement to defend the country from terrorism.

Homeland Security secretary Michael Chertoff said stopping domestic terrorism threats is best done through shared intelligence, starting at the local level. To ensure that this coordination and collaboration happens, DHS will establish fusion centers, stocked with experts, and will work to grant clearance of classified information more quickly.

Both initiatives are part of the department's effort to take its relationships with major city police chiefs and information sharing to the next level, Chertoff said at the annual International Association of Chiefs of Police conference in Boston last week.

The nation saw how important information sharing is two weeks ago. Chertoff cited the recent incident involving the small airplane crashing into the New York City high rise as a great example of agencies working together. It was not immediately known if the crash was a terrorist attack, but first responders were able to inform officials within DHS of what was happening on site, allowing the department to respond to the situation.

Fusion centers are a step in making this a reality around the country.

"First of all, we are going to build upon some of our early initial effort to establish fusion centers by creating a national network of intelligence fusion centers to support state and local decision-makers, chiefs of police, and state and local intelligence officials," Chertoff said.

The fusion centers will be made up of intelligence personnel from the federal intelligence community, subject matter experts and intelligence analysts and operators of local police departments, DHS officials said.

The goal is to "become more deeply embedded in one another's day-to-day intelligence analysis and operational activity," Chertoff said.

Chertoff said of the fusion centers, " it's important to recognize that these are going to be critical pathways for the sharing of information and expertise across the whole spectrum of concerns we gave in dealing with the possibility of terrorism."

DHS plans to have 20 fusion centers by the end of the fiscal year and up to 35 fusion centers by the end of the next fiscal year. They have already invested $380 million in state-run fusion centers. Some states that have fusion centers include Colorado, Illinois, Maryland and New York.

The Justice Department has issued regulations for the fusion centers.

The agency will also work toward speeding up and broadening the clearance process.

Chertoff also said, "As necessary, we're going to work to be more nimble and quicker in granting top secret and SCI [sensitive compartmented information] clearance for those who do not require that level of classified access."

Also, real-time and strategic information sharing is the thrust behind DHS encouraging state and local law enforcement agencies to provide a list of important officials and institutions in their cities that need access to critical information as quickly as federal officials do.

Chertoff assured the chiefs of police that DHS is here to help.

"We will share information. We will share training. We will share tools. And, we will work as a team to make sure that whether terrorism comes in the airplanes, from across the ocean, or whether it's born in apartment buildings in or cities and towns, we will detect it. We will prevent it. And, we will respond to it effectively in the interest of protecting our families, our friends, our loved ones, and our fellow citizens," Chertoff said.

Airlines Delay In Checking Workers (LAT)

From Newsday

The Los Angeles Times, October 28, 2006

An estimated 50,000 cargo handlers were to be screened by Dec. 1. A federal agency has extended the deadline.

The Transportation Security Administration has rolled back the deadlines for criminal-background checks for tens of thousands of airline workers who handle cargo loaded onto passenger airplanes, saying the industry cannot meet the timetables.

"TSA has concluded that the regulated community will be unable to meet some deadlines in the air cargo final rule because of the large number of employees and agents subject to the requirements," the agency said in a notice published this week.

The rules were originally slated to go into effect from Oct . 23 to Dec. 1. They require background checks and security training for an estimated 50,000 workers employed by the airlines or by airline contractors handling cargo, said TSA spokesman Darrin Kayser.

Under the new timetables, several deadlines have been pushed back as far as mid-2007. The agency also will open the regulation to a new round of public comment, which could lead to more changes.

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Air cargo has long been described as the weak underbelly of aviation security since the packages loaded into planes undergo far less scrutiny than passengers or their luggage. This week, a report card by the Council on Foreign Relations gave cargo security a D-plus.

Several security experts blasted the delays as inexcusable at a time when aviation threats remain high.

"How is it possible that we check everyone in the passenger terminal, but we don't check the people loading cargo on the plane itself?" asked Isaac Yeffet, a former security chief for El Al Israel Airlines and now a private consultant.

Yeffet criticized the TSA for what he called its lack of urgency, citing the recent leaked report that undercover agents were able to smuggle prohibited items past the agency's screeners at Newark International Airport in 20 out of 22 attempts.

"This is not the security that the American people need or deserve," he said.

But TSA officials said they were implementing other programs to beef up air cargo security, including a known-shipper program to distinguish higher-risk cargo, and canine units to sniff for explosives. They defended the changes as "a more realistic timetable" based on the 4,500 responses they received from the industry — a view seconded by air carriers.

John Meenan, executive vice president of the Air Transport Assn., said the new timetable would allow the process "to be completed in an orderly fashion with the full support of the airline industry."

Suspicious Letter Shuts Clinton's Harlem Office (NYT)

By The New York Times

The New York Times, October 28, 2006

Former President Bill Clinton's Harlem office was shut down yesterday afternoon after a woman in the office opened a letter and a suspicious white powder spilled out, the police said.

The substance was later found to be nontoxic, but its discovery led the authorities to evacuate two floors of the building, at 55 West 125th Street, and to decontaminate several workers in the office. Mr. Clinton was not there at the time the substance was found. The police said the letter included a "rambling diatribe."

It was the third time since 2001 that a letter containing a mysterious but nontoxic substance had been sent to Mr. Clinton's office, the police said. The previous substance was determined to be flour, but it was unclear last night what the latest substance was and whether the incident was connected to the previous two.

"Clinton is aware of the situation, but will continue his normal activities," Richard Staropoli, the assistant special agent in charge of the Secret Service in New York, said. "This has not affected the former president or Mrs. Clinton in any way."

Mr. Clinton attended a large birthday party last night at the Gramercy Park Hotel as part of a three-day celebration to raise money for charity. Police and emergency crews were called to the building about 3:45 pm. According to officials, a member of Mr. Clinton's staff called the authorities moments after she opened a package addressed to Mr. Clinton that contained a letter.

At least three people in the office came in direct contact with the powder, though no one was injured.

Substance At Clinton's Office Not Toxic (USAT/AP)

USA Today, October 28, 2006

NEW YORK (AP) — Police and Secret Service agents determined Friday that a suspicious substance found at former President Clinton's office in Manhattan was not toxic.

A staff member opened package delivered to the president's office that contained a white powdery substance and a letter, and called authorities, said Secret Service spokesman Richard Staropoli. He described the letter as a "rambling diatribe."

Clinton was not at the office at the time because he was attending events for his three-day birthday bash, a fundraising event for his foundation. His birthday was in August.

"The situation has not affected the president or Mrs. Clinton in any way whatsoever," Staropoli said.

Police and emergency crews were called to the Harlem office building around 3:45 p.m. Yellow police tape blocked off the sidewalk in front of the building, but traffic was not disrupted.

Clinton spokesman Jay Carson said the building was not evacuated. He had no other details.

Secret Service spokesman Eric Zahren said a field test on the substance found it to be inert.

Clinton signed a 10-year lease for the 8,300-square-foot penthouse floor of the 14-story building in 2001.

The city's Administration for Children's Services has a field office on four lower floors of the building.

Training Gets Under Way At UCO Forensics Center (OKLA)

By Diana Baldwin, Staff Writer

The Oklahoman, October 28, 2006

DOJ_NMG_0088588

EDMOND — Five dozen emergency first responders and bomb technicians throughout the state should be a little safer after learning about homemade bomb factories this week.

The course was one of the first professional continuing education classes offered by the University of Central Oklahoma's newly created Institute for Forensic Science.

Kirk Yeager, an FBI bomb expert, said, "We want to give them an understanding about what they could run across so they can assess the situation and say that something isn't right."

Homemade bombs or improvised explosives are devices made from materials available in the home or that can be easily purchased. Bomb factories are found in garages, trunks of vehicles and motel rooms.

Improvised explosives vary in size and design. They can range from the estimated 4,800-pound fertilizer bomb that resulted in the deaths of 168 people in the 1995 Oklahoma City bombing to the single chemical bomb in the backpack of a University of Oklahoma student that exploded and killed him outside a packed football stadium last fall.

Yeager, a supervisory bomb specialist and forensic examiner at FBI headquarters in Quantico, Va., was one of the instructors for the class held on the Edmond campus. He has been involved in bombing investigations as far away as in Israel, Peru and Turkey. One of his latest assignments was in Great Britain when authorities said they foiled a plot to bomb a U.S.-bound flight. Discovery of the plot caused officials to ban liquids and gels in airline passengers' carry-on bags. He also worked on the case in which three Americans were killed in the Gaza Strip.

Yeager said he shared his worldwide experiences because whatever trends are seen abroad could end up here in the United States.

Ten bomb technicians were among those attending the class also taught by Oklahoma City FBI Special Agent Barry Black. Yeager said the interaction between the first responders and bomb technicians makes for a good situation in the classroom.

"It really enriches the whole experience," Yeager said.

In the field, first responders in instances such as drug raids need to recognize the types of chemicals used to make the explosives, said Black, a bomb technician and training coordinator.

"They need to know enough to take a step back and call the bomb squad," Black said.

With today's violent drug laboratories, Yeager said, many officers are taking a bomb tech with them to the scene.

The goals of the class were to teach recognition of the bombs or chemicals and safe handling.

Training professionals, students Dwight E. Adams, retired director of the FBI lab in Quantico, became the head of the newly created Institute for Forensic Science in July.

The institute provides continuing education for professionals and enhances student education opportunities on campus. Yeager also spoke to student forensic classes this week.

The institute's first class for professionals was held earlier this month for the Oklahoma State Bureau of Investigation on human hair identification.

A recording of this week's class on bomb factories will be available on a DVD to professionals, Adams said. It also will be posted on a law enforcement Internet site. The information will not be distributed publicly because of the sensitive material used by law enforcement officers.

Other professional training sessions for law enforcement officers, forensic scientists and attorneys are planned.

IU Student Set Up Website For Fake Boarding Passes (WISH)

By Tony Perkins

WISH-TV, October 26, 2006

An IU student's research on airport security has landed him in hot water with federal investigators. He found a way to forge boarding passes, and then put the instructions online.

The student researcher says he wanted to show the Transportation Security Agency that anyone could find their way past a key line of defense.

IU doctoral candidate Christopher Soghoian wanted to prove terrorists can get past security workers on the way to airport gates. He even manufactured a 10-step process that he says makes it "insanely easy" to board a plane.

Soghoian thought that the flaw was significant. Significant enough that he put the information on the Internet. He displayed a fake Northwest Airlines pass that features Osama Bin Laden's name.

He created a ticket in which the most-wanted terrorist suspect flies coach.

Soghoian said anyone could make up a name. He insists airport workers will simply check for ID, scan the barcode at the gate, and let the ticket holder board the plane without any questions.

Indiana Homeland Security chief Eric Dietz disagrees, "Well, I think you can find a number of small loopholes, but you have to look at what it does to the overall system. It takes a piece approach as opposed to a system approach."

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Dietz says someone who actually tries to use a fake boarding pass won't get past additional levels of airport security.

"We can have college kids forging drivers licenses, we can certainly can forge a boarding pass. That's why we have defense in depth," Dietz said.

Airline passengers appreciated Soghoian's research but they wished he didn't try to made it public.

"Well, I think anytime you are talking about security, you need to take it to somebody right way. Take it to some police department or something. Never publicize it, never put it out there. If I were to see it on the Internet, that's putting somebody's life in jeopardy, and so forth," Jesus Trujillo from Hagerman, New Mexico said.

"I think they should use their abilities and work with the airlines to make sure things like this don't happen." Jeff Bruns of Hagerstown said.

24 Hour News 8 contacted Soghoian by e-mail, and he responded that he won't talk to reporters about his research until he hires a lawyer.

He says he's received at least one visit from the FBI and a congressman has called for his arrest.

In the meantime, Soghoian's research on forging an airline boarding pass has been taken off-line.

Mayor Expands Search For 9/11 Remains (NYT)

By David W. Dunlap

The New York Times, October 28, 2006

The Bloomberg administration said yesterday that it would cast a net well beyond ground zero, from Broadway to the Hudson River, from the bottom of manholes to the top of nearby skyscrapers, in its search for human remains from Sept. 11, 2001.

The chief medical examiner is to inspect the roofs of the Millenium Hotel and 1 Liberty Plaza, opposite the World Trade Center site. Tiny bone fragments may be found there, mixed in with the stone ballast, as they were atop the former Deutsche Bank building, according to a report prepared for Mayor Michael R. Bloomberg.

Key downtown redevelopment agencies have headquarters in the 53-story Liberty Plaza tower. It is also where victims' family members can visit privately in a room set aside for them on the 20th floor.

The largest potential search site is the four-block-long, 60-foot-wide service road between the trade center pit and West Street. Dozens of bones and bone fragments have been found in the last week and a half in an abandoned, damaged manhole that had been buried under several feet of fill.

A layer of trade center debris may still exist between the original roadway and the current service road, said the report by David J. Burney, the commissioner of the Department of Design and Construction, and Charles J. Maikish, the executive director of the Lower Manhattan Construction Command Center.

An expanded search may take a year or longer, Deputy Mayor Edward Skyler said. At times, it will require the overnight closing of some lanes of West Street. He said he could not estimate the cost.

"We are going to search high and low for anything we can find," Mr. Skyler said, "and if the result of all this work is only one more remain or one more piece of personal property, it will still have been worth it."

Family members said the proposed measures did not go far enough. For instance, they said workers ought to dig up the whole service road rather than conduct exploratory excavations as recommended. And they called again for the city to relinquish its role to the federal Joint P.O.W.-M.I.A. Accounting Command, which recovers and identifies service members who have been killed in action.

"Doing more of the same wrong thing in a larger area cannot serve any useful purpose," said Sally Regenhard. She has yet to recover her son, Christian, who was killed in the 2001 terrorist attack.

But Mr. Skyler said the city had the experience and the forensic anthropologists needed to do the job, including two veterans of the accounting command. "The same expertise that JPAC would bring to the table, the city has," he said.

Another site where trade center debris may be found, the report said, is the small block between Liberty and Cedar Streets. St. Nicholas Greek Orthodox Church stood there until 9/11, when it was destroyed by the collapse of 2 World Trade Center. No buildings are there now.

Inspection is also warranted, the report said, at Fiterman Hall, a badly damaged building north of ground zero that is to be demolished, and 130 Cedar Street, south of ground zero, which is to be renovated.

The report called for the visual inspection of as many as 500 subterranean structures — manholes, service boxes, valve chambers and cable-splicing chambers — between Broadway and the Hudson River and Barclay and Albany Streets. If trade center debris is found, the report said, the chief medical examiner should be called in to sift it.

Mayor Bloomberg went further and said that any extraneous material, like silt, should be removed and sifted by the medical examiner. He accepted the rest of the report.

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Follow The Money (WSJ)

By Ted Frank

The Wall Street Journal, October 28, 2006

The trial lawyers have now enlisted themselves in the war against terror. One can imagine a parody -- a team of wing-tipped attorneys parachuting into the wilds of Afghanistan, armed with subpoenas forcing Osama bin Laden to produce all relevant documents and secure his attendance at a 20-day videotaped deposition (damn the Geneva Conventions against torture). The legal and photocopying bills alone crush al Qaeda.

The reality is more prosaic, and less amusing. For just as Willie Sutton legendarily said he robbed banks "because that's where the money is," plaintiffs' attorneys are weaving creative legal theories to hold legitimate third parties liable for the intentional acts of terrorists. This friendly fire could end up doing almost as much financial damage as the terrorists themselves, with the lawyers getting rich in the process.

The roots of this folly are in the 1970s, when many state courts began to decide that the intentional acts of criminals shouldn't bar plaintiffs from collecting money from others with deeper pockets. So if you are carjacked -- sue the parking- lot owner. Most legislatures have yet to reverse this radical legal change.

Thus trial lawyers, thanks to New York Supreme Court Justice Nicholas Figueroa's generous rulings and jury instructions, persuaded a jury in October last year that the terrorists who planted a truck bomb in the World Trade Center garage in 1993 were only 32% responsible, while the Port Authority of New York and New Jersey was 68% responsible -- and therefore, under New York law, wholly on the hook for $1.8 billion in damages.

After 9/11, lawsuits would have bankrupted several corporate victims of the attacks were it not for a $7 billion, taxpayer-funded bailout of potential plaintiffs. Even so, several dozen claimants opted for litigation. Naturally, their lawyers have sued everyone from the airlines to Boeing to Motorola to New York City. Many of these cases are still in pre-trial proceedings. Attorneys are asking for billions of dollars in damages.

Banks are not immune from terrorist-related lawsuits, either. They're getting hauled into court because of who has accounts at their institutions.

Federal laws permit parties injured by an act of terrorism to recover treble damages and attorneys' fees in civil suits against terrorists. Fair enough. But an act of terrorism may also include "knowingly providing material support or resources to a foreign terrorist organization." The vagueness and breadth of this language is the source of the mischief: Following the 9/11 attacks, the U.S. started cracking down on front organizations for Islamic terror groups that posed as charities; and some of these faux-charities had accounts at international banks. Bingo. Lawsuits are pending now that claim, in effect, that the banks should have known then what the U.S. government did not decide until years later.

For example, on Aug. 22, 2003, the U.S. designated Interpal and Comité de Bienfaisance pour la Solidarité avec la Palestine (CBSP), among others, as international terrorist organizations. These two outfits channeled funds to the Orwellian-named "Union of the Good" militant group, which in turn supported Hamas. Three days before the designation, on Aug. 19, 2003, a Hamas suicide bomber, Raed Abdul Hamid Misk, blew himself up on the Egged No. 2 bus in Jerusalem, killing and wounding dozens.

The American victims and their families have sued over this and other attacks; but they have not sued Misk -- who, now beyond earthly jurisdiction, will have to answer to a higher authority -- nor Hamas, nor "Union of the Good," nor even Interpal or CBSP. Rather, the families are suing NatWest Bank,where Interpal happened to hold some of their bank accounts, and Credit Lyonnais, which once held CBSP money.

The complaint against Credit Lyonnais filed earlier this year spends most of its 79 pages listing heinous acts of Hamas and their consequences. So what does this have to do with Crédit Lyonnais? A small section of the complaint claims that Credit Lyonnais was supposed to be monitoring Al Jazeera in case an official for one of its customers, such as CBSP, said something incriminating. Perversely, the fact that Credit Lyonnais reported suspicious banking activity to regulators is supposed to be evidence that the banks "knew" that the two charities were supporting terrorism.

The plaintiffs make much of the fact that Israel designated CBSP and Interpal unlawful organizations in the late 1990s. But the U.S. did not until 2003 -- and France and Britain have yet to do so, despite extensive investigation. The banking system will grind to a halt if a bank must scrutinize every customer to the degree plaintiffs argue should have been done for CBSP and Interpal -- a degree of scrutiny greater than their own home countries have established.

France and Britain may well be wrong to assess these Hamas-affiliated organizations as "humanitarian": Money is fungible, and Hamas can readily shift its own funds from feeding constituents to making bombs. But criminal prosecutors, not contingency-fee-hunting trial lawyers, should chase terrorist financing. The latter are more interested in wealth than guilt: Trial lawyers have

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every motivation to attempt to attach blame to the deepest and most readily available pocket instead of the actual culpable parties. Nor do they bear the diplomatic consequences for the U.S. when they baselessly tread upon the wrong toes.

Both NatWest Bank and Credit Lyonnais filed motions before Judge Charles Sifton of the Eastern District of New York to dismiss the cases against them. In vain: The lawsuits go forward and are in the pre-trial discovery stage.

If courts are not going to apply the antiterrorism laws sensibly, Congress should amend them to make clear that civil liability is limited to those who commit criminal acts of international terrorism, and those who aid and abet with specific intent to commit terror. Otherwise, terrorists can damage the global economy simply by inducing fratricidal litigation.

Mr. Frank is a resident fellow at the American Enterprise Institute and director of the AEI Liability Project. He blogs at PointOfLaw.com1.

WAR NEWS:

Iraqi Prime Minister Criticizes U.S. Policy (LAT)

By Borzou Daragahi, Times Staff Writer

The Los Angeles Times, October 28, 2006

Baghdad, Iraq — The Iraqi prime minister sharply criticized U.S. policy Friday during a private meeting with the U.S. ambassador, pointing to America's failure to either reduce violence or give his government authority over security matters.

The criticism in private was the latest example of tension between the two governments and stood in stark contrast with a joint public statement issued after the meeting.

In the statement, Prime Minister Nouri al-Maliki and the U.S. Embassy said they had agreed to unspecified "timelines" to make tough political and security decisions on the country's future.

Privately, however, al-Maliki criticized what he called the patronizing U.S. tone toward the Iraqi government and warned U.S. Ambassador Zalmay Khalilzad to respect Iraq's sovereignty, according to two of the prime minister's advisers.

"I'm a friend to the United States, but not America's man in Iraq," al-Maliki told Khalilzad, according to Hassan al-Senaid, one of the prime minister's closest advisers.

Previously, al-Maliki had vehemently rejected the notion of deadlines for his government to achieve key goals, but the statement said "the Iraqi government has made clear the issues that must be resolved with timelines for them to take positive steps forward on behalf of the Iraqi people."

The statement said "Iraq and the United States are committed to working together to respond to the needs of the people." It affirmed that America "will continue to stand by the Iraqi government" amid rumors Washington may be seeking alternatives to Baghdad's current Shiite-led administration.

Al-Maliki's supporters downplayed the reference to timelines as insignificant, saying they were meant as rough guidelines to hand security over to Iraqis.

U.S. officials in Baghdad could not be reached for comment.

Following days of back-and-forth recriminations, the contrast between private criticism and the public statement brought into sharper focus a dispute that may have already undermined the Shiite-led government and increased friction between America and the country's majority sect.

Khalilzad is at odds with al-Maliki on how to address the Shiite militias wreaking havoc on large parts of the country. Khalilzad last year convinced Sunni Arabs now victimized by the militias to enter the government. The ambassador has insisted that the Shiite armed groups and Sunni Arab insurgents be treated similarly.

Al-Maliki draws political support from the groups backing militias. He says they should be drawn into the political process and disarmed peacefully. U.S. military and political officials have grown frustrated over perceived Iraqi government inaction on militias, now deemed by Americans as the No. 1 impetus of sectarian violence.

Khalilzad told reporters Tuesday that Iraqis must "achieve key political and security milestones" by certain deadlines, or face unspecified consequences. But he was rebuffed by both al-Maliki and U.S. Defense Secretary Donald H. Rumsfeld, who told critics to "back off" making unreasonable demands of the five-month-old Iraqi government.

Al-Maliki's inner circle, huddled in a late-night briefing, said the prime minister would call President Bush on Saturday to clear the air about what the government views as unproductive interference on the part of U.S. officials in Baghdad.

"Khalilzad's demand for a timetable was clear interference with the sovereignty of the Iraqi government," said Nada Sudani, a member of parliament who belongs to al-Maliki's Dawa Party. "Maliki rejects any exterior body giving a timeline for the performance of the Iraqi government."

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Prickly truths underlie the squabbling and confusion: Al-Maliki's government has lost public backers over five months of car bombs, death squad slayings and economic misery, and increasingly relies for support on narrow cliques of Islamist political parties, including the radical movement of cleric Muqtada al-Sadr.

The U.S. government, undertaking a massive nation-building project while fighting off a ferocious insurgency, has little choice but to back al-Maliki's Iranian-influenced Shiite government. Any U.S. move against al-Maliki could spark even greater violence and anti-American animosity.

Al-Maliki has demanded that Americans let him try to politically co-opt al-Sadr, who has gone from a rabble-rousing street firebrand in the early days after the U.S. invasion to one of the most powerful figures in the country with 30 seats in parliament and control over several key ministries.

There have been numerous signs that al-Sadr himself has tired of the most troublesome of his self-styled loyalists. During prayers Friday in the southern city of Kufa, al-Sadr's principal pulpit, his deputy denounced recent violence in Iraq caused by "people who violated and stood against the wise and honorable leadership" of the young cleric.

"If you would ever fail to comply with (his orders), then I frankly tell you that you will regret it, and you'd rather die," warned Sheik Jabir Khafaji, one of Sadr's chief advisers.

Among his followers' alleged misdeeds was the Monday night abduction of a U.S. soldier of Iraqi descent. The Iraqi family of the missing army translator issued an appeal for his release as U.S. soldiers continued a days-long crackdown on the volatile Sadr City where they suspect he's being held, according to Iraq's Al-Sharqiya television.

Witnesses said U.S. forces raided schools, mosques and homes over the last few days in search of the missing soldier.

Al-Sharqiya television said the missing soldier's name is Ahmad Qusai Tai. He was taken from a home in central Baghdad on Monday night after he left the Green Zone to spend Muslim holidays with relatives in the capital.

Tai's mother, according to an Al-Sharqiya interview, has pleaded for his captors to treat him with mercy and return him to his family.

Sadr City is a stronghold of bands of al-Sadr's self-described followers, who call themselves the al-Mahdi army. Al-Sadr launched the organization as a tool to mobilize and organize Shiites who are poor, young and pious.

But U.S. and Iraqi officials suspect splinter groups under no central authority have begun using the al-Mahdi army as a cover for various forms of criminal activity, including wanton targeting of Sunni Arab men.

Al-Sadr has ordered followers to refrain from violence during the latest U.S. raids, and for the most part Friday, the command held. "The Mahdi army members are restraining themselves," said Qahtan Sudani, a 28-year-old Sadr City resident and follower of the movement. "It's Muqtada's' orders that confrontation with the occupier will be through peaceful methods."

At least one U.S. soldier was reported killed Friday, bringing the number of American troops killed in Iraq so far this month to 97, the highest number for any single month since January 2005. The soldier, assigned to the 3rd Brigade of the 1st Cavalry Division, died of wounds sustained in combat in Diyala province Thursday.

A special correspondent in Baghdad contributed to this report.

Fighting Split, U.S. And Iraq Renew Vow To Work For Peace (NYT)

By John F. Burns

The New York Times, October 28, 2006

BAGHDAD, Oct. 27 — With recent events in Iraq causing growing strains between the Bush administration and the Iraqi government, the two governments issued a tautly worded statement through the American Embassy in Baghdad on Friday renewing their commitment to work together for peace and security in Iraq.

The statement, remarkable for the fact that the two governments found it necessary, followed a meeting between Prime Minister Nuri Kamal al-Maliki and Zalmay Khalilzad, the American ambassador. The three-paragraph joint statement issued afterward appeared aimed at tamping down frictions between the governments while countering a growing perception in Baghdad and Washington that the increasingly grim situation here is driving a wedge between them.

The statement said Mr. Maliki and Mr. Khalilzad — who have meet regularly during Mr. Maliki's six months in office — "were pleased to meet today to discuss our ongoing efforts to bring peace and security to Iraq and create a better future for all Iraqis." Usually, meetings between the two men, with offices close to each other in Baghdad's Green Zone government compound, are not the subject of official announcements.

"While we recognize the difficulties, we know that our continued partnership and strategic alliance will allow us to meet the challenges facing Iraq," the statement said. "The United States will continue to stand by the Iraqi government, and the Iraqi government welcomes the support of the United States as it moves forward with plans for national reconciliation, economic progress and the strengthening of the Iraqi security forces."

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The statement concluded: "The government of Iraq is committed to a good and strong relationship with the U.S. government to work together toward a democratic, stable Iraq, and to confront the terrorist challenges in light of the strategic alliance between the two countries."

The statement followed an outburst on Wednesday in which Mr. Maliki spoke out forcefully against the idea of American-imposed benchmarks or timelines for action on the most critical issues dividing the Shiite, Sunni and Kurdish populations. The benchmarks have been pushed by the Bush administration as a means of pulling the country back from the brink of civil war.

But Mr. Maliki astonished American officials here by saying Wednesday that "this is an elected government and no one has the right to set a timetable for it." He spoke 24 hours after Mr. Khalilzad and Gen. George W. Casey Jr., the top American commander in Iraq, had spoken of a timeline for action on the toughest issues as a centerpiece of a joint Iraqi and American strategy for winning the war.

In Washington, President Bush and Defense Secretary Donald H. Rumsfeld have both sought to calm the political storm in Baghdad. At his news conference on Wednesday, Mr. Bush said American officials were "working with the Iraqi government to have certain benchmarks to meet as a way to determine whether or not they are making the hard decisions necessary to achieve peace."

But he said Mr. Maliki was right in his insistence on Iraq's right to make its own decisions. "This is a sovereign government," he said. At a Pentagon news conference on Thursday, Mr. Rumsfeld said the idea of benchmarks did not involve fixed deadlines or penalties for the Iraqis.

The issues outlined by Mr. Khalilzad and General Casey defined the struggle for political and economic power that is tearing at the fragile coalition of Shiites, Sunnis and Kurds that make up the Maliki government. They include the role of the Shiite militias, which have played a widening role in the bloodshed across the country, the division of oil revenues and the balance to be struck between holding officials of Saddam Hussein's government accountable and opening the door to rehabilitation.

Days before Mr. Maliki's outburst, American officials handed out what they described as a "notional political timetable" setting out a series of deadlines for legislative and executive actions. The timetable ran from September this year through March 2007, and Mr. Khalilzad said it had been drawn up in consultation with the Maliki government.

High on the list was the passage of laws governing the disarming of militias, an amnesty for certain fighters and a program for reintegrating militia members into civilian life.

The dispute over benchmarks reflects a deeper divide between the religious Shiite parties and the Americans, who were once seen by the Shiites as a partner in wresting power from the Sunni minority through elections. But the Americans have become increasingly unpopular with the Shiites as they have pushed plans for a reconciliation with the Sunnis, which the Americans hope would dampen the Sunni insurgency.

But Shiites have chafed at the American push for reconciliation, in particular with the role played by Mr. Khalilzad, who is a Sunni Muslim. In recent weeks, Mr. Maliki and other high-ranking Shiites have begun to chafe at American military control of the new Iraqi Army, and have grown increasingly bitter over American statements identifying Shiite militias as equally responsible with the Sunni insurgents for the violence here.

One of the most senior Shiite government officials, Adel Abdul-Mahdi, a vice president, told reporters in the southern city of Najaf on Friday that the American focus on disbanding the militias was misplaced.

"There are some attempts to advance the fight against the militias and delay the fight against terrorism and the insurgency," he said after meeting with Iraq's most revered Shiite cleric, Grand Ayatollah Ali al-Sistani. "We warn of the dangers of these attempts."

For the second time this week, American troops rolled in force into the stronghold of radical Shiite cleric Moktada al-Sadr's Mahdi Army on Friday in search of a missing American soldier, but this time withdrew without clashing with fighters there, authorities said.

Search For U.S. Soldier Spurs Sadr City Battles (WP)

By John Ward Anderson, Washington Post Foreign Service

The Washington Post, October 28, 2006

Translator's Brother Was Freed, Premier Says

BAGHDAD, Oct. 27 -- U.S. and Iraqi forces returned to Sadr City on Friday to search the Shiite Muslim slum for a missing U.S. soldier, occasionally engaging in gun battles with members of local militias during their hunt.

The soldier, an Iraqi-born translator whose name has not been released, was abducted by gunmen in Karrada, a middle-class Shiite neighborhood in central Baghdad, while visiting relatives on Monday, the start of the Muslim holiday of Eid al-Fitr,

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according to the U.S. military. U.S. soldiers rarely, if ever, are allowed to wander alone on the streets of Baghdad, and the visit had not been approved, military officials said.

U.S. and Iraqi forces have conducted an intense hunt across Baghdad, searching cars at checkpoints, going door to door and raiding areas where they think he might be held.

In an interview with [a] news service Thursday, Iraqi Prime Minister Nouri al-Maliki said the soldier's brother was kidnapped with him but had been released.

"The brother who was released said he had been abducted by the Mahdi Army," Maliki said, referring to the militia headed by Moqtada al-Sadr, an anti-U.S. cleric. "But we don't know what the Mahdi Army means anymore."

The militia, which has clashed with U.S. troops on several occasions, is accused of being behind death squads that have slaughtered thousands of Sunni Arabs. Many analysts say they believe that rogue units of the militia may no longer be under Sadr's control, and Maliki said in the interview that some Sunnis now operate in the name of the Mahdi Army.

Sadr's political movement is a key member of Maliki's governing Shiite coalition, and U.S. officials have expressed frustration that he has not done more to disarm the group.

"We asked the Sadr movement to look" for the missing soldier, Maliki said, "and they swear they know nothing."

On Wednesday, U.S. troops launched two raids in Sadr City, a teeming Baghdad slum and home to 2.5 million Shiites, many of whom are Sadr loyalists.

Maliki said in the ... interview that the target of Wednesday's U.S. operation was Abu Deraa, who is considered a death squad leader responsible for killing scores of Sunnis. It was unclear whether Abu Deraa is a suspect in the kidnapping of the U.S. soldier, and U.S. officials declined to comment.

"We are conducting operations in search of the soldier, but there are many other operations as well, and we don't want to identify any people as targets" because it could tip them off, said Lt. Col. Christopher C. Garver, a U.S. military spokesman.

On Thursday, U.S. soldiers blocked entrances to Sadr City with armored vehicles, sandbags and concertina wire. Traffic backed up in both directions for hours as soldiers waved cars through one at a time for searches.

"They turned Sadr City to hell these last three days," said Abdul Hameed Swadi, waiting in the jam of cars outside one of the bridges into Sadr City.

"Why are we waiting like this?" a woman cloaked in a black robe yelled to an Iraqi soldier standing with the Americans.

"It's an order from the Americans," the Iraqi soldier said.

"You are in the Iraqi army," she yelled back. "What kind of army are you?"

An Iraqi Interior Ministry spokesman said the Friday incursion into Sadr City targeted the Zahraa mosque and Hakim High School. He said gunfights erupted between members of the Mahdi Army and U.S. troops, and that U.S. planes targeted the two buildings and destroyed them. He said it was unclear whether there were casualties. The account could not be independently verified.

Meanwhile, in an apparent effort to tamp down reports of disagreement between the United States and Iraq over timelines and benchmarks for progress in Iraq, Maliki and U.S. Ambassador Zalmay Khalilzad issued a rare joint news release late Friday, saying they were "committed to working together to respond to the needs of the people."

"The Iraqi government has made clear the issues that must be resolved with timelines for them to take positive steps forward on behalf of the Iraqi people," the statement said, without elaborating on what issues would be subject to timelines. Maliki had previously said he did not want timelines imposed on his government by the United States.

Also Friday, the U.S. military announced that a soldier who was killed in Diyala province on Thursday was the 97th U.S. fatality of the month, making October the deadliest month for U.S. forces in Iraq since January 2005, when 106 service members died.

Correspondent Ellen Knickmeyer and Washington Post staff in Kirkuk and Baghdad contributed to this report.

U.S., Iraq Affirm 'Good, Strong' Ties (WT/AP)

By Steven R. Hurst, Associated Press

The Washington Times, October 28, 2006

BAGHDAD -- The American ambassador and Iraqi prime minister issued a rare joint statement yesterday in which Iraq reaffirmed its commitment to a "good and strong" relationship with Washington -- a bid to dampen speculation about souring ties less than two weeks before U.S. midterm elections.

The statement followed a tense week in U.S.-Iraqi relations, as Washington has stepped up pressure on Prime Minister Nouri al-Maliki to crack down on Shi'ite militias and death squads behind a wave of sectarian killings. Mr. al-Maliki, whose political standing is beholden to the two main militias, has repeatedly said he would disband "illegal armed groups" but so far has taken little action.

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On Tuesday, U.S. Ambassador Zalmay Khalilzad announced the centerpiece of the Bush administration's new strategy: The establishment of a timeline to curb violence and solve other Iraqi problems. He said Mr. al-Maliki had agreed to the plan.

But over the next two days, Mr. al-Maliki publicly and heatedly said that he saw imposition of timelines as an infringement on Iraqi sovereignty. Then he said that the timeline program was a product of U.S. electoral politics.

The White House on Thursday said Mr. al-Maliki's comments were taken out of context. But hours later, the Iraqi leader reissued the same complaint, unambiguously in an interview with British journalists.

Yesterday's joint statement was issued in English on a U.S. Embassy letterhead and in Arabic by the prime minister's office after Mr. Khalilzad and Mr. al-Maliki held an unannounced meeting earlier in the day.

It said the "Iraqi government has made clear the issues that must be resolved with timelines."

Language in the statement suggested a clear attempt to dampen further speculation about a fraying of ties between the two governments.

"The government of Iraq is committed to a good and strong relationship with the U.S. government to work together toward a democratic, stable Iraq, and to confront the terrorist challenges in light of the strategic alliance between the two countries," it said.

Baghdad has been awash with speculation that the Bush administration was preparing to dump Mr. al-Maliki, who was the compromise candidate for prime minister from among the dominant Shi'ite Muslims in parliament. His government has been in power five months.

In an apparent bid to squelch such talk, the statement said, "The United States will continue to stand by the Iraqi government."

The U.S. military yesterday announced the death of a soldier in combat in Diyala province northeast of Baghdad, raising to 97 the number of American troops killed in Iraq during October, now the fourth-deadliest month since the war began in 2003.

The soldier, assigned to the 3rd Brigade Combat Team, 1st Cavalry Division, was wounded in combat Thursday "and later died of wounds," the military said.

Baghdad's post-Ramadan calm held into a fifth day, as a flood of U.S. troops continued combing dangerous neighborhoods for a kidnapped American soldier, whose Iraqi family yesterday issued a plea for mercy.

There were only two reported violent deaths in the capital and eight elsewhere in the country. But authorities in Suwayrah and Kut, south of Baghdad, reported pulling nine more bodies from the Tigris River, tortured and fatally shot.

The U.S. military refused to confirm the identity of the kidnapped U.S. soldier, after the independent Sharqiyah TV channel said he was Ahmed Qusai al-Taayie, a naturalized American born in Iraq. The television station said his mother asked his captors to show him mercy as a fellow Muslim.

The quiet in Baghdad, which has proven illusive over the longer term, followed a day of bloody house-to-house fighting that killed 43 persons outside a chaotic city to the north.

The battle between Sunni insurgents and Iraqi police near Baqouba, 35 miles northeast of Baghdad, killed one civilian and 24 police. U.S. troops later joined the fight, aiding in a counterattack in which 18 insurgents died, eight were wounded and 27 captured, the military said.

In Baghdad, A Sudden Chance To Play (WP)

By Ellen Knickmeyer, Washington Post Foreign Service

The Washington Post, October 28, 2006

Lull in Violence During Holiday Frees Families Long Confined by Fear

BAGHDAD, Oct. 27 -- Maybe it was because this week was the Islamic holiday Eid al-Fitr, and even killers have to stay home with their families once a year. Maybe it was because a massive American operation had shut down some of Baghdad's most dangerous neighborhoods, and U.S. soldiers with M-16 rifles were opening car trunks, favorite places for killers to stash their guns, bombs and struggling kidnap victims.

For the people of Baghdad, death took something of a holiday this week. By Thursday, U.S. and Iraqi military commanders were staring at murder rates that had fallen by half since Monday. On Thursday, Baghdad logged only one man killed by one bomb, the government said. It made for marveling.

"Quietest day in months," said Brig. Abdul-Karim Khalaf, a spokesman for the Interior Ministry. "Still quiet," Khalaf said Friday.

On Monday, as the week-long holiday began, Ali Rahad and his co-workers pushed open the rusty gates of the Tofaha amusement park, gingerly, as an experiment. Tofaha -- the name means "apple" -- last opened for business almost exactly a year ago, on the previous Eid holiday.

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Tofaha has only aged swings, slides with the shine long worn off and heavy merry-go-rounds, on a city lot with the grass worn to dirt by children's feet. But it's one of the few places where families might conceivably go -- Baghdad has few public parks, and many of the riverbanks where people used to picnic have been blocked off by the concrete blast walls of Iraqi and U.S. military bases.

So people at the park were hopeful. On Monday, Rahad, who runs a shooting gallery at Tofaha, waited. And waited. "Nobody came," the gangly 20-year-old said. Unsure if the quiet would last, Baghdad's people were still afraid, he said.

Eid marks the end of a demanding month of dawn-to-dusk fasting for Muslims. Families normally pass the holiday boisterously, traveling to see relatives and taking to the streets to parade in newly received finery.

But since last year's holiday, the streets have been rendered largely deserted by a surge of Shiite and Sunni gunmen. The street outside the amusement park is pitted from bombs, and shops are shuttered. The neighborhood, Radill, is just outside Sadr City, a Shiite enclave where death squads hide.

"All the families are suffering," Rahad said. "The kids are small, they forget what's going on. They don't understand why there are explosions and killing, and why they have to be jailed in their houses."

By Wednesday, people were venturing out. On Thursday morning, in a neighborhood near the amusement park, shop owner Allah Abdul Hussein consulted with his wife as he looked at their cooped-up 2-year-old daughter, Nour.

Hussein and his wife considered: Tofaha traditionally had drawn both Sunni and Shiite families; maybe that would protect it from bombs by either side. By midday, Hussein and his wife dared. They put Nour in the car and went to the park.

"Because nothing happened today, I brought them here, to have fun," Hussein said. A solemn Nour, in a new dress with a ruffled heart spread across the bodice, held his hand. Cowed, she looked up at the green helium balloon tied to her other hand and looming over her, bigger than her body.

In Hilla, a city about 60 miles south of Baghdad, Mohammed Salman, a 32-year-old former government employee laid off when the war began, got word that Tofaha was open for Eid. Hilla has had so many bombs, Salman said, that there was no place left for his children to play. "They were crying in the house, begging me to take them out," he said. "It's Eid, it's Eid, we must go," his son told him. So Salman drove them to Tofaha.

At Tofaha, younger children sat stiffly on swings and on the saddles of merry-go-rounds. Play was something that had grown unfamiliar to them.

Twelve-year-old Maisa Mohammed moved among them in a holiday ensemble of heels and a blue chiffon gown, with purple sunglasses and, in her hair, an orange ostrich plume. She had come here Tuesday and Wednesday as well.

Older children like Maisa helped younger ones climb ladders to slides and taught them to pump their legs on swings. "I was dreaming to come here, to play," Maisa said. Except for school, she said, she hadn't been out since last Eid.

Five-year-old Mutaz clung, unsmiling and unmoving, to his grandmother each time she put him on a piece of playground equipment. His mother, Dunya Abdul Rahman, 34, scrunched her face when asked the last time she had taken Mutaz outside the house. "Phoooh!" Rahman exclaimed, trying to think. "Six months."

"I am afraid someone will kidnap him, kill him," Rahman said. "He is the only son I have. I cannot even send him to school."

"Tell them in America about the children in Iraq," Rahman said, her hair awry, her eyes haunted. "Tell them about the children in prison."

The park would be open only another day, through the end of Eid on Friday. No one was counting on the decline in killing to continue. The American operation that shut down normal traffic in Shiite neighborhoods was temporary, part of a search for a kidnapped American soldier.

U.S. military officers played down the notion that their troops' increased operations and the sealing off of Sadr City had contributed to the drop in violence, saying it was a normal calm for Eid. "We can't cordon off Iraq," said Col. Nelson McCouch, a public affairs officer in Baghdad.

At Tofaha, younger children started smiling, yelling, shouting one another's names across the playground as the afternoon wore on. Rahad oversaw a line of boys at his shooting gallery, clustering for a shot at the bull's-eye with wooden-stock rifles, real military weapons stripped of their ammunition clips.

"We are having fun!" shouted Mariam and Batool, two next-door neighbors, answering questions as they soared on swings, their hair flying. "We are not afraid!"

Hussein was. He pulled Nour out of the park. "We're leaving fast, while it's still safe," he said.

At the slide, the children who remained broke into smiles each time their feet landed in the dirt at the bottom. They huddled there for a second before running off, overcome by excitement. Maisa, her orange ostrich plume still high, slid again and again. She stored up the exhilaration that would take her through to next Eid, if war didn't overtake her.

"One time, in a year," Maisa said. "Every year."

Special correspondent Naseer Nouri contributed to this report.

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U.S. Citizen Won't Be Handed To Iraq, Federal Court Says (WP/AP)

Associated Press

The Washington Post, October 28, 2006

A U.S. citizen who was sentenced to death by an Iraqi court this month will not be handed over by the U.S. military until the Supreme Court hears his case, a federal appeals court ruled yesterday.

An Iraqi judge found Mohammad Munaf guilty of helping in the 2005 kidnapping of three Romanian journalists in Baghdad. Munaf, who was born in Iraq and became a U.S. citizen in 2000, said his trial was flawed and his confession coerced.

Since his arrest in May 2005 near Baghdad, Munaf has been held at Camp Cropper, where the U.S. military keeps high-value detainees, on behalf of Multinational Force-Iraq.

In Washington, U.S. District Judge Royce Lamberth ruled that he has no authority to intervene because Munaf, 53, was being held by coalition military forces.

Yesterday, the U.S. Court of Appeals for the D.C. Circuit also declined to step in. The court said that the military must give Munaf 10 days to appeal to the Supreme Court and wait for it to rule before transferring him to Iraqi officials.

U.S. Finds Too Many KBR Reports 'Proprietary' (WP)

By Griff Witte, Washington Post Staff Writer

The Washington Post, October 28, 2006

A Halliburton Co. subsidiary is abusing federal regulations by marking nearly all information it gives to the government about its operations in Iraq "proprietary," a practice that promotes unnecessary secrecy and could hurt competition, according to a report released yesterday by U.S. auditors.

Under federal law, contractors are allowed to mark some documents proprietary, especially when they are bidding on a deal. But auditors for the Special Inspector General for Iraq Reconstruction found Halliburton subsidiary KBR Inc. was using that stamp even with such basic records as daily head counts of how many people ate at the company's dining facilities. KBR is the Pentagon's largest contractor in Iraq, providing logistics support for the Army including meals, fuel, laundry service and base construction.

Auditors concluded that the company's actions represent "an abuse" of the Federal Acquisition Regulation, the set of rules for government contracts.

In effect, the report said, KBR has turned contracting rules "designed to protect truly proprietary information and to enhance procurement competition . . . into a mechanism to prevent the government from releasing normally transparent information, thus potentially hindering competition and oversight."

In a written response, Halliburton spokeswoman Cathy Mann said that using the proprietary stamp was "not only encouraged, but required" by the Army.

"KBR has included proprietary markings on the majority of its data and property in support of its government contracts for the U.S. Army for at least the last decade," Mann said.

According to the report, Army officials are working on ways to get KBR to cut down on the practice.

KBR and the Defense Department were both criticized last year after it came to light that the company had advised Pentagon officials to heavily redact a series of unfavorable audits before they were delivered to United Nations monitors. The Pentagon complied.

Sen. Byron L. Dorgan (D-N.D.), who has conducted a series of hearings on contractor abuses as chair of the Democratic Policy Committee, said yesterday that he had been denied information about KBR's operations in Iraq because it had been deemed proprietary.

"The American people don't have access to information that should be made available," Dorgan said.

But Stan Soloway, who leads a contractor trade group called the Professional Services Council, said it was not unusual for a company to want to protect information that could give it an edge over other firms. That's particularly true for KBR, which Soloway said has had proprietary information leak out. "This is a company that's been once burned and is going to be twice shy," he said. "To say this is abuse is an overreach."

Report Says Iraq Contractor Is Hiding Data From U.S. (NYT)

By James Glanz And Floyd Norris

The New York Times, October 28, 2006

A Halliburton subsidiary that has been subjected to numerous investigations for billions of dollars of contracts it has received for work in Iraq has systematically misused federal rules to withhold basic information on its practices from American officials, a federal oversight agency said yesterday.

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The contracts awarded to the company, KBR, formerly named Kellogg Brown & Root, are for housing, food, fuel and other necessities to American troops and government officials in Iraq, and for restoring that country's crucial oil infrastructure. The contracts total about $20 billion.

The oversight agency, the Office of the Special Inspector General for Iraq Reconstruction, said KBR refused to disclose information as basic as how many people are fed each day in its dining facilities and how many gallons of fuel are delivered to foreign embassies in Iraq, claiming that the data was proprietary, meaning it would unfairly help its business competitors.

Although KBR has been subjected to a growing number of specific investigations and paid substantial fines, this marks the first time the federal government has weighed in and accused it of systematically engaging in a practice aimed at veiling its business practices in Iraq.

The allegations come at a critical time for the company, as Halliburton is attempting to spin off the subsidiary. And in July, the Army announced that it would terminate KBR's largest contract with the government, and the company says that it will compete to regain some of that business when the government calls for new bids.

Proprietary information is protected by the so-called federal acquisition regulations, known as FAR. But the agency said KBR routinely stamped nearly all of the data it collects on its work as proprietary, impeding not only the investigations into the company's activities but also things as simple as managerial oversight of the work.

"The use of proprietary data markings on reports and information submitted by KBR to the government is an abuse of the FAR and the procurement system," says a memo released yesterday by the special inspector general.

As a result, the memo said, "KBR is not protecting its own data, but is in many instances inappropriately restricting the government's use of information that KBR is required to gather for the government."

The specific examples cited by the inspector general are taken from an $18 billion contract called the Logistics Civil Augmentation Program, informally known as Logcap, under which KBR provides food, fuel, housing, recreational facilities and laundry and other services to American troops, government officials and other contractors in Iraq.

A spokeswoman for Halliburton, Cathy Mann, did not dispute the company's extensive use of the proprietary label but said, "KBR has included proprietary markings on the majority of its data and property in support of its government contracts for the U.S. Army for at least the last decade."

That assertion could not immediately be confirmed with the Army. But in its memo, the inspector general's office said that during the course of its investigation, both Pentagon auditors and Army contracting officers shared serious concerns about the practice.

And a statement released late yesterday by the Army Sustainment Command in Rock Island, Ill., said that it had "implemented corrective actions relative to the concerns raised" in the memo.

Ms. Mann added that KBR believed that the use of proprietary markings in work for the United States government "is not only encouraged, but required" by federal laws restricting the diffusion of American trade secrets abroad.

With the release of the new memo, that argument is unlikely to gain much traction with members of Congress, federal investigators and the numerous critics who have been calling for access to information on KBR's work in Iraq almost since the invasion ended.

"The arrogance is astounding on the part of KBR," said William L. Nash, a retired Army major general who is a senior fellow at the Council on Foreign Relations and an expert on post-conflict zones. "It's time for Congress to step in, because this has just gone too far."

Reaction to the memo on Capitol Hill also revealed that the issue of KBR's performance and investigations of its work are increasingly causing concern on both sides of the political aisle.

Henry A. Waxman, a California Democrat who is the ranking minority member of the House Committee on Government Reform and one of the earliest critics of KBR's use of the proprietary label, said the new memo showed how the company had tried to conceal "corporate profiteering during wartime."

Senator Susan Collins, the Maine Republican who is chairwoman of the Homeland Security and Governmental Affairs Committee, said, "I am concerned that the special inspector general has not always had full cooperation and access to the corporate documents that his office needs to carry out its critical mission."

Access to that information, Senator Collins said, "helps to ensure that government contractors fulfill their contractual obligations and that government gets the best value for taxpayer dollars. The improper use of proprietary claims impedes critical transparency and makes it more difficult for the inspector general's office to complete essential audits."

The Special Inspector General for Iraq Reconstruction is Stuart W. Bowen Jr., a Republican whose investigative zeal has surprised some political analysts who believed that he would be reluctant to expose flaws in the administration's reconstruction program and companies like Halliburton. Dick Cheney was that company's chief executive until he left to run for vice president.

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Halliburton has blamed KBR for holding down the company's stock performance, and is planning to sell a 20 percent stake in KBR to the public by the end of the year, and then spin off the rest of the shares in the company to Halliburton shareholders in early 2007, thus severing the corporate ties.

Halliburton, though, would retain some responsibility for dealing with continuing federal investigations of KBR's work in Iraq. Documents filed with the Securities and Exchange Commission as part of the public offering have revealed a wide range of investigations into KBR's work in Iraq, raising the possibilities that investors and the parent company could foot the bill for settlements against KBR.

Those documents, which must reveal potential risks to investors, indicate that continuing Justice Department investigations into KBR's work in Iraq have produced grand jury subpoenas for current and former employees.

The company could have other liabilities. Outside Iraq, the papers say, there is a Justice Department investigation into possible overcharges in its work in the Balkans from 1996 to 2000. And the securities commission and the Justice Department are investigating payments in Nigeria that may have violated the Foreign Corrupt Practices Act, which bars the bribing of foreign officials.

There is also an antitrust investigation, and the company says investigations into the Nigerian project found information that "former employees may have engaged in coordinated bidding with one or more competitors on certain foreign construction projects and that such coordination possibly began as early as the mid-1980s."

The memo by the inspector general said that KBR would sometimes provide data to one part of the United States government, like Pentagon auditors, but with the proprietary label that would prevent its release to the public or even to other parts of the government.

In other cases that clearly irritated the inspector general's auditors, KBR would hobble their work by releasing data in the form of gigantic but indigestible tables rather than within the kind of software — like Excel spreadsheets — that would let the auditors do their calculations.

Those findings have raised suspicions that if KBR is going to such lengths to keep the data out of the hands of auditors, then the company must have something to hide, said Frederick D. Barton, a director of the Postconflict Reconstruction Project at the Center for Strategic and International Studies.

"There's been smoke for some time," Mr. Barton said. "This seems to indicate that there was fire as well."

Halliburton stock was weak early in the Bush administration, in part because oil prices fell as the world economy weakened in 2001. But the stock bottomed out at $4.30 in early 2002 and rose sharply thereafter, eventually peaking at $41.98 this April as the oil services industry benefited from increased oil exploration and as the Iraq war got under way.

It dropped as low as $26.33 earlier this month, as oil prices fell. It closed yesterday at $32.15.

Halliburton Arm Accused Of 'abuse' In Iraq (FT)

By Stephanie Kirchgaessner

Financial Times, October 28, 2006

A Halliburton subsidiary that has been awarded billions of dollars in federal contracts in Iraq has been accused by an independent watchdog of "abuse" of government regulations that protect US taxpayers.

Stuart Bowen, the special inspector-general for Iraq reconstruction, said in an interim audit released on Thursday that Halliburton subsidiary Kellogg, Brown and Root (KBR) had, in effect, routinely inappropriately hidden data about one of its contracts from public scrutiny by marking the information as "proprietary".

As a result of the investigation, army officials said they would prepare a modification to a multi-billion dollar Halliburton contract – known as Logcap – to "provide guidance" to KBR on the marking of proprietary data.

It is unclear how much the US military has paid for the contract, but one estimate put the figure at $7bn (€5.5bn, £3.7bn) last year. The contract gives the company the exclusive right to provide logistics support to the US military.

KBR said on Thursday it had used proprietary marking on the majority of its data in support of US army contracts for "at least the last decade" and that the practice was required under the US Trade Secrets Act. The company said the use of proprietary markings were appropriate because, as announced earlier this year, the Logcap contract is expected to be resubmitted for a competitive bid and divided among several contractors.

Questions about the transparency of data KBR provides the government were raised in July, after Mr Bowen announced his office would investigate whether services the US government was receiving under one KBR contract were "reasonable, efficient, and cost-effective".

In his probe of a KBR contract that provides support to the US embassy in Iraq – a contract that falls under the larger Logcap contract – Mr Bowen found that the company wrongly shielded from public consumption data including: daily dining facility headcount; and the number of litres of fuel issued to generators maintained by foreign embassies in Iraq.

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The company also initially refused to provide Mr Bowen, a former attorney for President George W. Bush who has emerged as a tough critic of the reconstruction effort, with cost data in a format that was acceptable to his office.

By illegitimately using privacy provisions, which are in place to protect companies competing for federal contract work by allowing them to keep some data secret, the special inspector-general said KBR had prevented the government from releasing "normally transparent information, thus potentially hindering competition and oversight".

The critical audit comes on the heels of a separate report released this week that found that overhead costs had consumed between 11 per cent and 55 per cent of the cost of a handful of reconstruction projects.

Massoud Barzani Kurdistan (WSJ)

By Judith Miller

The Wall Street Journal, October 28, 2006

ERBIL, Iraq -- Unlike Baghdad, 200 miles away, the air here does not echo with the sound of gunfire, car bombs and helicopters. Residents of this city of a million people picnic by day in pristine new parks and sip tea with friends and relatives at night. American forces are not "occupiers" or the "enemy," but "liberators." Mentioning President Bush evokes smiles -- and not of derision.

American forces were "most welcome" when stationed here at the start of the invasion of Iraq, says Massoud Barzani, the president of Kurdistan in the north. Not a single U.S. soldier was killed in his region, he adds proudly, "not even in a traffic accident." Would U.S. forces be welcome back now? "Most certainly," he declared this week in an interview in his newly minted marble (and heavily chandeliered) palace. The more American soldiers the better, a top aide confirms.

The secret of Kurdistan's relative success so far -- and of America's enduring popularity here -- is the officially unacknowledged fact that the three provinces of the Kurdish north are already quasi-independent. On Oct. 11, Iraq's parliament approved a law that would allow the Sunni and Shiite provinces also to form semi-autonomous regions with the same powers that the constitution has confirmed in Kurdistan. And while Kurdish leaders pay lip-service to President Bush's stubborn insistence on the need for a unified Iraq with a strong centralized government, Kurdistan is staunchly resisting efforts to concentrate economic control in Baghdad.

The U.S., Mr. Barzani believes, should leave it to the Iraqis to decide if they want "one or two or three regions." Then, he adds: "But it already exists. The division is there as a practical matter. People are being killed on the basis of identity." As for Baghdad, "it should have a special status as the federal capital. But the rest should be regions that run their own affairs. Or they should be separate. Only a voluntary union can work. Either you have federalism with Baghdad as a federal capital with a special status, or you have separation. Those are the facts." * * *

Even the most fleeting visitor cannot but notice that Kurdistan is almost a full-fledged state. The Kurds have been running their own affairs -- badly at times -- ever since Washington created a safe area after Saddam Hussein crushed their U.S.-encouraged uprising after the 1991 Gulf war, sending much of the traumatized population into the rugged mountains separating Kurdish Iraq from Turkey. After CNN filmed Kurds dying of cold and starvation, President George H.W. Bush declared a "no fly" zone north of the 36th parallel from which Saddam's planes were barred, enabling the Kurds, at long last, to begin governing themselves. And so they have, with a determination born of historic vengeance.

Kurds no longer speak Arabic, but various dialects of Kurdish, in offices and schools throughout the 74,000 square miles that comprise their provinces. They fly their own flag, provide their own services, raise their own army -- the legendarily disciplined Pesh Merga, or "Those Who Face Death" -- and have gradually consolidated their de facto state. Divided between two parties -- Mr. Barzani's Kurdistan Democratic Party, his clan's power base in north Kurdistan, and the southern-based Patriotic Union of Kurdistan, headed by Jalal Talabani, now president of Iraq (or "President of the Green Zone" as Kurds here call the post) -- Kurdistan is booming with construction, new businesses and ambitious dreams of self-rule.

Washington's refusal to accept this self-evident political reality does not trouble Mr. Barzani. On the contrary, he insists Kurdistan will remain part of Iraq -- as long as Iraq remains federal, secular and democratic, and officially blesses the autonomy the Kurds managed to enshrine in the new Iraqi constitution. Besides, the fig-leaf of Iraq is useful: Declaring independence would risk provoking Turkey, for whom an independent Kurdish state is anathema given its own 18-million strong Kurdish population and the continued existence of the terrorist Kurdistan Workers Party -- the PKK -- on the Iraqi-Kurdish side of the border. Yet Mr. Barzani adamantly denies that his fidelity to Iraq is born of fear. "Having an independent state is the natural legitimate right of our people," he insisted. "We are not ready to say that because we fear displeasing our neighbors or because we are frightened that they may attack. That's not the case," he said. "We say that because at this stage, the parliament of Kurdistan has decided to remain within a federal, democratic Iraq."

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Kurdish aspirations for autonomy, however, clearly require Turkish and Iranian acquiescence, or a persuasive reason for Turkey not to attack. Hence the desire for the redeployment of some American forces to Kurdistan. "The presence of American forces here would be a deterrent to intervention by the neighboring countries," Mr. Barzani says, with characteristic bluntness.

That is unlikely any time soon, say officials in Washington. How would the presence of American forces in what one official called a "land-locked aircraft carrier" help prevent the emergence of an Islamist entity in Iraq's Sunni-dominated center or deter Iranian control of the Shiite south? Moreover, as President Bush noted last week, dismissing proposals to carve Iraq into three virtually autonomous regions as destabilizing, such a division of Iraq would exacerbate Sunni-on-Sunni and Sunni-on-Shiite tensions. "The Kurds will then create problems for Turkey and Syria," President Bush said.

On the contrary, Mr. Barzani insists, Kurdistan seeks good relations "with all its neighbors." Indeed, Turkish-Kurdish and Kurdish-Iranian talks have been ongoing, diplomats say. As for Baghdad, Mr. Barzani adds, no one has tried harder to keep Iraq from splitting apart than the Kurds. "We worked hard with the Sunni community to bring them into the process," he says, "and also to establish Iraq's governing council, the interim and transitional government, and the drafting of the constitution. We played a leading role in the success of the process." But he was clearly annoyed by a slight: The fact that the congressionally created Iraq Study Group, headed by former Republican Secretary of State James Baker and Democratic co-chair Lee Hamilton, which is weighing policy alternatives for Iraq, has not traveled to Kurdistan -- the only successful region of postwar Iraq -- to consult with him. "It's a huge failing in their deliberations," he says. "We remain willing and ready to help whenever our assistance is needed."

Mr. Barzani is not shy about offering advice to Washington. The U.S. needs to revise its policies because "the existing strategy is not effective," he says. American forces could be reduced -- perhaps by half -- he said, but only when Iraqi forces are ready to restore order. But that will not happen, he warns, until the U.S. permits the Iraqi government to rid itself of the "terrorists, chauvinists and extremists" in its ranks who condone and "openly incite the violence on TV" that is destroying what remains of the capital and the country. He refuses to name names. But other Kurds point to such figures as Salah Mutlaq, an extremist Sunni leader, and aides to Moqtada al-Sadr, who heads a radical Shia militia.

"You have a different culture; you're a different people," Mr. Barzani said. "With America's mentality and approach and regulations, we cannot win like this. There must be decisive action so the government can enforce the law and restore its prestige." This Barzani, confident and candid, is different from the reticent figure I first interviewed 15 years ago in his mountain fastness of Barzan. Although plainspoken, "Kak Massoud" -- a respectful but affectionate "Mister" in Kurdish -- was reluctant then to offer an American journalist a frank assessment of his frustrations and aspirations. Not so the man who has evolved into "President Barzani" of Kurdistan, who, based on an informal power-sharing agreement with his rival, President Talibani of Iraq, is determined to seize this historic opportunity to advance his people's interests.

Just as "Kak" has become "president," the Kurds have gone from resistance to nation-building, with all the challenges such a transformation implies. Mr. Barzani has complained that while he and his Pesh Merga knew how to fight, it was "easier to destroy two dams than to build one power plant." Kurdistan is changing, in substance as well as style. The capital is no longer called Erbil (the Arabic), but "Howler," its Kurdish name. While Mr. Barzani, age 60, still wears the pantaloon, cummerbund, tight jacket and twirled turban favored by traditional Kurds, Western-style business suits -- expensive labels, at that -- are favored by Nechervan Barzani, his nephew and the energetic 40-year-old prime minister of the Kurdistan Regional Government.

Gone are the refugee tents -- except for the thousands of Sunni Arab refugees from Baghdad, who, along with some 7,000 Christian families, have migrated here for safety. Temporary structures are being replaced by new brick and cement houses and apartment buildings -- among them many lavish "castles," as the Kurds call these houses nestled in the hills surrounding Erbil. Expensive glass office buildings are springing up throughout the region. Apartments are priced at between $100,000 and $200,000 -- prohibitively expensive; and yet several of these are sold out.

"Kurds have money," Prime Minister Nechervan Barzani told me. "But until recently, they lacked the confidence to invest." If the junior Mr. Barzani is correct, Kurdistan is literally exploding with confidence and new projects befitting its ambitions: Almost $2 billion in Turkish trade and investment -- the result, partly, of his outreach to Ankara -- is financing the construction the Middle East's largest new conference center, a new international airport, hotels, parks, bridges, tunnels, overpasses, a refinery and an electrical plant. The Kurdistan Development Council is even advertising Kurdistan as a tourist destination. There are over 70 direct flights a week to the region's two airports from the Middle East and Europe. But Kurdistan's infrastructure is still woefully antiquated, a legacy of Saddam's privation and the ruinous civil war between the clans of Mr. Barzani and Mr. Talabani from 1994 to 1998. Most cities still provide only two-to-three hours of electricity a day. The rest comes from private generators, which the poor can ill afford.

Last spring, public resentment at the lack of services erupted among the frustrated residents of half a dozen Kurdish towns. Consider Halabja, which became instantly infamous in 1988 when Saddam's forces dropped nerve gas there, killing 5,000. In March, its residents trashed the expensive monument erected to commemorate their annihilation, setting the structure on fire and

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stripping the black marble slabs on which the names of gas attack victims had been etched in gold. On my visit last week, two Pesh Merga were playing "dama," a Kurdish version of chess, with pieces of the marble that had been torn off the wall.

Kurds are now restless after so many years of deprivation, and their expectations are high, Mr. Barzani agreed: "My main objective is to build constitutional institutions in this country, to see a Kurdistan 10 years from now in which each person is safe and free to have his own ideas." He and other government officials were determined to "put the Kurdish house in order," which means continuing to encourage the effort by Nechervan Barzani to join supporters from his and Mr. Talibani's group into one efficient administration. Although grumbling about corruption and nepotism disturbs him, security and political solidarity at home must come first. * * *

There is, of course, the explosive question of oil. While Mr. Barzani is willing to share revenues with Baghdad, the principle of control is vital to Kurdistan if it is to have an independent revenue stream. This issue, and a referendum next year on who should control the oil-rich city of Kirkuk -- which the Kurds claim as their historic capital and whose residents approved a list of Kurdish candidates for Iraq's parliament last year -- are red lines for the Kurdish government. Mr. Barzani is confident that these questions can be resolved through negotiations with Baghdad. But if they cannot, or if the fighting that has gripped much of Iraq escalates beyond the control of American and Iraqi forces, at least the Kurds will not be blamed for the dissolution or partition of Iraq. "Other people will be responsible, not us," he says. "We will never become the cause of the partition of Iraq."

As Mr. Barzani carefully stresses his devotion to Iraqiness -- all the while promoting a political and economic agenda that would reinforce Kurdish exceptionalism -- Americans struggle for an elusive solution to the violence and ethnic strife that abounds. Mr. Barzani wishes the U.S. success, he says, because so much depends on George Bush's determination not to "cut and run." His "courageous decision to liberate Iraq will not be undermined by the mistakes made after that liberation," Mr. Barzani says, although he does resort to an American cliché: "If there are people who think the solution lies in leaving this unfinished, just like Vietnam, that would be a major disaster."

But having been both saved and betrayed by previous American governments, he knows the risks of tying Kurdish fortunes too closely to an administration facing public disenchantment with its Iraq policies. "In building our new federal democratic country, our interests have not contradicted each other," he says cautiously. "They are aligned. But before I trust the United States or other people, I trust my own people."

Ms. Miller, a former New York Times reporter, is a writer in New York.

The Grand Ayatollah Behind The Curtain (WP)

By Colbert I. King

The Washington Post, October 28, 2006

The question directed this week to the National Security Council press office was straightforward: "Has the Grand Ayatollah Ali Sistani met with any American official, either military or civilian, since the U.S. invasion in 2003?" The answer reveals the extent to which the Bush administration is now, and always has been, out of its depth in Iraq.

Grand Ayatollah Ali Sistani is Iraq's most powerful figure. Under the reign of Saddam Hussein, Sistani was forced to keep a low profile, since he was part of the Shiite majority that Hussein's ruling Baath Party controlled with a heavy hand. Sistani was on the receiving end of assassination attempts by Hussein's thugs. But all that changed in the spring of 2003, when the United States toppled the Iraqi regime.

Today, Sistani's Shiites are the major political force in Iraq. They are leaders in the new government; they run the key Interior Ministry; and one of their own, Nouri al-Maliki, serves as prime minister. Were it not for Iraq's liberation from Hussein's tyranny by U.S. troops, Sistani and his followers would still be under the thumb of Sunnis.

The average Iraqi may not be happy to see the country occupied by foreigners. But if any Iraqi should feel even a tad kindly toward his American liberators, it ought to be the grand ayatollah. After all, he is the chief beneficiary of Hussein's defeat. It's not too much to think that if the president of the United States visits Iraq, Sistani would at least meet him face to face to say thank you. Think again.

Back to the question that started this column: Has Sistani met with any American official in the past 3 1/2 years? Frederick Jones, the NSC's communications director, said yesterday that no American official has ever met Sistani.

But how, you might ask, can that be? After all, since Hussein's statue was pulled down in 2003, Iraq has been visited twice by President Bush. Vice President Cheney has been there, too. Two different secretaries of state -- Colin Powell and Condoleezza Rice -- have dropped in. So have Defense Secretary Donald Rumsfeld, countless high-ranking Pentagon brass and enough U.S. senators and members of the House of Representatives to warrant a congressional annex in the Green Zone.

How is it possible that leaders of the world's most powerful nation -- a country that has generously sent 140,000 of its finest sons and daughters to fight, suffer and die to free Iraq from the Baathist grip -- have not met the Iraqi leader with the most to gain from Hussein's defeat?

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It's because the Grand Ayatollah Ali Sistani has designated himself off-limits to Americans. He will not let Bush, Cheney, Rice and company in to see him because they are non-Muslims and thus he considers them to be kafir, or infidels. Sistani regards himself as too good to meet with those who freed him.

What's weird is to hear folks in Washington speak about Sistani's views as if they just got off the phone with him. "Sistani doesn't want clerics to have a role in government," one Washington foreign policy expert told me. "Sistani believes Islam should be the national religion," said another. "Sistani is a pragmatist," said a third. All this is asserted with confidence, when in reality these people know only what they have heard from someone else -- a Muslim go-between or a Sistani envoy.

Bush and his high command have never set eyes on the man. Yet Sistani controls them as if they were puppets on a string. It's like something out of "The Wizard of Oz."

Consider what happened in 2004: Barricaded in a Najaf slum miles from Baghdad, the unseen Sistani was able single-handedly to block the United States from staging a handover of power without elections. He did so by issuing a fatwa that sent thousands into the streets. The Bush people were forced to give ground. A law was drafted that led to elections in 2005.

Sistani's chief competition is not the United States but an anti-American Shiite cleric, Moqtada al-Sadr, and his Badr Organization, which has infiltrated Iraqi military and police units. The Iraqi parliament, truth be told, responds to the calls of the firebrand cleric.

What have we come to? In addition to al-Sadr, today's Iraq is under the influence of a Muslim cleric, Sistani, who, according to Newsweek, forbids music for entertainment, dancing and playing chess, and forbids women from shaking the hands of any men other than their fathers, brothers or husbands. His whole purpose is to promote Shiite theology and keep Iraq as a democratic, but decidedly Islamic, state.

Billions spent, thousands of Americans dead or maimed, U.S. armed forces exhausted, stretched thin and working around the clock -- for that? Is this what George W. Bush had in mind?

NATO Boss, Bush Condemn Taliban Atrocities (WT/AP)

The Washington Times, October 28, 2006

ASSOCIATED PRESS

President Bush and NATO Secretary-General Jaap de Hoop Scheffer yesterday discussed how the Taliban has begun using Afghan civilians as human shields.

In a meeting at the White House, Mr. de Hoop Scheffer said that he was saddened by recent deaths of Afghans and that the alliance is committed to defending democracy in the nation once ruled by the repressive Taliban regime.

The White House said the two leaders did not discuss NATO troop levels or the suspension of two German soldiers in connection with photographs of troops posing with human skulls.

"What they did talk about is that fact that the Taliban have begun using innocent civilians as human shields," White House spokesman Tony Snow said about the Oval Office meeting, which lasted about an hour.

"Secretary-General de Hoop Scheffer was really adamant about the kind of atrocities that are now being practiced by the Taliban and the importance of continued pressure on them," Mr. Snow said.

NATO expanded its mission this year from the relatively stable northern and western parts of the country to far more dangerous areas in the south, where Taliban militia have been most active since a U.S.-led coalition drove them from the seat of power, Kabul, in 2001. Some 32,000 NATO-led troops are serving in the most dangerous areas of the insurgency-wracked nation.

Yesterday, a roadside blast ripped through a pickup truck in southern Afghanistan, killing 14 villagers who were traveling to a provincial capital for holiday celebrations. Meanwhile, in the southern city of Kandahar, mourners attended a prayer ceremony in memory of civilians killed during NATO operations Tuesday in the nearby Panjwayi district.

NATO said its initial reports found that 12 civilians were killed, but Afghan officials estimated the number of civilians killed at between 30 and 80, including many women and children.

"That's a tragedy, but let me convince you to look at the broader picture," Mr. de Hoop Scheffer said. "[Members of the Taliban] are against democracy. Girls did not go to school when the Taliban was running Afghanistan. Now they go to school. Now there is a precedent. Now there is a government.

"NATO is delivering security," Mr. de Hoop Scheffer said.

Mr. Bush thanked the NATO secretary-general for leading 26 nations of NATO into Afghanistan, and for reaching out to other nations that share its values but have not been considered a part of NATO.

"You know what I know: That the real challenge for the future is to help people of moderation and young democracies succeed in the face of threats and attacks by radicals and extremists who do not share our ideology, have kind of a dark vision of the world," Mr. Bush said.

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Mr. de Hoop Scheffer, fresh from a visit with Russian President Vladimir Putin in Moscow, is in Washington for talks about matters including the NATO chief's wish for closer relations between the alliance and Russia.

Russia signed a partnership agreement with NATO in 2002, outlining cooperation in counterterrorism, nonproliferation, peacekeeping and other fields. At the same time, Mr. Putin's government has continued to make public his opposition to the alliance's eastward expansion.

That expansion has included absorption of countries that were part of the former Soviet Union -- the Baltic states of Latvia, Lithuania and Estonia and former members of NATO's Cold War nemesis, the Warsaw Pact: Bulgaria, the Czech Republic and Slovakia, Hungary, Poland and Romania.

Blast In South Afghan Suburb Kills 14 And Wounds 3 (NYT)

By Abdul Waheed Wafa

The New York Times, October 28, 2006

KABUL, Afghanistan, Oct. 27 — An explosion from a mine in a road on Friday killed 14 civilians and wounded three others in a suburb of the capital city in the southern province of Uruzgan, Afghan officials said.

The victims were a group of elderly people, youths and children who were riding in a pickup truck toward the provincial capital, Trinkot, for the celebration of Id al-Fitr, the festival at the end of Ramadan.

A spokesman for the provincial governor said that the government was investigating whether the mine had been laid recently by suspected Taliban fighters or was left over from the Soviet invasion.

Afghan officials also said Friday that they were trying to determine the death toll for civilians from an airstrike late Tuesday by NATO forces in the southern province of Kandahar.

On Thursday, President Hamid Karzai said he would ask a committee of tribal elders and governmental officials for a thorough investigation of the episode. The initial estimates of the death toll ranged from about 40 to 50.

Mr. Karzai said Friday at a news conference that he had spoken on the phone with a 75-year-old man who lost 19 members of his extended family in the NATO bombing, late on Tuesday.

“Yesterday afternoon I talked with an elder, Haji Abdullah Shah, who lost all his family members,” Mr. Karzai said, adding that just one of his sons survived.

“Three other families also lost most members on the bombardment,” he said.

As the violence worsens in southern Afghanistan, Mr. Karzai again urged other countries interested in the region to “go to the root of terrorism,” a phrase that Afghan officials frequently use to signal their belief that Pakistan is supporting the insurgents, who are believed to be tied to the Taliban, Afghanistan’s former rulers.

Mr. Karzai said that there was a need for a “firm coordination between NATO and Afghan troops” to avoid killing civilians during operations.

Photo Scandal Raises Doubts In Germany About Deployments (WP)

By Craig Whitlock, Washington Post Foreign Service

The Washington Post, October 28, 2006

Troops in Afghanistan Played With Skulls

BERLIN, Oct. 27 -- A scandal over soldiers caught playing with human skulls has rattled the German military and prompted a reexamination of the country's growing role in global peacekeeping missions.

German military officials said Friday that they had suspended two soldiers and were investigating several others suspected of desecrating skulls while serving in Afghanistan as part of a NATO-led force in 2003 and 2004. Photos of troops mocking the freshly unearthed skulls -- including one of a uniformed soldier standing next to a human head with his genitals exposed -- have shocked many Germans since they were first published Wednesday in the tabloid newspaper Bild.

The controversy, one of several to surface recently from overseas military missions, has led officials here to question whether Germany has fully digested the political and security risks involved in such assignments. Currently, more than 9,000 German troops are posted in six hot spots around the world, a sharp reversal of the country's decades-long policy of staying out of war zones.

"The German politicians tried to sell this international cooperation and posting of German troops abroad as something good that we were doing for people, that we were bringing help to the starving masses," said Christoph Grams, a military and security analyst for the German Council on Foreign Relations in Berlin. "This shows that what we're doing is perhaps not completely clean. Now, people are paying more attention to the dangers of what we're doing."

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Sensitive to its past under Nazi rule, Germany largely avoided international peacekeeping operations until 1999, when it sent troops to the Balkans to help quell the war in Kosovo. Since then, it has gradually expanded its participation in such missions and now also has forces in Afghanistan, Congo, Sudan and Djibouti.

This month, the German navy joined the U.N. peacekeeping force in Lebanon, but only after lawmakers held a long debate over whether the German military should be involved in the same theater of operations as Israeli forces, because of lingering sensitivities from the Holocaust.

The potential for conflict became reality on Tuesday, when six Israeli fighter jets fired warning shots over a German intelligence-gathering vessel off the coast of Lebanon, according to German military officials. Israeli officials denied opening fire but confirmed that Israeli jets approached a helicopter that had taken off from the ship -- carrying a German admiral -- because it was not authorized to fly in the area.

Both governments have played down the seriousness of the incident, but it has underlined the challenges facing the German military as it tries to avoid bloodshed even as it becomes engaged in more overseas missions.

The risks facing the 2,750 German troops in Afghanistan have grown in recent months along with the resurgence in attacks by Taliban forces. Although the Germans are assigned primarily to noncombat duties in northern Afghanistan, their actions have attracted more scrutiny of late.

This month, a Turkish citizen born and raised in Germany who was recently released from the U.S. military prison at Guantanamo Bay, Cuba, said he was physically abused by a German special forces unit in Afghanistan after he was captured there in 2002. The German Defense Ministry acknowledged that the prisoner, Murat Kurnaz, had been interrogated by German soldiers and said it would open an inquiry into whether he was mistreated.

Since then, the photos of the skulls have caused an even bigger stir. After an initial batch of pictures was published Wednesday, more have surfaced daily, including one showing a soldier smiling like a pirate at a skull perched on his shoulder.

It was unclear where, exactly, the skulls came from or how old they were. But the images of German soldiers playing with human remains has led to public revulsion and inevitable comparisons to the horrors perpetrated under Nazi rule.

So far, however, there have been few calls for Germany to curtail its participation in Afghanistan or in other missions. And on Wednesday, the German federal cabinet adopted a long-term national security policy that calls for an increased role in such missions in the future.

"It's very healthy for Germany to have an internal discussion about this," said Grams, the military analyst. "If Germany still says yes at the end of the day, it could make German participation even firmer in the future."

CORPORATE SCANDALS:

Orbital Finds Misdated Options (WP)

By Kim Hart, Washington Post Staff Writer

The Washington Post, October 28, 2006

Dulles Company Plans to Restate Past Earnings

Orbital Sciences Corp., a Dulles maker of booster rockets and space systems for the government and military, yesterday joined the parade of companies that have disclosed problems in their compensation practices, saying an internal review found some misdated stock options.

The company said the review found no fraud or intentional misconduct in connection with the errors and that it would revise past financial statements. Most of the options in question were granted more than five years ago, said David W. Thompson, Orbital's chairman and chief executive.

"Financial impacts are not material to the results for this year or for any prior period over the past five years," he told investors in a conference call yesterday.

Orbital expects to record pretax costs of about $300,000 in 2006, $2.5 million between 2001 and 2005 and $11.5 million between 1990, when the company went public, and 2001.

Orbital joins more than 100 companies nationwide that have been investigated for the practice of backdating stock options, in which options are dated to a time when the stock price is lower so the profit is higher after the options are exercised.

Last week, SafeNet Inc., a Maryland information security firm, said certain options over the past six years were accounted for using incorrect dates. Minnesota-based UnitedHealth Group Inc., one of the largest managed health-care companies, is under investigation for backdating stock options. In both cases, the inquiries prompted executives to step down.

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Orbital released preliminary third-quarter financial figures yesterday that did not take into account adjustments required by the option findings. Orbital reported revenue of $197.7 million, a 24 percent increase over the comparable period a year ago. Income rose 27 percent, to $8.6 million.

The company said it plans to file its final quarterly statement by Nov. 14.

This is not the first time Orbital has revised financial statements because of accounting problems. In 2000, the firm paid $22.5 million to shareholders who accused it of using fraudulent accounting practices to artificially inflate its stock price. The suit was filed after Orbital restated three quarters of past earnings.

The company has profited from the growth in funding for the U.S. missile-defense program during the past three years. In addition to designing and launching satellites and small space systems, Orbital is working with Boeing Co. to develop systems to propel warheads that intercept hostile missiles. It also has worked with Northrop Grumman Corp. to develop target missiles.

This year, Orbital entered a project with Lockheed Martin Corp. to produce the next generation of manned spacecraft vehicles to replace the current shuttles, which will be taken out of service in 2010. Orbital is charged with developing the crew rescue vehicle.

During the three months ended Sept. 30, Orbital carried out two space missions, including a missile defense interceptor in September and the launch of a communications satellite this month. The company plans to launch vehicles for the Air Force, the Missile Defense Agency and the Navy before the end of the year.

Legal Aid In Options Probes, Private Law Firms Play Crucial Role (WSJ)

By James Bandler And Kara Scannell

The Wall Street Journal, October 28, 2006

As More Than 130 Companies Come Under Scrutiny, Government Relies on Help Questions About Fairness

With more than 130 companies under federal scrutiny, the investigation into stock-option backdating has rapidly become one of the broadest corporate scandals in decades. It is so broad, in fact, that federal authorities can't possibly do thorough examinations of every company.

Instead, they outsource a big chunk of the job.

Regulators and prosecutors are relying on suspect companies to investigate themselves by hiring outside law firms. The firms are supposed to hand over their findings to the Securities and Exchange Commission or federal prosecutors, who then use them to help decide which cases to pursue further. The feds often ask for any especially incriminating documents to be delivered in a handy folder they call a "hot binder."

That has long been a common practice for companies in potential legal trouble, partly because it can lead to leniency as reward for a self-examination well done. But not since the overseas bribery scandal of the 1970s have so many public corporations been in trouble at the same time. The federal investigation has enveloped icons of success like Apple Computer Inc., Home Depot Inc., giant insurer UnitedHealth Group Inc., and dozens of Silicon Valley companies.

"The sheer magnitude of the numbers of companies, executives and corporate boards that have disclosed options-related investigations is mind-boggling -- unequaled in recent years," says Lynn Turner, a former chief accountant for the SEC.

The mass exercise in self-policing already has produced some dramatic results. More than 40 executives or directors have resigned or been pushed out in the wake of internal probes that found options backdating problems. The most prominent is William McGuire, chief executive of UnitedHealth, who is leaving his post by Dec. 1. Outside lawyers hired by the company found evidence of rampant backdating of options that enriched him and other insiders. Dr. McGuire, who has said he did nothing improper, stands to lose more than $100 million alone after agreeing to reprice his options.

Nearly 70 companies already have said they will need to restate or otherwise reduce profits after acknowledging that faulty accounting of options had inflated the numbers, according to a tally by shareholder advisers Glass Lewis & Co. The firm put the total shaved off at $5.3 billion.

Still, the deputizing approach raises questions about how evenly justice will be applied. Such investigations are typically overseen by outside directors who may have close ties to the company's management -- and who may themselves have been involved in making the option grants at issue. The government risks focusing not on the worst offenders, critics say, but on those companies honest or frightened enough to perform scrupulous self-examinations.

In at least one case, federal officials have stepped in when they felt an internal probe wasn't getting to the bottom of the matter, according to a person familiar with the circumstances. At Affiliated Computer Services Inc., a Dallas-based technology outsourcing company, executives benefited from a tremendously unlikely pattern of timing grants. A Wall Street Journal analysis last March put the odds at 300 billion to one that the dates on which grants purportedly had been awarded to the company's former CEO were chosen randomly. The company used its longtime outside counsel to conduct the probe.

PERFECT PAYDAY

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· Options Scorecard1
· Complete coverage2

In May the company announced a preliminary finding that there was no intentional backdating to enrich executives. Government officials prodded ACS to look harder, and the company hired a new team of lawyers with no connection to the firm. "From day one ACS has expected its legal counsel to leave no stone unturned and conduct a thorough, objective, and complete investigation of all the facts, and that is exactly what is occurring," said spokesman Michael Buckley.

In some cases, the outsourcing approach has allowed the government to move unusually swiftly. In August, prosecutors filed criminal charges against three former executives of Comverse Technology Inc., only five months after private lawyers had begun an internal options probe at the New York maker of telecommunications software. The outside lawyers found a key witness, obtained dramatic confessions from the three executives, unearthed a secret options "slush fund" -- and kept government officials informed every step of the way.

Federal officials say it is too early to predict how many cases they will bring. But the government has made it clear it won't pursue every backdater. With so many potential defendants, the government has decided to zero in on the most egregious, those involving self-enrichment by top executives, big sums of money, or brazen efforts to deceive directors, auditors and shareholders.

While the government has long had internal policies that permit it to reward companies for their cooperation, the expectations have been ratcheted up in recent years. Under controversial Justice Department policies in place since 2003, companies are more susceptible to criminal charges unless they are viewed as doing a good job on "cooperation and voluntary disclosure."

The threat of criminal prosecution "is a lot like the guillotine - it tends to focus the mind," says Joseph Grundfest, a former SEC commissioner and a professor of law at Stanford University. "Here you have over 140 companies spending millions each doing the equivalent of Maoist self-criticisms and turning the results over to the authorities."

Critics of the approach say using private lawyers to investigate on behalf of the government can place employees in an unfair position: talk, or you'll lose your job. When speaking to private lawyers hired by the company, employees don't have the legal protections -- against self-incrimination, for instance -- that apply in some government proceedings. The government has relied on internal probes at least since the 1970s bribery scandal, which resulted in hundreds of companies stepping forward, and led to enactment of the Foreign Corrupt Practices Act.

The current investigations are focusing on whether executives improperly enriched themselves through surreptitious backdating of stock options. Options give their recipient the right to buy a stock at a fixed price, and typically allow the recipient to profit if the market value of the stock rises from the day the option was granted. But it turns out many companies cheated by pretending that their options were granted on earlier dates, when the stock price was much lower, a practice that gives an instant paper profit for the grant recipients.

Backdating is illegal if not properly disclosed to shareholders. It also can cause serious accounting and tax problems for companies and executives. To date, five former executives have been charged with criminal fraud violations in connection with the practice, including the three at Comverse.

The government began to cast its eye on the timing of option grants more than three years ago, when the SEC's then-enforcement director, Stephen Cutler, read a news account suggesting that executives had issued grants just prior to the release of favorable news that caused a jump in their company's share prices.

SEC officials gradually began to suspect that something more nefarious was going on. A small number of academic researchers also were suggesting that backdating might explain the happy timing of many grants. An SEC unit in Washington began a limited probe, focusing on fewer than a dozen companies. Federal prosecutors in San Francisco also started examining one case, Brocade Communications Systems Inc., assigning a single prosecutor and one FBI agent.

Last March, The Wall Street Journal reported that statistical evidence strongly suggested backdating had taken place at six companies. Among them: UnitedHealth, ACS and Comverse. The Journal article sent the federal probe into high gear, officials say. All the companies got subpoenas. It also sparked unusual territorial skirmishes between rival U.S. Attorney's offices eager to show they were cracking down on the latest corporate scandal.

An initial volley came from federal prosecutors in Brooklyn, N.Y., who moved quickly to subpoena Comverse, which until recently was headquartered in its district. That prompted the office's crosstown rival in Manhattan to follow suit. Some companies ended up receiving subpoenas from more than one U.S. Attorney looking for the same information about options. Eventually, senior Justice Department officials ruled that cases generally would be handled along geographic lines.

Prosecutors in San Francisco were initially miffed that prosecutors in New York were reaching across the country to subpoena Silicon Valley companies. "Our preference here generally is to try and create a cooperative environment with the firm

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and entity we're looking at so we don't have to start the relationship with grand jury subpoenas," says Kevin Ryan, U.S. Attorney for the Northern District of California, who e didn't directly criticize his counterparts.

Last spring as waves of companies began to step forward to admit options troubles, Mr. Ryan contemplated his office's response. His thinking crystallized while on a family vacation this summer in southern France. There, he sounded out his father-in-law, James Klingbeil, a prominent San Francisco real-estate investor. While the pair sipped wine under an oak tree, Mr. Klingbeil told his prosecutor son-in-law that the arguments by some companies that backdating was acceptable "didn't pass the smell test," both men recall.

While in France, Mr. Ryan fired off a series of urgent emails to his deputy, Eumi Choi, saying that the office needed to jump on the matter. Soon after, the office formed a special task force of prosecutors and agents of the Federal Bureau of Investigation, an idea Mr. Ryan says he'd been weighing before the France trip.

Of more than two dozen cases his office is investigating, Mr. Ryan says "15% to 20% have raised serious issues. We're going to really drill down on those." An FBI agents on his task force, Brian Wickham, says that in the case of one company he declined to identify, an executive's calendar showed him to be out of the country when other documents claimed he was at a board meeting.

Nationally, at least nine U.S. Attorneys offices are probing backdating, assisted by agents with the FBI, Internal Revenue Service and the U.S. Postal Service. The SEC, which is taking the lead on most of the investigations, has assigned more than 150 lawyers and accountants to the task.

The scandal also has been a bonanza for law firms and forensic accountants. UnitedHealth's internal probe looked at almost four million documents and included more than 80 interviews of employees and other witnesses. Another company -- Mercury Interactive Corp. -- said the cost of its internal probe amounted to about $70 million.

The internal probes appear to run the gamut from exhaustive efforts to ferret out wrongdoing to more minimal examinations aimed mostly at correcting the mess backdating makes of a company's financial statements, say lawyers involved. Federal officials say they're well aware of the varying levels of depth of the in-house probes. "We critically evaluate the quality of the investigation. We don't just take their word for it," says Walter Ricciardi, a deputy director of enforcement at the SEC.

The SEC launched a computer-tracking system this week to help it keep tabs on lawyers conducting the probes. The idea is to let government investigators share information with each other about how responsive, independent and thorough they believe private lawyers have been, so the government can judge their credibility of their findings.

At Comverse, confessions elicited by outside lawyers from three senior executives sealed their fates. The company had for many years granted options to senior executives that bore unusually beneficial dates, just ahead of sharp increases in the company's stock price. The Journal story in March said the odds of that happening randomly were one in six billion. In March, a special board committee hired Howard Schiffman, a securities lawyer with the Washington, D.C., law firm of Dickstein Shapiro LLP, to head an internal investigation.

Dickstein put eight senior lawyers on the case and brought in AlixPartners, a forensic-accounting firm. Dozens of Dickstein associates were detailed to perform electronic searches through e-mails and other records.

Within days the Dickstein lawyers began summoning senior Comverse executives to the law firm's midtown Manhattan offices for sometimes grueling interviews. The lawyers spent hours with the company's then-chief executive, Kobi Alexander. At one of these sessions, he admitted to having backdated options grants, according to the government's later criminal case against him.

The private lawyers also found a key witness in Fran Rail, a stock-option administrator, who described efforts by the chief financial officer to hide a secret slush fund from the company's outside auditor. Under sharp questioning from the Dickstein lawyers, the executive, David Kreinberg, said he'd been instructed by Mr. Alexander to keep the account secret, according to a person familiar with Mr. Kreinberg's statements. Earlier this week, he pleaded guilty to fraud charges. Ms. Rail couldn't be reached for comment.

The Dickstein lawyers held regular meetings with the SEC to keep the government briefed on their findings. There was a "daily feeding of information -- millions of documents," says one person involved in the probe. This person said that after the Dickstein lawyers interviewed a key witness, the government had the information in "real-time."

The Dickstein probe was still going on in late July, when government investigators grew concerned that Mr. Alexander -- an Israeli citizen and U.S. resident -- would flee the country. Federal prosecutors rushed to file criminal charges before several important witnesses were called for interviews. The criminal charges rested on information from the Dickstein lawyers, including purported confessions from all three senior executives who were charged. The government hadn't yet interviewed any of them.

Mr. Alexander later was arrested in the African country of Namibia, where he is facing extradition proceedings.

--Charles Forelle contributed to this article.

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J.P. Morgan Receives SEC Inquiry Related To Bisys (WSJ)

By Tom Lauricella

The Wall Street Journal, October 28, 2006

J.P. Morgan Chase & Co. says it received an inquiry from the Securities and Exchange Commission relating to the relationship between Bisys Fund Services Inc. and One Group Funds, which the bank acquired as part of its 2004 purchase of Bank One Corp.

The SEC is investigating a total of 27 mutual funds1 that it says may have accepted kickbacks totaling hundreds of millions of dollars in recent years, according to people familiar with the matter. AmSouth Bancorp of Birmingham, Ala., was the first to acknowledge possible charges last summer. The other 25 firms aren't known. J.P. Morgan acknowledged the inquiry in an interview, but declined to comment further.

The probe stems from a $21.4 million settlement the SEC reached last month with Bisys Fund Services Inc., a unit of Bisys Group Inc., which provides back-office support to financial companies.

In the wake of the settlement, the SEC sent letters to some of the funds in question, asking for details about their relationships with Bisys, as well as asking whether the funds have undertaken internal reviews of the relationship and what sorts of information had been provided to fund board of directors about the Bisys relationship, according to people with knowledge of the letters.

"The SEC has sent a letter to Banc One Investment Advisors Corporation requesting information concerning the provision of administrative services by The One Group Services Company, an affiliate of BISYS Fund Services, Inc.," the firm said in a statement. "We are moving quickly to thoroughly review the historical records in order to respond to the SEC inquiry."

At the heart of the investigation is whether fund companies accepted kickbacks from Bisys in exchange for recommending the extension of Bisys' contracts to do routine back-office work for the funds. According to the SEC settlement, Bisys and other service providers would bill fund shareholders for doing administrative work, such as preparing shareholder reports or filing prospectuses. But unbeknownst to fund investors or even independent board members, the service providers agreed to rebate a portion of that money to fund advisers, the SEC says.

The advisers then used the shareholder money to cover their marketing expenses, instead of covering the costs out of their own pockets. The SEC didn't name the 27 companies it is investigating. However, AmSouth Bancorp said last summer that the SEC had informed the bank it intended to bring civil charges against it related to its relationship with Bisys. AmSouth says it has been cooperating with the agency.

One Group Services Co., served as the administrator for One Group Funds from December 1995 through October 2000, J.P. Morgan said. At that point Bank One assumed the role of administrator for One Group Funds. J.P. Morgan mutual funds currently have $230 billion under management.

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Corporate Crime Sanjay Kumar Awaits His Sentence (WSJ)

By William M. Bulkeley

The Wall Street Journal, October 28, 2006

As one of the last chief executives to face sentencing for crimes committed in the stock-market-bubble era, Sanjay Kumar, who orchestrated a $2.2 billion accounting fraud as CEO of Computer Associates International Inc., goes before a federal judge in Brooklyn on Thursday -- the same day his former company reports second-quarter earnings.

Mr. Kumar, 44 years old, who resigned his job in 2004, pleaded guilty to eight counts of securities fraud and obstruction of justice in April. At the end of many quarterly financial periods in the 1990s and 2000, Mr. Kumar helped sign and backdate contracts for big sales of corporate software in order to book the revenue and meet quarterly earnings projections in what prosecutors called "35-day months." Once the Securities and Exchange Commission started investigating, Mr. Kumar lied to government agents and sent the corporate general counsel to Hawaii to bribe a potentially hostile witness, according to evidence filed in the case.

U.S. District Judge I. Leo Glasser has broad discretion in sentencing. Two lawyers who have followed the case, but declined to be identified, said they think the most likely term would be eight to 12 years. However, if Judge Glasser orders sequential sentencing on each charge the term could be 90 years. Eric Komitee, deputy chief of business and securities fraud in the U.S. attorney's office in Brooklyn, declined to comment on what sentence the government recommended. Mr. Kumar's lawyer, Jack Cooney, declined to comment.

The likely jail sentence puts a sad end to the meteoric career of Mr. Kumar, who grew up in poverty after his family emigrated from Sri Lanka, and worked his way up to the lofty position and a $300 million stock award in 1999.

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But the sentencing hasn't been the end of CA's problems. Since Mr. Kumar resigned in 2004, a few months before he was indicted, the company has changed its name to CA Inc., paid the SEC $225 million in fines and replaced most of its top executives, while operating under the oversight of a government-appointed examiner.

CA has yet to prove it was the money-spinner the company purported to be when it was inflating its earnings. Even with new management, led by John Swainson, a longtime software executive at International Business Machines Corp., it has continued to announce new restatements of financial results and weaknesses in internal controls.

When it reports earnings for the second quarter ended Sept. 30, investors will be watching for signs of revenue growth from CA's older products, since most recent growth has come from acquisitions. Last summer, the stock fell below $20 a share for the first time in three years as investors fretted about slow growth and continuing management turnover and accounting problems. The stock has bounced back to more than $24 recently following an August announcement of a $2 billion stock buyback funded by debt, and the company plans to cut its 16,000-person work force by 11%.

Sinking Big Fish In Fraud Aids Small Fry (AP-YBIZ)

By Marcy Gordon, Ap Business Writer

AP, October 28, 2006

The Week's Business: Helping Government Land Biggest Corporate Fish Pays Off for Smaller Fry

WASHINGTON (AP) -- Helping the government land the biggest fish has been paying off for the slightly smaller fry in the prosecution of high-profile corporate fraud by way of a yawning gap in their prison sentences.

Jeffrey Skilling, Enron Corp.'s former chief executive who became an embodiment of corporate corruption, was handed a 24-year-plus sentence on Monday. That was the toughest penalty by far in the catastrophic collapse of the energy giant. Skilling's one-time protege at the company, finance chief Andrew Fastow -- architect of the complex web of off-the-books partnerships that hid some $1 billion in debt -- received a six-year jail term in September after cooperating with the prosecutors and helping them secure Skilling's conviction.

The judge said Fastow deserved leniency because of his "exceptional" cooperation with the government.

"The lesson that comes out of the Enron sentences is that if ultimately you're facing criminal charges, it's fine to be high up in the company. Just don't be at the very top," said Robert Mintz, a former federal prosecutor who heads the white-collar defense practice at McCarter & English in Newark, N.J.

Prosecutors like to work from the bottom up, so for CEOs caught up in scandals, he said, "There's nowhere to turn in the event of an indictment."

Washed ashore by the wave of corporate scandals in recent years have been executive flippers who have cut deals, turning against and talking about their bosses who have taken their chances at trial. Chief executives are far more likely to go to trial, partly because of ego, the conviction they did nothing wrong, or because prosecutors are far less willing to cut a deal.

Another prominent pair, fallen WorldCom Inc. chief executive Bernard Ebbers and Scott Sullivan, the former chief financial officer, present a clear parallel. Ebbers got a 25-year sentence for orchestrating the audacious $11 billion accounting fraud that toppled the company he built from a tiny long-distance phone company into an industry titan. Sullivan, who admitted to providing investors unduly optimistic financial reports and agreed to testify against Ebbers, got five years.

It hasn't always worked out that way, though. A stunning exception came in June 2005, when Richard Scrushy, the flamboyant founder and former chief executive of HealthSouth Corp., was acquitted of all charges -- after five of his former CFOs took the stand and implicated him. It was a stinging setback for the Justice Department prosecutors, whose case against Scrushy had widely been considered among the strongest in the pack of indictments arising from the 2002 corporate scandals.

Scrushy faced what amounted to a life sentence and could have been ordered to forfeit some $278 million in assets if convicted. Seven other HealthSouth defendants -- including four of the former finance chiefs -- got prison terms.

What lessons executives take from the last round of corporate scandals may soon come into view as prosecutors sort out the financial scandal du jour: the suspicious timing of stock options grants to executives at companies around the nation. The former finance chief of Comverse Technology Inc. pleaded guilty Tuesday to conspiring with ex-chief executive Jacob "Kobi" Alexander to backdate stock options and falsify financial statements of the voicemail software maker to pocket millions of dollars and conceal the fraud from shareholders.

David Kreinberg agreed to cooperate in the case against Alexander, who has been the target of an international manhunt. After allegedly transferring $57 million overseas, Alexander was located last month in Namibia in southwest Africa, where he was briefly detained before being freed on bail pending a ruling on an extradition request by U.S. authorities.

Kreinberg faces up to 15 years in prison and could be ordered to pay tens of millions of dollars in restitution. It was not clear what penalties could be imposed on Alexander if he were convicted, though he faces similar charges.

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To date in the options granting scandal, at least 149 public companies have disclosed Justice Department, Securities and Exchange Commission or internal investigations of their option awards, according to an Associated Press review.

Rolling the dice on a trial can be risky for CEOs in cases where underlings have turned against them.

"There's no alibi defense" in white-collar cases, notes Peter Henning, a professor at Wayne State University Law School in Detroit. "They're cases about intent."

That means executive defendants can be convinced that they did nothing wrong -- potentially fueling a lack of contrition that can hurt them at trial. Company employees a few rungs down can provide some clues into what was in the CEO's mind, Henning said. And, without an alibi or DNA evidence as you would have in a trial of a violent crime, if jurors believe an executive is involved he may well be found guilty and sent to jail.

Besides the "cooperation discount" for executives who help the government convict a former colleague, there's also a "lack-of-contrition multiplier" that can increase a defendant's sentence, said Henning.

At his sentencing this week, Skilling stood before the judge and said that in terms of contrition and remorse, "... I can't imagine more remorse."

But he stuck to his story. He didn't commit fraud and conspiracy, he said, didn't use shady deals and accounting tricks that contributed to Enron's collapse into bankruptcy, and wasn't responsible for the loss of thousands of jobs, more than $60 billion in the value of Enron stock and over $2 billion in employee pension plans.

"I'm innocent of every one of these charges," Skilling declared.

CRIMINAL LAW:

Official In Abramoff Case Sentenced To 18 Months (WP)

By Susan Schmidt, Washington Post Staff Writer

The Washington Post, October 28, 2006

A federal judge yesterday sentenced David H. Safavian, a former top Bush administration official, to 18 months in prison for lying and concealing unethical dealings with lobbyist Jack Abramoff.

During an unusual hearing that lasted much of the day, U.S. District Judge Paul L. Friedman wrestled with how to mete out justice to Safavian. He said Safavian was a man who had "pulled himself up by his bootstraps" and had been "a very good person to a lot of people." But, the judge said, Safavian also committed "an abuse of the public trust" in his relationship with the lobbyist.

"Did he believe in public service? I guess he did," Friedman said. "But he also wanted someday to join Mr. Abramoff in that lucrative lobbying business."

Friedman lamented that Washington has become "more and more corrupt," increasingly a home to greedy lobbyists and politicians on the take.

Safavian, 39, a former chief of staff for the General Services Administration, wept as he told Friedman that he knows now he never should have given Abramoff inside information about government-owned real estate that the lobbyist wanted to acquire. At the time, Safavian said, he thought what he was doing was innocuous. "I didn't see anything wrong in helping Jack," he said.

The 18-month jail sentence was about halfway between the 30 to 36 months sought by government prosecutors and the defense's proposal for alternative sentencing that would avoid any prison time at all.

Barbara Van Gelder, Safavian's attorney, urged leniency, telling Friedman that Safavian exhibited an ethical "blind spot" in his dealings with the brazen and flashy Abramoff. "He may have been blinded, dazzled," she said, but his wrongdoing with Abramoff was "isolated, not a man beginning a life of crime."

But prosecutor Peter Zeidenberg asked the judge to add a perjury conviction to Safavian's crimes for his testimony at trial. "For the two days he spent on the witness stand, Mr. Safavian lied about virtually everything," Zeidenberg said. "He testified under oath that he never lied, never concealed. . . . He even went on to say, 'I never gave Jack Abramoff favorable treatment,' " statements the jury rejected in its verdict.

Friedman said he did find some of Safavian's statements from the witness stand "incredible," including the defendant's claim that he believed his payment of $3,100 would cover the cost of a week-long luxury golfing excursion to Scotland with Abramoff. But in the end, the judge decided against the prosecutor's request for a perjury conviction.

Safavian was a lobbyist and congressional aide until 2002, when he joined the GSA, the agency that oversees the purchase and leasing of billions of dollars in federal property around the country. He later became the government's top procurement officer at the Office of Management and Budget.

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He was convicted in June of concealing facts about the 2002 golf trip as well as the help he gave to Abramoff, a longtime friend, in trying to acquire two GSA-controlled properties -- one of them the Old Post Office building on Pennsylvania Avenue.

The jury found him guilty of lying to the GSA inspector general and obstructing an inquiry by that office, as well as lying to the Senate Indian Affairs Committee and to a GSA ethics officer.

Trial evidence included stacks of e-mails showing that Safavian secretly maneuvered within the GSA to obtain information for Abramoff about properties he wanted to buy or lease. The two schemed to get members of Congress to pressure the agency for the information.

Friedman said he had received 50 to 60 letters from people attesting to Safavian's good qualities, including one from his former boss Clay Johnson, the OMB's deputy director for management, from friends on Capitol Hill and from his pastor. A letter also came from his sister, who testified tearfully on his behalf yesterday. Her brother, she said, "didn't tell anyone" he was in trouble until his arrest. "He called me at work, sobbing and sobbing. He said, 'I'm so sorry for embarrassing you,' " Mehnaz Safavian said.

Safavian's lawyers said their client will appeal the conviction. Safavian is one of eight people convicted so far in the wide-ranging influence-peddling investigation into Abramoff's lobbying activities on Capitol Hill and in executive branch agencies. Earlier this month, Rep. Robert W. Ney (R-Ohio) became the first lawmaker to plead guilty in the probe. Abramoff and several former congressional aides have pleaded guilty and are cooperating.

One of them, Neil G. Volz, a former Ney aide, went to work with Abramoff, went on the Scotland golf trip and was a central witness in the Safavian trial. Friedman said he was revolted by Volz's testimony that government officials prepared sworn declarations about lobbyist-paid trips based on what "would pass the smell test" -- not what was true. "I wanted to go home and take a shower," the judge said.

Safavian Given 18 Months (WT/AP)

The Washington Times, October 28, 2006

ASSOCIATED PRESS

Former Bush administration official David Safavian was sentenced to 18 months in federal prison yesterday for concealing his relationship with disgraced lobbyist Jack Abramoff.

Safavian wept as he asked for leniency in his obstruction of justice case, telling a judge that Abramoff manipulated him and drew him into the scandal.

Safavian was convicted in June of lying to investigators about his relationship with the lobbyist while Safavian was chief of staff in the General Services Administration. He helped provide Abramoff with details about GSA projects and offered advice on dealing with the agency.

During his sentencing, Safavian apologized for giving the appearance of impropriety but said it was not fraudulent.

"Yes, Jack Abramoff was a friend, but he wasn't my co-conspirator and I wasn't his," Safavian said. "There was no conspiracy to defraud anyone, least of all the taxpayers."

Early in the hearing, U.S. District Judge Paul L. Friedman told defense attorneys he was leaning toward a sentence of 15 to 21 months in prison and was not convinced Safavian had accepted responsibility for his crimes.

"Get up here and tell me, 'I agree I concealed. I agree I obstructed justice,' " Judge Friedman said. "I don't believe he's done that."

Abramoff is cooperating with an FBI corruption investigation into Congress and the White House. He has admitted using gifts to influence lawmakers.

The investigation snared its first congressman this month when Rep. Bob Ney, Ohio Republican, pleaded guilty to covering up expensive gifts and trips from Abramoff. He admitted taking trips, tickets, meals and campaign donations from Abramoff in return for official actions on behalf of his clients.

Two former aides to Tom DeLay, the former House majority leader, have also pleaded guilty, as has Ney's former chief of staff.

Additionally, Roger Stillwell, a former Interior Department official, pleaded guilty in August to a misdemeanor charge for not reporting tickets he received from Abramoff.

Jail Time For Ex-official In Influence-peddling Case (LAT/AP)

From Associated Press

The Los Angeles Times, October 28, 2006

Former Bush administration official David H. Safavian was sentenced to 18 months in prison Friday for lying and obstructing justice in connection with the Jack Abramoff influence-peddling scandal.

DOJ_NMG_0088613

Safavian, the former chief of staff for the General Services Administration, was sentenced on obstruction and concealment charges for lying to investigators about his relationship with Abramoff, the once-powerful Republican lobbyist.

"There was a time when people came to Washington because they thought government could be helpful to people," said U.S. District Judge Paul L. Friedman. "People came to Washington asking not what government could do for them and their friends but what they could do for the public."

Safavian wept in court as he asked for leniency, but Friedman said the ex-bureaucrat had become part of Washington's culture of corruption, where congressmen listen to campaign donors and lobbyists while farming out to staff members the job of writing laws.

Abramoff shook Pennsylvania Avenue from the Capitol to the White House when he pleaded guilty to corruption in January and began cooperating with an FBI investigation.

The case has become an election-year liability for Republicans. Last month, Rep. Bob Ney (R-Ohio) pleaded guilty to taking gifts and trips from Abramoff in return for official favors.

Friedman said he believed Safavian was a good person and could not understand why he got involved with Abramoff.

"Maybe it's hard to resist. Maybe it's hanging out with the big boys," Friedman said. "I'm not sure."

Safavian, who also worked in the White House budget office, gave Abramoff details about GSA projects and offered advice on dealing with the agency. He also accepted a cut-rate golf trip to Scotland aboard a private jet.

"Rather than putting the interest of the public first, he put the interest of Jack Abramoff first," prosecutor Peter R. Zeidenberg said.

Safavian apologized Friday for giving the appearance of impropriety but said it was not fraudulent. He said the lobbyist used and manipulated him and he never meant to hurt anyone.

Safavian argued for no jail time but prosecutors asked for a three-year sentence, saying Safavian lied on the stand. Friedman called Safavian's testimony that he didn't know the value of the Scotland trip and barely read an ethics opinion "incredible" and "hard to believe" but said it wasn't perjury.

Ex-procurement Chief Gets 18 Months In Prison (GOVEXEC)

By Jenny Mandel

Government Executive, October 28, 2006

Former federal procurement chief David Safavian was sentenced on Friday to 18 months in prison for lying and obstructing investigations into his dealings with disgraced lobbyist Jack Abramoff.

Safavian was convicted in June on four of five charges of lying to General Services Administration and Senate officials about his interactions with Abramoff while serving as the chief of staff at GSA, and obstructing a GSA inspector general investigation.

The 18-month sentence fell halfway between the defense's recommendation that he serve between zero and 12 months, and a Justice Department recommendation for 30 to 37 months. D.C. District Judge Paul Friedman also declined to impose a fine along with prison time, based on a pre-sentencing report that found Safavian's finances ruined by legal fees.

"I think since Mr. Safavian is going to serve some time in prison, to impose a fine is punishing Mrs. Safavian and perhaps other relatives," Friedman said.

The sentencing was complicated by questions of what guidelines should apply to each of the counts and potential adjustments to the term. Peter Zeidenberg, the lead prosecuting attorney, argued that the sentence should be extended because Safavian perjured himself while testifying during his trial. Defense attorney Barbara Van Gelder argued that the sentence should be shortened because her client accepted responsibility for his actions.

Friedman rejected the government's argument for a longer sentence. He conceded that "it was hard to believe some of what Mr. Safavian said" during the trial, such as his statement that he had not stopped to question the inordinately low costs that Abramoff quoted to him for a lavish trip to play golf in Scotland. But Friedman said there was gray area in the subjectivity of testimony centering on what Safavian believed, which separated the case from ones in which defendants had clearly lied about basic, objective facts of the case.

Friedman also rejected Van Gelder's argument for a lighter sentence, saying Safavian showed no sign of accepting responsibility for his crimes.

"My words cannot express how sorry I am for the actions at trial here," Safavian told the judge in an appeal for leniency. "I now see that there were appearance [of conflict of interest] issues with some of those actions...I brought notoriety to a good agency, and that makes me sad."

But Friedman said Safavian's statement, his trial testimony and his defense lawyer's briefings all reflected that he continued to consider his conduct itself innocent, viewing the problem as one of others' interpretation of his actions.

Friedman showed the most sympathy at the many appeals made by Safavian's friends and family, and he condemned attacks on Safavian's wife, Jennifer, who works as an aide to Rep. Tom Davis, R-Va.

The judge said he read each of the 50 to 60 letters submitted as character references by Safavian's friends, former colleagues, former subordinates, a fellow police department volunteer, and his grandmother, among others, and he found the universally positive accounts compelling. Safavian's sister also stood before the judge to plead for leniency on her brother's behalf; he cried as she said the convictions did not reflect who her brother really was.

But Friedman ultimately concluded that despite the many accounts of Safavian's upstanding morals, the facts did not merit a lighter sentence. "Mr. Safavian wasn't duped, he isn't naïve, he's smart," Friedman said during a lengthy discussion of his reasoning. "Did he believe in public service? I guess he did. But he also talked about one day wanting to join Mr. Abramoff -- join that lucrative lobbying business."

Linking Safavian's case to the corruption cases that have recently swamped Washington, Friedman said the city has become increasingly corrupt over the years.

"There was a time when people came to Washington asking not what they could do for themselves and their friends, but what they could do for the public," he said.

Safavian plans to request assignment to a prison in Cumberland, Maryland. He also intends to appeal his conviction, and his lawyer said she will argue that he be allowed to remain free on bond until the appeal is decided.

Man Linked To Abramoff Is Sentenced To 18 Months (NYT)

By Philip Shenon

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — A former White House budget official who became entangled in the criminal investigation of the lobbyist Jack Abramoff was sentenced on Friday to 18 months in prison for lying about his relationship to Mr. Abramoff.

The former official, David H. Safavian, wept as he pleaded for leniency from Judge Paul L. Friedman in Federal District Court here. The judge used the sentencing hearing to speak out against what he said was a growing culture of corruption in Washington encouraged by high-priced lobbyists.

“He came to work in an environment that has become, frankly, more and more corrupt,” Judge Friedman said in announcing Mr. Safavian’s sentence, which was half of the three-year prison term sought by the Justice Department.

“It’s become corrupted by money,” Judge Friedman added. “You’ve literally got lobbyists sitting in Congressional offices writing legislation. That’s what’s going on.”

Mr. Safavian’s crimes, he said, were a “classic case of abuse of the public’s trust.”

Mr. Safavian was convicted in June of lying to federal investigators about Mr. Abramoff and the circumstances of his decision to join the lobbyist on a golfing trip to Scotland by private jet in 2002.

Mr. Safavian, a lobbying partner of Mr. Abramoff before joining the Bush administration, accepted an invitation for the trip after telling government ethics officers — falsely, the trial determined — that he faced no conflict of interest because Mr. Abramoff did no business with the executive branch.

In fact, the trial showed, Mr. Safavian had offered his services to Mr. Abramoff at the time as a middleman in acquiring government lands that were controlled by the General Services Administration, where Mr. Safavian had been chief of staff.

Mr. Abramoff pleaded guilty in January to charges of conspiring to corrupt public officials, including Mr. Safavian and Representative Bob Ney, Republican of Ohio, who became the first member of Congress to confess to crimes in the influence-peddling inquiry. Mr. Ney pleaded guilty this month to accepting a long list of illegal gifts from the lobbyist in exchange for official acts.

Mr. Safavian, who resigned in December as head of federal procurement policies at the White House budget office, was the first person to go to trial in the investigation and, even Friday, did not concede that he had lied to investigators or obstructed justice, the crimes for which he was convicted.

Choking back tears, he stood before Judge Friedman and insisted that while his actions might have created the appearance of impropriety, “there was no conspiracy to defraud anybody, least of all taxpayers.” He said that while “Jack Abramoff was my friend, he wasn’t my co-conspirator and I wasn’t his.”

“My words cannot express how sorry I am,” Mr. Safavian said.

“I brought notoriety to a good agency, and that makes me sick,” he said, referring to the General Services Administration, which acts as the federal government’s property manager. “I shouldn’t have given Jack Abramoff any information about the agency, no matter how innocuous it seemed.”

Ethics Report On Foley Not Expected Before Elections (WP)

DOJ_NMG_0088615

By Jonathan Weisman, Washington Post Staff Writer

The Washington Post, October 28, 2006

The House ethics committee has all but wrapped up the investigative phase of its probe into the actions of former representative Mark Foley, informing key witnesses that they will not be summoned back for more questioning, lawyers in the case said yesterday.

But those lawyers indicated that the committee is unlikely to release its report on the Florida Republican -- or even an interim memo -- before the Nov. 7 elections.

The quick pace of the investigation had raised hopes among some Democrats that the committee could release its findings in the coming days, fulfilling a pledge from the committee's top Democrat, Rep. Howard L. Berman (Calif.), that the probe would be wrapped up in "weeks, not months."

The political shock of Foley's sexually explicit instant-message exchanges with former House pages has faded, but questions remain about what senior House GOP leaders knew of Foley's behavior and when they knew it. A committee report could have resurrected Democratic charges of a coverup, some Democrats hoped.

But with many hours of testimony to transcribe into thousands of pages of evidence, it is unrealistic to expect that even an interim memo can be released next week, said Timothy J. Heaphy, the attorney for Foley's former chief of staff, Kirk Fordham.

The task of sifting through evidence and reaching conclusions appears to be at hand. Aides for the Committee on Standards of Official Conduct, as the ethics committee is formally known, told Heaphy that Fordham was free to leave the country yesterday on vacation. Lawyers close to the probe said another pivotal witness, former House clerk Jeff Trandahl, will not be called back for follow-up questions.

The committee has also taken testimony from House Speaker J. Dennis Hastert (R-Ill.) and his top staff; House Majority Leader John A. Boehner (R-Ohio); National Republican Congressional Committee Chairman Thomas M. Reynolds (R-N.Y.); Rep. Rodney Alexander (R-La.), whose former page apparently first brought Foley's e-mails to the attention of the House leadership; Rep. John M. Shimkus (R-Ill.), who chairs the page board; and several other Republican aides.

The most glaring hole in the testimony is the apparent decision not to call Rep. Jim Kolbe (R-Ariz.), who was aware of inappropriate e-mails from Foley to a page as far back as 2000 and whose conduct with former pages has also drawn scrutiny. Korenna Cline, a Kolbe spokeswoman, said the ethics committee has had no contact with the congressman or his staff. Ethics committee staff members would not comment on the course of the investigation but gave no indication that all investigative matters were closed.

Still, the committee has generally garnered praise for the diligence its members have shown. This week's appearance by Hastert was expected to be short and perfunctory. Instead, Hastert remained behind closed doors for nearly three hours with the committee's staff and the four members conducting the Foley probe. Questioning of Hastert's chief counsel, Ted Van Der Meid, stretched on for more than six hours and ended past midnight. Hastert's chief of staff, Scott Palmer, spent a similarly grueling stretch with the committee.

One witness said questions dwelled on meetings between Republican leadership aides, Foley and Foley's staff, and Trandahl.

Outside the committee room, House Republicans, including Hastert, have repeatedly suggested that Democrats should also be scrutinized to determine whether they were aware of Foley's sexually explicit instant messages and leaked them to the news media. But those messages were revealed by former pages only after ABC News published inappropriate but not sexual e-mails, and the committee has not pursued the matter, the witness said.

The Republican members of the investigative panel -- committee Chairman Doc Hastings (Wash.) and Rep. Judy Biggert (Ill.) -- did not dwell on the origins of the e-mails or on the leaks. Likewise, the Democratic members, Berman and Rep. Stephanie Tubbs Jones (Ohio), did not press their party's charges that the Republicans covered up Foley's actions to protect his House seat.

"I did not get the sense that anyone was acting in a partisan way," Heaphy said, stressing that he could not divulge the specific questions asked. "They were pretty much acting as investigators. I was impressed at the level of preparation and insight they showed."

That is a far cry from the dysfunctional committee that has done virtually nothing since February 2005, when GOP leaders ousted the panel's independent-minded chairman, Rep. Joel Hefley (R-Colo.), and replaced him with Hastings, who is considered closer to the Republican leadership.

James Dyer, a former senior House Republican aide now with the lobbying firm Clark & Weinstock, said the Foley matter has shown Republican leaders that they need a strong, credible ethics committee that can take up internal scandals and show the public that House members take such matters seriously.

"If there is a silver lining in all this, it's the re-emergence of a strong ethics committee," Dyer said.

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When the page scandal broke Sept. 29, House Minority Leader Nancy Pelosi (Calif.) called for the committee to deliver a preliminary report to the House within 10 days. That goal is long past, but Pelosi has not publicly pressured the committee to move faster.

"The ethics committee seems to be conducting its investigation rapidly," said Pelosi spokeswoman Jennifer Crider. "We'll see how the next phase goes."

Levine Enters Guilty Plea (CHIT)

By Jeff Coen, Matt O'connor And Ray Long, Tribune Staff Reporters

Chicago Tribune, October 28, 2006

2 governor allies aided scheme, U.S. says

Political insider Stuart Levine pleaded guilty Friday to scheming to squeeze millions of dollars from firms seeking state business, and authorities alleged in the clearest detail yet that he had the help of Gov. Rod Blagojevich's top campaign supporters.

The new allegations in the plea agreement of Levine, a longtime Republican fundraiser reappointed to state boards by the Democratic governor, only increased the questions about corruption swirling around the race for governor with little more than a week until the Nov. 7 election.

In the 58-page plea agreement, federal authorities spell out allegations that Blagojevich's two top fundraisers schemed almost from the beginning of the governor's administration to use their newfound influence for corrupt purposes.

The plea agreement identifies Antoin "Tony" Rezko, who has already been indicted on federal corruption charges, as one of those close advisers. The other fundraiser, who is not charged, is identified only as "Individual B." Sources identify him as Christopher Kelly, a south suburban roofing contractor who became a loyal Blagojevich confidant.

Following a fundraiser Friday night, Blagojevich said Levine's plea shows he began his misdeeds before Blagojevich became governor.

"It's my understanding the guilty pleas extend back to acts of wrongdoing that began as early as 2000 or 2001, and my sense of the guilty pleas is that it was a continuation of all of that that spilled over from one administration to the next," he said.

The campaign of Blagojevich's Republican challenger, Judy Baar Topinka, tried Friday to use Levine's guilty plea to tarnish the governor.

Topinka's running mate, Joe Birkett, noted that the plea agreement by Levine--who was a member of the state teachers pension board and state hospital construction board--tied Blagojevich's top two fundraisers to the alleged corruption scheme.

"Rod Blagojevich needs to explain to the voters why his top two fundraisers were knee-deep in corruption in this massive corruption scheme," Birkett said. "It's crystal clear that `Individual B,' Chris Kelly, was in fact part of the shakedown scheme."

Jon Bauman, executive director of the Teachers' Retirement System, confirmed that Kelly is "Individual B," based on his conversations with Levine and subsequent interviews with federal officials. Sources close to the investigation have corroborated the identification.

Kelly's attorney, Michael Monico, said his client denies any wrongdoing. Kelly has not been charged.

"To the extent the plea agreement by inference or innuendo accuses Chris of any wrongdoing, we categorically deny that," Monico said Friday evening.

The plea agreement alleges that Rezko and Kelly used Levine to play politics at the state pension board, along with two stalwarts of the old-guard Republican establishment in Springfield. Although neither was directly named, they are businessman William Cellini and lobbyist Robert Kjellander, now the treasurer of the Republican National Committee. Neither Cellini nor Kjellander is charged with a crime.

In his agreement, Levine places himself at the center of a plan to enrich himself, Rezko and their associates, and raise campaign cash through a series of secret, crooked deals involving firms trying to do business with the state's Teachers' Retirement System.

Prosecutors detailed Levine's efforts to solicit kickbacks of millions of dollars from nine investment firms seeking contracts with TRS, and in one case, a $1.5 million political contribution for a public official identified as Blagojevich by sources close to the investigation.

Levine pleaded guilty to one count each of mail fraud and money laundering in exchange for a sentence of about 5 1/2 years in prison and his continued cooperation in ongoing investigations of state government. If not for his cooperation, Levine faced life imprisonment, his lawyer said.

Levine's lawyer, Jeffrey Steinback, said the scope of the corruption was extensive, estimating that Levine and others schemed to steal as much as $20 million to $50 million in government and private funds.

Steinback said he expects Levine's cooperation to extend to testifying at trials and could take two years to complete.

"He is cooperating fully with the government in some very sensitive, ongoing investigations," Steinback said. "I know the government regards him as very important."

The plea agreement disclosed that Levine was reappointed to the Health Facilities Planning Board with the intervention of "Individual A"--previously identified by the Tribune as William Cellini, the Springfield power broker and Blagojevich supporter.

Neither Cellini, who has not been charged, nor his lawyer returned calls Friday seeking comment on the case.

The agreement lays out webs of connections between Levine and other power brokers.

In one key attempted deal in 2004, prosecutors allege Levine learned that the TRS staff was going to recommend that the board approve a $220 million investment with Capri Capital Advisers.

In April 2004, the agreement states, Rezko and Levine arranged to hold up the deal unless real estate investor and Capri co-chairman Thomas Rosenberg, also a Hollywood producer, paid about $2 million in fees to a consultant they chose. In lieu of that, Rosenberg--identified as "Individual J" in the agreement--could make a $1.5 million political contribution "to a certain public official."

Sources have said the money was to go to Blagojevich's campaign fund.

Rosenberg, however, refused to participate in the scheme. Days later, according to the plea agreement, Levine, Rezko, Cellini and Kelly agreed it was too risky to continue demanding money from Rosenberg's firm. The four agreed that while Rosenberg's firm would receive the $220 million allocation from TRS, it would not receive any more business from the state, the plea said.

Kelly, who once headed the governor's campaign fund, is one of Blagojevich's closest confidants, fundraisers and advisers. Kelly befriended Blagojevich years ago and the two remain close, with Kelly playing a significant role in the governor's re-election campaign.

The plea agreement demonstrates the influence the men had over the boards in question when it describes 2003 discussions surrounding the possible merging of TRS with two other state funds. Cellini approached Rezko and Kelly about defeating that plan, the agreement states, though the names of Cellini and Kelly are not used.

With Cellini's intervention, Rezko and Kelly used their influence with senior state officials to oppose a proposed consolidation of state pension funds to halt any chance of Levine losing his pivotal board post, the plea agreement said.

In return, Levine alleged, he agreed to help ensure the Teachers' Retirement System selected investment firms and lawyers favored by Rezko and Kelly.

The plea agreement also referenced Kjellander, though he is not named.

Based on matching the federal records with minutes of the Teachers' Retirement System, Bauman confirmed that Kjellander was "Individual K."

The agreement says that in early 2002, before Blagojevich was elected, Kjellander asked for help from Levine in getting business for an investment firm. The agreement alleges Levine knew Kjellander would receive a finder's fee in the deal.

Kjellander has maintained in prior interviews that all of his dealings were aboveboard. Kjellander has not been charged with wrongdoing. He could not be reached for comment.

Governor's Campaign Donor Pleads Guilty In Kickback Case (CHIT/AP)

By Mike Robinson, Ap Legal Affairs Writer

Chicago Tribune, October 28, 2006

CHICAGO -- A businessman who funneled thousands of dollars into Gov. Rod Blagojevich's campaign pleaded guilty Friday to using his seats on two state boards in a bid to collect millions of dollars in kickbacks.

Disappointing Republicans, though, Stuart Levine's 58-page plea agreement with federal prosecutors contained no allegations of wrongdoing on the part of the Democratic governor, who is waging a re-election campaign while coping with a federal corruption investigation.

All the same, the massive document was crammed with details of corruption in state government and guaranteed to fuel campaign fireworks.

Levine told how he worked closely with Blagojevich fundraiser Antoin "Tony" Rezko, now also facing federal charges, and that Rezko and others close to the governor provided him with a high degree of political clout.

Levine admitted that he and Rezko planned to demand a $2 million payoff or $1.5 million in campaign contributions to "a certain state official" from a firm that wanted to invest $220 million in pension funds.

The official was Blagojevich, according to an individual familiar with the case who spoke only on condition of anonymity because the investigation is ongoing. But the money never was paid.

Blagojevich issued a statement saying the plea agreement "reveals a pattern of wrongdoing by Stuart Levine that betrayed the trust of Gov. (Jim) Edgar who first appointed him and to all of us here in Illinois."

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Levine, 60, a suburban Highland Park millionaire, has been cooperating with federal investigators for more than six months in hopes of getting a break that would whittle down the time he will have to spend behind bars.

Under a deal worked out by defense attorney Jeffrey B. Steinback, Levine pleaded guilty to one count of mail fraud and one of money laundering. He is facing a sentence of five years and seven months, about half of the bottom end of the sentencing range under federal guidelines.

Prosecutors were expected to drop 22 other counts that could have sent Levine to prison for life had he been convicted on all of them.

"Stuart was a very legitimate, hardworking and successful businessman before he got involved with all these boards and illegal business, but you can become intoxicated with the ether of power, the ether of money and the opportunity for more," Steinback told reporters.

In his plea agreement, Levine acknowledged participating in a scheme to defraud the beneficiaries of the Teachers Retirement System, which pays the pensions of downstate and suburban Chicago teachers.

Prosecutors maintain that Levine, Rezko and others schemed to get at least $20 million and perhaps as much a $50 million in assorted kickbacks.

U.S. District Judge Amy J. St. Eve agreed to postpone the sentencing until the investigation is closed and Levine has testified, if need be, against any other defendants.

Levine admitted that the plotters sought to force nine investment firms seeking business from the state Teachers Retirement System to pay millions of dollars in kickbacks through consultants. In two cases, the scheme was hatched before Blagojevich became governor, the document said.

Levine was appointed to his seat on the Teachers Retirement System board in October 2000 by then Gov. George Ryan, now preparing to start his own 6{-year racketeering sentence.

Blagojevich in 2003 named him to a fresh term on the board that places billions of dollars in pension money with investment companies.

The fees that such firms charge can be highly lucrative.

Levine said in his plea agreement that he found out he would be reappointed to the Teachers Retirement System board at a meeting in Rezko's office with another of the governor's fundraisers also on hand.

Rezko is facing wire fraud, mail fraud and other charges as part of the alleged scheme to pressure investment companies and others to pay kickbacks in exchange for getting money to invest for the pension fund.

When named to the pension board, Levine already had been named by former Gov. Jim Edgar to the Illinois Health Facilities Planning Board, whose decisions also involve big money. Hospitals are unable to raise the money they need for expansion projects without approval from the board.

Levine admitted that he used his position as a member of that board to pressure hospitals in a kickback plot. He admitted pressuring Edward Hospital in Naperville and Mercy Hospital when it sought to build an expansion project in Crystal Lake.

He also confirmed charges in the indictment that as a member of the board of Chicago Medical College, now known as Rosalind Franklin University of Medicine and Science, he awarded two contracts to construction magnate Jacob Kiferbaum in exchange for kickbacks of nearly $1 million on each project, paid through inflated bills from Kiferbaum.

Levine has been one of the most prolific campaign contributors in state politics, reserving most of his generosity for Republican candidates. But he switched allegiances and backed Blagojevich.

State records show he gave some $65,000, much in in-kind contributions such as airplane tickets, to the governor's 2002 campaign.

Supporters of Republican Judy Baar Topinka for governor had hoped for weeks that Levine's plea agreement when it finally came would hand Blagojevich such a black eye that Topinka would take over as frontrunner.

But many of the details had been aired in earlier court papers.

AP Writer Sophia Tareen contributed reporting for this story.

4 Men Found Guilty In Airport Fraud (HSB)

By Debra Barayuga

Honolulu Star-Bulletin, October 26, 2006

Two airport officials and two contractors defrauded the state of millions of dollars

A federal jury convicted two former airport officials and two contractors of conspiracy and mail fraud yesterday in a bid-rigging scheme at Honolulu Airport.

DOJ_NMG_0088619

The jury deliberated for just more than six hours to unanimously find Dennis Hirokawa, 64, former superintendent of airport maintenance; Richard Okada, 65, former director of the Visitor Information Program; and contractors Michael Furukawa, 60, and Wes Uemura, 61, guilty of conspiracy.

In addition, Hirokawa was found guilty of 17 counts of mail fraud; Furukawa, 19 counts; and Uemura, 15 counts.

All four defendants were stoic as the court clerk read the guilty verdicts. Relatives in the audience dabbed at their eyes and wept in the courtroom.

Each of the defendants faces five years' imprisonment on the conspiracy count and five years on each of the mail fraud counts when sentenced Jan. 15. U.S. District Judge David Ezra agreed to allow the men to remain free on bail.

U.S. attorney Larry Tong and state Deputy Attorney General Larry Goya prosecuted the case. The four men were "engaged in an elaborate scheme to abuse the public contracting process and caused economic damage to taxpayers," Tong said.

The environment of "pay to play" that the defendants subscribed to "caused a loss of faith in the integrity of state government that can't be measured in dollars and cents," he said.

Dana Ishibashi, attorney for Okada, said only that they were disappointed and will be exploring their options, including whether to appeal.

Defense attorney Howard Luke declined comment.

The verdict brings to an end a joint federal-state investigation that began more than six years ago by the state Attorney General after airport auditors learned the state was billed $14,000 for constructing four 6-foot-long plywood planter boxes to hold poinsettias during the holidays.

Prosecutors alleged that the four conspired from 1997 to 2002 to obtain $4.8 million in small-purchase contracts under $25,000, a less formal process that requires that three bids be submitted and the work awarded to the lowest bid.

The contracts were mostly awarded to six companies owned by Furukawa and Uemura, prosecutors said. A government expert who reviewed 171 of the jobs that paid contractors $1.4 million valued the work as worth only $380,000.

Tong said he is expects to ask the court to order the defendants to repay $2.5 million.

A civil proceeding is also under way in state court seeking to forfeit property owned by the defendants.

Charles Goodwin, special agent in charge of the FBI here, said he hopes the convictions serve as a deterrent. "And as time goes by and we pursue more and more corruption, more and more people will step forward because they see the government serious about taking it on at the state and federal level," he said.

Proposed Religion-Based Program For Federal Inmates Is Canceled (NYT)

By Neela Banerjee

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — The Justice Department has canceled its proposal for a religion-based prison rehabilitation program that critics and constitutional law experts contended would have violated the separation of church and state.

On March 31, the department announced that it was seeking proposals for a “single-faith, residential re-entry program” that would be adopted initially in as many as six federal prisons and run in each by an organization of a particular denomination. The proposed program, among others, was challenged in a lawsuit filed on May 4 in the Federal District Court in Madison, Wis., by the Freedom From Religion Foundation, a watchdog group.

By May 26, the department had suspended its request for proposals for the program, and on Thursday it canceled the program “in its entirety,” according to the Web site for the Office of Justice Programs of the federal Bureau of Prisons, a branch of the Justice Department.

A spokeswoman for the office did not return calls seeking comment.

Religion-based rehabilitation programs in prisons have faced several legal challenges. Civil liberties groups say federal money is being used to proselytize inmates, many of whom do not have secular alternatives for rehabilitation.

Proponents of such programs maintain that religion gives inmates a strong moral foundation to help them re-enter society.

In June, a federal judge in Iowa ruled that a state-financed evangelical Christian prison program was unconstitutional because it was “pervasively sectarian.” That case is under appeal.

Robert W. Tuttle, a professor of law at George Washington University, said the proposed single-faith program “was dead in the water” upon introduction. It clearly breached the separation of church and state by financing indoctrination in a particular faith, he said.

The Disillusionment Of A Young White House Evangelical (NYT)

By Samuel G. Freedman

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The New York Times, October 28, 2006

In an election season, how could an "inside story of political seduction," to quote the subtitle of David Kuo's "Tempting Faith," not be mined for every politically explosive example it offers?

And Mr. Kuo, who once wrote speeches for William J. Bennett, Pat Robertson, John Ashcroft, Bob Dole and George W. Bush and who served more than two years as second in command at the White House Office of Faith-Based and Community Initiatives, offers plenty.

In his tenure at that office, warm words about compassion, he argues, were belied by meager financing and bureaucratic indifference. Federally financed conferences for religious leaders, he says, were adroitly arranged to benefit threatened Republican incumbents. The conservative Christian leadership that was publicly stroked, he reports, was being privately derided by members of the White House staff.

Naturally, those skeptical of the faith-based initiative are saying, "I told you so," and stalwart defenders of the Bush administration are issuing emphatic denials or even suggesting that Mr. Kuo is either Judas or a fresh candidate for the axis of evil.

But though "Tempting Faith" (Free Press) is a story about the Bush presidency, it is even more a story about Mr. Kuo. As much as it is a story about politics, it is also a story about faith.

"I set out to write a spiritual book," Mr. Kuo insists, and "Tempting Faith" turns out to be an engrossing piece of religious autobiography and a revealing, sometimes unnerving window into evangelical Christian culture.

There are painful remembrances, like the half-understood decision he and a girlfriend made to seek an abortion, which permanently bumped him off the path of becoming a standard-issue young liberal; and there are painfully comic ones, like the time he felt compelled by Christian faith to blurt out an apology to Hillary Rodham Clinton for all the ugly anti-Hillary jokes he had been slipping into the speeches he wrote.

There is never any suspense about whether the young Christian, lured to Washington to do good, will resist the corrupting temptation to manipulate his faith for political ends. The book's plot, after all, is a time-honored one: fall and redemption, and then fall and redemption again. It is classic testimony, and even ends with a kind of altar call summoning "we Christians" (he means evangelical Christians) to a two-year fast from all political activities besides voting.

For many readers, the real tension will arise from the question of why this obviously intelligent, alert and devoted young man did not see the train wreck coming. The political shenanigans he chronicles are hardly unprecedented, and he had repeatedly witnessed something less than enthusiasm among Republicans (in fact, among Democrats, too) for helping the needy. If the title were not in use, Mr. Kuo might well have called his book "State of Denial."

In elaborating on his case that conservative Christians, himself included, sold their birthright for a mess of pottage, Mr. Kuo mentions perks like presidential attention and conference calls with Karl Rove, symbolic gestures and promises, mostly unfulfilled, of government financing to do good works and combat evil as one sees it.

Those, of course, are the tools put to work with other groups and by every administration. But in Mr. Kuo's story, are there also not elements specific to evangelical culture at work? Is it too much to see the roots there of Mr. Kuo's startling switch from voting for Michael S. Dukakis and interning in the office of Senator Edward M. Kennedy to opposing gay rights, favoring every manner of tax cut and considering liberals the children of darkness?

"I made a seamless transition to embrace all of these positions," Mr. Kuo writes.

Such quick makeovers are not unknown on the secular left or right. But Mr. Kuo gives a strong impression that his was related to the very idea of rapid conversion, a total turning around of one's life, combined with the effect of the ideologically monolithic character of the evangelical congregation he joined in Washington.

And what of the surprisingly uncritical trust that the author, like many other conservative Christians, put in George W. Bush? "Christians trust their Christian president," Mr. Kuo writes; for many of them "George W. Bush can really do no wrong." He "loves Jesus" and is, therefore, "a good man."

In the book and in conversations on the phone and in person, Mr. Kuo is forthright about his own love of Jesus, and he never questions the president's. But he does recognize the temptation this poses for evangelicals like himself — of substituting for Jesus, whom "you can't see," someone else identified with him and ready at hand.

Mr. Kuo's religious forthrightness itself raises another intriguing question about evangelical culture. Evangelicals frequently demonstrate a verbal facility and emotional warmth in articulating their faith — in spontaneous prayer, for example, or in personal testimonies — that other believers envy. But does that put a premium on words and feelings rather than on actions and results?

In 1998, after talking at length with Mr. Bush, then governor of Texas, Mr. Kuo was overwhelmed. "Bush was the real deal," he told himself. "He loved Jesus. He wanted to help the poor." Six years and many disappointments later, Mr. Kuo listened to a speech by the president and concluded: "That same passion for the poor I first heard in Austin was in his voice and in his eyes. But the passion was a passion for talking about compassion, not fighting for compassion."

Ultimately the lesson Mr. Kuo hopes his fellow evangelicals learn goes far beyond this president and his policies. “At the end of the day,” he said, “politics is easy; God is hard.” Politics, by setting up very tangible enemies to be defeated, “gives the illusion of a solution,” he said, while God demands personal transformation. “What,” he asked, “is harder than to be transformed by unconditional love?”

This very contrast between political change and personal transformation has deep evangelical roots, of course. Secular progressives might counter with the mirror image of his formulation: God is easy; politics is hard.

And then there is another possibility: God is hard, and so is politics — at least the politics practiced with a good deal of skepticism, with an anticipation of compromises and setbacks, and with a recognition of the pride and egoism, as the theologian Reinhold Niebuhr pointed out, that infects even (or perhaps especially) humanity’s most faith-based initiatives.

High Court To Rule On Deadly Force In Police Chases (WP)

By Charles Lane, Washington Post Staff Writer

The Washington Post, October 28, 2006

The Supreme Court stepped into the national debate on the risks of high-speed police car chases yesterday, announcing that it will decide whether the Constitution permits police to use deadly force against a fleeing motorist whose only suspected offense is speeding or reckless driving.

The court's decision was a victory for a Georgia police officer appealing a ruling earlier this year by the Atlanta-based U.S. Court of Appeals for the 11th Circuit. That court had concluded that the officer acted unreasonably by ramming a fleeing speeder, causing a crash that left the driver, Victor Harris, paralyzed.

The 11th Circuit, like a Georgia federal district judge before it, ruled that the officer, Timothy Scott, had violated a clearly established constitutional rule and could personally be sued.

But Scott's appeal said that the 11th Circuit's decision clashed with rulings by other appeals courts and "will have a chilling effect on seizures of all fleeing suspects across the nation" if the Supreme Court does not reverse it.

At least four members of the court -- the minimum needed to accept a case -- found this argument persuasive enough to grant Scott a hearing.

When the court hears arguments in Scott v. Harris , No. 05-1631, early in 2007, it will be the first time the justices have reexamined the constitutional prerequisites for employing deadly force against unarmed fleeing suspects since 1985.

In that case, which involved not a speeder but a suspected burglar, the court ruled that police may use deadly force only when they have good reason to believe someone will be killed or injured if they do not.

"It is not better that all felony suspects die than that they escape," the court ruled. "A police officer may not seize an unarmed, nondangerous suspect by shooting him dead."

The 11th Circuit cited that ruling to support its decision against Scott, noting that Harris was not suspected of any offense more serious than speeding, a misdemeanor, and posed little risk to the public because the streets were empty at the time.

Scott replied in his brief that the 11th Circuit's ruling puts police in "the untenable position of waiting until a fleeing suspect engaged in reckless and dangerous driving . . . actually maims or kills an innocent bystander before initiating a seizure."

Pursuits -- even of armed and dangerous suspects -- have become controversial in recent years, because of the risk they can pose to third parties and police officers themselves.

A 2004 University of Washington study found that, from 1994 to 2002, 260 to 325 people were killed annually as a result of high-speed chases.

The chase prompting the court's new case began on the night of March 29, 2001, when police tried to pull Harris over for going 73 in a 55-mph zone. Harris fled, accelerating to more than 90 mph and driving against traffic.

Harris later said he was frightened and wanted to avoid an impound fee for his car.

Scott joined the pursuit and radioed his supervisor for permission to attempt a "precision intervention technique," a maneuver in which a police car deliberately bumps a fleeing car at an angle, forcing it to spin out and stop.

Scott's supervisor authorized the maneuver. But Scott instead rammed Harris's car directly from behind, forcing it to career off the road and crash.

Now a quadriplegic, Harris sued Scott, alleging that the officer had violated the Fourth Amendment, which prohibits unreasonable seizures.

A federal district judge in Georgia upheld the suit against Scott in 2003, prompting Scott's appeal to the 11th Circuit.

A decision in the case is expected by July.

Justices To Rule On Police Ramming Car To End Chase (LAT)

By David G. Savage, Times Staff Writer

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The Los Angeles Times, October 28, 2006

The Supreme Court agreed Friday to decide whether police officers can be sued for intentionally ramming a fleeing car during a high-speed chase, causing the death or injury of the driver.

Eight years ago, the justices shielded police officers from being sued in federal court for deaths and injuries resulting from high-speed chases. The only exception, the court said, is when police act out of "an improper or malicious motive," such as "to terrorize, cause harm or kill" a suspect.

In the 1998 case, the parents of a teenager from Sacramento sued after their son was killed when he fell from a motorcycle being pursued by a police cruiser at 100 mph. Because the officer did not intend to harm the cyclist, he could not be held liable, the high court ruled.

In the new case, from Georgia, the justices will consider whether an officer who deliberately hits a fleeing car can be held liable for an accident that follows.

The case began on a March night in 2001 when an officer in Coweta County, Ga., saw a Cadillac going 20 miles above the speed limit. When he gave chase, it sped up, ran through a red light and reached 100 mph on a highway.

A second officer, Timothy Scott, rammed the rear of the speeding vehicle, sending it out of control and over an embankment. The driver, 19-year-old Victor Harris, survived but was rendered a quadriplegic.

He sued, and both a federal judge and the U.S. appeals court in Atlanta agreed that an officer who used "deadly force" by ramming his car into another vehicle could be held liable for the damage he caused.

Under most states' laws, including California's, police officers cannot be sued by someone injured while fleeing from law enforcement. However, police can be sued in federal court if they violate a person's constitutional rights, even if the person is a fleeing felon.

In the Georgia case, lawyers for the injured driver argued that ramming his car amounted to an "unreasonable seizure," a violation of the 4th Amendment. The courts agreed, clearing the way for the suit to go before a jury.

Lawyers for the police officer appealed directly to the Supreme Court, arguing that such a decision, if allowed to stand, endangered the public as well as police. Officers would be forced to allow speeding vehicles to escape if they could be sued for forcibly stopping them, they said.

When trying to stop a fleeing car, police officers try to drive alongside and then nudge the rear to the right so that the car spins out. This is known as PIT, for Pursuit Intervention Technique.

"When it's done right, it's a controlled maneuver, and it stops the car," said Lt. Paul Vernon of the Los Angeles Police Department.

The high court announced late Friday that it would hear the case of Scott vs. Harris.

Also Friday, the court agreed to hear an appeal from the parents of an autistic boy seeking the right to sue for a better learning program for their son. A federal judge in Ohio threw their case out because they did not have a lawyer.

Now, the Supreme Court will decide whether parents, acting without a lawyer, may appeal in court on behalf of their children to seek their rights under the federal Individuals With Disabilities Education Act. That law gives disabled children a right to a "free appropriate public education."

The law also says the school must develop an "individualized education program" for each child with a disability, and the parents are entitled to be part of the team that develops this plan. If the parents are dissatisfied with the plan, they can file a complaint and have a hearing before a local and state administrator. If they are still dissatisfied, they can go to court.

At issue is whether they can do so on their own and without a lawyer.

Jeff and Sandee Winkelman believed their 8-year-old son, Jacob, would benefit from attending a private school that specialized in autism. However, school officials in Parma, Ohio, placed him in a public elementary school, and an administrative hearing officer upheld the school district's decision.

The Winkelmans sent their son to the private school for one year, at a tuition cost of $56,000, and went to federal court to seek reimbursement from the school district.

A federal judge and the U.S. appeals court in Cincinnati ruled the parents could not sue in court without a lawyer.

Jean-Claude Andre, a Los Angeles lawyer, petitioned the Supreme Court to hear their case. He cited an Education Department study that said the nation had nearly 7 million children with a disability, and of these, about a third came from families with annual incomes of $25,000 or less.

"For the overwhelming majority of these families, like the Winkelmans, the cost of retaining a lawyer is prohibitive," he said. U.S. Solicitor General Paul D. Clement also urged the justices to take up the case of Winkelman vs. Parma City School District and to rule for the family.

Both cases will be argued before the high court early next year and decided by June.

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Convicted Killers See New Trial Over Court Chaos (NYT)

By Michael Brick

The New York Times, October 28, 2006

The crime scene was the courthouse, and the witnesses were lawyers, court officers, a court reporter and a judge. The indictment described the momentary chaos of an afternoon last winter.

"It happened right here," said the prosecutor, Robert J. Walsh, addressing the jury and motioning toward the defendants. "They tried to escape."

But when testimony began this week, witnesses offered all the complexity of the world outside the courthouse.

Had one of the men signaled to start the attack? Had the other said his intent was suicide? Were the makeshift knives found in their clothing or on the floor? Where had the armed court sergeant and the unarmed judge been standing?

The men at the defense table in State Supreme Court in Brooklyn last January, Kayson Pearson, 24, and Troy Hendrix, 22, had been on trial for kidnapping, raping and killing Romona Moore, a third-year psychology student at Hunter College. She was savagely tortured. The maximum penalty was life. On Jan. 19, the trial ended abruptly.

Courthouse disturbances do not make for predictable cases. Some defendants who live to tell about them are acquitted, like Angela Davis in California in 1972 and Jose Dominguez in the Bronx in 1991. In Missouri, a man convicted in the courthouse where he had killed his wife in 1992 awaits a new trial on account of the venue. In Atlanta, defense lawyers have asked to move the trial of a man who escaped the courthouse in March 2005.

Mr. Pearson and Mr. Hendrix never did stand much of a chance to escape. The court clerk behind his desk could push a button to summon backup. His hand gripped the holster of a handgun. The holster he had unclipped.

The court sergeant's holster was made to lock if you fought him for the 9-millimeter Glock loaded with 16 hollow point bullets. The sergeant was 58 years old and 5 feet 10 inches tall, and he would swear that he still had it in him to body slam a young man with his off hand. Next door, a trial for the killing of two police detectives had attracted idle, displeased police detectives.

But timing for a getaway did not look to improve. For three years, hearings had convened high up in the 32-story courthouse, where the elevators were the only way out.

On the second day of the trial, proceedings moved to a room equipped to seat two juries, beside an escalator and a wide staircase. By 4 p.m. the building was clearing. Mr. Pearson was dressed in white from jacket to shoes. Romona Moore's mother gave her testimony, the last of the day. Justice Albert Tomei dismissed the jury. Then everybody moved.

"It was the scariest thing I've ever experienced," said Anna-Sigga Nicolazzi, the prosecutor on the case, speaking from the witness stand this week. "There were so many people screaming and saying different things."

In minutes, Mr. Hendrix was lying on the floor, court officers on him. His eyes were red, and mucus ran from his face. His footprint was on the defense table. The sergeant, James A. Gorra, was cut in three places. A court officer had banged his knee, another was wounded in the neck. Somebody was handcuffing Mr. Pearson. A defense lawyer, Mitchell Dinnerstein, was cut in the face and his shirt was full of blood. Around the room, officers found two sharpened ends of plexiglass and a strange weapon that looked like a pair of eyeglass frames with a masonry nail attached.

A mistrial was declared, new lawyers were appointed and the men watched their trial by video from Rikers Island. When it was done, Justice Tomei gave them life sentences. Mr. Pearson was sent to the Upstate Correctional Facility in Malone, and Mr. Hendrix to the Downstate Correctional Facility in Fishkill, 230 miles away. Prison records list their parole eligibility dates as 99/99/9999.

But the Brooklyn district attorney, Charles J. Hynes, who had instructed Ms. Nicolazzi at Brooklyn Law School, did not wait to hear the sentences. On April 4, prosecutors filed a 39-count indictment addressing that January afternoon.

"The courts have to be secured," Mr. Hynes said in an interview. "It's an important thing for the morale of the staff that we don't trivialize the kind of behavior that we allege these guys committed."

The case was assigned to Mr. Walsh, a colleague of Ms. Nicolazzi in the Homicide Bureau. At a plea bargain hearing in June, the defense lawyers, John B. Stella and Philip J. Smallman, requested a trial.

Last week, court officers draped a defense table with black bunting to conceal leg shackles and fitted a prosecution table the same way. Sweatshirts were obtained to replace prison jumpsuits.

The judge, James G. Starkey, betrayed little patience. He ordered jury selection to begin despite his own minor surgery and a funeral Mr. Smallman wanted to attend.

The defendants entered in their new sweatshirts and leather restraining belts. They sat side by side. Mr. Pearson seemed alert and reacted to the proceedings, sometimes whispering to Mr. Hendrix.

Jury selection took three days. The lawyers described the nature of the murder trial, but not its outcome.

"Is this case to try whether they're guilty of trying to escape?" asked one woman, who was eliminated. "If they tried to escape in front of everybody, it's there for everybody to see."

Other candidates made the opposite assumption. One man said: "I would figure the rape and the murder would be more of an issue than them trying to run. I feel like they don't have enough evidence on that case, so you're trying to get them on this."

With 11 jurors sworn in, Justice Starkey asked whether the defense would challenge the next candidate, a woman who appeared fit from summers as a lifeguard. The defendants were giggling. Mr. Stella stood in front of his client and put his hands on the table. "This is the 12th juror," he said. Then he turned and told the judge Mr. Pearson had overruled his legal advice. The prosecutor consented without hesitation, and the woman became Juror No. 12. She looked to be about Ms. Moore's age.

As the trial began, Mr. Walsh told jurors the facts were simple. "This is not a case," he said, "where a crime was committed on the street, the defendants were arrested two weeks later and the jury is left to wonder whether they got the right guy."

Several witnesses said Mr. Hendrix had jumped the table and wrestled Sergeant Gorra for his gun. Sergeant Gorra testified to stiff-arming him airborne and slamming him down. But Court Officer Dennis Cherry recounted applying a neckhold while Court Officer Joseph Dentici swept his legs.

The defense lawyer who had been stabbed, Mr. Dinnerstein, said he had received no stitches, though others said his shirt was soaked with blood. The law defines injury, and serious injury, too. Mr. Walsh submitted hospital records, photographs and weapons as evidence.

And the defense lawyers tested memories. Mr. Stella, who paces the gallery during cross-examination, and Mr. Smallman, who wears an American flag lapel pin, asked each witness about positioning and timing.

Ms. Nicolazzi, the prosecutor from the murder case, gave lawyerly yeses and noes, then described her observations. During her testimony, a public-address system announced the lights would flicker for generator tests. Some jurors shifted in their seats.

From the courtroom next door, Justice Tomei came and gave his account.

"I heard gun, gun, gun, that's all I heard," he testified. "As soon as I heard that, I said, 'I'm out of here.' "

A police detective demonstrated efforts to handcuff Mr. Pearson but said finding the weapon was a blur.

"It was all kind of like one motion," said the detective, Timothy O'Brien. "It's kind of hard to pinpoint A and B and C happened."

Then the prosecutor rested his case. Mr. Pearson and Mr. Hendrix were taken to the Manhattan Detention Complex, where they have the weekend to decide whether they want to testify. It promises to be among the last free choices anybody asks them to make. The year 9999 is not coming soon.

Baby Girl's Death In Brooklyn Is Ruled A Homicide By Officials (NYT)

By Cara Buckley And Daryl Khan

The New York Times, October 28, 2006

A 13-month-old girl died early yesterday after being found unconscious in her Brooklyn home, and her death has been declared a homicide by the medical examiner's office. The police have not identified any suspects.

A spokeswoman for the medical examiner's office said the baby had skull fractures and other injuries, and the police said her body was bruised.

The police said that the baby's mother, whom they identified as Antigua Lucas, 19, told them that she had found the baby, Teira Lewis, not breathing around 2:15 a.m. Ms. Lucas said that Teira had been sick at 11:30 p.m., but that she managed to soothe the baby to sleep, according to the police.

After finding the baby unresponsive, Ms. Lucas said, she rushed out of her second-floor apartment at 270 Glenmore Avenue in East New York, the police said, frantic and looking for help. She flagged down a private sanitation company worker, who called 911, the authorities said.

The baby was taken to Brookdale University Hospital and Medical Center and declared dead at 3 a.m., the police said. The Administration for Children's Services was investigating the death.

Neighbors at Ms. Lucas's building, which sits on a desolate stretch of road lined with industrial warehouses and boarded-up homes, said a worker from the child welfare agency had inquired about the baby's well being about four months ago. The agency would not confirm that claim. But, according to neighbors and the building's landlord, Teira had always appeared to be well kept and happy.

The landlord, who would not give his name, said Ms. Lucas and Teira were the only people listed on the apartment's lease, though one neighbor said she saw Ms. Lucas's male companion with the baby around 6 p.m. Thursday. But, according to the police, Ms. Lucas said she was alone in the apartment when she discovered that Teira could not be woken.

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Police Say Malvo Confessed To Killing Arizona Golfer (USAT/AP)

USA Today, October 28, 2006

TUCSON (AP) — Convicted Washington-area sniper Lee Boyd Malvo confessed to police that he and cohort John Allen Muhammad were responsible for the 2002 killing of a 60-year-old man on a Tucson golf course, Tucson authorities said Friday.

Malvo said he was sorry for the family of Jerry Taylor, said Detective Benjamin Jimenez of the Tucson Police Department.

"He welled up a few times in tears during the interview," Jimenez said.

Malvo spoke to police in Maryland for two hours Thursday after he received immunity from prosecution, Tucson Capt. Bill Richards said. Malvo said the shooting took place while he and Muhammad were in the area visiting Muhammad's older sister, Richards said.

Tucson police had long sought to speak with Malvo about the March 19, 2002, death of Taylor, 60, who died from a single gunshot fired from long range as he practiced chip shots at the golf course. The case had never been conclusively tied to Muhammad and Malvo.

Jimenez said Malvo lay in the bushes and shot Taylor as he was retrieving a golf ball. According to Malvo, the two decided to shoot someone on the golf course after conducting surveillance in the desert, Jimenez said.

Taylor's daughter, Cheryll Witz, said Malvo's confession brings closure for her and will allow her to move forward. She said she wrote Malvo a five-page letter in June imploring him to talk to Tucson detectives.

"I needed to know. I really need to forgive him. I do believe that he was brainwashed and I do truly believe that he was made to kill my father," she said.

Tucson police Chief Richard Miranda said Tucson detectives were participating in the Washington-area sniper investigation and noticed similarities between those cases and Taylor's.

Richards said Malvo agreed to testify against Muhammad if Arizona authorities bring charges. He said police are still investigating and have not submitted the case to prosecutors.

Muhammad and Malvo were arrested for 10 killings and three woundings in the Washington, D.C., area during three weeks in October 2002. They were accused of roaming the area with a Bushmaster .223-caliber rifle that they fired from the trunk of a Chevrolet Caprice at random victims.

Malvo is serving a life term in Virginia for sniper shootings. He is in Maryland awaiting sentencing for six sniper killings in Montgomery County.

The two are suspects in earlier shootings that year in Alabama, Georgia, Louisiana, Maryland and Washington state, and news reports have linked them to shootings in Florida, Texas and California.

Both were convicted of separate Virginia killings in 2003. Muhammad was sentenced to death while Malvo was given a life term.

They were sent to Maryland last year to stand trial for six killings in Montgomery County. Muhammad was convicted in May. Malvo, who pleaded guilty, is to be sentenced Nov. 9.

Professor Accused Of Spying For Cuba Won't Be Released Before Trial (MH)

By Jay Weaver

The Miami Herald, October 28, 2006

A Florida International University professor charged with being an unregistered agent of Cuba's communist government won't be released before trial, a Miami federal judge ruled Friday.

Carlos Alvarez, 61, who is accused of informing on the exile community for Cuban leader Fidel Castro's intelligence arm, could flee to Cuba if he's freed before the January trial, U.S. District Judge K. Michael Moore said. He denied Alvarez's bid for bond.

The father of five has been detained at the Federal Detention Center in downtown Miami since January, when he was arrested along with his wife, who faces the same charge but is free on bond.

"The evidence has shown that the government of the Republic of Cuba appreciates the work that [Alvarez] has performed for it and has acknowledged his efforts with commendations," Moore wrote. ``It is, therefore, a substantial likelihood that defendant would choose to flee."

Alvarez's lawyer, Steve Chaykin, said he could not comment because he was out of town and had not read the ruling.

In the decision, Moore takes a harsh view of Alvarez, a longtime FIU psychology professor, who was charged along with his wife, Elsa, an FIU counselor. After her initial detention, she was released in June.

Moore noted then that the ``weight of the evidence against defendant Elsa Alvarez was substantially different than that against Defendant Carlos Alvarez."

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He gave self-incriminating statements to FBI agents in the summer of 2005 because he believed they would not charge him if he cooperated with them. His lawyer has asked the judge to suppress that evidence, the core of the U.S. attorney's case against him.

Prosecutors say Carlos Alvarez allegedly operated as an agent of Cuba from 1978 to July 2005, traveled to Cuba at least 12 times during that period, and met with Castro agents in New York and Mexico. In 2002-04, he also "persisted in maintaining contact with the Cuban Intelligence Service over the objections of his wife," according to court records.

In the 14-page ruling, Moore said Alvarez ``was willing to divulge private information about persons in the community and conceal his efforts to do so by using encryption [on computer disks] and other evasive strategies."

Moore stopped short of saying Alvarez was a danger to the community, another factor considered for bond.

The judge said Alvarez might pose a ``hypothetical danger."

The Alvarez couple, if convicted, face up to 10 years in prison.

Feds In Wyo. Take Over Colorado Ad Probe (WP/AP)

By Steven K. Paulson, The Associated Press

The Washington Post, October 28, 2006

DENVER -- The FBI said Friday that Wyoming officials would take over an investigation into a Colorado gubernatorial candidate's campaign ad to avoid potential conflicts of interest after authorities learned a Denver-area federal agent may have been involved.

The investigation is examining whether GOP Rep. Bob Beauprez accessed a restricted federal database for information used in a television ad to attack his Democratic challenger, Bill Ritter.

Beauprez has denied any wrongdoing and has refused to disclose the name of the person who gave his campaign the information.

"It's important this thing comes to a close quickly. Right now, we have no indication we are even the subject of an inquiry," Beauprez spokesman John Marshall said.

FBI spokeswoman Rene VonderHaar said the U.S. attorney's office in Denver recused itself from the case when it learned of the possible involvement of a Denver-based federal agent. The Department of Justice transferred control of the investigation to its Cheyenne, Wyo., office, she said.

Cory Voorhis, a federal Immigration and Customs Enforcement agent and registered Colorado Republican, provided the information, a person in government who was briefed on the investigation told The Associated Press last week. The person spoke on condition of anonymity because of the investigation.

Voorhis has not publicly commented.

Spokesmen for the U.S. attorneys in both states refused to comment. ICE officials have not returned calls.

The ad suggested Ritter, a former Denver district attorney, was soft on illegal immigration, saying he accepted a plea bargain with an illegal immigrant arrested in Colorado who was later accused of sexually assaulting a child in California. The ad said the plea bargain didn't require deportation.

State investigators, acting on accusations of wrongdoing by Ritter's campaign, concluded the information came from the National Crime Information Center, a federal database that is supposed to be limited to law-enforcement use. The FBI has launched its own investigation.

Using the database for any purpose other than law enforcement is a federal crime punishable by up to a year in prison.

Pataki Picks Ex-Prosecutor To Weigh In On Hevesi Case (NYT)

By Michael Cooper

The New York Times, October 28, 2006

ALBANY, Oct. 27 — Gov. George E. Pataki appointed a former federal prosecutor on Friday to determine whether the ethics case against Comptroller Alan G. Hevesi for using a state worker to chauffeur his wife was strong enough to seek his removal from office.

Mr. Pataki, who cut short a trip to Hungary to deal with the Hevesi affair, had been expected to announce his decision on whether to invoke a little-known law to call the State Senate into special session to consider removing Mr. Hevesi. But Mr. Pataki, a Republican who leaves office at the end of the year, said he wanted to take the extra step of having an outside expert review the case before calling for the removal of Mr. Hevesi, a Democrat who is seeking re-election, less than two weeks before the election.

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"This is a provision of the law that, to the best of our knowledge, has never been used," Mr. Pataki said. "And it is an extraordinary act for officials to overturn an election of a statewide elected official after a vote by the people of New York, and obviously it's something that, if it's used at all, has to be used cautiously and with great, great care."

So Mr. Pataki appointed David N. Kelley, a former United States attorney for the Southern District of New York, to review the case. Mr. Kelley — who has prosecuted terrorism cases and who won high-profile convictions against Martha Stewart and Bernard J. Ebbers, the former chief executive of WorldCom — is a registered Democrat who won the praise of people within his party for his work as a prosecutor.

The governor said he expected Mr. Kelley to report back to him "within the week," which could lead Mr. Pataki to announce his intentions shortly before the Nov. 7 elections.

Mr. Hevesi, who unexpectedly finds himself fighting for his political life, reacted to the governor's announcement by saying, "As a result of this decision, five million voters will choose their next comptroller, and that's as it should be."

On Thursday, Eliot Spitzer, the state attorney general and the Democratic nominee for governor, withdrew his support of Mr. Hevesi, and several Democrats running in close local elections have followed suit, distancing themselves from the scandal. Most newspaper editorials in the state have backed J. Christopher Callaghan, the largely unknown Republican who is running to unseat Mr. Hevesi.

Republicans are pouncing on the Hevesi case to energize their base in an election season that many Republicans had privately feared would be a rout.

On Friday John Faso, the Republican candidate for governor, and Jeanine F. Pirro, the Republican candidate for attorney general, both released television ads seeking to tie their opponents to Mr. Hevesi. And the state Republican Party released an ad on behalf of Mr. Callaghan, whose campaign has so far lacked the money to broadcast its own ads.

By taking even an incremental step that could lead to removal proceedings, Mr. Pataki was steering the state into uncharted waters. Pataki administration officials said they did not believe any statewide elected official in New York had been removed from office since 1913, when Gov. William Sulzer was impeached.

There are two tracks for removing an official. The Democratic-led Assembly can begin impeachment proceedings, but given Assembly Speaker Sheldon Silver's support for Mr. Hevesi, that is considered unlikely. Or the governor can call the Republican-led Senate into session for a trial to remove Mr. Hevesi, which would require the votes of two-thirds of the 62-member Senate, and therefore 7 Democrats among them.

But the way forward is far from clear. The governor said that the law allowing him to seek the removal of an official by the Senate did not appear to have ever been used, and that it gave little guidance in what such a trial might look like, saying only that the Senate shall have the power to make such rules "as it may see fit."

If the governor decides to proceed, Mr. Kelley is likely to present the case against Mr. Hevesi to the Senate, much like a prosecutor. Mr. Hevesi would then have an opportunity to be heard.

Aides to the governor said that if Mr. Hevesi is removed from office, the governor can probably pick a replacement to serve out his term. If Mr. Hevesi resigns, the Legislature as a whole will get to choose a successor, giving the choice to the Democrats.

Blair Horner, the legislative director of the New York Public Interest Research Group, said that it was important for the Senate to establish fair rules, and raised concerns that several senators, including Joseph L. Bruno, the Republican majority leader, had already called for Mr. Hevesi to resign or made statements implying that they thought Mr. Hevesi was guilty. "How can they say they are impartial at trial?" he asked.

A spokesman for the Senate said that the senators would be able to have an open mind when they heard the case.

Mr. Hevesi made it clear in an interview taped Friday with Gabe Pressman for WNBC's "New Forum" that he was still running.

"What I'm doing now, which is a little short of two weeks before an election, is saying to the citizens of New York State: I made a mistake, I really did, a beaut," he said in the interview. "And it's caused me a lot of grief, and I deserve it. But I would like you to analyze that in the context of a 35-year career of service."

New York's Pataki Calls For Review Of Hevesi Findings (Update2) (BLOOM)

By Michael Quint And Martin Z. Braun

Bloomberg, October 28, 2006

Oct. 27 (Bloomberg) -- New York Governor George Pataki today named a former U.S. attorney to review ethics charges against Alan Hevesi, a step that may lead him to recommend that the State Senate remove the comptroller from office.

The governor, a Republican, said he named David Kelley to review the findings to determine ``whether a strong legal case for removal exists." Pataki said he hoped he could have a report from Kelley, who served as U.S. attorney for the Southern District of New York, within a week.

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``I don't want to proceed until I am 100 percent confident that a strong case exists that Mr. Hevesi should be removed," Pataki told reporters at his Manhattan office. ``And if in fact that's Mr. Kelley's determination, I will then make the recommendation that the Senate conduct its trial."

Pataki, who leaves office Dec. 31, acted after the state Ethics Commission this week said Hevesi improperly used staffers as his wife's chauffeur and didn't show any intention of repaying the state until his opponent in the Nov. 7 election exposed the practice. New York Attorney General Eliot Spitzer, a Democrat who is leading in the race for governor, yesterday withdrew his endorsement of Hevesi, also a Democrat, for re- election as the state's fiscal watchdog.

Criminal Probe

Hevesi's once-commanding lead over Republican J. Christopher Callaghan is evaporating, according to a WNBC/Marist poll.

Hevesi's actions are also under criminal investigation by Albany County District Attorney David Soares, who has been conducting interviews and issuing subpoenas. Spitzer's office is looking into whether Hevesi's payment of nearly $83,000 was adequate.

Speaking to reporters after Pataki's news conference, Hevesi said, ``As a result of this decision, five million voters will decide who the next comptroller will be, and that's as it should be." He declined to answer questions.

Pataki, asked if Hevesi should resign, said, ``I think he should take a hard look at where he stands right now. You know, his own running mate, Eliot Spitzer, said that he's compromised his ability to fulfill his responsibilities."

The governor said, `This is a sad day for New Yorkers. We have to have confidence in not just our electoral process but also our elected officials, and I will do everything in my power to make sure that continues to be the case for the people of New York."

Prosecutor Background

Pataki said Kelley would get more than a week if needed it, and probably would present the case to the Senate if there is a decision to proceed with it. Kelley served in the U.S. attorney's office in New York from 1988 to 2005 before joining law firm Cahill, Gordon & Reindel in September 2005.

Prior to his appointment as U.S. attorney in 2003, he was named co-chair of the Justice Department's investigation into the Sept. 11 terrorist attacks. He personally prosecuted John Walker Lindh, dubbed the ``American Taliban." As a U.S. attorney, he also served as a member of President George W. Bush's Corporate Fraud Task Force and the Attorney General's Advisory Committee for White Collar Crime.

``It is an extraordinary act for officials to overturn an election of a statewide elected official after a vote by the people of New York, and obviously it's something that if it's used at all has to be used cautiously and with great, great care," said Pataki, who cut short a trip to Hungary to deal with the Hevesi case.

Won't Quit

Should the governor recommend that Hevesi be removed from office, the 62-member Republican-controlled Senate would meet jointly with the seven judges on the Court of Appeals to hear evidence and Hevesi's defense. A two-thirds vote is required to oust Hevesi, who oversees the state's $142.6 billion retirement system, the second-biggest public pension in the U.S.

Hevesi, 65, in a televised debate with Callaghan earlier this week, said he wouldn't resign and refused to comment on what he would do if indicted.

State Senate Majority Leader Joseph Bruno told reporters in Troy today that if Hevesi is re-elected and the Senate acted to remove him before the end of this year, ``after Jan. 1 we have to go through it all again." Bruno is the leader of the 35 Republican senators who are a majority in the Senate.

``I don't believe he will be re-elected," Bruno said. He said Hevesi ``has lost all credibility as a fiscal watchdog."

Poll Plunge

The ethics scandal has drawn attention to a contest that until recently has been overshadowed by the governor's race, U.S. Senator Hillary Clinton's bid for a second term and the battle between Republican Jeanine Pirro and Democrat Andrew Cuomo to succeed Spitzer as attorney general. The scandal has cost Hevesi, who as comptroller oversees the second-largest U.S. public pension, a once-commanding lead.

A WNBC/Marist Poll conducted yesterday found 50 percent of likely supporters supporting Hevesi and 38 percent for Callaghan, a former treasurer of Saratoga County. The 12 percentage point margin was down from 40 points just six days earlier. When voters were told Spitzer withdrew his endorsement of Hevesi, the race became a virtual tie: 44 percent for Hevesi and 43 percent for Callaghan.

Doolittle Legal Fate Uncertain (SACBEE)

By David Whitney, Bee Washington Bureau

The Sacramento Bee, October 28, 2006

Voters go to polls not knowing if he'll face Abramoff case charges.

Voters in the 4th Congressional District will go to the polls Nov. 7 to decide whether Rep. John Doolittle deserves an eighth term without knowing whether he will face federal prosecution in connection with the ongoing investigation of disgraced lobbyist Jack Abramoff.

The Roseville Republican, who once called Abramoff a good friend, has not been called before a grand jury or otherwise been publicly identified by the Justice Department as being under investigation.

"We are not going to confirm or deny investigations into any individuals," said Brian Sierra, spokesman for the Justice Department's criminal section.

The only congressman to have pleaded guilty in connection with Abramoff is Rep. Bob Ney, R-Ohio, who pleaded Oct. 14 to conspiracy and making false statements and is awaiting sentencing.

Doolittle's long relationship with Abramoff, however, included elements of the kind that contributed to the legal troubles of many of the eight people, including congressional aides and lobbyists, who already have pleaded guilty.

Doolittle has insisted he's done no wrong and is paying a prominent criminal attorney in Virginia to clear his name. The legal tab so far is about $50,000.

The attorney, David Barger, stressed that he had been told by the Justice Department last week that "Congressman Doolittle is not a target of its investigation."

But other criminal defense attorneys said the fact that the Justice Department has not identified Doolittle as a target means little because that typically doesn't happen until all the evidence is gathered and charges are imminent.

"Saying that someone is not a target doesn't really tell you much," said Lawrence Barcella Jr., a former deputy chief of the Justice Department's major crimes division who has extensive experience defending prominent officials charged with political corruption and other white-collar crimes.

"All it means is that the Justice Department is not ready to charge you immediately," Barcella said. "It doesn't necessarily mean you don't have potential jeopardy."

The Democratic Congressional Campaign Committee isn't waiting for official confirmation.

"Do we really want to elect a congressman who might be on his way to jail?" says a mailer the committee sent to voters last week.

"Eight people have been convicted in the Jack Abramoff bribery scandal," it says. "The facts say John Doolittle is likely to be next."

Charlie Brown, Doolittle's Democratic opponent, has tried to paint the Roseville Republican as part of the "culture of corruption" in Washington and has suggested on the stump that Doolittle will be indicted after the election.

Speaking at a fundraiser in Davis earlier this month, Brown said of Doolittle: "First we'll vote him out of office, then we will wait for the indictments."

Doolittle's campaign spokesman, Richard Robinson, called Brown's statement an act of desperation.

The most concrete piece of independent evidence that Doolittle was at least looked at by the Justice Department is in the records of the clerk of the House.

A woman named Tonya Walker, describing herself as a "secretary on behalf of work" but identified elsewhere as working for the Justice Department, went to the clerk's office in August 2005 and registered to review financial disclosure reports Doolittle filed for 2002 and 2003.

Walker also looked at records of other House and Senate members who had been linked to Abramoff, including six years of filings for Doolittle's former chief of staff, David Lopez.

Doolittle's office dismissed this as meaningless.

"No one knows what the Justice Department was looking for considering it pulled records from all sorts of people who had no relationship whatsoever to Mr. Abramoff," said Laura Blackann, the congressman's spokeswoman.

In Abramoff's signed factual basis for his plea to corruption of public officials, he admits to offering "things of value to public officials in exchange for a series of official acts and influence and agreements to provide official action and influence."

Among these "things of value" were election support, employment for relatives and campaign contributions, all of which Doolittle received.

Doolittle accepted $14,000 in direct campaign contributions from Abramoff and $130,000 more from the lobbyist's clients and associates. Doolittle also used Abramoff's skybox at the MCI Center for a 1999 fundraiser in conjunction with a Washington-Sacramento NBA game.

Additionally, the company of Doolittle's wife, Julie, was hired by Abramoff's law firm from September 2002 to February 2004, receiving more than $66,600.

Her company was initially hired to raise money for a fundraiser for an Abramoff charity; she stayed on the payroll for months after that event was canceled.

A federal grand jury investigating Abramoff subpoenaed records related to her work for Doolittle. But John Doolittle said in February that federal investigators later asked for information about his wife's other clients, which would have included him since his campaign pays her a commission for fundraising work.

Doolittle may have been trying to get his wife on Abramoff's payroll as early as 2000, according to a recently disclosed e-mail written by Kevin Ring, a former Doolittle staffer who later was hired by Abramoff.

In the e-mail to Abramoff, Ring quotes Lopez as saying the congressman was excited about the possibility of his wife taking a job for an Abramoff charity and was eager to talk to the lobbyist. The Doolittles say they have no recollection of that.

In addition, Doolittle assisted Abramoff's efforts to win renewal of a contract in 2000 representing the Commonwealth of the Northern Mariana Islands.

Abramoff admitted in his plea deal that he had provided travel for senior members of Ney's staff to go to the Northern Mariana Islands in January 2000 to help him "in obtaining and maintaining lobbying clients."

But three months earlier, in October 1999, Doolittle had publicly worked to elect the commonwealth politician responsible for helping Abramoff get the $100,000-a-month lobbying contract.

In his defense, Blackann said that "the congressman has long been a supporter of the CNMI regardless of whether it was being represented by Mr. Abramoff."

In an interview with The Bee in February, Doolittle said he didn't think anything he did in connection with Abramoff and his clients was wrong, but he acknowledged Abramoff might have a different recollection when, as part of his plea deal, he sat down to tell all to federal prosecutors.

" ... I certainly don't think what he has pled guilty to was part of our relationship, at least not on my end it wasn't, I can say with a certainty," Doolittle said of Abramoff. "But, uh, I don't know what he is saying on his end." About the writer:

The Bee's David Whitney can be reached at (202) 383-0004 or dwhitney@mcclatchydc.com.

BX. PIMP COPS A PLEA (AP)

By Ap

AP, October 28, 2006

October 28, 2006 -- A Bronx man admitted yesterday that for six years he managed a multi-city prostitution ring that included underage girls.

In pleading guilty to two federal charges in Trenton, Matthew Thompkins, 38, said the ring ran from 1999 to December 2005 in Atlantic City, Boston, Las Vegas, Miami and New York. He is the seventh member to plead guilty in the case, according to the U.S. Attorney's Office.

Thompkins pleaded guilty to conspiracy to transport minors to engage in prostitution, which carries a sentence of five to 30 years in prison and a fine of up to $250,000, and conspiracy to engage in money laundering, punishable by up to 20 years in prison and a fine of $250,000 or twice the loss to victims. Sentencing is to be March 2.

The ring took in at least $800,000, officials said. Members would convert the proceeds into money orders of less than $3,000, the legal reporting limit.

A woman who pleaded guilty in June to conspiracy to transport minors for prostitution said she was 16 when she met Thompkins in New York in 1999 and joined the ring. She said she earned him $222,188 in 2004 - yet was paid only $20 a day.

Thompkins agreed to forfeit $748,243, one New Jersey and three New York properties, and eight vehicles belonging to the ring, authorities said.

Mailman Pimp Awaits Delivery To Jail (NSL)

By John P. Martin, Star-ledger Staff

Newark Star-Ledger (NJ), October 28, 2006

New Yorker admits to raking in millions with nationwide ring

A New York mailman admitted yesterday that he ran a sprawling multimillion-dollar network that shuttled prostitutes as young as 13 from Atlantic City to Las Vegas and cities in between.

Standing in a federal courtroom in Trenton, Matthew Thompkins acknowledged building and training a "stable" of young prostitutes, housing them in apartments and homes in New York and New Jersey, and hiding millions of dollars in illegal sex proceeds in their names.

His arrest last December by the FBI followed an unusual foray by federal investigators into a crime typically left to local police.

But prosecutors said Thompkins, for years known only by his nickname, "Knowledge," wasn't the typical pimp. He ran his operation so proficiently that his counterparts in the sex-trade industry gave him the ultimate honor three years ago: a 4-foot-high trophy declaring him "International Pimp of the Year."

"He was the master pimp," Assistant U.S. Attorney Jason Richardson said.

Thompkins, 37, pleaded guilty to conspiring to launder money and transport minors across state lines for prostitution. His plea agreement calls for between 10 and 24 years in prison. U.S. District Judge Freda Wolfson set sentencing for March 2.

The plea followed similar admissions from six other defendants. Some cooperated with the FBI; none has been sentenced.

The Justice Department highlighted Thompkins' arrest in December as part of Operation Innocence Lost, a national crackdown on underage prostitution. The year-long probe involved investigators from the FBI, New Jersey State Police, the U.S. Postal Service Inspector General's office, and officers in Atlantic City, Pleasantville and Egg Harbor.

Once an imposing 350 pounds, Thompkins had shed nearly a third of his weight when he was led into court yesterday wearing a brown prison jumpsuit, handcuffs and ankle shackles. He waved briefly at more than a dozen relatives who filled three courtroom benches.

"Between 1999 and December 2005, were you a pimp, that is, did you run a prostitution enterprise business?" the judge asked, one of more than 40 questions to spell out the crime.

"Yes," Thompkins replied.

Investigators said Thompkins counted as many as 60 women in his "stable" over the years, sometimes trading them with pimps in other cities. He required each to keep meticulous records, gave them rooms and $30 a day and demanded receipts to track their spending.

Thompkins wasn't accused of using violence against the women, but agents said some of the women were threatened, especially after they began cooperating with authorities. Many said they had been eased, not pushed, into the world of prostitution by Thompkins or others.

"Smooth talk: These guys had the gift of gab," FBI Special Agent Daniel Garrabrant said.

Once in the ring, few managed to get out, he said. The women charged up to $1,000 a night for sex, and passed it all to Thompkins. One prostitute earned $222,000 in a year, prosecutors said.

With the proceeds, Thompkins lived large. He had a fleet of luxury cars, including a Mercedes-Benz and Cadillac Escalade, that were seized in the ring. He agreed to forfeit eight cars, $748,000 and four properties, including a three-story home in Galloway Township, eight miles outside Atlantic City.

Some of the money he hid in bank accounts under the prostitutes' names or in his fledgling New York recording studio, Hoodlum Records.

Thompkins, who has been held without bail, did not explain his actions but will get a chance to address the judge at sentencing. His defense attorney, Mitchell Elman, declined to comment.

An employee of the Postal Service since 1994, Thompkins agreed to resign as part of his plea. He was promoted to letter carrier about six years ago, though it was not clear when he stopped delivering the mail.

Richardson, the prosecutor, said the postal service wanted to fire Thompkins years ago, but couldn't serve him with termination papers because they couldn't find him.

John P. Martin covers federal courts and law enforcement. He may be reached at jmartin@starledger.com or (973) 622-3405.

Seminole Man Charged In Online Hacking Plot (TAMPTRIB)

By Elaine Silvestrini, The Tampa Tribune

Tampa Tribune, October 28, 2006

TAMPA - A Seminole man slowed a Massachusetts company's Web site by electronically hijacking other people's computers and directing them to launch an attack, a federal criminal complaint alleges.

Federal authorities in Massachusetts charged John Bombard, 32, with two counts of intentionally accessing a protected computer without authorization, charges that carry a maximum of two years in federal prison.

The complaint charges Bombard with hacking into two computer systems June 15, 2004, to establish a "bot" network of compromised computers from which he launched a denial of service attack on Akamai Technologies servers.

A bot, short for robot, is a computer program that seeks vulnerable computers and runs silently in the background until it receives directions from a controlling computer.

According to the Justice Department, some experts think networks of bots, also called "botnets," now send up to three-quarters of all spam.

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A denial of service attack is one in which many compromised computers attack a single target, consuming the target's bandwidth or overloading its resources. Legitimate users of the targeted system are unable to use its services.

The federal charges say Bombard used a variant of the Gaobot worm to infect networks of computers at two major universities, which are not named. The complaint also doesn't say how many computers were used in the attack.

Akamai, headquartered in Cambridge, Mass., distributes online content and business processes over a network of computer servers.

The charges allege that, on the day of the attack, Akamai suffered a significant increase in Web traffic to a number of its domain name system servers. The affected customers' Web sites were rendered inaccessible or had their access slowed.

Bombard's attorney did not return a reporter's call seeking comment.

Federal authorities declined to specifically discuss Bombard's case.

John Lynch, deputy chief for the Justice Department's Computer Crime and Intellectual Property Section, said botnets are a growing problem, however.

Experts say people can protect their computers by using firewalls, antivirus programs and spyware protection.

Reporter Elaine Silvestrini can be reached at (813) 259-7837 or esilvestrini@tampatrib.com.

Jury Spares Convicted Murderer From Death Penalty In Puerto Rico (FINDLAW/AP)

By Yaisha Vargas, Associated Press Writer

AP, October 28, 2006

(AP) - SAN JUAN, Puerto Rico-A jury sentenced a man to life in prison Friday for murder instead of giving him a death sentence sought by prosecutors in a case that sparked renewed opposition to capital punishment nearly 80 years after it was outlawed in this U.S. territory. Carlos Ayala Lopez wept and hugged his attorney after hearing the verdict. Ayala was found guilty three months ago of killing Jose Rodriguez Reyes, a guard at the Veteran's Medical Center in suburban Rio Piedras, in 2002.

Critics, including the governor and Catholic church leaders, spoke out against federal prosecutors' decision to seek the death penalty. Puerto Rico abolished capital punishment in 1929. The last execution was in 1927, when a man was hanged for murder.

Federal prosecutors can seek the death penalty in some cases because Puerto Rico is subject to U.S. federal law. Federal prosecutors claimed jurisdiction in Ayala's case because the killing took place at a federally run institution.

Prosecutors said Ayala shot Rodriguez while trying to steal his gun for a planned drug trafficking operation.

The jury of six men and six women, which convicted Ayala in July, reconvened for the penalty phase of the trial and deliberated for about six hours before delivering the sentence.

Rodriguez's family members said they had hoped Ayala would be executed.

"As long as Puerto Rico doesn't impose death sentences, they won't understand the pain suffered by a family that loses a relative," said Nardelis Rodriguez, the guard's daughter. "It's not a matter of revenge. They killed a good person."

During the trial, protesters held a vigil outside the courthouse. Puerto Rico Gov. Anibal Acevedo Vila, who has urged the U.S. Justice Department not to seek the death penalty in Puerto Rico, said a death sentence in the case would be a "collective tragedy." In May, the Puerto Rican legislature approved a resolution reaffirming the island's anti-death penalty stance.

Death penalty opponents declared victory after learning of the verdict.

"We're very happy there's no death sentence in this case because Puerto Rico doesn't deserve that," said Edgardo Roman, a leader of the Coalition Against the Death Penalty.

Porter Releases Phone Records, Schedules (LVS)

By Tony Cook, Las Vegas Sun

Las Vegas Sun, October 28, 2006

Former aide sticks by his claims

U.S. Rep. Jon Porter released phone records and copies of his daily schedule Friday that he claims disprove a former staffer's allegations that the congressman made illegal fundraising phone calls from his government offices in Henderson and Washington, D.C.

While the records - which in some cases had names and phone numbers blacked out - do not prove that the allegations are false, they appear to conflict with some of the charges leveled by Porter's one-time executive assistant and scheduler, Jim Shepard.

The records show, for example, that Porter made fundraising and other phone calls from a campaign cell phone on April 18, a day when his schedule shows that he was at his district office.

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But his chief of staff, Mike Hesse, said he and Porter were out to lunch when the calls were made, and offered a receipt from about 11:45 a.m. at Sweet Tomatoes to prove it.

Federal law and House ethics rules prohibit lawmakers from making fundraising calls from federal buildings, even if the calls are paid for by a campaign.

Similarly, on April 21, when Shepard claims he witnessed Porter make fundraising calls between 1:30 p.m. and 2:30 p.m. at his Henderson office, Porter's schedule shows that the congressman left for a meeting with Clark County School District officials at 1:15 p.m. and remained out of the office the rest of the day.

Shepard said he remembers the meeting with school officials being delayed and that the schedule - which he kept while he was on Porter's staff - does not match e-mails and call logs he retained. He said he could not share the call logs on the advice of his attorney.

The documents from Porter came on the same day that the U.S. attorney's office turned over a complaint about the calls to the FBI.

"We did receive a referral," said FBI spokesman Dave Staretz. "I can't go into any particulars. We will evaluate the case and determine whether we will open a preliminary inquiry."

In a statement, Las Vegas-based U.S. Attorney Daniel Bogden emphasized that no decision has been made on whether to proceed on the request for an investigation from Nevada Democratic Party Chairman Tom Collins.

"There is a distinction between reviewing a request for an investigation and opening an investigation," Bogden said. "We are not stating that Mr. Porter is under investigation, only that the matter will be referred for review."

Shepard told the Sun last week that he witnessed Porter making fundraising calls on a campaign cell phone from his district office on April 17, 18 and 21, and from his Washington office on June 15 and 16.

The records released Friday by Porter also show that on April 17 Porter made several fundraising phone calls during "call time" allotted in his schedule.

The schedule does not specify a location where the calls were made, but Shepard contends they occurred at Porter's district office.

"I can tell you he was not at the district office," Hesse said. He said he wasn't sure, however, where the calls were made.

On June 15, Porter's schedule shows that no call time was allotted, although Shepard insists Porter made fundraising calls from his Washington office that day.

In phone records provided by Porter for June 15, the names and phone numbers of those he called are blacked out.

Hesse said Porter blacked out the names and numbers of any phone calls that did not occur during a scheduled "call time," a period set aside for the congressman to make calls - professional, personal or political.

The information was blacked out, Hesse said, for privacy reasons.

"We are taking an extraordinary step to prove this is false," Hesse said.

Shepard on Friday stuck by his allegations.

"It is not a complete picture," he said of the records released.

E-mails among Shepard, Hesse and Porter's campaign staff back up his account, Shepard said. Asked about the e-mails, Hesse said he does not remember them and that a search of House computer archives did not turn up any e-mails that Shepard contends he sent to Hesse, including one in which Shepard tells Hesse, "We can NOT let him do this anymore."

Hesse admitted Friday that he did not search for e-mails except those listing him as a recipient. Many e-mails that Shepard points to as proof of his claims were not sent to Hesse.

Hesse also noted that if e-mails were deleted before they were archived, there would be no record of them.

Both Hesse and Shepard agree on at least one thing: Both said they welcome an investigation of the allegations. Tony Cook can be reached at 259-2320 or at tony.cook@lasvegassun.com.

Rolling Admitted Shreveport Murders Before Execution (AP)

AP, October 28, 2006

SHREVEPORT, La. - Before being executed for five Florida murders, serial killer Danny Rolling gave his spiritual adviser a handwritten confession to a grisly murder triple slaying 17 years ago in his home town of Shreveport.

Police and the Rev. Mike Hudspeth released copies of that apology and confession on Friday, two days after Rolling's execution.

Police have long suspected that Rolling stabbed William T. Grissom, 55, his 24-year-old daughter, Julie, and his 8-year-old grandson, Sean, as they got ready for dinner on Nov. 4, 1989, in Grissom's Shreveport home.

They had been sure of it since 1997, when Rolling sent a detailed confession, including a description of the crime scene, to the woman he had married in prison, and she sent it to police, said retired police detectives Don Ashley and Danny Fogger, who had worked on the case.

Since Rolling had pleaded guilty in Florida to killing five college students and his execution was expected, Louisiana authorities saw little reason to try him.

Still, police said Friday, it is a relief to have a signed, public confession.

Hudspeth said that during a two-hour visit on Tuesday, Rolling told him that he had killed the Grissoms, and would give him a written confession the following day. That was the document released at Friday's news conference.

Rolling was executed for killing Sonja Larson, Christina Powell, Christa Hoyt, Tracy Paules and Manny Taboada in 1990 in Gainesville, Fla.

He told a Florida television interviewer in 2000 that he accepted responsibility for the Grissoms' deaths, but stopped short of confessing.

Mafia Figure Is Sentenced To Life Term In 2 Murders (NYT)

By William K. Rashbaum

The New York Times, October 28, 2006

Baldassare Amato, a powerful Bonanno crime family figure who represents the group's traditional Sicilian roots, stood silently with his arms crossed yesterday as a federal judge denounced him and meted out a life sentence for two 1992 Mafia murders.

As the judge, Nicholas G. Garaufis of United States District Court in Brooklyn, tore into him for "using murder as a business tactic," at several points Mr. Amato raised his right hand to his chin and then crossed his arms again in front of his chest.

"Mr. Amato," said the judge, making no effort to mask his disgust, "you're just a plain, wanton murderer and a Mafia assassin. The sentence I'm going to give you, as far as I'm concerned, is a gift."

Mr. Amato, 54, dressed in a gray prison sweatshirt and khaki trousers, appeared unmoved when the judge handed down the life sentence, almost as though it were a cost of doing business. He and his lawyer had both declined to address the court.

After pronouncing the sentence, Judge Garaufis asked the lead prosecutor in the case, Assistant United States Attorney John Buretta, how much of a fine he could levy.

Mr. Buretta said the maximum was $250,000, and the judge levied it.

Mr. Amato, who is known as Baldo and who immigrated to New York from the Sicilian fishing village of Castellammare del Golfo when he was 18, was convicted on July 12 of racketeering conspiracy charges, including the murders of two Bonanno associates.

The jury concluded that he ordered the murder of restaurant owner Sebastiano DiFalco and carried out a second killing himself, shooting Robert Perrino in the head several times.

Prosecutors had presented evidence that the Bonanno family was concerned that Mr. Perrino, a delivery supervisor for The New York Post, might help expose an infiltration of The Post's delivery operation by the crime family.

The judge said that Mr. DiFalco was killed "possibly because Mr. Amato and his Mafia colleagues wanted to take over the business and they might have had a disagreement over price or some other detail."

The six-week trial was a primer on the devastation that federal prosecutors in Brooklyn have wrought on the Bonannos, cutting a swath through the family's ranks and upending its traditions with a growing cadre of informers.

Mr. Amato was also stoical when Judge Garaufis rejected a request by his lawyer, Diarmuid White, for a recommendation that he be sent to a prison in the New York area so his family could visit. "It's for them, your honor," Mr. White said of the family.

The judge was unmoved.

"I have compassion for the defendant's family, and I also have compassion for the members of the families of Sebastiano DiFalco and Robert Perrino," the judge said. "This defendant made it certain that they would never visit their family member, anywhere."

Mr. DiFalco's two nephews were in court yesterday and said they were gratified by the life sentence and the fine against Mr. Amato. "He's a cold and evil person," said one of them, Sal Montoro, 42. He said Mr. Amato had gone to their uncle's wake and vowed to help find the killer.

For Mr. Amato, after the sentence was handed down, it was a brisk, businesslike handshake and a small smile for his lawyer, and he walked out the courtroom's side door to the holding cells, accompanied by United States marshals.

MAFIA MURDERER GETS LIFE (NYPOST)

By Patrick Gallahue

DOJ_NMG_0088635

The New York Post, October 28, 2006

October 28, 2006 -- A U.S. judge lit into a convicted Mafia hit man before giving him a life sentence in Brooklyn federal court yesterday.

"Mr. Amato, you're just a plain, wanton murderer and assassin, and the sentence I'm going to give you is a gift," Judge Nicholas Garaufis said.

Garaufis tore into Baldassare "Baldo" Amato, convicted of two murders, after his lawyer asked him to consider sending him to a prison close to New York City for the sake of the Bonnano-family soldier's relatives.

"My compassion is overcome by my disgust and disdain for this defendant," he said.

Amato was convicted of racketeering and murdering two men, restaurant owner Sabastiano DiFalco and New York Post delivery supervisor Robert Perrino.

CIVIL LAW:

Ruling Upholds Air Force On Religious Issue (NYT/AP)

By The Associated Press

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 (AP) — A federal judge on Friday threw out a lawsuit against the Air Force that contended that evangelical Christian values were being illegally pushed on academy cadets.

An academy graduate said he would appeal the decision by the judge, James A. Parker of Federal District Court in Albuquerque. “Our fight is far from over,” said the graduate, Mikey Weinstein of Albuquerque.

The case was brought by Mr. Weinstein and other Air Force Academy graduates who contended that a military chaplain had violated their right to religious freedom by urging cadets to attend Christian services or face “the fires of hell.” That incident, the group asserted, reflected a broader policy of efforts to evangelize members of the Air Force.

But Judge Parker said the graduates could not claim that their First Amendment rights were violated, because they no longer attended the academy. Moreover, he said, the group failed to give specific examples of which cadets had been harmed, or when.

Last year, an Air Force committee concluded that there was no overt religious bias at the academy.

Suit Against Air Force Academy Dismissed (WT/AP)

By Lara Jakes Jordan, Associated Press

The Washington Times, October 28, 2006

A federal judge yesterday threw out a lawsuit against the U.S. Air Force that contended evangelical Christian values were illegally pushed on Air Force Academy cadets.

U.S. District Judge James A. Parker said the academy graduates who filed suit could not claim their First Amendment rights were violated because they no longer attended the academy.

Moreover, the judge in Albuquerque, N.M., said the group failed to give specific examples of which cadets were harmed or when.

"Without that personal link or connection to future misconduct, plaintiffs have simply not shown that they will suffer an injury in fact that is both concrete and particularized and actual or imminent," Judge Parker wrote.

The case was brought by honors graduate Mikey Weinstein and other Air Force Academy graduates who said a military chaplain violated their religious freedom rights by urging cadets to attend Christian services or face being burned "in the fires of hell." That incident reflected a broader policy, the group charged, of efforts to evangelize Air Force staff.

Mr. Weinstein said he would appeal the decision.

"Our fight is far from over," said the Albuquerque resident.

Last year, an Air Force task force concluded there was no overt religious discrimination at the school but that some cadets and staff were insensitive. And in a step welcomed by conservative Christians, the Air Force in February released new guidelines for religious expression that dropped cautions to top officers about promoting their personal religious views.

The judge also rejected claims by Air Force Master Sgt. Phillip T. Burleigh, who asked to be included in the lawsuit, saying he was discriminated against in 1997 for not attending prayer meetings. Sgt. Burleigh, of Alamogordo, N.M., also said his supervisor used government resources to evangelize recruits, including hiring religious motivational speakers to lecture at mandatory-attendance conferences.

Judge Parker called Sgt. Burleigh's concerns "simply conjectural and hypothetical in nature."

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Mr. Weinstein and a religious freedoms watchdog group in Washington said the ruling delays efforts to protect the rights of people serving in the military.

"Religious bias and the outrageous violations of the separation of church and state continue to spread rampantly throughout our military," Mr. Weinstein said.

The Rev. Barry W. Lynn of the Washington-based Americans United for Separation of Church and State said the case revealed "very serious, systematic violations of the Constitution at the Air Force Academy."

"This is clearly not the end of the story," Mr. Lynn said. "Chaplains and officers are there to meet spiritual needs, and not to convert people to Christianity."

An Air Force Academy spokeswoman declined comment, referring calls to the Pentagon. An Air Force spokesman at the Pentagon said he was not aware of the decision, thus did not have an immediate comment.

CIVIL RIGHTS:

Drifter Sought Over Hate Graffiti (WT)

By Matthew Cella, The Washington Times

The Washington Times, October 28, 2006

Federal and Arlington County authorities are searching for a drifter they believe has been drawing swastikas and other graffiti in the area around Arlington National Cemetery.

Police say that Ronald Bost, 47, of no fixed address, is responsible for a rash of vandalism near Arlington Memorial Bridge and Memorial Drive.

One July incident on a construction site at the Memorial Avenue Rehabilitation Project cost $1,000 to clean.

U.S. Park Police Detective Kevin Fornshill said that Bost is the "chief suspect" in the case, based largely on the fact that Bost has been arrested four times by park police on vandalism charges since the mid-1990s.

"He's out again and he's doing it again," Detective Fornshill said.

In 2004, Bost was arrested for painting swastikas and anti-Semitic obscenities over signs near the Netherlands Carillon at Arlington Cemetery.

His vandalism has been identified around the George Washington Parkway, as far south as Ronald Reagan Washington National Airport and as far north as the Francis Scott Key Bridge.

"The first documented cases we have that are linked to this guy go back to 1997," Detective Fornshill said.

The latest vandalism includes nine cases in which anti-Semitic and anti-Muslim statements and obscene drawings have appeared on construction equipment and road signs in the District and near Arlington National Cemetery and the Iwo Jima Memorial.

Arlington police say they are investigating with the U.S. Park Police because they suspect Bost is connected to at least six recent cases of vandalism in the Rosslyn area.

"We do have a number of cases dating back to 2004 that we think he's responsible for," said John Lisle, a spokesman for Arlington police.

He said the graffiti includes swastikas drawn on signs along a bike path and on newspaper boxes that distribute The Washington Post.

Bost has an extensive arrest record in Virginia, Maryland and the District, mostly for disorderly conduct but also for battery, and he has a felony assault conviction.

Detective Fornshill said that Bost also has been arrested for shouting anti-Semitic statements in Pershing Park in Northwest and outside the U.S. Holocaust Memorial Museum.

U.S. marshals have an arrest warrant for Bost for a parole violation.

Police say Bost is 6-feet-2, weighs 200 pounds and has several tattoos on his arms and hands. Anyone who sees Bost is asked to contact police immediately.

11 In O.C. Charged With Voter Registration Fraud (LAT)

By Christian Berthelsen And Christine Hanley, Times Staff Writers

The Los Angeles Times, October 28, 2006

Dozens of people who thought they were signing up to be Democrats ended up Republican. Those accused in the case are low-level, per-signature workers.

DOJ_NMG_0088637

The Orange County district attorney's office has charged 11 people with fraudulent voter registration stemming from a Republican registration drive this year that resulted in dozens of Democrats unwittingly being signed up as Republicans.

Those charged had been paid as much as $10 for each voter they registered as part of a Republican Party effort to recruit more voters in central Orange County. The area includes the district represented by Democratic Rep. Loretta Sanchez, a regular target of Republicans, and a competitive state Senate race.

The cases were filed Tuesday, and three defendants were arrested Wednesday and Thursday. They are in custody and are scheduled to be arraigned today and Monday. The district attorney's office refused to release any information about them, including details usually available, such as the names and charges.

Sources said a press conference is scheduled for Monday, a week before the Nov. 7 election, with Republican Secretary of State Bruce McPherson, who is locked in a tight election battle with Democratic state Sen. Debra Bowen.

"The only thing I can say is it is our policy to not make comments on pending matters, and I don't have any information to share at this time," said Susan Kang Schroeder, spokeswoman for Dist. Atty. Tony Rackauckas. "That's all I'm saying."

A spokeswoman for McPherson declined to comment.

Frank Barbaro, chairman of the Orange County Democratic Party, issued a statement Thursday congratulating Rackauckas on the arrests, putting the district attorney in the awkward position of not withholding comment on his own case.

"Hopefully, these arrests are a good first step toward discouraging those who would wish to suppress the democratic process, and we are hopeful that more preemptive action will be taken in the future," Barbaro said.

The prosecution highlights problems that can occur with signature-gathering and voter registration campaigns in which the workers are paid by the signature. Campaign watchdogs have derisively called it a "bounty hunter" system that creates incentives for often transient, low-paid workers to pad their results to make more money.

The case has been an embarrassment for the Orange County Republican Party since it first became known in February.

The charges come as the party finds itself reeling from a letter linked to GOP congressional candidate Tan Nguyen that was sent to Latino voters this month in what has been described as an effort to keep them from the polls in next month's election. Nguyen is running against Sanchez.

In both cases, Republican officials have quickly distanced themselves from the actions.

The voter registration charges cover at least 37 instances in which Democratic and Green Party voters and even one noncitizen were registered as Republicans. Each defendant was charged with felony counts of fraudulent completion of registration affidavits. The defendants are all low-level workers who circulated registration cards.

No charges have been filed against the companies or executives whom the Republican Party hired to conduct the registration drive, or party officials.

As many as 100 cases were turned over to prosecutors. In other cases, invalid phone numbers and incorrect addresses had been filled in on the forms.

Orange County election officials discovered the allegedly fraudulent registrations during a routine review in February, and Democrats conducting their own registration drive found more. Barbaro, the Democratic Party chairman, said he forwarded 500 complaints to prosecutors.

Scott Baugh, the chairman of the county Republican Party, said he received complaints from people who received letters welcoming them to the party and that registration workers were fired for being too aggressive or submitting faulty paperwork.

The actions did not benefit the party, he said, because the voters would not vote Republican, and it cost the party money to pay the signature gatherers.

"I hope they rot in jail for stealing from us and disenfranchising other voters," he said Thursday.

The recruiters were working for Bader & Associates, a Newport Beach petition consulting firm contracted by the Republican Party to register voters, and a subcontractor.

Tom Bader, the company owner, said Thursday his firm was never under investigation and cooperated fully.

He said it was difficult to control field workers. He said he no longer conducted voter registration drives, and that the news about the criminal cases hopefully would prevent future fraud.

"This action is really helpful," he said. "It's going to send a signal to those out in the field."

One of his subcontractors, John Burkett of Lake Elsinore, said Thursday that he discovered problems with his recruiters' work when he conducted random checks on the forms they had submitted, and notified his clients about it.

He said his three workers who had been charged quit this year. Like Bader, he no longer works on voter registration drives.

"I had questioned them on their voter registrations, because we found a few that were not sufficient," Burkett said. "That's why I don't work with them anymore."

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Justice Department Official Meets With Residents Regarding Shooting (LCAP)

By Eric Cormier, AMERICAN PRESS

Lake Charles (LA) American Press, October 28, 2006

Several Lake Charles residents met with an official representing the U.S. Justice Department to start a dialogue about the relationship between the community and police since the Oct. 12 fatal police shooting of 29-year-old Trent Buckins.

The official with the Justice Department's Community Relations Service declined to speak to the American Press, citing governmental restrictions.

Since the November 2004 Chateau Du Lac fatal shooting by police, the Justice Department has had an official visit Lake Charles to help build more trust between the public and police.

The residents who attended Friday's meeting at City Hall — two police officials also attended — are pleased with the Justice Department's involvement.

"I think this is another positive step in the long process to gain clarity to what happened," the Rev. Henry Mancuso said. He was representing the city's Leadership Team for Community and Race Relations.

"This will be a long process to find out the truth of what happened. Until then, there will be tension in the community."

The federal government's response will be helpful in healing whatever wounds have been created since the most recent fatal police shooting, Mancuso said.

District A City Councilman Marshall Simien said the Louisiana State Police report on the shooting might not settle the issues that some residents have with police. That is why he respects the work the Justice Department is trying to initiate to end ill will.

"The Police Department is concerned that if the final report comes back and clears the police officer in question, will that end the situation? Our position is no," said Simien.

"The community at this point is not going to take somebody else's word that the shooting was correct because the question is going to be why did it have to happen? Somebody is dead. Why? What part of the training and protocol at the Police Department says this is justified?"

Wilbert Lewis, president of the NAACP's Lake Charles chapter, said the Justice Department's suggestions for dealing with police shootings, and other actions that might adversely affect a city, correspond with programs the nation's oldest civil rights group has championed.

"During the meeting, the issues of the shooting and alleged acts of brutality committed by the Lake Charles Police Department were discussed," Lewis said. "We do have a serious problem, and the key is to get everybody together and solve it."

One of the programs proposed by the Justice Department representative was a course on racial profiling. The NAACP chapter has asked that a citizen's panel, helping to oversee complaints against the Police Department, also be created.

"Everyone plays a major part in this," Lewis said. "We're not saying we can prevent other shootings from happening, but we have to try."

Police spokesman Sgt. Mark Kraus said the meeting was helpful in starting a dialogue between residents and the department. Police officials believe that as long as the public and police can talk, issues can be resolved.

"When that common ground is generally met, situations are helped," Kraus said.

Kraus said it's important that residents understand the issues that officers face every day before wrong conclusions are made regarding shootings and other incidents that may occur.

Mayor Randy Roach is optimistic that the Justice Department's involvement will help curb perceived problems between the police and residents.

"This is an opportunity for us to look at the relationship between law enforcement and the community and make sure we create an atmosphere of mutual trust and respect Roach said.

"The government's community relations officers are trained to make sure incidents like the shooting don't divide a community. Community relations officials help make us sensitive to issues and to address them up front and not ignore them. If we don't, then we will not have dialogue, and then we run the risk of other problems growing."

Union Claims Police-recruit Bias (INDYSTAR)

By Brendan O'Shaughnessy

The Indianapolis Star, October 28, 2006

IPD chief denies white applicants were passed over

DOJ_NMG_0088639

The police union is accusing the city of racial discrimination by stacking the first recruit class of the merged Indianapolis Metropolitan Police Department with minorities.

Vince Huber, president of the Indianapolis Fraternal Order of Police, said the department added minority candidates to its new recruit class at the expense of white applicants.

Indianapolis Police Chief Michael Spears acknowledged that the department reached into the next recruit class for qualified minorities to increase the diversity in the class, which begins training Nov. 13.

But he said adding minorities to the list did not come at the expense of any white applicants. Instead, he said the move simply increased the number of names submitted for approval to the department's merit board.

The upcoming recruit class will be the largest in history, reflecting a need to keep up with planned retirements and provide enough officers for the larger, merged department. The IPD and Marion County Sheriff's Department will complete the consolidation of their operations Jan. 1.

"We want to make sure we get the most qualified applicants possible," Huber said. "(But) the process should be color-blind."

"We believe we're following the law," Spears said. "None of the white candidates were dropped off simply because they were white."

The merit board, which must approve hiring, promotion and termination decisions, approved 55 candidates. The class includes 16 black, one Hispanic and 38 white candidates, for a minority representation of 31 percent.

The city's Police and Fire departments have operated under a U.S. Justice Department consent decree since 1978 that requires them to reflect the racial composition of the county workforce, which is about 21 percent black. That hasn't been met.

Currently, 15 percent of the IPD's 1,184 sworn officers are black, and 10 percent of the 397 sheriff's deputies are black.

The decree says the departments should aim to hire classes that are 25 percent black until the long-term goal is achieved. In the late 1970s, blacks made up 11 percent of IPD.

Richard Crenshaw, a retired IPD major who leads Fairness in Law Enforcement, which represents black officers, said that group was formed because the Fraternal Order of Police has never supported quotas or conscious efforts to achieve racial equality.

He said black officers who did not feel they got equal treatment never received FOP support and therefore filed the lawsuits leading to the consent decree.

Huber said he disagrees with Crenshaw's assessment of the FOP. Black officers are members of the organization, too, he said.

"We don't want any discrimination to take place in any shape or form. The membership overwhelmingly supports challenging hiring and promotions when we don't feel they are right," Huber said.

The merger of the city and county forces will hurt the numbers because the Sheriff's Department does not have as many minorities. As a single department, black representation will drop by 1 percentage point before factoring in the newest recruit class.

Kobi Wright, the city's top lawyer, said his unit and the merit board authorized the Police Department to interview minorities for this class who had been pre-screened for the second class of recruits. He said the city did that because it wants the department to reflect the diversity of the city.

He, too, denied Huber's allegations.

Nobody was bumped from the first IMPD recruit class, he said, because no list of recruits exists until the merit board approves one. Before that happens, he said, the department relies on a pool of applicants so the police force can keep up with retirements.

Wright said Huber's accusation of discrimination is a perfect example of why the city needs to continue operating under the consent decree.

"The consent decree requires that the city take all reasonable measures to meet the goal," Wright said. "It acts as a shield against lawsuits."

Call Star reporter Brendan O'Shaughnessy at (317) 444-2751.

New Voters Likely Out Of City Elections (BSH)

By Ryan Lafontaine

Biloxi Sun Herald, October 28, 2006

WAVELAND - Nearly 1,000 new residents here likely will be left out of next month's city elections, according to Waveland attorneys.

City leaders hired an independent consulting firm this year to figure a way to include hundreds of new voters living in a newly annexed section of town.

Waveland attorney Zach Butterworth said the Justice Department has not yet determined whether the new voters will be allowed to vote in the Nov. 7 election.

"The new area could have a minimal impact on the elections and the federal government needs to decide if the new voters can be included," he said.

According to federal legislation adopted in the 1960s, the Justice Department must review changes in ballot procedures, voting districts and other electoral rules in several states - mostly in the South - to ensure that minorities maintain influence in elections.

The city settled an annexation dispute in July with neighboring Bay St. Louis in a deal that gave Waveland a stretch of land along the western right of way of Mississippi 603.

Butterworth said new voters in the annexed area will be able to vote in the congressional elections, but not the city.

Before the annexation dispute was settled, the federal government approved a request from the city to merge its voting precincts into one location at the City Hall complex on Coleman Avenue, since Katrina damaged or destroyed many polling places.

Urban planners have created several options for redrawing the city's four ward lines, but it's unlikely the federal government will approve any of them in time for elections.

Butterworth said if the Justice Department approves the annexed voters, the most likely scenario would be to include them as part of Ward 4, rather than redrawing the ward lines.

Besides the several hundred annexed voters, City Hall said Friday that a few hundred new voters living in the old city limits had registered since the 2002 elections, but no one seems to know how many people were displaced and have not returned since the storm.

For Gay Couples, Ruling Has A Cash Value (NYT)

By Tina Kelley

The New York Times, October 28, 2006

TRENTON, Oct. 26 — The New Jersey Supreme Court granted gay couples the same rights as married couples this week, leaving it to the State Legislature whether to call their partnerships marriages or civil unions.

But for Cynthia and Lucy Vandenberg, the landmark ruling is also about another M-word: money.

The Vandenbergs, who have been partners for 12 years, have been forced to open their checkbooks repeatedly over the years to pay thousands of dollars in taxes on health benefits and for legal transactions that married couples rarely face.

There was the $1,500 to change their surnames, for instance, the $1,400 or so in taxes they paid annually for additional health benefits, and the $1,000 they spent so one could adopt the biological child of the other.

“For all of this, you need to hire an attorney, or you find out the hard way,” said Lucy Vandenberg, 37, the director of the state’s Council on Affordable Housing.

Now they wonder how the court’s decision will affect their next child, a son Lucy is carrying. Will Cynthia Vandenberg have to pay to adopt him?

The court gave the State Legislature 180 days to amend New Jersey’s marriage laws to allow same-sex couples to marry, or to create a parallel system such as a civil union to provide them with all the rights of married couples.

In their decision, the justices made it clear that they understood “the social indignities and economic difficulties” gay couples have faced.

“Without the benefits of marriage, some plaintiffs have had to endure the expensive and time-consuming process of cross-adopting each other’s children and effectuating legal surname changes,” the court said.

Other “economic disadvantages,” the court added, included “paying excessive health insurance premiums because employers did not have enough to provide coverage to domestic partners, not having a right to ‘family leave’ time, and suffering adverse inheritance tax consequences.”

The Vandenbergs, who live in Mill Hill, a gentrifying neighborhood in downtown Trenton, have formed a family with another gay couple, John Hatch, 44, and David Henderson, 48, who live a block and a half away and have been together 18 years.

In a 20-page parental contract signed by all four of them, Mr. Hatch and Mr. Henderson each agreed to be the biological father of one of the Vandenbergs’ children, to give up his parental rights so the biological mother’s partner could adopt the child, and to share in parenting responsibilities.

In other words, a contractually constructed partnership of four adults to raise the children.

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Their daughter, Devin, who is almost 2, calls Lucy "Mama," Cynthia "Mommy," Mr. Hatch "Daddy" and Mr. Henderson "Dad." Devin spends most of her time at the Vandenbergs', though as she gets older she will stay with Mr. Hatch and Mr. Henderson on Tuesday nights and weekends.

They say some straight couples they know envy the arrangement. "It's great having more adults around," Lucy Vandenberg said.

Mr. Henderson, a real estate developer, said so many areas of law involve marriage that it is hard for him to imagine a new legal system that would provide equal protection for him and his family.

If the New Jersey Legislature refuses to approve a same-sex marriage law, he said, "it scares me that they could ever actually create some parallel system that was truly equal. Is separate ever equal?"

During an interview with the family, Cynthia Vandenberg, 43, who stays home with Devin, asked Mr. Hatch whether he and Mr. Henderson would marry, should the New Jersey Legislature agree to same-sex marriage.

"You wouldn't go to Las Vegas?" she asked, then stopped herself. "I mean Atlantic City?"

No, he said, he fantasizes about a celebration in nearby Mill Hill Park.

All four drove to a rally in Montclair on Wednesday night after the court handed down its decision. Also there was Whitney Pillsbury-Clarke, 37, who lives in South Orange with his partner, John Pillsbury-Clarke, 41, and the three children they took in as foster children and later adopted.

"They'd give us the kids, they wouldn't even blink," he said, referring to the State of New Jersey. "But we were not good enough to get married. That's always burned us."

He described a wall in their house with the various validations of their commitment.

"There's our certificate of domestic partnership in New York City, a commitment ceremony certificate from the Metropolitan Community Church, and a domestic partnership certificate from New Jersey we got two years ago," he said.

As he spoke, his children, Sabrina, 5; Caitlin, 4; and Dylan, 2, piled in and out of a double stroller and skillfully negotiated the sharing of a bag of bread.

"And now maybe there will be a civil union, and eventually, a marriage certificate," he said, adding that he would like to see federally recognized marriage, so his family could move to any state.

"We'll probably need more wall space," he said.

Looming somewhere beyond the Legislature's decision is the question of how other states will treat New Jersey's same-sex couples. The United States Constitution does not require states to recognize marriages from other states, said Andrew Koppelman, a law professor at Northwestern University and the author of "Same Sex, Different States."

"No court in American history has ever so held," he said.

As Mr. Hatch said, "Domestic partnership is pretty good when you're in New Jersey, but it has no benefit when you're not."

And there are other legal questions that have yet to be resolved. For instance, if a same-sex couple lives in New Jersey, would both partners be eligible for health care benefits under a plan offered by a New York company where one of them works?

Debra E. Guston, a Glen Rock lawyer with several gay and lesbian clients, including the Vandenbergs, said she suspected that many thorny legal issues would arise before a new law was in place.

"I'm sure there'll be a partner who passes away during these six months, and the survivor has to deal with whether or not they're exempt from the estate tax," she said.

Already, one of Ms. Guston's clients, a schoolteacher in West Paterson, may be helped by the ruling. The teacher's school board had refused to extend benefits to her partner, but will probably have to reconsider, after the Supreme Court decision.

"It certainly has accelerated the discussion," Ms. Guston said.

Alicia Heath-Toby, 43, of Newark, one of the plaintiffs in the Supreme Court case, spoke at the Montclair rally, summing up her desire to have the same marital rights as straight people, and to have her love described in the same terms — in legal documents, in daily conversation, on insurance forms.

"No longer is it O.K. to check the 'other' box — if I have to check the 'other' box one more time. ..." she said, as the cheering crowd drowned out the rest of her sentence.

" 'Other' is no longer acceptable," she added. "Let us as a state be able to say, I am more than an 'other.' "

Civil Union Or Marriage? A Long Wait In New Jersey (NYT)

By Laura Mansnerus

The New York Times, October 28, 2006

TRENTON, Oct. 27 — New Jersey legislators, sorting through the few options given them by the State Supreme Court's ruling that gay couples be granted the full rights and benefits of heterosexual husbands and wives, cautioned today that it might take months to decide what to call the solution — marriage or something else.

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But the next few months are booked up.

"There's a tremendous confluence of pretty significant issues the Legislature must resolve" within the six months allotted by the court, Albert Porroni, the chief counsel of the Office of Legislative Services, said on Friday. He noted that both the Senate and the Assembly were heavily scheduled to work on property tax relief until January, and committed to start working on the budget early next spring. That has stopped some legislators from beginning to work on possible measures, which they were instructed to do by the state's high court on Wednesday.

On the liberal end of the political spectrum, at least one bill is already being written by a Democratic lawmaker to extend the term "marriage" to same-sex couples. And on the conservative end, some Republicans have revived a proposed constitutional amendment, introduced long ago, that would override the court's decision.

Many legislators, speaking informally since neither chamber has met since the ruling was issued, say the most likely result would be legislation providing for civil unions rather than marriage.

State Senator John Adler, a Democrat from Camden County who is a supporter of expanded rights for gay couples, said on Friday that whatever solution was arrived at, he would object to any interruption of the property tax discussions.

"I understand that for some New Jersey residents this is a burning issue," Mr. Adler said of the gay-marriage ruling. But he added: "For my constituents, the burning issue is property taxes. I don't want to get sidetracked from this crisis."

For now, Mr. Porroni and spokesmen for the legislative party caucuses said they were not aware of any requests to draft measures that would set up a system of civil unions. Bills cannot be introduced until the next session of each chamber — Nov. 9 for the General Assembly and Nov. 13 for the Senate — although legislators may release drafts at any time.

State Senator Loretta Weinberg, a Democrat of Bergen County, said she was "very interested in sponsoring legislation on civil unions," adding that legislation following the court's directions would not be complex. The only real point of contention, Ms. Weinberg said, was whether to use the word "marriage."

"I have trouble explaining this to a fourth grader," Senator Weinberg said. "We're going to do this, but we're going to have an argument over what to call it."

If the argument lasts too long and the Legislature does not meet its deadline, "the court didn't exactly make clear what would happen," Mr. Porroni said.

The Legislature has had other brushes with the court over ambitious mandates handed down. But Mr. Porroni said that in those instances, like any involving state funds, the deadline was imposed by the yearly budget process.

"We never got to the point where we were at loggerheads and the court would have to figure out what to do," he said.

In Massachusetts, the only state to be ordered by its high court to provide for gay marriage, the Legislature also had a 180-day deadline. Within a month of the ruling in November 2003, lawmakers asked for a clarification — which the court gave by ruling that civil unions would not suffice. As a result, the 180-day deadline for the granting of marriage licenses was enforced on schedule.

Laurence Tribe, a constitutional scholar at Harvard Law School, said the Massachusetts Legislature's request "strongly suggested that they were interpreting the 180-day window as perhaps an opportunity to monkey around and not recognize the full rights in the opinion."

"The New Jersey court has not allowed that ambiguity," Professor Tribe said.

In Massachusetts, the deadline was enforced, and gay couples have been able to marry there since May 2004. By that time, however, the Legislature had adopted a constitutional amendment defining marriage as a union of a woman and a man, and providing for civil unions for same-sex couples.

That proposal is to go before the voters on Nov. 7.

Conserving That Compassion (NYT)

The New York Times, October 28, 2006

When future generations of Americans look back on the current era, they'll puzzle over what it was about George W. Bush that made people imagine there was anything compassionate to his conservatism.

Having apparently lost all hope that he can use terrorism to scare voters into electing Republicans this November, the president has now begun raising the threat of gay marriage.

The moment the New Jersey Supreme Court issued a ruling on the subject this week, Mr. Bush began using every possible excuse to bring up "activist" judges and gay weddings on the campaign trail. "I mentioned his love for his family," Mr. Bush said at a rally for a Republican Senate candidate in Michigan. "He understands what I know, that marriage is a fundamental institution of our civilization. Yesterday in New Jersey we had another activist court issue a ruling ..."

The court in New Jersey, for what it's worth, was hardly activist. The State Legislature had given gay couples the ability to unite in domestic partnerships that gave them most, but not all, of the legal protections available to married heterosexuals. The

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court simply said that both kinds of partners deserved the same legal protection, and left it up to the lawmakers to figure out how to do it. Hardly a thunderbolt from the sky, but Mr. Bush took up the cause of protecting the “sacred institution that is critical to the health of our society” as if a cadre of antifamily jurists had just abolished matrimony.

All this is, as everyone knows, just a show for rousing the base. If the last month has taught us anything about the Republican Party, it is that homophobia is campaign strategy, not conviction. Congressmen who trust their careers to gay staffers vote for laws to enshrine second-class citizenship for gays in the Constitution. Gay appointees and their partners are treated as married people at official ceremonies and social gatherings. Then whenever an election rolls around, the whole team pretends it’s on a mission to save America from gay marriage.

Mr. Bush and his faithful acolytes seem perfectly willing to stoke fears that create division and sorrow in a country that doesn’t need any more of either. The president has just a little more than two years left in office. You’d think that for once he’d want to consider devoting his time to making things better instead of worse.

Thought Police In The Lecture Hall (WP)

By Asheesh Kapur Siddique

The Washington Post, October 28, 2006

Universities are the bulwark of democratic societies -- places where individuals with diverse viewpoints come together to learn and to produce new knowledge for addressing social concerns, free of ideological interference. But these centers of freedom are under attack from people who want to inject partisan politics into our classrooms.

Led by activist David Horowitz, some conservatives are pushing for the adoption of an "Academic Bill of Rights" (ABOR) across America. The bill takes the form of student resolutions or legislative proposals claiming to protect the academic freedom of college students from ideological indoctrination by professors.

My classmates at Princeton passed a modified version of the bill in a student referendum in April. In July, Philadelphia's Temple University became the first institution to officially adopt the policy. Arizona's legislature is preparing to consider a version of the bill.

The College Access and Opportunity Act, passed by the House in March and under consideration in the Senate, aims to deny federal funding to institutions -- even private ones -- that refuse to comply with ABOR's limitations on speech.

In truth, these efforts only hurt the students they purport to help. Horowitz and his backers aren't protecting our rights; they're impeding our educations. The Academic Bill of Rights would substitute political correctness for the free exchange of ideas on campus by preventing faculty and students from discussing fresh or controversial ideas in class. It would restrict what professors can teach and what students can learn.

This exchange between teachers and pupils lies at the heart of liberal education. But ABOR's backers argue that professors presenting new ideas might "indoctrinate" or offend students. Their bill denies us the right to evaluate the merits of ideas and arguments for ourselves by banning "political" or "anti-religious" speech from classrooms.

College students are much smarter and more capable of distinguishing between propaganda and informed opinion than Horowitz and his supporters think. We have a right to learn about any issue our knowledgeable professors deem important to our intellectual growth. This proposal would curtail students' discussion of topics deemed "politically controversial" and liable to "offend" a sensitive classmate.

How can I learn about the modern Middle East in my political science classes if my professor isn't allowed to discuss the "controversial" topic of the Iraq war and its regional effects? Should my biology instructor be prevented from teaching evolution out of fear of offending a creationist classmate? And why should schools allow some left-wing campus agitator in Economics 101 to file a complaint because a lecturer discusses market efficiency rather than Marxist theories of labor?

All these scenarios are possible at institutions cowed into incorporating Horowitz's restrictions into their academic policy. The bill's vague language invites any student with an ideological agenda to use its provisions to politicize syllabi and restrict campus speech.

No disgruntled individual has a right to inhibit everyone else's ability to learn. Youthful skepticism about received wisdom is, of course, essential for intellectual maturation. And a student who puts forth an unpopular argument in class or on an assignment should not be disparaged by an instructor or given a bad grade.

But almost every university has policies prohibiting such harassment along with independent appeals procedures to protect both students and the integrity of the academic environment. Horowitz's restrictions, in contrast, would invite outside monitoring of the classroom, creating hostility between students and professors, and politicizing the intellectual environment at school. It would allow the whims of partisan legislators, rather than the judicious advice of knowledgeable PhDs, to dictate what and how young adults learn.

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My classmates and I want our elected leaders to focus on addressing our real concerns when it comes to getting an education -- student loans, skyrocketing tuition and the post-graduation job market. We don't want them making it harder for us to learn by restricting the free exchange of ideas on campus.

The writer is a senior at Princeton University.

ANTITRUST:

Tribune Is Said To Get Bids From Private Equity Firms (NYT)

By Andrew Ross Sorkin

The New York Times, October 28, 2006

The Tribune Company received several preliminary offers late yesterday from a series of private equity firms, according to people briefed on the auction.

The preliminary offers, which are nonbinding and known as "indications of interest," are the first step in an auction for Tribune, which said last month that it would consider selling its 11 newspapers and 25 television stations.

The company includes assets like The Los Angeles Times, The Chicago Tribune, The Baltimore Sun, Newsday and the Chicago Cubs.

Among Tribune's suitors, these people said, are a group including Providence Equity Partners, Madison Dearborn Partners and Apollo Management; another consortium including Thomas H. Lee Partners and the Texas Pacific Group; and the Carlyle Group and Bain Capital, which are each planning to bid separately.

Notably absent from the bidding was any major newspaper company, though it remained possible that Gannett or another rival company could emerge.

Tribune has a market value of $8.2 billion. Analysts have had scattered estimates about how much the company could be sold for, with some estimating a price as high as $10 billion and others estimating Tribune will not fetch any premium.

The preliminary offers from the teams of private equity firms were only for the entire company; it was unclear last night whether Tribune was formally entertaining offers for specific assets like The Los Angeles Times, which has been the target of several wealthy Los Angelenos like David Geffen and Eli Broad.

Exact terms of the preliminary offers could not be learned and it was likely they would change substantially once bidders have access to Tribune's confidential records and books.

Shares of Tribune, which is based in Chicago, fell 32 cents, to $33.47.

Local Support Boosts Baltimore Sun Bidder (WT)

By Sean Lengell, The Washington Times

The Washington Times, October 28, 2006

BALTIMORE -- The man behind a local effort to buy the Baltimore Sun from the Tribune Co. said yesterday he is encouraged by the amount of community support he has received.

"I have never witnessed this kind of response to a business transaction," said Theodore G. Venetoulis, a former Baltimore County politician and current owner of a Maryland news and political magazine. "Newspapers still have a very substantial role in people's lives. It touches the core of people."

Mr. Venetoulis said he received several telephone calls from potential investors after reports were published yesterday revealing the group's intentions.

"The group we've put together understand two things," said Mr. Venetoulis, who lost a Democratic primary bid for governor in 1978. "One, that this will not be an investment that will provide the usual yield and return that some investors will be used to. Secondly, they've agreed that they would not in any way attempt to jeopardize the paper's independence or attempt to give it a certain ideological bent."

The group includes Abell Foundation President Robert C. Embry Jr. and longtime civic leader Walter Sondheim, the Sun reported.

The founders of the Abell Foundation sold the Baltimore Sun Co. to the Times Mirror Co. in 1986, which sold itself to the Tribune Co. in 2000.

The group has contacted the Tribune Co. about its interest but hasn't made a formal offer for the paper. The Tribune Co. has declined to comment.

Meanwhile, two Boston buyout firms, Bain Capital LLC and Thomas H. Lee Partners LP, may make competing bids for the entire Tribune Co., according to reports published yesterday.

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Mr. Venetoulis said that for tax reasons the Tribune Co. was more likely to sell itself as a whole rather than in pieces.

"We'll probably have our best shot at owning the Sun once a private-equity group chooses to spin off the properties," he said. "We can't afford to buy the whole company ourselves."

The Washington-Baltimore Newspaper Guild, which represents the Sun's newsroom staff, recently meet with Mr. Venetoulis' group and said it is open to the idea of a change in ownership.

"It's early to say, but they seem sincere and we like what we've heard so far," said Bill Salganik, a Sun reporter and president of the Washington-Baltimore guild. "We could imagine working with the Venetoulis group."

The Baltimore group is the latest to seek to buy metropolitan daily newspapers from embattled corporations.

A group led by public relations and advertising executive Brian Tierney recently paid $515 million for the Philadelphia Inquirer and Philadelphia Daily News.

A group led by Jack Welch, the former head of General Electric Co., said this week that it was interested in buying the Boston Globe. And in Los Angeles, three billionaires, including music executive David Geffen, have said they want to buy the Los Angeles Times, which also is owned by the Tribune Co.

Most large newspaper companies are publicly held, but as the sector has struggled with declining circulation and advertising revenue, it has fallen into disfavor on Wall Street, often leading to calls to break apart the businesses.

· This article is based in part on wire services reports.

A New Advertising Engine (WP)

By Sara Kehaulani Goo, Washington Post Staff Writer

The Washington Post, October 28, 2006

Google Expands Its Web Reach to Madison Avenue

NEW YORK -- At Google Inc.'s new office near the Hudson River, Volvo's top U.S. advertising manager has just flown in from California to talk about next year's launch of a new car, aimed at the hip, 20-something crowd.

Linda Gangeri, a Volvo executive, wants to hear Google's ideas about online video. She high-fives the company for its recent decision to purchase online video phenomenon YouTube Inc. and asks for Google's thoughts about how to advertise the new car, which Volvo is considering launching with commercials only on the Internet.

"This is a target we've never reached before and one you cannot reach via traditional marketing messages -- they reject it," she tells them. "We look to you and challenge you, with Google being more of that young, targeted mind-set."

Just a few years ago, Google was a bit player on Madison Avenue. It specialized in tiny text ads shown alongside search results and in the margins of thousands of Web sites that partner with Google.

But recently Google has moved beyond search, reaching out to big advertisers to sell them online graphical or display ads on its partner sites. The firm is developing new Web video ad formats that could give TV commercials a run for their money and has been staffing up new projects to sell ads offline in newspapers and magazines and on radio.

Earlier this month, Google's ambitions were on display when it opened its new office in the old Port Authority building, covering 1 1/2 floors on an entire Manhattan block in the funky Chelsea neighborhood. The company has recruited executives from some of the biggest media firms and is rapidly expanding its 500-member team here in an attempt to cultivate relationships with Madison Avenue and large advertisers.

"There's probably a false assumption in the marketplace that Google is a bunch of machines in Mountain View [Calif.] and we don't have relationships like you might see at Conde Nast up the street or at ABC television," said Patrick Keane, Google's director of product marketing.

Google's strategy is to bring the math and science that fueled its search-engine ad success to other forms of marketing. The company's existing text-ad system allows advertisers to see how many people click on each ad and pay only when someone clicks, helping advertisers calculate the return on their marketing dollars. Eventually Google hopes to offer similar metrics for online video ads and off-line campaigns, though it is still in the early stages of figuring out how those might work.

"They're trying to take the DNA of search marketing" to apply it to other kinds of advertising, said Timothy Hanlon, senior vice president at Denuo, a new-media consulting division of Publicis Groupe. Hanlon added that the bigger pot of money in traditional "brand-marketing budgets" is a natural target for Google.

In wooing Madison Avenue, Google faces some challenges. Its foray into display and video ads brings it face to face with rival Yahoo Inc., which established its office here in 1997 and is regarded as the leader in helping large companies develop branding campaigns on the Web. Last year, Google reorganized its entire sales force into 12 industry-specific teams after realizing that big advertisers didn't want a sales team of "generalists"; they wanted experts familiar with their field.

Ad agencies seem open to working with Google, though some said the search firm has tried to go around them and pitch advertisers directly. And while Google's ad products beyond search are experimental, they seem worth trying, some said.

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"The scariest thing about Google is they don't know what they don't know," said Jason Clement, associate director of search engine marketing at Carat Fusion, an advertising agency. "There's a difference between a Harvard mathematician and someone who's been selling ads for 20 years. The mathematician is smarter, but if you want Coca-Cola's dollars, the guy selling billboards for 20 years is the one you want."

Unlike Yahoo, AOL or other Web sites that attract a big audience, Google doesn't sell ads on its home page, Google.com. Instead, it partners with thousands of other Web sites and places ads on them. Most of the ads today are small text items, titled "Ads by Google," but increasingly Google is helping companies place banner and video ads on these same partner sites.

By applying technology to measure their impact, Google plans to differentiate its banner and video ads from those of its competitors. Teaming with online research firm ComScore Networks Inc., Google is trying to correlate the effectiveness of each ad by tracking the number of people exposed to it who later perform searches about the product.

For example, people who visited the AutoTrader.com site this summer were shown an image of a Volvo sport-utility vehicle advertising the car for lease at $389 a month. ComScore placed "cookies," or tracing files, on the computers of visitors and tracked how many typed the word "Volvo" or "Volvo SUV" into a search box weeks or months later. During the Web campaign for the Volvo's XC90, Google said 39 percent of Internet users who were exposed to the ads later conducted online searches for Volvo cars.

While the online campaign was running, Google also measured a 183 percent increase in visits to the Volvo Car Corp. site, Volvocars.com, and a 164 percent increase in the number of people who clicked more deeply into Volvo's site, indicating greater interest.

Google did not try to correlate viewership of the online ads with car sales data. Nor could it say how much impact a TV campaign Volvo also was running might have had on Internet searches or site visits.

Anna Papadopoulos, interactive media director of Volvo's campaign with ad agency Euro RSCG 4D, said Google's data provided Volvo with confidence and made clear that Google wanted to be accountable for the results. "At the very least, we were able to know that the Google campaign was attributed to" those numbers, she said. Papadopoulos said Volvo also advertises with other major Internet networks, including Yahoo, Microsoft Corp.'s MSN and AOL, and that each has its strengths. Yahoo and MSN, for example, use technology that can show ads to potential customers who have indicated an interest in products based on past browsing. While Google doesn't offer that capability, Papadopoulos likes Google's hands-on customer service. She said she also was impressed with how Google matched the demographics of likely Volvo buyers with visitor demographics at dozens of small sites.

Google, which announced this month that it was buying online video site YouTube for $1.65 billion in stock, has big plans to expand into video advertising. The firm hasn't announced exactly what it plans to do with YouTube, but both properties are pushing a new kind of Internet advertising called "click to play." The ads are essentially online video commercials that don't play unless a visitor clicks on the image.

Google said it opposes "pre-roll" Web ads, which resemble TV commercials by interrupting site visitors and forcing them to watch a video before they can see the content they are seeking. With Google's click-to-play ad service, advertisers will be able to select specific Web sites where they want their video ad displayed or allow Google to select the sites, based on whether the audience of a Web site or its content matches that of the advertiser.

Google thinks the ads will do well with movie studios, which could use trailers as click-to-play ads, and with carmakers, who can use video to draw Internet users shopping for a car. But the format remains new and largely untested.

As one of the most-searched automakers on the Web, Volvo agreed to use Google's new video format to apply its recent "Who Would You Give a Volvo To?" TV ads to the Web. And it is thinking about using the format for its new car next year.

"As a small brand, we do have to take risks," said Volvo's Gangeri. "But at the same time, if you want to reach a target like [our new vehicle], you can't do that in the safe, secure world of Volvo as we know it."

Arcelor Mittal Takes Stake In Mich. Auto Supplier Noble (AP)

AP, October 28, 2006

BRUSSELS, Belgium - Arcelor Mittal SA said Friday it was merging a unit that makes steel for the auto industry with Michigan-based laser welder Noble International Ltd. in return for a 40 percent stake in the business and a $300 million payment.

The Luxembourg-based steelmaker - currently being formed from a tie-up between Arcelor SA and Mittal Steel Co. NV - said it would become Noble's largest stockholder when the deal was complete.

Arcelor Mittal said this would strengthen the company's position with the global car industry. The transaction will combine Arcelor's laser-welded tailored blank business TBA - the largest in Europe - with Noble, North America's largest producer of laser-welded steel products.

Mittal has significant U.S. operations through its earlier acquisition of International Steel Group.

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Combining expected results for this year, the combined Arcelor-Noble business would have a revenue of $1.1 billion and earnings before interest, taxes, depreciation and amortization of $122 million.

The Arcelor unit employs 670 people at nine plants in Europe, one in the U.S. and a quarter stake in a joint venture in China. The company said its revenue would be around $500 million this year.

Noble, headquartered in Warren, has more than 2,000 workers at 12 plants in the U.S., Canada, Mexico and Australia. It expects 2006 revenue to hit $600 million. Earlier this month, it bought Pullman Industries Inc., which makes steel tubular parts for carmakers.

Arcelor Mittal said the deal should close in March 2007 after it wins approval from Noble's stockholders and antitrust regulators.

ON THE NET

Arcelor Mittal SA: http://www.arcelormittal.com

Noble International, Ltd.: http://www.nobleintl.com

FCC Sets Vote On AT&T Purchase Of BellSouth To Nov. 3 (Update1) (BLOOM)

By Molly Peterson

Bloomberg, October 28, 2006

Oct. 27 (Bloomberg) -- The U.S. Federal Communications Commission plans to vote Nov. 3 on AT&T Inc.'s $82 billion purchase of BellSouth Corp., three weeks after a deadlock on the terms of approval derailed a previously scheduled vote.

The commission, which released its agenda for the meeting today, hasn't indicated what types of conditions it may place on the deal, the biggest telephone-company combination ever.

Facing pressure from the panel's two Democrats, AT&T earlier this month offered concessions including a price freeze on certain business data services and $10-a-month high-speed Internet access for some BellSouth customers. Rival companies want tougher conditions, such as price controls.

``We still continue to believe there's a good chance the FCC will conditionally approve the necessary AT&T-BellSouth license transfers at some point in November,'' Stifel Nicolaus & Co. analyst Blair Levin said today in an investor note.

FCC approval is the last regulatory hurdle for San Antonio-based AT&T, the biggest U.S. phone company, to complete the transaction, which the companies announced almost eight months ago. The Justice Department and 18 states cleared the deal without conditions. FCC deliberations have been complicated by the likely recusal of one member, which leaves the panel evenly split between Democrats and Republicans.

FCC Chairman Kevin Martin, a Republican who initially proposed approving the deal without conditions, postponed an Oct. 13 vote after Democrats Michael Copps and Jonathan Adelstein, who are seeking conditions, asked for public comment on AT&T's proposals.

The vote could be postponed again if Martin and fellow Republican Deborah Tate fail to reach an agreement with Copps and Adelstein by Nov. 3, analysts said.

Shares of AT&T fell 18 cents to $34.22 at 4 p.m. in New York Stock Exchange composite trading and have risen 40 percent this year. Atlanta-based BellSouth fell 14 cents to $45.04 and has climbed 66 percent this year.

Smithfield Foods Gambling On Merger; Foes Fighting Expansion (DPHR)

By Chris Flores 247-4738

Newport News (VA) Daily Press, October 28, 2006

The pork company's opponents were fighting this week for federal regulators to deny the merger.

Smithfield Foods adversaries are trying to ensure that the world's largest pork company loses a $100 million bet.

If the Department of Justice allows Smithfield to purchase Premium Standard Farms, the $674 million deal will help Smithfield further bolster its position as the company that raises and slaughters the most hogs in the country.

A line of opponents has formed to protest, saying Smithfield will dominate the price of hogs. Smithfield and Premium knew the fight was coming, so the deal stipulates that Smithfield will pay $100 million to Premium if anti-trust regulators deny the deal.

But Smithfield was willing to take the risk. Smithfield gained confidence by surviving federal regulatory scrutiny when it bought Farmland Foods in 2003. Many of the same groups that opposed that deal also oppose this new one. The National Farmers Union, along with a coalition of rural and farm groups, made a case to the Justice Department this week, arguing the deal should be denied.

"The packing industry is already pretty drastically consolidated," said Fred Stokes, spokesman for the Organization for Competitive Markets, an agricultural think tank funded by independent farmers. "And here's the No. 1 hog producer buying the No. 2 guy."

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The opponents of the deal include a growing list of Midwestern politicians, who say the deal will give Smithfield the ability to determine hog prices. They formally asked the Justice Department to scrutinize the merger and have called for congressional hearings.

Smithfield is already the largest processor of hogs, with 26 percent of the market. By adding Premium, the company will have 31 percent. Farmers worry that with less competition for buying hogs, Smithfield can drive down prices.

Smithfield opponents say Premium had the only other slaughter facility in the Southeast. Without that competitor, Smithfield can set the prices it pays all farmers in the region to raise hogs, said Michael Stumo, general counsel for the competitive markets group.

"That, per se, should disqualify the acquisition on anti-trust grounds," said Stumo.

And all sales are under contracts that pay farmers a fee for raising hogs - there is no market price for the hogs themselves to be sold.

"You cannot sell hogs in that region unless you are contracted," said Stumo.

The company also will have a greater concentration of power in the Western and Southern part of the Midwestern hog production area. Even there, only about 10-15 percent of the hogs are sold on an open market.

By purchasing the second-biggest hog producer, Smithfield will raise about 20 percent of the hogs nationwide if the deal closes. Its clout on that side of the business will also help Smithfield influence the purchase of hogs by its competitors.

Stokes said he thinks the case is about as strong as possible, but that doesn't mean the government will intervene. He believes lower-level staff members at the Justice Department will support rejection, but will be overruled by political appointees.

"The chances are good that they're going to approve it," he said.

A Smithfield spokesman didn't return a call for comment.

BD Wins Federal Antitrust Approval For TriPath Deal (BERGCR)

By Dunstan Prial, STAFF WRITER

Bergen County Record, October 28, 2006

Becton, Dickinson and Co. said Friday that federal antitrust approval has moved it a step closer to its planned $350 million acquisition of TriPath Imaging Inc., a manufacturer of cancer-screening products.

BD has said adding TriPath's technology will help it expand its presence in the field of cancer diagnostics.

The deal, which the Franklin Lakes-based maker of medical devices announced in August, still needs to be approved by TriPath's shareholders, said BD spokeswoman Colleen White.

The Federal Trade Commission, which oversees antitrust matters in the United States, said in a statement that it had completed its investigation of the deal and did not plan to take action.

As advances in research have created new opportunities for treating various forms of cancer, the potentially broad -- and lucrative -- market for cancer treatments has prompted health care companies large and small to target oncology.

TriPath, based in Burlington, N.C., uses sophisticated computer imaging to detect cell abnormalities that might indicate the onset of cancer.

BD already owns a 6.5 percent stake in TriPath.

The shares were purchased in 2001, when the two companies first began collaborating to find markers to diagnose cancer.

The acquisition calls for BD, maker of the Ace bandage brand and the world's biggest manufacturer of hypodermic needles, to pay TriPath's stockholders $9.25 a share.

BD's shares fell 18 cents to $70.69 on Friday. TriPath's shares fell 1 cent to $9.13.

At the time the deal was announced, TriPath's shares were valued at $5.12.

A TriPath spokesman did not immediately return a phone call on Friday.

BD's chief executive officer, Edward J. Ludwig, has said the company's strong recent fiscal results will allow BD to pursue growth through acquisitions.

For its fiscal third quarter, which ended June 30, BD reported profit rose 9 percent.This was due in part to the $230 million acquisition in February of GeneOhm, a San Diego-based biotechnology company that has developed a rapid test for diagnosing a powerful virus frequently transmitted among hospital patients.

ENVIRONMENT:

Appeals Court Halts Stryker Activity Here (HSB)

By Gregg K. Kakesako

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Honolulu Star-Bulletin, October 28, 2006

The Army lost a major court battle to local environmentalists and anti-war activists yesterday and might not be ready to deploy a Stryker brigade to Iraq late next year.

A 9th U.S. Circuit Court of Appeals panel in San Francisco, in a 2-1 decision, issued a temporary injunction halting construction, training and any other activities dealing with the $1.5 billion Stryker Combat Brigade planned for the 25th Infantry Division.

David Henkin, Earthjustice attorney, said the case now reverts to U.S. District Judge Dave Ezra to determine if any Stryker-related construction or training can occur while the Army works on a new environmental impact statement.

Henkin said he will not only ask Ezra to prevent the Army from causing "irreparable harm" to environment, but he also does not want the Stryker conversion to be so far along that it cannot be stopped.

The Army has said the 2nd Brigade Combat Team has completed 60 percent of its training and received 70 percent of its equipment. The 2nd Brigade is slated to grow into a 3,500-member combat unit built around 328 of the 19-ton, eight-wheeled vehicles.

Before the injunction was put into effect, the Army had said the 2nd Brigade would be ready to deploy to Iraq by November 2007 as the fifth of seven planned Stryker units.

In court papers, Ron Borne, director of transformation for the 25th Infantry Division's 2nd Brigade Combat Team, listed Stryker-related construction projects that must be completed for the Army to meet its deadline.

The Army issued a terse statement yesterday: "We are in receipt of the court order, and we are complying."

A federal appeals panel ruled Oct. 5 that the Army had violated the National Environmental Policy Act by failing to consider other locations outside of Schofield Barracks for its fifth Stryker brigade.

The court ordered the Army to amend its environmental impact statement -- a process that could take as long as a year. Despite the court's ruling, the Army maintained that it could proceed with 28 Stryker-related construction projects, totaling $693 million, during the review period.

Earthjustice, representing Ilioulaokalani Coalition, Na Imi Pono and Kipuka, sought the temporary injunction last week because the Army planned to start construction Wednesday on a nearly 1,000-acre live-fire training complex at Schofield Barracks.

Henkin said the Army now concedes that this training range is no longer "a critical construction project either for Stryker conversion or to train other units."

Kyle Kajihiro, an anti-war activist, said yesterday that cultural monitors discovered this month what they believe are more than 200 cultural sites, including what could be ancient burial areas.

"It really raises the level of concern since some of them could be sacred burial sites," Kajihiro said.

In court filings last week, Henkin said the Army acknowledged that construction of the $6 million urban-assault course could result in destruction or damage of Hawaiian cultural sites.

Cultural monitors also have had no opportunity to inspect areas where the motor pool and the vehicle wash facility will be built, the environmental group said.

"We're pleased the court recognized the Army's plans to plow ahead with Stryker conversion in Hawaii -- before even looking at other places where it could achieve its goals without destroying cultural sites -- violated both the law and common sense," Henkin said.

In opposing Earthjustice's request for a temporary injunction, U.S. Justice Department attorneys said the appeals court "must balance national security implications of enjoining those activities against the harm alleged by the plaintiffs."

But Earthjustice argued that the Army's "rhetoric rings hollow" that any delay in the development of a Stryker Combat Brigade would jeopardize national security. In an 11-page rebuttal, Henkin said the Army used the same arguments last year.

At that time, Henkin pointed out the Army said any postponement of the 2nd Brigade Combat Team's conversion beyond May 2007 would "significantly degrade the Army's ability to provide effective and ready forces to meet strategic commitments, including ongoing operations in Iraq, and reduce the Army's strategic posture to deter conflict and respond to crisis situations in the Pacific area of responsibility, including the Republic of Korea."

Initially, May 2007 was the date 25th Infantry Division officials had said the Stryker Brigade Combat Team would be ready for wartime duty.

"The Army fails to explain why this half-year delay, which allegedly posed such dire ramifications, did not, when it came to pass, have any adverse consequences," Henkin said.

Fireman Fights To Live, Comrades Fight Blaze (LAT)

By David Kelly, Jonathan Abrams, Maeve Reston And Scott Gold, Times Staff Writers

The Los Angeles Times, October 28, 2006

BEAUMONT — Battling gusting Santa Ana winds, fire crews today fought to try to contain the fast-moving Esperanza arson fire that has killed four firefighters.

Officials this morning released the names of the dead.

Killed were engine Capt. Mark Loutzenhiser, 44, of Idyllwild; engine operator Jess McLean, 27, of Beaumont; assistant engine operator Jason McKay, 27, of Phelan; and firefighter Daniel Hoover-Najera, 20, of San Jacinto.

A fifth firefighter was in critical condition this morning in Arrowhead Regional Medical Center in Colton. He was identified as Pablo Cerda, 23, of Fountain Valley.

Cerda has burns over 90% of his body, severe lung injuries and was placed on life support. His chances of survival are considered poor.

At an afternoon news conference at Arrowhead, David T. Wong, chief of trauma, said Cerda has had some improvement in his "minute-to-minute condition," but the overall prognosis remains poor because of the severity of the burns.

Cerda may be sent to surgery later today to have the burned skin removed. Cerda remains under heavy sedation, Wong said.

The rough terrain in the San Jacinto Mountains of Riverside County just west of Palm Springs posed difficult problems for firefighters trying to keep the blaze from the more populated areas, Janet M. Upton, of the California Department of Forestry and Fire Protection, said today. Winds are expected to gust up to 45 mph and firefighters are facing a long day.

"It's mountain goat territory," Upton said.

The sharp winds are expected to continue until at least tonight, said Mike Giannini, battalion chief of the Marin County Fire Department, one of the agencies supplying some 1,750 firefighters.

"The next 36 hours are going to be key for this thing," he said.

Firefighters ignited a small backfire in Beaumont about half of a mile away from a school with 80 children with special needs. The children moved into the gymnasium but did not leave the building. The fire was started to ensure that the Esperanza fire did not leap to the school's grounds.

"Anytime we get winds blowing by we are worried, but we were all ready to go if necessary," said Lynn Elder, who handles community relations for the school, Child's Help, in the foothills of the San Jacinto Mountains.

The Esperanza fire was deliberately set Thursday about 1:12 a.m. in the San Gorgonio Wash. Fed by dry fuel and bitter winds, it has consumed more than 24,000 acres, according to the official website.

The fire is about 5% contained, with no indication when it will be fully controlled. The fire continues to move mainly to the west and southwest, being driven by east to northeast winds.

The fire is moving toward Highway 79, south of Interstate 10, threatening to push toward Idyllwild and San Jacinto this morning. It has destroyed 10 homes and another 500 homes and three commercial structures are threatened, according to the CDF.

The Air Quality Management District also warned that smoke from the Esperanza wildfire is expected to create unhealthful air quality conditions today in areas of Riverside and Orange counties.

Despite the loss of four of their own, firefighters this morning braced for their difficult day. At one camp here, firefighters rose from their tents and grabbed coffee. The about 200 to 300 firefighters were briefed about their assignments, which are detailed down to the specific roads and structures they are to protect.

The sun rose but the wind was already gusting so much that it sent swirling dust devils across the fields at the command post.

About 3 a.m., firefighters evacuated another 100 homes at the south end of Banning, near the foothills below Silent Valley. There were some gusts of wind during the night that sent the fire down toward Banning. The residents went to community centers and to friends' homes.

The South Banning evacuations were in addition to Thursday's at Twin Pines and Poppet Flats. More than 700 people have been evacuated, according to officials.

In Washington, the White House joined the list of public officials to express their condolences over the firefighters' deaths.

"A little bit ago, the president placed a phone call to Tom Tidwell, who's the deputy regional forester of the U.S. Forest Service, to express condolences over what is now being called the Esperanza incident, a fire near Palm Springs, California, that has claimed the lives of four firefighters," said spokesman Tony Snow.

The president also "said he hopes that whoever is the perpetrator will be caught quickly and brought to justice."

More than 100 tips have been delivered to the Riverside County Sheriff's Department as the search continued for those who set the arson fire. Anyone arrested could also face murder charges because of the firefighters' deaths.

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Sheriff's spokesman Sgt. Earl Quinata said this morning that there are no suspects and denied a television report that authorities were searching for a suspect in a white van.

The pool of reward money for information grew to $400,000 from the $100,000 Riverside County officials pledged Thursday.

This morning, Gov. Arnold Schwarzenegger announced a state reward of $100,000 for information leading to the arrest and conviction in a California court of the person or persons responsible for setting the Esperanza wildfire.

At another news conference, San Bernardino County Board of Supervisors Chairman Bill Postmus said the county would also offer $100,000.

And the Morongo band of Mission Indians offered $100,000.

On Thursday, Schwarzenegger said that he had instructed his administration "to put every resource into fighting this fire and making sure that the evacuees have everything they need."

The governor declared a state of emergency in Riverside County, which allows the state to provide any needed assistance.

Even as officials pursued the arson investigation, the dead firefighters were a grim reminder of the dangers brought by Santa Ana conditions.

"These winds were devil winds. They came out of nowhere," Pat Boss, a U.S. Forest Service spokesman, said Thursday. "They were fleeing for their lives and the flames caught them."

Thursday's death toll was the highest for California's wild land firefighting community in nearly three decades. In 1979, four state forestry department firefighters were killed when flames overtook them as they walked a bulldozed fire line near San Luis Obispo. The most firefighter deaths in a California wildfire occurred in 1933, when 25 firefighters were killed fighting a Griffith Park blaze.

Three years ago — almost to the day — 14,000 firefighters battled California's worst recorded wildfires, which killed 24 people, destroyed 3,361 homes and burned 739,597 acres in Southern California. One firefighter died, and hundreds more had unforgettable close calls. One of those fires, the Old fire in San Bernardino County, also was an arson fire and remains unsolved.

Earlier Thursday, the fire trapped several hundred people for more than eight hours in the Silent Valley recreational vehicle park. A small army of firefighters circled the park to keep the flames at bay, and by afternoon the danger had subsided, allowing residents to leave the park if they wished.

The fire's speed shocked longtime residents of the remote area who are accustomed to the threat.

John Atherton, a 33-year-old construction manager who was working overnight Thursday, raced home after calling home and telling his wife and children to flee. He grabbed his dog, videos of his three daughters — and tax papers.

"You kind of try to prioritize your whole life in a matter of a half an hour," he said.

He placed sprinklers on his roof. As he left, "the fire all of a sudden turned direction and headed straight toward our home," he said. "That was pretty scary."

As he made his way down a road toward Banning, traffic was thick with people fleeing. Atherton stopped to help a neighbor herd a llama. "At that point the fire officials told us we were going to have to leave the animals and get out," he said.

Flames hundreds of feet high jumped Highway 243, setting even the guardrail posts ablaze, and were moving toward Highway 79, which was closed between Beaumont and Hemet.

Evacuation centers were established at Banning Community Center and Hemet High School.

Officials said the fire could burn thousands more acres if it reaches parts of the San Bernardino National Forest where an infestation of pine bark beetles has left stands of dead trees. A red flag warning remains in effect throughout much of Southern California because of low humidity and strong winds.

A brush fire burned early this morning in rural southeast Orange County, prompting officials to evacuate 140 people from a campground and to shut down a long stretch of highway for a short time.

The fire broke out about 4:20 a.m. in a wooded area east of Rancho Santa Margarita, near Cleveland National Forest. Authorities safely evacuated 140 people, mostly children, from the nearby Lazy W Ranch camping ground.

The fire, dubbed the "Lazy W", had consumed less than five acres so far, Lynnette Round, a spokeswoman for the Orange County Fire Authority said this morning.

But the blaze, which is mostly contained, forced officials to close Ortega Highway for roughly 30 miles. One of the key arteries to Riverside County was shut down from Antonio Parkway to the Lake Elsinore exits. The highway reopened before 9 a.m.

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Sheriff's Office 'Taking Lots Of Calls' With Arson Tips (LAT)

By Lance Pugmire, Times Staff Writer

The Los Angeles Times, October 28, 2006

More than 100 tips have been received by the Riverside County Sheriff's Department as the intense hunt for the person or group that started the fatal Esperanza fire near Cabazon continued today.

The pool of reward money also grew from $100,000 to $400,000 when the state added $100,000, as did San Bernardino County and the Morongo band of Mission Indians.

"We're taking lots of calls," sheriff's spokesman Sgt. Earl Quinata said this morning. "Our investigators are looking at all the information and following up when necessary."

Quinata said there are no suspects in custody, but an arson-homicide investigation "to find the culprits" is urgently working to "resolve this and assist our firefighters and their families" after the blaze claimed the lives of four U.S. Forest Service crew members Thursday.

The U.S. Forest Service members were caught by flames that shifted in the wind, destroying their firetruck and leaving a fifth member clinging to life.

Fire officials say the Esperanza fire began about 1:10 a.m. Thursday in the foothill area along Esperanza Avenue. Forensic specialists combed the ground near the area searching for clues.

One neighbor near the fire's starting point told The Times he saw two white males in their early 20s fleeing the area. Residents in a Cabazon mobile home community reported they had seen teenagers smoking marijuana in the area.

"There's no indication that [the marijuana smokers are] the source, but we're investigating all tips," Quinata said.

The Riverside County Board of Supervisors has offered a $100,000 reward for anyone providing information that leads to the arrest and conviction of the person or people responsible for starting the blaze.

"The urgency is for people with relevant information to call in," Quinata said.

Anyone with information about how the fire started can report tips to (951) 922-7116.

Calif. Blaze Spreads After Firefighters' Deaths (WP)

By Sonya Geis And John Pomfret, Washington Post Staff Writers

The Washington Post, October 28, 2006

Reward Increased To $500,000 in Suspected Arson

BANNING, Calif., Oct. 27 -- A wildfire that has consumed thousands of acres west of Palm Springs and has killed four U.S. Forest Service firefighters continued to roar Friday, fed by hot, fast and dry winds, while state and local officials boosted the reward to $500,000 to find the suspected arsonist who ignited the blaze.

The Forest Service and the California Department of Forestry and Fire Protection are investigating the deaths, and on Friday a half-dozen investigators wearing yellow protective suits studied the steep dirt driveway of 15400 Gorgonio View Rd. As a fierce wind whipped past the gutted house on a blackened hill above them, an investigator knelt down, then gestured at the canyon wall, from where the flames had come.

Five Forest Service firefighters were trying to protect the house from the wildfire Thursday when the inferno suddenly overwhelmed them. Three died at the scene, and a fourth died soon afterward at a hospital. On Friday the fifth remained in grave condition, with more than 95 percent of his body burned.

The deaths constituted the worst disaster involving a wildfire since 2001, when four firefighters were trapped by flames and killed in a remote part of Washington state.

On Friday, investigators, as well as the men's families and colleagues, struggled to understand how an experienced fire captain and his crew could have been killed.

"They had a real good, experienced crew," said Jerry Garcia, 29, a firefighter who worked with Capt. Mark Loutzenhiser, 43, and Jess McLean, 27, a fire engine operator. "I've been with them on fires, and I felt real safe with them."

McLean, Garcia said, "was someone I really looked up to. Last season was my first season, and I really trusted him."

The doomed firemen were outside their fire engine, apparently running, when flames caught up with them, said Pat Boss, a Forest Service spokesman. Firefighters carry protective shelters, similar to pup tents, that can shield them from flames, but they did not use them, Boss said.

"They had no time to deploy anything, much less even pull it out of their bag," he said. "They had no idea what hit them."

Also killed were Jason McKay, 27, and Daniel Hoover-Najera, 20.

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Michael Wakowski, a fire division chief in the San Bernardino National Forest, told the Associated Press it did not appear the crew did anything wrong.

"Sometimes things go bad, I hate to say," he said.

Fires move at varying speeds, as leisurely as an adult on an evening stroll or as fast as a sprinter, said Shankar Mahalingam, an engineering professor and wildfire expert at the University of California at Riverside.

"Sometimes, however, it can move hundreds of yards in an instant when it's pushed by the wind. It can climb up canyons incredibly fast with embers shooting forth," Mahalingam said.

Garcia and his crew were eating lunch under a tree while they waited for counselors and a chaplain. Some watched the progress of the fire from a ridge nearby. More than 1,500 firefighters managed to contain the blaze to 24,000 acres overnight, before winds fanned it again. By sundown Friday, the fire had consumed nearly 40,000 acres -- more than 60 square miles.

Forest Service firefighters were pulled off the fire Thursday to give them a chance to grieve. Garcia said he was "emotionally, mentally, physically drained out. It was a good thing they gave us the day off."

But Capt. Garett Armsby, on the same crew as Garcia, was less patient. "We've got a fire happening at our backdoor," he said. "It's hard to just watch it."

Loutzenhiser left behind a wife and five children. Boss said he was active as a youth coach and umpire.

"The kids loved him," said Boss, a friend of Loutzenhiser's for 23 years. "They used to come up and grab his leg. He was a joy to have around."

Arson investigators said they had no major breakthroughs. Witnesses told the Associated Press that, shortly after the fire started in the town of Cabazon, two young men were seen leaving the area, close to a teenage hangout known as Raccoon Rock.

Riverside County sheriff's detectives interviewed other witnesses and fielded about 100 tips.

Gov. Arnold Schwarzenegger (R) added $100,000 in state money to a reward posted by Riverside County for information leading to the suspected arsonist's arrest. A Rancho Mirage resident, the Morongo Indian tribe and San Bernardino County each contributed $100,000, raising the total to $500,000.

The terrain in this mountainous area 25 miles west of Palm Springs is rocky and steep, making it difficult to tackle fires. Winds shift direction quickly. Desert scrub and low bushes make explosive tinder for fire. In addition, some fire experts said, the tendency of government authorities to put out smaller wildfires as quickly as they begin can allow the chaparral to grow unhindered, creating the foundation for even bigger blazes.

"We generally try to catch fires and put them out before they reach a critical size," said Walter Boyce, director of the Wildlife Health Center at the University of California at Davis. "Unfortunately, once they reach critical size, it's only a combination of effort, luck, wind and weather -- and mostly it's the weather -- that allows things to get back under control."

Fire officials said the blaze was only 25 percent contained, and in the areas already burned a sloping, blackened moonscape was still smoldering. Many houses in the area -- such as the one on Gorgonio View Road -- are down long, rutted dirt roads, far from neighbors, with views of oak-filled canyons or the desert floor 3,000 feet below. Several houses were melted ruins, with a satellite dish or a scorched refrigerator barely recognizable.

Pomfret reported from Los Angeles.

Burst Of Wind-Driven Flames Engulfed Firefighters (NYT)

By Randal C. Archibold

The New York Times, October 28, 2006

BEAUMONT, Calif., Oct. 27 — The five firefighters of Engine Crew 57 did what they had been trained to do. Spotting great licks of flame nearing a modest house on Thursday morning, they jumped from their truck and began cutting brush and hosing the building.

But then the wildfire did what wind-driven blazes can do: it exploded from a bowl-like gully with deadly ferocity, according to fellow firefighters close to the scene.

There was no time to run, no time to duck into the fire shelters the crew members carried. By the time other firefighters reached them, the Esperanza fire, as the blaze in Twin Pines near here is called, had done its work.

The four other United States Forest Service crews watched helplessly from up on a ridge nearby as the engine crew disappeared in the smoke and flames.

Officials say they believe the fire was intentionally set.

“It blew up like a fireball,” said Pat Boss, a friend of the crew’s captain and a public affairs officer for the Forest Service in Idyllwild, where the captain lived. “They did not see it coming.”

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Three of the firefighters died at the scene. They were Jess McLean of Beaumont and Jason McKay of Phelan, who were both 27 and had been in the Forest Service for several years, and Daniel Hoover-Najera, 20, a seasonal worker from San Jacinto on his second tour of fire duty.

The captain, Mark Loutzenhiser, 44, a 21-year veteran and a father of five known for coaching youth sports, died later at a hospital. The fifth crew member, Pablo Cerda, 23, a seasonal worker who lived in Fountain Valley, was in critical condition with burns over almost his entire body.

All firefighting is dangerous, but wildfires bring challenges of wind and difficult terrain. Friends said these crew members measured success by each house or even acre of their forest they preserved.

"He talked about saving the forest, about being proud to save even a few acres," said Marlene Lopez, a neighbor of Mr. McLean, whom she often saw roaring off to work on his motorcycle or working on fixing up the motorboat in his driveway and his yard.

On Thursday, she said, hours after Mr. McLean's death, his wife, Karen, wheeled the motorcycle inside the house — not the garage, the house.

"I knew something was terribly wrong and she just cried when I asked her if Jess was O.K.," Ms. Lopez said.

State and local authorities have posted rewards totaling $400,000 for information leading to the arrest of the arsonist they believe caused the fire, 90 miles east of downtown Los Angeles.

The deaths have shaken the close-knit world of firefighters here, mostly outdoorsmen who camp and play in the forests they protect, and develop a respect, the word most often used, for the capricious nature of wildfires.

Except for the deaths, this fire probably would not have stood out. It has burned about 39,900 acres, but is dwarfed by other more recent fires, including one in early September that burned more than 200,000 acres north of Los Angeles and was among the largest in state history.

This fire has consumed 10 structures, including five houses, while wildfires in the fall of 2003 in Southern California killed 24 people, destroyed 3,700 homes, and burned 750,000 acres. The record for firefighter deaths is 14 — 10 men and four women who died July 2, 1994, on the side of a ravine in Glenwood Springs, Colo., when fire shot up as if sucked through a chimney.

Groups of firefighters have died before, often caught in the furious Santa Ana winds that blow this time of year and give each fire tricky, hard-to-foresee elements. In this case, the winds have been particularly erratic, so much so that firefighting aircraft have not always been able to attack.

Commanders use computer modeling and mapping and other technology and techniques to get a fix on how the fire is burning and its direction, but a good deal of guesswork and intuition come into play, particularly at the front lines.

"As far as what the fire will do at any particular foot, at any particular second, we can't really say," said Mark Finney, a research forester at the Missoula Fire Sciences Laboratory in Montana. "And those are critical scales for firefighters, and for lots of things: for damage, for effects on vegetation, on houses."

Capt. Joel Vela, a spokesman for the California Department of Forestry, which is coordinating firefighting efforts, said the men experienced hurricane-like conditions at the house, "only instead of rain coming down it was fire."

"It's dark because the smoke has blocked the sun, the wind is blowing, it is like a hurricane," Captain Vela said.

The wind and towering columns of smoke have made it difficult for the authorities to assess their progress, but with additional firefighters and equipment, they say they are making headway. About 2,000 firefighters are at work, and 25 percent of the fire has been contained, they said.

People in Idyllwild, a mountain hamlet of 3,500 people, began organizing fund-raisers for the families of the Crew 57 members. They recalled the firefighters as devoted to family and community.

Captain Loutzenhiser coached volleyball, basketball and baseball, and ran adult athletic leagues, diligently reporting the results to the local newspaper.

Michael Herman, a Forest Service firefighter at the nearby Kenworthy Fire Station, said Mr. McLean was known for hiking steep slopes without breaking a sweat.

Mr. Cerda and Mr. Hoover-Najera were working in the summer and fall and training the rest of the year, on the road toward full-time firefighting jobs, Mr. Boss said.

Mr. McKay, who was raised in the High Desert of Southern California, wanted to be a firefighter since he was a child, family members said. When he was 14, he became a Fire Explorer with the City of Adelanto Fire Department, and later went to Victor Valley College, where he trained to be a wildland firefighter.

The crew members had experienced tough fires before, but with winter approaching and bringing the rains that dampen the hillsides and reduce the fire danger, they were getting ready to wind down. It had been a busy summer here and elsewhere; nationwide 9.4 million acres have burned, well above the 5.3 million average of the past 10 years.

Mr. Loutzenhiser was in the middle of remodeling his house and wanted to finish the work.

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" 'I am looking forward to the winter when things slow down,' " Mr. Boss recalled Mr. Loutzenhiser saying last week.

Taking On A Coal Mining Practice As A Matter Of Faith (NYT)

By Neela Banerjee

The New York Times, October 28, 2006

HALE GAP, Va. — The windswept ridge that Sharman Chapman-Crane hiked to on a recent fall afternoon is the kind of place, she said, that she normally would avoid. From there, she could see what she loved about Appalachia and what it had lost, and she wanted her visitors to see it, too.

The old rounded peaks of the mountains encircled the ridge, dense with trees smudged red and gold. But in the middle of the peaks, several stood stripped bare and chopped up, a result of an increasingly common and controversial coal mining practice called mountaintop removal.

"Doesn't it say in Scripture, 'Who can weigh a mountain, measure a basket of earth?' " Ms. Chapman-Crane said, recalling descriptions of God's omnipotence in Isaiah 40:12. "Well, only God can. But now, the coal companies seem to be able to do it, too."

Ms. Chapman-Crane, her colleagues at the Mennonite Central Committee Appalachia and other Appalachian Christians are trying to halt mountaintop removal, and at the heart of their work, they say, is their faith.

They are part of an awakening among religious people to environmental issues, said Paul Gorman, executive director of the National Religious Partnership for the Environment, an interreligious alliance. Increasingly, religious people across denominations are organizing around local issues, like preventing a landfill, preserving wetlands and changing mining.

"People of faith are thinking afresh about human place and purpose in the greater web of life," Mr. Gorman said. "They are asking, What does it mean to be present in a crisis of God's creation made by God's children?"

Although Christian environmental activists speak out against mountaintop removal at different levels of government, many believe that showing the practice's toll will persuade others to join them in seeking stricter regulation of it, if not an outright ban.

A new group, Christians for the Mountains, urges religious people to take up mountaintop removal "as a spiritual issue," and it has made a DVD that it is distributing to churches and individuals, said Allen Johnson, an evangelical Christian and a founder of the group.

The Rev. John Rausch, director of the Catholic Committee of Appalachia, has led tours of mountaintop removal sites since 1994. Mr. Rausch estimates that 400 people have taken his tour. They learn of the tours by word of mouth or from their churches, pay a few hundred dollars to stay in simple accommodations, hike several miles through forests and mined lands and talk to people whose lives have been affected by mountaintop removal.

The Mennonite Central Committee Appalachia, based in Whitesburg, Ky., gave its first tour in October, focusing on a corner of southeastern Kentucky and southwestern Virginia rich in coal and diverse forests.

On the second morning of the four-day tour, the trip's leaders, Ms. Chapman-Crane and the Rev. Duane Beachey, marched their three-member group up the mile-long trail to Bad Branch Falls. Poplars, beeches, hemlocks and magnolias thatched together a canopy above the trail, and the rain of their leaves made a soft ticking sound. Wild ginseng and wintergreen lined the path. Cottage-size boulders leaned forward over a rushing stream below the trail.

"Not every place on the mountains has waterfalls like Bad Branch," Ms. Chapman-Crane said. "But this is pretty much what it's like on the mountains here. The forests of the Appalachian range are like a northern rain forest."

Mary Yoder, who had volunteered to come on the trip for her congregation, Columbus Mennonite Church in Columbus, Ohio, asked, "So this is the kind of place that gets blown up in mountaintop removal?"

Mr. Chapman-Crane replied, "This is what would be lost, is lost, when they blast a mountaintop."

The United States is rich with coal, and mountaintop removal has begun to replace underground mining in Appalachia as the preferred method of extraction because of its efficiency and lower cost. Mountaintop removal involves leveling mountains with explosives to reach seams of coal. The debris that had once been the mountain is usually dumped by bulldozers and huge trucks into neighboring valleys, burying streams.

The coal industry asserts that mountaintop removal is a safer way to remove coal than sending miners underground and that without it, companies would have to close mines and lay off workers.

Luke Popovich, a spokesman for the National Mining Association, a coal lobbying group, said that by fighting mountaintop removal religious groups might find their priorities colliding.

"They find themselves in a difficult position," Mr. Popovich said, "because they're expressing support for those who purport to protect nature, and, at the same time, that activism carries implications for the human side of the natural equation. Human welfare depends on the rational exploitation of nature."

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Christianity runs wide and deep in Appalachia. At the Courthouse Cafe in Whitesburg, Mr. Beachey explained that as a Christian concern for his neighbors drove his desire to rein in mountaintop removal. But as in much of Appalachia, pastors and churchgoers here are reluctant to stir up trouble: many work for coal companies, or the people next to them in the pew do. Others believe stopping mountaintop removal would eliminate the few jobs that remain.

Many understand their faith differently than Christian environmentalists do. One night, Darrell Caudill and several friends gathered to play their guitars for the environmental tour and sing traditional songs and hymns. Mr. Caudill, 57, works for a coal company and believes in being a good steward of the earth. But to him, he said, being a Christian means being saved and spreading the Gospel. There is no tension between being committed to his faith and supporting mountaintop removal.

"Why did God produce coal then and put it underground?" said Mr. Caudill, who attends a nondenominational evangelical church. "He produced things that we need on this earth. Without coal, you wouldn't have the warmth and light you have right now."

Late in the trip, the tour group drove Lucious Thompson, 63, a former coal miner, to the horseshoe of peaks above McRoberts, where he lives. The peaks have been leveled. The woods where he had hunted are gone. The new grass on the new plateaus barely clings to the soil, which means that McRoberts often floods now after hard rains, he said.

"I've been flooded three times since they started working on the mountaintop," Mr. Thompson said.

He talked of neighbors whose house foundations had been cracked because of the daily blasting, of a pond lost to sludge and of respiratory ailments because of the coal dust flying from the coal trucks.

"The coal company says it's God's will," he said. "Well, God ain't ever run no bulldozer."

People like Mr. Thompson and the woods and mountains of Appalachia seemed to make the point the tour's organizers hoped for. After the tour, Ms. Yoder returned to Columbus to tell her congregation of about 200 what she had learned.

"My comment to the church was that I would do the tour with an open mind," she said, "and my conclusion is there is no room for mountaintop removal in our country."

Preparations For A Flu Pandemic (NYT)

The New York Times, October 28, 2006

The World Health Organization's new plan for ramping up the production of flu vaccine is a measure of how unprepared the world is to cope with an onslaught of pandemic influenza. The plan, conceived by a group of more than 120 experts, lays out a sensible path toward vaccine sufficiency— but it will take years to complete and cost up to $10 billion.

There are no signs yet that the influenza strain causing the greatest concern — a virulent form of avian flu — is ready to sweep through human populations. So far it has infected only 256 people in 10 countries — mostly people in close contact with chickens in Asia — but the highly lethal pathogen has killed some 60 percent of those.

Fortunately, it has not yet developed the ability to spread easily from one person to another, the critical transition for unleashing a pandemic. But if this strain or another does, it will move so rapidly there will be little chance of containing it — unless we start preparing now.

This week, the W.H.O. warned that if a flu pandemic were to occur, the global vaccine supply would fall several billion doses short. It recommended three overlapping responses: increasing the use of vaccines in the normal flu season so that manufacturers are encouraged to expand capacity; new techniques to raise production yields; and development of more potent vaccines that could provide broad and long-lasting immunity.

The price tag would be $3 billion to $10 billion for a global effort that might yield results in three to five years, provided action started now. The Bush administration's pledge of $10 million to W.H.O. to help other countries develop vaccines and manufacturing capacity is prompt but woefully short.

The administration has also invested substantially in vaccine research, including $1 billion to develop new cell-based technologies that would allow rapid expansion of production in an emergency. Although those investments are primarily for our own benefit, the knowledge generated is likely to help others around the world.

Still, both the American and global efforts ought to be intensified. The administration's goal of being able to make enough vaccine quickly to protect all Americans is also probably four to five years away. Neither America nor the rest of the world is yet ready to handle a worst-case pandemic.

FBI/DEA/ATF/USMS:

Man Gets Probation For Owning Firearms (HIR)

By Eve Byron, IR Staff Writer

DOJ_NMG_0088657

Helena (MT) Independent Record, October 28, 2006

A Jefferson County man was sentenced to three years of probation and a $2,500 fine for being a convicted felon in possession of firearms.

Edward Betka, 61, received the sentence Friday in U.S. District Court in Missoula.

According to information from the office of Bill Mercer, United States Attorney for the District of Montana, Betka's possession of firearms came to the attention of federal officials after a fire raced through his Basin home in July 2005.

The fire was being investigated as a possible arson case, and a deputy fire marshal accompanied Betka into the home while he retrieved various firearms.

The fire marshal watched Betka pull an undamaged gun case from under his bed, which contained two expensive-looking, high-powered scope-mounted rifles. A friend offered to store the firearms at his home, and took possession of three rifles, one shotgun and a .44-revolver from Betka.

However, Betka wasn't supposed to have any guns, since he was convicted of making false income tax returns, mail fraud, and false representation of a Social Security number in U.S. District Court in Wisconsin in 1990. Convicted felons are not allowed to own or be around firearms.

On Aug. 22, 2005, the friend turned the firearms over to an ATF special agent, and Betka later was charged and pleaded guilty to being a felon in possession of firearms.

Assistant U.S. Attorney Paulette L. Stewart prosecuted the case for the United States.

Feds Were Planning Raid On Vroman's Home (SRPD)

By Mike Geniella, THE PRESS DEMOCRAT

Santa Rosa (CA) Press-Democrat, October 28, 2006

Agents preparing to search D.A.'s property for suspected pot, weapons

Federal agents were preparing to raid the secluded Hopland home of Mendocino County District Attorney Norman Vroman at the time of his death to search for maturing marijuana plants and a possible stash of illegal weapons.

Agents said overflights had detected at least 25 marijuana plants growing on Vroman's property at the end of Sanel Valley Road.

Investigators also suspected Vroman, a self-described "gun nut," may have added to his personal gun collection by taking home weapons seized during drug and other raids or bought with drug-related asset forfeiture money, according to federal Alcohol, Tobacco and Firearms agents.

Three days before Vroman died Sept. 21 after a massive heart attack, the FBI's Public Corruption Unit began reviewing results of an investigation involving agents from the ATF and the Drug Enforcement Agency, according to internal documents obtained by The Press Democrat and statements from agents who asked not to be identified.

Documents show federal investigators were completing affidavits in support of warrants to search Vroman's home when he suffered the heart attack Sept. 19 as he prepared to drive to work. Vroman was found by a family member slumped over the wheel of his county-owned car. Vroman died two days later at a Santa Rosa hospital.

Raleigh Vroman said Friday she was unaware of a federal investigation into her husband's activities.

"I don't know what this is about. I don't know anything about marijuana," she said, refusing further comment.

The federal government doesn't recognize California's medical marijuana laws. Vroman was the first district attorney in the state to implement identity cards for patients who have a doctor's permission to use marijuana. Whether Vroman obtained one himself is unknown because confidentiality laws prevent that disclosure.

Documents show tensions rose within federal agencies as investigators pressed to raid the home of a high-profile district attorney who at the time of his death was engaged in a tough re-election fight with Fort Bragg attorney Meredith Lintott.

Vroman's name remains on the Nov. 7 ballot, and there is an active campaign to have voters select his name on Election Day.

FBI spokesman Joseph Shadler said Friday that "given the political sensitivities involved, we won't be making any comments."

In a written statement, an ATF investigator said the U.S. Attorney's Office in San Francisco believed the agents had "probable cause to issue a search warrant for marijuana on Vroman's property, but they refused."

Luke Macaulay, spokesman for the U.S. Attorney's Office in San Francisco, said the office's policy is to neither confirm nor deny an investigation.

After the apparent refusal by the U.S. Attorney's Office, ATF and DEA agents took the case to the FBI's Public Corruption Unit, according to documents and a source close to the case.

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Local authorities were deliberately kept out of the federal loop because of fear of leaks to Vroman's office. Vroman and federal authorities often had been at odds since he served nine months in federal prison in 1993 for failure to file income taxes.

In addition, local authorities said federal agents were aware of Vroman's close political and personal ties with former Sheriff Tony Craver. As a result, county Sheriff Kevin Broin and other high-ranking sheriff's officials were in the dark until the end.

"We learned about the federal investigation the day Mr. Vroman was stricken at his home," Capt. Kurt Smallcomb said.

Craver, reached Friday by phone at his new home in Caldwell, Idaho, said he was surprised to learn of the federal inquiry.

"I think it highly unlikely Norm would have contraband, whether marijuana or illegal weapons, at his home," he said.

About the suspicions of federal agents, Craver said, "It's too bad the search warrants weren't served so this kind of stuff could have been cleared up once and for all."

Interim District Attorney Keith Faulder, Vroman's chief deputy, said he learned of the investigation after Vroman was stricken and entered the hospital. Faulder said ATF investigators called and questioned staff members about serial numbers identifying two submachine guns and silencers that were kept in a gun safe in the District Attorney's Office.

The federal investigation stopped days later when Vroman died, and no warrants were issued.

The marijuana allegedly growing on Vroman's property "vanished" the day Vroman was rushed to the hospital, according to documents outlining the DEA investigation.

Since Vroman's death, family and supporters have campaigned aggressively to block the election of Lintott. Vroman's name remains on the Nov. 7 ballot, and if more votes are cast for him than for Lintott, the county Board of Supervisors will appoint a new district attorney.

In the meantime, a legal fight is being waged in the state Court of Appeal, First District, in San Francisco over Mendocino County's decision to proceed with the Nov. 7 election rather than setting a special election. In either case, Faulder has made it clear he wants to succeed Vroman.

Neither Lintott nor her campaign consultant, Terry Price of Santa Rosa, would comment Friday on the Vroman investigation.

In May, it was disclosed that since 1999 Vroman's office had spent $646,348 of $853,122 that flowed into a special "asset forfeiture" account. The total represented the amount of drug-related money and other assets, including guns and cars, seized during county drug raids by local, state and federal agencies. The distribution is overseen by the state Department of Justice.

Vroman's spending included the two submachine guns stored in the office, firearm sound suppressors, a gun safe for the District Attorney's Office and $39,100 in firearms training for his staff.

Comments can take a few minutes to display.

Comment Guidelines

Your opinions should contribute to a candid and constructive community conversation. Personal attacks and profanity are not permitted. See our full User Agreement and use THIS LINK to notify us of concerns about a comment. We'll then promptly review and remove it if it falls outside our guidelines.

Guilty Plea In Plot To Bomb Abortion Clinic (WP)

By Ruben Castaneda, Washington Post Staff Writer

The Washington Post, October 28, 2006

A Prince George's County man admitted in federal court yesterday that he intended to attack a Berwyn Heights abortion clinic with a pipe bomb this past summer.

During a hearing in U.S. District Court in Greenbelt, Robert Weiler Jr., 25, pleaded guilty to possessing a pipe bomb, being a felon in possession of a firearm and attempting to destroy or damage an abortion clinic.

A plea agreement worked out between Weiler's attorney and Assistant U.S. Attorney Bryan E. Foreman calls for Weiler to be sentenced to five years in federal prison.

U.S. District Judge Deborah K. Chasanow scheduled sentencing for Dec. 18.

Weiler said little during the hearing. He gave brief answers to Chasanow's questions about his background and mental health and about whether he understood the terms of his plea.

When asked whether he had been treated for alcoholism or mental illness, Weiler replied that he had met with a mental health expert at the Charles County Detention Center. He did not elaborate.

"Do you agree that you are, in fact, guilty?" Chasanow asked.

"Yes, your honor, I do," Weiler responded.

Weiler's father, Robert F. Weiler Sr., and mother, Catherine, were in the courtroom yesterday. They and Weiler's attorney, Assistant Federal Public Defender Michael CitaraManis, declined to comment after the hearing.

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The defendant's parents had tipped off Prince George's police to his plans, calling to report their suspicions June 4, more than a week after he disappeared from their home and stopped returning their calls.

On June 7, Robert Weiler Jr. called agents of the federal Bureau of Alcohol, Tobacco, Firearms and Explosives to turn himself in. When he was arrested the next morning at a rest stop in Western Maryland, he told agents that he had a handgun stolen from a friend and that he had made a pipe bomb and left it in the closet of a house in Riverdale Heights. Hours later, the bomb was partially detonated by bomb squad technicians.

The next day, Weiler provided a recorded confession in which he said he had intended to use the pipe bomb to blow up an abortion clinic on Greenbelt Road, a short drive from the federal courthouse, according to a statement of facts that is part of the plea agreement. He also said he had planned to use the gun to shoot doctors who perform abortions.

When he appeared in court four days after his arrest, Weiler wore a T-shirt with "Help Cure Abortion" on the front. On the back was "ABORTION: The leading cause of death in America." Yesterday, Weiler wore a short-sleeved white dress shirt and dark trousers.

TAX:

No Taxes Until After The Election (NYT)

The New York Times, October 28, 2006

To avoid looking like Scrooge, the Internal Revenue Service typically lets up around the holidays in its hounding of tax delinquents.

But this month, the indulgence began even before Macy's was decorated. The Times's David Cay Johnston reported yesterday that on Oct. 10, the I.R.S. commissioner Mark Everson told his troops to delay tax enforcement in areas affected by Hurricane Katrina — until after the midterm elections and the holiday season.

Until after the elections?

To explain his action, Mr. Everson said that a pre-election reprieve was as routine as the Christmastime hiatus. Four former I.R.S. commissioners interviewed by Mr. Johnston disputed that.

Mr. Everson also said that in his mind the elections were part of a continuum that ran through the holidays. That would make him the only person in the country who envisions Congressional campaigns as the start of Christmas shopping season.

Mr. Everson does his agency and law-abiding taxpayers a disservice. In delaying the enforcement actions, there's no avoiding the appearance of a political motivation. Many voters in the devastated areas are bound to be angry at President Bush and, by extension, Republicans. By easing up now, the I.R.S. avoids stoking that anger.

The possibility that Mr. Everson is wielding power in ways to please his boss, President Bush, is especially disturbing given that he has courted that suspicion before. After the administration failed repeatedly this year to achieve its goal of repealing the estate tax, the I.R.S. moved to eliminate the jobs of nearly half of the agency's lawyers who audit estate tax returns. Mr. Everson's explanation that the employees were no longer needed was unconvincing because the agency would not release enough data for researchers to independently verify his claim.

Mr. Everson needs to admit his mistakes, rather than trying to say they were not mistakes at all. And to make the I.R.S. more transparent. And to stay out of politics.

CONGRESS-ADMINISTRATION:

Tax-Cut Rollback Not On Table, Rangel Says (WP)

By Lori Montgomery, Washington Post Staff Writer

The Washington Post, October 28, 2006

Lawmaker Tries to Counter GOP Alerts

To hear Republicans talk, Rep. Charles B. Rangel, the gravel-voiced New York Democrat who stands to take over the tax-writing House Ways and Means Committee, is "giddy" about the chance to undo popular tax cuts enacted during President Bush's first term in office.

But Rangel said yesterday that he had no intention of rolling back the cuts, most of which are scheduled to expire in 2010, if Democrats claim the House on Nov. 7.

"I think it would be ridiculous for us in 2007 to be talking about 2010 tax cuts," Rangel said in an interview. "I don't want to go retroactive in terms of any of the tax cuts. I think retroactive tax increases are bad tax policy."

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As the prognosis for Republicans to maintain control has grown increasingly gloomy, Rangel has become a favorite rhetorical punching bag for President Bush and Republican leaders. At fundraisers, in news releases and on the campaign trail, Republicans have been warning voters that a Democratic House would raise taxes and wreak havoc on the nation's economic recovery. They raise the specter of Rangel's bejeweled hands on the controls of federal tax policy like some terrifying Halloween goblin.

Last week, House Majority Leader John A. Boehner (R-Ohio) attacked Rangel by name two days in a row in news releases with such headlines as "Dem Tax Hikes Would Threaten Strong Economy." "The American people don't trust Charlie Rangel and his tax-happy Democrat friends because they know Democrats will work overtime to raise their taxes," Boehner said.

At a fundraiser this week in Florida, Bush reminded the crowd that Rangel, "the ranking member of the Ways and Means Committee . . . would be the one who would take the lead in taxes" if the Democrats take over. Noting that Rangel has said he "couldn't think of one of our tax cuts he would extend," Bush joked, to laughter and applause: "See? They're genetically disposed to raise your taxes."

Rangel, a firebrand liberal and partisan brawler who has represented New York City in Congress since 1971, laughs at such statements. "It's really working my base, too, you know. So it works out for everybody," he said.

Of his comment to Bloomberg News in September that he "cannot think of one" of Bush's tax cuts that merit renewal, Rangel said he was discussing the ground rules for broad-based tax reform to fix what most experts agree is an inefficient and unnecessarily complicated tax system.

"I was asked, 'Are there any tax cuts you would say you want to extend?' And I said no. And I mean it," Rangel said. "That's what tax simplification is all about -- determining what we're going to keep and what we're not going to keep. I have to say everything is on the table."

Does that mean the cuts that have so far saved taxpayers an estimated $1.1 trillion will not survive their expiration date? Rangel demurs.

"I'm 76 years old. I don't buy green bananas," he said. "Who knows what's going to happen in 2010? It just doesn't make sense, with all the problems we are facing, to be discussing the extension of tax cuts that don't expire till 2010."

If Rangel does become the first Democrat to chair Ways and Means since 1994, he said his first priority will be to restore bipartisan cooperation to a committee that he said has been ruled by Republican fiat. Some "low-hanging fruit" to prove his good intentions: Moving stalled trade agreements and making permanent the research and development tax credit, which firms can claim for research done in the United States. Corporate groups are working to save the credit, which is in danger of expiring unless Congress acts quickly to extend the credit.

Rangel said he also plans to hold a bipartisan retreat to start cracking all the tough fiscal nuts: the spiraling cost of Medicare, the expanding reach of the alternative minimum tax and Social Security reform. But talks will start on his terms, he said. For example, if Bush does not abandon his plan to divert Social Security tax dollars to private accounts, Rangel said, "that means he's not going to deal with it."

"It's much easier to fight [the Republicans] than to work with them. But the American people want us to work together. And I am not convinced [voters] are just teed off with Republicans," he said, laughing. "I'm not being benevolent. I'm not being fair. I'm being as political as I've ever been. It's in the best interest of my party to get something done."

Waxman Plans Tougher Oversight Of Companies (WSJ)

The Wall Street Journal, October 28, 2006

WASHINGTON -- California Rep. Henry Waxman, the vocal corporate critic slated to run a powerful committee if Democrats win the House, said he would aggressively expand oversight of many large industries -- with a focus on drug prices, oil-company profits and Halliburton Co.'s contracting work in Iraq.

In an interview, Rep. Waxman, the senior minority member of the House Government Reform Committee, said he also would boost oversight of the Bush administration, along with "waste, fraud and abuse" across the federal government -- especially rebuilding efforts in Iraq and the Hurricane Katrina-ravaged Gulf Coast. The committee has extensive -- and vaguely defined -- oversight responsibilities covering broad swaths of corporate America and the government, and the chairman has the power to issue subpoenas, compel testimony and call hearings.

Of particular concern, Mr. Waxman said, would be rooting out what he called "profiteering." His aides define the term broadly enough that it encompasses Iraq contracting, the massive growth in homeland security expenditures, pharmaceutical prices and soaring oil-industry profits. Probes into prices and profits could prove controversial, however, because the government itself has never been able to define precisely what constitutes price-gouging or profiteering.

In discussing his goals, Mr. Waxman is touching on many of the hot-button issues being aired both in the campaign and behind the scenes among Democrats. The party has been debating how much to spotlight what could be controversial actions

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before voters go to the polls, or how much to stick to more general policy slogans. Republicans already have begun trying to cast Mr. Waxman as a partisan who would abuse his investigative powers.

A 32-year veteran of the House, Mr. Waxman, 67 years old, has had little real power since Republicans took control of the House in 1994. Democrats currently are 15 seats shy of a majority, but polls suggest they could win enough seats on Nov. 7 to make up the gap. A Democratic takeover of the Senate also is widely seen as possible, though less likely.

When Democrats last held power, Mr. Waxman headed the Commerce Committee's subcommittee on health and environment, where he was a thorn in the side of big business. He led well-publicized crusades to get tobacco regulated as an addictive drug, increase federal oversight of dietary supplements and toughen auto-emissions standards, and helped write a raft of landmark legislation like the Clean Air Act, the Ryan White AIDS bill and laws mandating smoke-free airplanes, clearer nutritional labeling and access to generic drugs.

He also showed a keen eye for the theatrical in hearings -- such as the April 14, 1994 session in which the seven chief executive officers of the nation's largest tobacco companies famously testified that "nicotine is not addictive."

In the minority, Mr. Waxman has carved out a role as a self-appointed watchdog. He has issued more than 2,000 investigative reports in the past eight years, cataloging everything from shortcomings in the Department of Homeland Security to misleading information being provided in federally funded abstinence-only programs.

Several business trade groups declined comment on Mr. Waxman. Political analysts said executives -- particularly in industries like managed care and pharmaceuticals -- have reason to fear being targeted by the lawmaker and his investigators.

"Corporate executives may not be familiar with Waxman yet, but some of them will be by this time next year," said Andy Laperriere, a political analyst at the International Strategy & Investment, a brokerage and research firm which has released a series of reports on the business implications of a Democratic House.

As for the administration, he said, "When Republicans wake up at night worrying about oversight, they probably envision Henry Waxman."

Mr. Waxman is only one of several Democrats critical of business and the administration who stand to hold prominent posts if Democrats retake the House. Republicans seeking to bolster their base are pointing out that incoming Democratic chairmen -- particularly those with oversight responsibilities like Mr. Waxman -- would emerge as some of the most important, and powerful, members of the new majority.

Beyond Mr. Waxman, the main Republican targets are Democrats Michigan Rep. John Conyers, who could take over the Judiciary Committee and has talked about the prospect of impeachment proceedings against Mr. Bush; Michigan Rep. John Dingell, who stands to take over the Energy and Commerce Committee; and New York Rep. Charles Rangel, who would run the tax-writing Ways and Means Committee, and who opposes extending many of Mr. Bush's tax cuts.

As chairman, Mr. Waxman would see his committee staff double, to 70. How he used his expanded powers would help shape the direction of a Democratic majority and send an early signal about whether the party plans to spend the next two years battling the administration or seeking common ground so that policy initiatives on issues like health care and the economy stand a better chance of becoming law.

Should Democrats win, Mr. Waxman's ascension to the helm of the Government Reform Committee could further highlight the debate simmering within the party since its 2004 electoral losses. The more liberal wing, represented by candidates like Connecticut Senate challenger Ned Lamont and activist organizations like MoveOn.org, wants the party to take a harsher stance against the Iraq war and corporate conduct. Centrists like New York Sen. Hillary Clinton, by contrast, have tried to shore up the party's standing with the business community and declined to call for an Iraq withdrawal, arguing that would alienate many moderate voters.

Mr. Waxman said he is mindful that his decisions about where to focus his potential new investigative muscle -- and how hard-line a stance to take with the administration and the oil and pharmaceutical industries -- carry political risks for the Democrats. The lawmaker stressed that he has no "agenda" in place to guide his first months as chairman of the committee, no investigations teed up, and that he saw subpoenas as a "last resort" for compelling information that he hoped could be obtained through less confrontational methods.

Mr. Waxman, a fierce critic of the Iraq war, also said he was unlikely to investigate whether the administration had manipulated prewar intelligence on Iraq, a stance likely to disappoint many Democratic liberals.

"I know a lot of people feel it should be investigated, but I just don't know if it would be productive now," he said. "The whole premise of that war has been discredited so thoroughly that I don't know what a hearing would establish that goes beyond that."

Instead, Mr. Waxman said his main focus would be on pocketbook issues like the billions of dollars alleged by government investigators and critics to have been stolen or misspent in Iraq, the high price of many prescription drugs and the oil industry's soaring profits.

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In part, Mr. Waxman appears to be falling in line behind the economically populist positions increasingly espoused by Democratic leaders like Nancy Pelosi, the California lawmaker who could become the first female House Speaker in the nation's history. Many Democrats this fall are railing against the oil and drug industries. Ms. Pelosi has said that within the first 100 hours of taking power, Democrats would work to raise the minimum wage, cut student-loan interest rates and rewrite the Medicare prescription-drug benefit to take away advantages given pharmaceutical makers.

In recent years, Mr. Waxman has forced the State Department to retract a report that erroneously had suggested that terror-related casualties had declined in 2003 and replace it with one that showed that both fatalities and the overall number of large-scale terror attacks had soared that year. As the ranking member of the Government Reform Committee, he has repeatedly lambasted the administration for the failure to find weapons of mass destruction in Iraq, faulty prewar intelligence and the billions of dollars of no-bid contracts awarded to Halliburton and Kellogg, Brown & Root, its engineering and construction unit.

Halliburton declined to comment about Mr. Waxman specifically, but said the company would cooperate with either party. "KBR has been performing work for the U.S. military for more than 60 years, in both Democratic and Republican administrations, and the company will continue to cooperate with the appropriate government agencies as they fulfill their important oversight responsibilities," says Cathy Mann, a spokeswoman for the company.

Rep. Waxman also has harshly scrutinized the 2003 Medicare prescription-drug bill. In the summer of 2004, he led a group of 19 lawmakers who filed a federal lawsuit demanding that the Department of Health and Human Services disclose disputed cost estimates about the bill after evidence emerged suggesting that former Medicare chief Thomas Scully threatened to fire the program's chief actuary if the staffer told lawmakers the true cost of the program.

Mr. Waxman has in the past said that he wanted to modify the bill to eliminate the so-called donut hole, a coverage gap that impacts many senior citizens, and allow the government to negotiate lower drug prices with pharmaceutical companies.

Write to Yochi J. Dreazen at yochi.dreazen@wsj.com1

This Chairmanship Fight May Not Have Been Anticipated By Democrats (CQ)

By Patrick Yoest

CQ Daily, October 27, 2006

Rep. Bob Filner, D-Calif., may be in line to become the next chairman of the Veterans' Affairs Committee if the Democrats win control of the House, but his behavior as ranking member has raised questions about whether he's the right Democrat for the job.

Enter Rep. Michael H. Michaud of Maine, who plans to challenge Filner for the gavel.

Neither Filner nor Michaud is a veteran, but the similarities end there.

Filner is a fiery former college professor who was jailed in Mississippi as a Freedom Rider in 1961. Michaud is a high school graduate who spent years working in a paper mill.

Filner's hot temperament, visible in his fights with current chairman Steve Buyer, R-Ind., and a profanity-laced tirade outside VA headquarters in June, have raised some eyebrows.

Michaud favors a calmer approach to committee work.

"We'll fight very hard for veterans. . . . But we can do that without loud speeches and rhetoric," Michaud said.

Filner, however, said you have to be loud sometimes to get things done. "I only take the position of the bomb thrower when they exclude me," he said.

The Non-Contract With America (WSJ)

The Wall Street Journal, October 28, 2006

A joke in Washington these days is that the only thing that can save the Republicans on Election Day is the Democrats. House Speaker-in-waiting Nancy Pelosi seems to get this joke, because with few exceptions she's kept her Members tight-lipped and unspecific: As New York Senator Chuck Schumer has put it, why take the focus off the GOP?

This is in notable contrast to 1994, when the Gingrich Republicans ended a 40-year Democratic House majority by laying out a 10-item agenda known as the Contract with America. What Democrats are campaigning on this year is a Non-Contract with America -- mostly generalities about "helping the middle class" and "ending the corruption in Washington."

As a campaign strategy, this may well pay off. But if they do win, Democrats will have to fill their campaign vacuum with something, and the best clue to what that would be is what they've already proposed. We've taken some time to inspect these policy priorities and thought we'd share a few of the highlights, if that's the right word. (Warning: Keep sharp objects away from drug-company and Wal-Mart shareholders.)

Tax increases. The Bush tax cuts expire in 2010, and any chance that they'll be made permanent will vanish with a Democratic Congress. The question is whether Democrats will try to raise taxes even sooner. Most Democrats voted against the

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Bush tax cuts, but this week Ms. Pelosi said on CNBC's Kudlow & Co. that "Democrats like tax cuts. We support middle-class tax cuts."

The same isn't true, however, for the "investor" tax cuts of 2003 that coincided with the acceleration of the current expansion. Ms. Pelosi says reversing these tax cuts "at the high end" would be "an earlier resort." This would raise the top income and dividend tax rate back to 39.6% from 35%, and the capital-gains rate back to 20% from 15%, substantially raising the cost of new investment in the United States. Economist John Rutledge estimates that raising the dividend rate alone would reduce the value of the S&P 500 stocks by between 5% and 8.5%, roughly a $500 to $700 billion decline in the wealth of the 52% of American households that own stock.

"Paygo budgeting." President Bush would no doubt promise to veto any direct tax increase, but having the power of the purse would give Democrats plenty of leverage. What if they framed the political choice as a tax increase on "the rich" versus funding the war on terror?

Democrats have also pledged to restore so-called pay-as-you-go budget rules, which sound like a restraint on budget deficits but in practice restrain only tax cuts. They don't apply to the growth of current entitlement programs or to domestic discretionary spending, only to tax cuts or new entitlements. This formula would probably take us back to the 1980s, when Democrats insisted on higher domestic spending while fighting Ronald Reagan's increases in defense spending.

Health-care regulation. Big Pharma and private insurers, watch out. Michigan's John Dingell, who would run the Energy and Commerce Committee, has co-sponsored the "Patients Before Profits Act" that would gut funding for the new Medicare Advantage plans that are proving so popular with seniors. Instead, he and the other Democrats who run health-care panels want to direct all seniors into a single government-run Medicare drug plan. Another proposal from top Democrats, the Medicare for All Act, would make all Americans, of any age, eligible for Medicare and pay for it with a new 1.7% payroll tax on workers and 7% on employers.

Ms. Pelosi has also pledged to pass, in her first 100 hours as Speaker, legislation to require the government to "negotiate lower drug prices." That's a euphemism for imposing price controls on new medicines, which can take as much as $800 million in research and development to bring to market. The actor Michael J. Fox is getting headlines for his ads in favor of Democrats who support stem-cell research, but price controls would do far more to delay the introduction of new treatments for Alzheimer's, Parkinson's or cancer.

The union label. AFL-CIO headquarters would be rocking with hope once again. A job-killing hike in the minimum wage, to $7.25 from $5.15, would whisk through Congress, and we'd expect that Mr. Bush would sign it.

But another top priority for Democrats is the Employee Free Choice Act, which has at least 215 co-sponsors in the House and 44 in the Senate. This would allow labor to turn workplaces into union shops without an election or secret ballot. Unions would merely have to gather signatures from a majority of workers at a work site, which means labor organizers could strongarm employees who opposed such a petition. This would almost surely pass the House.

Democrats have also moved well to the left on trade since the Bill Clinton-Nafta era. Mr. Bush's trade-promotion authority, allowing up-or-down votes on trade deals without amendment, expires next July, and there's little chance House Democrats would extend it. The entire Democratic leadership opposed free trade with tiny Oman and with Central America, so deals now in the works with Vietnam and other countries would also be long shots. Sorry, Robert Rubin.

Energy. The Pelosi Democrats favor a "windfall" profits tax on oil companies and a virtual moratorium on drilling for more domestic oil in Alaska and on the outer continental shelf (where the U.S. may have more energy than Saudi Arabia). These policies would make the U.S. more dependent on foreign oil. There would also be an effort to pass new, and higher, fuel-mileage mandates, which would make things tougher on what's left of Detroit. And lobbying would begin for the U.S. to sign the Kyoto Protocol on global warming and to subsidize, even more than Republicans already have, ethanol and other "alternative" fuels.

We could go on, in particular in the regulatory arena, where agencies would be under greater pressure to restrict mergers, among other things. But you get the idea. A Democratic triumph would produce a major shift in the national policy debate, and we can understand why Ms. Pelosi isn't plastering most of this agenda on billboards around the country. Not everything would become law, to be sure, especially if Mr. Bush were finally willing to use his veto pen. However, elections have consequences, and we thought our readers might like to know about them before November 7.

White House Is Trimming Army Budget For Next Year, Officials Say (NYT)

By David S. Cloud

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — White House budget officials are planning on asking for a $121 billion budget for the Army next year, not the $138 billion that senior Army officials have been seeking, two senior Pentagon officials said.

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Army officials were told of the decision in an Oct. 19 memorandum from Deputy Defense Secretary Gordon R. England, which noted that changes in the Army allotment were still possible, as deliberations continued over the Bush administration's budget for the 2008 fiscal year, said officials who had seen the memorandum.

The Army budget figure was first reported by Bloomberg News. The request will go to Congress in February.

But it appears that the preliminary decision to scale back the annual budget request for the Army could be offset later in the year, in a so-called supplemental appropriation like those Congress has passed every year since 2001. The extra money in those bills has financed the wars in Iraq and Afghanistan, as well as unanticipated costs elsewhere.

In another memorandum issued this week, Mr. England informed the Army and other military services that the administration's ground rules covering what costs can be included in so-called supplemental spending bills "are being expanded" to include "costs related to the longer war against terror," not just continuing operations in Iraq and Afghanistan.

He said that in some cases the supplemental spending could be used to buy newer equipment or to speed other improvements in military capabilities.

Steven Kosiak, a defense budget analyst at the Center for Strategic and Budgetary Assessments, said the Pentagon was "sending a signal to the services" that they now have permission not to limit their request to war-related costs.

Supplemental financing for the Defense Department this year totaled $117 billion, Mr. Kosiak said.

Though the administration has decided to seek only a $7 billion increase over this year's $114 billion appropriation for the Army, supplemental financing offers a chance for the Army to restore some of the money it has been denied, officials said.

Rice's Counselor Gives Advice Others May Not Want To Hear (NYT)

By Helene Cooper And David E. Sanger

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — For the last 18 months, Philip D. Zelikow has churned out confidential memorandums and proposals for his boss and close friend, Condoleezza Rice, that often depart sharply from the Bush administration's current line.

One described the potential for Iraq to become a "catastrophic failure." Another, among several that have come to light in recent weeks, was an early call for changes in a detention policy that many in the State Department believed was doing tremendous harm to the United States.

Others have proposed new diplomatic initiatives toward North Korea and the Middle East, and one went as far as to call for a reconsideration of the phrase "war on terror" because it alienated many Muslims — an idea that quickly fizzled after opposition from the White House.

Such ideas would have found a more natural home under President George H. W. Bush, for whom Mr. Zelikow and Ms. Rice worked on the staff of the National Security Council. They reflect a sense that American influence is perishable, and can be damaged by overreaching, as allies and other partners react against decisions made in Washington. They form a kind of foreign policy realism that was eclipsed in Mr. Bush's first term, in favor of a more ideological, unilateral ethos, but that has made something of a comeback in his second term.

Whether Mr. Zelikow, 52, is giving voice to Ms. Rice's private views, or simply serving as an in-house contrarian, remains unclear. Some of his ideas have become policy: he had called for the closure of secret prisons run by the Central Intelligence Agency a year before the Supreme Court decision that prodded the Bush administration to empty them.

The United States offered North Korea a chance to negotiate a permanent peace treaty, per Mr. Zelikow's advice, and he, along with Ms. Rice, was one of the backers of the Iran initiative, in which President Bush offered to reverse three decades of American policy against direct talks with Tehran if Iran suspended its uranium enrichment.

Neither North Korea nor Iran has bitten on the initiatives, but America's allies have applauded them. Mr. Zelikow's assessments of the Iraq war, first disclosed in Bob Woodward's book "State of Denial," were presented to Ms. Rice in 2005.

Ms. Rice keeps Mr. Zelikow close at hand, and the fact that his memorandums have surfaced in recent books and news articles suggests, at a minimum, that he and his allies are aggressively lobbying for his ideas. Mr. Zelikow (pronounced ZELL-i-ko) is being talked about inside the State Department as an outside shot for the vacant job of deputy secretary of state, but some believe that his management style is too combative for the job.

Friends of both officials say that Ms. Rice appears to regard Mr. Zelikow as a kind of intellectual anchor during what has been a turbulent period for American foreign policy, in Iraq and beyond.

"He's a very important intellectual resource, even if she may not always agree with him," said Brent Scowcroft, the former national security adviser, who has been a mentor to both.

Michael A. McFaul, a political science professor at Stanford University who knows both the secretary of state and Mr. Zelikow, said that "the limited results" of the administration's approach had "created space for guys like" Mr. Zelikow.

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Mr. Zelikow is hardly a household name, even at the State Department, where his title is counselor to the secretary of state. He has few staffers, no line authority, and occupies an office at the very end of the hall on the seventh floor, where Ms. Rice and other top officials also have their offices. He is a sometimes-geeky intellectual known for fingernails that are bitten down to nubs.

But questions about his role were sharpened last month after Mr. Zelikow gave a speech at the Washington Institute for Near East Policy in which he offered what many believed was an oblique criticism of the decision by Mr. Bush and Ms. Rice not to push Israel to return to the negotiating table with the Palestinians. He also said progress in that conflict was essential to forming a consensus among the United States, moderate Arabs and Europeans on Iran.

The address may have been an example of what Mr. Zelikow, in two speeches last year, called "practical idealism." But it did not go over well. The State Department quickly distanced itself from the speech, issuing a statement denying any linkage, and Israeli officials, flustered by Mr. Zelikow's remarks, said Ms. Rice later assured the Israeli foreign minister, Tzipi Livni, that the United States saw the Iranian and Palestinian issues as two separate matters.

Neither Ms. Rice nor Mr. Zelikow would comment for this article.

But friends of both Ms. Rice and Mr. Zelikow say her initial decision to appoint Mr. Zelikow to the counselor post last year reflects her openness to views at odds with the more ideological approach that has been dominant under President Bush.

Ms. Rice had to expend a substantial amount of her own political capital to get the White House to support her choice, friends say, given Mr. Zelikow's previous job as staff director of the 9/11 Commission, where he played a major role in writing the report that took both the Clinton and Bush administrations to task for failing to act with sufficient seriousness against the threat from Al Qaeda.

But Ms. Rice arrived at the State Department insistent that she would surround herself with her own people, friends say. Vice President Dick Cheney wanted her to appoint his former deputy national security adviser, Eric S. Edelman, as her political director; she balked and instead chose R. Nicholas Burns, a friend who had worked for her at the security council during the administration of the first President Bush. Likewise, in choosing Mr. Zelikow as her counselor, she eschewed Elliott L. Abrams, a darling of neoconservatives and the pro-Israel lobby.

Mr. Zelikow and Ms. Rice co-authored a book about Germany's reunification, "Germany Unified and Europe Transformed: A Study in Statecraft" (Harvard University Press, 1995). It is not exactly light reading, but at its core it is a study in realpolitik, examining — and admiring — the tempered, carefully managed American response to the collapse of the Soviet Union.

It is a book that Mr. Zelikow could write again today, but one that Ms. Rice could not, friends and associates of both say. Ms. Rice herself has said that she went through something of a transformation after the Sept. 11, 2001, attacks, in which she moved away from the classical realism of her own roots and Mr. Zelikow's, and closer to the neoconservatives who dominated policy discussions in the first term. Ms. Rice has told friends that President Bush has had a major impact on her thinking in terms of reintroducing values-based politics and ideology.

An example of the distance between Mr. Zelikow and his boss emerged this summer, at the start of the Israel-Hezbollah conflict. The position adopted by Ms. Rice — that Israel be permitted to continue its bombardment of Hezbollah despite the mounting civilian death toll in Lebanon — satisfied conservatives in the administration, including Mr. Cheney, who were pushing for strong American support of Israel.

That support also included the decision by the administration to heed Israel's desire that America not push it to resolve the Palestinian conflict until the Palestinian Authority improved security and cracked down on attacks by groups considered to be terrorist entities by Israel and the United States.

But in his speech to the Washington Institute for Near East Policy, Mr. Zelikow implicitly acknowledged that that stance does not win America any friends in the Muslim world, and thwarts other American foreign policy objectives.

Joseph Nye, the former dean of the Kennedy School of Government at Harvard and one of Mr. Zelikow's friends, said, "If you look at the distance where the administration went away from the realism of the 2000 campaign, Philip never went on that kind of excursion."

Mr. Zelikow sat out the first Bush term, running the Miller Center of Public Affairs at the University of Virginia. But Ms. Rice turned to him for key tasks, and he drafted much of the 2002 "National Security Strategy of the United States," the document that fundamentally reordered American national security doctrine after the Sept. 11 attacks.

He became the executive director of the 9/11 Commission, from where he pressured Ms. Rice to turn over highly classified intelligence estimates and testify in front of the commission. Officials who worked with him marveled at his industry and precision, but described him as far more opinionated than his gather-the-numbers approach might first suggest. Staffers on the commission said other colleagues were assigned the task of smoothing over the bruised egos of those who had crossed Mr. Zelikow.

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The position of counselor to the secretary of state, a post that over the years has been filled by some of Washington's brightest diplomatic lights, allows Mr. Zelikow to fly under the radar, and Ms. Rice has used that flexibility from the beginning of her term, when he was sent off to Iraq to provide an outsider's assessment of what had gone wrong.

OTHER NEWS:

Housing Slump Slows Economy (WP)

By Nell Henderson, Washington Post Staff Writer

The Washington Post, October 28, 2006

Growth Far Below Pace Early in Year

The cooling housing market sent a chill through the economy in the third quarter, helping to slow growth to its weakest pace in more than three years, the government said yesterday.

The nation's gross domestic product, the value of all goods and services produced, expanded at a sluggish 1.6 percent annual rate in the quarter, down from a moderate 2.6 percent pace in the second quarter, the Commerce Department reported. In the first three months of the year, the economy grew at a sizzling 5.6 percent annual rate.

With less than two weeks to go before the midterm congressional elections, the report instantly became campaign ammunition. Democrats emphasized the slowdown while Republicans highlighted signs of economic strength.

Financial analysts were split on whether the report reflected an economy poised for a rebound or headed into a prolonged slump. The debate turns on differing forecasts of how the housing market will affect consumer spending.

The sharp slowdown during the year resulted from a combination of soaring energy prices, rising interest rates and plunging home construction and sales. Oil prices and the cost of a 30-year fixed-rate mortgage peaked in July, and gasoline averaged around $3 a gallon for much of the summer.

Home building plunged at a 17.4 percent annual rate in the third quarter, the steepest fall in four consecutive quarters of declines, the report showed.

"A downturn in the housing market packed a wicked punch for the U.S. economy in the third quarter, but it was not a knockout blow," said Stuart G. Hoffman, chief economist of PNC Financial Services Group.

Optimists note that some forces behind the slowdown have eased. The Federal Reserve has held short-term interest rates steady since June, and mortgage rates have fallen since July. Gaso line and other fuel prices have tumbled since mid-August, putting more cash into consumers' pockets to spend on other things.

Both consumer spending and business investment outside of housing rose faster in the third quarter than in the second, and unemployment remains low, encouraging many analysts to predict that the economy will regain momentum in the coming months.

"The recent slowdown will prove temporary," said James W. Paulsen, chief investment strategist at Wells Capital Management. "Outside of the housing and auto industries, economic growth remains strong and has actually been accelerating."

Other observers were more pessimistic, expecting the housing slump to deepen and continue into next year. That would push up unemployment and prompt consumers to rein in spending, holding economic growth to a crawl through 2007, they said.

"The correction in the housing sector still has a long way to go and the full impact on consumption won't become apparent until next year," said Paul Ashworth, senior U.S. economist for Capital Economics Ltd.

The divergent forecasts explain why the Federal Reserve left its benchmark short-term rate unchanged Wednesday. Central bank policymakers generally share the more upbeat outlook but see the possibility that the economy could weaken more than they expect.

The Commerce Department report also supported the Fed's forecast that slowing economic growth will gradually weaken inflation. Consumer prices, excluding food and energy prices, rose at a 2.3 percent annual rate in the third quarter, according to a Commerce Department price index. That's higher than many central bank policymakers prefer but lower than the 2.7 percent pace of the second quarter.

Heading into the final campaign stretch, President Bush and other Republicans have emphasized the good economic news, such as the low 4.6 percent unemployment rate, rising incomes and falling oil prices.

"It is a healthy economy," Treasury Secretary Henry M. Paulson said yesterday during an interview on CNBC. "The economy is creating new jobs . . . there has a been a real increase in wages."

Democrats countered that the Commerce Department figures reflect a weakening economy.

"Once again, the Bush economy is going in the wrong direction," said Rep. Carolyn B. Maloney (N.Y), the senior House Democrat on Congress's Joint Economic Committee. "An economic recovery that never benefited working Americans in the first

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place now has slowed to a crawl. President Bush's economic happy talk is betrayed by the facts on the ground and the stats released today."

U.S. Economic Growth Cools Down (WSJ)

The Wall Street Journal, October 28, 2006

WASHINGTON -- Economic growth slowed in the third quarter to its most anemic pace since 2003, highlighting the impact of the housing downturn and raising questions about the economy's direction.

The Commerce Department Friday said the economy expanded at an inflation-adjusted annual rate of 1.6% from July through September. That was slower than the 2.6% rate in the second quarter and the 5.6% surge in the first.

Stocks tumbled in reaction to the weaker-than-expected report, which came after a three-month rally on Wall Street. The Dow Jones Industrial Average retreated from its record, falling 73.40 points to close at 12090.26. Bond prices rose slightly, and the yield on the benchmark 10-year Treasury note fell to 4.67%. (See related story4.)

With midterm elections less than two weeks away, the report also sparked debate. Some economists said a long period of tepid growth is in store, citing an expected decrease in production in the housing and auto sectors. Others said recession is a possibility. Yet, many economists predicted the economy will bounce back during the current quarter, particularly if gasoline prices don't soar again.

"A downturn in the housing market packed a wicked punch for the U.S. economy in the third quarter, but it was not a knockout blow," wrote Richard Moody, senior economist at PNC Financial Services Group.

David Huether, chief economist of the National Association of Manufacturers, said rising exports, business investment and consumer spending will cushion the economy from any further downturn in the housing market. "With three of the four pillars of the expansion remaining firm, the foundation for continued growth going forward is solid," he said.

Mr. Huether projects the economy will expand between 2.7% and 3% in the fourth quarter. Similarly the Fed's monetary-policy committee said in the statement accompanying its decision to hold short-term interest rates steady earlier in the week that "Going forward, the economy seems likely to expand at a moderate rate."

Others are less certain. Ian Shepherdson of High Frequency Economics said he expects little improvement in the fourth quarter and minuscule growth next year. He puts the chance of a recession at 40%. Joseph Carson of AllianceBernstein sees 1.9% growth for 2007 and a roughly 25% chance of recession. The economic slowdown "may not be severe in depth," Mr. Carson said, "but it may be pretty long."

Recession, as a rule of thumb, is when the economy contracts for two consecutive quarters. One reason many economists say a slowdown is more likely than an outright recession is because they believe the Fed would lower interest rates if the economy doesn't recover.

Most economists said the Fed will need to see more evidence before it changes its current stance of keeping rates steady as it waits for inflation to ebb. "They're far away from easing at this point," said Jan Hatzius, chief U.S. economist at Goldman Sachs.

Friday's report contained good news on inflation. The Fed's preferred measure of core inflation -- the index of personal consumption expenditures excluding food and energy -- rose at a 2.3% annual rate in the third quarter, down from the second quarter's 2.7%.

Consumers were resilient last quarter, despite high gasoline prices in July and August, but much of their stepped-up activity was offset by a steep plunge in residential construction and greater spending on imported goods.

Separately, the University of Michigan Friday said its index of consumer sentiment rose to 93.6 from 92.3 earlier this month and 85.4 in September. Buoyed by lower gasoline prices, consumers' assessment of current and future conditions rose. The survey also found many people are still concerned about the housing market. "Consumers remain uncertain about how much more home prices might fall and therefore reported their continued reluctance to purchase a home any time soon," said Richard Curtin, who oversees the survey.

Write to Christopher Conkey at christopher.conkey@wsj.com13

Oil And Housing Put Brake On US Growth (FT)

By Krishna Guha

Financial Times, October 28, 2006

US economic growth slowed to an annualised rate of just 1.6 per cent in the third quarter of 2006, figures revealed on Friday, as a brutal correction in housing construction and an oil-fuelled rise in imports dragged down economic activity.

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The news of the sharper-than-expected slowdown comes at a bad time for the Republican party, which has been leaning on its economic record to shore up support damaged by the war in Iraq in the run-up to midterm elections for Congress on November 7. Growth in the quarter was the slowest since early 2003.

However, strong consumer spending – particularly on automobiles – ensured the economy continued to expand, though below its potential growth rate.

Inflation pressures eased a little, with the core personal consumption expenditure deflator rising at an annualised rate of 2.3 per cent, down from 2.7 per cent.

Bond prices rallied on the evidence of economic weakness, with the yield on 10-year Treasuries falling to 4.68 per cent, while equity prices stalled.

Most analysts expect growth will rebound in the current fourth quarter, as lower oil prices depress imports, though it will probably remain below trend.

Figures from the eurozone showed growth in lending to the private sector equalled its highest rate since the launch of the euro in 1999, highlighting robust economic activity in Europe but raising expectations of possible further interest rate rises by the European Central Bank.

Democrats seized on the weak US third-quarter growth numbers as more evidence that the US was "on the wrong track".

However, Hank Paulson, the Treasury secretary, dismissed weak third-quarter growth as a "blip".

In an interview with the Financial Times, Carlos Gutierrez, the commerce secretary, said the capacity of the economy to absorb the correction in housing was "another example of how resilient and how strong this economy is".

Although headline growth was lower than consensus, the report is unlikely to prompt the Federal Reserve into early consideration of interest rate cuts. This week, it issued a statement saying: "Going forward, the economy seems likely to expand at a moderate pace."

The statement was widely seen as a pre-emptive strike ahead of the third-quarter growth report.

Additional reporting by Michael Mackenzie

Growth Slackened In Summer (NYT)

By Eduardo Porter

The New York Times, October 28, 2006

Chilled by a summer slowdown in the housing market, the economy was held to a growth rate of 1.6 percent in the third quarter, the lowest since early 2003, the government reported yesterday.

But evidence of a decline in inflation coupled with vigorous consumer spending left most economists saying that the overall economy is unlikely to be dragged into a recession even as the housing market continues to falter.

"We are in a housing recession, but we are not in a broader economic recession," said Richard B. Hoey, chief economist of Mellon Financial.

The government report, which showed growth slowing from a 5.6 percent pace in the first quarter and 2.6 percent in the second, appeared to validate the expectation of the Federal Reserve chairman, Ben S. Bernanke, that the economy is settling softly into a pace consistent with what he considers an acceptably low level of inflation.

"Ben Bernanke's forecast was that past Fed tightening would slow demand," Mr. Hoey said. "The forecast is tracking as far as I can see."

Stocks fell and bond prices rose as investors factored in the weaker-than-expected growth this summer, concluding that the Fed was less likely to raise interest rates next year.

With the midterm elections little more than a week away, the Bush administration sought to persuade voters that the economy, while beating at a slower pace, remains healthy.

"We have a very strong, large resilient economy that can absorb a housing correction," said Carlos M. Gutierrez, the commerce secretary. "If you isolate the impact of the housing correction and look at all the rest, those are solid numbers."

But Democrats seized on the report to criticize the administration's economic management.

"Economic growth has slowed even before most ordinary Americans have benefited from this recovery," Senator Jack Reed of Rhode Island, the ranking Democrat on the Congressional Joint Economic Committee, said in a statement. "It's clear that we need a new direction in policy to create an economy that works for all Americans."

The economic deceleration in the third quarter was almost single-handedly brought about by the steep contraction in home building.

Residential investment plummeted 17.4 percent in the quarter, its biggest decline in more than 15 years. This alone reduced economic growth in the third quarter by over 1.1 percentage points.

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The building of factories, warehouses and commercial structures picked up some of the slack. Business investment, including structures and machinery, added nearly 0.9 percentage point to gross domestic product in the quarter.

But what is most remarkable is that the pricking of the housing bubble has barely spilled over into consumer spending, which is still chugging along. The government reported that consumer spending grew 3.1 percent in the third quarter — nearly twice as fast as overall economic growth.

"We have the most reckless and relentless consumers in the world," said David Kelly, economic adviser at Putnam Investments in Boston. "It's wonderful."

The housing freeze had long been expected to put a chill on consumers' appetites. Sales of existing homes have declined almost 14 percent over the last year. The median price of new homes has fallen by almost 10 percent in the last 12 months and existing-home prices have started to decline nationwide.

Many economists assumed that just as consumers had leveraged their buying power by borrowing against the value of their homes when house prices were rising, now that house prices are falling they would start saving some money.

That, however, has not happened. Rather, increasing employment and falling gas prices seem to be providing consumers with new reasons to spend. The personal savings rate remained negative, at minus 0.5 percent of total disposable income.

The University of Michigan's index of consumer confidence recorded its eighth-largest monthly gain in October, vaulting to its highest level since June 2005. Optimism was driven by falling gas prices as well as expectations of faster economic growth, larger wage gains and low unemployment.

Richard Curtin, who runs the university's surveys of consumers, noted that consumers remain reluctant to buy a home, keenly aware of the decline in house prices. Still, their overall appetite to spend remains as brisk as ever.

Inflation, meanwhile, has started to abate — at least for now. The measure of inflation preferred by the Fed, which measures the prices of goods and services, excluding food and energy, that consumers buy, rose 2.3 percent in the third quarter. This is down from the 2.7 percent rate of the second quarter, bringing inflation closer to the 1-to-2 percent range Mr. Bernanke considers acceptable.

The growth rate reported by the government is only a preliminary approximation. Historical experience suggests that subsequent revisions could change it substantially, for better or worse.

But whatever the ultimate verdict on the summer period, several economists argue that growth in the fourth quarter is likely to be higher, as consumers spend the extra money in their wallets from lower gasoline prices on other items.

"So far the quarter is going swimmingly," said Richard Yamarone, director of economic research at Argus Research.

The outlook for next year will depend on whether the continuing weakness in the housing market affects spending.

Orawin Velz, director of economic forecasting at the Mortgage Bankers' Association, estimated that the fall in residential investment would continue to drag on the economy through the middle of next year, but that its impact would decline over time. "We think the third quarter will be the peak of the damage," Ms. Velz said.

While many economists foresee a longer period of housing weakness, she said that supply and demand should come into balance by mid-2007 and that home construction would start rising next summer.

Still, if the weak housing market starts cutting into consumption, the drag on overall growth could be more intense.

While it is not yet evident in the official numbers, builders are starting to shed workers as older projects are completed and there are fewer new ones to take up the slack. This will probably cut into workers' income and spending, slowing growth.

In contrast to many business economists, Dean Baker, co-director of the liberal Center for Economic Policy and Research in Washington, argued that a consumer reaction to the weak housing market would pull the economy into a recession next year.

"Homeowners had been pulling equity out of their homes at more than a $700 billion annual rate," Mr. Baker wrote yesterday. "This borrowing will slow sharply in the quarters ahead."

But others insisted that consumer appetites should not be underestimated. "Consumer spending hasn't stopped growing in 59 straight quarters, and some pretty awful things have happened in those 59 quarters," Mr. Yamarone said. "We all keep forgetting that the consumer is resilient."

Housing Slows Economic Growth (WT)

By Patrice Hill, The Washington Times

The Washington Times, October 28, 2006

The steep downturn in the housing market took its toll on the economy in the summer quarter, holding growth down to a 1.6 percent pace, the slowest in more than three years, the Commerce Department reported yesterday.

Housing construction fell by 17.4 percent after declining by 11 percent in the spring quarter, the biggest drops since 1991, which was the last time the housing market went into such a sharp downturn. The slump in housing largely offset greater

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strength in business investment in office buildings, plants and computers, as well as an uptick in consumer spending during the third quarter.

"We are feeling the effects of the housing bubble bursting," said Joel Naroff, president of Naroff Economic Advisors, a Pennsylvania forecasting company, expressing hope that housing will rebound quickly. "While the ill wind is not pleasant, it is not likely to be long lasting," he said. "Businesses and households did their part to keep the economy going."

Consumer spending expanded by 3.1 percent while commercial construction jumped by 14 percent and equipment spending rose by 6.4 percent -- all strong showings that muted the collapse in housing.

"Consumers and business investment continued to stave off the recession that the housing adjustment and the tide of imports could easily cause," said Peter Morici, business professor at the University of Maryland.

He calculated that housing subtracted 1.1 percentage points from economic growth while burgeoning imports -- primarily purchases of fuel and goods from China -- deducted another 1.3 points. The trade deficit during the quarter remained at a record 6.1 percent of economic output.

Still, consumers have survived the downdraft in housing pretty well so far, because they still have substantial equity in their homes built up after five years of double-digit gains in many areas, Mr. Morici said. He expects growth to pick up in the months ahead.

Consumers have been bolstered by a record fast drop in oil and gasoline prices since Labor Day, and a move by the Dow Jones Industrial Average to surpass its previous record high set in 2000. A measure of consumer sentiment published by the University of Michigan yesterday showed an uptick in response to both developments, which may stimulate stronger consumer spending in the final quarter of the year.

Some economists are not so sure the economy will bounce back quickly from the housing debacle, however.

Jason Schenker, economist at Wachovia Securities, said the depth of housing's troubles caught many analysts by surprise and is forcing Wachovia and others to revise their forecasts for economic growth.

"We still expect a bumpy-to-soft landing, but not a hard landing" for the economy, he said. "We won't get a recession."

Christian E. Weller, senior economist at the Center for American Progress, a liberal think tank, said the economy cannot easily shake off the effects of the housing slump because of the critical role housing played in boosting economic growth between 2000 and 2005.

"The underlying story is that since the sharp end to the housing boom, there has not yet been a replacement to drive the economy," he said. "Other sectors of the economy either failed to grow fast enough to compensate for these declines, or presented an additional strain on the economy."

Consumers had to dip further into their savings and go deeper into debt to keep contributing to economic growth during the quarter, and federal spending on defense and other areas already is high and cannot be expected to fill in gap, Mr. Weller said.

"The important question is whether the continued expansion in business investment will be enough to create new jobs with higher wages and spur income-led consumption growth," he said. "For the economy to regain a healthier footing and end its dependence on debt, income needs to grow faster again."

House Speaker J. Dennis Hastert, Illinois Republican, sought to put the best face on the news, noting that the economy expanded forthe 20th straight quarter and remains on solid footing.

After A Strong Week, A Whimper (NYT/AP)

By The Associated Press

The New York Times, October 28, 2006

Stocks pulled back yesterday after a government report stirred concerns that the economy may be slowing too much.

Investors have bid up stocks sharply this month on the notion that the economy is slowing but that the slackening pace poses no threat to corporate profits and consumer spending. Investors are also counting on a gradual slowdown to reduce the threat of inflation and persuade the Federal Reserve to lower short-term interest rates.

While investors expected that yesterday's advance reading on gross domestic product from the Commerce Department would show slowing growth, the report underscored concern that a cooling housing market could spill over into other parts of the economy.

"I think that the market actually was poised for profit taking and consolidation," said Quincy Krosby, chief investment strategist at the Hartford. The G.D.P. report gave investors an excuse to catch their breath after the recent run-up, she said, calling the pullback a healthy pause.

The Dow Jones industrial average was down 73.40 points, or 0.60 percent, at 12,090.26. The average had achieved a new high close in each of the previous four sessions and in 13 of the previous 18 sessions.

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Broader stock indicators also moved lower yesterday. The Standard & Poor's 500-stock index slipped 11.74 points, or 0.85 percent, to 1,377.34, and the Nasdaq composite index fell 28.48 points, or 1.20 percent, to 2,350.62.

Technology stocks retreated afternoon after a report from Goldman Sachs that warned of weakness in orders for computer parts.

Over all, the major indexes showed gains for the week despite yesterday's decline. The Dow rose 0.73 percent for the week, while the S.& P. gained 0.64 percent and the Nasdaq added 0.36 percent. Even with the overall advances in the market, the S.& P. stands about 9.8 percent below its high close of 1,527.46 and the Nasdaq is even further off, about 53 percent below its high.

Bonds rose, with the benchmark 10-year Treasury note gaining 11/32, to 10118/32, and the yield, which moves in the opposite direction from the price, falling to 4.67 percent from 4.72 percent late Thursday. The dollar was mixed against other major currencies, while gold prices rose.

The G.D.P., the broadest measure of the economy, showed that growth slowed to 1.6 percent in the third quarter; economists had been expecting a 2.1 percent expansion. The report identified the slumping housing market as a significant drag on growth, as money pumped into home building fell by the largest amount since 1991.

The University of Michigan reported that its consumer sentiment index rose to 93.6 for October from a reading of 85.4 last month, which provided some optimism. A decline in oil prices, which hit lows for the year a week ago and are sharply off midsummer's highs, has left more money in consumers' wallets.

Light crude oil settled up 39 cents, to $60.75 a barrel, on the New York Mercantile Exchange.

Subodh Kumar, chief investment strategist for CIBC World Markets, said the markets moved lower yesterday as investors tried to balance expectations about the economy with Fed policy and oil prices. The central bank left short-term interest rates unchanged on Thursday, as expected, and offered a little-changed opinion on the health of the economy.

"The fact that there is a moderate pullback tells you that the overall market risk is not extreme," he said.

A flood of corporate earnings has held investor attention in recent weeks, with record profits from Chevron giving a dose of good earnings news yesterday. Chevron, which rose 18 cents to $67.68, reported its third-quarter profit surged 40 percent, to $5.02 billion, topping estimates. The year-ago quarter in part reflected costs tied to Hurricane Katrina.

Microsoft fell 1 cent, to $28.34, even though it reported better-than-expected profit and raised its forecast.

Alltel, a wireless carrier, declined $4.19, or 7.2 percent, to $53.99 after its third-quarter profit, though up 11 percent, missed expectations.

BorgWarner fell $3.06, or 5 percent, to $58.25, after its third-quarter profit fell 36 percent as global sales failed to offset sizable production cuts by automakers in North America.

Ingersoll-Rand, which makes industrial equipment, declined $1.45, or 3.7 percent, to $37.45, after posting a 4 percent drop in its third-quarter earnings, in part because of tax expenses and lower sales of its Bobcat equipment. The company also said its fourth-quarter profit would be below what Wall Street had expected.

Dow Steps Back On Concerns About Economy (WSJ)

By Shefali Anand

The Wall Street Journal, October 28, 2006

What goes up, must eventually take a breather.

After finishing at a record high on each of the week's first four days, the Dow Jones Industrial Average fell Friday amid news of a softer-than-expected economy.

Even so, October is shaping up as the blue-chip average's strongest month in more than a year. The Dow industrials are up 3.52% in October. If that holds up it would be the best month since July 2005, when they jumped 3.56%.

On Friday on normal trading volume, the Dow retreated 73.40 points, or 0.60%, to 12090.26, but it was up 0.7% for the week, and 12.8% year-to-date.

The broad Standard & Poor's 500-stock index slid 0.85%, or 11.74 points, to 1377.34, up 0.6% for the week, and 10.2% in 2006.

The last few weeks' gains have been driven largely by strong corporate earnings, coupled with falling gasoline prices and the perception of a benign economy.

"We've really had a heck of a run...at some point you are going to consolidate a little bit and pause," said Andy Brooks, head of stock trading at Baltimore money-management group T. Rowe Price.

On Friday, investors focused on Commerce Department figures showing quarterly economic growth at the slowest rate in three years, a seasonally adjusted 1.6% annual rate for the third quarter.

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The report suggested weakness in the housing market, with investment in residential housing dropping 17%, the steepest drop since the first quarter of 1991.

But worries were muted somewhat because investors already knew housing was weak. Business and consumer spending, about which investors have been concerned lately, rose for the quarter, 8.6% and 3.1% respectively.

Crude-oil futures contracts for December delivery rose on Friday by 39 cents or 0.65% per barrel, to $60.75 at the New York Mercantile Exchange.

The Nasdaq Composite Index, filled with volatile technology stocks, fell 1.20%, or 28.48 points, to 2350.62, its biggest drop since early September, pulled down by big technology stocks such as Intel. The stocks were hit following a report from Goldman Sachs that Asian demand for motherboards is declining.

Meanwhile, oil major Chevron provided an upbeat note by releasing better-than-expected earnings, as did Microsoft after regular trading hours on Thursday.

Microsoft's earnings rose 11% in its first fiscal quarter, while Chevron's third-quarter net income jumped about 40% over the same period last year.

Microsoft stock declined marginally, however, as the company offered disappointing guidance about performance in the current quarter.

In major U.S. market action:

Stocks fell1 and bonds gained2. The 10-year Treasury note rose 11/32, or $3.44 for every $1,000 invested, pushing the yield down to 4.681%. The 30-year bond was up 21/32 to yield 4.799%.

The dollar weakened3. Late in New York, it traded at 117.58 yen, down from 118.39. The euro rose against the dollar to $1.2735 from $1.2690.

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Dollar Declines Against Rivals After A Sign Of Slowing Growth (WSJ)

By Dan Molinski

The Wall Street Journal, October 28, 2006

The dollar dropped to a one-month low against the yen Friday as worries of a slowing U.S. economy boosted the chances of interest-rate cuts next year by the Federal Reserve.

The dollar's downward spiral was triggered by a weaker-than-expected third-quarter gross-domestic-product report, which sent the dollar to the one-month low of 117.13 yen, while the euro hit a three-week high at $1.2751. The dollar recovered slightly against its rivals later in the session, but remained overall in negative territory.

Speaking on CNBC television shortly after the data were released, U.S. Treasury Secretary Henry Paulson sought to reassure markets, saying the U.S. economy was "healthy," but many currency analysts weren't convinced.

"Although the optimists will be looking for a rebound in the fourth quarter, the [dollar's] momentum now has clearly downshifted going toward the end of the year," said Brian Dolan, head of currency research at Forex.com.

Late Friday, the euro stood at $1.2735 from $1.2690 late Thursday, while the dollar was at 117.58 yen from 118.39 yen. Sterling was fetching $1.8967 from $1.8906 late Thursday. Coming as it did just after the Federal Reserve, in its statement after this week's meeting, seemed to be backing off from further monetary-policy tightening, the GDP number banished any remaining worries of further rate hikes from currency traders minds.

"The GDP report gives the Coup de Grace to the tightening cycle," said Ashraf Laidi, chief foreign exchange analyst at CMC Markets.

In Brazil, where a presidential-election runoff is set for Sunday, the real closed slightly stronger against the dollar Friday.

The dollar's weakness also lifted the Chinese currency, the yuan, to fresh postrevaluation highs in the over-the-counter market of 7.8870 yuan to the dollar. The U.S. currency exited active trade at 7.8891 yuan, down from Thursday's close of 7.8959 yuan.

Onshore markets were little affected by rules from China's foreign-exchange regulator, the State Administration of Foreign Exchange, that banned onshore domestic institutions and individuals from trading in offshore yuan derivatives, dealers said.

--J.R. Wu contributed to this report.

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Wholesale Gasoline Prices Rise, Cost At Pump Could Follow Suit (WSJ)

The Wall Street Journal, October 28, 2006

Wholesale gasoline prices have shot up over the past week, and prices at the pump may soon follow.

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U.S. prices have dropped an average of 27% to $2.20 a gallon of regular gas Friday from a peak of $3.03 a gallon in August, according to the AAA, the motorist organization. That has left more money in the pockets of motorists, giving a shot in the arm to retail spending and the U.S. economy.

But the retail price slide may be coming to a halt. Wholesale gasoline prices have risen 8.9% over the past 10 days, to $1.56 a gallon in New York Mercantile Exchange trading Friday. Spot crude-oil prices, meanwhile, have gone up 5.4% over the past nine days period, to $60.75 a barrel Friday, stemming a plunge that had taken the price from $77.03 a barrel in July to $57.22 a barrel Oct. 12.

There's often a 10-day or two-week time lag before changes in the wholesale gasoline market show up at the pump. And more than a week of data is needed to mark a trend in the volatile energy market.

Yet, as another indicator that the price trend may be shifting back up, the average U.S. price of regular gasoline rose a little over a penny Thursday and Friday, to $2.20 a gallon, the first consecutive-day increases since the first week of August, according to the AAA.

The price increases came after key members of the Organization of Petroleum Producing Countries made good on their pledge to cut crude deliveries by 1.2 million barrels a day, and put a floor under the plunging price of crude oil.

In recent days, Saudi Arabia, Iran, the United Arab Emirates and Nigeria all informed their customers that November crude-oil deliveries will be lower. Venezuela suggested that OPEC cut an additional 300,000 barrels a day in December.

Then, in a report Wednesday, the Energy Information Administration said U.S. gasoline, crude oil and distillate fuel inventories fell by 11 million barrels, their largest weekly decline since Hurricane Katrina 13 months ago.

Together, the OPEC and EIA reports helped to persuade traders to bid up wholesale crude oil and gasoline prices.

Oil Prices, Now Likely At Bottom, Are Poised To Rise, But Moderately By MATT CHAMBERS (WSJ)

The Wall Street Journal, October 28, 2006

After losing a quarter of its value from record highs, crude oil has very likely bottomed for the year as the northern hemisphere winter ushers in the prospect of a modest resurgence in prices.

Growing belief in the Organization of Petroleum Exporting Countries' ability to cut oil production and the advent of cold temperatures whittling away high U.S. oil stockpiles pushed prices above $60 a barrel again this week.

Oil was given additional support Friday by reports that Saudi Arabia and Bahrain are leading a deployment of naval forces in the Persian Gulf after receiving information suggesting "a strong possibility" that insurgents may attack a major oil-loading facility in Saudi Arabia. The warning served as a reminder of oil's vulnerability to terror threats.

Traders on the New York Mercantile Exchange floor say that with prices having held at around $60 a barrel for more than a month, after a rapid drop from their July 14 record of $78.40, chart analysis is also starting to favor a price rise.

"With supplies tightening, participants' confidence in OPEC growing, and colder weather raising heating demand during the current refinery maintenance period, the supertanker that represents market perception is beginning to turn," said Mike Fitzpatrick, an analyst and trader at Fimat USA in New York.

Oil prices skyrocketed during the summer. But traders began selling in earnest near the end of the U.S. summer-driving season, with the trend only exacerbated by the fact the hurricane season turned out to be tame and the Iran nuclear standoff faded from the market's radar.

That prompted investors holding long positions in oil, or bets prices would gain, to bail out, speeding the fall in the price of oil and ultimately pushing benchmark futures in New York to an 11-month low of $56.55 a barrel on Oct. 20.

"We are not sure if we still have longs losing money from much higher levels, but they have been a factor whenever crude prices have tried to rally in October," said Peter Beutel, president of trading advisory firm Cameron Hanover.

Oil prices hit their bottom for the year after OPEC said it planned to cut production by 1.2 million barrels a day to buoy prices. The initial decline was attributed to skepticism about the cartel's ability to enforce the cuts.

But with the United Arab Emirates joining Saudi Arabia in telling customers to expect less oil in November and Iran indicating it is going to follow suit, the prospect of the cuts tightening the crude market is starting to be factored into trades.

"I think a combination of the OPEC meeting and the actual cuts they are putting in place, the fact the market is oversold and with winter coming, has kind of turned the market around," said Tom Bentz, an analyst and trader at BNP Paribas in New York.

Still, the huge price drops of August and September are fresh in analysts' minds and no one expects a fast rise.

Nymex crude prices rose 39 cents to $60.75 a barrel Friday.

In other commodity markets:

SOYBEANS: Prices on the Chicago Board of Trade rose, supported by technical-chart strength and speculative buying. November soybeans advanced 7.75 cents to $6.3550 a bushel.

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NATURAL GAS: Futures extended losses for a second straight day on moderating weather forecasts and high levels of gas in underground storage. The November contract expired 34.4 cents lower at $7.153 a million British thermal units on the New York Mercantile Exchange.

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Campaigns Go Negative For A Reason (LAT)

By Richard Simon And Ricardo Alonso-zaldivar, Times Staff Writers

The Los Angeles Times, October 28, 2006

It works, says one expert. But the nastiness of this election season leaves some wondering what line is left to cross.

In the waning days of this year's closely contested midterm election, attacks aimed at impugning a candidate's character and morals are increasingly dominating campaigns, raising questions about the appropriate boundaries and tenor of the debate.

On Friday Jim Webb, the Democratic Senate candidate in Virginia, came under harsh attack for explicit sexual passages he wrote in a novel several years ago — the latest twist in his tight race with Republican incumbent George Allen.

In Tennessee, much of the week's campaign focused on a television ad featuring a woman suggesting that she had met U.S. Rep. Harold E. Ford Jr., the Senate Democratic candidate, at a Playboy-sponsored party and saying, with a wink: "Harold, call me."

In New York, Michael Arcuri, a Democratic candidate for Congress, was accused of calling a phone-sex line and billing taxpayers for the charge.

And in Pennsylvania, Democrats recently needled President Bush for signing a bill for National Character Counts Week a few days before campaigning for Republican Rep. Don Sherwood, who has admitted to having an affair.

"We've reached the point where negative ads have become more important than positive campaigns, and there's almost no line left to cross," said University of Pennsylvania political scientist Don Kettl. "If it's there to be found, the highly paid opposition researchers will find it. And if they find it, they'll use it."

Looking at it from a campaign strategist's point of view, Carl Forti, spokesman for the National Republican Congressional Committee, said: "Negative ads work, which is why you see so many of them."

The focus on the conduct of candidates comes against the backdrop of a sex scandal involving former Rep. Mark Foley (R-Fla.) that has added to GOP jitters about their ability to hold on to control of Congress.

"High stakes can mean low tactics," said Jack Pitney Jr., a political professor at Claremont McKenna College. "When a great deal is riding on an election, partisans may feel justified in doing things that might otherwise seem out of bounds."

Conservative commentator Tamar Jacoby, who recently called for dialogue between Democrats and Republicans, said the ascendancy of personal attacks reflected a "fundamental mistrust" between political parties in a polarized nation.

"When you think that somebody is fundamentally different from you, and doesn't share your goals for the country, it gets easier and easier to say mean things about them," said Jacoby, a senior fellow at the Manhattan Institute think tank. "It's like what often happens when countries are preparing for war against one another. They start to say really mean things, so it dehumanizes [the opponent] and allows you to go to war."

Jacoby added that the public is both repelled and fascinated by the personal attacks.

"I think the public is fed up with it, but people do pay attention to the ads," she said. "Everybody likes a good fight."

Some candidates are fighting back.

When the National Republican Congressional Committee aired an ad accusing Arcuri of calling a sex hotline, the candidate dug out 2004 phone records to show that an aide had misdialed the number. It had the same last seven digits as the number for the state Department of Criminal Justice Services, which was dialed shortly after the first call, his campaign said. Threatening legal action, Arcuri's campaign persuaded TV stations not to run the ad.

But with control of Congress at stake, even a work of fiction can become a true-to-life campaign issue.

In Virginia, where turnout by conservative voters could prove pivotal, the Allen campaign on Friday seized on Webb's writings — issuing a statement from a "mother of three" calling portions of his books "shocking" and reflecting "a pattern of demeaning treatment toward women."

The conservative Traditional Values Coalition demanded that Webb withdraw from the race, citing his "XXX-rated writing." Webb, a decorated former Marine who fought in Vietnam, has written several war novels.

The attack on Webb came as the Allen campaign has been rocked by charges of racial insensitivity, which have put in play what was once considered a safe GOP seat.

Webb, a former Navy secretary, called the attack a "classic example of the way this campaign has worked. It's smear after smear."

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Democrats responded Friday by citing racy novels written by Republicans, including the 1981 novel "Sisters" by Lynne Cheney, Vice President Dick Cheney's wife, which includes a lesbian love affair. Lynne Cheney said Friday on CNN, "I have never written anything sexually explicit."

The attacks are expected to escalate even more before the Nov. 7 election, especially in Virginia, one of three states — along with Tennessee and Missouri — whose races may determine which party controls the Senate. If Democrats can capture two of the three, they could gain a Senate majority, given other expected pickups.

The Republicans' eleventh-hour attacks follow GOP promises to make the 2006 elections not just about broad national themes but about sharp personal differences between candidates. GOP strategists have said for weeks that they will work to localize races by making them a "choice" between two candidates rather than a referendum on President Bush.

Democrats have focused on character too. In a New York race, Republican Rep. John E. Sweeney is the target of a Democratic-sponsored online ad that uses an actor to portray him carousing at a frat party. "We deserve a congressman who fights for more than his right to party," says the ad. Sweeney was criticized earlier this year after attending a party at Union College.

Such attacks make it harder to govern, Jacoby said, once the election is over and lawmakers have to coexist if not cooperate with one another.

"It's very hard to get to a compromise," she said, " if you don't trust the other guy."

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Times staff writers Peter Wallsten and Moises Mendoza contributed to this report.

Swinging Along (NATJOUR)

By Charlie Cook

National Journal, October 28, 2006

Another week has gone by and little has changed. The Republican Party still seems to be headed toward a very tough election.

In the House, Republicans are most likely to see a net loss of 20 to 35 seats, and with it their majority. In the Senate, the GOP could lose at least four, but a five- or six-seat loss is more likely. A six-seat change tips the chamber into Democratic hands.

Could the situation change? Could the trajectory of this election be altered if the spotlight shifts from Iraq, congressional scandals, budget deficits, Hurricane Katrina, Terri Schiavo, stem-cell research and immigration onto something else, like terrorism or national security? Of course it could. In the time it takes to read this article, something could happen. A confrontation at sea involving a freighter going into or coming out of North Korea, for example, could dominate the news and the public consciousness. But unless something of that magnitude happens, we have to go with the situation as it stands.

While some stick to the assumption that this is a normal political environment, that this election is an "all politics is local" election like 1996, 1998, 2000, 2002 and 2004, they do so in the face of an enormous amount of polling data that demonstrates a horrendous political climate -- the kind that one sees periodically in midterm elections like 1958, 1966, 1974 and 1994, and even occasionally in presidential election years like 1932, 1964 and 1980.

Since 1994 is the most recent of these "wave" elections, when all politics is hardly local, compare the most recent NBC News/Wall Street Journal poll, conducted October 13-16 among 1,006 registered voters nationwide, with the comparable NBC/WSJ poll from October 1994. President Bill Clinton and the Democrats were in the hot seat, headed toward a 52-seat loss in the House and an eight-seat Senate defeat.

In the October 1994 NBC/WSJ poll, 39 percent of voters thought the country was headed in the right direction, compared with 48 percent who said it was on the wrong track -- a nine-point lead for wrong track. In the recent poll, just 26 percent said right direction and 61 percent said wrong track; a net difference of 35 points, significantly worse than 1994.

The October 1994 poll gave Clinton a job approval rating of 48 percent and a disapproval rating of 43 percent, a five-point difference. This month, just 38 percent approved of President Bush's performance compared to 57 percent who disapproved, a net disapproval of 19 points. Again, it's significantly worse than 1994.

In the poll taken 12 years ago, 24 percent approved of the job Congress was doing and 67 percent disapproved, a net disapproval of 43 points. In last week's poll, just 16 percent approved of Congress and a whopping 75 percent disapproved, a 59-point net disapproval.

At this point in 1994, the GOP had moved into a six-point lead in the generic congressional ballot test (44 percent to 38 percent). In the latest poll, the Democrats have a 15-point lead -- 52 percent to 37 percent. Once again, much worse than '94.

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Finally, in October 1994, 39 percent said their congressman had performed well enough to deserve re-election compared with 49 percent who thought it was time to give a new person a chance -- a 10-point difference. In the new poll, the same 39 percent favored re-election, but the percentage preferring a new representative was a bit lower at 45 percent, a six-point difference and only marginally better for incumbents than 12 years ago.

In short, in four of the five diagnostic indicators, the situation is significantly worse for Republicans today than it was for Democrats in 1994. And in the remaining one, this year is marginally better.

Before anyone can erroneously draw the conclusion that this survey is just another mainstream/liberal media effort, the poll was supervised by designates from both the NBC News Political Unit and the political editor of the Wall Street Journal, collaborating with a top pollster from each party. The Democrat is Peter D. Hart, truly one of the deans of the political and Democratic polling communities. The Republican side was headed up by the late Robert Teeter, a true pioneer and leader in polling for the GOP. After Teeter passed away several years ago, Bill McInturff took over. McInturff is a senior partner in Public Opinion Strategies (R), the largest and most-respected survey research firm in the party, with the largest share of sitting senators, governors and House members. So this is hardly a poll that could be labeled slanted, and in fact is designed by two of the best practitioners on the planet.

Does this mean that Democrats are headed to victories of 52 or more seats in the House and eight or more seats in the Senate? Of course not. The number of vulnerable GOP House and Senate seats is smaller than the number Democrats faced in 1994, and the number of retirements this year is less than 12 years ago. But then again, no one is talking about a 52-seat House or eight-seat Senate gain for Democrats this year. In the House in fact, the halfway point between the 20- to 35-seat estimate mentioned above is 27.5 seats, just a bit over half of the 52 seats gained by the GOP in 1994.

Do Republicans have a financial advantage over Democrats in terms of national party spending? Yes, but that advantage is the narrowest its been in 20 years. The Sept. 30 cash-on-hand figures for the Republican National Committee and the GOP Senate and House campaign committees were just $10 million more than the Democratic National Committee and its Senate and House committees, $77 million to $67 million. The GOP spending advantage is there, but it's nothing like the 50- to 125-percent advantages that we have seen in previous elections.

Do Republicans, in their "72-hour program," have a superior get-out-the-vote operation compared with Democrats? No question. But the rule of thumb that campaign professionals have always used is that a strong GOTV operation is good for a point or two, certainly not much more than that. Having to pull out voters who are disillusioned by Iraq, scandals and other issues will be a challenge even for this exquisitely designed operation.

One way of looking at it is that the wave this year may be as big as or even bigger than in 1994, but there are fewer structures on and near the beach, and those that are in danger are made with somewhat sturdier construction than those in 1994, hence the likelihood of smaller losses. But smaller losses like 20 to 35 seats still would cost the GOP the House, and losses of five or six in the Senate put that chamber right at the tipping point.

At this stage, the Cook Political Report puts four GOP seats in the "Lean Democratic" column, and classifies 27 more as "Toss Ups." (Keep in mind that the almost ironclad, years-old policy of the Cook Political Report is to not rate unindicted incumbents worse than a Toss Up.) Another 17 GOP seats are in competitive races, but are still ahead by enough to warrant a "Lean Republican" rating, and then there are 18 more long-shot opportunities for Democrats, those rated in the "Likely Republican" column, leaving 166 as "Solid Republican." No Democratic seats remain in the Toss Up column, while seven are considered "Lean Democratic."

In the Senate, GOP incumbents Rick Santorum in Pennsylvania and Mike DeWine in Ohio remain distinct underdogs. Conrad Burns of Montana and Lincoln Chafee of Rhode Island also run consistently behind and face uphill struggles, but in most polls they are not nearly as far behind as Santorum and DeWine. In Missouri, incumbent Jim Talent is basically running even, while George Allen maintains a modest but consistent lead in Virginia. In the Tennessee Republican open seat, there has been a small but potentially important shift in momentum away from Democratic Rep. Harold Ford Jr. in favor of former Chattanooga Mayor Bob Corker, the GOP standard-bearer. Ford had maintained a small lead and a world-class campaign but stumbled a little bit recently, while the Corker campaign, for the first time in this general election campaign, is showing signs of life. The race is likely to remain very close, but there were no positive signs for the GOP until the last week or two -- now there are.

Will Republicans pick off a Democratic seat? Republicans continue to argue that Democratic incumbent Debbie Stabenow remains highly vulnerable and that Macomb County Sheriff Mike Bouchard is within single digits and showing signs of life. That seat looks to be a better shot for the GOP than the Cantwell race in Washington state or the open seat in Minnesota.

But the seat most recently considered the best GOP pickup opportunity has seen a bit of a reversal. Republican state Sen. Tom Kean Jr.'s momentum appears to have halted in the last week or two, with very real questions arising about whether Kean will have the funding to compete in the extraordinarily expensive New York City and Philadelphia media markets. Appointed Sen.

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Robert Menendez (D) remains plagued by ethical and legal allegations -- he clearly has problems -- but the inability of the GOP to commit the $5 million or so necessary to do the job could make the difference.

Could things change, as they did in early September when the pendulum swung from Iraq and scandals to terrorism, national security and appreciation for falling gasoline prices, only to swing back at the end of the month? Sure. But it has to swing, and that does not appear to have happened yet. Maybe it will, but maybe it won't.

Polls And Pundits: How Reliable Are Forecasts? (WSJ)

The Wall Street Journal, October 28, 2006

But will today's polls translate into a Democratic victory on Election Day? History suggests the vagaries of polling and the importance of the final two weeks of campaigning make that far from certain.

Here's a look at how well polls and pundits predict elections:

How reliable are polls? Polls can't predict the outcome of an election; they only take a snapshot at a given moment. Opinions often change in the final days before an election. Up to a quarter of voters don't decide whom they'll vote for until the week before an election, according to Republican pollster Bill McInturff. As many as 8% don't decide until Election Day.

In 1994, when Republicans won control of Congress, few pundits predicted the landslide. In July 1994, the Pew Research Center said that 47% of voters would likely vote Democratic, while 45% would vote Republican. By November, the poll showed Republicans ahead by just two percentage points. Yet Republicans actually ended up trouncing the Democrats, winning 52 House seats and eight Senate seats.

Polls in the run-up to this election are more consistent than usual. From June to late October of this year, people who said they plan to vote Democratic have fluctuated by two percentage points, compared with seven percentage points over the same time period in 1994.

Are polls biased? Polls are only as good as their sample and the questions asked. If the sample group is too narrow or too small, it can skew results. The average size of a poll is 1,000 adults, and pollsters have models that try to include all races, ages and socioeconomic backgrounds.

But modern technology poses new challenges. Most polls depend on land-line phones, but one in 10 adults now has only a cellular telephone. That poses a potential sampling problem, since nearly half of voters with only a cellular phone are under 30 years old, compared with 13% who have land-lines. Still, a recent Pew report concluded that cellphone-only users are not yet "creating a measurable bias in the overall finding."

Early voters also can affect poll bias. About a fifth of all votes cast in the U.S. are cast before Election Day, up from at least 8% in 1994, according to Michael McDonald of George Mason University. This "very subtly biases the results," he says, since this growing category isn't always accounted for in polling models.

What might change in the final days? A lot. A key factor is voter turnout, which is hard to predict. Pew reports that more than half of Democrats say they're enthusiastic about voting, up from 40% in 2002, while Republican enthusiasm is down. Republicans hope the polls aren't capturing large numbers who may be unenthusiastic but nonetheless are dedicated party voters. In recent years, get-out-the-vote campaigns have been the Republican Party's forte.

Democrats are trying to capture Republican and independent voters who are dissatisfied with the Iraq war or Congress. But some traditionally Republican-leaning independents now inclined to vote Democratic could get cold feet in the voting booth, says Andrew Kohut, president of the Pew Research Center.

--Lauren Etter

GOP Retains Cash Edge Over Resurgent Democrats (WP)

By Jeffrey H. Birnbaum, Washington Post Staff Writer

The Washington Post, October 28, 2006

Democrats continued to raise large amounts of campaign cash this month, but not enough to erase the Republicans' multimillion-dollar lead.

According to the parties' latest financial disclosure statements, Democratic Party committees outraised the national GOP committees during the first 18 days of October. Riding a wave of optimism about the party's chances of gaining seats in the House and the Senate in the Nov. 7 midterm elections, the Democrats' national reelection committees collected $25.9 million in the period. The Republican committees raised $18.6 million in the same period.

In addition, three dozen or more Democrats seeking seats in the House that are occupied by Republicans raised at least $1 million in the current election cycle -- the minimum that, political experts say, would enable a challenger to mount a full-fledged election bid.

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Nevertheless, the Democrats' last-minute fundraising surge was not enough to overcome the GOP's earlier fundraising advantage. The three national Republican Party committees had $17 million more cash on hand than their Democratic counterparts as of Oct. 18, according to this week's financial reports.

What's more, Republican committees spent nearly twice as much on their toughest House races than Democratic committees did. The nonpartisan Campaign Finance Institute calculated that Republican committees spent $1 million on average to help each of the 35 GOP incumbents who are considered to be most in danger of losing reelection bids. Democratic committees spent an average of about $574,000 on behalf of each of the party's challengers in those races.

In addition, most of the Republican candidates in the House's tightest contests reported having more money in the bank than their Democratic rivals.

With the midterm elections so near, both parties are pouring huge sums into the House's three dozen or so competitive races.

"During the endgame, the parties are spending as much as the candidates themselves," said Michael J. Malbin, executive director of the Campaign Finance Institute.

Even so, Malbin noted, so many GOP candidates are behind in recent polls that not even their well-funded party committees can afford to expend resources on all of them.

The Democratic Congressional Campaign Committee -- the party's House reelection organization -- reported raising $6.9 million and spending $25.8 million from Oct. 1 to 18, retaining $17.1 million in the bank. The National Republican Congressional Committee reported $6.6 million in receipts and $27.4 million in disbursements over the same period; it still had $18.3 million available.

The Democratic Senatorial Campaign Committee raised $9.1 million and spent $22.5 million from Oct. 1 to 18; it had $9.7 million in the bank. The National Republican Senatorial Committee reported that it collected less than half as much -- $3.6 million -- and dispensed a third as much -- $6.8 million -- from Oct. 1 to Oct. 18, and was left with $8.9 million.

The Democratic National Committee said it collected $10.2 million and spent $13.6 million during the first 18 days of this month. It had $4.8 million in cash as well as $4 million in debt.

The Republican National Committee reported raising $8.4 million and spending $12.9 million during the period. Its cash on hand: $21.8 million.

Politics Campaign Cash Clues (WSJ)

By Jeanne Cummings

The Wall Street Journal, October 28, 2006

WASHINGTON -- A rush of final campaign spending next week will provide important clues to where the Republican firewall against a Democratic takeover of the Senate is shifting -- and whether Republicans are even trying to build one to protect their House majority.

Overall, Republican committees have raised more money than the Democrats, $445 million to $330 million. They also have a cash advantage in the final weeks -- $17 million, reports released Friday show.

The big Senate questions: Now that the Republican Party has decided to stop investing in Ohio, where incumbent Sen. Mike DeWine is trailing in polls, where does the money go? Will the party divert big money from the Buckeye State to make a last stand in Tennessee, where Republican Bob Corker is fighting to hold the seat of departing Senate Majority Leader Bill Frist, or double-down its bet on Virginia Sen. George Allen, who is clinging to a razor-thin lead?

The Democratic Senatorial Campaign Committee recently sunk $1.7 million into ads attacking Mr. Allen; Republican Party committees countered with $1.4 million, according to a study released this week by the Campaign Finance Institute, a nonpartisan political-money watchdog group.

But the Virginia race remains a dead heat, and party officials on both sides are predicting another $3 million could be spent in the Old Dominion by Election Day.

Republican Party leaders also will have to show their hand in New Jersey, where they have been flirting with spending millions to try to oust freshman Democratic Sen. Bob Menendez. Democrats have used $2 million to build a firewall of their own around Mr. Menendez, who is viewed as their most -- and perhaps only -- vulnerable incumbent in that chamber.

The balance of the Democrats' Senate payout, roughly $16 million, has been used to attack Republicans. Republican Party committees have spent $12 million -- all of it aimed at holding Democrats' net victories to fewer than six, the magic number that would flip control of the chamber.

In the House, where Democrats need 15 seats to win control, the field continues to worsen for Republicans. Party leaders have been forced to spend in such states as Idaho, which wasn't on anyone's map of contested races at the start of the year. It isn't clear they have the money to sustain such a broad defense through Election Day.

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In the first two weeks of October, Republican Party committees spread millions of dollars across 53 House races while Democrats concentrated on 33. The Republican expenditures include eleventh-hour contributions to protect incumbents in New Mexico, Virginia, Pennsylvania and West Virginia who have suddenly seen their races turn more competitive. Overall, Republican committees have spent $45 million on House races.

The Democrats have spent $26 million, almost all of it trying to snatch Republican-held seats. Of the eight races in which Democratic incumbents are facing serious challenges, the Republican committees stopped spending money in four earlier this month, all but ceding them.

Among the trends that can be detected in this year's midterms is that both political parties have become more-cohesive units, with members of Congress working as teams to defeat the other side, says Anthony Corrado, an expert on campaign finance at Colby College in Maine.

Behind their loyal small-donor bases, the most important set of contributors for both sides this year are their own incumbents, sitting in safe districts, who are transferring large sums into the central committees to help their colleagues.

Democrats Get Late Donations From Business (NYT)

By Jeff Zeleny And Aron Pilhofer

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — Corporate America is already thinking beyond Election Day, increasing its share of last-minute donations to Democratic candidates and quietly devising strategies for how to work with Democrats if they win control of Congress.

The shift in political giving, for the first 18 days of October, has not been this pronounced in the final stages of a campaign since 1994, when Republicans swept control of the House for the first time in four decades.

Though Democratic control of either chamber of Congress is far from certain, the prospect of a power shift is leading interest groups to begin rethinking well-established relationships, with business lobbyists going as far as finding potential Democratic allies in the freshman class — even if they are still trying to defeat them on the campaign trail — and preparing to extend an olive branch the morning after the election.

Lobbyists, some of whom had fallen out of the habit of attending Democratic events, are even talking about making their way to the Sonnenalp Resort in Vail, Colo., where Representative Nancy Pelosi of California is holding a Speaker's Club ski getaway on Jan. 3. It is an annual affair, but the gathering's title could be especially apt for Ms. Pelosi, the House minority leader, who will be on hand to accept $15,000 checks, and could, if everything breaks her way, become the first woman to be House speaker.

"Attendance will be high," said Steve Elmendorf, a former Democratic Congressional aide who has a long list of business lobbying clients. "All Democratic events will see a big increase next year, no question."

While business groups contained their Democratic contributions to only a handful of candidates throughout the year, a shifting political climate and an expanding field of competitive Congressional races has drawn increased donations from corporate political action committees.

For the first nine months of the year, for example, Pfizer's political action committee had given 67 percent of contributions to Republican candidates. But October ushered in a sudden change of fortune, according to disclosure reports, and Democrats received 59 percent of the Pfizer contributions.

Over all, the nation's top corporations still placed larger bets on Republican candidates. But at the very time Republicans began to fret publicly about holding control of Congress, a subtle shift began occurring in contributions to candidates, particularly in open seats.

"We keep fighting up until the last minute of the last day," said William C. Miller, vice president for political affairs at the U.S. Chamber of Commerce, carefully measuring his words to remain positive about the Republicans' chances. "But when the smoke clears on Nov. 8, there are certainly going to be lots of opportunities for us to get to know the new freshman class."

An analysis by The New York Times of contributions from Oct. 1 to 18, the latest data available, shows that donations to Republicans from corporate political action committees dropped by 11 percentage points in favor of Democratic candidates, compared with corporate giving from January through September.

Republicans still received 57 percent of contributions, compared with 43 percent for Democrats, but it was the first double-digit October switch since 1994. "A lot will hold their powder for now," said Brian Wolff, deputy executive director of the Democratic Congressional Campaign Committee. "But after the election, we will have a lot of new friends."

Even before the election, many new contributions were funneled toward open races, like the Eighth Congressional District in Arizona. The Democratic candidate, Gabrielle Giffords, received checks of $5,000 each from the political action committees of

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United Parcel Service and Union Pacific. Lockheed Martin split the difference, donating $3,000 to Ms. Giffords and sending the same amount to her Republican rival, Randall Graf.

Until October, Lockheed Martin, the giant military contractor, had been following its pattern from recent elections of giving about 70 percent of contributions from its political action committee to Republicans. But Lockheed Martin's generosity shifted in the first half of October, with Democrats receiving 60 percent of donations, or $127,000.

While Republicans and Democrats are feverishly soliciting contributions until Election Day, campaign finance reports filed this week provide a window into the final days of a raucous midterm election campaign. The analysis of 288 corporate political action committees, which have contributed more than $100,000 this election cycle, found that at least 65 committees had increased their ratio of contributions to Democrats by at least 15 percentage points, including Sprint, United Parcel Service and Hewlett-Packard.

A notable exception to the flurry of last-minute giving is Wal-Mart.

"We had a two-year strategy to build up relationships with Democrats," said Lee Culpepper, the vice president for federal government relations at Wal-Mart. "This wasn't something that we decided in August that we needed to do and we ran out helter-skelter to try to do it."

One sign of fresh interest in the prospects of Democratic Congressional races came one morning this week when more than 100 lobbyists crowded into Democratic Party headquarters on Capitol Hill. Over Dunkin' Donuts and coffee, the executive director of the party's Congressional committee, Karin Johanson, delivered a private briefing on the race to a sea of unfamiliar faces, despite spending 30 years in politics.

"People are excited," she said later in an interview. "It was, by far, the best attended one ever."

As some young Republican lobbyists fled Washington to spend the final days working on too-close-to-call races in Ohio or Pennsylvania, their senior counterparts stayed behind to begin studying prospective members of the new freshman class. Even if Republicans hold control, the next Congress will almost certainly include at least a handful of moderate Democrats who defeated Republicans and will be looking for allies in the corporate world.

Peter Welch, the Democratic candidate for Vermont's single House seat, has already been telephoning some members of the Washington business lobby, offering an opportunity to begin a good relationship if he wins election. Never mind that his Republican opponent, Martha Rainville, has received a host of endorsements from the business community.

"The real story of the 2006 contributions is what happens in the early phase of 2007, with a change in party control," said Bernadette A. Budde, senior vice president of the Business-Industry Political Action Committee. "There will be proverbial meet-and-greets all over town so we will have a sense of who these people are."

Many of these meet-and-greet sessions will have a dual purpose: political action committees will offer contributions to help candidates wipe away debt their campaigns accrued during the race.

Spending in the midterm election campaign is forecast to reach $2.6 billion, according to the Center for Responsive Politics, including $1 billion from political action committees. While many business groups have been eager to appear as if they have been handily contributing to Democratic efforts, it was not until this month that the trend became apparent enough to quantify beyond party leaders or prospective committee chairmen.

Democrats who are not in tight races — or even standing for re-election in some cases — have seen their contributions increase more than some of those facing the most competitive contests. That is an easy way, lobbyists say, for political action committees to increase the share of their Democratic contributions, a percentage that is carefully tracked by party leaders when they reach the majority.

Representative Adam Smith of Washington, who leads a coalition of centrist Democrats, said he has detected a friendlier relationship with the business community in recent months, a welcome change from years of Republican rule when "Democrats were basically frozen out in every way."

"I hope that the new Democratic majority will take a more open and cooperative approach," Mr. Smith said in an interview. "I hope there won't be a sense of, 'Oh, you gave too much money to Republicans, so we're not going to talk to you.' "

Moderate Republicans Feeling Like Endangered Species (NYT)

By Carl Hulse

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — Facing the loss of fellow moderates in the Nov. 7 elections, Republican centrists in the House and Senate are faulting Congressional and party leaders for pursuing a strategy dominated by conservative themes.

Leading moderates say Republicans concentrated on social wedge issues like same-sex marriage while pressing national security almost to the exclusion of popular wage and health policies that could have helped endangered Republicans in the Northeast and the Midwest.

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"There wasn't an impetus to help develop a political and legislative plan that incorporated the broad umbrella of philosophy in our party," said Senator Olympia J. Snowe, Republican of Maine, whom experts expect to be easily re-elected. "I think they always operated under the wrong assumption that you just appeal to the base and no more than that."

Ms. Snowe and other moderates, while holding out hope that most of their counterparts would hang on, were dismayed by the prospect of depleted ranks, saying it could lead to a more polarized Congress.

Two Senate Republicans often found in the small moderate bloc, Lincoln Chafee of Rhode Island and Mike DeWine of Ohio, are in serious jeopardy. Two leading House moderates are retiring, another lost a primary, and at least six others are in difficult re-election fights in Connecticut, New Hampshire, New York, Ohio, Pennsylvania and elsewhere.

The centrists said heavy losses outside strongholds in the South and parts of the West and Midwest could imperil the party's future. They say Republicans cannot sustain a long-term majority unless the party thrives throughout the country.

"There are some people who, because they are so pure and so sure of themselves, they are willing to run the risk of having the Republican Party no longer be national but be more regional," said Representative Sherwood L. Boehlert of New York, a respected moderate who is retiring. "They think they can maintain their majority as a regional party."

Conservatives say the overall party message was developed to draw the most loyal voters to the polls by emphasizing bedrock principles. The leader of one group that backed conservative candidates in Republican primaries, angering the moderate wing, said some moderates were in trouble simply because they strayed too far, alienating Republicans without attracting Democrats.

"We have people who are certainly well left of the center of the Republican conference on all issues, including economic and growth issues," said the leader, Pat Toomey, a former congressman from Pennsylvania who heads the Club for Growth. "I'm not hoping they lose. But if they do, I think we will be able to recapture those seats with pro-growth candidates who distance themselves from Democrats."

Even conservatives acknowledge that the push did not make it easy for candidates in close races in New England and Ohio.

"It is a real quandary," Senator John Cornyn, Republican of Texas, said. "It is true that in order to motivate folks there has been an appeal made to turn out our conservatives, which by definition doesn't help those who are not as in tune with the base."

In past election cycles, Republican moderates, like their right-leaning Democratic colleagues in the South, have survived by emphasizing differences with their own party on pivotal issues. Independent voters at home have indicated a willingness to back their lawmakers and draw a distinction between them and the party.

But this year, given the Iraq war, dissatisfaction with President Bush and a series of Republican scandals, some voters no longer seem willing to separate the two.

"It appears we have finally pushed them far enough to vote for the Democratic Party," said Sarah Chamberlain Resnick, executive director of the Republican Mainstreet Partnership. "As a loyal Republican, I think that is scary."

Democrats have also made a concerted effort against vulnerable Republican moderates, which Senator Susan Collins, another Republican of Maine, said was not much of a reward for those willing to try to work with the opposition party.

"There is no one who has voted more often with the Democrats than Linc Chafee," Ms. Collins said. "Yet that didn't stop them from going after him with everything they had. That is a good lesson."

Ms. Collins and Ms. Snowe noted that although voters indicate a strong desire for bipartisanship, some lawmakers most likely to be punished are the very ones who have reached across the aisle.

Representative Rahm Emanuel of Illinois, chairman of the Democratic Congressional Campaign Committee, made no apologies for focusing on Republican moderates and said Republicans should blame the party leaders for its approach.

"They left these guys to fend for themselves in districts that have been trending Democratic," Mr. Emanuel said. "What we did was recruit and fully fund our candidates."

Republicans leaning toward the middle on social, environmental and spending matters have been raising the alarm for months, saying the party was missing opportunities to bolster moderate candidates with measures on raising the minimum wage, expanding stem cell research and ethics reform.

But the minimum-wage increase died when it was tied to a move to repeal the estate tax, President Bush vetoed the stem cell measure, and the drive for ethics reform collapsed.

"I don't think the agenda has been particularly helpful," said Representative Michael N. Castle, Republican of Delaware, who said some Republicans had been dismissive of the centrists until the leadership was desperate for votes on major bills.

"I will be the first to say there are those in the Republican Party who feel moderates are essential only in terms of numbers," Mr. Castle said.

While Republican moderates struggle to maintain their numbers, some top Democratic challengers are from the more moderate wing of that party, raising the prospect that some gains will come from the right.

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That possibility also gives Republican moderates hope that even if they number fewer, they could potentially band with Democrats in the center to influence measures.

"I think," Ms. Collins said, "the moderates in both parties could be empowered."

DNC Wooing Black Voters (WT)

By Brian Debose, The Washington Times

The Washington Times, October 28, 2006

The Democratic National Committee is hiring more black advertisers, pollsters and grass-roots operatives in a revamped effort to increase turnout by black voters on Election Day.

Democratic officials say the black vote is essential -- particularly in Senate races -- to beat Republicans.

"There are a lot of races that will be impacted by African-American and Hispanic voters in crucial states, and we had a lot of candidates stress that they need these votes to win," DNC spokeswoman Amaya J. Smith said.

She said the DNC is running a national ad campaign targeting black and Hispanic voters. It also is funding phone banks and has people on call to take voters to the polls.

"We are reaching out to people who we know are our voters but may not have come out in the last election," Miss Smith said.

The difference is the party is not outsourcing its get-out-the-vote operations as it has in the past, said Donna Brazile, a political consultant who heads the DNC Voting Rights Institute.

She said that for the first time in recent memory, the party is taking its political destiny in its own hands, with the operations all being managed by people with experience turning out black and Hispanic voters in their specific cities and states.

"They have been remarkable in correcting the mistakes of the past, and this is the best work I've seen for a midterm election," Miss Brazile said.

Delegate Eleanor Holmes Norton, the District's nonvoting representative, has warned the party for years about the importance of ensuring black voters get to the polls.

"I think they understand that the black vote is a solid, sure vote that you don't have to wonder about," Mrs. Norton said.

According to exit polls in 2004, black voters constituted 11 percent of the electorate, and 88 percent voted for Democrat John Kerry. The impact of black voters in key states is even larger. In Maryland, for example, 23 percent of voters in 2004 were black, and 93 percent of those voted to re-elect Sen. Barbara A. Mikulski, a Democrat.

Historically, Mrs. Norton said, both Republicans and Democrats have underestimated the difficulty in turning out voters for midterm elections, but she said Republicans woke up to that fact in 1994 when they used their get-out-the-vote efforts to wrest control of Congress.

"What gives me hope is that the poll figures are so much better for us than they were for the Republicans in 1994, also a non-presidential year," Mrs. Norton said. But, she added, "Republicans didn't have the turnout machine that they have now and their turnout is better than ours."

Longtime Democratic pollster Ron Lester said Republicans have had more time to perfect their turnout strategies.

Mr. Lester, who lives in Prince George's County, has polled Maryland elections for decades. He said his main problem has been that the national Democratic Party never communicated with the local party and had no system in place to track its voters.

He said Republicans work on turnout year-round and are in constant contact with their voters, making it easy to find them and track their voting habits.

"They use a database that they have been building for years, to the point where today my friends who are Republican pollsters, they can go to a block somewhere in some town and tell you exactly where the three Republican voters live on that block, right off the bat," Mr. Lester said.

Terry McAuliffe recognized this problem in 2001 when he became DNC chairman. He copied the Republican model, investing heavily in building a similar database using credit-card information, vehicle registrations and other data to identify likely Democratic voters.

This database, which cost the party tens of millions of dollars to assemble, has given the Democrats a tool to challenge Republican turnout nearly vote for vote, Mr. Lester said.

"The DNC probably has the most effective technical operation they have had in years, but as always they are still playing catch-up," he said.

Hollywood Director Targets Democrats In Ads (WT)

By Marc Ballon, Special To The Washington Times

The Washington Times, October 28, 2006

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Movie director David Zucker has made a living off of satirical comedies, including "Airplane" and "The Naked Gun," but the one-time liberal activist is now focusing his camera to mock Democrats in political ads.

In Mr. Zucker's opinion, portrayed in Internet ads for the Republican National Committee, Democrats are unable or unwilling to confront threats to America and are fiscally irresponsible.

"I still can't believe I'm a Republican," said Mr. Zucker, a former campaign adviser to President Bill Clinton.

"There are just certain things ingrained in our Jewish roots. Our fathers voted for Roosevelt, and we voted for JFK, [Hubert] Humphrey and Clinton. But the Democratic Party has changed."

Mr. Zucker defected to the Republican Party after the September 11 attacks, supported President Bush in 2004 and has become more vocal in his beliefs -- disregarding the possible impact on his career in Hollywood, a liberal haven.

Mr. Zucker, 58, said he's tired of Democrats calls for "talk, talk, talk" and looking to the United Nations to solve the world's most tangled problems.

Hollywood happily forgives druggy actors and boozy directors, "but I don't think a Republican can be rehabbed," Mr. Zucker said.

Mr. Zucker made an ad attacking Massachusetts Democratic Sen. John Kerry in 2004, appeared on a few talk shows to discuss his political conversion and "fell in with the dark side," quipped his brother Jerry Zucker,co-director of "Airplane" and director of "Ghost."

The RNC asked Mr. Zucker to make the new spoof ads because of his "stellar reputation and high-quality production," said Tara Wall, RNC director of outreach communications.

Like his movies, the Internet spots that Mr. Zucker directed and co-wrote employ fast-paced, gag-a-second slapstick humor that has made him a king of spoof.

One of Mr. Zucker's ads -- funded by the RNC and now available on YouTube.com and an RNC parody site called "America Weakly" -- spoofs the Democrats' reputation as the party of tax-and-spend liberals.

It opens with a shot of a couple peacefully sleeping in bed. A narrator's voice interrupts the calm: "What if you woke up a year from today, the Democrats had taken over, and you were able to see their new taxes?"

Suddenly, a man in a dark suit, the Democratic tax man, appears in the bedroom and holds out his hand for a payoff. He shows up again and again. He hits up a woman who has just given birth, and even demands payment from her newborn. The 90-second spot ends with an army of ominous-looking Democratic tax men, briefcases in hand, marching down the street like some spooky army.

The RNC rejected a second Zucker spot that mocked the Democrats as weak on defense. The controversial ad, which has leaked to YouTube.com, features a Madeleine Albright look-alike handing a basketball autographed by Michael Jordan to North Korean leader Kim Jong-il, an event that actually took place in 2000.

"The Democrats' thoughtful gift had two major results," an ominous voiceover says. Suddenly, an image of a nuclear missile being fired followed flashes on the screen, followed by Mr. Kim doing a reverse dunk.

Republican political strategist Arnold Steinberg thinks such funny ads "can be very effective.". Humorous spots, he said could generate lots of press, thereby broadcasting Mr. Zucker's message to an audience beyond the Internet.

Having spent nearly 30 years spoofing police dramas, disaster flicks and horror films, beginning with the 1977 cult-classic, "The Kentucky Friend Movie," Mr. Zucker now wants to turn his withering satirical eye to politics.

Without divulging too many details, Mr. Zucker said he plans to make a film lampooning politics, sandwiched between a super-heroes spoof and "Scary Movie 5."

"You have people like Michael Moore going into foreign countries saying Americans are the stupidest people in the world," said Mr. Zucker, a father of a 4-year-old daughter and 6-year-old son.

"I want to tell the real America story, that America is a force for good."

Allen Blasts Webb Novels For Sex Scenes (WP)

By Michael D. Shear And Tim Craig, Washington Post Staff Writers

The Washington Post, October 28, 2006

Veteran Says Works Reflect Trauma of War

RICHMOND, Oct. 27 -- Virginia Sen. George Allen (R) has accused his Democratic opponent, James Webb, of writing inappropriate sex scenes and demeaning descriptions of women in his fictional books, the latest character attack in a close and nasty campaign.

With 10 days remaining before Election Day, the allegations about sex-laced passages in Webb's writings inject a new question into a campaign that has centered almost exclusively on character issues: Should the author of a fictional work who runs for office be personally held to account for the scenes in his books?

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Webb, a former U.S. Navy secretary, responded angrily Friday on Washington Post Radio, defending his novels as "serious" works and calling Allen's attack part of the senator's negative campaign that is devoid of ideas. "To take these things out and pull excerpts out and force them on people . . . is just a classic example of the way this campaign is run," Webb said. "Literature is literature. I've made my career as a novelist. George Allen doesn't have a record to run on."

Webb's books, including "Lost Soldiers," "Something to Die For" and "Fields of Fire," are historical novels that describe wartime horrors in Vietnam and people dealing with the aftermath of combat. Webb is a decorated Marine who served in Vietnam.

Allen campaign officials provided excerpts from the books -- some of them depicting acts of incest and graphic sexuality -- to the Drudge Report Web site Thursday night. Matt Drudge's Internet blog often breaks or promotes stories with sensational angles, most recently the scandal involving former Rep. Mark Foley (R-Fla.). Allen's aides, who have been trying to get other news organizations to write about the excerpts for weeks, issued statements saying the fictional scenes in Webb's novels reflect poorly on Webb's character and fitness for office.

Allen told reporters after a campaign stop in Harrisonburg that Webb's books are demeaning to women. "My opponent hasn't been in public office," he said. "But he talks about the books he's written and his creative writing, his novels. Those are some of his writings. . . . People can make that judgment."

Allen's aides would not say whether the senator had read Webb's books. They said he did not know about the books' contents six years ago, when he accepted Webb's endorsement for his first Senate campaign.

Webb said the graphic scenes in his novels, many of which are set in wartime, are taken out of context and do not accurately reflect the books or their content: combat. He said he has written about disturbing scenes that he witnessed on the battlefield or as a journalist in Southeast Asia.

"It is an observation about how the human species lives," Webb said after Mark Plotkin, the radio show's host, read one of the more lurid passages, prompting objections from the candidate.

Webb told Plotkin that listeners should read a book by Allen's sister, Jennifer, who described her brother's harsh physical treatment toward her. He also shot back that Vice President Cheney's wife, Lynne, wrote a novel, "Sisters," which contains scenes of rape and a lesbian love affair. "You can read Lynne Cheney's lesbian love scenes if you want to get graphic on stuff," he said.

In an interview later on CNN, Cheney declared Webb to be "full of baloney" and denied that she wrote anything in "Sisters" that is sexually explicit.

"His novels are full of sexually explicit references to incest -- sexually explicit references," she said.

Her book is out of print and difficult to find, but independent reviews describe it as highly sexual and "steamy" and mention lesbian characters.

Allen's attack on Webb's novels occurred three weeks after the senator gave a two-minute speech pleading for a return to issues after having defended himself against personal-character scandals for months. "The negative personal attacks and baseless allegations have also pulled us away from what you expect and deserve," Allen told voters in the unusual paid television commercial.

By Friday morning, however, the new allegations unleashed by his campaign had become the highlight of morning talk-radio shows and cable news outlets. Conservative groups seized on the news, with one calling for Webb to withdraw for writing "Triple X" novels. Cable news shows debated the issue throughout the day.

Several Web sites and blogs printed the passages. One, from "Fields of Fire," was: "He saw the invitation with every bouncing breast and curved hip. . . . He was thirteen. . . . She was fifteen. . . ." Another was about a man seeing his mother: "She was naked underneath the robe . . . and the robe fell loosely away, revealing her."

Kay James, an Allen campaign adviser, criticized the writings: "How can women trust Jim Webb to represent their views in the Senate when chauvinistic attitudes and sexually exploitative references run throughout his fiction and nonfiction writings?"

Webb's allies rushed to his defense, saying the attempt to criticize an author for scenes in a work of fiction reflects a Republican campaign in Virginia that is in disarray and desperately searching for a way to win at any cost.

Steve Jarding, a senior Webb adviser, said Allen's lack of wartime experience disqualifies him from commenting on Webb's novels.

"Senator, you have not earned the right to question Jim Webb's wartime experiences," Jarding said. "Perhaps if you had gone to Vietnam and served as a company commander instead of serving as a [cattle] driver at a dude ranch . . . you would temper your feigned indignation."

Best-selling author John Grisham, who with Stephen King held a fundraiser for Webb in Charlottesville, said Friday in an interview: "This is a clear sign of a desperate campaign if they plow through novels trying to find evidence of character. I

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seriously doubt George Allen is much of a reader, but if he would read more, maybe he would understand the difference between fiction and nonfiction."

Some people said Webb's novels are works of imagination intended to be informative and provide entertainment, not statements of actions that Webb endorses.

Margaret R. Soltan, an English professor at George Washington University, said voters should not regard Webb's novels as indicative of his views, any more than voters in England should have been deterred by some of Winston Churchill's more shocking writing.

"To think along those lines exposes you as a person who has no culture," she said.

Sen. John McCain (R-Ariz.), a Vietnam war hero who has endorsed Allen, praises "Lost Soldiers" on the book jacket. "It captures well the lingering scars of the war," he says. "A novel of revenge and redemption that tells us much about both where Vietnam is headed and where it has been."

An aide to McCain said Friday she could not reach the senator.

Staff writer Robert Barnes contributed to this report.

Virginia Senate Candidate Attacked Over His Novels (NYT)

By Raymond Hernandez

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — The volatile Virginia Senate race took another turn on Friday when the Republican incumbent, George Allen, drew attention to sexually explicit passages from novels written years ago by his Democratic challenger, Jim Webb.

With less than two weeks before Election Day, Mr. Allen, who has been on the defensive because of accusations that he made racially insensitive remarks, issued a news release that quoted the passages and called them “very disturbing for a candidate hoping to represent families of Virginians.”

In the release, titled “Webb’s Weird World,” which was released to and displayed on the Drudge Report Web site, the Allen campaign also asserted that Mr. Webb’s writings were filled with “chauvinistic attitudes and sexually exploitive references.”

Mr. Webb, who was secretary of the Navy in the Reagan administration, has written six novels about the military and wartime, including “Fields of Fire,” an acclaimed 1978 work about the Vietnam War, according to his campaign Web site.

Democrats aligned with the Webb campaign immediately denounced the Allen statement as the act of a desperate politician trying to deflect attention from his own troubles. They also circulated comments by Senator John McCain, Republican of Arizona, praising one of the novels, “Lost Soldiers,” that the Allen campaign had singled out because it described a provocative scene involving a boy.

Mr. Webb, a Vietnam veteran, reacted angrily in an interview Friday morning on WTOP radio in Washington when the host asked him about the passages, including one in his novel “Something to Die For” involving a stripper that the host read on the air.

“I don’t think that’s appropriate for you to read on WTOP,” Mr. Webb said, according to The Associated Press.

“There are hundreds of thousands of American servicemen who have been in that environment,” he added. “It’s an observation about how the human species lives.”

Mr. Webb then attacked Mr. Allen personally. “You ought to read what George Allen’s sister wrote about him if you want to read about attitudes toward females,” he said, alluding to an autobiography by Jennifer Allen in which she describes her brother as a bully who once dragged her upstairs by her hair because she had defied her father at bedtime.

The Allen campaign’s effort to draw attention to Mr. Webb’s writing comes at a particularly sensitive time, as Washington grapples with the political fallout of the Congressional page scandal involving sexually suggestive messages from a Republican congressman.

Beyond that, the statement from Mr. Allen plays neatly into the campaign’s larger effort to portray Mr. Webb as hostile to women. The campaign, for example, recently ran advertising accusing Mr. Webb of insensitivity to women’s rights, based on an article Mr. Webb wrote nearly 30 years ago arguing against admitting women to the Naval Academy or combat service.

Mr. Webb has apologized for that article and said that he played a significant role in expanding the number of women in Navy leadership positions while he was in the Reagan administration.

In its latest attack, the Allen camp takes particular issue with the portrayal of women in Mr. Webb’s novels, saying female characters are consistently “servile, subordinate, inept, incompetent, promiscuous, perverted, or some combination of these.”

Until the start of the general election season, Mr. Allen, who was once considered a front-runner for the party’s 2008 presidential nomination, appeared to have a significant edge in his race against Mr. Webb.

But two episodes late this summer renewed questions about racial and ethnic insensitivity that have hung over Mr. Allen.

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The first involved his use of the word “macaca” to describe a Democratic operative of Indian descent — a word that critics attacked as a racial slur with origins in the name of a type of monkey.

A few weeks later Mr. Allen, who is Presbyterian, responded angrily when a reporter asked whether his mother had been born Jewish. After that exchange, Mr. Allen later said, his mother told him for the first time that her family was indeed Jewish.

On Friday, Chris LaCivita, a consultant for the Allen campaign, issued a statement that Mr. Webb had extolled his experience as a writer “but has anyone really read what he has written?”

“Some of the references are simply disturbing and continue to show a pattern of disrespectful treatment of women,” Mr. LaCivita said.

Democrats, who view the Virginia race as possibly one of the most decisive battles of the midterm election, have been bracing for the Allen campaign to mount an attack based on Mr. Webb’s novels.

On Friday, they offered a vigorous defense of Mr. Webb, pointing out that Republican authors like Lynne Cheney and I. Lewis Libby Jr., the vice president’s wife and his former chief of staff, have produced sexually explicit novels.

Mr. Libby wrote a thriller, “The Apprentice,” that includes references to bestiality, pedophilia and rape; Mrs. Cheney, in turn, published “Sisters,” a novel that describes a lesbian love affair.

Kristian Denny Todd, a spokeswoman for the Webb campaign, said that a scene in “Lost Soldiers” that describes a father placing his naked son’s penis in his mouth involved a cultural expression of affection that Mr. Webb had witnessed as a journalist in Thailand. “He doesn’t get it,” she said. “But it’s a cultural thing.”

Ms. Denny Todd said that fiction writers often wrote about things that they do not condone. She added: “It’s fiction.”

Webb Hit For Novels' Sex-laced Language (WT)

By Seth Mclaughlin, The Washington Times

The Washington Times, October 28, 2006

U.S. Senate candidate James H. Webb Jr. faced more criticism yesterday about his characterizations of women, when critics publicized excerpts of his novels, including graphic sexual passages involving women and children.

"There is nothing that's been in any of my novels that has not been illuminating of the surroundings, or defining a character or moving a plot," said Mr. Webb, a Democrat. "I'm a serious writer."

Andrea Lafferty, executive director of the Traditional Values Coalition, said she was "sickened" by what she had read.

"Democrat or Republican, an individual like that belongs on the couch of a therapist, not on the floor of the United States Senate," she said.

Laura MacLeod, another woman in the Virginia coalition, said she will take Mr. Webb's novel "Lost Soldiers" to "every ballet practice and every soccer game" until the Nov. 7 election.

Mr. Webb's writings started appearing on conservative blog sites as early as Oct. 16, but were not picked up by the press until Thursday night, which prompted the coalition to hold a press conference yesterday outside Mr. Webb's office in Arlington.

The passages come from five of Mr. Webb's wartime novels, starting with "Fields of Fire" in 1978. The excerpts include pedophilia, acrobatic young strippers and the homosexual behavior of guards at a prison in Vietnam.

The women said Mr. Webb's character is a bigger issue than the Iraq war and that the content of Mr. Webb's work was worse than the sexually explicit e-mails Rep. Mark Foley, Florida Republican, sent to congressional pages.

Mr. Webb said he was warned by friends before entering the race that the 2 million words he has published made him an opposition researcher's dream and that they would be taken out of context to be used against him.

Excerpts were read yesterday morning on the Don Imus radio show on MSNBC and on The Washington Post radio show "The Politics Program With Mark Plotkin," despite Mr. Webb saying that would be inappropriate and that people chose to read his novels.

"Some of Webb's writings are very disturbing for a candidate hoping to represent the families of Virginians in the U.S. Senate," the campaign of incumbent Sen. George Allen, a Republican, stated in a press release. "Webb's novels disturbingly and consistently -- indeed, almost uniformly -- portray women as servile, subordinate, inept, incompetent, promiscuous, perverted or some combination of these."

Webb adviser Steve Jarding responded by saying: "Senator, you have not earned the right to question Jim Webb's wartime experiences, from the ugliness of combat to the ugliness of what happens to civilians in nations ravaged by war. Senator, Jim Webb wrote of things he witnessed. They may have been ugly, but we should learn from their ugliness about the consequences of our votes and actions before we send men and women into war."

The Allen campaign could not be reached for further comment.

Mr. Webb, 60, has been criticized for his views on women since the beginning of the race, particularly for an article he wrote in 1977 that questioned a woman's place at the U.S. Naval Academy.

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The criticism yesterday was the latest personal attack in a campaign that has focused more on character than policy issues.

Mr. Allen seemed poised to get the race back on course when he aired a rare, two-minute TV address asking that the final weeks focus only on the major issues, including fighting international terrorism.

But Mr. Allen has continued to run ads hammering Mr. Webb's character, and the Webb campaign has responded.

In August, Mr. Allen, 54, was videotaped at a campaign stop calling an Indian-American volunteer for the Webb campaign "macaca." And former classmates at the University of Virginia have said he used the "n-word" while attending school there in the 1970s.

The coalition's small press conference yesterday sparked a strong reaction from a Webb volunteer going to the headquarters.

"What is outrageous is that the guys who are dying in Iraq and Afghanistan, that's the tragedy," Pat Heineman, the mother of an Army National Guardsman who spent a year in Afghanistan, said to the women.

'Brothels, Sex Kittens, Pedophilia?' (NYT)

By Maureen Dowd

The New York Times, October 28, 2006

Republicans panicking is not a pretty sight.

Candidates around the country have been race-baiting, gay-baiting, Michael J. Fox-baiting and Hispanic-baiting. But now it has come to this: Republicans are novel-baiting.

Still trying to recover his balance, after slipping on a macaca and admitting he was a Jewish bubba, one criticized for using racist language, displaying a Confederate flag at home and keeping a hangman's noose at his old law office, Senator George Allen of Virginia unleashed a vicious attack on Jim Webb Thursday night. He called him a fiction writer.

Senator Macacawitz, as he is now known in Washington, sent the cyber- gossip Matt Drudge a press release called "Webb's Weird World." It featured racy quotes from his rival's novels and the contention that they were "very disturbing for a candidate hoping to represent the families of Virginians." It said Mr. Webb's novels about the military and war portrayed women as "servile, subordinate, inept, incompetent, promiscuous, perverted, or some combination of these."

Excerpts from Webb novels included passages in which a man performs a sexual act on his son; a "naked young stripper" performs a sexual act on a banana, and male guards at a Vietnamese prison camp perform a sexual act on each other.

"There is nothing that's been in any of my novels that, in my view, hasn't been either illuminating surroundings or defining a character or moving a plot," Mr. Webb said on Washington Post radio yesterday.

Mr. Webb, a 60-year-old former Republican and Vietnam vet who was President Reagan's secretary of the Navy, was already defending himself for a 1979 magazine article called "Women Can't Fight," in which he called a Naval Academy dorm a "horny woman's dream."

He bridled at the latest attack, snapping, "You ought to read what George Allen's sister wrote about him if you want to read about attitudes toward females." Mr. Allen's younger sister, Jennifer, wrote a memoir in which she described her brother pulling a Michael Jackson and dangling her over a railing at Niagara Falls, and slamming a pool cue against her boyfriend's head. (She later said the pool-cue story was a joke, calling the book a novelization of the past.)

So the Old Dominion race now comes down to one guy denying he's a racist and the other denying he's a sexist, and the supposed sexist attacking the supposed racist as a sexist. Webb's campaign sent out a press release yesterday noting that Mr. Allen nearly joined a males-only country club in the '90s, when he was Virginia's governor, and opposed co-education at the Virginia Military Institute.

Women make up half of all Virginia voters, so it's a good bet they will determine who wins the race between two candidates who "exude machismo," as The Washington Post put it: "James Webb, the marine firing his M50 antitank rifles in the jungles of Vietnam, and George Allen, the tobacco-chewing cowboy who as governor once stirred G.O.P. delegates with this line about Democrats: 'Let's enjoy knocking their soft teeth down their whining throats.' "

The Republicans' usual trick — having Dick Cheney terrify women into thinking that terrorists will kill their children if they vote for girly Democrats — isn't flying this year, so now the G.O.P. is resorting to more personal, and goofy, attacks.

Senator Allen may be able to hurt Mr. Webb, especially if he prints up all the steamy quotes on fliers and puts them on the windshields of Virginia churchgoers on Sunday.

Gary Hart, who used to write novels with another former senator, William Cohen, once told me that politicians are suspicious of other pols who read novels, much less write them. "They thought I was strange," he said, "because I was caught reading Tolstoy and Kierkegaard."

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The Democratic Senatorial Campaign Committee fought back yesterday by putting out excerpts from G.O.P. pulp fiction. “Brothels, sex kittens, pedophilia?” they began their sampling of Republican scribblers, including Lynne Cheney, Newt Gingrich and Scooter Libby.

The Democrats also turned up a romance novel by Susan Combs, a Republican candidate for Texas comptroller. Ms. Combs wrote “A Perfect Match” about “a freckle-faced brunette,” a cryptologist from the National Security Agency who falls for her “gray-eyed bodyguard” with his “powerful, strong arms” and his erotic pistol-cleaning technique. She desired him to “fill the aching void at her center” where a “deep heaviness throbbed in her belly.”

It’s what the Democrats’ candidate, Jim Webb, would diplomatically call “a horny woman’s dream.”

Hot-Button Social Issues Dim In Ohio Senate Race (WP)

By Stephen Koff And Bill Sloat, Religion News Service

The Washington Post, October 28, 2006

Economy, War Have Grabbed Voters' Attention

SPRINGFIELD, Ohio -- Russell Mossbarger, a Republican regular, saw President Bush in 2004 as a man who reflected his own moral and Christian beliefs. But then, he says, his party overplayed its churchiness.

"People got tired of it all the time," said Mossbarger, 71, in a bowling alley near Springfield, a small industrial city that is one of Ohio's bellwether communities. "They wore it out, I think."

A Free Will Baptist, Mossbarger wears a ball cap with the U.S. flag. He worries that politicians will try to take "under God" out of the Pledge of Allegiance.

"But this year, other issues are more important," he said. "Jobs are leaving the country. There's war. It's doubtful the Pledge of Allegiance is more important right now."

Two years after Republicans fused love of God and love of country into such a potent political message in Ohio that national Democrats were discombobulated, the combination of patriotic and religious fervor seems dimmed. Now, with a midterm election approaching and one of the hottest Senate races in the country being waged, not much is being said on the campaign trail about the "three G's" -- gays, guns and God -- in any part of Ohio. Here in the southwestern part of the state, barely a peep is heard about abortion or other social issues.

"Actually, I'm not hearing anything. You just hear the usual kind of stuff, like the economy," said Linda S. Rosicka, Clark County's elections director.

Whether the primacy of social issues was overstated in 2004, those issues have largely fallen off the stump in this year's election. When they do come up, it's usually in ways that are less public, such as in gatherings of Christian conservatives supporting Republican Ken Blackwell's gubernatorial campaign.

Sen. Mike DeWine (R), an ardent foe of abortion, hasn't launched any ads or campaign offensives using social issues, but he says he talks about them when asked. He didn't hesitate in an interview to criticize his opponent, Rep. Sherrod Brown (D), on one such issue, saying Brown has failed repeatedly to vote to outlaw late-term or what opponents call "partial birth" abortion.

"There are fundamental differences between Congressman Brown and myself, and one of the fundamental differences is he voted to continue to practice partial-birth abortion," DeWine said.

Brown's campaign says that's because the bill did not allow an exception for the health of the mother.

Social issues still could become crucial behind the scenes in coming weeks, when interest groups try to motivate members to vote for the sake of balance on the Supreme Court or constitutional battles over abortion rights.

But voters rarely hear those issues mentioned in political speeches, in political news stories and commercials, even in talk around the town square. The reason is pretty simple, political experts say: It's the economy. And the war in Iraq. And the war on terrorism.

"They're hearing the news every day about Iraq, they're getting their paycheck every week" and making decisions about taxes, said Brian Nienaber, a vice president of the Tarrance Group, a Republican-leaning Washington polling firm. "In times of war, it is hard to think, 'What kind of social direction should our country be taking?' " he said.

Celinda Lake, a Democratic pollster, says evangelical voters still care deeply about social issues. But, Lake said, "the next tier of voters, the kind of blue-collar, exurban voters who take their kids regularly to church, they're really economically hard-pressed."

Of course, abortion, same-sex marriage, gun rights and fights over religious symbols and words are not the only social issues that can light up a campaign. The minimum wage goes to the heart of a social issue, says the campaign of Brown, the Senate candidate.

"He's met and held events with ministers and pastors across the state in churches on those issues," said Brown spokesman Ben LaBolt. "He believes it's a moral imperative to support working people."

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DeWine also supports a ballot measure to raise Ohio's minimum wage.

Back in Springfield, inside a used-car dealership, Barbara Courtney, a Democrat, says hot-button social issues subsided after the 2004 election, when voters approved a state constitutional ban on same-sex marriage.

"The voters stopped it, and there are other things on people's minds now than all that this year. There's a war, and it hasn't stopped. It's still going on. There are so many people unemployed," she said.

"They aren't praying to stop the gays," she said. "They are praying for work."

Evangelicals Fire Up The Faithful (WSJ)

By Jackie Calmes

The Wall Street Journal, October 28, 2006

Even Those Disappointed With Republicans Seek To Turn Out the Vote

SHARONVILLE, Ohio -- If Republicans still have an ace up their sleeve in this fall campaign, it's people like Phil Burress.

Mr. Burress, a thrice-married, self-described former pornography addict, is president of Citizens for Community Values, a statewide network of politically active Christian conservatives. His work here in 2004 helped turn out evangelical voters who put President Bush over the top in Ohio -- the state that made the difference between victory and defeat.

This time around, Mr. Burress isn't nearly so happy with the president and his party. In fact, he can hardly say enough about how fed up he is with Republicans from Columbus to Washington for not following through on promised social initiatives. He is especially exercised about Ohio's Republican Sen. Mike DeWine, who incensed conservatives last year by helping to broker a compromise with Democrats over confirming the president's judicial nominees.

So what is his advice to others? Hold your nose and vote. And that includes voting for Mr. DeWine, whose fate could determine whether Republicans keep control of the Senate.

That attitude represents an important firewall for the Republican Party at a time when most polls and independent analysts forecast big midterm election losses Nov. 7, threatening the party's majorities in Congress, the governorships and some state legislatures. Republicans worry that religious conservatives, so critical to Republicans' wins of recent years, will stay home this time.

But a look at the movement in Ohio suggests otherwise. The turnout machine that has pulled evangelical conservatives to the polls in massive numbers is churning away, and for a reason little appreciated outside their circles: the sense that voting is their Christian duty. Ron Martin, pastor of Cincinnati's Central Parkway Ministries just south of here, is typical when he tells his church members, worn Bible in hand, "You have a moral obligation to vote." And because such voters' litmus-test issues are abortion and gay marriage, that typically means vote Republican.

Earlier this month, Mr. Burress's organization sent a million voter guides to 7,500 churches statewide for distribution in Sunday bulletins. The guide refers voters to the group's election Web site, where they can type their zip code and see all candidates who will be on their ballots, alongside each candidate's stance on abortion, marriage, pornography and other social issues. Those guides are based on candidates' responses to a questionnaire. Many Democrats, and moderate Republicans, didn't respond; the site notes that.

The 64-year-old Mr. Burress is an essential player in the Bush-era Republican Party's vaunted get-out-the-vote machine. In 2004, he led the drive to put on the Ohio ballot a state constitutional amendment banning same-sex marriages and civil unions. Then he put his organization, based in this conservative Cincinnati suburb, to work registering tens of thousands of new voters to support the amendment.

Those voters turned out and, by and large, also cast ballots for President Bush. On election night, as the battle between Mr. Bush and Sen. John Kerry swung back and forth, Ohio emerged as the state that would decide the outcome. By morning, it had gone Mr. Bush's way -- tipped by a wave of Christian conservative voters larger than expected. Bush strategist Karl Rove calls him one of the party's "spark plugs."

Now, late in this year's campaigns, a new controversy over gay marriage is energizing conservative Christian voters. New Jersey's Supreme Court, in a closely watched case, on Wednesday declared the state has to give same-sex couples the same rights and benefits as those granted to married heterosexuals. Within an hour of the news, the ruling set off a series of conference calls among Christian conservative leaders, including Mr. Burress.

"In the Christian conservative movement, it's created a shock wave," says Harry Jackson Jr., a Pentecostal bishop in Lanham, Md. He, like Mr. Burress, is a board member of the Arlington Group, a national network of conservative religious leaders. "This is probably the best possible thing that could have happened to the moral values movement two weeks before the election," he says.

Mr. Burress absorbs all this from behind his desk 500 miles from Washington, D.C. Like others on the religious right, Mr. Burress has had his faith in Republicans shaken by scandals and unfulfilled promises to push harder for a federal amendment

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against same-sex marriage. And that was before the recent shock over Florida Rep. Mark Foley's improper email messages to young male pages in the House, and reports that Republican leaders failed to heed warnings about them. Then came a book from a former White House aide, alleging that administration officials call evangelicals "nuts" and, with the president's acquiescence, stymie faith-based social initiatives he has long publicly espoused. The White House disputes those claims.

Yet Mr. Burress gets excited when talk turns to his get-out-the-vote efforts. He recently got a call from Pastor Martin, who operates ministries for the poor and homeless in central Cincinnati. The pastor was so vexed at Sen. DeWine that he confessed he might vote for the Democrat, Rep. Sherrod Brown.

"You're not going to vote against DeWine, are you?" Mr. Burress protested. "Let me tell you about Sherrod Brown!" He went on to dismiss the Democrat as a pro-abortion, pro-gay-marriage liberal. And he pointed out that re-electing Mr. DeWine is crucial to keeping a Republican-majority Senate to confirm the president's conservative court nominees. The pastor was converted.

Exit polls of 2004 voters underscored the importance of Christian conservatives to Republicans. Nearly a quarter of all voters were white evangelical born-again Christians. Eight out of ten voted for Mr. Bush. The rest of the electorate went to Democrat John Kerry, 56% to 43%. In a nonpresidential election, turnout falls for all groups. But Mr. Rove predicts evangelicals' turnout "will be substantial," on par with the 2002 midterm when Republicans made gains.

The latest Wall Street Journal/NBC News poll shows Republican voters overall are less interested in the election than Democrats are. But it also shows conservative Republicans far more engaged than nonconservatives. Moderate Republicans have been more disillusioned by spiraling spending, scandals, the war and a sense that the party panders to religious conservatives on social issues.

Recently Mr. Burress traveled to Grand Rapids, Mich., for a conference of nearly 2,000 of the country's leading social conservatives. Attendees were upbeat, he says, galvanized by the stakes in the election. With Bush appointees John Roberts and Samuel Alito on the Supreme Court, "the values voters understand that the next Supreme Court vote could be the one to outlaw abortion," he says.

James Dobson, one of Christian conservatives' foremost national leaders, has held rallies in several cities this fall. In St. Paul, Minn., just after the Foley news broke, he said it made for "a hard day" and he remained "very irritated and disappointed with the Republican Party" for failing to deliver on conservatives' issues. But he urged 2,000-plus listeners, "If you can find a politician who understands the institution of the family...it would be a sin not to vote for him."

His group, Focus on the Family, and another, the Family Research Council, recently released a "Vote Scorecard" for Congress, rating members based on their stances on abortion, judicial nominations, gay marriage and stem-cell research. Every embattled Senate Republican save one -- Lincoln Chafee of Rhode Island -- is given a perfect score. So are many at-risk House Republicans.

Paul Weyrich, who founded the Christian conservative movement with the Rev. Jerry Falwell, says he recently had a conference call with Christian conservatives from Pennsylvania to rally support for Republican Sen. Rick Santorum. He says evangelicals there "are highly motivated for Santorum. Polls showing him way behind don't bother them."

Like evangelicals elsewhere, those in Pennsylvania are circulating voter guides, working phone banks and going door-to-door. The Santorum campaign sends regular emails to evangelical voters, with video links. While it may not be enough to save the senator, given his unpopularity with independents and moderate Republicans, party leaders say a healthy turnout of evangelicals could make the difference for several House members.

In Tennessee, by contrast, Christian conservatives are cool to Republican Senate nominee Bob Corker, skeptical of his claims to oppose abortion rights. Tennessee Right to Life declined to endorse him, even though Democrat Harold Ford favors abortion rights. Yet the antiabortion group's leader said in a statement, "We'll be very busy on other races."

What will bring many out in Tennessee and seven other states are amendments to ban same-sex marriage. In 2004, similar proposals in 11 states proved a magnet for evangelical voters.

In Missouri, Christian conservatives are mobilized against a proposal favoring stem-cell research. Republicans are banking on these conservatives to also vote for embattled Sen. Jim Talent. He had alienated them by vacillating on the issue. Party leaders are rallying evangelicals with pleas to defeat the pro-abortion rights Democrat, Claire McCaskill, and keep the Senate in Republicans' control.

Here in Ohio, a pro-gambling initiative will draw evangelicals hoping to kill it. They are also excited about Republican gubernatorial candidate Ken Blackwell. In 2004, he was the only Republican leader to support Ohio's successful amendment banning same-sex marriage.

The alliance of religious conservatives and Republicans has come under strain in Ohio. Scandals have touched a number of officials including Republican Gov. Bob Taft. Congress's Jack Abramoff influence-peddling case recently claimed Ohio Republican Rep. Bob Ney, who pled guilty to corruption charges.

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"This is what we worked for, to have this?" asks Mr. Burress.

He has other complaints. In Columbus, the Republican-led state Senate gutted a bill his group supported to restrict strip clubs, he says, while in Washington the president works hard on economic conservatives' priorities -- overhauling Social Security and cutting taxes -- but hardly at all against same-sex marriage. For that, Mr. Burress and other conservatives blame Mr. Rove, the president's strategist.

Tensions flared in a conference call several months ago between Christian conservative leaders and Mr. Rove. According to participants, Mr. Rove argued the marriage amendments weren't decisive in Mr. Bush's re-election. Provoked, Mr. Burress approached the speaker phone.

"Mr. Rove, this is Phil Burress. Are you trying to tell me that the president would have won Ohio if the marriage amendment had not been on the ballot?" Bishop Jackson, who is African-American, similarly upbraided Mr. Rove: "Sir, I am part of this group because I grew weary of the Democratic Party taking blacks for granted."

In an interview, Mr. Rove says his point was that Christian conservatives in all states -- not just those with marriage initiatives -- came out in greater numbers in 2004 than in 2000. That reflected general outrage about a Massachusetts court decision favoring same-sex marriage, he says, and conservatives' sense the president is on their side.

Next to Mr. Rove, only Mr. DeWine comes in for harsher criticism from Mr. Burress. "Sen. DeWine has been wrong on so many of the family issues," he says, dropping a two-inch-thick binder of research.

But then Mr. Burress says that Mr. DeWine, father of eight, is "a great family man, a pro-lifer to the bone. That's why we keep him." And with that, he is back again to the forces that keep him and other Christian conservatives politically active -- and voting Republican.

Write to Jackie Calmes at jackie.calmes@wsj.com1

'The Daily Show' Swinging Into Ohio (AP)

AP, October 28, 2006

COLUMBUS, Ohio (AP) -- Comedian Jon Stewart will make a special preview appearance Saturday as Comedy Central's "The Daily Show" gears up for a week of broadcasts from Ohio.

Stewart said the Saturday event will be at Value City Arena, an appearance added after spaces for the four nights of tapings at Ohio State University's more intimate Roy Bowen Theatre filled up.

The Ohio "Midwest Midterm Midtacular" excursion marks the popular news parody show's fifth trip outside New York in 10 years, but its first to "a random zone" outside a big city on the East or West Coast, Stewart said in an interview with The Associated Press.

"We wanted to go there because Ohio was so crucial last time. They were sort of the focal point, the swing state, if you will," he said. "We want to know what happened to all that loving attention that they were given in 2004, and if they feel lonely."

Asked if he would be laughing at Ohio or with Ohio, Stewart equivocated.

"First of all, I didn't realize Ohio was laughing. I was not aware of that," he said. "We will be laughing with parts of Ohio at other parts of Ohio. But I won't say which ones."

Cleveland Cavaliers star LeBron James -- whom Stewart called "for all intents and purposes, the king of Ohio" -- will be the featured guest on opening night Monday.

Stewart said many of the big-name politicians the show approached -- including U.S. Sens. George Voinovich and Mike DeWine, Gov. Bob Taft and gubernatorial candidates Ted Strickland and Ken Blackwell -- declined.

As for Taft, he said, "We had a shot at him for a bit there. Then we realized that his approval ratings actually make Cheney seem likable."

Judge Approves Ohio Rules On Voter Surveys (NYT/AP)

By The Associated Press

The New York Times, October 28, 2006

COLUMBUS, Ohio, Oct. 27 (AP) — A federal judge who had struck down state rules on conducting surveys of voters leaving polling places ruled Friday that revised guidelines for the practice were legal, rejecting a call for clarification by the national news media.

ABC, CNN, CBS, Fox News, NBC and The Associated Press sued Monday, arguing that Secretary of State J. Kenneth Blackwell's latest directive, which stated that loitering and delaying voters were prohibited, was confusing. Later, and in smaller type, Mr. Blackwell's order noted that the polling practice was legal.

The judge, Michael H. Watson of Federal District Court, ordered the new rules last month when he struck down Mr. Blackwell's 2004 order against polling voters within 100 feet of a voting place.

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The news outlets had asked Judge Watson to spell out the rules for county election boards and to force Mr. Blackwell to post them so members of the news media could interview voters leaving polling places on Nov. 7.

In his decision Friday, Judge Watson needled Mr. Blackwell's office for noting the judge's earlier decree in smaller type but said the posting was still legal.

The news media group has jointly conducted surveys of voters leaving polling places for numerous elections, using results to project winners and to analyze political and social trends.

A Candidate's Sister Steps In To Defend Him On Stem Cell Issue (NYT)

By Jim Rutenberg

The New York Times, October 28, 2006

This 30-second television advertisement for Michael Steele, the Republican candidate for Senate in Maryland, is running in Washington and Maryland. It features his sister, Dr. Monica Turner, a pediatrician. The spot is in response to an advertisement for his Democratic opponent, Representative Benjamin L. Cardin, in which the actor Michael J. Fox, who has Parkinson's disease, accuses Mr. Steele of wanting to "put limits on the most promising stem cell research."

PRODUCER — OnMessage Inc.

THE SCRIPT — Mr. Steele says: "I'm Michael Steele, and I approve this message." Dr. Turner says: "I'm Dr. Monica Turner. Congressman Ben Cardin is attacking Michael Steele with deceptive, tasteless ads. He is using the victim of a terrible disease to frighten people all for his own political gain. Mr. Cardin should be ashamed. There's something you should know about Michael Steele. He does support stem cell research, and he cares deeply for those who suffer from disease. How do I know? I'm Michael Steele's little sister. I have M.S., and I know he cares about me."

ON THE SCREEN — The spot opens with images of Mr. Steele, the lieutenant governor, wading through a crowd. It then moves on to his sister, sitting in a brightly lit and austere living room. Dr. Turner, who exhibits no signs of multiple sclerosis, is in a chair, speaking directly into the camera.

ACCURACY — Mr. Steele's campaign says he supports stem cell research that does not require the destruction of embryos. Mr. Fox has recently taken issue with people calling him "a victim," and has dismissed accusations that he has been used by politicians like Mr. Cardin who have featured him in their advertisements this year.

SCORECARD — The Cardin advertisement with Mr. Fox was a powerful repudiation of Mr. Steele, given by one of the nation's leading advocates for stem cell research. But Mr. Steele's sister would seem no less effective in this ad defending her brother, in calm but firm terms. These two campaigns should perhaps return to their earlier advertising duel, over puppies. Mr. Steele mockingly implied Mr. Cardin's ads made the Republican out to be such a monster that he hated puppies, and so Mr. Steele appeared in a commercial with one; Mr. Cardin's campaign responded with an ad saying Mr. Steele might like puppies, but he liked President Bush more. JIM RUTENBERG

Third-party Zeese Won't 'Be A Spoiler' (WT)

By S.a. Miller, The Washington Times

The Washington Times, October 28, 2006

Third-party candidate Kevin B. Zeese said yesterday his long-shot run for U.S. Senate in Maryland is gaining momentum because of gaffes by the Democratic nominee, Rep. Benjamin L. Cardin.

Mr. Zeese, the nominee of the Green, Libertarian and Populist parties, said Mr. Cardin "committed political suicide" by skipping a debate Thursday in Charles County sponsored by the National Association for the Advancement of Colored People.

"He chose to offend a key voting block," Mr. Zeese told The Washington Times.

Mr. Zeese, 51, said the pull-out will send ripples of disapproval through the statewide NAACP meeting today in Baltimore and compound resentment about the lack of black candidates at the top of the Democratic ticket.

"It shows a lack of confidence and a willingness to hide rather than confront issues," he said.

Mr. Zeese also said he benefited when Mr. Cardin stumbled and stammered through a televised debate Wednesday when confronted by the Republican nominee, Lt. Gov. Michael S. Steele.

Mr. Cardin declined to respond.

Recent polls show Mr. Cardin and Mr. Steele in a dead heat, with Mr. Zeese garnering about 6 percent of the respondents.

Mr. Zeese bristled at the suggestion that he could cost Mr. Cardin the election by fracturing the congressman's liberal voter base.

"I'm certainly not going to be a spoiler," he said. "It is a question of people hearing me. If they hear me, I'll win."

Mr. Zeese and Mr. Cardin are scheduled to debate at the NAACP's meeting today. Mr. Steele had not committed to attending.

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Black voters could decide the election. They account for about 40 percent of Democratic voters in Maryland, where registered Democrats outnumber Republicans nearly 2-to-1.

Mr. Cardin, 63, has struggled to woo black voters amid criticism that the state Democratic Party blocked the candidacy of former NAACP leader Kweisi Mfume, who narrowly lost the primary despite Mr. Cardin outspending him by about $3 million.

"The black community knows that if it had not been for the Democratic leadership selecting Cardin, then Mfume would be the candidate," Mr. Zeese said.

Mr. Steele, 48, the first black elected to statewide office in Maryland, has the potential to break the Democratic lock on black voters and has helped make his party competitive in the state for the first time in a generation.

However, Mr. Zeese, who lives in Takoma Park and is the director of the District-based anti-war group DemocracyRising.US, said his anti-establishment message is more in tune with Maryland's political aesthetic.

"Both of the other candidates are, in my view, exactly what is wrong with politics in America," he said. "Both are special-interest funded and put corporate interests before the people's interests. My views are more consistent with the views of Maryland voters, [and] African Americans will get more from my agenda than from Steele's agenda."

Mr. Zeese proposes a complete withdraw of U.S. troops from Iraq within six months, the elimination of income tax on the first $100,000 earned, universal health care and government-paid college tuition for all citizens.

Mr. Zeese, who concedes that his limited funding and inability to air TV ads has hampered his run, said he will spread his message with grass-roots campaigning at grocery stores, Metro stations and house parties until the Nov. 7 election.

He will participate in an anti-war rally today in Annapolis.

Mr. Zeese frequently criticizes Mr. Cardin's record on the Iraq war, faulting the 10-term congressman for running as an anti-war candidate after repeatedly voting to fund the war and voting against a bill that would have required President Bush to offer an exit strategy.

Mr. Cardin has made his vote against the Iraq invasion the cornerstone of his campaign and cites it as the chief example of how he "stood up to President Bush."

Mr. Cardin has declined to respond to Mr. Zeese and continues to focus on his run against Mr. Steele.

"Cardin is an insecure guy," Mr. Zeese said. "He is running away from his record [and] the inconsistencies between his rhetoric and his record. ... He is misleading the voters."

Bloomberg Sends Troops To Help Lieberman (NYT)

By Diane Cardwell

The New York Times, October 28, 2006

In his battle for re-election to the United States Senate without the backing of the Democratic Party, Joseph I. Lieberman is deploying a secret weapon in the race's closing days: a sophisticated operation to identify and turn out voters, courtesy of Mayor Michael R. Bloomberg.

The Bloomberg group includes several top-level operatives who played key roles in the mayor's decisive re-election last year or who are in the administration, and have taken leaves from their jobs to work on Mr. Lieberman's campaign.

Since Mr. Lieberman lost the Democratic primary in Connecticut to Ned Lamont, they have helped open campaign offices, devised a strategy to reach voters and are corralling enough volunteers to cover 2,800 shifts at more than 700 polling sites on Election Day, Nov. 7.

Given that Mr. Lieberman does not have a party apparatus to help build his field operation, the efforts of the Bloomberg team could prove critical in one of the most closely watched races in the nation.

"There is no independent network," said Stu Loeser, Mr. Bloomberg's chief spokesman, who played the same role in the re-election effort. "To a certain extent, we were the last independent campaign."

The workers on loan are the most vivid example yet of how Mr. Bloomberg, a Republican who often breaks with his party on issues, could build a permanent political apparatus to support like-minded independent candidates across the country — if not a national bid for himself.

With his 2005 re-election campaign behind him, Mr. Bloomberg has been relishing his role as kingmaker, endorsing Gov. Rod Blagojevich in Illinois and Gov. M. Jodi Rell in Connecticut, raising money for Gov. Arnold Schwarzenegger in California and appearing in a television commercial for Representative Christopher Shays in Connecticut. (Mr. Blagojevich is a Democrat, and the others are Republicans.)

But his work for Mr. Lieberman, which includes substantial fund-raising and Mr. Bloomberg's first out-of-state stumping in addition to the gift of manpower, marks his most intense and direct engagement in someone else's political bid. It may not only broaden his image of nonpartisan, influence-free pragmatism, but it could also test how well his political machine can function in an independent campaign with national repercussions.

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Just after losing the Democratic primary, Mr. Lieberman's campaign enlisted Josh Isay, who had worked on Mr. Bloomberg's re-election campaign, as the new media consultant. From his administration, the mayor dispatched Korinne Kubena, the chief of staff to Kevin Sheekey, a deputy mayor who oversaw Mr. Bloomberg's two mayoral campaigns, to direct the get-out-the-vote effort for Mr. Lieberman. Brian Honan, who was the deputy field director in the mayoral campaign and now works in the Bloomberg administration's state lobbying operation, is serving as Ms. Kubena's deputy.

Ariel Dvorkin, an administration aide, is helping compile a voter database for Mr. Lieberman; Josh Gold, who was on Mr. Bloomberg's campaign field staff, is now the deputy director of Mr. Lieberman's Stamford campaign office; and Neil Giacobbi, who became chief of staff to City Councilman David Yassky after running the volunteer effort for Mr. Bloomberg, is the director of the Lieberman office in Stamford.

"The mayor has obviously decided to try to make a difference in a few races in which he believes in the candidate," Mr. Sheekey said. "In some places you can help them by doing a fund-raiser in New York, others where you can help by showing up for a day, and others where you can help by putting folks on the ground."

Lieberman aides say that Mr. Bloomberg brings a certain gloss and legitimacy to Connecticut, where he appears to have a strong appeal.

"He is an icon of independence and straight talk and putting the public interest over party consideration," said Dan Gerstein, Mr. Lieberman's communication director. "He's a great practitioner and advocate for the kind of politics Joe Lieberman practices."

Aides to both men say they have known each other since before Mr. Bloomberg became mayor and admire each other's accomplishments and independent streaks. Described as having a casual, friendly relationship, they have run into each other at events in Washington over the years and have worked together on various issues involving the city, including domestic security.

Capitalizing on all this, the Lieberman campaign plans for Mr. Bloomberg to greet commuters with the senator on Monday morning in Stamford, and to attend a fund-raiser there. Mr. Bloomberg headlined a fund-raiser in Chicago this week, which raised close to $230,000, according to the campaign. He plans to hold a third fund-raiser at his Upper East Side town house on Wednesday.

Lieberman aides say the money the mayor is raising is crucial, but it is the staff additions that represent an unusual degree of engagement for Mr. Bloomberg and show how he has developed his own potent political team to deploy as he wishes.

That team brings with it an approach that has been under development for some time and is similar to the one that President Bush used in his re-election bid in 2004. For Mr. Bloomberg's first bid in 2001, Mr. Sheekey said, the campaign engaged in a targeting operation that merged voter information with consumer data to identify potential supporters and tailor specific messages to them. That method allows campaigns to identify voters by tastes and habits whether or not they live in an area where support for a particular party is strong.

In that 2001 campaign, outreach was primarily through mail and telephone, since the campaign could not recruit a strong contingent of workers on behalf of a political unknown, Mr. Sheekey said.

By 2005, though, the Bloomberg team was able to bolster its voter identification effort with an aggressive operation involving 50,000 workers fanning out through the city to knock on doors and reinforce the mayor's message, Mr. Sheekey said.

With a version of that machine in Connecticut, Mr. Bloomberg's aides are coy about where it might go next, particularly whether to support other like-minded candidates or even the mayor himself.

"There are a lot of things the mayor had done in his campaign which the Lieberman campaign needed," Mr. Sheekey said. "You get involved in races where you want to make a difference and where you can make a difference, in that order."

Anti-war Chafee In Tight Race In R.I. To Keep His Senate Seat (WT)

By Amy Fagan, The Washington Times

The Washington Times, October 28, 2006

Republicans may lose a key Senate seat they've fought fiercely to hang onto this year, as liberal Republican Sen. Lincoln Chafee trails his Democratic opponent in Democrat-leaning Rhode Island.

This Senate race, perhaps ironically, has become a referendum on President Bush and the Iraq war, observers say. Though Mr. Chafee often bucks Republicans on issues from taxes to abortion and voted against the Iraq war, Democratic candidate Sheldon Whitehouse has tried to paint him as a boon to the Republican majority and Mr. Bush's agenda -- a theme that seems to have resonated. Mr. Chafee is four to ten percentage points behind in recent polls.

"It has become a referendum on Bush and Iraq and people are blaming Chafee even though he voted against the war. It's one of the most ironic elections," said Darrell West, Brown University political science professor.

According to SurveyUSA's October numbers, Mr. Bush's approval rating in this tiny state, where most voters register as "unaffiliated," is the lowest of all 50 states, at 23 percent.

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But Republicans say don't count Mr. Chafee out yet. Earlier this year they gave major time and money to help him fend off a more conservative Republican primary challenger and they succeeded when many thought they wouldn't. They contend they'll repeat that on Nov. 7 because Mr. Chafee is an independent voice who matches well with Rhode Island voters and is within striking distance according to the polls, most of which show him within the margin of error.

"This race is neck and neck right now, but at the end of the day Mr. Chafee is going to meet with success and be re-elected," said Dan Ronayne of the National Republican Senatorial Committee (NSRC). "Our focus needs to be on the choice between the two candidates."

For his part, Mr. Chafee has fought back against the accusation that he is just another Republican by touting his independence on issues such as Iraq, stem-cell research and taxes. He also is trying to steer the race back to local issues -- running recent ads criticizing Mr. Whitehouse for being soft on corruption as state attorney general.

Some say it is difficult to steer the race back to local issues this year. "In an election that has in many respects become nationalized, it's even harder for Chafee to win," said John Fortier of American Enterprise Institute. "It's not an election about primarily what you've done for Rhode Island."

But the fight will only get more intense in the final days. The NRSC has run an ad arguing Mr. Whitehouse will support higher taxes -- prompting Mr. Whitehouse's camp to fire back with an ad showing sharks and claiming national Republicans are back to help Mr. Chafee protect Mr. Bush and keep the party in power.

"A Republican-led Senate is not good for Rhode Island. ... That is the fundamental issue in the race," said Alex Swartsel, spokeswoman for Mr. Whitehouse.

Chafee campaign manager Ian Lang said "there's a reason why Sheldon Whitehouse has only tried to run against George Bush and that's because [Mr. Whitehouse] doesn't have a record. They know if they run against the senator's record they're not going to win."

Wal-Mart Dismisses Adviser Who Created G.O.P. Ad (NYT)

By Michael Barbaro

The New York Times, October 28, 2006

After infuriating Canada's ambassador to the United States and raising the ire of the N.A.A.C.P., a Republican television commercial mocking Representative Harold E. Ford Jr. of Tennessee has become a political liability for an unlikely third party: Wal-Mart Stores.

Under pressure from black leaders and union groups, Wal-Mart, the nation's largest retailer, said last night that it had cut ties with a prominent Republican strategist who helped create the provocative advertisement.

The strategist, Terry Nelson, was hired by Wal-Mart Stores Inc. in 2005 to help burnish its image after a wave of attacks from organized labor and liberal groups.

After Mr. Nelson's affiliation with the Republican commercial became public this week, the Rev. Jesse Jackson demanded that Wal-Mart fire Mr. Nelson and a union group threatened to run advertisements in Tennessee linking the retailer to it.

In the commercial, which was financed by the Republican National Committee, actors in mock interviews spoke sarcastically about Mr. Ford and his candidacy for the Senate seat in Tennessee.

In a scene that black leaders say has racist overtones, a white actress says she met Mr. Ford, who is black, at a "Playboy party."

"Harold, call me," she says coyly.

Canadian officials objected this week to a separate scene in which an actor says, "Canada can take care of North Korea. They're not busy."

The aside is a perceived slight to a country that has troops in Afghanistan as part of NATO forces, and on Wednesday, Michael Wilson, Canada's ambassador to the United States, contacted the White House to complain.

A statement from the Rev. Jesse Jackson, distributed by the group WakeUpWal-Mart.com, which is backed by unions, said, "Wal-Mart has the responsibility to dismiss Terry Nelson, with explanation, and apologize to Harold Ford Jr. Even though the Republican Party pulled the ad, if you throw ink on a suit, you leave a stain. They threw ink on Harold Ford Jr., and many people believed it to be true, resulting in a negative impact."

Wal-Mart said in a statement that Mr. Nelson's Washington consulting firm, Crosslink Strategy Group, "sent a letter to Wal-Mart ending its working relationship with our company."

"We believe this is the right course of action," Wal-Mart said.

A person familiar with the letter said it made clear that the decision to end the relationship was based on requests from Wal-Mart. The person, not authorized to speak publicly, did so on condition of anonymity.

Mr. Nelson did not respond to several telephone and e-mail messages.

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Wal-Mart's relationship with Mr. Nelson threatened to set back the retailer's extensive efforts to reach out to African-Americans, who account for a large number of its employees and customers.

Over the past year, H. Lee Scott Jr., the chief executive, has met with members of the Congressional Black Caucus and appeared on the Rev. Al Sharpton's radio show.

The commercial has created a public relations problem for Republicans less than two weeks before Election Day.

Mr. Nelson has worked for various Republican leaders, including President Bush and Senator John McCain of Arizona. As a founder of Crosslink Strategy Group, he also consults for corporations. Mr. Nelson has helped recruit Wal-Mart's suppliers to join an advocacy group that trumpets its accomplishments and has overseen a program to register Wal-Mart employees to vote in Nov. 7 elections in part as a reaction to Democratic attacks against the company.

In Indiana, Local Issues Take Toll (WSJ)

By Amy Schatz

The Wall Street Journal, October 28, 2006

With Voters Riled by Road Fees, Time Zones, Republicans Focus on National Issues

MISHAWAKA, Ind. -- Preparing to take questions from Rotary Club members at Houlihan's Restaurant here for a weekly luncheon, Republican Rep. Chris Chocola jokes that he has just one rule: "I won't talk about time zones or the toll road."

It has been a dependable laugh line this fall in Mr. Chocola's northern Indiana district, but the issues are no joking matter for the 44-year-old lawmaker and two fellow Republican congressmen in Southern Indiana. According to public and internal polling, all three are in tight races and may lose in next month's election.

One reason: voter dissatisfaction with how the Republican-led state government has handled local issues. Democratic challengers are successfully tapping into that sentiment to sway voters, and turning local issues into a decisive factor here at a time when global issues such as terrorism and the Iraq war continue to dominate in races across the country.

Voter worries about the local economy had already damped support for Mr. Chocola and two other endangered Republican incumbents, Reps. Mike Sodrel and John Hostettler. Two local issues -- a fight over what time zone the state should be in and its leasing of a northern Indiana toll road to a foreign consortium -- have added to voter anger, creating a toxic atmosphere for all Republicans in the state, including the federal lawmakers who have had no direct decision-making authority in these matters. The bad feelings could make it difficult to coax Republicans to the polls on Nov. 7.

The local issues have proven a particular problem for Mr. Chocola, since they affect his constituents disproportionately. The district is split between Central and Eastern time zones and residents of one county -- St. Joseph -- are still miffed that their request to change to the Central time zone from the Eastern so they could be on the same time as nearby Chicago was denied. Residents of other counties, meanwhile, are unhappy with other changes to the state's time-zone policy.

The issue sprang up last year after Indiana decided to observe daylight savings time, which means Hoosiers will change their clocks this weekend along with much of the country. That decision reopened a debate that has festered for well over a hundred years. Indiana counties surrounding Chicago and Evansville traditionally have been on Central Standard Time, while much of the rest of the state is on Eastern Standard Time.

After Indiana adopted daylight savings time, each of its 92 counties was asked to decide which zone they wanted to be in: Central or Eastern. In the end, 17 counties asked to switch to the Central time zone. The federal Department of Transportation, which has the final say over such matters, let eight make the switch. Five months later, six of those counties asked to switch back. They said they were unhappy that neighboring counties weren't allowed to change, too.

"It's a mess," said Ray S. Winey, a native of Mishawaka.

The other local issue working against Mr. Chocola is the leasing of the Indiana Toll Road. Dubbed the "Main Street of the Midwest," the toll road stretches 157 miles between the Ohio and Illinois borders and serves as the main east-west artery in the northern part of the state.

Earlier this year, Gov. Mitch Daniels and state lawmakers agreed to lease the road to a foreign consortium for 75 years. The $3.85 billion deal provided a windfall to fund the state's effort to rebuild local roads and bridges. But the massive deal was a tough sell to some wary residents and remains a deeply divisive issue here.

In the North, residents have complained that the consortium will almost certainly raise tolls and that too much of the money -- some $2.5 billion -- would be used to fix roads and bridges in other parts of the state. Others, especially in central and southern Indiana, fret about the highway being leased to foreign companies.

Mr. Chocola declined to take a public stand on either the time zones or toll road, saying it would be inappropriate to comment because they aren't before Congress.

State Democrats said he should have stood up for constituents, and have assailed Republicans statewide on both fronts.

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The state's largest newspaper, the Indianapolis Star, recently endorsed Democrat Joe Donnelly, Mr. Chocola's opponent, partly because "a congressperson should at least have spoken up informally about the momentous deal involving an interstate highway, even if the federal government was not directly involved."

Mr. Donnelly had voiced opposition to leasing the toll road.

Along the farm fields that blanket Mr. Chocola's district and in small towns like Plymouth, population 9,840, neighbors are waging a battle of yard signs. Neither party has been able to hold the deeply divided district for long; when the two men ran against each other in 2004, Mr. Chocola won a second term with 54% of the vote to Mr. Donnelly's 45%.

Mr. Chocola complains that Republicans aren't getting enough credit for the improving economy, although he acknowledges his constituents have more reason to be concerned than most. His predominantly blue-collar district is home to several auto-parts makers, including Kokomo-based Delphi Corp., which is in bankruptcy protection, and AM General, which makes Hummer SUVs in South Bend.

"I think there's just more anxiety up there, period," said Murray Clark, the state's Republican Party chairman. "They're anxious about the toll road. He's been blamed for that."

Consequently, while other endangered Republicans are turning to local issues to direct voter attention away from the unpopular war in Iraq and other national issues, in Indiana, Mr. Chocola and his two Republican colleagues have sought to focus voters the opposite way. They are talking about tax cuts, immigration and why they think the country would be a much-worse place if Democrat Rep. Nancy Pelosi were to become House Speaker.

Write to Amy Schatz at Amy.Schatz@wsj.com2

A G.O.P. Redoubt Upstate Suddenly Seems Less Sturdy (NYT)

By Fernanda Santos

The New York Times, October 28, 2006

WATKINS GLEN, N.Y., Oct. 26 — This picturesque corner of southwestern New York, with its rugged terrain sheltered by mountains and dotted with lakes, is as red as the blue state of New York gets.

Republicans have outnumbered Democrats here since the Republican Party's founding in 1854. Two years ago, President Bush won 56 percent of the vote in this area's 29th Congressional District, the biggest share of any district in the state.

But as the midterm elections approach, 2004 increasingly seems like a long time ago. The region's freshman Republican congressman, John R. Kuhl Jr., 63, who goes by Randy, faces a spirited challenge from a Democratic newcomer, Eric Massa, 47, a retired Navy commander who disagrees with the incumbent on most issues, from the war to immigration to health care.

In recent weeks, the Republican Party has stepped up efforts to safeguard Mr. Kuhl's seat, which has long seemed comfortably secure. Last month, Vice President Dick Cheney flew to Rochester for a fund-raiser for Mr. Kuhl. Laura Bush is scheduled to campaign for him in the town of Greece, near Rochester, on Saturday, just 10 days before elections nationwide that have the potential to shift control of one or both houses of Congress to the Democrats.

Mr. Massa, meanwhile, has stepped up fund-raising efforts, with noteworthy success. He raised $171,000 from Sept. 30 to Oct. 18, or nearly three times as much as Mr. Kuhl, who collected $65,000, according to the Federal Election Commission. As of Oct. 18, Mr. Massa had about $341,000 left in the bank, about $108,000 more than Mr. Kuhl, according to the commission.

"Frankly, a lot of Republicans, especially the traditional ones, feel betrayed," said Bob Lonsberry, a conservative talk radio host on WHAM-AM (1180) in Rochester. "They don't feel the party is fighting for their values."

In Mr. Kuhl and Mr. Massa, voters here will have a clear choice.

Mr. Kuhl is a low-key, affable lawyer-turned-politician who served for 24 years as a New York assemblyman and senator, running unopposed several times, before being elected to Congress in 2004.

Since then, he says, he has visited all of the district's 145 communities at least twice.

Mr. Kuhl often speaks of his close relationship with his constituents, and reminds voters of the state and federal dollars he has brought to their hometowns. He likes to say that he went to Washington to "change the system."

Mr. Massa is an energetic campaigner with an electrifying speaking style, taken to moving his hands and stomping his feet for emphasis. He served in Beirut, Bosnia and the Persian Gulf during his 24 years in the Navy and worked on the staff of the House Armed Services Committee. He left that job to work for Gen. Wesley K. Clark's presidential campaign in New Hampshire.

He is a cancer survivor who supports universal health care, while Mr. Kuhl wants reforms to reduce Medicare and Medicaid costs.

Mr. Kuhl says the United States must stay in Iraq to held build a democracy, while Mr. Massa favors dividing Iraq into Sunni, Shiite and Kurdish regions, followed by a gradual withdrawal of American troops.

"I'm not a politician. I'm an old sailor," Mr. Massa said on Wednesday, before he sat down to talk to a group of teachers and veterans at a local sports bar.

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"At one point in my life, I was a Republican," he said. "Now, I'm a registered Democrat. I didn't leave the Republican Party; it ran away from me. And because I have experience on both sides of the aisle, I'm bilingual, and bringing that to Congress is what's going to be a major factor to allow me to work with all members."

The 29th district of New York is about as big as the state of Connecticut and is largely agricultural. A budding tourism industry caters to wine and racing fans alike. The track here plays host to a leg of the Nascar series.

"This is a district of small towns and rural counties tied together with a set of communities where people lead a more cosmopolitan lifestyle," said Gerald Gamm, chair of the political science department at the University of Rochester. "But for the most part, this is strong Republican territory, where people believe in balanced budgets, in a government that doesn't meddle in their affairs and uses force responsibly and only if necessary.

"These days," Professor Gamm added, "this is a place filled with discontent."

The economy of upstate New York, which crashed long ago and is still on its knees, is a leading concern, but also weighing heavily on voters' minds are immigration and health care reform, taxes and the war in Iraq, according to interviews with about a dozen farmers, teachers, veterans, firefighters and small-business owners this past week. All expressed disappointment with the Republican Party and President Bush.

Mr. Kuhl has run into this frustration on the campaign trail. In a meeting on Tuesday with about 60 farmers, who rely heavily on Mexican immigrants to harvest their crops, he heard an earful.

The farmers were upset at Congress — and disappointed in Mr. Kuhl — for approving an immigration bill that is heavy on enforcement, but does not provide for a guest-worker program that they say would solve their labor-shortage problems. President Bush signed the bill into law on Thursday.

"There's a big misunderstanding down in Washington that the immigrants we have here are taking jobs away, but these people, they're the only ones willing to do the work," thundered Jeff Morris, who grows wine grapes on 110 acres of land just outside this village in the Finger Lakes region.

"They're the best thing we've got going for us, and they're fundamental to our survival," he added.

Mr. Kuhl told the farmers that he had been convinced that a such a guest worker program might, indeed, make sense.

"The timing is right, from my perspective, to move on a legal, temporary work force for agriculture," Mr. Kuhl said in an interview after the meeting.

An analysis published on Wednesday in the Evans-Novak Political Report, a newsletter edited by Robert D. Novak, the conservative columnist, rated the race as leaning Democrat, while the nonpartisan Cook Political Report said on the same day that the district was leaning Republican.

"The big risk for Kuhl is, are traditional Republicans so ticked off that they're going to sit out this election?" said Mr. Lonsberry, the radio host, whose program has a solid, devoted audience throughout the district.

"To me," he added, "this election is going to come down to whether a certain number of these Republicans will stay home and the Democrats, who are invigorated by the Massa campaign, will show up to vote en masse."

This Time, Ballot Issues Could Rally Liberal Base (WP)

By Zachary A. Goldfarb And David S. Broder, Washington Post Staff Writers

The Washington Post, October 28, 2006

Wage Initiatives Seen As Favoring Democrats

CLEVELAND -- On a recent Saturday afternoon, a team of canvassers armed with handheld digital devices spread out across the city. Their aim was to urge residents to support a ballot initiative requiring an increase in Ohio's minimum wage.

But one beneficiary could be someone hoping for a new job that pays a good bit better than minimum wage: Rep. Sherrod Brown (D), who is running to unseat Sen. Mike DeWine (R), the two-term incumbent, on Nov. 7.

"Congress has raised its own pay 10 times while the minimum wage stayed the same," Brown told a crowd last weekend at East Cleveland Community Theater.

In 2004, Republicans in Ohio and elsewhere tended to benefit from ballot initiatives. Measures to ban same-sex marriage, for example, passed easily. In the process, some election analysts said, the measures revved the conservative base to help Republican candidates from President Bush on down.

In 2006, Democrats are hoping to prove that ballot politics can work in the other direction. Measures to increase the minimum wage are before voters in six states. Four of those, Arizona, Ohio, Missouri and Montana, feature close Senate races with a GOP incumbent. In Missouri, moreover, a measure backing stem cell research is ahead in the polls -- which Democrats say could lift their candidate.

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In Ohio, recent polls show that at least 70 percent of voters support an initiative to raise the minimum wage from $5.15 an hour to $6.85 and index it to inflation. A coalition of labor unions, faith groups and liberal activists is working to pass it. If their efforts also pump up voter turnout for Democrats, Brown said, he is happy for the help.

"Some people will vote because of the minimum wage," Brown said in an interview. "I think it will help bring out voters. I'm guessing those voters will vote for Democrats. It's up to us to make sure they do."

Eight states have ballot measures to ban same-sex marriage, but their impact may be less than in previous years. Few of these states have competitive Senate or House races. And in those that do, such as Virginia and Tennessee, the issue is not as prominent as it was around the country in 2004.

In Virginia, for example, Sen. George Allen (R) supports a proposal against same-sex marriage while former Navy secretary James Webb (D) opposes such a ban. But only a slim majority of the electorate favored the initiative in a recent Washington Post poll, and the Senate race has been dominated by topics such as the war in Iraq and the character of the candidates.

The Missouri stem cell initiative, which the state's Senate candidates disagree on, would amend the state constitution to ensure that any form of research that is legal in the United States cannot be restricted in Missouri. State Auditor Claire McCaskill (D) supports the measure, and Sen. James M. Talent (R) opposes it. The initiative is being publicized with more than $15 million from Jim and Virginia Stowers, a Kansas City couple who are benefactors of a vast medical research center.

"There are many people in this state . . . [whose] politics might be different except for stem cell research," McCaskill said in an interview. A recent poll suggested sizable support for the initiative: 58 percent.

But mobilized against the proposal is Missouri's antiabortion movement, a key constituency for Talent, who is neck-and-neck with McCaskill in recent polling.

Advocates of increasing the minimum wage say the issue can be framed as more than economics, echoing as a values issue in the same way abortion and same-sex marriage do. Almost 2 million people make the minimum wage or less, according to the Labor Department. The Center on Budget and Policy Priorities, a left-leaning Washington think tank, estimates that the real buying power of $10,700 -- about what a full-time minimum-wage worker makes in a year, before taxes -- is the lowest in half a century.

"Rewarding hard work with a fair wage is not just an abstract pocketbook economic issue but a statement of values," said Kristina Wilfore, executive director of the Ballot Initiative Strategy Center, which promotes using ballot strategy for liberal causes. "While the left usually talks in dry economic terms, the right made a concerted effort to copyright values -- meaning a set of divisive, scapegoating issues. The popularity of the minimum-wage initiatives is a testament to how powerfully progressive values speak to Americans."

In many states, labor is taking the lead on the minimum-wage effort. The AFL-CIO's minimum-wage work is part of its $40 million operation to reach more than 12 million people in union households in 21 states.

Republicans are watching the minimum-wage strategy. The GOP took steps earlier this year to avoid a showdown when Congress tried to raise the minimum wage. Democrats balked when the GOP tried to tie the increase to a tax cut. Aware of emerging minimum-wage efforts, legislators in Arkansas and Michigan raised their states' minimums.

Republicans are banking that their turnout effort this cycle will overcome any enthusiasm among the Democratic base over the minimum wage and other issues.

Mike DuHaime, the Republican National Committee's political director, said he does not discount Democrats' turnout operation. "They have some very good allies like labor and 527 organizations who have a proven history of turning people out," he said. But he added that he is confident that races will hinge on the quality of candidates.

The minimum wage resonates in Ohio because thousands of factory jobs that paid well have been lost and replaced with low-paying service and retail jobs. Since 2000, Ohio's economy has lost more than 200,000 jobs, government statistics show. Policy Matters Ohio, a liberal think tank, estimates that increasing the state's minimum wage would benefit about 700,000 low-wage workers.

Cathy Madewall, 49, an administrative assistant in Cincinnati, said she heard about Let Justice Roll, a faith-based effort in Ohio to raise the minimum wage, at her church. She has not been active in politics in the past, but she has spent hours working for the minimum-wage campaign. And she will vote for a Democratic slate this fall.

"It's a huge issue for a lot of people who are affected by poverty," she said. "Sometimes they're busy working and they don't have time to vote. I think they'll make time to vote."

The idea of pursuing the minimum-wage strategy in Ohio was born after the 2004 election. Ohio Senate Minority Leader C.J. Prentiss, who had tried unsuccessfully to pass minimum-wage legislation, was taken aback by the support for the initiative against same-sex marriage from the GOP base and even African Americans who would ordinarily vote for Democrats.

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"We looked at the minimum wage as something that would make sense -- not only energizing the base but also the right and just thing to do," said Prentiss, one of the leaders of the Ohio minimum-wage effort. "It has the same ring for me as for people who are passionate about defining marriage between a man and a woman."

Now, with 10 days till the election, things are looking rosy for Buckeye Democrats. The minimum-wage initiative is likely to pass. Rep. Ted Strickland (D) has a decisive lead in the gubernatorial race over Ohio Secretary of State J. Kenneth Blackwell (R), and Brown has been ahead of DeWine in recent polls.

But it is by no means a sealed deal for Democrats, especially in the Senate race. Some say the initiative might not be linked strongly with Democrats. The measure has widespread support, and DeWine voted for the minimum-wage increase in Congress this year.

In an interview, DeWine said that he supports the minimum-wage initiative and that "it's certainly possible" the Democratic strategy of using the issue to mobilize their base will work. But he cautioned that there are several initiatives on the ballot, "and it's hard to tell what's going to play out. . . . Turnout is a very complex thing. It's nuanced, and you never really know how things will turn out until it's over."

What's more, he said, the GOP base has been growing in intensity as the campaign enters its final stage. "I think it's kicked in pretty hard in the last 10 days or so," DeWine said this week, adding that terrorism and the prospect of Supreme Court appointments are major motivating factors.

Paul Hanrahan, a software programmer in the Cleveland suburb of Rocky River, will vote for the minimum-wage initiative next month. "It will get people off the welfare rolls," he said. "If you give them a minimum wage, maybe people will be able to take care of themselves."

But Hanrahan is no Democrat: He intends to vote down the Republican line on Nov. 7, mainly because, he said, the GOP is more sympathetic to religion and traditional family values.

With just over a week left in the campaign, Brown strikes the minimum-wage chord hard at nearly every appearance. Recently, he addressed the Service Employees International Union Local 3, and his talk left no doubt in the mind of Anton Farmby, a Local 3 officer, about what the impact of the initiative will be on the Senate race.

"I think Sherrod Brown and all the members of the Democratic ticket will ride on the coattails of the minimum wage," he said.

As Campaign Days Dwindle, Marriage Issue Heats Up In Va. (WP)

By Chris L. Jenkins, Washington Post Staff Writer

The Washington Post, October 28, 2006

N.J. Ruling Sparks Action on Amendment Question

The hundreds of Sunday congregants came to their feet as the Rev. Mark Becton, of Grove Avenue Baptist Church outside Richmond, finished his sermon.

"Believing that God ordained marriage as the institution between one woman and one man . . . I'm voting 'yes' for the marriage amendment," he exhorted, referring to the state constitutional amendment that will be on the Nov. 7 ballot. "I'm voting 'yes' to restate what I know God intended and what I believe our founding fathers understood: Marriage is the union of one man and one woman."

Five days later and across town, Dyana Mason, a gay-rights activist helping to lead the fight against the ballot question, was standing before her own kind of congregation, arguing the opposite: "This amendment is not about defining marriage," she said to a group of youth organizers at Virginia Commonwealth University, referring to the wording of the ballot question, which says that the state will not recognize a relationship between unwed couples that seeks to "approximate the . . . effects of marriage."

"It's important for us . . . to remind people . . . to read the amendment because it will do so much more than just ban gay marriage," she said.

Similar messages will go out from pulpits, by phone and on radio and television and will appear on front doorsteps over the next 10 days as organizers, religious leaders and volunteers for and against the amendment that would ban same-sex marriages, civil unions and domestic partnerships wage well-financed campaigns to win over Virginians.

Their efforts took on fresh urgency this week after the New Jersey Supreme Court directed legislators there to craft a bill offering same-sex couples the same rights as opposite-sex couples. Supporters of the amendment pounced on the decision, saying they will use the New Jersey action to rally conservative voters to the polls.

"It's definitely going to be part of our talking points," said Chris Freund, spokesman for the Family Foundation.

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Opponents of the ballot measure recognized the decision's importance to their effort as well, almost immediately sending an e-mail to followers saying that "we can't let this issue get hijacked by those who seek cynically to provoke voters into unreasoned reflex reactions."

As campaign armies fan out, the two sides will try to appeal to different instincts. Supporters are trying to rally their legions by appealing to their strong-felt opposition to same-sex marriage, whereas opponents will try to get voters to set aside their emotions about gay marriage and think about the specific wording of the amendment.

"If this amendment focuses on gay marriage . . . if we get diverted to only an emotional argument, we lose," said Arlington County Board member Jay Fisette (D), who became the state's first openly gay elected official in 1997. "If we focus on what the amendment actually says, we can win."

Same-sex marriages and civil unions are illegal in Virginia, but supporters say the amendment is necessary to protect against judges who might deem the statute unconstitutional, which happened in Massachusetts in 2003.

Polls have shown that the idea has received consistent support, but opponents also see an opportunity for victory. A Washington Post poll released this month found that 53 percent of Virginia voters back the amendment and 43 percent oppose it but that the difference narrowed to a virtual tie when respondents were asked to consider arguments for and against the measure.

"It's hard to know which side to believe on this thing," said Frederick Nelson, a Richmond office manager who said he has been paying close attention to the issue. "My mind is made up on gay marriage. I don't believe in it. But I just want to know what this thing's going to do. If I can't figure it out, I'll just vote no."

Lisa Trevor, a stay-at-home mother shopping in Alexandria last week, held a similar view. "I can't say that I've come around on the position that gays should be married," she said. "I've heard about what I guess people are saying about what [the amendment] would do. So I guess I'm open to that part. But nothing else."

Trying to bolster their argument that Virginians can change their minds, opponents have highlighted a handful of public officials who once supported the amendment but have switched their positions.

Three Democratic state delegates have renounced their support, saying they had thought more deeply about the amendment's full impact, and state Sen. R. Creigh Deeds (D-Bath), a former nominee for attorney general, said he now opposes the measure after supporting it earlier this year.

"Nothing has happened to change my belief that marriage is between one man and one woman, and nothing could," Deeds said in a statement. "It is clear to me now, however, that the language goes far beyond existing law."

Opponents said that during the next 10 days they will continue a statewide advertising campaign on cable television, pressing voters to think about the impact of the measure.

Supporters said they will focus much of their effort on church members, with messages similar to the one Becton delivered. A group of pastors held a news conference Thursday at Regent University in Alexandria to reaffirm their support for the amendment, citing their belief in "traditional marriage." They also said that the decision in New Jersey was further evidence that more protections are necessary in Virginia.

At the same time, backers of the amendment have started a media blitz. Ads that are airing on Christian and talk radio aim to rebut the notion that the amendment could affect wills and other contracts between all unmarried couples.

"All those rights will continue to be available to all unmarried people," says a fictional character in the ad named Linda. "The real issue is, how are we going to define marriage for our children?"

US Mid-terms: Ballot Propositions (BBC)

BBC.com, October 27, 2006

In elections which could hinge on turnout, both Republican and Democratic Parties will be doing all they can to get their voters to the polls in the US mid-term elections.

A key weapon in the fight for turnout is the ballot proposition: a local initiative attached to the vote which will galvanise electors on ideological or social grounds.

The strategy was used to effect in the 2004 presidential elections, when emotionally-charged issues like same-sex marriage helped sway voters.

This year's mid-term polls - where local issues play big - will see attempts once again to capitalise on the power of the proposition, especially in swing states.

STEM CELL RESEARCH

In Missouri - where the Democrats have identified one of the six potentially winnable seats they need to take control of the Senate - a ballot initiative to allow stem cell research has become a defining issue.

Fox has endorsed Democrats who back stem cell research

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Polls put Democratic challenger Claire McCaskill, in the 'yes' camp, and the incumbent Republican Senator Jim Talent neck-and-neck.

Actor Michael J Fox, who has Parkinson's Disease and supports stem cell research, has stepped into the fray with a high-profile campaign advert in which he backs Ms McCaskill.

Sen Talent must keep the support of conservatives who are opposed to the research, without going so far that he alienates undecided moderate voters.

In Wisconsin and Maryland - where the battle is less close - Democratic candidates have based their campaigns around ballot measures on stem cell research. President George W Bush is against the research.

Voting in shadow of stem cell debate

SAME-SEX MARRIAGE

Voters in eight states - Colorado, Idaho, Pennsylvania, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin - will be balloted on proposals to ban same-sex marriage.

A New Jersey ruling has reignited the debate over same-sex marriage

The Republicans will hope to bring religious conservatives, their traditional support base, flocking to the polls to back any ban. Democrats will seek to dynamise their supporters to oppose it.

A ruling in New Jersey giving gay couples the same rights as heterosexual couples has worked to reignite the debate - probably to the Republicans' advantage. President Bush was quick to make use of the issue in a stump speech in Iowa.

In Virginia, an increase in conservative turnout could help Republican Senator George Allen, whose re-election campaign was hit in the summer by controversy over an alleged racial slur.

In Wisconsin, Republican Mark Green - who supports a ban - may see the benefit as he seeks to beat Democratic Governor Jim Doyle at the polls.

Map: Gay marriage across the US

MINIMUM WAGE

Measures to raise the minimum wage may lend a hand to the Democrats in half-a-dozen tight races for Senate or governorships.

Voters in Arizona, Colorado, Missouri, Montana, Ohio and Nevada will be balloted on whether to raise wages from the federal minimum of $5.15 (£2.70) an hour.

While less emotive than some propositions, polls suggest minimum wage measures are popular and so will increase turnout, to the advantage of the Democrats.

The party is hoping to capitalise on concerns over the state of the American economy, which may be slowing down after a long period of growth. US voters also felt the pinch of higher gas prices earlier this year.

ABORTION

The abortion issue will be galvanising voters in South Dakota.

South Dakota will vote in a referendum on a strict abortion ban

Earlier this year, the state legislature passed a law under which all abortions are banned - including in cases of rape or incest - unless the mother's life is at risk.

However, pro-choice campaigners gathered enough signatures to put a referendum on the ballot, giving voters the option to repeal the ban - or back it.

Supporters of the law, one of the toughest in the US, hope the case could help challenge the 1973 Roe v Wade US Supreme Court decision that legalised abortions everywhere in the country.

However, the issue is creating divisions even within the state's anti-abortion camp, with some believing the measures - signed into law by Republican Governor Mike Rounds - are too restrictive.

ANTI-SMOKING MEASURES

Half-a-dozen states have anti-smoking measures on the ballot on 7 November.

In the key swing state of Ohio, voters will be presented with two options. The first - backed by tobacco-industry money - would impose a partial ban on smoking indoors. The second, backed by anti-smoking groups, would be a more sweeping ban.

Voters in Arizona and Nevada will also find two propositions on the ballot, one stricter than the other, banning smoking in most public places.

A proposition in California would quadruple state cigarette taxes, with the extra revenue going to fund health initiatives and anti-smoking campaigns.

Voters in Arizona, Missouri and South Dakota will also decide on measures to raise taxes on tobacco, though by a lesser degree.

ENERGY TAXATION

The environmental debate has made it onto the ballot in California, with a proposal to fund alternative energy projects by levying a tax on oil production in the state.

The No on 87 campaign is partly funded by US oil producers

Reports suggest more than $100m (£52.7m) has been spent on the rival campaigns over Proposition 87.

The star-studded, Democrat-backed Yes on 87 camp includes former President Bill Clinton, actress Julia Roberts, tycoon Richard Branson and Google co-founder Larry Page, with the bulk of campaign funding coming from Hollywood producer Steve Bing.

The No on 87 camp is funded largely by "Big Oil", including Chevron and Exxon. Adverts warning voters the measure could hit them at the petrol pump seem to be proving effective.

In addition, Republican Governor Arnold Schwarzenegger - a No campaign supporter - is currently well ahead of Democratic challenger Phil Angelides in the polls.

California to vote on new oil tax

EMINENT DOMAIN

States including California, Florida, Georgia, Idaho, Michigan and New Hampshire have ballot initiatives aimed at restricting eminent domain, or the government's power to seize private property.

The propositions are largely a response to a US Supreme Court ruling in 2005 that gave the government the right to seize homes for "public benefit", where previously they could only be taken for "public use".

Many fear the ruling means land can now be requisitioned for commercial ventures that benefit the local economy, not just public projects like road building.

Earlier this year, activists in New Hampshire tried to seize the home of Justice David Souter, who ruled with the majority in the Supreme Court decision, to highlight opposition to it.

Building Better Citizens (NYT)

The New York Times, October 28, 2006

Rhode Island voters will have a chance on Nov. 7 to do the right thing and amend their state Constitution to restore voting rights to felons who have completed their prison sentences. Allowing former convicts to vote strengthens democracy, and helps them to integrate into society and move beyond a life of crime.

Rhode Island, like many states, restores felons' voting rights only after they have completed not only their prison sentences, but parole and probation. This policy keeps thousands of citizens, many of whom were in for nonviolent crimes, from voting, sometimes for decades. Andres Idarraga, a Brown University student who served more than six years in prison on drug and gun charges, is disqualified from voting for the next 30 years.

Ex-felons go to school, work and pay taxes. Their views about who should represent them should be respected in a democracy. Restoring their right to vote will also help with the critical issue of "re-entry," helping them fit into society so they do not return to crime. The chief of the Providence police wrote in The Providence Journal that denying released prisoners the vote "weakens the long-term prospects for sustainable rehabilitation."

If the amendment passes, a new state statute would also take effect requiring the prison system to help former prisoners register when they are released. Across the country, far too little is done to inform ex-prisoners of when their right to vote is restored, and how to go about qualifying to vote. Election officials often do not know the intricacies of the law, and give out incorrect advice. The combination of the constitutional amendment and the statute would make Rhode Island a model for the nation.

Felon disenfranchisement is a relic of another America. It was often done to keep blacks from voting, or to stigmatize ex-offenders. Rhode Island, which was founded by religious dissenters, can strike an important blow for inclusion by allowing people who have paid their debt to society to participate in democracy.

Marriage Ruling Resonates (LAT)

By Stephanie Simon, Times Staff Writer

The Los Angeles Times, October 28, 2006

The Grand Junction Daily Sentinel, a small newspaper in western Colorado, last week urged voters to reject a proposed state constitutional amendment banning same-sex marriage. "The traditional concept of marriage is not endangered in this state," the paper wrote.

On Friday, the editorial page editor, Bob Silbernagel, said he had changed his mind.

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He was jolted, he said, by the New Jersey Supreme Court decision this week that granted gay and lesbian couples in that state all the rights and benefits of marriage. The court left it up to legislators to decide whether to call such partnerships marriages or civil unions.

Before the New Jersey ruling, Silbernagel said, he had largely stopped worrying about this issue, lulled by a flurry of decisions rejecting same-sex marriage in New York, Washington state and elsewhere. The ruling in New Jersey was his wake-up call.

"We had thought it was adequate to have clear language in state law that marriage was only the union of one woman and one man," Silbernagel said. Now, he said, he realizes that's naive: If a court in New Jersey can grant same-sex couples equal rights, so can a court in Colorado.

So he dashed off a six-paragraph retraction of his earlier editorial. The new piece informed the Daily Sentinel's 30,000 readers that Amendment 43 was "a virtual necessity."

The change of opinion expressed in a small Colorado paper probably will not affect the outcome on election day: The ban on same-sex marriage is expected to pass handily; a poll in mid-September found 52% of voters in support, 42% against.

But the Daily Sentinel's reversal thrilled conservatives who are hoping the New Jersey ruling will help their cause in races across the country. Republicans in close Senate races in Virginia and Tennessee have moved to capitalize on the issue by proclaiming their opposition to same-sex marriage. President Bush raised the subject during campaign stops for Republicans in Iowa and Michigan.

"The New Jersey ruling could be the 'October surprise' that galvanizes social conservatives and sends values voters to the polls in record numbers," said Bill Maier, a vice president of the conservative ministry Focus on the Family.

Lisa Moreno, who's working to defeat the Colorado amendment, wasn't so sure: "I think most Coloradans see through that."

Meanwhile, Silbernagel said he had gotten very little response to his about-face — just one letter by late afternoon. On the paper's website, the editorial barely made it into the top-10 list of most viewed stories. More popular: an article about this week's local snowfall — all 0.18 inches.

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A Rising Star From Illinois Makes Some Noise In L.A. (LAT)

By Carla Hall, Times Staff Writer

The Los Angeles Times, October 28, 2006

Sen. Barack Obama addresses a rapt crowd at an African American museum and attends a Democratic rally at USC.

Barack Obama was telling a story about campaigning for the Senate in Illinois two years ago. He was on a road trip with Dick Durbin, the state's senior senator, he explained. They were traveling in downstate Illinois — far away from Obama's home base of Chicago.

Obama paused before a rapt crowd at the California African American Museum in Exposition Park to deliver an aside: "And southern Illinois is the South."

"HEL-lo!" history professor Wanda Powell rang out in agreement.

"One place we went to was a place called Cairo, Ill.," Obama continued.

"The reason why everybody remembers Cairo is because back in the late '60s and early '70s, Cairo was the site of some of the worst racial violence."

That story ended with Obama and Durbin spotting people in Cairo sporting Obama buttons and ready to fete the candidate with barbecue.

But everyone at the museum already knew how the bigger story unfolded: Democrat Barack Obama — the son of a black father from Kenya and a white mother from Kansas, as he fondly recited several times Friday — electrified the 2004 Democratic National Convention as a speaker, won his Senate race and in two short years catapulted from junior senator to fantasy presidential candidate and Time magazine cover guy.

"We brought students here," said Powell, a history professor at Los Angeles Southwest College. "This is a historic moment."

Obama swung through Los Angeles on Friday, speaking to a crowd of 825 at the museum. Then — with actor Ben Affleck — he promoted Proposition 87 at a news conference at USC's Topping Student Center. Later in the afternoon he delivered a 14-minute speech in shirt sleeves at a campus rally with Democratic gubernatorial candidate Phil Angelides, Los Angeles Mayor Antonio Villaraigosa and just about every other California Democratic office holder who could find their way to USC.

People came to the day's events clutching copies of Obama's new book, their cameras and their hopes that he is the political force that can unify a divided country.

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"We live in Orange County. We live behind the Orange Curtain," said Jona Knight, a human resources manager, as she waited in line to have her copy of Obama's "The Audacity of Hope" signed. "I'll get his signature on this book. I'll give this book to my grandchildren."

She came with her friend, Pamela Reeves, a paralegal and psychotherapist intern, who said: "It's not just blacks or African Americans — there are a lot of people that feel like they can have a connection with this guy."

Even members of the on-campus chapter of the College Republicans, standing at the back of the Democratic rally with their Schwarzenegger signs, were diplomatic: "I'm not really on point with his views, but he's definitely a popular man," said Cheyenne Steel, a 19-year-old sophomore.

At the museum speech and book signing, sponsored by Eso Won Books and the Urban Issues Forum, Obama signed every volume. As though on an assembly line, people walked by, proffered a book — and Obama, a left-hander who curls his fingers around the pen, flicked out his signature: a big B joined with a big O and a line shooting out from there.

Younger members of the museum crowd wanted him to go with the momentum and run for president in 2008. Older fans counseled caution. "He needs some more seasoning — then there'll be time to run for president," said Quincy Beaver, 84, president of the Martin Luther King Jr. Democratic Club.

Some fretted like worried mothers: "I don't trust the powers-that-be not to have other plans for him," said Valaria Lincoln, 72. "I'm afraid for him."

There were no fears among the students who besieged Obama at USC, wearing Democratic buttons and hoisting cellphone cameras aloft to click him and Affleck as they spoke on behalf of Proposition 87, the Clean Alternative Energy Act.

"He has already proven himself to be the most galvanizing leader to come out of either party, in my opinion, in at least a decade," said Affleck, wearing an untucked blue shirt and gray trousers as he introduced Obama, who was in a white shirt and dark suit jacket and went tie-less all day. "

Obama reminded the audience that the proposition is opposed by the "big boys," meaning the oil companies. And he spoke of the overdependence on foreign oil. "We're sending $800 million a day to some of the most hostile nations and effectively funding both sides in the war on terror."

"It was nice to have Ben Affleck there," said Alexander Shams, a 16-year-old freshman, "but Barack Obama was the star."

At the rally for the Democratic Party in front of a flag-draped Doheny Library, Obama spoke last, after Villaraigosa and Angelides. Under a cloudless sky and bright sun, before hundreds, Obama removed his suit jacket and rolled up his shirt sleeves — a stark contrast to the dark-suited, buttoned-up politicians around him.

"How you doing, USC?" he called out as the crowd roared in delight. "I'm fired up. I'm so fired up I had to take off my jacket."

Once more he went over his message: "We're all connected. We have a stake in each other," he said, "despite our much-vaunted individualism."

He continued: "There's just one ingredient it's going to take to make it happen on Nov. 7," he said. "That's all of you."

Then he managed to segue from Martin Luther King Jr.'s entreaty to his followers in the early days of the Selma marches — not to give up but to stand together — to Angelides (trailing the governor in double digits) and to how all Democrats standing with him would be a powerful force.

Then he was sent off with a crescendo of applause.

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Schwarzenegger, Angelides Both Profess To Lean Green (LAT)

By Tim Reiterman, Times Staff Writer

The Los Angeles Times, October 28, 2006

With perspectives as different as a Hummer and a hybrid, the gubernatorial candidates court the environmental vote.

SAN FRANCISCO — With his popularity lagging, Gov. Arnold Schwarzenegger seized center stage at a United Nations conference in June 2005 by unfurling an ambitious plan for reducing greenhouse gas emissions in the most populous state.

"As of today," he said, "California is going to be the leader in the fight against global warming."

By standing against climate change, the Republican governor set himself apart from the Bush administration and laid claim to a central environmental issue in his reelection effort.

"It was a key symbolic step … that inoculated him against one of the major strategies [his opposition] had: linking him to President Bush and the skepticism the administration has about … whether global warming is real," said Bruce Cain, director of UC Berkeley's Institute of Governmental Studies.

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Three days later, Schwarzenegger's Democratic would-be successor, state Treasurer Phil Angelides, told the same conference of his own efforts to protect the planet by steering billions of dollars in public pension money to clean technology, renewable energy projects and developments that would avert urban sprawl.

"California should own this industry," Angelides said, "so we can have a clean environment and the high-wage, high-skill jobs to power our economy."

The episode captures a basic distinction between the environmental records and styles of the leading gubernatorial candidates in the Nov. 7 election.

The pro-business Hummer aficionado and former movie star has used his office to undertake high-profile initiatives for air quality and the protection of ocean and forestland, while critics grumble that his less visible actions sometimes have belied his lofty words.

The state treasurer, a hybrid-driving former developer who has bumped heads with conservationists, has employed the financial clout of two of the nation's largest pension funds — with far less fanfare — to establish himself as a "green" investor.

"The environment is an issue which voters have told us consistently is very important in deciding [how] to vote for major public offices such as governor," said Mark Baldassare, research director at the Public Policy Institute of California.

While Schwarzenegger has been running on the record he fashioned since ousting Gov. Gray Davis in the recall three years ago, his campaign has portrayed Angelides as a scofflaw former developer.

Angelides was cited by federal officials in 1987 for illegally filling wetlands for a development. He eventually agreed to create other wetlands as mitigation.

When Angelides and his partners proposed two housing projects in Sacramento a decade later, the City Council approved a plan he pushed for providing alternative habitat for two endangered species. But environmental groups successfully sued the federal government to block permits for the developments.

After Angelides was elected treasurer in 1998, a compromise negotiated without his involvement set aside habitat, and the developments were built.

Angelides said he built innovative projects that minimized traffic, pollution and effects on wildlife. "Any time you're in business, there are going to be areas of disagreement, and any time you do new things, there always are going to be critics," he said.

As state treasurer, Angelides has headed boards overseeing state employee and teacher retirement funds.

"I began thinking about ways our pension funds could make investments that would … return solid yields at the same time we … advanced marketplace solutions to environmental challenges," he said.

In February 2004, he inaugurated his Green Wave initiative, calling on the two state retirement systems to put $1.5 billion into companies with sound environmental practices and into new technologies.

Angelides' action made California a leader in "green" investments, said Mindy Lubber, head of Ceres, a Boston-based coalition that promotes socially responsible institutional investment.

During Schwarzenegger's first year in office, environmental groups told him he could build a powerful legacy. Warner Chabot, vice president of the Ocean Conservancy, presented the governor with a doctored photo of Mt. Rushmore that showed Schwarzenegger's face in place of President Theodore Roosevelt's.

Schwarzenegger later established a series of marine preserves between Santa Barbara and Half Moon Bay — about 18% of the ocean waters under state control. Chabot called his ocean policies "bold, visionary and substantial."

Other conservationists, however, have criticized many of the governor's appointments.

"Arnold Schwarzenegger is a master communicator," said Mary Nichols, head of the UCLA Institute of the Environment and former resources secretary under Davis. "But the action has not matched the rhetoric."

In 2005, the governor outraged environmentalists by naming former industry lobbyist Cindy Tuck as head of the Air Resources Board. The state Senate refused to confirm her.

Environmental activists also cried foul that year when, in what the governor's office described as a routine changing of the guard, Schwarzenegger replaced the entire state Reclamation Board, whose members had started taking tough stances against development near levees suspected of being weak.

Environmentalists also have said that only one of his four Coastal Commission appointees has a good voting record.

Terry Tamminen, a Democrat who ran the California Environmental Protection Agency for Schwarzenegger, said the governor appointed the best available people to the commission and chose as chairwoman Meg Caldwell, a Stanford University environmental law lecturer with high marks from conservationists.

By opposing offshore oil drilling, the governor bucked the Bush administration. But environmentalists, residents and Angelides criticize Schwarzenegger for indicating support for a proposed offshore liquid natural gas terminal between Malibu and Oxnard, which they fear would pollute the air, spoil views and encourage more similar development.

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Tamminen, now with Schwarzenegger's reelection campaign, denied that the governor has endorsed the proposal. He said Schwarzenegger wants cleaner natural gas for the state but no terminals where they could do environmental harm or present terrorism risks.

The governor has balanced the demands of environmentalists and the business community, said Cain of UC Berkeley.

"What obviously is going on is Arnold is as publicly environmentalist and populist as possible, and as quietly pro-business as possible," he said.

The governor's recent signing of Assembly Bill 32 — setting targets for cutting greenhouse emissions — pleased environmentalists and the 200-member Silicon Valley Leadership Group. But some of Schwarzenegger's most ardent supporters, such as the California Chamber of Commerce, fought the bill, saying it would hurt the economy.

In early 2004, the governor launched the Hydrogen Highway, a system of stations for dispensing the clean-burning fuel as automakers produce vehicles that can run on it. So far, Tamminen said, there are more than 20 stations. The state's goal is about 100 by 2010.

But the governor did not make good on his promise to convert one of his four Hummers to hydrogen. Spokeswoman Julie Soderlund said that instead, he is switching one to bio-diesel, a fuel made with renewable resources such as vegetable oil.

Schwarzenegger opposes Proposition 87 on the November ballot, which would generate $4 billion for renewable energy by charging oil companies extraction fees.

"He supports the goal but does not think the way to do it is through taxes," Tamminen said.

Angelides supports Proposition 87. He also wants to add $1.5 billion in public pension money to the oil fees to create more clean technology and renewable energy.

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Faso Plays Up The Woes Of A Spitzer Ally (NYT)

The New York Times, October 28, 2006

"Corrupt," a 30-second commercial for John Faso, the Republican candidate for governor, begins running today on network affiliates and cable stations across the state.

PRODUCER Greener and Hook.

THE SCRIPT Announcer: "Eliot Spitzer has one set of standards for his friends and another for everyone else. New York's Ethics Commission says Spitzer running mate and State Comptroller Alan Hevesi knowingly and intentionally broke the law, stealing tens of thousands of dollars from taxpayers. But when Sheriff of Wall Street had a chance to investigate and call for Hevesi's resignation, Spitzer said no."

Eliot Spitzer: "I know Alan. I know him to be an honest, stupendous public servant."

Announcer: "Eliot Spitzer. Stupendously protecting his cronies at our expense."

ON THE SCREEN Sepia-colored images of Mr. Spitzer, looking stern at times and cackling at others, appear as the announcer speaks. Similar images appear of Mr. Hevesi, including one unflattering close-up of him licking his lips. Newspaper headlines about the Hevesi scandal flash on the screen. The following sentence also appears: "Spitzer refused to investigate or ask for Hevesi to resign." A video clip of Mr. Spitzer's remarks at a Faso-Spitzer debate is used against him; the producer uses a sound effect to create an echo of "servant" from Mr. Spitzer's remarks. The ad ends with these words appearing: "Eliot Spitzer — Stupendously Protecting His Cronies."

ACCURACY Mr. Hevesi is not Mr. Spitzer's running mate; they have been allies and are on the same Democratic ballot on Nov. 7. Mr. Hevesi failed to reimburse the state for use of a public employee to ferry around his wife; after it was revealed, he wrote a check, but he may owe more. Mr. Spitzer did not initiate his own investigation when the Hevesi scandal surfaced; he waited for the Ethics Commission to release its report this week and then began an investigation, which his spokeswoman termed the proper process. Mr. Spitzer withdrew his endorsement of Mr. Hevesi on Thursday, but Mr. Faso is correct in saying that Mr. Spitzer has not called for his resignation.

SCORECARD This is only Mr. Faso's second commercial of the general election campaign; struggling to raise money, he has not been able to afford more, and many New Yorkers still do not know much about him. Hammering Mr. Spitzer with the Hevesi scandal could score points, and the ad does so effectively. Still, making hay over the comptroller may not lead many voters to support a candidate they do not know well (Mr. Faso) over one who has high favorability ratings (Mr. Spitzer). But the ad is a stark reminder of what a political headache Mr. Hevesi has become for his old ally, Mr. Spitzer.

PATRICK HEALY

Ethics -- Public And Private (WSJ)

DOJ_NMG_0088708

The Wall Street Journal, October 28, 2006

Corporate ethics has been much in the news in recent years, and the margin for an executive slip-up these days is narrow. Backdate an option to attract a new employee, or fail to supervise a leak probe, and you can face 20 years in the slammer. Rather more lax standards seem to apply to our political class, however, and Exhibit A is Alan Hevesi.

The New York State Comptroller was recently found to have used a public employee at taxpayer expense to chauffeur his wife around for three years. Mr. Hevesi somehow failed to disclose this personal use of public assets, and he has since claimed he merely "forgot" to reimburse the state. The Ethics Commission that looked into the matter found that the $82,688 he did finally pay the state after the allegation came to light wasn't enough to cover the actual cost.

At a recent debate with his GOP opponent, Mr. Hevesi claimed his wife needed the limo service for her security. Alas, her driver had no security background and was unarmed. Mr. Hevesi has nonetheless dismissed the episode as an "aberration" and has refused to resign or drop out of his race for re-election to a second four-year term.

We'd normally ignore this kind of state government corruption. But Mr. Hevesi's spectacle is instructive because in recent years he has been one of America's loudest corporate scolds. As Comptroller, he supervises the state's pension money and he has used that post to slam corporate officials who played even tangential roles in corporate scandals.

Most prominently, he pursued the directors of WorldCom in a lawsuit, claiming they should be held personally liable for not discovering the fraud committed by CFO Scott Sullivan. These directors played no direct role in the accounting fraud at WorldCom and they were also victims of that fraud, losing a combined $250 million in stock when the company went bust.

But Mr. Hevesi declared when a settlement was reached that "I felt personally that this would be unfair and not a deterrent for future failures on the part of directors if they weren't held personally liable." That use of "personally" is especially redolent now that Mr. Hevesi's taxpayer-paid family limousine service has been exposed.

All of which raises an issue of the difference between public and private standards of accountability. In the wake of this decade's scandals, business executives are subject to greater scrutiny and ever-higher ethics standards. Some of this has been useful, though much of it in our view has been needlessly costly and intrusive. But our public servants, especially those in such corrupt state capitals as Albany and Trenton, haven't been subject to the same degree of accountability.

Only last month and after the Hevesi scandal had first broke, New York Attorney General Eliot Spitzer responded to criticism from his GOP opponent John Faso by saying, "I know Alan. I know him to be an honest, stupendous public servant." Stupendous at least was right. This week, as the public furor grew during an election season, Mr. Spitzer finally turned on Mr. Hevesi and withdrew his political endorsement. That's a long way from cleaning up Albany, but it's a start.

In Clean Politics, Flesh Is Pressed, Then Sanitized (NYT)

By Mark Leibovich

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — Campaigns are filthy. Not only in terms of last-minute smears and dirty tricks. But also as in germs, parasites and all the bacterial unpleasantness that is spread around through so much glad-handing and flesh-pressing.

“You can’t always get to a sink to wash your hands,” said Anne Ryun, wife of Representative Jim Ryun, Republican of Kansas.

Hands would be the untidy appendages that transmit infectious disease.

Like so many other people involved in politics these days, Mrs. Ryun has become obsessive about using hand sanitizer and ensuring that others do, too. She squirted Purell, the antiseptic goop of choice on the stump and self-proclaimed killer of “99.99 percent of most common germs that may cause illness,” on people lined up to meet Vice President Dick Cheney this month at a fund-raiser in Topeka.

When Mr. Cheney was done meeting and greeting, he, too, rubbed his hands vigorously with the stuff, dispensed in dollops by an aide when the vice president was out of public view.

That has become routine in this peak season of handshaking, practiced by everyone from the most powerful leaders to the lowliest hopefuls. Politics is personal at all levels, and germs do not discriminate. Like chicken dinners and lobbyists, they afflict Democrats and Republicans alike. It would be difficult to find an entourage that does not have at least one aide packing Purell.

Some people find that unseemly in itself.

“It’s condescending to the voters,” said Gov. Bill Richardson of New Mexico, a Democrat.

A fervent nonuser of hand sanitizer, Mr. Richardson holds the Guinness Book of World Records mark for shaking the most hands over an eight-hour period (13,392, at the New Mexico State Fair in 2002).

Indeed, what message does it send when politicians, the putative leaders in a government by the people, for the people, feel compelled to wipe off the residues of said people immediately after meeting them?

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"The great part about politics is that you're touching humanity," Mr. Richardson said. "You're going to collect bacteria just by existing."

Still, politics can be an especially dirty place to exist.

"Every time you're with big groups of people, you're going to be exposed to rhinoviruses, adenoviruses and the viruses that cause gastroenteritis," said Senator Tom Coburn, an Oklahoma Republican and physician.

Mr. Coburn said he washed his hands whenever possible but did not use any antigerm lotions. Being a doctor, he said, he has been exposed to more bugs and, thus, enjoys greater immunity than most other people.

For what it is worth, Howard Dean, also a doctor and the chairman of the Democratic National Committee, said he did not bother with the stuff, either.

"If you've had children, you're immune to everything," said Mr. Dean, a father of two.

As with most things, this places Mr. Dean at loggerheads with President Bush.

"Good stuff, keeps you from getting colds," Mr. Bush raved about hand sanitizer to Senator Barack Obama, Democrat of Illinois, at a White House encounter early last year.

Mr. Obama, who recounts the episode in his new book, says that after rubbing a blob of it on his own hands, the president offered him some, which he accepted ("not wanting to appear unhygienic.")

Mr. Obama has since started carrying Purell in his traveling bag, a spokesman said.

It is not clear when politicians became so awash in the gel. In one semifamous cleanliness lapse in the 1992 presidential campaign, Bill Clinton, who had just shaken dozens of hands at a tavern in Boston, was handed a pie but no fork on his way to the car. The ravenous Mr. Clinton promptly devoured it using his unwashed hand. He eventually became a serious user of hand wipes and lotions at the urging of his doctor, an aide said.

Senator John McCain, Republican of Arizona, said he learned about hand sanitizer from observing Senator Bob Dole's abundant use of it in his 1996 presidential run. Mr. McCain remains vigilant today.

"I use it all the time," he said through a representative. "I carry it with me in my briefcase."

Purell, which is made by GOJO Industries of Akron, Ohio, came on the market as a consumer product in 1997 and became popular in campaign vans, holding rooms and traveling bags in the 2000 campaign. Donald Trump, the billionaire germophobe who contemplated running for president, even distributed little bottles of it to reporters.

"One of the curses of American society is the simple act of shaking hands," Mr. Trump wrote in his book "Comeback." "I happen to be a clean-hands freak."

Al Gore is, too. He turned his running mate, Senator Joseph I. Lieberman, onto sanitizer in 2000, and Mr. Lieberman became an evangelist.

"He said it was one thing he learned from Gore," said an aide to Senator Harry Reid of Nevada, Rebecca Kirszner, who became a popular dispenser of Purell on a senatorial trip to New Orleans after Hurricane Katrina.

Mr. Richardson said that if he ran for president, as he is considering, he had no intention of conforming to the norms of his antiseptic peers.

"I just won't use the sanitizer," he said. "I've been offered it, but I've turned it down."

This positions Mr. Richardson as the early hygienic maverick of 2008.

"I'm not afraid to get my hands dirty," he said.

Justices To Take Up Autism-Case Dispute (NYT/AP)

By The Associated Press

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 (AP) — The Supreme Court agreed Friday to consider an appeal by an autistic child and his parents, who want to sue over his school accommodations without hiring a lawyer.

The parents, Jeff and Sandee Winkelman, say they cannot afford a lawyer to argue their court case against the school district of Parma, Ohio, near Cleveland, over the education of their son, Jacob.

The federal appeals court in Cincinnati ruled that the Winkelmans, suing under the Individuals With Disabilities Education Act, had to find a lawyer to represent Jacob, although other federal courts have ruled differently in cases involving that law.

The Bush administration then urged the justices to take the case, saying that in adopting the measure, Congress clearly intended that parents be able to represent their children in such court proceedings.

The Winkelmans' suit contested Parma's plan to educate Jacob at a public school. They wanted the district to pay his yearly tuition of $56,000 at a private school that specializes in educating autistic children.

Whether Jacob should have private schooling at public expense is not before the justices, only the question of his parents' right to go into federal court without a lawyer.

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The justices also agreed Friday to hear the case of a sheriff's deputy in Georgia who purposely bumped his car into a vehicle he was pursuing at high speed, causing an accident that left the suspect a quadriplegic.

The Sheriff's Office of Coweta County, Ga., had asked the court to consider whether an officer violates a fleeing suspect's constitutional rights by using deadly force to terminate a high-speed chase.

Two lower federal courts ruled against the deputy, finding that his action was out of proportion to the risk that the suspect had posed to other drivers and pedestrians.

How To Socialize With An Ex-President? Finance His Good Deeds. (NYT)

By Patrick Healy And Eric Konigsberg

The New York Times, October 28, 2006

For New Yorkers thinking of dropping by Pastis this morning to experience the joys of long lines, attitudinal service and cramped tables, forget it — unless you're prepared to spend at least $100,000 for that croque-monsieur, monsieur.

Former President Bill Clinton is making another king-of-the-world swing through Manhattan this weekend, doing two of the things he does best: reveling in adulation and raising money.

Over three days of festivities to mark his 60th birthday — which include a golf tournament and a concert by the Rolling Stones at the Beacon Theater — Mr. Clinton expects to bring in more than $20 million for his foundation's array of philanthropic projects.

His birthday, incidentally, was more than two months ago, and this weekend is the climax of what has been quite a fall season for Mr. Clinton, who is proving once again that he is the hardest-working man in show business. He lined up $7.3 billion in pledges last month for the Clinton Global Initiative, a project of his Clinton Foundation that focuses on fighting poverty and promoting religious tolerance.

And in Toronto last month, at another birthday party in his honor, he raised a separate $21 million for the foundation. He has also raised tens of millions of dollars this year for Democratic candidates.

Some of this weekend's participants say that when it comes to Mr. Clinton, there is no such thing as too much.

"I only wish the weekend cost more, because the more money, the more good work the president can do," said Mark Weiner, a prominent Democratic fund-raiser who is serving as an honorary host of the events. His co-hosts are two other Clinton friends, Ronald W. Burkle, a financier, and Steve Bing, a producer.

Mr. Weiner added: "I consider President Clinton to be the most popular person on the planet, and perhaps the most popular American in the history of this country. And his foundation work is a wonderful thing."

But while there seems to be no shortage of fondness for Mr. Clinton in New York, his industriousness does put him at risk of driving supporters to wonder, what price love?

People contributing $60,000 were invited to a welcome reception at the Gramercy Park Hotel scheduled for last night, a reception and premium dinner seats tonight at the Museum of Natural History, and a reception and Rolling Stones concert tomorrow night, which is also being filmed for a planned Martin Scorsese movie.

In addition to those events, donors who have contributed $100,000 or raised $250,000 also received four tickets for brunch at Pastis with Chelsea Clinton and her parents; "gold" dinner seats tonight; and an invitation for one to play in a presidential golf tournament tomorrow with Mr. Clinton at the Bayonne Golf Club in New Jersey.

Those who have contributed $500,000 — the "birthday chair package" — got "platinum" dinner seating tonight, a backstage pass and dinner with Mr. Clinton before the Stones concert. They can also have their picture taken with him.

One Friend of Bill and a supporter of Hillary Rodham Clinton's senatorial campaigns said privately that he was skipping this weekend because he was "Clintoned out." He added that the Clintons' spate of fund-raisers, which date back to some this summer in the Hamptons, had been "absolutely endless."

James Thurber, director of the Center for Congressional and Presidential Studies at American University in Washington, said that some donors eventually tire of being asked for money. "It's pretty costly these days to be a Friend of Bill, especially since you have to be a Friend of Hillary, too," Mr. Thurber said.

Another Clinton ally, Sarah Kovner, said that she and her husband, the lawyer Victor Kovner, would not be attending. "I have my Vassar reunion this weekend," she said. "Also, I think this one is for really big-money donors. I was at the Clinton Global Initiative, which was my contribution to the foundation."

She said that she considered the relatively cheap "membership" fee of $15,000 to participate in that event money well spent.

"They spend two and a half days talking in a substantive way about the work they're doing," she said. "It's not for people who are interested in just showing up."

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A spokesman for Mr. Clinton noted that people who did not support the former president as a candidate are now donating to the foundation's nonpartisan efforts. The activities of the foundation, which had a budget of $42 million last year, include a major H.I.V. initiative that has reduced drug prices from $1,000 a year to about $140 in roughly 60 countries.

Other programs focus on supporting health care and clean water projects and reducing greenhouse gas emissions in 24 major cities.

"If you can raise the money to support your programs, why wouldn't you?" said the president's spokesman, Jay Carson. "$100,000 is AIDS drugs for 500 kids."

The Clinton birthday bash got off to an unofficial start on Thursday night, as about 1,000 people gathered under a tent at Tavern on the Green in Manhattan to celebrate Mrs. Clinton's 59th birthday (which actually fell on the same day as the party). The event cost $1,000 a plate and netted about $1 million for her re-election campaign.

Mr. Clinton's high profile on the fund-raising circuit this year has fueled speculation that his efforts are simply a prelude to what he would provide should Senator Clinton run for president in 2008.

"I think with him standing next to her, she's definitely one of the front-runners," said John Catsimatidis, another high-level Clinton donor.

Terry McAuliffe, Mr. Clinton's longtime confidant and an official organizer of the parties, said that they were being held now, rather than closer to Mr. Clinton's birthday on Aug. 19, because "two months ago would've been right in the middle of the elections" — the thick of campaigning — "and we didn't want to be raising money for his foundation when people could be giving to other Democrats' campaigns."

Mr. McAuliffe said, chuckling, that by now any potential donors to the foundation have had earlier opportunities to give to candidates. "We've already hit everybody up pretty hard by now."

Unaired Ad Gets Dixie Chicks Flick A Whole Lot Of Ink (WP)

By Lisa De Moraes

The Washington Post, October 28, 2006

NBC and CW networks became unwitting stealth-marketing partners with the Weinstein Co. when they refused to air ads for the film company's upcoming docu-flick about the storm that erupted when the Dixie Chicks' lead singer said in a 2003 concert she was ashamed President Bush was from her home state of Texas.

Or, as we like to say here at The TV Column, when refusing ads for a flick about Censorship and Freedom of Speech, it's always best not to tell the producer in writing that you "cannot accept these spots as they are disparaging to the President" or that your network "does not have appropriate programming in which to schedule this spot" -- because such statements are going to wind up in a news release about network censorship.

It all started earlier this week when Weinstein submitted ads for its new Barbara Kopple documentary "Shut Up & Sing" to the broadcast networks for review by their standards and practices departments.

NBC said it "cannot accept these spots as they are disparaging to President Bush."

CW said it "does not have appropriate programming in which to schedule this spot."

Weinstein said: "Eureka!"

And on Thursday evening, it sent out a news release headlined:

"In an Ironic Twist of Events, NBC and the CW Television Networks Refuse to Air Ads for Documentary Focusing on Freedom of Speech."

"It's a sad commentary about the level of fear in our society that a movie about a group of courageous entertainers who were blacklisted for exercising their right of free speech is now itself being blacklisted by corporate America," bemoaned Weinstein Co. co-chairman Harvey Weinstein.

"The idea that anyone should be penalized for criticizing the president is sad and profoundly un-American," he added.

And, because Weinstein Co. didn't send out the announcement until too late for reporters in some areas of the country to get an "outside expert" on the phone to comment, it even provided them with one, throwing in a quote from "famed litigator David Boies."

(Boies, FYI, is one of the "legal eagles" who crafted the exit agreement from Disney of the former Miramax chiefs -- Bob and Harvey Weinstein, Variety reported back when.)

"It is disappointing and troubling that NBC and The CW would refuse to accept an otherwise appropriate ad merely because it is critical of President Bush," Boies said in the news release.

"Political criticism is at the heart of the First Amendment. The legal issues are complicated; the policy is not. The public deserves to hear more than the official point of view."

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All good stuff. But the Weinstein Co. probably should not have thrown in at the end of the release that it is "exploring taking legal action." Way too Snidely Whiplash.

In case you haven't yet seen it, the 15-second version of the ad opens with President Bush saying in a televised speech, "The United States is ridding Iraq of weapons of mass destruction."

Then the words "Lies Exposed" appear on a black screen.

Cut to: Natalie Maines saying she's embarrassed about Bush, to thunderous applause.

Cut to: Clip of some local news chick saying to camera, "The radio station has set up these garbage cans for people to throw out their CDs."

Cut to: Much hooting and hollering at anti-Dixie Chicks protest, with crowd shouting "U.S.A.! U.S.A.! and waving signs suggesting the singers should be tried for treason. "Move to France, Dixie Chicks!" one guy suggests helpfully.

Cut to: The words "Conspiracy Uncovered" on a black screen.

Cut to: The lead singer reading a message that says "Natalie Maines will be shot dead in Dallas, Texas."

Cut to: News conference with someone official-sounding saying, "The FBI had some intelligence, but they didn't share it." (Which in and of itself is actually a very funny line.)

Cut to: Bush saying, presumably to reporters, while walking, "They shouldn't have their feelings hurt because some people don't want to buy their record."

Cut to: Maines on a couch, reading Bush's comment about their feelings being hurt. " 'Have their feelings hurt'?!" she says, incredulously. "What a dumb --"

Before she can get out the last word, the picture cuts away and Voiceover Guy says, "Rated R -- select theaters this Friday."

When a small movie like this one gets a very limited release -- just four theaters this weekend -- with the intention of going wide after that, word of mouth is critical and that's when you often see stealth marketing campaigns, such as whipping the media into a froth over some angle on the flick to generate millions in free publicity. (The movie opens nationwide Nov. 10.)

Yesterday both NBC and CW noted Weinstein Co. hadn't actually tried to make a national media buy for the ads. So, they seemed to be saying, their comments about the ads are a moot point.

"While a spot was submitted to our broadcast standards and practices department for review and was rejected because it violated our policy of not broadcasting ads that deal with issues of public controversy, the Weinstein Company did not make a national media buy for 'Shut Up & Sing,' nor did anyone from the company inquire about buying time on the network," NBC said.

CW, which values brevity, merely said for the record that the Weinstein news release is "flat-out inaccurate. The whole matter is a mystery to The CW."

"We have lots of issues with commercials all the time," Alan Wurtzel from NBC told The TV Column. Wurtzel oversees the standards department in his capacity as president of research and media development of NBC Universal.

"NBC got back to the film company explaining the ads violated NBC's policy against taking ads that dealt with issues of public controversy, and one of the ways they were doing that was being disparaging of Bush. . . . We never heard from them again," he said.

"These are guys who know what the procedure is with respect to ads clearances -- they've done this for 20 years. Normally they'd be on the phone in a second saying either 'how do I fix it to make it comply?' or 'let me talk to your boss.' In neither case did that happen. . . . This leads me to believe they might have had another objective."

Asked whether he thought NBC had played into the film company's hand, Wurtzel said, "I will say there have been other instances in the past where [companies] get more publicity by having an ad rejected than run."

Los Angeles Abuse Cases Are Settled For $10 Million (NYT)

By Neela Banerjee

The New York Times, October 28, 2006

WASHINGTON, Oct. 27 — The Roman Catholic Archdiocese of Los Angeles and a Catholic religious order have agreed to pay $10 million to settle claims made by seven victims of sexual abuse by clergy members, lawyers for the parties involved said Friday.

While the amount per victim is large relative to payments made to settle sexual abuse cases in other parts of the country, it is typical of the sums paid in California, which has a taken a strong stance toward the Catholic Church in abuse cases. In 2003, for example, the state extended its statute of limitations for child sexual abuse cases, and the Los Angeles District Attorney's Office has been conducting a criminal investigation into the archdiocese since 2002.

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More than 95 percent of the $10 million settlement will be paid by the religious order, the Carmelites, Province of the Most Pure Heart of Mary, which is based in Darien, Ill. The archdiocese will pay less than 5 percent, lawyers for the plaintiffs and the order said.

The settlement for the most part is not covered by the Carmelites' insurance, said Jim Geoly, the order's lawyer, adding that the order might have to borrow money to pay the sum.

Mr. Geoly said the order wanted to avoid protracted litigation, which he said would have amounted to going to war with the plaintiffs, "because that's what litigation is."

"They are deeply sorry that this sexual abuse occurred and that the church didn't have more understanding of this kind of problem at the time," he said. "They want to do everything they can to make it right, even though money can't make the abuse go away."

The seven plaintiffs accused four Carmelite priests and one Carmelite brother of sexual abuse in a period from the early 1950s to the late 1970s.

Several of the claims focused on the Rev. Dominic Savino, who held several high-ranking faculty positions at Crespi Carmelite High School in the Encino section of the city before he was removed from the ministry in 2002. One plaintiff accused Father Savino and another priest of raping him at the school when he was 15 and continuing the abuse from 1978 to 1979, said John C. Manly, a lawyer for the plaintiff.

Mr. Manly and victims' rights groups welcomed the decision by the Carmelites, though they said that it had been hard-won.

"I'm glad Carmelites did the right thing," said Mr. Manly, himself a Catholic, "but I think that's what's ultimately wrong with the Catholic Church: you shouldn't have to sue your church to get them and the bishop to do the right thing."

Movement Reportedly Seen At N.Korea Site (AP)

By Bo-mi Lim, Associated Press Writer

AP, October 28, 2006

South Korean military officials have observed activities at the North's suspected nuclear test site that may be preparations for a second test, news reports said Saturday.

Yonhap news agency, citing several unidentified military officials, said Seoul is keeping a close watch on the movements of trucks and soldiers at the Punggye-ri site in the country's remote northeast.

"It is clear there are movements at Punggye-ri after the (previous) nuclear test," one military official was quoted as saying. "We are closely monitoring to see if these are preparations for a second nuclear test."

Another official confirmed activities at the site, but said another test "is not believed to be imminent," according to Yonhap.

It was not immediately clear how the military officials first spotted the activity at the site. However, the United States and South Korea generally share intelligence information from satellite images.

Meanwhile, more unidentified South Korean government officials said they are trying to confirm whether a new facility that has been built at the site could be part of preparations for a second nuclear test, the JoongAng Ilbo newspaper reported Saturday.

South Korea's Defense Ministry said it could not confirm the reports, and the U.S. State Department refused to comment. A Pentagon spokesman, Air Force Maj. David Smith, said: "We don't discuss intelligence issues as a matter of policy."

This is not the first time that suspicious activity has been reported at the North Korean test site. But South Korean officials have said they have no intelligence suggesting another test is imminent.

The reports came a day after the incoming U.N. secretary-general, South Korean Foreign Minister Ban Ki-moon, met with Chinese leaders to discuss sanctions against the North over its Oct. 9 underground nuclear test.

Ban met on Friday with China's President Hu Jintao, State Councilor Tang Jiaxuan and Foreign Minister Li Zhaoxing. South Korea's Foreign Ministry said they would discuss sanctions, but details of their talks were not immediately released.

Ban is visiting the five permanent U.N. Security Council members following his election as secretary-general this month. He pledged to make resolving the North Korea nuclear issue a key priority on his agenda as head of the international body.

The United States has been trying muster greater support for a U.N. Security Council resolution that calls for sanctions in response to the North's nuclear test.

Seoul and Beijing have been reluctant to enforce sanctions over the test for fear they might aggravate their unpredictable neighbor and destabilize the region.

China and South Korea are the North's main aid providers and trade partners, and their participation is considered crucial for the success of the U.N. resolution, which bans the sale of major arms to the North and calls for the inspection of cargo entering and leaving the country.

Associated Press writers Meraiah Foley in Seoul and Audra Ang in Beijing contributed to this report.

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Gingerly, South Korea Imposes First Sanction On North (NYT)

By Martin Fackler

The New York Times, October 28, 2006

SEOUL, South Korea, Oct. 27 — South Korea has taken a first step toward imposing United Nations sanctions against North Korea for conducting a nuclear test, banning visits by officials involved in the North's nuclear weapons program.

And in a sign of how Seoul has struggled to carry out the United Nations Security Council resolution without antagonizing the heavily armed North, a third top government official involved in North Korea offered to resign Friday over the test.

The travel ban, first reported by several news organizations on Thursday, is largely symbolic in a country that gets few North Korean visitors at all, much less officials engaged in the North's covert nuclear weapons efforts. It falls short of American requests that South Korea join a United States-led effort to inspect North Korean ships for nuclear and missile-related technology.

South Korean officials have expressed concern that such searches could lead to clashes between South and North Korean warships, something that has occurred in the past.

The resignation offer — by Kim Seung-gyu, head of the National Intelligence Service — came days after the defense minister and the unification minister, the point man on relations with the North, also tendered their resignations.

While President Roh Moo-hyun has not said whether he will accept the resignations, South Korean news media have reported that a cabinet reshuffle is imminent. With the foreign minister, Ban Ki-moon, about to become the new secretary general of the United Nations, Mr. Roh may have to replace all aides who oversee his policy on the North.

The cooperation of South Korea, a major source of trade and investment for the North, is seen as crucial for the success of the United Nations resolution, adopted after the North's test on Oct. 9. The resolution bans the sale of weapons to the North, and restricts sales of luxury goods and travel abroad by its officials.

In addition to not becoming involved in searching North Korean ships, Seoul also has so far balked at taking more punishing steps, like closing a South Korean-run industrial park and a tourist resort in North Korea, which are the North's largest economic contacts with the outside world. Many South Korean officials have said they fear that stronger sanctions could provoke the North into war, or push it toward China.

Using A 2nd Network, Iran Raises Enrichment Ability (NYT)

By Nazila Fathi

The New York Times, October 28, 2006

TEHRAN, Oct. 27 — Iran has begun to enrich uranium in a second network of centrifuges, an Iranian local news agency reported Friday, in defiance of a United Nations Security Council demand that it halt its nuclear program.

ISNA Student News Agency quoted an "informed source" as saying that Iran installed a second cascade of 164 centrifuges two weeks ago and successfully injected gas into it last week, theoretically doubling its enrichment capacity.

"We now have the product of the second cascade," the unidentified speaker was quoted as saying.

International Atomic Energy Agency inspectors know of this activity, he said.

In Washington, President Bush said he was aware of "speculation" that Iran has started enriching uranium in a second network. "Whether they doubled it or not, the idea of Iran having a nuclear weapon is unacceptable," Mr. Bush said.

But Russia's defense minister, Sergei Ivanov, said it was too early to speak about Iran being able to produce weapons-grade uranium. "These are empty centrifuges," he told the Itar-Tass news agency. "You can't produce anything with them, so to speak about enriching uranium is premature."

The announcement was widely expected. On Monday, the head of the I.A.E.A., Mohamed ElBaradei, said that "based on our most recent inspections, the second centrifuge cascade is in place and ready to go."

As Iran was reporting the doubling of its enrichment capacity, the five permanent members of the Council — the United States, Britain, France, China and Russia — and Germany were discussing a draft resolution to impose sanctions on Iran for its refusal to comply with their earlier demand that it stop enrichment.

The draft resolution would reportedly bar Iranian students from studying nuclear physics at foreign universities, prohibit technical or financial assistance that could benefit the nuclear program and impose a visa ban on any Iranians involved in nuclear activities.

A senior Western diplomat in Tehran said Iran went ahead after seeing the limited sanctions imposed on North Korea after its nuclear test this month. "They were reasonably reassured that if North Korea can live with the sanctions, they can do better," said the diplomat, who refused to be identified. "They think if they give in now, it is a sign of weakness and the West will ask for more."

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Iran insists that its program is for peaceful purposes, and that as a member of the Nuclear Nonproliferation Treaty it has the legal right to enrich uranium to produce its own reactor fuel. The United States says Iran, a major oil exporter, has no need for a peaceful nuclear program and is merely using it as a cover for an effort to produce nuclear weapons.

Iran, which already had one cascade of 164 centrifuges in operation, has said repeatedly that it plans to increase the number of centrifuges in operation to 3,000 by the end of this year. In a separate interview, Iran's chief nuclear negotiator, Ali Larijani, said Tehran was still willing to resolve its nuclear issue through negotiations. But he also issued a veiled threat, saying Europeans "should pay the price" if they choose a different path, ISNA reported. He did not elaborate, but it seemed that he was referring to sanctions.

"If Europeans think they can pursue a radical approach toward Iran and negotiate with us on the side as well, they should know that Iranians are not naïve people," he added.

He also rejected comments made by the foreign minister, Manouchehr Mottaki, who said last week that Iran might consider suspending its program during negotiations. "I do not approve this view," he said. "I am in charge of nuclear issues and I do not think the news was accurate."

Members of the Security Council reacted to the announcement immediately, [a news agency] reported.

The Foreign Ministry spokesman in France, Jean-Baptiste Mattéi, said the report increased the international community's worries about the growth of Iran's capacity to produce fissile material.

"The priority is to move toward the negotiation of a Security Council resolution," Mr. Mattéi told reporters in Paris in response to the news.

A British Foreign Office spokesman said it was a matter for the I.A.E.A., the United Nations nuclear agency, to investigate.

Bush Says It's Unacceptable For Iran To Have Nuclear Weapon (WP)

By Colum Lynch, Washington Post Staff Writer

The Washington Post, October 28, 2006

WASHINGTON - President Bush said on Friday he was aware of "speculation" that Iran has started enriching uranium in a second network of centrifuges and said it was unacceptable for Tehran to have a nuclear weapon.

"It says to me that we must double our effort to work with the international community to persuade the Iranians that there is only isolation from the world if they continue working forward on such a program," Bush told reporters during a meeting with NATO Secretary General Jaap de Hoop Scheffer.

"I've read the speculation that that's what they may be doing. But whether they doubled it or not, the idea of Iran having a nuclear weapon is unacceptable," Bush added.

Iran Doubles Nuke Enrichment Capacity (AP)

By Nasser Karimi, Associated Press Writer

AP, October 28, 2006

Iran has doubled its capacity to enrich uranium by successfully executing the process with a second network of centrifuges, a semiofficial news agency reported Friday, sending a defiant new message to the U.N. Security Council.

Council members are working on a draft resolution that would impose limited sanctions on the Islamic republic because of its refusal to cease enrichment, a process that can produce fuel for a civilian nuclear reactor or fissile material for a warhead.

The Iranian Students News Agency quoted an anonymous official as saying Iran has successfully begun injecting gas into a second network of centrifuges.

"We are injecting gas into the second cascade, which we installed two weeks ago," the official said, according to ISNA.

The news agency said the second cascade had doubled Iran's capacity to enrich uranium.

"We have already exploited the product of the second cascade," the official was quoted as saying.

Iranian authorities are believed to leak ISNA information that they want published but consider too sensitive for release to official media.

The State Department said it was up to the International Atomic Energy Agency to assess the reports. "I cannot confirm those reports. We are not on the ground," State Department spokesman Sean McCormack said.

President Bush said that regardless of the accuracy, it was "unacceptable" for Iran to have a nuclear weapon and the report underscored the need for the United States and its allies to redouble its effort to stop Iran from developing nuclear ambitions.

The U.N. Security Council has demanded that Tehran cease all enrichment-related activities amid fears by the U.S. and its allies that Iran is seeking to develop a program that can make weapons-grade uranium for nuclear warheads. The Iranians claim their nuclear program is peaceful.

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France's Foreign Ministry called Iran's expansion of its nuclear program a "negative signal" that should be taken to account at U.N. talks over possible sanctions.

A spokesman for the ministry, Jean-Baptiste Mattei, said the Iranian announcement was not a great surprise because the IAEA, the U.N. nuclear watchdog, had said in August that Iran was developing new nuclear capacities.

"The door to negotiations is always open, but at the same time the priority goes to the negotiations for a U.N. Security Council resolution," Mattei said at a news conference.

French President Jacques Chirac, meanwhile, expressed support for sanctions against Iran but insisted that they be temporary and reversible.

Russian Defense Minister Sergei Ivanov said he didn't "share concerns" about the launching of a second network of centrifuges, expressing confidence that the new centrifuges "are under the complete control of the International Atomic Energy Agency, for scientific research purposes."

He also said the centrifuges were "completely empty, so to talk about enriched uranium or uranium for military use, is at the very least premature."

The basis of his statement was unclear, however. The IAEA monitors both "cascades" of centrifuges, but they are not under its "complete control," as Ivanov asserted. And — unlike Ivanov — the Iranian official cited by ISNA said the second network was no longer empty but enriching small amounts of uranium.

Other Russian officials also had shared previously shared the opinion of the United States and its western allies, Britain, France and Germany that even "dry testing" centrifuges was cause for concern.

Russia and China, which can veto Security Council resolutions and have close economic ties with Iran, are reportedly pushing for continued dialogue with Iran instead of punishment.

In a separate report on Friday, ISNA quoted Ali Larijani, Iran's top nuclear negotiator, as saying his country's enrichment program should not hinder negotiations with the West.

"It is possible to review both nuclear and regional issues through negotiation," Larijani was quoted as saying.

Larijani called for an open negotiation on the enrichment issue, and blamed the West of being irrational in its opposition to an Iranian nuclear program, which Tehran says is geared toward purely civilian use.

Diplomats, who spoke on condition of anonymity because they were not authorized to divulge the information to media, told The Associated Press on Monday that even the decision to "dry test" the 164 centrifuges in the second Iranian pilot enrichment facility showed Iran's defiance of the Security Council. The council had set an Aug. 31 deadline for Tehran to cease all experiments linked to enrichment.

Iran produced a small batch of low-enriched uranium — suitable as nuclear fuel but not weapons grade — in February, using its initial cascade of 164 centrifuges at its pilot plant at Natanz.

The Iran official quoted by ISNA said the nuclear watchdog was fully aware that Tehran was injecting the gas in its new centrifuges, and that nuclear inspectors had already arrived in Iran.

The Vienna, Austria-based IAEA would not comment on the report.

Iran says it plans to install 3,000 centrifuges at Natanz by the end of this year. Some 54,000 centrifuges would be required to produce enough nuclear fuel for a reactor.

Although Iran is nowhere near that goal, its successful operation of more cascades of centrifuges indicates that the country is gradually mastering the complexities of producing enriched uranium.

The U.S. and its European allies are circulating a draft U.N. Security Council resolution that would ban the sale of missile and nuclear technology to Iran and deny the country certain assistance from the U.N. nuclear watchdog.

The enrichment process takes gas produced from raw uranium and aims to increase its proportion of the uranium-235 isotope, needed for nuclear fission.

The gas is pumped into a centrifuge, which spins, causing a small portion of the heavier, more prevalent uranium-238 isotope to drop away. The gas then proceeds to other centrifuges — thousands of them — where the process is repeated, increasing the proportion of uranium-235.

Enrichment Capacity Doubled, Source Says (WT/AP)

By Nasser Karimi, Associated Press

The Washington Times, October 28, 2006

TEHRAN -- Iran has doubled its capacity to enrich uranium by successfully carrying out the process with a second network of centrifuges, a semiofficial news agency reported yesterday, sending a defiant new message to the U.N. Security Council.

Council members are working on a draft resolution that would impose limited sanctions on the Islamic republic because of its refusal to cease enrichment, a process that can produce fuel for a civilian nuclear reactor or fissile material for a warhead.

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The Iranian Students News Agency (ISNA) quoted an anonymous official as saying Iran has successfully begun injecting gas into a second network of centrifuges.

"We are injecting gas into the second cascade, which we installed two weeks ago," the official said, according to ISNA.

The news agency said the second cascade had doubled Iran's capacity to enrich uranium. "We have already exploited the product of the second cascade," the official was quoted.

The State Department said it was up to the International Atomic Energy Agency (IAEA) to assess the reports. "I cannot confirm those reports. We are not on the ground," State Department spokesman Sean McCormack said.

President Bush said that regardless of the accuracy, it was "unacceptable" for Iran to have a nuclear weapon and the report underscored the need for the United States and its allies to redouble an effort to stop Iran from developing nuclear capability.

The U.N. Security Council has demanded that Tehran cease all enrichment-related activities amid concern by the United States and its allies that Iran is seeking to develop a program that can make weapons-grade uranium for nuclear warheads. The Iranians have said their nuclear program is peaceful.

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Iranian Nuclear Effort Defies U.N. Council Again (WP)

By Colum Lynch, Washington Post Staff Writer

The Washington Post, October 28, 2006

UNITED NATIONS, Oct. 27 -- Iran has once again defied the U.N. Security Council's repeated demands to halt its nuclear activities, firing up a second line of centrifuges to increase its ability to enrich uranium, according to a report by a semiofficial Iranian news agency.

The report came as U.N. negotiations became bogged down in the face of Russia's and China's reluctance to slap tough sanctions on Tehran. U.S. and European officials say they anticipate a long, hard diplomatic struggle over the coming weeks to fashion a formal reaction to Iran's enrichment activities.

President Bush warned on Friday that it is "unacceptable" for Iran to produce nuclear weapons. But the United States has been stymied in its efforts to gain speedy passage of a sanctions resolution.

Bush said the Iranian report "says to me that we must double our effort to work with the international community to persuade the Iranians that there is only isolation from the world if they continue working forward on such a program."

"The idea of Iran having a nuclear weapon is unacceptable," Bush added after a meeting with NATO Secretary General Jaap de Hoop Scheffer. "And it's unacceptable for the United States, and it's unacceptable to nations we're working with in the United Nations to send a common message."

The Security Council passed a resolution on July 31 threatening to consider sanctions against Iran if it did not suspend its enrichment of uranium and a package of incentives. Those incentives, which include greater access to Western markets and guarantees of foreign-supplied nuclear fuel, are backed by the council's five permanent members -- the United States, Russia, France, Britain and China -- plus Germany.

Iran says that it is willing to restart talks with the major powers to resolve the nuclear crisis but that it will not agree to suspend its enrichment activities as a precondition. It maintains that it has the right, under the 1970 Non-Proliferation Treaty, to enrich uranium for the production of nuclear power for what it describes as a purely civilian energy program.

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With no breakthrough in sight, France, Britain and Germany presented the United States, Russia and China this week with a draft resolution that would ban trade related to Iran's nuclear and ballistic-missile programs but would allow Russia to continue to support the construction of an Iranian nuclear facility at Bushehr.

French President Jacques Chirac told reporters during a visit to the city of Wuhan, China, that "appropriate, adapted, temporary and reversible sanctions will probably have to be found and imposed to show Iran that the whole of the international community does not understand its position," according to [a news agency].

The Bush administration declined to endorse the European draft because of concerns that it is too weak to constrain Iran from pursuing a clandestine nuclear weapons program. But Russian Foreign Minister Sergei Lavrov has suggested that the European draft is too tough and does not conform with the six nations' aim of eliminating "the risks of sensitive technology falling into Iran's hands" while maintaining "vital channels of communication with Iran."

Russia is furious that the United States in July sanctioned two Russian military contractors -- the state arms exporter Rosoboronexport and aircraft manufacturer Sukhoi -- under the 2000 Iran Nonproliferation Act.

Vitaly Churkin, Russia's ambassador to the United Nations, has hinted that the U.S. failure to lift those sanctions could complicate the Iran negotiations. "If we work collectively, we need to work collectively," Churkin said recently. "If they want to go it on their own, you know legislating unilateral sanctions, they are welcome to tackle the problem alone."

Iran is still years away from producing enough highly enriched uranium to build a nuclear bomb, according to analysts. It fired up its first 164-centrifuge line, called a cascade, earlier this year at the Natanz nuclear facility -- where Iran plans to operate up to 3,000 centrifuges. But it has been progressing at a slower rate than expected, producing only a tiny sample of enriched uranium.

David Albright, an expert on the Iran nuclear program and president of the Institute for Science and International Security, said the second cascade is too small to produce sufficient quantities of enriched uranium for a nuclear bomb. The concern, he said, is whether Tehran's nuclear scientists are close to mastering the full-scale enrichment of uranium at the facility. He said the Iranians are clearly "moving forward" in their understanding of the nuclear fuel cycle.

The Iranian Students' News Agency, which is close to the government, reported that Iran began injecting UF-6 gas into the new cascade earlier this week, a key step in producing enriched uranium.

An official at the International Atomic Energy Agency declined to confirm or deny the Iranian report. But the agency's director general, Mohamed ElBaradei, told The Washington Post on Monday that Iran was days away from using the cascade to enrich uranium.

Rice Says Hezbollah Must Disarm To Be Part Of Lebanon's Political Process (USAT/AP)

USA Today, October 28, 2006

BEIRUT (AP) — Secretary of State Condoleezza Rice stepped up international pressure on Hezbollah to disarm, saying in a television interview aired Friday that the guerrilla group must surrender its weapons if it wants to remain part of Lebanon's political process.

Rice urged Hezbollah to lay down its arms according to the cease-fire that ended its 34-day war with Israel last summer, and choose between being a militant group and a legitimate political organization.

Hezbollah is under heavy international pressure to surrender its weapons, but the Iranian- and Syrian-backed group — which holds 11 seats in the Lebanese parliament and two spots in the Cabinet — has refused to disarm.

"If Hezbollah wants to be in politics... Hezbollah should be disarmed. You cannot have one foot in terror and the use of violence and the other foot in politics. It just doesn't work that way," Rice said in an interview with the privately-owned Lebanese Broadcasting Corp.

"Hezbollah has to decide whether it's going to maintain its terrorist wing and remain a terrorist organization or whether it's going to ... be part the political process," she said.

The interview was taped at Rice's office in Washington, and conducted by May Chidiac, a Lebanese journalist who lost an arm and a leg in car bombing in Lebanon in September 2005.

The U.S. government has labeled Hezbollah a terrorist organization and blames it for the deaths of 241 U.S. Marines in the bombing of their Beirut barracks in 1983, as well as for two attacks on the U.S. embassy in Beirut and the 1985 TWA hijacking that killed an American serviceman on board. Hezbollah has repeatedly denied such accusations and says it now opposes terrorism.

Rice also urged the Lebanese government to end what it called Hezbollah's "state within a state" and prevent weapons from reaching the militant group.

"I'm counting on Lebanon to live up to its obligations, and I'm counting on Lebanon to want to evolve to a normal state," Rice told the satellite channel. "And a normal state has an army and police that answer to the state, not to a state within a state."

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The U.N. cease-fire resolution that ended the Hezbollah-Israel war on Aug. 14 called for the Lebanese army to deploy alongside international peacekeepers in Hezbollah strongholds across south Lebanon. Some 16,000 Lebanese troops have fanned out across the region, including along the border with Israel, for the first time in decades.

The two forces are tasked with establishing a Hezbollah-free buffer zone stretching some 30 kilometers (18 miles) north of the Israeli border.

Rice also warned that as Lebanon tries to rebuild, some people might try to destabilize its Western-backed government.

"We've heard that there are people who would like to intimidate or assassinate again," she said, referring to the 2005 assassinations of former Prime Minister Rafik Hariri and other anti-Syrian politicians. She did not elaborate.

Asked if Syria was trying to destabilize Lebanon following its withdrawal last year, Rice said: "It's not any great secret that there are concerns about what Syria, which once occupied the country, might try and do through continuing contacts in the country. But I don't want accuse any one place. I just want to make very clear that the international community believes there should be no foreign intimidation of the Lebanese people."

(hd-aj-lf)

Goodwill Ambassador? Venezuela Is Leery Of U.S. Envoy (NYT)

By Simon Romero

The New York Times, October 28, 2006

LECHERÍA, Venezuela

PRESIDENT HUGO CHÁVEZ does not bother to hide how he feels about William Brownfield, the United States ambassador to this country. “Start packing your bags, mister, if you keep on provoking us,” Mr. Chávez said on TV this year. “Because I’ll kick you out of here.”

Some of Mr. Chávez’s supporters feel the same way. Protesters on motorcycles chased Mr. Brownfield’s car in Caracas last April, beating on its doors and pelting it with tomatoes and eggs. When Mr. Brownfield visited Nueva Esparta last December to hand out baseball equipment, demonstrators threw rocks at his car.

With relations between Washington and Caracas at a low ebb, Mr. Brownfield, a loquacious Texan and career diplomat, has one of the most challenging jobs of any American ambassador. Though at a career stage when some would prefer a plush embassy in a friendly country, Mr. Brownfield seems to relish the opportunity to engage Venezuelans on a street level.

This is no easy undertaking in a country where President Bush is regularly pilloried (an exposition at the Foreign Ministry in Caracas this week depicted Mr. Bush in Nazi clothing).

While Mr. Brownfield is not always greeted with rocks and eggs, he does find himself fighting an uphill battle almost wherever he goes. That much was evident when he arrived here in eastern Venezuela recently, bodyguards in tow, to deliver one of his speeches that gently rankle Mr. Chávez.

Mr. Brownfield started by thanking Venezuela for offering subsidized heating oil to poor Americans this winter. Then he pointed out that Venezuela’s ambassador in Washington similarly travels around the United States speaking to groups interested in Mr. Chávez’s “Bolivarian Revolution.”

“Why, I think my friend Ambassador Bernardo Álvarez is in San Juan at this very moment,” Mr. Brownfield, 54, said in fluent but heavily accented Spanish. (Mr. Álvarez was there to show support for Puerto Rico’s independence movement.)

Finally, responding to questions from local journalists, Mr. Brownfield defended the Bush administration’s recent prohibition on arms sales to Venezuela, after the State Department listed Venezuela as uncooperative in counterterrorism efforts.

That ended his visit here to an American Corner, one of four he has recently opened in the country. These are essentially libraries and information centers run jointly by the State Department and a local group, where people can study English or read up on American history and culture.

About 30 residents gathered to see him in the municipal building of Lechería, a city led by an anti-Chávez mayor. But even here, the reception was cool. Some tapped messages into their Blackberrys while he spoke. All applauded politely when he finished.

The rest of his trip did not go as smoothly. Tarek William Saab, an author and the governor of Anzoátegui State, described by Mr. Chávez as “the poet of the revolution,” refused to meet with Mr. Brownfield. Executives from two American energy companies with operations here also declined because their partner, Venezuela’s national oil company, denied Mr. Brownfield permission to enter their refining complex.

SO it goes in a country that, paradoxically, maintains resilient commercial ties with the United States. Anti-American sentiment is often directed personally at Mr. Brownfield, who grew up in a ranching family and sometimes sports a University of Texas baseball cap.

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Newspapers have dubbed him el Tejano, the Texan, a nod to his straightforward if ironic style in pressing ahead with his street diplomacy. He grew up not far from Brownfield, a West Texas ranching town named for an ancestor.

After leaving Texas he entered the Foreign Service in the late 1970s, "starting life," as he puts it, in the heart of Venezuela's oil patch in Maracaibo, where there was once an American Consulate. Rising to become one of the most respected American diplomats in Latin America, he accepted assignments in Panama, as political adviser to the United States Southern Command, and as ambassador to Chile. His wife, Kristie A. Kenney, is the United States ambassador to the Philippines.

Since presenting his credentials to Mr. Chávez in August 2004, Mr. Brownfield has repeatedly had to deny claims that the Pentagon is preparing to send the Marines to invade Venezuela. Still, Mr. Chávez finds the United States a convenient boogeyman, using the idea of invasion to strengthen ties with Iran and cement domestic political support.

"We've been a partner with Venezuela for 200 years," Mr. Brownfield said in an interview. "This is a partnership that will endure times of stress."

A hardening of relations seems almost inevitable, with spats emerging almost monthly. The two countries are now clashing over Venezuela's bid to win a seat on the United Nations Security Council and a push by Mr. Brownfield to reopen the consulate in Maracaibo — a support base for Manuel Rosales, the leading opposition candidate in December presidential elections. Both efforts have stalled.

Mr. Brownfield, meanwhile, travels around Venezuela. Often his venues are at baseball diamonds, which he views as areas where the two countries have a history of cooperation. Even Mr. Chávez has been known to don a baseball uniform, evoking youthful dreams of pitching for the San Francisco Giants.

Mr. Brownfield's overtures, like those of American diplomats in Havana, are often regarded here as imperialist aggression. At first glance, the American Corner in Lechería seems benign. Its library has biographies of Bill Clinton, Katharine Graham and Theodore Roosevelt.

But pro-Chávez activists like Eva Golinger, an American lawyer who lives in Caracas, have denounced the American Corners, which are more common in former countries of the Soviet Union, as examples of "psychological and propaganda operations."

"Mr. Brownfield is sticking out his foot, in order to have it stepped on," José Vicente Rangel, Venezuela's vice president, said this year. "What he wants is for some hothead, or some provocateur that they invite themselves, to throw a stone at him."

THE challenges before Mr. Brownfield were evident in a visit to a dilapidated public hospital in Barcelona, a city next to Lechería. He went to publicize a program that brings American doctors to repair cleft palates in poor children.

Families of more than 90 children greeted Mr. Brownfield as he walked throughout the hospital, accompanied by aides and television cameras. Oneida López, the aunt of a 2-year-old boy who had undergone the surgery, said Mr. Brownfield was a "very generous man." But Ms. López said she admired Mr. Chávez more.

She traveled to Barcelona from her home city, Anaco, earlier this month to see the president when he opened a cancer unit at the same hospital. She said she recently started a job as a street sweeper at a cooperative, one of many social welfare programs created by Mr. Chávez. "I love my president," said Ms. López, 31.

Perhaps relations between the countries come into clearer focus when Mr. Brownfield shows his teeth. One story in diplomatic circles in Caracas describes his brief meeting last year with Mr. Chávez.

"Mr. Brownfield recommended holding a friendly baseball game between the staffs of the presidential palace and the United States Embassy, on the condition that the marines played on the American side. "I have only seven of them here," he told Mr. Chávez, who reacted with a cool smile and ended the encounter.

A spokeswoman at Venezuela's communications ministry said she was unable to confirm details of the meeting. An embassy spokesman said only, "On matters as important as baseball, we don't comment."

Colombia City Makes A U-turn (LAT)

By Chris Kraul, Times Staff Writer

The Los Angeles Times, October 28, 2006

Bogota, once a world capital of mayhem, is now held up as a model.

A decade ago, the Bosa slum was the black hole of Bogota. Its darkest corner was Laurel Park, a grassless, trash-strewn lot with open sewage and gun-toting gangs bent on muggings and murder.

Today, Bosa has paved streets, new schools, health clinics and cafeterias, and links to a new mass transit system. Laurel Park has been rechristened Park of the Arts and is alive with children at play and free theater, fashion shows and concerts.

Like much of this re-energized capital of more than 7 million inhabitants, the war zone that was Bosa has been transformed.

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"The change has surprised everyone, not just visibly but socially," said Nubia Zuaza, a community activist who has lived in the area for 20 years. "From a focal point of delinquency, the park now embodies a sense of community that wasn't there before."

The same can be said for much of Bogota, which in the 1990s earned a well-deserved reputation as a world capital of mayhem. Car bombings, assassinations, killings and kidnappings sent thousands of Bogota's residents fleeing to the United States or had them hunkering down in their homes. Bogota was, in many urban experts' view, a failed city choked with traffic and pollution and victimized by a seemingly uncontrollable crime wave.

"When I took office, people told me: 'Nobody can fix this. Bogota is totally hopeless,' " said Enrique Peñalosa, the capital's mayor from 1997 to 2000.

Now, visionary leadership by Peñalosa and two other Bogota mayors is credited with helping turn the city around. Improved public finances, reduced crime and congestion, a slew of public works, and reduced and more orderly traffic have made Colombia's capital livable again.

Urban experts around the world are taking notice. At the architecture exhibition at last month's Venice Biennale, the organizers cited the city as an exemplar in mass transit. Highlighted were the continent's largest network of bike paths and Bogota's 300-mile Transmilenio bus system, which after six years of existence boasts a daily ridership of 1.4 million.

The United Nations, the World Bank and the Bill & Melinda Gates Foundation have cited the 70% drop in Bogota's homicide rate, an even steeper decline in kidnappings, and the addition of a score of public libraries, most of them in poor areas.

But the proof of the turnaround is in the attitudes of the residents. Polls show that citizens who once overwhelmingly saw life here as a cross to bear are hopeful about the future and happier to be here.

"The quality of life has improved with all that's been done, like the schools and the community dining rooms. People see that the government is doing something," said seamstress Sonia Ruiz, 45, a 25-year resident of the Bosa barrio. She spoke as she walked near the Park of the Arts, which on a weekday afternoon was clogged with kids playing on swings and kicking soccer balls.

Another Bosa resident, 50-year-old electrician Manuel Penola, said that the barrio was "no utopia yet" and that break-ins still happen, potholes go months without fixing, and there is flooding after downpours. "But that's because the city is too big, and barrios like this arose illegally with no planning," Penola said. "Now, at least, we have cooking gas and, with the Transmilenio nearby, the streets are safer and a lot less jammed."

The city appears to have entered an era that author Armando Silva hopefully describes as a "culture of citizenship," a term that could never have been applied to Bogota a decade ago.

"The self-image of crime, violence and no future was so strong in the '90s that no one could see a way out," said Silva, a philosophy professor at the National University of Colombia. "But there has been a change in the political direction of the city, and you have to credit the citizens themselves who demanded it."

Urban planning expert Juan Carlos del Castillo said the seeds of change were planted during the administration of Mayor Jaime Castro in the early 1990s. Castro initiated Bogota's first land-use plan and persuaded the federal legislature to grant him stronger powers, having found himself overshadowed by a city council dominated by corrupt real estate and transportation interests.

"At the time there was total chaos in the city," said Del Castillo, who teaches at the National University of Colombia. "The law of the jungle said that people did whatever they wanted, whether it was walling off a street, ignoring their taxes or gas bills, or parking their cars on sidewalks."

Castro's successor, Antanas Mockus, son of Lithuanian immigrants and a former university rector, tried to restore a sense of citizenship, employing a whimsical approach that included using mimes to shame motorists into heeding stoplights and crosswalks. But he also played fiscal hardball to improve tax collection and clean up the city's finances.

Mockus said in an interview that he also attacked Bogota's seemingly unsolvable crime problem by approaching it as an "epidemiologist would tuberculosis." He mapped out areas where crime was highest and targeted them by increasing patrols and halting liquor sales selectively after 1 a.m. on weekends.

"Crime is caused not only by professional criminals but by social aggression, arguments that get out of hand, often when alcohol is involved," Mockus said. "My approach was that all of us have a rude person inside of us and it's our job to regulate him."

Although crime has by no means disappeared, most Bogotanos you stop on the street tell you their city feels safer.

"Two or three years ago, I never walked downtown alone. Now I feel I'm taking no risk in going," 25-year-old domestic worker Mari Cordero said as she left her job in Bogota's wealthy Chico section.

By the end of Mockus' first term in December 1997 (he was reelected in late 2000 and began a second three-year term in 2001), crime rates had begun to fall and public finances were strengthening. Thanks to Castro's improved property-tax collection

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and Mockus' reorganization of the power company, Mockus left a budget surplus of about $700 million for incoming Mayor Peñalosa.

A part-time professor and business consultant with the U.S. firm Arthur D. Little before taking office, Peñalosa used the surplus to launch a public works program designed to dramatically reduce traffic, which he describes as Bogota's bane. "Cars are lethal weapons that dehumanize society," he said.

"I could have used the surplus to build seven elevated highways for more cars, but that would have left no money for public spaces or libraries," Peñalosa said. "Those highways would have been undemocratic since 70% of Bogotanos don't have cars."

Using a model set by the Brazilian city of Curitiba, he planned and began construction of the Transmilenio bus system and restricted each private automobile's circulation to five days a week.

The current mayor, Luis Eduardo Garzon, has taken on the poverty fight, guaranteeing free lunches to the poor and elderly in a program called "Bogota Without Hunger" and extending the city's free health clinic network.

The city's development trajectory is not without critics, including Venus Albeiro Silva Gomez, the federal deputy who represents the Bosa district. "Too much of the spending is directed to the north of the city where the rich people live," he said, "and not enough in the south where the poor are."

But few would dispute that Bogota has vastly improved since a decade ago.

"It's difficult to measure, but I think the city has recovered its self-respect," urban planner Del Castillo said. "If you asked people 10 years ago, they'd tell you the city is governed by thieves. Today it's the opposite."

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Times researcher Jenny Carolina Gonzalez contributed to this report.

Coca Growers Resist Bolivia Crackdown (WT)

By Martin Arostegui, The Washington Times

The Washington Times, October 28, 2006

SANTA CRUZ, Bolivia -- Indigenous coca farmers who helped put President Evo Morales in power are violently resisting even the token eradication efforts demanded by the United States to avoid Bolivia's decertification as a country cooperating against drug trafficking.

Dissatisfied with new laws permitting peasant farmers to grow up to half an acre of coca for traditional use, the farmers are backing demands for increased acreage with road blocks and gunfights that so far have killed two growers and wounded two police officers.

The government, which this week was maneuvering in New York to secure a two-year term on the U.N. Security Council, is divided on how to proceed.

It came to power in January with strong backing from Andean Indians who for centuries have used the coca leaf as a mild stimulant, and Mr. Morales, a former coca grower who heads Bolivia's largest coca-growing syndicate in the Chapare Valley, has repeatedly pledged to use "peaceful" means to limit cultivation of the leaf.

But police and elements in his own government are concerned that as much as half the current coca production is being diverted into the production of cocaine for the illicit international market.

The State Department publicly warned Mr. Morales during his visit to the United Nations in New York last month that Bolivia must eliminate 12,000 acres of coca cultivation or face decertification as a country cooperating against drug trafficking, which would mean a cutoff of aid.

The statement followed talks in Washington with Vice President Alvaro Garcia Linera, who agreed to eradicate roughly 15 percent of the country's estimated coca acreage.

But Felipe Caceres, the vice minister for social defense and a former coca grower himself, said in a recent interview with Bolivia's largest newspaper La Razon, that 50 percent of coca production currently goes to drug trafficking, an estimate supported by national police.

U.S. Ambassador Philip Goldberg also has called on Bolivia to renew joint operations with U.S. anti-drug agencies. But Mr. Morales has rejected U.S. calls to end his policy of permitting traditional coca farmers to cultivate up to 1 cato, or half an acre, of the crop.

"We won't accept impositions," the president said in a speech to the U.N. General Assembly, where he called for coca's legalization.

Instead, Mr. Morales has appealed to the coca syndicates to hold down production out of their own self-interest.

"We cannot allow the uncontrolled growth of coca, as it will reduce the price," Mr. Morales recently told a gathering of the Six Federations of Coca Growers of the Tropic of Cochabamba. He also admitted that "there exists an excess production of coca that generates a legal problem."

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Even so, coca growers are now demanding to be allowed to double or triple the permitted acreage. More than 1,200 peasant farmers who have planted about 2,000 acres of new coca in national parklands outside the Chapare Valley have insisted that they need to grow more because of their distance from roads and markets.

Officials of Bolivia's U.S.-trained anti-narcotics unit, the Special Force to Fight Crime and Narcotraffic, have reported that the excess production is controlled by drug traffickers. But police and army teams were pulled off eradication missions after a gunfight two weeks ago in Carrasco National Park in eastern Cochabamba province.

Two coca growers were killed and two seriously wounded police officers had to be evacuated by helicopter during the heavy exchange of automatic weapons fire.

Eleven soldiers including an army major were taken hostage. The servicemen were released following negotiations with the government, but several hundred coca growers then used dynamite to cut the main road between Cochabamba and Santa Cruz.

Interior Minister Alicia Munoz has minimized the incidents. "These conflicts are small. The government's anti-drug policy is macro. It seeks to dignify the coca leaf and eliminate illegal cultivations which exist in protected areas," she said as coca farmers threw up more blockades in the Yungas Valley.

American Pilots Were At Correct Altitude Over Brazil, Lawyer Says (NYT)

By Paulo Prada And Matthew L. Wald

The New York Times, October 28, 2006

RIO DE JANEIRO, Oct. 27 — The lawyer representing the pilots of an American corporate jet that apparently collided with a Brazilian airliner on Sept. 29 said Friday that his clients were at their assigned altitude at the time of the crash, despite a flight plan that specified a different altitude.

The corporate plane was a Legacy, built by Embraer, a Brazilian manufacturer. It apparently clipped a Boeing 737 operated by Gol Linhas Aéreas Inteligentes, which crashed, killing all 154 people on board.

The collision apparently occurred at 37,000 feet. Brazilian prosecutors have noted that the flight plan, filed by the crew before departure, called for that altitude, and then a descent to 36,000 feet before the location where the collision occurred, and then climbing to 38,000.

The lawyer, Roberto A. Torricella Jr., who is based in Miami, said the two American pilots had confirmed those details. But he says they also told him that when they took off from the southeastern city of São José dos Campos, where their new plane had been made, they were given a clearance by Brazilian air traffic control that superseded the flight plan.

The takeoff clearance called for 37,000 feet for the entire route up to the point of the crash, Mr. Torricella said. As a result, he said, the plane was at the proper altitude.

It is unclear whether testimony by Brazilian air traffic controllers, who have been interviewed for the crash investigation, supports that a takeoff clearance of 37,000 feet was granted. Telephone calls to Brazil's civil aviation authority and air force, which are responsible for the investigation, were not returned Friday night. Investigators for state and federal police forces, who are conducting a criminal investigation, could not be reached for comment.

The American pilots, Joseph Lepore, 42, of Bay Shore, N.Y., and Jan Paladino, 34, of Westhampton, N.Y., flying for ExcelAire Service Inc. of Ronkonkoma, N.Y., remain in Brazil. They have not been charged with wrongdoing, but a judge ordered their passports seized to keep them in the country until a criminal investigation is complete.

Mr. Torricella said that the pilots were questioned immediately by investigators and the police, but had not yet been interviewed by the federal police. Aviation experts said the police might not be ready to do so. Searchers only recently found the 737's cockpit voice recorder, which is being sent to Canada for analysis. There may be other evidence that they have not finished analyzing.

In addition, Brazil is holding a presidential election on Sunday, and the crash has inflamed passions. A prosecutor once speculated that the American crew had turned off their transponder, a device that makes the plane more visible on radar and visible to other planes' anticollision warning system.

A Year After Suburban Riots, France Is Mostly Calm (WP)

By Molly Moore, Washington Post Foreign Service

The Washington Post, October 28, 2006

PARIS, Oct. 27 -- French officials deployed 4,000 extra police officers in the country's poorest suburban areas Friday as the anniversary of last year's wave of arson attacks arrived with only scattered incidents of violence, according to early police and news media reports.

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The security precautions followed several weeks of increasing tension in the suburban areas of Paris where residents -- most of whom are Arab and African immigrants and their French-born children -- have complained that the government had not lived up to promises it made, after last year's nationwide rampage, to improve living conditions and employment opportunities.

Small groups of men -- some of them armed -- attacked two public buses in the northern suburbs of Paris early in the evening. In one incident, two armed men boarded a bus in front of a train station in the town of Le Blanc-Mesnil, yanked the driver off the vehicle and ordered all the passengers off before throwing a gasoline bomb and burning the bus, French media reported. Authorities reduced bus service into the area and limited night bus service in many other suburbs.

In the past week, about half a dozen public buses have been attacked and set ablaze in suburbs of Paris and Lyon, and gangs wielding rocks and metal pipes have ambushed police in some Paris suburbs.

Friday morning, in the northern Paris suburb of Clichy-sous-Bois, several hundred residents marched to memorialize the deaths of two local youths last Oct. 27 -- the incident that set off France's worst civil unrest since the student protests in 1968.

The two teenagers were electrocuted when they leapt into an electrical substation to escape police who witnesses said were chasing them. French officials denied that police had been pursuing the youths.

Marchers carried a banner declaring, "Died for nothing." The marchers stopped at the electrical substation where the youths perished and recited prayers in French and Arabic as their families laid plastic-wrapped flowers against the fence.

"Last year we crossed Clichy by weaving between the burnt-out wrecks of cars, creating an image of our city that we didn't want to see," Mayor Claude Dillain told the gathering during a solemn ceremony Friday morning. "Once again France, and even the world, is watching us and waiting to see what we do. So I appeal solemnly for calm and dignity to prevail here."

During last year's violence, gangs of boys and young men torched more than 10,000 cars and attacked nearly 500 schools and other public buildings, mostly government institutions.

Allegations that the government has failed to respond adequately to demands for improvements in the poor suburbs, along with parallel concerns over security and an increasing Muslim population, are among the most contentious issues in the French presidential campaign.

Speeches And Arson Recall Last Year's Unrest In France (NYT)

By Ariane Bernard

The New York Times, October 28, 2006

CLICHY-SOUS-BOIS, France, Oct. 27 — Hooded attackers burned two buses on Friday night in a city near this Paris suburb on the anniversary of the start of last year's suburban unrest.

Additional police officers had been put on duty for Friday night, as France braced for possible violence. In recent weeks, bands of youths had attacked police patrols and buses in the suburbs of Paris and Lyon.

In the Friday night arson, the two buses were attacked separately in Le Blanc-Mesnil, north of Paris. The passengers and drivers of both buses were able to escape unharmed, said the Paris-area transportation authority, the RATP.

In one of the attacks, assailants broke the bus's windows and threw firebombs into the vehicle. A spokeswoman for the RATP said that she was unsure if the bombs were thrown before or after the passengers left the bus. The spokeswoman, who could not be identified by name under the transportation authority's ground rules, said she did not have details of the other attack.

During the day on Friday, several hundred people in this poor suburb of Paris participated in a silent march in memory of two teenagers whose accidental deaths last year triggered three weeks of unrest that shook the country.

In speeches after the march, local officials and family members of the teenagers called for calm. The two teenagers, Bouna Traoré, 15, and Zyed Benna, 17, were electrocuted last Oct. 27 at a power substation where they and a friend were hiding. Some accounts at the time said they had been running from the police. The friend was severely wounded but survived.

"Once more, France, the world, are watching us," said the mayor, Claude Dilain, after dedicating an understated white stone monument in front of the teenagers' school.

"This is a solemn call for calm," said the mayor, who is a Socialist.

The marchers, many of them youths wearing white T-shirts bearing the words "Dead for Nothing," paused by the power substation where the teenagers died. Men and women cried as they passed the site, and an imam said prayers for the dead.

Many expressed not only sadness over the deaths, but also disappointment with how little things had changed in France's tough suburbs. The unrest last year, during which thousands of cars were set ablaze and businesses were trashed, shed light on the plight of the country's underprivileged populations, mainly Arabs and black Africans and their French-born children, who feel disenfranchised. In some immigrant neighborhoods, unemployment runs considerably above the national average.

After the march, Muhittin Altun, 18, the survivor of the accident that killed his friends, said, "You'll see, it's going to explode, it's going to explode everywhere, because for the past year, they have been trying to put us to sleep."

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But Sylviane Dubuisson, 52, who runs a bakery here, said she disapproved of the march because she feared it could lead to new violence. Speaking of the two teenagers, she said, “They died, it’s sad, but they have to rest in peace and we need to forget.”

French Muslims Mark Day Of Sadness To Honor Dead (LAT)

By Alissa J. Rubin And Achrene Sicakyuz, Times Staff Writers

The Los Angeles Times, October 28, 2006

The anniversary of two youths' deaths finds that little has changed.

CLICHY-SOUS-BOIS, FRANCE — One word summed up the mood at the commemoration Friday of the deaths of two French youths whose electrocution set off a series of fiery riots a year ago.

"Triste," said one person after another in French. Sad.

"The atmosphere was sad," said Maamar Hamoude, who works for a local nonprofit organization, as he stood for a few minutes after the ceremony in this rundown suburb to dedicate a memorial. "It was a paying of respects to the young men who died, and in a certain way to all the young people here who have so little," he said.

Teenagers Bouna Traore and Zyed Benna, children of immigrants from Africa, were apparently fleeing from the police when they were electrocuted a year ago Friday after they took refuge in an electrical transforming station. Their deaths brought to the surface fury at France's failure to integrate minorities, primarily of African and Middle Eastern origins.

In the weeks of rioting that ensued, thousands of cars were set on fire and some shops looted. However, only one person died and a small number were injured.

Although there are 5 million Muslims in France, the majority from immigrant backgrounds, few have made their way into the country's elite. There are barely a handful of minorities in politics, just one junior minister from a minority background, and token numbers in France's top universities and its police force.

Most live in desolate concrete housing projects or dilapidated homes in suburbs an hour or more by bus or train from the large French cities where most jobs are. Unemployment is well above 20% and in some cases as high as 40%, according to French newspapers.

To prepare for the anniversary, the French Interior Ministry put 4,000 additional police on duty. A day earlier, Interior Minister Nicolas Sarkozy announced that police would also guard bus routes to ensure that drivers and passengers were safe.

Although the emotion often portrayed in the media has been anger, what was on display Friday at the memorial was communal mourning. Many people who came to the two-hour ceremony knew the boys who had died and said that the neighborhoods remained a tinderbox, with an underlying tone of hopelessness. Some of the suburbs' young people seem to believe that only through violence are they heard.

"I think last year's riots have helped us being seen by the rest of France," said Leyla, 18, a young woman who knew one of the boys who died. She did not give her last name.

By early evening Friday there were reports of two buses burned near here; in one case, armed men forced the driver and passengers off before setting it alight, according to witnesses.

"In the last year not a lot has changed," said Fariz, 17, who also did not give his last name. "We don't see much difference. Even if they say funds are being spent, the atmosphere is still tense."

Fariz, like many attending the memorial, wore a long white T-shirt with the names of the two boys who died and the words: "Dead For Nothing." Many refused to talk to reporters, simply shaking their heads.

The event began with a silent march from the border of Clichy-sous-Bois through the housing projects where the boys had lived and into the electrical station where they died and then to the college where the memorial was installed.

The mood was somber, the weather gray and damp. Though most of the marchers appeared young, there were older people as well — mothers wearing long African robes and elaborate head scarves; matrons in traditional Islamic hijab and ankle-length coats, their hair covered, speaking softly in Arabic; and older men in the skullcaps often worn by practicing Muslims.

Some speakers offered benedictions in French, some in Arabic — a signal of the divided identity of the community.

Julian, a 17-year-old who has hopes of becoming a film director, said that the government had to do more to improve the projects. "There are lots of promises about urban renovation, and I hope the government will keep its promises," he said. "There are buildings here where the elevators have not worked for years, and our parents pay taxes. The mood is the same as last year."

Clichy-sous-Bois Mayor Claude Dilain agreed. A strong defender of his town, he said that in the eyes of most residents, nothing had changed in the last year.

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At the same time, he added: "It would have been impossible to change things in a year…. I can explain to the Clichois that when the minister of Interior promises a local police station, he can't do it in a year. I can explain to the Clichois that when a tram is promised, it can't be done in a day.

"What I can't explain to them is the lack of political affirmation…. We expected the government to assert that it was no longer acceptable that 10% of the French population live in conditions that do not match Republican values," he said.

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Men Burn Buses In Paris Suburb (WT/AP)

By Elaine Ganley, Associated Press

The Washington Times, October 28, 2006

CLICHY-SOUS-BOIS, France -- Two public buses were torched in a Paris suburb yesterday, the anniversary of the two deaths that ignited weeks of riots in largely immigrant housing projects across France a year ago.

Both buses were burned in Blanc Mesnil, a northern Paris suburb near Clichy-sous-Bois, where last year's violence began, police said.

In the first attack, two armed men forced passengers off the bus before setting it alight, police said. No one was injured.

The second bus was set on fire shortly after.

Witness Thierry Ange, 19, said four hooded men stood in front of the bus, forcing it to stop. He said they pulled the driver out by his tie. He said one of the attackers hit a passenger and kicked her down the bus' steps.

The incidents were the latest in a series of bus burnings over the past few days.

Flaming cars became a symbol of three weeks of rampages last year, which jolted the nation into recognizing discontent among many minorities -- especially those of Arab and black African origin, and France's 5 million-strong Muslim population.

The outburst of anger at the accidental deaths of the two teens -- who were electrocuted in a power substation in Clichy-sous-Bois while hiding from police on Oct. 27, 2005 -- grew into a broader challenge of the French state.

Several hundred people marched silently yesterday through Clichy-sous-Bois, northeast of Paris, in honor of Zyed Benna and Bouna Traore. Zyed, 17, was buried in his father's native Tunisia. Bouna, 15, was of Mauritanian descent.

Adolescent boys in hooded sweat shirts made up a large part of the mixed-race crowd, their heads bent as prayers were read in Arabic and French.

Zyed and Bouna "became a symbol in the projects," said one of Bouna's cousins, Coulibaly.

"I don't see why the violence should recur. That will not solve the problems," she said.

A memorial to the youths was erected yesterday near City Hall, though the site where they died is adorned only with the graffiti and rubble that are the signature of it and similar neighborhoods.

Clichy-sous-Bois has no police station. Officers patrolling here come from outside and have no connection to residents.

Unemployment among the city's 28,000 residents is 23.5 percent -- the national average is 9 percent -- and is 32 percent for those between the ages of 15 and 24, according to the newspaper La Croix.

The police presence was discreet at yesterday's march, but police fanned out elsewhere to brace for possible nighttime violence, with 500 extra riot police assigned to Paris' poor neighborhoods for the anniversary.

Some 100 cars were torched nationwide overnight, half of them in the Paris region, police said. The figure was higher than usual -- police say between 30 and 50 cars are set on fire during an average week, though some weekends the figure jumps to 100. On the most fiery night of last year's riots, more than 1,400 cars went up in flames.

Attackers forced passengers off four buses before torching them in recent days. In response, Interior Minister Nicolas Sarkozy pledged to assign police to protect buses serving some Paris neighborhoods.

France's trouble integrating minorities and the recent unrest are becoming political priorities in the campaign for next year's presidential and parliamentary elections.

Instead of France's vaunted "egalite," or equality, many immigrants and their French-born children suffer police harassment, struggle to find work and live in cinder-block public housing mired in crime and poverty.

In First Month As Japan's Premier, Abe Veers To Center (NYT)

By Norimitsu Onishi

The New York Times, October 28, 2006

TOKYO, Oct. 27 — Shinzo Abe rose to become postwar Japan's youngest prime minister by hewing to a conservative, nationalist agenda. He stood tough against China and North Korea, and championed the right's touchstone causes on history.

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But in the month that he has been prime minister, Mr. Abe, 52, has made a beeline toward the center, reaching out to China and South Korea as this region confronted North Korea's recent nuclear test. He has made surprising, if grudging, admissions about Japan's militarist past, assuaging the regional tensions that emerged under his predecessor, Junichiro Koizumi.

It is too early to tell whether Mr. Abe's month in power is evidence of an innate pragmatism, or whether he is consolidating his power before pushing a more conservative agenda. But he has reassured voters in Japan and officials in Washington, won tentative praise from skeptics in China and South Korea and unsettled the Japanese right.

Mr. Abe has made back-to-back visits to China and South Korea. Both countries had refused to hold summit meetings with Japan because of Mr. Koizumi's annual pilgrimages to the Yasukuni Shrine, the Shinto memorial for Japan's war dead and war criminals, as well as a potent symbol of Japanese militarism in Asia.

Japan's deteriorating relations with China had government officials and policy makers in Asia and the United States worried. Both sides had reached an impasse, with Beijing saying it would not meet Mr. Koizumi unless he stopped visiting the shrine, and Mr. Koizumi insisting that he would not stop.

Mr. Abe, a longtime staunch defender of the visits, has now adopted a softer, ambiguous policy. Mr. Abe says he will neither confirm nor deny whether he has prayed at Yasukuni — while letting his aides inform the news media that he has, in fact, visited the shrine.

"His position on Yasukuni is a symbol of conceding to China and South Korea's demands," said Kim Ho-sup, an expert on Japanese-South Korean relations at Chung-Ang University in Seoul. "He seemed hawkish, but after he became prime minister, he handled relations with Asian neighbors and issues like Yasukuni more diplomatically than Koizumi."

"His visits to China and South Korea were very successful," Mr. Kim said.

Michael J. Green, who handled Asian affairs at the National Security Council until last December and is now at Georgetown University, said Mr. Abe has been "able to recast" Japan's relations with its neighbors away from Yasukuni.

"It was smart domestically because it reassured the center that he was able to deal with neighboring states," Mr. Green said. "It was smart internationally because it gave Japan leverage to deal with North Korea. It was smart with the United States because, even though the United States government wouldn't interfere on the history problem, the Japanese government could sense that there was growing unease in Washington about the state of relations between China and Japan."

Mr. Abe built a conservative base by leading efforts in Parliament to revise school textbooks, which the right argues dwell masochistically on Japan's militarist past, and by casting doubts on the validity of the postwar Tokyo trials that assigned guilt to Japan's wartime leaders. Starting in 2002, he rose to national stardom by being tough on North Korea and China.

But in the last month, Mr. Abe acknowledged that wartime leaders, including his grandfather, Nobusuke Kishi, had "great responsibility" for the war and its damages in Asia. Mr. Abe said he accepted two landmark statements made by Japanese governments in the 1990s, apologizing to the rest of Asia for Japan's imperialist past and recognizing the Japanese Army's role in drafting Asian women as wartime sex slaves, or "comfort women."

Hisahiko Okazaki, a former senior diplomat and a leading conservative commentator close to Mr. Abe, said the prime minister had not forsaken his conservative roots but was merely biding his time.

"Regarding policies toward the comfort women issue and other issues like that, he says they were established by previous governments, right?" Mr. Okazaki said. "Since previous governments set those policies, this government can naturally set its own policy. The current government hasn't done so yet. But I think he'll do it according to his convictions once he consolidates his power."

Mr. Abe's softening seems in keeping with a move to tamp down the nationalism of recent years. Last April, former Bush administration officials, including Mr. Green and James A. Kelley, a former assistant secretary of state for East Asian affairs, said at a conference in Tokyo that Yasukuni was giving Japan a black eye. Then J. Thomas Schieffer, the American ambassador to Japan, described as "very disturbing" the view of history presented at Yasukuni's museum — that Japan was tricked into war by the United States and occupied Asia to free it.

Now, Yasukuni officials said that they planned to change an exhibit that states that President Franklin D. Roosevelt forced Japan into war so that the United States could recover from the Great Depression. Taro Nagae, an adviser to Yasukuni and a retired senior researcher at the Defense Agency's National Institute for Defense Studies, said that the museum had planned to review all its exhibits this year, but acknowledged the effects of American unease over the museum.

"I had been feeling it for a while, and when comments by Armitage and Schieffer started appearing on television and in newspapers, I advised in July that we needed to hurry," Mr. Nagae said, referring to Richard L. Armitage, a former deputy secretary of state.

Asked whether the exhibit change was tied to Mr. Abe's administration, Mr. Nagae said: "If I said there was no relationship, I would be lying. There were opinions that we should start the work after the start of the Abe administration."

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Sri Lanka, Tamil Tigers Ready To Meet (LAT)

By Henry Chu, Times Staff Writer

The Los Angeles Times, October 28, 2006

The stakes are high but expectations are low as the foes prepare to talk peace again at a time of escalating violence.

COLOMBO, SRI LANKA — In what could be the last, best hope for averting all-out war, the government of this island nation and the rebel Tamil Tigers are due to sit down today for their first face-to-face talks in months over one of Asia's most intractable conflicts.

Both sides have been stung by heavy losses and international criticism in recent weeks, following a surge in combat that has left hundreds dead and thousands more refugees in their own country, forced to flee homes and livelihoods to avoid the crossfire.

In the charged atmosphere, no one is predicting that substantive advances will be made at the negotiating table. But so fierce has been the fighting that even getting the two longtime adversaries to meet today and Sunday in Geneva is being trumpeted as an achievement, and welcomed by residents desperate for a reprieve from the bloodletting.

"For the first round, we are happy that they're going at all," said Jehan Perera of the National Peace Council of Sri Lanka. "The best thing we can hope for is that they commit themselves to stop the violence."

The violence threatens to engulf this teardrop-shaped island, spilling over from the north and east, where the fighting had, until recently, mostly been confined and where the highly armed rebels want to establish an independent homeland for Sri Lanka's ethnic-minority Tamils.

Military checkpoints now ring this capital, in the southwest, amid fears of further attacks like the mine explosion that nearly killed the Pakistani ambassador two months ago. Last week, Tamil Tiger suicide bombers aboard fishing boats shocked the Sri Lankan navy by mounting an assault on a naval base at Galle, a southern port city popular with tourists and far from the traditional theater of war.

Under pressure

Both sides, their casualty counts spiraling since July, are licking their wounds. They are also under intense diplomatic pressure, much of it from major donor countries, to go back to a 2002 cease-fire deal rendered defunct since late last year, when fighting broke wide open again.

"You're getting peace talks because both sides want to communicate to the international community their willingness to negotiate," said analyst Paikiasothy Saravanamuttu, adding: "I would put the bar of expectations fairly low."

This week, Sri Lankan officials unveiled seven areas of discussion they want to pursue with the rebels, including human rights violations and the recruitment of children as fighters, a tactic for which the Tamil Tigers are notorious.

Also on the agenda are issues of economic development and greater autonomy in the north and east — tacit admission by the government that it has failed to address some fundamental grievances underlying discontent in those regions. Sri Lanka's Tamil population has complained for decades of discrimination and persecution at the hands of the majority Sinhalese, who dominate politics and the armed forces.

"It's a new approach," Keheliya Rambukwella, the chief government spokesman, said in an interview here.

"Our interest is how to give benefit to the Tamil community. We are not interested in pacifying the LTTE or any terrorist groups," he said, referring to the rebels, formally known as the Liberation Tigers of Tamil Eelam.

Bolstering the government's position is a new cooperation pact with the main Sinhalese opposition parties on resolving the conflict. The accord gives President Mahinda Rajapakse more flexibility by lessening his dependence on the hard-line right-wing parties that helped elevate him to power last year.

However, Rambukwella is modest about what measurable outcomes can emerge from the weekend talks, the first such tete-a-tete since February. Most likely, the government's seven points will have to wait for the future, he acknowledges; the best result to be expected in Switzerland is that both sides agree to talk again, and write down dates in their calendars.

"This time, you sit together and say hello," Rambukwella said.

The Tigers have not responded directly to the government's new plan. Their priority in Geneva, spokesman Daya Master said, will be on easing the growing humanitarian crisis on the Jaffna peninsula in the north, where choked-off roads have led to food shortages and other hardships.

A cessation of hostilities would be possible, he said, "if the Sri Lanka government is willing to stop the military operations." Most observers, however, blame the Tigers for breaching the 2002 truce and initiating the latest cycle of attack and counterattack.

Guerrilla leaders have warned that the Geneva talks represent the island's last chance for peace. Failure, they say, would mean a return to the full-throated civil war of old, in which about 65,000 people have been killed in the last 23 years.

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It is difficult to gauge whether such comments are merely bluster or brinkmanship. Many analysts believe that both sides are exhausted from fighting and that the negotiations provide a breather, if nothing else.

Sending a message

Until a few weeks ago, it appeared that the Sri Lankan military had gained the upper hand, wresting territory from the Tigers and inflicting major losses, possibly killing hundreds of guerrillas. Government forces scored notable successes in the east, around the strategically important port city of Trincomalee.

But a campaign in the north met with stiff resistance, forcing a government retreat. Then the rebels struck back, on land and sea, with suicide bombings. On Oct. 16, cars piled with explosives rammed into a navy bus convoy in central Sri Lanka, killing about 100 sailors. Two days later came the raid on the naval base at Galle, in which at least one sailor and 15 rebels died.

"That seemed to be a message from the LTTE, that 'we're evening the score,' " said Saravanamuttu, the analyst.

The hope is that the losses on both sides will be instructive rather than purely destructive.

"They've once again learned that there is no military solution to this conflict," said Swedish Maj. Gen. Ulf Henricsson, the former head of the Scandinavian cease-fire monitoring team in Sri Lanka. "The last three months of more or less war fighting showed them that … the achievements on both sides are very limited and the number of killed on both sides is very high."

An estimated 1,000 people have lost their lives since July. All told, after clashes began erupting late last year, about 2,000 deaths have been reported, half of them civilian. Accusations of abuse by both sides abound.

Whether the respite provided by the peace talks turns out to be lasting or simply the lull before a bigger storm remains to be seen.

Nor is it clear how durable the political rapprochement between the government and opposition parties will prove. The Tigers have long contended that negotiating with a fractious, divided Sri Lankan political establishment was futile, an argument that Rambukwella, the government spokesman, admitted had "a validity" to it.

The newly united front now "needs to yield results. It will be judged on the ability to produce peace and a political negotiated settlement," Saravanamuttu said.

Optimism does not come easily here after countless attempts at a peace process and countless failures. What seemed like a historic chance after the cease-fire agreement four years ago has nearly drained away within a matter of months.

"Both sides are hurting…. The military solution has not worked out as both of them thought," said Perera of the National Peace Council.

"Maybe there is enough pragmatism on both sides that they realize they have to do something — people are suffering," he said. "It's true, they don't trust each other. But they have to work something out."

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Sri Lankan Government And Tamil Tigers To Meet (NYT)

By Shimali Senanayake

The New York Times, October 28, 2006

COLOMBO, Sri Lanka, Oct. 27 — The two sides in the long, bloody Sri Lankan conflict are due to meet in Geneva this weekend, for the first time since a suicide bombing killed 98 people two weeks ago, the deadliest incident in the conflict in more than four years.

In a crucial test of credibility, negotiators for the Sri Lankan government and the separatist Tamil rebels will try to salvage a frayed 2002 ceasefire and the fitful talks since then to end the bloodshed in this country.

Though both sides promised anew in February, when they last met, to abode by the 2002 truce, the violence has mounted since then, and the conflict has now claimed more than 2,500 lives this year alone. A meeting was to have been held in June in Oslo, and both sides sent representatives, but the Tamil Tigers ultimately decided not to take part.

No one expects major breakthroughs in the two days of talks scheduled in Geneva. “Expectations must not be exaggerated,” Erik Solheim, the international development minister of Norway, who is facilitating the talks, said today in a telephone interview from Geneva. “Most important is that the parties agree to meet again, and that talks have some calming effect on the violence.”

Diplomats and political analysts interviewed in Sri Lanka said that the best that can be expected is an agreement to hold more talks, and perhaps an agenda of what to talk about.

In private, some of them concede that the warring parties appear to have little or no interest in peace talks, and are attending them only as a sop to mounting international pressure.

The government has been criticized for a conducting chilling wave of abductions and extrajudicial killings and for making it hard for humanitarian agencies to gain access to some of the hardest hit parts of the country. For their part, the Tamil Tigers

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have been added to the European Union's list of banned terrorist organizations, potentially crimping the group's ability to raise funds among the Tamil diaspora in Europe.

As for what to discuss in Geneva, the two sides appear to have vastly different priorities. The government wants to discuss political solutions to the conflict, and plans to bring up issues like the rebels' use of child soldiers. The rebels say the talks should focus on humanitarian issues, on the tattered cease-fire agreement and on opening a highway that links the Tamil-controlled north with the rest of the country.

"If the parties can exchange views, discuss the present situation and set dates for at least two more meetings, then these talks can be deemed a success," said Jon Hanssen-Bauer, Norway's special peace envoy.

The 2002 ceasefire hardly now exists, except on paper. In the incident two weeks ago, a suspected Tamil rebel rammed a truck packed with explosives into a convoy of Navy vehicles, killing scores of sailors as well as civilian bystanders. Two days later, using explosive-filled boats, rebels mounted a water-borne suicide attack on a naval base and harbor in a popular tourist area, extending the latest upsurge in violence into a previously calm part of the south that is dominated by the ethnic Sinhalese majority.

The Geneva talks follow a recent agreement between the ruling and opposition parties in Sri Lanka to negotiate a consensus policy on ending the ethnic conflict. That may remove one reason the Tamil Tigers have put forward for resisting a permanent peace deal: that political wrangling among the Sinhalese parties made it impossible for the government to implement one.

But the talks are also overshadowed by a Supreme Court ruling blocking one of the Tamil rebels' chief demands, that the island's northern and eastern regions, which they consider the historic Tamil homeland, be administered as a single entity. The court ruled last week that a proposed merger of the two regions was unconstitutional.

Crucial Sri Lanka Peace Talks Due (BBC)

BBC.com, October 28, 2006

Violence has soared over recent months Sri Lanka's government and Tamil Tiger rebels start talks in Geneva on Saturday in an effort to avert a slide back into war.

Violence between the two sides has soared - since July 372 security force members, 128 civilians and many rebels have died, the government says.

Correspondents say expectations from the talks are close to zero.

The best scenario, many believe, is that the two sides agree on another date for another round of negotiations.

On the eve of the talks, the rebels said the road linking northern Jaffna peninsula with the rest of the country should be opened to facilitate further negotiations.

Spokesman Daya Master told the Associated Press news agency that the rebels would not agree to any future meetings with the government if the demand was not met.

The road leading to the government-controlled city of Jaffna was closed in early August after fierce fighting broke out between the two sides.

The BBC's Dumeetha Luthra in Colombo says if talks fail diplomats believe it is almost inevitable that Sri Lanka will return to all-out war.

Pressure

Seasoned observers say neither party is sincere in wanting to resume negotiations and that the Geneva meeting is essentially a result of intense international pressure.

The last round of discussions was in Geneva in February. Two subsequent attempts at talks failed, most recently in June.

Since then the international landscape has changed significantly for both sides, our correspondent says.

The rebels have been blacklisted as a terrorist organisation by the European Union and Canada.

The government, meanwhile, is concerned about losing its international credibility.

Both parties have been criticised for human rights abuses, while, on the military front, both have suffered reversals of fortune.

U.N. To Limit The Role Of Its Envoy Expelled By Sudan (NYT)

By Daniel B. Schneider

The New York Times, October 28, 2006

UNITED NATIONS, Oct. 27 — Jan Pronk, a United Nations special envoy who was expelled from Sudan this week, will continue to hold his office until his contract expires at the end of the year, but his role is expected to be mainly symbolic.

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The United Nations announced Friday that it planned to send Mr. Pronk back to Khartoum, but only to organize a transfer to Taye Zerihoun, the officer in charge of the United Nations mission in Sudan. He will then return to New York to finish out his term, according to Stéphane Dujarric, the spokesman for Secretary General Kofi Annan.

"The secretary general has made it clear that he alone can decide on the tenure of his special representatives," Mr. Dujarric said. "However, he also realizes that at a critical time in the Darfur negotiations, it is important that we preserve a good working relationship with the government of Sudan, and he is certain that the officer in charge, Taye Zerihoun, will be able to provide this."

Mr. Dujarric said the United Nations did not expect the Sudanese government to reject the compromise.

Only hours after the announcement, however, Abdalmahmood Abdalhaleem Mohamad, Sudan's representative at the United Nations, said his government would not sanction Mr. Pronk's return.

Mr. Pronk, a former Dutch cabinet minister known for his candor, was ordered out of Sudan on Sunday after he reported on his personal blog that a demoralized Sudanese Army had suffered major defeats in fighting against rebels in the Darfur region of the country.

He also said the military had continued to arm Arab militias responsible for atrocities against civilians, despite commitments to end the practice.

Mr. Pronk, who has held his position for two years and had already announced that he would not seek an extension, returned here on Thursday for a meeting with Mr. Annan. As they met, Mr. Mohamad told reporters that Mr. Pronk "became part of the problem, not the solution."

Some United Nations representatives have been dismayed that a high-ranking representative would post sensitive information on the Web.

On Friday, Mr. Dujarric said United Nations staff guidelines on publications and speeches would be updated to address the issue of blogs.

"The fact that they do not include the word 'blog' does not mean we don't expect our senior officials to use proper judgment," he said.

Mr. Pronk has maintained that the information on his Web site was already available in newspapers published in Sudan.

Misery Churns In Eastern Sudan, Away From Spotlight (NYT)

By Jeffrey Gettleman

The New York Times, October 28, 2006

TOGLEY, Sudan — Ali Hamid Ahmed used to be the elder of a village full of green fields and thousands of goats.

But a little-known war between the government and a spreading rebel force drove his people from their homes to a camp at the far eastern edge of Sudan, where the horizon is paper-flat and the land is about as fertile as a sandbox.

The people here are battered by the sun, the wind and the sand; the tribal scars cut into Mr. Ahmed's face when he was a little boy are constantly creased with dust. Mr. Ahmed's people still call him "the chairman," but out here, Mr. Ahmed says, he is the chairman of nothing.

"We have no animals," he said. "All we have is dirt."

It is a scene of desolation and despair in a country with much of both. But what is different about the crisis in eastern Sudan is that few outside organizations are paying attention. While there are an estimated 25,000 aid workers in Darfur, the war-ravaged region on the other side of the country that has become the focus of a ceaseless flurry of diplomatic activity, here in Togley there are not even plastic tarps for the huts.

Eastern Sudan is forgotten Sudan, an intriguing, isolated, sun-blasted corner of the country where a conservative culture and a slow-burning war have conspired to keep the people mired in neglect despite the area's port and oil riches.

The war may finally be over — eastern rebels who had been fighting for a greater share of the country's resources reached an agreement with the government on Oct. 14 to lay down their weapons in exchange for political representation and a share of the nation's oil money.

But the neglect will take years to reverse. Eastern Sudan, which encompasses roughly 180,000 square miles and nearly four million people, is the poorest part of the country, with the highest infant mortality rate and a per capita income in some areas of 25 cents a day, a small fraction of the national average.

In remote villages, most women cannot even write their own names, partly because of a strict Muslim culture that forbids education for girls and confines them to their homes.

"These women have nothing to do but sit around and drink coffee and scar themselves," said Niyal Mohammed al-Haj, a teacher in Kasala, one of the biggest towns in the east. "Girls don't go to school; boys drop out, and nobody cares."

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One of the reasons that the east has largely gone unnoticed is that the scale of fighting could never compete with the conflicts in Darfur or southern Sudan. The fighting here is thought to have claimed between 2,000 and 5,000 lives in the last 10 years, compared with hundreds of thousands in Darfur and the south.

Yet, the east is increasingly vital to the nation, home to gold mines and the country's major oil pipeline and port. As the troubles intensified in Darfur, Sudan's leaders in Khartoum, the capital, could hardly afford to fight another escalating rebellion.

"Khartoum was facing so much pressure on other fronts, it had to put out this fire," said Ahmed el-Amin Terik, an adviser to the state governor here in Togley. "It wasn't like the eastern rebels were so much of a threat. But even a mosquito doesn't let you sleep."

The eastern rebels do not appreciate being likened to mosquitoes. Most are Beja herdsmen, a proud and traditional group, who strut around in white robes and dusty waistcoats with three-foot-long sabers tucked into their belts. They waged hit-and-run attacks against government soldiers from the backs of their camels. Some are already grumbling about getting a raw deal in the peace effort.

The Beja leadership wanted regional autonomy but instead was given nominal positions in the central government.

The Beja also pushed for a bigger cut of Sudan's growing wealth, which is driven by oil exports, and asked for one dollar for every barrel shipped from Port Sudan, which would amount to around $150 million each year. Instead, the Sudanese government set up a $600 million eastern development fund, a substantial commitment, but one that is guaranteed only for a few years.

These issues are similar to what set off the bloodshed in Darfur and the south, where long-marginalized regional ethnic groups have taken up arms against the ruling group of Arab Sudanese in Khartoum. Critics of the central government say the three separate peace deals that have been reached — for the south in 2005, for Darfur this spring and now for the east — are not only shaky, but may encourage wider unrest.

"The message seems to be, if you want more development, you need to pick up arms," said Abda Yahia el-Mahdi, a former finance minister now in private consulting.

When it came time to sign the eastern peace deal at a ceremony in Asmara, the capital of Eritrea, just east of Sudan, Omar Hassan al-Bashir, the Sudanese president, showed up in Beja dress.

"It was ridiculous," said Hashim Hangag, a spokesman for the Beja Congress political party. "Here was a guy who has never stood with the Beja, pretending to be one of us."

Beja political frustrations have been percolating since the 1950s. The central government dammed their rivers and took their grazing land, while delivering few schools, hospitals or roads. The Beja have always been among the poorest and least educated people in Sudan, marooned in an arid, thinly populated area rife with tuberculosis and malaria, and they hardly had the means to fight back.

In the 1990s, that changed. Sudan's government tried to undermine the Eritrean government by arming Islamic fighters who were waging a holy war against it. Eritrea, in return, began arming the Beja.

Rebels from other tribes and other parts of Sudan flooded into Beja territory and opened a new front against the government, an eastern front — and the alliance eventually took that name. One misimpression of Sudan's rebel movements is that they are isolated to one area and fighting to secede. Many, however, including Darfur's rebel groups, have national ambitions and dream not of carving out their own piece of territory but of overthrowing the Arab-led government.

The fighting displaced thousands of people, including 3,000 now in Togley, who drifted from village to village until all their animals died, and then settled on a chunk of land so dry and fruitless that nobody else wanted it.

A turning point came on Jan. 29, 2005, when government troops in Port Sudan killed 25 unarmed Beja men who were protesting what they called a legacy of exclusion. That drove hundreds more into the ranks of the Eastern Front, and the central government began to fear another Darfur.

Serious peace negotiations started this year, culminating in the October agreement.

Several Beja rebels said they had been pressed to accept a less than satisfying deal because the Eritrean government, which had allowed them to operate out of camps along its border, was eager to normalize relations with Sudan and gave them little choice.

The government and some Beja leaders say that peace will bring desperately needed investment, and with the area safe, more foreign aid will flow in. Right now, just a handful of aid organizations operate here, mostly distributing food.

Mr. Ahmed, the chairman of Togley, hopes to lead his people back to their village, but there are literally minefields between here and there. "I know Darfur has problems," Mr. Ahmed said. "But what about us?"

Kidnapping And Turmoil Ahead Of Congo Vote (NYT)

By Jeffrey Gettleman

The New York Times, October 28, 2006

KINSHASA, Congo, Oct. 27 — United Nations forces plunged into Congo's election-related violence again on Friday, this time rescuing a politician who had been kidnapped by rivals.

The day before, several people were killed at a prison riot in Kinshasa, the capital, after a band of political prisoners escaped.

All across Kinshasa, United Nations troops are hunkered down behind sandbags or prowling the garbage-strewn streets in armored personnel carriers bristling with machine guns and water cannons.

This is the increasingly edgy atmosphere in the prelude to the runoff presidential election scheduled for Sunday. The United Nations has spent $500 million on the voting, saying that peace in Congo is crucial for peace in all of central Africa.

The incumbent president, Joseph Kabila, is favored to win, but his rival, Jean-Pierre Bemba, a businessman and rebel leader accused of war crimes, remains enormously popular in the capital. It is Mr. Bemba's supporters, legions of young, broke men, who are blamed for much of the violence.

In July, a few days before the first round of voting, Mr. Bemba's supporters burned a policeman to death at a rally. In August, Mr. Bemba's soldiers tangled with Mr. Kabila's troops in a downtown shootout that killed more than 20 people.

This week, Mr. Bemba's soldiers captured Nzanga Mobutu, the son of the former dictator Mobutu Sese Seko. On Thursday, Mr. Mobutu had been campaigning for Mr. Kabila in Gbadolite, a town in the west where support for Mr. Bemba is strong. When Mr. Mobutu and a contingent of armed guards showed up at a radio station owned by Mr. Bemba, a gun battle erupted, killing four people. Mr. Mobutu was not hurt, and after negotiations between the United Nations and Mr. Bemba's supporters on Friday morning, he was driven away in a United Nations tank.

Both camps accuse each other of intimidating voters. "Bemba's guys are determined to burn this country," said Kikaya bin Karubi, one of Mr. Kabila's top aides.

Mr. Bemba's supporters deny that.

"Don't believe anything Kabila's men tell you," said Oscar Kashala, an American-educated doctor who ran for president in July, lost and is now supporting Mr. Bemba. "Congolese politics have always had the color of deceit."

The country has had a dismal political history. King Leopold II of Belgium colonized it in the late 19th century to extract as much rubber and ivory as possible. His overseers were notorious for their use of the chicotte, a hippopotamus-hide whip that they cracked over Congolese backs.

That ended in 1960, when Belgium abruptly pulled out and granted Congo independence. A few years later, Mobutu Sese Seko, a young army colonel, seized power and soon metastasized into the caricature of an African dictator, building palaces and guzzling pink Champagne while his people starved. When Western support dried up, his power faded, and a former Marxist, Laurent D. Kabila, deposed Mr. Mobutu in 1997, leading to years of conflict. The fighting and chaos claimed countless lives — the International Rescue Committee estimated nearly four million.

It was only after Laurent Kabila was assassinated in 2001 and Joseph, his eldest son, took over, that the bloodshed lessened. Mr. Kabila forged a shaky peace with Congo's other warlords, including Mr. Bemba, who was named one of the country's four vice presidents.

Mr. Kabila, 35, spent much of his youth in Tanzania and trained as an army officer in China. Mr. Bemba, 44, is from one of the richest families in the country and was shipped off to Belgium for boarding school as a boy. He later went into business and then became a militia leader, and international human rights groups have accused him of encouraging his troops to brutalize civilians.

In the first round of voting, Mr. Kabila won overwhelmingly in the east, while Mr. Bemba did well in Kinshasa and the west. Mr. Kabila won 45 percent of the vote, compared with Mr. Bemba's 20 percent. International observers said the vote was mostly fair, though marred by logistical hiccups, standard fare in a country the size of western Europe with 60 million people and only 300 miles of paved roads.

Mobutu's Abduction Heightens Congo Election Tension (AP)

AP, October 27, 2006

KINSHASA, Congo (AP) -- An ally of Congo's president was on Friday evacuated from a town where he was held captive overnight by forces loyal to the opposition.

Nzanga Mobutu, son of late dictator Mobutu Sese Seko, had traveled Thursday to the northern town of Gbadolite to campaign for President Joseph Kabila. Clashes broke out between Mobutu's bodyguards and troops loyal to challenger Jean-Pierre Bemba.

A U.N.-supported radio station reported four people died in the violence.

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Bemba's forces captured Mobutu and kept him holed up overnight in a Bemba-owned radio station, U.N. spokesman Jean-Tobie Okala said.

"This morning they agreed to release him," Okala said Friday.

A U.N. tank picked Mobutu up from the radio station and took him to the airport, where he was flown back to the capital, Kinshasa, Okala said.

The incident increased tensions ahead of Sunday's runoff. Voters will choose the mineral-rich central African nation's first democratically elected leader in four decades.

Friday marked the last official day of campaigning, and caravans of Congolese shouting support for their candidates swept through Kinshasa.

Several demonstrators were injured in scuffles that broke out between rival marchers near the city's airport.

Bemba, an ex-rebel leader who is now one of the country's four vice presidents, canceled a rally planned for the day citing security concerns.

On Thursday at least two prisoners were killed in a riot in Kinshasa after authorities tightened restrictions following the escape of a dozen inmates convicted of involvement in the assassination of Kabila's father, President Laurent Kabila.

The runoff was required after no candidate won a simple majority during the first round July 30. Kabila finished with 45 percent, and Bemba was second with 20 percent.

In August, as first-round results trickled in showing Kabila with a firm lead, street battles erupted in Kinshasa between Kabila's troops and Bemba's guards that shook the city and lasted three days. The two sides battled with automatic weapons, heavy guns and tanks. At least 23 people died.

Bemba, 44, once ruled a vast patch of territory in northeastern Congo. He was backed by neighboring Uganda during Congo's 1998-2002 civil war, which drew in the armies of more than half a dozen African nations.

Kabila signed a peace deal with Bemba and other rebels that ended the fighting and reunited the country, and gave rebel leaders top jobs in a transitional government set up in 2003.

U.N. Study: Foreign Troops In Somalia Raise War Risk (WP/AP)

The Washington Post, October 28, 2006

NAIROBI, Oct. 27 -- Thousands of Ethiopian and Eritrean troops are in Somalia, backing opposing sides in the struggle for control of the country, according to a confidential U.N. paper. The involvement of the two rivals could set the stage for a regional war.

The U.N. report, dated Oct. 26, cites diplomatic sources in estimating that "between 6,000 and 8,000 Ethiopians and 2,000 fully equipped Eritrean troops are now inside Somalia supporting" the internationally recognized transitional government and the group known as the Council of Islamic Courts, respectively.

"Both sides in the Somali conflict are reported to have major outside backers -- the government supported by Ethiopia, Uganda and Yemen; the Islamic courts receiving aid from Iran, Libya, Saudi Arabia and Gulf States," the report added.

The transitional government and the Council of Islamic Courts have been girding for battle for weeks. Government forces have dug trenches near the western town of Baidoa, the only town the U.N.-backed government controls. The Islamic group has deployed forces at a strategic town between Baidoa and its headquarters in the Somali capital, Mogadishu.

Since taking Mogadishu in June, the Islamic fighters have extended their hold over much of southern Somalia.

Ethiopian officials have said they have only a few hundred military advisers assisting the government. The Somali transitional government has accused Eritrea of arming and supporting the Islamic group, a charge Eritrean and Islamic officials have denied.

The paper was written to help U.N. officials map a strategy on aid to Somalia, a severely impoverished country that has not had an effective central government since 1991.

Ethiopia and Eritrea fought a two-year border war that left tens of thousands of people dead and remains unresolved.

Foreign Troops Set Stage For War (WT/AP)

By Chris Tomlinson, Associated Press

The Washington Times, October 28, 2006

NAIROBI, Kenya -- Thousands of Ethiopian and Eritrean troops are in Somalia backing opposing sides in the struggle for control of the strategic country, according to a confidential U.N. briefing paper. The involvement of the two Horn of Africa rivals could set the stage for a regional war.

Islamic radicals, said by the United Nations to be backed by Eritrea, held rallies in several Somali cities calling for a holy war on Ethiopia and the internationally backed Somali government it supports.

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The U.N. report dated Oct. 26 and obtained yesterday, cites diplomatic sources in estimating that "between 6,000-8,000 Ethiopians and 2,000 fully equipped Eritrean troops are now inside Somalia supporting" the internationally recognized government and the Islamic group known as the Council of Islamic Courts, respectively.

"Both sides in the Somali conflict are reported to have major outside backers -- the government supported by Ethiopia, Uganda and Yemen; the Islamic courts receiving aid from Iran, Libya, Saudi Arabia and [Persian] Gulf states," the report added.

The transitional government and the Council of Islamic Courts have been girding for battle in recent weeks. Government forces, supported by Ethiopian military advisers, have been seen digging trenches near Baidoa, the only town the U.N.-backed government controls.

The Islamic courts have deployed forces at a strategic town between Baidoa and their headquarters in the Somali capital, Mogadishu, 150 miles to the southeast.

The military moves could be mere posturing ahead of peace talks scheduled for next week in Khartoum, Sudan, but most observers are pessimistic about the chances for an agreement and fear major fighting could follow if talks fail.

"Clearly the situation is rapidly deteriorating and an all-out war is possible," the report said.

Ethiopia and Eritrea fought a two-year border war that remains unresolved. The top U.S. diplomat to Africa, Jendayi Frazer, last week accused Eritrea of using Somalia to open a second front against Ethiopia.

In Washington on Thursday, State Department spokesman Sean McCormack called on Ethiopia and Eritrea not to further aggravate the situation.

"There are tensions between Ethiopia and Eritrea even removing Somalia from the equation. When you add Somalia into the equation, each of Ethiopia and Eritrea's various perceived equities with the various groups in Somalia, then it becomes very complex, a complex situation," he said.

The briefing paper was written to help senior U.N. officials map a strategy of how to provide aid to one of the most impoverished countries in the world, one that has not had an effective central government since 1991.

Geostrategy: China Strengthens Its Ties To Africa (WSJ)

By Shai Oster

The Wall Street Journal, October 28, 2006

Anyone wanting to find an African leader this coming week will need to book a ticket to Beijing.

The heads of all but five of the continent's 53 countries will descend on the Chinese capital for the biggest gathering of foreign leaders Beijing has ever hosted. The three-day summit will highlight a mushrooming trade relationship between the world's most populous country and its second-biggest continent that is stirring angst among some in Washington.

China's leadership is rolling out an enormous welcome for its African guests that hints at Beijing's grand ambitions for the relationship. The airport expressway flutters with hundreds of welcoming flags; billboards across the city have been covered with messages attesting to Sino-African friendship; and television stations are running specials on Africa tourism.

China's modern presence in Africa dates to the Cold War, when it sought to form "anti-imperialist" alliances there to block the U.S. and its allies. In recent years, the focus has changed to acquiring natural resources to fuel China's galloping economy. African oil currently accounts for a third of China's oil imports -- an amount that is likely to increase, as China is expected to become even more heavily reliant on foreign oil sources.

But China's trade relationship with Africa now goes well beyond oil and other natural resources. Africa also offers a largely untapped and underserved market for Chinese companies as they take steps toward becoming global players. Huawei Technologies Co., for example, China's leading telecommunications-equipment maker, has done a thriving business in Africa even as the company has struggled to penetrate more-developed markets.

China's total trade with Africa has ballooned to about $40 billion last year from $10 billion in 2000. Two-way trade rose 30% last year -- faster than China's overall foreign trade -- and Chinese officials expect it to increase at least 25% this year, to more than $50 billion. China now ranks as Africa's third-largest trading partner, behind the U.S. and France.

In Nigeria, Sudan, Angola and elsewhere, Beijing is seen as a more hands-off alternative to the West, which is increasingly imposing stringent environmental and social conditions on aid to African nations. World Bank President Paul Wolfowitz has publicly complained that Chinese banks ignore human-rights and environmental standards when lending in Africa.

But as the gala summit will demonstrate, China shows no sign of wanting to slow its burgeoning rapport with Africa. From Beijing's perspective, it can't afford to -- especially when it comes to oil. "China's options are limited," said Zhang Zhongxiang, a senior fellow at the East-West Center in Hawaii. "As a late entrant to the international oil game, China has little choice but to strike deals with what the U.S. and others call rogue states to secure oil supplies."

Lithuanians Are Given A Taste Of How Russia Plays The Oil Game (NYT)

DOJ_NMG_0088736

By Andrew E. Kramer

The New York Times, October 28, 2006

MOSCOW, Oct. 27 — The Russian government has never been straightforward about its plans to take control of the oil and gas business.

So, Lithuanians were suspicious when Russia said it shut its pipeline — the only one supplying Russian crude oil — in late July because of a leak.

In fact, it was not so much the pipeline the Russians were concerned about, according to Lithuanian officials, analysts and company executives. It was what the pipeline was connected to: Lithuania's sole refinery.

And because Russia often gets what it wants, it may not matter that the Lithuanian government had signed an agreement in June to sell the refinery to a Polish company, PKN Orlen, for much more than Russia had offered.

"The goal was to force Lithuania to reconsider the sale," Tomas Janeliunas, deputy director of the Center for Strategic Studies who has followed the sale closely, said in an interview. "They wanted a Russian company to buy the refinery, but for cheaper than a market price."

Lithuania's brush with Kremlin oil politics, critics of Russian business practices say, is a case study of what Vice President Dick Cheney called Moscow's use of energy exports as "tools for intimidation and blackmail" in relations with its neighbors.

That characterization angered Russian officials, who say they are being discriminated against in the business world as many Russian companies expand their operations into Europe.

"What is all the hysteria about?" President Vladimir V. Putin asked at a meeting with German business executives recently, the Interfax news agency reported. "We cannot understand why the media is nervous about Russia's possible investments in Germany."

Russian companies, their accounts padded by high commodity prices, are on a buying spree overseas. A steel mill in Michigan, a pipeline in Germany and a mine in Australia have recently been sold to the Russian companies Severstal, Gazprom and Rusal, respectively.

In Lithuania, the government and Yukos, a company very much out of favor with the Kremlin, were trying to sell the Mazeikiu Nafta refinery in Lithuania in a sale organized by Lehman Brothers of New York.

Four companies bid: two from Russia, one from Kazakhstan and one from Poland. The Russian companies, Lukoil and TNK-BP, lost after entering bids lower than the others. When asked to match the competing prices, the Russians declined, Nerijus Eidukevicius, chairman of the board of Mazeikiu refinery, said in an interview in Vilnius.

In June, PKN Orlen won the refinery with a bid of $1.49 billion for Yukos's 53.7 percent stake and $850 million for the 30.6 percent owned by the Lithuanian government.

"They weren't showing interest," Mr. Eidukevicius said of the Russian companies. "It was strange."

In fact, analysts say, the Russian government was pursuing strategies to win the refinery for a Russian company outside the sale process — and at a knockdown price.

At the time of the sale, Yukos was heading into a politically tinged bankruptcy proceeding in Russia. Rosneft, the state oil company, whose chairman, Igor I. Sechin, is a former KGB agent and Mr. Putin's chief of staff, had already acquired most of Yukos in a forced auction in 2004, and had its sights on the rest.

To get to the front of the line for Yukos assets, Rosneft signed a confidential agreement with Western creditor banks in December 2005 to assume Yukos's debt if the banks forced that company into liquidation, which happened in March. This made Rosneft a creditor in the bankruptcy filing.

The Russian bankruptcy receiver representing Rosneft's claim, Eduard Rebgun, then sued in the federal Bankruptcy Court in New York and in the Netherlands to block the refinery sale, but lost both cases. That ended the legal attempts to win title to the refinery outside the sale run by Lehman Brothers.

In what Yukos executives say was a sign of the deep displeasure of the Russian government at these rulings, Russian prosecutors opened criminal fraud investigations against four Yukos executives. The announcement of these investigations came less than an hour after the decision in Amsterdam on Aug. 17.

The former chief executive of Yukos, Steven M. Theede, an American, called the Russian criminal case against him a "vendetta" that reflected the depth of frustration of Russian authorities at the collapse of their six-month effort to buy the Lithuanian refinery and other smaller Yukos assets in Slovakia and Switzerland.

"When anybody stops them from doing anything it makes them angry," Mr. Theede said.

Russia, meanwhile, suffered a setback of a different nature inside Lithuania, political analysts in that country say.

In the midst of the sale process, a pro-Russian politician in the Lithuanian government whose ministry was responsible for overseeing the refinery sale was ousted in a campaign finance scandal. The minister, Viktor Uspaskich, fled to Moscow and is now wanted by Interpol.

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The Russian government invited his replacement, Kestutis Dauksys, to a Kremlin meeting on May 23 with Dmitri A. Medvedev, a Russian deputy prime minister, according to Mr. Dauksys. The message, he said, was that the Russians truly wanted the refinery.

"He said the Russian government was interested in who buys Mazeikiu Nafta," Mr. Dauksys recalled in a telephone interview. "He said Russian companies are interested in buying it."

"They thought they could buy it at low cost, but that is not possible today," Mr. Dauksys said of the Russians. He returned to Vilnius.

Aleksandr Temerko, a former vice president of Yukos, said the company interpreted Mr. Dauksys's account of the meeting as a threat to Mazeikiu's Russian-controlled oil supply through the Druzhba pipeline.

The refinery immediately retooled for tanker oil, a decision that proved prescient; the first shipment arrived a week before the pipeline was shut.

The sales contract with PKN Orlen had an escape clause if the market value of the refinery dropped significantly before the sale closed. Lithuanian analysts and politicians said that forcing PKN Orlen to exercise this escape clause, thus reopening the sale for Russian companies, was one motive for the pipeline shutdown.

Then, on Oct. 12, a fire at the Mazeikiu refinery caused about $75 million in damage and lost profit for 2006, according to the Lithuanian government and the Fitch credit rating agency. The fire is expected to reduce output by 50 percent until early next year. While arson has not been ruled out, the Lithuanian news media have reported that the likely cause was a petroleum leak. A formal ruling is expected in November.

PKN Orlen, in a statement shortly after the fire, said it would discuss with its lenders whether the sale could go forward.

With his country's largest asset tied up in business negotiations, Russian style, Lithuania's president has hinted at possible reciprocation in kind.

President Valdas Adamkus suggested on Aug. 19 that the only Russian railroad supplying the Kaliningrad region, which passes through Lithuania, could be shut for what the Lithuanian news media called "political repairs."

"We should guarantee the safety of trains and passengers," Mr. Adamkus said, according to the Baltic News Service. "Should repairs be needed in order to increase the safety of railway services, I see no reason to heat up political tensions."

Backsliding In Europe (WP)

The Washington Post, October 28, 2006

Democracies take time to mature, even inside the European Union.

HUNGARY'S commemoration of the 50th anniversary of a failed revolution against communist rule this week degenerated into rioting -- another signal that the democracy that now governs that Central European country is far from healthy. The Socialist prime minister has been under siege from the streets since he was caught admitting that his party lied "morning, noon and night" to win reelection in June. His right-wing opposition has been soft on the racists and extreme nationalists who are at the forefront of the disturbances.

The worse news is that Hungarian politics look pretty good compared with most of the other formerly communist countries of Central Europe. Slovakia, which a year ago was being lionized for its cutting-edge free-market policies, now is governed by a coalition of populists, authoritarians and racists who promise to dismantle the reforms. Poland's government is dominated by twin brothers serving as president and prime minister; their most notable acts have been insults to neighboring Germany and an assault on the independence of the country's central bank. The Czech Republic has had no real government at all since a deadlocked election five months ago. Bulgaria's president finds himself in a runoff election for a new term this weekend with a challenger known for insulting Muslims and Gypsies.

This dismal political picture is creating considerable unease in the European Union, which opened its doors to Poland, Hungary, Slovakia, the Czech Republic and four other former Communist states in 2004 and is due to admit Bulgaria and Romania in January. Some are wondering whether the nationalists and racists now on the fringes of several Central European governments could end up leading them in the future, rupturing the European Union's fundamental commitments to human rights. Others fret that repairing the union's frayed institutions after the rejection of a proposed constitution last year will be impossible with such unattractive and unstable partners -- and that any hope of further E.U. expansion will be lost.

In fact, the gloom seems overstated. Despite the political malaise, Central European countries are flourishingly economically, and their abundant workers and hungry entrepreneurs promise to revive Europe as a whole. The rise of populist and nationalist parties is in part a reaction to years of enforced consensus under previous governments that were trying to meet the European Union's myriad entry criteria. Once the finish line was crossed, a backlash against blending into a single transnational superstate was inevitable. The pendulum will swing back as the populists stumble.

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As Russia grows ever more aggressive toward its neighbors, the former Soviet satellites will probably respond by burrowing more deeply into the European Union and NATO. It may be satisfying for Polish nationalists to pretend that Germany is an antagonist or for Hungarians to try equating their current Socialist leaders with the Stalinists of 1956. Yet after 45 years of bitter experience under despotism, Central Europeans won't quickly abandon Western-style democracy or its alliances.

Africa Over A Barrel (WP)

By Abdoulaye Wade

The Washington Post, October 28, 2006

DAKAR, Senegal -- Although gasoline prices have dropped recently in the United States, many Americans continue to worry about the toll of oil dependence at the gas pump and on the U.S. economy. As an African, I feel their pain -- and then some. While the price of a barrel of crude has recently dipped below $60, oil still costs twice as much as it did three years ago -- and experts fully expect the price to climb higher.

President Bush, a one-time oilman, has warned Americans about the danger of a country's being "addicted to oil." Yet the toll of oil dependence in the United States pales beside the pain that soaring oil prices cause in Africa.

In sub-Saharan Africa, in particular, the oil crisis is not a vexing "cost crunch"; it is an unfolding catastrophe that could set back efforts to reduce poverty and promote economic development for years.

In the United States, working men and women fretted when gas prices topped $3 a gallon this year. Here in the capital of Senegal, gasoline costs $5.62 a gallon. Unlike the United States, we are not a rich nation. Imagine having to pay such an exorbitant price to fill up your tank -- but in a country where per capita income is $849 a year. Senegal's electrical utility has been forced to turn off the lights throughout the nation for long periods every day, a crippling problem that could be eased if energy cost less.

The math is not hard to do. Everywhere in West Africa, governments are being forced to reallocate lifeline budget subsidies to counterbalance unprecedented oil and electricity prices. Senegal's direct oil subsidies to domestic consumers have increased fivefold since 2002. Niger's fuel costs have quadrupled. Even in Africa's oil-producing nations, windfall profits from oil have failed to reduce poverty. Per capita income in Nigeria is still $1,400 a year.

If the price of crude oil reaches $100 a barrel within the next year -- as some analysts predict -- a pan-African disaster will be upon us. Richer, oil-producing countries in Africa risk being inundated with mass migrations of people seeking survival.

By draining government treasuries, the soaring price of oil in West African nations has made it all but impossible to proceed with antipoverty efforts, and it is hindering work to increase access to public health services and to reduce the spread of AIDS. It is true that man does not live by bread alone. But being freed from the daily necessities of survival is a prerequisite to educating the workforce and building an economy.

The oil shock wave is undermining American aims on the continent, too. As oil prices go into orbit, America's efforts to promote liberal democratic economies and combat terrorism in Africa are sabotaged. I write this as the head of state of a tolerant, pro-Western -- and predominantly Muslim -- nation.

What can be done? Part of the solution must come from Africa itself. This past summer in Dakar, I convened the first meeting of energy ministers from 13 nations to form the Pan-African Non-Petroleum Producers Association (PANPP), with the intention that it serve as a green version of OPEC. The members of PANPP aspire to become leaders in the field of biofuels and alternative energy strategies, following in Brazil's footsteps. But the development of a biofuel industry, particularly cellulosic biofuels made from agricultural wastes and prairie grasses (which President Bush touted in his State of the Union address) could take a decade or more to come to fruition. Africa needs help today.

As a stopgap measure, I propose that our organization ask African oil-producing nations, as well as the international community and major oil companies, to chip in from recent windfall profits to reduce the increase in oil prices that has taken place since 2003.

If ever there were a time when major oil companies such as ExxonMobil, Shell, Chevron, Total and BP could contribute to stabilizing West Africa by reducing the oil surcharge, it is today. As a champion of market economies, I can appreciate that companies do not easily part with profits. But the continued cost of the oil crisis in Africa could easily destabilize oil-producing nations and shrivel downstream markets for the oil companies elsewhere in the continent. It's in the interest not only of America but also the petroleum industry not to have an Africa in ruins.

The writer is president of the Republic of Senegal.

Stuck In The Canal (NYT)

By David Fromkin

The New York Times, October 28, 2006

DOJ_NMG_0088739

FIFTY years ago tomorrow — on Oct. 29, 1956 — Israeli paratroops were dropped deep behind Egyptian lines in the Sinai peninsula, opening the way for the ground troops that followed. In a lightning campaign lasting less than five days, the Israelis took control of the entire peninsula. The Israelis had a rendezvous at the Suez Canal with the armed forces of Britain and France. But the British and French stopped short of their goal. Like out of shape ex-champions attempting a comeback, the Europeans were unable to get past the first round in their effort to return to the Middle East.

The Suez crisis was a divide in the history of the Middle East. It was the moment when America pushed out the Europeans and then tried to take their place — and the reverberations are still felt today. The road that led to Suez began in 1947, when the British Foreign Office notified the American Department of State that Britain could no longer afford to hold its positions in Greece and Turkey against pressure from Russia. Soon the United States was engaged in an effort to hold the line against Russia — there, but also all around the world.

The Middle East was essential to this policy of containment. The Arabic-speaking Muslim world had been taken in hand by Britain and France after the First World War, and though they had since achieved independence, the countries of the Middle East remained predominantly Western-influenced. European and American oil companies played an important role in Middle Eastern affairs. Britain retained a presence at the strategically vital Suez Canal in the form of a major military base and a garrison of more than 80,000 men. Not until the autumn of 1954 did Britain agree to withdraw from this installation.

The United States had always deplored European — especially British — imperialism. In the First World War, President Woodrow Wilson seemingly hesitated as to which side to join (or whether to at all), and in the end joined Britain and France only as an "associated power" rather than as an ally, thus making clear that our country did not share the goals of the other belligerents — goals that Wilson claimed were imperialistic.

As the United States accepted the responsibility, therefore, of defending the Middle East against possible Soviet aggression, its government was conflicted. In the interest of cold war containment, the United States should have wanted to shore up whatever remained of British and French presence and power in the Middle East, but at the same time the worry was that any association with the Europeans would drag America down.

As early as 1952, the C.I.A. was searching for an Arab leader to support, someone who would make hard, unpopular decisions. Recognizing that such a leader could be expected to have an agenda of his own, the agency needed him to take the lead in defending against Soviet expansionism.

Initially Allen Dulles, director of central intelligence, proposed Gamal Abdel Nasser, the emerging Egyptian dictator. John Foster Dulles, Allen's brother and the secretary of state, agreed. But it soon became evident that Nasser had little or no interest in fighting communism or the Soviet Union. A charismatic figure, he aimed to unite the Arab peoples, and he exploited resentment of Western imperialism to win support. Secretary Dulles then turned to create an alternative anti-Soviet force: the Baghdad Pact, a northern-tier alliance of Turkey, Iran, Iraq and Pakistan. The only Arab state in the lot was Iraq, led by its pro-British prime minister, Nuri as-Said, who was widely perceived as the Anglo-American candidate for leadership of the Arab world, and as such the rival of Nasser.

In putting Nuri as-Said up, Secretary Dulles had in effect challenged Nasser to a duel. Nasser, a military man whose objective was to build his army, showed his independence of the West by ordering arms in large quantity from the Soviet bloc. Dulles took this at first as a bluff; then, when he could not stop it, he took it as a mortal insult — but he floundered, unable to find the right reply.

He offered to finance the Egyptian leader's favorite project: the Aswan High Dam. Then, puzzlingly, he canceled the offer, apparently intending to humiliate Nasser publicly. The Egyptian trumped that. He nationalized the Suez Canal, transferring to Egypt the shares of the company that owned it. Nasser announced that Egypt would finance the dam itself, using the income from the canal. This bold move was a public challenge to Britain, the canal's biggest user and shareholder, and to France, which had created the canal in the 19th century.

President Dwight D. Eisenhower and Secretary Dulles believed that Nasser should be overthrown — some day. Repeatedly they told the British and French that it would be a mistake to use force, at least at the moment. But Britain and France were already planning how they might use force. Frenchmen imagined that Algeria's revolt against them, launched in 1954, was inspired by Nasser, and that without him it would collapse. Britons found themselves losing control of Jordan because of Nasser, and believed that without him they could regain control.

There was more to it. The Western leaders had irrationally come to regard Nasser as dangerous, a Hitler or a Mussolini. Prime Minister Anthony Eden of Britain was typical: a Foreign Office Arabist by background who moved in circles where it was felt that Arabs loved Englishmen, Eden believed that Nasser had somehow stolen that love. It was Nasser, he thought, who had taken away Jordan's famed Arab Legion from its British officers. "I want him killed," Eden said. So for months the allies had been conspiring. They would return to the Middle East, and they would invade Egypt. The confiscation of the canal company spurred them into action.

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Eden, Prime Minister Guy Mollet of France and his foreign secretary, Christian Pineau, joined by a number of colleagues, hatched a plot based on an earlier plan for France and Israel to act together, and in which Britain now joined. In October 1956, Israel attacked Egypt through Sinai and drove to Suez. Britain and France then invaded, occupying the canal and claiming to be separating the Egyptian and Israeli Armies. The British, French and Israelis stuck to their prefabricated story, but their collusion was evident; soon they had to admit the truth.

The Americans had been kept in the dark, and they took it personally. Eisenhower in particular was angered by British wartime colleagues who had lied and deceived him. "What does Anthony think he is doing?" Eisenhower demanded. "Why is he doing this to me?" He refused to listen to excuses, claiming that "nothing justified double-crossing the United States."

The Soviet leader, Nikita Khrushchev, grandstanded, threatening the Western imperialists. That enabled him to take credit for stopping the Europeans — even though it really was America that did it. The United States acted quietly but effectively. The Treasury Department threatened to withdraw support of the British currency unless the British Army left Egypt. Within 10 days, England would have collapsed financially. The British — and the invasion — stopped. To keep from being thought imperialists, the Eisenhower administration saved Nasser. The Suez crisis was over.

Britain and France had gone to war in order to keep their empires; instead, they lost them. The United States had aimed to keep Russia out of the Middle East, but the Suez crisis, and Khrushchev's rhetoric, brought the Russians in. Eisenhower and Dulles believed that by their actions at Suez they were showing the nonaligned nations that, unlike the British and French, Americans were not imperialists — but the third world remained unconvinced. And in Europe, skeptics claimed the episode showed that the Americans intended to steal the empires of Britain and France.

Britain and France drew opposite conclusions from the Suez experience. Britain noted that it was dependent on the United States and would, for the most part, have to act accordingly and follow wherever America led. France decided that the United States would not protect France's interests, and immediately, under Guy Mollet, began to build the atomic bomb — the result of American policy.

Israel compromised itself through its partnership with European imperialism — providing evidence to enemies who had asserted all along that Israel was no more than a European imperialist itself. And its victory in the Sinai campaign — one of many dazzling triumphs — illustrated the paradox that the more Israel won on the battlefield, the further it got from achieving the peace that it sought.

THE undoing of the British-French-Israeli alliance was that it rested on a lie. It is difficult to re-create the shock felt around the world when it became apparent that these supposedly honorable countries, and the principled statesmen who led them, would stoop to such a ridiculous fabrication. It was disgraceful: that they lied, and that the lie was so childish.

Scenarios had been prepared at various levels of the American government in the event that the Europeans acted against the Nasser regime. So far as I know, none of them envisaged the United States intervening to stop them. Had the allies fully and honestly informed Washington of their intentions, either the Eisenhower administration would have persuaded them to adopt an alternative strategy, or the allies would have convinced Washington to let them go ahead, or the United States would have explained to London how America's control of the British currency gave it a veto power over British policy. One way or another, America's angry reaction would have been avoided.

Though it cannot be proved, the lies of the allies weakened their cause in another important way. It outraged public opinion in France and, especially, Britain. A message was delivered: decision-makers in European governments were on notice that they no longer were free to initiate colonial wars.

The Europeans, to their credit, understood the message. Within years of the Suez crisis, Britain and France began decolonization programs in which they released territories they had held around the world. The winds of change had begun to blow — and they had come from Suez.

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Miller, Charles S

From: Miller, Charles S
Sent: Monday, October 30, 2006 12:01 PM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 10/30/06 Civil Division News

ACLU drops suit against Patriot Act

Man's transfer to Iraq death row delayed

U.S. hasn't said sorry to Arar, but Ottawa says it's satisfied

Religious suit dismissed against Air Force

'Partial-birth' cases test abortion rights' limits; Central question facing justices: Is procedure medically necessary?

Supermax inmate wins lawsuit over correspondence restrictions

Raytheon Faults Marine Corps Cost Evaluation in GAO Bid Protest

AP

October 28, 2006

ACLU drops suit against Patriot Act

DETROIT (AP) - The American Civil Liberties Union on Friday dropped a lawsuit challenging the constitutionality of the USA Patriot Act.

The ACLU said it was withdrawing the lawsuit filed more than three years ago because of "improvements to the law." The Justice Department argued last month that amendments approved by Congress in March

2006 had corrected any constitutional flaws in the Patriot Act.

"While the reauthorized Patriot Act is far from perfect, we succeeded in stemming the damage from some of the Bush administration's most reckless policies," Ann Beeson, associate legal director of the ACLU in New York, said in a written statement.

The lawsuit, filed in July 2003 on behalf of the Muslim Community Association of Ann Arbor and five other nonprofit groups, was the first legal challenge to Section 215, the part of the Patriot Act that lets federal agents obtain such things as library records and medical information.

The ACLU said the revisions allow people receiving demands for records to consult with a lawyer and challenge the demands in court.

The Justice Department, which first asked that the lawsuit be dismissed in December 2003, said it was pleased by the ACLU's action, which was contained in a one-paragraph notice filed with U.S. District Judge Denise Page Hood in Detroit.

"We ... reiterate that the Patriot Act is a legitimate and important tool that has better helped law enforcement fight terrorism while simultaneously protecting our valued civil liberties," Justice spokeswoman Tasia Scolinos said.

END

AP

October 28, 2006

Man's transfer to Iraq death row delayed

WASHINGTON - A federal appeals court said Friday that the military may not turn an American citizen over to Iraqi officials to face the death penalty until the Supreme Court can hear his case.

The Supreme Court's decision in the case will help decide what rights American citizens have when detained by U.S. military forces overseas.

Mohammad Munaf was convicted and sentenced to death by an Iraqi judge this month on charges he helped in the 2005 kidnapping of three Romanian journalists in Baghdad.

Munaf, who was born in Iraq and became an American citizen in 2000, asked a U.S. judge not to let the military transfer him. He claimed his trial was flawed and his confession was coerced.

Those would normally be grounds for American citizens to challenge their imprisonment. But U.S. District Judge Royce Lamberth said this month that he had no authority to intervene because Munaf was being held by coalition military forces, not by the U.S. military alone.

The U.S. Appeals Court for the District of Columbia Circuit also declined to step in but said Friday that the military must give Munaf 10 days to appeal to the Supreme Court and wait for the court to rule before transferring him.

END

Globe and Mail

October 30, 2006

U.S. hasn't said sorry to Arar, but Ottawa says it's satisfied

SIMON TUCK

From Monday's Globe and Mail

OTTAWA — Ottawa says it's “satisfied” with the U.S. response to Canada's protest about the handling of torture victim Maher Arar, even though the letter written by U.S. Secretary of State Condoleeza Rice contains no apology for the deportation that led to a harrowing year in a Syrian jail as a suspected al-Qaeda terrorist.

Dan Dugas, a spokesman for Foreign Affairs Minister Peter MacKay, said yesterday that the federal government is happy with the substance of the letter, received last week just a couple of weeks after Ottawa wrote to Washington to mark its official protest of Mr. Arar's deportation.

The letter from Ms. Rice assures Canada that the United States is committed to informing and consulting Ottawa about any Canadian citizen who may be involuntarily sent to any third country. Those principles are consistent with the Monterrey Protocol, a 2004 agreement between the two countries.

Mr. Dugas, who has seen the letter from Ms. Rice, confirmed that the document contains no apology from the United States to Canada or to Mr. Arar.

“We are satisfied with the content of the reply.”

But Lorne Waldman, Mr. Arar's lawyer, said he finds it “very disturbing” that Ottawa is satisfied despite the lack of contrition on the part of the Americans, saying Ms. Rice's letter achieves nothing for Canada or Mr. Arar.

“It's very disturbing that they're satisfied with the content when there's no apology,” he said. “If they're going to be satisfied with that, there's really no point.”

In Washington, a spokeswoman for the State Department would not comment yesterday on the matter, saying she wasn't able to confirm or deny reports about Ms. Rice's letter.

Mr. Arar, an Ottawa engineer at the time, was arrested in a New York airport in September, 2002. Citing information from unspecified foreign agencies, the United States deemed him an al-Qaeda terrorist and sent him to a Syrian jail.

He was freed about a year later only after public protests and a written appeal from former prime minister Jean Chrétien to Syria's president.

Following an inquiry into the case, Justice Dennis O'Connor recommended that Canada lodge an official protest with the United States. Ms. Rice's letter was in response to that protest. The inquiry concluded that Mr. Arar had been wronged by his own government, the RCMP and the United States.

Liberal MP Dan McTeague said the Conservatives talk frequently about their record in improving Canada's relationship with the United States, but can't get a simple apology from Washington for such a clear wrong.

“Perhaps it's time for them to put that to the test and call in a chit,” Mr. McTeague said. “I think that's the least Mr. Arar deserves.”

The NDP has charged that the U.S. broke its own law in its handling of Mr. Arar.

“By law, the United States was obligated to return Maher Arar to Canada, as he requested,” NDP MP Alexa McDonough said last month. “As well, the U.S. should have informed Canadian officials of [Mr.] Arar's deportation. By doing neither, the U.S. broke its own laws.”

Public Safety Minister Stockwell Day said last month that Ottawa has also removed the names of Mr. Arar, his wife, Monia Mazigh, and their two children, from any lookout list and has suggested that the United States may wish to do the same.

Mr. Arar, now living with his family in Kamloops, B.C. where he is working on a PhD program in computer science, could not be reached yesterday for comment.

END

AP

October 30, 2006

Religious suit dismissed against Air Force

By LARA JAKES JORDAN
Associated Press writer

WASHINGTON -- A federal judge on Friday threw out a lawsuit against the Air Force Academy that claimed evangelical Christian values were being illegally pushed on cadets.

The academy's critics said the decision by senior U.S. District Judge James A. Parker in Albuquerque, N.M., would likely be appealed.

The high-profile case was brought by a group of Air Force Academy graduates who charged that a military chaplain violated their religious freedom rights by urging cadets to attend Christian services or face being burned "in the fires of hell." That incident reflected a broader policy, the group charged, of efforts to evangelize U.S. Air Force staff.

But Parker, in a 16-page decision, said the graduates could not claim their First Amendment rights were violated since they no longer attended the Academy. Moreover, the group failed to give specific examples of which cadets were harmed, or when.

"Without that personal link or connection to future misconduct, plaintiffs have simply not shown that they will suffer an injury in fact that is both concrete and particularized and actual or imminent," Parker wrote.

The judge also rejected claims by Air Force Master Sgt. Phillip T. Burleigh, who asked to be included in the lawsuit after allegedly being discriminated against in 1997 for not attending prayer meetings. Burleigh, of Alamogordo, N.M., also claimed his supervisor used government resources to evangelize recruits, including hiring religious motivational speakers to lecture at mandatory-attendance conferences.

Parker called Burleigh's concerns "simply conjectural and hypothetical in nature."

Last year, an Air Force task force concluded there was no overt religious discrimination at the school but that some cadets and staff were insensitive. And in a step welcomed by conservative Christians, the Air Force in February released new guidelines for religious expression that dropped cautions to top officers about promoting their personal religious views.

The lawsuit was brought by Mikey Weinstein, of Albuquerque, an Air Force Academy honors graduate who could not be immediately reached for comment Friday. But the Rev. Barry W. Lynn of the

Washington-based Americans United for Separation of Church and State said he expected the graduates to appeal the decision.

"These were very serious, systematic violations of the Constitution at the Air Force Academy," Lynn said. "This is clearly not the end of the story. … Chaplains and officers are there to meet spiritual needs, and not to convert people to Christianity."

An Air Force Academy spokeswoman did not have an immediate comment.

END

USA Today

10/30/06

'Partial-birth' cases test abortion rights' limits; Central question facing justices: Is procedure medically necessary?

By Joan Biskupic
USA TODAY

NEW YORK — It was just after Mother's Day in May 2003 when Ilene Jaroslaw, about four months pregnant, learned that the fetus she was carrying had a fatal spinal cord and brain defect.

Jaroslaw, then a mother of two, says she was devastated but decided immediately to have an abortion. Because she wanted to have another child — and because she had had two previous cesarean-section deliveries and an unrelated surgery on her uterus — she agreed with her doctor's recommendation to undergo a procedure that would do as little damage as possible to the uterus.

"There was absolutely no hope at all," says Jaroslaw, a 43-year-old lawyer in New York City who talked with USA TODAY about her experience. "This baby was not going to survive long."

For Jaroslaw, having what Congress and critics of the procedure call a "partial-birth" abortion was an intensely personal health decision that led to a happier ending: In 2004, she got pregnant again and delivered a healthy baby girl.

The episode also made Jaroslaw a symbol of the ongoing debate over whether Congress' effort to ban "partial-birth" abortion violates a woman's right to end a pregnancy — a question that goes before the Supreme Court on Nov. 8. Under a federal law passed by Congress in October 2003 and tied up in the courts ever since, Jaroslaw could not legally have undergone the procedure because her life was not in danger.

Jaroslaw's reasons for having the procedure — to preserve her ability to have more children by avoiding the hemorrhaging and perforation of the uterus that can occur with other abortion methods — would not have cleared the legal hurdle set by Congress.

That's partly why the pair of cases that come before the Supreme Court next week are widely viewed as a major test of efforts to restrict abortion. The issue is not the fundamental question of whether abortion should be legal, first established by the court's ruling in *Roe v. Wade* in 1973. Instead, the cases test the Republican-led Congress' power to limit the reach of that ruling by restricting medical options for women.

The law is called the Partial-Birth Abortion Ban Act of 2003. Lawyers for the two challengers now before the Supreme Court, Eve Gartner of Planned Parenthood and Priscilla Smith of the Center for Reproductive Rights, note that there is no medical procedure known by that name and contend that the

phrase is needlessly offensive and misleading.

On a more technical level, the cases put on exhibit dueling medical opinions over whether certain second-trimester abortion procedures are ever necessary.

For the court, the cases — *Gonzales v. Planned Parenthood Federation of America* and *Gonzales v. Carhart* — represent the first significant test of whether abortion rights in America will change now that moderate Justice Sandra Day O'Connor, a key vote in favor of such rights, has retired.

Six years ago, when the justices struck down state bans on "partial-birth" abortions because the laws did not include exceptions for when a woman's health was at risk, O'Connor cast the decisive fifth vote on the ideologically divided, nine-member court. Last term, she was replaced by Samuel Alito, a more conservative judge who, as a member of a lower court, voted for abortion restrictions that O'Connor later rejected.

The federal ban — which is similar to the state laws voided by the high court six years ago — has been rejected by three sets of U.S. district courts and appeals courts. The lower courts said Congress' ban violates women's rights to abortion because it lacks a health exception and is too vaguely written.

The lower court judgments conflict with Congress' assertion that "partial-birth" procedures are never the best option to preserve a woman's health.

"This is an excellent case to test the direction of the court on abortion rights," Georgetown University law professor Randy Barnett says.

Abortion rights groups such as Planned Parenthood say Jaroslaw and thousands of women like her personify the need to preserve the second-trimester procedures known in the medical community as "intact dilation and evacuation" (or intact D&E) and "dilation and extraction" (D&X).

The methods involve dilating a woman's cervix to allow most of the fetus to emerge into the vagina intact, rather than dismembering the fetus in the uterus by using forceps and other instruments. In the intact method, a doctor then suctions out the fetus' brain to collapse the head and allow delivery.

The American College of Obstetricians and Gynecologists has reported that such methods increasingly are viewed as the safest abortion procedures for the second trimester of pregnancy, roughly the 13th to 26th weeks of gestation.

Second-trimester procedures account for about 11% of the estimated 1.3 million abortions performed in the USA each year, according to the Guttmacher Institute, a research group that supports abortion rights. It's unclear, however, how many of those abortions are done with the intact D&E or D&X methods because no one keeps a precise count.

The Bush administration, in defending the Partial-Birth Abortion Ban Act of 2003, has argued in court papers that Congress had solid grounds to believe that any procedure in which a doctor "partially delivers a (living) fetus intact … and then kills the fetus" is never medically necessary.

The government is appealing a ruling by the U.S. Court of Appeals for the 9th Circuit, in a case begun by Planned Parenthood, and a ruling by the U.S. Court of Appeals for the 8th Circuit, in a case started by Nebraska physician LeRoy Carhart.

U.S. Solicitor General Paul Clement has told the justices that the "gruesome" procedure "resembles infanticide."

Clement has said Congress' ban is not unconstitutional because there are alternative methods of second-trimester abortions that would remain legal. Those include a standard D&E procedure in which a doctor dismembers the fetus in the uterus, and another method known as "induction," in which a woman is given drugs that cause her to go into labor and deliver the fetus.

Groups filing briefs in support of the administration include the American Association of Pro Life Obstetricians and Gynecologists. The association argues that such alternative methods are medically appropriate even for women such as Jaroslaw with uterine scarring from a prior cesarean section or other uterine surgery.

Elizabeth Shadigian, a physician affiliated with the University of Michigan's medical school who is president of the pro-life group, says there is little evidence to suggest that "partial-birth" methods are better in preserving a woman's health.

"There is almost no data on it," Shadigian says. "It's not good enough that someone believes it's better. You have to prove it's better." She said women should wait until studies are done on "the long-term effects of the procedure."

In court filings, Planned Parenthood counsel Gartner says that if Congress' ban is allowed to take effect, doctors would not be able to give their patients the best medical care.

Physicians would be "chilled from continuing to provide these procedures, … (and) women's liberty will be infringed and their right to choose abortion unduly burdened," Gartner says.

She also notes that the records from the cases now before the Supreme Court show several instances in which women suffering from serious medical conditions or carrying fetuses with severe anomalies would benefit from the intact D&E procedure.

"Even for women whose health condition is not compromised, intact D&E is a significantly safer method of abortion," Gartner says.

Clement acknowledges in his filings that physicians disagree over the necessity for the intact D&E and D&X methods. However, he insists that the justices must defer to Congress' finding that "there is substantial evidence … that partial-birth abortion is never" medically necessary.

Jaroslaw, a graduate of Harvard College and of Georgetown Law School, says she came forward to speak about her abortion because "the issues aren't as simple as people think. Nobody in advance of a diagnosis says, 'I want that procedure.' What people want is proper medical care."

Jaroslaw, a native of Flushing, N.Y., married a fellow lawyer, David, in 1992. She gave birth to a boy in 1997 and a girl in 1999. She says the children were delivered by cesarean section because she previously had uterine fibroids and other gynecological problems.

Jaroslaw says that when she became pregnant in 2003, everything looked good in early tests. "So we tell our families I'm pregnant. We tell friends. A few weeks after that, I tell people at work. I wasn't worried."

About 17 weeks into the pregnancy, however, a sonogram showed that part of her fetus' brain was missing. The diagnosis was anencephaly, which is fatal.

Jaroslaw says she and her husband considered abortion the only option. She says she did not want to wait a full nine months to deliver a child that would not survive.

"The idea of being pregnant for so many more months and having people ask about the baby, it would have been a nightmare," Jaroslaw says. She was also concerned that her children would be traumatized by having their sibling be born and die. She says she talked with her rabbi, and he supported her choice.

Jaroslaw says her desire for a third child led her doctor to recommend that she have the fetus removed intact, to avoid trauma to her uterus. "When you've had so many cuts in the uterus, you want as little instrumentation and probing around as possible."

Coincidentally, she underwent the abortion as Congress was debating its ban on "partial-birth" abortion. "I asked my doctor whether, if the bill passed, the procedure I was about to have would be illegal," Jaroslaw says. "He said yes."

Bush signed the bill into law in November 2003.

“I'm a family person,” Jaroslaw says. “I don't think I'm unique in my situation, except that I will talk about it. When I went back to work, people opened up to me with their own stories.”

So how might the Supreme Court — with Alito and Chief Justice John Roberts, who replaced the late William Rehnquist last year — view the most recent attempt to restrict abortion?

The “partial-birth” cases arrive at the court at a time when few Americans — 15% in a Gallup Poll in May — believe abortion should be banned in all circumstances. That poll, typical of nationwide surveys, found that most Americans (53%) believe that abortion should be legal but with restrictions.

The high court generally has reflected that sentiment since *Roe v. Wade*, upholding abortion rights while opening the door to limits. The current cases could provide a hint of whether greater restrictions might be imposed with the new justices on the bench. However, a veteran justice — Reagan appointee Anthony Kennedy — is more likely to be the key player.

In 2000, when the court voted 5-4 to strike down state bans on “partial-birth” abortion that lacked an exception for cases in which a woman's health was at risk, the bench was deeply divided. Kennedy, who had provided a crucial fifth vote in 1992 when the justices affirmed abortion rights, bitterly dissented in 2000. He said government should be free to outlaw the “abhorrent” procedure and that states had a legitimate “concern for the life of the unborn and for the partially born.” This time, a big question will be whether Kennedy, a frequent swing vote on the court, still supports a ban on the procedure without a health exception.

If he does, the court's reshaped conservative wing — Justices Antonin Scalia and Clarence Thomas, along with newcomers Roberts and Alito — could be positioned to uphold Congress' ban. Scalia and Thomas consistently have voted against abortion rights. Roberts' record as a lawyer in the Reagan and first Bush administrations and Alito's rulings as a lower court judge suggest that they also are likely to take a limited view of such rights.

END

AP

October 29, 2006

Supermax inmate wins lawsuit over correspondence restrictions

DENVER_An inmate at the nation's most secure prison has won a lawsuit challenging the Bureau of Prisons' restrictions on the types of reading materials inmates are allowed to receive by mail.

Mark Jordan, 30, who is expected to be released in 2048 from the Supermax prison for bank robbery and the June 1999 stabbing death of a fellow inmate at the U.S . Penitentiary in Florence, sued the agency in 2003, claiming his rights were violated when certain materials he was sent by mail were denied to him.

He claimed a 2003 prison regulation was unconstitutional, and on Thursday, U.S\l "l". District Judge Phillip Figa agreed, saying it was too broad.

Jordan sued\l "l" after prison officials refused to deliver to him an Internet printout of a 120-page series of essays titled "Justice Denied." He said he and other inmates do not have access to the Internet, and receiving the printouts was the only way he could read the material. He also was refused mail containing photocopies of magazine articles and newspaper clippings.

Prison officials said the materials were kept from Jordan under the 2003 regulation, which prohibited inmates from receiving soft-cover publications unless they were sent directly from the publisher, a book club or a book store.

Figa said under standards established by the U.S. Supreme Court, the 2003 regulation was unconstitutional. Earlier this year, the regulation was changed to allow inmates to receive newspaper or magazine clippings from noncommercial sources if a review determined the pose no threat to security.

"The evidence presented establishes that such items are no more likely to serve as vehicles for the introduction of contraband into the prison than handwritten letters of similar length," Figa wrote. "The regulation ... does not meet the (Supreme Court's standards) and is thus arbitrary and capricious based on the administrative record."

He said unbound pages such as clippings, photocopies or Internet printouts should be treated the same as personal letters and other mail inmates are allowed to receive.

The case is No. 03CV2320.

END

Inside the Navy

October 30, 2006

Raytheon Faults Marine Corps Cost Evaluation in GAO Bid Protest

Raytheon is accusing the Marine Corps of failing to accept the least expensive bid in a competition to develop thermal imaging systems, according to a protest filed with the Government Accountability Office.

Though Raytheon filed the protest Sept. 27, the details were kept under wraps until Inside the Navy recently obtained a redacted version of the document. Raytheon's protest objects to the Marine Corps' decision to take away a contract and award it instead to L-3 Communications.

L-3's Cincinnati Electronics (L-3CE) division won the contract Sept. 18 as a result of its own protest against the Marine Corps, which was filed in July with GAO.

The contract is for the development of thermal imaging systems for amphibious assault vehicles (AAVs).

As per federal regulations, the Marine Corps issued a stop-work order Sept. 28 to L-3 after Raytheon filed its GAO protest, according to Marine Corps Systems Command spokeswoman Dedra Jones. On Oct. 11, the service "partially lifted" the stop-work order, also in accordance with federal law, "based upon the urgent and compelling requirement for these sights in direct support for our Marines in Iraq and Marines preparing to deploy to Iraq," she said.

Raytheon filed a lawsuit Oct. 18 with the U.S. Federal Court\l "l" of\l "l" Federal\l "l" Claims\l "l". The lawsuit challenges the service's decision to partially lift the stop-work order, according to an Oct. 25 company statement. Partially lifting the order places a limit on "the remedies available to GAO on the meritorious protest" filed earlier by Raytheon, according to the company.

"Raytheon believes that the GAO should be able to draw on its full range of options to assure the Marine Corps receives the best value in response to its [request for proposals]," the statement says.

The parties agreed to hold oral arguments for the court case Nov. 13.

Details of Raytheon's Protest

Raytheon continues to contest the Marine Corps' contract decision through the GAO bid protest process.

The protest argues the Marine Corps' dismissal of Raytheon's proposal was unreasonable because Raytheon's offer was less expensive than L-3's. Raytheon does not disclose the value of its bid in the redacted version of its protest, but L-3's previous protest says Raytheon's bid was around $35 million. According to Raytheon's protest, L-3 bid around $49 million.

Raytheon argues the Marine Corps emphasized in its solicitation that staying close to the service's $35 million cost estimate for the project was important.

Raytheon speculates that the Marine Corps selected L-3's proposal even though it was more expensive because L-3's proposal had a "singular feature" that gave the proposal a "perceived advantage." The public version of Raytheon's protest redacts a description of this "singular feature."

Possibly, this "singular feature" is the cooling system employed in L-3's technology. Raytheon's protest indicates that "L-3 proposed a more expensive cooled system, while Raytheon proposed a less expensive uncooled system."

Another possibility for this "singular feature" is the prism system that L-3 proposed as part of its technology. Raytheon's proposal instead relied on a mirror, according to L-3. In its July 21 protest, L-3 argued that its technology was superior to Raytheon's because a mirror system could not produce an image in the conditions specified by the Marine Corps.

Whatever this "singular feature" is, Raytheon argues that even though L-3's technology had a "perceived advantage" over Raytheon's, the service should not have accepted L-3's proposal because both price and technical capability were significant factors.

"Price is the second most important of the four Factors, and the entire Technical Capability Factor is only 'more important' than Price (not 'significantly' more important as is common in many solicitations)," Raytheon writes. "The RFP also stated that 'the importance of cost as a factor in the final determination will increase with the degree of equality in the overall technical merit of the proposals.'"

Raytheon also notes that although L-3 gave a bid of $49 million for its work, the actual published dollar value of the contract is around $35 million and the Marine Corps could not purchase all of L-3's systems for this amount.

"In other words, the only way the [Marine Corps] can purchase the systems from L-3CE is to reduce the quantity it will purchase, and thus place more Marines at risk by installing improved thermal sights on fewer AAVs," Raytheon writes.

Additionally, Raytheon argues that there is no way that L-3 could produce its technology in its declared estimate of $49 million. The actual cost of L-3's technology would be higher, Raytheon says.

Raytheon also contends that L-3's technology could not produce an image in certain situations and fails to meet some reliability requirements.

Also, Raytheon argues that the Marine Corps' decision to take corrective action in response to L-3's protest was improper. Raytheon indicates that the service's decision "to take correction action was highly prejudicial to Raytheon, because Raytheon's price and significant aspects of its technical solution had been disclosed to L-3CE during evaluation testing (in some cases, improperly disclosed) and at its debriefing."

As possible remedies, Raytheon requests that GAO make one of several recommendations. GAO should

either recommend that the Marine Corps reissue the contract to Raytheon, open the competition again or at least award Raytheon its bid and proposal costs, Raytheon says. -- Chris Johnson

END

USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Tuesday, October 31, 2006 9:02 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Tuesday, October 31, 2006
Attachments:	agnb061031.pdf; agnb061031.doc

This morning's Attorney General's News Briefing is attached.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: TUESDAY, OCTOBER 31, 2006 7:45 AM EST

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TERRORISM NEWS:

US Unable To Secure Pakistani Arrest Of Al Qaeda Anthrax Expert. In a front-page story, the Washington Post (10/31, Warrick, 748K) reports that in December 2001, coalition troops in Afghanistan found al Qaeda documents which "told of a singular mission by a scientist named Abdur Rauf," a Pakistani who "traveled through Europe on a quest, officials say, to obtain both anthrax spores and the equipment needed to turn them into highly lethal biological weapons." But "precisely what Rauf achieved may never be known with certainty. That's because U.S. officials remain stymied in their nearly five-year quest to bring charges against a man who they say admitted serving as a top consultant to al-Qaeda on anthrax." Rauf "has been

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under scrutiny in Pakistan since he was detained there for questioning in late 2001, according to U.S. and Pakistani officials who agreed to talk about the case for the first time. But officially he remains free, and Pakistan now says it has no grounds for arrest. Last year…the FBI officially put the case on inactive status. 'We will never close the door, but the chances of getting him into the United States are slim to none,' said one U.S. intelligence official."

"Terror Kingpin" To Be Deported From UK To Algeria After US Drops Extradition Request. Time.com (10/30, Crumley) reports 40-year-old Algerian militant Abu Doha "is alleged by counter-terror officials to be a Qaeda-aligned terror kingpin and suspected of involvement in a number of plots around the world, including the 'Millennium Bomb' plot aimed at Los Angeles International airport in 2000. Yet, as things stand, Abu Doha looks set to be freed from prison in Britain and deported on immigration violations, after the U.S dropped its bid to extradite him over the LAX plot." The prospect "of his going free troubles security officials on both sides of the Atlantic, and leaves some bewildered by Washington's decision to drop its case against him." British authorities "say they don't have sufficient evidence to try Doha, and plan instead to deport him to his native Algeria." In "light of Algeria's traditionally ruthless treatment of Islamist militants, Amnesty International warns that Britain may be sending him home to face abuses."

Padilla Seeks Dismissal Of Charges Claiming Torture While In Detention. In a story distributed by McClatchy, the Miami Herald (10/31, Weaver, 310K) reports, "Jose Padilla, the former enemy combatant now accused of joining a suspected South Florida terror cell, says a federal judge should throw out an indictment against him because he was 'tortured by the United States government without cause or justification.' … On Monday, the U.S. attorney's office was given until Nov. 13 by the presiding judge to respond to Padilla's allegations." The Herald notes, "Padilla provides no evidence to support the allegations contained in a federal court motion filed this month, though his legal team has gathered details of his military detention."

Judge Refuses To Dismiss NYC Material Support Of Terrorism Trial. In a widely-distributed story, the AP (10/31, Neumeister) reports, "A judge on Monday refused to toss out charges against a musician, a doctor and two other men accused of supporting terrorists, even though defense lawyers argued they had been unfairly targeted for prosecution. U.S. District Judge Loretta A. Preska rejected claims that the men were snared through entrapment and outrageous conduct by an overzealous government beginning in late 2001." The AP adds, "The judge said a trial will begin in April or June for Dr. Rafiq Abdus Sabir, of Boca Raton, Fla., jazz musician and martial arts expert Tarik Shah, of New York, bookstore owner Abdulrahman Farhane, of Brooklyn, and Washington, D.C., cab driver Mahmud Faruq Brent, of Gwynn Oak, Md. An indictment in the case accuses Farhane and Shah of conspiring in 2001 to help an FBI cooperating witness send money to aid Islamic militants fighting Americans in Afghanistan."

Under the headline "Doctor's Alleged Pledge Is Crux of Terror Case," the New York Sun (10/31, Goldstein) Sabir "has been kept in solitary confinement since he was arrested last year on charges that he swore fealty to Osama bin Laden in the presence of an undercover FBI agent. Yesterday…attorneys debated whether the unusual pledge Dr. Sabir allegedly made — an offer to treat wounded jihadists in Saudi Arabia — constituted a crime. The argument covered topics ranging from the Hippocratic Oath to the statute on material support of terrorism." Sabir lawyer Edward Wilford told Preska "that the defendant should not be prosecuted over the alleged pledge because a doctor has a right to help patients recover." Preska "said a ruling on whether to dismiss the charges against Dr. Sabir would come later," but she "did not seem swayed when Mr. Wilford pointed out that the material support of terrorism statute contains a specific exemption for providing medicine."

Colorado Lawmakers Seek Supermax Improvements. The Denver Post (10/31, Emery) reports, "Colorado's two U.S. senators have vowed to seek solutions to understaffing and security concerns at Supermax, home to the nation's most dangerous criminals." The Post continues, "Sen. Wayne Allard visited the prison Monday, and Sen. Ken Salazar visited Saturday. Both agree that increases in staffing and security measures are needed at the prison, which holds such notorious criminals as al-Qaeda member Zacarias Moussaoui and Oklahoma bombing conspirator Terry Nichols." The Post adds, "Salazar said he plans to talk this week to Attorney General Alberto Gonzales, and Allard said he will talk to Bureau of Prisons Director Harley Lappin

DOJ_NMG_0088757

on Nov. 13 about the need for more funding for security upgrades. … 'The key issues are No. 1 staffing and whether or not the staffing levels are as high as necessary in order to ensure the public safety as well as the security of the guards working in the prison,' Salazar said. … Salazar said the federal government should also look at technology upgrades and building a perimeter fence to deter people from approaching the prison from the outside, which he said was a bigger threat than escape." The Post notes, "Earlier this month, the Department of Justice's inspector general reported that the federal prison system does not read all the mail or effectively monitor phone calls of prisoners. … Allard said the notorious criminals and terrorists housed at Supermax who are in isolation are not communicating with outsiders. The inspector general report addresses those criminals who have certain privileges, and not all of their communications are monitored, he said. … Also this month, a federal arbitrator found that job hazards at Supermax had increased because of low staffing. Joseph Lazar ordered the Federal Bureau of Prisons to boost safety for correctional officers at the prison."

Distribution Of DHS Firefighting Grants Criticized. The AP (10/31, Ben Evans) reports, "Georgia has twice the population of neighboring Alabama, yet Alabama agencies received more than double the amount of federal firefighting grants last year for trucks, gear and uniforms. The disparity was not an aberration. Alabama has been among the top grant winners in the Homeland Security Department's program for several years — apparently because it does a good job asking for the money. Statistics for the Assistance to Firefighters Grant program — the nation's largest firefighting grant initiative — show that states get widely varying shares of a $600 million federal pool. States that submit applications in large numbers, rather than those with the largest populations or highest risk factors, have more success in winning federal dollars.

HOMELAND RESPONSE:

FBI Confirms Search Of Student's House Over Fake Boarding Pass Site. In a widely-distributed story, the AP (10/31, Lenz) reports, "FBI agents searched the home of an Indiana University computer security student over the weekend after learning his Web page included a feature to print fake Northwest Airlines Corp. boarding passes, officials said Monday. Wendy Osborne, a spokeswoman for the FBI's Indianapolis office, said agents on Saturday searched the apartment of Christopher Soghoian, a 24-year-old doctoral student, in Bloomington, Ind. Osborne would not discuss what, if anything, was uncovered or taken as evidence." The AP notes, "Soghoian, who has not been charged or detained, declined to comment on the FBI investigation when reached by The Associated Press by e-mail Monday, but referred to his Web journal for information on the case."

CNET News.com (10/30, Evers) reported agents "raided" Sochoin's house, "seizing computers and other equipment, Soghoian wrote on his blog," and Osborne "confirmed that agents had searched Soghoian's home as part of a joint investigation with the Transportation Security Administration. 'We will conduct a thorough and complete investigation,' Osborne said. 'We are certainly concerned with any potential breach in security, particularly at the airports.'" CNET added, "The FBI will present the findings of its investigation to the U.S. Attorney's Office for the Southern District of Indiana, which will determine whether Soghoian violated any federal laws, she said. At this point, the student has not been charged and he has not been arrested, Osborne said."

JetBlue Flight Diverted Over Unruly Passenger. In a widely-distributed story, the AP (10/31) reports, "JetBlue flight from Boston to Fort Lauderdale was diverted to Orlando after a passenger became disruptive, authorities said." David Collyer "was taken off flight 457 and into FBI custody Sunday after a 'possible altercation with flight crew,' FBI spokesman Kevin Farrington said. Collyer, of Sharon, Mass., had to 'be physically restrained by flight crew and passengers' a JetBlue employee told an officer who arrived on scene, according to an Orlando Police Department report. Neither Collyer nor the 156 passengers and 6 crew members were injured." The Orlando Sentinel (10/31, Gutierrez, 246K) reports, "Magistrate James Glazebrook ordered…Collyer released from custody on a $10,000 unsecured bond. … Collyer said he was 'sorry' and then had no more comment as he left the federal building." The Sentinel notes, "An FBI agent arrested Collyer after an 'altercation with flight crew,' FBI spokesman Kevin Farrington said."

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Democrats Plan Homeland Security Investigations Should They Win A Majority. The Washington Times (10/31, Hudson, 88K) reports Democrats plan to "immediately address fraud and waste at the Department of Homeland Security. Democrats vow to flex their subpoena and investigative muscles if elected to lead Congress next month and will take on President Bush's use of wiretaps. 'We have not had significant issues addressed from an oversight standpoint -- we've not issued one subpoena,' said Rep. Bennie Thompson, the Mississippi Democrat who as ranking member of the House Homeland Security Department is in line to lead the panel. … Both of the Democratic Capitol Hill leaders, Senate Minority Leader Harry Reid of Nevada and House Minority Leader Nancy Pelosi of California, have said Mr. Bush is threatening civil liberties in the name of war and pledged to force the administration to obtain court orders before issuing wiretaps of terror suspects. Democrats say that Mr. Bush's wiretaps without court orders violate the Foreign Intelligence Surveillance Act (FISA) -- created in 1978 to ensure court oversight -- and that they will legislate allowances to obtain the subpoenas in a speedy manner."

WAR NEWS:

Cheney Suggests Terrorists Increasing Iraq Violence To Affect Outcome Of US Election. The AP (10/31) reports, "Vice President Dick Cheney said Monday the increase of violence in Iraq is linked with efforts to influence the outcome of midterm elections in which Republicans are struggling to keep control of Congress. 'It's my belief that they're very sensitive of the fact that we've got an election scheduled and they can get on the Web sites like anybody else,' Cheney said. He said al-Qaida and other elements were trying to 'break the will of the American people' because 'they think we don't have the stomach for the fight long-term.'" Asked "if the attacks were timed to influence the US elections, Cheney said, 'That's my belief.'" USA Today (10/31, 2.27M) runs a brief summary of the AP story under the headline "Cheney: Iraq Violence Tied To US Elections."

Hadley Meets With Maliki During Unannounced Iraq Visit. The Washington Times/AP (10/31, Hurst) reports National Security Adviser Stephen Hadley "huddled with Prime Minister Nouri al-Maliki and his security chief, Mouwafak al-Rubaie, during an unannounced visit to Baghdad, telling them he 'wanted to reinforce some of the things you have heard from our president.' Mr. al-Rubaie said last night that Mr. Hadley had discussed the work of a five-man committee that Mr. al-Maliki and Mr. Bush agreed to set up during a telephone conversation on Saturday. Mr. Hadley also presented proposals concerning the training and equipping of Iraqi security forces as well as security plans." The CBS Evening News (10/30, lead story, 2:30, Couric, 7.66M) reported Maliki, "according to US intelligence, is telling his inner circle the situation is nearly out of control."

The New York Times (10/31, Sanger, Burns, 1.21M) reports, "Though American officials would describe Mr. Hadley's talks only in the vaguest of terms, one option widely discussed in Washington and Baghdad in the days before his arrival, according to American and Iraqi officials, is a substantial increase in the number of American and Iraqi troops patrolling Baghdad. It would signal yet another effort to reassert control over the Iraqi capital, which officials in both governments said remains their top priority." Deputy national security adviser J. D. Crouch said Hadley "was in Iraq to express support for the Iraqi government and warned, 'He is not preconfiguring military options.' Mr. Crouch added that he was 'not aware' of anyone proposing an increase in American troops." The Times adds, "Other proposals now being discussed inside and outside the two governments range from how to permit greater autonomy for Shiite, Sunni and Kurdish sections of the country without splitting the country apart; how to share oil revenues among Iraq's population; and an amnesty for those who attacked Iraqi or American troops."

Casey Reportedly Recommending Iraq's Military Add 100,000 More Troops. The CBS Evening News (10/30, lead story, 2:30, Couric, 7.66M) reported, "The day everyone is hoping for, the day American forces can finally come home from Iraq, seems more and more elusive. Just as the military announced that more than 100 US troops have died this month alone, our David Martin uncovered some exclusive information at the Pentagon today, information that's likely to keep Americans in Iraq longer than anyone expected. … CBS News has learned General George Casey, the US commander in Iraq, is expected to recommend the size of Iraqi security forces be increased by

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up to 100,000. This comes just as the US military is about to reach its long-stated goal of training and equipping 325,000 Iraqis to take over the fighting from American troops. Officials say the explosion of sectarian violence -- which General Casey calls a fundamental change in the nature of the threat -- now makes that number look inadequate. On top of that is the fact that any given day one quarter of the Iraqi army is on leave. Increasing the size of the Iraqi security forces would also mean more American soldiers would be needed to train and advise them. The US is also considering doubling from 12 to 25 the number of American advisors embedded in each Iraqi unit. General Casey is also expected to recommend equipping Iraqi security forces with more heavily armored vehicles…and heavier weapons."

US Officers Said To Support Hard Deadline For Withdrawal From Iraq. The Los Angeles Times (10/31, Barnes, McManus, 918K) reports, "Growing numbers of American military officers have begun to privately question a key tenet of U.S. strategy in Iraq — that setting a hard deadline for troop reductions would strengthen the insurgency and undermine efforts to create a stable state. The Iraqi government's refusal to take certain measures to reduce sectarian tensions between Sunni Arabs and the nation's Shiite Muslim majority has led these officers to conclude that Iraqis will not make difficult decisions unless they are pushed. … Former Pentagon official Kurt Campbell said more officers are calling for deadlines after concluding that the indefinite presence of U.S. forces enables the Shiite-run Iraqi government to avoid making compromises. 'There is a new belief that the biggest problem that we face is that our forces are the sand in the gears creating problems,' said Campbell, coauthor of a book on national security policy. 'We are making things worse by giving the Iraqis a false sense of security at the governing level.'"

Trainers Fear Militia Infiltration Of Iraqi Police Could Delay Handover For Years. In a front page article, the Washington Post (10/31, Paley, 748K) reports, "Visitors to this violent neighborhood [Sholeh] in the Iraqi capital whisper that nearly all the police officers have split loyalties. ... And then one rainy night this month, the Sholeh police set up an ambush and killed Army Cpl. Kenny F. Stanton Jr., a 20-year-old budding journalist, his unit said. ... The top U.S. military commander in Iraq, Gen. George W. Casey Jr., predicted last week that Iraqi security forces would be able to take control of the country in 12 to 18 months. But several days spent with American units training the Iraqi police illustrated why those soldiers on the ground believe it may take decades longer than Casey's assessment. Seventy percent of the Iraqi police force has been infiltrated by militias, primarily the Mahdi Army, according to Shaw and other military police trainers." Several disheartened US soldiers and Iraqi police officers are quoted.

US Death Toll For October Tops 100 As Sectarian Violence Continues In Iraq. ABC World News (10/30, story 3, 0:35, Gibson, 8.78M) reported, "There is a grim milestone to report from Iraq. The deaths of a Marine in Al Anbar province and a military policeman in Baghdad pushed the US toll in October to 101. That is only the fourth time that more than 100 US troops have been killed in one month. At least 81 Iraqis were killed today, including 33 that died in Baghdad's Sadr City, when a bomber to tore through a group of poor Shiite men seeking work."

In a similar report, NBC Nightly News (10/30, story 2, 0:15, Williams, 9.87M) reported, "Military announced the death of another military Marine. That brings the number of U.S. Military service members to 101. Also today, more than 80 Iraqis killed in attacks around that country. A bomb killed at least 26, wounded 60 in a crowded market in Baghdad."

The CBS Evening News (10/30, story 2, 1:15, Couric, 7.66M) reported, "Here's how bad it was today. More than 80 Iraqis were killed, including 33 in just one bomb attack as lay laborers arrived for work in Sadr City. It's been an especially deadly month for US troops who are constantly facing new dangers." CBS (Logan) added, "US leaders have said their troops won't get involved in a civil war in Iraq, but American soldiers on the ground here now are already caught in a conflict between this country's two main ethnic grows more violent and more bloody everyday. For the soldiers left behind, memorial service are the last to say good-bye to fallen comrades. A brief moment to mourn before heading back out to continue the fight."

Reporting on the continuing violence, the Los Angeles Times (10/31, Ellingwood, Rifai, 918K) says it has "fed widespread misgivings about the Bush administration's handling of Iraq as Americans prepare to vote in midterm congressional elections next week. At the same time, US and Iraqi leaders have sought to smooth differences over how to cope with the back-and-forth violence by Sunni Arab insurgents and Shiite militias, including Sadr's Al Mahdi army, believed responsible for many of the hundreds of killings and kidnappings in recent months." The New York Times (10/31, Tavernise, 1.21M) reports "the violence…has radicalized

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many Iraqis, and moderates who refuse to yield to the militants are either being killed or driven out of the country."

The Washington Post (10/31, A17, Anderson, 748K) reports "US and Iraqi forces had previously established a cordon around the teeming slum," Sadr City, "which is controlled by the Mahdi Army militia, in an attempt to find a kidnapped US soldier and a man known as Abu Deraa, who is considered Iraq's most notorious death squad leader. Shiite leaders seized on that US operation Monday to accuse the Americans of complicity in the market blast, saying that because they were in charge of searching all vehicles going in and out of the area, they must have allowed in the bomb that was detonated at the market. … Some residents of Sadr City, home to 2.5 million Shiites, also blamed US forces for the carnage, saying that the search for the missing soldier -- which began six days ago -- has forced the Mahdi Army underground, weakening the area's defenses." But "this week, some Mahdi Army members were visible with weapons on the streets." McClatchy (10/31, Price), the AP (10/31, Hurst) and Financial Times (10/31, Sevastopulo, Negus), among other sources, run similar stories this morning.

Warner Says Iraqis Need Time To Curb Violence. The Norfolk Virginian Pilot (10/31, Holden) reports, "Sen. John Warner said Monday that Iraqi leaders need more time to contain worsening violence in their country, but that 'every single day counts' when measured against the loss of American lives." Warner urged giving Prime Minister Maliki an opportunity to prove that "violence can be contained through continued diplomacy and not escalating military force," which Maliki purports. Warner "has visited Iraq eight times and has become increasingly measured in his assessment of the situation."

Pentagon Rushes IED-Resistant Vehicles To War Zones. USA Today (10/31, Vanden Brook, 2.27M) reports, "The military is rushing armored vehicles with specially designed hulls to Iraq and Afghanistan to limit the damage from roadside bombs, the No. 1 killer of U.S. troops. ... The new vehicles have a V-shaped hull, which disperses the force of an explosion and helps keep the vehicle from flipping over." A manufacturer, Force Protection, "says nobody inside a Buffalo [its product] has been killed in Iraq or Afghanistan despite encountering thousands of IED blasts." Senator Lindsey Graham "said the Pentagon has acted quickly to deploy the vehicles, without the kind of delays seen in sending body armor and armored Humvees to Iraq."

US Auditor Recommends Iraq's Government Meet "Milestones" Before Receiving Aid. The AP (10/31, Baldor) reports, "Federal auditors are recommending that the Iraqi government meet specific milestones of progress to receive any future aid for reconstruction, according to a report released Monday that echoes a message the Bush administration has delivered to Iraqi leaders. The study, issued by the special inspector general who audits U.S. work in Iraq, also concluded that reconstruction is being blocked by violence, and efforts to empower Iraqis to do more are fraught with problems 3 1/2 years after the U.S. invaded the country. The Iraqis should 'meet concrete milestones and political and economic benchmarks as a condition of future aid,' the report recommended. It said U.S. relief and reconstruction aid could be provided through conditional loans and be tied to specific actions by the Iraqi government." The AP notes the report also states, "The U.S.-funded phase of Iraq's relief and reconstruction has entered its concluding stages. The government of Iraq's success in building on the foundation established by the U.S. relief and reconstruction program will now depend in part on (Iraq's) ability to attract more support from other donors and the private sector.'"

The Washington Post (10/31, A17, Witte, 748K) reports that the US "has devoted more than $38 billion to relief and reconstruction in Iraq since the 2003 invasion, and yesterday's report does point to some successes. Electric capacity nationwide passed prewar levels in recent months, though in Baghdad it remains lower than before the war. Oil exports, at 1.66 million barrels a day, met Iraqi goals. Overall, 88 percent of U.S. projects have been completed, with only a small minority yet to begin. Out of the $18 billion reconstruction package Congress passed in November 2003, about three-quarters has been spent."

Thousands Of US Weapons Meant For Iraq's Military Are Missing. NBC Nightly News (10/30, story 3, 2:35, Williams, 9.87M) reported, "there is new evidence that US tax money for rebuilding Iraq has been badly mismanaged and that thousands of American weapons might have fallen into the wrong hands." NBC's Lisa Myers added, "The US has not properly tracked a half million weapons bought for Iraqi security forces. In a new report reveals that 14,000 weapons are now considered missing. Government watchdogs say

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more than 13,000 glock semiautomatic pistols, 751 assault weapons and almost 100 machine guns cannot be accounted for in Iraq -- raising the possibility that they fell into the hands of insurgents. … Hundreds of thousands of weapons couldn't be tracked because the military failed to properly record serial numbers another report says that less than half the budget for some projects actually went to rebuild Iraq." NBC notes, "Investigators mostly blame the government's poor planning. But they also single out a Halliburton subsidiary, KBR. In this 2004 letter obtained by NBC news, a US official criticizes KBR for accruing indirect costs at a rapid paste and for failing to provide adequate cost information. Government watchdogs now say Halliburton tried to hide data from auditors."

NYTimes Praises The Work Of The IG For Iraq Reconstruction. The New York Times (10/31, 1.21M), in an editorial, writes that the Special Inspector General for Iraq Reconstruction "has distinguished itself as the most vigilant agency monitoring the money spent on the Iraq conflict. The agency, led by a Republican lawyer who once worked in the Bush White House, has previously reported on the contracting lapses and failures of supervision that allowed billions of taxpayer dollars to be wasted instead of being used to rebuild Iraq."

Britain Evacuating Civilians From Basra. The Los Angeles Times (10/31, Ellingwood, 918K) reports the British government "said Monday that it was moving most civilian staff members out of its compound in the southern Iraqi city of Basra because of rocket and mortar attacks by militias. Officials said the move was temporary. But the decision underscored the fraying security climate in southern Iraq, a largely Shiite Muslim region under the sway of various militias, such as that controlled by anti-American cleric Muqtada Sadr. … A spokesman for the British Foreign Office said the consul general would remain in Basra with a small support staff."

American Soldier Missing In Baghdad Left Base Without Permission. ABC World News (10/30, story 5, 0:20, Gibson, 8.78M) reported, "new details about the American soldier who was abducted in Baghdad last week. He served as a translator for the military. He was born in Iraq, spoke Arabic. The military acknowledges she was married to an Iraqi woman. He left his base without permission to visit her family when he disappeared. And a massive military manhunt continues."

Schools Offer Some Respite For Iraqi Children. ABC World News (10/30, story 4, 2:10, Gibson, 8.78M) reported, "The violence changes Iraqis so many ways. But we have a story tonight about an oasis from the violence a place where children can be children." ABC added, "Being fine, in Baghdad's violence, is a relative concept. During the first period this morning, a bomb went off just a block away from this school. These children are so used to it, though, they quickly got back to work. They got scared, their family started calling on the phone, says this teacher. But after ten minutes, we calmed them down. Even though the danger is so close that the bomb shook the windows, this school is a daily refuge for the children. At least here, behind a locked gate, they are reasonably safe. Between classes, they can play in the yard. 'At home, we're afraid to go outside,' she says."

Robinson Blasts Rumsfeld, Says Bush Team, GOP At Fault For Iraq "Mistakes." In his Washington Post (10/31, 748K) column, Eugene Robinson writes, "Go ahead, people, you have your orders from Napoleon Bonaparte, I mean Donald Rumsfeld. 'Back off' and 'relax.'" Robinson charges, "Alexander the Great, I mean Donald Rumsfeld, may have authored the mistakes that have cost nearly 3,000 American lives, including more than 100 in October alone -- sending too few troops, disbanding the Iraqi army, failing to plan for an extended occupation, training Iraqi 'security forces' that promptly turned into sectarian militias. But George W. Bush, Dick Cheney, Condoleezza Rice and the rest of the Vulcans were with him every step of the way, and the Republican majority in Congress sang hosannas of praise like an amen chorus."

Pakistani Forces, CIA Predator Prone Destroy School Used As Al Qaeda Training Center. The AP (10/31, Khan) reports, "Pakistani troops and helicopters firing missiles killed as many as 80 militants training at a religious school used as an al-Qaida training center near the Afghan border, officials said. Local leaders said all those slain when the school, or madrassa, was destroyed were civilians." Army spokesman Maj. Gen. Shaukat Sultan "said initial estimates based on intelligence sources on the ground indicated that the attack killed about

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80 suspected militants, who appeared to be in their 20s and were from Pakistan and other countries. 'These militants were involved in actions inside Pakistan and probably in Afghanistan,' Sultan told The Associated Press."

ABC World News (10/30, story 6, 0:15, Gibson, 8.78M) reported that among those killed was "a cleric associated with al Qaeda's top deputy. Pakistan said all the dead were militants. Villagers claim that innocents were killed. Islamic leaders blame the US, but Pakistan denied any American involvement."

However, NBC Nightly News (10/30, lead story, 3:55, Miklaszewski, 9.87M) added, "NBC News has learned that the US had a major role in this operation and with 80 dead that makes this the largest number of suspected militants ever killed in a single counterterrorist attack. US officials tell NBC News the attack was carried out by a CIA Predator drone armed with Hellfire missiles and nearly a dozen Pakistani attack helicopters." NBC added, "The attack brought out thousands of protesters throughout Pakistan burning the American flag, shouting down with America. Down with Musharraf. The assault was similar to Predator air strikes that tried to kill Zawahiri in January."

The Washington Times/AP (10/31, Garwood) says "the raid threatens efforts by President Gen. Pervez Musharraf to persuade deeply conservative tribespeople to back his government over pro-Taliban and al-Qaida fighters, who enjoy strong support in many semiautonomous regions in northern Pakistan." The New York Times (10/31, Masood, 1.21M) says the attack also "threatens to disrupt a peace deal that was expected to be signed today between Bajur tribal leaders and the military. The agreement is meant to control the flow of weapons and militants into Afghanistan. A similar accord was signed with tribal leaders this year in neighboring North Waziristan." The Christian Science Monitor (10/31, Montero, 58K) runs a similar report under the headline "Pakistan Attack A Setback To Border Peace."

The Washington Post (10/31, A15, Constable, Khan, 748K) reports, "Osama bin Laden and his deputy, Ayman al-Zawahiri, are widely believed to be hiding in the rugged Afghan-Pakistani border region, home to fiercely independent tribal peoples . Afghan officials also contend that Pakistan's side of the border is serving as a sanctuary for newly aggressive Taliban insurgents in Afghanistan." The attack "seemed to represent an abrupt shift from the Musharraf government's recent policy of seeking peaceful negotiations with extremists in the border regions. In the past several months, two peace deals were signed in the tribal areas of North and South Waziristan after sustained attacks there by the Pakistani military drew strong local opposition and caused heavy casualties on both sides."

Pentagon Mounts Public Affairs Operation. AFP (10/30, Mannion) reports, "The Pentagon is expanding its public affairs operations to counter 'inaccurate' news stories and editorials and exploit 'new media' to get its message out, its chief spokesman said, denying the effort was linked to the US elections." Eric Ruff "insisted that the new public affairs program was not prompted by either the elections or polls showing that only about 37 percent believe the war is going well." He "disclosed the expanded operations after questions were raised about a wall being built in the Pentagon press operations center." AFP states, "Dorrance Smith, the assistant secretary of defense for public affairs, has written a torrent of letters to editors in recent weeks seeking corrections or rebutting articles and editorials. ... US Defense Secretary Donald Rumsfeld, a strident critic of media coverage of Iraq, also has pushed for a sweeping overhaul in the way the military communicates with the public."

The AP (10/31) reports, "A memo obtained by The Associated Press shows the Defense Department is adding to its public relations staff. It plans to set up teams to quickly answer opponents' claims, develop messages for news cycles and coordinate officials or politicians to speak out on issues. Defense Secretary Donald Rumsfeld has said the thing that keeps him up at night is his belief that terrorists have been able to manipulate the media, while the Pentagon's communications efforts have been lacking."

Another AP (10/31) article reports, "In a memo obtained by The Associated Press, Dorrance Smith, assistant secretary of defense for public affairs, said new teams of people will 'develop messages' for the 24-hour news cycle and 'correct the record.'" Like AFP, the AP writes that spokesman Ruff "denied that the effort was set up to respond to the eroding public support for the war, or that it was aimed at helping in next week's elections."

CORPORATE SCANDALS:

Monster Worldwide Founder Resigns Amid Options Probe. The Wall Street Journal (10/31, A3, Bandler, Maremont) reports, "Monster Worldwide Inc.'s

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founder, Andrew McKelvey, resigned from the company's board after declining to be interviewed by lawyers conducting an internal investigation into backdating of stock options at the company." The Journal continues, "Mr. McKelvey, who founded the company that was the precursor of Monster 39 years ago, had been the company's chairman and chief executive until earlier this month, when he stepped down from both posts, citing the demands of dealing with the options probe. Yesterday, he resigned his remaining positions as director and chairman emeritus. Monster is the parent of the popular Monster.com job-search Web site." The Journal adds, "The broadening options-backdating scandal so far has focused on more than 150 companies, and white-collar attorneys say executives increasingly are refusing to cooperate with in-house probes for fear that their statements will be used against them by the government. But failure to cooperate makes it difficult or impossible for the executive to stay in his or her position. Nearly all of the companies involved are conducting internal probes, and typically turn over the results to federal investigators."

USA Today (10/31, Iwata) reports, "McKelvey was scheduled to meet Monday with a Monster special committee investigating the company's stock-option grants, but he changed his mind. … The company said in a statement that 'Mr. McKelvey had declined to be interviewed' and 'would not provide assurance that he would appear at a later date.'" USA adds, "McKelvey's attorney, Steven Reich of Manatt Phelps & Phillips, said in a letter Sunday to Monster's private attorneys that 'we need a good deal more time to get up to speed on this fact-intensive matter that covers a period of many years.' … The letter, addressed to attorney James Benjamin at law firm Akin Gump Strauss Hauer & Feld, also said that McKelvey was ill, was suffering from jet lag and lacked legal representation during a key meeting with the committee last July on the stock-option scandal. … When questioned, McKelvey did not understand the legal and accounting implications of stock-option backdating, or whether Monster engaged in improper practices, according to the letter filed Monday with the Securities and Exchange Commission."

The AP (10/31, Tong) reports, "Monster has received a subpoena from the U.S. attorney's office in the Southern District of New York over stock options and has said it wants to complete its own investigation by the end of the year." The AP adds, "McKelvey's full resignation from the board comes weeks after he stepped down from the posts of chairman and chief executive on Oct. 9. At that time, he retained a spot on the board and was named as a chairman emeritus. … Top executives who have recently resigned from other companies over options investigations include: UnitedHealth Group Inc. Chief Executive William McGuire, KLA-Tencor Corp. Chairman Kenneth Levy, CNET Networks Inc. Chief Executive Shelby Bonnie and McAfee Inc. CEO George Samenuk. McGuire quit as chairman earlier this month and will resign as CEO by Dec. 1. … So far, federal authorities have filed charges against former officials of two technology companies. And Securities and Exchange Commission Chairman Christopher Cox said on Monday that he expected more such charges in the coming days."

SEC Head Sees More Options Cases. The AP (10/31, Gordon, Tong) reports, "With about 100 companies under investigation, new cases will be brought on suspicious timing of stock options grants in the near future, the head of the Securities and Exchange Commission said Monday. … Meanwhile, there have been an 'unprecedented' number of companies that have voluntarily reported irregularities in stock options awards to the authorities -- a cooperation that will be taken into account by the SEC in those cases, Chairman Christopher Cox said." The AP continues, "Federal authorities have filed charges so far against former officials of two technology companies. … 'I'd expect that we'll see more as a result of that process in the days ahead,' Cox told reporters. … His remarks came amid news that the former chief executive of Monster Worldwide Inc., parent of the world's largest job-search site, had resigned from its board after refusing to be interviewed about the company's past options practices." The AP adds, "Andrew J. McKelvey's resignation came weeks after he stepped down from the posts of chairman and chief executive on Oct. 9. At that time, he retained a board seat and was named chairman emeritus. … To date, at least 135 public companies have disclosed internal inquiries over options grants or investigations by the SEC or the Justice Department, and at least 39 executives and directors at 19 companies have been fired or resigned."

Report Finds Hundreds Of Missed Options Disclosure Deadlines. The San Jose Mercury News (10/31, Poletti) reports, "Hundreds of companies have missed the regulatory deadlines to disclose how many stock options they have granted to insiders, raising questions about whether more options grants may have been backdated even amid new tougher securities laws, according to a report by Glass Lewis." The News continues, "In an Oct. 20 report called

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'The Backdating Scandal's Second Act?' Glass Lewis, an institutional shareholder advisory firm in San Francisco, noted that its research has identified hundreds of companies with late filings to the Securities and Exchange Commission. Those filings, called Form 4s, are now required within two days of the grants, per new securities laws as a result of Sarbanes-Oxley legislation. … 'This suggests backdating continued to occur after the adoption of new disclosure rules,' wrote Todd Fernandez, a senior research analyst at Glass Lewis, in the report. He noted there are many examples of companies that were late in disclosing grants to insiders and the stock price rose materially from the purported grant date to the disclosure date." The News adds, "Some examples Glass Lewis sited include Silicon Image of Sunnyvale, Hansen Natural of Corona, Calif., O'Reilly Automotive of Springfield, Mo., Digital River of Minneapolis, Websense of San Diego, and Medis Technologies of New York. … Glass Lewis said it reviewed hundreds of thousands of insider transactions from January, 2004 to June 2006, for its report."

Congress To Review SEC Oversight Of Hedge Funds. The Deal (10/31, Orol, Block) reports, "Congressional investigators are examining whether stock exchanges and the Securities and Exchange Commission are equipped to police trading activity ahead of market-moving deals, particularly as hedge funds become an increasingly large presence in the financial markets." The Deal continues, "At the request of Sen. Finance Committee Chairman Charles Grassley, R-Iowa, the Government Accountability Office earlier this month agreed to examine whether the SEC had adequate procedures in place to oversee stock exchange regulators, including the New York Stock Exchange and NASD. … Ostensibly, those exchanges are self-regulatory organizations, but the SEC ultimately is charged with ensuring that the public markets are carrying out their obligations to root out insider trading, fraud and other abuses." The Deal adds, "Financial industry sources say Grassley is right to suspect some fire behind the smoke of suspicious trading and that the SEC appears to suffer a backlog of referrals of suspected improper trading from the exchanges. … With the advent of decimalization, increased domination by institutional trading, short-term trading strategies by hedge funds, and the move to a for-profit model of the major trading venues, it's unclear whether the SRO's market surveillance budgets, staffing levels and computer technology are keeping up."

WSJournal Criticizes Politicians' Eagerness To Tighten Regulations On Hedge Funds. The Wall Street Journal (10/31, 2.03M) reports Senate Finance Chairman Charles Grassley "is circulating a letter to regulators looking for suggestions on how to regulate hedge funds. He's far from the only one. Connecticut Attorney General Richard Blumenthal is bidding to become the next Eliot Spitzer by doing to hedge funds what New York's AG did to the insurance industry. … So, just what is driving this push to regulate? First, until recently hedge funds have been growing like Topsy, and the 1998 meltdown of Long-Term Capital Management did little to diminish wealthy investors' appetite for new funds. Today there are more than 3,000 hedge funds, managing more than $1 trillion in assets. This growth has made them an increasingly attractive target for imperialist bureaucrats and rent-seeking politicians."

Delphi Settles Civil Fraud Charges With SEC. The Washington Post (10/31, D1, Freeman) reports, "The Securities and Exchange Commission said yesterday that it settled civil fraud charges against embattled auto parts supplier Delphi Corp. and some of its former officials, while others vowed to fight." The Post continues, "The SEC named 13 individuals in the case, which alleges that officers at the company's highest level engaged in accounting schemes to mask Delphi's declining financial condition from 2000 to 2004. In one effort, the SEC said executives misrepresented warranty claims as pension costs to improve financial results. … Under terms of the settlement, Delphi faces no financial penalties." The Post adds, "The SEC said six individuals in the case agreed to settle the charges without admitting wrongdoing and will pay a total of $1.4 million in fines and other payments. The largest amount will be paid by Alan Dawes, Delphi's former chief financial officer, who agreed to pay $687,000."

The AP (10/31, Thomas) reports, "Delphi, the nation's largest auto supplier, filed for bankruptcy protection in October 2005. Resolving the SEC investigation could help the company move closer to emergence from bankruptcy next year." The AP continues, "The government said in a statement that the Troy, Mich.-based company had settled its charges and will not face penalties because of its cooperation with investigators. … Delphi Chairman and CEO Robert S. 'Steve' Miller said the auto supplier had 'cooperated fully with the commission's investigation and will continue to do so. We are pleased to put the SEC

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investigation behind us and consider this settlement an important step in our transformation process.'"

USA Today (10/31, Carty) reports, "Delphi's former CEO says he'll fight a lawsuit by the Securities and Exchange Commission that charges him and six other former Delphi employees with incidents of fraud from 2000 to 2004." USA continues, "J.T. Battenberg, Delphi's founding chairman and CEO from 1999 (when the supplier was spun off from General Motors) until he retired in June 2005, insists the actions he took were 'entirely lawful and proper.' … 'I fully cooperated with Delphi and the SEC in their investigations of this matter both before and after my retirement, and am disappointed — to say the least — that this lawsuit has been filed,' he said in a statement."

The Detroit News (10/31, Shepardson) reports, "n March 2005, following a 10-month internal investigation led by an outside law firm, Delphi ousted Dawes and then-chief accounting officer Paul Free, who was also charged in Monday's filing, and said many of the company's financial statements were inaccurate. It also removed at least four other officials. … The investigation into Delphi began in July 2004 after EDS, another former GM subsidiary, told the SEC in June 2004 about a $20 million loan in 2001 that Delphi booked as income. The SEC upgraded its probe into a formal investigation in August 2004. … The 79-page complaint filed in U.S. District Court in Detroit Monday was assigned to Judge Avern Cohn, who must approve the settlements."

Pickens Pleads Guilty To Securities Fraud. The Wall Street Journal/AP (10/31, C4) reports, "The son of billionaire oil tycoon T. Boone Pickens pleaded guilty to securities fraud Monday, admitting his role in a scheme to inflate the stock value of three companies so he could make hundreds of thousands of dollars illegally." The AP continues, "Michael O. Pickens, of Nocona, Texas, entered the plea in U.S. District Court in Manhattan after signing an agreement calling for him to be sentenced to as little as four years and nine months in prison or as much as five years and 11 months." The AP adds, "Judge Loretta A. Preska set sentencing for Jan. 30 after Mr. Pickens, 52, entered the plea to three charges of securities fraud. The charges carry a potential fine of $3 million. … Mr. Pickens was arrested July 18, 2005, and was accused of sending hundreds of thousands of hoax faxes throughout the U.S. in December 2004 to fraudulently induce investors to buy three stocks. … Prosecutors said each fax purported to be a handwritten note conveying a stock tip to a person, suggesting it had been mistakenly sent to each recipient. An indictment said the fake faxes caused the trading values and market prices of the stocks to increase dramatically. It said one stock's value almost doubled in one day."

Canadian Court Freezes Publisher's Assets In Hollinger Dispute. Bloomberg (10/31) reports, "The assets of F. David Radler, the former publisher of The Chicago Sun-Times, were recently frozen by a Canadian court at the request of Hollinger Inc., Conrad M. Black's former holding company, which is suing Mr. Black and Mr. Radler to recover management fees." Bloomberg continues, "A British Columbia Supreme Court judge in Vancouver granted the order on Oct. 25. Hollinger is suing Mr. Black and Mr. Radler to recover management fees and noncompetition payments. … The injunction, which applies worldwide, prohibits Mr. Radler and his company, F. D. Radler Ltd., from disposing of, mortgaging or transferring any assets, and freezes their bank accounts while the suit remains before the courts." Bloomberg adds, "Mr. Radler is allowed to spend up to $22,255 a month for living expenses and legal fees. The order will remain in effect until Nov. 9, unless the court agrees to extend it, the judge, Deborah Satanove, said in a three-page ruling. … Mr. Black's assets were frozen Aug. 18 at Hollinger's request by the order of an Ontario Superior Court judge. Mr. Black and his wife were limited to a monthly allowance of 50,000 Canadian dollars. Mr. Black and Hollinger agreed on Sept. 29 to replace the judge's order with a confidential settlement. … Hollinger, the holding company that Mr. Black used to control the newspaper publisher Hollinger International, is seeking 636 million Canadian dollars in damages. In July, Hollinger International changed its name to the Sun-Times Media Group. … In Chicago, Mr. Black faces 12 charges of racketeering, money laundering, wire fraud and obstruction of justice. He is accused of moving $92 million from Hollinger International through other companies and using Hollinger Inc. to enrich himself at shareholder expense. Mr. Black has denied any wrongdoing. His trial in Chicago is scheduled to start in March."

CRIMINAL LAW:

Fitzgerald Seeks To Avoid Armitage Issue During Libby Trial. The AP (10/31, Apuzzo) reports Special Prosecutor Patrick Fitzgerald "told a federal judge

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Monday that he shouldn't have to explain during the upcoming trial of" Vice President Dick Cheney's former chief of staff I. Lewis 'Scooter' Libby "why nobody was charged with leaking the identity of a CIA operative." The AP notes Libby's supporters "have accused Fitzgerald of singling out Libby while not charging the source of the leak, former Deputy Secretary of State Richard Armitage. In court documents, Fitzgerald said he shouldn't have to address that issue at Libby's trial. While never addressing Armitage by name, Fitzgerald said it would be irrelevant to discuss other officials. 'If Mr. X was investigated for leaking classified information, the government's decision not to charge Mr. X should have nothing to do with the jury's role as the finder of fact in Libby's case,' Fitzgerald wrote. If jurors disagree with his decision not to charge anyone else, they might be less likely to convict Libby, Fitzgerald wrote."

Florida Prison Guards Stand Trial In Contraband-For-Sex Case. The AP (10/31, Kaczor) reports, "Lawyers for two prison guards charged in a contraband-for-sex scandal that ended in a deadly shootout told a jury Monday that the government's case relies on the testimony of inmates who are willing to lie in exchange for reduced sentences." The AP continues, "Gregory Dixon and Alan Moore, who both work at a federal prison for women, are accused of participating in a scheme to swap sex with female inmates for such commonplace items as gum, cigarettes and perfume. Both are charged with conspiracy and bribery. Dixon also is accused of witness tampering. … 'You will hear a lot of nonsense from inmates all trying to punch their tickets home,' said Thomas Findley, Dixon's lawyer, as the trial opened." The AP adds, "Authorities said the suspected plot ended June 21 in a shootout after prison guard Ralph Hill smuggled a gun into the Tallahassee Federal Correctional Institution and opened fire when FBI and Justice Department agents arrived to arrest him and other defendants. Hill and an FBI agent were killed. … Three guards have since pleaded guilty in the scheme, but none have been implicated in the shootout. Dixon and Moore have been suspended from their jobs. … Assistant U.S. Attorney Alan Sprowls acknowledged his key witnesses are convicted felons but promised the jury that the government will introduce sufficient evidence to show the guards abused their authority for personal benefit."

Judge Sets Date For Hawaii Death-Penalty Trial. The Honolulu Advertiser (10/31, Kobayashi) reports, "The first death penalty trial here since Hawai`i abolished capital punishment in the 1950s is scheduled to begin in October of next year." The Advertiser continues, "Army Spc. Naeem Williams pleaded not guilty today to a charge of murdering his 5-year-old daughter Talia Williams, who died July 16 last year. He faces the death penalty, which was authorized earlier this year by U.S. Attorney General Alberto Gonzales." The Advertiser adds, "Federal Magistrate Judge Leslie Kobayashi today set Williams' trial for Oct. 16, which is later than usual because of legal issues that may arise because the charge carries the death penalty. … Williams' wife Delilah Williams is also scheduled to go on trial with her husband on a charge of murdering Talia Williams, but the attorney general did not authorize the death penalty prosecution for her. Delilah Williams earlier pleaded not guilty. If convicted, she faces a maximum sentence of life in prison."

Florida Man Faces Federal Pornography Charges. The Bonita (FL) News (10/31, Zambo) reports that a Florida man claims "he was the real victim in the child pornography case he accused the federal government of manufacturing." Donald Deverso, a former Lee County (FL) school bus driver, "staunchly maintained his innocence Monday, telling a federal judge during his sentencing hearing that he was taken advantage of by a girl from the Philippines. … 'To keep calling these women victims — I didn't have any victims, your honor,' Deverso said before U.S. District Judge John E. Steele sentenced him to 16 years behind bars. 'I didn't write to them. They wrote to me.'" The News continues, "Deverso, 59 and of Cape Coral, was convicted on May 19 in the high-profile case. He was accused of keeping child porn on his home computer from May 11, 2002, through April 15, 2005. He also was charged with transporting child pornography in October 2004, and manufacturing it while he vacationed in the Philippines. Deverso photographed underage girls he met online through Asian dating Web sites, one victim and investigators testified in spring during his weeklong trial." The News adds, "Prosecutors said Deverso chatted with numerous women online, proposing marriage to them. Deverso remains married to his third wife, Zong Yu Deverso, whom he met on a Chinese brides Web site. Deverso countered that he never promised these others marriage, just that it was possible if they got along well. … Based on federal sentencing guidelines, Steele had to sentence Deverso to a minimum of 15 years in prison. He

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could have been sentenced to 20 years. … 'What kind of person flies around the world to take advantage of poor and desperate women?' Chief Assistant U.S. Attorney Doug Molloy asked. 'One who deserves the maximum penalty of incarceration this court can impose.'"

Florida County Commissioner Will Plead Guilty To Corruption Charges. The Palm Beach Post (10/31, Dubocq) reports, "Former Palm Beach County Commission Chairman Tony Masilotti faces up to five years in prison and forfeiture of $9.5 million in cash and real estate for his leading role in a land deal conspiracy that stretched from 2000 to this past June, federal prosecutors said Monday. Masilotti, who in a sorrowful resignation letter said he will plead guilty, is expected to surrender Friday," but "still to be determined: when Masilotti formally will plead guilty and when he'll be dispatched to prison." US Attorney R. Alexander Acosta yesterday "hinted that more defendants could be charged in the case but declined to elaborate." The Post notes, "The investigation of Masilotti was triggered by an April report in The Palm Beach Post," and "within weeks of the report, the FBI and IRS swooped in and a grand jury was impaneled." FBI Miami SAC Jonathan Solomon "credited The Post. 'I'd just like to recognize them for their investigative reporting,' Solomon said at Monday's news conference. 'They did an outstanding job.'"

The South Florida Sun-Sentinel (10/31, Hafenbrack, Franceschina, 265K) reports, "In one Palm Beach County deal, Masilotti is accused of receiving between $40,000 and $50,000 for his assistance in helping a developer solve traffic problems concerning land the Diocese of Palm Beach County was selling in the town of Royal Palm Beach. In another deal, Masilotti and family members allegedly got $100,000 in free air travel from a developer who did business with county in purchasing a former public horse riding area near Wellington." The Sun-Sentinel notes that in his letter indicating his intention to plead guilty, Masilotti "pledged to cooperate with the FBI, Internal Revenue Service and U.S. Attorney's Office, which have been investigating for six months his potential abuse of power."

Louisiana Police Chief Sentenced To Probation, Restitution For False Claim. KATC-TV Lafayette (10/30) reported on its Web site from a story broadcast yesterday, "Former Opelousas Police Chief Larry Caillier, who had a stellar career in law enforcement, was sentenced Monday in federal court for filing a false claim. His department was paid for bike patrols that never happened." US District Judge Richard Haik "sentenced him to five years probation, 10 months of house arrest and he must pay restitution to the U.S. Clerk of Court. The FBI determined Caillier owes $26,300." The Opelousas Daily World (10/31, Cochran) notes, "The conviction is the first and only found against the former chief, though the state remains poised to proceed with another 26 separate charges" against Caillier for "allegedly ordering OPD officers not to respond to disturbance calls and several other charges ranging from forgery to money laundering. Also still facing both federal and state charges in connection with the patrols is former OPD Maj. Ronnie Trahan," who was "charged last week in federal court with aiding and abetting Caillier in the filing of a false claim for reimbursement on the patrols."

The Baton Rouge Advocate (10/31, Burgess) reports Caillier and Trahan "were accused in a federal investigation that focused on a $225,000 U.S. Department of Housing and Urban Development grant for bicycle patrols at public housing projects in Opelousas from 2000 to 2003. … Trahan told investigators that Caillier directed him to falsify time sheets to ensure that the Police Department billed $3,000 every two weeks, regardless of whether the money was earned by patrolling officers."

US To Retry Pellicano-Related Perjury Case. The Los Angeles Times (10/31, Krikorian, 918K) reports, "Federal authorities announced Monday that they will retry a former phone company employee acquitted last month of four of five charges in the first trial resulting from the wiretapping investigation of indicted private investigator Anthony Pellicano and others. Citing 'compelling' new evidence in the case, Assistant U.S. Atty. Daniel Saunders told U.S. District Judge Dale S. Fischer that the government would again prosecute Joann Wiggan for perjury for allegedly lying to a federal grand jury last October when she said she never retrieved a single message from her voicemail account at work. … Additionally, Saunders said, he expects a superseding indictment with additional charges against Wiggan to be returned in two weeks." The Times notes, "Though separate from the larger Pellicano case, the prosecution of Wiggan arose from the same FBI probe of the former private eye and allegations that he and others used a variety of illegal means, including wiretaps, to benefit his clients."

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California Energy Company CEO Sentenced To Eight Years In Prison. The Orange County Register (10/31, Hammill) reports, "The former CEO of a defunct Los Angeles energy company who participated in a fraudulent investment scheme was sentenced to eight years in federal prison at the United States District Court in Los Angeles on Monday." Illya Bond "was also ordered by District Court Judge Percy Anderson to pay over $2.4 million in restitution to victims of fraud involving the PowerSource Corporation, a fraudulent company he formerly helmed. A federal jury convicted Bond on charges of conspiracy, mail fraud, wire fraud and making a false statement to special agents with the FBI in a January decision. He is the last in a series of seven defendants with ties to the company to be convicted and the sixth sentenced." KCAL-TV Los Angeles (10/30) noted, "Bond, who also used the name Frank Akberry, was convicted in January of conspiracy, mail fraud, wire fraud and lying to FBI agents."

Many States Restrict Halloween Activity For Sex Offenders. USA Today (10/31, Koch) reports, "Many sex offenders, limited in where they can live or work, are under another restriction today: no costumes, no candy giving, no jack-o'-lanterns, no welcoming front-porch lights." USA continues, "Some states go further to protect children on the holiday. At least 10 states keep a special eye on sex offenders via house arrest or required meetings, through such programs as Operation Boo in California and Operation Trick No Treat in Virginia." USA adds, "In New Mexico, a convicted pedophile or violent sex offender who lives alone has, for the first time this year, a sign outside his door today that notifies the public of his offense, says Tim Olsen, a regional manager of the New Mexico Corrections Department. He says offenders must stay inside and keep outside lights turned off. … New Mexico, New Jersey, South Carolina and Tennessee are into their second year of precautions, although Tennessee only recently announced its restrictions after phone calls from anxious parents." USA notes, "In Virginia, which began its Halloween program in 2002, high-risk sex offenders on parole or probation must report to offices where they are held for several hours while kids go trick or treating. … Some states have had Halloween restrictions for years but are increasing surveillance. New York, which requires offenders to stay home between 3 p.m. and 6 a.m., is making checkup calls and unannounced visits. … Other states with Halloween restrictions include Illinois, North Carolina and Wisconsin."

FBI Reports Fewest Police Killed On Duty Since 2001. In a widely-distributed story, the AP (10/31, Jordan) reports, "The number of police officers nationwide who were killed by criminals while on the job in 2005 dipped slightly from a year earlier, FBI data released Monday show. An estimated 1,800 fewer cops were assaulted during the same time period – the lowest total since 2001." The AP notes, "Traffic duty proved to be the most lethal assignment for the officers, the report shows. Fifteen cops were killed during traffic pursuits or on traffic stops, compared with eight slain while making arrests and another eight who were ambushed."

St. Louis Officials Dispute Top Crime Ranking. The St. Louis Post-Dispatch (10/31, Kohler, 300K) reports, "Here we go again: A publisher in Kansas, using a formula decried by criminologists, says St. Louis is the most dangerous city in the United States. And city officials are fuming. … 'This thing is bogus,' grumbled Jeff Rainford, chief of staff to Mayor Francis Slay. But bogus or not, Rainford said, there is good reason to worry the ranking could hurt St. Louis. Nancy Milton, spokeswoman for the St. Louis Convention & Visitors Commission, said she fielded phone calls Monday from convention planners concerned about what they were hearing." The Post-Dispatch notes, "Morgan Quitno's assessment is based on a given city's rates last year in six crime categories…as reported to the FBI. … Richard Rosenfeld, a criminologist at the University of Missouri at St. Louis, said Morgan Quitno's methodology is flawed because it compares places like Memphis, which includes miles of outlying areas, to St. Louis, where the city limits barely extend from the urban core."

The AP (10/31, Leonard) reports, "Mayor Francis Slay makes no bones about it: Morgan Quitno Press is dead wrong to call St. Louis the most dangerous city in the United States. … 'To suggest that St. Louis is more dangerous than Miami, New Orleans, Los Angeles and Chicago - it just doesn't make any sense.'" The AP notes, "Slay took issue with the study's methodology. He said the group used population figures from the U.S. Census Bureau that were too low, exaggerating the crime statistics. … Scott Morgan, president of Morgan Quitno, said he used a population estimate of 346,000 derived from an FBI report. Changing the

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figure to 353,000 doesn't change St. Louis's ranking, Morgan said."

Rankings Widely Noted In Local Media. Meanwhile, the Morgan Quitno rankings – officially released yesterday – garnered extensive local media across the country, with the stories all noting that the report was based on FBI crime statistics. Some examples: The Knoxville News Sentinel (10/31) reports Knoxville ranked "297th on a list of 371 cities," but "KPD spokesman Darrell DeBusk said the study appears flawed as far as Tennessee numbers are concerned." DeBusk noted, "All Tennessee law enforcement agencies use an incident based reporting system, versus the Uniform Crime Report system that most law enforcement agencies in the county use." The News Sentinel adds, "The FBI has recommended the incident based system as more accurate, but only a few states have adopted it so far, DeBusk said. … Visiting St. Louis on Thursday, FBI director Robert Mueller said it was too early to tell why some types of crime were rising faster in the Midwest. Mueller said the FBI is working harder to form partnerships with police departments to launch programs like St. Louis' Safe Streets task force, which focuses police efforts on problematic neighborhoods."

WAVE-TV Louisville (10/30, MacDonald) reported on its Web site from a story broadcast yesterday, "Louisville made the list of the 10 safest large cities for the second year in a row. … But like so many things right now, the ranking has turned in to a political issue, with some saying it proves crime fighting efforts are working here, and others saying just the opposite." WAVE noted, "Shortly after visiting with school children Monday morning, Louisville Mayor Jerry Abramson said the ranking is proof things are working here in the River City." However, "Councilman Kelly Downard has made crime a major part of his own campaign for mayor and he disagrees with the Louisville's ranking, calling it a 'fluke.'"

WLNS-TV Lansing (10/30, Arla) reported on its Web site from a story broadcast yesterday, "Two Michigan cities follow" St. Louis – "Detroit at #2, and Flint ranks third. Lansing ranks as the 96th most-dangerous city. The new list gives the perception Lansing isn't that safe, but the Lansing Police Department says their numbers tell a different story. … The Lansing Police Department says the company omitted many other crimes for its list, like arson or drug arrests. Therefore, the department doesn't believe the numbers give an accurate picture."

WSOC-TV Charlotte (10/30) reported on its Web site from a story broadcast yesterday, "Charlotte has been named one of the most dangerous big cities in the country, but police say the ranking is wrong. … Morgan Quitno Press used Federal Bureau of Investigation numbers to determine how safe the cities are," ranking Charlotte eighth. "Charlotte-Mecklenburg police, however, say the group shouldn't compare cities using that method, and it's misleading." C-MPD Chief Darrel Stephens "also said not all of the FBI numbers are used in the ranking, so the data is selective."

The Newark Star-Ledger (10/31, Spoto) reports, "The day after it was named the safest place in the nation, Brick Township was soaking up the good press. Residents flagged down police officers to praise them for their hard work, and neighbors, friends and business people congratulated themselves on their good fortune. … But some were more than a little suspicious," and the report "does have a few quirks." Morgan Quinto "looks only at municipalities of 75,000 people or more. Brick Township is on the low side of that cutoff with an estimated population of 80,000. It joined only 11 other communities in the state." Therefore, "554 of New Jersey's 566 towns were excluded."

CIVIL LAW:

High Court To Hear Phillip Morris's Appeal Of $79.5 Million Punitive Damages Award.

The Christian Science Monitor (10/31, Richey, 58K) reports, "Jesse Williams smoked two packs of cigarettes a day for 45 years. Following his death in 1997 after being diagnosed with lung cancer, his wife, Mayola, sued the Philip Morris tobacco company seeking $100 million in punitive damages. The Oregon jury that heard her case rejected the $100 million request. Instead, it awarded her $79.5 million. Tuesday, the case arrives at the US Supreme Court where lawyers for Philip Morris are asking the justices to strike down the punitive damage award as constitutionally excessive and fundamentally unfair. The case, Philip Morris v. Mayola Williams, is being closely watched to see whether a majority of justices are willing to issue strict guidelines to identify when a punitive damage award is unconstitutionally excessive."

The AP (10/30) reports, "Jesse Williams, according to his widow, never gave any credence to the surgeon general's health warnings about smoking cigarettes. … Nine years after Williams' death, the Supreme Court is considering this question: Can Williams' widow collect $79.5 million in punitive damages for fraud from the cigarette company Philip Morris USA?" The AP continues, "To the dismay of anti-

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smoking groups, the Supreme Court agreed to hear the company's appeal of a jury verdict in Oregon. … Philip Morris, the maker of Marlboros, is struggling to turn back unfavorable rulings by Oregon state courts in the Williams case. One ruling upheld the jury award after the Supreme Court sent the case back to Oregon once before to make sure it conformed to a 2003 high court opinion limiting punitive damages." The AP notes that "the Williams family is counting on justices to find that Philip Morris' conduct was so reprehensible that it justifies exceeding guidelines the court has laid out in two rulings in the past 10 years that struck down large awards. … One difference is that the earlier cases did not involve physical injuries. … The company doesn't deny making public statements rejecting a link between smoking and cancer; rather, it says there's no evidence Williams ever heard the statements or ever read them. … The court also will be looking at the decision of the state courts that declared it acceptable for the jury in the Williams case to consider harm by Philip Morris to other smokers for conduct similar to that which allegedly injured Williams."

The New York Times (10/31, 1.21M), in an editorial, notes the Supreme Court "has already indicated that at some point punitive damages become so large that they violate due process. But it has done a poor job of identifying that point. Originally, it laid down some reasonable factors for lower courts to consider, including how reprehensible they considered the defendant's conduct. But in 2003, the court put forth the dubious proposition that punitive damages should generally be in a 'single digit' ratio to actual damages — so with actual damages of, say, $100,000, punitive damages should be under $1 million. Constitutional principles can seldom be boiled down to a formula, and it is difficult to see why the court should rein in juries so tightly."

6th Circuit Panel Upholds Kentucky Law Requiring Tobacco Payments. The AP (10/31, Barrouquere) reports, "Kentucky can continue to enforce laws requiring small cigarette companies to make payments to help cover smoking-related health costs, a federal appeals court ruled Monday." The AP continues, "The ruling means the state can continue collecting escrow payments from small cigarette companies that did not participate in the 1998 master settlement agreement between tobacco companies and 52 states and U.S. territories. Attorneys said it was the first ruling by a federal appeals court addressing the issue of whether states can force smaller companies to make the payments." The AP adds, "The landmark agreement in 1998 required payments to be made over 25 years and settled all of the state's lawsuits over the public costs of treating sick smokers. More than 30 states passed laws requiring nonparticipating cigarette-makers to make escrow payments. .. A three-judge panel from the 6th Circuit Court of Appeals in Cincinnati turned away a challenge from three companies that said Kentucky laws effectively barred the businesses from selling tobacco in the state."

Tenet To Sell California Hospital. The Memphis Business Journal (10/31) reports, "The hospital that helped launch Tenet Healthcare Corp. on a painful four-year odyssey with the Department of Justice now has a new owner." The Journal continues, "Tenet announced late Friday that it had reached an agreement with a physician-owned company to take over the 306-bed Alvarado Hospital Medical Center in San Diego. The new owner, Plymouth Health, will pay $36.5 million for Alvarado, with the money going into Tenet general funds. The sale is expected to be completed by Dec. 31." The Journal adds, "Alvarado came under scrutiny four years ago when the Justice Department looked into the hospital's physician recruitment efforts, including the payment of some physician relocation expenses. The law is vague on the subject and two California juries were unable to reach a verdict in a case that was filed in 2003. … Tenet agreed to sell Alvarado as part of a deal to drop the case."

CIVIL RIGHTS:

US Makes Arrests In Arizona Human Smuggling Probe. The AP (10/31, Rotstein) reports from Tucson, AZ, "More than 40 people were arrested Monday in connection with a family-run smuggling ring that brought hundreds of illegal immigrants into the country, officials said." The AP continues, "The 44 arrests came after a two-year investigation into the ring, which operated out of the southern Arizona town of Bowie, officials said. Many of those arrested are American citizens, officials said. Eleven more suspects, including at least five Mexican nationals, remained at large Monday." The AP adds, "The ring recruited young women to smuggle migrants' infants through ports of entry, posing as their mothers, while the parents were smuggled through the desert separately, said John Lewis, the FBI special agent in charge in Arizona. … The operation smuggled people from Mexico into the U.S. for more than 10

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years — most from Mexico, but also from El Salvador and the Dominican Republic, Lewis said. … 'This network organized, housed, fed, guided and transported large numbers of illegal aliens across the border,' said Paul K. Charlton, U.S. attorney for Arizona." The AP notes, "The suspects were named in an indictment this month. They included the suspected ring leader, Pablo Esteban Juarez, 31; his wife, Lori Gutierrez Juarez, 30; guides who walked people across the border; drivers who transported illegal immigrants; and 'money runners' who picked up smuggling fees."

The Arizona Republic (10/31, Wagner) adds, "Although the so-called Juarez Alien Smuggling Organization is based in Bowie, federal agents also made arrests in nearby Willcox and in New Mexico, California, Minnesota and Ohio. 'This is not just a couple of coyotes,' said Deb McCarley, an FBI spokeswoman. 'This was the entire organization from top to bottom that we took down.'"

Many Voters To Face New ID Poll ID Requirements. The Wall Street Journal (10/31, D1, Conkey, 2.03M) reports many Americans used to being asked for IDs at airports and in bars "will also hear it when they go to the polls. That's because nearly half of the states have passed laws -- many since widely publicized irregularities in the 2000 presidential race in Florida -- requiring voters to prove their identity before they're allowed to cast a ballot." But the laws 'are sparking confusion, partisan rancor and a frenzy of legal challenges in the days leading up to the midterm election." And "any voter in any state is entitled to cast a provisional ballot if he or she encounters a problem at the polling place. States do, however, vary on how they determine whether a provisional ballot is later counted and how long a voter has to come back and prove his identity."

Voting Machine Company Denies Links To Venezuelan President. The Wall Street Journal (10/31, A4, Davis, 2.03M) reports Smartmatic Corp., "whose voting machines will be used in midterm elections next week, says it adopted a complicated ownership structure to minimize taxes and protect intellectual property, and not to mask any control by Venezuela's government." Smartmatic, which is "owned by Venezuelan entrepreneurs who split their time between Boca Raton, Fla., and Caracas, has been caught up in a government probe over foreign ownership. On Election Day, Smartmatic equipment will be used in 16 states, including Florida and California, and the District of Columbia." The actions "of the voting-machine company are being reviewed by the Committee on Foreign Investment in the U.S. The committee reviews foreign acquisitions to see if they pose national security concerns."

The Washington Post (10/31, A4, Goldfarb, 748K) reports Smartmatic, the "nation's third-largest supplier of electronic voting machines said yesterday that it asked the federal government to review its purchase by a company controlled by Venezuelans to allay concerns that it is influenced by Venezuelan President Hugo Chavez." Smartmatic representatives "said that the Venezuelan government does not own and has never owned any part of the company."

Pentagon Said To Ignore Risks Of E-Mail Voting For Troops. The Washington Post (10/31, Nakashima, 748K) reports, "This year, thousands of soldiers around the world have the opportunity to vote in the Nov. 7 elections by e-mail." But computer security experts "inside and outside the government warned that the Pentagon's Federal Voting Assistance Program ignores the risks associated with unencrypted e-mail: interception, hacking and identity theft." The coauthor of a critical report, computer science professor David Wagner, said of the combination of faxing and e-mail options, "It's got all of the problems with unencrypted e-mail, plus your ballot is being routed through the Department of Defense. Will soldiers feel free to vote their conscience when they know that the DOD may be able to see how they voted? How do we know that the DOD or their contractors haven't modified soldiers' ballots in transit?"

Michigan Voters Split On Proposition To Ban Racial Preferences. The New York Times (10/31, Lewin, 1.21M) reports, "Three years after the Supreme Court heard Jennifer Gratz's challenge to the University of Michigan's affirmative action policy, she is still fighting racial preferences, this time in a Michigan ballot initiative." Gratz, a "white applicant who was wait-listed 11 years ago at the state's flagship campus here," said, "We have a horrible history when it comes to race in this country. But that doesn't make it right to give preference to the son of a black doctor at the expense of a poor student whose parents didn't go to college." The Times adds the ballot initiative, Proposition 2, "which would amend Michigan's Constitution to bar public institutions from considering race or sex in public education, employment or contracting, has drawn wide opposition from

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the state's civic establishment, including business and labor, the Democratic governor and her Republican challenger. But polls show voters are split, with significant numbers undecided or refusing to say where they stand."

8th Circuit Panel Upholds Ban On South Dakota Abortion Warning Law Enforcement. The AP (10/31, Brokaw) reports, "South Dakota cannot enforce a 2005 law that would require doctors to give additional warnings to women who seek abortions, a federal appeals panel ruled Monday." The AP continues, "In a 2-1 ruling, the panel of the 8th U.S. Circuit Court of Appeals upheld a lower court's ruling that has prevented the state from enforcing the law. Planned Parenthood, which challenged the measure, has demonstrated a likelihood it will win in its argument that the law violates the U.S. Constitution, the panel said." The AP adds, "The law, passed by state lawmakers in 2005, would require doctors to tell women that abortions end human lives and may later cause serious psychological problems for women who have abortions. A woman also would have to be told she has a legal relationship with her unborn child and that the relationship would be terminated by an abortion that would end the child's life. … U.S. District Judge Karen Schreier of Rapid City issued an order preventing the state from enforcing the law while the lawsuit proceeds. The judge said Planned Parenthood has a fair chance of succeeding on its claim that the law violates the free-speech rights of doctors. … The state argues that the required information is medically accurate and supported by science. State lawyers contend the law would not curb reasonable access to abortion in South Dakota."

South Dakota Abortion Ban Initiative Seen As Likely To Fail. The Washington Times (10/31, Wetzstein, 88K) reports a South Dakota ballot "measure to ban almost all abortions in the state is likely to fail by a wide margin, a new poll says." Fifty-two percent "of 800 likely voters said they would vote 'no' next week on a law banning all abortions except to save the life of a mother, according to the poll, conducted for the Argus Leader newspaper in Sioux Falls, S.D." Forty-two percent of voters "said they would vote 'yes' for the ban, and 6 percent were undecided, according to the survey, which had a margin of error of 3.5 percent and was released in the newspaper's Sunday edition."

Maryland Youth Prison Woes Become Campaign Issue. The Washington Post (10/31, B02, Otto) reports, "When the $60 million Baltimore City Juvenile Justice Center opened in 2003, it was hailed as the kind of solution Gov. Robert L. Ehrlich Jr. (R) had promised when he campaigned for office. … Within a year, independent monitors were describing conditions there as bad as those in the state's most notorious juvenile jails. A U.S. Justice Department report this summer found that the center has failed to 'adequately protect children from youth violence.'" The Post continues, "When Cheltenham Youth Facility shut down several of its dilapidated cottages in January 2004, advocates heralded a move toward smaller, more specialized centers. But today, some of the state's jails remain so crowded that teenagers sleep on the floor. … As Ehrlich faces a tough fight for reelection this fall, his bold promises to fix one of Maryland's most troubled systems have vexed his campaign. … 'The system has gotten worse in the last four years,' Baltimore Mayor Martin O'Malley, Ehrlich's Democratic challenger, said in a recent interview. 'We're writing off too many young lives.'" The Post adds, "The governor defends his efforts, saying in a recent debate, 'We have made great strides on our juvenile justice system. We've changed the whole paradigm there.' … Ehrlich did not mince words about the troubled system when he ran for governor four years ago and laid the blame squarely on his Democratic opponent, Kathleen Kennedy Townsend. As lieutenant governor, Townsend had taken on juvenile justice as a priority. … But problems with violence and mismanagement ran deep in many of the nearly two dozen state-run facilities entrusted with more than 2,000 young offenders. The state's juvenile boot camps had been shut down because of brutality."

Discord Within ACLU Described. In an op-ed for USA Today (10/31, 2.27M) Nat Hentoff, former member of the ACLU's national board, writes the ACLU "is in crisis, and impassioned supporters of its mission want change now. It's up to the national leadership to listen — and to resign. … ACLU members, donors, former staffers and board members, as well as civil liberties activists," are "supporting a website called SavetheACLU.org. The board of the South Carolina ACLU has also signed on. All are opponents of the present leadership — Executive Director Anthony Romero and President Nadine Strossen. … Particularly providing momentum to this rebellion was the decision of Romero's longtime predecessor as executive director, Ira Glasser, to

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become a leader of the opposition after initially remaining silent."

ANTITRUST:

DOJ Probing Sony Electronics Unit. The AP (10/31) reports, "Sony Corp. said Tuesday that the U.S. Justice Department is probing its electronics unit." The AP continues, "The company received a subpoena from the Justice Department's antitrust division seeking information about Sony's static random access memory, or SRAM, business, company spokesman Atsuo Omagari said. … Sony intends to cooperate with the investigation, which it described as an industrywide inquiry." The AP adds, "Earlier this month, U.S.-based chipmaker Cypress Semiconductor Corp. said its SRAM operations were also under investigation by the U.S. Department of Justice. … A separate U.S. Justice investigation into price-fixing among DRAM companies has so far resulted in more than a dozen charges against individuals and more than $731 million in fines against Samsung Electronics Co., Elpida Memory Inc., Infineon Technologies AG and Hynix Semiconductor Inc."

SCOTUS Denies Stolt-Nielsen Appeal On Antitrust Amnesty Issue. The Wall Street Journal (10/31, A11, Anderson) reports, "The U.S. Supreme Court on Monday rejected Stolt-Nielsen S.A.'s last-ditch appeal to derail a federal indictment against it for price-fixing and other illegal cartel activities in the market for deep-sea chemicals shipping." The Journal continues, "The decision by the justices, announced with a brief order, clears the way for federal prosecution of the company on an indictment issued by a Philadelphia grand jury in September. Justice Samuel Alito, who worked on the case as an appeals court judge, recused himself." The Journal adds, "Stolt-Nielsen in 2004 became the first company to have amnesty revoked under the Justice Department's 13-year-old program. The company has waged an intense campaign to thwart Justice Department prosecution, arguing federal authorities wrongly canceled the amnesty agreement they had struck with the company that prevented its prosecution. Justice Department prosecutors, however, have argued in federal court that Stolt-Nielsen violated the terms of that agreement. … The Supreme Court in July and August twice turned away emergency appeals from the London-based shipping company before the indictments were announced. Stolt-Nielsen had asked the Supreme Court to review the ability of Justice antitrust officials to nullify the agreement without interference from federal courts."

The Financial Times (10/31, Waldmeir) reports, "Stolt-Nielsen volunteered information about antitrust violations in the parcel tanker market, in exchange for amnesty from the Justice Department. … But federal prosecutors later withdrew the amnesty and indicted the company, saying it breached its duty to co-operate. … 'These kinds of government [amnesty] programmes are not going to be worth anything if companies continue to be treated like this company was in this case,' says Robin Conrad of the National Chamber Litigation Center, legal arm of the US Chamber of Commerce, which argued that courts should have more power to enforce leniency deals."

Merck To Buy Sima Therapeutics For $1.1 Billion. The AP (10/31) reports, "Pharmaceutical company Merck & Co. said Monday it agreed to buy Sirna Therapeutics Inc., which is creating a new way to develop therapies based on RNA interference, for $1.1 billion in cash." The AP continues, "Merck's $13-per-share bid offers almost a 102 percent premium over Sirna's closing price of $6.45, down 5 cents, on the Nasdaq. Sirna shares surged $6.10, or 94.5 percent, to $12.55 in aftermarket electronic exchange trading. The stock's 52-week high is $8.52, set in April." The AP adds, 'Sirna's RNA interference technology offers a new way to develop medicines and shows great promise in cancer research, Merck said. Sirna's operations would complement RNA work Merck has been doing since its 2001 acquisition of Rosetta Inpharmatics Inc., the company said. … Sirna's leading clinical development candidate is for the treatment of the wet-form of age-related macular degeneration, part of a broad collaboration with Allergan Inc. in ophthalmic diseases."

The Wall Street Journal (10/31, A16, Johnson) reports, "The deal moves Merck into a leading position in the field, coming on the heels of its 2001 purchase of Rosetta Inpharmatics. That acquisition gave the Whitehouse Station, N.J., drug maker the tools to look closely at the genes in a genome. With Sirna, Merck will have the ability to target -- instead of just locate -- certain parts of a cell for destruction, said Mervyn Turner, Merck's senior vice president of world-wide licensing and external research." The Journal adds, "Merck believes RNAi technology holds particular potential in cancer research because it could home in on genes that

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control cancerous cells, destroying them without harming surrounding normal cells. … Sirna only has a handful of drugs in development. Its most advanced treatment, which is in the second of three phases of human testing, is targeted at the wet form of age-related macular degeneration, a leading cause of blindness in the elderly."

Google Urges Microsoft To Allow Users' Search Choices. The AP (10/31) reports, "Google Inc. said Monday that it wants Microsoft Corp. to make sure users can easily choose Internet search engines in future products — but Google refused to say if changes Microsoft has already made to its upcoming operating system, Vista, have gone far enough." The AP continues, "David C. Drummond, Google's senior vice president of corporate development, spoke to reporters after meeting with European Union antitrust regulators but refused to give details on those talks, beyond saying there had been no particular agenda. … 'It's been our view that any new version of Microsoft products that include search, that that be done in a way that preserves user choice for search and other applications,' Drummond said. He said that Google would monitor the situation but that it was 'too early to tell' if there were would be any antitrust allegations arising from Vista." The AP adds, "Vista is Microsoft's first major update to the company's flagship operating system since Windows XP was released in late 2001. … Microsoft said this month it had changed Vista in several key sectors — including its search service — in an attempt to soothe European antitrust worries. Regulators had said they were concerned that computer manufacturers or consumers might be prevented from having a proper choice between different software packages."

Microsoft Withdraws From Efforts To Limit AT&T-BellSouth Deal. Bloomberg (10/31, Peterson) reports, "Microsoft Corp. distanced itself from a group lobbying for restrictions on AT&T Inc.'s proposed acquisition of BellSouth Corp., saying it won't seek to influence regulators weighing the purchase." Bloomberg continues, "The company, a founder of the It's Our Net Coalition, pulled its name from the member list after deciding not to weigh in on the $82 billion deal, spokeswoman Ginny Terzano said Monday. The group wants net neutrality rules to bar telephone and cable providers from charging new priority-access fees. … The 172-member coalition last week urged the Federal Communications Commission to impose 'meaningful and effective net neutrality safeguards' on the BellSouth deal. The group wants the FCC to bar AT&T, the biggest U.S. phone company, from favoring some companies over others that offer the same type of Web content or services, depending on how much they pay. … 'Microsoft has withdrawn its name from the It's Our Net Web site' while the FCC considers the deal, Terzano said in an e-mailed statement. 'However, we continue to support and will pursue other opportunities to obtain meaningful network neutrality policies.'" Bloomberg adds, "Terzano declined to comment on whether Microsoft will restore its name to the site after the FCC rules on the BellSouth purchase or say if the company has quit the group. The commission is scheduled to vote on the deal Friday."

Schneider Electric To Buy American Power Conversion For $6.1 Billion. The Financial Times (10/31, Strauss, Cameron) reports, "Schneider Electric, the French electrical equipment group, on Monday agreed to pay $6.1bn cash for American Power Conversion of the US to boost its capacity in back-up supply systems for the IT sector." The Times continues, "Marking a bold start for Jean-Pascal Tricoire in his first year as chief executive, the deal will be Schneider's first big acquisition since the failed merger in 2001 with Legrand, a domestic rival, which the European Commission overturned on antitrust grounds." The Times adds, "Mr Tricoire said the APC deal was 'a significant strategic move' that would strengthen Schneider's position in the electrical distribution sector, the fastest-growing segment of its core business. … However, analysts questioned the timing and price, given the uncertain outlook for IT spending in the US market, which accounts for close to half of APC's sales."

The Wall Street Journal (10/31, C6, Levitz) reports, "Both companies specialize in the critical-power market, making gear that helps firms withstand blips and outages. APC's bread and butter is smaller power systems, while Schneider's domain is with bigger entities. APC, however, has been migrating into the larger market." The Journal continues, "The French company is trying to quickly eliminate 'one of its key competitors' and break into the North American small-company critical-power market dominated by APC, says Boston analyst John Quealy, of Canaccord Adams, adding that 'my guess is that they struck first with a knock-out-punch type take-out price.'" The Journal adds, "Schneider and APC, of West Kingston, R.I., have benefited from a trend

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of corporate spending to protect computerized data from the effects of even small interruptions. The trend is being driven by several factors. New York's 2003 blackouts caused many firms to realize they couldn't afford to be out of commission for several hours, while new federal health-care privacy laws have prompted medical centers to add to data capabilities, creating more need for protection."

EU To Probe Qualcomm Royalties. Bloomberg (10/31, Newman) reports, "Qualcomm Inc., the world's second- largest maker of mobile phone chips, will be investigated by the European Union over allegations it overcharges Nokia Oyj, Ericsson AB and other handset manufacturers, people with knowledge of the situation said." Bloomberg continues, "The European Commission, the EU's Brussels-based antitrust authority, has told Qualcomm and phonemakers that it will open a formal probe of complaints over royalty rates in the next few weeks, said two people who declined to be identified because the decision isn't public. An EU probe could lead to Qualcomm being forced to lower its rates or fined as much as 10 percent of sales. … 'The impact on royalties would be significant and the impact on finances would be catastrophic,' said Richard Windsor, a mobile phone analyst at Nomura Securities in London. If the EU forces the company to cut the rate in half, Qualcomm's pretax profit in 2007 would drop by a third to $3.3 billion, he said. … The case focuses on how rewards are shared in the $200 billion industry to supply equipment for third-generation mobile phones, which allow users to access the Internet and play videos. Qualcomm contends it's owed royalties on all of the newest 3G handsets because it holds essential patents. Rivals say Qualcomm has fewer patents on 3G phones than on earlier generations and should lower its rates."

NYTimes Claims US Patent System Is "Broken." The New York Times (10/31, 1.21M), in an editorial, writes, "The broken American patent system has a knack for sanctioning the ridiculous. In the latest example, businesses are receiving patents for devising ways to obey the law — the tax code, to be more specific. What's next, a patented murder defense? As Floyd Norris reported recently in The Times, the broad category known as business-method patents (like patenting the idea of pizza delivery rather than the pizza itself) has expanded once again. Now it includes the legal ways that accountants and lawyers help their clients pay less tax. … Patents are supposed to encourage innovation, rewarding the individual for the greater good of society. But excessive or overly broad patents can slow business activity to the pace of cold molasses."

ENVIRONMENT:

Two Questioned In Probe Of California Wildfire. The Los Angeles Times (10/30, Willon) reports, "Investigators today questioned two 'people of interest' in the deadly Esperanza arson fire that killed four federal firefighters in Riverside County last week, a Riverside County sheriff's spokesman said. … No arrests were made and the people are not in custody." The Times continues, "The latest steps in the investigation came as firefighters expect to contain the blaze later tonight, the fifth day that the fire has burned. … Because four firefighters died, suspects could be charged with murder in connection with the arson. … 'We have two people we have questioned that are people of interest,'' Riverside County spokesman Tom Freeman said. 'Sheriff's personnel have not placed them under arrest.... We continue to work the case aggressively.' … The pool of reward money has reached $500,000." The Times adds, "Freeman did not provide any details about what led investigators to the two people, who were not identified. He said law enforcement and fire officials are investigating more than 250 leads that have been called into a special arson tip line. … Sheriff's officials cautioned that they may question many people in the ongoing investigation. … More than 50 investigators from the Riverside County Sheriff's Department, California Department of Forestry and Fire Protection, U.S. Forest Service and Bureau of Alcohol Tobacco and Firearms are working on the arson case."

The AP (10/31, Hoffman) reports, "Sheriff's deputies took two men and three bags of material from a house in Cabazon, said neighbor Robert Dunham, 70, who lives three doors down from the residence a quarter-mile from where the fire started." The AP continues, "Authorities released little information about the two people who were interviewed at a sheriff's station and later released. No arrests had been made. … Authorities said the fire was deliberately set at the base of a slope in Cabazon, west of Palm Springs. Cabazon residents have said they saw two young men leaving the area where the fire began." The AP adds, "Since it started around 1 a.m. Thursday, the fire has burned 63 square miles, or 40,200 acres, as fierce Santa Ana winds swept through the region and fanned the flames. It was about 90 percent contained,

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and authorities expected full containment Monday night. It has destroyed 54 structures - 34 homes and 20 other buildings."

Federal Investigation Finds Cost Cutting Contributed To BP Texas City Blast. The Wall Street Journal (10/31, A3, Cummins) reports, "Cost-cutting efforts by senior management at BP PLC contributed to a deadly explosion at a refinery in Texas last year, federal investigators said, a finding that ratchets up the legal stakes for the London-based oil giant." The board "alleged for the first time that high-level decisions to defer overhauls, cut staff and rein in costs at the Texas City, Texas, plant helped cause the accident, which killed 15 people and injured 180." The Journal says, "BP already faces a criminal probe into the accident as well as civil claims from victims and survivors' families. Though the board hasn't any regulatory role or prosecutorial powers, its findings could be taken up by civil litigants or by other agencies probing the disaster."

The Financial Times (10/31, McNulty) reports, "BP's global management was aware of 'significant safety problems' at the Texas City refinery and 34 other locations around the world well before last year's deadly explosion at the US plant, investigators said on Monday." The Times says, "The US Chemical Safety Board, an independent federal agency charged with investigating industrial chemical accidents, said internal BP documents prepared between 2002 and 2005 revealed knowledge of those problems before the March 2005 explosion killed 15 and injured 500 people in and around BP's biggest refinery." The CSB "report will also likely be used by the federal grand jury investigating whether to bring criminal charges against BP and its executives for the Texas explosion."

The Washington Post (10/31, D01, Mufson) reports, "The company said it has settled with the families of all but one of the workers killed in the Texas City, Tex., incident and with hundreds injured. But Brent Coon, the lead plaintiffs' lawyer in the refinery case scheduled to start next week, said that the Justice Department had been asking for documents for its own investigation. 'It's a good report,' Coon said. 'It says many of the things we've said all along.' … Merritt said that 'BP implemented a 25 percent cut on fixed costs from 1998 to 2000 that adversely impacted maintenance expenditures and infrastructure at the refinery.' She said maintenance spending had declined throughout the 1990s, when the refinery belonged to Amoco Corp. Once Amoco merged with BP, she said, further cuts were imposed. … In the 30 years before the explosion, a worker had died in an accident at the Texas City refinery on average of once every 16 months. … BP, while conceding responsibility, disputed Merritt's conclusions."

FBI/DEA/ATF/USMS:

Former FBI Agent Sentenced For Giving Information To Suspected Spy. The Los Angeles Times (10/31, Krikorian) reports, "Seven years after she was suspended for allegedly disclosing classified material to a suspected Chinese spy, former FBI agent Denise K. Woo was sentenced Monday to probation and a $1,000 fine for improperly sharing confidential information, a misdemeanor." The Times continues, "Woo, 47, of Redondo Beach was transferred from white-collar investigations to a counterintelligence squad pursuing Chinese intelligence agents after her bosses learned in 1999 that she was friends with Jeffrey Wang, a Torrance engineer suspected by the FBI of committing espionage for China. Wang was never charged with a crime. … After her transfer, interviews show, she became convinced that Wang was innocent of wrongdoing and had been falsely accused of espionage by an FBI informant." The Times adds, "Though no charges were filed against Wang, Woo was accused by the FBI of inappropriately disclosing information about the probe to Wang. Suspended and later fired, Woo was then indicted two years ago for allegedly disclosing the existence of a national security wiretap on Wang's home telephone, revealing to Wang the identity of the FBI's confidential informant and lying to FBI agents. … Those felony charges, which carried a minimum 10-year prison sentence, were subsequently dismissed when Woo acknowledged in June that she had improperly passed along information about the FBI's confidential operative to Wang in October 1999." The Times notes, "Though authorities had no comment about the plea agreement, Woo said she had been unjustly accused at great personal expense to her and her family. … 'This is kind of a bittersweet ending to a long and continuing tragic injustice,' Woo said minutes after U.S. District Judge Gary Klausner imposed the sentence. 'I am relieved that after years of false allegations, my family and I can finally get on with our lives.'"

Record Number Of Marijuana Plants Seized This Year In California. The AP (10/31) reports,

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"California authorities seized a record number of marijuana plants this harvest season, uprooting nearly 1.7 million plants they valued at more than $6.7 billion, the state Department of Justice said Monday." The AP continues, "The 1,675,681 plants seized under the Campaign Against Marijuana Planting program beat last year's record of 1.1 million plants." The AP adds, "The state Justice Department's Bureau of Narcotic Enforcement, which leads the program, said the increase is largely due to more eradication teams, better aerial surveillance and air transport of law enforcement officers to the illegal plots. Gardens also are getting bigger, it said. … The program includes local, state and federal agencies that conducted 477 raids in 34 counties between late July and early October. Authorities said they made 27 arrests and seized 29 weapons. … Lake County had the most plants seized, with 314,603. It was followed by Shasta County (227,488), Mendocino (135,736) and Fresno (102,814)."

Law-Enforcement Official's Son Remains Free Despite Pleading Guilty To Marijuana Charge. The New York Post (10/30, Alpert) reports a nationally known law-enforcement official's son, who "pleaded guilty nearly a year ago to trying to buy 400 pounds of pot from an undercover agent, is still free, while his co-defendant languishes in federal prison. Sean Timoney, 26, pleaded guilty on Dec. 21, 2005, to conspiring to possess with intent to distribute marijuana. Since then, his sentencing date has been postponed twice, allowing him to work and undergo drug counseling, his lawyer said." The younger Timoney "was busted Nov. 1, 2005, along with Jae Seu, 23, after they handed over a duffel bag stuffed with nearly $450,000 cash to a undercover Drug Enforcement Administration agent in a Rockland County motel room as a down payment for the marijuana. But the whole episode was a sting captured on tape, and Timoney and Seu were arrested as they left the motel."

Modern Trends Seen As Aiding Narcogangs. In the San Antonio (TX) Express (10/30), Henry Catto writes, "Modern trends in agriculture and communications and an insatiable desire among North Americans and Europeans for cocaine and heroin led to the growth of today's criminal narcogangs, which are prepared to do whatever it takes to supply these deadly habits. The U.S. Drug Enforcement Administration estimates that 90 percent of the cocaine powder smuggled into the United States comes from Colombia. … Democracy seems to have provided some hope of solving these problems. Two good presidents in a row, Andres Pastrana and Alvaro Uribe, have made a difference."

Pennsylvania Man Accused Of Impersonating DEA Agent. The Pittsburgh (PA) Tribune-Review (10/31) notes that a Greensburg man "is in the Westmoreland County Prison after allegedly impersonating a federal Drug Enforcement Administration agent and choking a man at a Donegal Township bar." According to the Tribune-Review, Richard McCormick told police he was a DEA agent and was attempting to get another man to comply with his instructions.

White House Criticized For "Campaigning" Against Marijuana Initiatives. In the New York Times (10/31), op-ed columnist John Tierney writes, "This year the White House drug czar, John Walters, and his minions have been out campaigning in Nevada, Colorado and South Dakota, which have marijuana initiatives on the ballot. The drug warriors are still sounding the discredited alarms about youths turning into potheads. Their fervor's not surprising — they may even believe their own hype. What's surprising is the political stupidity of the meddling. Westerners, no matter what they think of marijuana, don't appreciate sermons from federal officials on how to vote." According to Tierney, in 2002, when the White House "campaigned against another marijuana ballot initiative in Nevada, the state's attorney general said it was 'disturbing' to see the federal interference in a state election."

SAFER Campaign Manager Seen As Fueling Colorado Marijuana Movement. According to the Washington Times (10/31, Richardson), if Coloradans "vote to legalize marijuana statewide next week, it will be almost entirely because of the efforts of a pudgy, clean-shaven 24-year-old University of Richmond graduate. Mason Tvert, campaign manager for Safer Alternatives for Enjoyable Recreation, has pushed Colorado to the forefront of the marijuana movement, first with his successful 2004 Denver campaign and now with the statewide Amendment 44. … Federal drug czar John P. Walters visited Colorado three times this year to denounce the effort, which almost every state lawmaker opposes. What Mr. Tvert brings to the table are energy, imagination, a knack for attracting free press and relentless tactics."

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In California, Court Ruling Keeps County From Joining Medical Marijuana Lawsuit. The Desert Sun (10/30) reports Riverside County "will not join a legal challenge to California's medical marijuana law, scheduled to be heard in San Diego Superior Court Nov. 16. The county Board of Supervisors voted earlier this month to join the suit originally filed by San Diego, San Bernardino and Merced counties, but the court ruled Friday that Riverside would not be allowed to join the case. 'The court felt it was too late to intervene in the pending action in San Diego,' said Pam Walls, assistant county counsel." The suit "seeks to overturn state requirements that counties issue medical marijuana identification cards to patients with a doctor's recommendation to use the drug."

Chargers Linebacker Accused Of Violating NFL Drug Policy May Drop Appeal. The New York Times (10/31, Schmidt) reports San Diego Chargers linebacker Shawne Merriman "plans to drop his appeal of the four-game suspension he has received for testing positive for a performance-enhancing substance. A deal between Merriman's lawyer and officials from the National Football League over when the suspension would take effect was being worked out last night. … If Merriman does not drop the appeal by noon today, he must proceed with the appeal hearing that is scheduled for Nov. 7 in New York. The N.F.L., which has not commented directly on Merriman's case, is expected to announce the suspension as soon as Merriman drops the appeal."

The San Diego Union-Tribune (10/30) reports Merriman, who "tested positive for the banned steroid Nandrolone earlier this month, maintains he was the victim of a tainted supplement. But he also knows he is unlikely to win his appeal based on the NFL's clearly stated policy that players are responsible for what they put in their body."

The AP (10/30) reports that if the appeal process "drags out and he loses, he could miss both of the Chargers' games against AFC West rival Denver, on the road Nov. 19 and at home on Dec. 10. The Chargers and Broncos are tied for the division lead at 5-2."

Armed Pennsylvania Man Shot By Police Had Previous Gun Conviction. The Pittsburgh Post-Gazette (10/30, Ove) reports, "The man shot by a Pittsburgh police sergeant in Beltzhoover yesterday after police said he pointed a gun at them is a felon who wasn't allowed to have a weapon and had already spent time in prison for carrying an illegal gun." The Post-Gazette continues, "Court records indicate Jamaar A. Blakey, 22, was on probation following a gun conviction in U.S. District Court in 2004. … Mr. Blakey, who is in serious condition at Mercy Hospital with a wound to his chest, was indicted in June 2004 under Project Safe Neighborhoods, a U.S. Justice Department initiative to combat gun violence that has sent many Pittsburgh-area felons to federal prison in recent years. Under federal law, felons can't have guns or ammunition." The Post-Gazette adds, "Mr. Blakey, who also has several drug convictions, was sentenced in November 2004 to 30 months in federal prison for possession of a handgun and ammunition on Feb. 28 of that year. He was released on Aug. 24 of this year and was serving three years of supervised release, the federal version of probation. … Pittsburgh police shot Mr. Blakey after they said he pointed a gun at an officer following a brief car chase.

Federal Agents Arrest Salt Lake City Pipe Bomb Suspect. The Salt Lake Tribune (10/31, Bergreen) reports, "Federal authorities have arrested a former Utah resident with possession of an unregistered destructive device stemming from a bomb explosion in September that caused the evacuation of the Salt Lake City Main Library. The single federal charge against Thomas James Zajac, formerly of Salt Lake City and Provo, was filed Friday and unsealed Monday after a joint investigation by the federal Bureau of Alcohol, Tobacco, Firearms and Explosives, the Salt Lake City Police Department and the FBI." The Tribune notes, "The bomb…exploded on the third floor, destroying a large, double-paned window, but it caused no injuries."

IMMIGRATION:

Border Arrests Down 8.4%. The AP (10/31, Yen) reports, "US Customs and Border Patrol agents made fewer arrests of illegal immigrants trying to enter the country last year, the government said Monday in a report that credits stronger enforcement. Arrests fell 8.4 percent from 1.2 million in fiscal year 2005 to 1.1 million last year. It was the first decrease since 2003, the Homeland Security Department said in releasing its annual statistics on illegal immigration." The AP adds, "Statistics released Monday also show the government: Removed a record 186,600 illegal immigrants from the United States in the past year. That's a 10 percent

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increase from 2005. … Bearly tripled the number of fugitive operations teams, from 18 to 50, as part of efforts to locate, apprehend and remove criminal aliens."

The Washington Post (10/31, A5, Hsu, 748K) reports DHS Secretary Michael Chertoff "credited the drop of nearly 100,000 apprehensions largely to the Bush administration's strategy of deporting virtually all non-Mexican border crossers as fast as they are caught, deterring them and others in what had been the fastest-growing group of illegal immigrants. After quadrupling the previous four years, apprehensions of "other than Mexican" border crossers fell 57,144, or 35 percent, to 108,026 last year." However, "analysts immediately disputed Chertoff's claim of an unprecedented decline in arrests. … Experts instead called yesterday's announcement the administration's latest effort to walk a political tightrope in its handling of illegal immigration heading into the Nov. 7 congressional elections."

The Washington Times (10/31, Seper, 88K) notes Chertoff also "said a guest-worker program was needed to slow the flow of illegals into the United States, although conservative House Republicans have blocked efforts by the Bush administration to pass a temporary-worker bill. He said getting control of the border without such a program would be 'very, very difficult.'"

CONGRESS-ADMINISTRATION:

Treasury To Pare Note Offerings After Drop In Budget Deficit. The Wall Street Journal (10/31, C7, 2.03M) reports, "The Treasury is expected to pare its three-year note offerings in this quarter's refunding, a move analysts say is a minor adjustment after the drop in the budget deficit." The Treasury "is likely to announce tomorrow the sale of $33 billion in debt securities, comprising $20 billion in three-year notes and $13 billion in 10-year notes, according to the median estimate of eight dealers surveyed by Dow Jones Newswires. That amount of three-year notes would be $1 billion less than last quarter's sale." The Treasury "yesterday reduced its estimate of the quarter's borrowing needs by 39% to $63 billion, citing a surge in corporate-tax receipts that left it with more cash than expected. But it also said borrowing needs would rise to a quarterly record of $175 billion in the January-March period."

Growing Influence Of Inspectors General Examined. The Federal Times (10/31, Friedman) reports, "Under a cover that includes an image of a woman's midriff, a report released last month by the Interior Department's inspector general sums up thousands of employee visits to pornographic and gambling Web sites on office computers. … An Oct. 11 report by the Justice Department IG details a former Alcohol, Tobacco, Firearms and Explosives Bureau director's request for a lavish office with features like remote-controlled doors. … And at the Education Department, a September IG report describes officials' efforts to steer purchases away from disfavored textbook makers. The report quotes an e-mail in which a program director wrote, 'They are trying to crash our party and we need to beat the [expletive] out of them.'" The Times continues, "The spate of headline-grabbing revelations underscores a trend. With the explosion of government procurement and more contracts to audit, and with an expanded law enforcement role in the aftermath of the Sept. 11 attacks, inspectors general have more work and responsibilities, observers of the oversight community say. … 'The mission of the inspector general has broadened very substantially over the years,' said former Transportation Department IG Kenneth Mead. … And more responsibility may mean more clout. The Special Inspector General for Iraq Reconstruction got expanded budgetary purview through legislation signed Oct. 17 by the president. Earlier this month, the Justice Department announced the formation of a task force, composed mostly of IGs, to investigate procurement fraud. A House bill, currently before the Government Reform Committee, would make IGs harder to fire and allow them to submit budgets straight to Congress and the Office of Management and Budget, instead of agency heads. The legislation could include steps to increase coordination among IGs and other oversight organizations. The measures are intended to increase IGs' independence, which some think is lacking at agencies where IG budgets are controlled by management."

House Democrats Face The Prospect Of Divisive Leadership Contests. The Washington Post (10/31, A3, Romano, Weisman, 748K) reports, "As Democrats enter the final days of their push to take back control of the House in next week's election, two divisive backroom leadership fights are brewing within the party, raising fears that Democratic unity could be fraying even before the first votes are cast. For some Democrats, the battle between Rep. Steny H. Hoyer (Md.), the minority whip,

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who had been expected to ascend to majority leader without opposition, and Rep. John P. Murtha (Pa.) threatens the party's efforts to appear ready to govern. In what could be another high-profile showdown, Rep. Rahm Emanuel (Ill.), the ambitious former White House aide who runs the Democratic campaign arm of the House, may seek the third-ranking post of majority whip, pitting him against Democratic Caucus Chairman James E. Clyburn (S.C.), the only African American in a leadership position." The Post notes, "This could exacerbate racial strains in the House, since both the Congressional Black Caucus and the Congressional Hispanic Caucus have complained that Emanuel is insensitive to minority concerns.

Democrats' Chairpersons Would Be Older, More Diverse. USA Today (10/31, Kiely, 2.27M) reports, "A Democratic takeover of the U.S. House would put more women and minorities in positions of power, as well as more senior citizens." House minority leader Nancy Pelosi "already has signaled that she will name committee chairpersons based on seniority. Republican Speakers Newt Gingrich and Dennis Hastert sometimes did not do so. The gavel would go to at least four African-Americans, including John Conyers of Michigan at the Judiciary Committee helm and three women, including California's Juanita Millender-McDonald and New York's Nydia Velázquez, who would be the only Hispanic committee leader. Barney Frank of Massachusetts, who is openly gay, would lead a committee. Currently, all of the House GOP committee chairmen are white and male. It would also increase the age of House chairpersons. In January 2005, 11 Republican committee leaders were younger than 60. Seven prospective Democratic chairpersons will be over 70 when the 110th Congress convenes in January."

NASA Creates Venture Capital Firm To Finance Innovations. The Washington Post (10/31, A19, Kaufman, 748K) reports, "Hoping to tap the innovation and daring of small aerospace and biomedical companies, NASA has created and funded a nonprofit venture capital firm that will invest government money in promising but underfinanced companies. The fund, called Red Planet Capital, is the government's third experiment with venture capitalism, after similar efforts sponsored by the CIA and the Army. Red Planet marks the first time that the federal government has started a venture capital fund for civilian purposes, but it is hardly a stretch. That is because a former president of the CIA-sponsored venture fund is Michael D. Griffin -- now the administrator of NASA." According to the Post, Lisa L. Lockyer, NASA program manager for the project, "said the fund will not only invest on its own in cutting-edge companies but will also join private venture capital firms to form investment syndicates. Together, she said, those partnerships will be able to invest far more money in selected companies than the government could. The NASA fund, which will be managed by three venture fund veterans selected by the agency through a competitive process, will receive $75 million in taxpayer funds over five years." NASA is interested in new rocket technologies, but "the agency is also looking for strategies and products related to keeping astronauts safe and healthy in space for long periods of time, Lockyer said."

Fate Of Hubble Telescope To Be Announced Today. USA Today (10/31, 5A, Watson, 2.27M) reports that NASA Administrator Michael Griffin will announced today "whether the space shuttle will pay a service call to Hubble. If Griffin says yes, a flight to install two new scientific instruments, fix a third and upgrade telescope systems could launch as early as next winter. Despite the uncertainty, NASA engineers and astronauts have been quietly toiling on a plan to rescue the telescope. Space agency personnel have created new Hubble repair tools. They have outlined a rough mission schedule. And they have developed new repair techniques in hopes of fixing one of America's most cherished scientific instruments." The repair work itself is extremely delicate. Also, NASA "has added new safety precautions to every shuttle flight since shuttle Columbia disintegrated in 2003. Now every shuttle crew must spend an entire day in orbit inspecting the ship's thermal shield, a procedure that demands precious time and fuel. 'The biggest challenge … (is) how do we pack everything we need to do to assure a safe vehicle into a typical Hubble mission?' says astronaut Joseph Tanner, whose four shuttle flights included one to Hubble in 1997. 'It's not business like it used to be.'"

DHS, DOD Workers Brace For New Pay-For-Performance Systems. Under the headline, "Transition To Pay For Performance Makes Some Anxious," the Washington Post's (10/31, D4, Barr) "Federal Diary" column reports, "Many federal employees fear that as many tricks as treats lie ahead with their new pay systems." Bush

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"administration officials acknowledge that changes planned for two large departments, Defense and Homeland Security, have created a fair share of anxious employees. Some of that anxiety appears based on concerns that the new pay-for-performance systems could be manipulated to lower the government's payroll" and "pension costs" though the OPM, "which had a hand in designing the new systems" for DoD and DHS says, "that should not happen." The Post adds, "Under the new approach, the decades-old General Schedule, which provided predictable pay raises, will be replaced with the National Security Personnel System," and instead "of providing an across-the-board raise to all employees, as the General Schedule permits, the two departments will provide higher raises to their best workers and smaller or no raises to their low-rated employees."

Federal Government Decisions Said To Exacerbate DC Region Sprawl. The Washington Post (10/31, A1, MacGillis, 748K) reports, "As they battle sprawl, Washington area leaders say they face a stubborn foe, and it's not greedy developers or the tyranny of the automobile or the desire for big houses. It is the United States government. In scattering employees to the region's outer edges, local officials and planners say, the federal government has undermined efforts to concentrate growth near public transit and the area's urban core -- the strategy local officials see as key to reducing traffic and conserving resources in a booming region. The U.S. government, they say, has become a kind of master planner, making decisions, with little local input, that will shape Washington's commuting and development patterns for years."

OTHER NEWS:

Incomes, Savings Up Last Month. The New York Times (10/31, Peters, 1.21M) reports, "Americans' incomes rose last month at the quickest pace since June, but consumers did not respond by rushing out to splurge as gasoline prices fell from their summer peak. Instead, they spent at about the same pace and put more money aside. As a result, the nationwide personal savings rate came the closest it has in a year and a half to climbing out of the red." The Commerce Department "reported yesterday that personal income in September increased at a seasonally adjusted annual pace of 0.5 percent, compared with 0.4 percent in August. Personal consumption spending, meanwhile, rose 0.1 percent in September after a 0.2 percent increase in August." The net personal savings figure "improved in September to a seasonally adjusted annual pace of minus $15 billion, compared with minus $49 billion in August. And while Americans are still living richer lives than their paychecks can sustain, savings have not been healthier since May 2005. They have been in the red since the month before, in April 2005."

"Slowing Economy" Said To Have Pushed Oil Prices Lower. NBC Nightly News (10/30, story 6, 0:10, Williams, 9.87M) reported, "There is news on the economy tonight. It turns out a slowing economy had a big impact on the price of oil today. Crude dropped $2.39 today to $58.36 a barrel."

Gasoline Prices Rise Slightly After Sustained Drop. USA Today (10/31, Healey, 2.27M) reports, "Gasoline prices are creeping back up after declining steadily for about three months. But there's disagreement about where prices go now. The U.S. average for a gallon of regular is $2.218, the U.S. Energy Information Administration said Monday, up 1 cent from last week." Fred Rozell of the Oil Price Information Service said, "I don't think we'll see any major increases until at least late February or early March. Numbers will hold steady or bounce between a fairly narrow range for a few weeks." But "EIA's latest fuel price outlook, published Oct. 10, isn't as optimistic. It forecasts an average of $2.29 for the current quarter. That means prices would drift back up about a nickel from the average $2.245 so far this quarter."

Economists Said To Be "Sharply Divided" On Whether Economy Is Recession-Bound. Under the headline ""Economists Sharply Divided On Where Economy Goes From Here," USA Today (10/31, Hagenbaugh, 2.27M) reports, "November marks the five-year anniversary of the end of the last recession and the beginning of the latest US economic expansion." But whether the USA will have another five years of economic growth without sliding into recession -- at least matching the record 10-year expansion that ended in 2001 -- is an issue that sharply divides economists." In a USA TODAY "survey of economists conducted Oct. 13-18, 24 said the economy will continue to expand for at least another five years. But another 24 said the expansion will likely be truncated by a recession sometime before November 2011."

Core Inflation Data Expected To Keep Fed From Raising Rates. The Wall Street Journal (10/31, Conkey, Walsh, 2.03M) reports, "A closely watched measure of consumer prices eased somewhat last month, but inflation

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remains a big question for Federal Reserve policy makers and the economy. The Fed's preferred inflation measure -- the price index for personal consumption expenditures excluding food and energy -- rose 0.2% in September after an upwardly revised 0.3% gain in August, the Commerce Department said. Compared with a year earlier, this measure of 'core' inflation was up 2.4% last month, less than the 2.5% pace in August." The Journal adds, "Despite the slight downtick last month, the annual increase in the measure of core inflation remains well above the informal range of 1% to 2% that Fed policy makers would prefer. At the same time, the economy's growth rate in the third quarter was considerably below normal." That combination, economists said, "will continue to keep the Fed from raising or lowering interest rates until it becomes clear which is a more serious threat."

Banking Group Urges Simpler Credit Card Disclosure Rules. In an op-ed in USA Today (10/31), Ed Yingling, president and CEO of the American Bankers Association, writes, "With credit cards practically a necessity in today's marketplace, it's critical that consumers know how to use them. That's why the credit card industry is engaged in an effort, spearheaded by the Federal Reserve, to simplify and humanize the language we use. More important, this effort won't consist of lawyers and regulators imagining how consumers might react. The new disclosures will be tested with real, live consumers." Yingling continues, "Simpler won't be easy. As a recent study by the Government Accountability Office (GAO) points out, the legalese in credit card disclosures results from issuers' need to meet statutory requirements and their desire to avoid being sued. … So, there's work to be done on the disclosures — and we're doing it. Credit card lenders fully support the Federal Reserve's effort to make disclosures easier to read and understand so that consumers can make informed decisions." Yingling concludes, "Credit card customers have never had more choices or lower interest rates than they do today. … Broader access to credit for more people at lower rates — we think that's progress."

Bush Says "Terrorists Win And America Loses" If Democrats Have Their Way. Media reports on President Bush's campaign visits to Georgia and Texas emphasize the enthusiasm of the crowds, and what analysts are portraying as rather abrasive Bush rhetoric intended to fire up the GOP base. AFP (10/31, Lozano) reports Bush "charged that 'terrorists win and America loses' if opposition Democrats win November 7 legislative elections dominated by the unpopular Iraq war." Said Bush, "If you listen carefully for a Democrat plan for success, they don't have one. Iraq is the central front in the war on terror, yet they don't have a plan for victory. … The Democrat approach in Iraq comes down to this: The terrorists win and America loses. That's what's at stake in this election. The Democrat goal is to get out of Iraq. The Republican goal is to win in Iraq." The Los Angeles Times (10/31, Gerstenzang, 918K) says Bush unleashed "some of his toughest campaign attacks this political season," as he "listed several key anti-terrorism measures opposed by Democrats, noting that when it came to eavesdropping on suspected terrorists, detaining them or trying them, members of that party 'just say no.'"

The New York Times (10/31, Stolberg, 1.21M) quotes Bush saying, "We will not run from thugs and assassins." It was "a moment when the president could defend his record in Iraq to thunderous applause." The Times adds, "The back-to-back rallies created just the image White House strategists are seeking for the president in the waning days of the campaign: that of a confident leader, surrounded by adoring supporters. The intent is to fire up the party faithful and push them to the polls to vote, but at times it seemed as if Mr. Bush was the one getting fired up. The president seemed to relish playing the game of political expectations, as he tweaked Democrats for measuring for new curtains in Washington too soon." Said Bush, "You might remember that around this time in 2004, some of them were picking out their new offices in the West Wing." Bush "paused to absorb the laughter and applause, then added dryly, 'The movers never got the call.'"

Bush also noted the recent gay marriage court ruling in New Jersey. The AP (10/31, Loven) reports Bush "has for months cast the midterm elections as a choice about just two issues: taxes and terrorism. Now, with polls predicting bleak results for Republicans, he is trying to fire up his party by decrying gay marriage." Said Bush, "For decades, activist judges have tried to redefine America by court order. … Just this last week in New Jersey, another activist court issued a ruling that raises doubt about the institution of marriage. We believe marriage is a union between a man and a woman, and should be defended." The line, says the AP, "earned Bush by far his most sustained applause at a rally of 5,000 people" in Georgia, "aimed at boosting former GOP Rep.

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Max Burns' effort to unseat a Democratic incumbent." A summarized version of the AP story on Bush's remarks on marriage appears on USA Today (10/31, 2.27M).

Like the AP, the Atlanta Journal-Constitution (10/31, Baxter, 399K) also says Bush "got his biggest response when he criticized the New Jersey Supreme Court for its decision last week opening the door to gay marriage or civil unions in that state." With Republicans "invoking Halloween images of what could happen if Democrats take over the House," Bush yesterday "focused on a section of the country that could help stave off a GOP nightmare Nov. 7: Georgia." Burns "faces Democratic Rep. John Barrow of Savannah in a district redrawn by the legislature last year to increase the odds for a GOP victory. Bush, who flew to Texas for more campaigning after the rally, will return Tuesday to Georgia, where he will speak at the Georgia National Fairgrounds and Agricenter in Perry for 8th District candidate Mac Collins." Democratic Rep. Jim Marshall "is the target in that race -- another where the lines were redrawn."

The Washington Times (10/31, Dinan, 88K), in a story titled "GOP Staples Restored To Bush Campaigning," says Bush "has started campaigning on conservative staples such as judicial nominees, border security and defining marriage as between a man and a woman -- themes that have been absent for most of the election season, but which he is now using to energize the party's base." Fox News' Special Report (10/30, Hume) said it was "a rare sight this campaign season, President Bush on the offense against a House Democrat" in Georgia.

NBC Nightly News (10/30, story 4, 0:15, Williams, 9.87M) briefly mentioned Bush's stop, "along with Sen. Kay Hutchinson, for the write-in candidate who is trying to replace delay who resigned earlier this year." The CBS Evening News did not report on Bush's appearances, but ABC World News (10/30, lead story, 3:10, Gibson, 8.78M) led its broadcast with the story, reporting Bush "will be out almost every day until election day, campaigning." ABC (Raddatz) added, "They are calling this a Texas victory rally. It would be hard to tell, given the enthusiasm of this crowd, that the President's poll numbers are so low. In Georgia this morning a crowd ecstatic to see the President. And the President pumped to deliver votes." Bush was shown saying, "We will win this election, because our priorities and our values do not shift with the latest political opinion poll or focus group." ABC also reported, "The President's stop in Georgia was in one of those rare spots around the country where a Republican…has a chance to take back a Democratic seat. And…in Sugarland, Texas, the district where Tom DeLay once ruled, Republicans write-in Republican candidate Shelley Sekula-Gibbs is in a fight to the finish with Democrat Nick Lampson. Tomorrow, the President travels to Georgia again, and later in the week, Montana and Nevada, where the strategy is the same. … In every one of these places, the President will deliver his new rallying cry, 'just say, 'no' to Democrats.' … But there are plenty of Republican candidates who have said, 'no' to George Bush, felling his presence, with the black cloud of Iraq hanging over him, can only hurt their chances. In Indiana, Representative John Hostettler, whose seat is vulnerable, is touting his opposition to the war."

The Houston Chronicle (10/31, Mack, Hanson, 535K) reports that in Sugar Land, Bush told "2,000 cheering Republicans…that they should 'bring your pencil' to the polls and write-in the name of Shelley Sekula-Gibbs to succeed Tom DeLay in the U.S. House." The Chronicle adds, "Most voters won't really need a pencil to cast write-in votes because they'll use electronic voting machines. If they write in the councilwoman's name, they'll turn a dial selecting the 18-letter name a character at a time."

Bush followed up his campaign appearances with an interview with Sean Hannity on Fox News' Hannity and Colmes (10/30). The President said he is confident Republicans will hold both houses because "most people, when they take a look at the candidates, and the positions of the candidates, realize that protecting this country and keeping this economy going are the two most important issues. And you can't protect the country if you retreat from overseas and you can't keep the economy growing if you raise taxes and that's exactly what the Democrats in the house would like to do."

Hannity asked him if a Democratic victory would "make the country more vulnerable, more susceptible." Bush responded, "I think if you don't think we are in a war, that you can't win the war. And I think a lot of the national Democrats believe that…Iraq is a distraction and not part of the war on terror. They have said so. And I strongly disagree. One reason I disagree is because Osama bin Laden feels like Iraq is a part of this war on terror. He has made it clear that he would like for us to leave before Iraq can defend itself or govern itself and sustain itself, so that he can have a safe haven from which to launch further attacks."

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In the course of the interview, Bush also said, "The thing that amazes me is the Democrat party used to be the party of you know Harry Truman and John Kennedy and Franklin Roosevelt. People who understood that you need to confront problems so a generation of people could grow up in peace. You know, it sounds hike to me some of their leaders are becoming isolationists and that's dangerous. Some of our people are isolationist, by the way."

Under the headline "Bush Says 'America Loses' Under Democrats," the Washington Post (10/31, A1, Abramowitz, 748K) reports "Democrats reacted sharply to the latest White House attacks. Senate Minority Leader Harry M. Reid (Nev.) said Bush 'resorted to the same tired old partisan attacks in a desperate attempt to hold on to power.' House Minority Leader Nancy Pelosi (Calif.) said Bush is looking to retain a 'rubber-stamp Republican Congress that has done nothing to change our failed Iraq policy.'"

Poll Finds Race For DeLay's Old Seat Now A Statistical Tie. The Houston Chronicle (10/31, Mack, 535K) reports, "The Republican write-in effort to hold former Rep. Tom DeLay's congressional seat, once viewed as a long shot, has created a tight race, according to a Houston Chronicle-11 News poll. Thirty-five percent of respondents said they would vote for a write-in candidate, a statistical tie with the 36 percent support for Democrat Nick Lampson, according to the poll of more than 500 likely voters in the 22nd Congressional District. … One voter in four is still undecided." Libertarian Bob Smither, "the only person besides Lampson on the general election ballot, drew 4 percent support."

Democrats Seen As Unlikely To Radically Change US Policy On Iraq. The Christian Science Monitor (10/31, LaFranchi, 58K) reports, "In poll after poll, prospective voters name Iraq as the No. 1 issue in the upcoming midterm elections. So if voters tip one or both Houses of Congress out of Republican control, what impact would that have on the US war effort in Iraq and, more generally, on American foreign policy? … Don't expect too much, most experts say. For one thing, Democrats are not of one mind on what to do about Iraq. And while committees chaired by Democrats might hold more meetings and call more testifiers critical of some White House policies, Mr. Bush would still retain the power of the presidential bully pulpit. In addition, Bush's foreign policy in the second term has already evolved in a direction - away from unilateralism and toward greater cooperation - that suits both Bush's political opponents and moderates in his own party, some analysts say. For others, the differences between Bush and the Democrats on the big foreign-policy issues are really a matter of details and not starkly black and white."

Morris Urges Bush To Talk Less About Iraq, More About North Korea. Political analyst Dick Morris, during an appearance on Fox News' Hannity and Colmes (10/30) said President Bush "made a big mistake last week on Wednesday when he had that press conference about Iraq. What he needed to do was to focus attention on national and homeland security, and by talking about the war in Iraq, which would seem to be closely related issue, and he sees them as merged, he ultimately was talking about a thing people think he has failed on rather than something he succeeded on. The other thing that I think he has not done, which he should do in the next eight days, is talk about North Korea, North Korea, North Korea. Nobody thinks he is winning in Iraq. You have to realize that he is winning in North Korea."

Cheney Predicts A Democratic Victory Would Result In A "Massive" Tax Increase.

Vice President Cheney, during an appearance on Fox News' Your World with Neil Cavuto (10/30), was asked to predict what will happen if a Democratic majority in congress fails to renew President Bush's tax cuts, Cheney responded, "Remember the way the law is written. The cuts that we put in -- we cut the rate on capital gains and dividends to 15%. We reduced the marriage penalty and increased the child credit, phase out the death tax. … Those will automatically go back again -- the higher rates will automatically kick backing…around 2010 in most cases. So, if congress does nothing…rates are going up." Cheney added that if the Democrats become the majority party there will likely be "a massive tax increase, and I think that would do a lot of damage to the economy…it would raise the taxes on the average American family by a couple thousand dollars a year." Cheney also said, "I think the economy is in great shape. I look at where we have come when you think that we had to weather a recession, followed by 9/11, followed by Katrina – one of the worst natural disasters in history. The economy has come through all of that in great shape. …. I am hard put to think how the economy could be much better. … Housing is a little soft right now. But I think the economy is in great shape and a lot of that is due to the policies that the president and the Republican congress put in place, specifically the tax cuts."

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Larry Kudlow, on CNBC's Kudlow & Company (10/30) interviewed Cheney last night regarding issues of special interest to the investor class. During the interview Cheney noted that Republicans "have been very clear that we want to extend the tax cuts we put into place, and the 15% rate on dividends and capital gains, is absolutely crucial to the economy. And reducing the marriage penalty, increasing the child credit and reducing the death tax, all those things have been a vital part of our program. … My vote in the Senate is what passed the '03 tax package because it was in fact a tie vote and the Democrats overwhelmingly opposed the measures and we supported them. And as long as we're here you won't see legislation pass to raise those taxes. The fact of the matter is if we were not here and the Democrats were in control, then there would be a very real increase and a very real prospect of increased taxes."

Also during the Kudlow & Company (10/30) interview Cheney was asked why Republicans don't seem to benefiting from the recent stock market rally, and whether this reflects investors' preference for divided government, or, as Kudlow phrased it, "gridlock." Cheney replied that he believes the stock market "reflects the overall health of the economy and I like to remind people it is a Republican president and a Republican congress that put in place those tax cuts that, frankly, are at risk in this election. And if Charlie Rangel ends up as chairman of the Ways and Means Committee, he said as much, he doesn't believe there is a single one of the Bush tax cuts that ought to be extended. And I think would be bad for the economy. And I don't know if the stock market would like it. I don't think it would."

Bush Family Takes Increasingly Prominent Role In GOP Campaigns. McClatchy (10/31, Montgomery) reports President Bush's "wife, father, mother, at least two of his siblings and a nephew have all become surrogate campaigners in the runup to the Nov. 7 midterm elections. … 'They're getting to seem more like the Kennedys,' said Stephen Hess, a professor of media and public affairs at The George Washington University, recalling the election-time activism of another famous political clan. 'There is no question that, on any particular day, they're all out campaigning for somebody.'" McClatchy adds, "the most visible family member on the campaign trail is first lady Laura Bush, who's shed any remaining vestiges of her reluctance about campaigning to plunge headlong into the 2006 political season. As of late last week, the first lady had appeared at 51 political events and helped raised $16 million. … Similarly, Bush's parents, former President George H.W. Bush and former first lady Barbara Bush, have repeatedly ventured out of their hometown of Houston to help their party's cause. The president's brother, Florida Gov. Jeb Bush, is also working on behalf on GOP candidates. Others have offered more limited assistance. George P. Bush, the son of Jeb Bush and the president's nephew, has appeared on behalf of several Hispanic Republicans."

Hastert Has Made Few Campaign Appearances Since Foley Scandal Broke. The New York Times (10/31, Leibovich, 1.21M) reports House Speaker Dennis Hastert "is spending a lot of time in his district these days." Hastert "had planned to be on the road in October, campaigning for Republican House members. But most of those events were canceled after Representative Mark Foley's sexually explicit e-mail messages to House pages became public and Mr. Hastert was criticized as not doing more to stop them. 'Sure, it bothers you,' Mr. Hastert said in an interview in his headquarters. 'But I understand, if I've got 15 television trucks sitting outside my house, and I've got a helicopter looking in the window, you probably don't want to bring that into somebody else's district.'" The Times notes Hastert "still makes a few carefully selected visits. He traveled Thursday to northeastern Tennessee, where he campaigned for the Republican candidate in a district no Democrat has carried in more than a century. On Monday, he was in Texas and Oklahoma City, where he attended a fund-raiser for a Congressional candidate whose Democratic opponent promptly accused her of aligning 'herself with the disgraced leadership of the Republican Party.'"

GOP Claims Turnout Success In Early Voting In Several Tight Races. The Wall Street Journal (10/31, McKinnon, Lovley, 2.03M) reports Republicans "say they have some good news in early-voting statistics that suggest their voter-turnout machine is providing an edge in some tight races." If the "trend holds, it could mean that early voting is growing -- and continuing to benefit Republicans, who exploited the practice in the 1990s." But Democrats "contend that Republicans are exaggerating their successes so far, by highlighting a few races, while ignoring problems they are having in motivating their troops around the country. Democrats also questioned several specific Republican

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claims, while noting their own early-voting numbers show they are starting to catch up with their rivals in early get-out-the-vote efforts in battleground states such as Iowa." Several of the examples Republicans "cite are coming from states and congressional districts where they have some of their strongest local organizations. And despite the strength of the Republican turnout machine in the past few election cycles, it's yet to be seen whether Republicans can replicate isolated success stories across the electoral map in a tight election year." The Journal reports the races cited by the GOP include NM1, the Ohio Senate race, FL13 and FL16, and GA3. Democrats "questioned the Republicans' claims, particularly regarding New Mexico's 1st District. They said Democrats are almost even with Republicans in the number of absentee ballots cast so far in the area, suggesting that the incumbent party is struggling even in a district where its volunteer organization is regarded as one of the best in the country."

Democrats Play Catch Up In Microtargeting Strategy. The Wall Street Journal (10/31, A1, Dreazen, 2.03M) reports that in the "final week before the election, Democrats pushing to convert their lead in the polls into control of Congress are pinning their hopes of success on an increasingly common tactic for pumping up voter turnout: microtargeting." The technique "aims to identify potential supporters by collecting and analyzing the unprecedented amount of information now readily available -- from census data to credit-card bills -- to profile individual voters. Political strategists then tailor messages to entice those prospects to the polls, using the same methods marketers use to sell autos or aspirin to consumers." Microtargeting "could make the difference in important House and Senate races in states such as Minnesota, Ohio and Pennsylvania." Alexander Gage, "president and founder of TargetPoint Consulting, an Alexandria, Va., microtargeting firm that works for the Republican Party, estimates that successful microtargeting can bring congressional campaigns an additional 5,000 to 10,000 votes, a number that could be decisive in a House race." Democrats are "playing catch-up to Republicans, whose use of microtargeting in 2004 energized millions of new voters who backed President Bush." A "key player for Democrats is Copernicus Analytics, a small and little-known firm based here that made its name last year by helping to propel Democrat Timothy Kaine to victory in the Virginia governor's race. Big-money, Democratic-leaning clients from the AFL-CIO to Emily's List, a group that backs pro-choice female candidates, have enlisted Copernicus this election year." Focusing "on 29 races, Copernicus says it already has helped campaigns identify more than a million potential new supporters, a significant number given that many races in the closely divided nation are likely to be decided by thin margins."

Generic Ballot Edge Suggests Democrats Will Win House Seats. In an AP news analysis (10/31), Liz Sidoti says the Democrats' advantage on the generic ballot test in many polls suggests "Republicans are likely to lose House seats on Nov. 7," but "just how many seats — and whether the GOP sustains enough losses for Democrats to rise to power — is less clear." The "latest AP-AOL News poll showed 56 percent of likely voters said Democrats, while 37 percent said Republicans, a 19 percentage-point advantage less than two weeks before voters choose a new House. The gap was 10 percentage points in early October." Andrew Kohut of the Pew Research Center said, "The question traditionally has done a good job of measuring the popular vote, and the popular vote is a good predictor of the number of seats each party will win." The AP adds, "However, he and other analysts say, because congressional seats have been redistricted through the years to make Republican districts more GOP and Democratic districts more Democratic, there's less of a relationship between the popular vote and the exact number of seats won, which makes for somewhat unreliable forecasts." The AP report does not include a forecast of how many seats the GOP may lose.

Barone Says Midterm Outcome Unlikely To Create Long-Term Partisan Consequences. In a Wall Street Journal op-ed (10/31, A18), Michael Barone says, "If the Democrats are justified in preparing to change the drapes today, the questions to ask are: How enduring will be such a partisan switch? How much change in public policy will it accomplish? To the first question, the likelihood of an enduring partisan switch is not high -- if you believe the polls showing the leading Republicans, Rudy Giuliani and John McCain, walloping the best-known Democrats, Hillary Rodham Clinton and Al Gore, in 2008. Changes in public policy? Well, the lead item on the Democrats' wish list is to raise the minimum wage, a law first passed in 1938. Not exactly a new idea. I don't know what the results of the midterm elections of 2006 will be. But I doubt that they will

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have the sweeping partisan or policy consequences of the midterm elections of 1874 and 1894, or 1938 and 1994."

Network News Coverage Of Campaigns Said To Have Favored Democrats. In USA Today's "Media Mix" column (10/31), Peter Johnson reports, "Network news coverage has favored Democratic candidates in the midterm election, and the page scandal involving former congressman Mark Foley has been the main story line, drawing almost as much coverage as Iraq and terrorism combined, a new study finds." An analysis by the Center for Media and Public Affairs "of midterm election stories aired on the ABC, CBS and NBC evening newscasts Sept. 5-Oct. 22 found that 2006's coverage has been almost five times as heavy as in the 2002 midterm elections: 167 stories, compared with 35 four years ago." The study "found that three out of four evaluations of Democratic candidates' chances of winning — such as sound bites — were positive, compared with one out of eight for Republicans. Coverage has been dominated by two major themes: the effects of the Foley scandal, and the impact the Bush presidency is having on the party's congressional candidates." The Foley scandal "produced 59 stories alone, compared with 33 on Iraq and 31 on terrorism/national security issues." Director Robert Lichter said, "What's hurting Republican candidates is the media's focus on two non-candidates: Mark Foley and George W. Bush."

Midterm Campaign Ads Seen As "Most Negative" In Modern Times. The Christian Science Monitor (10/31, Feldmann, 58K) reports "experts say" the midterm election "is probably the most negative US election campaign in modern times. Nasty, misleading ads have been around for decades, and it's impossible to prove empirically that the 2006 campaign tops them all, but the wave of over-the-top claims has caught the attention of both casual observers and professionals." Evan Tracey, a campaign ad analyst at TNS Media Intelligence in Arlington, Va., said, "Politics has always been a contact sport, but it really does feel like the rhetoric has crossed a line. We've had ads with baby-crying noises from dumpsters, Playboy mansions, criminals coming over the border creating crime and mayhem. And that's the tame stuff." The Monitor adds, "Perhaps the most talked-about ad of this cycle took shots at Rep. Harold Ford (D) of Tennessee, who is running for the Senate. The ad - which ended with a blond, scantily clad woman saying, 'Call me' - was perceived by some viewers as racially motivated, since Mr. Ford is black and the woman in the ad is white." But as "distasteful as negative ads can be to the viewing public, many campaign experts defend them for their ability to provide useful information to voters." Brooks Jackson, director of the Annenberg Political Fact Check project, said, "There's nothing inherently wrong with negative advertising, if it's accurate." The Monitor adds, "Often, though, negative ads contain a kernel of truth that is distorted beyond the point of fairness." Between the "two House campaign committees, the Republicans are beating the Democrats in the race to the bottom. According to a report released last week on Factcheck.org, the NRCC so far this cycle has spent $41.9 million attacking Democrats and $5 million supporting Republicans - about 8 to 1 negative versus positive advertising. The DCCC has spent $18 million on attacks and $3.1 million on positive ads - a 5 to 1 ratio."

Each Of "Seven Worst Immigration Campaign Ads" Said To Come From Republicans. The Wall Street Journal (10/31, Rutkoff, Johnson, 2.03M) devotes its entire "Border Lines" column to the illegal immigration issue's impact on this year's midterm elections. The Journal notes that the New Republic Online features a "list ranking 'the seven worst immigration campaign ads,' which coincides with an editorial excoriating" the GOP, which is "the party behind each and every one. … 'The genre has several hallmarks,' TNR's editorial explains. 'It evokes a fear of lawlessness and a sense of growing social decay; it impugns opponents with a lack of patriotism (MITCHELL AGAINST ENGLISH LANGUAGE, reads the bottom of the screen in one of Representative J.D. Hayworth's ads3).'" Meanwhile, "All but the Hayworth ad, from Arizona, originate from states that are located far from the Mexican border."

Republicans Accused Of Debasing Political Campaigns. The Washington Post's E. J. Dionne (10/31, A21) writes, "this year's campaign will mark the moment when Republican leaders who govern in the name of conservatism turned definitively away from hope and waged one of the most trivial and ugly campaigns in our country's history. … My hope is that principled conservatives will rebel against those who are dragging their once forward-looking movement through the mud."

USA Today's DeWayne Wickham (10/31) claims Republicans "have dusted off their Southern strategy playbook" and are employing "subtle racism" as "a new twist on the more blatant appeals the GOP used to make to whites

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who were angered by the Democratic Party's embrace of the civil rights movement."

Republican Defectors Running In Key Races Against Former Colleagues. The Washington Times (10/31, Hurt, 88K) reports, "Call it the year of the former Republican. At a time of widely expected Republican losses in both chambers of Congress, a new breed of politician has emerged: former Republicans challenging Republican incumbents." Virginia Democratic Senate candidate James Webb is "most famous," but then "there's Tim Mahoney, a Florida Republican-turned-Democrat running for the seat of disgraced former Rep. Mark Foley." In New York, "former Republican Jack Davis is giving Rep. Thomas M. Reynolds one of the biggest challenges of his career. Mr. Davis, a multimillionaire businessman, says he wants to end illegal entry without granting amnesty, opposes higher taxes and wants to kill the death tax." In Florida's 13th CD, "former banker and former Republican Christine Jennings is running as a Democrat for the seat being vacated by Rep. Katherine Harris. She, too, is running on tax cuts and greater fiscal responsibility in Washington." All are "the kind of Democrats that Republicans have a difficult time hating. Hearing them explain why they left the Republican Party is like listening to voters today talk about why a growing number of them are tired of Republicans in Washington."

New Jersey Gay Marriage Ruling Could Benefit Republicans. McClatchy (10/30, Thomma) reports, "In the final stretch before Election Day, embattled Republicans feel as if they've received a gift from an unlikely donor: advocates of gay marriage." Republicans "think that last week's ruling by New Jersey's Supreme Court ordering equal rights for gay couples - seven of whom had sued for the right to marry - is re-energizing Christian conservatives, who had been losing interest in and passion for politics. Republicans predict that could draw more conservatives to the polls next week, especially in the eight states that will vote on proposed amendments to their state constitutions to ban gay marriage." The eight states "comprise Virginia, Tennessee - coincidentally two states with razor-close Senate races that could decide which party controls the Senate next year - Arizona, Colorado, Idaho, South Carolina, South Dakota and Wisconsin." Turnout among conservative Christians could also help the GOP candidate in Virginia's 2nd CD.

Democrats Making Inroads Among Evangelicals In Ohio. The New York Times (10/31, Kirkpatrick, 1.21M) reports Rep Ted Strickland, Ohio Democrat gubernatorial candidate "and former Methodist minister, opened his campaign…with a commercial on Christian radio vowing that 'biblical principles' would guide him in office. In his first major campaign speech, Mr. Strickland said 'the example of Jesus' had led him into public service. He has made words from the prophet Micah a touchstone of his campaign. Ohio, where a groundswell of conservative Christian support helped push President Bush to re-election two years ago, has become the leading edge of national Democratic efforts to win over religious voters, including evangelicals." The Times notes, "In 2004, 76 percent of white evangelical Christians in Ohio voted for" President Bush, but "in a recent New York Times/CBS News poll, 53 percent of the same voters approved of the president's performance, and 42 percent disapproved. … Strickland faces a Republican opponent, J. Kenneth Blackwell, who speaks just as openly about his evangelical faith, staunchly opposes abortion rights and same-sex unions and carries the endorsement of several nationally known Christian conservatives. But in a recent Quinnipiac University poll, Mr. Blackwell led Mr. Strickland among white evangelical voters by only three percentage points, which is within the margin of error."

Voters Disillusioned With Both Parties In Indiana. ABC World News (10/30, story 2, 2:30, Gibson, 8.78M) reported, "One of the earliest indicators" of how Democrats will fare in their effort to pick up 15 House seats to win a majority "will be Indiana. The polls close there early, and Republican incumbents are fighting to hold three seats there against strong Democratic challenges." ABC (Reynolds) added, "The voters' vocabulary in this Republican stronghold should give any incumbent pause. President Bush won the district by 13 points two years ago, but today," you "hear about Iraq all over." Worse for "the GOP is when Iraq isn't topic number one, corruption in the Congress is." Speaking with disillusioned Republican voters "all sounds practically like a commercial for the Democrats. Until you talk to a Democrat." A "bipartisan lack of answers, and an avalanche of attack adds. So no wonder why so were out here on a wet night to watch a high school football game. It's one contest they can cheer about."

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AFL-CIO Targeting Southern Races. Bloomberg (10/31, Chipman) reports the AFL-CIO "is pushing into unfriendly territory -- the South -- in an effort to gain new political friends and help its Democratic allies win control of Congress." The labor group "has included contests in at least five states in the largely non-union South on its list of targeted races in the Nov. 7 midterm election, one that it says is vital to the future of organized labor." The AFL-CIO "says it's spending a record $40 million this year to defeat Republicans nationwide. The money is being used to mobilize some 13.5 million union members, affiliated workers and their families through door-to-door visits, phone calls, direct mailings and leafleting." But some political experts "as well as Republican critics, eying organized labor's shrinking membership and declining clout, question whether the AFL-CIO can deliver enough votes to make a difference." Dick Wadhams, "campaign manager for Senator George Allen, a Virginia Republican who is one of the AFL-CIO's targets," said, "Union leadership is so oftentimes out of touch with its members that it's actually immaterial what union leaders do."

Snow Campaigns For Talent In St Louis. The AP (10/31, Kabel) reports that Sen. Jim Talent "was in the St. Louis area Monday night for a fundraising event that featured White House spokesman Tony Snow. The stop at the St. Louis Hilton Frontenac was one of more than a dozen Snow is making for Republican candidates around the country ahead of the Nov. 7 elections." Snow said, "There's no reason to do politics unless it's to make a difference. … If you've got the right attitude, you can get a lot of stuff done. Jim's done that." Snow "spoke on topics ranging from energy policy to the war in Iraq and how the nation has changed since Sept. 11, 2001. He said the U.S. operation in Iraq is a chance to spread democracy."

Webb Leads Allen In Two New Polls. The AP (10/31, Lewis) reports a "new statewide poll Monday showed Democrat Jim Webb with a slight lead in next week's close Senate race against Republican incumbent George Allen." Among likely voters, "the former Republican was the choice of 50 percent of those surveyed while 46 percent favored Allen and 4 percent were undecided." The poll of 597 likely voters (+/- 4%), was conducted by Opinion Research Corp. for CNN over October 26-29. Among the 'larger sample of 904 registered voters, the results were about even, with 48 percent of the respondents backing Webb, 46 percent for Allen and 5 percent undecided." The poll is "the first to show Webb with an advantage in a mean and expensive campaign in once reliably Republican Virginia whose outcome could be pivotal in determining whether an embattled GOP can retain control of the Senate." While Webb supporters "crowed over the results, longtime Allen adviser Christopher J. LaCivita said the poll was skewed because half of it was conducted over the weekend." The AP adds the "latter two days of the survey, however, reflect two intensive days of news coverage of Allen's claim that selected sexually explicit passages in some of Webb's six gritty novels about war are demeaning to women."

The Washington Times (10/31, Bellantoni, 88K) reports that in a Rasmussen Reports poll, Webb leads Allen "for the first time." The poll of 500 likely voters (+/- 4.5%), conducted on October 29, shows 48% would vote for Webb and 46% would vote for Allen. Webb "leads with 51 percent to 46 percent for Mr. Allen when the results include 'leaners,' or undecided voters who are leaning toward one candidate. When leaners are included, 3 percent remained undecided."

Coalition Of Black Political Leaders Endorse Steele. The Washington Post (10/31, B1, Wiggins, 748K) reports on the front page of the Metro section that a "coalition of black Democratic political leaders from Prince George's County led by former county executive Wayne K. Curry endorsed Republican Michael S. Steele's bid for the U.S. Senate yesterday." The support "from Curry, five County Council members and others barely a week before Election Day reflects their continued disappointment that the Democratic Party has no African American candidates at the top of the ticket and a sense that the county is being ignored, officials said." Ron Walters, "a political science professor at the University of Maryland, said the endorsements could be significant." Walters said, "This is going to go through the black community like a rocket. It's going to be the talk of the county, the state, maybe even the nation." The Post adds the "politicians were joined at a news conference in Largo by about a half-dozen business leaders, including Ron Lipscomb, a trustee of the state Democratic Party."

The Washington Times (10/31, A1, Miller, Ward, 88K) reports the story on the front page, noting Curry said, "The [Democratic] Party acts as though when they want our opinion, they'll give it to us. It's not going to be like that anymore." Curry "and the lawmakers said Democratic leaders repeatedly have snubbed the black community and

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their county, noting the lack of party support for the Senate campaign of former National Association for the Advancement of Colored People chief Kweisi Mfume, who lost the Democratic primary to Rep. Benjamin L. Cardin." The Democratic ticket "lacks black candidates, they said, and candidates from Prince George's County, which is home to more than 320,000 registered Democrats -- the most of any jurisdiction in Maryland."

Santorum Aides Blame Predicament On National Climate. The New York Times (10/31, Toner, 1.21M) reports, "There is no better snapshot of the brutal political climate facing many Republicans in these final days than this: Senator Rick Santorum, the third-ranking Republican in the Senate, stubbornly behind in the polls, warning with anger and growing frustration that voters should not — must not, for their own good — reject him for his Democratic opponent, Bob Casey, the state treasurer." In a critique of "Casey's national security credentials, the Santorum campaign has run a television commercial that shows a mushroom cloud, missiles streaking through the air and the faces of North Korean, Iranian and terrorist leaders. It concludes, 'We just can't take a chance on Bob Casey.'" Santorum kicked off "the final stretch of his campaign with a series of speeches on 'The Gathering Storm,' offering a dark, Churchillian vision of the threats facing the United States — like the threats, he said, that faced England in the years leading up to World War II." But he "all but acknowledges that the national security issues that proved such a fundamental strength for the Republicans in 2002 and 2004 are far riskier for his party this year." Santorum's advisers "blame the national climate for his difficulties; in a state like Pennsylvania, which often leans Democratic, the plummeting popularity of President Bush and the Republican-led Congress was bound to hit hard. In fact, several Republican House incumbents are also fighting for their political lives in Pennsylvania this year." But Santorum's "own personality and political style have also played a role, political strategists and analysts say."

NBC Nightly News (10/30, story 5, 2:20, Reid, 9.87M) reported Santorum is "one of the Senate's most combative conservatives, leading the charge against abortion. Pushing Congress to intervene in the Schiavo case and nearly always supporting President Bush. This is a tough year for Republicans, largely because of the war in Iraq. That's why so many of them have put distance between themselves and President Bush on that issue. Not Rick Santorum. The war is too important, he says, to put politics ahead of principle." Sen. Rick Santorum: "You don't walk away from people because it's smart politically to do it. It offends me. I believe you stand up for what you believe in." Reid: "Democrats were so eager to beat Santorum, they tapped Bob Casey Jr., son of a popular former governor and an abortion opponent like Santorum. Casey's cultural conservatism has helped him maintain a lead of more than 10 points in the polls." Bob Casey: "This crowd is ready for a new direction." Reid: "Casey says Santorum's harsh partisanship has been his undoing." Casey: "What he has done is judge people and finger point and frankly lecture people. We don't need that any longer. We're tired of that."

Kean, Menendez Seek To Rally Base In Final Campaign Stops. The New York Times (10/31, Chen, Jones, 1.21M) reports Republican Thomas H. Kean Jr. "began the last full week of his campaign for the United States Senate by getting on his knees to be blessed by Korean-American pastors in Cliffside Park on Monday. Hours later and just eight miles away in another Bergen County town, he mingled with Italian-American firefighters and community leaders at Lodi Hose Company 2." Meanwhile, Sen. Robert Menendez "attended two events in the Democratic stronghold of Camden County. On Tuesday morning, he planned to be back in the same area for a breakfast with veterans accompanied by former Senator Max Cleland of Georgia, a Vietnam veteran who lost his legs in the war." With just "eight days until the election, this is the time when candidates in New Jersey pack their schedules with appearances all over the state, often from dawn until the dinner hour. And with most polls showing Mr. Menendez, the Democratic incumbent, holding a slight lead over his Republican opponent, both he and Mr. Kean are frequently hurrying through their lengthening schedules by sticking to the same issues and repeating accusations." But there is "a purpose in the seemingly frantic game of hopscotch from Camden to Lodi or Somerset to Asbury Park hinting at the strategy shaping the final days of the campaign. And geography, not surprisingly, is a major factor." For Kean, "that means a lot of time in such Republican strongholds as Morris County and some communities along the Jersey Shore as well as repeated forays to Bergen County, the state's wealthiest and most populous region, which is viewed as a battleground area." For his part, Menendez "plans to adhere to classic

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Democratic strategy by zeroing in on such urban areas as Camden, Essex and Hudson Counties, and appealing to ethnic minorities and organized labor, core party constituencies."

NYTimes Corrects Editorial On Timing Of Kean Donations. The New York Times (10/31, 1.21M) reports, "An editorial yesterday about the New Jersey Senate race incorrectly described the timing of donations to the campaign of Thomas Kean Jr. by executives of Horizon Blue Cross and Blue Shield of New Jersey. The checks were written for a fund-raiser for Mr. Kean that took place before the submission of legislation that maintained a tax exemption for the companies. Mr. Kean did not receive the money on the same day that he voted for that legislation. The reference was based on an article in The Star-Ledger of Newark that the newspaper subsequently corrected."

Despite Weak Opponent, Hutchison Seeks Strong GOP Turnout In Texas. The Dallas Morning News (10/31, Gillman, 500K) reports that for Republican Sen. Kay Bailey Hutchison, Texas "is a line in the sand. The nightmare isn't so much that she'll lose her own re-election bid, it's that the ill national mood will flip control of Congress." Hutchison said, "It is a tough year. It is a tough year because times are tough. Because you've got boots on the ground. As Margaret Thatcher once said to George Bush 41, now is not the time to go wobbly." The Morning News adds that although "most analysts expect her to cruise to a third term," Hutchison is "running hard, dashing across West Texas one day last week, exhorting Republicans in one city after another to get out and vote." It's a "message meant to fire up Republican loyalists, though it also seemed to validate their anxieties. Sure, they'll keep the Texas seat, but what about the House and Senate?" On the way to Midland, "an aide hands her a faxed copy of a Kerrville Daily Times story. Kinky Friedman voted for her. 'She is not without charms,' the independent candidate for governor told the paper." Hutchison will "write a thank-you, but her ballot will go to Gov. Rick Perry, her fellow Republican, whom she had thought about challenging instead of running for re-election."

NYPost Endorses Hillary Clinton For Senate, But Not Presidency. The New York Post (10/30, 608K) endorsed Sen. Hillary Rodham Clinton "for re-election to the United States Senate. Surprised? Well, so are we - a little. But, then, there really isn't much of a choice in this race." Clinton has "been a pretty good senator - popular with her colleagues and as productive as a first-term legislator from the minority party probably can be. Think of her as Sen. Pothole Redux (apologies to Alfonse D'Amato). Meanwhile, her positions on numerous issues - particularly involving national security - have been much closer to the political center than we would have expected." But "what about the White House?" We "think she's done such a good job these last six years that she'd do well to serve six more. If not 12. Re-elect Hillary. In 2012."

Harris Writing Book On Those Who Have "Wronged" Her. The Washington Post (10/31, C1, Copeland, 748K) reports Florida Senate candidate Katherine Harris "says she is writing a tell-all about the many people who have wronged her. This includes, but is not necessarily limited to: the Republican leaders who didn't want her to run, the press that has covered her troubled campaign, and the many staffers who have quit her employ, whom she accuses of colluding with her opponent. She is vague about what, precisely, makes her a victim, but she says she has it all documented." Harris said, "It's going to be a great book." The Post adds, "If it is, it may be one of very few things that go well for the two-term Republican congresswoman. Once beloved by the Republican leadership for her role in overseeing the 2000 recount that delivered the presidency to George Bush, Harris was snubbed by those old friends before the primary. Republican chieftains, considering her too polarizing to win a statewide race, tried to recruit others, and Florida Gov. Jeb Bush (R) said publicly that she could not win." The "way Harris sees it, a vast left- and right-wing conspiracy, encompassing both the 'liberal media' and the Republican 'elite,' is attempting to keep her out of the Senate."

Democrats Could Regain Control Of Majority Of State Legislatures. The New York Times (10/31, Johnson, 1.21M) reports, "More than 6,000 state legislative seats in 46 states are on the Nov. 7 ballot, and like the seismic state elections in 1994 and 1974 the cumulative impact of the outcomes could be immense, with Democrats possibly gaining control of a majority of state capitols for the first time in a decade." Most "significantly, the groundwork for redrawing Congressional districts after the 2010 census will be done under the 50 capitol domes, and the party in power will set the table for those discussions in ways favorable to its

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interests. Gains made this year, analysts say, will help give incumbents a leg up in the final elections leading up to the redistricting." If the Democrats "take control of a majority of the legislatures, which polls indicate could happen, women could also attain leadership positions in greater numbers, since Democratic women in state capitals outnumber Republican women by nearly two to one." One indication "of both parties' interest in the local races is the money that has been flowing into them." The Democratic Legislative Campaign Committee "plans to spend $9 million to $10 million on legislative races, up from $6 million to $7 million in 2004. Its counterpart, the Republican State Leadership Committee, has nearly doubled spending on state races, including for legislators, to $20 million." Republicans 'control both chambers in 20 states, Democrats in 19. One state, Nebraska, has a nonpartisan legislature, while the parties split control in the remaining 10 states." States to watch "on Election Day include Indiana, Iowa, Michigan, Minnesota, Nevada, Oregon, Pennsylvania, Tennessee and Wisconsin, where Republicans have narrow majorities in the lower house or senate. Democrats have narrow majorities in Colorado, Maine and Montana."

Democrats Poised To Win Majority Of Gubernatorial Races. The CBS Evening News (10/30, story 6, 0:15, Couric, 7.66M) reported, "While the polls indicate" California Gov. Arnold Schwarzenegger "will be back, in other states, some Republican candidates may, in fact, be on their way to getting terminated." CBS (Borger) added, "It may not be as sexy as regaining control of the House or the Senate, but for Democrats, winning a majority of governorships could be just as important. Right now, Republicans have the advantage with control of 28 states. The Democrats have 22. They need just four more to reach a majority. That's a real possibility with at least nine Republican states up for grabs." Gov. Bill Richardson, Chairman of Democratic Governors Association: "It's going to be probably a bigger loss for President Bush losing a majority of governorships than it is either the House or Senate." Borger: "Consider the battleground state of Ohio. In the last presidential election Republicans controlled the state's voting process. Democrats charged they didn't get an accurate count." Gov. Richardson: "This is why it's so important to win in these states and in big states like Ohio, like Pennsylvania, like Wisconsin."

District Attorney Says Probe Into Gibbons Assault Allegation Reopened. The AP (10/31, Nakashima) reports District Attorney David Roger said "authorities have reopened their investigation into a cocktail waitress' claim that a Republican congressman running for governor assaulted her in a parking garage after a night of drinking." Roger said "the case involving Rep. Jim Gibbons — which had been closed after the woman, Chrissy Mazzeo, dropped her complaint — is under investigation again." Mazzeo, "a Las Vegas Strip casino waitress, accused Gibbons, 61, of pushing her up against a wall Oct. 13 and propositioning her. Mazzeo, 32, said she had been pressured and offered cash from people linked to the Gibbons campaign to drop the complaint." Gibbons, who is "in a close race with Democratic state Sen. Dina Titus for Nevada's open governor's seat, has denied wrongdoing and sued Monday to force police to release surveillance videos he said would disprove Mazzeo's claim." Gibbons "led Titus 47 percent to 41 percent in a poll released Friday. Most of the polling took place after the allegations were reported but before Mazzeo held a news conference Oct. 25 to recount her version of the events."

Win Would Give Ehlich National Profile. The Washington Post (10/31, A1, St. George, 748K) reports after "20 years of pulling out victories at the ballot box -- young and on the rise in the state House and in Congress before his election as governor at age 44," Republican Gov. Bob Ehrlich "is now trailing his opponent, Baltimore Mayor Martin O'Malley (D), in an array of polls. But Ehrlich has come from behind before. This is the 16th contest of his political career. He has never lost." Matthew Crenson, a political science professor at Johns Hopkins University, said if Ehrlich wins, "his political profile will change markedly." As a "two-time Republican victor in a predominantly Democratic state, 'he will emerge as a figure in national Republican politics.'" The Post adds that if Ehrlich "loses, he will be thrust out of elective office for the first time since he was 28." Even "many of his critics say the 48-year-old governor is likable -- affable and unpretentious, the kind of guy who slaps backs, cracks jokes, talks sports. He has a strong streak of the Everyman." But they "also say the competitive edge that has helped him win football games and political campaigns has sometimes worked against him during his four years as governor."

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Schwarzenegger Aides Said To Circumvent Gift Ban. The Los Angeles Times (10/31, Nicholas, 918K) reports, "After allowing his staff to accept tens of thousands of dollars' worth of gifts from business interests, Gov. Arnold Schwarzenegger is now worried about the appearance of a conflict of interest and has barred them from taking even a free cup of coffee. But the policy, stricter than state law, hasn't stopped the perks. Schwarzenegger aides over the last year have been given free tickets to Disneyland and San Francisco Giants baseball games; to Rolling Stones concerts and Sacramento Kings basketball games." Schwarzenegger chief of staff Susan Kennedy "sent a memo to the governor's aides in August explaining that by taking gifts, even if the law allows it, they could create a public perception that they have been compromised. … But the Spartan ethic comes with loopholes. Kennedy is scheduled to join lawmakers and state officials on a 12-day trip to South America next month that is sponsored by a tax-exempt group financed partly by energy companies and other businesses that lobby in Sacramento."

Angelides Calls For "Comprehensive" Immigration Reform. In a Los Angeles Times op-ed (10/31), Democratic gubernatorial candidate Phil Angelides says, "On Thursday, President Bush put his signature on a measure authorizing a new fence along 700 miles of the 1,952-mile-long border between the United States and Mexico. Funds for the fence may never be provided, and the fence may never get built. Regardless of its future, the fence legislation alone is no substitute for the kind of comprehensive immigration reform that California and the nation need." Such reform "starts with full funding for the strong border security provisions originally provided in the 2004 Intelligence Reform and Terrorism Prevention Act in response to the recommendations of the 9/11 commission. The act calls for at least 2,000 new, permanent border agents a year and 8,000 new detention beds a year for five years." Border control, "by itself, is not a solution." Immigration policy "must deal realistically with the major engine of illegal immigration: the economy's demand for immigrant labor. The federal government must enact rational and reasonable guest-worker programs that match immigrant workers with the nation's workforce needs. We need to end the shadow economy in which undocumented workers toil without regulation and without the protection of law."

States Seen As Taking Lead On Key Issues. The CBS Evening News (10/30, story 5, 4:25, Couric, 7.66M) reported, "California is leading the way in the battle against what's been called -- fairly or not -- a do-nothing Congress. In a CBS News/New York Times poll, two out of three Americans said this Congress has accomplished less than the House and Senate typically do. Now California is starting another trend saying, hey, if you can't handle it, we will." CBS (Hughes) added, "In northern California's Fourth District, Republican Congressman John Doolittle's own name points to his biggest problem. His challenger can't say it enough." Lieutenant Colonel Charlie Brown (RET), California candidate for Congress: "It's been a do-nothing congress and John Doolittle has done very little to change that." Hughes: "But Doolittle's home state has done a lot to change it. Trend-setting California is at it again, leading a host of other states in tackling ground-breaking issues the Federal Government won't touch. It began in 2004. When voters here thumbed their noses at Federal restrictions on embryonic stem cell research and approved a $3 billion initiative." Now, "six more states are following California, funding stem cell research the Feds won't. Here's another example: Global warming. As Washington argues and does little or nothing, California has passed the nation's most restrictive law on greenhouse gas emissions." Governor Arnold Schwarzenegger: "This will lead to us leading the way for other states and for other nations." Hughes: "And the list goes on, from prescription drug discounts to a new minimum wage that will rise to $8 an hour in 2008."

Hunter Announces Bid For GOP Presidential Nomination. The Los Angeles Times (10/31, Perry, 918K) reports Rep. Duncan Hunter, chairman of the House Armed Services Committee, "announced plans today to make a longshot bid for his party's 2008 nomination for president. Hunter said his campaign will feature the two issues that are his trademarks: support for the U.S. military and opposition to illegal immigration." The AP (10/31, Spagat) reports, "The declaration to form an exploratory committee allows the 13-term California congressman to begin raising money and organize supporters in early Republican primary states such as Iowa, New Hampshire and South Carolina. … He had not been on any list of potential 2008 candidates." The Washington Post (10/31, A3, Geis, 748K) reports Hunter "was a leader in the construction of a 14-mile fence along the U.S.-Mexico border south of San Diego, and he cosponsored

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legislation that President Bush signed last week to build 700 miles of additional fencing along the border."

NYC Elite Reportedly Expect Bloomberg Presidential Run In 2008. The Washington Post's Richard Cohen (10/31, A21) writes, "If you should happen to go to dinner here, the talk will inevitably turn to any one of the many presidential candidates the Empire State has to offer. … Increasingly…the hum is also about the politically audacious Michael Rubens Bloomberg, 44th on Forbes magazine's list of the richest Americans and, as it happens, the mayor of this fair city. He might also be running. I say 'might' because Bloomberg has gone from the firm 'no' he offered me some months ago to a more intriguing 'I'm considering it' that he offered someone I talked with recently. Indeed, among this city's moneyed, journalistic (not, alas, the same thing), entertainment, financial and other sorts of elites, there are always one or two at the table who say, with great solemnity, that they happen to know Bloomberg will indeed run for president as an independent."

Abstinence Programs To Target Young Adults As Well As Teens. USA Today (10/31, Jayson, 2.27M) reports, "The federal government's 'no sex without marriage' message isn't just for kids anymore. Now the government is targeting unmarried adults up to age 29 as part of its abstinence-only programs, which include millions of dollars in federal money that will be available to the states under revised federal grant guidelines for 2007. The government says the change is a clarification. But critics say it's a clear signal of a more directed policy targeting the sexual behavior of adults." Wade Horn, assistant secretary for children and families at the Department of Health and Human Services, "said the revision is aimed at 19- to 29-year-olds because more unmarried women in that age group are having children. … 'The message is 'It's better to wait until you're married to bear or father children,' ' Horn said. 'The only 100% effective way of getting there is abstinence.'"

Fortieth Anniversary Of Reagan's Election As Governor Of California Marked. The CBS Evening News (10/30, story 10, 2:15, Couric, 7.66M) reported, "At the hilltop Presidential library where Ronald Reagan is buried and his life is on display, his widow Nancy and political luminaries gathered today to celebrate the beginning. … The day 40 years ago when Reagan was elected governor of California."

Barnes Praises Edsall's Book On "Red America." In an op-ed for the Washington Times (10/31, 88K) the Weekly Standard's Fred Barnes writes, "If Tom Edsall isn't America's greatest political writer, he's close to it. … The first [test] is whether one who analyzes politics is willing to write against preference. Mr. Edsall is, and 'Building Red America' is a perfect example. He is a liberal, especially on social and cultural issues, who persuasively chronicles how Republicans have gained the upper hand in politics today and explains why Democrats, even if they defeat Republicans in the midterm elections on Nov. 7, are not poised to become the majority party again anytime soon."

LATimes Reporters' Book Examines GOP Dominance. The Christian Science Monitor (10/31, Pinkus, 58K) reports, "The new book "One Party Country: Republican Dominance in the 21st Century" examines the nuts-and-bolts of the way Republicans have been building this sturdy foundation aimed at achieving successive election victories. At a time when Republicans have not articulated a clear strategy in the Iraq war and have bungled the aftermath of hurricane Katrina, 'One Party Country' suggests that the immediate priority and long-range plan of the Republican Party is wrapped up in winning elections. With so much of the focus on electoral tactics, the offshoot is that governing the country takes a secondary role. … Written by two investigative reporters for the Los Angeles Times, Tom Hamburger and Peter Wallsten, this book shows the signs of incisive journalistic digging."

Newspapers Report Dwindling Circulation Numbers. The Wall Street Journal (10/31, B2, Steel, 2.03M) reports, "Nearly every major U.S. newspaper suffered circulation declines in the past six months, according to the newspaper industry's twice-yearly report from the Audit Bureau of Circulations, the latest confirmation of the difficulties facing the industry as readers flock to the Web and other outlets for news. Average daily circulation of the 770 newspapers reporting results to the ABC dropped 2.8% on a year-to-year basis during the six months ended Sept. 30, according to an analysis from the Newspaper Association of America, an industry-trade group. … The circulation report, which comes on the heels of several major publishers

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reporting weaker ad revenue for the third quarter, is likely to reinforce concerns among investors about the industry's prospects." The New York Times (10/31, Seelye, 1.21M) reports it "lost about 3.5 percent of its circulation both daily and Sunday. The Washington Post's declines were nearly the same. The Wall Street Journal's daily paper fell by less than 2 percent but its Weekend Edition, which comes out on Saturday, reported a 6.7 percent drop." The Washington Post (10/31, D3, Ahrens, 748K) reports the Los Angeles Times "lost 8 percent of its daily circulation -- the most of any of the nation's largest newspapers -- over the past six months, potentially lowering its value even as suitors line up to bid on its parent company."

Opposition To Gambling And Medical Marijuana Said To Cost GOP Votes. The New York Times' John Tierney (10/31) writes, "One of the G.O.P. Congress's few achievements this year was a law to crack down on Internet gambling, an industry that counted eight million American customers last year — about four times the membership of the Christian Coalition. The new law hasn't stopped the online gamblers from betting, but it will give them second thoughts about voting Republican. The Republican war on marijuana — the chief priority of the current drug czar — isn't playing any better in the heartland. More than 40 percent of people over the age of 12 have tried marijuana, and more than three-quarters of Americans support legalizing it for medical purposes. The White House and the Justice Department have had little luck in their attempts to stop states from legalizing medical marijuana, but they have succeeded in alienating voters.

US Cotton Subsidies Said To Impoverish Africans. The Los Angeles Times (10/31, 918K), in an editorial, writes, "A century and a half ago, the U.S. cotton industry fueled a booming trade in African slaves and indirectly helped spark the Civil War. One big difference between then and now is that although American cotton is still afflicting Africa, now the Africans suffer at home rather than here. Cotton is a staple crop for many West and Central African countries, where a difference of a few pennies in the price of a pound of fiber can mean the difference between deprivation and relative prosperity. And an explosion of U.S. cotton exports over the last decade, fueled by one of the most obscene corporate welfare programs this country has ever seen, has increasingly helped tip the scales toward deprivation over there. On Wednesday, trade ministers from four African countries whose economies are being savaged by U.S. cotton subsidies came to Washington to discuss the issue with U.S. Trade Representative Susan Schwab and Agriculture Secretary Mike Johanns. They left with little more than vague promises. President Bush, cowed by powerful congressional Republicans from farm states, has done nothing to stop a surge in agricultural subsidies during his administration."

Ahmadinejad Vows "Appropriate And Firm Response" To Any UN Sanctions. The AP (10/31, Karimi) reports Iranian President Mahmoud Ahmadinejad "warned on Monday that his country would respond with an 'appropriate and firm response' to any U.N. sanction over its nuclear program." The "hard-line leader" is quoted saying, "Efforts by the big powers will only incite anger and hatred. Iranian nation will respond to restrictive activities with an appropriate and firm response." Meanwhile, "key [UNSC] members were considering a draft European resolution that would impose punishing measures on Iran over its disputed nuclear program." Moscow and Beijing "have shied away from imposing punitive measures on their trade partner Iran, saying they prefer a diplomatic solution to the impasse. But the United States says the proposed sanctions are not tough enough. Russian President Vladimir Putin told Ahmadinejad [yesterday] that Moscow strongly favors further negotiations on Tehran's nuclear program, the Kremlin said." Also, IAEA head Mohamed El-Baradei "said at the U.N. that his organization has not been able to verify that Iran's nuclear program is peaceful."

Stephens Criticizes "Busheir Exception." Bret Stephens writes in the Wall Street Journal (10/31, A19, 2.03M), "Does the Bush administration seriously mean to give Iran a nuclear bomb? Look carefully at the confidential text of a forthcoming UN Security Council resolution, and the answer, it would seem, is yes. … Through diplomatic efforts spearheaded by Undersecretary of State Nick Burns, the administration is prepared to endorse a European draft of a UN resolution that imposes limited sanctions on the Islamic Republic for flouting its Aug. 31 deadline to stop enriching uranium." Stephens focuses its criticism of the resolution on "the Bushehr exception, so broad the Iranians could drive a truck through it -- or, to be more precise, a truck carrying 330 kilograms of reactor-grade plutonium. That's enough to make about 55 Nagasaki-type atomic bombs." Bushehr "is a light-

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water nuclear reactor that Russia began building for Iran in the mid-1990s over the objections of the Clinton administration. Ten years on, the billion-dollar facility is nearly complete: All that remains to make it operable is reactor-grade uranium, which Moscow promises to supply by next October. In a sop to the Russians, the draft resolution specifies that the prohibition on technology transfers to Iran 'shall not apply to supplies of items, materials, equipment, goods and technology, nor to the provision of technical assistance or training, financial assistance, investment, brokering or other services...related to the construction of Bushehr I.'"

US Leads Anti-Proliferation Maneuvers In Persian Gulf. The New York Times (10/31, Fattah, 1.21M) reports, "More than two dozen countries, including three gulf states, practiced intercepting and searching vessels suspected of trafficking in unconventional weapons in major military maneuvers on Monday that emphasized their coordination and willingness to aggressively block the spread of arms. The daylong exercise, about 20 miles outside Iranian territorial waters, seemed to signal to Iran, too, that a coalition of Western powers and neighboring states was intent on denying it access to nuclear, chemical and biological weapons, even on its doorstep." US "officials insist that the training exercise, planned since January, was not related to tensions over Iran's uranium enrichment activities." The Times says, "Iran warned the exercise's participants on Monday against acts that could destabilize the region. Military officials taking part in the exercise said that Iranian patrol boats came close to coalition ships in recent days, inspecting their activities and positions." Monday's exercise "was the first training maneuver in the Persian Gulf under the Proliferation Security Initiative, an American-led effort that seeks to coordinate and develop procedures for intercepting smugglers of unconventional weapons."

Bush Opposed To Japan, South Korea And Taiwan Getting Nuclear Weapons. The AP (10/31) reports, "President Bush said Monday he would oppose helping Japan, South Korea and Taiwan develop nuclear weapons to guard against any threat from a nuclear-armed North Korea. 'I think the less nuclear armament in the Far East, the better off the world will be,' the president said in an interview." Bush "said the United States should work closely with its allies in Asia on a missile defense system. 'Our missile defense systems are getting better and better because of the money that we have been spending over the past five years,' he said."

US General Says More North Korean Nuclear Tests Expected. The AP (10/31, Herman) reports the top US general in South Korea, Army Gen. B.B. Bell, said Monday that more nuclear tests "can be expected" by North Korea, and "stressed that US and South Korean forces could deter any aggression." Gen. Bell "didn't cite specific intelligence that another test was imminent, but said that could be expected in the future as part of North Korea's weapons program." The Washington Times (10/31, Salmon, 88K) Gen. Bell also "dismissed reports that his forces were preparing a pre-emptive strike on the North."

Report Accuses China Of Aiding North Korean Nuclear Program. The Washington Times (10/31, Gertz, 88K) says "China helped North Korea develop nuclear weapons and in the past year increased its support to Pyongyang, rather than pressing the regime to halt nuclear arms and missile activities, according to a congressional report." The "final draft report of the US-China Economic Security Review Commission also says that Chinese government-run companies are continuing to threaten U.S. national security by exporting arms to American enemies in Asia and the Middle East." The report "is based on public testimony and highly classified intelligence reports made available to its members and staff. It indirectly criticizes the Bush administration for failing to pressure Beijing into joining US-led anti-proliferation programs and calls for Congress to take action to force the administration to do more."

China May Be Using Oil To Press North Korea. The New York Times (10/31, Kahn, 1.21M), meanwhile, reports China "cut off oil exports to North Korea in September during heightened tension over North Korea's nuclear and missile programs," according to Chinese trade statistics. Calling it an "unusual move," the Times says there is "no clear indication that the September figures represent a policy shift by China." China did not announce a reduction in oil exports, and the Times says it "remains possible the statistics are an anomaly or that supplies were cut because North Korea did not need more oil in September." Chinese officials declined to comment.

US, Allies Launch Global Initiative To Combat Nuclear Terror Threat. The AP (10/31, Thorne) reports on the launching of the Global Initiative to

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Combat Nuclear Terrorism, saying, "the world's five leading nuclear powers and seven other nations kicked off a new program Monday aimed at keeping nuclear weapons beyond the reach of terrorists." Robert Joseph, the US Undersecretary of State for Arms Control and International Security, is quoted saying, "The concern is fundamental -- we must stop terrorists from acquiring nuclear weapons." Washington, Moscow, Beijing, London, Paris, Rome, Tokyo, Ottawa, Ankara, Canberra, Rabat and Astana "signed two agreements on common principles and 'terms of reference' that were not immediately made public after the start of the two-day meeting in Rabat." The AP adds, "While Russia and the United States have been at odds on how to rein in Iran's suspect nuclear program, the two countries combined to provide the impetus for this international effort to keep atomic arms from terrorist groups."

Bolton Says Syria, Iran Trying To Destabilize Lebanese Government. The AP (10/31, Lederer) reports Ambassador Bolton "accused Syria and Iran on Monday of trying to destabilize Lebanon's democratically elected government by violating a U.N. arms embargo." Bolton stressed that Syria's obligations to respect a UN arms embargo authorized by the Security Council in August "are particularly important as it is the one country other than Israel that borders Lebanon." He also called on Syrian President Bashar Assad "to abide by the commitment he made to Secretary-General Kofi Annan to support the resolution and the arms embargo."

Olmert Says Israel May Expand Gaza Military Operations. The New York Times (10/31, Myre, 1.21M) reports, "Prime Minister Ehud Olmert of Israel said Monday that the Israeli military might expand operations in the Gaza Strip in an attempt to halt Palestinian rocket fire, but that there was no intention to reoccupy the territory." His comments "came on another day of turmoil, in which Palestinian gunmen kidnapped a Spanish aid worker in southern Gaza and held him for several hours before releasing him, and a Palestinian militant was killed in northern Gaza in disputed circumstances."

Middle East Governments Await Post-Election Changes To US Policy. The AP (10/31, Reid) reports, "Arab governments are looking for change in U.S. policy in the Middle East after the midterm elections, hoping a politically weakened President Bush will talk with Iran and Syria, show greater interest in the Palestinians and find a way out of the crisis in Iraq. Israel too is watching for any sign of change in U.S. strategy — especially toward the Palestinians, Syria and Iran. … 'If the U.S. is going to help itself, its policy needs to change in the Middle East,' the Saudi ambassador to the U.S., Turki al-Faisal, said Monday in Washington. He urged the U.S. to start by pressing Israel to relinquish all occupied Arab land — and Jerusalem — to the Palestinians. Many Arab officials question, however, whether the Democrats have better answers to the region's problems. They consider the Democrats traditionally more supportive of Israel than the GOP is. Even as they eye the possible political upheaval in the United States, Arab countries like Egypt and Saudi Arabia are maintaining close ties to the Bush administration."

Faisal Asks Washington To "Push" Tel Aviv Towards Peace Talks. AFP (10/31) reports Saudi Ambassador Prince Turki al-Faisal "firmly urged the Bush administration to push Israel into opening final peace talks with the Palestinians." He told the National Council on US-Arab Relations "that the United States was the only nation with the power to jolt the stalled international roadmap to Middle East peace into motion." AFP adds the Administration "has been less willing than many of its predecessors to engage in nuts and bolts peacemaking between Israel and the Palestinians -- despite calling for the formation of a Palestinian state."

Natsios To Brief Bush This Morning On Darfur. AFP (10/31) says President Bush "will meet his special envoy for Sudan, Andrew Natsios, [today] to get an update on efforts to end violence in Darfur, the White House said." The 9:00am meeting will "discuss the humanitarian crisis in the war-wracked Darfur region amid stalled attempts to bolster an international peacekeeping presence there." AFP says that discussion "comes roughly one week after [NSA Hadley, Secretary Rice and Assistant Secretary Frazer] held talks on Darfur at the White House."

Washington, Moscow Sign Agreement On Joint Military Operations. The AP (10/31) reports Marine Corps Gen. Peter Pace, chairman of the Joint Chiefs of Staff, said his Russian counterpart, Gen. Yuri Baluyevsky, Monday signed a cooperation agreement that "lays out plans

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for joint activities for the coming year," officials said. Details of the agreement were not disclosed.

Trade Deadline Missed, But Officials Say Deal Is Close. The Financial Times (10/31, Dinmore) reports the US and Russia are "close" to a bilateral trade agreement that would remove a big hurdle to Russia's entry into the World Trade Organization, "but Tuesday's self-imposed deadline will not be met," US trade officials said Monday. "Both sides believe we are close, and we fully expect to continue our close co-operation to reach an agreement," the USTR's office said. US trade officials, however, "would not say what issues remained unresolved" following a week of talks in Washington with Maxim Medvedkov, Russia's chief WTO negotiator.

European Commission Criticizes Turkey On Human Rights, Role Of Military. The Financial Times (10/31, Dombey, Schmid) reports, "Turkey's bid for European Union membership will be dealt a fresh blow next week when an official report will slate Ankara for failing to make enough progress on freedom of expression, curbing the use of torture and establishing civilian control over the military. The draft European Commission report, obtained by FT Deutschland, the FT's sister paper, comes at a particularly sensitive time, with EU officials struggling to keep the accession talks alive." The Times adds, "Some EU member states, including the UK, fear that the pro-European consensus within Turkey may be fragmenting, and that the debate within the union on future enlargement has had the effect of alienating Turks, rather than encouraged reform."

Rumsfeld Meets Turkish Counterpart. The AP (10/30) reports, "Defense Secretary Donald H. Rumsfeld thanked his Turkish counterpart Monday for NATO ally Turkey's support for the anti-terror operation in Afghanistan and the reconstruction effort in northern Iraq, the Defense Department said. ... Other items on the Rumsfeld-Gonul agenda included Turkey's support for the U.S.-sponsored Proliferation Security Initiative against the spread of weapons of mass destruction; the NATO summit scheduled Nov. 28-29 in Riga, Latvia; regional security, including arms sales and defense cooperation; and other NATO issues. Turkey has a major interest in the northern Iraq question, where Iraqis of the Kurdish ethnic group live."

UK To Regulate "Islamic Bonds." The Financial Times (10/31, Tett) reports, "Britain looks set to become the first western country to introduce a regulatory regime to support the domestic issuance of sukuk – so-called 'Islamic bonds', or those which do not pay overt interest." The move "is intended to ensure that companies in London can issue sukuk as easily as traditional corporate bonds, boosting the City of London's role in this fast-growing sector of the global capital markets. … The UK hopes to introduce the new framework to support the issuance of sukuk in London next year, via parliamentary legislation."

British Government Report Says Global Warming Could Devastate Global Economy. The Los Angeles Times (10/31, Murphy, 918K) reports from London, "A major study issued Monday concludes that without rapid and substantial spending, global warming will reduce worldwide productivity on the scale of the Great Depression, devastate food sources, cause widespread deaths and create hundreds of millions of refugees." The report, commissioned by the British government, "warns that failure to act could cost up to 20% a year in lost income worldwide. Acting now, however, could bring about meaningful control of greenhouse gases at an annual cost of 1% of global gross domestic product, it says." The Atlanta Journal-Constitution (10/31, Emling, 399K) notes the "600-page report by former World Bank chief economist Sir Nicholas Stern" predicted that "taking the steps needed now to reduce greenhouse gas emissions would cost about 1 percent of global GDP each year."

The CBS Evening News (10/30, story 7, 0:50, Phillips, 7.66M) reported, "Pay now or pay a lot more later is the report's stark conclusion. World economies, it says, must invest 1% of their GNP now to reduce global warming gases or it warn there is will be a planet wide slow down of 20% due to drought, floods, and general economic collapse. That's a catastrophe on the sale of the Great Depression of the 1930s. The British hope this new economic argument can do what the environmental argument hasn't: Convince skeptical governments in China and the US to act now as well."

The Financial Times (10/31, Adams, Harvey) reports, "Tony Blair, British prime minister, is set to use the review by Sir Nicholas Stern, former World Bank chief economist, to announce a dramatic change to his stance on environment policy by calling for a new treaty that could set binding targets for carbon emissions. In the past two years, Mr Blair has written off the prospect for signing a 'Kyoto II' treaty, acknowledging strong US opposition to any attempt to

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impose emission targets." But "he will now try and inject fresh life into stalled talks on a post-Kyoto agreement, believing that George W. Bush, US president, could back proposals early next year for an international 'cap and trade' market for carbon trading." Blair "will press Angela Merkel, Germany's chancellor, at a meeting in London on Friday to use her presidency of the Group of Eight richest nations next year to reach agreement on the key recommendations in the Stern report."

Under the headline "In Britain, All Parties Want To Color The Flag Green," the Washington Post (10/31, A18, Sullivan, 748K) reports Blair "warned Monday that the world is heading toward 'disastrous' and 'irreversible' climate changes. Meanwhile, David Cameron, the popular leader of the opposition Conservative Party, vowed to install a wind-power generator and solar panels at the prime minister's residence if he wins the office." Blair and Cameron "are rivals, but their shared outspoken devotion to fighting global warming…illustrates the unity among leaders across the political spectrum here on the dangers of climate change and, in the absence of US leadership, their apparent determination to make Britain a world leader on the issue." The Post adds, "In a clear reference to President Bush, Blair used a column in the Sun newspaper Monday to say, 'The case for action is the final piece of the jigsaw to convince every single political leader, including those in America, China and India, that this must be top of their agenda.'"

USA Today (10/31, Vergano, 2.27M) reports, "The report moves economic discussion of how humanity should deal with global warming to center stage, says Alden Meyer of the Union of Concerned Scientists in Washington, D.C., a science advocacy group." The report "is endorsed by such economic heavyweights as Nobel Prize winner Joseph Stiglitz of Columbia University." But "critics, such as statistician Bjorn Lomborg of Denmark's Copenhagen Consensus Center, suggest ills such as disease and malnutrition are potentially more costly than global warming."

The Washington Post (10/31, A18, Eilperin, 748K) also reports "some economists questioned the British study's projections," saying they "overestimated the impact of global warming on the world's economies, especially those of developed nations. At the same time, these critics said the report's assertion that it would cost only 1 percent annually of global GDP to curb climate change underestimated how much spending would be required. 'There's just a very small part of GDP" in industrialized nations "that's affected by weather in a direct or indirect way,' said Jerry Taylor, a senior fellow at the libertarian Cato Institute, which accepts some contributions from fossil-fuel companies. 'It's very difficult to sketch out this disaster scenario.'"

UN Data Show CO2 Emissions Still Rising. The Wall Street Journal (10/31, A6, Fialka, 2.03M) reports, "A United Nations agency said most industrial nations continue to increase their emissions of carbon dioxide and other so-called greenhouse gases thought to be warming the Earth's atmosphere, despite pledges under the Kyoto Protocol during the next six years to make a 5% cut." While "the shuttering of heavily polluting factories in the former Soviet Union and its satellites makes it appear as though industrial nations as a group reduced their emissions by 3.3% from 1990 to 2004," the agency "said that without that statistical blip, the US and most other industrial nations have increased their emissions by 11%."

Nicholas Kristof writes in the New York Times (10/31, 1.21M), "We know what is needed: a carbon tax or cap-and-trade system, a post-Kyoto accord on emissions cutbacks, and major research on alternative energy sources. But as the Times's Andrew Revkin noted yesterday, spending on energy research and development has fallen by more than half, after inflation, since 1979." The column concludes, "Melting glaciers and corroding pteropods aren't as sensational as a Congressional page scandal, or as urgent as the Iraq war. But they are just as scandalous. We have no responsibility greater than as stewards of our planet, and we're blowing it."

Mexican Protests Seen As "Morphing" Into Political Movement. The Washington Post (10/31, A15, Roig-Franzia, 748K) reports that after sending 4,500 federal police officers to quell protests in Oaxaca Sunday, Mexican President Vincente Fox Monday declared that "social order and peace has been restored." However, the Post says Fox's declaration "seemed out of sync with events on the ground." Although the standoff "began as a teachers strike, it has morphed into a political movement" as "an umbrella group with an ambitious mission of social and economic reform has taken over." The group, the Popular Assembly of the People of Oaxaca, or APPO, have "voted not to budge until the Oaxaca state governor, Ulises Ruiz, steps down." The AP (10/31, Stevenson), Los Angeles Times (10/31, Enriquez, 918K) and New York Times (10/31, Lacey, 1.21M), among other sources, also report on the situation in Oaxaca.

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No Progress Reported In Sri Lanka Peace Talks. The Financial Times (10/31, Leahy) reports that relations between the Sri Lankan government and the rebel Liberation Tigers of Tamil Eelam, the two sides "have deteriorated so much" that during talks over the weekend in Geneva the two sides "could not agree even on this modest goal" of an "agreement on a schedule for more talks." The Times says that "for the long-suffering people of Sri Lanka, the news could hardly have been worse. There is little to stop the two sides intensifying their slide back towards full-scale hostilities under the guise of the island's four-year-old ceasefire agreement."

German-Polish Relations Worsen. The Washington Post (10/31, A15, Whitlock, 748K) reports, "It had already been a bad year for German-Polish relations, but things really soured this month when naval warfare between the two countries nearly broke out on the Baltic Sea. On Oct. 17, the Polish Coast Guard fired warning shots at a German tourist ship after it tried to evade inspection in the Polish port of Swinoujscie and made a run for the German border with three Polish customs officers on board." Although "[n]o one was wounded or killed," the incident "only added to a string of diplomatic slights, political insults and other indignities that have left Germany and Poland feeling more raw about each other than perhaps at any time since the end of World War II. Poles have been smarting for more than a year over Germany's decision to bypass their energy-dependent country by routing a major gas pipeline to Russia under the Baltic." Poles are also upset about "efforts by some Germans to sue for monetary compensation for property their families were forced to abandon after the defeat of the Third Reich" and "recent historical exhibits in Berlin that highlighted the hardships faced by millions of German refugees after World War II."

Berlusconi Indicted For Corruption. The Financial Times (10/31, Michaels) notes former Italian premier Silvio Berlusconi "and David Mills, his former lawyer, were on Monday ordered to stand trial on corruption charges by a judge in Milan. In a further deepening of the pair's legal woes, the judge accepted the prosecutors' request for a trial into allegations that Mr. Berlusconi paid Mr. Mills at least $600,000 after the lawyer had given favourable testimony at other trials of Mr. Berlusconi in the 1990s." Berlusconi "has been beset by allegations of wrongdoing in his business empire for years," and "has been convicted on some occasions but the convictions have either been overturned on appeal or annulled by statutes of limitations." The Times adds, "Whatever the outcome of the trial, people close to the Milan prosecutors admit that it is very unlikely that a conviction will stand and that either man will go to jail."

The AP (10/31, Barry) adds Berlusconi "has a long history of legal troubles linked to his business interests based in Milan. In past cases, he was either acquitted or cleared of the charges because the statute of limitations had expired. He has always maintained his innocence."

Pinochet Put Under House Arrest, Indicted On Torture Charges. The AP (10/31) reports former Chilean President Gen. Augusto Pinochet "was placed under house arrest and indicted for the first time on torture charges for abuses at a secret detention center where President Michelle Bachelet and her mother were once held, [Judge Alejandro Solis] reported Monday." He is charged "with one homicide, 35 kidnappings and 24 cases of torture at Villa Grimaldi, one of the most infamous detention centers in the early years of his 1973-1990 dictatorship. Pinochet's chief defense lawyer, Pablo Rodriguez, had said he will appeal Solis' ruling 'all the way to the Supreme Court if necessary. We will use all the legal means at our disposal.'" Pinochet "has been indicted on human rights charges several times before, but this is the first time he faces torture charges."

The Los Angeles Times (10/31, 918K), in an editorial, says that "whatever happens in these proceedings, it is clear that Pinochet, at this late stage in his life, is unlikely to be held accountable for his actions. What is more dismaying is the degree to which many in Chile continue to defend the general's brutal actions when he ran the country from 1973 to 1990. Indeed, it has taken accusations of financial improprieties to taint Pinochet, once hailed as an austerity-embracing, selfless anti-communist, in the eyes of Chilean conservatives. … We can only hope that the latest round of proceedings against Pinochet will allow some of his victims to testify against him, and thus may offer up a mirror for all of Chilean society to come to terms with its dark past.

World Bank Urges Caution Regarding Migrants' Remittances. The Financial Times (10/31, Lapper, Editor) reports, "The World Bank will on Tuesday urge policymakers to take a more cautious approach towards the development potential of remittances,

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the multi-billion dollar financial flows sent home by migrant workers in North America, Europe and Asia." In a report "analysing their significance in Latin America and the Caribbean, bank economists argue that remittances are not 'manna from heaven', that the benefits have been 'overestimated' and that associated social and economic costs in developing countries have not been taken into account."

Edwards Urges Strong US Role In Uganda. Former Sen. John Edwards writes in the Washington Post (10/31, A21, 748K), "At a moment of tremendous global hardship -- from the wars in Iraq and Afghanistan to the killing fields of Darfur -- it is rare to find hope. So when there is the possibility for peace, we must seize it. That's why one of the world's great tragedies, the conflict in Northern Uganda, deserves our attention. It is perhaps the worst humanitarian catastrophe to have gone practically unnoticed by most of the world. … To witness the ravaging of Northern Uganda is searing. But meeting its people inspires hope. During a recent visit, I went to the Palabek-Kal camp, where thousands have been crammed into a makeshift village. Hearing their stories of suffering and survival made two points abundantly clear: They are praying for peace every moment, and they expect the world community to do everything possible to help them achieve it. Their yearning was deeply moving, and their collective intensity and faith to build a better future in the midst of such hardship was powerful." Edwards adds that how the US acts toward Uganda, "and if and how we lead -- will send a message throughout Africa and the rest of the world about what America stands for. We must not sit idly by as Uganda's people strive for peace."

WPost Urges Lula To Tackle Reforms, Step Away From "Ruinous Populism." The Washington Post (10/31, A20, 748K) editorializes, "Luiz Inacio Lula da Silva overcame some formidable negatives to win reelection as Brazil's president on Sunday, including a squalid series of corruption scandals and a lackluster record of growth during the past four years by Latin America's largest economy. But the reasons for his victory are mostly positive. The former metalworker and union leader, universally known simply as Lula, has been able to mobilize millions of Brazil's poor, who previously were largely excluded from the country's developing economy and democracy. Many of those people have seen tangible improvement in their lives thanks to Lula's policies, which have lifted some 8 million people out of poverty in a country of 185 million." The Post urges Lula to "tackle the reform of the state, even while continuing programs for the poor. He has the opportunity to propel himself, and Brazil, into a position of leadership in Latin America by demonstrating how poverty can be addressed by sensible and sustainable policies rather than ruinous populism."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Launching A Journey They'd Never Imagined."
"A bishop's Divided House."
"Living Among The Dead."
"Resistance To Deadlines For Iraq Is Weakening."
"Governor's Ban On Staff Perks Isn't Perfect."
"It was the Joanne And Truman Show."

USA Today:

"Abstinence Message Goes Beyond Teens."
"The Case For D-Wade."
"The Case For LeBron."
"Feds May Mandate Sprinkler Systems."

New York Times:

"Spate of Bombs Sweeps Baghdad; Cleric Faults U.S.."
"Democrats Are Seen To Gain In Statehouse Races."
"U.S. Drops Bid Over Royalties From Chevron."
"A G.O.P. Leader And Star Struggles For Traction."
"In Son's Race, Father Sees Cuomo Comeback."
"Campaign To End Race Preferences Splits Michigan."
"In Boulder, Runners Gather In Guarded Isolation."

Washington Post:

"Bush Says 'America Loses' Under Democrats."
"In Baghdad, A Force Under The Militias' Sway."
"Who's That Pretty Pachyderm?."
"Agencies' Outward Migration Irks Officials."
"A Politician Who Thinks Like A Linebacker."
"Suspect and A Setback In Al-Qaeda Anthrax Case."

Washington Times:

"Black Democrats Support Steele."
"China Cited As N. Korea Backer."
"Raids Kills 80 At Pakistani School."

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"Haunts To Avoid For Scaredy-Cats."
"Highflying Southwest Takes A Dive."

Detroit Free Press:
"Champion For Cause Is Uniting Enemies."
"Frightfully Political."
"U.S. Delphi Deals Phony."
"Battenberg Denies Guilt; Dawes Settles."
"Airport Pick-Me-Up."

Atlanta Journal-Constitution:
"Foes In Judicial Contest Go Dirty."
"Georgia Can Preserve GOP Grip, Bush Says."
"Tusk, Tusk, Is That The Way I Look?"
"Beloved Cookbook Regains Its Favor."

Houston Chronicle:
"Hutchinson Leads Radnofsky 2-To-1."
"Bewareed The Tiniest Blood Suckers."
"Truth Stranger Than Fiction."
"For $16 Million, Port Will Get A Makeover."

Story Lineup From Last Night's Network News:
ABC: Bush Hits Campaign Trail; Campaign 2006-Indiana; Iraq-American Death Toll; Iraq Sectarian Violence-Children; Missing American Soldier-Iraq; Al Qaeda Training School; Fast Food Healthier; Banning Transfats-New York; California Wildfires; Gallaudet Student Protest; Explaining The Titanic.
CBS: Iraq Changing Course; Iraq Sectarian Violence; Military Families-California; California Wildfires; States Taking The Lead; Campaign 2006-Governors Races; Global Warming; Fast Food Healthier; Gallaudet School Protest; Reagan's California.
NBC: Al Qaeda Training School Destroyed; Iraq-American Death Toll; Iraq War-Money Mismanagement; Bush Hits Campaign Trail; Bush Hits Campaign Trail; Pennsylvania Senate Race; Oil Prices; Stock Market; Fast Food Healthier; California Wildfires; Premature Babies Increase; Forced To Retire; Fallen Soldiers.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Bush-Midterm Campaigning; Iraq-US KIAs; Pakistan-Al Qaeda-Linked Training Facility, US Intelligence; KFC-Transfats; Iraq-Midterms; Federal Government-Adult Abstinence Training; GA-Bat Infestation.
CBS: Bush-Iraq; General Casey-Iraq; Iraq-US KIAs; Bush-Midterm Campaigning; Midterm Races; CA- Esperanza Wildfire; NASA-Hubble Announcement; VT-Syringe Attacks; Halloween Treats-Calorie Levels.
NPR: Baghdad-Car Bomb; Iraq-US KIAs; Iraq-Missing US Soldier; Pakistan-Protest Of Attack On Al Qaeda-Linked Training Facility; Bush-Midterm Campaigning; US Economy-Interest Rate Hikes; CA-Esperanza Wildfire; Jamaica-Investigation Of Former Pro Boxer's Death; Red Cross-Organizational Changes; Tokyo-Stock Market.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — Attends a Georgia Victory 2006 rally. Georgia National Fairgrounds and Agricenter, Perry, Ga.

VICE PRESIDENT CHENEY — No public schedule.

LAURA BUSH — Speaks at a North Carolina Victory 2006 Rally, Western North Carolina Agriculture Center, Fletcher, NC; speaks at a Tennessee Victory 2006 rally, Meadow View Conference Resort and Convention Center, Kingsport, Tenn.; speaks at a Tennessee Victory 2006 rally, the Factory at Franklin, Franklin, Tenn.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: AFGHANISTAN-BUSINESS _ Representatives of major US corporations, development organizations, and government agencies convene for the US-Afghan Business Matchmaking Conference, kicking off the second Afghanistan Investment Support Agency U.S. promotional road show, ``Investing in Afghanistan: the Heart of Asia." Highlights: 10:30 a.m. Commerce Secretary Gutierrez speaks on US-Afghan commercial relations. Location: Four Seasons Hotel, 2800 Pennsylvania Ave. NW.

US-ARAB RELATIONS _ The National Council on U.S.-Arab Relations sponsors the 15th annual Arab-U.S. Policymakers Conference. Highlights: 9:15 a.m. Panel on the Gulf Cooperation Council. Panelists include Dr. Michael Collins Dunn, Editor of The Estimate and Editor of The Middle East Journal. 11 a.m. - 12:30 p.m. Panel on What Future for the GCC Region, moderated by Anne Joyce, editor, Middle East Policy and Vice-President and Board Member, Middle East Policy Council. Keynote speaker is Prince Turki Al-Faisal, Ambassador of Saudi Arabia to the United States of America. 12:30 p.m. Luncheon keynote address by Dr. Hussein Al-Athel, Secretary General, Riyadh Chamber of Commerce and Industry. 2 p.m. Conference adjourns.

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Location: Ronald Reagan Building, 1300 Pennsylvania Ave. NW.

US-RUSSIA _ 9 a.m. - 2 p.m. A group of leading scholars and policymakers from the United States and Russia discuss the deterioration of U.S-Russian relations over the past five years, Russia's use of energy as diplomatic pressure, how Russia's foreign policy is linked to the policies of economic and political recentralization inside the country, and what can be expected in the next two years as both Russia and the United States enter critical periods of presidential transition. Highlights: 1 p.m. Keynote Address: Thomas Graham Jr., National Security Council (off the record). Location: Wohlstetter Conference Center, 12th floor, AEI, 1150 17th St. NW.

LATINO VOTE _ 9:30 a.m. The National Association of Latino Elected and Appointed Officials' Education Fund releases an analysis of the Latino vote and its impact of the 2006 elections. Location: National Press Club.

JUDGES-POLITICS _ 10 a.m. David A. Schkade, University of California, San Diego, and Lisa M. Ellman, Mayer, Brown, Rowe & Maw LLP, holda news conference to discuss ``Are Judges Political? Location: National Press Club.

REDISTRICTING FORUM _ 10:15 a.m. News conference by the Campaign Legal Center, League of Women Voters, and the Council for Excellence in Government on the role of gerrymandered congressional districts in the 2006 elections, and the release of a report on redistricting reform, with Norman Ornstein of AEI, former Rep. David Scaggs, Nancy Tate of the League of Women Voters, and Trevor Potter of the Campaign Legal Center. Location: National Press Club.

MIDTERM ELECTIONS _ 11 a.m. - 12:30 p.m. George Washington University's Graduate School of Political Management hosts a panel discussion on the fate of the 2006 midterm elections, featuring leading political experts from both sides of the aisle and moderated by Christopher Arterton, dean of GWs Graduate School of Political Management. As campaigning draws to a close, the panel will focus in on the key races that will determine the outcome of Congressional control. Location: Room 2168, Rayburn House Office Building.

NORTH KOREA _ 12 p.m. Global Resource Services holds a briefing on NGO programs in North Korea. Location: National Press Club.

PRIVACY-MORALITY _ 12 p.m. Cato Institute book forum on ``Liberty for All: Reclaiming Individual Privacy in a New Era of Public Morality," with author Elizabeth Price Foley, Florida International University, and William A. Galston, Brookings Institution. Location: 1000 Massachusetts Ave. NW.

ANTI-AMERICANISM _ 5 p.m. The School of Advanced International Studies holds a program on anti-Americanism in Europe, with John Glenn of the German Marshall Fund and Andrew Kohut of the Pew Center for People and the Press. Location: Auditorium, 1619 Massachusetts Ave. NW.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: TUESDAY, OCTOBER 31, 2006 7:45 AM EST

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TERRORISM NEWS:

US Unable To Secure Pakistani Arrest Of Al Qaeda Anthrax Expert. In a front-page story, the Washington Post (10/31, Warrick, 748K) reports that in December 2001, coalition troops in Afghanistan found al Qaeda documents which "told of a singular mission by a scientist named Abdur Rauf," a Pakistani who "traveled through Europe on a quest, officials say, to obtain both anthrax spores and the equipment needed to turn them into highly lethal biological weapons." But "precisely what Rauf achieved may never be known with certainty. That's because U.S. officials remain stymied in their nearly five-year quest to bring charges against a man who they say admitted serving as a top consultant to al-Qaeda on anthrax." Rauf "has been under scrutiny in Pakistan since he was detained there for questioning in late 2001, according to U.S. and Pakistani officials who agreed to talk about the case for the first time. But officially he remains free, and Pakistan now says it has no grounds for arrest. Last year…the FBI officially put the case on inactive status. 'We will never close the door, but the chances of getting him into the United States are slim to none,' said one U.S. intelligence official."

"Terror Kingpin" To Be Deported From UK To Algeria After US Drops Extradition Request. Time.com (10/30, Crumley) reports 40-year-old Algerian militant Abu Doha "is alleged by counter-terror officials to be a Qaeda-aligned terror kingpin and suspected of involvement in a number of plots around the world, including the 'Millennium Bomb' plot aimed at Los Angeles International airport in 2000. Yet, as things stand, Abu Doha looks set to be freed from prison in Britain and deported on immigration violations, after the U.S dropped its bid to extradite him over the LAX plot." The prospect "of his going free troubles security officials on both sides of the Atlantic, and leaves some bewildered by Washington's decision to drop its case against him." British authorities "say they don't have sufficient evidence to try Doha, and plan instead to deport him to his native Algeria." In "light of Algeria's traditionally ruthless treatment of Islamist militants, Amnesty International warns that Britain may be sending him home to face abuses."

Padilla Seeks Dismissal Of Charges Claiming Torture While In Detention. In a story distributed by McClatchy, the Miami Herald (10/31, Weaver, 310K) reports, "Jose Padilla, the former enemy combatant now accused of joining a suspected South Florida terror cell, says a federal judge should throw out an indictment against him because he was 'tortured by the United States government without cause or justification.' … On Monday, the U.S. attorney's office was given until Nov. 13 by the presiding judge to respond to Padilla's allegations." The Herald notes, "Padilla provides no evidence to support the allegations contained in a federal court motion filed this month, though his legal team has gathered details of his military detention."

Judge Refuses To Dismiss NYC Material Support Of Terrorism Trial. In a widely-distributed story, the AP (10/31, Neumeister) reports, "A judge on Monday refused to toss out charges against a musician, a doctor and two other men accused of supporting terrorists, even though defense lawyers argued they had been unfairly targeted for prosecution. U.S. District Judge Loretta A. Preska rejected claims that the men were snared through entrapment and outrageous conduct by an overzealous government beginning in late 2001." The AP adds, "The judge said a trial will begin in April or June for Dr. Rafiq Abdus Sabir, of Boca Raton, Fla., jazz musician and martial arts

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expert Tarik Shah, of New York, bookstore owner Abdulrahman Farhane, of Brooklyn, and Washington, D.C., cab driver Mahmud Faruq Brent, of Gwynn Oak, Md. An indictment in the case accuses Farhane and Shah of conspiring in 2001 to help an FBI cooperating witness send money to aid Islamic militants fighting Americans in Afghanistan."

Under the headline "Doctor's Alleged Pledge Is Crux of Terror Case," the New York Sun (10/31, Goldstein) Sabir "has been kept in solitary confinement since he was arrested last year on charges that he swore fealty to Osama bin Laden in the presence of an undercover FBI agent. Yesterday…attorneys debated whether the unusual pledge Dr. Sabir allegedly made — an offer to treat wounded jihadists in Saudi Arabia — constituted a crime. The argument covered topics ranging from the Hippocratic Oath to the statute on material support of terrorism." Sabir lawyer Edward Wilford told Preska "that the defendant should not be prosecuted over the alleged pledge because a doctor has a right to help patients recover." Preska "said a ruling on whether to dismiss the charges against Dr. Sabir would come later," but she "did not seem swayed when Mr. Wilford pointed out that the material support of terrorism statute contains a specific exemption for providing medicine."

Colorado Lawmakers Seek Supermax Improvements. The Denver Post (10/31, Emery) reports, "Colorado's two U.S. senators have vowed to seek solutions to understaffing and security concerns at Supermax, home to the nation's most dangerous criminals." The Post continues, "Sen. Wayne Allard visited the prison Monday, and Sen. Ken Salazar visited Saturday. Both agree that increases in staffing and security measures are needed at the prison, which holds such notorious criminals as al-Qaeda member Zacarias Moussaoui and Oklahoma bombing conspirator Terry Nichols." The Post adds, "Salazar said he plans to talk this week to Attorney General Alberto Gonzales, and Allard said he will talk to Bureau of Prisons Director Harley Lappin on Nov. 13 about the need for more funding for security upgrades. … 'The key issues are No. 1 staffing and whether or not the staffing levels are as high as necessary in order to ensure the public safety as well as the security of the guards working in the prison,' Salazar said. … Salazar said the federal government should also look at technology upgrades and building a perimeter fence to deter people from approaching the prison from the outside, which he said was a bigger threat than escape." The Post notes, "Earlier this month, the Department of Justice's inspector general reported that the federal prison system does not read all the mail or effectively monitor phone calls of prisoners. … Allard said the notorious criminals and terrorists housed at Supermax who are in isolation are not communicating with outsiders. The inspector general report addresses those criminals who have certain privileges, and not all of their communications are monitored, he said. … Also this month, a federal arbitrator found that job hazards at Supermax had increased because of low staffing. Joseph Lazar ordered the Federal Bureau of Prisons to boost safety for correctional officers at the prison."

Distribution Of DHS Firefighting Grants Criticized. The AP (10/31, Ben Evans) reports, "Georgia has twice the population of neighboring Alabama, yet Alabama agencies received more than double the amount of federal firefighting grants last year for trucks, gear and uniforms. The disparity was not an aberration. Alabama has been among the top grant winners in the Homeland Security Department's program for several years — apparently because it does a good job asking for the money. Statistics for the Assistance to Firefighters Grant program — the nation's largest firefighting grant initiative — show that states get widely varying shares of a $600 million federal pool. States that submit applications in large numbers, rather than those with the largest populations or highest risk factors, have more success in winning federal dollars.

HOMELAND RESPONSE:

FBI Confirms Search Of Student's House Over Fake Boarding Pass Site. In a widely-distributed story, the AP (10/31, Lenz) reports, "FBI agents searched the home of an Indiana University computer security student over the weekend after learning his Web page included a feature to print fake Northwest Airlines Corp. boarding passes, officials said Monday. Wendy Osborne, a spokeswoman for the FBI's Indianapolis office, said agents on Saturday searched the apartment of Christopher Soghoian, a 24-year-old doctoral student, in Bloomington, Ind. Osborne would not discuss what, if anything, was uncovered or taken as evidence." The AP notes, "Soghoian, who has not been charged or detained, declined to comment on the FBI investigation when reached by The Associated Press by e-mail Monday, but referred to his Web journal for information on the case."

CNET News.com (10/30, Evers) reported agents "raided" Sochoin's house, "seizing computers and other equipment, Soghoian wrote on his blog," and Osborne "confirmed that agents had searched Soghoian's home as part of a joint investigation with the Transportation Security Administration. 'We will conduct a thorough and complete investigation,' Osborne said. 'We are certainly concerned with any potential breach in security, particularly at the airports.'" CNET added, "The FBI will present the findings of its investigation to the U.S. Attorney's Office for the Southern District of Indiana, which will determine whether Soghoian

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violated any federal laws, she said. At this point, the student has not been charged and he has not been arrested, Osborne said."

JetBlue Flight Diverted Over Unruly Passenger. In a widely-distributed story, the AP (10/31) reports, "JetBlue flight from Boston to Fort Lauderdale was diverted to Orlando after a passenger became disruptive, authorities said." David Collyer "was taken off flight 457 and into FBI custody Sunday after a 'possible altercation with flight crew,' FBI spokesman Kevin Farrington said. Collyer, of Sharon, Mass., had to 'be physically restrained by flight crew and passengers' a JetBlue employee told an officer who arrived on scene, according to an Orlando Police Department report. Neither Collyer nor the 156 passengers and 6 crew members were injured." The Orlando Sentinel (10/31, Gutierrez, 246K) reports, "Magistrate James Glazebrook ordered…Collyer released from custody on a $10,000 unsecured bond. … Collyer said he was 'sorry' and then had no more comment as he left the federal building." The Sentinel notes, "An FBI agent arrested Collyer after an 'altercation with flight crew,' FBI spokesman Kevin Farrington said."

Democrats Plan Homeland Security Investigations Should They Win A Majority. The Washington Times (10/31, Hudson, 88K) reports Democrats plan to "immediately address fraud and waste at the Department of Homeland Security. Democrats vow to flex their subpoena and investigative muscles if elected to lead Congress next month and will take on President Bush's use of wiretaps. 'We have not had significant issues addressed from an oversight standpoint -- we've not issued one subpoena,' said Rep. Bennie Thompson, the Mississippi Democrat who as ranking member of the House Homeland Security Department is in line to lead the panel. … Both of the Democratic Capitol Hill leaders, Senate Minority Leader Harry Reid of Nevada and House Minority Leader Nancy Pelosi of California, have said Mr. Bush is threatening civil liberties in the name of war and pledged to force the administration to obtain court orders before issuing wiretaps of terror suspects. Democrats say that Mr. Bush's wiretaps without court orders violate the Foreign Intelligence Surveillance Act (FISA) -- created in 1978 to ensure court oversight -- and that they will legislate allowances to obtain the subpoenas in a speedy manner."

WAR NEWS:

Cheney Suggests Terrorists Increasing Iraq Violence To Affect Outcome Of US Election. The AP (10/31) reports, "Vice President Dick Cheney said Monday the increase of violence in Iraq is linked with efforts to influence the outcome of midterm elections in which Republicans are struggling to keep control of Congress. 'It's my belief that they're very sensitive of the fact that we've got an election scheduled and they can get on the Web sites like anybody else,' Cheney said. He said al-Qaida and other elements were trying to 'break the will of the American people' because 'they think we don't have the stomach for the fight long-term.'" Asked "if the attacks were timed to influence the US elections, Cheney said, 'That's my belief.'" USA Today (10/31, 2.27M) runs a brief summary of the AP story under the headline "Cheney: Iraq Violence Tied To US Elections."

Hadley Meets With Maliki During Unannounced Iraq Visit. The Washington Times/AP (10/31, Hurst) reports National Security Adviser Stephen Hadley "huddled with Prime Minister Nouri al-Maliki and his security chief, Mouwafak al-Rubaie, during an unannounced visit to Baghdad, telling them he 'wanted to reinforce some of the things you have heard from our president.' Mr. al-Rubaie said last night that Mr. Hadley had discussed the work of a five-man committee that Mr. al-Maliki and Mr. Bush agreed to set up during a telephone conversation on Saturday. Mr. Hadley also presented proposals concerning the training and equipping of Iraqi security forces as well as security plans." The CBS Evening News (10/30, lead story, 2:30, Couric, 7.66M) reported Maliki, "according to US intelligence, is telling his inner circle the situation is nearly out of control."

The New York Times (10/31, Sanger, Burns, 1.21M) reports, "Though American officials would describe Mr. Hadley's talks only in the vaguest of terms, one option widely discussed in Washington and Baghdad in the days before his arrival, according to American and Iraqi officials, is a substantial increase in the number of American and Iraqi troops patrolling Baghdad. It would signal yet another effort to reassert control over the Iraqi capital, which officials in both governments said remains their top priority." Deputy national security adviser J. D. Crouch said Hadley "was in Iraq to express support for the Iraqi government and warned, 'He is not preconfiguring military options.' Mr. Crouch added that he was 'not aware' of anyone proposing an increase in American troops." The Times adds, "Other proposals now being discussed inside and outside the two governments range from how to permit greater autonomy for Shiite, Sunni and Kurdish sections of the country without splitting the country apart; how to share oil revenues among Iraq's population; and an amnesty for those who attacked Iraqi or American troops."

Casey Reportedly Recommending Iraq's Military Add 100,000 More Troops. The CBS Evening News (10/30, lead story, 2:30, Couric, 7.66M)

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reported, "The day everyone is hoping for, the day American forces can finally come home from Iraq, seems more and more elusive. Just as the military announced that more than 100 US troops have died this month alone, our David Martin uncovered some exclusive information at the Pentagon today, information that's likely to keep Americans in Iraq longer than anyone expected. … CBS News has learned General George Casey, the US commander in Iraq, is expected to recommend the size of Iraqi security forces be increased by up to 100,000. This comes just as the US military is about to reach its long-stated goal of training and equipping 325,000 Iraqis to take over the fighting from American troops. Officials say the explosion of sectarian violence -- which General Casey calls a fundamental change in the nature of the threat -- now makes that number look inadequate. On top of that is the fact that any given day one quarter of the Iraqi army is on leave. Increasing the size of the Iraqi security forces would also mean more American soldiers would be needed to train and advise them. The US is also considering doubling from 12 to 25 the number of American advisors embedded in each Iraqi unit. General Casey is also expected to recommend equipping Iraqi security forces with more heavily armored vehicles…and heavier weapons."

US Officers Said To Support Hard Deadline For Withdrawal From Iraq. The Los Angeles Times (10/31, Barnes, McManus, 918K) reports, "Growing numbers of American military officers have begun to privately question a key tenet of U.S. strategy in Iraq — that setting a hard deadline for troop reductions would strengthen the insurgency and undermine efforts to create a stable state. The Iraqi government's refusal to take certain measures to reduce sectarian tensions between Sunni Arabs and the nation's Shiite Muslim majority has led these officers to conclude that Iraqis will not make difficult decisions unless they are pushed. … Former Pentagon official Kurt Campbell said more officers are calling for deadlines after concluding that the indefinite presence of U.S. forces enables the Shiite-run Iraqi government to avoid making compromises. 'There is a new belief that the biggest problem that we face is that our forces are the sand in the gears creating problems,' said Campbell, coauthor of a book on national security policy. 'We are making things worse by giving the Iraqis a false sense of security at the governing level.'"

Trainers Fear Militia Infiltration Of Iraqi Police Could Delay Handover For Years. In a front page article, the Washington Post (10/31, Paley, 748K) reports, "Visitors to this violent neighborhood [Sholeh] in the Iraqi capital whisper that nearly all the police officers have split loyalties. ... And then one rainy night this month, the Sholeh police set up an ambush and killed Army Cpl. Kenny F. Stanton Jr., a 20-year-old budding journalist, his unit said. ... The top U.S. military commander in Iraq, Gen. George W. Casey Jr., predicted last week that Iraqi security forces would be able to take control of the country in 12 to 18 months. But several days spent with American units training the Iraqi police illustrated why those soldiers on the ground believe it may take decades longer than Casey's assessment. Seventy percent of the Iraqi police force has been infiltrated by militias, primarily the Mahdi Army, according to Shaw and other military police trainers." Several disheartened US soldiers and Iraqi police officers are quoted.

US Death Toll For October Tops 100 As Sectarian Violence Continues In Iraq. ABC World News (10/30, story 3, 0:35, Gibson, 8.78M) reported, "There is a grim milestone to report from Iraq. The deaths of a Marine in Al Anbar province and a military policeman in Baghdad pushed the US toll in October to 101. That is only the fourth time that more than 100 US troops have been killed in one month. At least 81 Iraqis were killed today, including 33 that died in Baghdad's Sadr City, when a bomber to tore through a group of poor Shiite men seeking work."

In a similar report, NBC Nightly News (10/30, story 2, 0:15, Williams, 9.87M) reported, "Military announced the death of another military Marine. That brings the number of U.S. Military service members to 101. Also today, more than 80 Iraqis killed in attacks around that country. A bomb killed at least 26, wounded 60 in a crowded market in Baghdad."

The CBS Evening News (10/30, story 2, 1:15, Couric, 7.66M) reported, "Here's how bad it was today. More than 80 Iraqis were killed, including 33 in just one bomb attack as lay laborers arrived for work in Sadr City. It's been an especially deadly month for US troops who are constantly facing new dangers." CBS (Logan) added, "US leaders have said their troops won't get involved in a civil war in Iraq, but American soldiers on the ground here now are already caught in a conflict between this country's two main ethnic grows more violent and more bloody everyday. For the soldiers left behind, memorial service are the last to say good-bye to fallen comrades. A brief moment to mourn before heading back out to continue the fight."

Reporting on the continuing violence, the Los Angeles Times (10/31, Ellingwood, Rifai, 918K) says it has "fed widespread misgivings about the Bush administration's handling of Iraq as Americans prepare to vote in midterm congressional elections next week. At the same time, US and Iraqi leaders have sought to smooth differences over how to cope with the back-and-forth violence by Sunni Arab insurgents and Shiite militias, including Sadr's Al Mahdi army, believed responsible for many of the hundreds of killings and kidnappings in recent months." The New York Times (10/31, Tavernise, 1.21M) reports "the violence…has radicalized many Iraqis, and moderates who refuse to yield to the militants are either being killed or driven out of the country."

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The Washington Post (10/31, A17, Anderson, 748K) reports "US and Iraqi forces had previously established a cordon around the teeming slum," Sadr City, "which is controlled by the Mahdi Army militia, in an attempt to find a kidnapped US soldier and a man known as Abu Deraa, who is considered Iraq's most notorious death squad leader. Shiite leaders seized on that US operation Monday to accuse the Americans of complicity in the market blast, saying that because they were in charge of searching all vehicles going in and out of the area, they must have allowed in the bomb that was detonated at the market. … Some residents of Sadr City, home to 2.5 million Shiites, also blamed US forces for the carnage, saying that the search for the missing soldier -- which began six days ago -- has forced the Mahdi Army underground, weakening the area's defenses." But "this week, some Mahdi Army members were visible with weapons on the streets." McClatchy (10/31, Price), the AP (10/31, Hurst) and Financial Times (10/31, Sevastopulo, Negus), among other sources, run similar stories this morning.

Warner Says Iraqis Need Time To Curb Violence. The Norfolk Virginian Pilot (10/31, Holden) reports, "Sen. John Warner said Monday that Iraqi leaders need more time to contain worsening violence in their country, but that 'every single day counts' when measured against the loss of American lives." Warner urged giving Prime Minister Maliki an opportunity to prove that "violence can be contained through continued diplomacy and not escalating military force," which Maliki purports. Warner "has visited Iraq eight times and has become increasingly measured in his assessment of the situation."

Pentagon Rushes IED-Resistant Vehicles To War Zones. USA Today (10/31, Vanden Brook, 2.27M) reports, "The military is rushing armored vehicles with specially designed hulls to Iraq and Afghanistan to limit the damage from roadside bombs, the No. 1 killer of U.S. troops. ... The new vehicles have a V-shaped hull, which disperses the force of an explosion and helps keep the vehicle from flipping over." A manufacturer, Force Protection, "says nobody inside a Buffalo [its product] has been killed in Iraq or Afghanistan despite encountering thousands of IED blasts." Senator Lindsey Graham "said the Pentagon has acted quickly to deploy the vehicles, without the kind of delays seen in sending body armor and armored Humvees to Iraq."

US Auditor Recommends Iraq's Government Meet "Milestones" Before Receiving Aid. The AP (10/31, Baldor) reports, "Federal auditors are recommending that the Iraqi government meet specific milestones of progress to receive any future aid for reconstruction, according to a report released Monday that echoes a message the Bush administration has delivered to Iraqi leaders. The study, issued by the special inspector general who audits U.S. work in Iraq, also concluded that reconstruction is being blocked by violence, and efforts to empower Iraqis to do more are fraught with problems 3 1/2 years after the U.S. invaded the country. The Iraqis should 'meet concrete milestones and political and economic benchmarks as a condition of future aid,' the report recommended. It said U.S. relief and reconstruction aid could be provided through conditional loans and be tied to specific actions by the Iraqi government." The AP notes the report also states, "The U.S.-funded phase of Iraq's relief and reconstruction has entered its concluding stages. The government of Iraq's success in building on the foundation established by the U.S. relief and reconstruction program will now depend in part on (Iraq's) ability to attract more support from other donors and the private sector.'"

The Washington Post (10/31, A17, Witte, 748K) reports that the US "has devoted more than $38 billion to relief and reconstruction in Iraq since the 2003 invasion, and yesterday's report does point to some successes. Electric capacity nationwide passed prewar levels in recent months, though in Baghdad it remains lower than before the war. Oil exports, at 1.66 million barrels a day, met Iraqi goals. Overall, 88 percent of U.S. projects have been completed, with only a small minority yet to begin. Out of the $18 billion reconstruction package Congress passed in November 2003, about three-quarters has been spent."

Thousands Of US Weapons Meant For Iraq's Military Are Missing. NBC Nightly News (10/30, story 3, 2:35, Williams, 9.87M) reported, "there is new evidence that US tax money for rebuilding Iraq has been badly mismanaged and that thousands of American weapons might have fallen into the wrong hands." NBC's Lisa Myers added, "The US has not properly tracked a half million weapons bought for Iraqi security forces. In a new report reveals that 14,000 weapons are now considered missing. Government watchdogs say more than 13,000 glock semiautomatic pistols, 751 assault weapons and almost 100 machine guns cannot be accounted for in Iraq -- raising the possibility that they fell into the hands of insurgents. … Hundreds of thousands of weapons couldn't be tracked because the military failed to properly record serial numbers another report says that less than half the budget for some projects actually went to rebuild Iraq." NBC notes, "Investigators mostly blame the government's poor planning. But they also single out a Halliburton subsidiary, KBR. In this 2004 letter obtained by NBC news, a US official criticizes KBR for accruing indirect costs at a rapid paste and for failing to provide adequate cost information. Government watchdogs now say Halliburton tried to hide data from auditors."

NYTimes Praises The Work Of The IG For Iraq Reconstruction. The New York Times (10/31, 1.21M), in an

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editorial, writes that the Special Inspector General for Iraq Reconstruction "has distinguished itself as the most vigilant agency monitoring the money spent on the Iraq conflict. The agency, led by a Republican lawyer who once worked in the Bush White House, has previously reported on the contracting lapses and failures of supervision that allowed billions of taxpayer dollars to be wasted instead of being used to rebuild Iraq."

Britain Evacuating Civilians From Basra. The Los Angeles Times (10/31, Ellingwood, 918K) reports the British government "said Monday that it was moving most civilian staff members out of its compound in the southern Iraqi city of Basra because of rocket and mortar attacks by militias. Officials said the move was temporary. But the decision underscored the fraying security climate in southern Iraq, a largely Shiite Muslim region under the sway of various militias, such as that controlled by anti-American cleric Muqtada Sadr. … A spokesman for the British Foreign Office said the consul general would remain in Basra with a small support staff."

American Soldier Missing In Baghdad Left Base Without Permission. ABC World News (10/30, story 5, 0:20, Gibson, 8.78M) reported, "new details about the American soldier who was abducted in Baghdad last week. He served as a translator for the military. He was born in Iraq, spoke Arabic. The military acknowledges she was married to an Iraqi woman. He left his base without permission to visit her family when he disappeared. And a massive military manhunt continues."

Schools Offer Some Respite For Iraqi Children. ABC World News (10/30, story 4, 2:10, Gibson, 8.78M) reported, "The violence changes Iraqis so many ways. But we have a story tonight about an oasis from the violence a place where children can be children." ABC added, "Being fine, in Baghdad's violence, is a relative concept. During the first period this morning, a bomb went off just a block away from this school. These children are so used to it, though, they quickly got back to work. They got scared, their family started calling on the phone, says this teacher. But after ten minutes, we calmed them down. Even though the danger is so close that the bomb shook the windows, this school is a daily refuge for the children. At least here, behind a locked gate, they are reasonably safe. Between classes, they can play in the yard. 'At home, we're afraid to go outside,' she says."

Robinson Blasts Rumsfeld, Says Bush Team, GOP At Fault For Iraq "Mistakes." In his Washington Post (10/31, 748K) column, Eugene Robinson writes, "Go ahead, people, you have your orders from Napoleon Bonaparte, I mean Donald Rumsfeld. 'Back off' and 'relax.'" Robinson charges, "Alexander the Great, I mean Donald Rumsfeld, may have authored the mistakes that have cost nearly 3,000 American lives, including more than 100 in October alone -- sending too few troops, disbanding the Iraqi army, failing to plan for an extended occupation, training Iraqi 'security forces' that promptly turned into sectarian militias. But George W. Bush, Dick Cheney, Condoleezza Rice and the rest of the Vulcans were with him every step of the way, and the Republican majority in Congress sang hosannas of praise like an amen chorus."

Pakistani Forces, CIA Predator Prone Destroy School Used As Al Qaeda Training Center. The AP (10/31, Khan) reports, "Pakistani troops and helicopters firing missiles killed as many as 80 militants training at a religious school used as an al-Qaida training center near the Afghan border, officials said. Local leaders said all those slain when the school, or madrassa, was destroyed were civilians." Army spokesman Maj. Gen. Shaukat Sultan "said initial estimates based on intelligence sources on the ground indicated that the attack killed about 80 suspected militants, who appeared to be in their 20s and were from Pakistan and other countries. 'These militants were involved in actions inside Pakistan and probably in Afghanistan,' Sultan told The Associated Press."

ABC World News (10/30, story 6, 0:15, Gibson, 8.78M) reported that among those killed was "a cleric associated with al Qaeda's top deputy. Pakistan said all the dead were militants. Villagers claim that innocents were killed. Islamic leaders blame the US, but Pakistan denied any American involvement."

However, NBC Nightly News (10/30, lead story, 3:55, Miklaszewski, 9.87M) added, "NBC News has learned that the US had a major role in this operation and with 80 dead that makes this the largest number of suspected militants ever killed in a single counterterrorist attack. US officials tell NBC News the attack was carried out by a CIA Predator drone armed with Hellfire missiles and nearly a dozen Pakistani attack helicopters." NBC added, "The attack brought out thousands of protesters throughout Pakistan burning the American flag, shouting down with America. Down with Musharraf. The assault was similar to Predator air strikes that tried to kill Zawahiri in January."

The Washington Times/AP (10/31, Garwood) says "the raid threatens efforts by President Gen. Pervez Musharraf to persuade deeply conservative tribespeople to back his government over pro-Taliban and al-Qaida fighters, who enjoy strong support in many semiautonomous regions in northern Pakistan." The New York Times (10/31, Masood, 1.21M) says the attack also "threatens to disrupt a peace deal that was expected to be signed today between Bajur tribal

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leaders and the military. The agreement is meant to control the flow of weapons and militants into Afghanistan. A similar accord was signed with tribal leaders this year in neighboring North Waziristan." The Christian Science Monitor (10/31, Montero, 58K) runs a similar report under the headline "Pakistan Attack A Setback To Border Peace."

The Washington Post (10/31, A15, Constable, Khan, 748K) reports, "Osama bin Laden and his deputy, Ayman al-Zawahiri, are widely believed to be hiding in the rugged Afghan-Pakistani border region, home to fiercely independent tribal peoples . Afghan officials also contend that Pakistan's side of the border is serving as a sanctuary for newly aggressive Taliban insurgents in Afghanistan." The attack "seemed to represent an abrupt shift from the Musharraf government's recent policy of seeking peaceful negotiations with extremists in the border regions. In the past several months, two peace deals were signed in the tribal areas of North and South Waziristan after sustained attacks there by the Pakistani military drew strong local opposition and caused heavy casualties on both sides."

Pentagon Mounts Public Affairs Operation. AFP (10/30, Mannion) reports, "The Pentagon is expanding its public affairs operations to counter 'inaccurate' news stories and editorials and exploit 'new media' to get its message out, its chief spokesman said, denying the effort was linked to the US elections." Eric Ruff "insisted that the new public affairs program was not prompted by either the elections or polls showing that only about 37 percent believe the war is going well." He "disclosed the expanded operations after questions were raised about a wall being built in the Pentagon press operations center." AFP states, "Dorrance Smith, the assistant secretary of defense for public affairs, has written a torrent of letters to editors in recent weeks seeking corrections or rebutting articles and editorials. ... US Defense Secretary Donald Rumsfeld, a strident critic of media coverage of Iraq, also has pushed for a sweeping overhaul in the way the military communicates with the public."

The AP (10/31) reports, "A memo obtained by The Associated Press shows the Defense Department is adding to its public relations staff. It plans to set up teams to quickly answer opponents' claims, develop messages for news cycles and coordinate officials or politicians to speak out on issues. Defense Secretary Donald Rumsfeld has said the thing that keeps him up at night is his belief that terrorists have been able to manipulate the media, while the Pentagon's communications efforts have been lacking."

Another AP (10/31) article reports, "In a memo obtained by The Associated Press, Dorrance Smith, assistant secretary of defense for public affairs, said new teams of people will 'develop messages' for the 24-hour news cycle and 'correct the record.'" Like AFP, the AP writes that spokesman Ruff "denied that the effort was set up to respond to the eroding public support for the war, or that it was aimed at helping in next week's elections."

CORPORATE SCANDALS:

Monster Worldwide Founder Resigns Amid Options Probe. The Wall Street Journal (10/31, A3, Bandler, Maremont) reports, "Monster Worldwide Inc.'s founder, Andrew McKelvey, resigned from the company's board after declining to be interviewed by lawyers conducting an internal investigation into backdating of stock options at the company." The Journal continues, "Mr. McKelvey, who founded the company that was the precursor of Monster 39 years ago, had been the company's chairman and chief executive until earlier this month, when he stepped down from both posts, citing the demands of dealing with the options probe. Yesterday, he resigned his remaining positions as director and chairman emeritus. Monster is the parent of the popular Monster.com job-search Web site." The Journal adds, "The broadening options-backdating scandal so far has focused on more than 150 companies, and white-collar attorneys say executives increasingly are refusing to cooperate with in-house probes for fear that their statements will be used against them by the government. But failure to cooperate makes it difficult or impossible for the executive to stay in his or her position. Nearly all of the companies involved are conducting internal probes, and typically turn over the results to federal investigators."

USA Today (10/31, Iwata) reports, "McKelvey was scheduled to meet Monday with a Monster special committee investigating the company's stock-option grants, but he changed his mind. … The company said in a statement that 'Mr. McKelvey had declined to be interviewed' and 'would not provide assurance that he would appear at a later date.'" USA adds, "McKelvey's attorney, Steven Reich of Manatt Phelps & Phillips, said in a letter Sunday to Monster's private attorneys that 'we need a good deal more time to get up to speed on this fact-intensive matter that covers a period of many years.' … The letter, addressed to attorney James Benjamin at law firm Akin Gump Strauss Hauer & Feld, also said that McKelvey was ill, was suffering from jet lag and lacked legal representation during a key meeting with the committee last July on the stock-option scandal. … When questioned, McKelvey did not understand the legal and accounting implications of stock-option backdating, or whether Monster engaged in improper practices, according to the letter filed Monday with the Securities and Exchange Commission."

The AP (10/31, Tong) reports, "Monster has received a subpoena from the U.S. attorney's office in the Southern District of New York over stock options and has said it wants to complete its own investigation by the end of the year." The

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AP adds, "McKelvey's full resignation from the board comes weeks after he stepped down from the posts of chairman and chief executive on Oct. 9. At that time, he retained a spot on the board and was named as a chairman emeritus. … Top executives who have recently resigned from other companies over options investigations include: UnitedHealth Group Inc. Chief Executive William McGuire, KLA-Tencor Corp. Chairman Kenneth Levy, CNET Networks Inc. Chief Executive Shelby Bonnie and McAfee Inc. CEO George Samenuk. McGuire quit as chairman earlier this month and will resign as CEO by Dec. 1. … So far, federal authorities have filed charges against former officials of two technology companies. And Securities and Exchange Commission Chairman Christopher Cox said on Monday that he expected more such charges in the coming days."

SEC Head Sees More Options Cases. The AP (10/31, Gordon, Tong) reports, "With about 100 companies under investigation, new cases will be brought on suspicious timing of stock options grants in the near future, the head of the Securities and Exchange Commission said Monday. … Meanwhile, there have been an 'unprecedented' number of companies that have voluntarily reported irregularities in stock options awards to the authorities -- a cooperation that will be taken into account by the SEC in those cases, Chairman Christopher Cox said." The AP continues, "Federal authorities have filed charges so far against former officials of two technology companies. … 'I'd expect that we'll see more as a result of that process in the days ahead,' Cox told reporters. … His remarks came amid news that the former chief executive of Monster Worldwide Inc., parent of the world's largest job-search site, had resigned from its board after refusing to be interviewed about the company's past options practices." The AP adds, "Andrew J. McKelvey's resignation came weeks after he stepped down from the posts of chairman and chief executive on Oct. 9. At that time, he retained a board seat and was named chairman emeritus. … To date, at least 135 public companies have disclosed internal inquiries over options grants or investigations by the SEC or the Justice Department, and at least 39 executives and directors at 19 companies have been fired or resigned."

Report Finds Hundreds Of Missed Options Disclosure Deadlines. The San Jose Mercury News (10/31, Poletti) reports, "Hundreds of companies have missed the regulatory deadlines to disclose how many stock options they have granted to insiders, raising questions about whether more options grants may have been backdated even amid new tougher securities laws, according to a report by Glass Lewis." The News continues, "In an Oct. 20 report called 'The Backdating Scandal's Second Act?' Glass Lewis, an institutional shareholder advisory firm in San Francisco, noted that its research has identified hundreds of companies with late filings to the Securities and Exchange Commission. Those filings, called Form 4s, are now required within two days of the grants, per new securities laws as a result of Sarbanes-Oxley legislation. … 'This suggests backdating continued to occur after the adoption of new disclosure rules,' wrote Todd Fernandez, a senior research analyst at Glass Lewis, in the report. He noted there are many examples of companies that were late in disclosing grants to insiders and the stock price rose materially from the purported grant date to the disclosure date." The News adds, "Some examples Glass Lewis sited include Silicon Image of Sunnyvale, Hansen Natural of Corona, Calif., O'Reilly Automotive of Springfield, Mo., Digital River of Minneapolis, Websense of San Diego, and Medis Technologies of New York. … Glass Lewis said it reviewed hundreds of thousands of insider transactions from January, 2004 to June 2006, for its report."

Congress To Review SEC Oversight Of Hedge Funds. The Deal (10/31, Orol, Block) reports, "Congressional investigators are examining whether stock exchanges and the Securities and Exchange Commission are equipped to police trading activity ahead of market-moving deals, particularly as hedge funds become an increasingly large presence in the financial markets." The Deal continues, "At the request of Sen. Finance Committee Chairman Charles Grassley, R-Iowa, the Government Accountability Office earlier this month agreed to examine whether the SEC had adequate procedures in place to oversee stock exchange regulators, including the New York Stock Exchange and NASD. … Ostensibly, those exchanges are self-regulatory organizations, but the SEC ultimately is charged with ensuring that the public markets are carrying out their obligations to root out insider trading, fraud and other abuses." The Deal adds, "Financial industry sources say Grassley is right to suspect some fire behind the smoke of suspicious trading and that the SEC appears to suffer a backlog of referrals of suspected improper trading from the exchanges. … With the advent of decimalization, increased domination by institutional trading, short-term trading strategies by hedge funds, and the move to a for-profit model of the major trading venues, it's unclear whether the SRO's market surveillance budgets, staffing levels and computer technology are keeping up."

WSJournal Criticizes Politicians' Eagerness To Tighten Regulations On Hedge Funds. The Wall Street Journal (10/31, 2.03M) reports Senate Finance Chairman Charles Grassley "is circulating a letter to regulators looking for suggestions on how to regulate hedge funds. He's far from the only one. Connecticut Attorney General Richard Blumenthal is bidding to become the next Eliot Spitzer by doing to hedge funds what New York's AG did to the insurance industry. … So, just what is driving this push to regulate? First, until recently hedge funds have been growing like Topsy, and the 1998 meltdown of Long-Term Capital

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Management did little to diminish wealthy investors' appetite for new funds. Today there are more than 3,000 hedge funds, managing more than $1 trillion in assets. This growth has made them an increasingly attractive target for imperialist bureaucrats and rent-seeking politicians."

Delphi Settles Civil Fraud Charges With SEC. The Washington Post (10/31, D1, Freeman) reports, "The Securities and Exchange Commission said yesterday that it settled civil fraud charges against embattled auto parts supplier Delphi Corp. and some of its former officials, while others vowed to fight." The Post continues, "The SEC named 13 individuals in the case, which alleges that officers at the company's highest level engaged in accounting schemes to mask Delphi's declining financial condition from 2000 to 2004. In one effort, the SEC said executives misrepresented warranty claims as pension costs to improve financial results. … Under terms of the settlement, Delphi faces no financial penalties." The Post adds, "The SEC said six individuals in the case agreed to settle the charges without admitting wrongdoing and will pay a total of $1.4 million in fines and other payments. The largest amount will be paid by Alan Dawes, Delphi's former chief financial officer, who agreed to pay $687,000."

The AP (10/31, Thomas) reports, "Delphi, the nation's largest auto supplier, filed for bankruptcy protection in October 2005. Resolving the SEC investigation could help the company move closer to emergence from bankruptcy next year." The AP continues, "The government said in a statement that the Troy, Mich.-based company had settled its charges and will not face penalties because of its cooperation with investigators. … Delphi Chairman and CEO Robert S. 'Steve' Miller said the auto supplier had 'cooperated fully with the commission's investigation and will continue to do so. We are pleased to put the SEC investigation behind us and consider this settlement an important step in our transformation process.'"

USA Today (10/31, Carty) reports, "Delphi's former CEO says he'll fight a lawsuit by the Securities and Exchange Commission that charges him and six other former Delphi employees with incidents of fraud from 2000 to 2004." USA continues, "J.T. Battenberg, Delphi's founding chairman and CEO from 1999 (when the supplier was spun off from General Motors) until he retired in June 2005, insists the actions he took were 'entirely lawful and proper.' … 'I fully cooperated with Delphi and the SEC in their investigations of this matter both before and after my retirement, and am disappointed — to say the least — that this lawsuit has been filed,' he said in a statement."

The Detroit News (10/31, Shepardson) reports, "n March 2005, following a 10-month internal investigation led by an outside law firm, Delphi ousted Dawes and then-chief accounting officer Paul Free, who was also charged in Monday's filing, and said many of the company's financial statements were inaccurate. It also removed at least four other officials. … The investigation into Delphi began in July 2004 after EDS, another former GM subsidiary, told the SEC in June 2004 about a $20 million loan in 2001 that Delphi booked as income. The SEC upgraded its probe into a formal investigation in August 2004. … The 79-page complaint filed in U.S. District Court in Detroit Monday was assigned to Judge Avern Cohn, who must approve the settlements."

Pickens Pleads Guilty To Securities Fraud. The Wall Street Journal/AP (10/31, C4) reports, "The son of billionaire oil tycoon T. Boone Pickens pleaded guilty to securities fraud Monday, admitting his role in a scheme to inflate the stock value of three companies so he could make hundreds of thousands of dollars illegally." The AP continues, "Michael O. Pickens, of Nocona, Texas, entered the plea in U.S. District Court in Manhattan after signing an agreement calling for him to be sentenced to as little as four years and nine months in prison or as much as five years and 11 months." The AP adds, "Judge Loretta A. Preska set sentencing for Jan. 30 after Mr. Pickens, 52, entered the plea to three charges of securities fraud. The charges carry a potential fine of $3 million. … Mr. Pickens was arrested July 18, 2005, and was accused of sending hundreds of thousands of hoax faxes throughout the U.S. in December 2004 to fraudulently induce investors to buy three stocks. … Prosecutors said each fax purported to be a handwritten note conveying a stock tip to a person, suggesting it had been mistakenly sent to each recipient. An indictment said the fake faxes caused the trading values and market prices of the stocks to increase dramatically. It said one stock's value almost doubled in one day."

Canadian Court Freezes Publisher's Assets In Hollinger Dispute. Bloomberg (10/31) reports, "The assets of F. David Radler, the former publisher of The Chicago Sun-Times, were recently frozen by a Canadian court at the request of Hollinger Inc., Conrad M. Black's former holding company, which is suing Mr. Black and Mr. Radler to recover management fees." Bloomberg continues, "A British Columbia Supreme Court judge in Vancouver granted the order on Oct. 25. Hollinger is suing Mr. Black and Mr. Radler to recover management fees and noncompetition payments. … The injunction, which applies worldwide, prohibits Mr. Radler and his company, F. D. Radler Ltd., from disposing of, mortgaging or transferring any assets, and freezes their bank accounts while the suit remains before the courts." Bloomberg adds, "Mr. Radler is allowed to spend up to $22,255 a month for living expenses and legal fees. The order will remain in effect until Nov. 9, unless the court agrees to extend it, the judge, Deborah Satanove, said in a three-page ruling. … Mr. Black's assets were frozen Aug. 18 at

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Hollinger's request by the order of an Ontario Superior Court judge. Mr. Black and his wife were limited to a monthly allowance of 50,000 Canadian dollars. Mr. Black and Hollinger agreed on Sept. 29 to replace the judge's order with a confidential settlement. … Hollinger, the holding company that Mr. Black used to control the newspaper publisher Hollinger International, is seeking 636 million Canadian dollars in damages. In July, Hollinger International changed its name to the Sun-Times Media Group. … In Chicago, Mr. Black faces 12 charges of racketeering, money laundering, wire fraud and obstruction of justice. He is accused of moving $92 million from Hollinger International through other companies and using Hollinger Inc. to enrich himself at shareholder expense. Mr. Black has denied any wrongdoing. His trial in Chicago is scheduled to start in March."

CRIMINAL LAW:

Fitzgerald Seeks To Avoid Armitage Issue During Libby Trial. The AP (10/31, Apuzzo) reports Special Prosecutor Patrick Fitzgerald "told a federal judge Monday that he shouldn't have to explain during the upcoming trial of" Vice President Dick Cheney's former chief of staff I. Lewis 'Scooter' Libby "why nobody was charged with leaking the identity of a CIA operative." The AP notes Libby's supporters "have accused Fitzgerald of singling out Libby while not charging the source of the leak, former Deputy Secretary of State Richard Armitage. In court documents, Fitzgerald said he shouldn't have to address that issue at Libby's trial. While never addressing Armitage by name, Fitzgerald said it would be irrelevant to discuss other officials. 'If Mr. X was investigated for leaking classified information, the government's decision not to charge Mr. X should have nothing to do with the jury's role as the finder of fact in Libby's case,' Fitzgerald wrote. If jurors disagree with his decision not to charge anyone else, they might be less likely to convict Libby, Fitzgerald wrote."

Florida Prison Guards Stand Trial In Contraband-For-Sex Case. The AP (10/31, Kaczor) reports, "Lawyers for two prison guards charged in a contraband-for-sex scandal that ended in a deadly shootout told a jury Monday that the government's case relies on the testimony of inmates who are willing to lie in exchange for reduced sentences." The AP continues, "Gregory Dixon and Alan Moore, who both work at a federal prison for women, are accused of participating in a scheme to swap sex with female inmates for such commonplace items as gum, cigarettes and perfume. Both are charged with conspiracy and bribery. Dixon also is accused of witness tampering. … 'You will hear a lot of nonsense from inmates all trying to punch their tickets home,' said Thomas Findley, Dixon's lawyer, as the trial opened." The AP adds, "Authorities said the suspected plot ended June 21 in a shootout after prison guard Ralph Hill smuggled a gun into the Tallahassee Federal Correctional Institution and opened fire when FBI and Justice Department agents arrived to arrest him and other defendants. Hill and an FBI agent were killed. … Three guards have since pleaded guilty in the scheme, but none have been implicated in the shootout. Dixon and Moore have been suspended from their jobs. … Assistant U.S. Attorney Alan Sprowls acknowledged his key witnesses are convicted felons but promised the jury that the government will introduce sufficient evidence to show the guards abused their authority for personal benefit."

Judge Sets Date For Hawaii Death-Penalty Trial. The Honolulu Advertiser (10/31, Kobayashi) reports, "The first death penalty trial here since Hawai`i abolished capital punishment in the 1950s is scheduled to begin in October of next year." The Advertiser continues, "Army Spc. Naeem Williams pleaded not guilty today to a charge of murdering his 5-year-old daughter Talia Williams, who died July 16 last year. He faces the death penalty, which was authorized earlier this year by U.S. Attorney General Alberto Gonzales." The Advertiser adds, "Federal Magistrate Judge Leslie Kobayashi today set Williams' trial for Oct. 16, which is later than usual because of legal issues that may arise because the charge carries the death penalty. … Williams' wife Delilah Williams is also scheduled to go on trial with her husband on a charge of murdering Talia Williams, but the attorney general did not authorize the death penalty prosecution for her. Delilah Williams earlier pleaded not guilty. If convicted, she faces a maximum sentence of life in prison."

Florida Man Faces Federal Pornography Charges. The Bonita (FL) News (10/31, Zambo) reports that a Florida man claims "he was the real victim in the child pornography case he accused the federal government of manufacturing." Donald Deverso, a former Lee County (FL) school bus driver, "staunchly maintained his innocence Monday, telling a federal judge during his sentencing hearing that he was taken advantage of by a girl from the Philippines. … 'To keep calling these women victims — I didn't have any victims, your honor,' Deverso said before U.S. District Judge John E. Steele sentenced him to 16 years behind bars. 'I didn't write to them. They wrote to me.'" The News continues, "Deverso, 59 and of Cape Coral, was convicted on May 19 in the high-profile case. He was accused of keeping child porn on his home computer from May 11, 2002, through April 15, 2005. He also was charged with transporting child pornography in October 2004, and manufacturing it while he vacationed in the Philippines. Deverso photographed underage girls he met online through Asian dating Web sites, one victim and investigators testified in spring during his weeklong trial." The News adds, "Prosecutors said Deverso

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chatted with numerous women online, proposing marriage to them. Deverso remains married to his third wife, Zong Yu Deverso, whom he met on a Chinese brides Web site. Deverso countered that he never promised these others marriage, just that it was possible if they got along well. … Based on federal sentencing guidelines, Steele had to sentence Deverso to a minimum of 15 years in prison. He could have been sentenced to 20 years. … 'What kind of person flies around the world to take advantage of poor and desperate women?' Chief Assistant U.S. Attorney Doug Molloy asked. 'One who deserves the maximum penalty of incarceration this court can impose.'"

Florida County Commissioner Will Plead Guilty To Corruption Charges. The Palm Beach Post (10/31, Dubocq) reports, "Former Palm Beach County Commission Chairman Tony Masilotti faces up to five years in prison and forfeiture of $9.5 million in cash and real estate for his leading role in a land deal conspiracy that stretched from 2000 to this past June, federal prosecutors said Monday. Masilotti, who in a sorrowful resignation letter said he will plead guilty, is expected to surrender Friday," but "still to be determined: when Masilotti formally will plead guilty and when he'll be dispatched to prison." US Attorney R. Alexander Acosta yesterday "hinted that more defendants could be charged in the case but declined to elaborate." The Post notes, "The investigation of Masilotti was triggered by an April report in The Palm Beach Post," and "within weeks of the report, the FBI and IRS swooped in and a grand jury was impaneled." FBI Miami SAC Jonathan Solomon "credited The Post. 'I'd just like to recognize them for their investigative reporting,' Solomon said at Monday's news conference. 'They did an outstanding job.'"

The South Florida Sun-Sentinel (10/31, Hafenbrack, Franceschina, 265K) reports, "In one Palm Beach County deal, Masilotti is accused of receiving between $40,000 and $50,000 for his assistance in helping a developer solve traffic problems concerning land the Diocese of Palm Beach County was selling in the town of Royal Palm Beach. In another deal, Masilotti and family members allegedly got $100,000 in free air travel from a developer who did business with county in purchasing a former public horse riding area near Wellington." The Sun-Sentinel notes that in his letter indicating his intention to plead guilty, Masilotti "pledged to cooperate with the FBI, Internal Revenue Service and U.S. Attorney's Office, which have been investigating for six months his potential abuse of power."

Louisiana Police Chief Sentenced To Probation, Restitution For False Claim. KATC-TV Lafayette (10/30) reported on its Web site from a story broadcast yesterday, "Former Opelousas Police Chief Larry Caillier, who had a stellar career in law enforcement, was sentenced Monday in federal court for filing a false claim. His department was paid for bike patrols that never happened." US District Judge Richard Haik "sentenced him to five years probation, 10 months of house arrest and he must pay restitution to the U.S. Clerk of Court. The FBI determined Caillier owes $26,300." The Opelousas Daily World (10/31, Cochran) notes, "The conviction is the first and only found against the former chief, though the state remains poised to proceed with another 26 separate charges" against Caillier for "allegedly ordering OPD officers not to respond to disturbance calls and several other charges ranging from forgery to money laundering. Also still facing both federal and state charges in connection with the patrols is former OPD Maj. Ronnie Trahan," who was "charged last week in federal court with aiding and abetting Caillier in the filing of a false claim for reimbursement on the patrols."

The Baton Rouge Advocate (10/31, Burgess) reports Caillier and Trahan "were accused in a federal investigation that focused on a $225,000 U.S. Department of Housing and Urban Development grant for bicycle patrols at public housing projects in Opelousas from 2000 to 2003. … Trahan told investigators that Caillier directed him to falsify time sheets to ensure that the Police Department billed $3,000 every two weeks, regardless of whether the money was earned by patrolling officers."

US To Retry Pellicano-Related Perjury Case. The Los Angeles Times (10/31, Krikorian, 918K) reports, "Federal authorities announced Monday that they will retry a former phone company employee acquitted last month of four of five charges in the first trial resulting from the wiretapping investigation of indicted private investigator Anthony Pellicano and others. Citing 'compelling' new evidence in the case, Assistant U.S. Atty. Daniel Saunders told U.S. District Judge Dale S. Fischer that the government would again prosecute Joann Wiggan for perjury for allegedly lying to a federal grand jury last October when she said she never retrieved a single message from her voicemail account at work. … Additionally, Saunders said, he expects a superseding indictment with additional charges against Wiggan to be returned in two weeks." The Times notes, "Though separate from the larger Pellicano case, the prosecution of Wiggan arose from the same FBI probe of the former private eye and allegations that he and others used a variety of illegal means, including wiretaps, to benefit his clients."

California Energy Company CEO Sentenced To Eight Years In Prison. The Orange County Register (10/31, Hammill) reports, "The former CEO of a defunct Los Angeles energy company who participated in a fraudulent investment scheme was sentenced to eight years in federal prison at the United States District Court in Los Angeles on

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Monday." Illya Bond "was also ordered by District Court Judge Percy Anderson to pay over $2.4 million in restitution to victims of fraud involving the PowerSource Corporation, a fraudulent company he formerly helmed. A federal jury convicted Bond on charges of conspiracy, mail fraud, wire fraud and making a false statement to special agents with the FBI in a January decision. He is the last in a series of seven defendants with ties to the company to be convicted and the sixth sentenced." KCAL-TV Los Angeles (10/30) noted, "Bond, who also used the name Frank Akberry, was convicted in January of conspiracy, mail fraud, wire fraud and lying to FBI agents."

Many States Restrict Halloween Activity For Sex Offenders. USA Today (10/31, Koch) reports, "Many sex offenders, limited in where they can live or work, are under another restriction today: no costumes, no candy giving, no jack-o'-lanterns, no welcoming front-porch lights." USA continues, "Some states go further to protect children on the holiday. At least 10 states keep a special eye on sex offenders via house arrest or required meetings, through such programs as Operation Boo in California and Operation Trick No Treat in Virginia." USA adds, "In New Mexico, a convicted pedophile or violent sex offender who lives alone has, for the first time this year, a sign outside his door today that notifies the public of his offense, says Tim Olsen, a regional manager of the New Mexico Corrections Department. He says offenders must stay inside and keep outside lights turned off. … New Mexico, New Jersey, South Carolina and Tennessee are into their second year of precautions, although Tennessee only recently announced its restrictions after phone calls from anxious parents." USA notes, "In Virginia, which began its Halloween program in 2002, high-risk sex offenders on parole or probation must report to offices where they are held for several hours while kids go trick or treating. … Some states have had Halloween restrictions for years but are increasing surveillance. New York, which requires offenders to stay home between 3 p.m. and 6 a.m., is making checkup calls and unannounced visits. … Other states with Halloween restrictions include Illinois, North Carolina and Wisconsin."

FBI Reports Fewest Police Killed On Duty Since 2001. In a widely-distributed story, the AP (10/31, Jordan) reports, "The number of police officers nationwide who were killed by criminals while on the job in 2005 dipped slightly from a year earlier, FBI data released Monday show. An estimated 1,800 fewer cops were assaulted during the same time period – the lowest total since 2001." The AP notes, "Traffic duty proved to be the most lethal assignment for the officers, the report shows. Fifteen cops were killed during traffic pursuits or on traffic stops, compared with eight slain while making arrests and another eight who were ambushed."

St. Louis Officials Dispute Top Crime Ranking. The St. Louis Post-Dispatch (10/31, Kohler, 300K) reports, "Here we go again: A publisher in Kansas, using a formula decried by criminologists, says St. Louis is the most dangerous city in the United States. And city officials are fuming. … 'This thing is bogus,' grumbled Jeff Rainford, chief of staff to Mayor Francis Slay. But bogus or not, Rainford said, there is good reason to worry the ranking could hurt St. Louis. Nancy Milton, spokeswoman for the St. Louis Convention & Visitors Commission, said she fielded phone calls Monday from convention planners concerned about what they were hearing." The Post-Dispatch notes, "Morgan Quitno's assessment is based on a given city's rates last year in six crime categories…as reported to the FBI. … Richard Rosenfeld, a criminologist at the University of Missouri at St. Louis, said Morgan Quitno's methodology is flawed because it compares places like Memphis, which includes miles of outlying areas, to St. Louis, where the city limits barely extend from the urban core."

The AP (10/31, Leonard) reports, "Mayor Francis Slay makes no bones about it: Morgan Quitno Press is dead wrong to call St. Louis the most dangerous city in the United States. … 'To suggest that St. Louis is more dangerous than Miami, New Orleans, Los Angeles and Chicago - it just doesn't make any sense.'" The AP notes, "Slay took issue with the study's methodology. He said the group used population figures from the U.S. Census Bureau that were too low, exaggerating the crime statistics. … Scott Morgan, president of Morgan Quitno, said he used a population estimate of 346,000 derived from an FBI report. Changing the figure to 353,000 doesn't change St. Louis's ranking, Morgan said."

Rankings Widely Noted In Local Media. Meanwhile, the Morgan Quitno rankings – officially released yesterday – garnered extensive local media across the country, with the stories all noting that the report was based on FBI crime statistics. Some examples: The Knoxville News Sentinel (10/31) reports Knoxville ranked "297th on a list of 371 cities," but "KPD spokesman Darrell DeBusk said the study appears flawed as far as Tennessee numbers are concerned." DeBusk noted, "All Tennessee law enforcement agencies use an incident based reporting system, versus the Uniform Crime Report system that most law enforcement agencies in the county use." The News Sentinel adds, "The FBI has recommended the incident based system as more accurate, but only a few states have adopted it so far, DeBusk said. … Visiting St. Louis on Thursday, FBI director Robert Mueller said it was too early to tell why some types of crime were rising faster in the Midwest. Mueller said the FBI is working harder to form partnerships with police departments to launch

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programs like St. Louis' Safe Streets task force, which focuses police efforts on problematic neighborhoods."

WAVE-TV Louisville (10/30, MacDonald) reported on its Web site from a story broadcast yesterday, "Louisville made the list of the 10 safest large cities for the second year in a row. … But like so many things right now, the ranking has turned in to a political issue, with some saying it proves crime fighting efforts are working here, and others saying just the opposite." WAVE noted, "Shortly after visiting with school children Monday morning, Louisville Mayor Jerry Abramson said the ranking is proof things are working here in the River City." However, "Councilman Kelly Downard has made crime a major part of his own campaign for mayor and he disagrees with the Louisville's ranking, calling it a 'fluke.'"

WLNS-TV Lansing (10/30, Arla) reported on its Web site from a story broadcast yesterday, "Two Michigan cities follow" St. Louis – "Detroit at #2, and Flint ranks third. Lansing ranks as the 96th most-dangerous city. The new list gives the perception Lansing isn't that safe, but the Lansing Police Department says their numbers tell a different story. … The Lansing Police Department says the company omitted many other crimes for its list, like arson or drug arrests. Therefore, the department doesn't believe the numbers give an accurate picture."

WSOC-TV Charlotte (10/30) reported on its Web site from a story broadcast yesterday, "Charlotte has been named one of the most dangerous big cities in the country, but police say the ranking is wrong. … Morgan Quitno Press used Federal Bureau of Investigation numbers to determine how safe the cities are," ranking Charlotte eighth. "Charlotte-Mecklenburg police, however, say the group shouldn't compare cities using that method, and it's misleading." C-MPD Chief Darrel Stephens "also said not all of the FBI numbers are used in the ranking, so the data is selective."

The Newark Star-Ledger (10/31, Spoto) reports, "The day after it was named the safest place in the nation, Brick Township was soaking up the good press. Residents flagged down police officers to praise them for their hard work, and neighbors, friends and business people congratulated themselves on their good fortune. … But some were more than a little suspicious," and the report "does have a few quirks." Morgan Quinto "looks only at municipalities of 75,000 people or more. Brick Township is on the low side of that cutoff with an estimated population of 80,000. It joined only 11 other communities in the state." Therefore, "554 of New Jersey's 566 towns were excluded."

CIVIL LAW:

High Court To Hear Phillip Morris's Appeal Of $79.5 Million Punitive Damages Award. The Christian Science Monitor (10/31, Richey, 58K) reports, "Jesse Williams smoked two packs of cigarettes a day for 45 years. Following his death in 1997 after being diagnosed with lung cancer, his wife, Mayola, sued the Philip Morris tobacco company seeking $100 million in punitive damages. The Oregon jury that heard her case rejected the $100 million request. Instead, it awarded her $79.5 million. Tuesday, the case arrives at the US Supreme Court where lawyers for Philip Morris are asking the justices to strike down the punitive damage award as constitutionally excessive and fundamentally unfair. The case, Philip Morris v. Mayola Williams, is being closely watched to see whether a majority of justices are willing to issue strict guidelines to identify when a punitive damage award is unconstitutionally excessive."

The AP (10/30) reports, "Jesse Williams, according to his widow, never gave any credence to the surgeon general's health warnings about smoking cigarettes. … Nine years after Williams' death, the Supreme Court is considering this question: Can Williams' widow collect $79.5 million in punitive damages for fraud from the cigarette company Philip Morris USA?" The AP continues, "To the dismay of anti-smoking groups, the Supreme Court agreed to hear the company's appeal of a jury verdict in Oregon. … Philip Morris, the maker of Marlboros, is struggling to turn back unfavorable rulings by Oregon state courts in the Williams case. One ruling upheld the jury award after the Supreme Court sent the case back to Oregon once before to make sure it conformed to a 2003 high court opinion limiting punitive damages." The AP notes that "the Williams family is counting on justices to find that Philip Morris' conduct was so reprehensible that it justifies exceeding guidelines the court has laid out in two rulings in the past 10 years that struck down large awards. … One difference is that the earlier cases did not involve physical injuries. … The company doesn't deny making public statements rejecting a link between smoking and cancer; rather, it says there's no evidence Williams ever heard the statements or ever read them. … The court also will be looking at the decision of the state courts that declared it acceptable for the jury in the Williams case to consider harm by Philip Morris to other smokers for conduct similar to that which allegedly injured Williams."

The New York Times (10/31, 1.21M), in an editorial, notes the Supreme Court "has already indicated that at some point punitive damages become so large that they violate due process. But it has done a poor job of identifying that point. Originally, it laid down some reasonable factors for lower courts to consider, including how reprehensible they considered the defendant's conduct. But in 2003, the court put forth the dubious proposition that punitive damages should generally be in a 'single digit' ratio to actual damages — so with actual damages of, say, $100,000, punitive damages should be under $1 million. Constitutional principles can seldom be boiled down to a formula, and it is difficult to see why the court should rein in juries so tightly."

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6th Circuit Panel Upholds Kentucky Law Requiring Tobacco Payments. The AP (10/31, Barrouquere) reports, "Kentucky can continue to enforce laws requiring small cigarette companies to make payments to help cover smoking-related health costs, a federal appeals court ruled Monday." The AP continues, "The ruling means the state can continue collecting escrow payments from small cigarette companies that did not participate in the 1998 master settlement agreement between tobacco companies and 52 states and U.S. territories. Attorneys said it was the first ruling by a federal appeals court addressing the issue of whether states can force smaller companies to make the payments." The AP adds, "The landmark agreement in 1998 required payments to be made over 25 years and settled all of the state's lawsuits over the public costs of treating sick smokers. More than 30 states passed laws requiring nonparticipating cigarette-makers to make escrow payments. .. A three-judge panel from the 6th Circuit Court of Appeals in Cincinnati turned away a challenge from three companies that said Kentucky laws effectively barred the businesses from selling tobacco in the state."

Tenet To Sell California Hospital. The Memphis Business Journal (10/31) reports, "The hospital that helped launch Tenet Healthcare Corp. on a painful four-year odyssey with the Department of Justice now has a new owner." The Journal continues, "Tenet announced late Friday that it had reached an agreement with a physician-owned company to take over the 306-bed Alvarado Hospital Medical Center in San Diego. The new owner, Plymouth Health, will pay $36.5 million for Alvarado, with the money going into Tenet general funds. The sale is expected to be completed by Dec. 31." The Journal adds, "Alvarado came under scrutiny four years ago when the Justice Department looked into the hospital's physician recruitment efforts, including the payment of some physician relocation expenses. The law is vague on the subject and two California juries were unable to reach a verdict in a case that was filed in 2003. … Tenet agreed to sell Alvarado as part of a deal to drop the case."

CIVIL RIGHTS:

US Makes Arrests In Arizona Human Smuggling Probe. The AP (10/31, Rotstein) reports from Tucson, AZ, "More than 40 people were arrested Monday in connection with a family-run smuggling ring that brought hundreds of illegal immigrants into the country, officials said." The AP continues, "The 44 arrests came after a two-year investigation into the ring, which operated out of the southern Arizona town of Bowie, officials said. Many of those arrested are American citizens, officials said. Eleven more suspects, including at least five Mexican nationals, remained at large Monday." The AP adds, "The ring recruited young women to smuggle migrants' infants through ports of entry, posing as their mothers, while the parents were smuggled through the desert separately, said John Lewis, the FBI special agent in charge in Arizona. … The operation smuggled people from Mexico into the U.S. for more than 10 years — most from Mexico, but also from El Salvador and the Dominican Republic, Lewis said. … 'This network organized, housed, fed, guided and transported large numbers of illegal aliens across the border,' said Paul K. Charlton, U.S. attorney for Arizona." The AP notes, "The suspects were named in an indictment this month. They included the suspected ring leader, Pablo Esteban Juarez, 31; his wife, Lori Gutierrez Juarez, 30; guides who walked people across the border; drivers who transported illegal immigrants; and 'money runners' who picked up smuggling fees."

The Arizona Republic (10/31, Wagner) adds, "Although the so-called Juarez Alien Smuggling Organization is based in Bowie, federal agents also made arrests in nearby Willcox and in New Mexico, California, Minnesota and Ohio. 'This is not just a couple of coyotes,' said Deb McCarley, an FBI spokeswoman. 'This was the entire organization from top to bottom that we took down.'"

Many Voters To Face New ID Poll ID Requirements. The Wall Street Journal (10/31, D1, Conkey, 2.03M) reports many Americans used to being asked for IDs at airports and in bars "will also hear it when they go to the polls. That's because nearly half of the states have passed laws -- many since widely publicized irregularities in the 2000 presidential race in Florida -- requiring voters to prove their identity before they're allowed to cast a ballot." But the laws 'are sparking confusion, partisan rancor and a frenzy of legal challenges in the days leading up to the midterm election." And "any voter in any state is entitled to cast a provisional ballot if he or she encounters a problem at the polling place. States do, however, vary on how they determine whether a provisional ballot is later counted and how long a voter has to come back and prove his identity."

Voting Machine Company Denies Links To Venezuelan President. The Wall Street Journal (10/31, A4, Davis, 2.03M) reports Smartmatic Corp., "whose voting machines will be used in midterm elections next week, says it adopted a complicated ownership structure to minimize taxes and protect intellectual property, and not to mask any control by Venezuela's government." Smartmatic, which is "owned by Venezuelan entrepreneurs who split their time between Boca Raton, Fla., and Caracas, has been caught up in a government probe over foreign ownership. On Election Day,

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Smartmatic equipment will be used in 16 states, including Florida and California, and the District of Columbia." The actions "of the voting-machine company are being reviewed by the Committee on Foreign Investment in the U.S. The committee reviews foreign acquisitions to see if they pose national security concerns."

The Washington Post (10/31, A4, Goldfarb, 748K) reports Smartmatic, the "nation's third-largest supplier of electronic voting machines said yesterday that it asked the federal government to review its purchase by a company controlled by Venezuelans to allay concerns that it is influenced by Venezuelan President Hugo Chavez." Smartmatic representatives "said that the Venezuelan government does not own and has never owned any part of the company."

Pentagon Said To Ignore Risks Of E-Mail Voting For Troops. The Washington Post (10/31, Nakashima, 748K) reports, "This year, thousands of soldiers around the world have the opportunity to vote in the Nov. 7 elections by e-mail." But computer security experts "inside and outside the government warned that the Pentagon's Federal Voting Assistance Program ignores the risks associated with unencrypted e-mail: interception, hacking and identity theft." The coauthor of a critical report, computer science professor David Wagner, said of the combination of faxing and e-mail options, "It's got all of the problems with unencrypted e-mail, plus your ballot is being routed through the Department of Defense. Will soldiers feel free to vote their conscience when they know that the DOD may be able to see how they voted? How do we know that the DOD or their contractors haven't modified soldiers' ballots in transit?"

Michigan Voters Split On Proposition To Ban Racial Preferences. The New York Times (10/31, Lewin, 1.21M) reports, "Three years after the Supreme Court heard Jennifer Gratz's challenge to the University of Michigan's affirmative action policy, she is still fighting racial preferences, this time in a Michigan ballot initiative." Gratz, a "white applicant who was wait-listed 11 years ago at the state's flagship campus here," said, "We have a horrible history when it comes to race in this country. But that doesn't make it right to give preference to the son of a black doctor at the expense of a poor student whose parents didn't go to college." The Times adds the ballot initiative, Proposition 2, "which would amend Michigan's Constitution to bar public institutions from considering race or sex in public education, employment or contracting, has drawn wide opposition from the state's civic establishment, including business and labor, the Democratic governor and her Republican challenger. But polls show voters are split, with significant numbers undecided or refusing to say where they stand."

8th Circuit Panel Upholds Ban On South Dakota Abortion Warning Law Enforcement. The AP (10/31, Brokaw) reports, "South Dakota cannot enforce a 2005 law that would require doctors to give additional warnings to women who seek abortions, a federal appeals panel ruled Monday." The AP continues, "In a 2-1 ruling, the panel of the 8th U.S. Circuit Court of Appeals upheld a lower court's ruling that has prevented the state from enforcing the law. Planned Parenthood, which challenged the measure, has demonstrated a likelihood it will win in its argument that the law violates the U.S. Constitution, the panel said." The AP adds, "The law, passed by state lawmakers in 2005, would require doctors to tell women that abortions end human lives and may later cause serious psychological problems for women who have abortions. A woman also would have to be told she has a legal relationship with her unborn child and that the relationship would be terminated by an abortion that would end the child's life. … U.S. District Judge Karen Schreier of Rapid City issued an order preventing the state from enforcing the law while the lawsuit proceeds. The judge said Planned Parenthood has a fair chance of succeeding on its claim that the law violates the free-speech rights of doctors. … The state argues that the required information is medically accurate and supported by science. State lawyers contend the law would not curb reasonable access to abortion in South Dakota."

South Dakota Abortion Ban Initiative Seen As Likely To Fail. The Washington Times (10/31, Wetzstein, 88K) reports a South Dakota ballot "measure to ban almost all abortions in the state is likely to fail by a wide margin, a new poll says." Fifty-two percent "of 800 likely voters said they would vote 'no' next week on a law banning all abortions except to save the life of a mother, according to the poll, conducted for the Argus Leader newspaper in Sioux Falls, S.D." Forty-two percent of voters "said they would vote 'yes' for the ban, and 6 percent were undecided, according to the survey, which had a margin of error of 3.5 percent and was released in the newspaper's Sunday edition."

Maryland Youth Prison Woes Become Campaign Issue. The Washington Post (10/31, B02, Otto) reports, "When the $60 million Baltimore City Juvenile Justice Center opened in 2003, it was hailed as the kind of solution Gov. Robert L. Ehrlich Jr. (R) had promised when he campaigned for office. … Within a year, independent monitors were describing conditions there as bad as those in the state's most notorious juvenile jails. A U.S. Justice Department report this summer found that the center has failed to 'adequately protect children from youth violence.'" The Post continues, "When Cheltenham Youth Facility shut down several of its dilapidated cottages in January 2004,

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advocates heralded a move toward smaller, more specialized centers. But today, some of the state's jails remain so crowded that teenagers sleep on the floor. … As Ehrlich faces a tough fight for reelection this fall, his bold promises to fix one of Maryland's most troubled systems have vexed his campaign. … 'The system has gotten worse in the last four years,' Baltimore Mayor Martin O'Malley, Ehrlich's Democratic challenger, said in a recent interview. 'We're writing off too many young lives.'" The Post adds, "The governor defends his efforts, saying in a recent debate, 'We have made great strides on our juvenile justice system. We've changed the whole paradigm there.' … Ehrlich did not mince words about the troubled system when he ran for governor four years ago and laid the blame squarely on his Democratic opponent, Kathleen Kennedy Townsend. As lieutenant governor, Townsend had taken on juvenile justice as a priority. … But problems with violence and mismanagement ran deep in many of the nearly two dozen state-run facilities entrusted with more than 2,000 young offenders. The state's juvenile boot camps had been shut down because of brutality."

Discord Within ACLU Described. In an op-ed for USA Today (10/31, 2.27M) Nat Hentoff, former member of the ACLU's national board, writes the ACLU "is in crisis, and impassioned supporters of its mission want change now. It's up to the national leadership to listen — and to resign. … ACLU members, donors, former staffers and board members, as well as civil liberties activists," are "supporting a website called SavetheACLU.org. The board of the South Carolina ACLU has also signed on. All are opponents of the present leadership — Executive Director Anthony Romero and President Nadine Strossen. … Particularly providing momentum to this rebellion was the decision of Romero's longtime predecessor as executive director, Ira Glasser, to become a leader of the opposition after initially remaining silent."

ANTITRUST:

DOJ Probing Sony Electronics Unit. The AP (10/31) reports, "Sony Corp. said Tuesday that the U.S. Justice Department is probing its electronics unit." The AP continues, "The company received a subpoena from the Justice Department's antitrust division seeking information about Sony's static random access memory, or SRAM, business, company spokesman Atsuo Omagari said. … Sony intends to cooperate with the investigation, which it described as an industrywide inquiry." The AP adds, "Earlier this month, U.S.-based chipmaker Cypress Semiconductor Corp. said its SRAM operations were also under investigation by the U.S. Department of Justice. … A separate U.S. Justice investigation into price-fixing among DRAM companies has so far resulted in more than a dozen charges against individuals and more than $731 million in fines against Samsung Electronics Co., Elpida Memory Inc., Infineon Technologies AG and Hynix Semiconductor Inc."

SCOTUS Denies Stolt-Nielsen Appeal On Antitrust Amnesty Issue. The Wall Street Journal (10/31, A11, Anderson) reports, "The U.S. Supreme Court on Monday rejected Stolt-Nielsen S.A.'s last-ditch appeal to derail a federal indictment against it for price-fixing and other illegal cartel activities in the market for deep-sea chemicals shipping." The Journal continues, "The decision by the justices, announced with a brief order, clears the way for federal prosecution of the company on an indictment issued by a Philadelphia grand jury in September. Justice Samuel Alito, who worked on the case as an appeals court judge, recused himself." The Journal adds, "Stolt-Nielsen in 2004 became the first company to have amnesty revoked under the Justice Department's 13-year-old program. The company has waged an intense campaign to thwart Justice Department prosecution, arguing federal authorities wrongly canceled the amnesty agreement they had struck with the company that prevented its prosecution. Justice Department prosecutors, however, have argued in federal court that Stolt-Nielsen violated the terms of that agreement. … The Supreme Court in July and August twice turned away emergency appeals from the London-based shipping company before the indictments were announced. Stolt-Nielsen had asked the Supreme Court to review the ability of Justice antitrust officials to nullify the agreement without interference from federal courts."

The Financial Times (10/31, Waldmeir) reports, "Stolt-Nielsen volunteered information about antitrust violations in the parcel tanker market, in exchange for amnesty from the Justice Department. … But federal prosecutors later withdrew the amnesty and indicted the company, saying it breached its duty to co-operate. … 'These kinds of government [amnesty] programmes are not going to be worth anything if companies continue to be treated like this company was in this case,' says Robin Conrad of the National Chamber Litigation Center, legal arm of the US Chamber of Commerce, which argued that courts should have more power to enforce leniency deals."

Merck To Buy Sima Therapeutics For $1.1 Billion. The AP (10/31) reports, "Pharmaceutical company Merck & Co. said Monday it agreed to buy Sirna Therapeutics Inc., which is creating a new way to develop therapies based on RNA interference, for $1.1 billion in cash." The AP continues, "Merck's $13-per-share bid offers almost a 102 percent premium over Sirna's closing price of $6.45, down 5 cents, on the Nasdaq. Sirna shares surged $6.10, or 94.5

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percent, to $12.55 in aftermarket electronic exchange trading. The stock's 52-week high is $8.52, set in April." The AP adds, 'Sirna's RNA interference technology offers a new way to develop medicines and shows great promise in cancer research, Merck said. Sirna's operations would complement RNA work Merck has been doing since its 2001 acquisition of Rosetta Inpharmatics Inc., the company said. … Sirna's leading clinical development candidate is for the treatment of the wet-form of age-related macular degeneration, part of a broad collaboration with Allergan Inc. in ophthalmic diseases."

The Wall Street Journal (10/31, A16, Johnson) reports, "The deal moves Merck into a leading position in the field, coming on the heels of its 2001 purchase of Rosetta Inpharmatics. That acquisition gave the Whitehouse Station, N.J., drug maker the tools to look closely at the genes in a genome. With Sirna, Merck will have the ability to target -- instead of just locate -- certain parts of a cell for destruction, said Mervyn Turner, Merck's senior vice president of world-wide licensing and external research." The Journal adds, "Merck believes RNAi technology holds particular potential in cancer research because it could home in on genes that control cancerous cells, destroying them without harming surrounding normal cells. … Sirna only has a handful of drugs in development. Its most advanced treatment, which is in the second of three phases of human testing, is targeted at the wet form of age-related macular degeneration, a leading cause of blindness in the elderly."

Google Urges Microsoft To Allow Users' Search Choices. The AP (10/31) reports, "Google Inc. said Monday that it wants Microsoft Corp. to make sure users can easily choose Internet search engines in future products — but Google refused to say if changes Microsoft has already made to its upcoming operating system, Vista, have gone far enough." The AP continues, "David C. Drummond, Google's senior vice president of corporate development, spoke to reporters after meeting with European Union antitrust regulators but refused to give details on those talks, beyond saying there had been no particular agenda. … 'It's been our view that any new version of Microsoft products that include search, that that be done in a way that preserves user choice for search and other applications,' Drummond said. He said that Google would monitor the situation but that it was 'too early to tell' if there were would be any antitrust allegations arising from Vista." The AP adds, "Vista is Microsoft's first major update to the company's flagship operating system since Windows XP was released in late 2001. … Microsoft said this month it had changed Vista in several key sectors — including its search service — in an attempt to soothe European antitrust worries. Regulators had said they were concerned that computer manufacturers or consumers might be prevented from having a proper choice between different software packages."

Microsoft Withdraws From Efforts To Limit AT&T-BellSouth Deal. Bloomberg (10/31, Peterson) reports, "Microsoft Corp. distanced itself from a group lobbying for restrictions on AT&T Inc.'s proposed acquisition of BellSouth Corp., saying it won't seek to influence regulators weighing the purchase." Bloomberg continues, "The company, a founder of the It's Our Net Coalition, pulled its name from the member list after deciding not to weigh in on the $82 billion deal, spokeswoman Ginny Terzano said Monday. The group wants net neutrality rules to bar telephone and cable providers from charging new priority-access fees. … The 172-member coalition last week urged the Federal Communications Commission to impose 'meaningful and effective net neutrality safeguards' on the BellSouth deal. The group wants the FCC to bar AT&T, the biggest U.S. phone company, from favoring some companies over others that offer the same type of Web content or services, depending on how much they pay. … 'Microsoft has withdrawn its name from the It's Our Net Web site' while the FCC considers the deal, Terzano said in an e-mailed statement. 'However, we continue to support and will pursue other opportunities to obtain meaningful network neutrality policies.'" Bloomberg adds, "Terzano declined to comment on whether Microsoft will restore its name to the site after the FCC rules on the BellSouth purchase or say if the company has quit the group. The commission is scheduled to vote on the deal Friday."

Schneider Electric To Buy American Power Conversion For $6.1 Billion. The Financial Times (10/31, Strauss, Cameron) reports, "Schneider Electric, the French electrical equipment group, on Monday agreed to pay $6.1bn cash for American Power Conversion of the US to boost its capacity in back-up supply systems for the IT sector." The Times continues, "Marking a bold start for Jean-Pascal Tricoire in his first year as chief executive, the deal will be Schneider's first big acquisition since the failed merger in 2001 with Legrand, a domestic rival, which the European Commission overturned on antitrust grounds." The Times adds, "Mr Tricoire said the APC deal was 'a significant strategic move' that would strengthen Schneider's position in the electrical distribution sector, the fastest-growing segment of its core business. … However, analysts questioned the timing and price, given the uncertain outlook for IT spending in the US market, which accounts for close to half of APC's sales."

The Wall Street Journal (10/31, C6, Levitz) reports, "Both companies specialize in the critical-power market, making gear that helps firms withstand blips and outages.

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APC's bread and butter is smaller power systems, while Schneider's domain is with bigger entities. APC, however, has been migrating into the larger market." The Journal continues, "The French company is trying to quickly eliminate 'one of its key competitors' and break into the North American small-company critical-power market dominated by APC, says Boston analyst John Quealy, of Canaccord Adams, adding that 'my guess is that they struck first with a knock-out-punch type take-out price.'" The Journal adds, "Schneider and APC, of West Kingston, R.I., have benefited from a trend of corporate spending to protect computerized data from the effects of even small interruptions. The trend is being driven by several factors. New York's 2003 blackouts caused many firms to realize they couldn't afford to be out of commission for several hours, while new federal health-care privacy laws have prompted medical centers to add to data capabilities, creating more need for protection."

EU To Probe Qualcomm Royalties. Bloomberg (10/31, Newman) reports, "Qualcomm Inc., the world's second- largest maker of mobile phone chips, will be investigated by the European Union over allegations it overcharges Nokia Oyj, Ericsson AB and other handset manufacturers, people with knowledge of the situation said." Bloomberg continues, "The European Commission, the EU's Brussels-based antitrust authority, has told Qualcomm and phonemakers that it will open a formal probe of complaints over royalty rates in the next few weeks, said two people who declined to be identified because the decision isn't public. An EU probe could lead to Qualcomm being forced to lower its rates or fined as much as 10 percent of sales. … 'The impact on royalties would be significant and the impact on finances would be catastrophic,' said Richard Windsor, a mobile phone analyst at Nomura Securities in London. If the EU forces the company to cut the rate in half, Qualcomm's pretax profit in 2007 would drop by a third to $3.3 billion, he said. … The case focuses on how rewards are shared in the $200 billion industry to supply equipment for third-generation mobile phones, which allow users to access the Internet and play videos. Qualcomm contends it's owed royalties on all of the newest 3G handsets because it holds essential patents. Rivals say Qualcomm has fewer patents on 3G phones than on earlier generations and should lower its rates."

NYTimes Claims US Patent System Is "Broken." The New York Times (10/31, 1.21M), in an editorial, writes, "The broken American patent system has a knack for sanctioning the ridiculous. In the latest example, businesses are receiving patents for devising ways to obey the law — the tax code, to be more specific. What's next, a patented murder defense? As Floyd Norris reported recently in The Times, the broad category known as business-method patents (like patenting the idea of pizza delivery rather than the pizza itself) has expanded once again. Now it includes the legal ways that accountants and lawyers help their clients pay less tax. … Patents are supposed to encourage innovation, rewarding the individual for the greater good of society. But excessive or overly broad patents can slow business activity to the pace of cold molasses."

ENVIRONMENT:

Two Questioned In Probe Of California Wildfire. The Los Angeles Times (10/30, Willon) reports, "Investigators today questioned two 'people of interest' in the deadly Esperanza arson fire that killed four federal firefighters in Riverside County last week, a Riverside County sheriff's spokesman said. … No arrests were made and the people are not in custody." The Times continues, "The latest steps in the investigation came as firefighters expect to contain the blaze later tonight, the fifth day that the fire has burned. … Because four firefighters died, suspects could be charged with murder in connection with the arson. … 'We have two people we have questioned that are people of interest," Riverside County spokesman Tom Freeman said. 'Sheriff's personnel have not placed them under arrest.... We continue to work the case aggressively.' … The pool of reward money has reached $500,000." The Times adds, "Freeman did not provide any details about what led investigators to the two people, who were not identified. He said law enforcement and fire officials are investigating more than 250 leads that have been called into a special arson tip line. … Sheriff's officials cautioned that they may question many people in the ongoing investigation. … More than 50 investigators from the Riverside County Sheriff's Department, California Department of Forestry and Fire Protection, U.S. Forest Service and Bureau of Alcohol Tobacco and Firearms are working on the arson case."

The AP (10/31, Hoffman) reports, "Sheriff's deputies took two men and three bags of material from a house in Cabazon, said neighbor Robert Dunham, 70, who lives three doors down from the residence a quarter-mile from where the fire started." The AP continues, "Authorities released little information about the two people who were interviewed at a sheriff's station and later released. No arrests had been made. … Authorities said the fire was deliberately set at the base of a slope in Cabazon, west of Palm Springs. Cabazon residents have said they saw two young men leaving the area where the fire began." The AP adds, "Since it started around 1 a.m. Thursday, the fire has burned 63 square miles, or 40,200 acres, as fierce Santa Ana winds swept through the region and fanned the flames. It was about 90 percent contained, and authorities expected full containment Monday night. It has destroyed 54 structures - 34 homes and 20 other buildings."

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Federal Investigation Finds Cost Cutting Contributed To BP Texas City Blast. The Wall Street Journal (10/31, A3, Cummins) reports, "Cost-cutting efforts by senior management at BP PLC contributed to a deadly explosion at a refinery in Texas last year, federal investigators said, a finding that ratchets up the legal stakes for the London-based oil giant." The board "alleged for the first time that high-level decisions to defer overhauls, cut staff and rein in costs at the Texas City, Texas, plant helped cause the accident, which killed 15 people and injured 180." The Journal says, "BP already faces a criminal probe into the accident as well as civil claims from victims and survivors' families. Though the board hasn't any regulatory role or prosecutorial powers, its findings could be taken up by civil litigants or by other agencies probing the disaster."

The Financial Times (10/31, McNulty) reports, "BP's global management was aware of 'significant safety problems' at the Texas City refinery and 34 other locations around the world well before last year's deadly explosion at the US plant, investigators said on Monday." The Times says, "The US Chemical Safety Board, an independent federal agency charged with investigating industrial chemical accidents, said internal BP documents prepared between 2002 and 2005 revealed knowledge of those problems before the March 2005 explosion killed 15 and injured 500 people in and around BP's biggest refinery." The CSB "report will also likely be used by the federal grand jury investigating whether to bring criminal charges against BP and its executives for the Texas explosion."

The Washington Post (10/31, D01, Mufson) reports, "The company said it has settled with the families of all but one of the workers killed in the Texas City, Tex., incident and with hundreds injured. But Brent Coon, the lead plaintiffs' lawyer in the refinery case scheduled to start next week, said that the Justice Department had been asking for documents for its own investigation. 'It's a good report,' Coon said. 'It says many of the things we've said all along.' … Merritt said that 'BP implemented a 25 percent cut on fixed costs from 1998 to 2000 that adversely impacted maintenance expenditures and infrastructure at the refinery.' She said maintenance spending had declined throughout the 1990s, when the refinery belonged to Amoco Corp. Once Amoco merged with BP, she said, further cuts were imposed. … In the 30 years before the explosion, a worker had died in an accident at the Texas City refinery on average of once every 16 months. … BP, while conceding responsibility, disputed Merritt's conclusions."

FBI/DEA/ATF/USMS:

Former FBI Agent Sentenced For Giving Information To Suspected Spy. The Los Angeles Times (10/31, Krikorian) reports, "Seven years after she was suspended for allegedly disclosing classified material to a suspected Chinese spy, former FBI agent Denise K. Woo was sentenced Monday to probation and a $1,000 fine for improperly sharing confidential information, a misdemeanor." The Times continues, "Woo, 47, of Redondo Beach was transferred from white-collar investigations to a counterintelligence squad pursuing Chinese intelligence agents after her bosses learned in 1999 that she was friends with Jeffrey Wang, a Torrance engineer suspected by the FBI of committing espionage for China. Wang was never charged with a crime. … After her transfer, interviews show, she became convinced that Wang was innocent of wrongdoing and had been falsely accused of espionage by an FBI informant." The Times adds, "Though no charges were filed against Wang, Woo was accused by the FBI of inappropriately disclosing information about the probe to Wang. Suspended and later fired, Woo was then indicted two years ago for allegedly disclosing the existence of a national security wiretap on Wang's home telephone, revealing to Wang the identity of the FBI's confidential informant and lying to FBI agents. … Those felony charges, which carried a minimum 10-year prison sentence, were subsequently dismissed when Woo acknowledged in June that she had improperly passed along information about the FBI's confidential operative to Wang in October 1999." The Times notes, "Though authorities had no comment about the plea agreement, Woo said she had been unjustly accused at great personal expense to her and her family. … 'This is kind of a bittersweet ending to a long and continuing tragic injustice,' Woo said minutes after U.S. District Judge Gary Klausner imposed the sentence. 'I am relieved that after years of false allegations, my family and I can finally get on with our lives.'"

Record Number Of Marijuana Plants Seized This Year In California. The AP (10/31) reports, "California authorities seized a record number of marijuana plants this harvest season, uprooting nearly 1.7 million plants they valued at more than $6.7 billion, the state Department of Justice said Monday." The AP continues, "The 1,675,681 plants seized under the Campaign Against Marijuana Planting program beat last year's record of 1.1 million plants." The AP adds, "The state Justice Department's Bureau of Narcotic Enforcement, which leads the program, said the increase is largely due to more eradication teams, better aerial surveillance and air transport of law enforcement officers to the illegal plots. Gardens also are getting bigger, it

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said. … The program includes local, state and federal agencies that conducted 477 raids in 34 counties between late July and early October. Authorities said they made 27 arrests and seized 29 weapons. … Lake County had the most plants seized, with 314,603. It was followed by Shasta County (227,488), Mendocino (135,736) and Fresno (102,814)."

Law-Enforcement Official's Son Remains Free Despite Pleading Guilty To Marijuana Charge. The New York Post (10/30, Alpert) reports a nationally known law-enforcement official's son, who "pleaded guilty nearly a year ago to trying to buy 400 pounds of pot from an undercover agent, is still free, while his co-defendant languishes in federal prison. Sean Timoney, 26, pleaded guilty on Dec. 21, 2005, to conspiring to possess with intent to distribute marijuana. Since then, his sentencing date has been postponed twice, allowing him to work and undergo drug counseling, his lawyer said." The younger Timoney "was busted Nov. 1, 2005, along with Jae Seu, 23, after they handed over a duffel bag stuffed with nearly $450,000 cash to a undercover Drug Enforcement Administration agent in a Rockland County motel room as a down payment for the marijuana. But the whole episode was a sting captured on tape, and Timoney and Seu were arrested as they left the motel."

Modern Trends Seen As Aiding Narcogangs. In the San Antonio (TX) Express (10/30), Henry Catto writes, "Modern trends in agriculture and communications and an insatiable desire among North Americans and Europeans for cocaine and heroin led to the growth of today's criminal narcogangs, which are prepared to do whatever it takes to supply these deadly habits. The U.S. Drug Enforcement Administration estimates that 90 percent of the cocaine powder smuggled into the United States comes from Colombia. … Democracy seems to have provided some hope of solving these problems. Two good presidents in a row, Andres Pastrana and Alvaro Uribe, have made a difference."

Pennsylvania Man Accused Of Impersonating DEA Agent. The Pittsburgh (PA) Tribune-Review (10/31) notes that a Greensburg man "is in the Westmoreland County Prison after allegedly impersonating a federal Drug Enforcement Administration agent and choking a man at a Donegal Township bar." According to the Tribune-Review, Richard McCormick told police he was a DEA agent and was attempting to get another man to comply with his instructions.

White House Criticized For "Campaigning" Against Marijuana Initiatives. In the New York Times (10/31), op-ed columnist John Tierney writes, "This year the White House drug czar, John Walters, and his minions have been out campaigning in Nevada, Colorado and South Dakota, which have marijuana initiatives on the ballot. The drug warriors are still sounding the discredited alarms about youths turning into potheads. Their fervor's not surprising — they may even believe their own hype. What's surprising is the political stupidity of the meddling. Westerners, no matter what they think of marijuana, don't appreciate sermons from federal officials on how to vote." According to Tierney, in 2002, when the White House "campaigned against another marijuana ballot initiative in Nevada, the state's attorney general said it was 'disturbing' to see the federal interference in a state election."

SAFER Campaign Manager Seen As Fueling Colorado Marijuana Movement. According to the Washington Times (10/31, Richardson), if Coloradans "vote to legalize marijuana statewide next week, it will be almost entirely because of the efforts of a pudgy, clean-shaven 24-year-old University of Richmond graduate. Mason Tvert, campaign manager for Safer Alternatives for Enjoyable Recreation, has pushed Colorado to the forefront of the marijuana movement, first with his successful 2004 Denver campaign and now with the statewide Amendment 44. … Federal drug czar John P. Walters visited Colorado three times this year to denounce the effort, which almost every state lawmaker opposes. What Mr. Tvert brings to the table are energy, imagination, a knack for attracting free press and relentless tactics."

In California, Court Ruling Keeps County From Joining Medical Marijuana Lawsuit. The Desert Sun (10/30) reports Riverside County "will not join a legal challenge to California's medical marijuana law, scheduled to be heard in San Diego Superior Court Nov. 16. The county Board of Supervisors voted earlier this month to join the suit originally filed by San Diego, San Bernardino and Merced counties, but the court ruled Friday that Riverside would not be allowed to join the case. 'The court felt it was too late to intervene in the pending action in San Diego,' said Pam Walls, assistant county counsel." The suit "seeks to overturn state requirements that counties issue medical marijuana identification cards to patients with a doctor's recommendation to use the drug."

Chargers Linebacker Accused Of Violating NFL Drug Policy May Drop Appeal. The New York Times (10/31, Schmidt) reports San Diego Chargers linebacker Shawne Merriman "plans to drop his appeal of the four-game suspension he has received for testing positive for a performance-enhancing substance. A deal between Merriman's lawyer and officials from the National Football League over when the suspension would take effect was

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being worked out last night. … If Merriman does not drop the appeal by noon today, he must proceed with the appeal hearing that is scheduled for Nov. 7 in New York. The N.F.L., which has not commented directly on Merriman's case, is expected to announce the suspension as soon as Merriman drops the appeal."

The San Diego Union-Tribune (10/30) reports Merriman, who "tested positive for the banned steroid Nandrolone earlier this month, maintains he was the victim of a tainted supplement. But he also knows he is unlikely to win his appeal based on the NFL's clearly stated policy that players are responsible for what they put in their body."

The AP (10/30) reports that if the appeal process "drags out and he loses, he could miss both of the Chargers' games against AFC West rival Denver, on the road Nov. 19 and at home on Dec. 10. The Chargers and Broncos are tied for the division lead at 5-2."

Armed Pennsylvania Man Shot By Police Had Previous Gun Conviction. The Pittsburgh Post-Gazette (10/30, Ove) reports, "The man shot by a Pittsburgh police sergeant in Beltzhoover yesterday after police said he pointed a gun at them is a felon who wasn't allowed to have a weapon and had already spent time in prison for carrying an illegal gun." The Post-Gazette continues, "Court records indicate Jamaar A. Blakey, 22, was on probation following a gun conviction in U.S. District Court in 2004. … Mr. Blakey, who is in serious condition at Mercy Hospital with a wound to his chest, was indicted in June 2004 under Project Safe Neighborhoods, a U.S. Justice Department initiative to combat gun violence that has sent many Pittsburgh-area felons to federal prison in recent years. Under federal law, felons can't have guns or ammunition." The Post-Gazette adds, "Mr. Blakey, who also has several drug convictions, was sentenced in November 2004 to 30 months in federal prison for possession of a handgun and ammunition on Feb. 28 of that year. He was released on Aug. 24 of this year and was serving three years of supervised release, the federal version of probation. … Pittsburgh police shot Mr. Blakey after they said he pointed a gun at an officer following a brief car chase.

Federal Agents Arrest Salt Lake City Pipe Bomb Suspect. The Salt Lake Tribune (10/31, Bergreen) reports, "Federal authorities have arrested a former Utah resident with possession of an unregistered destructive device stemming from a bomb explosion in September that caused the evacuation of the Salt Lake City Main Library. The single federal charge against Thomas James Zajac, formerly of Salt Lake City and Provo, was filed Friday and unsealed Monday after a joint investigation by the federal Bureau of Alcohol, Tobacco, Firearms and Explosives, the Salt Lake City Police Department and the FBI." The Tribune notes, "The bomb…exploded on the third floor, destroying a large, double-paned window, but it caused no injuries."

IMMIGRATION:

Border Arrests Down 8.4%. The AP (10/31, Yen) reports, "US Customs and Border Patrol agents made fewer arrests of illegal immigrants trying to enter the country last year, the government said Monday in a report that credits stronger enforcement. Arrests fell 8.4 percent from 1.2 million in fiscal year 2005 to 1.1 million last year. It was the first decrease since 2003, the Homeland Security Department said in releasing its annual statistics on illegal immigration." The AP adds, "Statistics released Monday also show the government: Removed a record 186,600 illegal immigrants from the United States in the past year. That's a 10 percent increase from 2005. … Bearly tripled the number of fugitive operations teams, from 18 to 50, as part of efforts to locate, apprehend and remove criminal aliens."

The Washington Post (10/31, A5, Hsu, 748K) reports DHS Secretary Michael Chertoff "credited the drop of nearly 100,000 apprehensions largely to the Bush administration's strategy of deporting virtually all non-Mexican border crossers as fast as they are caught, deterring them and others in what had been the fastest-growing group of illegal immigrants. After quadrupling the previous four years, apprehensions of "other than Mexican" border crossers fell 57,144, or 35 percent, to 108,026 last year." However, "analysts immediately disputed Chertoff's claim of an unprecedented decline in arrests. … Experts instead called yesterday's announcement the administration's latest effort to walk a political tightrope in its handling of illegal immigration heading into the Nov. 7 congressional elections."

The Washington Times (10/31, Seper, 88K) notes Chertoff also "said a guest-worker program was needed to slow the flow of illegals into the United States, although conservative House Republicans have blocked efforts by the Bush administration to pass a temporary-worker bill. He said getting control of the border without such a program would be 'very, very difficult.'"

CONGRESS-ADMINISTRATION:

Treasury To Pare Note Offerings After Drop In Budget Deficit. The Wall Street Journal (10/31, C7, 2.03M) reports, "The Treasury is expected to pare its three-year note offerings in this quarter's refunding, a move analysts say is a minor adjustment after the drop in the budget deficit." The Treasury "is likely to announce tomorrow the sale of $33 billion in debt securities, comprising $20 billion

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in three-year notes and $13 billion in 10-year notes, according to the median estimate of eight dealers surveyed by Dow Jones Newswires. That amount of three-year notes would be $1 billion less than last quarter's sale." The Treasury "yesterday reduced its estimate of the quarter's borrowing needs by 39% to $63 billion, citing a surge in corporate-tax receipts that left it with more cash than expected. But it also said borrowing needs would rise to a quarterly record of $175 billion in the January-March period."

Growing Influence Of Inspectors General Examined. The Federal Times (10/31, Friedman) reports, "Under a cover that includes an image of a woman's midriff, a report released last month by the Interior Department's inspector general sums up thousands of employee visits to pornographic and gambling Web sites on office computers. … An Oct. 11 report by the Justice Department IG details a former Alcohol, Tobacco, Firearms and Explosives Bureau director's request for a lavish office with features like remote-controlled doors. … And at the Education Department, a September IG report describes officials' efforts to steer purchases away from disfavored textbook makers. The report quotes an e-mail in which a program director wrote, 'They are trying to crash our party and we need to beat the [expletive] out of them.'" The Times continues, "The spate of headline-grabbing revelations underscores a trend. With the explosion of government procurement and more contracts to audit, and with an expanded law enforcement role in the aftermath of the Sept. 11 attacks, inspectors general have more work and responsibilities, observers of the oversight community say. … 'The mission of the inspector general has broadened very substantially over the years,' said former Transportation Department IG Kenneth Mead. … And more responsibility may mean more clout. The Special Inspector General for Iraq Reconstruction got expanded budgetary purview through legislation signed Oct. 17 by the president. Earlier this month, the Justice Department announced the formation of a task force, composed mostly of IGs, to investigate procurement fraud. A House bill, currently before the Government Reform Committee, would make IGs harder to fire and allow them to submit budgets straight to Congress and the Office of Management and Budget, instead of agency heads. The legislation could include steps to increase coordination among IGs and other oversight organizations. The measures are intended to increase IGs' independence, which some think is lacking at agencies where IG budgets are controlled by management."

House Democrats Face The Prospect Of Divisive Leadership Contests. The Washington Post (10/31, A3, Romano, Weisman, 748K) reports, "As Democrats enter the final days of their push to take back control of the House in next week's election, two divisive backroom leadership fights are brewing within the party, raising fears that Democratic unity could be fraying even before the first votes are cast. For some Democrats, the battle between Rep. Steny H. Hoyer (Md.), the minority whip, who had been expected to ascend to majority leader without opposition, and Rep. John P. Murtha (Pa.) threatens the party's efforts to appear ready to govern. In what could be another high-profile showdown, Rep. Rahm Emanuel (Ill.), the ambitious former White House aide who runs the Democratic campaign arm of the House, may seek the third-ranking post of majority whip, pitting him against Democratic Caucus Chairman James E. Clyburn (S.C.), the only African American in a leadership position." The Post notes, "This could exacerbate racial strains in the House, since both the Congressional Black Caucus and the Congressional Hispanic Caucus have complained that Emanuel is insensitive to minority concerns.

Democrats' Chairpersons Would Be Older, More Diverse. USA Today (10/31, Kiely, 2.27M) reports, "A Democratic takeover of the U.S. House would put more women and minorities in positions of power, as well as more senior citizens." House minority leader Nancy Pelosi "already has signaled that she will name committee chairpersons based on seniority. Republican Speakers Newt Gingrich and Dennis Hastert sometimes did not do so. The gavel would go to at least four African-Americans, including John Conyers of Michigan at the Judiciary Committee helm and three women, including California's Juanita Millender-McDonald and New York's Nydia Velázquez, who would be the only Hispanic committee leader. Barney Frank of Massachusetts, who is openly gay, would lead a committee. Currently, all of the House GOP committee chairmen are white and male. It would also increase the age of House chairpersons. In January 2005, 11 Republican committee leaders were younger than 60. Seven prospective Democratic chairpersons will be over 70 when the 110th Congress convenes in January."

NASA Creates Venture Capital Firm To Finance Innovations. The Washington Post (10/31, A19, Kaufman, 748K) reports, "Hoping to tap the innovation and daring of small aerospace and biomedical companies, NASA has created and funded a nonprofit venture capital firm that will invest government money in promising but underfinanced companies. The fund, called Red Planet Capital, is the government's third experiment with venture capitalism, after similar efforts sponsored by the CIA and the Army. Red Planet marks the first time that the federal government has started a venture capital fund for civilian purposes, but it is hardly a stretch. That is because a former president of the CIA-sponsored venture fund is Michael D. Griffin -- now the

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administrator of NASA." According to the Post, Lisa L. Lockyer, NASA program manager for the project, "said the fund will not only invest on its own in cutting-edge companies but will also join private venture capital firms to form investment syndicates. Together, she said, those partnerships will be able to invest far more money in selected companies than the government could. The NASA fund, which will be managed by three venture fund veterans selected by the agency through a competitive process, will receive $75 million in taxpayer funds over five years." NASA is interested in new rocket technologies, but "the agency is also looking for strategies and products related to keeping astronauts safe and healthy in space for long periods of time, Lockyer said."

Fate Of Hubble Telescope To Be Announced Today. USA Today (10/31, 5A, Watson, 2.27M) reports that NASA Administrator Michael Griffin will announced today "whether the space shuttle will pay a service call to Hubble. If Griffin says yes, a flight to install two new scientific instruments, fix a third and upgrade telescope systems could launch as early as next winter. Despite the uncertainty, NASA engineers and astronauts have been quietly toiling on a plan to rescue the telescope. Space agency personnel have created new Hubble repair tools. They have outlined a rough mission schedule. And they have developed new repair techniques in hopes of fixing one of America's most cherished scientific instruments." The repair work itself is extremely delicate. Also, NASA "has added new safety precautions to every shuttle flight since shuttle Columbia disintegrated in 2003. Now every shuttle crew must spend an entire day in orbit inspecting the ship's thermal shield, a procedure that demands precious time and fuel. 'The biggest challenge … (is) how do we pack everything we need to do to assure a safe vehicle into a typical Hubble mission?' says astronaut Joseph Tanner, whose four shuttle flights included one to Hubble in 1997. 'It's not business like it used to be.'"

DHS, DOD Workers Brace For New Pay-For-Performance Systems. Under the headline, "Transition To Pay For Performance Makes Some Anxious," the Washington Post's (10/31, D4, Barr) "Federal Diary" column reports, "Many federal employees fear that as many tricks as treats lie ahead with their new pay systems." Bush "administration officials acknowledge that changes planned for two large departments, Defense and Homeland Security, have created a fair share of anxious employees. Some of that anxiety appears based on concerns that the new pay-for-performance systems could be manipulated to lower the government's payroll" and "pension costs" though the OPM, "which had a hand in designing the new systems" for DoD and DHS says, "that should not happen." The Post adds, "Under the new approach, the decades-old General Schedule, which provided predictable pay raises, will be replaced with the National Security Personnel System," and instead "of providing an across-the-board raise to all employees, as the General Schedule permits, the two departments will provide higher raises to their best workers and smaller or no raises to their low-rated employees."

Federal Government Decisions Said To Exacerbate DC Region Sprawl. The Washington Post (10/31, A1, MacGillis, 748K) reports, "As they battle sprawl, Washington area leaders say they face a stubborn foe, and it's not greedy developers or the tyranny of the automobile or the desire for big houses. It is the United States government. In scattering employees to the region's outer edges, local officials and planners say, the federal government has undermined efforts to concentrate growth near public transit and the area's urban core -- the strategy local officials see as key to reducing traffic and conserving resources in a booming region. The U.S. government, they say, has become a kind of master planner, making decisions, with little local input, that will shape Washington's commuting and development patterns for years."

OTHER NEWS:

Incomes, Savings Up Last Month. The New York Times (10/31, Peters, 1.21M) reports, "Americans' incomes rose last month at the quickest pace since June, but consumers did not respond by rushing out to splurge as gasoline prices fell from their summer peak. Instead, they spent at about the same pace and put more money aside. As a result, the nationwide personal savings rate came the closest it has in a year and a half to climbing out of the red." The Commerce Department "reported yesterday that personal income in September increased at a seasonally adjusted annual pace of 0.5 percent, compared with 0.4 percent in August. Personal consumption spending, meanwhile, rose 0.1 percent in September after a 0.2 percent increase in August." The net personal savings figure "improved in September to a seasonally adjusted annual pace of minus $15 billion, compared with minus $49 billion in August. And while Americans are still living richer lives than their paychecks can sustain, savings have not been healthier since May 2005. They have been in the red since the month before, in April 2005."

"Slowing Economy" Said To Have Pushed Oil Prices Lower. NBC Nightly News (10/30, story 6, 0:10, Williams, 9.87M) reported, "There is news on the economy tonight. It turns out a slowing economy had a big impact on the price of oil today. Crude dropped $2.39 today to $58.36 a barrel."

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Gasoline Prices Rise Slightly After Sustained Drop. USA Today (10/31, Healey, 2.27M) reports, "Gasoline prices are creeping back up after declining steadily for about three months. But there's disagreement about where prices go now. The U.S. average for a gallon of regular is $2.218, the U.S. Energy Information Administration said Monday, up 1 cent from last week." Fred Rozell of the Oil Price Information Service said, "I don't think we'll see any major increases until at least late February or early March. Numbers will hold steady or bounce between a fairly narrow range for a few weeks." But "EIA's latest fuel price outlook, published Oct. 10, isn't as optimistic. It forecasts an average of $2.29 for the current quarter. That means prices would drift back up about a nickel from the average $2.245 so far this quarter."

Economists Said To Be "Sharply Divided" On Whether Economy Is Recession-Bound. Under the headline ""Economists Sharply Divided On Where Economy Goes From Here," USA Today (10/31, Hagenbaugh, 2.27M) reports, "November marks the five-year anniversary of the end of the last recession and the beginning of the latest US economic expansion." But whether the USA will have another five years of economic growth without sliding into recession -- at least matching the record 10-year expansion that ended in 2001 -- is an issue that sharply divides economists." In a USA TODAY "survey of economists conducted Oct. 13-18, 24 said the economy will continue to expand for at least another five years. But another 24 said the expansion will likely be truncated by a recession sometime before November 2011."

Core Inflation Data Expected To Keep Fed From Raising Rates. The Wall Street Journal (10/31, Conkey, Walsh, 2.03M) reports, "A closely watched measure of consumer prices eased somewhat last month, but inflation remains a big question for Federal Reserve policy makers and the economy. The Fed's preferred inflation measure -- the price index for personal consumption expenditures excluding food and energy -- rose 0.2% in September after an upwardly revised 0.3% gain in August, the Commerce Department said. Compared with a year earlier, this measure of 'core' inflation was up 2.4% last month, less than the 2.5% pace in August." The Journal adds, "Despite the slight downtick last month, the annual increase in the measure of core inflation remains well above the informal range of 1% to 2% that Fed policy makers would prefer. At the same time, the economy's growth rate in the third quarter was considerably below normal." That combination, economists said, "will continue to keep the Fed from raising or lowering interest rates until it becomes clear which is a more serious threat."

Banking Group Urges Simpler Credit Card Disclosure Rules. In an op-ed in USA Today (10/31), Ed Yingling, president and CEO of the American Bankers Association, writes, "With credit cards practically a necessity in today's marketplace, it's critical that consumers know how to use them. That's why the credit card industry is engaged in an effort, spearheaded by the Federal Reserve, to simplify and humanize the language we use. More important, this effort won't consist of lawyers and regulators imagining how consumers might react. The new disclosures will be tested with real, live consumers." Yingling continues, "Simpler won't be easy. As a recent study by the Government Accountability Office (GAO) points out, the legalese in credit card disclosures results from issuers' need to meet statutory requirements and their desire to avoid being sued. … So, there's work to be done on the disclosures — and we're doing it. Credit card lenders fully support the Federal Reserve's effort to make disclosures easier to read and understand so that consumers can make informed decisions." Yingling concludes, "Credit card customers have never had more choices or lower interest rates than they do today. … Broader access to credit for more people at lower rates — we think that's progress."

Bush Says "Terrorists Win And America Loses" If Democrats Have Their Way. Media reports on President Bush's campaign visits to Georgia and Texas emphasize the enthusiasm of the crowds, and what analysts are portraying as rather abrasive Bush rhetoric intended to fire up the GOP base. AFP (10/31, Lozano) reports Bush "charged that 'terrorists win and America loses' if opposition Democrats win November 7 legislative elections dominated by the unpopular Iraq war." Said Bush, "If you listen carefully for a Democrat plan for success, they don't have one. Iraq is the central front in the war on terror, yet they don't have a plan for victory. … The Democrat approach in Iraq comes down to this: The terrorists win and America loses. That's what's at stake in this election. The Democrat goal is to get out of Iraq. The Republican goal is to win in Iraq." The Los Angeles Times (10/31, Gerstenzang, 918K) says Bush unleashed "some of his toughest campaign attacks this political season," as he "listed several key anti-terrorism measures opposed by Democrats, noting that when it came to eavesdropping on suspected terrorists, detaining them or trying them, members of that party 'just say no.'"

The New York Times (10/31, Stolberg, 1.21M) quotes Bush saying, "We will not run from thugs and assassins." It was "a moment when the president could defend his record in Iraq to thunderous applause." The Times adds, "The back-to-back rallies created just the image White House strategists are seeking for the president in the waning days of the campaign: that of a confident leader, surrounded by adoring supporters. The intent is to fire up the party faithful and push them to the polls to vote, but at times it seemed as if Mr. Bush was the one getting fired up. The president seemed to relish

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playing the game of political expectations, as he tweaked Democrats for measuring for new curtains in Washington too soon." Said Bush, "You might remember that around this time in 2004, some of them were picking out their new offices in the West Wing." Bush "paused to absorb the laughter and applause, then added dryly, 'The movers never got the call.'"

Bush also noted the recent gay marriage court ruling in New Jersey. The AP (10/31, Loven) reports Bush "has for months cast the midterm elections as a choice about just two issues: taxes and terrorism. Now, with polls predicting bleak results for Republicans, he is trying to fire up his party by decrying gay marriage." Said Bush, "For decades, activist judges have tried to redefine America by court order. … Just this last week in New Jersey, another activist court issued a ruling that raises doubt about the institution of marriage. We believe marriage is a union between a man and a woman, and should be defended." The line, says the AP, "earned Bush by far his most sustained applause at a rally of 5,000 people" in Georgia, "aimed at boosting former GOP Rep. Max Burns' effort to unseat a Democratic incumbent." A summarized version of the AP story on Bush's remarks on marriage appears on USA Today (10/31, 2.27M).

Like the AP, the Atlanta Journal-Constitution (10/31, Baxter, 399K) also says Bush "got his biggest response when he criticized the New Jersey Supreme Court for its decision last week opening the door to gay marriage or civil unions in that state." With Republicans "invoking Halloween images of what could happen if Democrats take over the House," Bush yesterday "focused on a section of the country that could help stave off a GOP nightmare Nov. 7: Georgia." Burns "faces Democratic Rep. John Barrow of Savannah in a district redrawn by the legislature last year to increase the odds for a GOP victory. Bush, who flew to Texas for more campaigning after the rally, will return Tuesday to Georgia, where he will speak at the Georgia National Fairgrounds and Agricenter in Perry for 8th District candidate Mac Collins." Democratic Rep. Jim Marshall "is the target in that race -- another where the lines were redrawn."

The Washington Times (10/31, Dinan, 88K), in a story titled "GOP Staples Restored To Bush Campaigning," says Bush "has started campaigning on conservative staples such as judicial nominees, border security and defining marriage as between a man and a woman -- themes that have been absent for most of the election season, but which he is now using to energize the party's base." Fox News' Special Report (10/30, Hume) said it was "a rare sight this campaign season, President Bush on the offense against a House Democrat" in Georgia.

NBC Nightly News (10/30, story 4, 0:15, Williams, 9.87M) briefly mentioned Bush's stop, "along with Sen. Kay Hutchinson, for the write-in candidate who is trying to replace delay who resigned earlier this year." The CBS Evening News did not report on Bush's appearances, but ABC World News (10/30, lead story, 3:10, Gibson, 8.78M) led its broadcast with the story, reporting Bush "will be out almost every day until election day, campaigning." ABC (Raddatz) added, "They are calling this a Texas victory rally. It would be hard to tell, given the enthusiasm of this crowd, that the President's poll numbers are so low. In Georgia this morning a crowd ecstatic to see the President. And the President pumped to deliver votes." Bush was shown saying, "We will win this election, because our priorities and our values do not shift with the latest political opinion poll or focus group." ABC also reported, "The President's stop in Georgia was in one of those rare spots around the country where a Republican…has a chance to take back a Democratic seat. And…in Sugarland, Texas, the district where Tom DeLay once ruled, Republicans write-in Republican candidate Shelley Sekula-Gibbs is in a fight to the finish with Democrat Nick Lampson. Tomorrow, the President travels to Georgia again, and later in the week, Montana and Nevada, where the strategy is the same. … In every one of these places, the President will deliver his new rallying cry, 'just say, 'no' to Democrats.' … But there are plenty of Republican candidates who have said, 'no' to George Bush, felling his presence, with the black cloud of Iraq hanging over him, can only hurt their chances. In Indiana, Representative John Hostettler, whose seat is vulnerable, is touting his opposition to the war."

The Houston Chronicle (10/31, Mack, Hanson, 535K) reports that in Sugar Land, Bush told "2,000 cheering Republicans…that they should 'bring your pencil' to the polls and write-in the name of Shelley Sekula-Gibbs to succeed Tom DeLay in the U.S. House." The Chronicle adds, "Most voters won't really need a pencil to cast write-in votes because they'll use electronic voting machines. If they write in the councilwoman's name, they'll turn a dial selecting the 18-letter name a character at a time."

Bush followed up his campaign appearances with an interview with Sean Hannity on Fox News' Hannity and Colmes (10/30). The President said he is confident Republicans will hold both houses because "most people, when they take a look at the candidates, and the positions of the candidates, realize that protecting this country and keeping this economy going are the two most important issues. And you can't protect the country if you retreat from overseas and you can't keep the economy growing if you raise taxes and that's exactly what the Democrats in the house would like to do."

Hannity asked him if a Democratic victory would "make the country more vulnerable, more susceptible." Bush responded, "I think if you don't think we are in a war, that you can't win the war. And I think a lot of the national Democrats believe that…Iraq is a distraction and not part of the war on terror. They have said so. And I strongly disagree. One reason I disagree is because Osama bin Laden feels like Iraq

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is a part of this war on terror. He has made it clear that he would like for us to leave before Iraq can defend itself or govern itself and sustain itself, so that he can have a safe haven from which to launch further attacks."

In the course of the interview, Bush also said, "The thing that amazes me is the Democrat party used to be the party of you know Harry Truman and John Kennedy and Franklin Roosevelt. People who understood that you need to confront problems so a generation of people could grow up in peace. You know, it sounds hike to me some of their leaders are becoming isolationists and that's dangerous. Some of our people are isolationist, by the way."

Under the headline "Bush Says 'America Loses' Under Democrats," the Washington Post (10/31, A1, Abramowitz, 748K) reports "Democrats reacted sharply to the latest White House attacks. Senate Minority Leader Harry M. Reid (Nev.) said Bush 'resorted to the same tired old partisan attacks in a desperate attempt to hold on to power.' House Minority Leader Nancy Pelosi (Calif.) said Bush is looking to retain a 'rubber-stamp Republican Congress that has done nothing to change our failed Iraq policy.'"

Poll Finds Race For DeLay's Old Seat Now A Statistical Tie. The Houston Chronicle (10/31, Mack, 535K) reports, "The Republican write-in effort to hold former Rep. Tom DeLay's congressional seat, once viewed as a long shot, has created a tight race, according to a Houston Chronicle-11 News poll. Thirty-five percent of respondents said they would vote for a write-in candidate, a statistical tie with the 36 percent support for Democrat Nick Lampson, according to the poll of more than 500 likely voters in the 22nd Congressional District. … One voter in four is still undecided." Libertarian Bob Smither, "the only person besides Lampson on the general election ballot, drew 4 percent support."

Democrats Seen As Unlikely To Radically Change US Policy On Iraq. The Christian Science Monitor (10/31, LaFranchi, 58K) reports, "In poll after poll, prospective voters name Iraq as the No. 1 issue in the upcoming midterm elections. So if voters tip one or both Houses of Congress out of Republican control, what impact would that have on the US war effort in Iraq and, more generally, on American foreign policy? … Don't expect too much, most experts say. For one thing, Democrats are not of one mind on what to do about Iraq. And while committees chaired by Democrats might hold more meetings and call more testifiers critical of some White House policies, Mr. Bush would still retain the power of the presidential bully pulpit. In addition, Bush's foreign policy in the second term has already evolved in a direction - away from unilateralism and toward greater cooperation - that suits both Bush's political opponents and moderates in his own party, some analysts say. For others, the differences between Bush and the Democrats on the big foreign-policy issues are really a matter of details and not starkly black and white."

Morris Urges Bush To Talk Less About Iraq, More About North Korea. Political analyst Dick Morris, during an appearance on Fox News' Hannity and Colmes (10/30) said President Bush "made a big mistake last week on Wednesday when he had that press conference about Iraq. What he needed to do was to focus attention on national and homeland security, and by talking about the war in Iraq, which would seem to be closely related issue, and he sees them as merged, he ultimately was talking about a thing people think he has failed on rather than something he succeeded on. The other thing that I think he has not done, which he should do in the next eight days, is talk about North Korea, North Korea, North Korea. Nobody thinks he is winning in Iraq. You have to realize that he is winning in North Korea."

Cheney Predicts A Democratic Victory Would Result In A "Massive" Tax Increase. Vice President Cheney, during an appearance on Fox News' Your World with Neil Cavuto (10/30), was asked to predict what will happen if a Democratic majority in congress fails to renew President Bush's tax cuts, Cheney responded, "Remember the way the law is written. The cuts that we put in -- we cut the rate on capital gains and dividends to 15%. We reduced the marriage penalty and increased the child credit, phase out the death tax. … Those will automatically go back again -- the higher rates will automatically kick backing…around 2010 in most cases. So, if congress does nothing…rates are going up." Cheney added that if the Democrats become the majority party there will likely be "a massive tax increase, and I think that would do a lot of damage to the economy…it would raise the taxes on the average American family by a couple thousand dollars a year." Cheney also said, "I think the economy is in great shape. I look at where we have come when you think that we had to weather a recession, followed by 9/11, followed by Katrina – one of the worst natural disasters in history. The economy has come through all of that in great shape. …. I am hard put to think how the economy could be much better. … Housing is a little soft right now. But I think the economy is in great shape and a lot of that is due to the policies that the president and the Republican congress put in place, specifically the tax cuts."

Larry Kudlow, on CNBC's Kudlow & Company (10/30) interviewed Cheney last night regarding issues of special interest to the investor class. During the interview Cheney noted that Republicans "have been very clear that we want to extend the tax cuts we put into place, and the 15% rate on dividends and capital gains, is absolutely crucial to the economy. And reducing the marriage penalty, increasing the child credit and reducing the death tax, all those things have been a vital part of our program. … My vote in the Senate is

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what passed the '03 tax package because it was in fact a tie vote and the Democrats overwhelmingly opposed the measures and we supported them. And as long as we're here you won't see legislation pass to raise those taxes. The fact of the matter is if we were not here and the Democrats were in control, then there would be a very real increase and a very real prospect of increased taxes."

Also during the Kudlow & Company (10/30) interview Cheney was asked why Republicans don't seem to benefiting from the recent stock market rally, and whether this reflects investors' preference for divided government, or, as Kudlow phrased it, "gridlock." Cheney replied that he believes the stock market "reflects the overall health of the economy and I like to remind people it is a Republican president and a Republican congress that put in place those tax cuts that, frankly, are at risk in this election. And if Charlie Rangel ends up as chairman of the Ways and Means Committee, he said as much, he doesn't believe there is a single one of the Bush tax cuts that ought to be extended. And I think would be bad for the economy. And I don't know if the stock market would like it. I don't think it would."

Bush Family Takes Increasingly Prominent Role In GOP Campaigns. McClatchy (10/31, Montgomery) reports President Bush's "wife, father, mother, at least two of his siblings and a nephew have all become surrogate campaigners in the runup to the Nov. 7 midterm elections. … 'They're getting to seem more like the Kennedys,' said Stephen Hess, a professor of media and public affairs at The George Washington University, recalling the election-time activism of another famous political clan. 'There is no question that, on any particular day, they're all out campaigning for somebody.'" McClatchy adds, "the most visible family member on the campaign trail is first lady Laura Bush, who's shed any remaining vestiges of her reluctance about campaigning to plunge headlong into the 2006 political season. As of late last week, the first lady had appeared at 51 political events and helped raised $16 million. … Similarly, Bush's parents, former President George H.W. Bush and former first lady Barbara Bush, have repeatedly ventured out of their hometown of Houston to help their party's cause. The president's brother, Florida Gov. Jeb Bush, is also working on behalf on GOP candidates. Others have offered more limited assistance. George P. Bush, the son of Jeb Bush and the president's nephew, has appeared on behalf of several Hispanic Republicans."

Hastert Has Made Few Campaign Appearances Since Foley Scandal Broke. The New York Times (10/31, Leibovich, 1.21M) reports House Speaker Dennis Hastert "is spending a lot of time in his district these days." Hastert "had planned to be on the road in October, campaigning for Republican House members. But most of those events were canceled after Representative Mark Foley's sexually explicit e-mail messages to House pages became public and Mr. Hastert was criticized as not doing more to stop them. 'Sure, it bothers you,' Mr. Hastert said in an interview in his headquarters. 'But I understand, if I've got 15 television trucks sitting outside my house, and I've got a helicopter looking in the window, you probably don't want to bring that into somebody else's district.'" The Times notes Hastert "still makes a few carefully selected visits. He traveled Thursday to northeastern Tennessee, where he campaigned for the Republican candidate in a district no Democrat has carried in more than a century. On Monday, he was in Texas and Oklahoma City, where he attended a fund-raiser for a Congressional candidate whose Democratic opponent promptly accused her of aligning 'herself with the disgraced leadership of the Republican Party.'"

GOP Claims Turnout Success In Early Voting In Several Tight Races. The Wall Street Journal (10/31, McKinnon, Lovley, 2.03M) reports Republicans "say they have some good news in early-voting statistics that suggest their voter-turnout machine is providing an edge in some tight races." If the "trend holds, it could mean that early voting is growing -- and continuing to benefit Republicans, who exploited the practice in the 1990s." But Democrats "contend that Republicans are exaggerating their successes so far, by highlighting a few races, while ignoring problems they are having in motivating their troops around the country. Democrats also questioned several specific Republican claims, while noting their own early-voting numbers show they are starting to catch up with their rivals in early get-out-the-vote efforts in battleground states such as Iowa." Several of the examples Republicans "cite are coming from states and congressional districts where they have some of their strongest local organizations. And despite the strength of the Republican turnout machine in the past few election cycles, it's yet to be seen whether Republicans can replicate isolated success stories across the electoral map in a tight election year." The Journal reports the races cited by the GOP include NM1, the Ohio Senate race, FL13 and FL16, and GA3. Democrats "questioned the Republicans' claims, particularly regarding New Mexico's 1st District. They said Democrats are almost even with Republicans in the number of absentee ballots cast so far in the area, suggesting that the incumbent party is struggling even in a district where its volunteer organization is regarded as one of the best in the country."

Democrats Play Catch Up In Microtargeting Strategy. The Wall Street Journal (10/31, A1, Dreazen, 2.03M) reports that in the "final week before the election, Democrats pushing to convert their lead in the polls into

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control of Congress are pinning their hopes of success on an increasingly common tactic for pumping up voter turnout: microtargeting." The technique "aims to identify potential supporters by collecting and analyzing the unprecedented amount of information now readily available -- from census data to credit-card bills -- to profile individual voters. Political strategists then tailor messages to entice those prospects to the polls, using the same methods marketers use to sell autos or aspirin to consumers." Microtargeting "could make the difference in important House and Senate races in states such as Minnesota, Ohio and Pennsylvania." Alexander Gage, "president and founder of TargetPoint Consulting, an Alexandria, Va., microtargeting firm that works for the Republican Party, estimates that successful microtargeting can bring congressional campaigns an additional 5,000 to 10,000 votes, a number that could be decisive in a House race." Democrats are "playing catch-up to Republicans, whose use of microtargeting in 2004 energized millions of new voters who backed President Bush." A "key player for Democrats is Copernicus Analytics, a small and little-known firm based here that made its name last year by helping to propel Democrat Timothy Kaine to victory in the Virginia governor's race. Big-money, Democratic-leaning clients from the AFL-CIO to Emily's List, a group that backs pro-choice female candidates, have enlisted Copernicus this election year." Focusing "on 29 races, Copernicus says it already has helped campaigns identify more than a million potential new supporters, a significant number given that many races in the closely divided nation are likely to be decided by thin margins."

Generic Ballot Edge Suggests Democrats Will Win House Seats. In an AP news analysis (10/31), Liz Sidoti says the Democrats' advantage on the generic ballot test in many polls suggests "Republicans are likely to lose House seats on Nov. 7," but "just how many seats — and whether the GOP sustains enough losses for Democrats to rise to power — is less clear." The "latest AP-AOL News poll showed 56 percent of likely voters said Democrats, while 37 percent said Republicans, a 19 percentage-point advantage less than two weeks before voters choose a new House. The gap was 10 percentage points in early October." Andrew Kohut of the Pew Research Center said, "The question traditionally has done a good job of measuring the popular vote, and the popular vote is a good predictor of the number of seats each party will win." The AP adds, "However, he and other analysts say, because congressional seats have been redistricted through the years to make Republican districts more GOP and Democratic districts more Democratic, there's less of a relationship between the popular vote and the exact number of seats won, which makes for somewhat unreliable forecasts." The AP report does not include a forecast of how many seats the GOP may lose.

Barone Says Midterm Outcome Unlikely To Create Long-Term Partisan Consequences. In a Wall Street Journal op-ed (10/31, A18), Michael Barone says, "If the Democrats are justified in preparing to change the drapes today, the questions to ask are: How enduring will be such a partisan switch? How much change in public policy will it accomplish? To the first question, the likelihood of an enduring partisan switch is not high -- if you believe the polls showing the leading Republicans, Rudy Giuliani and John McCain, walloping the best-known Democrats, Hillary Rodham Clinton and Al Gore, in 2008. Changes in public policy? Well, the lead item on the Democrats' wish list is to raise the minimum wage, a law first passed in 1938. Not exactly a new idea. I don't know what the results of the midterm elections of 2006 will be. But I doubt that they will have the sweeping partisan or policy consequences of the midterm elections of 1874 and 1894, or 1938 and 1994."

Network News Coverage Of Campaigns Said To Have Favored Democrats. In USA Today's "Media Mix" column (10/31), Peter Johnson reports, "Network news coverage has favored Democratic candidates in the midterm election, and the page scandal involving former congressman Mark Foley has been the main story line, drawing almost as much coverage as Iraq and terrorism combined, a new study finds." An analysis by the Center for Media and Public Affairs "of midterm election stories aired on the ABC, CBS and NBC evening newscasts Sept. 5-Oct. 22 found that 2006's coverage has been almost five times as heavy as in the 2002 midterm elections: 167 stories, compared with 35 four years ago." The study "found that three out of four evaluations of Democratic candidates' chances of winning — such as sound bites — were positive, compared with one out of eight for Republicans. Coverage has been dominated by two major themes: the effects of the Foley scandal, and the impact the Bush presidency is having on the party's congressional candidates." The Foley scandal "produced 59 stories alone, compared with 33 on Iraq and 31 on terrorism/national security issues." Director Robert Lichter said, "What's hurting Republican candidates is the media's focus on two non-candidates: Mark Foley and George W. Bush."

Midterm Campaign Ads Seen As "Most Negative" In Modern Times. The Christian Science Monitor (10/31, Feldmann, 58K) reports "experts say" the midterm election "is probably the most negative US election campaign in modern times. Nasty, misleading ads have been around for decades, and it's impossible to prove empirically that the 2006 campaign tops them all, but the wave of over-the-top claims has caught the attention of both casual

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observers and professionals." Evan Tracey, a campaign ad analyst at TNS Media Intelligence in Arlington, Va., said, "Politics has always been a contact sport, but it really does feel like the rhetoric has crossed a line. We've had ads with baby-crying noises from dumpsters, Playboy mansions, criminals coming over the border creating crime and mayhem. And that's the tame stuff." The Monitor adds, "Perhaps the most talked-about ad of this cycle took shots at Rep. Harold Ford (D) of Tennessee, who is running for the Senate. The ad - which ended with a blond, scantily clad woman saying, 'Call me' - was perceived by some viewers as racially motivated, since Mr. Ford is black and the woman in the ad is white." But as "distasteful as negative ads can be to the viewing public, many campaign experts defend them for their ability to provide useful information to voters." Brooks Jackson, director of the Annenberg Political Fact Check project, said, "There's nothing inherently wrong with negative advertising, if it's accurate." The Monitor adds, "Often, though, negative ads contain a kernel of truth that is distorted beyond the point of fairness." Between the "two House campaign committees, the Republicans are beating the Democrats in the race to the bottom. According to a report released last week on Factcheck.org, the NRCC so far this cycle has spent $41.9 million attacking Democrats and $5 million supporting Republicans - about 8 to 1 negative versus positive advertising. The DCCC has spent $18 million on attacks and $3.1 million on positive ads - a 5 to 1 ratio."

Each Of "Seven Worst Immigration Campaign Ads" Said To Come From Republicans. The Wall Street Journal (10/31, Rutkoff, Johnson, 2.03M) devotes its entire "Border Lines" column to the illegal immigration issue's impact on this year's midterm elections. The Journal notes that the New Republic Online features a "list ranking 'the seven worst immigration campaign ads,' which coincides with an editorial excoriating" the GOP, which is "the party behind each and every one. … 'The genre has several hallmarks,' TNR's editorial explains. 'It evokes a fear of lawlessness and a sense of growing social decay; it impugns opponents with a lack of patriotism (MITCHELL AGAINST ENGLISH LANGUAGE, reads the bottom of the screen in one of Representative J.D. Hayworth's ads3).'" Meanwhile, "All but the Hayworth ad, from Arizona, originate from states that are located far from the Mexican border."

Republicans Accused Of Debasing Political Campaigns. The Washington Post's E. J. Dionne (10/31, A21) writes, "this year's campaign will mark the moment when Republican leaders who govern in the name of conservatism turned definitively away from hope and waged one of the most trivial and ugly campaigns in our country's history. … My hope is that principled conservatives will rebel against those who are dragging their once forward-looking movement through the mud."

USA Today's DeWayne Wickham (10/31) claims Republicans "have dusted off their Southern strategy playbook" and are employing "subtle racism" as "a new twist on the more blatant appeals the GOP used to make to whites who were angered by the Democratic Party's embrace of the civil rights movement."

Republican Defectors Running In Key Races Against Former Colleagues. The Washington Times (10/31, Hurt, 88K) reports, "Call it the year of the former Republican. At a time of widely expected Republican losses in both chambers of Congress, a new breed of politician has emerged: former Republicans challenging Republican incumbents." Virginia Democratic Senate candidate James Webb is "most famous," but then "there's Tim Mahoney, a Florida Republican-turned-Democrat running for the seat of disgraced former Rep. Mark Foley." In New York, "former Republican Jack Davis is giving Rep. Thomas M. Reynolds one of the biggest challenges of his career. Mr. Davis, a multimillionaire businessman, says he wants to end illegal entry without granting amnesty, opposes higher taxes and wants to kill the death tax." In Florida's 13th CD, "former banker and former Republican Christine Jennings is running as a Democrat for the seat being vacated by Rep. Katherine Harris. She, too, is running on tax cuts and greater fiscal responsibility in Washington." All are "the kind of Democrats that Republicans have a difficult time hating. Hearing them explain why they left the Republican Party is like listening to voters today talk about why a growing number of them are tired of Republicans in Washington."

New Jersey Gay Marriage Ruling Could Benefit Republicans. McClatchy (10/30, Thomma) reports, "In the final stretch before Election Day, embattled Republicans feel as if they've received a gift from an unlikely donor: advocates of gay marriage." Republicans "think that last week's ruling by New Jersey's Supreme Court ordering equal rights for gay couples - seven of whom had sued for the right to marry - is re-energizing Christian conservatives, who had been losing interest in and passion for politics. Republicans predict that could draw more conservatives to the polls next week, especially in the eight states that will vote on proposed amendments to their state constitutions to ban gay marriage." The eight states "comprise Virginia, Tennessee - coincidentally two states with razor-close Senate races that could decide which party controls the Senate next year - Arizona, Colorado, Idaho, South Carolina, South Dakota and Wisconsin." Turnout among conservative Christians could also help the GOP candidate in Virginia's 2nd CD.

Democrats Making Inroads Among Evangelicals In Ohio. The New York Times (10/31, Kirkpatrick, 1.21M) reports Rep Ted Strickland, Ohio Democrat gubernatorial

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candidate "and former Methodist minister, opened his campaign…with a commercial on Christian radio vowing that 'biblical principles' would guide him in office. In his first major campaign speech, Mr. Strickland said 'the example of Jesus' had led him into public service. He has made words from the prophet Micah a touchstone of his campaign. Ohio, where a groundswell of conservative Christian support helped push President Bush to re-election two years ago, has become the leading edge of national Democratic efforts to win over religious voters, including evangelicals." The Times notes, "In 2004, 76 percent of white evangelical Christians in Ohio voted for" President Bush, but "in a recent New York Times/CBS News poll, 53 percent of the same voters approved of the president's performance, and 42 percent disapproved. … Strickland faces a Republican opponent, J. Kenneth Blackwell, who speaks just as openly about his evangelical faith, staunchly opposes abortion rights and same-sex unions and carries the endorsement of several nationally known Christian conservatives. But in a recent Quinnipiac University poll, Mr. Blackwell led Mr. Strickland among white evangelical voters by only three percentage points, which is within the margin of error."

Voters Disillusioned With Both Parties In Indiana. ABC World News (10/30, story 2, 2:30, Gibson, 8.78M) reported, "One of the earliest indicators" of how Democrats will fare in their effort to pick up 15 House seats to win a majority "will be Indiana. The polls close there early, and Republican incumbents are fighting to hold three seats there against strong Democratic challenges." ABC (Reynolds) added, "The voters' vocabulary in this Republican stronghold should give any incumbent pause. President Bush won the district by 13 points two years ago, but today," you "hear about Iraq all over." Worse for "the GOP is when Iraq isn't topic number one, corruption in the Congress is." Speaking with disillusioned Republican voters "all sounds practically like a commercial for the Democrats. Until you talk to a Democrat." A "bipartisan lack of answers, and an avalanche of attack adds. So no wonder why so were out here on a wet night to watch a high school football game. It's one contest they can cheer about."

AFL-CIO Targeting Southern Races. Bloomberg (10/31, Chipman) reports the AFL-CIO "is pushing into unfriendly territory -- the South -- in an effort to gain new political friends and help its Democratic allies win control of Congress." The labor group "has included contests in at least five states in the largely non-union South on its list of targeted races in the Nov. 7 midterm election, one that it says is vital to the future of organized labor." The AFL-CIO "says it's spending a record $40 million this year to defeat Republicans nationwide. The money is being used to mobilize some 13.5 million union members, affiliated workers and their families through door-to-door visits, phone calls, direct mailings and leafleting." But some political experts "as well as Republican critics, eying organized labor's shrinking membership and declining clout, question whether the AFL-CIO can deliver enough votes to make a difference." Dick Wadhams, "campaign manager for Senator George Allen, a Virginia Republican who is one of the AFL-CIO's targets," said, "Union leadership is so oftentimes out of touch with its members that it's actually immaterial what union leaders do."

Snow Campaigns For Talent In St Louis. The AP (10/31, Kabel) reports that Sen. Jim Talent "was in the St. Louis area Monday night for a fundraising event that featured White House spokesman Tony Snow. The stop at the St. Louis Hilton Frontenac was one of more than a dozen Snow is making for Republican candidates around the country ahead of the Nov. 7 elections." Snow said, "There's no reason to do politics unless it's to make a difference. … If you've got the right attitude, you can get a lot of stuff done. Jim's done that." Snow "spoke on topics ranging from energy policy to the war in Iraq and how the nation has changed since Sept. 11, 2001. He said the U.S. operation in Iraq is a chance to spread democracy."

Webb Leads Allen In Two New Polls. The AP (10/31, Lewis) reports a "new statewide poll Monday showed Democrat Jim Webb with a slight lead in next week's close Senate race against Republican incumbent George Allen." Among likely voters, "the former Republican was the choice of 50 percent of those surveyed while 46 percent favored Allen and 4 percent were undecided." The poll of 597 likely voters (+/- 4%), was conducted by Opinion Research Corp. for CNN over October 26-29. Among the 'larger sample of 904 registered voters, the results were about even, with 48 percent of the respondents backing Webb, 46 percent for Allen and 5 percent undecided." The poll is "the first to show Webb with an advantage in a mean and expensive campaign in once reliably Republican Virginia whose outcome could be pivotal in determining whether an embattled GOP can retain control of the Senate." While Webb supporters "crowed over the results, longtime Allen adviser Christopher J. LaCivita said the poll was skewed because half of it was conducted over the weekend." The AP adds the "latter two days of the survey, however, reflect two intensive days of news coverage of Allen's claim that selected sexually explicit passages in some of Webb's six gritty novels about war are demeaning to women."

The Washington Times (10/31, Bellantoni, 88K) reports that in a Rasmussen Reports poll, Webb leads Allen "for the first time." The poll of 500 likely voters (+/- 4.5%), conducted on October 29, shows 48% would vote for Webb and 46% would vote for Allen. Webb "leads with 51 percent to 46 percent for Mr. Allen when the results include 'leaners,' or

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undecided voters who are leaning toward one candidate. When leaners are included, 3 percent remained undecided."

Coalition Of Black Political Leaders Endorse Steele. The Washington Post (10/31, B1, Wiggins, 748K) reports on the front page of the Metro section that a "coalition of black Democratic political leaders from Prince George's County led by former county executive Wayne K. Curry endorsed Republican Michael S. Steele's bid for the U.S. Senate yesterday." The support "from Curry, five County Council members and others barely a week before Election Day reflects their continued disappointment that the Democratic Party has no African American candidates at the top of the ticket and a sense that the county is being ignored, officials said." Ron Walters, "a political science professor at the University of Maryland, said the endorsements could be significant." Walters said, "This is going to go through the black community like a rocket. It's going to be the talk of the county, the state, maybe even the nation." The Post adds the "politicians were joined at a news conference in Largo by about a half-dozen business leaders, including Ron Lipscomb, a trustee of the state Democratic Party."

The Washington Times (10/31, A1, Miller, Ward, 88K) reports the story on the front page, noting Curry said, "The [Democratic] Party acts as though when they want our opinion, they'll give it to us. It's not going to be like that anymore." Curry "and the lawmakers said Democratic leaders repeatedly have snubbed the black community and their county, noting the lack of party support for the Senate campaign of former National Association for the Advancement of Colored People chief Kweisi Mfume, who lost the Democratic primary to Rep. Benjamin L. Cardin." The Democratic ticket "lacks black candidates, they said, and candidates from Prince George's County, which is home to more than 320,000 registered Democrats -- the most of any jurisdiction in Maryland."

Santorum Aides Blame Predicament On National Climate. The New York Times (10/31, Toner, 1.21M) reports, "There is no better snapshot of the brutal political climate facing many Republicans in these final days than this: Senator Rick Santorum, the third-ranking Republican in the Senate, stubbornly behind in the polls, warning with anger and growing frustration that voters should not — must not, for their own good — reject him for his Democratic opponent, Bob Casey, the state treasurer." In a critique of "Casey's national security credentials, the Santorum campaign has run a television commercial that shows a mushroom cloud, missiles streaking through the air and the faces of North Korean, Iranian and terrorist leaders. It concludes, 'We just can't take a chance on Bob Casey.'" Santorum kicked off "the final stretch of his campaign with a series of speeches on 'The Gathering Storm,' offering a dark, Churchillian vision of the threats facing the United States — like the threats, he said, that faced England in the years leading up to World War II." But he "all but acknowledges that the national security issues that proved such a fundamental strength for the Republicans in 2002 and 2004 are far riskier for his party this year." Santorum's advisers "blame the national climate for his difficulties; in a state like Pennsylvania, which often leans Democratic, the plummeting popularity of President Bush and the Republican-led Congress was bound to hit hard. In fact, several Republican House incumbents are also fighting for their political lives in Pennsylvania this year." But Santorum's "own personality and political style have also played a role, political strategists and analysts say."

NBC Nightly News (10/30, story 5, 2:20, Reid, 9.87M) reported Santorum is "one of the Senate's most combative conservatives, leading the charge against abortion. Pushing Congress to intervene in the Schiavo case and nearly always supporting President Bush. This is a tough year for Republicans, largely because of the war in Iraq. That's why so many of them have put distance between themselves and President Bush on that issue. Not Rick Santorum. The war is too important, he says, to put politics ahead of principle." Sen. Rick Santorum: "You don't walk away from people because it's smart politically to do it. It offends me. I believe you stand up for what you believe in." Reid: "Democrats were so eager to beat Santorum, they tapped Bob Casey Jr., son of a popular former governor and an abortion opponent like Santorum. Casey's cultural conservatism has helped him maintain a lead of more than 10 points in the polls." Bob Casey: "This crowd is ready for a new direction." Reid: "Casey says Santorum's harsh partisanship has been his undoing." Casey: "What he has done is judge people and finger point and frankly lecture people. We don't need that any longer. We're tired of that."

Kean, Menendez Seek To Rally Base In Final Campaign Stops. The New York Times (10/31, Chen, Jones, 1.21M) reports Republican Thomas H. Kean Jr. "began the last full week of his campaign for the United States Senate by getting on his knees to be blessed by Korean-American pastors in Cliffside Park on Monday. Hours later and just eight miles away in another Bergen County town, he mingled with Italian-American firefighters and community leaders at Lodi Hose Company 2." Meanwhile, Sen. Robert Menendez "attended two events in the Democratic stronghold of Camden County. On Tuesday morning, he planned to be back in the same area for a breakfast with veterans accompanied by former Senator Max Cleland of Georgia, a Vietnam veteran who lost his legs in the war." With just "eight days until the election, this is the time

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when candidates in New Jersey pack their schedules with appearances all over the state, often from dawn until the dinner hour. And with most polls showing Mr. Menendez, the Democratic incumbent, holding a slight lead over his Republican opponent, both he and Mr. Kean are frequently hurrying through their lengthening schedules by sticking to the same issues and repeating accusations." But there is "a purpose in the seemingly frantic game of hopscotch from Camden to Lodi or Somerset to Asbury Park hinting at the strategy shaping the final days of the campaign. And geography, not surprisingly, is a major factor." For Kean, "that means a lot of time in such Republican strongholds as Morris County and some communities along the Jersey Shore as well as repeated forays to Bergen County, the state's wealthiest and most populous region, which is viewed as a battleground area." For his part, Menendez "plans to adhere to classic Democratic strategy by zeroing in on such urban areas as Camden, Essex and Hudson Counties, and appealing to ethnic minorities and organized labor, core party constituencies."

NYTimes Corrects Editorial On Timing Of Kean Donations. The New York Times (10/31, 1.21M) reports, "An editorial yesterday about the New Jersey Senate race incorrectly described the timing of donations to the campaign of Thomas Kean Jr. by executives of Horizon Blue Cross and Blue Shield of New Jersey. The checks were written for a fund-raiser for Mr. Kean that took place before the submission of legislation that maintained a tax exemption for the companies. Mr. Kean did not receive the money on the same day that he voted for that legislation. The reference was based on an article in The Star-Ledger of Newark that the newspaper subsequently corrected."

Despite Weak Opponent, Hutchison Seeks Strong GOP Turnout In Texas. The Dallas Morning News (10/31, Gillman, 500K) reports that for Republican Sen. Kay Bailey Hutchison, Texas "is a line in the sand. The nightmare isn't so much that she'll lose her own re-election bid, it's that the ill national mood will flip control of Congress." Hutchison said, "It is a tough year. It is a tough year because times are tough. Because you've got boots on the ground. As Margaret Thatcher once said to George Bush 41, now is not the time to go wobbly." The Morning News adds that although "most analysts expect her to cruise to a third term," Hutchison is "running hard, dashing across West Texas one day last week, exhorting Republicans in one city after another to get out and vote." It's a "message meant to fire up Republican loyalists, though it also seemed to validate their anxieties. Sure, they'll keep the Texas seat, but what about the House and Senate?" On the way to Midland, "an aide hands her a faxed copy of a Kerrville Daily Times story. Kinky Friedman voted for her. 'She is not without charms,' the independent candidate for governor told the paper." Hutchison will "write a thank-you, but her ballot will go to Gov. Rick Perry, her fellow Republican, whom she had thought about challenging instead of running for re-election."

NYPost Endorses Hillary Clinton For Senate, But Not Presidency. The New York Post (10/30, 608K) endorsed Sen. Hillary Rodham Clinton "for re-election to the United States Senate. Surprised? Well, so are we - a little. But, then, there really isn't much of a choice in this race." Clinton has "been a pretty good senator - popular with her colleagues and as productive as a first-term legislator from the minority party probably can be. Think of her as Sen. Pothole Redux (apologies to Alfonse D'Amato). Meanwhile, her positions on numerous issues - particularly involving national security - have been much closer to the political center than we would have expected." But "what about the White House?" We "think she's done such a good job these last six years that she'd do well to serve six more. If not 12. Re-elect Hillary. In 2012."

Harris Writing Book On Those Who Have "Wronged" Her. The Washington Post (10/31, C1, Copeland, 748K) reports Florida Senate candidate Katherine Harris "says she is writing a tell-all about the many people who have wronged her. This includes, but is not necessarily limited to: the Republican leaders who didn't want her to run, the press that has covered her troubled campaign, and the many staffers who have quit her employ, whom she accuses of colluding with her opponent. She is vague about what, precisely, makes her a victim, but she says she has it all documented." Harris said, "It's going to be a great book." The Post adds, "If it is, it may be one of very few things that go well for the two-term Republican congresswoman. Once beloved by the Republican leadership for her role in overseeing the 2000 recount that delivered the presidency to George Bush, Harris was snubbed by those old friends before the primary. Republican chieftains, considering her too polarizing to win a statewide race, tried to recruit others, and Florida Gov. Jeb Bush (R) said publicly that she could not win." The "way Harris sees it, a vast left- and right-wing conspiracy, encompassing both the 'liberal media' and the Republican 'elite,' is attempting to keep her out of the Senate."

Democrats Could Regain Control Of Majority Of State Legislatures. The New York Times (10/31, Johnson, 1.21M) reports, "More than 6,000 state legislative seats in 46 states are on the Nov. 7 ballot, and like the seismic state elections in 1994 and 1974 the cumulative impact of the outcomes could be immense, with Democrats possibly gaining control of a majority of state capitols for the

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first time in a decade." Most "significantly, the groundwork for redrawing Congressional districts after the 2010 census will be done under the 50 capitol domes, and the party in power will set the table for those discussions in ways favorable to its interests. Gains made this year, analysts say, will help give incumbents a leg up in the final elections leading up to the redistricting." If the Democrats "take control of a majority of the legislatures, which polls indicate could happen, women could also attain leadership positions in greater numbers, since Democratic women in state capitals outnumber Republican women by nearly two to one." One indication "of both parties' interest in the local races is the money that has been flowing into them." The Democratic Legislative Campaign Committee "plans to spend $9 million to $10 million on legislative races, up from $6 million to $7 million in 2004. Its counterpart, the Republican State Leadership Committee, has nearly doubled spending on state races, including for legislators, to $20 million." Republicans 'control both chambers in 20 states, Democrats in 19. One state, Nebraska, has a nonpartisan legislature, while the parties split control in the remaining 10 states." States to watch "on Election Day include Indiana, Iowa, Michigan, Minnesota, Nevada, Oregon, Pennsylvania, Tennessee and Wisconsin, where Republicans have narrow majorities in the lower house or senate. Democrats have narrow majorities in Colorado, Maine and Montana."

Democrats Poised To Win Majority Of Gubernatorial Races. The CBS Evening News (10/30, story 6, 0:15, Couric, 7.66M) reported, "While the polls indicate" California Gov. Arnold Schwarzenegger "will be back, in other states, some Republican candidates may, in fact, be on their way to getting terminated." CBS (Borger) added, "It may not be as sexy as regaining control of the House or the Senate, but for Democrats, winning a majority of governorships could be just as important. Right now, Republicans have the advantage with control of 28 states. The Democrats have 22. They need just four more to reach a majority. That's a real possibility with at least nine Republican states up for grabs." Gov. Bill Richardson, Chairman of Democratic Governors Association: "It's going to be probably a bigger loss for President Bush losing a majority of governorships than it is either the House or Senate." Borger: "Consider the battleground state of Ohio. In the last presidential election Republicans controlled the state's voting process. Democrats charged they didn't get an accurate count." Gov. Richardson: "This is why it's so important to win in these states and in big states like Ohio, like Pennsylvania, like Wisconsin."

District Attorney Says Probe Into Gibbons Assault Allegation Reopened. The AP (10/31, Nakashima) reports District Attorney David Roger said "authorities have reopened their investigation into a cocktail waitress' claim that a Republican congressman running for governor assaulted her in a parking garage after a night of drinking." Roger said "the case involving Rep. Jim Gibbons — which had been closed after the woman, Chrissy Mazzeo, dropped her complaint — is under investigation again." Mazzeo, "a Las Vegas Strip casino waitress, accused Gibbons, 61, of pushing her up against a wall Oct. 13 and propositioning her. Mazzeo, 32, said she had been pressured and offered cash from people linked to the Gibbons campaign to drop the complaint." Gibbons, who is "in a close race with Democratic state Sen. Dina Titus for Nevada's open governor's seat, has denied wrongdoing and sued Monday to force police to release surveillance videos he said would disprove Mazzeo's claim." Gibbons "led Titus 47 percent to 41 percent in a poll released Friday. Most of the polling took place after the allegations were reported but before Mazzeo held a news conference Oct. 25 to recount her version of the events."

Win Would Give Ehlich National Profile. The Washington Post (10/31, A1, St. George, 748K) reports after "20 years of pulling out victories at the ballot box -- young and on the rise in the state House and in Congress before his election as governor at age 44," Republican Gov. Bob Ehrlich "is now trailing his opponent, Baltimore Mayor Martin O'Malley (D), in an array of polls. But Ehrlich has come from behind before. This is the 16th contest of his political career. He has never lost." Matthew Crenson, a political science professor at Johns Hopkins University, said if Ehrlich wins, "his political profile will change markedly." As a "two-time Republican victor in a predominantly Democratic state, 'he will emerge as a figure in national Republican politics.'" The Post adds that if Ehrlich "loses, he will be thrust out of elective office for the first time since he was 28." Even "many of his critics say the 48-year-old governor is likable -- affable and unpretentious, the kind of guy who slaps backs, cracks jokes, talks sports. He has a strong streak of the Everyman." But they "also say the competitive edge that has helped him win football games and political campaigns has sometimes worked against him during his four years as governor."

Schwarzenegger Aides Said To Circumvent Gift Ban. The Los Angeles Times (10/31, Nicholas, 918K) reports, "After allowing his staff to accept tens of thousands of dollars' worth of gifts from business interests, Gov. Arnold Schwarzenegger is now worried about the appearance of a conflict of interest and has barred them from taking even a free cup of coffee. But the policy, stricter than state law, hasn't stopped the perks. Schwarzenegger aides over the last year have been given free tickets to Disneyland and San Francisco Giants baseball games; to Rolling Stones concerts

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and Sacramento Kings basketball games." Schwarzenegger chief of staff Susan Kennedy "sent a memo to the governor's aides in August explaining that by taking gifts, even if the law allows it, they could create a public perception that they have been compromised. … But the Spartan ethic comes with loopholes. Kennedy is scheduled to join lawmakers and state officials on a 12-day trip to South America next month that is sponsored by a tax-exempt group financed partly by energy companies and other businesses that lobby in Sacramento."

Angelides Calls For "Comprehensive" Immigration Reform. In a Los Angeles Times op-ed (10/31), Democratic gubernatorial candidate Phil Angelides says, "On Thursday, President Bush put his signature on a measure authorizing a new fence along 700 miles of the 1,952-mile-long border between the United States and Mexico. Funds for the fence may never be provided, and the fence may never get built. Regardless of its future, the fence legislation alone is no substitute for the kind of comprehensive immigration reform that California and the nation need." Such reform "starts with full funding for the strong border security provisions originally provided in the 2004 Intelligence Reform and Terrorism Prevention Act in response to the recommendations of the 9/11 commission. The act calls for at least 2,000 new, permanent border agents a year and 8,000 new detention beds a year for five years." Border control, "by itself, is not a solution." Immigration policy "must deal realistically with the major engine of illegal immigration: the economy's demand for immigrant labor. The federal government must enact rational and reasonable guest-worker programs that match immigrant workers with the nation's workforce needs. We need to end the shadow economy in which undocumented workers toil without regulation and without the protection of law."

States Seen As Taking Lead On Key Issues. The CBS Evening News (10/30, story 5, 4:25, Couric, 7.66M) reported, "California is leading the way in the battle against what's been called -- fairly or not -- a do-nothing Congress. In a CBS News/New York Times poll, two out of three Americans said this Congress has accomplished less than the House and Senate typically do. Now California is starting another trend saying, hey, if you can't handle it, we will." CBS (Hughes) added, "In northern California's Fourth District, Republican Congressman John Doolittle's own name points to his biggest problem. His challenger can't say it enough." Lieutenant Colonel Charlie Brown (RET), California candidate for Congress: "It's been a do-nothing congress and John Doolittle has done very little to change that." Hughes: "But Doolittle's home state has done a lot to change it. Trend-setting California is at it again, leading a host of other states in tackling ground-breaking issues the Federal Government won't touch. It began in 2004. When voters here thumbed their noses at Federal restrictions on embryonic stem cell research and approved a $3 billion initiative." Now, "six more states are following California, funding stem cell research the Feds won't. Here's another example: Global warming. As Washington argues and does little or nothing, California has passed the nation's most restrictive law on greenhouse gas emissions." Governor Arnold Schwarzenegger: "This will lead to us leading the way for other states and for other nations." Hughes: "And the list goes on, from prescription drug discounts to a new minimum wage that will rise to $8 an hour in 2008."

Hunter Announces Bid For GOP Presidential Nomination. The Los Angeles Times (10/31, Perry, 918K) reports Rep. Duncan Hunter, chairman of the House Armed Services Committee, "announced plans today to make a longshot bid for his party's 2008 nomination for president. Hunter said his campaign will feature the two issues that are his trademarks: support for the U.S. military and opposition to illegal immigration." The AP (10/31, Spagat) reports, "The declaration to form an exploratory committee allows the 13-term California congressman to begin raising money and organize supporters in early Republican primary states such as Iowa, New Hampshire and South Carolina. … He had not been on any list of potential 2008 candidates." The Washington Post (10/31, A3, Geis, 748K) reports Hunter "was a leader in the construction of a 14-mile fence along the U.S.-Mexico border south of San Diego, and he cosponsored legislation that President Bush signed last week to build 700 miles of additional fencing along the border."

NYC Elite Reportedly Expect Bloomberg Presidential Run In 2008. The Washington Post's Richard Cohen (10/31, A21) writes, "If you should happen to go to dinner here, the talk will inevitably turn to any one of the many presidential candidates the Empire State has to offer. … Increasingly…the hum is also about the politically audacious Michael Rubens Bloomberg, 44th on Forbes magazine's list of the richest Americans and, as it happens, the mayor of this fair city. He might also be running. I say 'might' because Bloomberg has gone from the firm 'no' he offered me some months ago to a more intriguing 'I'm considering it' that he offered someone I talked with recently. Indeed, among this city's moneyed, journalistic (not, alas, the same thing), entertainment, financial and other sorts of elites, there are always one or two at the table who say, with great solemnity, that they happen to know Bloomberg will indeed run for president as an independent."

Abstinence Programs To Target Young Adults As Well As Teens. USA Today (10/31, Jayson, 2.27M) reports, "The federal government's 'no sex without marriage'

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message isn't just for kids anymore. Now the government is targeting unmarried adults up to age 29 as part of its abstinence-only programs, which include millions of dollars in federal money that will be available to the states under revised federal grant guidelines for 2007. The government says the change is a clarification. But critics say it's a clear signal of a more directed policy targeting the sexual behavior of adults." Wade Horn, assistant secretary for children and families at the Department of Health and Human Services, "said the revision is aimed at 19- to 29-year-olds because more unmarried women in that age group are having children. … 'The message is 'It's better to wait until you're married to bear or father children,' ' Horn said. 'The only 100% effective way of getting there is abstinence.'"

Fortieth Anniversary Of Reagan's Election As Governor Of California Marked. The CBS Evening News (10/30, story 10, 2:15, Couric, 7.66M) reported, "At the hilltop Presidential library where Ronald Reagan is buried and his life is on display, his widow Nancy and political luminaries gathered today to celebrate the beginning. … The day 40 years ago when Reagan was elected governor of California."

Barnes Praises Edsall's Book On "Red America." In an op-ed for the Washington Times (10/31, 88K) the Weekly Standard's Fred Barnes writes, "If Tom Edsall isn't America's greatest political writer, he's close to it. … The first [test] is whether one who analyzes politics is willing to write against preference. Mr. Edsall is, and 'Building Red America' is a perfect example. He is a liberal, especially on social and cultural issues, who persuasively chronicles how Republicans have gained the upper hand in politics today and explains why Democrats, even if they defeat Republicans in the midterm elections on Nov. 7, are not poised to become the majority party again anytime soon."

LATimes Reporters' Book Examines GOP Dominance. The Christian Science Monitor (10/31, Pinkus, 58K) reports, "The new book "One Party Country: Republican Dominance in the 21st Century" examines the nuts-and-bolts of the way Republicans have been building this sturdy foundation aimed at achieving successive election victories. At a time when Republicans have not articulated a clear strategy in the Iraq war and have bungled the aftermath of hurricane Katrina, 'One Party Country' suggests that the immediate priority and long-range plan of the Republican Party is wrapped up in winning elections. With so much of the focus on electoral tactics, the offshoot is that governing the country takes a secondary role. … Written by two investigative reporters for the Los Angeles Times, Tom Hamburger and Peter Wallsten, this book shows the signs of incisive journalistic digging."

Newspapers Report Dwindling Circulation Numbers. The Wall Street Journal (10/31, B2, Steel, 2.03M) reports, "Nearly every major U.S. newspaper suffered circulation declines in the past six months, according to the newspaper industry's twice-yearly report from the Audit Bureau of Circulations, the latest confirmation of the difficulties facing the industry as readers flock to the Web and other outlets for news. Average daily circulation of the 770 newspapers reporting results to the ABC dropped 2.8% on a year-to-year basis during the six months ended Sept. 30, according to an analysis from the Newspaper Association of America, an industry-trade group. … The circulation report, which comes on the heels of several major publishers reporting weaker ad revenue for the third quarter, is likely to reinforce concerns among investors about the industry's prospects." The New York Times (10/31, Seelye, 1.21M) reports it "lost about 3.5 percent of its circulation both daily and Sunday. The Washington Post's declines were nearly the same. The Wall Street Journal's daily paper fell by less than 2 percent but its Weekend Edition, which comes out on Saturday, reported a 6.7 percent drop." The Washington Post (10/31, D3, Ahrens, 748K) reports the Los Angeles Times "lost 8 percent of its daily circulation -- the most of any of the nation's largest newspapers -- over the past six months, potentially lowering its value even as suitors line up to bid on its parent company."

Opposition To Gambling And Medical Marijuana Said To Cost GOP Votes. The New York Times' John Tierney (10/31) writes, "One of the G.O.P. Congress's few achievements this year was a law to crack down on Internet gambling, an industry that counted eight million American customers last year — about four times the membership of the Christian Coalition. The new law hasn't stopped the online gamblers from betting, but it will give them second thoughts about voting Republican. The Republican war on marijuana — the chief priority of the current drug czar — isn't playing any better in the heartland. More than 40 percent of people over the age of 12 have tried marijuana, and more than three-quarters of Americans support legalizing it for medical purposes. The White House and the Justice Department have had little luck in their attempts to stop states from legalizing medical marijuana, but they have succeeded in alienating voters.

US Cotton Subsidies Said To Impoverish Africans. The Los Angeles Times (10/31, 918K), in an editorial, writes, "A century and a half ago, the U.S. cotton industry fueled a booming trade in African slaves and indirectly helped spark the Civil War. One big difference between then and now is that although American cotton is still afflicting Africa, now the Africans suffer at home rather than

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here. Cotton is a staple crop for many West and Central African countries, where a difference of a few pennies in the price of a pound of fiber can mean the difference between deprivation and relative prosperity. And an explosion of U.S. cotton exports over the last decade, fueled by one of the most obscene corporate welfare programs this country has ever seen, has increasingly helped tip the scales toward deprivation over there. On Wednesday, trade ministers from four African countries whose economies are being savaged by U.S. cotton subsidies came to Washington to discuss the issue with U.S. Trade Representative Susan Schwab and Agriculture Secretary Mike Johanns. They left with little more than vague promises. President Bush, cowed by powerful congressional Republicans from farm states, has done nothing to stop a surge in agricultural subsidies during his administration."

Ahmadinejad Vows "Appropriate And Firm Response" To Any UN Sanctions. The AP (10/31, Karimi) reports Iranian President Mahmoud Ahmadinejad "warned on Monday that his country would respond with an 'appropriate and firm response' to any U.N. sanction over its nuclear program." The "hard-line leader" is quoted saying, "Efforts by the big powers will only incite anger and hatred. Iranian nation will respond to restrictive activities with an appropriate and firm response." Meanwhile, "key [UNSC] members were considering a draft European resolution that would impose punishing measures on Iran over its disputed nuclear program." Moscow and Beijing "have shied away from imposing punitive measures on their trade partner Iran, saying they prefer a diplomatic solution to the impasse. But the United States says the proposed sanctions are not tough enough. Russian President Vladimir Putin told Ahmadinejad [yesterday] that Moscow strongly favors further negotiations on Tehran's nuclear program, the Kremlin said." Also, IAEA head Mohamed El-Baradei "said at the U.N. that his organization has not been able to verify that Iran's nuclear program is peaceful."

Stephens Criticizes "Busheir Exception." Bret Stephens writes in the Wall Street Journal (10/31, A19, 2.03M), "Does the Bush administration seriously mean to give Iran a nuclear bomb? Look carefully at the confidential text of a forthcoming UN Security Council resolution, and the answer, it would seem, is yes. … Through diplomatic efforts spearheaded by Undersecretary of State Nick Burns, the administration is prepared to endorse a European draft of a UN resolution that imposes limited sanctions on the Islamic Republic for flouting its Aug. 31 deadline to stop enriching uranium." Stephens focuses its criticism of the resolution on "the Bushehr exception, so broad the Iranians could drive a truck through it -- or, to be more precise, a truck carrying 330 kilograms of reactor-grade plutonium. That's enough to make about 55 Nagasaki-type atomic bombs." Bushehr "is a light-water nuclear reactor that Russia began building for Iran in the mid-1990s over the objections of the Clinton administration. Ten years on, the billion-dollar facility is nearly complete: All that remains to make it operable is reactor-grade uranium, which Moscow promises to supply by next October. In a sop to the Russians, the draft resolution specifies that the prohibition on technology transfers to Iran 'shall not apply to supplies of items, materials, equipment, goods and technology, nor to the provision of technical assistance or training, financial assistance, investment, brokering or other services...related to the construction of Bushehr I.'"

US Leads Anti-Proliferation Maneuvers In Persian Gulf. The New York Times (10/31, Fattah, 1.21M) reports, "More than two dozen countries, including three gulf states, practiced intercepting and searching vessels suspected of trafficking in unconventional weapons in major military maneuvers on Monday that emphasized their coordination and willingness to aggressively block the spread of arms. The daylong exercise, about 20 miles outside Iranian territorial waters, seemed to signal to Iran, too, that a coalition of Western powers and neighboring states was intent on denying it access to nuclear, chemical and biological weapons, even on its doorstep." US "officials insist that the training exercise, planned since January, was not related to tensions over Iran's uranium enrichment activities." The Times says, "Iran warned the exercise's participants on Monday against acts that could destabilize the region. Military officials taking part in the exercise said that Iranian patrol boats came close to coalition ships in recent days, inspecting their activities and positions." Monday's exercise "was the first training maneuver in the Persian Gulf under the Proliferation Security Initiative, an American-led effort that seeks to coordinate and develop procedures for intercepting smugglers of unconventional weapons."

Bush Opposed To Japan, South Korea And Taiwan Getting Nuclear Weapons. The AP (10/31) reports, "President Bush said Monday he would oppose helping Japan, South Korea and Taiwan develop nuclear weapons to guard against any threat from a nuclear-armed North Korea. 'I think the less nuclear armament in the Far East, the better off the world will be,' the president said in an interview." Bush "said the United States should work closely with its allies in Asia on a missile defense system. 'Our missile defense systems are getting better and better because of the money that we have been spending over the past five years,' he said."

US General Says More North Korean Nuclear Tests Expected. The AP (10/31, Herman) reports the top US

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general in South Korea, Army Gen. B.B. Bell, said Monday that more nuclear tests "can be expected" by North Korea, and "stressed that US and South Korean forces could deter any aggression." Gen. Bell "didn't cite specific intelligence that another test was imminent, but said that could be expected in the future as part of North Korea's weapons program." The Washington Times (10/31, Salmon, 88K) Gen. Bell also "dismissed reports that his forces were preparing a pre-emptive strike on the North."

Report Accuses China Of Aiding North Korean Nuclear Program. The Washington Times (10/31, Gertz, 88K) says "China helped North Korea develop nuclear weapons and in the past year increased its support to Pyongyang, rather than pressing the regime to halt nuclear arms and missile activities, according to a congressional report." The "final draft report of the US-China Economic Security Review Commission also says that Chinese government-run companies are continuing to threaten U.S. national security by exporting arms to American enemies in Asia and the Middle East." The report "is based on public testimony and highly classified intelligence reports made available to its members and staff. It indirectly criticizes the Bush administration for failing to pressure Beijing into joining US-led anti-proliferation programs and calls for Congress to take action to force the administration to do more."

China May Be Using Oil To Press North Korea. The New York Times (10/31, Kahn, 1.21M), meanwhile, reports China "cut off oil exports to North Korea in September during heightened tension over North Korea's nuclear and missile programs," according to Chinese trade statistics. Calling it an "unusual move," the Times says there is "no clear indication that the September figures represent a policy shift by China." China did not announce a reduction in oil exports, and the Times says it "remains possible the statistics are an anomaly or that supplies were cut because North Korea did not need more oil in September." Chinese officials declined to comment.

US, Allies Launch Global Initiative To Combat Nuclear Terror Threat. The AP (10/31, Thorne) reports on the launching of the Global Initiative to Combat Nuclear Terrorism, saying, "the world's five leading nuclear powers and seven other nations kicked off a new program Monday aimed at keeping nuclear weapons beyond the reach of terrorists." Robert Joseph, the US Undersecretary of State for Arms Control and International Security, is quoted saying, "The concern is fundamental -- we must stop terrorists from acquiring nuclear weapons." Washington, Moscow, Beijing, London, Paris, Rome, Tokyo, Ottawa, Ankara, Canberra, Rabat and Astana "signed two agreements on common principles and 'terms of reference' that were not immediately made public after the start of the two-day meeting in Rabat." The AP adds, "While Russia and the United States have been at odds on how to rein in Iran's suspect nuclear program, the two countries combined to provide the impetus for this international effort to keep atomic arms from terrorist groups."

Bolton Says Syria, Iran Trying To Destabilize Lebanese Government. The AP (10/31, Lederer) reports Ambassador Bolton "accused Syria and Iran on Monday of trying to destabilize Lebanon's democratically elected government by violating a U.N. arms embargo." Bolton stressed that Syria's obligations to respect a UN arms embargo authorized by the Security Council in August "are particularly important as it is the one country other than Israel that borders Lebanon." He also called on Syrian President Bashar Assad "to abide by the commitment he made to Secretary-General Kofi Annan to support the resolution and the arms embargo."

Olmert Says Israel May Expand Gaza Military Operations. The New York Times (10/31, Myre, 1.21M) reports, "Prime Minister Ehud Olmert of Israel said Monday that the Israeli military might expand operations in the Gaza Strip in an attempt to halt Palestinian rocket fire, but that there was no intention to reoccupy the territory." His comments "came on another day of turmoil, in which Palestinian gunmen kidnapped a Spanish aid worker in southern Gaza and held him for several hours before releasing him, and a Palestinian militant was killed in northern Gaza in disputed circumstances."

Middle East Governments Await Post-Election Changes To US Policy. The AP (10/31, Reid) reports, "Arab governments are looking for change in U.S. policy in the Middle East after the midterm elections, hoping a politically weakened President Bush will talk with Iran and Syria, show greater interest in the Palestinians and find a way out of the crisis in Iraq. Israel too is watching for any sign of change in U.S. strategy — especially toward the Palestinians, Syria and Iran. … 'If the U.S. is going to help itself, its policy needs to change in the Middle East,' the Saudi ambassador to the U.S., Turki al-Faisal, said Monday in Washington. He urged the U.S. to start by pressing Israel to relinquish all occupied Arab land — and Jerusalem — to the Palestinians. Many Arab officials question, however, whether the Democrats have better answers to the region's problems. They consider the Democrats traditionally more supportive of Israel than the GOP is. Even as they eye the possible political upheaval in the United States, Arab countries like Egypt and Saudi Arabia are maintaining close ties to the Bush administration."

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Faisal Asks Washington To "Push" Tel Aviv Towards Peace Talks. AFP (10/31) reports Saudi Ambassador Prince Turki al-Faisal "firmly urged the Bush administration to push Israel into opening final peace talks with the Palestinians." He told the National Council on US-Arab Relations "that the United States was the only nation with the power to jolt the stalled international roadmap to Middle East peace into motion." AFP adds the Administration "has been less willing than many of its predecessors to engage in nuts and bolts peacemaking between Israel and the Palestinians -- despite calling for the formation of a Palestinian state."

Natsios To Brief Bush This Morning On Darfur. AFP (10/31) says President Bush "will meet his special envoy for Sudan, Andrew Natsios, [today] to get an update on efforts to end violence in Darfur, the White House said." The 9:00am meeting will "discuss the humanitarian crisis in the war-wracked Darfur region amid stalled attempts to bolster an international peacekeeping presence there." AFP says that discussion "comes roughly one week after [NSA Hadley, Secretary Rice and Assistant Secretary Frazer] held talks on Darfur at the White House."

Washington, Moscow Sign Agreement On Joint Military Operations. The AP (10/31) reports Marine Corps Gen. Peter Pace, chairman of the Joint Chiefs of Staff, said his Russian counterpart, Gen. Yuri Baluyevsky, Monday signed a cooperation agreement that "lays out plans for joint activities for the coming year," officials said. Details of the agreement were not disclosed.

Trade Deadline Missed, But Officials Say Deal Is Close. The Financial Times (10/31, Dinmore) reports the US and Russia are "close" to a bilateral trade agreement that would remove a big hurdle to Russia's entry into the World Trade Organization, "but Tuesday's self-imposed deadline will not be met," US trade officials said Monday. "Both sides believe we are close, and we fully expect to continue our close co-operation to reach an agreement," the USTR's office said. US trade officials, however, "would not say what issues remained unresolved" following a week of talks in Washington with Maxim Medvedkov, Russia's chief WTO negotiator.

European Commission Criticizes Turkey On Human Rights, Role Of Military. The Financial Times (10/31, Dombey, Schmid) reports, "Turkey's bid for European Union membership will be dealt a fresh blow next week when an official report will slate Ankara for failing to make enough progress on freedom of expression, curbing the use of torture and establishing civilian control over the military. The draft European Commission report, obtained by FT Deutschland, the FT's sister paper, comes at a particularly sensitive time, with EU officials struggling to keep the accession talks alive." The Times adds, "Some EU member states, including the UK, fear that the pro-European consensus within Turkey may be fragmenting, and that the debate within the union on future enlargement has had the effect of alienating Turks, rather than encouraged reform."

Rumsfeld Meets Turkish Counterpart. The AP (10/30) reports, "Defense Secretary Donald H. Rumsfeld thanked his Turkish counterpart Monday for NATO ally Turkey's support for the anti-terror operation in Afghanistan and the reconstruction effort in northern Iraq, the Defense Department said. ... Other items on the Rumsfeld-Gonul agenda included Turkey's support for the U.S.-sponsored Proliferation Security Initiative against the spread of weapons of mass destruction; the NATO summit scheduled Nov. 28-29 in Riga, Latvia; regional security, including arms sales and defense cooperation; and other NATO issues. Turkey has a major interest in the northern Iraq question, where Iraqis of the Kurdish ethnic group live."

UK To Regulate "Islamic Bonds." The Financial Times (10/31, Tett) reports, "Britain looks set to become the first western country to introduce a regulatory regime to support the domestic issuance of sukuk – so-called 'Islamic bonds', or those which do not pay overt interest." The move "is intended to ensure that companies in London can issue sukuk as easily as traditional corporate bonds, boosting the City of London's role in this fast-growing sector of the global capital markets. … The UK hopes to introduce the new framework to support the issuance of sukuk in London next year, via parliamentary legislation."

British Government Report Says Global Warming Could Devastate Global Economy. The Los Angeles Times (10/31, Murphy, 918K) reports from London, "A major study issued Monday concludes that without rapid and substantial spending, global warming will reduce worldwide productivity on the scale of the Great Depression, devastate food sources, cause widespread deaths and create hundreds of millions of refugees." The report, commissioned by the British government, "warns that failure to act could cost up to 20% a year in lost income worldwide. Acting now, however, could bring about meaningful control of greenhouse gases at an annual cost of 1% of global gross domestic product, it says." The Atlanta Journal-Constitution (10/31, Emling, 399K) notes the "600-page report by former World Bank chief economist Sir Nicholas Stern" predicted that "taking the steps needed now to reduce greenhouse gas emissions would cost about 1 percent of global GDP each year."

The CBS Evening News (10/30, story 7, 0:50, Phillips, 7.66M) reported, "Pay now or pay a lot more later is the report's stark conclusion. World economies, it says, must

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invest 1% of their GNP now to reduce global warming gases or it warn there is will be a planet wide slow down of 20% due to drought, floods, and general economic collapse. That's a catastrophe on the sale of the Great Depression of the 1930s. The British hope this new economic argument can do what the environmental argument hasn't: Convince skeptical governments in China and the US to act now as well."

The Financial Times (10/31, Adams, Harvey) reports, "Tony Blair, British prime minister, is set to use the review by Sir Nicholas Stern, former World Bank chief economist, to announce a dramatic change to his stance on environment policy by calling for a new treaty that could set binding targets for carbon emissions. In the past two years, Mr Blair has written off the prospect for signing a 'Kyoto II' treaty, acknowledging strong US opposition to any attempt to impose emission targets." But "he will now try and inject fresh life into stalled talks on a post-Kyoto agreement, believing that George W. Bush, US president, could back proposals early next year for an international 'cap and trade' market for carbon trading." Blair "will press Angela Merkel, Germany's chancellor, at a meeting in London on Friday to use her presidency of the Group of Eight richest nations next year to reach agreement on the key recommendations in the Stern report."

Under the headline "In Britain, All Parties Want To Color The Flag Green," the Washington Post (10/31, A18, Sullivan, 748K) reports Blair "warned Monday that the world is heading toward 'disastrous' and 'irreversible' climate changes. Meanwhile, David Cameron, the popular leader of the opposition Conservative Party, vowed to install a wind-power generator and solar panels at the prime minister's residence if he wins the office." Blair and Cameron "are rivals, but their shared outspoken devotion to fighting global warming…illustrates the unity among leaders across the political spectrum here on the dangers of climate change and, in the absence of US leadership, their apparent determination to make Britain a world leader on the issue." The Post adds, "In a clear reference to President Bush, Blair used a column in the Sun newspaper Monday to say, 'The case for action is the final piece of the jigsaw to convince every single political leader, including those in America, China and India, that this must be top of their agenda.'"

USA Today (10/31, Vergano, 2.27M) reports, "The report moves economic discussion of how humanity should deal with global warming to center stage, says Alden Meyer of the Union of Concerned Scientists in Washington, D.C., a science advocacy group." The report "is endorsed by such economic heavyweights as Nobel Prize winner Joseph Stiglitz of Columbia University." But "critics, such as statistician Bjorn Lomborg of Denmark's Copenhagen Consensus Center, suggest ills such as disease and malnutrition are potentially more costly than global warming."

The Washington Post (10/31, A18, Eilperin, 748K) also reports "some economists questioned the British study's projections," saying they "overestimated the impact of global warming on the world's economies, especially those of developed nations. At the same time, these critics said the report's assertion that it would cost only 1 percent annually of global GDP to curb climate change underestimated how much spending would be required. 'There's just a very small part of GDP" in industrialized nations "that's affected by weather in a direct or indirect way,' said Jerry Taylor, a senior fellow at the libertarian Cato Institute, which accepts some contributions from fossil-fuel companies. 'It's very difficult to sketch out this disaster scenario.'"

UN Data Show CO2 Emissions Still Rising. The Wall Street Journal (10/31, A6, Fialka, 2.03M) reports, "A United Nations agency said most industrial nations continue to increase their emissions of carbon dioxide and other so-called greenhouse gases thought to be warming the Earth's atmosphere, despite pledges under the Kyoto Protocol during the next six years to make a 5% cut." While "the shuttering of heavily polluting factories in the former Soviet Union and its satellites makes it appear as though industrial nations as a group reduced their emissions by 3.3% from 1990 to 2004," the agency "said that without that statistical blip, the US and most other industrial nations have increased their emissions by 11%."

Nicholas Kristof writes in the New York Times (10/31, 1.21M), "We know what is needed: a carbon tax or cap-and-trade system, a post-Kyoto accord on emissions cutbacks, and major research on alternative energy sources. But as the Times's Andrew Revkin noted yesterday, spending on energy research and development has fallen by more than half, after inflation, since 1979." The column concludes, "Melting glaciers and corroding pteropods aren't as sensational as a Congressional page scandal, or as urgent as the Iraq war. But they are just as scandalous. We have no responsibility greater than as stewards of our planet, and we're blowing it."

Mexican Protests Seen As "Morphing" Into Political Movement. The Washington Post (10/31, A15, Roig-Franzia, 748K) reports that after sending 4,500 federal police officers to quell protests in Oaxaca Sunday, Mexican President Vincente Fox Monday declared that "social order and peace has been restored." However, the Post says Fox's declaration "seemed out of sync with events on the ground." Although the standoff "began as a teachers strike, it has morphed into a political movement" as "an umbrella group with an ambitious mission of social and economic reform has taken over." The group, the Popular Assembly of the People of Oaxaca, or APPO, have "voted not to budge until the Oaxaca state governor, Ulises Ruiz, steps down." The AP (10/31, Stevenson), Los Angeles Times (10/31,

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Enriquez, 918K) and New York Times (10/31, Lacey, 1.21M), among other sources, also report on the situation in Oaxaca.

No Progress Reported In Sri Lanka Peace Talks. The Financial Times (10/31, Leahy) reports that relations between the Sri Lankan government and the rebel Liberation Tigers of Tamil Eelam, the two sides "have deteriorated so much" that during talks over the weekend in Geneva the two sides "could not agree even on this modest goal" of an "agreement on a schedule for more talks." The Times says that "for the long-suffering people of Sri Lanka, the news could hardly have been worse. There is little to stop the two sides intensifying their slide back towards full-scale hostilities under the guise of the island's four-year-old ceasefire agreement."

German-Polish Relations Worsen. The Washington Post (10/31, A15, Whitlock, 748K) reports, "It had already been a bad year for German-Polish relations, but things really soured this month when naval warfare between the two countries nearly broke out on the Baltic Sea. On Oct. 17, the Polish Coast Guard fired warning shots at a German tourist ship after it tried to evade inspection in the Polish port of Swinoujscie and made a run for the German border with three Polish customs officers on board." Although "[n]o one was wounded or killed," the incident "only added to a string of diplomatic slights, political insults and other indignities that have left Germany and Poland feeling more raw about each other than perhaps at any time since the end of World War II. Poles have been smarting for more than a year over Germany's decision to bypass their energy-dependent country by routing a major gas pipeline to Russia under the Baltic." Poles are also upset about "efforts by some Germans to sue for monetary compensation for property their families were forced to abandon after the defeat of the Third Reich" and "recent historical exhibits in Berlin that highlighted the hardships faced by millions of German refugees after World War II."

Berlusconi Indicted For Corruption. The Financial Times (10/31, Michaels) notes former Italian premier Silvio Berlusconi "and David Mills, his former lawyer, were on Monday ordered to stand trial on corruption charges by a judge in Milan. In a further deepening of the pair's legal woes, the judge accepted the prosecutors' request for a trial into allegations that Mr. Berlusconi paid Mr. Mills at least $600,000 after the lawyer had given favourable testimony at other trials of Mr. Berlusconi in the 1990s." Berlusconi "has been beset by allegations of wrongdoing in his business empire for years," and "has been convicted on some occasions but the convictions have either been overturned on appeal or annulled by statutes of limitations." The Times adds, "Whatever the outcome of the trial, people close to the Milan prosecutors admit that it is very unlikely that a conviction will stand and that either man will go to jail."

The AP (10/31, Barry) adds Berlusconi "has a long history of legal troubles linked to his business interests based in Milan. In past cases, he was either acquitted or cleared of the charges because the statute of limitations had expired. He has always maintained his innocence."

Pinochet Put Under House Arrest, Indicted On Torture Charges. The AP (10/31) reports former Chilean President Gen. Augusto Pinochet "was placed under house arrest and indicted for the first time on torture charges for abuses at a secret detention center where President Michelle Bachelet and her mother were once held, [Judge Alejandro Solis] reported Monday." He is charged "with one homicide, 35 kidnappings and 24 cases of torture at Villa Grimaldi, one of the most infamous detention centers in the early years of his 1973-1990 dictatorship. Pinochet's chief defense lawyer, Pablo Rodriguez, had said he will appeal Solis' ruling 'all the way to the Supreme Court if necessary. We will use all the legal means at our disposal.'" Pinochet "has been indicted on human rights charges several times before, but this is the first time he faces torture charges."

The Los Angeles Times (10/31, 918K), in an editorial, says that "whatever happens in these proceedings, it is clear that Pinochet, at this late stage in his life, is unlikely to be held accountable for his actions. What is more dismaying is the degree to which many in Chile continue to defend the general's brutal actions when he ran the country from 1973 to 1990. Indeed, it has taken accusations of financial improprieties to taint Pinochet, once hailed as an austerity-embracing, selfless anti-communist, in the eyes of Chilean conservatives. … We can only hope that the latest round of proceedings against Pinochet will allow some of his victims to testify against him, and thus may offer up a mirror for all of Chilean society to come to terms with its dark past.

World Bank Urges Caution Regarding Migrants' Remittances. The Financial Times (10/31, Lapper, Editor) reports, "The World Bank will on Tuesday urge policymakers to take a more cautious approach towards the development potential of remittances, the multi-billion dollar financial flows sent home by migrant workers in North America, Europe and Asia." In a report "analysing their significance in Latin America and the Caribbean, bank economists argue that remittances are not 'manna from heaven', that the benefits have been 'overestimated' and that associated social and economic costs in developing countries have not been taken into account."

Edwards Urges Strong US Role In Uganda. Former Sen. John Edwards writes in the Washington Post (10/31, A21, 748K), "At a moment of tremendous global

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hardship -- from the wars in Iraq and Afghanistan to the killing fields of Darfur -- it is rare to find hope. So when there is the possibility for peace, we must seize it. That's why one of the world's great tragedies, the conflict in Northern Uganda, deserves our attention. It is perhaps the worst humanitarian catastrophe to have gone practically unnoticed by most of the world. … To witness the ravaging of Northern Uganda is searing. But meeting its people inspires hope. During a recent visit, I went to the Palabek-Kal camp, where thousands have been crammed into a makeshift village. Hearing their stories of suffering and survival made two points abundantly clear: They are praying for peace every moment, and they expect the world community to do everything possible to help them achieve it. Their yearning was deeply moving, and their collective intensity and faith to build a better future in the midst of such hardship was powerful." Edwards adds that how the US acts toward Uganda, "and if and how we lead -- will send a message throughout Africa and the rest of the world about what America stands for. We must not sit idly by as Uganda's people strive for peace."

WPost Urges Lula To Tackle Reforms, Step Away From "Ruinous Populism." The Washington Post (10/31, A20, 748K) editorializes, "Luiz Inacio Lula da Silva overcame some formidable negatives to win reelection as Brazil's president on Sunday, including a squalid series of corruption scandals and a lackluster record of growth during the past four years by Latin America's largest economy. But the reasons for his victory are mostly positive. The former metalworker and union leader, universally known simply as Lula, has been able to mobilize millions of Brazil's poor, who previously were largely excluded from the country's developing economy and democracy. Many of those people have seen tangible improvement in their lives thanks to Lula's policies, which have lifted some 8 million people out of poverty in a country of 185 million." The Post urges Lula to "tackle the reform of the state, even while continuing programs for the poor. He has the opportunity to propel himself, and Brazil, into a position of leadership in Latin America by demonstrating how poverty can be addressed by sensible and sustainable policies rather than ruinous populism."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Launching A Journey They'd Never Imagined."
"A bishop's Divided House."
"Living Among The Dead."
"Resistance To Deadlines For Iraq Is Weakening."
"Governor's Ban On Staff Perks Isn't Perfect."
"It was the Joanne And Truman Show."

USA Today:
"Abstinence Message Goes Beyond Teens."
"The Case For D-Wade."
"The Case For LeBron."
"Feds May Mandate Sprinkler Systems."

New York Times:
"Spate of Bombs Sweeps Baghdad; Cleric Faults U.S.."
"Democrats Are Seen To Gain In Statehouse Races."
"U.S. Drops Bid Over Royalties From Chevron."
"A G.O.P. Leader And Star Struggles For Traction."
"In Son's Race, Father Sees Cuomo Comeback."
"Campaign To End Race Preferences Splits Michigan."
"In Boulder, Runners Gather In Guarded Isolation."

Washington Post:
"Bush Says 'America Loses' Under Democrats."
"In Baghdad, A Force Under The Militias' Sway."
"Who's That Pretty Pachyderm?."
"Agencies' Outward Migration Irks Officials."
"A Politician Who Thinks Like A Linebacker."
"Suspect and A Setback In Al-Qaeda Anthrax Case."

Washington Times:
"Black Democrats Support Steele."
"China Cited As N. Korea Backer."
"Raids Kills 80 At Pakistani School."
"Haunts To Avoid For Scaredy-Cats."
"Highflying Southwest Takes A Dive."

Detroit Free Press:
"Champion For Cause Is Uniting Enemies."
"Frightfully Political."
"U.S. Delphi Deals Phony."
"Battenberg Denies Guilt; Dawes Settles."
"Airport Pick-Me-Up."

Atlanta Journal-Constitution:
"Foes In Judicial Contest Go Dirty."
"Georgia Can Preserve GOP Grip, Bush Says."
"Tusk, Tusk, Is That The Way I Look?"
"Beloved Cookbook Regains Its Favor."

Houston Chronicle:
"Hutchinson Leads Radnofsky 2-To-1."
"Bewareed The Tiniest Blood Suckers."
"Truth Stranger Than Fiction."
"For $16 Million, Port Will Get A Makeover."

Story Lineup From Last Night's Network News:
ABC: Bush Hits Campaign Trail; Campaign 2006-Indiana; Iraq-American Death Toll; Iraq Sectarian Violence-Children; Missing American Soldier-Iraq; Al Qaeda Training School;

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Fast Food Healthier; Banning Transfats-New York; California Wildfires; Gallaudet Student Protest; Explaining The Titanic.
CBS: Iraq Changing Course; Iraq Sectarian Violence; Military Families-California; California Wildfires; States Taking The Lead; Campaign 2006-Governors Races; Global Warming; Fast Food Healthier; Gallaudet School Protest; Reagan's California.
NBC: Al Qaeda Training School Destroyed; Iraq-American Death Toll; Iraq War-Money Mismanagement; Bush Hits Campaign Trail; Bush Hits Campaign Trail; Pennsylvania Senate Race; Oil Prices; Stock Market; Fast Food Healthier; California Wildfires; Premature Babies Increase; Forced To Retire; Fallen Soldiers.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Bush-Midterm Campaigning; Iraq-US KIAs; Pakistan-Al Qaeda-Linked Training Facility, US Intelligence; KFC-Transfats; Iraq-Midterms; Federal Government-Adult Abstinence Training; GA-Bat Infestation.
CBS: Bush-Iraq; General Casey-Iraq; Iraq-US KIAs; Bush-Midterm Campaigning; Midterm Races; CA- Esperanza Wildfire; NASA-Hubble Announcement; VT-Syringe Attacks; Halloween Treats-Calorie Levels.
NPR: Baghdad-Car Bomb; Iraq-US KIAs; Iraq-Missing US Soldier; Pakistan-Protest Of Attack On Al Qaeda-Linked Training Facility; Bush-Midterm Campaigning; US Economy-Interest Rate Hikes; CA-Esperanza Wildfire; Jamaica-Investigation Of Former Pro Boxer's Death; Red Cross-Organizational Changes; Tokyo-Stock Market.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Attends a Georgia Victory 2006 rally. Georgia National Fairgrounds and Agricenter, Perry, Ga.

VICE PRESIDENT CHENEY — No public schedule.

LAURA BUSH — Speaks at a North Carolina Victory 2006 Rally, Western North Carolina Agriculture Center, Fletcher, NC; speaks at a Tennessee Victory 2006 rally, Meadow View Conference Resort and Convention Center, Kingsport, Tenn.; speaks at a Tennessee Victory 2006 rally, the Factory at Franklin, Franklin, Tenn.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: AFGHANISTAN-BUSINESS _ Representatives of major US corporations, development organizations, and government agencies convene for the US-Afghan Business Matchmaking Conference, kicking off the second Afghanistan Investment Support Agency U.S. promotional road show, ``Investing in Afghanistan: the Heart of Asia." Highlights: 10:30 a.m. Commerce Secretary Gutierrez speaks on US-Afghan commercial relations. Location: Four Seasons Hotel, 2800 Pennsylvania Ave. NW.

US-ARAB RELATIONS _ The National Council on U.S.-Arab Relations sponsors the 15th annual Arab-U.S. Policymakers Conference. Highlights: 9:15 a.m. Panel on the Gulf Cooperation Council. Panelists include Dr. Michael Collins Dunn, Editor of The Estimate and Editor of The Middle East Journal. 11 a.m. - 12:30 p.m. Panel on What Future for the GCC Region, moderated by Anne Joyce, editor, Middle East Policy and Vice-President and Board Member, Middle East Policy Council. Keynote speaker is Prince Turki Al-Faisal, Ambassador of Saudi Arabia to the United States of America. 12:30 p.m. Luncheon keynote address by Dr. Hussein Al-Athel, Secretary General, Riyadh Chamber of Commerce and Industry. 2 p.m. Conference adjourns. Location: Ronald Reagan Building, 1300 Pennsylvania Ave. NW.

US-RUSSIA _ 9 a.m. - 2 p.m. A group of leading scholars and policymakers from the United States and Russia discuss the deterioration of U.S-Russian relations over the past five years, Russia's use of energy as diplomatic pressure, how Russia's foreign policy is linked to the policies of economic and political recentralization inside the country, and what can be expected in the next two years as both Russia and the United States enter critical periods of presidential transition. Highlights: 1 p.m. Keynote Address: Thomas Graham Jr., National Security Council (off the record). Location: Wohlstetter Conference Center, 12th floor, AEI, 1150 17th St. NW.

LATINO VOTE _ 9:30 a.m. The National Association of Latino Elected and Appointed Officials' Education Fund releases an analysis of the Latino vote and its impact of the 2006 elections. Location: National Press Club.

JUDGES-POLITICS _ 10 a.m. David A. Schkade, University of California, San Diego, and Lisa M. Ellman, Mayer, Brown, Rowe & Maw LLP, holda news conference to discuss ``Are Judges Political? Location: National Press Club.

REDISTRICTING FORUM _ 10:15 a.m. News conference by the Campaign Legal Center, League of Women Voters, and the Council for Excellence in Government on the role of gerrymandered congressional districts in the 2006 elections, and the release of a report on redistricting reform, with Norman Ornstein of AEI, former Rep. David Scaggs, Nancy Tate of the League of Women Voters, and Trevor Potter of the Campaign Legal Center. Location: National Press Club.

MIDTERM ELECTIONS _ 11 a.m. - 12:30 p.m. George Washington University's Graduate School of Political Management hosts a panel discussion on the fate of the 2006 midterm elections, featuring leading political experts from both sides of the aisle and moderated by Christopher

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Arterton, dean of GWs Graduate School of Political Management. As campaigning draws to a close, the panel will focus in on the key races that will determine the outcome of Congressional control. Location: Room 2168, Rayburn House Office Building.

NORTH KOREA _ 12 p.m. Global Resource Services holds a briefing on NGO programs in North Korea. Location: National Press Club.

PRIVACY-MORALITY _ 12 p.m. Cato Institute book forum on ``Liberty for All: Reclaiming Individual Privacy in a New Era of Public Morality," with author Elizabeth Price Foley, Florida International University, and William A. Galston, Brookings Institution. Location: 1000 Massachusetts Ave. NW.

ANTI-AMERICANISM _ 5 p.m. The School of Advanced International Studies holds a program on anti-Americanism in Europe, with John Glenn of the German Marshall Fund and Andrew Kohut of the Pew Center for People and the Press. Location: Auditorium, 1619 Massachusetts Ave. NW.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: TUESDAY, OCTOBER 31, 2006 7:45 AM EST

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TERRORISM NEWS:

Suspect And A Setback In Al-Qaeda Anthrax Case (WP)

By Joby Warrick

The Washington Post, October 31, 2006

Scientist With Ties To Group Goes Free

In December 2001, as the investigation into the U.S. anthrax attacks was gathering steam, coalition soldiers in Afghanistan uncovered what appeared to be an important clue: a trail of documents chronicling an attempt by al-Qaeda to create its own anthrax weapon.

The documents told of a singular mission by a scientist named Abdur Rauf, an obscure, middle-aged Pakistani with alleged al-Qaeda sympathies and an advanced degree in microbiology.

Using his membership in a prestigious scientific organization to gain access, Rauf traveled through Europe on a quest, officials say, to obtain both anthrax spores and the equipment needed to turn them into highly lethal biological weapons. He reported directly to al-Qaeda's No. 2 commander, Ayman al-Zawahiri, and in one document he appeared to signal a breakthrough.

"I successfully achieved the targets," he wrote cryptically to Zawahiri in a note in 1999.

Precisely what Rauf achieved may never be known with certainty. That's because U.S. officials remain stymied in their nearly five-year quest to bring charges against a man who they say admitted serving as a top consultant to al-Qaeda on anthrax -- a claim that makes him one of a handful of people linked publicly to the group's effort to wage biological warfare against Western targets.

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Rauf, 47, has been under scrutiny in Pakistan since he was detained there for questioning in late 2001, according to U.S. and Pakistani officials who agreed to talk about the case for the first time. But officially he remains free, and Pakistan now says it has no grounds for arrest. Last year, in an acknowledgment of the impasse in its four-year joint investigation with Pakistan, the FBI officially put the case on inactive status.

"We will never close the door, but the chances of getting him into the United States are slim to none," said one U.S. intelligence official, who, like others, agreed to discuss the case on the condition that he not be identified by name.

The documents that first revealed Rauf's role were part of a large stack of papers discovered in a house after coalition forces overran an al-Qaeda base in Kandahar, in southern Afghanistan. He emerges from documents and interviews as one of the most intriguing, and in some ways most troubling, figures in an international investigation into al-Qaeda's biological weapons program.

With the evidence against Rauf, some U.S. officials say they are perplexed about why Pakistani authorities have refused to further pursue him, while acknowledging that the case presents both legal and political difficulties for Pakistan.

To terrorism experts, Rauf is a symbol of a dangerous convergence: a marriage of militancy and technical expertise that could someday yield new kinds of highly lethal weapons to be used against civilians.

"He was someone who at least understood the professional procedures and methods," said Milton Leitenberg, an expert on biological weapons with the University of Maryland's Center for International and Security Studies who reviewed the seized documents. "In theory, if he went in the laboratory and tried and tried, maybe he could have gotten it right."

Exactly how far al-Qaeda progressed with Rauf's help is not publicly known. No one has turned up any links between his work and the U.S. anthrax attacks, in which spores were mailed in letters to news organizations and U.S. Senate offices. Coalition forces discovered rudimentary laboratories in Kandahar but no evidence of bioweapons production. Yet both the White House and a presidential commission have hinted at additional findings suggesting that the terrorists were much further along than was first thought.

Last year's presidential commission on intelligence failures, led by retired judge Laurence H. Silberman and former senator Charles S. Robb (D-Va.), described al-Qaeda's biological program as "extensive" and "well-organized," particularly with regard to "Agent X," a pathogen that terrorism experts say was almost certainly anthrax.

"Al-Qaeda had acquired several biological agents possibly as early as 1999, and the necessary equipment to enable limited, basic production of Agent X," the commission said.

U.S. officials are even more reticent in discussing possible links between al-Qaeda's anthrax program and the 2001 U.S. attacks, which killed five people and briefly shut down the U.S. Capitol. Privately, FBI officials doubt that such a link exists. They note that the attacks came with an explicit warning -- a letter advising the victims to take penicillin, resulting in a far lower death toll -- but without an explicit claim of responsibility. "It doesn't fit with al-Qaeda's modus operandi," one intelligence official said.

Yet U.S. officials have been unable to rule out al-Qaeda or any other group as a suspect. Earlier this month, FBI officials acknowledged that the ultra-fine powder mailed five years ago was simply made and could have been produced by a well-trained microbiologist anywhere in the world.

Several leading bioterrorism experts still contend that the evidence points to al-Qaeda or possibly an allied group that coordinated its attack with the Sept. 11, 2001, strikes on the World Trade Center and the Pentagon. These experts point to hijacker Mohamed Atta's inquiries into renting a crop-duster aircraft and to an unexplained emergency-room visit by another hijacker, Ahmed Ibrahim A. Al Haznawi, for treatment of an unusual skin lesion that resembled cutaneous anthrax.

Whether or not al-Qaeda was involved, U.S. officials and bioterrorism experts agree on this: The alliance between the terrorist group and a little-known Pakistani scientist could have yielded disastrous results in time.The Quest for Anthrax

For all his expertise, Rauf was hardly the ideal candidate for helping al-Qaeda realize its ambition of making biological weapons.

The tall, thin and bespectacled scientist held a doctorate in microbiology but specialized in food production, according to U.S. officials familiar with the case. He had to learn about anthrax and other bioterrorism agents as he went along, slowing his progress considerably.

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"He could potentially do a great deal of harm because of his knowledge and skills," said one U.S. intelligence expert connected with the case. "On the other hand, he lacked the specific knowledge and training al-Qaeda needed most."

Exactly how he became acquainted with Zawahiri remains unclear. Rauf worked at the prestigious Pakistan Council of Scientific and Industrial Research in his home town of Lahore, and officials speculate that he may have crossed paths professionally with Zawahiri, a physician.

In any case, captured documents suggest a close collaboration between the two men as they sought equipment for a bioweapons lab.

"I hope my letter will find you in the best of health and circumstances by the God Almighty," Rauf writes to Zawahiri in one of three intercepted notes.

The heavily redacted notes and other documents were obtained from the Defense Department through the Freedom of Information Act after they were first described in the journal Science in a 2003 article by three researchers at the National Defense University. Rauf's name was redacted, but U.S. and Pakistani officials confirmed his authorship in interviews with The Washington Post. Rauf's name was first publicly associated with the documents by Ross Getman, a New York lawyer who maintains a Web site devoted to the 2001 anthrax attacks.

Rauf was a member of the Society for Applied Microbiology, an international professional organization based in Britain, and he appears to have used his membership to make contacts and arrange visits related to his quest. One note from Rauf was handwritten on the group's stationery, apparently while he was attending a 1999 scientific conference at Porton Down, Britain's premier biodefense research center in the southern city of Wiltshire.

Rauf, who writes to Zawahiri in occasionally faltering English, admits in one note to several setbacks. For starters, he had found a supplier who could sell him Bacillus anthracis -- the bacterium that causes anthrax -- but it was a harmless strain incapable of killing anyone.

"Unfortunately, I did not find the required culture of B. anthrax -- i.e., pathogenic," he writes to Zawahiri. He then describes a new attempt to acquire a lethal strain from a different lab.

In a later note he is more upbeat, telling his patron he had "successfully achieved the targets" and had "tried to solve technical problems of our work." He ticked off a list of items he had acquired or arranged to purchase, including respirators, a fermenter used for growing bacteria and vaccines to protect lab workers against accidental exposure.

Rauf also describes an unusual visit -- apparently as the guest of another scientist -- to a high-containment biological lab where dangerous pathogens such as anthrax are kept.

"I visited along with [the host] all the units . . . including the special confidential room in which thousands of cultures are placed," the note reads.

Another handwritten note includes a crude diagram of a biological lab, identifying how space should be allocated for major tasks such as animal testing and growing bacteria.

A recurring theme in the notes is money, or Rauf's apparent lack of it. He complains in one note that his salary was cut while he was on leave from his job for postdoctoral research. "This is highly objectionable, unaffordable and unpracticable with me," he writes.

Rauf's money demands may have led to a falling-out with Zawahiri, who appears to have decided to explore other options for obtaining bacteria and lab equipment, said Rohan Gunaratna, an al-Qaeda expert with the Institute of Defense and Strategic Studies in Singapore.

Gunaratna said al-Qaeda leaders also collaborated with Yazid Sufaat, a member of an allied Southeast Asian group called Jemaah Islamiyah, in purchasing equipment for the Kandahar lab. Sufaat, who once studied chemistry at California State University at Sacramento, has been in custody since late 2001.

"Rauf was financially driven, and al-Qaeda didn't entirely trust him," Gunaratna said.Investigation Breaks Down

Rauf's detention kicked off a joint U.S.-Pakistani investigation that at first was remarkably successful.

"There was great cooperation at the start," said one U.S. intelligence official who closely followed the case.

The FBI's New York office took the lead U.S. role, and its agents worked closely with the CIA and bureau officials in Pakistan in carrying out interrogations. Though not formally charged with any crimes, Rauf consented to questioning and

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provided useful leads, U.S. and Pakistani officials said. But problems began when the U.S. side sought to expand the investigation with the goal of pursuing criminal charges, including possible indictment and prosecution in the United States, officials from both countries confirmed.

In earlier cases, the Pakistani government incurred the wrath of Islamic leaders when it sought to prosecute professionals for alleged ties to al-Qaeda.

In 2003, the Pakistanis shut off U.S. access to Rauf. According to Pakistani officials familiar with the case, there simply was not enough evidence showing that he succeeded in providing al-Qaeda with something useful.

Since then, Rauf has been allowed to resume his normal life. Whether he has returned to his former workplace is unclear; officials at the research council declined to respond to requests for information about the scientist. Attempts to contact Rauf in Lahore were unsuccessful.

"He was detained for questioning, and later the courts determined there was not sufficient evidence to continue detaining him," said Tariq Azim Khan, Pakistan's information minister. "If there was evidence that proved his role beyond a shadow of a doubt, we would have acted on it. But that kind of evidence was not available."

Special correspondent Kamran Khan in Karachi, Pakistan, contributed to this report.

The Terror Suspect Who May Go Free (TIME)

By Bruce Crumley

Time, October 31, 2006

On the face of it, Abu Doha would appear to be the sort of case for which the U.S. offshore detention system was created. The 40-year-old Algerian militant is alleged by counter-terror officials to be a Qaeda-aligned terror kingpin and suspected of involvement in a number of plots around the world, including the "Millennium Bomb" plot aimed at Los Angeles International airport in 2000. Yet, as things stand, Abu Doha looks set to be freed from prison in Britain and deported on immigration violations, after the U.S dropped its bid to extradite him over the LAX plot.

The prospect of his going free troubles security officials on both sides of the Atlantic, and leaves some bewildered by Washington's decision to drop its case against him. British authorities say they don't have sufficient evidence to try Doha, and plan instead to deport him to his native Algeria. What happens then? "Either Doha is left free to do as he pleases, and probably one day vanish to resume his plotting work," says a French counter-terror official. "Or the Algerians cite some pretext for arresting and jailing him, and ensure he's not a threat to anyone."

Doha (a.k.a. "The Doctor," Rachid, Amar Makhlolif, and Didier Ajuelo) was arrested in February 2001 while trying to travel from London to Saudi Arabia on a fake passport. Six months later, the U.S. filed an extradition request after a Federal grand jury indicted Doha as a co-conspirator in the LAX plot, based on evidence and an affidavit signed by would-be bomber Ahmed Ressam that Doha had overseen the attempted attack. "[Doha] actually moved Ressam from Afghanistan back to Canada" to plan and execute the Millennium bombing, explains a senior U.S. intelligence official. But after initially sharing his knowledge of terror networks, Ressam ceased cooperating with prosecutors sometime in 2003 — and even after two years of coaxing and cajoling, claims to have "forgotten" the information he'd earlier provided.

In August, 2005 — shortly after Ressam was sentenced to 22 years in prison — U.S. officials withdrew the Doha indictment, explaining that "Ressam's testimony would have been an essential part in the Government's evidence at trial against Abu Doha."

Even though Ressam refused to testify in court, the fact that he had spilled the beans on Doha and evidence pointing to Doha's role as a Qaeda recruiter raises questions over the U.S. decision to drop the extradition request — particularly if the consequence of doing so is that Doha will go free. With no terror related charges pending, Doha faces an immigration hearing in early 2007 that may end with his deportation from Britain. In Washington, officials at the U.S. Departments of State and Justice, as well at the CIA, refused to comment on Doha's case. (Each referred TIME to the other departments for an answer as to how the U.S. could lose its purchase on such a major alleged terror suspect.) Says one European security official with long involvement in the investigation of Doha's activities, "There is something strange about this case."

U.S. officials are certainly aware of the danger of Doha being turned loose. "There's concern about what he'll do," says the U.S. intelligence official. "After he's released, he'll probably return to his old friends. Anybody who's been engaged in a potential

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plot against us — and who we believe will return to being engaged with the same group that he was beforehand — would cause some problems."

French and U.S. officials concur on a picture of Doha's activities during the 1990s that included serving as al Qaeda's coordinator for Europe, and recruiting scores, perhaps hundreds, of young Muslims into clandestine network, sending many for training in Afghanistan at a specially designated camp,

Although France, Italy and Germany had evidence tying Doha to specific plots, they refrained from making their own extradition requests once the U.S. had signaled its intention to put Doha on trial. But now that the U.S. case has been dropped, it's too late for the Europeans to step in, because the cases in which they would have charged Doha have already been tried, and can't legally be reopened without new evidence against him.

The French are incredulous at the prospect of Doha going free. "How can you have Abu Zubaydah, Khaled Sheikh Mohammed, and who knows how many low-level fighters in secret camps and let someone of Abu Doha's stature free by deporting him?" the French counter-terrorism official asks. "It's incomprehensible that someone with his profile will be deported to freedom and allowed to resume his activities."

So incomprehensible, in fact, that some suspect it won't be that simple. In light of Algeria's traditionally ruthless treatment of Islamist militants, Amnesty International warns that Britain may be sending him home to face abuses. "If Abu Doha is deported as planned, he faces grave danger of detention and torture in Algeria," says an Amnesty spokesman in London, who says at least 12 specific cases of alleged secret detention and torture in Algeria have been reported to his group since 2002. In August, a British court ruling struck down challenges to such deportations on human rights grounds, citing Algeria's recently-applied Charter For Peace and Reconciliation — which offers pardons to security force members and surrendered radicals responsible for violent crimes — as a guarantee of fair treatment for deportees. Amnesty mocks that decision and its application in the Doha case, given British officials' own description of Doha as an active security threat rather than the repentant jihadist that Algiers might pardon.

Doha's attorneys are fighting his deportation, but did not respond to multiple requests to comment on the allegations made against their client by counter-terror officials. British Home Office officials would not comment beyond confirming that Doha's deportation case is based on an "immigration violation." Amnesty International fears a darker agenda. "The government claims Abu Doha is a security threat, yet can't convict him of anything here — so they send this dangerous man to what one might presume would be freedom in Algeria," the Amnesty spokesman says. "It's very difficult not to wonder if this is being done with the prior knowledge that Algeria will be interning and perhaps interrogating Abu Doha on behalf of the U.S. or U.K."

Padilla: Dismiss Charges (MH)

By Jay Weaver

The Miami Herald, October 31, 2006

Jose Padilla, the former enemy combatant now accused of joining a suspected South Florida terror cell, says a federal judge should throw out an indictment against him because he was ``tortured by the United States government without cause or justification."

Padilla -- a U.S. citizen who called Fort Lauderdale home during the 1990s -- claims he was so mistreated in military detention by interrogators that prosecutors should be barred from trying him on terrorism charges in Miami federal court.

On Monday, the U.S. attorney's office was given until Nov. 13 by the presiding judge to respond to Padilla's allegations.

Padilla claims he was isolated in a tiny cell around the clock, deprived of sleep on a steel bunk with no mattress, shackled and manacled for hours on end, and threatened with being cut with a knife and having alcohol poured on the wounds. He also claims he was given drugs against his will -- believed to be LSD or PCP -- ``to act as a sort of truth serum during his interrogations."

Padilla's allegations in court papers mark the first time he has given his account of his detention in a U.S. Navy brig in South Carolina from June 2002 until December 2005. Padilla, 36, had been in the Middle East allegedly training with the al Qaeda terrorist group before his arrest by the FBI in the United States on May 8, 2002.

NO EVIDENCE CITED

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Padilla provides no evidence to support the allegations contained in a federal court motion filed this month, though his legal team has gathered details of his military detention. He was transferred to the Federal Detention Center in downtown Miami in January.

President Bush dropped Padilla's designation as an enemy combatant almost a year ago after administration officials accused him of plotting to detonate a radiological "dirty bomb" on U.S. soil. No formal charges were filed. Padilla's bid to challenge his military detention was not taken up by the U.S. Supreme Court.

Now that Padilla is in federal custody, he is trying to prove to U.S. District Judge Marcia Cooke that the government's conduct during his military detention was so "outrageous" that his constitutional rights were violated. That should be grounds for dismissing the Miami indictment against him, he argues.

The indictment alleges that he and two other Muslim men were part of a North American terror cell that conspired to provide material support -- money, recruits and other resources -- for terrorist activities abroad.

Padilla's attorneys -- Michael Caruso, Anthony Natale, Orlando do Campo and Anthony Patel -- concede that his bid for freedom is a formidable challenge.

APPEAL POSSIBLE

The government's prosecution of Padilla and his two co-defendants has not gone as smoothly as first envisioned by Bush administration officials. The trial, set for Jan. 22, might be delayed while Miami prosecutors appeal Cooke's dismissal of the first count in the indictment, which alleged that Padilla and two others ``conspired to murder, kidnap and maim persons in a foreign country . . . to advance violent jihad."

Cooke's ruling -- if it stands -- effectively eliminates the possibility of life sentences for the three defendants. If Padilla, Adham Amin Hassoun and Kifah Wael Jayyousi are convicted on the remaining terror charges, they could face up to a maximum 15 years in prison.

Hassoun, the alleged ringleader, got to know Padilla at Fort Lauderdale-area mosques during the 1990s and is accused of recruiting him for jihad overseas.

NYC Terror Trial Likely In Spring For Musician, Doctor, 2 Others (AP)

By Larry Neumeister

AP, October 31, 2006

NEW YORK (AP) — A judge on Monday refused to toss out charges against a musician, a doctor and two other men accused of supporting terrorists, even though defense lawyers argued they had been unfairly targeted for prosecution.

U.S. District Judge Loretta A. Preska rejected claims that the men were snared through entrapment and outrageous conduct by an overzealous government beginning in late 2001.

She said evidence in the case could be viewed as showing the men had made statements and taken actions making them "predisposed to commit these crimes" even before the government sent a confidential informant to record their conversations and gather evidence.

The judge said a trial will begin in April or June for Dr. Rafiq Abdus Sabir, of Boca Raton, Fla., jazz musician and martial arts expert Tarik Shah, of New York, bookstore owner Abdulrahman Farhane, of Brooklyn, and Washington, D.C., cab driver Mahmud Faruq Brent, of Gwynn Oak, Md.

An indictment in the case accuses Farhane and Shah of conspiring in 2001 to help an FBI cooperating witness send money to aid Islamic militants fighting Americans in Afghanistan.

Brent was accused of conspiring to help Lashkar-e-Taiba, which the United States designated a terrorist organization in December 2001. Prosecutors said Sabir, who was educated in the Ivy League, agreed to treat holy warriors, or jihadists, in Saudi Arabia.

All the defendants have pleaded not guilty and are being held without bail. Prosecutors, who had no comment on the judge's ruling Monday, have said evidence in the case includes information taken from the computers of the defendants, firearms, videotapes and taped conversations.

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Sabir's lawyer, Edward Wilford, said the doctor only promised to provide medical treatment and there was no difference between what he wanted to do and what volunteers for Doctors Without Borders or the American Red Cross do.

"He's willing to provide medicine; that's what a doctor does," said Wilford, who also filed a motion to dismiss the charges against his client based on that argument.

The judge said she would rule later on that motion.

Families for the defendants attended the morning-long proceeding and brought along some of their small children, who made enough noise in the courtroom to attract smiles and laughter from the defendants, who sat handcuffed in the jury box.

As the defendants entered and left the courtroom, they waved, smiled and called out to friends and family members, who did the same.

Doctor's Alleged Pledge Is Crux Of Terror Case (NYS)

By Joseph Goldstein

New York Sun, October 31, 2006

Rafiq Sabir, a Columbia University-trained doctor, has been kept in solitary confinement since he was arrested last year on charges that he swore fealty to Osama bin Laden in the presence of an undercover FBI agent.

Yesterday, in U.S. District Court in Manhattan, attorneys debated whether the unusual pledge Dr. Sabir allegedly made — an offer to treat wounded jihadists in Saudi Arabia — constituted a crime. The argument covered topics ranging from the Hippocratic Oath to the statute on material support of terrorism.

Dr. Sabir, of Boca Raton, Fla., is one of four men charged in a wide-ranging conspiracy to aid Al Qaeda and send money to jihadists in Afghanistan and Chechnya. The case is scheduled for trial sometime next year.

Dr. Sabir's attorney, Edward Wilford, told the judge, Loretta Preska, that the defendant should not be prosecuted over the alleged pledge because a doctor has a right to help patients recover.

"It's not as though he's setting up a laboratory somewhere trying to find a way to make jihadists stronger," Mr. Wilford said. "Does it make sense to have a statute that stops doctors from treating people?"

Judge Preska said a ruling on whether to dismiss the charges against Dr. Sabir would come later. She expressed skepticism at Mr. Wilford's criticism of the law.

Whether the law makes sense "is a policy question" better left to Congress, Judge Preska said.

Judge Preska also did not seem swayed when Mr. Wilford pointed out that the material support of terrorism statute contains a specific exemption for providing medicine. Judge Preska seemed to interpret the exemption as pertaining only to pills and drugs, not medical care.

"It says medicine," Judge Preska said. "It doesn't say medical support or personnel."

The prosecutor in the case, Karl Metzner, said Dr. Sabir's pledge to aid wounded Al Qaeda operatives "was a completely different scenario" than the example of a doctor on call who treated a wounded jihadist who came to him looking for medical attention.

Sens. Look For Supermax Fix (DENP)

By Erin Emery, Denver Post Staff Writer

Denver Post, October 31, 2006

The funding for the prison housing terrorists and other notorious criminals is the focus of Allard and Salazar.

Florence - Colorado's two U.S. senators have vowed to seek solutions to understaffing and security concerns at Supermax, home to the nation's most dangerous criminals.

Sen. Wayne Allard visited the prison Monday, and Sen. Ken Salazar visited Saturday. Both agree that increases in staffing and security measures are needed at the prison, which holds such notorious criminals as al-Qaeda member Zacarias Moussaoui and Oklahoma bombing conspirator Terry Nichols.

Salazar said he plans to talk this week to Attorney General Alberto Gonzales, and Allard said he will talk to Bureau of Prisons Director Harley Lappin on Nov. 13 about the need for more funding for security upgrades.

"The key issues are No. 1 staffing and whether or not the staffing levels are as high as necessary in order to ensure the public safety as well as the security of the guards working in the prison," Salazar said.

Salazar said the federal government should also look at technology upgrades and building a perimeter fence to deter people from approaching the prison from the outside, which he said was a bigger threat than escape.

Earlier this month, the Department of Justice's inspector general reported that the federal prison system does not read all the mail or effectively monitor phone calls of prisoners.

Allard said the notorious criminals and terrorists housed at Supermax who are in isolation are not communicating with outsiders. The inspector general report addresses those criminals who have certain privileges, and not all of their communications are monitored, he said.

Also this month, a federal arbitrator found that job hazards at Supermax had increased because of low staffing. Joseph Lazar ordered the Federal Bureau of Prisons to boost safety for correctional officers at the prison.

Lazar found that assaults and threats by inmates increased after the Bureau of Prisons implemented a "mission-critical roster" - the lowest level of staffing needed to run a safe and secure institution - in March 2005. Since then, the number of correctional officers has dropped by about 12 percent.

"They've actually been going below those staffing levels," said Mike Schnobrich, a union official. "What the correctional officers in (Supermax) and across the Bureau of Prisons are saying is that right now, something in the system is broke. It's not been run as safe as it can be."

In a meeting Monday between Fremont County and Florence leaders, officials expressed concerns about radio incompatibility between the region's first responders and between Bureau of Prisons officers. They also raised concerns about transporting prisoners who land at the Fremont County Jail and the well-being of officers who work in the prison and have families in the community.

Fremont County Sheriff James Beicker expressed frustration that the process to receive money from the Department of Homeland Security had been mired in bureaucracy.

State Rep. Buffie McFadyen, whose district includes Supermax, said: "I'm hoping by educating our own Colorado delegation to the job at Supermax that they in turn will educate others around the country as to why this facility deserves funding and why the mission of this facility is no less important to the homeland security to this country than the Department of Defense."

Erin Emery can be reached at 719-522-1360 or eemery@denverpost.com.

Federal Fire Grants Shown To Vary Widely (AP)

By Ben Evans

AP, October 30, 2006

Georgia has twice the population of neighboring Alabama, yet Alabama agencies received more than double the amount of federal firefighting grants last year for trucks, gear and uniforms.

The disparity was not an aberration. Alabama has been among the top grant winners in the Homeland Security Department's program for several years — apparently because it does a good job asking for the money.

Statistics for the Assistance to Firefighters Grant program — the nation's largest firefighting grant initiative — show that states get widely varying shares of a $600 million federal pool. States that submit applications in large numbers, rather than those with the largest populations or highest risk factors, have more success in winning federal dollars.

For example, Alabama departments were awarded $21.7 million in grants in 2005, or $4.76 per person, in a state with a population of about 4.5 million.

Georgia, with about 9 million people, received $10.4 million, or $1.15 per person. Alabama departments submitted 677 applications, while Georgia submitted 342.

"All we do is work to be as aggressive as we can," said Alabama's director of homeland security, Jim Walker. "It's really a matter of reading the guidelines and ... getting the word out."

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Pennsylvania has topped the list in recent years. Submitting 1,939 applications in 2005, the state's local departments won $41.3 million in grants, or about $3.32 per person. Agencies in California, which sent 524 applications, got $26.3 million, or about 73 cents per person.

Nevada submitted just 44 applications and got $2.1 million, or about 88 cents per person, while Montana submitted 224 applications and received $6.8 million, or $7.25 per person.

Homeland Security officials emphasize that while other federal grants are focused on potential terrorist attacks in large urban areas, the firefighting grants — as designed by Congress — were established before the Sept. 11 attacks and are aimed at building basic capabilities at local departments. The applications are scored by industry peers and grants are awarded largely based on those reviews, the officials said.

"A lot of this comes back to the fact that some states have taken a very active role," said George Foresman, undersecretary for preparedness at Homeland Security, noting that Pennsylvania is known for its vast, tight-knit network of small departments. "It just differs from state to state."

The geographical discrepancies, however, are evidence of the debate about whether Homeland Security dollars should be spent on what traditionally has been a local responsibility, said Paul Light, a New York University professor of public service who focuses on organizational performance.

The Bush administration, which has sought to cut the program's budget, and other critics say the money should be targeted toward higher-risk areas.

Firefighting professionals say the money is critical for building a nationwide emergency network, noting for example that thousands of firefighters poured into Louisiana after Hurricane Katrina.

They also point out that demand for the grants overall has far exceeded available funding. The Homeland Security Department typically gets some 20,000 applications a year and rejects two-thirds of them.

Rich Duffy, assistant to the general president at the International Association of Fire Fighters union, said the grant application process is relatively easy and some departments are simply more attuned to the program.

"We've done our best to alert our members to the availability of funds," Duffy said. "It's not just the fire departments, though. It's the cities. You're dealing with a bureaucracy on a city level as well that probably just doesn't understand it."

First authorized in 2000, the program lets local departments apply for money to be used on clothing, tools, training equipment, vehicles and other needs. Most grants are less than $300,000, although cities can get as much as $2 million.

Larger departments, in cities with populations of 50,000 or more, are required to provide a 20 percent funding match, compared with just 5 percent for smaller agencies.

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On the Net:

Grant program: http://www.firegrantsupport.com/afg

HOMELAND RESPONSE:

Student Searched Over Fake Boarding Pass (HC/AP)

By Ryan Lenz, Associated Press Writer

Houston Chronicle, October 31, 2006

— FBI agents searched the home of an Indiana University computer security student over the weekend after learning his Web page included a feature to print fake Northwest Airlines Corp. boarding passes, officials said Monday.

Wendy Osborne, a spokeswoman for the FBI's Indianapolis office, said agents on Saturday searched the apartment of Christopher Soghoian, a 24-year-old doctoral student, in Bloomington, Ind. Osborne would not discuss what, if anything, was uncovered or taken as evidence.

"Obviously we have a concern for passenger safety and security," she said.

Soghoian, who has not been charged or detained, declined to comment on the FBI investigation when reached by The Associated Press by e-mail Monday, but referred to his Web journal for information on the case.

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Soghoian said last week that the boarding pass generator he created was intended to illustrate flaws in airport security. The passenger name on the fake boarding pass was "Bin Laden/Osama," though users were able to input a different name, he said.

According to Soghoian, no one could use the fake pass to actually board a flight _ so long as the airline's computers were working _ because the bar code would not match other information on the pass.

On his Web journal "slight paranoia," Soghoian posted the FBI's sealed search warrant, dated Oct. 28, and said the FBI had "ransacked" his home and taken his computers.

"I didn't sleep at home last night. It's fair to say I was rather shaken up," Soghoian wrote Saturday after an FBI visit. "I came back today, to find the glass on the front door smashed."

In recent posts, Soghoian asked for lawyers to contact him, and established a legal defense fund through PayPal, which manages Web-based money transfers.

Soghoian said he built his Web site to mimic Northwest Airlines boarding passes because he had one handy after flying the Minneapolis-based carrier on a recent flight.

DIY Boarding Pass Site Gets Shut Down (CNET)

By Joris Evers, Staff Writer, CNET News.com

CNET News.com, October 31, 2006

Student in FBI probe says he created Web site to underscore security problems with print-at-home airline boarding passes.

A Web site that let anyone with an Internet connection and a printer create fake airline boarding passes has been shut down after federal agents visited the creator.

FBI agents raided Christopher Soghoian's home over the weekend, seizing computers and other equipment, Soghoian wrote on his blog. They first visited him Friday afternoon with a request to take the site down, but when he got online, he found that the site had already been removed, he wrote.

Soghoian, reached via e-mail on Monday, declined to comment for this story, citing advice from his lawyers to lie low.

Wendy Osborne, a spokeswoman for the FBI's Indianapolis office, confirmed that agents had searched Soghoian's home as part of a joint investigation with the Transportation Security Administration. "We will conduct a thorough and complete investigation," Osborne said. "We are certainly concerned with any potential breach in security, particularly at the airports."

Soghoian, a computer security student at Indiana University Bloomington built the Web site to underscore an airport security weakness, he wrote. The site was spotlighted late last week after Wired News and ABC News reported on it. U.S. Rep. Edward Markey, a Massachusetts Democrat, called for Soghoian's arrest, but then backed off on Sunday.

The FBI will present the findings of its investigation to the U.S. Attorney's Office for the Southern District of Indiana, which will determine whether Soghoian violated any federal laws, she said. At this point, the student has not been charged and he has not been arrested, Osborne said.

Soghoian's "Northwest Airlines Boarding Pass Generator" let people create boarding passes that look virtually identical to the ones printed from the Northwest Airlines Web site. They could be used to get past airport security, but not to get on an airplane, because the airline would have no record of the reservation, Soghoian said.

"I have not flown, or even attempted to enter the airport with one of these fake boarding passes," Soghoian wrote Friday. "I haven't even printed one out. All I have done is create PHP script, which highlights a security hole made public by others before me."

The Web site went online last Wednesday and immediately attracted attention. Bruce Schneier, a noted security expert, linked to it from his blog on Thursday. Schneier highlighted the same issue with the print-at-home boarding passes on his mailing list more than three years ago. U.S. Sen. Charles Schumer, a New York Democrat, warned of the same security issue last year and again in April this year.

Flight To Ft. Lauderdale Diverted Due To Disruptive Passenger (BRAH)

The Bradenton Herald, October 31, 2006

FORT LAUDERDALE, Fla. - JetBlue flight from Boston to Fort Lauderdale was diverted to Orlando after a passenger became disruptive, authorities said.

DOJ_NMG_0088863

David Collyer, 30, was taken off flight 457 and into FBI custody Sunday after a "possible altercation with flight crew," FBI spokesman Kevin Farrington said.

Collyer, of Sharon, Mass., had to "be physically restrained by flight crew and passengers" a JetBlue employee told an officer who arrived on scene, according to an Orlando Police Department report. Neither Collyer nor the 156 passengers and 6 crew members were injured. Details of the incident were not being released pending an investigation, Farrington said.

Collyer, who was charged with flight interference, appeared in court Monday, he said. He was released on $10,000 unsecured bond, according to the South Florida Sun-Sentinel.

A telephone call placed to his public defender was not immediately returned Monday.

The Airbus A320 departed Boston Logan International Airport at 5:08 p.m. and was scheduled to land at Fort Lauderdale International Airport at 7:35 p.m. Flight crew members decided to take a precautionary measure and land at Orlando International Airport where Collyer was taken into custody for questioning, said Sebastian White, a spokesman for JetBlue.

"We don't have details of exactly what was happening, but our flight crew take whatever precautionary measures were necessary," White said.

After a two-hour delay, the flight continued to Fort Lauderdale without the passenger. It landed in Fort Lauderdale at 11:05 p.m.

Unruly JetBlue Passenger Apologizes To Magistrate (ORS)

By Pedro Ruz Gutierrez, Sentinel Staff Writer

The Orlando Sentinel, October 31, 2006

A passenger who was arrested Sunday night after authorities say he became disruptive on a Boston-Fort Lauderdale JetBlue flight was released after appearing before a magistrate in Orlando's federal court.

Magistrate James Glazebrook ordered David Collyer released from custody on a $10,000 unsecured bond. The incident aboard Flight 457 forced the crew to make an unscheduled landing at Orlando International Airport. Collyer said he was "sorry" and then had no more comment as he left the federal building in downtown Orlando this afternoon.

An FBI agent arrested Collyer after an "altercation with flight crew," FBI spokesman Kevin Farrington said. No one was injured.

The Airbus A320 departed Boston Logan International Airport at 5:08 p.m. and was scheduled to land at Fort Lauderdale International Airport at 7:35 p.m. Flight crew members decided to take a precautionary measure and land at OIA.

After a two-hour delay, the flight continued to Fort Lauderdale without the passenger. It landed in Fort Lauderdale at 11:05 p.m.

Democrats Wait In The Wings With Subpoenas (WT)

By Audrey Hudson

The Washington Times, October 31, 2006

Both political parties say America's safety requires the next Congress to improve mass-transit security and intelligence efforts, but Democrats think it must immediately address fraud and waste at the Department of Homeland Security.

Democrats vow to flex their subpoena and investigative muscles if elected to lead Congress next month and will take on President Bush's use of wiretaps.

"We have not had significant issues addressed from an oversight standpoint -- we've not issued one subpoena," said Rep. Bennie Thompson, the Mississippi Democrat who as ranking member of the House Homeland Security Department is in line to lead the panel.

"Leadership, in agreement with the chairman, just decided that it [investigations] was not a priority," Mr. Thompson said. "That will not be a problem with the new Congress."

Democrats have an outside chance of taking complete control of Congress, but a better chance of winning one chamber, and in this series, The Washington Times will look at how such a transfer of power will affect U.S. policy and politics.

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Both of the Democratic Capitol Hill leaders, Senate Minority Leader Harry Reid of Nevada and House Minority Leader Nancy Pelosi of California, have said Mr. Bush is threatening civil liberties in the name of war and pledged to force the administration to obtain court orders before issuing wiretaps of terror suspects.

Democrats say that Mr. Bush's wiretaps without court orders violate the Foreign Intelligence Surveillance Act (FISA) -- created in 1978 to ensure court oversight -- and that they will legislate allowances to obtain the subpoenas in a speedy manner.

"We will pass tough and smart legislation to deal with this important legislation," said Jim Manley, spokesman for Mr. Reid.

Probing deeper

Mr. Bush had fought to conduct the war on terror on his own terms but recently sought congressional authority for the most contentious programs, including the National Security Agency's (NSA) wiretapping without court orders.

The House passed a bill allowing the NSA to listen to phone calls between the United States and overseas, but the Senate did not pass legislation before adjourning for the elections.

Mr. Bush uses the issue on the campaign trail, holding up House Democrats' votes against the program as a reason they should not be trusted with control of Congress.

"The American people must fully understand that the vast majority of Democrats opposed the right of this administration to have a tool necessary to protect you," he said while campaigning last week. "We just have a different view. They must not think we're at war."

Democrats say Republicans have been negligent in overseeing various departments and programs related to the nation's security. They say investigations would lead to subpoenas and oversight hearings of waste, fraud and abuse within emergency, immigration and transportation safety agencies.

Mr. Manley said there is a need for increased oversight "because there has been none for the last six years, especially in homeland security."

"Mr. Reid is a strong supporter of the need for proper and adequate oversight and feels this Congress has utterly failed on oversight of the administration's programs, and that's one thing he intends to push for," Mr. Manley said.

Brian Darling, a former Senate staffer and director of Senate relations for the Heritage Foundation, says the Bush administration should prepare for an onslaught of subpoenas from the Senate Homeland Security and Governmental Affairs Committee.

"It will be two years of investigations, just short of impeachment hearings," Mr. Darling said. "You will see two years of subpoenas to investigate Bush."

Mrs. Pelosi has promised multiple investigations but has said "impeachment is off the table."

"It is a waste of time," Mrs. Pelosi said. "Making them lame ducks is good enough for me."

Besides wasting money, Democrats say Republicans have consistently failed to properly fund port and mass-transit security, improperly distributed first-responder money without regard to a jurisdiction's threat level and failed to implement recommendations from the September 11 commission.

Actions, not words

Republican staffers say a Democrat-led Congress would devolve into a constant fight over increasing spending levels for security -- and possibly over the structure of the Republican-created DHS.

One staffer for the House Homeland Security Committee called the agenda "Pelosi talking points" and says Congress has implemented 39 of 41 of the September 11 commission's recommendations.

"Democrats have stood in the way of several of the most important reforms, and just last month, 162 House Democrats voted against the terrorist tribunals bill, another key recommendation of the commission," the staffer said, including in the count an independent legislator who caucuses with the Democrats.

"They're just trying to talk tough on homeland security. Facts tell a different story."

Republicans point out that they not only created a department to protect the homeland, but also pushed through legislation to ramp up border security, port security and the tracking of terrorist finances.

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Republicans note that every Democrat voted against making the House Homeland Security Committee a permanent panel, and that, if in control, Republicans would continue to prepare the U.S. for another attack and work to identify vulnerabilities and threats against critical infrastructure.

"Since September 11, 2001, Republicans in Congress have worked hard to strengthen our national security and have several accomplishments to show for it," said Rep. Peter T. King, New York Republican and House Homeland Security Committee chairman.

"These accomplishments include: stronger port security, improved chemical plant security, reforms to FEMA, over $30 billion in federal funding and enhanced interoperable communication systems for first responders, and sound border security reforms."

Mr. Bush rejected the two remaining September 11 commission recommendations to declassify the top-line intelligence budget and give to the Defense Department lead responsibility for directing and executing paramilitary operations, whether clandestine or covert.

Democrats say they are also frustrated by a lack of leadership from Mr. King, who Mr. Thompson said failed to protect the panel's authority in committee turf wars.

Authority over the Federal Emergency Management Agency (FEMA) and the Coast Guard, once held by the homeland-security committee, is now in the purview of the House Transportation and Infrastructure Committee chaired by Rep. Don Young, Alaska Republican.

"We have ceded power by our inaction," Mr. Thompson said.

Common ground

In comparison, the Senate Homeland Security and Governmental Affairs Committee is one of the most amicable, bipartisan panels on Capitol Hill. It is led by Sen. Susan Collins, Maine Republican and chairman, and ranking member Joe Lieberman of Connecticut.

Reached by phone for an interview on Oct. 20, Miss Collins was in Connecticut campaigning for Mr. Lieberman, who lost the Democratic primary after siding with Mr. Bush on the war in Iraq and is running as an independent.

"I have a great relationship with Joe Lieberman, and although I very much want to remain chairman, I think the committee would continue to produce bipartisan consensus legislation under his leadership," Miss Collins said.

Sen. Frank R. Lautenberg, New Jersey Democrat, is threatening to challenge Mr. Lieberman's ascension to committee chairman, and other Democrats have suggested that Mr. Lieberman's support for the war would impede his ability to investigate the administration.

"Most of the committee Democrats are people whom I work very well with, but there are a couple who have been extremely partisan in their approach," Miss Collins said. "If one of them were able to somehow bump Lieberman, then it would change the nature of the committee, and my prediction is it would be far less productive."

"It would be a contentious committee," Miss Collins said.

Mr. Darling says the current Senate committee is "consensus-oriented."

"They don't have much conflict on that committee, and they have passed some significant port-security legislation because there is no partisan [rancor]," he said.

The Senate committee has conducted active oversight and investigations and issued subpoenas, including on the government's response to Hurricane Katrina.

Hundreds of interviews with witnesses and more than 800,000 pages of evidence were reviewed in 23 hearings, and lead to the FEMA reorganization legislation. Miss Collins and Mr. Lieberman also authored the Intelligence Reform and Terrorism Prevention Act and Chemical Facility Anti-Terrorism Act.

Leslie Phillips, Mr. Lieberman's committee spokeswoman, said the senator has not indicated what his agenda might be should Democrats take over the Senate.

"But as the ranking member, he has demonstrated a willingness to aggressively investigate government accountability and the failure of government to adequately regulate various industries," said Miss Phillips, citing the Enron investigation, FEMA, and September 11 investigations.

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"It is fair to say his agenda would include more resources for homeland security and vigorous oversight of the department and FEMA," Miss Phillips said.

WAR NEWS:

Cheney: Iraq Violence Linked To Election (AP)

AP, October 31, 2006

Vice President Dick Cheney said Monday the increase of violence in Iraq is linked with efforts to influence the outcome of midterm elections in which Republicans are struggling to keep control of Congress.

"It's my belief that they're very sensitive of the fact that we've got an election scheduled and they can get on the Web sites like anybody else," Cheney said. He said al-Qaida and other elements were trying to "break the will of the American people" because "they think we don't have the stomach for the fight long-term."

Asked if the attacks were timed to influence the U.S. elections, Cheney said, "That's my belief."

Eight days before the elections, Cheney sat down for interviews for Fox News Channel's `Your World with Neil Cavuto' and CNBC's "Kudlow & Company."

Now in its fourth year, the Iraq war is a political liability for Bush and Republican allies. The U.S. death toll for October alone exceeds 100 — the fourth deadliest month for U.S. troops since the war began in March 2003. Over the course of the war, more than 2,800 Americans have died.

Cheney, who 17 months ago said the insurgency was in its last throes, said that "there's going to be probably a continued level of violence for some considerable period of time in Iraq." He said that unlike other wars, it was unlikely there would be some dramatic turning point that signals progress.

"There is progress," Cheney said. "It's just — you're not going to see the kind of thing ... a victory like Midway in World War II where we sank all the enemy carriers, or a surrender ceremony at the end of the war. It's the kind of thing where you have to keep grinding it out day after day after day. It's tough."

Cheney: Iraq Violence Tied To U.S. Elections (USAT)

USA Today, October 31, 2006

Vice President Cheney said Monday that the increase of violence in Iraq is linked with efforts to influence the outcome of the elections Nov. 7 in which Republicans are trying to keep control of Congress.

"It's my belief that they're very sensitive of the fact that we've got an election scheduled and they can get on the websites like anybody else," Cheney said of insurgents in Iraq during an interview with Fox News.

He said al-Qaeda and other elements were trying to "break the will of the American people" because "they think we don't have the stomach for the fight." The U.S. death toll for October has topped 100, making it the fourth-deadliest month since the war began in 2003.

Bush blasts 'activist judges,' gay marriage

President Bush decried gay marriage and "judicial activism" at a campaign stop in Statesboro, Ga. "For decades, activist judges have tried to redefine America by court order," Bush said. "Just this last week in New Jersey, another activist court issued a ruling that raises doubt about the institution of marriage. We believe marriage is a union between a man and a woman." The line earned Bush sustained applause at a rally for former GOP congressman Max Burns' effort to unseat Democratic incumbent John Barrow. The New Jersey Supreme Court ruled that same-sex couples must be given the benefits of married couples.

Calif. congressman aims for presidency

Rep. Duncan Hunter, R-Calif., said he will form an exploratory committee to begin raising money and organizing supporters for a possible 2008 presidential bid. "This is going to be a long road, (and) it's a challenging road; there's going to be some rough and tumble, but I think it's the right thing to do for our country," Hunter, chairman of the House Armed Services Committee, said at a news conference in San Diego.

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Hunter, 58, is a familiar face on Capitol Hill and at the Pentagon as chairman of the panel that oversees military policy. Carl Luna, a political science professor at San Diego's Mesa College, said Hunter may be preparing himself for losing his chairmanship of the committee if Democrats take control of the House. “He doesn't want to have to go from being chairman of a powerful committee to just another back-bencher,” Luna said.

Michael J. Fox: ‘I'm not going to go away'

Actor Michael J. Fox campaigned in Ohio for Democratic Senate candidate Sherrod Brown, saying the country needs leaders who support scientific research. Fox, who has Parkinson's disease, has been campaigning across the nation for candidates who favor federal funding for research using embryonic stem cells, which he says could lead to a cure. Brown, an Ohio congressman, is challenging GOP Sen. Mike DeWine, who opposes federal money for such research.

In a speech to 150 supporters, Fox responded to criticism from radio talk-show host Rush Limbaugh, who suggested Fox was “off his medication or acting” in a political ad. “I had a run-in with a less-than-compassionate conservative,” Fox said. “I guess I'm not supposed to speak with you until my symptoms go away. Or maybe I'm just supposed to go away. But I'm not going to go away.”

12 accused of voter registration fraud

Twelve people have been charged with tricking voters in Orange County, Calif., into registering as Republicans, prosecutors said. The defendants, ranging in age from 19 to 52, were accused of fraudulently registering 37 voters as Republicans between August 2005 and February 2006. The suspects were hired to register new Republicans by private firms paid by the Orange County Republican Party, prosecutors said. No charges were filed against the companies or the party.

The recruiters were paid $10 a head for newly registered Republicans in a district represented by U.S. Rep. Loretta Sanchez, a Democrat. Voters were asked to sign petitions for lower taxes or stricter sex-offender laws, then tricked into signing voter registration cards, county prosecutor Anthony Rackauckas said.

Hadley On Visit Asserts U.S. View (WT/AP)

By Steven R. Hurst

The Washington Times, October 31, 2006

BAGHDAD -- National Security Adviser Stephen J. Hadley huddled with Prime Minister Nouri al-Maliki and his security chief, Mouwafak al-Rubaie, during an unannounced visit to Baghdad, telling them he "wanted to reinforce some of the things you have heard from our president."

Mr. al-Rubaie said last night that Mr. Hadley had discussed the work of a five-man committee that Mr. al-Maliki and Mr. Bush agreed to set up during a telephone conversation on Saturday. Mr. Hadley also presented proposals concerning the training and equipping of Iraqi security forces as well as security plans.

"It was a useful visit," Mr. al-Rubaie said, but he refused to give any details, saying only that Mr. Hadley's meetings were limited to Mr. al-Rubaie and Mr. al-Maliki.

The meetings came as the American death toll for October rose past 100. A member of the 89th Military Police Brigade was killed in east Baghdad yesterday, and a Marine died in fighting in insurgent-plagued Anbar province the previous day, raising to 101 the number of U.S. service members killed in October, the fourth-deadliest month of the war.

At least 81 other persons were killed across Iraq, including 33 who died when a suspected Sunni insurgent bomber detonated his device among a group of day laborers in Sadr City. The blast tore through food stalls and kiosks shortly after 6 a.m. The blast wounded 59.

According to an Associated Press count, October has produced more Iraqi civilian deaths -- 1,170 so far -- than any other month since the AP began keeping track in May 2005.

The White House said Mr. Hadley was not on a mission to repair ragged relations, accounts of which it said had been "overblown" by the press.

"Absolutely not," said Gordon Johndroe, spokesman for the National Security Council in Washington. "This is a long-planned trip to get a firsthand report of the situation on the ground from the political, economic and security fronts."

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Last week Mr. al-Maliki issued a string of bitter complaints -- at one point saying he wasn't "America's man in Iraq" -- after U.S. Ambassador Zalmay Khalilzad announced adjustments in America's Iraq strategy.

The ambassador announced that the prime minister agreed to implement a set of timelines, prompting Mr. al-Maliki to accuse the White House of infringing on his government's sovereignty and say that he was not consulted.

By week's end, Mr. al-Maliki and President Bush held a hastily convened video conference call and agreed to speed the training of Iraqi forces and the return of control over all territory to the Iraqi army.

The case of a kidnapped American soldier, meanwhile, took a curious turn when a woman claiming to be his mother-in-law said the soldier was married to her daughter, a Baghdad college student.

She said the soldier was with the young woman and her family when hooded gunmen handcuffed him and threw him in the back seat of a white Mercedes last week. The marriage would violate U.S. military regulations.

U.S. Envoy Arrives In Iraq As Tough Options Loom (NYT)

By David E. Sanger And John F. Burns

The New York Times, October 31, 2006

WASHINGTON, Oct. 30 — President Bush's national security adviser, Stephen J. Hadley, arrived in Baghdad on Monday on an unannounced trip to discuss how to pull the country back from the brink.

Though American officials would describe Mr. Hadley's talks only in the vaguest of terms, one option widely discussed in Washington and Baghdad in the days before his arrival, according to American and Iraqi officials, is a substantial increase in the number of American and Iraqi troops patrolling Baghdad. It would signal yet another effort to reassert control over the Iraqi capital, which officials in both governments said remains their top priority.

Those officials cautioned that no decision had been made about that option, which would amount to a third effort this year to contain the spreading violence in Baghdad. On Monday evening, J. D. Crouch, the deputy national security adviser, said Mr. Hadley was in Iraq to express support for the Iraqi government and warned, "He is not preconfiguring military options." Mr. Crouch added that he was "not aware" of anyone proposing an increase in American troops.

Other American officials said that such options have been informally discussed. They said that before any American forces in Baghdad could be increased, Prime Minister Nuri Kamal al-Maliki of Iraq would have to deliver more Iraqi troops, who would patrol the streets of the capital along with the Americans and take the lead whenever possible.

Other proposals now being discussed inside and outside the two governments range from how to permit greater autonomy for Shiite, Sunni and Kurdish sections of the country without splitting the country apart; how to share oil revenues among Iraq's population; and an amnesty for those who attacked Iraqi or American troops.

Many of these options may not be dealt with for months, because Shiites, Sunnis and Kurds within the "unity government" in Baghdad are still far apart on issues touching on Iraq's division of power and wealth.

In an interview Friday evening, Mr. Hadley said that "I wish you could find a silver bullet that could solve this in 30 days," but that "I doubt it."

He described a series of American goals, including a new effort to get more financial and other support from neighboring states, saying that "given the risks of chaos in Iraq, and given the threat and aspirations of Iran," each country in the region has "a huge stake" in a stable Iraq. But such appeals have failed in the past.

Mr. Hadley faces critics — many in his own party — who say that the Bush administration's effort has devolved to picking the least bad of a dismal set of options, and that the administration must lower its sights for a democratic Iraq and simply regain a semblance of stability there.

"It is folly to think we can win in Iraq the way some of us thought possible in 2003," Eliot A. Cohen, the director of the Center for Strategic Studies at the Johns Hopkins School of Advanced International Studies, wrote this month in The Wall Street Journal.

Speaking in Baghdad on Sunday as Mr. Hadley headed to Iraq to meet him, Mowaffak al-Rubaie, Iraq's national security adviser, seemed to set out a Shiite vision when he said that while Shiites "have the numbers" in Baghdad, Sunnis who joined in building the new Iraq could look forward to "sharing the wealth" in oil.

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But he implied that Sunnis were having difficulty reconciling to the new political realities. "Some of these politicians are not prepared, mentally or psychologically, to make the compromises necessary for us to live cohabitively," he said.

More Troops

In the interview on Sunday, Mr. Rubaie declined to discuss specifics of recent conversations with Washington over increasing troop levels. But he said, "Baghdad is the core of the issue." When it comes to turning the tide of the war, he said, "It's Baghdad, Baghdad, Baghdad."

American officials in Washington and Baghdad who discussed changes in the Baghdad security plan, including possible troop increases, said it was unlikely that any announcements would be made until after the elections on Nov. 7. Bush administration officials have said that any major changes in American policy will require bipartisan support, and they are clearly waiting to see which party will control the House, and possibly the Senate, before proceeding. A week ago, General George W. Casey Jr., the top American commander in Iraq, said that if he needed more troops, "I will ask for the troops we need, both coalition and Iraqi."

In Washington, the debate over whether to increase troops comes as the White House seems to be groping for new ideas. The administration has resisted efforts to increase the overall number of American troops in Iraq. At times, tours have been extended for individual brigades, which amount to about 5,000 troops, for 90 days or so. But recent history suggests that any plan to significantly increase the American deployment in Baghdad would require more sweeping changes, by keeping 10,000 to 30,000 troops in Baghdad beyond their scheduled rotations home, even as new troops rotate in.

In the interview on Friday evening, Mr. Hadley declined to discuss internal deliberations. Still, he said: "Everyone says there is no military solution to the problem. That's true. But you also have this Catch-22 element to the problem. You can't have security without political and economic progress, but it's hard to have political and economic progress without security. There is some minimum element of security you need."

Outside experts who favor an American withdrawal say that almost all the options now being considered would be doomed to failure.

"It's not going to make any difference," said Peter W. Galbraith, the author of "The End of Iraq" (Simon & Schuster) and a scholar at the Center for Arms Control and Non-Proliferation. "It's not a country, and you can't build an army in the midst of a civil war. And elements of the Iraqi army are partisans in the civil war. You can't use the combatants as if they were neutral players."

Regional Governments

In Washington, Senator Joseph R. Biden Jr. of Delaware, the top Democrat on the Senate Foreign Relations Committee, has called for the establishment of three regional governments — one Kurdish, one Sunni, one Shiite — responsible for administering their own regions. The idea is adapted from one first proposed by Leslie H. Gelb, the former president of the Council on Foreign Relations.

So far the Bush administration has opposed solutions that would give the regions too much autonomy for fear that could ultimately lead to partition. In Washington on Monday, [a news wire] reported, the Saudi ambassador to the United States, Prince Turki al-Faisal, said any partition of Iraq would lead to "ethnic cleansing on a massive scale, sectarian killing on a massive scale."

This month, Iraq's new Parliament approved a law that empowers the country's 18 provinces to assemble into regions, but that delays, for 18 months, any practical steps toward forming those regions, in a bid to defuse the explosive political tensions that underlie the debate.

Nearly a year after national elections, the Sunnis, and not just the insurgents, remain unreconciled to the loss of primacy they enjoyed for generations — and to the loss of revenue they enjoyed under Saddam Hussein. "The problem is that in 2003 the Sunnis got 70 percent of the oil, and now they are being asked to take 20 percent," Mr. Galbraith said.

Meanwhile, the Shiites, or at least the leaders of the religious parties that control the government, have become increasingly strident in insisting that after generations of Sunni domination, it is now their turn to rule. While a process of ethnic and religious separation is already under way in cities including Baghdad, Mosul and Kirkuk — with tens of thousands of people from the three principal communities fleeing to safer havens in those parts of the country where they are in the majority — any policy that explicitly espoused this kind of separation would be likely to ignite an even fiercer struggle.

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The subtext for the debate is the struggle for control of the country's oil and gas revenues. The Iraqi Constitution, narrowly adopted last year, envisages a formula for dividing the revenues among provinces or regions proportional to the populations in each area, with some adjustments. Though the timetable set by the American and Iraqi governments calls for legislation to be passed on the issue by the end of October, there is now little chance it will happen before the end of the year.

Reconciliation and Amnesty

When he took office in May, Mr. Maliki made national reconciliation a centerpiece of his policy. But today it is foundering.

At the dispute's heart is the issue of a possible amnesty. It would cover both those responsible for the repressive violence during Mr. Hussein's 24 years in power, and the killing that has ensued, by insurgents and sectarian militias, since his fall.

Shiite politicians, in particular, have adamantly opposed any amnesty that would cover the decades of Shiite suffering under Mr. Hussein, or the widespread killing of Shiites by Sunni insurgents since the American-led invasion in 2003. As Shiite death squads have killed Sunnis over the past year, Sunni politicians, too, have hardened their stand. American officials, eager to promote Iraqi reconciliation, have still balked at any provision to spare insurgents or sectarian militiamen who have killed American soldiers.

Iraqi officials designated by Mr. Maliki to lead the reconciliation effort now seem to be despairing.

"Iraq has only two options, fragmentation or civil war," Sayed Ayyad Jamaluddin, a secular Shiite who is a member of the Maliki-appointed Higher Council for National Reconciliation, said last month. "And civil war," he added, "will be a catastrophe, because it will be fought on the basis of religion."

A Strongman

Some American experts have suggested that the Bush administration should abandon the effort to create a Western-style democracy and throw its weight behind a stronger Iraqi government. Mr. Cohen, in the Wall Street Journal article, which the White House e-mailed to reporters because it concluded that a withdrawal of American troops would be disastrous, wrote that "a junta of military modernizers might be the only hope of a country whose democratic culture is weak, whose politicians are either corrupt or incapable." But he also highlighted the downsides of returning to a strongman government.

Iraqi newspapers have adopted the theme of a government change, speculating on the possible composition of a "national salvation government," backed by the United States, that would wrest power from the Shiite alliance that chose Mr. Maliki for prime minister. Iraqi officials have said that Mr. Maliki has been deeply shaken by rumors that he might be forced from office by year's end. However, President Bush, in two conversations over the past two weeks, has assured him of support.

RESISTANCE TO DEADLINES FOR IRAQ IS WEAKENING (LAT)

By Julian E. Barnes And Doyle Mcmanus, Times Staff Writers

The Los Angeles Times, October 31, 2006

More U.S. officers doubt insurgents would gain, and believe that Baghdad must be pushed.

WASHINGTON — Growing numbers of American military officers have begun to privately question a key tenet of U.S. strategy in Iraq — that setting a hard deadline for troop reductions would strengthen the insurgency and undermine efforts to create a stable state.

The Iraqi government's refusal to take certain measures to reduce sectarian tensions between Sunni Arabs and the nation's Shiite Muslim majority has led these officers to conclude that Iraqis will not make difficult decisions unless they are pushed.

Therefore, they say, the advantages of deadlines may outweigh the drawbacks.

"Deadlines could help ensure that the Iraqi leaders recognize the imperative of coming to grips with the tough decisions they've got to make for there to be progress in the political arena," said a senior Army officer who has served in Iraq. He asked that his name not be used because he did not want to publicly disagree with the stated policy of the president.

Former Pentagon official Kurt Campbell said more officers are calling for deadlines after concluding that the indefinite presence of U.S. forces enables the Shiite-run Iraqi government to avoid making compromises.

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"There is a new belief that the biggest problem that we face is that our forces are the sand in the gears creating problems," said Campbell, coauthor of a book on national security policy. "We are making things worse by giving the Iraqis a false sense of security at the governing level."

For months, the Bush administration has been politely prodding the Iraqis on political and security reforms including the sharing of oil revenue, a crackdown on Shiite militias and constitutional changes. The discussions so far have yielded little, prompting experts to question whether the Iraqi government will ever compromise if there is no penalty for failing to make hard choices.

Over the last week, Bush administration officials have spoken about possible timetables for progress in Iraq, but softened their suggestions after talks with Iraqi Prime Minister Nouri Maliki.

Although top administration officials are still steering clear of discussing the timing of American troop withdrawals, the officers' comments come alongside public statements by prominent Republicans who have begun talking about the need to establish a date that the U.S. will begin to draw down, whether or not the Iraqi government takes steps toward political compromise.

President Bush and other administration opponents of hard deadlines have argued that telegraphing troop departures would help the insurgents.

Once the U.S. sets a withdrawal date, the Sunni-led guerrillas know how long they must hang on before American troops are gone, the administration has argued.

Opponents of timetables also fear that small drawdowns will unleash public demand for more dramatic withdrawals, allowing violence fomented by Sunni insurgents and Shiite militias to erode whatever political advances have been made.

Military officials generally have agreed with the civilian leadership that a deadline would strengthen insurgent and militia groups. But the failure of the Iraqi government to move forward on key political and security measures has left senior military leaders frustrated.

Although U.S. military leaders remain wary of the consequences of imposing deadlines, increasingly officers say they are starting to look more attractive. The shift in opinion is a sign that gridlock in the Iraqi government is seen as a greater threat to achieving stability in Iraq than the insurgency itself.

John Batiste, a retired major general who commanded a division in Iraq and has been critical of Defense Secretary Donald H. Rumsfeld, said that setting a date for a drawdown of combat brigades must be considered. Before the deadline, Batiste said, the U.S. also needs to step up its effort to advise and train the Iraqi military and police.

"Holding the Iraqi government accountable is important, and that has everything to do with setting expectations and timelines," Batiste said. "It also has everything to do with doing all we can to ensure they are capable completing the task they are trying to do."

Some officers who have served in Iraq believe that much of the Iraqi government is not functioning effectively. Finding ways to force the sectarian factions to put aside their differences and focus on improving security and basic services must be the top priority in Iraq, these officers say. Without government reform, the Iraqi security forces are unlikely to ever be strong enough to take on the insurgency or the sectarian militias.

"It's basic counterinsurgency," said a military officer who has served in Baghdad and did not want to publicly disagree with the president's stated policy. "You have to have a trusted, capable government."

Some in the military argue that publicizing a timetable for reducing forces is far less damaging to a counterinsurgency campaign than the administration has suggested.

Many officers, particularly those who adhere to the military philosophy of former Secretary of State Colin L. Powell, a retired Army general who served as chairman of the Joint Chiefs of Staff, believe that deadlines are necessary to avoid getting mired in an endless war fueled by enmity between Iraq's long-subjugated Shiite population and the Sunni Arabs who ran the government under Saddam Hussein.

"The Powell Doctrine is all about overwhelming numbers of troops with specific missions, with specified end-states, for specified durations with — go figure — an exit strategy," said the officer who has served in Baghdad. "To not mention this stuff is actually counter to the contemporary military mind-set."

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Although Democrats like Sen. Carl Levin of Michigan, the ranking minority member of the Armed Services Committee, have long argued that a deadline is the best way to move development of the Iraqi security force forward, opponents of the administration are no longer the only ones making the argument.

A number of Republicans now have either explicitly endorsed timelines for troop drawdowns or voiced support for considering a strategy shift.

Among them are Rep. Christopher Shays of Connecticut, Sen. Arlen Specter of Pennsylvania and Richard L. Armitage, Powell's former top deputy at the State Department.

Sen. John W. Warner, the Republican chair of the Armed Services Committee, has called for a new approach if the security situation does not improve.

"The key to this thing is impressing upon that government that they've got to come to grips with what is causing this increase in violence and killing both Iraqis and our own armed forces," Warner said this month on Fox News.

Without a deadline, Maliki will not tackle the difficult problem of bridging Sunni and Shiite political disagreements, said Michael Rubin, a resident scholar at the American Enterprise Institute and a former Coalition Provisional Authority official.

"Maliki will not hit the benchmarks, but that doesn't mean we shouldn't give them," said Rubin, who does not favor troop withdrawals as a penalty. "Iraqis approach deadlines by doing nothing until two days before, and then locking themselves in smoke-filled rooms and only then do they … try to hash out a solution."

Officially, administration officials remain opposed to discussing deadlines.

Nevertheless, with the U.S. Embassy in Baghdad drafting a series of benchmarks for the Maliki government, there were signs last week that the administration had eased its opposition to timetables and might take a tougher stance with the Iraqi government.

Former Pentagon official Campbell said that military officers would not be discussing their change of heart over timetables if administration officials had not signaled a new willingness to shift positions.

"Even though there are deep reservoirs of unhappiness in the military about certain aspects of administration policy, active-duty guys are very reluctant to publicly disagree with the leadership," he said.

"But the signals are clear from the administration that it is acceptable to talk about timetables. They are taking their cues from their civilian masters."

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In Baghdad, A Force Under The Militias' Sway (WP)

By Amit R. Paley

The Washington Post, October 31, 2006

BAGHDAD -- The signs of the militias are everywhere at the Sholeh police station.

Posters celebrating Moqtada al-Sadr, head of the Mahdi Army militia, dot the building's walls. The police chief sometimes remarks that Shiite militias should wipe out all Sunnis. Visitors to this violent neighborhood in the Iraqi capital whisper that nearly all the police officers have split loyalties.

And then one rainy night this month, the Sholeh police set up an ambush and killed Army Cpl. Kenny F. Stanton Jr., a 20-year-old budding journalist, his unit said. At the time, Stanton and other members of the unit had been trailing a group of Sholeh police escorting known Mahdi Army members.

"How can we expect ordinary Iraqis to trust the police when we don't even trust them not to kill our own men?" asked Capt. Alexander Shaw, head of the police transition team of the 372nd Military Police Battalion, a Washington-based unit charged with overseeing training of all Iraqi police in western Baghdad. "To be perfectly honest, I'm not sure we're ever going to have police here that are free of the militia influence."

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The top U.S. military commander in Iraq, Gen. George W. Casey Jr., predicted last week that Iraqi security forces would be able to take control of the country in 12 to 18 months. But several days spent with American units training the Iraqi police illustrated why those soldiers on the ground believe it may take decades longer than Casey's assessment.

Seventy percent of the Iraqi police force has been infiltrated by militias, primarily the Mahdi Army, according to Shaw and other military police trainers. Police officers are too terrified to patrol enormous swaths of the capital. And while there are some good cops, many have been assassinated or are considering quitting the force.

"None of the Iraqi police are working to make their country better," said Brig. Gen. Salah al-Ani, chief of police for the western half of Baghdad. "They're working for the militias or to put money in their pocket."

U.S. military reports on the Iraqi police often read like a who's who of the two main militias in Iraq: the Mahdi Army, also known as Jaish al-Mahdi or JAM, and the Badr Organization, also known as the Badr Brigade or Badr Corps.

One document on the Karrada district police chief says: "I strongly believe that he is a member of Badr Corps and tends to turn a blind eye to JAM activity." Another explains that the station commander in the al-Amil neighborhood "is afraid to report suspected militia members in his organization due to fear of reprisals."

American soldiers said that although they gather evidence of police ties to the militias and present it to Iraqi officials, no one has ever been criminally charged or even lost their jobs.

Among the worst of the suspected Mahdi Army members is Lt. Col. Musa Khadim Lazim Asadi, station commander of the Ghazaliyah patrol police. "He has stated to us that he does not believe the Mahdi Militia is a bad organization," a military report said. "He had a picture of Sadr in his vehicle until we said something about it."

"He is a cancer to the station and the people of Ghazaliyah," the report concluded.

On a recent visit to the blue-and-white facility, located in one of the most violent parts of the city, even other police officers in the building complained that Asadi and his subordinates are corrupt and tied to the militias. "They steal vehicles and kill people," said 1st Lt. Sarmad Sabar Dawood, assistant commander for the local police, which is independent of the patrol police. "In fact, we are investigating Colonel Musa and the patrol police for criminal behavior."

But when U.S. military officials visited Asadi on a recent afternoon, he not only denied that his men were involved in the militias or crime but refused to acknowledge that there had been any killings in the area at all. Although scores of tortured bodies are often found in the neighborhood, Asadi said the murders all took place somewhere else.

At his response, 1st Lt. Cadetta Bridges shook her head in disbelief. "This guy is a crook and a liar," said Bridges, 31, of Upper Marlboro. "They're all crooks and liars."

Shaw, 32, of Alexandria, turned the conversation to the confusing division of Iraqi police forces into three autonomous parts: patrol police, regular police who investigate cases, and traffic police. The U.S. military has proposed reorganizing the force so that there is one commander in each neighborhood responsible for all the police. So far, Shaw said, Iraqi officials have not been receptive.

The problems with the tripartite division were evident in Sholeh. Sitting in Asadi's second-floor office, Shaw asked him if he worked with the regular police on the ground floor.

"Of course not," Asadi replied brusquely. "Why do we need to coordinate with them?"

Visibly exasperated, Shaw and Bridges quickly left and headed for a police station in Mansour, a relatively safe neighborhood in central Baghdad, to meet with a police major they described as one of the better cops they'd encountered.

When Shaw asked what the police in Mansour were doing to reduce the violence, the major said: "There is nothing the police can do. The only solution is to create a government that will take away the militias. Then everything will be fine."

The major, who asked to be identified as Abu Ahmed because he feared for his safety if his full name was published, sat in a closet-size room that he hardly ever leaves. Orange-and-brown sheets covered a tiny bed next to his desk.

"I can't go home or I'll be killed," said Abu Ahmed, who sees his children only when police officers can bring them to the station. He sighed as he looked at photographs of two recently assassinated officers. "And it's getting worse. So much worse."

"I think I must quit soon," he said quietly.

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Arabi Araf Ali, a police officer in the southern neighborhood of Dora, said police do little more than pick dead bodies up off the street. In the station's parking lot nearby, a colleague washed off a police truck that had just been used to retrieve the corpses of five Shiite men slaughtered that morning. Brain matter littered the ground.

"Some parts of Dora are so dangerous," Ali added, "that we cannot even pick up the bodies there without Americans. We are just too afraid."

The Iraqi police are not the only ones who feel unsafe. The American soldiers and civilians who train the Iraqis are constantly on guard against the possibility that the police might turn against them. Even in the police headquarters for all of western Baghdad, one of the safest police buildings in the capital, the training team will not remove their body armor or helmets. An armed soldier is assigned to protect each trainer.

"I wouldn't let half of them feed my dog," 1st Lt. Floyd D. Estes Jr., a former head of the police transition team, said of the Iraqi police. "I just don't trust them."

Jon Moore, the deputy team chief, said: "We don't know who the hell we're teaching: Are they police or are they militia?"

The trainers agree that Ani, the new police chief for western Baghdad, is an honest cop who is trying to get the police force in order. But Ani acknowledged in a meeting with U.S. officials that he does not plan to root out and fire militia members.

"I don't have that power," he said. "There are people higher than me that control that."

Among Ani's bosses are the police chief for all of Baghdad, who has been linked to the Mahdi Army, and the minister of the interior, who is a member of Sadr's political bloc.

"I think he's trying to do the right thing," said Lt. Col Aaron Dean, the battalion commander, as he walked to his Humvee after the meeting with Ani. "But I know they're all under certain influences. If you take a big stand against the militias, they're going to come after you."

The difficulty of eliminating corruption and militias from the Iraqi police forces can be exasperating for the American soldiers who risk their lives day after day to train them. "We can keep getting in our Humvees every day, but nothing is going to work unless the politicians do their job and move against the militias," Moore said.

Sitting in the battalion's war room with four other members of his team, Moore estimated it would take 30 to 40 years before the Iraqi police could function properly, perhaps longer if the militia infiltration and corruption continue to increase. His colleagues nodded.

"It's very, very slow-moving," Estes said.

"No," said Sgt. 1st Class William T. King Jr., another member of the team. "It's moving in reverse."

Reprisals Feared After Blast (LAT)

By Ken Ellingwood And Said Rifai

The Los Angeles Times, October 31, 2006

Baghdad — Yousef Badr stood among dozens of fellow laborers who rose early and gathered on a grimy street corner in the Sadr City neighborhood with their battered hand tools and hopes for a day's pay.

The bomb blast that shattered their morning ritual, killing 31 people and injuring more than 50 on Monday, was the first large-scale attack on the predominantly Shiite Muslim neighborhood in more than a month, and stoked fears that a wave of retaliatory killings would soon follow.

"It was a huge explosion," said the 30-year-old Badr, who described being thrown to the ground by the blast in the heart of the neighborhood of 2.5 million.

Shrapnel ripped through the crowd and peppered ramshackle kiosks where laborers bought tea and hot soup as they waited to be hired for $8 to $10 a day. Among the dead was a tea seller known to regular customers by her nickname, Um Hattab.

Iraqi officials said the explosives were packed in a car. But witnesses said the bomb appeared to have been hidden in a bag left at the site, where a crater was hard to distinguish from the numerous potholes.

Several residents said the attack was revenge for a neighborhood protest a day earlier against a days-long U.S. military operation that has severely restricted movement in and out of Sadr City. The neighborhood is a stronghold of the Shiite militia led by anti-American cleric Muqtada Sadr.

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"They're trying to quiet us down so that we won't hold any more demonstrations," said Ouda Gumar, a 50-year-old plasterer, as residents collected strewn tools and bloody scraps of clothing into separate piles nearby.

Five car bombs exploded elsewhere in the capital Monday, killing at least a dozen other people and injuring more than 30. Fifteen bodies were discovered throughout the city.

The attacks came as the U.S. military reported the deaths of two troops. An unidentified member of the 89th Military Police Brigade died of wounds from small-arms fire Monday in eastern Baghdad, and a Marine died in combat Friday in Al Anbar province. The Marine was identified as Sgt. Luke J. Zimmerman, 24.

The deaths brought military fatalities to at least 101 in October, according to the website icasualties.org, which tracks casualties in the Iraq conflict.

Early today, the military announced two more Monday deaths, taking the monthly toll to 103. Gunfire hit one soldier during combat operations in western Baghdad, and a roadside bomb killed the other south of the capital.

The rising U.S. death toll and persistent sectarian violence have fed widespread misgivings about the Bush administration's handling of Iraq as Americans prepare to vote in midterm congressional elections next week.

At the same time, U.S. and Iraqi leaders have sought to smooth differences over how to cope with the back-and-forth violence by Sunni Arab insurgents and Shiite militias, including Sadr's Al Mahdi army, believed responsible for many of the hundreds of killings and kidnappings in recent months.

Iraqi Prime Minister Nouri Maliki, who is Shiite, has urged President Bush to give Iraqi security forces more leeway to deal with armed groups. But some of the main Shiite militias are tied to groups that make up Maliki's power base, raising questions about his ability and willingness to combat them.

Amid tense exchanges between the two administrations, U.S. national security advisor Stephen Hadley made an unannounced visit to Baghdad on Monday to meet with his Iraqi counterpart and Maliki on military coordination.

The Iraqi government issued a brief statement afterward saying the officials worked on details of a joint commission on security, training and reconciliation that Bush and Maliki agreed to Saturday.

In other developments, Maliki blamed "the dirty hands of terrorism" for the fatal shooting Monday of Issam Rawi, a prominent Sunni politician and leading member of the hard-line Muslim Scholars Assn.

In Sadr City, residents quickly sought to resume their routines. Few seemed to believe it would be the last attack. A bombing in the neighborhood last month killed more than 30 people.

Sadr released a statement criticizing what he called an American embargo on Sadr City and the Karada neighborhood in central Baghdad, where U.S. forces have imposed a series of roadblocks since the apparent kidnapping last week of an Iraqi American soldier.

The soldier was secretly married to an Iraqi woman and was abducted when he visited her in Karada, the New York Times reported Monday, citing people who said they were his in-laws. Those people identified the soldier as Ahmed Qusai al-Taei, 41. The military has not identified the missing soldier.

Bombs Sweep Baghdad; Cleric Faults US (NYT)

By Sabrina Tavernise

The New York Times, October 31, 2006

BAGHDAD, Oct. 30 — A spasm of violence seized the capital on Monday. Forty-six Iraqis were killed in six bombings across the city and a moderate Sunni Arab figure was gunned down by two men on motorcycles.

The American toll for October rose to 102, the highest since January 2005, with the military's announcement of three more deaths.

In a single deadly strike, 33 Shiite laborers gathered around food stalls in a Sadr City square were killed when a bomb in a bag exploded at 6 a.m., scattering glasses of tea and remains of breakfasts. The workers had been waiting for offers of $10-a-day jobs.

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The attacks continued as the American national security adviser, Stephen J. Hadley, met in Baghdad with Iraqi officials. He came to discuss the work of a committee set up by the leaders of the two governments on Sunday, whose aim includes giving Iraqis more control over their troops.

The attack in Sadr City came despite the American Army cordon that has been in place for a week in a search for a missing soldier, whom the military believes was taken there. It was the fifth bomb in the area, Al Mudhafar Square, where poor workers line up to seek work, said Haidar Said, a police captain on duty when the bomb exploded.

"Please deliver this message," said Officer Said. "This city has suffered a lot. These are poor people. We want to reach our voice to the world."

It is attacks like the one in Sadr City, a Shiite slum, that anger Shiite leaders and put pressure on Prime Minister Nuri Kamal al-Maliki, a Shiite, to press for more of a hand in security, which is controlled almost exclusively by the American military.

The security cordon has caused major traffic jams and cut off much of the movement in and out of the area, drawing the ire of Iraqis. The district is the center of support for Moktada al-Sadr, a radical cleric who called on his followers to fight American troops twice in 2004. In a statement on Monday, Mr. Sadr threatened action if the American cordon continued.

"If this siege continues for long, we will resort to actions that I will have no choice but to take, God willing, and when the time is right," he said, according to The Associated Press.

Less than an hour after the bomb struck, two men on motorcycles shot and killed Issam al-Rawi, a geology professor, on his way to class. Two associates were wounded. Born in 1949, Mr. Rawi was one of the most moderate voices among Sunni Arabs. But the violence here has radicalized many Iraqis, and moderates who refuse to yield to the militants are either being killed or driven out of the country.

"They murdered one of the few burning candles," said Abdul Mahdi Talib, dean of the Science College at Baghdad University. "We considered him a man for all."

In the Green Zone, a walled area where the Iraqi government and American Embassy are located, Mr. Hadley met with his opposite number, Iraq's national security adviser, Mowaffak al-Rubaie. In a statement, Mr. Rubaie said the men discussed the work of a committee established by Mr. Maliki and President Bush to speed training for the Iraqi Army.

The talks felt far away to Officer Said, the police captain, who spent most of the morning gathering bodies in the square in Sadr City. He described a horrific tableau of staggering wounded victims and of bodies missing limbs. Some families lost several members. In one Sadr City hospital, four brothers were being treated. Two died and two others were wounded, with one losing his leg, said a visitor at the hospital.

A politician who supports Mr. Sadr, Nasir al-Saidi, was at the hospital and he spoke angrily against the American military and the Iraqi government as victims were rushed in.

Officer Said said the cordon actually hindered the authorities' ability to move the victims to hospitals outside.

One of the wounded blamed the cordon for blocking the Mahdi Army, the grass-roots fighting force of Mr. Sadr's supporters, and in turn making the neighborhood less safe.

The cordon "forced Mahdi Army members who were patrolling the streets to vanish," said Ali Abdul Ridha, who was lying next to his brother in a hospital bed, The A.P. reported.

Others, though, said the militia was the reason why the bomb was planted.

The bombs kept exploding, killing Iraqis in small but steady numbers. Some of the Sadr City victims were taken to Yarmouk Hospital, and there a bomb went off around 2:30 p.m., killing one person and wounding five more. In the Bayaa neighborhood, 4 people were killed and 15 wounded. In Amel, a mixed area, three were killed and six wounded.

In another assassination, Raad Naem al-Jeheshi, a Shiite who led an organization of former Iraqi prisoners, was gunned down in Dora, a Sunni suburb that American troops had swept.

The militants' use of government uniforms for deception continued in a particularly grim way on Monday, when a suicide bomber dressed as a police officer passed through two checkpoints in the police headquarters in Kirkuk, north of Baghdad. Three people were killed, including a 5-year-old, the child of a woman who works as a cleaner. Thirteen were wounded.

Total Iraqi deaths reported for the day was 81, The A.P. said, including bodies found in rivers near Baghdad.

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Violence in Baghdad was also responsible for an American's death, when a member of the 89th Military Police Brigade was killed Monday in the eastern part of the city. Another soldier died when the vehicle in which he was riding was struck by an explosive device south of Baghdad.

The other American whose death was tallied on Monday was a marine who was killed in fighting in Anbar Province the day before.

At Least 26 Killed By Market Blast In Sadr City (WP)

By John Ward Anderson

The Washington Post, October 31, 2006

BAGHDAD, Oct. 30 -- A bustling market in Baghdad's Sadr City became the capital's latest killing ground early Monday when a bomb hidden amid trash and clutter exploded in a fiery inferno, killing at least 26 people and wounding 60, a spokesman at Iraq's Interior Ministry said.

The explosion occurred about 7 a.m. at the busy Circle 55 intersection, a popular gathering point in the Shiite slum for construction laborers looking for a day's work. The blast spewed shards of metal, blew up three nearby cars and left a huge crater in the pavement.

U.S. and Iraqi forces had previously established a cordon around the teeming slum, which is controlled by the Mahdi Army militia, in an attempt to find a kidnapped U.S. soldier and a man known as Abu Deraa, who is considered Iraq's most notorious death squad leader.

Shiite leaders seized on that U.S. operation Monday to accuse the Americans of complicity in the market blast, saying that because they were in charge of searching all vehicles going in and out of the area, they must have allowed in the bomb that was detonated at the market.

"The entrances and exits in and out of Sadr City are still under the control of the Iraqi and occupation forces," said Mohammed al-Kaabi, a spokesman for Shiite cleric Moqtada al-Sadr, leader of the Mahdi Army and head of a strong political bloc in Iraq's government. "Since the entrances to the city are in the hands of the Americans, they let it in and slaughtered the people."

Some residents of Sadr City, home to 2.5 million Shiites, also blamed U.S. forces for the carnage, saying that the search for the missing soldier -- which began six days ago -- has forced the Mahdi Army underground, weakening the area's defenses. But this week, some Mahdi Army members were visible with weapons on the streets.

A U.S. military spokesman, Lt. Col. Christopher C. Garver, denied that coalition forces were responsible for the explosion, saying it occurred "despite our security efforts."

Meanwhile, the U.S. military reported that a Marine was killed Sunday in Anbar province west of Baghdad and that a member of the 89th Military Police Brigade was killed Monday in the eastern part of the capital. In addition, the Pentagon reported the death of a Marine on Friday in Anbar. So far, 101 U.S. troops have been killed in Iraq this month, making October the deadliest month for American forces since January 2005, when 107 soldiers were killed.

Across the country, at least 81 Iraqis were killed Monday, according to an Associated Press count.

At least 12 people were killed and 41 were wounded in five car bombings in the capital, and three were killed and six injured in two roadside bombings there, according to local police, Interior Ministry officials and wire service reports.

Elsewhere in Iraq, at least 21 people were killed in bombings and other violence, including three people who died when a suicide bomber wearing an explosives belt walked into a local police headquarters in the northern city of Kirkuk and detonated himself, according to Kirkuk police Capt. Emad Khider. He said a 5-year-old girl was among those killed in the blast. Ten people were injured.

Dozens Killed In Baghdad Blast (MCT)

By Jay Price

McClatchy Newspapers, October 31, 2006

DOJ_NMG_0088878

BAGHDAD, Iraq — An explosion in Baghdad's Sadr City neighborhood on Monday killed at least 28 people, stoking tension between U.S. forces and followers of Shiite cleric Muqtada al-Sadr, whose Mahdi Army militia is suspected in the kidnapping of a U.S. soldier.

Residents in Sadr City charged that American forces, who've had the Shiite Muslim area virtually surrounded for four days, must have allowed the attacker into their community as part of an effort to win the release of the kidnapped soldier. U.S. officials rejected the accusation.

The explosion came as the number of U.S. service members killed this month reached 101, making October the deadliest month for the American military in nearly two years. Military officials said the latest American killed was shot by a sniper at about 9:30 a.m. in eastern Baghdad. He wasn't identified, pending notification of his family.

The explosion that rocked Sadr City struck just before 8 a.m. in an area popular with day laborers looking for work. Initial reports said the blast came from a bomb hidden under garbage, but a spokesman for the Interior Ministry later said a car bomb was responsible. At least 60 people were wounded.

Many of the dead and wounded were buying breakfast from a woman selling tea and cheese, said Fa'ez Thani, 36, who was about 100 yards away. Thani, a former soccer player, sprinted to the smoking crater debris. Hours later, his voice still trembled.

"I found a real massacre, legs, hands and heads scattered everywhere," he said. "I and my friends were carrying the bodies not knowing who was alive and who was dead."

Then he helped gather scraps of flesh from the blood-covered pavement and put them in bags. "I will never forget this in my life," he said.

Anger had already been rising in the sprawling Shiite district of more than 2 million, a stronghold for Sadr and his Mahdi Army militia.

U.S. and Iraqi troops have all but closed off Sadr City since the kidnapping of the soldier last week, and residents have had to wait hours to pass through checkpoints to enter or leave the neighborhood.

Adding to the anger were raids on at least nine offices of Sadr's political wing - apparently part of the search for the missing soldier - and a raid last Wednesday by Iraqi and U.S. forces seeking a top Shiite death-squad leader. That raid left at least 10 people dead and sparked criticism from Prime Minister Nouri al-Maliki, whose refusal to disarm Sadr's militia has rankled U.S. officials.

After Monday's bombing, hundreds of people milled in the streets around the carnage. Some carried rifles and rocket-propelled grenade launchers.

A spokesman for Sadr's political wing pledged there would be no violence, however.

"The Sadrists are committed to what Sadr told them, and he ordered them to stay quiet and this is what they do," said Sheik Naser al-Sa'edi.

Haider Mahdi, 26, a university student who was about to leave his house to run an errand when the blast shook his windows, said Sadr City was more secure before the Americans surrounded it last week.

"We used to secure our own neighborhood," he said. "Volunteers like me and other young guys would search vehicles and strangers to protect our own neighborhood. Because there is no presence of security forces here, we have to protect ourselves."

U.S. spokesmen provided few details of the 101st U.S. military death, saying only that the soldier belonged to the 89th Military Police Brigade and that he'd been shot by a sniper.

Earlier, the military confirmed the 100th death - a Marine assigned to Regimental Combat Team 5 who died Sunday in Anbar Province.

There were at least five other car bombs in Baghdad on Monday, killing 13 civilians and wounding 43 more, according to police. Another car bomb just north of the capital killed two more and injured three.

At least 15 bodies were recovered in southern Baghdad - all were handcuffed and bore signs of torture - and a top Sunni politician, Issam Rawi, was assassinated near his home.

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There were also reports of violence in southern Iraq, where the British government announced the evacuation of its consulate in Basra, apparently in response to mortar and rocket attacks on the heavily fortified compound. Employees of the consulate were to take cover at a British air base eight miles away or return to London.

Three people were killed just north of Basra when a convoy guarded by private security contractors was targeted by a roadside bomb, a police spokesman said. It was unclear whether the dead were contractors.

Price reports for the Raleigh News & Observer. McClatchy Newspapers special correspondents Shatha al Awsy, Mohammed al Awsy and Zaineb Obeid contributed to this report.

October U.S. Death Toll In Iraq Hits 101 (AP)

By Steven R. Hurst

AP, October 31, 2006

The American death toll for October climbed past 100, a grim milestone as a White House envoy turned up unexpectedly in Baghdad on Monday following a rough patch in U.S.-Iraqi ties. At least 81 people were killed across Iraq, including 33 in a bombing targeting workers.

A member of the 89th Military Police Brigade was killed in east Baghdad on Monday, and a Marine died in fighting in insurgent-plagued Anbar province the day before, raising to 101 the number of U.S. service members killed in a bloody October, the fourth deadliest month of the war. At least 2,814 American forces have died since the war began in March 2003.

According to an Associated Press count, October has also recorded more Iraqi civilian deaths — 1,170 as of Monday — than any other month since the AP began keeping track in May 2005. The next-highest month was March 2006, when 1,038 Iraqi civilians were killed in the aftermath of the Feb. 22 bombing of an important Shiite shrine in Samarra.

The war and the rising American casualties have produced a huge drag on Republican candidates as the U.S. midterm election approaches. The vote is seen in many cases as a referendum on the war, which has stretched into its 44th month. The Bush administration has invested heavy attention on Iraq in recent weeks, trying to put a new face on the conflict with mixed results.

Upon arriving for an unannounced visit, National Security Adviser Stephen Hadley went straight into meetings with Prime Minister Nouri al-Maliki and his security chief, Mouwafak al-Rubaie, telling them he "wanted to reinforce some of the things you have heard from our president."

Al-Rubaie told the AP late Monday that Hadley was here to discuss the work of a five-man committee that al-Maliki and Bush agreed to Saturday. Hadley also presented some proposals concerning the training and equipping of Iraqi security forces as well as security plans.

"It was a useful visit," he said, but refused to give any details, saying only that Hadley's meetings were limited to al-Rubaie and al-Maliki.

The White House said Hadley was not on a mission to repair ragged relations, accounts of which it said had been "overblown" by the news media.

"Absolutely not," said Gordon Johndroe, spokesman for the National Security Council in Washington. "This is a long-planned trip to get a firsthand report of the situation on the ground from the political, economic and security fronts."

But the timing of the visit argued otherwise.

Last week Al-Maliki issued a string of bitter complaints — at one point saying he wasn't "America's man in Iraq" — after U.S. Ambassador Zalmay Khalilzad unveiled adjustments in America's Iraq strategy.

The ambassador announced that the prime minister agreed to implement a set of timelines, prompting al-Maliki to accuse the White House of infringing on his government's sovereignty and say that he was not consulted.

By week's end, al-Maliki and President Bush held a hastily convened video conference call and agreed to speed the training of Iraqi forces and the return of control over all territory to the Iraqi army.

With American voter support for the war at a low point as the Nov. 7 congressional election approaches, a top aide to al-Maliki said the Iraqi leader was using the GOP's vulnerability on the issue to leverage concessions from the White House — particularly the speedy withdrawal of American forces from Iraqi cities to U.S. bases in the country.

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Al-Maliki has said he believes that the continued presence of American forces in Iraq's population centers is partly behind the surge in violence.

The case of a kidnapped American soldier, meanwhile, took a curious turn when a woman claiming to be his mother-in-law said the soldier was married to her daughter, a Baghdad college student, and was with the young woman and her family when hooded gunmen handcuffed him and threw him in the back seat of a white Mercedes last week. The marriage would violate military regulations.

The soldier's disappearance has prompted a massive manhunt in Baghdad, with much of it focused on Sadr City, the sprawling Shiite slum of 2.5 million people in extreme northeastern Baghdad.

The military still had checkpoints surrounding the district Monday when a suspected Sunni insurgent bomber slipped in and set off a bomb among day laborers. There were conflicting reports as to whether the explosion was caused by a suicide bomber or a device concealed amid debris by the roadside. The blast tore through food stalls and kiosks shortly after 6 a.m., killing at least 33 and wounding 59.

Sadr City is a stronghold of the Mahdi Army, a militia loyal to radical anti-American Shiite cleric Muqtada al-Sadr. The district has witnessed repeated bomb attacks by suspected al-Qaida fighters in what were seen as attempts to incite Shiite revenge attacks and drag the country into full-blown civil war.

Al-Sadr, in a statement addressed to supporters in Sadr City, warned of unspecified action if the "siege" continues and criticized what he called the silence of politicians over actions by the U.S. military in the district.

"If this siege continues for long, we will resort to actions which I will have no choice but to take, God willing, and when the time is right," he said in the statement, a text of which was obtained by the AP.

Ali Abdul-Ridha, wounded in the head and shoulders, said he was waiting for a job with his brother and about 100 others when he heard the massive explosion and "lost sight of everything."

He said the area had been exposed to attack because U.S. and Iraqi forces had driven into hiding the Mahdi Army fighters who normally police the district.

"That forced Mahdi Army members, who were patrolling the streets, to vanish," Abdul-Ridha, 41, said from his bed in al-Sadr Hospital, his brother lying beside him asleep.

However, Falih Jabar, a 37-year-old father of two boys, blamed the militia for provoking extremists to attack civilians in the district.

"We are poor people just looking to make a living. We have nothing to do with any conflict," said Jabar, who suffered back wounds. "If (the extremists) have problems with the Mahdi Army, they must fight them, not us," he added.

The last major bombing in Sadr City took place Sept. 23 when a bomb hidden in a barrel blew up a kerosene tanker and killed at least 35 people waiting to stock up on fuel for the Muslim holy month of Ramadan.

Elsewhere in the capital Monday, gunmen killed hard-line Sunni academic Essam al-Rawi, head of the University Professors Union, as he was leaving home. At least 156 university professors have been killed since the war began. Hundreds, perhaps thousands, more are believed to have fled to neighboring countries.

Police and security officials throughout Iraq reported that at least 47 other people, many of them police, were killed in sectarian violence or found dead Monday, many of them dumped in the Tigris River and a tributary south of the capital.

The AP count that found a record number of Iraqi deaths in October includes civilians, government officials and police and security forces, and is considered a minimum based on AP reporting. The actual number is likely higher, as many killings go unreported.

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AP News Research Center in New York and AP correspondents Christopher Bodeen and Qassim Abdul-Zahra contributed to this report.

US Death Toll In Iraq Tops 100 In October (FT)

By Demetri Sevastopulo And Steve Negus

Financial Times, October 31, 2006

DOJ_NMG_0088881

An announcement by the US military on Monday that a marine had been killed in the western province of Anbar sent US military fatalities in Iraq in October over the 100 mark, making the month the fourth-deadliest for the US military since the 2003 invasion. Ask the expert

Should troops stay in Iraq? Michael Rubin, editor of the Middle East Quarterly, answers your questions

This month's death toll is surpassed only by those of April and November 2004, during the first and second assaults on the Sunni stronghold of Falluja, and in the run-up to the elections at the end of January 2005.

The holy month of Ramadan, which coincided with much of October, traditionally sees an upswing of violence, and US officials have suggested that insurgents may also have stepped up the violence prior to the November 7 US Congressional elections.

US troops have also taken a higher profile role as part of their campaign to secure Baghdad, taking on both Sunni insurgents and Shia militias. At least 42 of this month's deaths happened in or around the capital.

At least another 33 were killed in the western province of Anbar, where cities like Ramadi and Haditha have been centres of guerrilla activity for over two years.

In addition to US forces' higher profile, some insurgent groups are reported to have obtained sophisticated armour-piercing explosives, possibly supplied from Iran. US officers have also said that insurgent snipers have become more effective, and sniper attacks more numerous.

• A bomb blast ripped through a crowd of labourers in a square inBaghdad on Monday, killing 28 people and wounding 60, Iraqi Interior Ministry sources said. The bombing occurred as Shia labourers were lining up for day jobs in a square in Sadr City, a stronghold of radical Shia cleric Moqtada al-Sadr, who heads the powerful Mehdi Army militia.

Warner Says Iraqis Need Time To Curb Violence (NVP)

By Tom Holden

Norfolk Virginian Pilot, October 31, 2006

U.S. Sen. John Warner said Monday that Iraqi leaders need more time to contain worsening violence in their country, but that "every single day counts" when measured against the loss of American lives.

Speaking after a political appearance in Virginia Beach, Warner said that Iraqi Prime Minister Nouri al-Maliki believes violence can be contained through continued diplomacy and not escalating military force.

"Let's give him that opportunity," said Warner, chairman of the Senate Armed Services Committee.

Warner touched off an intense debate on Oct. 5 when he said that Iraq was "drifting side-wise" and that Iraq's government "was not living up to, or not able to meet just the fundamental responsibilities of a government."

His comments came amid a barrage of car bombs, kidnappings, murders and military operations that this month claimed 101 American troops, the deadliest month since January 2005, when 107 died.

Last week, a I-Maliki issued a series of complaints, saying at one point he wasn't "America's man in Iraq" after the U.S. ambassador to Iraq revealed changes to American strategy. Al-Maliki said the White House was infringing on his government's sovereignty.

By week's end, al-Maliki and President Bush held a video conference and agreed to speed up the training of Iraqi forces and return control of all territory to the Iraqi army.

Warner said his remarks "started a good deal of very constructive dialogue across America and, most importantly, within the administration."

He praised Bush for calling al-Maliki to straighten out their differences, "so that we have a strong, working relationship with that government. I think it's essential that we keep 'em running, keep 'em up."

Warner has visited Iraq eight times and has become increasingly measured in his assessment of the situation. Asked whether al-Maliki can contain the various factions that now control large portions of some cities, Warner said, "That's the question."

IED-resistant Vehicles Speeding To War Zones (USAT)

By Tom Vanden Brook

DOJ_NMG_0088882

USA Today, October 31, 2006

Their V-shaped hulls diffuse explosions, shield troops inside

WASHINGTON — The military is rushing armored vehicles with specially designed hulls to Iraq and Afghanistan to limit the damage from roadside bombs, the No. 1 killer of U.S. troops.

The bombs, which the military calls improvised explosive devices, or IEDs, have killed or wounded thousands of troops and shredded conventional military vehicles. The new vehicles have a V-shaped hull, which disperses the force of an explosion and helps keep the vehicle from flipping over.

"It's just going to be the standard for any vehicle on the battlefield over the next 10 years," John Pike, a military analyst at GlobalSecurity.org in Alexandria, Va., said of the V-shaped hull.

Not only are lives at stake, but also millions — and potentially billions — of dollars.

The Pentagon's Joint IED Defeat Organization is spending nearly $3.5 billion this year to combat IEDs. Pentagon records show that since the wars in Afghanistan and Iraq began, 1,074 troops have been killed and 11,513 others wounded by insurgent bombs.

A major Pentagon supplier of V-shaped vehicles is 9-year-old Force Protection of Ladson, S.C. The Pentagon says the number of the company's Buffalo and Cougar V-shaped vehicles in Iraq is classified, but public records show the military has bought almost 300. That compares with more than 35,000 Humvees, the military's main multipurpose vehicle, in Iraq. The Buffalo vehicles cost $750,000 apiece, about five times the cost of an armored Humvee, which is smaller.

Force Protection says nobody inside a Buffalo has been killed in Iraq or Afghanistan despite encountering thousands of IED blasts.

Retired general Montgomery Meigs, head of the anti-IED organization, said the Buffalo's armor and shape make it "a lot more robust than the Humvee."

Foreign companies, many of them in South Africa, have been the leaders in developing the vehicles. Some of the Pentagon's largest contractors are marketing V-shaped vehicles with foreign partners. They include:

•AM General, the maker of the Humvee, is pitching to the Pentagon a V-shaped armored car called the Cobra. It is made by Otokar, a Turkish company, and uses a Humvee drivetrain.

•Oshkosh Truck, which makes many of the military's trucks, has partnered with ADI of Australia to market the Bushmaster armored vehicle.

•Blackwater, a private security firm that protects U.S. diplomats in Iraq, developed is own vehicle, the Grizzly, which it will send to Iraq soon.

Sen. Lindsey Graham, a South Carolina Republican and a member of the Armed Services Committee, pushed the Pentagon to buy the Buffalo and Cougar.

Graham said the Pentagon has acted quickly to deploy the vehicles, without the kind of delays seen in sending body armor and armored Humvees to Iraq.

"This is an example of where (the Pentagon) has gotten it right," Graham said. "They're doing it as fast as they can."

Auditors Want Rules For Iraq Aid (AP)

By Lolita C. Baldor

AP, October 30, 2006

Federal auditors are recommending that the Iraqi government meet specific milestones of progress to receive any future aid for reconstruction, according to a report released Monday that echoes a message the Bush administration has delivered to Iraqi leaders.

The study, issued by the special inspector general who audits U.S. work in Iraq, also concluded that reconstruction is being blocked by violence, and efforts to empower Iraqis to do more are fraught with problems 3 1/2 years after the U.S. invaded the country.

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The Iraqis should "meet concrete milestones and political and economic benchmarks as a condition of future aid," the report recommended. It said U.S. relief and reconstruction aid could be provided through conditional loans and be tied to specific actions by the Iraqi government.

During the past two weeks U.S. officials have pressed the Iraqis to begin to meet milestones of progress, an effort that has revealed rifts in the relationship between the two governments.

Last week Prime Minister Nouri al-Maliki complained publicly after U.S. Ambassador Zalmay Khalilzad said the Iraqis had agreed to meet specified benchmarks for progress. Bush later voiced confidence in al-Maliki, but warned that the U.S. will not have "unlimited patience" with the Iraq government's failure to quell sectarian violence.

The strains have surfaced in the run-up to the Nov. 7 elections for control of Congress, a campaign in which voters' dissatisfaction with Bush administration policy in Iraq has become a significant weak point for Republicans.

The quarterly audit report by the inspector general said the "deteriorating security situation across Iraq continues to impede progress," causing construction project delays, increasing costs and preventing repairs to critical power supplies.

The report underscores the persistent problems faced by the Iraqi government as it struggles to rebuild and take control of its own security in the face of a stubborn insurgency and a populace on the brink of civil war.

"The U.S.-funded phase of Iraq's relief and reconstruction has entered its concluding stages," the report said. "The government of Iraq's success in building on the foundation established by the U.S. relief and reconstruction program will now depend in part on (Iraq's) ability to attract more support from other donors and the private sector."

A consistent theme in the audits is that the escalating violence in Baghdad is stalling reconstruction. For example, auditors found that "repairing power lines is nearly impossible because of sniper attacks and death threats to repair crews." As a result, on one day earlier this month there was only enough power to generate a few hours of electricity.

The audit also said corruption continues to exist in a number of the Iraqi government ministries, and that building up a system of inspectors general is the most important initiative to fight such wrongdoing.

It said the Iraqi government must improve its ability to spend and manage its own money on capital projects, or international aid could dry up. The budget available for capital projects is about $6 billion, the audit said.

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On the Net:

Special Inspector General for Iraq Reconstruction: http://www.sigir.mil/

Auditors Say Shift Of Rebuilding To Iraqis Appears 'Broken Down' (WP)

By Griff Witte

The Washington Post, October 31, 2006

Ten months into a year-long effort to transfer control of Iraq's reconstruction to the Iraqis, federal auditors say, the government there is spending very little of its own money on projects, while the process for handing off U.S.-funded work "appears to have broken down," according to findings released yesterday.

The fledgling Iraqi government, in power since May, has about $6 billion this year to devote to major rebuilding projects, representing about 20 percent of its overall budget. But auditors with the Special Inspector General for Iraq Reconstruction found that beyond paying employee salaries and administrative expenses, only a small amount of money is being spent on actual work. Auditors blamed "bureaucratic resistance within the Ministry of Finance, which traditionally has been slow to provide funds."

Auditors also found fault with the way the Finance Ministry is keeping track of U.S.-built projects as they are handed over to the Iraqis and said some of the U.S. data on the subject are "incomplete or inaccurate."

The findings speak to the difficult path that lies ahead as the United States attempts to turn over a decidedly incomplete reconstruction effort to an Iraqi government that remains beset by corruption and has had huge problems exercising authority amid rising violence.

At the beginning of the year, Inspector General Stuart W. Bowen Jr. labeled 2006 "the year of transition" as the U.S. winds up its dominant role in the reconstruction. But in yesterday's report, his office said the year is already into its fourth quarter and the transition remains "fraught with challenge."

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Among the obstacles: a "deteriorating security situation across Iraq," pervasive corruption in Iraqi ministries, and possible problems raising funds from international donors unless the Iraqi government can prove it is willing to spend the money it already has on roads, health clinics, power plants and other much-needed infrastructure.

"I don't think the Iraqi government is prepared to take over the reconstruction," said Sen. Susan Collins (R-Maine), who has been overseeing the U.S.-led effort as chairman of the Homeland Security and Governmental Affairs Committee. "But I don't know that continuing to pour our money and manpower into these projects is the answer, either."

The United States has devoted more than $38 billion to relief and reconstruction in Iraq since the 2003 invasion, and yesterday's report does point to some successes. Electric capacity nationwide passed prewar levels in recent months, though in Baghdad it remains lower than before the war. Oil exports, at 1.66 million barrels a day, met Iraqi goals.

Overall, 88 percent of U.S. projects have been completed, with only a small minority yet to begin. Out of the $18 billion reconstruction package Congress passed in November 2003, about three-quarters has been spent.

In some areas, however, results have fallen well short of expectations. Of 142 primary health clinics funded by the United States, just six are operational.

In the past week, Bowen's office has exposed new problems. Auditors found, for instance, that on some of the biggest contracts with major U.S. firms, anywhere from a third to more than half of the costs were administrative overhead.

On Sunday, meanwhile, auditors revealed that thousands of weapons that the United States had provided to Iraqi security forces could not be accounted for. The total number of missing weapons -- including semiautomatic pistols, assault rifles, machine guns and rocket-propelled grenade launchers -- was 14,030, or roughly 4 percent of the weapons the United States has supplied to Iraq since 2003. Auditors also found that spare parts and repair manuals were not available for many other weapons.

Bowen's office is slated to close on Oct. 1 next year. But Collins said yesterday that she is working with members of both parties to keep it open longer so it can continue overseeing the reconstruction. "I think it's a huge mistake to prematurely terminate the special inspector general's office," she said.

The Untracked Guns Of Iraq (NYT)

The New York Times, October 31, 2006

About the last thing the United States ought to be doing in Iraq is funneling weapons into black-market weapons bazaars, as sectarian militias arm themselves for civil war. Yet that is just what Washington may have been doing for the past several years, thanks to an inexplicable decision that standard Pentagon regulations for registering weapons transfers did not apply to the Iraq war.

Of more than 500,000 weapons turned over to the Iraqi Ministries of Defense and Interior since the American invasion — including rocket-propelled grenade launchers, assault rifles, machine guns and sniper rifles — the serial numbers of only 12,128 were properly recorded. Some 370,000 of these weapons, some of which are undoubtedly being used to kill American troops, were paid for by United States taxpayers, under the Orwellian-titled Iraq Relief and Reconstruction Fund.

This chilling information comes to us from the Special Inspector General for Iraq Reconstruction, which has distinguished itself as the most vigilant agency monitoring the money spent on the Iraq conflict. The agency, led by a Republican lawyer who once worked in the Bush White House, has previously reported on the contracting lapses and failures of supervision that allowed billions of taxpayer dollars to be wasted instead of being used to rebuild Iraq.

The latest special inspector general's report came in response to a request from Senator John Warner, another conscientious Republican. As chairman of the Armed Services Committee, Senator Warner wanted to be sure that the Iraqi security ministries had the skills and resources necessary to make good use of the huge quantities of arms that Washington has been turning over to them.

It turns out that the Pentagon not only failed to register the weapons, but also failed to provide the spare parts, repair manuals and maintenance technicians needed to keep them in working order. The agency found that Iraqi security forces are still heavily dependent on Washington's support for the most basic military functions. And with America planning to scale back much of that support over the next year, it is far from clear whether Baghdad is preparing to pick up the slack.

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Separately, the inspector general's office also found insecurity so rampant in six Iraqi provinces — five of them in the predominantly Shiite south — that America's joint military and civil reconstruction teams could not operate there effectively.

These findings go a long way toward explaining why Iraq appears to be ever more violent, with no clear plans yet coming from Baghdad or Washington that seem likely to restore a semblance of order.

British Civilians Being Moved From Basra (LAT)

By Ken Ellingwood

The Los Angeles Times, October 31, 2006

Baghdad — The British government said Monday that it was moving most civilian staff members out of its compound in the southern Iraqi city of Basra because of rocket and mortar attacks by militias.

Officials said the move was temporary. But the decision underscored the fraying security climate in southern Iraq, a largely Shiite Muslim region under the sway of various militias, such as that controlled by anti-American cleric Muqtada Sadr.

British officials said some of the employees would be moved to the Basra airport and others would be sent to Kuwait or London.

"In recent weeks the threat from mortar and rocket attacks on our office in Basra has increased. Given the threat to the safety of civilian staff, we have decided temporarily to reduce the number of staff at our compound," the government said in a statement.

A spokesman for the British Foreign Office said the consul general would remain in Basra with a small support staff.

"We will stay in Iraq until the job is done," the government statement said. "We have adapted because we remain committed to the people of Basra and the elected Iraqi government."

The British compound, a former palace, has been staffed by about 200 employees, according to British media reports.

Though it is under heavy guard, it has come under daily attack.

Don't Worry. Just Back Off. (WP)

By Eugene Robinson

The Washington Post, October 31, 2006

Go ahead, people, you have your orders from Napoleon Bonaparte, I mean Donald Rumsfeld. "Back off" and "relax." Book a cruise to Chillsville. Don't worry your pretty little heads about the debacle in Iraq, because "it's complicated, it's difficult." Are mere mortals going to be able to get their minds around a problem that even Albert Einstein, I mean Donald Rumsfeld, finds complicated? Let's be realistic here.

We should all thank our lucky stars that "honorable people" are willing to do all this super-advanced thinking for us. Aristotle, I mean Donald Rumsfeld, was kind enough to phrase it that way rather than spell out what he really meant, which was "people who are smarter than you."

I realize that a few news cycles have come and gone since the secretary of defense held that stunning news conference at the Pentagon last week, but it was such a telling moment -- such a revealing glimpse behind the curtain -- that it deserves to remain fresh in our minds, even amid the distracting cacophony of eleventh-hour electioneering. There, in just two words, you have the Bush administration's approach to the war in Iraq. Indeed, you have the Republicans' theory of government:

Back off.

Could anyone else have summed it up so efficiently? Maybe Tony Soprano, but his vocabulary can't be printed in a family newspaper. The basic style of leadership is the same, though. I'm the boss, so shut up and do as I say.

Republicans who have to face the voters next week, especially those who find themselves trailing badly in the polls, have been going AWOL from Rummy's brigade. Some, such as Maryland senatorial candidate Michael Steele, explicitly disown the Pentagon czar; others avoid mentioning his name and, when pressed, speak of him as if he were some kind of daffy uncle. House Majority Leader John Boehner (R-Ohio) made news Sunday when he ventured that "Donald Rumsfeld is the best thing that's happened to the Pentagon in 25 years." Boehner would be hard-pressed to find professional soldiers who agree with that assessment, but maybe blind loyalty in the face of overwhelming evidence will turn out to be a winning strategy. I have my doubts.

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At least Boehner isn't trying to pretend that the disaster in Iraq is all Rummy's fault. Alexander the Great, I mean Donald Rumsfeld, may have authored the mistakes that have cost nearly 3,000 American lives, including more than 100 in October alone -- sending too few troops, disbanding the Iraqi army, failing to plan for an extended occupation, training Iraqi "security forces" that promptly turned into sectarian militias. But George W. Bush, Dick Cheney, Condoleezza Rice and the rest of the Vulcans were with him every step of the way, and the Republican majority in Congress sang hosannas of praise like an amen chorus.

Now that most Americans oppose the war and want to bring the troops home before more young men and women die needless deaths, Republicans can't blame Democrats, because they froze them out of all the decision making.

House Speaker Dennis Hastert's immutable rule -- that any legislation brought to the floor had to be supported by a majority of the Republican caucus -- effectively muffled any concrete expression of the public's growing doubts about the war. What if substantial numbers of Democrats and moderate Republicans, enough to constitute a majority of the House, had questions about Iraq, or about torturing detainees, or about the whole course of this incoherent "war on terror"? Tough.

Back off.

The Republican majority came to Washington claiming a populist mandate but has ended up governing with the same breathtaking arrogance that Genghis Khan, I mean Donald Rumsfeld, let slip the other day. Congress is all about lobbyists, earmarks and pork. Democrats aren't immune to these depredations, of course, but if you aren't allowed to participate in any meaningful decisions, you can't be held responsible.

And at the White House and the Pentagon, fantasy reigns. President Bush famously pledged to stay the course in Iraq even if Laura and Barney the dog are his only supporters. Last week he said U.S. forces constantly change tactics to "stay ahead" of the Iraqi insurgents. Excuse me, but when have we ever been ahead of the insurgency? "We're winning" the war, Bush insists. Excuse me, but could you elaborate? In what sense are we winning in Iraq? Where are you seeing anything that resembles victory?

Silly me. Ordinary Americans just aren't smart enough to think about such things. Thank you, Sir Isaac Newton, I mean Donald Rumsfeld, for reminding us of our patriotic duty: Back off.

Pakistani Attack On Al-Qaida Kills 80 (AP)

By Habibullah Khan

AP, October 31, 2006

Pakistani troops and helicopters firing missiles killed as many as 80 militants training at a religious school used as an al-Qaida training center near the Afghan border, officials said.

Local leaders said all those slain when the school, or madrassa, was destroyed were civilians.

Army spokesman Maj. Gen. Shaukat Sultan said initial estimates based on intelligence sources on the ground indicated that the attack killed about 80 suspected militants, who appeared to be in their 20s and were from Pakistan and other countries.

"These militants were involved in actions inside Pakistan and probably in Afghanistan," Sultan told The Associated Press.

The bodies of 20 men killed in the attack were lined up in a field near the madrassa, in Chingai village near Khar, the main town in the Bajur tribal district, before an impromptu burial attended by thousands of local people, according to an Associated Press reporter at the scene.

Dozens of villagers sifted through the rubble of the madrassa, shifting blocks of smashed concrete and mud bricks aside to try to find survivors. Some picked up body parts scattered across the area and placed them in plastic bags normally used for fertilizer.

"We heard helicopters flying in and then heard bombs," said one of the villagers, Haji Youssef. "We were all saddened by what we have seen."

Among the dead was Liaquat Hussain, a local Islamic cleric who ran the madrassa, locals said. Several of his aides also died, they said.

The attack came two days after 5,000 pro-Taliban tribesmen held an anti-American rally in the Bajur area near Damadola, a village close to the site of an alleged U.S. missile attack that killed several al-Qaida members and civilians in January.

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"We received confirmed intelligence reports that 70-80 militants were hiding in a madrassa used as a terrorist-training facility, which was destroyed by an army strike, led by helicopters," Sultan said.

An Associated Press reporter living in the area said he saw several helicopters hovering near his house early Monday before hearing a series of explosions, apparently caused by missiles being fired into the madrassa compound.

Helicopters fired four to five missiles into the madrassa, Sultan said.

The strike came on the day a peace deal was expected to be signed between Bajur tribal leaders and the military, similar to an accord signed earlier this year in nearby North Waziristan.

"This attack is very strange as we were told Sunday that the peace agreement would be signed today," local lawmaker Mohammed Sadiq said.

Sultan declined to say if an accord was scheduled to be signed Monday, but added that militants cannot hide behind peace deals. He said the purported militants using the madrassa had rejected orders to end their activities.

A senior intelligence official in Bajur also said a local al-Qaida leader, Faqir Mohammed, who led Saturday's rally, was believed to have been inside the madrassa.

It was unclear if Mohammed was among those killed, said the official, who declined to be identified further because he was not authorized to speak to the media.

Siraj ul-Haq, a Cabinet minister from the North West Frontier Province, condemned the attack and announced he would resign from the government in protest.

"The government has launched an attack during the night, which is against Islam and the traditions of the area," ul-Haq told the AP during the funeral. "They (the victims) were not given any warning. This was an unprovoked attack on a madrassa. They were innocent people."

Ul-Haq, who belongs to the powerful Islamic political party, Jamaat-e-Islami, said protests would be staged throughout the northern tribal region on Tuesday to denounce the attack.

Pakistan has been trying to defeat militants along its porous border with Afghanistan since the U.S.-led invasion of that country in 2001 fanned increased terrorist activity on the Pakistan side of the frontier.

Pakistan became a key U.S. ally in its war on terror after the Sept. 11 attacks in the U.S., and has deployed about 80,000 soldiers to flush out Taliban and al-Qaida members hiding in the mountainous frontier tribal region.

Al-Qaida leader Osama bin Laden and his deputy, Ayman al-Zawahri, are believed to be hiding along the Pakistan-Afghan border.

Raid Kills 80 At Pakistani School (WT/AP)

By Paul Garwood

The Washington Times, October 31, 2006

ISLAMABAD, Pakistan -- Pakistani helicopter gunships yesterday destroyed a religious school that the military said was fronting as an al Qaeda training camp, killing 80 persons in the country's deadliest military operation targeting terrorism suspects.

Islamic leaders and al Qaeda-linked militants blamed the United States for the air strike and called for nationwide demonstrations to condemn the attack that flattened the school -- known as a madrassa -- and ripped apart those inside. Furious villagers and religious leaders said the pre-dawn missile barrage killed innocent students and teachers.

U.S. and Pakistani military officials denied American involvement.

Among those killed in the attack in the remote northwestern village of Chingai, two miles from the Afghan border, was a cleric who had sheltered militants and was thought to be associated with al Qaeda's deputy leader, Ayman al-Zawahri.

The raid threatens efforts by President Pervez Musharraf to persuade deeply conservative tribesmen to back his government over pro-Taliban and al Qaeda fighters, who have strong support in many semiautonomous regions in northern Pakistan. The planned signing of a peace deal between tribal leaders and the military was canceled yesterday in response to the air strike.

Gen. Musharraf has been under intense pressure, particularly from the United States and Afghanistan, to rein in militant groups, particularly along the porous Pakistan-Afghanistan border, where al Qaeda leader Osama bin Laden and al-Zawahri are

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thought to be hiding. The Pakistani leader, as well as Afghan President Hamid Karzai, met with President Bush in Washington last month to address the issue.

Protests were held from the northwestern city of Peshawar to the southern city of Karachi, the largest occurring in Chingai and the Bajur district's main town of Khar, where 2,000 tribesmen and shopkeepers chanted, "Death to Musharraf. Death to Bush."

Fearing unrest, Britain's Prince Charles, who arrived in Pakistan on Sunday for a five-day stay, canceled a visit planned for today to Peshawar.

The raid was launched after the madrassa's leaders, headed by cleric Liaquat Hussain, rejected government warnings to stop using the school as a training camp for terrorists, said army spokesman Maj. Gen. Shaukat Sultan.

"These militants were involved in actions inside Pakistan and probably in Afghanistan," Gen. Sultan told the Associated Press.

Militant groups in Bajur are thought to ferry fighters, weapons and supplies to Afghanistan to target U.S. forces there and Pakistani soldiers on this side of the ethnic Pashtun majority tribal belt.

Gen. Sultan said 80 persons were killed in the building, which was 100 yards from the nearest house. Local political officials and Islamic leaders corroborated the death toll.

Gen. Sultan denied reports that al-Zawahri was in the area at the time of the attack. "It is all wrong, speculative, and we launched this operation on our own to target a training facility," he said. A Bajur-area intelligence official said word was spreading among residents that al-Zawahri may have been expected at the madrassa, but he said the reports were wrong.

Hussain, the cleric thought to have been a deputy of al-Zawahri, was among those killed, the intelligence official and residents said.

Another al-Zawahri lieutenant, Faqir Mohammed, apparently left the madrassa 30 minutes before the strike, said the official, who spoke on the condition of anonymity because he was not authorized to speak to the press.

Hours later, Mr. Mohammed addressed 10,000 mourners at a funeral for some of the victims.

"We were peaceful, but the government attacked and killed our innocent people on orders from America," said Mr. Mohammed, who was surrounded by dozens of militants brandishing semiautomatic weapons. "It is an open aggression."

Three funerals were held one after the other in a field near the madrassa, where the remains of at least 50 persons were laid on wooden beds placed side by side in rows and covered with colored blankets.

Villagers walked among the beds and offered prayers. Militants, their faces covered with brown and red scarves, patrolled the crowd.

On Saturday, Mr. Mohammed led a rally of 5,000 Taliban and al Qaeda supporters nearby, during which he denounced the Pakistani and U.S. governments and praised bin Laden.

Pakistan Ties Site It Attacked To Militants (NYT)

By Salman Masood

The New York Times, October 31, 2006

ISLAMABAD, Pakistan, Oct. 30 — The Pakistani military said today that it had destroyed a religious school used for training militants in the Bajur tribal area, which straddles the border with Afghanistan. The attack killed at least 80 people, the military said, describing them as militants.

The strike started at about 5 a.m. local time, when helicopter gunships fired missiles into the religious school, known as a madrassa, that was run by a local cleric, Maulvi Liaqut, according to military officials. Ground troops then stormed the compound.

Local news reports said Mr. Liaqut was killed in the attack.

He had once been a member of the defunct militant movement Tehreek Nifaz-e-Shariat Mohammadi, which sent thousands of tribal fighters into Afghanistan to support the Taliban before being banned in 2002 by President Gen. Pervez Musharraf. Mr. Liaqut was accused by the government of harboring local and foreign militants at the school.

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"We received confirmed intelligence reports that 70 to 80 militants were hiding in a madrassa used as a terrorist-training facility, which was destroyed by an army strike, led by helicopters," Maj. General Shaukat Sultan, a spokesman for the Pakistani military, told The Associated Press.

He also told reporters that security forces had information that the madrassa was being used for military training, and that the militants had been warned to close down the facility but had not done so.

Local television stations showed scenes from the attack site, including armed men seen standing by the dead bodies and thousands of people gathered around the rubble.

General Sultan said that no "high value target" was present during the raid, referring to leaders of Al Qaeda or the Taliban. General Sultan also said that no children or women were present inside the madrassa, and he denied that any American or NATO troops were involved in the raid.

"The information that we are receiving so far is that majority of the facility has been destroyed and most of the miscreants present there, they have been killed," he said.

General Sultan said that the madrassa was in an isolated location. "There is no house within about a 100-meter radius of this madrassa," said General Sultan. "As per information that we had, there were no women or children present there," he said.

Pakistani officials dismissed any suggestions that the United States was behind the attack. Tasnim Aslam, a spokesman for Pakistan's Ministry of Foreign Affairs, said at a news conference that the attack was not carried out under foreign pressure.

But opposition Islamist parties were quick to denounce the attack and blamed the United States. Qazi Hussain Ahmed, the leader of Jamaat-e-Islami, alleged that innocent children were killed and that the Pakistan Army was covering up for the alleged Americans strike.

"This area is not an area where there can be any training camp," Mr. Ahmed said at a news briefing in Islamabad. "This is actually tantamount to the declaration of war on Pakistan," he said.

Muttahida Majlis-e-Amal, an alliance of opposition Islamist parties, announced nationwide protests on Tuesday.

After the attack, helicopters were reported hovering over the area. Telecommunication links were also reported to be suspended, according to local news media.

The madrassa was located in the village of Chingai near Khar, the main town in the tribal region of Bajur, one of the semiautonomous tribal areas in northwestern Pakistan that have long been considered safe havens for Taliban and Al Qaeda remnants.

Bajur, which borders Afghan province of Kunar, has a history of troubled militancy. Itwas the scene of a widely unpopular American military strike in January, when al Qaeda's No. 2 leader, Ayman al-Zawahiri, was the target.

As it happened, Mr. Zawahiri was not present at the time of that attack, but at least 18 people, mostly civilians, were killed. The incident helped spark nationwide protests against the United States and President Musharraf.

In June 2005, suspected Taliban rebels shot down a Chinook helicopter, killing 16 American servicemen, in Kunar, Afghanistan, not far from Bajur.

President Musharraf has sent more than 80,000 troops to the tribal areas along the Afghan border to flush out Taliban members.

NATO and Afghan officials have repeatedly said that Taliban fighters who have found refuge in Pakistan are responsible for attacks inside Afghanistan.

Responding to Afghani official accusations that Pakistan was not doing enough, General Sultan said both countries were responsible for curbing cross-border infiltration.

"If at all, there is any kind of infiltration taking place, the responsibility to check the infiltration is not only of Pakistan Army," he said. "The responsibility is of every one else. On the Pakistan side, we need to patrol the borders and on the Afghanistan side, they need to patrol the borders. If anyone is crossing the border, well, it also indicates failing on their part." "And as far as we are concerned, we do not support any such activity," General Sultan said. "And the purpose of the peace agreement is that the militant activity is to be marginalized, not to be supported."

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Political fallout became evident in Pakistan soon after today's attack Siraj ul Haq, a senior minister in the provincial cabinet, and Haroon-ur-Rashid, a member of the Parliament, condemned the strike and announced plans to resign, a local television station reported.

Today's attack came two days after thousands of tribal militants staged a protest rally in Bajur and vowed to continue their opposition to the United States and its Pakistani supporters. Faqir Mohammad, a local tribal leader, told the protesters that jihad would continue against America and its allies, according to The A.P., calling supporters of America the enemy.

The attack also threatens to disrupt a peace deal that was expected to be signed today between Bajur tribal leaders and the military. The agreement is meant to control the flow of weapons and militants into Afghanistan. A similar accord was signed with tribal leaders this year in neighboring North Waziristan.

"This attack is very strange, as we were told Sunday that the peace agreement would be signed," Mohammed Sadiq, a local lawmaker, told The A.P.

Pakistan Attack A Setback To Border Peace (CSM)

By David Montero

The Christian Science Monitor, October 31, 2006

ISLAMABAD, PAKISTAN

Missiles rained down Monday on what the military said was an Al Qaeda hideout in Bajaur district, a restive tribal area along Pakistan's border with Afghanistan.

The attack, which reportedly killed about 80 people in a madrassah, or religious school, is the second on Bajaur in less than a year. But it has erupted across a vastly different political context, raising concerns about the direction of Pakistan's efforts to contain terrorism in the area.

When missiles last January destroyed a compound in Damadola, killing 13 civilians, the government of Pakistan was still at war with militants in the tribal zones.

Now, however, they are nominally at peace, having signed a controversial accord in North Waziristan that many, including officials in Afghanistan and NATO, have viewed with skepticism.

Under the deal, tribal elders agreed to remove foreign fighters from tribal areas and to stop militants from entering Afghanistan. In return, the Army released hundreds of Taliban militants and returned their weapons, vehicle and equipment.

Monday, the tribal zone's provincial government had been expected to sign a similar accord - now in doubt - in Bajaur, broadening a peace process with Taliban-linked tribesmen.

The timing of the strike raises questions about Pakistan's commitment to such deals, as well as the commitment of its allies across the border. It also threatens to stoke extremism in an area that seemed, somewhat shakily, to be moving toward peace.

Pakistan has worked hard to stave off concerns about its policy of negotiating with terrorists. Some observers say they have failed, and that Monday's strike was a vote of no confidence from American and NATO forces across the border.

"What has happened today is a remarkable disapproval of the Pakistani government's policy [in the tribal areas]," says Rasul Bakhsh Rais, a political-science professor at the Lahore University of Management Sciences. "NATO and the Americans are telling Pakistan, 'If you have retreated from the area, then we will go there.' "

Pakistan's military spokesman, Maj. Gen. Shaukat Sultan, said Monday that the dawn strike was conducted by Pakistan military helicopter gunships, which fired four to five missiles into the facility. The madrassah targeted, he added, was used as a base for terrorist activities and housed as many as 80 militants.

General Sultan said that the attack occurred after the leaders of the facility refused to close it down.

One of those killed was Liaquat Hussain, a cleric linked to Al Qaeda No. 2 Ayman al-Zawahiri, according to the Associated Press.

While the Army took responsibility for the attacks, Pakistan's leading Islamic political leader immediately blamed the United States and called for protests to take place Tuesday. One religious leader, Faqir Mohammed, who was not at the madrassah when it was struck, called for broad protest during a funeral attended by thousands of tribesmen. Two days earlier, Mr.

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Mohammed had denounced the Pakistani and US governments and praised Osama bin Laden during a pro-Taliban rally of 5,000 in Damadola.

Uncertainty persists, however, over who fired the missiles, and based on what intelligence. There are speculations that the strike, as in January, was miscalculated, and mistakenly targeted civilians rather than militants.

"It looks very odd for the Army to strike this madrassah," says Talat Masood, a retired lieutenant general and analyst in Islamabad. "Why couldn't they strike in a normal ground operation?"

Confusion has also prompted many to wonder whether the attack was conducted by American or NATO forces across the border in Afghanistan. The Pakistani Army, they speculate, might be claiming responsibility to avoid a political firestorm, as occurred after last January's attack. At that time, protests broke out when it was learned that a CIA drone had entered Pakistani airspace and fired upon a compound.

"[The strike] symbolizes a disagreement with the government of Pakistan. The agreement that Pakistan has signed, it has not been able to sell that to the US or Afghanistan," says Mr. Rais.

Whatever the source of the attack, there is consensus that peace efforts in the tribal areas have been undermined, if not derailed.

"I don't think another tribal elder will sign an agreement now," says Kamal Matinuddin, a retired lieutenant general. "It will put the government in a very difficult position."

Pakistan's counterterrorism strategies have been under fire for months. Its military strategy in the tribal areas, which began in 2003, had largely been seen as backfiring.

Hundreds of militants were killed, but so, too, were civilians and Army personnel. Rather than beating back extremism, military operations turned the tribal areas into an enclave of Taliban and Al Qaeda sympathies.

The Army, many analysts say, finally backpedaled, pulling out troops and devising a new strategy. The peace accord signed in September, and the one scheduled for Tuesday, constituted radical alternatives. Monday's strike, and the calls for violence by protesters, have now cast a shadow over the process.

• Associated Press material was used in this report.

Pakistan Strike Called Response To U.S. Reports (WP)

By Pamela Constable And Kamran Khan

The Washington Post, October 31, 2006

A missile strike that killed close to 80 people at an Islamic school in Pakistan early Monday was launched because of U.S. intelligence reports that senior al-Qaeda figures were hiding there, Pakistani intelligence officials said. The strike generated angry protests by religious and tribal leaders, who accused the government of doing Washington's bidding at the cost of Pakistani lives.

The country's major Islamic party charged that U.S. military planes carried out the attack, which demolished the school, located near the border with Afghanistan. Pakistani and U.S. military officials denied that, saying the raid was the work of Pakistani helicopter gunships and forces, though U.S. intelligence had prompted it.

"This was a training camp, and they had been warned to stop their activities," said Gen. Mahmud Ali Durrani, Pakistan's ambassador in Washington. "They did not pay heed, so they were hit by our gunships and all the people there were killed. There will be a lot of unhappy or misguided people saying we are killing our own people for the sake of the Americans, but we had a commitment to fight terrorism on our soil, and we made a decision."

Osama bin Laden and his deputy, Ayman al-Zawahiri, are widely believed to be hiding in the rugged Afghan-Pakistani border region, home to fiercely independent tribal peoples. Afghan officials also contend that Pakistan's side of the border is serving as a sanctuary for newly aggressive Taliban insurgents in Afghanistan.

The attack in the Bajaur tribal district near the village of Khar caused the highest number of deaths of any single anti-extremist attack in Pakistan since 2001, when Pakistan's president, Gen. Pervez Musharraf, agreed to side with the United States to help overthrow the Taliban in Afghanistan.

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The raid on the Islamic studies school, known as a madrassa, seemed to represent an abrupt shift from the Musharraf government's recent policy of seeking peaceful negotiations with extremists in the border regions. In the past several months, two peace deals were signed in the tribal areas of North and South Waziristan after sustained attacks there by the Pakistani military drew strong local opposition and caused heavy casualties on both sides.

A third such agreement was due to be signed in Bajaur this week, but it seemed almost certain to collapse now. Monday's events are bound to compound problems for Musharraf, whose domestic political support has been steadily eroding.

"What a stupid operation, just one day before an accord between the local Taliban and the government. It has killed the entire spirit and the peaceful atmosphere in the tribal areas," said Maulana Fazlur Rehman Khan, who heads one of two major religious parties in parliament. Protesters who turned out in many towns Monday pledged to return to the streets Tuesday.

A similar strike occurred in January, when U.S. missiles devastated a nearby compound that authorities believed Zawahiri was visiting. Officials initially denied, then acknowledged, reports that a U.S. drone had carried out the strike, which killed 18 people. The incident set off protests across Pakistan and forced the Musharraf government to publicly condemn the U.S. action.

Among those killed Monday was Maulana Liaquat, an Islamic cleric allied with al-Qaeda who is believed to have hosted a dinner for Zawahiri in January that led to the missile strike in Damadola village. At a mass funeral for Liaquat and his followers Monday afternoon, news agencies reported, thousands of armed men shouted, "Down with Musharraf! Down with Bush!"

Some religious politicians from the area rejected the official version of events, saying it bore strong similarities to the January attack.

"Exactly like Damadola, there was a big flare before a missile hit the madrassa with a huge bang. Several minutes later, Pakistan army gunship helicopters appeared on the horizon firing aimlessly," said Sahibzada Haroon-ur Rashid, the local member of parliament from the religious Jamaat-e-Islami party. "I don't have an iota of doubt that the missile was fired from an American drone."

Rashid resigned from parliament in protest Monday, as did another senior leader of the religious political alliance that controls North-West Frontier Province, near Afghanistan. Until now, the country's religious parties had maintained an uneasy alliance with Musharraf, and he often deferred to their demands.

Pakistani officials dismissed comparisons with the January attack. "I can say with 100 percent surety that our forces targeted the terrorist training facility," the chief military spokesman, Maj. Gen. Shaukat Sultan, asserted. "It is wrong to draw any comparison with U.S.-led action in Damadola."

If Monday's attack was carried out exclusively by Pakistan's military, it suggests that Musharraf -- long squeezed between domestic and international pressure on the terrorism issue -- decided to risk near-certain outrage at home to bolster his faltering credentials as a partner in the United States' global campaign.

Musharraf visited Washington last month, where he met with President Bush and Afghan President Hamid Karzai at the White House. In the past, Musharraf's government has earned U.S. praise for arresting and killing many al-Qaeda fighters. But relations have been cool with Karzai because of the Afghan accusations that Pakistan is harboring Taliban fighters.

According to Durrani, the Pakistani ambassador, the Washington meetings included pledges by Pakistan to make a strong effort to fight terrorism, to involve tribal leaders in both countries in that effort and to share intelligence with U.S. and Afghan officials.

"Yes, there are sensitivities, but we cannot sit on our haunches and do nothing," he said. "Many times, things we do in the tribal areas are misinterpreted and not popular. But you have to do tough things. This sends the message that we mean business."

One Pakistani intelligence official, who spoke on condition of anonymity, said the religious school in Khar was "serving as nucleus for all pro-al-Qaeda and pro-Taliban activities" in the Bajaur tribal district.

Publicly, Sultan and other Pakistani officials acknowledged that the attack was partly based on foreign intelligence. Privately, other officials said the information was developed solely by Americans. "They pressed the intelligence hard against our face. . . . A rapid military action was inevitable," one said.

Durrani said no one at the school was younger than 20 and that no children or other civilians were believed killed.

Constable reported from Washington, and Khan reported from Karachi, Pakistan.

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Pentagon Mounts Public Affairs Ops To Counter Bad News, Exploit "New Media" (AFP)

By Jim Mannion

AFP, October 31, 2006

The Pentagon is expanding its public affairs operations to counter "inaccurate" news stories and editorials and exploit "new media" to get its message out, its chief spokesman said, denying the effort was linked to the US elections.

The initiative comes amid plummeting domestic support for the war in Iraq and just before crucial mid-term congressional elections in which opposition Democrats are contesting Republican control of the Congress.

Eric Ruff, the Pentagon press secretary, insisted that the new public affairs program was not prompted by either the elections or polls showing that only about 37 percent believe the war is going well.

"What were looking at doing is, 'How can we get better, how can we get faster, how can we transform public affairs?'," he told reporters.

"And we're looking at being quicker to respond to breaking news. Being quicker to respond, frankly, to inaccurate statements," he said.

"And we're looking at this whole issue of new media -- podcasting, and IM-ing and all those kinds of things, where people are basically running circles inside us," he said.

Ruff disclosed the expanded operations after questions were raised about a wall being built in the Pentagon press operations center that will separate the new unit from Pentagon public affairs officials who deal with the media.

He denied that the intent of the new operation was to go around the mainstream news media.

Ruff said he did not know how much the operation is costing or how many people were being hired.

The unit includes a rapid response team, a "new media" group, and a team that specializes in getting Pentagon officials booked on radio and television shows.

"Well, just for example, letters to the editors: the operational tempo for letters to the editor has gone up considerably," Ruff said.

Dorrance Smith, the assistant secretary of defense for public affairs, has written a torrent of letters to editors in recent weeks seeking corrections or rebutting articles and editorials.

The Pentagon's daily compilation of defense-related news articles on Monday ran five such letters, including one to the Washington Post that has not been published.

Ruff said the new operation also was set up by Smith, a former ABC television producer and media adviser in Baghdad to L. Paul Bremer, who led the Coalition Provisional Authority in Iraq in the year after the US invasion.

But US Defense Secretary Donald Rumsfeld, a strident critic of media coverage of Iraq, also has pushed for a sweeping overhaul in the way the military communicates with the public.

In a speech to the Council on Foreign Relations in February, he called for 24-hour press operations centers and an approach that would give Internet operations and other channels of communications equal status to "20th century press relations."

"It will result in much less reliance on the traditional print press, just as publics of the US and the world are relying less on newspapers as their principal source of information," he said.

Efforts to expand the military's use of "information operations" overseas aroused controversy following disclosures last year that a private contractor was used to secretly plant paid stories in the Iraqi media.

"Information operations" is a military term used to describe propaganda aimed at influencing foreign publics. Traditional Pentagon public affairs, on the other hand, is bound by laws that prohibit propagandizing of Americans.

Asked whether the new Pentagon operations fell under the category of "information operations," Ruff said, "I've not looked at it that way at all."

"I've looked at it as getting better at what we do, from the standpoint of taking advantage of technology, of setting the record straight from a public affairs position," he said.

Pentagon Ramping Up Public Relations Efforts (AP)

DOJ_NMG_0088894

AP, October 31, 2006

PENTAGON Think of a political campaign's "war room," and then picture it within the Pentagon's giant rings.A memo obtained by The Associated Press shows the Defense Department is adding to its public relations staff. It plans to set up teams to quickly answer opponents' claims, develop messages for news cycles and coordinate officials or politicians to speak out on issues.Defense Secretary Donald Rumsfeld has said the thing that keeps him up at night is his belief that terrorists have been able to manipulate the media, while the Pentagon's communications efforts have been lacking. He once graded those efforts as a D or a D-plus.A Pentagon spokesman denies the new effort is aimed at shaping public opinion about the war, or at influencing next week's elections.

Pentagon Boosts Public Relations Arsenal (AP)

AP, October 31, 2006

WASHINGTON (AP) -- The Pentagon is buttressing its public relations staff and starting an operation akin to a political campaign war room as Defense Secretary Donald H. Rumsfeld faces intensifying criticism over the Iraq war.

In a memo obtained by The Associated Press, Dorrance Smith, assistant secretary of defense for public affairs, said new teams of people will "develop messages" for the 24-hour news cycle and "correct the record."

The memo describes an operation modeled after a political campaign -- such as that made famous by Bill Clinton's successful 1992 presidential race -- calling for a "Rapid Response" section for quickly answering opponents' assertions.

Another branch would coordinate "surrogates." In political campaigns, surrogates are usually high-level politicians or key interest groups who speak or travel on behalf of a candidate or an issue.

The plan would focus more resources on so-called new media, such as the Internet and Web logs. It would also include new workers to book civilian and military guests on television and radio shows.

Pentagon press secretary Eric Ruff did not provide the exact number of people to be hired, or the costs.

Rumsfeld has complained bitterly that the press focuses too much attention on bad news coming out of Iraq, and not enough on progress being made there.

As an example, he said during a trip to Nevada earlier this year that he was deeply troubled by the success of terrorist groups in "manipulating the media" to influence Westerners.

"That's the thing that keeps me up at night," he said during a question-and-answer session at a naval base.

The Pentagon changes, in the works for months, come as voters prepare to go to the polls next week with the war in Iraq as a key issue.

Polls suggest that the Republicans could lose their majority in the House, and perhaps the Senate, too.

The new public relations plan began to take concrete shape on Friday as new construction began in the E-Ring, the Pentagon's outermost corridor, to accommodate new hires.

Ruff said Monday that the reorganization, spearheaded by Smith, will help the department "set the record straight" and provide accurate, timely information.

He denied that the effort was set up to respond to the eroding public support for the war, or that it was aimed at helping in next week's elections.

He also said he would not call it an "information operations" program, which generally refers to a propaganda-type campaign.

Ruff said the effort grew out of Rumsfeld's criticism of the department's communications capabilities, which the secretary compared unfavorably to how quickly and effectively terrorists can get their message out.

"If I were grading I would say we probably deserve a 'D' or a 'D-plus' as a country as to how well we're doing in the battle of ideas that's taking place in the world today," Rumsfeld said during a visit to the Army War College in March.

"I'm not going to suggest that it's easy, but we have not found the formula as a country" for countering the extremists' message.

"We're trying to do better than a D-plus," said Ruff.

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CORPORATE SCANDALS:

Monster's Founder Quits Board Amid Options Probe (WSJ)

By James Bandler And Mark Maremont

The Wall Street Journal, October 31, 2006

Monster Worldwide Inc.'s founder, Andrew McKelvey, resigned from the company's board after declining to be interviewed by lawyers conducting an internal investigation into backdating of stock options at the company.

Mr. McKelvey, who founded the company that was the precursor of Monster 39 years ago, had been the company's chairman and chief executive until earlier this month, when he stepped down from both posts, citing the demands of dealing with the options probe. Yesterday, he resigned his remaining positions as director and chairman emeritus. Monster is the parent of the popular Monster.com job-search Web site.

The broadening options-backdating scandal so far has focused on more than 150 companies, and white-collar attorneys say executives increasingly are refusing to cooperate with in-house probes for fear that their statements will be used against them by the government. But failure to cooperate makes it difficult or impossible for the executive to stay in his or her position. Nearly all of the companies involved are conducting internal probes, and typically turn over the results to federal investigators.

MORE ON OPTIONS

• Text of Monster's SEC filing (PDF)1

10/30/06

• Monster's CEO Resigns, Citing Probe Into Options2

10/10/06

• Options Scorecard: Companies under scrutiny3

• Perfect Payday: Complete coverage4

Robert Jones, a Monster spokesman, said the company and its board "demanded full compliance with the special committee and its representatives." He declined to comment further.

Behind yesterday's departure was an initial interview Mr. McKelvey, 71 years old, gave in July to the lawyers at Akin Gump Strauss Hauer Feld LLP conducting an internal probe for a special committee of Monster's board. At that time, Mr. McKelvey said that he had no knowledge of any options backdating at Monster, a person familiar with his interview said. This person said that Akin Gump lawyers found evidence contradicting this assertion.

Mr. McKelvey's new attorney, in a letter dated Oct. 29 submitting his client's resignation, tried to clarify remarks the former Monster chief had made in July. He said his client was "jet-lagged, came in without counsel and....did not express his thoughts and recollections as clearly or accurately as he would have liked."

Mr. McKelvey's lawyer, Steven F. Reich, said in the letter that his client had "misunderstood" what the July questions were about, and "focused too narrowly on the issue of whether he knew at the time that improper conduct had occurred, and not on the more general issue of whether backdating had occurred." Mr. Reich added that his client now wished to make clear that he didn't understand at the time that backdating of options was improper or that the practice could have legal or accounting implications.

Mr. McKelvey had been scheduled to be interviewed again by the Akin Gump lawyers yesterday, but Mr. Reich canceled the meeting, saying as new counsel he needed more time to prepare.

"We think the letter from Mr. McKelvey's lawyer is fairly self-explanatory," said Andrew Levander, an outside lawyer for Monster.

Options give their recipient the right to buy a stock at a fixed price, allowing the recipient to profit if the market value of the stock rises from the day the option was granted. But it turns out many companies cheated by pretending that their options were granted on earlier dates, when the stock price was much lower, a practice that gives an instant paper profit to grant recipients. Backdating is illegal if not properly disclosed to shareholders, and also can pose serious accounting and tax problems for companies and executives.

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Three former executives at Comverse Technology Inc. have been charged criminally with fraud connected with alleged options backdating at the New York telecommunications software firm. All three purportedly had given confessions to private lawyers conducting an internal probe. One, the company's former finance chief, has pleaded guilty.

At Monster, several top executives, not including Mr. McKelvey, received options supposedly granted at highly favorable times when the company's stock price was low. Several grants were at quarterly or annual low points. The company previously announced the suspension of Myron Olesnyckyj, its general counsel, and has said it is very likely to restate its financial results over options issues.

In a June interview with The Wall Street Journal, Mr. McKelvey said his practice was to sign off on grants and pass them on to the board's compensation committee, but he didn't know the "mechanics" of how options were ultimately awarded. In June, Mr. McKelvey also said that he didn't know of evidence of backdating or other improprieties.

Yesterday, Securities and Exchange Commission Chairman Christopher Cox said the corporate response to stock-option abuses was "unprecedented" and reflects how the corporate environment has changed after accounting scandals at companies such as Enron Corp.

In remarks to reporters after addressing a Stanford University conference in Washington, D.C., Mr. Cox said the forceful private-sector response shows "an unmistakable message has been received" on the need for firms to investigate and address stock-option abuses.

Mr. Cox told reporters the SEC has a number of investigations into stock-option abuses, and said he expects "we'll be seeing more." SEC enforcement division director Linda Thomsen said the agency has more than 120 probes under way, focusing on the worst behavior, such as falsifying documents, creating fictitious employees and lying to auditors -- conduct the SEC alleged against former Comverse executives, which Ms. Thomsen suggested may have occurred at other firms as well.

Separately, Intuit Inc. said that the SEC has decided not to recommend any enforcement action in its investigation of the company's options-granting practices. Intuit, a Mountain View, Calif., maker of personal-finance software, previously had said an internal probe found no evidence of fraud or wrongdoing in its options practices. The company concluded it didn't need to restate historical results.

Monster's Founder Steps Down As Chairman Emeritus (USAT)

By Edward Iwata

USA Today, October 31, 2006

As federal authorities continue to investigate Monster Worldwide in its stock-option granting practices, the company said Monday that former CEO and founder Andrew McKelvey has resigned as chairman emeritus of the company.

The 71-year-old stepped down last month as CEO and chairman, and Chief Operating Officer William Pastore was promoted to CEO of Monster, the parent corporation of a popular job-search website.

McKelvey was scheduled to meet Monday with a Monster special committee investigating the company's stock-option grants, but he changed his mind.

The company said in a statement that “Mr. McKelvey had declined to be interviewed” and “would not provide assurance that he would appear at a later date.”

McKelvey's attorney, Steven Reich of Manatt Phelps & Phillips, said in a letter Sunday to Monster's private attorneys that “we need a good deal more time to get up to speed on this fact-intensive matter that covers a period of many years.”

The letter, addressed to attorney James Benjamin at law firm Akin Gump Strauss Hauer & Feld, also said that McKelvey was ill, was suffering from jet lag and lacked legal representation during a key meeting with the committee last July on the stock-option scandal.

When questioned, McKelvey did not understand the legal and accounting implications of stock-option backdating, or whether Monster engaged in improper practices, according to the letter filed Monday with the Securities and Exchange Commission.

The SEC and Justice Department are investigating Monster's stock-option practices, the company has said. Monster also is conducting its own investigation, by the Akin Gump law firm and a special committee of directors.

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Company spokeswoman Kathryn Burns said the company hopes to restate its financial results by December. “Now that we know the magnitude of the restatement,” she says, “we're planning to start 2007 on a clean slate.”

Nasdaq officials have warned Monster that it may be delisted if the company does not file by Dec. 13 its quarterly earnings statement for the June quarter.

Monster expects to restate its finances for the years 1997 through 2005, according to the company's SEC filings.

Meanwhile, recent shareholders' lawsuits accuse Monster executives and directors of securities fraud and of allegedly failing to disclose the backdating of stock-option grants worth millions of dollars.

Backdating option awards involves choosing an award date when a company's stock price was lower than the date the options were actually awarded. That gives the holder a chance for a bigger profit when they exercise the options and sell the shares.

Monster's senior executives were motivated “to overpay themselves, to profit from their misconduct by cashing in on underpriced stock options and to issue false financial statements to cover up their misdeeds,” according to a lawsuit filed by the National Roofing Industry Pension Plan in U.S. District Court in New York.

Another federal lawsuit, filed by Philadelphia's Board of Pensions and Retirement, alleges that dozens of “suspicious grants” totaling millions of dollars were issued to Monster executives and directors from 1997 to the present.

Shares of Monster rose 2.6% to $41.32 in Monday trading on the Nasdaq stock market.

Federal authorities are investigating more than 100 companies on suspicion of illegal stock-option grants.

Ex-CEO Of Monster Worldwide Resigns From Board Over Stock Options Investigation (AP)

By Vinnee Tong, The Associated Press

AP, October 31, 2006

The scandal over stock options backdating spread to yet another executive as the former chief executive of Monster Worldwide Inc., Andrew J. McKelvey, quit his board seat and refused to sit for questions from fellow board members.

Monster Worldwide, parent of the world's largest job search Web site, announced McKelvey's resignation on Monday. A board committee conducting an internal investigation had sought to interview him further following a meeting in July. Monster has received a subpoena from the U.S. attorney's office in the Southern District of New York over stock options and has said it wants to complete its own investigation by the end of the year.

McKelvey, who is 71, is the latest company chief to be affected by investigations of the accounting of past options grants. In all, at least 135 U.S. companies have disclosed internal inquiries or government investigations and at least 39 executives and board directors at 19 companies have been fired or have resigned.

McKelvey's full resignation from the board comes weeks after he stepped down from the posts of chairman and chief executive on Oct. 9. At that time, he retained a spot on the board and was named as a chairman emeritus.

Top executives who have recently resigned from other companies over options investigations include: UnitedHealth Group Inc. Chief Executive William McGuire, KLA-Tencor Corp. Chairman Kenneth Levy, CNET Networks Inc. Chief Executive Shelby Bonnie and McAfee Inc. CEO George Samenuk. McGuire quit as chairman earlier this month and will resign as CEO by Dec. 1.

So far, federal authorities have filed charges against former officials of two technology companies. And Securities and Exchange Commission Chairman Christopher Cox said on Monday that he expected more such charges in the coming days.

"This is very, very serious," said Jerry Reisman, an attorney specializing in corporate fraud at the firm Reisman Peirez & Reisman. About McKelvey, he said, "He doesn't want to answer questions because anything he says can be used against him in any criminal investigation. He may already be a target, we don't know."

Backdating involves issuing stock options retroactively to coincide with low points in a company's share price, potentially increasing profits for recipients when they sell their shares at higher prices.

Monster issued a statement Monday disclosing that, through a lawyer, McKelvey declined to be interviewed by a special committee of the board in a meeting that had been set for Monday. He also would not assure the board that he would appear at a later date.

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A lawyer for McKelvey wrote in a letter that the former executive refused to meet because he did not have sufficient time to review the facts of what had happened over the course of several years. Attorney Steven Reich also clarified answers McKelvey gave in a July meeting, arguing that McKelvey did not know backdating was illegal.

"He did not understand that it was improper for the exercise price of stock to be different than the price on the grant dates, nor did he understand there were legal or accounting implications associated with that difference," Reich wrote in the letter.

The company's ongoing internal investigation had also delayed the release of its latest quarterly earnings results and led to the suspension of Myron Olesnyckyj, the company's senior vice president, general counsel and secretary.

When McKelvey resigned as CEO, he was replaced by William Pastore. Monster's board also created a three-person executive committee for board matters.

Shares of Monster Worldwide rose $1.10, or 2.73 percent, to $41.39 on the Nasdaq Stock Market in afternoon trading.

More Options-tied Cases Likely (AP)

By MARCY GORDON And VINNIE TONG, The Associated Press

AP, October 31, 2006

SEC: Many companies, however, are stepping forward and voluntarily reporting irregularities.

WASHINGTON - With about 100 companies under investigation, new cases will be brought on suspicious timing of stock options grants in the near future, the head of the Securities and Exchange Commission said Monday.

Meanwhile, there have been an "unprecedented" number of companies that have voluntarily reported irregularities in stock options awards to the authorities -- a cooperation that will be taken into account by the SEC in those cases, Chairman Christopher Cox said.

Federal authorities have filed charges so far against former officials of two technology companies.

"I'd expect that we'll see more as a result of that process in the days ahead," Cox told reporters.

His remarks came amid news that the former chief executive of Monster Worldwide Inc., parent of the world's largest job-search site, had resigned from its board after refusing to be interviewed about the company's past options practices.

Andrew J. McKelvey's resignation came weeks after he stepped down from the posts of chairman and chief executive on Oct. 9. At that time, he retained a board seat and was named chairman emeritus.

To date, at least 135 public companies have disclosed internal inquiries over options grants or investigations by the SEC or the Justice Department, and at least 39 executives and directors at 19 companies have been fired or resigned.

"This is very, very serious," said Jerry Reisman, an attorney specializing in corporate fraud at the firm Reisman Peirez & Reisman. About McKelvey, he said, "He doesn't want to answer questions because anything he says can be used against him in any criminal investigation. He may already be a target; we don't know."

A lawyer for McKelvey wrote in a letter that the former executive refused to meet because he did not have sufficient time to review the facts of what had happened over the course of several years. Attorney Steven Reich also clarified answers McKelvey gave in a July meeting, arguing that McKelvey did not know backdating was illegal.

Backdating is an issue in many of the investigations. In the practice, stock options are issued retroactively to coincide with low points in a company's share price. This can fatten profits for options recipients.

Backdating options can be legal if the practice is disclosed properly to investors and approved by the company's board.

Some companies have been eager to show their cooperation.

Cox cited an "unprecedented private-sector response" in terms of firms voluntarily reporting stock options problems.

Missed Deadlines Raise Possibility Of More Backdated Option Grants (MERCN)

By Therese Poletti

The San Jose Mercury News, October 31, 2006

Hundreds of companies have missed the regulatory deadlines to disclose how many stock options they have granted to insiders, raising questions about whether more options grants may have been backdated even amid new tougher securities laws, according to a report by Glass Lewis.

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In an Oct. 20 report called ``The Backdating Scandal's Second Act?" Glass Lewis, an institutional shareholder advisory firm in San Francisco, noted that its research has identified hundreds of companies with late filings to the Securities and Exchange Commission. Those filings, called Form 4s, are now required within two days of the grants, per new securities laws as a result of Sarbanes-Oxley legislation.

``This suggests backdating continued to occur after the adoption of new disclosure rules," wrote Todd Fernandez, a senior research analyst at Glass Lewis, in the report. He noted there are many examples of companies that were late in disclosing grants to insiders and the stock price rose materially from the purported grant date to the disclosure date.

Some examples Glass Lewis sited include Silicon Image of Sunnyvale, Hansen Natural of Corona, Calif., O'Reilly Automotive of Springfield, Mo., Digital River of Minneapolis, Websense of San Diego, and Medis Technologies of New York.

Glass Lewis said it reviewed hundreds of thousands of insider transactions from January, 2004 to June 2006, for its report.

To date, the SEC and the Justice Department have said they are investigating more than 100 companies for giving executives and employees a head start on profits, by backdating their stock options grants to a more favorable date. Backdating per se is not illegal, but the companies are being investigated for not properly disclosing these options grants in their financial statements. Companies and employees could also face some tax implications.

SEC's Grip On Hedge Funds Reviewed (DEAL)

By Ron Orol And Donna Block, The Deal

The Deal, October 31, 2006

Congressional investigators are examining whether stock exchanges and the Securities and Exchange Commission are equipped to police trading activity ahead of market-moving deals, particularly as hedge funds become an increasingly large presence in the financial markets.

At the request of Sen. Finance Committee Chairman Charles Grassley, R-Iowa, the Government Accountability Office earlier this month agreed to examine whether the SEC had adequate procedures in place to oversee stock exchange regulators, including the New York Stock Exchange and NASD.

Ostensibly, those exchanges are self-regulatory organizations, but the SEC ultimately is charged with ensuring that the public markets are carrying out their obligations to root out insider trading, fraud and other abuses.

Financial industry sources say Grassley is right to suspect some fire behind the smoke of suspicious trading and that the SEC appears to suffer a backlog of referrals of suspected improper trading from the exchanges.

With the advent of decimalization, increased domination by institutional trading, short-term trading strategies by hedge funds, and the move to a for-profit model of the major trading venues, it's unclear whether the SRO's market surveillance budgets, staffing levels and computer technology are keeping up.

"The tasks are bigger, the volumes are bigger and the rapidity of trading is bigger," said Steve Howard, a partner at Washington law firm Thatcher Profitt & Wood.

As for the SEC, Howard added that the agency has maintained the initiative in areas like insider trading. "Their actions [on insider trading] are at a low relative the number of actions taken in the 1980s and with a faux pas like Pequot it begs the question -- what happened?"

In fact, according to testimony by NYSE Regulation executive vice president Robert Marchman in September, the NYSE in the last two years has seen "a significant increase in the number and complexity of our insider trading referrals to the SEC." According to his testimony before the Senate Judiciary Committee, referrals to the SEC increased from 68 in 2004 to 111 in 2005, a 63 percent increase. For 2006, at the current pace, "we project 140 referrals to the SEC, an increase of 26 percent from 2005," he said.

Combined, insider trading referrals to the SEC have increased a cumulative 105 percent over the last two years. "The projected 140 referrals in 2006 will handily surpass the five-year high-water mark of 98 referrals in 2000," Marchman said.

So what is the SEC doing with all these referrals?

The agency declined comment pending a review of its records. But one suggestion is that the SEC has not acted on many of them because is focused on other areas like the roll out of XBRL -- a quest to modernize the agency's data retrieval system.

The personnel-strapped agency also focused a lot of attention in the past year on unsuccessful attempts to require hedge fund manager registration, an initiative that was struck down in court. A court also struck down a rule that would have required independent directors to sit on mutual fund boards.

The SEC is indeed hurting for bodies. According to a source close to the SROs at a recent meeting with the SEC, the organizations were told that trading referrals were not acted upon because of a "hiring freeze." It's estimated that the SEC lost 31 "full-time equivalent" positions in enforcement in fiscal 2006, a 2.4 percent decline from fiscal 2005.

Nevertheless, Grassley wants to scrutinize in greater detail the SEC's handling of an insider trading case involving a large hedge fund and an influential investment banking executive prior to mergers or other market moving activities. Grassley questioned whether the agency gave Morgan Stanley chief executive John Mack special treatment during a probe of insider trading at Pequot Capital Management Inc., which runs $7 billion in hedge funds.

In a letter to clients last month, Pequot announced that the SEC staffers had determined they would not bring charges against the fund or any of its employees.

The revelation fueled alarm on Capitol Hill, where lawmakers already had raised concerns about the SEC's handling of the Pequot investigation. The former leader of the SEC's Pequot investigation was fired after telling Congress that senior SEC officials blocked his efforts to question Mack, who now heads Morgan Stanley. The agency has been investigating whether Pequot relied on insider information to buy stock of Heller Financial Inc. prior to its 2001 takeover by General Electric Co.

Beyond the Pequot matter, Grassley wants the General Accounting Office to investigate the SEC's enforcement division and compliance department and whether the agency is prepared to oversee hedge fund trades. Grassley asked the GAO to examine the SEC's "planning, oversight, control and other management processes." More broadly, the study will look at the overlapping SEC and SRO compliance networks and whether there is an overly cozy relationship between the stock exchanges and their investment banking clients.

It's unclear how long the GAO will take to issue its report, but the oversight office, which agreed to do the investigation on Oct. 16, will likely take several months and could be completed by June.

Hedge fund and other regulatory observers expect that should the GAO identify problems with the SEC's investigation of this situation, then it is likely stock exchanges and the SEC will spend more time and energy inspecting market transactions and other activities. The result is also likely to be an increased level of communications between the stock exchanges and the SEC on market activity.

"I expect the SROs will likely need to devote a significantly larger portion of their resources looking at market activity," said William Natbony, partner at Katten Muchin Rosenman in New York.

Stock exchanges have already both invested heavily in reviewing market moving activities, with possible plans for more funding in that area.

But Arthur F. Bell Jr., president of Arthur Bell & Associates, a Hunt Valley, Md., hedge fund consultancy firm, said there isn't enough evidence available yet to determine whether there is a problem and if there is an issue, whether it needs a whole new regulatory regime.

Grassley's efforts also may have set up a three-way congressional turf battle over the hedge fund regulation. Senate Judiciary Committee Chairman Arlen Specter, R-Pa., in June held a hearing on the industry, charging that the SEC and the Justice Department had better get serious about investigating market manipulation by hedge funds and collusion between hedge fund managers and ostensibly independent research firms that supply analysis to investors.

Efforts to rein in the hedge fund industry by both Grassley and Specter have put a spotlight on Senate Banking Committee Chairman Richard Shelby, R-Ala. The Senate Banking Committee has jurisdiction over hedge funds and investment banking.

But securities lawyers also contend that whatever the results of the GAO report, it is not likely to put pressure on SEC Chairman Christopher Cox to restore the requirement for hedge fund manager registration.

As hedge funds have increased in size they have also increased their trading volume, making the job of stock exchange oversight of the trades more difficult. Richard Lashley, co-founder of Naperville, Ill.-based hedge fund PL Capital, says he's worried about the system of intermediaries that processes stock transactions seizing up.

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"I don't know if there are too many transactions, but since there is much more capital out there I worry about the system which the trades are made could break down," Lashley says.

Targeting Hedge Funds (WSJ)

The Wall Street Journal, October 31, 2006

Targeting Hedge Funds

October 31, 2006

The big news with last month's implosion of Amaranth Advisors hedge fund was how little news it made. Even as the $9 billion fund was spiraling down after bad energy bets, J.P. Morgan Chase and the Citadel Investment Group stepped in to pick up the pieces. J.P. Morgan even reported that the deal boosted its third-quarter earnings.

But the Amaranth debacle still poses a different threat -- the political kind. Senate Finance Chairman Charles Grassley is circulating a letter to regulators looking for suggestions on how to regulate hedge funds. He's far from the only one. Connecticut Attorney General Richard Blumenthal is bidding to become the next Eliot Spitzer by doing to hedge funds what New York's AG did to the insurance industry. (Someone might want to tell Mr. Blumenthal that if he wants to drive this rich and growing industry out of Greenwich, he should keep it up.)

Rumblings can be heard abroad too. The German government wants the G-8 to take up hedge-fund and private-equity regulation. A select committee of the British Parliament is already examining regulations. Arthur Levitt, a former head of the SEC who opposes more hedge-fund regulation, nonetheless says he'd be surprised if Congress doesn't take up the issue next year, no matter which party controls Congress. * * *

So, just what is driving this push to regulate? First, until recently hedge funds have been growing like Topsy, and the 1998 meltdown of Long-Term Capital Management did little to diminish wealthy investors' appetite for new funds. Today there are more than 3,000 hedge funds, managing more than $1 trillion in assets. This growth has made them an increasingly attractive target for imperialist bureaucrats and rent-seeking politicians.

Then there are the demographics. Hedge funds by definition are open only to the rich. They have received a regulatory pass so far by limiting the number of investors in any given fund and restricting access to those who, essentially, can afford to lose everything they put in. By promising to cater only to the wealthy, hedge funds escape most of the rules passed in the wake of the 1929 crash to protect small investors. They can also take on a lot more leverage than, say, mutual funds. And their managers are not restricted in paying themselves performance-based compensation.

This basic bargain -- stay away from small investors and the SEC will leave you alone -- has held up pretty well for 70 years. There's little political hay to be made by arguing that millionaires need government protection from other millionaires.

But recently the bargain has shown signs of fraying. Senator Grassley cites pension-fund investments in hedge funds as one cause for concern. A large public or private pension fund may have billions in assets, but if it gets burned by a hedge fund that goes belly up, the "little guy" could get hurt, the Senator claims.

Never mind that pension funds have been seeking out hedge funds precisely because the lighter regulatory burden has meant higher returns. Moreover, to say that pension beneficiaries are "exposed" to hedge-fund risk is another way of saying that they are exposed to pension-fund-manager risk. But this is one reason pension funds themselves are regulated and supervised. Pension-fund investments are also highly diversified, or should be, with hedge funds representing only a slice of a pension-fund portfolio.

A second concern is that hedge funds are getting so big and numerous that they may pose a risk to the larger financial system. Thus regulators say they need to know more about, and have more control over, what exactly is going on in Greenwich.

"Systemic" risk is no laughing matter. One such risk that keeps us awake at night is having so much housing risk concentrated in two big firms, Fannie Mae and Freddie Mac -- especially when they enjoy an implicit government guarantee on the leverage they use to fatten their bottom line. Those two companies, by the way, have a combined portfolio nearly as large as the entire hedge-fund industry. But Capitol Hill prefers to ignore that systemic danger because the two mortgage giants and their homebuilder allies lather the place with campaign contributions.

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By contrast, when Long-Term Capital Management (LTCM) went bust, it had about $5 billion in assets that it had leveraged into a $120 billion portfolio. That's not chump change, but the banks that had the most to lose stepped up and bought out the hedge-fund managers. The investors in LTCM got wiped out, but the "financial system" barely hiccupped. A report on LTCM issued in 1999 by the Treasury, the SEC and Federal Reserve noted that, even in a worst-case scenario, none of the banks and brokerages "exposed" to LTCM were ever in danger of insolvency. More recently, the failure of Amaranth and Bayou made headlines but barely caused a financial blip.

This is not to say there are no risks, especially when hedge funds are experimenting in complex derivatives and the like. But most of those transactions have banks or other regulated entities as counterparties, and so do not occur in a regulatory vacuum. Banks and their regulators have a duty to understand their exposure to what their hedge-fund clients and counterparties are doing. As long as they do, the risk of contagion can be minimized without intrusive regulation of hedge funds. * * *

All that said, politicians follow the money, so it was inevitable that hedge funds would become targets as they prospered. Some hedge-fund managers have floated the idea of establishing a self-regulatory entity like the NASD for their industry to keep the panting politicians at bay. This could prove a decent hedge of its own against more-intrusive alternatives.

Certainly it beats giving direct jurisdiction over the funds to the SEC and its army of 27-year-old lawyers. Best of all would be for the Members of Congress to leave hedge funds alone and reform the many "systemic" financial risks -- such as Fannie Mae, Social Security -- that they themselves have created.

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Delphi Settles Charges With SEC (WP)

By Sholnn Freeman

The Washington Post, October 31, 2006

The Securities and Exchange Commission said yesterday that it settled civil fraud charges against embattled auto parts supplier Delphi Corp. and some of its former officials, while others vowed to fight.

The SEC named 13 individuals in the case, which alleges that officers at the company's highest level engaged in accounting schemes to mask Delphi's declining financial condition from 2000 to 2004. In one effort, the SEC said executives misrepresented warranty claims as pension costs to improve financial results.

Under terms of the settlement, Delphi faces no financial penalties.

The SEC said six individuals in the case agreed to settle the charges without admitting wrongdoing and will pay a total of $1.4 million in fines and other payments. The largest amount will be paid by Alan Dawes, Delphi's former chief financial officer, who agreed to pay $687,000.

J.T. Battenberg III, Delphi's former chief executive who was also named in the complaint, denied the SEC's claims.

"I deny the allegations against me and will ask that the Court hear evidence at the earliest possible time," Battenberg said in a statement.

The other former Delphi officials fighting the case are Paul Free, controller and chief accounting officer; John Blahnik, treasurer; Milan Belans, former director of capital planning and pension analysis; Catherine Rozanski, director of financial accounting and reporting; and Judith Kudla, former director of finance in Delphi's information technology department. Scot McDonald, an employee of a Texas IT company ensnared in the case, also is fighting the complaint, which was filed in U.S. District Court for the Eastern District of Michigan.

Thomas W. Kranmer, Blahnik's attorney, said he hadn't had an opportunity to review the complaint. "However, there is another side to this story and we look forward to making that presentation to the court," he said.

Attorneys for the others fighting the complaints weren't immediately available for comment yesterday.

Linda Chatman Thomsen, director of the commissions enforcement division, said in a statement that the Delphi case stood out on several counts. "The facts here are particularly troubling because of the number of fraudulent schemes engaged in by Delphi, the length of time over which they occurred, and the number of Delphi employees, including senior officers, who carried out the schemes."

Last year, Troy, Mich.-based Delphi restated some earnings in the financial periods under SEC scrutiny. In a statement, chief executive Steve Miller said, "We are pleased to put the SEC investigation behind us and consider this settlement as an important step in our transformation process."

In one of the alleged abuses, the SEC said Delphi engaged in accounting schemes that tried to hide a billing dispute with General Motors Corp. over faulty parts. According to the complaint, GM was asserting in May 2000 that Delphi owed between $350 million and $800 million for warranty claims for faulty Delphi-made parts. The firms eventually agreed to $237 million to satisfy the claims.

Along the way, Delphi officials continually misclassified the items. The SEC complaint says Delphi sought to mischaracterize the $237 million payment as a pension-related expense, which could potentially limit the payment's impact on Delphi's income statement. The SEC says the misclassification resulted in Delphi overstating profit in the second quarter of 2000 by $69 million. In the third quarter of 2000, the SEC says Delphi's profit would have been about $15 million, rather than the $148 million Delphi reported.

Additionally, near the end of 2000, the SEC said Delphi entered into two fraudulent inventory transactions in which it purported to sell $270 million of precious metals to banks and consulting firms, while simultaneously agreeing to buy the inventory back later. The SEC said the transactions were intended to allow Delphi to inflate its cash and improperly report $80 million in profit.

Delphi has been operating under bankruptcy court protection since last October. The firm, once under GM's wing, was spun off in 1999. Delphi then became stalled by crushing U.S. labor contracts and competition from parts makers operating in low-wage countries. Since separating from GM, Delphi has lost billions of dollars. Its problems have cast a shadow over GM, which is also trying to stabilize its U.S. operations.

SEC Files Fraud Charges Against Delphi And Former Top Executives (AP)

By Ken Thomas, Associated Press

AP, October 31, 2006

WASHINGTON - The Securities and Exchange Commission said Monday it had settled charges of accounting fraud against Delphi Corp. and six people, including the auto supplier's former chief financial officer, in a scheme to hide the poor conditions of the company's finances.

The SEC, in a filing in federal court in Detroit, charged former Delphi Chief Executive J.T. Battenberg and others with participating in or aiding and abetting the company's fraud.

Delphi, the nation's largest auto supplier, filed for bankruptcy protection in October 2005. Resolving the SEC investigation could help the company move closer to emergence from bankruptcy next year.

The government said in a statement that the Troy, Mich.-based company had settled its charges and will not face penalties because of its cooperation with investigators.

Delphi Chairman and CEO Robert S. "Steve" Miller said the auto supplier had "cooperated fully with the commission's investigation and will continue to do so. We are pleased to put the SEC investigation behind us and consider this settlement an important step in our transformation process."

Delphi settled the charges "without admitting or denying the Commission's allegations," the SEC said.

The agency said it settled charges with six of the people named in the complaint, including former Chief Financial Officer Alan Dawes, who agreed to pay $687,000 in fines and restitution.

The SEC investigation found that Delphi manipulated its earnings from 2000 to 2004, using several illegal schemes to boost its earnings, including the concealment of a $237 million transaction in 2000 with its former parent company, General Motors Corp., involving warranty costs.

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Linda Chatman Thomsen, director of the SEC's division of enforcement, said the facts were "particularly troubling because of the number of fraudulent schemes engaged in by Delphi, the length of time over which they occurred, and the number of Delphi employees, including senior officers, who carried out the schemes."

The SEC said its investigation was continuing. The Justice Department has also been conducting a criminal investigation of the company related to the accounting practices. A Justice spokeswoman declined to comment.

Battenberg, in a statement, said the SEC complaint against him "relates entirely to a settlement of disputes between Delphi and General Motors in September 2000 that I believed and continue to believe was entirely lawful and proper.

"I fully cooperated with Delphi and with the SEC in their investigations of this matter both before and after my retirement, and am disappointed to say the least that this lawsuit has been filed," Battenberg said. "I deny the allegations against me and will ask that the court hear the evidence at the earliest possible time."

A GM spokeswoman declined to comment.

Battenberg, Delphi's founding chairman after it was spun off from GM in 1999, announced his retirement in February 2005, shortly before the SEC probe was announced.

Peter Henning, a former SEC attorney who teaches at Wayne State University Law School, said the chief financial officer's knowledge was key to the government's probe in similar accounting fraud cases involving Enron Corp. and WorldCom Inc. He said Dawes, the former CFO, would likely be the linchpin in the Delphi case.

"The CFO not only knows the accounting but he also knows the management decisions for certain transactions, so he will be a key to the case," Henning said.

In addition to Battenberg and Dawes, the SEC complaint also named Paul Free, Delphi's former controller and chief accounting officer; John Blahnik, Delphi's former treasurer and senior vice president; Milan Belans, Delphi's former director of capital planning and pension analysis; Catherine Rozanski, Delphi's former director of financial accounting and reporting; and Judith Kudla, former director of finance in Delphi's information technology department.

Others charged include: Scot McDonald, who works for a Texas-based information technology company and formerly served as manager of U.S. GAAP Consulting and Reporting; B.N. Bahadur, who led a Michigan-based private management consulting company.

In addition, the complaint charged four other people with aiding and abetting Delphi's reporting and books-and-records violations: Atul Pasricha, Delphi's former assistant treasurer; Laura Marion, Delphi's former director of financial accounting and reporting; Stuart Doyle, a former client executive supporting the Texas IT company's relationship with Delphi; and Kevin Curry, a former client executive supporting the Texas IT company's relationship with Delphi.

In addition to Dawes, the SEC reached settlements with Pasricha, Bahadur, Marion, Doyle and Curry. Bahadur agreed to pay back nearly $490,000 in ill-gotten gains and interest and pay an $80,000 penalty; Pasricha agreed to a $55,000 penalty; Marion and Doyle agreed to pay penalties of $40,000 apiece and Curry agreed to pay a $25,000 penalty.

Attorneys for Belans, Kudla and McDonald didn't immediately return telephone calls seeking comment. Free's attorney, Richard Rossman, had no immediate comment.

David DuMouchel, Rozanski's lawyer, said they were "very disappointed that the (SEC) filed the action against Cathy but now we'll just proceed to defend" her.

Thomas Cranmer, Blahnik's attorney, said, "there's another side of the story to be told, and we look forward to presenting our case in court."

AP Business Writer Marcy Gordon contributed to this report.

Delphi's Ex-CEO To Fight Fraud Charges (USAT)

By Sharon Silke Carty

USA Today, October 31, 2006

DETROIT — Delphi's former CEO says he'll fight a lawsuit by the Securities and Exchange Commission that charges him and six other former Delphi employees with incidents of fraud from 2000 to 2004.

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The SEC said its two-year investigation revealed the auto-parts supplier manipulated its finances during that period to boost cash flow and earnings.

An additional six people, including the former chief financial officer, have settled charges related to the incidents.

J.T. Battenberg, Delphi's founding chairman and CEO from 1999 (when the supplier was spun off from General Motors) until he retired in June 2005, insists the actions he took were "entirely lawful and proper."

"I fully cooperated with Delphi and the SEC in their investigations of this matter both before and after my retirement, and am disappointed — to say the least — that this lawsuit has been filed," he said in a statement.

Six of those charged, including former CFO Alan Dawes, reached settlements with the SEC without admitting guilt and will pay a total of $1.4 million in fines.

Delphi, which filed for bankruptcy-court protection in October 2005, also did not admit guilt and, because of its cooperation with the probe, won't have to pay fines.

"The facts here are particularly troubling because of the number of fraudulent schemes engaged in by Delphi, the length of time over which they occurred, and the number of Delphi employees, including senior officers, who carried out the schemes," said Linda Chatman Thomsen, director of the SEC's division of enforcement.

The SEC alleges that it uncovered seven incidents of fraud, including:

•Two moves in 2000 that hid a $237 million liability Delphi faced for defective parts, allowing it to falsely boost its net income for the year by $202 million.

•Two schemes in which Delphi shifted the way it accounted for its inventory of metals, batteries and generator cores from fourth-quarter 2000 to first-quarter 2001.

The moves made Delphi's cash flow look $200 million better and its inventory $270 million slimmer, and boosted net income by $80 million.

•In exchange for new business, Delphi made EDS, an information technology supplier, pay it $20 million, which Delphi agreed to pay back over five years, with interest — essentially turning the deal into a loan to Delphi.

But in an attempt to make its earnings targets for the 2001 fourth quarter, Delphi booked the $20 million as income. The SEC began its investigation of Delphi in 2004, after EDS informed the agency of the loan.

Nine Ex-Delphi Execs Charged With Fraud (DEN)

By David Shepardson

Detroit News, October 31, 2006

The Securities and Exchange Commission filed civil fraud charges against nine former Delphi executives, including former CEO J.T. Battenberg III and former Chief Financial Officer Alan Dawes, in U.S. District Court in Detroit on Monday in connection with allegations of widespread accounting fraud.

Also charged were four company officials from two companies that conducted allegedly improper transactions with Delphi -- including three employees at EDS and B.N. Bahadur, the CEO of Southfield-based turnaround firm BBK Ltd.

Bahadur, Dawes, two of the EDS employees and two other former Delphi officials agreed to settle the allegations with the SEC.

Delphi Corp., General Motors Corp.'s former parts unit, was also charged with wrongdoing as a corporation; it agreed to settle the allegations and will not pay any civil fine.

The charges cap a 27-month investigation by the SEC.

Battenberg issued the following statement through his attorneys.

"The SEC's complaint against me relates entirely to a settlement of disputes between Delphi and General Motors in September 2000 that I believed and continue to believe was entirely lawful and proper. I fully cooperated with Delphi and with the SEC in their investigations of this matter both before and after my retirement, and am disappointed to say the least that this lawsuit has been filed. I deny the allegations against me and will ask that the Court hear the evidence at the earliest possible time."

In March 2005, following a 10-month internal investigation led by an outside law firm, Delphi ousted Dawes and then-chief accounting officer Paul Free, who was also charged in Monday's filing, and said many of the company's financial statements were inaccurate. It also removed at least four other officials.

The investigation into Delphi began in July 2004 after EDS, another former GM subsidiary, told the SEC in June 2004 about a $20 million loan in 2001 that Delphi booked as income. The SEC upgraded its probe into a formal investigation in August 2004.

The 79-page complaint filed in U.S. District Court in Detroit Monday was assigned to Judge Avern Cohn, who must approve the settlements.

Unresolved is the ongoing criminal investigation into Delphi Corp. being led by the Justice Department's fraud section.

You can reach David Shepardson at (202) 662 - 8735 or dshepardson@detnews.com.

Michael Pickens Enters Guilty Plea Associated Press (WSJ)

The Wall Street Journal, October 31, 2006

NEW YORK -- The son of billionaire oil tycoon T. Boone Pickens pleaded guilty to securities fraud Monday, admitting his role in a scheme to inflate the stock value of three companies so he could make hundreds of thousands of dollars illegally.

Michael O. Pickens, of Nocona, Texas, entered the plea in U.S. District Court in Manhattan after signing an agreement calling for him to be sentenced to as little as four years and nine months in prison or as much as five years and 11 months.

Judge Loretta A. Preska set sentencing for Jan. 30 after Mr. Pickens, 52, entered the plea to three charges of securities fraud. The charges carry a potential fine of $3 million.

Mr. Pickens was arrested July 18, 2005, and was accused of sending hundreds of thousands of hoax faxes throughout the U.S. in December 2004 to fraudulently induce investors to buy three stocks. (See related article1.)

Prosecutors said each fax purported to be a handwritten note conveying a stock tip to a person, suggesting it had been mistakenly sent to each recipient. An indictment said the fake faxes caused the trading values and market prices of the stocks to increase dramatically. It said one stock's value almost doubled in one day.

In one fake note, a financial planner identified as Chris tells Dr. Mitchel that his newest stock idea will be like the last one, which tripled in value.

The government, which didn't say how many people acted on the phony faxes, said Mr. Pickens used the faxes Dec. 17-22, 2004, to pump up the price of three stocks so he could sell them at a premium of hundreds of thousands of dollars.

Mr. Pickens told the judge "the faxes were made to appear as a misdirected tip from a stock broker to a customer. In fact, as I knew, there was no broker, no customer and no tip."

He added: "I knew at the time what I was doing was wrong, and I'm very sorry for my conduct."

During his plea, Mr. Pickens, a Texas stock promoter, said he has been undergoing treatment for substance abuse since June.

A spokesman for T. Boone Pickens, Jay Rosser, said: "Mr. Pickens is proud of Mike for accepting responsibility for his actions. This is an important step and a significant milestone. Boone and his whole family are fully supportive of him in his rehabilitation efforts."

Radler Assets Frozen (NYT)

By Bloomberg News

The New York Times, October 31, 2006

The assets of F. David Radler, the former publisher of The Chicago Sun-Times, were recently frozen by a Canadian court at the request of Hollinger Inc., Conrad M. Black's former holding company, which is suing Mr. Black and Mr. Radler to recover management fees.

A British Columbia Supreme Court judge in Vancouver granted the order on Oct. 25. Hollinger is suing Mr. Black and Mr. Radler to recover management fees and noncompetition payments.

The injunction, which applies worldwide, prohibits Mr. Radler and his company, F. D. Radler Ltd., from disposing of, mortgaging or transferring any assets, and freezes their bank accounts while the suit remains before the courts.

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Mr. Radler is allowed to spend up to $22,255 a month for living expenses and legal fees. The order will remain in effect until Nov. 9, unless the court agrees to extend it, the judge, Deborah Satanove, said in a three-page ruling.

Mr. Black's assets were frozen Aug. 18 at Hollinger's request by the order of an Ontario Superior Court judge. Mr. Black and his wife were limited to a monthly allowance of 50,000 Canadian dollars. Mr. Black and Hollinger agreed on Sept. 29 to replace the judge's order with a confidential settlement.

Hollinger, the holding company that Mr. Black used to control the newspaper publisher Hollinger International, is seeking 636 million Canadian dollars in damages. In July, Hollinger International changed its name to the Sun-Times Media Group.

In Chicago, Mr. Black faces 12 charges of racketeering, money laundering, wire fraud and obstruction of justice. He is accused of moving $92 million from Hollinger International through other companies and using Hollinger Inc. to enrich himself at shareholder expense. Mr. Black has denied any wrongdoing. His trial in Chicago is scheduled to start in March.

Mr. Radler pleaded guilty in September to United States fraud charges and agreed to cooperate with the Justice Department.

Prosecutors have recommended that Mr. Radler serve 29 months in jail and pay a $250,000 fine. He remains free on a $500,000 bond until all proceedings in the case are finished.

CRIMINAL LAW:

Prosecutor Argues Issues For Leak Trial (AP)

By Matt Apuzzo

AP, October 30, 2006

Special Prosecutor Patrick Fitzgerald told a federal judge Monday that he shouldn't have to explain during the upcoming trial of a former White House aide why nobody was charged with leaking the identity of a CIA operative.

Vice President Dick Cheney's former chief of staff, I. Lewis "Scooter" Libby, faces trial for obstruction and perjury in January and is the only person charged in the case. His supporters have accused Fitzgerald of singling out Libby while not charging the source of the leak, former Deputy Secretary of State Richard Armitage.

In court documents, Fitzgerald said he shouldn't have to address that issue at Libby's trial. While never addressing Armitage by name, Fitzgerald said it would be irrelevant to discuss other officials.

"If Mr. X was investigated for leaking classified information, the government's decision not to charge Mr. X should have nothing to do with the jury's role as the finder of fact in Libby's case," Fitzgerald wrote.

If jurors disagree with his decision not to charge anyone else, they might be less likely to convict Libby, Fitzgerald wrote.

Armitage told prosecutors he inadvertently revealed Plame's job to syndicated columnist Robert Novak in July 2003. Novak's story ran as Plame's husband, Joseph Wilson, criticized the Bush administration's prewar intelligence on Iraq.

Libby was one of several Bush administration officials questioned about the leak and prosecutors said he lied about his conversations with reporters.

Defense attorneys have sought information regarding Armitage's role in the leak and have been unsuccessful.

Fitzgerald's court filing is an attempt to prevent Libby's attorneys from making the argument that Libby had no reason to lie because, if he had leaked classified information, prosecutors would have charged him with it.

"The government's decision not to charge a crime is not a declaration as to the legality or propriety of the defendant's conduct," Fitzgerald wrote.

Libby's defense attorneys are expected to respond to Fitzgerald's motion.

Fla. Prison Guards Stand Trial (AP-Y)

By Bill Kaczor, Associated Press Writer

AP, October 31, 2006

Lawyers for two prison guards charged in a contraband-for-sex scandal that ended in a deadly shootout told a jury Monday that the government's case relies on the testimony of inmates who are willing to lie in exchange for reduced sentences.

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Gregory Dixon and Alan Moore, who both work at a federal prison for women, are accused of participating in a scheme to swap sex with female inmates for such commonplace items as gum, cigarettes and perfume. Both are charged with conspiracy and bribery. Dixon also is accused of witness tampering.

"You will hear a lot of nonsense from inmates all trying to punch their tickets home," said Thomas Findley, Dixon's lawyer, as the trial opened.

Authorities said the suspected plot ended June 21 in a shootout after prison guard Ralph Hill smuggled a gun into the Tallahassee Federal Correctional Institution and opened fire when FBI and Justice Department agents arrived to arrest him and other defendants. Hill and an FBI agent were killed.

Three guards have since pleaded guilty in the scheme, but none have been implicated in the shootout. Dixon and Moore have been suspended from their jobs.

Assistant U.S. Attorney Alan Sprowls acknowledged his key witnesses are convicted felons but promised the jury that the government will introduce sufficient evidence to show the guards abused their authority for personal benefit.

He said the conspiracy, punishable by up to 20 years in prison, was not based on a formal agreement or even a handshake.

"This is going to be a much more subtle understanding. ... 'I'm not going to tell on you; you're not going to tell on me,'" Sprowls said.

Findley said his client has admitted to having sex with inmates but was not charged with that crime. He denied that Dixon was part of a conspiracy to commit bribery, mail fraud and other crimes or that he traded contraband for sex.

Dixon shared gum with many prisoners "because he's a nice man," Findley said.

Moore has not admitted to having sex with inmates. His attorney, Robert Harper, questioned whether the government has a case.

"Where's the DNA? There isn't any," Harper said. "Where's the recording? Where is the videotape? There isn't any."

Date Set For Death-penalty Trial (HONADV)

By Ken Kobayashi, Advertiser Courts Writer

Honolulu Advertiser, October 31, 2006

The first death penalty trial here since Hawai`i abolished capital punishment in the 1950s is scheduled to begin in October of next year.

Army Spc. Naeem Williams pleaded not guilty today to a charge of murdering his 5-year-old daughter Talia Williams, who died July 16 last year. He faces the death penalty, which was authorized earlier this year by U.S. Attorney General Alberto Gonzales.

Federal Magistrate Judge Leslie Kobayashi today set Williams' trial for Oct. 16, which is later than usual because of legal issues that may arise because the charge carries the death penalty.

Williams' wife Delilah Williams is also scheduled to go on trial with her husband on a charge of murdering Talia Williams, but the attorney general did not authorize the death penalty prosecution for her. Delilah Williams earlier pleaded not guilty. If convicted, she faces a maximum sentence of life in prison.

Lee Man Claims He Was Victim In Pornography Case (BONITAN)

By Kristen Zambo

Bonita (FL) News, October 31, 2006

Former Lee County school bus driver Donald Deverso told a federal judge that he was taken advantage of by a girl from the Philippines.

He said he didn't do anything wrong, that he was the real victim in the child pornography case he accused the federal government of manufacturing.

At times becoming argumentative, former Lee County school bus driver Donald Deverso staunchly maintained his innocence Monday, telling a federal judge during his sentencing hearing that he was taken advantage of by a girl from the Philippines.

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"To keep calling these women victims — I didn't have any victims, your honor," Deverso said before U.S. District Judge John E. Steele sentenced him to 16 years behind bars. "I didn't write to them. They wrote to me."

Deverso, 59 and of Cape Coral, was convicted on May 19 in the high-profile case. He was accused of keeping child porn on his home computer from May 11, 2002, through April 15, 2005. He also was charged with transporting child pornography in October 2004, and manufacturing it while he vacationed in the Philippines. Deverso photographed underage girls he met online through Asian dating Web sites, one victim and investigators testified in spring during his weeklong trial.

Prosecutors said Deverso chatted with numerous women online, proposing marriage to them. Deverso remains married to his third wife, Zong Yu Deverso, whom he met on a Chinese brides Web site. Deverso countered that he never promised these others marriage, just that it was possible if they got along well.

Based on federal sentencing guidelines, Steele had to sentence Deverso to a minimum of 15 years in prison. He could have been sentenced to 20 years.

"What kind of person flies around the world to take advantage of poor and desperate women?" Chief Assistant U.S. Attorney Doug Molloy asked. "One who deserves the maximum penalty of incarceration this court can impose."

Deverso never has shown remorse for the crimes, he said, and Deverso didn't care about hurting the women and girls, nor his family.

"Those were children in those pictures," Molloy said. "That was a young lady that man defiled."

Deverso lashed back against Molloy, saying he didn't know why the region's top federal prosecutor was treating him like that.

Deverso maintained he did nothing illegal. The girl had to be at least 18 years old to participate in the Asian dating Web sites. She told Deverso she was 18 when they met, Deverso said, and he bought her a 19th birthday present in November 2004, one month after they first met in the Philippines.

Deverso has been held in the Lee and Hendry county jails since his arrest in April 2005.

One girl, now 19 years old, testified in May during Deverso's trial that he had sex with her and took graphic naked pictures of her. Deverso was not charged with rape.

Wracked with sobs, the girl — who the Daily News is not naming because of the nature of the charges — fled from the courtroom twice during the trial. Deverso's defense attorney, John Bergendahl, asked for a mistrial at the time, and Monday in court said Steele should have declared one.

During the almost 2½ hour sentencing hearing, Steele said he still wouldn't grant a mistrial.

The girl testified she told Deverso she was 17. She turned 18 less than one month after his first visit with her in October 2004. He referred to her as his fiancee, investigators said.

"I did not take advantage of (the girl)," Deverso said. "I helped her."

He bought her clothes, furniture, an apartment to live in with friends and tried to make her life better, he added.

"The first time we met we did not have sex," he said, adding that they decided to wait until he gained her father's approval. "How could I knowingly take those pictures of a minor when she lied about her age?" Deverso asked.

His niece, Linda Rachoza, told Steele her uncle was a good man. The girl should take some of the blame, she added.

"She should have held some accountability for what she did wrong," Rachoza told the Daily News after the sentencing.

Prosecutors contend Deverso recorded himself having sex with underage Asian girls. Deverso said investigators didn't show any of the photos he took with the girl's family on vacation, including of them "jet-skiing."

He was considering retiring to the Philippines, where he could buy land and a home much more cheaply, Deverso said.

Bergendahl vowed to appeal the conviction and sentence, saying the mandatory 15-year term amounts to cruel and unusual punishment, a violation of the Eighth Amendment. After the hearing he said he "strongly disagrees with the applicability of the 15-year" required minimum sentence.

He argued that Deverso shouldn't be sentenced to a stiffer penalty because the girl "contributed to the offense," Deverso is older and he suffers from a variety of medical problems, such as back pain and a hernia.

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Bergendahl late last week asked Steele's permission to withdraw from the case. He asked again Monday, saying their relationship had deteriorated. He said Deverso's family wanted to hire a California defense lawyer, but Steele rejected both requests, saying that lawyer isn't licensed to work in Florida.

"We believe Mr. Deverso creates conflict to delay even more," Molloy said.

Deverso and his wife, nicknamed Ming-Mei, since have reconciled. She received her green card in February 2005. She asked Monday for her husband to come home.

"I know him," she said in halting English. "I sleep with him before. No monster."

Deverso said he also wanted one of the Immigration and Customs Enforcement agents who worked on the case, Keith Cramsey, to be investigated. He accused Cramsey of lying and illegally obtaining evidence. Prosecutors stood behind Cramsey's work.

"I'm not happy," Deverso told Steele before being led away by U.S. marshals. "I just don't know how I can be lied to and lied about. I'm not gonna survive prison, your honor. I know that, you know that, and now my family knows that. Welcome to paradise."

Masilotti Charged (PALMBEACHP)

By Tom Dubocq, Palm Beach Post Staff Writer

Palm Beach Post (FL), October 31, 2006

WEST PALM BEACH — Former Palm Beach County Commission Chairman Tony Masilotti faces up to five years in prison and forfeiture of $9.5'million in cash and real estate for his leading role in a land deal conspiracy that stretched from 2000 to this past June, federal prosecutors said Monday.

Masilotti, who in a sorrowful resignation letter said he will plead guilty, is expected to surrender Friday at the federal courthouse in Fort Pierce, where he will appear for the first time before a judge. Still to be determined: when Masilotti formally will plead guilty and when he'll be dispatched to prison.

The grand jury investigation of Tony Masilotti was triggered by a series of stories in The Palm Beach Post this year documenting how the county commission chairman's family secretly profited from land deals that Masilotti had pushed.

The Post's investigation, launched in January, involved the review of thousands of documents from 16 government agencies in four counties in Florida and Illinois as well as dozens of interviews. It began with records of Masilotti's recent divorce, which included financial statements and a document index that identified marital property holdings in the name of an accountant who represented a secret land trust. The trust, it turned out, was involved in a tangled series of transactions that generated a $1.3 million profit for the family.

The Post's project was headed by Tom Dubocq, the newspaper's investigations editor.

Feds Charge Masilotti With Conspiracy, Allege He Made Millions On Secret Land Deals (FLSUNSEN)

By Josh Hafenbrack & Peter Franceschina, Sun-sentinel.com

South Florida Sun-Sentinel, October 31, 2006

WEST PALM BEACH -- Federal authorities on Monday formally charged former Palm Beach County Commission Chairman Tony Masilotti with conspiracy to commit fraud by making millions from three secret land deals.

The U.S. Attorney's Office in West Palm Beach said it would seek to fine Masilotti $250,000, put him in prison for a maximum of 5 years and request the forfeiture of millions of dollars in assets.

In a 35-page list of charges, the U.S. Attorney cited Masilotti's land deals in Martin County, Brevard County and Palm Beach County.

In one Palm Beach County deal, Masilotti is accused of receiving between $40,000 and $50,000 for his assistance in helping a developer solve traffic problems concerning land the Diocese of Palm Beach County was selling in the town of Royal Palm Beach.

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In another deal, Masilotti and family members allegedly got $100,000 in free air travel from a developer who did business with county in purchasing a former public horse riding area near Wellington. The property was bought by a group headed by developer Bruce Rendina, who was only identified by his initials in the charges.

In a Brevard County deal, Masilotti allegedly created a trust called the ARM Family Land Trust. In the deal, Masilotti bought some 60 acres of land for $100,000 and then, while on the commission, voted "to advocate and publicly endorse zoning changes dramatically increasing the value of the land," the charges said. Masilotti then had a part in swapping the land for land in Brevard County worth nearly $8 million, the charges said.

In the Martin County deal, Masilotti and his ex-wife Susan made $1.3 million in a complicated set of secret, land deals that involved land purchases there by the South Florida Water Management District.

Last Friday, Masilotti announced he planned to plead guilty to federal corruption charges, admitting for the first time to wrongdoing and expressing "regret and sorrow."

The chastened county commissioner faxed his five-paragraph resignation, effective immediately, to County Administrator Bob Weisman early Friday morning.

Masilotti, 50, pledged to cooperate with the FBI, Internal Revenue Service and U.S. Attorney's Office, which have been investigating for six months his potential abuse of power and a secret land deal in Martin County, which enriched Masilotti and his ex-wife but was hidden through a secret trust.

"Eventually I will plead guilty," Masilotti wrote.

Former Chief Caillier Sentenced (KATC-TV)

KATC-TV, October 31, 2006

Former Opelousas Police Chief Larry Caillier, who had a stellar career in law enforcement, was sentenced Monday in federal court for filing a false claim. His department was paid for bike patrols that never happened. Before sentencing, his attorneys asked the court to take into account Caillier's accomplishments and untarnished record.

Caillier could have faced up to five years in prison. Instead, U.S. District Judge Richard Haik sentenced him to five years probation, 10 months of house arrest and he must pay restitution to the U.S. Clerk of Court. The FBI determined Caillier owes $26,300. "Without question this was a mistake, a very costly and disastrous mistake - costly to the chief, costly to his family, very costly to the community," says attorney Elbert Guillory.

Caillier's attorneys pleaded for leniency. Attorney Ed Lopez recounted the former chief's career beginning with serving in the U.S. Air Force, Louisiana State Police, then 15 years as chief in Opelousas. "This man has spent 35 years protecting the general public, and he's had an exemplary record," Lopez says. Guillory says, "This situation today, aside, Chief Caillier is still one of the nation's best and most successful law enforcement officers."

In court, Caillier apologized. "I'd like to offer a sincere apology to the United States Of America for incidences that happened on my watch." Elbert Guillory says law enforcement agencies have expressed interest in hiring Caillier as a consultant. He wouldn't say which agencies, but one is in-state and a couple are out-of-state.

Former Chief Gets 10 Months Of House Arrest (OPELDW)

By Jacqueline Cochran

Opelousas Daily World, October 31, 2006

There will be no jail time for the former Opelousas police chief found guilty of a federal charge of filing false claims while in office.

But Larry Caillier will serve five years of probation and 10 months under house arrest, and he's been ordered to pay $26,300 in restitution for his crime. Perhaps more painful for the four-term chief, he'll never be allowed to work in law enforcement again, nor is he allowed to own a gun.

"Your true punishment will not be your going to jail but, as a person, to have to live with this," U.S. District Judge Richard Haik told Caillier during sentencing. "I'm not sure if anything worse could happen to you. Standing here, a convicted felon." The conviction is the first and only found against the former chief, though the state remains poised to proceed with another 26

separate charges - five malfeasance in office charges connected with Caillier allegedly ordering OPD officers not to respond to disturbance calls and several other charges ranging from forgery to money laundering.

Also still facing both federal and state charges in connection with the patrols is former OPD Maj. Ronnie Trahan. Trahan was just charged last week in federal court with aiding and abetting Caillier in the filing of a false claim for reimbursement on the patrols. The state has also charged Trahan with criminal conspiracy, public payroll fraud, six counts of prohibiting splitting of profits, fees and commissions, 10 counts of forgery and money laundering.

Motions made Monday by attorney Elbert Guillory on behalf of Caillier to change court records to reflect Trahan's greater role were systematically rejected by Haik, as each was offered for consideration.

Guillory asked for the court record to read:

the defendant did not participate in creation of three documents and in time became aware of documents created by subordinate.

the defendant at no time authorized or instructed Trahan to make up or adjust time sheets.

the addition of officers names so the maximum $3,000 per month would be paid by the housing authority was done without the knowledge and consent of the defendant.

Even the statement Caillier gave at the outset of the proceedings revealed an insistence to claims of ignorance.

"I Larry J. Caillier, at this time would like to offer a sincere apology to the United States of America for incidents that happened on my watch as chief of police for the city of Opelousas."

Haik told Caillier that while the measure of the offense was substantial, in all fairness he had to take into consideration "all the good you have done for your country and state in service and community."

His Vietnam War service, his having worked 20 years as a state trooper and his 15 years as police chief all stand as proof of that good, Haik said.

Caillier stood with hands joined behind his back, legs astride and head high.

"I feel sorry for you and your family and for putting them through this," Haik said. "You should apologize to all of your family and all of the police officers that served for you, and all of the people you put in jail because now, basically, you have become one of them. And that is something you will never be able to wash away."

Caillier's family sat somberly in the rear of the court. Some with heads down as the judge reprimanded the man who once referred to himself as "the wizard."

"Do you understand?" Haik asked after each condition of sentencing was stated.

"Yes, Sir," Caillier repeated, his voice different, though still firm.

Former Opelousas Police Chief Sentenced (BRADV)

By Richard Burgess

Baton Rouge Advocate, October 31, 2006

Former Opelousas Police Chief Larry J. Caillier was sentenced Monday to 10 months of home confinement and ordered to pay $26,300 in restitution for a scheme to win unearned federal grant money.

U.S. District Judge Richard Haik chose not to put the ex-chief behind bars, citing Caillier's record as a military veteran, long-time State Police trooper and leader of the city's Police Department for 15 years.

"You had a tremendous, bright future, which is now not very bright," Haik said.

Caillier declined to comment after the court hearing and made only a brief statement to the judge, apologizing for "an incident that happened on my watch."

Caillier and one of his top officers were accused in a federal investigation that focused on a $225,000 U.S. Department of Housing and Urban Development grant for bicycle patrols at public housing projects in Opelousas from 2000 to 2003.

Federal prosecutors allege that Caillier and former Maj. Ronnie Trahan Sr. were involved in a scheme to falsify records to receive grant money for patrols that were never done.

Caillier pleaded guilty earlier this year to a federal false-claims charge but has maintained that he did not orchestrate the scheme.

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He admitted only not intervening when he learned Trahan was allegedly falsifying time sheets.

Caillier's attorneys said Monday that the estimated $23,000 to $26,000 the ex-chief was paid under the grant was for legitimate supervisory work.

Charges are pending against Trahan in the case.

Trahan told investigators that Caillier directed him to falsify time sheets to ensure that the Police Department billed $3,000 every two weeks, regardless of whether the money was earned by patrolling officers.

A federal false-claims charge carries a maximum of five years in prison.

Caillier was facing a recommended sentencing range of from six months to 12 months in prison under federal sentencing guidelines, which are based on a person's criminal history and the severity of the crime.

Retrial Sought In Perjury Case (LAT)

By Greg Krikorian, Times Staff Writer

The Los Angeles Times, October 31, 2006

Federal prosecutors say they have new evidence against Joann Wiggan, acquitted earlier on four of five charges linked to the Pellicano probe.

Federal authorities announced Monday that they will retry a former phone company employee acquitted last month of four of five charges in the first trial resulting from the wiretapping investigation of indicted private investigator Anthony Pellicano and others.

Citing "compelling" new evidence in the case, Assistant U.S. Atty. Daniel Saunders told U.S. District Judge Dale S. Fischer that the government would again prosecute Joann Wiggan for perjury for allegedly lying to a federal grand jury last October when she said she never retrieved a single message from her voicemail account at work. The jury last month hung on that charge.

Additionally, Saunders said, he expects a superseding indictment with additional charges against Wiggan to be returned in two weeks. She was found not guilty on four other felony counts of lying about her contacts with former co-worker Ray Turner, who is accused of illegally accessing telephone company records for Pellicano and assisting him in his alleged wiretapping. Saunders and co-prosecutor Kevin Lally declined further comment about the alleged new evidence or additional charges.

After the brief hearing, Wiggan's attorney, David Reed, expressed dismay at the government's decision.

"We are troubled and concerned at the timing of this new evidence, which I am unable to talk about at this point," Reed said outside court. "And I will look at whether motions are appropriate to dismiss the superseding indictment prior to trial."

On advice of her attorney, Wiggan did not comment.

Last month, Reed likened Wiggan's acquittal to "David beating Goliath," saying that the divorced mother of three withstood "tremendous pressure" from prosecutors and federal agents to plead guilty to perjury.

Though separate from the larger Pellicano case, the prosecution of Wiggan arose from the same FBI probe of the former private eye and allegations that he and others used a variety of illegal means, including wiretaps, to benefit his clients. He, Turner and other defendants have denied the charges.

During Wiggan's four-day trial, prosecutors produced a 23-page log of phone calls to and from Wiggan's home, office and cellphones between late 1998 and 2002, alleging that the records proved that she was lying when she said she had no contact with Turner and had not begun using her office voicemail until sometime in 2003.

The logs showed more than 1,000 calls from Wiggan's phone numbers to her voicemail, 117 calls from Turner's number to her office voicemail, and other calls between numbers assigned to Turner and Wiggan.

But Wiggan and her attorney attributed her misstatements to forgetfulness or innocent oversights. In addition, Wiggan's ex-husband and eldest son also testified that they had made numerous calls to her office voicemail.

Unlike two other former SBC employees who admitted helping Turner, Wiggan took the stand in her own defense to insist that she had not illegally provided him with information or even spoken to him in years.

Though the nature of the new charges was not disclosed, the government's questioning of Wiggan during the recent trial suggested that the new charges could relate to alleged inconsistencies between statements before the federal grand jury and before the trial court.

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greg.krikorian@latimes.com

Newport Beach Man Sentenced In Fraud Case (OCR)

By Ryan Hammill, The Orange County Register

Orange County Register, October 31, 2006

Illya Bond handed eight years in federal prison for various charges connected to energy investment scam.

The former CEO of a defunct Los Angeles energy company who participated in a fraudulent investment scheme was sentenced to eight years in federal prison at the United States District Court in Los Angeles on Monday.

Illya Bond, 57, of Newport Beach, was also ordered by District Court Judge Percy Anderson to pay over $2.4 million in restitution to victims of fraud involving the PowerSource Corporation, a fraudulent company he formerly helmed.

A federal jury convicted Bond on charges of conspiracy, mail fraud, wire fraud and making a false statement to special agents with the FBI in a January decision.

He is the last in a series of seven defendants with ties to the company to be convicted and the sixth sentenced. A previous defendant died before the penalty phase of his trial.

Bond helped create fraudulent sales materials that were provided to investors prior to the company's collapse.

Newport Beach Man Gets 8 Years In Investment Scam (KCAL-TV)

KCAL-TV, October 31, 2006

(CBS) LOS ANGELES A Newport Beach man who headed a bogus energy company was sentenced Monday to eight years in federal prison for his lead role in an investment con.

Illya Bond, 57, orchestrated the scam, which bilked more than 100 people out of more than $2.4 million, according to prosecutors.

He was chief executive of Los Angeles-based PowerSource Corp., which was formed after California's electricity market was deregulated. Investors from across the country, who were lured via spam e-mail, a Web site and telemarketing calls, paid $10,000 for units in a series of limited liability partnerships that were supposed to finance PowerSourc e, according to the government.

PowerSource went out of business in 2001 when the scam collapsed, prosecutors said.

Bond, who also used the name Frank Akberry, was convicted in January of conspiracy, mail fraud, wire fraud and lying to FBI agents.

In addition to the prison time, he was ordered to pay more than $2.4 million in restitution.

PowerSource's president, San Marcos resident E. Douglas Mitchell, was convicted of similar charges after a 2004 trial in Florida, but died before he could be sentenced, according to the government.

Three other California men, Ronald W. Johnson of Rancho Santa Margarita, James V. Miles of Bakersfield and Gary Spink of Menifee, and three people from Florida were also convicted in that state. They received sentences ranging from six months to five years in prison, prosecutors said.

Many Sex Offenders Restricted Tonight (USAT)

By Wendy Koch

USA Today, October 31, 2006

Many sex offenders, limited in where they can live or work, are under another restriction today: no costumes, no candy giving, no jack-o'-lanterns, no welcoming front-porch lights.

Some states go further to protect children on the holiday. At least 10 states keep a special eye on sex offenders via house arrest or required meetings, through such programs as Operation Boo in California and Operation Trick No Treat in Virginia.

In New Mexico, a convicted pedophile or violent sex offender who lives alone has, for the first time this year, a sign outside his door today that notifies the public of his offense, says Tim Olsen, a regional manager of the New Mexico Corrections Department. He says offenders must stay inside and keep outside lights turned off.

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"They're on virtual house arrest. They can't answer the door unless there's an emergency," and police will drive by to check, he says. "We can't expect all parents will be out there. We want to make sure kids are safe on Halloween."

New Mexico, New Jersey, South Carolina and Tennessee are into their second year of precautions, although Tennessee only recently announced its restrictions after phone calls from anxious parents.

"We wanted the public to know we're taking steps to protect children," says Jack Elder, spokesman for the Tennessee Board of Probation and Parole.

In Virginia, which began its Halloween program in 2002, high-risk sex offenders on parole or probation must report to offices where they are held for several hours while kids go trick or treating. "We try to make it a meaningful experience" by providing counselors and updates on registration rules, says Jo G. Holland, regional director of the Virginia Department of Corrections.

Some states have had Halloween restrictions for years but are increasing surveillance. New York, which requires offenders to stay home between 3 p.m. and 6 a.m., is making checkup calls and unannounced visits.

Other states with Halloween restrictions include Illinois, North Carolina and Wisconsin.

Violators can be arrested. Robert Goldman, a former Chicago-area TV sportscaster, got six months in jail for violating his probation by handing out candy last Halloween.

The restrictions generally apply only to people on probation or parole, a fraction of the 566,782 sex offenders registered nationwide. In Tennessee, the Halloween restrictions apply to 2,000 of 8,100 registered offenders, Elder says.

Most sex offenders are under no "meaningful supervision," and the Halloween rules are a "desperate effort to do something good," says Grier Weeks, executive director of the National Association to Protect Children, an advocacy group. "It's always good to keep kids from going up the steps of a known sex offender."

Laura Ahearn welcomes the restrictions. "A candy bar represents an opportunity for a sexual predator to start the process of grooming a child," says Ahearn, director of Parents for Megan's Law, a child-advocacy group.

Number Of Police Killed, Assaulted Dips (WP/AP)

By Lara Jakes Jordan, The Associated Press

The Washington Post, October 31, 2006

WASHINGTON -- The number of police officers nationwide who were killed by criminals while on the job in 2005 dipped slightly from a year earlier, FBI data released Monday show.

An estimated 1,800 fewer cops were assaulted during the same time period _ the lowest total since 2001.

Nearly all of the officers killed _ 55 in 2005, down from 57 in 2004 _ worked for city police departments, according to the FBI's annual report.

All but one of the slain officers were men, who on average were 37 years old with a decade of law enforcement service. More than half of them _ 28 _ were killed in a swath of southern states stretching from Delaware to Texas. Forty-seven of the officers were white; eight were black.

Traffic duty proved to be the most lethal assignment for the officers, the report shows.

Fifteen cops were killed during traffic pursuits or on traffic stops, compared with eight slain while making arrests and another eight who were ambushed. The rest of the killings came while breaking up family quarrels, investigating suspicious activity, transporting prisoners and other duties.

Additionally, 67 officers were accidentally killed on duty last year, down from 82 in 2004.

Another 57,546 police officers were assaulted while on the job in 2005, down from 59,373 in 2004. The largest number of assaults came in the early morning hours, from midnight to 2 a.m., while police were breaking up bar fights, family quarrels and other disturbances.

The FBI's assault data were collected from 10,032 law enforcement agencies nationwide, serving 75 percent of the population.

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On the Net:

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The 2005 Law Enforcement Officers Killed and Assaulted report can be found at: http://www.fbi.gov/ucr/killed/2005/index.htm

City Fears Crime Report Fallout (SLPD)

By Jeremy Kohler, ST. LOUIS POST-DISPATCH

St. Louis Post-Dispatch, October 31, 2006

SUMMARY: Mayor Francis Slay's office struck back Monday at what officials say is a flawed study ranking St. Louis at the top of the nation's large cities in crime.

Here we go again: A publisher in Kansas, using a formula decried by criminologists, says St. Louis is the most dangerous city in the United States. And city officials are fuming.

As the buzz lifted from Sunday's World Series parade, the ranking kept national media focused here. The storyline? St. Louis: First in baseball, first in crime. Detroit finished second in both.

All the attention from the annual safety ranking by Morgan Quitno Press — a publisher of reference books and lists of statistics — had St. Louis officials seeing red — and not of the Cardinals variety.

"This thing is bogus," grumbled Jeff Rainford, chief of staff to Mayor Francis Slay.

But bogus or not, Rainford said, there is good reason to worry the ranking could hurt St. Louis.

Nancy Milton, spokeswoman for the St. Louis Convention & Visitors Commission, said she fielded phone calls Monday from convention planners concerned about what they were hearing. She declined to identify them.

"A majority of them say they're going to face questions from their boards of directors and their constituents, and they want to get ahead of those questions," she said. Milton said most seemed to understand that the ranking had little to do with the safety of conventioneers.

"Chicago had 448 murders and St. Louis had a regrettable 131, but I don't think anyone is going to stop going to Chicago," she said.

Morgan Quitno's assessment is based on a given city's rates last year in six crime categories — murder, rape, robbery, aggravated assault, burglary and auto theft — as reported to the FBI. The firm, in Lawrence, Kan., scored cities against national averages in each category and added the scores, weighting each crime the same.

Richard Rosenfeld, a criminologist at the University of Missouri at St. Louis, said Morgan Quitno's methodology is flawed because it compares places like Memphis, which includes miles of outlying areas, to St. Louis, where the city limits barely extend from the urban core.

"Does St. Louis have a crime problem? Yes, sure, it has a crime problem, and every big city has a crime problem. Like every big city, it's worse in some areas than others," he said.

A more telling comparison might be of metropolitan areas, Rosenfeld said.

Using the same methodology, the St. Louis area ranked 129th most dangerous out of 344 metro areas, said Morgan Quitno's president, Scott Morgan.

He said such lists are what they are, and he's not surprised this one draws some criticism. "I am stunned if there is a criminologist out there who will support this," he acknowledged.

St. Louis last held the mantle of shame in 2002, but sloughed it off. It finished no higher than fourth in intervening years, and lost this year in a landslide, Morgan said.

A bad finish was not a surprise, as reports of violent crimes surged 20 percent last year to their highest levels in seven years.

On Monday, the city struck back, decrying the timing of the release and the methodology behind the ranking. Morgan Quitno usually releases its study around Thanksgiving.

"I've got to give them credit," Rainford said. "They don't know anything about crime or statistics but they do know something about public relations."

Rainford, a former PR man, blasts Morgan Quitno every fall. (Last year: "worthless"; two years ago: "charlatans".) On Monday, he said City Hall was ratcheting up the city's defense.

To wit, he branded Morgan "this guy who's working in his pajamas and his bare feet in his mother's basement on his PC."

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Morgan said he did not purposefully release the report to coincide with the World Series; he said it was released earlier than in other years because his firm received crime data from the FBI earlier.

"I am fine getting fried by people who want to go after this thing and say there is not a problem in St. Louis," he said.

Not that everyone was unhappy. Some 900 miles away, Gwendolyn Faison, mayor of Camden, N.J., told the Associated Press that her day was made.

Her hard-luck community held the mantle the past two years. Without the most dangerous title, "There's a new hope and a new spirit," she said.

St. Louis Mayor Disuptes Crime Ranking (BVND)

By Christopher Leonard

The Belleville News Democrat, October 31, 2006

ST. LOUIS - Mayor Francis Slay makes no bones about it: Morgan Quitno Press is dead wrong to call St. Louis the most dangerous city in the United States.

"It's bogus," Slay said of the group's annual ranking released Monday. "To suggest that St. Louis is more dangerous than Miami, New Orleans, Los Angeles and Chicago - it just doesn't make any sense."

The study placed St. Louis atop the most dangerous list after murders in the city jumped nearly 20 percent between 2004 and 2005.

Slay took issue with the study's methodology. He said the group used population figures from the U.S. Census Bureau that were too low, exaggerating the crime statistics. The city previously challenged the Census Bureau's figures, getting the population estimate bumped up from roughly 330,000 people to 353,000 people.

Scott Morgan, president of Morgan Quitno, said he used a population estimate of 346,000 derived from an FBI report. Changing the figure to 353,000 doesn't change St. Louis's ranking, Morgan said.

Slay also repeated a long-standing criticism of the ranking, which only looks at crime within St. Louis city limits. More than 1 million people live in suburbs outside the city and including them in the study would greatly dilute the overall crime rate, Slay said.

Morgan basically agreed. He said city's like New York City benefit in the rankings because they include higher-income and lower-crime areas like Stanton Island.

But St. Louis still beat out several cities like Philadelphia and Detroit that have a similar population divide, Morgan said.

"St. Louis is not unique in being a core city surrounded by affluent areas that are in a different jurisdictions," he said. The whole purpose of the ranking is to send up a "red flag" for high-crime cities and promote discussion, Morgan said.

Slay acknowledged there are high-crime neighborhoods inside the city that push up the rate of murders and robberies, and he said the city is doing something about it.

City voters passed an increase in business license fees this year that will raise more than $3 million annually for law enforcement programs, Slay said.

The city is in the process of hiring and training 40 new police officers and launched a program in the prosecutor's office to crack down on career criminals.

Slay said there is simple proof the city isn't as dangerous as Morgan Quitno makes it out to be. The downtown population is steadily increasing as new lofts, restaurants and offices are being built.

"People are coming to the city, they like the city. They feel safe here," Slay said.

ON THE NET

St. Louis Mayor Francis Slay: http://stlouis.missouri.org/citygov/mayor

Morgan Quitno Press: http://www.morganquitno.com/

KPD Says "most Dangerous Cities" List Flawed (KNOXNS)

By Staff And Wire Reports

Knoxville News Sentinel (TN), October 31, 2006

DOJ_NMG_0088918

ST. LOUIS -- A surge in violence made St. Louis the most dangerous city in the country, leading a trend of violent crimes rising much faster in the Midwest than in the rest of nation, according to an annual list.

The city has long fared poorly in the rankings of the safest and most dangerous American cities compiled by Morgan Quitno Press. Violent crime surged nearly 20 percent in St. Louis from 2004 to last year, when the rate of such crimes rose most dramatically in the Midwest, according to FBI figures released in June.

"It's just sad the way this city is," resident Sam Dawson said. "On the news you hear killings, someone's been shot."

The ranking, released Monday, put Knoxville among the 100 most dangerous cities in the U.S. -- 297th on a list of 371 cities, with St. Louis ranking last.

Knoxville Police Chief Sterling P. Owen IV was not immediately available for comment. KPD spokesman Darrell DeBusk said the study appears flawed as far as Tennessee numbers are concerned.

Law enforcement agencies in Tennessee use a more comprehensive and detailed crime reporting system than that used in most other states.

"It's like comparing apples to oranges," he said. "All Tennessee law enforcement agencies use an incident based reporting system, versus the Uniform Crime Report system that most law enforcement agencies in the county use."

In Tennessee, four separate crimes will be reported if, in a single incident, a house is burglarized, the homeowner stabbed, the house vandalized and the homeowner's car is stolen. "But in the uniform crime report system, all of that is reported as a single crime, the most serious one."

The FBI has recommended the incident based system as more accurate, but only a few states have adopted it so far, DeBusk said.

St. Louis' unwanted top ranking came as the city was still celebrating Friday's World Series victory at the new Busch Stadium. St. Louis has been spending millions of dollars on urban renewal even as the crime rate climbs.

Mayor Francis Slay did not return calls to his office seeking comment Sunday.

Scott Morgan, president of Morgan Quitno Press, a private research and publishing company specializing in state and city reference books, said he was not surprised to see St. Louis top the list, since it has been among the 10 most dangerous cities for years.

The study looks at crime only within St. Louis city limits, with a population of about 330,000, Morgan said. It doesn't take into account the suburbs in St. Louis County, which has roughly 980,000 residents.

Visiting St. Louis on Thursday, FBI director Robert Mueller said it was too early to tell why some types of crime were rising faster in the Midwest.

Mueller said the FBI is working harder to form partnerships with police departments to launch programs like St. Louis' Safe Streets task force, which focuses police efforts on problematic neighborhoods.

The safest city in 2005 was Brick, N.J., with a population about 78,000, followed by Amherst, N.Y., and Mission Viejo, Calif. The second most dangerous city was Detroit, followed by Flint, Mich., and Compton, Calif.

The bad news for St. Louis was good for Camden, N.J., which in 2005 was named the most dangerous city for the second year in a row.

Camden Mayor Gwendolyn Faison said Sunday she was thrilled to learn that her city no longer topped the most-dangerous list.

"You made my day!" said Faison, who has served since 2000. "There's a new hope and a new spirit."

Cities are ranked based on more than just their crime rate, Morgan said. Individual crimes such as rape or burglary are measured separately, compared to national averages and then compiled to give a city its ranking. Crimes are weighted based on their level of danger.

The national FBI figures released in June showed the murder rate in St. Louis jumped 16 percent from 2004 to 2005, compared with 4.8 percent nationally. The overall violent crime rate increased nearly 20 percent, compared with 2.5 percent nationally.

While crime increased in all regions last year, the 5.7 percent rise in the 12 Midwestern states was at least three times higher than any other region, according to the FBI.

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Associated Press writer Rebecca Santana in Trenton, N.J., contributed to this report.

Candidate For Mayor Disputes Louisville's Ranking Among Top 10 'Safest Cities' (WAVE-TV)

By Janelle MacDonald

WAVE-TV, October 31, 2006

(LOUISVILLE) -- The annual list of the safest and most dangerous cities in the country was released Monday, and a couple of Kentuckiana cities were on it. Louisville made the list of the 10 safest large cities for the second year in a row. But some say the question of how safe we really are depends on how you look at it. WAVE 3's Janelle MacDonald investigates.

A company called Morgan Quitno has compiled the list for the past 13 years, using FBI crime statistics on murder, rape, robbery, aggravated assault, burglary and motor vehicle theft. This year Louisville comes in at number eight.

But like so many things right now, the ranking has turned in to a political issue, with some saying it proves crime fighting efforts are working here, and others saying just the opposite.

Just how safe do you feel in the city of Louisville? If you believe the latest rankings, you should feel pretty good, with Louisville at number eight, just behind other large cities like San Antonio, Texas and San Diego, California.

Shortly after visiting with school children Monday morning, Louisville Mayor Jerry Abramson said the ranking is proof things are working here in the River City.

"The fact that we've been able to hold our own in the top 10 once again, I think says a lot about the police department, says a lot about Chief White and his leadership, and it also says a lot about the citizens that are joined with us in our community policing effort."

But this being political season, obviously, there may be some different opinions.

Councilman Kelly Downard has made crime a major part of his own campaign for mayor and he disagrees with the Louisville's ranking, calling it a "fluke."

"We do not have a safe city," Downard said. "When we have children being killed on Cherokee Road, and Buechel and in Victory Park -- in the same week, three people murdered -- we've got a problem."

Downard says another list put out by the same company tells a different story. That list ranks Louisville 185th out of 344 in metropolitan areas.

Downard says Louisville's inclusion in the other "large cities" list is misleading because it includes areas formerly a part of Jefferson County.

"What they did was, they added the entire county, where there is less crime, and said therefore we have less crime in our city because we've added 400,000 people and not many more crimes."

Mayor Abramson doesn't see it that way. "When you look at cities like Indianapolis that have had significant problems, Nashville has had significant problems, when you look at the cities that have consolidated, you know we really show up well when you talk about a city of 700,000 people."

Downard says Louisville is included in a category with notoriously rough major cities like Detroit and New York City, and points out, the metro comes in behind the Big Apple on the current ranking.

He says Louisville should compare itself to its past history, and says if you do that, crime has risen every year since the merger. But the mayor says major violent crimes like murder and robberies are down overall.

A couple of Kentuckiana cities also made the safest lists. Elizabethtown came in at number 17 on the list of overall safest metropolitan areas. That city became a metro area with the 2000 census.

Columbus, Indiana, just north of Seymour, is number 11 on that same list, just six spots ahead of E'Town.

2 Michigan Cities Top List Of Most Dangerous In Nation (WLNS-TV)

WLNS-TV, October 31, 2006

It's a list no city wants to top, a list of the most-dangerous cities in the United States. A new list is out and Saint Louis tops the list of most-dangerous cities. Two Michigan cities follow- Detroit at #2 and Flint ranks third. Lansing ranks as the 96th most-dangerous city.

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The new list gives the perception Lansing isn't that safe, but the Lansing Police Department says their numbers tell a different story. An independent research company put together the latest list of most-dangerous cities. The company based their rankings on FBI crime numbers in six categories- murder, rape, robbery, aggravated assault, burglary and motor vehicle theft.

According to the company's method, Lansing comes in as the 96th most-dangerous city in the country, and the third most-dangerous city in the state.

Lt. Bruce Ferguson: "We don't agree with their numbers."

The Lansing Police Department says the company omitted many other crimes for its list, like arson or drug arrests. Therefore, the department doesn't believe the numbers give an accurate picture.

Lt. Bruce Ferguson: "We're safer than places like Grand Rapids, Detroit, Flint, Kalamazoo, Lansing is a safe place."

And Lt. Bruce Ferguson says it shows in the numbers.

Lt. Bruce Ferguson: "Homicides in the past several years have decreased, motor vehicle thefts, we have seen a steady decrease in crime in Lansing in the past decade."

While all crime can't be prevented, Ferguson adds the city has actively tried to keep the crime numbers low.

Lt. Bruce Ferguson: "Working with our neighborhoods, doing neighborhood watches, the whole community policing idea."

Ferguson says there's always room for improvement. He says the Lansing Police Department is always trying to find new programs targeting areas, like domestic violence, where the department sees the most problems.

Charlotte Ranked Eighth Most Dangerous Large City (WSOC-TV)

WSOC-TV, October 31, 2006

CHARLOTTE, N.C. -- Charlotte has been named one of the most dangerous big cities in the country, but police say the ranking is wrong.

The national research firm out of Kansas that compiled Crime In The United States ranked the Queen City the eighth most dangerous city in the United States with a population above 500,000.

Morgan Quitno Press used Federal Bureau of Investigation numbers to determine how safe the cities are. Charlotte-Mecklenburg police, however, say the group shouldn't compare cities using that method, and it's misleading.

"The extent to which we enjoy a safe community depends on everybody in the community accepting some responsibility for helping deal with the environment and the situations that help create crime," said Charlotte-Mecklenburg Police Department Chief Darrel Stephens.

He also said not all of the FBI numbers are used in the ranking, so the data is selective.

The CMPD is constantly working to make the city safer though. After a hike in robberies and homicides last year, the department formed the Street Crimes Task Force to focus on the city's crime hotspots and has already seen a reduction in those kinds of crimes.

The change has people in Charlotte feeling pretty safe. People who spoke with Eyewitness News said they were surprised to hear where the study placed the Queen City.

"I think the safety thing is just scary, that we can't come to the park and not feel like we're comfortable and our children can run around without us having all eyes or ears on them," said mother Alli Murr.

Parent Angela Lamkin agreed.

"It is a little bit concerning, especially being a mom with a young child," she said. "I guess we just pick the safest places we can be."

The CMPD also said that violent crime is down this year, which should help the city in next year's rankings.

According to the study, Brick, N.J., is America's safest city and St. Louis, Mo., is the United States' most dangerous city.

In The Most Secure Town, A Most Pleasant Afterglow (NSL)

By Maryann Spoto, Star-ledger Staff

Newark Star-Ledger (NJ), October 31, 2006

The day after it was named the safest place in the nation, Brick Township was soaking up the good press.

Residents flagged down police officers to praise them for their hard work, and neighbors, friends and business people congratulated themselves on their good fortune.

"Did you hear?" Chris Diedrich, a fitness instructor, asked her morning step class at Brick Fitness for Women. "It's all over the news. Brick is the safest city in the country."

But some were more than a little suspicious. After all, wasn't the Ocean County municipality located near some pretty nice little Jersey Shore towns that seem synonymous with safe?

"It's a great title to have, but I want the people of Brick Township to know that it's not because crime doesn't occur," said Scott Pezarras, Brick's acting business administrator, sounding a bit cautionary on a day City Hall was brimming with smiles.

So was the honor bestowed on Brick Township a sign the burgeoning bedroom community is a bit of utopia in a densely packed Northeast? Or was it more statistical anomaly?

Turns out it's a bit of both.

The survey in question, an analysis of FBI crime statistics by a Kansas publishing concern that tends to attract huge national press each year, does have a few quirks. Most notable in the case of Brick Township is the fact that the company, Morgan Quitno Press, looks only at municipalities of 75,000 people or more.

Brick Township is on the low side of that cutoff with an estimated population of 80,000. It joined only 11 other communities in the state in the study. In other words, 554 of New Jersey's 566 towns were excluded.

Scott Morgan, who heads Morgan Quitno, publisher of the book City Crime Rankings, said there is nothing wrong with that.

"Most people will accept these are the towns that they have heard about nationwide, and they want to know about," Morgan said.

The survey considers just 371 communities in the country. In New Jersey, Brick was up against mostly gritty cities like Newark, Camden, Paterson, Trenton and other places where extreme poverty and street crime have long gone hand in hand. Most of those places had the dubious distinction of winding up on the other end of the safe-cities ranking.

A few New Jersey places included in the study pool were similarly large suburbs -- Dover Township and Edison -- and they, too, fared very well nationally, 14th and 23rd, respectively.

That is because New Jersey's large suburbs and large cities are very different places, according to demographers who know the state well. They noted it is difficult to make meaningful comparisons of places that are so different.

Take Camden, for example, which is often listed as the most dangerous city in the nation in the study, but improved its standing by five notches this year.

Last year, the median income in Camden was $26,171, compared with $59,752 in Brick. The 2000 Census showed 83 percent of Brick's residents owned their homes, versus 46 percent in Camden.

"There has never been an easy way to make a comprehensive measure so that we can rank municipalities, no matter what it is," said James Hughes, a Rutgers University demographer. "There are always some nuances and codicils to what it is."

Hughes also said the size of the survey takes nothing away from Brick or its relative safety.

The No. 1 ranking for the township, which last year placed second in the national study, was cause for municipal joy.

Police Chief Ronald Dougard said his officers were constantly congratulated by proud residents.

"It's nice," he said of the honor. "It helps (the officers) do their job better."

Brick Township Council vice president Stephen Acropolis, head of the town's public safety committee, said he realizes the scope of the study was somewhat thin. But he said the police department still deserves credit for its work.

"We know we've had a great police department for years," he said. "It's just nice to get the national recognition."

Acropolis said he was bombarded with comments about the ranking from residents yesterday while he coached high school ice hockey.

"People know about it. They're very aware of it. Even when we were second-safest, they talked about it a lot," he said.

Kathy Botticelli, who has lived in town for three decades, said a friend e-mailed her a story about the ranking early yesterday morning.

"I'm just proud to be in a town that wants safety for everybody," Botticelli said as she stood outside the municipal building after paying her taxes.

Resident Margaret Roush said she feels safe in town as she stood in Windward Beach Park, watching her 2-year-old son Danny play on the jungle gym.

"It's a family community," Roush said. "I don't think it draws a lot of heavy crime. Between the families and the elderly, it's not that big a draw for crime."

MaryAnn Spoto may be reached at mspoto@starledger.com or (732) 462-8603.

CIVIL LAW:

Supreme Court Case: Are Jury Awards Too High? (CSM)

By Warren Richey

The Christian Science Monitor, October 31, 2006

WASHINGTON

Jesse Williams smoked two packs of cigarettes a day for 45 years. Following his death in 1997 after being diagnosed with lung cancer, his wife, Mayola, sued the Philip Morris tobacco company seeking $100 million in punitive damages.

The Oregon jury that heard her case rejected the $100 million request. Instead, it awarded her $79.5 million.

Tuesday, the case arrives at the US Supreme Court where lawyers for Philip Morris are asking the justices to strike down the punitive damage award as constitutionally excessive and fundamentally unfair. The case, Philip Morris v. Mayola Williams, is being closely watched to see whether a majority of justices are willing to issue strict guidelines to identify when a punitive damage award is unconstitutionally excessive.

Lawyers for Philip Morris say the judge in the case allowed the jury to punish the tobacco company for alleged harms done to other smokers in Oregon beyond the specific harm suffered by Mr. Williams and his family.

They also argue that the $79.5 million award violates "guideposts" set by the Supreme Court in earlier cases barring punitive damage verdicts that are out of proportion to the harm done.

Lawyers for Ms. Williams counter that Philip Morris engaged in a massive and deadly fraud by pushing an addictive product on the public while concealing information it knew about the unhealthful effects of smoking.

Instead of supporting a government health campaign against smoking in the 1960s, 1970s, and 1980s, the tobacco company cast doubt on research showing the deadly effects of smoking. The lawyers say Philip Morris launched a deceptive public campaign to offer a crutch and an excuse to its addicted customers so they would keep using their product. Under these circumstances, the lawyers say, the $79.5 million award is appropriate rather than excessive.

"Where a fraud is as monstrous as this one was in its willingness to put lives at risk for profit, strong medicine is required," writes Robert Peck, a Williams lawyer, in his brief. High Court has limited punitive damages

In recent years, the Supreme Court has moved toward limiting large punitive damage awards by establishing a three-part test. But the champion of that approach, Justice Sandra Day O'Connor, has retired from the court and it is unclear how the newest members of the court, Chief Justice John Roberts and Justice Samuel Alito, will view the issue.

In addition, some state courts have declined to strictly apply the high court's three-part test and have allowed large punitive damages.

"What is really at stake fundamentally is the Supreme Court's holdings on whether there is an outer limit to punitive damages," says Sherman Joyce of the American Tort Reform Association in Washington. "It seemed to us that the Oregon courts had not been faithful to the Supreme Court's holdings."

Trial lawyers and their supporters argue that the high court never completely closed the door on large punitive damage awards in cases involving extraordinarily reprehensible conduct. In such cases, they say, the size of punitive damage awards should be up to juries and to state lawmakers, rather than Supreme Court justices.

"Punitive damages throughout the history of our country have been a matter relegated to the states," says Edward Sweda of the Tobacco Control Resource Center at Northeastern University School of Law in Boston. "If Oregonians thought that punitive damage awards were too high, they could go to their lawmakers to enact a cap, but they have chosen not to do so." Jury told to consider other injured smokers

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In the Williams case in Oregon, a lawyer for Williams urged the jury to consider not only how the tobacco company had injured his client but how other smokers in Oregon had been injured as well. The lawyer raised the issue in his closing argument even though the jury had heard no evidence concerning other Oregon smokers.

"When you determine the amount of money to award in punitive damages against Philip Morris ... it's fair to think about how many other Jesse Williams[es] in the last 40 years in the State of Oregon there have been," the lawyer said. "It's more than fair to think about how many more are out there in the future."

Philip Morris lawyers asked the judge to issue a special instruction to the jurors before their deliberations to make sure the panel didn't punish the company for hypothetical injuries allegedly suffered by other Oregon smokers - or potential injuries yet to be suffered by smokers in the future.

The judge refused. The $79.5 million punitive damage award was cut in half on appeal, but later reinstated. Ultimately, it was upheld by the Oregon Supreme Court.

Philip Morris attorney Andrew Frey says there is no historical precedent supporting the Oregon punitive damage award. "Only three years ago, this court held that a defendant cannot be punished in an individual action for harms to persons other than the plaintiff," he writes in his US Supreme Court brief.

Lawyers for Williams say the references to other Oregon smokers were intended to help jurors quantify the magnitude of the offense, not calculate individual punishments. "Philip Morris conflates consideration of total harm within Oregon and the enormity of the offense with punishment for the thousands of Oregonians also defrauded. The two are not the same," Mr. Peck writes in his brief.

In earlier decisions, the Supreme Court ruled that a judge assessing punitive damage awards must consider three factors before deciding whether the award should be struck down as excessive.

The three so-called guideposts are: the reprehensibility of the defendant's conduct, the ratio between the amount of compensatory damages awarded and the punitive damage award, and the difference between the punitive damage award and other civil or criminal sanctions that could be imposed for similar misconduct.

The courts in Oregon concluded that Philip Morris's conduct was so reprehensible that it outweighed the two other factors.

Under the ratio guidepost, the high court has suggested that most punitive damage awards should fall within a single-digit ratio of compensatory damages. In contrast, the ratio in the Philip Morris case is 97:1.

The last time the Supreme Court addressed the punitive damage issue in 2003, it left the door open for larger ratios in instances of "particularly egregious" conduct.

"Because there are no rigid benchmarks," Justice Anthony Kennedy wrote for the majority in a case called State Farm v. Campbell, these larger ratios may be acceptable "where a particularly egregious act has resulted in only a small amount of economic damages."

In the wake of that decision, several state courts have allowed sizable punitive damage awards, and some analysts suggest that those courts haven't been faithful to the Supreme Court's holding. Now the question is whether the court will close the door it left open in the State Farm case, or throw it wide open and allow state lawmakers and individual juries to decide how large is too large for punitive damage awards.

High Court To Hear Tobacco Firm's Appeal (AP)

By The Associated Press

AP, October 31, 2006

WASHINGTON (AP) -- Jesse Williams, according to his widow, never gave any credence to the surgeon general's health warnings about smoking cigarettes.

When Williams contracted inoperable lung cancer after smoking two packs a day for 45 years, he told his wife: "Those darn cigarette people finally did it. They were lying all the time."

Nine years after Williams' death, the Supreme Court is considering this question: Can Williams' widow collect $79.5 million in punitive damages for fraud from the cigarette company Philip Morris USA?

To the dismay of anti-smoking groups, the Supreme Court agreed to hear the company's appeal of a jury verdict in Oregon.

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Philip Morris, the maker of Marlboros, is struggling to turn back unfavorable rulings by Oregon state courts in the Williams case. One ruling upheld the jury award after the Supreme Court sent the case back to Oregon once before to make sure it conformed to a 2003 high court opinion limiting punitive damages.

Another case being argued Tuesday highlights what critics say are problems with court-appointed attorneys for death row inmates in Florida.

Gary Lawrence, convicted of beating his wife's lover to death with a pipe and baseball bat then setting the body on fire, is asking the Supreme Court to allow the appeal of his sentence to proceed despite a lower-court ruling that he missed a deadline. Among Lawrence's arguments is that his lawyer, supervised by Florida courts, was responsible for timely legal filings.

In the case over punitive damages, the Williams family is counting on justices to find that Philip Morris' conduct was so reprehensible that it justifies exceeding guidelines the court has laid out in two rulings in the past 10 years that struck down large awards.

One difference is that the earlier cases did not involve physical injuries.

The company doesn't deny making public statements rejecting a link between smoking and cancer; rather, it says there's no evidence Williams ever heard the statements or ever read them.

The court also will be looking at the decision of the state courts that declared it acceptable for the jury in the Williams case to consider harm by Philip Morris to other smokers for conduct similar to that which allegedly injured Williams.

Three years ago, the U.S. Supreme Court said in a different case that a defendant cannot be punished in an individual lawsuit for harm to people other than the plaintiff.

The cigarette company says the approach of the Oregon courts is collective punishment in an individual action, a violation of due process. Philip Morris complained that the nonparties in the case were never identified, their individual circumstances were not presented in court, and there was no way for a defendant to respond to allegations of widespread harm.

The jury awarded Williams' widow, Mayola, $800,000, in actual damages, a ratio of 97 to one. Justice Anthony Kennedy said three years ago that the ratio of punitive to compensatory damages rarely should be higher than nine to one.

The company says that under long-established practice, when compensatory damages are substantial, the constitutional maximum punishment is between zero and four times the amount of compensatory damages.

The cases are Philip Morris USA v. Williams, 05-1256, and Lawrence v. Florida, 05-8820.

Assessing The Damages (NYT)

The New York Times, October 31, 2006

The Supreme Court has been struggling to address the thorny question of when, if ever, punitive damages become so large that they violate the Constitution. The court made a good start when it laid down guidelines on when punitive damages are excessive. But eventually, it went too far. Today, it hears arguments in a case that offers a perfect opportunity to pull back to a more reasonable position.

The case involves Philip Morris's challenge to damages awarded to the widow of a smoker who died of lung cancer. An Oregon jury awarded Jesse Williams's widow, Mayola Williams, more than $821,000 in actual damages, and $79.5 million in punitive damages. Mrs. Williams said Philip Morris had engaged in 40 years of publicity to undercut concerns about cigarettes, even though it knew for most or all of that time that smoking was deadly.

The Oregon Supreme Court upheld the punitive damages award. The court said the conduct that Philip Morris was charged with "would have kept many Oregonians smoking past the point when they would otherwise have quit." It said the company's "deceit thus would, naturally and inevitably, lead to significant injury or death."

The Supreme Court has already indicated that at some point punitive damages become so large that they violate due process. But it has done a poor job of identifying that point. Originally, it laid down some reasonable factors for lower courts to consider, including how reprehensible they considered the defendant's conduct. But in 2003, the court put forth the dubious proposition that punitive damages should generally be in a "single digit" ratio to actual damages — so with actual damages of, say, $100,000, punitive damages should be under $1 million.

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Constitutional principles can seldom be boiled down to a formula, and it is difficult to see why the court should rein in juries so tightly. The purpose of punitive damages is, the Supreme Court has noted, "punishing unlawful conduct and deterring its repetition." In cases of extremely bad conduct, particularly when a defendant is large and willful, a bigger award may be necessary. In this case, $79.5 million does not strike us as unreasonable. Nor do we see any basis for holding that this jury verdict, affirmed in a thoughtful decision by Oregon's highest court, is a denial of Philip Morris's due process rights.

A final problem with the Supreme Court's rule of thumb on punitive damages is that it has been far less restrictive when it comes to punishing people. In 2003, the court held that California did not violate the ban on cruel and unusual punishment when it sentenced a man under its three-strikes law to 50 years for a theft of $153.53 worth of videotapes. That is a far more disproportionate punishment than Philip Morris got, for far less offensive conduct.

Appeals Court Upholds Kentucky Law Requiring Tobacco Payments (AP)

By Brett Barrouquere, Associated Press

AP, October 31, 2006

LOUISVILLE, Ky. - Kentucky can continue to enforce laws requiring small cigarette companies to make payments to help cover smoking-related health costs, a federal appeals court ruled Monday.

The ruling means the state can continue collecting escrow payments from small cigarette companies that did not participate in the 1998 master settlement agreement between tobacco companies and 52 states and U.S. territories. Attorneys said it was the first ruling by a federal appeals court addressing the issue of whether states can force smaller companies to make the payments.

The landmark agreement in 1998 required payments to be made over 25 years and settled all of the state's lawsuits over the public costs of treating sick smokers. More than 30 states passed laws requiring nonparticipating cigarette-makers to make escrow payments.

A three-judge panel from the 6th Circuit Court of Appeals in Cincinnati turned away a challenge from three companies that said Kentucky laws effectively barred the businesses from selling tobacco in the state.

Chicago-based Tritent International Corp.; DWI, LLC; and Cibahia Tabacos Especias, a Brazilian company, each of which imports discount cigarettes, filed the lawsuit. A federal judge in Frankfort rejected the companies' claims in September 2005, prompting the appeal.

A message left at Tritent International Corp., was not immediately returned Monday.

The three tobacco companies had argued that Kentucky's laws were pre-empted by the federal Sherman Antitrust Act, which is aimed at preventing monopolies.

Kentucky's laws require companies that didn't take part in the master settlement agreement to place funds into an escrow account. The amount to be paid is based on their cigarette sales in Kentucky. The money is held for 25 years to cover any future medical costs resulting from those companies' tobacco products.

The state keeps a list of which companies make the payments. Any company not on the list is barred from selling cigarettes in the state.

Because Kentucky's laws treat every cigarette the same, whether or not it took part in the master settlement and every seller is required to pay the same amount of money per pack sold, the federal antitrust act doesn't pre-empt the state law, the appeals court ruled.

"They simply require that all tobacco companies - whether or not they choose to join the MSA - make payments to the state or face blacklisting from the Kentucky market," Judge Ronald Gilman wrote for the panel.

The companies also claimed the laws created an illegal cartel made up of the states and the tobacco industry.

Michael Plumey, an assistant Attorney General in Kentucky who worked on the case, said the cartel allegation "sounds really bad," but the ruling should help put that issue to rest.

"This decision strongly rejects that idea," Plumey said. "There was no anticompetitive cartel created by these statutes."

Four other appeals courts - the New York-based 2nd Circuit, the St. Louis-based 8th Circuit, the San Francisco-based 9th Circuit and the 10th Circuit in Denver - are currently considering similar challenges.

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Plumey said the decision isn't binding with the other appeals courts, although it could be filed there as part of the cases in an effort to affect the outcome.

"It could have a persuasive effect," Plumey said. "We hope that it will."

Tenet Selling Infamous Hospital (MEMBIZ)

Memphis Business Journal, October 31, 2006

The hospital that helped launch Tenet Healthcare Corp. on a painful four-year odyssey with the Department of Justice now has a new owner.

Tenet announced late Friday that it had reached an agreement with a physician-owned company to take over the 306-bed Alvarado Hospital Medical Center in San Diego. The new owner, Plymouth Health, will pay $36.5 million for Alvarado, with the money going into Tenet general funds. The sale is expected to be completed by Dec. 31.

Alvarado came under scrutiny four years ago when the Justice Department looked into the hospital's physician recruitment efforts, including the payment of some physician relocation expenses. The law is vague on the subject and two California juries were unable to reach a verdict in a case that was filed in 2003.

Tenet agreed to sell Alvarado as part of a deal to drop the case.

Dallas-based Tenet (NYSE: THC) operates acute care hospitals in 13 states, including 519-bed Saint Francis Hospital in East Memphis and 100-bed Saint Francis-Bartlett.

Tenet has sold other properties, including some in Florida and Louisiana, in a company-wide effort to become smaller and more focused.

CIVIL RIGHTS:

Arrests Made In Smuggling Probe In Ariz. (AP)

By ARTHUR H. ROTSTEIN, Associated Press Writer

AP, October 31, 2006

TUCSON, Ariz. — More than 40 people were arrested Monday in connection with a family-run smuggling ring that brought hundreds of illegal immigrants into the country, officials said.

The 44 arrests came after a two-year investigation into the ring, which operated out of the southern Arizona town of Bowie, officials said. Many of those arrested are American citizens, officials said. Eleven more suspects, including at least five Mexican nationals, remained at large Monday.

The ring recruited young women to smuggle migrants' infants through ports of entry, posing as their mothers, while the parents were smuggled through the desert separately, said John Lewis, the FBI special agent in charge in Arizona.

The operation smuggled people from Mexico into the U.S. for more than 10 years — most from Mexico, but also from El Salvador and the Dominican Republic, Lewis said.

"This network organized, housed, fed, guided and transported large numbers of illegal aliens across the border," said Paul K. Charlton, U.S. attorney for Arizona.

The suspects were named in an indictment this month. They included the suspected ring leader, Pablo Esteban Juarez, 31; his wife, Lori Gutierrez Juarez, 30; guides who walked people across the border; drivers who transported illegal immigrants; and "money runners" who picked up smuggling fees.

Officials said each migrant was charged between $500 and $800 to be smuggled from Agua Prieta, Mexico, to Bowie, about 83 miles east of Tucson. They would be charged more — typically around $2,000, and sometimes even higher — to be moved from Bowie to their destination.

People paid the ring more than $500,000 in the past four years, Lewis said.

The indictment charged that members of the ring were involved in a conspiracy to transport and harbor illegal immigrants and to launder money for profit.

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There were no telephone listings for the Juarezes in Bowie. It was not immediately known whether they had lawyers or whether they were American citizens.

44 Seized In Migrant Smuggling Syndicate (AZREP)

By Dennis Wagner, The Arizona Republic

Arizona Republic, October 31, 2006

More than 150 federal agents, sheriff's deputies and police officers swarmed over the tiny southern Arizona town of Bowie on Monday, cracking down on a family-owned syndicate suspected of smuggling thousands of illegal immigrants into the United States.

By day's end, at least 44 suspects had been arrested on criminal counts of conspiracy and money laundering. Fifty-five defendants are listed in a 728-count federal grand-jury indictment.

Although the so-called Juarez Alien Smuggling Organization is based in Bowie, federal agents also made arrests in nearby Willcox and in New Mexico, California, Minnesota and Ohio.

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"This is not just a couple of coyotes," said Deb McCarley, an FBI spokeswoman. "This was the entire organization from top to bottom that we took down."

The bust came on the same day the Border Patrol announced that arrests along the U.S.-Mexican border were down 8.5 percent in fiscal 2006 from the year before. Officials attributed the decline to tougher enforcement.

According to the indictment, Pablo Esteban "Stevie" Juarez, 31, of Bowie, oversaw a highly organized gang that had been in existence for at least 10 years. The U.S. Attorney's Office also identified his wife, Lori Juarez, 30, as a leader. Officials believe Pablo inherited the gang from his father, Marcos Ruiz Juarez, and his brother, Marcos Abel Juarez. All three also were indicted.

"This was not just any family business," said Paul Charlton, U.S. attorney for Arizona, adding that the ring transformed Bowie into "a major staging area for the movement of illegal aliens to the Phoenix hub."

Undocumented immigrants were assembled south of the border and guided into Arizona or New Mexico before being driven to drophouses in Bowie, about 80 miles east of Tucson on Interstate 10.

Immigrants paid up to $2,000 to the coyotes, and the indictment lists more than 700 Western Union money wires as smuggling fees. Those funds were sent to Bowie from all across the nation.

"This affects every state in the United States, not just Arizona," McCarley said.

Bowie, an unincorporated community in Cochise County, is barely more than a roadside stop with a burger stand and gas station surrounded by pecan and pistachio groves.

The extended Juarez family accounts for a significant portion of Bowie's population of about 700. Bruce E. Brown, the local school superintendent, said there are 110 students in the community, and many saw parents or relatives taken away in handcuffs Monday. Brown said administrators spent the afternoon finding relatives to take children who no longer had adult supervision at home.

"It probably affected a third of my kids," he said. "We had a lot of children that were pretty upset today."

McCarley said the case was developed with intelligence gathered by the Cochise County Sheriff's Office and the Border Patrol. Those agencies were joined by the FBI, Immigration and Customs Enforcement and Willcox police in a two-year investigation of the syndicate, which used a motel and two houses to warehouse immigrants.

Arrest teams, supported by the Border Patrol's Black Hawk helicopter, swept through the San Simon Valley at dawn, making arrests at 31 locations.

Forty-five weapons were seized. Investigators said the smugglers used guns to protect themselves and to intimidate illegal immigrants.

McCarley said some gang members were paid to bring undocumented immigrant babies through vehicle checkpoints along the border, posing as parents, while the real mother and father were smuggled into the country. In some instances, the infants were drugged to ensure they would not make a fuss.

McCarley said the family also charged competing coyotes a "tax" to use smuggling routes in the area.

The suspects made initial appearances Monday in U.S. District Court in Tucson. Each is charged with conspiracy, which carries a maximum prison sentence of 10 years. The majority of suspects also were indicted on charges of money laundering, which also has a 10-year maximum sentence.

Reach the reporter at dennis.wagner@arizonarepublic .com or (602) 444-8874.

Attention, Voters: Have Your ID Ready In Many States, New Rules On Identification At The Polls Spark Confusion, Controversy By CHRISTOPHER CONKEY (WSJ)

The Wall Street Journal, October 31, 2006

May I see your ID?

Americans are used to hearing that question at airports and in bars, but on this Election Day many will also hear it when they go to the polls.

That's because nearly half of the states have passed laws -- many since widely publicized irregularities in the 2000 presidential race in Florida -- requiring voters to prove their identity before they're allowed to cast a ballot. It sounds like a simple plan, but these laws are sparking confusion, partisan rancor and a frenzy of legal challenges in the days leading up to the midterm election. Luckily for voters, they have to know the current rules only in their own state. And any voter in any state is entitled to cast a provisional ballot if he or she encounters a problem at the polling place. States do, however, vary on how they determine whether a provisional ballot is later counted and how long a voter has to come back and prove his identity.

In Arizona, a proposition passed in 2004 requiring residents to show ID was struck down this month by a federal court only to be reinstated by the U.S. Supreme Court. Arizona Secretary of State Jan Brewer said the lower-court ruling stirred "a lot of questions, confusion and anger," and that poll workers are now being retrained to apply the law. Linda Brown, executive director of the Arizona Advocacy Network, says she spent primary day last month outside a polling station talking to frustrated voters who weren't allowed to cast provisional ballots for lack of proper ID.

"The most disturbing thing we witnessed were poll workers who were ill-informed and making it up as they went along," Ms. Brown says.

In Georgia, a state judge in September overturned a new law requiring every voter to show a photo ID at the polls. The ruling came just as the state elections board was mailing informational letters to some 305,000 registered voters whose names didn't show up on the state's list of licensed drivers and thus might lack valid photo IDs. The first 200,000 letters were already out the door, and the board's Republican member in charge of voter education decided to mail the rest after the ruling, leading to charges that he was deliberately misleading likely Democratic voters.

"The point was to tell these people, 'Hey, you can't really vote,' and suppress their turnout," said David Worley, a Democratic member of the board.

To try to clear up the matter, which has led to a call for a Justice Department investigation, the Georgia elections board has been running public-service announcements and is sending the same group of voters a new letter telling them to disregard the earlier one. "To the extent that there was any confusion, we've corrected it," said Republican board member Tex McIver, whose decision on the mailing put him at the center of the storm.

The courts have upheld Indiana's photo-ID requirement so far, but a federal appeals court will rule on it after the election. Missouri's Supreme Court declared the state's ID requirements invalid this month, saying the state couldn't prove any instances of voter fraud at the polls. Ohio officials will defend some of their ID rules in court tomorrow.

In all of the disputes, voter-identification laws tend to break down along party lines. Republicans generally support the laws, saying they are necessary to rebuild trust in the voting process. Democrats say that in-person voter fraud is extremely rare and that ID laws do more harm than good by disenfranchising elderly, disabled, low-income, minority and other voters who might not have the right documentation.

In Minnesota, Republican Gov. Tim Pawlenty recently pushed for the state legislature to adopt a photo-ID requirement, saying 32 noncitizens had registered to vote since 2004, and 11 of them had actually cast ballots. Brian Melendez, chairman of the state's Democratic-Farmer-Labor Party, says the proposal is "using a cannon to swat a fly." He figures the 32 registrations constituted 0.001% of the state's registered voters.

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The movement toward stricter voter verification comes after Congress passed the Help America Vote Act in 2002. The law has spurred a raft of new voting machines in polling places across the country. It also required first-time voters who register by mail to provide identification before they can vote. What's more, a commission led by former President Jimmy Carter and former Secretary of State James Baker in 2005 recommended a nationwide voter-ID requirement.

California, New York and 22 other states don't go much further than the minimal HAVA requirement for first-time voters. But many states have set additional rules. Texas, Ohio and 17 other states require some form of identification, such as a utility bill or paycheck. Louisiana and South Dakota encourage registered voters to bring photo IDs but still allow them to cast a regular ballot without them if they sign an affidavit. Kansas and Pennsylvania require all first-time voters to show identification at the polls.

Florida and Indiana have the most vigorous ID requirements. Florida voters must bring valid documentation showing their photo and signature. Indiana requires all voters to show a government-issued photo ID but makes exceptions for the indigent, those with a religious objection to having their photo taken, or those living in state-licensed facilities serving as polling places. Indiana Secretary of State Todd Rokita has toured his state trying to educate voters about the ID requirements, which he calls "a good balance between integrity and accessibility."

Despite the best efforts of many election officials and civic-participation groups, though, some election officials say confusion among some voters and poll workers on Election Day is inevitable given the hodgepodge of new laws and the legal battles surrounding them. "I'm personally worried that there's going to be some voter confusion over what's required," says Deborah Markowitz, president of the National Association of Secretaries of State.

At a time when many precinct workers are also coping with new electronic voting machines and new statewide registration databases, the identification rules add to the confusion. "Conditions are good for bad things to happen," says Doug Chapin, director of electionline.org, a nonpartisan group that tracks election reforms. He fears that many poll workers "may ask for ID when it's not required."

Electionline.org1 and canivote.org2, a Web site run by the National Association of Secretaries of State, both list voter-ID rules by state.

Many of the new in-person voter requirements don't apply to absentee or early voters, a fact often derided by opponents of voter-ID laws since the most-documented type of voter fraud involves absentee voting.

But efforts to beef up ID requirements for absentee and early balloting have ended up in the courts, too. In Ohio, a federal judge put the new absentee voting ID rules on hold, saying they were vague and applied inconsistently across the state. The Republican secretary of state, J. Kenneth Blackwell, didn't want the ruling appealed so close to the election. "We did not want there to be conflicting court rulings and confusion added to the process," said James Lee, a spokesman for Mr. Blackwell's office.

But the state's Republican attorney general, Jim Petro, who lost to Mr. Blackwell in the primary for governor in May, filed an appeal anyway. On Sunday, an appeals court sided with Mr. Petro, reinstating the identification rules for absentee ballots, and once again raising questions about how those ballots might be counted.

Maker Of Voting Machines For U.S. Denies Ties To Chávez, Venezuela (WSJ)

By Bob Davis

The Wall Street Journal, October 31, 2006

WASHINGTON -- Smartmatic Corp., whose voting machines will be used in midterm elections next week, says it adopted a complicated ownership structure to minimize taxes and protect intellectual property, and not to mask any control by Venezuela's government.

Smartmatic, which is owned by Venezuelan entrepreneurs who split their time between Boca Raton, Fla., and Caracas, has been caught up in a government probe over foreign ownership. On Election Day, Smartmatic equipment will be used in 16 states, including Florida and California, and the District of Columbia.

The actions of the voting-machine company are being reviewed by the Committee on Foreign Investment in the U.S. The committee reviews foreign acquisitions to see if they pose national security concerns.

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Most reviews by the committee occur before an acquisition is completed -- and publicity engendered by the probes can kill a deal. This year, for instance, a company owned by the government of Dubai, a Persian Gulf emirate that is part of the United Arab Emirates, was forced to back away from plans to run commercial operations at several U.S. ports, amid an outcry on Capitol Hill.

With Smartmatic, the pattern is reversed. The company bought a U.S. voting-machine company, Sequoia Voting Systems Inc., in 2005, and the panel is only now starting a formal review. While a review could end in a recommendation for a divestiture, such an action would be rare. A committee spokeswoman recalled just one instance in which a review resulted in a divestiture. In 1990, the first Bush administration ordered China to sell a U.S. maker of aircraft parts.

The Smartmatic purchase has drawn attention because of concerns that the government of Venezuelan President Hugo Chávez, an opponent of U.S. policies, has a stake in the company. Smartmatic came to prominence in 2004 when its machines were used in an election to recall President Chávez, which Mr. Chávez won handily -- and which the Venezuelan opposition say was riddled with fraud. Smartmatic put together a consortium to conduct the recall elections, which included a company called Bizta Corp., in which Smartmatic owners had a large stake. For a time, the Venezuelan government had a 28% stake in Bizta in exchange for a government loan.

Bizta paid off the loan in 2004, and Smartmatic bought the company the following year. But accusations of Chávez government control of Smartmatic have dogged the company since. In addition, late in 2004, Smartmatic scrapped a simple corporate structure, in which it was based in the U.S. with a Venezuelan subsidiary. It adopted a complex offshore structure, with headquarters in the Netherlands Antilles; a main subsidiary in the Netherlands and a variety of subsidiaries in the U.S., Barbados, Venezuela and Mexico.

That also led to concern that the structure was designed to mask foreign ownership. "The opaque nature of Smartmatic's ownership is particularly troubling since Smartmatic has been associated" with the Venezuelan government, Rep. Carolyn Maloney, a New York Democrat, wrote to Treasury Secretary Henry Paulson this month. The Treasury Department is the lead agency in the Committee on Foreign Investment in the U.S..

At a news briefing yesterday, Smartmatic's 32-year-old chief executive, Antonio Mugica, presented a simpler explanation: tax reduction. The combination of setting up in the Netherlands and Dutch Antilles produces "a very beneficial tax treatment with the confines of the law," said Smartmatic's attorney, Jeffrey Bialos. Mr. Chávez and the Venezuelan government have no ownership stake in the company, Mr. Mugica said.

In 2004, when the company changed its corporate structure, it debated how much of the company's earnings it should report to the U.S. or the Bahamas, where it also had a subsidiary. Smartmatic said three of its Venezuelan managers own about 91% of the company. They are Mr. Mugica, with 78.8%; Chief Technology Officer Roger Pinate, with 8.5%; and Chief Financial Officer Alfredo Anzola, with 3.9%.

The Cfius review appears to be just into its 30-day period. If the government decides to look further, it starts a 45-day investigation, which can end in a recommendation to the president to take action.

Voting Machine Firm Denies Chavez Ties (WP)

By Zachary A. Goldfarb

The Washington Post, October 31, 2006

The nation's third-largest supplier of electronic voting machines said yesterday that it asked the federal government to review its purchase by a company controlled by Venezuelans to allay concerns that it is influenced by Venezuelan President Hugo Chavez.

The company, Smartmatic Corp., and its subsidiary, Sequoia Voting Systems Inc., are being investigated by the Committee on Foreign Investments in the United States.

The CFIUS, which probes international business deals with defense or national security implications, received national attention this year when it cleared the purchase of a major provider of U.S. port security by a Dubai-based company, a transaction that fell apart after uproar on Capitol Hill.

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Smartmatic representatives yesterday said that the Venezuelan government does not own and has never owned any part of the company. "No foreign government from any country has ever held a stake in Smartmatic," said the company's chief executive, Antonio Mugica.

The CFIUS investigation was first reported by the Miami Herald over the weekend, but Smartmatic confirmed in a news conference yesterday that it was cooperating with -- and had asked for -- the investigation.

In May, after concerns about the company's ownership structure began to circulate, Smartmatic dismissed the idea of a CFIUS investigation, saying Sequoia's products "do not fall within the parameters of the matters governed by CFIUS."

Jeff Bialos, a Washington lawyer representing Smartmatic and Sequoia, said that Smartmatic decided to request the inquiry to clear up "unfounded accusations" that have "persistently dogged" officials of both companies. "The company is in a policy of full disclosure with these issues," he said.

The development comes before the midterm elections, which will be a major test of the reliability and security of new electronic voting machines. A breakdown in the use of Sequoia voting machines in the March primary in Chicago gave rise to questions about Smartmatic's corporate structure, which is based in the Netherlands Antilles in the Caribbean but owned by Venezuelan nationals.

Generating more concern is the hostile relationship between the United States and Chavez, who called President Bush "the devil" last month. In 2004, opposition groups questioned the results of an unsuccessful 2004 recall election -- run on Smartmatic technology -- that tried to oust Chavez. International observers cleared the election.

"Given the state of the relationship between President Bush and President Hugo Chavez right now, the idea that a Venezuelan firm might be responsible for programming our voting machines is a legitimate concern," said Robert Pastor, executive director of the Commission on Federal Election Reform at American University.

Smartmatic International Group is owned primarily by foundations controlled by three Venezuelans -- Mugica, Roger Pinate and Alfredo Anzola. It was a small company until it beat out Nebraska-based Election Systems & Software in 2004 for a contract to provide voting technology in Venezuela. With millions in profits from that contract, Smartmatic bought Sequoia last year from a British company for about $16 million. Sequoia supplies electronic voting machines to at least a dozen states and the District.

Bizta, a start-up technology company in Venezuela with some of the same owners as Smartmatic, received a $150,000 grant from a financing arm of Venezuela's government before the 2004 recall. In exchange, Bizta pledged nearly 30 percent of the company shares and a seat on the board to the government. Bizta has been folded into Smartmatic, and Mugica said the grant, which he characterized as a loan, has been repaid. He added that a government representative never showed up at board meetings.

Venezuela's government said yesterday that it had no ownership in Smartmatic. "The Chavez administration does not have any type of relationship with the Smartmatic Corporation," said the Venezuelan ambassador to the United States, Bernardo Alvarez.

Rep. Carolyn B. Maloney (D-N.Y.), ranking member on the House committee that oversees the CFIUS, asked the Treasury Department in May to review Sequoia's acquisition. "The ownership of the company that makes machines that we use to exercise our democracy should also be looked at from a national security perspective," Maloney said yesterday.

Election experts said the Smartmatic concern would not be pressing if voting machine companies were more open about their technology. "If things were done truly transparently and it was auditable and there was accountability, it wouldn't really matter," said Warren Stewart, executive director of VoteTrust USA. "Unfortunately, that is not the case."

E-Mail Voting Comes With Risks (WP)

By Ellen Nakashima

The Washington Post, October 31, 2006

Time was when soldiers, if they wanted to vote, had to request ballots by snail mail, fill them out and return them the same way.

The process typically took weeks.

This year, thousands of soldiers around the world have the opportunity to vote in the Nov. 7 elections by e-mail. It's part of a Pentagon effort to make it easier for overseas military personnel to cast ballots in federal and state elections, and it reflects how the Internet has changed life in the combat zone.

But computer security experts inside and outside the government warned that the Pentagon's Federal Voting Assistance Program ignores the risks associated with unencrypted e-mail: interception, hacking and identity theft.

"E-mail traffic can flow through equipment owned and operated by various governments, companies and individuals in many countries," Joel Rothschild, a Navy Reserve captain, said in an August report prepared for the Pentagon. "It is easily monitored, blocked and subject to tampering."

A separate report by four outside computer security experts released last week raised similar red flags and added that the use of unencrypted e-mail for registering overseas voters invited identity theft.

"No bank would ask their customers to send Social Security numbers over unencrypted e-mail," said the report's co-author, David Wagner, a professor of computer science at the University of California at Berkeley. But that is what the system allows, he said.

Rothschild's report noted that e-mails can be encrypted to reduce tampering risks. Pentagon officials said states would need to arrange for that provision.

States have options for getting ballots to and from voters. They can fax, e-mail or mail the ballots, or use a combination of the methods. The federal government began the use of faxed ballots in 1990, with troops stationed in the Persian Gulf for Operation Desert Shield. E-mail is an option in those states that allow it; at the moment eight do. Mississippi was the first, allowing troops overseas to vote by e-mail in a 2003 gubernatorial election.

Neither the Pentagon nor state officials say they track how many of the 294,000 military personnel overseas are voting by e-mail. That information is held at the county level, state elections officials said.

Anecdotally, the number of military personnel voting by e-mail appears limited.

In Colorado, Jefferson County elections official Shawna Weir said she has received three ballots that soldiers sent by e-mail. The service members -- two in Iraq and one on a ship -- e-mailed their ballots to a federal facility in Virginia, which then faxed them to the county.

They were all "very eager to vote," Weir said, noting that they had called her to make sure they could get their ballots.

The combination of faxing and e-mail "is about as dangerous as you can get," Wagner said. "It's got all of the problems with unencrypted e-mail, plus your ballot is being routed through the Department of Defense. Will soldiers feel free to vote their conscience when they know that the DOD may be able to see how they voted? How do we know that the DOD or their contractors haven't modified soldiers' ballots in transit?"

J. Scott Wiedmann, deputy director of the Federal Voting Assistance Program, said the operators at the federal facility cannot alter e-mail content, which is sent in "read-only" format. Voters are also encouraged to mail in an original copy of their ballot as a backstop, he said.

Soldiers faxing and e-mailing their ballots also must sign waivers saying they understand that somebody might see their ballot, Wiedmann said. "There's no U.S. constitutional guarantee to a secret ballot," he said.

Joni Ernst is a county elections official in Iowa and a major in the Iowa Army National Guard who served in Iraq from 2003 to 2004. She delivered mail to the troops and saw how long it could take, so she is glad that soldiers have the e-mail option. Most every camp has an Internet cafe for soldiers, and if the voting process is simple, she said, the troops are more likely to vote.

"Their time is very limited," Ernst said. "We don't want to detract from the mission. But we want to make sure their vote counts."

Campaign To End Race Preferences Splits Michigan (NYT)

By Tamar Lewin

The New York Times, October 31, 2006

ANN ARBOR, Mich., Oct. 25 — Three years after the Supreme Court heard Jennifer Gratz's challenge to the University of Michigan's affirmative action policy, she is still fighting racial preferences, this time in a Michigan ballot initiative.

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"We have a horrible history when it comes to race in this country," said Ms. Gratz, 29, a white applicant who was wait-listed 11 years ago at the state's flagship campus here. "But that doesn't make it right to give preference to the son of a black doctor at the expense of a poor student whose parents didn't go to college."

The ballot initiative, Proposition 2, which would amend Michigan's Constitution to bar public institutions from considering race or sex in public education, employment or contracting, has drawn wide opposition from the state's civic establishment, including business and labor, the Democratic governor and her Republican challenger. But polls show voters are split, with significant numbers undecided or refusing to say where they stand.

Passage would probably reinvigorate challenges to a variety of affirmative action programs in other states. In California, where a similar proposition passed in 1996, the number of black students at the elite public universities has dropped. This fall, 96 of 4,800 freshmen at the University of California, Los Angeles — 2 percent — are black, a 30-year low.

For the University of Michigan, the proposition would require broader changes than the Supreme Court did; it ruled in Ms. Gratz's case and a companion case that while the consideration of race as part of the law school's admissions policy was constitutional, a formula giving extra points to minority undergraduate applicants was not.

The president of the university, Mary Sue Coleman, an opponent of the proposition, said its reach could extend into K to 12 education.

"It would make it illegal to have our program targeting girls in junior high school, and having them come to campus to learn about science and engineering," Ms. Coleman said. "I'm a woman scientist, and I know how fragile our gains are."

Such arguments have resonance in Ann Arbor, where the Democratic headquarters is doing a brisk business in "No on 2" yard signs.

"We need to keep affirmative action because it's still not a level playing field for women or minorities," said Gena Morris, who is black, an event planner who volunteers at Democratic headquarters.

Susan Greenberg, a widow whose husband was a University of Michigan professor, took home a yard sign recently, saying, "It's probably the most important thing on the ballot."

Just 20 miles north of the liberal university enclave, in Brighton, there is less familiarity with the proposition but more opposition to affirmative action.

"I don't know a lot about Proposition 2, but I do know a neighbor kid, a good kid, a local kid with a 3.7-3.8 average, who didn't get into the university and he should have," said Vicki Smith, who is white, shopping one afternoon at Kohls department store. "I do think there's something wrong with their admissions."

Pollsters, in fact, say the Nov. 7 results may well turn on whether the measure is seen primarily as a race issue.

"If voters think about it as being about race, black and white, support goes up," said Ed Sarpolus, vice president of EPIC-MRA, a polling firm in Lansing. "So the opponents are trying to show that it's not just race, that it would hurt women, hurt Michigan's economy, and they're having some success with that."

Though most of the debate on the proposition has been about race and college admissions — four out of five Michigan residents are white — the ballot initiative is also playing out against the state's somber economic picture of high unemployment, high migration of young people and a wrenching transition away from manufacturing.

Opposition to Proposition 2 is strongest in majority-black Detroit and a few liberal strongholds like Ann Arbor. Like California's Proposition 209, which passed in 1996, Proposition 2 has been backed by Ward Connerly, a wealthy black Republican who is a former University of California regent. If Mr. Connerly is successful in Michigan, and maybe even if he is not, he is likely to carry the fight to other states.

"When my toes turn up, that's when I'll stop fighting this," said Mr. Connerly, who has provided nearly $500,000 for the Michigan Civil Rights Initiative, the group Ms. Gratz leads. "As John F. Kennedy said," he continued, "race has no place in public life."

As of Oct. 20, the group had raised $1.4 million and spent $782,000.

Ms. Gratz, who grew up in a working-class suburb of Detroit, graduated among the top 15 in a high school class of about 300. But she only made the wait list for the Ann Arbor campus of the University of Michigan and never returned the postcard that would have kept her on the list for available spaces.

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She graduated from the University of Michigan-Dearborn with a math degree and became a product manager at a technology company. She also pursued the suit against the university. She called Mr. Connerly soon after the Supreme Court ruled on her case, and they began working on the Michigan proposition. It has been her full-time job for three years.

Opposition to the measure is led by One United Michigan, an unusually broad coalition that includes Gov. Jennifer M. Granholm, a Democrat, and her Republican challenger, Dick DeVos, as well as unions, churches, businesses and higher education and civil rights groups. It has raised and spent $3.3 million.

"We have the A.C.L.U. sitting with the Michigan Catholic Conference on the steering committee, which is something you don't see very often, " said David Waymire, a coalition spokesman. "There isn't a big Michigan voice on the other side. But it's tough. Two years ago, the initial polling found more than two-thirds supported the proposition. The miracle is that we've gotten it into a winnable range."

Coalition members said Proposition 2 would hamper employers' efforts to diversify their work forces. They said it would also force some local governments to eliminate outreach and set-aside programs for minority contractors and would diminish the already-meager representation of black and Hispanic students at the flagship university here.

"It would be like slamming a door on progress," Ms. Coleman said. "I will do everything that's legal to help us attract minority students. But it's already having a chilling effect."

This year, the freshman class at the Ann Arbor campus has 330 blacks, or 6.4 percent, down from the high of 499 in 2001, and from 350 in the year after the Supreme Court case, when a new admissions process was adopted. Over all, blacks make up 7.2 percent of the undergraduates. But there are other ways to look at the numbers.

The Center for Equal Opportunity in Virginia, which supports the proposition, released an analysis of University of Michigan data finding that black applicants who were accepted by the university had lower grades and SAT scores than white applicants who were admitted. The median SAT for black students who were admitted was 1160 in 2005, it said, compared with 1350 for whites.

The center said the university now weighed race and ethnicity even more heavily than before the Supreme Court ruling.

The university disagrees. "Their analysis is flat-out wrong and carefully calculated to achieve a political outcome," said Julie Peterson, a university spokeswoman.

She said that the center overlooked factors added to the admissions process after the ruling, like recommendations, essays and extracurricular activities, and that the data on which the center based its conclusions did not include all applicants.

Ms. Peterson and others at the university emphasized that because there were so many white applicants and so few blacks, an end to affirmative action would not substantially increase white students' odds of admission. In their book, "The Shape of the River," Derek C. Bok and William G. Bowen estimated that if selective universities had race-blind admissions, the probability of white students' admission would rise only slightly — to 26.5 percent from 25 percent — while black students' admissions would decline by half.

Wade Henderson, executive director of the Leadership Conference on Civil Rights said the proposition would help determine the future of affirmative action.

"Michigan is ground zero in the national debate on the meaning of equal opportunity," Mr. Henderson said. "It's really important that we stop this, before Ward Connerly takes the battle to other states."

But in many quarters here, public support remained strong, which Ms. Gratz said indicated just how much Michigan's power brokers were out of touch with voters.

"The entire elite establishment is all lined up on the other side of this issue," Ms. Gratz said, "but the mainstream, normal, everyday people who go to work every day think their husbands, their wives, their kids, should be treated equally by our government, and should not be judged on race or sex."

Court Upholds Ban On Enforcement Of Abortion Warning Law (FINDLAW/AP)

By Chet Brokaw, Associated Press Writer

AP, October 31, 2006

DOJ_NMG_0088935

(AP) - PIERRE, South Dakota-South Dakota cannot enforce a 2005 law that would require doctors to give additional warnings to women who seek abortions, a federal appeals panel ruled Monday.

In a 2-1 ruling, the panel of the 8th U.S. Circuit Court of Appeals upheld a lower court's ruling that has prevented the state from enforcing the law. Planned Parenthood, which challenged the measure, has demonstrated a likelihood it will win in its argument that the law violates the U.S. Constitution, the panel said.

The law, passed by state lawmakers in 2005, would require doctors to tell women that abortions end human lives and may later cause serious psychological problems for women who have abortions. A woman also would have to be told she has a legal relationship with her unborn child and that the relationship would be terminated by an abortion that would end the child's life.

U.S. District Judge Karen Schreier of Rapid City issued an order preventing the state from enforcing the law while the lawsuit proceeds. The judge said Planned Parenthood has a fair chance of succeeding on its claim that the law violates the free-speech rights of doctors.

The state argues that the required information is medically accurate and supported by science. State lawyers contend the law would not curb reasonable access to abortion in South Dakota.

The South Dakota Legislature this year passed a much more restrictive law, which would ban nearly all abortions in the state. South Dakota voters will decide the fate of the abortion ban in the Nov. 7 election.

Ban On Abortions Trails In New Poll (WT)

By Cheryl Wetzstein

The Washington Times, October 31, 2006

A South Dakota ballot measure to ban almost all abortions in the state is likely to fail by a wide margin, a new poll says.

Fifty-two percent of 800 likely voters said they would vote "no" next week on a law banning all abortions except to save the life of a mother, according to the poll, conducted for the Argus Leader newspaper in Sioux Falls, S.D.

An additional 42 percent of voters said they would vote "yes" for the ban, and 6 percent were undecided, according to the survey, which had a margin of error of 3.5 percent and was released in the newspaper's Sunday edition.

The poll shows that "voters are seeing through the campaign of misinformation and lies" from the ban's supporters, said Jan Nicolay, co-chairwoman of South Dakota Campaign for Healthy Families. "There is a growing consensus that we should keep all options open for women whose health is in jeopardy and for victims of rape and incest."

Leslee Unruh, campaign manager for VoteYesForLife .com, which supports the ban, said yesterday she's seen recent polls that "show us neck and neck."

"The only poll that counts is on Election Day, and we intend to win," she said, adding that if yard signs, bumper stickers and other signs of support are any indication, the VoteYesForLife side is winning.

Earlier this year, South Dakota lawmakers passed a law making it a criminal offense to perform an abortion except to save the life of the mother. The law, which was signed by Republican Gov. Michael Rounds, finds that "life begins at the time of conception" and that a pregnant mother and her unborn child "each possess a natural and inalienable right to life."

The law is on the ballot because South Dakota law allows a newly passed law to be put before the voters if enough signatures are collected asking for it.

Pro-choice advocates see the law as a challenge to the Supreme Court's 1973 ruling in Roe v. Wade, which says that it is unconstitutional for states to ban abortions. Planned Parenthood Federation of America, which is part of the coalition opposing the ban, says the ban must be defeated to protect Roe and women's right to have an abortion.

The campaign has been ugly at times. The VoteYesForLife Web site has posted pictures showing their "Vote Yes on 6 For Life" signs vandalized with a big black "X" or a red coat hanger. The coat hanger is a referral to pre-Roe days, when women reportedly used coat hangers to rid themselves of unwanted pregnancies.

The Argus Leader said the new poll, taken by Mason-Dixon Polling & Research, shows that opposition to the ban has grown stronger with time. A similar poll taken for the newspaper in July found that 47 percent of South Dakotans opposed the ban, 39 percent supported it and 14 percent were undecided.

Chronic Troubles At Youth Jails Haunt Campaign (WP)

DOJ_NMG_0088936

By Mary Otto, Washington Post Staff Writer

The Washington Post, October 31, 2006

When the $60 million Baltimore City Juvenile Justice Center opened in 2003, it was hailed as the kind of solution Gov. Robert L. Ehrlich Jr. (R) had promised when he campaigned for office.

Within a year, independent monitors were describing conditions there as bad as those in the state's most notorious juvenile jails. A U.S. Justice Department report this summer found that the center has failed to "adequately protect children from youth violence."

When Cheltenham Youth Facility shut down several of its dilapidated cottages in January 2004, advocates heralded a move toward smaller, more specialized centers. But today, some of the state's jails remain so crowded that teenagers sleep on the floor.

As Ehrlich faces a tough fight for reelection this fall, his bold promises to fix one of Maryland's most troubled systems have vexed his campaign.

"The system has gotten worse in the last four years," Baltimore Mayor Martin O'Malley, Ehrlich's Democratic challenger, said in a recent interview. "We're writing off too many young lives."

The governor defends his efforts, saying in a recent debate, "We have made great strides on our juvenile justice system. We've changed the whole paradigm there."

Ehrlich did not mince words about the troubled system when he ran for governor four years ago and laid the blame squarely on his Democratic opponent, Kathleen Kennedy Townsend. As lieutenant governor, Townsend had taken on juvenile justice as a priority.

But problems with violence and mismanagement ran deep in many of the nearly two dozen state-run facilities entrusted with more than 2,000 young offenders. The state's juvenile boot camps had been shut down because of brutality.

"The history of juvenile services in Maryland -- up to and including the present," Ehrlich asserted then, "is one of devastating dysfunction that has ruined children's lives."

The Republican who would become the next governor promised a new era and a "child first" approach. He would rename, and redeem, the Department of Juvenile Justice.

But violence and trouble persist. Inspections continue to reveal dangerous conditions, staff shortages, chaotic classrooms, mismanagement and crowding. Despite a boot camp debacle in the past, Ehrlich's administration, too, tried the military approach, with bad consequences.

Officials at what is now called the Department of Juvenile Services say there were no quick fixes for the broken system and the damaged children they oversee, but they can point to some hopeful signs.

"It's by no means a perfect system. But it doesn't mean we haven't moved in that direction," said Juvenile Services Secretary Kenneth C. Montague Jr. "There has been a large, large change."

But advocates say the political stakes make it hard for officials to admit there are problems in the system.

"How can you fix anything you can't admit to?" asked Ralph B. Thomas, former head of the Office of the Independent Juvenile Justice Monitor under Ehrlich and his Democratic predecessor. Ehrlich "inherited a mess, and the mess continues."

Montague said the State Department of Education is slowly taking over schools in the facilities and is scheduled to be running them all by 2012. Drug courts in a growing number of counties are offering some youths a chance at treatment.

Two facilities with long histories of trouble, Cheltenham and the Charles H. Hickey Jr. School in Baltimore, have been downsized, although there was a stabbing at Hickey this month. Two small youth detention centers, one on the Eastern Shore and one in Western Maryland, have opened.

Some of the improvements have come with federal monitoring.

Cheltenham and Hickey are being monitored by teams of juvenile justice experts following a 2005 settlement between the state and the Justice Department following claims of civil rights violations.

Educational programs have improved considerably at both facilities in the past year, said Peter Leone, a University of Maryland professor on a team for the two institutions. "It's safe to say there have been dramatic improvements," he said.

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Yet elsewhere, observers have documented chaos. Patrick J. Elder, a Bethesda teacher, tried working at the Alfred D. Noyes Children's Center in Rockville for one day last spring -- then handed in his resignation.

"What I saw was disgusting," he said. "The kids had no pencils, no paper, no books." While two guards sat and chatted in the back of the room, he said, he tried unsuccessfully to get the attention of the 19 boys. Five were playing poker; three were wrestling on the floor.

"I realized this is not for me."

Independent monitors at the center found similar chaotic conditions. Montague said Noyes presents special challenges because the high cost of living in Montgomery County makes it hard to pay and retain good staff members. In response to staff and teacher shortages there, salaries were recently raised.

Problems persist at the new Baltimore facility, as well, according to the Justice Department.

"We find that children confined at the Justice Center suffer significant harm and risk of harm from the facility's failure to: (i) adequately protect children from youth violence; (ii) adequately safeguard youths against suicide; and (iii) adequately provide behavioral youth services," the department said in an August report.

Montague said he disagrees with the findings. "There were no systemic constitutional violations there" last year, he said, "and there are none now."

And problems sank the Ehrlich administration's brief flirtation with a military-style camp.

After the Lower Shore DRILL Academy opened in Salisbury in late 2003, under the management of the Wicomico County Sheriff's Department, the state began referring young offenders there, including Phil Sisler of Elkton, then 16, who had gotten into trouble for fighting.

His mother, Monica Sisler, hoped the place would give her son positive male role models and a sense of discipline. Then allegations of abuse started to circulate. Phil said boys were regularly forced to drink until they vomited and were lined up to vomit upon one another. His mother became alarmed and fought to bring him home.

After five months there, the department removed him and other students. The academy was closed down and has not reopened.

Montague said the state acted swiftly once the problems came to light. "As soon as we knew what was happening, we took our kids out."

Battle For The ACLU (USAT)

By Nat Hentoff

USA Today, October 31, 2006

This powerful civil liberties organization is in crisis, and impassioned supporters of its mission want change now. It's up to the national leadership to listen — and to resign.

The most serious crisis in the history of the American Civil Liberties Union was caused by the decision of its leadership in 1977 to defend the First Amendment right of an American Nazi organization to march in Skokie, Ill., where many Jews, including Holocaust survivors, lived. Adhering to its basic principle cost the ACLU about 30,000 members. The Illinois Supreme Court eventually upheld the ACLU's action, and the U.S. Supreme Court refused to review that ruling.

In the direct line of fire for months was David Goldberger, then legal and legislative director of the ACLU of Illinois. I was covering the case, and whenever I or others called him, Goldberger didn't acknowledge his identity until the caller identified himself or herself.

“I got thousands of angry calls,” Goldberger, a professor of constitutional and First Amendment law at Ohio State University's law school, recently told me. “I had to screen those calls.”

Goldberger still litigates cases for the ACLU as a volunteer lawyer, but he has become involved in another crisis of the organization involving its fundamental principles: He has joined ACLU members, donors, former staffers and board members, as well as civil liberties activists, supporting a website called SavetheACLU.org. The board of the South Carolina ACLU has also signed on. All are opponents of the present leadership — Executive Director Anthony Romero and President Nadine Strossen.

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The signers' Mission Statement for SavetheACLU.org emphasizes: "We believe … the ACLU is especially important now during a time of grave and systematic attacks on civil liberties by the national government. But an ACLU compromised by its repeated failures to practice what it preaches will be unable to resist these attacks for long."

Since its founding in 1920, the ACLU has been resisting and litigating against overreaching government, but never before has there been an administration so convinced that national security overrides individual liberties — while armed with an unprecedented range of surveillance technology. If this widening internal battle over its principles continues to grow, the ACLU's credibility among the citizenry at large will diminish as the war on terrorism continues indefinitely. The greatest cost will be to all of us, not only civil libertarians, in successive administrations controlled by either political party.

Particularly providing momentum to this rebellion was the decision of Romero's longtime predecessor as executive director, Ira Glasser, to become a leader of the opposition after initially remaining silent. In "Why I Join," on the website, Glasser speaks of the ACLU leadership's "loss of … candor and its commitment to honesty and its growing intolerance for dissent and free speech within its own ranks. Such intolerance cannot be contained … (and can change) the instincts and reflexes that drive the ACLU's mission." As Save the ACLU's Mission Statement says, "These breaches of principle include the ACLU's approval of grant agreements that restrict speech and associational rights; efforts by management to impose gag rules on staff and to subject staff to e-mail surveillance; a proposal to bar ACLU board members from publicly criticizing the ACLU; and informal campaigns to purge ACLU of its internal critics."

These incursions on ACLU employees' civil liberties have silenced public dissent by them, as documented in an e-mail last Dec. 20 to the ACLU national board by an "employee rights" group in the national office, including lawyers and projects staff, protesting these management practices. It was sent anonymously, the group wrote, because "the fear of reprisal for speaking out … is heavy, palpable and widespread."

Meanwhile, a counter website, VoicesfortheACLU.org, has been launched in support of the ACLU leadership and is backed by the executive directors of 18 state affiliates and six senior ACLU staff members. Yet this site does not erase any of the specific charges against the leadership.

Among the increasing number of other internal critics dedicated to the principles of the ACLU is Rosemary Armington. She and her husband, David, have for decades been major donors to the organization. In a statement on the website addressed to Strossen, she writes, "The ACLU needs to lead by example. Regrettably, over the past several years the examples have reflected breaches of fundamental ACLU principles, followed by withdrawals after public disclosures and superficial admissions of 'mistakes' — but without anyone held accountable."

In the website's "Current Controversies" category, David Kennison, of the national board as well as the South Carolina board, presents a resolution adopted by that state's board in June, which he amplifies: "The ACLU (National) Board is considering a policy proposal that would deprive board members of the long-standing rights to obtain tapes of board meetings and could require that all meeting tapes be erased after approval of minutes. … Why is the ACLU leadership anxious to deny board members their traditional access to meeting tapes? Why does the leadership want to erase our history?"

Public expressions of this resolve to save the ACLU from its leadership, including a largely complicit national board of directors, are simultaneously an inspirational and poignant embodiment of the very spirit of the ACLU.

The ACLU is indeed more needed than ever.

The executive director and president of the ACLU could make a lasting contribution to saving the Constitution by resigning their posts. As Goldberger told The New York Times, "It's clear that the organization's leadership has let it drift away from its core principles, and without those principles, it has no value."

Nat Hentoff is a former member of the ACLU's national board and, before that, the New York board. He is an authority on free speech issues.

ANTITRUST:

U.S. Justice Dept. Probing Sony Unit (AP)

By The Associated Press

DOJ_NMG_0088939

AP, October 31, 2006

TOKYO (AP) -- Sony Corp. said Tuesday that the U.S. Department of Justice is probing its electronics unit.

The company received a subpoena from the Justice Department's antitrust division seeking information about Sony's static random access memory, or SRAM, business, company spokesman Atsuo Omagari said.

Sony intends to cooperate with the investigation, which it described as an industrywide probe without elaborating. Omagari declined to provide other details about the probe.

SRAM is a kind of computer memory that is faster and more reliable that DRAM, or dynamic random access memory. It does not need to be refreshed like DRAM, and it is also more expensive.

SRAM is found in relatively small quantities in personal computers. It's also used in disk drives, communications equipment and networking gear.

In 2005, Sony produced 3.3 billion yen ($27.7 million) worth of SRAM. The product is made by outside manufactures for Sony, which in turn sells the memory chips to other electronics makers, Omagari said.

He would not say who manufactures the chips for Sony or who Sony's customers were.

Earlier this month, U.S.-based chipmaker Cypress Semiconductor Corp. said its SRAM operations were also under investigation by the U.S. Department of Justice.

A separate U.S. Justice investigation into price-fixing among DRAM companies has so far resulted in more than a dozen charges against individuals and more than $731 million in fines against Samsung Electronics Co., Elpida Memory Inc., Infineon Technologies AG and Hynix Semiconductor Inc.

High Court Denies Appeal By Chemicals Shipper (WSJ)

By MARK H. ANDERSON

Wall Street Journal, October 31, 2006

WASHINGTON -- The U.S. Supreme Court on Monday rejected Stolt-Nielsen S.A.'s last-ditch appeal to derail a federal indictment against it for price-fixing and other illegal cartel activities in the market for deep-sea chemicals shipping.

The decision by the justices, announced with a brief order, clears the way for federal prosecution of the company on an indictment issued by a Philadelphia grand jury in September. Justice Samuel Alito, who worked on the case as an appeals court judge, recused himself.

Stolt-Nielsen in 2004 became the first company to have amnesty revoked under the Justice Department's 13-year-old program. The company has waged an intense campaign to thwart Justice Department prosecution, arguing federal authorities wrongly canceled the amnesty agreement they had struck with the company that prevented its prosecution. Justice Department prosecutors, however, have argued in federal court that Stolt-Nielsen violated the terms of that agreement.

The Supreme Court in July and August twice turned away emergency appeals from the London-based shipping company before the indictments were announced. Stolt-Nielsen had asked the Supreme Court to review the ability of Justice antitrust officials to nullify the agreement without interference from federal courts.

The so-called parcel-tanker shipping industry moves liquids such as chemicals and oils across oceans. The Justice Department alleges the company and two competitors agreed to not compete and illegally discussed pricing and other matters with the goal of eliminating competition in the industry.

Last March, a panel of the Third U.S. Circuit Court of Appeals in Philadelphia ruled that federal courts didn't have the power to block government prosecutors from pursuing the company and its officers because of the earlier existence of an amnesty deal.

"The division received the benefit of its bargain under the amnesty agreement and has no basis to breach it by prosecuting Stolt-Nielsen or its executives," Stolt-Nielsen said in an appeal brief.

The federal indictment against the company cites activity between August 1998 and November 2002. Conviction could result in as many as three years of imprisonment and as much as $350,000 in individual fines and $10 million in corporate fines. Indictments were also brought against two former executives of the company: Samuel Cooperman, a former chief executive, and Rick Wingfield, a former executive vice president.

US Rejects Business Amnesty Test Case (FT)

By Patti Waldmeir

Financial Times, October 31, 2006

The US Supreme Court yesterday refused to put new limits on the power of prosecutors to indict American and foreign companies. The justices refused to hear a case involving Stolt-Nielsen, the Norwegian shipping company, which would have tested the right of federal prosecutors to rescind an amnesty agreement in an antitrust case.

Stolt-Nielsen volunteered information about antitrust violations in the parcel tanker market, in exchange for amnesty from the Justice Department.

But federal prosecutors later withdrew the amnesty and indicted the company, saying it breached its duty to co-operate.

"These kinds of government [amnesty] programmes are not going to be worth anything if companies continue to be treated like this company was in this case," says Robin Conrad of the National Chamber Litigation Center, legal arm of the US Chamber of Commerce, which argued that courts should have more power to enforce leniency deals.

Patti Waldmeir, Washington

Merck To Buy Sirna For $1.1B In Cash (AP-YBIZ)

AP, October 31, 2006

Merck Agrees to $1.1B Deal for Sirna Therapeutics, a Developer of RNA-Interference Based

WHITEHOUSE SATTION, N.J. (AP) -- Pharmaceutical company Merck & Co. said Monday it agreed to buy Sirna Therapeutics Inc., which is creating a new way to develop therapies based on RNA interference, for $1.1 billion in cash.

Merck's $13-per-share bid offers almost a 102 percent premium over Sirna's closing price of $6.45, down 5 cents, on the Nasdaq. Sirna shares surged $6.10, or 94.5 percent, to $12.55 in aftermarket electronic exchange trading. The stock's 52-week high is $8.52, set in April.

Sirna's RNA interference technology offers a new way to develop medicines and shows great promise in cancer research, Merck said. Sirna's operations would complement RNA work Merck has been doing since its 2001 acquisition of Rosetta Inpharmatics Inc., the company said.

Sirna's leading clinical development candidate is for the treatment of the wet-form of age-related macular degeneration, part of a broad collaboration with Allergan Inc. in ophthalmic diseases.

Merck said stockholders holding 36 percent of Sirna's outstanding shares have already committed to support the deal, which still needs antitrust clearance to close. The two companies hope to complete the deal in the first quarter of 2007.

Merck shares fell 45 cents to close at $45.64 on the New York Stock Exchange, then gained 16 cents in aftermarket trading.

Merck Purchase Of Sirna Boosts Efforts In Gene-Silencing Field By AVERY JOHNSON (WSJ)

The Wall Street Journal, October 31, 2006

Merck & Co. increased its bet on a hot research field known as RNA interference by acquiring San Francisco-based Sirna Therapeutics Inc. for $1.1 billion.

Sirna focuses on developing drugs based on RNAi technology, which can silence the activity of some genes and creates the potential for new medicines that target specific disease-related genes. The field is thought to hold promise both for locating zones in a cell that cause illness and for creating medicines that attack them. Earlier this month, two U.S. scientists won the Nobel Prize in medicine for their late 1990s discovery of the gene-silencing mechanism.

The deal moves Merck into a leading position in the field, coming on the heels of its 2001 purchase of Rosetta Inpharmatics. That acquisition gave the Whitehouse Station, N.J., drug maker the tools to look closely at the genes in a genome. With Sirna, Merck will have the ability to target -- instead of just locate -- certain parts of a cell for destruction, said Mervyn Turner, Merck's senior vice president of world-wide licensing and external research.

Merck believes RNAi technology holds particular potential in cancer research because it could home in on genes that control cancerous cells, destroying them without harming surrounding normal cells.

Sirna only has a handful of drugs in development. Its most advanced treatment, which is in the second of three phases of human testing, is targeted at the wet form of age-related macular degeneration, a leading cause of blindness in the elderly.

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Under the terms of the deal, which is expected to close in the first quarter of next year, Merck agreed to pay $13 a share in cash, or about $1.1 billion, for Sirna. That is double Sirna's 4 p.m. stock price on the Nasdaq Stock Market yesterday of $6.45. In after-hours trading, Sirna soared 97% to $12.68.

John Maraganore, president and chief executive of Alnylam Pharmaceuticals Inc., a Cambridge, Mass., competitor of Sirna, said the deal underscores the pharmaceutical industry's level of interest in RNAi. "We view it as an enormously positive endorsement for RNAi therapeutics as an important new class of drugs," he said.

It is unclear how the Sirna acquisition will affect a separate development deal Merck has with Alnylam. Mr. Maraganore said his company would continue to work with Merck as a partner on several potential therapies.

---- Rachel Zimmerman contributed to this article.

Write to Avery Johnson at avery.johnson@WSJ.com1

Microsoft Urged To Keep Users' Choice (AP-Y)

AP, October 31, 2006

Google Inc. said Monday that it wants Microsoft Corp. to make sure users can easily choose Internet search engines in future products — but Google refused to say if changes Microsoft has already made to its upcoming operating system, Vista, have gone far enough.

David C. Drummond, Google's senior vice president of corporate development, spoke to reporters after meeting with European Union antitrust regulators but refused to give details on those talks, beyond saying there had been no particular agenda.

"It's been our view that any new version of Microsoft products that include search, that that be done in a way that preserves user choice for search and other applications," Drummond said. He said that Google would monitor the situation but that it was "too early to tell" if there were would be any antitrust allegations arising from Vista.

Vista is Microsoft's first major update to the company's flagship operating system since Windows XP was released in late 2001.

Microsoft said this month it had changed Vista in several key sectors — including its search service — in an attempt to soothe European antitrust worries. Regulators had said they were concerned that computer manufacturers or consumers might be prevented from having a proper choice between different software packages.

EU Competition Commissioner Neelie Kroes wrote to Microsoft CEO Steve Ballmer in March, pointing out possible issues with Vista's integrated Internet search, digital rights management tools used to protect copyrights and software that would create fixed-document formats comparable to Adobe Systems Inc.'s Portable Document Format, or PDF.

Security vendors Symantec Corp. and McAfee Inc. also complained that Microsoft had been slow to hand over technical details needed for their antivirus software to work smoothly with Vista.

There is no formal investigation into Vista, but Microsoft is still embroiled in a long-running legal challenge to the EU's 2004 antitrust order that found the company broke competition law. Microsoft was fined $613 million.

Microsoft Leaves Group Asking BellSouth Limits (BLOOM)

By Molly Peterson, BLOOMBERG NEWS

Bloomberg, October 31, 2006

Microsoft Corp. distanced itself from a group lobbying for restrictions on AT&T Inc.'s proposed acquisition of BellSouth Corp., saying it won't seek to influence regulators weighing the purchase.

The company, a founder of the It's Our Net Coalition, pulled its name from the member list after deciding not to weigh in on the $82 billion deal, spokeswoman Ginny Terzano said Monday. The group wants net neutrality rules to bar telephone and cable providers from charging new priority-access fees.

The 172-member coalition last week urged the Federal Communications Commission to impose "meaningful and effective net neutrality safeguards" on the BellSouth deal. The group wants the FCC to bar AT&T, the biggest U.S. phone company, from favoring some companies over others that offer the same type of Web content or services, depending on how much they pay.

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"Microsoft has withdrawn its name from the It's Our Net Web site" while the FCC considers the deal, Terzano said in an e-mailed statement. "However, we continue to support and will pursue other opportunities to obtain meaningful network neutrality policies."

Terzano declined to comment on whether Microsoft will restore its name to the site after the FCC rules on the BellSouth purchase or say if the company has quit the group. The commission is scheduled to vote on the deal Friday.

Jim McGann, a spokesman for the It's Our Net Coalition, declined to comment on Microsoft's withdrawal. The coalition's other founding members are Google Inc., Amazon.com Inc., eBay Inc., Yahoo Inc. and IAC/InterActive Corp.

The five-member FCC is the last regulatory hurdle for San Antonio-based AT&T to complete the BellSouth transaction. The Justice Department and 18 states cleared the deal without conditions. The likely recusal of one FCC member has forced Republican Chairman Kevin Martin to negotiate with Democrats who are seeking conditions on the deal.

The coalition also is urging Congress to approve net neutrality rules that would apply to all broadband providers as part of an overhaul of the 1996 Telecommunications Act.

Google, Amazon and other Internet companies say they should be able to send video and other data at high speeds without paying a premium. They say allowing such fees could destroy the open nature of the Internet by giving broadband providers too much control over content.

Phone companies including AT&T and cable companies such as Comcast Corp. oppose efforts to bar them from levying fees to recoup billions of dollars spent on high-capacity networks. They have pledged not to block subscriber access to legal content or services, and say neutrality rules would stifle investment.

Schneider Swoops In On US Group (FT)

By Delphine Strauss and Doug Cameron

Financial Times, October 31, 2006

Schneider Electric, the French electrical equipment group, on Monday agreed to pay $6.1bn cash for American Power Conversion of the US to boost its capacity in back-up supply systems for the IT sector.

Marking a bold start for Jean-Pascal Tricoire in his first year as chief executive, the deal will be Schneider's first big acquisition since the failed merger in 2001 with Legrand, a domestic rival, which the European Commission overturned on antitrust grounds.

Mr Tricoire said the APC deal was "a significant strategic move" that would strengthen Schneider's position in the electrical distribution sector, the fastest-growing segment of its core business.

Schneider's shares, suspended until noon, fell 6.2 per cent to €82.9 by early afternoon on concerns over the price of the deal, which the group will finance though a €4.5bn syndicated loan, a share capital increase of around €1.2bn and bond issues.

American Power would add annual revenues of about $2.2bn. Mr Tricoire said the deal was "a significant strategic move that would strengthen Schneider "in the fastest-growing segment of our core business: electrical distribution".

However, analysts questioned the timing and price, given the uncertain outlook for IT spending in the US market, which accounts for close to half of APC's sales.

Patrick Marshall, an analyst at Credit Suisse, said the deal was "unlikely to be well received, given the price paid, the stage we are at in the global cycle...and the scale of the integration task ahead".

The price of $31 a share represents a 30 per cent premium to APC's previous closing price and is 36 times its expected earnings per share in 2007. Shares in APC were 25 per cent higher at $29.81 in early New York trading.

Schneider said the acquisition, expected to close early next year, would be earnings enhancing from 2007 and would create value of $3.3bn, including annual synergies of $160m by 2009 and $220m by 2011.

However, the gains may depend on turning around APC's large systems business, where margins have suffered recently from a delay in passing on raw material cost increases, and on extracting major savings in its supply chain.

APC last month annnounced a second round of cost cuts, which will reduce its workforce by 7 per cent, but continues to invest in expanding its large systems business.

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"Schneider has little track record in turnarounds, and may be pursuing growth at too rapid a pace," said Olivier Esnou, analyst at Exane BNP Paribas.

APC Deal Reflects Demand For Data Protection (WSJ)

By Jennifer Levitz

The Wall Street Journal, October 31, 2006

French manufacturer Schneider Electric SA's agreement to buy American Power Conversion Corp. for $6.1 billion reflects a bet on growth in corporate demand for protection from power outages.

Both companies specialize in the critical-power market, making gear that helps firms withstand blips and outages. APC's bread and butter is smaller power systems, while Schneider's domain is with bigger entities. APC, however, has been migrating into the larger market.

Schneider's offer of $31 a share is a 30% premium to APC's Friday's close of $23.76 a share. Monday's announcement propelled APC's share price up 26%, or $6.26, to $30.02 in 4 p.m. composite trading on the Nasdaq Stock Market.

The French company is trying to quickly eliminate "one of its key competitors" and break into the North American small-company critical-power market dominated by APC, says Boston analyst John Quealy, of Canaccord Adams, adding that "my guess is that they struck first with a knock-out-punch type take-out price."

Schneider and APC, of West Kingston, R.I., have benefited from a trend of corporate spending to protect computerized data from the effects of even small interruptions. The trend is being driven by several factors. New York's 2003 blackouts caused many firms to realize they couldn't afford to be out of commission for several hours, while new federal health-care privacy laws have prompted medical centers to add to data capabilities, creating more need for protection.

Once only businesses like brokerage houses or airline reservation departments worried about keeping the corporate data center running all the time, but today backup power for computer systems has become common in many industries that "can't have downtime," Mr. Quealy says.

The transaction, which is expected to close in the first quarter of next year, is subject to approval by regulators and APC shareholders.

APC, launched in 1981, makes auxiliary items ranging from surge protectors for personal computers to machines that essentially provide air conditioning to keep large data centers from running too hot. The company, which has 7,600 employees, is cashing out at a time of weak earnings. For the six months ended June 25, APC reported net income of $24.7 million, down 41% from a year earlier. Sales increased 17% to $560 million. Cash and short-term investments totaled $539 million as of June 25.

APC's earnings have been lackluster in the past two years as the company spent heavily on a sales force and support to sell its cooling systems and products for bigger companies and factories, analysts say. In a slide show on its Web site, Schneider says it's "very confident it can rapidly improve APC's profitability."

For APC shareholders, the transaction offers an "immediate and substantial cash premium for their investment in the company," Rob Johnson, president and chief executive of APC, says in a prepared statement.

Qualcomm To Be Probed By EU On Royalties, People Say (Update1) (BLOOM)

By Matthew Newman

Bloomberg, October 31, 2006

Oct. 30 (Bloomberg) -- Qualcomm Inc., the world's second- largest maker of mobile phone chips, will be investigated by the European Union over allegations it overcharges Nokia Oyj, Ericsson AB and other handset manufacturers, people with knowledge of the situation said.

The European Commission, the EU's Brussels-based antitrust authority, has told Qualcomm and phonemakers that it will open a formal probe of complaints over royalty rates in the next few weeks, said two people who declined to be identified because the decision isn't public. An EU probe could lead to Qualcomm being forced to lower its rates or fined as much as 10 percent of sales.

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``The impact on royalties would be significant and the impact on finances would be catastrophic," said Richard Windsor, a mobile phone analyst at Nomura Securities in London. If the EU forces the company to cut the rate in half, Qualcomm's pretax profit in 2007 would drop by a third to $3.3 billion, he said.

The case focuses on how rewards are shared in the $200 billion industry to supply equipment for third-generation mobile phones, which allow users to access the Internet and play videos. Qualcomm contends it's owed royalties on all of the newest 3G handsets because it holds essential patents. Rivals say Qualcomm has fewer patents on 3G phones than on earlier generations and should lower its rates.

Without Merit

Paul Jacobs, Qualcomm's chief executive officer, told the Financial Times in a June 12 interview that he ``won't be surprised" if the EU launches an investigation and such a probe wouldn't have a ``big effect" on the company.

Qualcomm, which is based in San Diego, said in a statement Oct. 27 that the allegations are ``factually inaccurate and legally meritless."

EU spokesman Jonathan Todd said the regulator ``continues to look into the complaints" from phonemakers about Qualcomm.

Qualcomm is expected to generate 36 percent of its revenue and 64 percent of its profit from licensing its mobile-phone technology in 2006, according to Ehud Gelblum, an analyst with JPMorgan Chase & Co. in New York who rates the shares ``neutral."

The EU probe will come a year after Nokia and Ericsson, along with U.S. firms Broadcom Corp. and Texas Instruments Inc. and Japan's NEC Corp. and a Matsushita Electric Industrial Co. unit, said Qualcomm reneged on an agreement to provide its technology under fair and reasonable terms. Ericsson and NEC also accused Qualcomm of abusing its dominant position and charging ``excessive" royalties on patents used for WCDMA, or Wideband Code-Division Multiple Access.

Broadcom

Broadcom filed a similar complaint against Qualcomm last year in the U.S. A federal court in New Jersey dismissed the complaint last month, saying ``Qualcomm's conduct may engender ill-will, but it must have threatened injury to competition -- not just competitors -- to give rise to antitrust liability." Broadcom has said it will appeal.

``We care about Qualcomm trying to squeeze us out of the chipset market by leveraging their royalties on technology rather than competing on a level playing field based on price and quality," Mark Nelson, a Washington-based partner at Cleary Gottlieb Steen & Hamilton LLP who is representing Broadcom.

Ericsson said in an e-mailed statement that it filed its complaint ``because the commission's intervention is critical to the continued integrity of open standards."

Texas Instruments urged a commission probe, saying in an e- mailed statement that ``intellectual property abuse in a standards context cannot be tolerated."

``It is essential that companies whose patented technology is adopted into a standard uphold their commitments to license these patents on fair, reasonable, and non-discriminatory terms," Nokia said in an e-mailed statement.

Standards War

The dispute is rooted in the fight between Europe's GSM, or the Global System for Mobile Communications, and the U.S. approach, which allowed companies to develop competing technologies. GSM controls about 80 percent of the worldwide cell phone market, according to Ovum, a London-based research company.

Nokia has become the dominant supplier of GSM phones in Europe, though it also licenses Qualcomm's CDMA technology, which is used in networks operated by Verizon Wireless and Sprint Nextel Corp., two of the three largest U.S. wireless carriers.

Nokia and Ericsson sought a GSM-based solution for the next generation of mobile technology in the 1990s, in an effort to avoid being too dependent on Qualcomm's CDMA. Nokia and Qualcomm have also challenged each other's patents for CDMA and GSM.

Qualcomm's CDMA technology is used by 13.5 percent of the world's 2.5 billion cell phone users, according to Ovum.

Negotiation Ploy

The battle moved to the International Telecommunication Union, the Geneva-based United Nations agency that establishes and regulates standards. Qualcomm and other U.S. wireless equipment makers pushed for a single 3G standard based on CDMA.

In 2000, the ITU approved five incompatible standards for 3G, including WCDMA and CDMA2000, the successor for networks using CDMA.

Qualcomm and several analysts, including Nomura's Windsor, said the complaints were filed to apply leverage on Qualcomm in royalty negotiations. Nokia's agreement with Qualcomm expires in April 2007.

``It's about making Qualcomm sit down at the table and get a gentlemen's agreement," said Alan Brown, an analyst at research firm Gartner Dataquest in Egham, England.

Pay To Obey (NYT)

The New York Times, October 31, 2006

The broken American patent system has a knack for sanctioning the ridiculous. In the latest example, businesses are receiving patents for devising ways to obey the law — the tax code, to be more specific. What's next, a patented murder defense?

As Floyd Norris reported recently in The Times, the broad category known as business-method patents (like patenting the idea of pizza delivery rather than the pizza itself) has expanded once again. Now it includes the legal ways that accountants and lawyers help their clients pay less tax.

Once the Patent and Trademark Office has granted one of these patents, everyone who uses the same legal shelter — even if they draw the conclusion based on their own interpretation of the tax code — will be subject to lawsuits and even injunctions against using the method at all.

Defenders of these tax-strategy patents argue that they won't affect the average person's struggle with the 1040 form each April. The easy stuff should be rejected under the usual standard that requires patents to be novel and not obvious. Tax-strategy patents, they argue, are more geared toward the complicated tax returns of rich people.

While we don't normally rush to make it easier for the rich to pay less tax, the precedent is a bad one. People should be treated the same under the law, and shouldn't have to pay a licensing fee for the privilege. Congress needs to make spurious patents easier to challenge across the board, and should consider clarifying what may be patented. Recent technological advances raise questions about how patents apply to genes and life forms, or what standard should cover old business models on the Internet.

Patents are supposed to encourage innovation, rewarding the individual for the greater good of society. But excessive or overly broad patents can slow business activity to the pace of cold molasses. And we sure don't need something else to worry about on tax day.

ENVIRONMENT:

2 'People Of Interest' Questioned In Esperanza Fire (LAT)

By Jonathan Abrams And Maeve Reston

The Los Angeles Times, October 31, 2006

Arson investigators questioned two "people of interest" Monday as firefighters contained the wind-fed wildfire in Riverside County that killed four federal firefighters and destroyed 34 homes, authorities said.

The two men live in Cabazon, where the fire began, and were released after they were interviewed by investigators Monday afternoon, authorities said.

"We have two people we have questioned that are people of interest," said Tom Freeman, executive officer of the Riverside County Sheriff's Department. "Sheriff's personnel have not placed them under arrest … we continue to work the case aggressively."

Riverside County sheriff's spokesman Earl Quinata said arson investigators planned to interview many other people.

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"At times, we are going to have persons of interest.... We are conducting those interviews, and we have no one in custody," Quinata said. "However, we are asking the public to please keep calling the tip line if they have heard or they feel they have information on this arson-homicide investigation."

The Riverside County district attorney's office has already appointed a prosecutor to assist in the case and prepare for a potential trial. "It is potentially a death-penalty case," said Sara Danville, chief deputy district attorney for Riverside County.

"If it is ultimately proven that this was an arson fire and the murder was committed in the course of arson, then that would qualify as a special circumstance," which could lead to the death penalty, she said. She noted that her office prosecuted two arson-murder cases in 1999 in which the defendants were sentenced to death.

The Esperanza fire has blackened more than 40,000 acres and destroyed 34 homes in the mountain communities west of Palm Springs, with the tab for fire operations topping $8.3 million, not including the damage to personal property. The blaze was classified as fully contained Monday at 6 p.m.

"To have it contained in a matter of five days is a tribute to the hard work these guys on the front line have done," said Randy Scales, spokesman for the California Department of Forestry and Fire Protection.

All evacuations have been lifted, and Highway 243, one of the main roads to Idyllwild, was fully reopened for the first time since the blaze began Thursday, fire officials said.

Many residents returned to find charred rubble where their homes once stood.

"We took a hell of a hit," said Phil Reddish, 55, of Twin Pines, as he sifted through his belongings. "I'm just trying to salvage the keepsakes as mementos you keep from a fire that you survive."

He and his son, Ty, tried to keep their mood light as they rummaged through the remains of their home. "You have to be able to joke about this, because if you don't, the reality of it will eat you alive," Ty Reddish said.

The home of Rudy Luna, 61, was spared, but less than a hundred yards away, his neighbors' house had burned to the ground.

"It's a whole community up here," said Luna, who spent the day trying to help neighbors. "People out here know what to expect, and we prepare for it, but you can't prepare for a fire that comes that fast."

The Esperanza fire was set about 1 a.m. Thursday in the foothills near Esperanza Avenue in Cabazon, authorities said. Fanned by Santa Ana wind gusts up to 60 mph, the wildfire quickly grew out of control.

Later that morning, the windblown flames swept across the mountains and overwhelmed a U.S. Forest Service crew of Engine 57 from the Alandale Station in the San Bernardino National Forest.

Fellow firefighters watched helplessly as the fire took the lives of Mark Loutzenhiser, 43, the team's captain; Jason McKay, 27, of Phelan; Jess McLean, 27, of Beaumont; and Daniel Hoover-Najera, 20, of San Jacinto.

John Clays, McLean's brother in law, read a brief statement on behalf of the family at the fire command center in Beaumont.

"Jess McLean is and will always be a great man," Clay said. "He is a man that was dedicated to his work and devoted to his family."

The crew's sole survivor was Pablo Cerda, 23, of Fountain Valley, who suffered burns over most of his body. He remained in critical condition Monday at Arrowhead Regional Medical Center in Colton.

Cerda had surgery Monday to insert a feeding tube and remove additional damaged skin, said Kathy Peterson, a spokeswoman for the Forest Service.

More than 50 investigators from the Riverside County Sheriff's Department, California Department of Forestry and Fire Protection, U.S. Forest Service and Bureau of Alcohol Tobacco Firearms and Explosives are working on the case.

Freeman did not say what led investigators to the two unidentified men questioned Monday. He said law enforcement and fire officials were investigating more than 250 leads that had been called into the arson tip line.

About 1 p.m., sheriff's deputies searched a residence in Cabazon about a quarter-mile from where the fire started.

"Two deputies were in there for a good while early in the afternoon and came out with a couple of bags," said Bob Dunham, 70, who lives three houses away.

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Susan Raichel, spokeswoman for the ATF, confirmed that two people from Cabazon were brought in for questioning about the fire. She said she didn't know if those people lived in the house that was searched.

The ATF and FBI are each contributing $25,000 to bring the total reward for information leading to the arrest and prosecution of the arsonists to $550,000, Rachel said. Anyone with information about the blaze is asked to call the arson tip line, at (951) 922-7116.

Firefighters Gain On Calif. Wildfire (AP)

By Allison Hoffman

AP, October 31, 2006

CABAZON, Calif. - Authorities investigating an arson wildfire that killed four firefighters questioned two people Monday as crews remained confident that the blaze would soon be fully contained.

Sheriff's deputies took two men and three bags of material from a house in Cabazon, said neighbor Robert Dunham, 70, who lives three doors down from the residence a quarter-mile from where the fire started.

Authorities released little information about the two people who were interviewed at a sheriff's station and later released. No arrests had been made.

"We're trying to work through the leads that we have, and going through the process," Riverside County Sheriff Bob Doyle said in a telephone interview.

Authorities said the fire was deliberately set at the base of a slope in Cabazon, west of Palm Springs. Cabazon residents have said they saw two young men leaving the area where the fire began.

Since it started around 1 a.m. Thursday, the fire has burned 63 square miles, or 40,200 acres, as fierce Santa Ana winds swept through the region and fanned the flames. It was about 90 percent contained, and authorities expected full containment Monday night. It has destroyed 54 structures - 34 homes and 20 other buildings.

Last week, a shift in the winds turned deadly when a gust pushed a wall of flames around five firefighters trying to protect a house. Four of the firefighters died, while another was hospitalized with serious burns over most of his body.

Pablo Cerda, 23, remained in critical condition Monday, three days after undergoing surgery to remove damaged skin.

About 50 of Cerda's relatives gathered at the hospital, praying for him.

"They want everyone to know that Pablo's dream was to help people, and on Thursday morning, that's just what he was doing - protecting and serving," said Eddie Cortez, a family spokesman.

Meanwhile, the FBI and the Bureau of Alcohol, Tobacco, Firearms and Explosives donated $25,000 each to the reward pool, bringing the total to $550,000, ATF spokeswoman Susan Raichel said.

Vigils were held at several Southern California churches and fire stations for Cerda and to pray for the families of the fallen firefighters. Killed were Mark Loutzenhiser, 43, of Idyllwild; Jason McKay, 27, of Phelan; Jess McLean, 27, of Beaumont; and Daniel Hoover-Najera, 20, of San Jacinto.

U.S. Cites Cost Cuts' Role In BP Refinery Blast Safety Board Lays Blame With Top-Level Decisions, Raising Firm's Legal Risks By CHIP CUMMINS (WSJ)

By Chip Cummins

The Wall Street Journal, October 31, 2006

Cost-cutting efforts by senior management at BP PLC contributed to a deadly explosion at a refinery in Texas last year, federal investigators said, a finding that ratchets up the legal stakes for the London-based oil giant.

In a summary of its preliminary findings yesterday, the Chemical Safety and Hazard Investigation Board didn't name specific senior managers or members of BP's executive suite in London. But the federal agency alleged for the first time that high-level decisions to defer overhauls, cut staff and rein in costs at the Texas City, Texas, plant helped cause the accident, which killed 15 people and injured 180.

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BP already faces a criminal probe into the accident as well as civil claims from victims and survivors' families. Though the board hasn't any regulatory role or prosecutorial powers, its findings could be taken up by civil litigants or by other agencies probing the disaster.

The development further sullies BP's corporate image after a spate of operational, compliance and environmental problems in the U.S. Federal authorities separately are investigating BP's energy-trading activities and federal and state officials are probing corrosion problems at BP's big Prudhoe Bay oil field in Alaska.

BP has issued its own findings that painted a picture of widespread maintenance and safety shortcomings at the Texas City refinery. But it laid the lion's share of the blame on the actions of a handful of lower-level workers and supervisors.

Ronnie Chappell, a BP spokesman, yesterday said the company stood by its findings. BP investigators "didn't find evidence of budgetary decisions which were an immediate cause or critical factor in this terrible tragedy," he said.

BP's chief executive, John Browne, set off an industry-changing wave of consolidation in the late 1990s, when oil prices were low. Big oil companies gobbled up competitors and cut costs to stay profitable. Lord Browne and his management team won kudos for the effort, especially as oil prices recovered later, leading to currently flush industry profits. BP took over the Texas City refinery when it purchased Amoco Corp. in 1998.

In July 2005, The Wall Street Journal detailed in a page-one article how cost cuts and staffing reductions preceded the blast. Current and former workers interviewed blamed the cuts for reducing safety and causing equipment problems at the refinery. BP denied those claims.

In an interview, Don Holmstrom, the safety board's top investigator in the BP inquiry, said BP executives had been sent company documents months or years before the accident that indicated cost-cutting had undermined safety at the plant. The agency said it wouldn't release those documents at the present time.

"The documents themselves that we have reviewed identify the impact of the cost-cutting on the integrity of the refinery," Mr. Holmstrom said.

The board also said internal BP documents indicated managers were aware of safety problems at 34 other unnamed BP businesses world-wide. "Every successful corporation must contain its costs," the board's chairwoman, Carolyn Merritt, said in the statement. "But at an aging facility like Texas City, it is not responsible to cut budgets related to safety and maintenance without thoroughly examining the impact on the risk of catastrophic accident." Ms. Merritt linked BP's cost-cutting and the accident in an interview broadcast Sunday on the CBS television network's "60 Minutes" program.

Mr. Chappell, the BP spokesman, said BP agrees "that the explosion and fire was preventable, but we don't understand the basis for some of the comments made by the [safety board]" in its statement. He said BP won't comment publicly on specific statements made by the safety board until the agency issues its final report, expected in March.

The board listed BP financial decisions that the agency determined played a role in the accident. For instance, in order to save money, BP decided in 2002 not to replace a venting system that failed during the accident with a safer system, the agency said.

It also found that BP cut the size of the training staff at the refinery to eight people in 2004 from about 30 in 1997. The training department's budget was reduced by half from 1998 to 2004, it found.

The board also said that it determined BP cut fixed costs at the refinery about 25% from 1998 to 2000 and that those cuts "adversely impacted maintenance expenditures and infrastructure at the refinery."

Write to Chip Cummins at chip.cummins@wsj.com6

BP 'knew Of Safety Problems' At Refineries (FT)

By Sheila McNulty In Houston

Financial Times, October 31, 2006

BP's global management was aware of "significant safety problems" at the Texas City refinery and 34 other locations around the world well before last year's deadly explosion at the US plant, investigators said on Monday.

The US Chemical Safety Board, an independent federal agency charged with investigating industrial chemical accidents, said internal BP documents prepared between 2002 and 2005 revealed knowledge of those problems before the March 2005

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explosion killed 15 and injured 500 people in and around BP's biggest refinery. The Texas blast was the worst US industrial accident in more than a decade.

The CSB report comes a week before BP's first civil trial arising from the explosion and is likely to lead the UK company to step up negotiations to settle the case, as it has most of the 1,000 or so others arising from the blast. The report will also likely be used by the federal grand jury investigating whether to bring criminal charges against BP and its executives for the Texas explosion.

BP has been under scrutiny by regulators, Congress and the US Department of Justice following the explosion and closure of half of BP's Alaskan oilfield for severe corrosion. The CSB has led the investigation of the Texas City explosion.

"The CSB's investigation shows that BP's global management was aware of problems with maintenance, spending and infrastructure well before March 2005," said Carolyn Merritt, CSB chairwoman. She said BP did make some safety improvements, though the focus was on improving procedural compliance and reducing occupational injury rates, "while catastrophic safety risks remained".

"Unsafe and antiquated equipment designs were left in place, and unacceptable deficiencies in preventative maintenance were tolerated," Ms Merritt said.

Ms Merritt said budget cuts throughout the BP system caused a progressive deterioration of safety at the Texas City refinery, referring to the 25 per cent cut on fixed costs from 1998 to 2000.

Ronnie Chappell, BP spokesman, said: "BP agrees with CSB that the March 23, 2005 explosion and fire was a preventable tragedy. However, we do not understand the basis for some of the comments made by the CSB."

Mr Chappell said the BP Texas City fatal accident investigation team did not identify previous budget decisions or lack of expenditure as a critical factor, or immediate cause of the accident. Indeed, he said, maintenance spending had increased 40 per cent over the previous five years and was higher than the industry average per barrel of throughput.

Cost-Cutting Led To Blast At BP Plant, Probe Finds (WP)

By Steven Mufson, Washington Post Staff Writer

The Washington Post, October 31, 2006

BP PLC's cost-cutting efforts contributed to a Texas refinery explosion that killed 15 workers and injured 180 others in March 2005, a federal agency said yesterday.

Carolyn W. Merritt, chairman of the Chemical Safety Board, also said that BP senior management knew of "significant safety problems" at the Texas plant and 34 other BP facilities months or years before the explosion but that "unsafe and antiquated equipment designs were left in place, and unacceptable deficiencies in preventative maintenance were tolerated."

The conclusions, contained in a preliminary report by the board, may raise additional legal problems for the London oil company, which has already set aside $1.6 billion to resolve claims from the accident.

The company said it has settled with the families of all but one of the workers killed in the Texas City, Tex., incident and with hundreds injured. But Brent Coon, the lead plaintiffs' lawyer in the refinery case scheduled to start next week, said that the Justice Department had been asking for documents for its own investigation. "It's a good report," Coon said. "It says many of the things we've said all along."

Merritt said that "BP implemented a 25 percent cut on fixed costs from 1998 to 2000 that adversely impacted maintenance expenditures and infrastructure at the refinery." She said maintenance spending had declined throughout the 1990s, when the refinery belonged to Amoco Corp. Once Amoco merged with BP, she said, further cuts were imposed.

"Every successful corporation must contain its costs," Merritt said. "But at an aging facility like Texas City, it is not responsible to cut budgets related to safety and maintenance without thoroughly examining the impact on the risk of a catastrophic accident."

In the 30 years before the explosion, a worker had died in an accident at the Texas City refinery on average of once every 16 months.

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BP, while conceding responsibility, disputed Merritt's conclusions. Company spokesman Ronnie W. Chappell said that BP had boosted maintenance spending by 40 percent in the five years before the accident and that an internal investigation "did not identify previous budget decisions or lack of expenditure as a critical factor or immediate cause of the accident."

He also said the number of injuries at Texas City had fallen 70 percent. "The significant reduction in workplace injury rates led the company to believe that conditions at the refinery were improving," Chappell said.

Don Holmstrom, the CSB's supervisory investigator, said that BP's safety initiatives had "focused largely on improving personnel safety -- such as slips, trips and falls -- rather than management systems, equipment design, and preventative maintenance programs to help prevent the growing risk of major process accidents."

The CSB also said that the training staff at the refinery was cut to eight in 2004 from 30 in 1997 and that the training budget was cut in half, that a 2003 BP audit called the Texas City infrastructure "poor" and cited a "checkbook mentality," that pre-explosion internal reports cited workers who said safety complaints were not heeded, and that a 2002 plan to eliminate a unit (known as a blowdown drum) was never implemented and that the unit exploded in 2005.

BP says it will eliminate blowdown drum units such as the one in Texas City from all its refineries by 2008. It has also moved more than 200 trailers that are used to house workers away from refinery processing equipment. It will spend more than $1 billion to refurbish the Texas City refinery over the next five years.

Coon wants to depose BP chief executive John Browne, but Chappell said Browne has "no unique knowledge" about the explosion. A Texas judge has ruled that Browne must submit to a deposition, but BP has appealed. BP's John Manzoni, head of global refining and marketing, and Mike Hoffman, a global refining executive, have already been deposed in the case.

"We are deeply sorry for what occurred and for the suffering caused by our mistakes," Chappell said.

FBI/DEA/ATF/USMS:

Ex-FBI Agent Is Sentenced In Plea Agreement (LAT)

By Greg Krikorian, Times Staff Writer

The Los Angeles Times, October 31, 2006

Denise K. Woo is put on probation and fined for passing information to a suspected Chinese spy.

Seven years after she was suspended for allegedly disclosing classified material to a suspected Chinese spy, former FBI agent Denise K. Woo was sentenced Monday to probation and a $1,000 fine for improperly sharing confidential information, a misdemeanor.

Woo, 47, of Redondo Beach was transferred from white-collar investigations to a counterintelligence squad pursuing Chinese intelligence agents after her bosses learned in 1999 that she was friends with Jeffrey Wang, a Torrance engineer suspected by the FBI of committing espionage for China. Wang was never charged with a crime.

After her transfer, interviews show, she became convinced that Wang was innocent of wrongdoing and had been falsely accused of espionage by an FBI informant.

Though no charges were filed against Wang, Woo was accused by the FBI of inappropriately disclosing information about the probe to Wang. Suspended and later fired, Woo was then indicted two years ago for allegedly disclosing the existence of a national security wiretap on Wang's home telephone, revealing to Wang the identity of the FBI's confidential informant and lying to FBI agents.

Those felony charges, which carried a minimum 10-year prison sentence, were subsequently dismissed when Woo acknowledged in June that she had improperly passed along information about the FBI's confidential operative to Wang in October 1999.

Though authorities had no comment about the plea agreement, Woo said she had been unjustly accused at great personal expense to her and her family.

"This is kind of a bittersweet ending to a long and continuing tragic injustice," Woo said minutes after U.S. District Judge Gary Klausner imposed the sentence. "I am relieved that after years of false allegations, my family and I can finally get on with our lives."

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Woo's attorney, Carolyn J. Kubota, was biting in her criticism of the FBI for firing Woo and the Justice Department for prosecuting her.

"Denise was made a scapegoat for the government's absolutely bungled investigation of Mr. Wang," Kubota said outside court, where Woo was surrounded by family and friends.

Wang, who continues to work for a Defense Department contractor, sharply criticized the government's investigation of him and its prosecution of Woo.

"Denise Woo is the only person who was courageous and principled enough to stand up for me when the government made me a target of a completely false accusation of espionage," Wang said.

"The government should be ashamed for its reprehensible treatment of me in their unwarranted investigation and for prosecuting and ruining the life of Denise Woo, a person of great integrity, who stood up for an innocent man. Tragically, justice was not served in either of our cases."

The Chinese counterintelligence squad to which Woo was assigned was later riven by controversy associated with FBI veteran James J. Smith, a longtime supervisor who retired a year after Woo arrived.

Several years later, Smith was charged with gross mishandling of sensitive documents. He later pleaded guilty to a lesser charge of lying about an affair with longtime informant Katrina Leung.

*

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California Seizes Record Number Of Pot Plants (AP)

AP, October 31, 2006

SACRAMENTO - California authorities seized a record number of marijuana plants this harvest season, uprooting nearly 1.7 million plants they valued at more than $6.7 billion, the state Department of Justice said Monday.

The 1,675,681 plants seized under the Campaign Against Marijuana Planting program beat last year's record of 1.1 million plants.

The state Justice Department's Bureau of Narcotic Enforcement, which leads the program, said the increase is largely due to more eradication teams, better aerial surveillance and air transport of law enforcement officers to the illegal plots. Gardens also are getting bigger, it said.

The program includes local, state and federal agencies that conducted 477 raids in 34 counties between late July and early October. Authorities said they made 27 arrests and seized 29 weapons.

Lake County had the most plants seized, with 314,603. It was followed by Shasta County (227,488), Mendocino (135,736) and Fresno (102,814).

About 80 percent of the marijuana was found on public land such as parks and national forests, with the rest on remote private land, the department said.

The program is aimed at large outdoor marijuana farms, and the figures do not include the thousands of plants seized from suburban homes in the Sacramento and Stockton areas in recent weeks.

ON THE NET

California Attorney General: http://www.ag.ca.gov

COP KID'S LOOSE COLLAR (NYPOST)

By Lukas I. Alpert

The New York Post, October 30, 2006

A nationally known law-enforcement official's son, who pleaded guilty nearly a year ago to trying to buy 400 pounds of pot from an undercover agent, is still free, while his co-defendant languishes in federal prison, The Post has learned.

Sean Timoney, 26, pleaded guilty on Dec. 21, 2005, to conspiring to possess with intent to distribute marijuana. Since then, his sentencing date has been postponed twice, allowing him to work and undergo drug counseling, his lawyer said.

The fact that his father, John Timoney, is currently the police chief in Miami, was the chief of the Philadelphia police, and was once second in command at the NYPD has raised questions as to whether his son is getting preferential treatment.

"I think when someone has pleaded guilty and he has not been incarcerated nearly a year after the fact, you can draw your own conclusions from that," said a source close to the case. "Does this mean he's getting special treatment because of who his dad is? I don't know."

The younger Timoney was busted Nov. 1, 2005, along with Jae Seu, 23, after they handed over a duffel bag stuffed with nearly $450,000 cash to a undercover Drug Enforcement Administration agent in a Rockland County motel room as a down payment for the marijuana.

But the whole episode was a sting captured on tape, and Timoney and Seu were arrested as they left the motel. Timoney was released after his father and mother, Noreen, put up their Miami condo as collateral for his $100,000 bond. Seu, of Glenside, Pa., was also released on $100,000 bond.

Since pleading guilty, Timoney has been allowed to remain free - restricted to the states of New York and Pennsylvania - while awaiting sentencing.

Seu, on the other hand, pleaded guilty on Feb. 28 and was incarcerated immediately, said his lawyer, Lee Ginsberg. Seu was sentenced in August to 37 months in prison.

Timoney has had two sentencing dates - April 10 and Aug. 14 - postponed. His next date is set for Nov. 13.

Both his lawyer and the federal prosecutor handling the case insist there is nothing unusual about him being free for so long.

"It's not uncommon," said his lawyer, Ed Hayes. "He had no record. He went into a drug-treatment program and went to work in the construction trades.

"What we said to the probation department is give him a chance to turn his life around, and they agreed to be flexible. He was not the organizer or the mastermind of a drug ring, he was just a driver."

Assistant U.S. Attorney Richard Hartunian agreed.

"There's no holdup. It may have been adjourned once or twice; this happens in federal court from time to time," he said.

Colombia Has Long Way To Go, But It's On Right Path (SAE)

San Antonio Express, October 30, 2006

Editor's note: In late September and early October, San Antonian Henry Catto traveled to Venezuela, Colombia and Nicaragua with a group of seven former U.S. ambassadors. In Nicaragua and Venezuela, they witnessed threats to democracy. In contrast, Colombia is presided over by a pro-U.S. president who makes democracy work in the most difficult of situations.

If geography is destiny, as some say, Colombia is a fine example.

As Milton Drucker, deputy U.S. ambassador to the South American nation, told our group, Colombia is "a vast unoccupied space on the Amazon basin; 200 inches of rain a year on the Pacific Coast. And in the east, desert." A cordillera splits the country. Bogota is at 8,000 feet, and the Amazon jungles are almost impenetrable. In short, the place is hard to govern.

But among these extremes are amazingly fertile lands that produce coffee, tobacco, rice, flowers, cattle and bananas. It has oil, natural gas, coal and emeralds of the finest quality. Its 46 million people make it the third-largest in South America, while its land area makes it No. 4. It has a stable political system, its three branches of government being similar to those in the United States. Literacy is 92 percent, and life expectancy is 70 for men and 76 for woman.

Lest the reader think it is a new Garden of Eden, however, there is indeed a serpent, a deadly one. Among its crops, coca and poppies flourish.

Coca cultivation has a 4,000-year history in the Andean region, and the arrival of the Europeans and later the Americans simply made the market bigger. Modern trends in agriculture and communications and an insatiable desire among North Americans and Europeans for cocaine and heroine led to the growth of today's criminal narcogangs, which are prepared to do whatever it takes to supply these deadly habits. The U.S. Drug Enforcement Administration estimates that 90 percent of the cocaine powder smuggled into the United States comes from Colombia.

Three armed groups, known by their initials, predominate: FARC, ELN and AUC. The first two grew from the teachings of Karl Marx and sought a Soviet-style republic. The AUC was formed by rural interests frustrated by the inability of governments to protect their property from the other two.

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Time and the collapse of the Soviet Union changed the scene. Money and power, not political action, became the engine of growth for the drug trade. For the FARC, drugs and terror became the means; the ELN added kidnapping to the mix. The AUC took up the drug trade as well.

Democracy seems to have provided some hope of solving these problems. Two good presidents in a row, Andres Pastrana and Alvaro Uribe, have made a difference. Uribe was elected to a second term this year, and while he is a liberal, he has not hesitated to use the military against the drug lords. Military budgets have grown dramatically. The growth has not, however, been at the expense of social programs. Colombian tax rates, as a result, are among the highest in Latin America.

The president has negotiated with drug barons, but when negotiation fails, he goes to war. In the case of the AUC, negotiation has worked well. Some 30,000 members and 7,000 guerillas have turned in their arms and been accepted back into society.

Colombian officials are proud of the improved situation. We were told it is now safe to drive from Bogota to remote areas and there is, for the first time in recent history, a government presence in all 1,098 municipalities.

Uribe has been willing to talk about prisoner swaps, but the FARC wants lopsided deals, such as 500 guerrillas for 63 kidnapped civilians. The hostages are noncombatants, and among them are three American contractors, held for years. Ten of the 50 Americans kidnapped since 1992 have been murdered. Polls show public support for FARC at 1 percent.

Is this situation without hope? No. Some six years ago, the Colombian government, with U.S. support, started Plan Colombia, which pays small coca growers in remote areas to change crops. The plan also involves massive spraying of coca growth with insecticide and promotes human rights, alternative development and judicial reform.

Has it been a success? That is hard to judge. "Notes from Putumayo," a running commentary on the Center for International Policy's Web site by a visitor to that remote border state, left one thinking the "troubles" are better, though there is a long way to go. One problem is that the lack of roads makes getting any new crops to market difficult.

A personal observation: The trip left me feeling good about our ally in South America. One has to wish for the equal of President Uribe throughout the continent.

Henry Catto is a San Antonian who served as deputy ambassador to the Organization of American States and as ambassador to El Salvador, the European Offices of the United Nations and Great Britain. He is author of "Ambassadors at Sea: The High and Low Adventures of a Diplomat."

DEA (PTR)

Pittsburgh Tribune-Review, October 30, 2006

A Greensburg man is in the Westmoreland County Prison after allegedly impersonating a federal Drug Enforcement Administration agent and choking a man at a Donegal Township bar.

State police at Greensburg said the incident occurred about 10:30 p.m. Friday at the Fireside Inn on Route 31. Police said Richard McCormick allegedly grabbed Michael Cordell, of Somerset, around the neck, without provocation, and began to choke him.

According to police, McCormick told police he was a DEA agent and was attempting to get Cordell to comply with his instructions. McCormick allegedly pulled out a gun, again stating he was a DEA agent before leaving the bar.

Police caught up with McCormick in the bar's parking lot. First, he told police he was the complainant in the case. McCormick eventually had to be physically restrained and handcuffed before he was taken to prison, police said.

McCormick was found to be in possession of a Davis Derringer pistol, according to police.

The Immoral Majority (NYT)

By John Tierney

The New York Times, October 31, 2006

As usual, Republicans are hoping that righteous voters will come through for them on Election Day. But this year looks like the revenge of the sinners.

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The sinners aren't easy to count, since they don't spend a lot of time doing grass-roots politicking. There is no Washington lobby for the Coalition of the Damned. They don't like to confess their urges to pollsters. But there are enough of them, particularly in places where Republicans are struggling, to cast doubt on the party's long-standing strategy.

Why did Republicans assume there was a Moral Majority? Where in the Bible does it say that the virtuous outnumber the wicked? When you define wickedness the way Republicans do, the numbers are daunting.

One of the G.O.P. Congress's few achievements this year was a law to crack down on Internet gambling, an industry that counted eight million American customers last year — about four times the membership of the Christian Coalition. The new law hasn't stopped the online gamblers from betting, but it will give them second thoughts about voting Republican.

The Republican war on marijuana — the chief priority of the current drug czar — isn't playing any better in the heartland. More than 40 percent of people over the age of 12 have tried marijuana, and more than three-quarters of Americans support legalizing it for medical purposes. The White House and the Justice Department have had little luck in their attempts to stop states from legalizing medical marijuana, but they have succeeded in alienating voters.

These federal intrusions are especially scorned by independent voters in the Western states where Republicans have been losing ground, like Colorado, Nevada, Arizona and Montana. Western Democrats have been siphoning off libertarian voters by moderating their liberal views on issues like gun control, but Republicans have been driving libertarians away with their wars on vice and their jeremiads against gay marriage (and their attempt to regulate that from Washington, too).

Libertarian voters tend to get ignored by political strategists because they're not easy to categorize or organize. They don't congregate in churches or union halls; they don't unite to push political agendas. Many don't even call themselves libertarians, although they qualify because of their social liberalism and economic conservatism: they want the government out of their bedrooms as well as their wallets.

They distrust moral busybodies of both parties, and they may well be the most important bloc of swing voters this election, as David Boaz and David Kirby conclude in a new study for the Cato Institute. Analyzing a variety of voter surveys, they estimate that libertarians make up about 15 percent of voters — a bloc roughly comparable in size to liberals and to conservative Christians, and far bigger than blocs like Nascar dads or soccer moms.

They're especially prevalent in the West, where half a dozen states have legalized medical marijuana. When Californians approved one of the first medical marijuana laws, in 1996, drug warriors were so convinced it would lead to a catastrophic spike in illegal use by teenagers that they sponsored a study to document the damage. But there was no catastrophe: after the law, marijuana use by teenagers actually declined in California.

In the decade since, as the Marijuana Policy Project documented in a recent study, popular support for legalized medical marijuana has increased in California and in virtually every other state with a similar law. Last year it was favored by 78 percent of respondents in a Gallup poll.

Yet these realities still haven't registered with Republicans in Washington. This year the White House drug czar, John Walters, and his minions have been out campaigning in Nevada, Colorado and South Dakota, which have marijuana initiatives on the ballot. The drug warriors are still sounding the discredited alarms about youths turning into potheads. Their fervor's not surprising — they may even believe their own hype.

What's surprising is the political stupidity of the meddling. Westerners, no matter what they think of marijuana, don't appreciate sermons from federal officials on how to vote. In 2002, when the White House campaigned against another marijuana ballot initiative in Nevada, the state's attorney general said it was "disturbing" to see the federal interference in a state election.

This year, with Republicans in so much trouble in the West, the missionaries from Washington aren't doing them any favors. They need every sinner's vote they can get.

Richmond Graduate Fuels Colorado Pot Movement (WT)

By Valerie Richardson, The Washington Times

The Washington Times, October 31, 2006

DENVER -- If Coloradans vote to legalize marijuana statewide next week, it will be almost entirely because of the efforts of a pudgy, clean-shaven 24-year-old University of Richmond graduate.

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Mason Tvert, campaign manager for Safer Alternatives for Enjoyable Recreation, has pushed Colorado to the forefront of the marijuana movement, first with his successful 2004 Denver campaign and now with the statewide Amendment 44.

The amendment would allow people 21 and older to possess up to 1 ounce of marijuana for personal use. If approved, it would make Colorado the first state to decriminalize marijuana.

It's a lofty goal for a campaign that, as Mr. Tvert describes it, consists of "two guys in a rental car." Mr. Tvert is running the effort from his cell phone and laptop, but that doesn't mean his opponents aren't taking him seriously.

Federal drug czar John P. Walters visited Colorado three times this year to denounce the effort, which almost every state lawmaker opposes. What Mr. Tvert brings to the table are energy, imagination, a knack for attracting free press and relentless tactics.

A case in point was an anti-Amendment 44 press conference Friday at the state capitol. Gov. Bill Owens, a Republican, and other state officials were expecting to address reporters on the dangers of pot, but instead were bombarded by more than 100 marijuana advocates, led by Mr. Tvert, chanting slogans and waving green campaign signs.

The protesters tried to drown out Mr. Owens and other speakers with jeers such as "Lie louder, Bill." A frustrated Mr. Owens finally responded, "Ladies and gentlemen, this is a sad day for Colorado."

Attorney General John Suthers chided Mr. Tvert for interrupting the governor's message. "I thought his behavior was reprehensible," he said.

Whether such tactics will Mr. Tvert him any votes is debatable. A Denver Post poll showed Amendment 44 trailing 57 percent to 34 percent, with 9 percent undecided.

Mr. Tvert, who is counting on a big turnout from students after his campus voter-registration drives, said his supporters aren't easily reached on land lines. What is clear is that Mr. Tvert has hit a chord with his primary message: Alcohol is more dangerous than marijuana, and therefore, marijuana should be legalized.

His message is backed by personal experience. He said that the summer before entering the University of Richmond, he drank himself unconscious during a concert and woke up in the emergency room.

He wasn't cited or punished, even though he was underage. He was subpoenaed later to testify against a fellow student who had been arrested for marijuana possession.

"What it shows is that our government's priorities on drug education are so skewed," Mr. Tvert said. "Have you ever seen a government committee warning that you could die of drinking? No. But I've seen plenty of commercials telling people they could ruin their lives smoking pot."

Riverside County Cannot Join Medical Marijuana Suit (DS)

Desert Sun, October 30, 2006

Riverside County will not join a legal challenge to California's medical marijuana law, scheduled to be heard in San Diego Superior Court Nov. 16.

The county Board of Supervisors voted earlier this month to join the suit originally filed by San Diego, San Bernardino and Merced counties, but the court ruled Friday that Riverside would not be allowed to join the case.

“The court felt it was too late to intervene in the pending action in San Diego,” said Pam Walls, assistant county counsel. “There was a briefing schedule and allowing (the county) to intervene, that would delay or alter the briefing schedule.”

The suit seeks to overturn state requirements that counties issue medical marijuana identification cards to patients with a doctor's recommendation to use the drug.

Americans for Safe Access, and the California Chapter of the National Organization for the Reform of Marijuana Laws, both medical marijuana advocacy groups, and the American Civil Liberties Union are arguing against the counties’ suit.

Both sides are looking to the court to resolve the conflict between federal law banning any use or cultivation of marijuana and California law allowing medical use.

Merriman Is Expected To Drop His Appeal (NYT)

By Michael S. Schmidt

The New York Times, October 31, 2006

DOJ_NMG_0088956

San Diego Chargers linebacker Shawne Merriman plans to drop his appeal of the four-game suspension he has received for testing positive for a performance-enhancing substance.

A deal between Merriman's lawyer and officials from the National Football League over when the suspension would take effect was being worked out last night.

Merriman's lawyer, David Cornwell, and Adolpho A. Birch III, the N.F.L. official who oversees testing, were trying to figure out a way for Merriman to drop the appeal and still make an appearance at the team's practice facility tomorrow to speak with his teammates before the suspension begins, according to a person briefed on the discussions between Cornwell and the league. A suspended player is barred from his team's headquarters.

The Chargers do not practice today, so Merriman would have to wait until tomorrow to address the team.

If Merriman does not drop the appeal by noon today, he must proceed with the appeal hearing that is scheduled for Nov. 7 in New York.

The N.F.L., which has not commented directly on Merriman's case, is expected to announce the suspension as soon as Merriman drops the appeal.

Word of Merriman's positive test was leaked to the news media before his appeal was resolved, creating an unusual situation in which he continued to play after the public had learned of his situation.

Typically, when a player tests positive, the league does not disclose details of the case until after the appeals process.

Cornwell said the steroid nandrolone was discovered in Merriman's system after he took a tainted over-the-counter dietary supplement. But under the N.F.L.'s rules, players are responsible for positive tests regardless of the supplements they take.

Merriman would miss the Chargers' next four games, against the Cleveland Browns, the Cincinnati Bengals, the Denver Broncos and the Oakland Raiders. He would return against the Buffalo Bills on Dec. 3.

The Chargers (5-2) are tied with the Broncos for first place in the American Football Conference West, and San Diego plays Denver on Dec. 10.

On Sunday, Merriman tied a career high with three sacks as the Chargers defeated the St. Louis Rams, 38-24, in San Diego. Throughout the game, fans loudly cheered him. Merriman has eight and a half sacks and is tied with Aaron Kampman of Green Bay for the league lead.

The use of largely unregulated over-the-counter supplements is so widespread that the N.F.L. certifies five products that are viewed to be clean of banned substances. Merriman said yesterday that the product he took was not one the league had certified. It is illegal to sell nandrolone, or any of its precursors, over the counter in the United States.

At practice yesterday, Merriman wore a boot on his right foot to protect his right heel, which he injured Sunday against the Rams.

When reporters asked him if his heel injury would affect his decision to drop the appeal, giving him four weeks to recover, Merriman winked.

"Yeah, my heel is hurt so bad I think I will probably be out three to four weeks," he said, according to The Associated Press. He added: "No, my heel is fine. I'm just trying to stay off it a little bit today."

Merriman May Drop Suspension Appeal (SDUT)

By Kevin Acee, Union-tribune Staff Writer

The San Diego Union-Tribune, October 30, 2006

After his three-sack day against the St. Louis Rams, Chargers linebacker Shawne Merriman planned to speak with his advisers last night and discuss the possibility of dropping the appeal of his four-game suspension.

Merriman, who tested positive for the banned steroid Nandrolone earlier this month, maintains he was the victim of a tainted supplement. But he also knows he is unlikely to win his appeal based on the NFL's clearly stated policy that players are responsible for what they put in their body.

Merriman's appeal is to be heard Nov. 7, two days after the Chargers' next game. Dropping the appeal, which could happen as early as today, would mean Merriman would miss Sunday's game against the Browns and the three that follow it. If

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Merriman saw the appeal through to the Nov. 7 hearing, and the NFL took its time ruling on the appeal, there would be the possibility the suspension would not start until Nov. 19 and would encompass two games against AFC West rival Denver.

"I want to do what's best for the team," Merriman said. "I don't know what is going to happen yet."

Merriman yesterday dropped St. Louis quarterback Marc Bulger three times to move into a tie for first in the league with 8½ sacks for the season. He also hurried Bulger three times and tackled running back Steven Jackson at the line of scrimmage.

"(Playing) is always the outlet for everything," Merriman said. "I always had that growing up, just to be on the field and playing with these guys I love. And to come out with a win definitely helps everything.

"I love to go out and have as many sacks as I can every week. Even before this, I was looking to go out and prove a point – that I am one of the best linebackers."

Merriman's introduction on the video board in the first quarter was met with a loud cheer, and the chorus only grew with every big play.

"To see all those 56 jerseys out there, you couldn't ask for anything more than that," he said. "Walking into the stadium and people telling me how much of a role model I still am, that's what I look at my job to be. I'm just going to keep going out and doing the things, being myself and just playing football."

Defensive effort The Chargers defense fell to No. 2 in the league in total yards allowed, as the Chicago Bears moved to No. 1.

Ranked No. 1 all season, the Chargers allowed a season-high 412 yards yesterday and are allowing an average of 265.5 compared with the Bears' 245.9.

The Chargers' tackling was better yesterday than the previous Sunday at Kansas City, but it remained an elusive discipline at times.

"We still had some tackles we missed," coach Marty Schottenheimer said. "We are on a mission, and we are going to continue to work on that every day."

The Rams also threw for 311 yards, the highest total against the Chargers (by 90) this season. The Rams completed four passes of 20 yards or more. Their 29 such completions rank second in the league, and they entered and left the game with the league's fourth-ranked passing offense.

"They pass the ball 40-plus times, they're going to get yards," cornerback Drayton Florence said. "But our main thing was to go out and stop (Torry Holt) and (Isaac Bruce), two Pro Bowl receivers. We did pretty good. They got some cheap yards on us. But that's going to happen when a team's behind."

Tough homecoming The Rams opted not to play linebacker Pisa Tinoisamoa, the Vista High alum who broke a bone in his left hand last week during practice. Rams coach Scott Linehan said Tinoisamoa "would have basically been playing with one arm" because of swelling in the hand.

"It was very uncomfortable," Linehan said. "We felt that if he played, we would really be taking a step back for next week and even the week after. If something happened to (Dexter) Coakley, he might have been able to play, but we just felt it was too much of a risk."

Cromartie impressive Facing an offense that often had three receivers in the game, rookie cornerback Antonio Cromartie played more yesterday.

His role has increased almost every game, but yesterday was the most demanding, as he was assigned to Holt much of the time. Holt caught five passes for 48 yards, his third-lowest total this season.

"I was with an All-Pro," Cromartie said.

Nuts 'n' Bolts Safety Bhawoh Jue was active for the first time since the season's second game. He did not start but played in certain packages.

Keenan McCardell's streak of games without a touchdown reached nine, the longest stretch since a 10-game drought in 1996.

Schottenheimer's 191st regular-season victory moved him into sole possession of fifth place all-time.

Safety Clinton Hart suffered a hip flexor strain. Center Nick Hardwick injured his knee and will have tests today.

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L.T. Goes Bananas; Merriman Uncertain About Drug Test Appeal (AP)

By Bernie Wilson

AP, October 30, 2006

SAN DIEGO - Halloween came a day early for the San Diego Chargers.

LaDainian Tomlinson wore a gorilla mask to his weekly news conference a day after he reminded everyone how good he is by gaining 240 yards from scrimmage and scoring three touchdowns.

Shawne Merriman didn't wear a mask, but the star outside linebacker was disguising his intentions regarding the appeal of his positive drug test.

After he had three sacks in Sunday's 38-24 win over the St. Louis Rams, Merriman said he'd speak with his attorney to discuss the possibility that he'd drop his appeal and begin serving a four-game suspension for testing positive for the steroid nandrolone.

But nothing had changed by Monday, except that Merriman was wearing a boot on his right foot to protect the heel he injured against the Rams.

"I don't know what is going to happen yet and someone has already said I'm thinking about dropping the appeal and what not, but I still have to find out what is going on myself," Merriman said. "I haven't decided anything yet. I'll find out sometime today or tomorrow what I am going to do, if I am going to do anything at all. It's just all part of the process.

Since his appeal is set for Nov. 7, Merriman was able to play against the Rams and would get to play in Sunday's home game against the Cleveland Browns, unless he decides to drop it.

Merriman said the positive drug test stems from a tainted supplement, and not many people give him a chance of avoiding a four-game suspension.

If the appeal process drags out and he loses, he could miss both of the Chargers' games against AFC West rival Denver, on the road Nov. 19 and at home on Dec. 10. The Chargers and Broncos are tied for the division lead at 5-2.

Asked if his heel injury would affect his decision, he said with a wink: "Yeah, my heel is hurt so bad I think I will probably be out three-to-four weeks."

Then he added: "No, my heel is fine. I'm just trying to stay off it a little bit today."

Merriman's attorney didn't return a phone call Monday.

"I just want to stay on the field. That is all I'm considering right now," said Merriman, the 2005 Defensive Rookie of the Year who has a team-high 8 1/2 sacks. "Obviously I want to be back as soon as possible if anything is going to happen at all. But assuming that something might happen, I have to do what's best to get back on the field as soon as possible."

Merriman said he'd feel cheated if he didn't get to state his case. "But at the same time its not about me proving a point or proving anything anymore. It's about me playing football."

Tomlinson, meanwhile, had some fun a day after going bananas with 240 yards from scrimmage, the third-highest total in his six-year career.

His 183 yards rushing were his eighth-highest total, and he added 57 yards on three catches. He's the NFL's second-leading rusher with 656 yards, and is second with 959 yards from scrimmage.

Tomlinson quieted critics who thought he's lost a step.

"As a gorilla, I don't think he's lost a step. I don't think I could catch him," said the guy in the gorilla mask who sounded an awful lot like L.T.

And he offered this: "I got my wife this morning, and she's seen it before."

Armed Man Shot By Police Has Previous Gun Conviction (PPG)

By Torsten Ove,

Pittsburgh Post-Gazette, October 30, 2006

The man shot by a Pittsburgh police sergeant in Beltzhoover yesterday after police said he pointed a gun at them is a felon who wasn't allowed to have a weapon and had already spent time in prison for carrying an illegal gun.

Court records indicate Jamaar A. Blakey, 22, was on probation following a gun conviction in U.S. District Court in 2004.

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Mr. Blakey, who is in serious condition at Mercy Hospital with a wound to his chest, was indicted in June 2004 under Project Safe Neighborhoods, a U.S. Justice Department initiative to combat gun violence that has sent many Pittsburgh-area felons to federal prison in recent years. Under federal law, felons can't have guns or ammunition.

Mr. Blakey, who also has several drug convictions, was sentenced in November 2004 to 30 months in federal prison for possession of a handgun and ammunition on Feb. 28 of that year. He was released on Aug. 24 of this year and was serving three years of supervised release, the federal version of probation.

Pittsburgh police shot Mr. Blakey after they said he pointed a gun at an officer following a brief car chase.

Feds Make Arrest In SLC Library Bombing (SLT)

By Jason Bergreen, The Salt Lake Tribune

Salt Lake Tribune, October 31, 2006

Federal authorities have arrested a former Utah resident with possession of an unregistered destructive device stemming from a bomb explosion in September that caused the evacuation of the Salt Lake City Main Library.

The single federal charge againstThomas James Zajac, formerly of Salt Lake City and Provo, was filed Friday and unsealed Monday after a joint investigation by the federal Bureau of Alcohol, Tobacco, Firearms and Explosives, the Salt Lake City Police Department and the FBI.

Investigators believe that Zajac, age unavailable, entered the library, 210 E. 400 South, on Sept. 15 carrying a 1 3/4 inch by 1/2 inch pipe bomb concealed in a white paper bag from Arby's restaurant, court documents state.

The bomb also consisted of a rocket igniter believed to have been purchased at an out-of state hobby store that was apparently mounted on a piece of cardboard that had an unknown handwritten message on it.

The bomb, which had been in the library for up to 60 minutes, exploded on the third floor, destroying a large, double-paned window, but it caused no injuries.

A witness told authorities he was on the third floor and heard a hissing noise before the explosion, but didn't recognize anyone in the area leaving, court documents state.

But another witness told a Salt Lake City police detective that he saw a heavy-set man wearing a green polo shirt and Khaki pants sit down in a chair next to the first witness and near a column where the bomb exploded. He described the man as being about 5 feet 10 inches tall, with dark hair and between 30 and 50 years old.

The witness told the detective that the man avoided making eye contact with him and kept looking down at the floor. He was not close enough to see what, if anything, was in the man's hands, court documents state.

Surveillance video from the library captured a man with the same description entering the east side of the library carrying a paper bag. The man entered restrooms on the second and third floors.

IMMIGRATION:

Government Says Border Arrests Decline (AP)

By Hope Yen

AP, October 31, 2006

U.S. Customs and Border Patrol agents made fewer arrests of illegal immigrants trying to enter the country last year, the government said Monday in a report that credits stronger enforcement.

Arrests fell 8.4 percent from 1.2 million in fiscal year 2005 to 1.1 million last year. It was the first decrease since 2003, the Homeland Security Department said in releasing its annual statistics on illegal immigration.

"What we ideally would like to do is stop them from coming in the first place. The extent that we see fewer crossing the border, that suggests that line of defense is working," Homeland Security Secretary Michael Chertoff said in a news briefing.

He noted that the department added more than 1,900 border patrol agents in the last year and installed fencing and other security measures such as electronic sensors and cameras.

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"These kinds of successes underscore the importance of viewing what we do to protect our borders as part of a comprehensive solution, one that allows us to target the worst of the worst," Chertoff said.

Statistics released Monday also show the government:

_Removed a record 186,600 illegal immigrants from the United States in the past year. That's a 10 percent increase from 2005.

_Seized more than 1.3 million pounds of marijuana, a 13 percent increase from the previous year.

_Nearly tripled the number of fugitive operations teams, from 18 to 50, as part of efforts to locate, apprehend and remove criminal aliens.

The figures, which were complete a month ago, were released a week after President Bush signed a bill authorizing 700 miles of new fencing along the U.S.-Mexico border.

The new law, which didn't come up with new funding beyond the $1.2 billion previously approved by Congress, gives Republican candidates a pre-election platform for asserting they're tough on illegal immigration. Congressional elections are Nov. 7.

On Monday, Chertoff said improved border security will not be enough. The centerpiece of Bush's immigration policy, a guest worker program, remains stalled in Congress.

"Without a temporary worker program, getting control of the border by the end of 2008 would be very, very difficult," Chertoff said.

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On the Net:

Homeland Security Department: http://www.dhs.gov/

Immigration Arrests Down 8% For Year (WP)

By Spencer S. Hsu

The Washington Post, October 31, 2006

The U.S. Border Patrol apprehended 8 percent fewer illegal immigrants last fiscal year than the year before, reversing a two-year increase in the historically volatile benchmark, Homeland Security Secretary Michael Chertoff announced yesterday.

Chertoff credited the drop of nearly 100,000 apprehensions largely to the Bush administration's strategy of deporting virtually all non-Mexican border crossers as fast as they are caught, deterring them and others in what had been the fastest-growing group of illegal immigrants. After quadrupling the previous four years, apprehensions of "other than Mexican" border crossers fell 57,144, or 35 percent, to 108,026 last year.

The total number of apprehensions in the fiscal year that ended Sept. 30 was nearly 1.1 million.

"We have begun to see, for the first time, a significant turnaround in terms of the number of illegals that we are finding crossing the border," Chertoff said. "The message here is not 'Time to celebrate, we've done the job.' But rather, we ought to be encouraged, but even more determined to get the job completed."

Analysts immediately disputed Chertoff's claim of an unprecedented decline in arrests. Border Patrol apprehensions have risen and fallen like a roller coaster over the years, peaking at almost 1.7 million in 2000 before bottoming out at 932,000 in 2003. Causes include earlier threats of congressional crackdowns; the security climate after the Sept. 11, 2001, terrorist attacks; and changes in Border Patrol funding and strategies.

Experts instead called yesterday's announcement the administration's latest effort to walk a political tightrope in its handling of illegal immigration heading into the Nov. 7 congressional elections.

They said President Bush's aides are trying to placate conservative and other critics by citing progress in enforcement at the border. At the same time, the White House is continuing to push for a broader overhaul of immigration policy, including a temporary-worker program and a chance for 12 million illegal immigrants to earn citizenship, that is stalled in Congress.

Chertoff backed away yesterday from the Bush administration's pledge to control the nation's borders by 2008, saying it would be "very, very difficult" without a guest-worker program, which the House has resisted. Proponents in Congress say it would

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take 18 months to six years to set up such a program, after paying for a long-needed computerized worker-verification system to manage it.

"Certainly, I don't think an 8 percent drop in apprehensions is something that we should even be paying attention to," said Demetrios Papademetriou, president of the Migration Policy Institute, which recently called for a comprehensive overhaul of immigration policy. "We don't see a trend line in apprehensions, and apprehensions are not the right yardstick," Papademetriou said.

The arrest total does not measure the number of illegal immigrants who evade capture, experts said, and is affected by fluctuations in law enforcement efforts to catch border crossers.

Steven A. Camarota, research director for the Center for Immigration Studies, which backs stronger enforcement and decreased immigration, congratulated the administration for making significant gains, albeit "very late in the game . . . from a very low starting point." Citing public polling on Americans' attitude toward immigration, he said, "The administration finally understands" that enforcement "is the prerequisite, the starting point, the key to any discussion."

Chertoff denied any political motivation for the early release of the Border Patrol statistics, which are usually reported in January. He said he "owed the public kind of a year-end closeout," since he made similar reports every few months.

Chertoff cited "a very, very significant increase" and "dramatic" shift in U.S. targeting of employers whose business models are based on the use of illegal labor. The United States brought 716 criminal worksite enforcement arrests and charges in 2006, up from 24 in 1999 and 25 in 2002, Chertoff said.

"Although people will squawk about it, the answer to those squawks is to go ahead and finish the job of a comprehensive strategy," Chertoff said. "The answer to the complaints is not to simply turn our backs on violations of the law."

Under the old catch-and-release policy in the summer of 2005, 80 percent of non-Mexicans apprehended at the border were let go inside the United States, pending their hearings, because of a shortage of detention space. But for the past three months, all non-Mexicans have been held pending expedited deportation. Word has filtered back to potential border crossers, who are less likely to try to enter the United States illegally, Chertoff said, and Border Patrol agents have more time to work on other cases.

Chertoff declined to say whether or when DHS would complete 700 miles of a double-layered fence on the U.S.-Mexico border recently approved by Congress and the president. Instead, he cited plans over the next three to six years to build a "virtual fence" that includes physical barriers, electronic remote sensing and vehicle barriers, or other measures where fencing is impractical or ineffective.

"I think our ultimate view is that we want to have a virtual fence across the entire border," Chertoff said. "My disposition is to let the professionals decide what is the best lay-down of all of this."

Since the United States began building a 14-mile barrier south of San Diego in 1990, illegal immigration has shifted to more remote areas. But at 1.1 million, the annual number of apprehensions is about the same as it was in 1991.

Drop In Border Arrests Tied To Enhanced Security (WT)

By Jerry Seper

The Washington Times, October 31, 2006

An 8 percent drop in the number of apprehensions of illegal aliens on U.S. borders in fiscal 2006 was hailed yesterday by the Department of Homeland Security as the result of enhanced border enforcement, but both immigration advocates and proponents questioned the claim.

Homeland Security Secretary Michael Chertoff said that the challenge of controlling the borders "has been with us for 30 years," and that the problem will not be solved in 30 minutes or in 30 days.

"But what is important is to put into place a strategy that, if consistently followed, will put us on a course that will get us security at the border," he said at a press conference at the Ronald Reagan Building and International Trade Center in Washington. "That's what the public has a right to expect."

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Mr. Chertoff also said a guest-worker program was needed to slow the flow of illegals into the United States, although conservative House Republicans have blocked efforts by the Bush administration to pass a temporary-worker bill. He said getting control of the border without such a program would be "very, very difficult."

Frank Sherry, executive director of the National Immigration Forum, said enhanced border security measures by the administration and Congress may have had an effect on the number of illegal entries, but the government's interpretation had the sound of "an infamous general who once said there was a light at the end of the tunnel."

"The problem of illegal immigration didn't start at the border, and it's not going to end at the border," said Mr. Sherry, whose organization builds support for public policies that welcome immigrants and refugees. He said the government has to deal with the 12 million to 20 million illegal aliens now in the United States and their employers.

Mr. Sherry said the drop in the number of border apprehensions may be the result of "smugglers and migrants trying to figure out where the border is most vulnerable."

Steven A. Camarota, research director at the Center for Immigration Studies, which seeks to limit immigration, said it was difficult to determine what the decline meant because there is "no solid body of information" on how many undetected people cross daily into the United States.

Mr. Camarota also said migrants looking to come to this country may simply have opted for other methods, including readily available border-crossing cards and temporary visas, which often result in overstays.

"This well may be a sign that the modest steps taken by the Bush administration to deal with illegal immigration have been effective," he said. "But we just don't know. With a number that falls into the margin of error, it's very hard to tell if this is a trend or just a dip."

In fiscal 2006, apprehensions dropped to 1.1 million from 1.2 million in fiscal 2005, which Homeland Security officials attributed to additional U.S. Border Patrol agents, enhanced technology and the presence of 6,000 National Guard troops.

But it is not known how many people enter the country illegally each year, with estimates on undetected aliens ranging from two to 10 for every one who is caught.

Homeland Secretary Assistant Secretary Julie L. Myers, who heads U.S. Immigration and Customs Enforcement, said ICE set records for enforcement activity, ending the long-standing practice of "catch and release" on the nation's borders.

She said that ICE removed 186,600 illegal aliens from the country in fiscal 2006, a 10 percent increase over fiscal 2005, and that there were more than seven times as many worksite enforcement cases as in 2002.

CONGRESS-ADMINISTRATION:

Treasury May Trim Note Offerings Borrowing Estimate Is Cut Amid Lower Deficit, Surge In Corporate-Tax Receipts By CAMPION WALSH And BENTON IVES-HALPERIN (WSJ)

The Wall Street Journal, October 31, 2006

NEW YORK -- The Treasury is expected to pare its three-year note offerings in this quarter's refunding, a move analysts say is a minor adjustment after the drop in the budget deficit.

The Treasury is likely to announce tomorrow the sale of $33 billion in debt securities, comprising $20 billion in three-year notes and $13 billion in 10-year notes, according to the median estimate of eight dealers surveyed by Dow Jones Newswires. That amount of three-year notes would be $1 billion less than last quarter's sale. "I really see no reason to change the [refunding] offering amounts substantially," said Citigroup Inc. economist Christopher Wiegand. "Treasury borrowing needs are running smaller than even optimists on the budget deficit thought they would be at this point."

The Treasury yesterday reduced its estimate of the quarter's borrowing needs by 39% to $63 billion, citing a surge in corporate-tax receipts that left it with more cash than expected. But it also said borrowing needs would rise to a quarterly record of $175 billion in the January-March period. A Treasury official said government-debt managers would have to re-examine issuance plans if deficits continue to narrow.

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The budget deficit fell 22% in the fiscal year that ended Sept. 30 to $247.7 billion, as an expanding economy lifted tax revenues. Government-debt managers will make most of their adjustments for the deficit in issues of short-term bills, preferring to keep stable supplies of longer-maturity debt, analysts said.

Primary dealers are divided over how long the narrowing of the deficit will continue, with several projecting increased red ink this fiscal year as economic growth slows. The budget outlook could hinge on whether Democrats take control of Congress after next week's midterm elections, said William O'Donnell, head of interest-rate strategy and research for UBS AG.

Separately, Treasury bonds ended little changed yesterday. At 4 p.m., the benchmark 10-year note rose 3/32 point, or 93.75 cents per $1,000 face value, at 101 19/32. Its yield fell to 4.671% from 4.681% Friday, as yields move inversely to prices. The 30-year bond was up 7/32 point at 95 17/32 to yield 4.785%.

Hybrids Aim at Retail Investors

A string of new hybrid offerings, which carry features of both debt and equity, hit the investment-grade corporate-bond market, with two borrowers selling securities in small denominations to woo individual investors. Countrywide Financial Corp. will sell $300 million of 60-year notes that will be noncallable for five years. The deal, which is rated Baa3 by Moody's Investors Service and BBB-plus by Standard & Poor's Ratings Service, will consist of 12 million shares to be sold at $25 each.

Countrywide, which has earmarked about $1.8 billion for hybrid issuance, will use the proceeds from the sale to repurchase common stock. The company said last week that it plans to buy back up to $2 billion of stock in the fourth quarter. Bank of America Corp. was in the market with a benchmark-size perpetual offering that also will price at a face value of $25.

Such deals aimed at individuals, who typically invest between $25,000 and $50,000 per transaction, have become popular with borrowers as buyers have lined up to include hybrids in their portfolios. The smaller denominations make it easier for this type of investor to digest, as the $1,000 denomination more typically sold to institutional investors is too big.

Merc Taps Credit Derivatives

The Chicago Mercantile Exchange is taking its first steps to tap into the $26 trillion credit-derivatives market by seeking regulatory approval to list credit-event futures on three companies.

The largest U.S. futures exchange filed documents earlier this month with the Commodity Futures Trading Commission seeking approval to list credit-event futures for Centex Corp., Tribune Co. and Jones Apparel Group Inc.

The futures are five-year contracts that allow participants to hedge their risk against such events as bankruptcy, default, nonpayment and debt restructuring. All three companies have credit ratings near or below the investment grade-junk barrier. The Chicago Mercantile Exchange Holdings Inc. unit chose the companies based, in part, on their credit ratings and their level of liquidity in five-year credit-default swaps, said Merc spokeswoman Pamela Plehn. She also said the Merc wanted to pick firms from different industries. Credit-default swaps also allow investors to protect their debt holdings against default.

Ms. Plehn said the exchange plans to add other companies to its credit-event product line. The exchange hopes to begin trading credit-event futures on its Globex electronic platform in the first quarter, she said.

-- Marine Cole, Michael S. Derby and Howard Packowitz contributed to this article.

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IGs' Increasing Influence (FEDTIMES)

By Daniel Friedman

Federal Times, October 31, 2006

Outsourcing, terrorism drive more work to investigators

Under a cover that includes an image of a woman's midriff, a report released last month by the Interior Department's inspector general sums up thousands of employee visits to pornographic and gambling Web sites on office computers.

An Oct. 11 report by the Justice Department IG details a former Alcohol, Tobacco, Firearms and Explosives Bureau director's request for a lavish office with features like remote-controlled doors.

And at the Education Department, a September IG report describes officials' efforts to steer purchases away from disfavored textbook makers. The report quotes an e-mail in which a program director wrote, "They are trying to crash our party and we need to beat the [expletive] out of them."

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The spate of headline-grabbing revelations underscores a trend. With the explosion of government procurement and more contracts to audit, and with an expanded law enforcement role in the aftermath of the Sept. 11 attacks, inspectors general have more work and responsibilities, observers of the oversight community say.

"The mission of the inspector general has broadened very substantially over the years," said former Transportation Department IG Kenneth Mead.

And more responsibility may mean more clout. The Special Inspector General for Iraq Reconstruction got expanded budgetary purview through legislation signed Oct. 17 by the president. Earlier this month, the Justice Department announced the formation of a task force, composed mostly of IGs, to investigate procurement fraud. A House bill, currently before the Government Reform Committee, would make IGs harder to fire and allow them to submit budgets straight to Congress and the Office of Management and Budget, instead of agency heads. The legislation could include steps to increase coordination among IGs and other oversight organizations. The measures are intended to increase IGs' independence, which some think is lacking at agencies where IG budgets are controlled by management.

Some say IGs are overreaching.

"Audit demands and the scope of demands [are] growing, because of some real and some perceived problems in the process over the last few years," said Stan Soloway, president of the Professional Services Council, an association of government contractors. Soloway said the result is unnecessary and wasteful audits.

Many IGs, meanwhile, said they are struggling to meet the growing demands despite flat budgets and staff levels. And with no authority to enforce recommendations, they must develop strategies to effect change.

Growth areas

Much of the added demand on IGs comes from the growth of government procurement. Federal contracting increased 83 percent from 2000 to 2005, according to data on Fedspending.org, a Web site maintained by the nonprofit group OMB Watch.

While General Services Administration Administrator Lurita Doan recently announced plans to use private firms for pre-award audits of contracts, work currently done by the agency's IG, that appears to be an exception. Across government, IG auditors say they are reviewing more and bigger contracts.

"Procurement is one of the major challenges in almost every agency," said Energy Department IG Gregory Friedman, who is vice chairman of the President's Council on Integrity and Efficiency, a group that includes the 29 presidentially appointed IGs.

But Soloway said IGs have increased contract audits at a pace unjustified by rising outsourcing. He said, for example, that IGs are wasting money auditing fixed-price contracts, which are intended to alleviate the need for extensive reviews.

"I think you see some overreach in some cases," he said.

The FBI's 2001 decision to focus more on preventing terrorism also contributes to the increase in the IGs' workload. The decision required the FBI to cut back on some criminal investigations, and IG investigators have helped pick up the slack in areas like public corruption and contract fraud.

The Patriot Act gave many IGs expanded law enforcement capabilities. And IGs' broad subpoena power and ability to investigate both criminal and civil matters already gives them power that many law enforcement agencies lack.

IGs in 2005 doubled over the previous year the number of companies and individuals barred from doing business with the government, helped convict more criminals and convinced managers to cut more costs in programs they audited, according to an annual report summarizing IG work across government. The number of federal employees, local officials and contractors who faced adverse action, such as termination, due to IG investigations jumped 40 percent from the prior year, according to the report.

Hurricane Katrina and the completion of an unusual number of investigations may have inflated those numbers, Friedman said. But he said IGs have certainly become more active than in past years.

Some observers say IGs are addressing a role left vacant by Congress' abandonment of assertive oversight. "That stuff isn't going on on the Hill anymore," said Linda Gustitus, a former chief of staff to Sen. Carl Levin, D-Mich. "This Congress has absolutely been pathetic in terms of oversight," Gustitus added, citing, for example, a lack of hearings on Iraqi contracting problems.

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IGs are also responding to a growth in information technology spending and increased demand for data security. In their annual management challenge lists, about three-quarters of IGs called IT and cybersecurity major challenges at their agencies, Friedman said.

Of the 600 employees at Homeland Security's IG office, 40 now work full time on IT audits, up from 25 in 2003, according to James Taylor, the deputy IG.

With the number of employees in the 57 federal IG offices up just 600, to about 11,600, since 2001, new demands force tough choices about how to deploy staff, IGs said.

"We are forced to do a form of triage and deal with the most pressing issues," Friedman said.

The Homeland Security IG got extra funds to review programs created after Hurricane Katrina, but it still had to reduce attention to areas like intelligence and science and technology to meet new demands, Taylor said.

Mead said that during his tenure, other priorities forced him to devote less attention to aviation and highway programs than he would have liked.

"In effect, you have to make choices about where you're going to get the bigger bang for your buck," he said.

Leading reform

IGs are required to produce regular reports, but they have no formal power to implement recommendations. They use varying tactics to exert influence. Their relationship with management helps determine their approach.

Interior's IG, Earl Devaney, in congressional testimony last month, said he grew frustrated over the years by former Secretary Gale Norton's failure to address ethics violations by top officials. As a result, he began blasting Interior in a manner designed to generate media attention. And despite what he calls a better relationship with the current secretary, Dirk Kempthorne, Devaney's office has stayed vocal.

"If you don't get a certain amount of publicity for the reports, you're not going to be able to have as much clout to change the system as you'd want," said Kris Kolesnik, a Devaney spokesman. "The purpose is to get it out in the public domain, so there's more of an incentive for the people in the department to get it right."

At Homeland Security, where officials struggle with the challenges of a hastily assembled organization, Taylor, a former chief financial officer, described a different dynamic.

Homeland Security officials regularly ask for IG opinions on management challenges, and under Inspector General Richard Skinner, the office works to provide timely and actionable reports, Taylor said. The office has also hired people with experience doing the work they are evaluating.

"We want to make sure our goals and objectives are matching up with [management's]," Taylor said.

"We don't play gotcha," he noted. "We don't do interviews. . . . It really discourages risk-taking when you've got so many people waiting to find something wrong."

Many IGs say they balance their partnership with management and their independence. They seek a level of closeness with management that does not compromise their independence, and a degree of separation that does not render them impotent.

"It's a fine line to walk," said Justice Department IG Glenn Fine. "You have got to be independent, but on the other hand, you have got to communicate because the goals are similiar."

Many managers advocate sustained and meaningful communication with IGs. While management and auditors may not agree, they should share certain expectations, officials said.

"We need to have consistency and agreement around . . . the rules of the game," Soloway said.

At a panel this month on IGs' effect on IT, Labor Department CFO Samuel Mok said he works to keep his IG in the loop. Mok said he appoints staff to liaison with OIG.

"If something happens and you can't pick up the phone and get some informal feedback, you're not doing your job," he said, though he admits his approach can backfire.

Doug Glenn, GSA's deputy CFO speaking at the same event, said IG reports can be an alternative way to get "the powers that be" to address problems.

"A lot of times we need an IG report or an auditor report that says, 'Hey, this is an issue,'" he said.

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Fights Brew Over House Posts (WP)

By Lois Romano And Jonathan Weisman

The Washington Post, October 31, 2006

As Democrats enter the final days of their push to take back control of the House in next week's election, two divisive backroom leadership fights are brewing within the party, raising fears that Democratic unity could be fraying even before the first votes are cast.

For some Democrats, the battle between Rep. Steny H. Hoyer (Md.), the minority whip, who had been expected to ascend to majority leader without opposition, and Rep. John P. Murtha (Pa.) threatens the party's efforts to appear ready to govern.

In what could be another high-profile showdown, Rep. Rahm Emanuel (Ill.), the ambitious former White House aide who runs the Democratic campaign arm of the House, may seek the third-ranking post of majority whip, pitting him against Democratic Caucus Chairman James E. Clyburn (S.C.), the only African American in a leadership position.

This could exacerbate racial strains in the House, since both the Congressional Black Caucus and the Congressional Hispanic Caucus have complained that Emanuel is insensitive to minority concerns. Members of the black caucus accused him of using strong-arm tactics to collect dues for the Democratic Congressional Campaign Committee, and the Hispanic caucus withheld its dues last year until Emanuel hired a Hispanic staffer at the DCCC.

On one point there is no disagreement: If the Democrats win, House Minority Leader Nancy Pelosi (Calif.) will be elected speaker. While she has not taken a public position in the Hoyer-Murtha battle, she is politically and personally much closer to Murtha and has a long-standing rivalry with Hoyer.

But members, aides and outside consultants who are closely watching the contest said Murtha has an uphill battle because Hoyer has worked for a decade to rebuild the majority, raising millions of dollars for his colleagues and recruiting Democrats to run.

And Pelosi may be irked that Murtha publicly picked this fight, according to some Democrats.

"I suspect that she feels like most other members, that we'd rather not have this divisive contest," Clyburn said of the majority leader's race. "We've spent a lot of the last two years getting the caucus together. We're more cohesive than we've been in a long time, and most people appreciate the climate we're currently operating in."

Murtha is seen by many in the House as an old-school political insider whose power is derived from his position as ranking member of the Appropriations subcommittee on defense and from the money he can direct to members' districts. A former Marine who has always been pro-military, the 16-term congressman was embraced by his liberal colleagues last year when he called for the immediate withdrawal of U.S. troops from Iraq. But Murtha's stand on the war has not automatically gained him support from the left in his quest to become majority leader.

Hoyer, a moderate, actively solicited support from a number of liberals who are not comfortable with Murtha's conservative positions opposing abortion and gun control. Rep. Maxine Waters (Calif.), chairman of the Out of Iraq Caucus, announced her support for Hoyer, although she praised Murtha's plan for troop withdrawal. Other liberals supporting Hoyer include Reps. Barney Frank (Mass.), John Lewis (Ga.) and Jerrold Nadler (N.Y.).

"Steny has done a tireless job to get back the House for us for more than a decade," said Rep. Henry A. Waxman (Calif.), a strong Pelosi ally who is in line to become chairman of the Government Reform Committee if the Democrats win. "Given the leadership he has shown and his ability to unite Democrats, he's the logical choice."

Other Hoyer supporters question why Murtha has chosen to pick a fight now when the Democrats are the most unified they have been in 50 years and are on the verge of taking control of the House.

"I have a lot of respect for Jack Murtha, but I remain shocked that he is talking about making a run for majority leader," said Rep. Ellen Tauscher (Calif.), a Hoyer supporter and a leading Democratic moderate. "I don't understand it. I'm not supportive of it, and it's having a deleterious effect on what I think and hope will be a huge win on November 7."

Murtha's supporters are quick to dismiss charges that the veteran lawmaker is sowing discord. They say Hoyer's supporters are acting as if he has a right to the majority leader's post, when in fact such leadership contests are routine.

"This decision is going to get made the week we get back," said Rep. Michael E. Capuano (Mass.), a Murtha supporter. "There's not going to be a lot of time for it to fester. The minute it's over, we will all be pushing in the same direction."

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Hoyer and Murtha have long had a rocky relationship, according to Democratic sources, and Hoyer's allies say he is not happy that he has had to spend valuable time before an important election shoring up his support. "There isn't going to be a majority leader's race if we don't win this election," Hoyer said in a brief interview last weekend.

Murtha said recently that he is running because he believes that Hoyer has been disloyal to Pelosi, an accusation that Hoyer has denied. "The guy has been trying to undercut her ever since she was elected minority leader," Murtha said. "Damn right it's true."

Some Democrats predicted that Murtha will not stay in the race if he is not fairly certain he can win, for fear of diluting his power. But Murtha supporters say he will stick it out because it is difficult to predict what members will do in secret balloting. "Look, both have duplicate names on their list," said Rep. James P. Moran Jr. (Va.), a Murtha supporter. "No one wants to get on the wrong side of either of them."

The Murtha-Hoyer competition could be eclipsed in bitterness if Emanuel presses ahead with a campaign for the whip's post. Kathleen Connery, a spokeswoman for Emanuel, said the lawmaker "morally feels obligated to the contributors, candidates and the caucus to focus like a laser on November 7, and anyone not doing that is not delivering for the caucus."

That said, aides close to Emanuel said he has not ruled out a challenge.

"That would be a hotly contested race," said Rep. Melvin Watt (N.C.), the chairman of the Congressional Black Caucus.

Staff researcher Madonna Lebling contributed to this report.

If Dems Take Over The House ... (USAT)

By Kathy Kiely

USA Today, October 31, 2006

WASHINGTON — A Democratic takeover of the U.S. House would put more women and minorities in positions of power, as well as more senior citizens. That much is certain.

What else a Democratic majority might bring is a topic of heated debate as the campaign for control of Congress moves into its final days.

Democrats say it will mean longer workweeks in the House of Representatives to pass tax cuts for the middle class and to devise a strategy to get U.S. troops out of Iraq. They promise more time in the hot seat for members of the Bush administration. "We have a broad agenda," says Rep. Chris Van Hollen, D-Md., a co-chairman of his party's House campaign.

President Bush and other Republicans say Democrats in charge will be bad for the economy and the war on terrorism. "The Democrats want to raise your taxes," Bush said Monday in Georgia. "However they put it, the Democrat approach in Iraq comes down to this: The terrorists win and America loses."

Bush stressed that "this election is far from over." Polls give Democrats their best chance in 12 years of gaining control of the House. They need to pick up 15 seats. Democrats need six seats for a Senate takeover. Though less likely, it's not out of the question.

Except for 20 months during his first two years in office, when Democrats held a one-vote Senate majority, Bush has worked with a GOP-led Congress. Even with a Democratic one, the president will still be able to block bills he doesn't like with a veto.

Changing priorities

Even so, a Democratic House would radically alter the balance of power in Washington. That's because House rules — unlike those in the Senate — give the majority sweeping authority to set the legislative agenda.

Some possible changes:

•New power brokers. The most dramatic difference would come at the top. House Democratic leader Nancy Pelosi is poised to become the first woman to serve as speaker of the House. Under the Constitution, the San Franciscan would be behind Vice President Cheney to succeed Bush.

Pelosi already has signaled that she will name committee chairpersons based on seniority. Republican Speakers Newt Gingrich and Dennis Hastert sometimes did not do so. The gavel would go to at least four African-Americans, including John Conyers of Michigan at the Judiciary Committee helm and three women, including California's Juanita Millender-McDonald and

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New York's Nydia Velázquez, who would be the only Hispanic committee leader. Barney Frank of Massachusetts, who is openly gay, would lead a committee.

Currently, all of the House GOP committee chairmen are white and male.

It would also increase the age of House chairpersons. In January 2005, 11 Republican committee leaders were younger than 60. Seven prospective Democratic chairpersons will be over 70 when the 110th Congress convenes in January. "Just because they are old doesn't mean they aren't good," says Matt Angle, a former congressional aide and Democratic political consultant.

Republicans see it differently. "The House will have chairmen who come from the old order," says House Republicans' former No. 2 leader Tom DeLay, suggesting they will be heavy-handed and unyielding to anything but Democratic Party orthodoxy.

One committee chairmanship appears uncertain. Rep. Jane Harman, D-Calif., is at the end of her term on the Intelligence Committee. Pelosi has not said she would renew Harman's term.

•New issues. Pelosi wants to raise the minimum wage from $5.15 to $7.25 an hour. She wants to halve the interest rate on student loans and enact the recommendations of the 9/11 Commission to fight terrorism.

On health care, Democrats want to give the federal government the authority to negotiate lower prescription-drug prices for seniors and expand research using embryonic stem cells.

And Pelosi wants to do all of that in her first 100 hours as speaker.

Pelosi also has promised a bill that would ban lobbyists from underwriting lawmakers' trips and prohibit corporations from providing discount travel on private jets. That goes beyond legislation that is currently stalled.

On Iraq, Democrats are likely to press for withdrawal of U.S. troops, but Rep. John Murtha, D-Pa., a leading critic of the Iraq war, says any policy changes must be made "in conjunction with the White House."

Rep. John Dingell, D-Mich., says the House Energy and Commerce Committee under his leadership would explore universal health care and debate ways to diversify the nation's energy supplies.

Prospects for a sweeping immigration overhaul could improve if Democrats controlled the House. A bipartisan bill that passed the Senate and won Bush's support has been blocked by Hastert and other GOP leaders who oppose provisions that would offer a chance at citizenship to estimated 12 million people now living in the USA illegally.

Taxes and compromise

Rep. Charles Rangel of New York, who would head the Ways and Means Committee, wants tax cuts for child care and tuition assistance, but has called for rolling back those he says benefit wealthier Americans such as estate tax.

DeLay predicts that Americans who don't consider themselves wealthy will find their tax bills going up: "They think if you make $100,000, you're rich."

•A new atmosphere? Murtha, a Pelosi confidant, says Democrats won't try to impeach, even though that's the hope of some people he calls "rabid" Democrats. Pelosi says she wants probes of Bush's first-term energy task force and the intelligence leading to the Iraq war.

Even so, Murtha says, Democrats will try to reduce partisan tensions. One plan: extending the amount of time House members spend in Washington, which shrunk to three days or less per week under the GOP. "You spend time together, you get to know each other," Murtha says.

Some of the Democratic candidates now running, such as North Carolina's Heath Shuler, are centrists from swing districts who will want to reach out to Republicans, says Tim Roemer, a former Indiana congressman. "They want to be re-elected," Roemer says.

They could find a willing partner in Bush, says Martin Frost, a former Democratic congressman from Texas. When Bush was governor there, he was known for his ability to get along with the Democrats who led the state House. "It made him seek middle ground," Frost says.

Others predict there won't be much appetite for compromise after a bitter campaign that's likely to thin the GOP of its moderates. "The president's veto record will go sky-high," says DeLay.

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Some bills, such as one to expand federal funding of embryonic stem cell research that Bush vetoed, are likely to be offered even if Bush or Republicans don't support them. Democrats "will want to lay down markers for the 2008 campaign," Frost says.

Dingell counsels his fellow Democrats to focus first on Election Day: "Before you sell the bear's hide, you first have to shoot the bear."

Contributing: David Jackson •Athletes as politicians, 1C •Mediamix, 6D

NASA Invests In Its Future With Venture Capital Firm (WP)

By Marc Kaufman, Washington Post Staff Writer

The Washington Post, October 31, 2006

'Red Planet' Nonprofit to Fund Aerospace Innovation

Hoping to tap the innovation and daring of small aerospace and biomedical companies, NASA has created and funded a nonprofit venture capital firm that will invest government money in promising but underfinanced companies.

The fund, called Red Planet Capital, is the government's third experiment with venture capitalism, after similar efforts sponsored by the CIA and the Army.

Red Planet marks the first time that the federal government has started a venture capital fund for civilian purposes, but it is hardly a stretch. That is because a former president of the CIA-sponsored venture fund is Michael D. Griffin -- now the administrator of NASA.

"NASA could see that a lot of technical innovation is coming out of companies that don't traditionally do business with the government, and we wanted better and faster access to that creativity," said Lisa L. Lockyer, NASA program manager for the project. "The administrator has been very supportive of the idea."

She said the fund will not only invest on its own in cutting-edge companies but will also join private venture capital firms to form investment syndicates. Together, she said, those partnerships will be able to invest far more money in selected companies than the government could.

The NASA fund, which will be managed by three venture fund veterans selected by the agency through a competitive process, will receive $75 million in taxpayer funds over five years. The money is to be invested only in emerging technologies that might someday be useful to NASA.

"We will invest with others in companies making products that aren't being made elsewhere and that NASA might be able to use," said Peter Banks, one of the organizers and managers of Red Planet. "We don't really expect the companies to be making products that can be used as is on the moon, or in other low-gravity environments. NASA would do the adapting once the technology is developed."

The focus of the initiative is captured in the fund's name. Under President Bush's 2004 space initiative, NASA will be returning astronauts to the moon by 2020 and potentially sending them later to Mars.

"Our focus is not on today or the near tomorrows, since nothing from these new companies can be used before at least the three-to-five-year time frame," Banks said. "What this fund does is set a trajectory towards Mars, and human exploration of Mars."

Banks said that Griffin, an advocate of the moon-Mars initiative, played a major role in selecting the name for the fund.

Griffin, a longtime NASA aerospace engineer and manager, with stints as an academic and business executive, was president of the CIA-sponsored venture capital fund In-Q-Tel for two years. Founded in 1999, In-Q-Tel has a mission parallel to that of Red Planet -- to invest in small companies working on cutting-edge technologies that could be adapted for the agency's use.

The CIA fund reports investments in more than 90 companies that delivered more than 130 technologies to the agency -- sometimes from companies that never knew why the CIA had invested in them. The effort was considered enough of a success that some other intelligence agencies now work through In-Q-Tel.

In-Q-Tel, however, had a number of policies that caused some public controversy -- including generous compensation for its executives, and a system that allows employees to share in profits when stakes in fund-owned companies are sold at prices above the initial investment. Documents filed with the Securities and Exchange Commission showed, for instance, that 45 In-Q-

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Tel employees profited from the sale of the fund's holdings in fledgling laser weapons maker Ionatron in 2005, and that 17 of them earned more than $50,000 each from the sale.

Lockyer said that Red Planet will have a similar policy of distributing some profits -- sales above the cost of the initial fund investment -- with company managers. She said that the annual salaries of the three partners have not been determined, but that they will be competitive with other venture capital operations, which are far higher than salaries of government employees.

While NASA is very interested in the newest thinking in rocket and space technology, the agency is also looking for strategies and products related to keeping astronauts safe and healthy in space for long periods of time, Lockyer said. The kind of cosmic radiation astronauts will face if they go to Mars or remain on the moon for long periods is known to cause significant bone loss and can lead to central-nervous-system injury and increased risk of cancer. If innovators and researchers cannot find ways to protect the astronauts, then long-term space travel will be impossible.

"This kind of biomedical work is definitely something we're interested in," Lockyer said. "It could be very useful to NASA and could also come up with discoveries that will be useful to people on Earth and so could be commercially profitable."

The Red Planet managers and staff will have an advantage that most other venture capital funds do not have: They will have constant input from NASA officials about what kinds of technologies and services the agency is looking for. As a result, they will be able to invest in companies that may have a better-than-usual chance of someday selling a product to NASA.

"Given our special circumstances," Banks said, "we're hoping that other private venture capital firms will be interested in joining us in our investments.

Daring Hubble Repair Plan Awaits 'go' (USAT)

By Traci Watson, Usa Today

USA Today, October 31, 2006

NASA to say today whether mission to fix telescope is on

For 2½ years, top NASA officials have fretted over whether to send astronauts to revive the critically ill Hubble Space Telescope.

The answer comes today, when NASA Administrator Michael Griffin announces whether the space shuttle will pay a service call to Hubble. If Griffin says yes, a flight to install two new scientific instruments, fix a third and upgrade telescope systems could launch as early as next winter.

Despite the uncertainty, NASA engineers and astronauts have been quietly toiling on a plan to rescue the telescope.

Space agency personnel have created new Hubble repair tools. They have outlined a rough mission schedule. And they have developed new repair techniques in hopes of fixing one of America's most cherished scientific instruments.

The 2002 shuttle flight to Hubble, the most recent of four, was tough enough, says astronaut John Grunsfeld, who made spacewalks to fix the telescope in 1999 and 2002. "If that was heart surgery, this time we're planning to do brain surgery — that next level of delicacy," he says.

Some of the tasks on the flight, such as opening a door fastened with more than 100 tiny screws, "would seem to be impossible," says astronaut Michael Massimino, who also did a spacewalk in 2002 to repair the telescope. "This one, I think, is about as challenging as you can get," Massimino says.

A bit of Velcro falling into the telescope's guts could spoil its vision. One misplaced nudge of a spacewalking astronaut's foot could derail a telescope that, while wounded, is still snapping pictures of the cosmos.

"You want to be very, very careful," says Massimino, yet "you want to get as much done as you possibly can, because you're up there for a finite time." He notes that the astronauts who live on the space station can polish off chores that weren't finished during spacewalks. Hubble has no such backup.

NASA has added new safety precautions to every shuttle flight since shuttle Columbia disintegrated in 2003. Now every shuttle crew must spend an entire day in orbit inspecting the ship's thermal shield, a procedure that demands precious time and fuel.

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"The biggest challenge … (is) how do we pack everything we need to do to assure a safe vehicle into a typical Hubble mission?" says astronaut Joseph Tanner, whose four shuttle flights included one to Hubble in 1997. "It's not business like it used to be."

It was safety that led then-NASA administrator Sean O'Keefe in 2004 to cancel the fifth shuttle mission to Hubble. Since the Columbia accident, NASA has made sure that in an emergency, every shuttle crew could hole up on the International Space Station and wait for rescue by another shuttle. But a shuttle visiting Hubble couldn't reach the station, which follows a path around the Earth more than 100 miles away from the Hubble's orbit.

O'Keefe's decision meant curtains for Hubble, since no other space vehicle in the world can stay in space long enough to upgrade the telescope.

When Griffin took over the space agency in early 2005, he changed course. NASA, he said, would send a shuttle to save Hubble if the first flights after the Columbia accident went well. The three flights since the accident — one in 2005, another in July, and one in September — all returned safely to Earth.

The long to-do list for the next Hubble mission means that the crew would probably make five spacewalks in five days. Missions to the station usually include only three spacewalks, with a day of rest between them.

The punishing work schedule on a Hubble mission, combined with the extra task of inspecting the shuttle, adds up to a "crew workload (that) is going to be outrageous," Grunsfeld says. "There's going to be no sleeping on this mission." That can lead to risky fatigue.

By far the most difficult task on a fifth Hubble flight would be fixing the Space Telescope Imaging Spectrograph, which analyzes the light from distant objects in the cosmos. The spectrograph, dead since 2004 because of a faulty electronics board, gives information on temperature and density. It was not designed to be fixed in orbit, posing these challenges:

•The door to the compartment containing the faulty part is held down by 111 tiny screws, which an astronaut in a spacesuit would find nearly impossible to remove. Once freed, the screws could easily float away and vanish into the workings of the telescope.

Engineers at the Goddard Space Flight Center devised a special miniature screwdriver and a device that will improve the astronauts' aim as they work on the screws and clamp onto them once they're loose.

•The edges of the electronics board are sharp — a peril to the astronauts, whose spacesuits are inflated with air. That means the spacewalkers can't touch the board for fear of puncturing their suits.

The board is held in place by locks akin to "Chinese finger handcuffs," says Hubble program manager Preston Burch. "As you pull on them, they get tighter and tighter." On Earth, it may take an hour to coax one out. A "card-puller" has been devised for the astronauts to use to yank the board free.

•The spectrograph lies so deep inside Hubble that the astronauts can't work as usual. On a normal Hubble task, two astronauts stand on the shuttle's robotic arm, one doing the work, and the second handing tools to the first.

The Hubble team now thinks the repair astronaut can stand on a portable scaffold attached to the telescope. The shuttle's robot arm might hover nearby and act as a tool caddy.

Because of the time pressure the astronauts face, the planning team has also worked on how to make the routine Hubble chores easier.

Engineers have cooked up an alignment device that will help the spacewalkers load Hubble with new scientific instruments, which have to be slid into their slots just so. They're building exact replicas of parts of the telescope so the astronauts can practice their moves. They're rethinking how to load items on the shuttle, to cut the time spent hunting for supplies.

"We don't leave anything to chance," Burch says. "We work real hard to make sure that we can't get fooled."

FEDERAL DIARY: Transition To Pay For Performance Makes Some Anxious (WP)

By Stephen Barr

Washington Post, October 31, 2006

Many federal employees fear that as many tricks as treats lie ahead with their new pay systems.

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Perhaps that's a bit of an exaggeration, but it is fair to say that transitions to new pay and management systems involve hard work, especially for federal managers asked to more rigorously rate job performance and link that rating to a pay raise. Bush administration officials acknowledge that changes planned for two large departments, Defense and Homeland Security, have created a fair share of anxious employees.

Some of that anxiety appears based on concerns that the new pay-for-performance systems could be manipulated to lower the government's payroll (about $456 million per day in the executive branch) and pension costs. That should not happen, according to the Office of Personnel Management, which had a hand in designing the new systems for the Defense and Homeland Security departments.

"These systems' assumptions, principles and requirements all point to ensuring no reduction in the overall amount spent on basic pay increases. Consequently, we would not expect any reduction in pension obligations," the OPM said in a briefing paper.

Congress approved the new pay systems following the Sept. 11, 2001, terrorist attacks for the Defense and Homeland Security departments after the Bush administration contended it needed more leeway in how civil-service employees are paid and managed.

Under the new approach, the decades-old General Schedule, which provided predictable pay raises, will be replaced with the National Security Personnel System, which is being phased in at Defense, and with MaxHR, which is still on the drawing board at Homeland Security.

The two systems emphasize the importance of an employee's job performance and seek to change the government's traditional compensation practice. Instead of providing an across-the-board raise to all employees, as the General Schedule permits, the two departments will provide higher raises to their best workers and smaller or no raises to their low-rated employees.

Over time, performance pay may affect a worker's pension. Part of the formula used to set federal pensions involves multiplying years of service by a percentage applied to the "high-3" -- the average of the three highest-paid years of consecutive service. Under the pay-for-performance systems, the employee with high ratings should have an enhanced high-3, while employees with lower job ratings will see a smaller high-3.

"That's fundamental to a pay design that makes performance distinctions, but overall the government would not achieve savings," the OPM said.

The new pay systems also introduced another variable for employees -- bonuses. Lump-sum awards and bonuses do not count toward retirement. Under the NSPS, managers can determine what portion of an employee's annual raise should be given as a base pay increase or as a bonus. In certain circumstances, employees may find that their pay has been capped and that they can receive only bonuses.

Administration officials have promised to Congress that managers will receive extensive training on how to administer the new systems to ensure that employees are treated fairly.

According to the OPM, federal managers, in addition to job performance ratings, will have several other factors to take into account when setting pay every year, such as recent promotions, local labor-market conditions, turnover rates and how much money has been made available by Congress for salaries.

That's about as many ingredients as you would find in a witch's cauldron. Don't be surprised if this pay transition continues to next Halloween.Award Winner

The International Public Management Association for Human Resources has honored John Palguta , vice president for policy at the Partnership for Public Service.

Palguta was named this year's winner of the Warner W. Stockberger Achievement Award, named after the first director of personnel for the Agriculture Department. The award goes to a person in public or private life who has made an outstanding contribution toward the improvement of public personnel management at any level of government.Retirement

Gwendolyn Aughtry , staff assistant in the Justice Department's commercial litigation branch, retires today after 34 years of federal service.

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Federal Agencies' Outward Migration Irks Area Officials (WP)

By Alec Macgillis

The Washington Post, October 31, 2006

Relocations Undermine Efforts To Limit Sprawl, Planners Say

As they battle sprawl, Washington area leaders say they face a stubborn foe, and it's not greedy developers or the tyranny of the automobile or the desire for big houses. It is the United States government.

In scattering employees to the region's outer edges, local officials and planners say, the federal government has undermined efforts to concentrate growth near public transit and the area's urban core -- the strategy local officials see as key to reducing traffic and conserving resources in a booming region.

The U.S. government, they say, has become a kind of master planner, making decisions, with little local input, that will shape Washington's commuting and development patterns for years.

"I continue to be amazed by the shortsightedness of the federal government," said Fairfax County Supervisor T. Dana Kauffman (D-Lee). "Whatever they do is 'here and now.' They seem to have no interest in trying to plan for the rational development of a sustainable community. I suppose if they had the chance to relocate to the moon, they would."

Sparking the most recent round of complaints were reports last week that the FBI is moving its Northern Virginia field office from Tysons Corner to Prince William County. The FBI says it needs more space and that the site near Manassas is less expensive and more secure than locations closer in. But some FBI employees note that it will result in higher commuting costs for many of the office's 300 workers and encourage some of them to move farther out. Agents will have to make long trips on overloaded Interstate 66 for their cases and for meetings with prosecutors in Alexandria, they say.

The move is reminiscent of another, far bigger dispersal: the Pentagon's transfer of 30,000 military and civilian employees from Arlington County, the District and other close-in locations to installations farther out, mostly to Fort Belvoir in southern Fairfax. Rather than being near Metro, the jobs, which will be followed by thousands of related contractors, will be in an area with crowded roads and little transit. Also getting thousands more workers are two other posts on the region's fringe, Fort Meade in Anne Arundel County and Quantico Marine Base in Prince William.

Local officials see a similar lack of federal foresight in the rejection of a proposal to build a Metrorail extension to Dulles International Airport underground through Tysons Corner instead of on an elevated track. Tunnel proponents said it would help achieve a key goal of Fairfax leaders to transform the county's downtown into a walkable urban center, but federal transit officials discouraged Gov. Timothy M. Kaine (D) against the tunnel, saying the delays and higher costs it would bring would imperil federal funding.

Critics also point to the consolidation of the Food and Drug Administration outside the Capital Beltway in White Oak and the transfer in the 1990s of the headquarters of the Naval Air Systems Command from Arlington to Southern Maryland. But not all agencies are moving outside the Beltway. The Bureau of Alcohol, Tobacco and Firearms recently built new headquarters near the New York Avenue Metro station.

Other regions also must contend with the consequences of military relocations and other federal actions, but the dominance of the federal government in Washington makes the area uniquely dependent on it. Ideally, officials say, this could be a plus, if the government used its sway to drive unified planning across a region divided among three jurisdictions.

That happened to some extent in the 1990s, planners and officials say, when President Bill Clinton issued an executive order that federal agencies try to locate within downtowns. By dispersing agencies outward, critics say, the federal government is effectively undermining its $10 billion investment in Metro.

"Six or eight years ago, [the federal government] was moving in the right direction . . . but now you have a couple major decisions that undo" past successes, Arlington County Board member Jay Fisette (D) said.

At the heart of the federal government's justification for the recent decisions are cost savings and security. The Pentagon says the moves chosen by the Base Realignment and Closure Commission will save $49 billion nationwide, partly by moving employees out of leased space such as in Crystal City. Moving out of such close-in locations as Arlington and Alexandria to such closed posts as Belvoir also complies with new military requirements for 82-foot setbacks to guard against truck bombs.

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Asked about local complaints, a Pentagon spokesman pointed to the commission's final report, which acknowledged local concerns that "quality of life could be reduced because of transportation problems such as increased traffic, lack of public transportation and increased commuting times, with the attendant issues of air pollution and increased fuel consumption." The report went on to say that "these concerns were carefully weighed and considered, but in the final analysis the commission found they did not collectively rise to the level of a substantial deviation" from other priorities.

The General Services Administration, which oversees the siting of federal facilities, mentions in its regulations the need to consider transportation access, environmental impact and a "community's economy, sense of place and social fabric." But security concerns apply even to agencies unrelated to the military or law enforcement -- all new federal buildings are supposed to have a minimum setback of 50 feet, though exemptions are possible in urban areas, depending on the agency's function.

Critics say that although security concerns are understandable in the wake of the 2001 terrorist attacks and the 1995 Oklahoma City bombing, the recent moves go too far. They point out that other countries have found ways, from traffic restrictions to building design, to keep government buildings downtown in their capital cities.

"There seems to be a perception that federal agencies, no matter what they do, need to be protected," said Ronald F. Kirby, a transportation planner with the Metropolitan Washington Council of Governments. "Rather than mix in and have your offices spread around with other activities, it's, 'Let's all get together and build a fortress someplace, and no one can get near us.' "

Rep. James P. Moran Jr. (D-Va.) said many of agencies being moved to Belvoir are obscure entities and hardly obvious targets. "The terrorists don't know who's in what office building, and even if they knew, they couldn't locate them because of all those acronyms," he said. "The security thing is overblown. It's not tempered by any measure of common sense."

George Vradenburg, a former America Online executive who is organizing a major regional planning exercise, said that the head of the GSA's buildings department had remarked at a recent conference that the agency would be willing to include local officials on the panel that makes siting decisions. But Vradenburg said nothing has come of that so far.

Some say the concerns over the federal dispersal are exaggerated. Other than the military relocations, there is little sign of a general outward move by other federal agencies, said Matthew J. Klein, president of the Akridge development company, which has federal tenants in several of its buildings. "Washington is the center of government operations, and my sense is that people still want to be closer to that center," he said. "Last I checked, no one was moving from the White House or Capitol Hill."

Rep. Thomas M. Davis III (R-Va.) disputed the inclusion of the Tysons tunnel decision as an example of federal narrow-mindedness. Fairfax officials were initially in support of an aboveground route for the Metro through Tysons, he said, and when local officials recently decided a tunnel was better, federal officials simply told them that it would be difficult to change plans. He agreed, however, with criticisms of the military relocation, which he called a "horrendous land-use decision."

Particularly aggravating to some about the transfers to Belvoir is that the Army has so far ruled out putting any of the elements at a huge, underused GSA warehouse in Springfield, a couple of miles from the post and adjacent to a Metro station. The Army says it is too complicated for it to get control of the site.

Other local officials hold out the hope that the relocations to Belvoir, which are supposed to be done by 2011, won't be carried out fully. It's possible, they say, that the road upgrades needed for the move will be found to be too costly or that a new defense secretary will soon replace Donald H. Rumsfeld, a top proponent of consolidating employees on posts.

But Pentagon spokesman Chris Isleib said it was unrealistic to expect a pullback on transfers. The relocation "is a matter of law, and we remain committed to it," he said.

OTHER NEWS:

Incomes Rose Last Month; Spending Was Restrained (NYT)

By Jeremy W. Peters

The New York Times, October 31, 2006

Americans' incomes rose last month at the quickest pace since June, but consumers did not respond by rushing out to splurge as gasoline prices fell from their summer peak.

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Instead, they spent at about the same pace and put more money aside. As a result, the nationwide personal savings rate came the closest it has in a year and a half to climbing out of the red.

The Commerce Department reported yesterday that personal income in September increased at a seasonally adjusted annual pace of 0.5 percent, compared with 0.4 percent in August. Personal consumption spending, meanwhile, rose 0.1 percent in September after a 0.2 percent increase in August.

The net personal savings figure improved in September to a seasonally adjusted annual pace of minus $15 billion, compared with minus $49 billion in August. And while Americans are still living richer lives than their paychecks can sustain, savings have not been healthier since May 2005. They have been in the red since the month before, in April 2005.

With Americans earning more and spending more, economists expect that the gross domestic product will expand faster than it did in the third quarter. On Friday, the Commerce Department reported growth of 1.6 percent from July through September — by far the slowest quarter this year.

A number of factors, including falling gas prices and growing disposable income, are likely to lift consumer spending modestly in the months ahead.

"The current environment of declining energy prices and healthy wage growth is a pretty potent combination going forward," said Drew Matus, senior economist with Lehman Brothers. "It would not be surprising if you saw consumption continue to increase to some degree."

Most experts agree that any increase in consumer spending in the remainder of the year will not be a striking one. "This isn't going to unlock a spending frenzy," said Brian A. Bethune, an economist with the research firm Global Insight. "It's going to be moderate, but it's not going to be explosive."

When last month's spending figures are adjusted for inflation, they indicate more growth. Spending increased 0.4 percent in September when inflation was factored in, as distinct from 0.1 percent growth excluding price increases. The rise reflected an increase last month in purchases of durable goods — big-ticket items like vehicles and home appliances. Real disposable income grew 0.8 percent in September when adjusted for inflation, or 0.5 percent unadjusted.

Aggregate measures of income, like the one in yesterday's report, have had healthy gains over the last year. But government reports have consistently found that the pay of most Americans has not kept up with inflation, suggesting to economists that the overall gains are largely a result of big increases among households in the very top income brackets.

Yesterday's report also showed that inflation tempered somewhat in September. That is consistent with the Federal Reserve's view that the slowing economy will moderate rising prices. Still, a measure of inflation remains above what the Fed chairman, Ben S. Bernanke, has said is healthy.

In remarks yesterday in Baltimore, an inflation hawk, Jeffrey M. Lacker, president of the Federal Reserve Bank of Richmond, Va., repeated his concern that inflation remained uncomfortably high. At the last three Fed meetings, Mr. Lacker has been the only member of the Fed's rate-setting committee to vote for an increase in the benchmark overnight lending rate. Since August, the Fed has voted three times to hold the rate steady at 5.25 percent.

The Fed prefers that the "core rate" of growth in personal consumption spending, which excludes the volatile prices of food and energy, not exceed 1 percent a year, and it regards anything over 2 percent as too high.

In September, the core measure was up 2.4 percent compared with September 2005. Still, that was a little better than August, when the core rate was up 2.5 percent, an 11-year high.

Gasoline Prices Inching Up Again (USAT)

By James R. Healey

USA Today, October 31, 2006

1-cent increase to $2.218 is first since Aug. 7

Gasoline prices are creeping back up after declining steadily for about three months. But there's disagreement about where prices go now.

The U.S. average for a gallon of regular is $2.218, the U.S. Energy Information Administration said Monday, up 1 cent from last week.

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That's the first time the weekly number has risen since Aug. 7, when the average peaked at a near-record $3.038.

Prices this week generally were down in the West, up in the Midwest and East, the EIA reported.

Last week's average, $2.208, was the lowest EIA recorded this year.

Fred Rozell, gasoline price analyst at consulting firm Oil Price Information Service, says the increase is just a blip on the way to lower prices at the pump. The average "may yet drop to about $2.10 per gallon nationally before the year is out," Rozell says.

OPIS follows daily transaction prices at more than 60,000 service stations, a much larger survey than EIA's, though the two almost always track closely.

Unless something extraordinary happens, "I don't think we'll see any major increases until at least late February or early March," Rozell says. "Numbers will hold steady or bounce between a fairly narrow range for a few weeks."

EIA's latest fuel price outlook, published Oct. 10, isn't as optimistic. It forecasts an average of $2.29 for the current quarter. That means prices would drift back up about a nickel from the average $2.245 so far this quarter. Its next outlook is due out next Tuesday.

A USA TODAY poll conducted in mid-September found that 42% of Americans believe the price of gasoline is being manipulated by the White House to help Republicans win the Nov. 7 elections. Lower prices benefit the party in power, the thinking goes.

Instead, prices vary with demand — up in spring and summer, when Americans drive a lot, and down other times — according to petroleum experts.

Iraj Ershaghi, director of the petroleum engineering program at the University of Southern California, has studied fuel price fluctuations. He says gasoline prices follow predictable patterns.

"Seasonal variations can be modeled very nicely and explain (prices) very nicely," he says. "The message is: Consumers can control the price if they cut consumption."

Cutting consumption 10% would lower the price of oil to $30 a barrel, he says. That's about half Monday's price of $58.36 a barrel, down $2.39. The price of oil accounts for about 55% of the price of gasoline. Refining costs and taxes make up most of the rest.

Economists Sharply Divided On Where Economy Goes From Here (USAT)

By Barbara Hagenbaugh

USA Today, October 31, 2006

WASHINGTON — November marks the five-year anniversary of the end of the last recession and the beginning of the latest U.S. economic expansion.

But whether the USA will have another five years of economic growth without sliding into recession — at least matching the record 10-year expansion that ended in 2001 — is an issue that sharply divides economists.

In a USA TODAY survey of economists conducted Oct. 13-18, 24 said the economy will continue to expand for at least another five years. But another 24 said the expansion will likely be truncated by a recession sometime before November 2011.

"Not a chance," says Tucker Hart Adams, owner of the Adams Group, an economic consulting firm in Colorado Springs, about the chances of the expansion hitting the 10-year mark. "Consumers can't continue to spend for another five years. They have too much debt."

But others are more optimistic.

"This is another one of those long expansions," says David Wyss, chief economist for Standard & Poor's in New York. He says with inflation relatively benign, the Federal Reserve will be able to keep interest rates at historically low levels. That will help support the economy, he says.

The previous expansion lasted from March 1991 to March 2001 and was followed by one of the mildest recessions in history. An expansion of 120 months was not just the longest ever, it far exceeded the average duration of expansions since World War II. The average length of expansions in the postwar period is 57 months, according to the National Bureau of Economic Research, a private group that is the nation's arbiter of business cycles.

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So at five years, this expansion is already above average.

"Very rarely are we in recession nowadays," says Scott Anderson, senior economist at Wells Fargo in Minneapolis.

He attributes that to the switch from a manufacturing-based economy to a service-based economy. Manufacturing is subject to more volatility, Anderson argues.

"We can remain in this expansion for another five or six years," Anderson says.

Merrit Baker, president of staffing firms MedX and 21st Century Staffing in Conshohocken, Pa., says companies are in a "hiring mode" and staffing is picking up in some areas, particularly for engineers and people in medical fields. That suggests the expansion is healthy.

"We are economy-sensitive," Baker says of his industry. "If the economy is not doing well, companies aren't hiring."

National Association of Manufacturers chief economist David Huether says strong productivity growth, a healthy global economy and firms' successful inventory management are all factors that could help the expansion hit the 10-year mark.

"The foundations for a long-lasting expansion are there," he says.

S&P's Wyss says expansions follow a typical pattern. At the beginning, the economy grows at a healthy clip. Somewhere around the midpoint, there is a slowdown and a "soft landing," in which the economy avoids recession. The economy then picks up speed again.

Wyss says the economy is currently in the soft-landing period, marked by below-average economic growth. The government reported last week that the economy grew at a tepid annual rate of 1.6% in the third quarter, slowed by a slumping housing sector. Such a period of slower growth reduces inflation and thus "buys you another expansion phase."

But the economy is not recession-proof. A number of issues, including a renewed surge in energy prices, a deeper-than-expected drop in the housing market or a sudden decline in foreign investment in the USA, could cause the expansion to end, Wyss says.

Economist Adams sees consumers as the biggest risk. Consumers' saving rates have been negative for a year, meaning they are spending more than they are earning. That means they are ill-prepared for a change, such as a job loss or increase in debt payments.

Adams notes many homeowners have adjustable-rate mortgages and their payments are rising as their fixed-rate periods are ending. The Federal Reserve estimates that 20% of outstanding mortgages have variable rates. Half of those are set to change interest rates this year, Fed Chairman Ben Bernanke told lawmakers earlier this year.

The change in mortgage payments, combined with a lack of saving, will make it too hard for consumers to keep up their spending habits, Adams says. Consumer spending accounts for more than two-thirds of all U.S. economic activity.

"The last recession was a business-led recession because of the over-investment in technology in the '90s and getting ready for Y2K. … With that exception, recessions are caused when consumers cut back on spending," says Adams, who says colleagues are calling her the Duchess of Doom.

Consumers are showing little optimism about the economy. In a USA TODAY/Gallup survey of 1,002 adults conducted Oct. 20-22, 44% rated the economy as "good" or "excellent," while 33% said the economy was "fair," and 22% said it was "poor." One percent did not register an opinion.

"I am not very positive about the economy. I think it's average at best," says Joel Libava, president of Franchise Selection Specialists in Cleveland. He doubts the economy will make it another five years without recession, particularly given his Midwestern vantage point, where companies are closing factories and laying off workers.

Some economists simply say the odds just aren't in the economy's favor. "Ten years is unusual, so for that reason alone, I say no," says Mike Englund, chief economist for Action Economics in Boulder, Colo.

Core Inflation Measure Eases But Leaves Questions For Fed (WSJ)

By Christopher Conkey And Campion Walsh

The Wall Street Journal, October 31, 2006

WASHINGTON -- A closely watched measure of consumer prices eased somewhat last month, but inflation remains a big question for Federal Reserve policy makers and the economy.

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The Fed's preferred inflation measure -- the price index for personal consumption expenditures excluding food and energy -- rose 0.2% in September after an upwardly revised 0.3% gain in August, the Commerce Department said. Compared with a year earlier, this measure of "core" inflation was up 2.4% last month, less than the 2.5% pace in August.

Despite the slight downtick last month, the annual increase in the measure of core inflation remains well above the informal range of 1% to 2% that Fed policy makers would prefer. At the same time, the economy's growth rate in the third quarter was considerably below normal.

That combination, economists said, will continue to keep the Fed from raising or lowering interest rates until it becomes clear which is a more serious threat. "As long as there are no large changes on either side of this equation, a somewhat uneasy standstill is probably the most likely outcome for monetary policy," wrote Joshua Shapiro, chief U.S. economist at MFR Inc., in a research note.

The overall index of personal consumption expenditure prices fell 0.3% last month after a 0.3% rise in August, driven down by lower gasoline prices. Consumer spending rose a modest 0.1% in September, a bit lower than the 0.2% gain in August, the report showed. Given the overall drop in consumer prices last month, inflation-adjusted spending rose 0.4% last month.

Economists took these figures as a sign that lower gasoline prices are raising consumer spending. "We're seeing pretty good, respectable advances in real spending despite the fact that the housing market is weak," said Brian Bethune, an economist at Global Insight. "It looks like the drop in gasoline prices is having the bigger impact."

Personal income jumped 0.5% last month after a 0.4% gain in August, suggesting that solid gains in wages and other forms of compensation also are buoying spending growth. With income growth outpacing spending growth last month, the savings rate -- personal savings as a percentage of after-tax income -- improved to negative 0.2% in September from negative 0.5% the previous month.

Economists are also concerned that significant wage growth could put upward pressure on prices by raising business costs when productivity growth is slowing. The Labor Department will release its latest estimates on employee compensation and productivity trends, starting today with the release of third-quarter employment costs.

Meanwhile, the Fed's quarterly survey of senior loan officers found that "demand for most loan types declined somewhat" in August through October. U.S. banks reported weaker demand for commercial-real-estate and residential-mortgage loans amid the housing market's downturn. Lending standards for residential-mortgage loans tightened.

Demand for commercial and industrial loans was essentially flat from the previous survey, although U.S. banks reported easing lending standards for these loans.

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We Support Simplicity (USAT)

By Ed Yingling

USA Today, October 31, 2006

With credit cards practically a necessity in today's marketplace, it's critical that consumers know how to use them. That's why the credit card industry is engaged in an effort, spearheaded by the Federal Reserve, to simplify and humanize the language we use. More important, this effort won't consist of lawyers and regulators imagining how consumers might react. The new disclosures will be tested with real, live consumers.

Simpler won't be easy. As a recent study by the Government Accountability Office (GAO) points out, the legalese in credit card disclosures results from issuers' need to meet statutory requirements and their desire to avoid being sued.

So, there's work to be done on the disclosures — and we're doing it. Credit card lenders fully support the Federal Reserve's effort to make disclosures easier to read and understand so that consumers can make informed decisions.

The GAO report also reveals many positive credit card trends.

Up until 1990, credit cards charged a higher, fixed interest rate, often came with an annual fee and were available to only the most credit-worthy consumers.

Today, technology and competition have helped make cards available to many more people, at a price consistent with the risk each person presents.

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The result is that the majority of cardholders — 80%, according to the GAO study — enjoy interest rates below what they would have paid 15 years ago. And interest rates are effectively zero for about half of all account-holders, who pay their balances off each month.

Furthermore, the GAO found that cardholders paid 66% less in annual fees in 2004 than they did in 1990. It also concluded that most cardholders don't appear to be paying penalties, such as late or over-the-limit fees, which are avoidable.

Credit card customers have never had more choices or lower interest rates than they do today.

Broader access to credit for more people at lower rates — we think that's progress.

Ed Yingling is president and CEO of the American Bankers Association.

Bush: Democrats Lack Plan To Win Iraq War (AFP)

By Laurent Lozano

AFP, October 31, 2006

US President George W. Bush charged that "terrorists win and America loses" if opposition Democrats win November 7 legislative elections dominated by the unpopular Iraq war.

"If you listen carefully for a Democrat plan for success, they don't have one. Iraq is the central front in the war on terror, yet they don't have a plan for victory," he told cheering Republican faithful at a rally here.

The bloody war in Iraq has claimed the lives of more than 2,800 US troops, depressed Bush's poll numbers, and raised the prospect of a Democratic victory in looming mid-term elections that will shape Bush's last two years in office.

The president, kicking off an aggressive final week of campaigning, defiantly defended the March 2003 US-led invasion of Iraq and painted the opposition party as eager to leave "before the job is done" there.

"The Democrat approach in Iraq comes down to this: The terrorists win and America loses. That's what's at stake in this election. The Democrat goal is to get out of Iraq. The Republican goal is to win in Iraq," he said.

At a campaign stop in Georgia, Bush unapologetically stood by his decision to go to war in Iraq and urged Republican activists not to lose hope, declaring: "This election is far from over."

Bush acknowledged "tough" fighting in Iraq, where US forces have been locked in some of the bloodiest battles since the March 2003 US-led invasion to oust Saddam Hussein on grounds he possessed weapons of mass destruction.

While no such weapons were found, Bush said the world agreed with him that the Iraqi leader posed a threat, and declared: "Getting rid of Saddam Hussein was the right decision, and the world is better off."

As he spoke, the number of US soldiers and civilian contractors killed in October in Iraq reached 102 even as US national security adviser Stephen Hadley held unannounced talks with his Iraqi counterpart in Baghdad.

The White House said that Hadley's talks were "long-planned" and dismissed any link to "overblown" strains between Washington and the fledgling government of Prime Minister Nuri al-Maliki.

Hadley and Iraq's national security adviser, Mowaffaq al-Rubaie, discussed "accelerating the training of the Iraqi armed forces" and giving them a broader role in Iraq, according to a statement from Iraq's government.

Maliki and US officials have sparred verbally over setting what the White House calls "benchmarks" for progress on the security and political fronts in Iraq, where 101 Americans have been killed in October.

Hadley's visit came after Bush and Maliki held a videophone summit on Saturday to iron out disagreements on how to improve security in Iraq and agreed to form a new US-Iraq security committee.

"I think that the press reports about the relationship being sensitive are overblown," Bush spokeswoman Dana Perino said aboard the president's Air Force One airplane as he kicked off a frenzied final week of campaigning.

Democrats, heartened by polls giving them an edge nationwide and in a handful of key races, need 15 seats to take control of the 435-seat House of Representatives and six seats to capture the 100-seat Senate.

Bush's Republicans, significant numbers of them publicly distancing themselves from the president and the party, hoped that their powerful get-out-the-vote machine would make the difference on election day.

"The point of the president going is to maximize turnout," said Perino. "A lot of these races are starting to close and there's some really highly competitive ones, and that's probably where you're going to see the president."

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America Loses If Democrats Win, President Says (LAT)

By James Gerstenzang

The Los Angeles Times, October 31, 2006

SUGAR LAND, Texas — Using the backdrop of the Iraq war to launch some of his toughest campaign attacks this political season, President Bush on Monday accused Democrats of being more concerned with pulling U.S. troops out of Iraq than with winning the war.

Kicking off the final week of a campaign that will determine whether his party will retain its House and Senate majorities, Bush went to the heart of issues that helped Republicans come out on top in 2002 and 2004: terrorism, taxes and a conservative social agenda.

Bush listed several key anti-terrorism measures opposed by Democrats, noting that when it came to eavesdropping on suspected terrorists, detaining them or trying them, members of that party "just say no."

"So when the Democrats ask for your vote, what's your answer?" he asked his audiences here in Texas and earlier in Statesboro, Ga., where more than 5,000 supporters gathered at Georgia Southern University.

"Just say no!" the crowd roared at each stop.

The office of Senate Minority Leader Harry Reid (D-Nev.) issued a terse response: "Contrary to the president's intentions, Americans are just saying no to his administration's no-plan, no-end approach to Iraq."

In the campaign's final week, Bush is barnstorming across the country, appearing at what the White House calls "2006 victory rallies" and serving up red-meat Republican issues to the party faithful to get these core GOP voters to the polls.

To reach that constituency, Bush also took to the airwaves Monday, as did Vice President Dick Cheney, with each giving an interview to programs on Fox News Channel.

Cheney told "Your World With Neil Cavuto" that insurgents in Iraq had timed the increase in violence — October has been the fourth-deadliest month for U.S. troops, with more than 100 killed — to the U.S. political calendar.

FOR THE RECORD:

An earlier version of this article incorrectly stated that there had been a steady decline in in the U.S.'s gross domestic product over the past three years. It's the GDP's rate of growth that has declined.—

"It's my belief that they're very sensitive to the fact that we've got an election scheduled," he said.

In an two-part interview that began Monday on "Hannity & Colmes," Bush said that some Democratic leaders "are becoming isolationists. And that's dangerous."

"Protecting this country and keeping this economy growing are the two most important issues," he said. "And you can't protect the country if you retreat from overseas, and you can't keep the economy growing if you raise taxes. And that's exactly what the Democrats in the House would like to do."

In Georgia, Bush drew sharp partisan distinctions as he belittled the opposition to the war, which is proving a powerful pro-Democrat issue: "The Democrat approach on Iraq comes down to this: The terrorists win, and America loses," he said.

"The Democrat goal is to get out of Iraq. The Republican goal is to win in Iraq," he said. "You cannot win a war unless you are willing to fight the war."

On the economy, Bush linked the growth of jobs — 6.6 million added since August 2003, he said — and a 2.2% increase in average wages over the last year with the tax cuts championed by his administration.

Adopting one of his signature campaign lines for the current week, he said, "If you want to keep that money in your pocket instead of sending it to Washington, D.C., you vote for Republicans on election day."

And he returned again to an issue important to evangelicals and other social conservatives, attacking last week's New Jersey state Supreme Court ruling that "raises doubt about the institution of marriage" to bolster his case for Republican candidates who would oppose judges who "legislate from the bench."

The president's opposition to same-sex marriage brought the audience to its feet: He could not have asked for a better response in motivating supporters to get to the polls.

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"You can bet one thing — we're going to sprint to the finish line," Bush said, presaging a full-bore week of campaigning not only by him, but also by Cheney, who is traveling to Montana on Wednesday, and First Lady Laura Bush, who was in Pennsylvania and New Hampshire on Monday and will end up Thursday evening at a rally in Rocklin, Calif.

"When our voters show up at the polls," the president predicted, "we will keep control of the House and Senate."

His declarations of victory notwithstanding, the president's appearance Monday in this Houston suburb illuminates the Republicans' difficulties this year.

Sugar Land is the hometown of former House Majority Leader Tom DeLay, who has come to symbolize ethical lapses in Congress. His indictment by a state grand jury on campaign finance charges and the attention paid to his association with lobbyist Jack Abramoff, convicted in an influence-peddling scandal, led him to abandon his reelection race in April and resign from the House in June.

Under Texas election laws, the candidate eventually endorsed by the Republican Party, Shelley Sekula-Gibbs, faces a complicated task: Because DeLay dropped out of the race after the Texas primary in March, her supporters will need to vote for her twice: once on the regular ballot as the candidate in a special election to finish out DeLay's current term, and again as a write-in candidate for the two-year term starting in January.

So, as dusk fell, there was Bush, in an airport hangar, delivering a message of Republican conservatism to Texans whose fervor would not normally need stoking.

Bush Rallies G.O.P. Faithful In Georgia And Texas (NYT)

By Sheryl Gay Stolberg

The New York Times, October 31, 2006

SUGAR LAND, Tex. Oct. 30 — President Bush zigzagged from Georgia to his home state of Texas today, stumping for Republicans in Bush-friendly districts while looking ever more like the candidate himself.

Here in the Houston suburb once represented by Tom DeLay, Mr. Bush was greeted at a campaign rally like a man whose public approval ratings are 73 percent, not 37 percent. Campaign volunteers who had jammed into an airplane hangar climbed atop one another's shoulders to catch a glimpse of him. Little children sported buttons with his likeness and waved tiny Texas flags. One supporter raised a handmade "Dubya" sign.

Mr. Bush, his shirt collar open, his sleeves rolled up, soaked it all in before delivering a speech that laid into Democrats for, among other things, opposing tax cuts and lacking a strategy in Iraq. It was a reprise of a fiery talk he gave hours earlier at a college gymnasium in Statesboro, Ga.

"It's a serious political party in the midst of a war, and they have no plan for success," Mr. Bush said in Sugar Land, after proclaiming, "We will not run from thugs and assassins." It was a moment when the president could defend his record in Iraq to thunderous applause.

The back-to-back rallies created just the image White House strategists are seeking for the president in the waning days of the campaign: that of a confident leader, surrounded by adoring supporters.

The intent is to fire up the party faithful and push them to the polls to vote, but at times it seemed as if Mr. Bush was the one getting fired up. The president seemed to relish playing the game of political expectations, as he tweaked Democrats for measuring for new curtains in Washington too soon.

"You might remember that around this time in 2004, some of them were picking out their new offices in the West Wing," Mr. Bush said in Georgia. He paused to absorb the laughter and applause, then added dryly, "The movers never got the call."

After weeks of focusing on the economy and the war on terror, Mr. Bush has also tweaked his standard stump speech. It has been refashioned to include a broad defense of his record in a range of areas: education, energy policy, border security, immigration, Medicare prescription drug benefits and the appointment of two conservative justices to the Supreme Court.

One of his biggest applause lines in Georgia was a reiteration of his position that "marriage is a union between a man and a woman.'' The line brought the crowd to its feet.

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"The most important issues to Republican voters are tax cuts to the economic conservatives, and judges and marriage, pro-life issues to the social conservatives," said Charlie Black, a Republican strategist with close ties to the White House. "So he's reminding them that he's got a good record on those things."

Mr. Bush, of course, is not on the ballot. But with analysts predicting Republicans could lose control of one or both chambers of Congress, White House strategists are sending the president to those districts where he might just drag a Republican candidate across the finish line.

One such district is Sugar Land, whose political landscape looks something like a Shakespeare play. The name of Mr. DeLay, who resigned from Congress after being indicted on charges of conspiring to violate Texas election laws, remains on the ballot, though he is not running. That left Mr. Bush to implore Republicans to write in the name of a candidate whose name is not easily written: Shelley Sekula-Gibbs, a dermatologist who serves on the Houston City Council.

She is running against Nick Lampson, a Democrat who lost his seat in a redistricting engineered by Mr. DeLay. Polls show the two running neck and neck, but Bruce Buchanan, a political science professor at the University of Texas at Austin, said Mr. Bush is still popular enough here to help Ms. Sekula-Gibbs.

"He's still got legs," Mr. Buchanan said.

Mr. Bush certainly showed his legs in Statesboro, Ga., where an estimated 6,000 people packed into the gymnasium at Georgia Southern University to see him campaign for Max Burns, a former congressman who two years ago lost his seat to Representative John Barrow, a Democrat. Hundreds more were lined up outside, apparently holding tickets but unable to get in.

In the crowd was Darin Van Tassell, a political scientist who said that if Mr. Bush could motivate Republicans anywhere in Mr. Barrow's district, it would be at Georgia Southern, where Mr. Burns was a professor of business administration before going into politics.

"Barrow has a chance to be the only incumbent Democrat who might lose," Mr. Van Tassell, who counts himself a Democrat, said. "I think this particular race has a chance to run completely counter to the rest of the country, which is probably why the president is here."

Bush Hits Hard At Gay Marriage (AP)

By Jennifer Loven

AP, October 31, 2006

President Bush has for months cast the midterm elections as a choice about just two issues: taxes and terrorism. Now, with polls predicting bleak results for Republicans, he is trying to fire up his party by decrying gay marriage.

"For decades, activist judges have tried to redefine America by court order," Bush said Monday. "Just this last week in New Jersey, another activist court issued a ruling that raises doubt about the institution of marriage. We believe marriage is a union between a man and a woman, and should be defended."

The line earned Bush by far his most sustained applause at a rally of 5,000 people aimed at boosting former GOP Rep. Max Burns' effort to unseat a Democratic incumbent. In this conservative rural corner of eastern Georgia, even children jumped to their feet alongside their parents to cheer and clap for nearly 30 seconds — a near-eternity in political speechmaking.

The New Jersey Supreme Court ruled that same-sex couples must be given all the benefits of married couples, leaving it up to the state Legislature to decide whether to extend those rights under the structure of marriage or something else.

One alternative, civil unions, is an idea Bush supports. But he ignored that on the way to portraying the New Jersey decision as the kind of thing America should do without.

"I believe I should continue to appoint judges who strictly interpret the law and not legislate from the bench," the president said, earning more applause in the sweltering basketball arena at Georgia Southern University. He pointed to his nominations to the Supreme Court of Chief Justice John Roberts and Samuel Alito.

The gay-marriage theme became a staple in Bush's political remarks last Thursday, the day after the New Jersey ruling on a touchstone issue for religious conservatives who are crucial to Republican electoral calculations. White House deputy press secretary Dana Perino said it was added merely to respond to the ruling — not because his other messages were failing to connect.

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But the lines, repeated to great enthusiasm at a second rally later Monday in Texas, mark one of the only substantive changes in the president's stump speech as he turns from raising money for Republican candidates to encouraging the GOP faithful to vote Nov. 7.

To that end, he was focusing on the South.

After campaigning for Burns, trying to win back the seat conservative Democrat John Barrow took from him in 2004, Bush flew to the district vacated by former House Majority Leader Tom DeLay, R-Texas. DeLay resigned in June amid a series of investigations of his fundraising activities.

Organizers said Bush's appearance in a partially filled airport hangar in Sugar Land, Texas, drew over 6,000 to support Republican Shelley Sekula-Gibbs' write-in campaign to replace DeLay. The former Republican party star and Bush ally on Capitol Hill was nowhere to be seen, and the president never mentioned DeLay's name.

The election in the reliably conservative district outside Houston is complicated. Republicans were legally barred from replacing DeLay's name on the ballot. So supporters must choose Sekula-Gibbs twice — once for the special election filling out DeLay's term and again for the general election for the next Congress.

She faces former congressman Nick Lampson, who has outraised and outspent her, giving Democrats a chance at a seat long in the GOP's hands. A Lampson victory would also be sweet revenge for an opposition party that DeLay fought at every turn while in office.

On Tuesday, Bush is heading back to Georgia, a state he twice won comfortably. Tuesday's rally, about 130 miles west of Statesboro, is aimed at helping another former GOP congressman, Mac Collins, oust Democratic Rep. Jim Marshall.

After Thursday, the president's schedule remains fluid, as his political advisers balance the need for help in tight races against the president's unpopularity.

Bush pleaded with Republicans not to give up on the election — and mocked Democrats.

"You might remember that about this time in 2004, some of them were picking out their new offices in the West Wing," he said. "The movers never got the call."

Democrats ridiculed him back, for an itinerary that took him to once-solid Republican areas.

"Clearly President Bush is more of a liability than an asset as he's forced to stump for candidates in districts that were once considered safe for Republicans," said Democratic National Committee spokeswoman Stacie Paxton.

The president played down the idea that next Tuesday's vote is a referendum on his embattled presidency. "This is different from a presidential campaign because it's not necessarily a national election, in that each congressional race really depends upon the candidates and how they carry the message," he said in an interview on Fox News Channel's "Hannity & Colmes."

Bush also rejected the idea he'll become a lame duck after the elections. "I promise you I'm going to be president up until the very last day, and I've got a lot to do," he said.

Bush Campaigns In GOP-friendly Georgia (AJC)

By Tom Baxter

The Atlanta Journal-Constitution, October 31, 2006

Statesboro – With Republicans invoking Halloween images of what could happen if Democrats take over the House, President Bush on Monday focused on a section of the country that could help stave off a GOP nightmare Nov. 7: Georgia.

"It's great to realize that we are just as important as the rest of the country," said Edwin Brantley, who came with wife Brenda from Vidalia to rally with the President at Georgia Southern University in support of 12th District congressional candidate Max Burns.

GOP Staples Restored To Bush Campaigning (WT)

By Stephen Dinan

The Washington Times, October 31, 2006

SUGAR LAND, Texas -- President Bush has started campaigning on conservative staples such as judicial nominees, border security and defining marriage as between a man and a woman -- themes that have been absent for most of the election season, but which he is now using to energize the party's base.

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At rallies drawing a combined 12,000 people in Georgia and Texas yesterday, Mr. Bush said Republicans have delivered on those issues and drew gigantic applause for both his defense of marriage and his promise to secure the borders.

"We will win this election because Republicans understand the values and priorities of the American people," the president said as he visited two critical congressional districts.

The new themes are additions to tax cuts and the war in Iraq -- the standards Mr. Bush has focused on for the past two months, and on which he said last week that the election will be a referendum.

White House spokeswoman Dana Perino said themes were added because Mr. Bush is speaking to different audiences at the rallies and said this stump speech will carry Mr. Bush through Election Day.

Until now, Mr. Bush had filled his schedule with fundraisers. He only went to his first rally of this election season, in Indiana, on Saturday, and then held two rallies yesterday -- the second one, in Texas, complete with a fireworks send-off for Marine One, the president's helicopter.

In that district, he was trying to help Republicans thread the needle by electing a write-in candidate to save the seat being vacated by former House Republican leader Tom DeLay. Earlier, in Georgia, the president rallied with Max Burns, a former congressman who lost re-election in 2004, but is in a tight race to reclaim his seat.

The Democratic National Committee said Mr. Bush's late arrival on the rally circuit is a sign of his unpopularity.

"Clearly, President Bush is more of a liability than an asset as he's forced to stump for candidates in districts that were once considered safe for Republicans," DNC spokeswoman Stacie Paxton said.

Mrs. Perino said Mr. Bush's appearance at get-out-the-vote rallies can help conservative turnout in races that could be swung by several thousand ballots.

Mr. Bush had not mentioned immigration on the campaign trail until these rallies.

"For decades, we haven't had complete control over our southern border, and illegal immigration has been on the rise. So I acted," he said, touting increases in the U.S. Border Patrol and his deployment of National Guard troops to support them. "We will reform our immigration system, and we will uphold the immigration laws."

Mr. Bush also returned to judges -- a theme that Republican senators say was worth several percentage points in seats across the country in the 2002 and 2004 congressional races, but which had been absent on the stump.

"I believe I should continue to appoint judges who strictly interpret the law and not legislate from the bench," he said. "America is better off because John Roberts and Sam Alito are serving on the Supreme Court of the United States."

Only a handful of write-in candidates have won election to Congress, and the challenge is steep, even in this conservative district. Mr. DeLay's name remains on the ballot, so Republicans are asking their voters to write in Houston City Council member Shelley Sekula-Gibbs.

Republicans have made several maneuvers, including scheduling a special election to fill the empty seat for the final two months of this Congress, which means voters will see Mrs. Sekula-Gibbs' name on at least one ballot.

Mr. Bush's visit, following an earlier one by Vice President Dick Cheney, is designed to boost her name recognition so voters will remember to write her in.

One indication of the challenge is Mrs. Sekula-Gibbs' name. She hyphenates it, but the most common electronic voting machine used in this district doesn't allow a hyphen for a write-in, so she's changed her Web site and campaign signs to drop the hyphen. Still, the legacy is tough to change -- some of those at yesterday's rally wore stickers with the name still hyphenated.

Bush Stumps For Sekula-Gibbs In Sugar Land (HC)

By Kristen Mack And Eric Hanson

Houston Chronicle, October 31, 2006

President Bush, his collar open and his sleeves rolled up, told 2,000 cheering Republicans in Sugar Land today that they should "bring your pencil" to the polls and write-in the name of Shelley Sekula-Gibbs to succeed Tom DeLay in the U.S. House.

"I always feel better when I'm in Texas," Bush said to the crowd packed into a hangar at the Sugar Land airport, before urging them to take the extra steps necessary to vote for Sekula-Gibbs.

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Most voters won't really need a pencil to cast write-in votes because they'll use electronic voting machines. If they write in the councilwoman's name, they'll turn a dial selecting the 18-letter name a character at a time.

"I know I could have given you an easier name and next time I'll think about that," Sekula-Gibbs told the crowd as they waited for the president. Bush was expected to deliver a 45-minute speech before heading by helicopter back to Ellington Field and departing on Air Force One.

Sekula-Gibbs is the party-backed write-in candidate to succeed DeLay, R-Sugar Land, who resigned from Congress after winning the Republican nomination for a 12th term.

A new Chronicle-11 News poll indicates that the race is close, even though Democratic nominee Nick Lampson and Libertarian Bob Smither are on the ballot for the term that begins in January and Sekula-Gibbs isn't.

She is on the ballot in a separate, special election for the final weeks of DeLay's term.

"It's not every day the president of the United States comes to help a girl from Floresville campaign," Sekula-Gibbs said, referring to her south central Texas birthplace.

Also speaking at today's rally were U.S. Sen. Kay Bailey Hutchison, R-Texas, U.S. Rep. Kevin Brady, R-The Woodlands, state Sen. Kyle Janek, R-Houston, and state Rep. Charlie Howard, R-Sugar Land.

A handful of protesters walked along Texas 6 near the airport carrying signs against the war in Iraq , but they never were close to the president or the rally.

Lampson kept a low profile as Republicans awaited the president today, meeting privately with donors. He planned to attend a small event tonight at a cousin's house in Pearland.

Lampson campaign manager Mike Malaise issued a statement saying Bush came to town "to try and stir up the base for one of our opponents because she is such a hard sell to that base."

Bush Says 'America Loses' Under Democrats (WP)

By Michael Abramowitz, Washington Post Staff Writer

The Washington Post, October 31, 2006

White House Talk Heats Up As Polls Show Tight Races

SUGAR LAND, Tex., Oct. 30 -- President Bush said terrorists will win if Democrats win and impose their policies on Iraq, as he and Vice President Cheney escalated their rhetoric Monday in an effort to turn out Republican voters in next week's midterm elections.

Democratic operatives continued to broaden the field of races they believe are competitive enough to merit last-minute investments, as the party's House election committee launched ads in typically conservative districts of Kentucky, Nebraska and Nevada. In the Senate battle, new public and private polls yesterday indicated very tight races in Tennessee, Virginia and Missouri, the last of which is shaping up as possibly the country's tightest contest.

Faced with potential GOP defeat in both chambers, Bush and Cheney aimed to avert that by convincing voters that they cannot risk giving the opposition party any power in Washington.

"However they put it, the Democrat approach in Iraq comes down to this: The terrorists win and America loses," Bush told a raucous crowd of about 5,000 GOP partisans packed in an arena at Georgia Southern University in Statesboro, one of his stops Monday. "That's what's at stake in this election. The Democrat goal is to get out of Iraq. The Republican goal is to win in Iraq."

Democrats reacted sharply to the latest White House attacks. Senate Minority Leader Harry M. Reid (Nev.) said Bush "resorted to the same tired old partisan attacks in a desperate attempt to hold on to power." House Minority Leader Nancy Pelosi (Calif.) said Bush is looking to retain a "rubber-stamp Republican Congress that has done nothing to change our failed Iraq policy."

Cheney, meanwhile, said in an interview with Fox News that he thinks insurgents in Iraq are timing their attacks to influence the U.S. elections.

"It's my belief that they're very sensitive of the fact that we've got an election scheduled," he said. Cheney said the insurgents believe "they can break the will of the American people," and "that's what they're trying to do."

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The increasingly combative tone from the White House signaled a coordinated GOP effort to use every channel to remind conservatives why they should turn out to vote, despite what many say is their disenchantment with the Mark Foley page scandal, anger over escalating federal spending and anxiety over the course of the Iraq war. Bush held a telephone conference call with about 3,000 Republican local officials on Saturday to fire them up for a final get-out-the-vote push. On Monday, Bush invited Fox News talk show host Sean Hannity for a ride on Air Force One and an interview later; the presence of the conservative celebrity stirred its own buzz among the standing-room-only crowd at Georgia Southern. Bush is barnstorming this week before friendly Republicans after months of just raising money for GOP candidates.

But the president's travel schedule in the final week of the campaign is also a stark reminder of his political weakness in many parts of the country -- and in many swing districts -- where it is too dangerous for GOP candidates to be seen with Bush. After his rally in Georgia on Monday, Bush flew here to stump for the GOP candidate trying to succeed former House majority leader Tom DeLay (Tex.), who won his seat by 14 points two years ago before resigning amid the Jack Abramoff scandal. There was no sign of the man who once relished his Capitol Hill reputation as "The Hammer" on Monday's visit, which drew several thousand to an aircraft hangar festooned with a giant Texas flag.

The White House has been leaving it to surrogates to appear in swing areas, with first lady Laura Bush campaigning Saturday for Rep. Nancy L. Johnson (R-Conn.) and press secretary Tony Snow appearing on behalf of Sen. James M. Talent (R-Mo.) among others on Monday.

"The fact that Republicans are working hard to hold on to one of the most Republican districts in the country -- that tells you the depth of the Republican struggles around the country," said Amy Walter, who tracks House races for the nonpartisan Cook Political Report.

White House aides disputed this characterization, saying the Sugar Land race is a special case since DeLay resigned too late for the courts to allow the GOP to replace him on the ballot. Instead, Republicans are promoting Shelley Sekula Gibbs, a Houston City Council member and dermatologist, as a write-in candidate.

Sekula Gibbs is badly trailing former Democratic Rep. Nick Lampson in fundraising, though Cheney recently came here to raise money, and the National Republican Congressional Committee is spending more than $1 million on her behalf. But a poll published Monday by the Houston Chronicle showed the race statistically tied, even though Republicans acknowledge the difficulty of getting voters to write Sekula Gibbs's name on their ballots.

Sara Taylor, the White House political director, said the purpose of Bush's trip Monday was "to shine a spotlight" on the steps Republicans must take to give their candidate a chance to win. "We're going to focus the president's time on places where he can maximize Republican turnout," she added.

Democrats, meanwhile, believe they have the luxury of competing outside their usual strongholds. The Democratic Congressional Campaign Committee is now funding ads in Kentucky's 3rd District, where challenger John Yarmuth is running against Rep. Anne M. Northup (R); in Nevada's 3rd District, where Tessa Hafen is running against Rep. Jon Porter (R); and in Nebraska's 3rd District, featuring rancher Scott Kleeb (D) against state legislator Adrian Smith (R) for an open seat.

In Georgia, Bush is trying to play a little bit of offense this week, appearing on behalf of GOP candidates in two of the few Democratic districts where Republicans have an opportunity to pick up a seat. The vast majority of competitive races around the country are in districts now held by Republicans, which is one reason Democrats are optimistic they can win the 15 seats necessary to gain a majority in the House.

Bush's rally Monday was on behalf of former Republican congressman Max Burns, who is in a close race to regain his seat from freshman Rep. John Barrow (D). On Tuesday, the president is slated to come back to the state for former representative Mac Collins, who is trying to unseat Democratic Rep. Jim Marshall. Both districts were redrawn by the Georgia legislature in 2005 and are now seen as more favorable to Republicans.

Unlike other Democrats, Barrow and Marshall have not sought to distance themselves far from the president. "I agree with George Bush on this one," Barrow said in a recent ad about tax reform.

Ferrel Guillory, who directs the program on southern politics at the University of North Carolina at Chapel Hill, said Bush's popularity has not "tanked" as badly in the South as in the rest of the country. "Having the president in your district in the South is still probably a risk worth taking," he said.

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The crowd at Georgia Southern seemed to respond most enthusiastically to Bush's most conservative lines, roaring for about 10 seconds after he criticized last week's ruling from the New Jersey Supreme Court that gay couples are entitled to the same rights as heterosexual couples. Bush said the ruling "raises doubt about the institution of marriage."

"We believe that marriage is a union between a man and a woman and should be defended," Bush shouted.

Bush also drew a good response from an applause line he used in both Georgia and Texas: "We will not run from thugs and assassins."

In the interview with Hannity on the Fox News Channel's "Hannity & Colmes," Bush said he believes the United States will one day be hit by another terrorist attack. Asked whether the country would be attacked again, Bush said, "I think so, and we've got to do everything we can to stop them."

Staff writer Michael Fletcher and washingtonpost.com staff writer Chris Cillizza contributed to this report from Washington.

Write-in Tightens Race In District 22 (HC)

By Kristen Mack

Houston Chronicle, October 31, 2006

The Republican write-in effort to hold former Rep. Tom DeLay's congressional seat, once viewed as a long shot, has created a tight race, according to a Houston Chronicle-11 News poll.

Thirty-five percent of respondents said they would vote for a write-in candidate, a statistical tie with the 36 percent support for Democrat Nick Lampson, according to the poll of more than 500 likely voters in the 22nd Congressional District.

Most who say they will write in a candidate plan on naming Shelley Sekula-Gibbs, the Houston city councilwoman backed by the Republican Party. Two lesser-known candidates also are running as write-ins.

One voter in four is still undecided.

Libertarian Bob Smither, the only person besides Lampson on the general election ballot, drew 4 percent support.

The third option on that ballot is "write-in." Voters who make that selection on the electronic voting machines that most will use are directed to an alphabet screen, where they use a wheel to spell out their choice's name a letter at a time.

Well-publicized raceAbout two-thirds of voters in the suburban Houston district know how to do that and are aware of a write-in candidacy, the poll shows.

"This is why we have elections and we don't have talking heads decide in May who the winners are going to be," said pollster John Zogby, president of Zogby International, which conducted the poll last week.

"Punditry was coloring the district blue. It's still a Republican district. Even harder than selling a write-in, is selling a Democrat in this district."

Fifty-two percent of poll respondents identified themselves as Republicans, 32 percent as Democrats and 16 percent as independent.

That GOP strength also was evident when poll respondents were asked specifically about Sekula-Gibbs, Lampson and Smither. Sekula-Gibbs drew 52 percent support in that situation, with Lampson holding at 35 percent.

"There reasonably enough would be a substantial number of Republicans looking for a Republican or at least not willing to vote for a Democrat," Zogby said.

But if Lampson were still facing DeLay — as he expected when he entered the race — he would fare much better, walking away with 48 percent of the vote to DeLay's 40 percent, the poll shows.

In the 2004 election, DeLay garnered 55 percent of the vote in a district that went 64 percent for Republican President Bush. DeLay — under fire for close ties to an indicted federal lobbyist and facing his own state indictment on charges relating to campaign finance — resigned from Congress after winning the GOP nomination for a 12th term.

Courts said his resignation came too late for Republicans to replace him on the regular ballot. Sekula-Gibbs is on the ballot in a separate special election to fill the last two months of DeLay's unexpired term. Lampson did not file in that race.

Although her name won't appear on the general election ballot, Sekula-Gibbs won the support of the state GOP as its write-in candidate.

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Once an uphill battleRepublicans widely acknowledged then that her candidacy was an uphill battle. A write-in candidate has never won a U.S. House race in Texas. And only six write-in candidates nationwide have been elected to Congress — five in the House and one in the Senate.

Yet a week before Election Day, Sekula-Gibbs appears to be within striking distance.

"I think we are at the top of the hill. We are ready to plant the flag," Sekula-Gibbs said.

She has made the race close with saturation television advertising, much of it funded by the national party, that illustrates how to cast write-in votes. "This underscores what a weak candidate Lampson is," Sekula-Gibbs said of the Chronicle-Channel 11 poll. "He's spent millions and can't get more than 35 percent of people to support him."

Lampson said he remains encouraged, because it's hard to tell how many people will actually vote for a write-in.

"I felt this was doable from the beginning and I still feel that way now," Lampson said. "I knew I had to reach out to a community used to voting one way politically. And I've had to ask those people to have confidence in me."

Bush coming to townSekula-Gibbs may get a boost today, when President Bush visits Sugar Land for a get-out-the-vote rally. It is one of several free events the president is headlining in the waning days of the midterm campaign, hoping to energize the base and woo disenchanted Republicans.

Most of the tickets required to attend the event already have been distributed by Republican Party officials in the four counties that make up the 22nd District — Harris, Fort Bend, Brazoria and Galveston.

Both Lampson and Sekula-Gibbs remain unfamiliar to one in four likely voters, though neither is new to the district.

Sekula-Gibbs has served on Houston City Council for five years and lives in the Clear Lake part of the district.

Lampson served in the U.S. House from 1997 to 2004, representing about 20 percent of what is now the 22nd District. He lost the seat in 2004 in congressional redistricting engineered by DeLay. He moved last year from Beaumont to Stafford, which is in the district.

"Both candidates seem to be swimming upstream here," Zogby said. "What's clear on one hand, is Nick Lampson seems to have had the opportunity and has not closed the deal just yet. On the same token, Shelley Sekula-Gibbs has a great opportunity in a Republican district."

Fifty-three percent of respondents have favorable opinions of Sekula-Gibbs, while 23 percent report unfavorable impressions. Lampson's favorables and unfavorables are about even — 38 percent favorable to 32 percent unfavorable.

Forty percent of poll respondents say they usually vote straight-party. Thirty-two percent plan on doing so this year.

Republican straight-ticket ballots will not register votes for Sekula-Gibbs, since the special election is nonpartisan and the general election does not have a Republican candidate in the district.

What Would Democrats Do About Iraq? (CSM)

By Howard Lafranchi

The Christian Science Monitor, October 31, 2006

WASHINGTON

In poll after poll, prospective voters name Iraq as the No. 1 issue in the upcoming midterm elections.

So if voters tip one or both Houses of Congress out of Republican control, what impact would that have on the US war effort in Iraq and, more generally, on American foreign policy?

Democrats could conceivably view such an election outcome as a mandate for asserting a markedly different course in Iraq than the one President Bush has set.

But don't expect too much, most experts say.

For one thing, Democrats are not of one mind on what to do about Iraq. And while committees chaired by Democrats might hold more meetings and call more testifiers critical of some White House policies, Mr. Bush would still retain the power of the presidential bully pulpit.

In addition, Bush's foreign policy in the second term has already evolved in a direction - away from unilateralism and toward greater cooperation - that suits both Bush's political opponents and moderates in his own party, some analysts say.

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For others, the differences between Bush and the Democrats on the big foreign-policy issues are really a matter of details and not starkly black and white.

"My hunch is that there wouldn't be a large change in American foreign policy with a divided government because there really hasn't been a deep division over the overall direction of that policy," says Julian Zelizer, a specialist in foreign policy and contemporary American politics at Boston University.

"It's ironic because the rhetoric has been so fierce," Mr. Zelizer adds. "But there is general consensus on the war on terror, and even on Iraq it's principally a matter of specifics - for example, the exit strategy and how to handle the Iraqi government. It's not, 'the president says stay' versus 'the Democrats say get out now.' "

Indeed, while some Democratic members of Congress have fielded ideas that have pushed the Iraq debate forward - Rep. John Murtha of Pennsylvania calling for a withdrawal from Iraq, or Sen. Joseph Biden of Delaware proposing a confederation of sectarian-based provinces to stem the violence - the Democrats are not united behind one Iraq policy. That can be seen in the disparate campaigning by Democrats on Iraq, with the one common thread a stiff criticism of Bush's "stick with it until victory" policy.

Despite some niche attention to Darfur or Iran or China trade policy, foreign policy in the midterm elections largely boils down to Iraq. Recognizing that, the White House is signaling to voters that it hears and shares their anxiety, some analysts say, while suggesting that adjustments in policy are coming no matter the outcome of the elections.

"It's what I call the law of anticipated reaction," says Lawrence Korb, a former Pentagon official in the Reagan administration, now at the Center for American Progress in Washington. "The White House can read the writing on the wall and is already adjusting: They've given up 'stay the course' and are now talking about tactical adjustments," he says. "That way they get ahead of looking like they are being pushed by the Democrats."

That said, a House or Senate controlled by Democrats would not be welcomed by the White House. After all, relatively recent history shows that a hostile Congress can at least slow a president's preferred foreign-policy course.

As a new president in 1974, Gerald Ford received briefings from Pentagon officials saying the United States could stave off a full victory by North Vietnam in the south with a bombing campaign. But the Republican president decided against it. Faced with stiff opposition to more war from a Congress that had increased its Democratic majority in midterm elections, Mr. Ford would later conclude in his memoirs that approving the airstrikes would have gotten him impeached.

Congressional opposition to Bush's Iraq war policy may not have reached that level. But that and other differences over foreign policy could raise the speed bumps for the White House.

For example, Democrats who were earlier forced to hold a kind of rump committee meeting for retired military officers disgruntled over Iraq could now make such hearings official.

"It will cause problems for Bush, that we know," says Thomas Henriksen, a foreign-policy expert at the Hoover Institution in Stanford, Calif. "We could anticipate new troubles for [Defense Secretary Donald] Rumsfeld, more debate over what we do with radical Islam."

In terms of foreign policy, perhaps even more important than who controls Congress is the fact that Bush will be entering his last two years in the White House. Mr. Henriksen says Bush faces a "double whammy" of receding power and the unpopularity of his defining foreign-policy action.

"It makes him the ultimate lame duck," says Henriksen, who expects Republicans with presidential aspirations to begin distancing themselves from Bush policies that the public has turned against.

But not even this means that major shifts in US foreign policy are likely anytime soon. Some experts point out that Bush, hardly known as a leader who changes his mind easily, has paid little heed to respected foreign-policy thinkers in his own party with differing views: for example, Sen. Richard Lugar of Indiana, chairman of the Senate Foreign Relations Committee, or Sen. Chuck Hagel of Nebraska, a longtime critic of Bush Iraq policy.

Some observers believe that kind of brushoff will end when the congressionally mandated Iraq Study Group, cochaired by former Secretary of State James Baker III, offers its recommendations sometime after the elections.

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But there are even doubts in some quarters over how much stock the White House will put in those recommendations. This suggests to some analysts that the Democrats won't expect to make dramatic changes in foreign policy, even if they manage to win both houses of Congress.

"A lot of Democrats will remember the aftermath of 1994 [midterm elections that delivered a huge Republican tide], when one of the biggest mistakes of the Republicans was to overplay their hand the first year out," says Zelizer of Boston University. "The focus then was the domestic agenda, but it will still serve as a cautionary tale to the Democrats about being too bold."

Bush Family Members Hit The Campaign Trail (MCT)

By Dave Montgomery

McClatchy Newspapers, October 31, 2006

WASHINGTON — As President Bush scrambles to fend off a Democratic takeover of Congress, he's getting reinforcements from those closest to him - his family.

His wife, father, mother, at least two of his siblings and a nephew have all become surrogate campaigners in the runup to the Nov. 7 midterm elections to help preserve a Republican congressional majority for the remaining two years of Bush's term.

"They're getting to seem more like the Kennedys," said Stephen Hess, a professor of media and public affairs at The George Washington University, recalling the election-time activism of another famous political clan. "There is no question that, on any particular day, they're all out campaigning for somebody."

Leading the family's charge, of course, is the president, who was in Georgia and Texas on Monday, including a stop in the Houston suburban district of former House Majority Leader Tom DeLay.

With a week before voters go to the polls, the election looms as a referendum on Bush's presidency, the war in Iraq and the GOP-led Congress. Growing disenchantment over the war and other policies could cost Republicans their majority in the House of Representatives and possibly the Senate.

Preventing that outcome has become a family affair for the Bush clan. Other than the president, the most visible family member on the campaign trail is first lady Laura Bush, who's shed any remaining vestiges of her reluctance about campaigning to plunge headlong into the 2006 political season.

As of late last week, the first lady had appeared at 51 political events and helped raised $16 million.

The president's wife of 28 years offers an asset that her husband no longer has - a reservoir of good will with the public. According to a Newsweek poll late last week, the president had a 37 percent approval rating. Voters gave Laura Bush a favorable rating of 68 percent in a CNN poll in late September.

Republican political operatives have directed the first lady, as well other family members, to strategic battlegrounds to help struggling GOP incumbents. In a typical foray, the first lady appeared on behalf of Republican Sen. Jim Talent in Missouri and was described in a press account as "the chief attraction" at a fundraiser that collected $300,000 for Talent's campaign.

"There is certainly more demand than there is supply," said Tracey Schmitt, a spokeswoman for the Republican National Committee. "There are far more requests for Mrs. Bush to travel around the country than she can possibly fill."

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Similarly, Bush's parents, former President George H.W. Bush and former first lady Barbara Bush, have repeatedly ventured out of their hometown of Houston to help their party's cause. The president's brother, Florida Gov. Jeb Bush, is also working on behalf on GOP candidates.

Others have offered more limited assistance. George P. Bush, the son of Jeb Bush and the president's nephew, has appeared on behalf of several Hispanic Republicans, including Rep. Henry Bonilla of Texas. For the younger Bush, whose mother is Mexican, the appearances extend a high-profile effort to strengthen the Republican Party's ties to Hispanics.

Bush's sister, Doro Bush Koch, who lives in Bethesda, Md., says she has done "a little bit" of work for Maryland Republican Michael Steele in his race for the U.S. Senate. But she's spent most of her time recently promoting her new book on the first Bush to serve in the White House, "My Father, My President, a Personal Account of the Life of George H.W. Bush."

At times, members of the Bush clan cross paths as they swoop into races designated as must-win for Republicans.

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The president was in Indiana over the weekend, appearing before more than 4,000 energetic supporters for Rep. Mike Sodrel, who won his seat by only 1,200 votes two years ago. Laura Bush hit Sodrel's district a few days earlier, several weeks after her mother-in-law came to the state.

Florida is another popular Bush destination, giving the former president and former first lady a chance to reunite with their governor-son while helping out the party. Laura Bush has also campaigned in the state.

Bush's parents - he's 82, she's 81 - have been indefatigable. The former president has made stops in at least six states, and his wife has hit at least five.

Although the elder Bush was defeated for re-election, he remains a "venerated figure" among a substantial segment of the electorate, said Norman Ornstein, a resident scholar at the conservative American Enterprise Institute. Barbara Bush, he said, is "still a superstar."

The white-haired former first lady frequently displays her trademark flair for straight talk or self-deprecating humor. At a Dallas appearance for Texas Sen. Kay Bailey Hutchison, who's being challenged by Democrat Barbara Ann Radnofsky, Bush said she was surprised to find that Radnofsky's "most stinging criticism was that she called Kay an aging prom queen."

"That sounds pretty good to me," said the former first lady. "I'd love to be a prom queen, aging or fat or whatever."

Controversy Gives Hastert Time At Home (NYT)

By Mark Leibovich

The New York Times, October 31, 2006

BATAVIA, Ill., Oct. 28 — Speaker J. Dennis Hastert is spending a lot of time in his district these days.

He spent part of a cold, blustery Friday in Geneseo at an outdoor ceremony with local business leaders. Nose dripping as he endured 20 minutes of speeches, he spoke only briefly, paying homage to the high school football team. He spent Saturday morning thanking volunteers in his campaign headquarters in Batavia and Sunday afternoon riding his antique fire engine in the Pumpkin Day Parade in Sycamore.

Mr. Hastert, 64, had planned to be on the road in October, campaigning for Republican House members. But most of those events were canceled after Representative Mark Foley's sexually explicit e-mail messages to House pages became public and Mr. Hastert was criticized as not doing more to stop them.

"Sure, it bothers you," Mr. Hastert said in an interview in his headquarters. "But I understand, if I've got 15 television trucks sitting outside my house, and I've got a helicopter looking in the window, you probably don't want to bring that into somebody else's district."

So he has stayed here, in his district west of Chicago, where he used to teach high school and coach wrestling. Mr. Hastert has been elected here 10 times; his opponent, John Laesch, is a carpenter and political newcomer. People call Mr. Hastert Denny and Coach and talk about the bum rap he is getting.

"The way the media's talking, you'd think he was the one that sent the e-mails," says Dennis Wiggins, a friend visiting Mr. Hastert's campaign offices.

Friends say Mr. Hastert is in decent spirits, if going slightly stir crazy at times. "He absolutely misses the campaigning," said Tom Cross, the Republican leader in the Illinois House of Representatives and a former student of Mr. Hastert.

The speaker takes pride in his efforts on behalf of his Republican members. "I've been out in 50 or so districts since the first of August," he said Saturday. But few of the trips have been recent and most took place in August.

He still makes a few carefully selected visits. He traveled Thursday to northeastern Tennessee, where he campaigned for the Republican candidate in a district no Democrat has carried in more than a century.

On Monday, he was in Texas and Oklahoma City, where he attended a fund-raiser for a Congressional candidate whose Democratic opponent promptly accused her of aligning "herself with the disgraced leadership of the Republican Party."

Mr. Hastert is unaccustomed to the role of incendiary figure. He has operated largely out of camera range, leaving much of the focus on deputies. He has always fashioned himself a slightly beleaguered leader, someone who does not need the job and never wanted it.

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His unlikely rise came after the would-be successor to Speaker Newt Gingrich, Representative Bob Livingston of Louisiana, bowed out because of marital infidelity. Mr. Hastert was called "the accidental speaker" but has since become the longest-serving Republican in that role.

"The speaker has always brought a real balanced and grounded approach to an otherwise surreal process," says Representative Adam H. Putnam, Republican of Florida and a protégé of Mr. Hastert. "Now he's in the middle of all the surrealness."

Last Tuesday, when Mr. Hastert returned to Washington to testify about the Foley affair before the House ethics committee, reporters and photographers staked out his office. At one point, Mr. Hastert left to use the bathroom down the hall. He greeted reporter Mike Viqueira of NBC, with whom he shares an interest in Japanese culture.

"Konichi wa," Mr. Hastert whispered, saying hello to Mr. Viqueira.

On the way out, Mr. Viqueira asked the speaker in Japanese if he would be "going downstairs" that afternoon, to which Mr. Hastert replied, "Hai" ("Yes").

After lunch, Mr. Hastert rushed downstairs, trailed by members of the news media and an entourage of staff and security. He entered the ethics committee room, in the basement of the Capitol and right next to a House page locker room.

Mr. Hastert stayed for almost three hours, came out, made a quick statement, ignored shouted questions ("Mr. Speaker, will you resign?") and headed out of town.

"When you take a job like this, you basically offer yourself up," Mr. Hastert said Saturday back in Illinois. "You know, you're going to take some criticism. You're going to take some spears."

The question that lingers is how long Mr. Hastert wants to keep taking spears and offering himself up. Even before he became speaker in 1998, he had spoken to headhunters about jobs in the private sector. He thought seriously about leaving after the 2004 election, but President Bush asked him to stay.

Mr. Hastert says he will run again for speaker if Republicans stay in the majority. Asked whether he will serve out his full term, Mr. Hastert says, "That is my intent," but shrugs while he says it.

Friends and associates of Mr. Hastert say he seems driven less by any great ambition to remain as speaker and more by a desire to let his reputation recover.

"He needs to win the re-election, keep the majority and continue as speaker because this would be a terrible way for his career to end," said John Feehery, a former Hastert aide.

Mr. Hastert is also fueled by what appears to be a genuine dislike of Representative Nancy Pelosi, the House minority leader, who would be speaker if Democrats gained 15 seats next week. To invoke Ms. Pelosi as speaker is a Republican talking point, but when Mr. Hastert does it, it smacks of disdain.

Asked if he has spoken to her recently, Mr. Hastert grimaces and says Ms. Pelosi called him last week "to read me the riot act about something." He adds: "She's scripted, and you don't really get a word in edgewise. You don't get a lot of dialogue."

Two weeks after the Congressional page scandal erupted, Mr. Hastert bought some farmland along Wisconsin's western edge. The parcel is the second he had bought there in less than a year. Mr. Hastert and his wife, Jean, have told friends they intend to spend part of their retirement on the property, which sits on a bluff overlooking the Mississippi River.

Republicans See Edge From Early Voting (WSJ)

By John D. Mckinnon And Erika Lovley

The Wall Street Journal, October 31, 2006

WASHINGTON -- Down in the polls and with their majorities in Congress at risk, Republicans say they have some good news in early-voting statistics that suggest their voter-turnout machine is providing an edge in some tight races.

If the trend holds, it could mean that early voting is growing -- and continuing to benefit Republicans, who exploited the practice in the 1990s. Experts say early voters could be a bigger factor this year when overall voter turnout could be lower than in 2004, a presidential-election year.

This year, though, Democrats contend that Republicans are exaggerating their successes so far, by highlighting a few races, while ignoring problems they are having in motivating their troops around the country. Democrats also questioned several

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specific Republican claims, while noting their own early-voting numbers show they are starting to catch up with their rivals in early get-out-the-vote efforts in battleground states such as Iowa.

Several of the examples Republicans cite are coming from states and congressional districts where they have some of their strongest local organizations. And despite the strength of the Republican turnout machine in the past few election cycles, it's yet to be seen whether Republicans can replicate isolated success stories across the electoral map in a tight election year.

Early voting has grown in the past 15 years, from around 2% of the national electorate participating to about 20% in 2004, said R. Doug Lewis, executive director of the Election Center in Houston, a nonprofit group. Experts predict this year that 19% to 25% of the electorate will vote early at the polls or by mail-in absentee ballots. That compares with about 14% in 2002, the most recent midterm election.

Republicans have had an advantage with early-voter turnout over Democrats because of better party funding and organization, according to Paul Gronke, director of the Early Voting Information Center at Reed College in Oregon, a state where traditional Election Day polling has been eliminated altogether in favor of voting by mail. "I suspect it will still be their advantage," he said.

In congressional districts from Ohio and Florida to New Mexico and Arizona, Republicans report that their get-out-the-vote organization is gaining traction a week ahead of Election Day. The aim of the effort generally is to maximize turnout among their most loyal and reliable voters. If successful, it could help them to hold down their losses in this election cycle and perhaps even retain their majorities in the House and Senate.

In the fiercely contested New Mexico district held by Republican Heather Wilson, the party says that the number of absentee ballots already requested by Republicans has almost reached the number requested in 2004 -- nearly 22,000 so far this year, compared with almost 24,000 in 2004. The party says it is on a pace to exceed 2004.

Meanwhile, in the bellwether Ohio district held by Republican Steve Chabot, about 60% of all early votes are coming from the roughly 40% of the electorate that the party has targeted for early voting. That's the highest rate in the country, according to an internal party memo, and good news -- "provided they vote the way we predict," the memo adds.

In two Florida districts that are in doubt -- the 13th and 16th, previously held by Reps. Katherine Harris and Mark Foley, respectively -- Republicans are ahead in both absentee balloting and early voting. In previous election cycles, Democrats have enjoyed an advantage in early voting, party operatives say.

And in the Georgia congressional district now held by Democrat Jim Marshall, "nearly twice as many of our supporters are voting as they should be, based on population," according to the internal memo. President Bush will visit the district today to stump for the Republican challenger, former congressman Mac Collins. Republicans hope to unseat Democrats in two districts in Georgia as a way of offsetting losses expected in districts across the Midwest and in the Northeast.

Democrats questioned the Republicans' claims, particularly regarding New Mexico's 1st District. They said Democrats are almost even with Republicans in the number of absentee ballots cast so far in the area, suggesting that the incumbent party is struggling even in a district where its volunteer organization is regarded as one of the best in the country. They also pointed out that Ms. Wilson's real worries lie not with Republicans but with Democrats and independents, who appear to be backing her opponent more strongly than in the past.

"It's a bunch of spin," said Democratic National Committee spokeswoman Stacie Paxton. "I don't think their numbers add up." She said in the battleground state of Iowa, for example, Democrats have returned more absentee ballots than Republicans, and their rate of return is higher too.

To encourage early voting, the parties typically mail out applications for absentee ballots to their targeted voters. Fueling the trend toward early voting, 30 states now allow unrestricted absentee voting, with 15 allowing early voting in person at county-clerk offices and polling areas.

The process isn't free of glitches, though. Some elections experts criticize the widespread use of absentee ballots because of the potential for fraud. And early voting has had at least a few glitches because of mechanical problems.

In Maryland, where voting-machine glitches were reported during primary balloting earlier this year, requests for absentee ballots for Nov. 7 have more than doubled from the number during the state's most recent gubernatorial election in 2002. As of

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yesterday, 161,094 Maryland voters had requested absentee ballots, according to Donna Duncan, director of election management for the Maryland Board of Elections. Roughly 78,000 were from Democrats and 68,000 from Republicans.

Some analysts have predicted that the growth of early voting -- much of it encouraged by Republicans -- would backfire on the party this year. Analysts figured that many of those early voters would be affected by the run of bad news the party suffered in September and early October, including violence in Iraq and the congressional-page scandal involving Rep. Foley.

But Republican National Committee political director Mike DuHaime said that concern is likely exaggerated, because the party is focused on turning out a relatively reliable core of supporters. "We try to drive people who we feel with a high degree of confidence are going to vote Republican, and leave it to the candidates" to persuade independents and swing voters, he said.

Democrats, Playing Catch-Up, Tap Database To Woo Potential Voters (WSJ)

By Yochi J. Dreazen

The Wall Street Journal, October 31, 2006

WASHINGTON -- In the final week before the election, Democrats pushing to convert their lead in the polls into control of Congress are pinning their hopes of success on an increasingly common tactic for pumping up voter turnout: microtargeting.

The technique aims to identify potential supporters by collecting and analyzing the unprecedented amount of information now readily available -- from census data to credit-card bills -- to profile individual voters. Political strategists then tailor messages to entice those prospects to the polls, using the same methods marketers use to sell autos or aspirin to consumers.

In this tight election year, microtargeting could make the difference in important House and Senate races in states such as Minnesota, Ohio and Pennsylvania. Alexander Gage, president and founder of TargetPoint Consulting, an Alexandria, Va., microtargeting firm that works for the Republican Party, estimates that successful microtargeting can bring congressional campaigns an additional 5,000 to 10,000 votes, a number that could be decisive in a House race. "Politics is always won and lost at the margins," he says.

Democrats are playing catch-up to Republicans, whose use of microtargeting in 2004 energized millions of new voters who backed President Bush. Republicans have since expanded their database in size and sophistication, even as formerly skeptical Democrats have spent millions of dollars building microtargeting systems of their own.

A key player for Democrats is Copernicus Analytics, a small and little-known firm based here that made its name last year by helping to propel Democrat Timothy Kaine to victory in the Virginia governor's race. Big-money, Democratic-leaning clients from the AFL-CIO to Emily's List, a group that backs pro-choice female candidates, have enlisted Copernicus this election year.

Focusing on 29 races, Copernicus says it already has helped campaigns identify more than a million potential new supporters, a significant number given that many races in the closely divided nation are likely to be decided by thin margins.

Copernicus's chief scientist, Ben Yuhas, likens microtargeting to searching for a needle in a haystack -- over and over again. The spreadsheet on a single voter from one of the states where Copernicus is operating contains more than 500 rows of information, ranging from whether a prospect lives in an apartment or house to commercially purchased data on the type of car the voter drives. Mr. Yuhas has developed mathematic formulas based on such factors as length of residence, amount of money spent on golf, voting patterns in recent elections and a handful of other variables to calculate the likelihood that a particular American will vote Democratic.

Last week, a Democratic congressional campaign locked in a tightening race in a battleground Midwestern state asked Copernicus to identify Republicans who could potentially be swayed into voting Democratic, and the issues likeliest to win them over. Copernicus crunched the numbers and came back with its answer: Tens of thousands of Republicans who the company predicted to be abortion-rights supporters didn't have strong partisan affiliation with the Republican Party. Now the campaign, which Copernicus declined to identify, is making a play for those voters.

Microtargeting entered the political mainstream in the 2004 election, when White House adviser Karl Rove, who long ran a direct-mail marketing business, deployed it to reach voters whom Mr. Bush's re-election campaign had failed to reach by other means. The Bush campaign gave TargetPoint $3 million to microtarget voters in 18 states. In Florida, the campaign used microtargeting to make contact with 84% of eventual Bush voters, up from 33% in 2000. In Iowa, the campaign reached 92% of his eventual voters, up from 50% in 2000.

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"It gave us a way of finding people we couldn't find before," says Bush strategist Matthew Dowd. "We could get at Bush voters in Democratic precincts, swing precincts and other places we'd never been able to look before."

Republicans have long outstripped Democrats in their support for, and use of, the technique -- an edge the Republicans hope to maintain this election. Today, Republicans use a centralized computer system called Voter Vault that is available to Republican candidates across the country. TargetPoint executives hold monthly conference calls with top Republican operatives such as White House political director Sara Taylor. The Republican National Committee now has data covering tens of millions of voters from across the country, to which TargetPoint has access. In 2004, the firm had such a comprehensive database only for Ohio.

Until recently, Democrats, who had long relied on the old get-out-the-vote muscle of organized labor, were skeptical of building voter databases, says Copernicus founder Mark Steitz, who spent several years as a senior official at the Democratic National Committee in the early 1990s.

In April, frustrated by the lack of a party-driven effort, former Clinton aide Harold Ickes launched a $9 million initiative now known as Catalist to build a massive new voter file that campaigns and interest groups will be able to access directly. Catalist provides Copernicus with data on individual voters, which Copernicus then uses to predict how people with similar profiles will vote.

Though it is working for some individual Democratic campaigns, Copernicus doesn't work for the DNC. Most of the firm's work is for pro-Democratic interest groups. America Votes, a new umbrella group of 32 major liberal organizations including the Sierra Club, is pooling its members' microtargeting efforts in the hopes of boosting Democratic turnout in battleground states. Emily's List is spending $250,000 in Michigan and Minnesota, while the AFL-CIO is spending nearly $2 million more to run microtargeting efforts in more than 24 other states. Both organizations, which are part of the America Votes alliance, mostly use Copernicus, though Emily's List also uses rival company Garin-Hart-Yang, better known for polling work.

Naming his firm Copernicus was Mr. Steitz's nod to the famous 16th-century astronomer, whose work he had studied at St. John's College in Annapolis, Md. The astronomer tried to change how his contemporaries saw the world around them. "Copernicus took individuals out of the center of the physical universe; we are trying to put them back at the center of the political world," Mr. Steitz says.

The firm's number-crunching is done by Mr. Yuhas, who did his doctoral dissertation on lip reading and later spent years in the credit-card industry. He joined Copernicus in early 2005 because of anger at the Bush administration's opposition to stem-cell research. His brother was diagnosed in 1999 with amyotrophic lateral sclerosis, or "Lou Gehrig's disease," and Mr. Yuhas saw the administration's stem-cell decision as profoundly misguided.

Messrs. Steitz and Yuhas, whose offices are above a yoga studio here, won their first big victory last year in Mr. Kaine's gubernatorial race. Recently, to illustrate the firm's work, Mr. Steitz called up a color-coded map of Virginia on a large flat-screen computer monitor, noting that none of the state had the bluish tint of a Democratic district. He punched a series of keys and the map zoomed in on a neighborhood, and then a street, until blue dots began appearing. Each dot represented an individual Kaine supporter in Loudon County. The Copernicus system allowed the campaign to find potential supporters regardless of where they lived, based on factors such as whether they lived in private houses (more likely Republican) or apartment buildings (more likely Democratic).

Last year, Copernicus was unable to divide people into segments of like-minded voters, something Mr. Gage at TargetPoint has done for years. That left the Democrats at a disadvantage to Republicans, who have used Mr. Gage's models to decide what themes to emphasize with voter segments such as "Religious Conservative Republicans" or "Tax and Terrorism Moderates."

Copernicus says it has honed its techniques in recent months, enabling it to focus on voters in the same ways Republicans did in 2004. In Minnesota, Copernicus's work has led Democrats to focus on what the firm calls "Rural Religious Moralists," predominantly married women who might be swayed into voting Democratic over health care, education and gasoline prices. In Michigan, the company's work identified "Downscale Union Independents," who are socially conservative but deeply concerned about the economy.

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For their part, TargetPoint and Republicans haven't been standing still. After profiling voters in many key states in 2004, the company can generate more detailed predictions of how voters will behave this time around. In Michigan, for example, TargetPoint's Mr. Gage says he will be able to give Republican officials a list of 800,000 voters with a strong likelihood of voting Republican, up from 500,000 in 2004.

Copernicus's Messrs. Steitz and Yuhas, meanwhile, are spending the last days before the election helping a liberal advocacy group compile lists of Christian voters who the company believes can be persuaded to vote Democratic. "We're not saying that all Christian voters can be moved a little on this," Mr. Steitz says. "We're saying that some Christians can be moved significantly, and that we can tell you who they are."

Analysis: GOP Likely To Lose House Seats (AP)

By Liz Sidoti

AP, October 30, 2006

Judging by history — and the latest math — Republicans are likely to lose House seats on Nov. 7.

Democrats now hold a double-digit lead over Republicans on the polling question intended to forecast which party will win control of the House, a gap unseen for at least a decade. Just how many seats — and whether the GOP sustains enough losses for Democrats to rise to power — is less clear.

Admittedly, the question is imperfect. It doesn't mention candidate names and congressional districts, simply asking voters whether they want Democrats or Republicans in charge.

The main problem with the measure: "We have 435 separate elections. This is national polling," says Charles Franklin, a University of Wisconsin-Madison political science professor. "We don't know what's going to happen."

Still, historical trends show that the so-called generic ballot question has proven to accurately predict whether a party will gain seats when other variables are taken into account as well. However, on its own, the question can't say with certainty which side will win the 218 districts needed for a majority.

Little more than a week before the elections, the Democratic advantage in national polls is much wider that in previous midterm elections when Democrats captured a few Republican-held districts. That has led analysts to conclude that Democrats inevitably will gain seats this fall.

For months, Democrats have been widely favored over Republicans on the question most every pollster asks to measure where the campaign for control of the House stands. It's some version of what the Associated Press and Ipsos asks — "If the election for U.S. House of Representatives were held today, would you vote for the Democratic or Republican candidate in your congressional district?"

The latest AP-AOL News poll showed 56 percent of likely voters said Democrats, while 37 percent said Republicans, a 19 percentage-point advantage less than two weeks before voters choose a new House. The gap was 10 percentage points in early October.

Because of the way House districts are drawn, a narrow Democratic advantage in the question doesn't necessarily portend that the party will gain seats. However, the wide gap of late indicates Democrats likely will knock off GOP incumbents because it reflects the mood of the country against the status quo — even though it doesn't directly translate into how many seats Democrats will gain.

"The question traditionally has done a good job of measuring the popular vote, and the popular vote is a good predictor of the number of seats each party will win," said Andrew Kohut, director of the Pew Research Center, an independent public opinion organization.

However, he and other analysts say, because congressional seats have been redistricted through the years to make Republican districts more GOP and Democratic districts more Democratic, there's less of a relationship between the popular vote and the exact number of seats won, which makes for somewhat unreliable forecasts.

Despite such uncertainty, each time a poll comes out, Democrats seize on the results to bolster their argument that the public wants a change in the status quo. Republicans, meanwhile, dismiss the results as not reflective of the race for House control.

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To a degree, both are correct.

On one hand, the question can be used as a barometer to measure the political mood of the nation. And, right now, polls show that voters are very disgruntled with the GOP-controlled Congress and more apt to put Democrats in charge of the House.

"What it tells you more than anything else is who's running into the wind and who's got the wind at their backs," said Geoff Garin, a Democratic pollster. So far, he said: "This tells a horrible story for Republicans."

On the other hand, the question is broad and riddled with problems. Chief among them is the question's lack of specificity, which analysts say undermines its validity.

The question doesn't mention names, districts, challengers or incumbents. It doesn't take into account other factors specific to the race, such as the personal attributes of the candidates or the local issues and where candidates stand on them.

That explains why voters say they favor Democrats to run the House, but also say — when asked a more specific question — that they overwhelmingly support their own congressman.

"What you're ultimately trying to do is figure out what's the greatest predictor of whether the party of the president is going to win or lose seats," said Steven Lombardo, a Republican pollster, who suggested that better measures would be the president's approval rating. "Ultimately, there's no one single data point or place you can go to tell you what's going to happen."

The best measure — analysts agree — is individual polls in each competitive House district, a costly and cumbersome task.

The Six-Year Itch By MICHAEL BARONE (WSJ)

The Wall Street Journal, October 31, 2006

As Democrats begin, in George W. Bush's words, "measuring the drapes" in the offices of the House speaker and Senate majority leader, it's worth looking back on the history of sixth-year-of-the-presidency off-year elections. Have big gains for the out party been a harbinger of future voting patterns? And have opposition victories in those elections resulted in significant public policy changes? History gives us clear answers to those questions. They are: sometimes yes and sometimes no.

Sometimes yes: In the post-Civil War years, there were two big sixth-year victories for the out party. The first was in 1874, during the presidency of Ulysses S. Grant, when the opposition Democrats converted a 194-92 deficit in the House to a 169-109 majority. Historians writing in the backwash of the New Deal tended to ascribe this reverse to the Panic of 1873. But my reading of history tells me that this was a revolt against Grant's policy of stationing troops in the South to enforce civil rights for blacks. Americans had been growing weary of this strife (as they may be growing weary of the strife today in Iraq) and wanted the troops sent home. They were, and Democrats held the House for 16 of the next 20 years -- and Southern blacks were left to the mercies of segregation laws and lynch mobs.

There was another great reversal 20 years later -- the greatest in American electoral history. Amid a depression deeper than any except that of the 1930s, with violent labor strikes and low farm prices, the House flipped to 244-105 Republican from 218-127 Democratic. This was the beginning of the McKinley Republican majority (said to be the model of Karl Rove) which prevailed for most of the time till the '30s. The laissez-faire policies of Democratic President Grover Cleveland were rejected, even by his own party, and the era of Progressive government interventionism -- and Republican majorities -- followed. This sixth-term off-year election was consequential indeed.

The 20th century presents more of a mixed bag. In 1938 FDR's Democrats had been flying high for six years. In 1936 they won the popular vote for the House by 56%-40%. But in 1938 the popular vote was only 49%-47% Democratic and Republicans gained 75 seats. For most of the next 20 years Congress was dominated by an anti-New Deal coalition of Republicans and Southern Democrats, much to the fury of liberal political scientists who argued that every Democrat should somehow be compelled to vote for Roosevelt-type programs. FDR's Third New Deal, as Alan Brinkley chronicled, was stopped in its tracks. The field was set for talented maneuverers like the (in 1938) freshman Congressman Lyndon Johnson to manipulate the system for his conservative and Democratic confreres.

The 1946 elections looked like another landscape-altering reversal. Republicans won the House races by a 53%-44% popular vote majority and got a 245-188 majority. "Had enough?" was their slogan, and they promptly set about repealing wartime wage and price controls, reducing wartime tax rates and passing the Taft-Hartley Act, which reduced the power of labor unions

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(1946 saw the largest number of strikes in American history). They also supported Harry Truman's Cold War aid to Turkey and Greece and the Marshall Plan. This 80th Congress, which Harry Truman labeled "do nothing," and in which Richard Nixon and John Kennedy served as freshmen, made major changes in public policy. But the Republicans' work having been done, the voters pitched them out in 1948. Republicans never again had such a large House majority.

The next big change came in President Eisenhower's sixth year, 1958. It was a recession year, at a time when most voters still feared that the Depression of the 1930s might be returning. Democrats gained 15 seats in the Senate and 50 in the House. This was the first Congress in which a majority believed in FDR's New Deal, 13 years after his death. Their numbers were winnowed a bit in 1960 and 1962 but were augmented in 1964, enough to produce the votes for LBJ's Great Society measures and, with support from most Republicans, the Civil Rights Act of 1964 and the Voting Rights Act of 1965.

Less consequential for changes in public policy were the Republican gains in the Kennedy-Johnson sixth year, 1966, when Republicans won more House votes than Democrats outside the South; the feat was accomplished again in 1968, when Nixon was elected president. This was a reaction against the Great Society, against riots in the streets of the big cities and uprisings on campuses. But under Nixon, Congress ratified the expansion of government -- through wage and price controls, the creation of OSHA and EPA, racial quotas and preferences. Thwarted in his drive for Republican majorities in 1970, he campaigned in 1972 in tandem with conservative Democrats like John Connally. He evidently supposed that Southern Democrats would stick with him on big issues. But when Watergate became an issue, Sam Ervin and other longtime opponents of civil rights let him down. The War Powers and Budget Acts were passed despite Nixon's opposition. The sixth-year election produced neither a Republican majority nor conservative public policies.

Similarly, the big Democratic gains in the Nixon-Ford year of 1974 did not produce policy gains or lasting partisan gains for the out party. The new 2-1 Democratic majority in the House did stifle attempts to come to the relief of Saigon. But under Gerald Ford and his successor Jimmy Carter domestic policy did not move far left. Deregulation of transportation and communications proceeded, and a 2-1 Democratic House passed a tax bill that cut the capital gains tax and included the great generator of individual investment accounts, Section 401(k).

Under Ronald Reagan, the House, with reduced Democratic majorities, and the Senate, with a Republican majority produced by narrow victories in 1980, cut tax rates and refused to cripple the policies by which Reagan defeated communism and won the Cold War. More consequential were the Republicans' big gains in 1994, in Bill Clinton's second (not his sixth) year. These gains resulted in welfare reform, a balanced budget and the Bush tax cuts, and a Republican trend that has lasted 12 years. But a lot of conservatives now are asking the old political question, what have you done for me lately?

All of which leaves me with the conclusion that ideas are more important than partisan vote counts. Democrats could not go beyond the New Deal from 1938 to 1958, because they had not persuaded most Americans to go Roosevelt's way until 13 years after his death. Similarly, Republicans never had reliable majorities for Reagan's polices until 1994, six years after he left office. Democratic gains in 1974 made the House the most left-leaning branch of government for 20 years -- in vivid contrast to the prognostication of '60s liberals, who said it would always be the most conservative -- and Republican gains in 1994 made it the most conservative-leaning. Those majorities affected public policy, but not always in ways their partisans liked.

If the Democrats are justified in preparing to change the drapes today, the questions to ask are: How enduring will be such a partisan switch? How much change in public policy will it accomplish? To the first question, the likelihood of an enduring partisan switch is not high -- if you believe the polls showing the leading Republicans, Rudy Giuliani and John McCain, walloping the best-known Democrats, Hillary Rodham Clinton and Al Gore, in 2008. Changes in public policy? Well, the lead item on the Democrats' wish list is to raise the minimum wage, a law first passed in 1938. Not exactly a new idea.

I don't know what the results of the midterm elections of 2006 will be. But I doubt that they will have the sweeping partisan or policy consequences of the midterm elections of 1874 and 1894, or 1938 and 1994.

Mr. Barone is a senior writer at U.S. News & World Report and coauthor of "The Almanac of American Politics" (National Journal Group).

Heavy Coverage At Midterm Favors Democrats, Study Says (USAT)

USA Today, October 31, 2006

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Network news coverage has favored Democratic candidates in the midterm election, and the page scandal involving former congressman Mark Foley has been the main story line, drawing almost as much coverage as Iraq and terrorism combined, a new study finds.

An analysis by the Center for Media and Public Affairs of midterm election stories aired on the ABC, CBS and NBC evening newscasts Sept. 5-Oct. 22 found that 2006's coverage has been almost five times as heavy as in the 2002 midterm elections: 167 stories, compared with 35 four years ago.

The study found that three out of four evaluations of Democratic candidates' chances of winning — such as sound bites — were positive, compared with one out of eight for Republicans. Coverage has been dominated by two major themes: the effects of the Foley scandal, and the impact the Bush presidency is having on the party's congressional candidates.

The Foley scandal produced 59 stories alone, compared with 33 on Iraq and 31 on terrorism/national security issues. "What's hurting Republican candidates is the media's focus on two non-candidates: Mark Foley and George W. Bush," says center director Robert Lichter.

Because of the focus on Foley, the re-election race of House Speaker Dennis Hastert, R-Ill., was featured in 42 stories. Sen. Barack Obama, D-Ill., was featured in 10 stories, even though he's not up for re-election this year. Sen. Hillary Clinton's possible 2008 presidential run was grist for nine stories.

MSNBC gets into Hotsoup

MSNBC and a new grass-roots community political website, Hotsoup.com, have a long-term deal to share content that the cable channel hopes will initially help round out coverage of the midterm elections and that Hotsoup hopes will put it on the map.

MSNBC.com's politics section, with content from NBC News and The National Journal, will be further bolstered by daily and weekly commentary and analysis from Ron Fournier, a Hotsoup co-founder and former AP political reporter.

The pact is the latest example of mainstream outlets entering into strategic partnerships with online sites and younger-skewing media to stay relevant and take the pulse of the nation, especially Web-savvy viewers and readers. On election night, CNN and Fox News will team with bloggers for coverage.

"This is the Internet version of 'man on the street' or taking calls on Larry King Live," says MSNBC vice president Tammy Haddad, who once produced King for CNN. "We're saying, 'We want to know what you think.' We're involving the community."

Along from comments from ordinary people, political strategists from both parties who contribute to Hotsoup will now be featured on MSNBC. "We're going to hear their strategy, what they're thinking about," Haddad says.

"Our audience is deeply news attentive, very interested in the current conversation, so being able to expand the voice of what's going on in our site to a larger audience is very important," says Hotsoup co-founder Chip Smith.

Since no money is changing hands, the deal is also attractive to NBC at a time when the network is cutting costs.

As Election Nears, A Flood Of Nastiness (CSM)

By Linda Feldmann

The Christian Science Monitor, October 31, 2006

WASHINGTON

A taxpayer-funded call to a fantasy sex hot line. Support for using Taser weapons on 7-year-olds. Votes in Congress to deny modern body armor to US troops in Iraq.

These are but a few of the charges leveled in campaign ads against candidates for office this fall, in what some experts say is probably the most negative US election campaign in modern times.

Nasty, misleading ads have been around for decades, and it's impossible to prove empirically that the 2006 campaign tops them all, but the wave of over-the-top claims has caught the attention of both casual observers and professionals.

"Politics has always been a contact sport, but it really does feel like the rhetoric has crossed a line," says Evan Tracey, a campaign ad analyst at TNS Media Intelligence in Arlington, Va. "We've had ads with baby-crying noises from dumpsters, Playboy mansions, criminals coming over the border creating crime and mayhem. And that's the tame stuff."

Control of Congress hangs in the balance, and in many cases, the highly negative ads are coming out of close races where strategists - either for the campaigns or from the parties and independent groups that are trying to help - believe they will make a

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difference. They can also be seen as a sign of desperation. In some cases the ads appear to work and in others they backfire (see story below), but when a candidate is trailing badly, strategists often feel there's nothing to lose.

Perhaps the most talked-about ad of this cycle took shots at Rep. Harold Ford (D) of Tennessee, who is running for the Senate. The ad - which ended with a blond, scantily clad woman saying, "Call me" - was perceived by some viewers as racially motivated, since Mr. Ford is black and the woman in the ad is white. If nothing else, the uproar over the ad demonstrated that sensitivities about possible racial innuendo are alive and well in American politics. Ads as sources of information

As distasteful as negative ads can be to the viewing public, many campaign experts defend them for their ability to provide useful information to voters.

"There's nothing inherently wrong with negative advertising, if it's accurate," says Brooks Jackson, a former journalist and director of the Annenberg Political Fact Check project. "A positive ad can also be inaccurate and misleading. That's political disinformation that's also a bad thing."

Often, though, negative ads contain a kernel of truth that is distorted beyond the point of fairness. Take the "fantasy hot line" ad unleashed against Michael Arcuri (D), district attorney in New York's Oneida County, who hopes to fill the seat of retiring Rep. Sherwood Boehlert (R). The National Republican Campaign Committee (NRCC) created a spot accusing Mr. Arcuri of billing taxpayers for a phone call to a sex hot line, and depicting Arcuri with the silhouette of a dancing girl. According to records released by Arcuri's campaign, the truth is that someone misdialed the hot line in a call from Arcuri's hotel room, hung up in seconds, and dialed the intended number - the state Department of Criminal Justice Services in Albany.

Arcuri's Republican opponent, state Sen. Ray Meier, also denounced the ad and called on the NRCC to pull it, but by law, political campaigns are barred from conferring with groups that make independent expenditures on candidates' behalf. Ultimately, the ad did not air on most stations in that part of New York, according to the local press.

Democrats are also producing their share of negative ads deemed unfair by watchdog groups. Mr. Jackson's group, which posts its findings at www.factcheck.org, found 11 ads by Democrats that accused Republican incumbents of voting against a $1,500 bonus for US troops.

One such ad, produced by the Democratic Congressional Campaign Committee (DCCC) and aired in New Mexico to support House challenger Patricia Madrid, accused her opponent of voting against the bonus (and for a congressional pay raise) - but failed to note that the bonus would have come at the expense of reconstruction funds for Iraq. Rep. Heather Wilson (R), the incumbent, is locked in a tight race with Ms. Madrid, state attorney general. Negative-ad advantage: Republicans

Between the two House campaign committees, the Republicans are beating the Democrats in the race to the bottom. According to a report released last week on Factcheck.org, the NRCC so far this cycle has spent $41.9 million attacking Democrats and $5 million supporting Republicans - about 8 to 1 negative versus positive advertising. The DCCC has spent $18 million on attacks and $3.1 million on positive ads - a 5 to 1 ratio.

Looking at all campaign spending for all races - projected to come in at $2.6 billion, a record for a midterm election - ad-watchers cannot say for certain which party is more guilty of attacks. "I would guarantee you it's equal opportunity," says Mr. Tracey. "The Republican Party is not Darth Vader and the Democrats are not Luke Skywalker. It's basically, once one goes negative, everybody goes negative."

Whether negative ads drive down turnout is open to debate. But if it does, says Tracey, that's not the ads' fault. "This is America, where you've got this great right people die and bleed for. If you're going to let a bunch of silly commercials stop you from voting, it's your fault."

Still, any political candidate knows that blaming voters for their decisions - including whether or not to vote - is a losing proposition. And so, aware of the public's distaste for negativity, many see the good-cop bad-cop routine at work in Missouri. There, Senate candidate Claire McCaskill (D), locked in a close race to unseat Sen. James Talent (R), says she will not air negative ads, knowing well that the party and surrogates will do the dirty work.

But Ms. McCaskill has herself attacked Senator Talent's positions, his loyalty to President Bush, and his campaign donations, notes David Robertson, a political scientist at the University of Missouri in St. Louis. She also approved ads featuring actor Michael J. Fox, who is diagnosed with Parkinson's disease and who favors embryonic stem-cell research, in which Mr. Fox asserts that Talent wants to "criminalize the science that gives us a chance for hope."

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But, Mr. Robertson adds, Talent's ads have been perceived to be more personal and mean-spirited than McCaskill's. "These ads have hurt his image as a nice-guy, conservative, policy wonk," he says.

On The Fence On Election Day; Naming 'Worst' Immigration Ads (WSJ)

By Aaron Rutkoff And Jennifer Johnson

The Wall Street Journal, October 31, 2006

AD WATCH: The national debate on immigration policy, which came to a head in a midterm election year, has been a bountiful source of negative advertising. At the New Republic Online, the center-left magazine's editors provide a handy list1 ranking "the seven worst immigration campaign ads," which coincides with an editorial2 excoriating the party behind each and every one.

All seven ads flagged by the New Republic -- and mostly pulled from YouTube, which features dozens of other examples -- have been made by or for Republican candidates. Democrats, as a group, surely succumb to their own issue-exploitation instincts, but by and large immigration is not that issue. "The genre has several hallmarks," TNR's editorial explains. "It evokes a fear of lawlessness and a sense of growing social decay; it impugns opponents with a lack of patriotism (MITCHELL AGAINST ENGLISH LANGUAGE, reads the bottom of the screen in one of Representative J.D. Hayworth's ads3)."

Vernon Robinson, a long shot ultra-conservative congressional candidate from North Carolina, earns the distinction of having two of his campaign's ads on the TNR list. One, a radio spot4, is sung to the tune of the "Beverly Hillbillies" theme song. Rep. Brad Miller, the incumbent, has "all the sneaky aliens eating from his hand," according to the lyrics. A Vernon Robinson TV ad5, which took first place in the rankings, features an image of a Latino man grabbing his crotch and the disturbing suggestion that illegal immigrants "take our jobs and our government handouts, then spit in our face and burn our flag."

Peter Roskam, a Republican vying for an open House seat in Illinois, also has two ads on the list (one paid for by the NRCC6) accusing his Democratic rival of supporting tax hikes to pay for "handouts for illegal aliens7." A hardnosed immigration-themed ad from the gubernatorial race in Colorado is also included.

Beyond Republican sponsorship, these ads demonstrate an interesting trend: All but the Hayworth ad, from Arizona, originate from states that are located far from the Mexican border. * * *

DESERT DECISIONS: In Arizona, the fault lines on the immigration issue are impossibly tangled. In one congressional district on the border, Republican hardliner Randy Graf has called for the expulsion of undocumented immigrants, staking out a position far from much more moderate views of Democrat Gabrielle Giffords. The irony, as the Christian Science Monitor points out8, is that the district's retiring Republican congressman, Jim Kolbe, has publicly sided with Ms. Giffords on the issue.

And even Mr. Graf can find himself shocked by immigration foes in his district. At a rally, the CSM article notes, someone handed him a denim vest that allegedly belonged to an illegal alien. "When Mr. Graf put it on, the crowd cheered. But the theatrics went too far, and his face blanked when the giver joked: 'It has a bullet hole in the back.'"

Meanwhile, Republican Rep. J.D. Heyworth, an incumbent with an anti-immigration platform, has found himself under attack from his Democratic challenger for not doing enough to fix the problem. "The number of illegal immigrants in our state has increased 400% during his tenure in Congress," declares an ad for challenger Harry Mitchell, according to a Cox News Service report9.

And then there is Arizona's Democratic governor, Janet Napolitano. As the Cox story indicates, she's "expected to win re-election handily despite her support of a guest-worker program that would allow illegal immigrants to get temporary visas" – an outcome that may show limits of the immigration issue's power over statewide voters.

In final twist, Arizona also features four immigration-tinged ballot issues10. Proposition 103 would make English the state's official language, although as an Arizona Republic article11 indicates, even if passed little would change. "Ballots would still be printed in Spanish because federal law requires it. Conversations at government offices, from the Motor Vehicle Division to the agency that issues birth certificates, could continue in languages other than English."

The remaining ballot initiatives would deny certain benefits, such as in-state college tuition and subsidized childcare, to illegal immigrants; amend the state constitution to prevent illegal immigrants from winning punitive damages in court; and eliminate bail for illegal immigrants arrested on felony charges. * * *

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SUBURBAN BATTLE: Border security and illegal immigration have emerged as defining issues in two bitterly contested congressional races12 in the Chicago suburbs. It's part of the new "suburban political landscape," according to Oscar Avila and John Blemer in the Chicago Tribune. In this world, immigrants play a central role in the economy, but residents see their presence as a drain on resources.

Republicans have rolled out immigration ads in many of these suburban areas, and polls shows that the issue has energized the Republican base. In Illinois's 6th District, an ad for Peter Roskam criticizes his Democratic opponent, Iraq war veteran Tammy Duckworth, for her support of an immigration reform bill.

Still, a study found that these Chicago districts have added 45,000 naturalized citizens since 2000, and that means 45,000 potential new voters. * * *

TEXAS: Republican Cynthia Calhoun is using her maiden name of Figueroa when she runs for Dallas County clerk this time around. And Rose Renfroe went to court to be able to use her nickname, "Rosita," on the ballot for District 4 Commissioners Court. Dallas Morning News columnist Mercedes Oliveras asks: Is being a Latino finally an advantage at the ballot box13?

"I am encouraged ... that there are more Hispanics on the ballot. It's more reflective of the community, and the more Hispanics you have running, the more it encourages other Hispanics to go out and vote," says Juan Jasso, a Dallas County justice of the peace.

These local Texas races could signal a shift that some say "will propel [Dallas County] and Texas into the blue column sometime within the next six to eight years," she writes. Political consultant Dan Weiser says Dallas will be the first major urban county in Texas to swing back to Democrats. He says other cities will follow as the state's Hispanic population grows and Latinos become familiar with the voting process. * * *

AND THE WINNER IS …: As we near the midterm milestone, two conservative analysts present retrospectives on the immigration issue. Oddly, however, the authors reach opposite conclusions about who emerged victorious from the immigration policy trenches.

John Fonte, a Hudson Institute fellow writing in the National Review this week14, looks back at the now-signed fence legislation passed without even the suggestion of a guest-worker program – and declares it a victory for ordinary citizens over institutional elites. "How did this happen?" he asks. "The answer is that it happened because the House Republican leadership (with help from Senate conservatives) made immigration enforcement a priority, fought for it, and won in the face of vehement elite opposition."

Given this assessment, Mr. Fonte darkly notes that the anti-amnesty bulwark formed by the Republican-controlled House seems most vulnerable now in the midterm elections. "A change in House leadership from Republican to Democrat will mean a major change in immigration policy," he writes. "It will mean amnesty, a massive increase in legal, low-skilled immigration, and the gutting of serious border and interior enforcement."

Manhattan Institute scholar Tamar Jacoby, writing in this month's Foreign Affairs magazine15, foresees that same outcome. But, on her analysis, the hallmarks of the "comprehensive reform" agenda on immigration will win the day because of an emergent national consensus on the issue. "In fact, the nation is far less divided on immigration, legal or illegal, than the current debate suggests," she writes. "[A]n overwhelming majority -- between two-thirds and three-quarters in every major poll -- would like to see Congress address the problem with a combination of tougher enforcement and earned citizenship for the estimated 12 million illegal immigrants already living and working here." In her full essay, Ms. Jacoby maps out the immigration realignment to come. * * *

DETERMINING FACTOR? Immigration has never been such a hot-button political issue, says Brian Mitchell of Investor's Business Daily, but it still isn't likely to be a determining factor in most midterm elections16. Recent Republican scandals have pushed immigration into the background. Plus, Republicans "torn between pro-immigration donors and anti-immigration voters" have shied away from the issue, he writes.

In races where candidates differ on immigration reform, Mr. Mitchell says the issue hasn't paid off as much as hoped. Pennsylvania Sen. Rick Santorum has attacked Democratic challenger Bob Casey Jr. on the issue for months in various political ads. Still, polls show Mr. Casey with a slight lead.

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"Republicans are more anti-immigration than Democrats," he writes, "but the GOP's split between its leadership and grass-roots has kept the party from taking advantage."

Republicans' Double Negatives (WP)

By E. J. Dionne Jr.

The Washington Post, October 31, 2006

Ronald Reagan's brilliant achievement on behalf of American conservatism was to capture hope and optimism from a liberal movement that enjoyed a near monopoly on those virtues from the day Franklin Roosevelt told us we had nothing to fear but fear itself.

Whatever else it will be remembered for, this year's campaign will mark the moment when Republican leaders who govern in the name of conservatism turned definitively away from hope and waged one of the most trivial and ugly campaigns in our country's history.

It's common to gather all political attacks under one large rubric called "negative campaigning" and to condemn the lot. But this is misleading.

A conservative who attacks his opponent for wanting to raise taxes and a liberal who accuses an adversary of favoring cuts in Medicare or environmental programs are both being "negative," but legitimately so, presuming that the criticisms are rooted in fact. If candidates can't air their disagreements, what's the point of free elections?

But this year Republican campaigners and their advocates in the conservative media have crossed line after line in sheer meanness, triviality and tastelessness. Conservative optimism and its promise of morning in America have curdled into the gloom of a Halloween midnight horror show.

The reason is obvious: With the public turning against President Bush's policies in Iraq, most Republicans would prefer not to defend the war. Because most voters do not see the battle in Iraq as making us more secure, fear of terrorism has not worked as effectively for the GOP as it has in the past two elections. And the current majority can't exactly brag about, say, balanced budgets or its achievements in this Congress.

And so in Virginia we have Sen. George Allen, a Republican, assailing the widely admired novels written by his opponent, Democrat Jim Webb, for what an Allen adviser called "chauvinistic attitudes and sexually exploitative references." Lost here is that Webb's fiction has drawn praise for the moving and realistic way he has depicted war and those who fight for their country.

Conservatives should be embarrassed by Allen's last-minute sliming of Webb's books, since conservative critics have been among their biggest fans. In 2002 a writer for National Review, one of the nation's leading conservative publications, said Webb's "Fields of Fire" was "still the finest novel yet written about Vietnam." Reviewing Webb's novel "Lost Soldiers," a writer for the conservative Weekly Standard warmly praised the book's moral message and called it "an affecting and taut tale."

Are such views now inoperative because Republicans desperately need to hold on to Allen's Senate seat?

And how many compassionate conservatives will come forward to condemn Rush Limbaugh's cruelty in mocking Michael J. Fox's painful body movements induced by Parkinson's disease? Limbaugh felt free to parody Fox's agony because the actor had the nerve to make advertisements for Democratic candidates who support embryonic stem cell research. If you help Democrats, anything goes. Limbaugh claimed that Fox either "didn't take his medication or he's acting." Limbaugh ultimately apologized but called Fox "really shameless" in seeking sympathy. Really shameless? From Limbaugh?

Perhaps Republicans will be less skittish about criticizing Limbaugh after he has used his broadcast to turn out the party faithful on Nov. 7.

Space does not permit a full listing of other trivial and seamy ads being run by the GOP. They were well described last week by Post reporter Michael Grunwald, and many of them falsely accuse various Democrats of one bad thing or another related to sex.

And there is what will, sadly, become the most famous advertisement of this election cycle, the "Harold, call me" ad run by the Republican National Committee against Rep. Harold Ford Jr., the Democratic candidate for the Senate from Tennessee. To claim that an ad depicting a pretty blond woman coming on to an African American politician does not play on the fears of miscegenation on the part of some whites is to ignore history.

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My hunch is that the sliminess won't work this year. A Newsweek poll published over the weekend found that only 9 percent of voters who have seen Republican ads say they made them more likely to vote for GOP candidates; 24 percent said the ads made them less likely to vote for Republicans. By contrast, Newsweek reported, "The Democrats seem to turn off fewer voters with their commercials and win more over, but it's still a wash," meaning that Democratic ads attracted and pushed away roughly equal shares of the electorate.

My hope is that principled conservatives will rebel against those who are dragging their once forward-looking movement through the mud. In their hearts, they have to be asking: Would Ronald Reagan campaign this way?

postchat@aol.com

Ad Echoes GOP's 'Southern Strategy' (USAT)

By Dewayne Wickham

USA Today, October 31, 2006

Last year, Republican National Committee Chairman Ken Mehlman apologized for the race-baiting tactics that members of his party used for decades to court white voters in Southern states.

Last week, he started backsliding.

"I just think those criticisms of it are wrong," Mehlman said of a television ad that was produced with money from his treasury and aired in Tennessee. In the 30-second spot, a scantily clad white woman appears to suggest that she and Harold Ford Jr., a black Democrat, have had an intimate relationship.

"I met Harold at the Playboy party," the woman coos into the camera. That's a reference to Ford's admission that he attended a party that Playboy hosted during the 2005 Super Bowl. As the commercial closes, the woman says with a salacious wink, "Harold, call me."

The commercial plays to the fears of whites who think interracial relationships are taboo. It also conjures up memories of the awful fate that befell the Scottsboro Boys, Matt Ingram and Emmett Till — blacks who were victimized for simply being accused of getting too close to white women.

Ford, a five-term U.S. House member, is in a tight race with Republican Bob Corker for the Senate seat being vacated by the retirement of Majority Leader Bill Frist. The suggestion that Ford partied with a white woman at a Playboy soiree could make racial bias a big factor in this election.

Mehlman wants us to think that's not his intention. He wants us to believe that although he funded the ad, he had absolutely no knowledge of its content.

William Cohen, a former Republican senator from Maine and a former Defense secretary whose wife is African-American, said the commercial was "an appeal to racist sentiment." Even Corker called the ad "over the top." While that was a fairly tame criticism, it at least put a little distance between Corker and the racist attack that was made on his behalf.

"The way that process works under the campaign reform laws is I write a check to an independent individual and that person's responsible for spending money in certain states," Mehlman said lamely during an appearance on MSNBC.

The problem with this dodge is that a voice in the commercial, which was pulled off the air late last week, loudly proclaims: "The Republican National Committee is responsible for the content of this advertising."

This makes Mehlman's claim of ignorance ring hollow.

"Some Republicans gave up on winning the African-American vote, looking the other way or trying to benefit politically from racial polarization," Mehlman said of the GOP's "Southern strategy," during his 2005 speech at the NAACP convention. "I am here today as the Republican chairman to tell you we were wrong."

That mea culpa came at a time when Republicans had a firm grip on Congress, and it was touted by some as proof of the sincerity of Mehlman's outreach to black voters. But now — plagued by scandal and President Bush's war policies — the GOP could be on the verge of losing control of both houses of Congress.

And so Republicans have dusted off their Southern strategy playbook. Mehlman won't admit as much. But the subtle racism of the ad is just a new twist on the more blatant appeals the GOP used to make to whites who were angered by the Democratic Party's embrace of the civil rights movement.

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I don't know how voters in Tennessee will react to the GOP's bigoted ad. It's hard to tell in a contest as close as this one what might influence the outcome. But I'm certain of this much: The Republican Party is not done with its Southern strategy. It hasn't given up on appealing to people's fears. It hasn't tired of stoking the still-smoldering embers of white racism.

And if Mehlman's refusal to condemn this ad is any indication, Republicans will continue to use their Southern strategy — at whatever cost — for as long as it gets them the results they seek.

DeWayne Wickham writes weekly for USA TODAY.

Former Republicans Campaign As Democrats (WT)

By Charles Hurt

The Washington Times, October 31, 2006

Call it the year of the former Republican.

At a time of widely expected Republican losses in both chambers of Congress, a new breed of politician has emerged: former Republicans challenging Republican incumbents.

Most famous is James H. Webb Jr., who served as Navy secretary under President Reagan and is challenging Sen. George Allen in Virginia. Mr. Webb wears combat boots on the campaign trail, loves his guns and chews tobacco.

Then there's Tim Mahoney, a Florida Republican-turned-Democrat running for the seat of disgraced former Rep. Mark Foley. Mr. Mahoney lists Ronald Reagan as a political hero, opposes the "death tax" and calls himself a "conservative Christian."

In New York, former Republican Jack Davis is giving Rep. Thomas M. Reynolds one of the biggest challenges of his career. Mr. Davis, a multimillionaire businessman, says he wants to end illegal entry without granting amnesty, opposes higher taxes and wants to kill the death tax.

In Florida's 13th Congressional District, former banker and former Republican Christine Jennings is running as a Democrat for the seat being vacated by Rep. Katherine Harris. She, too, is running on tax cuts and greater fiscal responsibility in Washington.

All are the kind of Democrats that Republicans have a difficult time hating. Hearing them explain why they left the Republican Party is like listening to voters today talk about why a growing number of them are tired of Republicans in Washington.

"Congress has run up the national debt to an astounding $8.4 trillion, mortgaging our future and saddling our children and grandchildren for endless years," said Mrs. Jennings, who promises to balance the nation's checkbook.

Mr. Mahoney, an investment banker and cattle rancher, said he got fed up with the Republicans' out-of-control spending, scandals and poor handling of the war in Iraq. He calls himself a "common-sense businessman who reflects the values and morals of Florida's families."

Mr. Webb left the party in large part out of disgust over the Republican response to the September 11 terrorist attacks and over the war in Iraq.

"He's a Vietnam veteran, and these guys were politicizing the war," said campaign adviser Steve Jarding, who has long argued that Democrats must appeal to a broader audience to survive as a political force.

Just a few years ago, Mr. Jarding said, a conservative candidate such as Mr. Webb would not have been welcomed by party leaders unless he or she submitted to the party's entire platform. This year, winning trumped ideology.

"They're more accepting of people with different ideas, and that's a difference," Mr. Jarding said. "We're not going to be having all these litmus tests because they were killing us."

Mr. Jarding said that had Democratic primary voters sided in the primary with Harris Miller -- a longtime politician who is ideologically more in tune with national Democrats -- "we would be 40 points behind George Allen right now."

"Democrats are finally wising up," he said.

As a result, Senate Democrats will move rightward if candidates such as Mr. Webb, Bob Casey Jr. in Pennsylvania, Jon Tester in Montana and Rep. Harold E. Ford Jr. in Tennessee win their general elections.

Republicans in the chamber, meanwhile, stand to lose some of their most conservative voices. Among the incumbents in the tightest races are Sens. Rick Santorum of Pennsylvania, Conrad Burns of Montana and Jim Talent of Missouri.

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Strategists from both parties expect Democrats to gain 10 seats or more in the House. But the strategists note that since pickup seats by definition come from districts held by the other party, the new Democratic lawmakers likely will be more conservative than the current Democrat caucus.

GOP Seeks To Benefit From Gay Marriage Ruling (TSSC)

By Steven Thomma

The State (SC), October 30, 2006

NORFOLK, Va. - In the final stretch before Election Day, embattled Republicans feel as if they've received a gift from an unlikely donor: advocates of gay marriage.

They think that last week's ruling by New Jersey's Supreme Court ordering equal rights for gay couples - seven of whom had sued for the right to marry - is re-energizing Christian conservatives, who had been losing interest in and passion for politics. Republicans predict that could draw more conservatives to the polls next week, especially in the eight states that will vote on proposed amendments to their state constitutions to ban gay marriage.

The eight states comprise Virginia, Tennessee - coincidentally two states with razor-close Senate races that could decide which party controls the Senate next year - Arizona, Colorado, Idaho, South Carolina, South Dakota and Wisconsin.

Getting conservative Christians to the polls also could help Republicans in some close races for the House of Representatives, such as the one in Virginia's 2nd Congressional District. It's home to Pat Robertson's Christian Broadcasting Network and Regent University and includes a large number of Christian conservatives.

"It will improve turnout on our side," said Rep. Thelma Drake, R-Va., who's in a close re-election battle with Democratic challenger Phil Kellam. "We all work very hard for turnout. This is a plus for us."

Nearby, Sen. George Allen, R-Va., visited two largely black churches Sunday, where he invoked the New Jersey ruling as a potent reminder of the need to pass the proposed amendment to the Virginia state constitution banning gay marriage.

"The Supreme Court decision in New Jersey this week showed even more importantly to the people of Virginia why the Virginia marriage-protection amendment is so important," he said afterward.

Asked if the issue would help him appeal to African-Americans, who might have grown skeptical about his candidacy after news reports that he used racial epithets while in college, Allen noted that several people at one service stood up in support of his remarks about marriage.

"There will be some who say, and they will be wrong, that this is a divisive issue," he said during a later campaign event with two former pro football players, both African-American. "I look at it as a bridging issue. This is one that brings many people of different backgrounds together. Bringing the issue up as a salient issue, regardless of race or ethnicity or religious denomination, unites many people."

After years of growing political participation and helping Republicans win, Christian conservatives have been pulling back this year, frustrated by their inability to win significant victories in public policy such as a ban on abortion, and perhaps disillusioned by the page sex scandal in the House.

One sign: The ranks of Christian conservatives with favorable views of the party dropped from 74 percent two years ago to 54 percent this year, according to the Pew Research Center.

"Evangelicals remain the party's most supportive group, but at levels significantly diminished from where they were in the 2002 and 2004 elections," a recent Pew analysis said.

If a rally Sunday in Norfolk is a guide, however, the threat of the New Jersey ruling could bring some of them back into politics.

"I'm a born-again Christian," said Vernon Mills, a retired Navy veteran from Norfolk, standing amid a sea of yellow lawn signs urging support for the anti-gay marriage amendment that outnumbered candidates' signs.

"The Bible tells us God created Adam and Eve. One man and one woman. That's the way it's supposed to be. ... I hope it passes by a landslide."

"Prior to the New Jersey decision, I may have questioned whether the commonwealth of Virginia needed this amendment," added Leo Wardup, a Republican state legislator from Virginia Beach.

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"The New Jersey decision made a lot of people say, `Wait a minute.' The New Jersey decision is a catalyst showing people that this is necessary. And it's going to get more people to turn out on Election Day."

In Ohio, Democrats Show A Religious Side To Voters (NYT)

By David Kirkpatrick

The New York Times, October 31, 2006

COLUMBUS, Ohio, Oct. 30 — Representative Ted Strickland, an Ohio Democrat and former Methodist minister, opened his campaign for governor with a commercial on Christian radio vowing that "biblical principles" would guide him in office.

In his first major campaign speech, Mr. Strickland said "the example of Jesus" had led him into public service. He has made words from the prophet Micah a touchstone of his campaign.

Ohio, where a groundswell of conservative Christian support helped push President Bush to re-election two years ago, has become the leading edge of national Democratic efforts to win over religious voters, including evangelicals.

Explaining his hope to win conservative Christian votes, Mr. Strickland said, "I try to make a distinction between the religious right — people who have a conservative theological perspective — and the political religious right, who seem to have as their primary motivation political influence."

Polls show a notable decline since 2004 in support for Republicans among white evangelical Christians, who make up about a quarter of the electorate. The slip in Ohio has been especially steep. In 2004, 76 percent of white evangelical Christians in Ohio voted for Mr. Bush over the Democratic candidate, Senator John Kerry. But in a recent New York Times/CBS News poll, 53 percent of the same voters approved of the president's performance, and 42 percent disapproved.

Democrats, meanwhile, have stepped up efforts to lure religious voters in states including Michigan, Pennsylvania and Tennessee. But Mr. Strickland has capitalized more than anyone else on evangelical disaffection from the Republicans, helping to give him a lead of more than 20 percentage points in the race.

Mr. Strickland faces a Republican opponent, J. Kenneth Blackwell, who speaks just as openly about his evangelical faith, staunchly opposes abortion rights and same-sex unions and carries the endorsement of several nationally known Christian conservatives. But in a recent Quinnipiac University poll, Mr. Blackwell led Mr. Strickland among white evangelical voters by only three percentage points, which is within the margin of error.

"I have talked to lots of folks who say this is the first time they are not voting Republican," Rich Nathan, pastor of the Vineyard Columbus Church, one of the largest in the state, said in an interview Sunday after a service. Mr. Strickland, he said, was "making headway."

Still, dozens of evangelicals interviewed at Vineyard Columbus and another megachurch, Grace Brethren, said they remained wary of overtures from Democrats, even Mr. Strickland. Many said they felt more repelled by the Republicans than attracted to the Democrats.

"The Republican is lying, and the Democrats are secular," said Joshua Porter, a video producer attending Vineyard Columbus. "Who do we vote for?"

Robert Oser, an usher at Grace Brethren, said Mr. Strickland's liberal positions undercut him. "The Democrats are trying to change their spots," Mr. Oser said, "but their spots are still there."

No one brought up the New Jersey Supreme Court decision to recognize some form of same-sex unions as a factor on Election Day.

Only Mr. Oser offered the explanation for grass-roots malaise that Christian conservative groups in Washington usually suggest: that the Republicans had not done enough about abortion or other social issues.

Instead, some said they were disturbed by corruption in the Republican-controlled Statehouse here and in the Republican-controlled Congress. And many pointed to the Ohio economy, budget cuts for schools and social services and the war in Iraq.

Lawrence Porath, a parishioner at Grace Brethren, said he called himself a staunch Republican two years ago and helped turn out voters as a county leader of the Christian Coalition. But a week before this year's midterm elections, he said he was not sure whom to vote for.

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"I feel like our president has really not given us the complete truth from the beginning, on the war, or on anything," Mr. Porath, a commercial real estate investor, said in an interview after services on Sunday.

Mr. Nathan of Vineyard Columbus said such disillusionment was common. "How is it that we evangelicals have become the strongest constituency for war of any group in America?" he asked.

When he asked that question from the pulpit, Mr. Nathan said, people stand up and cheer.

Other Democratic candidates here are also reaching out to evangelicals and other Christians. Until recently, Representative Sherrod Brown, a Lutheran who is running for Senate here, seldom spoke publicly about his religious views.

This year, however, Mr. Brown's advisers discovered that after visiting Israel a decade ago he had written to his daughters and a Jewish friend about the emotions he felt reading aloud from the Sermon on the Mount at the site where Jesus is believed to have delivered it. Mr. Brown's campaign quickly incorporated his private words into messages sent to Christian voters.

In an interview, Mr. Brown said he now talked about his faith "a bit, not a lot." A campaign aide then arranged a second interview with Mr. Brown's wife, Connie Schultz, who said her husband tithed, listened to Lutheran hymns to relax and prayed before each campaign debate.

Mara Vanderslice, an evangelical Protestant who worked on Senator Kerry's presidential campaign, has opened a consulting firm, Common Good Strategies, based here, to help Democrats across the country reach religious voters and, she said, to help make the party more welcoming to them.

In addition to working with Mr. Strickland and Mr. Brown, Ms. Vanderslice is consulting with Democrats in Alabama, Michigan, Pennsylvania and elsewhere.

The Michigan Democratic Party consulted with 500 members of the clergy, including many evangelical Christians, and revised its platform. The revision included a dedication: "The Common Good. The best for each person in the state. The orphan. The family. The sick. The healthy. The wealthy. The poor. The citizen. The stranger. The First. The Last."

At a speech this month at a Lutheran college here, Mr. Strickland put a liberal twist on the common conservative Christian theme about secular forces trying to squeeze religion from the public square.

"There are those in Columbus and elsewhere who argue that the biblical mandates to love your neighbor and to work for justice are meant only for individuals and have no application to the political sphere," Mr. Strickland said. "They dismiss the Democrats and those religious leaders who claim that our faith requires us to insist that governments and government leaders — not just private citizens — seek justice, love, mercy, and humbly work to help the least, the last and the lost in our society."

In an interview, Mr. Strickland said that Christian conservatives had a right to their interpretation of the Bible, but that "it is an anemic interpretation, at best."

Phil Burress, president of Citizens for Community Values and a prominent Christian conservative organizer here, accused Mr. Strickland of using his faith. "He abandoned his theology degree," Mr. Burress said, "and all of a sudden he has found that it is a good political toy."

Still, Mr. Burress commended the Democrats for at least competing for conservative Christian voters. And, he added, "if he is successful in breaking into that bloc of voters, it is going to be a very interesting 2008."

Union Heads South To Recapture U.S. Political Clout (Update1) (BLOOM)

By Kim Chipman

Bloomberg, October 30, 2006

Oct. 30 (Bloomberg) -- The AFL-CIO, the biggest U.S. labor federation, is pushing into unfriendly territory -- the South -- in an effort to gain new political friends and help its Democratic allies win control of Congress.

The AFL-CIO has included contests in at least five states in the largely non-union South on its list of targeted races in the Nov. 7 midterm election, one that it says is vital to the future of organized labor.

``Our existence is at stake," said Jerry Lee, head of the AFL-CIO Labor Council in Tennessee. ``If we don't take control of at least one of the houses in Congress, Republicans will have free rein to do all the devastating things they can do to labor over the next two years."

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The AFL-CIO says it's spending a record $40 million this year to defeat Republicans nationwide. The money is being used to mobilize some 13.5 million union members, affiliated workers and their families through door-to-door visits, phone calls, direct mailings and leafleting.

The federation is broadening its political effort this year after concentrating much of its energies in 2004 on pivotal states such as Ohio -- and still failing to stop President George W. Bush from winning there and clinching re-election.

Some political experts as well as Republican critics, eying organized labor's shrinking membership and declining clout, question whether the AFL-CIO can deliver enough votes to make a difference.

``Union leadership is so oftentimes out of touch with its members that it's actually immaterial what union leaders do," said Dick Wadhams, campaign manager for Senator George Allen, a Virginia Republican who is one of the AFL-CIO's targets.

Declining Membership

The percentage of U.S. workers in labor unions was 12.5 percent last year, down from 35 percent in 1955, according to government data. The rate among private sector employees was 7.8 percent, the lowest in more than seven decades.

Virginia and Tennessee, two of the southern states the federation is targeting this year, have about 200,000 union members each, including retirees. Active union members account for about 5 percent of total workers in each state, according to government data.

That's a decline in Tennessee from 8.9 percent in 2000 --the year that Democratic presidential nominee Al Gore lost his home state even with strong union support.

North Carolina, where the AFL-CIO is supporting Democratic challenger Heath Shuler over Republican incumbent Charles Taylor in a House race, has the second-lowest percentage of union members in the country at 3 percent, ahead only of South Carolina.

Southern Battlegrounds

``The problem is that the areas where Democrats need to pick up votes aren't necessarily places where labor has a stronghold," said Jennifer Duffy of the nonpartisan Cook Political Report in Washington.

Still, some of the southern states being targeted by the federation -- Tennessee, Virginia, North Carolina, Kentucky and Texas -- are the sites of a cluster of Senate and House races that will help determine control of the next Congress.

The AFL-CIO targeted these states after it became clear that the contests there were up for grabs, said Karen Ackerman, the AFL-CIO's national political director. ``These were reliably Red states, and the fact they are now toss-ups speaks to how fertile the moment is for more progressive candidates," Ackerman said.

Virginia AFL-CIO Treasurer Doris Crouse-Mays said the union vote can make a difference in her state's Senate race, which pits Allen against Democratic challenger Jim Webb in a contest polls show is very close.

Virginia Turnout

In last year's Virginia governor's race, which Democrat Tim Kaine won, a union analysis of state voting data found that almost 60 percent of active AFL-CIO members and 70 percent of retirees voted, exceeding the general turnout of about 45 percent, Mays said.

Republicans say they aren't worried. Doug Grindstaff, the party's chairman in Tennessee's Williamson County, which includes the Nashville suburbs, said he welcomes union efforts on behalf of Democratic Senate candidate Harold Ford Jr. because they reveal him as a liberal.

``I'd say 70 to 80 percent of voters in my county oppose organized labor issues, so it helps us," Grindstaff said.

The Ford campaign seems to recognize that union support in the South can cut two ways. While Ford appeared at a rally with union officials in Nashville on Oct. 13, he didn't publicize the event, according to John Geer, a political scientist at Vanderbilt University in Nashville.

Split Movement

``I didn't see anything about it from the Ford campaign, and I get all their stuff," Geer said. ``It would hurt Ford if he embraced labor in very strong terms."

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Unions are counting on a Democratic-controlled Congress to pass legislation making it easier for workers to organize and push back against what labor sees as anti-union measures, such as a recent National Labor Relations Board ruling giving management wider scope to exempt certain employees from union membership.

``People understand what the present administration in Washington is doing," AFL-CIO President John Sweeney, 72, said in an Oct. 13 interview at a labor rally in Nashville for Ford. ``It's not difficult when you see a government trying to privatize Social Security or avoid increasing the minimum wage."

A debate among unions last year about the best way to revive the movement led to the biggest split in 70 years and threatened to weaken labor's already dwindling political power. Several unions broke away from the AFL-CIO to form a new federation called Change to Win.

Rift's Consequences

Leaders in both federations say predictions that the rift would hurt labor's political efforts proved to be overblown. Coordination has been ``relatively seamless," said Greg Tarpinian, executive director of Change to Win, which represents seven unions and about 6 million workers.

Union supporters in some southern states said voters' attention is shifting from issues such as gay marriage to economic ones, like lost manufacturing jobs and a federal minimum wage that hasn't been raised since 1997.

``I can't feed my family on gay marriage," said Robert Lewis, a machinist and a coordinator for the Tennessee AFL-CIO. ``I can't put a roof over my family on gay marriage."

Talent Tells GOP Faithful To `get Busy' Getting Out The Vote (BVND)

By Marcus Kabel

The Belleville News Democrat, October 31, 2006

POPLAR BLUFF, Mo. - Sen. Jim Talent was crossing southern Missouri a week before elections, encouraging local Republican organizers and volunteers to get out the vote in a close race against Democratic challenger Claire McCaskill.

After campaigning in southeast Missouri and St. Louis Monday, Talent was scheduled to hold campaign events in Joplin, Springfield, Bolivar, Lebanon and Rolla on Tuesday. He plans to keep up a similar pace for the next week, a Talent spokesman said.

Talent will be joined Tuesday by Senate Majority Leader Bill Frist. Missouri's senior senator, Kit Bond, campaigned for Talent at Monday's stops and will take part for a second day.

McCaskill had no public campaign events scheduled Monday, but had evening fundraisers in St. Louis, where she planned to begin a statewide RV tour Tuesday.

Talent told supporters Monday that Democrats such as McCaskill would roll back tax cuts if they win control of Congress.

Talent told crowds of GOP workers and backers, ranging from around 40 people to more than 100, that they need to work phone lines, knock on doors and talk to friends and co-workers about voting next week.

"If you haven't been busy doing that, I want you to get busy," he said at a farm equipment dealership in Poplar Bluff, the last of five stops on a roughly 200-mile swing through southeast Missouri, before heading to an evening appearance in St. Louis.

"I think that all that can possibly stop us is if we and the people who believe as we do just don't go to the polls next Tuesday. But that isn't going to happen," he said.

Talent wound up activities in the St. Louis area Monday night for a fundraising event that featured White House spokesman Tony Snow. The stop at the St. Louis Hilton Frontenac was one of more than a dozen Snow is making for Republican candidates around the country ahead of the Nov. 7 elections.

"There's no reason to do politics unless it's to make a difference," Snow told the crowd. "If you've got the right attitude, you can get a lot of stuff done. Jim's done that."

He spoke on topics ranging from energy policy to the war in Iraq and how the nation has changed since Sept. 11, 2001. He said the U.S. operation in Iraq is a chance to spread democracy.

"This is a country that really does spread dreams," Snow said. "This is a chance to expand that dream."

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In his appearances earlier in the day, Talent touted a legislative record of working on what he called national issues that had extra benefits for Missouri. He said those included legislation to combat methamphetamine by restricting the amount of cold medicines - which contain ingredients used in making meth - that people can buy in one stop. It also included legislation requiring oil companies to mix ethanol in gasoline, which he said could revive rural economies such as Missouri's.

"This will be for Missouri what oil was for Texas," Talent said.

Talent mentioned the war in Iraq only once in a brief line accusing McCaskill of supporting a U.S. troop withdrawal "before our mission is done."

McCaskill has called for a redeployment of U.S. troops from Iraq in about two years. She also has criticized President Bush's policies in Iraq, suggested Secretary of Defense Donald Rumsfeld should be fired and claimed Talent has not asked enough questions of Rumsfeld as a member of the Senate Armed Services Committee.

Talent said he supported the Bush administration's intelligence efforts against terrorists and opposed leaks to the news media of programs such as warrantless wiretapping of phone conversations between possible overseas terrorists and people in the United States.

"I'm going to stand up for your security and your freedom and your civil liberties, and I'm not going to worry too much about the captured terrorists," he said.

Bond campaigned for Talent as a representative of "commonsense conservative Missouri values" - a slogan Talent has used frequently at campaign events.

Talent said those values included opposing gay marriage and supporting border security, including a border fence bill recently signed by President Bush, while opposing amnesty for illegal immigrants.

Supporter Darrell Myers welcomed the push Monday. Myers, 78, a retired Poplar Bluff accountant, described himself as a conservative Christian and said he has spoken with many people with similar views who are reluctant to vote next week.

"It's not any one thing. It's the state of society as a whole. Our politicians need to do more to push moral values," Myers said, adding he was volunteering to make calls to voters.

But Tom Burchan, a volunteer GOP organizer in Farmington, said he had more volunteers for phone calls and house visits than at the same point in the 2002 and 2004 campaigns.

"The enthusiasm is enormous," Burchan said.

New CNN poll shows Webb with slight edge on Allen (AP)

By Bob Lewis

AP CNN Poll, October 31, 2006

New CNN poll shows Webb with slight edge on Allen

A new statewide poll Monday showed Democrat Jim Webb with a slight lead in next week's close Senate race against Republican incumbent George Allen.

Among likely voters, the former Republican was the choice of 50 percent of those surveyed while 46 percent favored Allen and 4 percent were undecided.

Because Webb's edge is equal to the margin of error of plus or minus 4 percentage points, it means Webb is slightly ahead.

The result is based on telephone interviews Opinion Research Corp. conducted for CNN from Oct. 26-29 among 597 registered Virginia voters who identified themselves as likely to vote on Nov. 7.

Among the larger sample of 904 registered voters, the results were about even, with 48 percent of the respondents backing Webb, 46 percent for Allen and 5 percent undecided. One percent voiced support for an "other" candidate not identified in the survey.

Independent Gail Parker also is on the ballot.

The poll is the first to show Webb with an advantage in a mean and expensive campaign in once reliably Republican Virginia whose outcome could be pivotal in determining whether an embattled GOP can retain control of the Senate.

Webb, along with help from a national Democratic organization, is airing about $3 million a week in television ads to more than $2 million a week for Allen and his national GOP allies in the campaign's frantic final week.

While Webb supporters crowed over the results, longtime Allen adviser Christopher J. LaCivita said the poll was skewed because half of it was conducted over the weekend.

"It sure doesn't reflect anything we're seeing," said LaCivita, a national GOP consultant who lives near Richmond.

"Any survey conducted Fridays and Saturdays, everybody knows they're skewed toward Democrats," he said.

The latter two days of the survey, however, reflect two intensive days of news coverage of Allen's claim that selected sexually explicit passages in some of Webb's six gritty novels about war are demeaning to women.

"Virginians are a lot smarter than that, and he insulted their intelligence," said Webb spokeswoman Kristian Denny Todd. "It was a baseless attack on Jim that didn't make sense. He (Allen) was trying to attack Jim on works of fiction."

The fictional books reflect the bloodshed and dehumanizing conditions Webb saw and experienced as a Marine in some of the deadliest combat of the Vietnam War in 1969.

He has written one nonfiction book, "Born Fighting," that traces the heritage of Scots-Irish families in America, including his own, to their ethnic origins in Europe.

Webb continued Tuesday to campaign heavily on the Iraq war, seeking to link Allen with President Bush's handling of the war.

Allen campaigned with veterans groups with Virginia's senior senator and Armed Services Committee chairman, John W. Warner, in Hampton Roads, an area that's home to the world's largest U.S. Navy base as well as active duty and retired military households.

Poll Shows Webb Leading Allen For First Time (WT)

By Christina Bellantoni

The Washington Times, October 31, 2006

Democrat James H. Webb Jr. leads Republican Sen. George Allen for the first time in a statewide poll for Virginia's U.S. Senate race.

If the Nov. 7 election were held today, Mr. Webb would receive 48 percent of the vote to Mr. Allen's 46 percent, the poll conducted by Rasmussen Reports shows.

Of the 500 likely voters questioned in Sunday's telephone survey, 2 percent favored another candidate and 5 percent were undecided.

The margin of error is 4.5 percentage points, which means the two men still are statistically tied.

A Rasmussen poll taken last week showed Mr. Allen leading 47 percent to 44 percent.

Over the course of the campaign, Mr. Allen's lead has eroded steadily. Last fall, before any Democrat had declared a candidacy for Senate, Mr. Allen, a former governor, held a lead of more than 30 points. In the summer, he led Mr. Webb by 16 points.

In the latest Rasmussen poll, Mr. Webb leads with 51 percent to 46 percent for Mr. Allen when the results include "leaners," or undecided voters who are leaning toward one candidate. When leaners are included, 3 percent remained undecided.

Of the Webb voters in the poll, 43 percent said they would choose the Democrat as a way to vote "against Allen."

Issues were more important to 82 percent of those surveyed, while 14 percent said questions of character are more important.

Mr. Allen's recent criticism of salacious passages in Mr. Webb's novels did not seem to sway voters in the senator's direction.

Though many Allen supporters have said the depictions of incest and an acrobatic stripper raise questions about Mr. Webb's character, many of those surveyed disagreed.

In the poll, 59 percent said the passages caused them no concern about Mr. Webb, and 39 percent said they were of concern.

Black Democrats Cross Party Lines To Back Steele For U.S. Senate (WP)

By Ovetta Wiggins

The Washington Post, October 31, 2006

DOJ_NMG_0089013

A coalition of black Democratic political leaders from Prince George's County led by former county executive Wayne K. Curry endorsed Republican Michael S. Steele's bid for the U.S. Senate yesterday.

The support from Curry, five County Council members and others barely a week before Election Day reflects their continued disappointment that the Democratic Party has no African American candidates at the top of the ticket and a sense that the county is being ignored, officials said.

"They show us a pie, but we never get a slice," said Major F. Riddick Jr., a former aide to then-Gov. Parris N. Glendening and a former county executive candidate. "We are here today to say we've waited and we've waited and we're waiting no longer."

Steele, who as lieutenant governor is the first African American elected statewide in Maryland, said he was humbled by the support. "I said I did not want this [campaign] to be so much about party but about the people," he said. "And these people understand that."

Ron Walters, a political science professor at the University of Maryland, said the endorsements could be significant. "This is going to go through the black community like a rocket," he said. "It's going to be the talk of the county, the state, maybe even the nation."

Oren Shur, a spokesman for the Democratic Senate candidate, Rep. Benjamin L. Cardin, was more skeptical. "The endorsements will not make Prince George's County residents forget that Michael Steele is George W. Bush's handpicked candidate," he said.

The politicians were joined at a news conference in Largo by about a half-dozen business leaders, including Ron Lipscomb, a trustee of the state Democratic Party.

All said they are lifelong Democrats who do not agree with some of Steele's stances but are not in lock step with the Democratic Party, either.

"The party acts as though when they want our opinion they'll give it to us," said Curry, Prince George's first black county executive. "It will not be like that anymore."

He noted that support for a Republican is not unprecedented: In 2002, Democrat Kathleen Kennedy Townsend picked a GOP running mate in her gubernatorial bid, passing over a black candidate.

This year, Democratic contender Martin O'Malley is running with an African American from Prince George's County, Del. Anthony Brown. But black Democrats who ran for the U.S. Senate and state attorney general lost in the primary.

Curry would not answer questions about Brown, but he said the state Democratic Party had "trivialized" Prince George's, though it provides the "mother lode of votes in the state of Maryland."

Terry Lierman, state Democratic chairman, said there is plenty of diversity in the party. "They are trying to make an issue out of something that doesn't exist," he said.

According to a recent Washington Post poll, Steele trailed Cardin by 11 percentage points. The lieutenant governor has support from only 14 percent of black voters, despite an aggressive bid for their support, the poll shows.

During the primary, Curry's endorsement gave Rushern L. Baker III a boost in his unsuccessful bid for county executive. Steele is hoping Curry will do the same for him among black Democrats.

Walters said the Prince George's politicians made an "audacious" move by putting local interests above national ones since a Steele victory could keep the Senate in Republican hands.

Curry said the decision to endorse the lieutenant governor was about dignity and respect and an opportunity to back a "good man with a good plan."

Curry said he disagrees with Steele on several issues but supports his plans for equity in business opportunities, economic development and improved schools.

Prince George's council member David Harrington (D-Cheverly) said he was comfortable supporting Steele. "It's a way to say, 'Don't leave Prince George's out, and don't leave African Americans out,' " he said.

Harrington said race is a factor for him. "It's not the factor," he said, "but it is a factor. There needs to be a diversity of voices in the room."

In addition to Harrington, the council members backing Steele are Samuel H. Dean (D-Mitchellville), Camille Exum (D-Seat Pleasant), Tony Knotts (D-Temple Hills) and Marilynn Bland (D-Clinton).

DOJ_NMG_0089014

Black Democrats Support Steele (WT)

By S.a. Miller And Jon Ward

The Washington Times, October 31, 2006

Former Prince George's County Executive Wayne K. Curry and five fellow black Democrats on the county council excoriated their party yesterday and endorsed Lt. Gov. Michael S. Steele, a Republican, for U.S. Senate.

"The [Democratic] Party acts as though when they want our opinion, they'll give it to us. It's not going to be like that anymore," said Mr. Curry, who in 1994 became the county's first black executive and remains influential in the mostly black and heavily Democratic county.

Mr. Curry and the lawmakers said Democratic leaders repeatedly have snubbed the black community and their county, noting the lack of party support for the Senate campaign of former National Association for the Advancement of Colored People chief Kweisi Mfume, who lost the Democratic primary to Rep. Benjamin L. Cardin.

The Democratic ticket lacks black candidates, they said, and candidates from Prince George's County, which is home to more than 320,000 registered Democrats -- the most of any jurisdiction in Maryland.

"We're not puppets. We're not gullible," Mr. Curry said during a press conference at the Infusion Tea Cafe in Largo. "This ain't the first time we've charged up a hill."

He was joined by fellow black Democrats David Harrington of Bladensburg, Samuel H. Dean of Bowie, Camille A. Exum of Capitol Heights, Tony Knotts of Temple Hills and Marilyn Bland of Clinton -- all officials on the nine-member county council.

Other black Democratic leaders endorsing Mr. Steele yesterday included Major Riddick, former chief of staff for former Gov. Parris N. Glendening; Ron Lipscomb, a major fundraiser and trustee of the state party; and businessmen Clayton Duhaney and M.A. "Mike" Little.

"There's a revolution going on here," said Jerry McLaurin, a county developer and Steele supporter who attended the announcement. "This is going to radiate throughout the county like an explosion."

Mr. Steele, who lives in the county and is the first black to be elected to statewide office in Maryland, said he was "humbled."

"As I started this campaign, I said to myself I didn't want this to be so much about party as about people, and these individuals seem to understand and appreciate that as well," he said.

The endorsements were issued as Democratic officials are scrambling to secure their most loyal bloc -- black voters.

Mr. Curry said the Steele endorsements are "the continuation of a long civil rights struggle."

Mr. Dean, a former council chairman who was elected in 2002 with 93 percent of the vote, said blacks have had a one-sided relationship with the Democratic Party since they shifted allegiance from the Republican Party in 1932.

"We were in the Democratic Party while they were lynching black folks. We were in the Democratic Party while they were segregating folks," Mr. Dean said. "We have been loyal Democrats, [but] when the party has an opportunity to do something to show that their base is recognized, appreciated and acknowledged, they don't."

"The issue is what we want not only from the state party but from the national party," he said. "Give us respect. We cannot continue to be in the room but not allowed to come to the table. What we are doing now is saying, 'Forget it. We are not going to wait for you to bring us to the table. We are going to not only get to the table, we are going to take it.' "

Other Maryland Democratic leaders -- such as U.S. House Minority Whip Steny H. Hoyer, Prince George's County Executive Jack B. Johnson and Delegate Anthony G. Brown of Prince George's County, who is running for lieutenant governor -- declined to comment.

A Cardin campaign spokesman did not return calls.

Mr. Cardin, a white 10-term congressman from Baltimore, said this weekend that his "message to the African-American community and to all communities is that we've got to change the priorities in Washington."

"You're twice as likely to be without health insurance if you're African-American. So, yes, [black voters are] concerned about a senator who's going to stand up for universal health coverage. I will. Michael Steele won't. He supports George Bush's policies," Mr. Cardin said.

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Mr. Curry said that Mr. Steele is a "good man with a good plan," and although he differs with some of Mr. Steele's views, he also differs with some of the Democratic Party's platform.

He said the lieutenant governor is "most responsive to the things that will make our futures brighter."

A G.O.P. Leader And Star Struggles For Traction (NYT)

By Robin Toner

The New York Times, October 31, 2006

PITTSBURGH, Oct. 27 — There is no better snapshot of the brutal political climate facing many Republicans in these final days than this: Senator Rick Santorum, the third-ranking Republican in the Senate, stubbornly behind in the polls, warning with anger and growing frustration that voters should not — must not, for their own good — reject him for his Democratic opponent, Bob Casey, the state treasurer.

Assailing Mr. Casey's national security credentials, the Santorum campaign has run a television commercial that shows a mushroom cloud, missiles streaking through the air and the faces of North Korean, Iranian and terrorist leaders. It concludes, "We just can't take a chance on Bob Casey."

Mr. Santorum began the final stretch of his campaign with a series of speeches on "The Gathering Storm," offering a dark, Churchillian vision of the threats facing the United States — like the threats, he said, that faced England in the years leading up to World War II.

But Mr. Santorum all but acknowledges that the national security issues that proved such a fundamental strength for the Republicans in 2002 and 2004 are far riskier for his party this year.

"People ask me, 'Why are you giving a major foreign-policy address two weeks before your election? Don't you realize this war is not popular?' " he said Friday. But he plowed forward, to an audience of about 75 in a Holiday Inn in the western Pennsylvania city of Johnstown, one of several stops on his tour.

The political world has changed fundamentally for Mr. Santorum, who rode an anti-establishment wave into the Senate in 1994 but is now at risk of being swept out of office by a very different wave. He has spent millions, campaigned hard, attacked his Democratic opponent on every imaginable front, closing with what Democrats assert is "a campaign of fear and smear." But Mr. Santorum has remained consistently behind in the public polls.

He speaks of Mr. Casey with barely disguised disdain, as if he cannot imagine the possibility of losing to the Democrat who, he asserts, "is simply reading from the bullet points of Howard Dean."

[The latest Philadelphia Inquirer/Temple University poll, published Sunday, showed Mr. Santorum at 38 percent, 16 points behind Mr. Casey. Other polls have shown smaller leads for the Democrat, but G. Terry Madonna, who runs the Keystone Poll at Franklin & Marshall College in Lancaster, said, "The stability in this race is truly remarkable" in one respect: Mr. Santorum generally comes in at about 40 percent.]

Mr. Santorum's advisers blame the national climate for his difficulties; in a state like Pennsylvania, which often leans Democratic, the plummeting popularity of President Bush and the Republican-led Congress was bound to hit hard. In fact, several Republican House incumbents are also fighting for their political lives in Pennsylvania this year.

"Environmentally, this is probably the toughest year I've ever seen," said John Brabender, a top Santorum adviser.

But Mr. Santorum's own personality and political style have also played a role, political strategists and analysts say. Over the past two years, he aggressively intervened in the right-to-die case of Terri Schiavo and jumped into debates on flashpoint issues like the Roman Catholic Church's sex abuse scandal and same-sex marriage. Along with his staunchly conservative voting record, that took a toll, reflected in what polls show as his continued difficulty among moderate suburbanites outside Philadelphia.

At the same time, a controversy over his residency — his family lives much of the year in Virginia — is widely blamed for his sagging support in the polls in western Pennsylvania, where he began his political career. He won a House seat in 1990 with a campaign that lambasted the Democratic incumbent for living in Virginia.

As he campaigned across western Pennsylvania, Mr. Santorum said he "absolutely" felt he had time to turn the race around, that voters would, in the end, recognize what he asserted was a clear gap in competence between him and Mr. Casey.

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Mr. Brabender, who dismissed the public polls, said he believed that the Santorum campaign could be five or six points behind on Election Day and still win through their superior turnout operation.

Jay Reiff, Mr. Casey's campaign manager, countered, "First of all, it's not a single-digit race. And secondly, the intensity is not on Santorum's side."

Mr. Santorum opened new lines of attack in recent days, including one over Mr. Casey's management of state pension fund investments.

But Democrats can taste victory. At a Casey rally at the University of Pittsburgh Friday afternoon, college Democrats roared as Representative Mike Doyle, Democrat of Pennsylvania, declared, "In 11 days, we're going to change America!"

Mr. Casey proceeded to give a stump speech aimed squarely at the bread-and-butter issues of the middle class, like affordable health insurance, universal pre-school access, assistance for college tuition, and the general promise of "a new direction." He mocked Mr. Santorum as a rubber stamp for the Bush administration who had defended Mr. Bush and Defense Secretary Donald H. Rumsfeld instead of asking hard questions about the war in Iraq.

It was not a dazzling performance, but it was disciplined and firmly on message, and that is another explanation for Mr. Santorum's difficulties. From the beginning of this race, 20 months ago, the Democrats have run a careful, pragmatic campaign. Democratic leaders like Senator Charles E. Schumer of New York, the chairman of the Democratic Senatorial Campaign Committee, recruited Mr. Casey to run on the grounds that as an experienced statewide candidate, the son of a popular former governor, he was the strongest candidate the party could field.

From a strategic standpoint, Mr. Casey's conservatism on social issues — he opposes abortion rights — was expected to help the party with more traditional voters. In an interview, Mr. Casey, a Roman Catholic like Mr. Santorum, said he worked hard to signal that he wanted a conversation with "people of faith."

He spoke at Catholic University this fall over the objection of conservatives who did not want him invited there, met with evangelical Christians on global warming and closes his stump speech these days with a reflection that "your burdens can become your blessings."

"Too often Democrats have avoided talking about faith — the national party has had the perception, and sometimes it's a perception we've fostered or amplified — that people of faith are not part of a coalition we want to build," said Mr. Casey, a soft-spoken man, who often talks about the importance of his service as a Jesuit volunteer in an urban school. "But you can build bridges."

At the same time, the polls and the Democratic primary showed that Mr. Casey was holding his party's liberal base, even among those who disagree with him on abortion; opposition to Mr. Santorum proved a powerful unifying force among Democrats. And while the Santorum campaign raised more funds than the Casey campaign, the last fund-raising report showed Mr. Casey held a slim advantage in cash-on-hand for the final stretch.

Throughout the year, the Santorum campaign accused Mr. Casey of lacking ideas, ducking debates and failing to understand the nuances of foreign policy.

By the end of the campaign, an extraordinarily long campaign, by Senate standards, the personal animus between the two men was striking.

In a recent debate in Philadelphia, Mr. Santorum told voters: "I had to earn this job. It's not a job I inherited because of my last name."

Moments later, when reporters pressed Mr. Casey about the possibility of more debates, he shot back: "We've spent enough time together, the two of us. Let's go meet the voters. I'll see him at the finish line."

Hopscotch In New Jersey Senate Race (NYT)

By David W. Chen And Richard G. Jones

The New York Times, October 31, 2006

LODI, N.J., Oct. 30 — Thomas H. Kean Jr. began the last full week of his campaign for the United States Senate by getting on his knees to be blessed by Korean-American pastors in Cliffside Park on Monday. Hours later and just eight miles away in another Bergen County town, he mingled with Italian-American firefighters and community leaders at Lodi Hose Company 2.

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A hundred miles south, Senator Robert Menendez attended two events in the Democratic stronghold of Camden County. On Tuesday morning, he planned to be back in the same area for a breakfast with veterans accompanied by former Senator Max Cleland of Georgia, a Vietnam veteran who lost his legs in the war.

With just eight days until the election, this is the time when candidates in New Jersey pack their schedules with appearances all over the state, often from dawn until the dinner hour. And with most polls showing Mr. Menendez, the Democratic incumbent, holding a slight lead over his Republican opponent, both he and Mr. Kean are frequently hurrying through their lengthening schedules by sticking to the same issues and repeating accusations.

But there is a purpose in the seemingly frantic game of hopscotch from Camden to Lodi or Somerset to Asbury Park hinting at the strategy shaping the final days of the campaign. And geography, not surprisingly, is a major factor.

"You need to focus on people who you are pretty sure are in your camp, but need a little push to make sure they go out and do it," said Peter J. Woolley, a political scientist at Fairleigh Dickinson University and the executive director of its Public Mind poll.

For Mr. Kean, that means a lot of time in such Republican strongholds as Morris County and some communities along the Jersey Shore as well as repeated forays to Bergen County, the state's wealthiest and most populous region, which is viewed as a battleground area.

Indeed, political consultants often say that no Republican can win without doing well in Bergen County. Last year, Gov. Jon S. Corzine, a Democrat, trounced his Republican opponent, Douglas R. Forrester, in the race for governor by a margin of 34,000 votes there and went on to win by a comfortable 9 percentage points.

For now, Mr. Kean is scheduled to campaign in Bergen County another half dozen times before Election Day next Tuesday, including several early morning appearances at train stations to greet commuters heading into New York.

In fact, Mr. Kean has been spending so much time in Bergen County that former Assemblyman Paul DiGaetano, who introduced Mr. Kean at the event here Monday afternoon, said jokingly, "I can't count the number of times he's been here."

For his part, Mr. Menendez plans to adhere to classic Democratic strategy by zeroing in on such urban areas as Camden, Essex and Hudson Counties, and appealing to ethnic minorities and organized labor, core party constituencies.

He also plans to rely heavily on out-of-state luminaries, with repeat appearances expected from Senator Edward M. Kennedy of Massachusetts and former President Bill Clinton, and a third appearance since June by the party's newest star, Senator Barack Obama of Illinois.

"My guess is that the campaigns are not looking at the undecideds at this point, because it's too risky and it takes up too much time," Mr. Woolley said.

A poll conducted last week by The New York Times and CBS News bears out the geographic differences. While the race over all shows Mr. Menendez ahead by 38 to 36 percentage points among registered voters, Mr. Menendez is doing better in the northeastern urban areas and Bergen and Passaic Counties, while Mr. Kean is leading in the northwestern part of the state, a region that historically votes Republican. In central and southern New Jersey — where the two northern New Jerseyans are not as well known — the candidates are running just about even.

This late in the campaign, a strategy of playing to one's strengths is not surprising. For instance, the Friday before the election last year, six of Mr. Corzine's eight public appearances were in Essex County. By contrast, Mr. Forrester's schedule one day in that final full week of stumping featured four appearances in Monmouth County, another in Morris County and two in Bergen County.

But there are also factors that make this year's race a bit different.

It is the first time since 2001 that a statewide race has not included at least one candidate named Corzine or Forrester who is largely paying for his own campaign. And because the race this year is so competitive and control of the Senate could be at stake, the national political parties are investing a great deal of money, with pledges of $7.5 million so far.

Buoyed by the prospect of sending someone to the Senate for the first time since 1972, New Jersey Republicans are working hard at employing the national party's "microtargeting" strategy: combing through voting and consumer database records to identify potential voters.

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"From the cars we drive to the magazines we subscribe to, to whenever we enter a contest to win something — all of that is used to glean out particularly independent voters who might support our candidates," said Tom Wilson, the chairman of the state party. "This allows us not to allow stones unturned."

Still, Democrats have a strong advantage in the state. Of 4.86 million registered voters, according to figures released on Monday by Attorney General Stuart Rabner, 1.15 million are Democrats, 890,000 are Republicans, and the rest are unaffiliated.

As a result, Senator Charles E. Schumer of New York, who is chairman of the Democratic Senatorial Campaign Committee, said on Sunday that he was confident about Mr. Menendez's chances, and cited a recent Democratic poll reporting that his party's candidate held a 9 percentage point lead.

"We believe we're ahead in New Jersey by a significant amount," Mr. Schumer said. "Our goal is not to lose a blue state, and we believe we're on the road to achieving it."

Correction (NYT)

The New York Times, October 31, 2006

An editorial yesterday about the New Jersey Senate race incorrectly described the timing of donations to the campaign of Thomas Kean Jr. by executives of Horizon Blue Cross and Blue Shield of New Jersey. The checks were written for a fund-raiser for Mr. Kean that took place before the submission of legislation that maintained a tax exemption for the companies. Mr. Kean did not receive the money on the same day that he voted for that legislation. The reference was based on an article in The Star-Ledger of Newark that the newspaper subsequently corrected.

Hutchison Works To Keep GOP In Power (DMN)

By Todd J. Gillman

The Dallas Morning News, October 31, 2006

AMARILLO – For Kay Bailey Hutchison, Texas is a line in the sand. The nightmare isn't so much that she'll lose her own re-election bid, it's that the ill national mood will flip control of Congress.

"It is a tough year. It is a tough year because times are tough. Because you've got boots on the ground," she says. "As Margaret Thatcher once said to George Bush 41, now is not the time to go wobbly."

JIM MAHONEY/DMN United States Senator Kay Bailey Hutchison conferred with her deputy chief of staff Marc Short during a campaign trip Oct. 24 in West Texas.

No statewide candidate has ever collected as many votes as she did six years ago. Her bank account is 150 times bigger than her Democratic opponent's, and most analysts expect her to cruise to a third term.

Yet she is running hard, dashing across West Texas one day last week, exhorting Republicans in one city after another to get out and vote.

"This is a crucial election," she tells a rally that drew a few dozen supporters to a tractor dealership in Amarillo. Iraq is the key, she acknowledged through the day, saying it's dragging down the party and making the stakes that much higher on Nov. 7. "All of us want to leave, but the difference is whether we leave with our credibility intact and Iraq stable or just leave and hope the terrorists won't attack again."

It's a message meant to fire up Republican loyalists, though it also seemed to validate their anxieties. Sure, they'll keep the Texas seat, but what about the House and Senate?

'Worried'

"Well, I'm worried," says retired oil woman Betty Moore, 72, after the Amarillo speech. "I hope all Republicans get out and vote. That's all we can do is hope."

Also Online

Video: Follow Sen. Hutchison during a day of campaigning

Complete elections coverage

Four friendly venues are on the itinerary in Amarillo, Midland, San Angelo and Abilene.

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"We are not getting credit for the strength of this economy and that didn't happen by accident," Ms. Hutchison says in one way or another at each stop to crowds ranging from 40 to 100. "It is important to win decisively. That makes a difference. It makes a difference in Texas generally and your ability to speak with authority."

She doesn't mention immigration much. But she's started taking swats at opponent Barbara Ann Radnofsky.

"She wants to cut and run from Iraq. I want to do the right thing and make sure we stabilize Iraq so it doesn't become a haven for terrorists," the senator says.

For months she kept mum as the Democrat taunted her, calling Ms. Hutchison an "aging prom queen" and a Bush "puppet."

"She's been poking a stick at me," the senator says. "I have not responded to her during the year because that's what she wanted."

But now, with voters paying attention, the senator is striking back. She calls her opponent desperate and ill-tempered and the name-calling "cheap shots."

On the way to Midland, an aide hands her a faxed copy of a Kerrville Daily Times story. Kinky Friedman voted for her. "She is not without charms," the independent candidate for governor told the paper.

She laughs: "He's so open, that he said that."

They had met last Sunday at Love Field, the crossroads of all statewide campaigns. She'll write a thank-you, but her ballot will go to Gov. Rick Perry, her fellow Republican, whom she had thought about challenging instead of running for re-election.

As it happens, the senator will be in Kerrville herself on Friday, during a two-day bus tour from Seguin to Weatherford.

Why, at age 63, does she put herself through these grueling days on the trail when analysts figure she's a shoo-in?

"I love campaigning," she says. "If I were not doing this then I don't think that I would have the great grass-roots support that I do."

Next stop Midland. A few score people are gathered at the Commemorative Air Force Museum.

"This is a tough year," she tells them. "It really is crucial that our vote turns out. ... If the Democrats take control, you'll see a lot of gridlock. You'll see a lot of efforts to appease the terrorists."

Billie Ross has run Hutchison campaigns around here for years and would happily have helped her run for governor.

"I know she wants to," Ms. Ross says.

U.S. Rep. Mike Conaway, R-Midland, is on hand, too. Last month, he called the senator "stronger than a jalapeno." Today she's the "most beloved statesman" Texas has produced in a generation.

"I'm hoping to ride her coattails on Election Day," he says – a joke, given that he's running unopposed.

Midland Mayor Michael Canon says he won't be surprised if she pulls 85 or 90 percent of the vote. "She produces results for us. And I don't think she singles out West Texas as somebody she's particularly inclined toward helping," he says.

Could she continue to do so even if the Republican grip on Congress loosens? "One way or the other I think she'll still be extremely effective. ... She can cross the aisle and do so with grace and eloquence and effectiveness that only she can do," he says.

Wrong number

Wheels down in San Angelo after a short but bumpy flight. One of the senator's two BlackBerries starts ringing. She leans into the window for better reception as the plane taxis.

"Hello? I think you have the wrong number." She laughs. She never gives out this number.

What she does give out whenever possible are federal dollars. She paints herself as a senator who takes care of Texas, though her opponent says she doesn't secure nearly enough to justify the claim.

In Amarillo, she talks up farm policy. In Midland, it is support for a local nuclear project and a highway to link Mexico with the Midwest. In San Angelo, she touts her support for Goodfellow Air Force Base and its new foreign language training center, plus the time she escorted the librarian of Congress to town and announced a $200,000 grant for the Tom Green County library.

Incumbency has its advantages.

"This is as important an election as we have faced in our lifetime," she tells the 40 or so people gathered for her speech at headquarters of Town & Country convenience stores, in a lunchroom with a free soda fountain.

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The choice, she says, is between lower taxes and a resolute approach to Iraq, or higher taxes and appeasement of terrorists.

At the final stop in Abilene, a hundred or so folks are gathered on the courthouse lawn, with country music and free hotdogs. Even Rick Perry's parents are on hand, and the senator chats amiably with them on her way out.

"This is a crucial election," she tells the crowd. "It's an election that's going to decide a lot about what we do in Texas, what we do in the United States. ... People have said that conservatives are going to stay home. We cannot let that happen. We need to make sure that we keep control of Congress."

If West Texans had their way, that wouldn't be a problem. But there are forces beyond their control.

"I'm concerned," says Curtis Tomme, the Taylor County GOP chairman and an assistant district attorney in Abilene. "The polls are all over the place. It's going to be close."

Back on the plane, Ms. Hutchison ticks off the dire consequences of a Democratic takeover. The Bush tax cuts are at risk. The nation's credibility would be shredded by a premature withdrawal from Iraq. There'd be little hope of rescuing Social Security or reforming immigration laws.

"We would be on defense," she says. "You saw gridlock the last year. I think that's what you'll see for the next two years."

CLINTON: 12 MORE YEARS (NYPOST)

The New York Post, October 30, 2006

October 30, 2006 -- The Post today also endorses Hillary Rodham Clinton for re-election to the United States Senate.

Surprised?

Well, so are we - a little.

But, then, there really isn't much of a choice in this race.

Clinton has an insurmountable lead in the polls. She's worked hard the last six years, and it shows.

And the Republican candidate, John Spencer, isn't a credible alternative.

He's a down-to-earth, if not earthy, fellow who once served Yonkers well as mayor and who now appears to be running for another term in that office.

If so, we endorse him - for mayor.

As for Mrs. Clinton, well, she's been a pretty good senator - popular with her colleagues and as productive as a first-term legislator from the minority party probably can be.

Think of her as Sen. Pothole Redux (apologies to Alfonse D'Amato).

Meanwhile, her positions on numerous issues - particularly involving national security - have been much closer to the political center than we would have expected.

That's not to say that some of her positions haven't already begun "evolving" toward the Democrats' party line - especially on Iraq, where she has slowly, but surely, begun inching her way over to the "Bush lied" crowd.

For now, however, the fact remains that she has been, to repeat, a pretty good senator.

But what about the question of the hour?

What about the White House?

Well, New Yorkers simply expect their major officeholders to be presidential aspirants - and the pols always rise to the bait (occasionally delivering ludicrous results; has anyone seen George Pataki in New York lately?).

So Hillary's caught the bug.

So what?

But we think she's done such a good job these last six years that she'd do well to serve six more. If not 12.

Re-elect Hillary.

In 2012.

Campaign Gone South (WP)

By Libby Copeland

The Washington Post, October 31, 2006

BARTOW, Fla.

Katherine Harris, who is trying to become a U.S. senator, says she is writing a tell-all about the many people who have wronged her. This includes, but is not necessarily limited to: the Republican leaders who didn't want her to run, the press that has covered her troubled campaign, and the many staffers who have quit her employ, whom she accuses of colluding with her opponent.

She is vague about what, precisely, makes her a victim, but she says she has it all documented.

"I've been writing it all year," she says in that kittenish voice. She often smiles and cocks her head as if she's letting you in on a secret. "It's going to be a great book."

If it is, it may be one of very few things that go well for the two-term Republican congresswoman. Once beloved by the Republican leadership for her role in overseeing the 2000 recount that delivered the presidency to George Bush, Harris was snubbed by those old friends before the primary. Republican chieftains, considering her too polarizing to win a statewide race, tried to recruit others, and Florida Gov. Jeb Bush (R) said publicly that she could not win. Fundraising has been poor. She has come under scrutiny for her role in a bribery scandal. She has caught flak for a series of bizarre statements, including a comment in August: "If you're not electing Christians, then in essence you are going to legislate sin."

The Democrat she is challenging, Sen. Bill Nelson, was once considered highly vulnerable. Nowadays, according to recent polls, Harris is down by 26 or 35 points, approaching political rigor mortis.

"The only way Bill Nelson could lose this," says Darryl Paulson, a political scientist (and Republican) at the University of South Florida, "is if he got himself in a drug-induced stupor and ran naked down the main street of his home town."

"They can make the polls say whatever they want," Harris says. She says pollsters sometimes call her house and then hang up " 'cause we're not answering them the way they like."

The way Harris sees it, a vast left- and right-wing conspiracy, encompassing both the "liberal media" and the Republican "elite," is attempting to keep her out of the Senate. She says anyone could see the way the panel of questioners coddled Nelson at their debate last week. Her voice gets all high and mocking as she imitates them.

" Ooooh, Senator Nelson," she says. "I mean, come on."

Perhaps the worst blow to Harris's campaign has been the stories that have emerged from former staffers. They describe a Jekyll-and-Hyde candidate who can be seductively charming at one moment and pitch a temper tantrum the next, throwing a cellphone at a wall or a sheaf of papers at a campaign manager. Former chief adviser Ed Rollins, who managed Ronald Reagan's reelection to the White House in 1984, said working for Harris was like "being in insanity camp." He likened her staff to dogs that have been kicked.

Before he became the first of three campaign managers to quit, Jim Dornan programmed his cellphone to play the theme song from "The Exorcist" when Harris called.

In a recent campaign visit to Bartow, her home town in central Florida, there is little hint of the Hyde side. The 49-year-old Harris beams, dispensing hugs and telling stories about her late "daddy," the wealthy owner of a local bank chain. She is tiny and wears a fitted suit jacket the color of key lime pie. For old times' sake, she visits a livestock arena where her cousins used to show their cows. She shrieks with joy upon seeing an old friend, Bill Braswell.

"Billy and I grew up together," she says. They reminisce about an old haunt and an old boyfriend of hers. "That was, like, the first place Gary and I ever kissed," she tells him.

Here in Bartow, Harris appears to be adored. She is remembered for her days in 4-H, for her stint as Miss Polk Agriculture at age 16, and for her competitive tennis game.

"Daddy used to say not to come home if I didn't win my tennis matches [against] boys," she tells Braswell.

Nelson may have endorsements from 22 papers, including all the major dailies in the state, but Harris has an endorsement from a small collection of community newspapers (total circulation: 8,307) here in Polk, her home county. The endorsement was written by the papers' publisher, S.L. Frisbie IV, who has known Harris since she was a Girl Scout.

"Clearly she has difficulty maintaining a staff," Frisbie says. "I haven't the slightest idea why. . . . She is a charming person."

During an interview in the livestock arena, amid the ghosts of her cousins' cows, Harris talks about two of her greatest passions: art and Israel. She has made several trips to Israel, and it was on the first, in 1992, that her camera broke and she was

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forced to sketch her way across the country. These days, during meetings on Capitol Hill, she sometimes sketches when she's taking notes. She says she has drawn Alan Greenspan and Donald Rumsfeld.

After Harris's quote about the importance of electing Christians was published in a Baptist publication, her campaign went into damage control, issuing a press release discussing Harris's love for Israel and explaining that while she was speaking to a Christian audience, she really meant that "people of faith" should be involved in government.

Harris does love talking about Israel. She's proud that Israelis sometimes assume she's one of them and talk to her in Hebrew. She is a Christian but has called herself a "wannabe" Jew. During the bitterly contested recount in 2000, which she oversaw as Florida's secretary of state, she compared herself to the Biblical character Queen Esther, who risked her life to save the Jews.

She says that when her husband of 10 years, wealthy Swedish businessman Anders Ebbeson, asked her to marry him, she first extracted a promise that they could live in the Holy Land one day. She doesn't know why she's always been so fascinated by the country.

"I can remember riding my bike to piano lessons and thinking about Israel," she says. "I thought I was adopted for a while."

* * *

Harris's public spats with Republican leaders and her own former staffers -- shorn of the niceties of political etiquette that typically surround such things -- have played out in the Florida newspapers like the autopsy of a political campaign. The skin is peeled back and everyone can see inside.

Several of her former staffers say they would have kept silent about goings-on in the Harris campaign if Harris herself had not publicly criticized them after they left, accusing them of being bad at their jobs, of putting "knives in my back" and of working with the Nelson campaign. They describe her as a micromanager, unable to trust her staff, prone to tears and rages over tiny things. They say she would rewrite speeches and press releases over and over. She would get upset if an aide hadn't brought her the correct coffee order from Starbucks. Dornan, the former campaign manager, says Harris was so concerned that only the best photographs of her went up on the campaign Web site that she insisted on going through every picture.

"It would be weeks and weeks and weeks before we could put anything up on the Web site," he says.

Dornan says he once infuriated Harris right before an event by setting it up so she could make a grand entrance. Instead, she wanted to greet supporters at the door as they arrived.

"She just goes completely ballistic," Dornan recalls. He says she yelled at him for 10 minutes and accused him of ruining her life. "I literally held the phone away from my ear, and everybody within a six-foot circle of me could hear her screaming."

Harris's former staffers say they worried about her health, especially after the death of her father earlier this year and the news that she was implicated in a bribery scandal with a federal contractor named Mitchell Wade, who had pleaded guilty to bribing former congressman Duke Cunningham (R-Calif.). (Wade admitted funneling $32,000 in illegal donations to Harris, but Harris has said she didn't realize the contributions were illegal and ultimately gave the money to charity.)

They worried about her clothes -- suit jackets and sweaters that were too tight, skirts that were too short. Rollins says an aide was dispatched to take her shopping for more senatorial apparel.

They worried about what one former field coordinator called her sense of "religious mission." Two former staffers -- Rollins and another onetime campaign manager, Jamie Miller -- have said Harris told them that God wanted her to be a senator. Rollins adds, "She told me that she thought she could be the first woman president."

Sitting in the livestock arena, Harris laughs at the notion she'd ever want to be president. In the past she told the Palm Beach Post that she was complimentary of those staffers who performed well, but had problems with those who would "try to undermine" her. Now, she sidesteps the question of why she had problems with staff.

"It's going to be easily explained in my book," she says. "We have a great staff now."

The Harris campaign has suffered a series of embarrassing gaffes. According to one Florida paper, her Web site listed endorsements from people who hadn't endorsed her. According to another paper, her campaign organized a rally in an airport hangar, but none of the nine officials named on her flier showed up.

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In the spring, Harris announced on television she was putting $10 million of her inheritance from her father into the race. Later, she said it turned out the inheritance would not be available, so she'd put in her own money. Thus far, she has put in approximately $3.2 million, which is, she says, "everything that I have liquid."

Meanwhile, according to a financial disclosure report, her campaign has less than $1 million left. Nelson's campaign has nearly $7 million. Nelson has run seven ads since the primaries in September. Harris has aired only one and it started yesterday, according to campaign spokeswoman Jennifer Marks.

Harris turns stony when she's asked what will happen if she doesn't win.

"Haven't even considered it," she says in a tone that suggests a follow-up question would be foolhardy.

Later in the evening, while talking about her love for Queen Esther, she runs to the passenger seat of her SUV and seizes a Bible.

"I'll give you one verse," she says. "On the day that the enemies of the Jews had hoped to overpower them, the opposite occurred, in that the Jews themselves overpowered those who hated them."

What does that have to do with this race?

"November 7th," she replies.

Democrats Are Seen To Gain In Statehouse Races (NYT)

By Kirk Johnson

The New York Times, October 31, 2006

DES MOINES, Oct. 27 — More than 6,000 state legislative seats in 46 states are on the Nov. 7 ballot, and like the seismic state elections in 1994 and 1974 the cumulative impact of the outcomes could be immense, with Democrats possibly gaining control of a majority of state capitols for the first time in a decade.

While the nation's attention has been fixed on the question of which party will control Congress, another campaign season has been unfolding in the shadows — upstaged and overlooked but more likely to affect the day-to-day life of voters than the big-money Congressional races.

Most significantly, the groundwork for redrawing Congressional districts after the 2010 census will be done under the 50 capitol domes, and the party in power will set the table for those discussions in ways favorable to its interests. Gains made this year, analysts say, will help give incumbents a leg up in the final elections leading up to the redistricting.

If the Democrats take control of a majority of the legislatures, which polls indicate could happen, women could also attain leadership positions in greater numbers, since Democratic women in state capitals outnumber Republican women by nearly two to one. The next generation of national political leaders, by tradition, is nurtured in the state legislatures.

"This is a national election with big issues," said Alan Rosenthal, a professor of political science at Rutgers University who tracks state election issues, "and that will filter down to the people who nobody knows about."

One indication of both parties' interest in the local races is the money that has been flowing into them.

The Democratic Legislative Campaign Committee plans to spend $9 million to $10 million on legislative races, up from $6 million to $7 million in 2004. Its counterpart, the Republican State Leadership Committee, has nearly doubled spending on state races, including for legislators, to $20 million.

Republicans control both chambers in 20 states, Democrats in 19. One state, Nebraska, has a nonpartisan legislature, while the parties split control in the remaining 10 states. States to watch on Election Day include Indiana, Iowa, Michigan, Minnesota, Nevada, Oregon, Pennsylvania, Tennessee and Wisconsin, where Republicans have narrow majorities in the lower house or senate. Democrats have narrow majorities in Colorado, Maine and Montana.

What makes the races even more suspenseful is that the parties have not been so even in decades, if ever. Of the 7,382 statehouse legislative seats across the country, Democrats hold 21 more than the Republicans, a margin of less than half a percent.

In 17 of the 46 states that will elect some or all of their state senators, a shift of only three seats would alter party control in the senate, according to the National Conference of State Legislatures. In 12 state houses, a shift of five or fewer seats would tip the balance.

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Some states, like Montana and Colorado, where Democrats gained narrow legislative control for the first time in decades in 2004, are being watched by some political scientists and party leaders as barometers of the party's Western strategy. Other states with closely divided legislatures, including Michigan, Nevada and Tennessee, could be swung by fierce contests for governor or the United States Senate.

Connecticut and New Jersey, where Democrats control both chambers of the legislature, and New York, where the parties each control a chamber, are not widely expected to see shifts in power. "We seem to be in this era of hyper-evenness of the parties at the grass-roots legislative level," said Tim Storey, a senior fellow at the National Conference of State Legislatures.

Presidential hopefuls have also poured several hundred thousand dollars into legislative races in Nevada in anticipation of the early presidential caucus there in 2008. In Michigan, a new group sprang up this year, the Michigan Coalition for Progress, to help defeat Republicans in the legislature.

And then there is Iowa, where the hyper-evenness is most hyper of all. Republicans have a one-vote advantage in the Iowa House, 51 to 49, and the parties are tied at 25 in the Senate.

Noticing these whisker-width margins, prospective presidential candidates, including Gov. George E. Pataki of New York and Gov. Mitt Romney of Massachusetts, have donated money to local campaigns, hoping perhaps to make friends before the Iowa Caucuses in 2008.

Mr. Pataki's political action committee has donated $270,000 to Iowa Republicans, Mr. Romney's PAC almost $1.6 million, according to the Iowa Ethics and Campaign Disclosure Board. Independent political groups, called 527s, have waded in as well to influence or swing the vote.

But the money and the high stakes, many people here say, may be having another effect in Des Moines and many other state capitals. State legislative races, with their low-glamour blend of amateur politics and homespun local concerns, may be losing their traditions of civility.

"You have more money sloshing around," said Peverill Squire, a professor of political science at the University of Iowa who follows legislative races. More and more, Professor Squire said, control over local campaigns is slipping toward centralized parties or interest groups. "And it is certainly a much rougher campaign than we are used to seeing in Iowa," he said.

Just ask Kevin R. Wiskus.

Mr. Wiskus is a 42-year-old Iowa farmer and lifelong Republican from the town of Centerville, about 100 miles south of the capital, who is making his first run for public office for a House seat.

He became so outraged by his own party's efforts to elect him that he resigned last month in protest.

A mailing sent by the state committee told voters that Mr. Wiskus's Democratic opponent, a lawyer named Kurt Swaim, had defended a man charged with child molesting.

Mr. Wiskus knew that Mr. Swaim had been assigned the case by the court as a public defender, and decided the attack was unconscionable. He is now an independent, and said he would serve as an independent if elected.

"I was offended," Mr. Wiskus said in an interview. "I had promised and pledged to run a clean and ethical and honorable race, and I told the Republican party I did not want any attack ads."

The speaker of the Iowa House of Representatives, Christopher Rants, a Republican who has marshaled the party's efforts in the legislative races, said he thought the Democrats had done more than his party to coarsen the debate in Iowa with negative advertising.

One mailing about a Republican, Mr. Rants said, showed a cadaver under a sheet and suggested that the candidate's opposition to stem-cell research was responsible for the woman's death. Democrats and some independent scholars, including Professor Squire, say the Republicans have probably pushed the line harder and farther.

Whether the Republicans can hold onto the gains in state legislatures that they made beginning in the 1980s is probably the central question of the election.

The Democrats, for most of the 20th century, were statehouse titans all over the nation — with a peak in the mid-1970s when they controlled close to 70 percent of all legislative seats. In the post-Watergate election of November 1974, they added 628 legislature seats in just one night.

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The Republicans began a surge in the 1980s, making major strides in 1994, when they gained 514 seats overnight. They finally gained dominance in 2002, picking up enough seats to surpass the Democrats for the first time in 50 years. There has been almost perfect parity since then.

Nev. Congressman Assault Probe Reopens (AP)

By Ryan Nakashima

AP, October 30, 2006

The district attorney said Monday that authorities have reopened their investigation into a cocktail waitress' claim that a Republican congressman running for governor assaulted her in a parking garage after a night of drinking.

District Attorney David Roger said the case involving Rep. Jim Gibbons — which had been closed after the woman, Chrissy Mazzeo, dropped her complaint — is under investigation again.

Mazzeo, a Las Vegas Strip casino waitress, accused Gibbons, 61, of pushing her up against a wall Oct. 13 and propositioning her. Mazzeo, 32, said she had been pressured and offered cash from people linked to the Gibbons campaign to drop the complaint.

The five-term congressman, who is in a close race with Democratic state Sen. Dina Titus for Nevada's open governor's seat, has denied wrongdoing and sued Monday to force police to release surveillance videos he said would disprove Mazzeo's claim.

A judge set an emergency hearing for Tuesday.

Mazzeo's lawyer, Richard Wright, did not immediately return phone calls seeking comment. He told the Las Vegas Review-Journal that his client will press charges after all.

Gibbons, in statements to police and at a news conference with his wife earlier this month, said he walked Mazzeo to the garage, caught her when she tripped and walked away.

"A true record of the tape's recording will demonstrate that I was never in that parking garage on that evening," he said in the lawsuit.

Police previously said surveillance cameras in the garage weren't working. A property management company for the garage, however, said it turned hours of tapes over to authorities.

The police department said in a news release Monday that it would not comment until a judge ruled on the matter.

Gibbons led Titus 47 percent to 41 percent in a poll released Friday. Most of the polling took place after the allegations were reported but before Mazzeo held a news conference Oct. 25 to recount her version of the events. The poll conducted by Washington-based Research 2000 for the Reno Gazette-Journal and KRNV-TV had a margin of error of plus or minus 4 percentage points.

A Politician Who Thinks Like A Linebacker (WP)

By Donna St. George

The Washington Post, October 31, 2006

The governor had dropped by to teach a rhetoric class. It was mere weeks before Election Day, and Bob Ehrlich held forth in a small auditorium at Towson University, sleeves rolled up and a microphone in hand.

He asked the students to imagine themselves as political consultants. Their hypothetical candidate was a Republican governor. "Very handsome, by the way," he joked, flashing a smile. "Two beautiful children. Beautiful wife."

But there were problems, Ehrlich admitted: The state tilts heavily Democratic. The governor has been fighting with the legislature. Newspaper editors are not always in his corner. "When you are an incumbent," he added, "the election is generally about you ."

This much he knows as he faces the race of his political life.

After 20 years of pulling out victories at the ballot box -- young and on the rise in the state House and in Congress before his election as governor at age 44 -- Ehrlich is now trailing his opponent, Baltimore Mayor Martin O'Malley (D), in an array of polls.

But Ehrlich has come from behind before. This is the 16th contest of his political career. He has never lost.

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If he clinches it, his political profile will change markedly, said Matthew Crenson, a political science professor at Johns Hopkins University. As a two-time Republican victor in a predominantly Democratic state, "he will emerge as a figure in national Republican politics," Crenson said.

If Ehrlich loses, he will be thrust out of elective office for the first time since he was 28.

How it turns out will depend, in part, on how voters view Robert L. Ehrlich Jr. -- a college linebacker-turned-lawyer who rose from working-class roots to make history in 2002 as the first Republican governor in Maryland in more than a generation.

Even many of his critics say the 48-year-old governor is likable -- affable and unpretentious, the kind of guy who slaps backs, cracks jokes, talks sports. He has a strong streak of the Everyman.

But they also say the competitive edge that has helped him win football games and political campaigns has sometimes worked against him during his four years as governor.

"To understand Bob, you have to go back to his days of playing sandlot football," said D. Bruce Poole, a Democratic friend and former House majority leader who supports Ehrlich. "He is competitive. He's a linebacker in mentality. He has always been able to take a hit and return it with that much more."Emerging as the Republican Voice

It was another weekend on the campaign trail, and Bob Ehrlich was headed to a corn roast in Reisterstown. The rain had stopped, finally. He made his entrance behind a goat named Tootsie who was wearing an Ehrlich sticker on her hindquarters.

The crowd parted and cheered, opening the way for the telegenic governor, who pumped hands and patted backs all the way to a makeshift stage. There, inside a hay barn, one of the hosts introduced him as "the best governor Maryland has ever had."

Square-jawed and lean, in a red polo shirt, Ehrlich smiled broadly as he looked out on the crowd of 300. This was a fundraiser in the county where Ehrlich started his political life.

With both hands in the air -- his gestures large and emphatic, his wife beaming beside him -- he made a few jokes, then narrowed in: The Democrats are the problem, he said, especially House Speaker Michael E. Busch (Anne Arundel) and Senate President Thomas V. Mike Miller Jr. (Calvert).

"Raise your hand if you want Mike Miller and Mike Busch to run Maryland politics for the next four years," he boomed.

"Booooo!" the crowd shouted. "Boooo!"

"It's like rooting for the Broncos," the governor scoffed to this crowd of Ravens faithful.

Just five more Republicans in the state Senate, he said, could change the legislature. "I need five new senators to stop Mike Miller from running over you for four years," he thundered.

The crowd roared.

The idea of greatly increasing the Republican presence in either body is a long shot, but Ehrlich has clearly emerged as the state party's voice. The governor has made other Republicans feel relevant politically, said Del. Anthony J. O'Donnell (R-Calvert). Before, he added, "we were reduced to rhetorical bomb-throwing. . . . We were ignored."

The corn roast went so well that Ehrlich skipped the next event -- his wife went in his place -- and posed for photographs, smile after smile after still-perfect smile, until it seemed that few people had been missed.

This was Bob Ehrlich in his home base in Baltimore County -- among political kin, a few of them from far enough back to remember how he started out.

The son of a car salesman, Ehrlich grew up as an only child in a rowhouse in Arbutus in Baltimore County. With a gift for athletics -- and the help of his father's boss -- he landed a scholarship to the exclusive Gilman prep school in Baltimore.

It was a world unlike his own, and Ehrlich remembers having "a chip on my shoulder" at first. But he became a standout athlete, playing three sports, and with the help of the headmaster went on to Princeton, where he was a linebacker and team co-captain.

Ehrlich turned to politics in 1986, after law school at Wake Forest University. He had practiced three years, in a silk-stocking law firm in Baltimore -- Ober, Kaler, Grimes & Shriver -- when he decided to make a run for the state House.

Few thought he could win. But he did. Twice.

Those years, he said recently, were "the happiest of my life."

Several senior Democrats brought him along. "They taught me how to be a legislator," he recalled. "They made me part of the group. They let me in the backroom. They had me handle bills on the floor, which was very rare for Republicans."

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The political mood had shifted when Ehrlich was elected to the U.S. House of Representatives. He won in 1994, during the heady days of Newt Gingrich's Republican revolution. For the first time, he was part of the majority.

But when he returned to Annapolis as governor, he was a Republican in a Democratic state -- in a more partisan atmosphere. Although he tried to forge relationships with lawmakers over basketball games and evenings watching sports at the governor's mansion, he said, it did not work.

On issues such as slot machines and medical malpractice, he did not find enough allies.

"Coming back, I mistakenly thought I could go home again -- and you cannot," he reflected in an interview. "It was the biggest surprise of my four years, the biggest disappointment."A Candidate Who Hates to Lose

His morning coffee is iced. It is 9:30 on a rainy Friday, still early for Ehrlich, an admitted night owl who usually doesn't go to sleep until 2 to 3 a.m. Today he started earlier than usual, making football picks on "The Junkies," a popular morning radio show on WJFK (106.7 FM). He has two more losses than wins for the season, but he defends his record. "It's not just the winners; it's the point spreads," he says. "It's easy to pick winners. This is a science."

The athletics that so defined Ehrlich in his youth are still part of his adult life. He reaches for sports metaphors in his speech; he asks about game scores on the campaign trail. For much of his term, he has played golf frequently, even improving his handicap from 10.6 to 8.3. But his aides say he has been too busy to hit the links during the past year.

For nearly four years, Ehrlich has lived in the 54-room governor's mansion in Annapolis with his wife, Kendel, a lawyer and cable television host, and sons, Drew, 7, and Josh, 2. Toys are piled near a side door. Halloween decorations are everywhere, including a giant inflatable pumpkin in the landscaped yard.

It is a big change from the Timonium townhouse they lived in before.

Thinking over his public life, Ehrlich clearly tries to set himself apart from the tactical side of politics that many see as one of his defining characteristics.

"I really like the job," he said. "Politics? I think we're pretty good at it. But it's not my favorite part of this process. My favorite part is clearly getting in front of crowds and making my case."

He talks about how much he enjoyed his two televised debates against O'Malley. "I like to compete," he says. He came to the debate armed with numbers, which he ticked off methodically. He tried to strike a tone of candor, and at one point answered his opponent with: "I don't know what all of that means, I gotta tell you."

His hard-nosed determination shows up even in small ways, friends say. On Capitol Hill, one lawmaker recalls, congressmen sometimes played games of matching quarters -- heads or tails -- during idle time in the cloakroom. Ehrlich "hated to lose, even if it was 25 cents," chuckled Rep. Howard Coble (R-N.C.), a friend who recalls teasing him about it.

But Ehrlich's quest to win, his critics say, has hindered his ability to get programs passed. When he was elected, Ehrlich promised to work with lawmakers beyond party lines. He started by making bipartisan Cabinet appointments; about 40 percent of his Cabinet secretaries have been Democrats.

Still, the governor has often locked into battle with legislators.

Ehrlich had vowed to bring legalized slots to Maryland. After four efforts, there are still no slots. Twice, Ehrlich called special legislative sessions only to veto the bills they produced. On more than 20 issues -- including minimum wage, health benefits at Wal-Mart and election law changes -- the legislature overrode his vetoes.

House Speaker Busch, a close friend when they both served in the state House, has clashed with him often. Ehrlich "ran for office as a consensus builder and compromiser, but he did not govern that way," Busch argued. If he had, he said, "I think he would be a much more formidable candidate today."

In Busch's view, Ehrlich was changed by the divisive politics of Capitol Hill during the Gingrich era.

John Kane, chairman of the state Republican Party, said that the real problem was the liberal wing of the Democratic Party, which often blocked Ehrlich's proposals. "They like monopoly," Kane said.

Senate President Miller said the governor should have worked harder at gaining the support of lawmakers and learning the details of policies and proposals. He called Ehrlich "a ribbon-cutter, a golfer, a show horse."

"I see an absence of work ethic on his part, and it's frustrating," he said.

In campaigns, Ehrlich's competitiveness can get mean-spirited, his opponents contend.

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Last year, one of Ehrlich's aides, Joseph Steffen, dubbed "the Prince of Darkness," was fired after boasting on the Internet that he had orchestrated a whisper campaign about O'Malley's private life. Ehrlich said he had nothing to do with the incident, which he now waves off as overblown.

Old foes are skeptical. In a 1996 campaign for U.S. Congress, a leaflet was circulated describing Ehrlich's opponent as a "homewrecker" while calling Ehrlich "a family man in the truest sense of the word." Ehrlich has denied any dirty campaigning. But Connie DeJuliis, the opponent, said he did not deny involvement when she confronted him at the time.

"You cross the line when you attack people personally, and that's what Bob Ehrlich does," DeJuliis said. "It's not supposed to be winning at all costs."'Never Answer a General Question'

At Towson University, Ehrlich shifted from talking political strategy and addressed the class directly.

"Raise your hand if you're pro-choice on abortion," he said.

Hands shot up.

"Raise your hand if you're pro-life," he went on.

More hands.

"Never answer that question!" he boomed. "You're all wrong."

"I didn't define any terms," he said. "I didn't ask how you felt about partial birth abortion or judicial bypass or parental consent or Medicaid funding or stem cell embryonic research."

The students listened closely.

"Never answer a general question. You'll get into trouble."

He tried again. "Who's against capital punishment?"

Ehrlich surveyed the room: No hands.

The governor smiled.

A moderate Republican, Ehrlich carefully parses his positions on many issues. He supports abortion rights, for example, but with limits: no partial birth abortions, no federal funding. He runs conservative on fiscal issues but has supported new taxes or fees on vehicle registration, sewage and property. He favors the death penalty but has granted many pardons and commutations.

"It's a way to try to hold on to his Republican base while appealing to a broader Democratic audience," said Crenson of Johns Hopkins.

Ehrlich has learned to be wary of labels.

"Make your questioner define the terms," he told the Towson students. "And once you do, guess what? You can give opinions for the rest of the day, but you can give opinions as a result of what you actually believe and not the territory the questioner wanted to capture you in."

Precisely how all of this will play on Election Day is the great unknown. A poll published Sunday by The Washington Post showed a majority of likely voters in Maryland thought that Ehrlich had done a good job as governor. Even so, he lagged 10 percentage points behind O'Malley, which analysts say reflects a national climate that is tough on Republicans.

Ehrlich's aides say the poll is at odds with their results -- and, in an interview, the governor said he has seen many signs of Election-Day promise on the campaign trail.

"If you're not an optimist," he told the class in Towson, "this is probably not your profession."

GOVERNOR'S BAN ON STAFF PERKS ISN'T PERFECT (LAT)

By Peter Nicholas

The Los Angeles Times, October 31, 2006

Sacramento — After allowing his staff to accept tens of thousands of dollars' worth of gifts from business interests, Gov. Arnold Schwarzenegger is now worried about the appearance of a conflict of interest and has barred them from taking even a free cup of coffee.

But the policy, stricter than state law, hasn't stopped the perks.

Schwarzenegger aides over the last year have been given free tickets to Disneyland and San Francisco Giants baseball games; to Rolling Stones concerts and Sacramento Kings basketball games.

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Schwarzenegger's chief of staff, Susan Kennedy, sent a memo to the governor's aides in August explaining that by taking gifts, even if the law allows it, they could create a public perception that they have been compromised.

"When in doubt … pay for the item yourself," Kennedy wrote.

In a separate letter to Schwarzenegger's staff, his legal counsel, Andrea Hoch, said aides could not attend any of the governor's campaign fundraising events unless they paid for their food and drink.

But the Spartan ethic comes with loopholes. Kennedy is scheduled to join lawmakers and state officials on a 12-day trip to South America next month that is sponsored by a tax-exempt group financed partly by energy companies and other businesses that lobby in Sacramento.

The visitors plan to stay at a hotel in Buenos Aires that is rated by one travel guide as "the most exclusive" in the city. A spokesman for Schwarzenegger said the trip doesn't violate the gift policy because Kennedy will deliver a speech as the governor's representative.

"It is important that Susan, as chief of staff, work with members and important policy leaders to further the goals of the administration," said Adam Mendelsohn, Schwarzenegger's communications director.

The new rules are an about-face for the governor, who in past years has taken a permissive approach to freebies.

In 2004, after The Times reported that dozens of Schwarzenegger administration officials had accepted free meals and sports tickets, the governor said in an interview: "Those are things that I don't think anyone has to worry about. There's no one selling out in my administration."

Gifts continued to flow. State lobbying reports show that:

• Ameriquest Capital Corp., parent of the mortgage-lending company, spent more than $5,600 on Rolling Stones concert tickets over the last year for nearly two dozen members of the governor's staff and their spouses.

Ameriquest reported having lobbied Schwarzenegger's office this year on lending issues and a legal settlement. In March, California officials reached a multimillion-dollar settlement with the company over allegations that it had misled borrowers, among other things.

• Walt Disney Co. has given Disneyland tickets, parking passes and other gifts valued at $1,189 to six Schwarzenegger aides since early last year. One recipient was Richard Costigan, a senior aide who pushes the governor's agenda through the Legislature and advises him on which bills to sign or veto.

• AT&T last year gave $1,264 worth of San Francisco Giants tickets to six Schwarzenegger aides who went to a game together. The telecommunications company also gave $385 worth of tickets and refreshments to two Schwarzenegger aides who attended an Eagles concert one year ago. One was Cynthia Bryant, who also works on the governor's legislative agenda.

• The California Chamber of Commerce, the state's most influential business lobbyist, spent more than $5,800 this year and last treating dozens of Schwarzenegger administration aides at receptions, lunches and dinners. A party for outgoing Chief of Staff Patricia Clarey was held at the chamber's headquarters in Sacramento in January and was attended by more than 45 of the governor's aides.

State law allows public officials to accept gifts worth up to $360 a year from any one source. Under Schwarzenegger's new policy, aides are forbidden to accept tickets, meals, entertainment or loans from anyone doing business with the state, or any group lobbying for passage or defeat of legislation.

Kennedy's memo on the matter said the public might "perceive acceptance of gifts as creating a conflict of interest."

Asked what prompted the change, Mendelsohn said: "The administration has had new staff members come on recently. And often with new staff members, and new leadership, you'll find changes and important additional steps taken that were not put in place originally."

Kennedy's trip is courtesy of a tax-exempt group in San Francisco called the California Foundation on the Environment and the Economy. Her domestic partner also will go, paying her own expenses.

The itinerary includes a stay at the Alvear Palace Hotel in Buenos Aires, where room prices range from $550 to $4,500 a night, according to a state official familiar with the trip.

A Frommer's travel guide describes the hotel as a "a gilded, classical confection full of marble and bronze" with a guest list that has included "names like Antonio Banderas, Donatella Versace, the emperor of Japan and Robert Duvall."

Other stops are to include Santiago, Chile; Rio de Janeiro; and Bariloche, a popular tourist spot in Argentina.

Assembly Speaker Fabian Nuñez (D-Los Angeles) and his wife are expected to go. So are state Sen. George Runner (R-Lancaster) and his wife, Republican Assemblywoman Sharon Runner; and Assemblyman John Laird (D-Santa Cruz) and his domestic partner.

The trip's purpose is to study technologies aimed at reducing global warming, said Patrick Mason, president of the foundation. He would not reveal who is going, citing security concerns.

He sent an e-mail to participants this week asking that they not speak to The Times about the trip. The e-mail, which was obtained by the newspaper, was sent to officials at Chevron, Southern California Edison, the environmental group the National Resources Defense Council, and to some Schwarzenegger administration officials, among others.

Two companies that said they were planning to attend maintain a lobbying presence in Sacramento: Sempra Energy and the cable giant Comcast. Sempra owns San Diego Gas & Electric Co. and Southern California Gas Co., both of which are regulated by the state Public Utilities Commission.

PUC Executive Director Steve Larson will be among the guests on the trip.

Sempra pays $30,000 a year in dues to the Foundation on the Environment and Economy. The firm is going because Sempra believes that it is important to "provide policymakers and elected officials some background that is helpful in making informed decisions," said company spokesman Art Larson (no relation to Steve).

Watchdog groups said the South America trip gives lobbyists extraordinary access to government officials — access that others don't get. They also said that if state officials think the trip is important and justified, taxpayers should pay for it.

"We want state delegations going on fact-finding trips if warranted," said Sheila Krumholz, acting executive director of the Center for Responsive Politics in Washington, D.C. "We just have to make sure they aren't being unduly influenced by such lavish trips, and that policy is not being skewed as a result."

The Schwarzenegger administration says that it also is revamping what have been loose practices when it comes to fundraising events. For much of the governor's term, policy aides invited to such events mingled freely with donors.

Even after the policy was unveiled, though, the practice continued.

Bonnie Reiss, a longtime friend of Schwarzenegger and one of his top aides, attended a campaign fundraiser for the governor last month at the home of media mogul Haim Saban. The new policy does not rule out attending, but those who go must foot the bill themselves.

After The Times asked about Reiss' attendance in light of the new rules, Mendelsohn said Reiss would reimburse the campaign for her meal.

There are no penalties for failing to comply with the new policies, he said.

"We will remain committed," he said, "to continuing to enforce this policy and correct any oversights."

The Holes In The Border Fence Plan (LAT)

By Phil Angelides

The Los Angeles Times, October 31, 2006

ON THURSDAY, President Bush put his signature on a measure authorizing a new fence along 700 miles of the 1,952-mile-long border between the United States and Mexico. Funds for the fence may never be provided, and the fence may never get built. Regardless of its future, the fence legislation alone is no substitute for the kind of comprehensive immigration reform that California and the nation need.

The United States has long been strengthened by policies that have brought immigrants here from every corner of the world. And yet every period of high immigration also has been shadowed with fear, ignorance, hatred and racism. As we move forward with immigration reform, we must adhere to what makes our country great — freedom, opportunity and equality — and resist pandering to the lowest common denominators of divisiveness, stereotypes and ignorance.

Comprehensive reform starts with full funding for the strong border security provisions originally provided in the 2004 Intelligence Reform and Terrorism Prevention Act in response to the recommendations of the 9/11 commission. The act calls for at least 2,000 new, permanent border agents a year and 8,000 new detention beds a year for five years. Investments in border

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personnel and surveillance technology are essential for protecting national security and regulating immigration, but the federal government has funded only a fraction of these requirements.

Border control, by itself, is not a solution. For one thing, no border in a country as large as the United States can be made perfectly secure. More important, an estimated 40% of the 12 million undocumented immigrants now here entered the country legally and then overstayed their visas. Border fences and other border control measures can't deal with that part of the problem — and will likely make it worse.

Immigration policy must deal realistically with the major engine of illegal immigration: the economy's demand for immigrant labor. The federal government must enact rational and reasonable guest-worker programs that match immigrant workers with the nation's workforce needs. We need to end the shadow economy in which undocumented workers toil without regulation and without the protection of law.

We also ought to offer undocumented immigrants who are working hard and supporting our economy a path toward citizenship, as long as they are willing to be accountable, submit to a background check, pay back taxes, learn English and study American civics. They then should be allowed to get in line behind the backlog of people attempting to gain citizenship.

Finally, immigration reform must enable states to hold the federal government accountable for managing our nation's immigration. When the failures of the federal government — be it securing the borders or failing to limit illegal employment — result in increased burdens on state and local governments, then the federal government must be required to compensate state and local governments for their increased costs.

I come from a family of immigrants. My mother, who is of Greek descent but immigrated from Egypt, became a U.S. citizen when I was 10. My grandparents on my father's side came to this country from Greece at the turn of the last century. They worked hard and sent my father to college, and both of their American-born sons fought in World War II.

My grandparents never spoke much English, and yet they were great Americans. They faced the same anti-immigrant sentiment that we see too much of today: hate, ignorance and racism. Yet my grandparents, and millions like them, persevered and became a source of national strength and vitality.

The immigrants in this country today also can be a source of strength, and, guided by comprehensive reforms and orderly policies, immigration will continue to renew the United States and California. But it will take a lot more than a half-promise for a partial fence.

Rep. Hunter Aims For White House (LAT)

By Tony Perry

The Los Angeles Times, October 31, 2006

SAN DIEGO -- Rep. Duncan Hunter (R-Alpine), chairman of the House Armed Services Committee, announced plans today to make a longshot bid for his party's 2008 nomination for president.

Hunter said his campaign will feature the two issues that are his trademarks: support for the U.S. military and opposition to illegal immigration.

While other Republicans may be edging away from President Bush over the war, Hunter praised the president for his guidance of the U.S. military missions in Iraq and Afghanistan.

"We are going to carry our message of a strong national defense and strong national borders" to voters, Hunter said at a news conference at the waterfront site where he announced his first bid for Congress in 1980.

In that race, Hunter upset a longtime Democratic incumbent, helped by the Ronald Reagan presidential landslide. Hunter has never faced a close race since.

"It's going to be a long road. There's lots of rough and tumble, but I think it's the right thing to do for our country," Hunter said of his presidential bid.

Hunter expressed confidence that he will be reelected next week to Congress from the 52nd District and remain as chairman of the powerful committee. Under congressional rules, he could only serve as chairman for two more years if the GOP controls the House.

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Hunter, 58, served in the Army in Vietnam and later earned a law degree at Western State University College of Law in San Diego. He was a plaintiff's attorney before entering politics.

He is a hardliner on illegal immigration and sponsored a bill signed by Bush to build a 700-mile border fence.

Hunter's congressional opponent, Navy veteran John Rinaldi, was on the fringes of the news conference crowd. He called Hunter's announcement a stunt to draw attention away from serious issues.

"He has about as much chance of being president as I do of becoming Miss America," Rinaldi said.

Rep. Hunter Exploring Presidential Run (AP-Y)

By Elliot Spagat

AP, October 31, 2006

Republican Rep. Duncan Hunter, known in the military's echelon for his congressional role but hardly a national name, said Monday he was taking the initial step in a 2008 presidential bid.

"This is going to be a long road, it's a challenging road, there's going to be some rough and tumble, but I think it's the right thing to do for our country," Hunter, the chairman of the House Armed Services Committee, said at a waterfront news conference.

The declaration to form an exploratory committee allows the 13-term California congressman to begin raising money and organize supporters in early Republican primary states such as Iowa, New Hampshire and South Carolina.

Hunter is a familiar face on Capitol Hill and at the Pentagon as chairman of the powerful panel that oversees military policy. Not so beyond Washington and San Diego, and his White House bid surprised many Republicans.

He had not been on any list of potential 2008 candidates that included more familiar names such as Sens. John McCain of Arizona, Massachusetts Gov. Mitt Romney and former New York City Mayor Rudy Giuliani.

"In typical Duncan Hunter fashion, I didn't consult with any Republican leaders," he said to laughter and applause from an audience of about 100 people against a backdrop of military ships on San Diego Bay.

Analysts immediately characterized the quest as a long shot.

"You never say never, but Congressman Hunter faces extremely long odds given that practically no one apart from students of Congress knows who he is," said Jack Pitney, a government professor at Claremont McKenna College. "He's a good member of Congress, a very effective chairman of Armed Services. It's just that he has no following within the party."

Hunter, 58, became chairman of the House Armed Services Committee in 2003 — a position he would lose should Democrats take control of the House after the Nov. 7 midterm elections. By making an announcement now, he can begin raising money while still heading the committee.

The Vietnam War veteran, a recipient of a Bronze Star, has made his mark in Congress by advocating for a strong military and border security. He played a leading role in the construction of a 14-mile double fence on the U.S.-Mexico border that is nearing completion in San Diego. He co-authored legislation signed by President Bush last week that would extend the border fence to 700 miles.

Hunter voted against the North American Free Trade Agreement and the Central American Free Trade Agreement and opposed most-favored-nation status for China. This year, he was a vocal critic of a deal that gave a Dubai company control of some operations at six American ports.

Hunter has cruised to re-election since he, as a 32-year-old criminal defense attorney, rode Ronald Reagan's coattails to unseat a nine-term Democratic incumbent. The Riverside native faces token opposition next week in his bid for another term representing San Diego's eastern suburbs.

Hunter was a close ally of former Rep. Randy "Duke" Cunningham, a California Republican who was sentenced to more than eight years in prison this year for accepting $2.4 million in bribes from defense contractors. Hunter has accepted $46,000 in campaign donations from the same contractors at the center of the Cunningham scandal, Brent Wilkes and Mitchell Wade, and their associates.

Carl Luna, a political science professor at San Diego's Mesa College, said Hunter may be preparing himself for losing the Armed Services Committee chairman slot.

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"Duncan Hunter is looking for something to do if the Democrats take control of the Congress," Luna said. "He doesn't want to have to go from being chairman of a powerful committee to just another backbencher."

Things didn't end well for the last California House member to run for president — Republican Robert Dornan in 1996. Dornan, a vociferous conservative known by the nickname "B-1 Bob" for his support of military programs and bombastic style, spent his time and money on a fruitless White House bid and ended up losing his House seat to Democrat Loretta Sanchez.

Rep. Hunter To Explore White House Bid (WP)

By Sonya Geis

The Washington Post, October 31, 2006

LOS ANGELES, Oct. 30 -- Rep. Duncan Hunter (R-Calif.), chairman of the House Armed Services Committee and a vigorous opponent of illegal immigration, announced Monday that he is starting the process of seeking the presidency in 2008.

Hunter, 58, said he will form an exploratory committee for a presidential run, adding his name to a list of better-known GOP hopefuls such as Sen. John McCain (Ariz.), Massachusetts Gov. Mitt Romney and former New York mayor Rudolph W. Giuliani.

"I've always laid my cards on the table," Hunter said at a news conference in San Diego. "As I finish my final two years as chairman of the Armed Services Committee, I'm also going to be preparing to run for president of the United States in 2008."

The 13-term congressman is known in his suburban San Diego district for advocacy on immigration and military issues. He was a leader in the construction of a 14-mile fence along the U.S.-Mexico border south of San Diego, and he cosponsored legislation that President Bush signed last week to build 700 miles of additional fencing along the border. A Vietnam veteran, Hunter has advocated for a strong military, sometimes taking positions to the right of Republican leaders.

Hunter is expected to cruise to reelection next week, but if Democrats win a majority in the House he would lose his committee chairmanship.

That may be a factor in his unexpected announcement, said John J. Pitney Jr., a government professor at Claremont McKenna College.

"He has been in Congress long enough to remember what it was like in the minority," Pitney said. "The difference between being chair of a committee and being a minority member is like the difference between lightning and a lightning bug. . . . He may have decided a long-shot presidential campaign is more fun."

An Oval Office For Mayor Mike? (WP)

By Richard Cohen

The Washington Post, October 31, 2006

NEW YORK -- If you should happen to go to dinner here, the talk will inevitably turn to any one of the many presidential candidates the Empire State has to offer. Foremost among them, of course, is Hillary Clinton, but worthy of mention are Rudy Giuliani and George Pataki, Republicans both. Increasingly, though, the hum is also about the politically audacious Michael Rubens Bloomberg, 44th on Forbes magazine's list of the richest Americans and, as it happens, the mayor of this fair city. He might also be running.

I say "might" because Bloomberg has gone from the firm "no" he offered me some months ago to a more intriguing "I'm considering it" that he offered someone I talked with recently. Indeed, among this city's moneyed, journalistic (not, alas, the same thing), entertainment, financial and other sorts of elites, there are always one or two at the table who say, with great solemnity, that they happen to know Bloomberg will indeed run for president as an independent. Knowing my duty, I called the Bloomberg people and asked if that is the case. By press time, as they say in the movies, I had yet to hear back. I take that as a wobbly affirmation.

The prospect of a Bloomberg presidential candidacy delights me. I grant you that just last week I was excited about Barack Obama, but that is because I think the more the merrier -- especially if they are truly bright, unencumbered by a need to defend the Iraq war and willing to look at things afresh. This is particularly the case with Bloomberg, who has an unorthodox approach to politics. He says what he means and he means what he says and he tells it like it is. This string of cliches is, in fact, the truth.

Here is the quintessential Bloomberg story: In July, in the midst of a heat wave, the power failed in certain sections of Queens. For politicians, a power failure is such a no-brainer that even the alcoholically stupefied show up to denounce Con Ed,

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call for an investigation and demand that its chairman resign. Bloomberg, though, did no such thing. He supported the utility and its chief executive, noting that it was awfully hot as well for the Con Ed workers and that they were apparently doing the best they could. Jaws dropped all over the city.

Officially, Bloomberg is the Republican mayor of New York. But he's really the Democrat he used to be or, more to the point, the independent he would become if he chose to run for president. Running as neither a Republican nor a Democrat would be a nearly insurmountable hurdle, but Bloomberg is very, very rich and not at all afraid to use his money. He personally financed his two mayoral campaigns -- nearly $74 million in 2001, $84 million in 2005 -- and he has said that spending half a billion dollars on a presidential race is, if that's what it takes, easily doable. Ross Perot, not as rich as Bloomberg and clearly deranged, got 19 percent of the vote in 1992. Bloomberg, who's sane, could do better.

Is the country ready for a billionaire divorced Jew with a penchant for the blunt quote and a habit of getting his own way? Probably not. But there is no doubt that Bloomberg has done a terrific job managing New York, and there is no doubt that the federal government is a mismanaged mess -- so dysfunctional and weird that grown men will defend the appropriation of money for bridges that go virtually nowhere. Wasting money has become the functional equivalent of gutsy politics -- the willingness to defend the fiscally obscene. Bloomberg, maybe John McCain as well, would do something about that. One hopes.

A Bloomberg presidential candidacy would certainly complicate life for Hillary Clinton, not to mention Giuliani, and it's a long shot as an independent or third-party candidacy in any case. (Perot got nary an electoral college vote.) There are vast stretches of the country where you can't get a good pastrami sandwich, sarcasm is loathed, candor is confused with rudeness, advocacy of gun control is hardly appreciated and a crusade against trans fats might be confused with lunacy. For Bloomberg, a presidential campaign would be an enormously expensive tilting at a windmill, and no one should be surprised if, as he has said, he devotes his apres-mayoralty life to giving away his fortune.

But Bloomberg drops too many hints at dinner parties, says no with a total lack of conviction and has the gambler's yen to roll the dice for major stakes. Once before, he ignored sage advice, switched political parties and ran for mayor. Will he do something similar now? I don't know. Is he considering it? You bet.

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Abstinence Message Goes Beyond Teens (USAT)

By Sharon Jayson

USA Today, October 30, 2006

The federal government's "no sex without marriage" message isn't just for kids anymore.

Now the government is targeting unmarried adults up to age 29 as part of its abstinence-only programs, which include millions of dollars in federal money that will be available to the states under revised federal grant guidelines for 2007.

The government says the change is a clarification. But critics say it's a clear signal of a more directed policy targeting the sexual behavior of adults.

"They've stepped over the line of common sense," said James Wagoner, president of Advocates for Youth, a Washington, D.C.-based non-profit that supports sex education. "To be preaching abstinence when 90% of people are having sex is in essence to lose touch with reality. It's an ideological campaign. It has nothing to do with public health."

Abstinence education programs, which have focused on preteens and teens, teach that abstaining from sex is the only effective or acceptable method to prevent pregnancy or disease. They give no instruction on birth control or safe sex.

The National Center for Health Statistics says well over 90% of adults ages 20-29 have had sexual intercourse.

But Wade Horn, assistant secretary for children and families at the Department of Health and Human Services, said the revision is aimed at 19- to 29-year-olds because more unmarried women in that age group are having children.

Government data released last month show that 998,262 births in 2004 were to unmarried women 19-29, the ages with the most births to unmarried women.

"The message is 'It's better to wait until you're married to bear or father children,' " Horn said. "The only 100% effective way of getting there is abstinence."

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The revised guidelines specify that states seeking grants are "to identify groups ... most likely to bear children out-of-wedlock, targeting adolescents and/or adults within the 12- through 29-year-old age range." Previous guidelines didn't mention targeting of an age group.

"We wanted to remind states they could use these funds not only to target adolescents," Horn said. "It's a reminder."

Last year, 46 states applied for the federal abstinence-education money, to fund programs in schools, neighborhood clubs and faith-based organizations.

Sarah Brown, director of the National Campaign to Prevent Teen Pregnancy, says abstinence programs are among many messages that have helped reduce teen pregnancy rates. But "the notion that the federal government is supporting millions of dollars worth of messages to people who are grown adults about how to conduct their sex life is a very divisive policy," she says.

"We would oppose any program that stigmatizes unmarried people," adds Nicky Grist, executive director of the Alternatives to Marriage Project, a non-profit organization based in Brooklyn, N.Y., that advocates for the rights of unmarried people.

For last year's state grants, Congress appropriated $50 million. A similar amount is expected for 2007, but the money has not yet been allocated, according to the Administration for Children and Families.

"I think the program should talk about the problem with out-of- wedlock childbearing — not about your sex life," Brown says. "If you use contraception effectively and consistently, you will not be in the pool of out-of-wedlock births."

Blue America (WT)

By Fred Barne

The Washington Times, October 31, 2006

If Tom Edsall isn't America's greatest political writer, he's close to it. He meets the two tests that matter the most. The first is whether one who analyzes politics is willing to write against preference. Mr. Edsall is, and "Building Red America" is a perfect example. He is a liberal, especially on social and cultural issues, who persuasively chronicles how Republicans have gained the upper hand in politics today and explains why Democrats, even if they defeat Republicans in the midterm elections on Nov. 7, are not poised to become the majority party again anytime soon.

The second test involves whether the political writer can command an audience. Mr. Edsall, who recently left The Washington Post to join the New Republic, can. In his case, anyone with a strong interest in politics is likely to read his pieces regardless of the specific subject matter. They'll do so simply on the basis of the Edsall byline, assuming (as I do) that anything he writes is worth reading.

Mr. Edsall doesn't buy the conventional wisdom of liberal political reporters and commentators, most notably their take on the effect of social issues. Their view is that Republicans do well despite their opposition to abortion, embryonic stem cell research, homosexual rights and racial preferences. His view, slightly oversimplified, is that Republicans win elections because of their social conservatism.

In both 2000 and 2004, President Bush was a beneficiary. He won, Mr. Edsall writes, at least partly as a result of the "the high-risk strategy by the conservative movement and the Republican party of forcing wedge issues, of leveraging every marginal advantage, and of bearing down hard on morality and sex." Emphasizing social issues in 2000, he says, "established a framework for the aggressive use of the issue of gay marriage in 2004."

I'd quibble with the idea that Republicans were "aggressive" in opposing same-sex marriage. True, Mr. Bush endorsed the protection amendment, but he hardly stressed it during the 2004 campaign. He didn't need to. Same-sex marriage was already a prominent enough issue to aid in producing what Mr. Edsall calls at one point "a thin but durable GOP advantage" and at another a Republican "juggernaut."

Mr. Edsall gently but firmly rebuts those who chiefly blame voters for Democratic defeats. Thomas Frank popularized this notion in his book "What's the Matter with Kansas?" Mr. Frank argued that lower-middle-class voters, a natural Democratic constituency, are ignoring their economic interests to vote on the basis of social issues. Mr. Frank recommended that Democrats emphasize economic populism to lure these voters.

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But the evidence from recent elections, Mr. Edsall notes, is that populist appeals haven't worked. He cites the presidential campaigns of Al Gore, Howard Dean, John Edwards, Richard Gephardt, Tom Harkin and Jesse Jackson. The common thread: They all lost.

There's also plenty of evidence that Democrats remain oblivious to the harm done them by their failure "to cross a security threshold" and gain credibility on national security. Mr. Edsall knows better. "Because the Democratic party became the party of antiwar activists during the Vietnam war," he writes, "... and because the party became increasingly hostile to defense spending, the security threshold has been a major stumbling block for the party's candidates."

Fred Barnes is the executive editor of the Weekly Standard.

The Republican Party: An Incredible Knack For Winning (CSM)

By Ari Pinkus

The Christian Science Monitor, October 31, 2006

How the GOP turned the art of electioneering into a science.

You could hardly turn on the television or pick up a newspaper in recent weeks without learning about a Republican running for his or her life. Of course, no one knows yet what voters will really do in the privacy of the voting booth next week.

But whatever happens on Election Day, nothing changes the fact that the Republican Party has the upper hand over the Democrats in the mechanics of campaigning: money, message, and organization. Even should the GOP suffer a setback at the polls, these formidable advantages will not disappear anytime soon.

The new book One Party Country: Republican Dominance in the 21st Century examines the nuts-and-bolts of the way Republicans have been building this sturdy foundation aimed at achieving successive election victories.

At a time when Republicans have not articulated a clear strategy in the Iraq war and have bungled the aftermath of hurricane Katrina, "One Party Country" suggests that the immediate priority and long-range plan of the Republican Party is wrapped up in winning elections. With so much of the focus on electoral tactics, the offshoot is that governing the country takes a secondary role.

"One Party Country" does a good job of spelling out the GOP electoral strategy objectively and in detail, and without evidence of partisan leanings.

Written by two investigative reporters for the Los Angeles Times, Tom Hamburger and Peter Wallsten, this book shows the signs of incisive journalistic digging. Early on, a minihistory lesson shows how the Republicans seized the opportunities for electoral success afforded by redistricting, particularly in the South.

More recently, the Republican Party has shown that it is well on its way to flawlessly executing the technique of microtargeting - developing messages and reaching specific individuals who are most likely to vote for a candidate. A new approach to conducting campaigns, it puts the onus on campaign staffs to learn about voters, including those who have not turned out in the past.

The authors extensively discuss the Voter Vault, a database of names, voter registrations, positions on key issues, and marketing information that can help the GOP reach new voters.

With this under-the-radar model, the Republicans would take the Democrats by surprise, the authors say. "It was the political equivalent of stealth technology in air power: Democrats would feel the bombs explode, but they could not see the bombers."

In 2004, the Bush campaign, led by master strategists Karl Rove and Ken Mehlman, spent $120 million in grass-roots politicking.

It's been successful so far, according to Hamburger and Wallsten. In numerous regions of the country, Republicans are siphoning off votes from several demographic groups that traditionally vote Democratic: Latinos, African-Americans, and Jews.

In the current environment, politics goes beyond targeting blocs of voters right before elections. Republicans frame all issues, including managing governmental regulations, in terms of gaining political advantage. Bush's faith-based initiatives were intended to cultivate support among African-American preachers, and educational reforms have helped him with minority voters.

Even mid-level bureaucrats don't escape the attention of GOP political operatives, the authors write.

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They also explain the importance of the conservative network's weekly meetings led by Grover Norquist of the Americans for Tax Reform in keeping the two main groups (the fiscal and social conservatives) focused on their common GOP connection.

The reporters were able to get into a few of these private forums where conservatives can promote a message or share disagreements. Mr. Rove explained the Medicare prescription drug plan to this gathering and encouraged them to support it or keep mum if they did not, all for continued electoral success.

Particularly with midterm elections looming, "One Party Country" leaves the reader with fundamental questions: Are the Democrats about to put a halt to Republican dominance? If not, what might US society look like with a one-party system where campaigning is king, and governing an afterthought?

• Ari Pinkus is a Monitor editor.

Newspaper Circulations Slide More (WSJ)

By Emily Steel

The Wall Street Journal, October 31, 2006

Broad Decline May Hasten Move to Hone Web Focus; New York Tabloids Log Gains

Nearly every major U.S. newspaper suffered circulation declines in the past six months, according to the newspaper industry's twice-yearly report from the Audit Bureau of Circulations, the latest confirmation of the difficulties facing the industry as readers flock to the Web and other outlets for news.

Average daily circulation of the 770 newspapers reporting results to the ABC dropped 2.8% on a year-to-year basis during the six months ended Sept. 30, according to an analysis from the Newspaper Association of America, an industry-trade group. The drop in circulation follows a decline of 2.5% during the reporting period ended March 31 of this year and a 2.6% decline in the year-earlier period. Average Sunday circulation at 619 of the country's newspapers fell 3.4% in the most recent six months, according to the NAA. The circulation figures are preliminary and subject to audit by the ABC.

The circulation report, which comes on the heels of several major publishers reporting weaker ad revenue for the third quarter, is likely to reinforce concerns among investors about the industry's prospects. Those concerns have prompted some investors to push companies such as Tribune Co. to restructure or put themselves on the market.

The weaker circulation numbers may fuel efforts by publishers to adjust their business model to put more emphasis on the Web. Newspaper Web sites increased total audience by an average of 8%, according to an NAA analysis of more than 100 newspapers in the nation's top markets.

Some of the biggest declines occurred among the nation's large metropolitan daily papers, including several that have either changed hands or whose future business model is in doubt.

Tribune's Los Angeles Times posted the biggest percentage decline among the nation's top 25 papers, reporting an 8% six-month drop in total paid circulation to 775,766 compared with a year ago. Tribune's board is exploring a sale of the company, under pressure from shareholders unhappy with the company's stock price. Tribune's other major papers reported slightly smaller six-month declines: Chicago Tribune's circulation fell 1.7% while Newsday was down 5%.

Total paid circulation at the Philadelphia Inquirer, a former McClatchy Co. paper purchased this year from Knight Ridder Inc. and then sold this summer to an investor group led by Brian Tierney, chief executive of Philadelphia Media Holdings LLC, dropped 7.6% to 330,622.

At New York Times Co.'s Boston Globe, circulation dropped 6.7% to 386,415. Speculation about the Globe's future intensified last week after it emerged that former General Electric Co. Chairman Jack Welch had discussed with a group of Bostonians the possibility of launching a bid for the paper. The Times hasn't given any indication of wanting to sell the Globe, saying yesterday it views the paper as an important asset.

National newspapers managed less significant circulation drops. Gannett Co.'s USA Today retained its status as the nation's largest-circulation newspaper with total paid circulation at 2,269,509, down 1.3%. The Wall Street Journal, the nation's second-largest paper, published by Dow Jones & Co., reported a 1.9% decrease in total paid circulation to 2,043,235. The New York Times, the country's third-largest paper, saw its circulation decrease 3.5% to 1,086,798.

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Several papers, including the Journal and Los Angeles Times, said "individually paid circulation" -- excluding bulk sales to offices, hotels and other places -- reflects a more accurate picture of circulation for advertisers. Individually paid subscriptions increased 9.2% to 1.428 million at the Journal, compared with last year. Daily individually paid circulation at the Los Angeles Times increased 0.3% to 741,665.

Of the nation's top 10 newspapers, only New York's tabloid rivals -- New York Post and New York Daily News -- reported higher total paid weekday circulation. With a 5.1% increase to 704,011, News Corp.'s New York Post emerged ahead of its rival New York Daily News, which reported a 1% increase to 693,382 in total paid weekday circulation. The New York Post's increase in circulation pushed it ahead of the Washington Post as well and made it the country's fifth-largest daily. The Washington Post's circulation fell 3.3% to 656,297.

The Chicago Sun-Times and Dallas Morning News didn't file data, pending the completion of their next six-month audits.

Write to Emily Steel at emily.steel@wsj.com1

Newspaper Circulation Falls Sharply (NYT)

By Katharine Q. Seelye

The New York Times, October 31, 2006

The circulation of the nation's daily newspapers plunged during the latest reporting period in one of the sharpest declines in recent history, according to data released yesterday. The slide continues a decades-long trend and adds to the woes of a mature industry already struggling with layoffs and facing the potential sale of some of its flagships.

Over all, average daily circulation dropped by 2.8 percent during the six-month period ended Sept. 30, compared with the period last year, according to an industry analysis of data released by the Audit Bureau of Circulations. Circulation for Sunday papers fell by 3.4 percent.

The figures appear to be the steepest in any comparable six-month period in at least 15 years. They come after the sale of the Knight Ridder newspapers this year and in the midst of a possible sale of the Tribune Company, whose assets include 11 newspapers. The circulation losses also follow recent sour earnings reports, raising questions about why anyone would want to buy a newspaper now.

The losses have accelerated as the industry tries to adjust to the steady migration of readers and advertisers to the Internet. Papers in major metropolitan areas, where more homes are wired for broadband, fared worse than those in smaller markets.

Newspaper executives also attribute some of the decline to deliberate strategies to eliminate so-called bulk sales to third-party sponsors that offer papers free in places like hotels. Advertisers view them as having little value because the readers getting them did not pay for them.

The Los Angeles Times lost 8 percent of its daily circulation and 6 percent on Sunday. The Boston Globe, owned by The New York Times Company, lost 6.7 percent of its daily circulation and almost 10 percent on Sunday.

The New York Times, one of the few big papers where circulation had held steady over the last few reporting periods, lost about 3.5 percent of its circulation both daily and Sunday. The Washington Post's declines were nearly the same. The Wall Street Journal's daily paper fell by less than 2 percent but its Weekend Edition, which comes out on Saturday, reported a 6.7 percent drop.

As of Sept. 30, total circulation for the nation's dailies had dropped to 43.7 million. Daily circulation peaked in 1984, at 63.3 million.

Nonetheless, three billionaires in Los Angeles have said they are interested in buying The Los Angeles Times, which is owned by Tribune. John F. Welch Jr., the former chief executive of General Electric, has mused about buying The Globe, although The New York Times Company has said it is not for sale. And others have expressed interest in papers elsewhere.

Prospective buyers are interested, in part, because despite their problems, newspapers generally still turn a profit and remain attractive to advertisers who want to reach a mass audience. Many papers have higher profit margins than the average Fortune 500 company.

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Moreover, many companies see promise in their online publications, which are drawing an increasing number of readers each year. At The New York Times, for example, the number of people who read the paper online now surpasses the number who buy the print edition.

The newspaper association said that for the third quarter of this year, 57 million people visited a newspaper Web site, an increase of 24 percent over the period a year ago. And revenues from online advertisers are growing.

"The fundamentals say to me that there is a future for a well-run newspaper," said Conrad C. Fink, who teaches newspaper management at the University of Georgia. "But short range, it looks dismal and nobody knows exactly what to do about it."

One immediate problem is that although online revenues are growing, they still make up only a small portion of the overall newspaper revenues. And it could take at least two decades for online revenues to equal half of current revenues, Lauren Rich Fine, an analyst with Merrill Lynch, wrote last week.

Still, there is the vanity aspect of owning a newspaper.

"If you're Jack Welch, you've already made a ton of dough," Mr. Fink said. "You want to buy The Boston Globe because you want a voice at the top."

He also said there was an "element of altruism" by some people, "who believe they can buy these papers and return them to their local roots." But he pointed to the recent acquisition of The Inquirer and The Daily News in Philadelphia by Brian P. Tierney, a local advertising executive, as an example that was "not all that impressive."

The Inquirer lost 7.6 percent of its daily circulation and 4.5 percent on Sunday, according to the new data. Some of the papers owned by McClatchy, which acquired Knight Ridder, also lost circulation in this period: The Star-Tribune in Minneapolis was down more than 4 percent daily and The Sacramento Bee was down more than 5 percent daily.

Nonetheless, Elaine Lintecum, treasurer of McClatchy, said the company was optimistic.

McClatchy's online sites now account for 8 percent of the company's revenue, Ms. Lintecum said. "It's a small portion, but it's growing more in importance each year," she said. "As that transition is taking place, we have to look at our total audience" online and in print.

She also said that like many other publishers, McClatchy was in the process of cutting back on third-party sales, "and until that's weaned out, the circulation numbers won't look so good."

One of the few increases in circulation was scored by The New York Post, which eked past its main rival, The Daily News, by about 10,000 copies and trumpeted the news on a giant billboard in Times Square.

With Tribune On Block, L.A. Times Circulation Down 8% (WP)

By Frank Ahrens

The Washington Post, October 31, 2006

Drop is Steepest Among Major U.S. Newspapers

The Los Angeles Times lost 8 percent of its daily circulation -- the most of any of the nation's largest newspapers -- over the past six months, potentially lowering its value even as suitors line up to bid on its parent company.

Nationally, newspaper circulation has been sliding since 1987 and the past six months were no exception. Overall circulation was down 2.8 percent from the comparable period last year. But the pain was felt worse in some cities than in others. The smaller-circulation Miami Herald, for example, was down 9 percent for daily and Sunday, while the New York tabloids -- the Post and Daily News -- gained.

The L.A. Times is owned by Chicago-based Tribune Co., which has put itself up for sale as the result of a boardroom war. A minority of board members are unhappy with the company's performance over the past year and think the company would be worth more split up or sold off.

On Friday, two private-equity groups -- Bain Capital of Boston and Thomas H. Lee Partners of Boston combined with Texas Pacific Group of Fort Worth -- met Tribune's deadline for expressing interest in buying the company, said sources with knowledge of the submissions who spoke on the condition of anonymity because the bidding is private. Tribune's market capitalization is $8 billion.

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Tribune's sentimental flagship is the Chicago Tribune, but the L.A. Times is its largest newspaper and accounts for about one-quarter of Tribune revenue. The Times has been at the heart of Tribune's cost-cutting efforts in recent months; Chicago executives fired Times publisher Jeffrey M. Johnson this month for refusing to cut more jobs.

The 8 percent drop in circulation was recorded in April through September and left the Times with a daily circulation of 775,766, according to the Audit Bureau of Circulations, which monitors newspaper sales. The Times's Sunday circulation for the period was down 6 percent, to 1.2 million. The Times publisher said the big drop was attributable to low-value circulation -- such as giveaways -- that the paper cut to save money.

Other Tribune papers fared slightly better. Daily circulation at the Chicago Tribune was down 1.7 percent; the Hartford Courant was down 3.9 percent; the Baltimore Sun was down 4.4 percent; and Newsday was down 4.9 percent.

Tribune shares fell 50 cents in morning trading in reaction to the circulation news but mostly recovered during the day, closing down 2 cents at $33.45.

If the Times's circulation slide is the result of readers actively fleeing the paper, the company's value could be reduced as the sale process goes forward, said James C. Goss, an analyst with Barrington Research Associates Inc. of Chicago. That could lead bidders such as Bain and Lee to lowball Tribune, offering less per share to buy the company.

Analysts place Tribune's value at about $35 per share.

But if the 8 percent loss is the result of what Goss called "corporate choice" -- meaning that Tribune allowed low-value circulation to seep away -- that would be seen as smart corporate policy and could raise the value of the company.

However, allowing overall circulation to drop too far can result in lowered ad rates.

In a written statement, Times publisher David D. Hiller said his paper was focusing on "individually paid circulation," or full-price circulation. In that respect, the Times's circulation was up one-third of 1 percent over the past six months, yesterday's data showed.

Newspapers receive credit for other forms of circulation, such as "third-party sales," when a retailer agrees to buy a large number of newspapers at a reduced rate then give them away as a promotional tool. That kind of Times circulation was down 67 percent, the paper said.

The Washington Post lost 3.3 percent of its daily and 2.6 percent of its Sunday circulation in the same period. The New York Times was down 3.5 percent daily and Sunday. USA Today, the nation's largest newspaper, lost 1.3 percent.

In New York, the tabloid wars have been good for the industry: The New York Post's circulation was up 5 percent, while the Daily News's rose 1 percent.

Cotton-picking Subsidies (LAT)

The Los Angeles Times, October 31, 2006

A CENTURY AND a half ago, the U.S. cotton industry fueled a booming trade in African slaves and indirectly helped spark the Civil War. One big difference between then and now is that although American cotton is still afflicting Africa, now the Africans suffer at home rather than here.

Cotton is a staple crop for many West and Central African countries, where a difference of a few pennies in the price of a pound of fiber can mean the difference between deprivation and relative prosperity. And an explosion of U.S. cotton exports over the last decade, fueled by one of the most obscene corporate welfare programs this country has ever seen, has increasingly helped tip the scales toward deprivation over there.

On Wednesday, trade ministers from four African countries whose economies are being savaged by U.S. cotton subsidies came to Washington to discuss the issue with U.S. Trade Representative Susan Schwab and Agriculture Secretary Mike Johanns. They left with little more than vague promises. President Bush, cowed by powerful congressional Republicans from farm states, has done nothing to stop a surge in agricultural subsidies during his administration.

Few U.S. growers would be in the cotton business if not for the roughly $3.5 billion the government shovels their way every year. Much of this money goes to large corporate operations or wealthy families that feel it is their birthright to unfairly rig the global trading game. The payments encourage overproduction and make it almost impossible for African farmers to compete with this nation's subsidized exports.

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When other nations try subsidizing industrial exports that compete with our goods, we cry foul, and this incessant hypocrisy contributes to anti-American sentiment in much of the world. The message from Washington to the rest of the world seems to be: We love fair competition and open markets, just as long as we're talking about those products and services we are inherently good or efficient at producing. This doesn't just hurt people overseas. The U.S. government last year spent about $23 billion on farm subsidies. What did taxpayers get for their money? A fat agribusiness industry and inflated land values. The overall farm support program also means U.S. consumers lack access to some lower-priced imports.

Two years ago, the World Trade Organization ruled in favor of Brazil in a case challenging the legality of U.S. cotton subsidies, yet the U.S. continues to flout the ruling. A five-year WTO effort to lower farm supports around the world, in order to address one of globalization's most brazen north-south inequities, collapsed in July. Europe and Japan may be even more culpable on these issues than the United States, but the Bush administration's unwillingness to unilaterally dismantle the cotton program prevented the U.S. from claiming the moral high ground in negotiations — not to mention a much-needed dose of goodwill in the developing world.

The crowning irony is that while the United States spends billions of dollars a year on foreign aid programs for developing nations, it spends even more billions on agricultural subsidies that make it harder for these countries to wean themselves off outside support. Enough already. Key farm legislation, which contained a big increase in subsidies in 2002, expires next year. When it is renegotiated, Bush and Congress need to kill off these subsidy programs that cost the nation billions of dollars, and much more in prestige and credibility around the world.

Iran Warns Of Response To Nuke Sanctions (AP)

By Nasser Karimi

AP, October 31, 2006

Iran's firebrand president warned on Monday that his country would respond with an "appropriate and firm response" to any U.N. sanction over its nuclear program.

The comments by Mahmoud Ahmadinejad came as key United Nations Security Council members were considering a draft European resolution that would impose punishing measures on Iran over its disputed nuclear program.

"Efforts by the big powers will only incite anger and hatred," the hard-line leader told a large crowd on the outskirts of Tehran.

"The Iranian nation will respond to restrictive activities with an appropriate and firm response," he said without elaborating.

Meanwhile, Mohamed ElBaradei, who heads the International Atomic Energy Agency, said at the U.N. that his organization has not been able to verify that Iran's nuclear program is peaceful.

Tehran insists its nuclear efforts are solely geared at peacefully producing electricity. But the U.S. and its allies fear Iranians want to build atomic weapons.

Russia and China, which wield veto power as permanent Security Council members, have shied away from imposing punitive measures on their trade partner Iran, saying they prefer a diplomatic solution to the impasse. But the United States says the proposed sanctions are not tough enough.

Russian President Vladimir Putin told Ahmadinejad on Monday that Moscow strongly favors further negotiations on Tehran's nuclear program, the Kremlin said.

The brief Russian statement after a telephone conversation between the two leaders was the latest indication that Russia opposes sanctions against Iran and believes the international community should try to defuse tension through talks.

With Iran waving threats of a firm response to any U.N. sanction, it also appeared aimed at cooling Tehran's rhetoric and casting Russia as a peacemaker.

In the Iranian-initiated conversation with Ahmadinejad, "Putin outlined the fundamental position of the Russian side in favor of a continuation of the negotiation process," the Kremlin said.

President Bush insists that Washington will only agree to negotiate about Tehran's nuclear program if the Iranians first halt uranium enrichment, a key step to produce either peaceful nuclear power or an atomic bomb.

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With the council divided, Ahmadinejad remained defiant, telling the crowd that Iran would prefer to endure sanctions rather than bow to Western pressure.

"We want to stand on our own feet," he said. "You should know that our nation will not give in one iota in the nuclear case."

He also mocked Britain as a "follower of arrogance," for aligning itself with U.S. foreign policy, days after British Prime Minister Tony Blair called on the Security Council to achieve a "proper, binding resolution" on Iran's nuclear activities.

The British "have simply become the guide for a blind U.S," Ahmadinejad said.

"We do advise Britain not to squirm and not to do childish activities concerning the resolution. Iran's nation has stood up and will not let you achieve anything except humiliation," he added.

His speech was delivered after Iran officially confirmed on Friday that it has doubled its uranium enrichment capacity.

On Monday, ElBaradei said that the IAEA was "unable at this stage to confirm the peaceful nature of Iran's nuclear program which, obviously, is a matter of serious concern."

ElBaradei referred to his earlier report to the Security Council verifying that Iran had ignored the Aug. 31 deadline to halt uranium enrichment.

The U.N. nuclear watchdog had not been able to "make progress resolving the outstanding issues — issues that require certain transparency measures on the part of Iran," ElBaradei said.

The Iranians have insisted on their right to pursue a peaceful atomic energy program as a member of the Nuclear Nonproliferation Treaty.

Iran's deputy U.N. Ambassador Mehdi Danesh-Yazdi criticized the "dangerous trend" where countries outside the Nuclear Nonproliferation Treaty face no pressure to join and acquire large stockpiles of nuclear weapons. He singled out Israel, accusing it of leading "a masquerade of lies and deception against Iran's peaceful nuclear program."

Iran wants all nuclear weapons eliminated but in the interim the international community should take "all necessary steps to ensure universality of the non-proliferation regime," he told the U.N. General Assembly.

At the same time, Danesh-Yazdi said, Iran has a right under the NPT to nuclear technology and is ready to resume negotiations with the six key powers that proposed a package of incentives to assure them of the peaceful nature of Iran's nuclear program. But he made no mention of suspending uranium enrichment — a key demand of Britain, France, Germany, the U.S., Russia and China for resuming negotiations.

Giving Iran The Bomb (WSJ)

By Bret Stephens

The Wall Street Journal, October 31, 2006

Does the Bush administration seriously mean to give Iran a nuclear bomb? Look carefully at the confidential text of a forthcoming U.N. Security Council resolution, and the answer, it would seem, is yes.

This is a Halloween column, but it is not a prank. Through diplomatic efforts spearheaded by Undersecretary of State Nick Burns, the administration is prepared to endorse a European draft of a U.N. resolution that imposes limited sanctions on the Islamic Republic for flouting its Aug. 31 deadline to stop enriching uranium. The chances the resolution will soon be voted and agreed on increased with last week's news that Iran has again enriched uranium using a second "cascade" of 160 or so centrifuges. Iran plans to operate 3,000 such centrifuges -- which can spin uranium hexafluoride to either reactor- or weapons-grade levels -- by March of next year.

In an interview last month with this newspaper, Secretary of State Condoleezza Rice allowed that while a sanctions resolution would not satisfy the U.S. on every point, it would usefully ratchet up the pressure on Tehran and pave the way, if necessary, for tougher Security Council action later on. On its face, the current draft of the resolution does just that. After noting that the International Atomic Energy Agency "is unable to conclude that there are no undeclared nuclear materials or activities in Iran," the resolution forbids the sale or transfer of "all items, materials, equipment, goods and technology which could contribute to Iran's nuclear and ballistic missile programs." It also freezes the financial assets of everyone and everything known to be involved in those programs.

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But then we come to the Bushehr exception, so broad the Iranians could drive a truck through it -- or, to be more precise, a truck carrying 330 kilograms of reactor-grade plutonium. That's enough to make about 55 Nagasaki-type atomic bombs.

Bushehr is a light-water nuclear reactor that Russia began building for Iran in the mid-1990s over the objections of the Clinton administration. Ten years on, the billion-dollar facility is nearly complete: All that remains to make it operable is reactor-grade uranium, which Moscow promises to supply by next October. In a sop to the Russians, the draft resolution specifies that the prohibition on technology transfers to Iran "shall not apply to supplies of items, materials, equipment, goods and technology, nor to the provision of technical assistance or training, financial assistance, investment, brokering or other services . . . related to the construction of Bushehr I."

For years it was widely believed that a light-water reactor could not be used -- at least not covertly -- to generate weapons-grade uranium or plutonium. It was for this reason that President Clinton agreed to supply two such reactors in 1994 to North Korea in exchange for freezing the reactor at Yongbyong, which lent itself more easily to nuclear-weapons production.

But as Henry Sokolski of the Washington-based Nonproliferation Education Center explains in a phone interview, the problem with that view is that it is at least 30 years out of date. Iran could secretly remove fuel rods of lightly enriched uranium pellets from Bushehr by substituting dummy rods, something the IAEA would be unlikely to notice using current inspection practices. It could then use its 3,000 centrifuges to enrich the uranium to weapons-grade levels in as little as five weeks.

That's not all. After a year's operation the Bushehr reactor would produce the previously mentioned 330 kilograms of plutonium in the form of spent fuel. That plutonium could be reprocessed at small and dispersed facilities, completely hidden from the IAEA's view. And unlike uranium, reactor-grade plutonium is only slightly less serviceable than the weapons-grade stuff when it comes to building a bomb. "It would take as little as 10 days of operation to get the first significant quantity [of plutonium] and then you could get a bomb's worth every day," says Mr. Sokolski. "You're talking about weeks, not months."

This means we need to radically revise our estimates of how soon the Islamic Republic will have all the ingredients and know-how it needs to build a bomb. National Intelligence Director John Negroponte speculated in June that Iran would be there sometime between 2010 and 2015 -- long after President Bush and presumably Mr. Negroponte are out of office. But as Mr. Sokolski notes, once Bushehr is operational, Iran could go nuclear "before the end of next year." We know that Iran already possesses a design for a functional weapon, probably courtesy of the A.Q. Khan proliferation network.

Proponents of the draft resolution argue that the Bushehr exemption is the only way the Russians will agree to any sanctions, and that an incremental resolution is better than none. This argument is questionable on three counts. Why would the Russians oppose the completion of Bushehr next year when they refuse to do so today? Why should the international community allow Iran to get a reactor when it is already in material breach of the safeguards agreement of the Nuclear Nonproliferation Treaty?

Finally, why should the U.S. hand Moscow a bargaining chip for its broader strategic ambitions, which are increasingly antithetical to America's? Imagine if Vladimir Putin demanded that the U.S. abandon its support for the embattled Republic of Georgia in exchange for his compliance on the Iranian issue. Is that a trade-off George W. Bush would be willing to accept?

Tehran has grown shrill in its warnings that there will be "repercussions" if any step is taken to halt its nuclear programs. Whatever. It's time the Bush administration called Iran's bluff, and regained its nerve, by taking effective action in the face of the present danger. The Kabuki dance now being played out at Turtle Bay is not that.

U.S.-Led Exercise In Persian Gulf Sets Sights On Deadliest Weapons (NYT)

By Hassan M. Fattah

The New York Times, October 31, 2006

ABOARD THE OIL TANKER BRAMBLELEAF, in the Persian Gulf, Oct. 30 — More than two dozen countries, including three gulf states, practiced intercepting and searching vessels suspected of trafficking in unconventional weapons in major military maneuvers on Monday that emphasized their coordination and willingness to aggressively block the spread of arms.

The daylong exercise, about 20 miles outside Iranian territorial waters, seemed to signal to Iran, too, that a coalition of Western powers and neighboring states was intent on denying it access to nuclear, chemical and biological weapons, even on its doorstep.

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"The message is clear," said William T. Munroe, the American ambassador to Bahrain. "Responsible countries of the world will not stand aside as proliferators circumvent their international obligations. Responsible countries will not hesitate to deny proliferators a safe haven."

American officials insist that the training exercise, planned since January, was not related to tensions over Iran's uranium enrichment activities. Iran said Friday that it had stepped up enrichment in defiance of a Security Council demand to suspend such work.

"This is ultimately important because of where it's happening, when it's happening and why it's happening," said a diplomat observing the exercise, speaking on condition of anonymity because he was not authorized to comment. "Iran and Korea are two main targets, but there are many others of interest to this effort."

Iran warned the exercise's participants on Monday against acts that could destabilize the region. Military officials taking part in the exercise said that Iranian patrol boats came close to coalition ships in recent days, inspecting their activities and positions.

"We do not consider this exercise appropriate," Muhammad Ali Husseini, the Foreign Ministry spokesman, told reporters on Sunday. United States actions in the region "go in the direction of more adventurism, not of stability and security," he said.

Instead, Iran has proposed that Persian Gulf states form a group, excluding the United States, to maintain security in the region.

The exercise on Monday was the first training maneuver in the Persian Gulf under the Proliferation Security Initiative, an American-led effort that seeks to coordinate and develop procedures for intercepting smugglers of unconventional weapons.

It was also notable for the involvement of Bahrain, and support by Qatar and the United Arab Emirates, which sent observers.

The operation began last week with war games to practice intelligence cooperation, then moved to the exercise at sea, which included Australian, British, French and Italian warships and three Bahraini frigates.

Sailors from the Italian and Bahraini Navies swooped onto the British oil tanker Brambleleaf in the choppy Persian Gulf waters, their machine guns waving in a scene that was half show, half test. Each team combed the ship's hold for almost two hours until they found a hidden simulated nuclear detonator.

Absent, however, were Saudi Arabia, a power in the Persian Gulf, and China. Officials involved in the Proliferation Security Initiative said that many states that had not signed on were largely concerned about legal aspects of the initiative.

Technically, teams conducting searches under the initiatives can board a ship only if given clearance by its owners or crew. Ships with no flag can be boarded at will. Organizers of the maneuvers said they hoped the exercise would convince those still on the fence of the legality of the initiative.

The initiative, first proposed by President Bush in May 2003, has held 24 other training exercises in Europe and Asia in the last three years.

Bush Opposes Nukes For Allies (AP)

AP, October 31, 2006

President Bush said Monday he would oppose helping Japan, South Korea and Taiwan develop nuclear weapons to guard against any threat from a nuclear-armed North Korea.

"I think the less nuclear armament in the Far East, the better off the world will be," the president said in an interview.

Bush said the United States should work closely with its allies in Asia on a missile defense system. "Our missile defense systems are getting better and better because of the money that we have been spending over the past five years," he said.

The president said the U.S. has convinced its partners in talks with North Korea that Pyongyang should not have nuclear arms. "The problem is, it's a little frustrating for people; diplomacy is a little frustrating for people because things don't happen overnight.

"So, it's a constant effort to keep people bound together and the best way to do it is to remind them of what the dangers will be to the stability in the Far East if there is either a nuclear arms race, or somebody, you know, uses a nuclear weapon."

Nuclear tensions in Asia were heightened by North Korea's underground nuclear test Oct. 9.

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The U.N. Security Council unanimously adopted a resolution sanctioning the North for its test, but South Korea — a major aid provider to the impoverished North — has been reluctant to adopt stern measures against its volatile neighbor.

Bush spoke in an interview for broadcast on Fox News Channel's "Hannity & Colmes."

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On the Net:

White House: http://www.whitehouse.gov

More N. Korea Nuke Tests Said Expected (AP)

By Burt Herman

AP, October 31, 2006

The top U.S. general in South Korea said Monday that more nuclear tests can be expected by North Korea as it develops its atomic weapons program, and stressed that U.S. and South Korean forces could deter any aggression.

U.S. Army General B.B. Bell didn't cite specific intelligence that another test was imminent, but said that could be expected in the future as part of North Korea's weapons program.

"I can only surmise that since they tested one, we would see at some time in the future yet another test of a nuclear device," Bell told a news conference, adding that missiles and other weapons also could be tested.

A South Korean newspaper reported that the North fired five short-range missiles during military training last week.

North Korea fired the ground-to-air and air-to-air missiles, with ranges from 6 miles to 30 miles, as part of an annual training session, the Chosun Ilbo newspaper reported, citing an unidentified South Korean government official.

The North fired a series of longer-range missiles in July, including an intercontinental ballistic missile that many believe could potentially hit the United States.

Bell said that the U.S. and South Korean allied forces could deter aggression from the North and defeat any possible attack. He argued that the North's confirmed nuclear capability since its Oct. 9 nuclear test didn't change the balance of force in the region, because intelligence agencies had believed for several years that Pyongyang had atomic weapons.

He called for a diplomatic solution to the standoff.

"I wish that North Korea would not only stop testing these devices, but stop making them and come back to the bargaining table," he said.

Bell added that the U.S. "nuclear umbrella" continues to protect the South as part of the two countries' security cooperation.

In a commentary in its main Rodong Sinmun newspaper, North Korea said the United States' nuclear weapons won't be able to protect the South but "will be a source of disaster and trouble bringing the holocaust of nuclear war."

The U.S. and South Korea have been negotiating to transfer wartime command of forces on the peninsula as part of Seoul's efforts to assume more responsibility for its own defense.

South Korea transferred control of its forces to a U.S.-led United Nations command during the 1950-1953 Korean War. Peacetime control of the Korean military was given to the South Koreans in 1994, but the United States retained control should war break out again.

At negotiations earlier this month in Washington, both sides agreed the South would assume wartime command of its own forces sometime between 2009 and 2012.

Bell said details will be decided in the first half of next year, adding that the change could take place within three years, in the earlier part of the agreed time span.

Critics of the transfer deal have said the South lacks intelligence and aerial support capabilities it needs to assume the new role.

Bell said that as the transition occurs the U.S. would provide "bridging" capabilities to help the South in areas where it is still developing its defenses — stressing that fighting capability would in no way be diminished.

He said the United States would remain in South Korea as long as it was "welcome and wanted."

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Recent comments by the South's presidential security adviser that have been perceived as anti-American have reportedly drawn criticism from U.S. officials. But Bell said the "vast majority" of South Koreans supported the country's alliance with the United States.

About 29,500 U.S. troops remain in the South, a remnant of the Korean War, which ended in a cease-fire that persists to this day. Their numbers are set to decline by several thousand in coming years.

U.S. General Denies Any Plans For Attack (WT)

By Andrew Salmon

The Washington Times, October 31, 2006

SEOUL -- The commander of U.S. forces in South Korea said yesterday he "certainly" expects another North Korean nuclear test, but dismissed reports that his forces were preparing a pre-emptive strike on the North.

"I can only surmise that since they tested one, they will test another," Gen. Burwell B. Bell said of North Korea's Oct. 9 nuclear test during a press conference at Seoul's Yongsan Garrison. "But I won't speculate as to when."

The Washington Times last week quoted nuclear experts including David Albright, a former inspector for the International Atomic Energy Agency, saying technical problems encountered by the North in its first test could likely be worked out within a few months.

Gen. Bell also addressed a published report last week that said U.S. and South Korean forces were planning a pre-emptive strike against North Korea.

His forces are "not in the business of developing pre-emptive strike plans," he said, explaining that the U.S. deployment on the Korea Peninsula is defensive in nature. South Korean government sources also denied the report.

Although some observers worry that the North's nuclear test shifted the balance of power on the peninsula -- an opposition assemblyman, for example, has said the South's armored forces are incapable of operating in a nuclear environment -- Gen. Bell adamantly rejected the argument.

The United States has acted under a mutual defense treaty to extend its "nuclear umbrella" to cover South Korea, he said, while allied forces continue to "overmatch" North Korea in conventional weapons.

The general said Washington remains committed to its half-century alliance with Seoul for as long as the U.S. forces are "welcome and wanted in this country."

There has been fierce debate in South Korea about the presence of U.S. troops, particularly since two schoolgirls were killed in a traffic accident involving U.S. soldiers in 2002.

Conservatives contend that pro-North Korean agitators have been behind anti-American movements in recent years, and over the weekend five persons -- including the deputy secretary-general of the minority Democratic Labor Party and a former student activist -- were arrested on suspicion of spying for North Korea.

Gen. Bell affirmed that the wartime command of South Korean forces will be transferred from American to Korean commanders between 2009 and 2012, and predicted a timetable would be announced in the first half of 2007.

He said the United States would extend "bridging capabilities" to make sure there was no gap in command, and warned that precise timing was essential. "We cannot have any doubt of who is in charge," he said.

He added that U.S. forces in Korea were now "air- and naval-centric" with South Korean forces making up the bulk of land forces. The infantry component of the U.S. contingent has been steadily reduced in recent years.

China Cited As N. Korea Supplier (WT)

By Bill Gertz

The Washington Times, October 31, 2006

China helped North Korea develop nuclear weapons and in the past year increased its support to Pyongyang, rather than pressing the regime to halt nuclear arms and missile activities, according to a congressional report.

The final draft report of the U.S.-China Economic Security Review Commission also says that Chinese government-run companies are continuing to threaten U.S. national security by exporting arms to American enemies in Asia and the Middle East.

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The report is based on public testimony and highly classified intelligence reports made available to its members and staff. It indirectly criticizes the Bush administration for failing to pressure Beijing into joining U.S.-led anti-proliferation programs and calls for Congress to take action to force the administration to do more.

"China has contributed at least indirectly to North Korea's nuclear program," the report stated, noting that China was a "primary supplier" to Pakistan's nuclear-arms program.

A copy of the commission's final draft report, due to be released formally next month, was made available to The Washington Times by congressional aides. Congress created the bipartisan commission of outside experts in 2000 to analyze the impact of U.S.-China relations on security and the economy.

North Korea was a recipient of nuclear goods supplied by the covert Pakistani nuclear supplier network headed by Pakistani scientist A.Q. Khan, according to the group's fourth annual report. Several links between Pakistan and North Korea's arms programs have been identified, it stated.

The unclassified version of the report does not include details of the Chinese support but notes that China has "a history" of helping North Korea develop its weapons.

According to U.S. intelligence officials, North Korean front companies operate freely in China and have used China as a transit point for trade in missile and nuclear components.

One North Korean nuclear procurement agent was identified by U.S. officials in 2002 as Yun Ho-jin, who while working in Shenyang, China, sought to buy metal rods with nuclear applications in Germany while posing as an official of the Chinese aircraft manufacturer Shenyang Aircraft Corp.

Also, Chinese language documents on how to design a small nuclear warhead for a missile were discovered by U.S. intelligence officials in Libya after Tripoli agreed to dismantle its nuclear program.

China's government has not explained how the warhead documents reached Libya. U.S. officials think the warhead documents likely were sold by the Khan network and were also supplied to Iran and North Korea.

On China's failure to pressure North Korea, the commission report said that China has refused to exert economic pressure and "instead has actually increased its assistance and trade with North Korea."

Disclosure of the report comes as China last week refused to join the U.S.-led Proliferation Security Initiative (PSI), which the Bush administration hopes to use in enforcing U.N. Security Council resolutions aimed at halting North Korean trade in illicit arms-related goods.

The Chinese turned down an appeal from Secretary of State Condoleezza Rice during her recent visit to Beijing to join PSI. The refusal raises questions about whether China will cooperate in a United Nations embargo against weapons and technology going in and out of North Korea.

Administration officials have praised China for supporting U.S. efforts to curb North Korea's arms programs. However, the report makes clear that Chinese cooperation is limited.

On China's role in arms proliferation, the report stated that Chinese companies and government organizations "continue to provide weapons, weapons components and weapons technology" in violation of China's commitments to international nonproliferation agreements.

The arms transfers "harm regional security in East Asia and the Middle East," the report said.

"Given strong U.S. interests in both regions, China's proliferation threatens U.S. security and potentially could place at risk U.S. troops operating in those regions," the report said.

The report also raises questions about whether China is willing to play a responsible role in working for global peace and stability. Beijing's support for World Trade Organization commitments is "spotty and halting," it said.

"And China's apparent willingness to value its own energy needs above the needs of international security is indicative of a nation as yet unprepared or unwilling to shoulder the burdens of a stakeholder state," it said.

The report recommends that Congress take steps to pressure China into joining the PSI, and calls on Congress to press President Bush to force China to carry out both sea and land inspections of weapons related goods going in and out of North Korea under U.N. Security Council Resolution 1718.

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The report recommends tightening sanctions on Chinese companies engaged in illicit arms sales, and says Congress should also require the president to provide regular reports identifying what actions China has taken to curb North Korean and Iranian nuclear activities.

China May Be Using Oil To Press North Korea (NYT)

By Joseph Kahn

The New York Times, October 31, 2006

BEIJING, Oct. 30 — China cut off oil exports to North Korea in September during heightened tension over North Korea's nuclear and missile programs, Chinese trade statistics show.

The unusual move — the figures show China sold no crude oil at all to its neighbor in September — reduced sales for the year by about 7 percent from the similar period in 2005. China's oil exports to North Korea, though uneven, had been averaging about 12,300 barrels a day.

North Korea depends on China for up to 90 percent of its oil supplies, much of which is sold on credit or for bartered goods, according to Chinese energy experts. Any sustained reduction could cripple its isolated and struggling economy.

There is no clear indication that the September figures represent a policy shift by China on providing vital food and fuel supplies to its neighbor and ally in the Korean War. North Korea conducted a nuclear test on Oct. 9, after the period covered by the latest customs data.

But North Korea tested ballistic missiles in July, defying sharp warnings from Beijing. China supported a United Nations resolution condemning the missile tests, and urged that North Korea not take any steps that might "worsen tensions."

China did not announce a reduction in oil exports. The figures were released normally by the customs administration, and the drop in supplies was first reported by [a news wire].

It remains possible the statistics are an anomaly or that supplies were cut because North Korea did not need more oil in September. Officials at the China National Petroleum Corporation, which sells oil and manages an oil pipeline to North Korea, declined to comment.

But several analysts said the reduction suggested that Beijing was using crude oil as leverage to press North Korea to resume negotiations over its nuclear program.

"It is a sharp and sudden reduction at a sensitive time, so political considerations cannot be ruled out," said He Jun, a Beijing-based energy expert and consultant. "China could be sending a clear signal."

If that analysis is correct, it suggests that Beijing may seek to punish North Korea in a variety of ways, both open and unspoken, in the aftermath of its nuclear test.

Although China has long protected North Korea against outside pressure, analysts said the nuclear test surprised and angered the Chinese leadership. Many here considered North Korea's nuclear technology primitive and argued that the country was using the threat of developing atomic bombs as an economic bargaining chip.

China took the unusual step of supporting United Nations sanctions on North Korea after the test. The sanctions restrict sales of military equipment to the North and allow inspections of North Korean cargo.

Both China and South Korea, North Korea's main trading partners, have opposed restrictions on economic ties. They have interpreted the United Nations sanctions narrowly and declined to intercept North Korea cargo at sea, as the Bush administration suggested might be necessary to prevent exports of nuclear material.

But last spring Beijing followed Washington's lead in freezing North Korean assets that the Treasury Department identified as connected to money laundering, according to Bush administration officials. Chinese officials never announced that they had done so, suggesting that they take some tough actions quietly.

Chinese experts on North Korea who took part in discussions of the nuclear issue this month said officials had discussed reducing oil shipments if North Korea continued to defy the outside world. Beijing's response would be especially sharp if North Korea conducted more nuclear tests or declined to resume negotiations about dismantling its nuclear program, these experts said.

If Beijing was already using oil to warn North Korea in September, its response to the October test could be more severe.

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"I doubt you would see them cutting down on grain shipments, because that affects directly the lives of North Korea's people," said Han Xiaoping, who follows China's energy industry for the Beijing Qunying Enterprise Company. "My own feeling is that North Korea cannot expect normal supplies of crude in this environment."

China's crude oil exports, once robust, have fallen sharply in recent years, as it uses more domestic oil to power its surging economy. Beijing has already become the world's second largest oil importer after the United States, but still exports a small part of what it produces.

North Korea has remained a consistent customer even as China has stopped selling oil to some other countries. Volumes of oil shipped to the North varied in the past year from as low as 7,400 barrels a day to as high as 24,600.

The exception this year and last was February, when China celebrated its extended lunar New Year holiday. North Korea and other customers, including Japan, Malaysia, Thailand and Australia, got no Chinese oil supplies during that month in either year, customs figures show.

In September, China exported 125,185 tons of crude, the equivalent of 30,780 barrels a day, for a reported value of $62 million. All of that was exported to the United States, with North Korea receiving nothing.

For the first nine months of 2006, China exported 370,000 tons of crude to North Korea, valued by customs data at $176 million. That represented a 7 percent decline in volume but a 21 percent increase in value, according to the export prices recorded by Chinese customs.

Oil industry experts say the published price for the oil does not reflect discounts that China offers.

North Korea also buys small amounts of oil from Iran.

Meeting Held On Stopping Nuke Terrorism (AP)

By John Thorne

AP, October 31, 2006

The world's five leading nuclear powers and seven other nations kicked off a new program Monday aimed at keeping nuclear weapons beyond the reach of terrorists.

Amid the global concerns over North Korea's test of an atomic bomb and suspicions Iran is trying to develop such weapons, delegations from the United States and the other states said it was paramount for the world to guard against terrorist groups joining the hunt.

"The concern is fundamental — we must stop terrorists from acquiring" nuclear weapons, said Robert Joseph, U.S. undersecretary of state for arms control and international security.

The world's five leading nuclear powers — the United States, Russia, China, Britain and France — form the core of the new Global Initiative to Combat Nuclear Terrorism.

Those five plus Italy, Japan, Canada, China, Turkey, Kazakhstan, Australia and Morocco signed two agreements on common principles and "terms of reference" that were not immediately made public after the start of the two-day meeting in Rabat.

The initiative aims to provide guidelines for keeping track of radioactive materials, ensuring the safety of nuclear facilities, and combating illicit trafficking that could deliver nuclear materials into the hands of terrorists.

While Russia and the United States have been at odds on how to rein in Iran's suspect nuclear program, the two countries combined to provide the impetus for this international effort to keep atomic arms from terrorist groups.

They hope the initiative will lead to better security for the world's nuclear materials and knowledge.

"It's about galvanizing the elements in the world to protect ... people from one of the most dangerous threats we face," Russian Deputy Foreign Minister Sergei Kislyak said.

"We do agree on some things. We have disagreements and nuances on others," he added, referring to the United States and dealing with North Korea and Iran. "I think we will work together, but we might disagree on the technique."

A senior Western diplomat said the meeting was an important sign of cooperation between Americans and Russians in an area where they haven't always seen eye-to-eye, particularly over whether to impose sanctions on Iran.

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The U.S. and its allies are seeking to force the Iranians to halt uranium enrichment, which can produce material for fueling nuclear reactors but also for nuclear warheads.

Russia and China, which have economic links to Iran, have shied away from imposing punitive measures. Iran insists its nuclear effort is solely aimed at using reactors to generate electricity.

The diplomat, who agreed to discuss the meeting only on condition of anonymity because of the issue's sensitivity, said the initiative's sponsors hope to prevent nuclear terrorism by doing more to curtail terrorist financing and improving safeguards for radioactive materials, from naturally occurring sources to hospital equipment.

President Bush and his Russian counterpart, Vladimir Putin, announced the initiative July 15 at the Group of Eight summit in St. Petersburg, Russia.

In a statement, the two leaders urged like-minded countries to expand joint efforts to "combat nuclear terrorism on a determined and systematic basis."

Bolton Faults Syria, Iran On Lebanon (AP)

By Edith M. Lederer

AP, October 31, 2006

U.S. Ambassador John Bolton accused Syria and Iran on Monday of trying to destabilize Lebanon's democratically elected government by violating a U.N. arms embargo.

Bolton stressed that Syria's obligations to respect a U.N. arms embargo authorized by the Security Council resolution that ended the 34-day Israeli-Hezbollah conflict in August "are particularly important as it is the one country other than Israel that borders Lebanon."

Syria and Iran are supporters of Hezbollah, providing weaponry, training and funding to the group.

He called on Syrian President Bashar Assad to abide by the commitment he made to Secretary-General Kofi Annan to support the resolution and the arms embargo.

In a speech to the U.N. Security Council, Bolton welcomed the Lebanese government's extension of its authority throughout the south of the country for the first time in almost 40 years and its deployment along the eastern part of the U.N.-drawn boundary with Israel and the border with Syria.

"Despite this advance, we continue to be concerned that Syria and Iran are actively trying to destabilize the democratically elected government of Lebanon ...," he said. "We call on Syria and Iran to abide by their obligations to respect Lebanon's sovereignty, territorial integrity, unity and political independence."

Syria's U.N. Ambassador Bashar Ja'afari told reporters his country was fully complying with the arms embargo and all U.N. resolutions. The Lebanese defense and foreign ministers and a Lebanese intelligence chief had denied reports of Syrian violations, he told Al-Arabiya television.

The spokesman for Iran's U.N. Mission was unavailable for comment.

But Terje Roed-Larsen, the top U.N. envoy for Syria-Lebanon issues, said representatives of the Lebanese government "have stated publicly and also in conversations with us that there has been arms coming across the border into Lebanon."

The U.N. has not received any information on quantities and types of weapons or where they come from, however.

Bolton said Roed Larsen told the U.N. Security Council "that the government was afraid to be specific about these arms coming across the Syrian-Lebanese border because of the fear of retaliation."

Roed-Larsen, when asked about Bolton's comments, said he had no specific information about threats of retaliation. But he said there had been 14 assassinations and assassination attempts in Lebanon since the February 2005 killing of former prime minister Rafik Hariri in Beirut.

Israel has said enforcement of the arms embargo, which blocks any entity in Lebanon except the national government from obtaining weapons from abroad, is crucial.

Bolton's made his remarks to the closed-door council meeting on implementation of Resolution 1559, which was adopted in September 2004 and called for the extension of Lebanese authority throughout the south and the disarming of all militias in the country.

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The Security Council said in a presidential statement at the end of the meeting that "important progress" has been made toward the implementation of the resolution, particularly through the deployment of the Lebanese army in the south.

But the council also noted that some provisions of the resolution have yet to be implemented, namely the disbanding of militias, strict respect for Lebanon's "sovereignty, territorial integrity, unity and political independence," and free and fair presidential elections "without any foreign interference and influence."

In his report to the council earlier this month on implementation of 1559, Annan said Lebanon should seize the opportunity resulting from the end of the Israel-Hezbollah conflict by establishing diplomatic relations with Syria and resolving the dispute over Chebaa Farms, a plot of land along its border with Israel and Syria.

Syrian troops only withdrew from Lebanese territory the assassination of Hariri, a longtime opponent of Syria, provoked an outcry that eventually forced Syria to relent.

Chebaa Farms was captured by Israel when its forces seized Syria's Golan Heights in the 1967 Middle East war.

The United Nations determined that the area is Syrian, and that Syria and Israel should negotiate its fate. But Lebanon claims the Chebaa Farms — a claim backed by Syria — and Hezbollah continues to fight over the disputed land, arguing that Israel's occupation justifies its "resistance."

Roed Larsen called the issue "very complex," saying U.N. cartographers are working "full speed" to analyze what the territory encompasses.

Olmert Says Israel May Widen Military Role In Gaza (NYT)

By Greg Myre

The New York Times, October 31, 2006

JERUSALEM, Oct. 30 — Prime Minister Ehud Olmert of Israel said Monday that the Israeli military might expand operations in the Gaza Strip in an attempt to halt Palestinian rocket fire, but that there was no intention to reoccupy the territory.

His comments came on another day of turmoil, in which Palestinian gunmen kidnapped a Spanish aid worker in southern Gaza and held him for several hours before releasing him, and a Palestinian militant was killed in northern Gaza in disputed circumstances.

In a closed session with a parliamentary committee, Mr. Olmert was asked about the military's plans for Gaza. Israeli forces, which re-entered the territory in late June after an Israeli soldier was seized, have been clashing with Palestinian militants almost daily. Several Israeli political and military officials have hinted recently that a larger operation could be coming.

A spokeswoman for Mr. Olmert, Miri Eisin, who was at the parliamentary session, quoted the prime minister as saying: "We aren't going to reoccupy Gaza. But we will continue to fight terror, and there may be a change in the level of forces there at any given time."

Mr. Olmert also said the military killed about 300 armed Palestinians in the past four months, according to Ms. Eisin. Monitoring groups have said that more than 250 Palestinians were killed during this time, about half militants and half civilians. Two Israeli soldiers were killed in the fighting.

In Gaza City, Ismail Haniya, the Palestinian Authority prime minister, said, "We call on the international community to intervene immediately to halt the Israeli aggression."

On Monday, Mazen Abu Oudah, 20, a member of Al Aksa Martyrs Brigades, was killed by Israeli fire near the northern Gaza town of Beit Hanun, according to Palestinian medical workers. However, the Israeli military said it had not been involved in any shooting in the area.

Also, Palestinians fired two rockets into southern Israel on Monday, Israeli officials said, but they caused no damage or injuries.

Palestinian gunmen kidnapped Roberto Vila, 34, a Spaniard who works for a Spanish aid group, according to Palestinian security officials and news media reports. He was freed unharmed late Monday night, according to Palestinian television.

In Israeli politics, Mr. Olmert's cabinet and the Parliament approved the inclusion of Israel Beiteinu, a far-right party, in the governing coalition. Mr. Olmert's coalition now controls 78 of the 120 seats in Parliament, and the increased majority is intended to make the government more stable.

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However, with parties from the right, left and center, as well as a religious party, the coalition is so broad that the factions have little common ground on many issues, such as how to deal with the Palestinians.

Ophir Pines-Paz, the minister of science, culture and sports, who is from the left-leaning Labor Party, voted against including the new faction and announced that he was resigning as a cabinet minister.

Mideast Governments Watching U.S. Vote (AP)

By Robert H. Reid

AP, October 30, 2006

Arab governments are looking for change in U.S. policy in the Middle East after the midterm elections, hoping a politically weakened President Bush will talk with Iran and Syria, show greater interest in the Palestinians and find a way out of the crisis in Iraq.

Israel too is watching for any sign of change in U.S. strategy — especially toward the Palestinians, Syria and Iran.

"The whole region is volatile and it cannot face more problems and challenges," Arab League official Hesham Youssef said in a recent interview. "They cannot leave it like this, neither in Iraq nor in Gaza nor in Lebanon. More conflicts could be ahead."

The Bush administration came into office in 2001 committed to reshaping the political map of the Middle East, which was suffering from authoritarian regimes, Islamic extremism, the conflict with Israel and sluggish economies.

Bush has spoken repeatedly of his dream of creating a new Middle East. But five years later, most analysts believe few things have improved. And, U.S. influence in the region is at a low point, in part because despite Saddam Hussein's overthrow, Iraq has never stabilized.

A June poll by the Pew Research Center for the People & the Press found that less than one-third of the people in Egypt, Jordan, Pakistan and Turkey had a favorable view of the United States.

"Virtually everything is worse than it was five years ago," said Jon Alterman, a Middle East analyst at the Center for Strategic and International Studies in Washington. "Iraq is worse, the Palestinian issue is worse, Iran is worse."

Many Arabs blame on the Bush administration, citing the war in Iraq especially, but also unqualified support for Israel in the battle against Hezbollah in Lebanon and inattention to the Palestinians.

Democracy efforts have stalled. Non-democratic but pro-U.S. governments in Egypt, Saudi Arabia and Jordan now largely shrug off the administration's campaign for strong steps toward democracy.

The victory by the Islamic militant Hamas group in Palestinian elections last January gave a boost to arguments that stability was more important than democracy. And the biggest democratic experiment of all — Iraq — has degenerated into a vicious sectarian war.

"If the U.S. is going to help itself, its policy needs to change in the Middle East," the Saudi ambassador to the U.S., Turki al-Faisal, said Monday in Washington. He urged the U.S. to start by pressing Israel to relinquish all occupied Arab land — and Jerusalem — to the Palestinians.

Many Arab officials question, however, whether the Democrats have better answers to the region's problems. They consider the Democrats traditionally more supportive of Israel than the GOP is. Even as they eye the possible political upheaval in the United States, Arab countries like Egypt and Saudi Arabia are maintaining close ties to the Bush administration.

"At the level of those who follow politics closely, there is fear that if the Democrats win, there will be an imbalance in foreign policy," said Kuwaiti analyst Ayed al-Mannah. "Support for moderate forces and governments ... will be weakened."

Still, the belief is that heavy Republican losses in the House and Senate will force the administration into a major re-evaluation of policy, especially over Iraq. To that end, Arab governments are looking to the forthcoming recommendations of the bipartisan Iraq Study Group as a catalyst.

After the elections, the group headed by former Secretary of State James Baker, a Republican, and former Rep. Lee Hamilton, a Democrat, plans to announce recommendations on Iraq.

It's unclear what the group will recommend, but Baker has publicly questioned the administration's policy of not talking to Iran or Syria. Both countries have influence with Iraqi armed groups.

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Contacts with Syria would have to be done carefully to avoid undercutting the fragile government in neighboring Lebanon, which fears Syrian influence, or Saudi Arabia, with whom Damascus' relations are frosty.

Saudi Arabia "has no problem with contact if it's going to lead somewhere" an Arab diplomat familiar with the kingdom said. But indications at the moment are that contacts with Damascus would not produce results, said the diplomat, who spoke on condition of anonymity because he is not authorized to speak for the kingdom.

It remains unclear if the Bush administration would be willing to engage in talks on a range of issues with Iran and Syria. And contacts alone are unlikely to produce quick results. The United States has no diplomatic relations with Iran, which turned down U.S. offers for talks on Iraq this year.

The Iranians would doubtless seek U.S. acceptance of their nuclear program, which they say is for peaceful purposes — something the United States is highly unlikely to do because it suspects Iran wants an atomic bomb.

Iranian President Mahmoud Ahmadinejad alluded to this in a speech Monday, telling the Americans "you need someone to save you from the sadness of the Iraqi quagmire and then you threaten us" with sanctions.

Syria would likely press for an end to the investigation into the assassination of a former Lebanese prime minister and a tacit U.S. acceptance of Syrian influence in Lebanon — a move that could undermine pro-democracy forces in Lebanon.

Syria and Iran also hold the key to the Palestinian issue — more so even than in the past. Both countries are believed to be blocking efforts to replace the Hamas-led government in Gaza with technocrats — a step many feel is necessary before any peace moves could happen.

Traditionally, the Americans have worked with their moderate Arab allies, Egypt and Jordan, to influence the Palestinians. But Jordan never had influence with Hamas and some fear Egypt's influence with the militant group is now low — creating the push to talk directly with Syria and Iran.

"No quick or easy fixes exist to solve the problems of this critical region," Richard Haass of the Council on Foreign Relations wrote in The Financial Times. "The Middle East will remain a troubled and troubling part of the world for decades to come."

US Must Press Israel: Saudi Ambassador (AFP)

AFP, October 31, 2006

Saudi Arabia's ambassador to the United States firmly urged the Bush administration to push Israel into opening final peace talks with the Palestinians.

Prince Turki al-Faisal told a conference on Washington's relations with the Arab world that the United States was the only nation with the power to jolt the stalled international roadmap to Middle East peace into motion.

"We want you to remain friends with Israel, we have no objection to that," Prince Turki said.

"But that friendship should be used to push Israel to engage in the peace process," he added, rejecting arguments that political conditions in the volatile region were currently too inflamed to permit negotiations.

"These excuses will continue ... we have heard them for the last 50 years," Prince Turki said.

"Implementation should be done now. The United States devised the roadmap, it needs to implement it," he said.

"The United States is the only country that can do the right thing for everybody in the Middle East," Prince Turki told the conference of the National Council on US-Arab Relations.

"The United States has been engaged and enmeshed in our political situation for the last 50 years or so, whether it likes it or not," he said.

The Bush administration has been less willing than many of its predecessors to engage in nuts and bolts peacemaking between Israel and the Palestinians -- despite calling for the formation of a Palestinian state.

US Secretary of State Condoleezza Rice returned from her sixth visit to Israel and the Palestinian territories earlier this month, but failed to break the peacemaking stalemate.

The process has been frozen since the radical Islamic movement Hamas, which refuses to accept Israel's right to exist and is listed as a terrorist organisation by Europe and in Washington, won legislative elections in January and gained control of the Palestinian government.

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The international "roadmap" to peace was designed by the so-called Middle East quartet of the United States, Russia, the European Union and the United Nations.

It was announced in 2003, with the aim of establishing by 2005 a viable Palestinian state living alongside Israel in peace.

Bush To Meet US Sudan Envoy Tuesday (AFP)

AFP, October 31, 2006

US President George W. Bush will meet his special envoy for Sudan, Andrew Natsios, on Tuesday, to get an update on efforts to end violence in Darfur, the White House said.

Bush and Natsios were to meet in the Oval Office at 9:00 am (1400 GMT) to discuss the humanitarian crisis in the war-wracked Darfur region amid stalled attempts to bolster an international peacekeeping presence there.

"The president will meet with his special envoy for Sudan, Andrew Nastios, to receive a report from Mister Natsios and to discuss the way forward," said a spokesman for Bush's national security council, Gordon Johndroe.

The meet comes roughly one week after US national security adviser Stephen Hadley, Secretary of State Condoleezza Rice, Natsios, and Assistant Secretary of State for African Affairs Jendayi Frazer held talks on Darfur at the White House.

Natsios recently returned from Egypt after a week-long visit to Sudan, his first since Bush named him his special envoy for Darfur in September.

The UN Security Council adopted a resolution on August 31 calling for the deployment of up to 20,000 peacekeepers to replace an embattled African Union contingent that has failed to restore peace and stability in Darfur.

At least 200,000 people have died as a result of fighting, famine and disease, and more than two million have fled their homes since rebels launched an uprising in Darfur in early 2003, prompting a scorched-earth response from the military and militia allies.

Sudanese President Omar al-Beshir has rejected deployment of UN forces, charging the plan was part of a US-engineered plot to invade and plunder resources.

Russian, U.S. Military Chiefs Ink Pact (AP)

AP, October 31, 2006

The top Russian and U.S. military officers signed a cooperation agreement Monday that lays out plans for joint activities for the coming year, officials said.

Marine Corps Gen. Peter Pace, chairman of the Joint Chiefs of Staff, said he and Gen. Yuri Baluyevsky, his Russian counterpart, signed the document, but did not disclose details of the proposals.

"I came to listen and learn about ways we can do good military-to-military for both Russia and the United States," said Pace, who was making his first appearance in Moscow since becoming chairman of the joint chiefs.

Baluyevsky said the Russian and U.S. analysis of many issues was "very close" but he and Pace would discuss "problems to which ... we must find solutions and adopt these solutions as quickly as possible."

Pace said he had no doubt that "together we can find proper solutions."

"I am anxious for military-to-military cooperation to show through its transparency the potential for our two nations to walk into the future hand in hand," Pace said.

Russian Foreign Minister Sergey Lavrov said the former Cold War foes bear the brunt of responsibility for 'supporting strategic security in the world.

"This is a unique responsibility, and other countries look to us with the hope that we will continue to support it," Lavrov said after meeting with Pace.

Earlier, Pace lay a wreath at the tomb of the unknown soldier and called the experience "a very poignant reminder to me of the very special relationship our two nations have had for many years."

Russia has been highly critical of the American-led campaign in Iraq, while the U.S. has criticized Russia's cooperation with Iran despite that country's alleged nuclear weapons program. Russia has also objected to U.S. plans to deploy missile defenses in NATO nations in Eastern Europe.

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US And Russia Miss Deadline On Trade (FT)

By Guy Dinmore In Washington

Financial Times, October 31, 2006

The US and Russia are close to a bilateral trade agreement that would remove a big hurdle to Russia's entry into the World Trade Organisation, but Tuesday's self-imposed deadline will not be met, US trade officials said on Monday.

"Both sides believe we are close, and we fully expect to continue our close co-operation to reach an agreement," the US trade representative's office said. However, Russian media reports did not indicate the two sides were on the threshold of an agreement.

The two failed to complete the stalled trade accord in time for the Group of Eight summit in St Petersburg in July, and set an informal end-of-October deadline for their negotiating teams.

With relations under strain on a number of fronts – notably over Georgia, energy and Iran – Presidents George W. Bush and Vladimir Putin would like to salvage something from a once-close relationship by the time of their next meeting, in mid-November during the Asia Pacific Economic Co-operation summit in Vietnam.

US trade officials would not say what issues remained unresolved following a week of talks in Washington with Maxim Medvedkov, Russia's chief WTO negotiator.

Russia's weak enforcement of existing intellectual property laws, access to its financial markets and imports of US beef and pork had been among issues under dispute.

US businesses are lobbying the Bush administration to complete a deal as soon as possible, concerned they are losing out to European competition. A dozen US companies wrote to both presidents last week urging them to complete the talks.

Moscow's frustration over the delays is believed to have been a factor behind its decision this month to snub foreign partners and give its own Gazprom full control of the development of the Shtokman natural gas fields.

Even if the US and Russia do overcome the technical difficulties blocking a bilateral trade deal, the Bush administration has to persuade a sceptical Congress to exempt Russia from the Jackson-Vanik amendment for the trade deal to become law.

The amendment to the 1974 Trade Act denies normal trade relations to countries that do not have market economies or restrict emigration rights.

Although Russia meets the required conditions, Nikolas Gvosdev, editor of the National Interest in Washington, doubts that a weakened US president has the political capital to win over Congress, where many representatives have reservations over Russia's political direction.

"I see no effort by the administration to even begin prepping Congress to move forward on this," Mr Gvosdev said.

Report Puts Turkey's EU Hopes In Jeopardy (FT)

By Daniel Dombey In London And Fidelius Schmid In Brussels

Financial Times, October 31, 2006

Turkey's bid for European Union membership will be dealt a fresh blow next week when an official report will slate Ankara for failing to make enough progress on freedom of expression, curbing the use of torture and establishing civilian control over the military.

The draft European Commission report, obtained by FT Deutschland, the FT's sister paper, comes at a particularly sensitive time, with EU officials struggling to keep the accession talks alive.

Some EU member states, including the UK, fear that the pro-European consensus within Turkey may be fragmenting, and that the debate within the union on future enlargement has had the effect of alienating Turks, rather than encouraged reform.

"We would have hoped that Turkey would have delivered a lot more during the past 18 months, certainly since the beginning of negotiations in October last year," said one EU official. "If Turkey had been moving more, if there was greater freedom of expression, if there wasn't any torture, things would be a lot more promising."

Instead, the debate over Turkey's accession will come to a head at an EU summit in December, when Ankara will be judged both for its reaction to an EU deadline to open up its ports to ships from Cyprus – which so far it has refused to do – and to its broader reform record.

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The Commission's report faults Ankara for failing to allow access to Cypriot ships, which it states infringes the EU's customs union agreement with Turkey. It is this issue that could formally halt negotiations, since as an EU member state, Cyprus wields a veto over Turkey's possible accession.

However, Turkey's reform record will also set the mood in December.

"Turkey needs to relaunch the reform process with full determination," Olli Rehn, the EU's enlargement Commissioner said last week, urging EU member states to focus on the issue.

The draft report, which Mr Rehn will present in its final form next week, says that "prosecutions and convictions for the expression of non-violent opinion...are a cause for serious concern." It cites the example of a journalist who was given a suspended six months prison sentence for articles he wrote on Armenian identity.

Recep Tayyip Erdogan, Turkey's prime minister, said at the weekend that he had no plans to change the article of the penal code used in such cases, which makes it a crime to insult the Turkish state. "On this matter, there is no work in hand," he said.

The Commisison draft adds that "cases of torture and ill treatment are still being reported, in particular outside detention centres," although it also notes a diminution in the incidence of torture.

"The armed forces have continued to exercise significant political influence," the report also says, citing statements made by senior military officials on Cyprus, secularism and the country's Kurdish minority.

The draft report faults Turkey for corruption, insufficient independence of the judiciary, and inadequate protection of minority rights.

However, it does commend Ankara for training the judiciary and for its steps towards establishing an ombudsman to help citizens win redress against the government.

Rumsfeld Hosts Turkish Defense Secretary For Wide-ranging Talks (IHT/AP)

International Herald Tribune/AP, October 31, 2006

WASHINGTON Defense Secretary Donald H. Rumsfeld thanked his Turkish counterpart Monday for NATO ally Turkey's support for the anti-terror operation in Afghanistan and the reconstruction effort in northern Iraq, the Defense Department said.

Navy Lt. Cmdr. Joe Carpenter, a Defense spokesman, said Rumsfeld and Turkish Defense Minister Vecdi Gonul discussed a variety of subjects in their Pentagon meeting, in which Rumsfeld's deputy secretary, Gordon England, participated.

Carpenter gave no details.

Turkey, which is working hard to bring about changes in its system demanded by the European Union before it is brought into that grouping, already is an active NATO member. Besides its contingent of 475 troops in NATO's Afghanistan force, it has 400 troops with the NATO peacekeepers in Kosovo and 300 with Operation Active Endeavor, the alliance's Mediterranean naval arm.

It is the only country with a Muslim majority in NATO and has close ties not only with the United States but with Israel as well.

Other items on the Rumsfeld-Gonul agenda included Turkey's support for the U.S.-sponsored Proliferation Security Initiative against the spread of weapons of mass destruction; the NATO summit scheduled Nov. 28-29 in Riga, Latvia; regional security, including arms sales and defense cooperation; and other NATO issues.

Turkey has a major interest in the northern Iraq question, where Iraqis of the Kurdish ethnic group live. Even under former Iraq President Saddam Hussein, the Kurds lived in a near-autonomous system.

Those Kurds are cousins of the Kurds of eastern Turkey, where the Kurdistan Workers Party, or PKK, has waged since 1984 a rebellion for autonomy that has killed around 37,000 people.

Early this year the Turks accused the Iraqi Kurds of providing havens for PKK fighters on the run from Turkish pursuers and issued veiled threats to cross into Iraqi Kurdistan to destroy the rebels.

The situation became so touchy that the United States warned against Turkish movements into Iraq. Then President George W. Bush appointed a special envoy on the PKK problem, who made his first trip this month.

UK To Ease Issuance Of 'Islamic Bonds' (FT)

DOJ_NMG_0089057

By Gillian Tett In London

Financial Times, October 31, 2006

Britain looks set to become the first western country to introduce a regulatory regime to support the domestic issuance of sukuk – so-called "Islamic bonds", or those which do not pay overt interest.

The move is intended to ensure that companies in London can issue sukuk as easily as traditional corporate bonds, boosting the City of London's role in this fast-growing sector of the global capital markets.

"We are looking to place domestic sukuk on the same footing as conventional products," said Ed Balls, economic secretary to the UK Treasury. "Now that 85 per cent of all bonds issued in the [Gulf region] are sukuk, it is important that London is in a position to compete."

The UK hopes to introduce the new framework to support the issuance of sukuk in London next year, via parliamentary legislation.

The legislation would clarify that a sukuk can be treated as debt finance, so that issuers can set the interest payments against their profits for corporation tax purposes.

At present there is no guidance on how capital gains tax and capital allowances apply to sukuk – which has left UK companies nervous of issuing them in London, in case they would subsequently be liable for a large tax bill.

The move comes at a time of rapid growth in the global Islamic finance business, amid rising religious sentiment among Muslim investors and issuers and the growing oil-fuelled wealth of regions, such as the Gulf.

It also comes as the British government is eager to demonstrate its support for Islamic finance – and London's role in this sector.

This stance is a marked contrast to the attitude taken by the US authorities. However, the City's embrace of Islamic finance partly reflects hopes among senior British politicians that the sector could help build bridges with the Muslim world.

Meanwhile, City institutions are now scrambling to win lucrative business from the Middle East, including mandates from companies to issue sukuk.

London-based banks have already played a leading role in developing the sukuk market, which is now estimated to be worth $45bn globally, from almost nothing five years ago. But until now, all sukuk have been issued offshore, because the tax regime in London was unfavourable.

Separately, the Lord Mayor of London will on Tuesday unveil an initiative to create one of the first set of formal financial qualifications for Islamic financial scholars in the world. The study programme, which has been developed with the blessing of senior figures in the City and Lebanon's central bank, will train scholars in Islamic law and finance .

Pay Now Or Later For Warming, Study Says (LAT)

By Kim Murphy

The Los Angeles Times, October 31, 2006

London — A major study issued Monday concludes that without rapid and substantial spending, global warming will reduce worldwide productivity on the scale of the Great Depression, devastate food sources, cause widespread deaths and create hundreds of millions of refugees.

The report commissioned by the British government, which officials called the most comprehensive review of the economics of climate change, warns that failure to act could cost up to 20% a year in lost income worldwide. Acting now, however, could bring about meaningful control of greenhouse gases at an annual cost of 1% of global gross domestic product, it says.

The findings appear to counter the long-standing argument of the Bush administration that controlling greenhouse gases is costly and possibly ineffective.

However, the savings would occur only with the kind of rapid and comprehensive international cooperation on the issue that so far has proved elusive.

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British officials said they would take immediate action to legislate carbon-reduction targets, push expanded international carbon-trading programs and move toward reducing carbon emissions in Europe by 30% by 2020 and 60% by 2050. Carbon trading allows companies to exceed emission limits by buying credits from those that are below their emission targets.

Prime Minister Tony Blair, calling the report by senior government economist Nicholas Stern "a landmark in the struggle against climate change," warned that there was a limit to what Britain alone could do.

"Britain is more than playing its part," Blair said. "But it is 2% of worldwide emissions. Close down all of Britain's emissions and in less than two years, just the growth in China's emissions would wipe out the difference. So this issue is the definition of global interdependence."

But the report's findings show that "if the science is right, the consequences for our planet are literally disastrous," Blair said. "And this disaster is not set to happen in some science-fiction future, many years ahead, but in our lifetime."

In Washington, the National Oceanic and Atmospheric Administration, the lead U.S. agency on global warming, had no immediate comment on the British report. Agency spokesperson Jana Goldman said officials could not react to the report until they had read it.

The report examines the consequences of acting — or failing to act — to control rising temperatures due to greenhouse gases from deforestation and fossil fuels.

The current level of greenhouse gases is already 54% higher than it was before the Industrial Revolution, and could be double that level as early as 2035, the report suggests. Such an increase could raise temperatures by more than 3.6 degrees Fahrenheit by mid-century and a disastrous 9 degrees by century's end, it says.

The result would be melting glaciers that trigger floods and reduce snowpacks that supply drinking water, threatening a sixth of the world's population, the report says. Other effects would include reduced crop yields, leaving hundreds of millions of people unable to produce or purchase sufficient food; an increase in vector-borne diseases; up to 200 million people displaced because of rising sea levels and drought; and the possible extinction of 15% to 40% of species.

"The report sets out I think very clearly that this is not just an environmental issue, or even just an economic issue, but it is a security issue," Foreign Secretary Margaret Beckett said. "There are some people all over the world who still believe there can be some kind of trade-off between economic and climate security. I think this report knocks [that notion] on its head."

Stern, a former chief economist for the World Bank, said the study found that it was still possible to achieve meaningful temperature controls at a cost equivalent to consumers paying an average of 1% more for everything they buy, and substantially less than the cost of failing to act.

"That's manageable," Stern said. "We can grow and be green."

The report calls for using taxes and regulations to make carbon use more costly, policies supporting low-carbon technology, and changing the public's attitude toward energy efficiency.

Air carriers and utilities could be among those hit hardest by any new emissions-reduction laws. Already, Britons are looking at a possible end to bargain-basement fares to the Continent and higher prices for out-of-season and exotic vegetables from the tropics.

Poor countries will bear the brunt of the effects of climate change, the report says, but it suggests that rich countries must bear 60% to 80% of the responsibility for emissions reductions.

"The conclusion of the review is essentially optimistic. There is still time to avoid the worst impacts of climate change if we act now and act internationally," Stern said. "But the task is urgent. Delaying action, even by a decade or two, will take us into dangerous territory. We must not let this window of opportunity close."

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Times staff writer Joel Havemann in Washington contributed to this report.

British Alarmed By Global Warming Financial Risks Cited; Gore Named Adviser (AJC)

By Shelley Emling

The Atlanta Journal-Constitution, October 31, 2006

DOJ_NMG_0089059

London — The British government warned Monday of an economic catastrophe if the United States and other large countries fail to quickly cut emissions of the gases blamed for global warming, and Britain named former U.S. Vice President Al Gore as its adviser on the issue.

"If the science is right, the consequences for our planet are literally disastrous," Prime Minister Tony Blair said in releasing the report. "This disaster is not set to happen in some science-fiction future many years ahead, but in our lifetime."

Highlighting the different path that Blair has chosen on climate change from that of President Bush, British officials announced Monday that Gore would offer advice on the issue.

A 600-page report by former World Bank chief economist Sir Nicholas Stern predicted that unchecked global warming would eventually cost the world between 5 percent and 20 percent of its gross domestic product each year, an impact comparable to that of the Great Depression of the 1930s.

It said the costs would come from effects such as rising sea levels, declining crop yields, drinking water shortages, higher death tolls from malnutrition and heat stress, and widespread outbreaks of malaria and dengue fever.

By contrast, taking the steps needed now to reduce greenhouse gas emissions would cost about 1 percent of global GDP each year, the report said.

Earlier, Blair and Gov. Arnold Schwarzenegger of California reached an agreement on a joint market for greenhouse gases that will lead to first-in-the-nation emissions caps being placed on California's utilities, refineries, and factories.

David Miliband, Britain's environment secretary, also announced Monday that the government soon would introduce a new global warming law that could include "green taxes," such as a new sales tax on airline flights.

He said families might also have to pay more to drive cars and run energy-wasting appliances.

Although Blair said disaster could be averted only if the world's major nations joined in "bold and decisive action," several British politicians expressed doubt that the U.S. government would be receptive to schemes designed to cut emissions that scientists blame for rapidly warming the planet.

UK Pushes For New Climate Change Treaty (FT)

By Christopher Adams and Fiona Harvey In London

Financial Times, October 31, 2006

A new European push for a successor international treaty to the Kyoto protocol was heralded on Monday with the publication in Britain of a government report calling for rapid action to tackle global warming while the economic cost of doing so was still manageable.

The report for the first time attempts to quantify the economic cost of taking action now – which it said would be just 1 per cent of world economic output by 2050 – against the cost of a failure to act, which it said would knock between 5 and 20 per cent off world consumption.

Tony Blair, British prime minister, is set to use the review by Sir Nicholas Stern, former World Bank chief economist, to announce a dramatic change to his stance on environment policy by calling for a new treaty that could set binding targets for carbon emissions.

In the past two years, Mr Blair has written off the prospect for signing a “Kyoto II” treaty, acknowledging strong US opposition to any attempt to impose emission targets.

But he will now try and inject fresh life into stalled talks on a post-Kyoto agreement, believing that George W. Bush, US president, could back proposals early next year for an international “cap and trade” market for carbon trading.

Mr Blair will press Angela Merkel, Germany’s chancellor, at a meeting in London on Friday to use her presidency of the Group of Eight richest nations next year to reach agreement on the key recommendations in the Stern report.

On Monday, Sigmar Gabriel, Germany’s environment minister, sounded a supportive note, saying climate change would rank high on its list of priorities when it takes over the presidency of the European Union and the chair of the G8 in January.

The 700-page report, published on Monday by the UK government, was also well received by José Manuel Barroso, president of the European Commission.

DOJ_NMG_0089060

The report said establishing an international price for carbon, through tax, trading or regulation, was “an essential foundation” for tackling climate change.

Mr Blair said the report showed that the scientific evidence for global warming was “overwhelming” and its consequences “disastrous”.

The UK on Monday announced immediate plans for legislation that would give statutory force to projected cuts in greenhouse gas emissions. Sir Nicholas’s report said floods from rising sea levels could displace up to 100m people, melting glaciers could cause water shortages for one in six of the world’s population and droughts might create tens of millions of “climate refugees”.

In Britain, All Parties Want To Color The Flag Green (WP)

By Kevin Sullivan

The Washington Post, October 31, 2006

LONDON, Oct. 30 -- Prime Minister Tony Blair warned Monday that the world is heading toward "disastrous" and "irreversible" climate changes. Meanwhile, David Cameron, the popular leader of the opposition Conservative Party, vowed to install a wind-power generator and solar panels at the prime minister's residence if he wins the office.

Blair and Cameron are rivals, but their shared outspoken devotion to fighting global warming -- the subject of a stark British government report released Monday -- illustrates the unity among leaders across the political spectrum here on the dangers of climate change and, in the absence of U.S. leadership, their apparent determination to make Britain a world leader on the issue.

In a clear reference to President Bush, Blair used a column in the Sun newspaper Monday to say, "The case for action is the final piece of the jigsaw to convince every single political leader, including those in America, China and India, that this must be top of their agenda." While Bush has played down the dangers of climate change, Blair called the new findings "the most important report on the future which I have received since becoming Prime Minister" nearly a decade ago.

"There's consensus across the political parties on this," said Michael Cox, a professor of international relations at the London School of Economics. "And Blair genuinely believes that if the United States is not going to lead on this, then Britain will."

British politicians Monday enthusiastically embraced the conclusions of the report by Nicholas Stern, a senior British government economist and former World Bank chief economist. He found that the world will face catastrophic consequences without an urgent international effort to fight climate change.

Chancellor Gordon Brown, who commissioned the study and is Blair's likely successor as prime minister, said new economic opportunities would be created by finding alternative energy sources and other solutions. He said such moves would create "new markets, for new jobs, new technologies, new exports where companies, universities and social enterprises in Britain can lead the world."

Former U.S. vice president Al Gore, who has written a book and produced a film about the dangers of global warming, has become a symbol of Britain's nonpartisan commitment to climate change. He is advising Brown; during the Conservative Party's annual conference this month, Cameron attended a screening of Gore's film, "An Inconvenient Truth," and said, "I absolutely loved Al Gore's movie, and I think everyone here ought to see it."

Climate change is increasingly dominating British political discourse as leaders take to bicycles and hybrid cars in an effort to be more green than their opponents. The Conservatives recently adopted a tree as the party's logo, raising eyebrows among many in a party that is generally more committed to lowering taxes than raising trees. A political cartoon in Monday's Times newspaper here showed Blair, Cameron and Menzies Campbell, leader of the third-largest party, the Liberal Democrats, all hugging trees and pointing at each other, saying, "The other two are faking it!"

Peter Kellner, chairman of the Internet polling firm YouGov, said none of the major British parties has ever had the "intellectual hostility" to climate-change science that is often seen in political and business circles in the United States. He said political leaders are also reflecting public sentiment.

"The argument is won with the public about climate change," Kellner said. "There are very few people who take the Bush line of skepticism."

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Polls have consistently shown the British public as supportive of measures such as higher taxes on sport-utility and other large-engine vehicles, Kellner said. Seventy-five percent of respondents supported such measures in a July 2006 poll, up from 69 percent a year earlier.

Tony Travers, a local government specialist at the London School of Economics, said British politics were a factor in the current emphasis on climate change. He said Blair needs to demonstrate "traditional left-of-center" values on issues such as the environment and African poverty to blunt criticism that he has led his party too far to the right. At the same time, he said, Cameron wants to emphasize his green credentials "to signal that he's not like the old Conservative Party."

Warming Poses A Fiscal Threat (USAT)

By Dan Vergano

USA Today, October 31, 2006

Pay now to fix global warming or risk a worldwide economic depression later, says a landmark British government report out Monday.

"The benefits of strong, early action on climate change outweigh the costs," concludes the 576-page Stern Review Report on the Economics of Climate Change. The report, authored by former World Bank chief economist Nicholas Stern, is called the most comprehensive projection of the economic impact of warming.

Failure to act carries the danger that rising temperatures will increase the likelihood of widespread drought, crop failure, sea-level rise and other economic calamities, the report warns.

"Our actions over the coming decades could create risks of major disruption to economic and social activity, later in this century and in the next, on a scale similar to those associated with the great wars and the economic depression of the first half of the 20th century," according to the report.

The report moves economic discussion of how humanity should deal with global warming to center stage, says Alden Meyer of the Union of Concerned Scientists in Washington, D.C., a science advocacy group. The report is endorsed by such economic heavyweights as Nobel Prize winner Joseph Stiglitz of Columbia University.

But critics, such as statistician Bjorn Lomborg of Denmark's Copenhagen Consensus Center, suggest ills such as disease and malnutrition are potentially more costly than global warming.

In 2001, an international science panel concluded levels of so-called greenhouse gases, such as carbon dioxide produced by burning coal and gasoline, likely would raise average global temperatures about 2 to 10 degrees by 2100. Letting them rise without levying financial penalties for the environmental impact would be a colossal failure, says economist Alex Bowen, a member of the Stern team.

The White House, in a statement responding to the report, said President Bush "has long recognized that climate change is a serious issue, and he has committed the U.S. to advancing and investing in the new technologies to help address this problem."

The report calls for spending 1% of global gross domestic product (GDP), about $600 billion yearly, by 2050 to shift the world to a "low carbon" economy that limits climate change in three ways:

•Carbon prices. Taxation, trading or regulations to pay for the effects of greenhouse gases.

•Research. Development of efficient and cleaner technology.

•Consumer action. Educating people to limit energy use.

Waiting to act will cut 5% to 20% of the world's yearly GDP by 2050, lost to environmental degradation expected from global warming. (For perspective, the Great Depression cut U.S. GDP by 26% from 1929 to 1933, according to the Economic History Association.)

Past estimates have generally anticipated a lesser financial impact from climate change. For example, a 2000 Yale University report found temperatures rising 3.6 degrees by 2100 would cut global GDP less than 2%. Such reports underestimated the risk of big temperature increases and severe weather, Bowen says.

Lomborg, however, says the Stern report overestimates benefits and minimizes costs in its call to move to a low-carbon economy.

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Warming Called Threat To Global Economy (WP)

By Juliet Eilperin

The Washington Post, October 31, 2006

Failing to curb the impact of climate change could damage the global economy on the scale of the Great Depression or the world wars by spawning environmental devastation that could cost 5 to 20 percent of the world's annual gross domestic product, according to a report issued yesterday by the British government.

The report by Nicholas Stern, who heads Britain's Government Economic Service and formerly served as the World Bank's chief economist, calls for a new round of international collaboration to cut greenhouse gas emissions linked to global warming.

"There's still time to avoid the worst impacts of climate change, if we act now and act internationally," Stern said in a statement. "But the task is urgent. Delaying action, even by a decade or two, will take us into dangerous territory. We must not let this window of opportunity close."

Some economists questioned the British study's projections, however, saying they overestimated the impact of global warming on the world's economies, especially those of developed nations. At the same time, these critics said the report's assertion that it would cost only 1 percent annually of global GDP to curb climate change underestimated how much spending would be required.

"There's just a very small part of GDP" in industrialized nations "that's affected by weather in a direct or indirect way," said Jerry Taylor, a senior fellow at the libertarian Cato Institute, which accepts some contributions from fossil-fuel companies. "It's very difficult to sketch out this disaster scenario."

Yale University economics professor William Nordhaus, who has estimated that climate change will cost developed countries less than 1 percent of GDP over the next half-century, said the Stern report "appears to be an impressive effort to summarize the science and economics of climate change" despite the controversy surrounding its projections.

The report represents British Prime Minister Tony Blair's latest effort to enlist President Bush, a close ally, in his effort to make serious cuts in carbon dioxide emissions. Bush has declined to sign the 1997 Kyoto Protocol, which imposes mandatory reductions in greenhouse gases on most industrialized nations between 2008 and 2012, and yesterday his aides reiterated his commitment to fostering research and innovation rather than adopting federal emissions restrictions.

"The president has long recognized that climate change is a serious issue, and he has committed the U.S. to advancing and investing in the new technologies to help address this problem," said Kristen Hellmer, spokeswoman for Bush's top environmental adviser, James L. Connaughton. "His administration has already dedicated more than $29 billion to climate change sciences and technology programs and is working in strong partnership with nations around the world to accelerate progress. . . . The U.S. government has produced an abundance of economic analysis on the issue of climate change. The Stern report is another contribution to that effort."

In a telephone conference with reporters yesterday, Alex Brown, senior economic adviser for the Stern report, said the British government had conferred with Bush administration officials while drafting the study. But when asked whether these officials had indicated a willingness to shift course, Brown replied, "I don't think I can comment on that."

Still, several experts said the report could reshape the way policymakers consider the pros and cons of curbing carbon dioxide from power plants, automobiles and other sources.

"It's important for the people arguing for action to make the case that it's worth it, rather than the promise that it will be free," said Yale environmental law and policy professor Dan Esty, adding that the report puts "for the first time in stark relief, the costs and consequences of inaction and puts them on parallel with the known burdens of taking action.

The British government has also enlisted a prominent adviser to help promote its global warming message, by bringing on former vice president Al Gore as an unpaid consultant.

Even advocates of mandatory limits on greenhouse gases, however, said that to shift U.S. climate policy would entail policies that exact a price from politically influential and economically powerful industries.

"There are costs to addressing this problem," said Tim Profeta, who directs Duke University's Nicholas Institute for Environmental Policy Solutions. "This is only the beginning of the conversation."

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Emissions Of CO2 Continue To Rise Despite Pledges (WSJ)

By John J. Fialka

The Wall Street Journal, October 31, 2006

A United Nations agency said most industrial nations continue to increase their emissions of carbon dioxide and other so-called greenhouse gases thought to be warming the Earth's atmosphere, despite pledges under the Kyoto Protocol during the next six years to make a 5% cut.

While the shuttering of heavily polluting factories in the former Soviet Union and its satellites makes it appear as though industrial nations as a group reduced their emissions by 3.3% from 1990 to 2004, the agency said that without that statistical blip, the U.S. and most other industrial nations have increased their emissions by 11%.

"The rising trend is the worrisome part of it," said Yvo de Boer, executive secretary of the United Nations Framework Convention on Climate Change. Since 2000, as their economies revived, countries in Eastern Europe also increased their emissions, rising by 4.1% according to the agency.

From 2000 to 2004, according to the U.N. data, the U.S., which isn't a party to Kyoto, had a slower increase in emissions (1.3%) than members of the European Union (2.4%). EU members have committed to drop their emissions by 8%, compared with 1990 levels, by 2012.

"This means that industrialized countries will need to intensify their efforts to implement strong [reduction] policies," Mr. de Boer said.

Spain and Austria had the highest increases -- 11.4% and 12.4%, respectively -- in Western Europe from 2000 to 2004. Canada, which has pledged a 6% reduction, saw its emissions rise by 4.6%. Germany's emissions dropped by 0.7% and the United Kingdom's emissions fell by 1%.

"The positive part of this is that across the board we're seeing emissions growing more slowly than economic growth," Mr. de Boer said. Parties to the Kyoto treaty meet next week in Nairobi, Kenya, to begin what is likely to be a multiyear debate on what emissions cuts will be required in the second round of the treaty's implementation, which starts in 2012.

The findings were released shortly after a report by Sir Nicholas Stern, head of the U.K.'s Government Economic Service. He estimated the cost of a nation's efforts to reduce greenhouse-gas emissions to avoid the worst effects of climate change would amount to about 1% of global domestic product each year. However, he calculated, the cost of "unabated climate change" including rising sea levels would be five times that much, or more. (See related article1.)

Write to John J. Fialka at john.fialka@wsj.com2

Scandal Below The Surface (NYT)

By Nicholas D. Kristof

The New York Times, October 31, 2006

The crucial issue this year is Iraq, and the most important issue this decade may be the risk that nuclear proliferation results in the incineration of Wall Street by terrorists. Both topics are spurring useful debate this campaign season.

But one of the more important issues this century is generating no serious discussion on the campaign trail. And, in place of a drumroll, let's look at the chemistry experiment in which we're all taking part.

If you think of the earth's surface as a great beaker, then it's filled mostly with ocean water. It is slightly alkaline, and that's what creates a hospitable home for fish, coral reefs and plankton — and indirectly, higher up the food chain, for us.

But scientists have discovered that the carbon dioxide we're spewing into the air doesn't just heat up the atmosphere and lead to rising seas. Much of that carbon is absorbed by the oceans, and there it produces carbonic acid — the same stuff found in soda pop.

That makes oceans a bit more acidic, impairing the ability of certain shellfish to produce shells, which, like coral reefs, are made of calcium carbonate. A recent article in Scientific American explained the indignity of being a dissolving mollusk in an acidic ocean: "Drop a piece of chalk (calcium carbonate) into a glass of vinegar (a mild acid) if you need a demonstration of the general worry: the chalk will begin dissolving immediately."

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The more acidic waters may spell the end, at least in higher latitudes, of some of the tiniest variations of shellfish — certain plankton and tiny snails called pteropods. This would disrupt the food chain, possibly killing off many whales and fish, and rippling up all the way to humans.

We stand, so to speak, on the shoulders of plankton.

"There have been a couple of very big events in geological history where the carbon cycle changed dramatically," said Scott Doney, senior scientist at the Woods Hole Oceanographic Institution in Massachusetts. One was an abrupt warming that took place 55 million years ago in conjunction with acidification of the oceans and mass extinctions. Most scientists don't believe we're headed toward a man-made variant on that episode — not yet, at any rate. But many worry that we're hurtling into unknown dangers.

"Whether in 20 years or 100 years, I think marine ecosystems are going to be dramatically different by the end of this century, and that'll lead to extinction events," Mr. Doney added.

"This is the only habitable planet we have," he said. "The damage we do is going to be felt by all the generations to come."

So that should be one of the great political issues for this century — the vandalism we're committing to our planet because of our refusal to curb greenhouse gases. Yet the subject is barely debated in this campaign.

Changes in ocean chemistry are only one among many damaging consequences of carbon emissions. Evidence is also growing about the more familiar dangers: melting glaciers, changing rainfall patterns, rising seas and more powerful hurricanes.

Last year, the World Health Organization released a study indicating that climate change results in an extra 150,000 deaths and five million sicknesses each year, by causing the spread of malaria, diarrhea, malnutrition and other ailments.

A report prepared for the British government and published yesterday, the Stern Review on the Economics of Climate Change, warned that inaction "could create risks of major disruption to economic and social activity, on a scale similar to those associated with the great wars and the economic depression of the first half of the 20th century."

If emissions are not curbed, climate change will cut 5 percent to 20 percent of global G.D.P. each year, declared the mammoth report. "In contrast," it said, "the costs of action — reducing greenhouse gas emissions to avoid the worst impacts of climate change — can be limited to around 1 percent of global G.D.P. each year." Some analysts put the costs of action higher, but most agree that it makes sense to invest far more in alternative energy sources, both to wean ourselves of oil and to reduce the strain on our planet.

We know what is needed: a carbon tax or cap-and-trade system, a post-Kyoto accord on emissions cutbacks, and major research on alternative energy sources. But as The Times's Andrew Revkin noted yesterday, spending on energy research and development has fallen by more than half, after inflation, since 1979.

Melting glaciers and corroding pteropods aren't as sensational as a Congressional page scandal, or as urgent as the Iraq war. But they are just as scandalous. We have no responsibility greater than as stewards of our planet, and we're blowing it.

Two Forces Maintain Siege Of Oaxaca (WP)

By Manuel Roig-Franzia

The Washington Post, October 31, 2006

OAXACA, Mexico, Oct. 30 -- The men who weave wool into boldly patterned rugs don't bother coming here anymore. The little shops that sold sweet, grainy chocolate are boarded up.

Oaxaca, Mexico's colonial-era jewel, was almost unrecognizable Monday, a barely functioning city befouled by smoldering trash and the charred hulks of burned-out buses. Five months after teachers launched a strike for better pay, and two days after the arrival of federal police, Oaxaca is a place under siege by equally determined opposing forces.

Police outfitted with gas masks control the town square. Masked protesters armed with rocks control the rest. No one seems to know what will happen next.

The police say they are determined to restore order. But the demonstrators have voted not to budge until the Oaxaca state governor, Ulises Ruiz, steps down. Some business owners are hopeful that local lawmakers will be able to persuade Ruiz to resign and end the crisis. But for now, the standoff is testing the resolve of a populist movement of poor Mexicans and bringing chaos to a town long known as a haven for tourists.

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Oaxaca got to this point in flashes of gunfire Friday that killed two protesters and an independent American journalist and activist, Brad Will, who came here to support the teachers' strike. The shootings prompted Mexican President Vicente Fox to send in 4,500 federal police officers, who were met by a hail of rocks as they smashed through barricades and drove demonstrators out of the town square on Sunday.

Fox declared Monday that "today in Oaxaca social order and peace has been restored." But the president's declaration seemed out of sync with events on the ground.

Streets teemed with sweaty young men, some carrying medieval-looking clubs with nails jutting out of ax handles. Others collected rocks, for later use as weapons, in shopping carts. The few visitors to come here were dumped at taxi stands on the outskirts of the town's historic center because airport van drivers were afraid of getting hijacked.

Demonstrators control the university radio station, broadcasting a stream of political invective, protest songs and slogans. "The People United Will Never Be Defeated," their anthem, plays constantly.

Thousands of demonstrators spent hours under a wilting sun Monday taunting police, who stood 10 deep alongside armored vehicles to block the many streets leading into the town square.

"It smells like dogs," one protester screamed, drawing laughter from hundreds clumped on Cinco de Mayo, a street named in honor of Mexico's revolutionary spirit. The police just glared back, protected by helmets and thick plastic shields. At their feet were wooden crosses, smudged red by protesters who pricked their arms and squeezed out the blood.

While the standoff began as a teachers strike, it has morphed into a political movement here in the second poorest of Mexican states. Even as some teachers seem to be wavering in their resolve -- a few returned to work in outlying villages in the state Monday -- an umbrella group with an ambitious mission of social and economic reform has taken over. The group, the Popular Assembly of the People of Oaxaca, or APPO, is also demanding the resignation of Ruiz, who infuriated teachers by using force to disband their annual protest five months ago.

On Monday, APPO activists waved their fists at the helicopters that constantly swept overhead, yelling, "Murderers." They said two comrades were killed Sunday and more than a dozen had died since the protest began.

Farther up Cinco de Mayo, a young man wearing a bandanna spray-painted "hoteliers are complicit with Ruiz" on the salmon-colored walls of the Camino Real, an exquisite convent-turned-hotel.

"These hotel people, all they want is repression. They're in league with the governor," said the man, who declined to give his name for fear of repercussions in his small village.

Daniel Velasquez, the lone vendor in the once-bustling Plaza Antonio Labistida, watched it all and frowned.

"Oaxaca is hurting," he said. "Oaxaca is ugly."

On the wall to Velasquez's left, a sign invited people to a tour marking the Day of the Dead, an important Mexican holiday, on Wednesday. It was accompanied by a sign-up sheet. But there wasn't a single signature.

Protesters Vow To Retake Oaxaca Center (AP)

By Mark Stevenson

AP, October 31, 2006

Thousands of protesters driven from the city center by federal police after months of paralyzing demonstrations vowed to retake the main plaza on Monday, but strike-weary residents pleaded for a return to life as usual.

Oaxaca remained deeply divided between the protesters demanding Gov. Ulises Ruiz's resignation and those yearning for a return to the tranquil days when foreign tourists browsed shops and dined on the region's famous mole sauce.

"Fight, fight, fight! Don't stop fighting!" the protesters chanted before arriving at the central main plaza, the Zocalo, carrying anti-government banners.

Facing off with columns of police who blocked their access to the square, the demonstrators screamed "Murderers! Murderers!" but did not attempt to break through.

Ignoring protesters who screamed "Sellout!" a group of about 20 residents and business owners waged earlier countermarches to thank federal police for clearing away the demonstrators, who had kept the city under siege since May,

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shutting down businesses and repelling the scores of national and international tourists who traditionally are drawn to the picturesque colonial city of 275,000.

"Let them stay," Edith Mendoza, a 40-year-old housewife, said of the police. "We were held hostage for five months."

The city resembled a battleground early Monday, its streets littered with charred cars and lines of federal police blocking entrances to the Zocalo.

Inside the central plaza, guarded by hundreds of uniformed police in riot gear and manning water cannons, workers labored feverishly to remove and paint over graffiti, rip down banners and clean up tons of accumulated trash. The kiosk in the heart of the plaza, covered with protest banners and graffiti during the demonstrations, had already been restored to its original state.

The protests began as a teacher's strike but quickly spiraled into chaos as anarchists, students and Indian groups seized the central plaza and barricaded streets throughout the city to demand Ruiz's ouster.

Police and state forces — often in plainclothes — have shot at protesters, setting off clashes in which at least eight people have died.

The federal government indicated that it had no intention of letting the protesters take back the city. Interior Secretary Carlos Abascal said the federal forces would stay until order had been established.

President Vicente Fox said "today in Oaxaca social order and peace has been restored."

Fox, who leaves office Dec. 1, had resisted repeated calls to send federal forces to Oaxaca until Saturday, a day after gunfire killed a U.S. activist-journalist and two residents.

The demonstrators said Monday they hoped to attract other sectors of society, mainly the state's restive Indian population, to join their fight.

"The government is angering the other regions and they are going to come and that way they won't stop us," said Flora Gutierrez, a university student who was among protesters.

Protesters also pointed out that while police controlled the Zocalo, the demonstrators were still in charge of other areas of the city, where they erected additional barricades made of trash and vehicles.

"There are more than 3,000 barricades in the working-class neighborhoods," said Flavio Sosa, a protest leader.

The federal government's decision to send forces into Oaxaca came after teachers agreed to return to work by Monday, ending a strike that kept 1.3 million children out of classes across the southern state.

But teachers union leader Enrique Rueda told The Associated Press that no students had returned to class in the capital on Monday, although some had in cities and towns outside of Oaxaca City.

"We are not willing to go back (to work) until we get written guarantees" for teachers' safety, said Daniel Reyes, one of the last of the striking teachers to leave the main square as police gathered around it Sunday night.

During the strike, some dissident teachers tried to open schools, and parents armed with sticks and pipes fought off protesters who tried to keep children from entering.

Public Safety Secretary Eduardo Medina Mora said seven police were injured in the weekend clashes. A few were hit by gasoline bombs thrown by protesters.

Protesters claimed two of their own were killed, but federal authorities said they could not confirm that.

A scattering of businesses, including the city's famous marketplace, reopened Monday. As shoppers browsed through the market's stalls, stocked with supplies of fresh marigolds to celebrate the upcoming Day of the Dead, others lined up at several automatic teller machines that had reopened. But most of the city remained shuttered.

Ruiz — whom the protesters accuse of corruption and rigging elections — was scheduled to give his state-of-the-state address on Monday.

The lower house of Congress on Monday called for Ruiz to resign, but he showed no signs of doing so. In a television interview, he said his departure "is not up for discussion."

"This is not the solution. The solution is the construction of agreements."

Oaxaca Divided As Police Regain Control Of Plaza (LAT)

DOJ_NMG_0089067

By Sam Enriquez

The Los Angeles Times, October 31, 2006

OAXACA, Mexico — The state capital remained divided Monday as thousands of residents marched in defiance and many others praised government forces that dislodged a protest encampment from the city center this weekend.

The recovery of the plaza by federal police late Sunday marked a symbolic end to the five-month occupation by striking teachers and leftist supporters who have demanded the resignation of the state governor. But exactly when the tourist capital will return to normal is in doubt.

Mexican President Vicente Fox declared victory Monday, saying, "The plaza and city were recovered for the citizenry of Oaxaca."

Although at least two deaths were reported during the 12-hour invasion by more than 4,000 riot police and armored equipment, Fox described the operation as "bloodless" and conducted without the use of weapons.

Flavio Sosa, a leader of the leftist movement known by its Spanish-language initials APPO, said Monday the government had recovered only a single block, after protesters ceded it in the face of overwhelming force.

"The control of the rest of the city is in the hands of APPO," he said in a radio interview. "I want to tell you that we are not going to hand over control of the city. We are going to resist at every barricade."

Protesters converged on the central plaza in the early afternoon from three directions in a largely peaceful demonstration calling for the ouster of federal police and the resignation of Gov. Ulises Ruiz.

They chanted slogans denouncing Ruiz and cursed the federal police, who stood in single-line formation on every street entering the square, backed by armored vehicles with water cannons.

The protesters' many grievances stem largely from the desperate poverty in this southern state, especially among indigenous people who are among the poorest and least educated in Mexico. The opposition began with the striking teachers but quickly mushroomed. Teachers since have negotiated a 30 percent raise over several years and have agreed to return to the classroom. "All we want is work, hospitals, better schools and the military out," said Veralisa Flores, a teacher who marched with friends. "This is a peaceful movement."

But despite pleas, protest organizers could not stop the young men who tossed rocks and fired a sky rocket at one line of police on the east side of the square, drawing several rounds of tear gas canisters that dispersed the assailants.

Rogue elements of the conflict have damaged the image of the fledgling movement, as well as local government. Plain-clothes police allegedly have killed several protesters, including independent journalist Bradley Roland Will, of New York, who was shot Friday along with three Mexicans.

Local authorities over the weekend announced the arrest of five men in the slaying of Will, including the police chief and two of his officers from nearby Santa Lucia del Camino.

The killings prompted U.S. Ambassador Tony Garza to issue a warning Monday against travel to Oaxaca.

"These tragic and senseless deaths over the weekend, in addition to the nine deaths already caused by the civil unrest in Oaxaca in the past several months, of course, underscore the critical need for a return to lawfulness and order," he said.

Many residents who took early morning walks Monday to see the plaza expressed the same feeling. They, too, hope the arrival of federal police will be the first step in bringing Oaxaca back to normal.

"The majority of people are relieved the police are finally here," Gloria Crisantos said. "We've been held hostage in our own city. Look around. Ask anyone."

And, as if on cue, a crowd of passers-by quickly gathered, eager to voice their support of the police. They said they had lost business and jobs, and their children have been out of school since May. They agreed with protesters that Oaxaca needs help but bristled at their tactics, which has turned the popular destination into a ghost town.

Their anger extended to Ruiz, who they say failed to quell the unrest by ignoring teacher demands, and then trying to evict them from the plaza in a violent police attack in June.

A majority of congressmen in Mexico's lower house of Congress voted Monday to ask for Ruiz to take a leave of absence or resign. And the Senate voted unanimously to ask him to consider stepping down, with four years remaining in his six-year term.

Times staff writer Hector Tobar and Carlos Martinez of the Times' Mexico City bureau contributed to this report.

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Mexican Protesters Try To Protect Their Rallying Cry (NYT)

By Marc Lacey

The New York Times, October 31, 2006

OAXACA, Mexico, Oct. 30 — As federal riot police hunkered down in Oaxaca's main square today, protesters sought to protect their not-so-secret weapon in their five-month-long siege of the city: the pilfered radio transmitter they use to mobilize the population.

"We are in a red alert, a red alert!" a nervous-sounding announcer said over and over from inside the bullet-scarred university station, which was ringed by sand bags and protected by masked supporters on the roof equipped with handmade mortars. "The police are moving in!"

The cry was premature but it drew hundreds of supporters from across this city in southern Mexico. They prepared Molotov cocktails and reinforced the barriers around the gates of Oaxaca University in anticipation of a raid.

"We will transmit until the last minute," an announcer who described himself as a law professor but declined to provide his name said in an interview. "We will not run. We are like the captains of the ship and we'll go down with the ship."

Oaxaca's beleaguered governor, Ulises Ruiz, was also hunkered down, on his own turf, facing increased pressure to resign.

Although the governor insisted in a television interview today that he was staying put, his support appeared thin as the Congress passed a nonbinding resolution urging him to cede power for the good of the state and the nation. Only Mr. Ruiz's Institutional Revolutionary Party and another small allied party stuck by the governor, and even their backing seemed lukewarm.

Emilio Gamboa, the leader of his party in the Chamber of Deputies, told reporters that it was up to Mr. Ruiz to make a decision of conscience as to "whether he can continue or not governing Oaxaca."

Members of the Oaxaca People's Popular Assembly, which has been coordinating the protests, have clearly made up their minds that he cannot, as their frequent anti-Ruiz messages over the radio make clear.

If the diffuse movement that has laid siege to Oaxaca has a nerve center it is the trash-strewn conference room where the people's assembly advocates broadcast regular updates to their comrades.

It is over the renegade station that announcers called on supporters to provide diesel fuel the other day to gas up some protest vehicles. Over the same airwaves, they informed the population that the police were moving in on the city Sunday afternoon. Today, the radio called people into the streets for three protest marches that drew thousands.

Even after the federal raid managed to take back the symbolic Zócalo, or central square, which had been the protesters main stage, the station kept the movement against Mr. Ruiz alive.

The protest began as a teachers strike but a deal was reached to raise their salaries. Some teachers returned to classes today, although it appeared that many were not yet sure it was safe enough to do so — especially since continued clashes between protesters and police appeared likely. Local residents have said the issue is less a people's movement than old political rivalries and patronage.

"It's strange but I'm not afraid," Alejandra Canseco Martinez, 22, a student who frequently sends out updates over the air waves, said from inside the radio station. "Maybe I should be afraid because we don't know what will happen and the police are only a few blocks away."

It is not the first time that the station has been under siege.

The current standoff began on June 14, when the police broke up a teachers' protest and smashed the transmitter that teachers were using to broadcast their messages from the main square. The following day, as supporters joined forces with the teachers, university students took over the campus station.

On July 22, gunmen opened fire on the station, sending workers ducking for cover and eventually knocking the signal off the air. But listeners heard the attack and converged on the station in support.

Then, on Aug. 8, someone sneaked into the station and poured acid onto the transmitter, again killing the signal. But by that time, protesters had taken over another station. Within weeks, a dozen public and private stations around Oaxaca were controlled by protesters.

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The university station, with its transmitter repaired, remains the chief source of information for the protesters, though. Its messages are dismissed as revolutionary propaganda by critics, but supporters relish the hard-edge words that fly across the colonial city.

"The other stations only say things in support of Ulises," said Sal Lozano, 43, a farmer, speaking of the governor. "We're going to defend this station with everything with have."

Crisis As Sri Lanka Talks Go Nowhere (FT)

By Joe Leahy

Financial Times, October 31, 2006

No one was expecting much – at best an agreement on a schedule for more talks rather than any serious discussion of the main issues.

But relations between the Sri Lankan government and the rebel Liberation Tigers of Tamil Eelam have deteriorated so much that the two sides could not agree even on this modest goal when they met in Geneva at the weekend.

For the long-suffering people of Sri Lanka, the news could hardly have been worse. There is little to stop the two sides intensifying their slide back towards full-scale hostilities under the guise of the island's four-year-old ceasefire agreement, a situation that is already leading to an humanitarian crisis in the country's north-east. Heavy shelling resumed in the north only hours after the talks collapsed.

"It's back to war," says Paikiasothy Saravanamuttu, executive director of the Centre for Policy Alternatives. "The next lot of serious negotiations will come only after one side or the other feels it has got a decisive and consolidated military advantage or they're mutually exhausted and feel they can't proceed on the battlefield any further."

The talks were always going to be tough going. Since the two sides, which signed a ceasefire agreement in 2002 after nearly two decades of fighting, last met in Geneva in February, there has been a steady escalation of violence.

Starting with naval battles, air strikes and bomb blasts, the conflict had intensified by July into land battles on the northern Jaffna Peninsula. In the week preceding the talks, a suspected rebel suicide bomber rammed an explosive-laden truck into a navy convoy, killing more than 100 people in the worst attack since the ceasefire agreement and bringing the toll of combatants and civilians killed this year to 2000.

On the flipside, there were also more reasons for hope this time around. Last week, the opposition United National Party signed an unprecedented agreement with President Mahinda Rajapaksa's ruling Sri Lanka Freedom Party pledging to co-operate on economic affairs and security, including the peace process.

The talks were meant to be unconditional. But each side arrived in Geneva with an agenda that was bound to be unacceptable to the other.

The government wanted to discuss human rights, including the Tamil Tigers' alleged use of child soldiers, the re-establishment of multi-party democracy in the north and east, and a development programme for the area. The Tigers wanted the government to allow a referendum in the rebel-held areas.

But the talks faltered on the Tigers' demand that the government reopen the A-9 highway, a strategic road connecting the LTTE-controlled Jaffna peninsula to the rest of the island. The Tigers argue the closure of the road constitutes a new "Berlin Wall" and is leading to shortages of food and supplies on the peninsula.

The government refuses to reopen the road, which it says is used by the rebels for the smuggling of weapons and child soldiers. It offered to supply the peninsula using ships if the rebels would guarantee their security, which they have so far refused to do.

Palitha Kohona, one of the government negotiators, accused the rebels of using the road as an excuse to hamstring the talks.

"They came here unconditionally but all of a sudden the conditions emerged as an excuse to walk away. It's very difficult to come to the conclusion that they are interested in resolving this conflict in a peaceful manner," he told the Financial Times from Geneva.

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Some analysts doubt the sincerity of both sides going into talks. They argue that the government should have anticipated the LTTE's demands regarding the highway and that it should reopen the road for humanitarian reasons.

And they suspect that the rebels' heart is not in the talks. The LTTE's dream is of an independent Tamil state, a proposal that has little international support and is unlikely to be achieved through the current negotiations.

Jehan Perera, director of the National Peace Council, said he was concerned that the situation in Jaffna would deteriorate further, with food shortages driving the price of rice there to five times its levels in Colombo amid daily assassinations and killings.

The only hope was that the new alliance between the ruling party and the UNP, headed by former Prime Minister Ranil Wickremesinghe, will help drive pressure for an accord.

Mr Wickremesinghe's former government brokered the original ceasefire and is seen as more moderate than the ruling party.

"The UNP leader has said very categorically that he's supporting the government for peace, not for war," says Mr Perera.

Leaders Struggle To Repair Polish-German Ties (WP)

By Craig Whitlock

The Washington Post, October 31, 2006

BERLIN, Oct. 30 -- It had already been a bad year for German-Polish relations, but things really soured this month when naval warfare between the two countries nearly broke out on the Baltic Sea.

On Oct. 17 , the Polish Coast Guard fired warning shots at a German tourist ship after it tried to evade inspection in the Polish port of Swinoujscie and made a run for the German border with three Polish customs officers on board. Polish officials accused the vessel, the Adler Dania, of hiding a cargo of tax-free cigarettes and booze; the German captain accused the Poles of overreacting. "Are Our Neighbors Insane?" blared Bild, Germany's largest newspaper.

No one was wounded or killed, but the incident only added to a string of diplomatic slights, political insults and other indignities that have left Germany and Poland feeling more raw about each other than perhaps at any time since the end of World War II.

Poles have been smarting for more than a year over Germany's decision to bypass their energy-dependent country by routing a major gas pipeline to Russia under the Baltic. The Polish defense minister, drawing on a painful history that is never far from the surface, compared the move to the secret agreement between Adolph Hitler and Joseph Stalin to carve up Poland in 1939.

Poles are also sore about efforts by some Germans to sue for monetary compensation for property their families were forced to abandon after the defeat of the Third Reich, when borders were redrawn and Germany ceded some of its eastern territory to Poland.

At times, Poland's leaders have made matters worse by displaying thin skins. In July, Polish President Lech Kaczynski canceled an official visit to Germany after a Berlin newspaper mocked him as "a little potato" who thirsted to rule the world . Polish officials demanded, unsuccessfully, that the German government take legal action against the journalists.

On Monday, Kaczynski's twin brother, Jaroslaw, Poland's prime minister, came to Berlin -- for the first time -- to meet with German Chancellor Angela Merkel in an attempt to repair some of the diplomatic damage. While the pair tried to put on a good face and held a joint news conference, they didn't report any breakthroughs.

Merkel rejected Poland's demand to sign a deal forswearing any private German property claims from the war. Although she acknowledged the "unease" the issue had caused in Poland, she said government intervention "would make things more complicated than they are."

Kaczynski said he welcomed Merkel's comments but added that Poland still wasn't satisfied. "In the Polish view, this issue is not resolved," he warned.

Germany and Poland are the two biggest countries in central Europe and share a long border, but polls show a widespread lack of familiarity between the two neighbors' people.

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Two of every three Germans have never set foot in Poland, according to a survey commissioned last spring by the Institute of Public Affairs in Warsaw. Public views of Poles are also not favorable. When asked what they most associated with Poland, the top answer was "car theft and crime," followed closely by "illegal workers" and "poverty, backwardness."

Many Poles harbor skeptical views of Germany as well. In a similar poll conducted by the institute last March, 49 percent of Poles questioned said they feared Germany could pose "an economic threat" to Poland in the future, even though Germany is Poland's largest trading partner.

Also ruffling feathers in Poland are recent historical exhibits in Berlin that highlighted the hardships faced by millions of German refugees after World War II. Many Poles saw the exhibits, which closed just before Kaczynski's arrival, as an attempt to portray Germans as victims of a war that they started -- and that left 6 million people dead in Poland.

Sponsors of the exhibit, titled "Forced Paths," said they took pains to include the experiences of other political refugees in Europe throughout the 20th century and questioned whether Polish leaders were seeking to score political points at home.

"I also think politicians in Poland are trying to use the issue to divert attention from massive domestic problems," said Erika Steinbach, a member of the German Parliament and head of a group called the Federation of Expellees, which has drawn the ire of the Polish government. "I am an optimist and I think the differences can be resolved. If they are not, it certainly will not be the fault of the German expellees."

So far, Poland's government has shown little willingness to forgive and forget.

When the Forced Paths exhibit opened in August, the mayor of Warsaw canceled a visit to Berlin in protest. Kaczynski, the prime minister, trashed the event and responded with a historical lesson of his own: a visit to a former Nazi concentration camp in northern Poland.

Berlusconi And Former Lawyer To Stand Trial (FT)

By Adrian Michaels In Milan

Financial Times, October 31, 2006

Silvio Berlusconi, the former Italian prime minister, and David Mills, his former lawyer, were on Monday ordered to stand trial on corruption charges by a judge in Milan.

In a further deepening of the pair's legal woes, the judge accepted the prosecutors' request for a trial into allegations that Mr Berlusconi paid Mr Mills at least $600,000 after the lawyer had given favourable testimony at other trials of Mr Berlusconi in the 1990s.

The two men are already committed to trial in a separate case that starts this month.

The affair adds considerably to the embarrassment of the two men.

Mr Mills's reputation has taken a considerable beating and also created problems for his estranged wife, Tessa Jowell, the UK culture secretary who is a close ally of Tony Blair, the UK prime minister. Ms Jowell was forced to defend herself against accusations that she breached the ministerial code of conduct governing disclosure of financial arrangements.

Mr Berlusconi, who is Italy's richest man, has been beset by allegations of wrongdoing in his business empire for years.

He has been convicted on some occasions but the convictions have either been overturned on appeal or annulled by statutes of limitations.

Mr Berlusconi says that he has done nothing wrong and that sections of Italy's judiciary are targeting him to generate political advantage for his leftwing opponents.

Mr Mills also says he has done nothing wrong. He at first admitted to prosecutors that the money had come from Mr Berlusconi and later retracted that statement, saying it was related to business with another client.

Prosecutors allege that Mr Mills entangled the affairs of his clients so as to make it difficult to follow the trail of money.

Mr Mills and Mr Berlusconi have given conflicting accounts of how often they have met.

Whatever the outcome of the trial, people close to the Milan prosecutors admit that it is very unlikely that a conviction will stand and that either man will go to jail.

The last part of the crimes of which the two are accused is alleged to have taken place in February 1998 and legal proceedings have 10 years to be completed.

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The trial is at the moment scheduled to start in March, meaning the case and any subsequent rounds of appeal have 11 months to finish. People close to the case said on Monday that Milan prosecutors had the chance to ask a judge to bring forward the trial date but that no decision had yet been made.

Mr Berlusconi is hoping once again to be Italy's prime minister and is agitating for an early collapse of the government of Romano Prodi, his successor.

In the separate trial starting this month Mr Berlusconi, Mr Mills and 11 others are embroiled in allegations of money laundering, tax evasion and improper accounting.

Berlusconi To Face Corruption Trial (AP)

By Colleen Barry

AP, October 31, 2006

A court Monday ordered former Premier Silvio Berlusconi to stand trial on charges of corruption along with the estranged husband of Britain's culture minister.

Berlusconi is accused of ordering the payment in 1997 of at least $600,000 to his co-defendant British lawyer David Mills, a close friend, in exchange for the lawyer's false testimony in two trials against Berlusconi. Both deny the allegations.

Mills is married to British Culture Secretary Tessa Jowell. They formally separated in March.

Prime Minister Tony Blair's office declined to comment on the decision, and a spokesman in Jowell's office also declined to comment.

Judge Fabio Paparella issued the ruling after refusing a defense motion to remove himself from the case because he is presiding over a separate case charging Berlusconi and Mills with false accounting, embezzlement and tax fraud in the purchase by Berlusconi's Mediaset empire of TV rights for U.S. movies.

The new case is set to go to trial March 13. If convicted, Mills and Berlusconi could be sentenced to between three and eight years in prison, according to prosecutors.

Berlusconi's lawyer, Niccolo Ghedini, said the decision to open another trial against Berlusconi was expected, but he expressed disappointment the judge didn't wait for a higher court to decide on whether he should step aside.

"Everything went as we thought it would. It is like scripted," Ghedini said outside the courtroom.

He noted that two requests were pending to higher courts for Paparella to step aside in the case — leaving open the possibility if one or the other succeeds that the charges will supersede their statute of limitations, which runs out in February 2008. "This is not what we want. We want an acquittal," Ghedini said.

Mills' Italian lawyer, Federico Cecconi, said there was no evidence to support the charges.

"In the trial we will highlight that there is no evidence that there has been illicit payments on the part of Mediaset group," Cecconi said.

Berlusconi has a long history of legal troubles linked to his business interests based in Milan.

In past cases, he was either acquitted or cleared of the charges because the statute of limitations had expired. He has always maintained his innocence.

Pinochet Is Placed Under House Arrest (AP)

AP, October 31, 2006

Former dictator Gen. Augusto Pinochet was placed under house arrest and indicted for the first time on torture charges for abuses at a secret detention center where President Michelle Bachelet and her mother were once held, the judge handling the case reported Monday.

Two court officials notified Pinochet at his suburban Santiago mansion of the decision by Judge Alejandro Solis, who on Friday had charged Pinochet with one homicide, 35 kidnappings and 24 cases of torture at Villa Grimaldi, one of the most infamous detention centers in the early years of his 1973-1990 dictatorship.

Pinochet's chief defense lawyer, Pablo Rodriguez, had said he will appeal Solis' ruling "all the way to the Supreme Court if necessary. We will use all the legal means at our disposal."

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Rodriguez insisted the 90-year-old former military ruler is unfit to stand trial because of poor health. Pinochet has been diagnosed a mild dementia, has sustained several minor strokes, suffers from diabetes and arthritis and needs a pacemaker.

Pinochet has been indicted on human rights charges several times before, but this is the first time he faces torture charges.

Chile On Trial (LAT)

The Los Angeles Times, October 31, 2006

VILLA GRIMALDI, in a suburb of Santiago, Chile, was where in the mid-1970s enemies of dictator Augusto Pinochet were sent to disappear. Thousands of his political opponents — including Chile's current president, Michelle Bachelet — were interned and tortured there by the secret police; many were never seen outside its walls again.

On Monday, the 90-year-old Pinochet was placed under house arrest for allegedly ordering the horrific human rights abuses that took place at Villa Grimaldi. It was his fifth arrest since 1998, but this is the first time he has been indicted on torture charges. Pinochet is in poor health, is believed to suffer from mild dementia and has repeatedly been ruled unfit to stand trial. But a judge has determined that Chile's ex-ruler is fit to face justice in this case.

Whatever happens in these proceedings, it is clear that Pinochet, at this late stage in his life, is unlikely to be held accountable for his actions. What is more dismaying is the degree to which many in Chile continue to defend the general's brutal actions when he ran the country from 1973 to 1990.

Indeed, it has taken accusations of financial improprieties to taint Pinochet, once hailed as an austerity-embracing, selfless anti-communist, in the eyes of Chilean conservatives. Reports in recent years that the general had stashed millions of dollars in a secret account at Washington-based Riggs Bank were more devastating to his legacy, bizarrely enough, than the illegal disappearance of thousands of dissidents.

Last week, documents allegedly showing that Pinochet had stashed nine tons of gold valued at $160 million in a Hong Kong bank were dismissed as cheap forgeries. But the episode may be another distressing sign of how even Pinochet's opponents feel as though they need to accuse him of corruption in order to forge a consensus against him. We can only hope that the latest round of proceedings against Pinochet will allow some of his victims to testify against him, and thus may offer up a mirror for all of Chilean society to come to terms with its dark past.

Call For Caution Over By Migrants' Cash (FT)

By Richard Lapper, Latin America Editor

Financial Times, October 30, 2006

The World Bank will on Tuesday urge policymakers to take a more cautious approach towards the development potential of remittances, the multi-billion dollar financial flows sent home by migrant workers in North America, Europe and Asia.

In a report analysing their significance in Latin America and the Caribbean, bank economists argue that remittances are not "manna from heaven", that the benefits have been "overestimated" and that associated social and economic costs in developing countries have not been taken into account.

"Remittances are an engine for development but they are not a substitute for sound national policies in the countries," said Humberto López, World Bank senior economist for Latin America and the Caribbean, and co-author of the report. "Although positive, the impact of remittances on poverty and inequality is in most cases quite modest."

Remittances have risen sharply in recent years, reaching $167bn (€131bn, £88bn) worldwide in 2005 and accounting for roughly a third of all financial flows to developing countries. They help poor families meet basic food, education and health needs. In Latin America – one of the regions most benefiting from the trend – there has been growing interest in their potential as a source of investment capital. A report published this month by the Inter-American Development Bank showed that a growing number of recipient families were using remittances to invest in homes and small businesses.

The World Bank highlights the macro-economic impact of remittance flows, especially in the small economies of Central America and the Caribbean where they typically equal more than 10 per cent of economic output, and in Haiti amounted to 52.7 per cent of GDP in 2004.

But it suggests that the impact of these flows on development is limited. In a detailed analysis of the 1991-2005 period, it found that for each 1 per cent increase in the ratio of remittances to GDP the fraction of the population living in poverty was

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reduced by about 0.4 per cent. In addition, the 1.6 per cent jump of these flows as a share of GDP from 1991 to 2005 is estimated to have led to an increase of 0.27 per cent in per capita GDP growth.

Although these benefits are real, the report argues that more needs to be done to increase the positive economic impact. For example, it would be beneficial to increase the access of migrant families to the financial system. Relatively few recipients have bank accounts (although the number tends to be larger than for the population as a whole) and even fewer have access to credit, for example.

At the same time, the report says policymakers must be alert to the negative consequences of high rates of migration and remittance flows. Remittances in some cases simply replace earnings that migrants would have made had they stayed at home. Migration can also lead to labour shortages.

Some parts of the region are suffering from a "brain drain". In Haiti and the English-speaking Caribbean countries, 80 per cent of college graduates are living abroad, the report says.

To End Uganda's Nightmare (WP)

By John Edwards

The Washington Post, October 31, 2006

At a moment of tremendous global hardship -- from the wars in Iraq and Afghanistan to the killing fields of Darfur -- it is rare to find hope. So when there is the possibility for peace, we must seize it. That's why one of the world's great tragedies, the conflict in Northern Uganda, deserves our attention.

It is perhaps the worst humanitarian catastrophe to have gone practically unnoticed by most of the world. The two decades of violence in Northern Uganda have had devastating consequences -- nearly 2 million people have been run out of their homes and forced to live in overcrowded, squalid camps; tens of thousands have died; 30,000 children have been abducted by an organization called the Lord's Resistance Army (LRA) and forced to fight as child soldiers or used as sex slaves. Hundreds of villages have been abandoned and destroyed.

To witness the ravaging of Northern Uganda is searing. But meeting its people inspires hope. During a recent visit, I went to the Palabek-Kal camp, where thousands have been crammed into a makeshift village. Hearing their stories of suffering and survival made two points abundantly clear: They are praying for peace every moment, and they expect the world community to do everything possible to help them achieve it. Their yearning was deeply moving, and their collective intensity and faith to build a better future in the midst of such hardship was powerful.

In areas where security is improving and people are beginning to go home, the challenges are just beginning. First among them is the need for adequate access to clean water and sanitation. The rehabilitation and reconstruction of schools, health clinics and other basic infrastructure are equally critical.

Yet before people will feel safe to go home, there must be peace. The talks between the government of Uganda and the LRA offer an unprecedented opportunity to secure a lasting peace in this long and deadly conflict. A cease-fire was signed at the end of August, but as was made clear during my discussions there, it is very fragile. As these African-led negotiations continue, the United States and the international community must step forward to support the talks -- not stand on the sidelines and hope for the best.

First, the United States and the United Nations should offer whatever support outside mediators, led by the government of southern Sudan, require. In particular, assistance in monitoring the cease-fire and the assembly of LRA fighters at two agreed-upon sites in southern Sudan would be critical to boosting the confidence of both sides -- while also holding them accountable to their commitments.

Second, the United States should publicly voice its support of the peace talks and encourage the Ugandan government and the LRA to maintain their commitment to the process. It's understandable that Uganda's government is skeptical of the LRA's intentions, given the atrocities that organization has committed. Yet this is the closest the two sides have ever come to a comprehensive agreement. Uganda needs to know that Washington stands behind the drive for peace and will be a supportive ally after an accord is signed.

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Third, the key donors -- the United States, European countries and the United Nations -- must come together and make clear their commitment to providing the financial assistance necessary to help victims rebuild their homes and villages. This will create incentives for both sides and, just as important, lay the foundation for long-term reconstruction and reconciliation -- not only in Northern communities that have been terrorized by the LRA but also between Northern and Southern Uganda. Once the agricultural breadbasket of Uganda, the North has been marginalized and impoverished for decades. It must be integrated more fully into the country.

Finally, the United States and the international community must fulfill their pledges to help southern Sudan recover after more than 30 years of its own war. Peace and reconstruction in Northern Uganda have to be supported by reconstruction and development in neighboring southern Sudan, which is critical for regional economic recovery and cross-border trade.

In a world of unending troubles for the United States, few would argue that Northern Uganda's future is among the most urgent strategic challenges. But our actions in coming weeks will be a critical test of our global leadership. How we act -- and if and how we lead -- will send a message throughout Africa and the rest of the world about what America stands for. We must not sit idly by as Uganda's people strive for peace.

The writer, a former Democratic senator from North Carolina and the 2004 Democratic vice presidential nominee, traveled to Uganda recently with the International Rescue Committee.

Victory For Lula (WP)

The Washington Post, October 31, 2006

LUIZ INACIO Lula da Silva overcame some formidable negatives to win reelection as Brazil's president on Sunday, including a squalid series of corruption scandals and a lackluster record of growth during the past four years by Latin America's largest economy. But the reasons for his victory are mostly positive. The former metalworker and union leader, universally known simply as Lula, has been able to mobilize millions of Brazil's poor, who previously were largely excluded from the country's developing economy and democracy. Many of those people have seen tangible improvement in their lives thanks to Lula's policies, which have lifted some 8 million people out of poverty in a country of 185 million.

Lula's achievements have come without the populist trappings, irresponsible fiscal policies or erosion of democracy seen in other Latin American countries -- most notably, neighboring Venezuela. Brazil's often precarious finances are in better shape today than four years ago. International Monetary Fund loans have been paid off, inflation is a mere 4 percent and the country has $60 billion in foreign reserves. Poverty reduction has come about largely because of an innovative program under which the government provides poor families with a monthly cash subsidy if they meet certain requirements, such as sending their children to school and having them vaccinated.

With four more years to work with, Lula's challenge will be finding ways to tackle the big problem he failed to address: Brazil's sluggish growth. Redistribution of wealth is important in one of the world's most economically unequal societies, but Brazil can't prosper when it is growing at a rate below 3 percent, or less than half the rate of other emerging economies. Economists in and outside Brazil largely agree about what is needed: reductions in the sprawling state bureaucracy and runaway government spending, and in Latin America's highest taxes.

Unfortunately, the president hasn't shown much inclination to tackle these tasks. During his runoff campaign against a centrist former state governor, Lula ranted against what he said was the danger that Brazilian state companies and banks would be privatized. In fact, such privatizations are needed, as are more steps to liberalize trade and encourage foreign investment.

Lula campaigned against Brazil's foreign creditors four years ago, then surprised them by adopting orthodox fiscal policies after he took office. He would be wise to take the same course now and tackle the reform of the state, even while continuing programs for the poor. He has the opportunity to propel himself, and Brazil, into a position of leadership in Latin America by demonstrating how poverty can be addressed by sensible and sustainable policies rather than ruinous populism.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Suspect And A Setback In Al-Qaeda Anthrax Case (WP)

By Joby Warrick

The Washington Post, October 31, 2006

Scientist With Ties To Group Goes Free

In December 2001, as the investigation into the U.S. anthrax attacks was gathering steam, coalition soldiers in Afghanistan uncovered what appeared to be an important clue: a trail of documents chronicling an attempt by al-Qaeda to create its own anthrax weapon.

The documents told of a singular mission by a scientist named Abdur Rauf, an obscure, middle-aged Pakistani with alleged al-Qaeda sympathies and an advanced degree in microbiology.

Using his membership in a prestigious scientific organization to gain access, Rauf traveled through Europe on a quest, officials say, to obtain both anthrax spores and the equipment needed to turn them into highly lethal biological weapons. He reported directly to al-Qaeda's No. 2 commander, Ayman al-Zawahiri, and in one document he appeared to signal a breakthrough.

"I successfully achieved the targets," he wrote cryptically to Zawahiri in a note in 1999.

Precisely what Rauf achieved may never be known with certainty. That's because U.S. officials remain stymied in their nearly five-year quest to bring charges against a man who they say admitted serving as a top consultant to al-Qaeda on anthrax -- a claim that makes him one of a handful of people linked publicly to the group's effort to wage biological warfare against Western targets.

Rauf, 47, has been under scrutiny in Pakistan since he was detained there for questioning in late 2001, according to U.S. and Pakistani officials who agreed to talk about the case for the first time. But officially he remains free, and Pakistan now says it has no grounds for arrest. Last year, in an acknowledgment of the impasse in its four-year joint investigation with Pakistan, the FBI officially put the case on inactive status.

"We will never close the door, but the chances of getting him into the United States are slim to none," said one U.S. intelligence official, who, like others, agreed to discuss the case on the condition that he not be identified by name.

The documents that first revealed Rauf's role were part of a large stack of papers discovered in a house after coalition forces overran an al-Qaeda base in Kandahar, in southern Afghanistan. He emerges from documents and interviews as one of the most intriguing, and in some ways most troubling, figures in an international investigation into al-Qaeda's biological weapons program.

With the evidence against Rauf, some U.S. officials say they are perplexed about why Pakistani authorities have refused to further pursue him, while acknowledging that the case presents both legal and political difficulties for Pakistan.

To terrorism experts, Rauf is a symbol of a dangerous convergence: a marriage of militancy and technical expertise that could someday yield new kinds of highly lethal weapons to be used against civilians.

"He was someone who at least understood the professional procedures and methods," said Milton Leitenberg, an expert on biological weapons with the University of Maryland's Center for International and Security Studies who reviewed the seized documents. "In theory, if he went in the laboratory and tried and tried, maybe he could have gotten it right."

Exactly how far al-Qaeda progressed with Rauf's help is not publicly known. No one has turned up any links between his work and the U.S. anthrax attacks, in which spores were mailed in letters to news organizations and U.S. Senate offices. Coalition forces discovered rudimentary laboratories in Kandahar but no evidence of bioweapons production. Yet both the White House and a presidential commission have hinted at additional findings suggesting that the terrorists were much further along than was first thought.

Last year's presidential commission on intelligence failures, led by retired judge Laurence H. Silberman and former senator Charles S. Robb (D-Va.), described al-Qaeda's biological program as "extensive" and "well-organized," particularly with regard to "Agent X," a pathogen that terrorism experts say was almost certainly anthrax.

"Al-Qaeda had acquired several biological agents possibly as early as 1999, and the necessary equipment to enable limited, basic production of Agent X," the commission said.

U.S. officials are even more reticent in discussing possible links between al-Qaeda's anthrax program and the 2001 U.S. attacks, which killed five people and briefly shut down the U.S. Capitol. Privately, FBI officials doubt that such a link exists. They note that the attacks came with an explicit warning -- a letter advising the victims to take penicillin, resulting in a far lower death toll -- but without an explicit claim of responsibility. "It doesn't fit with al-Qaeda's modus operandi," one intelligence official said.

Yet U.S. officials have been unable to rule out al-Qaeda or any other group as a suspect. Earlier this month, FBI officials acknowledged that the ultra-fine powder mailed five years ago was simply made and could have been produced by a well-trained microbiologist anywhere in the world.

Several leading bioterrorism experts still contend that the evidence points to al-Qaeda or possibly an allied group that coordinated its attack with the Sept. 11, 2001, strikes on the World Trade Center and the Pentagon. These experts point to hijacker Mohamed Atta's inquiries into renting a crop-duster aircraft and to an unexplained emergency-room visit by another hijacker, Ahmed Ibrahim A. Al Haznawi, for treatment of an unusual skin lesion that resembled cutaneous anthrax.

Whether or not al-Qaeda was involved, U.S. officials and bioterrorism experts agree on this: The alliance between the terrorist group and a little-known Pakistani scientist could have yielded disastrous results in time.The Quest for Anthrax

For all his expertise, Rauf was hardly the ideal candidate for helping al-Qaeda realize its ambition of making biological weapons.

The tall, thin and bespectacled scientist held a doctorate in microbiology but specialized in food production, according to U.S. officials familiar with the case. He had to learn about anthrax and other bioterrorism agents as he went along, slowing his progress considerably.

"He could potentially do a great deal of harm because of his knowledge and skills," said one U.S. intelligence expert connected with the case. "On the other hand, he lacked the specific knowledge and training al-Qaeda needed most."

Exactly how he became acquainted with Zawahiri remains unclear. Rauf worked at the prestigious Pakistan Council of Scientific and Industrial Research in his home town of Lahore, and officials speculate that he may have crossed paths professionally with Zawahiri, a physician.

In any case, captured documents suggest a close collaboration between the two men as they sought equipment for a bioweapons lab.

"I hope my letter will find you in the best of health and circumstances by the God Almighty," Rauf writes to Zawahiri in one of three intercepted notes.

The heavily redacted notes and other documents were obtained from the Defense Department through the Freedom of Information Act after they were first described in the journal Science in a 2003 article by three researchers at the National Defense University. Rauf's name was redacted, but U.S. and Pakistani officials confirmed his authorship in interviews with The Washington Post. Rauf's name was first publicly associated with the documents by Ross Getman, a New York lawyer who maintains a Web site devoted to the 2001 anthrax attacks.

Rauf was a member of the Society for Applied Microbiology, an international professional organization based in Britain, and he appears to have used his membership to make contacts and arrange visits related to his quest. One note from Rauf was handwritten on the group's stationery, apparently while he was attending a 1999 scientific conference at Porton Down, Britain's premier biodefense research center in the southern city of Wiltshire.

Rauf, who writes to Zawahiri in occasionally faltering English, admits in one note to several setbacks. For starters, he had found a supplier who could sell him Bacillus anthracis -- the bacterium that causes anthrax -- but it was a harmless strain incapable of killing anyone.

"Unfortunately, I did not find the required culture of B. anthrax -- i.e., pathogenic," he writes to Zawahiri. He then describes a new attempt to acquire a lethal strain from a different lab.

In a later note he is more upbeat, telling his patron he had "successfully achieved the targets" and had "tried to solve technical problems of our work." He ticked off a list of items he had acquired or arranged to purchase, including respirators, a fermenter used for growing bacteria and vaccines to protect lab workers against accidental exposure.

Rauf also describes an unusual visit -- apparently as the guest of another scientist -- to a high-containment biological lab where dangerous pathogens such as anthrax are kept.

"I visited along with [the host] all the units . . . including the special confidential room in which thousands of cultures are placed," the note reads.

Another handwritten note includes a crude diagram of a biological lab, identifying how space should be allocated for major tasks such as animal testing and growing bacteria.

A recurring theme in the notes is money, or Rauf's apparent lack of it. He complains in one note that his salary was cut while he was on leave from his job for postdoctoral research. "This is highly objectionable, unaffordable and unpracticable with me," he writes.

Rauf's money demands may have led to a falling-out with Zawahiri, who appears to have decided to explore other options for obtaining bacteria and lab equipment, said Rohan Gunaratna, an al-Qaeda expert with the Institute of Defense and Strategic Studies in Singapore.

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Gunaratna said al-Qaeda leaders also collaborated with Yazid Sufaat, a member of an allied Southeast Asian group called Jemaah Islamiyah, in purchasing equipment for the Kandahar lab. Sufaat, who once studied chemistry at California State University at Sacramento, has been in custody since late 2001.

"Rauf was financially driven, and al-Qaeda didn't entirely trust him," Gunaratna said.Investigation Breaks Down

Rauf's detention kicked off a joint U.S.-Pakistani investigation that at first was remarkably successful.

"There was great cooperation at the start," said one U.S. intelligence official who closely followed the case.

The FBI's New York office took the lead U.S. role, and its agents worked closely with the CIA and bureau officials in Pakistan in carrying out interrogations. Though not formally charged with any crimes, Rauf consented to questioning and provided useful leads, U.S. and Pakistani officials said. But problems began when the U.S. side sought to expand the investigation with the goal of pursuing criminal charges, including possible indictment and prosecution in the United States, officials from both countries confirmed.

In earlier cases, the Pakistani government incurred the wrath of Islamic leaders when it sought to prosecute professionals for alleged ties to al-Qaeda.

In 2003, the Pakistanis shut off U.S. access to Rauf. According to Pakistani officials familiar with the case, there simply was not enough evidence showing that he succeeded in providing al-Qaeda with something useful.

Since then, Rauf has been allowed to resume his normal life. Whether he has returned to his former workplace is unclear; officials at the research council declined to respond to requests for information about the scientist. Attempts to contact Rauf in Lahore were unsuccessful.

"He was detained for questioning, and later the courts determined there was not sufficient evidence to continue detaining him," said Tariq Azim Khan, Pakistan's information minister. "If there was evidence that proved his role beyond a shadow of a doubt, we would have acted on it. But that kind of evidence was not available."

Special correspondent Kamran Khan in Karachi, Pakistan, contributed to this report.

The Terror Suspect Who May Go Free (TIME)

By Bruce Crumley

Time, October 31, 2006

On the face of it, Abu Doha would appear to be the sort of case for which the U.S. offshore detention system was created. The 40-year-old Algerian militant is alleged by counter-terror officials to be a Qaeda-aligned terror kingpin and suspected of involvement in a number of plots around the world, including the "Millennium Bomb" plot aimed at Los Angeles International airport in 2000. Yet, as things stand, Abu Doha looks set to be freed from prison in Britain and deported on immigration violations, after the U.S dropped its bid to extradite him over the LAX plot.

The prospect of his going free troubles security officials on both sides of the Atlantic, and leaves some bewildered by Washington's decision to drop its case against him. British authorities say they don't have sufficient evidence to try Doha, and plan instead to deport him to his native Algeria. What happens then? "Either Doha is left free to do as he pleases, and probably one day vanish to resume his plotting work," says a French counter-terror official. "Or the Algerians cite some pretext for arresting and jailing him, and ensure he's not a threat to anyone."

Doha (a.k.a. "The Doctor," Rachid, Amar Makhlolif, and Didier Ajuelo) was arrested in February 2001 while trying to travel from London to Saudi Arabia on a fake passport. Six months later, the U.S. filed an extradition request after a Federal grand jury indicted Doha as a co-conspirator in the LAX plot, based on evidence and an affidavit signed by would-be bomber Ahmed Ressam that Doha had overseen the attempted attack. "[Doha] actually moved Ressam from Afghanistan back to Canada" to plan and execute the Millennium bombing, explains a senior U.S. intelligence official. But after initially sharing his knowledge of terror networks, Ressam ceased cooperating with prosecutors sometime in 2003 — and even after two years of coaxing and cajoling, claims to have "forgotten" the information he'd earlier provided.

In August, 2005 — shortly after Ressam was sentenced to 22 years in prison — U.S. officials withdrew the Doha indictment, explaining that "Ressam's testimony would have been an essential part in the Government's evidence at trial against Abu Doha."

Even though Ressam refused to testify in court, the fact that he had spilled the beans on Doha and evidence pointing to Doha's role as a Qaeda recruiter raises questions over the U.S. decision to drop the extradition request — particularly if the consequence of doing so is that Doha will go free. With no terror related charges pending, Doha faces an immigration hearing in early 2007 that may end with his deportation from Britain. In Washington, officials at the U.S. Departments of State and Justice, as well at the CIA, refused to comment on Doha's case. (Each referred TIME to the other departments for an answer as to how the U.S. could lose its purchase on such a major alleged terror suspect.) Says one European security official with long involvement in the investigation of Doha's activities, "There is something strange about this case."

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U.S. officials are certainly aware of the danger of Doha being turned loose. "There's concern about what he'll do," says the U.S. intelligence official. "After he's released, he'll probably return to his old friends. Anybody who's been engaged in a potential plot against us — and who we believe will return to being engaged with the same group that he was beforehand — would cause some problems."

French and U.S. officials concur on a picture of Doha's activities during the 1990s that included serving as al Qaeda's coordinator for Europe, and recruiting scores, perhaps hundreds, of young Muslims into clandestine network, sending many for training in Afghanistan at a specially designated camp,

Although France, Italy and Germany had evidence tying Doha to specific plots, they refrained from making their own extradition requests once the U.S. had signaled its intention to put Doha on trial. But now that the U.S. case has been dropped, it's too late for the Europeans to step in, because the cases in which they would have charged Doha have already been tried, and can't legally be reopened without new evidence against him.

The French are incredulous at the prospect of Doha going free. "How can you have Abu Zubaydah, Khaled Sheikh Mohammed, and who knows how many low-level fighters in secret camps and let someone of Abu Doha's stature free by deporting him?" the French counter-terrorism official asks. "It's incomprehensible that someone with his profile will be deported to freedom and allowed to resume his activities."

So incomprehensible, in fact, that some suspect it won't be that simple. In light of Algeria's traditionally ruthless treatment of Islamist militants, Amnesty International warns that Britain may be sending him home to face abuses. "If Abu Doha is deported as planned, he faces grave danger of detention and torture in Algeria," says an Amnesty spokesman in London, who says at least 12 specific cases of alleged secret detention and torture in Algeria have been reported to his group since 2002. In August, a British court ruling struck down challenges to such deportations on human rights grounds, citing Algeria's recently-applied Charter For Peace and Reconciliation — which offers pardons to security force members and surrendered radicals responsible for violent crimes — as a guarantee of fair treatment for deportees. Amnesty mocks that decision and its application in the Doha case, given British officials' own description of Doha as an active security threat rather than the repentant jihadist that Algiers might pardon.

Doha's attorneys are fighting his deportation, but did not respond to multiple requests to comment on the allegations made against their client by counter-terror officials. British Home Office officials would not comment beyond confirming that Doha's deportation case is based on an "immigration violation." Amnesty International fears a darker agenda. "The government claims Abu Doha is a security threat, yet can't convict him of anything here — so they send this dangerous man to what one might presume would be freedom in Algeria," the Amnesty spokesman says. "It's very difficult not to wonder if this is being done with the prior knowledge that Algeria will be interning and perhaps interrogating Abu Doha on behalf of the U.S. or U.K."

Padilla: Dismiss Charges (MH)

By Jay Weaver

The Miami Herald, October 31, 2006

Jose Padilla, the former enemy combatant now accused of joining a suspected South Florida terror cell, says a federal judge should throw out an indictment against him because he was ``tortured by the United States government without cause or justification."

Padilla -- a U.S. citizen who called Fort Lauderdale home during the 1990s -- claims he was so mistreated in military detention by interrogators that prosecutors should be barred from trying him on terrorism charges in Miami federal court.

On Monday, the U.S. attorney's office was given until Nov. 13 by the presiding judge to respond to Padilla's allegations.

Padilla claims he was isolated in a tiny cell around the clock, deprived of sleep on a steel bunk with no mattress, shackled and manacled for hours on end, and threatened with being cut with a knife and having alcohol poured on the wounds. He also claims he was given drugs against his will -- believed to be LSD or PCP -- ``to act as a sort of truth serum during his interrogations."

Padilla's allegations in court papers mark the first time he has given his account of his detention in a U.S. Navy brig in South Carolina from June 2002 until December 2005. Padilla, 36, had been in the Middle East allegedly training with the al Qaeda terrorist group before his arrest by the FBI in the United States on May 8, 2002.

NO EVIDENCE CITED

Padilla provides no evidence to support the allegations contained in a federal court motion filed this month, though his legal team has gathered details of his military detention. He was transferred to the Federal Detention Center in downtown Miami in January.

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President Bush dropped Padilla's designation as an enemy combatant almost a year ago after administration officials accused him of plotting to detonate a radiological "dirty bomb" on U.S. soil. No formal charges were filed. Padilla's bid to challenge his military detention was not taken up by the U.S. Supreme Court.

Now that Padilla is in federal custody, he is trying to prove to U.S. District Judge Marcia Cooke that the government's conduct during his military detention was so "outrageous" that his constitutional rights were violated. That should be grounds for dismissing the Miami indictment against him, he argues.

The indictment alleges that he and two other Muslim men were part of a North American terror cell that conspired to provide material support -- money, recruits and other resources -- for terrorist activities abroad.

Padilla's attorneys -- Michael Caruso, Anthony Natale, Orlando do Campo and Anthony Patel -- concede that his bid for freedom is a formidable challenge.

APPEAL POSSIBLE

The government's prosecution of Padilla and his two co-defendants has not gone as smoothly as first envisioned by Bush administration officials. The trial, set for Jan. 22, might be delayed while Miami prosecutors appeal Cooke's dismissal of the first count in the indictment, which alleged that Padilla and two others ``conspired to murder, kidnap and maim persons in a foreign country . . . to advance violent jihad."

Cooke's ruling -- if it stands -- effectively eliminates the possibility of life sentences for the three defendants. If Padilla, Adham Amin Hassoun and Kifah Wael Jayyousi are convicted on the remaining terror charges, they could face up to a maximum 15 years in prison.

Hassoun, the alleged ringleader, got to know Padilla at Fort Lauderdale-area mosques during the 1990s and is accused of recruiting him for jihad overseas.

NYC Terror Trial Likely In Spring For Musician, Doctor, 2 Others (AP)

By Larry Neumeister

AP, October 31, 2006

NEW YORK (AP) — A judge on Monday refused to toss out charges against a musician, a doctor and two other men accused of supporting terrorists, even though defense lawyers argued they had been unfairly targeted for prosecution.

U.S. District Judge Loretta A. Preska rejected claims that the men were snared through entrapment and outrageous conduct by an overzealous government beginning in late 2001.

She said evidence in the case could be viewed as showing the men had made statements and taken actions making them "predisposed to commit these crimes" even before the government sent a confidential informant to record their conversations and gather evidence.

The judge said a trial will begin in April or June for Dr. Rafiq Abdus Sabir, of Boca Raton, Fla., jazz musician and martial arts expert Tarik Shah, of New York, bookstore owner Abdulrahman Farhane, of Brooklyn, and Washington, D.C., cab driver Mahmud Faruq Brent, of Gwynn Oak, Md.

An indictment in the case accuses Farhane and Shah of conspiring in 2001 to help an FBI cooperating witness send money to aid Islamic militants fighting Americans in Afghanistan.

Brent was accused of conspiring to help Lashkar-e-Taiba, which the United States designated a terrorist organization in December 2001. Prosecutors said Sabir, who was educated in the Ivy League, agreed to treat holy warriors, or jihadists, in Saudi Arabia.

All the defendants have pleaded not guilty and are being held without bail. Prosecutors, who had no comment on the judge's ruling Monday, have said evidence in the case includes information taken from the computers of the defendants, firearms, videotapes and taped conversations.

Sabir's lawyer, Edward Wilford, said the doctor only promised to provide medical treatment and there was no difference between what he wanted to do and what volunteers for Doctors Without Borders or the American Red Cross do.

"He's willing to provide medicine; that's what a doctor does," said Wilford, who also filed a motion to dismiss the charges against his client based on that argument.

The judge said she would rule later on that motion.

Families for the defendants attended the morning-long proceeding and brought along some of their small children, who made enough noise in the courtroom to attract smiles and laughter from the defendants, who sat handcuffed in the jury box.

As the defendants entered and left the courtroom, they waved, smiled and called out to friends and family members, who did the same.

Doctor's Alleged Pledge Is Crux Of Terror Case (NYS)

DOJ_NMG_0089084

By Joseph Goldstein
New York Sun, October 31, 2006

Rafiq Sabir, a Columbia University-trained doctor, has been kept in solitary confinement since he was arrested last year on charges that he swore fealty to Osama bin Laden in the presence of an undercover FBI agent.

Yesterday, in U.S. District Court in Manhattan, attorneys debated whether the unusual pledge Dr. Sabir allegedly made — an offer to treat wounded jihadists in Saudi Arabia — constituted a crime. The argument covered topics ranging from the Hippocratic Oath to the statute on material support of terrorism.

Dr. Sabir, of Boca Raton, Fla., is one of four men charged in a wide-ranging conspiracy to aid Al Qaeda and send money to jihadists in Afghanistan and Chechnya. The case is scheduled for trial sometime next year.

Dr. Sabir's attorney, Edward Wilford, told the judge, Loretta Preska, that the defendant should not be prosecuted over the alleged pledge because a doctor has a right to help patients recover.

"It's not as though he's setting up a laboratory somewhere trying to find a way to make jihadists stronger," Mr. Wilford said. "Does it make sense to have a statute that stops doctors from treating people?"

Judge Preska said a ruling on whether to dismiss the charges against Dr. Sabir would come later. She expressed skepticism at Mr. Wilford's criticism of the law.

Whether the law makes sense "is a policy question" better left to Congress, Judge Preska said.

Judge Preska also did not seem swayed when Mr. Wilford pointed out that the material support of terrorism statute contains a specific exemption for providing medicine. Judge Preska seemed to interpret the exemption as pertaining only to pills and drugs, not medical care.

"It says medicine," Judge Preska said. "It doesn't say medical support or personnel."

The prosecutor in the case, Karl Metzner, said Dr. Sabir's pledge to aid wounded Al Qaeda operatives "was a completely different scenario" than the example of a doctor on call who treated a wounded jihadist who came to him looking for medical attention.

Sens. Look For Supermax Fix (DENP)

By Erin Emery, Denver Post Staff Writer
Denver Post, October 31, 2006

The funding for the prison housing terrorists and other notorious criminals is the focus of Allard and Salazar.

Florence - Colorado's two U.S. senators have vowed to seek solutions to understaffing and security concerns at Supermax, home to the nation's most dangerous criminals.

Sen. Wayne Allard visited the prison Monday, and Sen. Ken Salazar visited Saturday. Both agree that increases in staffing and security measures are needed at the prison, which holds such notorious criminals as al-Qaeda member Zacarias Moussaoui and Oklahoma bombing conspirator Terry Nichols.

Salazar said he plans to talk this week to Attorney General Alberto Gonzales, and Allard said he will talk to Bureau of Prisons Director Harley Lappin on Nov. 13 about the need for more funding for security upgrades.

"The key issues are No. 1 staffing and whether or not the staffing levels are as high as necessary in order to ensure the public safety as well as the security of the guards working in the prison," Salazar said.

Salazar said the federal government should also look at technology upgrades and building a perimeter fence to deter people from approaching the prison from the outside, which he said was a bigger threat than escape.

Earlier this month, the Department of Justice's inspector general reported that the federal prison system does not read all the mail or effectively monitor phone calls of prisoners.

Allard said the notorious criminals and terrorists housed at Supermax who are in isolation are not communicating with outsiders. The inspector general report addresses those criminals who have certain privileges, and not all of their communications are monitored, he said.

Also this month, a federal arbitrator found that job hazards at Supermax had increased because of low staffing. Joseph Lazar ordered the Federal Bureau of Prisons to boost safety for correctional officers at the prison.

Lazar found that assaults and threats by inmates increased after the Bureau of Prisons implemented a "mission-critical roster" - the lowest level of staffing needed to run a safe and secure institution - in March 2005. Since then, the number of correctional officers has dropped by about 12 percent.

"They've actually been going below those staffing levels," said Mike Schnobrich, a union official. "What the correctional officers in (Supermax) and across the Bureau of Prisons are saying is that right now, something in the system is broke. It's not been run as safe as it can be."

In a meeting Monday between Fremont County and Florence leaders, officials expressed concerns about radio incompatibility between the region's first responders and between Bureau of Prisons officers. They also raised concerns about transporting prisoners who land at the Fremont County Jail and the well-being of officers who work in the prison and have families in the community.

Fremont County Sheriff James Beicker expressed frustration that the process to receive money from the Department of Homeland Security had been mired in bureaucracy.

State Rep. Buffie McFadyen, whose district includes Supermax, said: "I'm hoping by educating our own Colorado delegation to the job at Supermax that they in turn will educate others around the country as to why this facility deserves funding and why the mission of this facility is no less important to the homeland security to this country than the Department of Defense."

Erin Emery can be reached at 719-522-1360 or eemery@denverpost.com.

Federal Fire Grants Shown To Vary Widely (AP)

By Ben Evans

AP, October 30, 2006

Georgia has twice the population of neighboring Alabama, yet Alabama agencies received more than double the amount of federal firefighting grants last year for trucks, gear and uniforms.

The disparity was not an aberration. Alabama has been among the top grant winners in the Homeland Security Department's program for several years — apparently because it does a good job asking for the money.

Statistics for the Assistance to Firefighters Grant program — the nation's largest firefighting grant initiative — show that states get widely varying shares of a $600 million federal pool. States that submit applications in large numbers, rather than those with the largest populations or highest risk factors, have more success in winning federal dollars.

For example, Alabama departments were awarded $21.7 million in grants in 2005, or $4.76 per person, in a state with a population of about 4.5 million.

Georgia, with about 9 million people, received $10.4 million, or $1.15 per person. Alabama departments submitted 677 applications, while Georgia submitted 342.

"All we do is work to be as aggressive as we can," said Alabama's director of homeland security, Jim Walker. "It's really a matter of reading the guidelines and ... getting the word out."

Pennsylvania has topped the list in recent years. Submitting 1,939 applications in 2005, the state's local departments won $41.3 million in grants, or about $3.32 per person. Agencies in California, which sent 524 applications, got $26.3 million, or about 73 cents per person.

Nevada submitted just 44 applications and got $2.1 million, or about 88 cents per person, while Montana submitted 224 applications and received $6.8 million, or $7.25 per person.

Homeland Security officials emphasize that while other federal grants are focused on potential terrorist attacks in large urban areas, the firefighting grants — as designed by Congress — were established before the Sept. 11 attacks and are aimed at building basic capabilities at local departments. The applications are scored by industry peers and grants are awarded largely based on those reviews, the officials said.

"A lot of this comes back to the fact that some states have taken a very active role," said George Foresman, undersecretary for preparedness at Homeland Security, noting that Pennsylvania is known for its vast, tight-knit network of small departments. "It just differs from state to state."

The geographical discrepancies, however, are evidence of the debate about whether Homeland Security dollars should be spent on what traditionally has been a local responsibility, said Paul Light, a New York University professor of public service who focuses on organizational performance.

The Bush administration, which has sought to cut the program's budget, and other critics say the money should be targeted toward higher-risk areas.

Firefighting professionals say the money is critical for building a nationwide emergency network, noting for example that thousands of firefighters poured into Louisiana after Hurricane Katrina.

They also point out that demand for the grants overall has far exceeded available funding. The Homeland Security Department typically gets some 20,000 applications a year and rejects two-thirds of them.

Rich Duffy, assistant to the general president at the International Association of Fire Fighters union, said the grant application process is relatively easy and some departments are simply more attuned to the program.

"We've done our best to alert our members to the availability of funds," Duffy said. "It's not just the fire departments, though. It's the cities. You're dealing with a bureaucracy on a city level as well that probably just doesn't understand it."

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First authorized in 2000, the program lets local departments apply for money to be used on clothing, tools, training equipment, vehicles and other needs. Most grants are less than $300,000, although cities can get as much as $2 million.

Larger departments, in cities with populations of 50,000 or more, are required to provide a 20 percent funding match, compared with just 5 percent for smaller agencies.

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On the Net:

Grant program: http://www.firegrantsupport.com/afg

HOMELAND RESPONSE:

Student Searched Over Fake Boarding Pass (HC/AP)

By Ryan Lenz, Associated Press Writer

Houston Chronicle, October 31, 2006

— FBI agents searched the home of an Indiana University computer security student over the weekend after learning his Web page included a feature to print fake Northwest Airlines Corp. boarding passes, officials said Monday.

Wendy Osborne, a spokeswoman for the FBI's Indianapolis office, said agents on Saturday searched the apartment of Christopher Soghoian, a 24-year-old doctoral student, in Bloomington, Ind. Osborne would not discuss what, if anything, was uncovered or taken as evidence.

"Obviously we have a concern for passenger safety and security," she said.

Soghoian, who has not been charged or detained, declined to comment on the FBI investigation when reached by The Associated Press by e-mail Monday, but referred to his Web journal for information on the case.

Soghoian said last week that the boarding pass generator he created was intended to illustrate flaws in airport security. The passenger name on the fake boarding pass was "Bin Laden/Osama," though users were able to input a different name, he said.

According to Soghoian, no one could use the fake pass to actually board a flight _ so long as the airline's computers were working _ because the bar code would not match other information on the pass.

On his Web journal "slight paranoia," Soghoian posted the FBI's sealed search warrant, dated Oct. 28, and said the FBI had "ransacked" his home and taken his computers.

"I didn't sleep at home last night. It's fair to say I was rather shaken up," Soghoian wrote Saturday after an FBI visit. "I came back today, to find the glass on the front door smashed."

In recent posts, Soghoian asked for lawyers to contact him, and established a legal defense fund through PayPal, which manages Web-based money transfers.

Soghoian said he built his Web site to mimic Northwest Airlines boarding passes because he had one handy after flying the Minneapolis-based carrier on a recent flight.

DIY Boarding Pass Site Gets Shut Down (CNET)

By Joris Evers, Staff Writer, CNET News.com

CNET News.com, October 31, 2006

Student in FBI probe says he created Web site to underscore security problems with print-at-home airline boarding passes.

A Web site that let anyone with an Internet connection and a printer create fake airline boarding passes has been shut down after federal agents visited the creator.

FBI agents raided Christopher Soghoian's home over the weekend, seizing computers and other equipment, Soghoian wrote on his blog. They first visited him Friday afternoon with a request to take the site down, but when he got online, he found that the site had already been removed, he wrote.

Soghoian, reached via e-mail on Monday, declined to comment for this story, citing advice from his lawyers to lie low.

Wendy Osborne, a spokeswoman for the FBI's Indianapolis office, confirmed that agents had searched Soghoian's home as part of a joint investigation with the Transportation Security Administration. "We will conduct a thorough and complete investigation," Osborne said. "We are certainly concerned with any potential breach in security, particularly at the airports."

Soghoian, a computer security student at Indiana University Bloomington built the Web site to underscore an airport security weakness, he wrote. The site was spotlighted late last week after Wired News and ABC News reported on it. U.S. Rep. Edward Markey, a Massachusetts Democrat, called for Soghoian's arrest, but then backed off on Sunday.

DOJ_NMG_0089087

The FBI will present the findings of its investigation to the U.S. Attorney's Office for the Southern District of Indiana, which will determine whether Soghoian violated any federal laws, she said. At this point, the student has not been charged and he has not been arrested, Osborne said.

Soghoian's "Northwest Airlines Boarding Pass Generator" let people create boarding passes that look virtually identical to the ones printed from the Northwest Airlines Web site. They could be used to get past airport security, but not to get on an airplane, because the airline would have no record of the reservation, Soghoian said.

"I have not flown, or even attempted to enter the airport with one of these fake boarding passes," Soghoian wrote Friday. "I haven't even printed one out. All I have done is create PHP script, which highlights a security hole made public by others before me."

The Web site went online last Wednesday and immediately attracted attention. Bruce Schneier, a noted security expert, linked to it from his blog on Thursday. Schneier highlighted the same issue with the print-at-home boarding passes on his mailing list more than three years ago. U.S. Sen. Charles Schumer, a New York Democrat, warned of the same security issue last year and again in April this year.

Flight To Ft. Lauderdale Diverted Due To Disruptive Passenger (BRAH)

The Bradenton Herald, October 31, 2006

FORT LAUDERDALE, Fla. - JetBlue flight from Boston to Fort Lauderdale was diverted to Orlando after a passenger became disruptive, authorities said.

David Collyer, 30, was taken off flight 457 and into FBI custody Sunday after a "possible altercation with flight crew," FBI spokesman Kevin Farrington said.

Collyer, of Sharon, Mass., had to "be physically restrained by flight crew and passengers" a JetBlue employee told an officer who arrived on scene, according to an Orlando Police Department report. Neither Collyer nor the 156 passengers and 6 crew members were injured. Details of the incident were not being released pending an investigation, Farrington said.

Collyer, who was charged with flight interference, appeared in court Monday, he said. He was released on $10,000 unsecured bond, according to the South Florida Sun-Sentinel.

A telephone call placed to his public defender was not immediately returned Monday.

The Airbus A320 departed Boston Logan International Airport at 5:08 p.m. and was scheduled to land at Fort Lauderdale International Airport at 7:35 p.m. Flight crew members decided to take a precautionary measure and land at Orlando International Airport where Collyer was taken into custody for questioning, said Sebastian White, a spokesman for JetBlue.

"We don't have details of exactly what was happening, but our flight crew take whatever precautionary measures were necessary," White said.

After a two-hour delay, the flight continued to Fort Lauderdale without the passenger. It landed in Fort Lauderdale at 11:05 p.m.

Unruly JetBlue Passenger Apologizes To Magistrate (ORS)

By Pedro Ruz Gutierrez, Sentinel Staff Writer

The Orlando Sentinel, October 31, 2006

A passenger who was arrested Sunday night after authorities say he became disruptive on a Boston-Fort Lauderdale JetBlue flight was released after appearing before a magistrate in Orlando's federal court.

Magistrate James Glazebrook ordered David Collyer released from custody on a $10,000 unsecured bond. The incident aboard Flight 457 forced the crew to make an unscheduled landing at Orlando International Airport. Collyer said he was "sorry" and then had no more comment as he left the federal building in downtown Orlando this afternoon.

An FBI agent arrested Collyer after an "altercation with flight crew," FBI spokesman Kevin Farrington said. No one was injured.

The Airbus A320 departed Boston Logan International Airport at 5:08 p.m. and was scheduled to land at Fort Lauderdale International Airport at 7:35 p.m. Flight crew members decided to take a precautionary measure and land at OIA.

After a two-hour delay, the flight continued to Fort Lauderdale without the passenger. It landed in Fort Lauderdale at 11:05 p.m.

Democrats Wait In The Wings With Subpoenas (WT)

By Audrey Hudson

The Washington Times, October 31, 2006

DOJ_NMG_0089088

Both political parties say America's safety requires the next Congress to improve mass-transit security and intelligence efforts, but Democrats think it must immediately address fraud and waste at the Department of Homeland Security.

Democrats vow to flex their subpoena and investigative muscles if elected to lead Congress next month and will take on President Bush's use of wiretaps.

"We have not had significant issues addressed from an oversight standpoint -- we've not issued one subpoena," said Rep. Bennie Thompson, the Mississippi Democrat who as ranking member of the House Homeland Security Department is in line to lead the panel.

"Leadership, in agreement with the chairman, just decided that it [investigations] was not a priority," Mr. Thompson said. "That will not be a problem with the new Congress."

Democrats have an outside chance of taking complete control of Congress, but a better chance of winning one chamber, and in this series, The Washington Times will look at how such a transfer of power will affect U.S. policy and politics.

Both of the Democratic Capitol Hill leaders, Senate Minority Leader Harry Reid of Nevada and House Minority Leader Nancy Pelosi of California, have said Mr. Bush is threatening civil liberties in the name of war and pledged to force the administration to obtain court orders before issuing wiretaps of terror suspects.

Democrats say that Mr. Bush's wiretaps without court orders violate the Foreign Intelligence Surveillance Act (FISA) -- created in 1978 to ensure court oversight -- and that they will legislate allowances to obtain the subpoenas in a speedy manner.

"We will pass tough and smart legislation to deal with this important legislation," said Jim Manley, spokesman for Mr. Reid.

Probing deeper

Mr. Bush had fought to conduct the war on terror on his own terms but recently sought congressional authority for the most contentious programs, including the National Security Agency's (NSA) wiretapping without court orders.

The House passed a bill allowing the NSA to listen to phone calls between the United States and overseas, but the Senate did not pass legislation before adjourning for the elections.

Mr. Bush uses the issue on the campaign trail, holding up House Democrats' votes against the program as a reason they should not be trusted with control of Congress.

"The American people must fully understand that the vast majority of Democrats opposed the right of this administration to have a tool necessary to protect you," he said while campaigning last week. "We just have a different view. They must not think we're at war."

Democrats say Republicans have been negligent in overseeing various departments and programs related to the nation's security. They say investigations would lead to subpoenas and oversight hearings of waste, fraud and abuse within emergency, immigration and transportation safety agencies.

Mr. Manley said there is a need for increased oversight "because there has been none for the last six years, especially in homeland security."

"Mr. Reid is a strong supporter of the need for proper and adequate oversight and feels this Congress has utterly failed on oversight of the administration's programs, and that's one thing he intends to push for," Mr. Manley said.

Brian Darling, a former Senate staffer and director of Senate relations for the Heritage Foundation, says the Bush administration should prepare for an onslaught of subpoenas from the Senate Homeland Security and Governmental Affairs Committee.

"It will be two years of investigations, just short of impeachment hearings," Mr. Darling said. "You will see two years of subpoenas to investigate Bush."

Mrs. Pelosi has promised multiple investigations but has said "impeachment is off the table."

"It is a waste of time," Mrs. Pelosi said. "Making them lame ducks is good enough for me."

Besides wasting money, Democrats say Republicans have consistently failed to properly fund port and mass-transit security, improperly distributed first-responder money without regard to a jurisdiction's threat level and failed to implement recommendations from the September 11 commission.

Actions, not words

Republican staffers say a Democrat-led Congress would devolve into a constant fight over increasing spending levels for security -- and possibly over the structure of the Republican-created DHS.

One staffer for the House Homeland Security Committee called the agenda "Pelosi talking points" and says Congress has implemented 39 of 41 of the September 11 commission's recommendations.

"Democrats have stood in the way of several of the most important reforms, and just last month, 162 House Democrats voted against the terrorist tribunals bill, another key recommendation of the commission," the staffer said, including in the count an independent legislator who caucuses with the Democrats.

"They're just trying to talk tough on homeland security. Facts tell a different story."

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Republicans point out that they not only created a department to protect the homeland, but also pushed through legislation to ramp up border security, port security and the tracking of terrorist finances.

Republicans note that every Democrat voted against making the House Homeland Security Committee a permanent panel, and that, if in control, Republicans would continue to prepare the U.S. for another attack and work to identify vulnerabilities and threats against critical infrastructure.

"Since September 11, 2001, Republicans in Congress have worked hard to strengthen our national security and have several accomplishments to show for it," said Rep. Peter T. King, New York Republican and House Homeland Security Committee chairman.

"These accomplishments include: stronger port security, improved chemical plant security, reforms to FEMA, over $30 billion in federal funding and enhanced interoperable communication systems for first responders, and sound border security reforms."

Mr. Bush rejected the two remaining September 11 commission recommendations to declassify the top-line intelligence budget and give to the Defense Department lead responsibility for directing and executing paramilitary operations, whether clandestine or covert.

Democrats say they are also frustrated by a lack of leadership from Mr. King, who Mr. Thompson said failed to protect the panel's authority in committee turf wars.

Authority over the Federal Emergency Management Agency (FEMA) and the Coast Guard, once held by the homeland-security committee, is now in the purview of the House Transportation and Infrastructure Committee chaired by Rep. Don Young, Alaska Republican.

"We have ceded power by our inaction," Mr. Thompson said.

Common ground

In comparison, the Senate Homeland Security and Governmental Affairs Committee is one of the most amicable, bipartisan panels on Capitol Hill. It is led by Sen. Susan Collins, Maine Republican and chairman, and ranking member Joe Lieberman of Connecticut.

Reached by phone for an interview on Oct. 20, Miss Collins was in Connecticut campaigning for Mr. Lieberman, who lost the Democratic primary after siding with Mr. Bush on the war in Iraq and is running as an independent.

"I have a great relationship with Joe Lieberman, and although I very much want to remain chairman, I think the committee would continue to produce bipartisan consensus legislation under his leadership," Miss Collins said.

Sen. Frank R. Lautenberg, New Jersey Democrat, is threatening to challenge Mr. Lieberman's ascension to committee chairman, and other Democrats have suggested that Mr. Lieberman's support for the war would impede his ability to investigate the administration.

"Most of the committee Democrats are people whom I work very well with, but there are a couple who have been extremely partisan in their approach," Miss Collins said. "If one of them were able to somehow bump Lieberman, then it would change the nature of the committee, and my prediction is it would be far less productive."

"It would be a contentious committee," Miss Collins said.

Mr. Darling says the current Senate committee is "consensus-oriented."

"They don't have much conflict on that committee, and they have passed some significant port-security legislation because there is no partisan [rancor]," he said.

The Senate committee has conducted active oversight and investigations and issued subpoenas, including on the government's response to Hurricane Katrina.

Hundreds of interviews with witnesses and more than 800,000 pages of evidence were reviewed in 23 hearings, and lead to the FEMA reorganization legislation. Miss Collins and Mr. Lieberman also authored the Intelligence Reform and Terrorism Prevention Act and Chemical Facility Anti-Terrorism Act.

Leslie Phillips, Mr. Lieberman's committee spokeswoman, said the senator has not indicated what his agenda might be should Democrats take over the Senate.

"But as the ranking member, he has demonstrated a willingness to aggressively investigate government accountability and the failure of government to adequately regulate various industries," said Miss Phillips, citing the Enron investigation, FEMA, and September 11 investigations.

"It is fair to say his agenda would include more resources for homeland security and vigorous oversight of the department and FEMA," Miss Phillips said.

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WAR NEWS:

Cheney: Iraq Violence Linked To Election (AP)

AP, October 31, 2006

Vice President Dick Cheney said Monday the increase of violence in Iraq is linked with efforts to influence the outcome of midterm elections in which Republicans are struggling to keep control of Congress.

"It's my belief that they're very sensitive of the fact that we've got an election scheduled and they can get on the Web sites like anybody else," Cheney said. He said al-Qaida and other elements were trying to "break the will of the American people" because "they think we don't have the stomach for the fight long-term."

Asked if the attacks were timed to influence the U.S. elections, Cheney said, "That's my belief."

Eight days before the elections, Cheney sat down for interviews for Fox News Channel's `Your World with Neil Cavuto' and CNBC's "Kudlow & Company."

Now in its fourth year, the Iraq war is a political liability for Bush and Republican allies. The U.S. death toll for October alone exceeds 100 — the fourth deadliest month for U.S. troops since the war began in March 2003. Over the course of the war, more than 2,800 Americans have died.

Cheney, who 17 months ago said the insurgency was in its last throes, said that "there's going to be probably a continued level of violence for some considerable period of time in Iraq." He said that unlike other wars, it was unlikely there would be some dramatic turning point that signals progress.

"There is progress," Cheney said. "It's just — you're not going to see the kind of thing ... a victory like Midway in World War II where we sank all the enemy carriers, or a surrender ceremony at the end of the war. It's the kind of thing where you have to keep grinding it out day after day after day. It's tough."

Cheney: Iraq Violence Tied To U.S. Elections (USAT)

USA Today, October 31, 2006

Vice President Cheney said Monday that the increase of violence in Iraq is linked with efforts to influence the outcome of the elections Nov. 7 in which Republicans are trying to keep control of Congress.

“It's my belief that they're very sensitive of the fact that we've got an election scheduled and they can get on the websites like anybody else,” Cheney said of insurgents in Iraq during an interview with Fox News.

He said al-Qaeda and other elements were trying to “break the will of the American people” because “they think we don't have the stomach for the fight.” The U.S. death toll for October has topped 100, making it the fourth-deadliest month since the war began in 2003.

Bush blasts ‘activist judges,' gay marriage

President Bush decried gay marriage and “judicial activism” at a campaign stop in Statesboro, Ga. “For decades, activist judges have tried to redefine America by court order,” Bush said. “Just this last week in New Jersey, another activist court issued a ruling that raises doubt about the institution of marriage. We believe marriage is a union between a man and a woman.” The line earned Bush sustained applause at a rally for former GOP congressman Max Burns' effort to unseat Democratic incumbent John Barrow. The New Jersey Supreme Court ruled that same-sex couples must be given the benefits of married couples.

Calif. congressman aims for presidency

Rep. Duncan Hunter, R-Calif., said he will form an exploratory committee to begin raising money and organizing supporters for a possible 2008 presidential bid. “This is going to be a long road, (and) it's a challenging road; there's going to be some rough and tumble, but I think it's the right thing to do for our country,” Hunter, chairman of the House Armed Services Committee, said at a news conference in San Diego.

Hunter, 58, is a familiar face on Capitol Hill and at the Pentagon as chairman of the panel that oversees military policy. Carl Luna, a political science professor at San Diego's Mesa College, said Hunter may be preparing himself for losing his chairmanship of the committee if Democrats take control of the House. “He doesn't want to have to go from being chairman of a powerful committee to just another back-bencher,” Luna said.

Michael J. Fox: ‘I'm not going to go away'

Actor Michael J. Fox campaigned in Ohio for Democratic Senate candidate Sherrod Brown, saying the country needs leaders who support scientific research. Fox, who has Parkinson's disease, has been campaigning across the nation for candidates who favor federal funding for research using embryonic stem cells, which he says could lead to a cure. Brown, an Ohio congressman, is challenging GOP Sen. Mike DeWine, who opposes federal money for such research.

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In a speech to 150 supporters, Fox responded to criticism from radio talk-show host Rush Limbaugh, who suggested Fox was “off his medication or acting” in a political ad. “I had a run-in with a less-than-compassionate conservative,” Fox said. “I guess I'm not supposed to speak with you until my symptoms go away. Or maybe I'm just supposed to go away. But I'm not going to go away.”

12 accused of voter registration fraud

Twelve people have been charged with tricking voters in Orange County, Calif., into registering as Republicans, prosecutors said. The defendants, ranging in age from 19 to 52, were accused of fraudulently registering 37 voters as Republicans between August 2005 and February 2006. The suspects were hired to register new Republicans by private firms paid by the Orange County Republican Party, prosecutors said. No charges were filed against the companies or the party.

The recruiters were paid $10 a head for newly registered Republicans in a district represented by U.S. Rep. Loretta Sanchez, a Democrat. Voters were asked to sign petitions for lower taxes or stricter sex-offender laws, then tricked into signing voter registration cards, county prosecutor Anthony Rackauckas said.

Hadley On Visit Asserts U.S. View (WT/AP)

By Steven R. Hurst

The Washington Times, October 31, 2006

BAGHDAD -- National Security Adviser Stephen J. Hadley huddled with Prime Minister Nouri al-Maliki and his security chief, Mouwafak al-Rubaie, during an unannounced visit to Baghdad, telling them he "wanted to reinforce some of the things you have heard from our president."

Mr. al-Rubaie said last night that Mr. Hadley had discussed the work of a five-man committee that Mr. al-Maliki and Mr. Bush agreed to set up during a telephone conversation on Saturday. Mr. Hadley also presented proposals concerning the training and equipping of Iraqi security forces as well as security plans.

"It was a useful visit," Mr. al-Rubaie said, but he refused to give any details, saying only that Mr. Hadley's meetings were limited to Mr. al-Rubaie and Mr. al-Maliki.

The meetings came as the American death toll for October rose past 100. A member of the 89th Military Police Brigade was killed in east Baghdad yesterday, and a Marine died in fighting in insurgent-plagued Anbar province the previous day, raising to 101 the number of U.S. service members killed in October, the fourth-deadliest month of the war.

At least 81 other persons were killed across Iraq, including 33 who died when a suspected Sunni insurgent bomber detonated his device among a group of day laborers in Sadr City. The blast tore through food stalls and kiosks shortly after 6 a.m. The blast wounded 59.

According to an Associated Press count, October has produced more Iraqi civilian deaths -- 1,170 so far -- than any other month since the AP began keeping track in May 2005.

The White House said Mr. Hadley was not on a mission to repair ragged relations, accounts of which it said had been "overblown" by the press.

"Absolutely not," said Gordon Johndroe, spokesman for the National Security Council in Washington. "This is a long-planned trip to get a firsthand report of the situation on the ground from the political, economic and security fronts."

Last week Mr. al-Maliki issued a string of bitter complaints -- at one point saying he wasn't "America's man in Iraq" -- after U.S. Ambassador Zalmay Khalilzad announced adjustments in America's Iraq strategy.

The ambassador announced that the prime minister agreed to implement a set of timelines, prompting Mr. al-Maliki to accuse the White House of infringing on his government's sovereignty and say that he was not consulted.

By week's end, Mr. al-Maliki and President Bush held a hastily convened video conference call and agreed to speed the training of Iraqi forces and the return of control over all territory to the Iraqi army.

The case of a kidnapped American soldier, meanwhile, took a curious turn when a woman claiming to be his mother-in-law said the soldier was married to her daughter, a Baghdad college student.

She said the soldier was with the young woman and her family when hooded gunmen handcuffed him and threw him in the back seat of a white Mercedes last week. The marriage would violate U.S. military regulations.

U.S. Envoy Arrives In Iraq As Tough Options Loom (NYT)

By David E. Sanger And John F. Burns

The New York Times, October 31, 2006

WASHINGTON, Oct. 30 — President Bush’s national security adviser, Stephen J. Hadley, arrived in Baghdad on Monday on an unannounced trip to discuss how to pull the country back from the brink.

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Though American officials would describe Mr. Hadley's talks only in the vaguest of terms, one option widely discussed in Washington and Baghdad in the days before his arrival, according to American and Iraqi officials, is a substantial increase in the number of American and Iraqi troops patrolling Baghdad. It would signal yet another effort to reassert control over the Iraqi capital, which officials in both governments said remains their top priority.

Those officials cautioned that no decision had been made about that option, which would amount to a third effort this year to contain the spreading violence in Baghdad. On Monday evening, J. D. Crouch, the deputy national security adviser, said Mr. Hadley was in Iraq to express support for the Iraqi government and warned, "He is not preconfiguring military options." Mr. Crouch added that he was "not aware" of anyone proposing an increase in American troops.

Other American officials said that such options have been informally discussed. They said that before any American forces in Baghdad could be increased, Prime Minister Nuri Kamal al-Maliki of Iraq would have to deliver more Iraqi troops, who would patrol the streets of the capital along with the Americans and take the lead whenever possible.

Other proposals now being discussed inside and outside the two governments range from how to permit greater autonomy for Shiite, Sunni and Kurdish sections of the country without splitting the country apart; how to share oil revenues among Iraq's population; and an amnesty for those who attacked Iraqi or American troops.

Many of these options may not be dealt with for months, because Shiites, Sunnis and Kurds within the "unity government" in Baghdad are still far apart on issues touching on Iraq's division of power and wealth.

In an interview Friday evening, Mr. Hadley said that "I wish you could find a silver bullet that could solve this in 30 days," but that "I doubt it."

He described a series of American goals, including a new effort to get more financial and other support from neighboring states, saying that "given the risks of chaos in Iraq, and given the threat and aspirations of Iran," each country in the region has "a huge stake" in a stable Iraq. But such appeals have failed in the past.

Mr. Hadley faces critics — many in his own party — who say that the Bush administration's effort has devolved to picking the least bad of a dismal set of options, and that the administration must lower its sights for a democratic Iraq and simply regain a semblance of stability there.

"It is folly to think we can win in Iraq the way some of us thought possible in 2003," Eliot A. Cohen, the director of the Center for Strategic Studies at the Johns Hopkins School of Advanced International Studies, wrote this month in The Wall Street Journal.

Speaking in Baghdad on Sunday as Mr. Hadley headed to Iraq to meet him, Mowaffak al-Rubaie, Iraq's national security adviser, seemed to set out a Shiite vision when he said that while Shiites "have the numbers" in Baghdad, Sunnis who joined in building the new Iraq could look forward to "sharing the wealth" in oil.

But he implied that Sunnis were having difficulty reconciling to the new political realities. "Some of these politicians are not prepared, mentally or psychologically, to make the compromises necessary for us to live cohabitively," he said.

More Troops

In the interview on Sunday, Mr. Rubaie declined to discuss specifics of recent conversations with Washington over increasing troop levels. But he said, "Baghdad is the core of the issue." When it comes to turning the tide of the war, he said, "It's Baghdad, Baghdad, Baghdad."

American officials in Washington and Baghdad who discussed changes in the Baghdad security plan, including possible troop increases, said it was unlikely that any announcements would be made until after the elections on Nov. 7. Bush administration officials have said that any major changes in American policy will require bipartisan support, and they are clearly waiting to see which party will control the House, and possibly the Senate, before proceeding. A week ago, General George W. Casey Jr., the top American commander in Iraq, said that if he needed more troops, "I will ask for the troops we need, both coalition and Iraqi."

In Washington, the debate over whether to increase troops comes as the White House seems to be groping for new ideas. The administration has resisted efforts to increase the overall number of American troops in Iraq. At times, tours have been extended for individual brigades, which amount to about 5,000 troops, for 90 days or so. But recent history suggests that any plan to significantly increase the American deployment in Baghdad would require more sweeping changes, by keeping 10,000 to 30,000 troops in Baghdad beyond their scheduled rotations home, even as new troops rotate in.

In the interview on Friday evening, Mr. Hadley declined to discuss internal deliberations. Still, he said: "Everyone says there is no military solution to the problem. That's true. But you also have this Catch-22 element to the problem. You can't have security without political and economic progress, but it's hard to have political and economic progress without security. There is some minimum element of security you need."

Outside experts who favor an American withdrawal say that almost all the options now being considered would be doomed to failure.

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"It's not going to make any difference," said Peter W. Galbraith, the author of "The End of Iraq" (Simon & Schuster) and a scholar at the Center for Arms Control and Non-Proliferation. "It's not a country, and you can't build an army in the midst of a civil war. And elements of the Iraqi army are partisans in the civil war. You can't use the combatants as if they were neutral players."

Regional Governments

In Washington, Senator Joseph R. Biden Jr. of Delaware, the top Democrat on the Senate Foreign Relations Committee, has called for the establishment of three regional governments — one Kurdish, one Sunni, one Shiite — responsible for administering their own regions. The idea is adapted from one first proposed by Leslie H. Gelb, the former president of the Council on Foreign Relations.

So far the Bush administration has opposed solutions that would give the regions too much autonomy for fear that could ultimately lead to partition. In Washington on Monday, [a news wire] reported, the Saudi ambassador to the United States, Prince Turki al-Faisal, said any partition of Iraq would lead to "ethnic cleansing on a massive scale, sectarian killing on a massive scale."

This month, Iraq's new Parliament approved a law that empowers the country's 18 provinces to assemble into regions, but that delays, for 18 months, any practical steps toward forming those regions, in a bid to defuse the explosive political tensions that underlie the debate.

Nearly a year after national elections, the Sunnis, and not just the insurgents, remain unreconciled to the loss of primacy they enjoyed for generations — and to the loss of revenue they enjoyed under Saddam Hussein. "The problem is that in 2003 the Sunnis got 70 percent of the oil, and now they are being asked to take 20 percent," Mr. Galbraith said.

Meanwhile, the Shiites, or at least the leaders of the religious parties that control the government, have become increasingly strident in insisting that after generations of Sunni domination, it is now their turn to rule. While a process of ethnic and religious separation is already under way in cities including Baghdad, Mosul and Kirkuk — with tens of thousands of people from the three principal communities fleeing to safer havens in those parts of the country where they are in the majority — any policy that explicitly espoused this kind of separation would be likely to ignite an even fiercer struggle.

The subtext for the debate is the struggle for control of the country's oil and gas revenues. The Iraqi Constitution, narrowly adopted last year, envisages a formula for dividing the revenues among provinces or regions proportional to the populations in each area, with some adjustments. Though the timetable set by the American and Iraqi governments calls for legislation to be passed on the issue by the end of October, there is now little chance it will happen before the end of the year.

Reconciliation and Amnesty

When he took office in May, Mr. Maliki made national reconciliation a centerpiece of his policy. But today it is foundering.

At the dispute's heart is the issue of a possible amnesty. It would cover both those responsible for the repressive violence during Mr. Hussein's 24 years in power, and the killing that has ensued, by insurgents and sectarian militias, since his fall.

Shiite politicians, in particular, have adamantly opposed any amnesty that would cover the decades of Shiite suffering under Mr. Hussein, or the widespread killing of Shiites by Sunni insurgents since the American-led invasion in 2003. As Shiite death squads have killed Sunnis over the past year, Sunni politicians, too, have hardened their stand. American officials, eager to promote Iraqi reconciliation, have still balked at any provision to spare insurgents or sectarian militiamen who have killed American soldiers.

Iraqi officials designated by Mr. Maliki to lead the reconciliation effort now seem to be despairing.

"Iraq has only two options, fragmentation or civil war," Sayed Ayyad Jamaluddin, a secular Shiite who is a member of the Maliki-appointed Higher Council for National Reconciliation, said last month. "And civil war," he added, "will be a catastrophe, because it will be fought on the basis of religion."

A Strongman

Some American experts have suggested that the Bush administration should abandon the effort to create a Western-style democracy and throw its weight behind a stronger Iraqi government. Mr. Cohen, in the Wall Street Journal article, which the White House e-mailed to reporters because it concluded that a withdrawal of American troops would be disastrous, wrote that "a junta of military modernizers might be the only hope of a country whose democratic culture is weak, whose politicians are either corrupt or incapable." But he also highlighted the downsides of returning to a strongman government.

Iraqi newspapers have adopted the theme of a government change, speculating on the possible composition of a "national salvation government," backed by the United States, that would wrest power from the Shiite alliance that chose Mr. Maliki for prime minister. Iraqi officials have said that Mr. Maliki has been deeply shaken by rumors that he might be forced from office by year's end. However, President Bush, in two conversations over the past two weeks, has assured him of support.

RESISTANCE TO DEADLINES FOR IRAQ IS WEAKENING (LAT)

By Julian E. Barnes And Doyle Mcmanus, Times Staff Writers

The Los Angeles Times, October 31, 2006

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More U.S. officers doubt insurgents would gain, and believe that Baghdad must be pushed.

WASHINGTON — Growing numbers of American military officers have begun to privately question a key tenet of U.S. strategy in Iraq — that setting a hard deadline for troop reductions would strengthen the insurgency and undermine efforts to create a stable state.

The Iraqi government's refusal to take certain measures to reduce sectarian tensions between Sunni Arabs and the nation's Shiite Muslim majority has led these officers to conclude that Iraqis will not make difficult decisions unless they are pushed.

Therefore, they say, the advantages of deadlines may outweigh the drawbacks.

"Deadlines could help ensure that the Iraqi leaders recognize the imperative of coming to grips with the tough decisions they've got to make for there to be progress in the political arena," said a senior Army officer who has served in Iraq. He asked that his name not be used because he did not want to publicly disagree with the stated policy of the president.

Former Pentagon official Kurt Campbell said more officers are calling for deadlines after concluding that the indefinite presence of U.S. forces enables the Shiite-run Iraqi government to avoid making compromises.

"There is a new belief that the biggest problem that we face is that our forces are the sand in the gears creating problems," said Campbell, coauthor of a book on national security policy. "We are making things worse by giving the Iraqis a false sense of security at the governing level."

For months, the Bush administration has been politely prodding the Iraqis on political and security reforms including the sharing of oil revenue, a crackdown on Shiite militias and constitutional changes. The discussions so far have yielded little, prompting experts to question whether the Iraqi government will ever compromise if there is no penalty for failing to make hard choices.

Over the last week, Bush administration officials have spoken about possible timetables for progress in Iraq, but softened their suggestions after talks with Iraqi Prime Minister Nouri Maliki.

Although top administration officials are still steering clear of discussing the timing of American troop withdrawals, the officers' comments come alongside public statements by prominent Republicans who have begun talking about the need to establish a date that the U.S. will begin to draw down, whether or not the Iraqi government takes steps toward political compromise.

President Bush and other administration opponents of hard deadlines have argued that telegraphing troop departures would help the insurgents.

Once the U.S. sets a withdrawal date, the Sunni-led guerrillas know how long they must hang on before American troops are gone, the administration has argued.

Opponents of timetables also fear that small drawdowns will unleash public demand for more dramatic withdrawals, allowing violence fomented by Sunni insurgents and Shiite militias to erode whatever political advances have been made.

Military officials generally have agreed with the civilian leadership that a deadline would strengthen insurgent and militia groups. But the failure of the Iraqi government to move forward on key political and security measures has left senior military leaders frustrated.

Although U.S. military leaders remain wary of the consequences of imposing deadlines, increasingly officers say they are starting to look more attractive. The shift in opinion is a sign that gridlock in the Iraqi government is seen as a greater threat to achieving stability in Iraq than the insurgency itself.

John Batiste, a retired major general who commanded a division in Iraq and has been critical of Defense Secretary Donald H. Rumsfeld, said that setting a date for a drawdown of combat brigades must be considered. Before the deadline, Batiste said, the U.S. also needs to step up its effort to advise and train the Iraqi military and police.

"Holding the Iraqi government accountable is important, and that has everything to do with setting expectations and timelines," Batiste said. "It also has everything to do with doing all we can to ensure they are capable completing the task they are trying to do."

Some officers who have served in Iraq believe that much of the Iraqi government is not functioning effectively. Finding ways to force the sectarian factions to put aside their differences and focus on improving security and basic services must be the top priority in Iraq, these officers say. Without government reform, the Iraqi security forces are unlikely to ever be strong enough to take on the insurgency or the sectarian militias.

"It's basic counterinsurgency," said a military officer who has served in Baghdad and did not want to publicly disagree with the president's stated policy. "You have to have a trusted, capable government."

Some in the military argue that publicizing a timetable for reducing forces is far less damaging to a counterinsurgency campaign than the administration has suggested.

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Many officers, particularly those who adhere to the military philosophy of former Secretary of State Colin L. Powell, a retired Army general who served as chairman of the Joint Chiefs of Staff, believe that deadlines are necessary to avoid getting mired in an endless war fueled by enmity between Iraq's long-subjugated Shiite population and the Sunni Arabs who ran the government under Saddam Hussein.

"The Powell Doctrine is all about overwhelming numbers of troops with specific missions, with specified end-states, for specified durations with — go figure — an exit strategy," said the officer who has served in Baghdad. "To not mention this stuff is actually counter to the contemporary military mind-set."

Although Democrats like Sen. Carl Levin of Michigan, the ranking minority member of the Armed Services Committee, have long argued that a deadline is the best way to move development of the Iraqi security force forward, opponents of the administration are no longer the only ones making the argument.

A number of Republicans now have either explicitly endorsed timelines for troop drawdowns or voiced support for considering a strategy shift.

Among them are Rep. Christopher Shays of Connecticut, Sen. Arlen Specter of Pennsylvania and Richard L. Armitage, Powell's former top deputy at the State Department.

Sen. John W. Warner, the Republican chair of the Armed Services Committee, has called for a new approach if the security situation does not improve.

"The key to this thing is impressing upon that government that they've got to come to grips with what is causing this increase in violence and killing both Iraqis and our own armed forces," Warner said this month on Fox News.

Without a deadline, Maliki will not tackle the difficult problem of bridging Sunni and Shiite political disagreements, said Michael Rubin, a resident scholar at the American Enterprise Institute and a former Coalition Provisional Authority official.

"Maliki will not hit the benchmarks, but that doesn't mean we shouldn't give them," said Rubin, who does not favor troop withdrawals as a penalty. "Iraqis approach deadlines by doing nothing until two days before, and then locking themselves in smoke-filled rooms and only then do they … try to hash out a solution."

Officially, administration officials remain opposed to discussing deadlines.

Nevertheless, with the U.S. Embassy in Baghdad drafting a series of benchmarks for the Maliki government, there were signs last week that the administration had eased its opposition to timetables and might take a tougher stance with the Iraqi government.

Former Pentagon official Campbell said that military officers would not be discussing their change of heart over timetables if administration officials had not signaled a new willingness to shift positions.

"Even though there are deep reservoirs of unhappiness in the military about certain aspects of administration policy, active-duty guys are very reluctant to publicly disagree with the leadership," he said.

"But the signals are clear from the administration that it is acceptable to talk about timetables. They are taking their cues from their civilian masters."

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In Baghdad, A Force Under The Militias' Sway (WP)

By Amit R. Paley

The Washington Post, October 31, 2006

BAGHDAD -- The signs of the militias are everywhere at the Sholeh police station.

Posters celebrating Moqtada al-Sadr, head of the Mahdi Army militia, dot the building's walls. The police chief sometimes remarks that Shiite militias should wipe out all Sunnis. Visitors to this violent neighborhood in the Iraqi capital whisper that nearly all the police officers have split loyalties.

And then one rainy night this month, the Sholeh police set up an ambush and killed Army Cpl. Kenny F. Stanton Jr., a 20-year-old budding journalist, his unit said. At the time, Stanton and other members of the unit had been trailing a group of Sholeh police escorting known Mahdi Army members.

"How can we expect ordinary Iraqis to trust the police when we don't even trust them not to kill our own men?" asked Capt. Alexander Shaw, head of the police transition team of the 372nd Military Police Battalion, a Washington-based unit charged with overseeing training of all Iraqi police in western Baghdad. "To be perfectly honest, I'm not sure we're ever going to have police here that are free of the militia influence."

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The top U.S. military commander in Iraq, Gen. George W. Casey Jr., predicted last week that Iraqi security forces would be able to take control of the country in 12 to 18 months. But several days spent with American units training the Iraqi police illustrated why those soldiers on the ground believe it may take decades longer than Casey's assessment.

Seventy percent of the Iraqi police force has been infiltrated by militias, primarily the Mahdi Army, according to Shaw and other military police trainers. Police officers are too terrified to patrol enormous swaths of the capital. And while there are some good cops, many have been assassinated or are considering quitting the force.

"None of the Iraqi police are working to make their country better," said Brig. Gen. Salah al-Ani, chief of police for the western half of Baghdad. "They're working for the militias or to put money in their pocket."

U.S. military reports on the Iraqi police often read like a who's who of the two main militias in Iraq: the Mahdi Army, also known as Jaish al-Mahdi or JAM, and the Badr Organization, also known as the Badr Brigade or Badr Corps.

One document on the Karrada district police chief says: "I strongly believe that he is a member of Badr Corps and tends to turn a blind eye to JAM activity." Another explains that the station commander in the al-Amil neighborhood "is afraid to report suspected militia members in his organization due to fear of reprisals."

American soldiers said that although they gather evidence of police ties to the militias and present it to Iraqi officials, no one has ever been criminally charged or even lost their jobs.

Among the worst of the suspected Mahdi Army members is Lt. Col. Musa Khadim Lazim Asadi, station commander of the Ghazaliyah patrol police. "He has stated to us that he does not believe the Mahdi Militia is a bad organization," a military report said. "He had a picture of Sadr in his vehicle until we said something about it."

"He is a cancer to the station and the people of Ghazaliyah," the report concluded.

On a recent visit to the blue-and-white facility, located in one of the most violent parts of the city, even other police officers in the building complained that Asadi and his subordinates are corrupt and tied to the militias. "They steal vehicles and kill people," said 1st Lt. Sarmad Sabar Dawood, assistant commander for the local police, which is independent of the patrol police. "In fact, we are investigating Colonel Musa and the patrol police for criminal behavior."

But when U.S. military officials visited Asadi on a recent afternoon, he not only denied that his men were involved in the militias or crime but refused to acknowledge that there had been any killings in the area at all. Although scores of tortured bodies are often found in the neighborhood, Asadi said the murders all took place somewhere else.

At his response, 1st Lt. Cadetta Bridges shook her head in disbelief. "This guy is a crook and a liar," said Bridges, 31, of Upper Marlboro. "They're all crooks and liars."

Shaw, 32, of Alexandria, turned the conversation to the confusing division of Iraqi police forces into three autonomous parts: patrol police, regular police who investigate cases, and traffic police. The U.S. military has proposed reorganizing the force so that there is one commander in each neighborhood responsible for all the police. So far, Shaw said, Iraqi officials have not been receptive.

The problems with the tripartite division were evident in Sholeh. Sitting in Asadi's second-floor office, Shaw asked him if he worked with the regular police on the ground floor.

"Of course not," Asadi replied brusquely. "Why do we need to coordinate with them?"

Visibly exasperated, Shaw and Bridges quickly left and headed for a police station in Mansour, a relatively safe neighborhood in central Baghdad, to meet with a police major they described as one of the better cops they'd encountered.

When Shaw asked what the police in Mansour were doing to reduce the violence, the major said: "There is nothing the police can do. The only solution is to create a government that will take away the militias. Then everything will be fine."

The major, who asked to be identified as Abu Ahmed because he feared for his safety if his full name was published, sat in a closet-size room that he hardly ever leaves. Orange-and-brown sheets covered a tiny bed next to his desk.

"I can't go home or I'll be killed," said Abu Ahmed, who sees his children only when police officers can bring them to the station. He sighed as he looked at photographs of two recently assassinated officers. "And it's getting worse. So much worse."

"I think I must quit soon," he said quietly.

Arabi Araf Ali, a police officer in the southern neighborhood of Dora, said police do little more than pick dead bodies up off the street. In the station's parking lot nearby, a colleague washed off a police truck that had just been used to retrieve the corpses of five Shiite men slaughtered that morning. Brain matter littered the ground.

"Some parts of Dora are so dangerous," Ali added, "that we cannot even pick up the bodies there without Americans. We are just too afraid."

The Iraqi police are not the only ones who feel unsafe. The American soldiers and civilians who train the Iraqis are constantly on guard against the possibility that the police might turn against them. Even in the police headquarters for all of western Baghdad, one of the safest police buildings in the capital, the training team will not remove their body armor or helmets. An armed soldier is assigned to protect each trainer.

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"I wouldn't let half of them feed my dog," 1st Lt. Floyd D. Estes Jr., a former head of the police transition team, said of the Iraqi police. "I just don't trust them."

Jon Moore, the deputy team chief, said: "We don't know who the hell we're teaching: Are they police or are they militia?"

The trainers agree that Ani, the new police chief for western Baghdad, is an honest cop who is trying to get the police force in order. But Ani acknowledged in a meeting with U.S. officials that he does not plan to root out and fire militia members.

"I don't have that power," he said. "There are people higher than me that control that."

Among Ani's bosses are the police chief for all of Baghdad, who has been linked to the Mahdi Army, and the minister of the interior, who is a member of Sadr's political bloc.

"I think he's trying to do the right thing," said Lt. Col Aaron Dean, the battalion commander, as he walked to his Humvee after the meeting with Ani. "But I know they're all under certain influences. If you take a big stand against the militias, they're going to come after you."

The difficulty of eliminating corruption and militias from the Iraqi police forces can be exasperating for the American soldiers who risk their lives day after day to train them. "We can keep getting in our Humvees every day, but nothing is going to work unless the politicians do their job and move against the militias," Moore said.

Sitting in the battalion's war room with four other members of his team, Moore estimated it would take 30 to 40 years before the Iraqi police could function properly, perhaps longer if the militia infiltration and corruption continue to increase. His colleagues nodded.

"It's very, very slow-moving," Estes said.

"No," said Sgt. 1st Class William T. King Jr., another member of the team. "It's moving in reverse."

Reprisals Feared After Blast (LAT)

By Ken Ellingwood And Said Rifai

The Los Angeles Times, October 31, 2006

Baghdad — Yousef Badr stood among dozens of fellow laborers who rose early and gathered on a grimy street corner in the Sadr City neighborhood with their battered hand tools and hopes for a day's pay.

The bomb blast that shattered their morning ritual, killing 31 people and injuring more than 50 on Monday, was the first large-scale attack on the predominantly Shiite Muslim neighborhood in more than a month, and stoked fears that a wave of retaliatory killings would soon follow.

"It was a huge explosion," said the 30-year-old Badr, who described being thrown to the ground by the blast in the heart of the neighborhood of 2.5 million.

Shrapnel ripped through the crowd and peppered ramshackle kiosks where laborers bought tea and hot soup as they waited to be hired for $8 to $10 a day. Among the dead was a tea seller known to regular customers by her nickname, Um Hattab.

Iraqi officials said the explosives were packed in a car. But witnesses said the bomb appeared to have been hidden in a bag left at the site, where a crater was hard to distinguish from the numerous potholes.

Several residents said the attack was revenge for a neighborhood protest a day earlier against a days-long U.S. military operation that has severely restricted movement in and out of Sadr City. The neighborhood is a stronghold of the Shiite militia led by anti-American cleric Muqtada Sadr.

"They're trying to quiet us down so that we won't hold any more demonstrations," said Ouda Gumar, a 50-year-old plasterer, as residents collected strewn tools and bloody scraps of clothing into separate piles nearby.

Five car bombs exploded elsewhere in the capital Monday, killing at least a dozen other people and injuring more than 30. Fifteen bodies were discovered throughout the city.

The attacks came as the U.S. military reported the deaths of two troops. An unidentified member of the 89th Military Police Brigade died of wounds from small-arms fire Monday in eastern Baghdad, and a Marine died in combat Friday in Al Anbar province. The Marine was identified as Sgt. Luke J. Zimmerman, 24.

The deaths brought military fatalities to at least 101 in October, according to the website icasualties.org, which tracks casualties in the Iraq conflict.

Early today, the military announced two more Monday deaths, taking the monthly toll to 103. Gunfire hit one soldier during combat operations in western Baghdad, and a roadside bomb killed the other south of the capital.

The rising U.S. death toll and persistent sectarian violence have fed widespread misgivings about the Bush administration's handling of Iraq as Americans prepare to vote in midterm congressional elections next week.

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At the same time, U.S. and Iraqi leaders have sought to smooth differences over how to cope with the back-and-forth violence by Sunni Arab insurgents and Shiite militias, including Sadr's Al Mahdi army, believed responsible for many of the hundreds of killings and kidnappings in recent months.

Iraqi Prime Minister Nouri Maliki, who is Shiite, has urged President Bush to give Iraqi security forces more leeway to deal with armed groups. But some of the main Shiite militias are tied to groups that make up Maliki's power base, raising questions about his ability and willingness to combat them.

Amid tense exchanges between the two administrations, U.S. national security advisor Stephen Hadley made an unannounced visit to Baghdad on Monday to meet with his Iraqi counterpart and Maliki on military coordination.

The Iraqi government issued a brief statement afterward saying the officials worked on details of a joint commission on security, training and reconciliation that Bush and Maliki agreed to Saturday.

In other developments, Maliki blamed "the dirty hands of terrorism" for the fatal shooting Monday of Issam Rawi, a prominent Sunni politician and leading member of the hard-line Muslim Scholars Assn.

In Sadr City, residents quickly sought to resume their routines. Few seemed to believe it would be the last attack. A bombing in the neighborhood last month killed more than 30 people.

Sadr released a statement criticizing what he called an American embargo on Sadr City and the Karada neighborhood in central Baghdad, where U.S. forces have imposed a series of roadblocks since the apparent kidnapping last week of an Iraqi American soldier.

The soldier was secretly married to an Iraqi woman and was abducted when he visited her in Karada, the New York Times reported Monday, citing people who said they were his in-laws. Those people identified the soldier as Ahmed Qusai al-Taei, 41. The military has not identified the missing soldier.

Bombs Sweep Baghdad; Cleric Faults US (NYT)

By Sabrina Tavernise

The New York Times, October 31, 2006

BAGHDAD, Oct. 30 — A spasm of violence seized the capital on Monday. Forty-six Iraqis were killed in six bombings across the city and a moderate Sunni Arab figure was gunned down by two men on motorcycles.

The American toll for October rose to 102, the highest since January 2005, with the military's announcement of three more deaths.

In a single deadly strike, 33 Shiite laborers gathered around food stalls in a Sadr City square were killed when a bomb in a bag exploded at 6 a.m., scattering glasses of tea and remains of breakfasts. The workers had been waiting for offers of $10-a-day jobs.

The attacks continued as the American national security adviser, Stephen J. Hadley, met in Baghdad with Iraqi officials. He came to discuss the work of a committee set up by the leaders of the two governments on Sunday, whose aim includes giving Iraqis more control over their troops.

The attack in Sadr City came despite the American Army cordon that has been in place for a week in a search for a missing soldier, whom the military believes was taken there. It was the fifth bomb in the area, Al Mudhafar Square, where poor workers line up to seek work, said Haidar Said, a police captain on duty when the bomb exploded.

"Please deliver this message," said Officer Said. "This city has suffered a lot. These are poor people. We want to reach our voice to the world."

It is attacks like the one in Sadr City, a Shiite slum, that anger Shiite leaders and put pressure on Prime Minister Nuri Kamal al-Maliki, a Shiite, to press for more of a hand in security, which is controlled almost exclusively by the American military.

The security cordon has caused major traffic jams and cut off much of the movement in and out of the area, drawing the ire of Iraqis. The district is the center of support for Moktada al-Sadr, a radical cleric who called on his followers to fight American troops twice in 2004. In a statement on Monday, Mr. Sadr threatened action if the American cordon continued.

"If this siege continues for long, we will resort to actions that I will have no choice but to take, God willing, and when the time is right," he said, according to The Associated Press.

Less than an hour after the bomb struck, two men on motorcycles shot and killed Issam al-Rawi, a geology professor, on his way to class. Two associates were wounded. Born in 1949, Mr. Rawi was one of the most moderate voices among Sunni Arabs. But the violence here has radicalized many Iraqis, and moderates who refuse to yield to the militants are either being killed or driven out of the country.

"They murdered one of the few burning candles," said Abdul Mahdi Talib, dean of the Science College at Baghdad University. "We considered him a man for all."

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In the Green Zone, a walled area where the Iraqi government and American Embassy are located, Mr. Hadley met with his opposite number, Iraq's national security adviser, Mowaffak al-Rubaie. In a statement, Mr. Rubaie said the men discussed the work of a committee established by Mr. Maliki and President Bush to speed training for the Iraqi Army.

The talks felt far away to Officer Said, the police captain, who spent most of the morning gathering bodies in the square in Sadr City. He described a horrific tableau of staggering wounded victims and of bodies missing limbs. Some families lost several members. In one Sadr City hospital, four brothers were being treated. Two died and two others were wounded, with one losing his leg, said a visitor at the hospital.

A politician who supports Mr. Sadr, Nasir al-Saidi, was at the hospital and he spoke angrily against the American military and the Iraqi government as victims were rushed in.

Officer Said said the cordon actually hindered the authorities' ability to move the victims to hospitals outside.

One of the wounded blamed the cordon for blocking the Mahdi Army, the grass-roots fighting force of Mr. Sadr's supporters, and in turn making the neighborhood less safe.

The cordon "forced Mahdi Army members who were patrolling the streets to vanish," said Ali Abdul Ridha, who was lying next to his brother in a hospital bed, The A.P. reported.

Others, though, said the militia was the reason why the bomb was planted.

The bombs kept exploding, killing Iraqis in small but steady numbers. Some of the Sadr City victims were taken to Yarmouk Hospital, and there a bomb went off around 2:30 p.m., killing one person and wounding five more. In the Bayaa neighborhood, 4 people were killed and 15 wounded. In Amel, a mixed area, three were killed and six wounded.

In another assassination, Raad Naem al-Jeheshi, a Shiite who led an organization of former Iraqi prisoners, was gunned down in Dora, a Sunni suburb that American troops had swept.

The militants' use of government uniforms for deception continued in a particularly grim way on Monday, when a suicide bomber dressed as a police officer passed through two checkpoints in the police headquarters in Kirkuk, north of Baghdad. Three people were killed, including a 5-year-old, the child of a woman who works as a cleaner. Thirteen were wounded.

Total Iraqi deaths reported for the day was 81, The A.P. said, including bodies found in rivers near Baghdad.

Violence in Baghdad was also responsible for an American's death, when a member of the 89th Military Police Brigade was killed Monday in the eastern part of the city. Another soldier died when the vehicle in which he was riding was struck by an explosive device south of Baghdad.

The other American whose death was tallied on Monday was a marine who was killed in fighting in Anbar Province the day before.

At Least 26 Killed By Market Blast In Sadr City (WP)

By John Ward Anderson

The Washington Post, October 31, 2006

BAGHDAD, Oct. 30 -- A bustling market in Baghdad's Sadr City became the capital's latest killing ground early Monday when a bomb hidden amid trash and clutter exploded in a fiery inferno, killing at least 26 people and wounding 60, a spokesman at Iraq's Interior Ministry said.

The explosion occurred about 7 a.m. at the busy Circle 55 intersection, a popular gathering point in the Shiite slum for construction laborers looking for a day's work. The blast spewed shards of metal, blew up three nearby cars and left a huge crater in the pavement.

U.S. and Iraqi forces had previously established a cordon around the teeming slum, which is controlled by the Mahdi Army militia, in an attempt to find a kidnapped U.S. soldier and a man known as Abu Deraa, who is considered Iraq's most notorious death squad leader.

Shiite leaders seized on that U.S. operation Monday to accuse the Americans of complicity in the market blast, saying that because they were in charge of searching all vehicles going in and out of the area, they must have allowed in the bomb that was detonated at the market.

"The entrances and exits in and out of Sadr City are still under the control of the Iraqi and occupation forces," said Mohammed al-Kaabi, a spokesman for Shiite cleric Moqtada al-Sadr, leader of the Mahdi Army and head of a strong political bloc in Iraq's government. "Since the entrances to the city are in the hands of the Americans, they let it in and slaughtered the people."

Some residents of Sadr City, home to 2.5 million Shiites, also blamed U.S. forces for the carnage, saying that the search for the missing soldier -- which began six days ago -- has forced the Mahdi Army underground, weakening the area's defenses. But this week, some Mahdi Army members were visible with weapons on the streets.

DOJ_NMG_0089100

A U.S. military spokesman, Lt. Col. Christopher C. Garver, denied that coalition forces were responsible for the explosion, saying it occurred "despite our security efforts."

Meanwhile, the U.S. military reported that a Marine was killed Sunday in Anbar province west of Baghdad and that a member of the 89th Military Police Brigade was killed Monday in the eastern part of the capital. In addition, the Pentagon reported the death of a Marine on Friday in Anbar. So far, 101 U.S. troops have been killed in Iraq this month, making October the deadliest month for American forces since January 2005, when 107 soldiers were killed.

Across the country, at least 81 Iraqis were killed Monday, according to an Associated Press count.

At least 12 people were killed and 41 were wounded in five car bombings in the capital, and three were killed and six injured in two roadside bombings there, according to local police, Interior Ministry officials and wire service reports.

Elsewhere in Iraq, at least 21 people were killed in bombings and other violence, including three people who died when a suicide bomber wearing an explosives belt walked into a local police headquarters in the northern city of Kirkuk and detonated himself, according to Kirkuk police Capt. Emad Khider. He said a 5-year-old girl was among those killed in the blast. Ten people were injured.

Dozens Killed In Baghdad Blast (MCT)

By Jay Price

McClatchy Newspapers, October 31, 2006

BAGHDAD, Iraq — An explosion in Baghdad's Sadr City neighborhood on Monday killed at least 28 people, stoking tension between U.S. forces and followers of Shiite cleric Muqtada al-Sadr, whose Mahdi Army militia is suspected in the kidnapping of a U.S. soldier.

Residents in Sadr City charged that American forces, who've had the Shiite Muslim area virtually surrounded for four days, must have allowed the attacker into their community as part of an effort to win the release of the kidnapped soldier. U.S. officials rejected the accusation.

The explosion came as the number of U.S. service members killed this month reached 101, making October the deadliest month for the American military in nearly two years. Military officials said the latest American killed was shot by a sniper at about 9:30 a.m. in eastern Baghdad. He wasn't identified, pending notification of his family.

The explosion that rocked Sadr City struck just before 8 a.m. in an area popular with day laborers looking for work. Initial reports said the blast came from a bomb hidden under garbage, but a spokesman for the Interior Ministry later said a car bomb was responsible. At least 60 people were wounded.

Many of the dead and wounded were buying breakfast from a woman selling tea and cheese, said Fa'ez Thani, 36, who was about 100 yards away. Thani, a former soccer player, sprinted to the smoking crater debris. Hours later, his voice still trembled.

"I found a real massacre, legs, hands and heads scattered everywhere," he said. "I and my friends were carrying the bodies not knowing who was alive and who was dead."

Then he helped gather scraps of flesh from the blood-covered pavement and put them in bags. "I will never forget this in my life," he said.

Anger had already been rising in the sprawling Shiite district of more than 2 million, a stronghold for Sadr and his Mahdi Army militia.

U.S. and Iraqi troops have all but closed off Sadr City since the kidnapping of the soldier last week, and residents have had to wait hours to pass through checkpoints to enter or leave the neighborhood.

Adding to the anger were raids on at least nine offices of Sadr's political wing - apparently part of the search for the missing soldier - and a raid last Wednesday by Iraqi and U.S. forces seeking a top Shiite death-squad leader. That raid left at least 10 people dead and sparked criticism from Prime Minister Nouri al-Maliki, whose refusal to disarm Sadr's militia has rankled U.S. officials.

After Monday's bombing, hundreds of people milled in the streets around the carnage. Some carried rifles and rocket-propelled grenade launchers.

A spokesman for Sadr's political wing pledged there would be no violence, however.

"The Sadrists are committed to what Sadr told them, and he ordered them to stay quiet and this is what they do," said Sheik Naser al-Sa'edi.

Haider Mahdi, 26, a university student who was about to leave his house to run an errand when the blast shook his windows, said Sadr City was more secure before the Americans surrounded it last week.

"We used to secure our own neighborhood," he said. "Volunteers like me and other young guys would search vehicles and strangers to protect our own neighborhood. Because there is no presence of security forces here, we have to protect ourselves."

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U.S. spokesmen provided few details of the 101st U.S. military death, saying only that the soldier belonged to the 89th Military Police Brigade and that he'd been shot by a sniper.

Earlier, the military confirmed the 100th death - a Marine assigned to Regimental Combat Team 5 who died Sunday in Anbar Province.

There were at least five other car bombs in Baghdad on Monday, killing 13 civilians and wounding 43 more, according to police. Another car bomb just north of the capital killed two more and injured three.

At least 15 bodies were recovered in southern Baghdad - all were handcuffed and bore signs of torture - and a top Sunni politician, Issam Rawi, was assassinated near his home.

There were also reports of violence in southern Iraq, where the British government announced the evacuation of its consulate in Basra, apparently in response to mortar and rocket attacks on the heavily fortified compound. Employees of the consulate were to take cover at a British air base eight miles away or return to London.

Three people were killed just north of Basra when a convoy guarded by private security contractors was targeted by a roadside bomb, a police spokesman said. It was unclear whether the dead were contractors.

Price reports for the Raleigh News & Observer. McClatchy Newspapers special correspondents Shatha al Awsy, Mohammed al Awsy and Zaineb Obeid contributed to this report.

October U.S. Death Toll In Iraq Hits 101 (AP)

By Steven R. Hurst

AP, October 31, 2006

The American death toll for October climbed past 100, a grim milestone as a White House envoy turned up unexpectedly in Baghdad on Monday following a rough patch in U.S.-Iraqi ties. At least 81 people were killed across Iraq, including 33 in a bombing targeting workers.

A member of the 89th Military Police Brigade was killed in east Baghdad on Monday, and a Marine died in fighting in insurgent-plagued Anbar province the day before, raising to 101 the number of U.S. service members killed in a bloody October, the fourth deadliest month of the war. At least 2,814 American forces have died since the war began in March 2003.

According to an Associated Press count, October has also recorded more Iraqi civilian deaths — 1,170 as of Monday — than any other month since the AP began keeping track in May 2005. The next-highest month was March 2006, when 1,038 Iraqi civilians were killed in the aftermath of the Feb. 22 bombing of an important Shiite shrine in Samarra.

The war and the rising American casualties have produced a huge drag on Republican candidates as the U.S. midterm election approaches. The vote is seen in many cases as a referendum on the war, which has stretched into its 44th month. The Bush administration has invested heavy attention on Iraq in recent weeks, trying to put a new face on the conflict with mixed results.

Upon arriving for an unannounced visit, National Security Adviser Stephen Hadley went straight into meetings with Prime Minister Nouri al-Maliki and his security chief, Mouwafak al-Rubaie, telling them he "wanted to reinforce some of the things you have heard from our president."

Al-Rubaie told the AP late Monday that Hadley was here to discuss the work of a five-man committee that al-Maliki and Bush agreed to Saturday. Hadley also presented some proposals concerning the training and equipping of Iraqi security forces as well as security plans.

"It was a useful visit," he said, but refused to give any details, saying only that Hadley's meetings were limited to al-Rubaie and al-Maliki.

The White House said Hadley was not on a mission to repair ragged relations, accounts of which it said had been "overblown" by the news media.

"Absolutely not," said Gordon Johndroe, spokesman for the National Security Council in Washington. "This is a long-planned trip to get a firsthand report of the situation on the ground from the political, economic and security fronts."

But the timing of the visit argued otherwise.

Last week Al-Maliki issued a string of bitter complaints — at one point saying he wasn't "America's man in Iraq" — after U.S. Ambassador Zalmay Khalilzad unveiled adjustments in America's Iraq strategy.

The ambassador announced that the prime minister agreed to implement a set of timelines, prompting al-Maliki to accuse the White House of infringing on his government's sovereignty and say that he was not consulted.

By week's end, al-Maliki and President Bush held a hastily convened video conference call and agreed to speed the training of Iraqi forces and the return of control over all territory to the Iraqi army.

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With American voter support for the war at a low point as the Nov. 7 congressional election approaches, a top aide to al-Maliki said the Iraqi leader was using the GOP's vulnerability on the issue to leverage concessions from the White House — particularly the speedy withdrawal of American forces from Iraqi cities to U.S. bases in the country.

Al-Maliki has said he believes that the continued presence of American forces in Iraq's population centers is partly behind the surge in violence.

The case of a kidnapped American soldier, meanwhile, took a curious turn when a woman claiming to be his mother-in-law said the soldier was married to her daughter, a Baghdad college student, and was with the young woman and her family when hooded gunmen handcuffed him and threw him in the back seat of a white Mercedes last week. The marriage would violate military regulations.

The soldier's disappearance has prompted a massive manhunt in Baghdad, with much of it focused on Sadr City, the sprawling Shiite slum of 2.5 million people in extreme northeastern Baghdad.

The military still had checkpoints surrounding the district Monday when a suspected Sunni insurgent bomber slipped in and set off a bomb among day laborers. There were conflicting reports as to whether the explosion was caused by a suicide bomber or a device concealed amid debris by the roadside. The blast tore through food stalls and kiosks shortly after 6 a.m., killing at least 33 and wounding 59.

Sadr City is a stronghold of the Mahdi Army, a militia loyal to radical anti-American Shiite cleric Muqtada al-Sadr. The district has witnessed repeated bomb attacks by suspected al-Qaida fighters in what were seen as attempts to incite Shiite revenge attacks and drag the country into full-blown civil war.

Al-Sadr, in a statement addressed to supporters in Sadr City, warned of unspecified action if the "siege" continues and criticized what he called the silence of politicians over actions by the U.S. military in the district.

"If this siege continues for long, we will resort to actions which I will have no choice but to take, God willing, and when the time is right," he said in the statement, a text of which was obtained by the AP.

Ali Abdul-Ridha, wounded in the head and shoulders, said he was waiting for a job with his brother and about 100 others when he heard the massive explosion and "lost sight of everything."

He said the area had been exposed to attack because U.S. and Iraqi forces had driven into hiding the Mahdi Army fighters who normally police the district.

"That forced Mahdi Army members, who were patrolling the streets, to vanish," Abdul-Ridha, 41, said from his bed in al-Sadr Hospital, his brother lying beside him asleep.

However, Falih Jabar, a 37-year-old father of two boys, blamed the militia for provoking extremists to attack civilians in the district.

"We are poor people just looking to make a living. We have nothing to do with any conflict," said Jabar, who suffered back wounds. "If (the extremists) have problems with the Mahdi Army, they must fight them, not us," he added.

The last major bombing in Sadr City took place Sept. 23 when a bomb hidden in a barrel blew up a kerosene tanker and killed at least 35 people waiting to stock up on fuel for the Muslim holy month of Ramadan.

Elsewhere in the capital Monday, gunmen killed hard-line Sunni academic Essam al-Rawi, head of the University Professors Union, as he was leaving home. At least 156 university professors have been killed since the war began. Hundreds, perhaps thousands, more are believed to have fled to neighboring countries.

Police and security officials throughout Iraq reported that at least 47 other people, many of them police, were killed in sectarian violence or found dead Monday, many of them dumped in the Tigris River and a tributary south of the capital.

The AP count that found a record number of Iraqi deaths in October includes civilians, government officials and police and security forces, and is considered a minimum based on AP reporting. The actual number is likely higher, as many killings go unreported.

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AP News Research Center in New York and AP correspondents Christopher Bodeen and Qassim Abdul-Zahra contributed to this report.

US Death Toll In Iraq Tops 100 In October (FT)

By Demetri Sevastopulo And Steve Negus

Financial Times, October 31, 2006

An announcement by the US military on Monday that a marine had been killed in the western province of Anbar sent US military fatalities in Iraq in October over the 100 mark, making the month the fourth-deadliest for the US military since the 2003 invasion. Ask the expert

Should troops stay in Iraq? Michael Rubin, editor of the Middle East Quarterly, answers your questions

DOJ_NMG_0089103

This month's death toll is surpassed only by those of April and November 2004, during the first and second assaults on the Sunni stronghold of Falluja, and in the run-up to the elections at the end of January 2005.

The holy month of Ramadan, which coincided with much of October, traditionally sees an upswing of violence, and US officials have suggested that insurgents may also have stepped up the violence prior to the November 7 US Congressional elections.

US troops have also taken a higher profile role as part of their campaign to secure Baghdad, taking on both Sunni insurgents and Shia militias. At least 42 of this month's deaths happened in or around the capital.

At least another 33 were killed in the western province of Anbar, where cities like Ramadi and Haditha have been centres of guerrilla activity for over two years.

In addition to US forces' higher profile, some insurgent groups are reported to have obtained sophisticated armour-piercing explosives, possibly supplied from Iran. US officers have also said that insurgent snipers have become more effective, and sniper attacks more numerous.

· A bomb blast ripped through a crowd of labourers in a square inBaghdad on Monday, killing 28 people and wounding 60, Iraqi Interior Ministry sources said. The bombing occurred as Shia labourers were lining up for day jobs in a square in Sadr City, a stronghold of radical Shia cleric Moqtada al-Sadr, who heads the powerful Mehdi Army militia.

Warner Says Iraqis Need Time To Curb Violence (NVP)

By Tom Holden

Norfolk Virginian Pilot, October 31, 2006

U.S. Sen. John Warner said Monday that Iraqi leaders need more time to contain worsening violence in their country, but that "every single day counts" when measured against the loss of American lives.

Speaking after a political appearance in Virginia Beach, Warner said that Iraqi Prime Minister Nouri al-Maliki believes violence can be contained through continued diplomacy and not escalating military force.

"Let's give him that opportunity," said Warner, chairman of the Senate Armed Services Committee.

Warner touched off an intense debate on Oct. 5 when he said that Iraq was "drifting side-wise" and that Iraq's government "was not living up to, or not able to meet just the fundamental responsibilities of a government."

His comments came amid a barrage of car bombs, kidnappings, murders and military operations that this month claimed 101 American troops, the deadliest month since January 2005, when 107 died.

Last week, a l-Maliki issued a series of complaints, saying at one point he wasn't "America's man in Iraq" after the U.S. ambassador to Iraq revealed changes to American strategy. Al-Maliki said the White House was infringing on his government's sovereignty.

By week's end, al-Maliki and President Bush held a video conference and agreed to speed up the training of Iraqi forces and return control of all territory to the Iraqi army.

Warner said his remarks "started a good deal of very constructive dialogue across America and, most importantly, within the administration."

He praised Bush for calling al-Maliki to straighten out their differences, "so that we have a strong, working relationship with that government. I think it's essential that we keep 'em running, keep 'em up."

Warner has visited Iraq eight times and has become increasingly measured in his assessment of the situation. Asked whether al-Maliki can contain the various factions that now control large portions of some cities, Warner said, "That's the question."

IED-resistant Vehicles Speeding To War Zones (USAT)

By Tom Vanden Brook

USA Today, October 31, 2006

Their V-shaped hulls diffuse explosions, shield troops inside

WASHINGTON — The military is rushing armored vehicles with specially designed hulls to Iraq and Afghanistan to limit the damage from roadside bombs, the No. 1 killer of U.S. troops.

The bombs, which the military calls improvised explosive devices, or IEDs, have killed or wounded thousands of troops and shredded conventional military vehicles. The new vehicles have a V-shaped hull, which disperses the force of an explosion and helps keep the vehicle from flipping over.

"It's just going to be the standard for any vehicle on the battlefield over the next 10 years," John Pike, a military analyst at GlobalSecurity.org in Alexandria, Va., said of the V-shaped hull.

Not only are lives at stake, but also millions — and potentially billions — of dollars.

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The Pentagon's Joint IED Defeat Organization is spending nearly $3.5 billion this year to combat IEDs. Pentagon records show that since the wars in Afghanistan and Iraq began, 1,074 troops have been killed and 11,513 others wounded by insurgent bombs.

A major Pentagon supplier of V-shaped vehicles is 9-year-old Force Protection of Ladson, S.C. The Pentagon says the number of the company's Buffalo and Cougar V-shaped vehicles in Iraq is classified, but public records show the military has bought almost 300. That compares with more than 35,000 Humvees, the military's main multipurpose vehicle, in Iraq. The Buffalo vehicles cost $750,000 apiece, about five times the cost of an armored Humvee, which is smaller.

Force Protection says nobody inside a Buffalo has been killed in Iraq or Afghanistan despite encountering thousands of IED blasts.

Retired general Montgomery Meigs, head of the anti-IED organization, said the Buffalo's armor and shape make it “a lot more robust than the Humvee.”

Foreign companies, many of them in South Africa, have been the leaders in developing the vehicles. Some of the Pentagon's largest contractors are marketing V-shaped vehicles with foreign partners. They include:

·AM General, the maker of the Humvee, is pitching to the Pentagon a V-shaped armored car called the Cobra. It is made by Otokar, a Turkish company, and uses a Humvee drivetrain.

·Oshkosh Truck, which makes many of the military's trucks, has partnered with ADI of Australia to market the Bushmaster armored vehicle.

·Blackwater, a private security firm that protects U.S. diplomats in Iraq, developed is own vehicle, the Grizzly, which it will send to Iraq soon.

Sen. Lindsey Graham, a South Carolina Republican and a member of the Armed Services Committee, pushed the Pentagon to buy the Buffalo and Cougar.

Graham said the Pentagon has acted quickly to deploy the vehicles, without the kind of delays seen in sending body armor and armored Humvees to Iraq.

“This is an example of where (the Pentagon) has gotten it right,” Graham said. “They're doing it as fast as they can.”

Auditors Want Rules For Iraq Aid (AP)

By Lolita C. Baldor

AP, October 30, 2006

Federal auditors are recommending that the Iraqi government meet specific milestones of progress to receive any future aid for reconstruction, according to a report released Monday that echoes a message the Bush administration has delivered to Iraqi leaders.

The study, issued by the special inspector general who audits U.S. work in Iraq, also concluded that reconstruction is being blocked by violence, and efforts to empower Iraqis to do more are fraught with problems 3 1/2 years after the U.S. invaded the country.

The Iraqis should "meet concrete milestones and political and economic benchmarks as a condition of future aid," the report recommended. It said U.S. relief and reconstruction aid could be provided through conditional loans and be tied to specific actions by the Iraqi government.

During the past two weeks U.S. officials have pressed the Iraqis to begin to meet milestones of progress, an effort that has revealed rifts in the relationship between the two governments.

Last week Prime Minister Nouri al-Maliki complained publicly after U.S. Ambassador Zalmay Khalilzad said the Iraqis had agreed to meet specified benchmarks for progress. Bush later voiced confidence in al-Maliki, but warned that the U.S. will not have "unlimited patience" with the Iraq government's failure to quell sectarian violence.

The strains have surfaced in the run-up to the Nov. 7 elections for control of Congress, a campaign in which voters' dissatisfaction with Bush administration policy in Iraq has become a significant weak point for Republicans.

The quarterly audit report by the inspector general said the "deteriorating security situation across Iraq continues to impede progress," causing construction project delays, increasing costs and preventing repairs to critical power supplies.

The report underscores the persistent problems faced by the Iraqi government as it struggles to rebuild and take control of its own security in the face of a stubborn insurgency and a populace on the brink of civil war.

"The U.S.-funded phase of Iraq's relief and reconstruction has entered its concluding stages," the report said. "The government of Iraq's success in building on the foundation established by the U.S. relief and reconstruction program will now depend in part on (Iraq's) ability to attract more support from other donors and the private sector."

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A consistent theme in the audits is that the escalating violence in Baghdad is stalling reconstruction. For example, auditors found that "repairing power lines is nearly impossible because of sniper attacks and death threats to repair crews." As a result, on one day earlier this month there was only enough power to generate a few hours of electricity.

The audit also said corruption continues to exist in a number of the Iraqi government ministries, and that building up a system of inspectors general is the most important initiative to fight such wrongdoing.

It said the Iraqi government must improve its ability to spend and manage its own money on capital projects, or international aid could dry up. The budget available for capital projects is about $6 billion, the audit said.

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On the Net:

Special Inspector General for Iraq Reconstruction: http://www.sigir.mil/

Auditors Say Shift Of Rebuilding To Iraqis Appears 'Broken Down' (WP)

By Griff Witte

The Washington Post, October 31, 2006

Ten months into a year-long effort to transfer control of Iraq's reconstruction to the Iraqis, federal auditors say, the government there is spending very little of its own money on projects, while the process for handing off U.S.-funded work "appears to have broken down," according to findings released yesterday.

The fledgling Iraqi government, in power since May, has about $6 billion this year to devote to major rebuilding projects, representing about 20 percent of its overall budget. But auditors with the Special Inspector General for Iraq Reconstruction found that beyond paying employee salaries and administrative expenses, only a small amount of money is being spent on actual work. Auditors blamed "bureaucratic resistance within the Ministry of Finance, which traditionally has been slow to provide funds."

Auditors also found fault with the way the Finance Ministry is keeping track of U.S.-built projects as they are handed over to the Iraqis and said some of the U.S. data on the subject are "incomplete or inaccurate."

The findings speak to the difficult path that lies ahead as the United States attempts to turn over a decidedly incomplete reconstruction effort to an Iraqi government that remains beset by corruption and has had huge problems exercising authority amid rising violence.

At the beginning of the year, Inspector General Stuart W. Bowen Jr. labeled 2006 "the year of transition" as the U.S. winds up its dominant role in the reconstruction. But in yesterday's report, his office said the year is already into its fourth quarter and the transition remains "fraught with challenge."

Among the obstacles: a "deteriorating security situation across Iraq," pervasive corruption in Iraqi ministries, and possible problems raising funds from international donors unless the Iraqi government can prove it is willing to spend the money it already has on roads, health clinics, power plants and other much-needed infrastructure.

"I don't think the Iraqi government is prepared to take over the reconstruction," said Sen. Susan Collins (R-Maine), who has been overseeing the U.S.-led effort as chairman of the Homeland Security and Governmental Affairs Committee. "But I don't know that continuing to pour our money and manpower into these projects is the answer, either."

The United States has devoted more than $38 billion to relief and reconstruction in Iraq since the 2003 invasion, and yesterday's report does point to some successes. Electric capacity nationwide passed prewar levels in recent months, though in Baghdad it remains lower than before the war. Oil exports, at 1.66 million barrels a day, met Iraqi goals.

Overall, 88 percent of U.S. projects have been completed, with only a small minority yet to begin. Out of the $18 billion reconstruction package Congress passed in November 2003, about three-quarters has been spent.

In some areas, however, results have fallen well short of expectations. Of 142 primary health clinics funded by the United States, just six are operational.

In the past week, Bowen's office has exposed new problems. Auditors found, for instance, that on some of the biggest contracts with major U.S. firms, anywhere from a third to more than half of the costs were administrative overhead.

On Sunday, meanwhile, auditors revealed that thousands of weapons that the United States had provided to Iraqi security forces could not be accounted for. The total number of missing weapons -- including semiautomatic pistols, assault rifles, machine guns and rocket-propelled grenade launchers -- was 14,030, or roughly 4 percent of the weapons the United States has supplied to Iraq since 2003. Auditors also found that spare parts and repair manuals were not available for many other weapons.

Bowen's office is slated to close on Oct. 1 next year. But Collins said yesterday that she is working with members of both parties to keep it open longer so it can continue overseeing the reconstruction. "I think it's a huge mistake to prematurely terminate the special inspector general's office," she said.

DOJ_NMG_0089106

The Untracked Guns Of Iraq (NYT)

The New York Times, October 31, 2006

About the last thing the United States ought to be doing in Iraq is funneling weapons into black-market weapons bazaars, as sectarian militias arm themselves for civil war. Yet that is just what Washington may have been doing for the past several years, thanks to an inexplicable decision that standard Pentagon regulations for registering weapons transfers did not apply to the Iraq war.

Of more than 500,000 weapons turned over to the Iraqi Ministries of Defense and Interior since the American invasion — including rocket-propelled grenade launchers, assault rifles, machine guns and sniper rifles — the serial numbers of only 12,128 were properly recorded. Some 370,000 of these weapons, some of which are undoubtedly being used to kill American troops, were paid for by United States taxpayers, under the Orwellian-titled Iraq Relief and Reconstruction Fund.

This chilling information comes to us from the Special Inspector General for Iraq Reconstruction, which has distinguished itself as the most vigilant agency monitoring the money spent on the Iraq conflict. The agency, led by a Republican lawyer who once worked in the Bush White House, has previously reported on the contracting lapses and failures of supervision that allowed billions of taxpayer dollars to be wasted instead of being used to rebuild Iraq.

The latest special inspector general's report came in response to a request from Senator John Warner, another conscientious Republican. As chairman of the Armed Services Committee, Senator Warner wanted to be sure that the Iraqi security ministries had the skills and resources necessary to make good use of the huge quantities of arms that Washington has been turning over to them.

It turns out that the Pentagon not only failed to register the weapons, but also failed to provide the spare parts, repair manuals and maintenance technicians needed to keep them in working order. The agency found that Iraqi security forces are still heavily dependent on Washington's support for the most basic military functions. And with America planning to scale back much of that support over the next year, it is far from clear whether Baghdad is preparing to pick up the slack.

Separately, the inspector general's office also found insecurity so rampant in six Iraqi provinces — five of them in the predominantly Shiite south — that America's joint military and civil reconstruction teams could not operate there effectively.

These findings go a long way toward explaining why Iraq appears to be ever more violent, with no clear plans yet coming from Baghdad or Washington that seem likely to restore a semblance of order.

British Civilians Being Moved From Basra (LAT)

By Ken Ellingwood

The Los Angeles Times, October 31, 2006

Baghdad — The British government said Monday that it was moving most civilian staff members out of its compound in the southern Iraqi city of Basra because of rocket and mortar attacks by militias.

Officials said the move was temporary. But the decision underscored the fraying security climate in southern Iraq, a largely Shiite Muslim region under the sway of various militias, such as that controlled by anti-American cleric Muqtada Sadr.

British officials said some of the employees would be moved to the Basra airport and others would be sent to Kuwait or London.

"In recent weeks the threat from mortar and rocket attacks on our office in Basra has increased. Given the threat to the safety of civilian staff, we have decided temporarily to reduce the number of staff at our compound," the government said in a statement.

A spokesman for the British Foreign Office said the consul general would remain in Basra with a small support staff.

"We will stay in Iraq until the job is done," the government statement said. "We have adapted because we remain committed to the people of Basra and the elected Iraqi government."

The British compound, a former palace, has been staffed by about 200 employees, according to British media reports.

Though it is under heavy guard, it has come under daily attack.

Don't Worry. Just Back Off. (WP)

By Eugene Robinson

The Washington Post, October 31, 2006

Go ahead, people, you have your orders from Napoleon Bonaparte, I mean Donald Rumsfeld. "Back off" and "relax." Book a cruise to Chillsville. Don't worry your pretty little heads about the debacle in Iraq, because "it's complicated, it's difficult." Are mere mortals going to be able to get their minds around a problem that even Albert Einstein, I mean Donald Rumsfeld, finds complicated? Let's be realistic here.

DOJ_NMG_0089107

We should all thank our lucky stars that "honorable people" are willing to do all this super-advanced thinking for us. Aristotle, I mean Donald Rumsfeld, was kind enough to phrase it that way rather than spell out what he really meant, which was "people who are smarter than you."

I realize that a few news cycles have come and gone since the secretary of defense held that stunning news conference at the Pentagon last week, but it was such a telling moment -- such a revealing glimpse behind the curtain -- that it deserves to remain fresh in our minds, even amid the distracting cacophony of eleventh-hour electioneering. There, in just two words, you have the Bush administration's approach to the war in Iraq. Indeed, you have the Republicans' theory of government:

Back off.

Could anyone else have summed it up so efficiently? Maybe Tony Soprano, but his vocabulary can't be printed in a family newspaper. The basic style of leadership is the same, though. I'm the boss, so shut up and do as I say.

Republicans who have to face the voters next week, especially those who find themselves trailing badly in the polls, have been going AWOL from Rummy's brigade. Some, such as Maryland senatorial candidate Michael Steele, explicitly disown the Pentagon czar; others avoid mentioning his name and, when pressed, speak of him as if he were some kind of daffy uncle. House Majority Leader John Boehner (R-Ohio) made news Sunday when he ventured that "Donald Rumsfeld is the best thing that's happened to the Pentagon in 25 years." Boehner would be hard-pressed to find professional soldiers who agree with that assessment, but maybe blind loyalty in the face of overwhelming evidence will turn out to be a winning strategy. I have my doubts.

At least Boehner isn't trying to pretend that the disaster in Iraq is all Rummy's fault. Alexander the Great, I mean Donald Rumsfeld, may have authored the mistakes that have cost nearly 3,000 American lives, including more than 100 in October alone -- sending too few troops, disbanding the Iraqi army, failing to plan for an extended occupation, training Iraqi "security forces" that promptly turned into sectarian militias. But George W. Bush, Dick Cheney, Condoleezza Rice and the rest of the Vulcans were with him every step of the way, and the Republican majority in Congress sang hosannas of praise like an amen chorus.

Now that most Americans oppose the war and want to bring the troops home before more young men and women die needless deaths, Republicans can't blame Democrats, because they froze them out of all the decision making.

House Speaker Dennis Hastert's immutable rule -- that any legislation brought to the floor had to be supported by a majority of the Republican caucus -- effectively muffled any concrete expression of the public's growing doubts about the war. What if substantial numbers of Democrats and moderate Republicans, enough to constitute a majority of the House, had questions about Iraq, or about torturing detainees, or about the whole course of this incoherent "war on terror"? Tough.

Back off.

The Republican majority came to Washington claiming a populist mandate but has ended up governing with the same breathtaking arrogance that Genghis Khan, I mean Donald Rumsfeld, let slip the other day. Congress is all about lobbyists, earmarks and pork. Democrats aren't immune to these depredations, of course, but if you aren't allowed to participate in any meaningful decisions, you can't be held responsible.

And at the White House and the Pentagon, fantasy reigns. President Bush famously pledged to stay the course in Iraq even if Laura and Barney the dog are his only supporters. Last week he said U.S. forces constantly change tactics to "stay ahead" of the Iraqi insurgents. Excuse me, but when have we ever been ahead of the insurgency? "We're winning" the war, Bush insists. Excuse me, but could you elaborate? In what sense are we winning in Iraq? Where are you seeing anything that resembles victory?

Silly me. Ordinary Americans just aren't smart enough to think about such things. Thank you, Sir Isaac Newton, I mean Donald Rumsfeld, for reminding us of our patriotic duty: Back off.

Pakistani Attack On Al-Qaida Kills 80 (AP)

By Habibullah Khan

AP, October 31, 2006

Pakistani troops and helicopters firing missiles killed as many as 80 militants training at a religious school used as an al-Qaida training center near the Afghan border, officials said.

Local leaders said all those slain when the school, or madrassa, was destroyed were civilians.

Army spokesman Maj. Gen. Shaukat Sultan said initial estimates based on intelligence sources on the ground indicated that the attack killed about 80 suspected militants, who appeared to be in their 20s and were from Pakistan and other countries.

"These militants were involved in actions inside Pakistan and probably in Afghanistan," Sultan told The Associated Press.

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The bodies of 20 men killed in the attack were lined up in a field near the madrassa, in Chingai village near Khar, the main town in the Bajur tribal district, before an impromptu burial attended by thousands of local people, according to an Associated Press reporter at the scene.

Dozens of villagers sifted through the rubble of the madrassa, shifting blocks of smashed concrete and mud bricks aside to try to find survivors. Some picked up body parts scattered across the area and placed them in plastic bags normally used for fertilizer.

"We heard helicopters flying in and then heard bombs," said one of the villagers, Haji Youssef. "We were all saddened by what we have seen."

Among the dead was Liaquat Hussain, a local Islamic cleric who ran the madrassa, locals said. Several of his aides also died, they said.

The attack came two days after 5,000 pro-Taliban tribesmen held an anti-American rally in the Bajur area near Damadola, a village close to the site of an alleged U.S. missile attack that killed several al-Qaida members and civilians in January.

"We received confirmed intelligence reports that 70-80 militants were hiding in a madrassa used as a terrorist-training facility, which was destroyed by an army strike, led by helicopters," Sultan said.

An Associated Press reporter living in the area said he saw several helicopters hovering near his house early Monday before hearing a series of explosions, apparently caused by missiles being fired into the madrassa compound.

Helicopters fired four to five missiles into the madrassa, Sultan said.

The strike came on the day a peace deal was expected to be signed between Bajur tribal leaders and the military, similar to an accord signed earlier this year in nearby North Waziristan.

"This attack is very strange as we were told Sunday that the peace agreement would be signed today," local lawmaker Mohammed Sadiq said.

Sultan declined to say if an accord was scheduled to be signed Monday, but added that militants cannot hide behind peace deals. He said the purported militants using the madrassa had rejected orders to end their activities.

A senior intelligence official in Bajur also said a local al-Qaida leader, Faqir Mohammed, who led Saturday's rally, was believed to have been inside the madrassa.

It was unclear if Mohammed was among those killed, said the official, who declined to be identified further because he was not authorized to speak to the media.

Siraj ul-Haq, a Cabinet minister from the North West Frontier Province, condemned the attack and announced he would resign from the government in protest.

"The government has launched an attack during the night, which is against Islam and the traditions of the area," ul-Haq told the AP during the funeral. "They (the victims) were not given any warning. This was an unprovoked attack on a madrassa. They were innocent people."

Ul-Haq, who belongs to the powerful Islamic political party, Jamaat-e-Islami, said protests would be staged throughout the northern tribal region on Tuesday to denounce the attack.

Pakistan has been trying to defeat militants along its porous border with Afghanistan since the U.S.-led invasion of that country in 2001 fanned increased terrorist activity on the Pakistan side of the frontier.

Pakistan became a key U.S. ally in its war on terror after the Sept. 11 attacks in the U.S., and has deployed about 80,000 soldiers to flush out Taliban and al-Qaida members hiding in the mountainous frontier tribal region.

Al-Qaida leader Osama bin Laden and his deputy, Ayman al-Zawahri, are believed to be hiding along the Pakistan-Afghan border.

Raid Kills 80 At Pakistani School (WT/AP)

By Paul Garwood

The Washington Times, October 31, 2006

ISLAMABAD, Pakistan -- Pakistani helicopter gunships yesterday destroyed a religious school that the military said was fronting as an al Qaeda training camp, killing 80 persons in the country's deadliest military operation targeting terrorism suspects.

Islamic leaders and al Qaeda-linked militants blamed the United States for the air strike and called for nationwide demonstrations to condemn the attack that flattened the school -- known as a madrassa -- and ripped apart those inside. Furious villagers and religious leaders said the pre-dawn missile barrage killed innocent students and teachers.

U.S. and Pakistani military officials denied American involvement.

Among those killed in the attack in the remote northwestern village of Chingai, two miles from the Afghan border, was a cleric who had sheltered militants and was thought to be associated with al Qaeda's deputy leader, Ayman al-Zawahri.

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The raid threatens efforts by President Pervez Musharraf to persuade deeply conservative tribesmen to back his government over pro-Taliban and al Qaeda fighters, who have strong support in many semiautonomous regions in northern Pakistan. The planned signing of a peace deal between tribal leaders and the military was canceled yesterday in response to the air strike.

Gen. Musharraf has been under intense pressure, particularly from the United States and Afghanistan, to rein in militant groups, particularly along the porous Pakistan-Afghanistan border, where al Qaeda leader Osama bin Laden and al-Zawahri are thought to be hiding. The Pakistani leader, as well as Afghan President Hamid Karzai, met with President Bush in Washington last month to address the issue.

Protests were held from the northwestern city of Peshawar to the southern city of Karachi, the largest occurring in Chingai and the Bajur district's main town of Khar, where 2,000 tribesmen and shopkeepers chanted, "Death to Musharraf. Death to Bush."

Fearing unrest, Britain's Prince Charles, who arrived in Pakistan on Sunday for a five-day stay, canceled a visit planned for today to Peshawar.

The raid was launched after the madrassa's leaders, headed by cleric Liaquat Hussain, rejected government warnings to stop using the school as a training camp for terrorists, said army spokesman Maj. Gen. Shaukat Sultan.

"These militants were involved in actions inside Pakistan and probably in Afghanistan," Gen. Sultan told the Associated Press.

Militant groups in Bajur are thought to ferry fighters, weapons and supplies to Afghanistan to target U.S. forces there and Pakistani soldiers on this side of the ethnic Pashtun majority tribal belt.

Gen. Sultan said 80 persons were killed in the building, which was 100 yards from the nearest house. Local political officials and Islamic leaders corroborated the death toll.

Gen. Sultan denied reports that al-Zawahri was in the area at the time of the attack. "It is all wrong, speculative, and we launched this operation on our own to target a training facility," he said. A Bajur-area intelligence official said word was spreading among residents that al-Zawahri may have been expected at the madrassa, but he said the reports were wrong.

Hussain, the cleric thought to have been a deputy of al-Zawahri, was among those killed, the intelligence official and residents said.

Another al-Zawahri lieutenant, Faqir Mohammed, apparently left the madrassa 30 minutes before the strike, said the official, who spoke on the condition of anonymity because he was not authorized to speak to the press.

Hours later, Mr. Mohammed addressed 10,000 mourners at a funeral for some of the victims.

"We were peaceful, but the government attacked and killed our innocent people on orders from America," said Mr. Mohammed, who was surrounded by dozens of militants brandishing semiautomatic weapons. "It is an open aggression."

Three funerals were held one after the other in a field near the madrassa, where the remains of at least 50 persons were laid on wooden beds placed side by side in rows and covered with colored blankets.

Villagers walked among the beds and offered prayers. Militants, their faces covered with brown and red scarves, patrolled the crowd.

On Saturday, Mr. Mohammed led a rally of 5,000 Taliban and al Qaeda supporters nearby, during which he denounced the Pakistani and U.S. governments and praised bin Laden.

Pakistan Ties Site It Attacked To Militants (NYT)

By Salman Masood

The New York Times, October 31, 2006

ISLAMABAD, Pakistan, Oct. 30 — The Pakistani military said today that it had destroyed a religious school used for training militants in the Bajur tribal area, which straddles the border with Afghanistan. The attack killed at least 80 people, the military said, describing them as militants.

The strike started at about 5 a.m. local time, when helicopter gunships fired missiles into the religious school, known as a madrassa, that was run by a local cleric, Maulvi Liaqut, according to military officials. Ground troops then stormed the compound.

Local news reports said Mr. Liaqut was killed in the attack.

He had once been a member of the defunct militant movement Tehreek Nifaz-e-Shariat Mohammadi, which sent thousands of tribal fighters into Afghanistan to support the Taliban before being banned in 2002 by President Gen. Pervez Musharraf. Mr. Liaqut was accused by the government of harboring local and foreign militants at the school.

“We received confirmed intelligence reports that 70 to 80 militants were hiding in a madrassa used as a terrorist-training facility, which was destroyed by an army strike, led by helicopters,” Maj. General Shaukat Sultan, a spokesman for the Pakistani military, told The Associated Press.

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He also told reporters that security forces had information that the madrassa was being used for military training, and that the militants had been warned to close down the facility but had not done so.

Local television stations showed scenes from the attack site, including armed men seen standing by the dead bodies and thousands of people gathered around the rubble.

General Sultan said that no "high value target" was present during the raid, referring to leaders of Al Qaeda or the Taliban. General Sultan also said that no children or women were present inside the madrassa, and he denied that any American or NATO troops were involved in the raid.

"The information that we are receiving so far is that majority of the facility has been destroyed and most of the miscreants present there, they have been killed," he said.

General Sultan said that the madrassa was in an isolated location. "There is no house within about a 100-meter radius of this madrassa," said General Sultan. "As per information that we had, there were no women or children present there," he said.

Pakistani officials dismissed any suggestions that the United States was behind the attack. Tasnim Aslam, a spokesman for Pakistan's Ministry of Foreign Affairs, said at a news conference that the attack was not carried out under foreign pressure.

But opposition Islamist parties were quick to denounce the attack and blamed the United States. Qazi Hussain Ahmed, the leader of Jamaat-e-Islami, alleged that innocent children were killed and that the Pakistan Army was covering up for the alleged Americans strike.

"This area is not an area where there can be any training camp," Mr. Ahmed said at a news briefing in Islamabad. "This is actually tantamount to the declaration of war on Pakistan," he said.

Muttahida Majlis-e-Amal, an alliance of opposition Islamist parties, announced nationwide protests on Tuesday.

After the attack, helicopters were reported hovering over the area. Telecommunication links were also reported to be suspended, according to local news media.

The madrassa was located in the village of Chingai near Khar, the main town in the tribal region of Bajur, one of the semiautonomous tribal areas in northwestern Pakistan that have long been considered safe havens for Taliban and Al Qaeda remnants.

Bajur, which borders Afghan province of Kunar, has a history of troubled militancy. Itwas the scene of a widely unpopular American military strike in January, when al Qaeda's No. 2 leader, Ayman al-Zawahiri, was the target.

As it happened, Mr. Zawahiri was not present at the time of that attack, but at least 18 people, mostly civilians, were killed. The incident helped spark nationwide protests against the United States and President Musharraf.

In June 2005, suspected Taliban rebels shot down a Chinook helicopter, killing 16 American servicemen, in Kunar, Afghanistan, not far from Bajur.

President Musharraf has sent more than 80,000 troops to the tribal areas along the Afghan border to flush out Taliban members.

NATO and Afghan officials have repeatedly said that Taliban fighters who have found refuge in Pakistan are responsible for attacks inside Afghanistan.

Responding to Afghani official accusations that Pakistan was not doing enough, General Sultan said both countries were responsible for curbing cross-border infiltration.

"If at all, there is any kind of infiltration taking place, the responsibility to check the infiltration is not only of Pakistan Army," he said. "The responsibility is of every one else. On the Pakistan side, we need to patrol the borders and on the Afghanistan side, they need to patrol the borders. If anyone is crossing the border, well, it also indicates failing on their part." "And as far as we are concerned, we do not support any such activity," General Sultan said. "And the purpose of the peace agreement is that the militant activity is to be marginalized, not to be supported."

Political fallout became evident in Pakistan soon after today's attack Siraj ul Haq, a senior minister in the provincial cabinet, and Haroon-ur-Rashid, a member of the Parliament, condemned the strike and announced plans to resign, a local television station reported.

Today's attack came two days after thousands of tribal militants staged a protest rally in Bajur and vowed to continue their opposition to the United States and its Pakistani supporters. Faqir Mohammad, a local tribal leader, told the protesters that jihad would continue against America and its allies, according toThe A.P., calling supporters of America the enemy.

The attack also threatens to disrupt a peace deal that was expected to be signed today between Bajur tribal leaders and the military. The agreement is meant to control the flow of weapons and militants into Afghanistan. A similar accord was signed with tribal leaders this year in neighboring North Waziristan.

"This attack is very strange, as we were told Sunday that the peace agreement would be signed," Mohammed Sadiq, a local lawmaker, told The A.P.

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Pakistan Attack A Setback To Border Peace (CSM)

By David Montero

The Christian Science Monitor, October 31, 2006

ISLAMABAD, PAKISTAN

Missiles rained down Monday on what the military said was an Al Qaeda hideout in Bajaur district, a restive tribal area along Pakistan's border with Afghanistan.

The attack, which reportedly killed about 80 people in a madrassah, or religious school, is the second on Bajaur in less than a year. But it has erupted across a vastly different political context, raising concerns about the direction of Pakistan's efforts to contain terrorism in the area.

When missiles last January destroyed a compound in Damadola, killing 13 civilians, the government of Pakistan was still at war with militants in the tribal zones.

Now, however, they are nominally at peace, having signed a controversial accord in North Waziristan that many, including officials in Afghanistan and NATO, have viewed with skepticism.

Under the deal, tribal elders agreed to remove foreign fighters from tribal areas and to stop militants from entering Afghanistan. In return, the Army released hundreds of Taliban militants and returned their weapons, vehicle and equipment.

Monday, the tribal zone's provincial government had been expected to sign a similar accord - now in doubt - in Bajaur, broadening a peace process with Taliban-linked tribesmen.

The timing of the strike raises questions about Pakistan's commitment to such deals, as well as the commitment of its allies across the border. It also threatens to stoke extremism in an area that seemed, somewhat shakily, to be moving toward peace.

Pakistan has worked hard to stave off concerns about its policy of negotiating with terrorists. Some observers say they have failed, and that Monday's strike was a vote of no confidence from American and NATO forces across the border.

"What has happened today is a remarkable disapproval of the Pakistani government's policy [in the tribal areas]," says Rasul Bakhsh Rais, a political-science professor at the Lahore University of Management Sciences. "NATO and the Americans are telling Pakistan, 'If you have retreated from the area, then we will go there.' "

Pakistan's military spokesman, Maj. Gen. Shaukat Sultan, said Monday that the dawn strike was conducted by Pakistan military helicopter gunships, which fired four to five missiles into the facility. The madrassah targeted, he added, was used as a base for terrorist activities and housed as many as 80 militants.

General Sultan said that the attack occurred after the leaders of the facility refused to close it down.

One of those killed was Liaquat Hussain, a cleric linked to Al Qaeda No. 2 Ayman al-Zawahiri, according to the Associated Press.

While the Army took responsibility for the attacks, Pakistan's leading Islamic political leader immediately blamed the United States and called for protests to take place Tuesday. One religious leader, Faqir Mohammed, who was not at the madrassah when it was struck, called for broad protest during a funeral attended by thousands of tribesmen. Two days earlier, Mr. Mohammed had denounced the Pakistani and US governments and praised Osama bin Laden during a pro-Taliban rally of 5,000 in Damadola.

Uncertainty persists, however, over who fired the missiles, and based on what intelligence. There are speculations that the strike, as in January, was miscalculated, and mistakenly targeted civilians rather than militants.

"It looks very odd for the Army to strike this madrassah," says Talat Masood, a retired lieutenant general and analyst in Islamabad. "Why couldn't they strike in a normal ground operation?"

Confusion has also prompted many to wonder whether the attack was conducted by American or NATO forces across the border in Afghanistan. The Pakistani Army, they speculate, might be claiming responsibility to avoid a political firestorm, as occurred after last January's attack. At that time, protests broke out when it was learned that a CIA drone had entered Pakistani airspace and fired upon a compound.

"[The strike] symbolizes a disagreement with the government of Pakistan. The agreement that Pakistan has signed, it has not been able to sell that to the US or Afghanistan," says Mr. Rais.

Whatever the source of the attack, there is consensus that peace efforts in the tribal areas have been undermined, if not derailed.

"I don't think another tribal elder will sign an agreement now," says Kamal Matinuddin, a retired lieutenant general. "It will put the government in a very difficult position."

Pakistan's counterterrorism strategies have been under fire for months. Its military strategy in the tribal areas, which began in 2003, had largely been seen as backfiring.

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Hundreds of militants were killed, but so, too, were civilians and Army personnel. Rather than beating back extremism, military operations turned the tribal areas into an enclave of Taliban and Al Qaeda sympathies.

The Army, many analysts say, finally backpedaled, pulling out troops and devising a new strategy. The peace accord signed in September, and the one scheduled for Tuesday, constituted radical alternatives. Monday's strike, and the calls for violence by protesters, have now cast a shadow over the process.

· Associated Press material was used in this report.

Pakistan Strike Called Response To U.S. Reports (WP)

By Pamela Constable And Kamran Khan

The Washington Post, October 31, 2006

A missile strike that killed close to 80 people at an Islamic school in Pakistan early Monday was launched because of U.S. intelligence reports that senior al-Qaeda figures were hiding there, Pakistani intelligence officials said. The strike generated angry protests by religious and tribal leaders, who accused the government of doing Washington's bidding at the cost of Pakistani lives.

The country's major Islamic party charged that U.S. military planes carried out the attack, which demolished the school, located near the border with Afghanistan. Pakistani and U.S. military officials denied that, saying the raid was the work of Pakistani helicopter gunships and forces, though U.S. intelligence had prompted it.

"This was a training camp, and they had been warned to stop their activities," said Gen. Mahmud Ali Durrani, Pakistan's ambassador in Washington. "They did not pay heed, so they were hit by our gunships and all the people there were killed. There will be a lot of unhappy or misguided people saying we are killing our own people for the sake of the Americans, but we had a commitment to fight terrorism on our soil, and we made a decision."

Osama bin Laden and his deputy, Ayman al-Zawahiri, are widely believed to be hiding in the rugged Afghan-Pakistani border region, home to fiercely independent tribal peoples. Afghan officials also contend that Pakistan's side of the border is serving as a sanctuary for newly aggressive Taliban insurgents in Afghanistan.

The attack in the Bajaur tribal district near the village of Khar caused the highest number of deaths of any single anti-extremist attack in Pakistan since 2001, when Pakistan's president, Gen. Pervez Musharraf, agreed to side with the United States to help overthrow the Taliban in Afghanistan.

The raid on the Islamic studies school, known as a madrassa, seemed to represent an abrupt shift from the Musharraf government's recent policy of seeking peaceful negotiations with extremists in the border regions. In the past several months, two peace deals were signed in the tribal areas of North and South Waziristan after sustained attacks there by the Pakistani military drew strong local opposition and caused heavy casualties on both sides.

A third such agreement was due to be signed in Bajaur this week, but it seemed almost certain to collapse now. Monday's events are bound to compound problems for Musharraf, whose domestic political support has been steadily eroding.

"What a stupid operation, just one day before an accord between the local Taliban and the government. It has killed the entire spirit and the peaceful atmosphere in the tribal areas," said Maulana Fazlur Rehman Khan, who heads one of two major religious parties in parliament. Protesters who turned out in many towns Monday pledged to return to the streets Tuesday.

A similar strike occurred in January, when U.S. missiles devastated a nearby compound that authorities believed Zawahiri was visiting. Officials initially denied, then acknowledged, reports that a U.S. drone had carried out the strike, which killed 18 people. The incident set off protests across Pakistan and forced the Musharraf government to publicly condemn the U.S. action.

Among those killed Monday was Maulana Liaquat, an Islamic cleric allied with al-Qaeda who is believed to have hosted a dinner for Zawahiri in January that led to the missile strike in Damadola village. At a mass funeral for Liaquat and his followers Monday afternoon, news agencies reported, thousands of armed men shouted, "Down with Musharraf! Down with Bush!"

Some religious politicians from the area rejected the official version of events, saying it bore strong similarities to the January attack.

"Exactly like Damadola, there was a big flare before a missile hit the madrassa with a huge bang. Several minutes later, Pakistan army gunship helicopters appeared on the horizon firing aimlessly," said Sahibzada Haroon-ur Rashid, the local member of parliament from the religious Jamaat-e-Islami party. "I don't have an iota of doubt that the missile was fired from an American drone."

Rashid resigned from parliament in protest Monday, as did another senior leader of the religious political alliance that controls North-West Frontier Province, near Afghanistan. Until now, the country's religious parties had maintained an uneasy alliance with Musharraf, and he often deferred to their demands.

Pakistani officials dismissed comparisons with the January attack. "I can say with 100 percent surety that our forces targeted the terrorist training facility," the chief military spokesman, Maj. Gen. Shaukat Sultan, asserted. "It is wrong to draw any comparison with U.S.-led action in Damadola."

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If Monday's attack was carried out exclusively by Pakistan's military, it suggests that Musharraf -- long squeezed between domestic and international pressure on the terrorism issue -- decided to risk near-certain outrage at home to bolster his faltering credentials as a partner in the United States' global campaign.

Musharraf visited Washington last month, where he met with President Bush and Afghan President Hamid Karzai at the White House. In the past, Musharraf's government has earned U.S. praise for arresting and killing many al-Qaeda fighters. But relations have been cool with Karzai because of the Afghan accusations that Pakistan is harboring Taliban fighters.

According to Durrani, the Pakistani ambassador, the Washington meetings included pledges by Pakistan to make a strong effort to fight terrorism, to involve tribal leaders in both countries in that effort and to share intelligence with U.S. and Afghan officials.

"Yes, there are sensitivities, but we cannot sit on our haunches and do nothing," he said. "Many times, things we do in the tribal areas are misinterpreted and not popular. But you have to do tough things. This sends the message that we mean business."

One Pakistani intelligence official, who spoke on condition of anonymity, said the religious school in Khar was "serving as nucleus for all pro-al-Qaeda and pro-Taliban activities" in the Bajaur tribal district.

Publicly, Sultan and other Pakistani officials acknowledged that the attack was partly based on foreign intelligence. Privately, other officials said the information was developed solely by Americans. "They pressed the intelligence hard against our face. . . . A rapid military action was inevitable," one said.

Durrani said no one at the school was younger than 20 and that no children or other civilians were believed killed.

Constable reported from Washington, and Khan reported from Karachi, Pakistan.

Pentagon Mounts Public Affairs Ops To Counter Bad News, Exploit "New Media" (AFP)

By Jim Mannion

AFP, October 31, 2006

The Pentagon is expanding its public affairs operations to counter "inaccurate" news stories and editorials and exploit "new media" to get its message out, its chief spokesman said, denying the effort was linked to the US elections.

The initiative comes amid plummeting domestic support for the war in Iraq and just before crucial mid-term congressional elections in which opposition Democrats are contesting Republican control of the Congress.

Eric Ruff, the Pentagon press secretary, insisted that the new public affairs program was not prompted by either the elections or polls showing that only about 37 percent believe the war is going well.

"What were looking at doing is, 'How can we get better, how can we get faster, how can we transform public affairs?'," he told reporters.

"And we're looking at being quicker to respond to breaking news. Being quicker to respond, frankly, to inaccurate statements," he said.

"And we're looking at this whole issue of new media -- podcasting, and IM-ing and all those kinds of things, where people are basically running circles inside us," he said.

Ruff disclosed the expanded operations after questions were raised about a wall being built in the Pentagon press operations center that will separate the new unit from Pentagon public affairs officials who deal with the media.

He denied that the intent of the new operation was to go around the mainstream news media.

Ruff said he did not know how much the operation is costing or how many people were being hired.

The unit includes a rapid response team, a "new media" group, and a team that specializes in getting Pentagon officials booked on radio and television shows.

"Well, just for example, letters to the editors: the operational tempo for letters to the editor has gone up considerably," Ruff said.

Dorrance Smith, the assistant secretary of defense for public affairs, has written a torrent of letters to editors in recent weeks seeking corrections or rebutting articles and editorials.

The Pentagon's daily compilation of defense-related news articles on Monday ran five such letters, including one to the Washington Post that has not been published.

Ruff said the new operation also was set up by Smith, a former ABC television producer and media adviser in Baghdad to L. Paul Bremer, who led the Coalition Provisional Authority in Iraq in the year after the US invasion.

But US Defense Secretary Donald Rumsfeld, a strident critic of media coverage of Iraq, also has pushed for a sweeping overhaul in the way the military communicates with the public.

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In a speech to the Council on Foreign Relations in February, he called for 24-hour press operations centers and an approach that would give Internet operations and other channels of communications equal status to "20th century press relations."

"It will result in much less reliance on the traditional print press, just as publics of the US and the world are relying less on newspapers as their principal source of information," he said.

Efforts to expand the military's use of "information operations" overseas aroused controversy following disclosures last year that a private contractor was used to secretly plant paid stories in the Iraqi media.

"Information operations" is a military term used to describe propaganda aimed at influencing foreign publics. Traditional Pentagon public affairs, on the other hand, is bound by laws that prohibit propagandizing of Americans.

Asked whether the new Pentagon operations fell under the category of "information operations," Ruff said, "I've not looked at it that way at all."

"I've looked at it as getting better at what we do, from the standpoint of taking advantage of technology, of setting the record straight from a public affairs position," he said.

Pentagon Ramping Up Public Relations Efforts (AP)

AP, October 31, 2006

PENTAGON Think of a political campaign's "war room," and then picture it within the Pentagon's giant rings.A memo obtained by The Associated Press shows the Defense Department is adding to its public relations staff. It plans to set up teams to quickly answer opponents' claims, develop messages for news cycles and coordinate officials or politicians to speak out on issues.Defense Secretary Donald Rumsfeld has said the thing that keeps him up at night is his belief that terrorists have been able to manipulate the media, while the Pentagon's communications efforts have been lacking. He once graded those efforts as a D or a D-plus.A Pentagon spokesman denies the new effort is aimed at shaping public opinion about the war, or at influencing next week's elections.

Pentagon Boosts Public Relations Arsenal (AP)

AP, October 31, 2006

WASHINGTON (AP) -- The Pentagon is buttressing its public relations staff and starting an operation akin to a political campaign war room as Defense Secretary Donald H. Rumsfeld faces intensifying criticism over the Iraq war.

In a memo obtained by The Associated Press, Dorrance Smith, assistant secretary of defense for public affairs, said new teams of people will "develop messages" for the 24-hour news cycle and "correct the record."

The memo describes an operation modeled after a political campaign -- such as that made famous by Bill Clinton's successful 1992 presidential race -- calling for a "Rapid Response" section for quickly answering opponents' assertions.

Another branch would coordinate "surrogates." In political campaigns, surrogates are usually high-level politicians or key interest groups who speak or travel on behalf of a candidate or an issue.

The plan would focus more resources on so-called new media, such as the Internet and Web logs. It would also include new workers to book civilian and military guests on television and radio shows.

Pentagon press secretary Eric Ruff did not provide the exact number of people to be hired, or the costs.

Rumsfeld has complained bitterly that the press focuses too much attention on bad news coming out of Iraq, and not enough on progress being made there.

As an example, he said during a trip to Nevada earlier this year that he was deeply troubled by the success of terrorist groups in "manipulating the media" to influence Westerners.

"That's the thing that keeps me up at night," he said during a question-and-answer session at a naval base.

The Pentagon changes, in the works for months, come as voters prepare to go to the polls next week with the war in Iraq as a key issue.

Polls suggest that the Republicans could lose their majority in the House, and perhaps the Senate, too.

The new public relations plan began to take concrete shape on Friday as new construction began in the E-Ring, the Pentagon's outermost corridor, to accommodate new hires.

Ruff said Monday that the reorganization, spearheaded by Smith, will help the department "set the record straight" and provide accurate, timely information.

He denied that the effort was set up to respond to the eroding public support for the war, or that it was aimed at helping in next week's elections.

He also said he would not call it an "information operations" program, which generally refers to a propaganda-type campaign.

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Ruff said the effort grew out of Rumsfeld's criticism of the department's communications capabilities, which the secretary compared unfavorably to how quickly and effectively terrorists can get their message out.

"If I were grading I would say we probably deserve a 'D' or a 'D-plus' as a country as to how well we're doing in the battle of ideas that's taking place in the world today," Rumsfeld said during a visit to the Army War College in March.

"I'm not going to suggest that it's easy, but we have not found the formula as a country" for countering the extremists' message.

"We're trying to do better than a D-plus," said Ruff.

CORPORATE SCANDALS:

Monster's Founder Quits Board Amid Options Probe (WSJ)

By James Bandler And Mark Maremont

The Wall Street Journal, October 31, 2006

Monster Worldwide Inc.'s founder, Andrew McKelvey, resigned from the company's board after declining to be interviewed by lawyers conducting an internal investigation into backdating of stock options at the company.

Mr. McKelvey, who founded the company that was the precursor of Monster 39 years ago, had been the company's chairman and chief executive until earlier this month, when he stepped down from both posts, citing the demands of dealing with the options probe. Yesterday, he resigned his remaining positions as director and chairman emeritus. Monster is the parent of the popular Monster.com job-search Web site.

The broadening options-backdating scandal so far has focused on more than 150 companies, and white-collar attorneys say executives increasingly are refusing to cooperate with in-house probes for fear that their statements will be used against them by the government. But failure to cooperate makes it difficult or impossible for the executive to stay in his or her position. Nearly all of the companies involved are conducting internal probes, and typically turn over the results to federal investigators.

MORE ON OPTIONS

· Text of Monster's SEC filing (PDF)1

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· Monster's CEO Resigns, Citing Probe Into Options2

10/10/06

· Options Scorecard: Companies under scrutiny3

· Perfect Payday: Complete coverage4

Robert Jones, a Monster spokesman, said the company and its board "demanded full compliance with the special committee and its representatives." He declined to comment further.

Behind yesterday's departure was an initial interview Mr. McKelvey, 71 years old, gave in July to the lawyers at Akin Gump Strauss Hauer Feld LLP conducting an internal probe for a special committee of Monster's board. At that time, Mr. McKelvey said that he had no knowledge of any options backdating at Monster, a person familiar with his interview said. This person said that Akin Gump lawyers found evidence contradicting this assertion.

Mr. McKelvey's new attorney, in a letter dated Oct. 29 submitting his client's resignation, tried to clarify remarks the former Monster chief had made in July. He said his client was "jet-lagged, came in without counsel and....did not express his thoughts and recollections as clearly or accurately as he would have liked."

Mr. McKelvey's lawyer, Steven F. Reich, said in the letter that his client had "misunderstood" what the July questions were about, and "focused too narrowly on the issue of whether he knew at the time that improper conduct had occurred, and not on the more general issue of whether backdating had occurred." Mr. Reich added that his client now wished to make clear that he didn't understand at the time that backdating of options was improper or that the practice could have legal or accounting implications.

Mr. McKelvey had been scheduled to be interviewed again by the Akin Gump lawyers yesterday, but Mr. Reich canceled the meeting, saying as new counsel he needed more time to prepare.

"We think the letter from Mr. McKelvey's lawyer is fairly self-explanatory," said Andrew Levander, an outside lawyer for Monster.

Options give their recipient the right to buy a stock at a fixed price, allowing the recipient to profit if the market value of the stock rises from the day the option was granted. But it turns out many companies cheated by pretending that their options were granted on earlier dates, when the stock price was much lower, a practice that gives an instant paper profit to grant recipients.

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Backdating is illegal if not properly disclosed to shareholders, and also can pose serious accounting and tax problems for companies and executives.

Three former executives at Comverse Technology Inc. have been charged criminally with fraud connected with alleged options backdating at the New York telecommunications software firm. All three purportedly had given confessions to private lawyers conducting an internal probe. One, the company's former finance chief, has pleaded guilty.

At Monster, several top executives, not including Mr. McKelvey, received options supposedly granted at highly favorable times when the company's stock price was low. Several grants were at quarterly or annual low points. The company previously announced the suspension of Myron Olesnyckyj, its general counsel, and has said it is very likely to restate its financial results over options issues.

In a June interview with The Wall Street Journal, Mr. McKelvey said his practice was to sign off on grants and pass them on to the board's compensation committee, but he didn't know the "mechanics" of how options were ultimately awarded. In June, Mr. McKelvey also said that he didn't know of evidence of backdating or other improprieties.

Yesterday, Securities and Exchange Commission Chairman Christopher Cox said the corporate response to stock-option abuses was "unprecedented" and reflects how the corporate environment has changed after accounting scandals at companies such as Enron Corp.

In remarks to reporters after addressing a Stanford University conference in Washington, D.C., Mr. Cox said the forceful private-sector response shows "an unmistakable message has been received" on the need for firms to investigate and address stock-option abuses.

Mr. Cox told reporters the SEC has a number of investigations into stock-option abuses, and said he expects "we'll be seeing more." SEC enforcement division director Linda Thomsen said the agency has more than 120 probes under way, focusing on the worst behavior, such as falsifying documents, creating fictitious employees and lying to auditors -- conduct the SEC alleged against former Comverse executives, which Ms. Thomsen suggested may have occurred at other firms as well.

Separately, Intuit Inc. said that the SEC has decided not to recommend any enforcement action in its investigation of the company's options-granting practices. Intuit, a Mountain View, Calif., maker of personal-finance software, previously had said an internal probe found no evidence of fraud or wrongdoing in its options practices. The company concluded it didn't need to restate historical results.

Monster's Founder Steps Down As Chairman Emeritus (USAT)

By Edward Iwata

USA Today, October 31, 2006

As federal authorities continue to investigate Monster Worldwide in its stock-option granting practices, the company said Monday that former CEO and founder Andrew McKelvey has resigned as chairman emeritus of the company.

The 71-year-old stepped down last month as CEO and chairman, and Chief Operating Officer William Pastore was promoted to CEO of Monster, the parent corporation of a popular job-search website.

McKelvey was scheduled to meet Monday with a Monster special committee investigating the company's stock-option grants, but he changed his mind.

The company said in a statement that “Mr. McKelvey had declined to be interviewed” and “would not provide assurance that he would appear at a later date.”

McKelvey's attorney, Steven Reich of Manatt Phelps & Phillips, said in a letter Sunday to Monster's private attorneys that “we need a good deal more time to get up to speed on this fact-intensive matter that covers a period of many years.”

The letter, addressed to attorney James Benjamin at law firm Akin Gump Strauss Hauer & Feld, also said that McKelvey was ill, was suffering from jet lag and lacked legal representation during a key meeting with the committee last July on the stock-option scandal.

When questioned, McKelvey did not understand the legal and accounting implications of stock-option backdating, or whether Monster engaged in improper practices, according to the letter filed Monday with the Securities and Exchange Commission.

The SEC and Justice Department are investigating Monster's stock-option practices, the company has said. Monster also is conducting its own investigation, by the Akin Gump law firm and a special committee of directors.

Company spokeswoman Kathryn Burns said the company hopes to restate its financial results by December. “Now that we know the magnitude of the restatement,” she says, “we're planning to start 2007 on a clean slate.”

Nasdaq officials have warned Monster that it may be delisted if the company does not file by Dec. 13 its quarterly earnings statement for the June quarter.

Monster expects to restate its finances for the years 1997 through 2005, according to the company's SEC filings.

Meanwhile, recent shareholders' lawsuits accuse Monster executives and directors of securities fraud and of allegedly failing to disclose the backdating of stock-option grants worth millions of dollars.

Backdating option awards involves choosing an award date when a company's stock price was lower than the date the options were actually awarded. That gives the holder a chance for a bigger profit when they exercise the options and sell the shares.

Monster's senior executives were motivated "to overpay themselves, to profit from their misconduct by cashing in on underpriced stock options and to issue false financial statements to cover up their misdeeds," according to a lawsuit filed by the National Roofing Industry Pension Plan in U.S. District Court in New York.

Another federal lawsuit, filed by Philadelphia's Board of Pensions and Retirement, alleges that dozens of "suspicious grants" totaling millions of dollars were issued to Monster executives and directors from 1997 to the present.

Shares of Monster rose 2.6% to $41.32 in Monday trading on the Nasdaq stock market.

Federal authorities are investigating more than 100 companies on suspicion of illegal stock-option grants.

Ex-CEO Of Monster Worldwide Resigns From Board Over Stock Options Investigation (AP)

By Vinnee Tong, The Associated Press

AP, October 31, 2006

The scandal over stock options backdating spread to yet another executive as the former chief executive of Monster Worldwide Inc., Andrew J. McKelvey, quit his board seat and refused to sit for questions from fellow board members.

Monster Worldwide, parent of the world's largest job search Web site, announced McKelvey's resignation on Monday. A board committee conducting an internal investigation had sought to interview him further following a meeting in July. Monster has received a subpoena from the U.S. attorney's office in the Southern District of New York over stock options and has said it wants to complete its own investigation by the end of the year.

McKelvey, who is 71, is the latest company chief to be affected by investigations of the accounting of past options grants. In all, at least 135 U.S. companies have disclosed internal inquiries or government investigations and at least 39 executives and board directors at 19 companies have been fired or have resigned.

McKelvey's full resignation from the board comes weeks after he stepped down from the posts of chairman and chief executive on Oct. 9. At that time, he retained a spot on the board and was named as a chairman emeritus.

Top executives who have recently resigned from other companies over options investigations include: UnitedHealth Group Inc. Chief Executive William McGuire, KLA-Tencor Corp. Chairman Kenneth Levy, CNET Networks Inc. Chief Executive Shelby Bonnie and McAfee Inc. CEO George Samenuk. McGuire quit as chairman earlier this month and will resign as CEO by Dec. 1.

So far, federal authorities have filed charges against former officials of two technology companies. And Securities and Exchange Commission Chairman Christopher Cox said on Monday that he expected more such charges in the coming days.

"This is very, very serious," said Jerry Reisman, an attorney specializing in corporate fraud at the firm Reisman Peirez & Reisman. About McKelvey, he said, "He doesn't want to answer questions because anything he says can be used against him in any criminal investigation. He may already be a target, we don't know."

Backdating involves issuing stock options retroactively to coincide with low points in a company's share price, potentially increasing profits for recipients when they sell their shares at higher prices.

Monster issued a statement Monday disclosing that, through a lawyer, McKelvey declined to be interviewed by a special committee of the board in a meeting that had been set for Monday. He also would not assure the board that he would appear at a later date.

A lawyer for McKelvey wrote in a letter that the former executive refused to meet because he did not have sufficient time to review the facts of what had happened over the course of several years. Attorney Steven Reich also clarified answers McKelvey gave in a July meeting, arguing that McKelvey did not know backdating was illegal.

"He did not understand that it was improper for the exercise price of stock to be different than the price on the grant dates, nor did he understand there were legal or accounting implications associated with that difference," Reich wrote in the letter.

The company's ongoing internal investigation had also delayed the release of its latest quarterly earnings results and led to the suspension of Myron Olesnyckyj, the company's senior vice president, general counsel and secretary.

When McKelvey resigned as CEO, he was replaced by William Pastore. Monster's board also created a three-person executive committee for board matters.

Shares of Monster Worldwide rose $1.10, or 2.73 percent, to $41.39 on the Nasdaq Stock Market in afternoon trading.

More Options-tied Cases Likely (AP)

By MARCY GORDON And VINNIE TONG, The Associated Press

AP, October 31, 2006

SEC: Many companies, however, are stepping forward and voluntarily reporting irregularities.

WASHINGTON - With about 100 companies under investigation, new cases will be brought on suspicious timing of stock options grants in the near future, the head of the Securities and Exchange Commission said Monday.

Meanwhile, there have been an "unprecedented" number of companies that have voluntarily reported irregularities in stock options awards to the authorities -- a cooperation that will be taken into account by the SEC in those cases, Chairman Christopher Cox said.

Federal authorities have filed charges so far against former officials of two technology companies.

"I'd expect that we'll see more as a result of that process in the days ahead," Cox told reporters.

His remarks came amid news that the former chief executive of Monster Worldwide Inc., parent of the world's largest job-search site, had resigned from its board after refusing to be interviewed about the company's past options practices.

Andrew J. McKelvey's resignation came weeks after he stepped down from the posts of chairman and chief executive on Oct. 9. At that time, he retained a board seat and was named chairman emeritus.

To date, at least 135 public companies have disclosed internal inquiries over options grants or investigations by the SEC or the Justice Department, and at least 39 executives and directors at 19 companies have been fired or resigned.

"This is very, very serious," said Jerry Reisman, an attorney specializing in corporate fraud at the firm Reisman Peirez & Reisman. About McKelvey, he said, "He doesn't want to answer questions because anything he says can be used against him in any criminal investigation. He may already be a target; we don't know."

A lawyer for McKelvey wrote in a letter that the former executive refused to meet because he did not have sufficient time to review the facts of what had happened over the course of several years. Attorney Steven Reich also clarified answers McKelvey gave in a July meeting, arguing that McKelvey did not know backdating was illegal.

Backdating is an issue in many of the investigations. In the practice, stock options are issued retroactively to coincide with low points in a company's share price. This can fatten profits for options recipients.

Backdating options can be legal if the practice is disclosed properly to investors and approved by the company's board.

Some companies have been eager to show their cooperation.

Cox cited an "unprecedented private-sector response" in terms of firms voluntarily reporting stock options problems.

Missed Deadlines Raise Possibility Of More Backdated Option Grants (MERCN)

By Therese Poletti

The San Jose Mercury News, October 31, 2006

Hundreds of companies have missed the regulatory deadlines to disclose how many stock options they have granted to insiders, raising questions about whether more options grants may have been backdated even amid new tougher securities laws, according to a report by Glass Lewis.

In an Oct. 20 report called ``The Backdating Scandal's Second Act?" Glass Lewis, an institutional shareholder advisory firm in San Francisco, noted that its research has identified hundreds of companies with late filings to the Securities and Exchange Commission. Those filings, called Form 4s, are now required within two days of the grants, per new securities laws as a result of Sarbanes-Oxley legislation.

``This suggests backdating continued to occur after the adoption of new disclosure rules," wrote Todd Fernandez, a senior research analyst at Glass Lewis, in the report. He noted there are many examples of companies that were late in disclosing grants to insiders and the stock price rose materially from the purported grant date to the disclosure date.

Some examples Glass Lewis sited include Silicon Image of Sunnyvale, Hansen Natural of Corona, Calif., O'Reilly Automotive of Springfield, Mo., Digital River of Minneapolis, Websense of San Diego, and Medis Technologies of New York.

Glass Lewis said it reviewed hundreds of thousands of insider transactions from January, 2004 to June 2006, for its report.

To date, the SEC and the Justice Department have said they are investigating more than 100 companies for giving executives and employees a head start on profits, by backdating their stock options grants to a more favorable date. Backdating per se is not illegal, but the companies are being investigated for not properly disclosing these options grants in their financial statements. Companies and employees could also face some tax implications.

SEC's Grip On Hedge Funds Reviewed (DEAL)

By Ron Orol And Donna Block, The Deal

The Deal, October 31, 2006

DOJ_NMG_0089119

Congressional investigators are examining whether stock exchanges and the Securities and Exchange Commission are equipped to police trading activity ahead of market-moving deals, particularly as hedge funds become an increasingly large presence in the financial markets.

At the request of Sen. Finance Committee Chairman Charles Grassley, R-Iowa, the Government Accountability Office earlier this month agreed to examine whether the SEC had adequate procedures in place to oversee stock exchange regulators, including the New York Stock Exchange and NASD.

Ostensibly, those exchanges are self-regulatory organizations, but the SEC ultimately is charged with ensuring that the public markets are carrying out their obligations to root out insider trading, fraud and other abuses.

Financial industry sources say Grassley is right to suspect some fire behind the smoke of suspicious trading and that the SEC appears to suffer a backlog of referrals of suspected improper trading from the exchanges.

With the advent of decimalization, increased domination by institutional trading, short-term trading strategies by hedge funds, and the move to a for-profit model of the major trading venues, it's unclear whether the SRO's market surveillance budgets, staffing levels and computer technology are keeping up.

"The tasks are bigger, the volumes are bigger and the rapidity of trading is bigger," said Steve Howard, a partner at Washington law firm Thatcher Profitt & Wood.

As for the SEC, Howard added that the agency has maintained the initiative in areas like insider trading. "Their actions [on insider trading] are at a low relative the number of actions taken in the 1980s and with a faux pas like Pequot it begs the question -- what happened?"

In fact, according to testimony by NYSE Regulation executive vice president Robert Marchman in September, the NYSE in the last two years has seen "a significant increase in the number and complexity of our insider trading referrals to the SEC." According to his testimony before the Senate Judiciary Committee, referrals to the SEC increased from 68 in 2004 to 111 in 2005, a 63 percent increase. For 2006, at the current pace, "we project 140 referrals to the SEC, an increase of 26 percent from 2005," he said.

Combined, insider trading referrals to the SEC have increased a cumulative 105 percent over the last two years. "The projected 140 referrals in 2006 will handily surpass the five-year high-water mark of 98 referrals in 2000," Marchman said.

So what is the SEC doing with all these referrals?

The agency declined comment pending a review of its records. But one suggestion is that the SEC has not acted on many of them because is focused on other areas like the roll out of XBRL -- a quest to modernize the agency's data retrieval system. The personnel-strapped agency also focused a lot of attention in the past year on unsuccessful attempts to require hedge fund manager registration, an initiative that was struck down in court. A court also struck down a rule that would have required independent directors to sit on mutual fund boards.

The SEC is indeed hurting for bodies. According to a source close to the SROs at a recent meeting with the SEC, the organizations were told that trading referrals were not acted upon because of a "hiring freeze." It's estimated that the SEC lost 31 "full-time equivalent" positions in enforcement in fiscal 2006, a 2.4 percent decline from fiscal 2005.

Nevertheless, Grassley wants to scrutinize in greater detail the SEC's handling of an insider trading case involving a large hedge fund and an influential investment banking executive prior to mergers or other market moving activities. Grassley questioned whether the agency gave Morgan Stanley chief executive John Mack special treatment during a probe of insider trading at Pequot Capital Management Inc., which runs $7 billion in hedge funds.

In a letter to clients last month, Pequot announced that the SEC staffers had determined they would not bring charges against the fund or any of its employees.

The revelation fueled alarm on Capitol Hill, where lawmakers already had raised concerns about the SEC's handling of the Pequot investigation. The former leader of the SEC's Pequot investigation was fired after telling Congress that senior SEC officials blocked his efforts to question Mack, who now heads Morgan Stanley. The agency has been investigating whether Pequot relied on insider information to buy stock of Heller Financial Inc. prior to its 2001 takeover by General Electric Co.

Beyond the Pequot matter, Grassley wants the General Accounting Office to investigate the SEC's enforcement division and compliance department and whether the agency is prepared to oversee hedge fund trades. Grassley asked the GAO to examine the SEC's "planning, oversight, control and other management processes." More broadly, the study will look at the overlapping SEC and SRO compliance networks and whether there is an overly cozy relationship between the stock exchanges and their investment banking clients.

It's unclear how long the GAO will take to issue its report, but the oversight office, which agreed to do the investigation on Oct. 16, will likely take several months and could be completed by June.

Hedge fund and other regulatory observers expect that should the GAO identify problems with the SEC's investigation of this situation, then it is likely stock exchanges and the SEC will spend more time and energy inspecting market transactions and

other activities. The result is also likely to be an increased level of communications between the stock exchanges and the SEC on market activity.

"I expect the SROs will likely need to devote a significantly larger portion of their resources looking at market activity," said William Natbony, partner at Katten Muchin Rosenman in New York.

Stock exchanges have already both invested heavily in reviewing market moving activities, with possible plans for more funding in that area.

But Arthur F. Bell Jr., president of Arthur Bell & Associates, a Hunt Valley, Md., hedge fund consultancy firm, said there isn't enough evidence available yet to determine whether there is a problem and if there is an issue, whether it needs a whole new regulatory regime.

Grassley's efforts also may have set up a three-way congressional turf battle over the hedge fund regulation. Senate Judiciary Committee Chairman Arlen Specter, R-Pa., in June held a hearing on the industry, charging that the SEC and the Justice Department had better get serious about investigating market manipulation by hedge funds and collusion between hedge fund managers and ostensibly independent research firms that supply analysis to investors.

Efforts to rein in the hedge fund industry by both Grassley and Specter have put a spotlight on Senate Banking Committee Chairman Richard Shelby, R-Ala. The Senate Banking Committee has jurisdiction over hedge funds and investment banking.

But securities lawyers also contend that whatever the results of the GAO report, it is not likely to put pressure on SEC Chairman Christopher Cox to restore the requirement for hedge fund manager registration.

As hedge funds have increased in size they have also increased their trading volume, making the job of stock exchange oversight of the trades more difficult. Richard Lashley, co-founder of Naperville, Ill.-based hedge fund PL Capital, says he's worried about the system of intermediaries that processes stock transactions seizing up.

"I don't know if there are too many transactions, but since there is much more capital out there I worry about the system which the trades are made could break down," Lashley says.

Targeting Hedge Funds (WSJ)

The Wall Street Journal, October 31, 2006

Targeting Hedge Funds

October 31, 2006

The big news with last month's implosion of Amaranth Advisors hedge fund was how little news it made. Even as the $9 billion fund was spiraling down after bad energy bets, J.P. Morgan Chase and the Citadel Investment Group stepped in to pick up the pieces. J.P. Morgan even reported that the deal boosted its third-quarter earnings.

But the Amaranth debacle still poses a different threat -- the political kind. Senate Finance Chairman Charles Grassley is circulating a letter to regulators looking for suggestions on how to regulate hedge funds. He's far from the only one. Connecticut Attorney General Richard Blumenthal is bidding to become the next Eliot Spitzer by doing to hedge funds what New York's AG did to the insurance industry. (Someone might want to tell Mr. Blumenthal that if he wants to drive this rich and growing industry out of Greenwich, he should keep it up.)

Rumblings can be heard abroad too. The German government wants the G-8 to take up hedge-fund and private-equity regulation. A select committee of the British Parliament is already examining regulations. Arthur Levitt, a former head of the SEC who opposes more hedge-fund regulation, nonetheless says he'd be surprised if Congress doesn't take up the issue next year, no matter which party controls Congress. * * *

So, just what is driving this push to regulate? First, until recently hedge funds have been growing like Topsy, and the 1998 meltdown of Long-Term Capital Management did little to diminish wealthy investors' appetite for new funds. Today there are more than 3,000 hedge funds, managing more than $1 trillion in assets. This growth has made them an increasingly attractive target for imperialist bureaucrats and rent-seeking politicians.

Then there are the demographics. Hedge funds by definition are open only to the rich. They have received a regulatory pass so far by limiting the number of investors in any given fund and restricting access to those who, essentially, can afford to lose everything they put in. By promising to cater only to the wealthy, hedge funds escape most of the rules passed in the wake of the 1929 crash to protect small investors. They can also take on a lot more leverage than, say, mutual funds. And their managers are not restricted in paying themselves performance-based compensation.

This basic bargain -- stay away from small investors and the SEC will leave you alone -- has held up pretty well for 70 years. There's little political hay to be made by arguing that millionaires need government protection from other millionaires.

But recently the bargain has shown signs of fraying. Senator Grassley cites pension-fund investments in hedge funds as one cause for concern. A large public or private pension fund may have billions in assets, but if it gets burned by a hedge fund that goes belly up, the "little guy" could get hurt, the Senator claims.

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Never mind that pension funds have been seeking out hedge funds precisely because the lighter regulatory burden has meant higher returns. Moreover, to say that pension beneficiaries are "exposed" to hedge-fund risk is another way of saying that they are exposed to pension-fund-manager risk. But this is one reason pension funds themselves are regulated and supervised. Pension-fund investments are also highly diversified, or should be, with hedge funds representing only a slice of a pension-fund portfolio.

A second concern is that hedge funds are getting so big and numerous that they may pose a risk to the larger financial system. Thus regulators say they need to know more about, and have more control over, what exactly is going on in Greenwich.

"Systemic" risk is no laughing matter. One such risk that keeps us awake at night is having so much housing risk concentrated in two big firms, Fannie Mae and Freddie Mac -- especially when they enjoy an implicit government guarantee on the leverage they use to fatten their bottom line. Those two companies, by the way, have a combined portfolio nearly as large as the entire hedge-fund industry. But Capitol Hill prefers to ignore that systemic danger because the two mortgage giants and their homebuilder allies lather the place with campaign contributions.

By contrast, when Long-Term Capital Management (LTCM) went bust, it had about $5 billion in assets that it had leveraged into a $120 billion portfolio. That's not chump change, but the banks that had the most to lose stepped up and bought out the hedge-fund managers. The investors in LTCM got wiped out, but the "financial system" barely hiccupped. A report on LTCM issued in 1999 by the Treasury, the SEC and Federal Reserve noted that, even in a worst-case scenario, none of the banks and brokerages "exposed" to LTCM were ever in danger of insolvency. More recently, the failure of Amaranth and Bayou made headlines but barely caused a financial blip.

This is not to say there are no risks, especially when hedge funds are experimenting in complex derivatives and the like. But most of those transactions have banks or other regulated entities as counterparties, and so do not occur in a regulatory vacuum. Banks and their regulators have a duty to understand their exposure to what their hedge-fund clients and counterparties are doing. As long as they do, the risk of contagion can be minimized without intrusive regulation of hedge funds. * * *

All that said, politicians follow the money, so it was inevitable that hedge funds would become targets as they prospered. Some hedge-fund managers have floated the idea of establishing a self-regulatory entity like the NASD for their industry to keep the panting politicians at bay. This could prove a decent hedge of its own against more-intrusive alternatives.

Certainly it beats giving direct jurisdiction over the funds to the SEC and its army of 27-year-old lawyers. Best of all would be for the Members of Congress to leave hedge funds alone and reform the many "systemic" financial risks -- such as Fannie Mae, Social Security -- that they themselves have created.

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Delphi Settles Charges With SEC (WP)

By Sholnn Freeman

The Washington Post, October 31, 2006

The Securities and Exchange Commission said yesterday that it settled civil fraud charges against embattled auto parts supplier Delphi Corp. and some of its former officials, while others vowed to fight.

The SEC named 13 individuals in the case, which alleges that officers at the company's highest level engaged in accounting schemes to mask Delphi's declining financial condition from 2000 to 2004. In one effort, the SEC said executives misrepresented warranty claims as pension costs to improve financial results.

Under terms of the settlement, Delphi faces no financial penalties.

The SEC said six individuals in the case agreed to settle the charges without admitting wrongdoing and will pay a total of $1.4 million in fines and other payments. The largest amount will be paid by Alan Dawes, Delphi's former chief financial officer, who agreed to pay $687,000.

J.T. Battenberg III, Delphi's former chief executive who was also named in the complaint, denied the SEC's claims.

"I deny the allegations against me and will ask that the Court hear evidence at the earliest possible time," Battenberg said in a statement.

The other former Delphi officials fighting the case are Paul Free, controller and chief accounting officer; John Blahnik, treasurer; Milan Belans, former director of capital planning and pension analysis; Catherine Rozanski, director of financial accounting and reporting; and Judith Kudla, former director of finance in Delphi's information technology department. Scot

McDonald, an employee of a Texas IT company ensnared in the case, also is fighting the complaint, which was filed in U.S. District Court for the Eastern District of Michigan.

Thomas W. Kranmer, Blahnik's attorney, said he hadn't had an opportunity to review the complaint. "However, there is another side to this story and we look forward to making that presentation to the court," he said.

Attorneys for the others fighting the complaints weren't immediately available for comment yesterday.

Linda Chatman Thomsen, director of the commissions enforcement division, said in a statement that the Delphi case stood out on several counts. "The facts here are particularly troubling because of the number of fraudulent schemes engaged in by Delphi, the length of time over which they occurred, and the number of Delphi employees, including senior officers, who carried out the schemes."

Last year, Troy, Mich.-based Delphi restated some earnings in the financial periods under SEC scrutiny. In a statement, chief executive Steve Miller said, "We are pleased to put the SEC investigation behind us and consider this settlement as an important step in our transformation process."

In one of the alleged abuses, the SEC said Delphi engaged in accounting schemes that tried to hide a billing dispute with General Motors Corp. over faulty parts. According to the complaint, GM was asserting in May 2000 that Delphi owed between $350 million and $800 million for warranty claims for faulty Delphi-made parts. The firms eventually agreed to $237 million to satisfy the claims.

Along the way, Delphi officials continually misclassified the items. The SEC complaint says Delphi sought to mischaracterize the $237 million payment as a pension-related expense, which could potentially limit the payment's impact on Delphi's income statement. The SEC says the misclassification resulted in Delphi overstating profit in the second quarter of 2000 by $69 million. In the third quarter of 2000, the SEC says Delphi's profit would have been about $15 million, rather than the $148 million Delphi reported.

Additionally, near the end of 2000, the SEC said Delphi entered into two fraudulent inventory transactions in which it purported to sell $270 million of precious metals to banks and consulting firms, while simultaneously agreeing to buy the inventory back later. The SEC said the transactions were intended to allow Delphi to inflate its cash and improperly report $80 million in profit.

Delphi has been operating under bankruptcy court protection since last October. The firm, once under GM's wing, was spun off in 1999. Delphi then became stalled by crushing U.S. labor contracts and competition from parts makers operating in low-wage countries. Since separating from GM, Delphi has lost billions of dollars. Its problems have cast a shadow over GM, which is also trying to stabilize its U.S. operations.

SEC Files Fraud Charges Against Delphi And Former Top Executives (AP)

By Ken Thomas, Associated Press

AP, October 31, 2006

WASHINGTON - The Securities and Exchange Commission said Monday it had settled charges of accounting fraud against Delphi Corp. and six people, including the auto supplier's former chief financial officer, in a scheme to hide the poor conditions of the company's finances.

The SEC, in a filing in federal court in Detroit, charged former Delphi Chief Executive J.T. Battenberg and others with participating in or aiding and abetting the company's fraud.

Delphi, the nation's largest auto supplier, filed for bankruptcy protection in October 2005. Resolving the SEC investigation could help the company move closer to emergence from bankruptcy next year.

The government said in a statement that the Troy, Mich.-based company had settled its charges and will not face penalties because of its cooperation with investigators.

Delphi Chairman and CEO Robert S. "Steve" Miller said the auto supplier had "cooperated fully with the commission's investigation and will continue to do so. We are pleased to put the SEC investigation behind us and consider this settlement an important step in our transformation process."

Delphi settled the charges "without admitting or denying the Commission's allegations," the SEC said.

The agency said it settled charges with six of the people named in the complaint, including former Chief Financial Officer Alan Dawes, who agreed to pay $687,000 in fines and restitution.

The SEC investigation found that Delphi manipulated its earnings from 2000 to 2004, using several illegal schemes to boost its earnings, including the concealment of a $237 million transaction in 2000 with its former parent company, General Motors Corp., involving warranty costs.

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Linda Chatman Thomsen, director of the SEC's division of enforcement, said the facts were "particularly troubling because of the number of fraudulent schemes engaged in by Delphi, the length of time over which they occurred, and the number of Delphi employees, including senior officers, who carried out the schemes."

The SEC said its investigation was continuing. The Justice Department has also been conducting a criminal investigation of the company related to the accounting practices. A Justice spokeswoman declined to comment.

Battenberg, in a statement, said the SEC complaint against him "relates entirely to a settlement of disputes between Delphi and General Motors in September 2000 that I believed and continue to believe was entirely lawful and proper.

"I fully cooperated with Delphi and with the SEC in their investigations of this matter both before and after my retirement, and am disappointed to say the least that this lawsuit has been filed," Battenberg said. "I deny the allegations against me and will ask that the court hear the evidence at the earliest possible time."

A GM spokeswoman declined to comment.

Battenberg, Delphi's founding chairman after it was spun off from GM in 1999, announced his retirement in February 2005, shortly before the SEC probe was announced.

Peter Henning, a former SEC attorney who teaches at Wayne State University Law School, said the chief financial officer's knowledge was key to the government's probe in similar accounting fraud cases involving Enron Corp. and WorldCom Inc. He said Dawes, the former CFO, would likely be the linchpin in the Delphi case.

"The CFO not only knows the accounting but he also knows the management decisions for certain transactions, so he will be a key to the case," Henning said.

In addition to Battenberg and Dawes, the SEC complaint also named Paul Free, Delphi's former controller and chief accounting officer; John Blahnik, Delphi's former treasurer and senior vice president; Milan Belans, Delphi's former director of capital planning and pension analysis; Catherine Rozanski, Delphi's former director of financial accounting and reporting; and Judith Kudla, former director of finance in Delphi's information technology department.

Others charged include: Scot McDonald, who works for a Texas-based information technology company and formerly served as manager of U.S. GAAP Consulting and Reporting; B.N. Bahadur, who led a Michigan-based private management consulting company.

In addition, the complaint charged four other people with aiding and abetting Delphi's reporting and books-and-records violations: Atul Pasricha, Delphi's former assistant treasurer; Laura Marion, Delphi's former director of financial accounting and reporting; Stuart Doyle, a former client executive supporting the Texas IT company's relationship with Delphi; and Kevin Curry, a former client executive supporting the Texas IT company's relationship with Delphi.

In addition to Dawes, the SEC reached settlements with Pasricha, Bahadur, Marion, Doyle and Curry. Bahadur agreed to pay back nearly $490,000 in ill-gotten gains and interest and pay an $80,000 penalty; Pasricha agreed to a $55,000 penalty; Marion and Doyle agreed to pay penalties of $40,000 apiece and Curry agreed to pay a $25,000 penalty.

Attorneys for Belans, Kudla and McDonald didn't immediately return telephone calls seeking comment. Free's attorney, Richard Rossman, had no immediate comment.

David DuMouchel, Rozanski's lawyer, said they were "very disappointed that the (SEC) filed the action against Cathy but now we'll just proceed to defend" her.

Thomas Cranmer, Blahnik's attorney, said, "there's another side of the story to be told, and we look forward to presenting our case in court."

AP Business Writer Marcy Gordon contributed to this report.

Delphi's Ex-CEO To Fight Fraud Charges (USAT)

By Sharon Silke Carty

USA Today, October 31, 2006

DETROIT — Delphi's former CEO says he'll fight a lawsuit by the Securities and Exchange Commission that charges him and six other former Delphi employees with incidents of fraud from 2000 to 2004.

The SEC said its two-year investigation revealed the auto-parts supplier manipulated its finances during that period to boost cash flow and earnings.

An additional six people, including the former chief financial officer, have settled charges related to the incidents.

J.T. Battenberg, Delphi's founding chairman and CEO from 1999 (when the supplier was spun off from General Motors) until he retired in June 2005, insists the actions he took were “entirely lawful and proper.”

“I fully cooperated with Delphi and the SEC in their investigations of this matter both before and after my retirement, and am disappointed — to say the least — that this lawsuit has been filed,” he said in a statement.

Six of those charged, including former CFO Alan Dawes, reached settlements with the SEC without admitting guilt and will pay a total of $1.4 million in fines.

Delphi, which filed for bankruptcy-court protection in October 2005, also did not admit guilt and, because of its cooperation with the probe, won't have to pay fines.

"The facts here are particularly troubling because of the number of fraudulent schemes engaged in by Delphi, the length of time over which they occurred, and the number of Delphi employees, including senior officers, who carried out the schemes," said Linda Chatman Thomsen, director of the SEC's division of enforcement.

The SEC alleges that it uncovered seven incidents of fraud, including:

·Two moves in 2000 that hid a $237 million liability Delphi faced for defective parts, allowing it to falsely boost its net income for the year by $202 million.

·Two schemes in which Delphi shifted the way it accounted for its inventory of metals, batteries and generator cores from fourth-quarter 2000 to first-quarter 2001.

The moves made Delphi's cash flow look $200 million better and its inventory $270 million slimmer, and boosted net income by $80 million.

·In exchange for new business, Delphi made EDS, an information technology supplier, pay it $20 million, which Delphi agreed to pay back over five years, with interest — essentially turning the deal into a loan to Delphi.

But in an attempt to make its earnings targets for the 2001 fourth quarter, Delphi booked the $20 million as income. The SEC began its investigation of Delphi in 2004, after EDS informed the agency of the loan.

Nine Ex-Delphi Execs Charged With Fraud (DEN)

By David Shepardson

Detroit News, October 31, 2006

The Securities and Exchange Commission filed civil fraud charges against nine former Delphi executives, including former CEO J.T. Battenberg III and former Chief Financial Officer Alan Dawes, in U.S. District Court in Detroit on Monday in connection with allegations of widespread accounting fraud.

Also charged were four company officials from two companies that conducted allegedly improper transactions with Delphi -- including three employees at EDS and B.N. Bahadur, the CEO of Southfield-based turnaround firm BBK Ltd.

Bahadur, Dawes, two of the EDS employees and two other former Delphi officials agreed to settle the allegations with the SEC.

Delphi Corp., General Motors Corp.'s former parts unit, was also charged with wrongdoing as a corporation; it agreed to settle the allegations and will not pay any civil fine.

The charges cap a 27-month investigation by the SEC.

Battenberg issued the following statement through his attorneys.

"The SEC's complaint against me relates entirely to a settlement of disputes between Delphi and General Motors in September 2000 that I believed and continue to believe was entirely lawful and proper. I fully cooperated with Delphi and with the SEC in their investigations of this matter both before and after my retirement, and am disappointed to say the least that this lawsuit has been filed. I deny the allegations against me and will ask that the Court hear the evidence at the earliest possible time."

In March 2005, following a 10-month internal investigation led by an outside law firm, Delphi ousted Dawes and then-chief accounting officer Paul Free, who was also charged in Monday's filing, and said many of the company's financial statements were inaccurate. It also removed at least four other officials.

The investigation into Delphi began in July 2004 after EDS, another former GM subsidiary, told the SEC in June 2004 about a $20 million loan in 2001 that Delphi booked as income. The SEC upgraded its probe into a formal investigation in August 2004.

The 79-page complaint filed in U.S. District Court in Detroit Monday was assigned to Judge Avern Cohn, who must approve the settlements.

Unresolved is the ongoing criminal investigation into Delphi Corp. being led by the Justice Department's fraud section.

You can reach David Shepardson at (202) 662 - 8735 or dshepardson@detnews.com.

Michael Pickens Enters Guilty Plea Associated Press (WSJ)

The Wall Street Journal, October 31, 2006

NEW YORK -- The son of billionaire oil tycoon T. Boone Pickens pleaded guilty to securities fraud Monday, admitting his role in a scheme to inflate the stock value of three companies so he could make hundreds of thousands of dollars illegally.

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Michael O. Pickens, of Nocona, Texas, entered the plea in U.S. District Court in Manhattan after signing an agreement calling for him to be sentenced to as little as four years and nine months in prison or as much as five years and 11 months.

Judge Loretta A. Preska set sentencing for Jan. 30 after Mr. Pickens, 52, entered the plea to three charges of securities fraud. The charges carry a potential fine of $3 million.

Mr. Pickens was arrested July 18, 2005, and was accused of sending hundreds of thousands of hoax faxes throughout the U.S. in December 2004 to fraudulently induce investors to buy three stocks. (See related article1.)

Prosecutors said each fax purported to be a handwritten note conveying a stock tip to a person, suggesting it had been mistakenly sent to each recipient. An indictment said the fake faxes caused the trading values and market prices of the stocks to increase dramatically. It said one stock's value almost doubled in one day.

In one fake note, a financial planner identified as Chris tells Dr. Mitchel that his newest stock idea will be like the last one, which tripled in value.

The government, which didn't say how many people acted on the phony faxes, said Mr. Pickens used the faxes Dec. 17-22, 2004, to pump up the price of three stocks so he could sell them at a premium of hundreds of thousands of dollars.

Mr. Pickens told the judge "the faxes were made to appear as a misdirected tip from a stock broker to a customer. In fact, as I knew, there was no broker, no customer and no tip."

He added: "I knew at the time what I was doing was wrong, and I'm very sorry for my conduct."

During his plea, Mr. Pickens, a Texas stock promoter, said he has been undergoing treatment for substance abuse since June.

A spokesman for T. Boone Pickens, Jay Rosser, said: "Mr. Pickens is proud of Mike for accepting responsibility for his actions. This is an important step and a significant milestone. Boone and his whole family are fully supportive of him in his rehabilitation efforts."

Radler Assets Frozen (NYT)

By Bloomberg News

The New York Times, October 31, 2006

The assets of F. David Radler, the former publisher of The Chicago Sun-Times, were recently frozen by a Canadian court at the request of Hollinger Inc., Conrad M. Black's former holding company, which is suing Mr. Black and Mr. Radler to recover management fees.

A British Columbia Supreme Court judge in Vancouver granted the order on Oct. 25. Hollinger is suing Mr. Black and Mr. Radler to recover management fees and noncompetition payments.

The injunction, which applies worldwide, prohibits Mr. Radler and his company, F. D. Radler Ltd., from disposing of, mortgaging or transferring any assets, and freezes their bank accounts while the suit remains before the courts.

Mr. Radler is allowed to spend up to $22,255 a month for living expenses and legal fees. The order will remain in effect until Nov. 9, unless the court agrees to extend it, the judge, Deborah Satanove, said in a three-page ruling.

Mr. Black's assets were frozen Aug. 18 at Hollinger's request by the order of an Ontario Superior Court judge. Mr. Black and his wife were limited to a monthly allowance of 50,000 Canadian dollars. Mr. Black and Hollinger agreed on Sept. 29 to replace the judge's order with a confidential settlement.

Hollinger, the holding company that Mr. Black used to control the newspaper publisher Hollinger International, is seeking 636 million Canadian dollars in damages. In July, Hollinger International changed its name to the Sun-Times Media Group.

In Chicago, Mr. Black faces 12 charges of racketeering, money laundering, wire fraud and obstruction of justice. He is accused of moving $92 million from Hollinger International through other companies and using Hollinger Inc. to enrich himself at shareholder expense. Mr. Black has denied any wrongdoing. His trial in Chicago is scheduled to start in March.

Mr. Radler pleaded guilty in September to United States fraud charges and agreed to cooperate with the Justice Department.

Prosecutors have recommended that Mr. Radler serve 29 months in jail and pay a $250,000 fine. He remains free on a $500,000 bond until all proceedings in the case are finished.

CRIMINAL LAW:

Prosecutor Argues Issues For Leak Trial (AP)

By Matt Apuzzo

AP, October 30, 2006

DOJ_NMG_0089126

Special Prosecutor Patrick Fitzgerald told a federal judge Monday that he shouldn't have to explain during the upcoming trial of a former White House aide why nobody was charged with leaking the identity of a CIA operative.

Vice President Dick Cheney's former chief of staff, I. Lewis "Scooter" Libby, faces trial for obstruction and perjury in January and is the only person charged in the case. His supporters have accused Fitzgerald of singling out Libby while not charging the source of the leak, former Deputy Secretary of State Richard Armitage.

In court documents, Fitzgerald said he shouldn't have to address that issue at Libby's trial. While never addressing Armitage by name, Fitzgerald said it would be irrelevant to discuss other officials.

"If Mr. X was investigated for leaking classified information, the government's decision not to charge Mr. X should have nothing to do with the jury's role as the finder of fact in Libby's case," Fitzgerald wrote.

If jurors disagree with his decision not to charge anyone else, they might be less likely to convict Libby, Fitzgerald wrote.

Armitage told prosecutors he inadvertently revealed Plame's job to syndicated columnist Robert Novak in July 2003. Novak's story ran as Plame's husband, Joseph Wilson, criticized the Bush administration's prewar intelligence on Iraq.

Libby was one of several Bush administration officials questioned about the leak and prosecutors said he lied about his conversations with reporters.

Defense attorneys have sought information regarding Armitage's role in the leak and have been unsuccessful.

Fitzgerald's court filing is an attempt to prevent Libby's attorneys from making the argument that Libby had no reason to lie because, if he had leaked classified information, prosecutors would have charged him with it.

"The government's decision not to charge a crime is not a declaration as to the legality or propriety of the defendant's conduct," Fitzgerald wrote.

Libby's defense attorneys are expected to respond to Fitzgerald's motion.

Fla. Prison Guards Stand Trial (AP-Y)

By Bill Kaczor, Associated Press Writer

AP, October 31, 2006

Lawyers for two prison guards charged in a contraband-for-sex scandal that ended in a deadly shootout told a jury Monday that the government's case relies on the testimony of inmates who are willing to lie in exchange for reduced sentences.

Gregory Dixon and Alan Moore, who both work at a federal prison for women, are accused of participating in a scheme to swap sex with female inmates for such commonplace items as gum, cigarettes and perfume. Both are charged with conspiracy and bribery. Dixon also is accused of witness tampering.

"You will hear a lot of nonsense from inmates all trying to punch their tickets home," said Thomas Findley, Dixon's lawyer, as the trial opened.

Authorities said the suspected plot ended June 21 in a shootout after prison guard Ralph Hill smuggled a gun into the Tallahassee Federal Correctional Institution and opened fire when FBI and Justice Department agents arrived to arrest him and other defendants. Hill and an FBI agent were killed.

Three guards have since pleaded guilty in the scheme, but none have been implicated in the shootout. Dixon and Moore have been suspended from their jobs.

Assistant U.S. Attorney Alan Sprowls acknowledged his key witnesses are convicted felons but promised the jury that the government will introduce sufficient evidence to show the guards abused their authority for personal benefit.

He said the conspiracy, punishable by up to 20 years in prison, was not based on a formal agreement or even a handshake.

"This is going to be a much more subtle understanding. ... 'I'm not going to tell on you; you're not going to tell on me,'" Sprowls said.

Findley said his client has admitted to having sex with inmates but was not charged with that crime. He denied that Dixon was part of a conspiracy to commit bribery, mail fraud and other crimes or that he traded contraband for sex.

Dixon shared gum with many prisoners "because he's a nice man," Findley said.

Moore has not admitted to having sex with inmates. His attorney, Robert Harper, questioned whether the government has a case.

"Where's the DNA? There isn't any," Harper said. "Where's the recording? Where is the videotape? There isn't any."

Date Set For Death-penalty Trial (HONADV)

By Ken Kobayashi, Advertiser Courts Writer

Honolulu Advertiser, October 31, 2006

DOJ_NMG_0089127

The first death penalty trial here since Hawai`i abolished capital punishment in the 1950s is scheduled to begin in October of next year.

Army Spc. Naeem Williams pleaded not guilty today to a charge of murdering his 5-year-old daughter Talia Williams, who died July 16 last year. He faces the death penalty, which was authorized earlier this year by U.S. Attorney General Alberto Gonzales.

Federal Magistrate Judge Leslie Kobayashi today set Williams' trial for Oct. 16, which is later than usual because of legal issues that may arise because the charge carries the death penalty.

Williams' wife Delilah Williams is also scheduled to go on trial with her husband on a charge of murdering Talia Williams, but the attorney general did not authorize the death penalty prosecution for her. Delilah Williams earlier pleaded not guilty. If convicted, she faces a maximum sentence of life in prison.

Lee Man Claims He Was Victim In Pornography Case (BONITAN)

By Kristen Zambo

Bonita (FL) News, October 31, 2006

Former Lee County school bus driver Donald Deverso told a federal judge that he was taken advantage of by a girl from the Philippines.

He said he didn't do anything wrong, that he was the real victim in the child pornography case he accused the federal government of manufacturing.

At times becoming argumentative, former Lee County school bus driver Donald Deverso staunchly maintained his innocence Monday, telling a federal judge during his sentencing hearing that he was taken advantage of by a girl from the Philippines.

"To keep calling these women victims — I didn't have any victims, your honor," Deverso said before U.S. District Judge John E. Steele sentenced him to 16 years behind bars. "I didn't write to them. They wrote to me."

Deverso, 59 and of Cape Coral, was convicted on May 19 in the high-profile case. He was accused of keeping child porn on his home computer from May 11, 2002, through April 15, 2005. He also was charged with transporting child pornography in October 2004, and manufacturing it while he vacationed in the Philippines. Deverso photographed underage girls he met online through Asian dating Web sites, one victim and investigators testified in spring during his weeklong trial.

Prosecutors said Deverso chatted with numerous women online, proposing marriage to them. Deverso remains married to his third wife, Zong Yu Deverso, whom he met on a Chinese brides Web site. Deverso countered that he never promised these others marriage, just that it was possible if they got along well.

Based on federal sentencing guidelines, Steele had to sentence Deverso to a minimum of 15 years in prison. He could have been sentenced to 20 years.

"What kind of person flies around the world to take advantage of poor and desperate women?" Chief Assistant U.S. Attorney Doug Molloy asked. "One who deserves the maximum penalty of incarceration this court can impose."

Deverso never has shown remorse for the crimes, he said, and Deverso didn't care about hurting the women and girls, nor his family.

"Those were children in those pictures," Molloy said. "That was a young lady that man defiled."

Deverso lashed back against Molloy, saying he didn't know why the region's top federal prosecutor was treating him like that.

Deverso maintained he did nothing illegal. The girl had to be at least 18 years old to participate in the Asian dating Web sites. She told Deverso she was 18 when they met, Deverso said, and he bought her a 19th birthday present in November 2004, one month after they first met in the Philippines.

Deverso has been held in the Lee and Hendry county jails since his arrest in April 2005.

One girl, now 19 years old, testified in May during Deverso's trial that he had sex with her and took graphic naked pictures of her. Deverso was not charged with rape.

Wracked with sobs, the girl — who the Daily News is not naming because of the nature of the charges — fled from the courtroom twice during the trial. Deverso's defense attorney, John Bergendahl, asked for a mistrial at the time, and Monday in court said Steele should have declared one.

During the almost 2½ hour sentencing hearing, Steele said he still wouldn't grant a mistrial.

The girl testified she told Deverso she was 17. She turned 18 less than one month after his first visit with her in October 2004. He referred to her as his fiancee, investigators said.

"I did not take advantage of (the girl)," Deverso said. "I helped her."

He bought her clothes, furniture, an apartment to live in with friends and tried to make her life better, he added.

"The first time we met we did not have sex," he said, adding that they decided to wait until he gained her father's approval. "How could I knowingly take those pictures of a minor when she lied about her age?" Deverso asked.

His niece, Linda Rachoza, told Steele her uncle was a good man. The girl should take some of the blame, she added.

"She should have held some accountability for what she did wrong," Rachoza told the Daily News after the sentencing.

Prosecutors contend Deverso recorded himself having sex with underage Asian girls. Deverso said investigators didn't show any of the photos he took with the girl's family on vacation, including of them "jet-skiing."

He was considering retiring to the Philippines, where he could buy land and a home much more cheaply, Deverso said.

Bergendahl vowed to appeal the conviction and sentence, saying the mandatory 15-year term amounts to cruel and unusual punishment, a violation of the Eighth Amendment. After the hearing he said he "strongly disagrees with the applicability of the 15-year" required minimum sentence.

He argued that Deverso shouldn't be sentenced to a stiffer penalty because the girl "contributed to the offense," Deverso is older and he suffers from a variety of medical problems, such as back pain and a hernia.

Bergendahl late last week asked Steele's permission to withdraw from the case. He asked again Monday, saying their relationship had deteriorated. He said Deverso's family wanted to hire a California defense lawyer, but Steele rejected both requests, saying that lawyer isn't licensed to work in Florida.

"We believe Mr. Deverso creates conflict to delay even more," Molloy said.

Deverso and his wife, nicknamed Ming-Mei, since have reconciled. She received her green card in February 2005. She asked Monday for her husband to come home.

"I know him," she said in halting English. "I sleep with him before. No monster."

Deverso said he also wanted one of the Immigration and Customs Enforcement agents who worked on the case, Keith Cramsey, to be investigated. He accused Cramsey of lying and illegally obtaining evidence. Prosecutors stood behind Cramsey's work.

"I'm not happy," Deverso told Steele before being led away by U.S. marshals. "I just don't know how I can be lied to and lied about. I'm not gonna survive prison, your honor. I know that, you know that, and now my family knows that. Welcome to paradise."

Masilotti Charged (PALMBEACHP)

By Tom Dubocq, Palm Beach Post Staff Writer

Palm Beach Post (FL), October 31, 2006

WEST PALM BEACH — Former Palm Beach County Commission Chairman Tony Masilotti faces up to five years in prison and forfeiture of $9.5'million in cash and real estate for his leading role in a land deal conspiracy that stretched from 2000 to this past June, federal prosecutors said Monday.

Masilotti, who in a sorrowful resignation letter said he will plead guilty, is expected to surrender Friday at the federal courthouse in Fort Pierce, where he will appear for the first time before a judge. Still to be determined: when Masilotti formally will plead guilty and when he'll be dispatched to prison.

The grand jury investigation of Tony Masilotti was triggered by a series of stories in The Palm Beach Post this year documenting how the county commission chairman's family secretly profited from land deals that Masilotti had pushed.

The Post's investigation, launched in January, involved the review of thousands of documents from 16 government agencies in four counties in Florida and Illinois as well as dozens of interviews. It began with records of Masilotti's recent divorce, which included financial statements and a document index that identified marital property holdings in the name of an accountant who represented a secret land trust. The trust, it turned out, was involved in a tangled series of transactions that generated a $1.3 million profit for the family.

The Post's project was headed by Tom Dubocq, the newspaper's investigations editor.

Feds Charge Masilotti With Conspiracy, Allege He Made Millions On Secret Land Deals (FLSUNSEN)

By Josh Hafenbrack & Peter Franceschina, Sun-sentinel.com

South Florida Sun-Sentinel, October 31, 2006

WEST PALM BEACH -- Federal authorities on Monday formally charged former Palm Beach County Commission Chairman Tony Masilotti with conspiracy to commit fraud by making millions from three secret land deals.

The U.S. Attorney's Office in West Palm Beach said it would seek to fine Masilotti $250,000, put him in prison for a maximum of 5 years and request the forfeiture of millions of dollars in assets.

In a 35-page list of charges, the U.S. Attorney cited Masilotti's land deals in Martin County, Brevard County and Palm Beach County.

In one Palm Beach County deal, Masilotti is accused of receiving between $40,000 and $50,000 for his assistance in helping a developer solve traffic problems concerning land the Diocese of Palm Beach County was selling in the town of Royal Palm Beach.

In another deal, Masilotti and family members allegedly got $100,000 in free air travel from a developer who did business with county in purchasing a former public horse riding area near Wellington. The property was bought by a group headed by developer Bruce Rendina, who was only identified by his initials in the charges.

In a Brevard County deal, Masilotti allegedly created a trust called the ARM Family Land Trust. In the deal, Masilotti bought some 60 acres of land for $100,000 and then, while on the commission, voted "to advocate and publicly endorse zoning changes dramatically increasing the value of the land," the charges said. Masilotti then had a part in swapping the land for land in Brevard County worth nearly $8 million, the charges said.

In the Martin County deal, Masilotti and his ex-wife Susan made $1.3 million in a complicated set of secret, land deals that involved land purchases there by the South Florida Water Management District.

Last Friday, Masilotti announced he planned to plead guilty to federal corruption charges, admitting for the first time to wrongdoing and expressing "regret and sorrow."

The chastened county commissioner faxed his five-paragraph resignation, effective immediately, to County Administrator Bob Weisman early Friday morning.

Masilotti, 50, pledged to cooperate with the FBI, Internal Revenue Service and U.S. Attorney's Office, which have been investigating for six months his potential abuse of power and a secret land deal in Martin County, which enriched Masilotti and his ex-wife but was hidden through a secret trust.

"Eventually I will plead guilty," Masilotti wrote.

Former Chief Caillier Sentenced (KATC-TV)

KATC-TV, October 31, 2006

Former Opelousas Police Chief Larry Caillier, who had a stellar career in law enforcement, was sentenced Monday in federal court for filing a false claim. His department was paid for bike patrols that never happened. Before sentencing, his attorneys asked the court to take into account Caillier's accomplishments and untarnished record.

Caillier could have faced up to five years in prison. Instead, U.S. District Judge Richard Haik sentenced him to five years probation, 10 months of house arrest and he must pay restitution to the U.S. Clerk of Court. The FBI determined Caillier owes $26,300. "Without question this was a mistake, a very costly and disastrous mistake - costly to the chief, costly to his family, very costly to the community," says attorney Elbert Guillory.

Caillier's attorneys pleaded for leniency. Attorney Ed Lopez recounted the former chief's career beginning with serving in the U.S. Air Force, Louisiana State Police, then 15 years as chief in Opelousas. "This man has spent 35 years protecting the general public, and he's had an exemplary record," Lopez says. Guillory says, "This situation today, aside, Chief Caillier is still one of the nation's best and most successful law enforcement officers."

In court, Caillier apologized. "I'd like to offer a sincere apology to the United States Of America for incidences that happened on my watch." Elbert Guillory says law enforcement agencies have expressed interest in hiring Caillier as a consultant. He wouldn't say which agencies, but one is in-state and a couple are out-of-state.

Former Chief Gets 10 Months Of House Arrest (OPELDW)

By Jacqueline Cochran

Opelousas Daily World, October 31, 2006

There will be no jail time for the former Opelousas police chief found guilty of a federal charge of filing false claims while in office.

But Larry Caillier will serve five years of probation and 10 months under house arrest, and he's been ordered to pay $26,300 in restitution for his crime. Perhaps more painful for the four-term chief, he'll never be allowed to work in law enforcement again, nor is he allowed to own a gun.

"Your true punishment will not be your going to jail but, as a person, to have to live with this," U.S. District Judge Richard Haik told Caillier during sentencing. "I'm not sure if anything worse could happen to you. Standing here, a convicted felon." The conviction is the first and only found against the former chief, though the state remains poised to proceed with another 26 separate charges - five malfeasance in office charges connected with Caillier allegedly ordering OPD officers not to respond to disturbance calls and several other charges ranging from forgery to money laundering.

Also still facing both federal and state charges in connection with the patrols is former OPD Maj. Ronnie Trahan. Trahan was just charged last week in federal court with aiding and abetting Caillier in the filing of a false claim for reimbursement on the patrols. The state has also charged Trahan with criminal conspiracy, public payroll fraud, six counts of prohibiting splitting of profits, fees and commissions, 10 counts of forgery and money laundering.

Motions made Monday by attorney Elbert Guillory on behalf of Caillier to change court records to reflect Trahan's greater role were systematically rejected by Haik, as each was offered for consideration.

Guillory asked for the court record to read:

the defendant did not participate in creation of three documents and in time became aware of documents created by subordinate.

the defendant at no time authorized or instructed Trahan to make up or adjust time sheets.

the addition of officers names so the maximum $3,000 per month would be paid by the housing authority was done without the knowledge and consent of the defendant.

Even the statement Caillier gave at the outset of the proceedings revealed an insistence to claims of ignorance.

"I Larry J. Caillier, at this time would like to offer a sincere apology to the United States of America for incidents that happened on my watch as chief of police for the city of Opelousas."

Haik told Caillier that while the measure of the offense was substantial, in all fairness he had to take into consideration "all the good you have done for your country and state in service and community."

His Vietnam War service, his having worked 20 years as a state trooper and his 15 years as police chief all stand as proof of that good, Haik said.

Caillier stood with hands joined behind his back, legs astride and head high.

"I feel sorry for you and your family and for putting them through this," Haik said. "You should apologize to all of your family and all of the police officers that served for you, and all of the people you put in jail because now, basically, you have become one of them. And that is something you will never be able to wash away."

Caillier's family sat somberly in the rear of the court. Some with heads down as the judge reprimanded the man who once referred to himself as "the wizard."

"Do you understand?" Haik asked after each condition of sentencing was stated.

"Yes, Sir," Caillier repeated, his voice different, though still firm.

Former Opelousas Police Chief Sentenced (BRADV)

By Richard Burgess

Baton Rouge Advocate, October 31, 2006

Former Opelousas Police Chief Larry J. Caillier was sentenced Monday to 10 months of home confinement and ordered to pay $26,300 in restitution for a scheme to win unearned federal grant money.

U.S. District Judge Richard Haik chose not to put the ex-chief behind bars, citing Caillier's record as a military veteran, long-time State Police trooper and leader of the city's Police Department for 15 years.

"You had a tremendous, bright future, which is now not very bright," Haik said.

Caillier declined to comment after the court hearing and made only a brief statement to the judge, apologizing for "an incident that happened on my watch."

Caillier and one of his top officers were accused in a federal investigation that focused on a $225,000 U.S. Department of Housing and Urban Development grant for bicycle patrols at public housing projects in Opelousas from 2000 to 2003.

Federal prosecutors allege that Caillier and former Maj. Ronnie Trahan Sr. were involved in a scheme to falsify records to receive grant money for patrols that were never done.

Caillier pleaded guilty earlier this year to a federal false-claims charge but has maintained that he did not orchestrate the scheme.

He admitted only not intervening when he learned Trahan was allegedly falsifying time sheets.

Caillier's attorneys said Monday that the estimated $23,000 to $26,000 the ex-chief was paid under the grant was for legitimate supervisory work.

Charges are pending against Trahan in the case.

Trahan told investigators that Caillier directed him to falsify time sheets to ensure that the Police Department billed $3,000 every two weeks, regardless of whether the money was earned by patrolling officers.

A federal false-claims charge carries a maximum of five years in prison.

Caillier was facing a recommended sentencing range of from six months to 12 months in prison under federal sentencing guidelines, which are based on a person's criminal history and the severity of the crime.

Retrial Sought In Perjury Case (LAT)

By Greg Krikorian, Times Staff Writer

The Los Angeles Times, October 31, 2006

Federal prosecutors say they have new evidence against Joann Wiggan, acquitted earlier on four of five charges linked to the Pellicano probe.

Federal authorities announced Monday that they will retry a former phone company employee acquitted last month of four of five charges in the first trial resulting from the wiretapping investigation of indicted private investigator Anthony Pellicano and others.

Citing "compelling" new evidence in the case, Assistant U.S. Atty. Daniel Saunders told U.S. District Judge Dale S. Fischer that the government would again prosecute Joann Wiggan for perjury for allegedly lying to a federal grand jury last October when she said she never retrieved a single message from her voicemail account at work. The jury last month hung on that charge.

Additionally, Saunders said, he expects a superseding indictment with additional charges against Wiggan to be returned in two weeks. She was found not guilty on four other felony counts of lying about her contacts with former co-worker Ray Turner, who is accused of illegally accessing telephone company records for Pellicano and assisting him in his alleged wiretapping. Saunders and co-prosecutor Kevin Lally declined further comment about the alleged new evidence or additional charges.

After the brief hearing, Wiggan's attorney, David Reed, expressed dismay at the government's decision.

"We are troubled and concerned at the timing of this new evidence, which I am unable to talk about at this point," Reed said outside court. "And I will look at whether motions are appropriate to dismiss the superseding indictment prior to trial."

On advice of her attorney, Wiggan did not comment.

Last month, Reed likened Wiggan's acquittal to "David beating Goliath," saying that the divorced mother of three withstood "tremendous pressure" from prosecutors and federal agents to plead guilty to perjury.

Though separate from the larger Pellicano case, the prosecution of Wiggan arose from the same FBI probe of the former private eye and allegations that he and others used a variety of illegal means, including wiretaps, to benefit his clients. He, Turner and other defendants have denied the charges.

During Wiggan's four-day trial, prosecutors produced a 23-page log of phone calls to and from Wiggan's home, office and cellphones between late 1998 and 2002, alleging that the records proved that she was lying when she said she had no contact with Turner and had not begun using her office voicemail until sometime in 2003.

The logs showed more than 1,000 calls from Wiggan's phone numbers to her voicemail, 117 calls from Turner's number to her office voicemail, and other calls between numbers assigned to Turner and Wiggan.

But Wiggan and her attorney attributed her misstatements to forgetfulness or innocent oversights. In addition, Wiggan's ex-husband and eldest son also testified that they had made numerous calls to her office voicemail.

Unlike two other former SBC employees who admitted helping Turner, Wiggan took the stand in her own defense to insist that she had not illegally provided him with information or even spoken to him in years.

Though the nature of the new charges was not disclosed, the government's questioning of Wiggan during the recent trial suggested that the new charges could relate to alleged inconsistencies between statements before the federal grand jury and before the trial court.

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Newport Beach Man Sentenced In Fraud Case (OCR)

By Ryan Hammill, The Orange County Register

Orange County Register, October 31, 2006

Illya Bond handed eight years in federal prison for various charges connected to energy investment scam.

The former CEO of a defunct Los Angeles energy company who participated in a fraudulent investment scheme was sentenced to eight years in federal prison at the United States District Court in Los Angeles on Monday.

Illya Bond, 57, of Newport Beach, was also ordered by District Court Judge Percy Anderson to pay over $2.4 million in restitution to victims of fraud involving the PowerSource Corporation, a fraudulent company he formerly helmed.

A federal jury convicted Bond on charges of conspiracy, mail fraud, wire fraud and making a false statement to special agents with the FBI in a January decision.

He is the last in a series of seven defendants with ties to the company to be convicted and the sixth sentenced. A previous defendant died before the penalty phase of his trial.

Bond helped create fraudulent sales materials that were provided to investors prior to the company's collapse.

Newport Beach Man Gets 8 Years In Investment Scam (KCAL-TV)

KCAL-TV, October 31, 2006

(CBS) LOS ANGELES A Newport Beach man who headed a bogus energy company was sentenced Monday to eight years in federal prison for his lead role in an investment con.

Illya Bond, 57, orchestrated the scam, which bilked more than 100 people out of more than $2.4 million, according to prosecutors.

He was chief executive of Los Angeles-based PowerSource Corp., which was formed after California's electricity market was deregulated. Investors from across the country, who were lured via spam e-mail, a Web site and telemarketing calls, paid $10,000 for units in a series of limited liability partnerships that were supposed to finance PowerSource, according to the government.

PowerSource went out of business in 2001 when the scam collapsed, prosecutors said.

Bond, who also used the name Frank Akberry, was convicted in January of conspiracy, mail fraud, wire fraud and lying to FBI agents.

In addition to the prison time, he was ordered to pay more than $2.4 million in restitution.

PowerSource's president, San Marcos resident E. Douglas Mitchell, was convicted of similar charges after a 2004 trial in Florida, but died before he could be sentenced, according to the government.

Three other California men, Ronald W. Johnson of Rancho Santa Margarita, James V. Miles of Bakersfield and Gary Spink of Menifee, and three people from Florida were also convicted in that state. They received sentences ranging from six months to five years in prison, prosecutors said.

Many Sex Offenders Restricted Tonight (USAT)

By Wendy Koch

USA Today, October 31, 2006

Many sex offenders, limited in where they can live or work, are under another restriction today: no costumes, no candy giving, no jack-o'-lanterns, no welcoming front-porch lights.

Some states go further to protect children on the holiday. At least 10 states keep a special eye on sex offenders via house arrest or required meetings, through such programs as Operation Boo in California and Operation Trick No Treat in Virginia.

In New Mexico, a convicted pedophile or violent sex offender who lives alone has, for the first time this year, a sign outside his door today that notifies the public of his offense, says Tim Olsen, a regional manager of the New Mexico Corrections Department. He says offenders must stay inside and keep outside lights turned off.

“They're on virtual house arrest. They can't answer the door unless there's an emergency,” and police will drive by to check, he says. “We can't expect all parents will be out there. We want to make sure kids are safe on Halloween.”

New Mexico, New Jersey, South Carolina and Tennessee are into their second year of precautions, although Tennessee only recently announced its restrictions after phone calls from anxious parents.

“We wanted the public to know we're taking steps to protect children,” says Jack Elder, spokesman for the Tennessee Board of Probation and Parole.

In Virginia, which began its Halloween program in 2002, high-risk sex offenders on parole or probation must report to offices where they are held for several hours while kids go trick or treating. “We try to make it a meaningful experience” by providing counselors and updates on registration rules, says Jo G. Holland, regional director of the Virginia Department of Corrections.

Some states have had Halloween restrictions for years but are increasing surveillance. New York, which requires offenders to stay home between 3 p.m. and 6 a.m., is making checkup calls and unannounced visits.

Other states with Halloween restrictions include Illinois, North Carolina and Wisconsin.

Violators can be arrested. Robert Goldman, a former Chicago-area TV sportscaster, got six months in jail for violating his probation by handing out candy last Halloween.

The restrictions generally apply only to people on probation or parole, a fraction of the 566,782 sex offenders registered nationwide. In Tennessee, the Halloween restrictions apply to 2,000 of 8,100 registered offenders, Elder says.

Most sex offenders are under no “meaningful supervision,” and the Halloween rules are a “desperate effort to do something good,” says Grier Weeks, executive director of the National Association to Protect Children, an advocacy group. “It's always good to keep kids from going up the steps of a known sex offender.”

Laura Ahearn welcomes the restrictions. “A candy bar represents an opportunity for a sexual predator to start the process of grooming a child,” says Ahearn, director of Parents for Megan's Law, a child-advocacy group.

Number Of Police Killed, Assaulted Dips (WP/AP)

By Lara Jakes Jordan, The Associated Press

The Washington Post, October 31, 2006

WASHINGTON -- The number of police officers nationwide who were killed by criminals while on the job in 2005 dipped slightly from a year earlier, FBI data released Monday show.

An estimated 1,800 fewer cops were assaulted during the same time period _ the lowest total since 2001.

Nearly all of the officers killed _ 55 in 2005, down from 57 in 2004 _ worked for city police departments, according to the FBI's annual report.

All but one of the slain officers were men, who on average were 37 years old with a decade of law enforcement service. More than half of them _ 28 _ were killed in a swath of southern states stretching from Delaware to Texas. Forty-seven of the officers were white; eight were black.

Traffic duty proved to be the most lethal assignment for the officers, the report shows.

Fifteen cops were killed during traffic pursuits or on traffic stops, compared with eight slain while making arrests and another eight who were ambushed. The rest of the killings came while breaking up family quarrels, investigating suspicious activity, transporting prisoners and other duties.

Additionally, 67 officers were accidentally killed on duty last year, down from 82 in 2004.

Another 57,546 police officers were assaulted while on the job in 2005, down from 59,373 in 2004. The largest number of assaults came in the early morning hours, from midnight to 2 a.m., while police were breaking up bar fights, family quarrels and other disturbances.

The FBI's assault data were collected from 10,032 law enforcement agencies nationwide, serving 75 percent of the population.

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On the Net:

The 2005 Law Enforcement Officers Killed and Assaulted report can be found at: http://www.fbi.gov/ucr/killed/2005/index.htm

City Fears Crime Report Fallout (SLPD)

By Jeremy Kohler, ST. LOUIS POST-DISPATCH

St. Louis Post-Dispatch, October 31, 2006

SUMMARY: Mayor Francis Slay's office struck back Monday at what officials say is a flawed study ranking St. Louis at the top of the nation's large cities in crime.

Here we go again: A publisher in Kansas, using a formula decried by criminologists, says St. Louis is the most dangerous city in the United States. And city officials are fuming.

As the buzz lifted from Sunday's World Series parade, the ranking kept national media focused here. The storyline? St. Louis: First in baseball, first in crime. Detroit finished second in both.

All the attention from the annual safety ranking by Morgan Quitno Press — a publisher of reference books and lists of statistics — had St. Louis officials seeing red — and not of the Cardinals variety.

"This thing is bogus," grumbled Jeff Rainford, chief of staff to Mayor Francis Slay.

But bogus or not, Rainford said, there is good reason to worry the ranking could hurt St. Louis.

Nancy Milton, spokeswoman for the St. Louis Convention & Visitors Commission, said she fielded phone calls Monday from convention planners concerned about what they were hearing. She declined to identify them.

"A majority of them say they're going to face questions from their boards of directors and their constituents, and they want to get ahead of those questions," she said. Milton said most seemed to understand that the ranking had little to do with the safety of conventioneers.

"Chicago had 448 murders and St. Louis had a regrettable 131, but I don't think anyone is going to stop going to Chicago," she said.

Morgan Quitno's assessment is based on a given city's rates last year in six crime categories — murder, rape, robbery, aggravated assault, burglary and auto theft — as reported to the FBI. The firm, in Lawrence, Kan., scored cities against national averages in each category and added the scores, weighting each crime the same.

Richard Rosenfeld, a criminologist at the University of Missouri at St. Louis, said Morgan Quitno's methodology is flawed because it compares places like Memphis, which includes miles of outlying areas, to St. Louis, where the city limits barely extend from the urban core.

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"Does St. Louis have a crime problem? Yes, sure, it has a crime problem, and every big city has a crime problem. Like every big city, it's worse in some areas than others," he said.

A more telling comparison might be of metropolitan areas, Rosenfeld said.

Using the same methodology, the St. Louis area ranked 129th most dangerous out of 344 metro areas, said Morgan Quitno's president, Scott Morgan.

He said such lists are what they are, and he's not surprised this one draws some criticism. "I am stunned if there is a criminologist out there who will support this," he acknowledged.

St. Louis last held the mantle of shame in 2002, but sloughed it off. It finished no higher than fourth in intervening years, and lost this year in a landslide, Morgan said.

A bad finish was not a surprise, as reports of violent crimes surged 20 percent last year to their highest levels in seven years.

On Monday, the city struck back, decrying the timing of the release and the methodology behind the ranking. Morgan Quitno usually releases its study around Thanksgiving.

"I've got to give them credit," Rainford said. "They don't know anything about crime or statistics but they do know something about public relations."

Rainford, a former PR man, blasts Morgan Quitno every fall. (Last year: "worthless"; two years ago: "charlatans".) On Monday, he said City Hall was ratcheting up the city's defense.

To wit, he branded Morgan "this guy who's working in his pajamas and his bare feet in his mother's basement on his PC."

Morgan said he did not purposefully release the report to coincide with the World Series; he said it was released earlier than in other years because his firm received crime data from the FBI earlier.

"I am fine getting fried by people who want to go after this thing and say there is not a problem in St. Louis," he said.

Not that everyone was unhappy. Some 900 miles away, Gwendolyn Faison, mayor of Camden, N.J., told the Associated Press that her day was made.

Her hard-luck community held the mantle the past two years. Without the most dangerous title, "There's a new hope and a new spirit," she said.

St. Louis Mayor Disuptes Crime Ranking (BVND)

By Christopher Leonard

The Belleville News Democrat, October 31, 2006

ST. LOUIS - Mayor Francis Slay makes no bones about it: Morgan Quitno Press is dead wrong to call St. Louis the most dangerous city in the United States.

"It's bogus," Slay said of the group's annual ranking released Monday. "To suggest that St. Louis is more dangerous than Miami, New Orleans, Los Angeles and Chicago - it just doesn't make any sense."

The study placed St. Louis atop the most dangerous list after murders in the city jumped nearly 20 percent between 2004 and 2005.

Slay took issue with the study's methodology. He said the group used population figures from the U.S. Census Bureau that were too low, exaggerating the crime statistics. The city previously challenged the Census Bureau's figures, getting the population estimate bumped up from roughly 330,000 people to 353,000 people.

Scott Morgan, president of Morgan Quitno, said he used a population estimate of 346,000 derived from an FBI report. Changing the figure to 353,000 doesn't change St. Louis's ranking, Morgan said.

Slay also repeated a long-standing criticism of the ranking, which only looks at crime within St. Louis city limits. More than 1 million people live in suburbs outside the city and including them in the study would greatly dilute the overall crime rate, Slay said.

Morgan basically agreed. He said city's like New York City benefit in the rankings because they include higher-income and lower-crime areas like Stanton Island.

But St. Louis still beat out several cities like Philadelphia and Detroit that have a similar population divide, Morgan said.

"St. Louis is not unique in being a core city surrounded by affluent areas that are in a different jurisdictions," he said. The whole purpose of the ranking is to send up a "red flag" for high-crime cities and promote discussion, Morgan said.

Slay acknowledged there are high-crime neighborhoods inside the city that push up the rate of murders and robberies, and he said the city is doing something about it.

City voters passed an increase in business license fees this year that will raise more than $3 million annually for law enforcement programs, Slay said.

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The city is in the process of hiring and training 40 new police officers and launched a program in the prosecutor's office to crack down on career criminals.

Slay said there is simple proof the city isn't as dangerous as Morgan Quitno makes it out to be. The downtown population is steadily increasing as new lofts, restaurants and offices are being built.

"People are coming to the city, they like the city. They feel safe here," Slay said.

ON THE NET

St. Louis Mayor Francis Slay: http://stlouis.missouri.org/citygov/mayor

Morgan Quitno Press: http://www.morganquitno.com/

KPD Says "most Dangerous Cities" List Flawed (KNOXNS)

By Staff And Wire Reports

Knoxville News Sentinel (TN), October 31, 2006

ST. LOUIS -- A surge in violence made St. Louis the most dangerous city in the country, leading a trend of violent crimes rising much faster in the Midwest than in the rest of nation, according to an annual list.

The city has long fared poorly in the rankings of the safest and most dangerous American cities compiled by Morgan Quitno Press. Violent crime surged nearly 20 percent in St. Louis from 2004 to last year, when the rate of such crimes rose most dramatically in the Midwest, according to FBI figures released in June.

"It's just sad the way this city is," resident Sam Dawson said. "On the news you hear killings, someone's been shot."

The ranking, released Monday, put Knoxville among the 100 most dangerous cities in the U.S. -- 297th on a list of 371 cities, with St. Louis ranking last.

Knoxville Police Chief Sterling P. Owen IV was not immediately available for comment. KPD spokesman Darrell DeBusk said the study appears flawed as far as Tennessee numbers are concerned.

Law enforcement agencies in Tennessee use a more comprehensive and detailed crime reporting system than that used in most other states.

"It's like comparing apples to oranges," he said. "All Tennessee law enforcement agencies use an incident based reporting system, versus the Uniform Crime Report system that most law enforcement agencies in the county use."

In Tennessee, four separate crimes will be reported if, in a single incident, a house is burglarized, the homeowner stabbed, the house vandalized and the homeowner's car is stolen. "But in the uniform crime report system, all of that is reported as a single crime, the most serious one."

The FBI has recommended the incident based system as more accurate, but only a few states have adopted it so far, DeBusk said.

St. Louis' unwanted top ranking came as the city was still celebrating Friday's World Series victory at the new Busch Stadium. St. Louis has been spending millions of dollars on urban renewal even as the crime rate climbs.

Mayor Francis Slay did not return calls to his office seeking comment Sunday.

Scott Morgan, president of Morgan Quitno Press, a private research and publishing company specializing in state and city reference books, said he was not surprised to see St. Louis top the list, since it has been among the 10 most dangerous cities for years.

The study looks at crime only within St. Louis city limits, with a population of about 330,000, Morgan said. It doesn't take into account the suburbs in St. Louis County, which has roughly 980,000 residents.

Visiting St. Louis on Thursday, FBI director Robert Mueller said it was too early to tell why some types of crime were rising faster in the Midwest.

Mueller said the FBI is working harder to form partnerships with police departments to launch programs like St. Louis' Safe Streets task force, which focuses police efforts on problematic neighborhoods.

The safest city in 2005 was Brick, N.J., with a population about 78,000, followed by Amherst, N.Y., and Mission Viejo, Calif. The second most dangerous city was Detroit, followed by Flint, Mich., and Compton, Calif.

The bad news for St. Louis was good for Camden, N.J., which in 2005 was named the most dangerous city for the second year in a row.

Camden Mayor Gwendolyn Faison said Sunday she was thrilled to learn that her city no longer topped the most-dangerous list.

"You made my day!" said Faison, who has served since 2000. "There's a new hope and a new spirit."

Cities are ranked based on more than just their crime rate, Morgan said. Individual crimes such as rape or burglary are measured separately, compared to national averages and then compiled to give a city its ranking. Crimes are weighted based on their level of danger.

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The national FBI figures released in June showed the murder rate in St. Louis jumped 16 percent from 2004 to 2005, compared with 4.8 percent nationally. The overall violent crime rate increased nearly 20 percent, compared with 2.5 percent nationally.

While crime increased in all regions last year, the 5.7 percent rise in the 12 Midwestern states was at least three times higher than any other region, according to the FBI.

Associated Press writer Rebecca Santana in Trenton, N.J., contributed to this report.

Candidate For Mayor Disputes Louisville's Ranking Among Top 10 'Safest Cities' (WAVE-TV)

By Janelle MacDonald

WAVE-TV, October 31, 2006

(LOUISVILLE) -- The annual list of the safest and most dangerous cities in the country was released Monday, and a couple of Kentuckiana cities were on it. Louisville made the list of the 10 safest large cities for the second year in a row. But some say the question of how safe we really are depends on how you look at it. WAVE 3's Janelle MacDonald investigates.

A company called Morgan Quitno has compiled the list for the past 13 years, using FBI crime statistics on murder, rape, robbery, aggravated assault, burglary and motor vehicle theft. This year Louisville comes in at number eight.

But like so many things right now, the ranking has turned in to a political issue, with some saying it proves crime fighting efforts are working here, and others saying just the opposite.

Just how safe do you feel in the city of Louisville? If you believe the latest rankings, you should feel pretty good, with Louisville at number eight, just behind other large cities like San Antonio, Texas and San Diego, California.

Shortly after visiting with school children Monday morning, Louisville Mayor Jerry Abramson said the ranking is proof things are working here in the River City.

"The fact that we've been able to hold our own in the top 10 once again, I think says a lot about the police department, says a lot about Chief White and his leadership, and it also says a lot about the citizens that are joined with us in our community policing effort."

But this being political season, obviously, there may be some different opinions.

Councilman Kelly Downard has made crime a major part of his own campaign for mayor and he disagrees with the Louisville's ranking, calling it a "fluke."

"We do not have a safe city," Downard said. "When we have children being killed on Cherokee Road, and Buechel and in Victory Park -- in the same week, three people murdered -- we've got a problem."

Downard says another list put out by the same company tells a different story. That list ranks Louisville 185th out of 344 in metropolitan areas.

Downard says Louisville's inclusion in the other "large cities" list is misleading because it includes areas formerly a part of Jefferson County.

"What they did was, they added the entire county, where there is less crime, and said therefore we have less crime in our city because we've added 400,000 people and not many more crimes."

Mayor Abramson doesn't see it that way. "When you look at cities like Indianapolis that have had significant problems, Nashville has had significant problems, when you look at the cities that have consolidated, you know we really show up well when you talk about a city of 700,000 people."

Downard says Louisville is included in a category with notoriously rough major cities like Detroit and New York City, and points out, the metro comes in behind the Big Apple on the current ranking.

He says Louisville should compare itself to its past history, and says if you do that, crime has risen every year since the merger. But the mayor says major violent crimes like murder and robberies are down overall.

A couple of Kentuckiana cities also made the safest lists. Elizabethtown came in at number 17 on the list of overall safest metropolitan areas. That city became a metro area with the 2000 census.

Columbus, Indiana, just north of Seymour, is number 11 on that same list, just six spots ahead of E'Town.

2 Michigan Cities Top List Of Most Dangerous In Nation (WLNS-TV)

WLNS-TV, October 31, 2006

It's a list no city wants to top, a list of the most-dangerous cities in the United States. A new list is out and Saint Louis tops the list of most-dangerous cities. Two Michigan cities follow- Detroit at #2 and Flint ranks third. Lansing ranks as the 96th most-dangerous city.

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The new list gives the perception Lansing isn't that safe, but the Lansing Police Department says their numbers tell a different story. An independent research company put together the latest list of most-dangerous cities. The company based their rankings on FBI crime numbers in six categories- murder, rape, robbery, aggravated assault, burglary and motor vehicle theft.

According to the company's method, Lansing comes in as the 96th most-dangerous city in the country, and the third most-dangerous city in the state.

Lt. Bruce Ferguson: "We don't agree with their numbers."

The Lansing Police Department says the company omitted many other crimes for its list, like arson or drug arrests. Therefore, the department doesn't believe the numbers give an accurate picture.

Lt. Bruce Ferguson: "We're safer than places like Grand Rapids, Detroit, Flint, Kalamazoo, Lansing is a safe place."

And Lt. Bruce Ferguson says it shows in the numbers.

Lt. Bruce Ferguson: "Homicides in the past several years have decreased, motor vehicle thefts, we have seen a steady decrease in crime in Lansing in the past decade."

While all crime can't be prevented, Ferguson adds the city has actively tried to keep the crime numbers low.

Lt. Bruce Ferguson: "Working with our neighborhoods, doing neighborhood watches, the whole community policing idea."

Ferguson says there's always room for improvement. He says the Lansing Police Department is always trying to find new programs targeting areas, like domestic violence, where the department sees the most problems.

Charlotte Ranked Eighth Most Dangerous Large City (WSOC-TV)

WSOC-TV, October 31, 2006

CHARLOTTE, N.C. -- Charlotte has been named one of the most dangerous big cities in the country, but police say the ranking is wrong.

The national research firm out of Kansas that compiled Crime In The United States ranked the Queen City the eighth most dangerous city in the United States with a population above 500,000.

Morgan Quitno Press used Federal Bureau of Investigation numbers to determine how safe the cities are. Charlotte-Mecklenburg police, however, say the group shouldn't compare cities using that method, and it's misleading.

"The extent to which we enjoy a safe community depends on everybody in the community accepting some responsibility for helping deal with the environment and the situations that help create crime," said Charlotte-Mecklenburg Police Department Chief Darrel Stephens.

He also said not all of the FBI numbers are used in the ranking, so the data is selective.

The CMPD is constantly working to make the city safer though. After a hike in robberies and homicides last year, the department formed the Street Crimes Task Force to focus on the city's crime hotspots and has already seen a reduction in those kinds of crimes.

The change has people in Charlotte feeling pretty safe. People who spoke with Eyewitness News said they were surprised to hear where the study placed the Queen City.

"I think the safety thing is just scary, that we can't come to the park and not feel like we're comfortable and our children can run around without us having all eyes or ears on them," said mother Alli Murr.

Parent Angela Lamkin agreed.

"It is a little bit concerning, especially being a mom with a young child," she said. "I guess we just pick the safest places we can be."

The CMPD also said that violent crime is down this year, which should help the city in next year's rankings.

According to the study, Brick, N.J., is America's safest city and St. Louis, Mo., is the United States' most dangerous city.

In The Most Secure Town, A Most Pleasant Afterglow (NSL)

By Maryann Spoto, Star-ledger Staff

Newark Star-Ledger (NJ), October 31, 2006

The day after it was named the safest place in the nation, Brick Township was soaking up the good press.

Residents flagged down police officers to praise them for their hard work, and neighbors, friends and business people congratulated themselves on their good fortune.

"Did you hear?" Chris Diedrich, a fitness instructor, asked her morning step class at Brick Fitness for Women. "It's all over the news. Brick is the safest city in the country."

But some were more than a little suspicious. After all, wasn't the Ocean County municipality located near some pretty nice little Jersey Shore towns that seem synonymous with safe?

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"It's a great title to have, but I want the people of Brick Township to know that it's not because crime doesn't occur," said Scott Pezarras, Brick's acting business administrator, sounding a bit cautionary on a day City Hall was brimming with smiles.

So was the honor bestowed on Brick Township a sign the burgeoning bedroom community is a bit of utopia in a densely packed Northeast? Or was it more statistical anomaly?

Turns out it's a bit of both.

The survey in question, an analysis of FBI crime statistics by a Kansas publishing concern that tends to attract huge national press each year, does have a few quirks. Most notable in the case of Brick Township is the fact that the company, Morgan Quitno Press, looks only at municipalities of 75,000 people or more.

Brick Township is on the low side of that cutoff with an estimated population of 80,000. It joined only 11 other communities in the state in the study. In other words, 554 of New Jersey's 566 towns were excluded.

Scott Morgan, who heads Morgan Quitno, publisher of the book City Crime Rankings, said there is nothing wrong with that.

"Most people will accept these are the towns that they have heard about nationwide, and they want to know about," Morgan said.

The survey considers just 371 communities in the country. In New Jersey, Brick was up against mostly gritty cities like Newark, Camden, Paterson, Trenton and other places where extreme poverty and street crime have long gone hand in hand. Most of those places had the dubious distinction of winding up on the other end of the safe-cities ranking.

A few New Jersey places included in the study pool were similarly large suburbs -- Dover Township and Edison -- and they, too, fared very well nationally, 14th and 23rd, respectively.

That is because New Jersey's large suburbs and large cities are very different places, according to demographers who know the state well. They noted it is difficult to make meaningful comparisons of places that are so different.

Take Camden, for example, which is often listed as the most dangerous city in the nation in the study, but improved its standing by five notches this year.

Last year, the median income in Camden was $26,171, compared with $59,752 in Brick. The 2000 Census showed 83 percent of Brick's residents owned their homes, versus 46 percent in Camden.

"There has never been an easy way to make a comprehensive measure so that we can rank municipalities, no matter what it is," said James Hughes, a Rutgers University demographer. "There are always some nuances and codicils to what it is."

Hughes also said the size of the survey takes nothing away from Brick or its relative safety.

The No. 1 ranking for the township, which last year placed second in the national study, was cause for municipal joy.

Police Chief Ronald Dougard said his officers were constantly congratulated by proud residents.

"It's nice," he said of the honor. "It helps (the officers) do their job better."

Brick Township Council vice president Stephen Acropolis, head of the town's public safety committee, said he realizes the scope of the study was somewhat thin. But he said the police department still deserves credit for its work.

"We know we've had a great police department for years," he said. "It's just nice to get the national recognition."

Acropolis said he was bombarded with comments about the ranking from residents yesterday while he coached high school ice hockey.

"People know about it. They're very aware of it. Even when we were second-safest, they talked about it a lot," he said.

Kathy Botticelli, who has lived in town for three decades, said a friend e-mailed her a story about the ranking early yesterday morning.

"I'm just proud to be in a town that wants safety for everybody," Botticelli said as she stood outside the municipal building after paying her taxes.

Resident Margaret Roush said she feels safe in town as she stood in Windward Beach Park, watching her 2-year-old son Danny play on the jungle gym.

"It's a family community," Roush said. "I don't think it draws a lot of heavy crime. Between the families and the elderly, it's not that big a draw for crime."

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CIVIL LAW:

Supreme Court Case: Are Jury Awards Too High? (CSM)

By Warren Richey

The Christian Science Monitor, October 31, 2006

WASHINGTON

Jesse Williams smoked two packs of cigarettes a day for 45 years. Following his death in 1997 after being diagnosed with lung cancer, his wife, Mayola, sued the Philip Morris tobacco company seeking $100 million in punitive damages.

The Oregon jury that heard her case rejected the $100 million request. Instead, it awarded her $79.5 million.

Tuesday, the case arrives at the US Supreme Court where lawyers for Philip Morris are asking the justices to strike down the punitive damage award as constitutionally excessive and fundamentally unfair. The case, Philip Morris v. Mayola Williams, is being closely watched to see whether a majority of justices are willing to issue strict guidelines to identify when a punitive damage award is unconstitutionally excessive.

Lawyers for Philip Morris say the judge in the case allowed the jury to punish the tobacco company for alleged harms done to other smokers in Oregon beyond the specific harm suffered by Mr. Williams and his family.

They also argue that the $79.5 million award violates "guideposts" set by the Supreme Court in earlier cases barring punitive damage verdicts that are out of proportion to the harm done.

Lawyers for Ms. Williams counter that Philip Morris engaged in a massive and deadly fraud by pushing an addictive product on the public while concealing information it knew about the unhealthful effects of smoking.

Instead of supporting a government health campaign against smoking in the 1960s, 1970s, and 1980s, the tobacco company cast doubt on research showing the deadly effects of smoking. The lawyers say Philip Morris launched a deceptive public campaign to offer a crutch and an excuse to its addicted customers so they would keep using their product. Under these circumstances, the lawyers say, the $79.5 million award is appropriate rather than excessive.

"Where a fraud is as monstrous as this one was in its willingness to put lives at risk for profit, strong medicine is required," writes Robert Peck, a Williams lawyer, in his brief. High Court has limited punitive damages

In recent years, the Supreme Court has moved toward limiting large punitive damage awards by establishing a three-part test. But the champion of that approach, Justice Sandra Day O'Connor, has retired from the court and it is unclear how the newest members of the court, Chief Justice John Roberts and Justice Samuel Alito, will view the issue.

In addition, some state courts have declined to strictly apply the high court's three-part test and have allowed large punitive damages.

"What is really at stake fundamentally is the Supreme Court's holdings on whether there is an outer limit to punitive damages," says Sherman Joyce of the American Tort Reform Association in Washington. "It seemed to us that the Oregon courts had not been faithful to the Supreme Court's holdings."

Trial lawyers and their supporters argue that the high court never completely closed the door on large punitive damage awards in cases involving extraordinarily reprehensible conduct. In such cases, they say, the size of punitive damage awards should be up to juries and to state lawmakers, rather than Supreme Court justices.

"Punitive damages throughout the history of our country have been a matter relegated to the states," says Edward Sweda of the Tobacco Control Resource Center at Northeastern University School of Law in Boston. "If Oregonians thought that punitive damage awards were too high, they could go to their lawmakers to enact a cap, but they have chosen not to do so." Jury told to consider other injured smokers

In the Williams case in Oregon, a lawyer for Williams urged the jury to consider not only how the tobacco company had injured his client but how other smokers in Oregon had been injured as well. The lawyer raised the issue in his closing argument even though the jury had heard no evidence concerning other Oregon smokers.

"When you determine the amount of money to award in punitive damages against Philip Morris ... it's fair to think about how many other Jesse Williams[es] in the last 40 years in the State of Oregon there have been," the lawyer said. "It's more than fair to think about how many more are out there in the future."

Philip Morris lawyers asked the judge to issue a special instruction to the jurors before their deliberations to make sure the panel didn't punish the company for hypothetical injuries allegedly suffered by other Oregon smokers - or potential injuries yet to be suffered by smokers in the future.

The judge refused. The $79.5 million punitive damage award was cut in half on appeal, but later reinstated. Ultimately, it was upheld by the Oregon Supreme Court.

Philip Morris attorney Andrew Frey says there is no historical precedent supporting the Oregon punitive damage award. "Only three years ago, this court held that a defendant cannot be punished in an individual action for harms to persons other than the plaintiff," he writes in his US Supreme Court brief.

Lawyers for Williams say the references to other Oregon smokers were intended to help jurors quantify the magnitude of the offense, not calculate individual punishments. "Philip Morris conflates consideration of total harm within Oregon and the enormity of the offense with punishment for the thousands of Oregonians also defrauded. The two are not the same," Mr. Peck writes in his brief.

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In earlier decisions, the Supreme Court ruled that a judge assessing punitive damage awards must consider three factors before deciding whether the award should be struck down as excessive.

The three so-called guideposts are: the reprehensibility of the defendant's conduct, the ratio between the amount of compensatory damages awarded and the punitive damage award, and the difference between the punitive damage award and other civil or criminal sanctions that could be imposed for similar misconduct.

The courts in Oregon concluded that Philip Morris's conduct was so reprehensible that it outweighed the two other factors.

Under the ratio guidepost, the high court has suggested that most punitive damage awards should fall within a single-digit ratio of compensatory damages. In contrast, the ratio in the Philip Morris case is 97:1.

The last time the Supreme Court addressed the punitive damage issue in 2003, it left the door open for larger ratios in instances of "particularly egregious" conduct.

"Because there are no rigid benchmarks," Justice Anthony Kennedy wrote for the majority in a case called State Farm v. Campbell, these larger ratios may be acceptable "where a particularly egregious act has resulted in only a small amount of economic damages."

In the wake of that decision, several state courts have allowed sizable punitive damage awards, and some analysts suggest that those courts haven't been faithful to the Supreme Court's holding. Now the question is whether the court will close the door it left open in the State Farm case, or throw it wide open and allow state lawmakers and individual juries to decide how large is too large for punitive damage awards.

High Court To Hear Tobacco Firm's Appeal (AP)

By The Associated Press

AP, October 31, 2006

WASHINGTON (AP) -- Jesse Williams, according to his widow, never gave any credence to the surgeon general's health warnings about smoking cigarettes.

When Williams contracted inoperable lung cancer after smoking two packs a day for 45 years, he told his wife: "Those darn cigarette people finally did it. They were lying all the time."

Nine years after Williams' death, the Supreme Court is considering this question: Can Williams' widow collect $79.5 million in punitive damages for fraud from the cigarette company Philip Morris USA?

To the dismay of anti-smoking groups, the Supreme Court agreed to hear the company's appeal of a jury verdict in Oregon.

Philip Morris, the maker of Marlboros, is struggling to turn back unfavorable rulings by Oregon state courts in the Williams case. One ruling upheld the jury award after the Supreme Court sent the case back to Oregon once before to make sure it conformed to a 2003 high court opinion limiting punitive damages.

Another case being argued Tuesday highlights what critics say are problems with court-appointed attorneys for death row inmates in Florida.

Gary Lawrence, convicted of beating his wife's lover to death with a pipe and baseball bat then setting the body on fire, is asking the Supreme Court to allow the appeal of his sentence to proceed despite a lower-court ruling that he missed a deadline. Among Lawrence's arguments is that his lawyer, supervised by Florida courts, was responsible for timely legal filings.

In the case over punitive damages, the Williams family is counting on justices to find that Philip Morris' conduct was so reprehensible that it justifies exceeding guidelines the court has laid out in two rulings in the past 10 years that struck down large awards.

One difference is that the earlier cases did not involve physical injuries.

The company doesn't deny making public statements rejecting a link between smoking and cancer; rather, it says there's no evidence Williams ever heard the statements or ever read them.

The court also will be looking at the decision of the state courts that declared it acceptable for the jury in the Williams case to consider harm by Philip Morris to other smokers for conduct similar to that which allegedly injured Williams.

Three years ago, the U.S. Supreme Court said in a different case that a defendant cannot be punished in an individual lawsuit for harm to people other than the plaintiff.

The cigarette company says the approach of the Oregon courts is collective punishment in an individual action, a violation of due process. Philip Morris complained that the nonparties in the case were never identified, their individual circumstances were not presented in court, and there was no way for a defendant to respond to allegations of widespread harm.

The jury awarded Williams' widow, Mayola, $800,000, in actual damages, a ratio of 97 to one. Justice Anthony Kennedy said three years ago that the ratio of punitive to compensatory damages rarely should be higher than nine to one.

The company says that under long-established practice, when compensatory damages are substantial, the constitutional maximum punishment is between zero and four times the amount of compensatory damages.

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The cases are Philip Morris USA v. Williams, 05-1256, and Lawrence v. Florida, 05-8820.

Assessing The Damages (NYT)

The New York Times, October 31, 2006

The Supreme Court has been struggling to address the thorny question of when, if ever, punitive damages become so large that they violate the Constitution. The court made a good start when it laid down guidelines on when punitive damages are excessive. But eventually, it went too far. Today, it hears arguments in a case that offers a perfect opportunity to pull back to a more reasonable position.

The case involves Philip Morris's challenge to damages awarded to the widow of a smoker who died of lung cancer. An Oregon jury awarded Jesse Williams's widow, Mayola Williams, more than $821,000 in actual damages, and $79.5 million in punitive damages. Mrs. Williams said Philip Morris had engaged in 40 years of publicity to undercut concerns about cigarettes, even though it knew for most or all of that time that smoking was deadly.

The Oregon Supreme Court upheld the punitive damages award. The court said the conduct that Philip Morris was charged with "would have kept many Oregonians smoking past the point when they would otherwise have quit." It said the company's "deceit thus would, naturally and inevitably, lead to significant injury or death."

The Supreme Court has already indicated that at some point punitive damages become so large that they violate due process. But it has done a poor job of identifying that point. Originally, it laid down some reasonable factors for lower courts to consider, including how reprehensible they considered the defendant's conduct. But in 2003, the court put forth the dubious proposition that punitive damages should generally be in a "single digit" ratio to actual damages — so with actual damages of, say, $100,000, punitive damages should be under $1 million.

Constitutional principles can seldom be boiled down to a formula, and it is difficult to see why the court should rein in juries so tightly. The purpose of punitive damages is, the Supreme Court has noted, "punishing unlawful conduct and deterring its repetition." In cases of extremely bad conduct, particularly when a defendant is large and willful, a bigger award may be necessary. In this case, $79.5 million does not strike us as unreasonable. Nor do we see any basis for holding that this jury verdict, affirmed in a thoughtful decision by Oregon's highest court, is a denial of Philip Morris's due process rights.

A final problem with the Supreme Court's rule of thumb on punitive damages is that it has been far less restrictive when it comes to punishing people. In 2003, the court held that California did not violate the ban on cruel and unusual punishment when it sentenced a man under its three-strikes law to 50 years for a theft of $153.53 worth of videotapes. That is a far more disproportionate punishment than Philip Morris got, for far less offensive conduct.

Appeals Court Upholds Kentucky Law Requiring Tobacco Payments (AP)

By Brett Barrouquere, Associated Press

AP, October 31, 2006

LOUISVILLE, Ky. - Kentucky can continue to enforce laws requiring small cigarette companies to make payments to help cover smoking-related health costs, a federal appeals court ruled Monday.

The ruling means the state can continue collecting escrow payments from small cigarette companies that did not participate in the 1998 master settlement agreement between tobacco companies and 52 states and U.S. territories. Attorneys said it was the first ruling by a federal appeals court addressing the issue of whether states can force smaller companies to make the payments.

The landmark agreement in 1998 required payments to be made over 25 years and settled all of the state's lawsuits over the public costs of treating sick smokers. More than 30 states passed laws requiring nonparticipating cigarette-makers to make escrow payments.

A three-judge panel from the 6th Circuit Court of Appeals in Cincinnati turned away a challenge from three companies that said Kentucky laws effectively barred the businesses from selling tobacco in the state.

Chicago-based Tritent International Corp.; DWI, LLC; and Cibahia Tabacos Especias, a Brazilian company, each of which imports discount cigarettes, filed the lawsuit. A federal judge in Frankfort rejected the companies' claims in September 2005, prompting the appeal.

A message left at Tritent International Corp., was not immediately returned Monday.

The three tobacco companies had argued that Kentucky's laws were pre-empted by the federal Sherman Antitrust Act, which is aimed at preventing monopolies.

Kentucky's laws require companies that didn't take part in the master settlement agreement to place funds into an escrow account. The amount to be paid is based on their cigarette sales in Kentucky. The money is held for 25 years to cover any future medical costs resulting from those companies' tobacco products.

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The state keeps a list of which companies make the payments. Any company not on the list is barred from selling cigarettes in the state.

Because Kentucky's laws treat every cigarette the same, whether or not it took part in the master settlement and every seller is required to pay the same amount of money per pack sold, the federal antitrust act doesn't pre-empt the state law, the appeals court ruled.

"They simply require that all tobacco companies - whether or not they choose to join the MSA - make payments to the state or face blacklisting from the Kentucky market," Judge Ronald Gilman wrote for the panel.

The companies also claimed the laws created an illegal cartel made up of the states and the tobacco industry.

Michael Plumey, an assistant Attorney General in Kentucky who worked on the case, said the cartel allegation "sounds really bad," but the ruling should help put that issue to rest.

"This decision strongly rejects that idea," Plumey said. "There was no anticompetitive cartel created by these statutes."

Four other appeals courts - the New York-based 2nd Circuit, the St. Louis-based 8th Circuit, the San Francisco-based 9th Circuit and the 10th Circuit in Denver - are currently considering similar challenges.

Plumey said the decision isn't binding with the other appeals courts, although it could be filed there as part of the cases in an effort to affect the outcome.

"It could have a persuasive effect," Plumey said. "We hope that it will."

Tenet Selling Infamous Hospital (MEMBIZ)

Memphis Business Journal, October 31, 2006

The hospital that helped launch Tenet Healthcare Corp. on a painful four-year odyssey with the Department of Justice now has a new owner.

Tenet announced late Friday that it had reached an agreement with a physician-owned company to take over the 306-bed Alvarado Hospital Medical Center in San Diego. The new owner, Plymouth Health, will pay $36.5 million for Alvarado, with the money going into Tenet general funds. The sale is expected to be completed by Dec. 31.

Alvarado came under scrutiny four years ago when the Justice Department looked into the hospital's physician recruitment efforts, including the payment of some physician relocation expenses. The law is vague on the subject and two California juries were unable to reach a verdict in a case that was filed in 2003.

Tenet agreed to sell Alvarado as part of a deal to drop the case.

Dallas-based Tenet (NYSE: THC) operates acute care hospitals in 13 states, including 519-bed Saint Francis Hospital in East Memphis and 100-bed Saint Francis-Bartlett.

Tenet has sold other properties, including some in Florida and Louisiana, in a company-wide effort to become smaller and more focused.

CIVIL RIGHTS:

Arrests Made In Smuggling Probe In Ariz. (AP)

By ARTHUR H. ROTSTEIN, Associated Press Writer

AP, October 31, 2006

TUCSON, Ariz. — More than 40 people were arrested Monday in connection with a family-run smuggling ring that brought hundreds of illegal immigrants into the country, officials said.

The 44 arrests came after a two-year investigation into the ring, which operated out of the southern Arizona town of Bowie, officials said. Many of those arrested are American citizens, officials said. Eleven more suspects, including at least five Mexican nationals, remained at large Monday.

The ring recruited young women to smuggle migrants' infants through ports of entry, posing as their mothers, while the parents were smuggled through the desert separately, said John Lewis, the FBI special agent in charge in Arizona.

The operation smuggled people from Mexico into the U.S. for more than 10 years — most from Mexico, but also from El Salvador and the Dominican Republic, Lewis said.

"This network organized, housed, fed, guided and transported large numbers of illegal aliens across the border," said Paul K. Charlton, U.S. attorney for Arizona.

The suspects were named in an indictment this month. They included the suspected ring leader, Pablo Esteban Juarez, 31; his wife, Lori Gutierrez Juarez, 30; guides who walked people across the border; drivers who transported illegal immigrants; and "money runners" who picked up smuggling fees.

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Officials said each migrant was charged between $500 and $800 to be smuggled from Agua Prieta, Mexico, to Bowie, about 83 miles east of Tucson. They would be charged more — typically around $2,000, and sometimes even higher — to be moved from Bowie to their destination.

People paid the ring more than $500,000 in the past four years, Lewis said.

The indictment charged that members of the ring were involved in a conspiracy to transport and harbor illegal immigrants and to launder money for profit.

There were no telephone listings for the Juarezes in Bowie. It was not immediately known whether they had lawyers or whether they were American citizens.

44 Seized In Migrant Smuggling Syndicate (AZREP)

By Dennis Wagner, The Arizona Republic

Arizona Republic, October 31, 2006

More than 150 federal agents, sheriff's deputies and police officers swarmed over the tiny southern Arizona town of Bowie on Monday, cracking down on a family-owned syndicate suspected of smuggling thousands of illegal immigrants into the United States.

By day's end, at least 44 suspects had been arrested on criminal counts of conspiracy and money laundering. Fifty-five defendants are listed in a 728-count federal grand-jury indictment.

Although the so-called Juarez Alien Smuggling Organization is based in Bowie, federal agents also made arrests in nearby Willcox and in New Mexico, California, Minnesota and Ohio.

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"This is not just a couple of coyotes," said Deb McCarley, an FBI spokeswoman. "This was the entire organization from top to bottom that we took down."

The bust came on the same day the Border Patrol announced that arrests along the U.S.-Mexican border were down 8.5 percent in fiscal 2006 from the year before. Officials attributed the decline to tougher enforcement.

According to the indictment, Pablo Esteban "Stevie" Juarez, 31, of Bowie, oversaw a highly organized gang that had been in existence for at least 10 years. The U.S. Attorney's Office also identified his wife, Lori Juarez, 30, as a leader. Officials believe Pablo inherited the gang from his father, Marcos Ruiz Juarez, and his brother, Marcos Abel Juarez. All three also were indicted.

"This was not just any family business," said Paul Charlton, U.S. attorney for Arizona, adding that the ring transformed Bowie into "a major staging area for the movement of illegal aliens to the Phoenix hub."

Undocumented immigrants were assembled south of the border and guided into Arizona or New Mexico before being driven to drophouses in Bowie, about 80 miles east of Tucson on Interstate 10.

Immigrants paid up to $2,000 to the coyotes, and the indictment lists more than 700 Western Union money wires as smuggling fees. Those funds were sent to Bowie from all across the nation.

"This affects every state in the United States, not just Arizona," McCarley said.

Bowie, an unincorporated community in Cochise County, is barely more than a roadside stop with a burger stand and gas station surrounded by pecan and pistachio groves.

The extended Juarez family accounts for a significant portion of Bowie's population of about 700. Bruce E. Brown, the local school superintendent, said there are 110 students in the community, and many saw parents or relatives taken away in handcuffs Monday. Brown said administrators spent the afternoon finding relatives to take children who no longer had adult supervision at home.

"It probably affected a third of my kids," he said. "We had a lot of children that were pretty upset today."

McCarley said the case was developed with intelligence gathered by the Cochise County Sheriff's Office and the Border Patrol. Those agencies were joined by the FBI, Immigration and Customs Enforcement and Willcox police in a two-year investigation of the syndicate, which used a motel and two houses to warehouse immigrants.

Arrest teams, supported by the Border Patrol's Black Hawk helicopter, swept through the San Simon Valley at dawn, making arrests at 31 locations.

Forty-five weapons were seized. Investigators said the smugglers used guns to protect themselves and to intimidate illegal immigrants.

McCarley said some gang members were paid to bring undocumented immigrant babies through vehicle checkpoints along the border, posing as parents, while the real mother and father were smuggled into the country. In some instances, the infants were drugged to ensure they would not make a fuss.

McCarley said the family also charged competing coyotes a "tax" to use smuggling routes in the area.

The suspects made initial appearances Monday in U.S. District Court in Tucson. Each is charged with conspiracy, which carries a maximum prison sentence of 10 years. The majority of suspects also were indicted on charges of money laundering, which also has a 10-year maximum sentence.

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Attention, Voters: Have Your ID Ready In Many States, New Rules On Identification At The Polls Spark Confusion, Controversy By CHRISTOPHER CONKEY (WSJ)

The Wall Street Journal, October 31, 2006

May I see your ID?

Americans are used to hearing that question at airports and in bars, but on this Election Day many will also hear it when they go to the polls.

That's because nearly half of the states have passed laws -- many since widely publicized irregularities in the 2000 presidential race in Florida -- requiring voters to prove their identity before they're allowed to cast a ballot. It sounds like a simple plan, but these laws are sparking confusion, partisan rancor and a frenzy of legal challenges in the days leading up to the midterm election. Luckily for voters, they have to know the current rules only in their own state. And any voter in any state is entitled to cast a provisional ballot if he or she encounters a problem at the polling place. States do, however, vary on how they determine whether a provisional ballot is later counted and how long a voter has to come back and prove his identity.

In Arizona, a proposition passed in 2004 requiring residents to show ID was struck down this month by a federal court only to be reinstated by the U.S. Supreme Court. Arizona Secretary of State Jan Brewer said the lower-court ruling stirred "a lot of questions, confusion and anger," and that poll workers are now being retrained to apply the law. Linda Brown, executive director of the Arizona Advocacy Network, says she spent primary day last month outside a polling station talking to frustrated voters who weren't allowed to cast provisional ballots for lack of proper ID.

"The most disturbing thing we witnessed were poll workers who were ill-informed and making it up as they went along," Ms. Brown says.

In Georgia, a state judge in September overturned a new law requiring every voter to show a photo ID at the polls. The ruling came just as the state elections board was mailing informational letters to some 305,000 registered voters whose names didn't show up on the state's list of licensed drivers and thus might lack valid photo IDs. The first 200,000 letters were already out the door, and the board's Republican member in charge of voter education decided to mail the rest after the ruling, leading to charges that he was deliberately misleading likely Democratic voters.

"The point was to tell these people, 'Hey, you can't really vote,' and suppress their turnout," said David Worley, a Democratic member of the board.

To try to clear up the matter, which has led to a call for a Justice Department investigation, the Georgia elections board has been running public-service announcements and is sending the same group of voters a new letter telling them to disregard the earlier one. "To the extent that there was any confusion, we've corrected it," said Republican board member Tex McIver, whose decision on the mailing put him at the center of the storm.

The courts have upheld Indiana's photo-ID requirement so far, but a federal appeals court will rule on it after the election. Missouri's Supreme Court declared the state's ID requirements invalid this month, saying the state couldn't prove any instances of voter fraud at the polls. Ohio officials will defend some of their ID rules in court tomorrow.

In all of the disputes, voter-identification laws tend to break down along party lines. Republicans generally support the laws, saying they are necessary to rebuild trust in the voting process. Democrats say that in-person voter fraud is extremely rare and that ID laws do more harm than good by disenfranchising elderly, disabled, low-income, minority and other voters who might not have the right documentation.

In Minnesota, Republican Gov. Tim Pawlenty recently pushed for the state legislature to adopt a photo-ID requirement, saying 32 noncitizens had registered to vote since 2004, and 11 of them had actually cast ballots. Brian Melendez, chairman of the state's Democratic-Farmer-Labor Party, says the proposal is "using a cannon to swat a fly." He figures the 32 registrations constituted 0.001% of the state's registered voters.

The movement toward stricter voter verification comes after Congress passed the Help America Vote Act in 2002. The law has spurred a raft of new voting machines in polling places across the country. It also required first-time voters who register by mail to provide identification before they can vote. What's more, a commission led by former President Jimmy Carter and former Secretary of State James Baker in 2005 recommended a nationwide voter-ID requirement.

California, New York and 22 other states don't go much further than the minimal HAVA requirement for first-time voters. But many states have set additional rules. Texas, Ohio and 17 other states require some form of identification, such as a utility bill or

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paycheck. Louisiana and South Dakota encourage registered voters to bring photo IDs but still allow them to cast a regular ballot without them if they sign an affidavit. Kansas and Pennsylvania require all first-time voters to show identification at the polls.

Florida and Indiana have the most vigorous ID requirements. Florida voters must bring valid documentation showing their photo and signature. Indiana requires all voters to show a government-issued photo ID but makes exceptions for the indigent, those with a religious objection to having their photo taken, or those living in state-licensed facilities serving as polling places. Indiana Secretary of State Todd Rokita has toured his state trying to educate voters about the ID requirements, which he calls "a good balance between integrity and accessibility."

Despite the best efforts of many election officials and civic-participation groups, though, some election officials say confusion among some voters and poll workers on Election Day is inevitable given the hodgepodge of new laws and the legal battles surrounding them. "I'm personally worried that there's going to be some voter confusion over what's required," says Deborah Markowitz, president of the National Association of Secretaries of State.

At a time when many precinct workers are also coping with new electronic voting machines and new statewide registration databases, the identification rules add to the confusion. "Conditions are good for bad things to happen," says Doug Chapin, director of electionline.org, a nonpartisan group that tracks election reforms. He fears that many poll workers "may ask for ID when it's not required."

Electionline.org1 and canivote.org2, a Web site run by the National Association of Secretaries of State, both list voter-ID rules by state.

Many of the new in-person voter requirements don't apply to absentee or early voters, a fact often derided by opponents of voter-ID laws since the most-documented type of voter fraud involves absentee voting.

But efforts to beef up ID requirements for absentee and early balloting have ended up in the courts, too. In Ohio, a federal judge put the new absentee voting ID rules on hold, saying they were vague and applied inconsistently across the state. The Republican secretary of state, J. Kenneth Blackwell, didn't want the ruling appealed so close to the election. "We did not want there to be conflicting court rulings and confusion added to the process," said James Lee, a spokesman for Mr. Blackwell's office.

But the state's Republican attorney general, Jim Petro, who lost to Mr. Blackwell in the primary for governor in May, filed an appeal anyway. On Sunday, an appeals court sided with Mr. Petro, reinstating the identification rules for absentee ballots, and once again raising questions about how those ballots might be counted.

Maker Of Voting Machines For U.S. Denies Ties To Chávez, Venezuela (WSJ)

By Bob Davis

The Wall Street Journal, October 31, 2006

WASHINGTON -- Smartmatic Corp., whose voting machines will be used in midterm elections next week, says it adopted a complicated ownership structure to minimize taxes and protect intellectual property, and not to mask any control by Venezuela's government.

Smartmatic, which is owned by Venezuelan entrepreneurs who split their time between Boca Raton, Fla., and Caracas, has been caught up in a government probe over foreign ownership. On Election Day, Smartmatic equipment will be used in 16 states, including Florida and California, and the District of Columbia.

The actions of the voting-machine company are being reviewed by the Committee on Foreign Investment in the U.S. The committee reviews foreign acquisitions to see if they pose national security concerns.

Most reviews by the committee occur before an acquisition is completed -- and publicity engendered by the probes can kill a deal. This year, for instance, a company owned by the government of Dubai, a Persian Gulf emirate that is part of the United Arab Emirates, was forced to back away from plans to run commercial operations at several U.S. ports, amid an outcry on Capitol Hill.

With Smartmatic, the pattern is reversed. The company bought a U.S. voting-machine company, Sequoia Voting Systems Inc., in 2005, and the panel is only now starting a formal review. While a review could end in a recommendation for a divestiture, such an action would be rare. A committee spokeswoman recalled just one instance in which a review resulted in a divestiture. In 1990, the first Bush administration ordered China to sell a U.S. maker of aircraft parts.

The Smartmatic purchase has drawn attention because of concerns that the government of Venezuelan President Hugo Chávez, an opponent of U.S. policies, has a stake in the company. Smartmatic came to prominence in 2004 when its machines were used in an election to recall President Chávez, which Mr. Chávez won handily -- and which the Venezuelan opposition say was riddled with fraud. Smartmatic put together a consortium to conduct the recall elections, which included a company called Bizta Corp., in which Smartmatic owners had a large stake. For a time, the Venezuelan government had a 28% stake in Bizta in exchange for a government loan.

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Bizta paid off the loan in 2004, and Smartmatic bought the company the following year. But accusations of Chávez government control of Smartmatic have dogged the company since. In addition, late in 2004, Smartmatic scrapped a simple corporate structure, in which it was based in the U.S. with a Venezuelan subsidiary. It adopted a complex offshore structure, with headquarters in the Netherlands Antilles; a main subsidiary in the Netherlands and a variety of subsidiaries in the U.S., Barbados, Venezuela and Mexico.

That also led to concern that the structure was designed to mask foreign ownership. "The opaque nature of Smartmatic's ownership is particularly troubling since Smartmatic has been associated" with the Venezuelan government, Rep. Carolyn Maloney, a New York Democrat, wrote to Treasury Secretary Henry Paulson this month. The Treasury Department is the lead agency in the Committee on Foreign Investment in the U.S..

At a news briefing yesterday, Smartmatic's 32-year-old chief executive, Antonio Mugica, presented a simpler explanation: tax reduction. The combination of setting up in the Netherlands and Dutch Antilles produces "a very beneficial tax treatment with the confines of the law," said Smartmatic's attorney, Jeffrey Bialos. Mr. Chávez and the Venezuelan government have no ownership stake in the company, Mr. Mugica said.

In 2004, when the company changed its corporate structure, it debated how much of the company's earnings it should report to the U.S. or the Bahamas, where it also had a subsidiary. Smartmatic said three of its Venezuelan managers own about 91% of the company. They are Mr. Mugica, with 78.8%; Chief Technology Officer Roger Pinate, with 8.5%; and Chief Financial Officer Alfredo Anzola, with 3.9%.

The Cfius review appears to be just into its 30-day period. If the government decides to look further, it starts a 45-day investigation, which can end in a recommendation to the president to take action.

Voting Machine Firm Denies Chavez Ties (WP)

By Zachary A. Goldfarb

The Washington Post, October 31, 2006

The nation's third-largest supplier of electronic voting machines said yesterday that it asked the federal government to review its purchase by a company controlled by Venezuelans to allay concerns that it is influenced by Venezuelan President Hugo Chavez.

The company, Smartmatic Corp., and its subsidiary, Sequoia Voting Systems Inc., are being investigated by the Committee on Foreign Investments in the United States.

The CFIUS, which probes international business deals with defense or national security implications, received national attention this year when it cleared the purchase of a major provider of U.S. port security by a Dubai-based company, a transaction that fell apart after uproar on Capitol Hill.

Smartmatic representatives yesterday said that the Venezuelan government does not own and has never owned any part of the company. "No foreign government from any country has ever held a stake in Smartmatic," said the company's chief executive, Antonio Mugica.

The CFIUS investigation was first reported by the Miami Herald over the weekend, but Smartmatic confirmed in a news conference yesterday that it was cooperating with -- and had asked for -- the investigation.

In May, after concerns about the company's ownership structure began to circulate, Smartmatic dismissed the idea of a CFIUS investigation, saying Sequoia's products "do not fall within the parameters of the matters governed by CFIUS."

Jeff Bialos, a Washington lawyer representing Smartmatic and Sequoia, said that Smartmatic decided to request the inquiry to clear up "unfounded accusations" that have "persistently dogged" officials of both companies. "The company is in a policy of full disclosure with these issues," he said.

The development comes before the midterm elections, which will be a major test of the reliability and security of new electronic voting machines. A breakdown in the use of Sequoia voting machines in the March primary in Chicago gave rise to questions about Smartmatic's corporate structure, which is based in the Netherlands Antilles in the Caribbean but owned by Venezuelan nationals.

Generating more concern is the hostile relationship between the United States and Chavez, who called President Bush "the devil" last month. In 2004, opposition groups questioned the results of an unsuccessful 2004 recall election -- run on Smartmatic technology -- that tried to oust Chavez. International observers cleared the election.

"Given the state of the relationship between President Bush and President Hugo Chavez right now, the idea that a Venezuelan firm might be responsible for programming our voting machines is a legitimate concern," said Robert Pastor, executive director of the Commission on Federal Election Reform at American University.

Smartmatic International Group is owned primarily by foundations controlled by three Venezuelans -- Mugica, Roger Pinate and Alfredo Anzola. It was a small company until it beat out Nebraska-based Election Systems & Software in 2004 for a contract

to provide voting technology in Venezuela. With millions in profits from that contract, Smartmatic bought Sequoia last year from a British company for about $16 million. Sequoia supplies electronic voting machines to at least a dozen states and the District.

Bizta, a start-up technology company in Venezuela with some of the same owners as Smartmatic, received a $150,000 grant from a financing arm of Venezuela's government before the 2004 recall. In exchange, Bizta pledged nearly 30 percent of the company shares and a seat on the board to the government. Bizta has been folded into Smartmatic, and Mugica said the grant, which he characterized as a loan, has been repaid. He added that a government representative never showed up at board meetings.

Venezuela's government said yesterday that it had no ownership in Smartmatic. "The Chavez administration does not have any type of relationship with the Smartmatic Corporation," said the Venezuelan ambassador to the United States, Bernardo Alvarez.

Rep. Carolyn B. Maloney (D-N.Y.), ranking member on the House committee that oversees the CFIUS, asked the Treasury Department in May to review Sequoia's acquisition. "The ownership of the company that makes machines that we use to exercise our democracy should also be looked at from a national security perspective," Maloney said yesterday.

Election experts said the Smartmatic concern would not be pressing if voting machine companies were more open about their technology. "If things were done truly transparently and it was auditable and there was accountability, it wouldn't really matter," said Warren Stewart, executive director of VoteTrust USA. "Unfortunately, that is not the case."

E-Mail Voting Comes With Risks (WP)

By Ellen Nakashima

The Washington Post, October 31, 2006

Time was when soldiers, if they wanted to vote, had to request ballots by snail mail, fill them out and return them the same way.

The process typically took weeks.

This year, thousands of soldiers around the world have the opportunity to vote in the Nov. 7 elections by e-mail. It's part of a Pentagon effort to make it easier for overseas military personnel to cast ballots in federal and state elections, and it reflects how the Internet has changed life in the combat zone.

But computer security experts inside and outside the government warned that the Pentagon's Federal Voting Assistance Program ignores the risks associated with unencrypted e-mail: interception, hacking and identity theft.

"E-mail traffic can flow through equipment owned and operated by various governments, companies and individuals in many countries," Joel Rothschild, a Navy Reserve captain, said in an August report prepared for the Pentagon. "It is easily monitored, blocked and subject to tampering."

A separate report by four outside computer security experts released last week raised similar red flags and added that the use of unencrypted e-mail for registering overseas voters invited identity theft.

"No bank would ask their customers to send Social Security numbers over unencrypted e-mail," said the report's co-author, David Wagner, a professor of computer science at the University of California at Berkeley. But that is what the system allows, he said.

Rothschild's report noted that e-mails can be encrypted to reduce tampering risks. Pentagon officials said states would need to arrange for that provision.

States have options for getting ballots to and from voters. They can fax, e-mail or mail the ballots, or use a combination of the methods. The federal government began the use of faxed ballots in 1990, with troops stationed in the Persian Gulf for Operation Desert Shield. E-mail is an option in those states that allow it; at the moment eight do. Mississippi was the first, allowing troops overseas to vote by e-mail in a 2003 gubernatorial election.

Neither the Pentagon nor state officials say they track how many of the 294,000 military personnel overseas are voting by e-mail. That information is held at the county level, state elections officials said.

Anecdotally, the number of military personnel voting by e-mail appears limited.

In Colorado, Jefferson County elections official Shawna Weir said she has received three ballots that soldiers sent by e-mail. The service members -- two in Iraq and one on a ship -- e-mailed their ballots to a federal facility in Virginia, which then faxed them to the county.

They were all "very eager to vote," Weir said, noting that they had called her to make sure they could get their ballots.

The combination of faxing and e-mail "is about as dangerous as you can get," Wagner said. "It's got all of the problems with unencrypted e-mail, plus your ballot is being routed through the Department of Defense. Will soldiers feel free to vote their conscience when they know that the DOD may be able to see how they voted? How do we know that the DOD or their contractors haven't modified soldiers' ballots in transit?"

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J. Scott Wiedmann, deputy director of the Federal Voting Assistance Program, said the operators at the federal facility cannot alter e-mail content, which is sent in "read-only" format. Voters are also encouraged to mail in an original copy of their ballot as a backstop, he said.

Soldiers faxing and e-mailing their ballots also must sign waivers saying they understand that somebody might see their ballot, Wiedmann said. "There's no U.S. constitutional guarantee to a secret ballot," he said.

Joni Ernst is a county elections official in Iowa and a major in the Iowa Army National Guard who served in Iraq from 2003 to 2004. She delivered mail to the troops and saw how long it could take, so she is glad that soldiers have the e-mail option. Most every camp has an Internet cafe for soldiers, and if the voting process is simple, she said, the troops are more likely to vote.

"Their time is very limited," Ernst said. "We don't want to detract from the mission. But we want to make sure their vote counts."

Campaign To End Race Preferences Splits Michigan (NYT)

By Tamar Lewin

The New York Times, October 31, 2006

ANN ARBOR, Mich., Oct. 25 — Three years after the Supreme Court heard Jennifer Gratz's challenge to the University of Michigan's affirmative action policy, she is still fighting racial preferences, this time in a Michigan ballot initiative.

"We have a horrible history when it comes to race in this country," said Ms. Gratz, 29, a white applicant who was wait-listed 11 years ago at the state's flagship campus here. "But that doesn't make it right to give preference to the son of a black doctor at the expense of a poor student whose parents didn't go to college."

The ballot initiative, Proposition 2, which would amend Michigan's Constitution to bar public institutions from considering race or sex in public education, employment or contracting, has drawn wide opposition from the state's civic establishment, including business and labor, the Democratic governor and her Republican challenger. But polls show voters are split, with significant numbers undecided or refusing to say where they stand.

Passage would probably reinvigorate challenges to a variety of affirmative action programs in other states. In California, where a similar proposition passed in 1996, the number of black students at the elite public universities has dropped. This fall, 96 of 4,800 freshmen at the University of California, Los Angeles — 2 percent — are black, a 30-year low.

For the University of Michigan, the proposition would require broader changes than the Supreme Court did; it ruled in Ms. Gratz's case and a companion case that while the consideration of race as part of the law school's admissions policy was constitutional, a formula giving extra points to minority undergraduate applicants was not.

The president of the university, Mary Sue Coleman, an opponent of the proposition, said its reach could extend into K to 12 education.

"It would make it illegal to have our program targeting girls in junior high school, and having them come to campus to learn about science and engineering," Ms. Coleman said. "I'm a woman scientist, and I know how fragile our gains are."

Such arguments have resonance in Ann Arbor, where the Democratic headquarters is doing a brisk business in "No on 2" yard signs.

"We need to keep affirmative action because it's still not a level playing field for women or minorities," said Gena Morris, who is black, an event planner who volunteers at Democratic headquarters.

Susan Greenberg, a widow whose husband was a University of Michigan professor, took home a yard sign recently, saying, "It's probably the most important thing on the ballot."

Just 20 miles north of the liberal university enclave, in Brighton, there is less familiarity with the proposition but more opposition to affirmative action.

"I don't know a lot about Proposition 2, but I do know a neighbor kid, a good kid, a local kid with a 3.7-3.8 average, who didn't get into the university and he should have," said Vicki Smith, who is white, shopping one afternoon at Kohls department store. "I do think there's something wrong with their admissions."

Pollsters, in fact, say the Nov. 7 results may well turn on whether the measure is seen primarily as a race issue.

"If voters think about it as being about race, black and white, support goes up," said Ed Sarpolus, vice president of EPIC-MRA, a polling firm in Lansing. "So the opponents are trying to show that it's not just race, that it would hurt women, hurt Michigan's economy, and they're having some success with that."

Though most of the debate on the proposition has been about race and college admissions — four out of five Michigan residents are white — the ballot initiative is also playing out against the state's somber economic picture of high unemployment, high migration of young people and a wrenching transition away from manufacturing.

Opposition to Proposition 2 is strongest in majority-black Detroit and a few liberal strongholds like Ann Arbor. Like California's Proposition 209, which passed in 1996, Proposition 2 has been backed by Ward Connerly, a wealthy black

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Republican who is a former University of California regent. If Mr. Connerly is successful in Michigan, and maybe even if he is not, he is likely to carry the fight to other states.

"When my toes turn up, that's when I'll stop fighting this," said Mr. Connerly, who has provided nearly $500,000 for the Michigan Civil Rights Initiative, the group Ms. Gratz leads. "As John F. Kennedy said," he continued, "race has no place in public life."

As of Oct. 20, the group had raised $1.4 million and spent $782,000.

Ms. Gratz, who grew up in a working-class suburb of Detroit, graduated among the top 15 in a high school class of about 300. But she only made the wait list for the Ann Arbor campus of the University of Michigan and never returned the postcard that would have kept her on the list for available spaces.

She graduated from the University of Michigan-Dearborn with a math degree and became a product manager at a technology company. She also pursued the suit against the university. She called Mr. Connerly soon after the Supreme Court ruled on her case, and they began working on the Michigan proposition. It has been her full-time job for three years.

Opposition to the measure is led by One United Michigan, an unusually broad coalition that includes Gov. Jennifer M. Granholm, a Democrat, and her Republican challenger, Dick DeVos, as well as unions, churches, businesses and higher education and civil rights groups. It has raised and spent $3.3 million.

"We have the A.C.L.U. sitting with the Michigan Catholic Conference on the steering committee, which is something you don't see very often, " said David Waymire, a coalition spokesman. "There isn't a big Michigan voice on the other side. But it's tough. Two years ago, the initial polling found more than two-thirds supported the proposition. The miracle is that we've gotten it into a winnable range."

Coalition members said Proposition 2 would hamper employers' efforts to diversify their work forces. They said it would also force some local governments to eliminate outreach and set-aside programs for minority contractors and would diminish the already-meager representation of black and Hispanic students at the flagship university here.

"It would be like slamming a door on progress," Ms. Coleman said. "I will do everything that's legal to help us attract minority students. But it's already having a chilling effect."

This year, the freshman class at the Ann Arbor campus has 330 blacks, or 6.4 percent, down from the high of 499 in 2001, and from 350 in the year after the Supreme Court case, when a new admissions process was adopted. Over all, blacks make up 7.2 percent of the undergraduates. But there are other ways to look at the numbers.

The Center for Equal Opportunity in Virginia, which supports the proposition, released an analysis of University of Michigan data finding that black applicants who were accepted by the university had lower grades and SAT scores than white applicants who were admitted. The median SAT for black students who were admitted was 1160 in 2005, it said, compared with 1350 for whites.

The center said the university now weighed race and ethnicity even more heavily than before the Supreme Court ruling.

The university disagrees. "Their analysis is flat-out wrong and carefully calculated to achieve a political outcome," said Julie Peterson, a university spokeswoman.

She said that the center overlooked factors added to the admissions process after the ruling, like recommendations, essays and extracurricular activities, and that the data on which the center based its conclusions did not include all applicants.

Ms. Peterson and others at the university emphasized that because there were so many white applicants and so few blacks, an end to affirmative action would not substantially increase white students' odds of admission. In their book, "The Shape of the River," Derek C. Bok and William G. Bowen estimated that if selective universities had race-blind admissions, the probability of white students' admission would rise only slightly — to 26.5 percent from 25 percent — while black students' admissions would decline by half.

Wade Henderson, executive director of the Leadership Conference on Civil Rights said the proposition would help determine the future of affirmative action.

"Michigan is ground zero in the national debate on the meaning of equal opportunity," Mr. Henderson said. "It's really important that we stop this, before Ward Connerly takes the battle to other states."

But in many quarters here, public support remained strong, which Ms. Gratz said indicated just how much Michigan's power brokers were out of touch with voters.

"The entire elite establishment is all lined up on the other side of this issue," Ms. Gratz said, "but the mainstream, normal, everyday people who go to work every day think their husbands, their wives, their kids, should be treated equally by our government, and should not be judged on race or sex."

Court Upholds Ban On Enforcement Of Abortion Warning Law (FINDLAW/AP)

By Chet Brokaw, Associated Press Writer

AP, October 31, 2006

(AP) - PIERRE, South Dakota-South Dakota cannot enforce a 2005 law that would require doctors to give additional warnings to women who seek abortions, a federal appeals panel ruled Monday.

In a 2-1 ruling, the panel of the 8th U.S. Circuit Court of Appeals upheld a lower court's ruling that has prevented the state from enforcing the law. Planned Parenthood, which challenged the measure, has demonstrated a likelihood it will win in its argument that the law violates the U.S. Constitution, the panel said.

The law, passed by state lawmakers in 2005, would require doctors to tell women that abortions end human lives and may later cause serious psychological problems for women who have abortions. A woman also would have to be told she has a legal relationship with her unborn child and that the relationship would be terminated by an abortion that would end the child's life.

U.S. District Judge Karen Schreier of Rapid City issued an order preventing the state from enforcing the law while the lawsuit proceeds. The judge said Planned Parenthood has a fair chance of succeeding on its claim that the law violates the free-speech rights of doctors.

The state argues that the required information is medically accurate and supported by science. State lawyers contend the law would not curb reasonable access to abortion in South Dakota.

The South Dakota Legislature this year passed a much more restrictive law, which would ban nearly all abortions in the state. South Dakota voters will decide the fate of the abortion ban in the Nov. 7 election.

Ban On Abortions Trails In New Poll (WT)

By Cheryl Wetzstein

The Washington Times, October 31, 2006

A South Dakota ballot measure to ban almost all abortions in the state is likely to fail by a wide margin, a new poll says.

Fifty-two percent of 800 likely voters said they would vote "no" next week on a law banning all abortions except to save the life of a mother, according to the poll, conducted for the Argus Leader newspaper in Sioux Falls, S.D.

An additional 42 percent of voters said they would vote "yes" for the ban, and 6 percent were undecided, according to the survey, which had a margin of error of 3.5 percent and was released in the newspaper's Sunday edition.

The poll shows that "voters are seeing through the campaign of misinformation and lies" from the ban's supporters, said Jan Nicolay, co-chairwoman of South Dakota Campaign for Healthy Families. "There is a growing consensus that we should keep all options open for women whose health is in jeopardy and for victims of rape and incest."

Leslee Unruh, campaign manager for VoteYesForLife .com, which supports the ban, said yesterday she's seen recent polls that "show us neck and neck."

"The only poll that counts is on Election Day, and we intend to win," she said, adding that if yard signs, bumper stickers and other signs of support are any indication, the VoteYesForLife side is winning.

Earlier this year, South Dakota lawmakers passed a law making it a criminal offense to perform an abortion except to save the life of the mother. The law, which was signed by Republican Gov. Michael Rounds, finds that "life begins at the time of conception" and that a pregnant mother and her unborn child "each possess a natural and inalienable right to life."

The law is on the ballot because South Dakota law allows a newly passed law to be put before the voters if enough signatures are collected asking for it.

Pro-choice advocates see the law as a challenge to the Supreme Court's 1973 ruling in Roe v. Wade, which says that it is unconstitutional for states to ban abortions. Planned Parenthood Federation of America, which is part of the coalition opposing the ban, says the ban must be defeated to protect Roe and women's right to have an abortion.

The campaign has been ugly at times. The VoteYesForLife Web site has posted pictures showing their "Vote Yes on 6 For Life" signs vandalized with a big black "X" or a red coat hanger. The coat hanger is a referral to pre-Roe days, when women reportedly used coat hangers to rid themselves of unwanted pregnancies.

The Argus Leader said the new poll, taken by Mason-Dixon Polling & Research, shows that opposition to the ban has grown stronger with time. A similar poll taken for the newspaper in July found that 47 percent of South Dakotans opposed the ban, 39 percent supported it and 14 percent were undecided.

Chronic Troubles At Youth Jails Haunt Campaign (WP)

By Mary Otto, Washington Post Staff Writer

The Washington Post, October 31, 2006

When the $60 million Baltimore City Juvenile Justice Center opened in 2003, it was hailed as the kind of solution Gov. Robert L. Ehrlich Jr. (R) had promised when he campaigned for office.

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Within a year, independent monitors were describing conditions there as bad as those in the state's most notorious juvenile jails. A U.S. Justice Department report this summer found that the center has failed to "adequately protect children from youth violence."

When Cheltenham Youth Facility shut down several of its dilapidated cottages in January 2004, advocates heralded a move toward smaller, more specialized centers. But today, some of the state's jails remain so crowded that teenagers sleep on the floor.

As Ehrlich faces a tough fight for reelection this fall, his bold promises to fix one of Maryland's most troubled systems have vexed his campaign.

"The system has gotten worse in the last four years," Baltimore Mayor Martin O'Malley, Ehrlich's Democratic challenger, said in a recent interview. "We're writing off too many young lives."

The governor defends his efforts, saying in a recent debate, "We have made great strides on our juvenile justice system. We've changed the whole paradigm there."

Ehrlich did not mince words about the troubled system when he ran for governor four years ago and laid the blame squarely on his Democratic opponent, Kathleen Kennedy Townsend. As lieutenant governor, Townsend had taken on juvenile justice as a priority.

But problems with violence and mismanagement ran deep in many of the nearly two dozen state-run facilities entrusted with more than 2,000 young offenders. The state's juvenile boot camps had been shut down because of brutality.

"The history of juvenile services in Maryland -- up to and including the present," Ehrlich asserted then, "is one of devastating dysfunction that has ruined children's lives."

The Republican who would become the next governor promised a new era and a "child first" approach. He would rename, and redeem, the Department of Juvenile Justice.

But violence and trouble persist. Inspections continue to reveal dangerous conditions, staff shortages, chaotic classrooms, mismanagement and crowding. Despite a boot camp debacle in the past, Ehrlich's administration, too, tried the military approach, with bad consequences.

Officials at what is now called the Department of Juvenile Services say there were no quick fixes for the broken system and the damaged children they oversee, but they can point to some hopeful signs.

"It's by no means a perfect system. But it doesn't mean we haven't moved in that direction," said Juvenile Services Secretary Kenneth C. Montague Jr. "There has been a large, large change."

But advocates say the political stakes make it hard for officials to admit there are problems in the system.

"How can you fix anything you can't admit to?" asked Ralph B. Thomas, former head of the Office of the Independent Juvenile Justice Monitor under Ehrlich and his Democratic predecessor. Ehrlich "inherited a mess, and the mess continues."

Montague said the State Department of Education is slowly taking over schools in the facilities and is scheduled to be running them all by 2012. Drug courts in a growing number of counties are offering some youths a chance at treatment.

Two facilities with long histories of trouble, Cheltenham and the Charles H. Hickey Jr. School in Baltimore, have been downsized, although there was a stabbing at Hickey this month. Two small youth detention centers, one on the Eastern Shore and one in Western Maryland, have opened.

Some of the improvements have come with federal monitoring.

Cheltenham and Hickey are being monitored by teams of juvenile justice experts following a 2005 settlement between the state and the Justice Department following claims of civil rights violations.

Educational programs have improved considerably at both facilities in the past year, said Peter Leone, a University of Maryland professor on a team for the two institutions. "It's safe to say there have been dramatic improvements," he said.

Yet elsewhere, observers have documented chaos. Patrick J. Elder, a Bethesda teacher, tried working at the Alfred D. Noyes Children's Center in Rockville for one day last spring -- then handed in his resignation.

"What I saw was disgusting," he said. "The kids had no pencils, no paper, no books." While two guards sat and chatted in the back of the room, he said, he tried unsuccessfully to get the attention of the 19 boys. Five were playing poker; three were wrestling on the floor.

"I realized this is not for me."

Independent monitors at the center found similar chaotic conditions. Montague said Noyes presents special challenges because the high cost of living in Montgomery County makes it hard to pay and retain good staff members. In response to staff and teacher shortages there, salaries were recently raised.

Problems persist at the new Baltimore facility, as well, according to the Justice Department.

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"We find that children confined at the Justice Center suffer significant harm and risk of harm from the facility's failure to: (i) adequately protect children from youth violence; (ii) adequately safeguard youths against suicide; and (iii) adequately provide behavioral youth services," the department said in an August report.

Montague said he disagrees with the findings. "There were no systemic constitutional violations there" last year, he said, "and there are none now."

And problems sank the Ehrlich administration's brief flirtation with a military-style camp.

After the Lower Shore DRILL Academy opened in Salisbury in late 2003, under the management of the Wicomico County Sheriff's Department, the state began referring young offenders there, including Phil Sisler of Elkton, then 16, who had gotten into trouble for fighting.

His mother, Monica Sisler, hoped the place would give her son positive male role models and a sense of discipline. Then allegations of abuse started to circulate. Phil said boys were regularly forced to drink until they vomited and were lined up to vomit upon one another. His mother became alarmed and fought to bring him home.

After five months there, the department removed him and other students. The academy was closed down and has not reopened.

Montague said the state acted swiftly once the problems came to light. "As soon as we knew what was happening, we took our kids out."

Battle For The ACLU (USAT)

By Nat Hentoff

USA Today, October 31, 2006

This powerful civil liberties organization is in crisis, and impassioned supporters of its mission want change now. It's up to the national leadership to listen — and to resign.

The most serious crisis in the history of the American Civil Liberties Union was caused by the decision of its leadership in 1977 to defend the First Amendment right of an American Nazi organization to march in Skokie, Ill., where many Jews, including Holocaust survivors, lived. Adhering to its basic principle cost the ACLU about 30,000 members. The Illinois Supreme Court eventually upheld the ACLU's action, and the U.S. Supreme Court refused to review that ruling.

In the direct line of fire for months was David Goldberger, then legal and legislative director of the ACLU of Illinois. I was covering the case, and whenever I or others called him, Goldberger didn't acknowledge his identity until the caller identified himself or herself.

“I got thousands of angry calls,” Goldberger, a professor of constitutional and First Amendment law at Ohio State University's law school, recently told me. “I had to screen those calls.”

Goldberger still litigates cases for the ACLU as a volunteer lawyer, but he has become involved in another crisis of the organization involving its fundamental principles: He has joined ACLU members, donors, former staffers and board members, as well as civil liberties activists, supporting a website called SavetheACLU.org. The board of the South Carolina ACLU has also signed on. All are opponents of the present leadership — Executive Director Anthony Romero and President Nadine Strossen.

The signers' Mission Statement for SavetheACLU.org emphasizes: “We believe … the ACLU is especially important now during a time of grave and systematic attacks on civil liberties by the national government. But an ACLU compromised by its repeated failures to practice what it preaches will be unable to resist these attacks for long.”

Since its founding in 1920, the ACLU has been resisting and litigating against overreaching government, but never before has there been an administration so convinced that national security overrides individual liberties — while armed with an unprecedented range of surveillance technology. If this widening internal battle over its principles continues to grow, the ACLU's credibility among the citizenry at large will diminish as the war on terrorism continues indefinitely. The greatest cost will be to all of us, not only civil libertarians, in successive administrations controlled by either political party.

Particularly providing momentum to this rebellion was the decision of Romero's longtime predecessor as executive director, Ira Glasser, to become a leader of the opposition after initially remaining silent. In “Why I Join,” on the website, Glasser speaks of the ACLU leadership's “loss of … candor and its commitment to honesty and its growing intolerance for dissent and free speech within its own ranks. Such intolerance cannot be contained … (and can change) the instincts and reflexes that drive the ACLU's mission.” As Save the ACLU's Mission Statement says, “These breaches of principle include the ACLU's approval of grant agreements that restrict speech and associational rights; efforts by management to impose gag rules on staff and to subject staff to e-mail surveillance; a proposal to bar ACLU board members from publicly criticizing the ACLU; and informal campaigns to purge ACLU of its internal critics.”

These incursions on ACLU employees' civil liberties have silenced public dissent by them, as documented in an e-mail last Dec. 20 to the ACLU national board by an “employee rights” group in the national office, including lawyers and projects staff,

protesting these management practices. It was sent anonymously, the group wrote, because "the fear of reprisal for speaking out … is heavy, palpable and widespread."

Meanwhile, a counter website, VoicesfortheACLU.org, has been launched in support of the ACLU leadership and is backed by the executive directors of 18 state affiliates and six senior ACLU staff members. Yet this site does not erase any of the specific charges against the leadership.

Among the increasing number of other internal critics dedicated to the principles of the ACLU is Rosemary Armington. She and her husband, David, have for decades been major donors to the organization. In a statement on the website addressed to Strossen, she writes, "The ACLU needs to lead by example. Regrettably, over the past several years the examples have reflected breaches of fundamental ACLU principles, followed by withdrawals after public disclosures and superficial admissions of 'mistakes' — but without anyone held accountable."

In the website's "Current Controversies" category, David Kennison, of the national board as well as the South Carolina board, presents a resolution adopted by that state's board in June, which he amplifies: "The ACLU (National) Board is considering a policy proposal that would deprive board members of the long-standing rights to obtain tapes of board meetings and could require that all meeting tapes be erased after approval of minutes. … Why is the ACLU leadership anxious to deny board members their traditional access to meeting tapes? Why does the leadership want to erase our history?"

Public expressions of this resolve to save the ACLU from its leadership, including a largely complicit national board of directors, are simultaneously an inspirational and poignant embodiment of the very spirit of the ACLU.

The ACLU is indeed more needed than ever.

The executive director and president of the ACLU could make a lasting contribution to saving the Constitution by resigning their posts. As Goldberger told The New York Times, "It's clear that the organization's leadership has let it drift away from its core principles, and without those principles, it has no value."

Nat Hentoff is a former member of the ACLU's national board and, before that, the New York board. He is an authority on free speech issues.

ANTITRUST:

U.S. Justice Dept. Probing Sony Unit (AP)

By The Associated Press

AP, October 31, 2006

TOKYO (AP) -- Sony Corp. said Tuesday that the U.S. Department of Justice is probing its electronics unit.

The company received a subpoena from the Justice Department's antitrust division seeking information about Sony's static random access memory, or SRAM, business, company spokesman Atsuo Omagari said.

Sony intends to cooperate with the investigation, which it described as an industrywide probe without elaborating. Omagari declined to provide other details about the probe.

SRAM is a kind of computer memory that is faster and more reliable that DRAM, or dynamic random access memory. It does not need to be refreshed like DRAM, and it is also more expensive.

SRAM is found in relatively small quantities in personal computers. It's also used in disk drives, communications equipment and networking gear.

In 2005, Sony produced 3.3 billion yen ($27.7 million) worth of SRAM. The product is made by outside manufactures for Sony, which in turn sells the memory chips to other electronics makers, Omagari said.

He would not say who manufactures the chips for Sony or who Sony's customers were.

Earlier this month, U.S.-based chipmaker Cypress Semiconductor Corp. said its SRAM operations were also under investigation by the U.S. Department of Justice.

A separate U.S. Justice investigation into price-fixing among DRAM companies has so far resulted in more than a dozen charges against individuals and more than $731 million in fines against Samsung Electronics Co., Elpida Memory Inc., Infineon Technologies AG and Hynix Semiconductor Inc.

High Court Denies Appeal By Chemicals Shipper (WSJ)

By MARK H. ANDERSON

Wall Street Journal, October 31, 2006

WASHINGTON -- The U.S. Supreme Court on Monday rejected Stolt-Nielsen S.A.'s last-ditch appeal to derail a federal indictment against it for price-fixing and other illegal cartel activities in the market for deep-sea chemicals shipping.

DOJ_NMG_0089154

The decision by the justices, announced with a brief order, clears the way for federal prosecution of the company on an indictment issued by a Philadelphia grand jury in September. Justice Samuel Alito, who worked on the case as an appeals court judge, recused himself.

Stolt-Nielsen in 2004 became the first company to have amnesty revoked under the Justice Department's 13-year-old program. The company has waged an intense campaign to thwart Justice Department prosecution, arguing federal authorities wrongly canceled the amnesty agreement they had struck with the company that prevented its prosecution. Justice Department prosecutors, however, have argued in federal court that Stolt-Nielsen violated the terms of that agreement.

The Supreme Court in July and August twice turned away emergency appeals from the London-based shipping company before the indictments were announced. Stolt-Nielsen had asked the Supreme Court to review the ability of Justice antitrust officials to nullify the agreement without interference from federal courts.

The so-called parcel-tanker shipping industry moves liquids such as chemicals and oils across oceans. The Justice Department alleges the company and two competitors agreed to not compete and illegally discussed pricing and other matters with the goal of eliminating competition in the industry.

Last March, a panel of the Third U.S. Circuit Court of Appeals in Philadelphia ruled that federal courts didn't have the power to block government prosecutors from pursuing the company and its officers because of the earlier existence of an amnesty deal.

"The division received the benefit of its bargain under the amnesty agreement and has no basis to breach it by prosecuting Stolt-Nielsen or its executives," Stolt-Nielsen said in an appeal brief.

The federal indictment against the company cites activity between August 1998 and November 2002. Conviction could result in as many as three years of imprisonment and as much as $350,000 in individual fines and $10 million in corporate fines. Indictments were also brought against two former executives of the company: Samuel Cooperman, a former chief executive, and Rick Wingfield, a former executive vice president.

US Rejects Business Amnesty Test Case (FT)

By Patti Waldmeir

Financial Times, October 31, 2006

The US Supreme Court yesterday refused to put new limits on the power of prosecutors to indict American and foreign companies. The justices refused to hear a case involving Stolt-Nielsen, the Norwegian shipping company, which would have tested the right of federal prosecutors to rescind an amnesty agreement in an antitrust case.

Stolt-Nielsen volunteered information about antitrust violations in the parcel tanker market, in exchange for amnesty from the Justice Department.

But federal prosecutors later withdrew the amnesty and indicted the company, saying it breached its duty to co-operate.

"These kinds of government [amnesty] programmes are not going to be worth anything if companies continue to be treated like this company was in this case," says Robin Conrad of the National Chamber Litigation Center, legal arm of the US Chamber of Commerce, which argued that courts should have more power to enforce leniency deals.

Patti Waldmeir, Washington

Merck To Buy Sirna For $1.1B In Cash (AP-YBIZ)

AP, October 31, 2006

Merck Agrees to $1.1B Deal for Sirna Therapeutics, a Developer of RNA-Interference Based

WHITEHOUSE SATTION, N.J. (AP) -- Pharmaceutical company Merck & Co. said Monday it agreed to buy Sirna Therapeutics Inc., which is creating a new way to develop therapies based on RNA interference, for $1.1 billion in cash.

Merck's $13-per-share bid offers almost a 102 percent premium over Sirna's closing price of $6.45, down 5 cents, on the Nasdaq. Sirna shares surged $6.10, or 94.5 percent, to $12.55 in aftermarket electronic exchange trading. The stock's 52-week high is $8.52, set in April.

Sirna's RNA interference technology offers a new way to develop medicines and shows great promise in cancer research, Merck said. Sirna's operations would complement RNA work Merck has been doing since its 2001 acquisition of Rosetta Inpharmatics Inc., the company said.

Sirna's leading clinical development candidate is for the treatment of the wet-form of age-related macular degeneration, part of a broad collaboration with Allergan Inc. in ophthalmic diseases.

Merck said stockholders holding 36 percent of Sirna's outstanding shares have already committed to support the deal, which still needs antitrust clearance to close. The two companies hope to complete the deal in the first quarter of 2007.

Merck shares fell 45 cents to close at $45.64 on the New York Stock Exchange, then gained 16 cents in aftermarket trading.

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Merck Purchase Of Sirna Boosts Efforts In Gene-Silencing Field By AVERY JOHNSON (WSJ)

The Wall Street Journal, October 31, 2006

Merck & Co. increased its bet on a hot research field known as RNA interference by acquiring San Francisco-based Sirna Therapeutics Inc. for $1.1 billion.

Sirna focuses on developing drugs based on RNAi technology, which can silence the activity of some genes and creates the potential for new medicines that target specific disease-related genes. The field is thought to hold promise both for locating zones in a cell that cause illness and for creating medicines that attack them. Earlier this month, two U.S. scientists won the Nobel Prize in medicine for their late 1990s discovery of the gene-silencing mechanism.

The deal moves Merck into a leading position in the field, coming on the heels of its 2001 purchase of Rosetta Inpharmatics. That acquisition gave the Whitehouse Station, N.J., drug maker the tools to look closely at the genes in a genome. With Sirna, Merck will have the ability to target -- instead of just locate -- certain parts of a cell for destruction, said Mervyn Turner, Merck's senior vice president of world-wide licensing and external research.

Merck believes RNAi technology holds particular potential in cancer research because it could home in on genes that control cancerous cells, destroying them without harming surrounding normal cells.

Sirna only has a handful of drugs in development. Its most advanced treatment, which is in the second of three phases of human testing, is targeted at the wet form of age-related macular degeneration, a leading cause of blindness in the elderly.

Under the terms of the deal, which is expected to close in the first quarter of next year, Merck agreed to pay $13 a share in cash, or about $1.1 billion, for Sirna. That is double Sirna's 4 p.m. stock price on the Nasdaq Stock Market yesterday of $6.45. In after-hours trading, Sirna soared 97% to $12.68.

John Maraganore, president and chief executive of Alnylam Pharmaceuticals Inc., a Cambridge, Mass., competitor of Sirna, said the deal underscores the pharmaceutical industry's level of interest in RNAi. "We view it as an enormously positive endorsement for RNAi therapeutics as an important new class of drugs," he said.

It is unclear how the Sirna acquisition will affect a separate development deal Merck has with Alnylam. Mr. Maraganore said his company would continue to work with Merck as a partner on several potential therapies.

---- Rachel Zimmerman contributed to this article.

Write to Avery Johnson at avery.johnson@WSJ.com1

Microsoft Urged To Keep Users' Choice (AP-Y)

AP, October 31, 2006

Google Inc. said Monday that it wants Microsoft Corp. to make sure users can easily choose Internet search engines in future products — but Google refused to say if changes Microsoft has already made to its upcoming operating system, Vista, have gone far enough.

David C. Drummond, Google's senior vice president of corporate development, spoke to reporters after meeting with European Union antitrust regulators but refused to give details on those talks, beyond saying there had been no particular agenda.

"It's been our view that any new version of Microsoft products that include search, that that be done in a way that preserves user choice for search and other applications," Drummond said. He said that Google would monitor the situation but that it was "too early to tell" if there were would be any antitrust allegations arising from Vista.

Vista is Microsoft's first major update to the company's flagship operating system since Windows XP was released in late 2001.

Microsoft said this month it had changed Vista in several key sectors — including its search service — in an attempt to soothe European antitrust worries. Regulators had said they were concerned that computer manufacturers or consumers might be prevented from having a proper choice between different software packages.

EU Competition Commissioner Neelie Kroes wrote to Microsoft CEO Steve Ballmer in March, pointing out possible issues with Vista's integrated Internet search, digital rights management tools used to protect copyrights and software that would create fixed-document formats comparable to Adobe Systems Inc.'s Portable Document Format, or PDF.

Security vendors Symantec Corp. and McAfee Inc. also complained that Microsoft had been slow to hand over technical details needed for their antivirus software to work smoothly with Vista.

There is no formal investigation into Vista, but Microsoft is still embroiled in a long-running legal challenge to the EU's 2004 antitrust order that found the company broke competition law. Microsoft was fined $613 million.

Microsoft Leaves Group Asking BellSouth Limits (BLOOM)

By Molly Peterson, BLOOMBERG NEWS

DOJ_NMG_0089156

Bloomberg, October 31, 2006

Microsoft Corp. distanced itself from a group lobbying for restrictions on AT&T Inc.'s proposed acquisition of BellSouth Corp., saying it won't seek to influence regulators weighing the purchase.

The company, a founder of the It's Our Net Coalition, pulled its name from the member list after deciding not to weigh in on the $82 billion deal, spokeswoman Ginny Terzano said Monday. The group wants net neutrality rules to bar telephone and cable providers from charging new priority-access fees.

The 172-member coalition last week urged the Federal Communications Commission to impose "meaningful and effective net neutrality safeguards" on the BellSouth deal. The group wants the FCC to bar AT&T, the biggest U.S. phone company, from favoring some companies over others that offer the same type of Web content or services, depending on how much they pay.

"Microsoft has withdrawn its name from the It's Our Net Web site" while the FCC considers the deal, Terzano said in an e-mailed statement. "However, we continue to support and will pursue other opportunities to obtain meaningful network neutrality policies."

Terzano declined to comment on whether Microsoft will restore its name to the site after the FCC rules on the BellSouth purchase or say if the company has quit the group. The commission is scheduled to vote on the deal Friday.

Jim McGann, a spokesman for the It's Our Net Coalition, declined to comment on Microsoft's withdrawal. The coalition's other founding members are Google Inc., Amazon.com Inc., eBay Inc., Yahoo Inc. and IAC/InterActive Corp.

The five-member FCC is the last regulatory hurdle for San Antonio-based AT&T to complete the BellSouth transaction. The Justice Department and 18 states cleared the deal without conditions. The likely recusal of one FCC member has forced Republican Chairman Kevin Martin to negotiate with Democrats who are seeking conditions on the deal.

The coalition also is urging Congress to approve net neutrality rules that would apply to all broadband providers as part of an overhaul of the 1996 Telecommunications Act.

Google, Amazon and other Internet companies say they should be able to send video and other data at high speeds without paying a premium. They say allowing such fees could destroy the open nature of the Internet by giving broadband providers too much control over content.

Phone companies including AT&T and cable companies such as Comcast Corp. oppose efforts to bar them from levying fees to recoup billions of dollars spent on high-capacity networks. They have pledged not to block subscriber access to legal content or services, and say neutrality rules would stifle investment.

Schneider Swoops In On US Group (FT)

By Delphine Strauss and Doug Cameron

Financial Times, October 31, 2006

Schneider Electric, the French electrical equipment group, on Monday agreed to pay $6.1bn cash for American Power Conversion of the US to boost its capacity in back-up supply systems for the IT sector.

Marking a bold start for Jean-Pascal Tricoire in his first year as chief executive, the deal will be Schneider's first big acquisition since the failed merger in 2001 with Legrand, a domestic rival, which the European Commission overturned on antitrust grounds.

Mr Tricoire said the APC deal was "a significant strategic move" that would strengthen Schneider's position in the electrical distribution sector, the fastest-growing segment of its core business.

Schneider's shares, suspended until noon, fell 6.2 per cent to €82.9 by early afternoon on concerns over the price of the deal, which the group will finance though a €4.5bn syndicated loan, a share capital increase of around €1.2bn and bond issues.

American Power would add annual revenues of about $2.2bn. Mr Tricoire said the deal was "a significant strategic move that would strengthen Schneider "in the fastest-growing segment of our core business: electrical distribution".

However, analysts questioned the timing and price, given the uncertain outlook for IT spending in the US market, which accounts for close to half of APC's sales.

Patrick Marshall, an analyst at Credit Suisse, said the deal was "unlikely to be well received, given the price paid, the stage we are at in the global cycle...and the scale of the integration task ahead".

The price of $31 a share represents a 30 per cent premium to APC's previous closing price and is 36 times its expected earnings per share in 2007. Shares in APC were 25 per cent higher at $29.81 in early New York trading.

Schneider said the acquisition, expected to close early next year, would be earnings enhancing from 2007 and would create value of $3.3bn, including annual synergies of $160m by 2009 and $220m by 2011.

However, the gains may depend on turning around APC's large systems business, where margins have suffered recently from a delay in passing on raw material cost increases, and on extracting major savings in its supply chain.

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APC last month annnounced a second round of cost cuts, which will reduce its workforce by 7 per cent, but continues to invest in expanding its large systems business.

"Schneider has little track record in turnarounds, and may be pursuing growth at too rapid a pace," said Olivier Esnou, analyst at Exane BNP Paribas.

APC Deal Reflects Demand For Data Protection (WSJ)

By Jennifer Levitz

The Wall Street Journal, October 31, 2006

French manufacturer Schneider Electric SA's agreement to buy American Power Conversion Corp. for $6.1 billion reflects a bet on growth in corporate demand for protection from power outages.

Both companies specialize in the critical-power market, making gear that helps firms withstand blips and outages. APC's bread and butter is smaller power systems, while Schneider's domain is with bigger entities. APC, however, has been migrating into the larger market.

Schneider's offer of $31 a share is a 30% premium to APC's Friday's close of $23.76 a share. Monday's announcement propelled APC's share price up 26%, or $6.26, to $30.02 in 4 p.m. composite trading on the Nasdaq Stock Market.

The French company is trying to quickly eliminate "one of its key competitors" and break into the North American small-company critical-power market dominated by APC, says Boston analyst John Quealy, of Canaccord Adams, adding that "my guess is that they struck first with a knock-out-punch type take-out price."

Schneider and APC, of West Kingston, R.I., have benefited from a trend of corporate spending to protect computerized data from the effects of even small interruptions. The trend is being driven by several factors. New York's 2003 blackouts caused many firms to realize they couldn't afford to be out of commission for several hours, while new federal health-care privacy laws have prompted medical centers to add to data capabilities, creating more need for protection.

Once only businesses like brokerage houses or airline reservation departments worried about keeping the corporate data center running all the time, but today backup power for computer systems has become common in many industries that "can't have downtime," Mr. Quealy says.

The transaction, which is expected to close in the first quarter of next year, is subject to approval by regulators and APC shareholders.

APC, launched in 1981, makes auxiliary items ranging from surge protectors for personal computers to machines that essentially provide air conditioning to keep large data centers from running too hot. The company, which has 7,600 employees, is cashing out at a time of weak earnings. For the six months ended June 25, APC reported net income of $24.7 million, down 41% from a year earlier. Sales increased 17% to $560 million. Cash and short-term investments totaled $539 million as of June 25.

APC's earnings have been lackluster in the past two years as the company spent heavily on a sales force and support to sell its cooling systems and products for bigger companies and factories, analysts say. In a slide show on its Web site, Schneider says it's "very confident it can rapidly improve APC's profitability."

For APC shareholders, the transaction offers an "immediate and substantial cash premium for their investment in the company," Rob Johnson, president and chief executive of APC, says in a prepared statement.

Qualcomm To Be Probed By EU On Royalties, People Say (Update1) (BLOOM)

By Matthew Newman

Bloomberg, October 31, 2006

Oct. 30 (Bloomberg) -- Qualcomm Inc., the world's second- largest maker of mobile phone chips, will be investigated by the European Union over allegations it overcharges Nokia Oyj, Ericsson AB and other handset manufacturers, people with knowledge of the situation said.

The European Commission, the EU's Brussels-based antitrust authority, has told Qualcomm and phonemakers that it will open a formal probe of complaints over royalty rates in the next few weeks, said two people who declined to be identified because the decision isn't public. An EU probe could lead to Qualcomm being forced to lower its rates or fined as much as 10 percent of sales.

``The impact on royalties would be significant and the impact on finances would be catastrophic," said Richard Windsor, a mobile phone analyst at Nomura Securities in London. If the EU forces the company to cut the rate in half, Qualcomm's pretax profit in 2007 would drop by a third to $3.3 billion, he said.

The case focuses on how rewards are shared in the $200 billion industry to supply equipment for third-generation mobile phones, which allow users to access the Internet and play videos. Qualcomm contends it's owed royalties on all of the newest

3G handsets because it holds essential patents. Rivals say Qualcomm has fewer patents on 3G phones than on earlier generations and should lower its rates.

Without Merit

Paul Jacobs, Qualcomm's chief executive officer, told the Financial Times in a June 12 interview that he ``won't be surprised'' if the EU launches an investigation and such a probe wouldn't have a ``big effect'' on the company.

Qualcomm, which is based in San Diego, said in a statement Oct. 27 that the allegations are ``factually inaccurate and legally meritless.''

EU spokesman Jonathan Todd said the regulator ``continues to look into the complaints'' from phonemakers about Qualcomm.

Qualcomm is expected to generate 36 percent of its revenue and 64 percent of its profit from licensing its mobile-phone technology in 2006, according to Ehud Gelblum, an analyst with JPMorgan Chase & Co. in New York who rates the shares ``neutral.''

The EU probe will come a year after Nokia and Ericsson, along with U.S. firms Broadcom Corp. and Texas Instruments Inc. and Japan's NEC Corp. and a Matsushita Electric Industrial Co. unit, said Qualcomm reneged on an agreement to provide its technology under fair and reasonable terms. Ericsson and NEC also accused Qualcomm of abusing its dominant position and charging ``excessive'' royalties on patents used for WCDMA, or Wideband Code-Division Multiple Access.

Broadcom

Broadcom filed a similar complaint against Qualcomm last year in the U.S. A federal court in New Jersey dismissed the complaint last month, saying ``Qualcomm's conduct may engender ill-will, but it must have threatened injury to competition -- not just competitors -- to give rise to antitrust liability.'' Broadcom has said it will appeal.

``We care about Qualcomm trying to squeeze us out of the chipset market by leveraging their royalties on technology rather than competing on a level playing field based on price and quality,'' Mark Nelson, a Washington-based partner at Cleary Gottlieb Steen & Hamilton LLP who is representing Broadcom.

Ericsson said in an e-mailed statement that it filed its complaint ``because the commission's intervention is critical to the continued integrity of open standards.''

Texas Instruments urged a commission probe, saying in an e- mailed statement that ``intellectual property abuse in a standards context cannot be tolerated.''

``It is essential that companies whose patented technology is adopted into a standard uphold their commitments to license these patents on fair, reasonable, and non-discriminatory terms,'' Nokia said in an e-mailed statement.

Standards War

The dispute is rooted in the fight between Europe's GSM, or the Global System for Mobile Communications, and the U.S. approach, which allowed companies to develop competing technologies. GSM controls about 80 percent of the worldwide cell phone market, according to Ovum, a London-based research company.

Nokia has become the dominant supplier of GSM phones in Europe, though it also licenses Qualcomm's CDMA technology, which is used in networks operated by Verizon Wireless and Sprint Nextel Corp., two of the three largest U.S. wireless carriers.

Nokia and Ericsson sought a GSM-based solution for the next generation of mobile technology in the 1990s, in an effort to avoid being too dependent on Qualcomm's CDMA. Nokia and Qualcomm have also challenged each other's patents for CDMA and GSM.

Qualcomm's CDMA technology is used by 13.5 percent of the world's 2.5 billion cell phone users, according to Ovum.

Negotiation Ploy

The battle moved to the International Telecommunication Union, the Geneva-based United Nations agency that establishes and regulates standards. Qualcomm and other U.S. wireless equipment makers pushed for a single 3G standard based on CDMA.

In 2000, the ITU approved five incompatible standards for 3G, including WCDMA and CDMA2000, the successor for networks using CDMA.

Qualcomm and several analysts, including Nomura's Windsor, said the complaints were filed to apply leverage on Qualcomm in royalty negotiations. Nokia's agreement with Qualcomm expires in April 2007.

``It's about making Qualcomm sit down at the table and get a gentlemen's agreement,'' said Alan Brown, an analyst at research firm Gartner Dataquest in Egham, England.

Pay To Obey (NYT)

The New York Times, October 31, 2006

The broken American patent system has a knack for sanctioning the ridiculous. In the latest example, businesses are receiving patents for devising ways to obey the law — the tax code, to be more specific. What's next, a patented murder defense?

As Floyd Norris reported recently in The Times, the broad category known as business-method patents (like patenting the idea of pizza delivery rather than the pizza itself) has expanded once again. Now it includes the legal ways that accountants and lawyers help their clients pay less tax.

Once the Patent and Trademark Office has granted one of these patents, everyone who uses the same legal shelter — even if they draw the conclusion based on their own interpretation of the tax code — will be subject to lawsuits and even injunctions against using the method at all.

Defenders of these tax-strategy patents argue that they won't affect the average person's struggle with the 1040 form each April. The easy stuff should be rejected under the usual standard that requires patents to be novel and not obvious. Tax-strategy patents, they argue, are more geared toward the complicated tax returns of rich people.

While we don't normally rush to make it easier for the rich to pay less tax, the precedent is a bad one. People should be treated the same under the law, and shouldn't have to pay a licensing fee for the privilege. Congress needs to make spurious patents easier to challenge across the board, and should consider clarifying what may be patented. Recent technological advances raise questions about how patents apply to genes and life forms, or what standard should cover old business models on the Internet.

Patents are supposed to encourage innovation, rewarding the individual for the greater good of society. But excessive or overly broad patents can slow business activity to the pace of cold molasses. And we sure don't need something else to worry about on tax day.

ENVIRONMENT:

2 'People Of Interest' Questioned In Esperanza Fire (LAT)

By Jonathan Abrams And Maeve Reston

The Los Angeles Times, October 31, 2006

Arson investigators questioned two "people of interest" Monday as firefighters contained the wind-fed wildfire in Riverside County that killed four federal firefighters and destroyed 34 homes, authorities said.

The two men live in Cabazon, where the fire began, and were released after they were interviewed by investigators Monday afternoon, authorities said.

"We have two people we have questioned that are people of interest," said Tom Freeman, executive officer of the Riverside County Sheriff's Department. "Sheriff's personnel have not placed them under arrest … we continue to work the case aggressively."

Riverside County sheriff's spokesman Earl Quinata said arson investigators planned to interview many other people.

"At times, we are going to have persons of interest…. We are conducting those interviews, and we have no one in custody," Quinata said. "However, we are asking the public to please keep calling the tip line if they have heard or they feel they have information on this arson-homicide investigation."

The Riverside County district attorney's office has already appointed a prosecutor to assist in the case and prepare for a potential trial. "It is potentially a death-penalty case," said Sara Danville, chief deputy district attorney for Riverside County.

"If it is ultimately proven that this was an arson fire and the murder was committed in the course of arson, then that would qualify as a special circumstance," which could lead to the death penalty, she said. She noted that her office prosecuted two arson-murder cases in 1999 in which the defendants were sentenced to death.

The Esperanza fire has blackened more than 40,000 acres and destroyed 34 homes in the mountain communities west of Palm Springs, with the tab for fire operations topping $8.3 million, not including the damage to personal property. The blaze was classified as fully contained Monday at 6 p.m.

"To have it contained in a matter of five days is a tribute to the hard work these guys on the front line have done," said Randy Scales, spokesman for the California Department of Forestry and Fire Protection.

All evacuations have been lifted, and Highway 243, one of the main roads to Idyllwild, was fully reopened for the first time since the blaze began Thursday, fire officials said.

Many residents returned to find charred rubble where their homes once stood.

"We took a hell of a hit," said Phil Reddish, 55, of Twin Pines, as he sifted through his belongings. "I'm just trying to salvage the keepsakes as mementos you keep from a fire that you survive."

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He and his son, Ty, tried to keep their mood light as they rummaged through the remains of their home. "You have to be able to joke about this, because if you don't, the reality of it will eat you alive," Ty Reddish said.

The home of Rudy Luna, 61, was spared, but less than a hundred yards away, his neighbors' house had burned to the ground.

"It's a whole community up here," said Luna, who spent the day trying to help neighbors. "People out here know what to expect, and we prepare for it, but you can't prepare for a fire that comes that fast."

The Esperanza fire was set about 1 a.m. Thursday in the foothills near Esperanza Avenue in Cabazon, authorities said. Fanned by Santa Ana wind gusts up to 60 mph, the wildfire quickly grew out of control.

Later that morning, the windblown flames swept across the mountains and overwhelmed a U.S. Forest Service crew of Engine 57 from the Alandale Station in the San Bernardino National Forest.

Fellow firefighters watched helplessly as the fire took the lives of Mark Loutzenhiser, 43, the team's captain; Jason McKay, 27, of Phelan; Jess McLean, 27, of Beaumont; and Daniel Hoover-Najera, 20, of San Jacinto.

John Clays, McLean's brother in law, read a brief statement on behalf of the family at the fire command center in Beaumont.

"Jess McLean is and will always be a great man," Clay said. "He is a man that was dedicated to his work and devoted to his family."

The crew's sole survivor was Pablo Cerda, 23, of Fountain Valley, who suffered burns over most of his body. He remained in critical condition Monday at Arrowhead Regional Medical Center in Colton.

Cerda had surgery Monday to insert a feeding tube and remove additional damaged skin, said Kathy Peterson, a spokeswoman for the Forest Service.

More than 50 investigators from the Riverside County Sheriff's Department, California Department of Forestry and Fire Protection, U.S. Forest Service and Bureau of Alcohol Tobacco Firearms and Explosives are working on the case.

Freeman did not say what led investigators to the two unidentified men questioned Monday. He said law enforcement and fire officials were investigating more than 250 leads that had been called into the arson tip line.

About 1 p.m., sheriff's deputies searched a residence in Cabazon about a quarter-mile from where the fire started.

"Two deputies were in there for a good while early in the afternoon and came out with a couple of bags," said Bob Dunham, 70, who lives three houses away.

Susan Raichel, spokeswoman for the ATF, confirmed that two people from Cabazon were brought in for questioning about the fire. She said she didn't know if those people lived in the house that was searched.

The ATF and FBI are each contributing $25,000 to bring the total reward for information leading to the arrest and prosecution of the arsonists to $550,000, Rachel said. Anyone with information about the blaze is asked to call the arson tip line, at (951) 922-7116.

Firefighters Gain On Calif. Wildfire (AP)

By Allison Hoffman

AP, October 31, 2006

CABAZON, Calif. - Authorities investigating an arson wildfire that killed four firefighters questioned two people Monday as crews remained confident that the blaze would soon be fully contained.

Sheriff's deputies took two men and three bags of material from a house in Cabazon, said neighbor Robert Dunham, 70, who lives three doors down from the residence a quarter-mile from where the fire started.

Authorities released little information about the two people who were interviewed at a sheriff's station and later released. No arrests had been made.

"We're trying to work through the leads that we have, and going through the process," Riverside County Sheriff Bob Doyle said in a telephone interview.

Authorities said the fire was deliberately set at the base of a slope in Cabazon, west of Palm Springs. Cabazon residents have said they saw two young men leaving the area where the fire began.

Since it started around 1 a.m. Thursday, the fire has burned 63 square miles, or 40,200 acres, as fierce Santa Ana winds swept through the region and fanned the flames. It was about 90 percent contained, and authorities expected full containment Monday night. It has destroyed 54 structures - 34 homes and 20 other buildings.

Last week, a shift in the winds turned deadly when a gust pushed a wall of flames around five firefighters trying to protect a house. Four of the firefighters died, while another was hospitalized with serious burns over most of his body.

Pablo Cerda, 23, remained in critical condition Monday, three days after undergoing surgery to remove damaged skin.

About 50 of Cerda's relatives gathered at the hospital, praying for him.

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"They want everyone to know that Pablo's dream was to help people, and on Thursday morning, that's just what he was doing - protecting and serving," said Eddie Cortez, a family spokesman.

Meanwhile, the FBI and the Bureau of Alcohol, Tobacco, Firearms and Explosives donated $25,000 each to the reward pool, bringing the total to $550,000, ATF spokeswoman Susan Raichel said.

Vigils were held at several Southern California churches and fire stations for Cerda and to pray for the families of the fallen firefighters. Killed were Mark Loutzenhiser, 43, of Idyllwild; Jason McKay, 27, of Phelan; Jess McLean, 27, of Beaumont; and Daniel Hoover-Najera, 20, of San Jacinto.

U.S. Cites Cost Cuts' Role In BP Refinery Blast Safety Board Lays Blame With Top-Level Decisions, Raising Firm's Legal Risks By CHIP CUMMINS (WSJ)

By Chip Cummins

The Wall Street Journal, October 31, 2006

Cost-cutting efforts by senior management at BP PLC contributed to a deadly explosion at a refinery in Texas last year, federal investigators said, a finding that ratchets up the legal stakes for the London-based oil giant.

In a summary of its preliminary findings yesterday, the Chemical Safety and Hazard Investigation Board didn't name specific senior managers or members of BP's executive suite in London. But the federal agency alleged for the first time that high-level decisions to defer overhauls, cut staff and rein in costs at the Texas City, Texas, plant helped cause the accident, which killed 15 people and injured 180.

BP already faces a criminal probe into the accident as well as civil claims from victims and survivors' families. Though the board hasn't any regulatory role or prosecutorial powers, its findings could be taken up by civil litigants or by other agencies probing the disaster.

The development further sullies BP's corporate image after a spate of operational, compliance and environmental problems in the U.S. Federal authorities separately are investigating BP's energy-trading activities and federal and state officials are probing corrosion problems at BP's big Prudhoe Bay oil field in Alaska.

BP has issued its own findings that painted a picture of widespread maintenance and safety shortcomings at the Texas City refinery. But it laid the lion's share of the blame on the actions of a handful of lower-level workers and supervisors.

Ronnie Chappell, a BP spokesman, yesterday said the company stood by its findings. BP investigators "didn't find evidence of budgetary decisions which were an immediate cause or critical factor in this terrible tragedy," he said.

BP's chief executive, John Browne, set off an industry-changing wave of consolidation in the late 1990s, when oil prices were low. Big oil companies gobbled up competitors and cut costs to stay profitable. Lord Browne and his management team won kudos for the effort, especially as oil prices recovered later, leading to currently flush industry profits. BP took over the Texas City refinery when it purchased Amoco Corp. in 1998.

In July 2005, The Wall Street Journal detailed in a page-one article how cost cuts and staffing reductions preceded the blast. Current and former workers interviewed blamed the cuts for reducing safety and causing equipment problems at the refinery. BP denied those claims.

In an interview, Don Holmstrom, the safety board's top investigator in the BP inquiry, said BP executives had been sent company documents months or years before the accident that indicated cost-cutting had undermined safety at the plant. The agency said it wouldn't release those documents at the present time.

"The documents themselves that we have reviewed identify the impact of the cost-cutting on the integrity of the refinery," Mr. Holmstrom said.

The board also said internal BP documents indicated managers were aware of safety problems at 34 other unnamed BP businesses world-wide. "Every successful corporation must contain its costs," the board's chairwoman, Carolyn Merritt, said in the statement. "But at an aging facility like Texas City, it is not responsible to cut budgets related to safety and maintenance without thoroughly examining the impact on the risk of catastrophic accident." Ms. Merritt linked BP's cost-cutting and the accident in an interview broadcast Sunday on the CBS television network's "60 Minutes" program.

Mr. Chappell, the BP spokesman, said BP agrees "that the explosion and fire was preventable, but we don't understand the basis for some of the comments made by the [safety board]" in its statement. He said BP won't comment publicly on specific statements made by the safety board until the agency issues its final report, expected in March.

The board listed BP financial decisions that the agency determined played a role in the accident. For instance, in order to save money, BP decided in 2002 not to replace a venting system that failed during the accident with a safer system, the agency said.

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It also found that BP cut the size of the training staff at the refinery to eight people in 2004 from about 30 in 1997. The training department's budget was reduced by half from 1998 to 2004, it found.

The board also said that it determined BP cut fixed costs at the refinery about 25% from 1998 to 2000 and that those cuts "adversely impacted maintenance expenditures and infrastructure at the refinery."

Write to Chip Cummins at chip.cummins@wsj.com6

BP 'knew Of Safety Problems' At Refineries (FT)

By Sheila McNulty In Houston

Financial Times, October 31, 2006

BP's global management was aware of "significant safety problems" at the Texas City refinery and 34 other locations around the world well before last year's deadly explosion at the US plant, investigators said on Monday.

The US Chemical Safety Board, an independent federal agency charged with investigating industrial chemical accidents, said internal BP documents prepared between 2002 and 2005 revealed knowledge of those problems before the March 2005 explosion killed 15 and injured 500 people in and around BP's biggest refinery. The Texas blast was the worst US industrial accident in more than a decade.

The CSB report comes a week before BP's first civil trial arising from the explosion and is likely to lead the UK company to step up negotiations to settle the case, as it has most of the 1,000 or so others arising from the blast. The report will also likely be used by the federal grand jury investigating whether to bring criminal charges against BP and its executives for the Texas explosion.

BP has been under scrutiny by regulators, Congress and the US Department of Justice following the explosion and closure of half of BP's Alaskan oilfield for severe corrosion. The CSB has led the investigation of the Texas City explosion.

"The CSB's investigation shows that BP's global management was aware of problems with maintenance, spending and infrastructure well before March 2005," said Carolyn Merritt, CSB chairwoman. She said BP did make some safety improvements, though the focus was on improving procedural compliance and reducing occupational injury rates, "while catastrophic safety risks remained".

"Unsafe and antiquated equipment designs were left in place, and unacceptable deficiencies in preventative maintenance were tolerated," Ms Merritt said.

Ms Merritt said budget cuts throughout the BP system caused a progressive deterioration of safety at the Texas City refinery, referring to the 25 per cent cut on fixed costs from 1998 to 2000.

Ronnie Chappell, BP spokesman, said: "BP agrees with CSB that the March 23, 2005 explosion and fire was a preventable tragedy. However, we do not understand the basis for some of the comments made by the CSB."

Mr Chappell said the BP Texas City fatal accident investigation team did not identify previous budget decisions or lack of expenditure as a critical factor, or immediate cause of the accident. Indeed, he said, maintenance spending had increased 40 per cent over the previous five years and was higher than the industry average per barrel of throughput.

Cost-Cutting Led To Blast At BP Plant, Probe Finds (WP)

By Steven Mufson, Washington Post Staff Writer

The Washington Post, October 31, 2006

BP PLC's cost-cutting efforts contributed to a Texas refinery explosion that killed 15 workers and injured 180 others in March 2005, a federal agency said yesterday.

Carolyn W. Merritt, chairman of the Chemical Safety Board, also said that BP senior management knew of "significant safety problems" at the Texas plant and 34 other BP facilities months or years before the explosion but that "unsafe and antiquated equipment designs were left in place, and unacceptable deficiencies in preventative maintenance were tolerated."

The conclusions, contained in a preliminary report by the board, may raise additional legal problems for the London oil company, which has already set aside $1.6 billion to resolve claims from the accident.

The company said it has settled with the families of all but one of the workers killed in the Texas City, Tex., incident and with hundreds injured. But Brent Coon, the lead plaintiffs' lawyer in the refinery case scheduled to start next week, said that the Justice Department had been asking for documents for its own investigation. "It's a good report," Coon said. "It says many of the things we've said all along."

Merritt said that "BP implemented a 25 percent cut on fixed costs from 1998 to 2000 that adversely impacted maintenance expenditures and infrastructure at the refinery." She said maintenance spending had declined throughout the 1990s, when the refinery belonged to Amoco Corp. Once Amoco merged with BP, she said, further cuts were imposed.

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"Every successful corporation must contain its costs," Merritt said. "But at an aging facility like Texas City, it is not responsible to cut budgets related to safety and maintenance without thoroughly examining the impact on the risk of a catastrophic accident."

In the 30 years before the explosion, a worker had died in an accident at the Texas City refinery on average of once every 16 months.

BP, while conceding responsibility, disputed Merritt's conclusions. Company spokesman Ronnie W. Chappell said that BP had boosted maintenance spending by 40 percent in the five years before the accident and that an internal investigation "did not identify previous budget decisions or lack of expenditure as a critical factor or immediate cause of the accident."

He also said the number of injuries at Texas City had fallen 70 percent. "The significant reduction in workplace injury rates led the company to believe that conditions at the refinery were improving," Chappell said.

Don Holmstrom, the CSB's supervisory investigator, said that BP's safety initiatives had "focused largely on improving personnel safety -- such as slips, trips and falls -- rather than management systems, equipment design, and preventative maintenance programs to help prevent the growing risk of major process accidents."

The CSB also said that the training staff at the refinery was cut to eight in 2004 from 30 in 1997 and that the training budget was cut in half, that a 2003 BP audit called the Texas City infrastructure "poor" and cited a "checkbook mentality," that pre-explosion internal reports cited workers who said safety complaints were not heeded, and that a 2002 plan to eliminate a unit (known as a blowdown drum) was never implemented and that the unit exploded in 2005.

BP says it will eliminate blowdown drum units such as the one in Texas City from all its refineries by 2008. It has also moved more than 200 trailers that are used to house workers away from refinery processing equipment. It will spend more than $1 billion to refurbish the Texas City refinery over the next five years.

Coon wants to depose BP chief executive John Browne, but Chappell said Browne has "no unique knowledge" about the explosion. A Texas judge has ruled that Browne must submit to a deposition, but BP has appealed. BP's John Manzoni, head of global refining and marketing, and Mike Hoffman, a global refining executive, have already been deposed in the case.

"We are deeply sorry for what occurred and for the suffering caused by our mistakes," Chappell said.

FBI/DEA/ATF/USMS:

Ex-FBI Agent Is Sentenced In Plea Agreement (LAT)

By Greg Krikorian, Times Staff Writer

The Los Angeles Times, October 31, 2006

Denise K. Woo is put on probation and fined for passing information to a suspected Chinese spy.

Seven years after she was suspended for allegedly disclosing classified material to a suspected Chinese spy, former FBI agent Denise K. Woo was sentenced Monday to probation and a $1,000 fine for improperly sharing confidential information, a misdemeanor.

Woo, 47, of Redondo Beach was transferred from white-collar investigations to a counterintelligence squad pursuing Chinese intelligence agents after her bosses learned in 1999 that she was friends with Jeffrey Wang, a Torrance engineer suspected by the FBI of committing espionage for China. Wang was never charged with a crime.

After her transfer, interviews show, she became convinced that Wang was innocent of wrongdoing and had been falsely accused of espionage by an FBI informant.

Though no charges were filed against Wang, Woo was accused by the FBI of inappropriately disclosing information about the probe to Wang. Suspended and later fired, Woo was then indicted two years ago for allegedly disclosing the existence of a national security wiretap on Wang's home telephone, revealing to Wang the identity of the FBI's confidential informant and lying to FBI agents.

Those felony charges, which carried a minimum 10-year prison sentence, were subsequently dismissed when Woo acknowledged in June that she had improperly passed along information about the FBI's confidential operative to Wang in October 1999.

Though authorities had no comment about the plea agreement, Woo said she had been unjustly accused at great personal expense to her and her family.

"This is kind of a bittersweet ending to a long and continuing tragic injustice," Woo said minutes after U.S. District Judge Gary Klausner imposed the sentence. "I am relieved that after years of false allegations, my family and I can finally get on with our lives."

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Woo's attorney, Carolyn J. Kubota, was biting in her criticism of the FBI for firing Woo and the Justice Department for prosecuting her.

"Denise was made a scapegoat for the government's absolutely bungled investigation of Mr. Wang," Kubota said outside court, where Woo was surrounded by family and friends.

Wang, who continues to work for a Defense Department contractor, sharply criticized the government's investigation of him and its prosecution of Woo.

"Denise Woo is the only person who was courageous and principled enough to stand up for me when the government made me a target of a completely false accusation of espionage," Wang said.

"The government should be ashamed for its reprehensible treatment of me in their unwarranted investigation and for prosecuting and ruining the life of Denise Woo, a person of great integrity, who stood up for an innocent man. Tragically, justice was not served in either of our cases."

The Chinese counterintelligence squad to which Woo was assigned was later riven by controversy associated with FBI veteran James J. Smith, a longtime supervisor who retired a year after Woo arrived.

Several years later, Smith was charged with gross mishandling of sensitive documents. He later pleaded guilty to a lesser charge of lying about an affair with longtime informant Katrina Leung.

*

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California Seizes Record Number Of Pot Plants (AP)

AP, October 31, 2006

SACRAMENTO - California authorities seized a record number of marijuana plants this harvest season, uprooting nearly 1.7 million plants they valued at more than $6.7 billion, the state Department of Justice said Monday.

The 1,675,681 plants seized under the Campaign Against Marijuana Planting program beat last year's record of 1.1 million plants.

The state Justice Department's Bureau of Narcotic Enforcement, which leads the program, said the increase is largely due to more eradication teams, better aerial surveillance and air transport of law enforcement officers to the illegal plots. Gardens also are getting bigger, it said.

The program includes local, state and federal agencies that conducted 477 raids in 34 counties between late July and early October. Authorities said they made 27 arrests and seized 29 weapons.

Lake County had the most plants seized, with 314,603. It was followed by Shasta County (227,488), Mendocino (135,736) and Fresno (102,814).

About 80 percent of the marijuana was found on public land such as parks and national forests, with the rest on remote private land, the department said.

The program is aimed at large outdoor marijuana farms, and the figures do not include the thousands of plants seized from suburban homes in the Sacramento and Stockton areas in recent weeks.

ON THE NET

California Attorney General: http://www.ag.ca.gov

COP KID'S LOOSE COLLAR (NYPOST)

By Lukas I. Alpert

The New York Post, October 30, 2006

A nationally known law-enforcement official's son, who pleaded guilty nearly a year ago to trying to buy 400 pounds of pot from an undercover agent, is still free, while his co-defendant languishes in federal prison, The Post has learned.

Sean Timoney, 26, pleaded guilty on Dec. 21, 2005, to conspiring to possess with intent to distribute marijuana. Since then, his sentencing date has been postponed twice, allowing him to work and undergo drug counseling, his lawyer said.

The fact that his father, John Timoney, is currently the police chief in Miami, was the chief of the Philadelphia police, and was once second in command at the NYPD has raised questions as to whether his son is getting preferential treatment.

"I think when someone has pleaded guilty and he has not been incarcerated nearly a year after the fact, you can draw your own conclusions from that," said a source close to the case. "Does this mean he's getting special treatment because of who his dad is? I don't know."

The younger Timoney was busted Nov. 1, 2005, along with Jae Seu, 23, after they handed over a duffel bag stuffed with nearly $450,000 cash to a undercover Drug Enforcement Administration agent in a Rockland County motel room as a down payment for the marijuana.

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But the whole episode was a sting captured on tape, and Timoney and Seu were arrested as they left the motel. Timoney was released after his father and mother, Noreen, put up their Miami condo as collateral for his $100,000 bond. Seu, of Glenside, Pa., was also released on $100,000 bond.

Since pleading guilty, Timoney has been allowed to remain free - restricted to the states of New York and Pennsylvania - while awaiting sentencing.

Seu, on the other hand, pleaded guilty on Feb. 28 and was incarcerated immediately, said his lawyer, Lee Ginsberg. Seu was sentenced in August to 37 months in prison.

Timoney has had two sentencing dates - April 10 and Aug. 14 - postponed. His next date is set for Nov. 13.

Both his lawyer and the federal prosecutor handling the case insist there is nothing unusual about him being free for so long.

"It's not uncommon," said his lawyer, Ed Hayes. "He had no record. He went into a drug-treatment program and went to work in the construction trades.

"What we said to the probation department is give him a chance to turn his life around, and they agreed to be flexible. He was not the organizer or the mastermind of a drug ring, he was just a driver."

Assistant U.S. Attorney Richard Hartunian agreed.

"There's no holdup. It may have been adjourned once or twice; this happens in federal court from time to time," he said.

Colombia Has Long Way To Go, But It's On Right Path (SAE)

San Antonio Express, October 30, 2006

Editor's note: In late September and early October, San Antonian Henry Catto traveled to Venezuela, Colombia and Nicaragua with a group of seven former U.S. ambassadors. In Nicaragua and Venezuela, they witnessed threats to democracy. In contrast, Colombia is presided over by a pro-U.S. president who makes democracy work in the most difficult of situations.

If geography is destiny, as some say, Colombia is a fine example.

As Milton Drucker, deputy U.S. ambassador to the South American nation, told our group, Colombia is "a vast unoccupied space on the Amazon basin; 200 inches of rain a year on the Pacific Coast. And in the east, desert." A cordillera splits the country. Bogota is at 8,000 feet, and the Amazon jungles are almost impenetrable. In short, the place is hard to govern.

But among these extremes are amazingly fertile lands that produce coffee, tobacco, rice, flowers, cattle and bananas. It has oil, natural gas, coal and emeralds of the finest quality. Its 46 million people make it the third-largest in South America, while its land area makes it No. 4. It has a stable political system, its three branches of government being similar to those in the United States. Literacy is 92 percent, and life expectancy is 70 for men and 76 for woman.

Lest the reader think it is a new Garden of Eden, however, there is indeed a serpent, a deadly one. Among its crops, coca and poppies flourish.

Coca cultivation has a 4,000-year history in the Andean region, and the arrival of the Europeans and later the Americans simply made the market bigger. Modern trends in agriculture and communications and an insatiable desire among North Americans and Europeans for cocaine and heroine led to the growth of today's criminal narcogangs, which are prepared to do whatever it takes to supply these deadly habits. The U.S. Drug Enforcement Administration estimates that 90 percent of the cocaine powder smuggled into the United States comes from Colombia.

Three armed groups, known by their initials, predominate: FARC, ELN and AUC. The first two grew from the teachings of Karl Marx and sought a Soviet-style republic. The AUC was formed by rural interests frustrated by the inability of governments to protect their property from the other two.

Time and the collapse of the Soviet Union changed the scene. Money and power, not political action, became the engine of growth for the drug trade. For the FARC, drugs and terror became the means; the ELN added kidnapping to the mix. The AUC took up the drug trade as well.

Democracy seems to have provided some hope of solving these problems. Two good presidents in a row, Andres Pastrana and Alvaro Uribe, have made a difference. Uribe was elected to a second term this year, and while he is a liberal, he has not hesitated to use the military against the drug lords. Military budgets have grown dramatically. The growth has not, however, been at the expense of social programs. Colombian tax rates, as a result, are among the highest in Latin America.

The president has negotiated with drug barons, but when negotiation fails, he goes to war. In the case of the AUC, negotiation has worked well. Some 30,000 members and 7,000 guerillas have turned in their arms and been accepted back into society.

Colombian officials are proud of the improved situation. We were told it is now safe to drive from Bogota to remote areas and there is, for the first time in recent history, a government presence in all 1,098 municipalities.

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Uribe has been willing to talk about prisoner swaps, but the FARC wants lopsided deals, such as 500 guerrillas for 63 kidnapped civilians. The hostages are noncombatants, and among them are three American contractors, held for years. Ten of the 50 Americans kidnapped since 1992 have been murdered. Polls show public support for FARC at 1 percent.

Is this situation without hope? No. Some six years ago, the Colombian government, with U.S. support, started Plan Colombia, which pays small coca growers in remote areas to change crops. The plan also involves massive spraying of coca growth with insecticide and promotes human rights, alternative development and judicial reform.

Has it been a success? That is hard to judge. "Notes from Putumayo," a running commentary on the Center for International Policy's Web site by a visitor to that remote border state, left one thinking the "troubles" are better, though there is a long way to go. One problem is that the lack of roads makes getting any new crops to market difficult.

A personal observation: The trip left me feeling good about our ally in South America. One has to wish for the equal of President Uribe throughout the continent.

Henry Catto is a San Antonian who served as deputy ambassador to the Organization of American States and as ambassador to El Salvador, the European Offices of the United Nations and Great Britain. He is author of "Ambassadors at Sea: The High and Low Adventures of a Diplomat."

DEA (PTR)

Pittsburgh Tribune-Review, October 30, 2006

A Greensburg man is in the Westmoreland County Prison after allegedly impersonating a federal Drug Enforcement Administration agent and choking a man at a Donegal Township bar.

State police at Greensburg said the incident occurred about 10:30 p.m. Friday at the Fireside Inn on Route 31. Police said Richard McCormick allegedly grabbed Michael Cordell, of Somerset, around the neck, without provocation, and began to choke him.

According to police, McCormick told police he was a DEA agent and was attempting to get Cordell to comply with his instructions. McCormick allegedly pulled out a gun, again stating he was a DEA agent before leaving the bar.

Police caught up with McCormick in the bar's parking lot. First, he told police he was the complainant in the case. McCormick eventually had to be physically restrained and handcuffed before he was taken to prison, police said.

McCormick was found to be in possession of a Davis Derringer pistol, according to police.

The Immoral Majority (NYT)

By John Tierney

The New York Times, October 31, 2006

As usual, Republicans are hoping that righteous voters will come through for them on Election Day. But this year looks like the revenge of the sinners.

The sinners aren't easy to count, since they don't spend a lot of time doing grass-roots politicking. There is no Washington lobby for the Coalition of the Damned. They don't like to confess their urges to pollsters. But there are enough of them, particularly in places where Republicans are struggling, to cast doubt on the party's long-standing strategy.

Why did Republicans assume there was a Moral Majority? Where in the Bible does it say that the virtuous outnumber the wicked? When you define wickedness the way Republicans do, the numbers are daunting.

One of the G.O.P. Congress's few achievements this year was a law to crack down on Internet gambling, an industry that counted eight million American customers last year — about four times the membership of the Christian Coalition. The new law hasn't stopped the online gamblers from betting, but it will give them second thoughts about voting Republican.

The Republican war on marijuana — the chief priority of the current drug czar — isn't playing any better in the heartland. More than 40 percent of people over the age of 12 have tried marijuana, and more than three-quarters of Americans support legalizing it for medical purposes. The White House and the Justice Department have had little luck in their attempts to stop states from legalizing medical marijuana, but they have succeeded in alienating voters.

These federal intrusions are especially scorned by independent voters in the Western states where Republicans have been losing ground, like Colorado, Nevada, Arizona and Montana. Western Democrats have been siphoning off libertarian voters by moderating their liberal views on issues like gun control, but Republicans have been driving libertarians away with their wars on vice and their jeremiads against gay marriage (and their attempt to regulate that from Washington, too).

Libertarian voters tend to get ignored by political strategists because they're not easy to categorize or organize. They don't congregate in churches or union halls; they don't unite to push political agendas. Many don't even call themselves libertarians, although they qualify because of their social liberalism and economic conservatism: they want the government out of their bedrooms as well as their wallets.

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They distrust moral busybodies of both parties, and they may well be the most important bloc of swing voters this election, as David Boaz and David Kirby conclude in a new study for the Cato Institute. Analyzing a variety of voter surveys, they estimate that libertarians make up about 15 percent of voters — a bloc roughly comparable in size to liberals and to conservative Christians, and far bigger than blocs like Nascar dads or soccer moms.

They're especially prevalent in the West, where half a dozen states have legalized medical marijuana. When Californians approved one of the first medical marijuana laws, in 1996, drug warriors were so convinced it would lead to a catastrophic spike in illegal use by teenagers that they sponsored a study to document the damage. But there was no catastrophe: after the law, marijuana use by teenagers actually declined in California.

In the decade since, as the Marijuana Policy Project documented in a recent study, popular support for legalized medical marijuana has increased in California and in virtually every other state with a similar law. Last year it was favored by 78 percent of respondents in a Gallup poll.

Yet these realities still haven't registered with Republicans in Washington. This year the White House drug czar, John Walters, and his minions have been out campaigning in Nevada, Colorado and South Dakota, which have marijuana initiatives on the ballot. The drug warriors are still sounding the discredited alarms about youths turning into potheads. Their fervor's not surprising — they may even believe their own hype.

What's surprising is the political stupidity of the meddling. Westerners, no matter what they think of marijuana, don't appreciate sermons from federal officials on how to vote. In 2002, when the White House campaigned against another marijuana ballot initiative in Nevada, the state's attorney general said it was "disturbing" to see the federal interference in a state election.

This year, with Republicans in so much trouble in the West, the missionaries from Washington aren't doing them any favors. They need every sinner's vote they can get.

Richmond Graduate Fuels Colorado Pot Movement (WT)

By Valerie Richardson, The Washington Times

The Washington Times, October 31, 2006

DENVER -- If Coloradans vote to legalize marijuana statewide next week, it will be almost entirely because of the efforts of a pudgy, clean-shaven 24-year-old University of Richmond graduate.

Mason Tvert, campaign manager for Safer Alternatives for Enjoyable Recreation, has pushed Colorado to the forefront of the marijuana movement, first with his successful 2004 Denver campaign and now with the statewide Amendment 44.

The amendment would allow people 21 and older to possess up to 1 ounce of marijuana for personal use. If approved, it would make Colorado the first state to decriminalize marijuana.

It's a lofty goal for a campaign that, as Mr. Tvert describes it, consists of "two guys in a rental car." Mr. Tvert is running the effort from his cell phone and laptop, but that doesn't mean his opponents aren't taking him seriously.

Federal drug czar John P. Walters visited Colorado three times this year to denounce the effort, which almost every state lawmaker opposes. What Mr. Tvert brings to the table are energy, imagination, a knack for attracting free press and relentless tactics.

A case in point was an anti-Amendment 44 press conference Friday at the state capitol. Gov. Bill Owens, a Republican, and other state officials were expecting to address reporters on the dangers of pot, but instead were bombarded by more than 100 marijuana advocates, led by Mr. Tvert, chanting slogans and waving green campaign signs.

The protesters tried to drown out Mr. Owens and other speakers with jeers such as "Lie louder, Bill." A frustrated Mr. Owens finally responded, "Ladies and gentlemen, this is a sad day for Colorado."

Attorney General John Suthers chided Mr. Tvert for interrupting the governor's message. "I thought his behavior was reprehensible," he said.

Whether such tactics will Mr. Tvert him any votes is debatable. A Denver Post poll showed Amendment 44 trailing 57 percent to 34 percent, with 9 percent undecided.

Mr. Tvert, who is counting on a big turnout from students after his campus voter-registration drives, said his supporters aren't easily reached on land lines. What is clear is that Mr. Tvert has hit a chord with his primary message: Alcohol is more dangerous than marijuana, and therefore, marijuana should be legalized.

His message is backed by personal experience. He said that the summer before entering the University of Richmond, he drank himself unconscious during a concert and woke up in the emergency room.

He wasn't cited or punished, even though he was underage. He was subpoenaed later to testify against a fellow student who had been arrested for marijuana possession.

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"What it shows is that our government's priorities on drug education are so skewed," Mr. Tvert said. "Have you ever seen a government committee warning that you could die of drinking? No. But I've seen plenty of commercials telling people they could ruin their lives smoking pot."

Riverside County Cannot Join Medical Marijuana Suit (DS)

Desert Sun, October 30, 2006

Riverside County will not join a legal challenge to California's medical marijuana law, scheduled to be heard in San Diego Superior Court Nov. 16.

The county Board of Supervisors voted earlier this month to join the suit originally filed by San Diego, San Bernardino and Merced counties, but the court ruled Friday that Riverside would not be allowed to join the case.

"The court felt it was too late to intervene in the pending action in San Diego," said Pam Walls, assistant county counsel. "There was a briefing schedule and allowing (the county) to intervene, that would delay or alter the briefing schedule."

The suit seeks to overturn state requirements that counties issue medical marijuana identification cards to patients with a doctor's recommendation to use the drug.

Americans for Safe Access, and the California Chapter of the National Organization for the Reform of Marijuana Laws, both medical marijuana advocacy groups, and the American Civil Liberties Union are arguing against the counties' suit.

Both sides are looking to the court to resolve the conflict between federal law banning any use or cultivation of marijuana and California law allowing medical use.

Merriman Is Expected To Drop His Appeal (NYT)

By Michael S. Schmidt

The New York Times, October 31, 2006

San Diego Chargers linebacker Shawne Merriman plans to drop his appeal of the four-game suspension he has received for testing positive for a performance-enhancing substance.

A deal between Merriman's lawyer and officials from the National Football League over when the suspension would take effect was being worked out last night.

Merriman's lawyer, David Cornwell, and Adolpho A. Birch III, the N.F.L. official who oversees testing, were trying to figure out a way for Merriman to drop the appeal and still make an appearance at the team's practice facility tomorrow to speak with his teammates before the suspension begins, according to a person briefed on the discussions between Cornwell and the league. A suspended player is barred from his team's headquarters.

The Chargers do not practice today, so Merriman would have to wait until tomorrow to address the team.

If Merriman does not drop the appeal by noon today, he must proceed with the appeal hearing that is scheduled for Nov. 7 in New York.

The N.F.L., which has not commented directly on Merriman's case, is expected to announce the suspension as soon as Merriman drops the appeal.

Word of Merriman's positive test was leaked to the news media before his appeal was resolved, creating an unusual situation in which he continued to play after the public had learned of his situation.

Typically, when a player tests positive, the league does not disclose details of the case until after the appeals process.

Cornwell said the steroid nandrolone was discovered in Merriman's system after he took a tainted over-the-counter dietary supplement. But under the N.F.L.'s rules, players are responsible for positive tests regardless of the supplements they take.

Merriman would miss the Chargers' next four games, against the Cleveland Browns, the Cincinnati Bengals, the Denver Broncos and the Oakland Raiders. He would return against the Buffalo Bills on Dec. 3.

The Chargers (5-2) are tied with the Broncos for first place in the American Football Conference West, and San Diego plays Denver on Dec. 10.

On Sunday, Merriman tied a career high with three sacks as the Chargers defeated the St. Louis Rams, 38-24, in San Diego. Throughout the game, fans loudly cheered him. Merriman has eight and a half sacks and is tied with Aaron Kampman of Green Bay for the league lead.

The use of largely unregulated over-the-counter supplements is so widespread that the N.F.L. certifies five products that are viewed to be clean of banned substances. Merriman said yesterday that the product he took was not one the league had certified. It is illegal to sell nandrolone, or any of its precursors, over the counter in the United States.

At practice yesterday, Merriman wore a boot on his right foot to protect his right heel, which he injured Sunday against the Rams.

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When reporters asked him if his heel injury would affect his decision to drop the appeal, giving him four weeks to recover, Merriman winked.

"Yeah, my heel is hurt so bad I think I will probably be out three to four weeks," he said, according to The Associated Press. He added: "No, my heel is fine. I'm just trying to stay off it a little bit today."

Merriman May Drop Suspension Appeal (SDUT)

By Kevin Acee, Union-tribune Staff Writer

The San Diego Union-Tribune, October 30, 2006

After his three-sack day against the St. Louis Rams, Chargers linebacker Shawne Merriman planned to speak with his advisers last night and discuss the possibility of dropping the appeal of his four-game suspension.

Merriman, who tested positive for the banned steroid Nandrolone earlier this month, maintains he was the victim of a tainted supplement. But he also knows he is unlikely to win his appeal based on the NFL's clearly stated policy that players are responsible for what they put in their body.

Merriman's appeal is to be heard Nov. 7, two days after the Chargers' next game. Dropping the appeal, which could happen as early as today, would mean Merriman would miss Sunday's game against the Browns and the three that follow it. If Merriman saw the appeal through to the Nov. 7 hearing, and the NFL took its time ruling on the appeal, there would be the possibility the suspension would not start until Nov. 19 and would encompass two games against AFC West rival Denver.

"I want to do what's best for the team," Merriman said. "I don't know what is going to happen yet."

Merriman yesterday dropped St. Louis quarterback Marc Bulger three times to move into a tie for first in the league with 8½ sacks for the season. He also hurried Bulger three times and tackled running back Steven Jackson at the line of scrimmage.

"(Playing) is always the outlet for everything," Merriman said. "I always had that growing up, just to be on the field and playing with these guys I love. And to come out with a win definitely helps everything.

"I love to go out and have as many sacks as I can every week. Even before this, I was looking to go out and prove a point – that I am one of the best linebackers."

Merriman's introduction on the video board in the first quarter was met with a loud cheer, and the chorus only grew with every big play.

"To see all those 56 jerseys out there, you couldn't ask for anything more than that," he said. "Walking into the stadium and people telling me how much of a role model I still am, that's what I look at my job to be. I'm just going to keep going out and doing the things, being myself and just playing football."

Defensive effort The Chargers defense fell to No. 2 in the league in total yards allowed, as the Chicago Bears moved to No. 1.

Ranked No. 1 all season, the Chargers allowed a season-high 412 yards yesterday and are allowing an average of 265.5 compared with the Bears' 245.9.

The Chargers' tackling was better yesterday than the previous Sunday at Kansas City, but it remained an elusive discipline at times.

"We still had some tackles we missed," coach Marty Schottenheimer said. "We are on a mission, and we are going to continue to work on that every day."

The Rams also threw for 311 yards, the highest total against the Chargers (by 90) this season. The Rams completed four passes of 20 yards or more. Their 29 such completions rank second in the league, and they entered and left the game with the league's fourth-ranked passing offense.

"They pass the ball 40-plus times, they're going to get yards," cornerback Drayton Florence said. "But our main thing was to go out and stop (Torry Holt) and (Isaac Bruce), two Pro Bowl receivers. We did pretty good. They got some cheap yards on us. But that's going to happen when a team's behind."

Tough homecoming The Rams opted not to play linebacker Pisa Tinoisamoa, the Vista High alum who broke a bone in his left hand last week during practice. Rams coach Scott Linehan said Tinoisamoa "would have basically been playing with one arm" because of swelling in the hand.

"It was very uncomfortable," Linehan said. "We felt that if he played, we would really be taking a step back for next week and even the week after. If something happened to (Dexter) Coakley, he might have been able to play, but we just felt it was too much of a risk."

Cromartie impressive Facing an offense that often had three receivers in the game, rookie cornerback Antonio Cromartie played more yesterday.

His role has increased almost every game, but yesterday was the most demanding, as he was assigned to Holt much of the time. Holt caught five passes for 48 yards, his third-lowest total this season.

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"I was with an All-Pro," Cromartie said.

Nuts 'n' Bolts Safety Bhawoh Jue was active for the first time since the season's second game. He did not start but played in certain packages.

Keenan McCardell's streak of games without a touchdown reached nine, the longest stretch since a 10-game drought in 1996.

Schottenheimer's 191st regular-season victory moved him into sole possession of fifth place all-time.

Safety Clinton Hart suffered a hip flexor strain. Center Nick Hardwick injured his knee and will have tests today.

L.T. Goes Bananas; Merriman Uncertain About Drug Test Appeal (AP)

By Bernie Wilson

AP, October 30, 2006

SAN DIEGO - Halloween came a day early for the San Diego Chargers.

LaDainian Tomlinson wore a gorilla mask to his weekly news conference a day after he reminded everyone how good he is by gaining 240 yards from scrimmage and scoring three touchdowns.

Shawne Merriman didn't wear a mask, but the star outside linebacker was disguising his intentions regarding the appeal of his positive drug test.

After he had three sacks in Sunday's 38-24 win over the St. Louis Rams, Merriman said he'd speak with his attorney to discuss the possibility that he'd drop his appeal and begin serving a four-game suspension for testing positive for the steroid nandrolone.

But nothing had changed by Monday, except that Merriman was wearing a boot on his right foot to protect the heel he injured against the Rams.

"I don't know what is going to happen yet and someone has already said I'm thinking about dropping the appeal and what not, but I still have to find out what is going on myself," Merriman said. "I haven't decided anything yet. I'll find out sometime today or tomorrow what I am going to do, if I am going to do anything at all. It's just all part of the process.

Since his appeal is set for Nov. 7, Merriman was able to play against the Rams and would get to play in Sunday's home game against the Cleveland Browns, unless he decides to drop it.

Merriman said the positive drug test stems from a tainted supplement, and not many people give him a chance of avoiding a four-game suspension.

If the appeal process drags out and he loses, he could miss both of the Chargers' games against AFC West rival Denver, on the road Nov. 19 and at home on Dec. 10. The Chargers and Broncos are tied for the division lead at 5-2.

Asked if his heel injury would affect his decision, he said with a wink: "Yeah, my heel is hurt so bad I think I will probably be out three-to-four weeks."

Then he added: "No, my heel is fine. I'm just trying to stay off it a little bit today."

Merriman's attorney didn't return a phone call Monday.

"I just want to stay on the field. That is all I'm considering right now," said Merriman, the 2005 Defensive Rookie of the Year who has a team-high 8 1/2 sacks. "Obviously I want to be back as soon as possible if anything is going to happen at all. But assuming that something might happen, I have to do what's best to get back on the field as soon as possible."

Merriman said he'd feel cheated if he didn't get to state his case. "But at the same time its not about me proving a point or proving anything anymore. It's about me playing football."

Tomlinson, meanwhile, had some fun a day after going bananas with 240 yards from scrimmage, the third-highest total in his six-year career.

His 183 yards rushing were his eighth-highest total, and he added 57 yards on three catches. He's the NFL's second-leading rusher with 656 yards, and is second with 959 yards from scrimmage.

Tomlinson quieted critics who thought he's lost a step.

"As a gorilla, I don't think he's lost a step. I don't think I could catch him," said the guy in the gorilla mask who sounded an awful lot like L.T.

And he offered this: "I got my wife this morning, and she's seen it before."

Armed Man Shot By Police Has Previous Gun Conviction (PPG)

By Torsten Ove,

Pittsburgh Post-Gazette, October 30, 2006

The man shot by a Pittsburgh police sergeant in Beltzhoover yesterday after police said he pointed a gun at them is a felon who wasn't allowed to have a weapon and had already spent time in prison for carrying an illegal gun.

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Court records indicate Jamaar A. Blakey, 22, was on probation following a gun conviction in U.S. District Court in 2004.

Mr. Blakey, who is in serious condition at Mercy Hospital with a wound to his chest, was indicted in June 2004 under Project Safe Neighborhoods, a U.S. Justice Department initiative to combat gun violence that has sent many Pittsburgh-area felons to federal prison in recent years. Under federal law, felons can't have guns or ammunition.

Mr. Blakey, who also has several drug convictions, was sentenced in November 2004 to 30 months in federal prison for possession of a handgun and ammunition on Feb. 28 of that year. He was released on Aug. 24 of this year and was serving three years of supervised release, the federal version of probation.

Pittsburgh police shot Mr. Blakey after they said he pointed a gun at an officer following a brief car chase.

Feds Make Arrest In SLC Library Bombing (SLT)

By Jason Bergreen, The Salt Lake Tribune

Salt Lake Tribune, October 31, 2006

Federal authorities have arrested a former Utah resident with possession of an unregistered destructive device stemming from a bomb explosion in September that caused the evacuation of the Salt Lake City Main Library.

The single federal charge againstThomas James Zajac, formerly of Salt Lake City and Provo, was filed Friday and unsealed Monday after a joint investigation by the federal Bureau of Alcohol, Tobacco, Firearms and Explosives, the Salt Lake City Police Department and the FBI.

Investigators believe that Zajac, age unavailable, entered the library, 210 E. 400 South, on Sept. 15 carrying a 1 3/4 inch by 1/2 inch pipe bomb concealed in a white paper bag from Arby's restaurant, court documents state.

The bomb also consisted of a rocket igniter believed to have been purchased at an out-of state hobby store that was apparently mounted on a piece of cardboard that had an unknown handwritten message on it.

The bomb, which had been in the library for up to 60 minutes, exploded on the third floor, destroying a large, double-paned window, but it caused no injuries.

A witness told authorities he was on the third floor and heard a hissing noise before the explosion, but didn't recognize anyone in the area leaving, court documents state.

But another witness told a Salt Lake City police detective that he saw a heavy-set man wearing a green polo shirt and Khaki pants sit down in a chair next to the first witness and near a column where the bomb exploded. He described the man as being about 5 feet 10 inches tall, with dark hair and between 30 and 50 years old.

The witness told the detective that the man avoided making eye contact with him and kept looking down at the floor. He was not close enough to see what, if anything, was in the man's hands, court documents state.

Surveillance video from the library captured a man with the same description entering the east side of the library carrying a paper bag. The man entered restrooms on the second and third floors.

IMMIGRATION:

Government Says Border Arrests Decline (AP)

By Hope Yen

AP, October 31, 2006

U.S. Customs and Border Patrol agents made fewer arrests of illegal immigrants trying to enter the country last year, the government said Monday in a report that credits stronger enforcement.

Arrests fell 8.4 percent from 1.2 million in fiscal year 2005 to 1.1 million last year. It was the first decrease since 2003, the Homeland Security Department said in releasing its annual statistics on illegal immigration.

"What we ideally would like to do is stop them from coming in the first place. The extent that we see fewer crossing the border, that suggests that line of defense is working," Homeland Security Secretary Michael Chertoff said in a news briefing.

He noted that the department added more than 1,900 border patrol agents in the last year and installed fencing and other security measures such as electronic sensors and cameras.

"These kinds of successes underscore the importance of viewing what we do to protect our borders as part of a comprehensive solution, one that allows us to target the worst of the worst," Chertoff said.

Statistics released Monday also show the government:

_Removed a record 186,600 illegal immigrants from the United States in the past year. That's a 10 percent increase from 2005.

_Seized more than 1.3 million pounds of marijuana, a 13 percent increase from the previous year.

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_Nearly tripled the number of fugitive operations teams, from 18 to 50, as part of efforts to locate, apprehend and remove criminal aliens.

The figures, which were complete a month ago, were released a week after President Bush signed a bill authorizing 700 miles of new fencing along the U.S.-Mexico border.

The new law, which didn't come up with new funding beyond the $1.2 billion previously approved by Congress, gives Republican candidates a pre-election platform for asserting they're tough on illegal immigration. Congressional elections are Nov. 7.

On Monday, Chertoff said improved border security will not be enough. The centerpiece of Bush's immigration policy, a guest worker program, remains stalled in Congress.

"Without a temporary worker program, getting control of the border by the end of 2008 would be very, very difficult," Chertoff said.

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On the Net:

Homeland Security Department: http://www.dhs.gov/

Immigration Arrests Down 8% For Year (WP)

By Spencer S. Hsu

The Washington Post, October 31, 2006

The U.S. Border Patrol apprehended 8 percent fewer illegal immigrants last fiscal year than the year before, reversing a two-year increase in the historically volatile benchmark, Homeland Security Secretary Michael Chertoff announced yesterday.

Chertoff credited the drop of nearly 100,000 apprehensions largely to the Bush administration's strategy of deporting virtually all non-Mexican border crossers as fast as they are caught, deterring them and others in what had been the fastest-growing group of illegal immigrants. After quadrupling the previous four years, apprehensions of "other than Mexican" border crossers fell 57,144, or 35 percent, to 108,026 last year.

The total number of apprehensions in the fiscal year that ended Sept. 30 was nearly 1.1 million.

"We have begun to see, for the first time, a significant turnaround in terms of the number of illegals that we are finding crossing the border," Chertoff said. "The message here is not 'Time to celebrate, we've done the job.' But rather, we ought to be encouraged, but even more determined to get the job completed."

Analysts immediately disputed Chertoff's claim of an unprecedented decline in arrests. Border Patrol apprehensions have risen and fallen like a roller coaster over the years, peaking at almost 1.7 million in 2000 before bottoming out at 932,000 in 2003. Causes include earlier threats of congressional crackdowns; the security climate after the Sept. 11, 2001, terrorist attacks; and changes in Border Patrol funding and strategies.

Experts instead called yesterday's announcement the administration's latest effort to walk a political tightrope in its handling of illegal immigration heading into the Nov. 7 congressional elections.

They said President Bush's aides are trying to placate conservative and other critics by citing progress in enforcement at the border. At the same time, the White House is continuing to push for a broader overhaul of immigration policy, including a temporary-worker program and a chance for 12 million illegal immigrants to earn citizenship, that is stalled in Congress.

Chertoff backed away yesterday from the Bush administration's pledge to control the nation's borders by 2008, saying it would be "very, very difficult" without a guest-worker program, which the House has resisted. Proponents in Congress say it would take 18 months to six years to set up such a program, after paying for a long-needed computerized worker-verification system to manage it.

"Certainly, I don't think an 8 percent drop in apprehensions is something that we should even be paying attention to," said Demetrios Papademetriou, president of the Migration Policy Institute, which recently called for a comprehensive overhaul of immigration policy. "We don't see a trend line in apprehensions, and apprehensions are not the right yardstick," Papademetriou said.

The arrest total does not measure the number of illegal immigrants who evade capture, experts said, and is affected by fluctuations in law enforcement efforts to catch border crossers.

Steven A. Camarota, research director for the Center for Immigration Studies, which backs stronger enforcement and decreased immigration, congratulated the administration for making significant gains, albeit "very late in the game . . . from a very low starting point." Citing public polling on Americans' attitude toward immigration, he said, "The administration finally understands" that enforcement "is the prerequisite, the starting point, the key to any discussion."

Chertoff denied any political motivation for the early release of the Border Patrol statistics, which are usually reported in January. He said he "owed the public kind of a year-end closeout," since he made similar reports every few months.

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Chertoff cited "a very, very significant increase" and "dramatic" shift in U.S. targeting of employers whose business models are based on the use of illegal labor. The United States brought 716 criminal worksite enforcement arrests and charges in 2006, up from 24 in 1999 and 25 in 2002, Chertoff said.

"Although people will squawk about it, the answer to those squawks is to go ahead and finish the job of a comprehensive strategy," Chertoff said. "The answer to the complaints is not to simply turn our backs on violations of the law."

Under the old catch-and-release policy in the summer of 2005, 80 percent of non-Mexicans apprehended at the border were let go inside the United States, pending their hearings, because of a shortage of detention space. But for the past three months, all non-Mexicans have been held pending expedited deportation. Word has filtered back to potential border crossers, who are less likely to try to enter the United States illegally, Chertoff said, and Border Patrol agents have more time to work on other cases.

Chertoff declined to say whether or when DHS would complete 700 miles of a double-layered fence on the U.S.-Mexico border recently approved by Congress and the president. Instead, he cited plans over the next three to six years to build a "virtual fence" that includes physical barriers, electronic remote sensing and vehicle barriers, or other measures where fencing is impractical or ineffective.

"I think our ultimate view is that we want to have a virtual fence across the entire border," Chertoff said. "My disposition is to let the professionals decide what is the best lay-down of all of this."

Since the United States began building a 14-mile barrier south of San Diego in 1990, illegal immigration has shifted to more remote areas. But at 1.1 million, the annual number of apprehensions is about the same as it was in 1991.

Drop In Border Arrests Tied To Enhanced Security (WT)

By Jerry Seper

The Washington Times, October 31, 2006

An 8 percent drop in the number of apprehensions of illegal aliens on U.S. borders in fiscal 2006 was hailed yesterday by the Department of Homeland Security as the result of enhanced border enforcement, but both immigration advocates and proponents questioned the claim.

Homeland Security Secretary Michael Chertoff said that the challenge of controlling the borders "has been with us for 30 years," and that the problem will not be solved in 30 minutes or in 30 days.

"But what is important is to put into place a strategy that, if consistently followed, will put us on a course that will get us security at the border," he said at a press conference at the Ronald Reagan Building and International Trade Center in Washington. "That's what the public has a right to expect."

Mr. Chertoff also said a guest-worker program was needed to slow the flow of illegals into the United States, although conservative House Republicans have blocked efforts by the Bush administration to pass a temporary-worker bill. He said getting control of the border without such a program would be "very, very difficult."

Frank Sherry, executive director of the National Immigration Forum, said enhanced border security measures by the administration and Congress may have had an effect on the number of illegal entries, but the government's interpretation had the sound of "an infamous general who once said there was a light at the end of the tunnel."

"The problem of illegal immigration didn't start at the border, and it's not going to end at the border," said Mr. Sherry, whose organization builds support for public policies that welcome immigrants and refugees. He said the government has to deal with the 12 million to 20 million illegal aliens now in the United States and their employers.

Mr. Sherry said the drop in the number of border apprehensions may be the result of "smugglers and migrants trying to figure out where the border is most vulnerable."

Steven A. Camarota, research director at the Center for Immigration Studies, which seeks to limit immigration, said it was difficult to determine what the decline meant because there is "no solid body of information" on how many undetected people cross daily into the United States.

Mr. Camarota also said migrants looking to come to this country may simply have opted for other methods, including readily available border-crossing cards and temporary visas, which often result in overstays.

"This well may be a sign that the modest steps taken by the Bush administration to deal with illegal immigration have been effective," he said. "But we just don't know. With a number that falls into the margin of error, it's very hard to tell if this is a trend or just a dip."

In fiscal 2006, apprehensions dropped to 1.1 million from 1.2 million in fiscal 2005, which Homeland Security officials attributed to additional U.S. Border Patrol agents, enhanced technology and the presence of 6,000 National Guard troops.

But it is not known how many people enter the country illegally each year, with estimates on undetected aliens ranging from two to 10 for every one who is caught.

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Homeland Secretary Assistant Secretary Julie L. Myers, who heads U.S. Immigration and Customs Enforcement, said ICE set records for enforcement activity, ending the long-standing practice of "catch and release" on the nation's borders.

She said that ICE removed 186,600 illegal aliens from the country in fiscal 2006, a 10 percent increase over fiscal 2005, and that there were more than seven times as many worksite enforcement cases as in 2002.

CONGRESS-ADMINISTRATION:

Treasury May Trim Note Offerings Borrowing Estimate Is Cut Amid Lower Deficit, Surge In Corporate-Tax Receipts By CAMPION WALSH And BENTON IVES-HALPERIN (WSJ)

The Wall Street Journal, October 31, 2006

NEW YORK -- The Treasury is expected to pare its three-year note offerings in this quarter's refunding, a move analysts say is a minor adjustment after the drop in the budget deficit.

The Treasury is likely to announce tomorrow the sale of $33 billion in debt securities, comprising $20 billion in three-year notes and $13 billion in 10-year notes, according to the median estimate of eight dealers surveyed by Dow Jones Newswires. That amount of three-year notes would be $1 billion less than last quarter's sale. "I really see no reason to change the [refunding] offering amounts substantially," said Citigroup Inc. economist Christopher Wiegand. "Treasury borrowing needs are running smaller than even optimists on the budget deficit thought they would be at this point."

The Treasury yesterday reduced its estimate of the quarter's borrowing needs by 39% to $63 billion, citing a surge in corporate-tax receipts that left it with more cash than expected. But it also said borrowing needs would rise to a quarterly record of $175 billion in the January-March period. A Treasury official said government-debt managers would have to re-examine issuance plans if deficits continue to narrow.

The budget deficit fell 22% in the fiscal year that ended Sept. 30 to $247.7 billion, as an expanding economy lifted tax revenues. Government-debt managers will make most of their adjustments for the deficit in issues of short-term bills, preferring to keep stable supplies of longer-maturity debt, analysts said.

Primary dealers are divided over how long the narrowing of the deficit will continue, with several projecting increased red ink this fiscal year as economic growth slows. The budget outlook could hinge on whether Democrats take control of Congress after next week's midterm elections, said William O'Donnell, head of interest-rate strategy and research for UBS AG.

Separately, Treasury bonds ended little changed yesterday. At 4 p.m., the benchmark 10-year note rose 3/32 point, or 93.75 cents per $1,000 face value, at 101 19/32. Its yield fell to 4.671% from 4.681% Friday, as yields move inversely to prices. The 30-year bond was up 7/32 point at 95 17/32 to yield 4.785%.

Hybrids Aim at Retail Investors

A string of new hybrid offerings, which carry features of both debt and equity, hit the investment-grade corporate-bond market, with two borrowers selling securities in small denominations to woo individual investors. Countrywide Financial Corp. will sell $300 million of 60-year notes that will be noncallable for five years. The deal, which is rated Baa3 by Moody's Investors Service and BBB-plus by Standard & Poor's Ratings Service, will consist of 12 million shares to be sold at $25 each.

Countrywide, which has earmarked about $1.8 billion for hybrid issuance, will use the proceeds from the sale to repurchase common stock. The company said last week that it plans to buy back up to $2 billion of stock in the fourth quarter. Bank of America Corp. was in the market with a benchmark-size perpetual offering that also will price at a face value of $25.

Such deals aimed at individuals, who typically invest between $25,000 and $50,000 per transaction, have become popular with borrowers as buyers have lined up to include hybrids in their portfolios. The smaller denominations make it easier for this type of investor to digest, as the $1,000 denomination more typically sold to institutional investors is too big.

Merc Taps Credit Derivatives

The Chicago Mercantile Exchange is taking its first steps to tap into the $26 trillion credit-derivatives market by seeking regulatory approval to list credit-event futures on three companies.

The largest U.S. futures exchange filed documents earlier this month with the Commodity Futures Trading Commission seeking approval to list credit-event futures for Centex Corp., Tribune Co. and Jones Apparel Group Inc.

The futures are five-year contracts that allow participants to hedge their risk against such events as bankruptcy, default, nonpayment and debt restructuring. All three companies have credit ratings near or below the investment grade-junk barrier. The Chicago Mercantile Exchange Holdings Inc. unit chose the companies based, in part, on their credit ratings and their level of liquidity in five-year credit-default swaps, said Merc spokeswoman Pamela Plehn. She also said the Merc wanted to pick firms from different industries. Credit-default swaps also allow investors to protect their debt holdings against default.

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Ms. Plehn said the exchange plans to add other companies to its credit-event product line. The exchange hopes to begin trading credit-event futures on its Globex electronic platform in the first quarter, she said.

-- Marine Cole, Michael S. Derby and Howard Packowitz contributed to this article.

Write to Campion Walsh at campion.walsh@dowjones.com1

IGs' Increasing Influence (FEDTIMES)

By Daniel Friedman

Federal Times, October 31, 2006

Outsourcing, terrorism drive more work to investigators

Under a cover that includes an image of a woman's midriff, a report released last month by the Interior Department's inspector general sums up thousands of employee visits to pornographic and gambling Web sites on office computers.

An Oct. 11 report by the Justice Department IG details a former Alcohol, Tobacco, Firearms and Explosives Bureau director's request for a lavish office with features like remote-controlled doors.

And at the Education Department, a September IG report describes officials' efforts to steer purchases away from disfavored textbook makers. The report quotes an e-mail in which a program director wrote, "They are trying to crash our party and we need to beat the [expletive] out of them."

The spate of headline-grabbing revelations underscores a trend. With the explosion of government procurement and more contracts to audit, and with an expanded law enforcement role in the aftermath of the Sept. 11 attacks, inspectors general have more work and responsibilities, observers of the oversight community say.

"The mission of the inspector general has broadened very substantially over the years," said former Transportation Department IG Kenneth Mead.

And more responsibility may mean more clout. The Special Inspector General for Iraq Reconstruction got expanded budgetary purview through legislation signed Oct. 17 by the president. Earlier this month, the Justice Department announced the formation of a task force, composed mostly of IGs, to investigate procurement fraud. A House bill, currently before the Government Reform Committee, would make IGs harder to fire and allow them to submit budgets straight to Congress and the Office of Management and Budget, instead of agency heads. The legislation could include steps to increase coordination among IGs and other oversight organizations. The measures are intended to increase IGs' independence, which some think is lacking at agencies where IG budgets are controlled by management.

Some say IGs are overreaching.

"Audit demands and the scope of demands [are] growing, because of some real and some perceived problems in the process over the last few years," said Stan Soloway, president of the Professional Services Council, an association of government contractors. Soloway said the result is unnecessary and wasteful audits.

Many IGs, meanwhile, said they are struggling to meet the growing demands despite flat budgets and staff levels. And with no authority to enforce recommendations, they must develop strategies to effect change.

Growth areas

Much of the added demand on IGs comes from the growth of government procurement. Federal contracting increased 83 percent from 2000 to 2005, according to data on Fedspending.org, a Web site maintained by the nonprofit group OMB Watch.

While General Services Administration Administrator Lurita Doan recently announced plans to use private firms for pre-award audits of contracts, work currently done by the agency's IG, that appears to be an exception. Across government, IG auditors say they are reviewing more and bigger contracts.

"Procurement is one of the major challenges in almost every agency," said Energy Department IG Gregory Friedman, who is vice chairman of the President's Council on Integrity and Efficiency, a group that includes the 29 presidentially appointed IGs.

But Soloway said IGs have increased contract audits at a pace unjustified by rising outsourcing. He said, for example, that IGs are wasting money auditing fixed-price contracts, which are intended to alleviate the need for extensive reviews.

"I think you see some overreach in some cases," he said.

The FBI's 2001 decision to focus more on preventing terrorism also contributes to the increase in the IGs' workload. The decision required the FBI to cut back on some criminal investigations, and IG investigators have helped pick up the slack in areas like public corruption and contract fraud.

The Patriot Act gave many IGs expanded law enforcement capabilities. And IGs' broad subpoena power and ability to investigate both criminal and civil matters already gives them power that many law enforcement agencies lack.

IGs in 2005 doubled over the previous year the number of companies and individuals barred from doing business with the government, helped convict more criminals and convinced managers to cut more costs in programs they audited, according to an annual report summarizing IG work across government. The number of federal employees, local officials and contractors who

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faced adverse action, such as termination, due to IG investigations jumped 40 percent from the prior year, according to the report.

Hurricane Katrina and the completion of an unusual number of investigations may have inflated those numbers, Friedman said. But he said IGs have certainly become more active than in past years.

Some observers say IGs are addressing a role left vacant by Congress' abandonment of assertive oversight. "That stuff isn't going on on the Hill anymore," said Linda Gustitus, a former chief of staff to Sen. Carl Levin, D-Mich. "This Congress has absolutely been pathetic in terms of oversight," Gustitus added, citing, for example, a lack of hearings on Iraqi contracting problems.

IGs are also responding to a growth in information technology spending and increased demand for data security. In their annual management challenge lists, about three-quarters of IGs called IT and cybersecurity major challenges at their agencies, Friedman said.

Of the 600 employees at Homeland Security's IG office, 40 now work full time on IT audits, up from 25 in 2003, according to James Taylor, the deputy IG.

With the number of employees in the 57 federal IG offices up just 600, to about 11,600, since 2001, new demands force tough choices about how to deploy staff, IGs said.

"We are forced to do a form of triage and deal with the most pressing issues," Friedman said.

The Homeland Security IG got extra funds to review programs created after Hurricane Katrina, but it still had to reduce attention to areas like intelligence and science and technology to meet new demands, Taylor said.

Mead said that during his tenure, other priorities forced him to devote less attention to aviation and highway programs than he would have liked.

"In effect, you have to make choices about where you're going to get the bigger bang for your buck," he said.

Leading reform

IGs are required to produce regular reports, but they have no formal power to implement recommendations. They use varying tactics to exert influence. Their relationship with management helps determine their approach.

Interior's IG, Earl Devaney, in congressional testimony last month, said he grew frustrated over the years by former Secretary Gale Norton's failure to address ethics violations by top officials. As a result, he began blasting Interior in a manner designed to generate media attention. And despite what he calls a better relationship with the current secretary, Dirk Kempthorne, Devaney's office has stayed vocal.

"If you don't get a certain amount of publicity for the reports, you're not going to be able to have as much clout to change the system as you'd want," said Kris Kolesnik, a Devaney spokesman. "The purpose is to get it out in the public domain, so there's more of an incentive for the people in the department to get it right."

At Homeland Security, where officials struggle with the challenges of a hastily assembled organization, Taylor, a former chief financial officer, described a different dynamic.

Homeland Security officials regularly ask for IG opinions on management challenges, and under Inspector General Richard Skinner, the office works to provide timely and actionable reports, Taylor said. The office has also hired people with experience doing the work they are evaluating.

"We want to make sure our goals and objectives are matching up with [management's]," Taylor said.

"We don't play gotcha," he noted. "We don't do interviews. . . . It really discourages risk-taking when you've got so many people waiting to find something wrong."

Many IGs say they balance their partnership with management and their independence. They seek a level of closeness with management that does not compromise their independence, and a degree of separation that does not render them impotent.

"It's a fine line to walk," said Justice Department IG Glenn Fine. "You have got to be independent, but on the other hand, you have got to communicate because the goals are similiar."

Many managers advocate sustained and meaningful communication with IGs. While management and auditors may not agree, they should share certain expectations, officials said.

"We need to have consistency and agreement around . . . the rules of the game," Soloway said.

At a panel this month on IGs' effect on IT, Labor Department CFO Samuel Mok said he works to keep his IG in the loop. Mok said he appoints staff to liaison with OIG.

"If something happens and you can't pick up the phone and get some informal feedback, you're not doing your job," he said, though he admits his approach can backfire.

Doug Glenn, GSA's deputy CFO speaking at the same event, said IG reports can be an alternative way to get "the powers that be" to address problems.

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"A lot of times we need an IG report or an auditor report that says, 'Hey, this is an issue,'" he said.

Fights Brew Over House Posts (WP)

By Lois Romano And Jonathan Weisman

The Washington Post, October 31, 2006

As Democrats enter the final days of their push to take back control of the House in next week's election, two divisive backroom leadership fights are brewing within the party, raising fears that Democratic unity could be fraying even before the first votes are cast.

For some Democrats, the battle between Rep. Steny H. Hoyer (Md.), the minority whip, who had been expected to ascend to majority leader without opposition, and Rep. John P. Murtha (Pa.) threatens the party's efforts to appear ready to govern.

In what could be another high-profile showdown, Rep. Rahm Emanuel (Ill.), the ambitious former White House aide who runs the Democratic campaign arm of the House, may seek the third-ranking post of majority whip, pitting him against Democratic Caucus Chairman James E. Clyburn (S.C.), the only African American in a leadership position.

This could exacerbate racial strains in the House, since both the Congressional Black Caucus and the Congressional Hispanic Caucus have complained that Emanuel is insensitive to minority concerns. Members of the black caucus accused him of using strong-arm tactics to collect dues for the Democratic Congressional Campaign Committee, and the Hispanic caucus withheld its dues last year until Emanuel hired a Hispanic staffer at the DCCC.

On one point there is no disagreement: If the Democrats win, House Minority Leader Nancy Pelosi (Calif.) will be elected speaker. While she has not taken a public position in the Hoyer-Murtha battle, she is politically and personally much closer to Murtha and has a long-standing rivalry with Hoyer.

But members, aides and outside consultants who are closely watching the contest said Murtha has an uphill battle because Hoyer has worked for a decade to rebuild the majority, raising millions of dollars for his colleagues and recruiting Democrats to run.

And Pelosi may be irked that Murtha publicly picked this fight, according to some Democrats.

"I suspect that she feels like most other members, that we'd rather not have this divisive contest," Clyburn said of the majority leader's race. "We've spent a lot of the last two years getting the caucus together. We're more cohesive than we've been in a long time, and most people appreciate the climate we're currently operating in."

Murtha is seen by many in the House as an old-school political insider whose power is derived from his position as ranking member of the Appropriations subcommittee on defense and from the money he can direct to members' districts. A former Marine who has always been pro-military, the 16-term congressman was embraced by his liberal colleagues last year when he called for the immediate withdrawal of U.S. troops from Iraq. But Murtha's stand on the war has not automatically gained him support from the left in his quest to become majority leader.

Hoyer, a moderate, actively solicited support from a number of liberals who are not comfortable with Murtha's conservative positions opposing abortion and gun control. Rep. Maxine Waters (Calif.), chairman of the Out of Iraq Caucus, announced her support for Hoyer, although she praised Murtha's plan for troop withdrawal. Other liberals supporting Hoyer include Reps. Barney Frank (Mass.), John Lewis (Ga.) and Jerrold Nadler (N.Y.).

"Steny has done a tireless job to get back the House for us for more than a decade," said Rep. Henry A. Waxman (Calif.), a strong Pelosi ally who is in line to become chairman of the Government Reform Committee if the Democrats win. "Given the leadership he has shown and his ability to unite Democrats, he's the logical choice."

Other Hoyer supporters question why Murtha has chosen to pick a fight now when the Democrats are the most unified they have been in 50 years and are on the verge of taking control of the House.

"I have a lot of respect for Jack Murtha, but I remain shocked that he is talking about making a run for majority leader," said Rep. Ellen Tauscher (Calif.), a Hoyer supporter and a leading Democratic moderate. "I don't understand it. I'm not supportive of it, and it's having a deleterious effect on what I think and hope will be a huge win on November 7."

Murtha's supporters are quick to dismiss charges that the veteran lawmaker is sowing discord. They say Hoyer's supporters are acting as if he has a right to the majority leader's post, when in fact such leadership contests are routine.

"This decision is going to get made the week we get back," said Rep. Michael E. Capuano (Mass.), a Murtha supporter. "There's not going to be a lot of time for it to fester. The minute it's over, we will all be pushing in the same direction."

Hoyer and Murtha have long had a rocky relationship, according to Democratic sources, and Hoyer's allies say he is not happy that he has had to spend valuable time before an important election shoring up his support. "There isn't going to be a majority leader's race if we don't win this election," Hoyer said in a brief interview last weekend.

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Murtha said recently that he is running because he believes that Hoyer has been disloyal to Pelosi, an accusation that Hoyer has denied. "The guy has been trying to undercut her ever since she was elected minority leader," Murtha said. "Damn right it's true."

Some Democrats predicted that Murtha will not stay in the race if he is not fairly certain he can win, for fear of diluting his power. But Murtha supporters say he will stick it out because it is difficult to predict what members will do in secret balloting. "Look, both have duplicate names on their list," said Rep. James P. Moran Jr. (Va.), a Murtha supporter. "No one wants to get on the wrong side of either of them."

The Murtha-Hoyer competition could be eclipsed in bitterness if Emanuel presses ahead with a campaign for the whip's post. Kathleen Connery, a spokeswoman for Emanuel, said the lawmaker "morally feels obligated to the contributors, candidates and the caucus to focus like a laser on November 7, and anyone not doing that is not delivering for the caucus."

That said, aides close to Emanuel said he has not ruled out a challenge.

"That would be a hotly contested race," said Rep. Melvin Watt (N.C.), the chairman of the Congressional Black Caucus.

Staff researcher Madonna Lebling contributed to this report.

If Dems Take Over The House ... (USAT)

By Kathy Kiely

USA Today, October 31, 2006

WASHINGTON — A Democratic takeover of the U.S. House would put more women and minorities in positions of power, as well as more senior citizens. That much is certain.

What else a Democratic majority might bring is a topic of heated debate as the campaign for control of Congress moves into its final days.

Democrats say it will mean longer workweeks in the House of Representatives to pass tax cuts for the middle class and to devise a strategy to get U.S. troops out of Iraq. They promise more time in the hot seat for members of the Bush administration. "We have a broad agenda," says Rep. Chris Van Hollen, D-Md., a co-chairman of his party's House campaign.

President Bush and other Republicans say Democrats in charge will be bad for the economy and the war on terrorism. "The Democrats want to raise your taxes," Bush said Monday in Georgia. "However they put it, the Democrat approach in Iraq comes down to this: The terrorists win and America loses."

Bush stressed that "this election is far from over." Polls give Democrats their best chance in 12 years of gaining control of the House. They need to pick up 15 seats. Democrats need six seats for a Senate takeover. Though less likely, it's not out of the question.

Except for 20 months during his first two years in office, when Democrats held a one-vote Senate majority, Bush has worked with a GOP-led Congress. Even with a Democratic one, the president will still be able to block bills he doesn't like with a veto.

Changing priorities

Even so, a Democratic House would radically alter the balance of power in Washington. That's because House rules — unlike those in the Senate — give the majority sweeping authority to set the legislative agenda.

Some possible changes:

·New power brokers. The most dramatic difference would come at the top. House Democratic leader Nancy Pelosi is poised to become the first woman to serve as speaker of the House. Under the Constitution, the San Franciscan would be behind Vice President Cheney to succeed Bush.

Pelosi already has signaled that she will name committee chairpersons based on seniority. Republican Speakers Newt Gingrich and Dennis Hastert sometimes did not do so. The gavel would go to at least four African-Americans, including John Conyers of Michigan at the Judiciary Committee helm and three women, including California's Juanita Millender-McDonald and New York's Nydia Velázquez, who would be the only Hispanic committee leader. Barney Frank of Massachusetts, who is openly gay, would lead a committee.

Currently, all of the House GOP committee chairmen are white and male.

It would also increase the age of House chairpersons. In January 2005, 11 Republican committee leaders were younger than 60. Seven prospective Democratic chairpersons will be over 70 when the 110th Congress convenes in January. "Just because they are old doesn't mean they aren't good," says Matt Angle, a former congressional aide and Democratic political consultant.

Republicans see it differently. "The House will have chairmen who come from the old order," says House Republicans' former No. 2 leader Tom DeLay, suggesting they will be heavy-handed and unyielding to anything but Democratic Party orthodoxy.

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One committee chairmanship appears uncertain. Rep. Jane Harman, D-Calif., is at the end of her term on the Intelligence Committee. Pelosi has not said she would renew Harman's term.

·New issues. Pelosi wants to raise the minimum wage from $5.15 to $7.25 an hour. She wants to halve the interest rate on student loans and enact the recommendations of the 9/11 Commission to fight terrorism.

On health care, Democrats want to give the federal government the authority to negotiate lower prescription-drug prices for seniors and expand research using embryonic stem cells.

And Pelosi wants to do all of that in her first 100 hours as speaker.

Pelosi also has promised a bill that would ban lobbyists from underwriting lawmakers' trips and prohibit corporations from providing discount travel on private jets. That goes beyond legislation that is currently stalled.

On Iraq, Democrats are likely to press for withdrawal of U.S. troops, but Rep. John Murtha, D-Pa., a leading critic of the Iraq war, says any policy changes must be made "in conjunction with the White House."

Rep. John Dingell, D-Mich., says the House Energy and Commerce Committee under his leadership would explore universal health care and debate ways to diversify the nation's energy supplies.

Prospects for a sweeping immigration overhaul could improve if Democrats controlled the House. A bipartisan bill that passed the Senate and won Bush's support has been blocked by Hastert and other GOP leaders who oppose provisions that would offer a chance at citizenship to estimated 12 million people now living in the USA illegally.

Taxes and compromise

Rep. Charles Rangel of New York, who would head the Ways and Means Committee, wants tax cuts for child care and tuition assistance, but has called for rolling back those he says benefit wealthier Americans such as estate tax.

DeLay predicts that Americans who don't consider themselves wealthy will find their tax bills going up: "They think if you make $100,000, you're rich."

·A new atmosphere? Murtha, a Pelosi confidant, says Democrats won't try to impeach, even though that's the hope of some people he calls "rabid" Democrats. Pelosi says she wants probes of Bush's first-term energy task force and the intelligence leading to the Iraq war.

Even so, Murtha says, Democrats will try to reduce partisan tensions. One plan: extending the amount of time House members spend in Washington, which shrunk to three days or less per week under the GOP. "You spend time together, you get to know each other," Murtha says.

Some of the Democratic candidates now running, such as North Carolina's Heath Shuler, are centrists from swing districts who will want to reach out to Republicans, says Tim Roemer, a former Indiana congressman. "They want to be re-elected," Roemer says.

They could find a willing partner in Bush, says Martin Frost, a former Democratic congressman from Texas. When Bush was governor there, he was known for his ability to get along with the Democrats who led the state House. "It made him seek middle ground," Frost says.

Others predict there won't be much appetite for compromise after a bitter campaign that's likely to thin the GOP of its moderates. "The president's veto record will go sky-high," says DeLay.

Some bills, such as one to expand federal funding of embryonic stem cell research that Bush vetoed, are likely to be offered even if Bush or Republicans don't support them. Democrats "will want to lay down markers for the 2008 campaign," Frost says.

Dingell counsels his fellow Democrats to focus first on Election Day: "Before you sell the bear's hide, you first have to shoot the bear."

Contributing: David Jackson ·Athletes as politicians, 1C ·Mediamix, 6D

NASA Invests In Its Future With Venture Capital Firm (WP)

By Marc Kaufman, Washington Post Staff Writer

The Washington Post, October 31, 2006

'Red Planet' Nonprofit to Fund Aerospace Innovation

Hoping to tap the innovation and daring of small aerospace and biomedical companies, NASA has created and funded a nonprofit venture capital firm that will invest government money in promising but underfinanced companies.

The fund, called Red Planet Capital, is the government's third experiment with venture capitalism, after similar efforts sponsored by the CIA and the Army.

Red Planet marks the first time that the federal government has started a venture capital fund for civilian purposes, but it is hardly a stretch. That is because a former president of the CIA-sponsored venture fund is Michael D. Griffin -- now the administrator of NASA.

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"NASA could see that a lot of technical innovation is coming out of companies that don't traditionally do business with the government, and we wanted better and faster access to that creativity," said Lisa L. Lockyer, NASA program manager for the project. "The administrator has been very supportive of the idea."

She said the fund will not only invest on its own in cutting-edge companies but will also join private venture capital firms to form investment syndicates. Together, she said, those partnerships will be able to invest far more money in selected companies than the government could.

The NASA fund, which will be managed by three venture fund veterans selected by the agency through a competitive process, will receive $75 million in taxpayer funds over five years. The money is to be invested only in emerging technologies that might someday be useful to NASA.

"We will invest with others in companies making products that aren't being made elsewhere and that NASA might be able to use," said Peter Banks, one of the organizers and managers of Red Planet. "We don't really expect the companies to be making products that can be used as is on the moon, or in other low-gravity environments. NASA would do the adapting once the technology is developed."

The focus of the initiative is captured in the fund's name. Under President Bush's 2004 space initiative, NASA will be returning astronauts to the moon by 2020 and potentially sending them later to Mars.

"Our focus is not on today or the near tomorrows, since nothing from these new companies can be used before at least the three-to-five-year time frame," Banks said. "What this fund does is set a trajectory towards Mars, and human exploration of Mars."

Banks said that Griffin, an advocate of the moon-Mars initiative, played a major role in selecting the name for the fund.

Griffin, a longtime NASA aerospace engineer and manager, with stints as an academic and business executive, was president of the CIA-sponsored venture capital fund In-Q-Tel for two years. Founded in 1999, In-Q-Tel has a mission parallel to that of Red Planet -- to invest in small companies working on cutting-edge technologies that could be adapted for the agency's use.

The CIA fund reports investments in more than 90 companies that delivered more than 130 technologies to the agency -- sometimes from companies that never knew why the CIA had invested in them. The effort was considered enough of a success that some other intelligence agencies now work through In-Q-Tel.

In-Q-Tel, however, had a number of policies that caused some public controversy -- including generous compensation for its executives, and a system that allows employees to share in profits when stakes in fund-owned companies are sold at prices above the initial investment. Documents filed with the Securities and Exchange Commission showed, for instance, that 45 In-Q-Tel employees profited from the sale of the fund's holdings in fledgling laser weapons maker Ionatron in 2005, and that 17 of them earned more than $50,000 each from the sale.

Lockyer said that Red Planet will have a similar policy of distributing some profits -- sales above the cost of the initial fund investment -- with company managers. She said that the annual salaries of the three partners have not been determined, but that they will be competitive with other venture capital operations, which are far higher than salaries of government employees.

While NASA is very interested in the newest thinking in rocket and space technology, the agency is also looking for strategies and products related to keeping astronauts safe and healthy in space for long periods of time, Lockyer said. The kind of cosmic radiation astronauts will face if they go to Mars or remain on the moon for long periods is known to cause significant bone loss and can lead to central-nervous-system injury and increased risk of cancer. If innovators and researchers cannot find ways to protect the astronauts, then long-term space travel will be impossible.

"This kind of biomedical work is definitely something we're interested in," Lockyer said. "It could be very useful to NASA and could also come up with discoveries that will be useful to people on Earth and so could be commercially profitable."

The Red Planet managers and staff will have an advantage that most other venture capital funds do not have: They will have constant input from NASA officials about what kinds of technologies and services the agency is looking for. As a result, they will be able to invest in companies that may have a better-than-usual chance of someday selling a product to NASA.

"Given our special circumstances," Banks said, "we're hoping that other private venture capital firms will be interested in joining us in our investments.

Daring Hubble Repair Plan Awaits 'go' (USAT)

By Traci Watson, Usa Today

USA Today, October 31, 2006

NASA to say today whether mission to fix telescope is on

For 2½ years, top NASA officials have fretted over whether to send astronauts to revive the critically ill Hubble Space Telescope.

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The answer comes today, when NASA Administrator Michael Griffin announces whether the space shuttle will pay a service call to Hubble. If Griffin says yes, a flight to install two new scientific instruments, fix a third and upgrade telescope systems could launch as early as next winter.

Despite the uncertainty, NASA engineers and astronauts have been quietly toiling on a plan to rescue the telescope.

Space agency personnel have created new Hubble repair tools. They have outlined a rough mission schedule. And they have developed new repair techniques in hopes of fixing one of America's most cherished scientific instruments.

The 2002 shuttle flight to Hubble, the most recent of four, was tough enough, says astronaut John Grunsfeld, who made spacewalks to fix the telescope in 1999 and 2002. “If that was heart surgery, this time we're planning to do brain surgery — that next level of delicacy,” he says.

Some of the tasks on the flight, such as opening a door fastened with more than 100 tiny screws, “would seem to be impossible,” says astronaut Michael Massimino, who also did a spacewalk in 2002 to repair the telescope. “This one, I think, is about as challenging as you can get,” Massimino says.

A bit of Velcro falling into the telescope's guts could spoil its vision. One misplaced nudge of a spacewalking astronaut's foot could derail a telescope that, while wounded, is still snapping pictures of the cosmos.

“You want to be very, very careful,” says Massimino, yet “you want to get as much done as you possibly can, because you're up there for a finite time.” He notes that the astronauts who live on the space station can polish off chores that weren't finished during spacewalks. Hubble has no such backup.

NASA has added new safety precautions to every shuttle flight since shuttle Columbia disintegrated in 2003. Now every shuttle crew must spend an entire day in orbit inspecting the ship's thermal shield, a procedure that demands precious time and fuel.

“The biggest challenge … (is) how do we pack everything we need to do to assure a safe vehicle into a typical Hubble mission?” says astronaut Joseph Tanner, whose four shuttle flights included one to Hubble in 1997. “It's not business like it used to be.”

It was safety that led then-NASA administrator Sean O'Keefe in 2004 to cancel the fifth shuttle mission to Hubble. Since the Columbia accident, NASA has made sure that in an emergency, every shuttle crew could hole up on the International Space Station and wait for rescue by another shuttle. But a shuttle visiting Hubble couldn't reach the station, which follows a path around the Earth more than 100 miles away from the Hubble's orbit.

O'Keefe's decision meant curtains for Hubble, since no other space vehicle in the world can stay in space long enough to upgrade the telescope.

When Griffin took over the space agency in early 2005, he changed course. NASA, he said, would send a shuttle to save Hubble if the first flights after the Columbia accident went well. The three flights since the accident — one in 2005, another in July, and one in September — all returned safely to Earth.

The long to-do list for the next Hubble mission means that the crew would probably make five spacewalks in five days. Missions to the station usually include only three spacewalks, with a day of rest between them.

The punishing work schedule on a Hubble mission, combined with the extra task of inspecting the shuttle, adds up to a “crew workload (that) is going to be outrageous,” Grunsfeld says. “There's going to be no sleeping on this mission.” That can lead to risky fatigue.

By far the most difficult task on a fifth Hubble flight would be fixing the Space Telescope Imaging Spectrograph, which analyzes the light from distant objects in the cosmos. The spectrograph, dead since 2004 because of a faulty electronics board, gives information on temperature and density. It was not designed to be fixed in orbit, posing these challenges:

·The door to the compartment containing the faulty part is held down by 111 tiny screws, which an astronaut in a spacesuit would find nearly impossible to remove. Once freed, the screws could easily float away and vanish into the workings of the telescope.

Engineers at the Goddard Space Flight Center devised a special miniature screwdriver and a device that will improve the astronauts' aim as they work on the screws and clamp onto them once they're loose.

·The edges of the electronics board are sharp — a peril to the astronauts, whose spacesuits are inflated with air. That means the spacewalkers can't touch the board for fear of puncturing their suits.

The board is held in place by locks akin to “Chinese finger handcuffs,” says Hubble program manager Preston Burch. “As you pull on them, they get tighter and tighter.” On Earth, it may take an hour to coax one out. A “card-puller” has been devised for the astronauts to use to yank the board free.

·The spectrograph lies so deep inside Hubble that the astronauts can't work as usual. On a normal Hubble task, two astronauts stand on the shuttle's robotic arm, one doing the work, and the second handing tools to the first.

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The Hubble team now thinks the repair astronaut can stand on a portable scaffold attached to the telescope. The shuttle's robot arm might hover nearby and act as a tool caddy.

Because of the time pressure the astronauts face, the planning team has also worked on how to make the routine Hubble chores easier.

Engineers have cooked up an alignment device that will help the spacewalkers load Hubble with new scientific instruments, which have to be slid into their slots just so. They're building exact replicas of parts of the telescope so the astronauts can practice their moves. They're rethinking how to load items on the shuttle, to cut the time spent hunting for supplies.

"We don't leave anything to chance," Burch says. "We work real hard to make sure that we can't get fooled."

FEDERAL DIARY: Transition To Pay For Performance Makes Some Anxious (WP)

By Stephen Barr

Washington Post, October 31, 2006

Many federal employees fear that as many tricks as treats lie ahead with their new pay systems.

Perhaps that's a bit of an exaggeration, but it is fair to say that transitions to new pay and management systems involve hard work, especially for federal managers asked to more rigorously rate job performance and link that rating to a pay raise. Bush administration officials acknowledge that changes planned for two large departments, Defense and Homeland Security, have created a fair share of anxious employees.

Some of that anxiety appears based on concerns that the new pay-for-performance systems could be manipulated to lower the government's payroll (about $456 million per day in the executive branch) and pension costs. That should not happen, according to the Office of Personnel Management, which had a hand in designing the new systems for the Defense and Homeland Security departments.

"These systems' assumptions, principles and requirements all point to ensuring no reduction in the overall amount spent on basic pay increases. Consequently, we would not expect any reduction in pension obligations," the OPM said in a briefing paper.

Congress approved the new pay systems following the Sept. 11, 2001, terrorist attacks for the Defense and Homeland Security departments after the Bush administration contended it needed more leeway in how civil-service employees are paid and managed.

Under the new approach, the decades-old General Schedule, which provided predictable pay raises, will be replaced with the National Security Personnel System, which is being phased in at Defense, and with MaxHR, which is still on the drawing board at Homeland Security.

The two systems emphasize the importance of an employee's job performance and seek to change the government's traditional compensation practice. Instead of providing an across-the-board raise to all employees, as the General Schedule permits, the two departments will provide higher raises to their best workers and smaller or no raises to their low-rated employees.

Over time, performance pay may affect a worker's pension. Part of the formula used to set federal pensions involves multiplying years of service by a percentage applied to the "high-3" -- the average of the three highest-paid years of consecutive service. Under the pay-for-performance systems, the employee with high ratings should have an enhanced high-3, while employees with lower job ratings will see a smaller high-3.

"That's fundamental to a pay design that makes performance distinctions, but overall the government would not achieve savings," the OPM said.

The new pay systems also introduced another variable for employees -- bonuses. Lump-sum awards and bonuses do not count toward retirement. Under the NSPS, managers can determine what portion of an employee's annual raise should be given as a base pay increase or as a bonus. In certain circumstances, employees may find that their pay has been capped and that they can receive only bonuses.

Administration officials have promised to Congress that managers will receive extensive training on how to administer the new systems to ensure that employees are treated fairly.

According to the OPM, federal managers, in addition to job performance ratings, will have several other factors to take into account when setting pay every year, such as recent promotions, local labor-market conditions, turnover rates and how much money has been made available by Congress for salaries.

That's about as many ingredients as you would find in a witch's cauldron. Don't be surprised if this pay transition continues to next Halloween.Award Winner

The International Public Management Association for Human Resources has honored John Palguta , vice president for policy at the Partnership for Public Service.

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Palguta was named this year's winner of the Warner W. Stockberger Achievement Award, named after the first director of personnel for the Agriculture Department. The award goes to a person in public or private life who has made an outstanding contribution toward the improvement of public personnel management at any level of government.Retirement

Gwendolyn Aughtry , staff assistant in the Justice Department's commercial litigation branch, retires today after 34 years of federal service.

Federal Agencies' Outward Migration Irks Area Officials (WP)

By Alec Macgillis

The Washington Post, October 31, 2006

Relocations Undermine Efforts To Limit Sprawl, Planners Say

As they battle sprawl, Washington area leaders say they face a stubborn foe, and it's not greedy developers or the tyranny of the automobile or the desire for big houses. It is the United States government.

In scattering employees to the region's outer edges, local officials and planners say, the federal government has undermined efforts to concentrate growth near public transit and the area's urban core -- the strategy local officials see as key to reducing traffic and conserving resources in a booming region.

The U.S. government, they say, has become a kind of master planner, making decisions, with little local input, that will shape Washington's commuting and development patterns for years.

"I continue to be amazed by the shortsightedness of the federal government," said Fairfax County Supervisor T. Dana Kauffman (D-Lee). "Whatever they do is 'here and now.' They seem to have no interest in trying to plan for the rational development of a sustainable community. I suppose if they had the chance to relocate to the moon, they would."

Sparking the most recent round of complaints were reports last week that the FBI is moving its Northern Virginia field office from Tysons Corner to Prince William County. The FBI says it needs more space and that the site near Manassas is less expensive and more secure than locations closer in. But some FBI employees note that it will result in higher commuting costs for many of the office's 300 workers and encourage some of them to move farther out. Agents will have to make long trips on overloaded Interstate 66 for their cases and for meetings with prosecutors in Alexandria, they say.

The move is reminiscent of another, far bigger dispersal: the Pentagon's transfer of 30,000 military and civilian employees from Arlington County, the District and other close-in locations to installations farther out, mostly to Fort Belvoir in southern Fairfax. Rather than being near Metro, the jobs, which will be followed by thousands of related contractors, will be in an area with crowded roads and little transit. Also getting thousands more workers are two other posts on the region's fringe, Fort Meade in Anne Arundel County and Quantico Marine Base in Prince William.

Local officials see a similar lack of federal foresight in the rejection of a proposal to build a Metrorail extension to Dulles International Airport underground through Tysons Corner instead of on an elevated track. Tunnel proponents said it would help achieve a key goal of Fairfax leaders to transform the county's downtown into a walkable urban center, but federal transit officials discouraged Gov. Timothy M. Kaine (D) against the tunnel, saying the delays and higher costs it would bring would imperil federal funding.

Critics also point to the consolidation of the Food and Drug Administration outside the Capital Beltway in White Oak and the transfer in the 1990s of the headquarters of the Naval Air Systems Command from Arlington to Southern Maryland. But not all agencies are moving outside the Beltway. The Bureau of Alcohol, Tobacco and Firearms recently built new headquarters near the New York Avenue Metro station.

Other regions also must contend with the consequences of military relocations and other federal actions, but the dominance of the federal government in Washington makes the area uniquely dependent on it. Ideally, officials say, this could be a plus, if the government used its sway to drive unified planning across a region divided among three jurisdictions.

That happened to some extent in the 1990s, planners and officials say, when President Bill Clinton issued an executive order that federal agencies try to locate within downtowns. By dispersing agencies outward, critics say, the federal government is effectively undermining its $10 billion investment in Metro.

"Six or eight years ago, [the federal government] was moving in the right direction . . . but now you have a couple major decisions that undo" past successes, Arlington County Board member Jay Fisette (D) said.

At the heart of the federal government's justification for the recent decisions are cost savings and security. The Pentagon says the moves chosen by the Base Realignment and Closure Commission will save $49 billion nationwide, partly by moving employees out of leased space such as in Crystal City. Moving out of such close-in locations as Arlington and Alexandria to such closed posts as Belvoir also complies with new military requirements for 82-foot setbacks to guard against truck bombs.

Asked about local complaints, a Pentagon spokesman pointed to the commission's final report, which acknowledged local concerns that "quality of life could be reduced because of transportation problems such as increased traffic, lack of public

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transportation and increased commuting times, with the attendant issues of air pollution and increased fuel consumption." The report went on to say that "these concerns were carefully weighed and considered, but in the final analysis the commission found they did not collectively rise to the level of a substantial deviation" from other priorities.

The General Services Administration, which oversees the siting of federal facilities, mentions in its regulations the need to consider transportation access, environmental impact and a "community's economy, sense of place and social fabric." But security concerns apply even to agencies unrelated to the military or law enforcement -- all new federal buildings are supposed to have a minimum setback of 50 feet, though exemptions are possible in urban areas, depending on the agency's function.

Critics say that although security concerns are understandable in the wake of the 2001 terrorist attacks and the 1995 Oklahoma City bombing, the recent moves go too far. They point out that other countries have found ways, from traffic restrictions to building design, to keep government buildings downtown in their capital cities.

"There seems to be a perception that federal agencies, no matter what they do, need to be protected," said Ronald F. Kirby, a transportation planner with the Metropolitan Washington Council of Governments. "Rather than mix in and have your offices spread around with other activities, it's, 'Let's all get together and build a fortress someplace, and no one can get near us.' "

Rep. James P. Moran Jr. (D-Va.) said many of agencies being moved to Belvoir are obscure entities and hardly obvious targets. "The terrorists don't know who's in what office building, and even if they knew, they couldn't locate them because of all those acronyms," he said. "The security thing is overblown. It's not tempered by any measure of common sense."

George Vradenburg, a former America Online executive who is organizing a major regional planning exercise, said that the head of the GSA's buildings department had remarked at a recent conference that the agency would be willing to include local officials on the panel that makes siting decisions. But Vradenburg said nothing has come of that so far.

Some say the concerns over the federal dispersal are exaggerated. Other than the military relocations, there is little sign of a general outward move by other federal agencies, said Matthew J. Klein, president of the Akridge development company, which has federal tenants in several of its buildings. "Washington is the center of government operations, and my sense is that people still want to be closer to that center," he said. "Last I checked, no one was moving from the White House or Capitol Hill."

Rep. Thomas M. Davis III (R-Va.) disputed the inclusion of the Tysons tunnel decision as an example of federal narrow-mindedness. Fairfax officials were initially in support of an aboveground route for the Metro through Tysons, he said, and when local officials recently decided a tunnel was better, federal officials simply told them that it would be difficult to change plans. He agreed, however, with criticisms of the military relocation, which he called a "horrendous land-use decision."

Particularly aggravating to some about the transfers to Belvoir is that the Army has so far ruled out putting any of the elements at a huge, underused GSA warehouse in Springfield, a couple of miles from the post and adjacent to a Metro station. The Army says it is too complicated for it to get control of the site.

Other local officials hold out the hope that the relocations to Belvoir, which are supposed to be done by 2011, won't be carried out fully. It's possible, they say, that the road upgrades needed for the move will be found to be too costly or that a new defense secretary will soon replace Donald H. Rumsfeld, a top proponent of consolidating employees on posts.

But Pentagon spokesman Chris Isleib said it was unrealistic to expect a pullback on transfers. The relocation "is a matter of law, and we remain committed to it," he said.

OTHER NEWS:

Incomes Rose Last Month; Spending Was Restrained (NYT)

By Jeremy W. Peters

The New York Times, October 31, 2006

Americans' incomes rose last month at the quickest pace since June, but consumers did not respond by rushing out to splurge as gasoline prices fell from their summer peak.

Instead, they spent at about the same pace and put more money aside. As a result, the nationwide personal savings rate came the closest it has in a year and a half to climbing out of the red.

The Commerce Department reported yesterday that personal income in September increased at a seasonally adjusted annual pace of 0.5 percent, compared with 0.4 percent in August. Personal consumption spending, meanwhile, rose 0.1 percent in September after a 0.2 percent increase in August.

The net personal savings figure improved in September to a seasonally adjusted annual pace of minus $15 billion, compared with minus $49 billion in August. And while Americans are still living richer lives than their paychecks can sustain, savings have not been healthier since May 2005. They have been in the red since the month before, in April 2005.

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With Americans earning more and spending more, economists expect that the gross domestic product will expand faster than it did in the third quarter. On Friday, the Commerce Department reported growth of 1.6 percent from July through September — by far the slowest quarter this year.

A number of factors, including falling gas prices and growing disposable income, are likely to lift consumer spending modestly in the months ahead.

"The current environment of declining energy prices and healthy wage growth is a pretty potent combination going forward," said Drew Matus, senior economist with Lehman Brothers. "It would not be surprising if you saw consumption continue to increase to some degree."

Most experts agree that any increase in consumer spending in the remainder of the year will not be a striking one. "This isn't going to unlock a spending frenzy," said Brian A. Bethune, an economist with the research firm Global Insight. "It's going to be moderate, but it's not going to be explosive."

When last month's spending figures are adjusted for inflation, they indicate more growth. Spending increased 0.4 percent in September when inflation was factored in, as distinct from 0.1 percent growth excluding price increases. The rise reflected an increase last month in purchases of durable goods — big-ticket items like vehicles and home appliances. Real disposable income grew 0.8 percent in September when adjusted for inflation, or 0.5 percent unadjusted.

Aggregate measures of income, like the one in yesterday's report, have had healthy gains over the last year. But government reports have consistently found that the pay of most Americans has not kept up with inflation, suggesting to economists that the overall gains are largely a result of big increases among households in the very top income brackets.

Yesterday's report also showed that inflation tempered somewhat in September. That is consistent with the Federal Reserve's view that the slowing economy will moderate rising prices. Still, a measure of inflation remains above what the Fed chairman, Ben S. Bernanke, has said is healthy.

In remarks yesterday in Baltimore, an inflation hawk, Jeffrey M. Lacker, president of the Federal Reserve Bank of Richmond, Va., repeated his concern that inflation remained uncomfortably high. At the last three Fed meetings, Mr. Lacker has been the only member of the Fed's rate-setting committee to vote for an increase in the benchmark overnight lending rate. Since August, the Fed has voted three times to hold the rate steady at 5.25 percent.

The Fed prefers that the "core rate" of growth in personal consumption spending, which excludes the volatile prices of food and energy, not exceed 1 percent a year, and it regards anything over 2 percent as too high.

In September, the core measure was up 2.4 percent compared with September 2005. Still, that was a little better than August, when the core rate was up 2.5 percent, an 11-year high.

Gasoline Prices Inching Up Again (USAT)

By James R. Healey

USA Today, October 31, 2006

1-cent increase to $2.218 is first since Aug. 7

Gasoline prices are creeping back up after declining steadily for about three months. But there's disagreement about where prices go now.

The U.S. average for a gallon of regular is $2.218, the U.S. Energy Information Administration said Monday, up 1 cent from last week.

That's the first time the weekly number has risen since Aug. 7, when the average peaked at a near-record $3.038.

Prices this week generally were down in the West, up in the Midwest and East, the EIA reported.

Last week's average, $2.208, was the lowest EIA recorded this year.

Fred Rozell, gasoline price analyst at consulting firm Oil Price Information Service, says the increase is just a blip on the way to lower prices at the pump. The average "may yet drop to about $2.10 per gallon nationally before the year is out," Rozell says.

OPIS follows daily transaction prices at more than 60,000 service stations, a much larger survey than EIA's, though the two almost always track closely.

Unless something extraordinary happens, "I don't think we'll see any major increases until at least late February or early March," Rozell says. "Numbers will hold steady or bounce between a fairly narrow range for a few weeks."

EIA's latest fuel price outlook, published Oct. 10, isn't as optimistic. It forecasts an average of $2.29 for the current quarter. That means prices would drift back up about a nickel from the average $2.245 so far this quarter. Its next outlook is due out next Tuesday.

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A USA TODAY poll conducted in mid-September found that 42% of Americans believe the price of gasoline is being manipulated by the White House to help Republicans win the Nov. 7 elections. Lower prices benefit the party in power, the thinking goes.

Instead, prices vary with demand — up in spring and summer, when Americans drive a lot, and down other times — according to petroleum experts.

Iraj Ershaghi, director of the petroleum engineering program at the University of Southern California, has studied fuel price fluctuations. He says gasoline prices follow predictable patterns.

"Seasonal variations can be modeled very nicely and explain (prices) very nicely," he says. "The message is: Consumers can control the price if they cut consumption."

Cutting consumption 10% would lower the price of oil to $30 a barrel, he says. That's about half Monday's price of $58.36 a barrel, down $2.39. The price of oil accounts for about 55% of the price of gasoline. Refining costs and taxes make up most of the rest.

Economists Sharply Divided On Where Economy Goes From Here (USAT)

By Barbara Hagenbaugh

USA Today, October 31, 2006

WASHINGTON — November marks the five-year anniversary of the end of the last recession and the beginning of the latest U.S. economic expansion.

But whether the USA will have another five years of economic growth without sliding into recession — at least matching the record 10-year expansion that ended in 2001 — is an issue that sharply divides economists.

In a USA TODAY survey of economists conducted Oct. 13-18, 24 said the economy will continue to expand for at least another five years. But another 24 said the expansion will likely be truncated by a recession sometime before November 2011.

"Not a chance," says Tucker Hart Adams, owner of the Adams Group, an economic consulting firm in Colorado Springs, about the chances of the expansion hitting the 10-year mark. "Consumers can't continue to spend for another five years. They have too much debt."

But others are more optimistic.

"This is another one of those long expansions," says David Wyss, chief economist for Standard & Poor's in New York. He says with inflation relatively benign, the Federal Reserve will be able to keep interest rates at historically low levels. That will help support the economy, he says.

The previous expansion lasted from March 1991 to March 2001 and was followed by one of the mildest recessions in history. An expansion of 120 months was not just the longest ever, it far exceeded the average duration of expansions since World War II. The average length of expansions in the postwar period is 57 months, according to the National Bureau of Economic Research, a private group that is the nation's arbiter of business cycles.

So at five years, this expansion is already above average.

"Very rarely are we in recession nowadays," says Scott Anderson, senior economist at Wells Fargo in Minneapolis.

He attributes that to the switch from a manufacturing-based economy to a service-based economy. Manufacturing is subject to more volatility, Anderson argues.

"We can remain in this expansion for another five or six years," Anderson says.

Merrit Baker, president of staffing firms MedX and 21st Century Staffing in Conshohocken, Pa., says companies are in a "hiring mode" and staffing is picking up in some areas, particularly for engineers and people in medical fields. That suggests the expansion is healthy.

"We are economy-sensitive," Baker says of his industry. "If the economy is not doing well, companies aren't hiring."

National Association of Manufacturers chief economist David Huether says strong productivity growth, a healthy global economy and firms' successful inventory management are all factors that could help the expansion hit the 10-year mark.

"The foundations for a long-lasting expansion are there," he says.

S&P's Wyss says expansions follow a typical pattern. At the beginning, the economy grows at a healthy clip. Somewhere around the midpoint, there is a slowdown and a "soft landing," in which the economy avoids recession. The economy then picks up speed again.

Wyss says the economy is currently in the soft-landing period, marked by below-average economic growth. The government reported last week that the economy grew at a tepid annual rate of 1.6% in the third quarter, slowed by a slumping housing sector. Such a period of slower growth reduces inflation and thus "buys you another expansion phase."

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But the economy is not recession-proof. A number of issues, including a renewed surge in energy prices, a deeper-than-expected drop in the housing market or a sudden decline in foreign investment in the USA, could cause the expansion to end, Wyss says.

Economist Adams sees consumers as the biggest risk. Consumers' saving rates have been negative for a year, meaning they are spending more than they are earning. That means they are ill-prepared for a change, such as a job loss or increase in debt payments.

Adams notes many homeowners have adjustable-rate mortgages and their payments are rising as their fixed-rate periods are ending. The Federal Reserve estimates that 20% of outstanding mortgages have variable rates. Half of those are set to change interest rates this year, Fed Chairman Ben Bernanke told lawmakers earlier this year.

The change in mortgage payments, combined with a lack of saving, will make it too hard for consumers to keep up their spending habits, Adams says. Consumer spending accounts for more than two-thirds of all U.S. economic activity.

"The last recession was a business-led recession because of the over-investment in technology in the '90s and getting ready for Y2K. … With that exception, recessions are caused when consumers cut back on spending," says Adams, who says colleagues are calling her the Duchess of Doom.

Consumers are showing little optimism about the economy. In a USA TODAY/Gallup survey of 1,002 adults conducted Oct. 20-22, 44% rated the economy as "good" or "excellent," while 33% said the economy was "fair," and 22% said it was "poor." One percent did not register an opinion.

"I am not very positive about the economy. I think it's average at best," says Joel Libava, president of Franchise Selection Specialists in Cleveland. He doubts the economy will make it another five years without recession, particularly given his Midwestern vantage point, where companies are closing factories and laying off workers.

Some economists simply say the odds just aren't in the economy's favor. "Ten years is unusual, so for that reason alone, I say no," says Mike Englund, chief economist for Action Economics in Boulder, Colo.

Core Inflation Measure Eases But Leaves Questions For Fed (WSJ)

By Christopher Conkey And Campion Walsh

The Wall Street Journal, October 31, 2006

WASHINGTON -- A closely watched measure of consumer prices eased somewhat last month, but inflation remains a big question for Federal Reserve policy makers and the economy.

The Fed's preferred inflation measure -- the price index for personal consumption expenditures excluding food and energy -- rose 0.2% in September after an upwardly revised 0.3% gain in August, the Commerce Department said. Compared with a year earlier, this measure of "core" inflation was up 2.4% last month, less than the 2.5% pace in August.

Despite the slight downtick last month, the annual increase in the measure of core inflation remains well above the informal range of 1% to 2% that Fed policy makers would prefer. At the same time, the economy's growth rate in the third quarter was considerably below normal.

That combination, economists said, will continue to keep the Fed from raising or lowering interest rates until it becomes clear which is a more serious threat. "As long as there are no large changes on either side of this equation, a somewhat uneasy standstill is probably the most likely outcome for monetary policy," wrote Joshua Shapiro, chief U.S. economist at MFR Inc., in a research note.

The overall index of personal consumption expenditure prices fell 0.3% last month after a 0.3% rise in August, driven down by lower gasoline prices. Consumer spending rose a modest 0.1% in September, a bit lower than the 0.2% gain in August, the report showed. Given the overall drop in consumer prices last month, inflation-adjusted spending rose 0.4% last month.

Economists took these figures as a sign that lower gasoline prices are raising consumer spending. "We're seeing pretty good, respectable advances in real spending despite the fact that the housing market is weak," said Brian Bethune, an economist at Global Insight. "It looks like the drop in gasoline prices is having the bigger impact."

Personal income jumped 0.5% last month after a 0.4% gain in August, suggesting that solid gains in wages and other forms of compensation also are buoying spending growth. With income growth outpacing spending growth last month, the savings rate -- personal savings as a percentage of after-tax income -- improved to negative 0.2% in September from negative 0.5% the previous month.

Economists are also concerned that significant wage growth could put upward pressure on prices by raising business costs when productivity growth is slowing. The Labor Department will release its latest estimates on employee compensation and productivity trends, starting today with the release of third-quarter employment costs.

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Meanwhile, the Fed's quarterly survey of senior loan officers found that "demand for most loan types declined somewhat" in August through October. U.S. banks reported weaker demand for commercial-real-estate and residential-mortgage loans amid the housing market's downturn. Lending standards for residential-mortgage loans tightened.

Demand for commercial and industrial loans was essentially flat from the previous survey, although U.S. banks reported easing lending standards for these loans.

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We Support Simplicity (USAT)

By Ed Yingling

USA Today, October 31, 2006

With credit cards practically a necessity in today's marketplace, it's critical that consumers know how to use them. That's why the credit card industry is engaged in an effort, spearheaded by the Federal Reserve, to simplify and humanize the language we use. More important, this effort won't consist of lawyers and regulators imagining how consumers might react. The new disclosures will be tested with real, live consumers.

Simpler won't be easy. As a recent study by the Government Accountability Office (GAO) points out, the legalese in credit card disclosures results from issuers' need to meet statutory requirements and their desire to avoid being sued.

So, there's work to be done on the disclosures — and we're doing it. Credit card lenders fully support the Federal Reserve's effort to make disclosures easier to read and understand so that consumers can make informed decisions.

The GAO report also reveals many positive credit card trends.

Up until 1990, credit cards charged a higher, fixed interest rate, often came with an annual fee and were available to only the most credit-worthy consumers.

Today, technology and competition have helped make cards available to many more people, at a price consistent with the risk each person presents.

The result is that the majority of cardholders — 80%, according to the GAO study — enjoy interest rates below what they would have paid 15 years ago. And interest rates are effectively zero for about half of all account-holders, who pay their balances off each month.

Furthermore, the GAO found that cardholders paid 66% less in annual fees in 2004 than they did in 1990. It also concluded that most cardholders don't appear to be paying penalties, such as late or over-the-limit fees, which are avoidable.

Credit card customers have never had more choices or lower interest rates than they do today.

Broader access to credit for more people at lower rates — we think that's progress.

Ed Yingling is president and CEO of the American Bankers Association.

Bush: Democrats Lack Plan To Win Iraq War (AFP)

By Laurent Lozano

AFP, October 31, 2006

US President George W. Bush charged that "terrorists win and America loses" if opposition Democrats win November 7 legislative elections dominated by the unpopular Iraq war.

"If you listen carefully for a Democrat plan for success, they don't have one. Iraq is the central front in the war on terror, yet they don't have a plan for victory," he told cheering Republican faithful at a rally here.

The bloody war in Iraq has claimed the lives of more than 2,800 US troops, depressed Bush's poll numbers, and raised the prospect of a Democratic victory in looming mid-term elections that will shape Bush's last two years in office.

The president, kicking off an aggressive final week of campaigning, defiantly defended the March 2003 US-led invasion of Iraq and painted the opposition party as eager to leave "before the job is done" there.

"The Democrat approach in Iraq comes down to this: The terrorists win and America loses. That's what's at stake in this election. The Democrat goal is to get out of Iraq. The Republican goal is to win in Iraq," he said.

At a campaign stop in Georgia, Bush unapologetically stood by his decision to go to war in Iraq and urged Republican activists not to lose hope, declaring: "This election is far from over."

Bush acknowledged "tough" fighting in Iraq, where US forces have been locked in some of the bloodiest battles since the March 2003 US-led invasion to oust Saddam Hussein on grounds he possessed weapons of mass destruction.

While no such weapons were found, Bush said the world agreed with him that the Iraqi leader posed a threat, and declared: "Getting rid of Saddam Hussein was the right decision, and the world is better off."

As he spoke, the number of US soldiers and civilian contractors killed in October in Iraq reached 102 even as US national security adviser Stephen Hadley held unannounced talks with his Iraqi counterpart in Baghdad.

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The White House said that Hadley's talks were "long-planned" and dismissed any link to "overblown" strains between Washington and the fledgling government of Prime Minister Nuri al-Maliki.

Hadley and Iraq's national security adviser, Mowaffaq al-Rubaie, discussed "accelerating the training of the Iraqi armed forces" and giving them a broader role in Iraq, according to a statement from Iraq's government.

Maliki and US officials have sparred verbally over setting what the White House calls "benchmarks" for progress on the security and political fronts in Iraq, where 101 Americans have been killed in October.

Hadley's visit came after Bush and Maliki held a videophone summit on Saturday to iron out disagreements on how to improve security in Iraq and agreed to form a new US-Iraq security committee.

"I think that the press reports about the relationship being sensitive are overblown," Bush spokeswoman Dana Perino said aboard the president's Air Force One airplane as he kicked off a frenzied final week of campaigning.

Democrats, heartened by polls giving them an edge nationwide and in a handful of key races, need 15 seats to take control of the 435-seat House of Representatives and six seats to capture the 100-seat Senate.

Bush's Republicans, significant numbers of them publicly distancing themselves from the president and the party, hoped that their powerful get-out-the-vote machine would make the difference on election day.

"The point of the president going is to maximize turnout," said Perino. "A lot of these races are starting to close and there's some really highly competitive ones, and that's probably where you're going to see the president."

America Loses If Democrats Win, President Says (LAT)

By James Gerstenzang

The Los Angeles Times, October 31, 2006

SUGAR LAND, Texas — Using the backdrop of the Iraq war to launch some of his toughest campaign attacks this political season, President Bush on Monday accused Democrats of being more concerned with pulling U.S. troops out of Iraq than with winning the war.

Kicking off the final week of a campaign that will determine whether his party will retain its House and Senate majorities, Bush went to the heart of issues that helped Republicans come out on top in 2002 and 2004: terrorism, taxes and a conservative social agenda.

Bush listed several key anti-terrorism measures opposed by Democrats, noting that when it came to eavesdropping on suspected terrorists, detaining them or trying them, members of that party "just say no."

"So when the Democrats ask for your vote, what's your answer?" he asked his audiences here in Texas and earlier in Statesboro, Ga., where more than 5,000 supporters gathered at Georgia Southern University.

"Just say no!" the crowd roared at each stop.

The office of Senate Minority Leader Harry Reid (D-Nev.) issued a terse response: "Contrary to the president's intentions, Americans are just saying no to his administration's no-plan, no-end approach to Iraq."

In the campaign's final week, Bush is barnstorming across the country, appearing at what the White House calls "2006 victory rallies" and serving up red-meat Republican issues to the party faithful to get these core GOP voters to the polls.

To reach that constituency, Bush also took to the airwaves Monday, as did Vice President Dick Cheney, with each giving an interview to programs on Fox News Channel.

Cheney told "Your World With Neil Cavuto" that insurgents in Iraq had timed the increase in violence — October has been the fourth-deadliest month for U.S. troops, with more than 100 killed — to the U.S. political calendar.

FOR THE RECORD:

An earlier version of this article incorrectly stated that there had been a steady decline in in the U.S.'s gross domestic product over the past three years. It's the GDP's rate of growth that has declined.—

"It's my belief that they're very sensitive to the fact that we've got an election scheduled," he said.

In an two-part interview that began Monday on "Hannity & Colmes," Bush said that some Democratic leaders "are becoming isolationists. And that's dangerous."

"Protecting this country and keeping this economy growing are the two most important issues," he said. "And you can't protect the country if you retreat from overseas, and you can't keep the economy growing if you raise taxes. And that's exactly what the Democrats in the House would like to do."

In Georgia, Bush drew sharp partisan distinctions as he belittled the opposition to the war, which is proving a powerful pro-Democrat issue: "The Democrat approach on Iraq comes down to this: The terrorists win, and America loses," he said.

"The Democrat goal is to get out of Iraq. The Republican goal is to win in Iraq," he said. "You cannot win a war unless you are willing to fight the war."

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On the economy, Bush linked the growth of jobs — 6.6 million added since August 2003, he said — and a 2.2% increase in average wages over the last year with the tax cuts championed by his administration.

Adopting one of his signature campaign lines for the current week, he said, "If you want to keep that money in your pocket instead of sending it to Washington, D.C., you vote for Republicans on election day."

And he returned again to an issue important to evangelicals and other social conservatives, attacking last week's New Jersey state Supreme Court ruling that "raises doubt about the institution of marriage" to bolster his case for Republican candidates who would oppose judges who "legislate from the bench."

The president's opposition to same-sex marriage brought the audience to its feet: He could not have asked for a better response in motivating supporters to get to the polls.

"You can bet one thing — we're going to sprint to the finish line," Bush said, presaging a full-bore week of campaigning not only by him, but also by Cheney, who is traveling to Montana on Wednesday, and First Lady Laura Bush, who was in Pennsylvania and New Hampshire on Monday and will end up Thursday evening at a rally in Rocklin, Calif.

"When our voters show up at the polls," the president predicted, "we will keep control of the House and Senate."

His declarations of victory notwithstanding, the president's appearance Monday in this Houston suburb illuminates the Republicans' difficulties this year.

Sugar Land is the hometown of former House Majority Leader Tom DeLay, who has come to symbolize ethical lapses in Congress. His indictment by a state grand jury on campaign finance charges and the attention paid to his association with lobbyist Jack Abramoff, convicted in an influence-peddling scandal, led him to abandon his reelection race in April and resign from the House in June.

Under Texas election laws, the candidate eventually endorsed by the Republican Party, Shelley Sekula-Gibbs, faces a complicated task: Because DeLay dropped out of the race after the Texas primary in March, her supporters will need to vote for her twice: once on the regular ballot as the candidate in a special election to finish out DeLay's current term, and again as a write-in candidate for the two-year term starting in January.

So, as dusk fell, there was Bush, in an airport hangar, delivering a message of Republican conservatism to Texans whose fervor would not normally need stoking.

Bush Rallies G.O.P. Faithful In Georgia And Texas (NYT)

By Sheryl Gay Stolberg

The New York Times, October 31, 2006

SUGAR LAND, Tex. Oct. 30 — President Bush zigzagged from Georgia to his home state of Texas today, stumping for Republicans in Bush-friendly districts while looking ever more like the candidate himself.

Here in the Houston suburb once represented by Tom DeLay, Mr. Bush was greeted at a campaign rally like a man whose public approval ratings are 73 percent, not 37 percent. Campaign volunteers who had jammed into an airplane hangar climbed atop one another's shoulders to catch a glimpse of him. Little children sported buttons with his likeness and waved tiny Texas flags. One supporter raised a handmade "Dubya" sign.

Mr. Bush, his shirt collar open, his sleeves rolled up, soaked it all in before delivering a speech that laid into Democrats for, among other things, opposing tax cuts and lacking a strategy in Iraq. It was a reprise of a fiery talk he gave hours earlier at a college gymnasium in Statesboro, Ga.

"It's a serious political party in the midst of a war, and they have no plan for success," Mr. Bush said in Sugar Land, after proclaiming, "We will not run from thugs and assassins." It was a moment when the president could defend his record in Iraq to thunderous applause.

The back-to-back rallies created just the image White House strategists are seeking for the president in the waning days of the campaign: that of a confident leader, surrounded by adoring supporters.

The intent is to fire up the party faithful and push them to the polls to vote, but at times it seemed as if Mr. Bush was the one getting fired up. The president seemed to relish playing the game of political expectations, as he tweaked Democrats for measuring for new curtains in Washington too soon.

"You might remember that around this time in 2004, some of them were picking out their new offices in the West Wing," Mr. Bush said in Georgia. He paused to absorb the laughter and applause, then added dryly, "The movers never got the call."

After weeks of focusing on the economy and the war on terror, Mr. Bush has also tweaked his standard stump speech. It has been refashioned to include a broad defense of his record in a range of areas: education, energy policy, border security, immigration, Medicare prescription drug benefits and the appointment of two conservative justices to the Supreme Court.

One of his biggest applause lines in Georgia was a reiteration of his position that "marriage is a union between a man and a woman.'' The line brought the crowd to its feet.

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"The most important issues to Republican voters are tax cuts to the economic conservatives, and judges and marriage, pro-life issues to the social conservatives," said Charlie Black, a Republican strategist with close ties to the White House. "So he's reminding them that he's got a good record on those things."

Mr. Bush, of course, is not on the ballot. But with analysts predicting Republicans could lose control of one or both chambers of Congress, White House strategists are sending the president to those districts where he might just drag a Republican candidate across the finish line.

One such district is Sugar Land, whose political landscape looks something like a Shakespeare play. The name of Mr. DeLay, who resigned from Congress after being indicted on charges of conspiring to violate Texas election laws, remains on the ballot, though he is not running. That left Mr. Bush to implore Republicans to write in the name of a candidate whose name is not easily written: Shelley Sekula-Gibbs, a dermatologist who serves on the Houston City Council.

She is running against Nick Lampson, a Democrat who lost his seat in a redistricting engineered by Mr. DeLay. Polls show the two running neck and neck, but Bruce Buchanan, a political science professor at the University of Texas at Austin, said Mr. Bush is still popular enough here to help Ms. Sekula-Gibbs.

"He's still got legs," Mr. Buchanan said.

Mr. Bush certainly showed his legs in Statesboro, Ga., where an estimated 6,000 people packed into the gymnasium at Georgia Southern University to see him campaign for Max Burns, a former congressman who two years ago lost his seat to Representative John Barrow, a Democrat. Hundreds more were lined up outside, apparently holding tickets but unable to get in.

In the crowd was Darin Van Tassell, a political scientist who said that if Mr. Bush could motivate Republicans anywhere in Mr. Barrow's district, it would be at Georgia Southern, where Mr. Burns was a professor of business administration before going into politics.

"Barrow has a chance to be the only incumbent Democrat who might lose," Mr. Van Tassell, who counts himself a Democrat, said. "I think this particular race has a chance to run completely counter to the rest of the country, which is probably why the president is here."

Bush Hits Hard At Gay Marriage (AP)

By Jennifer Loven

AP, October 31, 2006

President Bush has for months cast the midterm elections as a choice about just two issues: taxes and terrorism. Now, with polls predicting bleak results for Republicans, he is trying to fire up his party by decrying gay marriage.

"For decades, activist judges have tried to redefine America by court order," Bush said Monday. "Just this last week in New Jersey, another activist court issued a ruling that raises doubt about the institution of marriage. We believe marriage is a union between a man and a woman, and should be defended."

The line earned Bush by far his most sustained applause at a rally of 5,000 people aimed at boosting former GOP Rep. Max Burns' effort to unseat a Democratic incumbent. In this conservative rural corner of eastern Georgia, even children jumped to their feet alongside their parents to cheer and clap for nearly 30 seconds — a near-eternity in political speechmaking.

The New Jersey Supreme Court ruled that same-sex couples must be given all the benefits of married couples, leaving it up to the state Legislature to decide whether to extend those rights under the structure of marriage or something else.

One alternative, civil unions, is an idea Bush supports. But he ignored that on the way to portraying the New Jersey decision as the kind of thing America should do without.

"I believe I should continue to appoint judges who strictly interpret the law and not legislate from the bench," the president said, earning more applause in the sweltering basketball arena at Georgia Southern University. He pointed to his nominations to the Supreme Court of Chief Justice John Roberts and Samuel Alito.

The gay-marriage theme became a staple in Bush's political remarks last Thursday, the day after the New Jersey ruling on a touchstone issue for religious conservatives who are crucial to Republican electoral calculations. White House deputy press secretary Dana Perino said it was added merely to respond to the ruling — not because his other messages were failing to connect.

But the lines, repeated to great enthusiasm at a second rally later Monday in Texas, mark one of the only substantive changes in the president's stump speech as he turns from raising money for Republican candidates to encouraging the GOP faithful to vote Nov. 7.

To that end, he was focusing on the South.

After campaigning for Burns, trying to win back the seat conservative Democrat John Barrow took from him in 2004, Bush flew to the district vacated by former House Majority Leader Tom DeLay, R-Texas. DeLay resigned in June amid a series of investigations of his fundraising activities.

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Organizers said Bush's appearance in a partially filled airport hangar in Sugar Land, Texas, drew over 6,000 to support Republican Shelley Sekula-Gibbs' write-in campaign to replace DeLay. The former Republican party star and Bush ally on Capitol Hill was nowhere to be seen, and the president never mentioned DeLay's name.

The election in the reliably conservative district outside Houston is complicated. Republicans were legally barred from replacing DeLay's name on the ballot. So supporters must choose Sekula-Gibbs twice — once for the special election filling out DeLay's term and again for the general election for the next Congress.

She faces former congressman Nick Lampson, who has outraised and outspent her, giving Democrats a chance at a seat long in the GOP's hands. A Lampson victory would also be sweet revenge for an opposition party that DeLay fought at every turn while in office.

On Tuesday, Bush is heading back to Georgia, a state he twice won comfortably. Tuesday's rally, about 130 miles west of Statesboro, is aimed at helping another former GOP congressman, Mac Collins, oust Democratic Rep. Jim Marshall.

After Thursday, the president's schedule remains fluid, as his political advisers balance the need for help in tight races against the president's unpopularity.

Bush pleaded with Republicans not to give up on the election — and mocked Democrats.

"You might remember that about this time in 2004, some of them were picking out their new offices in the West Wing," he said. "The movers never got the call."

Democrats ridiculed him back, for an itinerary that took him to once-solid Republican areas.

"Clearly President Bush is more of a liability than an asset as he's forced to stump for candidates in districts that were once considered safe for Republicans," said Democratic National Committee spokeswoman Stacie Paxton.

The president played down the idea that next Tuesday's vote is a referendum on his embattled presidency. "This is different from a presidential campaign because it's not necessarily a national election, in that each congressional race really depends upon the candidates and how they carry the message," he said in an interview on Fox News Channel's "Hannity & Colmes."

Bush also rejected the idea he'll become a lame duck after the elections. "I promise you I'm going to be president up until the very last day, and I've got a lot to do," he said.

Bush Campaigns In GOP-friendly Georgia (AJC)

By Tom Baxter

The Atlanta Journal-Constitution, October 31, 2006

Statesboro – With Republicans invoking Halloween images of what could happen if Democrats take over the House, President Bush on Monday focused on a section of the country that could help stave off a GOP nightmare Nov. 7: Georgia.

"It's great to realize that we are just as important as the rest of the country," said Edwin Brantley, who came with wife Brenda from Vidalia to rally with the President at Georgia Southern University in support of 12th District congressional candidate Max Burns.

GOP Staples Restored To Bush Campaigning (WT)

By Stephen Dinan

The Washington Times, October 31, 2006

SUGAR LAND, Texas -- President Bush has started campaigning on conservative staples such as judicial nominees, border security and defining marriage as between a man and a woman -- themes that have been absent for most of the election season, but which he is now using to energize the party's base.

At rallies drawing a combined 12,000 people in Georgia and Texas yesterday, Mr. Bush said Republicans have delivered on those issues and drew gigantic applause for both his defense of marriage and his promise to secure the borders.

"We will win this election because Republicans understand the values and priorities of the American people," the president said as he visited two critical congressional districts.

The new themes are additions to tax cuts and the war in Iraq -- the standards Mr. Bush has focused on for the past two months, and on which he said last week that the election will be a referendum.

White House spokeswoman Dana Perino said themes were added because Mr. Bush is speaking to different audiences at the rallies and said this stump speech will carry Mr. Bush through Election Day.

Until now, Mr. Bush had filled his schedule with fundraisers. He only went to his first rally of this election season, in Indiana, on Saturday, and then held two rallies yesterday -- the second one, in Texas, complete with a fireworks send-off for Marine One, the president's helicopter.

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In that district, he was trying to help Republicans thread the needle by electing a write-in candidate to save the seat being vacated by former House Republican leader Tom DeLay. Earlier, in Georgia, the president rallied with Max Burns, a former congressman who lost re-election in 2004, but is in a tight race to reclaim his seat.

The Democratic National Committee said Mr. Bush's late arrival on the rally circuit is a sign of his unpopularity.

"Clearly, President Bush is more of a liability than an asset as he's forced to stump for candidates in districts that were once considered safe for Republicans," DNC spokeswoman Stacie Paxton said.

Mrs. Perino said Mr. Bush's appearance at get-out-the-vote rallies can help conservative turnout in races that could be swung by several thousand ballots.

Mr. Bush had not mentioned immigration on the campaign trail until these rallies.

"For decades, we haven't had complete control over our southern border, and illegal immigration has been on the rise. So I acted," he said, touting increases in the U.S. Border Patrol and his deployment of National Guard troops to support them. "We will reform our immigration system, and we will uphold the immigration laws."

Mr. Bush also returned to judges -- a theme that Republican senators say was worth several percentage points in seats across the country in the 2002 and 2004 congressional races, but which had been absent on the stump.

"I believe I should continue to appoint judges who strictly interpret the law and not legislate from the bench," he said. "America is better off because John Roberts and Sam Alito are serving on the Supreme Court of the United States."

Only a handful of write-in candidates have won election to Congress, and the challenge is steep, even in this conservative district. Mr. DeLay's name remains on the ballot, so Republicans are asking their voters to write in Houston City Council member Shelley Sekula-Gibbs.

Republicans have made several maneuvers, including scheduling a special election to fill the empty seat for the final two months of this Congress, which means voters will see Mrs. Sekula-Gibbs' name on at least one ballot.

Mr. Bush's visit, following an earlier one by Vice President Dick Cheney, is designed to boost her name recognition so voters will remember to write her in.

One indication of the challenge is Mrs. Sekula-Gibbs' name. She hyphenates it, but the most common electronic voting machine used in this district doesn't allow a hyphen for a write-in, so she's changed her Web site and campaign signs to drop the hyphen. Still, the legacy is tough to change -- some of those at yesterday's rally wore stickers with the name still hyphenated.

Bush Stumps For Sekula-Gibbs In Sugar Land (HC)

By Kristen Mack And Eric Hanson

Houston Chronicle, October 31, 2006

President Bush, his collar open and his sleeves rolled up, told 2,000 cheering Republicans in Sugar Land today that they should "bring your pencil" to the polls and write-in the name of Shelley Sekula-Gibbs to succeed Tom DeLay in the U.S. House.

"I always feel better when I'm in Texas," Bush said to the crowd packed into a hangar at the Sugar Land airport, before urging them to take the extra steps necessary to vote for Sekula-Gibbs.

Most voters won't really need a pencil to cast write-in votes because they'll use electronic voting machines. If they write in the councilwoman's name, they'll turn a dial selecting the 18-letter name a character at a time.

"I know I could have given you an easier name and next time I'll think about that," Sekula-Gibbs told the crowd as they waited for the president. Bush was expected to deliver a 45-minute speech before heading by helicopter back to Ellington Field and departing on Air Force One.

Sekula-Gibbs is the party-backed write-in candidate to succeed DeLay, R-Sugar Land, who resigned from Congress after winning the Republican nomination for a 12th term.

A new Chronicle-11 News poll indicates that the race is close, even though Democratic nominee Nick Lampson and Libertarian Bob Smither are on the ballot for the term that begins in January and Sekula-Gibbs isn't.

She is on the ballot in a separate, special election for the final weeks of DeLay's term.

"It's not every day the president of the United States comes to help a girl from Floresville campaign," Sekula-Gibbs said, referring to her south central Texas birthplace.

Also speaking at today's rally were U.S. Sen. Kay Bailey Hutchison, R-Texas, U.S. Rep. Kevin Brady, R-The Woodlands, state Sen. Kyle Janek, R-Houston, and state Rep. Charlie Howard, R-Sugar Land.

A handful of protesters walked along Texas 6 near the airport carrying signs against the war in Iraq , but they never were close to the president or the rally.

Lampson kept a low profile as Republicans awaited the president today, meeting privately with donors. He planned to attend a small event tonight at a cousin's house in Pearland.

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Lampson campaign manager Mike Malaise issued a statement saying Bush came to town "to try and stir up the base for one of our opponents because she is such a hard sell to that base."

Bush Says 'America Loses' Under Democrats (WP)

By Michael Abramowitz, Washington Post Staff Writer

The Washington Post, October 31, 2006

White House Talk Heats Up As Polls Show Tight Races

SUGAR LAND, Tex., Oct. 30 -- President Bush said terrorists will win if Democrats win and impose their policies on Iraq, as he and Vice President Cheney escalated their rhetoric Monday in an effort to turn out Republican voters in next week's midterm elections.

Democratic operatives continued to broaden the field of races they believe are competitive enough to merit last-minute investments, as the party's House election committee launched ads in typically conservative districts of Kentucky, Nebraska and Nevada. In the Senate battle, new public and private polls yesterday indicated very tight races in Tennessee, Virginia and Missouri, the last of which is shaping up as possibly the country's tightest contest.

Faced with potential GOP defeat in both chambers, Bush and Cheney aimed to avert that by convincing voters that they cannot risk giving the opposition party any power in Washington.

"However they put it, the Democrat approach in Iraq comes down to this: The terrorists win and America loses," Bush told a raucous crowd of about 5,000 GOP partisans packed in an arena at Georgia Southern University in Statesboro, one of his stops Monday. "That's what's at stake in this election. The Democrat goal is to get out of Iraq. The Republican goal is to win in Iraq."

Democrats reacted sharply to the latest White House attacks. Senate Minority Leader Harry M. Reid (Nev.) said Bush "resorted to the same tired old partisan attacks in a desperate attempt to hold on to power." House Minority Leader Nancy Pelosi (Calif.) said Bush is looking to retain a "rubber-stamp Republican Congress that has done nothing to change our failed Iraq policy."

Cheney, meanwhile, said in an interview with Fox News that he thinks insurgents in Iraq are timing their attacks to influence the U.S. elections.

"It's my belief that they're very sensitive of the fact that we've got an election scheduled," he said. Cheney said the insurgents believe "they can break the will of the American people," and "that's what they're trying to do."

The increasingly combative tone from the White House signaled a coordinated GOP effort to use every channel to remind conservatives why they should turn out to vote, despite what many say is their disenchantment with the Mark Foley page scandal, anger over escalating federal spending and anxiety over the course of the Iraq war. Bush held a telephone conference call with about 3,000 Republican local officials on Saturday to fire them up for a final get-out-the-vote push. On Monday, Bush invited Fox News talk show host Sean Hannity for a ride on Air Force One and an interview later; the presence of the conservative celebrity stirred its own buzz among the standing-room-only crowd at Georgia Southern. Bush is barnstorming this week before friendly Republicans after months of just raising money for GOP candidates.

But the president's travel schedule in the final week of the campaign is also a stark reminder of his political weakness in many parts of the country -- and in many swing districts -- where it is too dangerous for GOP candidates to be seen with Bush. After his rally in Georgia on Monday, Bush flew here to stump for the GOP candidate trying to succeed former House majority leader Tom DeLay (Tex.), who won his seat by 14 points two years ago before resigning amid the Jack Abramoff scandal. There was no sign of the man who once relished his Capitol Hill reputation as "The Hammer" on Monday's visit, which drew several thousand to an aircraft hangar festooned with a giant Texas flag.

The White House has been leaving it to surrogates to appear in swing areas, with first lady Laura Bush campaigning Saturday for Rep. Nancy L. Johnson (R-Conn.) and press secretary Tony Snow appearing on behalf of Sen. James M. Talent (R-Mo.) among others on Monday.

"The fact that Republicans are working hard to hold on to one of the most Republican districts in the country -- that tells you the depth of the Republican struggles around the country," said Amy Walter, who tracks House races for the nonpartisan Cook Political Report.

White House aides disputed this characterization, saying the Sugar Land race is a special case since DeLay resigned too late for the courts to allow the GOP to replace him on the ballot. Instead, Republicans are promoting Shelley Sekula Gibbs, a Houston City Council member and dermatologist, as a write-in candidate.

Sekula Gibbs is badly trailing former Democratic Rep. Nick Lampson in fundraising, though Cheney recently came here to raise money, and the National Republican Congressional Committee is spending more than $1 million on her behalf. But a poll published Monday by the Houston Chronicle showed the race statistically tied, even though Republicans acknowledge the difficulty of getting voters to write Sekula Gibbs's name on their ballots.

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Sara Taylor, the White House political director, said the purpose of Bush's trip Monday was "to shine a spotlight" on the steps Republicans must take to give their candidate a chance to win. "We're going to focus the president's time on places where he can maximize Republican turnout," she added.

Democrats, meanwhile, believe they have the luxury of competing outside their usual strongholds. The Democratic Congressional Campaign Committee is now funding ads in Kentucky's 3rd District, where challenger John Yarmuth is running against Rep. Anne M. Northup (R); in Nevada's 3rd District, where Tessa Hafen is running against Rep. Jon Porter (R); and in Nebraska's 3rd District, featuring rancher Scott Kleeb (D) against state legislator Adrian Smith (R) for an open seat.

In Georgia, Bush is trying to play a little bit of offense this week, appearing on behalf of GOP candidates in two of the few Democratic districts where Republicans have an opportunity to pick up a seat. The vast majority of competitive races around the country are in districts now held by Republicans, which is one reason Democrats are optimistic they can win the 15 seats necessary to gain a majority in the House.

Bush's rally Monday was on behalf of former Republican congressman Max Burns, who is in a close race to regain his seat from freshman Rep. John Barrow (D). On Tuesday, the president is slated to come back to the state for former representative Mac Collins, who is trying to unseat Democratic Rep. Jim Marshall. Both districts were redrawn by the Georgia legislature in 2005 and are now seen as more favorable to Republicans.

Unlike other Democrats, Barrow and Marshall have not sought to distance themselves far from the president. "I agree with George Bush on this one," Barrow said in a recent ad about tax reform.

Ferrel Guillory, who directs the program on southern politics at the University of North Carolina at Chapel Hill, said Bush's popularity has not "tanked" as badly in the South as in the rest of the country. "Having the president in your district in the South is still probably a risk worth taking," he said.

The crowd at Georgia Southern seemed to respond most enthusiastically to Bush's most conservative lines, roaring for about 10 seconds after he criticized last week's ruling from the New Jersey Supreme Court that gay couples are entitled to the same rights as heterosexual couples. Bush said the ruling "raises doubt about the institution of marriage."

"We believe that marriage is a union between a man and a woman and should be defended," Bush shouted.

Bush also drew a good response from an applause line he used in both Georgia and Texas: "We will not run from thugs and assassins."

In the interview with Hannity on the Fox News Channel's "Hannity & Colmes," Bush said he believes the United States will one day be hit by another terrorist attack. Asked whether the country would be attacked again, Bush said, "I think so, and we've got to do everything we can to stop them."

Staff writer Michael Fletcher and washingtonpost.com staff writer Chris Cillizza contributed to this report from Washington.

Write-in Tightens Race In District 22 (HC)

By Kristen Mack

Houston Chronicle, October 31, 2006

The Republican write-in effort to hold former Rep. Tom DeLay's congressional seat, once viewed as a long shot, has created a tight race, according to a Houston Chronicle-11 News poll.

Thirty-five percent of respondents said they would vote for a write-in candidate, a statistical tie with the 36 percent support for Democrat Nick Lampson, according to the poll of more than 500 likely voters in the 22nd Congressional District.

Most who say they will write in a candidate plan on naming Shelley Sekula-Gibbs, the Houston city councilwoman backed by the Republican Party. Two lesser-known candidates also are running as write-ins.

One voter in four is still undecided.

Libertarian Bob Smither, the only person besides Lampson on the general election ballot, drew 4 percent support.

The third option on that ballot is "write-in." Voters who make that selection on the electronic voting machines that most will use are directed to an alphabet screen, where they use a wheel to spell out their choice's name a letter at a time.

Well-publicized raceAbout two-thirds of voters in the suburban Houston district know how to do that and are aware of a write-in candidacy, the poll shows.

"This is why we have elections and we don't have talking heads decide in May who the winners are going to be," said pollster John Zogby, president of Zogby International, which conducted the poll last week.

"Punditry was coloring the district blue. It's still a Republican district. Even harder than selling a write-in, is selling a Democrat in this district."

Fifty-two percent of poll respondents identified themselves as Republicans, 32 percent as Democrats and 16 percent as independent.

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That GOP strength also was evident when poll respondents were asked specifically about Sekula-Gibbs, Lampson and Smither. Sekula-Gibbs drew 52 percent support in that situation, with Lampson holding at 35 percent.

"There reasonably enough would be a substantial number of Republicans looking for a Republican or at least not willing to vote for a Democrat," Zogby said.

But if Lampson were still facing DeLay — as he expected when he entered the race — he would fare much better, walking away with 48 percent of the vote to DeLay's 40 percent, the poll shows.

In the 2004 election, DeLay garnered 55 percent of the vote in a district that went 64 percent for Republican President Bush. DeLay — under fire for close ties to an indicted federal lobbyist and facing his own state indictment on charges relating to campaign finance — resigned from Congress after winning the GOP nomination for a 12th term.

Courts said his resignation came too late for Republicans to replace him on the regular ballot. Sekula-Gibbs is on the ballot in a separate special election to fill the last two months of DeLay's unexpired term. Lampson did not file in that race.

Although her name won't appear on the general election ballot, Sekula-Gibbs won the support of the state GOP as its write-in candidate.

Once an uphill battleRepublicans widely acknowledged then that her candidacy was an uphill battle. A write-in candidate has never won a U.S. House race in Texas. And only six write-in candidates nationwide have been elected to Congress — five in the House and one in the Senate.

Yet a week before Election Day, Sekula-Gibbs appears to be within striking distance.

"I think we are at the top of the hill. We are ready to plant the flag," Sekula-Gibbs said.

She has made the race close with saturation television advertising, much of it funded by the national party, that illustrates how to cast write-in votes. "This underscores what a weak candidate Lampson is," Sekula-Gibbs said of the Chronicle-Channel 11 poll. "He's spent millions and can't get more than 35 percent of people to support him."

Lampson said he remains encouraged, because it's hard to tell how many people will actually vote for a write-in.

"I felt this was doable from the beginning and I still feel that way now," Lampson said. "I knew I had to reach out to a community used to voting one way politically. And I've had to ask those people to have confidence in me."

Bush coming to townSekula-Gibbs may get a boost today, when President Bush visits Sugar Land for a get-out-the-vote rally. It is one of several free events the president is headlining in the waning days of the midterm campaign, hoping to energize the base and woo disenchanted Republicans.

Most of the tickets required to attend the event already have been distributed by Republican Party officials in the four counties that make up the 22nd District — Harris, Fort Bend, Brazoria and Galveston.

Both Lampson and Sekula-Gibbs remain unfamiliar to one in four likely voters, though neither is new to the district.

Sekula-Gibbs has served on Houston City Council for five years and lives in the Clear Lake part of the district.

Lampson served in the U.S. House from 1997 to 2004, representing about 20 percent of what is now the 22nd District. He lost the seat in 2004 in congressional redistricting engineered by DeLay. He moved last year from Beaumont to Stafford, which is in the district.

"Both candidates seem to be swimming upstream here," Zogby said. "What's clear on one hand, is Nick Lampson seems to have had the opportunity and has not closed the deal just yet. On the same token, Shelley Sekula-Gibbs has a great opportunity in a Republican district."

Fifty-three percent of respondents have favorable opinions of Sekula-Gibbs, while 23 percent report unfavorable impressions. Lampson's favorables and unfavorables are about even — 38 percent favorable to 32 percent unfavorable.

Forty percent of poll respondents say they usually vote straight-party. Thirty-two percent plan on doing so this year.

Republican straight-ticket ballots will not register votes for Sekula-Gibbs, since the special election is nonpartisan and the general election does not have a Republican candidate in the district.

What Would Democrats Do About Iraq? (CSM)

By Howard Lafranchi

The Christian Science Monitor, October 31, 2006

WASHINGTON

In poll after poll, prospective voters name Iraq as the No. 1 issue in the upcoming midterm elections.

So if voters tip one or both Houses of Congress out of Republican control, what impact would that have on the US war effort in Iraq and, more generally, on American foreign policy?

Democrats could conceivably view such an election outcome as a mandate for asserting a markedly different course in Iraq than the one President Bush has set.

But don't expect too much, most experts say.

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For one thing, Democrats are not of one mind on what to do about Iraq. And while committees chaired by Democrats might hold more meetings and call more testifiers critical of some White House policies, Mr. Bush would still retain the power of the presidential bully pulpit.

In addition, Bush's foreign policy in the second term has already evolved in a direction - away from unilateralism and toward greater cooperation - that suits both Bush's political opponents and moderates in his own party, some analysts say.

For others, the differences between Bush and the Democrats on the big foreign-policy issues are really a matter of details and not starkly black and white.

"My hunch is that there wouldn't be a large change in American foreign policy with a divided government because there really hasn't been a deep division over the overall direction of that policy," says Julian Zelizer, a specialist in foreign policy and contemporary American politics at Boston University.

"It's ironic because the rhetoric has been so fierce," Mr. Zelizer adds. "But there is general consensus on the war on terror, and even on Iraq it's principally a matter of specifics - for example, the exit strategy and how to handle the Iraqi government. It's not, 'the president says stay' versus 'the Democrats say get out now.' "

Indeed, while some Democratic members of Congress have fielded ideas that have pushed the Iraq debate forward - Rep. John Murtha of Pennsylvania calling for a withdrawal from Iraq, or Sen. Joseph Biden of Delaware proposing a confederation of sectarian-based provinces to stem the violence - the Democrats are not united behind one Iraq policy. That can be seen in the disparate campaigning by Democrats on Iraq, with the one common thread a stiff criticism of Bush's "stick with it until victory" policy.

Despite some niche attention to Darfur or Iran or China trade policy, foreign policy in the midterm elections largely boils down to Iraq. Recognizing that, the White House is signaling to voters that it hears and shares their anxiety, some analysts say, while suggesting that adjustments in policy are coming no matter the outcome of the elections.

"It's what I call the law of anticipated reaction," says Lawrence Korb, a former Pentagon official in the Reagan administration, now at the Center for American Progress in Washington. "The White House can read the writing on the wall and is already adjusting: They've given up 'stay the course' and are now talking about tactical adjustments," he says. "That way they get ahead of looking like they are being pushed by the Democrats."

That said, a House or Senate controlled by Democrats would not be welcomed by the White House. After all, relatively recent history shows that a hostile Congress can at least slow a president's preferred foreign-policy course.

As a new president in 1974, Gerald Ford received briefings from Pentagon officials saying the United States could stave off a full victory by North Vietnam in the south with a bombing campaign. But the Republican president decided against it. Faced with stiff opposition to more war from a Congress that had increased its Democratic majority in midterm elections, Mr. Ford would later conclude in his memoirs that approving the airstrikes would have gotten him impeached.

Congressional opposition to Bush's Iraq war policy may not have reached that level. But that and other differences over foreign policy could raise the speed bumps for the White House.

For example, Democrats who were earlier forced to hold a kind of rump committee meeting for retired military officers disgruntled over Iraq could now make such hearings official.

"It will cause problems for Bush, that we know," says Thomas Henriksen, a foreign-policy expert at the Hoover Institution in Stanford, Calif. "We could anticipate new troubles for [Defense Secretary Donald] Rumsfeld, more debate over what we do with radical Islam."

In terms of foreign policy, perhaps even more important than who controls Congress is the fact that Bush will be entering his last two years in the White House. Mr. Henriksen says Bush faces a "double whammy" of receding power and the unpopularity of his defining foreign-policy action.

"It makes him the ultimate lame duck," says Henriksen, who expects Republicans with presidential aspirations to begin distancing themselves from Bush policies that the public has turned against.

But not even this means that major shifts in US foreign policy are likely anytime soon. Some experts point out that Bush, hardly known as a leader who changes his mind easily, has paid little heed to respected foreign-policy thinkers in his own party with differing views: for example, Sen. Richard Lugar of Indiana, chairman of the Senate Foreign Relations Committee, or Sen. Chuck Hagel of Nebraska, a longtime critic of Bush Iraq policy.

Some observers believe that kind of brushoff will end when the congressionally mandated Iraq Study Group, cochaired by former Secretary of State James Baker III, offers its recommendations sometime after the elections.

But there are even doubts in some quarters over how much stock the White House will put in those recommendations. This suggests to some analysts that the Democrats won't expect to make dramatic changes in foreign policy, even if they manage to win both houses of Congress.

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"A lot of Democrats will remember the aftermath of 1994 [midterm elections that delivered a huge Republican tide], when one of the biggest mistakes of the Republicans was to overplay their hand the first year out," says Zelizer of Boston University. "The focus then was the domestic agenda, but it will still serve as a cautionary tale to the Democrats about being too bold."

Bush Family Members Hit The Campaign Trail (MCT)

By Dave Montgomery

McClatchy Newspapers, October 31, 2006

WASHINGTON — As President Bush scrambles to fend off a Democratic takeover of Congress, he's getting reinforcements from those closest to him - his family.

His wife, father, mother, at least two of his siblings and a nephew have all become surrogate campaigners in the runup to the Nov. 7 midterm elections to help preserve a Republican congressional majority for the remaining two years of Bush's term.

"They're getting to seem more like the Kennedys," said Stephen Hess, a professor of media and public affairs at The George Washington University, recalling the election-time activism of another famous political clan. "There is no question that, on any particular day, they're all out campaigning for somebody."

Leading the family's charge, of course, is the president, who was in Georgia and Texas on Monday, including a stop in the Houston suburban district of former House Majority Leader Tom DeLay.

With a week before voters go to the polls, the election looms as a referendum on Bush's presidency, the war in Iraq and the GOP-led Congress. Growing disenchantment over the war and other policies could cost Republicans their majority in the House of Representatives and possibly the Senate.

Preventing that outcome has become a family affair for the Bush clan. Other than the president, the most visible family member on the campaign trail is first lady Laura Bush, who's shed any remaining vestiges of her reluctance about campaigning to plunge headlong into the 2006 political season.

As of late last week, the first lady had appeared at 51 political events and helped raised $16 million.

The president's wife of 28 years offers an asset that her husband no longer has - a reservoir of good will with the public. According to a Newsweek poll late last week, the president had a 37 percent approval rating. Voters gave Laura Bush a favorable rating of 68 percent in a CNN poll in late September.

Republican political operatives have directed the first lady, as well other family members, to strategic battlegrounds to help struggling GOP incumbents. In a typical foray, the first lady appeared on behalf of Republican Sen. Jim Talent in Missouri and was described in a press account as "the chief attraction" at a fundraiser that collected $300,000 for Talent's campaign.

"There is certainly more demand than there is supply," said Tracey Schmitt, a spokeswoman for the Republican National Committee. "There are far more requests for Mrs. Bush to travel around the country than she can possibly fill."

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Similarly, Bush's parents, former President George H.W. Bush and former first lady Barbara Bush, have repeatedly ventured out of their hometown of Houston to help their party's cause. The president's brother, Florida Gov. Jeb Bush, is also working on behalf on GOP candidates.

Others have offered more limited assistance. George P. Bush, the son of Jeb Bush and the president's nephew, has appeared on behalf of several Hispanic Republicans, including Rep. Henry Bonilla of Texas. For the younger Bush, whose mother is Mexican, the appearances extend a high-profile effort to strengthen the Republican Party's ties to Hispanics.

Bush's sister, Doro Bush Koch, who lives in Bethesda, Md., says she has done "a little bit" of work for Maryland Republican Michael Steele in his race for the U.S. Senate. But she's spent most of her time recently promoting her new book on the first Bush to serve in the White House, "My Father, My President, a Personal Account of the Life of George H.W. Bush."

At times, members of the Bush clan cross paths as they swoop into races designated as must-win for Republicans.

The president was in Indiana over the weekend, appearing before more than 4,000 energetic supporters for Rep. Mike Sodrel, who won his seat by only 1,200 votes two years ago. Laura Bush hit Sodrel's district a few days earlier, several weeks after her mother-in-law came to the state.

Florida is another popular Bush destination, giving the former president and former first lady a chance to reunite with their governor-son while helping out the party. Laura Bush has also campaigned in the state.

Bush's parents - he's 82, she's 81 - have been indefatigable. The former president has made stops in at least six states, and his wife has hit at least five.

Although the elder Bush was defeated for re-election, he remains a "venerated figure" among a substantial segment of the electorate, said Norman Ornstein, a resident scholar at the conservative American Enterprise Institute. Barbara Bush, he said, is "still a superstar."

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The white-haired former first lady frequently displays her trademark flair for straight talk or self-deprecating humor. At a Dallas appearance for Texas Sen. Kay Bailey Hutchison, who's being challenged by Democrat Barbara Ann Radnofsky, Bush said she was surprised to find that Radnofsky's "most stinging criticism was that she called Kay an aging prom queen."

"That sounds pretty good to me," said the former first lady. "I'd love to be a prom queen, aging or fat or whatever."

Controversy Gives Hastert Time At Home (NYT)

By Mark Leibovich

The New York Times, October 31, 2006

BATAVIA, Ill., Oct. 28 — Speaker J. Dennis Hastert is spending a lot of time in his district these days.

He spent part of a cold, blustery Friday in Geneseo at an outdoor ceremony with local business leaders. Nose dripping as he endured 20 minutes of speeches, he spoke only briefly, paying homage to the high school football team. He spent Saturday morning thanking volunteers in his campaign headquarters in Batavia and Sunday afternoon riding his antique fire engine in the Pumpkin Day Parade in Sycamore.

Mr. Hastert, 64, had planned to be on the road in October, campaigning for Republican House members. But most of those events were canceled after Representative Mark Foley's sexually explicit e-mail messages to House pages became public and Mr. Hastert was criticized as not doing more to stop them.

"Sure, it bothers you," Mr. Hastert said in an interview in his headquarters. "But I understand, if I've got 15 television trucks sitting outside my house, and I've got a helicopter looking in the window, you probably don't want to bring that into somebody else's district."

So he has stayed here, in his district west of Chicago, where he used to teach high school and coach wrestling. Mr. Hastert has been elected here 10 times; his opponent, John Laesch, is a carpenter and political newcomer. People call Mr. Hastert Denny and Coach and talk about the bum rap he is getting.

"The way the media's talking, you'd think he was the one that sent the e-mails," says Dennis Wiggins, a friend visiting Mr. Hastert's campaign offices.

Friends say Mr. Hastert is in decent spirits, if going slightly stir crazy at times. "He absolutely misses the campaigning," said Tom Cross, the Republican leader in the Illinois House of Representatives and a former student of Mr. Hastert.

The speaker takes pride in his efforts on behalf of his Republican members. "I've been out in 50 or so districts since the first of August," he said Saturday. But few of the trips have been recent and most took place in August.

He still makes a few carefully selected visits. He traveled Thursday to northeastern Tennessee, where he campaigned for the Republican candidate in a district no Democrat has carried in more than a century.

On Monday, he was in Texas and Oklahoma City, where he attended a fund-raiser for a Congressional candidate whose Democratic opponent promptly accused her of aligning "herself with the disgraced leadership of the Republican Party."

Mr. Hastert is unaccustomed to the role of incendiary figure. He has operated largely out of camera range, leaving much of the focus on deputies. He has always fashioned himself a slightly beleaguered leader, someone who does not need the job and never wanted it.

His unlikely rise came after the would-be successor to Speaker Newt Gingrich, Representative Bob Livingston of Louisiana, bowed out because of marital infidelity. Mr. Hastert was called "the accidental speaker" but has since become the longest-serving Republican in that role.

"The speaker has always brought a real balanced and grounded approach to an otherwise surreal process," says Representative Adam H. Putnam, Republican of Florida and a protégé of Mr. Hastert. "Now he's in the middle of all the surrealness."

Last Tuesday, when Mr. Hastert returned to Washington to testify about the Foley affair before the House ethics committee, reporters and photographers staked out his office. At one point, Mr. Hastert left to use the bathroom down the hall. He greeted reporter Mike Viqueira of NBC, with whom he shares an interest in Japanese culture.

"Konichi wa," Mr. Hastert whispered, saying hello to Mr. Viqueira.

On the way out, Mr. Viqueira asked the speaker in Japanese if he would be "going downstairs" that afternoon, to which Mr. Hastert replied, "Hai" ("Yes").

After lunch, Mr. Hastert rushed downstairs, trailed by members of the news media and an entourage of staff and security. He entered the ethics committee room, in the basement of the Capitol and right next to a House page locker room.

Mr. Hastert stayed for almost three hours, came out, made a quick statement, ignored shouted questions ("Mr. Speaker, will you resign?") and headed out of town.

"When you take a job like this, you basically offer yourself up," Mr. Hastert said Saturday back in Illinois. "You know, you're going to take some criticism. You're going to take some spears."

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The question that lingers is how long Mr. Hastert wants to keep taking spears and offering himself up. Even before he became speaker in 1998, he had spoken to headhunters about jobs in the private sector. He thought seriously about leaving after the 2004 election, but President Bush asked him to stay.

Mr. Hastert says he will run again for speaker if Republicans stay in the majority. Asked whether he will serve out his full term, Mr. Hastert says, “That is my intent,” but shrugs while he says it.

Friends and associates of Mr. Hastert say he seems driven less by any great ambition to remain as speaker and more by a desire to let his reputation recover.

“He needs to win the re-election, keep the majority and continue as speaker because this would be a terrible way for his career to end,” said John Feehery, a former Hastert aide.

Mr. Hastert is also fueled by what appears to be a genuine dislike of Representative Nancy Pelosi, the House minority leader, who would be speaker if Democrats gained 15 seats next week. To invoke Ms. Pelosi as speaker is a Republican talking point, but when Mr. Hastert does it, it smacks of disdain.

Asked if he has spoken to her recently, Mr. Hastert grimaces and says Ms. Pelosi called him last week “to read me the riot act about something.” He adds: “She’s scripted, and you don’t really get a word in edgewise. You don’t get a lot of dialogue.”

Two weeks after the Congressional page scandal erupted, Mr. Hastert bought some farmland along Wisconsin’s western edge. The parcel is the second he had bought there in less than a year. Mr. Hastert and his wife, Jean, have told friends they intend to spend part of their retirement on the property, which sits on a bluff overlooking the Mississippi River.

Republicans See Edge From Early Voting (WSJ)

By John D. Mckinnon And Erika Lovley

The Wall Street Journal, October 31, 2006

WASHINGTON -- Down in the polls and with their majorities in Congress at risk, Republicans say they have some good news in early-voting statistics that suggest their voter-turnout machine is providing an edge in some tight races.

If the trend holds, it could mean that early voting is growing -- and continuing to benefit Republicans, who exploited the practice in the 1990s. Experts say early voters could be a bigger factor this year when overall voter turnout could be lower than in 2004, a presidential-election year.

This year, though, Democrats contend that Republicans are exaggerating their successes so far, by highlighting a few races, while ignoring problems they are having in motivating their troops around the country. Democrats also questioned several specific Republican claims, while noting their own early-voting numbers show they are starting to catch up with their rivals in early get-out-the-vote efforts in battleground states such as Iowa.

Several of the examples Republicans cite are coming from states and congressional districts where they have some of their strongest local organizations. And despite the strength of the Republican turnout machine in the past few election cycles, it's yet to be seen whether Republicans can replicate isolated success stories across the electoral map in a tight election year.

Early voting has grown in the past 15 years, from around 2% of the national electorate participating to about 20% in 2004, said R. Doug Lewis, executive director of the Election Center in Houston, a nonprofit group. Experts predict this year that 19% to 25% of the electorate will vote early at the polls or by mail-in absentee ballots. That compares with about 14% in 2002, the most recent midterm election.

Republicans have had an advantage with early-voter turnout over Democrats because of better party funding and organization, according to Paul Gronke, director of the Early Voting Information Center at Reed College in Oregon, a state where traditional Election Day polling has been eliminated altogether in favor of voting by mail. "I suspect it will still be their advantage," he said.

In congressional districts from Ohio and Florida to New Mexico and Arizona, Republicans report that their get-out-the-vote organization is gaining traction a week ahead of Election Day. The aim of the effort generally is to maximize turnout among their most loyal and reliable voters. If successful, it could help them to hold down their losses in this election cycle and perhaps even retain their majorities in the House and Senate.

In the fiercely contested New Mexico district held by Republican Heather Wilson, the party says that the number of absentee ballots already requested by Republicans has almost reached the number requested in 2004 -- nearly 22,000 so far this year, compared with almost 24,000 in 2004. The party says it is on a pace to exceed 2004.

Meanwhile, in the bellwether Ohio district held by Republican Steve Chabot, about 60% of all early votes are coming from the roughly 40% of the electorate that the party has targeted for early voting. That's the highest rate in the country, according to an internal party memo, and good news -- "provided they vote the way we predict," the memo adds.

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In two Florida districts that are in doubt -- the 13th and 16th, previously held by Reps. Katherine Harris and Mark Foley, respectively -- Republicans are ahead in both absentee balloting and early voting. In previous election cycles, Democrats have enjoyed an advantage in early voting, party operatives say.

And in the Georgia congressional district now held by Democrat Jim Marshall, "nearly twice as many of our supporters are voting as they should be, based on population," according to the internal memo. President Bush will visit the district today to stump for the Republican challenger, former congressman Mac Collins. Republicans hope to unseat Democrats in two districts in Georgia as a way of offsetting losses expected in districts across the Midwest and in the Northeast.

Democrats questioned the Republicans' claims, particularly regarding New Mexico's 1st District. They said Democrats are almost even with Republicans in the number of absentee ballots cast so far in the area, suggesting that the incumbent party is struggling even in a district where its volunteer organization is regarded as one of the best in the country. They also pointed out that Ms. Wilson's real worries lie not with Republicans but with Democrats and independents, who appear to be backing her opponent more strongly than in the past.

"It's a bunch of spin," said Democratic National Committee spokeswoman Stacie Paxton. "I don't think their numbers add up." She said in the battleground state of Iowa, for example, Democrats have returned more absentee ballots than Republicans, and their rate of return is higher too.

To encourage early voting, the parties typically mail out applications for absentee ballots to their targeted voters. Fueling the trend toward early voting, 30 states now allow unrestricted absentee voting, with 15 allowing early voting in person at county-clerk offices and polling areas.

The process isn't free of glitches, though. Some elections experts criticize the widespread use of absentee ballots because of the potential for fraud. And early voting has had at least a few glitches because of mechanical problems.

In Maryland, where voting-machine glitches were reported during primary balloting earlier this year, requests for absentee ballots for Nov. 7 have more than doubled from the number during the state's most recent gubernatorial election in 2002. As of yesterday, 161,094 Maryland voters had requested absentee ballots, according to Donna Duncan, director of election management for the Maryland Board of Elections. Roughly 78,000 were from Democrats and 68,000 from Republicans.

Some analysts have predicted that the growth of early voting -- much of it encouraged by Republicans -- would backfire on the party this year. Analysts figured that many of those early voters would be affected by the run of bad news the party suffered in September and early October, including violence in Iraq and the congressional-page scandal involving Rep. Foley.

But Republican National Committee political director Mike DuHaime said that concern is likely exaggerated, because the party is focused on turning out a relatively reliable core of supporters. "We try to drive people who we feel with a high degree of confidence are going to vote Republican, and leave it to the candidates" to persuade independents and swing voters, he said.

Democrats, Playing Catch-Up, Tap Database To Woo Potential Voters (WSJ)

By Yochi J. Dreazen

The Wall Street Journal, October 31, 2006

WASHINGTON -- In the final week before the election, Democrats pushing to convert their lead in the polls into control of Congress are pinning their hopes of success on an increasingly common tactic for pumping up voter turnout: microtargeting.

The technique aims to identify potential supporters by collecting and analyzing the unprecedented amount of information now readily available -- from census data to credit-card bills -- to profile individual voters. Political strategists then tailor messages to entice those prospects to the polls, using the same methods marketers use to sell autos or aspirin to consumers.

In this tight election year, microtargeting could make the difference in important House and Senate races in states such as Minnesota, Ohio and Pennsylvania. Alexander Gage, president and founder of TargetPoint Consulting, an Alexandria, Va., microtargeting firm that works for the Republican Party, estimates that successful microtargeting can bring congressional campaigns an additional 5,000 to 10,000 votes, a number that could be decisive in a House race. "Politics is always won and lost at the margins," he says.

Democrats are playing catch-up to Republicans, whose use of microtargeting in 2004 energized millions of new voters who backed President Bush. Republicans have since expanded their database in size and sophistication, even as formerly skeptical Democrats have spent millions of dollars building microtargeting systems of their own.

A key player for Democrats is Copernicus Analytics, a small and little-known firm based here that made its name last year by helping to propel Democrat Timothy Kaine to victory in the Virginia governor's race. Big-money, Democratic-leaning clients from the AFL-CIO to Emily's List, a group that backs pro-choice female candidates, have enlisted Copernicus this election year.

Focusing on 29 races, Copernicus says it already has helped campaigns identify more than a million potential new supporters, a significant number given that many races in the closely divided nation are likely to be decided by thin margins.

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Copernicus's chief scientist, Ben Yuhas, likens microtargeting to searching for a needle in a haystack -- over and over again. The spreadsheet on a single voter from one of the states where Copernicus is operating contains more than 500 rows of information, ranging from whether a prospect lives in an apartment or house to commercially purchased data on the type of car the voter drives. Mr. Yuhas has developed mathematic formulas based on such factors as length of residence, amount of money spent on golf, voting patterns in recent elections and a handful of other variables to calculate the likelihood that a particular American will vote Democratic.

Last week, a Democratic congressional campaign locked in a tightening race in a battleground Midwestern state asked Copernicus to identify Republicans who could potentially be swayed into voting Democratic, and the issues likeliest to win them over. Copernicus crunched the numbers and came back with its answer: Tens of thousands of Republicans who the company predicted to be abortion-rights supporters didn't have strong partisan affiliation with the Republican Party. Now the campaign, which Copernicus declined to identify, is making a play for those voters.

Microtargeting entered the political mainstream in the 2004 election, when White House adviser Karl Rove, who long ran a direct-mail marketing business, deployed it to reach voters whom Mr. Bush's re-election campaign had failed to reach by other means. The Bush campaign gave TargetPoint $3 million to microtarget voters in 18 states. In Florida, the campaign used microtargeting to make contact with 84% of eventual Bush voters, up from 33% in 2000. In Iowa, the campaign reached 92% of his eventual voters, up from 50% in 2000.

"It gave us a way of finding people we couldn't find before," says Bush strategist Matthew Dowd. "We could get at Bush voters in Democratic precincts, swing precincts and other places we'd never been able to look before."

Republicans have long outstripped Democrats in their support for, and use of, the technique -- an edge the Republicans hope to maintain this election. Today, Republicans use a centralized computer system called Voter Vault that is available to Republican candidates across the country. TargetPoint executives hold monthly conference calls with top Republican operatives such as White House political director Sara Taylor. The Republican National Committee now has data covering tens of millions of voters from across the country, to which TargetPoint has access. In 2004, the firm had such a comprehensive database only for Ohio.

Until recently, Democrats, who had long relied on the old get-out-the-vote muscle of organized labor, were skeptical of building voter databases, says Copernicus founder Mark Steitz, who spent several years as a senior official at the Democratic National Committee in the early 1990s.

In April, frustrated by the lack of a party-driven effort, former Clinton aide Harold Ickes launched a $9 million initiative now known as Catalist to build a massive new voter file that campaigns and interest groups will be able to access directly. Catalist provides Copernicus with data on individual voters, which Copernicus then uses to predict how people with similar profiles will vote.

Though it is working for some individual Democratic campaigns, Copernicus doesn't work for the DNC. Most of the firm's work is for pro-Democratic interest groups. America Votes, a new umbrella group of 32 major liberal organizations including the Sierra Club, is pooling its members' microtargeting efforts in the hopes of boosting Democratic turnout in battleground states. Emily's List is spending $250,000 in Michigan and Minnesota, while the AFL-CIO is spending nearly $2 million more to run microtargeting efforts in more than 24 other states. Both organizations, which are part of the America Votes alliance, mostly use Copernicus, though Emily's List also uses rival company Garin-Hart-Yang, better known for polling work.

Naming his firm Copernicus was Mr. Steitz's nod to the famous 16th-century astronomer, whose work he had studied at St. John's College in Annapolis, Md. The astronomer tried to change how his contemporaries saw the world around them. "Copernicus took individuals out of the center of the physical universe; we are trying to put them back at the center of the political world," Mr. Steitz says.

The firm's number-crunching is done by Mr. Yuhas, who did his doctoral dissertation on lip reading and later spent years in the credit-card industry. He joined Copernicus in early 2005 because of anger at the Bush administration's opposition to stem-cell research. His brother was diagnosed in 1999 with amyotrophic lateral sclerosis, or "Lou Gehrig's disease," and Mr. Yuhas saw the administration's stem-cell decision as profoundly misguided.

Messrs. Steitz and Yuhas, whose offices are above a yoga studio here, won their first big victory last year in Mr. Kaine's gubernatorial race. Recently, to illustrate the firm's work, Mr. Steitz called up a color-coded map of Virginia on a large flat-screen computer monitor, noting that none of the state had the bluish tint of a Democratic district. He punched a series of keys and the map zoomed in on a neighborhood, and then a street, until blue dots began appearing. Each dot represented an individual Kaine supporter in Loudon County. The Copernicus system allowed the campaign to find potential supporters regardless of where they lived, based on factors such as whether they lived in private houses (more likely Republican) or apartment buildings (more likely Democratic).

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Last year, Copernicus was unable to divide people into segments of like-minded voters, something Mr. Gage at TargetPoint has done for years. That left the Democrats at a disadvantage to Republicans, who have used Mr. Gage's models to decide what themes to emphasize with voter segments such as "Religious Conservative Republicans" or "Tax and Terrorism Moderates."

Copernicus says it has honed its techniques in recent months, enabling it to focus on voters in the same ways Republicans did in 2004. In Minnesota, Copernicus's work has led Democrats to focus on what the firm calls "Rural Religious Moralists," predominantly married women who might be swayed into voting Democratic over health care, education and gasoline prices. In Michigan, the company's work identified "Downscale Union Independents," who are socially conservative but deeply concerned about the economy.

For their part, TargetPoint and Republicans haven't been standing still. After profiling voters in many key states in 2004, the company can generate more detailed predictions of how voters will behave this time around. In Michigan, for example, TargetPoint's Mr. Gage says he will be able to give Republican officials a list of 800,000 voters with a strong likelihood of voting Republican, up from 500,000 in 2004.

Copernicus's Messrs. Steitz and Yuhas, meanwhile, are spending the last days before the election helping a liberal advocacy group compile lists of Christian voters who the company believes can be persuaded to vote Democratic. "We're not saying that all Christian voters can be moved a little on this," Mr. Steitz says. "We're saying that some Christians can be moved significantly, and that we can tell you who they are."

Analysis: GOP Likely To Lose House Seats (AP)

By Liz Sidoti

AP, October 30, 2006

Judging by history — and the latest math — Republicans are likely to lose House seats on Nov. 7.

Democrats now hold a double-digit lead over Republicans on the polling question intended to forecast which party will win control of the House, a gap unseen for at least a decade. Just how many seats — and whether the GOP sustains enough losses for Democrats to rise to power — is less clear.

Admittedly, the question is imperfect. It doesn't mention candidate names and congressional districts, simply asking voters whether they want Democrats or Republicans in charge.

The main problem with the measure: "We have 435 separate elections. This is national polling," says Charles Franklin, a University of Wisconsin-Madison political science professor. "We don't know what's going to happen."

Still, historical trends show that the so-called generic ballot question has proven to accurately predict whether a party will gain seats when other variables are taken into account as well. However, on its own, the question can't say with certainty which side will win the 218 districts needed for a majority.

Little more than a week before the elections, the Democratic advantage in national polls is much wider that in previous midterm elections when Democrats captured a few Republican-held districts. That has led analysts to conclude that Democrats inevitably will gain seats this fall.

For months, Democrats have been widely favored over Republicans on the question most every pollster asks to measure where the campaign for control of the House stands. It's some version of what the Associated Press and Ipsos asks — "If the election for U.S. House of Representatives were held today, would you vote for the Democratic or Republican candidate in your congressional district?"

The latest AP-AOL News poll showed 56 percent of likely voters said Democrats, while 37 percent said Republicans, a 19 percentage-point advantage less than two weeks before voters choose a new House. The gap was 10 percentage points in early October.

Because of the way House districts are drawn, a narrow Democratic advantage in the question doesn't necessarily portend that the party will gain seats. However, the wide gap of late indicates Democrats likely will knock off GOP incumbents because it reflects the mood of the country against the status quo — even though it doesn't directly translate into how many seats Democrats will gain.

"The question traditionally has done a good job of measuring the popular vote, and the popular vote is a good predictor of the number of seats each party will win," said Andrew Kohut, director of the Pew Research Center, an independent public opinion organization.

However, he and other analysts say, because congressional seats have been redistricted through the years to make Republican districts more GOP and Democratic districts more Democratic, there's less of a relationship between the popular vote and the exact number of seats won, which makes for somewhat unreliable forecasts.

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Despite such uncertainty, each time a poll comes out, Democrats seize on the results to bolster their argument that the public wants a change in the status quo. Republicans, meanwhile, dismiss the results as not reflective of the race for House control.

To a degree, both are correct.

On one hand, the question can be used as a barometer to measure the political mood of the nation. And, right now, polls show that voters are very disgruntled with the GOP-controlled Congress and more apt to put Democrats in charge of the House.

"What it tells you more than anything else is who's running into the wind and who's got the wind at their backs," said Geoff Garin, a Democratic pollster. So far, he said: "This tells a horrible story for Republicans."

On the other hand, the question is broad and riddled with problems. Chief among them is the question's lack of specificity, which analysts say undermines its validity.

The question doesn't mention names, districts, challengers or incumbents. It doesn't take into account other factors specific to the race, such as the personal attributes of the candidates or the local issues and where candidates stand on them.

That explains why voters say they favor Democrats to run the House, but also say — when asked a more specific question — that they overwhelmingly support their own congressman.

"What you're ultimately trying to do is figure out what's the greatest predictor of whether the party of the president is going to win or lose seats," said Steven Lombardo, a Republican pollster, who suggested that better measures would be the president's approval rating. "Ultimately, there's no one single data point or place you can go to tell you what's going to happen."

The best measure — analysts agree — is individual polls in each competitive House district, a costly and cumbersome task.

The Six-Year Itch By MICHAEL BARONE (WSJ)

The Wall Street Journal, October 31, 2006

As Democrats begin, in George W. Bush's words, "measuring the drapes" in the offices of the House speaker and Senate majority leader, it's worth looking back on the history of sixth-year-of-the-presidency off-year elections. Have big gains for the out party been a harbinger of future voting patterns? And have opposition victories in those elections resulted in significant public policy changes? History gives us clear answers to those questions. They are: sometimes yes and sometimes no.

Sometimes yes: In the post-Civil War years, there were two big sixth-year victories for the out party. The first was in 1874, during the presidency of Ulysses S. Grant, when the opposition Democrats converted a 194-92 deficit in the House to a 169-109 majority. Historians writing in the backwash of the New Deal tended to ascribe this reverse to the Panic of 1873. But my reading of history tells me that this was a revolt against Grant's policy of stationing troops in the South to enforce civil rights for blacks. Americans had been growing weary of this strife (as they may be growing weary of the strife today in Iraq) and wanted the troops sent home. They were, and Democrats held the House for 16 of the next 20 years -- and Southern blacks were left to the mercies of segregation laws and lynch mobs.

There was another great reversal 20 years later -- the greatest in American electoral history. Amid a depression deeper than any except that of the 1930s, with violent labor strikes and low farm prices, the House flipped to 244-105 Republican from 218-127 Democratic. This was the beginning of the McKinley Republican majority (said to be the model of Karl Rove) which prevailed for most of the time till the '30s. The laissez-faire policies of Democratic President Grover Cleveland were rejected, even by his own party, and the era of Progressive government interventionism -- and Republican majorities -- followed. This sixth-term off-year election was consequential indeed.

The 20th century presents more of a mixed bag. In 1938 FDR's Democrats had been flying high for six years. In 1936 they won the popular vote for the House by 56%-40%. But in 1938 the popular vote was only 49%-47% Democratic and Republicans gained 75 seats. For most of the next 20 years Congress was dominated by an anti-New Deal coalition of Republicans and Southern Democrats, much to the fury of liberal political scientists who argued that every Democrat should somehow be compelled to vote for Roosevelt-type programs. FDR's Third New Deal, as Alan Brinkley chronicled, was stopped in its tracks. The field was set for talented maneuverers like the (in 1938) freshman Congressman Lyndon Johnson to manipulate the system for his conservative and Democratic confreres.

The 1946 elections looked like another landscape-altering reversal. Republicans won the House races by a 53%-44% popular vote majority and got a 245-188 majority. "Had enough?" was their slogan, and they promptly set about repealing wartime wage and price controls, reducing wartime tax rates and passing the Taft-Hartley Act, which reduced the power of labor unions (1946 saw the largest number of strikes in American history). They also supported Harry Truman's Cold War aid to Turkey and Greece and the Marshall Plan. This 80th Congress, which Harry Truman labeled "do nothing," and in which Richard Nixon and John Kennedy served as freshmen, made major changes in public policy. But the Republicans' work having been done, the voters pitched them out in 1948. Republicans never again had such a large House majority.

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The next big change came in President Eisenhower's sixth year, 1958. It was a recession year, at a time when most voters still feared that the Depression of the 1930s might be returning. Democrats gained 15 seats in the Senate and 50 in the House. This was the first Congress in which a majority believed in FDR's New Deal, 13 years after his death. Their numbers were winnowed a bit in 1960 and 1962 but were augmented in 1964, enough to produce the votes for LBJ's Great Society measures and, with support from most Republicans, the Civil Rights Act of 1964 and the Voting Rights Act of 1965.

Less consequential for changes in public policy were the Republican gains in the Kennedy-Johnson sixth year, 1966, when Republicans won more House votes than Democrats outside the South; the feat was accomplished again in 1968, when Nixon was elected president. This was a reaction against the Great Society, against riots in the streets of the big cities and uprisings on campuses. But under Nixon, Congress ratified the expansion of government -- through wage and price controls, the creation of OSHA and EPA, racial quotas and preferences. Thwarted in his drive for Republican majorities in 1970, he campaigned in 1972 in tandem with conservative Democrats like John Connally. He evidently supposed that Southern Democrats would stick with him on big issues. But when Watergate became an issue, Sam Ervin and other longtime opponents of civil rights let him down. The War Powers and Budget Acts were passed despite Nixon's opposition. The sixth-year election produced neither a Republican majority nor conservative public policies.

Similarly, the big Democratic gains in the Nixon-Ford year of 1974 did not produce policy gains or lasting partisan gains for the out party. The new 2-1 Democratic majority in the House did stifle attempts to come to the relief of Saigon. But under Gerald Ford and his successor Jimmy Carter domestic policy did not move far left. Deregulation of transportation and communications proceeded, and a 2-1 Democratic House passed a tax bill that cut the capital gains tax and included the great generator of individual investment accounts, Section 401(k).

Under Ronald Reagan, the House, with reduced Democratic majorities, and the Senate, with a Republican majority produced by narrow victories in 1980, cut tax rates and refused to cripple the policies by which Reagan defeated communism and won the Cold War. More consequential were the Republicans' big gains in 1994, in Bill Clinton's second (not his sixth) year. These gains resulted in welfare reform, a balanced budget and the Bush tax cuts, and a Republican trend that has lasted 12 years. But a lot of conservatives now are asking the old political question, what have you done for me lately?

All of which leaves me with the conclusion that ideas are more important than partisan vote counts. Democrats could not go beyond the New Deal from 1938 to 1958, because they had not persuaded most Americans to go Roosevelt's way until 13 years after his death. Similarly, Republicans never had reliable majorities for Reagan's polices until 1994, six years after he left office. Democratic gains in 1974 made the House the most left-leaning branch of government for 20 years -- in vivid contrast to the prognostication of '60s liberals, who said it would always be the most conservative -- and Republican gains in 1994 made it the most conservative-leaning. Those majorities affected public policy, but not always in ways their partisans liked.

If the Democrats are justified in preparing to change the drapes today, the questions to ask are: How enduring will be such a partisan switch? How much change in public policy will it accomplish? To the first question, the likelihood of an enduring partisan switch is not high -- if you believe the polls showing the leading Republicans, Rudy Giuliani and John McCain, walloping the best-known Democrats, Hillary Rodham Clinton and Al Gore, in 2008. Changes in public policy? Well, the lead item on the Democrats' wish list is to raise the minimum wage, a law first passed in 1938. Not exactly a new idea.

I don't know what the results of the midterm elections of 2006 will be. But I doubt that they will have the sweeping partisan or policy consequences of the midterm elections of 1874 and 1894, or 1938 and 1994.

Mr. Barone is a senior writer at U.S. News & World Report and coauthor of "The Almanac of American Politics" (National Journal Group).

Heavy Coverage At Midterm Favors Democrats, Study Says (USAT)

USA Today, October 31, 2006

Network news coverage has favored Democratic candidates in the midterm election, and the page scandal involving former congressman Mark Foley has been the main story line, drawing almost as much coverage as Iraq and terrorism combined, a new study finds.

An analysis by the Center for Media and Public Affairs of midterm election stories aired on the ABC, CBS and NBC evening newscasts Sept. 5-Oct. 22 found that 2006's coverage has been almost five times as heavy as in the 2002 midterm elections: 167 stories, compared with 35 four years ago.

The study found that three out of four evaluations of Democratic candidates' chances of winning — such as sound bites — were positive, compared with one out of eight for Republicans. Coverage has been dominated by two major themes: the effects of the Foley scandal, and the impact the Bush presidency is having on the party's congressional candidates.

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The Foley scandal produced 59 stories alone, compared with 33 on Iraq and 31 on terrorism/national security issues. “What's hurting Republican candidates is the media's focus on two non-candidates: Mark Foley and George W. Bush,” says center director Robert Lichter.

Because of the focus on Foley, the re-election race of House Speaker Dennis Hastert, R-Ill., was featured in 42 stories. Sen. Barack Obama, D-Ill., was featured in 10 stories, even though he's not up for re-election this year. Sen. Hillary Clinton's possible 2008 presidential run was grist for nine stories.

MSNBC gets into Hotsoup

MSNBC and a new grass-roots community political website, Hotsoup.com, have a long-term deal to share content that the cable channel hopes will initially help round out coverage of the midterm elections and that Hotsoup hopes will put it on the map.

MSNBC.com's politics section, with content from NBC News and The National Journal, will be further bolstered by daily and weekly commentary and analysis from Ron Fournier, a Hotsoup co-founder and former AP political reporter.

The pact is the latest example of mainstream outlets entering into strategic partnerships with online sites and younger-skewing media to stay relevant and take the pulse of the nation, especially Web-savvy viewers and readers. On election night, CNN and Fox News will team with bloggers for coverage.

“This is the Internet version of ‘man on the street' or taking calls on Larry King Live,” says MSNBC vice president Tammy Haddad, who once produced King for CNN. “We're saying, ‘We want to know what you think.' We're involving the community.”

Along from comments from ordinary people, political strategists from both parties who contribute to Hotsoup will now be featured on MSNBC. “We're going to hear their strategy, what they're thinking about,” Haddad says.

“Our audience is deeply news attentive, very interested in the current conversation, so being able to expand the voice of what's going on in our site to a larger audience is very important,” says Hotsoup co-founder Chip Smith.

Since no money is changing hands, the deal is also attractive to NBC at a time when the network is cutting costs.

As Election Nears, A Flood Of Nastiness (CSM)

By Linda Feldmann

The Christian Science Monitor, October 31, 2006

WASHINGTON

A taxpayer-funded call to a fantasy sex hot line. Support for using Taser weapons on 7-year-olds. Votes in Congress to deny modern body armor to US troops in Iraq.

These are but a few of the charges leveled in campaign ads against candidates for office this fall, in what some experts say is probably the most negative US election campaign in modern times.

Nasty, misleading ads have been around for decades, and it's impossible to prove empirically that the 2006 campaign tops them all, but the wave of over-the-top claims has caught the attention of both casual observers and professionals.

"Politics has always been a contact sport, but it really does feel like the rhetoric has crossed a line," says Evan Tracey, a campaign ad analyst at TNS Media Intelligence in Arlington, Va. "We've had ads with baby-crying noises from dumpsters, Playboy mansions, criminals coming over the border creating crime and mayhem. And that's the tame stuff."

Control of Congress hangs in the balance, and in many cases, the highly negative ads are coming out of close races where strategists - either for the campaigns or from the parties and independent groups that are trying to help - believe they will make a difference. They can also be seen as a sign of desperation. In some cases the ads appear to work and in others they backfire (see story below), but when a candidate is trailing badly, strategists often feel there's nothing to lose.

Perhaps the most talked-about ad of this cycle took shots at Rep. Harold Ford (D) of Tennessee, who is running for the Senate. The ad - which ended with a blond, scantily clad woman saying, "Call me" - was perceived by some viewers as racially motivated, since Mr. Ford is black and the woman in the ad is white. If nothing else, the uproar over the ad demonstrated that sensitivities about possible racial innuendo are alive and well in American politics. Ads as sources of information

As distasteful as negative ads can be to the viewing public, many campaign experts defend them for their ability to provide useful information to voters.

"There's nothing inherently wrong with negative advertising, if it's accurate," says Brooks Jackson, a former journalist and director of the Annenberg Political Fact Check project. "A positive ad can also be inaccurate and misleading. That's political disinformation that's also a bad thing."

Often, though, negative ads contain a kernel of truth that is distorted beyond the point of fairness. Take the "fantasy hot line" ad unleashed against Michael Arcuri (D), district attorney in New York's Oneida County, who hopes to fill the seat of retiring Rep. Sherwood Boehlert (R). The National Republican Campaign Committee (NRCC) created a spot accusing Mr. Arcuri of billing taxpayers for a phone call to a sex hot line, and depicting Arcuri with the silhouette of a dancing girl. According to records

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released by Arcuri's campaign, the truth is that someone misdialed the hot line in a call from Arcuri's hotel room, hung up in seconds, and dialed the intended number - the state Department of Criminal Justice Services in Albany.

Arcuri's Republican opponent, state Sen. Ray Meier, also denounced the ad and called on the NRCC to pull it, but by law, political campaigns are barred from conferring with groups that make independent expenditures on candidates' behalf. Ultimately, the ad did not air on most stations in that part of New York, according to the local press.

Democrats are also producing their share of negative ads deemed unfair by watchdog groups. Mr. Jackson's group, which posts its findings at www.factcheck.org, found 11 ads by Democrats that accused Republican incumbents of voting against a $1,500 bonus for US troops.

One such ad, produced by the Democratic Congressional Campaign Committee (DCCC) and aired in New Mexico to support House challenger Patricia Madrid, accused her opponent of voting against the bonus (and for a congressional pay raise) - but failed to note that the bonus would have come at the expense of reconstruction funds for Iraq. Rep. Heather Wilson (R), the incumbent, is locked in a tight race with Ms. Madrid, state attorney general. Negative-ad advantage: Republicans

Between the two House campaign committees, the Republicans are beating the Democrats in the race to the bottom. According to a report released last week on Factcheck.org, the NRCC so far this cycle has spent $41.9 million attacking Democrats and $5 million supporting Republicans - about 8 to 1 negative versus positive advertising. The DCCC has spent $18 million on attacks and $3.1 million on positive ads - a 5 to 1 ratio.

Looking at all campaign spending for all races - projected to come in at $2.6 billion, a record for a midterm election - ad-watchers cannot say for certain which party is more guilty of attacks. "I would guarantee you it's equal opportunity," says Mr. Tracey. "The Republican Party is not Darth Vader and the Democrats are not Luke Skywalker. It's basically, once one goes negative, everybody goes negative."

Whether negative ads drive down turnout is open to debate. But if it does, says Tracey, that's not the ads' fault. "This is America, where you've got this great right people die and bleed for. If you're going to let a bunch of silly commercials stop you from voting, it's your fault."

Still, any political candidate knows that blaming voters for their decisions - including whether or not to vote - is a losing proposition. And so, aware of the public's distaste for negativity, many see the good-cop bad-cop routine at work in Missouri. There, Senate candidate Claire McCaskill (D), locked in a close race to unseat Sen. James Talent (R), says she will not air negative ads, knowing well that the party and surrogates will do the dirty work.

But Ms. McCaskill has herself attacked Senator Talent's positions, his loyalty to President Bush, and his campaign donations, notes David Robertson, a political scientist at the University of Missouri in St. Louis. She also approved ads featuring actor Michael J. Fox, who is diagnosed with Parkinson's disease and who favors embryonic stem-cell research, in which Mr. Fox asserts that Talent wants to "criminalize the science that gives us a chance for hope."

But, Mr. Robertson adds, Talent's ads have been perceived to be more personal and mean-spirited than McCaskill's. "These ads have hurt his image as a nice-guy, conservative, policy wonk," he says.

On The Fence On Election Day; Naming 'Worst' Immigration Ads (WSJ)

By Aaron Rutkoff And Jennifer Johnson

The Wall Street Journal, October 31, 2006

AD WATCH: The national debate on immigration policy, which came to a head in a midterm election year, has been a bountiful source of negative advertising. At the New Republic Online, the center-left magazine's editors provide a handy list1 ranking "the seven worst immigration campaign ads," which coincides with an editorial2 excoriating the party behind each and every one.

All seven ads flagged by the New Republic -- and mostly pulled from YouTube, which features dozens of other examples -- have been made by or for Republican candidates. Democrats, as a group, surely succumb to their own issue-exploitation instincts, but by and large immigration is not that issue. "The genre has several hallmarks," TNR's editorial explains. "It evokes a fear of lawlessness and a sense of growing social decay; it impugns opponents with a lack of patriotism (MITCHELL AGAINST ENGLISH LANGUAGE, reads the bottom of the screen in one of Representative J.D. Hayworth's ads3)."

Vernon Robinson, a long shot ultra-conservative congressional candidate from North Carolina, earns the distinction of having two of his campaign's ads on the TNR list. One, a radio spot4, is sung to the tune of the "Beverly Hillbillies" theme song. Rep. Brad Miller, the incumbent, has "all the sneaky aliens eating from his hand," according to the lyrics. A Vernon Robinson TV ad5, which took first place in the rankings, features an image of a Latino man grabbing his crotch and the disturbing suggestion that illegal immigrants "take our jobs and our government handouts, then spit in our face and burn our flag."

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Peter Roskam, a Republican vying for an open House seat in Illinois, also has two ads on the list (one paid for by the NRCC6) accusing his Democratic rival of supporting tax hikes to pay for "handouts for illegal aliens7." A hardnosed immigration-themed ad from the gubernatorial race in Colorado is also included.

Beyond Republican sponsorship, these ads demonstrate an interesting trend: All but the Hayworth ad, from Arizona, originate from states that are located far from the Mexican border. * * *

DESERT DECISIONS: In Arizona, the fault lines on the immigration issue are impossibly tangled. In one congressional district on the border, Republican hardliner Randy Graf has called for the expulsion of undocumented immigrants, staking out a position far from much more moderate views of Democrat Gabrielle Giffords. The irony, as the Christian Science Monitor points out8, is that the district's retiring Republican congressman, Jim Kolbe, has publicly sided with Ms. Giffords on the issue.

And even Mr. Graf can find himself shocked by immigration foes in his district. At a rally, the CSM article notes, someone handed him a denim vest that allegedly belonged to an illegal alien. "When Mr. Graf put it on, the crowd cheered. But the theatrics went too far, and his face blanked when the giver joked: 'It has a bullet hole in the back.'"

Meanwhile, Republican Rep. J.D. Heyworth, an incumbent with an anti-immigration platform, has found himself under attack from his Democratic challenger for not doing enough to fix the problem. "The number of illegal immigrants in our state has increased 400% during his tenure in Congress," declares an ad for challenger Harry Mitchell, according to a Cox News Service report9.

And then there is Arizona's Democratic governor, Janet Napolitano. As the Cox story indicates, she's "expected to win re-election handily despite her support of a guest-worker program that would allow illegal immigrants to get temporary visas" – an outcome that may show limits of the immigration issue's power over statewide voters.

In final twist, Arizona also features four immigration-tinged ballot issues10. Proposition 103 would make English the state's official language, although as an Arizona Republic article11 indicates, even if passed little would change. "Ballots would still be printed in Spanish because federal law requires it. Conversations at government offices, from the Motor Vehicle Division to the agency that issues birth certificates, could continue in languages other than English."

The remaining ballot initiatives would deny certain benefits, such as in-state college tuition and subsidized childcare, to illegal immigrants; amend the state constitution to prevent illegal immigrants from winning punitive damages in court; and eliminate bail for illegal immigrants arrested on felony charges. * * *

SUBURBAN BATTLE: Border security and illegal immigration have emerged as defining issues in two bitterly contested congressional races12 in the Chicago suburbs. It's part of the new "suburban political landscape," according to Oscar Avila and John Blemer in the Chicago Tribune. In this world, immigrants play a central role in the economy, but residents see their presence as a drain on resources.

Republicans have rolled out immigration ads in many of these suburban areas, and polls shows that the issue has energized the Republican base. In Illinois's 6th District, an ad for Peter Roskam criticizes his Democratic opponent, Iraq war veteran Tammy Duckworth, for her support of an immigration reform bill.

Still, a study found that these Chicago districts have added 45,000 naturalized citizens since 2000, and that means 45,000 potential new voters. * * *

TEXAS: Republican Cynthia Calhoun is using her maiden name of Figueroa when she runs for Dallas County clerk this time around. And Rose Renfroe went to court to be able to use her nickname, "Rosita," on the ballot for District 4 Commissioners Court. Dallas Morning News columnist Mercedes Oliveras asks: Is being a Latino finally an advantage at the ballot box13?

"I am encouraged ... that there are more Hispanics on the ballot. It's more reflective of the community, and the more Hispanics you have running, the more it encourages other Hispanics to go out and vote," says Juan Jasso, a Dallas County justice of the peace.

These local Texas races could signal a shift that some say "will propel [Dallas County] and Texas into the blue column sometime within the next six to eight years," she writes. Political consultant Dan Weiser says Dallas will be the first major urban county in Texas to swing back to Democrats. He says other cities will follow as the state's Hispanic population grows and Latinos become familiar with the voting process. * * *

AND THE WINNER IS …: As we near the midterm milestone, two conservative analysts present retrospectives on the immigration issue. Oddly, however, the authors reach opposite conclusions about who emerged victorious from the immigration policy trenches.

John Fonte, a Hudson Institute fellow writing in the National Review this week14, looks back at the now-signed fence legislation passed without even the suggestion of a guest-worker program – and declares it a victory for ordinary citizens over institutional elites. "How did this happen?" he asks. "The answer is that it happened because the House Republican leadership (with help from Senate conservatives) made immigration enforcement a priority, fought for it, and won in the face of vehement elite opposition."

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Given this assessment, Mr. Fonte darkly notes that the anti-amnesty bulwark formed by the Republican-controlled House seems most vulnerable now in the midterm elections. "A change in House leadership from Republican to Democrat will mean a major change in immigration policy," he writes. "It will mean amnesty, a massive increase in legal, low-skilled immigration, and the gutting of serious border and interior enforcement."

Manhattan Institute scholar Tamar Jacoby, writing in this month's Foreign Affairs magazine15, foresees that same outcome. But, on her analysis, the hallmarks of the "comprehensive reform" agenda on immigration will win the day because of an emergent national consensus on the issue. "In fact, the nation is far less divided on immigration, legal or illegal, than the current debate suggests," she writes. "[A]n overwhelming majority -- between two-thirds and three-quarters in every major poll -- would like to see Congress address the problem with a combination of tougher enforcement and earned citizenship for the estimated 12 million illegal immigrants already living and working here." In her full essay, Ms. Jacoby maps out the immigration realignment to come. * * *

DETERMINING FACTOR? Immigration has never been such a hot-button political issue, says Brian Mitchell of Investor's Business Daily, but it still isn't likely to be a determining factor in most midterm elections16. Recent Republican scandals have pushed immigration into the background. Plus, Republicans "torn between pro-immigration donors and anti-immigration voters" have shied away from the issue, he writes.

In races where candidates differ on immigration reform, Mr. Mitchell says the issue hasn't paid off as much as hoped. Pennsylvania Sen. Rick Santorum has attacked Democratic challenger Bob Casey Jr. on the issue for months in various political ads. Still, polls show Mr. Casey with a slight lead.

"Republicans are more anti-immigration than Democrats," he writes, "but the GOP's split between its leadership and grass-roots has kept the party from taking advantage."

Republicans' Double Negatives (WP)

By E. J. Dionne Jr.

The Washington Post, October 31, 2006

Ronald Reagan's brilliant achievement on behalf of American conservatism was to capture hope and optimism from a liberal movement that enjoyed a near monopoly on those virtues from the day Franklin Roosevelt told us we had nothing to fear but fear itself.

Whatever else it will be remembered for, this year's campaign will mark the moment when Republican leaders who govern in the name of conservatism turned definitively away from hope and waged one of the most trivial and ugly campaigns in our country's history.

It's common to gather all political attacks under one large rubric called "negative campaigning" and to condemn the lot. But this is misleading.

A conservative who attacks his opponent for wanting to raise taxes and a liberal who accuses an adversary of favoring cuts in Medicare or environmental programs are both being "negative," but legitimately so, presuming that the criticisms are rooted in fact. If candidates can't air their disagreements, what's the point of free elections?

But this year Republican campaigners and their advocates in the conservative media have crossed line after line in sheer meanness, triviality and tastelessness. Conservative optimism and its promise of morning in America have curdled into the gloom of a Halloween midnight horror show.

The reason is obvious: With the public turning against President Bush's policies in Iraq, most Republicans would prefer not to defend the war. Because most voters do not see the battle in Iraq as making us more secure, fear of terrorism has not worked as effectively for the GOP as it has in the past two elections. And the current majority can't exactly brag about, say, balanced budgets or its achievements in this Congress.

And so in Virginia we have Sen. George Allen, a Republican, assailing the widely admired novels written by his opponent, Democrat Jim Webb, for what an Allen adviser called "chauvinistic attitudes and sexually exploitative references." Lost here is that Webb's fiction has drawn praise for the moving and realistic way he has depicted war and those who fight for their country.

Conservatives should be embarrassed by Allen's last-minute sliming of Webb's books, since conservative critics have been among their biggest fans. In 2002 a writer for National Review, one of the nation's leading conservative publications, said Webb's "Fields of Fire" was "still the finest novel yet written about Vietnam." Reviewing Webb's novel "Lost Soldiers," a writer for the conservative Weekly Standard warmly praised the book's moral message and called it "an affecting and taut tale."

Are such views now inoperative because Republicans desperately need to hold on to Allen's Senate seat?

And how many compassionate conservatives will come forward to condemn Rush Limbaugh's cruelty in mocking Michael J. Fox's painful body movements induced by Parkinson's disease? Limbaugh felt free to parody Fox's agony because the actor had the nerve to make advertisements for Democratic candidates who support embryonic stem cell research. If you help

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Democrats, anything goes. Limbaugh claimed that Fox either "didn't take his medication or he's acting." Limbaugh ultimately apologized but called Fox "really shameless" in seeking sympathy. Really shameless? From Limbaugh?

Perhaps Republicans will be less skittish about criticizing Limbaugh after he has used his broadcast to turn out the party faithful on Nov. 7.

Space does not permit a full listing of other trivial and seamy ads being run by the GOP. They were well described last week by Post reporter Michael Grunwald, and many of them falsely accuse various Democrats of one bad thing or another related to sex.

And there is what will, sadly, become the most famous advertisement of this election cycle, the "Harold, call me" ad run by the Republican National Committee against Rep. Harold Ford Jr., the Democratic candidate for the Senate from Tennessee. To claim that an ad depicting a pretty blond woman coming on to an African American politician does not play on the fears of miscegenation on the part of some whites is to ignore history.

My hunch is that the sliminess won't work this year. A Newsweek poll published over the weekend found that only 9 percent of voters who have seen Republican ads say they made them more likely to vote for GOP candidates; 24 percent said the ads made them less likely to vote for Republicans. By contrast, Newsweek reported, "The Democrats seem to turn off fewer voters with their commercials and win more over, but it's still a wash," meaning that Democratic ads attracted and pushed away roughly equal shares of the electorate.

My hope is that principled conservatives will rebel against those who are dragging their once forward-looking movement through the mud. In their hearts, they have to be asking: Would Ronald Reagan campaign this way?

postchat@aol.com

Ad Echoes GOP's 'Southern Strategy' (USAT)

By Dewayne Wickham

USA Today, October 31, 2006

Last year, Republican National Committee Chairman Ken Mehlman apologized for the race-baiting tactics that members of his party used for decades to court white voters in Southern states.

Last week, he started backsliding.

"I just think those criticisms of it are wrong," Mehlman said of a television ad that was produced with money from his treasury and aired in Tennessee. In the 30-second spot, a scantily clad white woman appears to suggest that she and Harold Ford Jr., a black Democrat, have had an intimate relationship.

"I met Harold at the Playboy party," the woman coos into the camera. That's a reference to Ford's admission that he attended a party that Playboy hosted during the 2005 Super Bowl. As the commercial closes, the woman says with a salacious wink, "Harold, call me."

The commercial plays to the fears of whites who think interracial relationships are taboo. It also conjures up memories of the awful fate that befell the Scottsboro Boys, Matt Ingram and Emmett Till — blacks who were victimized for simply being accused of getting too close to white women.

Ford, a five-term U.S. House member, is in a tight race with Republican Bob Corker for the Senate seat being vacated by the retirement of Majority Leader Bill Frist. The suggestion that Ford partied with a white woman at a Playboy soiree could make racial bias a big factor in this election.

Mehlman wants us to think that's not his intention. He wants us to believe that although he funded the ad, he had absolutely no knowledge of its content.

William Cohen, a former Republican senator from Maine and a former Defense secretary whose wife is African-American, said the commercial was "an appeal to racist sentiment." Even Corker called the ad "over the top." While that was a fairly tame criticism, it at least put a little distance between Corker and the racist attack that was made on his behalf.

"The way that process works under the campaign reform laws is I write a check to an independent individual and that person's responsible for spending money in certain states," Mehlman said lamely during an appearance on MSNBC.

The problem with this dodge is that a voice in the commercial, which was pulled off the air late last week, loudly proclaims: "The Republican National Committee is responsible for the content of this advertising."

This makes Mehlman's claim of ignorance ring hollow.

"Some Republicans gave up on winning the African-American vote, looking the other way or trying to benefit politically from racial polarization," Mehlman said of the GOP's "Southern strategy," during his 2005 speech at the NAACP convention. "I am here today as the Republican chairman to tell you we were wrong."

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That mea culpa came at a time when Republicans had a firm grip on Congress, and it was touted by some as proof of the sincerity of Mehlman's outreach to black voters. But now — plagued by scandal and President Bush's war policies — the GOP could be on the verge of losing control of both houses of Congress.

And so Republicans have dusted off their Southern strategy playbook. Mehlman won't admit as much. But the subtle racism of the ad is just a new twist on the more blatant appeals the GOP used to make to whites who were angered by the Democratic Party's embrace of the civil rights movement.

I don't know how voters in Tennessee will react to the GOP's bigoted ad. It's hard to tell in a contest as close as this one what might influence the outcome. But I'm certain of this much: The Republican Party is not done with its Southern strategy. It hasn't given up on appealing to people's fears. It hasn't tired of stoking the still-smoldering embers of white racism.

And if Mehlman's refusal to condemn this ad is any indication, Republicans will continue to use their Southern strategy — at whatever cost — for as long as it gets them the results they seek.

DeWayne Wickham writes weekly for USA TODAY.

Former Republicans Campaign As Democrats (WT)

By Charles Hurt

The Washington Times, October 31, 2006

Call it the year of the former Republican.

At a time of widely expected Republican losses in both chambers of Congress, a new breed of politician has emerged: former Republicans challenging Republican incumbents.

Most famous is James H. Webb Jr., who served as Navy secretary under President Reagan and is challenging Sen. George Allen in Virginia. Mr. Webb wears combat boots on the campaign trail, loves his guns and chews tobacco.

Then there's Tim Mahoney, a Florida Republican-turned-Democrat running for the seat of disgraced former Rep. Mark Foley. Mr. Mahoney lists Ronald Reagan as a political hero, opposes the "death tax" and calls himself a "conservative Christian."

In New York, former Republican Jack Davis is giving Rep. Thomas M. Reynolds one of the biggest challenges of his career. Mr. Davis, a multimillionaire businessman, says he wants to end illegal entry without granting amnesty, opposes higher taxes and wants to kill the death tax.

In Florida's 13th Congressional District, former banker and former Republican Christine Jennings is running as a Democrat for the seat being vacated by Rep. Katherine Harris. She, too, is running on tax cuts and greater fiscal responsibility in Washington.

All are the kind of Democrats that Republicans have a difficult time hating. Hearing them explain why they left the Republican Party is like listening to voters today talk about why a growing number of them are tired of Republicans in Washington.

"Congress has run up the national debt to an astounding $8.4 trillion, mortgaging our future and saddling our children and grandchildren for endless years," said Mrs. Jennings, who promises to balance the nation's checkbook.

Mr. Mahoney, an investment banker and cattle rancher, said he got fed up with the Republicans' out-of-control spending, scandals and poor handling of the war in Iraq. He calls himself a "common-sense businessman who reflects the values and morals of Florida's families."

Mr. Webb left the party in large part out of disgust over the Republican response to the September 11 terrorist attacks and over the war in Iraq.

"He's a Vietnam veteran, and these guys were politicizing the war," said campaign adviser Steve Jarding, who has long argued that Democrats must appeal to a broader audience to survive as a political force.

Just a few years ago, Mr. Jarding said, a conservative candidate such as Mr. Webb would not have been welcomed by party leaders unless he or she submitted to the party's entire platform. This year, winning trumped ideology.

"They're more accepting of people with different ideas, and that's a difference," Mr. Jarding said. "We're not going to be having all these litmus tests because they were killing us."

Mr. Jarding said that had Democratic primary voters sided in the primary with Harris Miller -- a longtime politician who is ideologically more in tune with national Democrats -- "we would be 40 points behind George Allen right now."

"Democrats are finally wising up," he said.

As a result, Senate Democrats will move rightward if candidates such as Mr. Webb, Bob Casey Jr. in Pennsylvania, Jon Tester in Montana and Rep. Harold E. Ford Jr. in Tennessee win their general elections.

Republicans in the chamber, meanwhile, stand to lose some of their most conservative voices. Among the incumbents in the tightest races are Sens. Rick Santorum of Pennsylvania, Conrad Burns of Montana and Jim Talent of Missouri.

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Strategists from both parties expect Democrats to gain 10 seats or more in the House. But the strategists note that since pickup seats by definition come from districts held by the other party, the new Democratic lawmakers likely will be more conservative than the current Democrat caucus.

GOP Seeks To Benefit From Gay Marriage Ruling (TSSC)

By Steven Thomma

The State (SC), October 30, 2006

NORFOLK, Va. - In the final stretch before Election Day, embattled Republicans feel as if they've received a gift from an unlikely donor: advocates of gay marriage.

They think that last week's ruling by New Jersey's Supreme Court ordering equal rights for gay couples - seven of whom had sued for the right to marry - is re-energizing Christian conservatives, who had been losing interest in and passion for politics. Republicans predict that could draw more conservatives to the polls next week, especially in the eight states that will vote on proposed amendments to their state constitutions to ban gay marriage.

The eight states comprise Virginia, Tennessee - coincidentally two states with razor-close Senate races that could decide which party controls the Senate next year - Arizona, Colorado, Idaho, South Carolina, South Dakota and Wisconsin.

Getting conservative Christians to the polls also could help Republicans in some close races for the House of Representatives, such as the one in Virginia's 2nd Congressional District. It's home to Pat Robertson's Christian Broadcasting Network and Regent University and includes a large number of Christian conservatives.

"It will improve turnout on our side," said Rep. Thelma Drake, R-Va., who's in a close re-election battle with Democratic challenger Phil Kellam. "We all work very hard for turnout. This is a plus for us."

Nearby, Sen. George Allen, R-Va., visited two largely black churches Sunday, where he invoked the New Jersey ruling as a potent reminder of the need to pass the proposed amendment to the Virginia state constitution banning gay marriage.

"The Supreme Court decision in New Jersey this week showed even more importantly to the people of Virginia why the Virginia marriage-protection amendment is so important," he said afterward.

Asked if the issue would help him appeal to African-Americans, who might have grown skeptical about his candidacy after news reports that he used racial epithets while in college, Allen noted that several people at one service stood up in support of his remarks about marriage.

"There will be some who say, and they will be wrong, that this is a divisive issue," he said during a later campaign event with two former pro football players, both African-American. "I look at it as a bridging issue. This is one that brings many people of different backgrounds together. Bringing the issue up as a salient issue, regardless of race or ethnicity or religious denomination, unites many people."

After years of growing political participation and helping Republicans win, Christian conservatives have been pulling back this year, frustrated by their inability to win significant victories in public policy such as a ban on abortion, and perhaps disillusioned by the page sex scandal in the House.

One sign: The ranks of Christian conservatives with favorable views of the party dropped from 74 percent two years ago to 54 percent this year, according to the Pew Research Center.

"Evangelicals remain the party's most supportive group, but at levels significantly diminished from where they were in the 2002 and 2004 elections," a recent Pew analysis said.

If a rally Sunday in Norfolk is a guide, however, the threat of the New Jersey ruling could bring some of them back into politics.

"I'm a born-again Christian," said Vernon Mills, a retired Navy veteran from Norfolk, standing amid a sea of yellow lawn signs urging support for the anti-gay marriage amendment that outnumbered candidates' signs.

"The Bible tells us God created Adam and Eve. One man and one woman. That's the way it's supposed to be. ... I hope it passes by a landslide."

"Prior to the New Jersey decision, I may have questioned whether the commonwealth of Virginia needed this amendment," added Leo Wardup, a Republican state legislator from Virginia Beach.

"The New Jersey decision made a lot of people say, `Wait a minute.' The New Jersey decision is a catalyst showing people that this is necessary. And it's going to get more people to turn out on Election Day."

In Ohio, Democrats Show A Religious Side To Voters (NYT)

By David Kirkpatrick

The New York Times, October 31, 2006

DOJ_NMG_0089213

COLUMBUS, Ohio, Oct. 30 — Representative Ted Strickland, an Ohio Democrat and former Methodist minister, opened his campaign for governor with a commercial on Christian radio vowing that "biblical principles" would guide him in office.

In his first major campaign speech, Mr. Strickland said "the example of Jesus" had led him into public service. He has made words from the prophet Micah a touchstone of his campaign.

Ohio, where a groundswell of conservative Christian support helped push President Bush to re-election two years ago, has become the leading edge of national Democratic efforts to win over religious voters, including evangelicals.

Explaining his hope to win conservative Christian votes, Mr. Strickland said, "I try to make a distinction between the religious right — people who have a conservative theological perspective — and the political religious right, who seem to have as their primary motivation political influence."

Polls show a notable decline since 2004 in support for Republicans among white evangelical Christians, who make up about a quarter of the electorate. The slip in Ohio has been especially steep. In 2004, 76 percent of white evangelical Christians in Ohio voted for Mr. Bush over the Democratic candidate, Senator John Kerry. But in a recent New York Times/CBS News poll, 53 percent of the same voters approved of the president's performance, and 42 percent disapproved.

Democrats, meanwhile, have stepped up efforts to lure religious voters in states including Michigan, Pennsylvania and Tennessee. But Mr. Strickland has capitalized more than anyone else on evangelical disaffection from the Republicans, helping to give him a lead of more than 20 percentage points in the race.

Mr. Strickland faces a Republican opponent, J. Kenneth Blackwell, who speaks just as openly about his evangelical faith, staunchly opposes abortion rights and same-sex unions and carries the endorsement of several nationally known Christian conservatives. But in a recent Quinnipiac University poll, Mr. Blackwell led Mr. Strickland among white evangelical voters by only three percentage points, which is within the margin of error.

"I have talked to lots of folks who say this is the first time they are not voting Republican," Rich Nathan, pastor of the Vineyard Columbus Church, one of the largest in the state, said in an interview Sunday after a service. Mr. Strickland, he said, was "making headway."

Still, dozens of evangelicals interviewed at Vineyard Columbus and another megachurch, Grace Brethren, said they remained wary of overtures from Democrats, even Mr. Strickland. Many said they felt more repelled by the Republicans than attracted to the Democrats.

"The Republican is lying, and the Democrats are secular," said Joshua Porter, a video producer attending Vineyard Columbus. "Who do we vote for?"

Robert Oser, an usher at Grace Brethren, said Mr. Strickland's liberal positions undercut him. "The Democrats are trying to change their spots," Mr. Oser said, "but their spots are still there."

No one brought up the New Jersey Supreme Court decision to recognize some form of same-sex unions as a factor on Election Day.

Only Mr. Oser offered the explanation for grass-roots malaise that Christian conservative groups in Washington usually suggest: that the Republicans had not done enough about abortion or other social issues.

Instead, some said they were disturbed by corruption in the Republican-controlled Statehouse here and in the Republican-controlled Congress. And many pointed to the Ohio economy, budget cuts for schools and social services and the war in Iraq.

Lawrence Porath, a parishioner at Grace Brethren, said he called himself a staunch Republican two years ago and helped turn out voters as a county leader of the Christian Coalition. But a week before this year's midterm elections, he said he was not sure whom to vote for.

"I feel like our president has really not given us the complete truth from the beginning, on the war, or on anything," Mr. Porath, a commercial real estate investor, said in an interview after services on Sunday.

Mr. Nathan of Vineyard Columbus said such disillusionment was common. "How is it that we evangelicals have become the strongest constituency for war of any group in America?" he asked.

When he asked that question from the pulpit, Mr. Nathan said, people stand up and cheer.

Other Democratic candidates here are also reaching out to evangelicals and other Christians. Until recently, Representative Sherrod Brown, a Lutheran who is running for Senate here, seldom spoke publicly about his religious views.

This year, however, Mr. Brown's advisers discovered that after visiting Israel a decade ago he had written to his daughters and a Jewish friend about the emotions he felt reading aloud from the Sermon on the Mount at the site where Jesus is believed to have delivered it. Mr. Brown's campaign quickly incorporated his private words into messages sent to Christian voters.

In an interview, Mr. Brown said he now talked about his faith "a bit, not a lot." A campaign aide then arranged a second interview with Mr. Brown's wife, Connie Schultz, who said her husband tithed, listened to Lutheran hymns to relax and prayed before each campaign debate.

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Mara Vanderslice, an evangelical Protestant who worked on Senator Kerry's presidential campaign, has opened a consulting firm, Common Good Strategies, based here, to help Democrats across the country reach religious voters and, she said, to help make the party more welcoming to them.

In addition to working with Mr. Strickland and Mr. Brown, Ms. Vanderslice is consulting with Democrats in Alabama, Michigan, Pennsylvania and elsewhere.

The Michigan Democratic Party consulted with 500 members of the clergy, including many evangelical Christians, and revised its platform. The revision included a dedication: "The Common Good. The best for each person in the state. The orphan. The family. The sick. The healthy. The wealthy. The poor. The citizen. The stranger. The First. The Last."

At a speech this month at a Lutheran college here, Mr. Strickland put a liberal twist on the common conservative Christian theme about secular forces trying to squeeze religion from the public square.

"There are those in Columbus and elsewhere who argue that the biblical mandates to love your neighbor and to work for justice are meant only for individuals and have no application to the political sphere," Mr. Strickland said. "They dismiss the Democrats and those religious leaders who claim that our faith requires us to insist that governments and government leaders — not just private citizens — seek justice, love, mercy, and humbly work to help the least, the last and the lost in our society."

In an interview, Mr. Strickland said that Christian conservatives had a right to their interpretation of the Bible, but that "it is an anemic interpretation, at best."

Phil Burress, president of Citizens for Community Values and a prominent Christian conservative organizer here, accused Mr. Strickland of using his faith. "He abandoned his theology degree," Mr. Burress said, "and all of a sudden he has found that it is a good political toy."

Still, Mr. Burress commended the Democrats for at least competing for conservative Christian voters. And, he added, "if he is successful in breaking into that bloc of voters, it is going to be a very interesting 2008."

Union Heads South To Recapture U.S. Political Clout (Update1) (BLOOM)

By Kim Chipman

Bloomberg, October 30, 2006

Oct. 30 (Bloomberg) -- The AFL-CIO, the biggest U.S. labor federation, is pushing into unfriendly territory -- the South -- in an effort to gain new political friends and help its Democratic allies win control of Congress.

The AFL-CIO has included contests in at least five states in the largely non-union South on its list of targeted races in the Nov. 7 midterm election, one that it says is vital to the future of organized labor.

``Our existence is at stake," said Jerry Lee, head of the AFL-CIO Labor Council in Tennessee. ``If we don't take control of at least one of the houses in Congress, Republicans will have free rein to do all the devastating things they can do to labor over the next two years."

The AFL-CIO says it's spending a record $40 million this year to defeat Republicans nationwide. The money is being used to mobilize some 13.5 million union members, affiliated workers and their families through door-to-door visits, phone calls, direct mailings and leafleting.

The federation is broadening its political effort this year after concentrating much of its energies in 2004 on pivotal states such as Ohio -- and still failing to stop President George W. Bush from winning there and clinching re-election.

Some political experts as well as Republican critics, eying organized labor's shrinking membership and declining clout, question whether the AFL-CIO can deliver enough votes to make a difference.

``Union leadership is so oftentimes out of touch with its members that it's actually immaterial what union leaders do," said Dick Wadhams, campaign manager for Senator George Allen, a Virginia Republican who is one of the AFL-CIO's targets.

Declining Membership

The percentage of U.S. workers in labor unions was 12.5 percent last year, down from 35 percent in 1955, according to government data. The rate among private sector employees was 7.8 percent, the lowest in more than seven decades.

Virginia and Tennessee, two of the southern states the federation is targeting this year, have about 200,000 union members each, including retirees. Active union members account for about 5 percent of total workers in each state, according to government data.

That's a decline in Tennessee from 8.9 percent in 2000 --the year that Democratic presidential nominee Al Gore lost his home state even with strong union support.

North Carolina, where the AFL-CIO is supporting Democratic challenger Heath Shuler over Republican incumbent Charles Taylor in a House race, has the second-lowest percentage of union members in the country at 3 percent, ahead only of South Carolina.

Southern Battlegrounds

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``The problem is that the areas where Democrats need to pick up votes aren't necessarily places where labor has a stronghold,'' said Jennifer Duffy of the nonpartisan Cook Political Report in Washington.

Still, some of the southern states being targeted by the federation -- Tennessee, Virginia, North Carolina, Kentucky and Texas -- are the sites of a cluster of Senate and House races that will help determine control of the next Congress.

The AFL-CIO targeted these states after it became clear that the contests there were up for grabs, said Karen Ackerman, the AFL-CIO's national political director. ``These were reliably Red states, and the fact they are now toss-ups speaks to how fertile the moment is for more progressive candidates,'' Ackerman said.

Virginia AFL-CIO Treasurer Doris Crouse-Mays said the union vote can make a difference in her state's Senate race, which pits Allen against Democratic challenger Jim Webb in a contest polls show is very close.

Virginia Turnout

In last year's Virginia governor's race, which Democrat Tim Kaine won, a union analysis of state voting data found that almost 60 percent of active AFL-CIO members and 70 percent of retirees voted, exceeding the general turnout of about 45 percent, Mays said.

Republicans say they aren't worried. Doug Grindstaff, the party's chairman in Tennessee's Williamson County, which includes the Nashville suburbs, said he welcomes union efforts on behalf of Democratic Senate candidate Harold Ford Jr. because they reveal him as a liberal.

``I'd say 70 to 80 percent of voters in my county oppose organized labor issues, so it helps us,'' Grindstaff said.

The Ford campaign seems to recognize that union support in the South can cut two ways. While Ford appeared at a rally with union officials in Nashville on Oct. 13, he didn't publicize the event, according to John Geer, a political scientist at Vanderbilt University in Nashville.

Split Movement

``I didn't see anything about it from the Ford campaign, and I get all their stuff,'' Geer said. ``It would hurt Ford if he embraced labor in very strong terms.''

Unions are counting on a Democratic-controlled Congress to pass legislation making it easier for workers to organize and push back against what labor sees as anti-union measures, such as a recent National Labor Relations Board ruling giving management wider scope to exempt certain employees from union membership.

``People understand what the present administration in Washington is doing,'' AFL-CIO President John Sweeney, 72, said in an Oct. 13 interview at a labor rally in Nashville for Ford. ``It's not difficult when you see a government trying to privatize Social Security or avoid increasing the minimum wage.''

A debate among unions last year about the best way to revive the movement led to the biggest split in 70 years and threatened to weaken labor's already dwindling political power. Several unions broke away from the AFL-CIO to form a new federation called Change to Win.

Rift's Consequences

Leaders in both federations say predictions that the rift would hurt labor's political efforts proved to be overblown. Coordination has been ``relatively seamless,'' said Greg Tarpinian, executive director of Change to Win, which represents seven unions and about 6 million workers.

Union supporters in some southern states said voters' attention is shifting from issues such as gay marriage to economic ones, like lost manufacturing jobs and a federal minimum wage that hasn't been raised since 1997.

``I can't feed my family on gay marriage,'' said Robert Lewis, a machinist and a coordinator for the Tennessee AFL-CIO. ``I can't put a roof over my family on gay marriage.''

Talent Tells GOP Faithful To `get Busy' Getting Out The Vote (BVND)

By Marcus Kabel

The Belleville News Democrat, October 31, 2006

POPLAR BLUFF, Mo. - Sen. Jim Talent was crossing southern Missouri a week before elections, encouraging local Republican organizers and volunteers to get out the vote in a close race against Democratic challenger Claire McCaskill.

After campaigning in southeast Missouri and St. Louis Monday, Talent was scheduled to hold campaign events in Joplin, Springfield, Bolivar, Lebanon and Rolla on Tuesday. He plans to keep up a similar pace for the next week, a Talent spokesman said.

Talent will be joined Tuesday by Senate Majority Leader Bill Frist. Missouri's senior senator, Kit Bond, campaigned for Talent at Monday's stops and will take part for a second day.

McCaskill had no public campaign events scheduled Monday, but had evening fundraisers in St. Louis, where she planned to begin a statewide RV tour Tuesday.

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Talent told supporters Monday that Democrats such as McCaskill would roll back tax cuts if they win control of Congress.

Talent told crowds of GOP workers and backers, ranging from around 40 people to more than 100, that they need to work phone lines, knock on doors and talk to friends and co-workers about voting next week.

"If you haven't been busy doing that, I want you to get busy," he said at a farm equipment dealership in Poplar Bluff, the last of five stops on a roughly 200-mile swing through southeast Missouri, before heading to an evening appearance in St. Louis.

"I think that all that can possibly stop us is if we and the people who believe as we do just don't go to the polls next Tuesday. But that isn't going to happen," he said.

Talent wound up activities in the St. Louis area Monday night for a fundraising event that featured White House spokesman Tony Snow. The stop at the St. Louis Hilton Frontenac was one of more than a dozen Snow is making for Republican candidates around the country ahead of the Nov. 7 elections.

"There's no reason to do politics unless it's to make a difference," Snow told the crowd. "If you've got the right attitude, you can get a lot of stuff done. Jim's done that."

He spoke on topics ranging from energy policy to the war in Iraq and how the nation has changed since Sept. 11, 2001. He said the U.S. operation in Iraq is a chance to spread democracy.

"This is a country that really does spread dreams," Snow said. "This is a chance to expand that dream."

In his appearances earlier in the day, Talent touted a legislative record of working on what he called national issues that had extra benefits for Missouri. He said those included legislation to combat methamphetamine by restricting the amount of cold medicines - which contain ingredients used in making meth - that people can buy in one stop. It also included legislation requiring oil companies to mix ethanol in gasoline, which he said could revive rural economies such as Missouri's.

"This will be for Missouri what oil was for Texas," Talent said.

Talent mentioned the war in Iraq only once in a brief line accusing McCaskill of supporting a U.S. troop withdrawal "before our mission is done."

McCaskill has called for a redeployment of U.S. troops from Iraq in about two years. She also has criticized President Bush's policies in Iraq, suggested Secretary of Defense Donald Rumsfeld should be fired and claimed Talent has not asked enough questions of Rumsfeld as a member of the Senate Armed Services Committee.

Talent said he supported the Bush administration's intelligence efforts against terrorists and opposed leaks to the news media of programs such as warrantless wiretapping of phone conversations between possible overseas terrorists and people in the United States.

"I'm going to stand up for your security and your freedom and your civil liberties, and I'm not going to worry too much about the captured terrorists," he said.

Bond campaigned for Talent as a representative of "commonsense conservative Missouri values" - a slogan Talent has used frequently at campaign events.

Talent said those values included opposing gay marriage and supporting border security, including a border fence bill recently signed by President Bush, while opposing amnesty for illegal immigrants.

Supporter Darrell Myers welcomed the push Monday. Myers, 78, a retired Poplar Bluff accountant, described himself as a conservative Christian and said he has spoken with many people with similar views who are reluctant to vote next week.

"It's not any one thing. It's the state of society as a whole. Our politicians need to do more to push moral values," Myers said, adding he was volunteering to make calls to voters.

But Tom Burchan, a volunteer GOP organizer in Farmington, said he had more volunteers for phone calls and house visits than at the same point in the 2002 and 2004 campaigns.

"The enthusiasm is enormous," Burchan said.

New CNN poll shows Webb with slight edge on Allen (AP)

By Bob Lewis

AP CNN Poll, October 31, 2006

New CNN poll shows Webb with slight edge on Allen

A new statewide poll Monday showed Democrat Jim Webb with a slight lead in next week's close Senate race against Republican incumbent George Allen.

Among likely voters, the former Republican was the choice of 50 percent of those surveyed while 46 percent favored Allen and 4 percent were undecided.

Because Webb's edge is equal to the margin of error of plus or minus 4 percentage points, it means Webb is slightly ahead.

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The result is based on telephone interviews Opinion Research Corp. conducted for CNN from Oct. 26-29 among 597 registered Virginia voters who identified themselves as likely to vote on Nov. 7.

Among the larger sample of 904 registered voters, the results were about even, with 48 percent of the respondents backing Webb, 46 percent for Allen and 5 percent undecided. One percent voiced support for an "other" candidate not identified in the survey.

Independent Gail Parker also is on the ballot.

The poll is the first to show Webb with an advantage in a mean and expensive campaign in once reliably Republican Virginia whose outcome could be pivotal in determining whether an embattled GOP can retain control of the Senate.

Webb, along with help from a national Democratic organization, is airing about $3 million a week in television ads to more than $2 million a week for Allen and his national GOP allies in the campaign's frantic final week.

While Webb supporters crowed over the results, longtime Allen adviser Christopher J. LaCivita said the poll was skewed because half of it was conducted over the weekend.

"It sure doesn't reflect anything we're seeing," said LaCivita, a national GOP consultant who lives near Richmond.

"Any survey conducted Fridays and Saturdays, everybody knows they're skewed toward Democrats," he said.

The latter two days of the survey, however, reflect two intensive days of news coverage of Allen's claim that selected sexually explicit passages in some of Webb's six gritty novels about war are demeaning to women.

"Virginians are a lot smarter than that, and he insulted their intelligence," said Webb spokeswoman Kristian Denny Todd. "It was a baseless attack on Jim that didn't make sense. He (Allen) was trying to attack Jim on works of fiction."

The fictional books reflect the bloodshed and dehumanizing conditions Webb saw and experienced as a Marine in some of the deadliest combat of the Vietnam War in 1969.

He has written one nonfiction book, "Born Fighting," that traces the heritage of Scots-Irish families in America, including his own, to their ethnic origins in Europe.

Webb continued Tuesday to campaign heavily on the Iraq war, seeking to link Allen with President Bush's handling of the war.

Allen campaigned with veterans groups with Virginia's senior senator and Armed Services Committee chairman, John W. Warner, in Hampton Roads, an area that's home to the world's largest U.S. Navy base as well as active duty and retired military households.

Poll Shows Webb Leading Allen For First Time (WT)

By Christina Bellantoni

The Washington Times, October 31, 2006

Democrat James H. Webb Jr. leads Republican Sen. George Allen for the first time in a statewide poll for Virginia's U.S. Senate race.

If the Nov. 7 election were held today, Mr. Webb would receive 48 percent of the vote to Mr. Allen's 46 percent, the poll conducted by Rasmussen Reports shows.

Of the 500 likely voters questioned in Sunday's telephone survey, 2 percent favored another candidate and 5 percent were undecided.

The margin of error is 4.5 percentage points, which means the two men still are statistically tied.

A Rasmussen poll taken last week showed Mr. Allen leading 47 percent to 44 percent.

Over the course of the campaign, Mr. Allen's lead has eroded steadily. Last fall, before any Democrat had declared a candidacy for Senate, Mr. Allen, a former governor, held a lead of more than 30 points. In the summer, he led Mr. Webb by 16 points.

In the latest Rasmussen poll, Mr. Webb leads with 51 percent to 46 percent for Mr. Allen when the results include "leaners," or undecided voters who are leaning toward one candidate. When leaners are included, 3 percent remained undecided.

Of the Webb voters in the poll, 43 percent said they would choose the Democrat as a way to vote "against Allen."

Issues were more important to 82 percent of those surveyed, while 14 percent said questions of character are more important.

Mr. Allen's recent criticism of salacious passages in Mr. Webb's novels did not seem to sway voters in the senator's direction.

Though many Allen supporters have said the depictions of incest and an acrobatic stripper raise questions about Mr. Webb's character, many of those surveyed disagreed.

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In the poll, 59 percent said the passages caused them no concern about Mr. Webb, and 39 percent said they were of concern.

Black Democrats Cross Party Lines To Back Steele For U.S. Senate (WP)

By Ovetta Wiggins

The Washington Post, October 31, 2006

A coalition of black Democratic political leaders from Prince George's County led by former county executive Wayne K. Curry endorsed Republican Michael S. Steele's bid for the U.S. Senate yesterday.

The support from Curry, five County Council members and others barely a week before Election Day reflects their continued disappointment that the Democratic Party has no African American candidates at the top of the ticket and a sense that the county is being ignored, officials said.

"They show us a pie, but we never get a slice," said Major F. Riddick Jr., a former aide to then-Gov. Parris N. Glendening and a former county executive candidate. "We are here today to say we've waited and we've waited and we're waiting no longer."

Steele, who as lieutenant governor is the first African American elected statewide in Maryland, said he was humbled by the support. "I said I did not want this [campaign] to be so much about party but about the people," he said. "And these people understand that."

Ron Walters, a political science professor at the University of Maryland, said the endorsements could be significant. "This is going to go through the black community like a rocket," he said. "It's going to be the talk of the county, the state, maybe even the nation."

Oren Shur, a spokesman for the Democratic Senate candidate, Rep. Benjamin L. Cardin, was more skeptical. "The endorsements will not make Prince George's County residents forget that Michael Steele is George W. Bush's handpicked candidate," he said.

The politicians were joined at a news conference in Largo by about a half-dozen business leaders, including Ron Lipscomb, a trustee of the state Democratic Party.

All said they are lifelong Democrats who do not agree with some of Steele's stances but are not in lock step with the Democratic Party, either.

"The party acts as though when they want our opinion they'll give it to us," said Curry, Prince George's first black county executive. "It will not be like that anymore."

He noted that support for a Republican is not unprecedented: In 2002, Democrat Kathleen Kennedy Townsend picked a GOP running mate in her gubernatorial bid, passing over a black candidate.

This year, Democratic contender Martin O'Malley is running with an African American from Prince George's County, Del. Anthony Brown. But black Democrats who ran for the U.S. Senate and state attorney general lost in the primary.

Curry would not answer questions about Brown, but he said the state Democratic Party had "trivialized" Prince George's, though it provides the "mother lode of votes in the state of Maryland."

Terry Lierman, state Democratic chairman, said there is plenty of diversity in the party. "They are trying to make an issue out of something that doesn't exist," he said.

According to a recent Washington Post poll, Steele trailed Cardin by 11 percentage points. The lieutenant governor has support from only 14 percent of black voters, despite an aggressive bid for their support, the poll shows.

During the primary, Curry's endorsement gave Rushern L. Baker III a boost in his unsuccessful bid for county executive. Steele is hoping Curry will do the same for him among black Democrats.

Walters said the Prince George's politicians made an "audacious" move by putting local interests above national ones since a Steele victory could keep the Senate in Republican hands.

Curry said the decision to endorse the lieutenant governor was about dignity and respect and an opportunity to back a "good man with a good plan."

Curry said he disagrees with Steele on several issues but supports his plans for equity in business opportunities, economic development and improved schools.

Prince George's council member David Harrington (D-Cheverly) said he was comfortable supporting Steele. "It's a way to say, 'Don't leave Prince George's out, and don't leave African Americans out,' " he said.

Harrington said race is a factor for him. "It's not the factor," he said, "but it is a factor. There needs to be a diversity of voices in the room."

In addition to Harrington, the council members backing Steele are Samuel H. Dean (D-Mitchellville), Camille Exum (D-Seat Pleasant), Tony Knotts (D-Temple Hills) and Marilynn Bland (D-Clinton).

DOJ_NMG_0089219

Black Democrats Support Steele (WT)

By S.a. Miller And Jon Ward

The Washington Times, October 31, 2006

Former Prince George's County Executive Wayne K. Curry and five fellow black Democrats on the county council excoriated their party yesterday and endorsed Lt. Gov. Michael S. Steele, a Republican, for U.S. Senate.

"The [Democratic] Party acts as though when they want our opinion, they'll give it to us. It's not going to be like that anymore," said Mr. Curry, who in 1994 became the county's first black executive and remains influential in the mostly black and heavily Democratic county.

Mr. Curry and the lawmakers said Democratic leaders repeatedly have snubbed the black community and their county, noting the lack of party support for the Senate campaign of former National Association for the Advancement of Colored People chief Kweisi Mfume, who lost the Democratic primary to Rep. Benjamin L. Cardin.

The Democratic ticket lacks black candidates, they said, and candidates from Prince George's County, which is home to more than 320,000 registered Democrats -- the most of any jurisdiction in Maryland.

"We're not puppets. We're not gullible," Mr. Curry said during a press conference at the Infusion Tea Cafe in Largo. "This ain't the first time we've charged up a hill."

He was joined by fellow black Democrats David Harrington of Bladensburg, Samuel H. Dean of Bowie, Camille A. Exum of Capitol Heights, Tony Knotts of Temple Hills and Marilyn Bland of Clinton -- all officials on the nine-member county council.

Other black Democratic leaders endorsing Mr. Steele yesterday included Major Riddick, former chief of staff for former Gov. Parris N. Glendening; Ron Lipscomb, a major fundraiser and trustee of the state party; and businessmen Clayton Duhaney and M.A. "Mike" Little.

"There's a revolution going on here," said Jerry McLaurin, a county developer and Steele supporter who attended the announcement. "This is going to radiate throughout the county like an explosion."

Mr. Steele, who lives in the county and is the first black to be elected to statewide office in Maryland, said he was "humbled."

"As I started this campaign, I said to myself I didn't want this to be so much about party as about people, and these individuals seem to understand and appreciate that as well," he said.

The endorsements were issued as Democratic officials are scrambling to secure their most loyal bloc -- black voters.

Mr. Curry said the Steele endorsements are "the continuation of a long civil rights struggle."

Mr. Dean, a former council chairman who was elected in 2002 with 93 percent of the vote, said blacks have had a one-sided relationship with the Democratic Party since they shifted allegiance from the Republican Party in 1932.

"We were in the Democratic Party while they were lynching black folks. We were in the Democratic Party while they were segregating folks," Mr. Dean said. "We have been loyal Democrats, [but] when the party has an opportunity to do something to show that their base is recognized, appreciated and acknowledged, they don't."

"The issue is what we want not only from the state party but from the national party," he said. "Give us respect. We cannot continue to be in the room but not allowed to come to the table. What we are doing now is saying, 'Forget it. We are not going to wait for you to bring us to the table. We are going to not only get to the table, we are going to take it.' "

Other Maryland Democratic leaders -- such as U.S. House Minority Whip Steny H. Hoyer, Prince George's County Executive Jack B. Johnson and Delegate Anthony G. Brown of Prince George's County, who is running for lieutenant governor -- declined to comment.

A Cardin campaign spokesman did not return calls.

Mr. Cardin, a white 10-term congressman from Baltimore, said this weekend that his "message to the African-American community and to all communities is that we've got to change the priorities in Washington."

"You're twice as likely to be without health insurance if you're African-American. So, yes, [black voters are] concerned about a senator who's going to stand up for universal health coverage. I will. Michael Steele won't. He supports George Bush's policies," Mr. Cardin said.

Mr. Curry said that Mr. Steele is a "good man with a good plan," and although he differs with some of Mr. Steele's views, he also differs with some of the Democratic Party's platform.

He said the lieutenant governor is "most responsive to the things that will make our futures brighter."

A G.O.P. Leader And Star Struggles For Traction (NYT)

By Robin Toner

The New York Times, October 31, 2006

DOJ_NMG_0089220

PITTSBURGH, Oct. 27 — There is no better snapshot of the brutal political climate facing many Republicans in these final days than this: Senator Rick Santorum, the third-ranking Republican in the Senate, stubbornly behind in the polls, warning with anger and growing frustration that voters should not — must not, for their own good — reject him for his Democratic opponent, Bob Casey, the state treasurer.

Assailing Mr. Casey's national security credentials, the Santorum campaign has run a television commercial that shows a mushroom cloud, missiles streaking through the air and the faces of North Korean, Iranian and terrorist leaders. It concludes, "We just can't take a chance on Bob Casey."

Mr. Santorum began the final stretch of his campaign with a series of speeches on "The Gathering Storm," offering a dark, Churchillian vision of the threats facing the United States — like the threats, he said, that faced England in the years leading up to World War II.

But Mr. Santorum all but acknowledges that the national security issues that proved such a fundamental strength for the Republicans in 2002 and 2004 are far riskier for his party this year.

"People ask me, 'Why are you giving a major foreign-policy address two weeks before your election? Don't you realize this war is not popular?' " he said Friday. But he plowed forward, to an audience of about 75 in a Holiday Inn in the western Pennsylvania city of Johnstown, one of several stops on his tour.

The political world has changed fundamentally for Mr. Santorum, who rode an anti-establishment wave into the Senate in 1994 but is now at risk of being swept out of office by a very different wave. He has spent millions, campaigned hard, attacked his Democratic opponent on every imaginable front, closing with what Democrats assert is "a campaign of fear and smear." But Mr. Santorum has remained consistently behind in the public polls.

He speaks of Mr. Casey with barely disguised disdain, as if he cannot imagine the possibility of losing to the Democrat who, he asserts, "is simply reading from the bullet points of Howard Dean."

[The latest Philadelphia Inquirer/Temple University poll, published Sunday, showed Mr. Santorum at 38 percent, 16 points behind Mr. Casey. Other polls have shown smaller leads for the Democrat, but G. Terry Madonna, who runs the Keystone Poll at Franklin & Marshall College in Lancaster, said, "The stability in this race is truly remarkable" in one respect: Mr. Santorum generally comes in at about 40 percent.]

Mr. Santorum's advisers blame the national climate for his difficulties; in a state like Pennsylvania, which often leans Democratic, the plummeting popularity of President Bush and the Republican-led Congress was bound to hit hard. In fact, several Republican House incumbents are also fighting for their political lives in Pennsylvania this year.

"Environmentally, this is probably the toughest year I've ever seen," said John Brabender, a top Santorum adviser.

But Mr. Santorum's own personality and political style have also played a role, political strategists and analysts say. Over the past two years, he aggressively intervened in the right-to-die case of Terri Schiavo and jumped into debates on flashpoint issues like the Roman Catholic Church's sex abuse scandal and same-sex marriage. Along with his staunchly conservative voting record, that took a toll, reflected in what polls show as his continued difficulty among moderate suburbanites outside Philadelphia.

At the same time, a controversy over his residency — his family lives much of the year in Virginia — is widely blamed for his sagging support in the polls in western Pennsylvania, where he began his political career. He won a House seat in 1990 with a campaign that lambasted the Democratic incumbent for living in Virginia.

As he campaigned across western Pennsylvania, Mr. Santorum said he "absolutely" felt he had time to turn the race around, that voters would, in the end, recognize what he asserted was a clear gap in competence between him and Mr. Casey. Mr. Brabender, who dismissed the public polls, said he believed that the Santorum campaign could be five or six points behind on Election Day and still win through their superior turnout operation.

Jay Reiff, Mr. Casey's campaign manager, countered, "First of all, it's not a single-digit race. And secondly, the intensity is not on Santorum's side."

Mr. Santorum opened new lines of attack in recent days, including one over Mr. Casey's management of state pension fund investments.

But Democrats can taste victory. At a Casey rally at the University of Pittsburgh Friday afternoon, college Democrats roared as Representative Mike Doyle, Democrat of Pennsylvania, declared, "In 11 days, we're going to change America!"

Mr. Casey proceeded to give a stump speech aimed squarely at the bread-and-butter issues of the middle class, like affordable health insurance, universal pre-school access, assistance for college tuition, and the general promise of "a new direction." He mocked Mr. Santorum as a rubber stamp for the Bush administration who had defended Mr. Bush and Defense Secretary Donald H. Rumsfeld instead of asking hard questions about the war in Iraq.

It was not a dazzling performance, but it was disciplined and firmly on message, and that is another explanation for Mr. Santorum's difficulties. From the beginning of this race, 20 months ago, the Democrats have run a careful, pragmatic campaign.

Democratic leaders like Senator Charles E. Schumer of New York, the chairman of the Democratic Senatorial Campaign Committee, recruited Mr. Casey to run on the grounds that as an experienced statewide candidate, the son of a popular former governor, he was the strongest candidate the party could field.

From a strategic standpoint, Mr. Casey's conservatism on social issues — he opposes abortion rights — was expected to help the party with more traditional voters. In an interview, Mr. Casey, a Roman Catholic like Mr. Santorum, said he worked hard to signal that he wanted a conversation with "people of faith."

He spoke at Catholic University this fall over the objection of conservatives who did not want him invited there, met with evangelical Christians on global warming and closes his stump speech these days with a reflection that "your burdens can become your blessings."

"Too often Democrats have avoided talking about faith — the national party has had the perception, and sometimes it's a perception we've fostered or amplified — that people of faith are not part of a coalition we want to build," said Mr. Casey, a soft-spoken man, who often talks about the importance of his service as a Jesuit volunteer in an urban school. "But you can build bridges."

At the same time, the polls and the Democratic primary showed that Mr. Casey was holding his party's liberal base, even among those who disagree with him on abortion; opposition to Mr. Santorum proved a powerful unifying force among Democrats. And while the Santorum campaign raised more funds than the Casey campaign, the last fund-raising report showed Mr. Casey held a slim advantage in cash-on-hand for the final stretch.

Throughout the year, the Santorum campaign accused Mr. Casey of lacking ideas, ducking debates and failing to understand the nuances of foreign policy.

By the end of the campaign, an extraordinarily long campaign, by Senate standards, the personal animus between the two men was striking.

In a recent debate in Philadelphia, Mr. Santorum told voters: "I had to earn this job. It's not a job I inherited because of my last name."

Moments later, when reporters pressed Mr. Casey about the possibility of more debates, he shot back: "We've spent enough time together, the two of us. Let's go meet the voters. I'll see him at the finish line."

Hopscotch In New Jersey Senate Race (NYT)

By David W. Chen And Richard G. Jones

The New York Times, October 31, 2006

LODI, N.J., Oct. 30 — Thomas H. Kean Jr. began the last full week of his campaign for the United States Senate by getting on his knees to be blessed by Korean-American pastors in Cliffside Park on Monday. Hours later and just eight miles away in another Bergen County town, he mingled with Italian-American firefighters and community leaders at Lodi Hose Company 2.

A hundred miles south, Senator Robert Menendez attended two events in the Democratic stronghold of Camden County. On Tuesday morning, he planned to be back in the same area for a breakfast with veterans accompanied by former Senator Max Cleland of Georgia, a Vietnam veteran who lost his legs in the war.

With just eight days until the election, this is the time when candidates in New Jersey pack their schedules with appearances all over the state, often from dawn until the dinner hour. And with most polls showing Mr. Menendez, the Democratic incumbent, holding a slight lead over his Republican opponent, both he and Mr. Kean are frequently hurrying through their lengthening schedules by sticking to the same issues and repeating accusations.

But there is a purpose in the seemingly frantic game of hopscotch from Camden to Lodi or Somerset to Asbury Park hinting at the strategy shaping the final days of the campaign. And geography, not surprisingly, is a major factor.

"You need to focus on people who you are pretty sure are in your camp, but need a little push to make sure they go out and do it," said Peter J. Woolley, a political scientist at Fairleigh Dickinson University and the executive director of its Public Mind poll.

For Mr. Kean, that means a lot of time in such Republican strongholds as Morris County and some communities along the Jersey Shore as well as repeated forays to Bergen County, the state's wealthiest and most populous region, which is viewed as a battleground area.

Indeed, political consultants often say that no Republican can win without doing well in Bergen County. Last year, Gov. Jon S. Corzine, a Democrat, trounced his Republican opponent, Douglas R. Forrester, in the race for governor by a margin of 34,000 votes there and went on to win by a comfortable 9 percentage points.

For now, Mr. Kean is scheduled to campaign in Bergen County another half dozen times before Election Day next Tuesday, including several early morning appearances at train stations to greet commuters heading into New York.

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In fact, Mr. Kean has been spending so much time in Bergen County that former Assemblyman Paul DiGaetano, who introduced Mr. Kean at the event here Monday afternoon, said jokingly, "I can't count the number of times he's been here."

For his part, Mr. Menendez plans to adhere to classic Democratic strategy by zeroing in on such urban areas as Camden, Essex and Hudson Counties, and appealing to ethnic minorities and organized labor, core party constituencies.

He also plans to rely heavily on out-of-state luminaries, with repeat appearances expected from Senator Edward M. Kennedy of Massachusetts and former President Bill Clinton, and a third appearance since June by the party's newest star, Senator Barack Obama of Illinois.

"My guess is that the campaigns are not looking at the undecideds at this point, because it's too risky and it takes up too much time," Mr. Woolley said.

A poll conducted last week by The New York Times and CBS News bears out the geographic differences. While the race over all shows Mr. Menendez ahead by 38 to 36 percentage points among registered voters, Mr. Menendez is doing better in the northeastern urban areas and Bergen and Passaic Counties, while Mr. Kean is leading in the northwestern part of the state, a region that historically votes Republican. In central and southern New Jersey — where the two northern New Jerseyans are not as well known — the candidates are running just about even.

This late in the campaign, a strategy of playing to one's strengths is not surprising. For instance, the Friday before the election last year, six of Mr. Corzine's eight public appearances were in Essex County. By contrast, Mr. Forrester's schedule one day in that final full week of stumping featured four appearances in Monmouth County, another in Morris County and two in Bergen County.

But there are also factors that make this year's race a bit different.

It is the first time since 2001 that a statewide race has not included at least one candidate named Corzine or Forrester who is largely paying for his own campaign. And because the race this year is so competitive and control of the Senate could be at stake, the national political parties are investing a great deal of money, with pledges of $7.5 million so far.

Buoyed by the prospect of sending someone to the Senate for the first time since 1972, New Jersey Republicans are working hard at employing the national party's "microtargeting" strategy: combing through voting and consumer database records to identify potential voters.

"From the cars we drive to the magazines we subscribe to, to whenever we enter a contest to win something — all of that is used to glean out particularly independent voters who might support our candidates," said Tom Wilson, the chairman of the state party. "This allows us not to allow stones unturned."

Still, Democrats have a strong advantage in the state. Of 4.86 million registered voters, according to figures released on Monday by Attorney General Stuart Rabner, 1.15 million are Democrats, 890,000 are Republicans, and the rest are unaffiliated.

As a result, Senator Charles E. Schumer of New York, who is chairman of the Democratic Senatorial Campaign Committee, said on Sunday that he was confident about Mr. Menendez's chances, and cited a recent Democratic poll reporting that his party's candidate held a 9 percentage point lead.

"We believe we're ahead in New Jersey by a significant amount," Mr. Schumer said. "Our goal is not to lose a blue state, and we believe we're on the road to achieving it."

Correction (NYT)

The New York Times, October 31, 2006

An editorial yesterday about the New Jersey Senate race incorrectly described the timing of donations to the campaign of Thomas Kean Jr. by executives of Horizon Blue Cross and Blue Shield of New Jersey. The checks were written for a fund-raiser for Mr. Kean that took place before the submission of legislation that maintained a tax exemption for the companies. Mr. Kean did not receive the money on the same day that he voted for that legislation. The reference was based on an article in The Star-Ledger of Newark that the newspaper subsequently corrected.

Hutchison Works To Keep GOP In Power (DMN)

By Todd J. Gillman

The Dallas Morning News, October 31, 2006

AMARILLO – For Kay Bailey Hutchison, Texas is a line in the sand. The nightmare isn't so much that she'll lose her own re-election bid, it's that the ill national mood will flip control of Congress.

"It is a tough year. It is a tough year because times are tough. Because you've got boots on the ground," she says. "As Margaret Thatcher once said to George Bush 41, now is not the time to go wobbly."

JIM MAHONEY/DMN United States Senator Kay Bailey Hutchison conferred with her deputy chief of staff Marc Short during a campaign trip Oct. 24 in West Texas.

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No statewide candidate has ever collected as many votes as she did six years ago. Her bank account is 150 times bigger than her Democratic opponent's, and most analysts expect her to cruise to a third term.

Yet she is running hard, dashing across West Texas one day last week, exhorting Republicans in one city after another to get out and vote.

"This is a crucial election," she tells a rally that drew a few dozen supporters to a tractor dealership in Amarillo. Iraq is the key, she acknowledged through the day, saying it's dragging down the party and making the stakes that much higher on Nov. 7. "All of us want to leave, but the difference is whether we leave with our credibility intact and Iraq stable or just leave and hope the terrorists won't attack again."

It's a message meant to fire up Republican loyalists, though it also seemed to validate their anxieties. Sure, they'll keep the Texas seat, but what about the House and Senate?

'Worried'

"Well, I'm worried," says retired oil woman Betty Moore, 72, after the Amarillo speech. "I hope all Republicans get out and vote. That's all we can do is hope."

Also Online

Video: Follow Sen. Hutchison during a day of campaigning

Complete elections coverage

Four friendly venues are on the itinerary in Amarillo, Midland, San Angelo and Abilene.

"We are not getting credit for the strength of this economy and that didn't happen by accident," Ms. Hutchison says in one way or another at each stop to crowds ranging from 40 to 100. "It is important to win decisively. That makes a difference. It makes a difference in Texas generally and your ability to speak with authority."

She doesn't mention immigration much. But she's started taking swats at opponent Barbara Ann Radnofsky.

"She wants to cut and run from Iraq. I want to do the right thing and make sure we stabilize Iraq so it doesn't become a haven for terrorists," the senator says.

For months she kept mum as the Democrat taunted her, calling Ms. Hutchison an "aging prom queen" and a Bush "puppet."

"She's been poking a stick at me," the senator says. "I have not responded to her during the year because that's what she wanted."

But now, with voters paying attention, the senator is striking back. She calls her opponent desperate and ill-tempered and the name-calling "cheap shots."

On the way to Midland, an aide hands her a faxed copy of a Kerrville Daily Times story. Kinky Friedman voted for her. "She is not without charms," the independent candidate for governor told the paper.

She laughs: "He's so open, that he said that."

They had met last Sunday at Love Field, the crossroads of all statewide campaigns. She'll write a thank-you, but her ballot will go to Gov. Rick Perry, her fellow Republican, whom she had thought about challenging instead of running for re-election.

As it happens, the senator will be in Kerrville herself on Friday, during a two-day bus tour from Seguin to Weatherford.

Why, at age 63, does she put herself through these grueling days on the trail when analysts figure she's a shoo-in?

"I love campaigning," she says. "If I were not doing this then I don't think that I would have the great grass-roots support that I do."

Next stop Midland. A few score people are gathered at the Commemorative Air Force Museum.

"This is a tough year," she tells them. "It really is crucial that our vote turns out. ... If the Democrats take control, you'll see a lot of gridlock. You'll see a lot of efforts to appease the terrorists."

Billie Ross has run Hutchison campaigns around here for years and would happily have helped her run for governor.

"I know she wants to," Ms. Ross says.

U.S. Rep. Mike Conaway, R-Midland, is on hand, too. Last month, he called the senator "stronger than a jalapeno." Today she's the "most beloved statesman" Texas has produced in a generation.

"I'm hoping to ride her coattails on Election Day," he says – a joke, given that he's running unopposed.

Midland Mayor Michael Canon says he won't be surprised if she pulls 85 or 90 percent of the vote. "She produces results for us. And I don't think she singles out West Texas as somebody she's particularly inclined toward helping," he says.

Could she continue to do so even if the Republican grip on Congress loosens? "One way or the other I think she'll still be extremely effective. ... She can cross the aisle and do so with grace and eloquence and effectiveness that only she can do," he says.

Wrong number

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Wheels down in San Angelo after a short but bumpy flight. One of the senator's two BlackBerries starts ringing. She leans into the window for better reception as the plane taxis.

"Hello? I think you have the wrong number." She laughs. She never gives out this number.

What she does give out whenever possible are federal dollars. She paints herself as a senator who takes care of Texas, though her opponent says she doesn't secure nearly enough to justify the claim.

In Amarillo, she talks up farm policy. In Midland, it is support for a local nuclear project and a highway to link Mexico with the Midwest. In San Angelo, she touts her support for Goodfellow Air Force Base and its new foreign language training center, plus the time she escorted the librarian of Congress to town and announced a $200,000 grant for the Tom Green County library.

Incumbency has its advantages.

"This is as important an election as we have faced in our lifetime," she tells the 40 or so people gathered for her speech at headquarters of Town & Country convenience stores, in a lunchroom with a free soda fountain.

The choice, she says, is between lower taxes and a resolute approach to Iraq, or higher taxes and appeasement of terrorists.

At the final stop in Abilene, a hundred or so folks are gathered on the courthouse lawn, with country music and free hotdogs. Even Rick Perry's parents are on hand, and the senator chats amiably with them on her way out.

"This is a crucial election," she tells the crowd. "It's an election that's going to decide a lot about what we do in Texas, what we do in the United States. ... People have said that conservatives are going to stay home. We cannot let that happen. We need to make sure that we keep control of Congress."

If West Texans had their way, that wouldn't be a problem. But there are forces beyond their control.

"I'm concerned," says Curtis Tomme, the Taylor County GOP chairman and an assistant district attorney in Abilene. "The polls are all over the place. It's going to be close."

Back on the plane, Ms. Hutchison ticks off the dire consequences of a Democratic takeover. The Bush tax cuts are at risk. The nation's credibility would be shredded by a premature withdrawal from Iraq. There'd be little hope of rescuing Social Security or reforming immigration laws.

"We would be on defense," she says. "You saw gridlock the last year. I think that's what you'll see for the next two years."

CLINTON: 12 MORE YEARS (NYPOST)

The New York Post, October 30, 2006

October 30, 2006 -- The Post today also endorses Hillary Rodham Clinton for re-election to the United States Senate.

Surprised?

Well, so are we - a little.

But, then, there really isn't much of a choice in this race.

Clinton has an insurmountable lead in the polls. She's worked hard the last six years, and it shows.

And the Republican candidate, John Spencer, isn't a credible alternative.

He's a down-to-earth, if not earthy, fellow who once served Yonkers well as mayor and who now appears to be running for another term in that office.

If so, we endorse him - for mayor.

As for Mrs. Clinton, well, she's been a pretty good senator - popular with her colleagues and as productive as a first-term legislator from the minority party probably can be.

Think of her as Sen. Pothole Redux (apologies to Alfonse D'Amato).

Meanwhile, her positions on numerous issues - particularly involving national security - have been much closer to the political center than we would have expected.

That's not to say that some of her positions haven't already begun "evolving" toward the Democrats' party line - especially on Iraq, where she has slowly, but surely, begun inching her way over to the "Bush lied" crowd.

For now, however, the fact remains that she has been, to repeat, a pretty good senator.

But what about the question of the hour?

What about the White House?

Well, New Yorkers simply expect their major officeholders to be presidential aspirants - and the pols always rise to the bait (occasionally delivering ludicrous results; has anyone seen George Pataki in New York lately?).

So Hillary's caught the bug.

So what?

But we think she's done such a good job these last six years that she'd do well to serve six more. If not 12.

Re-elect Hillary.

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In 2012.

Campaign Gone South (WP)

By Libby Copeland

The Washington Post, October 31, 2006

BARTOW, Fla.

Katherine Harris, who is trying to become a U.S. senator, says she is writing a tell-all about the many people who have wronged her. This includes, but is not necessarily limited to: the Republican leaders who didn't want her to run, the press that has covered her troubled campaign, and the many staffers who have quit her employ, whom she accuses of colluding with her opponent.

She is vague about what, precisely, makes her a victim, but she says she has it all documented.

"I've been writing it all year," she says in that kittenish voice. She often smiles and cocks her head as if she's letting you in on a secret. "It's going to be a great book."

If it is, it may be one of very few things that go well for the two-term Republican congresswoman. Once beloved by the Republican leadership for her role in overseeing the 2000 recount that delivered the presidency to George Bush, Harris was snubbed by those old friends before the primary. Republican chieftains, considering her too polarizing to win a statewide race, tried to recruit others, and Florida Gov. Jeb Bush (R) said publicly that she could not win. Fundraising has been poor. She has come under scrutiny for her role in a bribery scandal. She has caught flak for a series of bizarre statements, including a comment in August: "If you're not electing Christians, then in essence you are going to legislate sin."

The Democrat she is challenging, Sen. Bill Nelson, was once considered highly vulnerable. Nowadays, according to recent polls, Harris is down by 26 or 35 points, approaching political rigor mortis.

"The only way Bill Nelson could lose this," says Darryl Paulson, a political scientist (and Republican) at the University of South Florida, "is if he got himself in a drug-induced stupor and ran naked down the main street of his home town."

"They can make the polls say whatever they want," Harris says. She says pollsters sometimes call her house and then hang up " 'cause we're not answering them the way they like."

The way Harris sees it, a vast left- and right-wing conspiracy, encompassing both the "liberal media" and the Republican "elite," is attempting to keep her out of the Senate. She says anyone could see the way the panel of questioners coddled Nelson at their debate last week. Her voice gets all high and mocking as she imitates them.

" Ooooh, Senator Nelson," she says. "I mean, come on."

Perhaps the worst blow to Harris's campaign has been the stories that have emerged from former staffers. They describe a Jekyll-and-Hyde candidate who can be seductively charming at one moment and pitch a temper tantrum the next, throwing a cellphone at a wall or a sheaf of papers at a campaign manager. Former chief adviser Ed Rollins, who managed Ronald Reagan's reelection to the White House in 1984, said working for Harris was like "being in insanity camp." He likened her staff to dogs that have been kicked.

Before he became the first of three campaign managers to quit, Jim Dornan programmed his cellphone to play the theme song from "The Exorcist" when Harris called.

In a recent campaign visit to Bartow, her home town in central Florida, there is little hint of the Hyde side. The 49-year-old Harris beams, dispensing hugs and telling stories about her late "daddy," the wealthy owner of a local bank chain. She is tiny and wears a fitted suit jacket the color of key lime pie. For old times' sake, she visits a livestock arena where her cousins used to show their cows. She shrieks with joy upon seeing an old friend, Bill Braswell.

"Billy and I grew up together," she says. They reminisce about an old haunt and an old boyfriend of hers. "That was, like, the first place Gary and I ever kissed," she tells him.

Here in Bartow, Harris appears to be adored. She is remembered for her days in 4-H, for her stint as Miss Polk Agriculture at age 16, and for her competitive tennis game.

"Daddy used to say not to come home if I didn't win my tennis matches [against] boys," she tells Braswell.

Nelson may have endorsements from 22 papers, including all the major dailies in the state, but Harris has an endorsement from a small collection of community newspapers (total circulation: 8,307) here in Polk, her home county. The endorsement was written by the papers' publisher, S.L. Frisbie IV, who has known Harris since she was a Girl Scout.

"Clearly she has difficulty maintaining a staff," Frisbie says. "I haven't the slightest idea why. . . . She is a charming person."

During an interview in the livestock arena, amid the ghosts of her cousins' cows, Harris talks about two of her greatest passions: art and Israel. She has made several trips to Israel, and it was on the first, in 1992, that her camera broke and she was forced to sketch her way across the country. These days, during meetings on Capitol Hill, she sometimes sketches when she's taking notes. She says she has drawn Alan Greenspan and Donald Rumsfeld.

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After Harris's quote about the importance of electing Christians was published in a Baptist publication, her campaign went into damage control, issuing a press release discussing Harris's love for Israel and explaining that while she was speaking to a Christian audience, she really meant that "people of faith" should be involved in government.

Harris does love talking about Israel. She's proud that Israelis sometimes assume she's one of them and talk to her in Hebrew. She is a Christian but has called herself a "wannabe" Jew. During the bitterly contested recount in 2000, which she oversaw as Florida's secretary of state, she compared herself to the Biblical character Queen Esther, who risked her life to save the Jews.

She says that when her husband of 10 years, wealthy Swedish businessman Anders Ebbeson, asked her to marry him, she first extracted a promise that they could live in the Holy Land one day. She doesn't know why she's always been so fascinated by the country.

"I can remember riding my bike to piano lessons and thinking about Israel," she says. "I thought I was adopted for a while."

* * *

Harris's public spats with Republican leaders and her own former staffers -- shorn of the niceties of political etiquette that typically surround such things -- have played out in the Florida newspapers like the autopsy of a political campaign. The skin is peeled back and everyone can see inside.

Several of her former staffers say they would have kept silent about goings-on in the Harris campaign if Harris herself had not publicly criticized them after they left, accusing them of being bad at their jobs, of putting "knives in my back" and of working with the Nelson campaign. They describe her as a micromanager, unable to trust her staff, prone to tears and rages over tiny things. They say she would rewrite speeches and press releases over and over. She would get upset if an aide hadn't brought her the correct coffee order from Starbucks. Dornan, the former campaign manager, says Harris was so concerned that only the best photographs of her went up on the campaign Web site that she insisted on going through every picture.

"It would be weeks and weeks and weeks before we could put anything up on the Web site," he says.

Dornan says he once infuriated Harris right before an event by setting it up so she could make a grand entrance. Instead, she wanted to greet supporters at the door as they arrived.

"She just goes completely ballistic," Dornan recalls. He says she yelled at him for 10 minutes and accused him of ruining her life. "I literally held the phone away from my ear, and everybody within a six-foot circle of me could hear her screaming."

Harris's former staffers say they worried about her health, especially after the death of her father earlier this year and the news that she was implicated in a bribery scandal with a federal contractor named Mitchell Wade, who had pleaded guilty to bribing former congressman Duke Cunningham (R-Calif.). (Wade admitted funneling $32,000 in illegal donations to Harris, but Harris has said she didn't realize the contributions were illegal and ultimately gave the money to charity.)

They worried about her clothes -- suit jackets and sweaters that were too tight, skirts that were too short. Rollins says an aide was dispatched to take her shopping for more senatorial apparel.

They worried about what one former field coordinator called her sense of "religious mission." Two former staffers -- Rollins and another onetime campaign manager, Jamie Miller -- have said Harris told them that God wanted her to be a senator. Rollins adds, "She told me that she thought she could be the first woman president."

Sitting in the livestock arena, Harris laughs at the notion she'd ever want to be president. In the past she told the Palm Beach Post that she was complimentary of those staffers who performed well, but had problems with those who would "try to undermine" her. Now, she sidesteps the question of why she had problems with staff.

"It's going to be easily explained in my book," she says. "We have a great staff now."

The Harris campaign has suffered a series of embarrassing gaffes. According to one Florida paper, her Web site listed endorsements from people who hadn't endorsed her. According to another paper, her campaign organized a rally in an airport hangar, but none of the nine officials named on her flier showed up.

In the spring, Harris announced on television she was putting $10 million of her inheritance from her father into the race. Later, she said it turned out the inheritance would not be available, so she'd put in her own money. Thus far, she has put in approximately $3.2 million, which is, she says, "everything that I have liquid."

Meanwhile, according to a financial disclosure report, her campaign has less than $1 million left. Nelson's campaign has nearly $7 million. Nelson has run seven ads since the primaries in September. Harris has aired only one and it started yesterday, according to campaign spokeswoman Jennifer Marks.

Harris turns stony when she's asked what will happen if she doesn't win.

"Haven't even considered it," she says in a tone that suggests a follow-up question would be foolhardy.

Later in the evening, while talking about her love for Queen Esther, she runs to the passenger seat of her SUV and seizes a Bible.

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"I'll give you one verse," she says. "On the day that the enemies of the Jews had hoped to overpower them, the opposite occurred, in that the Jews themselves overpowered those who hated them."

What does that have to do with this race?

"November 7th," she replies.

Democrats Are Seen To Gain In Statehouse Races (NYT)

By Kirk Johnson

The New York Times, October 31, 2006

DES MOINES, Oct. 27 — More than 6,000 state legislative seats in 46 states are on the Nov. 7 ballot, and like the seismic state elections in 1994 and 1974 the cumulative impact of the outcomes could be immense, with Democrats possibly gaining control of a majority of state capitols for the first time in a decade.

While the nation's attention has been fixed on the question of which party will control Congress, another campaign season has been unfolding in the shadows — upstaged and overlooked but more likely to affect the day-to-day life of voters than the big-money Congressional races.

Most significantly, the groundwork for redrawing Congressional districts after the 2010 census will be done under the 50 capitol domes, and the party in power will set the table for those discussions in ways favorable to its interests. Gains made this year, analysts say, will help give incumbents a leg up in the final elections leading up to the redistricting.

If the Democrats take control of a majority of the legislatures, which polls indicate could happen, women could also attain leadership positions in greater numbers, since Democratic women in state capitals outnumber Republican women by nearly two to one. The next generation of national political leaders, by tradition, is nurtured in the state legislatures.

"This is a national election with big issues," said Alan Rosenthal, a professor of political science at Rutgers University who tracks state election issues, "and that will filter down to the people who nobody knows about."

One indication of both parties' interest in the local races is the money that has been flowing into them.

The Democratic Legislative Campaign Committee plans to spend $9 million to $10 million on legislative races, up from $6 million to $7 million in 2004. Its counterpart, the Republican State Leadership Committee, has nearly doubled spending on state races, including for legislators, to $20 million.

Republicans control both chambers in 20 states, Democrats in 19. One state, Nebraska, has a nonpartisan legislature, while the parties split control in the remaining 10 states. States to watch on Election Day include Indiana, Iowa, Michigan, Minnesota, Nevada, Oregon, Pennsylvania, Tennessee and Wisconsin, where Republicans have narrow majorities in the lower house or senate. Democrats have narrow majorities in Colorado, Maine and Montana.

What makes the races even more suspenseful is that the parties have not been so even in decades, if ever. Of the 7,382 statehouse legislative seats across the country, Democrats hold 21 more than the Republicans, a margin of less than half a percent.

In 17 of the 46 states that will elect some or all of their state senators, a shift of only three seats would alter party control in the senate, according to the National Conference of State Legislatures. In 12 state houses, a shift of five or fewer seats would tip the balance.

Some states, like Montana and Colorado, where Democrats gained narrow legislative control for the first time in decades in 2004, are being watched by some political scientists and party leaders as barometers of the party's Western strategy. Other states with closely divided legislatures, including Michigan, Nevada and Tennessee, could be swung by fierce contests for governor or the United States Senate.

Connecticut and New Jersey, where Democrats control both chambers of the legislature, and New York, where the parties each control a chamber, are not widely expected to see shifts in power. "We seem to be in this era of hyper-evenness of the parties at the grass-roots legislative level," said Tim Storey, a senior fellow at the National Conference of State Legislatures.

Presidential hopefuls have also poured several hundred thousand dollars into legislative races in Nevada in anticipation of the early presidential caucus there in 2008. In Michigan, a new group sprang up this year, the Michigan Coalition for Progress, to help defeat Republicans in the legislature.

And then there is Iowa, where the hyper-evenness is most hyper of all. Republicans have a one-vote advantage in the Iowa House, 51 to 49, and the parties are tied at 25 in the Senate.

Noticing these whisker-width margins, prospective presidential candidates, including Gov. George E. Pataki of New York and Gov. Mitt Romney of Massachusetts, have donated money to local campaigns, hoping perhaps to make friends before the Iowa Caucuses in 2008.

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Mr. Pataki's political action committee has donated $270,000 to Iowa Republicans, Mr. Romney's PAC almost $1.6 million, according to the Iowa Ethics and Campaign Disclosure Board. Independent political groups, called 527s, have waded in as well to influence or swing the vote.

But the money and the high stakes, many people here say, may be having another effect in Des Moines and many other state capitals. State legislative races, with their low-glamour blend of amateur politics and homespun local concerns, may be losing their traditions of civility.

"You have more money sloshing around," said Peverill Squire, a professor of political science at the University of Iowa who follows legislative races. More and more, Professor Squire said, control over local campaigns is slipping toward centralized parties or interest groups. "And it is certainly a much rougher campaign than we are used to seeing in Iowa," he said.

Just ask Kevin R. Wiskus.

Mr. Wiskus is a 42-year-old Iowa farmer and lifelong Republican from the town of Centerville, about 100 miles south of the capital, who is making his first run for public office for a House seat.

He became so outraged by his own party's efforts to elect him that he resigned last month in protest.

A mailing sent by the state committee told voters that Mr. Wiskus's Democratic opponent, a lawyer named Kurt Swaim, had defended a man charged with child molesting.

Mr. Wiskus knew that Mr. Swaim had been assigned the case by the court as a public defender, and decided the attack was unconscionable. He is now an independent, and said he would serve as an independent if elected.

"I was offended," Mr. Wiskus said in an interview. "I had promised and pledged to run a clean and ethical and honorable race, and I told the Republican party I did not want any attack ads."

The speaker of the Iowa House of Representatives, Christopher Rants, a Republican who has marshaled the party's efforts in the legislative races, said he thought the Democrats had done more than his party to coarsen the debate in Iowa with negative advertising.

One mailing about a Republican, Mr. Rants said, showed a cadaver under a sheet and suggested that the candidate's opposition to stem-cell research was responsible for the woman's death. Democrats and some independent scholars, including Professor Squire, say the Republicans have probably pushed the line harder and farther.

Whether the Republicans can hold onto the gains in state legislatures that they made beginning in the 1980s is probably the central question of the election.

The Democrats, for most of the 20th century, were statehouse titans all over the nation — with a peak in the mid-1970s when they controlled close to 70 percent of all legislative seats. In the post-Watergate election of November 1974, they added 628 legislature seats in just one night.

The Republicans began a surge in the 1980s, making major strides in 1994, when they gained 514 seats overnight. They finally gained dominance in 2002, picking up enough seats to surpass the Democrats for the first time in 50 years. There has been almost perfect parity since then.

Nev. Congressman Assault Probe Reopens (AP)

By Ryan Nakashima

AP, October 30, 2006

The district attorney said Monday that authorities have reopened their investigation into a cocktail waitress' claim that a Republican congressman running for governor assaulted her in a parking garage after a night of drinking.

District Attorney David Roger said the case involving Rep. Jim Gibbons — which had been closed after the woman, Chrissy Mazzeo, dropped her complaint — is under investigation again.

Mazzeo, a Las Vegas Strip casino waitress, accused Gibbons, 61, of pushing her up against a wall Oct. 13 and propositioning her. Mazzeo, 32, said she had been pressured and offered cash from people linked to the Gibbons campaign to drop the complaint.

The five-term congressman, who is in a close race with Democratic state Sen. Dina Titus for Nevada's open governor's seat, has denied wrongdoing and sued Monday to force police to release surveillance videos he said would disprove Mazzeo's claim.

A judge set an emergency hearing for Tuesday.

Mazzeo's lawyer, Richard Wright, did not immediately return phone calls seeking comment. He told the Las Vegas Review-Journal that his client will press charges after all.

Gibbons, in statements to police and at a news conference with his wife earlier this month, said he walked Mazzeo to the garage, caught her when she tripped and walked away.

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"A true record of the tape's recording will demonstrate that I was never in that parking garage on that evening," he said in the lawsuit.

Police previously said surveillance cameras in the garage weren't working. A property management company for the garage, however, said it turned hours of tapes over to authorities.

The police department said in a news release Monday that it would not comment until a judge ruled on the matter.

Gibbons led Titus 47 percent to 41 percent in a poll released Friday. Most of the polling took place after the allegations were reported but before Mazzeo held a news conference Oct. 25 to recount her version of the events. The poll conducted by Washington-based Research 2000 for the Reno Gazette-Journal and KRNV-TV had a margin of error of plus or minus 4 percentage points.

A Politician Who Thinks Like A Linebacker (WP)

By Donna St. George

The Washington Post, October 31, 2006

The governor had dropped by to teach a rhetoric class. It was mere weeks before Election Day, and Bob Ehrlich held forth in a small auditorium at Towson University, sleeves rolled up and a microphone in hand.

He asked the students to imagine themselves as political consultants. Their hypothetical candidate was a Republican governor. "Very handsome, by the way," he joked, flashing a smile. "Two beautiful children. Beautiful wife."

But there were problems, Ehrlich admitted: The state tilts heavily Democratic. The governor has been fighting with the legislature. Newspaper editors are not always in his corner. "When you are an incumbent," he added, "the election is generally about you ."

This much he knows as he faces the race of his political life.

After 20 years of pulling out victories at the ballot box -- young and on the rise in the state House and in Congress before his election as governor at age 44 -- Ehrlich is now trailing his opponent, Baltimore Mayor Martin O'Malley (D), in an array of polls.

But Ehrlich has come from behind before. This is the 16th contest of his political career. He has never lost.

If he clinches it, his political profile will change markedly, said Matthew Crenson, a political science professor at Johns Hopkins University. As a two-time Republican victor in a predominantly Democratic state, "he will emerge as a figure in national Republican politics," Crenson said.

If Ehrlich loses, he will be thrust out of elective office for the first time since he was 28.

How it turns out will depend, in part, on how voters view Robert L. Ehrlich Jr. -- a college linebacker-turned-lawyer who rose from working-class roots to make history in 2002 as the first Republican governor in Maryland in more than a generation.

Even many of his critics say the 48-year-old governor is likable -- affable and unpretentious, the kind of guy who slaps backs, cracks jokes, talks sports. He has a strong streak of the Everyman.

But they also say the competitive edge that has helped him win football games and political campaigns has sometimes worked against him during his four years as governor.

"To understand Bob, you have to go back to his days of playing sandlot football," said D. Bruce Poole, a Democratic friend and former House majority leader who supports Ehrlich. "He is competitive. He's a linebacker in mentality. He has always been able to take a hit and return it with that much more."Emerging as the Republican Voice

It was another weekend on the campaign trail, and Bob Ehrlich was headed to a corn roast in Reisterstown. The rain had stopped, finally. He made his entrance behind a goat named Tootsie who was wearing an Ehrlich sticker on her hindquarters.

The crowd parted and cheered, opening the way for the telegenic governor, who pumped hands and patted backs all the way to a makeshift stage. There, inside a hay barn, one of the hosts introduced him as "the best governor Maryland has ever had."

Square-jawed and lean, in a red polo shirt, Ehrlich smiled broadly as he looked out on the crowd of 300. This was a fundraiser in the county where Ehrlich started his political life.

With both hands in the air -- his gestures large and emphatic, his wife beaming beside him -- he made a few jokes, then narrowed in: The Democrats are the problem, he said, especially House Speaker Michael E. Busch (Anne Arundel) and Senate President Thomas V. Mike Miller Jr. (Calvert).

"Raise your hand if you want Mike Miller and Mike Busch to run Maryland politics for the next four years," he boomed.

"Booooo!" the crowd shouted. "Boooo!"

"It's like rooting for the Broncos," the governor scoffed to this crowd of Ravens faithful.

Just five more Republicans in the state Senate, he said, could change the legislature. "I need five new senators to stop Mike Miller from running over you for four years," he thundered.

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The crowd roared.

The idea of greatly increasing the Republican presence in either body is a long shot, but Ehrlich has clearly emerged as the state party's voice. The governor has made other Republicans feel relevant politically, said Del. Anthony J. O'Donnell (R-Calvert). Before, he added, "we were reduced to rhetorical bomb-throwing. . . . We were ignored."

The corn roast went so well that Ehrlich skipped the next event -- his wife went in his place -- and posed for photographs, smile after smile after still-perfect smile, until it seemed that few people had been missed.

This was Bob Ehrlich in his home base in Baltimore County -- among political kin, a few of them from far enough back to remember how he started out.

The son of a car salesman, Ehrlich grew up as an only child in a rowhouse in Arbutus in Baltimore County. With a gift for athletics -- and the help of his father's boss -- he landed a scholarship to the exclusive Gilman prep school in Baltimore.

It was a world unlike his own, and Ehrlich remembers having "a chip on my shoulder" at first. But he became a standout athlete, playing three sports, and with the help of the headmaster went on to Princeton, where he was a linebacker and team co-captain.

Ehrlich turned to politics in 1986, after law school at Wake Forest University. He had practiced three years, in a silk-stocking law firm in Baltimore -- Ober, Kaler, Grimes & Shriver -- when he decided to make a run for the state House.

Few thought he could win. But he did. Twice.

Those years, he said recently, were "the happiest of my life."

Several senior Democrats brought him along. "They taught me how to be a legislator," he recalled. "They made me part of the group. They let me in the backroom. They had me handle bills on the floor, which was very rare for Republicans."

The political mood had shifted when Ehrlich was elected to the U.S. House of Representatives. He won in 1994, during the heady days of Newt Gingrich's Republican revolution. For the first time, he was part of the majority.

But when he returned to Annapolis as governor, he was a Republican in a Democratic state -- in a more partisan atmosphere. Although he tried to forge relationships with lawmakers over basketball games and evenings watching sports at the governor's mansion, he said, it did not work.

On issues such as slot machines and medical malpractice, he did not find enough allies.

"Coming back, I mistakenly thought I could go home again -- and you cannot," he reflected in an interview. "It was the biggest surprise of my four years, the biggest disappointment."A Candidate Who Hates to Lose

His morning coffee is iced. It is 9:30 on a rainy Friday, still early for Ehrlich, an admitted night owl who usually doesn't go to sleep until 2 to 3 a.m. Today he started earlier than usual, making football picks on "The Junkies," a popular morning radio show on WJFK (106.7 FM). He has two more losses than wins for the season, but he defends his record. "It's not just the winners; it's the point spreads," he says. "It's easy to pick winners. This is a science."

The athletics that so defined Ehrlich in his youth are still part of his adult life. He reaches for sports metaphors in his speech; he asks about game scores on the campaign trail. For much of his term, he has played golf frequently, even improving his handicap from 10.6 to 8.3. But his aides say he has been too busy to hit the links during the past year.

For nearly four years, Ehrlich has lived in the 54-room governor's mansion in Annapolis with his wife, Kendel, a lawyer and cable television host, and sons, Drew, 7, and Josh, 2. Toys are piled near a side door. Halloween decorations are everywhere, including a giant inflatable pumpkin in the landscaped yard.

It is a big change from the Timonium townhouse they lived in before.

Thinking over his public life, Ehrlich clearly tries to set himself apart from the tactical side of politics that many see as one of his defining characteristics.

"I really like the job," he said. "Politics? I think we're pretty good at it. But it's not my favorite part of this process. My favorite part is clearly getting in front of crowds and making my case."

He talks about how much he enjoyed his two televised debates against O'Malley. "I like to compete," he says. He came to the debate armed with numbers, which he ticked off methodically. He tried to strike a tone of candor, and at one point answered his opponent with: "I don't know what all of that means, I gotta tell you."

His hard-nosed determination shows up even in small ways, friends say. On Capitol Hill, one lawmaker recalls, congressmen sometimes played games of matching quarters -- heads or tails -- during idle time in the cloakroom. Ehrlich "hated to lose, even if it was 25 cents," chuckled Rep. Howard Coble (R-N.C.), a friend who recalls teasing him about it.

But Ehrlich's quest to win, his critics say, has hindered his ability to get programs passed. When he was elected, Ehrlich promised to work with lawmakers beyond party lines. He started by making bipartisan Cabinet appointments; about 40 percent of his Cabinet secretaries have been Democrats.

Still, the governor has often locked into battle with legislators.

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Ehrlich had vowed to bring legalized slots to Maryland. After four efforts, there are still no slots. Twice, Ehrlich called special legislative sessions only to veto the bills they produced. On more than 20 issues -- including minimum wage, health benefits at Wal-Mart and election law changes -- the legislature overrode his vetoes.

House Speaker Busch, a close friend when they both served in the state House, has clashed with him often. Ehrlich "ran for office as a consensus builder and compromiser, but he did not govern that way," Busch argued. If he had, he said, "I think he would be a much more formidable candidate today."

In Busch's view, Ehrlich was changed by the divisive politics of Capitol Hill during the Gingrich era.

John Kane, chairman of the state Republican Party, said that the real problem was the liberal wing of the Democratic Party, which often blocked Ehrlich's proposals. "They like monopoly," Kane said.

Senate President Miller said the governor should have worked harder at gaining the support of lawmakers and learning the details of policies and proposals. He called Ehrlich "a ribbon-cutter, a golfer, a show horse."

"I see an absence of work ethic on his part, and it's frustrating," he said.

In campaigns, Ehrlich's competitiveness can get mean-spirited, his opponents contend.

Last year, one of Ehrlich's aides, Joseph Steffen, dubbed "the Prince of Darkness," was fired after boasting on the Internet that he had orchestrated a whisper campaign about O'Malley's private life. Ehrlich said he had nothing to do with the incident, which he now waves off as overblown.

Old foes are skeptical. In a 1996 campaign for U.S. Congress, a leaflet was circulated describing Ehrlich's opponent as a "homewrecker" while calling Ehrlich "a family man in the truest sense of the word." Ehrlich has denied any dirty campaigning. But Connie DeJuliis, the opponent, said he did not deny involvement when she confronted him at the time.

"You cross the line when you attack people personally, and that's what Bob Ehrlich does," DeJuliis said. "It's not supposed to be winning at all costs."'Never Answer a General Question'

At Towson University, Ehrlich shifted from talking political strategy and addressed the class directly.

"Raise your hand if you're pro-choice on abortion," he said.

Hands shot up.

"Raise your hand if you're pro-life," he went on.

More hands.

"Never answer that question!" he boomed. "You're all wrong."

"I didn't define any terms," he said. "I didn't ask how you felt about partial birth abortion or judicial bypass or parental consent or Medicaid funding or stem cell embryonic research."

The students listened closely.

"Never answer a general question. You'll get into trouble."

He tried again. "Who's against capital punishment?"

Ehrlich surveyed the room: No hands.

The governor smiled.

A moderate Republican, Ehrlich carefully parses his positions on many issues. He supports abortion rights, for example, but with limits: no partial birth abortions, no federal funding. He runs conservative on fiscal issues but has supported new taxes or fees on vehicle registration, sewage and property. He favors the death penalty but has granted many pardons and commutations.

"It's a way to try to hold on to his Republican base while appealing to a broader Democratic audience," said Crenson of Johns Hopkins.

Ehrlich has learned to be wary of labels.

"Make your questioner define the terms," he told the Towson students. "And once you do, guess what? You can give opinions for the rest of the day, but you can give opinions as a result of what you actually believe and not the territory the questioner wanted to capture you in."

Precisely how all of this will play on Election Day is the great unknown. A poll published Sunday by The Washington Post showed a majority of likely voters in Maryland thought that Ehrlich had done a good job as governor. Even so, he lagged 10 percentage points behind O'Malley, which analysts say reflects a national climate that is tough on Republicans.

Ehrlich's aides say the poll is at odds with their results -- and, in an interview, the governor said he has seen many signs of Election-Day promise on the campaign trail.

"If you're not an optimist," he told the class in Towson, "this is probably not your profession."

GOVERNOR'S BAN ON STAFF PERKS ISN'T PERFECT (LAT)

By Peter Nicholas

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The Los Angeles Times, October 31, 2006

Sacramento — After allowing his staff to accept tens of thousands of dollars' worth of gifts from business interests, Gov. Arnold Schwarzenegger is now worried about the appearance of a conflict of interest and has barred them from taking even a free cup of coffee.

But the policy, stricter than state law, hasn't stopped the perks.

Schwarzenegger aides over the last year have been given free tickets to Disneyland and San Francisco Giants baseball games; to Rolling Stones concerts and Sacramento Kings basketball games.

Schwarzenegger's chief of staff, Susan Kennedy, sent a memo to the governor's aides in August explaining that by taking gifts, even if the law allows it, they could create a public perception that they have been compromised.

"When in doubt … pay for the item yourself," Kennedy wrote.

In a separate letter to Schwarzenegger's staff, his legal counsel, Andrea Hoch, said aides could not attend any of the governor's campaign fundraising events unless they paid for their food and drink.

But the Spartan ethic comes with loopholes. Kennedy is scheduled to join lawmakers and state officials on a 12-day trip to South America next month that is sponsored by a tax-exempt group financed partly by energy companies and other businesses that lobby in Sacramento.

The visitors plan to stay at a hotel in Buenos Aires that is rated by one travel guide as "the most exclusive" in the city. A spokesman for Schwarzenegger said the trip doesn't violate the gift policy because Kennedy will deliver a speech as the governor's representative.

"It is important that Susan, as chief of staff, work with members and important policy leaders to further the goals of the administration," said Adam Mendelsohn, Schwarzenegger's communications director.

The new rules are an about-face for the governor, who in past years has taken a permissive approach to freebies.

In 2004, after The Times reported that dozens of Schwarzenegger administration officials had accepted free meals and sports tickets, the governor said in an interview: "Those are things that I don't think anyone has to worry about. There's no one selling out in my administration."

Gifts continued to flow. State lobbying reports show that:

· Ameriquest Capital Corp., parent of the mortgage-lending company, spent more than $5,600 on Rolling Stones concert tickets over the last year for nearly two dozen members of the governor's staff and their spouses.

Ameriquest reported having lobbied Schwarzenegger's office this year on lending issues and a legal settlement. In March, California officials reached a multimillion-dollar settlement with the company over allegations that it had misled borrowers, among other things.

· Walt Disney Co. has given Disneyland tickets, parking passes and other gifts valued at $1,189 to six Schwarzenegger aides since early last year. One recipient was Richard Costigan, a senior aide who pushes the governor's agenda through the Legislature and advises him on which bills to sign or veto.

· AT&T last year gave $1,264 worth of San Francisco Giants tickets to six Schwarzenegger aides who went to a game together. The telecommunications company also gave $385 worth of tickets and refreshments to two Schwarzenegger aides who attended an Eagles concert one year ago. One was Cynthia Bryant, who also works on the governor's legislative agenda.

· The California Chamber of Commerce, the state's most influential business lobbyist, spent more than $5,800 this year and last treating dozens of Schwarzenegger administration aides at receptions, lunches and dinners. A party for outgoing Chief of Staff Patricia Clarey was held at the chamber's headquarters in Sacramento in January and was attended by more than 45 of the governor's aides.

State law allows public officials to accept gifts worth up to $360 a year from any one source. Under Schwarzenegger's new policy, aides are forbidden to accept tickets, meals, entertainment or loans from anyone doing business with the state, or any group lobbying for passage or defeat of legislation.

Kennedy's memo on the matter said the public might "perceive acceptance of gifts as creating a conflict of interest."

Asked what prompted the change, Mendelsohn said: "The administration has had new staff members come on recently. And often with new staff members, and new leadership, you'll find changes and important additional steps taken that were not put in place originally."

Kennedy's trip is courtesy of a tax-exempt group in San Francisco called the California Foundation on the Environment and the Economy. Her domestic partner also will go, paying her own expenses.

The itinerary includes a stay at the Alvear Palace Hotel in Buenos Aires, where room prices range from $550 to $4,500 a night, according to a state official familiar with the trip.

A Frommer's travel guide describes the hotel as a "a gilded, classical confection full of marble and bronze" with a guest list that has included "names like Antonio Banderas, Donatella Versace, the emperor of Japan and Robert Duvall."

Other stops are to include Santiago, Chile; Rio de Janeiro; and Bariloche, a popular tourist spot in Argentina.

Assembly Speaker Fabian Nuñez (D-Los Angeles) and his wife are expected to go. So are state Sen. George Runner (R-Lancaster) and his wife, Republican Assemblywoman Sharon Runner; and Assemblyman John Laird (D-Santa Cruz) and his domestic partner.

The trip's purpose is to study technologies aimed at reducing global warming, said Patrick Mason, president of the foundation. He would not reveal who is going, citing security concerns.

He sent an e-mail to participants this week asking that they not speak to The Times about the trip. The e-mail, which was obtained by the newspaper, was sent to officials at Chevron, Southern California Edison, the environmental group the National Resources Defense Council, and to some Schwarzenegger administration officials, among others.

Two companies that said they were planning to attend maintain a lobbying presence in Sacramento: Sempra Energy and the cable giant Comcast. Sempra owns San Diego Gas & Electric Co. and Southern California Gas Co., both of which are regulated by the state Public Utilities Commission.

PUC Executive Director Steve Larson will be among the guests on the trip.

Sempra pays $30,000 a year in dues to the Foundation on the Environment and Economy. The firm is going because Sempra believes that it is important to "provide policymakers and elected officials some background that is helpful in making informed decisions," said company spokesman Art Larson (no relation to Steve).

Watchdog groups said the South America trip gives lobbyists extraordinary access to government officials — access that others don't get. They also said that if state officials think the trip is important and justified, taxpayers should pay for it.

"We want state delegations going on fact-finding trips if warranted," said Sheila Krumholz, acting executive director of the Center for Responsive Politics in Washington, D.C. "We just have to make sure they aren't being unduly influenced by such lavish trips, and that policy is not being skewed as a result."

The Schwarzenegger administration says that it also is revamping what have been loose practices when it comes to fundraising events. For much of the governor's term, policy aides invited to such events mingled freely with donors.

Even after the policy was unveiled, though, the practice continued.

Bonnie Reiss, a longtime friend of Schwarzenegger and one of his top aides, attended a campaign fundraiser for the governor last month at the home of media mogul Haim Saban. The new policy does not rule out attending, but those who go must foot the bill themselves.

After The Times asked about Reiss' attendance in light of the new rules, Mendelsohn said Reiss would reimburse the campaign for her meal.

There are no penalties for failing to comply with the new policies, he said.

"We will remain committed," he said, "to continuing to enforce this policy and correct any oversights."

The Holes In The Border Fence Plan (LAT)

By Phil Angelides

The Los Angeles Times, October 31, 2006

ON THURSDAY, President Bush put his signature on a measure authorizing a new fence along 700 miles of the 1,952-mile-long border between the United States and Mexico. Funds for the fence may never be provided, and the fence may never get built. Regardless of its future, the fence legislation alone is no substitute for the kind of comprehensive immigration reform that California and the nation need.

The United States has long been strengthened by policies that have brought immigrants here from every corner of the world. And yet every period of high immigration also has been shadowed with fear, ignorance, hatred and racism. As we move forward with immigration reform, we must adhere to what makes our country great — freedom, opportunity and equality — and resist pandering to the lowest common denominators of divisiveness, stereotypes and ignorance.

Comprehensive reform starts with full funding for the strong border security provisions originally provided in the 2004 Intelligence Reform and Terrorism Prevention Act in response to the recommendations of the 9/11 commission. The act calls for at least 2,000 new, permanent border agents a year and 8,000 new detention beds a year for five years. Investments in border personnel and surveillance technology are essential for protecting national security and regulating immigration, but the federal government has funded only a fraction of these requirements.

Border control, by itself, is not a solution. For one thing, no border in a country as large as the United States can be made perfectly secure. More important, an estimated 40% of the 12 million undocumented immigrants now here entered the country legally and then overstayed their visas. Border fences and other border control measures can't deal with that part of the problem — and will likely make it worse.

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Immigration policy must deal realistically with the major engine of illegal immigration: the economy's demand for immigrant labor. The federal government must enact rational and reasonable guest-worker programs that match immigrant workers with the nation's workforce needs. We need to end the shadow economy in which undocumented workers toil without regulation and without the protection of law.

We also ought to offer undocumented immigrants who are working hard and supporting our economy a path toward citizenship, as long as they are willing to be accountable, submit to a background check, pay back taxes, learn English and study American civics. They then should be allowed to get in line behind the backlog of people attempting to gain citizenship.

Finally, immigration reform must enable states to hold the federal government accountable for managing our nation's immigration. When the failures of the federal government — be it securing the borders or failing to limit illegal employment — result in increased burdens on state and local governments, then the federal government must be required to compensate state and local governments for their increased costs.

I come from a family of immigrants. My mother, who is of Greek descent but immigrated from Egypt, became a U.S. citizen when I was 10. My grandparents on my father's side came to this country from Greece at the turn of the last century. They worked hard and sent my father to college, and both of their American-born sons fought in World War II.

My grandparents never spoke much English, and yet they were great Americans. They faced the same anti-immigrant sentiment that we see too much of today: hate, ignorance and racism. Yet my grandparents, and millions like them, persevered and became a source of national strength and vitality.

The immigrants in this country today also can be a source of strength, and, guided by comprehensive reforms and orderly policies, immigration will continue to renew the United States and California. But it will take a lot more than a half-promise for a partial fence.

Rep. Hunter Aims For White House (LAT)

By Tony Perry

The Los Angeles Times, October 31, 2006

SAN DIEGO -- Rep. Duncan Hunter (R-Alpine), chairman of the House Armed Services Committee, announced plans today to make a longshot bid for his party's 2008 nomination for president.

Hunter said his campaign will feature the two issues that are his trademarks: support for the U.S. military and opposition to illegal immigration.

While other Republicans may be edging away from President Bush over the war, Hunter praised the president for his guidance of the U.S. military missions in Iraq and Afghanistan.

"We are going to carry our message of a strong national defense and strong national borders" to voters, Hunter said at a news conference at the waterfront site where he announced his first bid for Congress in 1980.

In that race, Hunter upset a longtime Democratic incumbent, helped by the Ronald Reagan presidential landslide. Hunter has never faced a close race since.

"It's going to be a long road. There's lots of rough and tumble, but I think it's the right thing to do for our country," Hunter said of his presidential bid.

Hunter expressed confidence that he will be reelected next week to Congress from the 52nd District and remain as chairman of the powerful committee. Under congressional rules, he could only serve as chairman for two more years if the GOP controls the House.

Hunter, 58, served in the Army in Vietnam and later earned a law degree at Western State University College of Law in San Diego. He was a plaintiff's attorney before entering politics.

He is a hardliner on illegal immigration and sponsored a bill signed by Bush to build a 700-mile border fence.

Hunter's congressional opponent, Navy veteran John Rinaldi, was on the fringes of the news conference crowd. He called Hunter's announcement a stunt to draw attention away from serious issues.

"He has about as much chance of being president as I do of becoming Miss America," Rinaldi said.

Rep. Hunter Exploring Presidential Run (AP-Y)

By Elliot Spagat

AP, October 31, 2006

Republican Rep. Duncan Hunter, known in the military's echelon for his congressional role but hardly a national name, said Monday he was taking the initial step in a 2008 presidential bid.

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"This is going to be a long road, it's a challenging road, there's going to be some rough and tumble, but I think it's the right thing to do for our country," Hunter, the chairman of the House Armed Services Committee, said at a waterfront news conference.

The declaration to form an exploratory committee allows the 13-term California congressman to begin raising money and organize supporters in early Republican primary states such as Iowa, New Hampshire and South Carolina.

Hunter is a familiar face on Capitol Hill and at the Pentagon as chairman of the powerful panel that oversees military policy. Not so beyond Washington and San Diego, and his White House bid surprised many Republicans.

He had not been on any list of potential 2008 candidates that included more familiar names such as Sens. John McCain of Arizona, Massachusetts Gov. Mitt Romney and former New York City Mayor Rudy Giuliani.

"In typical Duncan Hunter fashion, I didn't consult with any Republican leaders," he said to laughter and applause from an audience of about 100 people against a backdrop of military ships on San Diego Bay.

Analysts immediately characterized the quest as a long shot.

"You never say never, but Congressman Hunter faces extremely long odds given that practically no one apart from students of Congress knows who he is," said Jack Pitney, a government professor at Claremont McKenna College. "He's a good member of Congress, a very effective chairman of Armed Services. It's just that he has no following within the party."

Hunter, 58, became chairman of the House Armed Services Committee in 2003 — a position he would lose should Democrats take control of the House after the Nov. 7 midterm elections. By making an announcement now, he can begin raising money while still heading the committee.

The Vietnam War veteran, a recipient of a Bronze Star, has made his mark in Congress by advocating for a strong military and border security. He played a leading role in the construction of a 14-mile double fence on the U.S.-Mexico border that is nearing completion in San Diego. He co-authored legislation signed by President Bush last week that would extend the border fence to 700 miles.

Hunter voted against the North American Free Trade Agreement and the Central American Free Trade Agreement and opposed most-favored-nation status for China. This year, he was a vocal critic of a deal that gave a Dubai company control of some operations at six American ports.

Hunter has cruised to re-election since he, as a 32-year-old criminal defense attorney, rode Ronald Reagan's coattails to unseat a nine-term Democratic incumbent. The Riverside native faces token opposition next week in his bid for another term representing San Diego's eastern suburbs.

Hunter was a close ally of former Rep. Randy "Duke" Cunningham, a California Republican who was sentenced to more than eight years in prison this year for accepting $2.4 million in bribes from defense contractors. Hunter has accepted $46,000 in campaign donations from the same contractors at the center of the Cunningham scandal, Brent Wilkes and Mitchell Wade, and their associates.

Carl Luna, a political science professor at San Diego's Mesa College, said Hunter may be preparing himself for losing the Armed Services Committee chairman slot.

"Duncan Hunter is looking for something to do if the Democrats take control of the Congress," Luna said. "He doesn't want to have to go from being chairman of a powerful committee to just another backbencher."

Things didn't end well for the last California House member to run for president — Republican Robert Dornan in 1996. Dornan, a vociferous conservative known by the nickname "B-1 Bob" for his support of military programs and bombastic style, spent his time and money on a fruitless White House bid and ended up losing his House seat to Democrat Loretta Sanchez.

Rep. Hunter To Explore White House Bid (WP)

By Sonya Geis

The Washington Post, October 31, 2006

LOS ANGELES, Oct. 30 -- Rep. Duncan Hunter (R-Calif.), chairman of the House Armed Services Committee and a vigorous opponent of illegal immigration, announced Monday that he is starting the process of seeking the presidency in 2008.

Hunter, 58, said he will form an exploratory committee for a presidential run, adding his name to a list of better-known GOP hopefuls such as Sen. John McCain (Ariz.), Massachusetts Gov. Mitt Romney and former New York mayor Rudolph W. Giuliani.

"I've always laid my cards on the table," Hunter said at a news conference in San Diego. "As I finish my final two years as chairman of the Armed Services Committee, I'm also going to be preparing to run for president of the United States in 2008."

The 13-term congressman is known in his suburban San Diego district for advocacy on immigration and military issues. He was a leader in the construction of a 14-mile fence along the U.S.-Mexico border south of San Diego, and he cosponsored legislation that President Bush signed last week to build 700 miles of additional fencing along the border. A Vietnam veteran, Hunter has advocated for a strong military, sometimes taking positions to the right of Republican leaders.

Hunter is expected to cruise to reelection next week, but if Democrats win a majority in the House he would lose his committee chairmanship.

That may be a factor in his unexpected announcement, said John J. Pitney Jr., a government professor at Claremont McKenna College.

"He has been in Congress long enough to remember what it was like in the minority," Pitney said. "The difference between being chair of a committee and being a minority member is like the difference between lightning and a lightning bug. . . . He may have decided a long-shot presidential campaign is more fun."

An Oval Office For Mayor Mike? (WP)

By Richard Cohen

The Washington Post, October 31, 2006

NEW YORK -- If you should happen to go to dinner here, the talk will inevitably turn to any one of the many presidential candidates the Empire State has to offer. Foremost among them, of course, is Hillary Clinton, but worthy of mention are Rudy Giuliani and George Pataki, Republicans both. Increasingly, though, the hum is also about the politically audacious Michael Rubens Bloomberg, 44th on Forbes magazine's list of the richest Americans and, as it happens, the mayor of this fair city. He might also be running.

I say "might" because Bloomberg has gone from the firm "no" he offered me some months ago to a more intriguing "I'm considering it" that he offered someone I talked with recently. Indeed, among this city's moneyed, journalistic (not, alas, the same thing), entertainment, financial and other sorts of elites, there are always one or two at the table who say, with great solemnity, that they happen to know Bloomberg will indeed run for president as an independent. Knowing my duty, I called the Bloomberg people and asked if that is the case. By press time, as they say in the movies, I had yet to hear back. I take that as a wobbly affirmation.

The prospect of a Bloomberg presidential candidacy delights me. I grant you that just last week I was excited about Barack Obama, but that is because I think the more the merrier -- especially if they are truly bright, unencumbered by a need to defend the Iraq war and willing to look at things afresh. This is particularly the case with Bloomberg, who has an unorthodox approach to politics. He says what he means and he means what he says and he tells it like it is. This string of cliches is, in fact, the truth.

Here is the quintessential Bloomberg story: In July, in the midst of a heat wave, the power failed in certain sections of Queens. For politicians, a power failure is such a no-brainer that even the alcoholically stupefied show up to denounce Con Ed, call for an investigation and demand that its chairman resign. Bloomberg, though, did no such thing. He supported the utility and its chief executive, noting that it was awfully hot as well for the Con Ed workers and that they were apparently doing the best they could. Jaws dropped all over the city.

Officially, Bloomberg is the Republican mayor of New York. But he's really the Democrat he used to be or, more to the point, the independent he would become if he chose to run for president. Running as neither a Republican nor a Democrat would be a nearly insurmountable hurdle, but Bloomberg is very, very rich and not at all afraid to use his money. He personally financed his two mayoral campaigns -- nearly $74 million in 2001, $84 million in 2005 -- and he has said that spending half a billion dollars on a presidential race is, if that's what it takes, easily doable. Ross Perot, not as rich as Bloomberg and clearly deranged, got 19 percent of the vote in 1992. Bloomberg, who's sane, could do better.

Is the country ready for a billionaire divorced Jew with a penchant for the blunt quote and a habit of getting his own way? Probably not. But there is no doubt that Bloomberg has done a terrific job managing New York, and there is no doubt that the federal government is a mismanaged mess -- so dysfunctional and weird that grown men will defend the appropriation of money for bridges that go virtually nowhere. Wasting money has become the functional equivalent of gutsy politics -- the willingness to defend the fiscally obscene. Bloomberg, maybe John McCain as well, would do something about that. One hopes.

A Bloomberg presidential candidacy would certainly complicate life for Hillary Clinton, not to mention Giuliani, and it's a long shot as an independent or third-party candidacy in any case. (Perot got nary an electoral college vote.) There are vast stretches of the country where you can't get a good pastrami sandwich, sarcasm is loathed, candor is confused with rudeness, advocacy of gun control is hardly appreciated and a crusade against trans fats might be confused with lunacy. For Bloomberg, a presidential campaign would be an enormously expensive tilting at a windmill, and no one should be surprised if, as he has said, he devotes his apres-mayoralty life to giving away his fortune.

But Bloomberg drops too many hints at dinner parties, says no with a total lack of conviction and has the gambler's yen to roll the dice for major stakes. Once before, he ignored sage advice, switched political parties and ran for mayor. Will he do something similar now? I don't know. Is he considering it? You bet.

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Abstinence Message Goes Beyond Teens (USAT)

By Sharon Jayson

USA Today, October 30, 2006

The federal government's "no sex without marriage" message isn't just for kids anymore.

Now the government is targeting unmarried adults up to age 29 as part of its abstinence-only programs, which include millions of dollars in federal money that will be available to the states under revised federal grant guidelines for 2007.

The government says the change is a clarification. But critics say it's a clear signal of a more directed policy targeting the sexual behavior of adults.

"They've stepped over the line of common sense," said James Wagoner, president of Advocates for Youth, a Washington, D.C.-based non-profit that supports sex education. "To be preaching abstinence when 90% of people are having sex is in essence to lose touch with reality. It's an ideological campaign. It has nothing to do with public health."

Abstinence education programs, which have focused on preteens and teens, teach that abstaining from sex is the only effective or acceptable method to prevent pregnancy or disease. They give no instruction on birth control or safe sex.

The National Center for Health Statistics says well over 90% of adults ages 20-29 have had sexual intercourse.

But Wade Horn, assistant secretary for children and families at the Department of Health and Human Services, said the revision is aimed at 19- to 29-year-olds because more unmarried women in that age group are having children.

Government data released last month show that 998,262 births in 2004 were to unmarried women 19-29, the ages with the most births to unmarried women.

"The message is 'It's better to wait until you're married to bear or father children,' " Horn said. "The only 100% effective way of getting there is abstinence."

The revised guidelines specify that states seeking grants are "to identify groups ... most likely to bear children out-of-wedlock, targeting adolescents and/or adults within the 12- through 29-year-old age range." Previous guidelines didn't mention targeting of an age group.

"We wanted to remind states they could use these funds not only to target adolescents," Horn said. "It's a reminder."

Last year, 46 states applied for the federal abstinence-education money, to fund programs in schools, neighborhood clubs and faith-based organizations.

Sarah Brown, director of the National Campaign to Prevent Teen Pregnancy, says abstinence programs are among many messages that have helped reduce teen pregnancy rates. But "the notion that the federal government is supporting millions of dollars worth of messages to people who are grown adults about how to conduct their sex life is a very divisive policy," she says.

"We would oppose any program that stigmatizes unmarried people," adds Nicky Grist, executive director of the Alternatives to Marriage Project, a non-profit organization based in Brooklyn, N.Y., that advocates for the rights of unmarried people.

For last year's state grants, Congress appropriated $50 million. A similar amount is expected for 2007, but the money has not yet been allocated, according to the Administration for Children and Families.

"I think the program should talk about the problem with out-of- wedlock childbearing — not about your sex life," Brown says. "If you use contraception effectively and consistently, you will not be in the pool of out-of-wedlock births."

Blue America (WT)

By Fred Barne

The Washington Times, October 31, 2006

If Tom Edsall isn't America's greatest political writer, he's close to it. He meets the two tests that matter the most. The first is whether one who analyzes politics is willing to write against preference. Mr. Edsall is, and "Building Red America" is a perfect example. He is a liberal, especially on social and cultural issues, who persuasively chronicles how Republicans have gained the upper hand in politics today and explains why Democrats, even if they defeat Republicans in the midterm elections on Nov. 7, are not poised to become the majority party again anytime soon.

The second test involves whether the political writer can command an audience. Mr. Edsall, who recently left The Washington Post to join the New Republic, can. In his case, anyone with a strong interest in politics is likely to read his pieces regardless of the specific subject matter. They'll do so simply on the basis of the Edsall byline, assuming (as I do) that anything he writes is worth reading.

Mr. Edsall doesn't buy the conventional wisdom of liberal political reporters and commentators, most notably their take on the effect of social issues. Their view is that Republicans do well despite their opposition to abortion, embryonic stem cell research, homosexual rights and racial preferences. His view, slightly oversimplified, is that Republicans win elections because of their social conservatism.

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In both 2000 and 2004, President Bush was a beneficiary. He won, Mr. Edsall writes, at least partly as a result of the "the high-risk strategy by the conservative movement and the Republican party of forcing wedge issues, of leveraging every marginal advantage, and of bearing down hard on morality and sex." Emphasizing social issues in 2000, he says, "established a framework for the aggressive use of the issue of gay marriage in 2004."

I'd quibble with the idea that Republicans were "aggressive" in opposing same-sex marriage. True, Mr. Bush endorsed the protection amendment, but he hardly stressed it during the 2004 campaign. He didn't need to. Same-sex marriage was already a prominent enough issue to aid in producing what Mr. Edsall calls at one point "a thin but durable GOP advantage" and at another a Republican "juggernaut."

Mr. Edsall gently but firmly rebuts those who chiefly blame voters for Democratic defeats. Thomas Frank popularized this notion in his book "What's the Matter with Kansas?" Mr. Frank argued that lower-middle-class voters, a natural Democratic constituency, are ignoring their economic interests to vote on the basis of social issues. Mr. Frank recommended that Democrats emphasize economic populism to lure these voters.

But the evidence from recent elections, Mr. Edsall notes, is that populist appeals haven't worked. He cites the presidential campaigns of Al Gore, Howard Dean, John Edwards, Richard Gephardt, Tom Harkin and Jesse Jackson. The common thread: They all lost.

There's also plenty of evidence that Democrats remain oblivious to the harm done them by their failure "to cross a security threshold" and gain credibility on national security. Mr. Edsall knows better. "Because the Democratic party became the party of antiwar activists during the Vietnam war," he writes, "... and because the party became increasingly hostile to defense spending, the security threshold has been a major stumbling block for the party's candidates."

Fred Barnes is the executive editor of the Weekly Standard.

The Republican Party: An Incredible Knack For Winning (CSM)

By Ari Pinkus

The Christian Science Monitor, October 31, 2006

How the GOP turned the art of electioneering into a science.

You could hardly turn on the television or pick up a newspaper in recent weeks without learning about a Republican running for his or her life. Of course, no one knows yet what voters will really do in the privacy of the voting booth next week.

But whatever happens on Election Day, nothing changes the fact that the Republican Party has the upper hand over the Democrats in the mechanics of campaigning: money, message, and organization. Even should the GOP suffer a setback at the polls, these formidable advantages will not disappear anytime soon.

The new book One Party Country: Republican Dominance in the 21st Century examines the nuts-and-bolts of the way Republicans have been building this sturdy foundation aimed at achieving successive election victories.

At a time when Republicans have not articulated a clear strategy in the Iraq war and have bungled the aftermath of hurricane Katrina, "One Party Country" suggests that the immediate priority and long-range plan of the Republican Party is wrapped up in winning elections. With so much of the focus on electoral tactics, the offshoot is that governing the country takes a secondary role.

"One Party Country" does a good job of spelling out the GOP electoral strategy objectively and in detail, and without evidence of partisan leanings.

Written by two investigative reporters for the Los Angeles Times, Tom Hamburger and Peter Wallsten, this book shows the signs of incisive journalistic digging. Early on, a minihistory lesson shows how the Republicans seized the opportunities for electoral success afforded by redistricting, particularly in the South.

More recently, the Republican Party has shown that it is well on its way to flawlessly executing the technique of microtargeting - developing messages and reaching specific individuals who are most likely to vote for a candidate. A new approach to conducting campaigns, it puts the onus on campaign staffs to learn about voters, including those who have not turned out in the past.

The authors extensively discuss the Voter Vault, a database of names, voter registrations, positions on key issues, and marketing information that can help the GOP reach new voters.

With this under-the-radar model, the Republicans would take the Democrats by surprise, the authors say. "It was the political equivalent of stealth technology in air power: Democrats would feel the bombs explode, but they could not see the bombers."

In 2004, the Bush campaign, led by master strategists Karl Rove and Ken Mehlman, spent $120 million in grass-roots politicking.

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It's been successful so far, according to Hamburger and Wallsten. In numerous regions of the country, Republicans are siphoning off votes from several demographic groups that traditionally vote Democratic: Latinos, African-Americans, and Jews.

In the current environment, politics goes beyond targeting blocs of voters right before elections. Republicans frame all issues, including managing governmental regulations, in terms of gaining political advantage. Bush's faith-based initiatives were intended to cultivate support among African-American preachers, and educational reforms have helped him with minority voters.

Even mid-level bureaucrats don't escape the attention of GOP political operatives, the authors write.

They also explain the importance of the conservative network's weekly meetings led by Grover Norquist of the Americans for Tax Reform in keeping the two main groups (the fiscal and social conservatives) focused on their common GOP connection.

The reporters were able to get into a few of these private forums where conservatives can promote a message or share disagreements. Mr. Rove explained the Medicare prescription drug plan to this gathering and encouraged them to support it or keep mum if they did not, all for continued electoral success.

Particularly with midterm elections looming, "One Party Country" leaves the reader with fundamental questions: Are the Democrats about to put a halt to Republican dominance? If not, what might US society look like with a one-party system where campaigning is king, and governing an afterthought?

· Ari Pinkus is a Monitor editor.

Newspaper Circulations Slide More (WSJ)

By Emily Steel

The Wall Street Journal, October 31, 2006

Broad Decline May Hasten Move to Hone Web Focus; New York Tabloids Log Gains

Nearly every major U.S. newspaper suffered circulation declines in the past six months, according to the newspaper industry's twice-yearly report from the Audit Bureau of Circulations, the latest confirmation of the difficulties facing the industry as readers flock to the Web and other outlets for news.

Average daily circulation of the 770 newspapers reporting results to the ABC dropped 2.8% on a year-to-year basis during the six months ended Sept. 30, according to an analysis from the Newspaper Association of America, an industry-trade group. The drop in circulation follows a decline of 2.5% during the reporting period ended March 31 of this year and a 2.6% decline in the year-earlier period. Average Sunday circulation at 619 of the country's newspapers fell 3.4% in the most recent six months, according to the NAA. The circulation figures are preliminary and subject to audit by the ABC.

The circulation report, which comes on the heels of several major publishers reporting weaker ad revenue for the third quarter, is likely to reinforce concerns among investors about the industry's prospects. Those concerns have prompted some investors to push companies such as Tribune Co. to restructure or put themselves on the market.

The weaker circulation numbers may fuel efforts by publishers to adjust their business model to put more emphasis on the Web. Newspaper Web sites increased total audience by an average of 8%, according to an NAA analysis of more than 100 newspapers in the nation's top markets.

Some of the biggest declines occurred among the nation's large metropolitan daily papers, including several that have either changed hands or whose future business model is in doubt.

Tribune's Los Angeles Times posted the biggest percentage decline among the nation's top 25 papers, reporting an 8% six-month drop in total paid circulation to 775,766 compared with a year ago. Tribune's board is exploring a sale of the company, under pressure from shareholders unhappy with the company's stock price. Tribune's other major papers reported slightly smaller six-month declines: Chicago Tribune's circulation fell 1.7% while Newsday was down 5%.

Total paid circulation at the Philadelphia Inquirer, a former McClatchy Co. paper purchased this year from Knight Ridder Inc. and then sold this summer to an investor group led by Brian Tierney, chief executive of Philadelphia Media Holdings LLC, dropped 7.6% to 330,622.

At New York Times Co.'s Boston Globe, circulation dropped 6.7% to 386,415. Speculation about the Globe's future intensified last week after it emerged that former General Electric Co. Chairman Jack Welch had discussed with a group of Bostonians the possibility of launching a bid for the paper. The Times hasn't given any indication of wanting to sell the Globe, saying yesterday it views the paper as an important asset.

National newspapers managed less significant circulation drops. Gannett Co.'s USA Today retained its status as the nation's largest-circulation newspaper with total paid circulation at 2,269,509, down 1.3%. The Wall Street Journal, the nation's second-largest paper, published by Dow Jones & Co., reported a 1.9% decrease in total paid circulation to 2,043,235. The New York Times, the country's third-largest paper, saw its circulation decrease 3.5% to 1,086,798.

Several papers, including the Journal and Los Angeles Times, said "individually paid circulation" -- excluding bulk sales to offices, hotels and other places -- reflects a more accurate picture of circulation for advertisers. Individually paid subscriptions

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increased 9.2% to 1.428 million at the Journal, compared with last year. Daily individually paid circulation at the Los Angeles Times increased 0.3% to 741,665.

Of the nation's top 10 newspapers, only New York's tabloid rivals -- New York Post and New York Daily News -- reported higher total paid weekday circulation. With a 5.1% increase to 704,011, News Corp.'s New York Post emerged ahead of its rival New York Daily News, which reported a 1% increase to 693,382 in total paid weekday circulation. The New York Post's increase in circulation pushed it ahead of the Washington Post as well and made it the country's fifth-largest daily. The Washington Post's circulation fell 3.3% to 656,297.

The Chicago Sun-Times and Dallas Morning News didn't file data, pending the completion of their next six-month audits.

Write to Emily Steel at emily.steel@wsj.com1

Newspaper Circulation Falls Sharply (NYT)

By Katharine Q. Seelye

The New York Times, October 31, 2006

The circulation of the nation's daily newspapers plunged during the latest reporting period in one of the sharpest declines in recent history, according to data released yesterday. The slide continues a decades-long trend and adds to the woes of a mature industry already struggling with layoffs and facing the potential sale of some of its flagships.

Over all, average daily circulation dropped by 2.8 percent during the six-month period ended Sept. 30, compared with the period last year, according to an industry analysis of data released by the Audit Bureau of Circulations. Circulation for Sunday papers fell by 3.4 percent.

The figures appear to be the steepest in any comparable six-month period in at least 15 years. They come after the sale of the Knight Ridder newspapers this year and in the midst of a possible sale of the Tribune Company, whose assets include 11 newspapers. The circulation losses also follow recent sour earnings reports, raising questions about why anyone would want to buy a newspaper now.

The losses have accelerated as the industry tries to adjust to the steady migration of readers and advertisers to the Internet. Papers in major metropolitan areas, where more homes are wired for broadband, fared worse than those in smaller markets.

Newspaper executives also attribute some of the decline to deliberate strategies to eliminate so-called bulk sales to third-party sponsors that offer papers free in places like hotels. Advertisers view them as having little value because the readers getting them did not pay for them.

The Los Angeles Times lost 8 percent of its daily circulation and 6 percent on Sunday. The Boston Globe, owned by The New York Times Company, lost 6.7 percent of its daily circulation and almost 10 percent on Sunday.

The New York Times, one of the few big papers where circulation had held steady over the last few reporting periods, lost about 3.5 percent of its circulation both daily and Sunday. The Washington Post's declines were nearly the same. The Wall Street Journal's daily paper fell by less than 2 percent but its Weekend Edition, which comes out on Saturday, reported a 6.7 percent drop.

As of Sept. 30, total circulation for the nation's dailies had dropped to 43.7 million. Daily circulation peaked in 1984, at 63.3 million.

Nonetheless, three billionaires in Los Angeles have said they are interested in buying The Los Angeles Times, which is owned by Tribune. John F. Welch Jr., the former chief executive of General Electric, has mused about buying The Globe, although The New York Times Company has said it is not for sale. And others have expressed interest in papers elsewhere.

Prospective buyers are interested, in part, because despite their problems, newspapers generally still turn a profit and remain attractive to advertisers who want to reach a mass audience. Many papers have higher profit margins than the average Fortune 500 company.

Moreover, many companies see promise in their online publications, which are drawing an increasing number of readers each year. At The New York Times, for example, the number of people who read the paper online now surpasses the number who buy the print edition.

The newspaper association said that for the third quarter of this year, 57 million people visited a newspaper Web site, an increase of 24 percent over the period a year ago. And revenues from online advertisers are growing.

"The fundamentals say to me that there is a future for a well-run newspaper," said Conrad C. Fink, who teaches newspaper management at the University of Georgia. "But short range, it looks dismal and nobody knows exactly what to do about it."

One immediate problem is that although online revenues are growing, they still make up only a small portion of the overall newspaper revenues. And it could take at least two decades for online revenues to equal half of current revenues, Lauren Rich Fine, an analyst with Merrill Lynch, wrote last week.

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Still, there is the vanity aspect of owning a newspaper.

"If you're Jack Welch, you've already made a ton of dough," Mr. Fink said. "You want to buy The Boston Globe because you want a voice at the top."

He also said there was an "element of altruism" by some people, "who believe they can buy these papers and return them to their local roots." But he pointed to the recent acquisition of The Inquirer and The Daily News in Philadelphia by Brian P. Tierney, a local advertising executive, as an example that was "not all that impressive."

The Inquirer lost 7.6 percent of its daily circulation and 4.5 percent on Sunday, according to the new data. Some of the papers owned by McClatchy, which acquired Knight Ridder, also lost circulation in this period: The Star-Tribune in Minneapolis was down more than 4 percent daily and The Sacramento Bee was down more than 5 percent daily.

Nonetheless, Elaine Lintecum, treasurer of McClatchy, said the company was optimistic.

McClatchy's online sites now account for 8 percent of the company's revenue, Ms. Lintecum said. "It's a small portion, but it's growing more in importance each year," she said. "As that transition is taking place, we have to look at our total audience" online and in print.

She also said that like many other publishers, McClatchy was in the process of cutting back on third-party sales, "and until that's weaned out, the circulation numbers won't look so good."

One of the few increases in circulation was scored by The New York Post, which eked past its main rival, The Daily News, by about 10,000 copies and trumpeted the news on a giant billboard in Times Square.

With Tribune On Block, L.A. Times Circulation Down 8% (WP)

By Frank Ahrens

The Washington Post, October 31, 2006

Drop is Steepest Among Major U.S. Newspapers

The Los Angeles Times lost 8 percent of its daily circulation -- the most of any of the nation's largest newspapers -- over the past six months, potentially lowering its value even as suitors line up to bid on its parent company.

Nationally, newspaper circulation has been sliding since 1987 and the past six months were no exception. Overall circulation was down 2.8 percent from the comparable period last year. But the pain was felt worse in some cities than in others. The smaller-circulation Miami Herald, for example, was down 9 percent for daily and Sunday, while the New York tabloids -- the Post and Daily News -- gained.

The L.A. Times is owned by Chicago-based Tribune Co., which has put itself up for sale as the result of a boardroom war. A minority of board members are unhappy with the company's performance over the past year and think the company would be worth more split up or sold off.

On Friday, two private-equity groups -- Bain Capital of Boston and Thomas H. Lee Partners of Boston combined with Texas Pacific Group of Fort Worth -- met Tribune's deadline for expressing interest in buying the company, said sources with knowledge of the submissions who spoke on the condition of anonymity because the bidding is private. Tribune's market capitalization is $8 billion.

Tribune's sentimental flagship is the Chicago Tribune, but the L.A. Times is its largest newspaper and accounts for about one-quarter of Tribune revenue. The Times has been at the heart of Tribune's cost-cutting efforts in recent months; Chicago executives fired Times publisher Jeffrey M. Johnson this month for refusing to cut more jobs.

The 8 percent drop in circulation was recorded in April through September and left the Times with a daily circulation of 775,766, according to the Audit Bureau of Circulations, which monitors newspaper sales. The Times's Sunday circulation for the period was down 6 percent, to 1.2 million. The Times publisher said the big drop was attributable to low-value circulation -- such as giveaways -- that the paper cut to save money.

Other Tribune papers fared slightly better. Daily circulation at the Chicago Tribune was down 1.7 percent; the Hartford Courant was down 3.9 percent; the Baltimore Sun was down 4.4 percent; and Newsday was down 4.9 percent.

Tribune shares fell 50 cents in morning trading in reaction to the circulation news but mostly recovered during the day, closing down 2 cents at $33.45.

If the Times's circulation slide is the result of readers actively fleeing the paper, the company's value could be reduced as the sale process goes forward, said James C. Goss, an analyst with Barrington Research Associates Inc. of Chicago. That could lead bidders such as Bain and Lee to lowball Tribune, offering less per share to buy the company.

Analysts place Tribune's value at about $35 per share.

But if the 8 percent loss is the result of what Goss called "corporate choice" -- meaning that Tribune allowed low-value circulation to seep away -- that would be seen as smart corporate policy and could raise the value of the company.

However, allowing overall circulation to drop too far can result in lowered ad rates.

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In a written statement, Times publisher David D. Hiller said his paper was focusing on "individually paid circulation," or full-price circulation. In that respect, the Times's circulation was up one-third of 1 percent over the past six months, yesterday's data showed.

Newspapers receive credit for other forms of circulation, such as "third-party sales," when a retailer agrees to buy a large number of newspapers at a reduced rate then give them away as a promotional tool. That kind of Times circulation was down 67 percent, the paper said.

The Washington Post lost 3.3 percent of its daily and 2.6 percent of its Sunday circulation in the same period. The New York Times was down 3.5 percent daily and Sunday. USA Today, the nation's largest newspaper, lost 1.3 percent.

In New York, the tabloid wars have been good for the industry: The New York Post's circulation was up 5 percent, while the Daily News's rose 1 percent.

Cotton-picking Subsidies (LAT)

The Los Angeles Times, October 31, 2006

A CENTURY AND a half ago, the U.S. cotton industry fueled a booming trade in African slaves and indirectly helped spark the Civil War. One big difference between then and now is that although American cotton is still afflicting Africa, now the Africans suffer at home rather than here.

Cotton is a staple crop for many West and Central African countries, where a difference of a few pennies in the price of a pound of fiber can mean the difference between deprivation and relative prosperity. And an explosion of U.S. cotton exports over the last decade, fueled by one of the most obscene corporate welfare programs this country has ever seen, has increasingly helped tip the scales toward deprivation over there.

On Wednesday, trade ministers from four African countries whose economies are being savaged by U.S. cotton subsidies came to Washington to discuss the issue with U.S. Trade Representative Susan Schwab and Agriculture Secretary Mike Johanns. They left with little more than vague promises. President Bush, cowed by powerful congressional Republicans from farm states, has done nothing to stop a surge in agricultural subsidies during his administration.

Few U.S. growers would be in the cotton business if not for the roughly $3.5 billion the government shovels their way every year. Much of this money goes to large corporate operations or wealthy families that feel it is their birthright to unfairly rig the global trading game. The payments encourage overproduction and make it almost impossible for African farmers to compete with this nation's subsidized exports.

When other nations try subsidizing industrial exports that compete with our goods, we cry foul, and this incessant hypocrisy contributes to anti-American sentiment in much of the world. The message from Washington to the rest of the world seems to be: We love fair competition and open markets, just as long as we're talking about those products and services we are inherently good or efficient at producing. This doesn't just hurt people overseas. The U.S. government last year spent about $23 billion on farm subsidies. What did taxpayers get for their money? A fat agribusiness industry and inflated land values. The overall farm support program also means U.S. consumers lack access to some lower-priced imports.

Two years ago, the World Trade Organization ruled in favor of Brazil in a case challenging the legality of U.S. cotton subsidies, yet the U.S. continues to flout the ruling. A five-year WTO effort to lower farm supports around the world, in order to address one of globalization's most brazen north-south inequities, collapsed in July. Europe and Japan may be even more culpable on these issues than the United States, but the Bush administration's unwillingness to unilaterally dismantle the cotton program prevented the U.S. from claiming the moral high ground in negotiations — not to mention a much-needed dose of goodwill in the developing world.

The crowning irony is that while the United States spends billions of dollars a year on foreign aid programs for developing nations, it spends even more billions on agricultural subsidies that make it harder for these countries to wean themselves off outside support. Enough already. Key farm legislation, which contained a big increase in subsidies in 2002, expires next year. When it is renegotiated, Bush and Congress need to kill off these subsidy programs that cost the nation billions of dollars, and much more in prestige and credibility around the world.

Iran Warns Of Response To Nuke Sanctions (AP)

By Nasser Karimi

AP, October 31, 2006

Iran's firebrand president warned on Monday that his country would respond with an "appropriate and firm response" to any U.N. sanction over its nuclear program.

The comments by Mahmoud Ahmadinejad came as key United Nations Security Council members were considering a draft European resolution that would impose punishing measures on Iran over its disputed nuclear program.

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"Efforts by the big powers will only incite anger and hatred," the hard-line leader told a large crowd on the outskirts of Tehran.

"The Iranian nation will respond to restrictive activities with an appropriate and firm response," he said without elaborating.

Meanwhile, Mohamed ElBaradei, who heads the International Atomic Energy Agency, said at the U.N. that his organization has not been able to verify that Iran's nuclear program is peaceful.

Tehran insists its nuclear efforts are solely geared at peacefully producing electricity. But the U.S. and its allies fear Iranians want to build atomic weapons.

Russia and China, which wield veto power as permanent Security Council members, have shied away from imposing punitive measures on their trade partner Iran, saying they prefer a diplomatic solution to the impasse. But the United States says the proposed sanctions are not tough enough.

Russian President Vladimir Putin told Ahmadinejad on Monday that Moscow strongly favors further negotiations on Tehran's nuclear program, the Kremlin said.

The brief Russian statement after a telephone conversation between the two leaders was the latest indication that Russia opposes sanctions against Iran and believes the international community should try to defuse tension through talks.

With Iran waving threats of a firm response to any U.N. sanction, it also appeared aimed at cooling Tehran's rhetoric and casting Russia as a peacemaker.

In the Iranian-initiated conversation with Ahmadinejad, "Putin outlined the fundamental position of the Russian side in favor of a continuation of the negotiation process," the Kremlin said.

President Bush insists that Washington will only agree to negotiate about Tehran's nuclear program if the Iranians first halt uranium enrichment, a key step to produce either peaceful nuclear power or an atomic bomb.

With the council divided, Ahmadinejad remained defiant, telling the crowd that Iran would prefer to endure sanctions rather than bow to Western pressure.

"We want to stand on our own feet," he said. "You should know that our nation will not give in one iota in the nuclear case."

He also mocked Britain as a "follower of arrogance," for aligning itself with U.S. foreign policy, days after British Prime Minister Tony Blair called on the Security Council to achieve a "proper, binding resolution" on Iran's nuclear activities.

The British "have simply become the guide for a blind U.S," Ahmadinejad said.

"We do advise Britain not to squirm and not to do childish activities concerning the resolution. Iran's nation has stood up and will not let you achieve anything except humiliation," he added.

His speech was delivered after Iran officially confirmed on Friday that it has doubled its uranium enrichment capacity.

On Monday, ElBaradei said that the IAEA was "unable at this stage to confirm the peaceful nature of Iran's nuclear program which, obviously, is a matter of serious concern."

ElBaradei referred to his earlier report to the Security Council verifying that Iran had ignored the Aug. 31 deadline to halt uranium enrichment.

The U.N. nuclear watchdog had not been able to "make progress resolving the outstanding issues — issues that require certain transparency measures on the part of Iran," ElBaradei said.

The Iranians have insisted on their right to pursue a peaceful atomic energy program as a member of the Nuclear Nonproliferation Treaty.

Iran's deputy U.N. Ambassador Mehdi Danesh-Yazdi criticized the "dangerous trend" where countries outside the Nuclear Nonproliferation Treaty face no pressure to join and acquire large stockpiles of nuclear weapons. He singled out Israel, accusing it of leading "a masquerade of lies and deception against Iran's peaceful nuclear program."

Iran wants all nuclear weapons eliminated but in the interim the international community should take "all necessary steps to ensure universality of the non-proliferation regime," he told the U.N. General Assembly.

At the same time, Danesh-Yazdi said, Iran has a right under the NPT to nuclear technology and is ready to resume negotiations with the six key powers that proposed a package of incentives to assure them of the peaceful nature of Iran's nuclear program. But he made no mention of suspending uranium enrichment — a key demand of Britain, France, Germany, the U.S., Russia and China for resuming negotiations.

Giving Iran The Bomb (WSJ)

By Bret Stephens

The Wall Street Journal, October 31, 2006

Does the Bush administration seriously mean to give Iran a nuclear bomb? Look carefully at the confidential text of a forthcoming U.N. Security Council resolution, and the answer, it would seem, is yes.

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This is a Halloween column, but it is not a prank. Through diplomatic efforts spearheaded by Undersecretary of State Nick Burns, the administration is prepared to endorse a European draft of a U.N. resolution that imposes limited sanctions on the Islamic Republic for flouting its Aug. 31 deadline to stop enriching uranium. The chances the resolution will soon be voted and agreed on increased with last week's news that Iran has again enriched uranium using a second "cascade" of 160 or so centrifuges. Iran plans to operate 3,000 such centrifuges -- which can spin uranium hexafluoride to either reactor- or weapons-grade levels -- by March of next year.

In an interview last month with this newspaper, Secretary of State Condoleezza Rice allowed that while a sanctions resolution would not satisfy the U.S. on every point, it would usefully ratchet up the pressure on Tehran and pave the way, if necessary, for tougher Security Council action later on. On its face, the current draft of the resolution does just that. After noting that the International Atomic Energy Agency "is unable to conclude that there are no undeclared nuclear materials or activities in Iran," the resolution forbids the sale or transfer of "all items, materials, equipment, goods and technology which could contribute to Iran's nuclear and ballistic missile programs." It also freezes the financial assets of everyone and everything known to be involved in those programs.

But then we come to the Bushehr exception, so broad the Iranians could drive a truck through it -- or, to be more precise, a truck carrying 330 kilograms of reactor-grade plutonium. That's enough to make about 55 Nagasaki-type atomic bombs.

Bushehr is a light-water nuclear reactor that Russia began building for Iran in the mid-1990s over the objections of the Clinton administration. Ten years on, the billion-dollar facility is nearly complete: All that remains to make it operable is reactor-grade uranium, which Moscow promises to supply by next October. In a sop to the Russians, the draft resolution specifies that the prohibition on technology transfers to Iran "shall not apply to supplies of items, materials, equipment, goods and technology, nor to the provision of technical assistance or training, financial assistance, investment, brokering or other services . . . related to the construction of Bushehr I."

For years it was widely believed that a light-water reactor could not be used -- at least not covertly -- to generate weapons-grade uranium or plutonium. It was for this reason that President Clinton agreed to supply two such reactors in 1994 to North Korea in exchange for freezing the reactor at Yongbyong, which lent itself more easily to nuclear-weapons production.

But as Henry Sokolski of the Washington-based Nonproliferation Education Center explains in a phone interview, the problem with that view is that it is at least 30 years out of date. Iran could secretly remove fuel rods of lightly enriched uranium pellets from Bushehr by substituting dummy rods, something the IAEA would be unlikely to notice using current inspection practices. It could then use its 3,000 centrifuges to enrich the uranium to weapons-grade levels in as little as five weeks.

That's not all. After a year's operation the Bushehr reactor would produce the previously mentioned 330 kilograms of plutonium in the form of spent fuel. That plutonium could be reprocessed at small and dispersed facilities, completely hidden from the IAEA's view. And unlike uranium, reactor-grade plutonium is only slightly less serviceable than the weapons-grade stuff when it comes to building a bomb. "It would take as little as 10 days of operation to get the first significant quantity [of plutonium] and then you could get a bomb's worth every day," says Mr. Sokolski. "You're talking about weeks, not months."

This means we need to radically revise our estimates of how soon the Islamic Republic will have all the ingredients and know-how it needs to build a bomb. National Intelligence Director John Negroponte speculated in June that Iran would be there sometime between 2010 and 2015 -- long after President Bush and presumably Mr. Negroponte are out of office. But as Mr. Sokolski notes, once Bushehr is operational, Iran could go nuclear "before the end of next year." We know that Iran already possesses a design for a functional weapon, probably courtesy of the A.Q. Khan proliferation network.

Proponents of the draft resolution argue that the Bushehr exemption is the only way the Russians will agree to any sanctions, and that an incremental resolution is better than none. This argument is questionable on three counts. Why would the Russians oppose the completion of Bushehr next year when they refuse to do so today? Why should the international community allow Iran to get a reactor when it is already in material breach of the safeguards agreement of the Nuclear Nonproliferation Treaty?

Finally, why should the U.S. hand Moscow a bargaining chip for its broader strategic ambitions, which are increasingly antithetical to America's? Imagine if Vladimir Putin demanded that the U.S. abandon its support for the embattled Republic of Georgia in exchange for his compliance on the Iranian issue. Is that a trade-off George W. Bush would be willing to accept?

Tehran has grown shrill in its warnings that there will be "repercussions" if any step is taken to halt its nuclear programs. Whatever. It's time the Bush administration called Iran's bluff, and regained its nerve, by taking effective action in the face of the present danger. The Kabuki dance now being played out at Turtle Bay is not that.

U.S.-Led Exercise In Persian Gulf Sets Sights On Deadliest Weapons (NYT)

By Hassan M. Fattah

The New York Times, October 31, 2006

DOJ_NMG_0089245

ABOARD THE OIL TANKER BRAMBLELEAF, in the Persian Gulf, Oct. 30 — More than two dozen countries, including three gulf states, practiced intercepting and searching vessels suspected of trafficking in unconventional weapons in major military maneuvers on Monday that emphasized their coordination and willingness to aggressively block the spread of arms.

The daylong exercise, about 20 miles outside Iranian territorial waters, seemed to signal to Iran, too, that a coalition of Western powers and neighboring states was intent on denying it access to nuclear, chemical and biological weapons, even on its doorstep.

"The message is clear," said William T. Munroe, the American ambassador to Bahrain. "Responsible countries of the world will not stand aside as proliferators circumvent their international obligations. Responsible countries will not hesitate to deny proliferators a safe haven."

American officials insist that the training exercise, planned since January, was not related to tensions over Iran's uranium enrichment activities. Iran said Friday that it had stepped up enrichment in defiance of a Security Council demand to suspend such work.

"This is ultimately important because of where it's happening, when it's happening and why it's happening," said a diplomat observing the exercise, speaking on condition of anonymity because he was not authorized to comment. "Iran and Korea are two main targets, but there are many others of interest to this effort."

Iran warned the exercise's participants on Monday against acts that could destabilize the region. Military officials taking part in the exercise said that Iranian patrol boats came close to coalition ships in recent days, inspecting their activities and positions.

"We do not consider this exercise appropriate," Muhammad Ali Husseini, the Foreign Ministry spokesman, told reporters on Sunday. United States actions in the region "go in the direction of more adventurism, not of stability and security," he said.

Instead, Iran has proposed that Persian Gulf states form a group, excluding the United States, to maintain security in the region.

The exercise on Monday was the first training maneuver in the Persian Gulf under the Proliferation Security Initiative, an American-led effort that seeks to coordinate and develop procedures for intercepting smugglers of unconventional weapons.

It was also notable for the involvement of Bahrain, and support by Qatar and the United Arab Emirates, which sent observers.

The operation began last week with war games to practice intelligence cooperation, then moved to the exercise at sea, which included Australian, British, French and Italian warships and three Bahraini frigates.

Sailors from the Italian and Bahraini Navies swooped onto the British oil tanker Brambleleaf in the choppy Persian Gulf waters, their machine guns waving in a scene that was half show, half test. Each team combed the ship's hold for almost two hours until they found a hidden simulated nuclear detonator.

Absent, however, were Saudi Arabia, a power in the Persian Gulf, and China. Officials involved in the Proliferation Security Initiative said that many states that had not signed on were largely concerned about legal aspects of the initiative.

Technically, teams conducting searches under the initiatives can board a ship only if given clearance by its owners or crew. Ships with no flag can be boarded at will. Organizers of the maneuvers said they hoped the exercise would convince those still on the fence of the legality of the initiative.

The initiative, first proposed by President Bush in May 2003, has held 24 other training exercises in Europe and Asia in the last three years.

Bush Opposes Nukes For Allies (AP)

AP, October 31, 2006

President Bush said Monday he would oppose helping Japan, South Korea and Taiwan develop nuclear weapons to guard against any threat from a nuclear-armed North Korea.

"I think the less nuclear armament in the Far East, the better off the world will be," the president said in an interview.

Bush said the United States should work closely with its allies in Asia on a missile defense system. "Our missile defense systems are getting better and better because of the money that we have been spending over the past five years," he said.

The president said the U.S. has convinced its partners in talks with North Korea that Pyongyang should not have nuclear arms. "The problem is, it's a little frustrating for people; diplomacy is a little frustrating for people because things don't happen overnight.

"So, it's a constant effort to keep people bound together and the best way to do it is to remind them of what the dangers will be to the stability in the Far East if there is either a nuclear arms race, or somebody, you know, uses a nuclear weapon."

Nuclear tensions in Asia were heightened by North Korea's underground nuclear test Oct. 9.

The U.N. Security Council unanimously adopted a resolution sanctioning the North for its test, but South Korea — a major aid provider to the impoverished North — has been reluctant to adopt stern measures against its volatile neighbor.

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Bush spoke in an interview for broadcast on Fox News Channel's "Hannity & Colmes."

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On the Net:
White House: http://www.whitehouse.gov

More N. Korea Nuke Tests Said Expected (AP)

By Burt Herman
AP, October 31, 2006

The top U.S. general in South Korea said Monday that more nuclear tests can be expected by North Korea as it develops its atomic weapons program, and stressed that U.S. and South Korean forces could deter any aggression.

U.S. Army General B.B. Bell didn't cite specific intelligence that another test was imminent, but said that could be expected in the future as part of North Korea's weapons program.

"I can only surmise that since they tested one, we would see at some time in the future yet another test of a nuclear device," Bell told a news conference, adding that missiles and other weapons also could be tested.

A South Korean newspaper reported that the North fired five short-range missiles during military training last week.

North Korea fired the ground-to-air and air-to-air missiles, with ranges from 6 miles to 30 miles, as part of an annual training session, the Chosun Ilbo newspaper reported, citing an unidentified South Korean government official.

The North fired a series of longer-range missiles in July, including an intercontinental ballistic missile that many believe could potentially hit the United States.

Bell said that the U.S. and South Korean allied forces could deter aggression from the North and defeat any possible attack. He argued that the North's confirmed nuclear capability since its Oct. 9 nuclear test didn't change the balance of force in the region, because intelligence agencies had believed for several years that Pyongyang had atomic weapons.

He called for a diplomatic solution to the standoff.

"I wish that North Korea would not only stop testing these devices, but stop making them and come back to the bargaining table," he said.

Bell added that the U.S. "nuclear umbrella" continues to protect the South as part of the two countries' security cooperation.

In a commentary in its main Rodong Sinmun newspaper, North Korea said the United States' nuclear weapons won't be able to protect the South but "will be a source of disaster and trouble bringing the holocaust of nuclear war."

The U.S. and South Korea have been negotiating to transfer wartime command of forces on the peninsula as part of Seoul's efforts to assume more responsibility for its own defense.

South Korea transferred control of its forces to a U.S.-led United Nations command during the 1950-1953 Korean War. Peacetime control of the Korean military was given to the South Koreans in 1994, but the United States retained control should war break out again.

At negotiations earlier this month in Washington, both sides agreed the South would assume wartime command of its own forces sometime between 2009 and 2012.

Bell said details will be decided in the first half of next year, adding that the change could take place within three years, in the earlier part of the agreed time span.

Critics of the transfer deal have said the South lacks intelligence and aerial support capabilities it needs to assume the new role.

Bell said that as the transition occurs the U.S. would provide "bridging" capabilities to help the South in areas where it is still developing its defenses — stressing that fighting capability would in no way be diminished.

He said the United States would remain in South Korea as long as it was "welcome and wanted."

Recent comments by the South's presidential security adviser that have been perceived as anti-American have reportedly drawn criticism from U.S. officials. But Bell said the "vast majority" of South Koreans supported the country's alliance with the United States.

About 29,500 U.S. troops remain in the South, a remnant of the Korean War, which ended in a cease-fire that persists to this day. Their numbers are set to decline by several thousand in coming years.

U.S. General Denies Any Plans For Attack (WT)

By Andrew Salmon
The Washington Times, October 31, 2006

SEOUL -- The commander of U.S. forces in South Korea said yesterday he "certainly" expects another North Korean nuclear test, but dismissed reports that his forces were preparing a pre-emptive strike on the North.

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"I can only surmise that since they tested one, they will test another," Gen. Burwell B. Bell said of North Korea's Oct. 9 nuclear test during a press conference at Seoul's Yongsan Garrison. "But I won't speculate as to when."

The Washington Times last week quoted nuclear experts including David Albright, a former inspector for the International Atomic Energy Agency, saying technical problems encountered by the North in its first test could likely be worked out within a few months.

Gen. Bell also addressed a published report last week that said U.S. and South Korean forces were planning a pre-emptive strike against North Korea.

His forces are "not in the business of developing pre-emptive strike plans," he said, explaining that the U.S. deployment on the Korea Peninsula is defensive in nature. South Korean government sources also denied the report.

Although some observers worry that the North's nuclear test shifted the balance of power on the peninsula -- an opposition assemblyman, for example, has said the South's armored forces are incapable of operating in a nuclear environment -- Gen. Bell adamantly rejected the argument.

The United States has acted under a mutual defense treaty to extend its "nuclear umbrella" to cover South Korea, he said, while allied forces continue to "overmatch" North Korea in conventional weapons.

The general said Washington remains committed to its half-century alliance with Seoul for as long as the U.S. forces are "welcome and wanted in this country."

There has been fierce debate in South Korea about the presence of U.S. troops, particularly since two schoolgirls were killed in a traffic accident involving U.S. soldiers in 2002.

Conservatives contend that pro-North Korean agitators have been behind anti-American movements in recent years, and over the weekend five persons -- including the deputy secretary-general of the minority Democratic Labor Party and a former student activist -- were arrested on suspicion of spying for North Korea.

Gen. Bell affirmed that the wartime command of South Korean forces will be transferred from American to Korean commanders between 2009 and 2012, and predicted a timetable would be announced in the first half of 2007.

He said the United States would extend "bridging capabilities" to make sure there was no gap in command, and warned that precise timing was essential. "We cannot have any doubt of who is in charge," he said.

He added that U.S. forces in Korea were now "air- and naval-centric" with South Korean forces making up the bulk of land forces. The infantry component of the U.S. contingent has been steadily reduced in recent years.

China Cited As N. Korea Supplier (WT)

By Bill Gertz

The Washington Times, October 31, 2006

China helped North Korea develop nuclear weapons and in the past year increased its support to Pyongyang, rather than pressing the regime to halt nuclear arms and missile activities, according to a congressional report.

The final draft report of the U.S.-China Economic Security Review Commission also says that Chinese government-run companies are continuing to threaten U.S. national security by exporting arms to American enemies in Asia and the Middle East.

The report is based on public testimony and highly classified intelligence reports made available to its members and staff. It indirectly criticizes the Bush administration for failing to pressure Beijing into joining U.S.-led anti-proliferation programs and calls for Congress to take action to force the administration to do more.

"China has contributed at least indirectly to North Korea's nuclear program," the report stated, noting that China was a "primary supplier" to Pakistan's nuclear-arms program.

A copy of the commission's final draft report, due to be released formally next month, was made available to The Washington Times by congressional aides. Congress created the bipartisan commission of outside experts in 2000 to analyze the impact of U.S.-China relations on security and the economy.

North Korea was a recipient of nuclear goods supplied by the covert Pakistani nuclear supplier network headed by Pakistani scientist A.Q. Khan, according to the group's fourth annual report. Several links between Pakistan and North Korea's arms programs have been identified, it stated.

The unclassified version of the report does not include details of the Chinese support but notes that China has "a history" of helping North Korea develop its weapons.

According to U.S. intelligence officials, North Korean front companies operate freely in China and have used China as a transit point for trade in missile and nuclear components.

One North Korean nuclear procurement agent was identified by U.S. officials in 2002 as Yun Ho-jin, who while working in Shenyang, China, sought to buy metal rods with nuclear applications in Germany while posing as an official of the Chinese aircraft manufacturer Shenyang Aircraft Corp.

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Also, Chinese language documents on how to design a small nuclear warhead for a missile were discovered by U.S. intelligence officials in Libya after Tripoli agreed to dismantle its nuclear program.

China's government has not explained how the warhead documents reached Libya. U.S. officials think the warhead documents likely were sold by the Khan network and were also supplied to Iran and North Korea.

On China's failure to pressure North Korea, the commission report said that China has refused to exert economic pressure and "instead has actually increased its assistance and trade with North Korea."

Disclosure of the report comes as China last week refused to join the U.S.-led Proliferation Security Initiative (PSI), which the Bush administration hopes to use in enforcing U.N. Security Council resolutions aimed at halting North Korean trade in illicit arms-related goods.

The Chinese turned down an appeal from Secretary of State Condoleezza Rice during her recent visit to Beijing to join PSI. The refusal raises questions about whether China will cooperate in a United Nations embargo against weapons and technology going in and out of North Korea.

Administration officials have praised China for supporting U.S. efforts to curb North Korea's arms programs. However, the report makes clear that Chinese cooperation is limited.

On China's role in arms proliferation, the report stated that Chinese companies and government organizations "continue to provide weapons, weapons components and weapons technology" in violation of China's commitments to international nonproliferation agreements.

The arms transfers "harm regional security in East Asia and the Middle East," the report said.

"Given strong U.S. interests in both regions, China's proliferation threatens U.S. security and potentially could place at risk U.S. troops operating in those regions," the report said.

The report also raises questions about whether China is willing to play a responsible role in working for global peace and stability. Beijing's support for World Trade Organization commitments is "spotty and halting," it said.

"And China's apparent willingness to value its own energy needs above the needs of international security is indicative of a nation as yet unprepared or unwilling to shoulder the burdens of a stakeholder state," it said.

The report recommends that Congress take steps to pressure China into joining the PSI, and calls on Congress to press President Bush to force China to carry out both sea and land inspections of weapons related goods going in and out of North Korea under U.N. Security Council Resolution 1718.

The report recommends tightening sanctions on Chinese companies engaged in illicit arms sales, and says Congress should also require the president to provide regular reports identifying what actions China has taken to curb North Korean and Iranian nuclear activities.

China May Be Using Oil To Press North Korea (NYT)

By Joseph Kahn

The New York Times, October 31, 2006

BEIJING, Oct. 30 — China cut off oil exports to North Korea in September during heightened tension over North Korea's nuclear and missile programs, Chinese trade statistics show.

The unusual move — the figures show China sold no crude oil at all to its neighbor in September — reduced sales for the year by about 7 percent from the similar period in 2005. China's oil exports to North Korea, though uneven, had been averaging about 12,300 barrels a day.

North Korea depends on China for up to 90 percent of its oil supplies, much of which is sold on credit or for bartered goods, according to Chinese energy experts. Any sustained reduction could cripple its isolated and struggling economy.

There is no clear indication that the September figures represent a policy shift by China on providing vital food and fuel supplies to its neighbor and ally in the Korean War. North Korea conducted a nuclear test on Oct. 9, after the period covered by the latest customs data.

But North Korea tested ballistic missiles in July, defying sharp warnings from Beijing. China supported a United Nations resolution condemning the missile tests, and urged that North Korea not take any steps that might "worsen tensions."

China did not announce a reduction in oil exports. The figures were released normally by the customs administration, and the drop in supplies was first reported by [a news wire].

It remains possible the statistics are an anomaly or that supplies were cut because North Korea did not need more oil in September. Officials at the China National Petroleum Corporation, which sells oil and manages an oil pipeline to North Korea, declined to comment.

But several analysts said the reduction suggested that Beijing was using crude oil as leverage to press North Korea to resume negotiations over its nuclear program.

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"It is a sharp and sudden reduction at a sensitive time, so political considerations cannot be ruled out," said He Jun, a Beijing-based energy expert and consultant. "China could be sending a clear signal."

If that analysis is correct, it suggests that Beijing may seek to punish North Korea in a variety of ways, both open and unspoken, in the aftermath of its nuclear test.

Although China has long protected North Korea against outside pressure, analysts said the nuclear test surprised and angered the Chinese leadership. Many here considered North Korea's nuclear technology primitive and argued that the country was using the threat of developing atomic bombs as an economic bargaining chip.

China took the unusual step of supporting United Nations sanctions on North Korea after the test. The sanctions restrict sales of military equipment to the North and allow inspections of North Korean cargo.

Both China and South Korea, North Korea's main trading partners, have opposed restrictions on economic ties. They have interpreted the United Nations sanctions narrowly and declined to intercept North Korea cargo at sea, as the Bush administration suggested might be necessary to prevent exports of nuclear material.

But last spring Beijing followed Washington's lead in freezing North Korean assets that the Treasury Department identified as connected to money laundering, according to Bush administration officials. Chinese officials never announced that they had done so, suggesting that they take some tough actions quietly.

Chinese experts on North Korea who took part in discussions of the nuclear issue this month said officials had discussed reducing oil shipments if North Korea continued to defy the outside world. Beijing's response would be especially sharp if North Korea conducted more nuclear tests or declined to resume negotiations about dismantling its nuclear program, these experts said.

If Beijing was already using oil to warn North Korea in September, its response to the October test could be more severe.

"I doubt you would see them cutting down on grain shipments, because that affects directly the lives of North Korea's people," said Han Xiaoping, who follows China's energy industry for the Beijing Qunying Enterprise Company. "My own feeling is that North Korea cannot expect normal supplies of crude in this environment."

China's crude oil exports, once robust, have fallen sharply in recent years, as it uses more domestic oil to power its surging economy. Beijing has already become the world's second largest oil importer after the United States, but still exports a small part of what it produces.

North Korea has remained a consistent customer even as China has stopped selling oil to some other countries. Volumes of oil shipped to the North varied in the past year from as low as 7,400 barrels a day to as high as 24,600.

The exception this year and last was February, when China celebrated its extended lunar New Year holiday. North Korea and other customers, including Japan, Malaysia, Thailand and Australia, got no Chinese oil supplies during that month in either year, customs figures show.

In September, China exported 125,185 tons of crude, the equivalent of 30,780 barrels a day, for a reported value of $62 million. All of that was exported to the United States, with North Korea receiving nothing.

For the first nine months of 2006, China exported 370,000 tons of crude to North Korea, valued by customs data at $176 million. That represented a 7 percent decline in volume but a 21 percent increase in value, according to the export prices recorded by Chinese customs.

Oil industry experts say the published price for the oil does not reflect discounts that China offers.

North Korea also buys small amounts of oil from Iran.

Meeting Held On Stopping Nuke Terrorism (AP)

By John Thorne

AP, October 31, 2006

The world's five leading nuclear powers and seven other nations kicked off a new program Monday aimed at keeping nuclear weapons beyond the reach of terrorists.

Amid the global concerns over North Korea's test of an atomic bomb and suspicions Iran is trying to develop such weapons, delegations from the United States and the other states said it was paramount for the world to guard against terrorist groups joining the hunt.

"The concern is fundamental — we must stop terrorists from acquiring" nuclear weapons, said Robert Joseph, U.S. undersecretary of state for arms control and international security.

The world's five leading nuclear powers — the United States, Russia, China, Britain and France — form the core of the new Global Initiative to Combat Nuclear Terrorism.

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Those five plus Italy, Japan, Canada, China, Turkey, Kazakhstan, Australia and Morocco signed two agreements on common principles and "terms of reference" that were not immediately made public after the start of the two-day meeting in Rabat.

The initiative aims to provide guidelines for keeping track of radioactive materials, ensuring the safety of nuclear facilities, and combating illicit trafficking that could deliver nuclear materials into the hands of terrorists.

While Russia and the United States have been at odds on how to rein in Iran's suspect nuclear program, the two countries combined to provide the impetus for this international effort to keep atomic arms from terrorist groups.

They hope the initiative will lead to better security for the world's nuclear materials and knowledge.

"It's about galvanizing the elements in the world to protect ... people from one of the most dangerous threats we face," Russian Deputy Foreign Minister Sergei Kislyak said.

"We do agree on some things. We have disagreements and nuances on others," he added, referring to the United States and dealing with North Korea and Iran. "I think we will work together, but we might disagree on the technique."

A senior Western diplomat said the meeting was an important sign of cooperation between Americans and Russians in an area where they haven't always seen eye-to-eye, particularly over whether to impose sanctions on Iran.

The U.S. and its allies are seeking to force the Iranians to halt uranium enrichment, which can produce material for fueling nuclear reactors but also for nuclear warheads.

Russia and China, which have economic links to Iran, have shied away from imposing punitive measures. Iran insists its nuclear effort is solely aimed at using reactors to generate electricity.

The diplomat, who agreed to discuss the meeting only on condition of anonymity because of the issue's sensitivity, said the initiative's sponsors hope to prevent nuclear terrorism by doing more to curtail terrorist financing and improving safeguards for radioactive materials, from naturally occurring sources to hospital equipment.

President Bush and his Russian counterpart, Vladimir Putin, announced the initiative July 15 at the Group of Eight summit in St. Petersburg, Russia.

In a statement, the two leaders urged like-minded countries to expand joint efforts to "combat nuclear terrorism on a determined and systematic basis."

Bolton Faults Syria, Iran On Lebanon (AP)

By Edith M. Lederer

AP, October 31, 2006

U.S. Ambassador John Bolton accused Syria and Iran on Monday of trying to destabilize Lebanon's democratically elected government by violating a U.N. arms embargo.

Bolton stressed that Syria's obligations to respect a U.N. arms embargo authorized by the Security Council resolution that ended the 34-day Israeli-Hezbollah conflict in August "are particularly important as it is the one country other than Israel that borders Lebanon."

Syria and Iran are supporters of Hezbollah, providing weaponry, training and funding to the group.

He called on Syrian President Bashar Assad to abide by the commitment he made to Secretary-General Kofi Annan to support the resolution and the arms embargo.

In a speech to the U.N. Security Council, Bolton welcomed the Lebanese government's extension of its authority throughout the south of the country for the first time in almost 40 years and its deployment along the eastern part of the U.N.-drawn boundary with Israel and the border with Syria.

"Despite this advance, we continue to be concerned that Syria and Iran are actively trying to destabilize the democratically elected government of Lebanon ...," he said. "We call on Syria and Iran to abide by their obligations to respect Lebanon's sovereignty, territorial integrity, unity and political independence."

Syria's U.N. Ambassador Bashar Ja'afari told reporters his country was fully complying with the arms embargo and all U.N. resolutions. The Lebanese defense and foreign ministers and a Lebanese intelligence chief had denied reports of Syrian violations, he told Al-Arabiya television.

The spokesman for Iran's U.N. Mission was unavailable for comment.

But Terje Roed-Larsen, the top U.N. envoy for Syria-Lebanon issues, said representatives of the Lebanese government "have stated publicly and also in conversations with us that there has been arms coming across the border into Lebanon."

The U.N. has not received any information on quantities and types of weapons or where they come from, however.

Bolton said Roed Larsen told the U.N. Security Council "that the government was afraid to be specific about these arms coming across the Syrian-Lebanese border because of the fear of retaliation."

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Roed-Larsen, when asked about Bolton's comments, said he had no specific information about threats of retaliation. But he said there had been 14 assassinations and assassination attempts in Lebanon since the February 2005 killing of former prime minister Rafik Hariri in Beirut.

Israel has said enforcement of the arms embargo, which blocks any entity in Lebanon except the national government from obtaining weapons from abroad, is crucial.

Bolton's made his remarks to the closed-door council meeting on implementation of Resolution 1559, which was adopted in September 2004 and called for the extension of Lebanese authority throughout the south and the disarming of all militias in the country.

The Security Council said in a presidential statement at the end of the meeting that "important progress" has been made toward the implementation of the resolution, particularly through the deployment of the Lebanese army in the south.

But the council also noted that some provisions of the resolution have yet to be implemented, namely the disbanding of militias, strict respect for Lebanon's "sovereignty, territorial integrity, unity and political independence," and free and fair presidential elections "without any foreign interference and influence."

In his report to the council earlier this month on implementation of 1559, Annan said Lebanon should seize the opportunity resulting from the end of the Israel-Hezbollah conflict by establishing diplomatic relations with Syria and resolving the dispute over Chebaa Farms, a plot of land along its border with Israel and Syria.

Syrian troops only withdrew from Lebanese territory the assassination of Hariri, a longtime opponent of Syria, provoked an outcry that eventually forced Syria to relent.

Chebaa Farms was captured by Israel when its forces seized Syria's Golan Heights in the 1967 Middle East war.

The United Nations determined that the area is Syrian, and that Syria and Israel should negotiate its fate. But Lebanon claims the Chebaa Farms — a claim backed by Syria — and Hezbollah continues to fight over the disputed land, arguing that Israel's occupation justifies its "resistance."

Roed Larsen called the issue "very complex," saying U.N. cartographers are working "full speed" to analyze what the territory encompasses.

Olmert Says Israel May Widen Military Role In Gaza (NYT)

By Greg Myre

The New York Times, October 31, 2006

JERUSALEM, Oct. 30 — Prime Minister Ehud Olmert of Israel said Monday that the Israeli military might expand operations in the Gaza Strip in an attempt to halt Palestinian rocket fire, but that there was no intention to reoccupy the territory.

His comments came on another day of turmoil, in which Palestinian gunmen kidnapped a Spanish aid worker in southern Gaza and held him for several hours before releasing him, and a Palestinian militant was killed in northern Gaza in disputed circumstances.

In a closed session with a parliamentary committee, Mr. Olmert was asked about the military's plans for Gaza. Israeli forces, which re-entered the territory in late June after an Israeli soldier was seized, have been clashing with Palestinian militants almost daily. Several Israeli political and military officials have hinted recently that a larger operation could be coming.

A spokeswoman for Mr. Olmert, Miri Eisin, who was at the parliamentary session, quoted the prime minister as saying: "We aren't going to reoccupy Gaza. But we will continue to fight terror, and there may be a change in the level of forces there at any given time."

Mr. Olmert also said the military killed about 300 armed Palestinians in the past four months, according to Ms. Eisin. Monitoring groups have said that more than 250 Palestinians were killed during this time, about half militants and half civilians. Two Israeli soldiers were killed in the fighting.

In Gaza City, Ismail Haniya, the Palestinian Authority prime minister, said, "We call on the international community to intervene immediately to halt the Israeli aggression."

On Monday, Mazen Abu Oudah, 20, a member of Al Aksa Martyrs Brigades, was killed by Israeli fire near the northern Gaza town of Beit Hanun, according to Palestinian medical workers. However, the Israeli military said it had not been involved in any shooting in the area.

Also, Palestinians fired two rockets into southern Israel on Monday, Israeli officials said, but they caused no damage or injuries.

Palestinian gunmen kidnapped Roberto Vila, 34, a Spaniard who works for a Spanish aid group, according to Palestinian security officials and news media reports. He was freed unharmed late Monday night, according to Palestinian television.

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In Israeli politics, Mr. Olmert's cabinet and the Parliament approved the inclusion of Israel Beiteinu, a far-right party, in the governing coalition. Mr. Olmert's coalition now controls 78 of the 120 seats in Parliament, and the increased majority is intended to make the government more stable.

However, with parties from the right, left and center, as well as a religious party, the coalition is so broad that the factions have little common ground on many issues, such as how to deal with the Palestinians.

Ophir Pines-Paz, the minister of science, culture and sports, who is from the left-leaning Labor Party, voted against including the new faction and announced that he was resigning as a cabinet minister.

Mideast Governments Watching U.S. Vote (AP)

By Robert H. Reid

AP, October 30, 2006

Arab governments are looking for change in U.S. policy in the Middle East after the midterm elections, hoping a politically weakened President Bush will talk with Iran and Syria, show greater interest in the Palestinians and find a way out of the crisis in Iraq.

Israel too is watching for any sign of change in U.S. strategy — especially toward the Palestinians, Syria and Iran.

"The whole region is volatile and it cannot face more problems and challenges," Arab League official Hesham Youssef said in a recent interview. "They cannot leave it like this, neither in Iraq nor in Gaza nor in Lebanon. More conflicts could be ahead."

The Bush administration came into office in 2001 committed to reshaping the political map of the Middle East, which was suffering from authoritarian regimes, Islamic extremism, the conflict with Israel and sluggish economies.

Bush has spoken repeatedly of his dream of creating a new Middle East. But five years later, most analysts believe few things have improved. And, U.S. influence in the region is at a low point, in part because despite Saddam Hussein's overthrow, Iraq has never stabilized.

A June poll by the Pew Research Center for the People & the Press found that less than one-third of the people in Egypt, Jordan, Pakistan and Turkey had a favorable view of the United States.

"Virtually everything is worse than it was five years ago," said Jon Alterman, a Middle East analyst at the Center for Strategic and International Studies in Washington. "Iraq is worse, the Palestinian issue is worse, Iran is worse."

Many Arabs blame on the Bush administration, citing the war in Iraq especially, but also unqualified support for Israel in the battle against Hezbollah in Lebanon and inattention to the Palestinians.

Democracy efforts have stalled. Non-democratic but pro-U.S. governments in Egypt, Saudi Arabia and Jordan now largely shrug off the administration's campaign for strong steps toward democracy.

The victory by the Islamic militant Hamas group in Palestinian elections last January gave a boost to arguments that stability was more important than democracy. And the biggest democratic experiment of all — Iraq — has degenerated into a vicious sectarian war.

"If the U.S. is going to help itself, its policy needs to change in the Middle East," the Saudi ambassador to the U.S., Turki al-Faisal, said Monday in Washington. He urged the U.S. to start by pressing Israel to relinquish all occupied Arab land — and Jerusalem — to the Palestinians.

Many Arab officials question, however, whether the Democrats have better answers to the region's problems. They consider the Democrats traditionally more supportive of Israel than the GOP is. Even as they eye the possible political upheaval in the United States, Arab countries like Egypt and Saudi Arabia are maintaining close ties to the Bush administration.

"At the level of those who follow politics closely, there is fear that if the Democrats win, there will be an imbalance in foreign policy," said Kuwaiti analyst Ayed al-Mannah. "Support for moderate forces and governments ... will be weakened."

Still, the belief is that heavy Republican losses in the House and Senate will force the administration into a major re-evaluation of policy, especially over Iraq. To that end, Arab governments are looking to the forthcoming recommendations of the bipartisan Iraq Study Group as a catalyst.

After the elections, the group headed by former Secretary of State James Baker, a Republican, and former Rep. Lee Hamilton, a Democrat, plans to announce recommendations on Iraq.

It's unclear what the group will recommend, but Baker has publicly questioned the administration's policy of not talking to Iran or Syria. Both countries have influence with Iraqi armed groups.

Contacts with Syria would have to be done carefully to avoid undercutting the fragile government in neighboring Lebanon, which fears Syrian influence, or Saudi Arabia, with whom Damascus' relations are frosty.

Saudi Arabia "has no problem with contact if it's going to lead somewhere" an Arab diplomat familiar with the kingdom said. But indications at the moment are that contacts with Damascus would not produce results, said the diplomat, who spoke on condition of anonymity because he is not authorized to speak for the kingdom.

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It remains unclear if the Bush administration would be willing to engage in talks on a range of issues with Iran and Syria. And contacts alone are unlikely to produce quick results. The United States has no diplomatic relations with Iran, which turned down U.S. offers for talks on Iraq this year.

The Iranians would doubtless seek U.S. acceptance of their nuclear program, which they say is for peaceful purposes — something the United States is highly unlikely to do because it suspects Iran wants an atomic bomb.

Iranian President Mahmoud Ahmadinejad alluded to this in a speech Monday, telling the Americans "you need someone to save you from the sadness of the Iraqi quagmire and then you threaten us" with sanctions.

Syria would likely press for an end to the investigation into the assassination of a former Lebanese prime minister and a tacit U.S. acceptance of Syrian influence in Lebanon — a move that could undermine pro-democracy forces in Lebanon.

Syria and Iran also hold the key to the Palestinian issue — more so even than in the past. Both countries are believed to be blocking efforts to replace the Hamas-led government in Gaza with technocrats — a step many feel is necessary before any peace moves could happen.

Traditionally, the Americans have worked with their moderate Arab allies, Egypt and Jordan, to influence the Palestinians. But Jordan never had influence with Hamas and some fear Egypt's influence with the militant group is now low — creating the push to talk directly with Syria and Iran.

"No quick or easy fixes exist to solve the problems of this critical region," Richard Haass of the Council on Foreign Relations wrote in The Financial Times. "The Middle East will remain a troubled and troubling part of the world for decades to come."

US Must Press Israel: Saudi Ambassador (AFP)

AFP, October 31, 2006

Saudi Arabia's ambassador to the United States firmly urged the Bush administration to push Israel into opening final peace talks with the Palestinians.

Prince Turki al-Faisal told a conference on Washington's relations with the Arab world that the United States was the only nation with the power to jolt the stalled international roadmap to Middle East peace into motion.

"We want you to remain friends with Israel, we have no objection to that," Prince Turki said.

"But that friendship should be used to push Israel to engage in the peace process," he added, rejecting arguments that political conditions in the volatile region were currently too inflamed to permit negotiations.

"These excuses will continue ... we have heard them for the last 50 years," Prince Turki said.

"Implementation should be done now. The United States devised the roadmap, it needs to implement it," he said.

"The United States is the only country that can do the right thing for everybody in the Middle East," Prince Turki told the conference of the National Council on US-Arab Relations.

"The United States has been engaged and enmeshed in our political situation for the last 50 years or so, whether it likes it or not," he said.

The Bush administration has been less willing than many of its predecessors to engage in nuts and bolts peacemaking between Israel and the Palestinians -- despite calling for the formation of a Palestinian state.

US Secretary of State Condoleezza Rice returned from her sixth visit to Israel and the Palestinian territories earlier this month, but failed to break the peacemaking stalemate.

The process has been frozen since the radical Islamic movement Hamas, which refuses to accept Israel's right to exist and is listed as a terrorist organisation by Europe and in Washington, won legislative elections in January and gained control of the Palestinian government.

The international "roadmap" to peace was designed by the so-called Middle East quartet of the United States, Russia, the European Union and the United Nations.

It was announced in 2003, with the aim of establishing by 2005 a viable Palestinian state living alongside Israel in peace.

Bush To Meet US Sudan Envoy Tuesday (AFP)

AFP, October 31, 2006

US President George W. Bush will meet his special envoy for Sudan, Andrew Natsios, on Tuesday, to get an update on efforts to end violence in Darfur, the White House said.

Bush and Natsios were to meet in the Oval Office at 9:00 am (1400 GMT) to discuss the humanitarian crisis in the war-wracked Darfur region amid stalled attempts to bolster an international peacekeeping presence there.

"The president will meet with his special envoy for Sudan, Andrew Nastios, to receive a report from Mister Natsios and to discuss the way forward," said a spokesman for Bush's national security council, Gordon Johndroe.

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The meet comes roughly one week after US national security adviser Stephen Hadley, Secretary of State Condoleezza Rice, Natsios, and Assistant Secretary of State for African Affairs Jendayi Frazer held talks on Darfur at the White House.

Natsios recently returned from Egypt after a week-long visit to Sudan, his first since Bush named him his special envoy for Darfur in September.

The UN Security Council adopted a resolution on August 31 calling for the deployment of up to 20,000 peacekeepers to replace an embattled African Union contingent that has failed to restore peace and stability in Darfur.

At least 200,000 people have died as a result of fighting, famine and disease, and more than two million have fled their homes since rebels launched an uprising in Darfur in early 2003, prompting a scorched-earth response from the military and militia allies.

Sudanese President Omar al-Beshir has rejected deployment of UN forces, charging the plan was part of a US-engineered plot to invade and plunder resources.

Russian, U.S. Military Chiefs Ink Pact (AP)

AP, October 31, 2006

The top Russian and U.S. military officers signed a cooperation agreement Monday that lays out plans for joint activities for the coming year, officials said.

Marine Corps Gen. Peter Pace, chairman of the Joint Chiefs of Staff, said he and Gen. Yuri Baluyevsky, his Russian counterpart, signed the document, but did not disclose details of the proposals.

"I came to listen and learn about ways we can do good military-to-military for both Russia and the United States," said Pace, who was making his first appearance in Moscow since becoming chairman of the joint chiefs.

Baluyevsky said the Russian and U.S. analysis of many issues was "very close" but he and Pace would discuss "problems to which ... we must find solutions and adopt these solutions as quickly as possible."

Pace said he had no doubt that "together we can find proper solutions."

"I am anxious for military-to-military cooperation to show through its transparency the potential for our two nations to walk into the future hand in hand," Pace said.

Russian Foreign Minister Sergey Lavrov said the former Cold War foes bear the brunt of responsibility for 'supporting strategic security in the world.

"This is a unique responsibility, and other countries look to us with the hope that we will continue to support it," Lavrov said after meeting with Pace.

Earlier, Pace lay a wreath at the tomb of the unknown soldier and called the experience "a very poignant reminder to me of the very special relationship our two nations have had for many years."

Russia has been highly critical of the American-led campaign in Iraq, while the U.S. has criticized Russia's cooperation with Iran despite that country's alleged nuclear weapons program. Russia has also objected to U.S. plans to deploy missile defenses in NATO nations in Eastern Europe.

US And Russia Miss Deadline On Trade (FT)

By Guy Dinmore In Washington

Financial Times, October 31, 2006

The US and Russia are close to a bilateral trade agreement that would remove a big hurdle to Russia's entry into the World Trade Organisation, but Tuesday's self-imposed deadline will not be met, US trade officials said on Monday.

"Both sides believe we are close, and we fully expect to continue our close co-operation to reach an agreement," the US trade representative's office said. However, Russian media reports did not indicate the two sides were on the threshold of an agreement.

The two failed to complete the stalled trade accord in time for the Group of Eight summit in St Petersburg in July, and set an informal end-of-October deadline for their negotiating teams.

With relations under strain on a number of fronts – notably over Georgia, energy and Iran – Presidents George W. Bush and Vladimir Putin would like to salvage something from a once-close relationship by the time of their next meeting, in mid-November during the Asia Pacific Economic Co-operation summit in Vietnam.

US trade officials would not say what issues remained unresolved following a week of talks in Washington with Maxim Medvedkov, Russia's chief WTO negotiator.

Russia's weak enforcement of existing intellectual property laws, access to its financial markets and imports of US beef and pork had been among issues under dispute.

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US businesses are lobbying the Bush administration to complete a deal as soon as possible, concerned they are losing out to European competition. A dozen US companies wrote to both presidents last week urging them to complete the talks.

Moscow's frustration over the delays is believed to have been a factor behind its decision this month to snub foreign partners and give its own Gazprom full control of the development of the Shtokman natural gas fields.

Even if the US and Russia do overcome the technical difficulties blocking a bilateral trade deal, the Bush administration has to persuade a sceptical Congress to exempt Russia from the Jackson-Vanik amendment for the trade deal to become law.

The amendment to the 1974 Trade Act denies normal trade relations to countries that do not have market economies or restrict emigration rights.

Although Russia meets the required conditions, Nikolas Gvosdev, editor of the National Interest in Washington, doubts that a weakened US president has the political capital to win over Congress, where many representatives have reservations over Russia's political direction.

"I see no effort by the administration to even begin prepping Congress to move forward on this," Mr Gvosdev said.

Report Puts Turkey's EU Hopes In Jeopardy (FT)

By Daniel Dombey In London And Fidelius Schmid In Brussels

Financial Times, October 31, 2006

Turkey's bid for European Union membership will be dealt a fresh blow next week when an official report will slate Ankara for failing to make enough progress on freedom of expression, curbing the use of torture and establishing civilian control over the military.

The draft European Commission report, obtained by FT Deutschland, the FT's sister paper, comes at a particularly sensitive time, with EU officials struggling to keep the accession talks alive.

Some EU member states, including the UK, fear that the pro-European consensus within Turkey may be fragmenting, and that the debate within the union on future enlargement has had the effect of alienating Turks, rather than encouraged reform.

"We would have hoped that Turkey would have delivered a lot more during the past 18 months, certainly since the beginning of negotiations in October last year," said one EU official. "If Turkey had been moving more, if there was greater freedom of expression, if there wasn't any torture, things would be a lot more promising."

Instead, the debate over Turkey's accession will come to a head at an EU summit in December, when Ankara will be judged both for its reaction to an EU deadline to open up its ports to ships from Cyprus – which so far it has refused to do – and to its broader reform record.

The Commission's report faults Ankara for failing to allow access to Cypriot ships, which it states infringes the EU's customs union agreement with Turkey. It is this issue that could formally halt negotiations, since as an EU member state, Cyprus wields a veto over Turkey's possible accession.

However, Turkey's reform record will also set the mood in December.

"Turkey needs to relaunch the reform process with full determination," Olli Rehn, the EU's enlargement Commissioner said last week, urging EU member states to focus on the issue.

The draft report, which Mr Rehn will present in its final form next week, says that "prosecutions and convictions for the expression of non-violent opinion...are a cause for serious concern." It cites the example of a journalist who was given a suspended six months prison sentence for articles he wrote on Armenian identity.

Recep Tayyip Erdogan, Turkey's prime minister, said at the weekend that he had no plans to change the article of the penal code used in such cases, which makes it a crime to insult the Turkish state. "On this matter, there is no work in hand," he said.

The Commisison draft adds that "cases of torture and ill treatment are still being reported, in particular outside detention centres," although it also notes a diminution in the incidence of torture.

"The armed forces have continued to exercise significant political influence," the report also says, citing statements made by senior military officials on Cyprus, secularism and the country's Kurdish minority.

The draft report faults Turkey for corruption, insufficient independence of the judiciary, and inadequate protection of minority rights.

However, it does commend Ankara for training the judiciary and for its steps towards establishing an ombudsman to help citizens win redress against the government.

Rumsfeld Hosts Turkish Defense Secretary For Wide-ranging Talks (IHT/AP)

International Herald Tribune/AP, October 31, 2006

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WASHINGTON Defense Secretary Donald H. Rumsfeld thanked his Turkish counterpart Monday for NATO ally Turkey's support for the anti-terror operation in Afghanistan and the reconstruction effort in northern Iraq, the Defense Department said.

Navy Lt. Cmdr. Joe Carpenter, a Defense spokesman, said Rumsfeld and Turkish Defense Minister Vecdi Gonul discussed a variety of subjects in their Pentagon meeting, in which Rumsfeld's deputy secretary, Gordon England, participated.

Carpenter gave no details.

Turkey, which is working hard to bring about changes in its system demanded by the European Union before it is brought into that grouping, already is an active NATO member. Besides its contingent of 475 troops in NATO's Afghanistan force, it has 400 troops with the NATO peacekeepers in Kosovo and 300 with Operation Active Endeavor, the alliance's Mediterranean naval arm.

It is the only country with a Muslim majority in NATO and has close ties not only with the United States but with Israel as well.

Other items on the Rumsfeld-Gonul agenda included Turkey's support for the U.S.-sponsored Proliferation Security Initiative against the spread of weapons of mass destruction; the NATO summit scheduled Nov. 28-29 in Riga, Latvia; regional security, including arms sales and defense cooperation; and other NATO issues.

Turkey has a major interest in the northern Iraq question, where Iraqis of the Kurdish ethnic group live. Even under former Iraq President Saddam Hussein, the Kurds lived in a near-autonomous system.

Those Kurds are cousins of the Kurds of eastern Turkey, where the Kurdistan Workers Party, or PKK, has waged since 1984 a rebellion for autonomy that has killed around 37,000 people.

Early this year the Turks accused the Iraqi Kurds of providing havens for PKK fighters on the run from Turkish pursuers and issued veiled threats to cross into Iraqi Kurdistan to destroy the rebels.

The situation became so touchy that the United States warned against Turkish movements into Iraq. Then President George W. Bush appointed a special envoy on the PKK problem, who made his first trip this month.

UK To Ease Issuance Of 'Islamic Bonds' (FT)

By Gillian Tett In London

Financial Times, October 31, 2006

Britain looks set to become the first western country to introduce a regulatory regime to support the domestic issuance of sukuk – so-called "Islamic bonds", or those which do not pay overt interest.

The move is intended to ensure that companies in London can issue sukuk as easily as traditional corporate bonds, boosting the City of London's role in this fast-growing sector of the global capital markets.

"We are looking to place domestic sukuk on the same footing as conventional products," said Ed Balls, economic secretary to the UK Treasury. "Now that 85 per cent of all bonds issued in the [Gulf region] are sukuk, it is important that London is in a position to compete."

The UK hopes to introduce the new framework to support the issuance of sukuk in London next year, via parliamentary legislation.

The legislation would clarify that a sukuk can be treated as debt finance, so that issuers can set the interest payments against their profits for corporation tax purposes.

At present there is no guidance on how capital gains tax and capital allowances apply to sukuk – which has left UK companies nervous of issuing them in London, in case they would subsequently be liable for a large tax bill.

The move comes at a time of rapid growth in the global Islamic finance business, amid rising religious sentiment among Muslim investors and issuers and the growing oil-fuelled wealth of regions, such as the Gulf.

It also comes as the British government is eager to demonstrate its support for Islamic finance – and London's role in this sector.

This stance is a marked contrast to the attitude taken by the US authorities. However, the City's embrace of Islamic finance partly reflects hopes among senior British politicians that the sector could help build bridges with the Muslim world.

Meanwhile, City institutions are now scrambling to win lucrative business from the Middle East, including mandates from companies to issue sukuk.

London-based banks have already played a leading role in developing the sukuk market, which is now estimated to be worth $45bn globally, from almost nothing five years ago. But until now, all sukuk have been issued offshore, because the tax regime in London was unfavourable.

Separately, the Lord Mayor of London will on Tuesday unveil an initiative to create one of the first set of formal financial qualifications for Islamic financial scholars in the world. The study programme, which has been developed with the blessing of senior figures in the City and Lebanon's central bank, will train scholars in Islamic law and finance .

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Pay Now Or Later For Warming, Study Says (LAT)

By Kim Murphy

The Los Angeles Times, October 31, 2006

London — A major study issued Monday concludes that without rapid and substantial spending, global warming will reduce worldwide productivity on the scale of the Great Depression, devastate food sources, cause widespread deaths and create hundreds of millions of refugees.

The report commissioned by the British government, which officials called the most comprehensive review of the economics of climate change, warns that failure to act could cost up to 20% a year in lost income worldwide. Acting now, however, could bring about meaningful control of greenhouse gases at an annual cost of 1% of global gross domestic product, it says.

The findings appear to counter the long-standing argument of the Bush administration that controlling greenhouse gases is costly and possibly ineffective.

However, the savings would occur only with the kind of rapid and comprehensive international cooperation on the issue that so far has proved elusive.

British officials said they would take immediate action to legislate carbon-reduction targets, push expanded international carbon-trading programs and move toward reducing carbon emissions in Europe by 30% by 2020 and 60% by 2050. Carbon trading allows companies to exceed emission limits by buying credits from those that are below their emission targets.

Prime Minister Tony Blair, calling the report by senior government economist Nicholas Stern "a landmark in the struggle against climate change," warned that there was a limit to what Britain alone could do.

"Britain is more than playing its part," Blair said. "But it is 2% of worldwide emissions. Close down all of Britain's emissions and in less than two years, just the growth in China's emissions would wipe out the difference. So this issue is the definition of global interdependence."

But the report's findings show that "if the science is right, the consequences for our planet are literally disastrous," Blair said. "And this disaster is not set to happen in some science-fiction future, many years ahead, but in our lifetime."

In Washington, the National Oceanic and Atmospheric Administration, the lead U.S. agency on global warming, had no immediate comment on the British report. Agency spokesperson Jana Goldman said officials could not react to the report until they had read it.

The report examines the consequences of acting — or failing to act — to control rising temperatures due to greenhouse gases from deforestation and fossil fuels.

The current level of greenhouse gases is already 54% higher than it was before the Industrial Revolution, and could be double that level as early as 2035, the report suggests. Such an increase could raise temperatures by more than 3.6 degrees Fahrenheit by mid-century and a disastrous 9 degrees by century's end, it says.

The result would be melting glaciers that trigger floods and reduce snowpacks that supply drinking water, threatening a sixth of the world's population, the report says. Other effects would include reduced crop yields, leaving hundreds of millions of people unable to produce or purchase sufficient food; an increase in vector-borne diseases; up to 200 million people displaced because of rising sea levels and drought; and the possible extinction of 15% to 40% of species.

"The report sets out I think very clearly that this is not just an environmental issue, or even just an economic issue, but it is a security issue," Foreign Secretary Margaret Beckett said. "There are some people all over the world who still believe there can be some kind of trade-off between economic and climate security. I think this report knocks [that notion] on its head."

Stern, a former chief economist for the World Bank, said the study found that it was still possible to achieve meaningful temperature controls at a cost equivalent to consumers paying an average of 1% more for everything they buy, and substantially less than the cost of failing to act.

"That's manageable," Stern said. "We can grow and be green."

The report calls for using taxes and regulations to make carbon use more costly, policies supporting low-carbon technology, and changing the public's attitude toward energy efficiency.

Air carriers and utilities could be among those hit hardest by any new emissions-reduction laws. Already, Britons are looking at a possible end to bargain-basement fares to the Continent and higher prices for out-of-season and exotic vegetables from the tropics.

Poor countries will bear the brunt of the effects of climate change, the report says, but it suggests that rich countries must bear 60% to 80% of the responsibility for emissions reductions.

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"The conclusion of the review is essentially optimistic. There is still time to avoid the worst impacts of climate change if we act now and act internationally," Stern said. "But the task is urgent. Delaying action, even by a decade or two, will take us into dangerous territory. We must not let this window of opportunity close."

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Times staff writer Joel Havemann in Washington contributed to this report.

British Alarmed By Global Warming Financial Risks Cited; Gore Named Adviser (AJC)

By Shelley Emling

The Atlanta Journal-Constitution, October 31, 2006

London — The British government warned Monday of an economic catastrophe if the United States and other large countries fail to quickly cut emissions of the gases blamed for global warming, and Britain named former U.S. Vice President Al Gore as its adviser on the issue.

"If the science is right, the consequences for our planet are literally disastrous," Prime Minister Tony Blair said in releasing the report. "This disaster is not set to happen in some science-fiction future many years ahead, but in our lifetime."

Highlighting the different path that Blair has chosen on climate change from that of President Bush, British officials announced Monday that Gore would offer advice on the issue.

A 600-page report by former World Bank chief economist Sir Nicholas Stern predicted that unchecked global warming would eventually cost the world between 5 percent and 20 percent of its gross domestic product each year, an impact comparable to that of the Great Depression of the 1930s.

It said the costs would come from effects such as rising sea levels, declining crop yields, drinking water shortages, higher death tolls from malnutrition and heat stress, and widespread outbreaks of malaria and dengue fever.

By contrast, taking the steps needed now to reduce greenhouse gas emissions would cost about 1 percent of global GDP each year, the report said.

Earlier, Blair and Gov. Arnold Schwarzenegger of California reached an agreement on a joint market for greenhouse gases that will lead to first-in-the-nation emissions caps being placed on California's utilities, refineries, and factories.

David Miliband, Britain's environment secretary, also announced Monday that the government soon would introduce a new global warming law that could include "green taxes," such as a new sales tax on airline flights.

He said families might also have to pay more to drive cars and run energy-wasting appliances.

Although Blair said disaster could be averted only if the world's major nations joined in "bold and decisive action," several British politicians expressed doubt that the U.S. government would be receptive to schemes designed to cut emissions that scientists blame for rapidly warming the planet.

UK Pushes For New Climate Change Treaty (FT)

By Christopher Adams and Fiona Harvey In London

Financial Times, October 31, 2006

A new European push for a successor international treaty to the Kyoto protocol was heralded on Monday with the publication in Britain of a government report calling for rapid action to tackle global warming while the economic cost of doing so was still manageable.

The report for the first time attempts to quantify the economic cost of taking action now – which it said would be just 1 per cent of world economic output by 2050 – against the cost of a failure to act, which it said would knock between 5 and 20 per cent off world consumption.

Tony Blair, British prime minister, is set to use the review by Sir Nicholas Stern, former World Bank chief economist, to announce a dramatic change to his stance on environment policy by calling for a new treaty that could set binding targets for carbon emissions.

In the past two years, Mr Blair has written off the prospect for signing a “Kyoto II” treaty, acknowledging strong US opposition to any attempt to impose emission targets.

But he will now try and inject fresh life into stalled talks on a post-Kyoto agreement, believing that George W. Bush, US president, could back proposals early next year for an international “cap and trade” market for carbon trading.

Mr Blair will press Angela Merkel, Germany’s chancellor, at a meeting in London on Friday to use her presidency of the Group of Eight richest nations next year to reach agreement on the key recommendations in the Stern report.

On Monday, Sigmar Gabriel, Germany’s environment minister, sounded a supportive note, saying climate change would rank high on its list of priorities when it takes over the presidency of the European Union and the chair of the G8 in January.

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The 700-page report, published on Monday by the UK government, was also well received by José Manuel Barroso, president of the European Commission.

The report said establishing an international price for carbon, through tax, trading or regulation, was “an essential foundation” for tackling climate change.

Mr Blair said the report showed that the scientific evidence for global warming was “overwhelming” and its consequences “disastrous”.

The UK on Monday announced immediate plans for legislation that would give statutory force to projected cuts in greenhouse gas emissions. Sir Nicholas’s report said floods from rising sea levels could displace up to 100m people, melting glaciers could cause water shortages for one in six of the world’s population and droughts might create tens of millions of “climate refugees”.

In Britain, All Parties Want To Color The Flag Green (WP)

By Kevin Sullivan

The Washington Post, October 31, 2006

LONDON, Oct. 30 -- Prime Minister Tony Blair warned Monday that the world is heading toward "disastrous" and "irreversible" climate changes. Meanwhile, David Cameron, the popular leader of the opposition Conservative Party, vowed to install a wind-power generator and solar panels at the prime minister's residence if he wins the office.

Blair and Cameron are rivals, but their shared outspoken devotion to fighting global warming -- the subject of a stark British government report released Monday -- illustrates the unity among leaders across the political spectrum here on the dangers of climate change and, in the absence of U.S. leadership, their apparent determination to make Britain a world leader on the issue.

In a clear reference to President Bush, Blair used a column in the Sun newspaper Monday to say, "The case for action is the final piece of the jigsaw to convince every single political leader, including those in America, China and India, that this must be top of their agenda." While Bush has played down the dangers of climate change, Blair called the new findings "the most important report on the future which I have received since becoming Prime Minister" nearly a decade ago.

"There's consensus across the political parties on this," said Michael Cox, a professor of international relations at the London School of Economics. "And Blair genuinely believes that if the United States is not going to lead on this, then Britain will."

British politicians Monday enthusiastically embraced the conclusions of the report by Nicholas Stern, a senior British government economist and former World Bank chief economist. He found that the world will face catastrophic consequences without an urgent international effort to fight climate change.

Chancellor Gordon Brown, who commissioned the study and is Blair's likely successor as prime minister, said new economic opportunities would be created by finding alternative energy sources and other solutions. He said such moves would create "new markets, for new jobs, new technologies, new exports where companies, universities and social enterprises in Britain can lead the world."

Former U.S. vice president Al Gore, who has written a book and produced a film about the dangers of global warming, has become a symbol of Britain's nonpartisan commitment to climate change. He is advising Brown; during the Conservative Party's annual conference this month, Cameron attended a screening of Gore's film, "An Inconvenient Truth," and said, "I absolutely loved Al Gore's movie, and I think everyone here ought to see it."

Climate change is increasingly dominating British political discourse as leaders take to bicycles and hybrid cars in an effort to be more green than their opponents. The Conservatives recently adopted a tree as the party's logo, raising eyebrows among many in a party that is generally more committed to lowering taxes than raising trees. A political cartoon in Monday's Times newspaper here showed Blair, Cameron and Menzies Campbell, leader of the third-largest party, the Liberal Democrats, all hugging trees and pointing at each other, saying, "The other two are faking it!"

Peter Kellner, chairman of the Internet polling firm YouGov, said none of the major British parties has ever had the "intellectual hostility" to climate-change science that is often seen in political and business circles in the United States. He said political leaders are also reflecting public sentiment.

"The argument is won with the public about climate change," Kellner said. "There are very few people who take the Bush line of skepticism."

Polls have consistently shown the British public as supportive of measures such as higher taxes on sport-utility and other large-engine vehicles, Kellner said. Seventy-five percent of respondents supported such measures in a July 2006 poll, up from 69 percent a year earlier.

Tony Travers, a local government specialist at the London School of Economics, said British politics were a factor in the current emphasis on climate change. He said Blair needs to demonstrate "traditional left-of-center" values on issues such as the

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environment and African poverty to blunt criticism that he has led his party too far to the right. At the same time, he said, Cameron wants to emphasize his green credentials "to signal that he's not like the old Conservative Party."

Warming Poses A Fiscal Threat (USAT)

By Dan Vergano

USA Today, October 31, 2006

Pay now to fix global warming or risk a worldwide economic depression later, says a landmark British government report out Monday.

"The benefits of strong, early action on climate change outweigh the costs," concludes the 576-page Stern Review Report on the Economics of Climate Change. The report, authored by former World Bank chief economist Nicholas Stern, is called the most comprehensive projection of the economic impact of warming.

Failure to act carries the danger that rising temperatures will increase the likelihood of widespread drought, crop failure, sea-level rise and other economic calamities, the report warns.

"Our actions over the coming decades could create risks of major disruption to economic and social activity, later in this century and in the next, on a scale similar to those associated with the great wars and the economic depression of the first half of the 20th century," according to the report.

The report moves economic discussion of how humanity should deal with global warming to center stage, says Alden Meyer of the Union of Concerned Scientists in Washington, D.C., a science advocacy group. The report is endorsed by such economic heavyweights as Nobel Prize winner Joseph Stiglitz of Columbia University.

But critics, such as statistician Bjorn Lomborg of Denmark's Copenhagen Consensus Center, suggest ills such as disease and malnutrition are potentially more costly than global warming.

In 2001, an international science panel concluded levels of so-called greenhouse gases, such as carbon dioxide produced by burning coal and gasoline, likely would raise average global temperatures about 2 to 10 degrees by 2100. Letting them rise without levying financial penalties for the environmental impact would be a colossal failure, says economist Alex Bowen, a member of the Stern team.

The White House, in a statement responding to the report, said President Bush "has long recognized that climate change is a serious issue, and he has committed the U.S. to advancing and investing in the new technologies to help address this problem."

The report calls for spending 1% of global gross domestic product (GDP), about $600 billion yearly, by 2050 to shift the world to a "low carbon" economy that limits climate change in three ways:

·Carbon prices. Taxation, trading or regulations to pay for the effects of greenhouse gases.

·Research. Development of efficient and cleaner technology.

·Consumer action. Educating people to limit energy use.

Waiting to act will cut 5% to 20% of the world's yearly GDP by 2050, lost to environmental degradation expected from global warming. (For perspective, the Great Depression cut U.S. GDP by 26% from 1929 to 1933, according to the Economic History Association.)

Past estimates have generally anticipated a lesser financial impact from climate change. For example, a 2000 Yale University report found temperatures rising 3.6 degrees by 2100 would cut global GDP less than 2%. Such reports underestimated the risk of big temperature increases and severe weather, Bowen says.

Lomborg, however, says the Stern report overestimates benefits and minimizes costs in its call to move to a low-carbon economy.

Warming Called Threat To Global Economy (WP)

By Juliet Eilperin

The Washington Post, October 31, 2006

Failing to curb the impact of climate change could damage the global economy on the scale of the Great Depression or the world wars by spawning environmental devastation that could cost 5 to 20 percent of the world's annual gross domestic product, according to a report issued yesterday by the British government.

The report by Nicholas Stern, who heads Britain's Government Economic Service and formerly served as the World Bank's chief economist, calls for a new round of international collaboration to cut greenhouse gas emissions linked to global warming.

"There's still time to avoid the worst impacts of climate change, if we act now and act internationally," Stern said in a statement. "But the task is urgent. Delaying action, even by a decade or two, will take us into dangerous territory. We must not let this window of opportunity close."

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Some economists questioned the British study's projections, however, saying they overestimated the impact of global warming on the world's economies, especially those of developed nations. At the same time, these critics said the report's assertion that it would cost only 1 percent annually of global GDP to curb climate change underestimated how much spending would be required.

"There's just a very small part of GDP" in industrialized nations "that's affected by weather in a direct or indirect way," said Jerry Taylor, a senior fellow at the libertarian Cato Institute, which accepts some contributions from fossil-fuel companies. "It's very difficult to sketch out this disaster scenario."

Yale University economics professor William Nordhaus, who has estimated that climate change will cost developed countries less than 1 percent of GDP over the next half-century, said the Stern report "appears to be an impressive effort to summarize the science and economics of climate change" despite the controversy surrounding its projections.

The report represents British Prime Minister Tony Blair's latest effort to enlist President Bush, a close ally, in his effort to make serious cuts in carbon dioxide emissions. Bush has declined to sign the 1997 Kyoto Protocol, which imposes mandatory reductions in greenhouse gases on most industrialized nations between 2008 and 2012, and yesterday his aides reiterated his commitment to fostering research and innovation rather than adopting federal emissions restrictions.

"The president has long recognized that climate change is a serious issue, and he has committed the U.S. to advancing and investing in the new technologies to help address this problem," said Kristen Hellmer, spokeswoman for Bush's top environmental adviser, James L. Connaughton. "His administration has already dedicated more than $29 billion to climate change sciences and technology programs and is working in strong partnership with nations around the world to accelerate progress. . . . The U.S. government has produced an abundance of economic analysis on the issue of climate change. The Stern report is another contribution to that effort."

In a telephone conference with reporters yesterday, Alex Brown, senior economic adviser for the Stern report, said the British government had conferred with Bush administration officials while drafting the study. But when asked whether these officials had indicated a willingness to shift course, Brown replied, "I don't think I can comment on that."

Still, several experts said the report could reshape the way policymakers consider the pros and cons of curbing carbon dioxide from power plants, automobiles and other sources.

"It's important for the people arguing for action to make the case that it's worth it, rather than the promise that it will be free," said Yale environmental law and policy professor Dan Esty, adding that the report puts "for the first time in stark relief, the costs and consequences of inaction and puts them on parallel with the known burdens of taking action.

The British government has also enlisted a prominent adviser to help promote its global warming message, by bringing on former vice president Al Gore as an unpaid consultant.

Even advocates of mandatory limits on greenhouse gases, however, said that to shift U.S. climate policy would entail policies that exact a price from politically influential and economically powerful industries.

"There are costs to addressing this problem," said Tim Profeta, who directs Duke University's Nicholas Institute for Environmental Policy Solutions. "This is only the beginning of the conversation."

Emissions Of CO2 Continue To Rise Despite Pledges (WSJ)

By John J. Fialka

The Wall Street Journal, October 31, 2006

A United Nations agency said most industrial nations continue to increase their emissions of carbon dioxide and other so-called greenhouse gases thought to be warming the Earth's atmosphere, despite pledges under the Kyoto Protocol during the next six years to make a 5% cut.

While the shuttering of heavily polluting factories in the former Soviet Union and its satellites makes it appear as though industrial nations as a group reduced their emissions by 3.3% from 1990 to 2004, the agency said that without that statistical blip, the U.S. and most other industrial nations have increased their emissions by 11%.

"The rising trend is the worrisome part of it," said Yvo de Boer, executive secretary of the United Nations Framework Convention on Climate Change. Since 2000, as their economies revived, countries in Eastern Europe also increased their emissions, rising by 4.1% according to the agency.

From 2000 to 2004, according to the U.N. data, the U.S., which isn't a party to Kyoto, had a slower increase in emissions (1.3%) than members of the European Union (2.4%). EU members have committed to drop their emissions by 8%, compared with 1990 levels, by 2012.

"This means that industrialized countries will need to intensify their efforts to implement strong [reduction] policies," Mr. de Boer said.

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Spain and Austria had the highest increases -- 11.4% and 12.4%, respectively -- in Western Europe from 2000 to 2004. Canada, which has pledged a 6% reduction, saw its emissions rise by 4.6%. Germany's emissions dropped by 0.7% and the United Kingdom's emissions fell by 1%.

"The positive part of this is that across the board we're seeing emissions growing more slowly than economic growth," Mr. de Boer said. Parties to the Kyoto treaty meet next week in Nairobi, Kenya, to begin what is likely to be a multiyear debate on what emissions cuts will be required in the second round of the treaty's implementation, which starts in 2012.

The findings were released shortly after a report by Sir Nicholas Stern, head of the U.K.'s Government Economic Service. He estimated the cost of a nation's efforts to reduce greenhouse-gas emissions to avoid the worst effects of climate change would amount to about 1% of global domestic product each year. However, he calculated, the cost of "unabated climate change" including rising sea levels would be five times that much, or more. (See related article1.)

Write to John J. Fialka at john.fialka@wsj.com2

Scandal Below The Surface (NYT)

By Nicholas D. Kristof

The New York Times, October 31, 2006

The crucial issue this year is Iraq, and the most important issue this decade may be the risk that nuclear proliferation results in the incineration of Wall Street by terrorists. Both topics are spurring useful debate this campaign season.

But one of the more important issues this century is generating no serious discussion on the campaign trail. And, in place of a drumroll, let's look at the chemistry experiment in which we're all taking part.

If you think of the earth's surface as a great beaker, then it's filled mostly with ocean water. It is slightly alkaline, and that's what creates a hospitable home for fish, coral reefs and plankton — and indirectly, higher up the food chain, for us.

But scientists have discovered that the carbon dioxide we're spewing into the air doesn't just heat up the atmosphere and lead to rising seas. Much of that carbon is absorbed by the oceans, and there it produces carbonic acid — the same stuff found in soda pop.

That makes oceans a bit more acidic, impairing the ability of certain shellfish to produce shells, which, like coral reefs, are made of calcium carbonate. A recent article in Scientific American explained the indignity of being a dissolving mollusk in an acidic ocean: "Drop a piece of chalk (calcium carbonate) into a glass of vinegar (a mild acid) if you need a demonstration of the general worry: the chalk will begin dissolving immediately."

The more acidic waters may spell the end, at least in higher latitudes, of some of the tiniest variations of shellfish — certain plankton and tiny snails called pteropods. This would disrupt the food chain, possibly killing off many whales and fish, and rippling up all the way to humans.

We stand, so to speak, on the shoulders of plankton.

"There have been a couple of very big events in geological history where the carbon cycle changed dramatically," said Scott Doney, senior scientist at the Woods Hole Oceanographic Institution in Massachusetts. One was an abrupt warming that took place 55 million years ago in conjunction with acidification of the oceans and mass extinctions. Most scientists don't believe we're headed toward a man-made variant on that episode — not yet, at any rate. But many worry that we're hurtling into unknown dangers.

"Whether in 20 years or 100 years, I think marine ecosystems are going to be dramatically different by the end of this century, and that'll lead to extinction events," Mr. Doney added.

"This is the only habitable planet we have," he said. "The damage we do is going to be felt by all the generations to come."

So that should be one of the great political issues for this century — the vandalism we're committing to our planet because of our refusal to curb greenhouse gases. Yet the subject is barely debated in this campaign.

Changes in ocean chemistry are only one among many damaging consequences of carbon emissions. Evidence is also growing about the more familiar dangers: melting glaciers, changing rainfall patterns, rising seas and more powerful hurricanes.

Last year, the World Health Organization released a study indicating that climate change results in an extra 150,000 deaths and five million sicknesses each year, by causing the spread of malaria, diarrhea, malnutrition and other ailments.

A report prepared for the British government and published yesterday, the Stern Review on the Economics of Climate Change, warned that inaction "could create risks of major disruption to economic and social activity, on a scale similar to those associated with the great wars and the economic depression of the first half of the 20th century."

If emissions are not curbed, climate change will cut 5 percent to 20 percent of global G.D.P. each year, declared the mammoth report. "In contrast," it said, "the costs of action — reducing greenhouse gas emissions to avoid the worst impacts of climate change — can be limited to around 1 percent of global G.D.P. each year." Some analysts put the costs of action higher,

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but most agree that it makes sense to invest far more in alternative energy sources, both to wean ourselves of oil and to reduce the strain on our planet.

We know what is needed: a carbon tax or cap-and-trade system, a post-Kyoto accord on emissions cutbacks, and major research on alternative energy sources. But as The Times's Andrew Revkin noted yesterday, spending on energy research and development has fallen by more than half, after inflation, since 1979.

Melting glaciers and corroding pteropods aren't as sensational as a Congressional page scandal, or as urgent as the Iraq war. But they are just as scandalous. We have no responsibility greater than as stewards of our planet, and we're blowing it.

Two Forces Maintain Siege Of Oaxaca (WP)

By Manuel Roig-Franzia

The Washington Post, October 31, 2006

OAXACA, Mexico, Oct. 30 -- The men who weave wool into boldly patterned rugs don't bother coming here anymore. The little shops that sold sweet, grainy chocolate are boarded up.

Oaxaca, Mexico's colonial-era jewel, was almost unrecognizable Monday, a barely functioning city befouled by smoldering trash and the charred hulks of burned-out buses. Five months after teachers launched a strike for better pay, and two days after the arrival of federal police, Oaxaca is a place under siege by equally determined opposing forces.

Police outfitted with gas masks control the town square. Masked protesters armed with rocks control the rest. No one seems to know what will happen next.

The police say they are determined to restore order. But the demonstrators have voted not to budge until the Oaxaca state governor, Ulises Ruiz, steps down. Some business owners are hopeful that local lawmakers will be able to persuade Ruiz to resign and end the crisis. But for now, the standoff is testing the resolve of a populist movement of poor Mexicans and bringing chaos to a town long known as a haven for tourists.

Oaxaca got to this point in flashes of gunfire Friday that killed two protesters and an independent American journalist and activist, Brad Will, who came here to support the teachers' strike. The shootings prompted Mexican President Vicente Fox to send in 4,500 federal police officers, who were met by a hail of rocks as they smashed through barricades and drove demonstrators out of the town square on Sunday.

Fox declared Monday that "today in Oaxaca social order and peace has been restored." But the president's declaration seemed out of sync with events on the ground.

Streets teemed with sweaty young men, some carrying medieval-looking clubs with nails jutting out of ax handles. Others collected rocks, for later use as weapons, in shopping carts. The few visitors to come here were dumped at taxi stands on the outskirts of the town's historic center because airport van drivers were afraid of getting hijacked.

Demonstrators control the university radio station, broadcasting a stream of political invective, protest songs and slogans. "The People United Will Never Be Defeated," their anthem, plays constantly.

Thousands of demonstrators spent hours under a wilting sun Monday taunting police, who stood 10 deep alongside armored vehicles to block the many streets leading into the town square.

"It smells like dogs," one protester screamed, drawing laughter from hundreds clumped on Cinco de Mayo, a street named in honor of Mexico's revolutionary spirit. The police just glared back, protected by helmets and thick plastic shields. At their feet were wooden crosses, smudged red by protesters who pricked their arms and squeezed out the blood.

While the standoff began as a teachers strike, it has morphed into a political movement here in the second poorest of Mexican states. Even as some teachers seem to be wavering in their resolve -- a few returned to work in outlying villages in the state Monday -- an umbrella group with an ambitious mission of social and economic reform has taken over. The group, the Popular Assembly of the People of Oaxaca, or APPO, is also demanding the resignation of Ruiz, who infuriated teachers by using force to disband their annual protest five months ago.

On Monday, APPO activists waved their fists at the helicopters that constantly swept overhead, yelling, "Murderers." They said two comrades were killed Sunday and more than a dozen had died since the protest began.

Farther up Cinco de Mayo, a young man wearing a bandanna spray-painted "hoteliers are complicit with Ruiz" on the salmon-colored walls of the Camino Real, an exquisite convent-turned-hotel.

"These hotel people, all they want is repression. They're in league with the governor," said the man, who declined to give his name for fear of repercussions in his small village.

Daniel Velasquez, the lone vendor in the once-bustling Plaza Antonio Labistida, watched it all and frowned.

"Oaxaca is hurting," he said. "Oaxaca is ugly."

On the wall to Velasquez's left, a sign invited people to a tour marking the Day of the Dead, an important Mexican holiday, on Wednesday. It was accompanied by a sign-up sheet. But there wasn't a single signature.

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Protesters Vow To Retake Oaxaca Center (AP)

By Mark Stevenson

AP, October 31, 2006

Thousands of protesters driven from the city center by federal police after months of paralyzing demonstrations vowed to retake the main plaza on Monday, but strike-weary residents pleaded for a return to life as usual.

Oaxaca remained deeply divided between the protesters demanding Gov. Ulises Ruiz's resignation and those yearning for a return to the tranquil days when foreign tourists browsed shops and dined on the region's famous mole sauce.

"Fight, fight, fight! Don't stop fighting!" the protesters chanted before arriving at the central main plaza, the Zocalo, carrying anti-government banners.

Facing off with columns of police who blocked their access to the square, the demonstrators screamed "Murderers! Murderers!" but did not attempt to break through.

Ignoring protesters who screamed "Sellout!" a group of about 20 residents and business owners waged earlier countermarches to thank federal police for clearing away the demonstrators, who had kept the city under siege since May, shutting down businesses and repelling the scores of national and international tourists who traditionally are drawn to the picturesque colonial city of 275,000.

"Let them stay," Edith Mendoza, a 40-year-old housewife, said of the police. "We were held hostage for five months."

The city resembled a battleground early Monday, its streets littered with charred cars and lines of federal police blocking entrances to the Zocalo.

Inside the central plaza, guarded by hundreds of uniformed police in riot gear and manning water cannons, workers labored feverishly to remove and paint over graffiti, rip down banners and clean up tons of accumulated trash. The kiosk in the heart of the plaza, covered with protest banners and graffiti during the demonstrations, had already been restored to its original state.

The protests began as a teacher's strike but quickly spiraled into chaos as anarchists, students and Indian groups seized the central plaza and barricaded streets throughout the city to demand Ruiz's ouster.

Police and state forces — often in plainclothes — have shot at protesters, setting off clashes in which at least eight people have died.

The federal government indicated that it had no intention of letting the protesters take back the city. Interior Secretary Carlos Abascal said the federal forces would stay until order had been established.

President Vicente Fox said "today in Oaxaca social order and peace has been restored."

Fox, who leaves office Dec. 1, had resisted repeated calls to send federal forces to Oaxaca until Saturday, a day after gunfire killed a U.S. activist-journalist and two residents.

The demonstrators said Monday they hoped to attract other sectors of society, mainly the state's restive Indian population, to join their fight.

"The government is angering the other regions and they are going to come and that way they won't stop us," said Flora Gutierrez, a university student who was among protesters.

Protesters also pointed out that while police controlled the Zocalo, the demonstrators were still in charge of other areas of the city, where they erected additional barricades made of trash and vehicles.

"There are more than 3,000 barricades in the working-class neighborhoods," said Flavio Sosa, a protest leader.

The federal government's decision to send forces into Oaxaca came after teachers agreed to return to work by Monday, ending a strike that kept 1.3 million children out of classes across the southern state.

But teachers union leader Enrique Rueda told The Associated Press that no students had returned to class in the capital on Monday, although some had in cities and towns outside of Oaxaca City.

"We are not willing to go back (to work) until we get written guarantees" for teachers' safety, said Daniel Reyes, one of the last of the striking teachers to leave the main square as police gathered around it Sunday night.

During the strike, some dissident teachers tried to open schools, and parents armed with sticks and pipes fought off protesters who tried to keep children from entering.

Public Safety Secretary Eduardo Medina Mora said seven police were injured in the weekend clashes. A few were hit by gasoline bombs thrown by protesters.

Protesters claimed two of their own were killed, but federal authorities said they could not confirm that.

A scattering of businesses, including the city's famous marketplace, reopened Monday. As shoppers browsed through the market's stalls, stocked with supplies of fresh marigolds to celebrate the upcoming Day of the Dead, others lined up at several automatic teller machines that had reopened. But most of the city remained shuttered.

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Ruiz — whom the protesters accuse of corruption and rigging elections — was scheduled to give his state-of-the-state address on Monday.

The lower house of Congress on Monday called for Ruiz to resign, but he showed no signs of doing so. In a television interview, he said his departure "is not up for discussion."

"This is not the solution. The solution is the construction of agreements."

Oaxaca Divided As Police Regain Control Of Plaza (LAT)

By Sam Enriquez

The Los Angeles Times, October 31, 2006

OAXACA, Mexico — The state capital remained divided Monday as thousands of residents marched in defiance and many others praised government forces that dislodged a protest encampment from the city center this weekend.

The recovery of the plaza by federal police late Sunday marked a symbolic end to the five-month occupation by striking teachers and leftist supporters who have demanded the resignation of the state governor. But exactly when the tourist capital will return to normal is in doubt.

Mexican President Vicente Fox declared victory Monday, saying, "The plaza and city were recovered for the citizenry of Oaxaca."

Although at least two deaths were reported during the 12-hour invasion by more than 4,000 riot police and armored equipment, Fox described the operation as "bloodless" and conducted without the use of weapons.

Flavio Sosa, a leader of the leftist movement known by its Spanish-language initials APPO, said Monday the government had recovered only a single block, after protesters ceded it in the face of overwhelming force.

"The control of the rest of the city is in the hands of APPO," he said in a radio interview. "I want to tell you that we are not going to hand over control of the city. We are going to resist at every barricade."

Protesters converged on the central plaza in the early afternoon from three directions in a largely peaceful demonstration calling for the ouster of federal police and the resignation of Gov. Ulises Ruiz.

They chanted slogans denouncing Ruiz and cursed the federal police, who stood in single-line formation on every street entering the square, backed by armored vehicles with water cannons.

The protesters' many grievances stem largely from the desperate poverty in this southern state, especially among indigenous people who are among the poorest and least educated in Mexico. The opposition began with the striking teachers but quickly mushroomed. Teachers since have negotiated a 30 percent raise over several years and have agreed to return to the classroom. "All we want is work, hospitals, better schools and the military out," said Veralisa Flores, a teacher who marched with friends. "This is a peaceful movement."

But despite pleas, protest organizers could not stop the young men who tossed rocks and fired a sky rocket at one line of police on the east side of the square, drawing several rounds of tear gas canisters that dispersed the assailants.

Rogue elements of the conflict have damaged the image of the fledgling movement, as well as local government. Plain-clothes police allegedly have killed several protesters, including independent journalist Bradley Roland Will, of New York, who was shot Friday along with three Mexicans.

Local authorities over the weekend announced the arrest of five men in the slaying of Will, including the police chief and two of his officers from nearby Santa Lucia del Camino.

The killings prompted U.S. Ambassador Tony Garza to issue a warning Monday against travel to Oaxaca.

"These tragic and senseless deaths over the weekend, in addition to the nine deaths already caused by the civil unrest in Oaxaca in the past several months, of course, underscore the critical need for a return to lawfulness and order," he said.

Many residents who took early morning walks Monday to see the plaza expressed the same feeling. They, too, hope the arrival of federal police will be the first step in bringing Oaxaca back to normal.

"The majority of people are relieved the police are finally here," Gloria Crisantos said. "We've been held hostage in our own city. Look around. Ask anyone."

And, as if on cue, a crowd of passers-by quickly gathered, eager to voice their support of the police. They said they had lost business and jobs, and their children have been out of school since May. They agreed with protesters that Oaxaca needs help but bristled at their tactics, which has turned the popular destination into a ghost town.

Their anger extended to Ruiz, who they say failed to quell the unrest by ignoring teacher demands, and then trying to evict them from the plaza in a violent police attack in June.

A majority of congressmen in Mexico's lower house of Congress voted Monday to ask for Ruiz to take a leave of absence or resign. And the Senate voted unanimously to ask him to consider stepping down, with four years remaining in his six-year term.

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Times staff writer Hector Tobar and Carlos Martinez of the Times' Mexico City bureau contributed to this report.

Mexican Protesters Try To Protect Their Rallying Cry (NYT)

By Marc Lacey

The New York Times, October 31, 2006

OAXACA, Mexico, Oct. 30 — As federal riot police hunkered down in Oaxaca's main square today, protesters sought to protect their not-so-secret weapon in their five-month-long siege of the city: the pilfered radio transmitter they use to mobilize the population.

"We are in a red alert, a red alert!" a nervous-sounding announcer said over and over from inside the bullet-scarred university station, which was ringed by sand bags and protected by masked supporters on the roof equipped with handmade mortars. "The police are moving in!"

The cry was premature but it drew hundreds of supporters from across this city in southern Mexico. They prepared Molotov cocktails and reinforced the barriers around the gates of Oaxaca University in anticipation of a raid.

"We will transmit until the last minute," an announcer who described himself as a law professor but declined to provide his name said in an interview. "We will not run. We are like the captains of the ship and we'll go down with the ship."

Oaxaca's beleaguered governor, Ulises Ruiz, was also hunkered down, on his own turf, facing increased pressure to resign.

Although the governor insisted in a television interview today that he was staying put, his support appeared thin as the Congress passed a nonbinding resolution urging him to cede power for the good of the state and the nation. Only Mr. Ruiz's Institutional Revolutionary Party and another small allied party stuck by the governor, and even their backing seemed lukewarm.

Emilio Gamboa, the leader of his party in the Chamber of Deputies, told reporters that it was up to Mr. Ruiz to make a decision of conscience as to "whether he can continue or not governing Oaxaca."

Members of the Oaxaca People's Popular Assembly, which has been coordinating the protests, have clearly made up their minds that he cannot, as their frequent anti-Ruiz messages over the radio make clear.

If the diffuse movement that has laid siege to Oaxaca has a nerve center it is the trash-strewn conference room where the people's assembly advocates broadcast regular updates to their comrades.

It is over the renegade station that announcers called on supporters to provide diesel fuel the other day to gas up some protest vehicles. Over the same airwaves, they informed the population that the police were moving in on the city Sunday afternoon. Today, the radio called people into the streets for three protest marches that drew thousands.

Even after the federal raid managed to take back the symbolic Zócalo, or central square, which had been the protesters main stage, the station kept the movement against Mr. Ruiz alive.

The protest began as a teachers strike but a deal was reached to raise their salaries. Some teachers returned to classes today, although it appeared that many were not yet sure it was safe enough to do so — especially since continued clashes between protesters and police appeared likely. Local residents have said the issue is less a people's movement than old political rivalries and patronage.

"It's strange but I'm not afraid," Alejandra Canseco Martinez, 22, a student who frequently sends out updates over the air waves, said from inside the radio station. "Maybe I should be afraid because we don't know what will happen and the police are only a few blocks away."

It is not the first time that the station has been under siege.

The current standoff began on June 14, when the police broke up a teachers' protest and smashed the transmitter that teachers were using to broadcast their messages from the main square. The following day, as supporters joined forces with the teachers, university students took over the campus station.

On July 22, gunmen opened fire on the station, sending workers ducking for cover and eventually knocking the signal off the air. But listeners heard the attack and converged on the station in support.

Then, on Aug. 8, someone sneaked into the station and poured acid onto the transmitter, again killing the signal. But by that time, protesters had taken over another station. Within weeks, a dozen public and private stations around Oaxaca were controlled by protesters.

The university station, with its transmitter repaired, remains the chief source of information for the protesters, though. Its messages are dismissed as revolutionary propaganda by critics, but supporters relish the hard-edge words that fly across the colonial city.

"The other stations only say things in support of Ulises," said Sal Lozano, 43, a farmer, speaking of the governor. "We're going to defend this station with everything with have."

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Crisis As Sri Lanka Talks Go Nowhere (FT)

By Joe Leahy

Financial Times, October 31, 2006

No one was expecting much – at best an agreement on a schedule for more talks rather than any serious discussion of the main issues.

But relations between the Sri Lankan government and the rebel Liberation Tigers of Tamil Eelam have deteriorated so much that the two sides could not agree even on this modest goal when they met in Geneva at the weekend.

For the long-suffering people of Sri Lanka, the news could hardly have been worse. There is little to stop the two sides intensifying their slide back towards full-scale hostilities under the guise of the island's four-year-old ceasefire agreement, a situation that is already leading to an humanitarian crisis in the country's north-east. Heavy shelling resumed in the north only hours after the talks collapsed.

"It's back to war," says Paikiasothy Saravanamuttu, executive director of the Centre for Policy Alternatives. "The next lot of serious negotiations will come only after one side or the other feels it has got a decisive and consolidated military advantage or they're mutually exhausted and feel they can't proceed on the battlefield any further."

The talks were always going to be tough going. Since the two sides, which signed a ceasefire agreement in 2002 after nearly two decades of fighting, last met in Geneva in February, there has been a steady escalation of violence.

Starting with naval battles, air strikes and bomb blasts, the conflict had intensified by July into land battles on the northern Jaffna Peninsula. In the week preceding the talks, a suspected rebel suicide bomber rammed an explosive-laden truck into a navy convoy, killing more than 100 people in the worst attack since the ceasefire agreement and bringing the toll of combatants and civilians killed this year to 2000.

On the flipside, there were also more reasons for hope this time around. Last week, the opposition United National Party signed an unprecedented agreement with President Mahinda Rajapaksa's ruling Sri Lanka Freedom Party pledging to co-operate on economic affairs and security, including the peace process.

The talks were meant to be unconditional. But each side arrived in Geneva with an agenda that was bound to be unacceptable to the other.

The government wanted to discuss human rights, including the Tamil Tigers' alleged use of child soldiers, the re-establishment of multi-party democracy in the north and east, and a development programme for the area. The Tigers wanted the government to allow a referendum in the rebel-held areas.

But the talks faltered on the Tigers' demand that the government reopen the A-9 highway, a strategic road connecting the LTTE-controlled Jaffna peninsula to the rest of the island. The Tigers argue the closure of the road constitutes a new "Berlin Wall" and is leading to shortages of food and supplies on the peninsula.

The government refuses to reopen the road, which it says is used by the rebels for the smuggling of weapons and child soldiers. It offered to supply the peninsula using ships if the rebels would guarantee their security, which they have so far refused to do.

Palitha Kohona, one of the government negotiators, accused the rebels of using the road as an excuse to hamstring the talks.

"They came here unconditionally but all of a sudden the conditions emerged as an excuse to walk away. It's very difficult to come to the conclusion that they are interested in resolving this conflict in a peaceful manner," he told the Financial Times from Geneva.

Some analysts doubt the sincerity of both sides going into talks. They argue that the government should have anticipated the LTTE's demands regarding the highway and that it should reopen the road for humanitarian reasons.

And they suspect that the rebels' heart is not in the talks. The LTTE's dream is of an independent Tamil state, a proposal that has little international support and is unlikely to be achieved through the current negotiations.

Jehan Perera, director of the National Peace Council, said he was concerned that the situation in Jaffna would deteriorate further, with food shortages driving the price of rice there to five times its levels in Colombo amid daily assassinations and killings.

The only hope was that the new alliance between the ruling party and the UNP, headed by former Prime Minister Ranil Wickremesinghe, will help drive pressure for an accord.

Mr Wickremesinghe's former government brokered the original ceasefire and is seen as more moderate than the ruling party.

"The UNP leader has said very categorically that he's supporting the government for peace, not for war," says Mr Perera.

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Leaders Struggle To Repair Polish-German Ties (WP)

By Craig Whitlock

The Washington Post, October 31, 2006

BERLIN, Oct. 30 -- It had already been a bad year for German-Polish relations, but things really soured this month when naval warfare between the two countries nearly broke out on the Baltic Sea.

On Oct. 17 , the Polish Coast Guard fired warning shots at a German tourist ship after it tried to evade inspection in the Polish port of Swinoujscie and made a run for the German border with three Polish customs officers on board. Polish officials accused the vessel, the Adler Dania, of hiding a cargo of tax-free cigarettes and booze; the German captain accused the Poles of overreacting. "Are Our Neighbors Insane?" blared Bild, Germany's largest newspaper.

No one was wounded or killed, but the incident only added to a string of diplomatic slights, political insults and other indignities that have left Germany and Poland feeling more raw about each other than perhaps at any time since the end of World War II.

Poles have been smarting for more than a year over Germany's decision to bypass their energy-dependent country by routing a major gas pipeline to Russia under the Baltic. The Polish defense minister, drawing on a painful history that is never far from the surface, compared the move to the secret agreement between Adolph Hitler and Joseph Stalin to carve up Poland in 1939.

Poles are also sore about efforts by some Germans to sue for monetary compensation for property their families were forced to abandon after the defeat of the Third Reich, when borders were redrawn and Germany ceded some of its eastern territory to Poland.

At times, Poland's leaders have made matters worse by displaying thin skins. In July, Polish President Lech Kaczynski canceled an official visit to Germany after a Berlin newspaper mocked him as "a little potato" who thirsted to rule the world. Polish officials demanded, unsuccessfully, that the German government take legal action against the journalists.

On Monday, Kaczynski's twin brother, Jaroslaw, Poland's prime minister, came to Berlin -- for the first time -- to meet with German Chancellor Angela Merkel in an attempt to repair some of the diplomatic damage. While the pair tried to put on a good face and held a joint news conference, they didn't report any breakthroughs.

Merkel rejected Poland's demand to sign a deal forswearing any private German property claims from the war. Although she acknowledged the "unease" the issue had caused in Poland, she said government intervention "would make things more complicated than they are."

Kaczynski said he welcomed Merkel's comments but added that Poland still wasn't satisfied. "In the Polish view, this issue is not resolved," he warned.

Germany and Poland are the two biggest countries in central Europe and share a long border, but polls show a widespread lack of familiarity between the two neighbors' people.

Two of every three Germans have never set foot in Poland, according to a survey commissioned last spring by the Institute of Public Affairs in Warsaw. Public views of Poles are also not favorable. When asked what they most associated with Poland, the top answer was "car theft and crime," followed closely by "illegal workers" and "poverty, backwardness."

Many Poles harbor skeptical views of Germany as well. In a similar poll conducted by the institute last March, 49 percent of Poles questioned said they feared Germany could pose "an economic threat" to Poland in the future, even though Germany is Poland's largest trading partner.

Also ruffling feathers in Poland are recent historical exhibits in Berlin that highlighted the hardships faced by millions of German refugees after World War II. Many Poles saw the exhibits, which closed just before Kaczynski's arrival, as an attempt to portray Germans as victims of a war that they started -- and that left 6 million people dead in Poland.

Sponsors of the exhibit, titled "Forced Paths," said they took pains to include the experiences of other political refugees in Europe throughout the 20th century and questioned whether Polish leaders were seeking to score political points at home.

"I also think politicians in Poland are trying to use the issue to divert attention from massive domestic problems," said Erika Steinbach, a member of the German Parliament and head of a group called the Federation of Expellees, which has drawn the ire of the Polish government. "I am an optimist and I think the differences can be resolved. If they are not, it certainly will not be the fault of the German expellees."

So far, Poland's government has shown little willingness to forgive and forget.

When the Forced Paths exhibit opened in August, the mayor of Warsaw canceled a visit to Berlin in protest. Kaczynski, the prime minister, trashed the event and responded with a historical lesson of his own: a visit to a former Nazi concentration camp in northern Poland.

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Berlusconi And Former Lawyer To Stand Trial (FT)

By Adrian Michaels In Milan

Financial Times, October 31, 2006

Silvio Berlusconi, the former Italian prime minister, and David Mills, his former lawyer, were on Monday ordered to stand trial on corruption charges by a judge in Milan.

In a further deepening of the pair's legal woes, the judge accepted the prosecutors' request for a trial into allegations that Mr Berlusconi paid Mr Mills at least $600,000 after the lawyer had given favourable testimony at other trials of Mr Berlusconi in the 1990s.

The two men are already committed to trial in a separate case that starts this month.

The affair adds considerably to the embarrassment of the two men.

Mr Mills's reputation has taken a considerable beating and also created problems for his estranged wife, Tessa Jowell, the UK culture secretary who is a close ally of Tony Blair, the UK prime minister. Ms Jowell was forced to defend herself against accusations that she breached the ministerial code of conduct governing disclosure of financial arrangements.

Mr Berlusconi, who is Italy's richest man, has been beset by allegations of wrongdoing in his business empire for years.

He has been convicted on some occasions but the convictions have either been overturned on appeal or annulled by statutes of limitations.

Mr Berlusconi says that he has done nothing wrong and that sections of Italy's judiciary are targeting him to generate political advantage for his leftwing opponents.

Mr Mills also says he has done nothing wrong. He at first admitted to prosecutors that the money had come from Mr Berlusconi and later retracted that statement, saying it was related to business with another client.

Prosecutors allege that Mr Mills entangled the affairs of his clients so as to make it difficult to follow the trail of money.

Mr Mills and Mr Berlusconi have given conflicting accounts of how often they have met.

Whatever the outcome of the trial, people close to the Milan prosecutors admit that it is very unlikely that a conviction will stand and that either man will go to jail.

The last part of the crimes of which the two are accused is alleged to have taken place in February 1998 and legal proceedings have 10 years to be completed.

The trial is at the moment scheduled to start in March, meaning the case and any subsequent rounds of appeal have 11 months to finish. People close to the case said on Monday that Milan prosecutors had the chance to ask a judge to bring forward the trial date but that no decision had yet been made.

Mr Berlusconi is hoping once again to be Italy's prime minister and is agitating for an early collapse of the government of Romano Prodi, his successor.

In the separate trial starting this month Mr Berlusconi, Mr Mills and 11 others are embroiled in allegations of money laundering, tax evasion and improper accounting.

Berlusconi To Face Corruption Trial (AP)

By Colleen Barry

AP, October 31, 2006

A court Monday ordered former Premier Silvio Berlusconi to stand trial on charges of corruption along with the estranged husband of Britain's culture minister.

Berlusconi is accused of ordering the payment in 1997 of at least $600,000 to his co-defendant British lawyer David Mills, a close friend, in exchange for the lawyer's false testimony in two trials against Berlusconi. Both deny the allegations.

Mills is married to British Culture Secretary Tessa Jowell. They formally separated in March.

Prime Minister Tony Blair's office declined to comment on the decision, and a spokesman in Jowell's office also declined to comment.

Judge Fabio Paparella issued the ruling after refusing a defense motion to remove himself from the case because he is presiding over a separate case charging Berlusconi and Mills with false accounting, embezzlement and tax fraud in the purchase by Berlusconi's Mediaset empire of TV rights for U.S. movies.

The new case is set to go to trial March 13. If convicted, Mills and Berlusconi could be sentenced to between three and eight years in prison, according to prosecutors.

Berlusconi's lawyer, Niccolo Ghedini, said the decision to open another trial against Berlusconi was expected, but he expressed disappointment the judge didn't wait for a higher court to decide on whether he should step aside.

"Everything went as we thought it would. It is like scripted," Ghedini said outside the courtroom.

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He noted that two requests were pending to higher courts for Paparella to step aside in the case — leaving open the possibility if one or the other succeeds that the charges will supersede their statute of limitations, which runs out in February 2008. "This is not what we want. We want an acquittal," Ghedini said.

Mills' Italian lawyer, Federico Cecconi, said there was no evidence to support the charges.

"In the trial we will highlight that there is no evidence that there has been illicit payments on the part of Mediaset group," Cecconi said.

Berlusconi has a long history of legal troubles linked to his business interests based in Milan.

In past cases, he was either acquitted or cleared of the charges because the statute of limitations had expired. He has always maintained his innocence.

Pinochet Is Placed Under House Arrest (AP)

AP, October 31, 2006

Former dictator Gen. Augusto Pinochet was placed under house arrest and indicted for the first time on torture charges for abuses at a secret detention center where President Michelle Bachelet and her mother were once held, the judge handling the case reported Monday.

Two court officials notified Pinochet at his suburban Santiago mansion of the decision by Judge Alejandro Solis, who on Friday had charged Pinochet with one homicide, 35 kidnappings and 24 cases of torture at Villa Grimaldi, one of the most infamous detention centers in the early years of his 1973-1990 dictatorship.

Pinochet's chief defense lawyer, Pablo Rodriguez, had said he will appeal Solis' ruling "all the way to the Supreme Court if necessary. We will use all the legal means at our disposal."

Rodriguez insisted the 90-year-old former military ruler is unfit to stand trial because of poor health. Pinochet has been diagnosed a mild dementia, has sustained several minor strokes, suffers from diabetes and arthritis and needs a pacemaker.

Pinochet has been indicted on human rights charges several times before, but this is the first time he faces torture charges.

Chile On Trial (LAT)

The Los Angeles Times, October 31, 2006

VILLA GRIMALDI, in a suburb of Santiago, Chile, was where in the mid-1970s enemies of dictator Augusto Pinochet were sent to disappear. Thousands of his political opponents — including Chile's current president, Michelle Bachelet — were interned and tortured there by the secret police; many were never seen outside its walls again.

On Monday, the 90-year-old Pinochet was placed under house arrest for allegedly ordering the horrific human rights abuses that took place at Villa Grimaldi. It was his fifth arrest since 1998, but this is the first time he has been indicted on torture charges. Pinochet is in poor health, is believed to suffer from mild dementia and has repeatedly been ruled unfit to stand trial. But a judge has determined that Chile's ex-ruler is fit to face justice in this case.

Whatever happens in these proceedings, it is clear that Pinochet, at this late stage in his life, is unlikely to be held accountable for his actions. What is more dismaying is the degree to which many in Chile continue to defend the general's brutal actions when he ran the country from 1973 to 1990.

Indeed, it has taken accusations of financial improprieties to taint Pinochet, once hailed as an austerity-embracing, selfless anti-communist, in the eyes of Chilean conservatives. Reports in recent years that the general had stashed millions of dollars in a secret account at Washington-based Riggs Bank were more devastating to his legacy, bizarrely enough, than the illegal disappearance of thousands of dissidents.

Last week, documents allegedly showing that Pinochet had stashed nine tons of gold valued at $160 million in a Hong Kong bank were dismissed as cheap forgeries. But the episode may be another distressing sign of how even Pinochet's opponents feel as though they need to accuse him of corruption in order to forge a consensus against him. We can only hope that the latest round of proceedings against Pinochet will allow some of his victims to testify against him, and thus may offer up a mirror for all of Chilean society to come to terms with its dark past.

Call For Caution Over By Migrants' Cash (FT)

By Richard Lapper, Latin America Editor

Financial Times, October 30, 2006

The World Bank will on Tuesday urge policymakers to take a more cautious approach towards the development potential of remittances, the multi-billion dollar financial flows sent home by migrant workers in North America, Europe and Asia.

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In a report analysing their significance in Latin America and the Caribbean, bank economists argue that remittances are not "manna from heaven", that the benefits have been "overestimated" and that associated social and economic costs in developing countries have not been taken into account.

"Remittances are an engine for development but they are not a substitute for sound national policies in the countries," said Humberto López, World Bank senior economist for Latin America and the Caribbean, and co-author of the report. "Although positive, the impact of remittances on poverty and inequality is in most cases quite modest."

Remittances have risen sharply in recent years, reaching $167bn (€131bn, £88bn) worldwide in 2005 and accounting for roughly a third of all financial flows to developing countries. They help poor families meet basic food, education and health needs. In Latin America – one of the regions most benefiting from the trend – there has been growing interest in their potential as a source of investment capital. A report published this month by the Inter-American Development Bank showed that a growing number of recipient families were using remittances to invest in homes and small businesses.

The World Bank highlights the macro-economic impact of remittance flows, especially in the small economies of Central America and the Caribbean where they typically equal more than 10 per cent of economic output, and in Haiti amounted to 52.7 per cent of GDP in 2004.

But it suggests that the impact of these flows on development is limited. In a detailed analysis of the 1991-2005 period, it found that for each 1 per cent increase in the ratio of remittances to GDP the fraction of the population living in poverty was reduced by about 0.4 per cent. In addition, the 1.6 per cent jump of these flows as a share of GDP from 1991 to 2005 is estimated to have led to an increase of 0.27 per cent in per capita GDP growth.

Although these benefits are real, the report argues that more needs to be done to increase the positive economic impact. For example, it would be beneficial to increase the access of migrant families to the financial system. Relatively few recipients have bank accounts (although the number tends to be larger than for the population as a whole) and even fewer have access to credit, for example.

At the same time, the report says policymakers must be alert to the negative consequences of high rates of migration and remittance flows. Remittances in some cases simply replace earnings that migrants would have made had they stayed at home. Migration can also lead to labour shortages.

Some parts of the region are suffering from a "brain drain". In Haiti and the English-speaking Caribbean countries, 80 per cent of college graduates are living abroad, the report says.

To End Uganda's Nightmare (WP)

By John Edwards

The Washington Post, October 31, 2006

At a moment of tremendous global hardship -- from the wars in Iraq and Afghanistan to the killing fields of Darfur -- it is rare to find hope. So when there is the possibility for peace, we must seize it. That's why one of the world's great tragedies, the conflict in Northern Uganda, deserves our attention.

It is perhaps the worst humanitarian catastrophe to have gone practically unnoticed by most of the world. The two decades of violence in Northern Uganda have had devastating consequences -- nearly 2 million people have been run out of their homes and forced to live in overcrowded, squalid camps; tens of thousands have died; 30,000 children have been abducted by an organization called the Lord's Resistance Army (LRA) and forced to fight as child soldiers or used as sex slaves. Hundreds of villages have been abandoned and destroyed.

To witness the ravaging of Northern Uganda is searing. But meeting its people inspires hope. During a recent visit, I went to the Palabek-Kal camp, where thousands have been crammed into a makeshift village. Hearing their stories of suffering and survival made two points abundantly clear: They are praying for peace every moment, and they expect the world community to do everything possible to help them achieve it. Their yearning was deeply moving, and their collective intensity and faith to build a better future in the midst of such hardship was powerful.

In areas where security is improving and people are beginning to go home, the challenges are just beginning. First among them is the need for adequate access to clean water and sanitation. The rehabilitation and reconstruction of schools, health clinics and other basic infrastructure are equally critical.

Yet before people will feel safe to go home, there must be peace. The talks between the government of Uganda and the LRA offer an unprecedented opportunity to secure a lasting peace in this long and deadly conflict. A cease-fire was signed at the end of August, but as was made clear during my discussions there, it is very fragile. As these African-led negotiations continue, the United States and the international community must step forward to support the talks -- not stand on the sidelines and hope for the best.

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First, the United States and the United Nations should offer whatever support outside mediators, led by the government of southern Sudan, require. In particular, assistance in monitoring the cease-fire and the assembly of LRA fighters at two agreed-upon sites in southern Sudan would be critical to boosting the confidence of both sides -- while also holding them accountable to their commitments.

Second, the United States should publicly voice its support of the peace talks and encourage the Ugandan government and the LRA to maintain their commitment to the process. It's understandable that Uganda's government is skeptical of the LRA's intentions, given the atrocities that organization has committed. Yet this is the closest the two sides have ever come to a comprehensive agreement. Uganda needs to know that Washington stands behind the drive for peace and will be a supportive ally after an accord is signed.

Third, the key donors -- the United States, European countries and the United Nations -- must come together and make clear their commitment to providing the financial assistance necessary to help victims rebuild their homes and villages. This will create incentives for both sides and, just as important, lay the foundation for long-term reconstruction and reconciliation -- not only in Northern communities that have been terrorized by the LRA but also between Northern and Southern Uganda. Once the agricultural breadbasket of Uganda, the North has been marginalized and impoverished for decades. It must be integrated more fully into the country.

Finally, the United States and the international community must fulfill their pledges to help southern Sudan recover after more than 30 years of its own war. Peace and reconstruction in Northern Uganda have to be supported by reconstruction and development in neighboring southern Sudan, which is critical for regional economic recovery and cross-border trade.

In a world of unending troubles for the United States, few would argue that Northern Uganda's future is among the most urgent strategic challenges. But our actions in coming weeks will be a critical test of our global leadership. How we act -- and if and how we lead -- will send a message throughout Africa and the rest of the world about what America stands for. We must not sit idly by as Uganda's people strive for peace.

The writer, a former Democratic senator from North Carolina and the 2004 Democratic vice presidential nominee, traveled to Uganda recently with the International Rescue Committee.

Victory For Lula (WP)

The Washington Post, October 31, 2006

LUIZ INACIO Lula da Silva overcame some formidable negatives to win reelection as Brazil's president on Sunday, including a squalid series of corruption scandals and a lackluster record of growth during the past four years by Latin America's largest economy. But the reasons for his victory are mostly positive. The former metalworker and union leader, universally known simply as Lula, has been able to mobilize millions of Brazil's poor, who previously were largely excluded from the country's developing economy and democracy. Many of those people have seen tangible improvement in their lives thanks to Lula's policies, which have lifted some 8 million people out of poverty in a country of 185 million.

Lula's achievements have come without the populist trappings, irresponsible fiscal policies or erosion of democracy seen in other Latin American countries -- most notably, neighboring Venezuela. Brazil's often precarious finances are in better shape today than four years ago. International Monetary Fund loans have been paid off, inflation is a mere 4 percent and the country has $60 billion in foreign reserves. Poverty reduction has come about largely because of an innovative program under which the government provides poor families with a monthly cash subsidy if they meet certain requirements, such as sending their children to school and having them vaccinated.

With four more years to work with, Lula's challenge will be finding ways to tackle the big problem he failed to address: Brazil's sluggish growth. Redistribution of wealth is important in one of the world's most economically unequal societies, but Brazil can't prosper when it is growing at a rate below 3 percent, or less than half the rate of other emerging economies. Economists in and outside Brazil largely agree about what is needed: reductions in the sprawling state bureaucracy and runaway government spending, and in Latin America's highest taxes.

Unfortunately, the president hasn't shown much inclination to tackle these tasks. During his runoff campaign against a centrist former state governor, Lula ranted against what he said was the danger that Brazilian state companies and banks would be privatized. In fact, such privatizations are needed, as are more steps to liberalize trade and encourage foreign investment.

Lula campaigned against Brazil's foreign creditors four years ago, then surprised them by adopting orthodox fiscal policies after he took office. He would be wise to take the same course now and tackle the reform of the state, even while continuing programs for the poor. He has the opportunity to propel himself, and Brazil, into a position of leadership in Latin America by demonstrating how poverty can be addressed by sensible and sustainable policies rather than ruinous populism.

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TERRORISM NEWS:

An Administration Ally Goes Off-Message (WP)

By Al Kamen

The Washington Post, November 1, 2006

Sensing GOP vulnerability, the Democrats' campaign ads focus on voter unhappiness with the Iraq war. The Republicans, in turn, prefer to talk about keeping us safe from terrorism.

So eyebrows popped up last week when none other than Richard Perle , former Reagan assistant secretary of defense , former Bush brain-truster on the Defense Policy Board, and a key promoter of the war to find Iraq's weapons of mass destruction,

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blistered the administration as "dysfunctional" when it comes to stopping someone from bringing "a nuclear weapon or even nuclear material into the United States."

Richard Perle called the Bush administration "dysfunctional." (Roger L . Wollenberg - Upi)

"Knowing that there are people who wish to do that," Perle said, "knowing they are seeking weapons of mass destruction, you would think that we would have put in place a system or at least be working assiduously in the development of a system that would allow us to detect nuclear material entering the New York Harbor or Boston Harbor or what have you.

"But we haven't done that," he said at a Center for Strategic and International Studies gathering. "And the reason we haven't done that is hopeless bureaucratic obstruction. Somebody needs to shake that loose." Perle added that while some have tried to overcome the bureaucracy, no one has succeeded.

"I think we have an administration today that is dysfunctional," Perle said. "And if it can't get itself together to organize a serious program for finding nuclear material on its way to the United States, then it ought to be replaced by an administration that can."

But President Bush , Perle emphasized, is not to blame for this sorry state of affairs. "I haven't the slightest doubt that if one could . . . put this proposition to the president, he would first be shocked to learn that we don't have the capability. Secondly, [he] would immediately order that we develop it."

Shocked? Well, let's see. Bush . . . Bush . . . Ah, yes, 202-456-1414.

Top-Shelf Tickets for a Cabinet Secretary

A coach-flying-government-employee Loop Fan reports that United Flight 915 from Paris on Saturday was delayed briefly during the boarding process to allow a small group of VIPs to get on.

So who might these folks have been? Secretary of Veterans Affairs Jim Nicholson , returning home from important conferences in Paris. Our caller was surprised to see Nicholson and his wife, Suzanne, not just in business class but in first class. Two agency aides were seated in business class. Nicholson's security detail was appropriately placed for security.

"The airline gave away their seats," a VA spokeswoman explained yesterday, "and couldn't get them back. So they bumped them up from business." Nicholson paid for his wife's ticket.

Nicholson was overheard chatting with an airline employee in what sounded like very good French. We were told he picked that up when he was an Army Ranger in Vietnam so he could work with his Vietnamese counterpart.

72 Muslim Workers Barred From Paris Airport (NYT)

By Katrin Bennhold

The New York Times, November 1, 2006

PARIS, Oct. 31 — The French authorities charged with assessing security risks at Charles de Gaulle airport have stripped 72 Muslim workers of their access badges because they had traveled to Pakistan or Afghanistan, or were suspected of having links to extremists, according to a government official who oversees the airport.

Several are suspected of having trained in terrorist camps in Pakistan and Afghanistan, though a mere trip to one of those countries would be enough for a revocation, said the official, Jacques Lebrot. One of the suspended workers, he added, was a friend of Richard Reid, the so-called shoe bomber.

About a dozen other workers have been notified that they are considered security risks, but remain on their jobs pending questioning, Mr. Lebrot said. The unions representing them said some were still cleaning planes and handling baggage.

Mr. Lebrot did not present any evidence against the workers, saying that would compromise French intelligence sources. But France's largest union filed a discrimination lawsuit in mid-October over the revocations, and at least 10 airport workers who lost their jobs have sued separately to regain their security clearance.

Among those still working is Hassane Tariqui, 37, a French citizen who was born in Morocco and supervises cleaners inside passenger planes, most of them bound for the United States. On Sept. 21, he received a letter from the authorities saying that his "attitude" and "personal behavior" posed a risk to airport security, but it did not specify how.

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"If they really think I am a security risk, why am I still allowed to work here?" said Mr. Tariqui, who has been employed at the airport for 16 years. He said he was not a radical, nor even an especially devout Muslim, although he has made a pilgrimage to Mecca.

Mr. Lebrot said that some of the employees who received the letter were still working because they had not yet been interviewed. Those who lose their security clearance at the airport are at risk of dismissal by the private companies that employ them, like Air France and FedEx.

All who received the letter came to the attention of intelligence services in an antiterrorist investigation at French airports ordered by the Interior Ministry in May 2005, Mr. Lebrot said, and 72 had their security clearance revoked after questioning. Sixty-eight more people were investigated and cleared, Mr. Lebrot said.

The United States Homeland Security Department declined to comment on the development. "It's the government of France's jurisdiction," said a spokeswoman, Joanna Gonzalez.

The airport, north of Paris, is near suburbs with Muslim populations where rioting erupted last year. Unions estimate that at least a fifth of the airport's 83,000 employees are Muslim.

Mr. Lebrot, the deputy prefect in the Seine-St.-Denis district, where the airport is located, said the letters singled out employees suspected of links with movements or people who rejected "France and our values," or who were suspected of traveling to Pakistan and Afghanistan. Some are believed to have spent time in terrorist training camps and extremist Koranic schools in the two countries, Mr. Lebrot said.

One employee, he said, was discovered to have been a friend of Mr. Reid, a London-born convert to Islam who tried to blow up a flight from Paris to Miami in 2001 using explosives hidden in his shoe. Mr. Reid is now serving a life sentence in Colorado.

Another man is believed to have been close to a senior figure in the Salafist Group for Preaching and Combat, an Algerian terrorist group with links to Al Qaeda, Mr. Lebrot said.

Muslim organizations and human rights groups have accused the authorities of waging an anti-Muslim campaign in a presidential election year, while some terrorism experts say the government risks being too slow in removing security threats. "We need an emergency procedure to revoke badges, provided that the intelligence that calls the security of an employee into question is serious," said Alain Marsaud, a lawmaker and former antiterrorism chief.

But Eric Moutet, a lawyer for some of suspended workers, said "We have not seen any objective evidence against our clients. The only common denominator we see today is that they are all Muslim."

Mr. Lebrot insists that the decision to bar some airport employees has nothing to do with their religion.

"Monsieur or Madame X who goes to pray in the mosque and travels to Mecca for the pilgrimage is not a problem for us," he said.

Plotter Worked in London Tube

LONDON, Oct. 31 (AFP) — Critics accused London transportation authorities of a security gaffe Tuesday after learning that the son of a notorious radical imam had worked on the underground train network.

Mohammed Kamel Mostafa, 25, was jailed for three years in Yemen starting in 1999 for plotting a bombing campaign, but worked for a subcontractor of the subway's maintenance company. Mr. Mostafa is the son of Abu Hamza, the former imam of the Finsbury Park mosque in north London who was sentenced to a seven-year jail term in February.

A series of attacks by four suicide bombers on three underground trains and a bus in London on July 7 last year killed 52 commuters.

HOMELAND RESPONSE:

Would-be Bomber Planned DSHS Building Strike (KXLY)

KXLY-TV, November 1, 2006

SPOKANE -- A man who threatened to blow up a Spokane DSHS facility earlier this summer will face federal charges, an FBI sgent confirmed Tuesday afternoon.

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Anthony Garver will face federal charges for possession or receipt of firearms or ammunition by a person adjudicated as mentally defective, according to FBI Special Agent Norm Brown.

The charges stem from the relevation earlier this summer after Garver told a fellow inmate at the Spokane County Jail about his plan to blow up the DSHS office located at 1313 Maple Street. The plan included setting off a primary device and then a secondary once officials arrived after the first one detonated.

Tony Dawson, the inmate who Garver talked about his plans with, tipped off authorities who later found during their investigation that Garver had a variety of items including ammunition, knives, a GPS unit, police scanner and bomb-making recipes saved on a computer, which was enough for the FBI to launch an investigation into Garver.

Garver was placed under a 90-day evaluation at Eastern State Hospital in late August.

Bombing Suspect May Have Written Letter To Police (KTVX)

KTVX-TV, November 1, 2006

The man accused of bombing the Salt Lake City Library in September may have also written a letter to police claiming responsibility for the crime.

The author also promises more attacks in the future according to the FBI. The letter was addressed to Chief of Police Chris Burbank one week ago.

Thomas James Zajac, 53, is behind bars in Illinois awaiting extradition to Salt Lake City to face bombing charges here, police are trying to find out if he was the one who wrote the letter.

In the letter, the author gives details about the materials used to construct the bomb. The letter writer also tells police someone close to him was a victim of police brutality in Salt Lake City, he or she goes on to say if they see more cases of police brutality they will return and bomb again.

Right now Zajac, who lives in Illinois, is a person of interest in two separate bombings in the western suburbs outside of Chicago, including a bombing in Downers Grove in 2004 and Hinsdale just two weeks before the Salt Lake City bombing.

The Chief of Police in Hinsdale is quoted in the Chicago Tribune as saying that his department received a letter after the explosion there, and he tells reporters it is very similar in content and style to the letter received by Salt Lake City Police.

Zajac is accused of setting off a pipe bomb at Salt Lake City's main library on September 15th. The library was evacuated but no one was hurt and the bomb caused only minimal damage.

Zajac is being held in an Illinois jail and will be extradited back to Utah, possibly in 5 days.

ATF Investigates Whether SLC Library Bomb Suspect Linked To Illinois Blast (SLT)

By Nate Carlisle

Salt Lake Tribune, November 1, 2006

Investigators are probing whether the suspect in a Salt Lake City library bombing is linked to an explosion at a train station in suburban Chicago, a federal agent said Tuesday.

Lori Dyer, the resident agent in charge of the Bureau of Alcohol, Tobacco, Firearms and Explosives in Salt Lake City, said Thomas Zajac's fingerprints are being tested against evidence connected to a bomb that detonated in Hinsdale, Ill.

That bomb exploded Sept. 1 - the same month as the library bomb - in a trash can at a commuter train station, according to the Daily Herald in suburban Chicago. No one was injured.

Federal authorities on Friday in Utah filed a criminal charge against Zajac that accuses him of planting a bomb Sept. 15 at the main branch of the Salt Lake City Public Library. The explosion destroyed a window but hurt no one.

The FBI arrested Zajac Friday at his home in Oakbrook Terrace, Ill. He is awaiting extradition to Utah.

Dyer said Zajac might have allegedly planted the Salt Lake City bomb in retaliation for his son apparently having been arrested, but added that's just one theory.

"I think we're still sorting through some things to figure out what the [alleged] motive is," Dyer said.

Salt Lake City police spokesman Joe Cyr said Tuesday the department cannot find

Lawyer: Woman In Nuclear Probe Not A Spy (FWST)

By Deborah Baker

The Fort Worth Star-Telegram, November 1, 2006

SANTA FE, N.M. - The woman who lived in a home where classified material from Los Alamos National Laboratory was seized by authorities wasn't a spy - she was just trying to do her job for the lab, her lawyer said Tuesday.

The FBI began investigating a security breach at the nuclear weapons laboratory after police seized three portable computer storage drives during a drug bust at Jessica Quintana's home on Oct. 17.

Her attorney, Stephen Aarons, said Quintana formerly worked in a secure area called a vault at the lab, scanning hard copies of documents into an electronic format and then indexing them so they could be searched by title or author.

"It's not espionage. It's a 22-year-old ... that mishandled documents, and it doesn't appear that third parties got hold of them," Aarons said.

"Her only intent was to work with these documents herself, and to get them indexed in a timely fashion. ... She was working with these documents and she shouldn't have left the facility with them, but apparently she did."

Lab Director Michael Anastasio confirmed last week that classified information was seized from the home, but he didn't provide any details. Lab officials aren't discussing the investigation.

Quintana had worked for a lab subcontractor until she was laid off recently. She was working for a child care program at the YMCA when the flash drives were taken by authorities, but was fired from that job.

Authorities searched the home and arrested a man who was renting a room there on drug and probation violation charges. Quintana, who was not at home at the time, has not been charged.

Stone said that one of the USB flash drives was his, and that he had traded it for methamphetamine. He said the FBI told him it contained pornography. He has denied any knowledge of lab documents.

Aarons said that Quintana knows enough to be able to index the documents, but that she did not necessarily understand their significance. He also said that although the documents were classified, he did not believe they fell into the category of "top secret."

"It's our belief that she did not handle - and therefore mishandle - any top secret documents," he said.

Intelligence Agencies Launch 'Intellipedia' (LAT)

By Greg Miller

The Los Angeles Times, November 1, 2006

WASHINGTON -- The CIA and other U.S. intelligence agencies have created a new computer system that uses software from a popular Internet encyclopedia site to gather input on sensitive topics from analysts across the spy community, part of an effort to fix problems that plagued prewar estimates on Iraq.

The new system, dubbed "Intellipedia" because it is built on open-source software from the Wikipedia Web site, was launched earlier this year. It is already being used to assemble intelligence reports on Nigeria and other subjects, according to U.S. intelligence officials who on Tuesday discussed the initiative in detail for the first time.

After being criticized for downplaying dissenting views on Iraq's alleged weapons programs, "we're trying to transform the way we do business," said Michele Weslander, a senior official overseeing the initiative for the director of national intelligence, John D. Negroponte.

The system allows analysts from all 16 U.S. intelligence agencies to weigh in on debates on North Korea's nuclear program and other sensitive topics, creating internal Web sites that are constantly updated with new information and analysis, officials said.

The system, which is not accessible to the public, is divided into three classification categories ranging from "sensitive but unclassified" to "top secret." Officials said that the program is still under development and has not replaced existing procedures used to create intelligence reports delivered to President Bush and other policymakers. But it is being used to assemble preliminary judgments for a forthcoming National Intelligence Estimate on Nigeria and could someday supplant the more cumbersome mechanisms used to create such reports.

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"I think in the future you'll press a button and this will be the NIE," said Michael Wertheimer, assistant deputy director of national intelligence for analysis.

The system is based on the software used by millions of Internet users to create encyclopedia entries at www.wikipedia.org. But unlike that largely anonymous environment, the individuals who add material to pages on the intelligence system have to attach their names to their contributions.

More than 3,600 analysts and other intelligence officials have registered to use the service since it was launched in April, officials said.

In a meeting with reporters at the Office of the Director for National Intelligence, officials showed how analysts from multiple agencies had used the network to post frequent updates on recent events, including the crash of a small plane into a New York City apartment building last month and North Korea's test of a missile in July.

Officials said they were not making the network available to members of Congress or other policymakers, largely because of a reluctance to disseminate material that analysts view as a work in progress.

The officials acknowledged some concerns, including the possibility that making sensitive information available to a much larger group of intelligence officials could increase the risk that secrets might be leaked to the press. They said that partly for that reason, detailed information obtained from satellites or from human sources is being kept off the system.

But they stressed that disseminating material to the widest possible audience of analysts is key to avoiding mistakes like those that contributed to erroneous assessments that Iraq possessed stockpiles of banned weapons and was pursuing a nuclear arsenal.

One official said that dissenting views that were treated as footnotes in prewar estimates on Iraq will be much more prominent on the new system, and that doubts about sources are likely to surface earlier and be more difficult to ignore.

"It moves us away from homogenized intelligence," said Sean Dennehy, a CIA official involved in creating the new system.

Student Unleashes Uproar With Bogus Airline Boarding Passes (WP)

By Brian Krebs

The Washington Post, November 1, 2006

Christopher Soghoian said he was simply trying to highlight a flaw in the nation's airline security procedures when he put a tool on his Web site letting anyone create fake boarding passes, but federal authorities didn't see it that way.

FBI agents visited the 24-year-old doctoral candidate's home in Bloomington, Ind., Friday and returned on Saturday to cart off his computers and other equipment. While Soghoian has not been charged with a crime, the incident has stirred a national tempest and renewed concerns about passenger screening procedures.

Soghoian, a Virginia native and student at Indiana University's School of Informatics, declined to comment yesterday on the advice of his attorney. But he has been writing about the incident on his Web site.

"I came back today, to find the glass on the front door smashed," Soghoian wrote on Saturday. "Inside, is a rather ransacked home, a search warrant taped to my kitchen table, a total absence of computers -- and various other important things."

Wendy Osborne, a special agent with the FBI's Indianapolis field office, confirmed that a search warrant was executed at Soghoian's home but declined to discuss the case further because she said it had been sealed.

Osborne said that the FBI would investigate jointly with the Transportation Security Administration and then decide whether charges would be filed.

Reached at his home in Charlottesville, Stephen Soghoian, Christopher's father, defended his son's actions. "Chris was only pointing out that the government is not using its resources in a good way to provide real public safety at airports," the elder Soghoian said. "Instead, what they're doing is probably best described as security theatre."

The feature Christopher Soghoian created, which was removed from his Web site Friday night, allowed anyone to type in their name and flight information and print a boarding pass for Northwest Airlines. The bogus passes might help a terrorist get past the initial security checkpoints, Soghoian wrote, but probably would not let a terrorist board a plane. That's because at the departure gates, boarding passes are screened electronically and compared against the airline's passenger list.

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Amy Kudwa, a spokeswoman for the TSA, declined to say whether the agency was considering changing check-in procedures because of the incident. She said that while the fake boarding pass generator "had the potential to promote illegal activity, it will not aid anyone in circumventing airport security."

She added: "The TSA assures that every person is thoroughly screened at the checkpoint for dangerous weapons or explosives. There are many layers of security at the nation's airports, including many methods that are not obvious to the casual observer."

Last week, Rep. Edward J. Markey (D-Mass.) publicly called for the arrest of Soghoian and the shuttering of his site. But on Sunday, Markey praised Soghoian's actions as a public service that called attention to a security weakness.

"He picked a lousy way of doing it, but he should not go to jail for his bad judgment," Markey said. "Better yet, the Department of Homeland Security should put him to work showing public officials how easily our security can be compromised."

Markey said yesterday that the TSA was contradicting itself by saying fake boarding passes were not a problem but the pass-generator was. "TSA has to make up its mind, but it can't have it both ways," he said. "Either the public is in jeopardy or it is not. If the public is not in jeopardy, then this young man should not be in jeopardy."

Markey indicated Congress might have to act if the TSA doesn't. "I think TSA should close the loophole," he said. "We shouldn't have to wait until a new Congress reconvenes to protect the public if a loophole jeopardizes public safety."

Critics of airline security restrictions say Soghoian's site automated a loophole that others have written and spoken about for more than three years. The loophole is that boarding passes are compared to a person's ID only at initial security checkpoints, not at the gates where passengers board planes. Also, the passes are scanned and verified only at departure gates, not security checkpoints.

Bruce Schneier, a security expert and chief technical officer for Mountain View, Calif.-based Counterpane Internet Security, wrote about the loophole in 2003. To close it, he said, airports should scan boarding passes and compare passes with photo IDs at both checkpoints.

Schneier said yesterday that it would be easy for someone to use a fake boarding pass to bypass the TSA's "no-fly list," which contains the names of thousands of people whom the U.S. government has flagged as potential security or terror risks. A terrorist on the list could make a reservation in someone else's name and print a legitimate pass, along with a fake one in his real name. He'd present the fake pass and real ID at the security gate, then use the legitimate pass to board.

"I think we really need to ask why the government is shooting the messenger here when it should be spending its time fixing this obvious loophole," Schneier said.

After The Storm, Students Left Alone And Angry (NYT)

By Adam Nossiter

The New York Times, November 1, 2006

NEW ORLEANS, Oct. 31 — John McDonogh High School has at least 25 security guards, at the entrance, up the stairs and outside classes. The school has a metal detector, four police officers and four police cruisers on the sidewalk.

In the last six weeks, students at McDonogh, the largest functioning high school here, have assaulted guards, a teacher and a police officer. A guard and a teacher were beaten so badly that they were hospitalized.

The surge hints at a far-reaching phenomenon after Hurricane Katrina, educators here say. Teenagers in the city are living alone or with older siblings or relatives, separated by hundreds of miles from their displaced parents. Dozens of McDonogh students fend largely for themselves, school officials say.

“They are here on their own,” Wanda Daliet, a science teacher, said. “They are raising themselves. And they are angry.”

The principal, Donald Jackson, estimated that up to a fifth of the 775 students live without parents.

“Basically, they are raising themselves, because there is no authority figure in the home,” Mr. Jackson said. “If I call for a parent because I’m having an issue, I may be getting an aunt, who may be at the oldest 20, 21. What type of governance, what type of structure is in the home, if this is the living conditions?”

In a second-floor cosmetology class, two of the six girls said their parents were elsewhere.

“I don’t get to talk to her as much as I want,” one girl, Tiffany Mansion, 16, said as she looked down.

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Her mother is in Little Rock, Ark.

In the lunchroom, a shy 18-year-old who was asked whom he went home to in the evenings, said: "Nobody. Myself."

His parents are in Baton Rouge.

Mr. Jackson said many parents whom he had spoken to were in Baton Rouge, Houston or elsewhere. "That's the question that's buzzing in everybody's heads," the McDonogh curriculum coordinator, Toyia Washington Kendrick, said. "How could you leave your kids here, that are school-age kids, unattended?"

The answer is as various as the fragmented social structure, which the hurricane a year ago made even more complicated. Some students describe families barely functional even before the storm. Others say pressing economic necessity has kept parents away.

Rachelle Harrell was living in Houston, working as a medical assistant and trying to pay off a $1,300 electricity bill in New Orleans. But she yielded to her son Justin and his cousin Kiante, both 16, and sent them back to New Orleans on a Greyhound bus while she stayed in Texas.

The decision anguished Ms. Harrell, 36, even though Justin was being picked on in Houston and yearned to return to McDonogh. Justin; his sister, Eboni Gay, 18; and Kiante set up housekeeping in Ms. Harrell's old house in the Algiers neighborhood. A monthly check from his mother and a job at a fast-food restaurant helped make ends meet.

Ms. Harrell anticipated the inevitable question.

" 'Why are your children at home, and you're in Texas?' " she asked. "Well, I'm trying to get home. It's just crazy. But my kids know my situation. When school started, I had to work a couple of more weeks, because I had that light bill.

"It's like, 'Oh my God, is everything O.K.?' I couldn't even sleep at night. O.K. Lord, if anything happens, I'm going to be seen as such a bad mama, and I'm a hundred miles from home."

Last week, she left her job in Houston and returned to New Orleans — for good.

If the causes are complicated, the consequences seem evident to school officials: a large cadre of belligerent students, hostile to authority and with no worry about parental punishment at home.

Since McDonogh reopened nearly two months ago with enrollees from 5 of the city's 15 high schools, the students have committed six "very serious" assaults, Mr. Jackson said.

A young man suddenly bent over in the milling crowd waiting for a bus after school. The police were handcuffing him, for smoking marijuana, a school official said.

In the halls, students jostle one another and laugh on the way to class. In some classes, students strain attentively toward the blackboard.

But there is tension. The storm overturned their world, teachers and administrators say, destroying houses and scattering families.

"They're rebelling against authority," Ms. Daliet, the science teacher, said. "You ask them to do something, they have an attitude."

In the lunchroom and in the corridors, students are ordered to tuck in their shirts. Many just grin in response.

"When you have guidelines at home that reflect guidelines at the school, it's a seamless transition," Mr. Jackson said. "But when it's not there, you deal with a student who's genuinely, 'I don't care, I'm going to do what I want to do.' "

Fights break out daily. About 50 students have been suspended; 20 have been recommended for expulsion.

Of the 128 schools in the city, fewer half have reopened. The state took over many of them after the storm. That change, hailed at first as a bright beginning, has proven to be partly stillborn, as teachers, textbooks and supplies came up drastically short in the state-run schools.

The McDonogh library has no books. State officials, fearing mold, threw out all of them.

Rundown before the storm, the school buildings are now even more battered. The stalls in a girls' restroom have no doors.

Recrimination and finger pointing have been ample, and state officials are on the defensive.

"The same way other residents are calling it quits, teachers are no different," Leslie Jacobs, a member of the state school board, said. "The teacher shortage is real. The book shortage is real. We have a labor shortage. There is a shortage of bus drivers. The whole food-service industry is short of workers."

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Mr. Jackson is a smiling, purposeful presence, friendly but firm, upbraiding youths for slovenly dress and pursuing others along for slacking in the halls. At every turn, it can seem, an omnipresent security guard or police officer speaks to teenagers, searching for weapons or admonishing for back talk.

As a group milled on the street corner of the three-story 1911 brick building, a guard called out from the steps: "He's taken his shirt off! They're getting ready to fight!"

Three burly police officers quickly went up Esplanade Avenue to break up the clash.

Mr. Jackson conceded that the scale of the unrest had taken him aback.

"I knew it would happen," he said. "I had some forewarning. But I didn't know it would be of this magnitude. We've seen things that really shouldn't occur in a school."

Several weeks ago, a teacher was "beaten unmercifully" by a ninth grader enraged at being barred from class because he was late, Mr. Jackson said. The teacher, hospitalized, has not returned to work. The student was arrested.

An 18-year-old knocked a guard unconscious. The police charged him.

The reputation for violence, first acquired through a shooting in the gymnasium in 2003 in which a young man with a rifle killed a student in front of 200 others, has grown.

Three weeks ago, a group of students summoned reporters to the school to complain about the many officers.

"We have a lot of security guards, and not enough teachers," Maya Dawson, 17, said.

Jerinise Walker, 15, added: "It's like you're in jail. You have people watching you all the time."

Mr. Jackson said the time had not come to reduce security.

"When we get our students to respond in a different way," he said, "then I can back off. We're trying to train our students to resolve conflict, and that's something they haven't been able to do."

WAR NEWS:

Rumsfeld OKs Increase In Iraqi Forces (AP-Y)

By Robert Burns

AP, November 1, 2006

Defense Secretary Donald H. Rumsfeld on Tuesday endorsed a proposal to spend at least $1 billion to expand the size and accelerate the training and equipping of Iraqi security forces.

While the plan still must get final approval from the White House and the money would have to be approved by Congress, Rumsfeld's support underscores the Bush administration's effort to shift more of the burden of Iraq's security to that country's forces.

"I'm very comfortable with the increases they've proposed and the accelerations in achievement of some of their targets," Rumsfeld told reporters at the Pentagon, noting that the Iraqi government and Gen. George Casey, the top U.S. commander in Iraq, both recommended expanding Iraqi forces.

"Now it's simply a matter of our pressing forward and getting our portion of the funding from the Congress and working to see that it's executed," Rumsfeld said. He did not say how much extra U.S. money would be required.

So far, the U.S. government has spent roughly $10 billion on developing the Iraqi security forces, according to the latest report released by the Pentagon special inspector general who audits U.S. work in Iraq. One official, speaking on condition of anonymity, described the proposed extra money as more than $1 billion, but would not offer specifics.

Rumsfeld "approved going forward" with the proposal, which is intended to be part of an add-on to the 2007 budget, according to Pentagon press secretary Eric Ruff. It will next be submitted to the White House and other government agencies for their review, Ruff said.

The defense secretary's move comes at a time when the Bush administration has been pressing Iraqi officials to agree to benchmarks with which progress in the war-torn country can be measured. The effort has produced strains with Iraqi Prime Minister Nouri al-Maliki, who has resisted being portrayed as beholden to Washington.

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Rumsfeld did not cite a dollar figure or reveal how many extra Iraqi forces would be developed, beyond the 325,000 target that U.S. officials say they expect to reach before year's end.

Two defense officials said Tuesday that the expected increase was far fewer than 100,000, and one official suggested it might be about 30,000. Those officials spoke on condition of anonymity because they were not authorized to discuss the matter publicly.

CBS News reported on Monday that Casey had recommended expanding the Iraqi security forces by as much as 100,000.

Rumsfeld said the final decision on expanding the Iraqi security forces would be announced in Baghdad.

Asked whether such an increase would mean that U.S. troops would have to stay in Iraq longer to train the extra forces, Rumsfeld said he doubted it. Nor would it necessarily require a higher number of U.S. trainers, he said.

U.S. government approval is required for any plan to expand the size of the Iraqi forces because it could not be accomplished without additional U.S. funds and the provision of U.S. trainers and U.S.-acquired equipment.

Rep. Ike Skelton of Missouri, the top Democrat on the House Armed Services Committee, said expanding the Iraqi security forces likely means it will take more than the 12 to 18 months Casey has estimated it will take to get the Iraqis fully in control of their own security.

"Congress must have a clear explanation of why these additional forces are needed, what additional American training resources will be put in place, and how this new training plan will allow for a decreased commitment from American forces," Skelton said.

The current plan is to develop 325,000 Iraqi security forces, including the army, police and border control forces. The number trained and equipped thus far is about 310,000, and the final target is expected to be reached by year's end.

However, there are actually fewer than 310,000 Iraqi security forces who are available for duty, since about one-quarter of them are on leave or otherwise not available at any given time, U.S. officials say. Also, their effectiveness has been limited by a lack of heavy weapons and armor, by a high rate of absenteeism, and by an unwillingness of some locally recruited units to fight outside their home areas.

The Pentagon said Tuesday that there are now 150,000 U.S. troops in Iraq, up from 147,000 last week.

Rumsfeld Faces Poll Uncertainty (FT)

By Demetri Sevastopulo And Guy Dinmore In Washington

Financial Times, November 1, 2006

The midterm elections next week could help decide the fate of two of the most controversial Bush administration officials, Donald Rumsfeld, the defence secretary, and John Bolton, the ambassador to the United Nations.

Mr Bolton, the hardline official known for his abrasive approach who was given a “recess” appointment last year after the Senate failed to approve his nomination, might only have three weeks or so left in office if, as is generally expected, the elections result in a swing to the Democrats. Mr Rumsfeld, on the other hand, is coming under increased fire from Republicans for his handling of the Iraq war.

When a recess appointment expires is not precisely defined, and it has been reported that Mr Bolton will stay until January before the next session of Congress begins. But two officials told the FT that, unless the Senate confirmed him, Mr Bolton’s term would end when Congress recessed after the elections, which is likely to happen before Thanksgiving on November 23.

Mr Bolton could leave at a crucial moment in negotiations over a Security Council sanctions resolution to be imposed on Iran, which the Bush administration hopes to settle before Thanksgiving.

Mr Rumsfeld faces a different problem. The two-time defence secretary will next month overtake Robert McNamara, the Vietnam-era Pentagon chief, as the longest-serving holder of the office. But Mr Rumsfeld is facing increased criticism over the violence in Iraq.

A group of retired generals earlier this year took the rare step of publicly calling for his resignation.

In his latest book, Washington Post journalist Bob Woodward reported that Andrew Card, former chief of staff to Mr Bush, and Laura Bush, the president’s wife, had both urged Mr Bush to replace his defence secretary. A recent CNN poll found that 52 per cent of Americans believed Mr Bush should fire Mr Rumsfeld, compared with only 39 per cent six months ago.

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A former senior administration official said Mr Rumsfeld might leave if the Iraq Study Group – a bipartisan commission led by James Baker, former secretary of state and close friend of Mr Bush's father – comes up with radical policy suggestions for Iraq.

Another influential Republican with close ties to the White House said the consensus among Republican insiders was that Mr Rumsfeld would remain only until next summer. That would provide enough time after the elections to avoid the impression he was going because of the war, and also allow time for the situation on the ground to improve.

But Peter Brookes, a former senior Pentagon official under Mr Rumsfeld, said that while a Democrat victory in the elections would prompt Republicans into wielding "long knives", Mr Bush was unlikely to waver in his support for Mr Rumsfeld, partly out of loyalty, and partly because it would be counter-productive to change horses mid-stream.

U.S. Central Command Charts Sharp Movement Of The Civil Conflict In Iraq Toward Chaos (NYT)

By Michael R. Gordon

The New York Times, November 1, 2006

WASHINGTON, Oct. 30 — A classified briefing prepared two weeks ago by the United States Central Command portrays Iraq as edging toward chaos, in a chart that the military is using as a barometer of civil conflict.

A one-page slide shown at the Oct. 18 briefing provides a rare glimpse into how the military command that oversees the war is trying to track its trajectory, particularly in terms of sectarian fighting.

The slide includes a color-coded bar chart that is used to illustrate an "Index of Civil Conflict." It shows a sharp escalation in sectarian violence since the bombing of a Shiite shrine in Samarra in February, and tracks a further worsening this month despite a concerted American push to tamp down the violence in Baghdad.

In fashioning the index, the military is weighing factors like the ineffectual Iraqi police and the dwindling influence of moderate religious and political figures, rather than more traditional military measures such as the enemy's fighting strength and the control of territory.

The conclusions the Central Command has drawn from these trends are not encouraging, according to a copy of the slide that was obtained by The New York Times. The slide shows Iraq as moving sharply away from "peace," an ideal on the far left side of the chart, to a point much closer to the right side of the spectrum, a red zone marked "chaos." As depicted in the command's chart, the needle has been moving steadily toward the far right of the chart.

An intelligence summary at the bottom of the slide reads "urban areas experiencing 'ethnic cleansing' campaigns to consolidate control" and "violence at all-time high, spreading geographically." According to a Central Command official, the index on civil strife has been a staple of internal command briefings for most of this year. The analysis was prepared by the command's intelligence directorate, which is overseen by Brig. Gen. John M. Custer.

Gen. John P. Abizaid, who heads the command, warned publicly in August about the risk of civil war in Iraq, but he said then that he thought it could be averted. In evaluating the prospects for all-out civil strife, the command concentrates on "key reads," or several principal variables.

According to the slide from the Oct. 18 briefing, the variables include "hostile rhetoric" by political and religious leaders, which can be measured by listening to sermons at mosques and to important Shiite and Sunni leaders, and the amount of influence that moderate political and religious figures have over the population. The other main variables are assassinations and other especially provocative sectarian attacks, as well as "spontaneous mass civil conflict."

A number of secondary indicators are also taken into account, including activity by militias, problems with ineffective police, the ability of Iraqi officials to govern effectively, the number of civilians who have been forced to move by sectarian violence, the willingness of Iraqi security forces to follow orders, and the degree to which the Iraqi Kurds are pressing for independence from the central government.

These factors are evaluated to create the index of civil strife, which has registered a steady worsening for months. "Ever since the February attack on the Shiite mosque in Samarra, it has been closer to the chaos side than the peace side," said a Central Command official who asked not to be identified because he was talking about classified information.

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In the Oct. 18 brief, the index moved still another notch toward "chaos." That briefing was prepared three days before General Abizaid met in Washington with President Bush, Defense Secretary Donald H. Rumsfeld and Gen. Peter Pace, the chairman of the Joint Chiefs of Staff, to take stock of the situation in Iraq.

A spokesman for the Central Command declined to comment on the index or other information in the slide. "We don't comment on secret material," the spokesman said.

One significant factor in the military's decision to move the scale toward "chaos" was the expanding activity by militias.

Another reason was the limitations of Iraqi government security forces, which despite years of training and equipping by the United States, are either ineffective or, in some cases, infiltrated by the very militias they are supposed to be combating. The slide notes that "ineffectual" Iraqi police forces have been a significant problem, and cites as a concern sectarian conflicts between Iraqi security forces.

Other significant factors are in the political realm. The slide notes that Iraq's political and religious leaders have lost some of their moderating influence over their constituents or adherents.

Notably, the slide also cites difficulties that the new Iraqi administration has experienced in "governance." That appears to be shorthand for the frustration felt by American military officers about the Iraqi government's delays in bringing about a genuine political reconciliation between Shiites and Sunnis. It also appears to apply to the lack of reconstruction programs to restore essential services and the dearth of job creation efforts to give young Iraqis an alternative to joining militias, as well as the absence of firm action against militias.

The slide lists other factors that are described as important but less significant. They include efforts by Iran and Syria to enable violence by militias and insurgent groups and the interest by many Kurds in achieving independence. The slide describes violence motivated by sectarian differences as having moved into a "critical" phase.

The chart does note some positive developments. Specifically, it notes that "hostile rhetoric" by political and religious leaders has not increased. It also notes that Iraqi security forces are refusing less often than in the past to take orders from the central government and that there has been a drop-off in mass desertions.

Still, for a military culture that thrives on PowerPoint briefings, the shifting index was seen by some officials as a stark warning about the difficult course of events in Iraq, and mirrored growing concern by some military officers.

U.S. Military Deaths In Iraq Still Mostly Outside Capital (NYT)

By Thom Shanker And David S. Cloud

The New York Times, November 1, 2006

WASHINGTON, Oct. 31 — About two-thirds of the deaths among American troops in Iraq in October occurred outside Baghdad, even with a sharp increase in combat deaths in the capital that made it the fourth deadliest month of the war for the United States, Defense Department figures show.

The October death toll, which stood at 103 by late Tuesday, was the highest since January 2005, when 107 American troops were killed.

Forty American soldiers were killed in and around Baghdad in October, double the number there just two months ago, a review of casualty reports shows.

Military officers and civilian analysts said the rise in October resulted in part from more aggressive American security operations in Baghdad, which exposed larger numbers of troops to danger. The security operation in the capital put American troops on the streets not only in greater numbers, but more often on foot patrols outside their armored vehicles, where they were more vulnerable to improvised bombs and a growing threat of snipers.

The spike in violence in the capital was accompanied by higher tolls in other parts of the country, notably in Anbar Province, where 37 Americans died and deaths have climbed steadily since this summer.

The jump in combat deaths in October mirrored the annual rise in violence that coincides with the Islamic holy month of Ramadan. Military officers and civilian analysts rejected assertions by some Bush administration officials that the insurgents had planned offensives to influence the elections in the United States next Tuesday.

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Hidden bombs remained the single biggest killer, and more deaths occurred throughout Iraq from such devices in October than in any previous month but one. Beyond that, more soldiers were also killed by small-arms fire and snipers than in the past, according to officials and the casualty reports.

Throughout Iraq, more American soldiers were killed by snipers in the first 10 days of October than were killed by sniper fire in all of September, according to an Army spokesman, Paul Boyce. He declined to release precise numbers.

"When you put people into urban warfare, they have to come out of their vehicles," said Anthony H. Cordesman, a military analyst at the Center for Strategic and International Studies in Washington. "No matter how you run it, if your orders are to be more active on the ground, you are more vulnerable."

Lt. Col. Jonathan B. Withington, an Army spokesman for the multinational division responsible for Baghdad and central Iraq, said casualties were high in October because there were "twice as many forces on the ground conducting operations in Baghdad." He also cited Ramadan, and said the enemy was "attempting to push back on us" in response to the new security operation.

There are now about 150,000 American troops in Iraq, and troop numbers are likely to remain at that level until the end of the year, as units rotating into the country overlap with others due to leave, according to Lt. Col. Mark Ballesteros, a Pentagon spokesman.

The Department of Defense posts cumulative statistics on those killed and wounded in Iraq at its Web site www.defenselink.mil/news/, where statistics on Tuesday showed 2,258 American military personnel had been killed in Iraq in combat and 556 in nonhostile incidents. The number of troops wounded in Iraq who have returned to duty stood at 11,682, and the number of those wounded so severely that they could not return to duty was 9,737.

Statistics provided by Michael S. White and Glenn Kutler of ICasualties.org, a privately operated database that uses the Defense Department's official casualty announcements, indicated the geographical distribution of October fatalities: roughly one-third in Baghdad; one-third in Anbar Province, the restive western area that is a haven for Sunni insurgents and associates of Al Qaeda; and one-third in volatile cities to the north, including Taji, Tikrit, Samarra, Kirkuk and Mosul.

All are areas that have proven persistently difficult to pacify since the American-led invasion of March 2003.

"This was a significant month for casualties," said Lt. Col. Bryan F. Salas of the Marine Corps, the spokesman for multinational forces in Anbar. "We are in more towns, and we are clearing and holding parts of Ramadi and other cities where we haven't been before."

Mr. White also wrote, "The current spike, which is indeed the highest in a year, occurred during Ramadan, as did the last spike of comparable magnitude a year ago." He added: "This Ramadan spike is not a one-time phenomenon. It is the fourth that we have experienced since the war began."

Senior administration officials, including Vice President Dick Cheney, have acknowledged the trend of increased violence during Ramadan, but also have sought to portray this October's increase in violence as timed to the midterm election, with insurgents hoping to influence the American political process.

"It's my belief that they're very sensitive of the fact that we've got an election scheduled, and they can get on the Web sites like anybody else," Mr. Cheney said Monday in an interview with Fox News. "And I do believe that that's a part of it. I think we've also seen, of course, a higher level of violence because of Ramadan."

Michael E. O'Hanlon, a senior fellow at the Brookings Institution, a policy research center, said the casualty statistics not only showed the overall strength of the insurgency, but also reflected the increase in sectarian violence and the decision over the summer by the Americans and the Iraqi government to confront killings by both organized militias and renegade insurgents.

"Now we have to juxtapose the insurgency with the strength of militias," Mr. O'Hanlon said.

More Than Ever, Insurgents Are Targeting U.S. Forces (LAT)

By Borzou Daragahi

The Los Angeles Times, November 1, 2006

Baghdad — For U.S. troops, October was a month of gritty skirmishes against fighters religiously motivated to risk their lives during the holy Muslim month of Ramadan.

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October's death toll, the highest for American forces in nearly two years, came during a period without conventional battles or catastrophic helicopter crashes.

Rather, the 103 troops killed in Baghdad and across Iraq were victims of a steady onslaught of assaults, primarily by their longtime nemeses, Sunni Arab insurgents.

The number of attacks on American forces increased in October to unprecedented levels, U.S. military officials said.

"There has been a much more considered effort to specifically target coalition and Iraqi security forces," Army Maj. Gen. William B. Caldwell IV, the spokesman for U.S.-led forces in Iraq, told reporters in Baghdad as the month wore on. "There has been a steady increase in the number of attacks specifically against security forces."

There were 224 Iraqi security forces and 1,315 civilians killed in October.

It was a month in which U.S. forces were shot by snipers, struck by rocket-propelled grenades or lured into ambushes where they were sprayed with automatic-weapon fire from the AK-47s found in so many Iraqi homes.

But improvised explosive devices left along roads remained the weapon of choice for Iraq's anti-American insurgency.

Despite jamming devices, tactical adjustments and the increased armoring of military vehicles, at least 51 of the U.S. deaths resulted from makeshift bombs detonated by remote control from a comfortable distance.

At least 43 deaths occurred in Baghdad, indicating a shifting focus away from the Sunni heartland toward Iraq's capital "due to our more deliberate presence, more active involvement out there," Caldwell said last week.

U.S. forces were more exposed than usual in Baghdad because of an ongoing offensive aimed at taking back the streets from the forces of sectarian warfare — Sunni insurgents and Shiite Muslim militiamen, some allied with officials of the Shiite-dominated Iraqi government.

Though U.S. officials say the Shiite militias dominating Iraq's south pose the biggest long-term threat to the country's stability, the vast majority of the Americans were killed in Sunni-dominated areas.

The deaths in Baghdad occurred largely in Sunni-dominated neighborhoods on the west side. Thirty-seven American troops died west of Baghdad, in largely Sunni Al Anbar province. Sunni insurgents in the Euphrates River towns and cities of Iraq's desert hinterlands deem U.S. troops an occupation force and the Baghdad government, run by the nation's long-subjugated Shiite majority, little more than an American puppet.

The Marine Corps, unlike the Army, does not release information about the exact location or cause of deaths. Senior Marine officers think such information could help the enemy. The Marines, in public announcements, described at least 18 of the October deaths as "hostile" incidents in Al Anbar.

Most officials acknowledge that many of the Marine casualties in October occurred in Ramadi, the rundown provincial capital where insurgents have intimidated most Iraqi government workers into fleeing. Marines face daily threats from roadside bombs, snipers and assaults on their fortified bases.

"It's combat nearly every day," one Marine officer said, speaking on condition of anonymity. "Ramadi is where the terrorists want to establish their capital. They're armed and they're relentless."

Another 17 Americans were killed in Sunni Arab areas north of Baghdad, in and around the provincial capitals of Tikrit, Baqubah, Mosul and Kirkuk, where Kurds and Sunni Arabs are fighting for dominance.

October's death toll was the highest since the month preceding Iraq's Jan. 31, 2005, elections.

On average, the American troops who died last month were men in their mid-20s, many on patrols or combat missions in and around a jittery Baghdad full of trash fires, dust storms and morning explosions.

Typical of the fatalities was Staff Sgt. Kevin M. Witte, 27, of Beardsley, a farming town in western Minnesota, along the South Dakota line.

He died Oct. 20 in Baghdad when an improvised explosive device detonated near his vehicle during a combat patrol.

Such roadside bomb explosions in densely populated areas smash windows and cause panic among Iraqi pedestrians, drivers and residents. Wild gunfire erupts. Alarmed and confused, their eardrums shattered, U.S. troops start shooting or receive small-arms fire from hidden insurgents.

Helicopters arrive to scour the terrain for culprits and attend to the wounded and dying. Bradley fighting vehicles block off the area as the injured are ferried to medical facilities.

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A dead soldier's comrades gather at outdoor ceremonies. The silence lingers after his name is read in a commemorative roll call. And a trumpeter plays taps.

Iraqi PM Ends Some Joint Checkpoints (AP)

By Christopher Bodeen

AP, November 1, 2006

Exploiting GOP vulnerability in the Nov. 7 elections, Prime Minister Nouri al-Maliki flexed his political muscle Tuesday and won U.S. agreement to lift military blockades on Sadr City and another Shiite enclave where an American soldier was abducted.

U.S. forces, who had set up the checkpoints in Baghdad last week as part of an unsuccessful search for the soldier, drove away in Humvees and armored personnel carriers at the 5 p.m. deadline set by al-Maliki. Iraqi troops, who had manned the checkpoints with the Americans, loaded coils of razor wire and red traffic cones onto pickup trucks.

Their departure set off celebrations among civilians and armed men in Sadr City, the sprawling Shiite district controlled by the Mahdi Army militia loyal to anti-American cleric Muqtada al-Sadr. Small groups of men and children danced in circles chanting slogans praising and declaring victory for al-Sadr, whose political support is crucial to the prime minister's governing coalition.

The prime minister's challenge to U.S. conduct of the war was the latest in a series of acts designed to force the American hand and test Washington's readiness to give him a greater say in securing the world's most violent capital.

Al-Maliki finds himself in a maze of conflicting political pressures. After the Bush administration unveiled a plan last week for Iraq's government to adopt timelines for progress, especially in curbing violence, al-Maliki accused Washington of infringing on national sovereignty. There was no doubt he was talking tough to show both the Americans and his political base that he would not be pushed around.

The prime minister has further said that he feels stanching bloodshed might be better handled by Iraqi forces, although his argument does not wash given the present state of his military. Defense Secretary Donald H. Rumsfeld endorsed a proposal Tuesday to spend at least $1 billion to expand the size and accelerate the training and equipping of Iraqi security forces, underscoring the Bush administration's effort to shift more of the burden away from U.S. troops.

Sen. Jack Reed, a member of the Armed Services Committee, said al-Maliki was yielding to sectarian pressure and undermining U.S. efforts to curb attacks. "Today, the critical issue in Iraq is whether the Maliki government can muster the political will to confront those who use violence to destabilize Iraq," Reed, a Rhode Island Democrat, said in a statement.

Al-Maliki's move Tuesday came three days after his closest aide, Hassan al-Suneid, said unabashedly that the prime minister was trying to capitalize on American voter discontent with the war and White House reluctance to open a public fight with the Iraqi leader just before the midterm election. Much of the discontent is fueled by soaring death tolls among U.S. troops and their inability to contain raging sectarian violence 3 1/2 years after the ouster of Saddam Hussein.

The U.S. military announced the deaths of two soldiers in fighting in the Baghdad area Monday, one from small arms fire, the other from a roadside bomb. The October death toll stood at 103, the fourth highest monthly figure of the war.

More than 40 Iraqis were killed or found dead across the country Tuesday, including 11 Shiites who perished in a suicide car bombing at a wedding on the north side of the capital. Four of those killed at the bride's home were children, and among the 21 wounded were several youngsters with burns over much of their bodies.

There were conflicting reports on whether al-Maliki ordered the blockades lifted with or without prior consultation with American military officials in Baghdad.

State Department deputy spokesman Tom Casey said the decision was reached jointly at a meeting Tuesday among al-Maliki, Ambassador Zalmay Khalilzad and Gen. George Casey, the top U.S. commander in Iraq.

They agreed to make adjustments in the checkpoints because of problems with traffic and pedestrian flows in the area, the spokesman said. He said Casey ordered the actions after the meeting.

A senior American diplomat said al-Maliki issued the order after the meeting "to address the problems that resulted with the flow of traffic and the disruption of essential daily activity for the average citizens of Baghdad. This was a joint decision." The diplomat spoke on condition of anonymity.

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Defense Ministry spokesman Brig. Qassim al-Moussawi said the U.S. military was consulted, but only after al-Maliki made the decision at a meeting Tuesday with his ministers of defense and interior and the national security adviser.

Al-Suneid said the prime minister acted without checking first with the Americans because the blockades had "backfired and made the security situation in Baghdad worse. It is not important that such decisions always be made jointly."

U.S. troops have increased their presence on Baghdad streets as part of a 3-month-old security crackdown, but they had rarely set up checkpoints in the city until the U.S. soldier was abducted a week ago in the Karradah district in central Baghdad. American forces sealed the neighborhood Oct. 23 and closed Sadr City two days later, apparently believing the missing man was being held there. U.S. forces lifted the blockades in both areas Tuesday.

Al-Maliki's order came just hours after al-Sadr announced a campaign of civil disobedience in Sadr City, a district of 2.5 million people in the northeast corner of Baghdad. Armed men forced shops to close, hustled children out of schools and blocked residents from going to jobs in other parts of the capital.

As soon as news broke that the security cordon was lifted, al-Sadr supporters declared it a victory for their leader.

"If they had not lifted the siege, our strike would have spread to the rest of Baghdad tomorrow and the whole of Iraq the next day," said Jalil Nouri, a senior al-Sadr aide.

In issuing the order to lift the blockade, the prime minister said U.S.-manned checkpoints should not be established in Baghdad except during curfew hours from 9 p.m. to 6 a.m. He also said U.S. and Iraq forces would not give up on trying to calm the capital.

"Joint efforts continue to pursue terrorists and outlaws who expose the lives of citizens to killings, abductions and explosions," said the statement, issued in al-Maliki's name in his capacity both as prime minister and commander of the Iraqi armed forces.

Iraqi Demands Pullback; US Lifts Baghdad Cordon (NYT)

By Kirk Semple

The New York Times, November 1, 2006

BAGHDAD, Oct. 31 — Prime Minister Nuri Kamal al-Maliki demanded the removal of American checkpoints from the streets of Baghdad on Tuesday, in what appeared to be his latest and boldest gambit in an increasingly tense struggle for more independence from his American protectors.

Mr. Maliki's public declaration seemed at first to catch American commanders off guard. But by nightfall, American troops had abandoned all the positions in eastern and central Baghdad that they had set up last week with Iraqi forces as part of a search for a missing American soldier. The checkpoints had snarled traffic and disrupted daily life and commerce throughout the eastern part of the city.

The language of the declaration, which implied that Mr. Maliki had the power to command American forces, seemed to overstep his authority and to be aimed at placating his Shiite constituency.

The withdrawal was greeted with jubilation in the streets of Sadr City, the densely populated Shiite enclave where the Americans have focused their manhunt and where anti-American sentiment runs high. The initial American reaction to the order, which was released by Mr. Maliki's press office, strongly suggested that the statement had not been issued in concert with the American authorities.

"Our commanders have his press release and are reviewing how best to address these concerns," Lt. Col. Christopher Garver, a military spokesman in Baghdad, said early Tuesday afternoon, about an hour after the order was issued.

Late Tuesday night, after hours of silence, a senior American Embassy official who had been delegated to return reporters' phone calls said the prime minister's order was "the result of a meeting" between Mr. Maliki, Ambassador Zalmay Khalilzad and Gen. George W. Casey Jr., the top American commander in Iraq. "It was essentially something that Maliki wanted to do and Casey agreed to it," the official said.

But Mr. Maliki's announcement may have been a foregone conclusion: the meeting was at 1 p.m., officials said, and the prime minister's office issued his press release at about 1:20 p.m.

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Tensions between Mr. Maliki and President Bush have been building for months. American officials have grown impatient with the Iraqi government's inability to curb Shiite militias accused of sectarian killings and to reduce the insurgent violence. For their part, Mr. Maliki and other leading Shiites have begun to chafe at American control of the military and what they view as American favoritism toward Sunnis.

Those tensions erupted publicly last week, to be followed by shows of reconciliation.

On Wednesday, Mr. Maliki challenged an American assertion that the two governments had agreed on a timetable for stabilizing Iraq. On Thursday and Friday, he issued angry comments pointedly voicing his independence from the Americans, including an account circulated by his aide of an acrimonious meeting with Mr. Khalilzad, during which Mr. Maliki was said to have told the ambassador that he was "a friend of the United States, but not America's man in Iraq." On Saturday, the White House convened a videoconference at which Mr. Maliki publicly praised President Bush.

The abrupt declaration by Mr. Maliki on Tuesday followed a visit to Baghdad on Monday by President Bush's national security adviser, Stephen J. Hadley, who was here to discuss how to reverse the country's slide toward all-out civil war.

Violence continued to torment the country on Tuesday, including the mass kidnapping of at least 50 civilians by gunmen on a road north of Baghdad, and the announcement that 2 more American troops had been killed, raising the toll of American deaths this month to at least 103.

Mr. Maliki had been under pressure from his Shiite backers to push the Americans to lift an eight-day-old cordon around Sadr City, where American authorities believe the kidnapped American soldier is being held.

The soldier was abducted in the central Baghdad neighborhood of Karada on Oct. 23 after leaving the fortified Green Zone without authorization. Three people were detained early Tuesday in the latest raid in Sadr City as part of the manhunt, the American military said. Although the military has not released the name of the soldier, members of an Iraqi family who said they were the missing soldier's in-laws identified him as Ahmed Qusai al-Taei, 41.

Moktada al-Sadr, the powerful Shiite cleric who counts Sadr City as his greatest bastion of support and who wields considerable influence in Mr. Maliki's ruling Shiite coalition, called for a general strike in the neighborhood on Tuesday to protest the cordon. In its search for the soldier, the American military has singled out the Mahdi Army militia, which has grown increasingly fractured but still answers in part to Mr. Sadr.

Joint American-Iraqi roadblocks and checkpoints at the entrances to the neighborhood, and others erected in Karada, have caused major traffic jams, impeded commerce, turned short commutes into ordeals lasting hours and provoked the ire of Iraqis. On Monday, Mr. Sadr, who led two uprisings against American troops in 2004, threatened unspecified action if the American "siege" continued.

The wording of Mr. Maliki's statement on Tuesday seemed intended to curry political favor with the residents and power brokers of Sadr City. "Mr. Nuri al-Maliki, the general commander of the armed forces, has issued an order to remove all barriers and checkpoints and open all entrances in Sadr City and all other areas in Baghdad and ease traffic jams in these areas no later than 5 p.m. today," it said.

Under United Nations resolutions that remain in effect, the American military exercises control over American troops in Iraq, but consults closely with the Iraqi government as a partner. For that reason, the declaration appeared to be as much about Mr. Maliki's stagecraft as about practical effects on the ground.

Within an hour of the statement, American troops had already begun pulling away from the checkpoints on the edge of Sadr City, according to witnesses, though Iraqi security forces remained behind. Lt. Col. Jonathan B. Withington, a military spokesman in Baghdad, said the order would affect only the checkpoints established in the last week, not all the checkpoints manned by Iraqi security forces.

When asked whether the American withdrawal was a response to the prime minister's statement, Colonel Withington chose his words carefully: "We were ordered by our military chain of command not to impede traffic" in Karada and on the eastern access roads to Sadr City, he said.

The country's Sunni leadership condemned Mr. Maliki's decision, saying it would upend the Baghdad security plan and expose the population to greater violence. General Casey said last week that Iraqi security forces still needed at least a year before they would be ready to take over full control of the country's security.

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Tariq al-Hashemi, one of Iraq's two vice-presidents and the leader of the largest Sunni Arab bloc, said the prime minister's decision "will allow the terrorists and the insurgents to move freely." He said that civilians' lives should be more important than saving a few hours during a commute.

A National Police officer posted at a checkpoint near the Habibiya Bridge entrance to Sadr City said the departure of the Americans, who had left 15 minutes earlier, would make his job more difficult. "They helped us to stop everyone," said the officer, who gave only his first name, Salam. "If we are alone, we can't say a word against certain people."

Mr. Maliki's order said that special security measures, such as the latest roadblocks, "will be carried out only during the curfew period and in emergencies." It added: "Joint efforts to track down the terrorists and outlaws who jeopardize the lives of people by killing and kidnapping will continue."

According to senior Shiite politicians close to Mr. Maliki, the Americans had been extremely reluctant, if not opposed, to withdrawing from their roadblocks and checkpoints in Karada and Sadr City.

Ali al-Adeeb, a Shiite member of Parliament and a senior member of Mr. Maliki's Islamic Dawa Party, said the prime minister had discussed the matter of the roadblocks with American officials during the past several days. In a meeting on Monday, Mr. Adeeb said, American officials had asked Mr. Maliki to give them 72 hours before issuing his order.

Hassan al-Sined, an adviser to the prime minister and a senior Dawa Party member, said he doubted that the order was coordinated with the Americans. "I don't think he got the Americans' opinion," Mr. Sined said, though he said he was not privy to details of Tuesday's meeting.

If the declaration was intended to show Mr. Maliki as a forceful and decisive leader, as far Mr. Sined was concerned, it had that effect. The order demonstrated that Mr. Maliki was "a strong and brave prime minister," he said. "He behaved like a successful prime minister."

The senior American Embassy official said that the embassy applauded the boldness of Mr. Maliki's declaration. "We're actually encouraging the prime minister to take responsibility," he said. "So trying to sound like he's a leader here in Iraq is a good thing."

Mr. Maliki was not available for comment and his spokesman, who is the only administration official authorized to speak on the prime minister's behalf, was in Kuwait on Thursday. When contacted by telephone late Tuesday, the spokesman said he had only just heard about Mr. Maliki's order and could offer no details.

The victims of the mass kidnapping north of Baghdad on Tuesday were mostly Shiites and were ambushed by gunmen as they traveled in cars along a road from the capital to Balad, according to an official in the news media office of Salahuddin Province, north of Baghdad. The gunmen stopped the cars and scrutinized the occupants' identification before abducting the victims, the official said.

The American military announced that two soldiers died in Baghdad on Monday, one when a bomb exploded next to his vehicle and the other by small arms fire. With at least 103 announced deaths, October has been the fourth-deadliest month for American troops since the beginning of the war. The other highest monthly tolls were 107 in January 2005, 135 in April 2004, and 137 in November 2004.

U.S., Iraqi Forces Lift Baghdad Slum Blockades (USAT)

By Rick Jervis

USA Today, November 1, 2006

BAGHDAD — U.S. and Iraqi troops dismantled checkpoints around the capital's Sadr City slum, a Shiite militia stronghold, after an order Tuesday by Iraq's prime minister to pull back.

The directive from Prime Minister Nouri al-Maliki was his latest attempt to assert authority over the 4-month-old joint U.S. and Iraqi campaign to stabilize Baghdad.

U.S. and Iraqi troops cordoned off Sadr City after the Oct. 23 disappearance and apparent kidnapping of a U.S. soldier of Iraqi descent. On Tuesday, U.S. troops were searching the neighborhood and checking vehicles entering and leaving the district when they got the order to remove the checkpoints.

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Sadr City is home to 2.5 million Shiites and is the political base of radical Shiite cleric Muqtada al-Sadr and his Mahdi Army.

Al-Maliki's government, nominally a coalition of Shiites, Sunnis and Kurds, is dominated by a Shiite majority bloc. Al-Sadr's political organization is among the most powerful groups within that bloc.

The Sadr City security cordon had caused hours-long traffic backups. Residents celebrated after the blockade was lifted.

Al-Sadr had warned on Monday that his forces might retaliate in response to the security ring around Sadr City.

"If this siege continues for long, we will resort to action," he said.

Al-Maliki's office said Tuesday that he had ordered the pullback.

In a statement, the U.S. Embassy in Baghdad said U.S. and Iraqi forces opened "selected" checkpoints and crossing points after a meeting between al-Maliki, U.S. Ambassador Zalmay Khalilzad and Gen. George Casey, the U.S. commander in Iraq.

The changes were made "to address problems with the flow of traffic and the disruptions to essential daily activity for the citizens of Baghdad," the embassy said.

Lt. Col. Christopher Garver, a U.S. military spokesman in Baghdad, said checkpoints were pulled away in time to meet a 5 p.m. deadline set by al-Maliki.

Al-Maliki has chafed at pressure from the U.S. military and the Bush administration to force militias to disarm immediately. In recent days, he has sharply differed with U.S. statements that his government had agreed to specific goals and dates for reaching political and security aims, including disbanding sectarian militias. He also criticized a U.S.-led raid in Sadr City and vowed it would not be repeated.

"It shouldn't be surprising to see al-Maliki pushing back," said Stephen Biddle, a senior fellow at the Council on Foreign Relations. "It means we're leaning on him and it's having an effect."

Al-Maliki said in a recent interview with USA TODAY that he has targeted rogue militia cells. He said he plans to disband militias later this year or early next year.

Col. Talib Abdul Razzaq, a commander with the 2nd Brigade of the Iraqi army's 6th Division, said al-Maliki's government has interfered in military operations.

The joint U.S.-Iraqi security operation underway in the capital since June has not eased violence, in part because sectarian militias remain active. Many are affiliated with political parties that are blocking efforts by security forces to confront the militias, Razzaq said.

"Every area in Baghdad is supported by a specific militia, and this militia is supported by a specific political party that's in government," he said. When security forces target militias, political groups "call the government quickly and they stop our operation."

Some U.S. military officials in Baghdad said tension between al-Maliki and U.S. officials has not interfered in their day-to-day operations. "Does the prime minister's decision appear to be influenced by al-Sadr and (the Mahdi Army)? Sure, on the surface it may look like that," said Maj. Mark Cheadle, a spokesman for U.S. troops in central and southern Baghdad. "But from our perspective, we don't feel a conflict of interest.

"At our level, there's no question of our objective: We want to get the bad guys and we want security for these neighborhoods."

Some Sadr City Barriers Removed (LAT)

By Ken Ellingwood

The Los Angeles Times, November 1, 2006

Iraqi Prime Minister Nouri Maliki today ordered U.S. and Iraqi forces to remove roadblocks enclosing a vast Shiite Muslim neighborhood in the capital that is part of his power base.

Soon after, U.S. forces removed some of the concrete barriers that have restricted movement in and out of Sadr City since last week, when troops began searching for a missing U.S. soldier and hunting for a death squad leader in the mainly Shiite community.

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Maliki, who has engaged in tense exchanges with the Bush administration during the past week over the extent of the U.S. involvement in security matters, said in a statement that such checkpoints would only be set up at night or in emergencies.

The move came as Iraqi authorities said they were investigating reports that a busload of people had been kidnapped on a main highway between Baghdad and northern Iraq.

Witnesses said gunmen stopped three minibuses and seized more than 30 people. During the wave of sectarian violence that has gripped the country for months, kidnapping victims have often turned up dead.

Meanwhile, a car bomb outside a pre-wedding gathering in northeastern Baghdad killed at least 15 people, including four children, and injured more than 20 others. A separate bomb attack earlier killed three people at the edge of Sadr City.

Maliki's order to take down the roadblocks could help boost his political standing among Iraqis who have grown disappointed in his leadership and irritated over what they view as American meddling. Shiite militants in Sadr City earlier in the day had called a general strike to protest the checkpoints, where long queues had formed as U.S. troops stopped and searched cars.

Maliki, a Shiite, has chafed at the American role, urging President Bush last week to give Iraqi forces more leeway in dealing with armed militias after months of sectarian killing.

The prime minister criticized a raid in Sadr City last week as a sign of inadequate coordination between the two governments and asserted to Bush that he was not "America's man in Iraq."

U.S. forces had failed to locate the missing soldier and were under increasing public pressure to loosen the closures on the vast Sadr City neighborhood, with 2.5 million residents.

While some observers said the restrictions had curbed violence by impeding the movement of armed groups, many residents of Sadr City held U.S. forces at least partly responsible for a fatal bomb blast in the neighborhood Monday that killed 31 people at a crowded gathering spot for day laborers.

Residents said that U.S. and Iraqi forces had left them without effective defense by removing members of the Al Mahdi army, the militia tied to anti-American Shiite cleric Muqtada Sadr.

The cleric's followers ordered businesses in the community to close in protest. Sadr warned a day earlier that his supporters would take unspecified actions unless the restrictions were eased soon.

Al-Maliki Wins Pact With U.S. To Lift Blockades (WT/AP)

By Christopher Bodeen

The Washington Times, November 1, 2006

BAGHDAD -- Prime Minister Nouri al-Maliki flexed his political muscle yesterday by winning U.S. agreement to lift military blockades on Sadr City and another Shi'iite enclave where an American soldier was abducted.

U.S. forces, who had set up the checkpoints in Baghdad last week as part of an unsuccessful search for the soldier, drove away in Humvees and armored personnel carriers at the 5 p.m. deadline set by Mr. al-Maliki.

Iraqi troops, who had manned the checkpoints with the Americans, loaded coils of razor wire and red traffic cones onto pickup trucks.

Their departure prompted celebrations among civilians and armed men in Sadr City, the sprawling Shi'ite district controlled by the Mahdi Army militia loyal to anti-American cleric Muqtada al-Sadr.

The prime minister's challenge to U.S. conduct of the war was the latest in a series of acts designed to force the American hand and test Washington's readiness to give him a greater say in securing the world's most violent capital.

Mr. al-Maliki's move yesterday came three days after his closest aide, Hassan al-Suneid, said unabashedly that the prime minister was trying to capitalize on American voter discontent with the war and White House reluctance to start a public fight with the Iraqi leader just before the midterm election.

More than 40 Iraqis were killed or found dead across the country Tuesday, including 11 Shi'ites who perished in a suicide car bombing at a wedding on the north side of the capital. Four of those killed at the bride's home were children, and among the 21 wounded were several youngsters with burns over much of their bodies.

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There were conflicting reports about whether Mr. al-Maliki ordered the blockades lifted with or without consultation with American military officials in Baghdad.

State Department spokesman Tom Casey said the decision was reached jointly at a meeting attended by Mr. al-Maliki, U.S. Ambassador Zalmay Khalilzad and Army Gen. George Casey, the top U.S. commander in Iraq.

They agreed to make adjustments in the checkpoints because of problems with traffic and pedestrian flows in the area, the spokesman said. He said Gen. Casey ordered the actions after the meeting.

A senior American diplomat said Mr. al-Maliki issued the order after the meeting "to address the problems that resulted with the flow of traffic and the disruption of essential daily activity for the average citizens of Baghdad. This was a joint decision."

Defense Ministry spokesman Brig. Qassim al-Moussawi said the U.S. military was consulted, but only after Mr. al-Maliki made the decision at a meeting with his ministers of defense and interior and the national security adviser.

Mr. al-Suneid said the prime minister acted without checking first with the Americans, because the blockades had "backfired and made the security situation in Baghdad worse. It is not important that such decisions always be made jointly."

U.S. Officers Detail Problems With Iraqi Soldiers (WP)

By Walter Pincus

The Washington Post, November 1, 2006

U.S. military advisers are confronting difficult behavior from Iraqi soldiers, who tend to fire all their ammunition in response to a single sniper shot or go on rampages even against civilians upon witnessing the death of a colleague, according to Lt. Col. Carl D. Grunow, a former adviser to an Iraqi army armored brigade.

"The 'burst reaction' may be attributed to Iraqis experiencing denial, anger and grief all at the same time," Grunow wrote in a recent article published in Military Review, the bimonthly publication of the U.S. Army's Combined Arms Center at Fort Leavenworth, Kan.

He attributes that reaction to the Iraqi army's experience in the "high-intensity Iran-Iraq war of the 1980s, a war with clear battle lines fought with mass military formations." At that time, Grunow writes, "Iranian human-wave assaults presented Iraqi soldiers with a target rich environment" and "battlefields covered with bodies following huge expenditures of ammunition."

His article, based on his year in Iraq, which ended in June, is in the July-August Military Review and is one of several in recent issues that have dealt forthrightly with concerns of military participants with the U.S. effort to rebuild Iraq's army during the ongoing war.

For example, Grunow writes that Iraqi units drop in strength as much as 20 percent after paydays because soldiers take leave and go home. Lt. Gen. John R. Vines, who commanded the Multi-National Corps-Iraq in Baghdad from January 2005 to January 2006, picks up that theme in an article in the most recent Military Review. "The lack of a central banking system detracted from forces available. . . . Soldiers once a month must journey back to their homes to pay debts and pass the money on to their families . . . [and] are normally gone for up to a week, with the resultant loss to the unit of ready combat power," Vines writes.

Grunow also notes that some Iraqi soldiers do not show up for training that is difficult, and he says that up to 40 percent of some Iraqi units run away in the face of dangerous situations -- without punishment. Their officers, Grunow writes, value relationships rather than results and frequently fail to notice misconduct or failure.

He argues that U.S. advisers must deal honestly with the local culture because Iraqi soldiers "are under no effective contract and they always have the option to leave the service. The only power holding them is the promise of a paycheck (not always delivered) and a sense of duty."

Not all the critiques in recent Military Affairs issues center on lessons learned abroad. Some are aimed at officials in Washington.

"The trust senior officers repose in senior civilian officials has eroded," writes F.J. Bing West, who was an assistant secretary of defense in the Reagan administration and is a frequent traveler to Iraq and a consultant to Defense Secretary Donald H. Rumsfeld's office. "Inside the senior levels of the military and among those who follow foreign policy, anger is directed at

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elected and appointed civilian officials seen as too blithe in initiating the war and too obtuse in leading once the going got tough," West writes in his article on the U.S. military performance in Iraq in the new Military Review.

"While there is no unity of military judgment about the civilian management of the war, the Bush administration has been injudicious in its consultations with the military," West writes. Both he and Grunow say a key event was the May 2003 decision to disband the Iraqi army, which was made by former Coalition Provisional Authority chief L. Paul Bremer III at the direction of the Defense Department. Grunow notes that only the Iraqi army can prevent anarchy, and West describes the disbanding as having "changed the mission of the American soldiers from liberators to occupiers."

They agree that the Iraqi army must continue to grow and that the Iraqi police must be reformed. West writes that "training alone was not the answer" for the Iraqi police. "Too many police were corrupt and controlled by Shiite militias, and senior Iraqi leaders were doing little to punish disloyalty." Sectarian issues continue to disrupt police performance, he says: "How Sunni police can be effective and not be assassinated in their own cities has yet to be shown. Conversely, the Shiite police in Baghdad have lost all trust among the Sunnis."

Vines says that even keeping track of friendly forces has been a problem. "Battle-tracking the Iraqi Army, Police, Special Police, Border Enforcement Forces and armed contractors moving around Iraq was difficult, but essential to preventing armed engagements between coalition forces," he writes.

In the Iraq theater of operations, he writes, "we had more than 300 different databases tracking friendly and enemy event data across all the warfighter functions." About 82,000 radio frequencies were used by U.S. military units, government agencies, coalition organizations and Iraqi security forces.

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Syrian Official Considering Baghad Visit (AP)

By Albert Aji

AP, November 1, 2006

Syria's foreign minister is considering a visit to Baghdad in November — the first by a top Syrian official since the fall of Saddam Hussein and a major step toward restoring diplomatic relations, Iraqi and Syrian officials said Tuesday.

President Bush has called on Syria to help quell sectarian violence in Iraq, and some in the U.S., including former Secretary of State James A. Baker III, have urged the White House to make overtures to Syria to enlist its help. Syrian analysts said the visit could signal Syrian willingess to address the sectarian killings in neighboring Iraq.

Foreign Minister Walid al-Moallem is considering traveling to Iraq, said a Syrian Foreign Ministry official, who spoke on condition of anonymity because he was not authorized to give statements to the press.

In Baghdad, an Iraqi Foreign Ministry official, who spoke on condition of anonymity for the same reason, said the ministries agreed "in principal" that al-Moallem would visit Iraq in November. Both the Syrian and the Iraqi official said no date had been set.

Imad Fawzi Shueibi, a Syrian political analyst, said the visit sends a "clear Syrian message that what is happening in Iraq — the sectarian killing and violence — is a red line for Arab national security and Syrian national security that can't be accepted by Damascus."

Damascus broke relations with Baghdad in 1982, accusing Iraq of inciting riots by the banned Muslim Brotherhood in Syria. Damascus also sided with Iran in the 1980-88 Iran-Iraq war.

Commercial ties improved during the last few years of Saddam's rule before he was overthrown in 2003, but no Syrian ministers have gone to Baghdad for more than six years.

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Syrian Deputy Foreign Minister Fayssal Mekdad said in October that al-Moallem would visit Baghdad after the Islamic holy month of Ramadan, which ended Oct. 23-24, and that he would discuss the restoration of diplomatic ties with senior Iraqi officials.

Syrian officials had said in February that Syria would exchange ambassadors with Iraq once a new Iraqi government was formed, marking the first time Damascus set a time frame for restoring full diplomatic ties.

The new Iraqi government took office in May, but there has been no exchange of ambassadors.

George Jabbour, a Syrian legislator and political analyst, said the "circumstances may be more suitable now" for the neighboring states to re-establish ties.

"This visit is expected as Syria and Iraq need each other, and Syria, no doubt, can play a calming role in Iraq and it has always announced its keenness to help Iraq's security and stability," Jabbour said.

Syria has been increasingly isolated and pressured over, among other things, allegations from the U.S. and Iraq that it does not take steps to stop foreign fighters from infiltrating across its border into Iraq.

Syria has denied the charge, countering that the U.S. military and its Iraqi allies are not doing enough to police the border.

Blair Dodges Defeat In Vote On Iraq War Inquiry (AFP-Y)

By Robin Millard

AFP, November 1, 2006

British Prime Minister Tony Blair's government survived a potentially damaging vote in parliament on whether he should order an inquiry into how Britain joined the war in Iraq.

Opposition parties had demanded an immediate investigation by a committee of senior members of parliament into the government's handling of the build-up to the US-led March 2003 invasion.

However, the motion, proposed by the small Scottish and Welsh nationalist parties in the lower House of Commons, was defeated by 298 votes to 273, with Blair's 62-seat working majority cut to 25. The government later promised an inquiry once the situation permitted.

A dozen rebels from Blair's ruling Labour Party, largely drawn from a group known as "the usual suspects", voted against the government although other lawmakers who have previously shown dissent over Iraq fell into line.

Blair is seen by some as a lame duck after pledging to step down by September 2007 and a parliamentary defeat would have further weakened his authority and could even have hastened his departure.

In a stormy debate before the vote, Foreign Secretary Margaret Beckett said a defeat would signal uncertainty and endanger Britain's 7,000 troops in war-ravaged Iraq.

"We are at what could potentially be a turning point in Iraq," she told MPs, adding it was not the time "to rehash all the debates and all the arguments that have been had over and over again".

But Beckett hinted that the government may hold an inquiry at some point in the future.

"It is perfectly sensible and legitimate to say that there will come a time when these issues will be explored in the round and in full so that we can learn whatever lessons we can from them."

The Defence Secretary Des Browne went one further, saying the government would hold a "retrospective inquiry" into the Iraq war, telling the BBC: "When the time is right, of course there will be such an inquiry."

The main opposition Conservatives, who voted for military action in Iraq, backed the opposition motion Tuesday having seen their demands for an inquiry once troops come home go unheard.

"I think they came near enough to losing it that they will have taken the message that they can't ignore these concerns in the future," Conservative foreign affairs spokesman William Hague told Sky News television.

But Foreign Office minister Kim Howells accused the Conservatives of "undermining our troops".

"We don't need this self-righteousness to put us back on track," he told Sky News.

In a second Commons vote, the government's amendment to the opposition motion was carried by 294 votes to 264, a majority of 30.

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It said that there had already been four independent committees of inquiry and rejected the idea of holding another one which would "divert" resources away from efforts to improve conditions in Iraq.

Tuesday's debate -- the first on Iraq for more than two years -- came after it was disclosed that the total cost of Britain's military involvement in Iraq has passed four billion pounds (six billion euros, 7.6 billion dollars).

The ministry of defence said that operations in the country cost 958 million pounds in the last financial year, a rise from 910 million in 2004-05.

Sir Menzies Campbell, the leader of the Liberal Democrats, the second-biggest opposition party, conceded that Blair had won the battle, but not the political war.

"Although the government may have won the day this evening, there is no doubt that it did so on the basis of many of its own supporters really making their support conditional," he told Sky News.

"They want to hear some change of strategy," he said, adding that he would keep pushing for an inquiry.

Welsh nationalist Adam Price, who opened the debate, told MPs: "The issue at its heart is far bigger than party politics -- it's about accountability, it's about the monumental catastrophe of the Iraq war -- the worst foreign policy disaster certainly since Suez, possibly since Munich and it's about the morass in which we regrettably still find ourselves."

Outside parliament, a group of about 200 demonstrators protested as the vote took place, carrying placards calling for British troops to leave Iraq and shouting slogans criticising Blair.

A total of 120 British troops have been killed in Iraq since the invasion.

Blair Survives Attack On War (LAT)

By Kim Murphy

The Los Angeles Times, November 1, 2006

London — British Prime Minister Tony Blair survived a blistering attack Tuesday on his government's handling of the war in Iraq, narrowly defeating moves to open a parliamentary inquiry into a conflict one former ally called "a huge blunder."

In a gauge of how far British public opinion has swung toward opposition to the war, Blair's majority Labor Party could muster only a 25-vote margin to defeat the measure. The inquiry would have explored suspicions over evidence used to justify the war and growing suspicions that the conflict has swirled dangerously out of control.

"We were wrong to go to war in Iraq, and we cannot wash our hands of the harm that we've done in doing so," said Labor lawmaker Gavin Strang, a former Blair ally.

"Because of his tragic misjudgment, our prime minister is more steeped in blood than any Scottish politician since Macbeth," said Peter Tapsell, the longest-serving Conservative in the House of Commons. "We need an inquiry to tell us how he led us into this disaster, and to make sure that no vainglorious and ignorant prime minister can ever do so again."

But government ministers warned that launching an inquiry now would send a message of weakness to Britain's adversaries, threaten the morale of the troops and undermine support for Iraqi attempts to build a unified and democratic nation.

"Our words in the House today will be heard a very long way away. They can be heard by our troops who are already in great danger … and by the Iraqi people, whose bravery and fortitude is humbling, and who need our support," Foreign Secretary Margaret Beckett told the House of Commons.

"I have no doubt that there will come a time when we will want to look at the lessons learned from our experience in Iraq…. But now, I repeat, is not that time," she said.

Britain has 7,200 soldiers deployed in Iraq, mainly in the south near Basra, and has seen 120 soldiers die in the conflict. Another 5,600 British troops are posted in Afghanistan and facing increasingly fierce resistance from Taliban fighters there.

Tuesday's vote in the House of Commons came amid eroding British support for the war, with even a senior British military commander recently expressing doubts about the wisdom of keeping large numbers of troops deployed in Iraq much longer.

The new head of the British army, Gen. Richard Dannatt, told the Daily Mail last month that troops should leave Iraq "soon" because "our presence exacerbates the security problems" in some parts of the country.

In a Guardian/ICM poll published Thursday, 61% of respondents said they wanted British forces to leave Iraq this year, even if they have not completed their mission, and even if the U.S. wants them to stay.

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A day earlier, Beckett was asked on BBC Radio 4 whether historians may judge that Iraq had been a foreign policy disaster for Britain. Opposition lawmakers hauled out her answer during Tuesday's debate: "Yes, they may," she said. "Then again, they may not."

The debate was launched by nationalist parties from Scotland and Wales, where elections scheduled next spring threaten Labor deputies and were probably a factor in the defection of a number of Labor lawmakers in the final vote of 298 to 273. The margin was substantially short of Labor's 67-vote majority.

Blair's support for the Bush administration's policy in Iraq has been the biggest factor in a political nose-dive that prompted a recent move within the Labor ranks to force him to pledge his resignation by the end of next summer.

"On the political tombstone of the prime minister will be one word," Charles Kennedy, former leader of the Liberal Democratic Party, told the House of Commons. "Iraq."

Baby Boom Echoes In Iraq (WT)

By James Palmer

The Washington Times, November 1, 2006

BAGHDAD -- In the face of relentless violence, political chaos, economic uncertainty and nightly curfews, Iraq's maternity wards are experiencing an unlikely baby boom.

Despite the obstacles, the birthrate in Iraq actually has increased since the U.S.-led invasion 43 months ago, according to the country's Health Ministry. The rate of births in the country has jumped from 29 births per 1,000 people in 2003 to 37 per 1,000 last year, according to government figures.

In neighboring Iran, the birthrate is half that -- 21 per 1,000 population, while the average birthrate in the Middle East is 25, according to the World Bank. The birthrate in the United States is about 14 births per 1,000 people, according to the federal Centers for Disease Control and Prevention.

Thanaa Alladin Mohammed, a doctor who helped compile the statistics, said the Iraqi tradition of large families is primarily responsible for the birthrate.

"People want to have children, regardless of the violence," she said.

Haithem Ramdam, a 34-year-old engineer and first-time parent, agreed.

"I'm more concerned about the money needed to take care of my family than I am about the security situation," said Mr. Ramdam, whose child, a girl named Jamani, was born Oct. 2. "This is part of the cycle of life, and you can't stop it."

That cycle, Iraqis say, also drives many parents whose children have been killed by war-related violence to produce more.

Fourat Hameed, 29, watched his 3-year-old son, Youseff, die after the taxi they were riding in struck a roadside bomb near Baqouba, 40 miles north of Baghdad, in September 2003. The following year, Mr. Hameed's wife, Dunai, gave birth to a girl, and in April, they had another son, also named Youseff.

"That boy is a gift from God," said Mr. Hameed, who noted the importance many Iraqis place on bearing a son to lead the family and carry on its name. "Of course, we can never replace the child we lost, but we wanted a son."

The Iraqi Health Ministry numbers differ from those in the CIA World Factbook, which notes a slight decline in the birthrate in the years since 2000. Both sources agree, however, that Iraq's birthrate is far above the regional average, and has remained so despite the war.

As a result of the swelling birthrate in Baghdad's volatile environment, many physicians here also say they are performing more scheduled Caesarean deliveries than ever.

"Patients cannot always see their doctor or reach a health facility when they need to because of poor security," said Simone Kurchin, 38, an obstetrician at the Dominican Sisters of St. Catherine of Siena Hospital, a private facility in south Baghdad. "This is always a problem now."

According to the hospital's records, Caesarean births have more than doubled since 2003, from 1,107 to 2,447 last year, when they outnumbered natural births.

Iraqi women seeking to give birth in a hospital but unable to afford the $200 fee charged by most private facilities in Baghdad must turn to government-run hospitals. These hospitals, Iraqis say, often lack staff, equipment and medicine.

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Sabrya Fahed, whose daughter Kamel delivered her first child at the Al-Wiyah Hospital in east Baghdad on Oct. 4, said giving birth in a Baghdad hospital is more arduous now.

"I gave birth for the last time in this same hospital 11 years ago, and everything was much better then," said the 43-year-old Mrs. Fahed, who has five children. "Now everything is worse, from the treatment of the staff to the condition of the building."

And the exodus of doctors -- 10,000 since 2003, according to an estimate from the Iraqi Medical Association -- has been a serious blow to the quality of the health care system, medical officials said.

Even private hospitals, where doctors' salaries are up to three times higher than those of their counterparts at government-run facilities, are encountering problems retaining physicians.

The Dominican Sisters of St. Catherine of Siena, the private facility in south Baghdad, has lost six of its 10 obstetricians in the past three years, including Dr. Hana Al-Baea, who had been practicing for 26 months in Iraq before moving to Syria last month.

'My Country Needs Me' (WSJ)

By Heather Robinson

The Wall Street Journal, November 1, 2006

With the midterm elections fast approaching, the panic over Iraq seems more intense than ever. That country, the thinking goes, is a hopeless mess, and there could be a precipitous American withdrawal, especially if the Democrats win.

But doing so would leave the silent majority of Iraqis hostage to the most vicious extremists, abandoning those Iraqi leaders who have championed liberal democratic values. One of them is Mithal al-Alusi, a 53-year-old Sunni Arab who won a seat in parliament last December after having served as director general of the National Commission on de-Baathification. Mr. al-Alusi ran on a platform of religious pluralism, human rights, free markets and a free press. He calls for an alliance among democracies -- including the U.S., Iraq, Israel and Turkey -- to fight terrorism.

Not only does Mr. al-Alusi champion values many in the West hope will define the new Iraq, he has risked his life -- and lost more than his life -- for the cause. In September 2004 he attended a counterterrorism conference in Herzliya, Israel; after which insurgents threatened his family. The following February assassins opened fire on Mr. al-Alusi's car as it approached his Baghdad home. He wasn't in the vehicle, but his sons, 30-year-old Ayman and 22-year-old Gamal, were. Both were killed as their father watched. Still, Mr. al-Alusi was unbowed. "Even if these terrorists try to kill me again, peace is the only solution," he told reporters minutes after the attack. "Peace with Israel is the only solution for Iraq. Peace with everybody, but no peace for the terrorists." He continued to build his Iraqi Nation Party, which his fallen sons had helped establish, and which now has 15,000 members.

He describes his views less in ideological terms than in human ones. "An Iraqi mother, she has the right to have normal feelings for her baby. It's the same for an Israeli mother," he told me in a phone interview from Baghdad. "This is the best way to drive the world's politics. Not to make it complicated."

Mr. al-Alusi is not the only Iraqi political leader to reject ethnic and sectarian separatism. Hajim al-Hasani, a former parliament speaker, testified at a September congressional hearing. When Rep. Christopher Shays referred to him as a Sunni, Mr. al-Hasani politely corrected the congressman: "I am Iraqi." Afterwards, Mr. al-Hasani told me it is a misconception to view the violence in Iraq as the expression of popular will: "The few bad apples can rotten the rest of the apples if nobody stops them." Many of those "bad apples" aren't even grown in Iraq. Following Saddam Hussein's fall, foreign jihadists such as the Jordanian Abu Musab al-Zarqawi rushed to join former Baathists in an effort to undermine the fledgling democracy. And Mr. al-Alusi told me that "Iran is fully involved in terrorist activity in Iraq." He believes Tehran is playing both sides, backing Sunni terrorists as well as Shiite ones.

Polls suggest a majority of Americans think it was a mistake to enter Iraq. Mr. al-Alusi respectfully disagrees. "We didn't have any kind of hope, and now, even with all our difficulty, we have hope." Iraq today is a central front in a war against extremists who view the murder of civilians as political expression. "I will be killed -- if not today, tomorrow," Mr. al-Alusi says. "The point is not me, but children -- for a child to be a child, not a killer; for a teenager to be a teenager, not an extremist."

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Mithal al-Alusi could have left Iraq for a comfortable life in exile; Mr. Shays, a friend, offered to help him relocate to the U.S. But he said no: "My country needs me."

He has not given up the fight. How can we?

Ms. Robinson is an independent journalist.

NATO Forces Fight Taliban In 5 Provinces Of Afghanistan (NYT)

By Abdul Waheed Wafa

The New York Times, November 1, 2006

KABUL, Afghanistan, Oct. 31 — Clashes erupted in five provinces in eastern and southern Afghanistan on Monday and Tuesday, with roadside bombs, suicide bombings and gun battles killing four NATO soldiers and an estimated 67 Taliban fighters, NATO officials said.

The violence came as NATO forces continued a military operation started last week intended to put pressure on Taliban forces through the fall and winter, and to allow reconstruction and development to reach the country's restive south and east, NATO officials said. Taliban forces, meanwhile, continued to demonstrate their ability to carry out multiple roadside bombings and suicide attacks.

In the eastern province of Nuristan on Tuesday, a roadside bomb killed three NATO soldiers and wounded one as they patrolled in Weygal district, NATO officials said. In separate attack on Tuesday, one Afghan policeman died and two NATO soldiers were wounded in a suicide bombing in Ghazni Province, just south of Kabul.

On Monday, NATO soldiers involved in the new operation, named "Oqab," or eagle, battled Taliban fighters in a six-hour firefight in the Daychopan district of the southern province of Zabul, NATO officials said. The clash killed one NATO soldier and an estimated 55 Taliban insurgents, they said.

In a second attack on Monday, three NATO soldiers were wounded by a roadside bomb in the eastern province of Kunar. In a third clash on Monday, NATO forces in the Zhera district of the southern province of Kandahar called in an airstrike on a group of suspected insurgents on the roof of a compound. The bombing killed as many as 12 insurgents, according to NATO officials.

Maj. Luke Knittig, a NATO spokesman, cautioned that the Taliban toll from Monday and Tuesday was an estimate. He said the figures had been based on sightings by pilotless aerial vehicles, aircraft and NATO soldiers directly involved in gun battles with insurgents.

"It is not a precise endeavor," he said. "But we had eyes on these targets."

Last week, Afghan villagers reported that dozens of civilians were killed in an errant NATO airstrike in the Panjwai district of Kandahar Province. An investigation ordered by the Afghan president, Hamid Karzai, is still under way.

The clashes on Monday and Tuesday came after dozens of suspected Taliban were reportedly killed by NATO-led forces in fighting on Saturday in southern Oruzgan Province.

Since NATO took over responsibility for the region from American troops at the beginning of August, 56 of its soldiers have been killed in fighting. The nationalities of the four NATO soldiers killed Monday and Tuesday were not released.

Pakistan's Leader Defends Airstrike On School (NYT)

By Salman Masood

The New York Times, November 1, 2006

ISLAMABAD, Pakistan, Oct. 31 — Faced with protests across the country, President Pervez Musharraf on Tuesday defended a military strike that killed 80 people at a religious school, and insisted that the dead were militants undergoing terrorist training.

General Musharraf's claim came amid protests across the political spectrum, but especially by an alliance of Islamic parties and thousands of people in the semi-autonomous tribal areas straddling the Afghan border where the strike took place.

Angry speakers at rallies across the country condemned General Musharraf's alliance with the United States and the airstrike on Monday, when helicopter gunships fired missiles into the Islamic school, or madrasa, in the village of Chingai, near the town of Khar in the Bajur region.

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General Musharraf said the dead were militants, and Pakistani military officials maintained that the madrasa was being used as a staging post for Al Qaeda and that it was frequently visited by Qaeda leaders.

Some local residents and opposition politicians have said that there were children in the school, and alleged that American warplanes had taken part in the attack. But the president dismissed the suggestion that the dead were innocent.

"Anyone who is saying that these were innocent Taliban is telling lies," General Musharraf said while addressing a seminar in Islamabad, the capital.

"We were watching them since the last six, seven days," he said. "We knew exactly who they are, what they were doing. They were all militants, using weapons, doing military training within the compound."

Local news outlets on Tuesday quoted unidentified intelligence officials as saying that Ayman al-Zawahri, the top deputy to Osama bin Laden, and Abu Faraj al-Libbi, a senior Qaeda operative, used to visit the madrasa.

The local television station AAJ reported that satellite images showed militant activity going on within the madrasa and that it was used as a staging point for attacks in Afghanistan and Pakistan.

"Militants were given training to prepare explosives, and the madrasa was used to provide ideological motivation," the report said.

Maj. Gen. Shaukat Sultan, the chief military spokesman, refused to confirm or deny the news report. "I cannot comment on that," General Sultan said in a telephone interview on Tuesday evening.

When asked the reason for the attack, he said, "We had confirmed information about militant training going on in the madrasa."

He denied that the military had any information about the presence of any high-level Qaeda leader at the madrasa at the time of the strike.

He also denied comments attributed to him by The Associated Press in which he appeared to acknowledge sharing intelligence with the United States to carry out the operation, an extremely delicate issue in Pakistan.

"That was wrong," General Sultan said. "I was grossly misinterpreted. If there was any intelligence sharing, we cannot open it to media."

In Washington, however, officials said Tuesday that American officials had provided intelligence to the Pakistani government that in part led to the strike on the madrasa. Before the attack on Monday, American and Pakistani officials discussed the intelligence and signed off on the target.

"There was a body of evidence that both sides agreed on," said an American official, speaking on condition of anonymity because he was discussing classified information.

The official said American and Pakistani officials had agreed on the target in part because the madrasa was training militants to carry out attacks in Pakistan and Afghanistan. Liaquat Hussein, an associate of Mr. Zawahri's who ran the madrasa, was killed in Monday's airstrike.

The strike is expected to further polarize the political environment in the country. General Musharraf's alliance with the United States has incensed hard-line Islamists who accuse him of being subservient to the United States.

But apart from Islamic opposition parties, liberal opposition parties also condemned the airstrike.

"This was a very ill-planned operation," said Enver Baig, a senator from the opposition Pakistan Peoples Party. "They knew that there were students inside the madrasa and in case of an aerial operation, the casualties would be on a large scale.

"It has not gone well with the common man on the street."

Letters (WSJ)

Wall Street Journal, November 1, 2006

LETTERS

Are You Sure You Were Really in Philadelphia When You Wrote That?

In her Oct. 20 essay "A Tale of Several Cities," Julia Vitullo-Martin is so anxious to recycle Digby Baltzell's 25-year-old thesis about "Puritan Boston and Quaker Philadelphia" that she trashes Philadelphia in a way that bears no resemblance to reality (Taste page, Weekend Journal). She writes that "Downtown Philadelphia seems to be a bleak postindustrial landscape" with "the

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few good buildings that are still standing routinely visited by street people begging at their entrances." I'll give her the benefit of the doubt and assume that her zeal for literary license, combined with her ignorance of Philadelphia, made that colorful language too good to pass up, true or not.

Here's an offer, Ms. Vitullo-Martin. Take the train to Philadelphia -- from your cocoon in New York it's less than an hour and a half trip, even without spending the extra money for the Acela -- and I'll give you a walking tour of Center City. We'll start off with some new office buildings and public spaces, and some existing "good buildings still standing." But mostly we'll concentrate on all the burgeoning neighborhoods with both gorgeous old homes and new apartment and condominium buildings, going for prices that would not have been dreamed about in Baltzell's time. These neighborhoods are bustling at all hours with both visiting suburbanites and a resident population that has grown remarkably in recent years. (Sort of like the Boston neighborhoods that you said "look like Hollywood's idea of a hip, fabulous place to live.") That's the real downtown Philadelphia, and I look forward to showing it to you.

Darryl May

Wynnewood, Pa.

What an absurd description. Yes, there are street people begging here and there in Center City Philadelphia, as there are in all large cities. But Ms. Vitullo-Martin must not have been in Philadelphia for many years. As a resident of a nearby suburb, I go to Center City once or twice a week because it's a great place -- restaurants, coffee shops, book- and music-stores, cinemas, public squares and other green spaces, wonderful fountains, churches, historic sites, etc. The place is booming! It's full of people day and night and, for better or worse, with much new construction going on. I cannot imagine what Ms. Vitullo-Martin was thinking.

David M. Barrett

Professor

Political Science

Villanova University

I suggest that a hurried walk to just one neighborhood cannot possibly give anyone a clear view of what is happening in this great city. Anyone who has been to our city, which National Geographic Traveler magazine recently called "America's Next Great City," knows this city is hot. That's why so many people are moving here, from the young professionals coming down from New York and elsewhere, to empty nesters moving into our hot downtown condo market. Come see for yourself. We believe you'll love what Philadelphia has to offer.

Stephanie W. Naidoff

City Representative and Director of Commerce

City of Philadelphia

Philadelphia

Ms. Vitullo-Martin's article gives praise to the "sheer excellence" of the harbor in Upper Sandusky, Ohio. Ohioans are justifiably proud of the acclaim but hope that Wall Street Journal readers don't all flock at once to our 38-acre, man-made reservoir. If you find our single- launch ramp too busy, you might consider the other Sandusky, downstream (and hence lower) at the mouth of the Sandusky River. The Sandusky River, like the Nile, flows south to north. That puts the Upper Nile south of the Lower Nile and Upper Sandusky south of the Lower Sandusky. The other Sandusky's little harbor (miles across), minor facilities (many marinas and dockage for Great Lakes boats), and dregged channels (for the freighters) may accommodate the overflow. However, if you do choose Upper Sandusky for your boating pleasure, please respect the "electric motors only" regulation.

David L. Skinner

Fredericktown, Ohio

Once Again, Musharraf Is Routinely Maligned

Tunku Varadarajan, in his review of Pakistani President Pervez Musharraf's autobiography "In the Line of Fire," describes Gen. Musharraf as "self-congratulatory, narcissistic and mendacious" ("An 'Ally' With His Own Agenda," Bookshelf, Leisure & Arts, Oct. 19). Such words are unfair, reflecting the mindset of those determined to malign the president come what may. For

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instance, Mr. Varadarajan does not give credit to Gen. Musharraf for Pakistan's economic turnaround, attributing it instead to the U.S. Treasury secretary.

To answer other criticisms in the review: Omar Shaikh Saeed, the master of Daniel Pearl's murder, was kept in secret for a week after his arrest because authorities wanted to arrest his dangerous accomplices, who otherwise would have fled if they were aware of their leader's arrest. A number of terrorists were arrested on the basis of information divulged during the interrogation. Was that a blunder or the right decision?

In regard to Mukhtaran Mai, the woman Mr. Varadarajan says was subjected to a travel ban when an NGO wished to fly her to the U.S. to publicize her plight of having been subjected to a sexual assault decreed by a village tribunal: Ms. Mukhtaran has visited a number of foreign countries, including the U.S., with the permission of the Pakistan government. Mr. Varadarajan did not mention that President Musharraf sent Mukhtaran Mai a check for $10,000 as a token of support. The government also facilitated the establishment of a school, a police post and a women's crisis center in her village at the cost of $300,000.

Empowerment of women in Pakistan has been ensured by reserving almost 30% seats at the district, provincial and federal levels in the respective representative bodies. People at the grassroots level have been empowered through a local government system that has entrusted political, administrative and financial powers to their directly elected representatives.

M. Akram Shaheedi
Press Minister
Embassy of Pakistan
Washington

War Deaths Methodology: Greater Rigor Is Needed

In their Oct. 24 Letter to the Editor, Johns Hopkins researchers defend the cluster survey methodology used to estimate "excess" deaths in Iraq since the war began in 2003. They mention that 12,800 Iraqis were surveyed. But large numbers don't make a sample representative. They claim "the effective sample size is roughly 3,700 independent people." (Apparently they arrived at 3,700 by simply doubling the 1,849 households in the survey.) But participants who live together and answer survey questions together aren't independent. While acknowledging that only 47 clusters were sampled, they omit the fact that only adjacent households within a cluster were surveyed.

To put this in perspective, imagine a door-to-door survey in California to gauge the impact of an earthquake. Like war, earthquake destruction is widespread, but more intense in some areas than in others. Surveyors randomly choose 47 neighborhoods and interview 40 adjacent households in each (i.e., fewer households than in a city block). Would this "snapshot" provide a fair assessment of earthquake damage from a true cross-section of California's population?

If neighborhoods near the earthquake epicenter were over-sampled, the survey results would be skewed significantly. Likewise, if clusters near the most violent war zones in Iraq were sampled disproportionately, estimates of war deaths could be wildly exaggerated. In fact, Johns Hopkins reported an "extreme statistical outlier" when it sampled 33 clusters in Iraq in 2004: "More than a third of reported post-attack deaths, and two-thirds of violent deaths happened in the Falluja cluster" (see http://www.thelancet.com/journals/lancet/article/PIIS0140673604174412/fulltext).

An issue as important and complicated as counting war deaths demands more rigor than Johns Hopkins used in its two surveys.

Charles D. Eden
Atlanta

Antitrust Amnesty Grants: A Constitutional Problem

Holman W. Jenkins Jr. correctly identifies the problems with the Stolt-Nielsen case and the Justice Department's larger campaign against "price fixing" ("If Sergio Leone Made a Movie About Antitrust . . . ," Business World, Oct. 25). I would add that the Stolt-Nielsen case has shed valuable light on the secrecy that surrounds the department's amnesty program. Unlike plea bargains, which are disclosed to the court and the public, amnesty grants are secret and not subject to outside scrutiny. The department says amnesty is an internal matter of "prosecutorial discretion"; but from a constitutional standpoint, the amnesty grants the equivalent of a full pardon.

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Pardons are supposed to be the exclusive province of the president, not mid-level lawyers at the Antitrust Division. The framers were careful in concentrating the pardon power in the chief executive, who is subject to congressional and public oversight. The department's amnesty program eliminates these checks, however, in order to keep cartel prosecutions in-house. Once a company receives its amnesty, the evidence provided to prosecutors forces other cartel members to plead guilty without going to trial. In this manner, the government can extract millions in fines from defendants without ever having to publicly address the types of economic arguments raised in Mr. Jenkins's column.

S.M. Oliva
President
The Voluntary Trade Council
Arlington, Va.

With Corruption Rampant, 'Snitches' Are Necessary

Kudos to Karen Richardson for her excellent, insightful article "The Secret Life of an Informant" (page one, Oct. 21). Public corruption cases, particularly those involving elected officials, are notoriously difficult to prove in court. Most Americans don't necessarily like government "snitches" gathering evidence, but they should realize that public malfeasance is a much worse alternative.

At the time when spending for public infrastructure has skyrocketed nationwide, the temptation to bribe elected officials is now greater than ever. The exceedingly small number of those who betray the public trust should realize that the watchdog of their public conduct isn't only found in the results of their election, but within the judicial system as well.

Eugene A. Brown
City Council Member
Durham, N.C.

The Dark, Hidden World of Auto Repair Pricing

While the transparency of pricing data on the Internet has been a big boon for consumers ("Savvy Car Buyers Drive Bargains With Pricing Data From the Web," Personal Journal, Oct. 24), I wonder if car dealers are offsetting the lost profits on new-car sales with premium pricing for service and repair?

Auto makers know exactly what they pay dealers for every conceivable warranty repair. If they made these repair and replacement costs known to the consumer, they would begin to reduce one of the most stressful aspects of car ownership: the dreaded mechanic's bill. Of course, dealers would strongly resist the publication of this data, but perhaps some enterprising Web site could penetrate this veil of secrecy. After all, in the pre-Web days, the price a dealer paid for any car was also a closely guarded secret.

Kalyan Dutta
Ann Arbor, Mich.

Anti-Growth Tax Rule Was Defended by Spitzer

In his Oct. 25 editorial-page commentary "Spitzer Is Good for Business," Donald G. Kempf Jr. argues that Eliot Spitzer, as governor, will make New York's regulatory environment more business-friendly. Perhaps. However, Mr. Spitzer, as attorney general, fought to preserve one of New York's most antigrowth tax rules—taxing nonresident telecommuters on days they work at their out-of-state homes. Most recently, New York taxed an Arizona resident for days he worked at home there.

Many nonresidents and businesses respond to this foolishness by cutting their ties to New York. If one is looking for a prime example of New York's self-destructive tax policies, this is it. As attorney general, Mr. Spitzer aggressively and successfully defended this policy in the courts up to and including the U.S. Supreme Court. It is hoped that Gov. Spitzer will undo the handiwork of Attorney General Spitzer.

Edward A. Zelinsky
Visiting Professor of Law
Yale Law School
New Haven, Conn.

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(Mr. Zelinsky was the taxpayer in Zelinsky v. Tax Appeals Tribunal, which challenged New York's taxation of nonresident telecommuters on days they work at their out-of-state homes.)

First Ears, Then Hearts And Minds (WP)

By Renae Merle

The Washington Post, November 1, 2006

Washington Post Staff Writer

Wednesday, November 1, 2006; D01

For science-fiction buffs, it's probably a common-sense solution. Two months after arriving in Iraq, a second lieutenant with the 16th Military Police Brigade was handed the Phraselator, a hand-held device that promised to digest his English phrases and produce a prerecorded Arabic translation with an Iraqi accent.

But after a brief test last year, the soldier gave up the gadget, deciding that, while helpful in some instances, it wasn't useful to his unit, which conducted raids and provided convoy security. He had even tried to teach himself Arabic using the device but decided that it was no match for the complex language. Even such simple phrases as "What is your name?" are spoken differently in Fallujah than in Baghdad, he found. "This may have been the reason why many of the Iraqis . . . did not appear to understand the Arabic phrases & words" stored in the device, according to a report prepared for the Army.

An Annapolis firm, VoxTec International Inc., developed the device and said it has steadily made improvements. But the goal of having a machine replace a human interpreter remains elusive, and the military is mounting a multimillion-dollar campaign to find a more capable successor, one that can translate both sides of a conversation, from English to Arabic and vice versa.

"What people would really like is that 'Star Trek' universal communicator, but it doesn't exist yet," said Lynne McCann, former chief of the Army Foreign Language Proponency Office. "That would solve everything."

The stakes are high for the military, which suffers from such a shortage of interpreters that it has had to rely increasingly on contractors -- 6,500 in Iraq and 1,500 in Afghanistan. It can be a dangerous job. Of the 648 contractors killed in Iraq since the war began in March 2003, 153 worked for the division of L-3 Communications Corp. that currently holds the linguist contract, according to Labor Department figures.

Battlefields often turn into impromptu laboratories for new technologies -- with mixed results. During the Persian Gulf War in 1991, the Patriot anti-missile system was rushed into combat to intercept Iraqi scuds, but afterward, investigators questioned its effectiveness. The Predator, an unmanned drone, dropped Hellfire missiles after the Sept. 11, 2001, terrorist attacks, after a quick development process.

In the same way, VoxTec, which was a unit within Marine Acoustics Inc., was asked to rush production of its Phraselator, then a single prototype, shortly after the attacks on New York's World Trade Center and the Pentagon, said Ace Sarich, the company's vice president of development. The device is about the size of a large personal digital assistant and is programmed with about 700 Arabic phrases that can be recalled after it "hears" the equivalent English phrase or a soldier chooses a sentence from a text list on the device.

The company shipped 20 to Afghanistan within a few months, but the prototypes had bugs, including buttons that were hard to push and faulty batteries. "It was supposed to be a weatherproof design, and it leaked like a sieve," Sarich said. Those issues have all been addressed, he added.

While VoxTec continued to improve the device, the military began testing a device made by a California company, Integrated Wave Technologies Inc. It had developed a similar hands-free version of a translation machine that fit into an ammunition pouch, allowing soldiers to say key phrases that are then turned into full Arabic sentences.

"You say 'house search' and then it will say in Arabic: 'We're here to search your house. Please stay in this room. Do you have any weapons?'" said Tim McCune, the company's president.

Over the past few years, Integrated Wave Technologies has produced 1,300 of its machines and VoxTec has made 5,000 devices. They cost about $2,500 to $3,000 apiece, a mini-boom for two companies that have fewer than 20 employees each.

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Neither product, however, proved robust enough to replace human interpreters. What soldiers really needed, the military decided, was to have a conversation with the people they encounter, not just give orders.

"In years past, there wasn't a great need for the individual soldier to speak a foreign language to do his mission," said Wayne Richards, branch chief for technology implementation at U.S. Joint Forces Command. But in Iraq and Afghanistan, soldiers are increasingly interacting with Iraqi civilians, giving advice at checkpoints or guidance during home searches, he said.

"During those door-to-door searches, the soldiers need to be able to calm them down and reassure them," Richards said. "We're fighting for hearts and minds. But if I can't tell her, 'Ma'am, please calm down,' . . . that wouldn't be assuring."

So the Pentagon turned to the Defense Advanced Research Projects Agency (DARPA), which helped develop the Internet, to enlist some technology powerhouses, setting aside $20.8 million this year for translation technologies. Military officials said they do not expect the automated devices to completely replace human interpreters but to augment them. DARPA was a natural fit to lead the project because it has spent the past two years creating a database of thousands of hours of Iraqi conversations to study the voices, speech patterns and commonly used phrases to help with speech-recognition software.

The agency selected SRI International, a nonprofit research group, International Business Machines Corp., and Carnegie Mellon University in Pittsburgh to help put that database to work.

Each of the three has developed systems that use mathematical algorithms to interpret speech, even if it is slurred, accented or muffled, into Arabic and the Arabic response into English. After a second or two, a synthesized male voice produces a response. The systems usually require speakers to limit their conversations to one sentence at a time to avoid confusion.

IBM announced this month that 35 units of its system had been shipped to Iraq, saying it would "facilitate quick" communication. The military is not quite as optimistic.

The systems are being tested only in offices or benign situations with limited background noise, military officials said.

The technology is "just not ready for wide deployment," said Mari Maeda, program manager in DARPA's Information Processing Technology Office. "The translation system is not good enough; the recognition software is not strong enough."

The systems are also not accurate enough, she said. IBM estimates that its system has an accuracy rate of 85 to 90 percent, and that out of 30 phrases, a person may need to repeat four or five. SRI and Carnegie Mellon officials said they couldn't provide comparable figures. But "soldiers are looking for things that work 95 percent of the time," Maeda said.

In the meantime, companies are also experimenting with lower-tech solutions. VoxTec, for instance, is testing a call-a-translator system in Baghdad that allows soldiers to call in from the field so they can put an Iraqi on the phone with one of two Arabic translators on duty who can act as an intermediary.

Integrated Wave Technologies says it may have another interim solution. It is developing a system, which DARPA says it may send to Iraq next year, that will enable limited two-way conversations by "listening" for key words, said McCunne, the company's president. But even that, he acknowledges, has problems.

"If you ask, 'What color was the car?' it will be looking for something like blue or red," he said. But if the person responds by asking which car or says he didn't see a car, the system will not be able to translate, McCunne said. "It's a fairly limited type of communication," he added.

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Soldiers Train In Languages (WT)

By Eric Pfeiffer

The Washington Times, November 1, 2006

DOJ_NMG_0089310

The Army has invested $4.2 million in a Web-based software program to improve the foreign-language skills of overseas personnel.

The program was created by Rosetta Stone, which provides training software in 30 languages. The contract, entering its second year, allows software access to any member of the active-duty Army, National Guard or Reserve, and civilian personnel in the Department of the Army.

"You can't send everyone to language training school," said Stan Davis, project manager for the Army's E-Learning program. "But this is a capability the Army needs in today's operational environment."

More than 64,000 soldiers are using the software, Mr. Davis said, and that number is expected to double next year. "We're getting about 2,000 to 3,000 people signing up a month," he said.

The military has been criticized for a lack of foreign-language speakers during the conflicts in Afghanistan and Iraq. Rosetta Stone provides courses in Pashto, spoken in Afghanistan and parts of Pakistan; Farsi, widely spoken in Iran; and Arabic, which is used throughout the Middle East.

Mr. Davis said Arabic and Farsi are among the top courses for soldiers, but Spanish is studied most.

Linda Trude, Rosetta Stone's senior director for institutional marketing, said the "dynamic immersion" process provides more success than traditional language courses.

"It's done in the same way we learn our first languages," she said. "When your mom or dad were teaching you, they didn't give you in-depth grammar and language tests. They pointed to an object and said, 'Ball.' "

The software gives instant feedback without using memorization or translation exercises.

Ms. Trude said the U.S. Military Academy at West Point and other segments of the Army have been using the Rosetta Stone software for several years.

"We've heard from people in the Army who don't necessarily need it in their day-to-day jobs, but have said they can use the basic communication skills when they are interacting with Iraqis at the local market," she said.

Ms. Trude said soldiers in the field have given positive feedback.

"Our goal is not to make them linguists, but to help provide them with basic communication skills," she said.

DOJ:

The Reliable Source (WP)

By Amy Argetsinger And Roxanne Roberts

The Washington Post, November 1, 2006

Mark Foley on Film,

Before He Got Famous

Here you probably thought you knew everything about Mark Foley . But a month after the Florida rep resigned in disgrace for cyber-stalking teenage pages, a young journalist has uncovered perhaps the one juicy angle yet unplumbed in the scores of profiles and investigative reports -- Foley's brief movie career.

The movie was a low-budget, straight-to-DVD vigilante flick called "Strike Force" (original title, "The Librarians"), filmed in 2000 in Foley's Palm Beach County district. It starred veteran tough guy William Forsythe , "Baywatch" babe Erika Eleniak , Burt Reynolds (as high-roller "Irish," who lounges by a pool surrounded by his bikini-clad "grandnieces") -- and Foley, in a tiny but pivotal role as, well, a congressman.

Kenneth P. Vogel , an investigative reporter for the soon-to-launch Capitol Leader newspaper, found this cinematic gem buried deep in Foley's 2001 financial disclosure records, recording the $400 payment he got for the role. Vogel tracked down a copy of the movie on Amazon ($12.99) and -- we're just so glad he did! The opening scene is a cartoonish shootout between Forsythe's gang and the bad guys who have kidnapped Foley's daughter. Forsythe returns the girl to her dad's black stretch limo, where we get to see Foley emote:

"Oh I missed you, too, baby!" he says, eyes clenched as he hugs the girl.

"There were a lot of bad men," the child says.

"I know, baby, but it's all over now," Foley says, sighing deeply. "God, I love you."

Foley was cast at the suggestion of associate producer Greg Hauptner , a Palm Beach resident who had known him for years. "He was crazy about the movies," Hauptner told Vogel. (Foley was also an extra on the Florida set of "Body Heat," Vogel learned, but was lost on the cutting room floor.)

In all, the former chairman of the entertainment caucus has about 10 lines and several doleful close-ups. You kitsch-loving hipsters may scoff -- it was harder than it looked!

"In a short period of time, he had to go through a gamut of emotions," Hauptner said. "It wasn't as easy as you think it would be. He had to be sad and be stoic at the same time -- to be a strong-willed congressman who was willing to go outside the law." All in all, "he wasn't bad."

UPDATE . . .

Since last we checked in with the lurid Washingtonienne saga, sex blogger Jessica Cutler snagged a new team of attorneys (she's lost three over the past year) to defend her against an ex-boyfriend's claim that she defamed him by airing details of their love life. And she has traded snippy filings with Robert Steinbuch in federal court -- he claiming that her much-circulated blog postings in 2004 (in which he was ID'd by initials) caused him to lose out on a law professor job, she doubting his reputation was even worth the damages he's seeking (oh, snap !).

Legal sources say it likely will be well into the new year before these crazy kids work things out. The drama continues with a judge this week okaying Steinbuch's request to add as a defendant Ana Marie Cox -- founding editor of Wonkette.com, which made Cutler's blog famous. Cox, now with Time.com, declined to comment, and her former bosses did not return calls.

THIS JUST IN . . .

Â· Alberto Gonzales dropped by GWU Law School yesterday, surprising 40 students in the criminal procedure class. The attorney general talked about military commissions, terrorist surveillance and the Patriot Act and took questions for 40 minutes -- before vanishing as mysteriously as he arrived. Turns out this was all his idea: Gonzales just got a hankering for legal chat with some students, and his staff tracked down a willing prof, former DOJ lawyer Renee Lerner . "I guess he really likes teaching," she said. "The students, of course, were delighted to have him." Is the AG mulling a move to academia? "He is not ruling any options out in terms of future careers," said Justice spokeswoman Tasia Scolinos . Any more stealth visits to law schools planned? "I wouldn't rule it out."

Â· Daytime TV icon Bob Barker will come on down! from "The Price Is Right" in June after 35 years hosting the show and 50 years in TV. "I will be 83 years old," he said yesterday, "and I've decided to retire while I'm still young." Barker plans to devote more time to his animal rights causes.

ON WASHINGTON POST RADIO (1500 AM, 107.7 FM) AND ON WASHINGTONPOST.COM

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Fresno Prosecutor Heads For Iraq Duty (SACBEE)

By John Ellis

Sacramento Bee, November 1, 2006

An assistant U.S. attorney hopes to help bring law and order.

Marlon Cobar so believes in the virtue of the rule of law that he has volunteered to go to Iraq and promote it.

Cobar, an assistant U.S. attorney in Fresno, next month will start a one-year stint — with the option for a second — advising Iraqis as they work to put together a functioning legal system.

Many areas where Cobar will help already are second nature in the American legal system, such as how to make effective opening and closing arguments, how to pursue a line of questioning, how to preserve evidence and how to develop a chain of custody for prisoners.

Cobar also will give advice about human rights and ethical issues that lawyers, prosecutors and judges in Iraq might face.

"We're not going over there to take over," Cobar said. "We'll be assisting the Iraqis in taking the reins of their justice system any way they can."

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He will be stationed in an undisclosed province far from Baghdad and will be one of only eight such "Resident Legal Advisers" in the war-torn country. These legal advisers advise the U.S. Embassy and Iraq's central and provincial courts.

In total, the Justice Department has more than 200 employees and contract personnel working on law enforcement, security and justice issues in Iraq.

To date, according to the Justice Department, nearly 500 Iraqi jurists and prosecutors have been trained on topics such as human rights, criminal process and the challenges presented prosecuting insurgency and terrorist cases.

Cobar knows there will be risks — and his family is concerned, but supportive — but for an unmarried 34-year-old with a thirst to help and a taste for adventure, the chance was too good to pass up.

Getting to this point, however, was at least half the challenge.

"My colleagues there are veterans," Cobar said. "I'll be the youngest person with the least amount of time as a [federal prosecutor]."

The program dates to 2003, when an initial assessment team looked at criminal justice reform, judicial training and court policy in Iraq. In late 2004, the Justice Department sought volunteers for a second wave as it increased the program.

Cobar, a Bay Area native who has been a federal prosecutor for less than four years — including 21/2 years in Fresno — applied, but was told, basically, that he was too young.

But Cobar was left with a tempting tidbit: Stay in touch.

He was skeptical.

Around that time, Cobar, who is fluent in Spanish, began doing temporary stints in Colombia, where he trained prosecutors and agents in basic criminal trial advocacy. He has been there four times, including time in Medellin and Cali, which were at one time the power centers in the Latin American drug trade.

With that training in hand, this past January it was the Department of Justice that sought out Cobar.

The interview process was intense, and included a panel that spent half a day grilling him.

McGregor W. Scott, U.S. attorney for the Eastern District of California — which includes Fresno — had to sign off on the deal. Scott said he never gave it a second thought.

However big or small the role, he said, the Eastern District must do its part to help the Justice Department "re-establish the rule of law" in Iraq.

"The bottom line is we in the Department of Justice have a very significant role to play over there," Scott said.

And, he said, Cobar is the right choice for the job. "Marlon has a profound work ethic," he said. "He has a sense of what it is to serve" as a federal prosecutor.

With that blessing, Cobar began several months of preparation. Among them: becoming a special deputy U.S. marshal, which allows him to carry a firearm in Iraq — which he will do.

He traveled to Washington, D.C., where he went through diplomatic training, a monthlong crash course in Iraqi language, history, culture, religion and politics. He learned to recognize explosives and how to react to biological and chemical agents.

In Iraq, Cobar will trade his U.S. attorney credentials for a diplomatic passport, and he will give up ties and dark suits in favor of dress-down khaki. He will live on a secure military base and travel via convoy. He will receive hazard pay, along with his normal salary, definitely not a factor in his decision to go.

"I didn't even know I was getting hazard pay until I got into the program," Cobar said.

It won't be luxurious, and it will be dangerous, he said. But with billions being spent each month and more than 2,800 U.S. soldiers killed, Cobar said, it is vital that significant American investment pay dividends. His contribution to that end is what he knows — the law.

"One key to a sustainable democracy," he said, "is a fair and workable criminal justice system."

The reporter can be reached at jellis@fresnobee.com or (559) 441-6320.

CORPORATE SCANDALS:

Ex-CEO Of Cendant Is Found Guilty In Third Trial (WSJ)

DOJ_NMG_0089313

The Wall Street Journal, November 1, 2006

A federal jury found former Cendant Corp. Chairman Walter A. Forbes guilty of conspiracy to commit securities fraud and two counts of making false statements in a massive fraud scheme that inflated the travel and real-estate company's earnings and crippled the company's once-stellar reputation.

Mr. Forbes was found not guilty of a fourth count -- securities fraud -- in U.S. District Court in Bridgeport, Conn.

The conviction came in Mr. Forbes's third trial in three years, after juries deadlocked in trials earlier this year and in early 2005. The Cendant case was among the first in a series of corporate-accounting scandals that sparked outrage from investors in recent years, but is one of the last to reach a conclusion.

"We are gratified by today's verdict," said Christopher J. Christie, the U.S. Attorney in Newark, N.J. "The innocent victims of this $14 billion fraud engineered by Walter Forbes have waited a very long time for justice to be done. This is a great day for those who believe that everyone in our society must be held accountable for their conduct."

"It's the third time and was worth all the effort," said Michael Drewniak, Mr. Christie's spokesman. "We always believed fully in all the evidence against Mr. Forbes. We are extremely gratified by today's results."

A Cendant spokesman said, "We're gratified that after all this time justice has finally been served."

Mr. Forbes's attorney couldn't be reached for comment. Prosecutors said they expect Mr. Forbes to appeal.

New York-based Cendant was formed by the merger of HFS Inc., a travel and real-estate company, with CUC International Inc., a membership-marketing company in 1997. Within months, employees from the HFS side uncovered extensive fraud in CUC's accounting, which inflated revenue by $500 million and earnings by $252 million.

Cendant disclosed the fraud in April 1998, causing its market value to drop by $14 billion in one day. Prosecutors say that Mr. Forbes, who had been chief executive of CUC before the merger, participated in the scheme.

Mr. Forbes has argued he had nothing to do with the fraud and put the blame on underlings, saying he was out of the loop. His co-defendant, former Cendant Vice Chairman E. Kirk Shelton, was convicted last year of 12 counts of conspiracy, mail fraud, wire fraud, securities fraud and making false statements to the SEC. Mr. Shelton had been president of CUC before the merger created Cendant.

Prosecutors narrowed the scope of their charges in the third trial to four counts, down from 16 in the first trial, in a bid to avoid another hung jury, which some blamed on the months of testimony about arcane accounting procedures.

Mr. Shelton was sentenced to 10 years in prison and ordered to pay $3.27 billion restitution to the company, now called Avis Budget Group. The restitution order includes a balloon payment of $15 million and monthly installments of $2,000 after he is released from prison.

Cendant's CEO and founder Henry R. Silverman held the company together by selling off assets and jettisoning Messrs. Forbes and Shelton, but Cendant was never able to regain its premerger growth or overcome the tarnish of the fraud. In 2000, Cendant settled shareholder class-action lawsuits with a record $2.85 billion settlement.

Mr. Silverman announced a year ago that he would break up the conglomerate into four pieces. Cendant sold its travel-distribution company, Travelport, and spun off its real-estate and hospitality businesses as Realogy Corp. and Wyndham Worldwide Corp. That left the company with its rental-car brands.

Chief Guilty At Cendant In 3rd Trial (NYT)

By Stacey Stowe

The New York Times, November 1, 2006

BRIDGEPORT, Conn., Oct. 31 — It took eight years and three trials, but federal prosecutors finally won their case on Tuesday against Walter A. Forbes, the former chairman of the Cendant Corporation.

Mr. Forbes was convicted here on charges that he masterminded an accounting fraud that was considered at the time it was discovered — 1998 — to be the largest on record. Investors lost $19 billion when Cendant's stock fell after the disclosure. The Cendant fraud was later eclipsed by the scandals at Enron and WorldCom.

A jury of eight men and four women in Federal District Court deliberated for two and a half days before finding Mr. Forbes, 63, of New Canaan, Conn., guilty of conspiracy and of two counts of submitting false reports to the Securities and Exchange

Commission in overstating his company's earnings by more than $250 million. He was acquitted on a fourth count, securities fraud.

Mr. Forbes remained free on $1.2 million bail. He is to be sentenced on Jan. 17 and faces as long as 25 years in prison.

Prosecutors said Mr. Forbes inflated the income at his original company, CUC International, which merged with HFS Inc. in 1997 to form Cendant — with holdings including the Avis and Budget car rental companies and the Century 21 and Coldwell Banker real estate brokerage firms, among other businesses.

Two months ago, Cendant stockholders changed the company's name to the Avis Budget Group. Besides Avis Budget, Cendant has been broken up into real estate, hotel and mortgage financing businesses.

As the verdicts were read on Tuesday, Mr. Forbes bit his lower lip but otherwise showed little emotion. His wife, Caryn, who attended each day of the proceedings, left the courtroom after the jurors were dismissed by Judge Alan H. Nevas.

"Justice was served," said Michael Martinez, an assistant United States attorney for New Jersey, who prosecuted Mr. Forbes along with Craig Carpenito, another assistant United States attorney. Mr. Forbes's defense team declined comment.

The trial was held in Connecticut after his lawyers succeeded in having it moved from New Jersey, where HFS had its headquarters.

Defense lawyers may have considered the transfer an advantage at one point because it had the effect of delaying the trial.

But James D. Cox, a professor of corporate and securities law at the Duke University School of Law, said Mr. Forbes might have been better off if the defense not been able to delay the proceedings. Instead, the trial followed a succession of accounting and stock fraud defendants at WorldCom, Enron, Tyco and Adelphi.

"It would have occurred in an era before there was a big revulsion against such defendants, before 'C.E.O.' became a code word for felon," Mr. Cox said.

The jury foreman, David Cunningham, a business analyst from Wilton, Conn., said the jury did not think that prosecutors proved their case on securities fraud. Asked if there had been a crucial piece of evidence that swayed the jury to vote to convict on other counts, Mr. Cunningham replied simply, "We were just following the evidence."

John C. Coffee, a specialist in securities law at Columbia University Law School, said he was certain that Mr. Forbes would appeal, as is common with white-collar defendants. Given that it took three trials to convict him, Mr. Coffee added, the appellate court could be expected to give the case a high level of scrutiny.

In Mr. Forbes's two previous trials, the jurors failed to reach a unanimous verdict despite lengthy deliberations. In this trial, as in the earlier ones, his lawyers portrayed Mr. Forbes, who was paid more than $100 million as chairman and chief executive of the CUC Corporation, as a global visionary who did not get involved in the workaday operations of the company. Similar defenses were tried — also unsuccessfully — in the Enron cases of Kenneth L. Lay and Jeffrey K. Skilling.

The initial prosecution of Mr. Forbes ended in January 2005, with the jury unable to reach a verdict after an eight-month trial and 33 days of deliberations. But the jury did convict his co-defendant, E. Kirk Shelton, the former vice chairman of Cendant. Mr. Shelton, who was sentenced to 10 years in prison, is free on appeal; the United States Court of Appeals for the Second Circuit heard the appeal on Tuesday.

At Mr. Forbes's second trial, in February, jurors were again unable to agree on a verdict, this time despite 27 days of deliberations. The foreman in that case said the accounting issues were too complex.

At the trial just concluded, prosecutors winnowed their case to three weeks from four. Once again, Cosmo Corigliano, former chief financial officer of CUC, testified that the books had been cooked for years at Mr. Forbes's direction and that he and Mr. Forbes met regularly to discuss how much money would be taken from inflated reserves and used to increase profits to meet targets.

Mr. Forbes, in his third time on the stand, denied taking part in those conversations. His lawyers, particularly in closing arguments, portrayed Mr. Corigliano as a liar. He is awaiting sentencing after pleading guilty to fraud-related charges.

But in the third trial, the prosecution called a new witness: Henry R. Silverman, the former chief executive officer of HFS, who now runs one of Cendant's successor corporations. Mr. Silverman testified that Mr. Forbes lobbied him to keep the books of CUC and HFS separate and to retain CUC's auditor, Ernst & Young. Mr. Silverman also said that Mr. Forbes, who maintained that he delegated company financial details to others, in fact, presented detailed financial data to potential investors.

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The criminal conviction of Mr. Forbes, who resigned from Cendant with a $47 million severance package, followed the settlement in 2000 of a civil case, in which Cendant paid $2.9 billion and Ernst & Young, $335 million. That combined $3.2 billion settlement is, for now, the largest securities class action on record. It, too, may well be eclipsed by Enron.

Cendant Ex-chairman Found Guilty (USAT)

By Greg Farrell

USA Today, November 1, 2006

The longest-running white-collar-criminal saga of the past decade finally came to a close Tuesday in Bridgeport, Conn., where a jury found former Cendant chairman Walter Forbes guilty of conspiracy in the $252 million overstatement of his company's earnings.

The fraud, exposed in April 1998, precipitated one of the biggest sell-offs in the history of Wall Street, chopping Cendant's market capitalization by 50%, or $14 billion, in one furious day of trading. Prior to Enron, it was considered one of the largest accounting frauds ever perpetrated on investors in modern times.

The victory proved sweet for federal prosecutors from New Jersey, who have been pursuing Forbes for eight years. Two previous efforts to convict Forbes for his role in the Cendant fraud ended in mistrials, although jurors in the first trial found Forbes' top lieutenant, E. Kirk Shelton, guilty of participating in the fraud. Shelton was sentenced to 10 years in prison.

"We are gratified by today's verdict," said Christopher Christie, the U.S. Attorney for New Jersey. "The innocent victims of this $14 billion fraud engineered by Walter Forbes have waited a very long time for justice to be done. This is a great day for those who believe that everyone in our society must be held accountable for their conduct."

Jurors convicted Forbes of conspiracy as well as of two counts of making false statements, but acquitted him of one count of securities fraud. U.S. District Judge Alan Nevas scheduled sentencing for Jan. 17. Forbes' attorney, Brendan Sullivan, vowed to appeal the verdict.

Prior to the exposure of the accounting fraud at Cendant, Forbes was the widely respected CEO of Comp-U-Card International, a pioneer in the field of shopping clubs. Through organic growth and a constant stream of acquisitions, he built CUC into one of the hottest stocks of the 1990s. Prosecutors said Forbes and Shelton used reserve accounts set up for every acquisition to massage the company's income. Over several years, CUC padded its ledgers with hundreds of millions in phantom revenue.

In opening arguments to jurors last month, Assistant U.S. Attorney Michael Martinez alleged that in 1997, Forbes needed an enormous merger to keep the game going. He met several times with Henry Silverman, the billionaire investor who controlled HFS, parent company of Avis and Days Inn. The two decided to merge their companies to form a new entity, Cendant.

For the first time in three trials, Silverman testified in court. He told the jury that Forbes wanted to keep his longtime auditor, Ernst & Young, in charge of reporting CUC's financials, even after the merger was completed. As the dominant shareholder of HFS, Silverman was the biggest victim of the fraud, losing hundreds of millions of dollars in his stock's value in a single day.

Forbes testified in his own defense, saying he had no direct involvement in CUC's accounting practices, and that he relied on Ernst & Young to make sure the numbers were correct.

Cendant never fully recovered from the fallout of the fraud. Earlier this year, it split into four separate public companies.

Cendant's Ex-Chair Convicted In Fraud (WP)

By Carrie Johnson

The Washington Post, November 1, 2006

A Connecticut jury yesterday convicted former Cendant Corp. chairman Walter A. Forbes of conspiracy and filing false financial reports, bringing to a close one of the government's longest-running fraud investigations after eight years and three trials.

Forbes, 63, faces more than 10 years in prison on the charges, which stem from a $250 million earnings manipulation at CUC International Inc., which through a merger became the travel and real estate conglomerate known as Cendant.

Two previous juries had failed to reach a unanimous verdict. Prosecutors this time cut the number of charges against Forbes and streamlined the presentation of their evidence, a strategy that made the case easier for jurors to digest, legal analysts said.

Cendant's disclosure of accounting tricks eight years ago slashed the stock price in half and erased $14 billion in shareholder value, ultimately leading the company to hand over a $3.2 billion settlement to investors, which was a record at the time.

The verdict closed the book on the Cendant case, which, at the time, before scandal-infused bankruptcies at Enron Corp. and WorldCom Inc., was considered the largest accounting fraud of the past decade. It also marked the third time in recent years that jurors rejected a top executive's claim that he failed to detect accounting tricks because he only breezily reviewed financial reports and delegated the details to subordinates who deceived him.

Two other businessmen who advanced that defense, WorldCom founder Bernard J. Ebbers and Enron founder Kenneth L. Lay, were convicted of all criminal charges against them. Ebbers is serving a 25-year prison sentence. Lay died in July before he could be sentenced, and a judge last month wiped away his conviction because of legal precedent.

Yesterday, U.S. District Judge Alan H. Nevas ordered Forbes to return to court Jan. 17 for sentencing. Nevas also increased Forbes's bail to $1.2 million and barred him from making significant asset transfers without court approval. Prosecutors had presented evidence that Forbes had shifted more than $25 million to his wife and children before his first trial.

U.S. Attorney Christopher J. Christie said he was "gratified" by the verdict and pleased for victims who "have waited a very long time for justice to be done."

"This is a great day for those who believe that everyone in our society must be held accountable for their conduct," Christie said in a statement.

Prosecutors contended that a scheme to produce steady earnings growth at CUC International got out of hand but that the fraud came to light months after the company merged with HFS Inc. to create Cendant in 1997. Cendant, which housed the Avis and Budget car rental businesses, Ramada hotels, and Century 21 Real Estate operations, among others, has since split into four companies.

In Forbes's case, government lawyers scuttled a dozen charges and focused on proving just four potential crimes. After three days of deliberation, jurors in Bridgeport, Conn., found Forbes not guilty of a related securities fraud charge. That strategy of paring down a complex case also proved successful against former Tyco International Ltd. chief executive L. Dennis Kozlowski. Kozlowski's first prosecution ended in a mistrial, but he was convicted of larceny and other charges in a second attempt. He is serving a prison sentence of 8 1/3 to 25 years in a New York state facility.

Forbes's chief deputy, onetime Cendant vice chairman E. Kirk Shelton, was sentenced to 10 years in prison last year after a jury that deliberated for 33 days found him guilty of conspiracy, fraud and false statements. A trio of former Cendant executives, including finance chief Cosmo Corigliano, earlier pleaded guilty and agreed to cooperate with the government in exchange for leniency at sentencing. Corigliano was the sole insider who tied Forbes to wrongdoing.

During the brief trial, which began last month, Forbes's attorneys attacked Corigliano as a liar who engineered the fraud, then struck a deal with prosecutors that allowed him to keep millions of dollars in cash and other assets.

Cendant, which had been paying Forbes's legal bills because a company spokesman said it was "obligated" to do so, may have grounds to recover some of the money because Forbes has been convicted.

Defense attorneys Brendan V. Sullivan Jr. and Barry Simon of the Washington law firm Williams & Connolly LLP did not return calls for comment, but Sullivan told Bloomberg News that he would appeal.

Cendant’s Ex-Chairman Is Guilty Of 3 Charges (AP)

By The Associated Press

AP, November 1, 2006

NEW HAVEN, Conn. (AP) -- A jury found former Cendant Corp. Chairman Walter Forbes guilty of conspiracy to commit securities fraud and two counts of making false statements Tuesday in a massive fraud scheme that cost the travel and real estate company and its investors more than $3 billion.

He was found not guilty of a fourth count, securities fraud.

The verdict could end what was, when it was first brought, the largest case of accounting fraud in the country. The Cendant case was among the first in a series of corporate accounting scandals that sparked outrage from investors in recent years.

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The case was being tried after two previous juries deadlocked.

"It's the third time and was worth all the effort," said Michael Drewniak, a spokesman for the U.S. Attorney's office in New Jersey. "We always believed fully in all the evidence against Mr. Forbes. We are extremely gratified by today's results."

Prosecutors say that Forbes participated in a scheme to inflate the stock of Cendant's predecessor, CUC International, by $500 million. The fraud was reported in 1998, causing Cendant's market value to drop by $14 billion in one day.

Forbes has argued he knew nothing about the fraud. His co-defendant, former Cendant Vice Chairman E. Kirk Shelton, was convicted last year of conspiracy, mail fraud, wire fraud, securities fraud and making false statements to the SEC.

A message seeking comment was left with Forbes' attorney.

Shelton was sentenced to 10 years in prison and ordered to pay $3.27 billion restitution to the company, which stockholders renamed Avis Budget Group. (NYSE:CAR) The restitution order includes a balloon payment of $15 million and monthly installments of $2,000 after he is released from prison.

Forbes was chief executive officer of CUC and Shelton was president before CUC merged with HFS Inc. to form New York-based Cendant in December 1997.

CUC, which ran a membership marketing operation, merged in 1997 with HFS Inc., a travel and real-estate services company, to form Cendant. Cendant's brands included Ramada, Howard Johnson, Avis, Coldwell Banker and Century 21.

Cendant was based in New York, but the litigation has been in Connecticut because the CUC division was headquartered in Stamford at the time the fraud occurred. The case was prosecuted by the New Jersey U.S. Attorney's office because HFS was headquartered in Parsippany, N.J.

In September, Cendant stockholders changed the company's name to Avis Budget Group to reflect its Avis and Budget vehicle rental brands. Its real estate and hotel businesses were spun off as stand-alone companies and the company sold its travel distribution operations.

SEC Shines Light On Obscure Market (WSJ)

By Serena Ng And Gregory Zuckerman

The Wall Street Journal, November 1, 2006

Behind a regulatory probe into possible manipulation of Treasury prices is a strategy that helps traders make certain bonds scarcer and more valuable, say people familiar with the matter.

The Securities and Exchange Commission is investigating whether UBS AG was involved in improper manipulation of Treasury-securities prices. Separately, a Credit Suisse Group bond trader recently left the firm amid regulatory scrutiny of the market. No regulator has alleged wrongdoing by any individual or at any specific bank.

Regulators are focusing on a large and somewhat obscure corner of the market where investment banks, hedge funds, mutual funds and other investors use bonds as collateral for short-term cash loans. It is called the repurchase-agreement, or "repo," market. Wall Street uses the repo market to borrow large sums of cash quickly, and the Federal Reserve uses the market to help manage short-term interest rates.

People familiar with the government's investigation say some firms might be intentionally restraining supply in the repo market by borrowing scarce bonds and then entering deals that park a large proportion of those bonds with custodian banks, keeping them from being lent out to other traders. By constraining supply this way, traders can make their holdings -- or the holdings of clients -- more profitable.

The deals, known as triparty repurchase agreements, are part of normal trading activity, but regulators are concerned they are being abused.

The custodian banks in these cases -- banks like J.P. Morgan Chase & Co. and Bank of New York Co. -- act as intermediaries, managing the use of the bonds as collateral and ensuring funds are transferred and interest is paid on the loans.

These custodian banks aren't suspected of any wrongdoing.

Triparty repos are widely used and generally make it more efficient to finance transactions. But these arrangements "also allow firms to park scarce securities in a collateral pool without losing control of them," says Lou Crandall, chief economist at Wrightson ICAP.

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A firm that has control over the supply of a Treasury issue in high demand can profit by lending some of the bonds to other market participants and pay an interest rate on the cash it borrows that is well below the market rate.

A UBS spokesman declined to comment on the firm's trading strategy. A Credit Suisse spokesman declined to comment.

James Clouse, a Treasury Department official who in September publicly warned dealers about market manipulation, also discussed the use of triparty repos as a way for firms to control the supply of bonds.

"This strategy can be an exercise in monopoly pricing," Mr. Clouse said in the September speech.

Bond Prices Rise

Treasury prices rose, as weaker-than-expected economic data inspired investors, and the market benefited from month-end buying.

Prices climbed after the Conference Board reported a drop in consumer confidence levels for October. A decline in the Chicago Purchasing Management's regional business activity index last month also helped to push prices up.

At 4 p.m., the benchmark 10-year note was up 16/32 point, or $5 per $1,000 face value, at 102 2/32. Its yield fell to 4.610% from 4.671% Monday, as yields move inversely to prices. The 30-year bond rose 31/32 point to 96 16/32 to yield 4.721%/

Yesterday's data, coupled with last week's soft gross-domestic-product figure, left investors with a "sense the economy is going to be slower in the fourth quarter than expected," said Scott Gewirtz, head of Treasury trading at Lehman Brothers Holdings Inc. in New York. "That's helping to move the market higher," he said.

The market also was pushed by money managers buying bonds to rebalance portfolios at month end, said Michael Cheah, vice president and portfolio manager at AIG SunAmerica Asset Management in Jersey City, N.J.

McAfee Ex-Official Settles Case By A WALL STREET JOURNAL Staff Reporter (WSJ)

The Wall Street Journal, November 1, 2006

WASHINGTON -- A former McAfee Inc. treasurer agreed to pay $758,000 and accept a five-year ban on serving as an officer of a public company to settle civil charges that he aided the computer-security company's multimillion-dollar fraud from mid-1999 until he left the company in July 2000, the Securities and Exchange Commission said.

Eric Borrmann, who served in various senior positions including treasurer, settled without admitting or denying wrongdoing.

Mr. Borrmann was accused of assisting McAfee's executives and senior managers in preparing and distributing false and misleading information about the company's financial results. He also was accused of making $314,517 in illegal profits by trading on inside information about McAfee's fraud.

Earlier this year, McAfee, based in Santa Clara, Calif., agreed to pay a $50 million civil penalty to settle charges that it engaged in a fraudulent scheme that overstated cumulative net revenue by $622 million from 1998 through 2000.

An attorney for Mr. Borrmann couldn't be reached to comment.

Mr. Borrmann must return the money that he illegally earned and pay $128,529 in interest. In addition, he will pay a $314,517 civil penalty.

Power To The People By JAMES DOW And PAOLO VOLPIN (WSJ)

The Wall Street Journal, November 1, 2006

Executive compensation scandals are back, in Europe as well as in the U.S. Just think of the news during the last couple of weeks. There were stories about the backdating of executive stock options, a court ruling ordering former New York Stock Exchange boss Dick Grasso to repay tens of millions of dollars in retirement pay, the retrial of members of Mannesmann's supervisory board, the controversial BHP Billiton's bonus awards, and a 30% pay increase for Siemens CEO Klaus Kleinfeld at the same time that 3,000 of his employees lost their jobs. Whew!

Economists have traditionally taken a benign view of stock options and generous executive compensation. Basic economic theory suggests that they align management interests with shareholders'. If managers were simply paid moderate, flat salaries, why would they ever allow takeovers by a predator who might fire them, or implement painful but necessary restructurings, or take on the risks of major new investment projects?

But the excesses of the last few years have fueled the resurgence of the contrarian view: that high incentive pay can actually exacerbate conflicts between shareholder value and CEO interests. While executive pay is supposed to be awarded by

shareholders to their managers in order to improve incentives, the reality is that managers often control their own pay awards. Thus, a culture of high pay may be a signal of expropriation rather than a tool for value creation.

So is incentives-based pay a symptom or a cure for corporate governance ailments?

Let's look at some of the recent controversies. Since options backdating was unearthed last year, over 30 U.S. CEOs and board members have lost their jobs. Last Friday a court in Germany began the retrial of six former Mannesmann board members accused of giving themselves €57 million in bonuses for facilitating the 2000 takeover by Britain's Vodafone. Noel Forgeard was forced out as Airbus CEO after exercising options in March, shortly before news of delays to the company's most important project sent the share price crashing down. The Association of British Insurers (who represent approximately 20% of shareholders in all U.K. companies) has recently put out an alert after BHP Billiton awarded bonuses in excess of its stated policy without first consulting shareholders.

Some of these events suggest the possibility of serious corporate governance abuses, such as options backdating in the U.S. For a CEO to cash in options while in possession of negative inside information would also be a serious abuse, which is why the Airbus case attracted so much attention despite explicit denials from management. But in other cases, while management received a large amount of money, this may have induced an outcome that is favorable to shareholders. The Mannesmann takeover created value for its shareholders. The corporate governance problem at BHP Billiton was one of process rather than outcome: Shareholders were not particularly opposed to the compensation package in itself, but the fact that it violated the company's declared guidelines.

What is the right balance between encouraging effort and preventing top management from simply helping themselves to corporate resources?

Different countries have adopted various responses to this question, combining three main elements: better disclosure of information on executive compensation, more power for shareholders to participate in compensation decisions, and stricter ex-post enforcement via regulation and legal sanctions.

Most countries now require listed companies to disclose much more information than in the past. While continental Europe has traditionally tolerated opaque reporting, complete disclosure of individual board members' compensation, including stock options, has been mandatory in Italy since 1999, in France since 2001, and in Germany since 2006.

Traditionally, U.K. shareholders have enjoyed more power over their companies than have shareholders in other countries. For instance, they cast a nonbinding vote on the report of the compensation committee. Boards promote shareholder interests by maintaining independence from management. The CEO normally cannot also serve as chairman. Boards should have a majority of independent directors. The compensation committee must comprise exclusively independent directors, and directors who have served more than 10 years on the board are no longer considered to be independent. Similar measures have now been introduced by the main U.S. stock exchanges and Continental Europe, although they both lag behind the U.K.

Ex-post enforcement takes two forms. Securities regulators can initiate proceedings including criminal prosecutions, or shareholders can take private action. The U.S. system relies heavily on both forms of enforcement. In Enron and other high-profile cases, top executives have received heavy jail sentences which would be out of the question in most other countries. Also, the class-action system in the U.S. facilitates civil suits on behalf of shareholders. Although most countries have given increased power to securities regulators, and some such as Germany have also tried to facilitate shareholder lawsuits, none compares to the U.S. in terms of severity of punishments.

Disclosure, shareholder empowerment and ex-post enforcement are all ways of improving corporate governance. Which one is best? Disclosure not only helps but clearly is necessary: "Sunshine is the best disinfectant," as Louis Brandeis wrote. But disclosure alone cannot solve the big problems in corporate governance.

We have no doubt that shareholder empowerment is the way forward. We would like to see more mechanisms for shareholders to voice their claims as owners, such as more democratic board elections, since potential board members too often run unopposed; a more open takeover market, since incumbent managers too often can rely on various means of fending off hostile takeovers; or better representation for minority shareholders, since larger shareholders too often can abuse their power against the interests of others.

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We disagree with the view that aggressive enforcement is the key to improved corporate governance. We'd certainly like to see blatant transgressors punished, but available evidence shows that relying on enforcement by securities regulators does not suffice. If there is one lesson to be learned from the options backdating scandal, it is that even the most devious lawmaker could never anticipate and prohibit all the devices that managers might conceive to abuse their shareholders.

Mr. Dow is a professor of finance, and Mr. Volpin an assistant professor of finance, at London Business School.

Intuit Emerges Unscathed From Government Stock Option Investigation (FINDLAW/AP)

AP, November 1, 2006

(AP) - MOUNTAIN VIEW, California-Intuit Inc. said the Securities and Exchange Commission has closed its investigation into the software maker's stock option accounting practices without taking any punitive action.

The conclusion removes Mountain View-based Intuit from a long list of companies under SEC scrutiny as regulators examine whether employee stock options had been manipulated in a way that inflates profits and decreases tax bills. The SEC began its Intuit inquiry in June.

Most of the problems to surface so far have revolved around "backdating." Under this practice, insiders try to make the rewards more lucrative by retroactively pinning the option's exercise price to a low point in the stock's value. Backdating can distort a company's books if the activity isn't properly recorded.

Intuit, which makes the popular TurboTax and Quicken programs, had previously disclosed that it did not need to restate its past profits because an internal investigation found no evidence of stock options misconduct.

The U.S. Attorney's office subpoenaed Intuit for information pertaining to its stock options around the same time the SEC began its investigation. Intuit said the U.S. Attorney's office hasn't sought additional information since the company passed along the findings of its internal inquiry.

Intuit shares rose 64 cents Monday to close at $35.07 on the Nasdaq Stock Market, then added 15 cents in extended trading.

CRIMINAL LAW:

Florida Searches For Root Of Surge In Violent Crime (USAT)

By Kevin Johnson

USA Today, November 1, 2006

ORLANDO — It was another day of brilliant sunshine and big crowds last Thursday at Walt Disney World and Universal Studios.

A few hours earlier, however, and a few miles away from the resorts that draw millions of visitors each year, a grim milestone had been reached: Orange County, excluding Orlando, recorded its 50th homicide of the year, topping last year's record of 49.

Orlando itself also is reporting homicides at an unprecedented pace: 42 so far this year, nearly double the 22 slayings last year in the city of 200,000.

The escalating number of killings in the Orlando area has made it one of the most extreme examples of the increasing violent crime rates being reported in dozens of cities across the nation, according to a recent analysis by the Police Executive Research Forum, a police advocacy group.

The FBI, which issues an annual report on crime nationwide, has not released numbers for 2006. However, the police group's report led the Justice Department to launch a review of possible demographic and economic triggers for violence in cities from Philadelphia to Sacramento. Meanwhile, the FBI has directed more than 100 additional agents to help local authorities fight violent crime.

There are a range of theories on the reasons for the jump in violence nationwide, including escalating gang wars and turf fights among drug rings. The Police Executive Research Forum used its analysis to underscore its claim that the U.S.

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government's focus on counterterrorism has undermined local authorities by directing federal money away from law enforcement.

In Florida, however, the violence seems to have roots that are more complex. Local authorities such as Ron Stucker, criminal investigations chief for the Orange County Sheriff's Department, say that although traditional gangs have a presence here, most of the homicides in this area appear to have stemmed from robberies or drug-related disputes that suddenly turned violent.

Across Florida, police are reporting spikes in violence after a decade of historically low crime rates.

This month, the Florida Department of Law Enforcement reported that homicides statewide were up by 27% through the first six months of 2006, compared with the same period last year. Robberies were up about 11% from 2005, the department reported. Local officials gave similar reports:

•In Jacksonville, homicides were up 30% during the first nine months of 2006, compared with the same period last year.

•In West Palm Beach, homicides were up 50% in the first six months of this year, compared with the first half of 2005. Since then, Police Chief Delsa Bush says, murder has stabilized, but robberies have soared.

•In Miami, homicides and robberies rose during the first half of 2006. Homicides were up 15%; robberies were up 7%.

"I don't think there is a particular reason (for the violence) that can identified," Florida Gov. Jeb Bush said recently. "Yeah, I'm concerned when there is that level of violence. It's happening across the country."

Ask Stucker what's driving the surge in violence in the Orlando area, and he points to cases such as a slaying Oct. 25 outside a strip club and a brutal robbery hours earlier of a 78-year-old former sheriff's lieutenant.

Both, Stucker says, illustrate a new and increasingly deadly escalation of behavior in which offenders are quick to use lethal force. In the strip club case, an argument in the parking lot quickly became an exchange of punches and then a knife attack that killed a 24-year-old man.

Stucker and Sgt. Allen Lee, head of the Orange County Sheriff's Department's homicide division, say there was no evidence of a history of violence between the victim and an undisclosed number of suspects.

The same apparently was true of the robbery involving Paul Murphy. The retired sheriff's lieutenant was leaving a convenience store after buying a candy bar and a newspaper when he was beaten.

"It goes from zero to 100 mph and sometimes murder, just like that," Lee says. "You see minimal confrontations blow (up), and there is no hesitancy to kill."

Especially alarming, Lee says, is a rise in robbery-related homicides. At least 12 of the county's 50 killings this year have been linked to robberies, compared with three or four such incidents in recent years.

The random nature of the robbery-related murders makes it more difficult to identify and pursue suspects, he says, and has contributed to a decline in clearance rates — from near 70% in previous years to about 50% today.

"It's flabbergasting to see suspects sit across from you" during questioning, Lee says. "They talk like death is the cost of doing business, an acceptable loss."

Orlando and the University of Central Florida are reviewing homicides in the city over the past five years to try to pinpoint causes of violence. Orlando Police Chief Michael McCoy and police Sgt. Richard Ring, who directs the city's homicide unit, say researchers will analyze the connections between offenders and victims.

There is little evidence to suggest the violence is slowing the region's $28 billion-a-year resort industry, which attracted 50 million tourists to the area last year, according to the Orlando/Orange County Convention and Visitors Bureau.

The area's tourist attractions have not been immune to violent crime, however. Last Friday, one person was wounded in a shooting in a parking lot at the Universal Orlando resort.

Resort spokesman Tom Schroder says it was the first such incident in the resort's 16-year history.

Stucker says that for the most part, the local violence has been limited to the west and south sides of Orange County, about 15 minutes from the resort areas. Beyond those areas, Stucker says, he isn't sure whether most residents view the rising violence as a big concern.

"People should be concerned, because it will spill out," he says.

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Crime Continues To Rise In Montgomery (WP)

By Ernesto Londoño

The Washington Post, November 1, 2006

Crime in Montgomery County increased by 7 percent during the year's second quarter, largely driven by a sharp rise in robberies, according to statistics released yesterday.

Robberies increased by almost 68 percent during the reporting period, which ran from April to June. Another significant rise was in auto theft, which increased by 22 percent.

Taking into account the 12 percent increase in the first quarter, the county experienced a nearly 10 percent increase in reported crime during the first six months of 2006, compared with the same period last year.

Police Chief J. Thomas Manger said the increase is part of a national trend. Across the country, violent crime is on the rise, partly driven by an increase in juvenile delinquency.

"I certainly react to it in a measured way," Manger said of the second quarter statistics. "My folks have a good handle on what the trends are, the locations where these things are happening. As best as we can, we're trying to buck this national trend."

Other jurisdictions in the area, including Fairfax and Prince William counties, also recorded more robberies in the second quarter. But Prince George's County, which generally has a higher crime rate than Montgomery, says reported robberies fell significantly.

Manger said he has added slots for robbery detectives and launched initiatives, including surveillance operations, in an effort to make a dent in the robbery rate.

He said Latinos in the county are being disproportionately targeted by robbers.

"There is a trend that Latino individuals are being targeted because the thought [among criminals] is that they don't keep money in the bank and they're going to have more money on them," Manger said.

The chief said groups of juveniles, some of whom belong to gangs, are responsible for a considerable number of robberies and other serious crimes. Montgomery police says crime committed by gang members in the county is on the rise.

The chief said victims could take steps to prevent many of the crimes that are driving the numbers up.

"In our burglaries and thefts, primarily, the victims in these cases are making it awfully easy for people to steal their stuff," Manger said. "They're leaving garage doors open, leaving car doors unlocked."

The number of reported homicides rose from three to six in the second quarter and from six to 10 in the first six months. The number of rapes decreased from 37 to 31 in the quarter and from 71 to 64 in the first six months.

Aggravated assaults decreased slightly during the second quarter. Burglaries and larcenies rose about 9 percent each. Less serious crimes -- such as minor assaults, forgery, embezzlement, prostitution and drug-related offenses -- increased by nearly 5 percent.

The number of reported arsons rose considerably during the quarter, from 15 in 2005 to 34 this year.

Attorneys: No Backstory In CIA Leak Case (AP-Y)

By Matt Apuzzo

AP, November 1, 2006

Special Prosecutor Patrick Fitzgerald and former White House aide I. Lewis "Scooter" Libby agree on something: keeping Libby's perjury trial in the CIA leak case focused solely on his actions. The two are separately asking a federal judge not to allow three years of politically charged backstory in the case to seep into Libby's trial starting in January.

In new court documents, Fitzgerald argued that he shouldn't have to explain why Libby was charged while others, including the source of the leak, escaped prosecution. Libby said jurors shouldn't hear about New York Times reporter Judith Miller's 85-day jail term for refusing to discuss her conversations with him.

The court documents, filed late Monday, are an effort to keep the trial focused on whether Libby, the former chief of staff to Vice President Dick Cheney, lied to investigators about his conversation with reporters regarding CIA officer Valerie Plame.

Libby's supporters have accused Fitzgerald of singling him out while not charging the source of the leak, former Deputy Secretary of State Richard Armitage. Fitzgerald wrote Monday that discussing that issue would be irrelevant.

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"If Mr. X was investigated for leaking classified information, the government's decision not to charge Mr. X should have nothing to do with the jury's role as the finder of fact in Libby's case," Fitzgerald wrote.

The prosecutor is trying to prevent Libby's attorneys from making the argument that Libby had no reason to lie because, if he had leaked classified information, prosecutors would have charged him with it.

Similarly, Libby's attorneys said it would be unfair for prosecutors to discuss Miller's refusal to testify or the lengthy court fight involving other reporters. Miller cooperated with investigators after serving 85 days in jail.

"The introduction of these issues would undoubtedly cause jurors to wonder whether Ms. Miller went to jail in an effort to shield Mr. Libby from liability, and whether Mr. Libby is to blame for her incarceration," defense attorneys wrote.

If such testimony is allowed at trial, defense attorneys said they might have to call Fitzgerald as a witness to discuss his role in getting Miller and others to testify.

Plame believes her identity was leaked as retribution for her husband's criticism of the Bush administration's prewar intelligence on Iraq. Defense attorneys also asked a federal judge to block discussions about whether Plame's CIA status was classified or whether releasing that information jeopardized her safety or national security.

Judge Is Asked To Block Libby Defense From Discussing Lack Of Stronger Charges (NYS)

By Josh Gerstein, Staff Reporter of the Sun

New York Sun, October 31, 2006

Prosecutors are asking a federal judge to preclude lawyers for a former White House aide facing trial for lying and obstruction of justice, I. Lewis Libby, from telling jurors that the government failed to charge Mr. Libby or anyone else in connection with the event that triggered the probe, the disclosure of the identity of a veteran CIA officer in 2003.

Meanwhile, defense attorneys are seeking to prevent jurors from learning about any damage caused by the leak about the CIA operative, Valerie Plame. The defense also wants to keep the jury in the dark about the 85-day incarceration of a New York Times reporter, Judith Miller, after she was cited for contempt for refusing to testify about her contacts with Mr. Libby, who was then chief of staff to Vice President Cheney.

The legal maneuvering came as the two sides faced a deadline yesterday to file motions aimed at restricting evidence or arguments to be presented at Mr. Libby's trial, which is set for January.

The special prosecutor assigned to the inquiry, Patrick Fitzgerald, asked Judge Reggie Walton to preclude defense attorneys from discussing during the trial why Mr. Libby was not charged with deliberately outing Ms. Plame. Mr. Fitzgerald also asked to exclude any evidence about why others were not charged in the case.

"The fact that neither Libby nor anyone else has been charged with a crime for the disclosure of classified information is irrelevant to whether Libby committed the crimes charged in the indictment," Mr. Fitzgerald argued. He wrote that discussion of the government's charging decisions could lead to "unfair prejudice" and "jury nullification."

"The jury might impute to the government certain beliefs based on the decisions not to charge certain crimes and improperly draw inferences regarding the government's view of the conduct, such as the conclusion that the government believes the defendant's behavior in disclosing information was proper," Mr. Fitzgerald said.

The Justice Department selected Mr. Fitzgerald, the top federal prosecutor in Chicago, to examine whether any laws were broken in the disclosure of Ms. Plame's identity in a newspaper column by Robert Novak in 2003. Initial speculation suggested that White House officials engineered the leak because Ms. Plame's husband, Joseph Wilson, had criticized President Bush for claiming that Iraq sought nuclear materials in Africa.

It emerged recently that the initial leak to Mr. Novak came from the deputy secretary of state at the time, Richard Armitage, though other reporters have testified that they learned of or confirmed Ms. Plame's CIA employment from Mr. Libby and another White House aide, Karl Rove.

No one has been charged criminally in connection with the leak itself, though Ms. Plame has brought a civil suit against various officials.

Mr. Libby resigned after being indicted last year on charges that he lied about his contacts with reporters and about his knowledge that Ms. Plame's status was classified. He has pleaded not guilty.

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Defense lawyers asked Judge Walton to block all testimony about the legal maelstrom that surrounded the government's efforts to get testimony from reporters believed to have learned of Ms. Plame's identity from officials in the government.

The defense filing revisits a dispute about how clearly Mr. Libby informed Ms. Miller, who later left the Times, that he wanted her to testify about their discussions. Mr. Libby's attorneys have insisted that they left no doubt about the White House aide's position. Ms. Miller and one of her lawyers, Floyd Abrams, have said they picked up signals that Mr. Libby's waiver was less than voluntary. The reporter spent nearly three months in jail in Virginia before the waiver was clarified and she testified that she was told about Ms. Plame by Mr. Libby.

Defense lawyers said the details might lead the jury to think, unfairly, that Mr. Libby engineered a cover-up. "The introduction of these issues would undoubtedly cause jurors to wonder whether Ms. Miller went to jail in an effort to shield Mr. Libby from liability, and whether Mr. Libby is to blame for her incarceration," the defense team wrote.

Mr. Libby's attorneys are also seeking to exclude from the trial any talk that Ms. Plame's employment at the CIA was classified or covert. Such a ruling would leave jurors with little or no understanding of why Mr. Fitzgerald's investigation began. Instead, Mr. Libby's trial would become a sterile, seemingly-random discussion of inconsistent recollections between a former White House official and several reporters about conversations four years earlier.

However, the defense argued that such a constrained trial is the necessary result of the government's refusal to hand over documents detailing the secrecy surrounding Ms. Plame's employment. "It would be manifestly unfair to allow the government to put into issue a matter that Mr. Libby has been denied any real opportunity to investigate and contest," the defense lawyers wrote.

Mr. Libby's legal team also wants to block Mr. Fitzgerald from suggesting that Mr. Libby did anything wrong when he discussed contents of a National Intelligence Estimate on Iraq with journalists, including Ms. Miller. Mr. Libby has claimed that he was told by Vice President Cheney that Mr. Bush authorized the release of key findings in the report, which was highly-classified until that point.

One of yesterday's defense filings discloses that two other White House employees were privy to at least part of another conversation where Mr. Libby allegedly discussed Ms. Plame's CIA post with a reporter. The defense said Mr. Cheney's spokesman, Catherine Martin, and Mr. Libby's assistant, Jennifer Mayfield, were present when Mr. Libby spoke by phone with Matthew Cooper of Time magazine.

However, it's unclear whether Ms. Martin and Ms. Mayfield would have understood the import of Mr. Libby's alleged comment about the CIA operative. Mr. Cooper has said that when he said he'd been told Ms. Plame worked at CIA, Mr. Libby replied something to the effect of, "Yeah, I've heard that, too."

Mr. Cooper got his initial tip about Ms. Plame from President Bush's top political adviser, Karl Rove. Mr. Rove was investigated intensely by Mr. Fitzgerald, who ultimately decided not to seek charges.

Democrats have urged Mr. Bush to fire Mr. Rove or strip him of his security clearance. The White House has not responded to the suggestion.

Judge Walton has said he wants all written arguments on the pre-trial motions wrapped up by Nov. 17 because he is scheduled to leave for Jamaica the next day. "It is particularly important for the expeditious resolution of these motions that Judge Walton have something to work on while relaxing on the beach," he wrote in an order earlier this month.

Masilotti Grand Jury Highlights Lobbyist's Role (PALMBEACHP)

By Jane Musgrave, Tom Dubocq, Palm Beach Post Staff Writers

Palm Beach Post (FL), November 1, 2006

WEST PALM BEACH — William Boose, one of Palm Beach County's most influential lobbyists, is a central figure in the biggest corruption scandal to rock county government in nearly a century.

A federal grand jury that indicted former County Commission Chairman Tony Masilotti in a land-deal conspiracy also is looking at Boose.

In the criminal information filed against Masilotti, the grand jury found Boose helped Masilotti hide his interest in a government land deal in Martin County. When FBI agents started asking questions, Boose falsified legal bills to disguise the fact that he didn't charge Masilotti full price for legal services, according to the court record. He worked on Masilotti's land deal while

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lobbying the county commission for other developer clients. His business relationship with the commissioner never was disclosed, the grand jury reported.

No criminal charges against Boose, 62, have been made public, but he has hired attorney Jack Goldberger - a legal powerhouse who has a reputation for working with authorities to negotiate plea deals for high-profile clients. Goldberger and his client aren't talking.

Boose's friends are worried. "I talked to him about 10 days ago, roughly when he realized something major was up," said George Elmore, a long-time friend and lobbying client. "Be kind to him."

Like scores of major landowners in the county, Elmore, the multimillionaire founder of Delray Beach-based Hardrives construction, credits Boose with getting government agencies to approve large, problem-plagued projects that would have flummoxed other attorneys.

Masilotti reached out to Boose in 2002 as the commissioner plotted a scheme to profit from a Martin County land purchase by the South Florida Water Management District, a well-publicized acquisition to help clean up the Loxahatchee River. Masilotti wanted to secretly own land that the district would buy. Boose provided the vehicle: a secret land trust, prosecutors alleged.

The land deal hit a snag when the district required disclosure of who was behind the land trust. Boose, according to the grand jury, helped engineer a land swap that would hide Masilotti's $1.3 million profit.

Boose has weathered adversity before.

In the 1980s, Boose was a tanned, fit and good-looking farm boy who had a wildly successful law practice, a two-story Colonial-style house along the Intracoastal Waterway in West Palm Beach and a reputation as the man high-rollers should see if they wanted to develop property in Palm Beach County.

Then came the late-'80s real-estate crash.

"He would have been a lot better off to file for bankruptcy," Elmore recalled. "But he wouldn't because it was against his principles."

Then Elmore added with a rueful laugh, "He's concerned about his image."

The image Boose carefully cultivated, the one that kept his financial problems hidden, allowed him to weather a financial storm that might have sunk lesser men.

It's a reputation Boose developed early in his multifaceted career, which took him from a $20,000 job as the county's first planning director to the height of his profession. After graduating from law school at the University of Florida, he got real-estate and general contractor's licenses and eventually became a developer himself.

Boose helped found the company that became Touchstone-Webb Realty. He was in a partnership that developed the Northbridge Centre, the black high-rise in downtown West Palm Beach known as the Darth Vader building. He was one of the owners of the Amtrak station on Tamarind Avenue before selling it to the city of West Palm Beach for $2.5 million. He has handled scores of large-scale rezoning requests.

"He's a workaholic," said County Commissioner Karen Marcus, who has known Boose since she was a commission aide.

Her first memory of him was when she was 19 and he and another young lawyer tried to pick up her and a friend as they were leaving the courthouse. Neither she nor her friend became romantically involved with either of the attorneys, but she and Boose became fast friends.

His friendship with commissioners has been both his strength and a sore point among those who question whether it made him uniquely qualified to persuade the commission to embrace unchecked development.

"He had an inordinate amount of influence with them because he knew them," said Dorothy Wilken, a former county commissioner and clerk of courts.

After serving as the county's first director of planning, zoning and building, he opened a private land-use law practice and began lobbying the commission. Based in part on his actions, Wilken unsuccessfully pushed for a law to restrict the ability of former county staffers to lobby the commission.

It was a time when county government was ruled by a group of young men and women dubbed the Kiddie Car Gang. Though some, such as current Airports Director Bruce Pelly and Assistant County Administrator Vince Bonvento, made careers in county offices, many turned up on the other side of the podium as lobbyists.

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Boose's change of uniform was noteworthy because he had authored the county first comprehensive land-use plan, a document that won awards and rave reviews from managed-growth advocates.

"The ironic part is after assisting the county commission in adopting an award-winning land-use plan in the 1970s, he went to the other side and began to dismantle it," Wilken said. "He knew where all the loopholes were."

Former Commissioner Dennis Koehler, who was a member of the Kiddie Car Gang, said Wilken's criticism is unfounded.

In many respects, Boose was ahead of his time, he said. Long before impact fees were required of developers, Boose would force clients to donate land for parks or schools or pay for multimillion-dollar road projects to get development approval.

And, Koehler said, Boose wouldn't let his clients forget promises. "I don't think he created any loopholes," Koehler said. "He played the game straight up. I would credit Bill with influencing those kind of development contributions, and I would think that's a fine legacy."

And, those who knew him said, his rise wasn't happenstance. He set five-year plans for himself. A native of Nebraska, he went to law school in Florida because he knew it was a high-growth state. He planned his moves carefully and then worked hard to achieve his goals.

He once described himself this way: "I consider myself a B-skill player who tries to participate at an A level through intensive preparation."

The divorced father of an adult daughter, he lives with a longtime girlfriend in Palm Beach Gardens.

"He's gone through it all," Elmore said. "He's had trials and tribulations in his personal life. He takes on challenges and finds a way to solve them. He perseveres."

Fraud Charges Against 35 In Sting (PHI)

By Vernon Clark

The Philadelphia Inquirer, November 1, 2006

A Center City lawyer and 34 other people were charged with fraud yesterday in an elaborate sting operation that focused on personal injury claims from supposed vehicular accidents, the U.S. Attorney's Office announced.

U.S. Attorney Patrick L. Meehan said his office and the FBI set up a bogus chiropractic clinic, known as Injury Associates, on Roosevelt Boulevard in Northeast Philadelphia as the center of the sting, which was conducted over about three years.

Officials said those charged were divided into three groups: the lawyer, Jordan B. Luber, who obtained a legal settlement on behalf of two FBI agents posing as injured patients from a vehicular accident; 31 "patients" who sought financial recovery based on false medical diagnoses and nonexistent medical treatment for supposed injuries from vehicle accidents; and "runners" who received referral fees from Injury Associates for recruiting "patients" to the clinic while knowing the clinic was a fraudulent operation.

In the scheme, the runners got kickbacks, and the patients received paperwork that could be used to file injury claims in hopes of receiving a settlement.

Meehan said the fraud caused harm to insurance companies and their customers.

"This goes back to the ratepayers, each and every one of us who pay insurance premiums," Meehan said.

Officials said the fraudulent personal injury actions pursued by the defendants yielded more than $1.5 million in settlement demands and more than $350,000 in insurance company payments. They provided no breakdown of individual payments.

The clinic offered no medical treatments, and the patients were told up front that they were going to be part of a fraud, officials said.

Meehan said the "patients" were given ample opportunity to back out of the fraud. "Instead, they went forward," he said.

"It was simply a paper-processing mill," Meehan said of Injury Associates.

He said the paperwork was primarily false treatment records and false medical diagnoses.

The undercover agents explained to the "patients" that Injury Associates' goal was to help them support their personal injury claims by preparing paperwork to make it appear as if they were receiving treatment even though they were not, officials said.

The clinic allowed people who were in real or staged car accidents a chance to seek compensation for personal injuries based on fake or exaggerated claims, officials said.

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The defendants face maximum sentences from 60 to 210 years in prison, officials said.

35 Facing Charges In Insurance Claim Scam (PHI)

By Michael Hinkelman

The Philadelphia Inquirer, November 1, 2006

Injury Associates was not just another chiropractic clinic. In fact, it wasn't a chiropractic clinic at all.

It was part of an elaborate FBI sting carried out from 2003 to June 2006 that targeted individuals participating in phony personal-injury claims against auto insurers arising out of supposed car accidents.

A federal grand jury yesterday charged 35 individuals with mail and health-care fraud in the scheme.

Among those charged was Philadelphia lawyer Jordan B. Luber, 40, of Lafayette Hill, a partner in the firm of Luber & Cataldi, which specializes in personal-injury cases, including those received from automobile accidents.

The feds say Luber sought and obtained legal settlement on behalf of two FBI undercover agents posing as patients injured in a car accident.

Prosecutors allege Luber knew that their injuries were either fabricated or exaggerated and that they had received no medical treatment. He then allegedly negotiated a $15,000 settlement with St. Paul Travelers insurance company.

Luber allegedly pocketed a $6,000 fee and split the rest of the proceeds with the two agents. The feds want him to forfeit the money.

Luber was arraigned yesterday before U.S. Magistrate Judge David R. Strawbridge and pleaded not guilty. He was released on $100,000 bail secured by his property in Lafayette Hill.

The grand jury also charged 31 people who tried to recover claims and three "runners" who received referral fees for recruiting patients to the clinic.

Most of those charged were arraigned yesterday and pleaded not guilty.

"It was explained to these defendants up front that they were going to be part of a fraud," U.S. Attorney Patrick Meehan said yesterday. "They were given a chance to bail out and they chose to keep going."

The fake clinic offered people who claimed to have been in real or staged automobile accidents an opportunity to pursue fraudulent personal-injury claims based upon fake or exaggerated injuries.

The defendants should have been wary of the sting from the get-go. Injury Associates made clear to anyone who wanted to use their facilities that it did not provide any medical treatment or therapy but existed solely to create paperwork to support the bogus injury claims.

The paperwork consisted of false medical records and reports.

Each individual sting operation began with a meeting between patients and undercover agents. In some cases, the runner who referred the patients also attended.

Injury Associates appeared to be a legitimate clinic, operating at a storefront on Roosevelt Boulevard near Rhawn Street in Northeast Philadelphia.

Arriving patients were greeted by a receptionist and then were taken into an inner office for an initial consultation.

FBI agents then explained to potential patients how the scam worked. The meetings were both audio- and videotaped.

If a patient wanted to proceed, agents would assign injuries to the patient that would maximize the value of the patient's claim.

Agents then told the patients to report to the clinic at least once a week to sign in for the entire work week so it would appear they received treatment on numerous days each week.

Patients also were told that agents would use the sign-in sheets to describe the fake injuries which they would later submit to the patient's attorney to bolster the patient's claim.

The feds said the sting resulted in more than $1.5 million in settlement demands and $350,000 in actual insurance payments on the bogus claims.

The money was held in an escrow account maintained by the feds and later was returned to insurers.

Meehan said yesterday that the investigation is ongoing.

According to the Insurance Information Institute, bogus property and casualty claims cost insurers about $30 billion a year, a cost that is passed on to consumers in the form of higher rates.

35 Charged In Philly Insurance Fraud Sting (AP)

AP, November 1, 2006

PHILADELPHIA (AP) — Nearly three dozen people face fraud charges after federal authorities set up a phony chiropractic clinic as part of a sting operation that focused on personal-injury claims from supposed automobile accidents, authorities said Tuesday.

A lawyer, Jordan B. Luber, obtained a legal settlement on behalf of two FBI agents posing as injured patients from a traffic accident, according to federal authorities.

The 35 people charged also include 31 who sought payments based on false diagnoses and nonexistent treatment, and others who got fees from the clinic for bringing in phony patients, authorities said.

Patients at the Northeast Philadelphia clinic, called Injury Associates, were told up front that they were going to be part of a fraud, authorities said.

The scheme resulted in more than $1.5 million in settlement demands, and over $350,000 in insurance company payments on fraudulent claims, according to prosecutors.

"This kind of fraud affects the bottom line for all of us," U.S. Attorney Patrick Meehan said in a statement. "We see higher insurance rates because some choose to exploit the system."

Messages left after business hours Tuesday at Luber's office and at a number provided to reach him after hours were not immediately returned.

Safety Margin For Tunnel Was Smaller Than Most, US Says (BOS)

By Sean P. Murphy And Scott Allen, Globe Staff

The Boston Globe, November 1, 2006

Preliminary report issued

The Big Dig tunnel ceiling that collapsed in July was designed with a smaller margin of safety than other tunnel ceilings around the country, leaving nothing to prevent heavy concrete slabs from falling on a passing car when ceiling bolts fell out, according to a preliminary report by federal investigators obtained by the Globe.

The Interstate 90 connector's drop ceiling was held up by steel hangers, which were suspended from bolts that had been glued into the tunnel roof. But there were no beams attaching the ceiling to the walls, and the ceiling was constructed with half as many ceiling bolts as in the original design. "No redundancy was built into the ceiling in the event the hangers failed," the National Transportation Safety Board states in its report. "The NTSB has researched other tunnels throughout the country and has found that significant redundancy is built into the ceiling design" so that the ceilings would not collapse when bolts fall out.

The report does not reach conclusions about the cause of the ceiling collapse, because the investigation is not finished. But it shows reveals that the federal agency is looking into the adequacy of tests done to ensure the strength of the ceiling bolts and says notes that an employee of the testing contractor told investigators that testing procedures differed from what was required by the contruction contract.

The accident, which killed Milena Del Valle as she rode in a car to Logan International Airport with her husband late on July 10, already has triggered federal and state criminal investigations, a wrongful death lawsuit filed by Del Valle's family, and the resignation of the chief of the Massachusetts Turnpike Authority. But the investigation by the NTSB will carry enormous weight in assessing what went wrong and who should be punished, because of the agency's expertise in reconstructing disasters.

The preliminary report, sent to key federal officials yesterday, describes paints a picture of significant lapses by on the part of both the state government and private companies involved in the $14.6 billion Big Dig project. From the tunnel's original design in the mid-1990s to the moment of the accident, the report suggests that people involved in the project made decisions or mistakes that increased the risk of disaster, the report suggests.

For instance, the report said, officials from Bechtel/Parsons Brinckerhoff, the joint venture overseeing the Big Dig, decided to use epoxy bolts to suspend the ceiling from the tunnel's roof, even after they had switched from a lightweight material used for

the ceiling in the adjacent Ted Williams Tunnel to much heavier concrete ceiling panels to save money. Epoxy bolts, which are held in place by a kind of super glue, are rarely used to suspend such heavy objects over people's heads, according to Globe interviews with engineers who specialize in the low-cost, but somewhat delicate bolts.

Then in 1997, the NTSB found, Bechtel/Parsons Brinckerhoff managers in 1997 directed the company designing the ceiling to follow a design that "provides little or no redundancy" to prevent a ceiling collapse if more than one hanger, each held up by two bolts, comes loose. NTSB researchers found that other US tunnels around the United States commonly feature side supports or other methods that back up the primary suspension system. if ceiling bolts come out.

By contrast, the connector tunnel had no side supports, and Bechtel/Parsons Brinckerhoff persuaded the designers at Gannett Fleming to cut in half the overall number of ceiling bolts holding up the connector ceiling, according to a 1998 memo previously reported disclosed by the Globe. After the accident, state investigators found that ceiling panels in the connector tunnel could collapse if as few as four ceiling bolts fail.

The NTSB report also suggests that flaws in construction of the ceiling, carried out by Modern Continental Construction Co., may have made the design more hazardous. While offering few details, the report said FBI and State Police interviews with Modern Continental workers point to "potential problems in the procedures used during installation." In addition, epoxy samples taken from parts of the tunnel away from the accident site showed "dark brown discoloration," a sign that the epoxy was mixed improperly, diminishing weakening its strength.

The NTSB also said safety tests carried out to prove the ceiling bolts were securely in place may have damaged some bolts. An inspector from the bolt-testing company, ConAm Testing, told NTSB investigators that some bolts were tested while the concrete ceiling panels hung from them, which required workers to lift the weight off the bolt being tested - and shift it onto nearby bolts. That extra weight could have weakened weaken the strength of the bolts not undergoing the test, say engineers not connected to the Big Dig or the investigation.

The NTSB investigators also are looking at whether the bolt safety tests were rigorous enough. The Globe has reported that during construction in 1999, at least five bolts came loose soon after the connector ceiling was suspended from them, even though they had passed earlier safety tests. At the time, Bechtel/Parsons Brinckerhoff officials required Modern Continental to retest bolts in parts of the connector using stricter safety standards, but bolts in the eastbound lane, where the ceiling caved in, were not retested.

Federal investigators have found no evidence that the Massachusetts Turnpike Authority ever rechecked the ceiling bolts after the connector opened to the public in 2003, to make sure they were not slipping out, the report said. If they had, the report finds, they would have seen some bolts showing "extreme displacement." under the stress of holding up the ceiling. Some of the 5Æ-inch-long bolts had come more than an inch out of their holes, the report said.

A lot of work remains to determine what happened and who is responsible. NTSB officials plan to interview more workers who built the ceiling, and lab analysts are testing the epoxy and how it was installed.

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U.S. Supreme Court Considers Death Row Case In Florida (FINDLAW/AP)

By Pete Yost, Associated Press Writer

AP, November 1, 2006

(AP) - WASHINGTON-A death row inmate's attorney argued Tuesday that the U.S. Supreme Court should allow the prisoner's appeal to continue despite a federal court ruling that he had missed a deadline for pursuing the case.

The lawyer for Gary Lawrence said Florida courts were to blame for the tardy appeal, not the inmate.

Attorney Mary Bonner told the justices that Lawrence did not receive a court-appointed counsel to handle his appeal for 10 months, wiping out most of the time that he had under federal law to seek review of his death sentence.

The issue involves the interpretation of the Antiterrorism and Effective Death Penalty Act of 1996, which places limits on the prolonged appeals process in capital punishment cases. It imposes a one-year deadline for petitioning federal courts in death cases after final judgments in state courts.

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Under questioning by Chief Justice John Roberts, Bonner agreed with Roberts that her interpretation of the law would involve a process lasting up to six months.

"This is not a frolic" that would last years, Bonner told the court.

The state of Florida said Lawrence had just one day remaining to petition the federal courts after the Florida Supreme Court ended the case on Nov. 18, 2002. The lawyer for the convicted killer says the deadline under the law did not expire until the U.S. Supreme Court refused to consider the case several months later.

Lawrence's appeal of his conviction came up in the Florida courts at a time when the state was reforming its post-conviction review process. It took the state three attempts and 10 months to find a lawyer to represent Lawrence.

Lawrence was convicted of beating his wife's lover to death with a pipe and baseball bat, then setting the body on fire 12 years ago.

Death Penalty In Limbo For Robinson (TOPCAPJ)

By Steve Fry, The Capital-Journal

Topeka (KS) Capitol-Journal, November 1, 2006

Federal prosecutors have one month to make decision

Frank Jerome "Chicago" Robinson, a Topekan charged with starting a fire that killed Marvina Washington last summer, will have another month before learning whether he will face possible imposition of the death penalty.

A federal district judge late last week gave federal prosecutors until Nov. 30 to decide whether to seek the federal death penalty against Robinson if he is convicted of a federal count of arson.

If Robinson is convicted, the maximum penalties for arson resulting in a death are life in prison or under certain circumstances, the death penalty, a spokesman for the U.S. attorney's office has said.

Marvina Washington, 53, was killed during a fire that destroyed the apartment house she lived in at 427 S.W. Tyler. After the fire was extinguished on Aug. 8, Washington's body was recovered from her second-floor apartment.

U.S. District Judge Julie Robinson said the delay wouldn't prejudice Frank Robinson and gave prosecutors until the close of business on Nov. 30 to file notice of the prosecution's intent to seek the death penalty. Before the judge's ruling, the deadline to file the notice had been Oct. 30.

In the prosecution request for more time, U.S. Attorney Eric Melgren and assistant U.S. Attorney Anthony Mattivi didn't anticipate a decision would be made by federal prosecutors by the Oct. 30 deadline.

"As the court is undoubtedly aware, the process within the Department of Justice for determining whether or not to seek the death penalty in a particular case is both lengthy and cumbersome," the prosecution motion for more time said.

Any decision to seek the death penalty must be approved by U.S. Attorney General Alberto Gonzales.

The judge granted the postponement motion on Oct. 26. The judge will hear the motion on Dec. 18, and Frank Robinson is to be tried starting Feb. 6.

One of two tenants who jumped from a second-story window, Sheila Ansley, 43, suffered serious injuries, an affidavit said. Washington's family identified Ansley as Washington's caretaker. Ansley had told an investigator that two other people, a blind woman and a man, remained in the building, but only Washington's body was found in the debris.

A Molotov cocktail was used to set fire to the four-unit apartment house, according to court records. The fire was started in a stairwell at the front entrance of the two-story apartment house at 427 S.W. Tyler, according to an investigator's affidavit filed in federal court. The stairway led to the apartment where Washington lived.

A federal magistrate judge denied setting bond for Frank Robinson, saying that Robinson would be a serious risk to flee if released and was a danger to the community.

Investigators probing the cause of the fire and arresting Robinson were from the Topeka Police Department, Topeka Fire Department, the Kansas Fire Marshal's Office and the federal Bureau of Alcohol, Tobacco, Firearms and Explosives.

Before it burned, the apartment house was the site of drug sales, fights, prostitution and drug use, two neighbors said. The neighbors said they witnessed people smoking crack cocaine on the porch, the brandishing of guns and knives by residents, and fights and arguing, all at 427 S.W. Tyler.

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Since July 14, two men have been shot to death and a third was seriously wounded, all within a block of the fire.

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Is A Trial Unfair If Accused Can't Confront Accuser? (CSM)

By Warren Richey

The Christian Science Monitor, November 1, 2006

WASHINGTON

In 1988, Marvin Bockting was accused of sexually abusing his 6-year-old stepdaughter. The little girl told her mother and a police detective about the alleged abuse, but she became too upset to testify at Mr. Bockting's trial in Nevada.

Instead, the girl's mother and the detective testified about what she had told them of the alleged sexual assault. Bockting was convicted and sentenced to life in prison.

Now, 18 years later, Bockting is seeking to overturn his conviction based on a 2004 US Supreme Court decision in a case called Crawford v. Washington. In that case, the Supreme Court strongly reaffirmed the constitutional right to confront one's accusers in court. At the same time, the court struck down a rule that had allowed the introduction at trial of testimonial statements made by a potential witness prior to the trial.

Bockting says his trial was unfair because his jury was never allowed to gauge the veracity of his stepdaughter's accusations through the crucible of cross-examination in open court.

Wednesday, the Supreme Court takes up Bockting's case to decide whether the high court's 2004 ruling should be applied retroactively to his 1988 child-abuse trial.

If it does apply retroactively, the case would also open the courthouse doors potentially for thousands of other individuals convicted under similar circumstances, where a key piece of testimonial evidence was allowed into the trial without the constitutional safeguard of cross-examination.

Since the Crawford decision was announced, it has been cited in roughly 20 cases each week seeking reversal of a conviction, according to a friend-of-the-court brief filed by 38 state attorneys general.

"The sheer volume of judicial citations to Crawford attests to the magnitude of the potential fallout if its holding applies retroactively," the brief says. "As of July 7, 2006, nearly 1,900 reported court decisions had cited Crawford."

A decision applying the ruling retroactively could trigger not only direct appeals in criminal cases, but also subsequent appeals under the federal habeas corpus statute. "The resulting litigation would be staggering, straining the capacity of the state and federal courts," the attorneys general warn.

Bockting's lawyer, Franny Forsman, the federal public defender in Las Vegas, says such warnings are overblown. Of 49 judicial opinions dealing with the Crawford issue handed down in state and federal courts within the Ninth US Circuit Court of Appeals' jurisdiction, only five resulted in defendants being granted some form of relief, Ms. Forsman writes in her brief.

In Bockting's case, a divided Ninth Circuit panel ruled that the Crawford decision does apply retroactively. Prosecutors in Nevada appealed that decision to the Supreme Court.

Nevada Attorney General George Chanos and US Solicitor General Paul Clement are urging the high court to reject the Ninth Circuit's reasoning. They say the Crawford decision established a new procedural rule rather than the kind of monumental watershed rule whose application is indispensable to a fair trial. To trigger retroactive application, a new rule must rise to a level of such constitutional import that not applying it would be fundamentally unfair to defendants convicted under the prior legal regime.

Six federal circuit courts and numerous state appellate courts have ruled that Crawford does not apply retroactively, says Mr. Chanos. "The Ninth Circuit stands alone in its conclusion that Crawford is retroactive," he writes in his brief.

At its core, the Bockting case presents the high court with a conundrum, according to some analysts: how to acknowledge the constitutional significance of the Crawford decision without opening a Pandora's box of criminal appeals.

"I don't see how the court could say this is not a watershed rule. It is such a fundamentally different way of thinking about the problem than anything we had before," says Richard Friedman, a professor at the University of Michigan Law School and a leading confrontation-clause scholar.

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But he says it would damage the development of this area of law if the high court declared its Crawford decision retroactive.

Professor Friedman stresses that he is not an expert in legal retroactivity. But he says if the court rules in favor of retroactivity, many judges would probably embrace a more restrictive view of the right to confront one's accusers at trial.

"I would be sorry to see Crawford held retroactive because I think it would just be a dead weight around the clause," he says. "The tendency [of judges] would be to construe the confrontation right narrowly because of the horror about what the consequences would be if all these cases that had been long decided had to be opened up."

2 Men Found Guilty Of Murder In Slaying Of 14-Year-Old Witness (WP)

By Henri E. Cauvin

The Washington Post, November 1, 2006

A man accused of ordering a hit on a 14-year-old witness was convicted of murder yesterday, along with the gunman he hired to kill the girl.

The slaying of Jahkema "Princess" Hansen was as brazen a witness attack as the city had experienced, and the trial, which began in late September, cast an unsettling light on the netherworld that Hansen -- and her killers -- inhabited. Just a seventh-grader, Hansen hung out with people a lot older, and she was out buying drugs with some of them at 3 a.m. when she saw a killing that later would cost her her life.

Franklin Thompson and Marquette Ward were convicted after a trial in D.C. Superior Court that took many strange turns. Last week, the judge removed a juror in the middle of deliberations after she tried to use numbers and colors to decide the case. Earlier, Hansen's mother had to stop attending the trial after the judge rebuked her for following a juror home.

Hansen was shot in January 2004 in the rough-and-tumble Sursum Corda housing complex, off North Capitol Street, where the two defendants were familiar faces. Ward was known as Corleone, for the Mafia family portrayed in the "Godfather" films, and Thompson was known as Frank Nitti, for the feared accomplice to Al Capone.

Yesterday, as the jury foreman answered guilty again and again -- 31 times in all -- Thompson, 24, and Ward, 31, betrayed no emotion as they sat behind their attorneys. Both were convicted of first-degree murder, conspiracy to commit murder, obstruction of justice and other offenses tied to Hansen's death.

Ward also was convicted of killing a drug dealer named Mario J. Evans, 21, just five days before Hansen was slain. It was that act that set in motion the chain of violence that would end in the girl's death, argued the prosecutors, assistant U.S. attorneys Deborah Sines and Michelle Jackson.

Thompson and Ward, who will be sentenced Jan. 19, could spend the rest of their lives in prison. Arrested soon after Hansen's death, they have been jailed since.

"I feel like they got what they deserved," one juror, a 65-year-old federal employee, said afterward. "It was a heinous crime."

The trial was full of horrible images and grim testimony about sex, drugs and violence. But it also had a bit of the bizarre.

A key government witness, despite his residence in a supposedly secure D.C. jail, turned out to have been high on marijuana when he showed up to testify, prompting an unsuccessful defense effort to strike the man's testimony. Judyann Hansen, the victim's mother, drew the judge's attention after she followed a juror home one day after court and introduced herself. Nothing more apparently was said.

And then there was the juror with the interest in numerology. Soon after deliberations began, the woman started talking to her fellow jurors about birth dates and names and colors and the significance of each in predicting the outcome of the case. Talks stalled until the other jurors alerted Judge Wendell P. Gardner Jr., who replaced the juror with an alternate.

But in the end, the trial was about a precocious girl named Princess. The teenager styled herself as a sex object of Sursum Corda, sleeping with older men, according to testimony. At one point, not long before she was killed, she even boasted that her prowess was her ultimate protection. One of the men she was having sex with was Ward, who was 28 at the time.

But after he fatally shot Evans in the hallway of an apartment building, with Hansen and others looking on, Ward grew worried that she was going to talk. After secretly following her to a police station, where she had been summoned by detectives, he was convinced of it.

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In fact, it wasn't Hansen who was talking; she angrily gave police the brushoff. Another witness, Timika Holiday, was aiding police. She, too, had seen Evans slain, and she would see her friend Hansen killed as well.

In the small community in and around Sursum Corda, everyone seemed to know everyone else's business, and that made talking to the police a perilous practice.

It was a world that Hansen and her killers were part of, prosecutors say, and it was the world from which prosecutors had to draw many of their witnesses, including their star, Holiday.

But Holiday had issues of her own. She absconded from the witness protection program, and for a time prosecutors feared that she would be killed. They had her deposed so her testimony would be available for the jury to hear if she died before the trial began.

Ward's attorney, Steven D. Kupferberg, and Thompson's attorney, Rudolph Acree, did everything they could to undermine Holiday's credibility during her two days on the witness stand.

Like her friend Hansen, Holiday, now 22, was known around Sursum Corda for sleeping with older men, among them Thompson and Ward, sometimes for money, according to testimony in the trial.

"Even exchange," she called it, when asked during her testimony if what she was engaging in was prostitution.

In the days after Evans was killed, Ward was focused only on what Hansen might tell the police.

So, prosecutors said, he enlisted his friend Thompson, who lived in the neighborhood surrounding Sursum Corda and knew Hansen, to kill the girl for $8,000 -- even as Ward and Thompson were promising her money to keep quiet.

"Little sis, you best not be snitching," Thompson was alleged to have told Hansen hours before he would kill her.

What might have sounded to her like a tough-love admonition was in fact a sinister premonition of what would unfold shortly after 11 p.m. Jan. 23, 2004, in a townhouse in the 100 block of First Terrace NW.

Hansen and other children were gathered around a dining table at a friend's residence, laughing the evening away.

Sent along to make sure the hit went down, Ward's cousin peeked into the house to make sure Hansen was inside, prosecutors said.

Then, Thompson burst through the door and opened fire, prosecutors said. A 12-year-old girl was wounded. But she was not the target. Hansen was, and Thompson chased her through the house and ultimately shot her twice in the back of the head, prosecutors said.

The crime, barely a mile from the Capitol, made national headlines. The police chief ordered a crackdown on the drugs and violence that had overtaken Sursum Corda. And Mayor Anthony A. Williams (D) pushed to turn around the neighborhood for good. Over the summer, Williams gave the green light to a plan that would replace Sursum Corda with a much larger, mixed-income development of 1,600 units.

DNA Clears Man In Rape, Judge Rules (NYT/AP)

By The Associated Press

The New York Times, November 1, 2006

DALLAS, Oct. 31 (AP) — A man convicted of rape 25 years ago walked out of a courtroom a free man Tuesday after a judge ruled that he would probably not have been found guilty if DNA testing been available.

“My faith was tested, and I won,” said the man, Larry Fuller, 57, who trembled slightly as he left the courthouse carrying two worn Bibles.

After the ruling by Judge Lana McDaniel of District Court, supporters of Mr. Fuller broke out in applause. The assistant district attorney, John Rolater, who was not involved in the original case, apologized to Mr. Fuller.

“Thank you,” Mr. Fuller said. “Apology accepted.”

Mr. Fuller was sentenced to 50 years after jurors convicted him of aggravated rape in 1981, finding that he had broken into a woman’s apartment and raped her, using a butcher knife to cut her thumb, neck and back as she struggled.

The victim looked at two photo lineups, both of which included Mr. Fuller. She picked him in the second one, even though Mr. Fuller was bearded in the picture and she said her attacker had no facial hair.

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At the time Mr. Fuller was a 32-year-old Vietnam veteran who had received the Air Medal for taking care of his crew. He was pursing a career in art and had worked as a driver and warehouse employee.

Mr. Fuller had no convictions for sexual assault, but he had pleaded guilty to robbing a convenience store in 1975 and had been sentenced to three years in prison. He served 18 years on the rape conviction. He was released in 1999 but sent back last year for a parole violation.

All the while, Mr. Fuller professed his innocence in the rape case and tried to prove it through DNA. This year, the Dallas County district attorney's office agreed to allow the additional testing.

Mr. Fuller's subsequent exoneration makes him the 10th Dallas County man in five years cleared by DNA testing. More than 20 men have been exonerated in Texas by such testing, according to the Innocence Project. Nationwide, 185 people have been cleared through DNA after their convictions, according to the Innocence Project. In most cases, testimony from mistaken witness identification led to the wrongful conviction, the group said.

Duke Rape Case Shadows An Unusual Campaign (NYT)

By Duff Wilson

The New York Times, November 1, 2006

DURHAM, N.C., Oct. 31 — The Democratic candidate is the prosecutor who brought the rape case against three Duke University lacrosse players.

His opponent on the ballot is a county commissioner who filed as an independent but refuses to campaign and says that if elected, he will not serve.

The third candidate is a Republican lawyer who is mounting a write-in campaign and promising to review the rape case, but is being pressured by the prosecutor's opponents to drop out in favor of the independent.

A week before Election Day, the race for Durham County district attorney is as odd a political campaign as anyone here can recall. The controversial lacrosse case looms over the incumbent, Michael B. Nifong. The opposition, under the banner of Anyone but Nifong, is fractured.

"The whole thing is very strange," said Joseph H. Collie, a retired businessman and supporter of the write-in Republican, Steve Monks.

Mr. Nifong's campaign director, Julie Linehan, remarked: "We have a saying here — O.I.D. Only in Durham."

After all the accusations and commentary that the case has generated around the country, there is mostly silence at the heart of the campaign: little advertising, no debates and no platform by the leading opponent except that if he should win, the governor will pick somebody else. Still, to the extent there is any campaign at all, it is because of Mr. Nifong's handling of the case against the three players, all white, accused of rape by a black woman hired to strip at a team party in March.

In a normal year in this heavily Democratic city, the Democrat would be a shoo-in. But this is not a normal year. Although Mr. Nifong by all appearances is the clear front-runner, a recent survey of 600 likely voters by WRAL-TV and The News & Observer of Raleigh found that 28 percent favored Lewis A. Cheek, the candidate who says he will not serve if elected. Forty-six percent favored Mr. Nifong, but 24 percent were undecided. (Mr. Monks got only 2 percent.)

An Oct. 5 fund-raising letter from the Cheek campaign, signed by a retired sheriff, Roland W. Leary, and the campaign manager, Beth Brewer, said, "We deserve honesty, integrity, good judgment and a sense of fair play."

In an interview, Ms. Brewer was blunter, saying Mr. Nifong "twisted evidence he may or may not have to indict what I think are some pretty demonstrably innocent young men."

Out-of-state money from Duke supporters has also entered the campaign. Parents of two unindicted lacrosse players donated $5,000 to establish a group called Duke Students for an Ethical Durham, aimed at registering Duke students to vote against Mr. Nifong. The group's treasurer, Stefanie Anne Sparks, a paralegal in a law firm that has represented unindicted players, said the group had registered more than 1,000 new voters.

Mr. Nifong has been under attack for months by the defense and supporters of the lacrosse players for aggressively pursuing a case based almost entirely on the account of the accuser, which he acknowledges he has heard only from police reports and written statements, and not directly by speaking to her.

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The flaws and gaps in the evidence have mounted. No DNA from the defendants was found on the dancer. At least one of the accused appears to have a strong alibi. A second woman hired to strip at the party has said she saw no evidence of an attack. And the array of photographs that led to the identification of the three defendants was not presented according to federal, state and local police guidelines for lineups.

The accusation against the players, by a student at predominantly black North Carolina Central University here, broke last March in the midst of a tough Democratic primary campaign for district attorney, and Mr. Nifong, who ultimately won that election, has been accused of seizing on the case to win black support. At the time, he asserted that he had "no doubt" a rape had occurred, and called the lacrosse players "a bunch of hooligans" whose "daddies could buy them expensive lawyers" whenever they got into trouble.

"I'm not going to allow Durham's view in the minds of the world to be a bunch of lacrosse players at Duke raping a black girl from Durham," he told a local television station.

In a recent interview, Mr. Nifong was defiant about pursuing the case in the face of defense attacks and questions about the strength of the evidence.

"They've come out really strong with the idea they would either scare me or the victim away," he said. "That's never worked for me, which they should know by now, and it didn't work for her, either. And so here we are."

Even if Mr. Nifong loses, it is unclear how the case will be affected. Mr. Cheek said that he tried twice this year to get Mr. Nifong to hand off the case to the state attorney general, and that he allowed the anti-Nifong campaign to put him up as a candidate when the district attorney refused. But because he has decided that he does not want to leave private practice, a victory by Mr. Cheek would mean that Gov. Michael F. Easley would have to pick a successor to Mr. Nifong. The governor, a Democrat, has not made his views on the case known publicly.

Mr. Monks, the Republican candidate, who is running on the slogan "It's Your Choice. Not the Governor's," said that if elected he would review the evidence carefully to make his own determination, but that "this case might very well have to go to trial."

Meanwhile, Mr. Nifong's supporters are trying to cast him as an experienced prosecutor and a neophyte politician. He has been a prosecutor for 28 years and says he has handled about 300 felony cases, but he is engaged in his first political race, having been appointed acting district attorney in April 2005.

"He's a good person, he's a good lawyer, but he's in a situation he has never been in before," said Ronald L. Stephens, a local judge who was district attorney before Mr. Nifong.

Last month Mr. Nifong won the endorsement of the city's most influential political group, the Durham Committee on the Affairs of Black People. His supporters are predicting that whatever controversy the case has generated will not determine the outcome at the polls.

"People who are upset about the lacrosse case, they will be vocal but I don't think significant," said Frank Hyman, a former city councilman and longtime political observer, who backs Mr. Nifong. "I think most people are going to recognize this needs to be settled in court and not in the press."

Boy, 15, Arrested After 'Bottle Bomb' Blows Up Near School Bus (WP)

By Ernesto Londoño

The Washington Post, October 31, 2006

A 15-year-old Rockville student was arrested yesterday afternoon after a homemade "bottle bomb" he was about to bring onto a school bus exploded as a teacher discarded it, Montgomery County Fire and Rescue Service officials said.

A teacher at Mark Twain School who saw something suspicious approached the student -- whom authorities did not identify because he was charged as a juvenile -- as he was getting ready to board a school bus. As the teacher seized the two-liter bottle, its contents were activated by the movement, leading to an explosive chemical reaction.

The homemade bombs are unusual but easy to make, officials said.

"They're made to explode and can cause significant damage," said Pete Piringer, a spokesman for the fire and rescue service. "They're very dangerous to first-responders."

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Firefighters were called to the school, at 14501 Avery Rd., shortly after the bottle detonated at 2:30 p.m. Investigators believe the bomb was made with common household products. It is unclear what the teenager sought to do with the bomb, Piringer said.

The student was charged with manufacturing and possession of an explosive device -- a felony punishable by up to 25 years in jail -- and reckless endangerment.

Most students who attend Mark Twain have special education needs, such as learning disabilities and behavioral problems

Auditor Reports Contract Lapses By Reiner Panel (LAT)

By Dan Morain

The Los Angeles Times, November 1, 2006

SACRAMENTO — A state commission chaired by Hollywood entertainer Rob Reiner suffered from lapses in its contracting, failed to properly award millions of dollars and did not adequately justify many of its payments, according to a state audit released today.

The nonpartisan California Bureau of State Audits found that the California Children and Families Commission, also known as the California First 5 Commission, used tax money to overpay for some services and failed to follow state rules when it awarded some contracts.

"We found a number of problems with the way it awards and manages these contracts," the report said, referring to the tens of millions in advertising and public relations contracts awarded since the commission was created after voters approved Proposition 10 in 1998.

"As a result, the state commission paid for services it had not contracted for, effectively preventing that money from being used to further the other activities allowed by the contract, namely purchasing printed ad space or broadcast media time," the audit said.

After a six-month investigation, the audit team concluded that the commission violated no laws when it aired television commercials last winter touting the benefits of preschool at the same time Reiner began a campaign to place an initiative on the state ballot to create universal preschool. Voters rejected that initiative, Proposition 82, in June.

"Our review determined that the state commission had clear legal authority to conduct its public advertising campaigns related to preschool," the auditors found.

Legislators requested the audit after The Times reported that the commission had used public money to pay for $23 million in preschool ads as the initiative campaign was launched.

Reiner resigned as the commission's chairman in March. He had created the First 5 Commission by sponsoring Proposition 10, which raised tobacco taxes to pay for early childhood health and education programs.

The audit said the "content of these advertisements and their timing were consistent with applicable legal restrictions related to the use of public funds for political purposes and confirmed that the state commission did not contribute any of its public funds to campaign accounts used to support the various ballot measures."

News accounts and criticism from politicians had raised two questions: Did the commission use public money to promote Reiner's political goals of creating universal preschool and did the commission's outside advertising and public relations firms get involved in the campaigns?

"On those two issues, the state audit confirms what we've said all along: that the First 5 Commission's advertising to promote universal preschool was appropriate and legal," said Reiner's spokesman, Mark Fabiani, adding that the commission never confused its public work with Reiner's political advocacy.

Reiner could not be reached for comment.

The commission answered the auditors by saying it "is deeply committed to making itself a model for state contracting practices, and has already begun to implement new policies and practices and improve staff training."

Among its findings, the audit said the commission:

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Did not follow state policy when it used a competitive process to award three contracts valued at more than $47.7 million and failed to provide sufficient justification for awarding one $3 million contract and six amendments totaling $27.6 million using the noncompetitive process.

Paid $1.2 million more than it should have for administrative overhead because it did not follow state policy that limits such payments.

Paid invoices totaling $673,000 in 2002 and 2003 for fees and expenses of a contractor's employees. These payments violated the contract, "effectively preventing these funds from being used to further other activities that were allowable under the terms of the contract."

Such problems "caused the state commission to make some questionable payments to contractors for items such as laptop computers valued at $10,000, food catering costs and monthly parking fees," the audit said.

Security Firm's Founder Gets Detention For Fraud (WT)

By Jim Mcelhatton

The Washington Times, November 1, 2006

The founder of a D.C. security firm that has become bankrupt was sentenced yesterday to eight months' home detention and five years' probation for illegally diverting hundreds of thousands of dollars from a payroll account.

Jeffrey N. Jackson, 44, a former chief executive of Unlimited Security Inc. and part-time boxing promoter, also was ordered to pay $361,000 in restitution.

He was sentenced in U.S. District Court in the District.

Jackson and his brother founded Unlimited Security in the early 1990s. Within a decade, the company had hundreds of employees and tens of millions of dollars in federal and city security contracts.

But the company went bankrupt in 2002. According to bankruptcy filings, the company's finances were entangled with Jackson's boxing-promotions business.

Earlier this year, Jackson pleaded guilty to one count of bankruptcy fraud, admitting that in 2003, he illegally diverted more than $370,000 from a payroll account.

Charging documents stated that Jackson took the money "for his personal use, primarily for the funding of a private professional boxing promotion business."

The Washington Times first reported on the company's questionable expenses and financial troubles last year.

Yesterday, Jackson, the one-time promoter for former heavyweight boxing champion Riddick Bowe, said that he took the payroll money to help keep the company afloat.

"I wanted to do something to get the company out of bankruptcy," he said.

He said he wasn't prepared for his company's fast rise and fall.

"Success came so quickly that I didn't realize the situation I was in," Jackson said.

In allowing Jackson to remain out of prison, U.S. District Court Judge Ricardo M. Urbina departed significantly from federal sentencing guidelines.

The guidelines had called for Jackson to receive at least two years in prison.

Prosecutors thought Jackson should go to prison.

"This case, although it is a financial case, involves the integrity of the bankruptcy system," Assistant U.S. Attorney Daniel Butler said.

Defense attorney G. Allen Dale said that Jackson quickly admitted his guilt and has been making restitution.

"The crime was not one to benefit himself personally," Mr. Dale said.

Judge Urbina cited a recommendation from U.S. probation officer Kelly Kraemer-Soares that Jackson should not go to prison.

He also said Jackson's job as an executive at District-based Innovative Security would help him repay his debt faster.

The judge warned Jackson that he would sentence him to the maximum five years in prison if Jackson fails to adhere to guidelines of probation.

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Jackson also was sentenced to undergo weekly drug tests and complete 250 hours of community service.

CIVIL LAW:

Supreme Court Hears Appeal Of $79.5M Judgment (USAT)

By Joan Biskupic

USA Today, November 1, 2006

WASHINGTON — An attorney for a smoker's widow urged the Supreme Court on Tuesday to uphold a 1999 jury verdict that imposed a huge penalty on Philip Morris based on the tobacco giant's publicity campaign that played down the dangers of smoking.

Robert Peck told the justices that an Oregon jury that assessed punitive damages in the lung cancer death of Jesse Williams rightly considered how other smokers across the state were affected by Philip Morris' campaign. "This was a massive, market-directed fraud … to deceive customers and knowingly endanger their health," said Peck, asking the justices to spurn an appeal of a $79.5 million punitive damages award.

Mayola Williams sued the cigarette-maker for fraud and negligence after her husband, Jesse Williams, a Portland school janitor and three-pack-a-day Marlboro smoker, died in 1997. The jury's punitive damages award was 97 times the award it gave for actual damages. (Punitive damages are intended to punish a defendant and deter future wrongdoing.)

The Oregon Supreme Court upheld the verdict, saying the huge punitive damages award was permissible because of Philip Morris' "extraordinarily reprehensible" conduct.

Philip Morris, which makes Marlboros, contends the punitive damages were unconstitutionally excessive because they were so disproportionate to the actual damages and because jurors considered the company's impact on smokers not part of the case.

The dispute gives the justices a chance to clarify guidelines for awarding punitive damages. For decades, the court gave great leeway to state juries. In recent years, however, the court has begun to rein in damage awards. In 2003, the court said punitive damages that are more than 10 times the actual damages could be presumed excessive and in violation of the 14th Amendment's guarantee of due process of law. A question in this case is whether Philip Morris' conduct was so egregious that it justified an award beyond those guidelines.

On Tuesday, however, much of the hour-long session for oral arguments revolved around what Oregon jurors may have weighed as they levied the damages. There appeared to be a chance the justices would return the case to Oregon for more hearings.

Peck said the jury properly looked at how Philip Morris' publicity campaign endangered smokers who were as addicted as Williams, but it did not look at individual harms to other smokers.

Andrew Frey, representing Philip Morris, said jurors should have been specifically warned that they could not try to punish the company for harm to others who might end up bringing lawsuits.

Justice David Souter said it was difficult to know what the jury had in mind. He also said that a jury instruction proposed by Philip Morris at trial was unclear, so it would be difficult to fault the judge for disallowing it. Chief Justice John Roberts observed that juries must follow "a fine line" between considering the "reprehensibility" of a company's misconduct but not punishing it for specific harm to parties outside the case.

Philip Morris Asks Court For Relief (WP)

By Charles Lane

The Washington Post, November 1, 2006

The Supreme Court heard a tobacco company's plea for relief from a $79.5 million punitive damages award yesterday, in a case that could illuminate the Roberts court's approach to tort reform.

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In recent years, the court has helped the business community on the punitive-damages issue, ruling that excessive awards violate companies' constitutional rights. But yesterday's case may be especially significant because the firm seeking help is tobacco company Philip Morris, and it has been found liable not for bilking a consumer out of money, but for actually killing him.

A ruling in Philip Morris's favor would suggest that the court is so concerned about high punitive damages that it would protect even an unpopular corporate defendant. For their part, consumer and anti-smoking groups hope that the court will rule against Philip Morris -- and show thatpunitive-damage limits do not apply to especially reprehensible conduct.

By the end of oral arguments yesterday, however, it seemed that the court was reluctant to rule broadly in either direction.

Instead, several members of the court, including some who had supported its recent limits on punitive damages, suggested that the best way to handle the case would be to send it back to the Oregon Supreme Court for clarification of technical state law issues.

"What's worrying me about this case is . . . that we're going to be in a kind of bog of mixtures of constitutional law, unclear Oregon state law, not certain exactly what was meant by whom in the context of the trial, et cetera," said Justice Stephen G. Breyer, who voted in favor of the court's previous decisions limiting punitive damages.

Justices Antonin Scalia and Ruth Bader Ginsburg, who dissented from those decisions, made similar points, as did Justice David H. Souter.

Compensatory damages are usually awarded to compensate for economic losses or pain and suffering. About six states do not have punitive damages. Elsewhere, punitive damages may be added -- subject to statutory limits in some states -- to deter and punish corporate misconduct.

Businesses say that the patchwork of state laws, coupled with the unpredictable behavior of juries, has left them at the mercy of an expensive and arbitrary system. Consumer organizations and trial lawyers say punitive damages are often the only effective means to combat corporations' wrongdoing.

In 1996, the Supreme Court sided with business. It overturned a $4 million punitive-damage award to an Alabama man who had sued a BMW dealer for selling him a repainted car instead of a new one.

For the first time, the court declared that the constitutional right to due process of law meant that companies may not be subject to disproportionate punitive damages.

In 2003, the court broadly defined what qualifies as an excessive award, suggesting that punitive damages should normally be no more than nine times as large as compensatory damages.

Yesterday's case, Philip Morris v. Williams , No. 05-1256, began with a lawsuit in Oregon by Mayola Williams, the widow of Jesse Williams, a lifelong Marlboro smoker who died of lung cancer in 1997.

She alleged that the company had knowingly lied when it minimized the health risks of smoking in public statements beginning in the 1950s and stretching over four decades thereafter. Jesse Williams repeatedly referred to those statements in explaining his refusal to quit smoking.

In 1999, an Oregon jury found Philip Morris liable for fraud. It awarded Mayola Williams $821,000 in compensation and assessed the company $79.5 million in punitive damages, a ratio of punitive to compensatory damages of 97 to 1 .

The Oregon Supreme Court has upheld the award, even after the Supreme Court asked it to reconsider in light of its ruling outlining a maximum punitive-compensatory ratio of 9 to 1.

"This was a massive, market-directed fraud driven by their rational and deliberate decisions at the highest levels of the company to deceive customers and knowingly endanger their health," Williams's lawyer, Robert S. Peck, said yesterday. "And so this is the misconduct Oregon is seeking to deter."

Philip Morris alleges that the trial judge violated the Constitution when he refused Philip Morris's request to bar the jury from punishing the company for harm it caused other smokers than Jesse Williams.

The jury instruction Philip Morris had proposed would have told jurors that they could "consider" the impact of the company's conduct on other smokers but not punish it.

Several justices thought the instruction was so unclear that it would not have necessarily helped Philip Morris anyway.

"I don't know how a juror is supposed to figure this out," Souter said.

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Members of the court also pointed out that the instruction might have violated an Oregon law allowing jurors to assess punitive damages based on probable harm to others in the state.

High Court Appears Reluctant To Alter Punitive-Damage Law Several Justices Suggest Philip Morris's Appeal Be Returned To Lower Court By JESS BRAVIN (WSJ)

The Wall Street Journal, November 1, 2006

WASHINGTON -- The Supreme Court seemed reluctant to move the law on punitive damages, with several justices suggesting during oral arguments on the term's most closely watched business case that it could be returned to a lower court for clarification rather than decided here along constitutional principles.

At issue is a $79.5 million punitive damage award to a cigarette smoker's widow who sued Philip Morris USA, a division of Altria Group Inc. A state court jury in Oregon made the award, about 97 times the compensatory damages it also awarded, after the trial judge rejected Philip Morris's request to instruct jurors to ignore "alleged harms suffered by nonparties." Oregon's high court upheld the verdict, finding it comported with U.S. Supreme Court rulings that imposed constitutional limits on punitive awards.

CASE DOCKET

Read the case docket for Philip Morris v. Williams1, courtesy of Findlaw2.

Philip Morris felt otherwise, and the justices agreed to consider two grounds of appeal: whether the jury could award damages for harm to nonparties and, in any case, if a 97-to-1 punitive-to-compensatory damage ratio is automatically excessive.

In the past decade, business has won two major rulings that rolled back blockbuster punitive damage awards, money intended to punish a defendant for its behavior and deter repetition. In each case, the court ruled the awards violated the 14th Amendment's Due Process Clause.

The justices in 1996 threw out a $2 million punitive award a consumer won after learning that the seller concealed the fact that his new BMW had been damaged and repainted before sale. A 5-4 court, in an opinion by Justice John Paul Stevens, found the amount "grossly excessive" after considering the actual damages the plaintiff suffered, civil penalties for similar misconduct and the defendant's "degree of reprehensibility."

Then in 2003, in a 6-3 opinion by Justice Anthony Kennedy, the court rejected a 145-to-1 punitive-to-compensatory damage ratio. A Utah court had awarded the damages to a policyholder who contended State Farm Mutual Automobile Insurance Co. had misled her into believing it would cover her liability for a car accident. The court suggested that "single digit multipliers are more likely to comport with due process" than larger ones.

The Philip Morris case promised to be the third act in punitive damages, presenting issues absent from the previous two opinions. Only financial losses were at issue there, but the cigarette lawsuit dealt with sickness and death, in what the jury found to be a decades-long fraud to mislead the public about the dangers of smoking. The outcome could affect tobacco companies and other industries whose long-term conduct potentially harmed large numbers of victims.

WSJ.com's Law Blogger Peter Lattman4 talks with Legal Editor Ashby Jones about arguments before the Supreme Court involving the constitutionality of punitive damages in a tobacco case.

Philip Morris's attorney, Andrew Frey, told the justices that the Oregon Supreme Court had rejected the proposed jury instruction because it improperly held it acceptable to award damages for harm to nonparties. Several justices weren't so sure, and Justice Antonin Scalia, who agreed that nonparty harm can't be a factor, nonetheless suggested the Oregon court could have found Philip Morris's instruction improper for other reasons.

"We can say that was error and remand it to them," Justice Scalia said. "That might not make anybody happy," but it would dispose of the case by letting the Oregon court clarify its reasoning.

The justices barely reached the second issue -- whether there was an absolute rule against damages beyond a certain formula. No justice disagreed when Justice Stephen Breyer, who voted with the BMW and State Farm majorities to limit punitive damages, suggested that some conduct could be so reprehensible as to warrant a 100-to-1 punitive damage ratio.

Write to Jess Bravin at jess.bravin@wsj.com5

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Justices Weigh Limits On Punitive Damages (NYT)

By Linda Greenhouse

The New York Times, November 1, 2006

WASHINGTON, Oct. 31 — The Supreme Court is accustomed to drawing fine lines. But during arguments on Tuesday on the limits the Constitution places on punitive damages, the proposed line between the permissible and the unconstitutional was so fine that the justices appeared close to giving up.

The result was that a case widely anticipated to produce the most important business ruling of the Roberts court so far looked likely instead to end with a trip back to the Oregon Supreme Court for clarification.

That court upheld an award of $79.5 million in punitive damages against the cigarette maker Philip Morris in a lawsuit brought by the widow of a man who smoked two packs of Marlboros every day for 45 years. The man, Jesse Williams, died five months after a diagnosis of inoperable lung cancer in 1996.

The jury had awarded his widow, Mayola, compensatory damages of $821,000, meaning that the ratio of punitive to compensatory damages was 97 to 1. That was far greater than the "single digit" ratio the Supreme Court placed at the outer limit of constitutionality three years ago, the last time it decided a punitive damages case.

Philip Morris's lawyer, Andrew L. Frey, argued that the Oregon courts had allowed the jury to punish the company for the harm to other Oregon smokers who had not filed suit. Mr. Frey said this had allowed a single plaintiff's case to be turned into "a one-way class action in which Philip Morris was exposed to global punishment by the jury without any of the protections of a class action."

There was general agreement during the argument, including by Mrs. Williams's lawyer, Robert S. Peck, that awarding damages on the basis of injury to nonplaintiffs was impermissible under the Supreme Court's recent precedents.

But there was no agreement on whether that actually happened. Mr. Peck argued that the Oregon courts had simply permitted the jury to consider harm to others, not to impose "global punishment" but as part of its assessment of the "reprehensibility" of the cigarette company's behavior, a factor that the Supreme Court's precedents permit juries in punitive damages cases to consider.

The basis for the lawsuit was the claim that Philip Morris's strategy of denying the connection between smoking and cancer deceived Mr. Williams into believing that he could safely keep smoking.

"This was a massive market-directed fraud driven by their rational and deliberate decisions at the highest levels of the company to deceive customers and knowingly endanger their health," Mr. Peck told the justices. The Oregon Supreme Court, in upholding the award, called Philip Morris's conduct "extraordinarily reprehensible, by any measure of which we are aware."

The United States Supreme Court has been deeply split on the punitive damages question, with three justices, Antonin Scalia, Clarence Thomas and Ruth Bader Ginsburg, rejecting the idea that the Constitution's guarantee of due process places a limit on what states can permit juries to award.

With the departure of William H. Rehnquist, the former chief justice, and Justice Sandra Day O'Connor, both of whom supported due process limits on punitive damages, the known margin of support for the court's precedents fell to 4 to 3, with the views of Chief Justice John G. Roberts Jr. and Justice Samuel A. Alito Jr. unknown.

The court's decision last May to hear the Philip Morris appeal, Philip Morris USA v. Williams, No. 05-1256, suggested an effort to find a new center of gravity on an issue of considerable interest to the business community.

But the problem that emerged during Tuesday's argument was the justices' evident concern that they lacked a basis for deciding whether, on the one hand, the Oregon courts had improperly allowed jurors to take into account the harm to nonplaintiffs, or on the other hand, had properly allowed consideration of the reprehensibility of the conduct by Philip Morris, a unit of Altria. Finding the Oregon Supreme Court's opinion insufficiently clear on this basic point, the justices would be unable to use the case as a vehicle for taking their consideration of punitive damages to the next level.

"What's worrying me," Justice Stephen G. Breyer said to Mr. Frey, "is that we're going to be in a kind of bog of mixtures of constitutional law, unclear Oregon state law, not certain exactly what was meant by whom in the context of the trial, et cetera."

And Justice David H. Souter, referring to the Oregon Supreme Court, asked Mr. Peck: "Isn't perhaps the better course to send this back to them and say, 'We don't know what you mean?' And let them tell us clearly."

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The confusion was evident at the beginning of the argument, when Mr. Frey said the Oregon trial court had improperly refused to use a jury instruction proposed by Philip Morris "which would have told the jury that it was not to punish for harm to nonparties."

The proposed instruction said that "although you may consider the extent of harm suffered by others" in deciding whether the punishment bore a "reasonable relationship" to the injury to Mr. Williams, "you are not to punish the defendant for the impact of its alleged misconduct on other persons, who may bring lawsuits of their own."

The failure to give this instruction was part of the denial of Philip Morris's right to due process, Mr. Frey said.

But several justices said they found the instruction confusing and unlikely to have steered jurors away from an improper basis for awarding damages.

"You don't think that would confuse the jury if they are first told that they may consider the extent of harm suffered by others, and then the next instruction seems to say they can't?" Justice Ginsburg asked Mr. Frey.

"The concept may be abstract," Mr. Frey replied, insisting that there was a "difference between considering and punishing" that a proper jury instruction would have made "quite clear to the jury."

Tobacco Judgment Blocked

WASHINGTON, Oct. 31 (AP) — A federal appeals court blocked a landmark judgment against the tobacco industry on Tuesday, allowing the companies to continue selling "light" and "low tar" cigarettes until their appeals can be reviewed.

The decision by the United States Circuit Court of Appeals for the District of Columbia also allows the companies to continue for now the advertising campaigns that a federal judge in August ruled were misleading.

Without comment, the appeals court granted the tobacco companies' request to put Judge Gladys Kessler's order on hold. They have argued that her far-reaching ruling could cost them millions of dollars and lead to a loss of customers.

In mid-August, Judge Kessler ruled that the companies had violated racketeering laws and conspired for decades to mislead the public about the health hazards of smoking.

She ordered tobacco companies to stop labeling cigarettes as "low tar," "light," "ultra light" or "mild," because such cigarettes have been found to be no safer than others because of how people smoke them.

Judge Kessler's ruling was appealed by Philip Morris USA, Lorillard Inc., Brown & Williamson Tobacco Corporation and British American Tobacco.

Justices May Return Punitive Damages Case To Oregon High Court (LAW)

By Tony Mauro, Legal Times

Legal Times, November 1, 2006

The Supreme Court's long-awaited oral argument in the "Big Tobacco" punitive damages case appeared to fizzle on Tuesday, with several justices hinting that they'd like to kick the case back to the Oregon Supreme Court for clarification.

Instead of delving deeply into the contentious debate over the constitutionality of high punitive damages in the context of tobacco litigation, the justices seemed troubled over more technical matters during hourlong arguments in Philip Morris USA v. Williams.

But there were some signs that if the high court decides to keep the case and rule on it, the justices might be willing to uphold the large verdict in the Philip Morris case, in spite of Court precedents that point toward limiting punitive damages.

In the State Farm v. Campbell decision in 2003, the high court suggested that a 9-to-1 ratio between punitive and compensatory damages was the outer limit of acceptability under the Constitution, though it said some cases could warrant higher punitive damages.

But at oral argument Tuesday, there was scant mention of ratios and a greater climate of deference toward state courts and how they handle punitive damages without federal strictures. The result could be the Court tolerating a "tobacco exception" to State Farm that would allow higher damages because of evidence of decades of industry fraud and deception over the dangers of smoking.

But much of the argument Tuesday was taken up with the smaller-gauge issue of jury instructions that were not allowed in the 1999 trial at issue in the case. Portland, Ore., jurors awarded Mayola Williams $821,485 in compensatory and $79.5 million

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in punitive damages levied against Philip Morris -- a 97-to-1 ratio between punitives and compensatories. Her husband, Jesse, died in 1997 after four decades of smoking Marlboros.

Philip Morris had sought a jury instruction at trial that would keep jurors from imposing punitive damages for harm suffered by nonparties, namely other Oregon smokers besides Williams. The trial judge's denial of that request figured in the tobacco company's appeal of the verdict, but the Oregon Supreme Court said the trial judge's decision was proper under state law.

Justices on Tuesday seemed bothered by the fact that the jury instruction sought by Philip Morris would have told jurors that they could consider the harm to others inflicted by Philip Morris but could not punish the company for that harm. That seemingly confusing instruction led in turn to puzzlement over the Oregon Supreme Court's basis for rejecting it.

"I don't know how a juror is supposed to figure this out," said Justice David Souter, adding later, "Isn't perhaps the better course to send this back to them [the Oregon Supreme Court] and say, 'We don't know what you mean'?" He and other justices appeared reluctant to supersede the Oregon court's reading of Oregon law, but they wanted to be sure exactly what the Oregon Supreme Court was saying about that law.

"We're going to be in a kind of bog of mixtures of constitutional law, unclear Oregon state law, not certain exactly what was meant by whom in the context of the trial," said Justice Stephen Breyer at one point.

Andrew Frey, the Mayer, Brown, Rowe & Maw partner arguing on behalf of Philip Morris, tried with mixed success to steer the debate back to his main argument that punishing his client for harm to nonparties violates the due process clause of the 14th Amendment. "What you're doing is ... you're allowing a potentially aberrational verdict to pre-empt the work of other juries," Frey said.

Pressed by Justice Antonin Scalia, Frey acknowledged that if a jury found that actions by a defendant risked harming other people, "they could punish this more severely. What they cannot do is punish it globally."

In advance of the arguments, there was suspense over how the Court's new members, Chief Justice John Roberts Jr. and Justice Samuel Alito Jr., would respond to the case, because they do not have much of a track record on the punitive damages issue. But their comments did not tip their hands. Alito seemed concerned about the confusing jury instructions and may be one of the justices considering sending the case back to Oregon.

More significantly, Roberts pointedly asked Robert Peck, the lawyer for Williams, whether he was asking the Court to reconsider State Farm and other precedents. Peck said no, adding that "this judgment is valid under those precedents." He said Oregon had enacted procedural safeguards to guarantee that defendants are not unfairly punished, and he urged the Court to allow the states to "address any concerns with due process" by allowing them to continue to experiment legislatively without strict federal constraints.

For example, under Oregon law, juries in future tobacco cases would be required to consider the high damages in the Williams case in determining the appropriateness of punitive damages against the same defendant for the same conduct.

Damages Assessment (WSJ)

The Wall Street Journal, November 1, 2006

When the Supreme Court agreed to hear Philip Morris v. Williams, many wondered if the Justices would merely tinker with their punitive damages jurisprudence. But after yesterday's oral arguments, it looks as though they have bigger fish to fry.

In Philip Morris, the tobacco giant is challenging a $79.5 billion verdict affirmed by the Oregon Supreme Court in February. And the conventional thinking was that the U.S. Supremes would focus on the size of the award, especially given their rulings in BMW v. Gore (1996) and State Farm v. Campbell (2003) that the Constitution limits punitive damage awards.

Instead, yesterday's arguments focused on the procedural and structural limits of punitive damages. The main issue, based on the Justices' questioning, was whether a single plaintiff should collect damages on behalf of other people not involved in the case. The Court still might rule on the damage amount. But it is encouraging for tort reformers that the Court is thinking more broadly about runaway litigation.

Much of the questioning concerned whether the lower courts had allowed extra punishment based on alleged harm to third parties. The plaintiffs argued that the Oregon jury didn't need to be told that it wasn't permitted to punish Philip Morris on

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behalf of other smokers. But Justices Stephen Breyer and David Souter and Chief Justice John Roberts were skeptical of that view. So was Justice Antonin Scalia, who has voted against due process limits on punitive damages.

The outcome of this case could have ramifications far beyond tobacco. Whether a jury, in a case involving a single plaintiff, can impose extra damages on a defendant for harming other people who haven't brought suit is an issue that arises in product-liability cases of all kinds -- from autos to drugs.

And the Justices yesterday seemed to agree that these pseudo-class actions might present problems of due process. When a plaintiffs lawyer is permitted to argue that damages directed at Merck or Toyota should reflect that their products harmed not only his lone client but (allegedly) everyone in the state, it raises the possibility of duplicative punishment. Even if a defendant prevails, what stops the next plaintiffs lawyer from making the same argument on behalf of another (and another and another) lone client?

This is what class actions are for, or so we thought. Yet plaintiffs attorneys want it both ways. Without having to get a class certified, or divvy up any potential award among class members, the trial bar wants to press for damages on behalf of millions of people they don't even represent.

This may be an even deeper due process violation than outrageous punitive damages because it goes directly to the powers of the jury, and the standards by which it imposes punishment. Some guiding restraint from the Supreme Court on the matter would be helpful.

Sheep's Clothing (WP)

The Washington Post, November 1, 2006

TOBACCO GIANT R.J. Reynolds tried to wrap itself in a cloak of corporate responsibility last month when it agreed to stop selling flavored cigarettes with names such as Twista Lime and Mocha Taboo, which a band of state attorneys general said appealed to the underaged. But when Big Tobacco has the chance to support the most effective measures to mitigate the health consequences of smoking, it instead uses tricky tactics and spends millions to defeat them.

Next week voters in Arizona and Ohio will decide between two ballot measures, both of which purport to ban smoking in many public places. In reality, Ohio's Issue 5 would ban smoking in bars and restaurants across the state, and it is supported by the American Cancer Society and other public health advocates. The state's Issue 4, on the other hand, would allow patrons to light up in bowling alleys, most bars and smoking areas in restaurants. Its principal backer is R.J. Reynolds. Big Tobacco's measure would also amend the Ohio state constitution, which means that it would invalidate tougher existing local ordinances and Issue 5, even if the latter passed by a wider margin. The story is about the same in Arizona, with two ballot initiatives, one declawed and backed by R.J. Reynolds.

Evidence -- including a painstaking surgeon general's review published this summer -- shows that tough smoking bans are the only effective way to protect bar and restaurant workers, not to mention nonsmoking patrons. Bartenders' smoking-related ailments disappeared within months of the imposition of strict smoking bans in jurisdictions across the country and overseas. Separate smoking zones, on the other hand, fail to contain secondhand smoke.

R.J. Reynolds and other tobacco firms are also spending tens of millions in Arizona, California and Missouri to kill proposed increases in tobacco excise taxes. Raising the price of cigarettes reduces demand for them, encouraging smokers to quit. Frank J. Chaloupka, a researcher at the University of Illinois at Chicago, estimates that a 10 percent increase in the price of cigarettes would decrease overall cigarette smoking among youth by 13 percent.

Cancer rates in this country continue to decline, in large part because of measures such as smoking bans and cigarette taxes. If tobacco companies wanted to live up to their televised pronouncements, they would not hijack the initiative process in Arizona and Ohio, nor would they pour millions into defeating new tobacco taxes.

Standards Are Essential (USAT)

By Robin S. Conrad

USA Today, November 1, 2006

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Punitive damages — damages awarded for reprehensible conduct — are a great deterrent for corporate misbehavior. But like any other punishment, punitive damages cannot be imposed without rational standards and reasonable limits. Unfortunately, too many courts fail to enforce existing standards and limits, resulting too often in arbitrary and grossly excessive awards.

In Philip Morris v. Williams, in which the U.S. Supreme Court on Tuesday heard oral arguments, Oregon's Supreme Court upheld a $79.5 million punitive damages award that is nearly 100 times the amount of the plaintiff's compensatory damages. In its amicus brief, the National Chamber Litigation Center argued that the state supreme court ignored the Supreme Court's guidance in 2003's State Farm v. Campbell, recommending a single-digit ratio for most punitive damages awards.

An increasing number of courts throughout the country are ignoring the crucial guidance outlined in State Farm. Unless the high court reaffirms and further clarifies the standards governing punitive damages awards, order and rationality in awarding punitive damages never will be realized.

Some argue that the judicial branch is not the proper place for punitive damages reform, but rather that irrational punitive damages awards are solely a problem for state legislatures and even Congress. We disagree. The Constitution prohibits the deprivation of property without "due process of law," and the essence of "law" is rational and predictable standards. Courts thus have a fundamental obligation to ensure that the trial procedures employed in determining punitive damages include reasonable standards for measuring them. And when the results of the trial process are demonstrably not rational, courts have an equal obligation to impose reasonable standards after the fact and reduce outsized awards to reasonably proportional amounts.

We hope and expect that the U.S. Supreme Court will reaffirm its 2003 State Farm decision so that punitive damages, where reprehensible conduct has been proved, are awarded fairly, and American jobs and the economy are protected.

Appeals Court Blocks Ruling Against 'light' Cigarettes (AP)

By Matt Apuzzo, Associated Press

AP, November 1, 2006

WASHINGTON — A federal appeals court blocked a landmark judgment against the tobacco industry Tuesday, clearing the way for the companies to continue selling "light" and "low tar" cigarettes until their appeals can be reviewed.

The decision by the U.S. Circuit Court of Appeals for the District of Columbia Circuit also allows the companies to continue for now the advertising campaigns that a federal judge in August ruled were misleading.

Without comment, the appeals court granted the tobacco companies' request to put Judge Gladys Kessler's order on hold. The companies have argued that her far-reaching ruling could cost them millions of dollars and lead to a loss of customers.

In mid-August, Kessler ruled that the companies had violated racketeering laws and conspired for decades to mislead the public about the health hazards of smoking.

The judge ordered the companies to publish in newspapers and on their Web sites "corrective statements" on the adverse health effects and addictiveness of smoking and nicotine.

She also ordered tobacco companies to stop labeling cigarettes as "low tar," "light," "ultra light" or "mild," since such cigarettes have been found to be no safer than others because of how people smoke them.

William V. Corr, executive director of the Campaign for Tobacco-Free Kids, said the appeals court stay was not surprising.

"Judge Kessler's finding was that these companies have lied to the American people for 50 years," Corr said. "We're confident that, if it means going all the way to the Supreme Court, the government's case will be vindicated and the industry will be held accountable."

Tobacco Companies Win Delay Of `Light' Marketing Ban (Update2) (BLOOM)

By William McQuillen

Bloomberg, November 1, 2006

Oct. 31 (Bloomberg) -- Altria Group Inc.'s Philip Morris USA and other U.S. cigarette makers won a delay of a court-imposed ban on the marketing of ``light'' cigarettes the industry claimed would cost it hundreds of millions of dollars.

The ruling today by the U.S. Court of Appeals in Washington postpones enforcement of an order by U.S. District Judge Gladys Kessler requiring the companies to stop marketing cigarettes as ``light'' and ``low-tar'' by January, and to make statements about the health effects of smoking in the media and on cigarette packages. Her ruling is delayed while they pursue an appeal.

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Following a nine-month trial, Kessler ruled in August that the companies violated the Racketeer Influenced and Corrupt Organizations Act, or RICO, in a case filed in 1999 by the U.S. Department of Justice. Today, a three-judge panel of the U.S. Court of Appeals for the District of Columbia Circuit said the companies had ``satisfied the stringent standards required'' for a stay pending their appeal to the court.

Kessler said in her opinion that the companies `` marketed and sold their lethal product with zeal, with deception, with a single-minded focus on their financial success, and without regard for the human tragedy or social costs."

In the same ruling, the judge also said she lacked the authority to order the companies to pay $14 billion to fund nationwide smoking cessation and anti-smoking education programs sought by the government.

Praise

Praising the appellate court's ruling, Altria's associate general counsel William Ohlemeyer said Kessler's decision ``is contrary to the law and facts presented during trial."

Justice Department spokesman Charles Miller declined to comment.

In addition to Philip Morris, the defendants that requested the stay are Reynolds American Inc.'s R.J. Reynolds Tobacco; Brown & Williamson Tobacco Corp.; Loews Corp.'s Lorillard Tobacco Co. and British American Tobacco Plc's British American Tobacco (Investments) Ltd.

Shares of New York-based Altria were unchanged at $81.33 at 5:04 p.m. in trading after the close of the New York Stock Exchange. Shares of Winston-Salem, North Carolina-based Reynolds American fell 34 cents to $63.16.

The case is U.S. v. Philip Morris USA, 99-CV-2496, U.S. District Court, District of Columbia (Washington).

To contact the reporter on the story: William McQuillen in Washington at bmcquillen@bloomberg.net Last Updated: October 31, 2006 18:57 EST

Canadian Tied To Merrill Fraud Gets 10-Year Sentence (Update2) (BLOOM)

By Joe Schneider

Bloomberg, November 1, 2006

Oct. 31 (Bloomberg) -- Michael Ritter, a Canadian who admitted helping ex-Merrill Lynch & Co. trader Daniel Gordon hide $43 million stolen from the securities firm, was sentenced to 10 years in prison.

Ritter, 49, former chief counsel to the Alberta Legislature, was also ordered to forfeit $471,000 in a court hearing today in Edmonton, Alberta. He pleaded guilty Oct. 27 to theft and fraud, admitting he took part in money-laundering with Gordon, then stole $10.5 million from the Merrill trader.

``The fact Mr. Ritter was stealing money from a thief may be ironic, but it's not mitigating," Provincial Court Judge Elizabeth Johnson said in handing down the sentence.

Ritter was sentenced to three years for the crimes involving Merrill, the world's third-biggest securities firm, and seven years for an unrelated investment fraud. The sentence will keep Ritter from having to face charges in the U.S. connected to the second scheme.

``I take full and complete responsibility for my actions," Ritter told Johnson, reading a statement for five minutes. ``I am deeply and sincerely sorry."

Ritter, former chief executive officer of Newport Pacific Financial Group, admitted using the company to hide Gordon's embezzled funds in offshore accounts. He used money left in the accounts by Gordon to buy a condominium, an airplane and a box at the National Hockey League's Edmonton Oilers hockey arena, he said.

Gordon Guilty Plea

Gordon pleaded guilty. He was sentenced Oct. 14 to 3 1/2 years in prison, fined $100,000 and ordered to return the money he stole.

Ritter said he set up an offshore trust for Gordon and sent the money to a Swiss bank account, according to a statement given the court last week approved by Ritter and prosecutors. The ex- CEO said he didn't know the money was embezzled.

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Gordon transferred all but $10.5 million from the account back to the U.S., without Ritter's knowledge and in violation of a bank requirement that at least $15 million be left in the account, the statement said. Ritter closed the account and kept the remaining money.

Ritter was indicted by a federal grand jury in Los Angeles for his role in aiding Larry Toshio Osaki in a Ponzi scheme in which early investors received returns above market rates from money deposited by later investors. U.S. prosecutors said Osaki collected $250 million from almost 7,000 investors and caused them to lose $150 million.

No Extradition

In exchange for his guilty plea today, Ritter won't be extradited to the U.S. Osaki pleaded guilty March 24, 2005, to conspiracy, securities fraud and money laundering charges. He was sentenced last December to 20 years in prison and ordered to pay $145 million in restitution.

Osaki was the ringleader, and Ritter deserved a lesser sentence, Thom Mrozek, spokesman at the U.S. Attorney's office in Los Angeles said in a telephone interview.

``It was a fair resolution to this matter," Mrozek said.

Provincial prosecutor Gregg Lepp said after the sentencing the Ritter case is ``just the tip of the iceberg" of international fraud. He said Alberta prosecutors and police are investigating other frauds of more than $10 million. He declined to be more specific.

``Earlier in my career we saw very few cases having international connections," Lepp told reporters. ``Now it's the exceptional case of six-figure, seven-figure frauds that doesn't have an international connection."

Jailed Since August

Ritter has been jailed since an Aug. 2 conviction for failing to comply with a court order. He was charged after he failed to turn in a Belize passport and sought a replacement from authorities in the Central American country using a fake name.

The 10-year sentence is in addition to the 11 months Ritter has already served. Usually, in Canada, prisoners get double credit for time served while awaiting trial. U.S. authorities urged that Ritter be denied the usual credit for time served, Mrozek said.

The case is Between Her Majesty the Queen and Michael Ritter, 051047785P1, Court of Queen's Bench (Edmonton).

OAKLAND Man Gets 4-year Term For $1.5 Million Scam (SFC)

By Patrick Hoge

San Francisco Chronicle, November 1, 2006

A Walnut Creek man has been sentenced to four years in federal prison for swindling investors out of $1.5 million by falsely claiming that Bill Gates and other magnates were buying shares in his company, prosecutors said Monday.

Lal Bhatia, 39, was convicted in February of 27 charges of mail fraud and money laundering. Prosecutors said Bhatia, as chief executive of ABE Technologies Inc., had lured investors by telling them Gates, Michael Dell of Dell Inc. and Sabeer Bhatia, the founder of Hotmail, had agreed to invest in the company.

Sabeer Bhatia, who is no relation to the defendant, testified at the trial that he had never met Lal Bhatia or done business with him.

Prosecutors said Lal Bhatia had shown forged documents to investors to support his claim that a Swiss banking entity, which didn't exist, was backing him.

He was sentenced to prison Oct. 23 by U.S. District Judge Claudia Wilken, who also imposed a $100,000 fine and ordered him to pay $894,531 in restitution to his victims.

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Man Gets 4 Years For Fraud (CCT)

By George Avalos

The Contra Costa Times, November 1, 2006

Lal Bhatia, a Walnut Creek man, has received a four-year sentence for a case in which he posed as an executive with ties to Bill Gates and other tech luminaries.

He also is awaiting a separate trial on different fraud charges.

Bhatia, 39, was convicted of swindling investors out of $1.5 million, government authorities said. Federal investigators said Monday that Bhatia was sentenced on Oct. 23, following his conviction in February.

As part of the scam, Bhatia posed as the chief executive of ABE Technologies Inc., a bogus company that Bhatia claimed had received financial backing from some of the biggest names in technology.

Bill Gates, the founder of Microsoft Corp., and Michael Dell, founder of Dell Inc., were among the digital leaders whom Bhatia said had invested in, or had bought shares in, ABE Technologies.

Bhatia also said one of his investors was the coincidentally named Sabeer Bhatia, the co-founder of Hotmail. The Hotmail executive testified at the trial.

"This was brazen," said Dana Wagner, an assistant U.S. attorney who co-prosecuted the case.

Bhatia filed a notice of appeal Monday for the conviction and sentencing, said Sunita Kapoor, Bhatia's Danville-based attorney.

"Mr. Bhatia intends to vindicate himself," Kapoor said. "This is a family feud." Kapoor said the real fault in the case lies with the relatives. The relatives, Kapoor and Bhatia's father claim in a civil lawsuit, misappropriated funds from Bhatia's grandfather through an ancient system of financial dealing called hawala.

Investigators pointed out the conviction and sentencing show that the jury and judge believe Lal Bhatia was at fault. By taking advantage of the peak of the Internet frenzy in 1999 and 2000, Bhatia bilked his own relatives, prosecutors said.

"There was a fever at that time, with people excited about getting into the tech industry, the dot-coms, companies going public," Wagner said. "The victims in this case were members of his family."

Bhatia's uncle, two aunts, and another relative were the victims, said Joe Camillucci, a special agent for the Internal Revenue Service.

Bhatia told his relatives that ABE Technologies was one of the hottest of the dot-com companies. He spun a yarn about its impressive technologies and backers.

"He told them it was an Internet 2, a company that would completely revolutionize the Internet," Camillucci said.

ABE Technologies, Bhatia told his relatives, had developed a secret product or service for which the biggest companies in the tech world hungered. Those grandiose claims preyed on the desire that many people had to harvest a bumper crop of profits from the Net.

"This was seen as a high-tech opportunity, a very exciting company, a chance to get in on the ground floor and make millions of dollars out of it," Wagner said.

For further authenticity, Bhatia fashioned a brochure about his company from bits and pieces of public statements made by American companies. The balance sheet came from Intel, the income statement from Coca Cola, a shareholders message from a book, Camillucci said.

Bhatia also capitalized on the pride that many Indians have about Sabeer Bhatia, who has achieved iconic status in South Asia as being India's first celebrity entrepreneur, as the Financial Times described it in March.

Yet the Sabeer connection helped trip up Lal Bhatia. One of the aunts noticed that the name of Sabeer's new venture was misspelled in a Lal Bhatia brochure. What's more, the relatives became suspicious when they were never repaid for their investments.

The FBI and the IRS teamed up to track Bhatia's complex schemes, said Joseph Schadler, a spokesman for the FBI's Bay Area operations.

"The money trail is so convoluted that it really behooves us to have the financial expertise of the IRS on board," Schadler said.

In a separate case, Bhatia awaits trial over accusations that he and other suspects posed as wealthy financiers and a British noble as part of an alleged scam in which victims lost $1.9 million.

The suspects convinced developers in Florida and Texas that they could arrange large loans for their projects in return for up-front fees to process the bogus loans, FBI investigators said. Bhatia allegedly had his victims meet a nobleman who said he had rescued Queen Elizabeth II from financial ruin.

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"Lal talked the talk and he seemed to know the industry," Wagner said. "He drove the right cars and said the right things. He impressed people."

George Avalos covers the economy, jobs, financial markets, insurance and banks. Reach him at 925-977-8477 or gavalos@cctimes.com.

Tech CEO Gets 4-year Prison Term In Investment Scam (MERCN)

The San Jose Mercury News, November 1, 2006

SAN FRANCISCO - A technology entrepreneur convicted of bilking investors out of $1.5 million with false claims that Bill Gates and Michael Dell also invested in his company was sentenced to four years in federal prison, authorities said Monday.

Lal Bhatia, 39, of Walnut Creek, also was ordered at his Oct. 23 sentencing to pay nearly $1 million in fines and restitution for the scheme at ABE Technologies Inc., according to the U.S. Attorney's Office for the Northern District of California.

Bhatia, who was the company's chief executive, was convicted in February on 27 counts of mail fraud and money laundering stemming from a series of bogus claims to drum up support for his startup business.

Bhatia lured investors by claiming that tech luminaries Gates and Dell invested in the company, prosecutors said.

He also touted the support of Sabeer Bhatia, a co-founder of the Hotmail e-mail service, who later testified that he had never met nor done business with the defendant. The two Bhatias are not related.

Lal Bhatia also duped investors by providing forged documents touting the backing of a fictitious multibillion dollar Swiss banking entity, prosecutors said.

Bhatia, who is free on bail, is appealing the conviction and the sentence, said Sunita Kapoor, one of his lawyers.

Kapoor declined to discuss specifics of the case. But she said the case boiled down to a family feud between Bhatia's relatives who invested in the company and demanded their money back after it folded during the dot-com collapse.

She said the business was a "viable entity" that sought to incubate other companies to serve as Internet service providers.

Longview Woman Sentenced For Posing As Katrina Victim (DMN/AP)

Associated Press

The Dallas Morning News, November 1, 2006

A 29-year-old woman who posed as a Hurricane Katrina evacuee to collect $2,000 in federal aid received three years probation Tuesday.

Tomisha Embry, of Longview, must also pay back the money as restitution after being sentenced by U.S. District Judge Leonard Davis.

Embry claimed she had a New Orleans home damaged by Katrina and submitted an application to the Federal Emergency Management Agency for disaster assistance.

Last month, Attorney General Alberto Gonzalez said the Hurricane Katrina Fraud Task Force has produced charges against more than 400 people in more than 30 federal judicial districts around the nation.

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On the Net:

http://www.usdoj.gov/katrina/Katrina_Fraud/index.html

PUBLIC SAFETY | Women Guilty In Health-care Plan Fraud (KCS)

The Kansas City Star, November 1, 2006

Two women pleaded guilty in federal court Monday for their roles in a scheme to defraud an employee health-care plan. Sandra Rivers, 34, of Kansas City, and Delorise Jean Killiebrew, 49, of Independence, had been indicted in July with 11 others.

Killiebrew acknowledged that Cheri Smith, an employee of Health Midwest Comprehensive Care's claim department, persuaded her to cash nine checks totaling more than $33,000. She said she kept half and gave the rest to Smith. A total of $121,284 was fraudulently paid out between January and August 2002, according to the charges. Prosecutors alleged that Smith, 37, of Independence, organized the scheme. She pleaded guilty Oct. 10.

KANSAS CITY | Residents flee apartment fire

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A fire that started on a couch forced the evacuation of a Kansas City high-rise apartment building Monday afternoon.

The blaze largely was contained to one room in a fifth-floor apartment at the Brush Creek Tower in the 1800 block of Cleaver II Boulevard, a fire department spokesman said.

The fire destroyed the couch, blistered the walls and blackened the ceiling. No one was injured.

Go to KansasCity.com for video of the fire.

KANSAS CITY | Probation given in marriage fraud case

A marriage fraud scheme netted a Kansas City woman a sentence of three years of federal probation Monday.

Joyce Porter, 44, pleaded guilty in August to concealing and failing to report the fraud.

Porter admitted she falsely told authorities that she lived with co-defendant Mohamed Elouerrassi, 54, a citizen of Morocco.

Elouerrassi also has pleaded guilty to falsifying statements on immigration applications. He was accorded status as a permanent resident of the United States in January 2000, based on his marriage to Porter, who is a U.S. citizen.

He has not yet been sentenced.

KANSAS CITY, Kan. | BPU employee burned in accident

The Kansas City, Kan., Board of Public Utilities was investigating the cause of a flash burn Friday that injured a longtime employee.

Spokeswoman Susan Allen said the employee, a lead electrician and a 33-year BPU veteran, was working on a breaker at the utility's Quindaro Power Plant when an electrical failure occurred.

Allen said the burns, though serious, were not life-threatening. The employee was in the intensive care unit at an area hospital.

KANSAS CITY, Kan.| Fire displaces 3 children, 2 adults

An electrical fire in a lower-level laundry room about 10:35 a.m. Monday caused damage of about $25,000 to a house in the 1200 Block of North 62nd Place.

The fire was confined to that room, but there was smoke damage to the entire house.

The fire displaced the home's residents because of the damage.

KANSAS CITY, Kan. | Park ranger threatened during robbery

A man called a "person of interest" in a quadruple murder earlier this month was one of three suspects arrested in connection with an armed robbery Monday morning at Seventh Street and Lowell Avenue.

A Wyandotte County park ranger interrupted the robbery, and at least one of the suspects pointed a gun at the ranger.

One suspect was arrested at the scene. The other two were arrested in the 3000 block of Indiana Avenue in Kansas City.

KANSAS CITY, Kan. | Victim remains in serious condition

A man in his 50s remained in serious condition Monday at an area hospital after being shot Sunday evening.

Police responded to a report of a shooting about 7:30 p.m. in the 300 block of South Eleventh Street.

Police had a person in custody who might have been involved in the incident.

Two Area Women Plead Guilty To Fraud (KCBIZ)

Kansas City Business Journal, November 1, 2006

Two women from Independence and Kansas City pleaded guilty in federal court to participating in a conspiracy to defraud Health Midwest's employee health care plan administrator of more than $120,000.

In a release Monday, Bradley Schlozman, U.S. attorney for the Western District of Missouri, said that Delorise Jean Killiebrew, 49, of Independence, and Sandra Rivers, 34, of Kansas City, pleaded guilty in separate appearances before U.S. District Judge Howard Sachs to the charge contained in a July 18 federal indictment.

By pleading guilty, Killiebrew and Rivers admitted that they had participated in a health fraud conspiracy by cashing benefits checks from Health Midwest and Health Midwest Comprehensive Care that they knew they weren't entitled to receive, Schlozman said.

Prosecutors say Cheri Smith, 37, of Independence, devised the scheme to defraud a health care benefit program from Jan. 17 to Aug. 29, 2002.

Smith worked for Health Midwest Comprehensive Care (HMCC), a third-party administrator for the employee health care plan maintained by Health Midwest. Smith was a senior team leader in HMCC's claims department and was responsible for data entry of all pharmacy claims. She also was authorized to enter pharmacy claims data, change or modify account information and pay pharmacy claims.

Smith accessed the computer database containing the names of employees covered by the pharmacy benefits program and changed valid member names to those of her family members, friends and others who were neither Health Midwest employees nor entitled to receive benefits. Smith then entered false pharmacy claims for those bogus employees and caused checks to be issued to them. After cashing the checks, those in whose names the checks were fraudulently issued typically gave some of the proceeds back to Smith.

Killiebrew admitted that she had received nine checks for a total of $33,249 from the Pharmaceutical Insurance Reimbursement Account at Health Midwest and Health Midwest Comprehensive Care. She kept part of the proceeds of the checks and gave some to Smith.

Rivers admitted that she had learned about the health care fraud conspiracy from Killiebrew, a co-worker, and had agreed to accept checks in the summer of 2002. Rivers received two checks for a total of $5,516. After cashing each of the checks, Rivers kept $300 and gave the rest of the money to Killiebrew.

Killiebrew and Rivers are among six co-defendants who have pleaded guilty to their role in the health care fraud conspiracy.

Smith pleaded guilty to health care fraud on Oct. 10. Smith admitted that she made at least 36 fraudulent entries in the computer system responsible for paying pharmacy claims for Health Midwest employees.

Federal statutes stipulate that Smith could be subject to a sentence of as much as 10 years in federal prison without parole, plus a fine of as much as $250,000. Each of the other co-defendants could be subject to a sentence of as much as five years in federal prison without parole, plus a fine of as much as $250,000.

Sentencing hearings will be scheduled after the completion of presentence investigations by the U.S. Probation Office.

Executive Assistant U.S. Attorney Roseann Ketchmark is prosecuting the case, which the FBI investigated.

3rd Circuit Revives Case Against Asbestos Class Action Lawyers (LAW)

By Shannon P. Duffy, The Legal Intelligencer

Legal Intelligencer, November 1, 2006

The 3rd U.S. Circuit Court of Appeals has revived a proposed class action suit against a group of lawyers from southern states brought by more than 2,600 former clients from northern states who say they were cheated out of their fair share of $4 00 million in asbestos personal injury settlements in the Mississippi state courts when the lawyers gave larger payouts to southern plaintiffs.

Reversing a lower court's decision that dismissed the suit, Senior U.S. Circuit Judge Jane R. Roth issued a stern lecture to lawyers about the duty of loyalty.

"We are embarrassed to have to explain a matter so elementary to the legal profession that it speaks for itself: All attorneys in a co-counsel relationship individually owe each and every client the duty of loyalty. For it to be otherwise is inconceivable," Roth wrote in Huber v. Taylor.

The case provides a rare glimpse into the high-stakes world of asbestos litigation in which plaintiffs are termed "inventory" and settlements often involve hundreds or even thousands of cases.

The plaintiffs in Huber v. Taylor are steelworkers from Pennsylvania, Ohio and Indiana who joined a massive Mississippi asbestos suit. The defendants are lawyers from Mississippi, North Carolina and Texas.

The suit, filed by attorneys Esther S. Trakinski and Irving Cohen of Cohen Pope in New York, alleges that the northern plaintiffs were never made aware of a complex series of agreements between and among the lawyers that, they say, ultimately led to their receiving smaller payouts than southern plaintiffs.

The northern plaintiffs had all retained lawyers in their home states -- referred to in the case as "local counsel" -- who had in turn struck deals with a Texas lawyer who served as co-counsel.

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But when the lawyers struck a series of settlements worth more than $400 million, the northern plaintiffs claim that their share was reduced because the southern lawyers wanted to allocate a greater percentage of aggregate settlements to southerners in order to minimize the percentages paid to the northern plaintiffs' local counsel.

The suit alleges that, by cheating the northern plaintiffs of their fair share, the southern lawyers saved more than $10 million that would have been paid to their local counsel.

The stakes are even higher than that because the northern plaintiffs are seeking "disgorgement" of all the fees earned by the southern lawyers -- 40 percent of $400 million, or $160 million.

In the first round of the litigation, the plaintiffs suffered two major setbacks when U.S. District Judge Arthur Schwab of the Western District of Pennsylvania refused to certify the suit as a class action and later dismissed the entire case.

Finding no conflict among the laws of Pennsylvania, Ohio and Indiana, Schwab held that the plaintiffs could not prove their breach of fiduciary duty claims because they had no proof of "causation" or "actual injury."

Now the 3rd Circuit has ruled that Schwab erred by failing to apply Texas law that includes no such requirement.

But a dissenting judge said he would have upheld Schwab's dismissal of the suit on the grounds that the plaintiffs had waived their right to complain about the choice-of-law issue.

"In my view, plaintiffs' failure to brief and argue the choice of law issue before the district court and in their opening brief on appeal constitutes waiver of that issue," U.S. Circuit Judge Julio M. Fuentes wrote.

Roth disagreed, saying the plaintiffs had never waived the choice-of-law issue.

"The issue of which state's law to apply is inherent in the parties' positions throughout this case. Defendants claim that the law in all the relevant jurisdictions requires a showing of actual harm for breach of fiduciary duties, while plaintiffs assert that it does not when the remedy sought is disgorgement, citing to Texas law," Roth wrote.

Roth also found that, even if the plaintiffs had technically waived the issue, the exceptions to the waiver doctrine would apply because "plaintiffs' repeated and insistent citation to Texas law as providing the governing standard alerted this court to the choice-of-law issue."

A lengthy section of Roth's majority opinion is devoted to describing the complex relationships and fee agreements at the heart of the case.

Before that, Roth outlined the circumstances that made Mississippi an attractive venue for asbestos plaintiffs in the mid-1990s.

In 1995, a case captioned Cosey v. E.D. Bullard Co. was filed in Jefferson County, Miss., and over the next few years it grew to include several thousand plaintiffs due, Roth said, to Mississippi's "reputation as a plaintiff-friendly jurisdiction" and the state's "liberal joinder rules."

In 1998, a jury awarded $48.5 million to 12 of the Cosey plaintiffs with malignant asbestos-related diseases. The sole attorneys of record for all the Cosey plaintiffs were Mississippi lawyers Robert A. Pritchard and Christopher Fitzgerald.

Roth said the big verdict "prompted many companies with potential asbestos liability to explore settlements."

In May 1999, before any settlements were reached, Pritchard brought a second asbestos personal injury mass action in Mississippi state court in which the Huber plaintiffs were joined.

The northern plaintiffs joined the Mississippi suit through a co-counsel agreement their northern lawyers had struck with Texas attorney Robert G. Taylor II who had become involved in the Cosey case.

As Roth described it, Taylor's fee arrangements with the northern lawyers is key to understanding the claims.

According to the opinion, Taylor had contracted with the local counsel to serve as co-counsel for any future asbestos plaintiffs in exchange for Taylor's receiving about 95 percent of their fees if suit were brought outside of local counsel's home state, and a smaller amount if suit were brought in the home state.

Roth found that the arrangement meant that local counsel would find the work profitable only as "volume, rote work" since their percentage was so low, but that even such a small percentage was ultimately "a sizeable amount given the hundreds of millions of dollars of recoveries."

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Taylor also entered into "upstream co-counsel agreements" with Fitzgerald and Pritchard, who in turn entered into an upstream co-counsel agreement with Joseph B. Cox Jr. of North Carolina, to negotiate settlements, for which Cox would receive 4 percent of all gross settlements.

The Huber plaintiffs claim in the suit that they were never informed of the various co-counsel arrangements.

Taylor, Pritchard and Cox are the lead defendants named in the suit.

But lawyers defending the southern lawyers argued that none of the northern plaintiffs was cheated in any way.

The size of the settlement payouts, they said, was calculated on the basis of numerous factors including the level of injury and the home state of the claimants.

Although the northern plaintiffs were paid less than their co-plaintiffs from Mississippi and Texas, the defense also noted that the northerners nonetheless received larger settlements than similar asbestos plaintiffs from Pennsylvania, Ohio and Indiana usually receive in their home state courts.

The plaintiffs insist that their payouts were reduced to avoid paying fees to their local counsel.

But defense lawyers insisted that the settlements were not aggregate settlements that they then allocated as they saw fit. Instead, they said, the plaintiffs in the settled cases were presented with offers that varied for different individuals based on factors such as the type of injury or asbestos exposure, lifestyle habits like smoking, and geographic origin.

Geographic origin was an appropriate factor in determining settlement value, the defense lawyers said, because jury verdicts in northern states are traditionally lower than in southern states and because, in southern courts, jury verdicts for northerners are typically lower than for southerners in their home state.

But Roth found there was evidence that the settlements were, in fact, aggregate, and that the plaintiffs may have a valid claim under Texas law for breach of fiduciary duty that could entitle them to a disgorgement of the southern lawyers' fees.

At the heart of the claim, Roth found, is the duty of loyalty every lawyer has to every client.

That duty exists, Roth said, "even when clients are viewed as mere 'inventory.'"

"This is the cost of doing business as an attorney at law, and we will not countenance shortcuts," Roth wrote.

"Disclosures to clients must be meaningful, by which we mean something beyond form disclosures, as clients must understand a conflict to give their informed consent to an intelligible waiver. ... There is no question that defendant attorneys owed plaintiffs fiduciary duties," Roth wrote.

Taylor's lawyer, Howard M. Klein of Conrad O'Brien Gellman & Rohn, said he was "very disappointed" by the ruling and is studying the opinion with an eye toward seeking re-argument before the full 3rd Circuit.

Klein also said that Taylor and the other defendants "acted in compliance with their ethical and legal obligations."

Group Asks FTC To Probe Web Ads (USAT)

By Jim Hopkins

USA Today, November 1, 2006

SAN FRANCISCO — A non-profit consumer advocacy group plans to ask federal regulators today to rein in the fast-growing $100 billion online marketing industry.

The Center for Digital Democracy is expected to file a Federal Trade Commission complaint asking the agency to investigate online advertisers. It also wants the FTC to force companies to halt what it calls deceptive practices and encourage Congress to pass legislation bolstering consumer privacy protection.

Executive Director Jeff Chester says hundreds of companies now track consumers online, gathering detailed dossiers about reading, spending and other habits that endanger personal privacy. Privacy policies published on websites don't adequately warn consumers, he says.

“The FTC has largely ignored the critical developments of the electronic marketplace that has placed the privacy of every American at risk,” a draft version of the complaint says. The complaint comes amid rising privacy concerns as billions of dollars in commerce shifts to the Internet and mobile devices, creating new global players such as search giant Google. And it comes a week before the FTC holds a three-day e-commerce conference that's “insufficient” to shield consumers, the center says.

The FTC declined to comment.

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The center, based in Washington, gets financial support from philanthropies including the Ford Foundation and the John D. and Catherine T. MacArthur Foundation, Chester says. It's joined in its FTC filing by the U.S. Public Interest Research Group, another non-profit consumer advocate.

While the complaint says questionable online marketing practices are widespread, it wants the FTC to first examine Microsoft's adCenter service. Launched last year, it lets advertisers bid to have advertisements published next to online search results, similar to Google's better-known AdSense program.

Chester says adCenter endangers privacy because it relies on data gathered from the No. 1 software maker's widely used Hotmail e-mail service and other Microsoft products. "They have fully opened up the entire suite of Microsoft's very extensive properties to marketers," Chester says.

Microsoft disputed the center's allegations, saying it protects consumer privacy and is "very open" about its privacy policies.

Chester has been involved in high-profile privacy issues for some time. He co-founded the Center for Media Education, which filed an FTC complaint 10 years ago that helped spur passage of the Children's Online Privacy Protection Act of 1998, Chester says.

CIVIL RIGHTS:

Many Eyes Will Watch The Polls (USAT)

By Richard Wolf And Kevin Johnson, Usa Today

USA Today, November 1, 2006

WASHINGTON — Thousands of lawyers, election monitors and volunteers with video cameras will be mobilized on Election Day in an effort to guard against problems at the polls.

The Justice Department will dispatch more than 800 observers, a record for a non-presidential election year, to look for evidence of discrimination, intimidation and other obstacles to voter accessibility in at least 20 states.

The Democratic Party has a 50-state voter-protection effort and an estimated 7,000 lawyers at the ready. Liberal groups have set up hotlines for voters to call if they are denied the right to vote. And hundreds of people plan to film interviews at polling places where voters are being challenged that day.

Fueling the activity this year: dozens of close elections that could decide control of Congress and the potential for problems caused by electronic voting machines, statewide databases and identification requirements.

"There are going to be problems in every state," says Jon Greenbaum, director of the Voting Rights Project for the Lawyers' Committee for Civil Rights. The group is part of a coalition that has a toll-free hotline and lawyers poised in 23 states.

Republican and conservative interest groups are keeping a lower profile. The Republican National Committee is relying on its state parties for poll monitors and lawyers. Groups such as the Republican National Lawyers Association lack the manpower to match the NAACP, Common Cause and People for the American Way.

"Folks can game the system, and that's a concern," says Thor Hearne, general counsel for the American Center for Voting Rights, a conservative group. He calls candidates and local parties "the first line of defense."

Justice Department monitors will be deployed next week, partly based on close races for Congress and where questions have been raised about the integrity of the election process. That could include Baltimore, Chicago, Cleveland and other places that encountered problems during primaries this year.

Prosecutors will be on standby in each federal district across the country to pursue possible fraud cases or other election-related criminal activity. "Everyone agrees that we want to make voting easier and fraud harder," says Assistant Attorney General Wan Kim.

The effort by some liberal groups begins today with a series of public-service announcements by actors such as Ben Affleck and Jodie Foster.

•A consortium led by Common Cause plans to track voters' problems on a database and publicize them. In 2004, it received 55,000 complaints.

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•The NAACP has hundreds of lawyers ready. "We're focusing more on how to redress problems when they occur," says the group's Dennis Hayes.

•Filmmaker Ian Inaba's volunteers hope to get aggrieved voters on the Internet via YouTube "while the polls are still open and the races are still alive."

Federal Observers And Monitors Heading To Polls (CNN)

By Terry Frieden

CNN.com, November 1, 2006

WASHINGTON (CNN) -- The Justice Department plans to dispatch more than 800 federal observers and monitors to 20 states to protect voting rights in potentially troubled polling locations, officials announced Tuesday.

That is a record number of federal officials watching polling stations in an off-year election.

"Yes, the anticipated closeness of races is one factor in our decisions about where we'll be sending people," said Assistant Attorney General for Civil Rights Wan Kim.

Kim said he would not identify until Monday the more than 65 cities and counties to which the observers will be sent.

The locations where federal observers will be stationed are selected because of past polling problems, an uneasy history among ethnically or racially diverse groups, or where fears and allegations of potential violations are asserted.

The Justice Department is reluctant to make public plans for elections observers. One official said that is because observers are viewed, in part, as frontline collectors of data that could be used to construct cases against local jurisdictions.

An influential non-governmental group, the Leadership Conference on Civil Rights, has asked the Justice Department to send monitors to seven locations in Alabama where black candidates are challenging white candidates. The organization also asked for monitors in Alaska where, it said, "the Native Alaskan community faces multiple barriers to voting access."

The group also called on Attorney General Alberto Gonzales to watch for problems at locations in Arizona, Louisiana, Montana, New Jersey, New Mexico, North Carolina, Oklahoma, South Dakota and Virginia.

The group's concern in Virginia is centered on Chesterfield County, where in 2004 armed guards were placed at polls to "ward off terrorists." Would-be voters were incorrectly told while in line that they needed an identification card to vote.Focus on racial, ethnic hotspots

State voter-identification requirements are before courts in several states, where varying requirements are alleged by some groups to be unconstitutionally restrictive.

Justice officials say the election observers will focus on historic racial and ethnic hotspots, and also will watch for balloting access issues and assistance for non-English speakers and the disabled.

In addition, U.S. attorneys, the FBI and criminal fraud prosecutors from will be on standby in the event evidence of ballot stuffing or other voting fraud is found.

"The Criminal Division's Public Integrity Section has assigned attorneys to assist with potential election crimes," a Justice Department statement said.

Those officials will be on duty to field complaints from the time the polls open in the East until they close in the West, the department said. The criminal investigators and prosecutors will not be at the polling stations. Any investigations will take place after the elections.

Despite warnings by some computer scientists and interest groups of problems with voting machines, Justice Department officials charged with enforcing the Help America Vote Act of 2002 insisted Tuesday they do not anticipate widespread problems.

"Clearly, some states are moving along better than others," Kim said. "Those who waited too long to implement requirements are a bit behind the eight ball."

This year the Justice Department brought cases against New York, Maine, Alabama and New Jersey for violations, all of which have been resolved, Kim said.Sensitive mission

The hundreds of experienced monitors from the Justice Department and observers from the Office of Personnel Management heading to the polls are trained for a sensitive mission: wading into sometimes tense and strongly partisan surroundings under intense scrutiny.

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More than 1,000 federal personnel were sent to monitor elections in 2004. Greater numbers are the norm in presidential election years, when voter turnout is higher, officials said.

The Justice Department officials acknowledge walking a tightrope. They want to make clear they will vigorously enforce federal voting laws but are equally determined not to intrude in a process run almost entirely by state officials.

The observers must represent an eagle-eye corps dedicated to protecting voters' rights while remaining virtually invisible and avoiding actions that could be viewed as heavy-handed or intimidating.

Civil rights authorities say the monitors quietly identify themselves to polling officials, which serves both to provide notice of a source of assistance should problems arise, as well as a not-so-subtle deterrent against raising obstacles to categories of minority voters protected by federal statutes.

"We want to send a strong message that we want fair elections," Gonzales told reporters Tuesday. "While our role is relatively small, it is an important role, and we intend to play it."

He said his department over the past year prosecuted more voting-rights cases than in any prior year.

During the past four years, the Justice Department charged 120 people with election fraud offenses, 86 of whom have been convicted of voter fraud.

Another approximately 200 investigations are open.

The nature of the cases has changed since the tumult of the early 1960s produced the Voting Rights Act of 1965. At the time, the vast majority of cases concerned the provision of ballot access to black voters in Southern states.

Since then, overt discrimination against minority voters has declined. However, more subtle forms of bias at the polls remains a concern in certain locations.

In one ongoing case in Mississippi, black elections officials have been sued for violating the voting rights of white voters.

In recent years, attention has shifted to providing unfettered ballot access and voting assistance to tribal and ethnic groups who are entitled to federal protections. Native Americans, Hispanics and Vietnamese voting groups have received the most federal help on Election Day because of incidents of alleged discrimination.

NAACP Plans To Monitor St. Landry Vote (BRADV)

By Richard Burgess, Advocate Acadiana Bureau

Baton Rouge Advocate, November 1, 2006

OPELOUSAS — The NAACP plans to organize poll watchers in St. Landry Parish to monitor what's expected to be a tight race between a black woman interim sheriff and her white male challenger.

Interim Sheriff Laura Balthazar faces former State Police official Bobby Guidroz on Nov. 7 in a race to fill the seat of former Sheriff

Howard Zerangue Sr., who died in April while serving his seventh consecutive term of office.

Concerns of possible racial intimidation in the sheriff's election have also attracted the attention of the U.S. Justice Department, which monitored the parish's primary election on Sept. 30 and is expected to return next week.

The NAACP Legal Defense and Education Fund, working with local civil rights groups, hopes to assemble a team of 24 poll watchers to oversee the elections, said Kristen Clarke-Avery, assistant counsel for the NAACP Legal Defense and Education Fund.

Clarke-Avery said the group had 12 monitors for last month's elections.

"All of us are out there to see to it that everybody can exercise their constitutional right to vote," said Clifton Lemelle Sr., a retired educator from Eunice who is helping organize the poll watchers.

Lemelle said there were no confirmed reports of racial intimidation from the Sept. 30 election.

Federal monitors also reported no apparent violations.

Clarke-Avery said questions did arise over whether some residents were improperly denied the right to vote because they had no photo identification.

Louisiana law allows a registered voter to cast a ballot without photo identification if the voter fills out an affidavit attesting to his identify.

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"We received some reports of those affidavits not being offered," Clarke-Avery said.

Lemelle said there were also reports of candidates remaining too close to polling precincts.

State law prohibits campaigning within 600 feet of a polling place, and Lemelle said the mere presence of a candidate may also work to unduly sway some voters.

No Penalty For Voting Systems Lapse (AP)

By Lara Jakes Jordan, Associated Press Writer

AP, November 1, 2006

The Justice Department isn't penalizing states that fail to upgrade voting systems by next week's elections, a requirement passed by Congress in 2002.

Federal efforts to combat election fraud and prevent voter intimidation on Nov. 7 are among the most rigorous ever, Assistant Attorney General Wan J. Kim said Tuesday. He estimated 800 federal observers and monitors are headed next week to oversee elections in 20 states - selected in part because of close races there.

But prosecutors have not penalized states, or tried to hold them in contempt, if they failed to comply with the 2002 Help America Vote Act, Kim said. The law required states to plan for switching to electronic ballot machines and have a voter registration database up and working in time for the 2006 elections.

If states "miss a deadline, or if they don't do something by a certain time, then obviously we would first go back to the table and try to figure out why, and how we can fix the problem," Kim told reporters.

If a state still falls short, the Justice Department could go to court and seek a contempt order, which could carry penalties, Kim said. "But that's something we don't like to do. It means a problem's broken and we can't fix it easily."

Justice Department officials said it is unclear how many states have not fully updated their voting systems. The department has filed lawsuits against four states - Alabama, Maine, New Jersey and New York - and they have until sometime in 2007 to comply.

Other states are in varying degrees of compliance. They have escaped legal action because they have made good-faith efforts to meet the new standards.

But critics say the absence of electronic voting machines and outdated registration rolls can lead to major problems at the polls - and potentially skew election results.

States like New York and Connecticut, with a number of competitive elections that could decide which party controls the U.S. House, still use lever ballot machines that generally have a higher error rate than other machines, said George Washington University law professor Spencer Overton.

Lever ballot machines also can't be used by blind voters, and not all election jurisdictions have the required alternate handicapped-accessible voting systems available, Kim acknowledged.

"We could see machinery outcomes shape the direction of our country," said Overton, a commissioner on the 2005 Carter-Baker Commission on Federal Election Reform.

Kim said the Justice Department has been far more aggressive in targeting election law violations, filing 17 lawsuits this year alone against counties, states and other jurisdictions. On average over the last two decades, the department has sued eight or nine jurisdictions a year.

Republicans Challenge Voter Rolls In Westchester (NYT)

By Fernanda Santos

The New York Times, November 1, 2006

YONKERS, Oct. 31 — Republicans are challenging the right of thousands of registered voters in the local State Senate district to cast ballots on Nov. 7, charging that these voters do not live at the addresses listed with the Westchester County Board of Elections.

The dispute set off a war of words between the district's longtime incumbent, State Senator Nicholas A. Spano, and his Democratic rival, Andrea Stewart-Cousins, whom Mr. Spano beat by just 18 votes in 2004, after a contentious recount that lasted three months.

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John Ciampoli, a Republican lawyer who handled the recount for Mr. Spano two years ago, said he found the discrepancies after checking postal change-of-address cards against district's voting rolls. On Friday, Mr. Ciampoli submitted the challenges to the Board of Elections, questioning the validity of 5,929 voter registrations and asking the board to send police officers to voters' homes to find out if any of them had moved.

Ms. Stewart-Cousins, a six-term county legislator, held a flurry of news conferences criticizing the challenges. In an interview, she called the idea of using officers to verify addresses as "an attempt to intimidate voters before the voting even begins."

Mr. Ciampoli, who lives on the outskirts of Albany, said he filed the challenges on behalf of the state's Republican Party and the Westchester Republican Committee. In 2004, he successfully challenged hundreds of paper ballots most likely cast for Ms. Stewart-Cousins in the 35th State Senate district race.

Mr. Spano, for his part, said that he supported the current challenge, but had no part in devising it.

"This is a simple procedural request that is not targeting any ethnic group or any party, and we just want to make sure that there's no fraud," said Mr. Spano, who has served in the Legislature since 1986.

Ms. Stewart-Cousins's spokesman, Ted Lazarus, charged that most of the voters whose registrations are in dispute are Democrats and that many live in some of the city's poorest — and heavily minority — neighborhoods, a claim that could not be independently verified.

In 2004, scores of poor, minority voters complained that they felt intimidated by Republican poll-watchers, Ms. Stewart-Cousins said. With that in mind, her campaign asked the Justice Department, four days before the challenges were filed, to monitor poll sites on Election Day.

According to Mr. Ciampoli, the voters whose registrations are being challenged are a mix of Republican and Democrat, as well as independent and unaffiliated voters. "I have not excluded from the database people from any party, and there's no way for me to tell if they're black, Latino or what," he said.

Carolee C. Saunderland, a Republican commissioner at the county's Board of Elections, said that the process of verifying the challenged addresses could not be completed by Election Day. To check the addresses, first-class letters are mailed to each person on the list, and if they are returned as undeliverable, the police are sent to the address to check if the voter still lives there.

Suspects Accused In Voter Fraud Case (FINDLAW/AP)

By Gillian Flaccus, Associated Press Writer

AP, November 1, 2006

(AP) - SANTA ANA, Calif.-Twelve people have been charged with tricking voters in Orange County into registering as Republicans, prosecutors said Monday.

The defendants, ranging in age from 19 to 52, were accused of fraudulently registering 37 voters as Republicans between August 2005 and February 2006. Democrats, Green Party members and a noncitizen were registered as Republicans, prosecutors said.

The suspects were hired to register new Republicans by private firms paid by the Orange County Republican Party, prosecutors said. The recruiters worked for the firm Bader & Associates, as well as a subcontractor, John Burkett. Both have said they no longer work on voter registration drives.

No charges were filed against the companies or the Republican Party.

The recruiters visited shopping centers and college campuses and were paid $10 a head for newly registered Republicans in a district represented by U.S. Rep. Loretta Sanchez, a Democrat, prosecutors said.

Voters were asked to sign petitions for lower taxes or stricter sex offender laws, then tricked into signing voter registration cards, Orange County prosecutor Anthony Rackauckas said. Other information was filled in using voters' driver's licenses, he said.

County Democratic Party officials said they have filed more than 500 verified complaints of fraud in the drive.

The 12 defendants were charged with fraudulent completion of affidavit of registration, a felony. Five defendants remain at large. The maximum penalty for a conviction is three years in prison.

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The charges are the latest voting controversy to roil Orange County. In a separate case, the campaign of Sanchez's Republican opponent, Tan Nguyen, has been linked to intimidating letters sent to registered voters with Hispanic last names.

U.S. Attorney, Nightclub To Settle Civil Rights Suit (MJS)

By Gina Barton

Milwaukee Journal Sentinel, November 1, 2006

Eve's attorney denies discrimination against African-Americans

The federal government and the owner of a downtown Milwaukee nightclub have agreed to settle a civil rights suit in which the government accused the business of discriminating against African-Americans.

The suit, filed by U.S. Attorney Steven M. Biskupic in late 2005, said that Eve, a club at 718 N. Milwaukee St., has discriminated against African-Americans since at least 2002, according to court records. The suit accused the owner of the club, Tom Wackman, of refusing entry to black patrons on the basis of race. Wackman contended that he runs an exclusive club that turns prospective patrons away for a number of reasons, but not race.

The government contended that Eve gave "false or pretextual reasons" for denying black people entry, "such as inappropriate attire, exclusion due to a private party, or that Eve was already full, while similarly-situated white persons were admitted to Eve," according to a Department of Justice news release.

Eve did not admit wrongdoing and will not be sanctioned, according to Timothy Baldwin, attorney for Wackman.

"We'll continue to do business as in the past, and the government will watch and make sure we're doing exactly what we said, which is maintaining a high-end, limited-access nightclub," Baldwin said.

Wackman has contended that his goal was to run an exclusive club like those in Chicago and Los Angeles that grant or deny entry based on things such as clothing, attitude and fame.

Before the agreement becomes binding, the U.S. district judge assigned to the case, James T. Moody, must sign it. Attorneys for both sides filed a motion Tuesday in federal court in Milwaukee asking him to do so.

There was no indication in the court record of when the judge might sign the agreement.

According to the Justice Department, under the consent decree, the club must not discriminate on the basis of race and must do several other things, including:

• Post and enforce a non-discriminatory dress code policy.

• Implement a system for receiving and investigating discrimination complaints.

• Conduct monitoring to make sure that employees are following the law.

"We will aggressively pursue claims of racial discrimination," Biskupic said Tuesday.

A civil case on the same issue, filed by another black patron who was denied entry to the club, Jason Holloway, is pending.

Feds Decline Civil Rights Probe In Beard Death (LYNN&A)

By Ron Brown & Matt Busse

Lynchburg (VA) News & Advance, November 1, 2006

The U.S. Justice Department says it lacks sufficient information to justify a civil rights investigation into the death of Clarence Lightfoot Beard Jr., who died Sept. 24 while in custody of Lynchburg police.

The department's decision was outlined in an Oct. 25 letter to L. Garnell Stamps, a local civil rights activist who requested the investigation.

Stamps wrote an Oct. 6 letter to the Justice Department's Civil Rights Division expressing his concerns about the circumstances surrounding Beard's death.

The matter is the focus of an ongoing investigation by the Virginia State Police and two separate investigations by the Lynchburg Police Department.

Meanwhile, city officials have refused to release public records about the incident, saying they are confidential because they deal with "personnel matters" or an "ongoing investigation."

The lack of a public record weighed heavily on the justice department's decision not to proceed with a civil rights investigation.

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"The information which you furnished is insufficient to permit us to determine the existence of a possible violation of federal criminal civil rights statutes," wrote Daniel Rosenholtz, a paralegal specialist for the Civil Rights Division's Criminal Section, to Stamps. "Therefore, we are unable to authorize investigation of your complaint at this time."

Beard, 46, died after police came to his apartment at the James Crossing apartment complex around 3 a.m.

Police said they heard an argument inside before knocking on the apartment's door. They had come to the apartment complex looking for a woman, who was wanted.

Police said Beard struck two of the officers as he struggled with them during his arrest. It is unclear what prompted the confrontation between Beard and police.

The city has refused to release dispatcher logs or 911 tapes relative to the night Beard died, although The News & Advance requested those records under the Virginia Freedom of Information Act.

City officials also have declined to confirm whether police in-car cameras recorded the activities surrounding Beard's death.

Rosenholtz said Stamps would have to provide the Justice Department with details of Beard's death before an investigation would be authorized.

"You should include the date of the incident; the sequence of events leading up to and including any assault by police officers; a description of the injuries Mr. Beard sustained, copies of medical reports, if possible; and the name of involved law enforcement officials and possible witnesses," Rosenholtz' letter said.

The city has refused to name the officers involved.

The two officers involved have since returned to desk duty within the department.

While an autopsy of Beard by the state medical examiner in Roanoke showed he suffered from advanced coronary artery disease, there were also two lumps on his head near the hairline, an abrasion on his forehead and a bruise on his temple.

The medical examiner said none of the injuries appeared lethal.

The medical examiner is awaiting results of toxicology tests, which could show if Beard had any drugs in his system.

A check of other 911 records shows police came to Beard's apartment one other time between March and Sept. 24, when Apartment No. 111 was occupied by Beard and his fiancée, Roxanne Brown.

On March 14, police followed Timothy Hunter Paige to the apartment and arrested him on charges in connection with a hit-and-run, according to a letter from City Attorney Walter Erwin in response to a Freedom of Information request.

Beard and Brown were at the apartment, according to Erwin's letter.

Brown was charged with disorderly conduct for behaving "in a manner that hampered the officers' ability to perform their duties," according to Erwin's letter.

She was later found not guilty of the charge.

The letter's description of the incident says nothing about Beard except that he was at the apartment at the time. It also said a bag of what appeared to be marijuana, whose ownership could not be determined, was in plain view in the apartment.

Stamps said early last month that witnesses at the scene on Sept. 24 said Beard was pepper sprayed by police and struck repeatedly with fists.

Stamps said he has cell phone pictures of blood on the wall of Beard's apartment.

"There is some evidence that we have seen that his head was slammed up against the wall," Stamps said.

Stamps has also said a 16-year-old girl witnessed the beating.

"She came out and begged them to stop," Stamps said.

Contact Ron Brown at (434) 385-5542 or rbrown@newsadvance.com. Contact Matt Busse at (434) 385-5533 or mbusse@newsadvance.com. Subscribe to the Newspaper

Black Plaintiffs Had Attacked Miss. Voting Method For Judges (AP)

AP, November 1, 2006

JACKSON, Miss. - The attorney for a group of black plaintiffs has withdrawn a federal complaint challenging how Mississippi will elect state circuit and chancery judges.

Attorney Carroll Rhodes of Hazlehurst, who filed the lawsuit in U.S. District Court in October, told Judge Henry T. Wingate that he was withdrawing the request after the Justice Department officially pre-cleared the election change Monday in a letter.

"Our complaint was that it should be submitted for pre-clearance," Rhodes said. "On Oct. 10, the state submitted it for pre-clearance and on Oct. 30, 2006, the attorney general tentatively gave pre-clearance."

Rhodes told Wingate the request shouldn't go forward.

In the pre-clearance letter, the Justice Department said that for the remainder of the 60-day period the office has to review the matter under the Voting Rights Act, information can be submitted that could result in changes to the pre-clearance.

Rhodes said plaintiffs were never seeking to stop or postpone the election. Rhodes said he wanted the judiciary races under the election law before it was rewritten by the Legislature in 2005.

He said the new law was to take effect Jan. 1, 2007, not for the Nov. 7 general election.

The lawsuit said that in six chancery court and nine circuit court districts, the opportunity for the election of black candidates has been harmed by the new law.

In those districts, the Legislature changed the election process from a "herd" system to a "post" system. The lawsuit had asked a federal panel to revert to the herd system for the Nov. 7 elections.

Under the herd system, all candidates run in a pack and the top vote getters win the available seats. The herd system was put in place in the late 1980s as part of a settlement of a lawsuit that also claimed the judicial election method diluted black voting strength.

Supporters argue the herd system can help blacks be elected because minorities can make their vote count more by voting only once, presumably for the black candidate.

In the post system, candidates choose the post for which they are running. Many incumbents like the post system because generally a challenger will opt not to run against an incumbent if there is an open spot to pursue.

Teen Shot By Police Stun Gun Dies (FINDLAW/AP)

AP, November 1, 2006

(AP) - JERSEYVILLE, Ill.-A teenager carrying a Bible and shouting "I want Jesus" was shot twice with a police stun gun and later died at a St. Louis hospital, authorities said.

In a statement obtained Tuesday by The Associated Press, police in Jerseyville, about 40 miles north of St. Louis, said 17-year-old Roger Holyfield would not acknowledge officers who approached him and he continued yelling, "I want Jesus."

Police tried to calm the teen, but Holyfield became combative, according to the statement. Officers fired the stun gun at him after he ignored their warnings, then fired again when he continued struggling, police said.

Holyfield was flown to St. Louis' Cardinal Glennon Hospital after the confrontation Saturday; he died there Sunday, police said.

An autopsy was planned for Tuesday.

The statement expressed sympathy to Holyfield's family but said city and police officials would not discuss the matter further.

Calls Tuesday to Jerseyville Police Chief Brad Blackorby were not immediately returned. The department has been using stun guns for about five months, according to the statement.

In a report released in March, international human rights group Amnesty International said it had logged at least 156 deaths across the country in the previous five years related to police stun guns.

The rise in deaths accompanies a marked increase in the number of U.S. law enforcement agencies employing devices made by Taser International Inc. of Scottsdale, Ariz. About 1,000 of the nation's 18,000 police agencies used Tasers in 2001; more than 7,000 departments had them last year, according to a government study.

Police had used Tasers more than 70,000 times as of last year, Congress' Government Accountability Office said.

Amnesty International has urged police departments to suspend the use of Tasers pending more study. Taser International said the group's count was flawed and falsely linked deaths to Taser use when there has been no such official conclusion.

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The city of St. Louis also drew unwanted attention for crime this week when it was named the most dangerous U.S. city by Morgan Quitno Press. The ranking looked only at crime within St. Louis city limits, not its metro area.

On the Net:

Taser International, http://www.taser.com

Discrimination Claim Might Be Viewed Again (INLVDB)

By Troy Anderson, Staff Writer

Inland Valley (CA) Daily Bulletin, November 1, 2006

The U.S. Justice Department might reopen an inquiry into a claim that the 2001 redistricting plan for the Los Angeles County Board of Supervisors discriminates against Latinos, officials said Tuesday.

Latinos comprise 47 percent of the county's population but are represented by only one of the five supervisors.

Joaquin G. Avila, special counsel to the 1,070-member Los Angeles County Chicano Employees Association, recently provided the Justice Department with what he says is new evidence that indicates supervisors packed Latino voters into a single district when two districts could have been drawn.

First District Supervisor Gloria Molina, whose district includes Pomona, represents most of the county's Latino residents.

Avila's filing seeks the creation of two supervisorial districts with Latino majorities that would give the Latino community an opportunity to elect a second candidate to the Board of Supervisors, said Alan Clayton, director of equal employment opportunity at the LACCEA.

Eastern Los Angeles County is split among three supervisorial districts and no member of the Board of Supervisors lives there.

Scuffle With Deputies Results In Death (LAT)

By Nancy Wride

The Los Angeles Times, November 1, 2006

Authorities today are investigating the death of a Long Beach man after a confrontation with Los Angeles County sheriff's deputies Sunday night.

The 39-year-old man scuffled on a Lakewood corner with deputies who thought he had a handgun, according to the Sheriff's Department. What was thought to be a weapon turned out to be a cell phone, officials said.

The incident is being investigated by sheriff's homicide detectives and the Los Angeles County district attorney's office.

The name of the dead man was not released.

The incident began about 5:30 p.m. Sunday near the intersection of Paramount Boulevard and Flangel Street, a residential area just west of the Lakewood Country Club.

When two deputies "contacted the man," according to a statement by Sgt. Paul Patterson, "the man attempted to flee as he concealed an object which deputies believed was a handgun.

"A violent struggled ensued, which lasted for several minutes," according to the statement. "Throughout the struggle, the man kicked the deputies and resisted their every effort to control him. Once assisting units arrived, deputies were finally able to handcuff and restrain the man.

"At this time, it was discovered that the man was holding a cellular phone, not a handgun," the statement said.

The man was not breathing and had no pulse. Deputies and paramedics resuscitated the man, who was then taken to a hospital.

The man died at 7:40 p.m. Monday. The statement did not say where he died. The cause of death is under investigation by the Los Angeles County coroner.

The two deputies, who work out of the sheriff's substation in Lakewood, suffered moderate injuries and were treated and released from a hospital.

Mike Gennaco, chief attorney for the Sheriff's Department's Office of Independent Review, which examines events when department employees use force, said the unnamed man "had other encounters with the police and they had been violent."

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Asked if there was any indication that the man suffered from mental illness, Gennaco said he had not been told that. He also noted that there were new legal limits about disclosing personal details.

He said that an autopsy today or Wednesday could help point homicide investigators in the direction to go.

There were several witnesses to the violent encounter, Gennaco added, and he had not yet reviewed all the officer and witness reports.

He said he thought the deputies "had made a gun arrest in that area the day before, and I think they were concerned [about the man].

"I think it was mostly instinct," Gennaco said. "When they had tried to conduct a consensual encounter, to ask some questions, he started reaching for his waistband. That's what's been conveyed to me."

Battle Over Abortion Focuses On South Dakota Vote (NYT)

By Monica Davey

The New York Times, November 1, 2006

SIOUX FALLS, S.D. — In the downtown headquarters of those opposing a ban on nearly all abortions in this state, there are notes from around the country taped up and down the hallway: "They need to butt out of women's lives" and "Why did S.D. vote for this?"

On the other side of town, in a warehouse decorated in pink, the supporters of the ban doggedly work a phone bank, in some cases young children playing nearby.

The battle here over a statewide ballot measure to install one of the country's strictest anti-abortion laws is playing out in television commercials, yard signs and Sunday sermons. It is also drawing the attention of national advocates on both sides of the abortion debate, who are watching the campaign with deep intensity and even fear.

Both sides predict that the outcome of the vote in South Dakota could send the country's broader debate over abortion rights swerving in new directions, and will set the tone for the fate of similarly strict laws being considered in nearly a dozen other states.

"I think there's some sense out there that — 'By golly, if they can do it there, we're going to do it here,' " said Nancy Keenan, the president of Naral Pro-Choice America, which opposes the South Dakota ban.

Daniel McConchie, the vice president of Americans United for Life, which favors passage of the measure, said a defeat at the polls on Nov. 7 could take the steam out of efforts to impose even less restrictive measures, like parental notification rules or waiting periods, that have been the focus of the anti-abortion movement in recent years.

"There's fear that legislators elsewhere would see what happened there and try to play it safer," Mr. McConchie said. "That would have a chilling effect on more incremental legislation in other places."

The South Dakota ban was passed by the Legislature in February but was pushed to a statewide vote by opponents. If the law survives, it would become a felony for a doctor in South Dakota to perform abortions except to prevent the death of the pregnant woman. The latest poll shows voters leaning against the ban, but its fate remains uncertain and both sides are now clearly searching to grab the last, undecided voters whose views on abortion may fall somewhere in the blurry middle.

For that, the most extreme arguments are nowhere to be found. No bloody fetuses fill billboards, no absolute claims are being offered about women's rights.

Instead, in calls from a phone bank at the ban opponents' headquarters, volunteers quietly tell potential voters that the law is just too narrow, failing to allow abortions in circumstances like rape or incest. The supporters of the ban, meanwhile, speak in gentle tones about how abortion hurts women.

"I refuse to show pictures of dead babies," said Leslee Unruh, who leads Vote Yes For Life, the group that is campaigning for the law, reflecting on methods used by anti-abortion groups. "That's what the old way was, and that's why they were losing all these years."

The messages may be muted to appeal to moderates, but the debate has nonetheless grown tense.

Local advocates on each side insist that they are drawing mainly on South Dakotans for help, while also insisting that the other side is getting significant help from wealthy, powerful, well-organized operations outside of the state.

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The Rev. Jerry Falwell issued an Internet plea to his followers, calling on them in September to "counter the propaganda" Planned Parenthood would be promoting. And Cecile Richards, the president of Planned Parenthood, scoffed at Mr. Falwell's claims about how much money her group would spend, but acknowledged, "This is really on the top of everyone's mind."

Until the week beginning Oct. 29, the political groups have not been required by state rules to publicly disclose the amount or sources of their money since early summer. They were required to submit financial disclosures to the secretary of state's office with postmarks of Oct. 31.

[Neither report had arrived there Tuesday.

[The South Dakota Campaign for Healthy Families, which has led efforts to oppose the ban, said late Tuesday that the group raised more than $1.8 million (not including in-kind contributions) since late June, all but $160,000 of that from donors outside the state. Vote Yes For Life, which supports the ban, said it was still deciding whether to release some of its figures late Tuesday evening.]

Oregon and California have abortion measures on their ballots this year, both weighing parental notification laws, similar to provisions for parental notification or consent that exist in various forms in 34 states.

But because of its breadth and scope, South Dakota's measure has eclipsed the other two measures when it comes to national campaign efforts, which have included ambitious fund-raising drives and potluck suppers in 233 towns around the country.

South Dakota's abortion law was intentionally sweeping and was designed, as Gov. Mike Rounds has described it, as a "full frontal attack" on Roe v. Wade, the 1973 United States Supreme Court decision that made abortion legal.

If upheld by the voters, the law is also certain to draw a lawsuit from Planned Parenthood — which operates the only abortion clinic in the state, where about 800 abortions are performed a year — setting off the legal battle that the ban's authors had anticipated and wished for: the most direct challenge to Roe v. Wade in more than a decade. The ban, which could take effect as soon as the state's vote is certified, would probably be put on hold while the case makes its way through the courts.

In the continuing quest to sway wavering voters, the debate in recent days has centered on what the law says and does not say about exceptions — a question that seemed not to be in doubt for many months after state lawmakers passed the bill and Governor Rounds signed it in March.

A month earlier, legislators had voted down amendments that would have allowed abortions in cases of incest, rape or in instances when the pregnant woman's health would be jeopardized (though not fatally).

But supporters of the ban, including advocates on a television commercial that has been broadcast around the state, now say there are other exceptions written in the law.

In the commercial, as more than a dozen doctors — some of the scores of members of a group calling itself South Dakota Physicians for Life — stand together in white coats, stethoscopes draped around their necks, Dr. Mark Rector says: "This measure does provide exception for the life and health of the mother."

Asked about the commercial's assertions, the ban's supporters say the law includes "an exception" for the health of the mother because it would allow a doctor to treat a sick mother for her illness and, if treatment accidentally resulted in the death of a fetus, that would not be deemed a crime.

The ban also does not apply to the use of emergency contraception — the so-called "morning after pill" — in the first days after conception, a fact that ban supporters say amounts to "an exception" that would cover rape and incest cases.

[The new debate may reflect the polls, the latest of which found that 52 percent of those polled said they would vote against the ban, 42 percent for keeping it. Another 6 percent were undecided in the Mason-Dixon Polling & Research survey published in the Argus Leader of Sioux Falls on Sunday and the margin of error was plus or minus four percentage points.

[But the poll also found that 56 percent of those who opposed the ban or were undecided said they would support it if it carried a clear exception for rape and incest.]

In a recent interview, Roger Hunt, a state representative who sponsored the bill, said he and others were clarifying points that had always been part of the law. "Regardless of how we label these things or whether we use the phrase 'exceptions,' what we're saying is that there are these provisions to deal with such cases," Mr. Hunt said.

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Opponents of the ban have filed complaints with local television stations over the commercial, saying supporters are trying to confuse undecided voters in the final days.

An Untimely Voter Purge (NYT)

The New York Times, November 1, 2006

One of the most deplorable political tactics — trying to suppress the votes of poor or minority citizens by raising the specter of voter fraud — is playing out this week in the city of Yonkers. Republican Party lawyers are calling for an 11th-hour purge of voter rolls in a clear effort to help their endangered state senator, Nicholas Spano.

Two years ago, Mr. Spano won a race against Andrea Stewart-Cousins, a Democratic Westchester County legislator, by 18 votes after months of courtroom wrangling and ballot-challenging. This year's rematch has been bitter, full of venomous ads and slung mud. Then last Friday, Republican lawyers filed challenges to nearly 6,000 voter registrations in the Senate district, charging discrepancies between county voter lists and change-of-address records compiled by the Postal Service.

There is a process for investigating an accusation of voter fraud. It involves sending a letter to an address in dispute, and possibly following up with a police inquiry. The Westchester County Board of Elections is doing that. But it has never had an outside party dump so many contested names so close to such a fiercely contested election.

The Republicans say they have only the purest motives. "It's in everyone's interest to put the election beyond the pale of fraud," said John Ciampoli, a lawyer for the county Republican Party.

Forgive us if we are unmoved by this freelance fit of pre-election rectitude. If the Republicans were sincere about tidying the voter rolls, they could have raised the alarm long ago. Instead they dropped a bomb at the last minute — a conjectural list of possibly problematic names that the Board of Elections has no hope of clearing up before Nov. 7. Efforts to purge voter rolls are notoriously prone to error and misuse, because of the innocent or inconsequential discrepancies that abound in voter records.

Whatever happens on Tuesday, this list must not be used to disenfranchise voters. People should go to the polls knowing they will not be intimidated or threatened for trying to vote.

Mr. Spano can make a credible case for re-election based on his record. It's regrettable that he belongs to a party that demonstrates an unseemly enthusiasm for keeping people from voting and for turning the exercise of democracy into a game won on technicalities. He should disavow this scheme, call off the lawyers and try to win an open, aboveboard election.

ANTITRUST:

Entercom To Sell 3 Radio Stations Due To Antitrust Concerns (AP)

By Deborah Yao, AP Business Writer

AP, November 1, 2006

PHILADELPHIA — The Justice Department said Tuesday it has suspended an antitrust investigation into Entercom Communications Corp.'s purchase of several New York radio stations because the company said it would sell three stations to comply with media ownership rules.

The Justice Department had been looking into Entercom's $262 million purchase of 15 radio stations from CBS Corp. in Austin, Texas; Cincinnati; Memphis, Tenn.; and Rochester, N.Y.

The investigation centered on Rochester, where Bala Cynwyd-based Entercom already owns four radio stations, one AM and three FM. The acquisition would hand over four more FM stations in the area.

With eight radio stations, Entercom would control more than 57 percent of the radio advertising market, and the Justice Department was investigating whether its dominant market share would lead to reduced competition and higher prices for radio advertising.

Federal Communications Commission's rules on local ownership would prohibit Entercom from owning more than five FM stations in an area, requiring it to sell two.

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Entercom said it's planning to sell three stations — the CBS-owned WRMM-FM and WZNE-FM and Entercom's WFKL-FM — to comply with FCC rules. The stations are expected to be sold within three months to a buyer approved by the Justice Department, according to a news release issued by the department Tuesday.

After the sale, Entercom's share of Rochester's radio ad market would fall to 40 percent.

Entercom officials did not immediately return a call for comment Tuesday.

One of the nation's largest broadcasters, Entercom owns radio stations in 20 markets and posted annual revenue of $432.5 million. CBS, based in New York, owns and operates 179 radio stations in 40 markets nationwide, among other assets. Last year, it reported $14.5 billion in total revenue.

Shares of Entercom fell by 2.6 percent, or 75 cents, to close at $27.67 on Tuesday on the New York Stock Exchange. CBS shares fell by 6 cents to end the day at $28.94 on the New York Stock Exchange.

R.R. Donnelley To Buy Banta In $1.3 Billion Deal (WSJ)

The Wall Street Journal, November 1, 2006

R.R. Donnelley & Sons Co. said late yesterday it has agreed to acquire Banta Corp., a Menasha, Wis., provider of printing and digital-imaging solutions, in a $1.3 billion deal.

The agreement comes as printing-services provider Cenveo Inc. said it has withdrawn its $50-a-share acquisition offer for Banta. Cenveo, Stamford, Conn., in August offered to buy rival Banta for $46 a share, or about $1.12 billion. Banta rejected the offer, opting instead to announce a restructuring that would cut as many as 500 jobs and close five printing plants.

In September, Cenveo sweetened its bid to $47 a share. Banta, in rejecting the bid, said its board authorized management to explore strategies for further maximizing shareholder value, including a possible sale of the company. Cenveo then raised its bid to $50 a share.

"I am disappointed [but not surprised] that Banta has not accepted or even entered into discussions with us regarding our proposal," said Cenveo Chief Executive Robert Burton Sr. in an open letter to Stephanie Streeter, Banta's CEO, before the Donnelley deal was announced.

The deal with Donnelley -- consisting of $36.50 a share after a special dividend of $16 a share already declared by Banta -- has been unanimously approved by both companies' boards and is expected to close in the first quarter of 2007.

R.R. Donnelley, a Chicago provider of print services, sees the acquisition adding to earnings in the first full year after the close of the deal, which remains subject to approval from regulators and shareholders.

Banta has annual revenue of about $1.5 billion, while Donnelley had 2005 sales of $8.43 billion.

Sony Targeted In Widening Justice Department Memory-chip Probe (AP)

By Jordan Robertson, AP Business Writer

AP, November 1, 2006

An obscure corner of the semiconductor industry became an international battleground Tuesday as Sony Corp. became the fifth company ensnared in a U.S. Department of Justice antitrust probe into the sales of a particular type of memory chip.

The same day, European Union regulators said they raided several unnamed semiconductor companies in Germany on Oct. 11 as part of a probe into possible price fixing for the same type of chip.

Both investigations center on the sale of static random access memory, or SRAM, a kind of computer memory found in relatively small quantities in PCs and used in disk drives, communications equipment and networking gear.

SRAM memory is faster and more reliable than dynamic random access memory, or DRAM, the most common type used in personal computers.

But it also can be more expensive for high-end corporate uses, and SRAM sales are shrinking as customers gravitate toward chips with integrated memory to save space and cut costs, said Mark DeVoss, a senior analyst with market researcher iSuppli Corp.

Worldwide SRAM sales totaled $2.8 billion in 2005, compared with DRAM sales the same year of about $24.8 billion, according to iSuppli.

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DeVoss said he was puzzled by the widening probe, saying any pricing shenanigans would likely have little impact on consumers because of the small market size and relatively low selling prices for most types of SRAM, he said.

"Unless there's something really, really, really wrong, I think this is a tempest in a teapot," he said. "I don't think consumers are being affected that much, simply because the business is too small."

European regulators were explicit that the companies targeted in the cartel raid were suspected of breaking price-fixing laws.

However, the European Commission never names the companies suspected of operating a cartel and said that the surprise inspections were a preliminary step in its probe.

Under EU law, businesses found guilty of taking part in a cartel can be fined up to 10 percent of their annual revenue.

In Washington, Justice Department officials declined to discuss details of the probe. Spokeswoman Gina Talamona would only say that antitrust prosecutors are "investigating the possibility of anticompetitive practices in the SRAM industry."

Sony said Tuesday it had received a subpoena from the Justice Department's antitrust division seeking information on its SRAM business, but it did not disclose details of the probe. The company said it would cooperate with investigators.

The company said it sold $27.7 million worth of SRAM in 2005. Outside companies make the product for Sony, which in turn sells the memory chips to other electronics makers.

Sony shares fell 57 cents, or 1.37 percent, to close at $40.98 Tuesday on the New York Stock Exchange.

Earlier this month, four other companies said they had been contacted by the Justice Department as part of the industrywide probe - San Jose-based Cypress Semiconductor Corp., and the U.S. units of Mitsubishi Electric Corp., Samsung Electronics Co. and Toshiba Corp.

The SRAM investigation comes amid a Justice Department probe of price-fixing among DRAM companies.

That probe has so far resulted in more than a dozen charges against individuals and more than $731 million in fines against Samsung Electronics Co., Elpida Memory Inc., Infineon Technologies AG and Hynix Semiconductor Inc.

But unlike the DRAM probe, which examined practices with a direct impact on the bottom line for consumers, the SRAM probe may have been prompted by corporations concerned they were overcharged for the fastest memory used in high-end networking equipment, said Adrienne Downey, senior analyst with Semico Research Corp.

Downey said she expects more companies to get pulled into the investigation, but questioned whether the manpower employed in the investigation was warranted considering the small SRAM market size.

"They're really making a mountain out of a molehill," she said. "They're really looking for something that might not be a really big issue. If the price fixing is the real thing, they're doing it more for the spirit or the thought behind it."

Sony Discloses U.S. Antitrust Investigation Over Chips (NYT)

By Martin Fackler

The New York Times, November 1, 2006

TOKYO, Oct. 31 — Sony, the Japanese electronics giant, said on Tuesday that its electronics unit was under investigation by the United States Justice Department for possible antitrust violations, the latest problem for a company battered by battery recalls, product delays and plunging profits.

Sony said in a statement that it had received a subpoena from the Justice Department in what appeared to be part of a broader investigation into a type of memory chip called static random access memory, or SRAM. The chip is used in computers, disk drives and other devices like cellphones.

“Sony intends to cooperate fully with the D.O.J. in what appears to be an industrywide inquiry,” Sony’s statement said.

Sony is at least the fifth company whose SRAM business has come under investigation by American regulators. The Justice Department is also investigating Matsushita Electric and Toshiba of Japan, Samsung Electronics of South Korea and Cypress Semiconductor of San Jose, Calif.

An earlier investigation by the Justice Department into price fixing in the market for another type of memory chip, dynamic random access memory, or DRAM, led to $731 million in fines imposed on four companies and several individuals.

Sony's sales last year of SRAM chips totaled $28 million, a fraction of the company's $64 billion in global sales. The bigger potential damage will probably be to Sony's once-sterling reputation, which has already been tarnished by the recent recall of 9.6 million laptop batteries and delays to its widely awaited next-generation game console, PlayStation 3.

The recent problems have come just as Sony appeared headed to recovery under its first non-Japanese chief executive, Sir Howard Stringer.

Under Mr. Stringer, who took Sony's helm last year, the company had appeared to be bouncing back from blunders like losing the market in global portable music players to the iPod from Apple and being late to produce flat-panel televisions.

But the company has hit a series of new problems. The first were delays to PlayStation 3, which Sony badly needs to be a hit so that it can regain its image as an electronics innovator. The rollout of PlayStation 3, initially expected last summer, is now scheduled this month in Japan and the United States, and for March in Europe. Last August, Sony began a global recall of lithium-ion batteries after laptops overheated and in rare cases burst into flames.

The recall has so far cost Sony $429 million. Sony could also face additional costs from lawsuits. The recalls and PlayStation 3 development costs also led Sony to lower its net profit forecast for the current fiscal year, ending March 2007, by 38 percent to 80 billion yen, or $673 million.

Raids in Germany

BRUSSELS, Oct. 31 (AP) — European antitrust regulators said on Tuesday that they had carried out raids on several semiconductor makers in Germany this month.

The European Commission said it had reason to believe that the companies, which make static random access memory chips, had broken the organization's rules that prohibit price fixing.

The commission did not identify the companies suspected of operating a cartel.

EU Probes For Price Fixing In Computer Memory Market (Update4) (BLOOM)

By Matthew Newman

Bloomberg, November 1, 2006

Oct. 31 (Bloomberg) -- European Union regulators are investigating potential price-fixing of memory chips used in computers and mobile phones, working with U.S. authorities.

A Sony Corp. chip-making unit, Sony Electronics Inc., received a U.S. Justice Department subpoena seeking information about its business, the company said in a statement today. U.S. regulators are conducting a criminal price-fixing investigation into the market for static random-access memory chips.

The EU is probing makers of SRAM chips, coordinating with U.S. authorities. The commission conducted unannounced inspections at offices in Germany on Oct. 11 along with national antitrust officials, commission spokesman Jonathan Todd said. He didn't identify the companies involved. The U.S. inquiry follows a three-year probe of price-fixing in the DRAM chip market.

``The commission has reason to believe that the companies concerned may have violated Article 81 of the EC Treaty, which prohibits practices such as price fixing," the European Commission, the EU's Brussels-based antitrust regulator, said in a statement today.

Samsung Electronics Co., Cypress Semiconductor Corp. and Micron Technology Inc., among the biggest makers of the chips, said Oct. 12 that the Justice Department had contacted them about SRAMs. In the probe of the dynamic random-access memory chip probe, the Justice Department has collected $731 million in criminal fines, including $300 million from Samsung.

Raids Denied

Qimonda AG, the memory chip unit of Germany's Infineon Technologies AG, said its offices weren't raided by EU officials, spokesman Ralph Heinrich said by telephone today. Qimonda was spun off on May 1 this year. It had net sales of 2.8 billion euros ($3.6 billion) in the year ended Sept. 30, 2005, according to Qimonda's Web site.

Spokesmen for San Jose, California-based Cypress and Boise, Idaho-based Micron both denied that their companies' European offices had been visited as part of the investigation there.

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``I'm not aware of any kind of investigation by the European Union as of yet," said Daniel Francisco, a Micron spokesman, in an interview today. Matt Beevers, a Cypress spokesman, also denied that EU regulators had visited the company's offices in Germany.

Francisco reiterated that Micron is cooperating with the Justice Department probe. In its statement, Sony said the U.S. probe ``appears to be an industrywide inquiry."

Nicholas Babin, a spokeswoman for Sony Europe GmbH, said the company hadn't been raided in Germany.

Spokespeople for Suwon, South Korea-based Samsung didn't immediately return a phone message seeking comment. Samsung, the market leader in SRAM production, on Oct. 12 acknowledged receiving a Justice Department subpoena for SRAM data sales and marketing. Chris Goodhart, a spokeswoman, said the company is cooperating with U.S. authorities.

The 2006 worldwide market for SRAM chips was valued at $2.9 billion by iSuppli Corp., a market research company. The global market for DRAM chips is valued at about $30 billion.

Judge Fines Company For Bid-rigging (DURHER)

By Joe Hanel, Herald Denver Bureau

Durango (CO) Herald, November 1, 2006

Former head of Farmington office also pleaded guilty to charge

DENVER - A Tulsa company was fined $150,000 for rigging bids for the construction of BP natural-gas pipelines in Southwest Colorado.

Flint Energy Services received the sentence on Monday from U.S. District Court Judge Phillip Figa.

The company and the former head of its Farmington office, Kenneth L. Rains, pleaded guilty in August to conspiring with other unnamed people to defraud BP by submitting high bids for pipeline construction. Bid-rigging is a violation of the Sherman Antitrust Act.

Rains has been transferred to the company's Oklahoma headquarters, but he hasn't been fired. Figa questioned why not.

"Why does the company keep on someone who has committed a felony?" Figa asked.

Flint's attorney, Ryan Stoll, said the company isolated Rains from his old post but decided not to fire him because of "personal circumstances" that might become clear at Rains' sentencing in January. Stoll said he expects Rains to be sent to prison.

Flint and lawyers for the Justice Department's antitrust division had asked for a fine of $100,000, citing the prompt cooperation of Flint executives. Federal sentencing guidelines call for a fine of $161,000 to $322,000.

Figa said a $100,000 fine is "not significant enough to reflect the crime that has occurred here."

Flint already has paid restitution to BP.

Rains was in charge of the Farmington office, which has more than 200 employees. One of Rains' subordinates blew the whistle on the bid-rigging by informing BP and the government.

Carla Stern, a Justice Department attorney, said there's no evidence the conspiracy went any higher than Rains. She praised Flint executives for cooperating and speeding up the case.

Court documents hint at an ongoing investigation. Justice Department attorneys wrote that Flint has provided "extensive, credible information against both corporate and individual co-conspirators."

Aside from Flint and Rains, no other people or corporations have been charged.

AMD Wants To Force Intel To Divulge Documents For Antitrust Suit (AP)

AP, November 1, 2006

Advanced Micro Devices Inc., the No. 2 computer chip maker behind Intel Corp., asked the court overseeing its antitrust lawsuit against Intel to force the company to produce documents related to its conduct outside of the United States.

The judge had previously ruled AMD cannot sue in the U.S. for Intel's alleged monopolistic tactics overseas.

But AMD argued in the motion filed Monday in a Delaware federal court that the order only applies to damages sought in the U.S. for Intel's alleged strong-arm tactics abroad. AMD maintains it should be allowed to use documentation of those actions to pursue domestic commerce claims.

Sunnyvale-based AMD, which filed its lawsuit in June 2005, accuses Santa Clara-based Intel of bullying major customers into exclusive deals and offering secret rebates to undercut AMD in the market for microprocessors, which act as the brains of computers.

The lawsuit alleges anticompetitive practices in several countries including Britain, Germany and Japan.

In September, U.S. District Judge Joseph J. Farnan Jr. dismissed a key portion of the lawsuit, ruling that AMD failed to prove that Intel's alleged tactics abroad had a direct effect on its operations in the U.S.

AMD argued in its latest motion that "evidence of Intel's foreign exclusionary conduct is directly relevant" to its claims of lost microprocessor sales to U.S. customers, and for lost sales of domestically made microprocessors to foreign customers.

Intel spokesman Chuck Mulloy said the company disagreed with AMD's interpretation of the ruling and planned to file its reply in the coming weeks.

A trial date has been set for April 27, 2009.

Donnelley To Acquire Banta In $1.3B Deal (AP)

AP, November 1, 2006

MENASHA, Wis. - R.R. Donnelley & Sons Co. will acquire Banta Corp. in a $1.3 billion deal combining two Midwestern printing firms with histories dating back more than a century, the companies announced Tuesday.

Chicago-based R.R. Donnelley, which prints the Yellow Pages, said the acquisition will allow it to expand its range of products and services for customers and also enhance its services in magazine, catalog and book printing and in direct marketing.

Donnelley also said in a press release that while it expected its 2006 earnings from continuing operations to be at the high end of earlier guidance of $2.45 to $2.50, anticipated restructuring charges made it impossible to estimate net income for the full year.

Banta, based in Menasha, Wis., has operations in Europe and Asia, in addition to the United States.

"Banta is an exceptional fit with R.R. Donnelley," said Mark A. Angelson, R.R. Donnelley chief executive officer, in a statement. "This combination will create immediate cross-selling opportunities with our blue-chip customers as well as offer substantial synergies in our procurement, manufacturing and services operations. "

The cash deal is valued at about $1.3 billion, or $36.50 per share after a special dividend of $16.00 per share already declared by Banta. The offer, equal to $52.50 per share, represents a premium of 18.6 percent over Banta's closing share price Tuesday on the New York Stock Exchange of $44.28.

Banta said in September that it would declare a $16 per share special dividend payable in November.

The agreement, unanimously approved by boards of directors of both companies, is expected to close in the first quarter of 2007.

Earlier Tuesday, Cenveo Inc., which makes envelopes and provides digital printing services, said it had dropped its bid to acquire Banta for $1.21 billion.

Stephanie A. Streeter, Banta's chairwoman and CEO, said the result of the deal will be "a combined organization that creates new and exciting opportunities for our customers and employees moving forward.

"Together, the companies will offer enhanced capabilities and an increased array of options to our customers and I look forward to working closely with R.R. Donnelley's management to ensure a smooth transition."

Banta, with 1,585 employees in Wisconsin's Fox Valley and 8,000 worldwide, reported 2005 revenues of $1.54 billion. It produces books and other printed matter and also provides supply chain management services.

R.R. Donnelley has 47,000 employees worldwide and had 2005 revenues of $8.43 billion.

Stratex, Harris Deal Gets Antitrust OK (AP)

AP, November 1, 2006

SAN JOSE, Calif. --Stratex Networks Inc., a maker of digital microwave radios used in wireless communications, said Tuesday the required waiting period for its merger into Harris Corp.'s microwave communications unit has ended.

The deal, announced in September, would give Harris a majority stake in the new company.

Melbourne, Fla.-based Harris, which sells communications products to government and commercial customers, will contribute its microwave division and $25 million in cash and get a 56 percent ownership stake in the combined company. Shareholders of Stratex will own 44 percent.

The waiting period was required by the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

The deal still requires approval by other regulators and Stratex shareholders.

Stratex shares closed down 3 cents at $4.67 on the Nasdaq. Shares of Harris closed up 78 cents at $42.60 on the New York Stock Exchange.

Music Publishers Say Anti-piracy Settlement Reached With Kazaa (FINDLAW/AP)

AP, November 1, 2006

(AP) - LOS ANGELES-The music publishing industry reached a tentative deal with operators of the Kazaa file-sharing network over claims of copyright infringement, an industry group said.

Publishers pursuing a class-action suit against Kazaa informed U.S. District Court on Monday that the peer-to-peer network had agreed to pay "a substantial sum" under the agreement, the National Music Publishers' Association said in a statement.

The amount of the settlement was not disclosed. It is subject to final approval by the association board.

The settlement "will be another key milestone of the ongoing transformation of the digital music marketplace to one that will allow legal services to thrive," NMPA president and chief executive David Israelite said in the statement.

Phil Armstrong. a spokesman for Sharman Networks Ltd., which owns and distributes Kazaa, said he was not familiar with the lawsuit and declined to comment.

Sharman Networks announced in July that it had settled copyright infringement lawsuits with music labels and movie studios, agreeing to redesign its software to block customers from downloading protected music and movies and to pay more than $115 million (â,¬90.6 million) in penalties.

The agreements are among a wave of legal settlements between file-sharing networks and the entertainment industry since the Supreme Court ruled last year that technology companies caught encouraging customers to steal music and movies over the Internet could be sued.

Last month, a federal judge ruled against StreamCast Inc., the distributor of the Morpheus online file-sharing software, finding the firm encouraged computer users to share music, movies and other copyright works without permission.

Major Commercial Real Estate Firms Merge (WP)

By Dana Hedgpeth

The Washington Post, November 1, 2006

CB Richard Ellis Group Inc., the world's largest commercial real estate broker and one of the most prominent real estate firms in Washington, agreed yesterday to buy rival Trammell Crow Co. in a deal worth $2.2 billion that will more than double its property management business.

Although neither company is based here, both are considered major local players. CB Richard Ellis, which manages 22 million square feet of space in the Washington area, is handling the leasing of one of the Watergate office buildings and has done leasing for Northrop Grumman Corp., Verizon Communications Inc. and General Dynamics Corp.

Trammell Crow is turning Columbia Hospital for Women in the District into a retail and residential building. It builds, buys and sells properties, and manages buildings and oversees refurbishing for customers such as Ford Motor Co., American Express Co., Bank of America Corp. and Exxon Mobil Corp.

The deal is one of several mergers that have occurred in the past few years as clients seek more efficient ways of buying, selling and leasing office space, industry experts said. Jones Lang LaSalle Inc. of Chicago recently acquired Spaulding & Slye Colliers of Boston. Three years ago, CB Richard Ellis paid $415 million for Insignia Financial Group Inc. of New York.

Yesterday's deal combines CB Richard Ellis's global operations in leasing space and buying and selling office buildings with Trammell Crow's corporate services, development and project management experience, company executives and real estate experts said.

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CB Richard Ellis, based in El Segundo, Calif., is buying Dallas-based Trammell Crow for $49.51 per share in cash. The deal is expected to close by the end of the year. CB Richard Ellis stock closed up $1.81 yesterday, at $30.03; Trammell Crow closed up $9.65, at $48.75.

A Trammell Crow division that builds office buildings will keep its name and be run as a separate subsidiary; all of its development projects will proceed. Executives said it is too early to know if either company will move its local offices or if there will be layoffs.

"It means we're joining two significant real estate firms and combining them into one better organization both locally and nationally," said John Germano, senior managing director in the Washington office of CB Richard Ellis. "You're going to get a company that has more service lines and an unprecedented level of talent," he said. "There will be very little cannibalization, very little overlap."

CB Richard Ellis has 14,500 employees worldwide in 200 offices and revenue of nearly $3 billion. It has 300 employees locally.

It dwarfs Trammell Crow, which has 6,700 employees in 71 offices nationally and revenue of $896 million. Trammell Crow has a large local presence, however, managing 27 million square feet of space with 470 employees in the mid-Atlantic region, which stretches from Richmond to Baltimore. Figures were not available last night for the Washington area alone.

"We bring project management and property management," said Joseph A. Callanan, Northeast regional director for Trammell Crow. "When you put that with CB's global reach and their strong brokerage platform, that combined provides a seamless set of services that's not been seen in the industry.

"If you're a small company in Bethesda and you need space in London, we can now find the space and do the project management," he said. "Or if you're a bigger company and have large campuses, we can acquire a property for you, build a building, do the interior construction, manage it and maintain it."

Local real estate industry executives saw the deal as a logical move.

"CB has always been looking to expand their services, and they saw the development arm of Trammell Crow as something they didn't really have," said Scott Johnston, a senior vice president at Jones Lang LaSalle. "From Trammell Crow's side, they didn't have a strong global platform, so that's what each is getting from the other."

Chief executive Bob Pinkard of the real estate service firm Cassidy & Pinkard Inc., said: "CB's stock has done very well in the last few years because they've shown they have the capacity to grow, but the problem becomes that when you get as large as they are, you can't grow by simply adding a few brokers here and there. You have to acquire other companies."

Others suggested it could be difficult for the combined company to sort out the interests of competing tenants and landlords.

"I'm quite sure they have a strategy that will make the Trammell Crow acquisition a success," said Ray Ritchey, executive vice president at Boston Properties Inc. who worked at CB Richard Ellis as a broker in the late 1970s. "We have an expression here that bigger is not always better. Better is better. It's going to be interesting to see how they'll make that transition."

CB Richard Ellis Buys Trammell Crow Deal Valued At $1.79 Billion Will Hasten Consolidation, Boost Corporate Services (WSJ)

By Ryan Chittum

The Wall Street Journal, November 1, 2006

CB Richard Ellis Group Inc. agreed to buy Trammell Crow Co. for $1.79 billion, in a deal that further cements CB Richard Ellis's position as the biggest player in the booming business of helping companies handle their real estate.

The deal, by far the biggest in the commercial real-estate services sector, hastens consolidation that began in earnest a decade ago and has transformed what were once regional businesses focused on lease and sales brokerage into a handful of multiservice behemoths catering to multinational corporations increasingly looking to outsource their global real-estate functions.

Los Angeles-based CB Richard Ellis would gain a more robust presence in the corporate-services outsourcing market, in which Trammell Crow is an industry leader, along with bigger positions in facilities and project management. "We believe

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Trammell Crow is best in class in that area," CB Richard Ellis Chief Executive Brett White said in an interview. "They were doing, frankly, a better job than we were."

CB Richard Ellis will keep the Trammell Crow brand name and operate the development business as an independent subsidiary -- acknowledgement of the long and colorful role of the Dallas-based company, which retired Texas entrepreneur Trammell Crow built into one of the nation's largest real-estate developers during the 1980s.

The deal, expected to close late this year or early in 2007, would diversify CB Richard Ellis's revenue and income, which are susceptible to volatile cyclical swings. About 78% of the company's revenue comes from transactions; with Trammell Crow, that number would fall to 68%, according to Mr. White.

CB Richard Ellis would pay $49.51 a share for Trammell Crow, a number JMP Securities analyst Will Marks called "a great deal for Trammell shareholders." The offer represents a 27% premium over Trammell Crow's Monday close. Yesterday, Trammell Crow shares soared 25% while CB Richard Ellis shares jumped 6.4% in 4 p.m. trading on the New York Stock Exchange. Including debt and transaction costs, the deal's value comes to $2.2 billion.

Much of the industry's consolidation has been driven by geographic considerations, including the last major deal in 2003 when CB Richard Ellis swallowed Insignia/ESG to boost its New York presence. This deal is different for CB Richard Ellis, which would get a boost in its corporate services and facilities and property management capabilities, but would receive little or no benefit from geographic expansion. Trammell Crow, though, will be able to capitalize on its parent company's global reach. "Trammell Crow was well aware that they needed to get an international presence in order to maintain their competitiveness," said Michele Flynn, president of Expense Management Solutions Inc., a Boston-based firm that advises companies on outsourcing services.

Ms. Flynn said the combined company would be better able to go head to head with Chicago-based Jones Lang LaSalle Inc., the leader in the corporate-services area.

The two companies will have redundancies that could lead to a loss of brokers and revenue in some markets, said Jeffrey Finn, president and chief operating officer of NAI Global Inc., a Princeton, N.J.-based competitor. Barry M. Gosin, CEO of New York-based Newmark Knight Frank, another competitor in commercial real-estate services, added that the move would be good for his firm and others. "There's one less company in the beauty contest."

Trammell Crow dates back to 1948, when Mr. Crow built his first commercial development, a warehouse near downtown Dallas. Making deals on a handshake, Mr. Crow soon became the largest builder in Dallas's Trinity Industrial District. By the late 1950s, he was making his mark across the burgeoning Sunbelt city, developing the Dallas Market Center and the Dallas Apparel Mart.

Trammell Crow established its first offices outside Texas in 1968 in San Francisco, developing Embarcadero Center there and later other signature projects such as Atlanta's Peachtree Center. By the early 1980s, it was one of the nation's largest real-estate developers, focusing on office and industrial property and shopping centers.

After the oil bust coupled with the savings and loan crisis dealt the Texas developers a heavy blow, Trammell Crow responded in part by diversifying into real-estate services. Trammell Crow CEO Robert Sulentic said in an interview that the new company will benefit even more from its "global footprint and sheer scope of services."

Mr. Crow's daughter, Lucy Billingsley, said she was pleased the Trammell Crow name will live on. "That's where his heart lies," she said of her father, now 92 years old.

Google Buys JotSpot To Expand Online Document-Sharing Service By KEVIN J. DELANEY (WSJ)

The Wall Street Journal, November 1, 2006

Google Inc. said it acquired closely held start-up JotSpot for an undisclosed sum, a move that could strengthen Google's expanding services for users to create and share documents online.

JotSpot, exploiting a technology called wikis, provides free and paid services that allow individuals to jointly work on Web-based information such as spreadsheets, photo albums, calendars and contact lists. Google, Mountain View, Calif., has

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assembled free online word-processing, spreadsheet, email and calendar services that have some similarities with JotSpot's offerings. Such services could win away some of the consumers Microsoft Corp. is targeting with its Office software.

JotSpot Chief Executive Joe Kraus said his company was happy to join Google because "it's really clear they are focusing on letting people collaborate and share and work together online." Google executives are also trying to streamline the number of products the company has, and Mr. Kraus said JotSpot would focus on how to integrate with Google's existing services.

JotSpot, Palo Alto, Calif., has about 30,000 paying corporate customers at about 2,000 companies. Roughly 300,000 people use JotSpot's free service, which carries some storage and other restrictions. The company, which received funding from the Mayfield Fund and Redpoint Ventures venture-capital firms, has 27 employees.

ENVIRONMENT:

Colo. City To Vote On 'carbon Tax' (USAT)

By Tom Kenworthy

USA Today, November 1, 2006

DENVER — Voters in Boulder, Colo., will decide Tuesday whether the city will become the first in the nation to impose a "carbon tax" on homeowners and businesses to fund efforts to reduce emissions that cause global warming.

If approved, the ballot measure would tax electricity usage and add about $16-$20 a year to the average residential electric bill. Businesses would pay an additional $46 a year on average, and industries an extra $3,226, according to Yael Gichon of Boulder's environmental affairs office. The tax could raise $860,000 in the first year.

Gichon and Matt Baker, director of Environment Colorado, a Denver-based environmental group, say that if the measure passes, it will mark the first time a U.S. city has voted in favor of a carbon tax to combat global warming.

The levy is called a carbon tax because most electricity in the USA is produced by burning coal and natural gas, which emit carbon dioxide that contributes to global warming.

Climate Smart, a local group that supports the tax, estimates the average monthly residential electric bill of $63 would increase $1.38, or 2.2%. A medium-size office building would rise $33, or 0.6%.

Boulder, one of the state's most liberal communities, has a long history of environmental activism, such as preserving open space, recycling and encouraging use of public transit. The town of about 92,000 residents is home to the University of Colorado and the National Center for Atmospheric Research. "We have probably more climate scientists living in Boulder than any other city in the world," Mayor Mark Ruzzin says.

The City Council authorized the ballot measure to fund a city plan to reduce greenhouse emissions 7% below 1990 levels. To accomplish that, Boulder would have to cut emissions 24% by 2012. About half of the city's emissions are attributed to burning fossil fuels for electricity.

Four years ago, the city adopted emission targets set by the 1997 Kyoto Protocol, an international agreement the United States has not ratified, to reduce greenhouse gases such as carbon dioxide.

"There is a strong environmental ethic in Boulder," Ruzzin says. "People are looking to do the right thing, and the climate action plan gets us down that road."

No group has organized in the city to oppose the tax measure, and even the Boulder Chamber of Commerce has endorsed it. Climate Smart expects to spend about $8,000 on yard signs and "a few newspaper ads," volunteer Ken Regelson says.

Gichon says the tax would fund efforts to increase energy efficiency, spur the use of renewable energy such as wind and solar power, and encourage residents to drive less. The tax also would fund city-sponsored energy audits for residences, and educational programs on utility-sponsored rebates for installing energy-efficient appliances, light fixtures and insulation.

Many states have mandated special charges on electric bills to fund energy-efficiency and renewable-energy programs. And some city-owned utilities, including Fort Collins, Colo., have raised rates to pay for renewable-energy programs.

Big Ethanol (WSJ)

By HOLMAN W. JENKINS, JR.

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The Wall Street Journal, November 1, 2006

There'd likely be no alternative energy proposition on the California ballot if one guy, Stephen Bing, hadn't put up $50 million to place it there.

The media is kind to call Mr. Bing a "movie producer"; his fortune was inherited from his grandfather and his dabbling in the film business has been desultory. His misadventures with starlets and models have proved a more lasting claim to notoriety. In fact, he has little record of sustained commitment to anything, which perhaps explains the economic incoherence of the ballot proposal.

You would never say the same about his most visible ally, Vinod Khosla, a highly reputable Silicon Valley venture capitalist, a founder of Sun Microsystems, and now an avid investor in ethanol ventures. Mr. Khosla says what grabs the public's attention is not "facts" but "stories," and he has lustily lent his voice to telling stories about gouging oil companies, the urgent need for energy independence, and other media-ready tropes useful in selling the proposition to California voters.

Under Prop. 87, as the measure is called, California-produced oil would be taxed to fund alternative energy projects. By making domestic energy more expensive, it would increase, not decrease, the clout of foreign suppliers. But never mind. It also includes an absurd and unenforceable mandate that the cost of the tax not be reflected in the price of gasoline.

Even the reliably middle-of-the-road Los Angeles Times calls the proposition economic quackery. What's really going on here?

Let's begin by noticing that there's been no shortage of capital for alternative energy ventures. By one count, 140 ethanol plants are in the works around the world. Everyone from Goldman Sachs and Warren Buffett to Monsanto and the Carlyle Group has been jumping in.

Nor is there an obvious call for government planners to help investors sort out the winning technologies. Even amid the ethanol frenzy, BP and DuPont are placing a contrarian bet on butanol, another crop-derived fuel, with higher energy content and better compatibility with the gasoline distribution system.

But here's where you should really start paying attention. Virtually everyone agrees an ethanol glut is coming as the new plants come online. This year's boom was sparked by a sudden shift in federal policy and a short-lived gasoline spike. The price of ethanol is expected to fall dramatically.

When he's not stumping for the California initiative, Mr. Khosla has been in Washington proselytizing for a package of subsidies and mandates to prop up the ethanol industry, one of which is a "cheap oil tax" to kick in whenever the price of oil sinks below $40 a barrel. A slide show he gave so enthralled Nancy Pelosi that she had him repeat it for her Democratic colleagues.

One "story" Mr. Khosla enjoys telling at these events is of an oil executive supposedly confiding the industry's plan to push down the price of oil to drive the ethanol industry under. Mr. Khosla is an economic sophisticate. He knows oil's price will go to whatever level is required for the commodity to sell. He also knows that the same technological progress being applied to turn crop material into automotive fuel is also working to turn the world's still-large inventory of stored hydrocarbons into automotive fuel.

The "stone age didn't end for lack of stones," he told TV interviewer Charlie Rose. His stated view, probably well founded, is that gasoline will have no long-term difficulty defending its place in the transportation market on price.

His real concern, to the extent that he has offered a coherent one, is global warming. Now this at least could be the subject of an intelligent debate -- about whether climate concerns justify putting a heavy government finger on the scale to help biofuel investors in their competition with gasoline. But the public would have to be told that part of the plan is higher gas prices.

Voters would then be expected to inquire into the costs and benefits of such a shift. They might notice that U.S. transportation represents just 8% of the world's carbon output. They might notice that even if the whole world joined us on the automotive biofuel bandwagon, this would merely slow, not halt, the buildup of CO_2 in the atmosphere.

And even if the rest of the world could be persuaded to foreswear a commodity as useful as oil, how long would this change take under democratic institutions? Over the relevant period, we might not gain a significantly better understanding of carbon's role in climate change, but we would have witnessed whether the climate has changed. Voters, if they then decided the problem calls for a solution, would certainly wish to spend their bucks on something with greater bang -- say, carbon capture and sequestration, or attacking coal use, or projects to influence the earth's temperature directly.

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Mr. Khosla may be right that stories rather than facts are what sway voters, but it leaves open the question of what he really believes. Or maybe it doesn't matter. The California proposition is expected to lose handily, but for his modest contribution (a reported $1 million), Mr. Khosla has reaped an untold bonanza of propaganda for his energy investments.

Already Congress is hurriedly putting together an expansion of the ethanol mandate in last year's energy bill in hopes of soaking up the excess supply stimulated by previous government actions. Earth's atmosphere might not notice the difference, but Mr. Khosla's portfolio certainly will.

FBI/DEA/ATF/USMS:

Police Arrest Man For Other Blazes As Fifth Ca. Firefighter Dies (AP)

By Andrew Glazer

AP, November 1, 2006

BEAUMONT, Calif. - Authorities on Tuesday arrested a 37-year-old man suspected of igniting two wildfires this summer and who is considered a "person of interest" in the Esperanza blaze, which killed five firefighters.

Word of the arrest came an hour after a somber news conference at which officials announced the death of a horribly burned firefighter who survived five days on life support.

Raymond Lee Oyler of Beaumont was arrested at 3 p.m. on two counts of arson related to wildfires in June, the Riverside County Sheriff's Department said in a statement posted on its Web site late Tuesday. Oyler was not named as a suspect in the Esperanza wildfire, which roared across more than 60 square miles last week before being contained Monday.

Four U.S. Forest Service firefighters died shortly after the blaze began Thursday when flames overran them as they tried to protect a home in the San Jacinto Mountains of Riverside County, about 90 miles east of Los Angeles.

Investigators interviewed Oyler on Friday and then searched his home Monday, the sheriff's department said. Federal agents have been assisting in the investigation. A spokesman offered no further details.

Firefighter Pablo Cerda, 23, of Fountain Valley died at 5:08 p.m. at Arrowhead Regional Medical Center in Colton, after his family decided to take him off life support.

The fifth death made it the greatest loss of firefighters in a single incident while battling a wildfire since 14 were killed in July 1994 during a blaze known as the South Canyon or Storm King Mountain Fire near Glenwood Springs, Colo., according to the National Interagency Fire Center statistics.

"He was a great fighter," said Dr. Dev Gnanadev, who spoke to reporters outside the hospital. "In the end we did talk to the family and gave them an option of taking him to the operating room again for further surgeries knowing his prognosis is very very poor and they decided to let Pablo go."

A group of U.S. Forest Service firefighters attended the evening news conference, with tears in their eyes.

"I felt the faith and hope for Pablo's recovery and actually felt a miracle might be possible," said Jeanne Wade Evans, the San Bernardino National Forest supervisor. "Today more sadness is added to our almost unbearable grief."

Cerda was burned over 90 percent of his body. Three other members of Engine 57 died at the scene, and Cerda's captain died soon after at a hospital.

Cerda was in just his second year of fighting fires for the Forest Service. He had planned to begin studying to become a paramedic.

The other victims were the engine captain, Mark Loutzenhiser, 43, of Idyllwild; Jason McKay, 27, of Apple Valley; Jess McLean, 27, of Beaumont; and Daniel Hoover-Najera, 20, of San Jacinto.

"All of us from the forest and all those from the fire service deeply mourn the loss of these brave men. In my mind there's no greater calling than to help those in need," Evans said.

As part of the investigation, authorities said they sifted through hundreds of tips and interviewed previously convicted arsonists who live in the Cabazon area. Assisting in the investigation were the Bureau of Alcohol, Tobacco, Firearms and Explosives and the Federal Bureau of Investigation.

The reward for information leading to an arrest had topped $500,000.

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The blaze started early Thursday and scorched 40,200 acres, or more than 60 square miles, of forest and brush before being fully contained Monday. It destroyed 34 homes and 20 outbuildings. A portion of Highway 243 in the fire area remained under indefinite closure for repair of the two-lane road.

Firefighting costs reached $9.9 million, the California Department of Forestry said.

Authorities said the fire was deliberately set at the base of a slope in Cabazon, west of Palm Springs, as fierce Santa Ana winds hit Southern California. Residents said they saw two young men leaving the area where the fire began.

At the crime scene, investigators had planted blue, red and yellow flags attached to wire stakes in the ground to mark the location of possible evidence. Part of the hillside was marked by a grid made of pegs and string.

A public memorial service for the dead firefighters was scheduled for 1 p.m. Sunday at the Hyundai Pavilion in Devore. Individual firefighter funerals will be private, officials said.

Fifth Firefighter Dies Of Burns (LAT)

By Maeve Reston, Sara Lin And Jonathan Abrams, Times Staff Writers

The Los Angeles Times, November 1, 2006

Pablo Cerda was the last of the crew overrun in the Esperanza fire. A Beaumont man is held as 'a person of interest.'

Hours after firefighter Pablo Cerda on Tuesday became the fifth and final member of a U.S. Forest Service crew to die after they were overrun by an out-of-control wildfire near Palm Springs, authorities said they arrested a suspect in connection with previous blazes in the San Gorgonio Pass area, and named him a "person of interest" in last week's deadly fire.

Cerda, 23, fought to survive for six days at Arrowhead Regional Medical Center in Colton before succumbing at 5:08 p.m. to burns over 90% of his body. He lived in Fountain Valley, where he cared for his father, and was in his second season with the Forest Service.

"Today more sadness is added to our almost unbearable grief in the hearts of the Forest Service and all the fire service community," Jeanne Wade-Evans, San Bernardino National Forest supervisor, said Tuesday night.

Investigators continued working with more than 300 tips called in to an arson hotline since the fire began early Thursday.

Authorities said they had questioned several people about the cause of the deadly Riverside County wildfire, known as the Esperanza fire, and that they had identified at least "two persons of interest."

Authorities disclosed the name of only one: Raymond Lee Oyler, 37, a Beaumont resident, who was arrested at 3 p.m. Tuesday by the Riverside County Sheriff's Department on two counts of arson in connection with wildfires in June in the San Gorgonio Pass area.

In a terse news release issued Tuesday night, sheriff's officials said they interviewed Oyler on Friday and served a search warrant on his home Monday.

A sheriff's spokesman said no other information would be released Tuesday.

Although authorities didn't indicate which fires Oyler was charged with setting, Riverside and San Bernardino counties were hit with a rash of more than 40 small, suspicious fires in May and the first half of June. One such fire in mid-June broke out in Cabazon, burning 10 acres near the intersection of Esperanza Avenue and Broadway, not far from the Esperanza blaze.

Oyler could not be reached for comment.

The current, wind-fed Esperanza wildfire raced through the dry foothills, killing five firefighters and charring more than 40,000 acres at the base of the San Jacinto Mountains before being contained Monday. The blaze destroyed 34 homes.

A Cabazon man who lives a quarter-mile from where the fire began told The Times on Tuesday that authorities had questioned him, but that he was "100% innocent."

William "Billy" Hutson, 28, said that during questioning Monday, investigators accused him of setting the fire. Police also have searched his home, confiscating his computer, he said.

Hutson served jail time in Texas for a 1998 arson conviction for burning a neighbor's mobile home, according to records from the Texas Department of Public Safety and a spokesman for the Vidor, Texas, Police Department.

"I was young and stupid," Hutson said in an interview at a restaurant near his house. "I was a kid. I was young. Every kid likes to see the fire. I messed up — yeah — and I've paid my debt to society."

DOJ_NMG_0089378

The night the Esperanza fire began, Hutson said, he was with friends at his house and then went for a drive before dropping off a friend in Banning.

The fire was already racing up the mountainside as the group drove home on the freeway, Hutson said.

Hutson said he failed several polygraph tests administered by federal agents during questioning Monday. He said he had become nervous thinking about his criminal record, and has volunteered to take another test.

"When I get worked up, it's real hard," he said. "I get real shaky."

On Tuesday, television news crews camped outside Hutson's modest pink house in Cabazon, and he said his family from Texas called to say they had seen him on national television.

More than 50 investigators from the Sheriff's Department, California Department of Forestry and Fire Protection, U.S. Forest Service and Bureau of Alcohol Tobacco, Firearms and Explosives are working on the case.

Those include two BATF profilers and a polygraph examiner, said bureau spokeswoman Susan Rachel.

Sheriff's spokesman Sgt. Earl Quinata emphasized that no arrests had been made for the Esperanza fire, and that the investigation was ongoing.

Veteran arson investigator Brad Hamil called arson "about the hardest crime there is to crack in a whole system of crimes."

"It's against the law to carry, say, tools that would be used in a burglary. But it certainly isn't against the law to carry a cigarette lighter or a box of matches," said Hamil, who investigated arson fires for 25 years for the San Bernardino City Fire Department and is not involved in the Esperanza fire case.

What might give investigators an edge on the Esperanza fire is the $550,000 reward being offered for information leading to an arrest and conviction, he said.

"Money really makes the difference," Hamil said. "If anybody thinks their brother did it, you're going to get a call. Everybody's fishing."

Along with Cerda, the U.S. Forest Service firefighters killed in the blaze were Mark Loutzenhiser, 43, the team's captain; Jason McKay, 27, of Phelan; Jess McLean, 27, of Beaumont; and Daniel Hoover-Najera, 20, of San Jacinto.

Cerda realized he wanted to be a firefighter while a student at Los Amigos High School in Fountain Valley, teachers and neighbors said last week. After graduating from high school, Cerda attended the Riverside Community College Fire Academy.

Dev Gnadeve, medical director and chief of surgery for the Arrowhead Regional Medical Center, said the family declined to have additional surgery performed on Cerda, who had been on life support since he suffered the burns Thursday.

They were by Cerda's bedside when he died, Gnadeve said.

"He was a great fighter," Gnadeve said. "But even if Pablo had a very small chance of making it, we weren't sure of what kind of quality of life he was going to have."

Seven Forest Service firefighters stood in front of a lime green firetruck outside the medical center with their eyes glistening and hands crossed as the death was announced.

"It doesn't matter what station you worked in," said firefighter Travis Thogmartin, 28. "At Forest Service, we are all brothers."

A public memorial service for the fallen firefighters is scheduled for 1 p.m. Sunday at the Hyundai Pavilion in Devore.

Fire officials will hold a community meeting with fire victims from Twin Pines and Poppet Flats near Banning today to provide information on county, state and federal relief efforts. The meeting begins at 7 p.m. at the Silent Valley Club, 48305 Poppet Flats Road.

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Times staff writer Stuart Silverstein contributed to this report.

Police Charge 17 As Gang Members (MJS)

By Gina Barton

Milwaukee Journal Sentinel, November 1, 2006

DOJ_NMG_0089379

15 in custody; 200 officers help in raid

Seventeen people affiliated with a gang that authorities say has been distributing cocaine, crack cocaine and marijuana on Milwaukee's north side for about 15 years have been charged with conspiracy and other drug offenses in federal court in Milwaukee, according to an indictment made public Tuesday.

Ten members of the gang, known as the First and Keefe Vice Lords, were arrested in early morning raids Tuesday, according to the FBI. Two hundred law enforcement officers from the FBI, Milwaukee Police Department, state Department of Justice and other state and local agencies rounded up the defendants in the culmination of a two-year investigation, said Linda Krieg, assistant special agent in charge of the FBI's Milwaukee office.

Swat teams from the FBI's Milwaukee and Chicago offices both were involved in the arrests because the suspects were considered armed and dangerous, Krieg said. The 10 arrests were made without incident, she said.

Five other defendants already were in state custody Tuesday, according to the U.S. attorney's office.

Two remained at large Tuesday evening.

The First and Keefe Vice Lords formed in the late 1980s and early 1990s, and the gang consists of members who had moved to Milwaukee from Chicago, authorities said. The group has two subsets, known as the SOC Vice Lords and the MOB Vice Lords.

The indictment charges 15 people with conspiring to distribute at least 5 kilograms of powder cocaine and at least 50 grams of crack cocaine, as well as marijuana.

The conspiracy count carries a mandatory minimum penalty of 10 years and a maximum penalty of life. The indictment also charges the individuals named in the conspiracy with individual drug trafficking counts, which carry prison terms of five years to life.

The two others are charged with operating a drug house at their residence in the 6400 block of N. 42nd St., which could yield them up to 20 years in prison.

The government also is seeking forfeiture of a shotgun, a rifle and $31,225 in cash seized from the home.

The investigation was the result of a local, state and federal task force that has been operating in the city over the past several years, according to the U.S. attorney's office.

Over the past four years, similar charges have been leveled against the Latin Kings, Cherry Street Mob, Laotian Crips, 2-4s and 2-6s, as well as a different subset of Vice Lords.

In May 2005, authorities arrested 21 people charged as being part of the 2-6 Vice Lords, and seized more than $400,000 in cash and almost 10 pounds of crack cocaine.

"It's all part of our joint plan to find the most dangerous criminals and put them behind bars," said Milwaukee Mayor Tom Barrett. "This sends a strong message that if you're dealing in these drugs, we're coming after you."

Pot Sale Penalty Protest Grows (SLT)

By Elizabeth Neff, The Salt Lake Tribune

Salt Lake Tribune, November 1, 2006

Former top Justice Department officials and several judges have asked the U.S. Supreme Court to hear the appeal of a Utah man sentenced to serve 55 years in prison for selling pot - a sentence decried by a judge who said the law forced his hand.

The 10th U.S. Circuit Court of Appeals in Denver in January rejected an argument that the sentence handed down to record producer Weldon Angelos was cruel and unusual punishment that was disproportionate to his crime.

But a friend of the court brief filed with the high court by 145 people -including former U.S. Attorneys General Griffin Bell, Benjamin Civiletti, Nicholas Katzenbach and Janet Reno; other former high ranking Justice Department officials and former federal judges - urges the high court to take the case.

Angelos, 26, the founder of Extravagant Records, was accused of selling 8 ounces of marijuana to a police informant three times in May and June 2002. At one sale, he had a gun strapped to his ankle, according to court records. At the other drug buys, there were firearms in the vicinity.

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A federal grand jury originally indicted Angelos in November 2002 on one gun possession count, three counts of marijuana distribution and two lesser charges. After Angelos rejected a plea bargain that would have sent him to prison for 16 years, authorities obtained a new indictment with 20 charges.

When Angelos asked to reopen negotiations, prosecutors said it was too late. In December 2001, a jury convicted him of 16 counts.

U.S. District Judge Paul Cassell reluctantly sentenced Angelos to a mandatory 55 years in prison, five years for the first gun-possession conviction and 25 years each for the next two, to be served one after the other. For 13 drug and money laundering counts, the judge imposed one additional day behind bars. Cassell said the prison term was "unjust and cruel and even irrational."

So did defense attorneys, who appealed and gained the support of many in the legal field who say the sentence was excessive. However, the U.S. Attorney's Office stuck to its contention that Angelos is the kind of offender Congress had in mind when it enacted tough penalties for criminals who carry a firearm while committing a felony.

Man Gets 20 Years In Federal Prison (FREDNP)

Frederick News Post, November 1, 2006

Sentence for 2005 arrest on drug, firearm charges

GREENBELT -- A Frederick man caught in an undercover operation headed by the Drug Enforcement Administration was sentenced Monday to 20 years in federal prison, according to U.S. Attorney for Maryland Rod J. Rosenstein.

Winfred Gregg Travis' sentence stems from his conviction for distributing crack cocaine and possession of a firearm by a convicted felon, Mr. Rosenstein stated in a news release. Travis, 37, pleaded guilty June 15 in U.S. District Court.

Early in the investigation, DEA agents watched as a person working with law enforcement agents obtained 133 grams of crack from Travis on Nov. 9, 2005, the U.S. attorney said.

More than two months later, on Jan. 18, Montgomery County Police stopped Travis for a traffic violation and found 492 grams of cocaine in his vehicle.

The day of the traffic stop, DEA agents asked Frederick County law enforcement to obtain a search warrant for Travis' residence, said Frederick County Deputy State's Attorney Charlie Smith.

Later that day, Frederick County narcotics officers searched Travis' residence and seized 148 grams of crack, a gram of marijuana, $19,269, a Llama Max .45-caliber handgun, a box of Winchester .45-caliber bullets and drug paraphernalia, Mr. Rosenstein said.

The DEA asked county law enforcement to file local charges to hold him until he could be indicted federally, Mr. Smith said.

"It was definitely a cooperative effort," he said.

U.S. District Judge Deborah K. Chasanow gave Travis a tough sentence after finding that he has a lengthy criminal history, Mr. Rosenstein said.

Since 1991, Travis has been charged in Frederick and Montgomery counties 10 times, primarily with drug crimes, but also with breaking and entering, battery and disorderly conduct, according to court records.

After his release from prison, Travis will serve 10 years of supervised release. He was ordered to forfeit the $19,269 found during the search and the Llama Max.

Mr. Rosenstein thanked the DEA, the Montgomery County Police and narcotics officers from Frederick County who participated in the investigation.

Eighth Member Of Drug Ring Is Sentenced (MAUIN)

Maui News, November 1, 2006

HONOLULU – The eighth member of a methamphetamine trafficking ring was sentenced Monday by U.S. District Court Judge J. Michael Seabright to nearly 24 years in prison, according to the U.S. Department of Justice.

Leandro Gomez III, 30, of Las Vegas, was one of 10 defendants to plead guilty to charges of taking part in a large-scale organization that imported methamphetamine from Las Vegas to Maui.

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"Gomez was the Las Vegas supplier of the methamphetamine, which was transported to Maui either by couriers or mail shipment," a Justice Department news release says.

In Las Vegas, he had been assisted by co-defendants Timothy James Sullivan and Gilbert Gomez Jr., federal officials said. And, on Maui, "Nathaniel Russell and Pamela Mahealani Newton (husband and wife) oversaw an extensive distribution network involving co-defendants John Corniel Jr., Charles R.K. Farren, Roger Manu Bates, Cyrinah L. Aken and Reed Kaleookalani Aken."

The investigation of the drug ring resulted in the recovery of 616.8 grams (1.4 pounds) of methamphetamine from Bates in early May 2005 on Maui, according to Justice Department officials.

"Other information produced in connection with the case reflected that the Maui group was purchasing up to 7 pounds of methamphetamine from Gomez in late May 2005," the news release says. "Law enforcement officers intercepted approximately 921.1 grams (2 pounds) of methamphetamine discovered on Reed Aken's person at Los Angeles International Airport in late May 2005, and 1,809 grams (4 pounds) of methamphetamine in a parcel Gomez sent to Maui in early June 2005."

So far, seven other defendants have been sentenced to between 48 and 198 months in prison for their participation in the drug ring. Their sentences were: Bates, 34, 198 months in prison; Corniel, 42, 168 months; Farren, 38, 126 months; Gilbert Gomez, 37, 96 months; Cyrinah Aken, 38, 87 months; Sullivan, 35, 82 months; and Reed Aken, 37, 48 months.

Russell and Newton are scheduled for sentencing Nov. 20 and Jan. 8, respectively.

'Ice' Supplier Gets Prison Term (HSB)

By Leila Fujimori

Honolulu Star-Bulletin, November 1, 2006

The 30-year-old Las Vegas supplier of a large-scale trafficking organization bringing "ice" to Maui in 2005 was sentenced in federal court yesterday to 23 years and eight months in prison.

U.S. District Judge J. Michael Seabright sentenced Leandro Gomez III, who pleaded guilty to methamphetamine-trafficking charges along with nine others.

Gomez supplied multi-pound amounts of methamphetamine to Maui carried by couriers or shipped by mail from Las Vegas, the U.S. Attorney's Office said in a news release.

"For Maui Police Department, it was rather a significant case, and they devoted a lot of resources to it," said Assistant U.S. Attorney Michael Kawahara, who prosecuted the case.

Kawahara said efforts by Maui police, the federal Drug Enforcement Administration and other law enforcement agencies in this and other cases have "stemmed the flow of drugs to Hawaii," and the prosecution of these kinds of cases serves as a deterrence.

He said that strenuous law enforcement efforts have done much to curb the supply of methamphetamine to Hawaii.

Nathaniel "Bobo" Russell and his wife, Pamela Mahelani Russell, oversaw the Maui distribution network, and will be the last of the 10 to be sentenced Nov. 20 and Jan. 8, respectively.

Others previously sentenced include former Maui police officer Reed Kaleookalani Aken Sr., 37. He served as a courier for the money to Las Vegas and drugs to Maui and was sentenced to four years.

Also on the Maui end of the drug ring and their sentences are: John Corniel Jr., 42, 14 years; Charles R.K. Farren, 38, 10 1/2 years; Roger Manu Bates, 34, 16 1/2 years; and Cyrinah L. Aken, 38, 7 1/4 years.

Those who assisted Gomez in Las Vegas were Timothy James Sullivan, 37, who received six years, 10 months, and Gilbert Gomez Jr., 37, eight years.

Law enforcement agents recovered in early May 2005 1.4 pounds of ice from Bates on Maui, intercepted 2 pounds of the drug on Reed Aken at Los Angeles International Airport in late May and 4 pounds of meth sent by Gomez to Maui in June 2005. The investigation revealed the Maui group was buying up to seven pounds of methamphetamine from Gomez in late May 2005.

U.S. Attorney Ed Kubo commended the "superlative joint investigation" conducted by DEA and Maui police assisted by Los Angeles International Airport narcotics agents.

Vegas Man Gets 23 Years For Role In Maui Ice Ring (HONADV)

Honolulu Advertiser, November 1, 2006

A 30-year-old Las Vegas man was sentenced to 23 2/3 years in federal prison yesterday for his part in a methamphetamine conspiracy that delivered ice from Nevada to Maui.

Leandro Gomez III, who pleaded guilty to ice-trafficking charges, was described by federal authorities as the supplier who sold up to seven pounds of the drug to Maui defendants in May last year.

U.S. District Judge Michael Seabright sentenced Gomez to 284 months in prison.

Federal prosecutors called the drug ring a "large-scale organization" which shipped multipound quantities of ice by mail or by couriers to Maui.

The case against Gomez and nine others involved cell-phone taps, according to Assistant U.S. Attorney Michael Kawahara.

The 10 include two other Las Vegas residents and seven Maui residents. All 10 have pleaded guilty to ice-trafficking counts. All but two have been sentenced, according to federal prosecutors.

Gomez has been given the stiffest sentence so far. The other seven received terms ranging from four years to 16 1/2 years. Among them is Reed Kaleookalani Aken Sr., 37, a former Maui police officer who prosecutors say left the force before his involvement in the drug ring. Aken received a four-year term.

Drug Supplier Gets Help In Appeal (GRPRESS)

By John Agar, The Grand Rapids Press

Grand Rapids Press (MI), November 1, 2006

GRANDVILLE -- A federal appeals court ruling could shorten the 25-year prison term for a man who provided heroin to a friend and failed to call 911 as she was dying in his Grandville home.

Kevin Obi, 23, pleaded guilty to providing heroin that killed Nora Lares, 21, in 2004.

At Obi's sentencing last year, U.S. District Judge Richard Enslen ruled Obi's lies to investigators soon after her death constituted obstruction of justice, and thus, increased the possible sentence.

But the Sixth Circuit Court of Appeals said recently the prosecution failed to show Obi's false statements significantly hurt the investigation. The court ordered the case returned to U.S. District Court for resentencing.

Without the obstruction of justice enhancement, Obi, who received 300 months, would have faced 210 to 262 months.

Gina Lares, the victim's mother, is disgusted with a move that could end in an earlier release for the man she considers her daughter's killer.

"The guy is sick, and he is a criminal," Lares said. "It's very frustrating that Nora is dead and she has no rights and no voice, yet he can do whatever he wants."

Obi and his friend, Terry Ensing, went to a bar on Sept. 3, 2004, to meet Nora Lares and her friend. After the bar closed, they went to Obi's basement, where Obi, Ensing and Lares snorted heroin, while Lares' friend passed out. A little later, Obi told his friend that Lares stopped breathing, but she seemed to be snoring.

Ensing then told Obi that she was not breathing, court records showed. They took her to a closed medical center. Obi then called 911.

The prosecution says Obi tampered with evidence on the victim's body and told police they had not used drugs.

Police then went to his house and revived the young woman who had passed out. They conducted a "cursory" search of the house but found no evidence of drugs. Four days later, U.S. Drug Enforcement Administration officers used a search warrant to again look through the house, but Obi's mother had "thoroughly cleaned the residence, discarding the bedding and trash," records said.

She told police her son's grief counselor recommended she clean the basement. Police said they found hidden heroin-related paraphernalia.

The government argued Obi's false statements led police to initially consider the crime scene to be the vehicle, rather than his basement, which resulted in a loss of possible evidence. But, the court noted, Obi told police that Lares' friend was still at his house, and police went there.

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The appeals court said it was only speculation that police could have found additional evidence at Obi's house if they were immediately aware it was the crime scene.

Ensing is serving three years in prison for his role in Lares' death.

Merriman Drops Appeal Of 4-Game Suspension (NYT)

By Michael S. Schmidt

The New York Times, November 1, 2006

San Diego Chargers linebacker Shawne Merriman yesterday dropped his appeal of a four-game suspension for violating the National Football League's policy on banned substances, and he blamed his positive drug test on a supplement he took before the season to boost his energy for workouts.

Merriman said his lawyer, David Cornwell, was considering legal action against the supplement maker because its product contained a precursor to the steroid nandrolone. Dietary supplement makers are prohibited from including nandrolone's precursors in their products.

The N.F.L. has certified several dietary supplements that it said would not result in a positive drug test. Merriman said he was not taking one of those supplements, adding that he believed more then 75 percent of the players were taking supplements that were not certified by the N.F.L.

Merriman said he took the supplement to increase his energy so he could work out at least two times a day before the preseason started. He refused to name the supplement, saying it might hurt his complaint against the manufacturer.

"It's a brutal sport, but a lot of guys need to maximize our workouts," Merriman said in a telephone interview.

Merriman said he had taken the supplement since he entered the league last season, when he was the N.F.L.'s defensive rookie of the year, and he had no problems with it. He estimated that he was tested seven or eight times before and during the season. He said he stopped taking the supplement this summer just before the preseason began.

On Aug. 2, a few days into training camp, Merriman took his first drug test this season. He said he learned about Sept. 12 that the result was positive. Merriman said he had taken three tests since the Aug. 2 test and all three came back negative.

He said nothing on the supplement's list of ingredients indicated that it contained a steroid. Merriman said he stopped using all six of the vitamins and supplements he was taking as soon as he found out about the positive test.

"My health is more important than missing four games," he said.

Merriman said the supplement was shipped to him at the end of last season, but he did not use it until he began to get into shape for this season.

He added: "I have taken full responsibility for what happened to me and what has gone on. I came up clean plenty of times before and gained confidence in the supplement, and then all of a sudden it popped up that I was doing something wrong."

Although Merriman dropped his appeal, the league allowed him to visit the team's practice facility today, because he wanted to address his teammates before the suspension began. Players are normally barred from team facilities for the entire time of their suspensions.

"The league has given me an exception and I really appreciate that," Merriman said. The Chargers (5-2) are tied with the Denver Broncos for first place in the American Football Conference West.

On Sunday, Merriman tied a career high with three sacks as the Chargers defeated the St. Louis Rams, 38-24. He is tied for the league lead in sacks with 8½.

Merriman will be able to return to practice on Nov. 27 and would be available to play against the Buffalo Bills on Dec. 3 and the Broncos on Dec. 10.

Merriman Decides To Drop Suspension Appeal (SDUT)

By By Kevin Acee, Union-tribune Staff Writer

The San Diego Union-Tribune, October 31, 2006

Chargers linebacker Shawne Merriman had been leaning toward this decision for days, weighing the likelihood he could win a reversal of his suspension versus the desire to clear his name along with the question of what would be best for his team.

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The NFL's co-sack leader will miss four games for violating the league's drug policy, another blow to a defense that has had its share of challenges – the Steve Foley shooting, injuries – all season.

PHILIP RIVERS

The first-year starter at quarterback has matured quickly, allowing the offense to develop.

REINFORCEMENTS

Igor Olshansky: The defensive end, who has missed much of the season with knee problems, expects to play against Cleveland on Sunday.

Shaun Phillips: The linebacker, who missed the last game with a strained calf, is about 80 percent healthy and hopes to play Sunday.

In the end, he decided Tuesday to drop the appeal of his four-game suspension for a positive drug test.

The NFL's leader in sacks with 8½, Merriman will not play Sunday against Cleveland, Nov. 12 at Cincinnati, Nov. 19 at Denver or Nov. 26 against Oakland. His first game back will be Dec. 3 at Buffalo.

"My whole life has been made of speed bumps," Merriman said. "People have always told me if you want to be great at something you're going to have to endure more than anybody else.

"It really digs deep inside. It really hurts. This is what I love to do. This is a part of me. This will be the first time I've missed any game in any sport in my whole life – ever. It really saddens me."

Merriman tested positive Aug. 2 for the banned steroid nandrolone. He maintains he was the victim of a tainted supplement, but he knew he was unlikely to win his appeal based on the NFL's clearly stated policy that players are responsible for what they put in their body.

Merriman's appeal was scheduled to be heard Nov. 7, two days after the Cleveland game.

Merriman will forfeit almost $73,000 of his $310,000 salary during the four weeks he is gone. During that time, he will not be allowed at the Chargers' facility or to be on the sideline during games.

Merriman had to decide by today whether to drop the appeal or go ahead with the Nov. 7 hearing. He was able to work out a deal with the NFL that will allow him to address his teammates Wednesday before he is banned from the team's facilities for the remainder of the four weeks.

Advertisement

"I know my responsibilities and how much I mean to the team," he said. "It's important to me to talk to them."

Merriman was confident his teammates would step up in his absence.

"Look at how (Steve) Foley went down and Shaun Phillips stepped up," he said. "Shaun Phillips went down, and we still got it done. That's what I'm going to say to the guys.

"This is a big stumbling block for myself and for the team. But we're going to win games. I'm mad I can't be there. But we're not the Shawne Merriman Chargers."

Merriman Drops Appeal, Will Miss 4 Games (WP)

By Mark Maske, Washington Post Staff Writer

The Washington Post, November 1, 2006

San Diego Chargers linebacker Shawne Merriman dropped his appeal of his four-game suspension imposed by the league for a positive test under the NFL's steroid-testing program.

Merriman, who's tied for the NFL lead with 8 1/2 sacks, is scheduled to begin serving his suspension immediately and will miss the Chargers' next four games, beginning Sunday against the Cleveland Browns.

The appeal was to have been heard Nov. 7, and Merriman had been eligible to play in the meantime.

Merriman's attorney, David Cornwell, has said that Merriman likely tested positive for the banned substance nandrolone that was contained in a supplement that Merriman was taking. But under the league's policy, a player is responsible for what's in his body even if he unwittingly takes a banned substance contained in a supplement. The NFL Players Association has a program to test supplements and clear those that don't contain banned substances, but a player's participation in that program is voluntary.Simms to Injured Reserve?

DOJ_NMG_0089385

The Tampa Bay Buccaneers could place quarterback Chris Simms on the injured reserve list soon, a move that would end his season. Simms and the Buccaneers did not rule out the possibility of him playing again this season after he underwent emergency surgery last month to have his spleen removed.

But all of the involved parties acknowledged from the outset there was a good chance that Simms's season was over, and the Buccaneers soon might need a roster spot to activate quarterback Luke McCown. He's on the physically unable to perform list after undergoing surgery for a torn knee ligament suffered during an offseason minicamp. . . .

The New York Jets have delayed a decision until next week about whether to allow tailback Curtis Martin to begin practicing. If Martin, who has an ailing knee and currently is on the physically unable to perform list, does not practice next week, the Jets must place him on the injured reserve list, ending his season. Martin has said he'd like to play again but doesn't know if that will be possible. The Newark Star-Ledger reported yesterday that Martin won't play this season and likely will retire, but Coach Eric Mangini told reporters that no decisions on Martin's playing status had been made.

Merriman Begins Suspension (SEATIMES)

The Seattle Times, November 1, 2006

SAN DIEGO — The San Diego Chargers must play their next four games without outside linebacker Shawne Merriman, one of the league's top young players.

Merriman, 22, decided Tuesday not to appeal his suspension for testing positive for steroids.

Merriman's suspension is another blow to one of the league's toughest defenses, which has been hit by injuries and off-field trouble since before the season started. Nicknamed "Lights Out" because of his punishing hits, Merriman will be shut down for games at home against Cleveland, at Cincinnati, at Denver and at home against Oakland.

Merriman, who is tied for the league lead with 8 ½ sacks, and his attorney have blamed a tainted supplement for the player's positive test for the steroid nandrolone.

The suspension won't officially begin until after Merriman addresses teammates today. After that, he will be barred from the team's headquarters until he is eligible to return Nov. 27.

The Chargers vowed to press on without Merriman, a Pro Bowl starter.

"He's upset because he let his team down, but we're OK," outside linebacker Shaun Phillips said. "We're behind him 100 percent. We know he's not that kind of guy, that he wouldn't do anything to boost his performance."

Phillips moved into the starting lineup after Steve Foley was shot by an off-duty police officer on Sept. 3. Phillips missed Sunday's 38-24 win over St. Louis with a calf injury and has a 50 percent chance of playing Sunday.

Had Merriman gone through with the appeal and lost, there was the chance he would miss both games against Denver, which is tied with San Diego atop the AFC West at 5-2.

Notes

• Pittsburgh running back Verron Haynes and linebacker Arnold Harrison were placed on injured reserve with torn knee ligaments and are done for the season.

• New Orleans quarterback Drew Brees told his mother he wants her to stop using his picture in TV commercials touting her candidacy for a Texas appeals court. In commercials running on Austin stations, Mina Brees had been using a picture of her son in the uniform of his former team, the Chargers, to emphasize her ties to football.

"I think the major point here is that my mother is using me in a campaign, and I've made it known many times I don't want to be involved," Brees said.

Mina Brees, an Austin attorney, is running as a Democrat for a spot on Texas' 3rd Court of Appeals. Drew Brees said his agent sent Mina Brees a letter Oct. 20 threatening legal action. Brees called his relationship with his mother "nonexistent" after it crumbled about six years ago when he declined to hire her as his agent.

• Will Peterson, 27, has a new team and a new name. The former cornerback for the New York Giants signed a one-year contract with Philadelphia. He also dropped his last name, and is going by William James.

• San Francisco signed cornerback Donald Strickland, 25, with hopes the fourth-year cornerback will strengthen a secondary that has struggled. He was released by Philadelphia before the start of the season.

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• The New York Jets insist Curtis Martin, 33, has not yet decided to end his season, despite a published report the league's No. 4 career rusher has told members of the team he won't return this year.

"There has been no decision," coach Eric Mangini said when addressing the story in The Star-Ledger of Newark, N.J.

Spain Nabs Major Drug Trafficker (NYT/AP)

By The Associated Press

The New York Times, November 1, 2006

Filed at 8:45 p.m. ET

MADRID, Spain (AP) -- Spanish police said Tuesday they arrested a leading member of one of Colombia's most feared drug-trafficking cartels.

Orlando Sabogal Zuluaga, 40, was arrested last Thursday in a shopping center on the outskirts of Madrid, the Civil Guard police force said in a statement posted on the Interior Ministry's Web site.

Police said Sabogal Zuluaga was a right-hand man to the former head of the Norte del Valle cartel, Luis Hernando Gomez Bustamente, who himself was captured in Cuba in 2004.

The Civil Guard statement said the group was blamed for hundreds of killings in Colombia and suspected of controlling much of the world's cocaine trafficking.

Spanish police began searching for Sabogal following a request from the U.S. embassy in Spain. The Norte del Valle cartel is suspected of having shipped 500 tons of cocaine into the United States during the past decade, police said.

Sabogal, who was traveling using a fake Venezuelan passport, is wanted for his suspected role in several killings, narcotics trafficking and money laundering, the statement said. U.S. authorities had offered compensation of $5 million for information leading to his arrest, it added.

According to Colombian anti-narcotics police, Sabogal is wanted for extradition to the U.S. to face charges of drug-trafficking and money-laundering.

Colombia is the world's largest cocaine producer.

Ad Campaign Accuses European Coke Snorters Of Funding Colombia's Civil War (SDUT/AP)

By Joshua Goodman, Associated Press

The San Diego Union-Tribune, November 1, 2006

BOGOTA, Colombia – Colombia's vice president is taking a hard-hitting anti-drug message to Europe, complaining about cocaine-snorting celebrities who he says are financing the drug-fueled civil conflict bleeding this South American nation.

Vice President Francisco Santos spoke of supermodel Kate Moss, although she doesn't appear in the ads that he planned to unveil Wednesday in London along with 13 European anti-drug czars.

Santos called Moss a perfect example of liberal European attitudes toward drug use because she is enjoying a career comeback after a British tabloid last year published photos of her apparently snorting cocaine.

“To me its baffling that somebody who helps cause so much pain in Colombia is doing better than ever and winning more contracts than ever,” the vice president told The Associated Press.

Moss's modeling agency in London, Storm, did not return a phone call and e-mail seeking comment about the comments.

Moss lost contracts after the photos were published, but her career resumed after she spent time at a clinic in Arizona. She apologized to “all the people I have let down” over the incident, but was never charged with any drug offense.

“Cocaine not only destroys you, it also destroys a country” is the theme of the advertising campaign designed to change attitudes among Europeans about their booming cocaine habit in the same way that “Just Say No” did in the United States.

Santos spoke of what cocaine consumption does to Colombia, where drug-financed armed groups murder hundreds of people each year and force thousands to abandon their homes. Gangs, rebel groups and right-wing militias all traffic in the drug.

“We need to tell Europeans that that line of coke they snort is tainted in blood,” Santos said.

One ad in the “cocaine curse” campaign depicts a pinstriped “coke head” – with an oversized nose – laying land mines in a coca field. Colombia now ranks first in the world in land-mine casualties, averaging four a day.

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Colombia, the world's largest producer of cocaine, hopes European governments will fund placement of the ads on billboards, television and even bathrooms of trendy dance clubs

It has also launched an English-language Web site, www.sharedresponsibility.gov.co, to highlight its efforts in the U.S.-sponsored war on drugs, including aerial eradication of more than 1.5 million acres of coca, the base ingredient of cocaine, since 2002.

Colombia is also seeking more European aid for projects to help peasant farmers switch from coca to legal crops like tropical fruits, coffee and rubber.

According to the European Monitoring Center for Drugs and Drug Addiction, cocaine use among young adults in Spain and Britain has doubled over the past decade, reaching levels similar to those in the United States, where 5 percent of people have reported recent usage.

The center, based in Lisbon, Portugal, says surveys in Denmark, Italy, Hungary, the Netherlands and Austria also show a rise in cocaine use among young adults.

Santos noted findings by the White House Office of National Drug Control Policy that cocaine consumption has declined 50 percent in the United States over the past two decades.

Op-Ed: NRA Won't Take Fall For Violent Crime (AJC)

By Bob Barr

The Atlanta Journal-Constitution, November 1, 2006

Atlanta suffers from a rate of violent crime about four times the national average; murders take place in the city at a rate about five times the nation's average. The reasons Atlanta's crime statistics remain stubbornly high are many and persistent, but criminologists and law enforcement experts know that none of them is the fault of the National Rifle Association.

Yet last week, Atlanta police Chief Richard Pennington was at the National Press Club in Washington offering sound bites and photo ops with the anti-gun lobby organization, the Brady Center to Prevent Gun Violence, blaming the city's sorry crime statistics on the NRA.

Taking potshots at the NRA has become a time-worn practice of big city mayors such as New York's Michael Bloomberg. While one expects liberal politicians in northeastern cities to curry favor by leveling broadsides at the NRA, it is surprising to find their ranks joined by a police chief from Atlanta, the capital of a state with a long and positive relationship with the NRA.

In fact, just a month ago Gov. Sonny Perdue proudly received NRA's endorsement. Officeholders and aspirants across Georgia's 159 counties eagerly vie for NRA's endorsement every election cycle. In a state with significant numbers of hunters and sports shooters — a state that boasts innumerable law enforcement officers who have benefited directly from NRA-sponsored firearms training — why has Atlanta's police chief jumped in bed with the national anti-gun lobby?

Politics and political agendas are always difficult to discern, and I don't pretend to know those that motivate Pennington. I also know that, despite Atlanta's less-than-stellar crime statistics, Pennington has, since being appointed in July 2002, made real strides redirecting police resources to areas in the city to increase their impact.

Whatever his motives for taking up with the national anti-firearms lobby, the material Pennington's new-found friends at the Brady Center are pushing is simply political pap of the sort the center has been espousing every election cycle for more than a decade.

For example, the Brady Center blasts the NRA for supporting legislation pending before the Congress that would reform the Bureau of Alcohol, Tobacco, Firearms and Explosives and strengthen privacy protections for individuals' firearms purchase records.

The Brady Center and its cheerleaders mischaracterize these pending legislative efforts as "tying the hands" of the ATF and other law enforcement agencies, but the actual terms of the legislation show otherwise. The ATF reform bill modernizes the agency's ability to address infractions of the myriad federal firearms regulations governing firearms retailers. To be sure, the legislation contains measures to guard against regulatory abuses by ATF such as were detailed in a public congressional hearing earlier this year. However, it also aims to more effectively focus and prioritize the agency's efforts against true violations of firearms, explosives and arson laws.

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While Pennington has bought into the Brady Center's resistance to ATF reform and blames the NRA for violent crime in Atlanta, a significant majority of Georgia's congressional delegation — including Democrats John Barrow, Sanford Bishop and Jim Marshall — voted "aye" (along with 274 others) on the legislation. It defies reason to conclude, as Pennington apparently has, that all these Democrats and Republicans are conspiring against him and coddling violent offenders.

Another part of the firearms legislative package backed by the NRA and with which Pennington takes umbrage would strengthen protections against improper release of citizens' firearms purchase records. Important, but contrary to the Brady Center's rhetoric, the legislation still allows full access by law enforcement to obtain firearms records for any legitimate investigations. This bill, too, enjoys broad bipartisan support, including among the Georgia delegation.

Of course, those echoing the Brady Center's anti-NRA diatribe have little to offer the debate other than boilerplate sound bites, when confronted with hard statistics, such as those released in September by the FBI, showing the nation's violent crime rate in 2005 — despite an uptick for the year — was nearly 40 percent below that in 1991 when it hit an all-time high, even as the number of privately owned firearms during that period increased significantly.

Thus, while the evidence clearly shows that broader civilian ownership of firearms translates into less, not more, violent crime in America, and even as members of Congress of both political parties support efforts to reform and streamline federal firearms regulatory efforts, the anti-firearms crowd that apparently now includes Atlanta's police chief prefers hollow rhetoric to cooperative action.

Former congressman and U.S. attorney Bob Barr practices law in Atlanta. Web site: www.bobbarr.org. Barr is an NRA board member.

Los Angeles ATF Agents Measure — And Get — Results (FEDTIMES)

By Aimee Curl

Federal Times, November 1, 2006

Defendants referred for prosecution — up 23 percent over the previous year.

Convictions — also up 23 percent.

Gang cases referred for prosecution — up 86 percent.John Torres, special agent in charge of the Bureau of Alcohol, Tobacco, Firearms and Explosives' Los Angeles field division, said these numbers, a comparison between fiscal 2005 and fiscal 2006, are proof positive that its performance measurement process is working. COMPSTAT, short for comparative statistics, is a public event where arrest, conviction and other statistics are reviewed and dissected. Officials in charge are held accountable for meeting goals and the numbers help determine where funds are allocated.

"We saw that the system works and if we're paying attention to where we're dedicating our resources we're going to have an impact on violent crime," Torres said. "That's the bottom line."

COMPSTAT began in the 1990s in New York City where the police department would hold regular meetings to set goals for law enforcement and publicly hold officers accountable for their results. Torres began holding COMPSTAT meetings for the Los Angeles ATF on a quarterly basis in October 2005.

The most recent COMPSTAT was held Oct. 24. The event is open to the public and often attended by representatives from other law enforcement agencies. Agents are asked to report their statistics. Depending on how these numbers match goals from the previous COMPSTAT, they're asked on the spot to explain what went wrong or what went right.

"We're not out for, 'gotcha,' " Torres said. "It's for people to share their success stories. We want people to talk to each other. It's a good tool to encourage communication."

Torres said his interest in COMPSTAT has its roots in the administration's overall push to measure results governmentwide. He recommends other federal law enforcement agencies and other agencies in generalconsider adopting the process, though he said different approaches would be necessary depending on the outcome they're trying to achieve.

"It's not a cookie-cutter approach. Every agency needs to figure out how to make performance measurement part of what they do so the general public can have confidence their tax dollars are being spent wisely," Torres said.

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Kim Newman, a program examiner at the Office of Management and Budget, attended the Los Angeles ATF's third-quarter COMPSTAT in August. She said she was struck by how aggressively participants zeroed in on whether the results matched the goals.

"The [agents] realized when they fall short, they better have a good explanation for the results. By the same token, people were recognized if they exceeded goals for the quarter," Newman said.

She said it was clear that the event was meant as a learning process.

Before COMPSTAT, Torres said, his office didn't publicly measure performance, and systems within the department for sharing statistical information were spotty.

He said implementing COMPSTAT has meant changing culture.

"It requires a different mindset," Torres said, a shift that hasn't been easy to convince everyone to buy into. Ultimately, though, he said most agents have appreciated the need for greater accountability and the benefits of a public process.

Kathrene Hansen, executive director of the Greater Los Angeles Federal Executive Board attended the fourth-quarter COMPSTAT earlier this month. Though the process was transparent, she said no one got defensive.

"It seemed like a team effort, a peer review process" she said. "You could see that people wanted to get their numbers up."

Hansen said it appeared to be a good way for agents and the ATF to get buy-in for the resources they need.

OMB's Newman agreed.

"To me, it was great to see that resources could be targeted so quickly and be responsive to what's happening in the field," she said.

While many state and local law enforcement agencies have adopted the process, Torres said as far as he knows, the Los Angeles ATF is the only federal law enforcement agency using COMPSTAT. He said having the support of his supervisors in Washington has been critical.

"I hope ATF doing it opens eyes," he said. "You need to keep score in public."

Newman said whether this process would work at other agencies would depend on the special agent in charge.

"If there are law enforcement organizations out there that are willing to delegate that flexibility and responsibility to their supervisors, I think it would be a very effective tool. I could see it working in other law enforcement agencies in the federal government."

Hansen agreed COMPSTAT could be applied more widely.

"What I liked most about it was the transparency and the willingness to invite all of the stakeholders to the meeting, she said. "The willingness to expose all of your strengths and weaknesses out of your individual domain takes courage as a leader."

Leader Of Aryan Prison Gang Gets 19 Years (AZREP)

By Dennis Wagner, The Arizona Republic

Arizona Republic, November 1, 2006

A leader of the Aryan Brotherhood prison gang with an extensive criminal record was resentenced to more than 19 years behind bars Monday for a weapons violation, according to the U.S. Attorney's Office.

Bruce Foy Lowry, 52, was convicted by a jury after his 2003 arrest by federal marshals who tracked him down on a fugitive warrant. At the time, Lowry was wanted for failure to appear in a drive-by shooting case where he was accused of firing a gun at a mother, father and child who followed him from the scene of a hit-and-run accident.

According to a recorded conversation played during the sentencing, Lowry told a friend that he would have gotten into a gun battle with marshals if he'd had the opportunity. "If I could have drawn I would have," he said. "I couldn't even draw."

Lowry, known as "Boss Hog," appealed his case in 2004 to the Ninth Circuit Court, which remanded it back to the U.S. District Court in Arizona. On Monday, Judge David Campbell ordered Lowery to serve 235 months in prison for possessing ammunition in violation of the Armed Career Criminal Act.

Prosecutors stressed Lowry's extensive history of violent crimes, including seven felony convictions dating to 1974. The list of offenses includes armed robberies and two Aryan Brotherhood knife attack on an inmate. Lowry and a half-dozen other

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assailants left the knife in their victim's heart, prosecutors said, but surgeons managed to remove the weapon and save the inmate's life.

IMMIGRATION:

Agent Indicted In Smuggling Of Cuban Ballplayers To USA (USAT)

By Donna Leinwand

USA Today, November 1, 2006

A baseball agent who has represented Cuban defectors was indicted by a Miami grand jury on Tuesday for allegedly smuggling ballplayers and other Cuban nationals into the USA.

Gustavo "Gus" Dominguez, vice president of Total Sports International in Encino, Calif., is charged as part of a 53-count indictment related to two operations in 2004.

Geoffrey Rodrigues, Robert Yosvany Hernandez, Ramon Batista and Guillermo Valdez, allegedly hired by Dominguez to transport the Cubans by speedboat to the USA, also were indicted.

Dominguez has represented several Cuban defectors, including Andy Morales, who was signed by the New York Yankees and later the Boston Red Sox. Dominguez did not return a phone message left at his office.

The indictment says Rodrigues traveled in a 28-foot speedboat on July 28, 2004, from the Florida Keys to Cuba, where he picked up 22 people.

The U.S. Coast Guard intercepted them at sea as they attempted to return to Florida, the indictment says.

A second smuggling operation on Aug. 22 succeeded, the indictment said. The smugglers reached the Florida Keys with 19 Cubans, including five baseball players.

Once the Cubans reached land, two other associates drove the players in two rental vans from Miami to Los Angeles, according to the indictment.

Dominguez and his associates rented apartments and provided food for players Osmany Masso-Arredondo, Allen Guevara-Perez, Francisely Bueno-Trueba, Osbek Castillo-Perez, and Yoankis Turino-Montalno so they could begin training, the indictment says.

Castillo-Perez, 25, of Havana, is listed as a pitcher on the roster of the Missoula Ospreys, a minor league affiliate of the Arizona Diamondbacks in the Pioneer League. Osprey general manager and vice president Matt Ellis did not return a phone message left at his office Tuesday afternoon.

Bueno-Trueba, 25, of Havana, is listed as a left-handed pitcher on the roster of the Mississippi Braves, a Southern League affiliate of the Atlanta Braves. The Braves office in Pearl, Miss., had closed for the day.

Julie Myers, an assistant secretary of U.S. Immigration and Customs Enforcement, said in a statement that "Though this case involves a Beverly Hills sports agent and talented baseball players, it is remarkably similar to the human smuggling operations that ICE encounters every day. The ringleaders put the lives of illegal immigrants at risk and sought to profit from their labor."

U.S. Government Indicts Agent For Illegally Smuggling Cuban Baseball Players (FINDLAW/AP)

By Matt Sedensky, Associated Press Writer

AP, November 1, 2006

(AP) - MIAMI-An agent for baseball players illegally smuggled Cuban players into the United States, eventually shipping them to California in hopes that they would be signed by Major League Baseball teams, U.S. immigration officials said Tuesday.

The agent, Gustavo "Gus" Dominguez, is charged with paying four aides to transport the athletes and other Cubans to the U.S. in two trips from the island nation. Dominguez, of California-based Total Sports International, has represented several Cuban baseball defectors, including Andy Morales, who was signed by the New York Yankees and later the Boston Red Sox after fleeing Cuba six years ago.

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Also charged in the 53-count federal indictment were Geoffrey Rodrigues, Robert Yosvany Hernandez, Ramon Batista and Guillermo Valdez.

"Though this case involves a Beverly Hills sports agent and talented baseball players, it is remarkably similar to the human smuggling operations that ICE encounters every day," Julie Myers, an assistant secretary of the U.S. Immigration and Customs Enforcement, said in a statement. "The ringleaders put the lives of illegal immigrants at risk and sought to profit from their labor."

Dominguez's assistant, who would not give his full name, said Total Sports would not comment and he wouldn't clarify the relationship of the four other defendants or whether they worked for the company. A message left on Dominguez's voicemail was not immediately returned.

It was not known whether any of the defendants had obtained lawyers.

Prosecutors say Rodrigues and Dominguez traveled by boat to Cuba on July 28, 2004, and loaded 22 Cubans aboard, but were intercepted by U.S. authorities at sea. Less than a month later, on Aug. 22, 2004, authorities say the two men successfully brought 19 Cubans into the country.

According to the indictment, the defendants transported the athletes to Los Angeles by van, rented an apartment for them, provided them with food and clothing and began training them. It could not be immediately determined if any of the Cubans have been signed by MLB teams.

All five men are charged with conspiracy to bring immigrants illegally into the United States, transporting them in violation of the law and concealing and harboring them from detection.

Dominguez, Rodrigues and Hernandez are also charged with immigrant smuggling; Dominguez, Batista and Valdez face a charge of transporting, concealing and harboring from detection illegal immigrants; and Rodrigues is accused of assaulting ICE agents when his boat was intercepted.

Lawsuit Challenges Illegal Immigrant Crackdown In US (FINDLAW/AP)

By Michael Rubinkam, Associated Press Writer

AP, November 1, 2006

(AP) - ALLENTOWN, Pennsylvania-Hispanic groups and the American Civil Liberties Union filed a lawsuit against a small U.S. city that has sparked national attention over its immigration policies, setting the stage for a legal battle over its crackdown on illegal immigrants.

The ordinance, approved by the Hazleton City Council last month, imposes fines on landlords who rent to illegal immigrants and denies business permits to companies that give them jobs. The law empowers the city to investigate written complaints about a person's immigration status, using a database operated by the federal government.

Lawyers for the ACLU and other groups planned to ask a federal judge for a temporary restraining order to prevent enforcement of the law, set to begin Wednesday.

"Immigration reform is an important issue but if every little town like Hazleton across the 50 states makes up their own rules about immigration, we're going to be left with an even bigger mess," Witold J. Walczak, legal director of the ACLU of Pennsylvania, said Monday.

Hazleton's ordinance has spurred dozens of copycat versions in small towns around the United States, as the illegal immigration issue has become a key campaign debate as the country heads into congressional elections next week. Some states and communities are accusing the government of inaction.

President George W. Bush signed last week a law that approves partitioning 700 miles (1,125 kilometers) of the U.S. from Mexico. Bush wants a guest worker program, but he has been met with tough resistance from his own Republican Party.

A bill passed by the U.S. Senate would have allowed immigrants to remain and eventually become citizens after working, paying fines and back taxes and learning English. The House of Representatives approved a separate bill that focused on enforcement measures such as subjecting those in the U.S. illegally to felony prosecution.

The House and Senate did not meet to negotiate a compromise before recessing for the elections. The legislation Bush signed was a small portion of the House version.

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In its lawsuit, the ACLU said the Hazleton ordinance and a companion measure violate the Constitution because they step on the federal government's exclusive power to regulate immigration.

Mayor Lou Barletta, disagreed, saying, "We are not regulating immigration in any way."

Barletta, who spearheaded the town law, contends illegal immigrants have brought drugs, crime and gangs to the city, overwhelming police and municipal budgets. He announced the crackdown in June, a month after two illegal immigrants from the Dominican Republic were charged with shooting and killing a 29-year-old man.

Barletta said he is convinced the law will be upheld by the courts and the city has assembled a legal team to defend it.

"Hazleton is prepared to fight and we will take this challenge to the highest court in the United States if that's what it takes to protect our legal citizens and quality of life," he said.

Hazleton, a city of about 31,000 residents, is about 80 miles (130 kilometers) from Philadelphia.

TAX:

Houses Of Worship Fear Wrath Of IRS During Election Season (MCT)

By William Douglas

McClatchy Newspapers, November 1, 2006

WASHINGTON - Scores of houses of worship nationwide are re-examining how they conduct get-out-the-vote programs and other election activities as the Internal Revenue Service investigates religious institutions for illegal campaign activity.

Churches grew more nervous when the IRS launched an investigation of the liberal All Saints Episcopal Church in Pasadena, Calif. after a former rector delivered a sermon that was critical of the Bush administration and the Iraq war shortly before the 2004 presidential election. The church last month said it would fight the IRS in court.

With congressional elections on Tuesday, several religious and voting rights groups are schooling churches, synagogues, and other religious institutions about what they can and cannot do politically under IRS regulations.

Religious institutions and other charitable organizations that violate the rules risk fines and losing their federal tax-exempt status. Fear of IRS investigations has made clergy across religious faiths reluctant to be politically active during this election cycle.

"I think there's a chill," said the Rev. Rick Scarborough, the president of Vision America, a politically active conservative Christian group that promotes civic involvement by the faithful. "I've had pastors come up and tell me their congregations have told them not to mention politics because it's illegal. It's not."

Scarborough said that Christian evangelical leaders, whom Republicans hoped to make part of an enduring GOP majority, have discussed increased IRS scrutiny during rallies and seminars.

To ease concern among its 185,000 members, the Interfaith Alliance, an 185,000-member organization that was formed "to challenge the radical religious right," conducted a conference call on the IRS regulations with ministers two weeks ago.

The Religious Action Center for Reform Judaism, which represents some 900 congregations across the country, held a similar call three weeks ago.

"It's become a very serious issue with congregations, especially African-American congregations," said Rep. Emanuel Cleaver II, D-Mo., the pastor of Kansas City's St. James United Methodist Church. "There's mass paranoia about (churches) being politically involved."

Some Muslim religious leaders said they've had few, if any, discussions about political activity in mosques because they don't usually mount aggressive get-out-the-vote efforts.

"What we do is just generally encourage participation in the election process and stress the importance of people's presence in politics," said Imam Mohammad Ali Elahi, founder and director of the Islamic House of Wisdom in Dearborn, Mich., which has a large Arab-American population.

IRS officials say that religious institutions are under greater scrutiny because the agency is receiving more complaints about them from private citizens, watchdog groups, and other organizations.

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During the 2004 election cycle, the IRS investigated 110 cases of alleged illegal political activity by churches, charities and nonprofit organizations. They substantiated illegal political activity in 64 of the cases; 48 involved churches.

So far this year, the agency has received 116 complaints, 50 of which were referred for further investigation. Of the 50, 11 involved churches. IRS officials say they expect to receive more complaints about churches before the Nov. 7 elections.

Houses of worship and charitable groups can run afoul of the IRS by violating a tax law that prohibits political intervention by tax-exempt organizations called 501(c)3s. That subsection of the Internal Revenue Code says that churches and organizations cannot "participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office," according to the IRS Web site.

However, religious institutions and charities may conduct certain voter education activities, including presenting public forums and publishing nonpartisan voter education guides. Religious institutions may invite candidates to address their congregations as long as opposing candidates are invited, too.

The law allows churches, synagogues and other places of worship to take positions on public policy issues, including issues that divide candidates in an election. But they must take care to avoid making their advocacy on the issue seem like advocacy for a given candidate, a sometimes murky distinction.

Several religious organizations and leaders have criticized the rules, saying they stifle religious free speech. They contend that individuals or organizations opposed to a particular religious group's ideology or participation in the political process use the law as a weapon by complaining to the IRS and triggering investigations.

Americans United for Separation of Church and State fired a warning shot last month when it sent 117,000 letters to pastors and churches in 11 states where the conservative Christian Coalition is politically active. The letter reminded the ministers about IRS regulations and warned that violating them could cost their churches their tax-exempt status.

Some clergy from liberal and African-American churches said the IRS focuses on their ministries and seems to let other Christian and evangelical groups do whatever they want.

"One would think the IRS is totally nonpartisan, but that is not the case," said former Rep. Floyd Flake, D-N.Y., the senior pastor of the Greater Allen African Methodist Episcopal Church in New York City. The IRS investigated and cleared his church of political wrongdoing after Vice President Al Gore addressed the congregation during the 2000 presidential campaign.

Christian evangelical groups also complain about being unfairly investigated by the IRS.

"I think the evangelical community is being targeted," Scarborough said. "But there are too many moral issues that are making the church and pastors get involved and overcome the terror of the state, the threat of the IRS."

IRS spokeswoman Nancy Mathis said the IRS doesn't get involved in politics when it investigates alleged tax-code violators.

"There's a team of career employees that investigates these cases," she said. "Politics plays no role whatsoever."

GAO Urges Closer Oversight Of Private Tax Collectors (WP)

By Jim Abrams

The Washington Post, November 1, 2006

The Internal Revenue Service must improve oversight of a new program that uses private agencies to collect back taxes before it expands the effort, congressional investigators say.

A Government Accountability Office report commended the IRS for addressing some important factors for the success of the program, such as proper training of collection-agency employees, ensuring that taxpayers are treated properly and that taxpayer information is secure.

But it said the agency has not completed critical work on setting goals and determining costs.

The IRS lacks criteria to assess "whether the program performance warrants expanding the number of private collection agencies and turning over more cases to them," the report says.

Critics of the program said yesterday that the GAO report supported arguments that the tax agency was moving quickly to incorporate an unworkable program.

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"I've been concerned all along about the use of private contractors to collect federal taxes," said Sen. Max Baucus of Montana, the ranking Democrat on the Senate Finance Committee. Baucus and committee chairman Charles E. Grassley (R-Iowa) requested the GAO study.

"Tax collection is an inherent government function, and the IRS ought to take care of it in house," Baucus said.

The IRS, responding to legislation, initiated the private debt collection program in September, contracting with three companies. The IRS plans to expand the program to up to 12 private agencies, with a goal of collecting $1.4 billion in back taxes over the next decade.

The report cited preliminary IRS data showing that the three companies expected to collect $56 million to $92 million through the end of next year, at a cost of $61 million. Under the program, the private agencies are entitled to up to 24 percent of the tax money they collect.

The IRS program, said Colleen M. Kelley, president of the National Treasury Employees Union, "is a direct handout to the private sector, which won't generate an appreciable return to the Treasury and will cost taxpayers money."

IRS Commissioner Mark W. Everson, in a statement responding to the GAO report, said he agreed with the recommendations to set more concrete guidelines for the program and said that the agency had begun to carry out those recommendations.

As part of the effort to prevent scams, taxpayers first receive a letter from the IRS that includes the name of the company that will be contacting them about the debt. The firms receive basic background information on the taxpayer but do not have access to tax returns.

Initial Costs Hit IRS Plan To Recover Delinquent Taxes (USAT)

By Kevin Mccoy

USA Today, November 1, 2006

The IRS could lose money or break even in the first phase of its program to turn some tax debts over to private collection agencies, newly released agency data show.

Fiscal projections in a Government Accountability Office report show the IRS expects to collect $55.8 million to $92 million in the recently started first phase of the private collection effort.

The report shows the IRS estimates initial program costs at nearly $61.2 million — which raises the possibility the agency could lose money by the scheduled December 2008 conclusion of the program's initial phase.

However, the IRS data also project collection revenue of $1.4 billion, dwarfing federal costs of nearly $77.6 million, during a 10-year span of private collections.

The data offer one of the first fiscal looks at this year's selection of three private firms to collect taxes from taxpayers who owe less than $25,000 and have not contested the debts. The firms began contacting an initial group of 12,500 taxpayers in September. They are eventually scheduled to handle about 158,000 cases, according to the IRS. The IRS cost data include the companies' fees; up to 24% of what they collect in overdue taxes.

The program, slated for expansion to as many as nine additional collection companies in 2008, has been repeatedly criticized by some members of Congress and the National Treasury Employees Union, the bargaining unit that represents IRS workers.

Citing the new IRS revenue and cost projections, NTEU President Colleen Kelley said Tuesday, “It is only appropriate that the GAO study is in the news on Oct. 31, since it is so scary for taxpayers.”

“But for the contractors, it reveals a program that is much more like Christmas than Halloween,” Kelley said.

The IRS acknowledged that the upfront cost of technology and implementation could result in an initial budget loss. But the agency stressed that IRS budget projections also forecast a long-term profit for the program.

The GAO report also said the IRS had not adequately developed performance measures to gauge the success or failure of the private collection effort and determine whether it should be expanded.

In response, the IRS said it would continually evaluate its own resources and the performance of the private collection firms as it decides whether to expand the effort.

Harvest Those Stock Losses But Beware Of Common Pitfalls (WSJ)

By Tom Herman

The Wall Street Journal, November 1, 2006

With stock prices posting healthy gains this year, here's a tax tip for millions of investors: This is a good time to consider selling your losers and using those losses to save taxes.

But before pulling the trigger, watch out for nasty tax-law potholes that can jolt even the best-laid plans.

The Dow Jones Industrial Average has gained about 13% this year. The Nasdaq Composite Index is up about 7% this year but still is about 53% below its peak in 2000. Many investors still are sitting on painful losses in high-technology issues and other former high fliers purchased during the late 1990s.

Dumping losers now could be a smart strategy for investors in taxable accounts for several reasons. First, losses can be used to offset realized capital gains on a dollar-for-dollar basis. Next, if your capital losses exceed your capital gains, you typically can deduct a net loss of as much as $3,000 a year from your wages and other ordinary income. (For those who are married and filing separately from their spouse, the net-loss limit is $1,500 a year.) Losses above the limit are carried over into future years.

Here's an example: Suppose you file jointly with your spouse and sold stocks earlier this year for a capital gain of $50,000. Now, you sell other stocks you've owned for years at a $53,000 loss. That loss would erase your entire gain and leave you with a net loss of $3,000, which would be deducted from your ordinary income.

Ordinary income is taxed at federal rates as high as 35%, far above the top rate of only 15% on long-term capital gains on stocks, bonds and other securities. "Long-term" refers to gains on securities held more than one year. Short-term gains are taxed as ordinary income.

"You should definitely harvest your tax losses before the end of the year," says M. Holly Isdale, a managing director at Lehman Brothers and head of wealth advisory services. But, she says, be sure to avoid painful tax traps.

For example, watch out for the tricky "wash-sale" rule, which can ensnare even veteran investors who aren't paying attention. A wash sale typically occurs when you sell or trade stock or securities at a loss and buy the same thing, or something "substantially identical," within 30 days. It's important to note that the rule means 30 days before or after the sale.

If you violate the rule, you can't deduct your loss on the sale, the Internal Revenue Service says. Instead, add the disallowed loss to the cost of the new stock or securities, and the result is your basis in the new stock or securities, the IRS says. (For details, see IRS Publication 550.)

To avoid trouble, invest in something different during the specified time period. Or wait until afterward to buy the same stock, or something substantially the same, as the one you sold.

However, it isn't always quite so simple. For example, it isn't entirely clear what the IRS means by "substantially identical." Lawyers long have debated this issue. It's also unclear whether you would be violating the wash-sale rule if you sell a stock at a loss in a taxable account and then buy the same stock shortly thereafter for your Individual Retirement Account. The IRS hasn't issued a formal ruling. But, to be on the safe side, don't do it, several tax advisers say.

Separately, keep in mind another rule of thumb: Don't donate a stock to charity that is selling for less than you paid for it, says Ms. Isdale of Lehman Brothers. Instead, sell that stock at a loss, use the loss to reduce your taxes, and give the proceeds to charity. * * *

THE IRS HAS IMPROVED efforts to check up on taxpayers in partnerships, trusts and S corporations, a report says.

That's a significant change from just a few years ago, when the IRS drew heavy criticism from a congressional investigative agency and some lawmakers for embarrassing blunders in its efforts to combat tax evasion in this area. Since then, the IRS has done a better job but still needs to do more, says a report by the Treasury Inspector General for Tax Administration.

The IRS program involves "document-matching," which means comparing information that people report on their tax returns against what is reported separately to the agency on "Schedule K-1."

That form is supposed to show a taxpayer's share of an enterprise's income, losses, deductions and credits. * * *

BRIEFS: Paul B. Jones, a senior vice president at Time Warner Telecom in Littleton, Colo., is the new chairman of the IRS Oversight Board, succeeding Raymond T. Wagner Jr., whose term as chairman expired but whose term as a board member

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won't expire until 2009. ... Jeffrey Kupfer, who was executive director of the President's Advisory Panel on Federal Tax Reform, takes over as chief of staff to Department of Energy Secretary Samuel Bodman.

CONGRESS-ADMINISTRATION:

House Democrats Propose More Spending For Military And Education (WP)

By Jeffrey H. Birnbaum And Jonathan Weisman

The Washington Post, November 1, 2006

As part of their midterm election push, House Democrats are promoting a wide-ranging legislative agenda that would add tens of billions of dollars a year to the federal budget for the military, homeland security and education yet still impose a new budget restraint that would make it harder to widen the annual deficit.

Republicans and budget experts doubt that Democrats could do both simultaneously. When price tags are attached to their six-pronged agenda -- named Six for '06 -- critics say the Democrats will be forced to choose between keeping their pledge of fiscal rectitude and their promises of federal largess.

"There's a trade-off that's being left unspoken here," said Robert L. Bixby, executive director of the Concord Coalition, a nonpartisan opponent of deficits. "To pay for their new spending, they would have to cut programs, raise taxes or be unable to do what they want."

Republicans also scoff at the plan. ""It's schizophrenia in '06 is what it is," said Rep. Patrick T. McHenry (R-N.C.), a member of the Budget Committee. "You cannot balance the budget by vastly increasing spending."

This week, President Bush blistered Democratic policies and argued that voters would be better off if they kept Republicans in charge of Congress. He charged in a series of speeches that the Democrats would undermine America's fight against terrorism and would raise taxes if they won congressional majorities on Nov. 7.

Democratic leaders dispute the accusation and have been talking up Six for '06. The plan would allocate billions of dollars to build up the military, subsidize student loans and bolster port security. It would raise the minimum wage, make college tuition payments tax-deductible, repeal oil-company tax breaks and expand incentives for personal savings accounts, among many other provisions.

The program would prohibit the House from approving new spending or tax measures that widen the budget deficit. It would do that by restoring budget rules requiring that all future spending increases and tax cuts be offset by equivalent tax hikes or spending cuts.

"It's a road map to how Democrats would govern" if they win a majority in the House, said Jennifer Crider, spokeswoman for Minority Leader Nancy Pelosi (Calif.).

The agenda represents a consensus between the House Democrats' disparate factions. The final plan came together this summer after numerous meetings among Pelosi, other Democratic leaders and Democrats from the liberal, conservative and business-oriented factions of the party, as well as the Congressional Black Caucus and Congressional Hispanic Caucus.

In putting the agenda together, Democrats dropped several proposals that proved too controversial or costly, such as broad and expensive relief from the alternative minimum tax, which threatens to raise taxes on middle-income earners; filling a major gap, or "doughnut hole," in prescription-drug coverage under Medicare, which would cost $427 billion over 10 years; and rolling back Bush's tax cuts for wealthy Americans.

The final product contains plenty of pricey measures, including a commitment to "rebuild a state-of-the-art military capable of projecting power wherever necessary." The plan would also double the size of the military's special forces.

No dollar value is assigned to the provisions. But if Special Forces double through additions to the military and not through a reshuffling of personnel, that would mean 35,000 new active-duty troops and 15,000 reservists, at a minimum cost of about $5.8 billion a year, said Steven M. Kosiak, director of budget studies at the Center for Strategic and Budgetary Assessments.

To fortify the Army, several Democrats have proposed increasing troop levels by 40,000 at a five-year cost of $20 billion, the Congressional Budget Office said.

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On the home front, House Democrats would tighten border and port security by screening all containers that enter the country -- a multi-billion-dollar project. The plan would also step up training and equipping National Guard forces and first responders.

A 2004 study by the Council on Foreign Relations estimated that covering the budgetary shortfall for first responders alone would take a fivefold increase in funds, to $25 billion from $5.4 billion a year.

The Democrats' plan would boost federal spending on college education. It would allow some families to write off their children's college tuition payments (up to $3,000 per student), a now-expired tax break that cost the government $4.7 billion in revenue last year.

Democrats also hope to expand federal assistance for needy students under the Pell Grant program and to cut in half interest rates for federal student loans. House Budget Committee Republicans have put the cost of the interest rate cut at $60 billion over five years. Democrats said the cost would be lower, but not by much.

Other pieces of the agenda appear to be paid for, and Democrats are proposing policy changes that would raise substantial revenue. They would couple a minimum-wage increase to ending tax breaks that they say reward companies for sending jobs overseas. Under a plan set out by Democratic presidential nominee John F. Kerry in 2004, U.S.-based companies would be forced to pay taxes immediately on virtually all foreign profits that are not taxed by another country, raising $12 billion a year.

The Six for '06 plan would promote renewable energy sources and would fund the effort by cutting tax subsidies to oil and gas companies. According to Bush's budget, $1.83 billion in tax breaks will go to oil and gas companies next year to subsidize energy exploration and development.

The biggest savings in the Democrats' plan would be a pledge to give the federal government the authority to negotiate lower drug prices for Medicare. Sen. Edward M. Kennedy (D-Mass.) and Rep. Henry A. Waxman (D-Calif.) have estimated that Medicare could save $190 billion over the next decade if the seniors' program adopted the price-negotiating model of the Department of Veterans Affairs.

To finance any remaining budget shortfall created by the agenda, Crider said Democrats would tap the vast amount of tax revenue owed to, but uncollected by, the government -- the "tax gap," which has been projected at $300 billion a year. Crider was not specific about how that money would be brought in except to say that the Internal Revenue Service would be given more manpower.

In his last budget, Bush also recommended closing the tax gap, but nothing came of his suggestion.

Some Democrats acknowledge that compromises are likely to be needed on the spending side of Six for '06 to make good on its pledge to restore strict budget rules -- the "pay as you go," or "paygo," requirement for offsetting tax cuts or spending hikes.

"The Blue Dogs are very strong on paygo," said John S. Tanner (Tenn.), a leader of the conservative "Blue Dog" Democrats. "If you have to cut spending, you have to cut spending."

Specter Of Tax Man Haunts Democrats (WT)

By Donald Lambro

The Washington Times, November 1, 2006

The Next Congress

Third of five parts

Repealing President Bush's tax cuts and boosting social-welfare spending have been the meat and potatoes of the Democrats' campaigns since the 2002 election, and they would be in a position to attempt both if they win control of Congress next week.

Mr. Bush has been warning in campaign speeches across the country that the Democrats "will raise your taxes" if voters put them in power, and Republican leaders have been making similar charges as Election Day draws closer.

Democrats have an outside chance of taking complete control of Congress, but a better chance of winning one chamber, and in this series, The Washington Times will look at how such a transfer of power will affect U.S. policy and politics.

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House Minority Leader "Nancy Pelosi and congressional Democrats want the president's tax-relief measures to expire, raising taxes on millions of Americans," House Republican Whip Roy Blunt said last week.

Fearing Mr. Bush's warnings about higher taxes could drive more people to vote Republican next week, Rep. Charles B. Rangel, New York Democrat, released a statement Friday saying: "Nothing could be further from the truth. Democrats have a long history of supporting targeted relief for middle-income families."

Mr. Rangel would be in line to run the tax-writing Ways and Means Committee if Democrats win a majority in the House.

Recent polls show that most Americans expect Democrats to raise their taxes and increase spending for new big-ticket programs such as health care for the uninsured.

A USA Today/Gallup Poll reported last week that 63 percent of Americans surveyed think Democrats are likely to "increase federal income taxes" if they win control of Congress -- though 74 percent said they disapprove of it.

Past the rhetoric

Mr. Rangel, a fierce critic of the Bush tax cuts, said one of his priorities will be "to close tax shelters and eliminate benefits for companies that move jobs overseas," moves that businesses fear would raise their taxes and reduce profits.

He also said that 2010, when the bulk of the tax cuts expire, is "light-years away from the debate before us, and we have no way of knowing what the economy or even our country's leadership will look like at that time."

Despite Mr. Rangel's promise that Democrats would reach out to Republicans and the White House "to find common ground," Republican tax-cutters point out that he told Bloomberg News several weeks ago that he could not think of one of Mr. Bush's tax cuts that deserved to be extended

But Democratic policy advisers say that despite their campaign rhetoric, many of the Bush tax cuts are supported by Democrats, including the $1,000 child tax credit, marriage penalty relief and lower tax rates for middle-income families.

One of the changes in the tax rates that Mr. Bush enacted was a lower 10 percent tax rate for workers at the bottom of the income scale, a tax-cut provision that the Democrats "would not want to eliminate," a House Democratic staffer said.

"I can't see Democrats opposing the rates that are being paid at the bottom two-thirds of the tax code. Democrats are for taxing the super-rich, though it is yet to be defined where super-richdom begins," said Robert Reischauer, president of the Urban Institute, a nonpartisan economic and social policy research group.

Still, Republicans who have worked with Mr. Rangel in the House say they are a little suspicious of his ultimate goals.

"He's a master politician, but when he talks about everything on the table and tax cuts for the middle class, my eyes begin to widen. When you start targeting tax cuts to a class of people, you are entering the arena of redistribution of wealth," said former Rep. Jack Kemp, a tax-cut crusader who was the architect of the Reagan tax cuts in the 1980s.

Checks and balances

Senior Democratic advisers say that whatever Mr. Rangel might be planning, major tax and spending changes are unlikely to happen because of a number of institutional obstacles that would be extremely hard for the Democrats to overcome, especially in what is likely to remain a narrowly divided Congress.

"I don't see any dramatic changes in taxes or dramatic increases in spending if you want to know the truth. A lot of this fear talk is part of the campaign," said Leon Panetta, former House Budget Committee chairman and Clinton chief of staff.

"Everybody is saying that all of these things will happen, but there will be checks in the system. The fact is that Bush is still going to be president, with his veto, and the Senate, which could be split 50-50, will act as a barrier as well," Mr. Panetta said.

With his veto power, Mr. Bush would be the biggest obstacle to rolling back any part of the tax cuts, and it would be very difficult for Democrats to win the two-thirds vote needed to override a veto in a narrowly divided House or Senate, former congressional officials said. The Senate filibuster, which requires 60 votes to break, is another big political hurdle that conservative Republicans say would be used to block Democratic tax-and-spend proposals.

Nevertheless, the power structure on Capitol Hill would shift dramatically from right to far left under Democratic rule if veteran liberal lawmakers take over the chairmanships of committees that would write the tax and spending bills the House and Senate would consider.

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How the coming tax-and-spend battle plays out will depend upon "how the White House intends to play its cards" and how much Democrats are prepared to fight for their agenda, said Mr. Reischauer, a former director of the Congressional Budget Office (CBO).

"If push comes to shove, we are going to end up with some significant part of the tax cuts extended. We are not going to revert to the 2000 tax code before Bush. Neither is it likely that we will extend all of the tax cuts that have been enacted since 2000," he said.

Pricey plans

But Republicans such as former House Majority Leader Dick Armey of Texas said that if the Democrats take over, "they will try to find some way to raise taxes to finance their spending programs."

Democrats gave voters a peek into the kind of spending proposals they want to enact in their election agenda titled "A New Direction For America." The campaign agenda does not say how much their proposals would cost, but an analysis by the National Taxpayers Union based in part on CBO estimates puts the price tag at more than $79 billion a year.

These legislative proposals include $16.2 billion a year for lower-interest college loans, nearly $1 billion more per year for scientific research, $4 billion in additional Pell Grants for college students and $28.8 billion more for health care, including increased subsidies for the Medicare prescription-drug program for the elderly.

Perhaps one of the biggest spending initiatives in the Democrats' agenda is a program called "AmeriSave," under which the government will match the first $1,000 contributed to an IRA, 401(k) or other investment retirement account. The program would cost taxpayers $37.5 billion in the first five years.

Another measurement of spending increases a Democratic Congress would seek can be found in amendments they have offered in the Senate in the past two years. According to an analysis by the Senate Republican Policy Committee, Senate Democrats proposed $95.2 billion in increased spending for fiscal 2006 and $74 billion for fiscal 2007.

Mr. Panetta blames both Republicans and Democrats for the sizable budget deficits of the past six years and does not see that changing dramatically anytime soon, despite this year's sharp decline in the deficits as a result of unexpectedly stronger federal tax revenues.

"This Congress has been the worst on borrowing and spending that I've seen in my lifetime, with record deficits. Responsibility for that rests with both parties. My theory is that they will continue to borrow and spend in the future," he said.

Part I

Democratic majority ready to go to war over Iraq

Part II

Democrats wait in the wings with subpoenas

Rangel Says No Animosity To Cheney (AP-Y)

By Devlin Barrett

AP, November 1, 2006

Rep. Charles Rangel feels bad — but not too bad — about directing a curse word at Vice President Dick Cheney.

Rangel, a Harlem Democrat who regularly exchanges verbal volleys with the vice president, called Cheney a "son of a b...." on Monday when asked by the New York Post about comments Cheney made about him in a television interview.

He repeated his comments in an interview with The Associated Press on Tuesday, but added, "I shouldn't have said it."

"I thought that he should be flattered, there's certainly no animosity in it," said Rangel, saying he had been making an observation about Cheney. "Some people just have that as part of their personality."

Cheney's spokeswoman Lea Anne McBride declined to address Rangel's off-color language.

"The vice president is going to continue to talk about the clear record on taxes — Republicans voting to lower taxes ... and he's also going to continue to talk about the Democrats' position on taxes," said McBride.

Rangel's name is invoked regularly by Republicans seeking to retain control of the House of Representatives in next week's midterm elections. If Democrats gain 15 seats to become the majority party, Rangel would become chairman of the powerful tax-writing Ways & Means Committee.

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GOP leaders contend a Rangel-led committee would immediately move to undo the Bush administration tax cuts now set to expire in 2010.

Rangel said the charge is ridiculous, and he has not made any decisions about it.

"They can't get me to say I'm going to extend it. I say that just makes good economic sense to see what the status is of our economy before we start projecting what tax cuts we'll have in the future," said Rangel, dean of New York's congressional delegation.

In televised interviews Monday, Cheney told CNBC that Rangel wouldn't keep "a single one" of Bush's tax cuts, and he later told Fox News Channel: "Charlie doesn't understand how the economy works."

More than a year ago, Rangel said he would like to think Cheney is "sick rather than just mean and evil," prompting Cheney to answer: "Charlie is losing it, I guess."

Appeals Court Hears Taped-call Dispute (AP-Y)

By Matthew Daly

AP, November 1, 2006

A lawyer for Democratic Rep. Jim McDermott told a federal appeals court Tuesday that McDermott should not be punished for giving reporters access to an illegally taped telephone call involving House Republican leaders.

In arguments that evoked the Pentagon Papers and other press freedom cases, lawyer Christopher Landau said McDermott had merely received the tape from a Florida couple and therefore had done nothing wrong.

A finding against McDermott could chill the news media's ability to gather information on important public issues, Landau said.

"It's hard to overstate the impact of the case on the media," he said.

Lawyers for 18 news organizations — including ABC, NBC, CBS, CNN, The Associated Press, The New York Times and The Washington Post — have filed a brief backing McDermott, a Democrat from Washington state who gave reporters a recording of a 1996 call involving then-House Speaker Newt Gingrich, R-Ga.

A three-judge panel of the U.S. Circuit Court of Appeals for the District of Columbia ruled against McDermott in March. The 2-1 opinion upheld a lower court ruling that McDermott had violated the rights of Rep. John Boehner, R-Ohio, who was heard on the 1996 call. Boehner was then a Gingrich lieutenant and is now House majority leader.

The full nine-member appeals court vacated the ruling this spring and heard new arguments in the case on Tuesday. A ruling is expected next year.

Boehner's lawyer, Michael Carvin, told the court that McDermott's actions were clearly illegal. He compared McDermott to a "fence" who received stolen goods and then sold them.

McDermott's actions were especially egregious because he received the tape in his capacity as a House ethics committee member who was sworn to confidentiality, Carvin said.

Judge David S. Tatel said that under Carvin's interpretation, the New York Times and other newspapers that published the contents of the tape could be held liable.

"The argument to extend it to the New York Times is quite powerful," Tatel said.

"I'm not representing the New York Times," Carvin retorted. "I'm perfectly happy to throw them overboard."

But Landau said a ruling against McDermott would be disastrous for a free press.

"You are basically saying Congress can indict the media if it is deemed they knew the information was unlawfully obtained," he said.

The case is Boehner v. McDermott, 04-7203.

Background Checks Take Too Much Time, GAO Says (WP)

By Stephen Barr

The Washington Post, November 1, 2006

DOJ_NMG_0089401

The Bush administration appears at risk of missing a deadline set by Congress aimed at shortening the time it takes to investigate federal employees and contractors for security clearances and determine whether they can be trusted with classified information.

The 2004 Intelligence Reform and Terrorism Prevention Act requires that 80 percent of all security clearances be completed in an average of 120 days. The law's goals include improved analytical methods at national security agencies, an effort that requires timely processing of security clearances to expand the workforces at 16 intelligence agencies.

But a report issued by the Government Accountability Office, the congressional watchdog agency, suggests that the administration could miss the Dec. 17 deadline for timely processing of security clearances stipulated in the 2004 law.

For its study, the GAO looked at a small but important group of people seeking security clearances -- government contract employees applying for top-secret clearances. The private-sector employees waited more than a year on average to receive their top-secret clearances, the GAO found.

The GAO examined 2,259 cases of industry personnel granted top-secret clearances in January and February of this year. The clearance process took an average of 446 days for an initial clearance and 545 days for a clearance update, the GAO said.

About 90 percent of the government's background investigations are conducted by the Office of Personnel Management. The Defense Department uses information from the background checks to grant about 80 percent of security clearances, including those for contract workers at Defense and 23 other federal agencies.

The ranks of contractors in the defense and intelligence communities have grown since the Sept. 11, 2001, terrorist attacks as agencies have moved to strengthen homeland security. As of May, contract workers held about 34 percent of the 2.5 million clearances granted by the Defense Department, the GAO noted.

Linda M. Springer , director of the OPM, faulted the GAO report, calling it "based on outdated information." She said the handling of many of the cases covered in the report had been slowed by a 2005 agreement with the Pentagon to consolidate personnel security investigations at the OPM. "The GAO's critical findings do not accurately reflect the current state of affairs," Springer said.

The cases examined by the GAO turned up problems that may be continuing, however. The GAO found that the OPM's "current methods do not fully capture and portray the time required to obtain a clearance."

The OPM, which has scrambled to increase its staff to keep pace with requests for background checks on government workers, relies on "an inexperienced investigative workforce" and cannot always use technology to shorten processing time because some data must be entered into computer systems from paper applications, the GAO said.

Background checks also are delayed because OPM investigators have problems getting access to some criminal and employment records at state and local levels, the GAO said.

In its review, the GAO turned up troubling signs that some top-secret clearances are based on incomplete investigative reports. A study of 50 investigative reports found 47 were missing data required by federal rules, the GAO said.

One person under investigation acknowledged having extramarital affairs, but the GAO found no documentation showing that the affairs had been investigated. Investigators also found that the person had defaulted on a loan worth several thousand dollars but did not explore the issue further, the GAO said.

Other background reports lacked information on where applicants worked and lived, their overseas trips, and their personal conduct, the GAO said.

"The use of incomplete investigations and adjudications in the granting of top secret clearance eligibility increases the risk of unauthorized disclosure of classified information," the GAO said.

Clay Johnson III , deputy director for management at the Office of Management and Budget, said in a letter to the GAO that he will convene a working group to study the issue. The quality of background investigations, he wrote, "is of paramount importance."

Pelosi's Unintelligent Choice (WP)

By Ruth Marcus

The Washington Post, November 1, 2006

DOJ_NMG_0089402

If Democrats win control of the House next week, Nancy Pelosi's first test as speaker will arrive long before the 110th Congress convenes. Her choice to head the House intelligence committee -- unlike other House committees, this one is left entirely up to the party leadership -- will speak volumes about whether a Speaker Pelosi will be able to resist a return to paint-by-numbers Democratic Party interest-group politics as usual.

Pelosi is in a box of her own devising. The panel's ranking Democrat is her fellow Californian Jane Harman -- smart and hardworking but also abrasive, ambitious and, in Pelosi's estimation, insufficiently partisan on the committee. So Pelosi, once the intelligence panel's ranking Democrat herself, has made clear that she doesn't intend to name Harman to the chairmanship.

The wrong decision, in my view, but one that's magnified by the unfortunate fact that next in line is Florida Rep. Alcee Hastings. In 1989, after being acquitted in a criminal trial, Hastings was stripped of his position as a federal judge -- impeached by the House in which he now serves and convicted by the Senate -- for conspiring to extort a $150,000 bribe in a case before him, repeatedly lying about it under oath and manufacturing evidence at his trial.

Ordinarily, that might doom Hastings's chances, but the situation is further inflamed by racial politics: Hastings is African American, and the Congressional Black Caucus has made it clear that it will not tolerate his rejection. Another black lawmaker, Georgia's Sanford Bishop, was passed over to accommodate Harman, who reclaimed her seniority when she returned to Congress in 2000 after a gubernatorial run. And the black caucus is still smarting over Pelosi's move to oust Louisiana's William J. Jefferson from the Ways and Means Committee after the FBI found a freezerful of cash in Jefferson's home.

Pelosi has floated the notion of naming the intelligence committee's third-ranking Democrat, Texan Silvestre Reyes, who is Hispanic, but that's not flying with the black caucus. "The CBC would not look kindly on that," caucus spokeswoman Myra Dandridge told The Post's Jonathan Weisman. "The first order of business of the CBC chairman would be to protect his members, and Alcee Hastings has the seniority, the knowledge and the experience to be chairman of the intelligence committee."

True -- and still he shouldn't get the job.

The events occurred so long ago (the alleged conspiracy took place in 1981), the facts are so complex and the outcomes so antithetical (the jury acquitted Hastings; the judicial panel that investigated him, the House and the Senate concluded the opposite) that it's tempting to simply let bygones be bygones. After all, Hastings has been in Congress since 1992, on the intelligence committee since 1999. I don't worry that as chairman he'd suddenly be up for sale: If he could be entrusted with national security secrets as a committee member, why not as chairman?

But this was no ordinary crime, and Intelligence is no ordinary committee.

"My goodness gracious, when does it end? When does it end?" Hastings asked me yesterday in a long telephone interview. "It's no way that I can prove a negative. I can't go back and try to establish for everybody alive my bona fides. I've earned my stripes and I suffered through 9 3/4 years that would have crushed the average person, and fortunately for me I was not the kind of person that was crushed."

It's impossible not to like Hastings. But as someone who covered his impeachment and Senate trial, I can't get past the facts of the case, which convince me that Hastings did indeed agree to conspire with a close friend, a prominent Washington lawyer named William A. Borders Jr., to solicit the bribe. Borders was convicted of the bribery scheme in a separate trial, and he served additional time for contempt rather than testify in the congressional proceedings.

The evidence against Hastings is circumstantial, but it's too much to explain away: a suspicious pattern of telephone calls between Hastings and Borders at key moments in the case; Borders's apparent insider knowledge of developments in the criminal case; Hastings's appearance at a Miami hotel, as promised by Borders as a signal that the judge had agreed to the payoff; a cryptic telephone conversation between the two men that appears to be a coded discussion of the bribe arrangement.

Consider: Hastings, a federal judge, gets word from Borders's lawyer that Borders has been arrested for conspiring to bribe him and that the FBI wants to interview him. Instead of calling the FBI agents whose names and numbers he's been given, Hastings leaves his hotel without checking out and heads to the airport outside Baltimore instead of National, where there's an earlier flight. At BWI, Hastings calls his girlfriend, has her call him back at a different pay phone, then asks her to leave the house to call him from a pay phone, then calls her back from a different pay phone. He doesn't speak to the FBI until they track him down at the girlfriend's house later that night.

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College Aid Cutbacks (NYT)

The New York Times, November 1, 2006

Pell Grants are one of the largest sources of federal help for low-income college students, and the most valuable form of aid, because the money doesn't have to be paid back. But the level of aid is increasingly out of sync with the level of need.

Last week, the College Board reported that Pell Grants fell last year, for the first time in six years. The cuts were about $100 a year per recipient, on average, and came on top of other miserliness. It's been four years since Congress last increased the maximum annual Pell Grant — by a mere $50 — bringing the top grant for a student who has no parental support to $4,050. Meanwhile, college costs are up 35 percent from five years ago. Tuition and fees at a typical four-year public university are closing in on $6,000 this year.

The recent cutbacks were set in motion in 2004, when the Department of Education reduced the number of students deemed eligible for Pell Grants and the amounts they were qualified to receive. Pell Grants now cover about a third of the average costs at a four-year public school, compared with 42 percent five years ago.

Government loans also have not kept pace with rising costs. Subsidized loans accounted for only 55 percent of student borrowing in the most recent academic year, down from 69 percent 10 years earlier.

Bush administration officials have said repeatedly that the solution to the nation's growing income inequality is more education. That's a gross oversimplification, but if they really believed it — and cared about a remedy — would federal college aid be declining? As things stand, privatization of college lending is the administration goal that is being advanced. As government aid has declined, loans from banks and other private lenders have soared, climbing to 20 percent of all education borrowing last year, up from 12 percent five years earlier.

The result is towering debt. The same bachelor's degree will cost a student borrower far more than a student who can afford to pay. That's not a path to greater equality.

The Amazing Hubble Telescope (NYT)

The New York Times, November 1, 2006

The space agency's finest scientific instrument escaped a death sentence yesterday when Michael Griffin, the NASA administrator, approved a shuttle mission to service and upgrade the Hubble Space Telescope. It was a brave call, since repairing the Hubble will put the shuttle at greater risk than a typical mission to the International Space Station. It was also a welcome sign that NASA is willing to go the extra orbital mile to support superb science, even while it squanders large sums on completing the space station to perform research that can't begin to compare with the Hubble's in importance.

For a decade and a half, the Hubble has made discoveries that have helped revolutionize our understanding of the universe. Its typical role is to pick up a hint from ground-based telescopes and then use its unparalleled vantage point above the atmosphere to probe deeply into some puzzling phenomenon. The Hubble has peered farther into space and farther back in time than any other instrument. It has discovered more than 500 proto-galaxies that emitted light when the universe was in its formative stages, confirmed the jaw-dropping discovery that the expansion of the universe is accelerating, and helped establish the rate of expansion and the age of the universe.

A panel of distinguished astronomers judged that the Hubble "has arguably had a greater impact on astronomy than any instrument since the original astronomical telescope of Galileo." And what made all of this possible was NASA's willingness to refurbish the Hubble every few years to replace depleted batteries and gyroscopes and install new equipment. Many experts believe that when the Hubble gets two state-of-the-art instruments on the next servicing mission in 2008 it will be more capable than ever, ready to peer farther back into a time when galaxies were forming and the universe was emerging from darkness into light.

The threat to the Hubble's future came unexpectedly from NASA itself in early 2004. In a decision that can only be described as myopic, Sean O'Keefe, the administrator at the time, unexpectedly canceled the next servicing mission, ostensibly because of safety concerns after the Columbia disaster. But the underlying reason was almost certainly that a Hubble mission would be a diversion from the administration's priorities to complete the space station and then send astronauts back to the Moon and eventually Mars. Only intervention by Congress and the National Academy of Sciences kept the death sentence at bay.

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Now Mr. Griffin has concluded that the mission can be conducted safely, especially since NASA has developed new inspection and orbital repair techniques, and that the mission will not interfere with other space priorities. A Hubble mission may be marginally more risky than a flight to the space station, but that risk is surely worth taking for the scientific payoff.

Ailing Hubble Gains New Life As Manned Missions Sputter (USAT)

USA Today, November 1, 2006

No mission of NASA's shuttle has been more exciting or successful than the one in 1993, when astronauts repaired the Hubble Space Telescope. After 11 days in orbit and a record five spacewalks, the crew of Endeavour replaced flawed components that had rendered Hubble's pictures blurry.

In so doing they made the telescope all it was supposed to be: a spectacularly powerful window on the universe that could deliver crisp and breathtaking images of far-off galaxies.

Astronauts have been back to the Hubble three more times. But the most important trip since 1993 will likely come in 2008. On Tuesday, NASA Administrator Michael Griffin announced a final service call to Hubble, reversing a decision by his predecessor, Sean O'Keefe, who had opted to let the space telescope die within the next few years rather than approve a mission that was seen as particularly risky after the Columbia disaster. This new mission will upgrade key parts and extend Hubble's life to about 2013.

Griffin made the right call. This mission poses more risks than most, but preserving one of NASA's most successful programs warrants it. The shuttle, moreover, has no other major duties besides completing the International Space Station, a program that faces an iffy future.

The shuttle's relationship with Hubble underscores a powerful irony. The shuttle never succeeded in its mission of dramatically increasing the human presence in space. That is because human space flight was, is, and likely will remain extraordinarily expensive and dangerous. But the shuttle has done one thing fabulously well: nurture one of NASA's most popular robotic programs.

Robotic missions were once secondary to the more glamorous manned missions. Now programs such as Hubble, and the Spirit and Opportunity rovers exploring Mars, are the stars while human space flight is in a prolonged identity crisis.

The shuttle is slated to die in 2010, largely unloved. Griffin said last year in a meeting with USA TODAY's editorial board that it had been a mistake. The space station has failed to deliver much science or enthusiasm and has been orphaned by the Bush administration. The current plan, to send astronauts back to the moon and on to Mars, is based on the dubious premise that it can rekindle interest in human space flight by retracing small steps and giant leaps made more than 30 years ago.

If future Congresses or presidents pull the plug on this program, there may still be a role for astronauts — as cosmic repairmen.

OTHER NEWS:

Consumer Confidence Data Soften Rally (USAT)

By Matt Krantz

USA Today, November 1, 2006

More hand-wringing over the health of consumer spending caused another lackluster day for stocks Tuesday.

A weaker-than-expected Conference Board report on consumer confidence prompted some investors to lose their gusto for the October stock market rally. The Dow Jones industrial average fell 5.77 points to 12,080.73. Even so, the Dow is still up 12.7% for the year.

The two other major market indexes eked out small gains. The Nasdaq composite index added 2.94 points to 2366.71, pushing it up 7.3% this year.

And helped mainly by stocks in the construction materials, photo products and aluminum industries, the Standard & Poor's 500 rose 0.01 points to 1377.94. The S&P is up 10.4% this year.

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Some worry too many investors were jumping on the market rally and losing sight of the fact that there are still some risks facing stocks and the economy. “The market got too saturated with buyers a few weeks ago,” says Chris Johnson at Schaeffer's Investment Research. He is concerned stocks in some leading industry groups, such as semiconductors, have been stalling. But he's not calling for big trouble yet. “I'm cautiously optimistic,” he says.

Gary Tapp, director of quantitative analysis at SunTrust Robinson Humphrey, says a pullback was overdue. “There's no question that the market got a little extended,” he says.

The rally was justified, Tapp says, due to a 22% decline in the price of oil and the Federal Reserve pausing its short-term interest rate increases. But a pullback, of about 3%, would be appropriate. “It went up too fast,” he says.

Highlights:

Trammel Crow, a commercial real estate company, jumped $9.65 to $48.75 after rival CB Richard Ellis agreed to buy it for $49.51 a share.

•Amerigroup, a managed health care company, fell $5.45 to $29.96. A federal jury determined the company should pay $144 million in damages for allegedly discouraging pregnant women from enrolling for coverage.

•Sirna Therapeutics, a biotech firm, jumped $6.18 to $12.63. The company said late Monday is was being acquired by Merck for $13 a share.

•Avanir Pharmaceuticals, a developer of disease treatments, tanked $3.42, or 46.2%, to $3.98. The company received an “approvable letter” from the Food and Drug Administration for its Zenvia treatment for emotional disorders. The letter was a disappointment to investors who were expecting the company to get an approval.

Dow Industrials Ease But Still Post Best Monthly Gain In Nearly A Year (WSJ)

By E.s. Browning

The Wall Street Journal, November 1, 2006

Stocks fell in the morning on more worries about consumer spending, then recovered in the afternoon as end-of-month buying kicked in. The result was little change for the day -- but a big gain for October.

Amid continued hopes for low interest rates and moderate economic growth, the Dow Jones Industrial Average ended with a monthly gain of 3.4% -- the best monthly gain since November 2005. The Dow average has risen for four straight months, and was up in eight of 10 months this year.

For the day, the Dow industrials fell 5.77 points, or 0.05%, to 12080.73, still up 12.7% for 2006, and within sight of the record 12163.66 close reached last week.

Early in the day, investors learned that the Conference Board's measure of consumer confidence unexpectedly declined in October, raising fresh fears of lackluster holiday spending. A measure of manufacturing growth in the Chicago area also came in weaker than expected.

But as the Dow industrials neared the 12000 level during the day, stocks bounced back. Part of the reason was a belief that the economy is headed for the much-desired "Goldilocks" scenario -- with inflation not too hot and growth not too cold. That would support sustained growth and profits, and might even lead the Federal Reserve to cut interest rates, investors hope.

Mutual-fund companies, meanwhile, reached the end of their fiscal years. Some money managers were required by internal guidelines to be fully invested, and some used the Dow average's fall toward 12000 as an opportunity to buy stocks cheaply. That helped the market recover.

With third-quarter earnings season nearing an end, investors are wondering what the next driver will be for stock prices. "People know that interest rates aren't going higher, so the next driver is the economy," said Todd Leone, head of listed trading at New York brokerage firm Cowen & Co. "Slow growth isn't bad -- so the market could continue to move higher," he said, as long as the economy doesn't go in a ditch.

The Standard & Poor's 500-stock index finished virtually unchanged -- up 0.01 point -- at 1377.94, strengthening by 3.2% for the month and 10.4% in 2006. The Nasdaq Composite Index rose 2.94 points, or 0.12%, to 2366.71, advancing 4.8% in October and 7.3% this year. Neither is near its record finish, both of which date from 2000.

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Small stocks outpaced large ones in October, with the Russell 2000 small-stock index up 5.7%. It eased 0.46% yesterday, to 766.84, but is up 13.9% in 2006.

Stocks were helped last month by falling oil and gasoline prices, which took pressure off consumers and businesses. Crude-oil futures fell 6.6% in October and are off 3.8% in 2006, although they rose 37 cents to $58.73 a barrel yesterday.

Outside the U.S., stocks advanced in dollar terms. The Dow Jones World Stock Index, excluding U.S. stocks, rose 1.77 points, or 0.78%, to 228.60.

In major U.S. market action:

Stocks were mixed. Total trading volume for stocks listed on the New York Stock Exchange was 2.75 billion shares, as 1,682 stocks rose and 1,622 fell.

Bond prices gained. The 10-year Treasury note gained 16/32, or $5 for each $1,000 invested, pushing the yield down to 4.610%. The 30-year bond rose 31/32 to yield 4.721%.

The dollar weakened. Late in New York, it traded at 116.96 yen, down from 117.40 yen, while the euro rose against the dollar to $1.2763 from $1.2730.

Employment Costs Rise Faster, Adding To Inflation Concerns (WSJ)

By Brian Blackstone And Christopher Conkey

The Wall Street Journal, November 1, 2006

WASHINGTON -- Employment costs gained in the third quarter at their fastest pace in more than two years, a development likely to keep Federal Reserve officials on edge about inflationary risks to the economy.

The employment-cost index rose 1% during the quarter after gaining 0.9% in the second quarter, the Labor Department reported. Employment costs were 3.3% higher than a year earlier, up from a 3% increase the previous quarter.

Since labor is the biggest expense for many businesses, the report suggests rising labor costs have the potential to keep underlying inflation high despite the recent drop in energy prices. "Labor costs remain a thorn in the side of the Fed's forecast for easing inflation pressures," wrote Gina Martin, an economist at Wachovia Corp., in a research note.

The Fed has kept its target for short-term interest rates unchanged at 5.25% for its past three meetings but has kept a bias toward higher rates should inflation persist.

Despite the upward pressure on prices apparent in yesterday's report, many economists expect the Fed to hold rates steady into 2007. "I think this Fed is committed to the current levels of rates because they think it'll slow the economy enough that over time it will ease inflationary pressures," said Joel Naroff, president of Naroff Economic Advisers. "They need at least six more months to get a picture on whether their policy is working."

The pickup in employment costs, the fastest quarterly rise since the second quarter of 2004, was driven largely by compensation gains for state- and local-government workers. Private-sector employers have reduced their health-care and retirement obligations more aggressively than has the public sector. Benefit costs for state and local governments in the third quarter were 5.2% higher than a year earlier, while private-sector employers saw a smaller 2.8% rise.

Separately, the Conference Board, a private research group in New York, said its measure of consumer confidence fell slightly to 105.4 in October from 105.9 in September. Lynn Franco, the group's director of consumer research, said a mixed assessment of business conditions and a less favorable view of the job market caused the modest decline in overall sentiment.

Consumers' view of the current economic situation dimmed, and the proportion of consumers expecting their incomes to increase in the months ahead fell. The share of consumers saying jobs are "plentiful" declined, while the proportion saying jobs are "hard to get" rose.

Other gauges of consumer confidence advanced in October, and the Conference Board's measure of future economic conditions rose to its highest level in nearly a year.

As Vote Nears, Stances On War Set Off Sparks (NYT)

By Adam Nagourney And Jim Rutenberg

The New York Times, November 1, 2006

DOJ_NMG_0089407

WASHINGTON, Oct. 31 — For at least a few hours on Tuesday, President Bush had a chance to relive his victorious campaign of 2004, taking a break from a bleak Republican campaign season as he attacked Senator John Kerry of Massachusetts over the war in Iraq.

Mr. Kerry, the Massachusetts Democrat who was Mr. Bush's opponent in 2004, is not running for office this year. But the president seized on what he said were Mr. Kerry's disparaging remarks about the troops — and what Mr. Kerry insisted was a botched joke aimed at Mr. Bush — as he sought to make Mr. Kerry the face of the Democratic Party this fall.

In the process, Mr. Bush brought renewed attention to the war in Iraq, which he defended with vigor while campaigning in Georgia, at the very moment that a number of Republican Congressional candidates, following the advice of party strategists, were stepping up their efforts to distance themselves from the White House on the war as the campaign enters its final days.

"President Bush isn't getting our frustrations — it's time to be decisive, beat the terrorists," Mike McGavick, the Republican candidate for Senate in Washington, said in an advertisement that began running this week. "Partition the country if we have to and get our troops home in victory."

In Rhode Island on Tuesday, Senator Lincoln Chafee, a Republican struggling against a challenge from Sheldon Whitehouse, an antiwar Democrat, began a new television advertisement reminding Rhode Island voters, "I stood against the Senate and president and voted no" on the war.

In a debate a day earlier, Mr. Chafee indicated he would be willing to call on Defense Secretary Donald H. Rumsfeld to step down; Mr. Whitehouse has been pressing Mr. Chafee to do just that in his television advertisements. In Tennessee, Bob Corker, a Republican candidate for Senate, said it was time for a new plan and a change in leadership at the Pentagon.

In New Jersey, Thomas H. Kean Jr., the Republican challenging Senator Robert Menendez, has started a new advertisement that says he wants to "change the course in Iraq; Replace Rumsfeld." In Indiana, John Hostettler, a Republican congressman, reminds voters in his latest advertisement that he voted against the invasion of Iraq because "the intelligence did not support the claim that there were weapons of mass destruction there."

To date, none of the Republicans who have spoken out have called for an immediate withdrawal from Iraq, and some had expressed previous reservations about the war or opposed it initially. But their willingness to break so publicly with the White House in the closing days of the campaign — in some cases, with the active encouragement of the some of the party's own strategists — is evidence of the extent to which they view the war in Iraq as a lethal issue this fall.

It is especially striking because Mr. Bush has defended the war, and attacked Democrats over it, with increasing force in the last several days.

The mounting death toll in Iraq over the last month and apparent differences between the United States and the Iraqi government over how to proceed have given Democrats new opportunities to criticize Mr. Bush's handling of the conflict and make the case that electing a Democratic Congress is the first step toward finding a solution.

Across the country, Democrats are broadcasting television advertisements that feature battle scenes and photographs of their Republican opponent with Mr. Bush as they call for sharp changes in the Iraq strategy.

"We have certainly advised candidates to not appear that they are marching in lock step with the administration in terms of how the Iraq war is being conducted," a senior Republican Party Senate strategist said, insisting on anonymity in exchange for disclosing political advice being given to candidates. "If you aren't speaking out against the way that this war has been conducted, you are dead in the water."

"The candidates have been in a tough position for some time," this party official said. "The way that has been enunciated before — stay the course versus cut and run — any changes to that are certainly welcome."

In attacking Mr. Kerry and defending the war, the White House clearly made the calculation that achieving what has been its main strategic goal this year — firing up a dispirited conservative base — would outweigh any risk that might come in spotlighting a war that Republican Party officials said had become a huge burden for its candidates. The White House took the unusual step of releasing advance excerpts of Mr. Bush's attacks.

In his remarks in California on Monday, Mr. Kerry said: "You know, education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq."

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Mr. Kerry said that he botched a joke that his aides said had been prepared as follows: "Do you know where you end up if you don't study, if you aren't smart, if you're intellectually lazy? You end up getting us stuck in a war in Iraq. Just ask President Bush."

Mr. Bush, speaking to a cheering crowd at a campaign rally late Tuesday afternoon in a half-empty arena at the Georgia National Fairgrounds in Perry, said Mr. Kerry had insulted the intelligence of Americans troops.

"The senator's suggestion that the men and women of our military are somehow uneducated is insulting, and it is shameful," he said. "The members of the United States military are plenty smart and they are plenty brave, and the senator from Massachusetts owes them an apology."

Mention of Senator Kerry's name drew boos, which were amplified after Mr. Bush quoted his remarks.

Mr. Kerry, a Vietnam veteran, called a news conference in which he accused Mr. Bush of twisting his words for political gain. "The White House's attempt to distort my true statement is a remarkable testament to their abject failure in making America safe," he said. "It's a stunning statement about their willingness to reduce anything in America to raw politics."

Some Democrats were quick to distance themselves from the man who had been their standard-bearer just two years ago.

"This is an example of politics at its worst," said Scott Kleeb, a Democratic candidate for Congress in Nebraska. "Many of us have serious concerns over the current situation in Iraq, but no one should question the intelligence and dedication of our troops. Senator Kerry's remark was disrespectful and insulting."

Still, at least some of the students who attended Mr. Kerry's speech at Pasadena City College said they did not think the senator was belittling troops.

"I don't think he was saying our soldiers are dummies," said Natalie Courtney, 21, the student body president, who said she was an independent. "I think he was saying you have to protect yourself. The current government does not have our best interest in mind. Don't let the government lie to you."

But Charles Huang, 19, a sophomore who described himself as one of the few conservatives at the college, said he was offended by the comment and thought Mr. Kerry did owe American troops an apology.

"I was kind of offended that someone would say that," Mr. Huang said. "I think he was trying to crack a joke, but it was inappropriate."

The contrast of Republican candidates distancing themselves from the White House even as Mr. Bush defended his policy again on Tuesday — "We will fight in Iraq and we will win in Iraq," he said to cheers in Georgia — reflects what Republican Party officials said was a pragmatic message they were sending to candidates: do whatever it takes to win.

In one sign of the deteriorating situation for Republicans, Mr. Bush is now expected to fly to Kansas this weekend to campaign on behalf of a Republican incumbent, Jim Ryun, who just a month ago was not considered endangered.

"Whatever they feel they've got to do to move their numbers, they have got to do," said one senior Republican Party official, who spoke on condition of anonymity in exchange for talking about party strategy. The official added that the White House believed it was better to have Republican candidates complaining than to have to deal with a Democratic Congress in January.

But asked about the advertisement by Mr. McGavick, the Republican candidate for Senate in Washington, a senior White House official, who requested anonymity to discuss political strategy, said, "That's not the message we'd be running."

Elliott Bundy, a spokesman for Mr. McGavick, said that the White House had not complained about the advertisement and that Mr. McGavick had to address Iraq head-on, given the public opposition to the war. "Iraq is the No. 1 issue, and you are fooling yourself if you think it isn't," Mr. Bundy said. "Even Republicans who think the mission is worthwhile, they're frustrated and the president doesn't seem to get it all the time."

On Tuesday, one week before Election Day, millions of dollars were being injected into the most competitive races in the country. Both sides were carefully tracking the day-by-day spending of their rivals and outside groups.

With a flurry of polls as their guide, Republicans redirected resources on Tuesday, pulling back on races in Colorado, Ohio and Pennsylvania in hopes of shoring up seats elsewhere. The largest infusion of money was reported in Missouri, Montana, Tennessee and Virginia.

White House, Kerry Exchange Accusations (AP-Y)

DOJ_NMG_0089409

By Jennifer Loven

AP, November 1, 2006

The White House and Sen. John Kerry traded their harshest accusations since the 2004 presidential race on Tuesday, with President Bush accusing the Democrat of troop-bashing and Kerry calling the president's men hacks who are "willing to lie."

The war of words, tough even for this hard-fought campaign season, came after Kerry told a group of California students on Monday that those unable to navigate the country's education system "get stuck in Iraq."

The two parties are searching for any edge amid indications Democrats could take back the House and possibly win control of the Senate in next week's midterm elections. Though neither Bush nor Kerry is on any ballot, the bitterness with which they fought each other as 2004 rivals spilled over as both campaign hard for their parties in a race shaped in large measure by public doubts about the Iraq war.

White House press secretary Tony Snow was asked about Kerry's comment at his regular briefing with reporters, and had clearly come prepared with a lengthy attack. He said the quote "fits a pattern" of negative remarks about U.S. soldiers from the decorated Vietnam veteran and suggested that whether Democratic candidates — particularly those running on their military service backgrounds — agree with their 2004 standard-bearer should be a campaign litmus test.

Bush, campaigning later in Georgia, said Kerry's statement was "insulting and it is shameful."

"The members of the United States military are plenty smart and they are plenty brave and the senator from Massachusetts owes them an apology," Bush said during an appearance for a former GOP congressman, Mac Collins, who is trying to oust Democratic Rep. Jim Marshall. There were boos at the mention of Kerry's name and cheers at Bush's call for an apology.

Kerry, who is considering another run for the White House in 2008, angrily fired back.

At a hastily arranged news conference in Seattle, Kerry said: "I apologize to no one for my criticism of the president and of his broken policy."

Kerry said the comment in question was "a botched joke about the president and the president's people, not about the troops ... and they know that's what I was talking about."

It came during a campaign rally for California Democratic gubernatorial candidate Phil Angelides. Kerry opened his speech at Pasadena City College with several one-liners, saying at one point that Bush had lived in Texas but now "lives in a state of denial."

He then said: "You know, education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq."

That, Kerry said, was meant as a reference to Bush, not troops. Kerry said it is the president who owes U.S. soldiers an apology — for "a Katrina foreign policy" that misled the country into war in Iraq, failed to adequately study and plan for the aftermath, has not properly equipped troops and has expanded the terrorist threat.

"I'm sick and tired of a bunch of despicable Republicans who will not debate real policy, who won't take responsibility for their own mistakes, standing up and trying to make other people the butt of those mistakes," he said. "It disgusts me that a bunch of these Republican hacks who've never worn the uniform of our country are willing to lie about those who did."

Unsubstantiated allegations about Kerry's Vietnam War heroism from a group called Swift Boat Veterans for Truth figured prominently in the 2004 Kerry-Bush race.

Other Republicans issued demands for an apology from Kerry.

GOP Sen. John McCain, like Kerry a decorated Vietnam veteran and a potential 2008 rival, said while campaigning for Republican candidates in Indiana that "the suggestion that only the least educated Americans would agree to serve in the military and fight in Iraq is an insult to every soldier serving in combat today."

Added House Speaker Dennis Hastert, R-Ill., struggling to keep his party in control of Congress: "Our soldiers risk their lives in the face of grave dangers on the battlefield, and no one who chooses to courageously and selflessly defend our country can be considered 'uneducated.' "

Kerry Says He "botched Joke" And Lashes Out At GOP (BOS)

By Andrew Ryan

DOJ_NMG_0089410

The Boston Globe, October 31, 2006

An angry Senator John F. Kerry castigated Republicans at a nationally televised press conference this afternoon, accusing conservatives of twisting his words of a "botched joke" to suggest that students who do poorly in school will end up as soldiers serving in Iraq.

"My statement yesterday, and the White House knows this full well, was a botched joke about the President and the President's people not about the troops," Kerry said at a press conference in Seattle. "The White Houses attempt to distort my true statement is a remarkable testament to their abject failure making America safe.

Kerry continued: "I'm sick and tired of a whole bunch of Republican attacks, most of which come from people who never wore the uniform and never had the courage to stand up and go to war themselves."

The Democratic senator and 2004 presidential nominee has been under fire since he spoke Monday at campaign rally in California. According to the Pasadena Star-News: "Kerry then told the students that if they were able to navigate the education system, they could get comfortable jobs - "If you don't, you get stuck in Iraq," he said to a mixture of laughter and gasps."

Conservative pundits have accused Kerry of suggesting that if students don't do well in school, they could end up in Iraq. White House Spokesman Tony Snow and Massachusetts Governor Mitt Romney both called on Kerry to apologize.

"I apologize to no one for my criticism of the President and of his broken policy," Kerry said this afternoon. "If anyone owes our troops in the fields an apology it is the President and his failed team and a Republican majority of the Congress that has been willing to stamp, rubber stamp, policies that have done injury to our troops and to their families."

Before Kerry's press conference, Romney issued a statement through his spokesman while he campaign from Republican gubernatorial candidates in Idaho and Oregon.

"Senator Kerry owes an apology to the thousands of men and women serving in Iraq, particularly the many patriotic soldiers from Massachusetts who come from all backgrounds to defend our freedoms," Romney said.

Kerry Draws Republican Fire Over Iraq Gaffe (FT)

By Edward Luce And Caroline Daniel In Washington

Financial Times, November 1, 2006

The Republican Party on Tuesday gained a late burst of energy in its flagging midterm election campaign following remarks by John Kerry, the 2004 Democratic presidential candidate, in which he said college students could “get stuck in Iraq” if they do not study hard.

While campaigning in California, the Massachusetts senator told a college crowd on Monday: “You know, education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don’t, you get stuck in Iraq.”

George W. Bush on Tuesday seized on Mr Kerry’s remarks: “The senator’s suggestion that the men and women of our military are somehow uneducated is insulting and shameful,” said the US president at an election rally in Georgia. “The men and women who serve in our all-volunteer Armed Forces are plenty smart – Senator Kerry owes them an apology.”

John McCain, the leading Republican contender for the 2008 presidential nomination and - like Mr Kerry - a veteran of the Vietnam war, also responded strongly: “The suggestion that only the least educated Americans would agree to serve in the military and fight in Iraq is an insult to every soldier serving in combat.”

Republican strategists, who have been watching helplessly as opinion polls have turned against them in the last six weeks, on Tuesday drew renewed purpose from a gaffe that many believe could help motivate the party’s demoralised supporters to turn out to vote at the polls next Tuesday.

Meanwhile some Democratic strategists worried about Mr Kerry’s response to the Republican Party’s criticism of his comments, which appeared to deepen the controversy. Mr Kerry referred to Tony Snow, the White House spokesman, as a “stuffed suit” and said that his remarks had been directed at Mr Bush rather than at US soldiers serving in Iraq.

“It disgusts me that these Republican hacks, who have never worn the uniform of our country, lie and distort so blatantly and carelessly about those who have,” said Mr Kerry. “If anyone thinks a veteran would criticise the more than 140,000 heroes serving in Iraq and not the president who got us stuck there, they’re crazy.”

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Mr Kerry's ebullient response was in sharp contrast to the way he handled the 2004 presidential campaign, in which his campaign team waited more than a week before responding to the negative advertisements put out by the "Swift Boat" veterans questioning the senator's war record.

"This was a slip of the tongue and the American people are not going to let this sway them over the important issues facing them in this election, which includes the Iraq war," said Simon Rosenberg head of the New Democratic Network, a centrist group in Washington.

However, some Democrats suggested Mr Kerry's remarks would almost certainly damage his presidential hopes. "Senator Kerry botched his remarks – as he has in the past," said James Carville, campaign manager for Bill Clinton in the 1990s. "But Mr Bush has botched the war in Iraq."

Bush Calls Kerry Remarks Insulting To U.S. Troops (WP)

By Jim VandeHei And Chris Cillizza

The Washington Post, November 1, 2006

President Bush last night accused Sen. John F. Kerry of disparaging U.S. troops in Iraq, echoing the 2004 strategy of ridiculing the Massachusetts senator to raise anew questions about Democratic leaders and their commitment to the troops. The highly coordinated White House effort came as Republicans sought to shift the focus away from an unpopular war and GOP scandals that are putting their congressional majorities at risk.

The controversy erupted after Kerry told a California audience on Monday: "Education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. And if you don't, you get stuck in Iraq."

Yesterday, Bush, Sen. John McCain (R-Ariz.), the American Legion and many GOP candidates pounced on the comment from the 2004 Democratic presidential nominee to accuse him of insulting U.S. troops. The president said Kerry owes service members an apology -- echoing a parade of prominent Republicans who criticized the Massachusetts Democrat throughout the day.

After reading Kerry's comments to a GOP audience in Georgia, Bush said Kerry's statement was "insulting and it is shameful. The members of the United States military are plenty smart and they are plenty brave, and the senator from Massachusetts owes them an apology." The White House tipped off the networks to when Bush would attack Kerry, so the comments could be carried live and make the evening news.

In his defense, Kerry said that his comment was a "botched joke" and that he was referring to Bush's intellect, not that of American military personnel serving in Iraq.

In a statement released only moments after Bush spoke, Kerry said: "I make apologies to no one about my criticism of the President and his broken policy that kills and maims our heroes in Iraq every single day. This pathetic attempt to distort a botched joke about President Bush is a shameful effort to distract from a botched war."

The unusual back-and-forth that has little to do with the 2006 midterm elections comes as Democrats are planning to end the campaign by bashing Bush and GOP candidates for supporting the U.S. war policy. A senior Democratic strategist said the party will run Iraq-focused ads in at least 15 of the most competitive House races between now and Election Day.

The strategist, who would not discuss internal strategy on the record, said the Kerry comments are an unnecessary distraction but would soon be forgotten. Democrats, who faulted Kerry for failing to respond forcefully enough two years ago, said the senator fell into a GOP trap of debating Democratic support for the troops instead of Bush's management of the war.

With less than one week until the elections, Democrats are trying to expand the number of competitive House races by running ads in districts that are normally reliably Republican. The list includes the districts of several GOP incumbents, including Rep. Ron Lewis (Ky.), who won in 2004 with more than 60 percent of the vote. It is not just Democrats who see the House playing field expanding. The Cook Political Report, a nonpartisan handicapper of races, added the races of several Republicans to its chart of highly competitive contests, including the one for Rep. Jim Ryun's Kansas seat, for which Democrats started running ads over the weekend.

All these numbers and rankings show that Democrats have successfully expanded the playing field beyond the traditional 20 to 30 competitive races the parties have fought over for the past several cycles. As a result, Democrats no longer have to win

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80 percent of the tossup races to win the 15 seats they need for the majority. They have built in some room for error and, by doing so, have improved their chances of taking control on Nov. 7.

Republicans -- whose endgame strategy is to limit losses -- are trimming spending for open seats in Colorado and Ohio, which they expect to lose, to help protect endangered GOP incumbents in the final days. They plan to end the campaign by warning that a Democratic Congress would raises taxes and liberalize social policy.

Some candidates are also playing up the economy, with a Washington Post-ABC News survey finding consumer confidence at a three-year high. Republicans said some races that looked bleak a few weeks ago appear more competitive, citing the contest for the Texas seat vacated by former House majority leader Tom DeLay.

In the Senate races, Democratic strategists said that, based on their internal polls, Sen. George Allen (R-Va.) now appears more vulnerable than Sen. James M. Talent (R-Mo.). Several public polls released over the past few days show former Navy secretary James Webb (D-Va.) leading Allen.

The National Republican Senatorial Committee plans to spend an additional $1 million to prop up Allen. Republicans also intend to spend more money than originally planned to assist Sen. Conrad Burns (Mont.) in a race that many GOP strategists had written off a few weeks ago. Democrats need to pick up six seats to win control of the Senate.

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Kerry, White House Exchange Words Over Iraq 'Bad Joke' (USAT)

By David Jackson

USA Today, November 1, 2006

A bitter dispute about Iraq that dominated the 2004 campaign between President Bush and Sen. John Kerry resurfaced Tuesday as they traded barbs a week before voters decide control of Congress.

Kerry told a college crowd Monday: "You know education, if you make the most of it, and you study hard, and you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq."

Bush said Kerry's comments were "insulting" and "shameful" to U.S. troops. "The members of the United States military are plenty smart, and they are plenty brave, and the senator from Massachusetts owes them an apology," the president said Tuesday at a rally in Georgia.

Kerry, a decorated Vietnam War veteran, said his comments at Pasadena City College in Southern California were distorted by "assorted right-wing nut jobs." He said he was trying to make a joke about Bush and his team's preparations for the Iraq war.

The dust-up came a day after Rep. Charles Rangel called Vice President Dick Cheney "a son of a bitch" for saying the New York Democrat doesn't know how the economy works.

Stephen Wayne, a government professor at Georgetown University, said the barbs foreshadow "two years of strident, partisan rhetoric" regardless of who controls Congress after Nov. 7.

Polls show Democrats are in a position to win control of the House of Representatives and possibly even the Senate.

"It does not facilitate compromise," Wayne said. "It does not facilitate legislative output."

Thomas Mann, co-author of The Broken Branch, a book on Congress, said Kerry gave Republicans "a target" just days before the election, the outcome of which will affect the remainder of Bush's presidency. He's not sure, however, if the Bush-Kerry flap will have a long-term impact.

"These things have a shelf life of about a half-hour," he said.

The Cheney-Rangel spat began with the vice president's warnings about a Democrat-controlled House. If Democrats pick up 15 seats, Rangel is in line to lead the House Ways and Means Committee, which writes tax laws.

DOJ_NMG_0089413

In two TV interviews Monday, Cheney cited Rangel's objections to Bush's tax cuts and predicted Rangel would block efforts to renew them. "I think Charlie doesn't understand how the economy works," Cheney said on Fox News.

Rangel responded, when asked by the New York Post, that Cheney is "such a real son of a bitch, he just enjoys a confrontation."

On Tuesday, White House press secretary Tony Snow said Cheney did not take Rangel's comments personally and "had a big hearty laugh" when told of them.

Rangel expressed regret in an interview with USA TODAY but did not back down. "It's not the first time the vice president has taken a cheap shot at me," he said. "I should have just ignored it."

A year ago, Cheney said Rangel might be "losing it" after the New York Democrat compared Bush to Bull Connor, the segregationist Alabama official who resisted civil rights in the 1960s. Rangel, a Korean War veteran, has also accused Cheney of "sending other people's kids to war." Cheney did not serve in the military.

Rangel said he tends not to deal with Cheney on policy issues and prefers to work on fiscal matters with Treasury Secretary Henry Paulson, whom he has praised.

While not predicting the results of Election Day, Rangel said Americans are tired of all the political bickering: "Republicans and Democrats are going to have to work together if we don't want gridlock."

Bush, Kerry Clash As Campaigns Heat Up (LAT)

By Ronald Brownstein And James Gerstenzang

The Los Angeles Times, November 1, 2006

WASHINGTON -- On a day of heated coast-to-coast campaign confrontations, highlighted by a confrontation between President Bush and Sen. John Kerry, a flurry of surveys showed the battle for a Senate majority heading for a photo finish that could hinge on a tight contest in Missouri.

Tuesday's rapid fire developments included the sharp collision between familiar antagonists -- the White House and Kerry, the Massachusetts Democrat who lost to Bush in the 2004 presidential campaign.

Kerry and Republicans, led by Bush, exchanged fire long-distance over whether the senator disparaged American troops in Iraq during a Monday rally for California Democratic gubernatorial candidate Phil Angelides.

After urging students to make the most of their educational opportunities, Kerry had said, "If you don't, you get stuck in Iraq."

Late Tuesday afternoon, Bush told a cheering throng in Georgia that Kerry's remarks were "insulting" and "shameful," and he called on him to apologize to U.S. troops.

Earlier in the day, Kerry had rejected similar calls from other Republicans. At a hastily arranged news conference in Seattle, Kerry said his comment was "a botched joke about the president and the president's people, not about the troops," and he renewed his attacks on what he termed Bush's "broken policy" in Iraq.

Later, responding directly to Bush in a statement, Kerry said: "This pathetic attempt to distort a botched joke about President Bush is a shameful effort to distract from a botched war."

The pointed criticism of Kerry made clear that the GOP believed he had provided an opening to press its case that Democrats could not be trusted to safeguard America's national security -- an argument Republicans hoped would turn voters to their side in a number of Tuesday's House and Senate races.

Also Tuesday, a new controversy erupted in one of the key, and nastiest, Senate campaigns -- the re-election bid by Republican George Allen of Virginia.

Allen faced criticism from Democrats over taped footage showing his supporters tackling a student who approached him at an event in Charlottesville, Va., and accused him of spitting on his first wife.

The furor over Kerry and the new flap surrounding Allen reflected the intensity of a crucial midterm campaign now in its final days. The series of new polls released in the last two days showed Democrats edging closer to the net gain of six seats they need to control the Senate majority -- even as national Republicans launched new campaign advertisements in states they believe they are gaining ground.

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Phil Singer, communications director for the Democratic Senatorial Campaign Committee said of his party's prospects: "You can see the light, but it's hardly a done deal."

Brian Nick, his counterpart at the National Republican Senatorial Committee, said that in his view, the polling underscored that control of the Senate would be determined by get-out-the-vote operations. The GOP generally is considered more adept at these efforts, based on its performance in recent elections.

With the outcome of the battle for the Senate in doubt, Democrats remain confident that they are on track to win the 15 seats they need to control the House. But again, Republicans -- while expecting to lose seats -- predict their organizational prowess will help them hang onto a majority in the chamber.

At his stop in Georgia, campaigning for a GOP challenger to a Democratic House member, the president said, "You may not agree with Republicans on every issue, but you should also realize what voting Democrat in this election would mean for the war on terror."

Focusing on Kerry's comment, Bush said, "The senator's suggestion that the men and women of our military are somehow uneducated is insulting and it is shameful."

Saying that U.S. troops "are plenty smart and they are plenty brave, Bush added that Kerry "owes them an apology."

In his statement released after Bush's speech, Kerry said, "I make apologies to no one about my criticism of the president and his broken policy that kills and maims our heroes in Iraq every single day. ... President Bush owes an apology to our troops and to their families for his disaster in Iraq."

Before Bush took him to task, Kerry was harshly criticized by White House press secretary Tony Snow, Sen. John McCain, R-Ariz., and other leading Republicans -- all of whom said the Democrat's comment impugned the intelligence of those in the military.

In his statement, as he did so often during his presidential campaign, Kerry referred to his highly decorated military service in Vietnam to rebut that charge. "As a combat veteran, I know the dedication, integrity, and commitment of American troops," he said. "I've lived it."

He also noted -- again as he did frequently during his White House quest -- that neither Bush nor Vice President Dick Cheney had been in combat.

The incident involving Allen occurred when Mike Stark, a University of Virginia law student who operates a liberal blog, approached the senator and loudly asked "Why did you spit at your first wife, George?" according to The Associated Press.

Allen was married to Anne Waddell from 1980 to 1984; after their divorce, he remarried.

Three men wearing Allen stickers grabbed Stark, removed him from the hall and threw him to the ground.

The Democratic Senate Campaign Committee quickly distributed via e-mail a video clip of the encounter from a local television station.

Allen's campaign did not return calls seeking comment about the incident. But Nick, the NRSC official, dismissed the Democratic criticism. "Obviously this is a United States Senator and you have to be concerned about someone's safety," he said.

The new surveys showed Democrats holding clear advantages against two of their top targets. In Pennsylvania, separate polls released this week by the Philadelphia Inquirer and a local radio station showed Democrat Bob Casey Jr. maintaining a double-digit advantage over Sen. Rick Santorum, R-Pa.

In Ohio, a CNN survey released Tuesday showed Democratic Rep. Sherrod Brown leading Republican Sen. Mike DeWine by 54 percent to 43 percent among likely voters.

The CNN surveys released Tuesday also showed Democrat Sen. Bob Menendez holding a 51 percent to 44 percent lead over Republican Thomas Kean Jr. in New Jersey. Four statewide surveys released over the past week have showed Menendez re-establishing a lead of five to seven percentage points.

The most recent public polls have also shown Democratic challengers leading Republican incumbents Lincoln Chafee in Rhode Island and Conrad Burns in Montana. But GOP strategists say they believe both states are still within reach, especially Montana, where President Bush is scheduled to campaign Thursday.

The National Republican Senatorial Committee launched a new advertising buy Tuesday to support Burns, who trailed State Sen. Jon Tester by 46 percent to 43 percent in the last major public poll..

DOJ_NMG_0089415

The NRSC also launched a new advertising buy in Maryland, where Republican Lt. Gov. Michael Steele, who is black, is opposing Democratic Rep. Ben Cardin for the seat being vacated by Democratic Sen. Paul Sarbanes.

Democrats dismiss the GOP optimism, pointing to a Washington Post survey released last weekend that showed Cardin leading Steele by 54 percent to 43 percent among likely voters.

If Democrats maintained the survey leads they now hold in all six of those races, and no other surprises emerge, the party would win a Senate majority if they can capture at least two of the three contests in Virginia, Tennessee and Missouri.

Another CNN survey, completed before Tuesday's incident involving the law student, showed Webb advancing to a 50 percent to 46 percent lead over Allen. Though that advantage was within the poll's margin of error, it tracked with a new Democratic poll and a Times/Bloomberg survey last week that showed Webb overtaking Allen, who had narrowly lead in most polls until recently.

In Tennessee, another CNN survey released Tuesday showed Corker leading Ford by 52 percent to 44 percent among likely voters, and by 47 percent to 45 percent among all registered voters.

Finally, the new polls confirm Missouri's status as the nation's closest race -- and the contest that could tip the Senate.

CNN showed Republican Sen. Jim Talent and Democratic challenger Claire McCaskill, the state auditor, tied at 49 percent among likely voters, though McCaskill held an eight percentage point lead among all registered voters. In the last ten statewide polls compiled on the Website RealClearPolitics.com, neither Talent nor McCaskill has ever held a lead of more than three percentage points.

"This is a classic 51-49 race," said Del Ali, the president of Research 2000, an independent company that polls in the state. "Regardless of who wins, it is going to be disputed."

Iraq War Dominates Election's Final Days (WSJ)

By Yochi J. Dreazen

The Wall Street Journal, November 1, 2006

In early October, voters in a rural Pennsylvania congressional district received a political mailing that accused the front-runner in the race of using erroneous intelligence to help sell the Iraq war.

The language in the campaign brochure -- which told voters the candidate "failed the nation once" and urged them not to give him "a chance to fail us again" -- wasn't unusual in the home stretch of an election dominated by the war. The surprising part was who issued it.

Although the flier included standard Democratic talking points criticizing the administration's rationale for the war in Iraq, it was sent by the Republican Federal Committee of Pennsylvania, the state party working to protect the incumbent, Rep. Don Sherwood. Mr. Sherwood is facing a challenge by Democrat Chris Carney, a Navy veteran who served in a Pentagon intelligence unit in the run-up to the war.

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With many polls showing the challenger ahead, the Republicans accused Mr. Carney of leading the nation to war by arguing there was a relationship between Iraq and al Qaeda -- in effect tying Mr. Carney to a pivotal part of the administration's prewar rationale for the invasion.

"I was stunned when I saw the mailing," Mr. Carney says in an interview. "The audacity of accusing someone of starting the war is itself ridiculous. And to impugn someone's military service smacks of desperation."

The fireworks in the Pennsylvania contest highlight a dynamic emerging in the final days before next week's midterm elections. With polls showing that the Iraq war could cost Republicans control of at least one house of Congress, some Republican candidates throughout the country are playing down their past support for the war and beginning to sound like their Democratic opponents when discussing the conflict.

DOJ_NMG_0089416

After years of ceding the national security issue to the Republicans, Democrats recruited a slate of military veterans as candidates and are challenging Republicans over Iraq and the party's strategy in the broader war on terror. Senate Majority Leader Bill Frist (R., Tenn.) told a New Hampshire newspaper last week Republican candidates should get voters to "focus on pocketbook issues, and not on the Iraq and terror issue."

Iraq is a vexing issue for both parties, and Democrats are struggling with the war. Leading figures within the party have failed to coalesce around a single strategy for reducing the violence there, and Democratic leaders have offered diverging strategies for Iraq that range from beginning a troop withdrawal before the end of the year to splitting the country into three ethnic regions.

Democrats also are struggling to find a way of criticizing the administration's handling of Iraq without appearing to denigrate the U.S. military personnel serving there. The difficulty of striking such a balance was apparent this week when White House spokesman Tony Snow accused Democratic Sen. John Kerry of Massachusetts of troop-bashing after Mr. Kerry told students in California that those who don't do well in school "get stuck in Iraq." Mr. Kerry said the comment was a reference to Mr. Bush.

Republicans are facing the bigger problem, as Iraq dominates the public mood before Election Day. The latest Wall Street Journal/NBC News poll found 37% of registered voters believe the war has been worth its financial and human cost, the lowest level recorded to date in the survey. The poll found that anger over the war in Iraq continues to be the biggest single issue bringing voters to the polls.

Shifting Republican rhetoric on the war is notable for a party that has hewed to the administration's Iraq policies and been reluctant to directly criticize the war effort there. The White House itself last week dropped its "stay the course" language after increasing numbers of Republican lawmakers made clear that they wanted to see a change of plan in Iraq.

Some Republicans have gone further. In Montana, Republican Sen. Conrad Burns raised eyebrows at a debate with Democratic opponent Jon Tester, when he seemed to suggest the White House had a secret plan for ending the war in Iraq. "If you want to go out and spar for a fight, are you going to tell your enemy what your plan is? I don't think so," Mr. Burns said to Mr. Tester. "There is a plan. We're not going to tell you, Jon."

Jason Klindt, a spokesman for the Burns campaign, said the senator "misspoke" during the debate and wasn't "claiming access to any secret" White House or Pentagon deliberations about Iraq. "He used the word 'plan,' but he had meant to talk about 'tactics' and 'benchmarks,'" Mr. Klindt said. "He was saying that you never give away your tactics to your enemy."

In Connecticut -- a state where support for the war is lower than the national average -- Republican incumbent Rep. Chris Shays said at a debate late last month that the U.S. "should have gone in sooner but not for weapons of mass destruction." Mr. Shays is in a tight race against Democratic challenger Diane Farrell, who has been hammering her opponent for continuing to support the Iraq war.

Mr. Shays's campaign manager, Michael Sohn, says the comment was a reference to the lawmaker's belief that the U.S. should have invaded Iraq when former ruler Saddam Hussein launched a crackdown on Shiite and Kurdish guerrillas during the early 1990s.

In Pennsylvania, the Sherwood-Carney race is shaping up as one of the nastiest in the country. The Republican ran unopposed in 2004, but has seen his electoral prospects deteriorate after a former mistress accused him of trying to choke her. Mr. Sherwood has admitted to the extramarital affair, and apologized for it, but denied the choking allegations.

The state Republican Party is targeting Mr. Carney for his prewar work in a small Pentagon office called the Policy Counterterrorism Evaluation Group, which helped prepare intelligence reports -- later discounted -- that accused Iraq of having ties to al Qaeda.

The Republican mailing cites a report in Mother Jones, a liberal magazine, which specifically mentions Mr. Carney's Pentagon intelligence unit, and a quote from Mr. Carney criticizing the Iraq war. "Chris Carney attacks the same war he helped start," the brochure says. The New York Sun reported earlier about the mailing.

Matt Burns, a spokesman for the state Republican Party, says the mailing was meant to underscore Mr. Carney's "hypocrisy" about Iraq. "This is a conservative district, and when Carney talks to people here he likes to point out the fact that he worked as a Pentagon intelligence analyst. But when he has Democrats like Charlie Rangel come in and fund-raise for him, he denounces the war," Mr. Burns says, referring to the veteran New York Democratic congressman.

DOJ_NMG_0089417

Mr. Sherwood's campaign didn't return requests for comment yesterday.

In a race that includes some Republican campaign ads that read as if they were written by Democrats, it is perhaps no surprise that Mr. Carney occasionally sounds like a Republican. The Democratic challenger says he remains convinced that there were ties between Iraq and al Qaeda.

"On a scale from one to 10, where zero is no relationship and 10 is complete operational unity, it was a 2.5," he says.

Mr. Carney says the invasion itself may have been justified by what he sees as evidence of a relationship between Mr. Hussein and Osama bin Laden's terror group. Still, he says, "if you make that decision to go to war, you damn well better be prepared, and they weren't. That's what my race is all about."

Washington Wire (WSJ)

Wall Street Journal, November 1, 2006

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October 31, 2006, 6:40 pm Iraq Worries Boost Dems, WSJ/NBC News Poll Finds

President Bush is getting improved marks for his handling of the economy, a new WSJ/NBC News poll finds, but fellow Republicans aren't benefiting as voters focus on Iraq. By a 15-point margin, voters want Democrats rather than Republicans to control Congress. Also, a 54% majority of the electorate now says removing Saddam Hussein from power wasn't worth the human and financial costs, the poll finds.

The national telephone survey of 1,010 voters, conducted Oct 28-30, doesn't account for the vagaries of races for individual Senate seats or House districts; the margin for error is 3.1 percentage points. In the House, Republicans are counting on several factors to withstand the hostile national winds: the political strengths of embattled incumbents, district boundaries drawn after each census to protect them, and Republicans' proven turnout operations.

But the poll's overall findings track the assessments of key strategists in both parties that Democrats have a strong chance of achieving at least the 15-seat gain they need to recapture control of the House. The outcome is cloudier in the Senate, where Democrats must gain six seats to reach a majority. Read the full article. – John Harwood and Jackie Calmes

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October 31, 2006, 4:43 pm November Surprise?

President Bush will hold no public events of any kind on Wednesday, an exceptionally light schedule this close to next Tuesday's midterm elections. That sparked questions about whether Bush has a "November surprise" in store. This is, after all, a president who has twice managed to sneak away to Iraq.

At the White House morning briefing, a reporter observed that the light schedule made it sound "like something is cooking there." Spokesman Tony Snow replied, "No, not really."

That left some Democratic political operatives wondering just what Bush and his political guru, Karl Rove, might be up to. Despite polls showing Democrats poised to take control of the House and possibly the Senate, many Democrats remain fearful Rove will pull something out of his hat–disclosing the death or capture of Osama bin Laden, for instance–that will help Republican snatch victory from the jaws of defeat.

If so, Snow is keeping on his poker face. Bush has "some meetings with senior advisers and a Rush Limbaugh interview," Snow said in an email. "No blockbusters." –Yochi J. Dreazen

Note to readers: Enter the Washington Wire's Election 2006 contest on who will win the House and Senate.

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October 31, 2006, 4:19 pm Voting Absentee?

Foley Mark Foley isn't checking out of rehab just yet, the Palm Beach Post reports. The former congressman, who quit the House abruptly in late September after being confronted with sexually charged Internet messages to teenage male pages, has been under treatment for alcoholism since Oct. 1 at the Sierra Tucson Treatment Center . The stay, originally planned for 30 days, has been extended indefinitely. "Mark has not left the program," a source told the paper. "His release date has yet to be determined."

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October 31, 2006, 3:44 pm CNBC Video: Obama, Kennedy, Frist

Big names made predictions in CNBC appearances today. Massachusetts Sen. Edward Kennedy said that domestic and foreign policy issues make next week's races the most important election of his generation; Sen. Barack Obama (D., Ill.) said efficient health-care will be his primary focus, should the Democrats take control of the Senate next week; Sen. Majority Leader Bill Frist (R., Tenn.) said he thinks that people are starting to pay attention to races, with the economy figuring more importantly than past scandals. Also, Meet the Press's Tim Russert outlined key Senate races and said that current surveys show Republicans are likely to lose House and Senate seats in next week's election — the question is how many.

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October 31, 2006, 2:41 pm Fight Club Meets Brooks Brothers at Allen Event

Ripples of excitement washed anew through Democratic circles this afternoon, as word began spreading that staffers for Virginia Republican Sen. George Allen roughed up someone at an event at a Charlottesville hotel this morning.

Lo and behold, NBC's affiliate in Charlottesville was on hand for the event and was kind enough to post video from its noon broadcast of the scuffle, which actually isn't as much of a throwdown as we were led to believe.

The Democratic Senatorial Campaign Committee immediately sent out an alert about the incident and it got above-the-fold treatment on its Drudge Report parody, the Fudge Report . According to the NBC affiliate, the man was yelling and asking Allen, "Why did you spit on your first wife?"

Blogger W. Michael Stark immediately claimed credit for being the guy in the video, and sent a blast e-mail to political reporters saying he plans to press charges against Allen's staffers this afternoon. "I demand that Senator Allen fire the staffers who beat up a constituent attempting to use his constitutional right to petition his government," he said. "I also want to know why Senator Allen would want his staffers to assault someone asking questions about matters of public record in the heat of a political campaign. Why are his divorce records sealed? Why was he arrested in the 1970s? And why did his campaign batter me when I asked him about these questions?" –Amy Schatz

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October 31, 2006, 2:18 pm Protectionism Worries Financial CEOs

Chief executives from some of the largest financial service institutions peg "protectionism" as the single biggest threat to continued U.S. economic growth, and they also rank the regulatory environment as a top concern.

Still, a survey by the Financial Services Forum, a group of 20 CEOs from the largest financial institutions, found that most executives expect strong or very strong growth in the U.S. economy over the next year. Their views on the global economy are somewhat tamer, with a majority predicting just "some growth" over the next year.

Paulson

DOJ_NMG_0089419

Not surprisingly, the CEOs don't share the concerns of many Democrats in Washington when it comes to China. A majority said they see China as an opportunity for U.S. business, while none labeled it as a threat. The CEOs also predicted that China will fuel global economic growth, with the U.S. just behind the Asian giant.

In the U.S., terrorism, "frivolous" litigation and energy prices are top concerns. Coming in at No. 3 on the list was the "regulatory environment," which is under attack from business in the wake of Sarbanes-Oxley and a crackdown on corporate misbehavior. Treasury Secretary Henry Paulson, who previously chaired the Financial Services Forum, has indicated he, too, has concerns about the regulatory environment and has backed a private-sector effort to recommend regulatory and legal changes. –Deborah Solomon

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October 31, 2006, 1:56 pm A True Halloween Story

The lawyer who disclosed President Bush's drunk-driving arrest just before the 2000 election was arrested in South Portland, Maine, after he was spotted on a highway overpass dressed as Osama bin Laden and toting a fake assault rifle, the Associated Press reports.

The costume, according to AP, came equipped with plastic dynamite, plastic grenades, and a plastic replica of an AK-47. Tom Connolly, 49 years old, was charged with criminal threatening, a misdemeanor. Connolly was carrying a sign that read "I love TABOR," (that's the Taxpayer Bill of Rights on the Maine ballot in the Nov. 7 election). But someone who saw it thought it read "I love the Taliban," according to the South Portland Police Chief Ed Googins. "The whole thing is just incredibly bizarre," Googins said.

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Read more: Global, Campaign 2006

October 31, 2006, 12:42 pm Where's the Nixon Mask?

It's Halloween and the politicos and partisans are trying to scare us.

House Majority Whip Roy Blunt emails a news release: "Nancy Pelosi's 'Liberal Shop of Horrors'; All Tricks, No Treats For America."

"If Nancy Pelosi is elected Speaker, the American people not only have to fear a liberal San Francisco agenda, but the real concern might be what bills she refuses to allow the House to consider in the first place," the Missouri Republican warns. "The president can always veto out-of-the-mainstream legislation, but he can't force the Congress to consider a bill."

If that doesn't send a shiver, he elaborates: "Can the American people trust liberal San Francisco values when it comes to our nation's priorities on immigration reform, tax relief, job creation, and homeland security?"

Seems the Halloween spirit is floating around Missouri today. The National Republican Senatorial Committee takes off after Show-Me State Democrat Claire McCaskill, who is running a close race for the Senate against Republican incumbent Jim Talent. "Halloween Special! Claire McCaskill's Horrifying Record Of Hypocrisy," screams the headline. It quotes NRSC spokesman Brian Walton saying "Claire McCaskill's hypocrisy really is scary, on issue after issue. From failing to protect seniors in nursing homes to hiding behind her husband's money, McCaskill's hypocrisy knows no bounds."

The Democrats apparently caught the fervor early. The Democratic Senatorial Campaign Committee posted a video (complete with pumpkin) on youtube on April 18, highlighting the troubles of former House Majority Leader Tom DeLay, disgraced lobbyist Jack Abramoff, indicted vice presidential aide Lewis I. "Scooter" Libby and others.

Elsewhere on YouTube, a couple of lighthearted Halloween-themed political videos have popped up. Try "I'm a Democrat", written by John Kramer and directed by Jeff Hadick, or Halloween HamNation from conservative blogger Mary Katharine Ham.

In California, the Republican Party of Orange County takes a Web poll on favorite Halloween costumes: princess, ghost, Dracula, pirate, pumpkin, superhero, witch.

What? No politicians?

DOJ_NMG_0089420

Update: The theme has caught on! These just in:

The Rev. Louis P. Sheldon of the Traditional Values Coalition, sends a bloodcurdling email, "Halloween Horror: Federal Court Reform Will Die If Liberals Take Senate." "If we fail," he warns, "the horrors of judicial tyranny will multiply like bodies in a Freddy Krueger movie. Last week, for example, the New Jersey Supreme Court ruled that homosexuals must be granted the same rights and privileges as heterosexual married couples…."

A Democratic National Committee email says, "This Halloween, Republicans in Washington can once again only offer tricks and empty rhetoric to America's hard-working families and seniors, as the GOP saves the treats for their special interest friends." –Mary Lu Carnevale

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October 31, 2006, 11:46 am Democrats Hold Slim Lead in 3 Senate Races

Another day, another round of polling data released to help track how the handful of competitive Senate races might end up this year.

CNN's polling data, done with Opinion Research, shows Democratic candidates holding onto slim margins in three of five races, including Ohio, Virginia and New Jersey. Republican Bob Corker held a sizable 52%-44% margin in Tennessee over Rep. Harold Ford Jr. And in Missouri, Democratic challenger Claire McCaskill and Republican Sen. Jim Talent were tied at 49% of likely voters. Just 1% of those polled expressed no opinion on the race. The poll has a 4% margin of error.

Could the New Jersey Senate race be safely in control of the Democrats now? The CNN poll was just one of several released this morning on the race, which is the one seat Democrats have worried they could lose to a Republican challenger. Sen. Bob Menendez is trying to hold onto a seat that he was appointed to by now-Gov. Jon Corzine against Republican Tom Kean. A Strategic Vision poll out this morning shows Mendenez barely ahead of Kean at 43% to 42%, far closer than CNN's 51% to 44%. Meanwhile, a Quinnipiac poll gives Menendez a 5% point advantage.

In the Zogby Battlegrounds poll released late Monday, Menendez was ahead by six points in New Jersey, while Corker led by a little more than a point in Tennessee. Talent was up by a little more than a point in Missouri. –Amy Schatz

Read more on Senate races in New Jersey, Tennessee and other uncertain states

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October 31, 2006, 10:00 am Alaska's Rep. Young Sees No Lost Seats for GOP

Forget the polls, prognosticators and angsty anonymous quotes from Republican Party insiders, Alaska's only congressman, Republican Don Young, has a prediction of his own: House Republicans won't lose any seats next week.

Arguing that the solidifying convention wisdom that Republicans will lose control of the House next week is a creation of the media, Young told an Associated Press reporter: "I'm predicting we're not going to lose any seats." Young added: "My prediction is as good as anybody else's. The day after the election, we'll see who was right."

One thing there's very little doubt about is that the 16-term congressman will be returning to Washington. But the congressman has apparently been running something of a stealth campaign this year, according to the Anchorage Daily News, which mentioned his less-than-rigorous campaign schedule in a story last week.

Noting it's almost impossible to find his campaign's Web site on a Google search, the paper said: "Asked where someone could go to hear Young speak before Election Day, his campaign manager, Steven Dougherty, said: 'A campaign event? We do not have any campaign event.'"

The story apparently didn't sit well with the congressman, who told AP that his campaigning this year isn't particularly different from those he's run in the past and it's too bad if the Daily News doesn't like it.

"I'm not running the campaign for the Daily Screw," Young told AP. "My job is to hear people, find out what's on their minds." – Amy Schatz

Note to readers: Enter the Washington Wire's Election 2006 contest on who will win the House and Senate.

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October 31, 2006, 7:44 am Early Turnout May Boost GOP

Down in the polls and with their majorities in Congress at risk, Republicans say they have some good news in early-voting statistics that suggest their voter-turnout machine is providing an edge in some tight races. If the trend holds, it could mean that early voting is growing — and continuing to benefit Republicans, who exploited the practice in the 1990s. Experts say early voters could be a bigger factor this year when overall voter turnout could be lower than in 2004, a presidential-election year.

This year, though, Democrats contend that Republicans are exaggerating their successes so far, by highlighting a few races, while ignoring problems they are having in motivating their troops around the country. Democrats also questioned several specific Republican claims, while noting their own early-voting numbers show they are starting to catch up with their rivals in early get-out-the-vote efforts in battleground states such as Iowa.

In congressional districts from Ohio and Florida to New Mexico and Arizona, Republicans report that their get-out-the-vote organization is gaining traction a week ahead of Election Day. The aim of the effort generally is to maximize turnout among their most loyal and reliable voters. If successful, it could help them to hold down their losses in this election cycle and perhaps even retain their majorities in the House and Senate. Read the full article. – John D. McKinnon and Erika Lovley

Kerry Cancels Mankato Appearance (MFP)

Mankato Free Press, November 1, 2006

The dueling rallies scheduled for Mankato today on behalf of Republican congressman Gil Gutknecht and Democratic challenger Tim Walz lost some of their pizzaz Tuesday night when Sen. John Kerry pulled out of the Democratic rally.

Sen. John McCain of Arizona, the front-runner for the 2008 Republican nomination for president, is the star attraction at a rally at the Midwest Wireless Civic Center for Gutknecht and Gov. Tim Pawlenty.

Kerry, the 2004 Democratic presidential nominee pulled out of the DFL event, which will still be held, as the result of a controversy over comments he made Monday in California.

Walz communication director Meredith Salsbery said Kerry canceled his visit to keep the focus on the issues and away from Kerry's comments and McCain's response.

She wouldn't comment on whether Walz asked Kerry not to campaign for him, but said the decision was ultimately the senator's choice.

Both of today's rallies are free and open to the public and are expected to last about an hour. McCain will be in the East Banquet Hall at the Civic Center. The event begins at 10:10 a.m., but people need to arrive by 9:50 a.m. The doors open at 9:15 a.m. No backpacks or other bags are allowed.

Doors open at MSU's Taylor Center at 11 a.m. for the Walz event with music by Martin Zellar beginning at 11:15 a.m. The rally begins at noon. Parking around campus is expected to be very limited, but shuttle buses will run starting at 10:30 a.m. from the Madison East Center.

Braley Asks Kerry Not To Campaign (QCT)

By Ed Tibbetts

Quad City Times, November 1, 2006

BREAKING NEWS: (Updated: 6:06 p.m.) Democratic congressional candidate Bruce Braley has asked John Kerry not to campaign with him Thursday in the Quad-Cities as planned, citing the flap between the White House and the senator over his remarks concerning Iraq.

Jeff Giertz, a campaign spokesman, said Braley cancelled their appearance Tuesday afternoon.

"He's not condoning the partisan bickering," Giertz said of Braley, a lawyer from Waterloo who is running against Bettendorf businessman Mike Whalen for Iowa's 1st District Congressional seat.

DOJ_NMG_0089422

The White House harshly criticized Kerry, a senator from Massachusetts and the party's 2004 presidential nominee, on Tuesday for remarks he made Monday in California, where he encouraged people to work hard in school lest they "get stuck in Iraq."

President Bush said Kerry was suggesting "the men and women of our military are somehow uneducated," calling the remark "insulting and shameful."

Kerry said the remark was a botched joke aimed at the president, not the troops, according to CNN. And he said the White House response is proof of its willingness to "reduce anything in America to raw politics."

The Braley campaign had confirmed the appearance with Kerry in the Quad-Cities, but Giertz said Braley, unprompted, asked that Kerry not attend.

Kerry's office could not immediately be reached for comment Tuesday night.

"We're upset with the partisan bickering that's going on between Kerry and the White House," Giertz said, adding that it does not contribute to a solution in Iraq.

He added that Braley thought Kerry's remarks were "inappropriate."

Late in the day, Republicans challenged Braley to repudiate the remarks.

Russ Perisho, a spokesman for Whalen, said this afternoon that the campaign expected to make a comment after Braley and Kerry appeared together Thursday. But after being informed of Braley's decision, Perisho said, "It appears to us Mr. Braley is trying to separate from someone whose views parallel Mr. Braley's right up and down the line."

According to The Associated Press, Kerry, a potential 2008 presidential candidate said Monday: "You know, education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq." CNN reported today that a Kerry aide said he mangled the remarks in his delivery.

What he meant to say was that if one does not work hard in school, they will "end up getting us stuck in a war in Iraq," a remark aimed at the president, not at the troops, CNN reported.

Ed Tibbetts can be contacted at (563) 383-2327 or etibbetts@qctimes.com.

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The following are comments from the readers. In no way do they represent the views of the Quad-City Times or Lee Enterprises.

Good for Braley wrote on October 31, 2006 6:19 PM:"Even if it was a 'botched joke', the comment that Kerry made was inappropriate and the White House's response was also out of line. Braley doesn't need an albatross around his neck going into the last week of the campaign. "

Buffoon wrote on October 31, 2006 6:30 PM:"Kerry was a buffoon in 2004. Nothing has changed."

Trigger wrote on October 31, 2006 6:34 PM:"This guy is some kind of whack job. Why dont he go find ole Hanoi Jane and have a good old fashion sit in. Except this time in the middle of I-80. This country can do without people like John Kerry "

Embarrassed! wrote on October 31, 2006 6:48 PM:"Here are my thoughts. If you don't support the war then fine. However, do not...and I repeat DO NOT disgrace yourself and the country by saying disrespectful things about our military!!!!! I find that utterly sick and disgraceful! The military fights for OUR freedom and how DARE anyone speak ill-will of our military. God Bless America AND OUR TROOPS!"

Bill wrote on October 31, 2006 6:49 PM:"I'm glad Kerry said what he said. You people need to open your eyes and see the truth. The military is preying on that catagory of kid. I haven't seen many well to do kids giving up their education at Yale for a $5,000 signing bonus and a front row seat to get killed over in this quagmire!"

muckraker wrote on October 31, 2006 7:00 PM:"Too bad I'm not an Iowan. This is just the type of move that would make me vote for Braley. Smart guy that Braley. He recognizes a loser when he sees one;regardless of party. Kerry is a loser, and Braley just might pull this out. "

I agree that Kerry can be an idiot wrote on October 31, 2006 7:03 PM:"But lest we forget George Bush's "botched joke" on 3-24-04 at the Radio and Television Correspondents' Association Dinner. Where he put up a slide show of Iraq and joked about,

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"no wmd's over here", "Those weapons of mass destruction have got to be somewhere." All the while laughing his ignorant a$$. Now I just imagine how the loved one's of soldiers and contractors killed in Iraq, must rolled on the floor laighing about that. "

SM wrote on October 31, 2006 7:24 PM:"Quick, between George W. Bush and John Kerry, which one actually fought in Vietnam? I have more respect for a man who served in Vietnam and then came home and said the war was wrong than a man who said the war was right while he stayed home and got drunk and let other men fight and die."

You May Not Like... wrote on October 31, 2006 7:54 PM:"His comments, but for the most part they ring true. In this country, the poor and uneducated often find the military the only refuge to escape their situation. After all, you really don't see silver spoon children serving on the front lines. Nor do you see MIT graduates serving on the front lines. So before your knee jerks, think about what he said fitting it into the overall picture of this country and those who serve in the military. If you aren't blinded by nationalistic fervor, you won't be so outraged. By the way, this is coming from a decidely Kerry hater."

Doug wrote on October 31, 2006 7:57 PM:"these responses from those who support the (p)resident who joked about not being able to find weapons of mass destruction under furniture as hundreds of U.S. service men and women were dying in Iraq....Please!! you are getting desperate!!!"

What's the matter Bruce? wrote on October 31, 2006 8:01 PM:"Bruce, since you agree that we're bogged down in Iraq, what is the problem?"

Paul wrote on October 31, 2006 8:13 PM:"Bruce Braley and John Kerry. Two of a kind. Reality is, if they showed up together, it would just reinforce the fact that since the 2004 Presidential Election, the Dems still can't come up with a decent candidate."

rich but dumb wrote on October 31, 2006 8:28 PM:"For those posting that only the poor and uneducated go into the military, what about Kerry's supposed military record in Vietnam that he was so proud of last election. He was far from poor and where did he go to college? He may be rich but he is one dumb s*b. I was not a rich kid but I was not dumb either. I served my country and was proud of it. I feel I am a better person for serving my country and I don't feel the recruiters preyed upon me because I was poor. There were other opportunities for me without going into the military, but I chose to serve my country. I am sure there are poor and rich both that make that choice, not because they have no other option but because they love and believe in this country. Plus, it is a great way to get an education that you can not receive from textbooks and the experience is great."

Tom wrote on October 31, 2006 8:32 PM:"Kerry was a traitor during the Vietnam War and he's again a traitor."

Good Ol' Uncle John wrote on October 31, 2006 8:35 PM:"Shoot, this is the kind of down-home advice your uncle would give you. I can see where the Republicans would jump on the remark for political value, but Kerry's reply on one of the news channels tonight put the significance of the remark in perspective. Kerry noted that his words were being characterized as an insult by men whose behavior strips them of the right to respond on behalf of soldiers in a combat zone. Bush couldn't be found to fly the jet aircraft with his name on it, and Cheney had 'priorities' that didn't include military service. The Bush-Cheney claim to the title commanders-in-chief is something of an insult. Finding themselves in Iraq, having volunteered for monthly meetings and two-weeks training every summer, thousands of the troops in Iraq probably have called THEMSELVES names that would be an insult coming from another. Still Kerry should know better than to come out with a remark that begs for Republican misrepresentation."

Wake Up and Look Into It wrote on October 31, 2006 8:45 PM:"People criticizing Kerry for this need to actually watch the whole video because it sounds like he WAS joking and not about troops, but about Bush and his low IQ. He is a very decorated war veteran and he has voted nearly 100% for veterans. The troops do deserve our respect,gratitude, and love, but Kerry simply was not trashing them, but Bush. And I agree."

Bill to embarrassed- wrote on October 31, 2006 9:04 PM:"I think the most disrespectful thing you can say to American troops is go and lose your life over lies and misrepresentation. We don't care enough about you to keep you home with your families. We'd rather mislead you then use you for political gain. I think another disrespectful thing you can do to the troops is to recruit the kids from poor, uneducated schools and neighborhoods, offering them a signing bonus and a way out of a povery situation that this administration is to stupid and weak to address. Lowering standards for recruitment, promising them a future in the army (instead of addressing the reason why they have no future in the "greatest country in the world"). Then, when they are one of the thousands that come back limbless, we can cut budgets to the very medical programs that they need for the rest of

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their life. Maybe they can make a yellow ribbon for your car that says "I'm embarrassed by all the so called Americans that would be so careless as to let this happen to other Americans". NO SIR, YOU ARE A DISGRACE TO MY COUNTRY. I am glad I tought my children to think different then you and your ilk. I am glad they are the future."

Army Dad wrote on October 31, 2006 9:14 PM:"After reviewing the Kerry video more than 10 times my response is with disgust. First if the joke was in reference to Bush then he should have said "Bush" within his joke. He is a professional speaker. Second he made no physical expression that he made a spoken mistake. He is a veteran politician he knows when he made a mistake in his speech. I recommend the full video be released before he made the comment and let us make the decision if it was a botched joke or he meant what he said. "

Gary wrote on October 31, 2006 9:15 PM:"I find it rewarding to see that many do get the fact that John Kerry, who served in Vietnam, is a first class Buffoon. "

still a JOKE....but not a laughing matter..... wrote on October 31, 2006 9:18 PM:"John Kerry was a joke and still is. What else do you expect from a has-been that still thinks he is relevant. Another has-been trying to re-write his legacy. Don't forget a MAJORITY of the Democrats voted FOR this war. And now they are running as fast as they can away from it now that it is not popular or going as well as it could. They claimed they were lied to, didn't like they way it was handled, didn't like the plan, blah...blah...blah. It must be nice to vote for things and when they go well, stick out your chest and claim you made it happen, and when it doesn't go well, run away and say you didn't have any control after you voted. Hey dumb a--, what did you think a vote FOR WAR was? And we pay them $165,000.00 a year to act like that? I can't stand Bush and half of the Republican party, but clowns like Kerry are no answer! I think Bruce Braley is smarter than I thought he was. "

Friends in the Army and Marines wrote on October 31, 2006 9:41 PM:"Kerry shows his true colors on this one. What an insult to those I know who are serving our country. Those of you making excuses for him should be ashamed. If you stand by the trash, you will start smelling like trash yourself." » Post a comment Thank you for your comments! Once your comments are approved, they will appear on the site.

Stuck In Nantucket (WSJ)

The Wall Street Journal, November 1, 2006

Talk show hosts across America knelt down and gave thanks yesterday for the gift of Senator John Kerry, whose cultural condescension keeps on giving. A week before Election Day, his fellow Democrats may have had a different (unprintable) reaction.

The American Legion and various Republicans, including John McCain and President Bush, all criticized Mr. Kerry for his comments a day earlier to a student crowd in California: "You know, education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq."

We didn't always do our homework, but it's hard to come to any conclusion other than that Mr. Kerry was saying that only fools and knaves, not patriots, end up fighting in Iraq. Mr. McCain said the Senator should apologize. But Mr. Kerry instead issued a statement so over the top with invective toward his critics that we wonder if some Republican secretly wrote it to make Mr. Kerry look un-Presidential. Then yesterday Mr. Kerry held a press conference delivering more of the same, and claiming that he was merely attacking Bush policy, not the troops. We don't have space to reprint all of this, but we commend you to OpinionJournal.com for the complete implosion.

For reasons clear only to himself, Mr. Kerry has been acting as if he intends to run for the White House again in 2008. Apparently he thinks he can win. We've long thought that Democratic donors would soon enough convince him otherwise, but his behavior this week may speed up the reckoning. Congratulations, Senator Clinton; another competitor bites the dust.

John Kerry Thinks (WT)

The Washington Times, November 1, 2006

When you get right down to it, the thoughtless foot-in-mouth disease of Sen. John Kerry is a strain unique to him. The senator gives elitism a bad name.

DOJ_NMG_0089425

"Education," Mr. Kerry told a rally this week for Phil Angelides, the Democratic candidate for governor of California, "if you make the most of it, if you study hard and you do your homework, and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq."

Stuck in Iraq -- that's what Sen. Kerry thinks happens to people who don't study hard. You end up in the uniform, serving your country and getting shot at. Nice going, Senator Winter Soldier.

In a press conference to explain himself yesterday, Mr. Kerry rejected calls by the White House and Sen. John McCain to apologize to the American soldiers in Iraq. Instead, he repeated his litany of criticism of the Bush administration's handling of the war, accusing Republicans of a political trick to exploit his remarks. He called his remarks "a botched joke." Some joke. Some botch.

We have news for Mr. Kerry, beyond conveying our assessment that this arrogant, incredibly elitist and defeatist and altogether reprehensible statement reminds us why he isn't president and never will be: Patriotism and selflessness are why young Americans readily put themselves in harm's way for their country's sake. This C student is just plain wrong on the facts.

U.S. recruits are better educated than the average American of equivalent age. In fact, 98 percent of U.S. military recruits have a high-school education or G.E.D. Only 75 percent of equivalent-age American youths do. For senators who can't do the math, that's 23 percentage points past just plain wrong. The Heritage Foundation's recent study, "Who are the Recruits?" lays out these numbers and more. Who would compare what 19- and 20-year-olds do in combat to what the typical college sophomore is doing. (Sometimes best not to know.)

We understand that Mr. Kerry's primary aim on Monday was to bomb the White House to get at the commander in chief. The troops were an afterthought. Which, come to think of it, is the point -- just as it was in the 1970s, when Mr. Kerry made a career of smearing American troops as killers on his return from Vietnam.

It's one thing, bad enough, to be an elitist who knows the facts. It's another to be an elitist who doesn't know them. So thank you, Mr. Kerry, for speaking so candidly. People can see clearly who you are.

Democrats Increase Hope Of Winning House (AP-Y)

By David Espo

AP, November 1, 2006

After a decade in the political wilderness, Democrats are beginning to predict confidently if quietly that they will win control of the House in next week's elections, and possibly emerge with a relatively robust majority.

The optimism coincides with a Republican retreat Tuesday in three costly, highly competitive races in Pennsylvania, Colorado and Ohio, as well as polls showing continued public dissatisfaction with President Bush and the war in Iraq.

In addition, fundraising is running significantly stronger than two years ago, $104.5 million through Oct. 18. That represents an increase of more than 30 percent, and has allowed Democrats to launch late-campaign television advertising in several districts in recent days in an attempt to maximize their gains on Election Day.

Mark Mellman, a Democratic pollster, said in an interview there has never been an election in which a president's approval rating was below 40 percent "and his party has not lost the 15 seats" that Democrats need to gain control this year. Bush's approval ratings hover in the mid- to high 30s.

Despite the developments, Rep. Nancy Pelosi, the Democratic leader, and Rep. Rahm Emanuel the head of the campaign committee, have told aides to avoid predictions of victory before the votes are counted.

"Anybody who's been involved in politics for the past 10 years can tell you that a week out you've still got a long week ahead of you," said Bill Burton of the Democratic campaign committee. "And we are absolutely not taking anything for granted."

Republicans, too, say that with a week of campaigning to go, Democrats are ill-advised to celebrate. They note than an extraordinary number of races remain very close, and that their GOP get-out-the-vote operation will help pull enough of their candidates to victory to preserve their majority.

Eager to persuade conservatives to vote, President Bush, Vice President Dick Cheney and Republican leaders attack Democrats steadily as favoring a policy of retreat in Iraq and higher taxes at home.

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The White House and several Republican lawmakers criticized Sen. John Kerry during the day for saying that young men and women unable to navigate the country's education system "get stuck in Iraq."

In remarks prepared for delivery in Georgia, Bush called the statement by his 2004 Democratic presidential rival "insulting and shameful," and called on him to apologize. Kerry lashed out at the president's men and said: "I apologize to no one for my criticism of the president and of his broken policy."

Democrats must gain six seats to win control of the Senate next week, but the House is viewed as more within reach.

Karin Johanson, executive director of the campaign committee, told one group last week that Democrats felt confident they had locked up 10 of the 15 seats they need to prevail, according to participants in the meeting who spoke on condition of anonymity.

But other officials and strategists with long experience in congressional campaigns have turned far more bullish about Democratic chances, and party strategists say no more than two of the party's incumbents who are seeking new terms are in jeopardy of defeat.

In an interview, Mellman said he wasn't counting victories before they occurred. At the same time, he said polls consistently show Democrats with such a large lead on hypothetical ballot tests that they are "outside the realm of historical experience."

"I think if the election were held today we would win," said Steve Elmendorf, a Democratic lobbyist who retains close ties with party aides and lawmakers from his days as top aide to Rep. Dick Gephardt, the former House democratic leader.

Recalling disappointments from 1996 and 2000, Elmendorf said, "people are very cautious because we've been up this hill before." He added, "the thing that gives people on our side the most confidence is all our friends on the other (Republican) side think they're going to lose."

Erik Smith, a consultant for Chris Murphy, a House candidate in Connecticut, said, "every day the Democrats' chances of taking the House seem to improve. More races become competitive and races that had been competitive are opening up a little bit."

Strategists involved in key races express even stronger confidence as long as they are free to speak on condition of anonymity. One recently put the party's chances of victory at "100 percent," while another said the only remaining question is the size of the Democratic majority in the Congress that convenes in January.

Mellman said academic models predict Democratic gains of between 14 and 32 seats. Elmendorf said a majority of 15 to 20 seats is possible, indicating gains of 30 to 35 seats on Election Day. Others predicted gains in the same range.

One of the most reliable indicators of competitive seats is party-financed television commercials or other political activity designed to augment a candidate's effort.

By that standard, more than 50 Republican-held seats are competitive, and Democrats have made six-figure investments in television advertisements in many of them. Republicans have done likewise.

Republicans pulled back in three such races during the day, including Rep. Curt Weldon's re-election bid in Pennsylvania and open seats held by Rep. Bob Beauprez, running for governor of Colorado, and Bob Ney of Ohio, who recently pleaded guilty to corruption charges.

In recent days, Democrats have moved into districts long viewed as untouchable. They launched advertisements in a western district in Nebraska; for an Idaho seat; and as a challenge to Rep. Jim Ryun in Republican-heavy Kansas.

At the same time, the overall political environment coupled with the prospect of Democratic landslide victories in New York by Sen. Hillary Rodham Clinton and gubernatorial contender Eliot Spitzer has prompted House Democrats to spend heavily in several districts.

Reports filed with the Federal Election Commission show that as of Monday night, the Democratic campaign committee has spent significant amounts on television advertising on five of the state's nine seats currently in Republican hands.

GOP Reins In Spending In 3 House Races (AP-Y)

By David Espo

AP, November 1, 2006

DOJ_NMG_0089427

Signaling retreat, House Republicans are scaling back television advertising in three highly contested races, officials said Tuesday, including Rep. Curt Weldon's scandal-tinged bid for re-election in Pennsylvania and open seats in Colorado and Ohio.

Some of the funds will be spent to help other Republicans in races that remain competitive.

In contrast to the Republican strategic retreat, House Democrats are expanding the number of districts where they are advertising, an indication of growing confidence as Election Day approaches. In recent days, the party's campaign committee has moved into districts in New Hampshire, New York, Kansas and Nebraska that have long been in GOP hands.

Democrats must gain 15 seats to win control of the House and six to capture control of the Senate on Nov. 7.

Of the two, the Senate appears a more difficult challenge, and Republicans moved during the day to fortify their position.

The National Republican Senatorial Committee reported it would spend an additional $1 million in the campaign's final days to help Virginia Sen. George Allen in a re-election race that has become far tougher than originally expected.

At the same time, Senate Republicans decided to advertise on behalf of embattled Sen. Conrad Burns in Montana for the first time since August, and beefed up its support for Sen. Lincoln Chafee, trailing in the polls in Rhode Island.

Additionally, the party will begin an independent ad campaign in Michigan for the first time this year, hoping to prevent Sen. Debbie Stabenow from winning a new term.

The information about the various moves came from public records at the Federal Election Commission as well as experts in both parties who track television advertising and campaign strategy. They spoke on condition of anonymity, saying they were not authorized to discuss confidential matters in public.

Weldon, a 10-term lawmaker who appeared to be cruising to re-election not long ago, has become ensnared in a federal corruption investigation. The government is investigating allegations that he used his influence to help his daughter's lobbying firm secure contracts worth $1 million from foreign clients. The FBI recently raided his daughter's home and office in what Weldon termed a politically motivated inquiry.

It appeared that much of the advertising money the National Republican Congressional Committee had intended for his seat in the campaign's final days would be redirected to help Pennsylvania Reps. Michael Fitzpatrick and Jim Gerlach.

The two other races where Republicans are scaling back advertising include the Ohio district that convicted Rep. Bob Ney has represented, and the one Rep. Bob Beauprez vacated to run for governor of Colorado.

House Republicans have reported spending more than $3 million to hold Ney's seat so far, and it appeared that at least a portion of the money intended for that race will now be spent to help Rep. Deborah Pryce, who is locked in a difficult campaign elsewhere in the state.

The Colorado race pits Democrat Ed Perlmutter against Republican Rick O'Donnell. Perlmutter has led comfortably in recent polls, and Republican strategists apparently concluded the money ticketed for that race could be better spent trying to help re-elect Rep. Marilyn Musgrave, seeking a new term in a different part of Colorado.

In Ohio, Democrat Zack Space is running against State Sen. Joy Padgett. Her campaign has been hindered by Ney's refusal to resign from Congress even though he pleaded guilty to felony corruption charges earlier in the month.

Liberals Keen On Takeover Aid Centrists (USAT)

By Jill Lawrence

USA Today, November 1, 2006

WASHINGTON — Democratic candidates who oppose abortion, gun control and gay rights have some unusual allies this year: liberal online activists desperate for their party to win control of Congress.

Putting aside their own preferences, the Internet activists are promoting and raising money for moderates in swing districts across the country. Many of the candidates have military, business or law enforcement backgrounds. Some, such as Virginia Senate candidate Jim Webb and House hopeful Eric Massa of New York, are former Republicans.

As of Tuesday, online activists had contributed some $826,000 to Webb, a former Navy secretary, via ActBlue.com, a clearinghouse that has raised $16 million for scores of Democrats. Massa had $377,000.

"There is not a single issue that takes precedent to the Democrats winning back a majority in the U.S. Senate this year," Jerome Armstrong, founder of MyDD.com, wrote last week.

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President Bush's unpopularity, the Iraq war and congressional scandals are making it easier than usual for Democrats to bury their differences for now. The moderate makeup of contested states and congressional districts also helps.

"There's a sense of reality here," says Rep. Ellen Tauscher, D-Calif., chairman of the centrist, 47-member New Democratic Coalition in the House. She says 30 prominent House challengers are potential members of the group, which favors free trade, strong security and high-tech development.

The Republican counterpart to ActBlue.com is Rightroots.com, a small operation that has raised $274,000 for 21 House and Senate hopefuls. Most are conservatives tagging their opponents as liberals. Three moderates — Senate candidates Tom Kean of New Jersey and Michael Steele of Maryland and House hopeful Ray Meier of New York — had collected nearly $60,000 from Rightroots.com as of Tuesday. Moderate Northeastern incumbents in tight races are not on the group's list of recipients.

Congressional Republicans have proposed bans on gay marriage, flag-burning, human cloning and Internet gambling that could energize conservatives. Republicans say they have not abandoned the center. The GOP is making "a tremendous effort" to help endangered House and Senate moderates in New York, Pennsylvania, Connecticut and Rhode Island, strategist Frank Luntz says.

Former GOP chairman Ed Gillespie says "so-called centrist Democrats," if they win, will end up dragged to the left under pressure from liberal Democrats such as House Minority Leader Nancy Pelosi, D-Calif. She is in line to be speaker if Democrats take control.

Many Democratic bloggers are liberals who don't hesitate to criticize their party. Arianna Huffington and others protested, for instance, when Virginia Gov. Tim Kaine was chosen to respond to Bush's State of the Union Speech. They said he was too conservative.

This week, bloggers reacted angrily when Tauscher told two newspapers Democrats should not run "over the left cliff" if they win a House majority. Self-described progressive Chris Bowers wrote on MyDD.com that he felt "stabbed in the back." He later added that "now that I have had the chance to vent, I'd like to … return to actually trying to win the elections."

The results of a spring survey of 1,936 members of MoveOn.org, the liberal online activist group suggest such pragmatism is widespread. Nearly eight in 10 said Democrats should run moderates in conservative and swing districts rather than "truly progressive or liberal candidates" who have little chance of winning.

Democratic leaders aggressively courted moderates this year. Rep. Harold Ford of Tennessee and Pennsylvania Treasurer Bob Casey, both social conservatives, ran unopposed in Senate primaries after rivals were pressured to drop out. Senate leaders publicly backed Webb, a former Navy secretary for Ronald Reagan, in the Virginia primary. They gave backstage help to Montana Senate President Jon Tester, a wheat farmer and custom butcher, in his primary.

Casey and Tester are leading GOP Sens. Rick Santorum and Conrad Burns, respectively. Ford and Webb are in tight races against Republican Bob Corker and Sen. George Allen.

The purest test of blog power this year has been in Connecticut. Senior Democrats backed Sen. Joe Lieberman, a centrist and Iraq war booster, but online activists helped power anti-war candidate Ned Lamont to a primary win. Lieberman is running as an independent and is ahead in polls, despite a recent survey that showed 60% of Connecticut voters oppose the war.

Some observers say Lamont, a politically inexperienced businessman, failed to capitalize on the war's unpopularity. "The distinction between himself and Lieberman became blurred," says Gary Rose, a political scientist at Sacred Heart University in Fairfield, Conn.

Bloggers, however, point to the party's treatment of Lamont and the Democrats who nominated him. "Total abandonment," Matt Stoller said on MyDD.com.

Bush Gains Ground On Economy, But Iraq Still Tops Voters' Agenda (WSJ)

By John Harwood

The Wall Street Journal, November 1, 2006

A week before Election Day, a new poll shows President Bush getting better marks for his handling of the economy -- an issue Republicans are emphasizing in the run-up to Tuesday's vote -- but voters' anxieties about Iraq continue to dominate their concerns.

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The latest Wall Street Journal/NBC News poll shows Mr. Bush, buoyed by a rising stock market and falling gasoline prices, essentially breaking even on the economy, with 46% of voters approving his stewardship and 48% disapproving. That's a gain from 39% approval and 56% disapproval in June.

But as Mr. Bush's party fights to retain control of both houses of Congress, the violence in Baghdad in recent weeks has further darkened Americans' mood about Iraq -- the issue voters say is most important in their election decision-making. The result: Voters want Democrats, rather than Republicans, to control Congress by 52% to 37%, a 15-point margin. The spread matches the widest ever recorded on this question in a Journal/NBC poll.

"Iraq sits in the middle of this election," says Bill McInturff, the Republican pollster who helps conduct the Journal/NBC survey. While Republicans may welcome voters' improving attitudes toward the economy, adds his Democratic counterpart, Peter Hart, "they're getting swamped on the issue of Iraq." (See related article4.)

Indeed, the poll demonstrates how directly voters' attitudes on Iraq translate into ballot choices. A 54% majority of the electorate now says removing Saddam Hussein from power wasn't worth the human and financial costs -- the highest percentage in the Journal/NBC poll since the war began in March 2003. Among those voters, eight in 10 want Democrats to control Congress after the elections.

But among the 37% who say the war has been worthwhile, seven in 10 want Republicans in charge on Capitol Hill. Among all voters, 61% say they feel "less confident" the war will end successfully, while just 27% feel "more confident" about the outcome.

The national telephone survey of 1,010 registered voters, which was conducted Oct. 28-30, doesn't account for the vagaries of races for individual Senate seats or House districts; the margin of error is 3.1 percentage points.

In the House, Republicans are counting on several factors to withstand the electoral headwinds: the political strength of embattled incumbents, district boundaries drawn to protect them and their party's proven get-out-the-vote operations. They could also benefit from an uptick in recent weeks in the number of voters who cite "moral values" as a crucial election issue.

Republican strategists suggest their efforts to boost turnout could add two or three points to a candidate's tally; in both 2002 and 2004, those turnout efforts bested Democrats' less-coordinated programs.

But the poll's overall findings track the assessments of key strategists in both parties that Democrats have a strong chance of achieving at least the 15-seat gain they need to capture control of the House. The outcome is cloudier in the Senate, where Democrats would need to gain six seats to have a majority.

Though Democratic candidates appear to have the advantage in the race for Republican Senate seats in Ohio, Pennsylvania, Montana and Rhode Island, they are locked in tough battles in three key states: Missouri, Tennessee and Virginia.

In all three states, Republicans say, their turnout machine could save the day. Tomorrow, Mr. Bush campaigns in Montana, where Republican hopes are fading for Sen. Conrad Burns, who trails Democratic challenger Jon Tester in polls.

Democrats, meanwhile, cite public and private polls as evidence they will be able to hold on to Senate seats in New Jersey and Maryland, the only two of theirs that have been under threat lately.

Republicans had hoped House races would turn on local issues, such as federally funded projects that incumbents have delivered, in effect protecting their candidates from voters' dismay over Iraq and Republican scandals. But in the campaign's final days, that dismay seems to be overwhelming local messages. A number of Republicans suddenly are considered in greater danger, and in areas of the country long friendly to the party.

Among them are Reps. J.D. Hayworth in suburban Phoenix, Gil Gutknecht in Minnesota, Barbara Cubin in Wyoming and Richard Pombo in California, chairman of the House Resources Committee. Open seats in Nebraska and Colorado, both Republican-leaning states, could fall into Democrats' hands. The developments have expanded Democrats' opportunities beyond the Northeast and Ohio Valley, the regions that have long offered their best chances of making inroads.

As they have since early in the election season, the president and his party are trying to shift voters' focus to two issues more favorable to Republicans: taxes and terrorism.

Late yesterday at a Georgia political rally, Mr. Bush fired off one of his most pointed election attacks to date, suggesting Democratic congressional leaders are potential threats to a successful war against terrorism. He also went after Massachusetts

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Sen. John Kerry, who reportedly told California college students Monday, "You know education, if you make the most of it, you study hard, you do your homework, and you make an effort to be smart, you can do well. If you don't you get stuck in Iraq."

After the president called the remarks "insulting" and "shameful" and demanded an apology, Mr. Kerry said Mr. Bush was the one who owes troops an apology, for "policies that have done injury to our troops and their families." The senator said his remarks were "a botched joke" that referred to Mr. Bush, not soldiers.

In the Journal/NBC poll, just 15% of voters named terrorism as one of the most important issues in their vote. That's fewer than half the 36% who named Iraq. Some 22% identify job creation and economic growth as a top voting issue. Lately on the campaign trail, Mr. Bush has charged that Democrats would raise taxes and harm economic growth.

In the two weeks since the previous Journal/NBC poll, the percentage of voters who say issues of moral values will be critical to how they vote jumped five points -- to 18% from 13%. That may be at least in part a reaction to last week's New Jersey Supreme Court decision that same-sex couples should enjoy the same rights and benefits in the state as heterosexual married couples. Christian conservative groups and Republican candidates they support have seized on the court's ruling to fire up potential voters.

Mr. Bush has also assailed the court's decision at rallies since last week. But generally, his efforts to steer the campaign debate to more favorable ground -- whether conservative values, taxes or terrorism -- appear to have been hobbled by the bloodshed in Iraq, where more than 100 U.S. soldiers died last month. In the latest poll, 63% of voters now disapprove of Mr. Bush's handling of the war.

That has helped sour assessments of Mr. Bush's job performance overall, and left many voters eager to send him a message. Just 39% of voters approve Mr. Bush's performance while 57% disapprove. By 37% to 22% voters say they will be voting to send a signal of opposition to Mr. Bush rather than support; 38% say their votes won't reflect their feelings about the president.

The Journal/NBC survey suggests that Republicans' closing campaign push has firmed up support among some traditional backers, while pushing others away.

White men, who marginally favored a Democratic-controlled Congress in early October, now marginally favor a Republican-led one. But white women, an important swing vote, have drifted away from Mr. Bush's party; they now favor a Democratic-controlled Congress by 52% to 38%.

Both sides hold the allegiance of nine in 10 of their own partisans. But Republican support in the electorate's center has virtually collapsed. By 49% to 25%, independents want Democrats to control Congress. Suburban voters favor Democratic control by a similar 51%-to-39% margin.

Democrats also retain an edge in excitement among their voters, an advantage that has built all year long. Voters who expressed the highest levels of interest in the election prefer Democrats to control Congress by 55% to 37%.

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It's Up To The GOP Base (HILL)

The Hill, November 1, 2006

Can the Republicans win control of Congress? They can if they want to. It is up to the vaunted GOP base.

According to the Zogby poll, Republican fortunes, while improving in early October, have fallen since. On Sept. 22, Democrats led in the generic vote poll (Do you plan to vote for the Democratic or the Republican candidate in your district?) by nine points, 42-33. But by Oct. 11, their margin was only three — 37-34. But by Oct. 24 it was back up to 11 points — 44-33 — enough for the Democrats to take control of the House and probably the Senate.

But if you dig deep into the Zogby poll, you find an astonishing fact — independents are turning to the Republican Party while Republican base voters are leaving it!

Among independents, the percent that plan to vote Republican has risen from 15 percent on Sept. 22 to 23 percent on Oct. 11 to 26 percent on Oct. 24. While independents are still voting for more Democrats, it's only by 38-26 compared with 38-15 last month.

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But as the Republican Party has gained among Independents, it is losing its base. Republicans who plan to vote Republican in 2006 have dropped from 75 percent on Sept. 22 to 72 percent on Oct. 11 to 68 percent on Oct. 24! Obviously the impact of the Foley scandal has yet to diminish among the morality-minded Republican base.

Historically, the Republican Party is able to attract much more support from its base than the Democrats have been able to do from theirs'. But now Democrats are more loyal than Republicans. On Sept. 22, Zogby had 82 percent of the Democrats voting Democrats and 75 percent of Republicans voting Republican. By Oct. 11, party loyalty on both sides had dropped and only 76 percent of Democrats voted their candidates and 72 percent of Republicans backed their party. But by Oct. 24, Democrats had come back to their party and 81 percent were voting for its candidates while only 68 percent of Republicans were loyal to their ticket.

GOP problems with their base should be curable since Republicans largely agree with their party on all the major issues. Their disloyalty stems from the failure of the Republican Congress and President Bush to pass their agenda and concerns over financial and morality scandals in Washington.

If talk-radio show hosts, cable news stations, and the White House do what they do best – talk to their base – they should be able to turn the situation around. But so far their efforts have been unavailing.

But the Democrats have their problems too. Despite their huge national edge they are not leading in the key Senate races. For example, in New Jersey, Rasmussen's polls have the race between Republican challenger Tom Kean and Democratic Sen. Robert Menendez tied. But, in the same survey, New Jersey voters want Democratic Party control of the Senate by 54-36. So while the party is winning by 18 points, its candidate can manage no better than a tie!

And despite the national trend toward the Democrats, Missouri Republican Sen. Jim Talent still clings to a 50-48 lead over Democrat Claire McCaskill. Likewise in Tennessee, Rasmussen has Republican Bob Corker leading Democrat Harold Ford by 50-48.

To control the Senate, Democrats must win two of these three: New Jersey, Tennessee and Missouri and so far, they trail in two and are tied in the third.

Why are Democrats trailing so far behind the national party trend? Because Republican negative ads are working so well and the GOP financial advantage is making itself felt in individual races. The Democrats, dragged down by their suicidal decision to install the fundraising challenged Howard Dean as national chairman, are simply finding it hard to compete on the airwaves in key states. Even Clinton crony Harold Ickes's much heralded effort to fund Democratic races has fallen far short of its fund raising goals, having raised only $3 million of the projected $10 million for which he had hoped.

So voters in swing states are saying: "I want the Democrats to win, just not the guy running in my district." It is still too early to tell if the national Democratic trend will assert itself in the end or whether the Republicans can pull out the swing districts. But the key will be whether the GOP base itself genuinely wants a Republican Congress or not.

Morris and McGann, husband and wife, have written several books together, including Rewriting History, a rebuttal to Living History by Sen. Hillary Rodham Clinton (D-N.Y.).

Campaigner In Chief Has Limited Reach (WP)

By Dan Balz

The Washington Post, November 1, 2006

DES MOINES -- When President Bush swooped down here late last week, Republican House candidate Jeff Lamberti was happy for the high-level attention -- and the roughly $400,000 in contributions -- the short stopover produced for his campaign. But the man Lamberti is trying to unseat, Rep. Leonard L. Boswell (D), was no less happy to see the president in his district.

As Bush's entourage was heading for Michigan and another campaign event, Lamberti said he would welcome the president back anytime. He also made it clear he does not want the president to be the issue that decides his fate next week: "I trust the voters to be sophisticated enough to know it's between the two candidates."

Boswell had another view, one that underscored the double-edged impact of a presidential visit this fall. Saying his challenger would be little more than a rubber stamp for the White House if he is elected, Boswell said Bush's visit might give both campaigns a boost. "If it ramps up their troops a little bit, it will ramp ours up, too," he said.

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His name is not on any ballot this fall, but George W. Bush is the central issue of campaign 2006. Tuesday's vote will deliver a referendum on six years of Bush's leadership -- bold and principled or radically divisive, depending on one's political ideology -- and the wartime policies he has championed.

Other issues may come into play, congressional scandals and performance among them, but in the end, next week's verdict will be remembered for what it says about this president. With Bush's approval ratings hovering just below 40 percent, Republicans are braced for big losses.

GOP strategists know well that no political party has successfully weathered a midterm election with such an unpopular president in office. Bush's challenge as he campaigns in the final days of the election is to find a way to excite and mobilize a fractured Republican base without triggering an even bigger turnout among Democrats and Democratic-leaning independents that could cost his party the House or Senate.

As Election Day draws near, the president has taken on a new role for his beleaguered party, that of optimist in chief. On the stump, Bush is ebullient, defiant, humorous, partisan and totally focused on bolstering morale, mocking Democrats (and the pundits he says are in their pockets) for dancing in the end zone before they have scored a touchdown.

On the surface, he appears little changed from the confident campaigner of two and four years ago, vowing to take the fight to the terrorists, defending his policies in Iraq and shining a spotlight on a string of positive economic indicators. But almost everything about these final days of the 2006 campaign points to the differences between this and Bush's other national campaigns. The politician who has done more than anyone else over the past decade to build and expand the Republican Party has become a liability to Republicans in many parts of the country.

One GOP strategist, speaking candidly about the president on the condition of anonymity, offered this assessment: "I'd say he's at least 50 percent of the problem." In strongly Republican areas, he said, the president can still rally the party's base, but in more marginal districts, Bush is a drag on GOP candidates. "He's the problem," the strategist said. "He should stay away."

"Every midterm functions as a referendum on the president," said Republican pollster Bill McInturff. "In this case, I do think the Foley scandal and the feelings about Congress have made that storyline much more muted and much less true." He added that next week's vote "is not a straight-up, yes-or-no referendum on the president."

In the midterm election four years ago, Bush swept through red and blue states in the final week of the campaign, producing Republican victories in places as disparate as Minnesota and Georgia. This year he has been forced by circumstance to pick his spots more carefully, focusing on areas where sympathy for his presidency is greater and opposition to the Iraq war less intense.

That has taken him twice to Georgia already this week, where there are two Democratic-held House seats that Republicans see as vulnerable. It has taken him to his home state, Texas, to campaign in the district held by former House majority leader Tom DeLay, a seat now in danger of tipping to the Democrats.

Later this week he will be in Montana, where Sen. Conrad Burns (R) has been in an uphill battle all year, and in Nevada, where Republican candidates for governor and the House are running into problems. He will touch down in rural Missouri and western Iowa, where Republican voters are plentiful but less motivated than needed to push Senate and gubernatorial candidates to victory.

But as if to underscore his more limited reach this fall, it was first lady Laura Bush who showed up in Connecticut on Monday to campaign for Rep. Nancy L. Johnson (R), one of three vulnerable GOP incumbents in the state. And it was Sen. John McCain (R-Ariz.) who was there Saturday to campaign for the other two, Reps. Rob Simmons and Christopher Shays.

Opposition to the war has forced Bush to avoid campaigning in these final days in many of the most competitive suburban districts this fall, said Rep. Rahm Emanuel (Ill.), chairman of the Democratic Congressional Campaign Committee. "Everywhere he goes, there's this banner above his head -- 'Failed Iraq Policy' -- in these suburban districts," he said.

Republican candidates have welcomed the president in their districts to help raise money for their campaigns, but they have run from him in their television ads. According to officials at the Republican House and Senate campaign committees, just one GOP candidate is using the president in a television commercial, LaVar Christensen in Utah's 2nd District.

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Christensen has been running an ad that shows a photograph of him with the president. But the ad never mentions the president. Instead, it opens with a photo of former president Ronald Reagan, with Christensen describing himself as a "conservative, Ronald Reagan Republican."

That hardly means Bush has been absent from television screens this fall. Democrats by the dozens have featured him in their ads, trying to tie their opponents to the president and his policies. Bill Burton, a DCCC spokesman, said that, as of the beginning of this week, Democratic candidates and the DCCC have run more than 90 ads in 34 districts featuring the president and the Democrats' opponent.

In Pennsylvania's 8th District, the DCCC attacked Rep. Michael G. Fitzpatrick for standing with Bush on stem cell research. In Colorado's 7th District, a party-sponsored ad shows footage of Republican candidate Rick O'Donnell coming off Air Force One with the president and ends with the announcer saying: "Rick O'Donnell. Radical ideas and another vote for George Bush's agenda."

In New Mexico's 1st District, Rep. Heather A. Wilson (R) comes under attack for "standing with Bush . . . echoing Bush . . . voting with Bush on Iraq." The tagline at the end reads: "Heather Wilson and George Bush. Nothing will change."

Rep. E. Clay Shaw Jr. (R-Fla.) came under attack in another ad for working with Bush to pass the prescription drug bill, which Democrats have criticized as a windfall for drug companies. "The drug companies shaped the law," the ad claims. "George Bush backed it, and Clay Shaw helped write it and ram it through."

To save his congressional seat -- in one of the more bizarre twists in this campaign -- Shaw has turned to another president to inoculate himself against attacks that he has marched in lockstep with Bush. Last week he ran a radio ad touting his cooperation with former president Bill Clinton, who was on his way to the state to raise money for Shaw's opponent, Democrat Ron Klein.

"The greatest moments of the Clinton years came when Democrats and Republicans worked together," the ad said. "Like welfare reform. . . . Signed by Bill Clinton and written by our congressman, Clay Shaw."

The ad went on to cite Shaw's work with Clinton to repeal the earnings tax on Social Security and the bill to restore the Everglades. "More than almost anyone else in Congress, Clay Shaw solves problems across party lines," the ad concludes. "So as Palm Beach County welcomes Bill Clinton to town, let's say 'thank you' to Clay Shaw. He's independent and effective."

With his approval rating just below 40 percent, Bush approaches Election Day less popular than all but two presidents in the post-World War II era. Only Harry S. Truman in 1946 and Richard M. Nixon, who had resigned three months before the 1974 midterms, were lower. Even presidents going into midterm elections with higher approval ratings than Bush's -- Dwight D. Eisenhower in 1958, Lyndon B. Johnson in 1966, Ronald Reagan in 1982 and Bill Clinton in 1994 -- have seen their parties suffer major losses.

The best any president has done with an approval rating below 50 percent was in 1978, when Jimmy Carter was at 49 percent. That year, Republicans picked up 15 House seats, exactly the number Democrats need this year to take control of that chamber.

Bush is less unpopular in states whose Senate races are likely to determine whether Republicans retain their majority. With most voters likely to vote Republican or Democratic based on their perceptions of his performance, those differences are enough to affect the outcome of those close races. That has prompted the president to put Missouri on his campaign schedule for Friday.

Bush also will return to Iowa on Friday. David Roederer, who was Bush's Iowa chairman in 2004, said Republicans wanted the president to add a late stop in heavily Republican western Iowa to help Rep. Jim Nussle (R), a gubernatorial candidate who is trailing Democratic Secretary of State Chet Culver -- in part because he is losing in his own congressional district in eastern Iowa.

"We need to have a good turnout in the west," Roederer said.

In past campaigns, Bush's late visits to Iowa have concentrated on the state's eastern battlegrounds. In 2002 he helped save several vulnerable House seats in eastern Iowa, and two years ago his efforts there helped turn Iowa, a blue state in 2000, to red. This year, Nussle's House district could fall to the Democrats. That Bush will campaign in safe Republican territory, rather

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than in a competitive House district, is one more indicator of the toll that six years and an unpopular war have taken on his presidency.

AP Poll: GOP Outreach To Blacks Falters (AP-Y)

By Nancy Benac, Associated Press Writer

AP, November 1, 2006

So much for the Republican charm offensive toward minorities. Black voters are far less likely to approve of the way President Bush is doing his job than voters generally and they are more likely to feel that the country is on the wrong track, disheartening news for a Republican Party that has been trying to curry favor with minority voters in recent years.

In what could be a particularly bad sign for Republicans in next week's midterm elections, black voters also are more likely to say that the Iraq war was a mistake and that recent disclosures of scandal and corruption in Congress will be very important to their vote, according to an Associated Press-AOL Black Voices poll conducted Oct. 23 through Monday.

Black voters have historically voted Democratic, and their votes are critical to Democratic hopes to win tight Senate contests in Tennessee, Missouri and Virginia.

Unhappiness among black voters is reflected by L.C. Washington, a 41-year-old Democratic graduate student from Montgomery, Ala., who says Bush is "the worst president in history," not to mention "the dumbest president I've ever seen — he's the devil." Washington lays blame for a laundry list of ills at the Republican Party's doorstep.

"Republicans are trying to win over black voters," says Washington, but "not doing a good job. Doing a poor job — the war, gas prices, job losses and the layoffs."

Even among black Republicans, there clearly still is work for the GOP to do.

"I don't think Republicans are doing any kind of reaching out to African-Americans," said 71-year-old L.D. Harper of Springfield Gardens, N.Y., who's been a Republican since he was 18.

While black voters say Republicans have done a poor job of representing their interests, they also have misgivings about the Democratic Party. Almost half of black voters said the Democratic Party takes their vote for granted; about a third said the party has done a poor job of representing their interests.

About a fourth of blacks said they weren't confident their votes would be counted accurately.

On the issues, black voters were most likely to rate the economy and health care as extremely or very important to them personally.

The AP-AOL Black Voices telephone poll of 900 black adults, 361 of whom are likely voters, was conducted by Ipsos. The margin of error for the full sample is plus or minus 3.5 percentage points, 5 percentage points for the black likely voters. The overall likely voter results are from an AP-AOL poll released last week.

About nine of 10 black voters have gone for the Democrats in recent elections.

Republicans, particularly party chairman Ken Mehlman, have tried to reach out to minority voters in recent years. Bush's draw on the black vote inched up to a still-anemic 11 percent in 2004. But since then the party has taken a hit because of widespread dissatisfaction with how the Bush administration responded to Hurricane Katrina last year.

Only 38 percent of blacks are confident the federal government would help them in a major disaster, according to the AP-AOL poll.

And while the Republican Party has strongly pushed the candidacies of black Republicans in the coming elections, the survey offers little hope that black GOP candidates hold special appeal for minority voters. More than eight in 10 black likely voters say the race of the candidate makes no difference to them.

"It just depends on their platform," said Kassandra Williamson-Moore, a black Democrat from Indianapolis. "You can't just vote strictly by race."

Prominent black candidates this year include Republican gubernatorial hopefuls Kenneth Blackwell in Ohio and Lynn Swann in Pennsylvania, GOP Senate candidate Michael Steele in Maryland, and Democratic Senate candidate Harold Ford Jr., in Tennessee. Republicans Steele, Blackwell and Swann are behind in the polls; Democrat Ford is running about even with his opponent.

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Blacks are disproportionately unhappy with Bush, 89 percent of likely voters disapprove, compared with 61 percent of all likely voters.

But blacks' approval ratings for Congress — disapproval ratings, actually — are roughly similar to those for all likely voters. Some 83 percent of likely black voters disapprove of the way Congress is doing its job, compared with 75 percent of all likely voters.

David Bositis, of the Washington-based Joint Center for Political and Economic Studies, said there's little variation in congressional approval numbers by race because Congress is so widely viewed as being "in the trash."

Overall, Bositis said, the Republican courtship of black voters sometimes looks like a case of "one step forward, two steps back."

"They're never going to succeed in attracting more African-American support until the party has some level of catastrophic failure and then decides to go back to the drawing board," he said.

Curtis Gans, director of American University's Center for the Study of the American Electorate, said voter turnout among blacks tends to be lower than among adults in general, but in 2004 they, like Americans overall, turned out in higher numbers.

He said voter discontent could boost turnout similarly this time, adding that: "The group that is the most uniformly anti-Republican at this time is African-Americans."

Two-thirds of black registered voters say they are following news about the campaign, compared with 71 percent of all registered voters doing likewise.

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EDITOR'S NOTE — Associated Press writers Will Lester and Kasie Hunt, AP manager of news surveys Trevor Tompson and AP news survey specialist Dennis Junius contributed to this report.

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On the Net:

Ipsos: http://www.ap-ipsosresults.com

Osama Isn't Running (LAT)

The Los Angeles Times, November 1, 2006

HARD AS IT IS to imagine now, there was a time in the not-so-distant past when the GOP was considered to be the "party of ideas." As the 2006 campaign draws to a merciful close, the only idea national Republicans seem to have left is that, when in doubt, accuse Democrats of being a bunch of terrorist-loving wimps. But as the boy who cried wolf learned the hard way, fear-mongering has its diminishing returns.

The strain of escalating demonization is starting to show. Sen. Rick Santorum (R-Pa.), a former GOP wunderkind now scratching for his political life, absurdly accused his opponent, Bob Casey Jr., this week of "aiding and abetting terrorism and genocide." This after airing a commercial in which Casey was shown next to Kim Jong Il and a mushroom cloud. An ad titled "The Stakes," produced by the Republican National Committee, features Osama bin Laden and his minions threatening more attacks.

Senate Majority Leader Bill Frist (R-Tenn.) last week characterized Democrats' Iraq strategy as "waving the white flag and surrendering." This just weeks after the spectacularly opportunistic retiring majority leader (who can forget the good doctor's "I've seen the video" second-guessing of Terri Schiavo's diagnosis?) concluded that the war in Afghanistan can't be won militarily.

The Republican message reeks of desperation; the party seems spent. That's the nature of the political cycle in Washington — parties eventually overreach after governing uncontested for a time, as their loyalists' desire to stay in power outlasts their enthusiasm for their own ideas. The only reason this election is a cliffhanger is the lack of inspired thinking by Democratic opposition leaders.

President Bush, meanwhile, is also getting into the fear-mongering. "The Democrat approach," he said this week on the stump in Georgia, "comes down to this: The terrorists win and America loses. And that's what's at stake in this election."

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This is why much of the world considers our president a caricature figure — because on occasion he acts like one. It is expected and appropriate for parties to flesh out their differences on national security issues, but it should be a debate about means, not ends.

Part of the Republican playbook consists once again of conveniently confusing the war in Iraq with the post-9/11 war on terror. The disingenuous formulation remains: Criticize the war in Iraq and you're a Bin Laden sympathizer. Voters seem to be growing tired of such manipulation. Who knows, they may even notice that Al Qaeda's leader, in fact, has not been captured — except in the video montages of Republican campaign ads.

Big Business Donations Are Left Idle (HILL)

By Alexander Bolton

The Hill, November 1, 2006

Political action committees representing business interests have boosted their donations to House Democrats in recent weeks, but a significant chunk of that money has not gone to Democratic candidates.

Instead, the money has languished in the accounts of safe incumbents who have given little, or nothing at all, to Democratic candidates in the months leading up to Election Day.

The behind-the-scenes financial maneuvers have come to light in recent days with the filing of reports at the Federal Election Commission (FEC) disclosing fundraising activities through Oct. 18.

Among other interesting developments, the new reports show that Democrats who are poised to become influential committee chairmen if they win control of the House have reaped hundreds of thousands of dollars in political action committee (PAC) contributions over the past several weeks.

The flow of funds, most of it from business interests, who tend to give most of their contributions though PACs, is significantly higher than two years ago when Democrats were viewed as having a slim chance of capturing the House.

Rep. Jim Oberstar (D-Minn.), the ranking member of the Transportation and Infrastructure Committee, has raised $225,000 for his campaign account from PACs between July 1 and Oct. 18, drawing donations from PACs belonging to business giants such as CSX Corporation and 3M. That amount is nearly $70,000 more than he raised from such sources during a similar stretch in 2004. But during the recent three-and-a-half month period, a $1,000 contribution to Mike Erlandson was the only money he gave to a Democratic House candidate, fundraising records show.

John Schadl, Oberstar's campaign spokesman defended his boss by noting that he has paid the entirety of his dues owed to the Democratic Congressional Campaign Committee (DCCC).

"Jim's one of those members who's always kept his dues paid up at the DCCC," he said. "Other members may have let that lag a little but Jim's been a supporter of the DCCC."

Schadl said that Oberstar paid the last installment of his $200,000 in dues last week when he transferred $50,000 to the party committee, a transaction not yet reflected in public reports.

But Oberstar has not given more to the DCCC than what he was asked earlier in the election cycle, before he and other prospective chairmen began reaping a windfall of business giving. Business contributions to Democrats have picked up dramatically since Congress adjourned at the end of September amid the House page sex scandal.

The ranking Democrats on other powerful committees have given lavishly to Democratic candidates as business contributions have begun to pour in.

Rep. Charlie Rangel (D-N.Y.), who would become chairman of the Ways and Means committee, raised $269,000 for his campaign coffers, mostly from business PACs, from the end of August to mid-October. During that time he has also given $156,000 to Democratic congressional candidates and $200,000 to the DCCC.

Rangel owed $300,000 in dues to the DCCC because of his ranking position on Ways and Means, but he has far exceeded that goal by having transferred $570,000 to the party committee, according to FEC records.

But other ranking Democrats have not been quite as generous, keeping most of the money they've raised recently, even though they are not considered in any electoral danger.

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Rep. David Obey (Wis.), the ranking Democrat on the House Appropriations Committee, gave $50,000 to the DCCC in the last four months. But during that time Obey raised $203,000 from PACs, almost $40,000 more than what he raised over the same period in 2004.

In total, Obey has given $350,000 to the DCCC this election cycle, more than the $300,000 he owed because of his senior position on Appropriations. But some Democratic candidates may wonder why Obey kept the bulk of his recent fundraising haul despite having $679,000 in his campaign account and facing no real political opposition.

Rep. Collin Peterson (D-Minn.), the ranking member of the House Agriculture Committee, raised $180,000 from PACs between July 1 and Oct. 18. Peterson gave $14,000 to Democratic congressional candidates, even though he raised almost twice as much from PACs compared to a similar period in 2004. Prior to July, however, Peterson gave $250,000 to the DCCC.

Rep. John Dingell (Mich.) owes $300,000 to the DCCC because he is the ranking Democrat on the Energy and Commerce Committee. He has only given $100,000 to the party committee through Oct. 18. That is despite raising $346,000 between July 20 and Oct. 18, according to FEC reports.

During that time he has given $38,000 in contributions to Democratic congressional candidates. He has given more to local candidates in Michigan. He gave over $100,000 during that period to help state-level candidates in the Wolverine State. Dingell, who is serving his 26th term in the House, has $820,000 in cash in his campaign account.

On the Republican side of the aisle, several prominent Republicans have given surprisingly little to the National Republican Congressional Committee (NRCC).

Rep. Jerry Lewis (R-Calif.), the chairman of the House Appropriations Committee, has given only $10,000 from his campaign as of Oct. 18. That could be largely because Lewis is reportedly under federal investigation because of allegations that he did legislative favors in exchange for campaign contributions. He has accumulated hundreds of thousands of dollars in legal bills.

Rep. Tom Reynolds (R-N.Y.), chairman of the National Republican Congressional Committee (NRCC), has only transferred $10,000 from his campaign to the party committee. Reynolds is in a tough race but his colleagues may not accept that as an excuse. The so-called "Battleground" fundraising program Reynolds helped organized has asked even the most endangered Republican lawmakers to contribute $75,000 to the NRCC.

Retiring Rep. Joel Hefley (R-Colo.), who formally chaired the House ethics committee, again signaled his dissatisfaction with his party by giving only $1,000 from his campaign to the NRCC. Hefley was removed as chairman of the ethics panel after he presided over its decision to rebuke former House Majority Leader Tom DeLay (R-Texas) for several ethics transgressions.

House Resources Committee Chairman Richard Pombo (R-Calif.), who has since become embroiled in ethics allegations, has given nothing from his campaign to the NRCC, according to the most recent FEC records.

Pombo is favored to win reelection on Nov. 7, but his race is considered competitive.

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House lawmakers who have given the most from their campaigns through 10/18/06

Republicans

John Boehner (Ohio) $1,115,250
Jim McCrery (La.) $877,500
Spencer Bachus (Ala.) $736,000
Eric Cantor (Va.) $577,250
Roy Blunt (Mo.) $568,000
Dennis Hastert (Ill.) $560,000
David Dreier (Calif.) $525,000
Richard Baker (La.) $505,000
Lamar Smith (Texas) $489, 000
Thomas Petri (Wis.) $479,500
John Shadegg (Ariz.) $470,950
Ed Royce (Calif.) $440,800

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Mike Oxley (Ohio) $400,500
Democrats
Nancy Pelosi (Calif.) $770,000
Steny Hoyer (Md.) $720,000
Rahm Emanuel (Ill.) $650,000
Charles Rangel (N.Y.) $570,000
Jim Clyburn (S.C.) $470,000
John Murtha (Pa.) $465,000
John Larson (Conn.) $400,000
George Miller (Calif.) $395,000
Louise Slaughter (N.Y.) $358,000
Norm Dicks (Wash.) $350,000
Hilda Solis (Calif.) $303,500

.....

Returning House lawmakers who have not given anything from their campaigns through 10/18/06
Republicans
Wayne Gilchrest (Md.)
Sam Graves (Mo.)
Mark Green (Wis.)
Mike Ferguson (N.J.)
Tim Johnson (Ill.)
Anne Northup (Ky.)
Richard Pombo (Calif.)
Jerry Weller (Ill.)
Edward Whitfield (Ky.)
Democrats
Julia Carson (Ind.)
Eddie Bernice Johnson (Texas)
Jim McDermott (Wash.)
Brad Miller (N.C.)
Gene Taylor (Miss.)
Source: FEC

Democrats Enjoy Resurgence (HILL)

By Jim Snyder
The Hill, November 1, 2006

Michael McKenna is a Republican and owner-operator of a one-man lobbying shop, MWR Strategies. Those facts led his client, energy company Suez, to ask him the following in a recent phone conversation: What does he plan to do if Democrats retake the House?

"What my plan is, is to adjust to a new reality," McKenna says he told executives from Suez, formerly known as Tractebel.

McKenna said that likely means he will work more closely with his Democratic colleagues through some sort of formal business agreement to lobby on behalf of his client.

"There is no getting around the fact that [Democrats] are going to be more important," McKenna said. Even if Democrats fall short of retaking the House or the Senate, the margins in either body are likely to be narrowed.

Some version of the question posed by Suez executives is being repeated across Washington, as companies, associations and lobbying firms plan for the new reality after the midterm elections.

Many political observers predict Democrats will regain the majority in the House, or at least significantly reduce the voting margins held by Republicans. Less likely, though possible, is a Democratic takeover of the Senate.

While the election is still six days away, the strength Democratic candidates have shown has already produced one shift in Washington: Democratic lobbyists, once marginalized, are seeing a resurgence in their popularity.

"We've had more detailed conversations in the last month than we have had all year," says Patrick Murphy, a lobbyist who has been an active supporter of Democrats. Murphy joined mCapitol Management in July and has been aggressively marketing his ties to Democrats ever since.

"We are ready for the new transition," says Murphy, whose current clients include Eastman Kodak, the American Federation of Government Employees, and the Edison Electric Institute.

Lobbyists close to House Democrats in particular are stressing their ties. Not many lobbyists bothered with House Democrats, they say, because the caucus faced a disciplined Republican majority and had little ability to affect the course of House votes. Now those ties could produce new business.

"In 2005, things were pretty tough for a Democrat. Nobody thought we were going to win," said Steve Elmendorf, a former chief of staff to then-House Minority Leader Richard Gephardt (D-Mo.) , who is now in the midst of expanding his practice at Bryan Cave Strategies.

As they work to market themselves by stressing those ties, Democrats on K Street are also careful to strike a cautionary tone.

"Nobody's measuring drapes. Nobody's counting their chickens," Elmendorf said.

Any change in the political dynamic will affect industries differently. How members view issues relating to telecommunications, financial services or transportation doesn't necessarily depend on their party affiliation, Elmendorf said.

One industry, though, that may feel particularly nervous about a Democratic takeover is the energy industry, which is a traditionally strong backer of the Republican Party.

Democrats, meanwhile, have called for "windfall" profits on oil companies. A Democratic House may also investigate the rise in gasoline prices or Vice President Cheney's energy task force that often met in secret.

"There are companies that are definitely looking to hire Democrats," said John Northington of Thomas Advisors, a firm that specializes in energy issues.

Northington is a rarity: a Democratic lobbyist who specializes in energy production issues. Oil giant ExxonMobil hired Northington three months ago to lobby the White House on exploration issues and to reach out to Democrats in Congress.

Other lobbyists said energy companies have been calling them, too.

"It is evident across the board that energy companies are desperately trying to identify lobbyists with Democratic credentials, especially in the House," says Stephen Brown, a former counsel to Rep. Rick Boucher (D-Va.), who is in line to take over the Energy and Commerce Energy and Air Quality subcommittee if Democrats regain the majority in the House.

Brown, who now runs the energy and environment practice at Dutko Worldwide, a broad, bipartisan firm, said several companies have approached him in recent weeks. He declined to name the companies.

Brown favors some issues more aligned with Republicans, like opening the outer continental shelf to oil and gas drilling. But while his practice is bipartisan, Brown adds, "I can talk Democrat."

It may be easy to overstate the nervousness among business groups in town.

Democratic staffers have sought to ease any anxiety among business leaders in the run-up to the election. Many lobbyists don't predict wild swings in policy even if Democrats take over one or both bodies of Congress.

Don Duncan, a lobbyist at ConocoPhillips, said the most onerous measures proposed for oil and gas companies, like windfall profit tax, are unlikely to become law in an environment where the voting margins are close and there is a Republican president with veto power.

"Personally, I'm not that concerned with a change. We'll work with whoever is up there," Duncan said.

Most large companies and trade groups already employ a bipartisan staff, although Republicans, who have control of the House, Senate, and White House, are typically in the top spot.

"At the end of the day, you are going to have to have a strong bipartisan team," Elmendorf said.

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But many Democratic lobbyists describe the environment in more hopeful terms than any time since Republicans took over the House in 1994.

Through efforts like the K Street Project, Republican leaders have sought to put their own into top slots of trade groups or large companies. There is disagreement over how aggressively that effort was carried out. But Democrats maintain the effort was real and harmful to the prospects of Democratic lobbyists.

The Association of Oil Pipe Lines last week hired Shirley Neff, a former Democratic aide on the Senate Energy and Natural Resources, to lead the group.

Raymond Paul, a spokesman for the group, said Neff's Democratic background had nothing to do with the decision.

"Our executive search team didn't discuss party affiliation," he said.

While Neff will replace another former Democratic staffer, Benjamin Cooper, the association would likely have felt more pressure to hire a Republican a couple of years ago when Republicans were more firmly in control of Congress, one Democratic lobbyist said.

Win Or Lose, Some Republicans Are Already Pressing For Major Changes (HILL)

By Susan Crabtree

The Hill, November 1, 2006

Win or lose next week, the GOP needs some serious soul-searching, according to several rank-and-file House Republicans who already are arguing in favor of a post-Election Day leadership shake-up.

With just days before voters decide Republicans' fate, most lawmakers contacted for this article are focused on last-minute campaign and get-out-the-vote efforts and won't talk about post-election strategy.

Others, however, believe that change — be it in policy, process, or leadership matters —as soon as possible is the only way House Republicans can climb out of the rut they've been stuck in this cycle.

"If we lose the majority, I think it ought to be a clean sweep — a fresh start," Rep. Jeff Flake (R-Ariz.) said about the GOP leadership team.

He worries that if the GOP keeps even a fragile hold on its majority, the conference will stick with the same leadership course with only minor changes. This, in turn, will mean continuing to put too much emphasis on trying to keep the majority by handing out earmarks to vulnerable members and special favors to certain groups instead of standing for principles such as fiscal restraint.

Recent conference calls with GOP leaders have done nothing to calm his fears. "When you get on these conference calls … there's not much of a 'Mea culpa on what we've done wrong and here's what we're going to do,' " he said.

Even GOP lawmakers reluctant to discuss anything past Nov. 7 are preparing for a leadership scramble next week.

Rep. Marsha Blackburn (R-Tenn.) has indicated that she would like to run for the GOP conference chair, a key communications position now held by Rep. Deborah Pryce (R-Ohio), who is in the toughest reelection fight of her life. In the last month, Blackburn has hit the talk show circuit to press the GOP's case to voters, appearing on about 20 national TV shows, according to her spokesman.

"Right now everybody's focus is on Nov. 7 and those of us that are looking at leadership races know that the focus has to be on keeping our majority and helping our colleagues win … ," she said. "With that said, and as you look at the last year, we all know there will be a crowded field for different leadership posts when we get ready to have our elections."

Rep. Jack Kingston (R-Ga.), the conference vice chairman and a contender for the full chairmanship, has also hit the media circuit to speak out for Republican candidates. He also gave at least $365,000 from his campaign committee alone to the National Republican Congressional Committee, according to a recent Federal Election Commission report.

Kingston doesn't want to discuss leadership contests, and sticks to the GOP election script that Democrats would raise taxes if they retake control. But he concedes that Republicans need to make critical policy changes after the election, win or lose.

House Republicans must provide more oversight hearings on the war in Iraq and do more to end the nation's addiction to oil by developing viable energy alternatives. "We've got to provide better energy solutions," he said.

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Flake is well known for fighting his leaders, especially against earmarks, but he also places some blame for GOP's poor standing on himself for failing to speak out more strongly at key times.

Flake said he deeply regrets not standing up and criticizing GOP leaders' decision early last year to purge the ethics committee of its Republican members after the panel admonished former Majority Leader Tom DeLay (R-Texas) for the third time for ethics violations.

"The rank-and-file members, myself included, should have stood up and screamed," he said. "Its just another indication that we're not policing our own and it goes to the whole earmarking culture [that led to the imprisonment of former Rep.] Duke Cunningham [R-Calif.]."

If the ethics committee had been up and running last year when GOP leaders first heard about inappropriate emails former Rep. Mark Foley (R-Fla.) sent to a page, members would have been able to refer it to the panel for investigation. Democrats, at the time, were protesting the purge of GOP members and were refusing to meet the new Republicans on the committee.

"You can blame the Democrats, but we certainly gave them a reason to do what they did," Flake said. "We simply didn't have an ethics committee process that worked at a time when we needed it … I feel badly that I didn't say anything and neither did other members … it's a pox on all of us."

Other members would only speak anonymously of a growing desire within the conference to change at least some of its leaders no matter what happens next week.

"There's a heightened sense that there needs to be a different approach — a refocusing of our priorities," one lawmaker noted. "There is a lot of frustration."

When asked, several GOP sources said they believed that Speaker Dennis Hastert (R-Ill.) could announce his departure whether Republicans maintain the majority or not, although most believe it is more likely if Republicans lose.

Majority Leader John Boehner (R-Ohio) could run to replace him or, if in the minority, simply try to keep his job as leader, but he could face opposition in any race for a top spot from outspoken conservatives such as Reps. Mike Pence (R-Ind.) or John Shadegg (R-Ariz.). Majority Whip Roy Blunt (R-Mo.) is also weakened, GOP sources said, and would not fare well in a challenge against Boehner, who beat him for the post after DeLay stepped aside.

"I don't think anyone wants to see that redux," one GOP source remarked.

Others mentioned as possible leadership contenders include: Rep. John Carter (R-Texas) and Tom Feeney (R-Fla.). Reps. Tom Cole (R-Okla.), Pete Sessions (R-Texas) and Phil English (R-Pa.) are all running to chair the National Republican Congressional Committee.

Bill Kristol, editor of the conservative Weekly Standard, said, "If they lose the House, it might be time for a change in leadership for obvious reasons — fresh faces, fresh blood … All three would go—Hastert, Boehner, Blunt, from my outside point of view."

Kristol and several other lawmakers interviewed for this article believe at least two members of the team are safe from challenge: Chief Deputy Whip Eric Cantor (Va.) and GOP Policy Committee Chairman Adam Putnam (Fla.). Both are members of the Republican Study Committee, a large conservative group that has repeatedly challenged GOP leaders to rein in spending. Both have managed to stay above the fray through hard work. Many GOP sources say Cantor could rise in the GOP ranks, considering that he amassed roughly 170 votes in what was then only a hypothetical race for whip earlier this year.

"Eric's worked hard with the battleground program raising money... ," one GOP lawmaker said, "and conservatives and others who are unhappy with the direction of the conference always felt that he would support us if he were in a position to actually make decisions."

Ky. Republican In Toss-up House Race (AP-Y)

By Dylan T. Lovan

AP, November 1, 2006

Democrats have been targeting Republican Rep. Anne Northup for a decade to no avail, but that hasn't stopped them from betting once again that her political luck is about to run out.

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Northup, a five-term incumbent, has a lot of advantages, including a prized seat on the House Appropriations Committee. She has raised twice as much money as her Democratic opponent.

But her ties to President Bush, mounting casualties in Iraq and her district's penchant for leaning Democrat has made the race against Louisville businessman John Yarmuth a virtual toss-up.

Bush is not popular here; the district went for Democratic presidential candidates John Kerry in 2004 and Al Gore in 2000. Four years ago, Northup held on to her seat by beating a political newcomer by just a few thousand votes.

"John Yarmuth wants to make this a race on the popularity of the president, which in this district is not that high," Northup said. "He makes two claims, that it's about President Bush or that I'm a rubber stamp for the president, and it's neither one of those."

Yarmuth, a former Republican who switched parties in 1985, said despite the war and the GOP's troubles, he thinks voters will be thinking about their pocketbooks on Nov. 7.

"Economic security has become the critical factor in their decision-making. They're being squeezed by health care costs, by energy costs and stagnant wages," he said.

A recent Bluegrass Poll by The Courier-Journal of Louisville showed Northup was favored 48 percent to 42 percent for Yarmuth, but that falls within the poll's margin of error of plus or minus 4 percentage points.

Northup said a Yarmuth win would hurt the district, because of her prominent position on the Appropriations Committee and support of a billion-dollar project to build two new bridges on the Ohio River at Louisville.

"This project needs a champion every day," Northup said. She said the project could crumble if Yarmuth were to win the seat.

"If somebody blinks, just by benign neglect, it'll fall apart," she said.

Northup had a strong fundraising advantage as of mid-October, with nearly $900,000 left in her campaign coffers, compared to about $170,000 for Yarmuth.

Yarmuth's campaign is getting some late help from national Democrats.

The Democratic Congressional Campaign Committee began running a television ad critical of Northup on Monday night in the district. The 30-second spot is the first ad the DCCC has run in the district during the campaign, said DCCC spokeswoman Adrienne Elrod.

"This is a race that we definitely see as winnable," she said.

The Republican National Committee had no plans as of this week to run an ad on behalf of Northup, said Northup campaign spokesman Patrick Neely.

Northup has already survived four close races, repeatedly dashing Democratic hopes.

This year's close race has turned the campaign nasty, especially on the airwaves.

Northup's campaign has dug up opinion articles Yarmuth wrote when he was a columnist for a weekly alternative newspaper, the Louisville Eccentric Observer, that he founded. In television ads, she has accused Yarmuth of penning support for marijuana legalization, gay marriage and lowering the drinking age.

Yarmuth has said the columns were taken out of context by the Northup campaign, which created a Web site featuring snippets of Yarmuth's columns and TV appearances over the last 16 years. Yarmuth created his own rebuttal ad that pokes fun at Northup, saying he also "plays golf with Saddam Hussein" and "snatches toys from little children."

Northup's own ads have yet to mention that she is a Republican, and she has not invited President Bush to the district to campaign for her.

In a further distancing from Bush, she recently announced a shift in her views on the Iraq war, calling for the ouster of Secretary of Defense Donald H. Rumsfeld and saying the U.S. military policy needs a change of course.

Yarmuth called Northup's shift "obvious political posturing in the last moments of the campaign."

Northup's change didn't matter to retired truck driver Jim Vibert, who lives in Louisville's south end, a blue-collar area where Northup has won over many Democrats.

Vibert, a Republican, said he has soured on Bush but said he'll vote again for Northup. He said he believes her values are similar to his.

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"She's more in line with the thinking around here," Vibert said while sipping coffee during lunch hour at a White Castle restaurant. "I think it's going to be a tight race."

Another south-end voter, Steve Fein, said he is supporting Yarmuth. He said strong gains by the stock market are not improving the economic situation of many in the middle class. He said Yarmuth is a thoughtful candidate.

"He has a lot of good ideas," Fein said.

Northup has held onto the district by effectively appealing to Democratic voters, said Phil Laemmle, a retired University of Louisville political science professor.

"What we have here is a large number of Democratic voters who have consistently voted for Northup," he said.

Laemmle said Yarmuth would be leading Northup if the problems plaguing national Republicans better motivated Democratic voters in the district.

"I think the election has been nationalized in many areas (of the country), but I don't think that strategy is as effective in Kentucky," he said. "It doesn't divide people as much as it does in other districts. If that were the case, Yarmuth would be in a much stronger position."

8th District Battle In Washington A Surprising Tossup (USAT)

By John Ritter

USA Today, November 1, 2006

ORTING, Wash. — By all rights, Republican Rep. Dave Reichert shouldn't be having such a tough time winning a second term.

He's the popular former King County sheriff who brought the Green River serial killer to justice in 2001. He represents a district that has never elected a Democrat. His opponent has never held public office, while he's a 30-year public servant. As a freshman on Capitol Hill he landed a coveted post: chairman of a Homeland Security subcommittee.

Yet Reichert's race against Democrat Darcy Burner, a former Microsoft manager, is rated a tossup and considered a key race if Democrats are to regain control of the House. A poll Oct 24-26 by Constituent Dynamics, an independent research firm, had Burner leading 49% to 47%.

Heavy hitters from both parties — including President Bush, Vice President Cheney and Democratic Sens. John Kerry and Barack Obama — have stumped this fast-growing, affluent suburban region. Al Gore appeared last month with Burner and Democratic Sen. Maria Cantwell and lambasted Reichert on global warming.

The national parties have funneled in gobs of money: $1.5 million from the Republicans and nearly $900,000 from the Democrats has been spent so far. The candidates themselves have raised a combined $5.1 million.

Reichert's unexpected struggle against a political novice is due to growing opposition to the Iraq war and scandals in the Republican-controlled Congress, to the 8th District's changing demographics and to Burner's well-financed campaign, political analysts say.

Burner, 35, tries to paint Reichert, 56, as a Bush apologist. Reichert maintains that he votes independently and doesn't always toe the party line. Burner has not called for withdrawing the troops but says Congress should be more assertive over Iraq policy. Reichert says troops should stay put until Iraq's government and economy are stable.

“This is a referendum on national politics, the Bush administration and the Republican Congress,” says Todd Donovan, a political scientist at Western Washington University. “If she can find a picture of him getting on Air Force One with George Bush, that's in her ads.”

If Burner were running in any other year, Reichert says, “she wouldn't have this kind of showing. All she has is to paint me with the Bush brush. … But Congress is not running the war. We shouldn't be calling the shots. We have been and will continue to ask tough questions and provide oversight.”

Burner says voters she talks to have turned against the war. “They understand that Bush's strategy in Iraq has failed,” she says. “They look at (Reichert's) voting record and the times he's voted with his party and President Bush. They understand if they want to change course, they have to change him.”

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Shifts in the district, packed with bedroom communities of commuters to Seattle and Tacoma, haven't helped GOP candidates, says David Olson, a University of Washington political science professor. Recent Asian and Russian immigrants have dropped income levels a bit in the state's most prosperous district.

Bellevue, the district's largest city, "is not the rock-ribbed Republican city that it once was," Olson says. "There's a significant group of blue-collar workers. … That's not the usual image we think of" here.

Wealthy voters usually associated with GOP values are more tech-centered here and tend to be moderate on social issues. "Very much like Silicon Valley," Donovan says.

Women could be a key. "On everything from school prayer to abortion, women in these satellite suburbs are economic conservatives and social liberals," Olson says. "That makes a Darcy Burner an attractive candidate."

In Congress, Reichert reversed his opposition to more federal funding for research using embryonic stem cells after, he said, he investigated the issue. "This is no dyed-in-the-wool follower of the Bush line, up, down and sideways," Olson says. "Part of that is driven by the social liberalism of women in this district."

Here in Orting, in eastern Pierce County, change has been rapid. The city has tripled in size to 6,000 since the early 1990s, including a 12% growth rate in the last year alone. Most of the influx was families with children looking for affordable housing, a group that might have moderated a historically conservative rural town, says city administrator Mark Bethune.

Or maybe not. Stan Gunno, a general contractor among 25 or so who turned out last week for Reichert's appearance, says the congressman will support "finishing the job" in Iraq. Burner, says Gunno, "is running a campaign against George Bush instead of running against her opponent."

Another Reichert supporter, retiree Dixon Blackmer, 67, likes it that Reichert "supports the administration most of the time."

"You want to know if I support Bush and the war? Absolutely," he says. "You want to know do I think we need an exit strategy? Yeah, he has one: We're going to win."

A Democrat In Nebraska (NYT)

By Jeff Zeleny

The New York Times, November 1, 2006

This year, open seats have become dangerous territory for Republicans. Only months ago, Scott Kleeb, left, a 31-year-old cattle rancher who is running in Nebraska's Third Congressional District, where voters have not sent a Democrat to the House since 1958, could barely get an audience with Democratic leaders.

This week, after a poll showed Mr. Kleeb with a slight edge, the party sent $100,000 his way. The Republican, Adrian Smith, a 36-year-old real estate agent, had hoped to slip into the seat being vacated by Representative Tom Osborne.

As he campaigns, Mr. Kleeb quips: "I'm a Democrat, and I'm a bull rider. Now which of those two things do you all think is more difficult to be in Nebraska?"

Rep. Wilson Getting Help From Debate, 5-foot Duck (HILL)

By Josephine Hearn

The Hill, November 1, 2006

ALBUQUERQUE, N.M. — It is a sign of the times for Republicans that the political survival of Rep. Heather Wilson (R-N.M.), a five-term incumbent and straight-laced U.S. Naval Academy graduate, may now depend on a woman in a duck suit.

Wilson trotted out this campaign prop last week to bring attention to her Democratic rival Patricia Madrid's "ducking" of debates. The unabashed tactic was a page from a challenger's playbook — an easy ploy to draw media attention to a flagging campaign — and it underscored Wilson's position as the underdog in the polls.

"You don't need to know the latest insider tracking polls to know that … Heather Wilson is having trouble closing out her race with rival Patricia Madrid. You just have to know about the duck," quipped New Mexican blogger Joe Monahan.

By Saturday, however, the duck was earning its keep in media stardom. A Madrid supporter had allegedly stomped on its webbed foot in a tussle outside a Democratic rally, prompting a call to police.

"The gentleman stepped on my foot purposely," sobbed the wounded waterfowl, Kathleen Hennessey, a campaign volunteer on leave from Rep. Mario Diaz-Balart's (R-Fla.) office. The Wilson campaign speedily distributed the video to news

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organizations, drawing attention away from the rally with House Minority Leader Nancy Pelosi (D-Calif.) and Los Angeles Mayor Antonio Villaraigosa (D).

The duck appeared on crutches with mock bandages a day later.

The avian performance, coupled with ads highlighting Madrid's gaffe in the candidates' one televised debate, are the incumbent's last-ditch maneuvers to stave off an impending Democratic wave.

The last six independent polls in the race have shown Wilson tied with and then trailing Madrid, the state attorney general, marking the first time the perennially vulnerable incumbent has been behind her challenger.

Democrats have sought to nationalize the race by charging that Wilson is a "rubber stamp" for President Bush and congressional Republicans. As approval ratings for national Republicans have slumped so too have Wilson's poll numbers.

"I'd vote for whatever Democrat, any Democrat to take over this Congress," said Robert Lovelace, 56, the night manager at an Albuquerque Econolodge, who describes himself as "a moderate Republican or moderate Democrat." He said he knew little about the race but planned to vote. "The Republicans are in control of everything. They just have too much power. You learn who tells the truth and who hands you a crock of bull."

But political observers expect Wilson to rally in the final week of the race.

"I expect it to further tighten," said Brian Sanderoff, an independent pollster in Albuquerque whose three surveys in the race have shown Wilson leading 45-42 percent, then tied at 44 percent, then trailing 42-45 percent. "Nationally it's not going well for the Republicans, but I haven't seen the Madrid forces counter the buzz about the debate. The Wilson campaign has skillfully developed an ad based on Madrid's debate faux pas that to me looks quite devastating."

During last week's high-ratings televised debate, Wilson asked Madrid to "cite something … that will give the people of New Mexico some kind of reassurance that you will prevent a tax increase."

Madrid was flummoxed, fumbling for 12 seconds before launching into a response about the proportion of the tax cuts that went to the upper class.

"It's been a long time since I've heard that much dead air time on Channel 4!" quipped Wilson afterward.

The Wilson campaign repackaged the exchange into an ad that began airing Sunday with the tagline "Patricia Madrid … Don't take the risk."

That approach could resonate with voters like Richard Anglada, 48, an Albuquerque real estate broker.

"Whether I'm low-income or high-income, I hate taxes. I don't like all the taxes the Democrats would propose," said Anglada, a Democrat. "I am leaning towards Madrid, but I just hate that tax issue. I would probably make up my mind on taxes."

In the past, it has been Democrats and Hispanics that have propelled Wilson to victory in a district where Democrats outnumber Republicans.

In Sanderoff's first poll in the race, in which Wilson was leading, she had 35 percent of the Hispanic vote and 17 percent of Democrats. In his third poll, Hispanic support had dropped to 20 percent and Democratic backing to 10 percent.

"Simple math in this district tells you the Republican wins by luring Democrats and Hispanics," Sanderoff said.

Wilson was clearly aware of those calculations. She held a "Democrats, Hispanics Pledge Support for Heather Wilson" event Sunday with New Mexican musician Al Hurricane.

Tuesday, a prominent Democrat was predicting an exceedingly tight race.

Democratic Governor Bill Richardson told the Albuquerque Tribune that Madrid would prevail by one half of one percentage point.

Drug Benefit Is Popular, But Not Touted Much By GOP (HILL)

By Jeffrey Young

The Hill, November 1, 2006

Republican lawmakers looking to change the subject from unfavorable issues such as the war in Iraq have by and large avoided claiming credit for what the White House views as one of the GOP majority's signature domestic-policy accomplishments: the Medicare prescription-drug benefit.

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President Bush and congressional leaders such as House Majority Leader John Boehner (Ohio) and Senate Majority Leader Bill Frist (Tenn.) have urged GOP incumbents to shift the electoral debate toward matters that they say demonstrate the effectiveness of Republican-controlled government.

But few candidates have actively highlighted their support for Part D, which has been under constant Democratic fire. House Minority Leader Nancy Pelosi (Calif.) has vowed to begin the process of altering the program within the first 100 hours of the next Congress if her party takes control of the House.

Democrats have maintained their drumbeat of criticism of Part D — frequently referring to it as a "disaster" — even as the program appears to have stabilized from significant logistical problems during its rollout in January.

The program has proved popular with those beneficiaries who have joined the Part D program, according to numerous opinion polls.

J.D. Power and Associates released survey findings in September showing 75 percent of Part D enrollees were satisfied with their benefits. This week, the AARP, which endorsed the bill to create the program, issued survey results showing that 48 percent of voters age 42 and older think the program is good for senior citizens, compared with 26 percent who think it's bad.

Bush, Boehner and other Republican message-makers have responded sharply to Democratic criticisms, pointing to such polls and the millions of people newly receiving drug coverage under the program.

But except for the administration, the GOP has been mostly reactive to Democratic assaults rather than aggressive.

Republican campaign sources identified some exceptions on the campaign trail, such as GOP Reps. Nancy Johnson (Conn.) and Clay Shaw (Fla.), and GOP Sens. Jim Talent (Mo.) and Jon Kyl (Ariz.). Each lawmaker is locked in competitive reelection battles against opponents who have targeted them for their roles in drafting the Medicare drug bill.

Nationally, however, the Republican election effort has shied away from Medicare Part D. Neither the National Republican Congressional Committee (NRCC), the National Republican Senatorial Committee nor the Republican National Committee has run any advertisements highlighting the program this year, spokespeople for the organizations said.

While the national campaign operations have chosen not to highlight Part D, big business has. Between July and September, the U.S. Chamber of Commerce paid for television spots targeting eight Senate races and 26 House races. The advertisements praised lawmakers by name, including some Democrats, for their votes in favor of the bill that created Part D.

In 2003, Bush and the congressional Republican leadership cajoled an often recalcitrant rank-and-file to support the legislation to create the drug program with promises that tackling the potent Medicare issue would win them strengthened support among the politically motivated older voting bloc.

The president reiterated this argument last month. "My own view is our candidates and the people who voted for this ought to be out there traveling to senior centers all over their districts and their state, saying, 'Look what we did,'" Bush remarked on Oct. 20, the AP reported.

One of the central figures in the creation of the program agrees. "They're crazy not to take credit for it," said former Medicare chief Tom Scully, who added, "It's a huge positive in my opinion." Scully left the administration three years ago and now works as a lobbyist at Alston and Bird and is a partner at the New York-based investment firm Welsh, Carson, Anderson and Stowe.

One Republican campaign operative denied that GOP candidates would not benefit from Part D this year. "Just because it's not a central theme in every race … doesn't mean it's not a political winner," said NRCC spokesman Ed Patru.

Scully suggested that Republican candidates simply are not comfortable taking credit for an expansion of an already large entitlement program. "Republicans traditionally are fearful of talking about Medicare," he said.

Moreover, Scully said, the low-income people who stand to benefit the most from the program do not usually support Republican candidates.

The program may be popular with Medicare beneficiaries, but it is not with segments of the GOP. Fiscal conservatives in particular were displeased that Republicans enacted the largest entitlement-program expansion since Medicare itself was created during the Johnson administration.

The measure passed the House over the objections of 25 Republicans who voted against it and with the support of at least a handful who gritted their teeth when voting for it.

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The electoral atmosphere also simply is not conducive to Republicans touting their accomplishments, said GOP pollster Bill McInturff of Public Opinion Strategies.

Furthermore, Part D does not appear poised to play a significant role in voters' decision-making this year, McInturff said. The public's reaction to the drug benefit has been "muted" and the issue has made only a "very modest" impression on voters younger than 65 years old, he said.

Democrats Discover New Political Frontier (NYT)

By Carl Hulse

The New York Times, November 1, 2006

LAKEWOOD, Colo., Oct. 31 — Campaigning in suburban Wheat Ridge in the rapidly fading October twilight, Ed Perlmutter, the Democratic Congressional candidate, knocked on the door of Maxine Dunham, a registered independent.

"Already voted," Mrs. Dunham quickly reassured Mr. Perlmutter, peering out to tell him he had locked up her support. "You can relax."

Mr. Perlmutter is probably unlikely to relax in the final days of his closely watched race with Rick O'Donnell, his Republican opponent, as the two kick their sophisticated get-out-the-vote machines into high gear. But Mr. Perlmutter and fellow Democrats in Colorado and neighboring states believe that unaffiliated voters like Mrs. Dunham are the key to what could be a turnaround in the party's political fortunes in the region.

Despite a Republican edge in registration, Democrats are discovering the Mountain West — and Colorado in particular — to be a new political frontier as the party benefits from a potent mix of changing demographics, anger over the war in Iraq, resentment toward conservative social initiatives and millions of dollars' worth of advocacy advertising.

Republicans acknowledge that the political terrain is shifting along the Continental Divide but argue that any realignment will be temporary and due to the Iraq war more than any other factor.

"We still have more registered Republicans by a pretty significant margin," said Representative Tom Tancredo, an advocate of tough immigration laws who is running for re-election in a nearby district, "but it certainly appears an increasing number of independents or unaffiliated voters are now breaking more for the Democrats than the Republicans."

If that trend holds, Democrats could be in for a big day next Tuesday. The Democratic candidate for governor, Bill Ritter, is leading in his race against Bob Beauprez, a Republican congressman. If Democrats can retain control of the State House and Senate, which they gained in the 2004 elections, they would have total control of the state government for the first time since the early 1960s.

"It really is incredible," said Tom Schaller, a political scientist at the University of Maryland who explores the potential for Democratic gains in the West in a new book, "Whistling Past Dixie." "They had nothing three years ago."

Mr. Perlmutter has consistently led in polls in the Seventh District race in the Denver suburbs. Should he win, it would give Democrats at least a four-to-three advantage in the state's Congressional delegation. The fact that two other House races are even remotely competitive illustrates the changed political dynamic after years of Republican dominance.

In neighboring states, Democrats are seen as having a good chance of capturing a Senate seat in Montana, are battling in what should be safe Republican House seats in Idaho and Wyoming, and have their eyes on Republican seats in Arizona and New Mexico.

The increasingly blue tinge of the formerly red region — some say it gives new meaning to the phrase "purple mountains" — has the national party seriously considering holding its 2008 presidential convention here at the foot of the Rockies.

Republicans are hardly surrendering. Mr. O'Donnell is pushing ahead and on Monday trumpeted an endorsement from Senator John McCain, Republican of Arizona, hoping the McCain name would resonate with independents.

Using a high-tech voter identification model, Mr. O'Donnell spent more than $30,000 to mail a letter of support from Mr. McCain along with his own 38-page platform to 20,000 independents and Democrats deemed receptive to the message.

"It was sent very strategically," said Mr. O'Donnell, who believes he can pull off a victory, although he acknowledges a tough environment for Republicans. "I picked a heck of a year to run for Congress," he said Tuesday as he led volunteers on a local cleanup campaign intended to send the message that he would also help clean up Congress.

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Mr. Perlmutter has also focused on independents, trying to sway them by presenting his case that Republican control of Washington has been a failure. "I just think that over the last few days the unaffiliated voters have really been watching what is going on closely, and they are leaning to the Democratic side," Mr. Perlmutter said.

Mr. O'Donnell said he believed that Democratic electoral expectations in the West were overblown and that even if Democrats did have some success, Republicans would quickly recover.

Analysts and activists say the Democratic rise has been building quietly but steadily. Robert Duffy, a political science professor at Colorado State University, said he thought Republicans began losing the public's confidence after 2002, when the General Assembly was not seen to be responding strongly to an economic downturn but was instead caught up in political fights over redistricting and other peripheral issues.

"The state legislature and the governor seemed to be incapable of doing anything about it," Dr. Duffy said of the economic situation.

He and others said that many in the West, where Republicans exhibit a pronounced libertarian streak, had also grown weary of the social agenda that stirs Republicans in the South.

"They want someone to provide solutions to problems, and they are tired of the government getting too much in their business out there," said Nancy Keenan, a former state legislator in Montana who is now president of Naral Pro-Choice America, an abortion rights group that has been actively engaged in Western Congressional races.

In one respect, the region's conservative leaders have fallen victim to their own success. Exerting strong control over the party in many communities, conservatives have been able to deliver victories for their candidates in party primaries over more moderate Republicans.

But the conservatives then struggle in the general election, sometimes because of hard feelings over the primaries, and Democrats have been able to sneak in. Party infighting over an open Republican House seat in the district around Colorado Springs is considered a factor in giving Democrats a chance at that seat.

Members of both parties say there is another important but less well-known explanation for Democratic success in Colorado: an assertive advocacy campaign by wealthy progressives in the state who have poured millions of dollars into pro-Democratic advertising through independent 527 organizations, groups so named after the provision in the tax code that allows political spending as long as it is not formally coordinated with parties or candidates.

The 527 groups were considered instrumental in the 2004 elections, when Democrats achieved a surprising takeover of the legislature and, at the federal level, won a Senate and a House seat. They have been active again this year, particularly in an effort to unseat Representative Marilyn Musgrave, who has supported a proposed constitutional amendment to ban same-sex marriage.

Democrats say the 2004 gains laid the groundwork for an expansion this year because the Democratic legislature was able to work with the departing Republican governor and address pressing problems in education, health care and immigration, demonstrating to skeptics that Democrats could govern.

Both Mr. Perlmutter and Mr. O'Donnell, competing for the open seat now held by Mr. Beauprez, have said throughout the campaign that they will bring a similar sensibility to Washington, promising to inject new thinking into a Congress that has been plagued by partisanship and stalemate.

Now it is up to the voters in this evenly divided district, where the romance of the Rockies meets the pressures of 21st-century suburbia, to make a choice.

"I think people are ready," Mr. Perlmutter said. "They have seen enough ads."

How The GOP Lost The North (WP)

By Harold Meyerson

The Washington Post, November 1, 2006

Most of the House seats that the Democrats are expected to take from Republicans are in the Northeast and industrial Midwest, heartland of the old Republican Party of Lincoln, McKinley and Eisenhower. Many of the Republicans holding these seats are a distinct minority in a party now dominated by Southerners who are more supportive of executive branch

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authoritarianism and yet also more government-phobic. And the Republican moderates, judging by their own comments, are boiling mad that the Democrats are going after them.

"There is no one who has voted more often with the Democrats than Linc Chafee," Susan Collins, the Republican senator from Maine, told the New York Times of her Rhode Island colleague, who is trailing Democrat Sheldon Whitehouse in the polls. "Yet that didn't stop them from going after him with everything they had."

And we all remember how moderate Republicans stopped the conservatives who control their party from going after moderate Democrats in previous elections, right? How they pleaded with Tom DeLay not to push through his mid-decade reapportionment of Texas, which led to the ousting of such veteran conservative Democrats as Rep. Charles Stenholm? How they deplored the campaign that Republican Saxby Chambliss waged against Georgia Democratic Sen. Max Cleland, who'd lost both legs and an arm in Vietnam, for being soft on national security?

Indeed, it was precisely the Republicans' success at defeating the centrist and center-right Democrats in the South over the past two decades that has driven the GOP steadily rightward. And for all their protestations of moderation, the northern Republicans -- from Susan Collins to Lincoln Chafee to Rep. Chris Shays -- abetted that transformation. While some of them may have favored raising the minimum wage, all the Republican moderates in the House voted for rules that prohibited the Democrats from bringing a minimum-wage hike to the floor unless, as their Republican leaders dictated, it was linked to other provisions (such as a permanent repeal of the estate tax) that would doom it in the Senate. While they may have harbored doubts about the wisdom of the president's course in Iraq, their party conducted no oversight hearings.

Since George W. Bush's election, the rightward gallop of the Republicans has only accelerated. Karl Rove became convinced that independent voters were a myth, prompting Bush to govern as if only his most conservative supporters really mattered. Denny Hastert let no bill come to a vote in the House unless a majority of the Republican caucus backed it -- essentially giving veto power to the House right-wingers. Gerrymandering has made many Republican members more fearful of a primary challenge from the right than of a Democratic challenge in the general election.

But what next week's election seems likely to illustrate is that the laws of thermodynamics -- in particular, the one that states that for every reaction there is an equal and opposite reaction -- have not been repealed. Upstate New York, the Philadelphia suburbs, Connecticut's tweedy enclaves and the Microsoft precincts surrounding Seattle seem poised to show that they've had it with the party that restricts funding for stem cell research. In Arizona and Colorado, secular libertarians have grown estranged from the party that invested the power of the federal government in the cause of keeping Terri Schiavo in a vegetative state. In Ohio, voters look to be revolted not just by the corruption of their state and national Republican parties but also by the party's indifference to the collapse of the state's industrial economy.

Historically, the major parties in America have yoked together the most disparate groups for long periods. The New Deal Democrats were a party of Northern liberals and Southern segregationists. But once Lyndon Johnson committed the Democrats to civil rights for African Americans, the white South up and left -- a process that took 40 years to complete but that left the Democrats struggling to assemble congressional and presidential majorities and that converted the Republicans into a party where Southern values were dominant. Now the non-Southern bastions of Republicanism may themselves up and leave the GOP, seeing it as no longer theirs.

Susan Collins may protest that she has a quarrel with the Democrats, but it's her own party that provoked this transformation. And in a larger sense, her quarrel is really with history.

What If It's A Tie? (NYT)

By Kate Zernike

The New York Times, November 1, 2006

With polls nail-bitingly close, one possible result is that the Senate will divide 50-50 between the two parties. For a hint of how that may work, consider the only time that has happened, for six months in 2001 (before James M. Jeffords, then a Vermont Republican, became an independent to caucus with the Democrats), when the two parties worked out a collegial power-sharing agreement. Republicans maintained control of the Senate because Vice President Dick Cheney had the power to break tie votes.

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But while the Democrats lost a bid to have co-chairmanships of committees, they won an equal number of committee seats and an equal share of the money to run them. Senator Tom Daschle, the Democratic leader, called it “miraculous”; Senator Trent Lott, the Republican leader, called it “a framework for bipartisanship.” But that was fresh off the 2000 elections, when everyone was pledging bipartisanship.

Could it happen again? Democrats admit they have considered the possibility, “What was done in 2001 should serve as a useful framework,” said Jim Manley, a spokesman for the Democratic leader, Senator Harry Reid. Not so fast, the Republicans say. They do not want to be seen even considering the idea of losing control, so much so that a senior Republican aide would speak only anonymously. “If the Senate were ever to return to that ratio,” the aide said, “the previous agreement is not precedent.”

GOP Grip On Senate Hinges On Tight Races (WT)

By Ralph Z. Hallow

The Washington Times, November 1, 2006

Republicans say the latest evidence gives them reason to think they will maintain control of the Senate, although Vice President Dick Cheney may not feel free to leave Washington often during the next two years.

"There is this for the Republicans -- at least the bleeding seems to have stopped on the Senate side, and in a few House races," said pollster John Zogby. "Republicans can still turn this around."

Race-by-race surveys of Senate contests by pollster Scott Rasmussen show that Republican-leaning voters may be "coming home" in closely watched states like Tennessee and Missouri, while the GOP is poised for a potential upset in Maryland.

To prevent Democrats from taking over the Senate, Republicans must hold their net losses to five -- which would leave the Senate split 50-50, with Mr. Cheney available to cast a tiebreaking vote -- and election analysts say four of the GOP's incumbent senators likely will fall on Nov. 7:

•Mike DeWine in Ohio is now trailing Democratic Rep. Sherrod Brown by such a wide margin -- 20 percentage points in one poll -- that even some Republicans now privately describe Mr. DeWine as "road kill."

•Lincoln Chafee of Rhode Island is one of the most liberal Republicans in the Senate, and polls indicate a large and growing lead for his Democratic rival, former state Attorney General Sheldon Whitehouse.

•Rick Santorum in Pennsylvania -- a reliable foe of abortion and same-sex "marriage" and a strong supporter of President Bush -- trails pro-life Democrat Bob Casey by 16 percentage points in the latest poll.

•Conrad Burns in Montana is trailing Democratic state Sen. Jon Tester, and has been hammered by Democratic ads highlighting the Republican's involvement in the Jack Abramoff lobbying scandal.

Meanwhile, Republicans have been buoyed by a strong stretch run by Republican Lt. Gov. Michael S. Steele in Maryland, where the former state Republican Party chairman seeks the seat being vacated by Democratic Sen. Paul S. Sarbanes.

Mr. Steele still trails Democratic Rep. Benjamin L. Cardin in most polls, but turned in a solid debate performance Sunday on NBC's "Meet the Press" and this week won the endorsement of important black Democrats in Maryland. "If he gets over 20 percent of black vote statewide, it does have a significant impact for the politics of both parties," Mr. Zogby said.

Republicans have also hoped to pick up a Democratic seat in New Jersey. However, six different major polls since Oct. 10 show Republican Tom Kean Jr. trailing Sen. Robert Menendez by as many as 6 percentage points in a state where institutional advantages favor the Democratic incumbent. "If we had a functional party in New Jersey, we might win that one," said one veteran Republican observer.

Republicans say they feel increasingly confident about holding onto the Tennessee seat being vacated by retiring Senate Majority Leader Bill Frist. The most recent CNN poll showed Chattanooga Mayor Bob Corker with a 52 percent to 44 percent lead over Democratic Rep. Harold E. Ford Jr., although Rasmussen showed a much narrower 49 percent to 47 percent lead for Mr. Corker.

Perhaps the most encouraging recent development for Senate Republicans has been the comeback by Missouri Sen. Jim Talent, who some polls had shown trailing by as much as 9 percentage points to Democratic challenger Claire McCaskill just three weeks ago.

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The most recent polls indicate the Missouri contest is a dead heat, with CNN showing both candidates at 49 percent, and Rasmussen giving Mrs. McCaskill a 48 percent to 47 percent lead.

However, Republicans have become concerned as recent polls show Sen. George Allen losing ground in Virginia. A Rasmussen poll released yesterday showed Mr. Allen with 46 percent to 51 percent for Democrat James H. Webb Jr., a former Republican who served about a year as Navy secretary in the Reagan administration.

Republicans says that their well-honed voter-turnout operation can make the difference in close races, but election analyst Charlie Cook remains skeptical about Election Day prospects for the GOP.

"In the House, Republicans are most likely to see a net loss of 20 to 35 seats, and with it their majority," Mr. Cook wrote in the latest issue of National Journal. "In the Senate, the GOP could lose at least four, but a five- or six-seat loss is more likely."

Poll: GOP Corker Leads In Tenn. Senate Race (USAT)

USA Today, November 1, 2006

Tennessee Republican Senate nominee Bob Corker led Democrat Harold Ford by 8 percentage points in a race that could determine who controls the Senate, according to a poll released Tuesday. The survey of 541 likely voters conducted by Opinion Research for CNN showed former Chattanooga mayor Corker favored by 52%, compared with 44% for U.S. Rep. Ford. The error margin is +/-4 percentage points. Previous polls had them neck-and-neck for Sen. Bill Frist's seat.

“This is all about getting out the vote,” Corker told supporters in Knoxville. “Let's energize our base.” In the same poll, taken Thursday through Sunday, Corker led 47%-45% among 897 registered voters, with a +/-3-point margin of error. “This race is a dead heat and it's been a dead heat for a month,” Ford adviser Michael Powell said.

Bush to campaign for Talent in Missouri

President Bush will travel to Missouri on Friday to campaign for Sen. Jim Talent, the first time the two will appear together at a public campaign event in the state this year, the White House said. Details were not released. “The president wants to do everything he can to help him win re-election,” White House spokesman Alex Conant said. Talent has seldom mentioned the president in stump speeches or in his TV spots. Recent polls continue to show Talent and Democratic State Auditor Claire McCaskill running about even.

NFL player wants off mom's election team

New Orleans Saints' quarterback Drew Brees has asked his mother, Texas 3rd Court of Appeals candidate Mina Brees, to stop using his picture in her campaign TV ads. The athlete is shown in the uniform of his former team, the San Diego Chargers. In the ads, which had aired on Austin stations, she says, “I'm a football fan, and I have to be. … Drew Brees is my son. But there's one difference between him and me: I want to sit on the bench.” Drew Brees has referred to his relationship with his mother, a Democratic attorney from Austin, as “non-existent.” The NFL player said “my mother is using me in a campaign, and I've made it known many times I don't want to be involved.”

Keystone Poll Bodes Ill For GOP (PTR)

By David M. Brown And Brad Bumsted

Pittsburgh Tribune-Review, November 1, 2006

Democrat Bob Casey has opened up a 15-point lead over Republican U.S. Sen. Rick Santorum -- more than double the lead the challenger held in September -- according to a Pittsburgh Tribune-Review/WTAE-TV Keystone poll released today.

Casey leads Santorum 53 percent to 38 percent, with 9 percent undecided, according to the telephone poll of 626 registered voters conducted over five days ending Sunday. The poll has a margin of error of plus or minus 3.9 percentage points.

A Keystone poll conducted in late September showed Casey, the state treasurer from Scranton, with a 7-point lead over Santorum, of Penn Hills, the third-ranking Republican in the Senate.

"(Santorum) is falling further behind as voters seem to be rejecting his shift in course toward focus almost exclusively on the war on terror," said Keystone Poll director G. Terry Madonna, a political science professor at Franklin & Marshall College, Lancaster County.

"It's a campaign theme that's not working well," Madonna said.

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Casey's lead, combined with Democratic Gov. Ed Rendell's 25-point advantage over Republican challenger Lynn Swann, could portend disaster for Republicans on Tuesday, when voters head to the polls. Rendell, of Philadelphia, leads Swann, the former Steelers star from Sewickley Heights, by 58 percent to 33 percent, the poll shows.

Political analysts are pondering whether the margins favoring Rendell and Casey will benefit fellow Democrats in congressional and legislative races.

"It's clearly not a positive sign for Republicans in real competitive races lower on the ticket to have their headliners trailing this late in the campaign, but it's not necessarily a death knell," said Christopher Borick, political science professor at Muhlenberg College in Allentown. "Pennsylvanians have a clear record of splitting tickets."

Votes for Casey or Rendell won't automatically translate into votes for other Democrats if a Republican candidate is perceived as having done a good job, said Al Neri, editor of The Insider, a statewide political newsletter.

"It's a very informed electorate," he said.

Santorum trails Casey in nearly all regions, including by 3 points in Central Pennsylvania, where Republicans traditionally enjoy their strongest support.

Santorum leads only in Northwestern Pennsylvania, 50-41 percent, the poll shows. Casey leads by 27 points in Allegheny County and 16 points in the southwest, where U.S. Rep. Melissa Hart, R-Bradford Woods, is seeking to beat back a strong challenge from Democrat Jason Altmire in the 4th Congressional District.

Casey also leads by 33 points in Philadelphia and 27 points in the Philly suburbs, where three Republican Congressmen are fighting for their political survival.

Santorum, who is seeking a third term, has been hurt by his close ties to the Bush White House, analysts say. The president's approval ratings have dropped to an all-time low in Pennsylvania. Only 32 percent hold a favorable opinion of Bush, and only 31 percent say he is doing an excellent or good job.

Poll participant Charles K. Hillman, 68, of Monongahela, Washington County, said he will vote for Casey because he doesn't like the direction the country is going under Republican control. Hillman is upset that American soldiers are dying in Iraq in what seems to be "a civil war."

"I do not trust Santorum, and I don't like Bush at all," he said. "I'm voting for a change."

Walter J. Nichols, 42, of Commodore, Indiana County, said he will vote for Santorum because he is consistent in his views. Nichols likes Santorum's opposition to gun control and abortion.

"Santorum has a platform he sticks with. He believes in what he says, and he stands for something," Nichols said. "Bob Casey seems to be the typical politician. Whatever you want to hear, he's going to say."

Santorum spokeswoman Virginia Davis dismissed the poll's significance.

"No matter how you shake it, there's a range of numbers" in various polls, she said.

At least 55 polls have been conducted since January, all of them showing Casey with a lead of at least 5 points and as high as 23 points, according to RealClearPolitics.com.

Davis, however, said Santorum will rely on superior Republican get-out-the-vote efforts.

"The investment we've made in our grassroots doesn't have a return until election day," Davis said.

Casey spokesman Larry Smar said the latest Keystone poll reflects that "Santorum's often desperate attacks are backfiring, and people clearly want a change."

"They see Bob Casey talking about issues that concern them," such as health care and jobs, Smar said.

One in three of those polled who indicated they will vote for Casey said their primary motivation was to oust Santorum. Another third said the war in Iraq is the most important issue in determining their Senate vote. Twelve percent identified the war against terrorism as the most important issue.

Rendell spokesman Dan Fee said the numbers are consistent with other recent independent polls. The lead won't change the governor's strategy, Fee said.

"We are going to get out as many of our voters (to the polls) as we can," he said.

Swann spokesman Leonardo Alcivar disputed the poll's results.

"It's simply not a 25-point race," he said. "If it were, Rendell wouldn't continue to pour millions of dollars into negative ads."

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Heckler Subdued At George Allen Event (AP-Y)

By Bob Lewis

AP, November 1, 2006

A heckler who confronted Sen. George Allen at a campaign appearance Tuesday was put in a chokehold and slammed to the floor by three of the Republican's supporters in an incident captured on video.

Mike Stark, a liberal blogger and first-year University of Virginia law student, approached Allen at an event in Charlottesville, loudly asking, "Why did you spit at your first wife, George?" according to witnesses.

Three men, all wearing blue Allen lapel stickers, immediately grabbed Stark, dragged him backward and slung him to the carpet outside a hotel meeting room, according to video captured by WVIR-TV in Charlottesville.

Stark said later in a telephone interview with The Associated Press: "I am a constituent. I am allowed to ask my U.S. senator questions."

A new statewide poll conducted for CNN showed Allen's Democratic challenger, former Navy Secretary Jim Webb, with a slight lead in a bitterly contested race that could help determine whether the GOP retains control of the Senate.

In a Monday posting on "Calling All Wingnuts," the blog Stark publishes, he hinted that he would attempt to provoke Allen before the TV cameras.

"Im also trying to `Roger and Me' George Allen whenever I can," Stark wrote, referring to director Michael Moore's 1989 documentary in which he repeatedly tried to confront former General Motors' chief executive Roger Smith about the company's downsizing.

In August, Stark similarly approached Allen after a speech at a hotel near Staunton, loudly asking if he had ever used a common six-letter epithet against blacks.

That was two weeks after Allen, at a rally, referred to a Webb volunteer of Indian descent as "Macaca," which is considered by some to be a racial slur.

Democratic Activist Claims Abuse By Allen's Staffers (WP)

By Michael D. Shear And Tim Craig

The Washington Post, November 1, 2006

A Democratic activist who verbally confronted U.S. Sen. George Allen at a campaign rally in Charlottesville yesterday was shoved, put into a headlock and thrown against a window by three men wearing Allen stickers, according to a widely disseminated video of the incident.

W. Michael Stark, who identified himself in an e-mail after the incident as a University of Virginia law student, yelled a question at Allen (R) about whether he had ever spit on his first wife, an unsubstantiated charge that has been circulating on liberal blogs on the Internet. Allen supporters hauled him away from the senator as television cameras rolled.

"I demand that Senator Allen fire the staffers who beat up a constituent attempting to use his constitutional right to petition his government," Stark wrote in an e-mail.

Charlottesville Police Lt. Gary Pleasants said Stark reported the incident yesterday and indicated that he wanted to press assault charges against the men. Pleasants said police are investigating and trying to determine the names of the Allen staffers involved.

"We will find out who the people are, give him the information and he can go to the magistrate and try to obtain a warrant for them," Pleasants said.

On the video, Stark was heckling Allen about rumors that embarrassing material is contained in records from the senator's divorce. Those records have been sealed by a judge and are not accessible. Allen's current wife, Susan, is his second and the mother of his children.

Allen aides accused Democrats and the Webb campaign of orchestrating the event as a way of getting news organizations to write about the Internet rumor. "These are the typical Jim Webb tactics," said spokesman Dan Allen, no relation to the senator. "It was disappointing to see, and this certainly has no place in Virginia politics."

Kristian Denny Todd, a Webb spokesman, said Stark has no affiliation with the Webb campaign. "I have no idea who this guy is or what he was trying to accomplish," she said. "I saw the video, and from what I saw, he was wrestled to the ground by a bunch of Allen supporters so that is not very nice behavior."

Dan Allen said Stark pushed him as Stark tried to approach the senator and Sen. Elizabeth Dole (R-N.C.), who was campaigning with Allen. "He did it in a very menacing way," Dan Allen said.

Stark countered: "I never raised my hands above my waist. I was manhandled."

The event was recorded by a local television station and was broadcast widely yesterday on CNN. Within hours, the video was also uploaded to YouTube, a video-sharing Web site.

In the video, Stark can be seen being shoved back by several Allen supporters. A man puts Stark in a headlock, and Stark wiggles out and struggles. The man then wrestles Stark to the ground, knocking his head against a window.

Student Tackled At Allen Campaign Event (CDP)

By Bob Gibson

Charlottesville Daily Progress, November 1, 2006

U.S. Sen. George Allen, R-Fairfax County, spoke at a Charlottesville rally of his supporters Tuesday and then watched as it ended with a law student being wrestled to the floor by Allen supporters.

Allen was walking with Sen. Elizabeth Dole, R-N.C., toward an Omni Charlottesville Hotel lobby after their upbeat campaign speeches when University of Virginia law student Mike Stark approached him and loudly asked if he had ever spat at his first wife.

Television cameras recorded the shoving and tackling that followed and quickly spread images from it around the world on CNN, other networks and Web sites as Stark, 38, was pushed to the lobby floor and escorted from the hotel by three men wearing Allen stickers.

Allen ignored the question and shrugged off the incident.

“That guy’s typical of the Webb campaign, and that’s just their negativity,” Allen said, referring to the campaign of Democratic challenger Jim Webb of Falls Church. Stark, a liberal blogger who confronted Allen two months ago at a Staunton hotel with questions about racial insensitivity, said he is not associated with any campaign.

One of the men who pushed Stark away from Allen, former Albemarle County GOP Chairman John Darden, said he was simply trying to protect Allen and Dole and stood between the law student and the senators not knowing what Stark’s intentions might be.

“It was crazy,” Darden said. “This guy kept coming toward George. I had my back to the guy, just blocking him out, and he pushed me.” Darden said he yelled at Stark, “You are getting personal,” and pushed back as Allen and aides walked away toward the back of the lobby.

Four hours later, Stark, a first-year law student and former Marine, went to Charlottesville police headquarters and tried to obtain an assault warrant. Police said they would assign an investigator to the case today, and no warrant was issued Tuesday.

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Allen's former wife, Anne Waddell, later issued a statement calling Stark's question "a baseless, cheap shot." She said that she and Allen divorced more than 22 years ago and sealed the divorce records because it was a personal matter.

Allen and Dole headlined the hour-long rally attended by about 150 supporters of the junior Virginia senator and former governor seeking a second six-year term. They said Allen should win Nov. 7 based on his record in office, including his strong support for continuing tax cuts, building job growth and protecting Virginians as governor by abolishing parole for convicted felons.

Both senators said they viewed passages from Webb's six novels as "degrading of women."

In remarks to reporters, Allen said, "Those excerpts are, I think, demeaning of women and he will have to explain those passages. … The judgment will be on the part of the people of Virginia."

Allen did not say he had read any of Webb's novels but "I've read those excerpts" depicting explicit sexual behavior and incest.

At the rally, two women who said Allen had affected their lives through his leadership offered testimonials.

Rhonda Winfield of Stuarts Draft, who lost her son 22 months ago in the war in Iraq, called Allen "a tremendous leader for this country" and explained how the senator had written her and shed tears with her over her son's death.

Winfield said she gave Allen his dog tags, which the senator placed on his dresser mirror and told her "that he would never, ever support our withdrawing in defeat" from Iraq. Winfield's son, Marine Lance Cpl. Jason Redifer, died at 19.

Teresa Sayers of Galax, who had been stabbed eight times by her former husband, credited Allen for abolishing parole so her assailant would spend 85 percent of his 36-year prison sentence behind bars instead of just 20 percent.

Allen also helped her by protecting her job through a crime-victim protection act during "a devastating time in my life," Sayers said.

Dole, who chairs the re-election committee of Senate Republicans, said an Allen victory "could be important in the United States Senate in terms of our maintaining our majority." Allowing Democrats to control the Senate would be giving control to a "Trojan horse" full of senators with a stealthy agenda of raising taxes.

Marriage Measure May Turn On Allen (WT)

By Christina Bellantoni

The Washington Times, November 1, 2006

A state constitutional marriage amendment designed to motivate conservative voters and help Virginia Sen. George Allen's re-election campaign appears to be backfiring, at least among black voters.

The Republican senator probably will benefit from evangelical Christians voting for the amendment. But, the amendment also will drive turnout among the state's black voters, many of whom are questioning whether Mr. Allen is racially insensitive and deserves a second term.

Virginia's black voters support the amendment, which defines marriage as the union of one man and one woman, by more than 60 percent, according to most polls. They also overwhelmingly favor Mr. Allen's Democratic challenger James H. Webb Jr.

The black vote is even more crucial this year than most, as Mr. Allen and Mr. Webb are nearly tied in statewide polls leading up to Tuesday's election.

"My people don't see it as a Democratic issue or a Republican issue. They see it as a societal issue," said the Rev. Milton R. Blount, pastor of the predominantly black New Mount Olivet Baptist Church in Portsmouth, Va.

Mr. Blount said his congregants are overwhelmingly in favor of defining marriage as the union of one man and one woman, but they also are traditionally Democratic voters.

Marriage amendments on state ballots in 2004 helped drive turnout among Republican voters and secured President Bush's re-election.

Virginia's majority Republican legislators kept that in mind over the past two years as they crafted the amendment and ensured its placement on the 2006 ballot.

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Most Republicans would only smile when asked whether the amendment's timing was a gift to Mr. Allen, a former Virginia delegate and governor. Privately, they acknowledged they wanted to help Mr. Allen, thinking a large re-election margin would help position him for a 2008 presidential run.

Now, after Mr. Allen has been accused of making racial slurs when he was younger and his highly publicized "macaca" moment, a high turnout of black voters for the amendment might cost Mr. Allen a few crucial percentage points in the neck-and-neck race.

Political observers also think the evangelical vote could be depressed next week because of the congressional page scandal in Washington.

Mr. Allen and most Republican voters favor the marriage amendment as necessary to protect against what they call "activist judges." Mr. Webb opposes the amendment, saying it is unnecessary and would restrict the rights of unmarried heterosexual couples.

The Rev. Charles H. Miller Jr., a pastor from the predominantly black First Church of Jesus Apostolic in Altavista in Southside Virginia, said black voters will side with the amendment because "that is what the word of God teaches."

He recently told his local newspaper that he supports the amendment not "referencing any political party but rather a statement respecting Christian principles."

"I just believe that marriage is man and woman. No gray areas in between," agreed the Rev. Samuel Griffith, a pastor at Union Street Missionary Baptist Church in Danville, Va.

Twenty percent of Virginia's population is black, according to the 2004 census. Mr. Allen won 20 percent of the black vote when elected governor in 1993, and 17 percent in his 2000 Senate election.

A recent poll conducted by The Washington Post showed that Mr. Webb is supported by blacks 81 percent to 11 percent. That same group supported the amendment 61 percent to 34 percent in the poll.

Opponents of the amendment are well-funded and organized, with a large grass-roots operation to turn out voters in Northern Virginia.

Opponents say the measure is unnecessary because same-sex couples already are forbidden from exchanging vows in Virginia. They also say the amendment's language would affect opposite-sex unmarried couples.

That argument has helped shrink support for the amendment, but it is still expected to pass.

The Rev. Benjamin W. Robertson, pastor of Cedar Street Baptist Church of God in Richmond, believes in traditional marriage but plans to vote against the amendment.

"I am the longest-serving pastor in Virginia, and no one has ever asked me to perform a same-sex marriage," he said, adding he fears the amendment would affect heterosexual couples.

Mr. Robertson would not say which candidate he favors. The pastor said many black voters don't like Mr. Allen because he has not voted to increase the minimum wage and he once voted against making Martin Luther King's birthday a state holiday.

He said Mr. Webb is still an unknown to voters.

Others agreed, citing Mr. Webb's past suggestion that affirmative action was unfair to poor whites. He has since tempered those comments.

"I'm not comfortable with either one," said Mr. Blount, who is undecided.

Mr. Webb, who also has the backing of the state's Legislative Black Caucus, was endorsed last week by Richmond Mayor L. Douglas Wilder, who became the nation's first elected black governor in 1990.

Mr. Allen has been endorsed by state Sen. Benjamin J. Lambert III, a black Richmond Democrat. Both Mr. Wilder and Mr. Lambert oppose the marriage amendment, as do members of the legislative black caucus.

Outcome May Rest On Black Turnout (WP)

By Chris L. Jenkins

The Washington Post, November 1, 2006

Erving Sabb, a black Alexandria barber, sat in his chair at the Hair Clinic and considered what he knew and didn't know about the two men running for the U.S. Senate in Virginia.

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"Well, not voting for the Republican, Allen. Never could support him," he said, referring to Sen. George Allen.

"But this Webb fella . . . he used to work for Reagan, didn't he? He was a Republican, too?" Sabb, 61, asked, shaking his head thinking about Allen's Democratic challenger, James Webb. "I vote for Democrats, but I'll only vote for a guy I know is a real Democrat. I want to know if he's really one of us."

Whether Webb, a former Republican and Navy secretary in the Reagan administration, will be able to energize loyal Democratic voters such as Sabb will be critical in determining who wins one of the tightest Senate races in the country.

African Americans, who make up about 20 percent of Virginia's electorate, vote reliably for Democrats and are key to their success in the Republican-dominated state. But Webb has struggled to gain their support because of questions about whether he used a racial epithet to describe blacks when he was younger and because of his stance on affirmative action, which he once called "state-sponsored racism."

Allen has had his own problems with black voters, dating to his days as a state delegate. Blacks have long been turned off by Allen's affinity for the Confederate flag and his 1984 vote against a state holiday commemorating the birthday of Martin Luther King Jr., among other things. Last month, a handful of Allen's former teammates accused him of repeatedly using a racial epithet for blacks when he played football at the University of Virginia, a charge Allen denied.

Allen has tried to mend fences with the state's black community, highlighting his support of black colleges and appearing at several important political events.

Nonetheless, a Washington Post poll conducted last month showed that blacks were overwhelmingly supporting Webb: 81 percent of African Americans said they would vote for the Democrat, compared with 11 percent who said they'd vote for Allen.

But the determining factor, political experts said, will be how many of those voters go to the polls on Election Day, given concerns about both candidates.

"If I was running this race for Webb, the path I would seek for victory is running really well in Northern Virginia and getting a big black turnout in the Tidewater area and the Richmond area," said David Bositis, an expert on black voting patterns at the Joint Center for Political and Economic Studies in Washington. "How many black voters are going to show up . . . that's going to be key."

Successful Virginia Democrats have been helped by high turnout among blacks. In 1989, when L. Douglas Wilder became the first black candidate to be elected governor in the nation's history, African Americans made up 17 percent of voters, according to an analysis by the Weldon Cooper Center for Public Service at the University of Virginia.

In 2001, when Mark R. Warner took the governor's mansion, blacks constituted 15 percent of voters. Both Wilder and Warner won more than 90 percent of their vote.

In between those elections, Republicans Allen and James S. Gilmore III won gubernatorial races in elections when black turnout was less than 14 percent, according to the center's analysis.

Webb probably needs a better turnout than his Democratic predecessors. Many black leaders were initially critical of the former Marine for his position on affirmative action, which has been endorsed by the Democratic party establishment for decades. Webb said he supports affirmative action for blacks but not for other minorities. Otherwise, he thinks preferential job and education programs should be awarded based on economic conditions or not at all.

Webb lost nearly all of the state's majority black communities to Harris N. Miller during the Democratic primary. And although the state's Legislative Black Caucus endorsed Webb in his race against Allen, they did so by a 9 to 8 vote, according to two people who were familiar with the decision.

Webb's effort to woo conservative GOP-leaning voters and independents back into the Democratic column has also clashed with the sensibilities of many black Democrats. His first television commercial, for instance, sought to connect the candidate with Reagan, an unpopular figure among blacks.

After appearing before an audience of black voters in Alexandria last week, Webb acknowledged that he started with an uphill battle reaching out to African Americans.

"The number one thing that I saw is that I worked for Reagan. . . . It was especially hard for the African American leadership," he said, adding that he still believed Reagan was a "very fine" president. "But I've explained my journey on that . . . and it's been a process of us getting to know one another."

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In recent weeks, Webb has tried to boost his presence in black communities. Late last month, he visited a dozen black churches in Hampton Roads. In addition, he picked up support from several black newspapers and received the endorsement of Wilder, now the mayor of Richmond. Wilder plans to campaign with Webb today in Richmond, and Sen. Barack Obama (D-Ill.) will join him on the stump there tomorrow.

Some activists said that Webb's opposition to the Iraq war will help with black voters, overriding other potential concerns. Recent polls have found that blacks are more likely than whites to say that the Iraq war was a mistake.

"I think there's going to be a lot of support for him," said Robert James, a black Democratic activist from Arlington County. "He opposed the war early, and in regards to affirmative action, we're beginning to like what we see."

That view was borne out by those who attended the Alexandria event, where Webb received enthusiastic applause when he talked about raising the minimum wage and his concern about a growing economic divide in America.

"Now that I'm beginning to hear more of his message, I'm beginning to feel more comfortable," said Thad Denney, 52, an insurance agent from Fairfax, who was at the event. "I'll admit it, I only knew him from his days as Navy secretary and didn't know where he stood. I wasn't sure if I was going to vote for him . . . but I'm thinking about it now."

Allen also has tried to mend fences with the black community, appearing at an NAACP dinner earlier this month and signing a lifetime membership to the organization. At the dinner, Allen said that he was not perfect and looked forward "to joining hands" with black voters.

Supporters say that Allen has pushed education programs, including Virginia's Standards of Learning and the federal No Child Left Behind law, that are especially beneficial to blacks.

He also picked up an important endorsement from state Sen. Benjamin J. Lambert III (D-Richmond), a leading black lawmaker, who said in an interview that Allen has "appeared to be trying hard" to reach out to black voters and will help secure federal money for Virginia's historically black colleges.

Still, there is long-standing anger toward Allen and skepticism about his support for black colleges.

In an interview, Harrison B. Wilson, president of Norfolk State University from 1975 to 1997, said that when Allen was governor he never visited the school, turning down three invitations to speak at its commencement ceremony. "Every other governor came and had lunch with me and visited campus and spoke at commencement while they were in office," said Wilson, who recently aired his feelings about Allen with his church congregation.

Dick Wadhams, Allen's campaign director, said black church leaders and William Harvey, president of Hampton University, continue to support his candidate.

Lambert said he wasn't concerned.

"I kind of like to judge people on what they do now," Lambert said. "I think George has changed an awful lot. I didn't like some of the things he did as governor as well, but at the same I time I think our relationship has improved tremendously. He is very apologetic for things that happened earlier in his life."

Staff writers Timothy Dwyer and Frederick Kunkle contributed to this report.

A Star Of Red-state Virginia Has A Fight On His Hands (CSM)

By John Dillin

The Christian Science Monitor, November 1, 2006

FALLS CHURCH, VA.

A few months ago, when the warm breezes of summer were wafting across Virginia's Blue Ridge Mountains, George Allen could justly expect only one result from Election 2006 - he would be reelected easily to the US Senate.

Senator Allen's supporters were already quietly looking beyond November. There were whispers in Republican circles about Allen running for the White House in 2008.

Yet as autumn drew near, there was an abrupt change in the political climate. The winds from the Blue Ridge grew cold. Very cold.

Jim Webb, a decorated, twice-wounded combat marine with family roots in the hamlets and hollows of Virginia's mountains, suddenly threatened Allen's comfortable lead.

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Starting in February with no money and few supporters, Mr. Webb had built strength. In June, he won the Democratic Senate primary against an opponent who outspent him 3-to-1. As summer turned to fall, Webb picked up momentum. Allen was now fighting for his survival.

Political polls have seesawed. The latest Bloomberg/Los Angeles Times survey found Webb slightly ahead, 47 percent to 44 percent.

This remains Allen's race to lose, however. Larry Sabato, director of the Center for Politics at the University of Virginia, explains that in federal elections in Virginia, "Republicans almost always win the close races."

Republicans hope so. Otherwise, this election could become part of a major shift in Washington. A Democratic victory here, combined with other states where Republicans are in deep trouble, could tip the balance in the Senate to the Democrats, and give President Bush a rough finish to his second term.

GOP notables, including the president, have rushed to Virginia to help the senator's embattled cause. Mr. Bush raised $500,000 for Allen in a single day Oct. 19.

Democratic worthies, including former President Bill Clinton, smell an upset. Mr. Clinton, on the same day Bush was here, raised a similar $500,000 for the Webb campaign.

It's that close.

So why is Allen - one of only six men in Virginia history to be elected both governor and US senator - in such trouble? After all, he's well known and widely liked across the state. Though a native Californian, he has close ties here. He graduated with history and law degrees from the University of Virginia, and was a quarterback on Virginia's football team.

True to his college, founded by Thomas Jefferson, Allen preaches his adherence to "Jeffersonian principles," one of which is the centrality of the family to America's social and political order, notes Peter Onuf, Thomas Jefferson Memorial Foundation professor at the university.

To understand Allen's problems, however, one needs to look no further than the war in Iraq, as well as to an obscure word with Portuguese origins - "macaca."

First, Iraq. The war might not be such a problem for Allen, except for Webb. Allen has backed the president in the war from the outset. And Webb has opposed it. As security problems grow worse in Iraq, it is "advantage Webb."

What makes Webb so effective on Iraq in a conservative, pro-defense state like Virginia is his extensive military record along with a gravitas that drives home both the human and economic costs of the conflict.

A 1968 graduate of the United States Naval Academy, Webb later served as a Marine Corps company commander in the Vietnam War. He came away with the Navy Cross, Silver Star, two Bronze Stars, and two Purple Hearts. He knows first- hand the bitter price of war in blood, treasure, and heartbreak.

Some Democratic consultants privately lament that Webb is not what one of them calls "a natural politician" - something Webb readily concedes. On the campaign trail, Webb is a stern, straight-backed man of about 6 feet who seldom smiles and carries himself more like a drill sergeant than a glad-handing politician.

Webb comes from a military background that he traces back to the Scots-Irish who fought, and often defeated, the armies of English kings. He is clearly proud of his ethnic heritage, which he explored in his 2004 book, "Born Fighting: How the Scots-Irish Shaped America."

Since leaving the military because of his war wounds, Webb has become a millionaire writer of six novels, as well as his non-fiction volume on the Scots-Irish. But he is never far mentally from his warrior days.

The Webb family's commitment to the military continues with his son, James Robert Webb, now in Iraq with the Marines. The candidate brushes aside questions about his son's tour, but wears a pair of marine boots on the campaign trail.

Since leaving the military, Webb has been a party switcher. Originally a Democrat, he quit after President Jimmy Carter, also a Democrat, pardoned draft dodgers after the Vietnam War.

When Ronald Reagan became president, Webb joined his Republican administration, first as an assistant secretary of defense, then as secretary of the Navy. But his party hopping continued.

Webb told reporters recently in Arlington that before the Iraq war began, he warned that it could become a quagmire. When Bush ignored such advice and plunged into Iraq, Webb dumped the GOP and returned to the Democrats.

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Webb was only marginally responsible for another of Allen's problems. It was a split-second mistake by the senator, captured on video. While at a public meeting, Allen spotted a young Webb campaign volunteer of Indian descent who had been recording Allen's speeches at various locations. The senator knew the man worked for Webb, and speaking to him, referred to him as "macaca," and welcomed him "to America."

Allen claims he just made up the word "macaca." But it turns out that in some countries, the term is considered an insult and refers to a genus of European monkey - although it doesn't appear in most dictionaries. (This reporter finally found it in a 12-1/2-pound, unabridged Webster's.) Allen apologized for any offense, but critics charged him with uttering a racial slur. Damage control pulled Allen away from the message of his campaign for days.

Webb has interpersonal problems of his own, however. Most of those problems are with women, some of whom have criticized his writing about women in the military.

A prime target has been a 1979 article, "Women Can't Fight," in the Washingtonian magazine. There are claims that the article prompted extreme hostility toward female cadets at the Naval Academy.

Webb has apologized, but some former cadets still fume about it.

The candidate recently called together reporters and several retired women military officers to counter the criticism. Nine former women officers endorsed Webb, though like the senior officers they once were, some of them gently dressed down the former marine, who appeared to wince at least once.

Retired Army Col. Barbara Lee reread his articles before joining "Veterans for Webb." She called the article "extremely troubling." But after talking with Webb, she told reporters that he was "a young man then," but is now "a seasoned leader" who has "moved along in his thinking."

As is fitting for a Senate race in Virginia - the home of George Washington, James Monroe, and James Madison - both Senate candidates look into history for inspiration and guidance. Both share a favorite president, Ronald Reagan. Allen is a Reagan Republican, Webb a Reagan Democrat.

And each has a favorite president from America's first century. For Allen, it is Jefferson, author of the Declaration of Independence. For Webb, it is Andrew Jackson. Webb notes that "Old Hickory," as he was known, was the first populist president, and fought for the little man - something Webb wants to do in the Senate. And besides, Jackson was Scots-Irish.

The Two-Minute Drill (WP)

By Michael Leahy

The Washington Post, November 1, 2006

He would have been forgiven for looking stressed. His fat summer lead of 16 percentage points had disappeared. But George Allen seemed just fine early Saturday morning. If tense campaigns demand that imperiled candidates, like card players, learn the art of the bluff, Allen has mastered the technique.

For the first of seven frenetic campaign events on this day, he had come to Winchester, which is solid Allen turf, a good hour away from his electoral troubles in increasingly Democratic Northern Virginia. About 200 people had come to a small hotel to wear Allen stickers, eat breakfast and wait for his exhortation. The chairman of Virginia's Republican Party, Kate Obenshain Griffin, launched into her introduction by promising the crowd that "if you've never heard George Allen speak, you'll leave here with a passion you've never had before."

Standing off to the side, Allen softly groaned at the effusive praise, as if a tad embarrassed. "Gosh, geez, ahhhhhh," he muttered, his voice all but inaudible. He towered over several seated breakfasters who, never having met him before, shyly, furtively glanced his way. A few Allen aides in the room occasionally rubbed their eyes, stifled yawns. It had been a long week, and Saturday would be even more grueling, with two long rides of more than an hour awaiting them. Presidents have travel perks: Air Force One, helicopters, bulletproof limos that ride along cleared-out interstates. George Allen, like any other senator in a reelection campaign, cruises like a road-weary salesman.

There is nothing more instructive about the unglamorous nature of the midterm election process than to ride for a day in chase of the candidate's vehicle, which on this day would be racing south through Virginia, trying to put some space between the candidate and an increasingly formidable foe.

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His name called by Griffin, Allen strode to the front of the room, beaming. "Ladies and gentlemen . . . patriots all," he boomed. "Good mornin'. Are you ready to win?"

"Yesssss!" the crowd howled back. Allen grinned. His ability to stir his political base has inspired comparisons to Ronald Reagan, part of the reason why he was long regarded by many as the chief rival to John McCain for the 2008 Republican presidential nomination. But ever since a series of missteps that led some to see him as racially or ethnically insensitive, Allen's poll numbers have been sliding.

If Allen's Democratic rival, James Webb, has been the beneficiary, analysts generally agree that this has less to do with his strengths than with Republicans' woes generally and Allen's in particular. In a recent poll of Republican and Democratic insiders conducted by the National Journal, the sampled political pros said Allen had run the worst of all Senate campaigns in the country.

But on this Saturday, the incumbent sounded like a man 20 points up. He talked happily about how his trademark cowboy boots were ready for the race's final sprint. "I only expected a third of this crowd to be out here on a rainy day," he said, rocketing through his stump speech.

In conclusion, the former college quarterback and son of the famous Washington Redskins coach exhorted his troops: "This is the final two-drill . . . Let's get out to victory . . . The boots are ready!"

Out in the audience, Kenny Noe stood and applauded. A political independent, he has been a longtime supporter of Allen. He is a computer technician from nearby Stephens City and, at 40, savvy about the way the world works. He knows politics is a rough game, but even so he has been disappointed by the tenor of campaigns from both parties this year.

"If I had the opportunity, I'd tell Senator Allen that the campaign and the negative campaign ads are turning me off to the whole process," Noe said. "But a [campaign event] is not the place where you can comfortably talk to someone about something like that."

True. An American political rally has its own rituals. Sunny dispositions are mandatory. Discussion of a candidate's problems is verboten. So Kenny Noe and his wife, Traci, lined up to have their picture taken -- on Traci's cellphone -- with Allen, who was doing what nearly all candidates do in these situations: making happy small talk. Riffing about a good hamburger. The Virginia Tech football game the other night. Allen smiled and positioned himself for the photo. He smoothed his blue blazer and adjusted his red tie. "Let's get your bride in close," Allen said to Kenny. The line moved on. Another supporter shyly approached. Allen shook his hand and smiled at the woman alongside him. "Is this your bride?" he asked brightly.Unscripted Moments

Allen's second stop of the day was to a volunteer fire and rescue unit just outside Berryville. After that he hurried into his campaign's red Ford Explorer and was driven back to Winchester, so that he could stand at the entrance to the Handley High School football stadium, the site of an afternoon game.

He shed his blazer and necktie. He gripped a football, in case incoming spectators wanted him to throw passes their way. Not many people stopped. It was a reminder of just how seldom prominent officeholders intrigue the public. In most cases, Simon Cowell would do better.

A stocky man walked by, trailed by a little boy carrying a miniature ball with a Redskins logo on it.

"That's a good Redskins football," Allen said to the kid.

"I don't like the Redskins," said the boy. That was the problem with a public event like a football game -- a non-campaign event. Nothing was controlled. Supporters did not necessarily predominate. There might be a weird moment. On the other hand, a candidate had a chance to win over undecideds.

Here came another kid, this one lithe and big. "Hey, young man, let me throw you a pass," Allen said.

The kid looked at his father, who nodded.

"Go long, go deep," Allen said.

The kid ran about 15 yards and turned. Allen threw a decent spiral and the boy caught it. His father shook Allen's hand. "I'd appreciate your vote," the candidate said to Thomas Grant Jr., who smiled and wished Allen luck, saying to others, as he walked away, that while he hadn't decided, he thought he might vote for Allen, having enjoyed meeting him.

Buoyed, Allen stuck out his hand toward a thin, mustachioed man with a jaunty black leather cap. "I'm George Allen," he said. "Nice to meet you. Would appreciate your vote."

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The man warmly shook Allen's hand and smiled. "Very nice to meet you, too," he said.

Allen began giving him his pitch. "I want you to keep more of your money in your wallet," he said. "And I'd be grateful if you took a look at my stance on illegal immigration. Another really big issue is -- " The smiling man interrupted Allen, amiably. "Can I ask you something? I'm just curious. When will we ever get back to discussing issues? I'm not concerned about the history of a man way back before. And I know it's not just you doing it. It's just that I'd just like to hear more about what all of you are going to do with all the problems, Iraq and everything else. I'm just asking."

Allen nodded. "Yes, and that's right. And I talk about those very important things every day. I really do hope you'll take a look at my positions on taxes and illegal immigration because -- "

"But there is a lot more of the other thing on television -- about the opponents, I mean," said the man, whose name was Larry Banks and who works as a pharmacy technician in Winchester. Banks, 59, had not made up his mind about Allen and Webb, genuinely on the fence about the race, he said, and just as genuinely engaged in their campaigns. "I'd like to hear more about the issues when I turn on the television and it's you on. And, like I said, don't misunderstand, it's not just you, but . . . I guess I'm tired of hearing the slurs from everybody."

Allen nodded. "Well, please take a look at my stance on all those things. And I'd appreciate your vote."

Up at the entrance, Allen's aides were telling him it was time to go; they were already running behind schedule. "Let's go, let's go," Allen responded and, grabbing the football, threw a pass to an aide headed for the red Explorer. "Touchdown."Pedal to the Metal

One of the worst-kept secrets of campaign managers is that they overschedule candidates, are chronically late for everything and try to compensate by having aides drive at some suborbital speed to get to the next event.

Allen headed toward a barbecue at a supporter's house in the town of Sperryville, which was about 58 miles away from Handley High School. Mapquest said it would take an hour and 29 minutes to get there, but Mapquest doesn't count on people driving at 80 to 85 mph.

Allen slept some of the way. The Explorer rocketed south along Route 522, over roadkill in its many forms, around a piece of sheet metal at one point, and once swerving slightly to get out of the way of an erratic driver. Much of the way the SUV was being buffeted by stiff gusts of 30 to 40 mph.

When the Explorer reached the house, Allen ran out and immediately started shaking hands. A bluegrass band was playing on a deck. Supporters wore name tags and Allen stickers. A woman named Connie Hair ran up to Allen to say she had already voted absentee for him. Allen thanked her, hugged his hosts, posed for a few pictures and headed back toward the Explorer, gone. He had been there for 12 minutes.Fact and Fiction

He was off on another long drive south again, this time to Glen Allen, to pick up an endorsement from the National Rifle Association, whose officials waited for him in the parking lot of Green Top Sporting Goods, where a sign carried a huge word in big block letters: GUNS.

Allen was a half-hour late, stepping out of the vehicle even as it was coasting to a stop. He ran toward a podium. About 100 supporters clapped loudly. Cars slowed on the main drag of U.S. 1, right out in front of the store, with motorists craning their necks to see what the fuss was all about. There came the sound of a crash, somebody getting rear-ended. Eventually the candidate took questions, virtually all of which dealt with Allen's charge that novels written by Jim Webb had demeaned women.

When asked whether novelists who had ever written a sex scene, from John Steinbeck to John Updike, were unworthy of pursuing political office, Allen joked, "Are they on the ballot?"

This got a good laugh from his supporters -- proof of the wisdom of staging news conferences while surrounded by boosters. "My opponent runs ads and talks about himself being a writer," he said. "This is part of his record. . . . He can explain those [book] passages. Not just me but others find those passages to be demeaning to women. He can explain those passages."

If Webb's books were grist for fair debate, a reporter asked, should the book by Allen's sister Jennifer be scrutinized, particularly passages that claimed he had bullied her, dragging her by the hair and once dangling her over Niagara Falls?

The boosters fell quiet. Allen stayed composed. "That book is a novel and fiction," he said, "and I love my sister, and she had me escort her down the aisle when she got married. . . . She said it was a novelization of certain events, a lot of it from her

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perspective [as] . . . a young girl from her view of growing up in a fairly rough and rowdy family, but a lot of those are exaggerations."

He said he wanted to touch on a couple of other "big issues," noting his support of the Virginia Marriage Protection Amendment.

"Amen," a supporter called out.

But Allen got back on point: "My record is an open book, and he can explain passages that he wrote in his books, because he's proud of being an author."

Is this about character? a reporter pressed.

"He needs to explain his passages," Allen said resolutely.

"Thank you," an aide interrupted, ending things.Focused on the Game

Allen made an appearance at a Ducks Unlimited dinner, and then his day ended in Richmond, at the season's opening home game of the Renegades, a minor-league hockey team. The team's president, Allan B. Harvie Jr., had invited him to drop the ceremonial first puck on this evening and, afterward he stayed to watch the game.

At the end of the first period, he was playing with a souvenir hockey stick under the stands, near the locker room, when a reporter who had grilled him at the NRA event appeared.

Allen slipped the stick around the reporter's left ankle and pretended to jerk. "Tripping," he said, but he was smiling, in good humor. His wife, Susan, had come to the game, and so had one of his best friends, and Allen was looking serene, playing a little game, shooting a puck down a hallway and jogging after it, then tapping it further down the hallway, like a kid dribbling a basketball. No one interfered with his game.

"Let George shoot," his wife said.

"I used to play on a pond when I was a boy," Allen recalled, "second to eighth grade, when we were living out near Chicago, when my father was coaching there."

Someone wanted to ask him a last question about Webb, but he was too engrossed in that puck, asking that a friend open a door so that he could attempt to shoot the puck through it. He drew back for a wrist shot -- and the puck flew through the opening, Allen exultant, his wife saying, "You keep on winning."

"Thanks, coach," he said to her.

An aide whispered in his ear, wanting something. "Not now -- can talk about that later," he said softly, and then the aide repeated the question.

"Not now," Allen said.

People began shuffling into the red Explorer. "It's starting all over again tomorrow anyway," Allen said, climbing into the Explorer, at rest.

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Sex And The Sinking Candidate (WP)

The Washington Post, November 1, 2006

SEN. GEORGE ALLEN implored Virginians four weeks ago to focus less on personal attacks and more on "the issues" in his race for reelection. Now he has seized on an unlikely one: sex scenes in novels written by his Democratic opponent, James Webb. Now there's a pressing concern for Americans in 2006.

Mr. Allen, a Republican whose campaign professes profound moral shock that actual sex should occur in fiction, has spent months trying to extract himself from his own "macaca"-inspired tailspin. When all else failed -- including an Allen ad in

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which a woman accused Mr. Webb of misquoting her, although he never quoted her at all -- Mr. Allen apparently decided that what he needed was a sex scandal crafted to smear his rival and timed for the campaign's fourth quarter. Lacking such material in real life, he turned to Mr. Webb's novels, most of which concern the wartime experiences of soldiers and international intrigue. There he found -- horrors! -- sex. And what better place to spread the word than the Web site of Matt Drudge, the online gossip-monger. That ensured the story would be echoed by radio talk show hosts in high dudgeon.

Mr. Allen has spent months disparaging Mr. Webb as a writer of fiction, as if a novelist's experience is any more divorced from everyday reality than the life of a U.S. senator. His campaign suggests that because some female characters in Mr. Webb's books are portrayed as sleazy or servile Mr. Webb must himself see women in that light. Please. Maybe Mr. Allen also believes that J.K. Rowling, author of the Harry Potter series, takes too soft a line on wizards.

As it happens, Mr. Webb, a former Navy secretary, assistant secretary of defense and Marine company commander in Vietnam, is an acclaimed novelist whose books are widely read. Mr. Allen wouldn't say whether he'd read any of Mr. Webb's novels himself -- only that "I've been reading initiatives and ideas and I'm trying to motivate people and inspire people."

Mr. Allen certainly is an inspiration -- to anyone who believes that political campaigns may be won by diversions and dirty tactics, even as the candidate calls high-mindedly for a discussion of "the issues." Win or lose, he'll be remembered for his performance during this race, and not fondly.

Allen's Fumbles, Romney's Gain (WP)

By George F. Will

The Washington Post, November 1, 2006

Even before the votes are counted, over the Republican Party a "thick darkness broodeth" -- words from a Victorian hymn, for a party with a Victorian tendency. But one Republican, who is not running for anything this year, will emerge from this bruising season with enlarged prospects. Massachusetts Gov. Mitt Romney's hopes for the 2008 Republican presidential nomination have been enhanced by Virginia Sen. George Allen's difficulties.

Romney's most formidable rival for the Republican nomination is John McCain, who needs a crowded field of Republican aspirants to prevent the conservative majority of the party's nominating electorate from quickly coalescing around a single candidate. Allen once seemed likely to compete with Romney for conservatives' support.

But Allen, who makes no secret of finding life as a senator tedious, is fighting ferociously for another term, a fate from which his Democratic opponent, Jim Webb, is close to rescuing him. As a result, Allen is dabbling in literary criticism. He has read, or someone has read for him, at least some of Webb's six fine novels, finding therein sexual passages that have caused Allen -- he of the football metaphors, cowboy regalia and Copenhagen smokeless tobacco -- to blush like a fictional Victorian maiden and fulminate like an actual Victorian man, Anthony Comstock, the 19th-century scourge of sin who successfully agitated for New York and federal anti-obscenity statutes and is credited with the destruction of 160 tons of naughty printed matter and pictures.

Webb, a highly decorated Marine veteran of Vietnam combat, includes sexual scenes in his fictional depictions of young men far from home and close to combat, something about which he knows a lot and Allen does not. Allen says the scenes are demeaning to women and are evidence of flaws in Webb's character.

This ham-handed grab for women's votes may help Allen win but will not help him escape the perception that, as a presidential aspirant, he is problematic. His ragged campaign has made him seem accident-prone, and by Tuesday he probably will have burned through all the money he could raise. But to be competitive in the nomination contests that begin with the Iowa caucuses in January 2008, a candidate probably needs to have at least $60 million by December 2007. Allen would have to raise that amount in 60 weeks. A million dollars a week is a daunting challenge.

Allen's radically reduced prospects will make it less likely that McCain can duplicate his 2000 triumph in New Hampshire's primary. As one seasoned New Hampshire Republican says, "It is difficult to capture lightning in a bottle twice." It will be particularly difficult for McCain to do so because there is apt to be a spirited New Hampshire contest on the Democratic side. This would draw independent voters who were crucial to McCain in 2000, when he thrashed George W. Bush, receiving 115,606 votes (48.53 percent) to Bush's 72,330 (30.36).

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But Bush won the Republican part of the Republican primary, in this sense: New Hampshire independents can vote in either party's primary, and 34 percent of McCain voters identified themselves as independents. A 41 percent plurality of the Republicans voting favored Bush, 38 percent favored McCain.

If one disregards President Harry Truman's brief interest in seeking a second full term in 1952 -- he renounced running on March 29 -- and the ineffectual attempt by his vice president, Alben Barkley, to secure the nomination, 2008 will be the first election in 56 years with neither an incumbent president nor vice president seeking a nomination. If you count the Truman and Barkley episodes, 2008 will be the first such election since 1928.

So the presidential field is uncommonly open, and there is a palpable desire in the country to shuffle the political deck. In their new book "The Way to Win: Taking the White House in 2008," Mark Halperin of ABC News and John F. Harris of The Post suggest why:

"When the current President Bush completes his full second term, it will be the first time since James Madison and James Monroe almost two hundred years ago that back-to-back presidents both served all eight years of two elected terms. Put another way, two of the most divisive figures in this country's history will have commanded the White House for sixteen consecutive years."

Such circumstances should entice many aspirants into the race. Yet with Allen much diminished and perhaps out of contention, and with Rudy Giuliani not yet doing serious groundwork for a national campaign, the Republican field is already down to two. That is good for only one of them: Romney.

Cardin, Steele Put Focus On PG (WT)

By S.A. Miller And Jon Ward

The Washington Times, November 1, 2006

The battle for Prince George's County voters is intensifying in the final days of Maryland's U.S. Senate race.

Rep. Benjamin L. Cardin, the Democratic nominee, will team up a second time with Sen. Barack Obama, the Senate's only black member, to woo voters in the mostly black and heavily Democratic county.

Mr. Cardin, 63, also is lining up last-minute endorsements in the county, including from Prince George's County Executive Jack B. Johnson, a black Democrat who could announce his support for Mr. Cardin as early as today, county officials said.

Prominent black Democrats in the county broke party ranks this week to support Lt. Gov. Michael S. Steele, the Republican nominee and the first black elected statewide in Maryland. The Democratic crossovers have accused party officials of repeatedly snubbing the black community and their county.

Mr. Steele, who lives in Prince George's, will be campaigning alongside his crossover supporters, which include all five black members of the County Council and former county Executive Wayne K. Curry.

The election could hinge on how Prince George's 320,000 registered Democrats vote Tuesday.

The county, which is more than 65 percent black, accounts for a large part the Democratic Party's overwhelming advantage in voter registration.

Maryland has about 900,000 registered Republicans and 1.7 million registered Democrats, of which an estimated 700,000 are black.

Polls show the race in a dead heat.

"Cardin's office called yesterday, and they're having Obama, and I'd like to go," said Mount Rainier Mayor Malinda Miles, whose endorsement could sway some of her 600 constituents. "And Steele also is calling and saying, 'I need you.' I'm torn in between.

"If Wayne Curry and the majority of the council endorsed him ... I think it's going to be a major impact," she said.

Mr. Obama, Illinois Democrat, refrained from criticizing Mr. Steele when campaigning for Mr. Cardin after his narrow primary victory over Kweisi Mfume, former president of the National Association for the Advancement of Colored People.

Delegate Eleanor Holmes Norton, the District's nonvoting congressional representative, and Rep. Elijah E. Cummings of Maryland have said they will not attack Mr. Steele, even as they campaign for his Democratic rival.

"I think that is a tactical decision," Mrs. Norton said last week.

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Though Mr. Cardin won the statewide primary, Mr. Mfume trounced him in Prince George's, winning 74,637 votes to Mr. Cardin's 19,824.

Mr. Cardin, a white 10-term congressman from Baltimore, has struggled to shore up black support.

Mr. Curry and other black Democrats throwing their support to Mr. Steele this week reiterated accusations that party leaders blocked Mr. Mfume's run and criticism that the ticket lacks black candidates.

Both senatorial campaigns made stops yesterday in Prince George's.

Mr. Steele, 48, greeted residents at a senior-citizen center in Brentwood. Mr. Cardin stumped for universal health care outside the Prince George's County Health Department in Cheverly.

"I've been in this county campaigning more than any other county in the state," Mr. Cardin told reporters. "We'll be here the rest of this week, every day, because of the importance of Prince George's County to our campaign."

A Steele campaign spokesman described the push in the county as "aggressive."

About 400 Steele campaign volunteers have been canvassing in the county for the past several weeks. Joe Gaskins, chairman of the Steele campaign in Prince George's, said he hopes to have between 3,000 and 5,000 canvassers in the county on Election Day.

The candidates are engaged in a fierce tug of war for the county's voters, said the Rev. C. Anthony Muse, a Democrat running unopposed for a Prince George's state Senate seat.

"I've seen them both working extremely hard," he said. "Their presence is felt here in Prince George's County. ... Workers are on the ground. People are enthused about this race."

A Black Republican Runs Against The Tide In Maryland Senate Race (LAT)

By Maura Reynolds

The Los Angeles Times, November 1, 2006

Washington — Though political momentum appears to be with Democrats around the country, the trend is going the other way in one solidly blue state, where a Republican candidate is gaining on the favored Democrat in a contest with an unexpected racial twist.

The state is Maryland and the candidate is Lt. Gov. Michael Steele, a black Republican running for the Senate against a white Democratic congressman, Benjamin L. Cardin.

Once trailing by more than 10 points, Steele narrowed the margin to where the race is now considered by some to be nearly a tossup. His recent gains reflect growing dissatisfaction among some blacks toward the state Democratic Party.

On Monday, a group of prominent African American Democrats from Prince George's County in the Washington suburbs crossed party lines to endorse the Republican.

"The [Democratic] Party acts as though when they want our opinion they'll give it to us," said Wayne Curry, the former county executive who led the mutiny. "It will not be like that anymore."

Curry and others complained that although nearly 30% of the state's population and 35% of Democratic voters were African American, too many of the statewide Democratic candidates in this year's election were white.

Endorsing Steele "is a way to say, 'Don't leave Prince George's out, and don't leave African Americans out,' " said county council member David Harrington at a press conference.

Racial tensions in Maryland's Democratic Party have been brewing since earlier this year, when Cardin beat back a primary challenge from former congressman and NAACP leader Kweisi Mfume by a margin of 44% to 41%.

Democratic leaders say that Cardin won because he raised more money than Mfume. But Ronald Walters, a professor at the University of Maryland who studies African American politics, said the party leadership rallied early around Cardin, which hampered Mfume's ability to raise cash.

"I was startled by the swiftness of it," Walters said. "It was as if they wanted to foreclose the possibility of anybody else jumping in."

Since winning the primary, Cardin has generally polled well above Steele, which would be expected in a state where Democrats outnumber Republicans 2 to 1. But Cardin's lead began to slip recently, and some polls show it in the single digits.

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One reason, observers say, is that Steele has run a series of clever TV ads, including one known as "the puppy ad." In an effort to inoculate himself against negative Democratic ads, Steele warns voters that they are likely to hear Democrats accuse him of terrible things like hating puppies.

"For the record," Steele says, "I love puppies."

Jennifer Duffy, who analyzes Senate races for the nonpartisan Cook Political Report, says that Steele's strong performance has been a surprise.

"Mfume didn't have all that much money, and he still got 41%. Which tells me people didn't exactly flock to Cardin," Duffy said. "Steele is a lot better than expected. It's not that Cardin is a bad candidate; he's just a little dull."

On Friday, Duffy officially moved the race — which is for the seat of retiring Democrat Paul S. Sarbanes — from the "leans Democratic" category to "tossup."

"At the end of the day, do I think it's really hard for Steele? Yes," Duffy said. "It's a very Democratic state and a very bad environment for Republicans. But he has made this a race."

Maryland's Democratic Party insists that Cardin is well ahead of Steele, and that even a black Republican in a state with a sizable African American community will have trouble getting elected this year.

"I think the voters understand that a vote for Michael Steele is a vote for George Bush," said state Democratic Party spokesman David Paulson. "Right now, Democrats don't like the guys who are holding George Bush's hand."

Democrats also complain that to attract Democrats and independents, Steele has been softening his positions to make himself sound more liberal. In particular, they cite what they describe as changing statements about his views on abortion and stem cell research.

"You need to round up a search party to find out where he stands on the issues," said Rep. Chris Van Hollen (D-Md.).

And they also point out that because Steele is from Prince George's County, where he got his start in politics, the support he's won there from some black Democrats may not carry over to the rest of the state.

Still, the race has been closer than expected.

Duffy said that Steele's success continued to be an aberration for black Republicans. The other two black GOP candidates who have caught national attention, gubernatorial candidates J. Kenneth Blackwell in Ohio and Lynn Swann in Pennsylvania, are not expected to win.

"Of the three of them," Duffy said, "Steele is the last man standing."

Va., Md. Senate Camps Dig Deep (WP)

By Michael D. Shear And Matthew Mosk

The Washington Post, November 1, 2006

Television viewers in Virginia and Maryland are being inundated by a last-minute deluge of commercials from the U.S. Senate candidates and their national political party benefactors, who are pouring millions of dollars into the two states as the bitter fall campaign draws to a close.

The flood of money into the two states means that hardly anyone who watches TV in the next six days will be able to avoid seeing the candidates or their surrogates make a final plea for votes before Tuesday's election. In the Washington area media market, for example, even a casual TV viewer will see 42 campaign commercials for Republican George Allen or Democrat James Webb between now and Election Day, advertising specialists said.

"Each side is dishing it out," said Charlie Cook, who edits a nonpartisan national political newsletter. He said that the money pouring into Maryland and Virginia, especially from Democrats, is staggering. "It's almost as though Chuck Schumer has a printing press in his basement." U.S. Sen. Charles E. Schumer (D-N.Y.) is chairman of the Democratic Senatorial Campaign Committee.

In Virginia, that committee has bought $2.6 million worth of TV and radio spots that began airing yesterday, bringing its contributions on behalf of Webb to about $6 million. The GOP counterpart has spent $1 million on ads for Allen.

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In Maryland, the National Republican Senatorial Committee contributed $400,000 yesterday to air 93 TV spots on behalf of Lt. Gov. Michael S. Steele (R) on stations in Baltimore and the Eastern Shore. Democrats have pumped $1.7 million into Maryland for U.S. Rep. Benjamin L. Cardin (D-Md.).

The money from Washington, combined with the substantial cash raised by the Senate candidates, reflects how critical Virginia and Maryland are to the national political parties. A Steele victory in Maryland could doom hopes for Democratic control of the Senate. A victory by Webb in Virginia could be a disaster for the GOP.

The advertising intensity is particularly acute in Virginia, one of three states with close contests where control of the Senate is likely to be decided. Allen, who started the campaign with a huge financial advantage over first-time candidate Webb, will be outspent heavily by Democrats in the closing days as he fights for his political survival. A statewide poll for CNN released Monday showed Webb with a four-point lead over Allen among likely voters.

"It's clear to us that the DSCC and [Sens.] Chuck Schumer and Hillary Clinton -- oh, and let me add in John Kerry -- want to buy themselves a U.S. senator," said Allen consultant Chris LaCivita.

Webb spokeswoman Kristian Denny Todd promised a heavy dose of Webb on TV, offering "what he stands for, what he believes in, what type of person he is."

A spokesman for the National Republican Senatorial Committee, Dan Ronayne, said he could not comment on the TV push in Maryland but said, "We see it as a very close race."

Steele spokesman Doug Heye was more optimistic. "I think over the past week, this campaign has demonstrated that Michael Steele has more momentum than any candidate in the country," Heye said. "He's worked extremely hard to put himself in a position to win, and that's what we've seen happen."

A spokesman for Cardin, Oren Shur, said: "Michael Steele has been the chosen candidate of President Bush and the national Republicans from Day One in this campaign. We expect that to continue to Election Day."

Even as their mugs were flashing on TV, the candidates in both states took to the road yesterday, courting voters face to face.

Cardin spent the day in Prince George's County and Baltimore, where he spoke to a minority business group. Steele gave a 40-minute motivational speech at Morgan State University in Baltimore. In Virginia, Webb campaigned with former governor Mark R. Warner (D) in rural areas; Allen rallied in Charlottesville with Sen. Elizabeth Dole (R-N.C.).

With the clock ticking toward Tuesday, the candidates continued to air negative charges, hoping to depress turnout for their opponents. An Allen ad running frequently in Virginia accuses Webb of failing to take seriously the Navy's Tailhook scandal, in which women were assaulted at a Las Vegas convention in 1991.

Webb has responded with an ad denying Allen's accusations.

"After a campaign filled with nothing but attacks on Jim's character, you would think that now, in the last week, [Allen] would find a shred of decency and keep this positive," Todd said Tuesday. "He can't do it."

LaCivita said that Todd's comments were "the pot calling the kettle black."

Allen and Webb also began airing more positive ads yesterday in hopes of appealing to voters' softer sides. By the end of the week, those ads are likely to become almost as ubiquitous as the attacks that viewers have come to expect as candidates attempt to end the campaign on a high note.

In one new ad, called "Bottom Line," Webb looks directly into the camera and -- in a first for him -- directly asks to be elected to the Senate.

"Bottom line: They're not fighting for you," he says of incumbents in Washington. "I will. We need a new direction, on issues like making health care and college more affordable and setting a real strategy to make our nation more secure. If you're ready for change, I'd be honored to have your vote."

Allen countered with a new ad of his own, in which he says he deplores what he calls false character attacks and distortions of his record.

"That's not how we do things in Virginia," he says to the camera. "As your senator, I want to continue fighting for our shared values. Lower taxes, a better education for our children and a safer, stronger America. I'm George Allen, and I approve this message and respectfully ask for your vote."

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Campaign Takes Low Road Through Crucial Missouri (HILL)

By Jonathan E. Kaplan

The Hill, November 1, 2006

FARMINGTON, Mo. – For Sen. Jim Talent (R-Mo.), one syllable, like one vote or a one-point margin, could make all the difference.

At a Republican rally on Monday in this small town 90 miles south of St. Louis, Talent first pronounced his home state "Missour-ee" and then as "Missour-ah," prompting a cable television producer to inquire about Talent's sudden twang.

Talent explained that he tends to adopt the inflection of those around him, noting that Sen. Kit Bond (R-Mo.), who introduced Talent to the local crowd, calls their home state "Missourah." It is not unusual for politicians to thicken their accents the farther they travel from Washington.

Talent's shifting inflection could serve as an analogy for competing natures of his appeal to voters; Talent has a studious, bookish reputation but his fight against state auditor Claire McCaskill (D) has been as down-and-dirty as others across the country.

Talent, one of seven GOP senators facing tough contests, is in the third fight for his political life. In 2000, he lost a gubernatorial race by one percentage point. Two years later, he won his current Senate seat by a percentage point.

McCaskill, a proven vote-getter, has won two statewide elections. In 2004, she defeated a sitting governor in the Democratic primary, but lost to then-Secretary of State Matt Blunt (R). Some Democrats said she let Republicans define her and did not spend enough time campaigning in rural Missouri. Now, McCaskill is running a more disciplined campaign, touring southern Missouri in her RV and focusing on appealing to rural voters.

Her advertisements, particularly her most recent and controversial one, have thrown Talent off-stride. Last Saturday during the first game of the World Series, the Democrat aired an advertisement on embryonic stem cell research with actor Michael J. Fox. With his symptoms of Parkinson's disease front and center, Fox endorsed McCaskill and criticized Talent, accusing him of opposing stem cell research.

The ad has drawn huge national attention, and Republican criticism for mendacity, but a supporter of Talent in Clayton, an upscale suburb of St. Louis, told two Talent canvassers that, "The Democrat's ads make Talent look like an idiot."

The Democratic Senatorial Campaign Committee (DSCC) has spent $9.1 million running ads against Talent, alleging that he voted for legislation that would send jobs overseas. The Republican National Committee (RNC) and the Senate GOP campaign committee have spent $7.7 million on ads, polling and mailings.

"They're coming after me," McCaskill told a small group of labor supporters earlier last Saturday morning. "Why even take 30 seconds? They ought to just come out and say it. Claire is Satan's sister."

For weeks, Talent and his allies have alleged that McCaskill's husband beat his former wife and used investments in Bermuda to shield income from taxation; that the couple did not pay taxes on a lakeside condominium; and that as state auditor, McCaskill did not scrutinize the nursing home industry in which her husband made his fortune.

Having learned from her loss in 2004, McCaskill lets no attack go unanswered. She will begin airing a television advertisement tonight rebutting GOP criticism of her oversight of the nursing home industry. She insisted that her criticism of Talent is limited to his voting record in the Senate and that his campaign did not match his character.

"I've known Jim for 20 years … He's not a Prince-of-Darkness kind of guy," she said.

Talent said his campaign style was simply a matter of talking about his accomplishments and contrasting his record with his opponent's.

"Yeah, I talk about my record and what I've done and accomplished. I contrast that with her record … this is all relevant to the campaign," Talent said, referring to McCaskill's family's finances.

While sources from both campaigns said the race would remain close in this traditional swing state, they acknowledged the negative attacks had driven up the candidates' disapproval and unfavorability ratings. A St. Louis Post-Dispatch poll showed the race tied with each candidate pulling in 47 percent of the vote.

Everyone, including both candidates, expect a tight race. Talent said even in a perfect world the best he could do is win by six points, 53 to 47 percent.

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Republicans are pouring resources into the state. The Talent campaign is paying volunteers $50 for six hours of working for the campaign. The RNC is expected to send volunteers into the state and local Republicans are recruiting volunteers for the vaunted 72-hour program. In southwestern Missouri, a bastion of GOP votes, Majority Whip Roy Blunt (R-Mo.) is organizing 800 shifts of volunteers to knock on 40,000 doors and make 150,000 phone calls to likely GOP voters, said a campaign aide.

McCaskill loaned her campaign $500,000 last week. The DSCC and the state Democratic party have updated the voter file and labor unions and local and congressional Democrats will help get voters to the polls. Charlie Dooley, the St. Louis County Executive, said he plans to knock on 60,000 doors in the campaign's final week to help McCaskill. Rep. Russ Carnahan (D-Mo.) has deployed his political operation to help McCaskill and Democratic Reps. Lacy Clay and Emanuel Cleaver have done advertisements on black radio stations to encourage black voters.

With six days to go, both campaigns are ginning up support among their base voters. McCaskill began a campaign swing yesterday that will take her from St. Louis to Springfield to Kansas City. She plans to campaign for 24 hours straight starting Friday.

On Monday, Talent, Bond and Rep. Jo Ann Emerson (R-Mo.) made stops in five cities in southeastern Missouri. Senate Majority Leader Bill Frist (R-Tenn.) campaigned yesterday for Talent and President Bush will visit Springfield on Friday.

Bond, who introduced Talent, hyped his work to combat methamphetamine abuse and increase resources for farmers to produce ethanol. Talent then reassured the base voters that he opposed gay marriage, amnesty for illegal immigrants and any legal consolations for terrorists. He mentioned Iraq only in passing.

At each of the five stops and at an evening fundraiser with Bush's press secretary, Tony Snow, Talent told the crowds that he "thinks" he can win. In a pithy rejoinder, Snow said, "The only difference between President Bush and Jim is that [Bush] knows you're going to win."

Democrats are watching McCaskill to see whether her strategy of appealing to culturally conservative voters will pay off. McCaskill laces her speeches with references to the Bible in an effort to connect with voters on a gut level and to make a case for Democratic policies. If she is successful, many Democrats believe her campaign can provide a road map for how to recapture the White House in 2008.

Her strategy appears to have yielded some dividends. Not only have polls shown her running ahead or even with Talent, she appears to have captured support from some disaffected Republicans.

"We need some changes and Claire is that change," said Bernard Fritz of St. Louis, a recent retiree and lifelong Republican who explained that he was fed up with the war and budget deficits.

For his part, Talent has not closed the deal with the few voters who remain undecided. At the Applebutter Festival in Kimmswick, Mo., last weekend, Orville Sauder, who was selling sausage and elk jerky, said, "I'm not impressed with Talent, but I really am unimpressed with McCaskill."

On Sunday afternoon in Clayton, some voters expressed disgust with both campaigns.

"They ought to quit talking about each other. Neither candidate is talking about themselves yet," said a middle-aged man who asked not to be identified. "I'm a supporter [of Talent], but I am [not sure]."

Chafee Takes Jab At Sen. Harry Reid (HILL)

By Elana Schor

The Hill, November 1, 2006

Sen. Lincoln Chafee (R-R.I.), whose collegial personality has bolstered his appeal in an otherwise blue state, took an indirect shot at Senate Minority Leader Harry Reid (D-Nev.) during a debate Monday night with his Democratic opponent, state Attorney General Sheldon Whitehouse.

When Whitehouse blasted Chafee for failing to push for Defense Secretary Donald Rumsfeld's resignation in the wake of escalating chaos in Iraq, the incumbent — trailing his foe by as many as eight points in recent polls — asked Whitehouse why he has failed to question Reid's amended reports to the Senate ethics committee clarifying the details of a $1.1 million land deal.

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"Whitehouse is talking about, 'you should call for this, you should call for that,' and the senator is putting out that the current Democratic minority leader, Harry Reid, has got some ethics questions surrounding his conduct and Whitehouse has stayed silent," Chafee campaign manager Ian Lang said. "Does [he] believe that this disqualifies Reid as minority leader?"

Whitehouse spokeswoman Alex Swartsel did not address the Chafee camp's question directly, instead continuing to hammer the centrist Republican as a reliable vote for GOP leadership.

"Chafee hasn't explained why he has continued to support his Republican leadership despite their failure to hold the administration accountable for its failures in Iraq," Swartsel said.

Behind The 'Mob' Ad, A Republican Donor With A History (NYT)

By Laura Mansnerus

The New York Times, November 1, 2006

TRENTON, Oct. 31 — A much-criticized television advertisement that uses a mob character to impugn Senator Robert Menendez was financed by a Republican donor who has given more than $6 million this year to start ad campaigns attacking Democrats.

The donor, Bob J. Perry, a Houston home builder, gave $4.45 million in 2004 to the Swift Boat Veterans for Truth, an independent organization that attacked Senator John Kerry's Vietnam War record, damaging his presidential campaign and leading to protests about the tactics used by such outside groups.

The anti-Menendez ad was produced by one such group, the Free Enterprise Fund Committee, which said it received about $1 million from Mr. Perry. His role in the ad was reported on Tuesday in The Star-Ledger. Earlier this year, Mr. Perry started another group, the Economic Freedom Fund, with a $5 million contribution. Together, the committees are running attack ads in about a dozen states.

In the anti-Menendez ad, titled "Politicos," a stocky character with a leather jacket and a "Sopranos" accent rasps into a cellphone: "We got a problem. Our boy down in Washington, Bob Menendez, he's caught in a federal investigation. The feds start looking at these fixed contracts, and bada-bing, we're in it deep."

"We need to get the bosses to fix this thing, like they did for Torricelli," he says at the end of the ad.

Jill Hazelbaker, a spokeswoman for Mr. Menendez's Republican opponent, State Senator Thomas H. Kean Jr., said the campaign condemned the ad when it started running a week ago. That statement, Ms. Hazelbaker said, "makes clear that we loathe the ad."

She said the Kean campaign could not call on the sponsors to stop running the ad. Campaign finance laws prohibit any direct contact between campaign officials and the independent groups, known as 527s after a provision in the federal tax code that permits them to spend unlimited amounts as long as they do not coordinate efforts with candidates.

But Matt Miller, a campaign spokesman for Mr. Menendez, said: "The Republicans have been very good at getting all their donors to fund side projects to smear Democratic candidates. We saw it pop up in New Jersey with the Free Enterprise Fund ads, which repeated Tom Kean Jr.'s smears."

Todd S. Schorle, a spokesman for the Free Enterprise Fund Committee, said that Mr. Perry provided almost all of the group's financing but that the ad was entirely the creation of the committee staff and the agency that made it, Nelson Warfield and Company. Mr. Schorle said the ad cost $200,015 and was to run for a week, ending today, on cable stations in several North Jersey counties.

When asked about Mr. Perry, Mr. Schorle said, "We don't discuss any of our donors."

The committee has run ads against other Democratic Senate candidates, including Ned Lamont in Connecticut, Jon Tester in Montana and Harold Ford Jr. in Tennessee. The Economic Freedom Fund, Mr. Perry's new committee, has run attack ads in at least five states.

In Indiana, the state attorney general filed a complaint against the group and forced it to stop automated telephone calls attacking a Democrat, Baron Hill, who is challenging Representative Mike Sodrel.

Anthony Holm, a spokesman for Mr. Perry, declined to comment.

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Mr. Perry is the nation's top donor to the independent groups this year, according to the Center for Responsive Politics, which tracks federal campaign finance reports. In 2004 he and his wife, Doylene, were the biggest Republican donors to 527 groups, giving $9.6 million.

Senate Dems Outgive GOP (HILL)

By Elana Schor

The Hill, November 1, 2006

More than half of the members of the Senate Democratic caucus have tapped into campaign coffers for six-figure donations to their party committee, while only 15 Senate Republicans have given similar sums with only one week remaining and control of the chamber up for grabs.

From committee gavels to White House momentum, Democrats digging deep to transfer unused campaign dollars stand to reap huge gains if they can net the six seats needed to take over the Senate. But even Democratic senators up for reelection and out of chairmanship contention made unrestricted transfers to the Democratic Senatorial Campaign Committee (DSCC) in October, leaving Republicans at a $6 million disadvantage in the hunt for member money.

Senate Republicans maintain that their majority will survive despite members' reluctance to give directly to the National Republican Senatorial Committee (NRSC) and some strategists' anxiety over spending shortfalls in key races. The NRSC made a million-dollar negative-ad buy yesterday in Virginia, where the DSCC reportedly is planning to double that number in a bid to vault Democrat Jim Webb over Sen. George Allen (R-Va.).

Allen chaired the NRSC during the 2004 cycle, when he gave $375,000 in campaign cash directly to the committee, according to Federal Election Commission (FEC) records. Current Chairwoman Elizabeth Dole (R-N.C.) has given the NRSC $100,000 directly from her campaign, which had about $224,000 on hand at the end of September.

Among the members Dole has solicited for six-figure transfers is Judiciary Committee Chairman Arlen Specter (R-Pa.), who did not heed Dole's call for $100,000 from a campaign war chest strained by his high-profile reelection fight in 2004.

"What I've done is raise a lot more money than Dole wanted me to contribute," Specter said in an interview. "I'm working hard to maintain the majority."

Specter said he has held fundraisers for three of his committee members up for reelection, Sens. Jon Kyl (R-Ariz.), Mike DeWine (R-Ohio) and Orrin Hatch (R-Utah), in addition to raising $100,000 through the NRSC's Majority Makers program and giving more to individual candidates through his Big Tent leadership PAC. His greatest effort has been directed at helping fellow Pennsylvanian Sen. Rick Santorum (R), and Specter said he hopes to cut a radio commercial for the embattled senator this week.

Specter's Democratic counterpart on Judiciary, Sen. Patrick Leahy (Vt.), has given $100,000 in direct campaign cash in addition to making appearances for House candidate Peter Welch (D-Vt.).

Specter and Homeland Security and Governmental Affairs Committee Chairman Susan Collins (R-Maine), who is up for reelection in 2008, are the only two Republican chairmen who did not give directly to the NRSC. A Collins spokeswoman noted that she has given more than $200,000 to Republican candidates through other avenues.

"We're very pleased to have support from the caucus and we will do everything we can to get as much as we can during the last week," NRSC spokesman Brian Nick said.

Only one Democratic senator who is in line to chair a committee if the Senate changes hands, Appropriations ranking member Robert Byrd (D-W.Va.), has not given directly from his campaign to the DSCC. Byrd is heavily favored to stave off GOP challenger John Raese next week, and his office did not return a request for comment by press time about his giving record.

Despite the NRSC's nearly $1 million deficit in cash on hand entering the final stretch of one of the most hard-fought midterms in years, some GOP senators have boosted their giving since the 2004 season.

Senate Rules Committee Chairman Trent Lott (R-Miss.), who is widely expected to vie for the majority whip's post if Republicans hold on and Santorum loses his race, transferred $100,000 to the NRSC in September — his first unrestricted contribution since the 2002 cycle, when he was deposed from Senate leadership.

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Sen. John Ensign (R-Nev.), who has announced his intention to take over the NRSC for the challenging 2008 cycle, gave $250,000 to the committee in October while waging a reelection fight against Democrat Jack Carter.

"Obviously, he believes in the NRSC and has always been one to help out fellow Republicans wherever he can," Ensign spokesman Jack Finn said.

Sen. Wayne Allard (R-Colo.) gave the NRSC $50,000 in October, bringing his total transfers to seven times his 2004 level. Allard, who took a seat on Appropriations at the beginning of this Congress, also has done direct mail for Colorado House hopeful Rick O'Donnell (R) and will join a statewide bus tour for Colorado candidates this week.

The predominance of incumbents in need during this cycle compared with 2004 helped motivate Allard, his Chief of Staff Sean Conway said: "I think the difference is that this time, a lot of the colleagues he works with on a daily basis are in tough races, so he wanted to step in and help out."

One senior GOP aide pointed to his own boss's fundraising activities and said the Republicans' failure to match moves like Sen. Hillary Rodham Clinton's (D-N.Y.) $2.1 million gift to the DSCC did not tell the full story.

"We certainly understand the importance of this election and we understand the stakes," the aide said. "It's not all about the hard numbers you see, but about your organization. It's not just that members are giving some money to NRSC, but they are doing a lot on behalf of their colleagues. A lot of it is the sweat equity that you do."

Yet few Republican senators can match the earned-media power of John McCain (R-Ariz.), who continues to crisscross the country for Republicans but has given no direct cash to the NRSC. On the Democratic side, presidential aspirants such as Joseph Biden Jr. (Del.), Chris Dodd (Conn.) and Barack Obama (Ill.) have all sent $150,000 or more directly to the DSCC.

In addition to maxing out through his Progressive Patriots Fund PAC, Sen. Russell Feingold (D-Wis.) hit the $100,000 mark in October with a bequest to the DSCC.

"Taking back the Senate is a priority if we're to get our country back on track, and continuing to support the DSCC and its efforts is another way Senator Feingold is working toward that goal," Feingold spokesman Trevor Miller said via e-mail.

Some Democratic senators have targeted their campaign transfers and PAC contributions outside of the DSCC, often to swing close state-level races. Sen. Bill Nelson (D-Fla.), for example, sent $250,000 on Thursday from his unexpectedly full coffers to a Florida Democratic party working to lift Rep. Jim Davis's (D-Fla.) gubernatorial fortunes.

The DSCC did not return requests for comment on Democratic members' money movement.

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Senators who have given the most to the NRSC and DSCC from their campaign funds (through 10/18)

Republicans

Mitch McConnell (Ky.) $1,000,000

John Ensign (Nev.) $250,000

Thad Cochran (Miss.) $225,000

Ted Stevens (Alaska) $200,000

Chuck Grassley (Iowa) $200,000

Orrin Hatch (Utah) $200,000

Democrats

Hillary Rodham Clinton (N.Y.) $2,100,000

Edward Kennedy (Mass.) $1,000,000

Dianne Feinstein (Calif.) $1,000,000

Dick Durbin (Ill.) $985,000

Ron Wyden (Ore.) $769,500

Harry Reid (Nev.) $600,000

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Senate chairmen/ranking members making no direct donations from their campaigns:

Arlen Specter (R-Pa.)

Susan Collins (R-Maine)

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Robert Byrd (D-W.Va.)

A Senate Newcomer, Helping Fellow Democrats On The Trail And Drawing Big Crowds (NYT)

By Anne E. Kornblut

The New York Times, November 1, 2006

MILWAUKEE, Oct. 31 — Senator Barack Obama of Illinois has become the prize catch of the midterm campaign. More sought after than virtually every other Democrat, Mr. Obama was fully booked, long ago, on a schedule to take him across a large swath of the country to help his party try to win control of Congress.

Now, having increased the intrigue of his persona with his recent announcement that he may run for president in 2008, Mr. Obama is winding up the closing days of the 2006 race as what party officials believe is a powerful tool to draw last-minute attention to Democratic candidates.

In stops with candidates in Minnesota and Wisconsin over two days at the beginning of this week, Mr. Obama helped draw large crowds and intense news media attention to earnest but otherwise nondescript rallies.

His travels have a self-serving purpose, as well; he has been on a tour the last few weeks to promote his second book, "The Audacity of Hope," which is set to make its debut on the nonfiction best-seller list. But the publicity he has attracted along the way has been welcomed by party officials.

Other prominent African-Americans are summoned to the Midwest to campaign in black churches (and that is on Mr. Obama's schedule, too, before the week is out). But Mr. Obama also traveled to Rochester, Minn., in a Congressional district that is more than 93 percent white, to campaign on Monday in front of a nearly all-white crowd for Amy Klobuchar, who is running for Senate, and Tim Walz, a candidate for the House.

Mr. Obama then traveled to Milwaukee on Tuesday to campaign for Gov. James E. Doyle at a rally, where Senator Herb Kohl compared his appearance to one scheduled later in the week by former President Bill Clinton.

"So we're going to have a former president," Mr. Kohl told the more than 1,000 participants at the outdoor rally, "but you know, we might just have a future president in town."

And thus on a freezing Halloween morning, Darnell Barrett, a seventh-grade English teacher, carted his class to an outdoor field in Milwaukee to see the junior senator from the state directly to the south. Mr. Barnett said that seeing the governor and the city's mayor would not have justified the journey; it was Mr. Obama, he said, who inspired the trip.

"He's all people are talking about, to be honest with you," said Mr. Barnett, whose class of 20 students stood on their toes to get a glimpse of the stage. "A lot of the kids had heard of him, if you can believe that."

Mr. Obama's message varies little from venue to venue; in interviews and on the stump, he returns to the theme of moving past the divisions of the 1960s, a distinctly post-baby-boom vision that he, at the age of 45, would be conveniently suited to pursue.

He dreams aloud of a political world in which each side tries to understand the other, and speaks of his belief that Americans are fundamentally optimistic. He warns that the current climate risks leaving the country "a little poorer and a little meaner than the one we inherited from our parents," citing universal health care, higher wages, improved education and sounder energy policy as the most pressing goals.

The war in Iraq, which he opposed from the outset, is among the areas where he sounds most like the liberal wing of his party. In other ways, especially in tone and with regard to politics, he insists that neither party has a monopoly on good ideas and frequently declines to criticize President Bush as unfit.

Even on the question of race in a midterm season that has at times had a sharp racial undercurrent, Mr. Obama can be understated.

In an interview on a flight between campaign appearances, the senator said he did not consider an advertising campaign against Representative Harold E. Ford Jr., a Democrat running for Senate in Tennessee, to be offensive strictly because it seemed designed to provoke bias in white voters. In the advertisement, a blond white woman, scantily clad, says she met Mr. Ford at a Playboy party and asks him to call her.

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"What I saw was some pretty crude innuendo," Mr. Obama said. "I would have been just as offended had they used a black woman. The fact that they used a blonde was sort of putting mustard on the hot dog."

Mr. Obama, who has campaigned for Mr. Ford and plans to do so again, is also one of the top donors to federal candidates from his federal political action committee. He has given $374,000 to federal candidates in this election cycle, according to the Center for Responsive Politics.

That is more than even Senator Hillary Rodham Clinton of New York, whose PAC donated $252,500, and Senator John Kerry, whose PAC has given $82,600. (All three of them have also helped candidates in other, sometimes more valuable ways, like headlining fund-raising events and lending lists of donor e-mail addresses.) Mr. Obama has also been featured prominently in the Democrats' direct mail campaigns.

When questions about the presidential campaign arise, Mr. Obama is quick to say that he is still at the earliest stages of contemplation. He declined to point out differences between himself and Ms. Clinton, except to say that they had disagreed at the outset of the war in Iraq, which she voted to authorize. (He was not in the Senate yet.)

But he did elaborate on the question of experience, which given his brief tenure is certain to follow him if he decides to run. Asked how important experience should be for a president, he replied, "What I think is more important is judgment."

"Judgment can be borne out of experience," he said. "It would be nice to think the more experience we get, the better our judgment is. But I don't think that's the case. I mean, Dick Cheney and Donald Rumsfeld have an awful lot of experience, and yet have engineered what I think is one of the biggest foreign policy failures in our recent history. So I would say the two most important things are judgment and vision."

"Well," he added, catching himself, "judgment, vision and passion for the American people, and what their hopes and dreams are."

Haunted By The Past (NYT)

By Maureen Dowd

The New York Times, November 1, 2006

Many Republicans have been tut-tutting about the author of "The Audacity of Hope" having the audacity to hope.

"I think people might want a little more experience than that, given the nature of the times we live in," Dick Cheney told Sean Hannity.

Charles Krauthammer wrote that, despite Senator Barack Obama's charms, he could not win in '08: "The reason is Sept. 11, 2001. The country will simply not elect a novice in wartime."

But if there's one thing W.'s reign proves beyond a shadow of a doubt, it is this: Experience, like affectations, can be dangerous.

They will fill up history books with all the myopic misjudgments made by a war council with a couple of centuries of experience, blunders that undermined America's security and integrity, wrecked Iraq, loosed Osama, and made the world more dangerous.

Those on the president's "dream team" of foreign policy advisers were haunted, not strengthened, by their years of past service in top jobs. When they got the chance to run the country again under W., all they wanted to do was finish unfinished business, misapplying old ideas to new crises, like those who sabotage new romances with baggage from old relationships.

On his initial tour as defense secretary, for Gerald Ford, Rummy felt that Vietnam, Watergate and then Jimmy Carter robbed him of his opportunity to rein in the military brass, who were always impudent enough to have opinions about the military. Determined to banish America's post-Vietnam fears about using force, he ended up creating another Vietnam that spurred more fears about using force.

As Bush 41's defense secretary, Mr. Cheney prepared the '92 Defense Planning Guidance draft with his aides Paul Wolfowitz and Scooter Libby. It called for swaggering world domination in the wake of the cold war, asserting that America should intervene to stop any countries — allies or foes — from challenging its supremacy.

A decade later, with a more jejune Bush as president and a more jittery post-9/11 America, Cheney & Co. brought back the loony plan and renamed it the Bush doctrine.

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Vice and Rummy corroded the Constitution by using the terrorist attacks as a pretext to correct the past: as Ford administration big shots, they felt emasculated by the post-Watergate reforms; three decades later, they saw a chance to shoot some steroids into executive branch powers.

Condi Rice had been a Russia expert in Poppy Bush's White House, so she and the older cold warriors like Rummy and Cheney readily saw the red menace under every rock. Like the "experts" who failed back in the 1960s to see that Red China and the Soviet Union were enemies of each other, not friends, they naïvely assumed that Saddam and Osama were in bed together and that because they were both bad guys, going after one was going after the other.

George Tenet's experience tracking bin Laden did him no good, because he was so nervous about being the only Clinton holdover that he was overly sycophantish to W., assuring a skeptical president that proving Saddam had W.M.D.s was a "slam dunk."

W. let the past cloud his judgment as well. He went along with Vice and Rummy on invading Iraq because he thought he could avenge and one-up his father simultaneously.

When Sonny, as Colin Powell called him, announced his candidacy in 1999, I asked him if it was scary to run for president knowing so little about foreign affairs.

"There will be moments when situations, incidents will flare up," he replied, blissfully unaware of the conflagration to come. He said he could lean into his dad's advisers, and trust his gut about which ones to trust and which to "kiss off."

Yesterday, Senator Obama, asked about his short résumé, made the same claim that judgment is more important than experience. But he acknowledged that President Bush has given learning-on-the-job a bad name.

"I mean, Dick Cheney and Donald Rumsfeld have an awful lot of experience, and yet have engineered what I think is one of the biggest foreign policy failures in our recent history," he told The Times's Anne Kornblut. "So I would say the two most important things are judgment and vision. Well, judgment, vision and passion for the American people, and what their hopes and dreams are."

Those who declaim on the need for Senator Obama to have more experience must forget who's running the country. It often seems that the most inexperienced person alive is George W. Bush — even after six years in office.

Hillary Blasts Bush Policy (NSDY)

Long Island Newsday, November 1, 2006

Sen. Hillary Rodham Clinton blasted President George W. Bush Tuesday for pursuing a foreign policy that had produced "a landscape of failure and disorder," and she urged a return to diplomacy and negotiation in tackling the world's challenges.

"Our country desperately needs a foreign policy based on bipartisan consensus and executed with nonpartisan competence," Clinton, a likely 2008 presidential contender, told a packed gathering at the Council on Foreign Relations in Manhattan.

Earlier in the day, former North Carolina Sen. John Edwards, another Democrat eyeing a possible White House bid, outlined his foreign policy views at the Asia Society in Manhattan. While not as openly critical of the Bush administration, Edwards said future leaders would have to deal with a vast erosion of respect for the United States throughout the world as a result of the Iraq war.

"It is the single most important responsibility of the next president: We have to restore American leadership," Edwards said. "The chaos we see in the world today is a direct result of that leadership vacuum."

Clinton, an increasingly vocal critic of the White House, labeled the Bush administration "the largest and least competent government we've ever had."

In her remarks, the New York Democrat emphasized the need for the United States to develop an "internationalist" foreign policy that engaged allies on issues including nuclear proliferation and terrorism. While she broke little new ground in her remarks, the speech offered a window into how she might approach global challenges as president.

As she has before, Clinton criticized Bush for squandering global goodwill after the 9/11 attacks and for pursuing a flawed strategy in the Iraq war while neglecting threats such as Iran and North Korea's pursuit of nuclear weapons. She expressed

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amazement over the Bush administration's refusal to negotiate directly with either of those regimes, calling it "a simplistic division of the world into good and evil."

Senator Clinton Attacks Bush And The Iraqi Government (NYT)

By Marc Santora

The New York Times, November 1, 2006

Calling for "a fundamental change in course" in Iraq, Senator Hillary Rodham Clinton presented her most comprehensive criticism yesterday of the Bush administration's handling of the war, and she said the current government in Iraq had so far failed to be part of a solution.

"Only the Iraqi government can take action to create the conditions for a political settlement," Mrs. Clinton said in a speech to the Council on Foreign Relations in New York. "Instead, the government in recent days seems to be going out of its way to rebuff our efforts to move in that direction."

"American credibility is held hostage by an Iraqi government that will not fulfill its pledge to seek a political resolution of the rights and roles of the Sunni minority and to determine how oil revenue is allocated," she added.

Her remarks came on a day of increased tension between the United States and the Iraqi government, led by Prime Minister Nuri Kamal al-Maliki, after his insistence that the American Army remove checkpoints set up around Baghdad neighborhoods that are Shiite militant strongholds. The Americans complied, and administration officials said the decision was mutual.

In Mrs. Clinton's speech, touching on issues in countries including Afghanistan, China, Iran and North Korea, she presented a broad vision for an internationalist approach to foreign policy. Yet she reserved her harshest criticism for Iraq.

"In human terms, this has been a horrible month," she said. "In political terms, we have finally reached the point of complete absurdity. The administration announces that it will propose timetables or benchmarks, and the Iraqi prime minister denounces them."

Mrs. Clinton went on to say that several basic components should guide future American policy, laying much of the burden on the Iraqi government.

"First, we need to press consistently, privately and publicly, the Iraqis to become serious about achieving an internal reconciliation and political solution," she said. "And present real consequences for their failing to do so."

While she did not expound on those consequences, she suggested that the pressure put on the Iraqi government would be tied to a "phased redeployment" of American troops out of the country beginning this year.

"Phased redeployment will get the attention of the Iraqi leadership," Mrs. Clinton said. Iraqi officials have sent a mixed message in meetings with her, she said, expressing a desire to be a sovereign nation yet saying they are not ready for the Americans to leave.

"It is time for us to force the Iraqi government to face up to that contradiction," she said. Repeating other ideas that she has expressed over the past year, Mrs. Clinton called for a fund to administer oil revenues in Iraq in an equitable fashion. She also called for a meeting of all the countries in the region to discuss the situation.

More broadly, Mrs. Clinton outlined a foreign policy that she said tried to blend "realism" and "idealism," as opposed to what she said was the Bush administration's "simplistic division of the world into good and evil."

One example of that philosophy put into action would entail the possibility of negotiating directly with Iran to prevent it from developing nuclear weapons.

As Mrs. Clinton skipped from discussing one global hot spot to another, she was consistently critical of the Bush administration. Regarding North Korea, she said the White House was investing too much faith in China. In Afghanistan, she accused the administration of prematurely shifting focus elsewhere and allowing the Taliban to regroup.

She also made a broad case for international cooperation. For instance, she said that the treaties and institutions that were effective in limiting nuclear proliferation during the cold war should be modernized instead of abandoned.

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The administration declined to comment on the speech, but the Republican National Committee denounced it. “Either the junior senator from New York really doesn’t grasp the stakes in the war on terror or she is so consumed with her political future that she is willing to compromise our security for personal partisan gain,” said Tracey Schmitt, a spokeswoman.

From Iraq to the broader fight against terror to domestic security, Mrs. Clinton said the administration had failed.

“The people who promised less government,” she said, “have instead given us the largest and least competent government we have ever had.”

Bridge To The Center (WP)

The Washington Post, November 1, 2006

David Ignatius

ROCHESTER, N.Y. -- A tinny band strikes up "Happy Days Are Here Again" as Sen. Hillary Clinton makes her way to the podium at a campaign rally. And here in Upstate New York, where Democrats not so long ago were an endangered species, it looks like happy days are indeed ahead.

A week before Election Day, the Democrats are in a dominant position across the Empire State. Clinton is leading her Republican challenger, John Spencer, by nearly 30 percentage points. The Democratic candidate for governor, Eliot Spitzer, is up nearly 50 points over his GOP rival, John Faso. Perhaps most important, Democrats Eric Massa and Jack Davis are making strong races in Upstate congressional districts that have been solidly Republican for years.

A day spent with Clinton on the campaign trail Monday illustrates the broad, bipartisan themes that have helped rebuild the party in Upstate New York. Her comments also signal the legislative strategy that Clinton hopes to pursue next year, when her party is likely to have control of at least one house of Congress and Clinton herself will be the instant front-runner in the 2008 presidential race.

Rochester on a clear fall day seems like an idyllic version of Clinton's own girlhood home in the prosperous Chicago suburbs. It's a sturdy, Rust Belt industrial city -- a place that sees itself in the middle of the political landscape. The mayor, Robert Duffy, is a former police chief who was recruited to run by both parties but opted for the Democrats and now has an 89 percent approval rating. In national politics, it sometimes seems the country is ripped at the seams by extremists on both sides, but it doesn't feel that way in Rochester.

The issues Clinton stresses through the day are classic "bridge to the future" themes articulated by Bill Clinton when he was president, but with a Hillary twist. She starts the morning brainstorming with local leaders on how to make Rochester a hub for "green" alternative-energy technologies, building around a plant that makes fuel cells. Next, she meets with a health-care network and pitches a revival of her failed 1993 campaign to lower health costs and insure the uninsured. Then it's a tour of a poor urban neighborhood being redeveloped with public-private partnerships of the sort the Clintons have long championed. Her last stop is a steel company where she talks about reviving American manufacturing.

Clinton can't match her husband's raw political energy -- his ebullient way of blurring the edges and seeming to be all things to all people -- but she's getting closer. She feels the pain of the doctors and nurses: "We are just skating along, and the ice is cracking, and we're in danger of falling through." At the political rally that ends the day, she turns her version of centrist politics into a war cry, shouting to the crowd that even conservative Republicans are deciding that "there is nothing conservative or Republican" about Bush policies. She leaves the boisterous rally with a Hillaryesque: "Oh my goodness. This is so exciting."

What will happen to this Democratic energy after Nov. 7? Will it coalesce into strategies for effective governing, or will it simply elevate Bush-bashing to a wider stage? The rage among Democratic activists may undermine the party's effectiveness, but you don't see that negativism here. The Democrats are mounting a surprisingly effective challenge in the bedrock GOP 29th District south of here thanks to Massa, a Navy veteran who has bonded with the activists' "Net roots" Internet campaign. Massa's pro-military, anti-Iraq-war stance defines the high ground this year for Democrats.

Clinton says her priorities in the new Congress will be the same issues she discussed here: creating an energy research agency to speed development of alternative technologies; building a nationwide health-information system as a first step toward broader health reform; restoring the budget rules of the 1990s to slow runaway federal spending; and shaping a bipartisan foreign

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policy that can salvage what's possible in Iraq. She gave a powerful speech Tuesday at the Council on Foreign Relations, staking out this center ground.

I asked Clinton at the end of this long campaign day to sum up where she will be going in 2007 and beyond, and her answer sounded like a version of America as Upstate New York: "Americans are primarily pragmatic," she said. "We are both conservative and progressive. In the pragmatic center, you get people together; you listen, you learn; you don't draw lines in the sand."

Her updated version of the Clinton gospel is obviously working here in Rochester. But for Hillary, the hard part begins the morning after Election Day.

The writer co-hosts, with Newsweek's Fareed Zakaria, PostGlobal, an online discussion of international issues athttp://blog.washingtonpost.com/postglobal. His e-mail address isdavidignatius@washpost.com.

Election Tests How Much Race Matters (USAT)

By Susan Page

USA Today, November 1, 2006

NEWTON, Mass. — When Democratic gubernatorial nominee Deval Patrick addressed members of the local Chamber of Commerce, he talked about stimulating the state's economy, streamlining regulations and improving public education.

And race? The subject didn't come up.

Patrick, who is African-American, and members of the audience, almost all of them white, insist color isn't a factor in this campaign. “I don't even see him as black,” says Mike Hurley, 54, owner of the local Minuteman Press franchise. He jokes, “It looks like to me that he has a deep tan.”

Colorblind electorate or not, Patrick is likely to make history next week. The political neophyte, who led Republican Lt. Gov. Kerry Healey by 25 percentage points in a Boston Globe poll taken Oct. 22-25, is poised to become the first black governor of Massachusetts and only the second black ever elected governor in any state.

He is one of a new generation of African-American politicians who are changing old assumptions about what offices black candidates can win.

Unlike senior black members of Congress, they are too young to have joined the civil rights struggles of the 1960s. They often haven't gone to historically black colleges or launched careers at black churches. Instead, many graduated from Ivy League colleges and pursued careers at big law firms. They often advocate pragmatism over ideology and aspire — like white politicians — to the most powerful elected offices in the country.

“African-Americans are now able to come through the political pipelines and break through old barriers,” says Donna Brazile, a top Democratic strategist. “Whether they make it to the finish line is another thing, but the door has been left ajar.”

In congressional elections next Tuesday, Memphis Rep. Harold Ford Jr. would be the first black senator popularly elected from the South if he prevails in a tossup contest for the Tennessee Senate seat. Maryland Lt. Gov. Michael Steele is in a competitive contest for the Senate. Keith Ellison, who is black and Muslim, is favored to win a 70% white congressional district in Minneapolis. Angie Paccione, whose mother is black, is in a close contest to represent an 80% white district in Colorado.

A record six African-Americans hold major-party nominations this year for senator and governor — three Republicans, three Democrats — and another 10 are running for such statewide offices as lieutenant governor and secretary of State that often provide steppingstones to higher office.

To win, these candidates have to appeal to white voters, of course — and in a nation where race continues to resonate.

Ads against Patrick and Ford in recent weeks used “subtle and not-so-subtle” racial appeals, says political scientist Kerry Haynie of Duke. Skeptics, among them political scientist Ronald Walters of the University of Maryland, note that 1989 also was proclaimed a breakthrough year, when Douglas Wilder of Virginia became the first black ever elected governor — only to have 17 years pass without a second.

Still, David Bositis of the Joint Center for Political and Economic Studies says he's seen a “co-evolution” by black candidates in shaping broad appeals and by white voters in being open to hearing them.

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African-American candidates who lose next week will have been undone not by their race but by the same challenges that defeat white contenders, Bositis says.

Republican Ken Blackwell is running for governor in a year the Ohio GOP has been tainted by scandal, for instance, and Lynn Swann faces a formidable opponent in Pennsylvania Gov. Ed Rendell.

"A lot of young kids are getting beyond race in a lot of ways — I say 'getting,' not 'got,' but 'getting,' " says Bill Perry, a middle-age high school teacher attending a rally for Patrick at the DCU Center Arena in Worcester, Mass. "It's just like my generation got beyond 'Are you Irish?' or 'Are you French?' That was our grandparents."

Thousands of people jam the arena, waiting for the chance to see Patrick and former president Bill Clinton. They wave small American flags and — at the urging of the emcee — use their cellphones to create a sort of instant phone bank, calling friends and urging them to vote.

"You ready to win?" Patrick asks to cheers when he comes on stage with his wife, Diane. Even at a rally, Patrick has a low-key, conversational style. He's given to on-the-one-hand, on-the-other-hand expositions on policy reminiscent of Clinton, his onetime boss and political patron.

"It's a pretty heady thing for a kid from the South Side of Chicago to have a president stump for you," Patrick tells the audience. While he's become accustomed to meeting with power brokers in the penthouses of skyscrapers, he says, "What's also wonderful is when the cleaning crew stops you in the lobby and says, 'I'm for you.' "

Patrick, 50, has lived in both worlds. He and his sister were raised by a single mother in one of Chicago's toughest neighborhoods, living on welfare for a time. A teacher recommended him for a program called A Better Chance, which awarded him a scholarship to attend Milton Academy, a tony prep school south of Boston.

It was, he recalls, "like coming to a different planet." He thrived at the private boarding school, graduated from Harvard and Harvard Law School, then worked for the NAACP Legal Defense Fund. That's when he met Clinton, then governor of Arkansas. Later, as president, Clinton appointed Patrick assistant attorney general for civil rights.

Campaigning at the Chamber of Commerce breakfast, Patrick doesn't mention those jobs or his credentials on civil rights. Instead, he notes that he worked in senior posts at Texaco — chairing a task force appointed after the company lost a major race-discrimination lawsuit — and at Coca-Cola. That gives him the background to effectively manage state government, he tells the audience, many of them small-business owners.

"I bring a range of leadership experience in government, in business, in non-profits, in community groups that's broader than any other candidate in the race," Patrick says in an interview with USA TODAY. His skin color hasn't been an issue "because I'm not offering to be the first black governor of Massachusetts," he says. He's appealing to "all kinds of people from all corners of the commonwealth."

His opponent, Kerry Healey, 46, agrees that race hasn't been a significant factor — perhaps, she says, because her election also would represent a political breakthrough. She would be the first woman elected governor in Massachusetts. "That almost takes that all off the table," she says in an interview.

But Healey injected race with two TV ads in recent weeks, according to David Paleologos, director of the Suffolk University Political Research Center. One ad took Patrick to task for writing two letters and contributing $5,000 to a campaign to win parole for a rapist, Benjamin LaGuer, a black man who proclaimed his innocence. Even after new DNA testing proved LaGuer's guilt, the ad shows Patrick calling him "thoughtful."

The second ad shows a white woman being stalked as she walks in a parking garage at night. Depicting Patrick as soft on crime, the announcer declares: "He should be ashamed — not governor."

Healey says the ads raise legitimate questions about Patrick's judgment in supporting LaGuer and the veracity of his initial explanations about what he had done.

Patrick sees a racial message. "There were a lot of reasons why people equated those ads with the Willie Horton ad," he says, a reference to a spot aired against Michael Dukakis in the 1988 presidential race that showed a glowering black man who committed violent crimes while on parole.

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Suffolk University surveys showed Healey's attacks on crime initially narrowed Patrick's lead from 21 percentage points in early October to 13 points in the middle of the month. By the end of the month, however, they had backfired, Paleologos says. Patrick's lead rebounded to 27 points.

Patrick, who has never run for office before, seems poised for a resounding victory in a state where 6.8% of the population is black, half the U.S. average. He crushed two better-known white candidates in September's Democratic primary. Now the Suffolk survey shows him leading among every demographic group except Republicans.

Doug Wilder says Patrick shouldn't put too much stock in the findings. In his Virginia campaign, surveys of voters as they left polling places showed him ahead by a comfortable 10 percentage points.

When the votes were counted, he won by just half a point.

Wilder, now the mayor of Richmond, related that cautionary tale to Patrick strategists at a political fundraiser in Washington last month. He says "there's no empirical data" to prove that white voters today are any less likely to lie to pollsters about their willingness to vote for black candidates.

"There remains a non-trivial faction of white voters who will not vote for a candidate simply because (the candidate is) black," says Vincent Hutchings, a University of Michigan political scientist who is co-authoring a book called Wedge Politics. "We are kidding ourselves if we argue these people have disappeared from the landscape."

This year's contests will test whether African-Americans who advocate broad political agendas to mostly white electorates can win, he says. Haynie says their prospects are boosted by such high-profile black officials as Condoleezza Rice and Colin Powell, the current and former secretary of State, who have "helped pave the way."

To the White House?

Illinois Sen. Barack Obama roiled calculations about the 2008 presidential contest when he suggested last month he might jump in. And Patrick declines to rule out higher ambitions. "I'm not making any plans for national office," he says. But he also notes, "Life is what happens while you're making plans."

Study: Big 3 News Tilts Vs. GOP (WT)

By Jennifer Harper

The Washington Times, November 1, 2006

The Big Three television networks have used unprecedented midterm election coverage to bash the Republican Party with negative stories, and plenty of them, a study says.

Only 12 percent of election stories that aired on NBC, ABC or CBS were favorable toward Republican candidates, according to a study released yesterday by the District-based Center for Media and Public Affairs (CMPA).

In contrast, Democrats basked in glory. The study found that 77 percent of the news accounts between Sept. 5 and Oct. 22 offered favorable evaluations of Democratic candidates and lawmakers.

"These numbers are pretty striking," said Robert Lichter, director of CMPA, a nonpartisan researcher of news and entertainment media. "The coverage has become a referendum on Republican leadership. The big question for all three networks is this: Why are the Republicans in trouble and how bad is it going to get?"

While midterms typically garner only tepid interest from broadcasters, the networks have dramatically ramped up their coverage this time around, providing 167 stories during the study period. Only 35 stories had been aired during a comparable time in 2002.

The networks have fixated on a trio of story themes. The CMPA study found that the resignation of former Florida congressman Mark Foley dominated the midterm coverage, producing 59 stories, compared with the war in Iraq, which inspired 33, and national security or the threat of terrorism, which produced 31 stories.

Other issues of potential importance to voters -- the economy or redistricting, for example -- got short shrift, such topics earning mention in six or fewer stories.

Speculating on voter behavior is also popular on the networks.

"Another big question they ask is this: What is it the public is rejecting, and what are they so angry about?" Mr. Lichter added.

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"CBS Evening News" anchor Katie Couric, for example, said yesterday that 2006 would prove a "wave election, where public dissatisfaction changes the political environment" and "incumbents are washed away."

On NBC, Brian Williams led a report from Ohio with the phrase, "Could this red state end up going blue?" ABC News' Jake Tapper also showcased Ohio voters, saying they showed "an extra layer of disillusion with the Republican Party."

Like negative campaign ads, negative news reports may have a destructive rebound effect on a fickle viewing public.

"For the past week, the mainstream media has run story after story about the nastiness of this year's campaign ads -- perhaps as a way to distract our attention from their own dirty tricks," observed Stephen Spruiell of National Review Online yesterday.

"Viewers can get sick of negative TV coverage. They consistently rate the news coverage as one of the worst parts of a campaign, specifically citing negative content," Mr. Lichter said. And its going to get worse in the shrill run-up to Nov. 7.

"The GOP is the story, and they're caught in an echo chamber," he added.

Midterm Elections Offer Rookie Anchors New Battleground By BROOKS BARNES (WSJ)

The Wall Street Journal, November 1, 2006

Add another hotly contested race to the list for Tuesday's elections: Brian, Charlie or Katie?

While NBC's Brian Williams, ABC's Charles Gibson and CBS's Katie Couric have all settled into their new roles as evening news anchors, Tuesday's midterm elections mark their inaugural efforts at presiding over prime-time election results. The stakes are high. Live coverage of national elections is a defining event for news organizations, and viewers, advertisers and cable and broadcast rivals will be watching closely to see how each handles the hot seat.

Ratcheting up pressure are the special demands of this Election Day. Midterm elections are typically sedate affairs that are more important locally than nationally. But this year the results could lead to a seismic shift in political power. With control of both the House and Senate up for grabs, the television audience is expected to be particularly large, with the networks competing with Fox News Channel, CNN and MSNBC for viewers.

The rookies -- particularly Mr. Gibson and Ms. Couric because Mr. Williams has anchored lots of MSNBC election coverage -- have a series of especially difficult races to call. More than a dozen important ones remain too close to predict, raising the specter of recounts. There could be problems in some states with new electronic ballots. Meanwhile, the networks' exit polls, crucial to their system of calling races, are likely to be fuzzy as more people make use of absentee ballots.

The new anchors have strong memories of their predecessors' botched calls in the 2000 presidential election, and they say in interviews that they are determined to get the calls right this time. "If we have learned anything from the last few outings, it is to call no race before its time," Mr. Williams says. "Getting it wrong is forever. Getting it four minutes late is forgivable."

In a change from the 2002 midterm elections, the networks promise they won't project a winner in any state until after all of that state's polls are scheduled to close. In a first, each network has also agreed to send two representatives to a "quarantine room" at an undisclosed location in New York City to comb through exit-poll data. The goal: to prevent early exit-poll data -- which is often unreliable -- from leaking to the Internet, and to monitor the results in a vacuum, without access to a bank of TV screens tuned to various pundits predicting outcomes.

All three anchors have top billing, but each has a veteran co-pilot. Mr. Williams will be joined by his predecessor, Tom Brokaw. Mr. Gibson will have George Stephanopoulos, the anchor of ABC's "This Week" Sunday news program and a former senior aide to President Clinton. Ms. Couric's predecessor, Bob Schieffer, will appear with her.

ABC, CBS and NBC have spent recent weeks conducting intense preparations for a relatively small amount of on-air coverage. Each network plans an hour-long live special at 10 p.m. EST, with another live broadcast on the West Coast at 10 p.m. PST, the same amount of time the networks dedicated to the last midterms.

The three anchors will be judged not only on ratings but also on content and their ability to perform on the spot. One particularly tricky moment for rookie anchors to master: bringing the newscast back from a commercial or a local break. Called a "reset" in TV parlance, the anchor must sum up the news so far in a pithy sentence.

In their normal slots, Mr. Williams holds a commanding lead. For the week ended Oct. 27, Mr. Williams attracted an average of 8.9 million viewers to "Nightly News" on General Electric Co.'s NBC, according to Nielsen Media Research. At "World

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News" on Walt Disney Co.'s ABC, Mr. Gibson averaged 8.4 million. Ms. Couric averaged 7.3 million on "Evening News" on CBS Corp.'s CBS.

But unlike the audience for presidential coverage, when the networks remain on the air all evening, viewership for the midterm coverage is typically affected by the strength of the show immediately before. By that measure, ABC has the strongest lead-in with "Dancing With the Stars."

"I personally hope a lot of 'Dancing' fans love politics," says Mr. Stephanopoulos, although they apparently didn't earlier this year, when MSNBC pundit Tucker Carlson was the first "star" voted off the show.

All the new network anchors hope to put individual stamps on their coverage. Ms. Couric, for instance, says her broadcast will strive to be "more accessible and meaningful for regular people." She has been pushing producers to interview average voters over stuffy experts. "Clearly we need to communicate some really critical information, but I think we can have some fun too," she says.

Mr. Williams has something quite different in mind. "I would like to harness some of the shop talk that goes on during our commercial breaks" between political junkies such as Mr. Brokaw and Tim Russert, NBC's senior political analyst. "That's actually really good television," Mr. Williams says. He also plans to pay close attention to potential problems with computerized voting machines. NBC and its sister cable network MSNBC are partnering with an organization that operates a toll-free hotline for voters to report irregularities.

Over at ABC, Mr. Gibson will have the most network air time. While Ms. Couric will go off the air and Mr. Williams will move to MSNBC, Mr. Gibson will continue reporting on ABC's "Nightline."

New this time around at every network is a plethora of news offerings on the Internet and cellphones. CBS plans to update its Web site every 90 seconds, while ABC says it will provide updates every minute. ABC will also allow college and high school students to file Internet "perspectives" via video cellphone, Web cam or camcorder. NBC plans extensive additional material on MSNBC.com, along with original newscasts for mobile phones.

"Online was something that was just beginning the last time around," says Jon Banner, executive producer of "World News." "This time we are truly flooding the zone."

AARP's Tax Trap (WSJ)

The Wall Street Journal, November 1, 2006

Social Security was supposed to be a killer issue for Democrats this election year after they defeated President Bush's reform plans in 2005. But suddenly the tables are turning on several Democratic candidates because of their endorsement of the tax-increase agenda of the American Association of Retired Persons, or AARP.

The liberal entitlement lobby has asked candidates around the country to fill out a questionnaire asking, "Will you support a balanced Social Security plan to continue the program's guaranteed benefits for future generations?" That may sound innocuous, but here's how AARP defines its balanced plan on its Web site near the above question: "AARP believes that a bipartisan plan that balances additional contributions from high income workers with modest adjustments in future benefits can maintain guaranteed Social Security benefits for future generations."

Those italics are ours, because in Washington "additional contributions" means a tax increase. And by "high income workers," AARP can only mean anyone earning more than $94,200, which is the 2006 income level above which the 12.4% Social Security portion of the payroll tax no longer applies. Employers and workers each pay half of the payroll levy, and the income cap already rises each year with inflation.

Thus if you make, say, $100,000 a year but live in pricey Los Angeles, tough luck; the folks at AARP think you're rich. They supported the elimination of the income cap for Medicare's portion of the payroll tax (2.9%) as part of the Clinton 1993 tax increase, and now they want to do it for the other 12.4%. A worker earning $150,000 would pay roughly $6,900 more each year in "additional contributions" under this AARP definition of "balance."

Many members in both parties signed this pledge, but for a handful of Democrats in hotly contested House seats (see the table nearby) it's become a political liability. That's because their GOP opponents refused to take the AARP pledge and are making an issue of this Democratic support for raising taxes on middle- and upper-income wage earners. It's certainly

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information voters ought to have before next Tuesday. Strangely, however, the Democrats are crying foul, and AARP is trying to give them political cover.

Democrat Melissa Bean -- who is trying to hold her seat in an affluent district near Chicago -- now claims she never supported the tax increase she plainly endorsed in answering AARP's questionnaire. And AARP is helping her disavow her pledge by sending a letter to her district's AARP members (as well as to the districts of other vulnerable Democrats who took its pledge). The letter from AARP President William Novelli slams Ms. Bean's opponent David McSweeney for his "ads trying to scare voters."

This AARP complaint about Social Security "scare" tactics is certainly novel, given that its own political clout has been built entirely on scaring seniors. In 2005, it paid for a TV campaign claiming President Bush wanted to "dismantle Social Security." But see if you can follow AARP's latest logic: According to a Chicago Daily Herald interview with AARP spokesman Dave Sloane: "The organization does believe lifting the cap on Social Security taxes and cutting future benefits may be necessary to keep the system afloat." But then he added that to conclude that Ms. Bean supports these policies "is an outrageous leap that is not even close to the truth."

That's not what Mr. Sloane said in previous statements about the purpose of AARP's candidate survey. He was quoted in the Palm Beach Post as saying that the intent of the questionnaire was to "gauge support for the group's position on Social Security . . . We presume that all the candidates would have read the background material and understood our positions."

Translation: AARP was hoping to use its candidate survey to nail down enough support to raise taxes on Social Security and to defeat private investment accounts if Mr. Bush pushes for reform again next year. But now that its scheme has been exposed and is hurting its Democratic pals in tight races, AARP leaders want to deny that this is what they meant. Let's hope Republicans remember this AARP double-dealing, which resembles what the lobby did in endorsing a drug plan for Medicare in 2003 only to call it inadequate now.

One irony here is that the now-disavowed AARP questionnaire is more honest than the group usually is about the choices facing politicians on Social Security. One option -- opposed by AARP -- is to reduce long-term unfunded liabilities by allowing workers to divert some of their payroll taxes into private accounts and tap into the higher returns that private investments offer. This would go a good deal of the way to solving the problem.

Another option -- the AARP "balanced" plan -- requires either raising taxes or cutting the future benefits of young workers, or both. That is, AARP would make today's lousy Social Security deal for young workers even worse. By all means voters should pay close attention to what AARP asked and how the candidates answered. It may have been the most honest moment in these Congressional campaigns.

To Save New York, Learn From London (WSJ)

By Charles E. Schumer And Michael R. Bloomberg

The Wall Street Journal, November 1, 2006

In recent months, there has been a lot of media chatter about the possibility of London taking over New York's position as the world's financial capital. Such speculation, although overblown, has focused our attention on a broader and legitimate concern: Unless we improve our corporate climate, we risk allowing New York to lose its pre-eminence in the global financial-services sector. This would be devastating both for our city and nation.

One of the engines of growth for the U.S. economy, the financial-services industry in New York has long possessed significant comparative advantages over London and all other cities. These advantages include the broadest, most efficient and liquid capital markets in the world, and a concentration of the world's biggest financial firms -- which have a much larger presence here than anywhere else. This city dominates global private-equity markets, secondary trading markets, and mergers and acquisitions.

New York has unparalleled quality of life and cultural diversity, which global companies increasingly seek, as well as a dynamic labor market -- our unemployment rate is lower than the nation's. Taken together, these advantages explain why New York's financial-sector employment numbers are greater than any other city's.

Yet while New York remains the dominant global-exchange center, we have been losing ground as the leader in capital formation. In 2005 only one out of the top 24 IPOs was registered in the U.S., and four were registered in London. London is

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gaining ground in other areas too, but it is not only London we need to worry about. Next year, more money will be raised through IPOs in Hong Kong than in either London or New York.

We cannot ignore these warning signs. That is why New York has hired a consulting firm, which will issue a report in November identifying the specific variables that are negatively impacting our financial-services industry and recommending an action plan to correct them.

Based on the work completed so far, there are four factors that bear close attention: globalization of the capital markets, overregulation, frivolous litigation and incompatible accounting standards. The first factor is beyond our control; advances in technology and communication are allowing capital to flow more freely, making it much easier to locate financial activities anywhere in the world. But we can, and must, do something about the other three factors to maintain and expand our competitive edge.

First, what lessons can we learn from other nations' regulatory systems? Currently, there are more than 10 federal, state and industry regulatory bodies in the U.S. The British have only one such body. Industry experts estimate that the gross financial regulatory costs to U.S. companies are 15 times higher than in Britain. Beyond cost savings, the British enjoy another advantage: While our regulatory bodies are often competing to be the toughest cop on the street, the British regulatory body seems to be more collaborative and solutions-oriented.

With the benefit of hindsight, the Sarbanes-Oxley Act of 2002, which imposed a new regulatory framework on all public companies doing business in the U.S., also needs to be re-examined. Since its passage, auditing expenses for companies doing business in the U.S. have grown far beyond anything Congress had anticipated. Of course, we must not in any way diminish our ability to detect corporate fraud and protect investors. But there appears to be a worrisome trend of corporate leaders focusing inordinate time on compliance minutiae rather than innovative strategies for growth, for fear of facing personal financial penalties from overzealous regulators.

Second, what lessons can we learn from other nations' legal environments? The total value of securities class-action lawsuits in the U.S. has skyrocketed in recent years, to $9.6 billion in 2005 from $150 million in 1997. The U.K. and other nations have laws that far more effectively discourage frivolous suits. It may be time to revisit the best way to reduce frivolous lawsuits without eliminating meritorious ones.

Third, what lessons can we learn from other nations' experiences with international accounting standards? Most European and Asian countries have already begun to adopt international accounting standards, which businesses tend to prefer over the American system. Yet we have set no timetable for doing the same.

In the last quarter of the 20th century, we achieved an almost exquisite balance between regulation and entrepreneurial vigor in American financial markets. We learned that too much regulation stifles entrepreneurship, competition and innovation; while too little regulation creates excessive risk to industry, investors and the overall system.

This delicate balance has been upset by technological advances, making it much easier to locate financial-services activities anywhere in the world. As a result, foreign markets may be tempted to lower regulatory requirements to achieve a temporary competitive advantage. Though deregulation may help some countries gain more business in the short term, over the long term it could hurt the stability and reliability of the global marketplace.

New York cannot afford to lose its place as the global leader in financial services. We have to carefully redefine this balance of innovation and regulation. That is what we seek to do over the next several months.

Our ability to do that, and to answer these three questions, will determine the future of New York -- and, in many ways, the nation. If we do not rise to the challenge, the speculation that New York is losing its pre-eminence in the global marketplace will become more than just chatter.

Mr. Schumer is a Democratic senator from New York. Mr. Bloomberg is mayor of New York City.

North Korea Will Resume Nuclear Talks (WSJ)

By Evan Ramstad, Andrew Baston and Neil King Jr.

The Wall Street Journal, November 1, 2006

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North Korea agreed to return to nuclear-disarmament talks with its four neighbors and the U.S. in a deal brokered by China. As part of the deal, the U.S. agreed to discuss its financial restrictions on the Pyongyang regime.

The agreement relieves some of the tension that North Korea created after it conducted its first nuclear test Oct. 9. It comes as countries around the world prepare to enforce sanctions imposed on North Korea by the United Nations Security Council following the test.

President Bush said he was "pleased" by the breakthrough and thanked the Chinese for their efforts in making it happen. Yet other U.S. officials expressed concern over whether North Korea plans to actually engage in talks and isn't simply trying to dodge U.N. sanctions.

A State Department spokesman said the U.S. was willing to discuss lifting financial restrictions that Washington imposed on North Korea last year so long as Pyongyang agrees to return to a September 2005 framework, in which it had promised to scrap its nuclear work in return for aid and other inducements.

Mr. Bush said there was still "a lot of work to do" and that the U.S. planned to send "teams to the region to work with our partners to make sure that the current United Nations Security Council resolution is enforced."

A new round of talks could occur as soon as mid-November, said diplomats in Beijing, where officials from the U.S., China and North Korea met yesterday to discuss the talks' resumption. The three countries -- along with Japan, Russia and South Korea -- last met a year ago.

The deal to restart the talks is a significant diplomatic accomplishment for China, North Korea's neighbor and closest ally. Relations between the two have been strained by Pyongyang's drive to demonstrate its nuclear capability. Senior Chinese diplomats went to Pyongyang two weeks ago to begin the process of bringing North Korea back to the table.

Assistant Secretary of State Christopher Hill, who represented the U.S. in the discussions, said China's role validated the Bush administration's longstanding decision to negotiate with North Korea only when other countries are involved. "The close U.S.-China cooperation that we have developed in recent weeks and months is due to the fact that we had a multilateral process," he said.

China in early October joined many other countries in urging North Korea not to undertake a nuclear test. Pyongyang responded by giving the Chinese just 20 minutes' notice that a test would occur. China then joined other countries on the Security Council in a unanimous vote for sanctions. It also held up some bank transactions in cities that border North Korea.

Last November, North Korea walked away from the preliminary agreement forged in the six-way talks, saying the U.S. had ruined the deal by alleging soon after the accord was reached that a bank in the Chinese enclave of Macau had engaged in illegal activities on behalf of the North Korean government.

After the U.S. blacklisted the bank, the Macau government froze about $24 million in North Korean funds there. Subsequently, other banks began refusing to do business with North Korea.

U.S. officials said its investigations of Pyongyang's financial activities began long before the six-way agreement reached in September 2005. Under the framework deal, the assistance North Korea would have received each week exceeded the money frozen in the Macau bank accounts.

But the frozen assets remained a major issue for North Korea and were cited in official pronouncements and in interviews by government and military figures immediately after the Oct. 9 test.

While North Korea put no conditions on returning to the talks, Mr. Hill said, "They wanted to hear that we would address the issue of financial measures. I said we would be prepared to create a mechanism to address these financial issues."

Mr. Hill said he also told the North Korean diplomats that neither the U.S. nor other countries recognize North Korea as a nuclear state.

In South Korea, where the government has been reluctant to take harsh steps for fear of provoking the North further, officials quickly welcomed news the talks would resume.

N. Korea Agrees To Return To Talks (WP)

By Glenn Kessler

The Washington Post, November 1, 2006

DOJ_NMG_0089487

North Korea agreed yesterday to return to the six-nation nuclear disarmament talks, just three weeks after it conducted its first test of a nuclear device.

The country's unexpected decision, which was announced by Chinese and U.S. officials in Beijing, will end Pyongyang's year-long boycott of the talks, which have dragged on intermittently for more than three years. Fourteen months ago, North Korea agreed in principle to dismantle its nuclear programs, but hard bargaining is still necessary to determine the sequence and timing of the incentives it expects in return.

Pyongyang had refused to return to the talks until the United States separately negotiated an end to a crackdown on North Korea's counterfeiting of U.S. currency. But that demand disappeared Tuesday during seven hours of meetings, set up by China at Beijing's Diaoyutai State Guesthouse, involving U.S., North Korean and Chinese officials. North Korea instead agreed to a long-standing U.S. proposal to deal with the counterfeiting issue through a working group of the six-party talks.

Assistant Secretary of State Christopher R. Hill emerged from the meetings to say that there was the potential for "substantial progress" in resolving an issue that has raised tensions throughout the region, including the possibility of a nuclear arms race. U.S. officials were privately puzzled by the mercurial government's change of heart, though they said they hope the universal condemnation of North Korea's nuclear test and the swift imposition of U.N. sanctions had played a role.

"In the wake of their test, it became very clear that there were going to be costs and consequences for their actions and that they faced even greater isolation from the rest of the international community," State Department spokesman Sean McCormack said. The talks are expected to resume either this month or in December.

Some analysts and diplomats have faulted the Bush administration for being inflexible and ideological during earlier rounds, making it difficult to reach agreement. David Straub, a former State Department official who was part of the U.S. delegation to some of the talks, said North Korea probably shifted tactics to deflect international pressure and divide the nations at the negotiating table. Unless both the United States and North Korea "bring significantly different approaches to the talks, the talks will again amount to nothing," he said. "Indeed, both will almost certainly take even tougher lines."

President Bush, meeting with reporters in Washington, praised China's role in setting up the meeting. "We'll be sending teams to the region to work with our partners to make sure that the current United Nations Security Council resolution is enforced, but also to make sure that the talks are effective, that we achieve the results we want," Bush said.

Last Wednesday, the Chinese government contacted the U.S. Embassy in Beijing and proposed a trilateral meeting involving North Korea, the United States and China. Secretary of State Condoleezza Rice on Friday authorized Hill to cut short the meetings he had in the South Pacific and to slip into Beijing on an unannounced visit. U.S. officials agreed to try the Chinese idea but had little expectation it would yield a breakthrough.

In January, Hill held a 2 1/2 -hour meeting in Beijing with the Chinese and North Koreans to try to restart the talks, but that effort was not successful.

This time, Hill had seven hours of meetings -- including, at one point, with Kim Gye Gwan, the North Korean vice foreign minister who is Hill's counterpart in the talks, and other North Korean officials. Hill said he told Kim that the United States would never accept North Korea as a nuclear power, nor would any other nation. Hill also told Kim that the U.N. Security Council resolution imposed after North Korea's nuclear test was an "international obligation" and not up for discussion before the resumption of the talks.

The meetings were described as very businesslike. Kim wanted assurances that a Treasury Department action against a Macau bank suspected of money laundering for North Korea would be addressed in the six-party talks. The United States had earlier suggested setting up a working group to address the issue, and Hill reaffirmed that idea. Kim said that was acceptable, according to Hill.

U.S. officials have maintained that the Treasury case was simply an excuse by North Korea to avoid making the strategic choice of giving up its nuclear programs. In earlier talks, Pyongyang had demanded light-water reactors in exchange for abandoning its programs. Though that possible incentive is mentioned in a September 2005 "statement of principles" to guide nuclear negotiations, the United States has insisted that it is only a theoretical possibility that could come at the end of the verified dismantling of North Korea's nuclear facilities.

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North Korea set no conditions for returning to the six-party talks on its nuclear program, Hill said. "For us it was very important that no one should create conditions for attending the talks," he said.

Michael J. Green, who oversaw Asian affairs at the White House until last year, said it was significant that North Korea agreed to return without getting relief from the Treasury action or the U.N. sanctions.

"The Chinese exerted real pressure," Green said. He added that he expects China to push North Korea to offer something concrete at the upcoming rounds of talks, such as a moratorium on future tests, a full detailing of its nuclear programs or the return of international inspectors at its Yongbyon facility.

"North Korea is going to cling tenaciously to its nuclear weapons," Green said, but the existence of U.N. sanctions will facilitate coercive diplomacy.

North Korea has blamed the impasse on the U.S. Treasury action against a bank in Macau called Banco Delta Asia, which the department had identified as the main conduit for bringing North Korean-made counterfeit U.S. bills into the international system. The Treasury had determined that senior officials at the Macau bank accepted large deposits of cash and agreed to place the bogus money into circulation.

The bank is also reputed to hold the private accounts of North Korean leader Kim Jong Il and his family.

North Korea Will Resume Nuclear Talks (NYT)

By Joseph Kahn And Helene Cooper

The New York Times, November 1, 2006

BEIJING, Oct. 31 — North Korea agreed Tuesday to resume nuclear disarmament talks, a first sign of easing tensions since the country's nuclear test this month. But the talks have dragged on inconclusively for three years, and the chances for rolling back the country's now-proven nuclear capability remained uncertain.

China announced that six-nation talks would reconvene shortly after a hiatus of more than a year, and an American envoy in Beijing said they could take place in November or December.

The agreement was a procedural victory for Beijing, which scrambled to reopen a diplomatic channel even as it joined the United States and other international powers in supporting United Nations sanctions on North Korea after the Oct. 9 test.

But Kim Jong-il, the North Korean leader, has participated in multiple rounds of talks over the past several years while he accelerated his pursuit of nuclear weapons, and some analysts suspect that he agreed to restart talks now to forestall tough enforcement of sanctions and to persuade China and South Korea to ease his government's growing economic woes.

While North Korea's decision to restart the talks is being heralded as a diplomatic breakthrough, American envoys will be returning to the negotiating table to face an adversary that now has a demonstrated nuclear capability — a fact that America will try to minimize even as North Korea tries to exploit it, Bush administration officials and analysts said.

"The dangerous possibility is that North Korea sits down at the table and says, 'We're now a nuclear state, let's deal with it,' " said Bonnie Glaser, a senior associate at the Center for Strategic and International Studies in Washington.

In an interview on Tuesday, Secretary of State Condoleezza Rice played down suggestions that America's negotiating task would be made more difficult by the North's nuclear test. "Nobody accepts that they're a nuclear power," she said. The North Koreans, she said, "can say it all they wish."

Ms. Rice said the United States would work with the other participants of the talks to force the North to take a concrete step toward ending its nuclear program. She offered few details but acknowledged that two of the possibilities being discussed were a dismantling of one of the North's many nuclear facilities and the readmission of international inspectors.

Other officials who have discussed the administration's internal deliberations have said the dismantling should begin with a facility like North Korea's five-megawatt reactor, which is continuing to produce nuclear fuel, or its plutonium reprocessing center, where spent reactor fuel can be turned into material for weapons.

"We understand it can't go from zero to 100 in the first session," Ms. Rice said. "But the core of this is denuclearization, and we have to have concrete evidence."

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Christopher R. Hill, the assistant secretary of state responsible for the talks, and Kim Kye-gwan, his North Korean counterpart, met secretly in Beijing under Chinese auspices to hash out terms of resuming negotiations, Chinese state media reported.

Mr. Hill said Tuesday that he expected "substantial progress" at the talks and that they would resume without preconditions. But he acknowledged that previous talks had been plodding and painstaking, and promised no quick breakthrough.

"We are a long way from our goal, still," he said. "I have not broken out the cigars and Champagne quite yet."

For the past year, North Korea had refused to resume negotiations on its nuclear program until the United States lifted financial penalties imposed on a Macao bank last year that have hobbled the country's international financial transactions. Mr. Hill said that he agreed to discuss the matter as part of the nuclear talks — perhaps in a special working group that would convene at the same time as the main negotiations — but that he had made no promises.

The Bush administration accused the Macao bank, Banco Delta Asia, of helping North Korea to launder money from drug smuggling and other illicit activities and to pass counterfeit $100 bills manufactured by the North Korean government. In September 2005, the Treasury Department ordered United States banks to sever relations with the bank, a move that had broad ripple effects, curtailing North Korean access to the international banking system and further isolating the government in Pyongyang.

The talks, which involve Japan, South Korea and Russia as well as China, North Korea and the United States, reached a vaguely worded agreement for nuclear disarmament in September 2005, which North Korea quickly disavowed. The talks collapsed a short time later amid mutual recriminations.

Mr. Hill said Mr. Kim reiterated during their meetings in Beijing that putting the 2005 accord into effect should be the main focus of the renewed talks.

That agreement called for North Korea to abandon its nuclear weapons program in exchange for a range of diplomatic, economic and energy incentives, but left most of the details to subsequent negotiations that never took place.

"We all reaffirmed, including the North Koreans, our commitment to the September statement and the denuclearization of the Korean peninsula," Mr. Hill said.

Bush administration hard-liners, who have been chafing under Ms. Rice's multilateral diplomatic approach to North Korea, played down the resumption of talks, saying that America is merely back where it was a year ago before the North abandoned the talks, except now Pyongyang has the added bargaining chip of having exploded a nuclear device.

"Where's the stick?" asked one administration official. "We're celebrating the six-party talks, but we're back to endless chatter."

Gary Samore, a North Korea expert who helped negotiate President Clinton's 1994 agreement with the North, said, "I think the North Koreans gamed this all out. They calculated they could get away with a nuclear test if they allowed themselves to be cajoled back into the six-party talks."

But North Korea's commitment to resume talks may reduce the chances that it will soon conduct a second nuclear test, as some in the region feared it might be preparing to do.

Some Chinese experts have argued that North Korea needs to dispel doubts about its nuclear capabilities and complete its quest to become a full nuclear power before it will be willing to bargain away what it refers to as its "nuclear deterrent."

They say that Kim Jong-il may feel he can demand a higher price for disarmament now than he could when some international experts, including some of China's top North Korea specialists, had expressed doubts that the country could make its own nuclear bombs.

Many others disagree, including a growing contingent of Chinese officials and foreign policy specialists who take a skeptical view of the North's intentions and favor a tougher line on China's Korean War-era ally, according to numerous people involved in the debate.

Shi Yinhong, an international relations expert at People's University in Beijing, said he believed that Kim Jong-il's agreement to return to talks was motivated mainly by his desire to head off tough enforcement of international sanctions.

"His purpose has been to develop nuclear bombs and that purpose has not changed," Mr. Shi said. "His goal now is to keep his bombs but reduce the penalty he has to pay by appearing to be negotiating in good faith."

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Some Chinese experts said Beijing had made clear that it would exercise considerable economic and financial leverage on North Korea if it continues to develop its nuclear program and refuses to return to talks.

In September, China did not sell any oil to North Korea, Chinese customs statistic show. The cutoff came before the nuclear test but after North Korea conducted a test of its ballistic missiles in July, ignoring Beijing's pleas for restraint.

Beijing provides an estimated 90 percent of North Korea's oil by pipeline, and any sustained reduction in oil shipments could cripple the country's already weakened economy.

Liu Jianchao, the foreign ministry spokesman, said Tuesday, before the resumption of talks was announced, that China had no plans to sever aid or trade with North Korea, but dodged questions about the oil cutoff.

Pyongyang Agrees To Resume N-talks (FT)

By Mure Dickie In Beijing, David Pilling In Tokyo And Anna Fifield In Seoul

Financial Times, November 1, 2006

North Korea on Tuesday surprisingly agreed to return to the six-party talks on its nuclear programme, just three weeks after it conducted its first nuclear test.

In returning to the talks, analysts say North Korea probably bowed to growing pressure from China, its largest benefactor and closest political ally. China's foreign ministry said that Pyongyang's agreement to resume the talks followed a "frank and in-depth" exchange of views.

As the world's big powers work through the details of how to punish Kim Jong-il's regime for the test on October 9, Christopher Hill, the chief US negotiator in the talks, said on Tuesday that the negotiations – which had been stalled for a year – could resume as soon as this month.

However, with North Korea remaining defiant and the US and Japan still lobbying for tough sanctions, hopes remain dim that Pyongyang will agree to abandon its nuclear capability.

"We are a long way from our goals," Mr Hill told reporters in Beijing, after seven hours of talks with Wu Dawei and Kim Kye-gwan, his Chinese and North Korean counterparts.

"I have not broken out the cigars and the champagne yet," Mr Hill said, adding that the timing was "dependent on agreement of all the parties".

In Tokyo, Hiroshi Suzuki, deputy chief cabinet secretary, said North Korea's return to the table vindicated the tough stance advocated by Shinzo Abe, Japan's prime minister. "We feel this is the result of the international community condemning North Korea and the result of the pressure applied under United Nations resolution 1718 and Japan's own sanctions."

Earlier on Tuesday, Mr Abe told the Financial Times, that sanctions were vital to force a negotiated settlement to the nuclear crisis. He said the international community, including China and South Korea, should "make [Kim's] regime aware that, should it continue with its current policy line, it will only find the situation surrounding it worsen by the day. "The economic as well as the food situation is only going to get tougher," he said.

Mr Abe, who built his political career on being tough on Pyongyang, said imposing severe sanctions would not inevitably lead to confrontation.

"We are convinced that this problem needs to be resolved diplomatically and in a peaceful manner," he said. "But I also think Chairman Kim Jong-il and the regime are aware that if they resort to force, that will spell the end of them," he said. Since the test, Tang Jiaxuan, a Chinese state councillor, has travelled to Pyongyang to meet Kim Jong-il and Chinese banks have clamped down on transactions with North Korean companies.

A senior South Korean government official said it was "taken for granted" that North Korea and the US would hold bilateral talks on the sidelines of the multilateral discussions.

Both Japan and the US have said that a return to six-party talks would not be sufficient to prevent sanctions. The cabinet office in Tokyo said last night that in returning to the negotiations, Pyongyang was only doing what it was mandated to do by the United Nations.

Thomas Schieffer, US ambassador to Japan, recently said that only a verifiable end to North Korea's nuclear programme could justify lifting sanctions.

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Analysis: N. Korea, U.S. Both Flexible (AP)

By Burt Herman

AP, November 1, 2006

The United States and North Korea took a step back from the nuclear brink after both sides showed they could be willing to bend under the calm guidance of Beijing.

Still, with no date set for arms talks to resume and Washington and Pyongyang profoundly lacking in trust of each other, it remains to be seen whether Tuesday's agreement for the North to return to negotiations means an end is near for the North's aspirations of being a nuclear power.

Both the North and the United States had previously stuck to ironclad positions that seemed totally at odds, leaving little apparent room for a breakthrough. Neither side wanted to cave, despite calls from other nations for flexibility.

In keeping with its typical tactics of escalation and brinksmanship, the North test-fired a barrage of missiles in July and then took the unprecedented step of conducting a nuclear test Oct. 9 to goad the U.S. to action. Washington responded by backing tough U.N. sanctions.

If the United States agreed to meet the North's demand for direct talks and other concessions, it would amount to succumbing to nuclear blackmail — at least in some minds.

Instead, U.S. officials demanded the North first return to the international nuclear talks — which also include China, Japan, Russia and South Korea — and said it'd be happy to meet separately just with the North there. That position had softened somewhat just before the North's Oct. 9 nuclear test, with U.S. officials saying the North simply had to agree to return to the nuclear talks first to get some face time with the Americans.

But the North insisted on direct talks with the U.S., in keeping with its view that its nuclear dispute is with Washington alone because of the perceived threat to the regime it sees from the American military.

Pyongyang also wants to be seen as on equal footing with Washington, a desire fueled by nationalistic ideology viewing itself as a great nation and "socialist paradise."

North Korea had also refused to return to the talks until the U.S. lifted financial restrictions against a Macau bank where it held accounts. That move had been part of a Washington campaign to sever the already isolated communist country from the international financial system for its alleged involvement in counterfeiting and money laundering to sell weapons of mass destruction.

China appears to have held the key in getting both sides to compromise and allow all to save "face."

During Tuesday's meetings in Beijing that led to the North's agreement to return to the bargaining table, Chinese and American representives first met and then all three sides had lunch, said U.S. Assistant Secretary of State Christopher Hill, the main U.S. envoy. Then, the U.S. and North Korean delegations met before all three got together again.

Having China in the room for most of the time meant the U.S. technically wasn't meeting just with North Korea.

For its part, the North stepped back from its demand that the financial restrictions be lifted to return to nuclear talks. But Hill said Washington did agree to discuss the issue at the nuclear talks.

Those negotiations will still be rife with pitfalls, given disagreements between the two sides.

The North has previously refused to dismantle its nuclear program without getting concessions along the way, while the U.S. has said it wants to see the entire program eliminated before giving Pyongyang any reward.

When the talks do resume, the U.S. and North Korea will have a chance to show just how far their flexibility goes.

Bush Cautious On N. Korea Nuke Turnabout (AP)

By Tom Raum

AP, November 1, 2006

In a surprise turnabout, North Korea agreed Tuesday to return to six-nation disarmament talks just three weeks after rattling the world by conducting an atomic bomb test. The breakthrough came after pressure from China and a U.S. offer to discuss financial penalties already in place.

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President Bush cautiously welcomed the deal and thanked the Chinese for brokering it. But he said the agreement wouldn't sidetrack U.S. efforts to enforce sanctions adopted by the U.N. Security Council to punish Pyongyang for its Oct. 9 nuclear test.

He said there was still "a lot of work to do" and the U.S. would send teams to the region "to make sure that the current United Nations Security Council resolution is enforced."

The ultimate goal is "a North Korea that abandons her nuclear weapons programs and her nuclear weapons in a verifiable fashion in return for a better way forward for her people," the president said.

The unexpected agreement to restart the talks — before year's end, U.S. officials said — was announced after envoys from North Korea, the United States and China met in Beijing, at China's invitation.

In a statement about the decision, North Korea's Foreign Ministry said the North decided to return to the talks to resolve financial restrictions the U.S. had imposed on its international banking activities. The North's recent nuclear test received scant mention, with the Foreign Ministry referring only to a "self-defensive countermeasure" it had taken against the nuclear threat and financial sanctions from the U.S.

The move represented a step back from the nuclear crisis and was widely applauded, if with some reservations. North Korea has a history of walking away from the six-nation talks, only to rejoin them, then to bolt again.

"We believe that the sooner talks resume, the faster the tension around this problem will fade," Igor Ivanov, chief of Russia's presidential Security Council, said in Moscow.

Japan's U.N. ambassador, Kenzo Oshima, called the development "a welcome first step, but there are many, many other things that we need to closely monitor and watch." Japanese Foreign Minister Taro Aso was quoted as saying a resumption of talks "is conditional on North Korea not possessing nuclear weapons."

Aso later said that sanctions would be maintained against North Korea in spite of its willingness to return to the talks. In a tough stance against North Korea, Japan has banned all trade and barred North Korean ships from its ports.

Just a week before contentious U.S. congressional elections, it was a diplomatic victory for Bush. Democrats gave it a qualified but skeptical endorsement.

"It may ultimately be a positive step forward, but it is clearly not sufficient to produce the goal we all want to achieve — a halt to North Korea's nuclear weapons' activities," said Senate Democratic leader Harry Reid of Nevada. He urged Bush to name a special envoy to Pyongyang and to engage in direct U.S.-North Korean talks.

Republicans cast it as a sign of Bush's foreign-policy leadership. "The president's strategy has effectively isolated North Korea from its neighbors in the region and now appears to have returned that rogue regime to the negotiating table," said Senate Majority Leader Bill Frist of Tennessee.

However, China's leaning on its communist neighbor appeared to be the major factor in the progress, not U.S. diplomacy, and Bush acknowledged Beijing's role in Oval Office comments to reporters.

China, the largest supplier of oil for North Korea, has more leverage than any other country with Pyongyang. In a possible sign of Beijing's growing impatience, Chinese exports of diesel and heating oil to North Korea dropped substantially in September from a year ago, though exports of gasoline, liquefied petroleum gas, kerosene and jet fuel rose, according to Chinese customs data.

The six-nation talks — involving North and South Korea, the United States, China, Russia and Japan — have been stalled since last November. North Korea has boycotted them, largely to protest U.S. financial sanctions that target alleged counterfeiting of U.S. currency and money laundering.

Washington has insisted those sanctions, which include a freeze on North Korean bank accounts in Macau, are unrelated to the nuclear weapons dispute.

For its part, the North stepped back from its demand that the financial restrictions be lifted before it would return to nuclear talks. And Washington agreed for the first time to discuss the financial sanctions at the nuclear talks, U.S. Assistant Secretary of State Christopher Hill, the U.S. negotiator, told reporters in Beijing.

Hill said the talks could resume as early as November or December. "We took a step today toward getting this process back on track," he said. But, he added, "We are a long way from our goal still. ... I have not broken out the cigars and champagne quite yet."

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White House press secretary Tony Snow sought to play down U.S. concessions. He insisted that the United States made no promises to link the financial-sanctions dispute to the nuclear one, only agreeing that "issues like that may be discussable at some future time."

At the State Department, spokesman Sean McCormack said he was sure there would be "an opportunity for us to have direct talks" with North Korean negotiators in the context of the six-party framework. He said the negotiations would probably take place in Beijing.

The six-party talks had originally been intended to persuade Pyongyang to abandon its nuclear ambitions. But its nuclear test changed the debate and the stakes.

"No one wants North Korea to continue its nuclear weapons program, particularly after the North Koreans tested a nuclear device," Secretary of State Condoleezza Rice said in an interview on CNBC. She said the U.S. wanted "concrete steps" toward denuclearizing the Korean peninsula. "It really doesn't make sense again for us just to go back and talk," Rice said.

The Security Council voted unanimously on Oct. 14 to impose sanctions on Pyongyang, including a ban on major weapons shipments and restrictions on sales of luxury goods.

"The big question now is, will we meet and will we have anything new to talk about? The North still doesn't trust us, and we don't trust North Korea," said John Wolfstahl, a former nonproliferation official with the U.S. Energy Department.

Sen. Carl Levin, the top Democrat on the Senate Armed Services Committee, said the development was heartening, but that the next round of talks would be much tougher because North Korea has now tested a nuclear weapon. "I'm afraid North Korea comes back stronger," Levin said in an interview.

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AP writers Anne Plummer Flaherty and Barry Schweid in Washington, Edith M. Lederer at the United Nations, and Burt Herman in Seoul contributed to this report.

North Korea To Resume Six-Party Nuclear Talks (LAT)

By Mark Magnier

The Los Angeles Times, November 1, 2006

BEIJING -- North Korea agreed Tuesday to return to negotiations aimed at halting its nuclear weapons program, three weeks after the regime conducted its first nuclear test.

Washington, Beijing, Tokyo and other negotiating partners get what they want -- a North Korean regime back at the table talking with the outside world rather than posturing and threatening from its isolated corner. But the move threatens to widen the differences among other partners in the talks, made up of the U.S., China, Japan, the two Koreas and Russia, which in the immediate wake of the test Oct. 9 were relatively unified.

China and South Korea will be more tempted to oppose further sanctions at the U.N. Security Council amid concerns that pushing North Korea too far could create an expensive and destabilizing refugee crisis on their shared borders.

After North Korea's announcement that it had done an underground test of a nuclear device, the Security Council imposed sanctions last month that restricted trade with North Korea in missile technology and luxury goods.

Washington and Tokyo feel it is more important to keep pressure on Pyongyang, not only to exact a cost for its action but also to serve as a deterrent for others, especially Iran.

North Korea set no conditions for its return to the bargaining table with sessions expected to begin next month, U.S. Assistant Secretary of State Christopher Hill told reporters.

The talks will take as their starting point the September 2005 Beijing joint statement agreed upon by the negotiating parties shortly before Pyongyang walked out. A key goal in the statement is the eventual denuclearization of the Korean peninsula.

North Korea on Tuesday dropped its demand that the U.S. end financial sanctions linked to counterfeiting, money laundering and weapons proliferation before the isolated Stalinist state would return to the bargaining table. Instead, the U.S. financial squeeze, which involves $24 million in a Macau bank, will be considered as a side issue within the six-party framework.

"We need (North Korea) to get out of illicit activities," Hill said. "We didn't start this dance."

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With a test under its belt, North Korea returns to the talks in a position of greater strength. This begs the question whether Pyongyang will pick up negotiations where it left them off 13 months ago or cling to a tougher stance reflecting its membership in the nuclear club.

The six-nation talks "can be endlessly gamed by the North Koreans," said Derek Mitchell, an Asia specialist at the Center for Strategic and International Studies in Washington. "We'll see if they're serious once they get there."

In Washington, President Bush expressed pleasure that the talks would resume and praised the six-party format. In the lead up to next week's midterm election, the news could be used to counter criticism by Democrats of his refusal to hold bilateral talks with Pyongyang.

"I've always felt like it is important for the United States to be at the table with other partners when it comes time to addressing this important issue, and so I thank not only the Chinese but the South Koreans, the Japanese and the Russians for agreeing to come back to the table with North Korea," Bush said in televised comments.

China has a keen interest in resumption of six-party talks. The North's nuclear test, though of a very low yield, upset regional stability and at least temporarily discredited the talks as an institution.

Beijing also sees the format as a way to burnish its global credentials and remain on Washington's good side. Russia quickly welcomed the North's decision to return to the bargaining table.

"We unambiguously assess the informal meeting itself and the statement on resuming the six-sided negotiations as soon as possible as exceedingly positive," Deputy Foreign Minister Alexander Alexeyev told the Russian news agency Interfax. "The six-sided talks have been given a chance."

China Pushes North Korea Back To Table For Nuclear Talks (USAT)

By Barbara Slavin And Calum Macleod

USA Today, November 1, 2006

Economic and political pressure from China was instrumental in prompting North Korea to say it would return to disarmament talks. North Korea's announcement Tuesday eased tensions that had escalated after its first nuclear weapons test three weeks ago.

“I am pleased, and I want to thank the Chinese,” President Bush said. He acknowledged, however, that new talks don't guarantee success.

China provides most of North Korea's fuel, and it sharply cut exports of diesel and heating oil to its impoverished neighbor in September, China's customs administration said. Chinese Foreign Ministry spokesman Liu Jianchao would not comment on the shipments. A senior Chinese official, Tang Jiaxuan, visited North Korea Oct. 19 and urged it to return to the negotiations.

The announcement also followed a day of meetings among top U.S., North Korean and Chinese negotiators in Beijing that included a private U.S.-North Korean session. The North Koreans had refused to return to negotiations without direct contact with U.S. officials. The meeting was arranged by China, said Assistant Secretary of State Christopher Hill, the lead U.S. negotiator.

An Oct. 14 resolution from the United Nations Security Council barred trade and financial transactions that could aid North Korea's nuclear and missile programs.

It was Chinese involvement, however, that was critical. “Today was a good day in the process of having China and the United States work together on this issue,” Hill said.

The Bush administration has been reluctant to deal directly with North Korea and has insisted on using a group of countries, arguing that they have more leverage. Senate Majority Leader Bill Frist, R-Tenn., hailed Tuesday's developments as a victory for the administration's strategy.

Getting North Korea to the table is a diplomatic success, but negotiations will be tough. Shen Dingli, a Korea expert at Fudan University in Shanghai, said “negotiations will be more difficult” because North Korea will enter them as a “de facto nuclear state.”

Hill cautioned that much work needed to be done to prepare for talks. “We're a long way from our goals here,” he said. “I have not broken out the champagne and cigars yet.”

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Hill said the six-nation negotiations, which include the two Koreas, Japan, Russia, China and the United States, could resume as early as this month or December.

North Korea may have enough radioactive material for a dozen bombs, according to the Institute for Science and International Security, a think tank.

The six-nation talks began in 2003. In September 2005, North Korea agreed to dismantle its nuclear program in return for energy aid and U.S. pledges not to attack the country. North Korea left the talks after rejecting U.S. demands that it eliminate its nuclear program before receiving civilian nuclear reactors.

North Korea was also angered because the U.S. government persuaded a bank in Macau a year ago to freeze $24 million in North Korean funds.

N. Korea Agrees To Six-party Talks (WT)

By Nicholas Kralev

The Washington Times, November 1, 2006

North Korea agreed yesterday to return to six-nation talks on its nuclear programs after the United States said it will discuss financial sanctions against Pyongyang on the sidelines of the multilateral talks.

The Bush administration insisted, however, that it and other countries would continue working to implement trade restrictions imposed on the North by a U.N. Security Council resolution last month.

"I'm very pleased with the progress being made in the Far East," President Bush said after the North Koreans told U.S. and Chinese diplomats in Beijing they would end their yearlong boycott of the negotiations. No date was set for the resumption of talks.

The limited breakthrough in efforts to resume the talks was announced by the Chinese Foreign Ministry, which said North Korea had agreed in talks with the United States and China to soon resume the long-stalled six-party talks on its nuclear program. The ministry posted a statement to that effect on its Web site yesterday.

"We'll be sending teams to the region to work with our partners to make sure that the current United Nations Security Council resolution is enforced, but also to make sure the talks are effective, that we achieve the results we want," Mr. Bush said.

That goal, he said, is to see the North abandon its pursuit of nuclear weapons "in a verifiable fashion."

The teams the president referred to will be led by State Department officials and will maintain political contacts with countries in Northeast Asia, said department spokesman Sean McCormack. He said the teams would not get involved in the practical daily implementation of Resolution 1718.

The U.N. measure was adopted unanimously by the 15-member council in response to North Korea's Oct. 9 nuclear test. It bans exports from and imports to the North of illicit materials and equipment that could be used to further its missile and weapons of mass destruction programs.

Mr. McCormack said the Chinese informed Secretary of State Condoleezza Rice late last week that the North Koreans had requested a three-way meeting with the United States.

Miss Rice asked Christopher R. Hill, assistant secretary of state for East Asian and Pacific affairs and chief negotiator on North Korea, to go to Beijing and meet with his North Korean counterpart, Kim Gye-gwan. Mr. Hill was in Sydney at the time, having stayed in the region after Miss Rice's visit two weeks ago.

"We took a step today toward getting this process back on track. This process has suffered a lot in recent weeks by the actions" of North Korea, Mr. Hill told reporters in Beijing.

Mr. Hill said he first met with the Chinese and North Korean delegations together, and then bilaterally with Mr. Kim.

"I made it very clear that the United States does not accept [North Korea] as a nuclear power, and neither does China," he said.

Mr. Hill agreed to discuss financial penalties imposed on the North last year because of counterfeiting and other illegal activities, but he said Mr. Kim did not ask that those sanctions be lifted before the six-party talks can resume.

The talks also include Japan, South Korea and Russia.

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Mr. McCormack said the United States hopes the talks will resume before year's end. The venue, as in the past, will most likely be Beijing, he said.

He also said Washington wants the talks to pick up where they left off at the last meeting in September 2005 -- with a joint statement committing all six countries to the denuclearization of the Korean Peninsula.

"North Korea faced a qualitatively different geopolitical environment" after Resolution 1718, which was supported by its benefactor China, Mr. McCormack said. "Implementation of 1718 is going to continue."

Recent reports indicate China has taken a tougher stance toward the North than usual. Chinese trade statistics released Monday showed that China, the reclusive country's main energy supplier, did not sell any crude oil to North Korea in September.

Yesterday's announcement came a week before the U.S. midterm election, and both political parties offered speedy interpretations of the events. Republicans said Pyongyang's decision was a vindication for the Bush administration's rejection of bilateral negotiations. Democrats played down its significance, saying it was a small step forward.

"The announcement that North Korea will return to the six-party talks reinforces how effective the president's response to that crisis has been so far," said House Majority Whip Roy Blunt, Missouri Republican.

"It may ultimately be a positive step forward, but it is clearly not sufficient to produce the goal we all want to achieve -- a halt to North Korea's nuclear weapons activities," said Senate Minority Leader Harry Reid, Nevada Democrat.

Now Nuclear, North Korea Will Talk (CSM)

By Robert Marquand

The Christian Science Monitor, November 1, 2006

BEIJING

A surprise three-way meeting between US, Chinese, and North Korean diplomats here Tuesday has likely headed off the possibility of a second nuclear test by Pyongyang in the near future. It has also restored six-nation talks aimed at denuclearizing the Korean peninsula, bringing a modicum of stability to a region rocked Oct. 9 by an atomic blast from the cultish military regime of Kim Jong Il.

Given the bristling anger in northeast Asia after the nuclear blast, analysts say it is salutary that Mr. Kim is returning to the table to talk with his immediate neighbors. Talks could resume by late this month.

At a minimum, China and the US - neither of which anticipated the test - need to be seen in the region to be engaged in efforts to deal with Kim, says Ashton Carter at Harvard's Kennedy School of Government.

Yet most observers doubt that the North, having spent 40 years on its atomic program, is likely to give it up without dramatic achievement. Kim agreed to return to the talks without any "preconditions," including the lifting of US-led financial sanctions.

"There has been no real consensus on the main goal of the six-party talks," says Shi Yinhong of People's University in Beijing, who says that North Korea's return is an attempt to regain "strategic flexibility and undercut the hard-liners in the US.

"Now, North Korea has successfully maneuvered to bring the region back to its former status quo," he adds. "They have relieved the tension generated by the nuclear test; the only difference is that North Korea now has gained a nuclear ability."

It remains unclear what status North Korea will formally enjoy as it returns to an international arena of diplomacy that it walked out of last year. But there seems little doubt Pyongyang expects to think of itself as a bona fide nuclear-status nation as talks resume - and is likely to push others to do so as well.

Such a position is leagues from the kind of dismantlement the six-party talks are based on. "No nation that has tested a nuclear device has ever gone on to give up that device," points out Scott Snyder, a Korean specialist with the Asia Foundation. "South Africa gave up its program without having tested. So if I'm a US diplomat, I've got quite a steep uphill right now."

Some Chinese analysts say that Kim's move back to the table is a victory intended to create an aura of reasonability to his program and nuclear test, and to begin a campaign to win back the good graces of China and South Korea, which he isolated by his surprise test three weeks ago.

China's initial outrage over the North's test was quickly tempered by a lack of practical options to rein in the unpredictable Kim.

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But its role in furthering North Korean diplomacy was underscored Tuesday when it served as host to what were apparently seven hours of talks between Chinese and North Korean envoys, and US special envoy Christopher Hill.

In the Oval office, President Bush immediately gave credit to China for playing an effective role. An Oct. 31 New York Times report pointed out that in September, according to Chinese trade statistics, China sold no oil to North Korea, whereas it had been averaging about 12,300 barrels a day prior to this.

On July 4, US time, despite warnings from China, North Korea tested a number of missiles, including a Taepodong 2 ballistic missiles capable of reaching US territory in Alaska.

Reaction from other members of the six-party talks was mixed. South Korea, which supports a policy of engagement, was supportive of the development, as was Russia, which said the news was "extremely positive." Japan, on the other hand, stated that it "does not intend to accept North Korea's return to the talks on the premise that it possesses nuclear weapons."

US envoy Hill also sounded a cautionary note, stating that "we're a long way from our goals here."

News of the return by the North to talks was posted in two sentences on the Chinese Foreign Ministry website at the end of Tuesday. Earlier in the day, Foreign Ministry spokesman Liu Jianchao said that Beijing was not engaged in a policy to cut aid or trade in order to force compliance by North Korea, and denied that a cut in oil signaled such a shift.

China is divided between traditionalists who cherish the revolutionary goals of the mid-20th-century communist spirit, and a more pragmatic and internationally minded new generation.

The Bush administration has long been divided on North Korea between hard- liners who feel that any discussions with a regime that grotesquely violates human rights at a mass level is immoral - and moderates who feel that negotiations are an imperfect but necessary tool.

What North Korea's test of a bomb shows, says Mr. Carter, is that the "six-party talks are a theory that doesn't fit the facts.

"The theory is that the US and China both highly value turning around the North Korean nuclear program," he says. "It turns out that China doesn't value that as highly as the US.

"The US would accept the continued existence of a nonnuclear North Korea," Carter says, but has been unable to achieve this through talks.

A US military official in Seoul argues that "the next round of six-party talks will not have any effect in getting Kim to abandon his nuclear program. But at least he will have to sit at the same table as Russia and China, eye to eye, and hear what his neighbors have to say."

• Associated Press material was used in this report.

North Korea Talks (WP)

The Washington Post, November 1, 2006

NORTH KOREA'S decision to return to the "six party" negotiations on its nuclear program is, first and foremost, a victory for China and its strategy of preserving Kim Jong Il's totalitarian regime. Whether it will contribute to the cause of dismantling the North's atomic arsenal remains to be seen. Beijing hosts the talks, which also include the United States, South Korea, Russia and Japan; the North's refusal to attend for the past year, while testing a long-range missile and then a nuclear warhead, was an embarrassment to its chief patron. It appears China responded toughly: Though it supplies up to 90 percent of North Korea's oil, none was delivered in September. This blunt use of economic leverage -- if that's what it was -- is encouraging, and yesterday's announcement was evidence that it can get results.

The resumption of talks nevertheless falls well short of a breakthrough in the Bush administration's effort to disarm the Kim dictatorship. We hope Assistant Secretary of State Christopher R. Hill, who conducted lengthy talks with his North Korean counterpart in recent days, is justified in expecting "substantial progress" from the new round. But history suggests that both North Korea and China may have achieved their objectives simply by making yesterday's announcement. Pyongyang no doubt expects that its attendance will result in the relaxation of whatever pressure China has applied and that South Korea will now hesitate to cut back on its own substantial subsidies. U.S. attempts to strictly apply recently approved U.N. sanctions and organize inspections of North Korean cargo ships might falter. While talks continue, China can deflect further pressure from the United States or Japan for steps that might ultimately destabilize a regime it prefers to preserve.

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If Mr. Kim really is prepared to give up his nukes, a path has been laid. A "framework agreement" signed by the six parties more than a year ago called for North Korea to dismantle its program and receive aid and security guarantees in return, including normalization of relations with the United States. Critics who harp on the need for the Bush administration to strike a deal with Mr. Kim tend to overlook the fact that this deal has already been struck. The question is whether North Korea is serious about it or whether it agreed to the plan merely to mollify China and South Korea and buy more time to develop missiles and nuclear warheads. The evidence points to the latter explanation: Within weeks of agreeing, Mr. Kim broke off the talks, citing as a reason U.S. action against offshore bank accounts his government was using for criminal activity, including the massive counterfeiting of U.S. currency.

Mr. Hill said yesterday that the Bush administration had agreed to discuss the financial sanctions at the talks, thereby removing Mr. Kim's excuse. Now both he and his sponsors will be tested. If North Korea really wants to act on the framework agreement, that should quickly become clear: The accord calls for the regime to return "at an early date" to the nuclear Non-Proliferation Treaty and the international inspections it requires. If not, China will face a question: Is it willing to use its now proven clout with the North to put an end to its nuclear program -- or only to require that it attend meetings?

Keep The Pressure On North Korea (LAT)

The Los Angeles Times, November 1, 2006

NORTH KOREA'S decision Tuesday to return to six-nation nuclear talks is a big diplomatic victory for Washington, and a bigger one for Beijing. Yet there are good reasons to be skeptical about Pyongyang's motives.

Kim Jong Il is a master at the art of weakening the resolve of diplomatic coalitions, and his decision to engage in talks once again may be nothing more than an attempt to stave off aggressive enforcement of U.N. Security Council sanctions. China and South Korea have in the past hesitated to embrace meaningful sanctions, but Kim faces a more united coalition in the aftermath of his nuclear test. The North Korean dictator may be hoping that his willingness to restart talks will erode Chinese and South Korean determination to stand firm and enforce the sanctions.

Such behavior is typical of rogue states eager to buy time or to capitalize on frictions within opposing coalitions. Saddam Hussein was adept at this game too, and nowadays Iran and Sudan seem to be mimicking Kim. The object is to feign flexibility and a willingness to negotiate in good faith — without actually giving anything up — so that those foreign powers most queasy about violating your sovereignty give up the fight to punish you. That's exactly what North Korea did last year, when it signed a broad framework calling for an end to its nuclear program in exchange for economic incentives, then refuted the agreement almost before the ink was dry.

China's support of sanctions in the aftermath of the nuclear test was a welcome departure from its usual nonintervention posture, though its power to influence its neighbor remains unclear. Much has been made, for example, of the fact that China substantially cut exports of heating oil to North Korea in September, widely seen as retaliation for a missile test in July. Yet that same month, China's exports of gasoline and other fuels rose, and the oil cutoff doesn't seem to have had any effect on Kim; he went ahead with his first nuclear test Oct. 9.

It is unquestionably better to hold talks, even with a suspect partner, than not to hold them at all. But no one — particularly the South Koreans, who have so far refused to join the U.S. effort to interdict ships containing potential materials for weapons of mass destruction — should take the agreement as a reason to avoid tough enforcement of existing sanctions. It's now abundantly clear that the South's attempt to woo Kim's regime with economic incentives and engagement has failed. Strong pressure combined with negotiations constitute the only practical way to curb North Korea's nuclear ambitions.

Rice Urges Major Powers To Speed Up Sanctions On Iran (AFP)

AFP, November 1, 2006

US Secretary of State Condoleezza Rice called her major power counterparts in a bid to spur tough negotiations at the United Nations over a sanctions resolution against Iran, a senior US official said.

Rice urged the foreign ministers from the other permanent UN Security Council members -- Britain, China, France and Russia -- to overcome the differences that have prevented agreement on the sanctions package, Undersecretary of State Nicholas Burns said.

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"She put forward the proposal that we should try to work extremely hard to get that resolution passed as quickly as possible," Burns said.

"We are working very hard at the UN Security Council to push for a resolution," he said.

Iran faces the sanctions after rejecting an earlier UN resolution demanding it freeze a uranium enrichment program many fear is a cover for developing nuclear weapons.

Earlier another senior US official said North Korea's sudden decision Tuesday to give up its nuclear arsenal in the face of UN sanctions had provided a model for confronting Iran's uranium program.

"The Iranians certainly are watching whether or not the world was going to react to what North Korea did," said State Department spokesman Sean McCormack, referring to Pyongyang's first test of a nuclear weapon on October 9.

"The (UN) Security Council clearly did act, so I think in that sense it was a lesson for Iran in terms of the will of the international community to act," he said.

Diplomats at UN headquarters in New York meanwhile said another meeting of five veto-wielding Security Council members plus Germany to discuss the Iran sanctions resolution was unlikely to take place before Friday at the earliest.

The six are working on a draft resolution drawn up by Britain, France and Germany urging nuclear and missile-related sanctions against Tehran.

Washington has so far refrained from co-sponsoring the draft in a sign it is seeking tougher measures than those proposed by its European partners.

US officials have notably said they want clear guarantees that a nuclear power station being built in Iran by Russia will not give Tehran access to technology or materials that could be used in a weapons program.

Russia and China, both major trading partners of Iran, are for their part believed to be trying to soften the resolution.

Moscow May Back U.N. Sanctions On Iran (AP)

By Vladimir Isachenkov

AP, November 1, 2006

Two senior Russian officials indicated Tuesday that Moscow could back a draft U.N. Security Council resolution imposing sanctions on Iran, in an apparent sign of the Islamic Republic's growing isolation over its nuclear program.

The comments came after months of Russian opposition to sanctions and suggested that Moscow could reluctantly support punishment as a lever of influence over a stubborn Iran. Just last Thursday, the foreign minister said Moscow was opposed to the resolution being drafted by European powers.

On Tuesday, Yuri Volkov, a deputy speaker of the lower house of parliament, said Russia "will apparently have to join a new resolution on Iran proposed by Britain, Germany and France that envisages limited economic sanctions."

And Igor Ivanov, the head of Russia's presidential Security Council, made comments later that also suggested Moscow could support the draft European resolution.

"Resolutions and sanctions are not a goal in themselves. They are just one of the elements," Ivanov said at a news conference. "And if such a resolution is worked out, it will be first of all one of the elements aimed at assisting political negotiations, because only as a result of political negotiations and dialogue can a concrete result be achieved."

Russia and China, both veto-wielding Security Council members with strong commercial ties to Tehran, have consistently been reluctant to support sanctions. But, separately from the Russian comments, China issued muted criticism of Iran on Tuesday over its standoff with the Security Council.

Asked about the Iranian president's declaration that Tehran would oppose any sanctions, Chinese Foreign Ministry spokesman Liu Jianchao said "the relevant parties should not take any measures that may lead to the escalation of the situation."

China has recently taken a stronger role in nuclear negotiations more generally, and on Tuesday the U.S. and Chinese governments announced jointly that North Korea had agreed to rejoin six-nation nuclear disarmament talks.

Karen Hughes, the top U.S. envoy for public diplomacy, on Tuesday urged Iran to choose the path of negotiations.

"We're working with our international partners to send a message to Iran that the international community is opposed to Iran obtaining nuclear weapons," Hughes told The Associated Press in Dubai.

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"Sanctions against Iran are being discussed. There is a path for negotiations and we hope they choose that path," she said.

Volkov, the Russian lawmaker, has played a low-key role in the past and made no statements on global politics, although he is in charge of inter-parliamentary contacts with Iran. Like most members of the Duma, he belongs to the Kremlin-controlled United Russia faction.

It was unclear whether Volkov has any access to Kremlin decision-making, but Ivanov is a former foreign minister amd longtime diplomatic insider whose security advisory body answers to President Vladimir Putin.

"Any decision in the Security Council must be aimed not at punishing Iran but at achieving our goals through political means," Ivanov said. The goal, he said, is to preserve Iran's right to peaceful nuclear energy while ensuring it does not develop nuclear weapons.

Ivanov's comments suggested that Russia — which is wary of angering Iran by appearing to join the West in calls for punishment and has warned that harsh measures could scuttle chances for a resolution of the crisis — could cast support for limited sanctions as a path toward further talks.

"Russia continues to call for a political settlement," he said.

His remarks left plenty of room for wrangling in the Security Council, and may have been intended more as a signal to a stubborn Iran that Russia's opposition to sanctions has its limits than as a telegraph of its plans for a council vote.

Volkov said "the Iranian leadership's refusal to freeze uranium enrichment activities and engage in a constructive dialogue with leading global powers leaves no chance for a quick diplomatic solution of the Iranian nuclear problem."

At the same time, he said Russia would continue efforts to encourage talks between Iran's top nuclear negotiator, Ali Larijani, and EU foreign policy chief Javier Solana "so that Iran isn't driven into a corner." He also repeated Russia's firm opposition to any decisions that could lead to the use of military force against Iran.

Moscow has been frustrated in its efforts to persuade Tehran to halt enrichment — including by offering to enrich uranium on Russian soil for a peaceful Iranian nuclear program. But Russian officials have repeatedly warned that harsh punishment could make Iran even more recalcitrant and scuttle the chances for a negotiated solution to the crisis.

Syria Still Arming Hezbollah, Politician Says (WT)

By David R. Sands

The Washington Times, November 1, 2006

Syria has continued to funnel arms to the Shi'ite Hezbollah militia in defiance of international demands, thus undermining hopes for peace and stability in Lebanon, a Lebanese political leader said yesterday.

Walid Jumblatt, longtime leader of the minority Druze community, is the most senior Lebanese politician to visit Washington since Israel's inconclusive monthlong war with Hezbollah in southern Lebanon.

The conflict devastated large areas of the country and scrambled Lebanon's already complicated political landscape.

"As long as the Syria-Lebanon border is not being monitored effectively, the flow of weapons will continue and there will be instability," Mr. Jumblatt said in an address to the Woodrow Wilson International Center for Scholars.

Israeli forces pummeled Hezbollah positions during the war but failed to deliver a knockout blow to the Islamic militia, which has resisted demands from other Lebanese factions and from the United Nations to disarm.

The complaint from Mr. Jumblatt, a key figure in the anti-Syrian coalition that dominates Lebanon's parliament, came a day after John R. Bolton, the U.S. ambassador to the United Nations, said at a Security Council meeting that Syria and Iran -- Hezbollah's two main sponsors -- were "actively trying to destabilize the democratically elected government of Lebanon" by re-arming Hezbollah.

Syria has denied the charge.

Israel complains that the Lebanese government and a beefed-up U.N. peacekeeping force now in southern Lebanon have failed to carry out key parts of the accord that ended the fighting in the summer, including disarming Hezbollah and enforcing an arms embargo.

Israeli fighter planes yesterday flew at low altitude over parts of the capital, Beirut, and southern Lebanon to monitor what Israeli defense officials say are continuing violations of the arms embargo by Hezbollah.

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Mr. Jumblatt, head of Lebanon's Progressive Socialist Party, has been a central figure in Lebanon's sectarian politics for three decades as the leader of the country's Druze community, an offshoot of Islam. He first supported Syria's military presence in Lebanon but broke with Damascus after the death of Syrian President Hafez Assad in 2000.

He was a key player in the anti-Syrian Cedar Revolution that followed the February 2005 assassination of former Prime Minister Rafik Hariri. Many blamed Damascus for the attack, and protests forced Syrian troops to withdraw from Lebanon.

Mr. Jumblatt acknowledged yesterday that the image of Hezbollah leader Hassan Nasrallah had soared in the Arab and Muslim world because of the tough resistance his fighters put up against Israel. But Mr. Jumblatt said demands by Hezbollah and its allies inside Lebanon for more seats in a proposed "national unity government" could backfire.

"We have the majority, not Hezbollah," Mr. Jumblatt said. "If they topple the government, there would be chaos and disorder that could lead anywhere.

"If Nasrallah was ordered by the Syrian regime not to agree to national unity, it is a very risky game he is playing."

Israel Fighter Jets Stage Mock Raids (AP)

By Anna Johnson

AP, November 1, 2006

Israel's fighter jets roared over Hezbollah strongholds Tuesday, staging mock raids in its strongest show of force since its war with the guerrilla group ended more than two months ago.

The flyovers, which startled many Lebanese with fresh memories of the war, highlight the unsettled tensions between Israel and its northern neighbor, whose political situation has grown increasingly more uncertain.

The Israeli fighter jets swooped low over south Beirut at least six times in the morning before soaring back into the sky, Lebanese security officials said. The jets could be heard throughout the city, and residents climbed on roofs and balconies to watch.

One woman on her way to work at a clothing store said her hands were shaking after she heard the warplanes because they brought flashbacks of the Israeli airstrikes that pounded her south Beirut neighborhood during the war.

In south Lebanon, officials and witnesses reported Israeli planes staging mock raids over the towns of Nabatiyeh and Tyre. Eight Israeli jets crossed the border and dispersed over southern and central Lebanon, said the officials, speaking on condition of anonymity because they were not authorized to give press statements.

The Lebanese army issued a statement saying its gunners fired anti-aircraft artillery at the planes in south Lebanon to try to drive them away.

An Israeli military official said the flights were part of routine reconnaissance activity.

"It was not to send any message. We do this on a regular basis," the official said, speaking on condition of anonymity because of military regulations.

The mock raids came only hours after U.N. envoy Terje Roed-Larsen told the Security Council that the Lebanese government had reported that arms were being smuggled into Lebanon from Syria since the end of the 34-day Israel-Hezbollah war.

The 34-day fighting left more than 1,000 people dead on both sides, according to the U.N. and Israeli and Lebanese officials. Lebanon's Higher Relief Council, a government group, says the vast majority of those were Lebanese civilians. UNICEF also says most of those killed were civilians, and about a third of them were children.

Of the total deaths, 159 were in Israel, including 39 soldiers.

Israel claimed 800 Hezbollah fighters were killed but that figure was not substantiated, with the group only acknowledging 70 of its fighters were killed.

Lebanon and the U.N. have called on Israel to halt military flights over Lebanese territory, calling them a clear violation of the cease-fire.

Geir Pederson, personal representative in Lebanon of U.N. Secretary-General Kofi Annan, expressed concern about the overflights that "constitute a breach of Lebanese sovereignty" and of the U.N. resolution that ended the war.

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But Israel contends the flights must continue because arms are still smuggled to Hezbollah, the group has armed personnel in south Lebanon, and the two soldiers whose capture by guerrillas sparked the Israeli offensive have not been released, said Israeli Foreign Ministry spokesman Mark Regev.

"In the absence of the implementation of these obligations, Israel is forced to continue intelligence flights over Lebanon to monitor these infringements. If there's not a mechanism to prevent illicit arms transfers, we have to monitor arms transfers. If the Hezbollah presence is not removed, there is a need to observe that presence," he said.

American and European officials have stepped up their demands for Hezbollah to disarm in accordance to the U.N.-brokered cease-fire, but the militant group has repeatedly refused to lay down its arms. The refusal has caused internal struggles as the Lebanese army tries to take control of the south, which has been under Hezbollah's control for decades.

Neither an increased U.N. peacekeeping mission, which currently numbers about 7,300, nor some 15,000 Lebanese troops patrolling a buffer zone in south Lebanon have the mandate or the political will to take Hezbollah's weapons by force.

Tuesday's overflights also came hours before Hezbollah's leader Sheik Hassan Nasrallah made a rare televised appearance on the guerrilla group's TV channel Al-Manar in which he said the United States has failed in Iraq and that animosity in the Arab world against Washington should not be blamed on Islamic extremism.

Nasrallah, in his first appearance since speaking at a Sept. 22 "victory" rally in south Beirut, accused the United States of being responsible for continued violence in Iraq and Afghanistan.

He said America's plans in the Middle East face "failure, frustration and a state of collapse," and predicted the U.S. would be forced to leave the region "within years, not months."

The U.S. has "no future" in the region, Nasrallah said in a taped interview on Hezbollah's television station Al-Manar. "They will leave the Mideast, Arab and Islamic worlds just as they left Vietnam, and I advise those who are counting on them to draw conclusion from the Vietnam experience."

Blair In Secret Overture To Damascus (FT)

By Roula Khalaf And James Blitz

Financial Times, November 1, 2006

Tony Blair, Britain's prime minister, has launched a secret diplomatic move to prise Syria away from its support for radical Middle East groups and policies.

In an initiative that departs from the US policy of isolating Syria, Mr Blair this week sent Sir Nigel Sheinwald, his most senior foreign policy adviser, to Damascus where he met Bashar al-Assad, the president, and other senior figures in the regime.

Downing Street and the Syrian government confirmed on Tuesday night that Sir Nigel, one of Mr Blair's closest aides, met Mr Assad on Monday.

The UK and Syria have maintained diplomatic relations but Sir Nigel's visit is the most high-level encounter between the UK government and the Assad regime since the Iraq war in 2003. The mission precedes a visit to the region that Mr Blair hopes to make before the year's end.

Downing Street insisted the visit did not mark any change of strategy by the UK towards Syria. The US and the UK continue to believe Mr Assad is backing insurgent groups in Iraq, and meddling in Lebanon and the occupied Palestinian territories – charges Syria denies.

However, Mr Blair – now in the final months of his premiership – wishes to use these "back channel" talks to test whether the Syrian regime is serious about seeking to play a constructive role in Middle East peace negotiations with Israel. Britain would also like to see Syria rethink its close alliance with Iran.

Mr Blair once placed high hopes on the British-educated Mr Assad but the UK has found Syria an unwilling ally in its Middle East goals. Damascus has backed the Hamas leaders who have been accused of obstructing plans for a Palestinian national unity government.

In Beirut, Lebanese officials say Syria is supplying arms to Lebanon's Hizbollah and working to undermine its government.

The initiative puts Britain out of step with current Bush administration thinking, though the US said it had been advised in advance of Mr Sheinwald's visit.

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The US pulled its ambassador out of Damascus last year. But a congressional committee headed by James Baker, a former secretary of state, is now looking at US options in Iraq and may recommend renewed contact with Syria over Iraq's future.

Engagement with Syria became fashionable again this summer during the month-long conflict between Israel and Hizbollah. European officials have been arguing for engagement to try to move Damascus away from its alliance with Tehran.

Western relations with Syria reached a new low last year after the assassination of Rafiq Hariri, Lebanon's former prime minister and an opponent of Syria. A United Nations probe is looking at Syria's alleged role in the killing.

International pressure forced Syria to withdraw its troops from Lebanon and left it isolated, even within the Arab world.

Politicians in Beirut say Damascus will demand the dropping of the UN investigation in return for changing its foreign policies – a price the west may find too high.

The US and UK continue to insist that Syria live up to its obligations under three UN Security Council resolutions concerning Lebanon, a US official said.

"We remain deeply concerned by indications that Syria is seeking to destabilise Lebanon's democratically elected government," the official added.

Israel Defense Minister Eyes Arab Plan (AP-Y)

By Aron Heller

AP, November 1, 2006

Israel's defense minister said Tuesday that a dormant Saudi initiative for Mideast peace could be a "basis for negotiation," indicating a new possibility for talks with the Palestinians after years of stalemate.

The Saudi plan calls for a comprehensive peace between Israel and the Arab world, based on a complete Israeli withdrawal from lands it captured in the 1967 Mideast war — the West Bank, Gaza Strip, east Jerusalem and Golan Heights.

Israeli Defense Minister Amir Peretz said he was not endorsing the plan. But he was the most senior Israeli official even to publicly consider it.

"We could see the Saudi initiative as the basis for negotiation. This does not mean that we are adopting the Saudi initiative, but it can serve as a basis," Peretz said at an academic conference at Tel Aviv University.

The Saudi initiative was adopted at an Arab League summit in Beirut, Lebanon, in March 2002. For the first time, it offered Israel normal relations with the entire Arab world in exchange for a complete withdrawal from captured territory.

Israel reacted skeptically at the time, rejecting an addition by Saudi Arabia requiring Israel to recognize the demand to take back Palestinian refugees from the 1948-49 war that followed creation of the Jewish state, as well as their descendants — an estimated 4 million people.

Israel has offered compensation instead, maintaining that demanding a "right of return" is a way of undermining the Jewish character of the state and destroying it from within.

Israel also questioned the meaning of "normal relations" and rejected a total withdrawal from all the territories.

In various unsuccessful rounds of peace talks, Israel has offered an almost complete pullout from the West Bank and Golan Heights, and last year it withdrew unilaterally from the Gaza Strip. However, it maintains that the pre-1967 cease-fire lines are not a border, and it wants to adjust the line to include main West Bank Jewish settlement blocks in Israel.

At the time, Israel asked Saudi Arabia to send an envoy to clarify the proposal, but that did not happen.

In 2003, the Saudi initiative was overtaken by the U.S.-backed "road map" peace plan, which called for establishment of a Palestinian state in a three-stage process and mentioned the Saudi initiative as part of the basis for the solution.

However, the plan was frozen from the outset when neither side implemented its initial steps. Israel failed to dismantle dozens of unauthorized West Bank settlement outposts, and the Palestinians declined to disarm violent groups.

Peace moves have been stalled since 2000, when the outbreak of Palestinian violence followed a failed summit meeting of Israeli and Palestinian leaders in the United States.

Israel's official position has been that the "road map" is the only plan on the table now, but Foreign Ministry spokesman Mark Regev indicated the Saudi plan could be the basis for talks.

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"Israel has never accepted the Saudi initiative but would see positive elements in the initiative, particularly the call for reconciliation and the call for establishing normalized realizations between Israel and her Arab neighbors," Regev told The Associated Press.

Though Prime Minister Ehud Olmert's election platform this year called for a unilateral Israeli pullout from much of the West Bank, he shelved the proposal in the aftermath of the unpopular, inconclusive war with Lebanese Hezbollah guerrillas in the summer.

The addition this week of an ultra-hawkish party to shore up Olmert's governing coalition made a new peace drive unlikely.

In violence Tuesday, Israeli troops shot and killed three Hamas militants in the Gaza Strip as the army pressed ahead with a 4-month-old offensive, Palestinian officials said.

Israel has indicated it would expand its offensive, aiming to stop arms smuggling through tunnels from Egypt to Gaza and rocket fire by Palestinian militants at Israeli towns and villages.

Pause For Peace (NYT)

By Ahmed Yousef

The New York Times, November 1, 2006

Gaza

HERE in Gaza, few dream of peace. For now, most dare only to dream of a lack of war. It is for this reason that Hamas proposes a long-term truce during which the Israeli and Palestinian peoples can try to negotiate a lasting peace.

A truce is referred to in Arabic as a "hudna." Typically covering 10 years, a hudna is recognized in Islamic jurisprudence as a legitimate and binding contract. A hudna extends beyond the Western concept of a cease-fire and obliges the parties to use the period to seek a permanent, nonviolent resolution to their differences. The Koran finds great merit in such efforts at promoting understanding among different people. Whereas war dehumanizes the enemy and makes it easier to kill, a hudna affords the opportunity to humanize one's opponents and understand their position with the goal of resolving the intertribal or international dispute.

Such a concept — a period of nonwar but only partial resolution of a conflict — is foreign to the West and has been greeted with much suspicion. Many Westerners I speak to wonder how one can stop the violence without ending the conflict.

I would argue, however, that this concept is not as foreign as it might seem. After all, the Irish Republican Army agreed to halt its military struggle to free Northern Ireland from British rule without recognizing British sovereignty. Irish Republicans continue to aspire to a united Ireland free of British rule, but rely upon peaceful methods. Had the I.R.A. been forced to renounce its vision of reuniting Ireland before negotiations could occur, peace would never have prevailed. Why should more be demanded of the Palestinians, particularly when the spirit of our people will never permit it?

When Hamas gives its word to an international agreement, it does so in the name of God and will therefore keep its word. Hamas has honored its previous cease-fires, as Israelis grudgingly note with the oft-heard words, "At least with Hamas they mean what they say."

This offer of hudna is no ruse, as some assert, to strengthen our military machine, to buy time to organize better or to consolidate our hold on the Palestinian Authority. Indeed, faith-based political movements in Algeria, Egypt, Iraq, Jordan, Kuwait, Malaysia, Morocco, Turkey and Yemen have used hudna-like strategies to avoid expanding conflict. Hamas will conduct itself just as wisely and honorably.

We Palestinians are prepared to enter into a hudna to bring about an immediate end to the occupation and to initiate a period of peaceful coexistence during which both sides would refrain from any form of military aggression or provocation. During this period of calm and negotiation we can address the important issues like the right of return and the release of prisoners. If the negotiations fail to achieve a durable settlement, the next generation of Palestinians and Israelis will have to decide whether or not to renew the hudna and the search for a negotiated peace.

There can be no comprehensive solution of the conflict today, this week, this month, or even this year. A conflict that has festered for so long may, however, be resolved through a decade of peaceful coexistence and negotiations. This is the only

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sensible alternative to the current situation. A hudna will lead to an end to the occupation and create the space and the calm necessary to resolve all outstanding issues.

Few in Gaza dream. For most of the past six months it's been difficult to even sleep. Yet hope is not dead. And when we dare to hope, this is what we see: a 10-year hudna during which, inshallah (God willing), we will learn again to dream of peace.

US Launches Review Of Stalled Policy On Ending Darfur Violence (AFP)

AFP, November 1, 2006

President George W. Bush announced a review of US policy on the Darfur crisis as Sudan persists in refusing the deployment of UN peacekeepers to halt catastrophic violence in the region.

The United States was a principal backer of a United Nations resolution in August demanding the deployment of some 20,000 UN peacekeepers to Darfur, where at least 200,000 people have been killed and 2.5 million left homeless during three years of civil war.

But the government of President Omar al-Beshir has rejected the peacekeepers and rebuffed a recent initiative to break the deadlock by Bush's personal envoy for Darfur, Andrew Natsios.

Meeting with Natsios at the White House Tuesday, Bush said the diplomat had delivered a "grim report" about the humanitarian situation in Darfur, where government-armed Arab militia have been blamed for much of the violence against civilians.

"The United States is going to work with the international community to come up with a single plan on how to address this issue and save lives," Bush said.

He provided few details, other than to insist that the plan would include deployment of a "credible and effective international force to go into Darfur to save lives".

"The government of Sudan must understand that we're serious," he said.

The UN Security Council adopted a resolution on August 31 calling for the deployment of 20,000 peacekeepers to replace an under-funded African Union (AU) contingent of 7,000 that has failed to end violence which the US has called genocide.

The conflict began in 2003 with rebellion by Darfur's mainly black African population seeking autonomy from the Arab-dominated government in Khartoum.

The government responded by arming Arab militia known as the Janjaweed, who have destroyed hundreds of villages in a scorched-earth policy.

Beshir's regime has consistently rejected the deployment of UN forces, charging that the plan was part of a US-engineered plot to invade his country and plunder its resources.

State Department spokesman Sean McCormack said that following up on Natsios's mission to Khartoum, the Bush administration was mulling "what new or different policy proposals we might make" to end the deadlock.

He declined to provide details, but said discussions were going on both within the US administration, and with Washington's international partners, including Arab states with influence in Khartoum.

"What all that does is underscore the fact that we want to try to get something done on this issue," he said. "There's too much suffering going on there."

Westerners' Arrests Put Yemen On Spot (WT)

By Shaun Waterman

The Washington Times, November 1, 2006

The arrests in Yemen of six Westerners said to be members of al Qaeda has highlighted concerns that the region remains a "transmission belt" for Islamic converts looking for a way to join jihadi terrorist groups.

But analysts caution that the facts of the case remain murky and warned that Yemenis had many reasons to try to burnish their counterterrorism credentials by exaggerating the importance of the arrests.

Authorities in Yemen told local reporters over at the weekend that they arrested three Australians, a Dane, a German, a Briton and two other foreigners Oct. 16 and charged them with trying to smuggle weapons to Islamic militias in neighboring Somalia.

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"Preliminary investigations indicate that they are members of al Qaeda," an Interior Ministry official said in a statement carried by the state-run news agency, Saba.

A U.S. intelligence official agreed in an interview, saying, "This was a pretty good wrap-up of a group of bad guys."

U.S. and European counterterrorism officials have long been concerned about the possible terrorist recruitment of people with European or Australian nationality. They can travel much more freely than recruits from Middle Eastern nations.

The concern is accentuated in chaotic, failing states such as Yemen, where intelligence gathering and interdiction are more difficult.

Australian Foreign Minister Alexander Downer told the Australian Parliament on Monday that two of the men were native-born Australians, while the third was a Polish-born immigrant who had become an Australian citizen in the 1980s.

No information was immediately available about the other suspects, but the Yemen Times, citing unidentified sources, reported that the eight were all students at the Al-Iman religious university in the capital Sana'a, headed by Sheik Abd al-Majid al-Zindani.

Al-Zindani has been named a "Specially Designated Global Terrorist" by the U.S. Treasury Department, which said he had "a long history of working with [al Qaeda leader Osama] bin Laden, notably serving as one of his spiritual leaders."

Karin Von Hippel, a former U.N. official and regional analyst, told UPI that there were well-documented arms transfers to Somalia from Yemen.

"It is very plausible that Islamic extremists in Yemen might be trying to get arms" to the Islamic Courts Union, the umbrella group for Islamic militias that have seized control of most of Somalia.

Bernard Haykel, professor of Islamic law and history at New York University and a Yemen analyst, added that Yemen had in the past served as a "transmission belt country," for jihadist recruitment of Westerners, but many come to learn Arabic and study the Koran legitimately.

"The [Yemeni] government has a history of trying to prove they are hunting al Qaeda," he said, however, in reality they have an arrangement with the group. "As long as they don't stage attacks in Yemen, they are left alone."

The U.S. intelligence official said the arrests were appropriate. "This was not for show," the official said.

The Yemeni government was embarrassed in February when 13 al Qaeda militants including the leaders of the attacks on the USS Cole and the French oil tanker Limburg were among 23 inmates who escaped by tunneling out of their prison to a nearby mosque.

Egypt Sends Sadat's Nephew To Prison For Defaming Military (NYT)

By Jano Charbel And Michael Slackman

The New York Times, November 1, 2006

CAIRO, Oct. 31 — Talaat el-Sadat, the nephew of President Anwar el-Sadat and an opposition member of Parliament, was sentenced by a military court on Tuesday to one year in prison on charges that he defamed the military by essentially blaming it for having a hand in his uncle's death.

The case, while attracting less attention than the trial of a former presidential candidate, Ayman Nour, who is serving a five-year prison term on charges widely viewed as politically motivated, comes as Egyptian authorities have shown less and less tolerance for critical opposition.

With increasing frequency, members of the Muslim Brotherhood, a banned Islamic organization that amounts to the only organized political opposition in Egypt, have been arrested and held without charge under a law intended to fight terrorism.

In Mr. Sadat's case, he was stripped of parliamentary immunity on a national holiday by the speaker of Parliament, Fathi Sorour, a prominent member of the governing National Democratic Party.

The papers stripping Mr. Sadat of his immunity were signed the day after his appearance on a satellite television show, an action the speaker has said was perfectly legal.

On Tuesday, a military judge, Brig. Gen. Abbas Attiya al-Nagdy, sentenced Mr. Sadat to a year in jail after a six-day trial. Mr. Sadat was convicted of defaming the armed forces, of spreading false information and of suggesting that the government never executed President Sadat's assassin, Khaled el-Islambolli, and instead conspired to let him go free.

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"Talaat el-Sadat is a victim," said Mohammad Abdel Wahab, one of his defense lawyers who also served on the team that defended Mr. Nour. "He was targeted because he is a popular opposition figure who received a staggering 33,000 votes during the last parliamentary elections."

Government and party officials said the case had nothing to do with politics and was based solely on comments Mr. Sadat made on satellite television in which, among other things, he blamed the military for negligence in his uncle's assassination.

"This guy is a loose cannon; he is a populist and he enjoys being a celebrity," Muhammad Kamal, a member of the upper house of Parliament and a frequent spokesman for the governing party, said in an interview when the trial began. He added, "If someone claimed that Bush was behind Sept. 11, this would be investigated. So what is happening is normal."

Mr. Sadat, the often outlandish and outspoken son of President Sadat's half-brother, Esmat, has long been a harsh critic of the governing party and has a reputation for espousing outrageous conspiracy theories, including charges that his uncle was killed as part of an international plot.

But he also has caused deep embarrassment to powerful figures — from leaders of the governing National Democratic Party, whom he publicly accused of corruption, to the Interior Ministry, which he showed at his trial had arrested the wrong person in connection with the killing of 10 people.

A group of Egyptian human rights groups have criticized the decision to bring a civilian before a closed military court and what they said was a violation of his freedom of speech.

Others have said the decision to prosecute Mr. Sadat — regardless of how outrageous his comments may have been — should be viewed as part of a broad political suppression in the country.

"The message is that no one is immune, not journalists, not judges, not parliamentarians," said Wael el-Ebrashi, editor in chief of Sawt el Umma, a weekly independent newspaper.

Mr. Ebrashi will himself face trial next month for printing a list of judges whom his newspaper accused of helping to rig parliamentary elections last year.

During those elections, government security forces surrounded polling places, beating and shooting would-be voters, in an effort to prevent opposition candidates from winning. Even so, independent candidates affiliated with the Muslim Brotherhood won 88 seats out of 454 in Parliament.

Egypt's political elite is in a state of anxiety. The president, Hosni Mubarak, is 78, and while there is no clear successor in sight, it appears the president has begun to hand the reins of state over to his son, Gamal Mubarak. At the same time, regional crises — from the war between Lebanon and Israel to the rise of Iran as a regional power — have further undermined the leadership's credibility on the street, political analysts said.

In that environment, the leadership has taken a harder line with its critics.

The United States at one time talked about Egypt as leading the way toward democratic reform in the Middle East. But with the chaos in the region, and the political uncertainty in Egypt, officials in Egypt said the United States had dropped all pressure to make democratic reforms.

Leaders of the governing party, like the younger Mubarak and Mr. Kamal, have said the party intended to move forward with democratic reforms.

Mr. Sorour, for example, announced Tuesday that Parliament would move forward with a plan to amend the Constitution to ensure that in the next presidential election there will be candidates from more than just the governing party.

However, critics, including those within the party, say the plan for making it easier to get opposition members on the ballot is insufficient, because after years of political atrophy there are no credible or effective opposition parties.

The new law is expected to do nothing to pave the way for independent candidates to get on the ballot, which would mean those affiliated with the Muslim Brotherhood would be shut out.

Mr. Sadat was taken into custody straight from the courtroom in northeastern Cairo.

He is not allowed to appeal and his only recourse would be to ask President Mubarak for a pardon.

He was also fined about $35.

Security Council Seat Tied To Aid (WP)

DOJ_NMG_0089508

By Colum Lynch

The Washington Post, November 1, 2006

UNITED NATIONS -- Republican and Democratic administrations have insisted for decades they do not engage in the grubby vote-buying practices that are common in elections for key U.N. posts.

Yet poor countries that serve on the influential Security Council typically receive substantially more U.S. aid dollars and find it easier to obtain loans or grants from financial institutions that are strongly influenced by the United States and other economic powerhouses, according to recent academic studies.

Officials from the United States and several international agencies questioned the findings, insisting that they direct assistance on the basis of need, not in pursuit of votes on the Security Council. They said there are scores of factors that drive the distribution of loans and aid budgets that the research did not consider.

Still, the findings underscore the importance the United States places on cultivating even the weakest members of the Security Council, the lone international body with the power to impose universally binding economic sanctions and grant legitimacy to military adventures. They also suggest a possible price tag.

A two-year seat on the Security Council, for instance, can generate a 59 percent spike in U.S. assistance, according to a study by two Harvard University scholars that tracked U.S. economic and military assistance from 1946 to 2001. In times of crisis, U.S. aid to some member countries has increased by as much as 170 percent. Those aid levels tend to recede after the country leaves the 15-nation council.

United Nations aid agencies such as the Children's Fund, which has always been headed by a U.S. national, have also directed extra money toward disadvantaged children from countries that serve on the U.N. council, the study shows. In an important year, defined as a period that has attracted intensive news coverage, council members experienced a 63 percent increase in overseas development assistance, the study found.

"On average the typical developing country serving on the council can anticipate an additional $16 million from the United States and $1 million from the U.N.," wrote Harvard economics graduate student Ilyana Kuziemko and Eric Werker, an assistant professor at the Harvard Business School. "During important years, these numbers rise to $45 million from the U.S. and $8 million from the U.N."

Kuziemko said the study did not uncover "smoking gun" proof that the United States has used aid to buy influence. But she said the investigation uncovered a statistical pattern "that is very consistent with vote buying."

A UNICEF spokesman, Geoffrey Keele, challenged the report's conclusions. He said the U.N. agency's "funding is always based on very basic indicators of children's health."

Keele presented a chart showing that funding for some countries on the council increased while that for others declined. He said assistance to Congo -- which received more than a doubling of U.S. contributions through UNICEF -- increased because a 2003 peace accord provided greater international access to a country already desperately needing help.

A review by The Washington Post of the U.S. Agency for International Development's "greenbook," which compiles figures on U.S. economic and military assistance, showed a more nuanced picture in the year leading up to the U.S.-led invasion of Iraq in March 2003, a period of intense diplomatic activity in the Security Council.

U.S. economic aid to Angola nearly doubled from $81.6 million in 2001 to $160.5 million in 2003, before dropping by more than $40 million in 2004. Assistance to Cameroon more than tripled, from $5 million in 2001 to $16 million in 2003, before falling by about $3.5 million in 2004.

But U.S. aid to Guinea dropped by $10 million during the same period. Bulgaria, a close U.S. ally in Eastern Europe, got less U.S. economic assistance but registered a doubling of U.S. military aid in 2003.

The U.S. mission to the United Nations and USAID declined requests to comment on the findings. Former U.S. officials insist, though, that the U.S. delegation has sought to steer clear of vote buying.

"I'm not aware of the United States actively molding its aid relationship based on upcoming votes," said Peter Burleigh, the acting U.S. ambassador to the United Nations in 1998 and 1999.

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Burleigh said countries seeking membership on the council will often increase their own aid contributions "as a kind of sweetener" for potential supporters. During the 1990s, Iraq and Kuwait frequently stepped up aid or trade pledges on the eve of critical votes in the Security Council.

"Usually we give aid because there is need rather than because in fact we want to try to buy somebody," said Thomas R. Pickering, U.S. ambassador to the United Nations during the Persian Gulf War. But he said that politics can sometimes creep into U.S. calculations on aid and that membership on the council may tip the balance in favor of a country under consideration for aid.

Pickering recalled then-Secretary of State James A. Baker III telling Yemen, after it voted against a U.S.-backed resolution authorizing the 1991 war, that "it was the most expensive vote they'd ever cast, when in fact their assistance disappeared."

The largesse has extended to U.N. financial institutions, primarily the International Monetary Fund, where the United States holds sway. Romania, Zimbabwe, Ecuador and other countries that frequently backed resolutions sanctioning Iraq for its 1990 invasion of Kuwait received sizable IMF loans, according to a study by a political scientist and two scholars at a Swiss university.

Tanzania and Gabon, meanwhile, did not receive an IMF loan in the first 15 and 18 years, respectively, after their independence. That changed after they announced their bid to join the Security Council in the 1970s, a Chicago University study shows.

Tanzania, which launched its campaign for a council seat in 1974, received more than $10 million in loans in 1974 and 1975. The East African government voted alongside the IMF's most influential members -- the United States, Japan, Britain and France -- on every resolution in 1975.

The relationship grew rockier after Tanzania showed a streak of independence in its voting record in 1976, when it supported resolutions condemning aggression against Angola by U.S. Cold War ally South Africa and calling for Indonesia to withdraw from East Timor. The IMF subsequently declined to disburse more than $10 million in additional funds for Tanzania.

IMF spokesman William Murry said that "the evidence is anecdotal and circumstantial," and that the authors did not adequately consider other possible explanations for the loans.

For instance, he said, Tanzanian loans were driven in large part by the oil crisis after the Arab oil embargo. He said the IMF's support of Romania owed more to the fact the former East Bloc country was looking to the West for help after the Soviet Union's collapse.

China Acts To Reduce High Rate Of Executions (NYT)

By David Lague

The New York Times, November 1, 2006

BEIJING, Oct. 31 — Responding to domestic and international criticism of its extensive use of capital punishment, China adopted new rules on Tuesday requiring review of all death sentences by the Supreme People's Court, state news media reported.

The move, which goes into effect on Jan. 1, restores a power that was stripped from the Supreme Court in 1983 and given to provincial courts as part of a major crackdown on crime. The authorities are facing mounting criticism from human rights groups and Chinese legal scholars for what they say is the widespread and arbitrary use of the death penalty.

China executes more people every year than all other nations combined, by some Chinese estimates, up to 10,000 a year. Chinese courts have been embarrassed in recent years by a number of executions of people who were later proved innocent.

China's legislature, the National People's Congress, approved the amendment to the law, which "is believed to be the most important reform of capital punishment in China in more than two decades," the official New China News Agency said in a brief report.

The state news media have estimated that the number of executions could drop by as much as 30 percent under the new system, though they have not said how they arrived at that figure.

Human rights groups welcomed the change, saying it was likely to lead to fewer executions, but they urged the authorities to take further action. "I think this is a positive step, but it falls well short of what is needed," said Nicholas Bequelin, a researcher for Human Rights Watch who is based in Hong Kong.

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Chinese political leaders strongly defend capital punishment as an essential tool to fight crime and preserve social order in a country of 1.3 billion that is undergoing wrenching economic and social changes. The authorities also argue that the death penalty is an important deterrent to official corruption, which has emerged as a major threat to the reputation of the governing Communist Party.

However, legal experts say that as living standards rise and China becomes an important international power, the country's senior leadership is uncomfortable that the death penalty is so readily applied.

They say the reform can also be seen as part of President Hu Jintao's commitment to "build a harmonious society," which covers a range of social concerns, including pollution, growing inequality and access to education and health care. The public has long chafed under a legal system that is widely perceived as favoring the wealthy and politically connected.

China does not disclose the number of executions it carries out under the criminal code, where almost 70 offenses carry the death penalty.

Citing publicly available reports, Amnesty International estimates that at least 1,770 people were executed in 2005 — more than 80 percent of the world's total — and 3,900 were sentenced to death. In 2004, Amnesty said, 3,400 were executed in China out of 3,797 it documented in the world that year.

Local courts had been given the power to impose the death penalty by Deng Xiaoping, who was angry about a wave of crime and corruption that threatened his economic reform program, which was still in its infancy. From the early 1980s until now, they have operated with virtually no oversight, a situation that has led to the widespread and, legal experts say, indiscriminate use of capital punishment.

In a report on Sept. 21, Amnesty said shortcomings in the legal system for people sentenced to death included a lack of prompt access to lawyers, the absence of the presumption of innocence, political interference in the courts and the use of evidence obtained by torture.

"No one who is sentenced to death in China receives a fair trial in line with international human rights standards," Amnesty said in the report.

The Chinese authorities have already recruited 200 judges for the top court and opened new courtrooms to handle the extra work arising from the change, according to the Chinese news reports.

Some Chinese legal scholars say lower courts will now have to be more careful in imposing the death penalty, handing down more long prison terms instead to avoid the scrutiny of the high court.

Human rights groups and supporters of legal change in China are now urging the government to introduce more sweeping changes, including the establishment of an independent judiciary.

"So far, the leadership is not willing to take on real reform," Mr. Bequelin said.

P. W. Botha, Defender Of Apartheid, Is Dead (NYT)

By Joseph R. Gregory

The New York Times, November 1, 2006

P. W. Botha, the South African leader who struggled vainly to preserve apartheid rule in a tide of domestic racial violence and global condemnation, died yesterday at his home in South Africa. He was 90.

His death was reported by The South African Press Association in Cape Town, quoting the security staff at Mr. Botha's home on the southern Cape coast.

Mr. Botha was a combative, irascible son of a well-to-do Afrikaner farm family who dropped out of college to work for the right-wing National Party, then rose through the ranks of South Africa's political establishment, gaining a reputation as the "Old Crocodile" for his ability to charm, outwit and crush his opponents.

In 1978, Mr. Botha became prime minister and proceeded to engineer the creation of a new Constitution, one that held out the promise of limited reform of apartheid policies. When the Constitution came into effect in 1984, Mr. Botha became president. "We must adapt or die," Mr. Botha told his constituents after becoming prime minister.

But the Constitution only roiled the battle over race. Though it allowed Asians and people of mixed race to be represented in a white-controlled Parliament, it continued to exclude the nation's black majority. Some apartheid laws, like a prohibition on

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mixed marriages and a requirement that blacks carry special passes, were relaxed. But the measures only fueled the anger of apartheid's opponents. One opposition leader, Frederik van Zyl Slabbert, said Mr. Botha's reforms were the political equivalent of rearranging the deck chairs on the Titanic.

Holding out the promise that apartheid would eventually be dismantled, he opened negotiations with Nelson Mandela, the imprisoned leader of the African National Congress. The talks went nowhere, and Mr. Mandela remained confined.

At the same time, Mr. Botha, who first achieved national prominence as secretary of defense, gave the police and military unprecedented power. His government repressed dissent, encouraged rivalries among Zulu, Xhosa and other tribes and ethnic groups, and tried to destabilize neighboring countries opposed to the system of white rule.

Mr. Botha used the climate of the cold war to justify his actions. He portrayed a growing Marxist threat in southern Africa and warned that Communists had infiltrated the anti-apartheid movement at home. South Africa, he said, was engaged in a "total war" and must develop a "total strategy" to fight the battle.

As opposition to apartheid spread, Mr. Botha's room to maneuver shrank. "He was caught in a bind between wanting to show the international community that he was not inflexible, and not wishing to appear weak within his own country," the journalist Allister Sparks wrote in his 1995 account of the end of apartheid, "Tomorrow Is Another Country: The Inside Story of South Africa's Road to Change."

Yet for a while Mr. Botha's methods seemed to belie Alexis de Toqueville's dictum that "the most perilous moment for bad government is when it seeks to mend its ways." Mr. Botha was re-elected in 1987. Two years later, as opposition to his intransigent style grew within his own party, the president suffered a stroke and resigned. He was succeeded by F. W. de Klerk, who legalized opposition parties, freed Mr. Mandela and other political prisoners, and made the agreements that eventually brought apartheid down.

Pieter Willem Botha was born on Jan. 12, 1916, in the Orange Free State to a Afrikaner farm family with deep roots in southern Africa's "White Tribe" — descendants of mainly Dutch settlers who had been living on the continent's southern tip for more than three centuries.

Beleaguered, stubborn and insular, they saw themselves as heirs to a promised land watered with the blood of their ancestors in wars against Zulu, Ndebele and other tribes.

The Afrikaners and the British, with their imperial aims, were also old enemies, rivals for land, diamonds and gold. Their enmity culminated in the Boer War of 1899-1901, which ended in a British victory and the eventual consolidation of the country under the empire. Mr. Botha's father fought the British, who burned his mother's family farm. She and her family fled but were eventually captured and interned. Their experiences forged their son's attitudes. Raised in the traditions of the Bible and the gun, he learned to ride and shoot and to embrace the embattled but beneficent self-image of the Afrikaner.

"I grew up on a farm where I came to know black people very well," Mr. Botha told Joseph Lelyveld of The New York Times in an interview in Mr. Lelyveld's 1985 book "Move Your Shadow: South Africa, Black and White." "I played with them, I worked with them. I was taught by my father to be strict with them, but just."

As World War II approached, tensions mounted among those who believed that South Africa should side with Britain, those who advocated neutrality and those who sympathized with the Nazis. Mr. Botha sided with the last, joining the right-wing Afrikaner nationalists in the Ossewabrandwag, or Ox Wagon Fire Guard, which was closely related to Daniel F. Malan's Reunited National Party. A paramilitary group within the Guard, modeled after the Nazi Brownshirts, agitated against the pro-Allied government of Jan Christian Smuts.

But Mr. Botha, who in 1935 had left the University of the Orange Free State to become an organizer for the Nationalists, did not like the Guard's "emphasis on national socialism instead of Christian nationalism," a South African biographer, Brian Pottinger, wrote in 1988 in "The Imperial Presidency: P. W. Botha, the First 10 Years." "With some courage and a fine nose for the prevailing wind," Mr. Pottinger wrote, Mr. Botha publicly condemned the Ossewabrandwag, charging it with "interference" in national politics.

By 1944, with Allied victory looming in Europe, the Guard had become an embarrassment to Mr. Malan, and he banned National Party members from associating with it.

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A year earlier, Mr. Botha married Anna Elizabeth Rossouw, who went by the name Elise and who died in 1977. They had two sons, Rossouw and Pieter Willem, and three daughters, Elanza, Amelia and Rozanne. He married Barbara Robertson in 1998.

In the postwar years, economic and social uncertainty eroded the popular base of the Smuts government, which had advocated a comparatively liberal approach toward race relations. In the 1948 general election, Mr. Malan's Nationalists, campaigning on a platform of white supremacy and racial segregation, were swept to power. Mr. Botha, who had become secretary of the party's National Youth League in 1946, won a seat in Parliament.

Over the next six years under Mr. Malan's leadership, the foundations of the apartheid state were laid. The Nationalists enforced segregation on almost all aspects of South African life. They passed laws prohibiting mixed marriages and extramarital sex between races and regulated almost all other social relations. Freedom of movement was limited: most blacks were required to carry passbooks. And "independent" homelands, or tribe-based states, were created to make the various African ethnic groups easier to control.

Throughout the 1950s there were protests and other forms of passive resistance. In 1960, about 70 protesters were killed and nearly 200 wounded when the police opened fire on a demonstration in Sharpeville, near Johannesburg. The climate changed after that.

Within the African National Congress, founded in 1912 to advance the cause of blacks, the leadership diverged, with men like Nelson Mandela advocating violent opposition to the racist state. By 1970, many anti-apartheid leaders, including Mr. Mandela, were either in jail or living in exile.

Meanwhile, Mr. Botha rose through the government ranks. In 1961, he became the minister of colored affairs; in 1966, minister of defense. His rise coincided with the country's deepening political isolation. In 1961, South Africa left the Commonwealth of Nations, as other members strongly criticized apartheid policies. As the country's neighbors achieved independence from colonial rule in the 1960s and '70s, many cut off diplomatic, cultural and commercial ties with South Africa.

In 1974, the United Nations took away South Africa's seat in the General Assembly. Three years later, it imposed a weapons embargo. In the West, particularly in the United States, debate over imposing trade sanctions on South Africa reached a fever pitch.

But the disciples of apartheid hung tough. Huge reserves of gold and diamonds fueled the Afrikaners' ability to circumvent economic embargoes and political sanctions. As defense minister, Mr. Botha increased military spending to 20 percent of the budget, conducted a clandestine weapons trade with Israel and other states and pushed for the development of nuclear weapons.

In the early 1980s, Mr. Botha's government carried out military strikes on forces of the African National Congress and other insurgent groups in neighboring countries where they had taken sanctuary. Air and ground forces struck at targets in Angola, and South African commandos conducted raids in Botswana, Lesotho, Mozambique, Zambia and Zimbabwe.

South African forces also equipped and trained rebel movements against the left-leaning governments that had taken power in the former Portuguese colonies of Angola and Mozambique. Moreover, under the direction of the State Security Council, created in 1972, Mr. Botha's government carried out a program to murder anti-apartheid activists.

Racial violence and political protests continued to rise. Increasing numbers of white South Africans joined anti-apartheid demonstrations. Although Mr. Botha had come to power with the pledge to uphold apartheid as well as improve race relations, the two goals were mutually exclusive. Despite a seeming willingness to relax some apartheid laws, he remained adamant in his refusal to grant blacks political power.

The situation deteriorated. Police stations and other government installations were attacked. In 1985, the government announced an indefinite state of emergency. In 1986, the Anglican anti-apartheid campaigner Archbishop Desmond Tutu addressed the United Nations and urged further sanctions against South Africa.

Mr. Botha grew defiant. "We are not a nation of jellyfish," he declared in a party speech in 1986. An aide, Hendrik Jacobus Coetsee, recalled: "The Old Crocodile was obsessed with looking tough and in control. He never wanted to show any sign of weakness."

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But even within the Botha government, pressure was growing for negotiations with the African National Congress. Clandestine overtures were made to Mr. Mandela, who had been in prison since 1963. The Botha government, hoping to appear reasonable to the world, was looking for a way to free Mr. Mandela without appearing weak to its own Afrikaner constituency.

In March 1989, Mr. Mandela offered to negotiate a political settlement, reversing the Congress's commitment to overthrowing the white government by force. Mr. Botha, who had had a stroke that January, replied that the two men should meet. They did so on July 5, 1989. In the end, the encounter turned out to be little more than a courtesy call. "Yet, in some subtle way a line had been crossed," Mr. Sparks wrote. "After that there was no stopping the process. It was just a matter of time and the man."

Mr. Botha's days in office were numbered. Increasingly ill-tempered and authoritarian, he remained reluctant to move on with reform. In February 1989, a month after his stroke, for reasons that are unclear, he had renounced his position as National Party leader while keeping the presidency. The move left him open to younger rivals. That August, at a cabinet meeting, his successor as party leader, Mr. de Klerk, followed by other ministers, suggested that he step down. That night, in an angry, rambling broadcast, the president announced that he would resign.

Under the new government, led by Mr. de Klerk, apartheid unraveled. In 1990, Mr. Mandela was freed after 27 years in prison and the African National Congress became a legal political party. In April 1994, the republic's first multiracial election was held, the Congress won an overwhelming victory and Mr. Mandela became president. In May 1996, a new national Constitution was adopted.

Apartheid was finished. In the late 1990's, the brutal methods that had been used to prolong its existence were exposed during hearings of South Africa's Truth and Reconciliation Commission. Actions by the country's security forces and police during Mr. Botha's years in power had killed 4,000 people; as many as 50,000 others were held without trial.

The aging Mr. Botha derided the commission as a witch hunt. After failing to attend a hearing in Cape Town on Dec. 19, 1997, he was found guilty of contempt of the law, fined and sentenced to a suspended 12-month prison term. The conviction was overturned on appeal, and the Old Crocodile remained as intransigent as ever.

"I have nothing to apologize for," he said. ''I will never ask for amnesty. Not now, not tomorrow, not after tomorrow."

P.W. Botha; President Of Apartheid-Era South Africa (WP)

By Adam Bernstein

The Washington Post, November 1, 2006

P.W. Botha, 90, the unapologetic leader of apartheid-era South Africa who led his country into deepening political crisis and racial violence as head of state from 1978 to 1989, died Oct. 31 at his home in Wilderness, a southern coastal town. No cause of death was reported.

"Peevee" Botha was the bald, bespectacled mandarin of the ultra-right Nationalist Party. His trademark was a finger-wagging belligerence that earned him the nickname the "Groot Krokodil," or great crocodile, in Afrikaans, the Dutch language that was his native tongue.

He held a variety of portfolios before becoming defense minister in 1966. During the next decade, he engineered massive increases in the military budget to minimize the effects of the international arms embargo against the apartheid government.

He also saw the militarization of his country as a way to safeguard South Africa from foreign invasion and internal subversion. To international derision, he undertook incursions into Angola and South West Africa (later renamed Namibia) to end leftist guerrilla uprisings and what he called the "forces of chaos, communism and socialism."

As prime minister and then state president, he veered wildly between upholding and reforming apartheid, the system of racial segregation that his party initiated after coming to power in 1948. He understood its inevitable decline amid uncontrollable protests but was unwilling to appear weak to his followers.

Years after he left office and a new, black-led leadership emerged, Mr. Botha remained defiant during investigations into his regime's hard-line racial policies that led to killings, tortures and disappearances. On a technicality, he successfully evaded testifying before South Africa's Truth and Reconciliation Commission, formed to probe apartheid-era crimes.

"I did not authorize murders," he said to reporters at the time. "I will not ask forgiveness for fighting the Marxist revolutionary onslaught."

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Pieter Willem Botha was born Jan. 12, 1916, at his family's farm in the Paul Roux district of the Orange Free State. The area was deeply conservative and populated largely by Afrikaners, the white descendants of 17th-century settlers who were mostly Dutch.

In his teens, Mr. Botha became a member of the National Party, then a minority political group. During the Depression, he abandoned his law school studies at the University of the Orange Free State and began his mentorship under the Nationalist leader D.F. Malan. Mr. Botha was a political organizer, a job that sometimes required thuggery and other forms of intimidation.

During World War II, he helped form the Cape branch of the Ossewabrandwag, or Ox-Wagon Fire Guard, a pro-Nazi paramilitary group that opposed his country's support for the British and other Allied powers. His involvement ended when he was threatened with internment.

In 1948, his party won the general election in a surge of Afrikaner nationalism, and Mr. Botha was elected to the lower house of Parliament.

During his first decade in office, he became his party's chief secretary. Under prime minister H.F. Verwoerd, he was minister of colored affairs; minister of community development and housing; and minister of public works.

In this period, he sometimes fought against the most outrageously racist voices in his party on social and land issues. As defense minister, he championed a liberalization of the military that brought women and those of mixed race into fighting units.

Elected prime minister in 1978, he advocated a program of "adapt or die" that surprised many white South Africans for its reformist ring. This approach was partly because of the moderating influences of a strong political challenger during the election. However, to many blacks, Mr. Botha's efforts appeared cosmetic, and many in his white base charged him with surrendering needlessly.

Radical elements within his party abandoned him in 1982 to form another political party. Soon after, Mr. Botha helped craft a new national constitution that bestowed greater authority to himself by changing his title to state president. During the next few years, he repealed some restrictive laws, including a ban on interracial marriage and a passport system that prevented blacks from living freely away from their designated townships.

He allowed participation by Asians and those of mixed race in Parliament and the national cabinet, but blacks were still excluded from government. A goodwill tour of Europe in 1984 had little effect of changing the country's pariah status, although some Western governments and businesses maintained economic ties. He also eased his diplomatic relations with neighboring countries, nearly all of which were under black rule after having gained independence years earlier.

As rioting continued, he declared a state of emergency in 1986, curbing press freedoms and arresting black political leaders.

After a stroke in 1989, Mr. Botha resisted calls within his own party to resign. "I am not a sulking old man," he said.

In a matter of months, he arranged a meeting at his official Cape Town home with Nelson Mandela, a leader with the banned African National Congress who was serving a long prison sentence.

Mandela later wrote in a memoir that Mr. Botha broke all expectations of the "old-fashioned, stiff-necked, stubborn Afrikaner who did not so much discuss matters with black leaders as dictate to them." He said the president was amicable and smiling and "completely disarmed me," although he declined to agree to the unconditional release of Mandela and other political prisoners.

Within months, Mr. Botha resigned from the presidency and his party. Mandela was released from prison in 1990 and worked with Mr. Botha's successor, F.W. de Klerk, to hold fair elections. In 1994, Mandela became the first black president of South Africa.

During the new era, Mr. Botha was not allowed to retire quietly. Anglican Archbishop and Nobel laureate Desmond Tutu, who headed the Truth and Reconciliation Commission, personally asked Mr. Botha to testify about allegations of bombing campaigns against black rights groups during his presidency.

Mr. Botha declined to recognize the commission's authority to compel him to testify. Instead, he gave the commission 1,700 pages of answers to their questions.

This led to a court's finding him guilty of contempt and sentencing him to either a year in jail or a fine of $1,600. He avoided the penalty when a higher court said the commission's legal mandate to exist was due to expire before he was called to testify.

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At the time, Mr. Botha told reporters he was more worried about the lawlessness he saw around him under the new government. "I'm still concerned about the onslaught," he said. "What I prophesied came true."

He wrote an autobiography, "Voice in the Wilderness."

His first wife, Elize Rossouw, whom he married in 1943, died in 1997. The next year, he married Barbara Robertson, a legal secretary 25 years his junior. She survives him, along with five children from his first marriage.

Former S African President PW Botha Dies (FT)

By Victor Mallet

Financial Times, November 1, 2006

Pieter Willem Botha, the former South African president who died at the age of 90, was a godfearing Afrikaner nationalist who saw the failings of apartheid and reformed the system but could not bring himself to abolish it completely. That task fell to his successor F.W. de Klerk, who earned Botha's scorn by negotiating the transfer of power from the white minority to the African National Congress.

Universally known as "PW" from his initials, Botha was a career politician in the National party which ran South Africa from 1948 until the first, all-race election in 1994. Although he was a hardliner by instinct, he dimly sensed that he was presiding over the final phase of white rule and famously told whites after he became prime minister in 1978 to "adapt or die".

Yet the curmudgeonly Botha, who earned the nickname "Die Groot Krokodil" (the great crocodile) and had a habit of wagging his finger menacingly at his critics, could never reconcile himself to the inevitable. He resented the liberals and left-wingers in South Africa and abroad who had helped destroy apartheid. He never apologised for the torture, the killings and the poverty inflicted on South Africans and on the inhabitants of neighbouring states by his regime.

"We are a small country, but I am not going to be buggered about," he told Herman Nickel, the US ambassador, in 1986. "I'd rather fight." Even in retirement in 1998, Botha refused to testify before the Truth and Reconciliation Commission, which was investigating the crimes committed by both sides during the apartheid era. He called it a "circus" and a "witch-hunt" against Afrikaners.

He was born on January 12, 1916 on a farm in what was then the Afrikaner stronghold of the Orange Free State, but spent most of his political life in the Cape. In the years before the National party's 1948 election victory (when he began his 36-year stint as MP for the George constituency), he was a successful party organiser with a reputation for breaking up meetings of Jan Smuts's United party with thuggery and heckling.

Nothing in his early years suggested he would become a reformer. He briefly joined the right-wing Ossewabrandwag, which rejected support for Britain in the fight against Nazi Germany in the second world war.

As defence minister for 14 years from 1966, as prime minister from 1978 to 1984 (for a while he held both posts), and then in the newly created post of executive state president from 1984 until he was removed after suffering a stroke in 1989, he favoured military solutions to South Africa's foreign and domestic political problems.

During the cold war, Botha subscribed to the view that his government faced a "total onslaught" from Communist guerrillas and their allies, and must fight them with a "total strategy". He presided over a 20-fold increase in the country's defence budget, nurtured Armscor, a home-grown military equipment group which had some success in bypassing economic sanctions, and oversaw an invasion of Angola in 1975. He turned the State Security Council, which had been an advisory body, into a powerful and secretive inner cabinet.

But it would wrong to portray him, as his enemies often did, as no more than a tyrannical right-winger. For Botha undermined the very foundations of apartheid. He legalised the black trade unions that were to become a motor of political change; he abolished the Mixed Marriages Act outlawing inter-racial weddings; he negotiated South Africa's withdrawal from southern Angola and Namibia, paving the way for Namibian independence; he repealed the "pass laws" preventing blacks from entering "white" urban areas; he opened secret talks with the jailed ANC leader Nelson Mandela; and he gave coloureds (people of mixed race) and Indians the vote.

It was this half-hearted concession to the rights of other races in the mid-1980s that accelerated the end of white rule. Although Botha survived a split in his National party over the new constitution and its tricameral parliament (the breakaway right-

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wing Conservative party was formed in 1982), the still unenfranchised black majority took to the streets in a violent uprising that ultimately destroyed apartheid.

Botha never understood the forces that he had unleashed. Thousands of South Africans were subsequently killed in riots by troops and police, or in clashes between rival political groups. Some victims accused of being traitors or informers were burnt alive in motor-tyre "necklaces" by the young revolutionary "comrades" who paid allegiance to the United Democratic Front, a sort of internal wing of the ANC created out of a common hatred of the new constitution.

The government imposed a partial state of emergency in 1985 and a full one the following year, thinking it could crush the uprising. Even when he accepted the idea of political negotiations, Botha deluded himself that he could strike a deal with "moderate" blacks who would demand something less than full political rights. Likewise, he thought he could divide the nationalists from the Communists in the ANC (many ANC members were both) and assumed that he could eventually release Mandela to prevent him dying in jail a martyr without seeing him become president.

He was wrong on all counts. The defining moment of Botha's presidency was when he made the famous "Rubicon" speech in August 1985. Pik Botha, his foreign minister (and no relation), raised international expectations to a fever pitch that P.W. Botha would "cross the Rubicon" by outlining fundamental reforms and promising to free Mandela.

P.W. Botha did make significant concessions, but, obstinate as ever, he refused to deliver the speech prepared for him and spoke to the waiting world in a hectoring tone and in coded political phrases that only South Africans could understand. Foreign opinion was horrified. The rand plunged and South Africa was obliged to declare a moratorium on repayments of its foreign debt. From that day on, it was clear that Botha would not be the man to lead South Africa into the post-apartheid era.

He was twice married, first, in 1943, to Anna Elizabeth Rossouw, with whom he had two sons and three daughters. She died in 1997. The following year at the age of 82 he married Barbara Robertson, a secretary 25 years his junior.

Former South Africa President Dies At 90 (AP)

By Clare Nullis

AP, November 1, 2006

P.W. Botha, the apartheid-era president who led South Africa through its worst racial violence and deepest international isolation, died Tuesday. He was 90.

Botha died at his home on the southern Cape coast at 8 p.m., according to the South African Press Association. "Botha died at home, peacefully," Capt. Frikkie Lucas was quoted as saying.

The African National Congress issued a statement expressing condolences and wishing his family "strength and comfort at this difficult time."

Nicknamed the "Old Crocodile" for his feared temper and sometimes ruthless manner, Botha served as head of the white racist government from 1978 to 1989.

Throughout his leadership he resisted mounting pressure to free South Africa's most famous political prisoner, Nelson Mandela. Mandela was released by Botha's successor, F.W. de Klerk in 1990.

Botha liked to depict himself as the first South African leader to pursue race reform, but he tenaciously defended the framework of apartheid, sharply restricting the activities of black political organizations and detaining more than 30,000 people.

Through a series of liberalizing moves, Botha sought support among the Asian and mixed-race communities by creating separate parliamentary chambers. He lifted restrictions on interracial sex and marriage. He met with Mandela during his last year as president.

But after each step forward, there was a backlash, resulting in the 1986 state of emergency declaration and the worst reprisals of more than four decades of apartheid.

Botha's intransigence on releasing Mandela led the anti-apartheid Johannesburg Daily, Business Day, to write: "The government is now the prisoner of its prisoner; it cannot escape his embrace."

Within a year after Botha stepped down, de Klerk released Mandela after 27 years in prison and put South Africa on the road to its first all-race elections in 1994, when Mandela became president.

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In December 1997, Botha stubbornly resisted appearing before a panel investigating apartheid-era crimes. He risked criminal penalties by repeatedly defying subpoenas from the Truth and Reconciliation Commission to testify about the State Security Council that he headed.

The council was believed to have sanctioned the killing and torture of anti-apartheid activists, and the panel wanted to know what Botha's involvement was.

Born Jan. 12, 1916, the son of a farmer in the rural Orange Free State province, Botha never served in the military or graduated from college. He quit university in 1935 to become a National Party organizer.

During World War II, Botha joined the Ossewabrandwag (Ox Wagon Fire Guard), a group that was sympathetic to the Nazis and opposed South Africa's participation on the Allied side.

Botha won election to Parliament in 1948, the year the National Party came to power and began codifying apartheid legislation. He joined the Cabinet in 1961 and became defense minister in 1966.

As head of the white-minority government in 1978, Botha repeatedly stressed the paramount importance of national security. He charged that the anti-apartheid struggle was a "total onslaught" on South Africa instigated by communist forces.

During a series of gradual race reforms, he told white South Africans they must "adapt or die." A new constitution in 1983 gave Asians and mixed-race people a limited voice in government, but continued to exclude blacks.

The new law also drastically increased Botha's powers, changing his title from prime minister to president. He declared a national emergency in 1986 after widespread violence erupted in black areas, where anger focused on the new constitution.

State security forces brutally quelled the opposition, and one of his former lieutenants — police minister Adriaan Vlok — told the Truth Commission that Botha had personally congratulated Vlok for successfully bombing a building thought to harbor anti-apartheid activists and weapons.

But in documents submitted to the panel, Botha denied knowledge of the killings, torture and bombings.

Botha's reprisals against the black majority drew international economic sanctions against South Africa during the 1980s that contributed to apartheid's fall.

In July 1989, Mandela went from prison to Botha's official residence for a conversation, which increased speculation that Botha would free Mandela.

Mandela recalled going into the meeting thinking he was seeing "the very model of the old-fashioned, stiff-necked, stubborn Afrikaner who did not so much discuss matters with black leaders as dictate to them."

He found Botha holding out his hand and smiling broadly "and in fact, from that very first moment, he completely disarmed me," Mandela wrote in his autobiography.

Mandela said the only tense moment was when he asked Botha to release all political prisoners — including himself — unconditionally.

"Mr. Botha said that he was afraid he could not do that," Mandela wrote.

The meeting was one of Botha's last acts before he was ousted as National Party leader by de Klerk in September 1989.

Botha refused to attend a farewell banquet held in his honor by the party he had served for 54 years. After 1990, he quit the National Party.

Botha's foremost loyalties were to his fellow Afrikaners, yet his moves to extend limited political power to nonwhites prompted a mass defection of hard-line segregationists from the National Party in 1982.

Beeld, an Afrikaans-language daily that supported Botha for many years, said, "The last image that will linger ... is that of a blind Samson who with his last strength tried to overturn the pillars of his party on himself and his own companions."

There has been no decision on funeral arrangements.

Migrants' Money Is Imperfect Cure For Poor Nations (WSJ)

By Bob Davis

The Wall Street Journal, November 1, 2006

CIUDAD BARRIOS, El Salvador -- This lively mountain town survives on money sent from its sons and daughters living in the U.S. On days payments arrive, lines at the local credit union can reach 150 deep. The crowds then hail motorcycle taxis and

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head for the town's open-air market to stock up on food and clothing, or browse tiny appliance stores stuffed with blaring televisions and stereos.

It's the sort of scene that many development economists believe could transform some of the world's most impoverished regions, by putting cash directly in the pockets of the poor. With tens of millions of migrants around the globe sending remittances home, the flood of money has grown immense -- $167 billion last year, according to the World Bank.

But Ciudad Barrios also demonstrates why reliance on remittances may turn out to be the latest development fad that fails to live up to its hype. The downside: a cycle of continued poverty, as dependence on remittances turns the town into a kind of ward of the U.S. Those with entrepreneurial ambition head north, emptying out the town of its talent. Only a tiny fraction of the money they send home is invested in industry or agriculture that could produce jobs. And with the breadwinners away, organized thugs pounce on a place where money pours in from outside. All of that leaves little opportunity for the next generation except to follow their predecessors north, if they can.

"As soon as people go home and see what their salaries are [there], they come back to the U.S. again," says Israel Hernández, 38 years old, who left Ciudad Barrios in 1998 and has been cleaning houses in Washington, D.C. He has sent enough cash home to his grandmother for her to buy a house. She misses him, she says, but urges him to stay up north.

For countries to reduce poverty on a sustained basis and to create a middle class, they need to grow rapidly over years. Though remittances fuel some spending, there isn't much evidence they have added to sustained growth. Instead, the infusions of outside cash often distort the local economy and may diminish the long-term prospects for gains.

The flood of money from abroad can raise the value of local currencies, making it harder for exporters to compete because the effective price of their goods goes up. Meanwhile, about 85% of the money goes to pay the daily bills of the people left behind, with little left over for savings and investment. Migrants eventually return to retire in their home nations, not to help build their economies.

"Remittances are a band-aid on fundamental development problems," says Dean Yang, a public-policy professor at the University of Michigan. "Labor export and remittances won't turn El Salvador, the Philippines and other poor countries into the next development tigers." Even the World Bank, which has pushed the development potential of remittances, is having second thoughts. In a report on Latin America released yesterday, the bank says that remittances are "neither 'manna from heaven,' nor a substitute for sound development policies."

Remittances have received increasingly widespread attention in recent years as a way to boost aid without spending government money, as other formulas for growth have failed to produce widespread gains. In the 1970s and early 1980s, many nations tried closing their borders to protect their local industries from competition, which boosted growth for a while but led to high prices and monopoly control. Then they tried the opposite approach, free trade and market liberalization, with limited effect so far except in Asia. Meanwhile, foreign aid has been too small and inefficient to make much of a difference, while private investment has been targeted at a limited number of countries and industries.

Remittances do directly help many poor families feed themselves and educate their children. Money sent home from abroad accounts for about 60% of the income of the poorest households in Guatemala, and has helped reduce the number of people living in poverty by 11 percentage points in Uganda and six percentage points in Bangladesh, according to World Bank studies.

Nevertheless, a look at El Salvador shows the ways in which the cash also can hinder impoverished nations. The nation of seven million has revamped its economy since the civil war ended in 1992 in a so-far elusive effort to spur rapid growth. El Salvador abolished price controls, privatized industries, slashed tariffs that were as high as 290% and adopted the dollar as its currency in 2001 to limit inflation. Earlier this year, it joined a regional free-trade bloc with the U.S.

Salvadorans started to flee the country in great numbers in the 1980s as the civil war there intensified. Now one in six Salvadorans -- 1.5 million people -- live abroad, many of them illegally in the U.S. They send home nearly $3 billion annually, equal to about 16% of the country's gross domestic product.

Ciudad Barrios, a remote town 100 miles east of San Salvador, ping-ponged between guerrilla and government control during the civil war. José Edgardo Díaz Cordero worked in the town's hospital pharmacy in 1990 when guerrillas demanded that

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he give them medicines to treat their wounded. Then, he says, he received an anonymous message from a right-wing death squad accusing him of being a guerrilla ally and warning him to leave the country.

Mr. Díaz made his way to the Washington, D.C., area where many others from his town had settled, attracted by a booming construction industry. He started sending home several hundred dollars a month to his wife to care for their five children. He has been home just once, for about a year in 1995, but wages were too low to make a go of it, says Mr. Díaz, who is now 54. He returned to the U.S. and was later joined by two sons who became his partners in a flooring business. Another burst of Ciudad Barrios natives, who worked in the region's coffee fields, headed for the U.S. starting in 2000 when coffee prices plummeted.

Francisco Membreño, once a Ciudad Barrios coffee farmer, left his pregnant wife in 2000, worried that he wouldn't be able to support his newborn. He hasn't ever been back to meet their son, Ronald, who's now 6 years old. Mr. Membreño works two jobs cleaning offices in Washington, D.C., making $575 on a good week, and sharing an apartment with another Salvadoran.

Each month he sends home about $300 to his wife, Ernestina Argueta, who moved with Ronald to her parents' sweltering concrete house lit by a single light bulb. The money goes for food and medicine mostly, says Ms. Argueta, with a little left over to save to expand a tiny plot of land her husband purchased and hopes someday to cultivate. Though her elderly mother dreams of a new sewing machine, Ms. Argueta says, "For now, we're not buying anything, until he comes back."

About one-third of the 40,000 residents of Ciudad Barrios and surrounding hamlets receive remittances, estimates Claudia Rodríguez-Alas, an American University researcher who has studied the town. Salvadorans abroad typically share apartments, keep each other current on job openings and lend relatives at home the $5,000 or so necessary to pay "coyotes" to guide them illicitly across Mexico to the U.S.

In Ciudad Barrios, monthly remittances average about $157 a household, according to Ms. Rodríguez-Alas. That's slightly more than the government calculates is enough to feed a family of four. But it often doesn't pull families above the official poverty line of $275 a month. Essentially, remittances are sufficient to push families out of extreme poverty, but not much higher.

The extra cash does have beneficial effects. It gives even the most destitute families the means to pay for food at the town's markets, and is extra disposable income for those who work. Salvadoran families that receive remittances are more likely to keep their children in school than other families, according to a study by two economists, Alejandra Cox of California State University, Long Beach, and Manuelita Ureta of Texas A&M.

Better-off Salvadorans abroad often send two checks a month -- one for their family's daily expenses, and another to save up to buy small homes with luxuries such as glass windows, electricity in every room, steel gratings on the doors and windows, and tile floors.

A small consumption boom fed by the checks has doubled the number of businesses registered with the Ciudad Barrios City Hall to 220 since 2000, and even helped prompt the opening of a "cyber cafe." Around the town's central square are five financial institutions that handle remittances, including Western Union, which also advertises on highway overpasses on the way to town.

One hardware store, Agro Ferreteria Rivera, has carved out an unusual niche: The couple that owns the store travels monthly to Maryland to take orders for homes sketched out by migrants, who wire payments to their families. A separate appliance store takes orders by cellphone from abroad, while a city council member sells solar panels for homes built in fields that lack electricity hook-ups. Some of the new homeowners also get their fences electrified for extra security.

The gains in consumption financed from abroad could fuel the economy. But paradoxically, the easy money from remittances leads to a fall, rather than a rise, in domestic savings as a percentage of gross domestic product. The investment rate as a percentage of GDP stagnates as well.

The result: The country makes little progress. Between 1999 and 2005, remittances doubled to $2.8 billion, but the country limped along at an annual growth rate of just 2.4% -- far too low for a poor country to advance much. The tide of money from abroad boosted the value of its currency compared with that of its neighbors by nearly 50% between 1992 and 2001, which damaged exports. El Salvador has since adopted the dollar as its currency, but competition from China has intensified and other Central American nations have kept their currencies undervalued, so Salvadoran exporters haven't recovered.

Soaring remittances have boosted real-estate prices to levels that locals without outside help can't afford, while reducing the incentive of remittance recipients to work at home -- since wages are a pittance compared with what their relatives make in

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the U.S. In Ciudad Barrios, the coffee-growing cooperative recruits Nicaraguans and Hondurans to work the fields, because they can't find enough Salvadorans to fill jobs that pay between $5.50 and $8 a day.

Elsewhere, the same pattern occurs. Examining Mexican labor data, economists Catalina Amuedo-Dorantes of San Diego State University and Susan Pozo of Western Michigan University say that a boost in remittances prompts men to cut back their hours at salaried jobs and fill in with informal work.

Groups of Salvadorans abroad do form associations to help finance municipal improvements back home. In Chinameca, a town near Ciudad Barrios, for instance, migrants have helped to pay for the town's water tower and for the roof on a local church. But the efforts have fallen well far short of the need.

Economists say that El Salvador and other remittance-receiving nations must figure out ways to route money from abroad into domestic investments. The Salvadoran government, for instance, wants to create investment vehicles for Salvadorans abroad to bankroll domestic projects or industries.

In that vein, Salvadoran developers are holding fairs around the U.S. to try to make it easier for migrants to buy real estate. A Washington, D.C., financial company, Microfinance International Corp., is starting to offer Salvadorans transnational loans, which they can use to make investments in El Salvador and make payments in the U.S. -- and avoid having to pay fees on money wired home. Since many Salvadorans don't use banks or credit cards, the company's customers can use their remittance history to prove their creditworthiness.

In Ciudad Barrios, Lorena Romero, the acting manager of a local credit union, says only a tiny percentage of remittance receivers take out business loans. Even those often use the proceeds to pay coyotes to take them to the U.S. instead of opening businesses locally. Another credit union called AMC, which does business throughout eastern El Salvador in conjunction with Microfinance International, says just 1% of its remittance customers take out loans for businesses.

Wilson Salmerón, AMC's general manager, says many migrants don't invest in El Salvador because they're afraid their families will become targets of gang violence. One of the reasons that many nations have come to depend so heavily on remittances -- Haiti, Bosnia, Serbia, Honduras, Nicaragua -- is because people were frightened away by war, and their nations are still torn by violence.

In Ciudad Barrios, many remittance recipients try to avoid calling attention to themselves. Some pick up their cash in neighboring towns where they aren't known. Others pace their purchases of appliances, so their neighbors don't notice. The latest gang tactic is to call remittance receivers on their cellphones and extort cash instead of doing it in person. Some in Ciudad Barrios won't answer calls from numbers they don't know.

The fear damps local investment, too. Mr. Salmerón says his credit managers are afraid to travel into the countryside where gang influence is strong. A number of migrants say they wouldn't start a business in Ciudad Barrios for fear they'll draw unwanted attention. "You'll be robbed," says Dora Ruiz, a cook at a Washington, D.C., McDonald's restaurant, who wires $200 a month to care for her four children who live with her sister-in-law. "People will come in through the windows if need be."

At Ciudad Barrios' sole high school, students recognize one important benefit of remittances: They aren't forced to drop out of school to work, as their parents were. The senior class this year is triple the size of a decade ago, says the school's assistant principal, Lex Marvin. But some now leave early to join parents abroad, and few see much opportunity in El Salvador after graduation. José Ines Aguilar Osorio is a shy, slender senior whose father works as a mason in the U.S. "If I don't find work here," he says, "I'm leaving."

Germany's Army (NYT)

The New York Times, November 1, 2006

Germany has made it official: it is prepared to move out of its postwar pacifist mode and undertake a greater role in global security. Good. There has been no good reason for some time why Germany should not do its share of global peacekeeping and peacemaking. Defending Germany's borders, to which its army was restricted after World War II, is hardly a consuming mission in today's Europe.

Berlin's new position paper on international security, issued last week, points to a welcome expansion of Germany's role in conflict prevention, peacekeeping and antiterrorist actions. That is especially important now, when the wars in Iraq and

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Afghanistan and multiple peacekeeping missions in Africa have strained the military resources of America and its leading NATO allies.

Military ties to the United States will remain at the heart of Berlin's defense policy. But larger and more robust troop contributions from the most populous European NATO country can help restore a measure of political balance to an alliance increasingly distorted by Washington's military role.

The taboos against deploying German troops overseas have been steadily falling away at least since 1992, when a few German medics were dispatched to Cambodia. Today, Germany has about 10,000 soldiers serving on missions in Afghanistan, the Balkans and Congo, and German warships are patrolling the Lebanese coast. But the Germans have usually avoided roles that could involve combat. Those in Afghanistan, for example, are involved in reconstruction. Under the new policy, Germany would presumably engage in all aspects of peacekeeping operations.

The specter of German militarism, once terrifying, is a thing of the past. Contemporary Germans are, if anything, more sensitive than their neighbors to episodes of military wrongdoing. Last week's publication of photographs of German soldiers in Afghanistan toying with a skull prompted a suitably anguished public reaction. But it should not raise questions about transforming the Bundeswehr into a global intervention force. There's a lot of work to be done, and it's time the Germans joined in.

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TERRORISM NEWS:

An Administration Ally Goes Off-Message (WP)

By Al Kamen

The Washington Post, November 1, 2006

Sensing GOP vulnerability, the Democrats' campaign ads focus on voter unhappiness with the Iraq war. The Republicans, in turn, prefer to talk about keeping us safe from terrorism.

So eyebrows popped up last week when none other than Richard Perle , former Reagan assistant secretary of defense, former Bush brain-truster on the Defense Policy Board, and a key promoter of the war to find Iraq's weapons of mass destruction, blistered the administration as "dysfunctional" when it comes to stopping someone from bringing "a nuclear weapon or even nuclear material into the United States."

Richard Perle called the Bush administration "dysfunctional." (Roger L . Wollenberg - Upi)

"Knowing that there are people who wish to do that," Perle said, "knowing they are seeking weapons of mass destruction, you would think that we would have put in place a system or at least be working assiduously in the development of a system that would allow us to detect nuclear material entering the New York Harbor or Boston Harbor or what have you.

"But we haven't done that," he said at a Center for Strategic and International Studies gathering. "And the reason we haven't done that is hopeless bureaucratic obstruction. Somebody needs to shake that loose." Perle added that while some have tried to overcome the bureaucracy, no one has succeeded.

"I think we have an administration today that is dysfunctional," Perle said. "And if it can't get itself together to organize a serious program for finding nuclear material on its way to the United States, then it ought to be replaced by an administration that can."

But President Bush , Perle emphasized, is not to blame for this sorry state of affairs. "I haven't the slightest doubt that if one could . . . put this proposition to the president, he would first be shocked to learn that we don't have the capability. Secondly, [he] would immediately order that we develop it."

Shocked? Well, let's see. Bush . . . Bush . . . Ah, yes, 202-456-1414.

Top-Shelf Tickets for a Cabinet Secretary

A coach-flying-government-employee Loop Fan reports that United Flight 915 from Paris on Saturday was delayed briefly during the boarding process to allow a small group of VIPs to get on.

So who might these folks have been? Secretary of Veterans Affairs Jim Nicholson , returning home from important conferences in Paris. Our caller was surprised to see Nicholson and his wife, Suzanne, not just in business class but in first class. Two agency aides were seated in business class. Nicholson's security detail was appropriately placed for security.

"The airline gave away their seats," a VA spokeswoman explained yesterday, "and couldn't get them back. So they bumped them up from business." Nicholson paid for his wife's ticket.

Nicholson was overheard chatting with an airline employee in what sounded like very good French. We were told he picked that up when he was an Army Ranger in Vietnam so he could work with his Vietnamese counterpart.

72 Muslim Workers Barred From Paris Airport (NYT)

By Katrin Bennhold

The New York Times, November 1, 2006

PARIS, Oct. 31 — The French authorities charged with assessing security risks at Charles de Gaulle airport have stripped 72 Muslim workers of their access badges because they had traveled to Pakistan or Afghanistan, or were suspected of having links to extremists, according to a government official who oversees the airport.

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Several are suspected of having trained in terrorist camps in Pakistan and Afghanistan, though a mere trip to one of those countries would be enough for a revocation, said the official, Jacques Lebrot. One of the suspended workers, he added, was a friend of Richard Reid, the so-called shoe bomber.

About a dozen other workers have been notified that they are considered security risks, but remain on their jobs pending questioning, Mr. Lebrot said. The unions representing them said some were still cleaning planes and handling baggage.

Mr. Lebrot did not present any evidence against the workers, saying that would compromise French intelligence sources. But France's largest union filed a discrimination lawsuit in mid-October over the revocations, and at least 10 airport workers who lost their jobs have sued separately to regain their security clearance.

Among those still working is Hassane Tariqui, 37, a French citizen who was born in Morocco and supervises cleaners inside passenger planes, most of them bound for the United States. On Sept. 21, he received a letter from the authorities saying that his "attitude" and "personal behavior" posed a risk to airport security, but it did not specify how.

"If they really think I am a security risk, why am I still allowed to work here?" said Mr. Tariqui, who has been employed at the airport for 16 years. He said he was not a radical, nor even an especially devout Muslim, although he has made a pilgrimage to Mecca.

Mr. Lebrot said that some of the employees who received the letter were still working because they had not yet been interviewed. Those who lose their security clearance at the airport are at risk of dismissal by the private companies that employ them, like Air France and FedEx.

All who received the letter came to the attention of intelligence services in an antiterrorist investigation at French airports ordered by the Interior Ministry in May 2005, Mr. Lebrot said, and 72 had their security clearance revoked after questioning. Sixty-eight more people were investigated and cleared, Mr. Lebrot said.

The United States Homeland Security Department declined to comment on the development. "It's the government of France's jurisdiction," said a spokeswoman, Joanna Gonzalez.

The airport, north of Paris, is near suburbs with Muslim populations where rioting erupted last year. Unions estimate that at least a fifth of the airport's 83,000 employees are Muslim.

Mr. Lebrot, the deputy prefect in the Seine-St.-Denis district, where the airport is located, said the letters singled out employees suspected of links with movements or people who rejected "France and our values," or who were suspected of traveling to Pakistan and Afghanistan. Some are believed to have spent time in terrorist training camps and extremist Koranic schools in the two countries, Mr. Lebrot said.

One employee, he said, was discovered to have been a friend of Mr. Reid, a London-born convert to Islam who tried to blow up a flight from Paris to Miami in 2001 using explosives hidden in his shoe. Mr. Reid is now serving a life sentence in Colorado.

Another man is believed to have been close to a senior figure in the Salafist Group for Preaching and Combat, an Algerian terrorist group with links to Al Qaeda, Mr. Lebrot said.

Muslim organizations and human rights groups have accused the authorities of waging an anti-Muslim campaign in a presidential election year, while some terrorism experts say the government risks being too slow in removing security threats. "We need an emergency procedure to revoke badges, provided that the intelligence that calls the security of an employee into question is serious," said Alain Marsaud, a lawmaker and former antiterrorism chief.

But Eric Moutet, a lawyer for some of suspended workers, said "We have not seen any objective evidence against our clients. The only common denominator we see today is that they are all Muslim."

Mr. Lebrot insists that the decision to bar some airport employees has nothing to do with their religion.

"Monsieur or Madame X who goes to pray in the mosque and travels to Mecca for the pilgrimage is not a problem for us," he said.

Plotter Worked in London Tube

LONDON, Oct. 31 (AFP) — Critics accused London transportation authorities of a security gaffe Tuesday after learning that the son of a notorious radical imam had worked on the underground train network.

Mohammed Kamel Mostafa, 25, was jailed for three years in Yemen starting in 1999 for plotting a bombing campaign, but worked for a subcontractor of the subway's maintenance company. Mr. Mostafa is the son of Abu Hamza, the former imam of the Finsbury Park mosque in north London who was sentenced to a seven-year jail term in February.

A series of attacks by four suicide bombers on three underground trains and a bus in London on July 7 last year killed 52 commuters.

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HOMELAND RESPONSE:

Would-be Bomber Planned DSHS Building Strike (KXLY)

KXLY-TV, November 1, 2006

SPOKANE -- A man who threatened to blow up a Spokane DSHS facility earlier this summer will face federal charges, an FBI sgent confirmed Tuesday afternoon.

Anthony Garver will face federal charges for possession or receipt of firearms or ammunition by a person adjudicated as mentally defective, according to FBI Special Agent Norm Brown.

The charges stem from the relevation earlier this summer after Garver told a fellow inmate at the Spokane County Jail about his plan to blow up the DSHS office located at 1313 Maple Street. The plan included setting off a primary device and then a secondary once officials arrived after the first one detonated.

Tony Dawson, the inmate who Garver talked about his plans with, tipped off authorities who later found during their investigation that Garver had a variety of items including ammunition, knives, a GPS unit, police scanner and bomb-making recipes saved on a computer, which was enough for the FBI to launch an investigation into Garver.

Garver was placed under a 90-day evaluation at Eastern State Hospital in late August.

Bombing Suspect May Have Written Letter To Police (KTVX)

KTVX-TV, November 1, 2006

The man accused of bombing the Salt Lake City Library in September may have also written a letter to police claiming responsibility for the crime.

The author also promises more attacks in the future according to the FBI. The letter was addressed to Chief of Police Chris Burbank one week ago.

Thomas James Zajac, 53, is behind bars in Illinois awaiting extradition to Salt Lake City to face bombing charges here, police are trying to find out if he was the one who wrote the letter.

In the letter, the author gives details about the materials used to construct the bomb. The letter writer also tells police someone close to him was a victim of police brutality in Salt Lake City, he or she goes on to say if they see more cases of police brutality they will return and bomb again.

Right now Zajac, who lives in Illinois, is a person of interest in two separate bombings in the western suburbs outside of Chicago, including a bombing in Downers Grove in 2004 and Hinsdale just two weeks before the Salt Lake City bombing.

The Chief of Police in Hinsdale is quoted in the Chicago Tribune as saying that his department received a letter after the explosion there, and he tells reporters it is very similar in content and style to the letter received by Salt Lake City Police.

Zajac is accused of setting off a pipe bomb at Salt Lake City's main library on September 15th. The library was evacuated but no one was hurt and the bomb caused only minimal damage.

Zajac is being held in an Illinois jail and will be extradited back to Utah, possibly in 5 days.

ATF Investigates Whether SLC Library Bomb Suspect Linked To Illinois Blast (SLT)

By Nate Carlisle

Salt Lake Tribune, November 1, 2006

Investigators are probing whether the suspect in a Salt Lake City library bombing is linked to an explosion at a train station in suburban Chicago, a federal agent said Tuesday.

Lori Dyer, the resident agent in charge of the Bureau of Alcohol, Tobacco, Firearms and Explosives in Salt Lake City, said Thomas Zajac's fingerprints are being tested against evidence connected to a bomb that detonated in Hinsdale, Ill.

That bomb exploded Sept. 1 - the same month as the library bomb - in a trash can at a commuter train station, according to the Daily Herald in suburban Chicago. No one was injured.

Federal authorities on Friday in Utah filed a criminal charge against Zajac that accuses him of planting a bomb Sept. 15 at the main branch of the Salt Lake City Public Library. The explosion destroyed a window but hurt no one.

The FBI arrested Zajac Friday at his home in Oakbrook Terrace, Ill. He is awaiting extradition to Utah.

Dyer said Zajac might have allegedly planted the Salt Lake City bomb in retaliation for his son apparently having been arrested, but added that's just one theory.

"I think we're still sorting through some things to figure out what the [alleged] motive is," Dyer said.

Salt Lake City police spokesman Joe Cyr said Tuesday the department cannot find

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Lawyer: Woman In Nuclear Probe Not A Spy (FWST)

By Deborah Baker

The Fort Worth Star-Telegram, November 1, 2006

SANTA FE, N.M. - The woman who lived in a home where classified material from Los Alamos National Laboratory was seized by authorities wasn't a spy - she was just trying to do her job for the lab, her lawyer said Tuesday.

The FBI began investigating a security breach at the nuclear weapons laboratory after police seized three portable computer storage drives during a drug bust at Jessica Quintana's home on Oct. 17.

Her attorney, Stephen Aarons, said Quintana formerly worked in a secure area called a vault at the lab, scanning hard copies of documents into an electronic format and then indexing them so they could be searched by title or author.

"It's not espionage. It's a 22-year-old ... that mishandled documents, and it doesn't appear that third parties got hold of them," Aarons said.

"Her only intent was to work with these documents herself, and to get them indexed in a timely fashion. ... She was working with these documents and she shouldn't have left the facility with them, but apparently she did."

Lab Director Michael Anastasio confirmed last week that classified information was seized from the home, but he didn't provide any details. Lab officials aren't discussing the investigation.

Quintana had worked for a lab subcontractor until she was laid off recently. She was working for a child care program at the YMCA when the flash drives were taken by authorities, but was fired from that job.

Authorities searched the home and arrested a man who was renting a room there on drug and probation violation charges. Quintana, who was not at home at the time, has not been charged.

Stone said that one of the USB flash drives was his, and that he had traded it for methamphetamine. He said the FBI told him it contained pornography. He has denied any knowledge of lab documents.

Aarons said that Quintana knows enough to be able to index the documents, but that she did not necessarily understand their significance. He also said that although the documents were classified, he did not believe they fell into the category of "top secret."

"It's our belief that she did not handle - and therefore mishandle - any top secret documents," he said.

Intelligence Agencies Launch 'Intellipedia' (LAT)

By Greg Miller

The Los Angeles Times, November 1, 2006

WASHINGTON -- The CIA and other U.S. intelligence agencies have created a new computer system that uses software from a popular Internet encyclopedia site to gather input on sensitive topics from analysts across the spy community, part of an effort to fix problems that plagued prewar estimates on Iraq.

The new system, dubbed "Intellipedia" because it is built on open-source software from the Wikipedia Web site, was launched earlier this year. It is already being used to assemble intelligence reports on Nigeria and other subjects, according to U.S. intelligence officials who on Tuesday discussed the initiative in detail for the first time.

After being criticized for downplaying dissenting views on Iraq's alleged weapons programs, "we're trying to transform the way we do business," said Michele Weslander, a senior official overseeing the initiative for the director of national intelligence, John D. Negroponte.

The system allows analysts from all 16 U.S. intelligence agencies to weigh in on debates on North Korea's nuclear program and other sensitive topics, creating internal Web sites that are constantly updated with new information and analysis, officials said.

The system, which is not accessible to the public, is divided into three classification categories ranging from "sensitive but unclassified" to "top secret." Officials said that the program is still under development and has not replaced existing procedures used to create intelligence reports delivered to President Bush and other policymakers. But it is being used to assemble preliminary judgments for a forthcoming National Intelligence Estimate on Nigeria and could someday supplant the more cumbersome mechanisms used to create such reports.

"I think in the future you'll press a button and this will be the NIE," said Michael Wertheimer, assistant deputy director of national intelligence for analysis.

The system is based on the software used by millions of Internet users to create encyclopedia entries at www.wikipedia.org. But unlike that largely anonymous environment, the individuals who add material to pages on the intelligence system have to attach their names to their contributions.

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More than 3,600 analysts and other intelligence officials have registered to use the service since it was launched in April, officials said.

In a meeting with reporters at the Office of the Director for National Intelligence, officials showed how analysts from multiple agencies had used the network to post frequent updates on recent events, including the crash of a small plane into a New York City apartment building last month and North Korea's test of a missile in July.

Officials said they were not making the network available to members of Congress or other policymakers, largely because of a reluctance to disseminate material that analysts view as a work in progress.

The officials acknowledged some concerns, including the possibility that making sensitive information available to a much larger group of intelligence officials could increase the risk that secrets might be leaked to the press. They said that partly for that reason, detailed information obtained from satellites or from human sources is being kept off the system.

But they stressed that disseminating material to the widest possible audience of analysts is key to avoiding mistakes like those that contributed to erroneous assessments that Iraq possessed stockpiles of banned weapons and was pursuing a nuclear arsenal.

One official said that dissenting views that were treated as footnotes in prewar estimates on Iraq will be much more prominent on the new system, and that doubts about sources are likely to surface earlier and be more difficult to ignore.

"It moves us away from homogenized intelligence," said Sean Dennehy, a CIA official involved in creating the new system.

Student Unleashes Uproar With Bogus Airline Boarding Passes (WP)

By Brian Krebs

The Washington Post, November 1, 2006

Christopher Soghoian said he was simply trying to highlight a flaw in the nation's airline security procedures when he put a tool on his Web site letting anyone create fake boarding passes, but federal authorities didn't see it that way.

FBI agents visited the 24-year-old doctoral candidate's home in Bloomington, Ind., Friday and returned on Saturday to cart off his computers and other equipment. While Soghoian has not been charged with a crime, the incident has stirred a national tempest and renewed concerns about passenger screening procedures.

Soghoian, a Virginia native and student at Indiana University's School of Informatics, declined to comment yesterday on the advice of his attorney. But he has been writing about the incident on his Web site.

"I came back today, to find the glass on the front door smashed," Soghoian wrote on Saturday. "Inside, is a rather ransacked home, a search warrant taped to my kitchen table, a total absence of computers -- and various other important things."

Wendy Osborne, a special agent with the FBI's Indianapolis field office, confirmed that a search warrant was executed at Soghoian's home but declined to discuss the case further because she said it had been sealed.

Osborne said that the FBI would investigate jointly with the Transportation Security Administration and then decide whether charges would be filed.

Reached at his home in Charlottesville, Stephen Soghoian, Christopher's father, defended his son's actions. "Chris was only pointing out that the government is not using its resources in a good way to provide real public safety at airports," the elder Soghoian said. "Instead, what they're doing is probably best described as security theatre."

The feature Christopher Soghoian created, which was removed from his Web site Friday night, allowed anyone to type in their name and flight information and print a boarding pass for Northwest Airlines. The bogus passes might help a terrorist get past the initial security checkpoints, Soghoian wrote, but probably would not let a terrorist board a plane. That's because at the departure gates, boarding passes are screened electronically and compared against the airline's passenger list.

Amy Kudwa, a spokeswoman for the TSA, declined to say whether the agency was considering changing check-in procedures because of the incident. She said that while the fake boarding pass generator "had the potential to promote illegal activity, it will not aid anyone in circumventing airport security."

She added: "The TSA assures that every person is thoroughly screened at the checkpoint for dangerous weapons or explosives. There are many layers of security at the nation's airports, including many methods that are not obvious to the casual observer."

Last week, Rep. Edward J. Markey (D-Mass.) publicly called for the arrest of Soghoian and the shuttering of his site. But on Sunday, Markey praised Soghoian's actions as a public service that called attention to a security weakness.

"He picked a lousy way of doing it, but he should not go to jail for his bad judgment," Markey said. "Better yet, the Department of Homeland Security should put him to work showing public officials how easily our security can be compromised."

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Markey said yesterday that the TSA was contradicting itself by saying fake boarding passes were not a problem but the pass-generator was. "TSA has to make up its mind, but it can't have it both ways," he said. "Either the public is in jeopardy or it is not. If the public is not in jeopardy, then this young man should not be in jeopardy."

Markey indicated Congress might have to act if the TSA doesn't. "I think TSA should close the loophole," he said. "We shouldn't have to wait until a new Congress reconvenes to protect the public if a loophole jeopardizes public safety."

Critics of airline security restrictions say Soghoian's site automated a loophole that others have written and spoken about for more than three years. The loophole is that boarding passes are compared to a person's ID only at initial security checkpoints, not at the gates where passengers board planes. Also, the passes are scanned and verified only at departure gates, not security checkpoints.

Bruce Schneier, a security expert and chief technical officer for Mountain View, Calif.-based Counterpane Internet Security, wrote about the loophole in 2003. To close it, he said, airports should scan boarding passes and compare passes with photo IDs at both checkpoints.

Schneier said yesterday that it would be easy for someone to use a fake boarding pass to bypass the TSA's "no-fly list," which contains the names of thousands of people whom the U.S. government has flagged as potential security or terror risks. A terrorist on the list could make a reservation in someone else's name and print a legitimate pass, along with a fake one in his real name. He'd present the fake pass and real ID at the security gate, then use the legitimate pass to board.

"I think we really need to ask why the government is shooting the messenger here when it should be spending its time fixing this obvious loophole," Schneier said.

After The Storm, Students Left Alone And Angry (NYT)

By Adam Nossiter

The New York Times, November 1, 2006

NEW ORLEANS, Oct. 31 — John McDonogh High School has at least 25 security guards, at the entrance, up the stairs and outside classes. The school has a metal detector, four police officers and four police cruisers on the sidewalk.

In the last six weeks, students at McDonogh, the largest functioning high school here, have assaulted guards, a teacher and a police officer. A guard and a teacher were beaten so badly that they were hospitalized.

The surge hints at a far-reaching phenomenon after Hurricane Katrina, educators here say. Teenagers in the city are living alone or with older siblings or relatives, separated by hundreds of miles from their displaced parents. Dozens of McDonogh students fend largely for themselves, school officials say.

“They are here on their own,” Wanda Daliet, a science teacher, said. “They are raising themselves. And they are angry.”

The principal, Donald Jackson, estimated that up to a fifth of the 775 students live without parents.

“Basically, they are raising themselves, because there is no authority figure in the home,” Mr. Jackson said. “If I call for a parent because I’m having an issue, I may be getting an aunt, who may be at the oldest 20, 21. What type of governance, what type of structure is in the home, if this is the living conditions?”

In a second-floor cosmetology class, two of the six girls said their parents were elsewhere.

“I don’t get to talk to her as much as I want,” one girl, Tiffany Mansion, 16, said as she looked down.

Her mother is in Little Rock, Ark.

In the lunchroom, a shy 18-year-old who was asked whom he went home to in the evenings, said: “Nobody. Myself.”

His parents are in Baton Rouge.

Mr. Jackson said many parents whom he had spoken to were in Baton Rouge, Houston or elsewhere. “That’s the question that’s buzzing in everybody’s heads,” the McDonogh curriculum coordinator, Toyia Washington Kendrick, said. “How could you leave your kids here, that are school-age kids, unattended?”

The answer is as various as the fragmented social structure, which the hurricane a year ago made even more complicated. Some students describe families barely functional even before the storm. Others say pressing economic necessity has kept parents away.

Rachelle Harrell was living in Houston, working as a medical assistant and trying to pay off a $1,300 electricity bill in New Orleans. But she yielded to her son Justin and his cousin Kiante, both 16, and sent them back to New Orleans on a Greyhound bus while she stayed in Texas.

The decision anguished Ms. Harrell, 36, even though Justin was being picked on in Houston and yearned to return to McDonogh. Justin; his sister, Eboni Gay, 18; and Kiante set up housekeeping in Ms. Harrell’s old house in the Algiers neighborhood. A monthly check from his mother and a job at a fast-food restaurant helped make ends meet.

Ms. Harrell anticipated the inevitable question.

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" 'Why are your children at home, and you're in Texas?' " she asked. "Well, I'm trying to get home. It's just crazy. But my kids know my situation. When school started, I had to work a couple of more weeks, because I had that light bill.

"It's like, 'Oh my God, is everything O.K.?' I couldn't even sleep at night. O.K. Lord, if anything happens, I'm going to be seen as such a bad mama, and I'm a hundred miles from home."

Last week, she left her job in Houston and returned to New Orleans — for good.

If the causes are complicated, the consequences seem evident to school officials: a large cadre of belligerent students, hostile to authority and with no worry about parental punishment at home.

Since McDonogh reopened nearly two months ago with enrollees from 5 of the city's 15 high schools, the students have committed six "very serious" assaults, Mr. Jackson said.

A young man suddenly bent over in the milling crowd waiting for a bus after school. The police were handcuffing him, for smoking marijuana, a school official said.

In the halls, students jostle one another and laugh on the way to class. In some classes, students strain attentively toward the blackboard.

But there is tension. The storm overturned their world, teachers and administrators say, destroying houses and scattering families.

"They're rebelling against authority," Ms. Daliet, the science teacher, said. "You ask them to do something, they have an attitude."

In the lunchroom and in the corridors, students are ordered to tuck in their shirts. Many just grin in response.

"When you have guidelines at home that reflect guidelines at the school, it's a seamless transition," Mr. Jackson said. "But when it's not there, you deal with a student who's genuinely, 'I don't care, I'm going to do what I want to do.' "

Fights break out daily. About 50 students have been suspended; 20 have been recommended for expulsion.

Of the 128 schools in the city, fewer half have reopened. The state took over many of them after the storm. That change, hailed at first as a bright beginning, has proven to be partly stillborn, as teachers, textbooks and supplies came up drastically short in the state-run schools.

The McDonogh library has no books. State officials, fearing mold, threw out all of them.

Rundown before the storm, the school buildings are now even more battered. The stalls in a girls' restroom have no doors.

Recrimination and finger pointing have been ample, and state officials are on the defensive.

"The same way other residents are calling it quits, teachers are no different," Leslie Jacobs, a member of the state school board, said. "The teacher shortage is real. The book shortage is real. We have a labor shortage. There is a shortage of bus drivers. The whole food-service industry is short of workers."

Mr. Jackson is a smiling, purposeful presence, friendly but firm, upbraiding youths for slovenly dress and pursuing others along for slacking in the halls. At every turn, it can seem, an omnipresent security guard or police officer speaks to teenagers, searching for weapons or admonishing for back talk.

As a group milled on the street corner of the three-story 1911 brick building, a guard called out from the steps: "He's taken his shirt off! They're getting ready to fight!"

Three burly police officers quickly went up Esplanade Avenue to break up the clash.

Mr. Jackson conceded that the scale of the unrest had taken him aback.

"I knew it would happen," he said. "I had some forewarning. But I didn't know it would be of this magnitude. We've seen things that really shouldn't occur in a school."

Several weeks ago, a teacher was "beaten unmercifully" by a ninth grader enraged at being barred from class because he was late, Mr. Jackson said. The teacher, hospitalized, has not returned to work. The student was arrested.

An 18-year-old knocked a guard unconscious. The police charged him.

The reputation for violence, first acquired through a shooting in the gymnasium in 2003 in which a young man with a rifle killed a student in front of 200 others, has grown.

Three weeks ago, a group of students summoned reporters to the school to complain about the many officers.

"We have a lot of security guards, and not enough teachers," Maya Dawson, 17, said.

Jerinise Walker, 15, added: "It's like you're in jail. You have people watching you all the time."

Mr. Jackson said the time had not come to reduce security.

"When we get our students to respond in a different way," he said, "then I can back off. We're trying to train our students to resolve conflict, and that's something they haven't been able to do."

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WAR NEWS:

Rumsfeld OKs Increase In Iraqi Forces (AP-Y)

By Robert Burns

AP, November 1, 2006

Defense Secretary Donald H. Rumsfeld on Tuesday endorsed a proposal to spend at least $1 billion to expand the size and accelerate the training and equipping of Iraqi security forces.

While the plan still must get final approval from the White House and the money would have to be approved by Congress, Rumsfeld's support underscores the Bush administration's effort to shift more of the burden of Iraq's security to that country's forces.

"I'm very comfortable with the increases they've proposed and the accelerations in achievement of some of their targets," Rumsfeld told reporters at the Pentagon, noting that the Iraqi government and Gen. George Casey, the top U.S. commander in Iraq, both recommended expanding Iraqi forces.

"Now it's simply a matter of our pressing forward and getting our portion of the funding from the Congress and working to see that it's executed," Rumsfeld said. He did not say how much extra U.S. money would be required.

So far, the U.S. government has spent roughly $10 billion on developing the Iraqi security forces, according to the latest report released by the Pentagon special inspector general who audits U.S. work in Iraq. One official, speaking on condition of anonymity, described the proposed extra money as more than $1 billion, but would not offer specifics.

Rumsfeld "approved going forward" with the proposal, which is intended to be part of an add-on to the 2007 budget, according to Pentagon press secretary Eric Ruff. It will next be submitted to the White House and other government agencies for their review, Ruff said.

The defense secretary's move comes at a time when the Bush administration has been pressing Iraqi officials to agree to benchmarks with which progress in the war-torn country can be measured. The effort has produced strains with Iraqi Prime Minister Nouri al-Maliki, who has resisted being portrayed as beholden to Washington.

Rumsfeld did not cite a dollar figure or reveal how many extra Iraqi forces would be developed, beyond the 325,000 target that U.S. officials say they expect to reach before year's end.

Two defense officials said Tuesday that the expected increase was far fewer than 100,000, and one official suggested it might be about 30,000. Those officials spoke on condition of anonymity because they were not authorized to discuss the matter publicly.

CBS News reported on Monday that Casey had recommended expanding the Iraqi security forces by as much as 100,000.

Rumsfeld said the final decision on expanding the Iraqi security forces would be announced in Baghdad.

Asked whether such an increase would mean that U.S. troops would have to stay in Iraq longer to train the extra forces, Rumsfeld said he doubted it. Nor would it necessarily require a higher number of U.S. trainers, he said.

U.S. government approval is required for any plan to expand the size of the Iraqi forces because it could not be accomplished without additional U.S. funds and the provision of U.S. trainers and U.S.-acquired equipment.

Rep. Ike Skelton of Missouri, the top Democrat on the House Armed Services Committee, said expanding the Iraqi security forces likely means it will take more than the 12 to 18 months Casey has estimated it will take to get the Iraqis fully in control of their own security.

"Congress must have a clear explanation of why these additional forces are needed, what additional American training resources will be put in place, and how this new training plan will allow for a decreased commitment from American forces," Skelton said.

The current plan is to develop 325,000 Iraqi security forces, including the army, police and border control forces. The number trained and equipped thus far is about 310,000, and the final target is expected to be reached by year's end.

However, there are actually fewer than 310,000 Iraqi security forces who are available for duty, since about one-quarter of them are on leave or otherwise not available at any given time, U.S. officials say. Also, their effectiveness has been limited by a lack of heavy weapons and armor, by a high rate of absenteeism, and by an unwillingness of some locally recruited units to fight outside their home areas.

The Pentagon said Tuesday that there are now 150,000 U.S. troops in Iraq, up from 147,000 last week.

Rumsfeld Faces Poll Uncertainty (FT)

By Demetri Sevastopulo And Guy Dinmore In Washington

Financial Times, November 1, 2006

DOJ_NMG_0089533

The midterm elections next week could help decide the fate of two of the most controversial Bush administration officials, Donald Rumsfeld, the defence secretary, and John Bolton, the ambassador to the United Nations.

Mr Bolton, the hardline official known for his abrasive approach who was given a "recess" appointment last year after the Senate failed to approve his nomination, might only have three weeks or so left in office if, as is generally expected, the elections result in a swing to the Democrats. Mr Rumsfeld, on the other hand, is coming under increased fire from Republicans for his handling of the Iraq war.

When a recess appointment expires is not precisely defined, and it has been reported that Mr Bolton will stay until January before the next session of Congress begins. But two officials told the FT that, unless the Senate confirmed him, Mr Bolton's term would end when Congress recessed after the elections, which is likely to happen before Thanksgiving on November 23.

Mr Bolton could leave at a crucial moment in negotiations over a Security Council sanctions resolution to be imposed on Iran, which the Bush administration hopes to settle before Thanksgiving.

Mr Rumsfeld faces a different problem. The two-time defence secretary will next month overtake Robert McNamara, the Vietnam-era Pentagon chief, as the longest-serving holder of the office. But Mr Rumsfeld is facing increased criticism over the violence in Iraq.

A group of retired generals earlier this year took the rare step of publicly calling for his resignation.

In his latest book, Washington Post journalist Bob Woodward reported that Andrew Card, former chief of staff to Mr Bush, and Laura Bush, the president's wife, had both urged Mr Bush to replace his defence secretary. A recent CNN poll found that 52 per cent of Americans believed Mr Bush should fire Mr Rumsfeld, compared with only 39 per cent six months ago.

A former senior administration official said Mr Rumsfeld might leave if the Iraq Study Group – a bipartisan commission led by James Baker, former secretary of state and close friend of Mr Bush's father – comes up with radical policy suggestions for Iraq.

Another influential Republican with close ties to the White House said the consensus among Republican insiders was that Mr Rumsfeld would remain only until next summer. That would provide enough time after the elections to avoid the impression he was going because of the war, and also allow time for the situation on the ground to improve.

But Peter Brookes, a former senior Pentagon official under Mr Rumsfeld, said that while a Democrat victory in the elections would prompt Republicans into wielding "long knives", Mr Bush was unlikely to waver in his support for Mr Rumsfeld, partly out of loyalty, and partly because it would be counter-productive to change horses mid-stream.

U.S. Central Command Charts Sharp Movement Of The Civil Conflict In Iraq Toward Chaos (NYT)

By Michael R. Gordon

The New York Times, November 1, 2006

WASHINGTON, Oct. 30 — A classified briefing prepared two weeks ago by the United States Central Command portrays Iraq as edging toward chaos, in a chart that the military is using as a barometer of civil conflict.

A one-page slide shown at the Oct. 18 briefing provides a rare glimpse into how the military command that oversees the war is trying to track its trajectory, particularly in terms of sectarian fighting.

The slide includes a color-coded bar chart that is used to illustrate an "Index of Civil Conflict." It shows a sharp escalation in sectarian violence since the bombing of a Shiite shrine in Samarra in February, and tracks a further worsening this month despite a concerted American push to tamp down the violence in Baghdad.

In fashioning the index, the military is weighing factors like the ineffectual Iraqi police and the dwindling influence of moderate religious and political figures, rather than more traditional military measures such as the enemy's fighting strength and the control of territory.

The conclusions the Central Command has drawn from these trends are not encouraging, according to a copy of the slide that was obtained by The New York Times. The slide shows Iraq as moving sharply away from "peace," an ideal on the far left side of the chart, to a point much closer to the right side of the spectrum, a red zone marked "chaos." As depicted in the command's chart, the needle has been moving steadily toward the far right of the chart.

An intelligence summary at the bottom of the slide reads "urban areas experiencing 'ethnic cleansing' campaigns to consolidate control" and "violence at all-time high, spreading geographically." According to a Central Command official, the index on civil strife has been a staple of internal command briefings for most of this year. The analysis was prepared by the command's intelligence directorate, which is overseen by Brig. Gen. John M. Custer.

Gen. John P. Abizaid, who heads the command, warned publicly in August about the risk of civil war in Iraq, but he said then that he thought it could be averted. In evaluating the prospects for all-out civil strife, the command concentrates on "key reads," or several principal variables.

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According to the slide from the Oct. 18 briefing, the variables include "hostile rhetoric" by political and religious leaders, which can be measured by listening to sermons at mosques and to important Shiite and Sunni leaders, and the amount of influence that moderate political and religious figures have over the population. The other main variables are assassinations and other especially provocative sectarian attacks, as well as "spontaneous mass civil conflict."

A number of secondary indicators are also taken into account, including activity by militias, problems with ineffective police, the ability of Iraqi officials to govern effectively, the number of civilians who have been forced to move by sectarian violence, the willingness of Iraqi security forces to follow orders, and the degree to which the Iraqi Kurds are pressing for independence from the central government.

These factors are evaluated to create the index of civil strife, which has registered a steady worsening for months. "Ever since the February attack on the Shiite mosque in Samarra, it has been closer to the chaos side than the peace side," said a Central Command official who asked not to be identified because he was talking about classified information.

In the Oct. 18 brief, the index moved still another notch toward "chaos." That briefing was prepared three days before General Abizaid met in Washington with President Bush, Defense Secretary Donald H. Rumsfeld and Gen. Peter Pace, the chairman of the Joint Chiefs of Staff, to take stock of the situation in Iraq.

A spokesman for the Central Command declined to comment on the index or other information in the slide. "We don't comment on secret material," the spokesman said.

One significant factor in the military's decision to move the scale toward "chaos" was the expanding activity by militias.

Another reason was the limitations of Iraqi government security forces, which despite years of training and equipping by the United States, are either ineffective or, in some cases, infiltrated by the very militias they are supposed to be combating. The slide notes that "ineffectual" Iraqi police forces have been a significant problem, and cites as a concern sectarian conflicts between Iraqi security forces.

Other significant factors are in the political realm. The slide notes that Iraq's political and religious leaders have lost some of their moderating influence over their constituents or adherents.

Notably, the slide also cites difficulties that the new Iraqi administration has experienced in "governance." That appears to be shorthand for the frustration felt by American military officers about the Iraqi government's delays in bringing about a genuine political reconciliation between Shiites and Sunnis. It also appears to apply to the lack of reconstruction programs to restore essential services and the dearth of job creation efforts to give young Iraqis an alternative to joining militias, as well as the absence of firm action against militias.

The slide lists other factors that are described as important but less significant. They include efforts by Iran and Syria to enable violence by militias and insurgent groups and the interest by many Kurds in achieving independence. The slide describes violence motivated by sectarian differences as having moved into a "critical" phase.

The chart does note some positive developments. Specifically, it notes that "hostile rhetoric" by political and religious leaders has not increased. It also notes that Iraqi security forces are refusing less often than in the past to take orders from the central government and that there has been a drop-off in mass desertions.

Still, for a military culture that thrives on PowerPoint briefings, the shifting index was seen by some officials as a stark warning about the difficult course of events in Iraq, and mirrored growing concern by some military officers.

U.S. Military Deaths In Iraq Still Mostly Outside Capital (NYT)

By Thom Shanker And David S. Cloud

The New York Times, November 1, 2006

WASHINGTON, Oct. 31 — About two-thirds of the deaths among American troops in Iraq in October occurred outside Baghdad, even with a sharp increase in combat deaths in the capital that made it the fourth deadliest month of the war for the United States, Defense Department figures show.

The October death toll, which stood at 103 by late Tuesday, was the highest since January 2005, when 107 American troops were killed.

Forty American soldiers were killed in and around Baghdad in October, double the number there just two months ago, a review of casualty reports shows.

Military officers and civilian analysts said the rise in October resulted in part from more aggressive American security operations in Baghdad, which exposed larger numbers of troops to danger. The security operation in the capital put American troops on the streets not only in greater numbers, but more often on foot patrols outside their armored vehicles, where they were more vulnerable to improvised bombs and a growing threat of snipers.

The spike in violence in the capital was accompanied by higher tolls in other parts of the country, notably in Anbar Province, where 37 Americans died and deaths have climbed steadily since this summer.

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The jump in combat deaths in October mirrored the annual rise in violence that coincides with the Islamic holy month of Ramadan. Military officers and civilian analysts rejected assertions by some Bush administration officials that the insurgents had planned offensives to influence the elections in the United States next Tuesday.

Hidden bombs remained the single biggest killer, and more deaths occurred throughout Iraq from such devices in October than in any previous month but one. Beyond that, more soldiers were also killed by small-arms fire and snipers than in the past, according to officials and the casualty reports.

Throughout Iraq, more American soldiers were killed by snipers in the first 10 days of October than were killed by sniper fire in all of September, according to an Army spokesman, Paul Boyce. He declined to release precise numbers.

"When you put people into urban warfare, they have to come out of their vehicles," said Anthony H. Cordesman, a military analyst at the Center for Strategic and International Studies in Washington. "No matter how you run it, if your orders are to be more active on the ground, you are more vulnerable."

Lt. Col. Jonathan B. Withington, an Army spokesman for the multinational division responsible for Baghdad and central Iraq, said casualties were high in October because there were "twice as many forces on the ground conducting operations in Baghdad." He also cited Ramadan, and said the enemy was "attempting to push back on us" in response to the new security operation.

There are now about 150,000 American troops in Iraq, and troop numbers are likely to remain at that level until the end of the year, as units rotating into the country overlap with others due to leave, according to Lt. Col. Mark Ballesteros, a Pentagon spokesman.

The Department of Defense posts cumulative statistics on those killed and wounded in Iraq at its Web site www.defenselink.mil/news/, where statistics on Tuesday showed 2,258 American military personnel had been killed in Iraq in combat and 556 in nonhostile incidents. The number of troops wounded in Iraq who have returned to duty stood at 11,682, and the number of those wounded so severely that they could not return to duty was 9,737.

Statistics provided by Michael S. White and Glenn Kutler of ICasualties.org, a privately operated database that uses the Defense Department's official casualty announcements, indicated the geographical distribution of October fatalities: roughly one-third in Baghdad; one-third in Anbar Province, the restive western area that is a haven for Sunni insurgents and associates of Al Qaeda; and one-third in volatile cities to the north, including Taji, Tikrit, Samarra, Kirkuk and Mosul.

All are areas that have proven persistently difficult to pacify since the American-led invasion of March 2003.

"This was a significant month for casualties," said Lt. Col. Bryan F. Salas of the Marine Corps, the spokesman for multinational forces in Anbar. "We are in more towns, and we are clearing and holding parts of Ramadi and other cities where we haven't been before."

Mr. White also wrote, "The current spike, which is indeed the highest in a year, occurred during Ramadan, as did the last spike of comparable magnitude a year ago." He added: "This Ramadan spike is not a one-time phenomenon. It is the fourth that we have experienced since the war began."

Senior administration officials, including Vice President Dick Cheney, have acknowledged the trend of increased violence during Ramadan, but also have sought to portray this October's increase in violence as timed to the midterm election, with insurgents hoping to influence the American political process.

"It's my belief that they're very sensitive of the fact that we've got an election scheduled, and they can get on the Web sites like anybody else," Mr. Cheney said Monday in an interview with Fox News. "And I do believe that that's a part of it. I think we've also seen, of course, a higher level of violence because of Ramadan."

Michael E. O'Hanlon, a senior fellow at the Brookings Institution, a policy research center, said the casualty statistics not only showed the overall strength of the insurgency, but also reflected the increase in sectarian violence and the decision over the summer by the Americans and the Iraqi government to confront killings by both organized militias and renegade insurgents.

"Now we have to juxtapose the insurgency with the strength of militias," Mr. O'Hanlon said.

More Than Ever, Insurgents Are Targeting U.S. Forces (LAT)

By Borzou Daragahi

The Los Angeles Times, November 1, 2006

Baghdad — For U.S. troops, October was a month of gritty skirmishes against fighters religiously motivated to risk their lives during the holy Muslim month of Ramadan.

October's death toll, the highest for American forces in nearly two years, came during a period without conventional battles or catastrophic helicopter crashes.

Rather, the 103 troops killed in Baghdad and across Iraq were victims of a steady onslaught of assaults, primarily by their longtime nemeses, Sunni Arab insurgents.

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The number of attacks on American forces increased in October to unprecedented levels, U.S. military officials said.

"There has been a much more considered effort to specifically target coalition and Iraqi security forces," Army Maj. Gen. William B. Caldwell IV, the spokesman for U.S.-led forces in Iraq, told reporters in Baghdad as the month wore on. "There has been a steady increase in the number of attacks specifically against security forces."

There were 224 Iraqi security forces and 1,315 civilians killed in October.

It was a month in which U.S. forces were shot by snipers, struck by rocket-propelled grenades or lured into ambushes where they were sprayed with automatic-weapon fire from the AK-47s found in so many Iraqi homes.

But improvised explosive devices left along roads remained the weapon of choice for Iraq's anti-American insurgency.

Despite jamming devices, tactical adjustments and the increased armoring of military vehicles, at least 51 of the U.S. deaths resulted from makeshift bombs detonated by remote control from a comfortable distance.

At least 43 deaths occurred in Baghdad, indicating a shifting focus away from the Sunni heartland toward Iraq's capital "due to our more deliberate presence, more active involvement out there," Caldwell said last week.

U.S. forces were more exposed than usual in Baghdad because of an ongoing offensive aimed at taking back the streets from the forces of sectarian warfare — Sunni insurgents and Shiite Muslim militiamen, some allied with officials of the Shiite-dominated Iraqi government.

Though U.S. officials say the Shiite militias dominating Iraq's south pose the biggest long-term threat to the country's stability, the vast majority of the Americans were killed in Sunni-dominated areas.

The deaths in Baghdad occurred largely in Sunni-dominated neighborhoods on the west side. Thirty-seven American troops died west of Baghdad, in largely Sunni Al Anbar province. Sunni insurgents in the Euphrates River towns and cities of Iraq's desert hinterlands deem U.S. troops an occupation force and the Baghdad government, run by the nation's long-subjugated Shiite majority, little more than an American puppet.

The Marine Corps, unlike the Army, does not release information about the exact location or cause of deaths. Senior Marine officers think such information could help the enemy. The Marines, in public announcements, described at least 18 of the October deaths as "hostile" incidents in Al Anbar.

Most officials acknowledge that many of the Marine casualties in October occurred in Ramadi, the rundown provincial capital where insurgents have intimidated most Iraqi government workers into fleeing. Marines face daily threats from roadside bombs, snipers and assaults on their fortified bases.

"It's combat nearly every day," one Marine officer said, speaking on condition of anonymity. "Ramadi is where the terrorists want to establish their capital. They're armed and they're relentless."

Another 17 Americans were killed in Sunni Arab areas north of Baghdad, in and around the provincial capitals of Tikrit, Baqubah, Mosul and Kirkuk, where Kurds and Sunni Arabs are fighting for dominance.

October's death toll was the highest since the month preceding Iraq's Jan. 31, 2005, elections.

On average, the American troops who died last month were men in their mid-20s, many on patrols or combat missions in and around a jittery Baghdad full of trash fires, dust storms and morning explosions.

Typical of the fatalities was Staff Sgt. Kevin M. Witte, 27, of Beardsley, a farming town in western Minnesota, along the South Dakota line.

He died Oct. 20 in Baghdad when an improvised explosive device detonated near his vehicle during a combat patrol.

Such roadside bomb explosions in densely populated areas smash windows and cause panic among Iraqi pedestrians, drivers and residents. Wild gunfire erupts. Alarmed and confused, their eardrums shattered, U.S. troops start shooting or receive small-arms fire from hidden insurgents.

Helicopters arrive to scour the terrain for culprits and attend to the wounded and dying. Bradley fighting vehicles block off the area as the injured are ferried to medical facilities.

A dead soldier's comrades gather at outdoor ceremonies. The silence lingers after his name is read in a commemorative roll call. And a trumpeter plays taps.

Iraqi PM Ends Some Joint Checkpoints (AP)

By Christopher Bodeen

AP, November 1, 2006

Exploiting GOP vulnerability in the Nov. 7 elections, Prime Minister Nouri al-Maliki flexed his political muscle Tuesday and won U.S. agreement to lift military blockades on Sadr City and another Shiite enclave where an American soldier was abducted.

U.S. forces, who had set up the checkpoints in Baghdad last week as part of an unsuccessful search for the soldier, drove away in Humvees and armored personnel carriers at the 5 p.m. deadline set by al-Maliki. Iraqi troops, who had manned the checkpoints with the Americans, loaded coils of razor wire and red traffic cones onto pickup trucks.

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Their departure set off celebrations among civilians and armed men in Sadr City, the sprawling Shiite district controlled by the Mahdi Army militia loyal to anti-American cleric Muqtada al-Sadr. Small groups of men and children danced in circles chanting slogans praising and declaring victory for al-Sadr, whose political support is crucial to the prime minister's governing coalition.

The prime minister's challenge to U.S. conduct of the war was the latest in a series of acts designed to force the American hand and test Washington's readiness to give him a greater say in securing the world's most violent capital.

Al-Maliki finds himself in a maze of conflicting political pressures. After the Bush administration unveiled a plan last week for Iraq's government to adopt timelines for progress, especially in curbing violence, al-Maliki accused Washington of infringing on national sovereignty. There was no doubt he was talking tough to show both the Americans and his political base that he would not be pushed around.

The prime minister has further said that he feels stanching bloodshed might be better handled by Iraqi forces, although his argument does not wash given the present state of his military. Defense Secretary Donald H. Rumsfeld endorsed a proposal Tuesday to spend at least $1 billion to expand the size and accelerate the training and equipping of Iraqi security forces, underscoring the Bush administration's effort to shift more of the burden away from U.S. troops.

Sen. Jack Reed, a member of the Armed Services Committee, said al-Maliki was yielding to sectarian pressure and undermining U.S. efforts to curb attacks. "Today, the critical issue in Iraq is whether the Maliki government can muster the political will to confront those who use violence to destabilize Iraq," Reed, a Rhode Island Democrat, said in a statement.

Al-Maliki's move Tuesday came three days after his closest aide, Hassan al-Suneid, said unabashedly that the prime minister was trying to capitalize on American voter discontent with the war and White House reluctance to open a public fight with the Iraqi leader just before the midterm election. Much of the discontent is fueled by soaring death tolls among U.S. troops and their inability to contain raging sectarian violence 3 1/2 years after the ouster of Saddam Hussein.

The U.S. military announced the deaths of two soldiers in fighting in the Baghdad area Monday, one from small arms fire, the other from a roadside bomb. The October death toll stood at 103, the fourth highest monthly figure of the war.

More than 40 Iraqis were killed or found dead across the country Tuesday, including 11 Shiites who perished in a suicide car bombing at a wedding on the north side of the capital. Four of those killed at the bride's home were children, and among the 21 wounded were several youngsters with burns over much of their bodies.

There were conflicting reports on whether al-Maliki ordered the blockades lifted with or without prior consultation with American military officials in Baghdad.

State Department deputy spokesman Tom Casey said the decision was reached jointly at a meeting Tuesday among al-Maliki, Ambassador Zalmay Khalilzad and Gen. George Casey, the top U.S. commander in Iraq.

They agreed to make adjustments in the checkpoints because of problems with traffic and pedestrian flows in the area, the spokesman said. He said Casey ordered the actions after the meeting.

A senior American diplomat said al-Maliki issued the order after the meeting "to address the problems that resulted with the flow of traffic and the disruption of essential daily activity for the average citizens of Baghdad. This was a joint decision." The diplomat spoke on condition of anonymity.

Defense Ministry spokesman Brig. Qassim al-Moussawi said the U.S. military was consulted, but only after al-Maliki made the decision at a meeting Tuesday with his ministers of defense and interior and the national security adviser.

Al-Suneid said the prime minister acted without checking first with the Americans because the blockades had "backfired and made the security situation in Baghdad worse. It is not important that such decisions always be made jointly."

U.S. troops have increased their presence on Baghdad streets as part of a 3-month-old security crackdown, but they had rarely set up checkpoints in the city until the U.S. soldier was abducted a week ago in the Karradah district in central Baghdad. American forces sealed the neighborhood Oct. 23 and closed Sadr City two days later, apparently believing the missing man was being held there. U.S. forces lifted the blockades in both areas Tuesday.

Al-Maliki's order came just hours after al-Sadr announced a campaign of civil disobedience in Sadr City, a district of 2.5 million people in the northeast corner of Baghdad. Armed men forced shops to close, hustled children out of schools and blocked residents from going to jobs in other parts of the capital.

As soon as news broke that the security cordon was lifted, al-Sadr supporters declared it a victory for their leader.

"If they had not lifted the siege, our strike would have spread to the rest of Baghdad tomorrow and the whole of Iraq the next day," said Jalil Nouri, a senior al-Sadr aide.

In issuing the order to lift the blockade, the prime minister said U.S.-manned checkpoints should not be established in Baghdad except during curfew hours from 9 p.m. to 6 a.m. He also said U.S. and Iraq forces would not give up on trying to calm the capital.

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"Joint efforts continue to pursue terrorists and outlaws who expose the lives of citizens to killings, abductions and explosions," said the statement, issued in al-Maliki's name in his capacity both as prime minister and commander of the Iraqi armed forces.

Iraqi Demands Pullback; US Lifts Baghdad Cordon (NYT)

By Kirk Semple

The New York Times, November 1, 2006

BAGHDAD, Oct. 31 — Prime Minister Nuri Kamal al-Maliki demanded the removal of American checkpoints from the streets of Baghdad on Tuesday, in what appeared to be his latest and boldest gambit in an increasingly tense struggle for more independence from his American protectors.

Mr. Maliki's public declaration seemed at first to catch American commanders off guard. But by nightfall, American troops had abandoned all the positions in eastern and central Baghdad that they had set up last week with Iraqi forces as part of a search for a missing American soldier. The checkpoints had snarled traffic and disrupted daily life and commerce throughout the eastern part of the city.

The language of the declaration, which implied that Mr. Maliki had the power to command American forces, seemed to overstep his authority and to be aimed at placating his Shiite constituency.

The withdrawal was greeted with jubilation in the streets of Sadr City, the densely populated Shiite enclave where the Americans have focused their manhunt and where anti-American sentiment runs high. The initial American reaction to the order, which was released by Mr. Maliki's press office, strongly suggested that the statement had not been issued in concert with the American authorities.

"Our commanders have his press release and are reviewing how best to address these concerns," Lt. Col. Christopher Garver, a military spokesman in Baghdad, said early Tuesday afternoon, about an hour after the order was issued.

Late Tuesday night, after hours of silence, a senior American Embassy official who had been delegated to return reporters' phone calls said the prime minister's order was "the result of a meeting" between Mr. Maliki, Ambassador Zalmay Khalilzad and Gen. George W. Casey Jr., the top American commander in Iraq. "It was essentially something that Maliki wanted to do and Casey agreed to it," the official said.

But Mr. Maliki's announcement may have been a foregone conclusion: the meeting was at 1 p.m., officials said, and the prime minister's office issued his press release at about 1:20 p.m.

Tensions between Mr. Maliki and President Bush have been building for months. American officials have grown impatient with the Iraqi government's inability to curb Shiite militias accused of sectarian killings and to reduce the insurgent violence. For their part, Mr. Maliki and other leading Shiites have begun to chafe at American control of the military and what they view as American favoritism toward Sunnis.

Those tensions erupted publicly last week, to be followed by shows of reconciliation.

On Wednesday, Mr. Maliki challenged an American assertion that the two governments had agreed on a timetable for stabilizing Iraq. On Thursday and Friday, he issued angry comments pointedly voicing his independence from the Americans, including an account circulated by his aide of an acrimonious meeting with Mr. Khalilzad, during which Mr. Maliki was said to have told the ambassador that he was "a friend of the United States, but not America's man in Iraq." On Saturday, the White House convened a videoconference at which Mr. Maliki publicly praised President Bush.

The abrupt declaration by Mr. Maliki on Tuesday followed a visit to Baghdad on Monday by President Bush's national security adviser, Stephen J. Hadley, who was here to discuss how to reverse the country's slide toward all-out civil war.

Violence continued to torment the country on Tuesday, including the mass kidnapping of at least 50 civilians by gunmen on a road north of Baghdad, and the announcement that 2 more American troops had been killed, raising the toll of American deaths this month to at least 103.

Mr. Maliki had been under pressure from his Shiite backers to push the Americans to lift an eight-day-old cordon around Sadr City, where American authorities believe the kidnapped American soldier is being held.

The soldier was abducted in the central Baghdad neighborhood of Karada on Oct. 23 after leaving the fortified Green Zone without authorization. Three people were detained early Tuesday in the latest raid in Sadr City as part of the manhunt, the American military said. Although the military has not released the name of the soldier, members of an Iraqi family who said they were the missing soldier's in-laws identified him as Ahmed Qusai al-Taei, 41.

Moktada al-Sadr, the powerful Shiite cleric who counts Sadr City as his greatest bastion of support and who wields considerable influence in Mr. Maliki's ruling Shiite coalition, called for a general strike in the neighborhood on Tuesday to protest the cordon. In its search for the soldier, the American military has singled out the Mahdi Army militia, which has grown increasingly fractured but still answers in part to Mr. Sadr.

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Joint American-Iraqi roadblocks and checkpoints at the entrances to the neighborhood, and others erected in Karada, have caused major traffic jams, impeded commerce, turned short commutes into ordeals lasting hours and provoked the ire of Iraqis. On Monday, Mr. Sadr, who led two uprisings against American troops in 2004, threatened unspecified action if the American "siege" continued.

The wording of Mr. Maliki's statement on Tuesday seemed intended to curry political favor with the residents and power brokers of Sadr City. "Mr. Nuri al-Maliki, the general commander of the armed forces, has issued an order to remove all barriers and checkpoints and open all entrances in Sadr City and all other areas in Baghdad and ease traffic jams in these areas no later than 5 p.m. today," it said.

Under United Nations resolutions that remain in effect, the American military exercises control over American troops in Iraq, but consults closely with the Iraqi government as a partner. For that reason, the declaration appeared to be as much about Mr. Maliki's stagecraft as about practical effects on the ground.

Within an hour of the statement, American troops had already begun pulling away from the checkpoints on the edge of Sadr City, according to witnesses, though Iraqi security forces remained behind. Lt. Col. Jonathan B. Withington, a military spokesman in Baghdad, said the order would affect only the checkpoints established in the last week, not all the checkpoints manned by Iraqi security forces.

When asked whether the American withdrawal was a response to the prime minister's statement, Colonel Withington chose his words carefully: "We were ordered by our military chain of command not to impede traffic" in Karada and on the eastern access roads to Sadr City, he said.

The country's Sunni leadership condemned Mr. Maliki's decision, saying it would upend the Baghdad security plan and expose the population to greater violence. General Casey said last week that Iraqi security forces still needed at least a year before they would be ready to take over full control of the country's security.

Tariq al-Hashemi, one of Iraq's two vice-presidents and the leader of the largest Sunni Arab bloc, said the prime minister's decision "will allow the terrorists and the insurgents to move freely." He said that civilians' lives should be more important than saving a few hours during a commute.

A National Police officer posted at a checkpoint near the Habibiya Bridge entrance to Sadr City said the departure of the Americans, who had left 15 minutes earlier, would make his job more difficult. "They helped us to stop everyone," said the officer, who gave only his first name, Salam. "If we are alone, we can't say a word against certain people."

Mr. Maliki's order said that special security measures, such as the latest roadblocks, "will be carried out only during the curfew period and in emergencies." It added: "Joint efforts to track down the terrorists and outlaws who jeopardize the lives of people by killing and kidnapping will continue."

According to senior Shiite politicians close to Mr. Maliki, the Americans had been extremely reluctant, if not opposed, to withdrawing from their roadblocks and checkpoints in Karada and Sadr City.

Ali al-Adeeb, a Shiite member of Parliament and a senior member of Mr. Maliki's Islamic Dawa Party, said the prime minister had discussed the matter of the roadblocks with American officials during the past several days. In a meeting on Monday, Mr. Adeeb said, American officials had asked Mr. Maliki to give them 72 hours before issuing his order.

Hassan al-Sined, an adviser to the prime minister and a senior Dawa Party member, said he doubted that the order was coordinated with the Americans. "I don't think he got the Americans' opinion," Mr. Sined said, though he said he was not privy to details of Tuesday's meeting.

If the declaration was intended to show Mr. Maliki as a forceful and decisive leader, as far Mr. Sined was concerned, it had that effect. The order demonstrated that Mr. Maliki was "a strong and brave prime minister," he said. "He behaved like a successful prime minister."

The senior American Embassy official said that the embassy applauded the boldness of Mr. Maliki's declaration. "We're actually encouraging the prime minister to take responsibility," he said. "So trying to sound like he's a leader here in Iraq is a good thing."

Mr. Maliki was not available for comment and his spokesman, who is the only administration official authorized to speak on the prime minister's behalf, was in Kuwait on Thursday. When contacted by telephone late Tuesday, the spokesman said he had only just heard about Mr. Maliki's order and could offer no details.

The victims of the mass kidnapping north of Baghdad on Tuesday were mostly Shiites and were ambushed by gunmen as they traveled in cars along a road from the capital to Balad, according to an official in the news media office of Salahuddin Province, north of Baghdad. The gunmen stopped the cars and scrutinized the occupants' identification before abducting the victims, the official said.

The American military announced that two soldiers died in Baghdad on Monday, one when a bomb exploded next to his vehicle and the other by small arms fire. With at least 103 announced deaths, October has been the fourth-deadliest month for

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American troops since the beginning of the war. The other highest monthly tolls were 107 in January 2005, 135 in April 2004, and 137 in November 2004.

U.S., Iraqi Forces Lift Baghdad Slum Blockades (USAT)

By Rick Jervis

USA Today, November 1, 2006

BAGHDAD — U.S. and Iraqi troops dismantled checkpoints around the capital's Sadr City slum, a Shiite militia stronghold, after an order Tuesday by Iraq's prime minister to pull back.

The directive from Prime Minister Nouri al-Maliki was his latest attempt to assert authority over the 4-month-old joint U.S. and Iraqi campaign to stabilize Baghdad.

U.S. and Iraqi troops cordoned off Sadr City after the Oct. 23 disappearance and apparent kidnapping of a U.S. soldier of Iraqi descent. On Tuesday, U.S. troops were searching the neighborhood and checking vehicles entering and leaving the district when they got the order to remove the checkpoints.

Sadr City is home to 2.5 million Shiites and is the political base of radical Shiite cleric Muqtada al-Sadr and his Mahdi Army.

Al-Maliki's government, nominally a coalition of Shiites, Sunnis and Kurds, is dominated by a Shiite majority bloc. Al-Sadr's political organization is among the most powerful groups within that bloc.

The Sadr City security cordon had caused hours-long traffic backups. Residents celebrated after the blockade was lifted.

Al-Sadr had warned on Monday that his forces might retaliate in response to the security ring around Sadr City.

"If this siege continues for long, we will resort to action," he said.

Al-Maliki's office said Tuesday that he had ordered the pullback.

In a statement, the U.S. Embassy in Baghdad said U.S. and Iraqi forces opened "selected" checkpoints and crossing points after a meeting between al-Maliki, U.S. Ambassador Zalmay Khalilzad and Gen. George Casey, the U.S. commander in Iraq.

The changes were made "to address problems with the flow of traffic and the disruptions to essential daily activity for the citizens of Baghdad," the embassy said.

Lt. Col. Christopher Garver, a U.S. military spokesman in Baghdad, said checkpoints were pulled away in time to meet a 5 p.m. deadline set by al-Maliki.

Al-Maliki has chafed at pressure from the U.S. military and the Bush administration to force militias to disarm immediately. In recent days, he has sharply differed with U.S. statements that his government had agreed to specific goals and dates for reaching political and security aims, including disbanding sectarian militias. He also criticized a U.S.-led raid in Sadr City and vowed it would not be repeated.

"It shouldn't be surprising to see al-Maliki pushing back," said Stephen Biddle, a senior fellow at the Council on Foreign Relations. "It means we're leaning on him and it's having an effect."

Al-Maliki said in a recent interview with USA TODAY that he has targeted rogue militia cells. He said he plans to disband militias later this year or early next year.

Col. Talib Abdul Razzaq, a commander with the 2nd Brigade of the Iraqi army's 6th Division, said al-Maliki's government has interfered in military operations.

The joint U.S.-Iraqi security operation underway in the capital since June has not eased violence, in part because sectarian militias remain active. Many are affiliated with political parties that are blocking efforts by security forces to confront the militias, Razzaq said.

"Every area in Baghdad is supported by a specific militia, and this militia is supported by a specific political party that's in government," he said. When security forces target militias, political groups "call the government quickly and they stop our operation."

Some U.S. military officials in Baghdad said tension between al-Maliki and U.S. officials has not interfered in their day-to-day operations. "Does the prime minister's decision appear to be influenced by al-Sadr and (the Mahdi Army)? Sure, on the surface it may look like that," said Maj. Mark Cheadle, a spokesman for U.S. troops in central and southern Baghdad. "But from our perspective, we don't feel a conflict of interest.

"At our level, there's no question of our objective: We want to get the bad guys and we want security for these neighborhoods."

Some Sadr City Barriers Removed (LAT)

By Ken Ellingwood

The Los Angeles Times, November 1, 2006

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Iraqi Prime Minister Nouri Maliki today ordered U.S. and Iraqi forces to remove roadblocks enclosing a vast Shiite Muslim neighborhood in the capital that is part of his power base.

Soon after, U.S. forces removed some of the concrete barriers that have restricted movement in and out of Sadr City since last week, when troops began searching for a missing U.S. soldier and hunting for a death squad leader in the mainly Shiite community.

Maliki, who has engaged in tense exchanges with the Bush administration during the past week over the extent of the U.S. involvement in security matters, said in a statement that such checkpoints would only be set up at night or in emergencies.

The move came as Iraqi authorities said they were investigating reports that a busload of people had been kidnapped on a main highway between Baghdad and northern Iraq.

Witnesses said gunmen stopped three minibuses and seized more than 30 people. During the wave of sectarian violence that has gripped the country for months, kidnapping victims have often turned up dead.

Meanwhile, a car bomb outside a pre-wedding gathering in northeastern Baghdad killed at least 15 people, including four children, and injured more than 20 others. A separate bomb attack earlier killed three people at the edge of Sadr City.

Maliki's order to take down the roadblocks could help boost his political standing among Iraqis who have grown disappointed in his leadership and irritated over what they view as American meddling. Shiite militants in Sadr City earlier in the day had called a general strike to protest the checkpoints, where long queues had formed as U.S. troops stopped and searched cars.

Maliki, a Shiite, has chafed at the American role, urging President Bush last week to give Iraqi forces more leeway in dealing with armed militias after months of sectarian killing.

The prime minister criticized a raid in Sadr City last week as a sign of inadequate coordination between the two governments and asserted to Bush that he was not "America's man in Iraq."

U.S. forces had failed to locate the missing soldier and were under increasing public pressure to loosen the closures on the vast Sadr City neighborhood, with 2.5 million residents.

While some observers said the restrictions had curbed violence by impeding the movement of armed groups, many residents of Sadr City held U.S. forces at least partly responsible for a fatal bomb blast in the neighborhood Monday that killed 31 people at a crowded gathering spot for day laborers.

Residents said that U.S. and Iraqi forces had left them without effective defense by removing members of the Al Mahdi army, the militia tied to anti-American Shiite cleric Muqtada Sadr.

The cleric's followers ordered businesses in the community to close in protest. Sadr warned a day earlier that his supporters would take unspecified actions unless the restrictions were eased soon.

Al-Maliki Wins Pact With U.S. To Lift Blockades (WT/AP)

By Christopher Bodeen

The Washington Times, November 1, 2006

BAGHDAD -- Prime Minister Nouri al-Maliki flexed his political muscle yesterday by winning U.S. agreement to lift military blockades on Sadr City and another Shi'iite enclave where an American soldier was abducted.

U.S. forces, who had set up the checkpoints in Baghdad last week as part of an unsuccessful search for the soldier, drove away in Humvees and armored personnel carriers at the 5 p.m. deadline set by Mr. al-Maliki.

Iraqi troops, who had manned the checkpoints with the Americans, loaded coils of razor wire and red traffic cones onto pickup trucks.

Their departure prompted celebrations among civilians and armed men in Sadr City, the sprawling Shi'ite district controlled by the Mahdi Army militia loyal to anti-American cleric Muqtada al-Sadr.

The prime minister's challenge to U.S. conduct of the war was the latest in a series of acts designed to force the American hand and test Washington's readiness to give him a greater say in securing the world's most violent capital.

Mr. al-Maliki's move yesterday came three days after his closest aide, Hassan al-Suneid, said unabashedly that the prime minister was trying to capitalize on American voter discontent with the war and White House reluctance to start a public fight with the Iraqi leader just before the midterm election.

More than 40 Iraqis were killed or found dead across the country Tuesday, including 11 Shi'ites who perished in a suicide car bombing at a wedding on the north side of the capital. Four of those killed at the bride's home were children, and among the 21 wounded were several youngsters with burns over much of their bodies.

There were conflicting reports about whether Mr. al-Maliki ordered the blockades lifted with or without consultation with American military officials in Baghdad.

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State Department spokesman Tom Casey said the decision was reached jointly at a meeting attended by Mr. al-Maliki, U.S. Ambassador Zalmay Khalilzad and Army Gen. George Casey, the top U.S. commander in Iraq.

They agreed to make adjustments in the checkpoints because of problems with traffic and pedestrian flows in the area, the spokesman said. He said Gen. Casey ordered the actions after the meeting.

A senior American diplomat said Mr. al-Maliki issued the order after the meeting "to address the problems that resulted with the flow of traffic and the disruption of essential daily activity for the average citizens of Baghdad. This was a joint decision."

Defense Ministry spokesman Brig. Qassim al-Moussawi said the U.S. military was consulted, but only after Mr. al-Maliki made the decision at a meeting with his ministers of defense and interior and the national security adviser.

Mr. al-Suneid said the prime minister acted without checking first with the Americans, because the blockades had "backfired and made the security situation in Baghdad worse. It is not important that such decisions always be made jointly."

U.S. Officers Detail Problems With Iraqi Soldiers (WP)

By Walter Pincus

The Washington Post, November 1, 2006

U.S. military advisers are confronting difficult behavior from Iraqi soldiers, who tend to fire all their ammunition in response to a single sniper shot or go on rampages even against civilians upon witnessing the death of a colleague, according to Lt. Col. Carl D. Grunow, a former adviser to an Iraqi army armored brigade.

"The 'burst reaction' may be attributed to Iraqis experiencing denial, anger and grief all at the same time," Grunow wrote in a recent article published in Military Review, the bimonthly publication of the U.S. Army's Combined Arms Center at Fort Leavenworth, Kan.

He attributes that reaction to the Iraqi army's experience in the "high-intensity Iran-Iraq war of the 1980s, a war with clear battle lines fought with mass military formations." At that time, Grunow writes, "Iranian human-wave assaults presented Iraqi soldiers with a target rich environment" and "battlefields covered with bodies following huge expenditures of ammunition."

His article, based on his year in Iraq, which ended in June, is in the July-August Military Review and is one of several in recent issues that have dealt forthrightly with concerns of military participants with the U.S. effort to rebuild Iraq's army during the ongoing war.

For example, Grunow writes that Iraqi units drop in strength as much as 20 percent after paydays because soldiers take leave and go home. Lt. Gen. John R. Vines, who commanded the Multi-National Corps-Iraq in Baghdad from January 2005 to January 2006, picks up that theme in an article in the most recent Military Review. "The lack of a central banking system detracted from forces available. . . . Soldiers once a month must journey back to their homes to pay debts and pass the money on to their families . . . [and] are normally gone for up to a week, with the resultant loss to the unit of ready combat power," Vines writes.

Grunow also notes that some Iraqi soldiers do not show up for training that is difficult, and he says that up to 40 percent of some Iraqi units run away in the face of dangerous situations -- without punishment. Their officers, Grunow writes, value relationships rather than results and frequently fail to notice misconduct or failure.

He argues that U.S. advisers must deal honestly with the local culture because Iraqi soldiers "are under no effective contract and they always have the option to leave the service. The only power holding them is the promise of a paycheck (not always delivered) and a sense of duty."

Not all the critiques in recent Military Affairs issues center on lessons learned abroad. Some are aimed at officials in Washington.

"The trust senior officers repose in senior civilian officials has eroded," writes F.J. Bing West, who was an assistant secretary of defense in the Reagan administration and is a frequent traveler to Iraq and a consultant to Defense Secretary Donald H. Rumsfeld's office. "Inside the senior levels of the military and among those who follow foreign policy, anger is directed at elected and appointed civilian officials seen as too blithe in initiating the war and too obtuse in leading once the going got tough," West writes in his article on the U.S. military performance in Iraq in the new Military Review.

"While there is no unity of military judgment about the civilian management of the war, the Bush administration has been injudicious in its consultations with the military," West writes. Both he and Grunow say a key event was the May 2003 decision to disband the Iraqi army, which was made by former Coalition Provisional Authority chief L. Paul Bremer III at the direction of the Defense Department. Grunow notes that only the Iraqi army can prevent anarchy, and West describes the disbanding as having "changed the mission of the American soldiers from liberators to occupiers."

They agree that the Iraqi army must continue to grow and that the Iraqi police must be reformed. West writes that "training alone was not the answer" for the Iraqi police. "Too many police were corrupt and controlled by Shiite militias, and senior Iraqi leaders were doing little to punish disloyalty." Sectarian issues continue to disrupt police performance, he says: "How Sunni

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police can be effective and not be assassinated in their own cities has yet to be shown. Conversely, the Shiite police in Baghdad have lost all trust among the Sunnis."

Vines says that even keeping track of friendly forces has been a problem. "Battle-tracking the Iraqi Army, Police, Special Police, Border Enforcement Forces and armed contractors moving around Iraq was difficult, but essential to preventing armed engagements between coalition forces," he writes.

In the Iraq theater of operations, he writes, "we had more than 300 different databases tracking friendly and enemy event data across all the warfighter functions." About 82,000 radio frequencies were used by U.S. military units, government agencies, coalition organizations and Iraqi security forces.

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Syrian Official Considering Baghad Visit (AP)

By Albert Aji

AP, November 1, 2006

Syria's foreign minister is considering a visit to Baghdad in November — the first by a top Syrian official since the fall of Saddam Hussein and a major step toward restoring diplomatic relations, Iraqi and Syrian officials said Tuesday.

President Bush has called on Syria to help quell sectarian violence in Iraq, and some in the U.S., including former Secretary of State James A. Baker III, have urged the White House to make overtures to Syria to enlist its help. Syrian analysts said the visit could signal Syrian willingess to address the sectarian killings in neighboring Iraq.

Foreign Minister Walid al-Moallem is considering traveling to Iraq, said a Syrian Foreign Ministry official, who spoke on condition of anonymity because he was not authorized to give statements to the press.

In Baghdad, an Iraqi Foreign Ministry official, who spoke on condition of anonymity for the same reason, said the ministries agreed "in principal" that al-Moallem would visit Iraq in November. Both the Syrian and the Iraqi official said no date had been set.

Imad Fawzi Shueibi, a Syrian political analyst, said the visit sends a "clear Syrian message that what is happening in Iraq — the sectarian killing and violence — is a red line for Arab national security and Syrian national security that can't be accepted by Damascus."

Damascus broke relations with Baghdad in 1982, accusing Iraq of inciting riots by the banned Muslim Brotherhood in Syria. Damascus also sided with Iran in the 1980-88 Iran-Iraq war.

Commercial ties improved during the last few years of Saddam's rule before he was overthrown in 2003, but no Syrian ministers have gone to Baghdad for more than six years.

Syrian Deputy Foreign Minister Fayssal Mekdad said in October that al-Moallem would visit Baghdad after the Islamic holy month of Ramadan, which ended Oct. 23-24, and that he would discuss the restoration of diplomatic ties with senior Iraqi officials.

Syrian officials had said in February that Syria would exchange ambassadors with Iraq once a new Iraqi government was formed, marking the first time Damascus set a time frame for restoring full diplomatic ties.

The new Iraqi government took office in May, but there has been no exchange of ambassadors.

George Jabbour, a Syrian legislator and political analyst, said the "circumstances may be more suitable now" for the neighboring states to re-establish ties.

"This visit is expected as Syria and Iraq need each other, and Syria, no doubt, can play a calming role in Iraq and it has always announced its keenness to help Iraq's security and stability," Jabbour said.

Syria has been increasingly isolated and pressured over, among other things, allegations from the U.S. and Iraq that it does not take steps to stop foreign fighters from infiltrating across its border into Iraq.

Syria has denied the charge, countering that the U.S. military and its Iraqi allies are not doing enough to police the border.

Blair Dodges Defeat In Vote On Iraq War Inquiry (AFP-Y)

By Robin Millard

AFP, November 1, 2006

DOJ_NMG_0089544

British Prime Minister Tony Blair's government survived a potentially damaging vote in parliament on whether he should order an inquiry into how Britain joined the war in Iraq.

Opposition parties had demanded an immediate investigation by a committee of senior members of parliament into the government's handling of the build-up to the US-led March 2003 invasion.

However, the motion, proposed by the small Scottish and Welsh nationalist parties in the lower House of Commons, was defeated by 298 votes to 273, with Blair's 62-seat working majority cut to 25. The government later promised an inquiry once the situation permitted.

A dozen rebels from Blair's ruling Labour Party, largely drawn from a group known as "the usual suspects", voted against the government although other lawmakers who have previously shown dissent over Iraq fell into line.

Blair is seen by some as a lame duck after pledging to step down by September 2007 and a parliamentary defeat would have further weakened his authority and could even have hastened his departure.

In a stormy debate before the vote, Foreign Secretary Margaret Beckett said a defeat would signal uncertainty and endanger Britain's 7,000 troops in war-ravaged Iraq.

"We are at what could potentially be a turning point in Iraq," she told MPs, adding it was not the time "to rehash all the debates and all the arguments that have been had over and over again".

But Beckett hinted that the government may hold an inquiry at some point in the future.

"It is perfectly sensible and legitimate to say that there will come a time when these issues will be explored in the round and in full so that we can learn whatever lessons we can from them."

The Defence Secretary Des Browne went one further, saying the government would hold a "retrospective inquiry" into the Iraq war, telling the BBC: "When the time is right, of course there will be such an inquiry."

The main opposition Conservatives, who voted for military action in Iraq, backed the opposition motion Tuesday having seen their demands for an inquiry once troops come home go unheard.

"I think they came near enough to losing it that they will have taken the message that they can't ignore these concerns in the future," Conservative foreign affairs spokesman William Hague told Sky News television.

But Foreign Office minister Kim Howells accused the Conservatives of "undermining our troops".

"We don't need this self-righteousness to put us back on track," he told Sky News.

In a second Commons vote, the government's amendment to the opposition motion was carried by 294 votes to 264, a majority of 30.

It said that there had already been four independent committees of inquiry and rejected the idea of holding another one which would "divert" resources away from efforts to improve conditions in Iraq.

Tuesday's debate -- the first on Iraq for more than two years -- came after it was disclosed that the total cost of Britain's military involvement in Iraq has passed four billion pounds (six billion euros, 7.6 billion dollars).

The ministry of defence said that operations in the country cost 958 million pounds in the last financial year, a rise from 910 million in 2004-05.

Sir Menzies Campbell, the leader of the Liberal Democrats, the second-biggest opposition party, conceded that Blair had won the battle, but not the political war.

"Although the government may have won the day this evening, there is no doubt that it did so on the basis of many of its own supporters really making their support conditional," he told Sky News.

"They want to hear some change of strategy," he said, adding that he would keep pushing for an inquiry.

Welsh nationalist Adam Price, who opened the debate, told MPs: "The issue at its heart is far bigger than party politics -- it's about accountability, it's about the monumental catastrophe of the Iraq war -- the worst foreign policy disaster certainly since Suez, possibly since Munich and it's about the morass in which we regrettably still find ourselves."

Outside parliament, a group of about 200 demonstrators protested as the vote took place, carrying placards calling for British troops to leave Iraq and shouting slogans criticising Blair.

A total of 120 British troops have been killed in Iraq since the invasion.

Blair Survives Attack On War (LAT)

By Kim Murphy

The Los Angeles Times, November 1, 2006

London — British Prime Minister Tony Blair survived a blistering attack Tuesday on his government's handling of the war in Iraq, narrowly defeating moves to open a parliamentary inquiry into a conflict one former ally called "a huge blunder."

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In a gauge of how far British public opinion has swung toward opposition to the war, Blair's majority Labor Party could muster only a 25-vote margin to defeat the measure. The inquiry would have explored suspicions over evidence used to justify the war and growing suspicions that the conflict has swirled dangerously out of control.

"We were wrong to go to war in Iraq, and we cannot wash our hands of the harm that we've done in doing so," said Labor lawmaker Gavin Strang, a former Blair ally.

"Because of his tragic misjudgment, our prime minister is more steeped in blood than any Scottish politician since Macbeth," said Peter Tapsell, the longest-serving Conservative in the House of Commons. "We need an inquiry to tell us how he led us into this disaster, and to make sure that no vainglorious and ignorant prime minister can ever do so again."

But government ministers warned that launching an inquiry now would send a message of weakness to Britain's adversaries, threaten the morale of the troops and undermine support for Iraqi attempts to build a unified and democratic nation.

"Our words in the House today will be heard a very long way away. They can be heard by our troops who are already in great danger … and by the Iraqi people, whose bravery and fortitude is humbling, and who need our support," Foreign Secretary Margaret Beckett told the House of Commons.

"I have no doubt that there will come a time when we will want to look at the lessons learned from our experience in Iraq…. But now, I repeat, is not that time," she said.

Britain has 7,200 soldiers deployed in Iraq, mainly in the south near Basra, and has seen 120 soldiers die in the conflict. Another 5,600 British troops are posted in Afghanistan and facing increasingly fierce resistance from Taliban fighters there.

Tuesday's vote in the House of Commons came amid eroding British support for the war, with even a senior British military commander recently expressing doubts about the wisdom of keeping large numbers of troops deployed in Iraq much longer.

The new head of the British army, Gen. Richard Dannatt, told the Daily Mail last month that troops should leave Iraq "soon" because "our presence exacerbates the security problems" in some parts of the country.

In a Guardian/ICM poll published Thursday, 61% of respondents said they wanted British forces to leave Iraq this year, even if they have not completed their mission, and even if the U.S. wants them to stay.

A day earlier, Beckett was asked on BBC Radio 4 whether historians may judge that Iraq had been a foreign policy disaster for Britain. Opposition lawmakers hauled out her answer during Tuesday's debate: "Yes, they may," she said. "Then again, they may not."

The debate was launched by nationalist parties from Scotland and Wales, where elections scheduled next spring threaten Labor deputies and were probably a factor in the defection of a number of Labor lawmakers in the final vote of 298 to 273. The margin was substantially short of Labor's 67-vote majority.

Blair's support for the Bush administration's policy in Iraq has been the biggest factor in a political nose-dive that prompted a recent move within the Labor ranks to force him to pledge his resignation by the end of next summer.

"On the political tombstone of the prime minister will be one word," Charles Kennedy, former leader of the Liberal Democratic Party, told the House of Commons. "Iraq."

Baby Boom Echoes In Iraq (WT)

By James Palmer

The Washington Times, November 1, 2006

BAGHDAD -- In the face of relentless violence, political chaos, economic uncertainty and nightly curfews, Iraq's maternity wards are experiencing an unlikely baby boom.

Despite the obstacles, the birthrate in Iraq actually has increased since the U.S.-led invasion 43 months ago, according to the country's Health Ministry. The rate of births in the country has jumped from 29 births per 1,000 people in 2003 to 37 per 1,000 last year, according to government figures.

In neighboring Iran, the birthrate is half that -- 21 per 1,000 population, while the average birthrate in the Middle East is 25, according to the World Bank. The birthrate in the United States is about 14 births per 1,000 people, according to the federal Centers for Disease Control and Prevention.

Thanaa Alladin Mohammed, a doctor who helped compile the statistics, said the Iraqi tradition of large families is primarily responsible for the birthrate.

"People want to have children, regardless of the violence," she said.

Haithem Ramdam, a 34-year-old engineer and first-time parent, agreed.

"I'm more concerned about the money needed to take care of my family than I am about the security situation," said Mr. Ramdam, whose child, a girl named Jamani, was born Oct. 2. "This is part of the cycle of life, and you can't stop it."

That cycle, Iraqis say, also drives many parents whose children have been killed by war-related violence to produce more.

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Fourat Hameed, 29, watched his 3-year-old son, Youseff, die after the taxi they were riding in struck a roadside bomb near Baqouba, 40 miles north of Baghdad, in September 2003. The following year, Mr. Hameed's wife, Dunai, gave birth to a girl, and in April, they had another son, also named Youseff.

"That boy is a gift from God," said Mr. Hameed, who noted the importance many Iraqis place on bearing a son to lead the family and carry on its name. "Of course, we can never replace the child we lost, but we wanted a son."

The Iraqi Health Ministry numbers differ from those in the CIA World Factbook, which notes a slight decline in the birthrate in the years since 2000. Both sources agree, however, that Iraq's birthrate is far above the regional average, and has remained so despite the war.

As a result of the swelling birthrate in Baghdad's volatile environment, many physicians here also say they are performing more scheduled Caesarean deliveries than ever.

"Patients cannot always see their doctor or reach a health facility when they need to because of poor security," said Simone Kurchin, 38, an obstetrician at the Dominican Sisters of St. Catherine of Siena Hospital, a private facility in south Baghdad. "This is always a problem now."

According to the hospital's records, Caesarean births have more than doubled since 2003, from 1,107 to 2,447 last year, when they outnumbered natural births.

Iraqi women seeking to give birth in a hospital but unable to afford the $200 fee charged by most private facilities in Baghdad must turn to government-run hospitals. These hospitals, Iraqis say, often lack staff, equipment and medicine.

Sabrya Fahed, whose daughter Kamel delivered her first child at the Al-Wiyah Hospital in east Baghdad on Oct. 4, said giving birth in a Baghdad hospital is more arduous now.

"I gave birth for the last time in this same hospital 11 years ago, and everything was much better then," said the 43-year-old Mrs. Fahed, who has five children. "Now everything is worse, from the treatment of the staff to the condition of the building."

And the exodus of doctors -- 10,000 since 2003, according to an estimate from the Iraqi Medical Association -- has been a serious blow to the quality of the health care system, medical officials said.

Even private hospitals, where doctors' salaries are up to three times higher than those of their counterparts at government-run facilities, are encountering problems retaining physicians.

The Dominican Sisters of St. Catherine of Siena, the private facility in south Baghdad, has lost six of its 10 obstetricians in the past three years, including Dr. Hana Al-Baea, who had been practicing for 26 months in Iraq before moving to Syria last month.

'My Country Needs Me' (WSJ)

By Heather Robinson

The Wall Street Journal, November 1, 2006

With the midterm elections fast approaching, the panic over Iraq seems more intense than ever. That country, the thinking goes, is a hopeless mess, and there could be a precipitous American withdrawal, especially if the Democrats win.

But doing so would leave the silent majority of Iraqis hostage to the most vicious extremists, abandoning those Iraqi leaders who have championed liberal democratic values. One of them is Mithal al-Alusi, a 53-year-old Sunni Arab who won a seat in parliament last December after having served as director general of the National Commission on de-Baathification. Mr. al-Alusi ran on a platform of religious pluralism, human rights, free markets and a free press. He calls for an alliance among democracies -- including the U.S., Iraq, Israel and Turkey -- to fight terrorism.

Not only does Mr. al-Alusi champion values many in the West hope will define the new Iraq, he has risked his life -- and lost more than his life -- for the cause. In September 2004 he attended a counterterrorism conference in Herzliya, Israel; after which insurgents threatened his family. The following February assassins opened fire on Mr. al-Alusi's car as it approached his Baghdad home. He wasn't in the vehicle, but his sons, 30-year-old Ayman and 22-year-old Gamal, were. Both were killed as their father watched. Still, Mr. al-Alusi was unbowed. "Even if these terrorists try to kill me again, peace is the only solution," he told reporters minutes after the attack. "Peace with Israel is the only solution for Iraq. Peace with everybody, but no peace for the terrorists." He continued to build his Iraqi Nation Party, which his fallen sons had helped establish, and which now has 15,000 members.

He describes his views less in ideological terms than in human ones. "An Iraqi mother, she has the right to have normal feelings for her baby. It's the same for an Israeli mother," he told me in a phone interview from Baghdad. "This is the best way to drive the world's politics. Not to make it complicated."

Mr. al-Alusi is not the only Iraqi political leader to reject ethnic and sectarian separatism. Hajim al-Hasani, a former parliament speaker, testified at a September congressional hearing. When Rep. Christopher Shays referred to him as a Sunni, Mr. al-Hasani politely corrected the congressman: "I am Iraqi." Afterwards, Mr. al-Hasani told me it is a misconception to view the

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violence in Iraq as the expression of popular will: "The few bad apples can rotten the rest of the apples if nobody stops them." Many of those "bad apples" aren't even grown in Iraq. Following Saddam Hussein's fall, foreign jihadists such as the Jordanian Abu Musab al-Zarqawi rushed to join former Baathists in an effort to undermine the fledgling democracy. And Mr. al-Alusi told me that "Iran is fully involved in terrorist activity in Iraq." He believes Tehran is playing both sides, backing Sunni terrorists as well as Shiite ones.

Polls suggest a majority of Americans think it was a mistake to enter Iraq. Mr. al-Alusi respectfully disagrees. "We didn't have any kind of hope, and now, even with all our difficulty, we have hope." Iraq today is a central front in a war against extremists who view the murder of civilians as political expression. "I will be killed -- if not today, tomorrow," Mr. al-Alusi says. "The point is not me, but children -- for a child to be a child, not a killer; for a teenager to be a teenager, not an extremist."

Mithal al-Alusi could have left Iraq for a comfortable life in exile; Mr. Shays, a friend, offered to help him relocate to the U.S. But he said no: "My country needs me."

He has not given up the fight. How can we?

Ms. Robinson is an independent journalist.

NATO Forces Fight Taliban In 5 Provinces Of Afghanistan (NYT)

By Abdul Waheed Wafa

The New York Times, November 1, 2006

KABUL, Afghanistan, Oct. 31 — Clashes erupted in five provinces in eastern and southern Afghanistan on Monday and Tuesday, with roadside bombs, suicide bombings and gun battles killing four NATO soldiers and an estimated 67 Taliban fighters, NATO officials said.

The violence came as NATO forces continued a military operation started last week intended to put pressure on Taliban forces through the fall and winter, and to allow reconstruction and development to reach the country's restive south and east, NATO officials said. Taliban forces, meanwhile, continued to demonstrate their ability to carry out multiple roadside bombings and suicide attacks.

In the eastern province of Nuristan on Tuesday, a roadside bomb killed three NATO soldiers and wounded one as they patrolled in Weygal district, NATO officials said. In separate attack on Tuesday, one Afghan policeman died and two NATO soldiers were wounded in a suicide bombing in Ghazni Province, just south of Kabul.

On Monday, NATO soldiers involved in the new operation, named "Oqab," or eagle, battled Taliban fighters in a six-hour firefight in the Daychopan district of the southern province of Zabul, NATO officials said. The clash killed one NATO soldier and an estimated 55 Taliban insurgents, they said.

In a second attack on Monday, three NATO soldiers were wounded by a roadside bomb in the eastern province of Kunar. In a third clash on Monday, NATO forces in the Zhera district of the southern province of Kandahar called in an airstrike on a group of suspected insurgents on the roof of a compound. The bombing killed as many as 12 insurgents, according to NATO officials.

Maj. Luke Knittig, a NATO spokesman, cautioned that the Taliban toll from Monday and Tuesday was an estimate. He said the figures had been based on sightings by pilotless aerial vehicles, aircraft and NATO soldiers directly involved in gun battles with insurgents.

"It is not a precise endeavor," he said. "But we had eyes on these targets."

Last week, Afghan villagers reported that dozens of civilians were killed in an errant NATO airstrike in the Panjwai district of Kandahar Province. An investigation ordered by the Afghan president, Hamid Karzai, is still under way.

The clashes on Monday and Tuesday came after dozens of suspected Taliban were reportedly killed by NATO-led forces in fighting on Saturday in southern Oruzgan Province.

Since NATO took over responsibility for the region from American troops at the beginning of August, 56 of its soldiers have been killed in fighting. The nationalities of the four NATO soldiers killed Monday and Tuesday were not released.

Pakistan's Leader Defends Airstrike On School (NYT)

By Salman Masood

The New York Times, November 1, 2006

ISLAMABAD, Pakistan, Oct. 31 — Faced with protests across the country, President Pervez Musharraf on Tuesday defended a military strike that killed 80 people at a religious school, and insisted that the dead were militants undergoing terrorist training.

General Musharraf's claim came amid protests across the political spectrum, but especially by an alliance of Islamic parties and thousands of people in the semi-autonomous tribal areas straddling the Afghan border where the strike took place.

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Angry speakers at rallies across the country condemned General Musharraf's alliance with the United States and the airstrike on Monday, when helicopter gunships fired missiles into the Islamic school, or madrasa, in the village of Chingai, near the town of Khar in the Bajur region.

General Musharraf said the dead were militants, and Pakistani military officials maintained that the madrasa was being used as a staging post for Al Qaeda and that it was frequently visited by Qaeda leaders.

Some local residents and opposition politicians have said that there were children in the school, and alleged that American warplanes had taken part in the attack. But the president dismissed the suggestion that the dead were innocent.

"Anyone who is saying that these were innocent Taliban is telling lies," General Musharraf said while addressing a seminar in Islamabad, the capital.

"We were watching them since the last six, seven days," he said. "We knew exactly who they are, what they were doing. They were all militants, using weapons, doing military training within the compound."

Local news outlets on Tuesday quoted unidentified intelligence officials as saying that Ayman al-Zawahri, the top deputy to Osama bin Laden, and Abu Faraj al-Libbi, a senior Qaeda operative, used to visit the madrasa.

The local television station AAJ reported that satellite images showed militant activity going on within the madrasa and that it was used as a staging point for attacks in Afghanistan and Pakistan.

"Militants were given training to prepare explosives, and the madrasa was used to provide ideological motivation," the report said.

Maj. Gen. Shaukat Sultan, the chief military spokesman, refused to confirm or deny the news report. "I cannot comment on that," General Sultan said in a telephone interview on Tuesday evening.

When asked the reason for the attack, he said, "We had confirmed information about militant training going on in the madrasa."

He denied that the military had any information about the presence of any high-level Qaeda leader at the madrasa at the time of the strike.

He also denied comments attributed to him by The Associated Press in which he appeared to acknowledge sharing intelligence with the United States to carry out the operation, an extremely delicate issue in Pakistan.

"That was wrong," General Sultan said. "I was grossly misinterpreted. If there was any intelligence sharing, we cannot open it to media."

In Washington, however, officials said Tuesday that American officials had provided intelligence to the Pakistani government that in part led to the strike on the madrasa. Before the attack on Monday, American and Pakistani officials discussed the intelligence and signed off on the target.

"There was a body of evidence that both sides agreed on," said an American official, speaking on condition of anonymity because he was discussing classified information.

The official said American and Pakistani officials had agreed on the target in part because the madrasa was training militants to carry out attacks in Pakistan and Afghanistan. Liaquat Hussein, an associate of Mr. Zawahri's who ran the madrasa, was killed in Monday's airstrike.

The strike is expected to further polarize the political environment in the country. General Musharraf's alliance with the United States has incensed hard-line Islamists who accuse him of being subservient to the United States.

But apart from Islamic opposition parties, liberal opposition parties also condemned the airstrike.

"This was a very ill-planned operation," said Enver Baig, a senator from the opposition Pakistan Peoples Party. "They knew that there were students inside the madrasa and in case of an aerial operation, the casualties would be on a large scale.

"It has not gone well with the common man on the street."

Letters (WSJ)

Wall Street Journal, November 1, 2006

LETTERS

Are You Sure You Were Really in Philadelphia When You Wrote That?

In her Oct. 20 essay "A Tale of Several Cities," Julia Vitullo-Martin is so anxious to recycle Digby Baltzell's 25-year-old thesis about "Puritan Boston and Quaker Philadelphia" that she trashes Philadelphia in a way that bears no resemblance to reality (Taste page, Weekend Journal). She writes that "Downtown Philadelphia seems to be a bleak postindustrial landscape" with "the few good buildings that are still standing routinely visited by street people begging at their entrances." I'll give her the benefit of the doubt and assume that her zeal for literary license, combined with her ignorance of Philadelphia, made that colorful language too good to pass up, true or not.

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Here's an offer, Ms. Vitullo-Martin. Take the train to Philadelphia -- from your cocoon in New York it's less than an hour and a half trip, even without spending the extra money for the Acela -- and I'll give you a walking tour of Center City. We'll start off with some new office buildings and public spaces, and some existing "good buildings still standing." But mostly we'll concentrate on all the burgeoning neighborhoods with both gorgeous old homes and new apartment and condominium buildings, going for prices that would not have been dreamed about in Baltzell's time. These neighborhoods are bustling at all hours with both visiting suburbanites and a resident population that has grown remarkably in recent years. (Sort of like the Boston neighborhoods that you said "look like Hollywood's idea of a hip, fabulous place to live.") That's the real downtown Philadelphia, and I look forward to showing it to you.

Darryl May

Wynnewood, Pa.

What an absurd description. Yes, there are street people begging here and there in Center City Philadelphia, as there are in all large cities. But Ms. Vitullo-Martin must not have been in Philadelphia for many years. As a resident of a nearby suburb, I go to Center City once or twice a week because it's a great place -- restaurants, coffee shops, book- and music-stores, cinemas, public squares and other green spaces, wonderful fountains, churches, historic sites, etc. The place is booming! It's full of people day and night and, for better or worse, with much new construction going on. I cannot imagine what Ms. Vitullo-Martin was thinking.

David M. Barrett

Professor

Political Science

Villanova University

I suggest that a hurried walk to just one neighborhood cannot possibly give anyone a clear view of what is happening in this great city. Anyone who has been to our city, which National Geographic Traveler magazine recently called "America's Next Great City," knows this city is hot. That's why so many people are moving here, from the young professionals coming down from New York and elsewhere, to empty nesters moving into our hot downtown condo market. Come see for yourself. We believe you'll love what Philadelphia has to offer.

Stephanie W. Naidoff

City Representative and Director of Commerce

City of Philadelphia

Philadelphia

Ms. Vitullo-Martin's article gives praise to the "sheer excellence" of the harbor in Upper Sandusky, Ohio. Ohioans are justifiably proud of the acclaim but hope that Wall Street Journal readers don't all flock at once to our 38-acre, man-made reservoir. If you find our single- launch ramp too busy, you might consider the other Sandusky, downstream (and hence lower) at the mouth of the Sandusky River. The Sandusky River, like the Nile, flows south to north. That puts the Upper Nile south of the Lower Nile and Upper Sandusky south of the Lower Sandusky. The other Sandusky's little harbor (miles across), minor facilities (many marinas and dockage for Great Lakes boats), and dregged channels (for the freighters) may accommodate the overflow. However, if you do choose Upper Sandusky for your boating pleasure, please respect the "electric motors only" regulation.

David L. Skinner

Fredericktown, Ohio

Once Again, Musharraf Is Routinely Maligned

Tunku Varadarajan, in his review of Pakistani President Pervez Musharraf's autobiography "In the Line of Fire," describes Gen. Musharraf as "self-congratulatory, narcissistic and mendacious" ("An 'Ally' With His Own Agenda," Bookshelf, Leisure & Arts, Oct. 19). Such words are unfair, reflecting the mindset of those determined to malign the president come what may. For instance, Mr. Varadarajan does not give credit to Gen. Musharraf for Pakistan's economic turnaround, attributing it instead to the U.S. Treasury secretary.

To answer other criticisms in the review: Omar Shaikh Saeed, the master of Daniel Pearl's murder, was kept in secret for a week after his arrest because authorities wanted to arrest his dangerous accomplices, who otherwise would have fled if they were aware of their leader's arrest. A number of terrorists were arrested on the basis of information divulged during the interrogation. Was that a blunder or the right decision?

In regard to Mukhtaran Mai, the woman Mr. Varadarajan says was subjected to a travel ban when an NGO wished to fly her to the U.S. to publicize her plight of having been subjected to a sexual assault decreed by a village tribunal: Ms. Mukhtaran has visited a number of foreign countries, including the U.S., with the permission of the Pakistan government. Mr. Varadarajan did not mention that President Musharraf sent Mukhtaran Mai a check for $10,000 as a token of support. The government also facilitated the establishment of a school, a police post and a women's crisis center in her village at the cost of $300,000.

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Empowerment of women in Pakistan has been ensured by reserving almost 30% seats at the district, provincial and federal levels in the respective representative bodies. People at the grassroots level have been empowered through a local government system that has entrusted political, administrative and financial powers to their directly elected representatives.

M. Akram Shaheedi
Press Minister
Embassy of Pakistan
Washington

War Deaths Methodology: Greater Rigor Is Needed

In their Oct. 24 Letter to the Editor, Johns Hopkins researchers defend the cluster survey methodology used to estimate "excess" deaths in Iraq since the war began in 2003. They mention that 12,800 Iraqis were surveyed. But large numbers don't make a sample representative. They claim "the effective sample size is roughly 3,700 independent people." (Apparently they arrived at 3,700 by simply doubling the 1,849 households in the survey.) But participants who live together and answer survey questions together aren't independent. While acknowledging that only 47 clusters were sampled, they omit the fact that only adjacent households within a cluster were surveyed.

To put this in perspective, imagine a door-to-door survey in California to gauge the impact of an earthquake. Like war, earthquake destruction is widespread, but more intense in some areas than in others. Surveyors randomly choose 47 neighborhoods and interview 40 adjacent households in each (i.e., fewer households than in a city block). Would this "snapshot" provide a fair assessment of earthquake damage from a true cross-section of California's population?

If neighborhoods near the earthquake epicenter were over-sampled, the survey results would be skewed significantly. Likewise, if clusters near the most violent war zones in Iraq were sampled disproportionately, estimates of war deaths could be wildly exaggerated. In fact, Johns Hopkins reported an "extreme statistical outlier" when it sampled 33 clusters in Iraq in 2004: "More than a third of reported post-attack deaths, and two-thirds of violent deaths happened in the Falluja cluster" (see http://www.thelancet.com/journals/lancet/article/PIIS0140673604174412/fulltext).

An issue as important and complicated as counting war deaths demands more rigor than Johns Hopkins used in its two surveys.

Charles D. Eden
Atlanta

Antitrust Amnesty Grants: A Constitutional Problem

Holman W. Jenkins Jr. correctly identifies the problems with the Stolt-Nielsen case and the Justice Department's larger campaign against "price fixing" ("If Sergio Leone Made a Movie About Antitrust . . . ," Business World, Oct. 25). I would add that the Stolt-Nielsen case has shed valuable light on the secrecy that surrounds the department's amnesty program. Unlike plea bargains, which are disclosed to the court and the public, amnesty grants are secret and not subject to outside scrutiny. The department says amnesty is an internal matter of "prosecutorial discretion"; but from a constitutional standpoint, the amnesty grants the equivalent of a full pardon.

Pardons are supposed to be the exclusive province of the president, not mid-level lawyers at the Antitrust Division. The framers were careful in concentrating the pardon power in the chief executive, who is subject to congressional and public oversight. The department's amnesty program eliminates these checks, however, in order to keep cartel prosecutions in-house. Once a company receives its amnesty, the evidence provided to prosecutors forces other cartel members to plead guilty without going to trial. In this manner, the government can extract millions in fines from defendants without ever having to publicly address the types of economic arguments raised in Mr. Jenkins's column.

S.M. Oliva
President
The Voluntary Trade Council
Arlington, Va.

With Corruption Rampant, 'Snitches' Are Necessary

Kudos to Karen Richardson for her excellent, insightful article "The Secret Life of an Informant" (page one, Oct. 21). Public corruption cases, particularly those involving elected officials, are notoriously difficult to prove in court. Most Americans don't necessarily like government "snitches" gathering evidence, but they should realize that public malfeasance is a much worse alternative.

At the time when spending for public infrastructure has skyrocketed nationwide, the temptation to bribe elected officials is now greater than ever. The exceedingly small number of those who betray the public trust should realize that the watchdog of their public conduct isn't only found in the results of their election, but within the judicial system as well.

Eugene A. Brown

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City Council Member
Durham, N.C.
The Dark, Hidden World of Auto Repair Pricing

While the transparency of pricing data on the Internet has been a big boon for consumers ("Savvy Car Buyers Drive Bargains With Pricing Data From the Web," Personal Journal, Oct. 24), I wonder if car dealers are offsetting the lost profits on new-car sales with premium pricing for service and repair?

Auto makers know exactly what they pay dealers for every conceivable warranty repair. If they made these repair and replacement costs known to the consumer, they would begin to reduce one of the most stressful aspects of car ownership: the dreaded mechanic's bill. Of course, dealers would strongly resist the publication of this data, but perhaps some enterprising Web site could penetrate this veil of secrecy. After all, in the pre-Web days, the price a dealer paid for any car was also a closely guarded secret.

Kalyan Dutta
Ann Arbor, Mich.
Anti-Growth Tax Rule Was Defended by Spitzer

In his Oct. 25 editorial-page commentary "Spitzer Is Good for Business," Donald G. Kempf Jr. argues that Eliot Spitzer, as governor, will make New York's regulatory environment more business-friendly. Perhaps. However, Mr. Spitzer, as attorney general, fought to preserve one of New York's most antigrowth tax rules—taxing nonresident telecommuters on days they work at their out-of-state homes. Most recently, New York taxed an Arizona resident for days he worked at home there.

Many nonresidents and businesses respond to this foolishness by cutting their ties to New York. If one is looking for a prime example of New York's self-destructive tax policies, this is it. As attorney general, Mr. Spitzer aggressively and successfully defended this policy in the courts up to and including the U.S. Supreme Court. It is hoped that Gov. Spitzer will undo the handiwork of Attorney General Spitzer.

Edward A. Zelinsky
Visiting Professor of Law
Yale Law School
New Haven, Conn.

(Mr. Zelinsky was the taxpayer in Zelinsky v. Tax Appeals Tribunal, which challenged New York's taxation of nonresident telecommuters on days they work at their out-of-state homes.)

First Ears, Then Hearts And Minds (WP)

By Renae Merle
The Washington Post, November 1, 2006
Washington Post Staff Writer
Wednesday, November 1, 2006; D01

For science-fiction buffs, it's probably a common-sense solution. Two months after arriving in Iraq, a second lieutenant with the 16th Military Police Brigade was handed the Phraselator, a hand-held device that promised to digest his English phrases and produce a prerecorded Arabic translation with an Iraqi accent.

But after a brief test last year, the soldier gave up the gadget, deciding that, while helpful in some instances, it wasn't useful to his unit, which conducted raids and provided convoy security. He had even tried to teach himself Arabic using the device but decided that it was no match for the complex language. Even such simple phrases as "What is your name?" are spoken differently in Fallujah than in Baghdad, he found. "This may have been the reason why many of the Iraqis . . . did not appear to understand the Arabic phrases & words" stored in the device, according to a report prepared for the Army.

An Annapolis firm, VoxTec International Inc., developed the device and said it has steadily made improvements. But the goal of having a machine replace a human interpreter remains elusive, and the military is mounting a multimillion-dollar campaign to find a more capable successor, one that can translate both sides of a conversation, from English to Arabic and vice versa.

"What people would really like is that 'Star Trek' universal communicator, but it doesn't exist yet," said Lynne McCann, former chief of the Army Foreign Language Proponency Office. "That would solve everything."

The stakes are high for the military, which suffers from such a shortage of interpreters that it has had to rely increasingly on contractors -- 6,500 in Iraq and 1,500 in Afghanistan. It can be a dangerous job. Of the 648 contractors killed in Iraq since the war began in March 2003, 153 worked for the division of L-3 Communications Corp. that currently holds the linguist contract, according to Labor Department figures.

Battlefields often turn into impromptu laboratories for new technologies -- with mixed results. During the Persian Gulf War in 1991, the Patriot anti-missile system was rushed into combat to intercept Iraqi scuds, but afterward, investigators questioned its

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effectiveness. The Predator, an unmanned drone, dropped Hellfire missiles after the Sept. 11, 2001, terrorist attacks, after a quick development process.

In the same way, VoxTec, which was a unit within Marine Acoustics Inc., was asked to rush production of its Phraselator, then a single prototype, shortly after the attacks on New York's World Trade Center and the Pentagon, said Ace Sarich, the company's vice president of development. The device is about the size of a large personal digital assistant and is programmed with about 700 Arabic phrases that can be recalled after it "hears" the equivalent English phrase or a soldier chooses a sentence from a text list on the device.

The company shipped 20 to Afghanistan within a few months, but the prototypes had bugs, including buttons that were hard to push and faulty batteries. "It was supposed to be a weatherproof design, and it leaked like a sieve," Sarich said. Those issues have all been addressed, he added.

While VoxTec continued to improve the device, the military began testing a device made by a California company, Integrated Wave Technologies Inc. It had developed a similar hands-free version of a translation machine that fit into an ammunition pouch, allowing soldiers to say key phrases that are then turned into full Arabic sentences.

"You say 'house search' and then it will say in Arabic: 'We're here to search your house. Please stay in this room. Do you have any weapons?'" said Tim McCune, the company's president.

Over the past few years, Integrated Wave Technologies has produced 1,300 of its machines and VoxTec has made 5,000 devices. They cost about $2,500 to $3,000 apiece, a mini-boom for two companies that have fewer than 20 employees each.

Neither product, however, proved robust enough to replace human interpreters. What soldiers really needed, the military decided, was to have a conversation with the people they encounter, not just give orders.

"In years past, there wasn't a great need for the individual soldier to speak a foreign language to do his mission," said Wayne Richards, branch chief for technology implementation at U.S. Joint Forces Command. But in Iraq and Afghanistan, soldiers are increasingly interacting with Iraqi civilians, giving advice at checkpoints or guidance during home searches, he said.

"During those door-to-door searches, the soldiers need to be able to calm them down and reassure them," Richards said. "We're fighting for hearts and minds. But if I can't tell her, 'Ma'am, please calm down,' . . . that wouldn't be assuring."

So the Pentagon turned to the Defense Advanced Research Projects Agency (DARPA), which helped develop the Internet, to enlist some technology powerhouses, setting aside $20.8 million this year for translation technologies. Military officials said they do not expect the automated devices to completely replace human interpreters but to augment them. DARPA was a natural fit to lead the project because it has spent the past two years creating a database of thousands of hours of Iraqi conversations to study the voices, speech patterns and commonly used phrases to help with speech-recognition software.

The agency selected SRI International, a nonprofit research group, International Business Machines Corp., and Carnegie Mellon University in Pittsburgh to help put that database to work.

Each of the three has developed systems that use mathematical algorithms to interpret speech, even if it is slurred, accented or muffled, into Arabic and the Arabic response into English. After a second or two, a synthesized male voice produces a response. The systems usually require speakers to limit their conversations to one sentence at a time to avoid confusion.

IBM announced this month that 35 units of its system had been shipped to Iraq, saying it would "facilitate quick" communication. The military is not quite as optimistic.

The systems are being tested only in offices or benign situations with limited background noise, military officials said.

The technology is "just not ready for wide deployment," said Mari Maeda, program manager in DARPA's Information Processing Technology Office. "The translation system is not good enough; the recognition software is not strong enough."

The systems are also not accurate enough, she said. IBM estimates that its system has an accuracy rate of 85 to 90 percent, and that out of 30 phrases, a person may need to repeat four or five. SRI and Carnegie Mellon officials said they couldn't provide comparable figures. But "soldiers are looking for things that work 95 percent of the time," Maeda said.

In the meantime, companies are also experimenting with lower-tech solutions. VoxTec, for instance, is testing a call-a-translator system in Baghdad that allows soldiers to call in from the field so they can put an Iraqi on the phone with one of two Arabic translators on duty who can act as an intermediary.

Integrated Wave Technologies says it may have another interim solution. It is developing a system, which DARPA says it may send to Iraq next year, that will enable limited two-way conversations by "listening" for key words, said McCunne, the company's president. But even that, he acknowledges, has problems.

"If you ask, 'What color was the car?' it will be looking for something like blue or red," he said. But if the person responds by asking which car or says he didn't see a car, the system will not be able to translate, McCunne said. "It's a fairly limited type of communication," he added.

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Soldiers Train In Languages (WT)

By Eric Pfeiffer

The Washington Times, November 1, 2006

The Army has invested $4.2 million in a Web-based software program to improve the foreign-language skills of overseas personnel.

The program was created by Rosetta Stone, which provides training software in 30 languages. The contract, entering its second year, allows software access to any member of the active-duty Army, National Guard or Reserve, and civilian personnel in the Department of the Army.

"You can't send everyone to language training school," said Stan Davis, project manager for the Army's E-Learning program. "But this is a capability the Army needs in today's operational environment."

More than 64,000 soldiers are using the software, Mr. Davis said, and that number is expected to double next year. "We're getting about 2,000 to 3,000 people signing up a month," he said.

The military has been criticized for a lack of foreign-language speakers during the conflicts in Afghanistan and Iraq. Rosetta Stone provides courses in Pashto, spoken in Afghanistan and parts of Pakistan; Farsi, widely spoken in Iran; and Arabic, which is used throughout the Middle East.

Mr. Davis said Arabic and Farsi are among the top courses for soldiers, but Spanish is studied most.

Linda Trude, Rosetta Stone's senior director for institutional marketing, said the "dynamic immersion" process provides more success than traditional language courses.

"It's done in the same way we learn our first languages," she said. "When your mom or dad were teaching you, they didn't give you in-depth grammar and language tests. They pointed to an object and said, 'Ball.' "

The software gives instant feedback without using memorization or translation exercises.

Ms. Trude said the U.S. Military Academy at West Point and other segments of the Army have been using the Rosetta Stone software for several years.

"We've heard from people in the Army who don't necessarily need it in their day-to-day jobs, but have said they can use the basic communication skills when they are interacting with Iraqis at the local market," she said.

Ms. Trude said soldiers in the field have given positive feedback.

"Our goal is not to make them linguists, but to help provide them with basic communication skills," she said.

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The Reliable Source (WP)

By Amy Argetsinger And Roxanne Roberts

The Washington Post, November 1, 2006

Mark Foley on Film,

Before He Got Famous

Here you probably thought you knew everything about Mark Foley . But a month after the Florida rep resigned in disgrace for cyber-stalking teenage pages, a young journalist has uncovered perhaps the one juicy angle yet unplumbed in the scores of profiles and investigative reports -- Foley's brief movie career.

The movie was a low-budget, straight-to-DVD vigilante flick called "Strike Force" (original title, "The Librarians"), filmed in 2000 in Foley's Palm Beach County district. It starred veteran tough guy William Forsythe , "Baywatch" babe Erika Eleniak , Burt Reynolds (as high-roller "Irish," who lounges by a pool surrounded by his bikini-clad "grandnieces") -- and Foley, in a tiny but pivotal role as, well, a congressman.

Kenneth P. Vogel , an investigative reporter for the soon-to-launch Capitol Leader newspaper, found this cinematic gem buried deep in Foley's 2001 financial disclosure records, recording the $400 payment he got for the role. Vogel tracked down a copy of the movie on Amazon ($12.99) and -- we're just so glad he did! The opening scene is a cartoonish shootout between

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Forsythe's gang and the bad guys who have kidnapped Foley's daughter. Forsythe returns the girl to her dad's black stretch limo, where we get to see Foley emote:

"Oh I missed you, too, baby!" he says, eyes clenched as he hugs the girl.

"There were a lot of bad men," the child says.

"I know, baby, but it's all over now," Foley says, sighing deeply. "God, I love you."

Foley was cast at the suggestion of associate producer Greg Hauptner , a Palm Beach resident who had known him for years. "He was crazy about the movies," Hauptner told Vogel. (Foley was also an extra on the Florida set of "Body Heat," Vogel learned, but was lost on the cutting room floor.)

In all, the former chairman of the entertainment caucus has about 10 lines and several doleful close-ups. You kitsch-loving hipsters may scoff -- it was harder than it looked!

"In a short period of time, he had to go through a gamut of emotions," Hauptner said. "It wasn't as easy as you think it would be. He had to be sad and be stoic at the same time -- to be a strong-willed congressman who was willing to go outside the law." All in all, "he wasn't bad."

UPDATE . . .

Since last we checked in with the lurid Washingtonienne saga, sex blogger Jessica C utler snagged a new team of attorneys (she's lost three over the past year) to defend her against an ex-boyfriend's claim that she defamed him by airing details of their love life. And she has traded snippy filings with Robert Steinbuch in federal court -- he claiming that her much-circulated blog postings in 2004 (in which he was ID'd by initials) caused him to lose out on a law professor job, she doubting his reputation was even worth the damages he's seeking (oh, snap !).

Legal sources say it likely will be well into the new year before these crazy kids work things out. The drama continues with a judge this week okaying Steinbuch's request to add as a defendant Ana Marie Cox -- founding editor of Wonkette.com, which made Cutler's blog famous. Cox, now with Time.com, declined to comment, and her former bosses did not return calls.

THIS JUST IN . . .

Â· Alberto Gonzales dropped by GWU Law School yesterday, surprising 40 students in the criminal procedure class. The attorney general talked about military commissions, terrorist surveillance and the Patriot Act and took questions for 40 minutes -- before vanishing as mysteriously as he arrived. Turns out this was all his idea: Gonzales just got a hankering for legal chat with some students, and his staff tracked down a willing prof, former DOJ lawyer Renee Lerner . "I guess he really likes teaching," she said. "The students, of course, were delighted to have him." Is the AG mulling a move to academia? "He is not ruling any options out in terms of future careers," said Justice spokeswoman Tasia Scolinos . Any more stealth visits to law schools planned? "I wouldn't rule it out."

Â· Daytime TV icon Bob Barker will come on down! from "The Price Is Right" in June after 35 years hosting the show and 50 years in TV. "I will be 83 years old," he said yesterday, "and I've decided to retire while I'm still young." Barker plans to devote more time to his animal rights causes.

ON WASHINGTON POST RADIO (1500 AM, 107.7 FM) AND ON WASHINGTONPOST.COM

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Fresno Prosecutor Heads For Iraq Duty (SACBEE)

By John Ellis

Sacramento Bee, November 1, 2006

An assistant U.S. attorney hopes to help bring law and order.

Marlon Cobar so believes in the virtue of the rule of law that he has volunteered to go to Iraq and promote it.

Cobar, an assistant U.S. attorney in Fresno, next month will start a one-year stint — with the option for a second — advising Iraqis as they work to put together a functioning legal system.

Many areas where Cobar will help already are second nature in the American legal system, such as how to make effective opening and closing arguments, how to pursue a line of questioning, how to preserve evidence and how to develop a chain of custody for prisoners.

Cobar also will give advice about human rights and ethical issues that lawyers, prosecutors and judges in Iraq might face.

"We're not going over there to take over," Cobar said. "We'll be assisting the Iraqis in taking the reins of their justice system any way they can."

He will be stationed in an undisclosed province far from Baghdad and will be one of only eight such "Resident Legal Advisers" in the war-torn country. These legal advisers advise the U.S. Embassy and Iraq's central and provincial courts.

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In total, the Justice Department has more than 200 employees and contract personnel working on law enforcement, security and justice issues in Iraq.

To date, according to the Justice Department, nearly 500 Iraqi jurists and prosecutors have been trained on topics such as human rights, criminal process and the challenges presented prosecuting insurgency and terrorist cases.

Cobar knows there will be risks — and his family is concerned, but supportive — but for an unmarried 34-year-old with a thirst to help and a taste for adventure, the chance was too good to pass up.

Getting to this point, however, was at least half the challenge.

"My colleagues there are veterans," Cobar said. "I'll be the youngest person with the least amount of time as a [federal prosecutor]."

The program dates to 2003, when an initial assessment team looked at criminal justice reform, judicial training and court policy in Iraq. In late 2004, the Justice Department sought volunteers for a second wave as it increased the program.

Cobar, a Bay Area native who has been a federal prosecutor for less than four years — including 21/2 years in Fresno — applied, but was told, basically, that he was too young.

But Cobar was left with a tempting tidbit: Stay in touch.

He was skeptical.

Around that time, Cobar, who is fluent in Spanish, began doing temporary stints in Colombia, where he trained prosecutors and agents in basic criminal trial advocacy. He has been there four times, including time in Medellin and Cali, which were at one time the power centers in the Latin American drug trade.

With that training in hand, this past January it was the Department of Justice that sought out Cobar.

The interview process was intense, and included a panel that spent half a day grilling him.

McGregor W. Scott, U.S. attorney for the Eastern District of California — which includes Fresno — had to sign off on the deal. Scott said he never gave it a second thought.

However big or small the role, he said, the Eastern District must do its part to help the Justice Department "re-establish the rule of law" in Iraq.

"The bottom line is we in the Department of Justice have a very significant role to play over there," Scott said.

And, he said, Cobar is the right choice for the job. "Marlon has a profound work ethic," he said. "He has a sense of what it is to serve" as a federal prosecutor.

With that blessing, Cobar began several months of preparation. Among them: becoming a special deputy U.S. marshal, which allows him to carry a firearm in Iraq — which he will do.

He traveled to Washington, D.C., where he went through diplomatic training, a monthlong crash course in Iraqi language, history, culture, religion and politics. He learned to recognize explosives and how to react to biological and chemical agents.

In Iraq, Cobar will trade his U.S. attorney credentials for a diplomatic passport, and he will give up ties and dark suits in favor of dress-down khaki. He will live on a secure military base and travel via convoy. He will receive hazard pay, along with his normal salary, definitely not a factor in his decision to go.

"I didn't even know I was getting hazard pay until I got into the program," Cobar said.

It won't be luxurious, and it will be dangerous, he said. But with billions being spent each month and more than 2,800 U.S. soldiers killed, Cobar said, it is vital that significant American investment pay dividends. His contribution to that end is what he knows — the law.

"One key to a sustainable democracy," he said, "is a fair and workable criminal justice system."

The reporter can be reached at jellis@fresnobee.comor (559) 441-6320.

CORPORATE SCANDALS:

Ex-CEO Of Cendant Is Found Guilty In Third Trial (WSJ)

The Wall Street Journal, November 1, 2006

A federal jury found former Cendant Corp. Chairman Walter A. Forbes guilty of conspiracy to commit securities fraud and two counts of making false statements in a massive fraud scheme that inflated the travel and real-estate company's earnings and crippled the company's once-stellar reputation.

Mr. Forbes was found not guilty of a fourth count -- securities fraud -- in U.S. District Court in Bridgeport, Conn.

The conviction came in Mr. Forbes's third trial in three years, after juries deadlocked in trials earlier this year and in early 2005. The Cendant case was among the first in a series of corporate-accounting scandals that sparked outrage from investors in recent years, but is one of the last to reach a conclusion.

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"We are gratified by today's verdict," said Christopher J. Christie, the U.S. Attorney in Newark, N.J. "The innocent victims of this $14 billion fraud engineered by Walter Forbes have waited a very long time for justice to be done. This is a great day for those who believe that everyone in our society must be held accountable for their conduct."

"It's the third time and was worth all the effort," said Michael Drewniak, Mr. Christie's spokesman. "We always believed fully in all the evidence against Mr. Forbes. We are extremely gratified by today's results."

A Cendant spokesman said, "We're gratified that after all this time justice has finally been served."

Mr. Forbes's attorney couldn't be reached for comment. Prosecutors said they expect Mr. Forbes to appeal.

New York-based Cendant was formed by the merger of HFS Inc., a travel and real-estate company, with CUC International Inc., a membership-marketing company in 1997. Within months, employees from the HFS side uncovered extensive fraud in CUC's accounting, which inflated revenue by $500 million and earnings by $252 million.

Cendant disclosed the fraud in April 1998, causing its market value to drop by $14 billion in one day. Prosecutors say that Mr. Forbes, who had been chief executive of CUC before the merger, participated in the scheme.

Mr. Forbes has argued he had nothing to do with the fraud and put the blame on underlings, saying he was out of the loop. His co-defendant, former Cendant Vice Chairman E. Kirk Shelton, was convicted last year of 12 counts of conspiracy, mail fraud, wire fraud, securities fraud and making false statements to the SEC. Mr. Shelton had been president of CUC before the merger created Cendant.

Prosecutors narrowed the scope of their charges in the third trial to four counts, down from 16 in the first trial, in a bid to avoid another hung jury, which some blamed on the months of testimony about arcane accounting procedures.

Mr. Shelton was sentenced to 10 years in prison and ordered to pay $3.27 billion restitution to the company, now called Avis Budget Group. The restitution order includes a balloon payment of $15 million and monthly installments of $2,000 after he is released from prison.

Cendant's CEO and founder Henry R. Silverman held the company together by selling off assets and jettisoning Messrs. Forbes and Shelton, but Cendant was never able to regain its premerger growth or overcome the tarnish of the fraud. In 2000, Cendant settled shareholder class-action lawsuits with a record $2.85 billion settlement.

Mr. Silverman announced a year ago that he would break up the conglomerate into four pieces. Cendant sold its travel-distribution company, Travelport, and spun off its real-estate and hospitality businesses as Realogy Corp. and Wyndham Worldwide Corp. That left the company with its rental-car brands.

Chief Guilty At Cendant In 3rd Trial (NYT)

By Stacey Stowe

The New York Times, November 1, 2006

BRIDGEPORT, Conn., Oct. 31 — It took eight years and three trials, but federal prosecutors finally won their case on Tuesday against Walter A. Forbes, the former chairman of the Cendant Corporation.

Mr. Forbes was convicted here on charges that he masterminded an accounting fraud that was considered at the time it was discovered — 1998 — to be the largest on record. Investors lost $19 billion when Cendant's stock fell after the disclosure. The Cendant fraud was later eclipsed by the scandals at Enron and WorldCom.

A jury of eight men and four women in Federal District Court deliberated for two and a half days before finding Mr. Forbes, 63, of New Canaan, Conn., guilty of conspiracy and of two counts of submitting false reports to the Securities and Exchange Commission in overstating his company's earnings by more than $250 million. He was acquitted on a fourth count, securities fraud.

Mr. Forbes remained free on $1.2 million bail. He is to be sentenced on Jan. 17 and faces as long as 25 years in prison.

Prosecutors said Mr. Forbes inflated the income at his original company, CUC International, which merged with HFS Inc. in 1997 to form Cendant — with holdings including the Avis and Budget car rental companies and the Century 21 and Coldwell Banker real estate brokerage firms, among other businesses.

Two months ago, Cendant stockholders changed the company's name to the Avis Budget Group. Besides Avis Budget, Cendant has been broken up into real estate, hotel and mortgage financing businesses.

As the verdicts were read on Tuesday, Mr. Forbes bit his lower lip but otherwise showed little emotion. His wife, Caryn, who attended each day of the proceedings, left the courtroom after the jurors were dismissed by Judge Alan H. Nevas.

"Justice was served," said Michael Martinez, an assistant United States attorney for New Jersey, who prosecuted Mr. Forbes along with Craig Carpenito, another assistant United States attorney. Mr. Forbes's defense team declined comment.

The trial was held in Connecticut after his lawyers succeeded in having it moved from New Jersey, where HFS had its headquarters.

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Defense lawyers may have considered the transfer an advantage at one point because it had the effect of delaying the trial.

But James D. Cox, a professor of corporate and securities law at the Duke University School of Law, said Mr. Forbes might have been better off if the defense not been able to delay the proceedings. Instead, the trial followed a succession of accounting and stock fraud defendants at WorldCom, Enron, Tyco and Adelphi.

"It would have occurred in an era before there was a big revulsion against such defendants, before 'C.E.O.' became a code word for felon," Mr. Cox said.

The jury foreman, David Cunningham, a business analyst from Wilton, Conn., said the jury did not think that prosecutors proved their case on securities fraud. Asked if there had been a crucial piece of evidence that swayed the jury to vote to convict on other counts, Mr. Cunningham replied simply, "We were just following the evidence."

John C. Coffee, a specialist in securities law at Columbia University Law School, said he was certain that Mr. Forbes would appeal, as is common with white-collar defendants. Given that it took three trials to convict him, Mr. Coffee added, the appellate court could be expected to give the case a high level of scrutiny.

In Mr. Forbes's two previous trials, the jurors failed to reach a unanimous verdict despite lengthy deliberations. In this trial, as in the earlier ones, his lawyers portrayed Mr. Forbes, who was paid more than $100 million as chairman and chief executive of the CUC Corporation, as a global visionary who did not get involved in the workaday operations of the company. Similar defenses were tried — also unsuccessfully — in the Enron cases of Kenneth L. Lay and Jeffrey K. Skilling.

The initial prosecution of Mr. Forbes ended in January 2005, with the jury unable to reach a verdict after an eight-month trial and 33 days of deliberations. But the jury did convict his co-defendant, E. Kirk Shelton, the former vice chairman of Cendant. Mr. Shelton, who was sentenced to 10 years in prison, is free on appeal; the United States Court of Appeals for the Second Circuit heard the appeal on Tuesday.

At Mr. Forbes's second trial, in February, jurors were again unable to agree on a verdict, this time despite 27 days of deliberations. The foreman in that case said the accounting issues were too complex.

At the trial just concluded, prosecutors winnowed their case to three weeks from four. Once again, Cosmo Corigliano, former chief financial officer of CUC, testified that the books had been cooked for years at Mr. Forbes's direction and that he and Mr. Forbes met regularly to discuss how much money would be taken from inflated reserves and used to increase profits to meet targets.

Mr. Forbes, in his third time on the stand, denied taking part in those conversations. His lawyers, particularly in closing arguments, portrayed Mr. Corigliano as a liar. He is awaiting sentencing after pleading guilty to fraud-related charges.

But in the third trial, the prosecution called a new witness: Henry R. Silverman, the former chief executive officer of HFS, who now runs one of Cendant's successor corporations. Mr. Silverman testified that Mr. Forbes lobbied him to keep the books of CUC and HFS separate and to retain CUC's auditor, Ernst & Young. Mr. Silverman also said that Mr. Forbes, who maintained that he delegated company financial details to others, in fact, presented detailed financial data to potential investors.

The criminal conviction of Mr. Forbes, who resigned from Cendant with a $47 million severance package, followed the settlement in 2000 of a civil case, in which Cendant paid $2.9 billion and Ernst & Young, $335 million. That combined $3.2 billion settlement is, for now, the largest securities class action on record. It, too, may well be eclipsed by Enron.

Cendant Ex-chairman Found Guilty (USAT)

By Greg Farrell

USA Today, November 1, 2006

The longest-running white-collar-criminal saga of the past decade finally came to a close Tuesday in Bridgeport, Conn., where a jury found former Cendant chairman Walter Forbes guilty of conspiracy in the $252 million overstatement of his company's earnings.

The fraud, exposed in April 1998, precipitated one of the biggest sell-offs in the history of Wall Street, chopping Cendant's market capitalization by 50%, or $14 billion, in one furious day of trading. Prior to Enron, it was considered one of the largest accounting frauds ever perpetrated on investors in modern times.

The victory proved sweet for federal prosecutors from New Jersey, who have been pursuing Forbes for eight years. Two previous efforts to convict Forbes for his role in the Cendant fraud ended in mistrials, although jurors in the first trial found Forbes' top lieutenant, E. Kirk Shelton, guilty of participating in the fraud. Shelton was sentenced to 10 years in prison.

"We are gratified by today's verdict," said Christopher Christie, the U.S. Attorney for New Jersey. "The innocent victims of this $14 billion fraud engineered by Walter Forbes have waited a very long time for justice to be done. This is a great day for those who believe that everyone in our society must be held accountable for their conduct."

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Jurors convicted Forbes of conspiracy as well as of two counts of making false statements, but acquitted him of one count of securities fraud. U.S. District Judge Alan Nevas scheduled sentencing for Jan. 17. Forbes' attorney, Brendan Sullivan, vowed to appeal the verdict.

Prior to the exposure of the accounting fraud at Cendant, Forbes was the widely respected CEO of Comp-U-Card International, a pioneer in the field of shopping clubs. Through organic growth and a constant stream of acquisitions, he built CUC into one of the hottest stocks of the 1990s. Prosecutors said Forbes and Shelton used reserve accounts set up for every acquisition to massage the company's income. Over several years, CUC padded its ledgers with hundreds of millions in phantom revenue.

In opening arguments to jurors last month, Assistant U.S. Attorney Michael Martinez alleged that in 1997, Forbes needed an enormous merger to keep the game going. He met several times with Henry Silverman, the billionaire investor who controlled HFS, parent company of Avis and Days Inn. The two decided to merge their companies to form a new entity, Cendant.

For the first time in three trials, Silverman testified in court. He told the jury that Forbes wanted to keep his longtime auditor, Ernst & Young, in charge of reporting CUC's financials, even after the merger was completed. As the dominant shareholder of HFS, Silverman was the biggest victim of the fraud, losing hundreds of millions of dollars in his stock's value in a single day.

Forbes testified in his own defense, saying he had no direct involvement in CUC's accounting practices, and that he relied on Ernst & Young to make sure the numbers were correct.

Cendant never fully recovered from the fallout of the fraud. Earlier this year, it split into four separate public companies.

Cendant's Ex-Chair Convicted In Fraud (WP)

By Carrie Johnson

The Washington Post, November 1, 2006

A Connecticut jury yesterday convicted former Cendant Corp. chairman Walter A. Forbes of conspiracy and filing false financial reports, bringing to a close one of the government's longest-running fraud investigations after eight years and three trials.

Forbes, 63, faces more than 10 years in prison on the charges, which stem from a $250 million earnings manipulation at CUC International Inc., which through a merger became the travel and real estate conglomerate known as Cendant.

Two previous juries had failed to reach a unanimous verdict. Prosecutors this time cut the number of charges against Forbes and streamlined the presentation of their evidence, a strategy that made the case easier for jurors to digest, legal analysts said.

Cendant's disclosure of accounting tricks eight years ago slashed the stock price in half and erased $14 billion in shareholder value, ultimately leading the company to hand over a $3.2 billion settlement to investors, which was a record at the time.

The verdict closed the book on the Cendant case, which, at the time, before scandal-infused bankruptcies at Enron Corp. and WorldCom Inc., was considered the largest accounting fraud of the past decade. It also marked the third time in recent years that jurors rejected a top executive's claim that he failed to detect accounting tricks because he only breezily reviewed financial reports and delegated the details to subordinates who deceived him.

Two other businessmen who advanced that defense, WorldCom founder Bernard J. Ebbers and Enron founder Kenneth L. Lay, were convicted of all criminal charges against them. Ebbers is serving a 25-year prison sentence. Lay died in July before he could be sentenced, and a judge last month wiped away his conviction because of legal precedent.

Yesterday, U.S. District Judge Alan H. Nevas ordered Forbes to return to court Jan. 17 for sentencing. Nevas also increased Forbes's bail to $1.2 million and barred him from making significant asset transfers without court approval. Prosecutors had presented evidence that Forbes had shifted more than $25 million to his wife and children before his first trial.

U.S. Attorney Christopher J. Christie said he was "gratified" by the verdict and pleased for victims who "have waited a very long time for justice to be done."

"This is a great day for those who believe that everyone in our society must be held accountable for their conduct," Christie said in a statement.

Prosecutors contended that a scheme to produce steady earnings growth at CUC International got out of hand but that the fraud came to light months after the company merged with HFS Inc. to create Cendant in 1997. Cendant, which housed the Avis and Budget car rental businesses, Ramada hotels, and Century 21 Real Estate operations, among others, has since split into four companies.

In Forbes's case, government lawyers scuttled a dozen charges and focused on proving just four potential crimes. After three days of deliberation, jurors in Bridgeport, Conn., found Forbes not guilty of a related securities fraud charge. That strategy of paring down a complex case also proved successful against former Tyco International Ltd. chief executive L. Dennis

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Kozlowski. Kozlowski's first prosecution ended in a mistrial, but he was convicted of larceny and other charges in a second attempt. He is serving a prison sentence of 8 1/3 to 25 years in a New York state facility.

Forbes's chief deputy, onetime Cendant vice chairman E. Kirk Shelton, was sentenced to 10 years in prison last year after a jury that deliberated for 33 days found him guilty of conspiracy, fraud and false statements. A trio of former Cendant executives, including finance chief Cosmo Corigliano, earlier pleaded guilty and agreed to cooperate with the government in exchange for leniency at sentencing. Corigliano was the sole insider who tied Forbes to wrongdoing.

During the brief trial, which began last month, Forbes's attorneys attacked Corigliano as a liar who engineered the fraud, then struck a deal with prosecutors that allowed him to keep millions of dollars in cash and other assets.

Cendant, which had been paying Forbes's legal bills because a company spokesman said it was "obligated" to do so, may have grounds to recover some of the money because Forbes has been convicted.

Defense attorneys Brendan V. Sullivan Jr. and Barry Simon of the Washington law firm Williams & Connolly LLP did not return calls for comment, but Sullivan told Bloomberg News that he would appeal.

Cendant's Ex-Chairman Is Guilty Of 3 Charges (AP)

By The Associated Press

AP, November 1, 2006

NEW HAVEN, Conn. (AP) -- A jury found former Cendant Corp. Chairman Walter Forbes guilty of conspiracy to commit securities fraud and two counts of making false statements Tuesday in a massive fraud scheme that cost the travel and real estate company and its investors more than $3 billion.

He was found not guilty of a fourth count, securities fraud.

The verdict could end what was, when it was first brought, the largest case of accounting fraud in the country. The Cendant case was among the first in a series of corporate accounting scandals that sparked outrage from investors in recent years.

The case was being tried after two previous juries deadlocked.

"It's the third time and was worth all the effort," said Michael Drewniak, a spokesman for the U.S. Attorney's office in New Jersey. "We always believed fully in all the evidence against Mr. Forbes. We are extremely gratified by today's results."

Prosecutors say that Forbes participated in a scheme to inflate the stock of Cendant's predecessor, CUC International, by $500 million. The fraud was reported in 1998, causing Cendant's market value to drop by $14 billion in one day.

Forbes has argued he knew nothing about the fraud. His co-defendant, former Cendant Vice Chairman E. Kirk Shelton, was convicted last year of conspiracy, mail fraud, wire fraud, securities fraud and making false statements to the SEC.

A message seeking comment was left with Forbes' attorney.

Shelton was sentenced to 10 years in prison and ordered to pay $3.27 billion restitution to the company, which stockholders renamed Avis Budget Group. (NYSE:CAR) The restitution order includes a balloon payment of $15 million and monthly installments of $2,000 after he is released from prison.

Forbes was chief executive officer of CUC and Shelton was president before CUC merged with HFS Inc. to form New York-based Cendant in December 1997.

CUC, which ran a membership marketing operation, merged in 1997 with HFS Inc., a travel and real-estate services company, to form Cendant. Cendant's brands included Ramada, Howard Johnson, Avis, Coldwell Banker and Century 21.

Cendant was based in New York, but the litigation has been in Connecticut because the CUC division was headquartered in Stamford at the time the fraud occurred. The case was prosecuted by the New Jersey U.S. Attorney's office because HFS was headquartered in Parsippany, N.J.

In September, Cendant stockholders changed the company's name to Avis Budget Group to reflect its Avis and Budget vehicle rental brands. Its real estate and hotel businesses were spun off as stand-alone companies and the company sold its travel distribution operations.

SEC Shines Light On Obscure Market (WSJ)

By Serena Ng And Gregory Zuckerman

The Wall Street Journal, November 1, 2006

Behind a regulatory probe into possible manipulation of Treasury prices is a strategy that helps traders make certain bonds scarcer and more valuable, say people familiar with the matter.

The Securities and Exchange Commission is investigating whether UBS AG was involved in improper manipulation of Treasury-securities prices. Separately, a Credit Suisse Group bond trader recently left the firm amid regulatory scrutiny of the market. No regulator has alleged wrongdoing by any individual or at any specific bank.

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Regulators are focusing on a large and somewhat obscure corner of the market where investment banks, hedge funds, mutual funds and other investors use bonds as collateral for short-term cash loans. It is called the repurchase-agreement, or "repo," market. Wall Street uses the repo market to borrow large sums of cash quickly, and the Federal Reserve uses the market to help manage short-term interest rates.

People familiar with the government's investigation say some firms might be intentionally restraining supply in the repo market by borrowing scarce bonds and then entering deals that park a large proportion of those bonds with custodian banks, keeping them from being lent out to other traders. By constraining supply this way, traders can make their holdings -- or the holdings of clients -- more profitable.

The deals, known as triparty repurchase agreements, are part of normal trading activity, but regulators are concerned they are being abused.

The custodian banks in these cases -- banks like J.P. Morgan Chase & Co. and Bank of New York Co. -- act as intermediaries, managing the use of the bonds as collateral and ensuring funds are transferred and interest is paid on the loans.

These custodian banks aren't suspected of any wrongdoing.

Triparty repos are widely used and generally make it more efficient to finance transactions. But these arrangements "also allow firms to park scarce securities in a collateral pool without losing control of them," says Lou Crandall, chief economist at Wrightson ICAP.

A firm that has control over the supply of a Treasury issue in high demand can profit by lending some of the bonds to other market participants and pay an interest rate on the cash it borrows that is well below the market rate.

A UBS spokesman declined to comment on the firm's trading strategy. A Credit Suisse spokesman declined to comment.

James Clouse, a Treasury Department official who in September publicly warned dealers about market manipulation, also discussed the use of triparty repos as a way for firms to control the supply of bonds.

"This strategy can be an exercise in monopoly pricing," Mr. Clouse said in the September speech.

Bond Prices Rise

Treasury prices rose, as weaker-than-expected economic data inspired investors, and the market benefited from month-end buying.

Prices climbed after the Conference Board reported a drop in consumer confidence levels for October. A decline in the Chicago Purchasing Management's regional business activity index last month also helped to push prices up.

At 4 p.m., the benchmark 10-year note was up 16/32 point, or $5 per $1,000 face value, at 102 2/32. Its yield fell to 4.610% from 4.671% Monday, as yields move inversely to prices. The 30-year bond rose 31/32 point to 96 16/32 to yield 4.721%/

Yesterday's data, coupled with last week's soft gross-domestic-product figure, left investors with a "sense the economy is going to be slower in the fourth quarter than expected," said Scott Gewirtz, head of Treasury trading at Lehman Brothers Holdings Inc. in New York. "That's helping to move the market higher," he said.

The market also was pushed by money managers buying bonds to rebalance portfolios at month end, said Michael Cheah, vice president and portfolio manager at AIG SunAmerica Asset Management in Jersey City, N.J.

McAfee Ex-Official Settles Case By A WALL STREET JOURNAL Staff Reporter (WSJ)

The Wall Street Journal, November 1, 2006

WASHINGTON -- A former McAfee Inc. treasurer agreed to pay $758,000 and accept a five-year ban on serving as an officer of a public company to settle civil charges that he aided the computer-security company's multimillion-dollar fraud from mid-1999 until he left the company in July 2000, the Securities and Exchange Commission said.

Eric Borrmann, who served in various senior positions including treasurer, settled without admitting or denying wrongdoing.

Mr. Borrmann was accused of assisting McAfee's executives and senior managers in preparing and distributing false and misleading information about the company's financial results. He also was accused of making $314,517 in illegal profits by trading on inside information about McAfee's fraud.

Earlier this year, McAfee, based in Santa Clara, Calif., agreed to pay a $50 million civil penalty to settle charges that it engaged in a fraudulent scheme that overstated cumulative net revenue by $622 million from 1998 through 2000.

An attorney for Mr. Borrmann couldn't be reached to comment.

Mr. Borrmann must return the money that he illegally earned and pay $128,529 in interest. In addition, he will pay a $314,517 civil penalty.

Power To The People By JAMES DOW And PAOLO VOLPIN (WSJ)

The Wall Street Journal, November 1, 2006

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Executive compensation scandals are back, in Europe as well as in the U.S. Just think of the news during the last couple of weeks. There were stories about the backdating of executive stock options, a court ruling ordering former New York Stock Exchange boss Dick Grasso to repay tens of millions of dollars in retirement pay, the retrial of members of Mannesmann's supervisory board, the controversial BHP Billiton's bonus awards, and a 30% pay increase for Siemens CEO Klaus Kleinfeld at the same time that 3,000 of his employees lost their jobs. Whew!

Economists have traditionally taken a benign view of stock options and generous executive compensation. Basic economic theory suggests that they align management interests with shareholders'. If managers were simply paid moderate, flat salaries, why would they ever allow takeovers by a predator who might fire them, or implement painful but necessary restructurings, or take on the risks of major new investment projects?

But the excesses of the last few years have fueled the resurgence of the contrarian view: that high incentive pay can actually exacerbate conflicts between shareholder value and CEO interests. While executive pay is supposed to be awarded by shareholders to their managers in order to improve incentives, the reality is that managers often control their own pay awards. Thus, a culture of high pay may be a signal of expropriation rather than a tool for value creation.

So is incentives-based pay a symptom or a cure for corporate governance ailments?

Let's look at some of the recent controversies. Since options backdating was unearthed last year, over 30 U.S. CEOs and board members have lost their jobs. Last Friday a court in Germany began the retrial of six former Mannesmann board members accused of giving themselves €57 million in bonuses for facilitating the 2000 takeover by Britain's Vodafone. Noel Forgeard was forced out as Airbus CEO after exercising options in March, shortly before news of delays to the company's most important project sent the share price crashing down. The Association of British Insurers (who represent approximately 20% of shareholders in all U.K. companies) has recently put out an alert after BHP Billiton awarded bonuses in excess of its stated policy without first consulting shareholders.

Some of these events suggest the possibility of serious corporate governance abuses, such as options backdating in the U.S. For a CEO to cash in options while in possession of negative inside information would also be a serious abuse, which is why the Airbus case attracted so much attention despite explicit denials from management. But in other cases, while management received a large amount of money, this may have induced an outcome that is favorable to shareholders. The Mannesmann takeover created value for its shareholders. The corporate governance problem at BHP Billiton was one of process rather than outcome: Shareholders were not particularly opposed to the compensation package in itself, but the fact that it violated the company's declared guidelines.

What is the right balance between encouraging effort and preventing top management from simply helping themselves to corporate resources?

Different countries have adopted various responses to this question, combining three main elements: better disclosure of information on executive compensation, more power for shareholders to participate in compensation decisions, and stricter ex-post enforcement via regulation and legal sanctions.

Most countries now require listed companies to disclose much more information than in the past. While continental Europe has traditionally tolerated opaque reporting, complete disclosure of individual board members' compensation, including stock options, has been mandatory in Italy since 1999, in France since 2001, and in Germany since 2006.

Traditionally, U.K. shareholders have enjoyed more power over their companies than have shareholders in other countries. For instance, they cast a nonbinding vote on the report of the compensation committee. Boards promote shareholder interests by maintaining independence from management. The CEO normally cannot also serve as chairman. Boards should have a majority of independent directors. The compensation committee must comprise exclusively independent directors, and directors who have served more than 10 years on the board are no longer considered to be independent. Similar measures have now been introduced by the main U.S. stock exchanges and Continental Europe, although they both lag behind the U.K.

Ex-post enforcement takes two forms. Securities regulators can initiate proceedings including criminal prosecutions, or shareholders can take private action. The U.S. system relies heavily on both forms of enforcement. In Enron and other high-profile cases, top executives have received heavy jail sentences which would be out of the question in most other countries. Also, the class-action system in the U.S. facilitates civil suits on behalf of shareholders. Although most countries have given increased power to securities regulators, and some such as Germany have also tried to facilitate shareholder lawsuits, none compares to the U.S. in terms of severity of punishments.

Disclosure, shareholder empowerment and ex-post enforcement are all ways of improving corporate governance. Which one is best? Disclosure not only helps but clearly is necessary: "Sunshine is the best disinfectant," as Louis Brandeis wrote. But disclosure alone cannot solve the big problems in corporate governance.

We have no doubt that shareholder empowerment is the way forward. We would like to see more mechanisms for shareholders to voice their claims as owners, such as more democratic board elections, since potential board members too often

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run unopposed; a more open takeover market, since incumbent managers too often can rely on various means of fending off hostile takeovers; or better representation for minority shareholders, since larger shareholders too often can abuse their power against the interests of others.

We disagree with the view that aggressive enforcement is the key to improved corporate governance. We'd certainly like to see blatant transgressors punished, but available evidence shows that relying on enforcement by securities regulators does not suffice. If there is one lesson to be learned from the options backdating scandal, it is that even the most devious lawmaker could never anticipate and prohibit all the devices that managers might conceive to abuse their shareholders.

Mr. Dow is a professor of finance, and Mr. Volpin an assistant professor of finance, at London Business School.

Intuit Emerges Unscathed From Government Stock Option Investigation (FINDLAW/AP)

AP, November 1, 2006

(AP) - MOUNTAIN VIEW, California-Intuit Inc. said the Securities and Exchange Commission has closed its investigation into the software maker's stock option accounting practices without taking any punitive action.

The conclusion removes Mountain View-based Intuit from a long list of companies under SEC scrutiny as regulators examine whether employee stock options had been manipulated in a way that inflates profits and decreases tax bills. The SEC began its Intuit inquiry in June.

Most of the problems to surface so far have revolved around "backdating." Under this practice, insiders try to make the rewards more lucrative by retroactively pinning the option's exercise price to a low point in the stock's value. Backdating can distort a company's books if the activity isn't properly recorded.

Intuit, which makes the popular TurboTax and Quicken programs, had previously disclosed that it did not need to restate its past profits because an internal investigation found no evidence of stock options misconduct.

The U.S. Attorney's office subpoenaed Intuit for information pertaining to its stock options around the same time the SEC began its investigation. Intuit said the U.S. Attorney's office hasn't sought additional information since the company passed along the findings of its internal inquiry.

Intuit shares rose 64 cents Monday to close at $35.07 on the Nasdaq Stock Market, then added 15 cents in extended trading.

CRIMINAL LAW:

Florida Searches For Root Of Surge In Violent Crime (USAT)

By Kevin Johnson

USA Today, November 1, 2006

ORLANDO — It was another day of brilliant sunshine and big crowds last Thursday at Walt Disney World and Universal Studios.

A few hours earlier, however, and a few miles away from the resorts that draw millions of visitors each year, a grim milestone had been reached: Orange County, excluding Orlando, recorded its 50th homicide of the year, topping last year's record of 49.

Orlando itself also is reporting homicides at an unprecedented pace: 42 so far this year, nearly double the 22 slayings last year in the city of 200,000.

The escalating number of killings in the Orlando area has made it one of the most extreme examples of the increasing violent crime rates being reported in dozens of cities across the nation, according to a recent analysis by the Police Executive Research Forum, a police advocacy group.

The FBI, which issues an annual report on crime nationwide, has not released numbers for 2006. However, the police group's report led the Justice Department to launch a review of possible demographic and economic triggers for violence in cities from Philadelphia to Sacramento. Meanwhile, the FBI has directed more than 100 additional agents to help local authorities fight violent crime.

There are a range of theories on the reasons for the jump in violence nationwide, including escalating gang wars and turf fights among drug rings. The Police Executive Research Forum used its analysis to underscore its claim that the U.S. government's focus on counterterrorism has undermined local authorities by directing federal money away from law enforcement.

In Florida, however, the violence seems to have roots that are more complex. Local authorities such as Ron Stucker, criminal investigations chief for the Orange County Sheriff's Department, say that although traditional gangs have a presence

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here, most of the homicides in this area appear to have stemmed from robberies or drug-related disputes that suddenly turned violent.

Across Florida, police are reporting spikes in violence after a decade of historically low crime rates.

This month, the Florida Department of Law Enforcement reported that homicides statewide were up by 27% through the first six months of 2006, compared with the same period last year. Robberies were up about 11% from 2005, the department reported. Local officials gave similar reports:

·In Jacksonville, homicides were up 30% during the first nine months of 2006, compared with the same period last year.

·In West Palm Beach, homicides were up 50% in the first six months of this year, compared with the first half of 2005. Since then, Police Chief Delsa Bush says, murder has stabilized, but robberies have soared.

·In Miami, homicides and robberies rose during the first half of 2006. Homicides were up 15%; robberies were up 7%.

"I don't think there is a particular reason (for the violence) that can identified," Florida Gov. Jeb Bush said recently. "Yeah, I'm concerned when there is that level of violence. It's happening across the country."

Ask Stucker what's driving the surge in violence in the Orlando area, and he points to cases such as a slaying Oct. 25 outside a strip club and a brutal robbery hours earlier of a 78-year-old former sheriff's lieutenant.

Both, Stucker says, illustrate a new and increasingly deadly escalation of behavior in which offenders are quick to use lethal force. In the strip club case, an argument in the parking lot quickly became an exchange of punches and then a knife attack that killed a 24-year-old man.

Stucker and Sgt. Allen Lee, head of the Orange County Sheriff's Department's homicide division, say there was no evidence of a history of violence between the victim and an undisclosed number of suspects.

The same apparently was true of the robbery involving Paul Murphy. The retired sheriff's lieutenant was leaving a convenience store after buying a candy bar and a newspaper when he was beaten.

"It goes from zero to 100 mph and sometimes murder, just like that," Lee says. "You see minimal confrontations blow (up), and there is no hesitancy to kill."

Especially alarming, Lee says, is a rise in robbery-related homicides. At least 12 of the county's 50 killings this year have been linked to robberies, compared with three or four such incidents in recent years.

The random nature of the robbery-related murders makes it more difficult to identify and pursue suspects, he says, and has contributed to a decline in clearance rates — from near 70% in previous years to about 50% today.

"It's flabbergasting to see suspects sit across from you" during questioning, Lee says. "They talk like death is the cost of doing business, an acceptable loss."

Orlando and the University of Central Florida are reviewing homicides in the city over the past five years to try to pinpoint causes of violence. Orlando Police Chief Michael McCoy and police Sgt. Richard Ring, who directs the city's homicide unit, say researchers will analyze the connections between offenders and victims.

There is little evidence to suggest the violence is slowing the region's $28 billion-a-year resort industry, which attracted 50 million tourists to the area last year, according to the Orlando/Orange County Convention and Visitors Bureau.

The area's tourist attractions have not been immune to violent crime, however. Last Friday, one person was wounded in a shooting in a parking lot at the Universal Orlando resort.

Resort spokesman Tom Schroder says it was the first such incident in the resort's 16-year history.

Stucker says that for the most part, the local violence has been limited to the west and south sides of Orange County, about 15 minutes from the resort areas. Beyond those areas, Stucker says, he isn't sure whether most residents view the rising violence as a big concern.

"People should be concerned, because it will spill out," he says.

Crime Continues To Rise In Montgomery (WP)

By Ernesto Londoño

The Washington Post, November 1, 2006

Crime in Montgomery County increased by 7 percent during the year's second quarter, largely driven by a sharp rise in robberies, according to statistics released yesterday.

Robberies increased by almost 68 percent during the reporting period, which ran from April to June. Another significant rise was in auto theft, which increased by 22 percent.

Taking into account the 12 percent increase in the first quarter, the county experienced a nearly 10 percent increase in reported crime during the first six months of 2006, compared with the same period last year.

Police Chief J. Thomas Manger said the increase is part of a national trend. Across the country, violent crime is on the rise, partly driven by an increase in juvenile delinquency.

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"I certainly react to it in a measured way," Manger said of the second quarter statistics. "My folks have a good handle on what the trends are, the locations where these things are happening. As best as we can, we're trying to buck this national trend."

Other jurisdictions in the area, including Fairfax and Prince William counties, also recorded more robberies in the second quarter. But Prince George's County, which generally has a higher crime rate than Montgomery, says reported robberies fell significantly.

Manger said he has added slots for robbery detectives and launched initiatives, including surveillance operations, in an effort to make a dent in the robbery rate.

He said Latinos in the county are being disproportionately targeted by robbers.

"There is a trend that Latino individuals are being targeted because the thought [among criminals] is that they don't keep money in the bank and they're going to have more money on them," Manger said.

The chief said groups of juveniles, some of whom belong to gangs, are responsible for a considerable number of robberies and other serious crimes. Montgomery police says crime committed by gang members in the county is on the rise.

The chief said victims could take steps to prevent many of the crimes that are driving the numbers up.

"In our burglaries and thefts, primarily, the victims in these cases are making it awfully easy for people to steal their stuff," Manger said. "They're leaving garage doors open, leaving car doors unlocked."

The number of reported homicides rose from three to six in the second quarter and from six to 10 in the first six months. The number of rapes decreased from 37 to 31 in the quarter and from 71 to 64 in the first six months.

Aggravated assaults decreased slightly during the second quarter. Burglaries and larcenies rose about 9 percent each. Less serious crimes -- such as minor assaults, forgery, embezzlement, prostitution and drug-related offenses -- increased by nearly 5 percent.

The number of reported arsons rose considerably during the quarter, from 15 in 2005 to 34 this year.

Attorneys: No Backstory In CIA Leak Case (AP-Y)

By Matt Apuzzo

AP, November 1, 2006

Special Prosecutor Patrick Fitzgerald and former White House aide I. Lewis "Scooter" Libby agree on something: keeping Libby's perjury trial in the CIA leak case focused solely on his actions. The two are separately asking a federal judge not to allow three years of politically charged backstory in the case to seep into Libby's trial starting in January.

In new court documents, Fitzgerald argued that he shouldn't have to explain why Libby was charged while others, including the source of the leak, escaped prosecution. Libby said jurors shouldn't hear about New York Times reporter Judith Miller's 85-day jail term for refusing to discuss her conversations with him.

The court documents, filed late Monday, are an effort to keep the trial focused on whether Libby, the former chief of staff to Vice President Dick Cheney, lied to investigators about his conversation with reporters regarding CIA officer Valerie Plame.

Libby's supporters have accused Fitzgerald of singling him out while not charging the source of the leak, former Deputy Secretary of State Richard Armitage. Fitzgerald wrote Monday that discussing that issue would be irrelevant.

"If Mr. X was investigated for leaking classified information, the government's decision not to charge Mr. X should have nothing to do with the jury's role as the finder of fact in Libby's case," Fitzgerald wrote.

The prosecutor is trying to prevent Libby's attorneys from making the argument that Libby had no reason to lie because, if he had leaked classified information, prosecutors would have charged him with it.

Similarly, Libby's attorneys said it would be unfair for prosecutors to discuss Miller's refusal to testify or the lengthy court fight involving other reporters. Miller cooperated with investigators after serving 85 days in jail.

"The introduction of these issues would undoubtedly cause jurors to wonder whether Ms. Miller went to jail in an effort to shield Mr. Libby from liability, and whether Mr. Libby is to blame for her incarceration," defense attorneys wrote.

If such testimony is allowed at trial, defense attorneys said they might have to call Fitzgerald as a witness to discuss his role in getting Miller and others to testify.

Plame believes her identity was leaked as retribution for her husband's criticism of the Bush administration's prewar intelligence on Iraq. Defense attorneys also asked a federal judge to block discussions about whether Plame's CIA status was classified or whether releasing that information jeopardized her safety or national security.

Judge Is Asked To Block Libby Defense From Discussing Lack Of Stronger Charges (NYS)

By Josh Gerstein, Staff Reporter of the Sun

New York Sun, October 31, 2006

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Prosecutors are asking a federal judge to preclude lawyers for a former White House aide facing trial for lying and obstruction of justice, I. Lewis Libby, from telling jurors that the government failed to charge Mr. Libby or anyone else in connection with the event that triggered the probe, the disclosure of the identity of a veteran CIA officer in 2003.

Meanwhile, defense attorneys are seeking to prevent jurors from learning about any damage caused by the leak about the CIA operative, Valerie Plame. The defense also wants to keep the jury in the dark about the 85-day incarceration of a New York Times reporter, Judith Miller, after she was cited for contempt for refusing to testify about her contacts with Mr. Libby, who was then chief of staff to Vice President Cheney.

The legal maneuvering came as the two sides faced a deadline yesterday to file motions aimed at restricting evidence or arguments to be presented at Mr. Libby's trial, which is set for January.

The special prosecutor assigned to the inquiry, Patrick Fitzgerald, asked Judge Reggie Walton to preclude defense attorneys from discussing during the trial why Mr. Libby was not charged with deliberately outing Ms. Plame. Mr. Fitzgerald also asked to exclude any evidence about why others were not charged in the case.

"The fact that neither Libby nor anyone else has been charged with a crime for the disclosure of classified information is irrelevant to whether Libby committed the crimes charged in the indictment," Mr. Fitzgerald argued. He wrote that discussion of the government's charging decisions could lead to "unfair prejudice" and "jury nullification."

"The jury might impute to the government certain beliefs based on the decisions not to charge certain crimes and improperly draw inferences regarding the government's view of the conduct, such as the conclusion that the government believes the defendant's behavior in disclosing information was proper," Mr. Fitzgerald said.

The Justice Department selected Mr. Fitzgerald, the top federal prosecutor in Chicago, to examine whether any laws were broken in the disclosure of Ms. Plame's identity in a newspaper column by Robert Novak in 2003. Initial speculation suggested that White House officials engineered the leak because Ms. Plame's husband, Joseph Wilson, had criticized President Bush for claiming that Iraq sought nuclear materials in Africa.

It emerged recently that the initial leak to Mr. Novak came from the deputy secretary of state at the time, Richard Armitage, though other reporters have testified that they learned of or confirmed Ms. Plame's CIA employment from Mr. Libby and another White House aide, Karl Rove.

No one has been charged criminally in connection with the leak itself, though Ms. Plame has brought a civil suit against various officials.

Mr. Libby resigned after being indicted last year on charges that he lied about his contacts with reporters and about his knowledge that Ms. Plame's status was classified. He has pleaded not guilty.

Defense lawyers asked Judge Walton to block all testimony about the legal maelstrom that surrounded the government's efforts to get testimony from reporters believed to have learned of Ms. Plame's identity from officials in the government.

The defense filing revisits a dispute about how clearly Mr. Libby informed Ms. Miller, who later left the Times, that he wanted her to testify about their discussions. Mr. Libby's attorneys have insisted that they left no doubt about the White House aide's position. Ms. Miller and one of her lawyers, Floyd Abrams, have said they picked up signals that Mr. Libby's waiver was less than voluntary. The reporter spent nearly three months in jail in Virginia before the waiver was clarified and she testified that she was told about Ms. Plame by Mr. Libby.

Defense lawyers said the details might lead the jury to think, unfairly, that Mr. Libby engineered a cover-up. "The introduction of these issues would undoubtedly cause jurors to wonder whether Ms. Miller went to jail in an effort to shield Mr. Libby from liability, and whether Mr. Libby is to blame for her incarceration," the defense team wrote.

Mr. Libby's attorneys are also seeking to exclude from the trial any talk that Ms. Plame's employment at the CIA was classified or covert. Such a ruling would leave jurors with little or no understanding of why Mr. Fitzgerald's investigation began. Instead, Mr. Libby's trial would become a sterile, seemingly-random discussion of inconsistent recollections between a former White House official and several reporters about conversations four years earlier.

However, the defense argued that such a constrained trial is the necessary result of the government's refusal to hand over documents detailing the secrecy surrounding Ms. Plame's employment. "It would be manifestly unfair to allow the government to put into issue a matter that Mr. Libby has been denied any real opportunity to investigate and contest," the defense lawyers wrote.

Mr. Libby's legal team also wants to block Mr. Fitzgerald from suggesting that Mr. Libby did anything wrong when he discussed contents of a National Intelligence Estimate on Iraq with journalists, including Ms. Miller. Mr. Libby has claimed that he was told by Vice President Cheney that Mr. Bush authorized the release of key findings in the report, which was highly-classified until that point.

One of yesterday's defense filings discloses that two other White House employees were privy to at least part of another conversation where Mr. Libby allegedly discussed Ms. Plame's CIA post with a reporter. The defense said Mr. Cheney's

spokesman, Catherine Martin, and Mr. Libby's assistant, Jennifer Mayfield, were present when Mr. Libby spoke by phone with Matthew Cooper of Time magazine.

However, it's unclear whether Ms. Martin and Ms. Mayfield would have understood the import of Mr. Libby's alleged comment about the CIA operative. Mr. Cooper has said that when he said he'd been told Ms. Plame worked at CIA, Mr. Libby replied something to the effect of, "Yeah, I've heard that, too."

Mr. Cooper got his initial tip about Ms. Plame from President Bush's top political adviser, Karl Rove. Mr. Rove was investigated intensely by Mr. Fitzgerald, who ultimately decided not to seek charges.

Democrats have urged Mr. Bush to fire Mr. Rove or strip him of his security clearance. The White House has not responded to the suggestion.

Judge Walton has said he wants all written arguments on the pre-trial motions wrapped up by Nov. 17 because he is scheduled to leave for Jamaica the next day. "It is particularly important for the expeditious resolution of these motions that Judge Walton have something to work on while relaxing on the beach," he wrote in an order earlier this month.

Masilotti Grand Jury Highlights Lobbyist's Role (PALMBEACHP)

By Jane Musgrave, Tom Dubocq, Palm Beach Post Staff Writers

Palm Beach Post (FL), November 1, 2006

WEST PALM BEACH — William Boose, one of Palm Beach County's most influential lobbyists, is a central figure in the biggest corruption scandal to rock county government in nearly a century.

A federal grand jury that indicted former County Commission Chairman Tony Masilotti in a land-deal conspiracy also is looking at Boose.

In the criminal information filed against Masilotti, the grand jury found Boose helped Masilotti hide his interest in a government land deal in Martin County. When FBI agents started asking questions, Boose falsified legal bills to disguise the fact that he didn't charge Masilotti full price for legal services, according to the court record. He worked on Masilotti's land deal while lobbying the county commission for other developer clients. His business relationship with the commissioner never was disclosed, the grand jury reported.

No criminal charges against Boose, 62, have been made public, but he has hired attorney Jack Goldberger - a legal powerhouse who has a reputation for working with authorities to negotiate plea deals for high-profile clients. Goldberger and his client aren't talking.

Boose's friends are worried. "I talked to him about 10 days ago, roughly when he realized something major was up," said George Elmore, a long-time friend and lobbying client. "Be kind to him."

Like scores of major landowners in the county, Elmore, the multimillionaire founder of Delray Beach-based Hardrives construction, credits Boose with getting government agencies to approve large, problem-plagued projects that would have flummoxed other attorneys.

Masilotti reached out to Boose in 2002 as the commissioner plotted a scheme to profit from a Martin County land purchase by the South Florida Water Management District, a well-publicized acquisition to help clean up the Loxahatchee River. Masilotti wanted to secretly own land that the district would buy. Boose provided the vehicle: a secret land trust, prosecutors alleged.

The land deal hit a snag when the district required disclosure of who was behind the land trust. Boose, according to the grand jury, helped engineer a land swap that would hide Masilotti's $1.3 million profit.

Boose has weathered adversity before.

In the 1980s, Boose was a tanned, fit and good-looking farm boy who had a wildly successful law practice, a two-story Colonial-style house along the Intracoastal Waterway in West Palm Beach and a reputation as the man high-rollers should see if they wanted to develop property in Palm Beach County.

Then came the late-'80s real-estate crash.

"He would have been a lot better off to file for bankruptcy," Elmore recalled. "But he wouldn't because it was against his principles."

Then Elmore added with a rueful laugh, "He's concerned about his image."

The image Boose carefully cultivated, the one that kept his financial problems hidden, allowed him to weather a financial storm that might have sunk lesser men.

It's a reputation Boose developed early in his multifaceted career, which took him from a $20,000 job as the county's first planning director to the height of his profession. After graduating from law school at the University of Florida, he got real-estate and general contractor's licenses and eventually became a developer himself.

Boose helped found the company that became Touchstone-Webb Realty. He was in a partnership that developed the Northbridge Centre, the black high-rise in downtown West Palm Beach known as the Darth Vader building. He was one of the

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owners of the Amtrak station on Tamarind Avenue before selling it to the city of West Palm Beach for $2.5 million. He has handled scores of large-scale rezoning requests.

"He's a workaholic," said County Commissioner Karen Marcus, who has known Boose since she was a commission aide.

Her first memory of him was when she was 19 and he and another young lawyer tried to pick up her and a friend as they were leaving the courthouse. Neither she nor her friend became romantically involved with either of the attorneys, but she and Boose became fast friends.

His friendship with commissioners has been both his strength and a sore point among those who question whether it made him uniquely qualified to persuade the commission to embrace unchecked development.

"He had an inordinate amount of influence with them because he knew them," said Dorothy Wilken, a former county commissioner and clerk of courts.

After serving as the county's first director of planning, zoning and building, he opened a private land-use law practice and began lobbying the commission. Based in part on his actions, Wilken unsuccessfully pushed for a law to restrict the ability of former county staffers to lobby the commission.

It was a time when county government was ruled by a group of young men and women dubbed the Kiddie Car Gang. Though some, such as current Airports Director Bruce Pelly and Assistant County Administrator Vince Bonvento, made careers in county offices, many turned up on the other side of the podium as lobbyists.

Boose's change of uniform was noteworthy because he had authored the county first comprehensive land-use plan, a document that won awards and rave reviews from managed-growth advocates.

"The ironic part is after assisting the county commission in adopting an award-winning land-use plan in the 1970s, he went to the other side and began to dismantle it," Wilken said. "He knew where all the loopholes were."

Former Commissioner Dennis Koehler, who was a member of the Kiddie Car Gang, said Wilken's criticism is unfounded.

In many respects, Boose was ahead of his time, he said. Long before impact fees were required of developers, Boose would force clients to donate land for parks or schools or pay for multimillion-dollar road projects to get development approval.

And, Koehler said, Boose wouldn't let his clients forget promises. "I don't think he created any loopholes," Koehler said. "He played the game straight up. I would credit Bill with influencing those kind of development contributions, and I would think that's a fine legacy."

And, those who knew him said, his rise wasn't happenstance. He set five-year plans for himself. A native of Nebraska, he went to law school in Florida because he knew it was a high-growth state. He planned his moves carefully and then worked hard to achieve his goals.

He once described himself this way: "I consider myself a B-skill player who tries to participate at an A level through intensive preparation."

The divorced father of an adult daughter, he lives with a longtime girlfriend in Palm Beach Gardens.

"He's gone through it all," Elmore said. "He's had trials and tribulations in his personal life. He takes on challenges and finds a way to solve them. He perseveres."

Fraud Charges Against 35 In Sting (PHI)

By Vernon Clark

The Philadelphia Inquirer, November 1, 2006

A Center City lawyer and 34 other people were charged with fraud yesterday in an elaborate sting operation that focused on personal injury claims from supposed vehicular accidents, the U.S. Attorney's Office announced.

U.S. Attorney Patrick L. Meehan said his office and the FBI set up a bogus chiropractic clinic, known as Injury Associates, on Roosevelt Boulevard in Northeast Philadelphia as the center of the sting, which was conducted over about three years.

Officials said those charged were divided into three groups: the lawyer, Jordan B. Luber, who obtained a legal settlement on behalf of two FBI agents posing as injured patients from a vehicular accident; 31 "patients" who sought financial recovery based on false medical diagnoses and nonexistent medical treatment for supposed injuries from vehicle accidents; and "runners" who received referral fees from Injury Associates for recruiting "patients" to the clinic while knowing the clinic was a fraudulent operation.

In the scheme, the runners got kickbacks, and the patients received paperwork that could be used to file injury claims in hopes of receiving a settlement.

Meehan said the fraud caused harm to insurance companies and their customers.

"This goes back to the ratepayers, each and every one of us who pay insurance premiums," Meehan said.

Officials said the fraudulent personal injury actions pursued by the defendants yielded more than $1.5 million in settlement demands and more than $350,000 in insurance company payments. They provided no breakdown of individual payments.

The clinic offered no medical treatments, and the patients were told up front that they were going to be part of a fraud, officials said.

Meehan said the "patients" were given ample opportunity to back out of the fraud. "Instead, they went forward," he said.

"It was simply a paper-processing mill," Meehan said of Injury Associates.

He said the paperwork was primarily false treatment records and false medical diagnoses.

The undercover agents explained to the "patients" that Injury Associates' goal was to help them support their personal injury claims by preparing paperwork to make it appear as if they were receiving treatment even though they were not, officials said.

The clinic allowed people who were in real or staged car accidents a chance to seek compensation for personal injuries based on fake or exaggerated claims, officials said.

The defendants face maximum sentences from 60 to 210 years in prison, officials said.

35 Facing Charges In Insurance Claim Scam (PHI)

By Michael Hinkelman

The Philadelphia Inquirer, November 1, 2006

Injury Associates was not just another chiropractic clinic. In fact, it wasn't a chiropractic clinic at all.

It was part of an elaborate FBI sting carried out from 2003 to June 2006 that targeted individuals participating in phony personal-injury claims against auto insurers arising out of supposed car accidents.

A federal grand jury yesterday charged 35 individuals with mail and health-care fraud in the scheme.

Among those charged was Philadelphia lawyer Jordan B. Luber, 40, of Lafayette Hill, a partner in the firm of Luber & Cataldi, which specializes in personal-injury cases, including those received from automobile accidents.

The feds say Luber sought and obtained legal settlement on behalf of two FBI undercover agents posing as patients injured in a car accident.

Prosecutors allege Luber knew that their injuries were either fabricated or exaggerated and that they had received no medical treatment. He then allegedly negotiated a $15,000 settlement with St. Paul Travelers insurance company.

Luber allegedly pocketed a $6,000 fee and split the rest of the proceeds with the two agents. The feds want him to forfeit the money.

Luber was arraigned yesterday before U.S. Magistrate Judge David R. Strawbridge and pleaded not guilty. He was released on $100,000 bail secured by his property in Lafayette Hill.

The grand jury also charged 31 people who tried to recover claims and three "runners" who received referral fees for recruiting patients to the clinic.

Most of those charged were arraigned yesterday and pleaded not guilty.

"It was explained to these defendants up front that they were going to be part of a fraud," U.S. Attorney Patrick Meehan said yesterday. "They were given a chance to bail out and they chose to keep going."

The fake clinic offered people who claimed to have been in real or staged automobile accidents an opportunity to pursue fraudulent personal-injury claims based upon fake or exaggerated injuries.

The defendants should have been wary of the sting from the get-go. Injury Associates made clear to anyone who wanted to use their facilities that it did not provide any medical treatment or therapy but existed solely to create paperwork to support the bogus injury claims.

The paperwork consisted of false medical records and reports.

Each individual sting operation began with a meeting between patients and undercover agents. In some cases, the runner who referred the patients also attended.

Injury Associates appeared to be a legitimate clinic, operating at a storefront on Roosevelt Boulevard near Rhawn Street in Northeast Philadelphia.

Arriving patients were greeted by a receptionist and then were taken into an inner office for an initial consultation.

FBI agents then explained to potential patients how the scam worked. The meetings were both audio- and videotaped.

If a patient wanted to proceed, agents would assign injuries to the patient that would maximize the value of the patient's claim.

Agents then told the patients to report to the clinic at least once a week to sign in for the entire work week so it would appear they received treatment on numerous days each week.

Patients also were told that agents would use the sign-in sheets to describe the fake injuries which they would later submit to the patient's attorney to bolster the patient's claim.

The feds said the sting resulted in more than $1.5 million in settlement demands and $350,000 in actual insurance payments on the bogus claims.

The money was held in an escrow account maintained by the feds and later was returned to insurers.

Meehan said yesterday that the investigation is ongoing.

According to the Insurance Information Institute, bogus property and casualty claims cost insurers about $30 billion a year, a cost that is passed on to consumers in the form of higher rates.

35 Charged In Philly Insurance Fraud Sting (AP)

AP, November 1, 2006

PHILADELPHIA (AP) — Nearly three dozen people face fraud charges after federal authorities set up a phony chiropractic clinic as part of a sting operation that focused on personal-injury claims from supposed automobile accidents, authorities said Tuesday.

A lawyer, Jordan B. Luber, obtained a legal settlement on behalf of two FBI agents posing as injured patients from a traffic accident, according to federal authorities.

The 35 people charged also include 31 who sought payments based on false diagnoses and nonexistent treatment, and others who got fees from the clinic for bringing in phony patients, authorities said.

Patients at the Northeast Philadelphia clinic, called Injury Associates, were told up front that they were going to be part of a fraud, authorities said.

The scheme resulted in more than $1.5 million in settlement demands, and over $350,000 in insurance company payments on fraudulent claims, according to prosecutors.

"This kind of fraud affects the bottom line for all of us," U.S. Attorney Patrick Meehan said in a statement. "We see higher insurance rates because some choose to exploit the system."

Messages left after business hours Tuesday at Luber's office and at a number provided to reach him after hours were not immediately returned.

Safety Margin For Tunnel Was Smaller Than Most, US Says (BOS)

By Sean P. Murphy And Scott Allen, Globe Staff

The Boston Globe, November 1, 2006

Preliminary report issued

The Big Dig tunnel ceiling that collapsed in July was designed with a smaller margin of safety than other tunnel ceilings around the country, leaving nothing to prevent heavy concrete slabs from falling on a passing car when ceiling bolts fell out, according to a preliminary report by federal investigators obtained by the Globe.

The Interstate 90 connector's drop ceiling was held up by steel hangers, which were suspended from bolts that had been glued into the tunnel roof. But there were no beams attaching the ceiling to the walls, and the ceiling was constructed with half as many ceiling bolts as in the original design. "No redundancy was built into the ceiling in the event the hangers failed," the National Transportation Safety Board states in its report. "The NTSB has researched other tunnels throughout the country and has found that significant redundancy is built into the ceiling design" so that the ceilings would not collapse when bolts fall out.

The report does not reach conclusions about the cause of the ceiling collapse, because the investigation is not finished. But it shows reveals that the federal agency is looking into the adequacy of tests done to ensure the strength of the ceiling bolts and says notes that an employee of the testing contractor told investigators that testing procedures differed from what was required by the contruction contract.

The accident, which killed Milena Del Valle as she rode in a car to Logan International Airport with her husband late on July 10, already has triggered federal and state criminal investigations, a wrongful death lawsuit filed by Del Valle's family, and the resignation of the chief of the Massachusetts Turnpike Authority. But the investigation by the NTSB will carry enormous weight in assessing what went wrong and who should be punished, because of the agency's expertise in reconstructing disasters.

The preliminary report, sent to key federal officials yesterday, describes paints a picture of significant lapses by on the part of both the state government and private companies involved in the $14.6 billion Big Dig project. From the tunnel's original design in the mid-1990s to the moment of the accident, the report suggests that people involved in the project made decisions or mistakes that increased the risk of disaster, the report suggests.

For instance, the report said, officials from Bechtel/Parsons Brinckerhoff, the joint venture overseeing the Big Dig, decided to use epoxy bolts to suspend the ceiling from the tunnel's roof, even after they had switched from a lightweight material used for the ceiling in the adjacent Ted Williams Tunnel to much heavier concrete ceiling panels to save money. Epoxy bolts, which are

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held in place by a kind of super glue, are rarely used to suspend such heavy objects over people's heads, according to Globe interviews with engineers who specialize in the low-cost, but somewhat delicate bolts.

Then in 1997, the NTSB found, Bechtel/Parsons Brinckerhoff managers in 1997 directed the company designing the ceiling to follow a design that "provides little or no redundancy" to prevent a ceiling collapse if more than one hanger, each held up by two bolts, comes loose. NTSB researchers found that other US tunnels around the United States commonly feature side supports or other methods that back up the primary suspension system. if ceiling bolts come out.

By contrast, the connector tunnel had no side supports, and Bechtel/Parsons Brinckerhoff persuaded the designers at Gannett Fleming to cut in half the overall number of ceiling bolts holding up the connector ceiling, according to a 1998 memo previously reported disclosed by the Globe. After the accident, state investigators found that ceiling panels in the connector tunnel could collapse if as few as four ceiling bolts fail.

The NTSB report also suggests that flaws in construction of the ceiling, carried out by Modern Continental Construction Co., may have made the design more hazardous. While offering few details, the report said FBI and State Police interviews with Modern Continental workers point to "potential problems in the procedures used during installation." In addition, epoxy samples taken from parts of the tunnel away from the accident site showed "dark brown discoloration," a sign that the epoxy was mixed improperly, diminishing weakening its strength.

The NTSB also said safety tests carried out to prove the ceiling bolts were securely in place may have damaged some bolts. An inspector from the bolt-testing company, ConAm Testing, told NTSB investigators that some bolts were tested while the concrete ceiling panels hung from them, which required workers to lift the weight off the bolt being tested - and shift it onto nearby bolts. That extra weight could have weakened weaken the strength of the bolts not undergoing the test, say engineers not connected to the Big Dig or the investigation.

The NTSB investigators also are looking at whether the bolt safety tests were rigorous enough. The Globe has reported that during construction in 1999, at least five bolts came loose soon after the connector ceiling was suspended from them, even though they had passed earlier safety tests. At the time, Bechtel/Parsons Brinckerhoff officials required Modern Continental to retest bolts in parts of the connector using stricter safety standards, but bolts in the eastbound lane, where the ceiling caved in, were not retested.

Federal investigators have found no evidence that the Massachusetts Turnpike Authority ever rechecked the ceiling bolts after the connector opened to the public in 2003, to make sure they were not slipping out, the report said. If they had, the report finds, they would have seen some bolts showing "extreme displacement." under the stress of holding up the ceiling. Some of the 5Æ-inch-long bolts had come more than an inch out of their holes, the report said.

A lot of work remains to determine what happened and who is responsible. NTSB officials plan to interview more workers who built the ceiling, and lab analysts are testing the epoxy and how it was installed.

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U.S. Supreme Court Considers Death Row Case In Florida (FINDLAW/AP)

By Pete Yost, Associated Press Writer

AP, November 1, 2006

(AP) - WASHINGTON-A death row inmate's attorney argued Tuesday that the U.S. Supreme Court should allow the prisoner's appeal to continue despite a federal court ruling that he had missed a deadline for pursuing the case.

The lawyer for Gary Lawrence said Florida courts were to blame for the tardy appeal, not the inmate.

Attorney Mary Bonner told the justices that Lawrence did not receive a court-appointed counsel to handle his appeal for 10 months, wiping out most of the time that he had under federal law to seek review of his death sentence.

The issue involves the interpretation of the Antiterrorism and Effective Death Penalty Act of 1996, which places limits on the prolonged appeals process in capital punishment cases. It imposes a one-year deadline for petitioning federal courts in death cases after final judgments in state courts.

Under questioning by Chief Justice John Roberts, Bonner agreed with Roberts that her interpretation of the law would involve a process lasting up to six months.

"This is not a frolic" that would last years, Bonner told the court.

The state of Florida said Lawrence had just one day remaining to petition the federal courts after the Florida Supreme Court ended the case on Nov. 18, 2002. The lawyer for the convicted killer says the deadline under the law did not expire until the U.S. Supreme Court refused to consider the case several months later.

Lawrence's appeal of his conviction came up in the Florida courts at a time when the state was reforming its post-conviction review process. It took the state three attempts and 10 months to find a lawyer to represent Lawrence.

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Lawrence was convicted of beating his wife's lover to death with a pipe and baseball bat, then setting the body on fire 12 years ago.

Death Penalty In Limbo For Robinson (TOPCAPJ)

By Steve Fry, The Capital-Journal

Topeka (KS) Capitol-Journal, November 1, 2006

Federal prosecutors have one month to make decision

Frank Jerome "Chicago" Robinson, a Topekan charged with starting a fire that killed Marvina Washington last summer, will have another month before learning whether he will face possible imposition of the death penalty.

A federal district judge late last week gave federal prosecutors until Nov. 30 to decide whether to seek the federal death penalty against Robinson if he is convicted of a federal count of arson.

If Robinson is convicted, the maximum penalties for arson resulting in a death are life in prison or under certain circumstances, the death penalty, a spokesman for the U.S. attorney's office has said.

Marvina Washington, 53, was killed during a fire that destroyed the apartment house she lived in at 427 S.W. Tyler. After the fire was extinguished on Aug. 8, Washington's body was recovered from her second-floor apartment.

U.S. District Judge Julie Robinson said the delay wouldn't prejudice Frank Robinson and gave prosecutors until the close of business on Nov. 30 to file notice of the prosecution's intent to seek the death penalty. Before the judge's ruling, the deadline to file the notice had been Oct. 30.

In the prosecution request for more time, U.S. Attorney Eric Melgren and assistant U.S. Attorney Anthony Mattivi didn't anticipate a decision would be made by federal prosecutors by the Oct. 30 deadline.

"As the court is undoubtedly aware, the process within the Department of Justice for determining whether or not to seek the death penalty in a particular case is both lengthy and cumbersome," the prosecution motion for more time said.

Any decision to seek the death penalty must be approved by U.S. Attorney General Alberto Gonzales.

The judge granted the postponement motion on Oct. 26. The judge will hear the motion on Dec. 18, and Frank Robinson is to be tried starting Feb. 6.

One of two tenants who jumped from a second-story window, Sheila Ansley, 43, suffered serious injuries, an affidavit said. Washington's family identified Ansley as Washington's caretaker. Ansley had told an investigator that two other people, a blind woman and a man, remained in the building, but only Washington's body was found in the debris.

A Molotov cocktail was used to set fire to the four-unit apartment house, according to court records. The fire was started in a stairwell at the front entrance of the two-story apartment house at 427 S.W. Tyler, according to an investigator's affidavit filed in federal court. The stairway led to the apartment where Washington lived.

A federal magistrate judge denied setting bond for Frank Robinson, saying that Robinson would be a serious risk to flee if released and was a danger to the community.

Investigators probing the cause of the fire and arresting Robinson were from the Topeka Police Department, Topeka Fire Department, the Kansas Fire Marshal's Office and the federal Bureau of Alcohol, Tobacco, Firearms and Explosives.

Before it burned, the apartment house was the site of drug sales, fights, prostitution and drug use, two neighbors said. The neighbors said they witnessed people smoking crack cocaine on the porch, the brandishing of guns and knives by residents, and fights and arguing, all at 427 S.W. Tyler.

Since July 14, two men have been shot to death and a third was seriously wounded, all within a block of the fire.

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Is A Trial Unfair If Accused Can't Confront Accuser? (CSM)

By Warren Richey

The Christian Science Monitor, November 1, 2006

WASHINGTON

In 1988, Marvin Bockting was accused of sexually abusing his 6-year-old stepdaughter. The little girl told her mother and a police detective about the alleged abuse, but she became too upset to testify at Mr. Bockting's trial in Nevada.

Instead, the girl's mother and the detective testified about what she had told them of the alleged sexual assault. Bockting was convicted and sentenced to life in prison.

Now, 18 years later, Bockting is seeking to overturn his conviction based on a 2004 US Supreme Court decision in a case called Crawford v. Washington. In that case, the Supreme Court strongly reaffirmed the constitutional right to confront one's accusers in court. At the same time, the court struck down a rule that had allowed the introduction at trial of testimonial statements made by a potential witness prior to the trial.

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Bockting says his trial was unfair because his jury was never allowed to gauge the veracity of his stepdaughter's accusations through the crucible of cross-examination in open court.

Wednesday, the Supreme Court takes up Bockting's case to decide whether the high court's 2004 ruling should be applied retroactively to his 1988 child-abuse trial.

If it does apply retroactively, the case would also open the courthouse doors potentially for thousands of other individuals convicted under similar circumstances, where a key piece of testimonial evidence was allowed into the trial without the constitutional safeguard of cross-examination.

Since the Crawford decision was announced, it has been cited in roughly 20 cases each week seeking reversal of a conviction, according to a friend-of-the-court brief filed by 38 state attorneys general.

"The sheer volume of judicial citations to Crawford attests to the magnitude of the potential fallout if its holding applies retroactively," the brief says. "As of July 7, 2006, nearly 1,900 reported court decisions had cited Crawford."

A decision applying the ruling retroactively could trigger not only direct appeals in criminal cases, but also subsequent appeals under the federal habeas corpus statute. "The resulting litigation would be staggering, straining the capacity of the state and federal courts," the attorneys general warn.

Bockting's lawyer, Franny Forsman, the federal public defender in Las Vegas, says such warnings are overblown. Of 49 judicial opinions dealing with the Crawford issue handed down in state and federal courts within the Ninth US Circuit Court of Appeals' jurisdiction, only five resulted in defendants being granted some form of relief, Ms. Forsman writes in her brief.

In Bockting's case, a divided Ninth Circuit panel ruled that the Crawford decision does apply retroactively. Prosecutors in Nevada appealed that decision to the Supreme Court.

Nevada Attorney General George Chanos and US Solicitor General Paul Clement are urging the high court to reject the Ninth Circuit's reasoning. They say the Crawford decision established a new procedural rule rather than the kind of monumental watershed rule whose application is indispensable to a fair trial. To trigger retroactive application, a new rule must rise to a level of such constitutional import that not applying it would be fundamentally unfair to defendants convicted under the prior legal regime.

Six federal circuit courts and numerous state appellate courts have ruled that Crawford does not apply retroactively, says Mr. Chanos. "The Ninth Circuit stands alone in its conclusion that Crawford is retroactive," he writes in his brief.

At its core, the Bockting case presents the high court with a conundrum, according to some analysts: how to acknowledge the constitutional significance of the Crawford decision without opening a Pandora's box of criminal appeals.

"I don't see how the court could say this is not a watershed rule. It is such a fundamentally different way of thinking about the problem than anything we had before," says Richard Friedman, a professor at the University of Michigan Law School and a leading confrontation-clause scholar.

But he says it would damage the development of this area of law if the high court declared its Crawford decision retroactive.

Professor Friedman stresses that he is not an expert in legal retroactivity. But he says if the court rules in favor of retroactivity, many judges would probably embrace a more restrictive view of the right to confront one's accusers at trial.

"I would be sorry to see Crawford held retroactive because I think it would just be a dead weight around the clause," he says. "The tendency [of judges] would be to construe the confrontation right narrowly because of the horror about what the consequences would be if all these cases that had been long decided had to be opened up."

2 Men Found Guilty Of Murder In Slaying Of 14-Year-Old Witness (WP)

By Henri E. Cauvin

The Washington Post, November 1, 2006

A man accused of ordering a hit on a 14-year-old witness was convicted of murder yesterday, along with the gunman he hired to kill the girl.

The slaying of Jahkema "Princess" Hansen was as brazen a witness attack as the city had experienced, and the trial, which began in late September, cast an unsettling light on the netherworld that Hansen -- and her killers -- inhabited. Just a seventh-grader, Hansen hung out with people a lot older, and she was out buying drugs with some of them at 3 a.m. when she saw a killing that later would cost her her life.

Franklin Thompson and Marquette Ward were convicted after a trial in D.C. Superior Court that took many strange turns. Last week, the judge removed a juror in the middle of deliberations after she tried to use numbers and colors to decide the case. Earlier, Hansen's mother had to stop attending the trial after the judge rebuked her for following a juror home.

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Hansen was shot in January 2004 in the rough-and-tumble Sursum Corda housing complex, off North Capitol Street, where the two defendants were familiar faces. Ward was known as Corleone, for the Mafia family portrayed in the "Godfather" films, and Thompson was known as Frank Nitti, for the feared accomplice to Al Capone.

Yesterday, as the jury foreman answered guilty again and again -- 31 times in all -- Thompson, 24, and Ward, 31, betrayed no emotion as they sat behind their attorneys. Both were convicted of first-degree murder, conspiracy to commit murder, obstruction of justice and other offenses tied to Hansen's death.

Ward also was convicted of killing a drug dealer named Mario J. Evans, 21, just five days before Hansen was slain. It was that act that set in motion the chain of violence that would end in the girl's death, argued the prosecutors, assistant U.S. attorneys Deborah Sines and Michelle Jackson.

Thompson and Ward, who will be sentenced Jan. 19, could spend the rest of their lives in prison. Arrested soon after Hansen's death, they have been jailed since.

"I feel like they got what they deserved," one juror, a 65-year-old federal employee, said afterward. "It was a heinous crime."

The trial was full of horrible images and grim testimony about sex, drugs and violence. But it also had a bit of the bizarre.

A key government witness, despite his residence in a supposedly secure D.C. jail, turned out to have been high on marijuana when he showed up to testify, prompting an unsuccessful defense effort to strike the man's testimony. Judyann Hansen, the victim's mother, drew the judge's attention after she followed a juror home one day after court and introduced herself. Nothing more apparently was said.

And then there was the juror with the interest in numerology. Soon after deliberations began, the woman started talking to her fellow jurors about birth dates and names and colors and the significance of each in predicting the outcome of the case. Talks stalled until the other jurors alerted Judge Wendell P. Gardner Jr., who replaced the juror with an alternate.

But in the end, the trial was about a precocious girl named Princess. The teenager styled herself as a sex object of Sursum Corda, sleeping with older men, according to testimony. At one point, not long before she was killed, she even boasted that her prowess was her ultimate protection. One of the men she was having sex with was Ward, who was 28 at the time.

But after he fatally shot Evans in the hallway of an apartment building, with Hansen and others looking on, Ward grew worried that she was going to talk. After secretly following her to a police station, where she had been summoned by detectives, he was convinced of it.

In fact, it wasn't Hansen who was talking; she angrily gave police the brushoff. Another witness, Timika Holiday, was aiding police. She, too, had seen Evans slain, and she would see her friend Hansen killed as well.

In the small community in and around Sursum Corda, everyone seemed to know everyone else's business, and that made talking to the police a perilous practice.

It was a world that Hansen and her killers were part of, prosecutors say, and it was the world from which prosecutors had to draw many of their witnesses, including their star, Holiday.

But Holiday had issues of her own. She absconded from the witness protection program, and for a time prosecutors feared that she would be killed. They had her deposed so her testimony would be available for the jury to hear if she died before the trial began.

Ward's attorney, Steven D. Kupferberg, and Thompson's attorney, Rudolph Acree, did everything they could to undermine Holiday's credibility during her two days on the witness stand.

Like her friend Hansen, Holiday, now 22, was known around Sursum Corda for sleeping with older men, among them Thompson and Ward, sometimes for money, according to testimony in the trial.

"Even exchange," she called it, when asked during her testimony if what she was engaging in was prostitution.

In the days after Evans was killed, Ward was focused only on what Hansen might tell the police.

So, prosecutors said, he enlisted his friend Thompson, who lived in the neighborhood surrounding Sursum Corda and knew Hansen, to kill the girl for $8,000 -- even as Ward and Thompson were promising her money to keep quiet.

"Little sis, you best not be snitching," Thompson was alleged to have told Hansen hours before he would kill her.

What might have sounded to her like a tough-love admonition was in fact a sinister premonition of what would unfold shortly after 11 p.m. Jan. 23, 2004, in a townhouse in the 100 block of First Terrace NW.

Hansen and other children were gathered around a dining table at a friend's residence, laughing the evening away.

Sent along to make sure the hit went down, Ward's cousin peeked into the house to make sure Hansen was inside, prosecutors said.

Then, Thompson burst through the door and opened fire, prosecutors said. A 12-year-old girl was wounded. But she was not the target. Hansen was, and Thompson chased her through the house and ultimately shot her twice in the back of the head, prosecutors said.

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The crime, barely a mile from the Capitol, made national headlines. The police chief ordered a crackdown on the drugs and violence that had overtaken Sursum Corda. And Mayor Anthony A. Williams (D) pushed to turn around the neighborhood for good. Over the summer, Williams gave the green light to a plan that would replace Sursum Corda with a much larger, mixed-income development of 1,600 units.

DNA Clears Man In Rape, Judge Rules (NYT/AP)

By The Associated Press

The New York Times, November 1, 2006

DALLAS, Oct. 31 (AP) — A man convicted of rape 25 years ago walked out of a courtroom a free man Tuesday after a judge ruled that he would probably not have been found guilty if DNA testing been available.

"My faith was tested, and I won," said the man, Larry Fuller, 57, who trembled slightly as he left the courthouse carrying two worn Bibles.

After the ruling by Judge Lana McDaniel of District Court, supporters of Mr. Fuller broke out in applause. The assistant district attorney, John Rolater, who was not involved in the original case, apologized to Mr. Fuller.

"Thank you," Mr. Fuller said. "Apology accepted."

Mr. Fuller was sentenced to 50 years after jurors convicted him of aggravated rape in 1981, finding that he had broken into a woman's apartment and raped her, using a butcher knife to cut her thumb, neck and back as she struggled.

The victim looked at two photo lineups, both of which included Mr. Fuller. She picked him in the second one, even though Mr. Fuller was bearded in the picture and she said her attacker had no facial hair.

At the time Mr. Fuller was a 32-year-old Vietnam veteran who had received the Air Medal for taking care of his crew. He was pursing a career in art and had worked as a driver and warehouse employee.

Mr. Fuller had no convictions for sexual assault, but he had pleaded guilty to robbing a convenience store in 1975 and had been sentenced to three years in prison. He served 18 years on the rape conviction. He was released in 1999 but sent back last year for a parole violation.

All the while, Mr. Fuller professed his innocence in the rape case and tried to prove it through DNA. This year, the Dallas County district attorney's office agreed to allow the additional testing.

Mr. Fuller's subsequent exoneration makes him the 10th Dallas County man in five years cleared by DNA testing. More than 20 men have been exonerated in Texas by such testing, according to the Innocence Project. Nationwide, 185 people have been cleared through DNA after their convictions, according to the Innocence Project. In most cases, testimony from mistaken witness identification led to the wrongful conviction, the group said.

Duke Rape Case Shadows An Unusual Campaign (NYT)

By Duff Wilson

The New York Times, November 1, 2006

DURHAM, N.C., Oct. 31 — The Democratic candidate is the prosecutor who brought the rape case against three Duke University lacrosse players.

His opponent on the ballot is a county commissioner who filed as an independent but refuses to campaign and says that if elected, he will not serve.

The third candidate is a Republican lawyer who is mounting a write-in campaign and promising to review the rape case, but is being pressured by the prosecutor's opponents to drop out in favor of the independent.

A week before Election Day, the race for Durham County district attorney is as odd a political campaign as anyone here can recall. The controversial lacrosse case looms over the incumbent, Michael B. Nifong. The opposition, under the banner of Anyone but Nifong, is fractured.

"The whole thing is very strange," said Joseph H. Collie, a retired businessman and supporter of the write-in Republican, Steve Monks.

Mr. Nifong's campaign director, Julie Linehan, remarked: "We have a saying here — O.I.D. Only in Durham."

After all the accusations and commentary that the case has generated around the country, there is mostly silence at the heart of the campaign: little advertising, no debates and no platform by the leading opponent except that if he should win, the governor will pick somebody else. Still, to the extent there is any campaign at all, it is because of Mr. Nifong's handling of the case against the three players, all white, accused of rape by a black woman hired to strip at a team party in March.

In a normal year in this heavily Democratic city, the Democrat would be a shoo-in. But this is not a normal year. Although Mr. Nifong by all appearances is the clear front-runner, a recent survey of 600 likely voters by WRAL-TV and The News &

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Observer of Raleigh found that 28 percent favored Lewis A. Cheek, the candidate who says he will not serve if elected. Forty-six percent favored Mr. Nifong, but 24 percent were undecided. (Mr. Monks got only 2 percent.)

An Oct. 5 fund-raising letter from the Cheek campaign, signed by a retired sheriff, Roland W. Leary, and the campaign manager, Beth Brewer, said, "We deserve honesty, integrity, good judgment and a sense of fair play."

In an interview, Ms. Brewer was blunter, saying Mr. Nifong "twisted evidence he may or may not have to indict what I think are some pretty demonstrably innocent young men."

Out-of-state money from Duke supporters has also entered the campaign. Parents of two unindicted lacrosse players donated $5,000 to establish a group called Duke Students for an Ethical Durham, aimed at registering Duke students to vote against Mr. Nifong. The group's treasurer, Stefanie Anne Sparks, a paralegal in a law firm that has represented unindicted players, said the group had registered more than 1,000 new voters.

Mr. Nifong has been under attack for months by the defense and supporters of the lacrosse players for aggressively pursuing a case based almost entirely on the account of the accuser, which he acknowledges he has heard only from police reports and written statements, and not directly by speaking to her.

The flaws and gaps in the evidence have mounted. No DNA from the defendants was found on the dancer. At least one of the accused appears to have a strong alibi. A second woman hired to strip at the party has said she saw no evidence of an attack. And the array of photographs that led to the identification of the three defendants was not presented according to federal, state and local police guidelines for lineups.

The accusation against the players, by a student at predominantly black North Carolina Central University here, broke last March in the midst of a tough Democratic primary campaign for district attorney, and Mr. Nifong, who ultimately won that election, has been accused of seizing on the case to win black support. At the time, he asserted that he had "no doubt" a rape had occurred, and called the lacrosse players "a bunch of hooligans" whose "daddies could buy them expensive lawyers" whenever they got into trouble.

"I'm not going to allow Durham's view in the minds of the world to be a bunch of lacrosse players at Duke raping a black girl from Durham," he told a local television station.

In a recent interview, Mr. Nifong was defiant about pursuing the case in the face of defense attacks and questions about the strength of the evidence.

"They've come out really strong with the idea they would either scare me or the victim away," he said. "That's never worked for me, which they should know by now, and it didn't work for her, either. And so here we are."

Even if Mr. Nifong loses, it is unclear how the case will be affected. Mr. Cheek said that he tried twice this year to get Mr. Nifong to hand off the case to the state attorney general, and that he allowed the anti-Nifong campaign to put him up as a candidate when the district attorney refused. But because he has decided that he does not want to leave private practice, a victory by Mr. Cheek would mean that Gov. Michael F. Easley would have to pick a successor to Mr. Nifong. The governor, a Democrat, has not made his views on the case known publicly.

Mr. Monks, the Republican candidate, who is running on the slogan "It's Your Choice. Not the Governor's," said that if elected he would review the evidence carefully to make his own determination, but that "this case might very well have to go to trial."

Meanwhile, Mr. Nifong's supporters are trying to cast him as an experienced prosecutor and a neophyte politician. He has been a prosecutor for 28 years and says he has handled about 300 felony cases, but he is engaged in his first political race, having been appointed acting district attorney in April 2005.

"He's a good person, he's a good lawyer, but he's in a situation he has never been in before," said Ronald L. Stephens, a local judge who was district attorney before Mr. Nifong.

Last month Mr. Nifong won the endorsement of the city's most influential political group, the Durham Committee on the Affairs of Black People. His supporters are predicting that whatever controversy the case has generated will not determine the outcome at the polls.

"People who are upset about the lacrosse case, they will be vocal but I don't think significant," said Frank Hyman, a former city councilman and longtime political observer, who backs Mr. Nifong. "I think most people are going to recognize this needs to be settled in court and not in the press."

Boy, 15, Arrested After 'Bottle Bomb' Blows Up Near School Bus (WP)

By Ernesto Londoño

The Washington Post, October 31, 2006

A 15-year-old Rockville student was arrested yesterday afternoon after a homemade "bottle bomb" he was about to bring onto a school bus exploded as a teacher discarded it, Montgomery County Fire and Rescue Service officials said.

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A teacher at Mark Twain School who saw something suspicious approached the student -- whom authorities did not identify because he was charged as a juvenile -- as he was getting ready to board a school bus. As the teacher seized the two-liter bottle, its contents were activated by the movement, leading to an explosive chemical reaction.

The homemade bombs are unusual but easy to make, officials said.

"They're made to explode and can cause significant damage," said Pete Piringer, a spokesman for the fire and rescue service. "They're very dangerous to first-responders."

Firefighters were called to the school, at 14501 Avery Rd., shortly after the bottle detonated at 2:30 p.m. Investigators believe the bomb was made with common household products. It is unclear what the teenager sought to do with the bomb, Piringer said.

The student was charged with manufacturing and possession of an explosive device -- a felony punishable by up to 25 years in jail -- and reckless endangerment.

Most students who attend Mark Twain have special education needs, such as learning disabilities and behavioral problems

Auditor Reports Contract Lapses By Reiner Panel (LAT)

By Dan Morain

The Los Angeles Times, November 1, 2006

SACRAMENTO — A state commission chaired by Hollywood entertainer Rob Reiner suffered from lapses in its contracting, failed to properly award millions of dollars and did not adequately justify many of its payments, according to a state audit released today.

The nonpartisan California Bureau of State Audits found that the California Children and Families Commission, also known as the California First 5 Commission, used tax money to overpay for some services and failed to follow state rules when it awarded some contracts.

"We found a number of problems with the way it awards and manages these contracts," the report said, referring to the tens of millions in advertising and public relations contracts awarded since the commission was created after voters approved Proposition 10 in 1998.

"As a result, the state commission paid for services it had not contracted for, effectively preventing that money from being used to further the other activities allowed by the contract, namely purchasing printed ad space or broadcast media time," the audit said.

After a six-month investigation, the audit team concluded that the commission violated no laws when it aired television commercials last winter touting the benefits of preschool at the same time Reiner began a campaign to place an initiative on the state ballot to create universal preschool. Voters rejected that initiative, Proposition 82, in June.

"Our review determined that the state commission had clear legal authority to conduct its public advertising campaigns related to preschool," the auditors found.

Legislators requested the audit after The Times reported that the commission had used public money to pay for $23 million in preschool ads as the initiative campaign was launched.

Reiner resigned as the commission's chairman in March. He had created the First 5 Commission by sponsoring Proposition 10, which raised tobacco taxes to pay for early childhood health and education programs.

The audit said the "content of these advertisements and their timing were consistent with applicable legal restrictions related to the use of public funds for political purposes and confirmed that the state commission did not contribute any of its public funds to campaign accounts used to support the various ballot measures."

News accounts and criticism from politicians had raised two questions: Did the commission use public money to promote Reiner's political goals of creating universal preschool and did the commission's outside advertising and public relations firms get involved in the campaigns?

"On those two issues, the state audit confirms what we've said all along: that the First 5 Commission's advertising to promote universal preschool was appropriate and legal," said Reiner's spokesman, Mark Fabiani, adding that the commission never confused its public work with Reiner's political advocacy.

Reiner could not be reached for comment.

The commission answered the auditors by saying it "is deeply committed to making itself a model for state contracting practices, and has already begun to implement new policies and practices and improve staff training."

Among its findings, the audit said the commission:

Did not follow state policy when it used a competitive process to award three contracts valued at more than $47.7 million and failed to provide sufficient justification for awarding one $3 million contract and six amendments totaling $27.6 million using the noncompetitive process.

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Paid $1.2 million more than it should have for administrative overhead because it did not follow state policy that limits such payments.

Paid invoices totaling $673,000 in 2002 and 2003 for fees and expenses of a contractor's employees. These payments violated the contract, "effectively preventing these funds from being used to further other activities that were allowable under the terms of the contract."

Such problems "caused the state commission to make some questionable payments to contractors for items such as laptop computers valued at $10,000, food catering costs and monthly parking fees," the audit said.

Security Firm's Founder Gets Detention For Fraud (WT)

By Jim Mcelhatton

The Washington Times, November 1, 2006

The founder of a D.C. security firm that has become bankrupt was sentenced yesterday to eight months' home detention and five years' probation for illegally diverting hundreds of thousands of dollars from a payroll account.

Jeffrey N. Jackson, 44, a former chief executive of Unlimited Security Inc. and part-time boxing promoter, also was ordered to pay $361,000 in restitution.

He was sentenced in U.S. District Court in the District.

Jackson and his brother founded Unlimited Security in the early 1990s. Within a decade, the company had hundreds of employees and tens of millions of dollars in federal and city security contracts.

But the company went bankrupt in 2002. According to bankruptcy filings, the company's finances were entangled with Jackson's boxing-promotions business.

Earlier this year, Jackson pleaded guilty to one count of bankruptcy fraud, admitting that in 2003, he illegally diverted more than $370,000 from a payroll account.

Charging documents stated that Jackson took the money "for his personal use, primarily for the funding of a private professional boxing promotion business."

The Washington Times first reported on the company's questionable expenses and financial troubles last year.

Yesterday, Jackson, the one-time promoter for former heavyweight boxing champion Riddick Bowe, said that he took the payroll money to help keep the company afloat.

"I wanted to do something to get the company out of bankruptcy," he said.

He said he wasn't prepared for his company's fast rise and fall.

"Success came so quickly that I didn't realize the situation I was in," Jackson said.

In allowing Jackson to remain out of prison, U.S. District Court Judge Ricardo M. Urbina departed significantly from federal sentencing guidelines.

The guidelines had called for Jackson to receive at least two years in prison.

Prosecutors thought Jackson should go to prison.

"This case, although it is a financial case, involves the integrity of the bankruptcy system," Assistant U.S. Attorney Daniel Butler said.

Defense attorney G. Allen Dale said that Jackson quickly admitted his guilt and has been making restitution.

"The crime was not one to benefit himself personally," Mr. Dale said.

Judge Urbina cited a recommendation from U.S. probation officer Kelly Kraemer-Soares that Jackson should not go to prison.

He also said Jackson's job as an executive at District-based Innovative Security would help him repay his debt faster.

The judge warned Jackson that he would sentence him to the maximum five years in prison if Jackson fails to adhere to guidelines of probation.

Jackson also was sentenced to undergo weekly drug tests and complete 250 hours of community service.

CIVIL LAW:

Supreme Court Hears Appeal Of $79.5M Judgment (USAT)

By Joan Biskupic

USA Today, November 1, 2006

DOJ_NMG_0089578

WASHINGTON — An attorney for a smoker's widow urged the Supreme Court on Tuesday to uphold a 1999 jury verdict that imposed a huge penalty on Philip Morris based on the tobacco giant's publicity campaign that played down the dangers of smoking.

Robert Peck told the justices that an Oregon jury that assessed punitive damages in the lung cancer death of Jesse Williams rightly considered how other smokers across the state were affected by Philip Morris' campaign. “This was a massive, market-directed fraud … to deceive customers and knowingly endanger their health,” said Peck, asking the justices to spurn an appeal of a $79.5 million punitive damages award.

Mayola Williams sued the cigarette-maker for fraud and negligence after her husband, Jesse Williams, a Portland school janitor and three-pack-a-day Marlboro smoker, died in 1997. The jury's punitive damages award was 97 times the award it gave for actual damages. (Punitive damages are intended to punish a defendant and deter future wrongdoing.)

The Oregon Supreme Court upheld the verdict, saying the huge punitive damages award was permissible because of Philip Morris' “extraordinarily reprehensible” conduct.

Philip Morris, which makes Marlboros, contends the punitive damages were unconstitutionally excessive because they were so disproportionate to the actual damages and because jurors considered the company's impact on smokers not part of the case.

The dispute gives the justices a chance to clarify guidelines for awarding punitive damages. For decades, the court gave great leeway to state juries. In recent years, however, the court has begun to rein in damage awards. In 2003, the court said punitive damages that are more than 10 times the actual damages could be presumed excessive and in violation of the 14th Amendment's guarantee of due process of law. A question in this case is whether Philip Morris' conduct was so egregious that it justified an award beyond those guidelines.

On Tuesday, however, much of the hour-long session for oral arguments revolved around what Oregon jurors may have weighed as they levied the damages. There appeared to be a chance the justices would return the case to Oregon for more hearings.

Peck said the jury properly looked at how Philip Morris' publicity campaign endangered smokers who were as addicted as Williams, but it did not look at individual harms to other smokers.

Andrew Frey, representing Philip Morris, said jurors should have been specifically warned that they could not try to punish the company for harm to others who might end up bringing lawsuits.

Justice David Souter said it was difficult to know what the jury had in mind. He also said that a jury instruction proposed by Philip Morris at trial was unclear, so it would be difficult to fault the judge for disallowing it. Chief Justice John Roberts observed that juries must follow “a fine line” between considering the “reprehensibility” of a company's misconduct but not punishing it for specific harm to parties outside the case.

Philip Morris Asks Court For Relief (WP)

By Charles Lane

The Washington Post, November 1, 2006

The Supreme Court heard a tobacco company's plea for relief from a $79.5 million punitive damages award yesterday, in a case that could illuminate the Roberts court's approach to tort reform.

In recent years, the court has helped the business community on the punitive-damages issue, ruling that excessive awards violate companies' constitutional rights. But yesterday's case may be especially significant because the firm seeking help is tobacco company Philip Morris, and it has been found liable not for bilking a consumer out of money, but for actually killing him.

A ruling in Philip Morris's favor would suggest that the court is so concerned about high punitive damages that it would protect even an unpopular corporate defendant. For their part, consumer and anti-smoking groups hope that the court will rule against Philip Morris -- and show thatpunitive-damage limits do not apply to especially reprehensible conduct.

By the end of oral arguments yesterday, however, it seemed that the court was reluctant to rule broadly in either direction.

Instead, several members of the court, including some who had supported its recent limits on punitive damages, suggested that the best way to handle the case would be to send it back to the Oregon Supreme Court for clarification of technical state law issues.

"What's worrying me about this case is . . . that we're going to be in a kind of bog of mixtures of constitutional law, unclear Oregon state law, not certain exactly what was meant by whom in the context of the trial, et cetera," said Justice Stephen G. Breyer, who voted in favor of the court's previous decisions limiting punitive damages.

Justices Antonin Scalia and Ruth Bader Ginsburg, who dissented from those decisions, made similar points, as did Justice David H. Souter.

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Compensatory damages are usually awarded to compensate for economic losses or pain and suffering. About six states do not have punitive damages. Elsewhere, punitive damages may be added -- subject to statutory limits in some states -- to deter and punish corporate misconduct.

Businesses say that the patchwork of state laws, coupled with the unpredictable behavior of juries, has left them at the mercy of an expensive and arbitrary system. Consumer organizations and trial lawyers say punitive damages are often the only effective means to combat corporations' wrongdoing.

In 1996, the Supreme Court sided with business. It overturned a $4 million punitive-damage award to an Alabama man who had sued a BMW dealer for selling him a repainted car instead of a new one.

For the first time, the court declared that the constitutional right to due process of law meant that companies may not be subject to disproportionate punitive damages.

In 2003, the court broadly defined what qualifies as an excessive award, suggesting that punitive damages should normally be no more than nine times as large as compensatory damages.

Yesterday's case, Philip Morris v. Williams , No. 05-1256, began with a lawsuit in Oregon by Mayola Williams, the widow of Jesse Williams, a lifelong Marlboro smoker who died of lung cancer in 1997.

She alleged that the company had knowingly lied when it minimized the health risks of smoking in public statements beginning in the 1950s and stretching over four decades thereafter. Jesse Williams repeatedly referred to those statements in explaining his refusal to quit smoking.

In 1999, an Oregon jury found Philip Morris liable for fraud. It awarded Mayola Williams $821,000 in compensation and assessed the company $79.5 million in punitive damages, a ratio of punitive to compensatory damages of 97 to 1.

The Oregon Supreme Court has upheld the award, even after the Supreme Court asked it to reconsider in light of its ruling outlining a maximum punitive-compensatory ratio of 9 to 1.

"This was a massive, market-directed fraud driven by their rational and deliberate decisions at the highest levels of the company to deceive customers and knowingly endanger their health," Williams's lawyer, Robert S. Peck, said yesterday. "And so this is the misconduct Oregon is seeking to deter."

Philip Morris alleges that the trial judge violated the Constitution when he refused Philip Morris's request to bar the jury from punishing the company for harm it caused other smokers than Jesse Williams.

The jury instruction Philip Morris had proposed would have told jurors that they could "consider" the impact of the company's conduct on other smokers but not punish it.

Several justices thought the instruction was so unclear that it would not have necessarily helped Philip Morris anyway.

"I don't know how a juror is supposed to figure this out," Souter said.

Members of the court also pointed out that the instruction might have violated an Oregon law allowing jurors to assess punitive damages based on probable harm to others in the state.

High Court Appears Reluctant To Alter Punitive-Damage Law Several Justices Suggest Philip Morris's Appeal Be Returned To Lower Court By JESS BRAVIN (WSJ)

The Wall Street Journal, November 1, 2006

WASHINGTON -- The Supreme Court seemed reluctant to move the law on punitive damages, with several justices suggesting during oral arguments on the term's most closely watched business case that it could be returned to a lower court for clarification rather than decided here along constitutional principles.

At issue is a $79.5 million punitive damage award to a cigarette smoker's widow who sued Philip Morris USA, a division of Altria Group Inc. A state court jury in Oregon made the award, about 97 times the compensatory damages it also awarded, after the trial judge rejected Philip Morris's request to instruct jurors to ignore "alleged harms suffered by nonparties." Oregon's high court upheld the verdict, finding it comported with U.S. Supreme Court rulings that imposed constitutional limits on punitive awards.

CASE DOCKET

Read the case docket for Philip Morris v. Williams1, courtesy of Findlaw2.

Philip Morris felt otherwise, and the justices agreed to consider two grounds of appeal: whether the jury could award damages for harm to nonparties and, in any case, if a 97-to-1 punitive-to-compensatory damage ratio is automatically excessive.

In the past decade, business has won two major rulings that rolled back blockbuster punitive damage awards, money intended to punish a defendant for its behavior and deter repetition. In each case, the court ruled the awards violated the 14th Amendment's Due Process Clause.

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The justices in 1996 threw out a $2 million punitive award a consumer won after learning that the seller concealed the fact that his new BMW had been damaged and repainted before sale. A 5-4 court, in an opinion by Justice John Paul Stevens, found the amount "grossly excessive" after considering the actual damages the plaintiff suffered, civil penalties for similar misconduct and the defendant's "degree of reprehensibility."

Then in 2003, in a 6-3 opinion by Justice Anthony Kennedy, the court rejected a 145-to-1 punitive-to-compensatory damage ratio. A Utah court had awarded the damages to a policyholder who contended State Farm Mutual Automobile Insurance Co. had misled her into believing it would cover her liability for a car accident. The court suggested that "single digit multipliers are more likely to comport with due process" than larger ones.

The Philip Morris case promised to be the third act in punitive damages, presenting issues absent from the previous two opinions. Only financial losses were at issue there, but the cigarette lawsuit dealt with sickness and death, in what the jury found to be a decades-long fraud to mislead the public about the dangers of smoking. The outcome could affect tobacco companies and other industries whose long-term conduct potentially harmed large numbers of victims.

WSJ.com's Law Blogger Peter Lattman4 talks with Legal Editor Ashby Jones about arguments before the Supreme Court involving the constitutionality of punitive damages in a tobacco case.

Philip Morris's attorney, Andrew Frey, told the justices that the Oregon Supreme Court had rejected the proposed jury instruction because it improperly held it acceptable to award damages for harm to nonparties. Several justices weren't so sure, and Justice Antonin Scalia, who agreed that nonparty harm can't be a factor, nonetheless suggested the Oregon court could have found Philip Morris's instruction improper for other reasons.

"We can say that was error and remand it to them," Justice Scalia said. "That might not make anybody happy," but it would dispose of the case by letting the Oregon court clarify its reasoning.

The justices barely reached the second issue -- whether there was an absolute rule against damages beyond a certain formula. No justice disagreed when Justice Stephen Breyer, who voted with the BMW and State Farm majorities to limit punitive damages, suggested that some conduct could be so reprehensible as to warrant a 100-to-1 punitive damage ratio.

Write to Jess Bravin at jess.bravin@wsj.com5

Justices Weigh Limits On Punitive Damages (NYT)

By Linda Greenhouse

The New York Times, November 1, 2006

WASHINGTON, Oct. 31 — The Supreme Court is accustomed to drawing fine lines. But during arguments on Tuesday on the limits the Constitution places on punitive damages, the proposed line between the permissible and the unconstitutional was so fine that the justices appeared close to giving up.

The result was that a case widely anticipated to produce the most important business ruling of the Roberts court so far looked likely instead to end with a trip back to the Oregon Supreme Court for clarification.

That court upheld an award of $79.5 million in punitive damages against the cigarette maker Philip Morris in a lawsuit brought by the widow of a man who smoked two packs of Marlboros every day for 45 years. The man, Jesse Williams, died five months after a diagnosis of inoperable lung cancer in 1996.

The jury had awarded his widow, Mayola, compensatory damages of $821,000, meaning that the ratio of punitive to compensatory damages was 97 to 1. That was far greater than the “single digit” ratio the Supreme Court placed at the outer limit of constitutionality three years ago, the last time it decided a punitive damages case.

Philip Morris’s lawyer, Andrew L. Frey, argued that the Oregon courts had allowed the jury to punish the company for the harm to other Oregon smokers who had not filed suit. Mr. Frey said this had allowed a single plaintiff’s case to be turned into “a one-way class action in which Philip Morris was exposed to global punishment by the jury without any of the protections of a class action.”

There was general agreement during the argument, including by Mrs. Williams’s lawyer, Robert S. Peck, that awarding damages on the basis of injury to nonplaintiffs was impermissible under the Supreme Court’s recent precedents.

But there was no agreement on whether that actually happened. Mr. Peck argued that the Oregon courts had simply permitted the jury to consider harm to others, not to impose “global punishment” but as part of its assessment of the “reprehensibility” of the cigarette company’s behavior, a factor that the Supreme Court’s precedents permit juries in punitive damages cases to consider.

The basis for the lawsuit was the claim that Philip Morris’s strategy of denying the connection between smoking and cancer deceived Mr. Williams into believing that he could safely keep smoking.

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"This was a massive market-directed fraud driven by their rational and deliberate decisions at the highest levels of the company to deceive customers and knowingly endanger their health," Mr. Peck told the justices. The Oregon Supreme Court, in upholding the award, called Philip Morris's conduct "extraordinarily reprehensible, by any measure of which we are aware."

The United States Supreme Court has been deeply split on the punitive damages question, with three justices, Antonin Scalia, Clarence Thomas and Ruth Bader Ginsburg, rejecting the idea that the Constitution's guarantee of due process places a limit on what states can permit juries to award.

With the departure of William H. Rehnquist, the former chief justice, and Justice Sandra Day O'Connor, both of whom supported due process limits on punitive damages, the known margin of support for the court's precedents fell to 4 to 3, with the views of Chief Justice John G. Roberts Jr. and Justice Samuel A. Alito Jr. unknown.

The court's decision last May to hear the Philip Morris appeal, Philip Morris USA v. Williams, No. 05-1256, suggested an effort to find a new center of gravity on an issue of considerable interest to the business community.

But the problem that emerged during Tuesday's argument was the justices' evident concern that they lacked a basis for deciding whether, on the one hand, the Oregon courts had improperly allowed jurors to take into account the harm to nonplaintiffs, or on the other hand, had properly allowed consideration of the reprehensibility of the conduct by Philip Morris, a unit of Altria. Finding the Oregon Supreme Court's opinion insufficiently clear on this basic point, the justices would be unable to use the case as a vehicle for taking their consideration of punitive damages to the next level.

"What's worrying me," Justice Stephen G. Breyer said to Mr. Frey, "is that we're going to be in a kind of bog of mixtures of constitutional law, unclear Oregon state law, not certain exactly what was meant by whom in the context of the trial, et cetera."

And Justice David H. Souter, referring to the Oregon Supreme Court, asked Mr. Peck: "Isn't perhaps the better course to send this back to them and say, 'We don't know what you mean?' And let them tell us clearly."

The confusion was evident at the beginning of the argument, when Mr. Frey said the Oregon trial court had improperly refused to use a jury instruction proposed by Philip Morris "which would have told the jury that it was not to punish for harm to nonparties."

The proposed instruction said that "although you may consider the extent of harm suffered by others" in deciding whether the punishment bore a "reasonable relationship" to the injury to Mr. Williams, "you are not to punish the defendant for the impact of its alleged misconduct on other persons, who may bring lawsuits of their own."

The failure to give this instruction was part of the denial of Philip Morris's right to due process, Mr. Frey said.

But several justices said they found the instruction confusing and unlikely to have steered jurors away from an improper basis for awarding damages.

"You don't think that would confuse the jury if they are first told that they may consider the extent of harm suffered by others, and then the next instruction seems to say they can't?" Justice Ginsburg asked Mr. Frey.

"The concept may be abstract," Mr. Frey replied, insisting that there was a "difference between considering and punishing" that a proper jury instruction would have made "quite clear to the jury."

Tobacco Judgment Blocked

WASHINGTON, Oct. 31 (AP) — A federal appeals court blocked a landmark judgment against the tobacco industry on Tuesday, allowing the companies to continue selling "light" and "low tar" cigarettes until their appeals can be reviewed.

The decision by the United States Circuit Court of Appeals for the District of Columbia also allows the companies to continue for now the advertising campaigns that a federal judge in August ruled were misleading.

Without comment, the appeals court granted the tobacco companies' request to put Judge Gladys Kessler's order on hold. They have argued that her far-reaching ruling could cost them millions of dollars and lead to a loss of customers.

In mid-August, Judge Kessler ruled that the companies had violated racketeering laws and conspired for decades to mislead the public about the health hazards of smoking.

She ordered tobacco companies to stop labeling cigarettes as "low tar," "light," "ultra light" or "mild," because such cigarettes have been found to be no safer than others because of how people smoke them.

Judge Kessler's ruling was appealed by Philip Morris USA, Lorillard Inc., Brown & Williamson Tobacco Corporation and British American Tobacco.

Justices May Return Punitive Damages Case To Oregon High Court (LAW)

By Tony Mauro, Legal Times

Legal Times, November 1, 2006

The Supreme Court's long-awaited oral argument in the "Big Tobacco" punitive damages case appeared to fizzle on Tuesday, with several justices hinting that they'd like to kick the case back to the Oregon Supreme Court for clarification.

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Instead of delving deeply into the contentious debate over the constitutionality of high punitive damages in the context of tobacco litigation, the justices seemed troubled over more technical matters during hourlong arguments in Philip Morris USA v. Williams.

But there were some signs that if the high court decides to keep the case and rule on it, the justices might be willing to uphold the large verdict in the Philip Morris case, in spite of Court precedents that point toward limiting punitive damages.

In the State Farm v. Campbell decision in 2003, the high court suggested that a 9-to-1 ratio between punitive and compensatory damages was the outer limit of acceptability under the Constitution, though it said some cases could warrant higher punitive damages.

But at oral argument Tuesday, there was scant mention of ratios and a greater climate of deference toward state courts and how they handle punitive damages without federal strictures. The result could be the Court tolerating a "tobacco exception" to State Farm that would allow higher damages because of evidence of decades of industry fraud and deception over the dangers of smoking.

But much of the argument Tuesday was taken up with the smaller-gauge issue of jury instructions that were not allowed in the 1999 trial at issue in the case. Portland, Ore., jurors awarded Mayola Williams $821,485 in compensatory and $79.5 million in punitive damages levied against Philip Morris -- a 97-to-1 ratio between punitives and compensatories. Her husband, Jesse, died in 1997 after four decades of smoking Marlboros.

Philip Morris had sought a jury instruction at trial that would keep jurors from imposing punitive damages for harm suffered by nonparties, namely other Oregon smokers besides Williams. The trial judge's denial of that request figured in the tobacco company's appeal of the verdict, but the Oregon Supreme Court said the trial judge's decision was proper under state law.

Justices on Tuesday seemed bothered by the fact that the jury instruction sought by Philip Morris would have told jurors that they could consider the harm to others inflicted by Philip Morris but could not punish the company for that harm. That seemingly confusing instruction led in turn to puzzlement over the Oregon Supreme Court's basis for rejecting it.

"I don't know how a juror is supposed to figure this out," said Justice David Souter, adding later, "Isn't perhaps the better course to send this back to them [the Oregon Supreme Court] and say, 'We don't know what you mean'?" He and other justices appeared reluctant to supersede the Oregon court's reading of Oregon law, but they wanted to be sure exactly what the Oregon Supreme Court was saying about that law.

"We're going to be in a kind of bog of mixtures of constitutional law, unclear Oregon state law, not certain exactly what was meant by whom in the context of the trial," said Justice Stephen Breyer at one point.

Andrew Frey, the Mayer, Brown, Rowe & Maw partner arguing on behalf of Philip Morris, tried with mixed success to steer the debate back to his main argument that punishing his client for harm to nonparties violates the due process clause of the 14th Amendment. "What you're doing is ... you're allowing a potentially aberrational verdict to pre-empt the work of other juries," Frey said.

Pressed by Justice Antonin Scalia, Frey acknowledged that if a jury found that actions by a defendant risked harming other people, "they could punish this more severely. What they cannot do is punish it globally."

In advance of the arguments, there was suspense over how the Court's new members, Chief Justice John Roberts Jr. and Justice Samuel Alito Jr., would respond to the case, because they do not have much of a track record on the punitive damages issue. But their comments did not tip their hands. Alito seemed concerned about the confusing jury instructions and may be one of the justices considering sending the case back to Oregon.

More significantly, Roberts pointedly asked Robert Peck, the lawyer for Williams, whether he was asking the Court to reconsider State Farm and other precedents. Peck said no, adding that "this judgment is valid under those precedents." He said Oregon had enacted procedural safeguards to guarantee that defendants are not unfairly punished, and he urged the Court to allow the states to "address any concerns with due process" by allowing them to continue to experiment legislatively without strict federal constraints.

For example, under Oregon law, juries in future tobacco cases would be required to consider the high damages in the Williams case in determining the appropriateness of punitive damages against the same defendant for the same conduct.

Damages Assessment (WSJ)

The Wall Street Journal, November 1, 2006

When the Supreme Court agreed to hear Philip Morris v. Williams, many wondered if the Justices would merely tinker with their punitive damages jurisprudence. But after yesterday's oral arguments, it looks as though they have bigger fish to fry.

In Philip Morris, the tobacco giant is challenging a $79.5 billion verdict affirmed by the Oregon Supreme Court in February. And the conventional thinking was that the U.S. Supremes would focus on the size of the award, especially given their rulings in BMW v. Gore (1996) and State Farm v. Campbell (2003) that the Constitution limits punitive damage awards.

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Instead, yesterday's arguments focused on the procedural and structural limits of punitive damages. The main issue, based on the Justices' questioning, was whether a single plaintiff should collect damages on behalf of other people not involved in the case. The Court still might rule on the damage amount. But it is encouraging for tort reformers that the Court is thinking more broadly about runaway litigation.

Much of the questioning concerned whether the lower courts had allowed extra punishment based on alleged harm to third parties. The plaintiffs argued that the Oregon jury didn't need to be told that it wasn't permitted to punish Philip Morris on behalf of other smokers. But Justices Stephen Breyer and David Souter and Chief Justice John Roberts were skeptical of that view. So was Justice Antonin Scalia, who has voted against due process limits on punitive damages.

The outcome of this case could have ramifications far beyond tobacco. Whether a jury, in a case involving a single plaintiff, can impose extra damages on a defendant for harming other people who haven't brought suit is an issue that arises in product-liability cases of all kinds -- from autos to drugs.

And the Justices yesterday seemed to agree that these pseudo-class actions might present problems of due process. When a plaintiffs lawyer is permitted to argue that damages directed at Merck or Toyota should reflect that their products harmed not only his lone client but (allegedly) everyone in the state, it raises the possibility of duplicative punishment. Even if a defendant prevails, what stops the next plaintiffs lawyer from making the same argument on behalf of another (and another and another) lone client?

This is what class actions are for, or so we thought. Yet plaintiffs attorneys want it both ways. Without having to get a class certified, or divvy up any potential award among class members, the trial bar wants to press for damages on behalf of millions of people they don't even represent.

This may be an even deeper due process violation than outrageous punitive damages because it goes directly to the powers of the jury, and the standards by which it imposes punishment. Some guiding restraint from the Supreme Court on the matter would be helpful.

Sheep's Clothing (WP)

The Washington Post, November 1, 2006

TOBACCO GIANT R.J. Reynolds tried to wrap itself in a cloak of corporate responsibility last month when it agreed to stop selling flavored cigarettes with names such as Twista Lime and Mocha Taboo, which a band of state attorneys general said appealed to the underaged. But when Big Tobacco has the chance to support the most effective measures to mitigate the health consequences of smoking, it instead uses tricky tactics and spends millions to defeat them.

Next week voters in Arizona and Ohio will decide between two ballot measures, both of which purport to ban smoking in many public places. In reality, Ohio's Issue 5 would ban smoking in bars and restaurants across the state, and it is supported by the American Cancer Society and other public health advocates. The state's Issue 4, on the other hand, would allow patrons to light up in bowling alleys, most bars and smoking areas in restaurants. Its principal backer is R.J. Reynolds. Big Tobacco's measure would also amend the Ohio state constitution, which means that it would invalidate tougher existing local ordinances and Issue 5, even if the latter passed by a wider margin. The story is about the same in Arizona, with two ballot initiatives, one declawed and backed by R.J. Reynolds.

Evidence -- including a painstaking surgeon general's review published this summer -- shows that tough smoking bans are the only effective way to protect bar and restaurant workers, not to mention nonsmoking patrons. Bartenders' smoking-related ailments disappeared within months of the imposition of strict smoking bans in jurisdictions across the country and overseas. Separate smoking zones, on the other hand, fail to contain secondhand smoke.

R.J. Reynolds and other tobacco firms are also spending tens of millions in Arizona, California and Missouri to kill proposed increases in tobacco excise taxes. Raising the price of cigarettes reduces demand for them, encouraging smokers to quit. Frank J. Chaloupka, a researcher at the University of Illinois at Chicago, estimates that a 10 percent increase in the price of cigarettes would decrease overall cigarette smoking among youth by 13 percent.

Cancer rates in this country continue to decline, in large part because of measures such as smoking bans and cigarette taxes. If tobacco companies wanted to live up to their televised pronouncements, they would not hijack the initiative process in Arizona and Ohio, nor would they pour millions into defeating new tobacco taxes.

Standards Are Essential (USAT)

By Robin S. Conrad

USA Today, November 1, 2006

DOJ_NMG_0089584

Punitive damages — damages awarded for reprehensible conduct — are a great deterrent for corporate misbehavior. But like any other punishment, punitive damages cannot be imposed without rational standards and reasonable limits. Unfortunately, too many courts fail to enforce existing standards and limits, resulting too often in arbitrary and grossly excessive awards.

In Philip Morris v. Williams, in which the U.S. Supreme Court on Tuesday heard oral arguments, Oregon's Supreme Court upheld a $79.5 million punitive damages award that is nearly 100 times the amount of the plaintiff's compensatory damages. In its amicus brief, the National Chamber Litigation Center argued that the state supreme court ignored the Supreme Court's guidance in 2003's State Farm v. Campbell, recommending a single-digit ratio for most punitive damages awards.

An increasing number of courts throughout the country are ignoring the crucial guidance outlined in State Farm. Unless the high court reaffirms and further clarifies the standards governing punitive damages awards, order and rationality in awarding punitive damages never will be realized.

Some argue that the judicial branch is not the proper place for punitive damages reform, but rather that irrational punitive damages awards are solely a problem for state legislatures and even Congress. We disagree. The Constitution prohibits the deprivation of property without “due process of law,” and the essence of “law” is rational and predictable standards. Courts thus have a fundamental obligation to ensure that the trial procedures employed in determining punitive damages include reasonable standards for measuring them. And when the results of the trial process are demonstrably not rational, courts have an equal obligation to impose reasonable standards after the fact and reduce outsized awards to reasonably proportional amounts.

We hope and expect that the U.S. Supreme Court will reaffirm its 2003 State Farm decision so that punitive damages, where reprehensible conduct has been proved, are awarded fairly, and American jobs and the economy are protected.

Appeals Court Blocks Ruling Against 'light' Cigarettes (AP)

By Matt Apuzzo, Associated Press

AP, November 1, 2006

WASHINGTON — A federal appeals court blocked a landmark judgment against the tobacco industry Tuesday, clearing the way for the companies to continue selling "light" and "low tar" cigarettes until their appeals can be reviewed.

The decision by the U.S. Circuit Court of Appeals for the District of Columbia Circuit also allows the companies to continue for now the advertising campaigns that a federal judge in August ruled were misleading.

Without comment, the appeals court granted the tobacco companies' request to put Judge Gladys Kessler's order on hold. The companies have argued that her far-reaching ruling could cost them millions of dollars and lead to a loss of customers.

In mid-August, Kessler ruled that the companies had violated racketeering laws and conspired for decades to mislead the public about the health hazards of smoking.

The judge ordered the companies to publish in newspapers and on their Web sites "corrective statements" on the adverse health effects and addictiveness of smoking and nicotine.

She also ordered tobacco companies to stop labeling cigarettes as "low tar," "light," "ultra light" or "mild," since such cigarettes have been found to be no safer than others because of how people smoke them.

William V. Corr, executive director of the Campaign for Tobacco-Free Kids, said the appeals court stay was not surprising.

"Judge Kessler's finding was that these companies have lied to the American people for 50 years," Corr said. "We're confident that, if it means going all the way to the Supreme Court, the government's case will be vindicated and the industry will be held accountable."

Tobacco Companies Win Delay Of `Light' Marketing Ban (Update2) (BLOOM)

By William McQuillen

Bloomberg, November 1, 2006

Oct. 31 (Bloomberg) -- Altria Group Inc.'s Philip Morris USA and other U.S. cigarette makers won a delay of a court-imposed ban on the marketing of ``light'' cigarettes the industry claimed would cost it hundreds of millions of dollars.

The ruling today by the U.S. Court of Appeals in Washington postpones enforcement of an order by U.S. District Judge Gladys Kessler requiring the companies to stop marketing cigarettes as ``light'' and ``low-tar'' by January, and to make statements about the health effects of smoking in the media and on cigarette packages. Her ruling is delayed while they pursue an appeal.

Following a nine-month trial, Kessler ruled in August that the companies violated the Racketeer Influenced and Corrupt Organizations Act, or RICO, in a case filed in 1999 by the U.S. Department of Justice. Today, a three-judge panel of the U.S. Court of Appeals for the District of Columbia Circuit said the companies had ``satisfied the stringent standards required'' for a stay pending their appeal to the court.

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Kessler said in her opinion that the companies `` marketed and sold their lethal product with zeal, with deception, with a single-minded focus on their financial success, and without regard for the human tragedy or social costs."

In the same ruling, the judge also said she lacked the authority to order the companies to pay $14 billion to fund nationwide smoking cessation and anti-smoking education programs sought by the government.

Praise

Praising the appellate court's ruling, Altria's associate general counsel William Ohlemeyer said Kessler's decision ``is contrary to the law and facts presented during trial."

Justice Department spokesman Charles Miller declined to comment.

In addition to Philip Morris, the defendants that requested the stay are Reynolds American Inc.'s R.J. Reynolds Tobacco; Brown & Williamson Tobacco Corp.; Loews Corp.'s Lorillard Tobacco Co. and British American Tobacco Plc's British American Tobacco (Investments) Ltd.

Shares of New York-based Altria were unchanged at $81.33 at 5:04 p.m. in trading after the close of the New York Stock Exchange. Shares of Winston-Salem, North Carolina-based Reynolds American fell 34 cents to $63.16.

The case is U.S. v. Philip Morris USA, 99-CV-2496, U.S. District Court, District of Columbia (Washington).

To contact the reporter on the story: William McQuillen in Washington at bmcquillen@bloomberg.net Last Updated: October 31, 2006 18:57 EST

Canadian Tied To Merrill Fraud Gets 10-Year Sentence (Update2) (BLOOM)

By Joe Schneider

Bloomberg, November 1, 2006

Oct. 31 (Bloomberg) -- Michael Ritter, a Canadian who admitted helping ex-Merrill Lynch & Co. trader Daniel Gordon hide $43 million stolen from the securities firm, was sentenced to 10 years in prison.

Ritter, 49, former chief counsel to the Alberta Legislature, was also ordered to forfeit $471,000 in a court hearing today in Edmonton, Alberta. He pleaded guilty Oct. 27 to theft and fraud, admitting he took part in money-laundering with Gordon, then stole $10.5 million from the Merrill trader.

``The fact Mr. Ritter was stealing money from a thief may be ironic, but it's not mitigating," Provincial Court Judge Elizabeth Johnson said in handing down the sentence.

Ritter was sentenced to three years for the crimes involving Merrill, the world's third-biggest securities firm, and seven years for an unrelated investment fraud. The sentence will keep Ritter from having to face charges in the U.S. connected to the second scheme.

``I take full and complete responsibility for my actions," Ritter told Johnson, reading a statement for five minutes. ``I am deeply and sincerely sorry."

Ritter, former chief executive officer of Newport Pacific Financial Group, admitted using the company to hide Gordon's embezzled funds in offshore accounts. He used money left in the accounts by Gordon to buy a condominium, an airplane and a box at the National Hockey League's Edmonton Oilers hockey arena, he said.

Gordon Guilty Plea

Gordon pleaded guilty. He was sentenced Oct. 14 to 3 1/2 years in prison, fined $100,000 and ordered to return the money he stole.

Ritter said he set up an offshore trust for Gordon and sent the money to a Swiss bank account, according to a statement given the court last week approved by Ritter and prosecutors. The ex- CEO said he didn't know the money was embezzled.

Gordon transferred all but $10.5 million from the account back to the U.S., without Ritter's knowledge and in violation of a bank requirement that at least $15 million be left in the account, the statement said. Ritter closed the account and kept the remaining money.

Ritter was indicted by a federal grand jury in Los Angeles for his role in aiding Larry Toshio Osaki in a Ponzi scheme in which early investors received returns above market rates from money deposited by later investors. U.S. prosecutors said Osaki collected $250 million from almost 7,000 investors and caused them to lose $150 million.

No Extradition

In exchange for his guilty plea today, Ritter won't be extradited to the U.S. Osaki pleaded guilty March 24, 2005, to conspiracy, securities fraud and money laundering charges. He was sentenced last December to 20 years in prison and ordered to pay $145 million in restitution.

Osaki was the ringleader, and Ritter deserved a lesser sentence, Thom Mrozek, spokesman at the U.S. Attorney's office in Los Angeles said in a telephone interview.

``It was a fair resolution to this matter," Mrozek said.

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Provincial prosecutor Gregg Lepp said after the sentencing the Ritter case is ``just the tip of the iceberg'' of international fraud. He said Alberta prosecutors and police are investigating other frauds of more than $10 million. He declined to be more specific.

``Earlier in my career we saw very few cases having international connections,'' Lepp told reporters. ``Now it's the exceptional case of six-figure, seven-figure frauds that doesn't have an international connection.''

Jailed Since August

Ritter has been jailed since an Aug. 2 conviction for failing to comply with a court order. He was charged after he failed to turn in a Belize passport and sought a replacement from authorities in the Central American country using a fake name.

The 10-year sentence is in addition to the 11 months Ritter has already served. Usually, in Canada, prisoners get double credit for time served while awaiting trial. U.S. authorities urged that Ritter be denied the usual credit for time served, Mrozek said.

The case is Between Her Majesty the Queen and Michael Ritter, 051047785P1, Court of Queen's Bench (Edmonton).

OAKLAND Man Gets 4-year Term For $1.5 Million Scam (SFC)

By Patrick Hoge

San Francisco Chronicle, November 1, 2006

A Walnut Creek man has been sentenced to four years in federal prison for swindling investors out of $1.5 million by falsely claiming that Bill Gates and other magnates were buying shares in his company, prosecutors said Monday.

Lal Bhatia, 39, was convicted in February of 27 charges of mail fraud and money laundering. Prosecutors said Bhatia, as chief executive of ABE Technologies Inc., had lured investors by telling them Gates, Michael Dell of Dell Inc. and Sabeer Bhatia, the founder of Hotmail, had agreed to invest in the company.

Sabeer Bhatia, who is no relation to the defendant, testified at the trial that he had never met Lal Bhatia or done business with him.

Prosecutors said Lal Bhatia had shown forged documents to investors to support his claim that a Swiss banking entity, which didn't exist, was backing him.

He was sentenced to prison Oct. 23 by U.S. District Judge Claudia Wilken, who also imposed a $100,000 fine and ordered him to pay $894,531 in restitution to his victims.

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Man Gets 4 Years For Fraud (CCT)

By George Avalos

The Contra Costa Times, November 1, 2006

Lal Bhatia, a Walnut Creek man, has received a four-year sentence for a case in which he posed as an executive with ties to Bill Gates and other tech luminaries.

He also is awaiting a separate trial on different fraud charges.

Bhatia, 39, was convicted of swindling investors out of $1.5 million, government authorities said. Federal investigators said Monday that Bhatia was sentenced on Oct. 23, following his conviction in February.

As part of the scam, Bhatia posed as the chief executive of ABE Technologies Inc., a bogus company that Bhatia claimed had received financial backing from some of the biggest names in technology.

Bill Gates, the founder of Microsoft Corp., and Michael Dell, founder of Dell Inc., were among the digital leaders whom Bhatia said had invested in, or had bought shares in, ABE Technologies.

Bhatia also said one of his investors was the coincidentally named Sabeer Bhatia, the co-founder of Hotmail. The Hotmail executive testified at the trial.

"This was brazen," said Dana Wagner, an assistant U.S. attorney who co-prosecuted the case.

Bhatia filed a notice of appeal Monday for the conviction and sentencing, said Sunita Kapoor, Bhatia's Danville-based attorney.

"Mr. Bhatia intends to vindicate himself," Kapoor said. "This is a family feud." Kapoor said the real fault in the case lies with the relatives. The relatives, Kapoor and Bhatia's father claim in a civil lawsuit, misappropriated funds from Bhatia's grandfather through an ancient system of financial dealing called hawala.

Investigators pointed out the conviction and sentencing show that the jury and judge believe Lal Bhatia was at fault. By taking advantage of the peak of the Internet frenzy in 1999 and 2000, Bhatia bilked his own relatives, prosecutors said.

"There was a fever at that time, with people excited about getting into the tech industry, the dot-coms, companies going public," Wagner said. "The victims in this case were members of his family."

Bhatia's uncle, two aunts, and another relative were the victims, said Joe Camillucci, a special agent for the Internal Revenue Service.

Bhatia told his relatives that ABE Technologies was one of the hottest of the dot-com companies. He spun a yarn about its impressive technologies and backers.

"He told them it was an Internet 2, a company that would completely revolutionize the Internet," Camillucci said.

ABE Technologies, Bhatia told his relatives, had developed a secret product or service for which the biggest companies in the tech world hungered. Those grandiose claims preyed on the desire that many people had to harvest a bumper crop of profits from the Net.

"This was seen as a high-tech opportunity, a very exciting company, a chance to get in on the ground floor and make millions of dollars out of it," Wagner said.

For further authenticity, Bhatia fashioned a brochure about his company from bits and pieces of public statements made by American companies. The balance sheet came from Intel, the income statement from Coca Cola, a shareholders message from a book, Camillucci said.

Bhatia also capitalized on the pride that many Indians have about Sabeer Bhatia, who has achieved iconic status in South Asia as being India's first celebrity entrepreneur, as the Financial Times described it in March.

Yet the Sabeer connection helped trip up Lal Bhatia. One of the aunts noticed that the name of Sabeer's new venture was misspelled in a Lal Bhatia brochure. What's more, the relatives became suspicious when they were never repaid for their investments.

The FBI and the IRS teamed up to track Bhatia's complex schemes, said Joseph Schadler, a spokesman for the FBI's Bay Area operations.

"The money trail is so convoluted that it really behooves us to have the financial expertise of the IRS on board," Schadler said.

In a separate case, Bhatia awaits trial over accusations that he and other suspects posed as wealthy financiers and a British noble as part of an alleged scam in which victims lost $1.9 million.

The suspects convinced developers in Florida and Texas that they could arrange large loans for their projects in return for up-front fees to process the bogus loans, FBI investigators said. Bhatia allegedly had his victims meet a nobleman who said he had rescued Queen Elizabeth II from financial ruin.

"Lal talked the talk and he seemed to know the industry," Wagner said. "He drove the right cars and said the right things. He impressed people."

George Avalos covers the economy, jobs, financial markets, insurance and banks. Reach him at 925-977-8477 or gavalos@cctimes.com.

Tech CEO Gets 4-year Prison Term In Investment Scam (MERCN)

The San Jose Mercury News, November 1, 2006

SAN FRANCISCO - A technology entrepreneur convicted of bilking investors out of $1.5 million with false claims that Bill Gates and Michael Dell also invested in his company was sentenced to four years in federal prison, authorities said Monday.

Lal Bhatia, 39, of Walnut Creek, also was ordered at his Oct. 23 sentencing to pay nearly $1 million in fines and restitution for the scheme at ABE Technologies Inc., according to the U.S. Attorney's Office for the Northern District of California.

Bhatia, who was the company's chief executive, was convicted in February on 27 counts of mail fraud and money laundering stemming from a series of bogus claims to drum up support for his startup business.

Bhatia lured investors by claiming that tech luminaries Gates and Dell invested in the company, prosecutors said.

He also touted the support of Sabeer Bhatia, a co-founder of the Hotmail e-mail service, who later testified that he had never met nor done business with the defendant. The two Bhatias are not related.

Lal Bhatia also duped investors by providing forged documents touting the backing of a fictitious multibillion dollar Swiss banking entity, prosecutors said.

Bhatia, who is free on bail, is appealing the conviction and the sentence, said Sunita Kapoor, one of his lawyers.

Kapoor declined to discuss specifics of the case. But she said the case boiled down to a family feud between Bhatia's relatives who invested in the company and demanded their money back after it folded during the dot-com collapse.

She said the business was a "viable entity" that sought to incubate other companies to serve as Internet service providers.

Longview Woman Sentenced For Posing As Katrina Victim (DMN/AP)

Associated Press

The Dallas Morning News, November 1, 2006

DOJ_NMG_0089588

A 29-year-old woman who posed as a Hurricane Katrina evacuee to collect $2,000 in federal aid received three years probation Tuesday.

Tomisha Embry, of Longview, must also pay back the money as restitution after being sentenced by U.S. District Judge Leonard Davis.

Embry claimed she had a New Orleans home damaged by Katrina and submitted an application to the Federal Emergency Management Agency for disaster assistance.

Last month, Attorney General Alberto Gonzalez said the Hurricane Katrina Fraud Task Force has produced charges against more than 400 people in more than 30 federal judicial districts around the nation.

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On the Net:

http://www.usdoj.gov/katrina/Katrina_Fraud/index.html

PUBLIC SAFETY | Women Guilty In Health-care Plan Fraud (KCS)

The Kansas City Star, November 1, 2006

Two women pleaded guilty in federal court Monday for their roles in a scheme to defraud an employee health-care plan. Sandra Rivers, 34, of Kansas City, and Delorise Jean Killiebrew, 49, of Independence, had been indicted in July with 11 others.

Killiebrew acknowledged that Cheri Smith, an employee of Health Midwest Comprehensive Care's claim department, persuaded her to cash nine checks totaling more than $33,000. She said she kept half and gave the rest to Smith. A total of $121,284 was fraudulently paid out between January and August 2002, according to the charges. Prosecutors alleged that Smith, 37, of Independence, organized the scheme. She pleaded guilty Oct. 10.

KANSAS CITY | Residents flee apartment fire

A fire that started on a couch forced the evacuation of a Kansas City high-rise apartment building Monday afternoon.

The blaze largely was contained to one room in a fifth-floor apartment at the Brush Creek Tower in the 1800 block of Cleaver II Boulevard, a fire department spokesman said.

The fire destroyed the couch, blistered the walls and blackened the ceiling. No one was injured.

Go to KansasCity.com for video of the fire.

KANSAS CITY | Probation given in marriage fraud case

A marriage fraud scheme netted a Kansas City woman a sentence of three years of federal probation Monday.

Joyce Porter, 44, pleaded guilty in August to concealing and failing to report the fraud.

Porter admitted she falsely told authorities that she lived with co-defendant Mohamed Elouerrassi, 54, a citizen of Morocco.

Elouerrassi also has pleaded guilty to falsifying statements on immigration applications. He was accorded status as a permanent resident of the United States in January 2000, based on his marriage to Porter, who is a U.S. citizen.

He has not yet been sentenced.

KANSAS CITY, Kan. | BPU employee burned in accident

The Kansas City, Kan., Board of Public Utilities was investigating the cause of a flash burn Friday that injured a longtime employee.

Spokeswoman Susan Allen said the employee, a lead electrician and a 33-year BPU veteran, was working on a breaker at the utility's Quindaro Power Plant when an electrical failure occurred.

Allen said the burns, though serious, were not life-threatening. The employee was in the intensive care unit at an area hospital.

KANSAS CITY, Kan.| Fire displaces 3 children, 2 adults

An electrical fire in a lower-level laundry room about 10:35 a.m. Monday caused damage of about $25,000 to a house in the 1200 Block of North 62nd Place.

The fire was confined to that room, but there was smoke damage to the entire house.

The fire displaced the home's residents because of the damage.

KANSAS CITY, Kan. | Park ranger threatened during robbery

A man called a "person of interest" in a quadruple murder earlier this month was one of three suspects arrested in connection with an armed robbery Monday morning at Seventh Street and Lowell Avenue.

A Wyandotte County park ranger interrupted the robbery, and at least one of the suspects pointed a gun at the ranger.

One suspect was arrested at the scene. The other two were arrested in the 3000 block of Indiana Avenue in Kansas City.

KANSAS CITY, Kan. | Victim remains in serious condition

A man in his 50s remained in serious condition Monday at an area hospital after being shot Sunday evening.

Police responded to a report of a shooting about 7:30 p.m. in the 300 block of South Eleventh Street.

Police had a person in custody who might have been involved in the incident.

Two Area Women Plead Guilty To Fraud (KCBIZ)

Kansas City Business Journal, November 1, 2006

Two women from Independence and Kansas City pleaded guilty in federal court to participating in a conspiracy to defraud Health Midwest's employee health care plan administrator of more than $120,000.

In a release Monday, Bradley Schlozman, U.S. attorney for the Western District of Missouri, said that Delorise Jean Killiebrew, 49, of Independence, and Sandra Rivers, 34, of Kansas City, pleaded guilty in separate appearances before U.S. District Judge Howard Sachs to the charge contained in a July 18 federal indictment.

By pleading guilty, Killiebrew and Rivers admitted that they had participated in a health fraud conspiracy by cashing benefits checks from Health Midwest and Health Midwest Comprehensive Care that they knew they weren't entitled to receive, Schlozman said.

Prosecutors say Cheri Smith, 37, of Independence, devised the scheme to defraud a health care benefit program from Jan. 17 to Aug. 29, 2002.

Smith worked for Health Midwest Comprehensive Care (HMCC), a third-party administrator for the employee health care plan maintained by Health Midwest. Smith was a senior team leader in HMCC's claims department and was responsible for data entry of all pharmacy claims. She also was authorized to enter pharmacy claims data, change or modify account information and pay pharmacy claims.

Smith accessed the computer database containing the names of employees covered by the pharmacy benefits program and changed valid member names to those of her family members, friends and others who were neither Health Midwest employees nor entitled to receive benefits. Smith then entered false pharmacy claims for those bogus employees and caused checks to be issued to them. After cashing the checks, those in whose names the checks were fraudulently issued typically gave some of the proceeds back to Smith.

Killiebrew admitted that she had received nine checks for a total of $33,249 from the Pharmaceutical Insurance Reimbursement Account at Health Midwest and Health Midwest Comprehensive Care. She kept part of the proceeds of the checks and gave some to Smith.

Rivers admitted that she had learned about the health care fraud conspiracy from Killiebrew, a co-worker, and had agreed to accept checks in the summer of 2002. Rivers received two checks for a total of $5,516. After cashing each of the checks, Rivers kept $300 and gave the rest of the money to Killiebrew.

Killiebrew and Rivers are among six co-defendants who have pleaded guilty to their role in the health care fraud conspiracy.

Smith pleaded guilty to health care fraud on Oct. 10. Smith admitted that she made at least 36 fraudulent entries in the computer system responsible for paying pharmacy claims for Health Midwest employees.

Federal statutes stipulate that Smith could be subject to a sentence of as much as 10 years in federal prison without parole, plus a fine of as much as $250,000. Each of the other co-defendants could be subject to a sentence of as much as five years in federal prison without parole, plus a fine of as much as $250,000.

Sentencing hearings will be scheduled after the completion of presentence investigations by the U.S. Probation Office.

Executive Assistant U.S. Attorney Roseann Ketchmark is prosecuting the case, which the FBI investigated.

3rd Circuit Revives Case Against Asbestos Class Action Lawyers (LAW)

By Shannon P. Duffy, The Legal Intelligencer

Legal Intelligencer, November 1, 2006

The 3rd U.S. Circuit Court of Appeals has revived a proposed class action suit against a group of lawyers from southern states brought by more than 2,600 former clients from northern states who say they were cheated out of their fair share of $400 million in asbestos personal injury settlements in the Mississippi state courts when the lawyers gave larger payouts to southern plaintiffs.

Reversing a lower court's decision that dismissed the suit, Senior U.S. Circuit Judge Jane R. Roth issued a stern lecture to lawyers about the duty of loyalty.

"We are embarrassed to have to explain a matter so elementary to the legal profession that it speaks for itself: All attorneys in a co-counsel relationship individually owe each and every client the duty of loyalty. For it to be otherwise is inconceivable," Roth wrote in Huber v. Taylor.

The case provides a rare glimpse into the high-stakes world of asbestos litigation in which plaintiffs are termed "inventory" and settlements often involve hundreds or even thousands of cases.

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The plaintiffs in Huber v. Taylor are steelworkers from Pennsylvania, Ohio and Indiana who joined a massive Mississippi asbestos suit. The defendants are lawyers from Mississippi, North Carolina and Texas.

The suit, filed by attorneys Esther S. Trakinski and Irving Cohen of Cohen Pope in New York, alleges that the northern plaintiffs were never made aware of a complex series of agreements between and among the lawyers that, they say, ultimately led to their receiving smaller payouts than southern plaintiffs.

The northern plaintiffs had all retained lawyers in their home states -- referred to in the case as "local counsel" -- who had in turn struck deals with a Texas lawyer who served as co-counsel.

But when the lawyers struck a series of settlements worth more than $400 million, the northern plaintiffs claim that their share was reduced because the southern lawyers wanted to allocate a greater percentage of aggregate settlements to southerners in order to minimize the percentages paid to the northern plaintiffs' local counsel.

The suit alleges that, by cheating the northern plaintiffs of their fair share, the southern lawyers saved more than $10 million that would have been paid to their local counsel.

The stakes are even higher than that because the northern plaintiffs are seeking "disgorgement" of all the fees earned by the southern lawyers -- 40 percent of $400 million, or $160 million.

In the first round of the litigation, the plaintiffs suffered two major setbacks when U.S. District Judge Arthur Schwab of the Western District of Pennsylvania refused to certify the suit as a class action and later dismissed the entire case.

Finding no conflict among the laws of Pennsylvania, Ohio and Indiana, Schwab held that the plaintiffs could not prove their breach of fiduciary duty claims because they had no proof of "causation" or "actual injury."

Now the 3rd Circuit has ruled that Schwab erred by failing to apply Texas law that includes no such requirement.

But a dissenting judge said he would have upheld Schwab's dismissal of the suit on the grounds that the plaintiffs had waived their right to complain about the choice-of-law issue.

"In my view, plaintiffs' failure to brief and argue the choice of law issue before the district court and in their opening brief on appeal constitutes waiver of that issue," U.S. Circuit Judge Julio M. Fuentes wrote.

Roth disagreed, saying the plaintiffs had never waived the choice-of-law issue.

"The issue of which state's law to apply is inherent in the parties' positions throughout this case. Defendants claim that the law in all the relevant jurisdictions requires a showing of actual harm for breach of fiduciary duties, while plaintiffs assert that it does not when the remedy sought is disgorgement, citing to Texas law," Roth wrote.

Roth also found that, even if the plaintiffs had technically waived the issue, the exceptions to the waiver doctrine would apply because "plaintiffs' repeated and insistent citation to Texas law as providing the governing standard alerted this court to the choice-of-law issue."

A lengthy section of Roth's majority opinion is devoted to describing the complex relationships and fee agreements at the heart of the case.

Before that, Roth outlined the circumstances that made Mississippi an attractive venue for asbestos plaintiffs in the mid-1990s.

In 1995, a case captioned Cosey v. E.D. Bullard Co. was filed in Jefferson County, Miss., and over the next few years it grew to include several thousand plaintiffs due, Roth said, to Mississippi's "reputation as a plaintiff-friendly jurisdiction" and the state's "liberal joinder rules."

In 1998, a jury awarded $48.5 million to 12 of the Cosey plaintiffs with malignant asbestos-related diseases. The sole attorneys of record for all the Cosey plaintiffs were Mississippi lawyers Robert A. Pritchard and Christopher Fitzgerald.

Roth said the big verdict "prompted many companies with potential asbestos liability to explore settlements."

In May 1999, before any settlements were reached, Pritchard brought a second asbestos personal injury mass action in Mississippi state court in which the Huber plaintiffs were joined.

The northern plaintiffs joined the Mississippi suit through a co-counsel agreement their northern lawyers had struck with Texas attorney Robert G. Taylor II who had become involved in the Cosey case.

As Roth described it, Taylor's fee arrangements with the northern lawyers is key to understanding the claims.

According to the opinion, Taylor had contracted with the local counsel to serve as co-counsel for any future asbestos plaintiffs in exchange for Taylor's receiving about 95 percent of their fees if suit were brought outside of local counsel's home state, and a smaller amount if suit were brought in the home state.

Roth found that the arrangement meant that local counsel would find the work profitable only as "volume, rote work" since their percentage was so low, but that even such a small percentage was ultimately "a sizeable amount given the hundreds of millions of dollars of recoveries."

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Taylor also entered into "upstream co-counsel agreements" with Fitzgerald and Pritchard, who in turn entered into an upstream co-counsel agreement with Joseph B. Cox Jr. of North Carolina, to negotiate settlements, for which Cox would receive 4 percent of all gross settlements.

The Huber plaintiffs claim in the suit that they were never informed of the various co-counsel arrangements.

Taylor, Pritchard and Cox are the lead defendants named in the suit.

But lawyers defending the southern lawyers argued that none of the northern plaintiffs was cheated in any way.

The size of the settlement payouts, they said, was calculated on the basis of numerous factors including the level of injury and the home state of the claimants.

Although the northern plaintiffs were paid less than their co-plaintiffs from Mississippi and Texas, the defense also noted that the northerners nonetheless received larger settlements than similar asbestos plaintiffs from Pennsylvania, Ohio and Indiana usually receive in their home state courts.

The plaintiffs insist that their payouts were reduced to avoid paying fees to their local counsel.

But defense lawyers insisted that the settlements were not aggregate settlements that they then allocated as they saw fit. Instead, they said, the plaintiffs in the settled cases were presented with offers that varied for different individuals based on factors such as the type of injury or asbestos exposure, lifestyle habits like smoking, and geographic origin.

Geographic origin was an appropriate factor in determining settlement value, the defense lawyers said, because jury verdicts in northern states are traditionally lower than in southern states and because, in southern courts, jury verdicts for northerners are typically lower than for southerners in their home state.

But Roth found there was evidence that the settlements were, in fact, aggregate, and that the plaintiffs may have a valid claim under Texas law for breach of fiduciary duty that could entitle them to a disgorgement of the southern lawyers' fees.

At the heart of the claim, Roth found, is the duty of loyalty every lawyer has to every client.

That duty exists, Roth said, "even when clients are viewed as mere 'inventory.'"

"This is the cost of doing business as an attorney at law, and we will not countenance shortcuts," Roth wrote.

"Disclosures to clients must be meaningful, by which we mean something beyond form disclosures, as clients must understand a conflict to give their informed consent to an intelligible waiver. ... There is no question that defendant attorneys owed plaintiffs fiduciary duties," Roth wrote.

Taylor's lawyer, Howard M. Klein of Conrad O'Brien Gellman & Rohn, said he was "very disappointed" by the ruling and is studying the opinion with an eye toward seeking re-argument before the full 3rd Circuit.

Klein also said that Taylor and the other defendants "acted in compliance with their ethical and legal obligations."

Group Asks FTC To Probe Web Ads (USAT)

By Jim Hopkins

USA Today, November 1, 2006

SAN FRANCISCO — A non-profit consumer advocacy group plans to ask federal regulators today to rein in the fast-growing $100 billion online marketing industry.

The Center for Digital Democracy is expected to file a Federal Trade Commission complaint asking the agency to investigate online advertisers. It also wants the FTC to force companies to halt what it calls deceptive practices and encourage Congress to pass legislation bolstering consumer privacy protection.

Executive Director Jeff Chester says hundreds of companies now track consumers online, gathering detailed dossiers about reading, spending and other habits that endanger personal privacy. Privacy policies published on websites don't adequately warn consumers, he says.

“The FTC has largely ignored the critical developments of the electronic marketplace that has placed the privacy of every American at risk,” a draft version of the complaint says. The complaint comes amid rising privacy concerns as billions of dollars in commerce shifts to the Internet and mobile devices, creating new global players such as search giant Google. And it comes a week before the FTC holds a three-day e-commerce conference that's “insufficient” to shield consumers, the center says.

The FTC declined to comment.

The center, based in Washington, gets financial support from philanthropies including the Ford Foundation and the John D. and Catherine T. MacArthur Foundation, Chester says. It's joined in its FTC filing by the U.S. Public Interest Research Group, another non-profit consumer advocate.

While the complaint says questionable online marketing practices are widespread, it wants the FTC to first examine Microsoft's adCenter service. Launched last year, it lets advertisers bid to have advertisements published next to online search results, similar to Google's better-known AdSense program.

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Chester says adCenter endangers privacy because it relies on data gathered from the No. 1 software maker's widely used Hotmail e-mail service and other Microsoft products. “They have fully opened up the entire suite of Microsoft's very extensive properties to marketers,” Chester says.

Microsoft disputed the center's allegations, saying it protects consumer privacy and is “very open” about its privacy policies.

Chester has been involved in high-profile privacy issues for some time. He co-founded the Center for Media Education, which filed an FTC complaint 10 years ago that helped spur passage of the Children's Online Privacy Protection Act of 1998, Chester says.

CIVIL RIGHTS:

Many Eyes Will Watch The Polls (USAT)

By Richard Wolf And Kevin Johnson, Usa Today

USA Today, November 1, 2006

WASHINGTON — Thousands of lawyers, election monitors and volunteers with video cameras will be mobilized on Election Day in an effort to guard against problems at the polls.

The Justice Department will dispatch more than 800 observers, a record for a non-presidential election year, to look for evidence of discrimination, intimidation and other obstacles to voter accessibility in at least 20 states.

The Democratic Party has a 50-state voter-protection effort and an estimated 7,000 lawyers at the ready. Liberal groups have set up hotlines for voters to call if they are denied the right to vote. And hundreds of people plan to film interviews at polling places where voters are being challenged that day.

Fueling the activity this year: dozens of close elections that could decide control of Congress and the potential for problems caused by electronic voting machines, statewide databases and identification requirements.

"There are going to be problems in every state," says Jon Greenbaum, director of the Voting Rights Project for the Lawyers' Committee for Civil Rights. The group is part of a coalition that has a toll-free hotline and lawyers poised in 23 states.

Republican and conservative interest groups are keeping a lower profile. The Republican National Committee is relying on its state parties for poll monitors and lawyers. Groups such as the Republican National Lawyers Association lack the manpower to match the NAACP, Common Cause and People for the American Way.

"Folks can game the system, and that's a concern," says Thor Hearne, general counsel for the American Center for Voting Rights, a conservative group. He calls candidates and local parties "the first line of defense."

Justice Department monitors will be deployed next week, partly based on close races for Congress and where questions have been raised about the integrity of the election process. That could include Baltimore, Chicago, Cleveland and other places that encountered problems during primaries this year.

Prosecutors will be on standby in each federal district across the country to pursue possible fraud cases or other election-related criminal activity. "Everyone agrees that we want to make voting easier and fraud harder," says Assistant Attorney General Wan Kim.

The effort by some liberal groups begins today with a series of public-service announcements by actors such as Ben Affleck and Jodie Foster.

·A consortium led by Common Cause plans to track voters' problems on a database and publicize them. In 2004, it received 55,000 complaints.

·The NAACP has hundreds of lawyers ready. "We're focusing more on how to redress problems when they occur," says the group's Dennis Hayes.

·Filmmaker Ian Inaba's volunteers hope to get aggrieved voters on the Internet via YouTube "while the polls are still open and the races are still alive."

Federal Observers And Monitors Heading To Polls (CNN)

By Terry Frieden

CNN.com, November 1, 2006

WASHINGTON (CNN) -- The Justice Department plans to dispatch more than 800 federal observers and monitors to 20 states to protect voting rights in potentially troubled polling locations, officials announced Tuesday.

That is a record number of federal officials watching polling stations in an off-year election.

"Yes, the anticipated closeness of races is one factor in our decisions about where we'll be sending people," said Assistant Attorney General for Civil Rights Wan Kim.

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Kim said he would not identify until Monday the more than 65 cities and counties to which the observers will be sent.

The locations where federal observers will be stationed are selected because of past polling problems, an uneasy history among ethnically or racially diverse groups, or where fears and allegations of potential violations are asserted.

The Justice Department is reluctant to make public plans for elections observers. One official said that is because observers are viewed, in part, as frontline collectors of data that could be used to construct cases against local jurisdictions.

An influential non-governmental group, the Leadership Conference on Civil Rights, has asked the Justice Department to send monitors to seven locations in Alabama where black candidates are challenging white candidates. The organization also asked for monitors in Alaska where, it said, "the Native Alaskan community faces multiple barriers to voting access."

The group also called on Attorney General Alberto Gonzales to watch for problems at locations in Arizona, Louisiana, Montana, New Jersey, New Mexico, North Carolina, Oklahoma, South Dakota and Virginia.

The group's concern in Virginia is centered on Chesterfield County, where in 2004 armed guards were placed at polls to "ward off terrorists." Would-be voters were incorrectly told while in line that they needed an identification card to vote.Focus on racial, ethnic hotspots

State voter-identification requirements are before courts in several states, where varying requirements are alleged by some groups to be unconstitutionally restrictive.

Justice officials say the election observers will focus on historic racial and ethnic hotspots, and also will watch for balloting access issues and assistance for non-English speakers and the disabled.

In addition, U.S. attorneys, the FBI and criminal fraud prosecutors from will be on standby in the event evidence of ballot stuffing or other voting fraud is found.

"The Criminal Division's Public Integrity Section has assigned attorneys to assist with potential election crimes," a Justice Department statement said.

Those officials will be on duty to field complaints from the time the polls open in the East until they close in the West, the department said. The criminal investigators and prosecutors will not be at the polling stations. Any investigations will take place after the elections.

Despite warnings by some computer scientists and interest groups of problems with voting machines, Justice Department officials charged with enforcing the Help America Vote Act of 2002 insisted Tuesday they do not anticipate widespread problems.

"Clearly, some states are moving along better than others," Kim said. "Those who waited too long to implement requirements are a bit behind the eight ball."

This year the Justice Department brought cases against New York, Maine, Alabama and New Jersey for violations, all of which have been resolved, Kim said.Sensitive mission

The hundreds of experienced monitors from the Justice Department and observers from the Office of Personnel Management heading to the polls are trained for a sensitive mission: wading into sometimes tense and strongly partisan surroundings under intense scrutiny.

More than 1,000 federal personnel were sent to monitor elections in 2004. Greater numbers are the norm in presidential election years, when voter turnout is higher, officials said.

The Justice Department officials acknowledge walking a tightrope. They want to make clear they will vigorously enforce federal voting laws but are equally determined not to intrude in a process run almost entirely by state officials.

The observers must represent an eagle-eye corps dedicated to protecting voters' rights while remaining virtually invisible and avoiding actions that could be viewed as heavy-handed or intimidating.

Civil rights authorities say the monitors quietly identify themselves to polling officials, which serves both to provide notice of a source of assistance should problems arise, as well as a not-so-subtle deterrent against raising obstacles to categories of minority voters protected by federal statutes.

"We want to send a strong message that we want fair elections," Gonzales told reporters Tuesday. "While our role is relatively small, it is an important role, and we intend to play it."

He said his department over the past year prosecuted more voting-rights cases than in any prior year.

During the past four years, the Justice Department charged 120 people with election fraud offenses, 86 of whom have been convicted of voter fraud.

Another approximately 200 investigations are open.

The nature of the cases has changed since the tumult of the early 1960s produced the Voting Rights Act of 1965. At the time, the vast majority of cases concerned the provision of ballot access to black voters in Southern states.

Since then, overt discrimination against minority voters has declined. However, more subtle forms of bias at the polls remains a concern in certain locations.

In one ongoing case in Mississippi, black elections officials have been sued for violating the voting rights of white voters.

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In recent years, attention has shifted to providing unfettered ballot access and voting assistance to tribal and ethnic groups who are entitled to federal protections. Native Americans, Hispanics and Vietnamese voting groups have received the most federal help on Election Day because of incidents of alleged discrimination.

NAACP Plans To Monitor St. Landry Vote (BRADV)

By Richard Burgess, Advocate Acadiana Bureau

Baton Rouge Advocate, November 1, 2006

OPELOUSAS — The NAACP plans to organize poll watchers in St. Landry Parish to monitor what's expected to be a tight race between a black woman interim sheriff and her white male challenger.

Interim Sheriff Laura Balthazar faces former State Police official Bobby Guidroz on Nov. 7 in a race to fill the seat of former Sheriff

Howard Zerangue Sr., who died in April while serving his seventh consecutive term of office.

Concerns of possible racial intimidation in the sheriff's election have also attracted the attention of the U.S. Justice Department, which monitored the parish's primary election on Sept. 30 and is expected to return next week.

The NAACP Legal Defense and Education Fund, working with local civil rights groups, hopes to assemble a team of 24 poll watchers to oversee the elections, said Kristen Clarke-Avery, assistant counsel for the NAACP Legal Defense and Education Fund.

Clarke-Avery said the group had 12 monitors for last month's elections.

"All of us are out there to see to it that everybody can exercise their constitutional right to vote," said Clifton Lemelle Sr., a retired educator from Eunice who is helping organize the poll watchers.

Lemelle said there were no confirmed reports of racial intimidation from the Sept. 30 election.

Federal monitors also reported no apparent violations.

Clarke-Avery said questions did arise over whether some residents were improperly denied the right to vote because they had no photo identification.

Louisiana law allows a registered voter to cast a ballot without photo identification if the voter fills out an affidavit attesting to his identify.

"We received some reports of those affidavits not being offered," Clarke-Avery said.

Lemelle said there were also reports of candidates remaining too close to polling precincts.

State law prohibits campaigning within 600 feet of a polling place, and Lemelle said the mere presence of a candidate may also work to unduly sway some voters.

No Penalty For Voting Systems Lapse (AP)

By Lara Jakes Jordan, Associated Press Writer

AP, November 1, 2006

The Justice Department isn't penalizing states that fail to upgrade voting systems by next week's elections, a requirement passed by Congress in 2002.

Federal efforts to combat election fraud and prevent voter intimidation on Nov. 7 are among the most rigorous ever, Assistant Attorney General Wan J. Kim said Tuesday. He estimated 800 federal observers and monitors are headed next week to oversee elections in 20 states - selected in part because of close races there.

But prosecutors have not penalized states, or tried to hold them in contempt, if they failed to comply with the 2002 Help America Vote Act, Kim said. The law required states to plan for switching to electronic ballot machines and have a voter registration database up and working in time for the 2006 elections.

If states "miss a deadline, or if they don't do something by a certain time, then obviously we would first go back to the table and try to figure out why, and how we can fix the problem," Kim told reporters.

If a state still falls short, the Justice Department could go to court and seek a contempt order, which could carry penalties, Kim said. "But that's something we don't like to do. It means a problem's broken and we can't fix it easily."

Justice Department officials said it is unclear how many states have not fully updated their voting systems. The department has filed lawsuits against four states - Alabama, Maine, New Jersey and New York - and they have until sometime in 2007 to comply.

Other states are in varying degrees of compliance. They have escaped legal action because they have made good-faith efforts to meet the new standards.

But critics say the absence of electronic voting machines and outdated registration rolls can lead to major problems at the polls - and potentially skew election results.

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States like New York and Connecticut, with a number of competitive elections that could decide which party controls the U.S. House, still use lever ballot machines that generally have a higher error rate than other machines, said George Washington University law professor Spencer Overton.

Lever ballot machines also can't be used by blind voters, and not all election jurisdictions have the required alternate handicapped-accessible voting systems available, Kim acknowledged.

"We could see machinery outcomes shape the direction of our country," said Overton, a commissioner on the 2005 Carter-Baker Commission on Federal Election Reform.

Kim said the Justice Department has been far more aggressive in targeting election law violations, filing 17 lawsuits this year alone against counties, states and other jurisdictions. On average over the last two decades, the department has sued eight or nine jurisdictions a year.

Republicans Challenge Voter Rolls In Westchester (NYT)

By Fernanda Santos

The New York Times, November 1, 2006

YONKERS, Oct. 31 — Republicans are challenging the right of thousands of registered voters in the local State Senate district to cast ballots on Nov. 7, charging that these voters do not live at the addresses listed with the Westchester County Board of Elections.

The dispute set off a war of words between the district's longtime incumbent, State Senator Nicholas A. Spano, and his Democratic rival, Andrea Stewart-Cousins, whom Mr. Spano beat by just 18 votes in 2004, after a contentious recount that lasted three months.

John Ciampoli, a Republican lawyer who handled the recount for Mr. Spano two years ago, said he found the discrepancies after checking postal change-of-address cards against district's voting rolls. On Friday, Mr. Ciampoli submitted the challenges to the Board of Elections, questioning the validity of 5,929 voter registrations and asking the board to send police officers to voters' homes to find out if any of them had moved.

Ms. Stewart-Cousins, a six-term county legislator, held a flurry of news conferences criticizing the challenges. In an interview, she called the idea of using officers to verify addresses as "an attempt to intimidate voters before the voting even begins."

Mr. Ciampoli, who lives on the outskirts of Albany, said he filed the challenges on behalf of the state's Republican Party and the Westchester Republican Committee. In 2004, he successfully challenged hundreds of paper ballots most likely cast for Ms. Stewart-Cousins in the 35th State Senate district race.

Mr. Spano, for his part, said that he supported the current challenge, but had no part in devising it.

"This is a simple procedural request that is not targeting any ethnic group or any party, and we just want to make sure that there's no fraud," said Mr. Spano, who has served in the Legislature since 1986.

Ms. Stewart-Cousins's spokesman, Ted Lazarus, charged that most of the voters whose registrations are in dispute are Democrats and that many live in some of the city's poorest — and heavily minority — neighborhoods, a claim that could not be independently verified.

In 2004, scores of poor, minority voters complained that they felt intimidated by Republican poll-watchers, Ms. Stewart-Cousins said. With that in mind, her campaign asked the Justice Department, four days before the challenges were filed, to monitor poll sites on Election Day.

According to Mr. Ciampoli, the voters whose registrations are being challenged are a mix of Republican and Democrat, as well as independent and unaffiliated voters. "I have not excluded from the database people from any party, and there's no way for me to tell if they're black, Latino or what," he said.

Carolee C. Saunderland, a Republican commissioner at the county's Board of Elections, said that the process of verifying the challenged addresses could not be completed by Election Day. To check the addresses, first-class letters are mailed to each person on the list, and if they are returned as undeliverable, the police are sent to the address to check if the voter still lives there.

Suspects Accused In Voter Fraud Case (FINDLAW/AP)

By Gillian Flaccus, Associated Press Writer

AP, November 1, 2006

(AP) - SANTA ANA, Calif.-Twelve people have been charged with tricking voters in Orange County into registering as Republicans, prosecutors said Monday.

DOJ_NMG_0089596

The defendants, ranging in age from 19 to 52, were accused of fraudulently registering 37 voters as Republicans between August 2005 and February 2006. Democrats, Green Party members and a noncitizen were registered as Republicans, prosecutors said.

The suspects were hired to register new Republicans by private firms paid by the Orange County Republican Party, prosecutors said. The recruiters worked for the firm Bader & Associates, as well as a subcontractor, John Burkett. Both have said they no longer work on voter registration drives.

No charges were filed against the companies or the Republican Party.

The recruiters visited shopping centers and college campuses and were paid $10 a head for newly registered Republicans in a district represented by U.S. Rep. Loretta Sanchez, a Democrat, prosecutors said.

Voters were asked to sign petitions for lower taxes or stricter sex offender laws, then tricked into signing voter registration cards, Orange County prosecutor Anthony Rackauckas said. Other information was filled in using voters' driver's licenses, he said.

County Democratic Party officials said they have filed more than 500 verified complaints of fraud in the drive.

The 12 defendants were charged with fraudulent completion of affidavit of registration, a felony. Five defendants remain at large. The maximum penalty for a conviction is three years in prison.

The charges are the latest voting controversy to roil Orange County. In a separate case, the campaign of Sanchez's Republican opponent, Tan Nguyen, has been linked to intimidating letters sent to registered voters with Hispanic last names.

U.S. Attorney, Nightclub To Settle Civil Rights Suit (MJS)

By Gina Barton

Milwaukee Journal Sentinel, November 1, 2006

Eve's attorney denies discrimination against African-Americans

The federal government and the owner of a downtown Milwaukee nightclub have agreed to settle a civil rights suit in which the government accused the business of discriminating against African-Americans.

The suit, filed by U.S. Attorney Steven M. Biskupic in late 2005, said that Eve, a club at 718 N. Milwaukee St., has discriminated against African-Americans since at least 2002, according to court records. The suit accused the owner of the club, Tom Wackman, of refusing entry to black patrons on the basis of race. Wackman contended that he runs an exclusive club that turns prospective patrons away for a number of reasons, but not race.

The government contended that Eve gave "false or pretextual reasons" for denying black people entry, "such as inappropriate attire, exclusion due to a private party, or that Eve was already full, while similarly-situated white persons were admitted to Eve," according to a Department of Justice news release.

Eve did not admit wrongdoing and will not be sanctioned, according to Timothy Baldwin, attorney for Wackman.

"We'll continue to do business as in the past, and the government will watch and make sure we're doing exactly what we said, which is maintaining a high-end, limited-access nightclub," Baldwin said.

Wackman has contended that his goal was to run an exclusive club like those in Chicago and Los Angeles that grant or deny entry based on things such as clothing, attitude and fame.

Before the agreement becomes binding, the U.S. district judge assigned to the case, James T. Moody, must sign it. Attorneys for both sides filed a motion Tuesday in federal court in Milwaukee asking him to do so.

There was no indication in the court record of when the judge might sign the agreement.

According to the Justice Department, under the consent decree, the club must not discriminate on the basis of race and must do several other things, including:

· Post and enforce a non-discriminatory dress code policy.

· Implement a system for receiving and investigating discrimination complaints.

· Conduct monitoring to make sure that employees are following the law.

"We will aggressively pursue claims of racial discrimination," Biskupic said Tuesday.

A civil case on the same issue, filed by another black patron who was denied entry to the club, Jason Holloway, is pending.

Feds Decline Civil Rights Probe In Beard Death (LYNN&A)

By Ron Brown & Matt Busse

Lynchburg (VA) News & Advance, November 1, 2006

The U.S. Justice Department says it lacks sufficient information to justify a civil rights investigation into the death of Clarence Lightfoot Beard Jr., who died Sept. 24 while in custody of Lynchburg police.

DOJ_NMG_0089597

The department's decision was outlined in an Oct. 25 letter to L. Garnell Stamps, a local civil rights activist who requested the investigation.

Stamps wrote an Oct. 6 letter to the Justice Department's Civil Rights Division expressing his concerns about the circumstances surrounding Beard's death.

The matter is the focus of an ongoing investigation by the Virginia State Police and two separate investigations by the Lynchburg Police Department.

Meanwhile, city officials have refused to release public records about the incident, saying they are confidential because they deal with "personnel matters" or an "ongoing investigation."

The lack of a public record weighed heavily on the justice department's decision not to proceed with a civil rights investigation.

"The information which you furnished is insufficient to permit us to determine the existence of a possible violation of federal criminal civil rights statutes," wrote Daniel Rosenholtz, a paralegal specialist for the Civil Rights Division's Criminal Section, to Stamps. "Therefore, we are unable to authorize investigation of your complaint at this time."

Beard, 46, died after police came to his apartment at the James Crossing apartment complex around 3 a.m.

Police said they heard an argument inside before knocking on the apartment's door. They had come to the apartment complex looking for a woman, who was wanted.

Police said Beard struck two of the officers as he struggled with them during his arrest. It is unclear what prompted the confrontation between Beard and police.

The city has refused to release dispatcher logs or 911 tapes relative to the night Beard died, although The News & Advance requested those records under the Virginia Freedom of Information Act.

City officials also have declined to confirm whether police in-car cameras recorded the activities surrounding Beard's death.

Rosenholtz said Stamps would have to provide the Justice Department with details of Beard's death before an investigation would be authorized.

"You should include the date of the incident; the sequence of events leading up to and including any assault by police officers; a description of the injuries Mr. Beard sustained, copies of medical reports, if possible; and the name of involved law enforcement officials and possible witnesses," Rosenholtz' letter said.

The city has refused to name the officers involved.

The two officers involved have since returned to desk duty within the department.

While an autopsy of Beard by the state medical examiner in Roanoke showed he suffered from advanced coronary artery disease, there were also two lumps on his head near the hairline, an abrasion on his forehead and a bruise on his temple.

The medical examiner said none of the injuries appeared lethal.

The medical examiner is awaiting results of toxicology tests, which could show if Beard had any drugs in his system.

A check of other 911 records shows police came to Beard's apartment one other time between March and Sept. 24, when Apartment No. 111 was occupied by Beard and his fiancée, Roxanne Brown.

On March 14, police followed Timothy Hunter Paige to the apartment and arrested him on charges in connection with a hit-and-run, according to a letter from City Attorney Walter Erwin in response to a Freedom of Information request.

Beard and Brown were at the apartment, according to Erwin's letter.

Brown was charged with disorderly conduct for behaving "in a manner that hampered the officers' ability to perform their duties," according to Erwin's letter.

She was later found not guilty of the charge.

The letter's description of the incident says nothing about Beard except that he was at the apartment at the time. It also said a bag of what appeared to be marijuana, whose ownership could not be determined, was in plain view in the apartment.

Stamps said early last month that witnesses at the scene on Sept. 24 said Beard was pepper sprayed by police and struck repeatedly with fists.

Stamps said he has cell phone pictures of blood on the wall of Beard's apartment.

"There is some evidence that we have seen that his head was slammed up against the wall," Stamps said.

Stamps has also said a 16-year-old girl witnessed the beating.

"She came out and begged them to stop," Stamps said.

Contact Ron Brown at (434) 385-5542 or rbrown@newsadvance.com. Contact Matt Busse at (434) 385-5533 or mbusse@newsadvance.com. Subscribe to the Newspaper

Black Plaintiffs Had Attacked Miss. Voting Method For Judges (AP)

AP, November 1, 2006

JACKSON, Miss. - The attorney for a group of black plaintiffs has withdrawn a federal complaint challenging how Mississippi will elect state circuit and chancery judges.

Attorney Carroll Rhodes of Hazlehurst, who filed the lawsuit in U.S. District Court in October, told Judge Henry T. Wingate that he was withdrawing the request after the Justice Department officially pre-cleared the election change Monday in a letter.

"Our complaint was that it should be submitted for pre-clearance," Rhodes said. "On Oct. 10, the state submitted it for pre-clearance and on Oct. 30, 2006, the attorney general tentatively gave pre-clearance."

Rhodes told Wingate the request shouldn't go forward.

In the pre-clearance letter, the Justice Department said that for the remainder of the 60-day period the office has to review the matter under the Voting Rights Act, information can be submitted that could result in changes to the pre-clearance.

Rhodes said plaintiffs were never seeking to stop or postpone the election. Rhodes said he wanted the judiciary races under the election law before it was rewritten by the Legislature in 2005.

He said the new law was to take effect Jan. 1, 2007, not for the Nov. 7 general election.

The lawsuit said that in six chancery court and nine circuit court districts, the opportunity for the election of black candidates has been harmed by the new law.

In those districts, the Legislature changed the election process from a "herd" system to a "post" system. The lawsuit had asked a federal panel to revert to the herd system for the Nov. 7 elections.

Under the herd system, all candidates run in a pack and the top vote getters win the available seats. The herd system was put in place in the late 1980s as part of a settlement of a lawsuit that also claimed the judicial election method diluted black voting strength.

Supporters argue the herd system can help blacks be elected because minorities can make their vote count more by voting only once, presumably for the black candidate.

In the post system, candidates choose the post for which they are running. Many incumbents like the post system because generally a challenger will opt not to run against an incumbent if there is an open spot to pursue.

Teen Shot By Police Stun Gun Dies (FINDLAW/AP)

AP, November 1, 2006

(AP) - JERSEYVILLE, Ill.-A teenager carrying a Bible and shouting "I want Jesus" was shot twice with a police stun gun and later died at a St. Louis hospital, authorities said.

In a statement obtained Tuesday by The Associated Press, police in Jerseyville, about 40 miles north of St. Louis, said 17-year-old Roger Holyfield would not acknowledge officers who approached him and he continued yelling, "I want Jesus."

Police tried to calm the teen, but Holyfield became combative, according to the statement. Officers fired the stun gun at him after he ignored their warnings, then fired again when he continued struggling, police said.

Holyfield was flown to St. Louis' Cardinal Glennon Hospital after the confrontation Saturday; he died there Sunday, police said.

An autopsy was planned for Tuesday.

The statement expressed sympathy to Holyfield's family but said city and police officials would not discuss the matter further.

Calls Tuesday to Jerseyville Police Chief Brad Blackorby were not immediately returned. The department has been using stun guns for about five months, according to the statement.

In a report released in March, international human rights group Amnesty International said it had logged at least 156 deaths across the country in the previous five years related to police stun guns.

The rise in deaths accompanies a marked increase in the number of U.S. law enforcement agencies employing devices made by Taser International Inc. of Scottsdale, Ariz. About 1,000 of the nation's 18,000 police agencies used Tasers in 2001; more than 7,000 departments had them last year, according to a government study.

Police had used Tasers more than 70,000 times as of last year, Congress' Government Accountability Office said.

Amnesty International has urged police departments to suspend the use of Tasers pending more study. Taser International said the group's count was flawed and falsely linked deaths to Taser use when there has been no such official conclusion.

The city of St. Louis also drew unwanted attention for crime this week when it was named the most dangerous U.S. city by Morgan Quitno Press. The ranking looked only at crime within St. Louis city limits, not its metro area.

On the Net:

Taser International, http://www.taser.com

DOJ_NMG_0089599

Discrimination Claim Might Be Viewed Again (INLVDB)

By Troy Anderson, Staff Writer

Inland Valley (CA) Daily Bulletin, November 1, 2006

The U.S. Justice Department might reopen an inquiry into a claim that the 2001 redistricting plan for the Los Angeles County Board of Supervisors discriminates against Latinos, officials said Tuesday.

Latinos comprise 47 percent of the county's population but are represented by only one of the five supervisors.

Joaquin G. Avila, special counsel to the 1,070-member Los Angeles County Chicano Employees Association, recently provided the Justice Department with what he says is new evidence that indicates supervisors packed Latino voters into a single district when two districts could have been drawn.

First District Supervisor Gloria Molina, whose district includes Pomona, represents most of the county's Latino residents.

Avila's filing seeks the creation of two supervisorial districts with Latino majorities that would give the Latino community an opportunity to elect a second candidate to the Board of Supervisors, said Alan Clayton, director of equal employment opportunity at the LACCEA.

Eastern Los Angeles County is split among three supervisorial districts and no member of the Board of Supervisors lives there.

Scuffle With Deputies Results In Death (LAT)

By Nancy Wride

The Los Angeles Times, November 1, 2006

Authorities today are investigating the death of a Long Beach man after a confrontation with Los Angeles County sheriff's deputies Sunday night.

The 39-year-old man scuffled on a Lakewood corner with deputies who thought he had a handgun, according to the Sheriff's Department. What was thought to be a weapon turned out to be a cell phone, officials said.

The incident is being investigated by sheriff's homicide detectives and the Los Angeles County district attorney's office.

The name of the dead man was not released.

The incident began about 5:30 p.m. Sunday near the intersection of Paramount Boulevard and Flangel Street, a residential area just west of the Lakewood Country Club.

When two deputies "contacted the man," according to a statement by Sgt. Paul Patterson, "the man attempted to flee as he concealed an object which deputies believed was a handgun.

"A violent struggled ensued, which lasted for several minutes," according to the statement. "Throughout the struggle, the man kicked the deputies and resisted their every effort to control him. Once assisting units arrived, deputies were finally able to handcuff and restrain the man.

"At this time, it was discovered that the man was holding a cellular phone, not a handgun," the statement said.

The man was not breathing and had no pulse. Deputies and paramedics resuscitated the man, who was then taken to a hospital.

The man died at 7:40 p.m. Monday. The statement did not say where he died. The cause of death is under investigation by the Los Angeles County coroner.

The two deputies, who work out of the sheriff's substation in Lakewood, suffered moderate injuries and were treated and released from a hospital.

Mike Gennaco, chief attorney for the Sheriff's Department's Office of Independent Review, which examines events when department employees use force, said the unnamed man "had other encounters with the police and they had been violent."

Asked if there was any indication that the man suffered from mental illness, Gennaco said he had not been told that. He also noted that there were new legal limits about disclosing personal details.

He said that an autopsy today or Wednesday could help point homicide investigators in the direction to go.

There were several witnesses to the violent encounter, Gennaco added, and he had not yet reviewed all the officer and witness reports.

He said he thought the deputies "had made a gun arrest in that area the day before, and I think they were concerned [about the man].

"I think it was mostly instinct," Gennaco said. "When they had tried to conduct a consensual encounter, to ask some questions, he started reaching for his waistband. That's what's been conveyed to me."

Battle Over Abortion Focuses On South Dakota Vote (NYT)

By Monica Davey

The New York Times, November 1, 2006

SIOUX FALLS, S.D. — In the downtown headquarters of those opposing a ban on nearly all abortions in this state, there are notes from around the country taped up and down the hallway: "They need to butt out of women's lives" and "Why did S.D. vote for this?"

On the other side of town, in a warehouse decorated in pink, the supporters of the ban doggedly work a phone bank, in some cases young children playing nearby.

The battle here over a statewide ballot measure to install one of the country's strictest anti-abortion laws is playing out in television commercials, yard signs and Sunday sermons. It is also drawing the attention of national advocates on both sides of the abortion debate, who are watching the campaign with deep intensity and even fear.

Both sides predict that the outcome of the vote in South Dakota could send the country's broader debate over abortion rights swerving in new directions, and will set the tone for the fate of similarly strict laws being considered in nearly a dozen other states.

"I think there's some sense out there that — 'By golly, if they can do it there, we're going to do it here,' " said Nancy Keenan, the president of Naral Pro-Choice America, which opposes the South Dakota ban.

Daniel McConchie, the vice president of Americans United for Life, which favors passage of the measure, said a defeat at the polls on Nov. 7 could take the steam out of efforts to impose even less restrictive measures, like parental notification rules or waiting periods, that have been the focus of the anti-abortion movement in recent years.

"There's fear that legislators elsewhere would see what happened there and try to play it safer," Mr. McConchie said. "That would have a chilling effect on more incremental legislation in other places."

The South Dakota ban was passed by the Legislature in February but was pushed to a statewide vote by opponents. If the law survives, it would become a felony for a doctor in South Dakota to perform abortions except to prevent the death of the pregnant woman. The latest poll shows voters leaning against the ban, but its fate remains uncertain and both sides are now clearly searching to grab the last, undecided voters whose views on abortion may fall somewhere in the blurry middle.

For that, the most extreme arguments are nowhere to be found. No bloody fetuses fill billboards, no absolute claims are being offered about women's rights.

Instead, in calls from a phone bank at the ban opponents' headquarters, volunteers quietly tell potential voters that the law is just too narrow, failing to allow abortions in circumstances like rape or incest. The supporters of the ban, meanwhile, speak in gentle tones about how abortion hurts women.

"I refuse to show pictures of dead babies," said Leslee Unruh, who leads Vote Yes For Life, the group that is campaigning for the law, reflecting on methods used by anti-abortion groups. "That's what the old way was, and that's why they were losing all these years."

The messages may be muted to appeal to moderates, but the debate has nonetheless grown tense.

Local advocates on each side insist that they are drawing mainly on South Dakotans for help, while also insisting that the other side is getting significant help from wealthy, powerful, well-organized operations outside of the state.

The Rev. Jerry Falwell issued an Internet plea to his followers, calling on them in September to "counter the propaganda" Planned Parenthood would be promoting. And Cecile Richards, the president of Planned Parenthood, scoffed at Mr. Falwell's claims about how much money her group would spend, but acknowledged, "This is really on the top of everyone's mind."

Until the week beginning Oct. 29, the political groups have not been required by state rules to publicly disclose the amount or sources of their money since early summer. They were required to submit financial disclosures to the secretary of state's office with postmarks of Oct. 31.

[Neither report had arrived there Tuesday.

[The South Dakota Campaign for Healthy Families, which has led efforts to oppose the ban, said late Tuesday that the group raised more than $1.8 million (not including in-kind contributions) since late June, all but $160,000 of that from donors outside the state. Vote Yes For Life, which supports the ban, said it was still deciding whether to release some of its figures late Tuesday evening.]

Oregon and California have abortion measures on their ballots this year, both weighing parental notification laws, similar to provisions for parental notification or consent that exist in various forms in 34 states.

But because of its breadth and scope, South Dakota's measure has eclipsed the other two measures when it comes to national campaign efforts, which have included ambitious fund-raising drives and potluck suppers in 233 towns around the country.

South Dakota's abortion law was intentionally sweeping and was designed, as Gov. Mike Rounds has described it, as a "full frontal attack" on Roe v. Wade, the 1973 United States Supreme Court decision that made abortion legal.

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If upheld by the voters, the law is also certain to draw a lawsuit from Planned Parenthood — which operates the only abortion clinic in the state, where about 800 abortions are performed a year — setting off the legal battle that the ban's authors had anticipated and wished for: the most direct challenge to Roe v. Wade in more than a decade. The ban, which could take effect as soon as the state's vote is certified, would probably be put on hold while the case makes its way through the courts.

In the continuing quest to sway wavering voters, the debate in recent days has centered on what the law says and does not say about exceptions — a question that seemed not to be in doubt for many months after state lawmakers passed the bill and Governor Rounds signed it in March.

A month earlier, legislators had voted down amendments that would have allowed abortions in cases of incest, rape or in instances when the pregnant woman's health would be jeopardized (though not fatally).

But supporters of the ban, including advocates on a television commercial that has been broadcast around the state, now say there are other exceptions written in the law.

In the commercial, as more than a dozen doctors — some of the scores of members of a group calling itself South Dakota Physicians for Life — stand together in white coats, stethoscopes draped around their necks, Dr. Mark Rector says: "This measure does provide exception for the life and health of the mother."

Asked about the commercial's assertions, the ban's supporters say the law includes "an exception" for the health of the mother because it would allow a doctor to treat a sick mother for her illness and, if treatment accidentally resulted in the death of a fetus, that would not be deemed a crime.

The ban also does not apply to the use of emergency contraception — the so-called "morning after pill" — in the first days after conception, a fact that ban supporters say amounts to "an exception" that would cover rape and incest cases.

[The new debate may reflect the polls, the latest of which found that 52 percent of those polled said they would vote against the ban, 42 percent for keeping it. Another 6 percent were undecided in the Mason-Dixon Polling & Research survey published in the Argus Leader of Sioux Falls on Sunday and the margin of error was plus or minus four percentage points.

[But the poll also found that 56 percent of those who opposed the ban or were undecided said they would support it if it carried a clear exception for rape and incest.]

In a recent interview, Roger Hunt, a state representative who sponsored the bill, said he and others were clarifying points that had always been part of the law. "Regardless of how we label these things or whether we use the phrase 'exceptions,' what we're saying is that there are these provisions to deal with such cases," Mr. Hunt said.

Opponents of the ban have filed complaints with local television stations over the commercial, saying supporters are trying to confuse undecided voters in the final days.

An Untimely Voter Purge (NYT)

The New York Times, November 1, 2006

One of the most deplorable political tactics — trying to suppress the votes of poor or minority citizens by raising the specter of voter fraud — is playing out this week in the city of Yonkers. Republican Party lawyers are calling for an 11th-hour purge of voter rolls in a clear effort to help their endangered state senator, Nicholas Spano.

Two years ago, Mr. Spano won a race against Andrea Stewart-Cousins, a Democratic Westchester County legislator, by 18 votes after months of courtroom wrangling and ballot-challenging. This year's rematch has been bitter, full of venomous ads and slung mud. Then last Friday, Republican lawyers filed challenges to nearly 6,000 voter registrations in the Senate district, charging discrepancies between county voter lists and change-of-address records compiled by the Postal Service.

There is a process for investigating an accusation of voter fraud. It involves sending a letter to an address in dispute, and possibly following up with a police inquiry. The Westchester County Board of Elections is doing that. But it has never had an outside party dump so many contested names so close to such a fiercely contested election.

The Republicans say they have only the purest motives. "It's in everyone's interest to put the election beyond the pale of fraud," said John Ciampoli, a lawyer for the county Republican Party.

Forgive us if we are unmoved by this freelance fit of pre-election rectitude. If the Republicans were sincere about tidying the voter rolls, they could have raised the alarm long ago. Instead they dropped a bomb at the last minute — a conjectural list of possibly problematic names that the Board of Elections has no hope of clearing up before Nov. 7. Efforts to purge voter rolls are notoriously prone to error and misuse, because of the innocent or inconsequential discrepancies that abound in voter records.

Whatever happens on Tuesday, this list must not be used to disenfranchise voters. People should go to the polls knowing they will not be intimidated or threatened for trying to vote.

Mr. Spano can make a credible case for re-election based on his record. It's regrettable that he belongs to a party that demonstrates an unseemly enthusiasm for keeping people from voting and for turning the exercise of democracy into a game won on technicalities. He should disavow this scheme, call off the lawyers and try to win an open, aboveboard election.

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ANTITRUST:

Entercom To Sell 3 Radio Stations Due To Antitrust Concerns (AP)

By Deborah Yao, AP Business Writer

AP, November 1, 2006

PHILADELPHIA — The Justice Department said Tuesday it has suspended an antitrust investigation into Entercom Communications Corp.'s purchase of several New York radio stations because the company said it would sell three stations to comply with media ownership rules.

The Justice Department had been looking into Entercom's $262 million purchase of 15 radio stations from CBS Corp. in Austin, Texas; Cincinnati; Memphis, Tenn.; and Rochester, N.Y.

The investigation centered on Rochester, where Bala Cynwyd-based Entercom already owns four radio stations, one AM and three FM. The acquisition would hand over four more FM stations in the area.

With eight radio stations, Entercom would control more than 57 percent of the radio advertising market, and the Justice Department was investigating whether its dominant market share would lead to reduced competition and higher prices for radio advertising.

Federal Communications Commission's rules on local ownership would prohibit Entercom from owning more than five FM stations in an area, requiring it to sell two.

Entercom said it's planning to sell three stations — the CBS-owned WRMM-FM and WZNE-FM and Entercom's WFKL-FM — to comply with FCC rules. The stations are expected to be sold within three months to a buyer approved by the Justice Department, according to a news release issued by the department Tuesday.

After the sale, Entercom's share of Rochester's radio ad market would fall to 40 percent.

Entercom officials did not immediately return a call for comment Tuesday.

One of the nation's largest broadcasters, Entercom owns radio stations in 20 markets and posted annual revenue of $432.5 million. CBS, based in New York, owns and operates 179 radio stations in 40 markets nationwide, among other assets. Last year, it reported $14.5 billion in total revenue.

Shares of Entercom fell by 2.6 percent, or 75 cents, to close at $27.67 on Tuesday on the New York Stock Exchange. CBS shares fell by 6 cents to end the day at $28.94 on the New York Stock Exchange.

R.R. Donnelley To Buy Banta In $1.3 Billion Deal (WSJ)

The Wall Street Journal, November 1, 2006

R.R. Donnelley & Sons Co. said late yesterday it has agreed to acquire Banta Corp., a Menasha, Wis., provider of printing and digital-imaging solutions, in a $1.3 billion deal.

The agreement comes as printing-services provider Cenveo Inc. said it has withdrawn its $50-a-share acquisition offer for Banta. Cenveo, Stamford, Conn., in August offered to buy rival Banta for $46 a share, or about $1.12 billion. Banta rejected the offer, opting instead to announce a restructuring that would cut as many as 500 jobs and close five printing plants.

In September, Cenveo sweetened its bid to $47 a share. Banta, in rejecting the bid, said its board authorized management to explore strategies for further maximizing shareholder value, including a possible sale of the company. Cenveo then raised its bid to $50 a share.

"I am disappointed [but not surprised] that Banta has not accepted or even entered into discussions with us regarding our proposal," said Cenveo Chief Executive Robert Burton Sr. in an open letter to Stephanie Streeter, Banta's CEO, before the Donnelley deal was announced.

The deal with Donnelley -- consisting of $36.50 a share after a special dividend of $16 a share already declared by Banta -- has been unanimously approved by both companies' boards and is expected to close in the first quarter of 2007.

R.R. Donnelley, a Chicago provider of print services, sees the acquisition adding to earnings in the first full year after the close of the deal, which remains subject to approval from regulators and shareholders.

Banta has annual revenue of about $1.5 billion, while Donnelley had 2005 sales of $8.43 billion.

Sony Targeted In Widening Justice Department Memory-chip Probe (AP)

By Jordan Robertson, AP Business Writer

AP, November 1, 2006

An obscure corner of the semiconductor industry became an international battleground Tuesday as Sony Corp. became the fifth company ensnared in a U.S. Department of Justice antitrust probe into the sales of a particular type of memory chip.

DOJ_NMG_0089603

The same day, European Union regulators said they raided several unnamed semiconductor companies in Germany on Oct. 11 as part of a probe into possible price fixing for the same type of chip.

Both investigations center on the sale of static random access memory, or SRAM, a kind of computer memory found in relatively small quantities in PCs and used in disk drives, communications equipment and networking gear.

SRAM memory is faster and more reliable than dynamic random access memory, or DRAM, the most common type used in personal computers.

But it also can be more expensive for high-end corporate uses, and SRAM sales are shrinking as customers gravitate toward chips with integrated memory to save space and cut costs, said Mark DeVoss, a senior analyst with market researcher iSuppli Corp.

Worldwide SRAM sales totaled $2.8 billion in 2005, compared with DRAM sales the same year of about $24.8 billion, according to iSuppli.

DeVoss said he was puzzled by the widening probe, saying any pricing shenanigans would likely have little impact on consumers because of the small market size and relatively low selling prices for most types of SRAM, he said.

"Unless there's something really, really, really wrong, I think this is a tempest in a teapot," he said. "I don't think consumers are being affected that much, simply because the business is too small."

European regulators were explicit that the companies targeted in the cartel raid were suspected of breaking price-fixing laws.

However, the European Commission never names the companies suspected of operating a cartel and said that the surprise inspections were a preliminary step in its probe.

Under EU law, businesses found guilty of taking part in a cartel can be fined up to 10 percent of their annual revenue.

In Washington, Justice Department officials declined to discuss details of the probe. Spokeswoman Gina Talamona would only say that antitrust prosecutors are "investigating the possibility of anticompetitive practices in the SRAM industry."

Sony said Tuesday it had received a subpoena from the Justice Department's antitrust division seeking information on its SRAM business, but it did not disclose details of the probe. The company said it would cooperate with investigators.

The company said it sold $27.7 million worth of SRAM in 2005. Outside companies make the product for Sony, which in turn sells the memory chips to other electronics makers.

Sony shares fell 57 cents, or 1.37 percent, to close at $40.98 Tuesday on the New York Stock Exchange.

Earlier this month, four other companies said they had been contacted by the Justice Department as part of the industrywide probe - San Jose-based Cypress Semiconductor Corp., and the U.S. units of Mitsubishi Electric Corp., Samsung Electronics Co. and Toshiba Corp.

The SRAM investigation comes amid a Justice Department probe of price-fixing among DRAM companies.

That probe has so far resulted in more than a dozen charges against individuals and more than $731 million in fines against Samsung Electronics Co., Elpida Memory Inc., Infineon Technologies AG and Hynix Semiconductor Inc.

But unlike the DRAM probe, which examined practices with a direct impact on the bottom line for consumers, the SRAM probe may have been prompted by corporations concerned they were overcharged for the fastest memory used in high-end networking equipment, said Adrienne Downey, senior analyst with Semico Research Corp.

Downey said she expects more companies to get pulled into the investigation, but questioned whether the manpower employed in the investigation was warranted considering the small SRAM market size.

"They're really making a mountain out of a molehill," she said. "They're really looking for something that might not be a really big issue. If the price fixing is the real thing, they're doing it more for the spirit or the thought behind it."

Sony Discloses U.S. Antitrust Investigation Over Chips (NYT)

By Martin Fackler

The New York Times, November 1, 2006

TOKYO, Oct. 31 — Sony, the Japanese electronics giant, said on Tuesday that its electronics unit was under investigation by the United States Justice Department for possible antitrust violations, the latest problem for a company battered by battery recalls, product delays and plunging profits.

Sony said in a statement that it had received a subpoena from the Justice Department in what appeared to be part of a broader investigation into a type of memory chip called static random access memory, or SRAM. The chip is used in computers, disk drives and other devices like cellphones.

“Sony intends to cooperate fully with the D.O.J. in what appears to be an industrywide inquiry,” Sony’s statement said.

Sony is at least the fifth company whose SRAM business has come under investigation by American regulators. The Justice Department is also investigating Matsushita Electric and Toshiba of Japan, Samsung Electronics of South Korea and Cypress Semiconductor of San Jose, Calif.

An earlier investigation by the Justice Department into price fixing in the market for another type of memory chip, dynamic random access memory, or DRAM, led to $731 million in fines imposed on four companies and several individuals.

Sony's sales last year of SRAM chips totaled $28 million, a fraction of the company's $64 billion in global sales. The bigger potential damage will probably be to Sony's once-sterling reputation, which has already been tarnished by the recent recall of 9.6 million laptop batteries and delays to its widely awaited next-generation game console, PlayStation 3.

The recent problems have come just as Sony appeared headed to recovery under its first non-Japanese chief executive, Sir Howard Stringer.

Under Mr. Stringer, who took Sony's helm last year, the company had appeared to be bouncing back from blunders like losing the market in global portable music players to the iPod from Apple and being late to produce flat-panel televisions.

But the company has hit a series of new problems. The first were delays to PlayStation 3, which Sony badly needs to be a hit so that it can regain its image as an electronics innovator. The rollout of PlayStation 3, initially expected last summer, is now scheduled this month in Japan and the United States, and for March in Europe. Last August, Sony began a global recall of lithium-ion batteries after laptops overheated and in rare cases burst into flames.

The recall has so far cost Sony $429 million. Sony could also face additional costs from lawsuits. The recalls and PlayStation 3 development costs also led Sony to lower its net profit forecast for the current fiscal year, ending March 2007, by 38 percent to 80 billion yen, or $673 million.

Raids in Germany

BRUSSELS, Oct. 31 (AP) — European antitrust regulators said on Tuesday that they had carried out raids on several semiconductor makers in Germany this month.

The European Commission said it had reason to believe that the companies, which make static random access memory chips, had broken the organization's rules that prohibit price fixing.

The commission did not identify the companies suspected of operating a cartel.

EU Probes For Price Fixing In Computer Memory Market (Update4) (BLOOM)

By Matthew Newman

Bloomberg, November 1, 2006

Oct. 31 (Bloomberg) -- European Union regulators are investigating potential price-fixing of memory chips used in computers and mobile phones, working with U.S. authorities.

A Sony Corp. chip-making unit, Sony Electronics Inc., received a U.S. Justice Department subpoena seeking information about its business, the company said in a statement today. U.S. regulators are conducting a criminal price-fixing investigation into the market for static random-access memory chips.

The EU is probing makers of SRAM chips, coordinating with U.S. authorities. The commission conducted unannounced inspections at offices in Germany on Oct. 11 along with national antitrust officials, commission spokesman Jonathan Todd said. He didn't identify the companies involved. The U.S. inquiry follows a three-year probe of price-fixing in the DRAM chip market.

``The commission has reason to believe that the companies concerned may have violated Article 81 of the EC Treaty, which prohibits practices such as price fixing," the European Commission, the EU's Brussels-based antitrust regulator, said in a statement today.

Samsung Electronics Co., Cypress Semiconductor Corp. and Micron Technology Inc., among the biggest makers of the chips, said Oct. 12 that the Justice Department had contacted them about SRAMs. In the probe of the dynamic random-access memory chip probe, the Justice Department has collected $731 million in criminal fines, including $300 million from Samsung.

Raids Denied

Qimonda AG, the memory chip unit of Germany's Infineon Technologies AG, said its offices weren't raided by EU officials, spokesman Ralph Heinrich said by telephone today. Qimonda was spun off on May 1 this year. It had net sales of 2.8 billion euros ($3.6 billion) in the year ended Sept. 30, 2005, according to Qimonda's Web site.

Spokesmen for San Jose, California-based Cypress and Boise, Idaho-based Micron both denied that their companies' European offices had been visited as part of the investigation there.

``I'm not aware of any kind of investigation by the European Union as of yet," said Daniel Francisco, a Micron spokesman, in an interview today. Matt Beevers, a Cypress spokesman, also denied that EU regulators had visited the company's offices in Germany.

Francisco reiterated that Micron is cooperating with the Justice Department probe. In its statement, Sony said the U.S. probe ``appears to be an industrywide inquiry."

Nicholas Babin, a spokeswoman for Sony Europe GmbH, said the company hadn't been raided in Germany.

Spokespeople for Suwon, South Korea-based Samsung didn't immediately return a phone message seeking comment. Samsung, the market leader in SRAM production, on Oct. 12 acknowledged receiving a Justice Department subpoena for SRAM data sales and marketing. Chris Goodhart, a spokeswoman, said the company is cooperating with U.S. authorities.

The 2006 worldwide market for SRAM chips was valued at $2.9 billion by iSuppli Corp., a market research company. The global market for DRAM chips is valued at about $30 billion.

Judge Fines Company For Bid-rigging (DURHER)

By Joe Hanel, Herald Denver Bureau

Durango (CO) Herald, November 1, 2006

Former head of Farmington office also pleaded guilty to charge

DENVER - A Tulsa company was fined $150,000 for rigging bids for the construction of BP natural-gas pipelines in Southwest Colorado.

Flint Energy Services received the sentence on Monday from U.S. District Court Judge Phillip Figa.

The company and the former head of its Farmington office, Kenneth L. Rains, pleaded guilty in August to conspiring with other unnamed people to defraud BP by submitting high bids for pipeline construction. Bid-rigging is a violation of the Sherman Antitrust Act.

Rains has been transferred to the company's Oklahoma headquarters, but he hasn't been fired. Figa questioned why not.

"Why does the company keep on someone who has committed a felony?" Figa asked.

Flint's attorney, Ryan Stoll, said the company isolated Rains from his old post but decided not to fire him because of "personal circumstances" that might become clear at Rains' sentencing in January. Stoll said he expects Rains to be sent to prison.

Flint and lawyers for the Justice Department's antitrust division had asked for a fine of $100,000, citing the prompt cooperation of Flint executives. Federal sentencing guidelines call for a fine of $161,000 to $322,000.

Figa said a $100,000 fine is "not significant enough to reflect the crime that has occurred here."

Flint already has paid restitution to BP.

Rains was in charge of the Farmington office, which has more than 200 employees. One of Rains' subordinates blew the whistle on the bid-rigging by informing BP and the government.

Carla Stern, a Justice Department attorney, said there's no evidence the conspiracy went any higher than Rains. She praised Flint executives for cooperating and speeding up the case.

Court documents hint at an ongoing investigation. Justice Department attorneys wrote that Flint has provided "extensive, credible information against both corporate and individual co-conspirators."

Aside from Flint and Rains, no other people or corporations have been charged.

AMD Wants To Force Intel To Divulge Documents For Antitrust Suit (AP)

AP, November 1, 2006

Advanced Micro Devices Inc., the No. 2 computer chip maker behind Intel Corp., asked the court overseeing its antitrust lawsuit against Intel to force the company to produce documents related to its conduct outside of the United States.

The judge had previously ruled AMD cannot sue in the U.S. for Intel's alleged monopolistic tactics overseas.

But AMD argued in the motion filed Monday in a Delaware federal court that the order only applies to damages sought in the U.S. for Intel's alleged strong-arm tactics abroad. AMD maintains it should be allowed to use documentation of those actions to pursue domestic commerce claims.

Sunnyvale-based AMD, which filed its lawsuit in June 2005, accuses Santa Clara-based Intel of bullying major customers into exclusive deals and offering secret rebates to undercut AMD in the market for microprocessors, which act as the brains of computers.

The lawsuit alleges anticompetitive practices in several countries including Britain, Germany and Japan.

In September, U.S. District Judge Joseph J. Farnan Jr. dismissed a key portion of the lawsuit, ruling that AMD failed to prove that Intel's alleged tactics abroad had a direct effect on its operations in the U.S.

AMD argued in its latest motion that "evidence of Intel's foreign exclusionary conduct is directly relevant" to its claims of lost microprocessor sales to U.S. customers, and for lost sales of domestically made microprocessors to foreign customers.

Intel spokesman Chuck Mulloy said the company disagreed with AMD's interpretation of the ruling and planned to file its reply in the coming weeks.

A trial date has been set for April 27, 2009.

Donnelley To Acquire Banta In $1.3B Deal (AP)

AP, November 1, 2006

MENASHA, Wis. - R.R. Donnelley & Sons Co. will acquire Banta Corp. in a $1.3 billion deal combining two Midwestern printing firms with histories dating back more than a century, the companies announced Tuesday.

Chicago-based R.R. Donnelley, which prints the Yellow Pages, said the acquisition will allow it to expand its range of products and services for customers and also enhance its services in magazine, catalog and book printing and in direct marketing.

Donnelley also said in a press release that while it expected its 2006 earnings from continuing operations to be at the high end of earlier guidance of $2.45 to $2.50, anticipated restructuring charges made it impossible to estimate net income for the full year.

Banta, based in Menasha, Wis., has operations in Europe and Asia, in addition to the United States.

"Banta is an exceptional fit with R.R. Donnelley," said Mark A. Angelson, R.R. Donnelley chief executive officer, in a statement. "This combination will create immediate cross-selling opportunities with our blue-chip customers as well as offer substantial synergies in our procurement, manufacturing and services operations. "

The cash deal is valued at about $1.3 billion, or $36.50 per share after a special dividend of $16.00 per share already declared by Banta. The offer, equal to $52.50 per share, represents a premium of 18.6 percent over Banta's closing share price Tuesday on the New York Stock Exchange of $44.28.

Banta said in September that it would declare a $16 per share special dividend payable in November.

The agreement, unanimously approved by boards of directors of both companies, is expected to close in the first quarter of 2007.

Earlier Tuesday, Cenveo Inc., which makes envelopes and provides digital printing services, said it had dropped its bid to acquire Banta for $1.21 billion.

Stephanie A. Streeter, Banta's chairwoman and CEO, said the result of the deal will be "a combined organization that creates new and exciting opportunities for our customers and employees moving forward.

"Together, the companies will offer enhanced capabilities and an increased array of options to our customers and I look forward to working closely with R.R. Donnelley's management to ensure a smooth transition."

Banta, with 1,585 employees in Wisconsin's Fox Valley and 8,000 worldwide, reported 2005 revenues of $1.54 billion. It produces books and other printed matter and also provides supply chain management services.

R.R. Donnelley has 47,000 employees worldwide and had 2005 revenues of $8.43 billion.

Stratex, Harris Deal Gets Antitrust OK (AP)

AP, November 1, 2006

SAN JOSE, Calif. --Stratex Networks Inc., a maker of digital microwave radios used in wireless communications, said Tuesday the required waiting period for its merger into Harris Corp.'s microwave communications unit has ended.

The deal, announced in September, would give Harris a majority stake in the new company.

Melbourne, Fla.-based Harris, which sells communications products to government and commercial customers, will contribute its microwave division and $25 million in cash and get a 56 percent ownership stake in the combined company. Shareholders of Stratex will own 44 percent.

The waiting period was required by the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

The deal still requires approval by other regulators and Stratex shareholders.

Stratex shares closed down 3 cents at $4.67 on the Nasdaq. Shares of Harris closed up 78 cents at $42.60 on the New York Stock Exchange.

Music Publishers Say Anti-piracy Settlement Reached With Kazaa (FINDLAW/AP)

AP, November 1, 2006

(AP) - LOS ANGELES-The music publishing industry reached a tentative deal with operators of the Kazaa file-sharing network over claims of copyright infringement, an industry group said.

Publishers pursuing a class-action suit against Kazaa informed U.S. District Court on Monday that the peer-to-peer network had agreed to pay "a substantial sum" under the agreement, the National Music Publishers' Association said in a statement.

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The amount of the settlement was not disclosed. It is subject to final approval by the association board.

The settlement "will be another key milestone of the ongoing transformation of the digital music marketplace to one that will allow legal services to thrive," NMPA president and chief executive David Israelite said in the statement.

Phil Armstrong. a spokesman for Sharman Networks Ltd., which owns and distributes Kazaa, said he was not familiar with the lawsuit and declined to comment.

Sharman Networks announced in July that it had settled copyright infringement lawsuits with music labels and movie studios, agreeing to redesign its software to block customers from downloading protected music and movies and to pay more than $115 million (â,¬90.6 million) in penalties.

The agreements are among a wave of legal settlements between file-sharing networks and the entertainment industry since the Supreme Court ruled last year that technology companies caught encouraging customers to steal music and movies over the Internet could be sued.

Last month, a federal judge ruled against StreamCast Inc., the distributor of the Morpheus online file-sharing software, finding the firm encouraged computer users to share music, movies and other copyright works without permission.

Major Commercial Real Estate Firms Merge (WP)

By Dana Hedgpeth

The Washington Post, November 1, 2006

CB Richard Ellis Group Inc., the world's largest commercial real estate broker and one of the most prominent real estate firms in Washington, agreed yesterday to buy rival Trammell Crow Co. in a deal worth $2.2 billion that will more than double its property management business.

Although neither company is based here, both are considered major local players. CB Richard Ellis, which manages 22 million square feet of space in the Washington area, is handling the leasing of one of the Watergate office buildings and has done leasing for Northrop Grumman Corp., Verizon Communications Inc. and General Dynamics Corp.

Trammell Crow is turning Columbia Hospital for Women in the District into a retail and residential building. It builds, buys and sells properties, and manages buildings and oversees refurbishing for customers such as Ford Motor Co., American Express Co., Bank of America Corp. and Exxon Mobil Corp.

The deal is one of several mergers that have occurred in the past few years as clients seek more efficient ways of buying, selling and leasing office space, industry experts said. Jones Lang LaSalle Inc. of Chicago recently acquired Spaulding & Slye Colliers of Boston. Three years ago, CB Richard Ellis paid $415 million for Insignia Financial Group Inc. of New York.

Yesterday's deal combines CB Richard Ellis's global operations in leasing space and buying and selling office buildings with Trammell Crow's corporate services, development and project management experience, company executives and real estate experts said.

CB Richard Ellis, based in El Segundo, Calif., is buying Dallas-based Trammell Crow for $49.51 per share in cash. The deal is expected to close by the end of the year. CB Richard Ellis stock closed up $1.81 yesterday, at $30.03; Trammell Crow closed up $9.65, at $48.75.

A Trammell Crow division that builds office buildings will keep its name and be run as a separate subsidiary; all of its development projects will proceed. Executives said it is too early to know if either company will move its local offices or if there will be layoffs.

"It means we're joining two significant real estate firms and combining them into one better organization both locally and nationally," said John Germano, senior managing director in the Washington office of CB Richard Ellis. "You're going to get a company that has more service lines and an unprecedented level of talent," he said. "There will be very little cannibalization, very little overlap."

CB Richard Ellis has 14,500 employees worldwide in 200 offices and revenue of nearly $3 billion. It has 300 employees locally.

It dwarfs Trammell Crow, which has 6,700 employees in 71 offices nationally and revenue of $896 million. Trammell Crow has a large local presence, however, managing 27 million square feet of space with 470 employees in the mid-Atlantic region, which stretches from Richmond to Baltimore. Figures were not available last night for the Washington area alone.

"We bring project management and property management," said Joseph A. Callanan, Northeast regional director for Trammell Crow. "When you put that with CB's global reach and their strong brokerage platform, that combined provides a seamless set of services that's not been seen in the industry.

"If you're a small company in Bethesda and you need space in London, we can now find the space and do the project management," he said. "Or if you're a bigger company and have large campuses, we can acquire a property for you, build a building, do the interior construction, manage it and maintain it."

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Local real estate industry executives saw the deal as a logical move.

"CB has always been looking to expand their services, and they saw the development arm of Trammell Crow as something they didn't really have," said Scott Johnston, a senior vice president at Jones Lang LaSalle. "From Trammell Crow's side, they didn't have a strong global platform, so that's what each is getting from the other."

Chief executive Bob Pinkard of the real estate service firm Cassidy & Pinkard Inc., said: "CB's stock has done very well in the last few years because they've shown they have the capacity to grow, but the problem becomes that when you get as large as they are, you can't grow by simply adding a few brokers here and there. You have to acquire other companies."

Others suggested it could be difficult for the combined company to sort out the interests of competing tenants and landlords.

"I'm quite sure they have a strategy that will make the Trammell Crow acquisition a success," said Ray Ritchey, executive vice president at Boston Properties Inc. who worked at CB Richard Ellis as a broker in the late 1970s. "We have an expression here that bigger is not always better. Better is better. It's going to be interesting to see how they'll make that transition."

CB Richard Ellis Buys Trammell Crow Deal Valued At $1.79 Billion Will Hasten Consolidation, Boost Corporate Services (WSJ)

By Ryan Chittum

The Wall Street Journal, November 1, 2006

CB Richard Ellis Group Inc. agreed to buy Trammell Crow Co. for $1.79 billion, in a deal that further cements CB Richard Ellis's position as the biggest player in the booming business of helping companies handle their real estate.

The deal, by far the biggest in the commercial real-estate services sector, hastens consolidation that began in earnest a decade ago and has transformed what were once regional businesses focused on lease and sales brokerage into a handful of multiservice behemoths catering to multinational corporations increasingly looking to outsource their global real-estate functions.

Los Angeles-based CB Richard Ellis would gain a more robust presence in the corporate-services outsourcing market, in which Trammell Crow is an industry leader, along with bigger positions in facilities and project management. "We believe Trammell Crow is best in class in that area," CB Richard Ellis Chief Executive Brett White said in an interview. "They were doing, frankly, a better job than we were."

CB Richard Ellis will keep the Trammell Crow brand name and operate the development business as an independent subsidiary -- acknowledgement of the long and colorful role of the Dallas-based company, which retired Texas entrepreneur Trammell Crow built into one of the nation's largest real-estate developers during the 1980s.

The deal, expected to close late this year or early in 2007, would diversify CB Richard Ellis's revenue and income, which are susceptible to volatile cyclical swings. About 78% of the company's revenue comes from transactions; with Trammell Crow, that number would fall to 68%, according to Mr. White.

CB Richard Ellis would pay $49.51 a share for Trammell Crow, a number JMP Securities analyst Will Marks called "a great deal for Trammell shareholders." The offer represents a 27% premium over Trammell Crow's Monday close. Yesterday, Trammell Crow shares soared 25% while CB Richard Ellis shares jumped 6.4% in 4 p.m. trading on the New York Stock Exchange. Including debt and transaction costs, the deal's value comes to $2.2 billion.

Much of the industry's consolidation has been driven by geographic considerations, including the last major deal in 2003 when CB Richard Ellis swallowed Insignia/ESG to boost its New York presence. This deal is different for CB Richard Ellis, which would get a boost in its corporate services and facilities and property management capabilities, but would receive little or no benefit from geographic expansion. Trammell Crow, though, will be able to capitalize on its parent company's global reach. "Trammell Crow was well aware that they needed to get an international presence in order to maintain their competitiveness," said Michele Flynn, president of Expense Management Solutions Inc., a Boston-based firm that advises companies on outsourcing services.

Ms. Flynn said the combined company would be better able to go head to head with Chicago-based Jones Lang LaSalle Inc., the leader in the corporate-services area.

The two companies will have redundancies that could lead to a loss of brokers and revenue in some markets, said Jeffrey Finn, president and chief operating officer of NAI Global Inc., a Princeton, N.J.-based competitor. Barry M. Gosin, CEO of New York-based Newmark Knight Frank, another competitor in commercial real-estate services, added that the move would be good for his firm and others. "There's one less company in the beauty contest."

Trammell Crow dates back to 1948, when Mr. Crow built his first commercial development, a warehouse near downtown Dallas. Making deals on a handshake, Mr. Crow soon became the largest builder in Dallas's Trinity Industrial District. By the late

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1950s, he was making his mark across the burgeoning Sunbelt city, developing the Dallas Market Center and the Dallas Apparel Mart.

Trammell Crow established its first offices outside Texas in 1968 in San Francisco, developing Embarcadero Center there and later other signature projects such as Atlanta's Peachtree Center. By the early 1980s, it was one of the nation's largest real-estate developers, focusing on office and industrial property and shopping centers.

After the oil bust coupled with the savings and loan crisis dealt the Texas developers a heavy blow, Trammell Crow responded in part by diversifying into real-estate services. Trammell Crow CEO Robert Sulentic said in an interview that the new company will benefit even more from its "global footprint and sheer scope of services."

Mr. Crow's daughter, Lucy Billingsley, said she was pleased the Trammell Crow name will live on. "That's where his heart lies," she said of her father, now 92 years old.

Google Buys JotSpot To Expand Online Document-Sharing Service By KEVIN J. DELANEY (WSJ)

The Wall Street Journal, November 1, 2006

Google Inc. said it acquired closely held start-up JotSpot for an undisclosed sum, a move that could strengthen Google's expanding services for users to create and share documents online.

JotSpot, exploiting a technology called wikis, provides free and paid services that allow individuals to jointly work on Web-based information such as spreadsheets, photo albums, calendars and contact lists. Google, Mountain View, Calif., has assembled free online word-processing, spreadsheet, email and calendar services that have some similarities with JotSpot's offerings. Such services could win away some of the consumers Microsoft Corp. is targeting with its Office software.

JotSpot Chief Executive Joe Kraus said his company was happy to join Google because "it's really clear they are focusing on letting people collaborate and share and work together online." Google executives are also trying to streamline the number of products the company has, and Mr. Kraus said JotSpot would focus on how to integrate with Google's existing services.

JotSpot, Palo Alto, Calif., has about 30,000 paying corporate customers at about 2,000 companies. Roughly 300,000 people use JotSpot's free service, which carries some storage and other restrictions. The company, which received funding from the Mayfield Fund and Redpoint Ventures venture-capital firms, has 27 employees.

ENVIRONMENT:

Colo. City To Vote On 'carbon Tax' (USAT)

By Tom Kenworthy

USA Today, November 1, 2006

DENVER — Voters in Boulder, Colo., will decide Tuesday whether the city will become the first in the nation to impose a "carbon tax" on homeowners and businesses to fund efforts to reduce emissions that cause global warming.

If approved, the ballot measure would tax electricity usage and add about $16-$20 a year to the average residential electric bill. Businesses would pay an additional $46 a year on average, and industries an extra $3,226, according to Yael Gichon of Boulder's environmental affairs office. The tax could raise $860,000 in the first year.

Gichon and Matt Baker, director of Environment Colorado, a Denver-based environmental group, say that if the measure passes, it will mark the first time a U.S. city has voted in favor of a carbon tax to combat global warming.

The levy is called a carbon tax because most electricity in the USA is produced by burning coal and natural gas, which emit carbon dioxide that contributes to global warming.

Climate Smart, a local group that supports the tax, estimates the average monthly residential electric bill of $63 would increase $1.38, or 2.2%. A medium-size office building would rise $33, or 0.6%.

Boulder, one of the state's most liberal communities, has a long history of environmental activism, such as preserving open space, recycling and encouraging use of public transit. The town of about 92,000 residents is home to the University of Colorado and the National Center for Atmospheric Research. "We have probably more climate scientists living in Boulder than any other city in the world," Mayor Mark Ruzzin says.

The City Council authorized the ballot measure to fund a city plan to reduce greenhouse emissions 7% below 1990 levels. To accomplish that, Boulder would have to cut emissions 24% by 2012. About half of the city's emissions are attributed to burning fossil fuels for electricity.

Four years ago, the city adopted emission targets set by the 1997 Kyoto Protocol, an international agreement the United States has not ratified, to reduce greenhouse gases such as carbon dioxide.

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"There is a strong environmental ethic in Boulder," Ruzzin says. "People are looking to do the right thing, and the climate action plan gets us down that road."

No group has organized in the city to oppose the tax measure, and even the Boulder Chamber of Commerce has endorsed it. Climate Smart expects to spend about $8,000 on yard signs and "a few newspaper ads," volunteer Ken Regelson says.

Gichon says the tax would fund efforts to increase energy efficiency, spur the use of renewable energy such as wind and solar power, and encourage residents to drive less. The tax also would fund city-sponsored energy audits for residences, and educational programs on utility-sponsored rebates for installing energy-efficient appliances, light fixtures and insulation.

Many states have mandated special charges on electric bills to fund energy-efficiency and renewable-energy programs. And some city-owned utilities, including Fort Collins, Colo., have raised rates to pay for renewable-energy programs.

Big Ethanol (WSJ)

By HOLMAN W. JENKINS, JR.

The Wall Street Journal, November 1, 2006

There'd likely be no alternative energy proposition on the California ballot if one guy, Stephen Bing, hadn't put up $50 million to place it there.

The media is kind to call Mr. Bing a "movie producer"; his fortune was inherited from his grandfather and his dabbling in the film business has been desultory. His misadventures with starlets and models have proved a more lasting claim to notoriety. In fact, he has little record of sustained commitment to anything, which perhaps explains the economic incoherence of the ballot proposal.

You would never say the same about his most visible ally, Vinod Khosla, a highly reputable Silicon Valley venture capitalist, a founder of Sun Microsystems, and now an avid investor in ethanol ventures. Mr. Khosla says what grabs the public's attention is not "facts" but "stories," and he has lustily lent his voice to telling stories about gouging oil companies, the urgent need for energy independence, and other media-ready tropes useful in selling the proposition to California voters.

Under Prop. 87, as the measure is called, California-produced oil would be taxed to fund alternative energy projects. By making domestic energy more expensive, it would increase, not decrease, the clout of foreign suppliers. But never mind. It also includes an absurd and unenforceable mandate that the cost of the tax not be reflected in the price of gasoline.

Even the reliably middle-of-the-road Los Angeles Times calls the proposition economic quackery. What's really going on here?

Let's begin by noticing that there's been no shortage of capital for alternative energy ventures. By one count, 140 ethanol plants are in the works around the world. Everyone from Goldman Sachs and Warren Buffett to Monsanto and the Carlyle Group has been jumping in.

Nor is there an obvious call for government planners to help investors sort out the winning technologies. Even amid the ethanol frenzy, BP and DuPont are placing a contrarian bet on butanol, another crop-derived fuel, with higher energy content and better compatibility with the gasoline distribution system.

But here's where you should really start paying attention. Virtually everyone agrees an ethanol glut is coming as the new plants come online. This year's boom was sparked by a sudden shift in federal policy and a short-lived gasoline spike. The price of ethanol is expected to fall dramatically.

When he's not stumping for the California initiative, Mr. Khosla has been in Washington proselytizing for a package of subsidies and mandates to prop up the ethanol industry, one of which is a "cheap oil tax" to kick in whenever the price of oil sinks below $40 a barrel. A slide show he gave so enthralled Nancy Pelosi that she had him repeat it for her Democratic colleagues.

One "story" Mr. Khosla enjoys telling at these events is of an oil executive supposedly confiding the industry's plan to push down the price of oil to drive the ethanol industry under. Mr. Khosla is an economic sophisticate. He knows oil's price will go to whatever level is required for the commodity to sell. He also knows that the same technological progress being applied to turn crop material into automotive fuel is also working to turn the world's still-large inventory of stored hydrocarbons into automotive fuel.

The "stone age didn't end for lack of stones," he told TV interviewer Charlie Rose. His stated view, probably well founded, is that gasoline will have no long-term difficulty defending its place in the transportation market on price.

His real concern, to the extent that he has offered a coherent one, is global warming. Now this at least could be the subject of an intelligent debate -- about whether climate concerns justify putting a heavy government finger on the scale to help biofuel investors in their competition with gasoline. But the public would have to be told that part of the plan is higher gas prices.

Voters would then be expected to inquire into the costs and benefits of such a shift. They might notice that U.S. transportation represents just 8% of the world's carbon output. They might notice that even if the whole world joined us on the automotive biofuel bandwagon, this would merely slow, not halt, the buildup of CO_2 in the atmosphere.

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And even if the rest of the world could be persuaded to foreswear a commodity as useful as oil, how long would this change take under democratic institutions? Over the relevant period, we might not gain a significantly better understanding of carbon's role in climate change, but we would have witnessed whether the climate has changed. Voters, if they then decided the problem calls for a solution, would certainly wish to spend their bucks on something with greater bang -- say, carbon capture and sequestration, or attacking coal use, or projects to influence the earth's temperature directly.

Mr. Khosla may be right that stories rather than facts are what sway voters, but it leaves open the question of what he really believes. Or maybe it doesn't matter. The California proposition is expected to lose handily, but for his modest contribution (a reported $1 million), Mr. Khosla has reaped an untold bonanza of propaganda for his energy investments.

Already Congress is hurriedly putting together an expansion of the ethanol mandate in last year's energy bill in hopes of soaking up the excess supply stimulated by previous government actions. Earth's atmosphere might not notice the difference, but Mr. Khosla's portfolio certainly will.

FBI/DEA/ATF/USMS:

Police Arrest Man For Other Blazes As Fifth Ca. Firefighter Dies (AP)

By Andrew Glazer

AP, November 1, 2006

BEAUMONT, Calif. - Authorities on Tuesday arrested a 37-year-old man suspected of igniting two wildfires this summer and who is considered a "person of interest" in the Esperanza blaze, which killed five firefighters.

Word of the arrest came an hour after a somber news conference at which officials announced the death of a horribly burned firefighter who survived five days on life support.

Raymond Lee Oyler of Beaumont was arrested at 3 p.m. on two counts of arson related to wildfires in June, the Riverside County Sheriff's Department said in a statement posted on its Web site late Tuesday. Oyler was not named as a suspect in the Esperanza wildfire, which roared across more than 60 square miles last week before being contained Monday.

Four U.S. Forest Service firefighters died shortly after the blaze began Thursday when flames overran them as they tried to protect a home in the San Jacinto Mountains of Riverside County, about 90 miles east of Los Angeles.

Investigators interviewed Oyler on Friday and then searched his home Monday, the sheriff's department said. Federal agents have been assisting in the investigation. A spokesman offered no further details.

Firefighter Pablo Cerda, 23, of Fountain Valley died at 5:08 p.m. at Arrowhead Regional Medical Center in Colton, after his family decided to take him off life support.

The fifth death made it the greatest loss of firefighters in a single incident while battling a wildfire since 14 were killed in July 1994 during a blaze known as the South Canyon or Storm King Mountain Fire near Glenwood Springs, Colo., according to the National Interagency Fire Center statistics.

"He was a great fighter," said Dr. Dev Gnanadev, who spoke to reporters outside the hospital. "In the end we did talk to the family and gave them an option of taking him to the operating room again for further surgeries knowing his prognosis is very very poor and they decided to let Pablo go."

A group of U.S. Forest Service firefighters attended the evening news conference, with tears in their eyes.

"I felt the faith and hope for Pablo's recovery and actually felt a miracle might be possible," said Jeanne Wade Evans, the San Bernardino National Forest supervisor. "Today more sadness is added to our almost unbearable grief."

Cerda was burned over 90 percent of his body. Three other members of Engine 57 died at the scene, and Cerda's captain died soon after at a hospital.

Cerda was in just his second year of fighting fires for the Forest Service. He had planned to begin studying to become a paramedic.

The other victims were the engine captain, Mark Loutzenhiser, 43, of Idyllwild; Jason McKay, 27, of Apple Valley; Jess McLean, 27, of Beaumont; and Daniel Hoover-Najera, 20, of San Jacinto.

"All of us from the forest and all those from the fire service deeply mourn the loss of these brave men. In my mind there's no greater calling than to help those in need," Evans said.

As part of the investigation, authorities said they sifted through hundreds of tips and interviewed previously convicted arsonists who live in the Cabazon area. Assisting in the investigation were the Bureau of Alcohol, Tobacco, Firearms and Explosives and the Federal Bureau of Investigation.

The reward for information leading to an arrest had topped $500,000.

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The blaze started early Thursday and scorched 40,200 acres, or more than 60 square miles, of forest and brush before being fully contained Monday. It destroyed 34 homes and 20 outbuildings. A portion of Highway 243 in the fire area remained under indefinite closure for repair of the two-lane road.

Firefighting costs reached $9.9 million, the California Department of Forestry said.

Authorities said the fire was deliberately set at the base of a slope in Cabazon, west of Palm Springs, as fierce Santa Ana winds hit Southern California. Residents said they saw two young men leaving the area where the fire began.

At the crime scene, investigators had planted blue, red and yellow flags attached to wire stakes in the ground to mark the location of possible evidence. Part of the hillside was marked by a grid made of pegs and string.

A public memorial service for the dead firefighters was scheduled for 1 p.m. Sunday at the Hyundai Pavilion in Devore. Individual firefighter funerals will be private, officials said.

Fifth Firefighter Dies Of Burns (LAT)

By Maeve Reston, Sara Lin And Jonathan Abrams, Times Staff Writers

The Los Angeles Times, November 1, 2006

Pablo Cerda was the last of the crew overrun in the Esperanza fire. A Beaumont man is held as 'a person of interest.'

Hours after firefighter Pablo Cerda on Tuesday became the fifth and final member of a U.S. Forest Service crew to die after they were overrun by an out-of-control wildfire near Palm Springs, authorities said they arrested a suspect in connection with previous blazes in the San Gorgonio Pass area, and named him a "person of interest" in last week's deadly fire.

Cerda, 23, fought to survive for six days at Arrowhead Regional Medical Center in Colton before succumbing at 5:08 p.m. to burns over 90% of his body. He lived in Fountain Valley, where he cared for his father, and was in his second season with the Forest Service.

"Today more sadness is added to our almost unbearable grief in the hearts of the Forest Service and all the fire service community," Jeanne Wade-Evans, San Bernardino National Forest supervisor, said Tuesday night.

Investigators continued working with more than 300 tips called in to an arson hotline since the fire began early Thursday.

Authorities said they had questioned several people about the cause of the deadly Riverside County wildfire, known as the Esperanza fire, and that they had identified at least "two persons of interest."

Authorities disclosed the name of only one: Raymond Lee Oyler, 37, a Beaumont resident, who was arrested at 3 p.m. Tuesday by the Riverside County Sheriff's Department on two counts of arson in connection with wildfires in June in the San Gorgonio Pass area.

In a terse news release issued Tuesday night, sheriff's officials said they interviewed Oyler on Friday and served a search warrant on his home Monday.

A sheriff's spokesman said no other information would be released Tuesday.

Although authorities didn't indicate which fires Oyler was charged with setting, Riverside and San Bernardino counties were hit with a rash of more than 40 small, suspicious fires in May and the first half of June. One such fire in mid-June broke out in Cabazon, burning 10 acres near the intersection of Esperanza Avenue and Broadway, not far from the Esperanza blaze.

Oyler could not be reached for comment.

The current, wind-fed Esperanza wildfire raced through the dry foothills, killing five firefighters and charring more than 40,000 acres at the base of the San Jacinto Mountains before being contained Monday. The blaze destroyed 34 homes.

A Cabazon man who lives a quarter-mile from where the fire began told The Times on Tuesday that authorities had questioned him, but that he was "100% innocent."

William "Billy" Hutson, 28, said that during questioning Monday, investigators accused him of setting the fire. Police also have searched his home, confiscating his computer, he said.

Hutson served jail time in Texas for a 1998 arson conviction for burning a neighbor's mobile home, according to records from the Texas Department of Public Safety and a spokesman for the Vidor, Texas, Police Department.

"I was young and stupid," Hutson said in an interview at a restaurant near his house. "I was a kid. I was young. Every kid likes to see the fire. I messed up — yeah — and I've paid my debt to society."

The night the Esperanza fire began, Hutson said, he was with friends at his house and then went for a drive before dropping off a friend in Banning.

The fire was already racing up the mountainside as the group drove home on the freeway, Hutson said.

Hutson said he failed several polygraph tests administered by federal agents during questioning Monday. He said he had become nervous thinking about his criminal record, and has volunteered to take another test.

"When I get worked up, it's real hard," he said. "I get real shaky."

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On Tuesday, television news crews camped outside Hutson's modest pink house in Cabazon, and he said his family from Texas called to say they had seen him on national television.

More than 50 investigators from the Sheriff's Department, California Department of Forestry and Fire Protection, U.S. Forest Service and Bureau of Alcohol Tobacco, Firearms and Explosives are working on the case.

Those include two BATF profilers and a polygraph examiner, said bureau spokeswoman Susan Rachel.

Sheriff's spokesman Sgt. Earl Quinata emphasized that no arrests had been made for the Esperanza fire, and that the investigation was ongoing.

Veteran arson investigator Brad Hamil called arson "about the hardest crime there is to crack in a whole system of crimes."

"It's against the law to carry, say, tools that would be used in a burglary. But it certainly isn't against the law to carry a cigarette lighter or a box of matches," said Hamil, who investigated arson fires for 25 years for the San Bernardino City Fire Department and is not involved in the Esperanza fire case.

What might give investigators an edge on the Esperanza fire is the $550,000 reward being offered for information leading to an arrest and conviction, he said.

"Money really makes the difference," Hamil said. "If anybody thinks their brother did it, you're going to get a call. Everybody's fishing."

Along with Cerda, the U.S. Forest Service firefighters killed in the blaze were Mark Loutzenhiser, 43, the team's captain; Jason McKay, 27, of Phelan; Jess McLean, 27, of Beaumont; and Daniel Hoover-Najera, 20, of San Jacinto.

Cerda realized he wanted to be a firefighter while a student at Los Amigos High School in Fountain Valley, teachers and neighbors said last week. After graduating from high school, Cerda attended the Riverside Community College Fire Academy.

Dev Gnadeve, medical director and chief of surgery for the Arrowhead Regional Medical Center, said the family declined to have additional surgery performed on Cerda, who had been on life support since he suffered the burns Thursday.

They were by Cerda's bedside when he died, Gnadeve said.

"He was a great fighter," Gnadeve said. "But even if Pablo had a very small chance of making it, we weren't sure of what kind of quality of life he was going to have."

Seven Forest Service firefighters stood in front of a lime green firetruck outside the medical center with their eyes glistening and hands crossed as the death was announced.

"It doesn't matter what station you worked in," said firefighter Travis Thogmartin, 28. "At Forest Service, we are all brothers."

A public memorial service for the fallen firefighters is scheduled for 1 p.m. Sunday at the Hyundai Pavilion in Devore.

Fire officials will hold a community meeting with fire victims from Twin Pines and Poppet Flats near Banning today to provide information on county, state and federal relief efforts. The meeting begins at 7 p.m. at the Silent Valley Club, 48305 Poppet Flats Road.

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Times staff writer Stuart Silverstein contributed to this report.

Police Charge 17 As Gang Members (MJS)

By Gina Barton

Milwaukee Journal Sentinel, November 1, 2006

15 in custody; 200 officers help in raid

Seventeen people affiliated with a gang that authorities say has been distributing cocaine, crack cocaine and marijuana on Milwaukee's north side for about 15 years have been charged with conspiracy and other drug offenses in federal court in Milwaukee, according to an indictment made public Tuesday.

Ten members of the gang, known as the First and Keefe Vice Lords, were arrested in early morning raids Tuesday, according to the FBI. Two hundred law enforcement officers from the FBI, Milwaukee Police Department, state Department of Justice and other state and local agencies rounded up the defendants in the culmination of a two-year investigation, said Linda Krieg, assistant special agent in charge of the FBI's Milwaukee office.

Swat teams from the FBI's Milwaukee and Chicago offices both were involved in the arrests because the suspects were considered armed and dangerous, Krieg said. The 10 arrests were made without incident, she said.

Five other defendants already were in state custody Tuesday, according to the U.S. attorney's office.

Two remained at large Tuesday evening.

The First and Keefe Vice Lords formed in the late 1980s and early 1990s, and the gang consists of members who had moved to Milwaukee from Chicago, authorities said. The group has two subsets, known as the SOC Vice Lords and the MOB Vice Lords.

The indictment charges 15 people with conspiring to distribute at least 5 kilograms of powder cocaine and at least 50 grams of crack cocaine, as well as marijuana.

The conspiracy count carries a mandatory minimum penalty of 10 years and a maximum penalty of life. The indictment also charges the individuals named in the conspiracy with individual drug trafficking counts, which carry prison terms of five years to life.

The two others are charged with operating a drug house at their residence in the 6400 block of N. 42nd St., which could yield them up to 20 years in prison.

The government also is seeking forfeiture of a shotgun, a rifle and $31,225 in cash seized from the home.

The investigation was the result of a local, state and federal task force that has been operating in the city over the past several years, according to the U.S. attorney's office.

Over the past four years, similar charges have been leveled against the Latin Kings, Cherry Street Mob, Laotian Crips, 2-4s and 2-6s, as well as a different subset of Vice Lords.

In May 2005, authorities arrested 21 people charged as being part of the 2-6 Vice Lords, and seized more than $400,000 in cash and almost 10 pounds of crack cocaine.

"It's all part of our joint plan to find the most dangerous criminals and put them behind bars," said Milwaukee Mayor Tom Barrett. "This sends a strong message that if you're dealing in these drugs, we're coming after you."

Pot Sale Penalty Protest Grows (SLT)

By Elizabeth Neff, The Salt Lake Tribune

Salt Lake Tribune, November 1, 2006

Former top Justice Department officials and several judges have asked the U.S. Supreme Court to hear the appeal of a Utah man sentenced to serve 55 years in prison for selling pot - a sentence decried by a judge who said the law forced his hand.

The 10th U.S. Circuit Court of Appeals in Denver in January rejected an argument that the sentence handed down to record producer Weldon Angelos was cruel and unusual punishment that was disproportionate to his crime.

But a friend of the court brief filed with the high court by 145 people -including former U.S. Attorneys General Griffin Bell, Benjamin Civiletti, Nicholas Katzenbach and Janet Reno; other former high ranking Justice Department officials and former federal judges - urges the high court to take the case.

Angelos, 26, the founder of Extravagant Records, was accused of selling 8 ounces of marijuana to a police informant three times in May and June 2002. At one sale, he had a gun strapped to his ankle, according to court records. At the other drug buys, there were firearms in the vicinity.

A federal grand jury originally indicted Angelos in November 2002 on one gun possession count, three counts of marijuana distribution and two lesser charges. After Angelos rejected a plea bargain that would have sent him to prison for 16 years, authorities obtained a new indictment with 20 charges.

When Angelos asked to reopen negotiations, prosecutors said it was too late. In December 2001, a jury convicted him of 16 counts.

U.S. District Judge Paul Cassell reluctantly sentenced Angelos to a mandatory 55 years in prison, five years for the first gun-possession conviction and 25 years each for the next two, to be served one after the other. For 13 drug and money laundering counts, the judge imposed one additional day behind bars. Cassell said the prison term was "unjust and cruel and even irrational."

So did defense attorneys, who appealed and gained the support of many in the legal field who say the sentence was excessive. However, the U.S. Attorney's Office stuck to its contention that Angelos is the kind of offender Congress had in mind when it enacted tough penalties for criminals who carry a firearm while committing a felony.

Man Gets 20 Years In Federal Prison (FREDNP)

Frederick News Post, November 1, 2006

Sentence for 2005 arrest on drug, firearm charges

GREENBELT -- A Frederick man caught in an undercover operation headed by the Drug Enforcement Administration was sentenced Monday to 20 years in federal prison, according to U.S. Attorney for Maryland Rod J. Rosenstein.

Winfred Gregg Travis' sentence stems from his conviction for distributing crack cocaine and possession of a firearm by a convicted felon, Mr. Rosenstein stated in a news release. Travis, 37, pleaded guilty June 15 in U.S. District Court.

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Early in the investigation, DEA agents watched as a person working with law enforcement agents obtained 133 grams of crack from Travis on Nov. 9, 2005, the U.S. attorney said.

More than two months later, on Jan. 18, Montgomery County Police stopped Travis for a traffic violation and found 492 grams of cocaine in his vehicle.

The day of the traffic stop, DEA agents asked Frederick County law enforcement to obtain a search warrant for Travis' residence, said Frederick County Deputy State's Attorney Charlie Smith.

Later that day, Frederick County narcotics officers searched Travis' residence and seized 148 grams of crack, a gram of marijuana, $19,269, a Llama Max .45-caliber handgun, a box of Winchester .45-caliber bullets and drug paraphernalia, Mr. Rosenstein said.

The DEA asked county law enforcement to file local charges to hold him until he could be indicted federally, Mr. Smith said.

"It was definitely a cooperative effort," he said.

U.S. District Judge Deborah K. Chasanow gave Travis a tough sentence after finding that he has a lengthy criminal history, Mr. Rosenstein said.

Since 1991, Travis has been charged in Frederick and Montgomery counties 10 times, primarily with drug crimes, but also with breaking and entering, battery and disorderly conduct, according to court records.

After his release from prison, Travis will serve 10 years of supervised release. He was ordered to forfeit the $19,269 found during the search and the Llama Max.

Mr. Rosenstein thanked the DEA, the Montgomery County Police and narcotics officers from Frederick County who participated in the investigation.

Eighth Member Of Drug Ring Is Sentenced (MAUIN)

Maui News, November 1, 2006

HONOLULU – The eighth member of a methamphetamine trafficking ring was sentenced Monday by U.S. District Court Judge J. Michael Seabright to nearly 24 years in prison, according to the U.S. Department of Justice.

Leandro Gomez III, 30, of Las Vegas, was one of 10 defendants to plead guilty to charges of taking part in a large-scale organization that imported methamphetamine from Las Vegas to Maui.

"Gomez was the Las Vegas supplier of the methamphetamine, which was transported to Maui either by couriers or mail shipment," a Justice Department news release says.

In Las Vegas, he had been assisted by co-defendants Timothy James Sullivan and Gilbert Gomez Jr., federal officials said. And, on Maui, "Nathaniel Russell and Pamela Mahealani Newton (husband and wife) oversaw an extensive distribution network involving co-defendants John Corniel Jr., Charles R.K. Farren, Roger Manu Bates, Cyrinah L. Aken and Reed Kaleookalani Aken."

The investigation of the drug ring resulted in the recovery of 616.8 grams (1.4 pounds) of methamphetamine from Bates in early May 2005 on Maui, according to Justice Department officials.

"Other information produced in connection with the case reflected that the Maui group was purchasing up to 7 pounds of methamphetamine from Gomez in late May 2005," the news release says. "Law enforcement officers intercepted approximately 921.1 grams (2 pounds) of methamphetamine discovered on Reed Aken's person at Los Angeles International Airport in late May 2005, and 1,809 grams (4 pounds) of methamphetamine in a parcel Gomez sent to Maui in early June 2005."

So far, seven other defendants have been sentenced to between 48 and 198 months in prison for their participation in the drug ring. Their sentences were: Bates, 34, 198 months in prison; Corniel, 42, 168 months; Farren, 38, 126 months; Gilbert Gomez, 37, 96 months; Cyrinah Aken, 38, 87 months; Sullivan, 35, 82 months; and Reed Aken, 37, 48 months.

Russell and Newton are scheduled for sentencing Nov. 20 and Jan. 8, respectively.

'Ice' Supplier Gets Prison Term (HSB)

By Leila Fujimori

Honolulu Star-Bulletin, November 1, 2006

The 30-year-old Las Vegas supplier of a large-scale trafficking organization bringing "ice" to Maui in 2005 was sentenced in federal court yesterday to 23 years and eight months in prison.

U.S. District Judge J. Michael Seabright sentenced Leandro Gomez III, who pleaded guilty to methamphetamine-trafficking charges along with nine others.

Gomez supplied multi-pound amounts of methamphetamine to Maui carried by couriers or shipped by mail from Las Vegas, the U.S. Attorney's Office said in a news release.

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"For Maui Police Department, it was rather a significant case, and they devoted a lot of resources to it," said Assistant U.S. Attorney Michael Kawahara, who prosecuted the case.

Kawahara said efforts by Maui police, the federal Drug Enforcement Administration and other law enforcement agencies in this and other cases have "stemmed the flow of drugs to Hawaii," and the prosecution of these kinds of cases serves as a deterrence.

He said that strenuous law enforcement efforts have done much to curb the supply of methamphetamine to Hawaii.

Nathaniel "Bobo" Russell and his wife, Pamela Mahelani Russell, oversaw the Maui distribution network, and will be the last of the 10 to be sentenced Nov. 20 and Jan. 8, respectively.

Others previously sentenced include former Maui police officer Reed Kaleookalani Aken Sr., 37. He served as a courier for the money to Las Vegas and drugs to Maui and was sentenced to four years.

Also on the Maui end of the drug ring and their sentences are: John Corniel Jr., 42, 14 years; Charles R.K. Farren, 38, 10 1/2 years; Roger Manu Bates, 34, 16 1/2 years; and Cyrinah L. Aken, 38, 7 1/4 years.

Those who assisted Gomez in Las Vegas were Timothy James Sullivan, 37, who received six years, 10 months, and Gilbert Gomez Jr., 37, eight years.

Law enforcement agents recovered in early May 2005 1.4 pounds of ice from Bates on Maui, intercepted 2 pounds of the drug on Reed Aken at Los Angeles International Airport in late May and 4 pounds of meth sent by Gomez to Maui in June 2005. The investigation revealed the Maui group was buying up to seven pounds of methamphetamine from Gomez in late May 2005.

U.S. Attorney Ed Kubo commended the "superlative joint investigation" conducted by DEA and Maui police assisted by Los Angeles International Airport narcotics agents.

Vegas Man Gets 23 Years For Role In Maui Ice Ring (HONADV)

Honolulu Advertiser, November 1, 2006

A 30-year-old Las Vegas man was sentenced to 23 2/3 years in federal prison yesterday for his part in a methamphetamine conspiracy that delivered ice from Nevada to Maui.

Leandro Gomez III, who pleaded guilty to ice-trafficking charges, was described by federal authorities as the supplier who sold up to seven pounds of the drug to Maui defendants in May last year.

U.S. District Judge Michael Seabright sentenced Gomez to 284 months in prison.

Federal prosecutors called the drug ring a "large-scale organization" which shipped multipound quantities of ice by mail or by couriers to Maui.

The case against Gomez and nine others involved cell-phone taps, according to Assistant U.S. Attorney Michael Kawahara.

The 10 include two other Las Vegas residents and seven Maui residents. All 10 have pleaded guilty to ice-trafficking counts. All but two have been sentenced, according to federal prosecutors.

Gomez has been given the stiffest sentence so far. The other seven received terms ranging from four years to 16 1/2 years. Among them is Reed Kaleookalani Aken Sr., 37, a former Maui police officer who prosecutors say left the force before his involvement in the drug ring. Aken received a four-year term.

Drug Supplier Gets Help In Appeal (GRPRESS)

By John Agar, The Grand Rapids Press

Grand Rapids Press (MI), November 1, 2006

GRANDVILLE -- A federal appeals court ruling could shorten the 25-year prison term for a man who provided heroin to a friend and failed to call 911 as she was dying in his Grandville home.

Kevin Obi, 23, pleaded guilty to providing heroin that killed Nora Lares, 21, in 2004.

At Obi's sentencing last year, U.S. District Judge Richard Enslen ruled Obi's lies to investigators soon after her death constituted obstruction of justice, and thus, increased the possible sentence.

But the Sixth Circuit Court of Appeals said recently the prosecution failed to show Obi's false statements significantly hurt the investigation. The court ordered the case returned to U.S. District Court for resentencing.

Without the obstruction of justice enhancement, Obi, who received 300 months, would have faced 210 to 262 months.

Gina Lares, the victim's mother, is disgusted with a move that could end in an earlier release for the man she considers her daughter's killer.

"The guy is sick, and he is a criminal," Lares said. "It's very frustrating that Nora is dead and she has no rights and no voice, yet he can do whatever he wants."

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Obi and his friend, Terry Ensing, went to a bar on Sept. 3, 2004, to meet Nora Lares and her friend. After the bar closed, they went to Obi's basement, where Obi, Ensing and Lares snorted heroin, while Lares' friend passed out. A little later, Obi told his friend that Lares stopped breathing, but she seemed to be snoring.

Ensing then told Obi that she was not breathing, court records showed. They took her to a closed medical center. Obi then called 911.

The prosecution says Obi tampered with evidence on the victim's body and told police they had not used drugs.

Police then went to his house and revived the young woman who had passed out. They conducted a "cursory" search of the house but found no evidence of drugs. Four days later, U.S. Drug Enforcement Administration officers used a search warrant to again look through the house, but Obi's mother had "thoroughly cleaned the residence, discarding the bedding and trash," records said.

She told police her son's grief counselor recommended she clean the basement. Police said they found hidden heroin-related paraphernalia.

The government argued Obi's false statements led police to initially consider the crime scene to be the vehicle, rather than his basement, which resulted in a loss of possible evidence. But, the court noted, Obi told police that Lares' friend was still at his house, and police went there.

The appeals court said it was only speculation that police could have found additional evidence at Obi's house if they were immediately aware it was the crime scene.

Ensing is serving three years in prison for his role in Lares' death.

Merriman Drops Appeal Of 4-Game Suspension (NYT)

By Michael S. Schmidt

The New York Times, November 1, 2006

San Diego Chargers linebacker Shawne Merriman yesterday dropped his appeal of a four-game suspension for violating the National Football League's policy on banned substances, and he blamed his positive drug test on a supplement he took before the season to boost his energy for workouts.

Merriman said his lawyer, David Cornwell, was considering legal action against the supplement maker because its product contained a precursor to the steroid nandrolone. Dietary supplement makers are prohibited from including nandrolone's precursors in their products.

The N.F.L. has certified several dietary supplements that it said would not result in a positive drug test. Merriman said he was not taking one of those supplements, adding that he believed more then 75 percent of the players were taking supplements that were not certified by the N.F.L.

Merriman said he took the supplement to increase his energy so he could work out at least two times a day before the preseason started. He refused to name the supplement, saying it might hurt his complaint against the manufacturer.

"It's a brutal sport, but a lot of guys need to maximize our workouts," Merriman said in a telephone interview.

Merriman said he had taken the supplement since he entered the league last season, when he was the N.F.L.'s defensive rookie of the year, and he had no problems with it. He estimated that he was tested seven or eight times before and during the season. He said he stopped taking the supplement this summer just before the preseason began.

On Aug. 2, a few days into training camp, Merriman took his first drug test this season. He said he learned about Sept. 12 that the result was positive. Merriman said he had taken three tests since the Aug. 2 test and all three came back negative.

He said nothing on the supplement's list of ingredients indicated that it contained a steroid. Merriman said he stopped using all six of the vitamins and supplements he was taking as soon as he found out about the positive test.

"My health is more important than missing four games," he said.

Merriman said the supplement was shipped to him at the end of last season, but he did not use it until he began to get into shape for this season.

He added: "I have taken full responsibility for what happened to me and what has gone on. I came up clean plenty of times before and gained confidence in the supplement, and then all of a sudden it popped up that I was doing something wrong."

Although Merriman dropped his appeal, the league allowed him to visit the team's practice facility today, because he wanted to address his teammates before the suspension began. Players are normally barred from team facilities for the entire time of their suspensions.

"The league has given me an exception and I really appreciate that," Merriman said. The Chargers (5-2) are tied with the Denver Broncos for first place in the American Football Conference West.

On Sunday, Merriman tied a career high with three sacks as the Chargers defeated the St. Louis Rams, 38-24. He is tied for the league lead in sacks with 8½.

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Merriman will be able to return to practice on Nov. 27 and would be available to play against the Buffalo Bills on Dec. 3 and the Broncos on Dec. 10.

Merriman Decides To Drop Suspension Appeal (SDUT)

By By Kevin Acee, Union-tribune Staff Writer

The San Diego Union-Tribune, October 31, 2006

Chargers linebacker Shawne Merriman had been leaning toward this decision for days, weighing the likelihood he could win a reversal of his suspension versus the desire to clear his name along with the question of what would be best for his team.

The NFL's co-sack leader will miss four games for violating the league's drug policy, another blow to a defense that has had its share of challenges – the Steve Foley shooting, injuries – all season.

PHILIP RIVERS

The first-year starter at quarterback has matured quickly, allowing the offense to develop.

REINFORCEMENTS

Igor Olshansky: The defensive end, who has missed much of the season with knee problems, expects to play against Cleveland on Sunday.

Shaun Phillips: The linebacker, who missed the last game with a strained calf, is about 80 percent healthy and hopes to play Sunday.

In the end, he decided Tuesday to drop the appeal of his four-game suspension for a positive drug test.

The NFL's leader in sacks with 8½, Merriman will not play Sunday against Cleveland, Nov. 12 at Cincinnati, Nov. 19 at Denver or Nov. 26 against Oakland. His first game back will be Dec. 3 at Buffalo.

"My whole life has been made of speed bumps," Merriman said. "People have always told me if you want to be great at something you're going to have to endure more than anybody else.

"It really digs deep inside. It really hurts. This is what I love to do. This is a part of me. This will be the first time I've missed any game in any sport in my whole life – ever. It really saddens me."

Merriman tested positive Aug. 2 for the banned steroid nandrolone. He maintains he was the victim of a tainted supplement, but he knew he was unlikely to win his appeal based on the NFL's clearly stated policy that players are responsible for what they put in their body.

Merriman's appeal was scheduled to be heard Nov. 7, two days after the Cleveland game.

Merriman will forfeit almost $73,000 of his $310,000 salary during the four weeks he is gone. During that time, he will not be allowed at the Chargers' facility or to be on the sideline during games.

Merriman had to decide by today whether to drop the appeal or go ahead with the Nov. 7 hearing. He was able to work out a deal with the NFL that will allow him to address his teammates Wednesday before he is banned from the team's facilities for the remainder of the four weeks.

Advertisement

"I know my responsibilities and how much I mean to the team," he said. "It's important to me to talk to them."

Merriman was confident his teammates would step up in his absence.

"Look at how (Steve) Foley went down and Shaun Phillips stepped up," he said. "Shaun Phillips went down, and we still got it done. That's what I'm going to say to the guys.

"This is a big stumbling block for myself and for the team. But we're going to win games. I'm mad I can't be there. But we're not the Shawne Merriman Chargers."

Merriman Drops Appeal, Will Miss 4 Games (WP)

By Mark Maske, Washington Post Staff Writer

The Washington Post, November 1, 2006

San Diego Chargers linebacker Shawne Merriman dropped his appeal of his four-game suspension imposed by the league for a positive test under the NFL's steroid-testing program.

Merriman, who's tied for the NFL lead with 8 1/2 sacks, is scheduled to begin serving his suspension immediately and will miss the Chargers' next four games, beginning Sunday against the Cleveland Browns.

The appeal was to have been heard Nov. 7, and Merriman had been eligible to play in the meantime.

Merriman's attorney, David Cornwell, has said that Merriman likely tested positive for the banned substance nandrolone that was contained in a supplement that Merriman was taking. But under the league's policy, a player is responsible for what's in his body even if he unwittingly takes a banned substance contained in a supplement. The NFL Players Association has a

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program to test supplements and clear those that don't contain banned substances, but a player's participation in that program is voluntary.Simms to Injured Reserve?

The Tampa Bay Buccaneers could place quarterback Chris Simms on the injured reserve list soon, a move that would end his season. Simms and the Buccaneers did not rule out the possibility of him playing again this season after he underwent emergency surgery last month to have his spleen removed.

But all of the involved parties acknowledged from the outset there was a good chance that Simms's season was over, and the Buccaneers soon might need a roster spot to activate quarterback Luke McCown. He's on the physically unable to perform list after undergoing surgery for a torn knee ligament suffered during an offseason minicamp. . . .

The New York Jets have delayed a decision until next week about whether to allow tailback Curtis Martin to begin practicing. If Martin, who has an ailing knee and currently is on the physically unable to perform list, does not practice next week, the Jets must place him on the injured reserve list, ending his season. Martin has said he'd like to play again but doesn't know if that will be possible. The Newark Star-Ledger reported yesterday that Martin won't play this season and likely will retire, but Coach Eric Mangini told reporters that no decisions on Martin's playing status had been made.

Merriman Begins Suspension (SEATIMES)

The Seattle Times, November 1, 2006

SAN DIEGO — The San Diego Chargers must play their next four games without outside linebacker Shawne Merriman, one of the league's top young players.

Merriman, 22, decided Tuesday not to appeal his suspension for testing positive for steroids.

Merriman's suspension is another blow to one of the league's toughest defenses, which has been hit by injuries and off-field trouble since before the season started. Nicknamed "Lights Out" because of his punishing hits, Merriman will be shut down for games at home against Cleveland, at Cincinnati, at Denver and at home against Oakland.

Merriman, who is tied for the league lead with 8 ½ sacks, and his attorney have blamed a tainted supplement for the player's positive test for the steroid nandrolone.

The suspension won't officially begin until after Merriman addresses teammates today. After that, he will be barred from the team's headquarters until he is eligible to return Nov. 27.

The Chargers vowed to press on without Merriman, a Pro Bowl starter.

"He's upset because he let his team down, but we're OK," outside linebacker Shaun Phillips said. "We're behind him 100 percent. We know he's not that kind of guy, that he wouldn't do anything to boost his performance."

Phillips moved into the starting lineup after Steve Foley was shot by an off-duty police officer on Sept. 3. Phillips missed Sunday's 38-24 win over St. Louis with a calf injury and has a 50 percent chance of playing Sunday.

Had Merriman gone through with the appeal and lost, there was the chance he would miss both games against Denver, which is tied with San Diego atop the AFC West at 5-2.

Notes

· Pittsburgh running back Verron Haynes and linebacker Arnold Harrison were placed on injured reserve with torn knee ligaments and are done for the season.

· New Orleans quarterback Drew Brees told his mother he wants her to stop using his picture in TV commercials touting her candidacy for a Texas appeals court. In commercials running on Austin stations, Mina Brees had been using a picture of her son in the uniform of his former team, the Chargers, to emphasize her ties to football.

"I think the major point here is that my mother is using me in a campaign, and I've made it known many times I don't want to be involved," Brees said.

Mina Brees, an Austin attorney, is running as a Democrat for a spot on Texas' 3rd Court of Appeals. Drew Brees said his agent sent Mina Brees a letter Oct. 20 threatening legal action. Brees called his relationship with his mother "nonexistent" after it crumbled about six years ago when he declined to hire her as his agent.

· Will Peterson, 27, has a new team and a new name. The former cornerback for the New York Giants signed a one-year contract with Philadelphia. He also dropped his last name, and is going by William James.

· San Francisco signed cornerback Donald Strickland, 25, with hopes the fourth-year cornerback will strengthen a secondary that has struggled. He was released by Philadelphia before the start of the season.

· The New York Jets insist Curtis Martin, 33, has not yet decided to end his season, despite a published report the league's No. 4 career rusher has told members of the team he won't return this year.

"There has been no decision," coach Eric Mangini said when addressing the story in The Star-Ledger of Newark, N.J.

Spain Nabs Major Drug Trafficker (NYT/AP)

DOJ_NMG_0089620

By The Associated Press
The New York Times, November 1, 2006
Filed at 8:45 p.m. ET

MADRID, Spain (AP) -- Spanish police said Tuesday they arrested a leading member of one of Colombia's most feared drug-trafficking cartels.

Orlando Sabogal Zuluaga, 40, was arrested last Thursday in a shopping center on the outskirts of Madrid, the Civil Guard police force said in a statement posted on the Interior Ministry's Web site.

Police said Sabogal Zuluaga was a right-hand man to the former head of the Norte del Valle cartel, Luis Hernando Gomez Bustamente, who himself was captured in Cuba in 2004.

The Civil Guard statement said the group was blamed for hundreds of killings in Colombia and suspected of controlling much of the world's cocaine trafficking.

Spanish police began searching for Sabogal following a request from the U.S. embassy in Spain. The Norte del Valle cartel is suspected of having shipped 500 tons of cocaine into the United States during the past decade, police said.

Sabogal, who was traveling using a fake Venezuelan passport, is wanted for his suspected role in several killings, narcotics trafficking and money laundering, the statement said. U.S. authorities had offered compensation of $5 million for information leading to his arrest, it added.

According to Colombian anti-narcotics police, Sabogal is wanted for extradition to the U.S. to face charges of drug-trafficking and money-laundering.

Colombia is the world's largest cocaine producer.

Ad Campaign Accuses European Coke Snorters Of Funding Colombia's Civil War (SDUT/AP)

By Joshua Goodman, Associated Press
The San Diego Union-Tribune, November 1, 2006

BOGOTA, Colombia – Colombia's vice president is taking a hard-hitting anti-drug message to Europe, complaining about cocaine-snorting celebrities who he says are financing the drug-fueled civil conflict bleeding this South American nation.

Vice President Francisco Santos spoke of supermodel Kate Moss, although she doesn't appear in the ads that he planned to unveil Wednesday in London along with 13 European anti-drug czars.

Santos called Moss a perfect example of liberal European attitudes toward drug use because she is enjoying a career comeback after a British tabloid last year published photos of her apparently snorting cocaine.

“To me its baffling that somebody who helps cause so much pain in Colombia is doing better than ever and winning more contracts than ever,” the vice president told The Associated Press.

Moss's modeling agency in London, Storm, did not return a phone call and e-mail seeking comment about the comments.

Moss lost contracts after the photos were published, but her career resumed after she spent time at a clinic in Arizona. She apologized to “all the people I have let down” over the incident, but was never charged with any drug offense.

“Cocaine not only destroys you, it also destroys a country” is the theme of the advertising campaign designed to change attitudes among Europeans about their booming cocaine habit in the same way that “Just Say No” did in the United States.

Santos spoke of what cocaine consumption does to Colombia, where drug-financed armed groups murder hundreds of people each year and force thousands to abandon their homes. Gangs, rebel groups and right-wing militias all traffic in the drug.

“We need to tell Europeans that that line of coke they snort is tainted in blood,” Santos said.

One ad in the “cocaine curse” campaign depicts a pinstriped “coke head” – with an oversized nose – laying land mines in a coca field. Colombia now ranks first in the world in land-mine casualties, averaging four a day.

Colombia, the world's largest producer of cocaine, hopes European governments will fund placement of the ads on billboards, television and even bathrooms of trendy dance clubs

It has also launched an English-language Web site, www.sharedresponsibility.gov.co, to highlight its efforts in the U.S.-sponsored war on drugs, including aerial eradication of more than 1.5 million acres of coca, the base ingredient of cocaine, since 2002.

Colombia is also seeking more European aid for projects to help peasant farmers switch from coca to legal crops like tropical fruits, coffee and rubber.

According to the European Monitoring Center for Drugs and Drug Addiction, cocaine use among young adults in Spain and Britain has doubled over the past decade, reaching levels similar to those in the United States, where 5 percent of people have reported recent usage.

The center, based in Lisbon, Portugal, says surveys in Denmark, Italy, Hungary, the Netherlands and Austria also show a rise in cocaine use among young adults.

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Santos noted findings by the White House Office of National Drug Control Policy that cocaine consumption has declined 50 percent in the United States over the past two decades.

Op-Ed: NRA Won't Take Fall For Violent Crime (AJC)

By Bob Barr

The Atlanta Journal-Constitution, November 1, 2006

Atlanta suffers from a rate of violent crime about four times the national average; murders take place in the city at a rate about five times the nation's average. The reasons Atlanta's crime statistics remain stubbornly high are many and persistent, but criminologists and law enforcement experts know that none of them is the fault of the National Rifle Association.

Yet last week, Atlanta police Chief Richard Pennington was at the National Press Club in Washington offering sound bites and photo ops with the anti-gun lobby organization, the Brady Center to Prevent Gun Violence, blaming the city's sorry crime statistics on the NRA.

Taking potshots at the NRA has become a time-worn practice of big city mayors such as New York's Michael Bloomberg. While one expects liberal politicians in northeastern cities to curry favor by leveling broadsides at the NRA, it is surprising to find their ranks joined by a police chief from Atlanta, the capital of a state with a long and positive relationship with the NRA.

In fact, just a month ago Gov. Sonny Perdue proudly received NRA's endorsement. Officeholders and aspirants across Georgia's 159 counties eagerly vie for NRA's endorsement every election cycle. In a state with significant numbers of hunters and sports shooters — a state that boasts innumerable law enforcement officers who have benefited directly from NRA-sponsored firearms training — why has Atlanta's police chief jumped in bed with the national anti-gun lobby?

Politics and political agendas are always difficult to discern, and I don't pretend to know those that motivate Pennington. I also know that, despite Atlanta's less-than-stellar crime statistics, Pennington has, since being appointed in July 2002, made real strides redirecting police resources to areas in the city to increase their impact.

Whatever his motives for taking up with the national anti-firearms lobby, the material Pennington's new-found friends at the Brady Center are pushing is simply political pap of the sort the center has been espousing every election cycle for more than a decade.

For example, the Brady Center blasts the NRA for supporting legislation pending before the Congress that would reform the Bureau of Alcohol, Tobacco, Firearms and Explosives and strengthen privacy protections for individuals' firearms purchase records.

The Brady Center and its cheerleaders mischaracterize these pending legislative efforts as "tying the hands" of the ATF and other law enforcement agencies, but the actual terms of the legislation show otherwise. The ATF reform bill modernizes the agency's ability to address infractions of the myriad federal firearms regulations governing firearms retailers. To be sure, the legislation contains measures to guard against regulatory abuses by ATF such as were detailed in a public congressional hearing earlier this year. However, it also aims to more effectively focus and prioritize the agency's efforts against true violations of firearms, explosives and arson laws.

While Pennington has bought into the Brady Center's resistance to ATF reform and blames the NRA for violent crime in Atlanta, a significant majority of Georgia's congressional delegation — including Democrats John Barrow, Sanford Bishop and Jim Marshall — voted "aye" (along with 274 others) on the legislation. It defies reason to conclude, as Pennington apparently has, that all these Democrats and Republicans are conspiring against him and coddling violent offenders.

Another part of the firearms legislative package backed by the NRA and with which Pennington takes umbrage would strengthen protections against improper release of citizens' firearms purchase records. Important, but contrary to the Brady Center's rhetoric, the legislation still allows full access by law enforcement to obtain firearms records for any legitimate investigations. This bill, too, enjoys broad bipartisan support, including among the Georgia delegation.

Of course, those echoing the Brady Center's anti-NRA diatribe have little to offer the debate other than boilerplate sound bites, when confronted with hard statistics, such as those released in September by the FBI, showing the nation's violent crime rate in 2005 — despite an uptick for the year — was nearly 40 percent below that in 1991 when it hit an all-time high, even as the number of privately owned firearms during that period increased significantly.

Thus, while the evidence clearly shows that broader civilian ownership of firearms translates into less, not more, violent crime in America, and even as members of Congress of both political parties support efforts to reform and streamline federal firearms regulatory efforts, the anti-firearms crowd that apparently now includes Atlanta's police chief prefers hollow rhetoric to cooperative action.

Former congressman and U.S. attorney Bob Barr practices law in Atlanta. Web site: www.bobbarr.org. Barr is an NRA board member.

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Los Angeles ATF Agents Measure — And Get — Results (FEDTIMES)

By Aimee Curl

Federal Times, November 1, 2006

Defendants referred for prosecution — up 23 percent over the previous year.

Convictions — also up 23 percent.

Gang cases referred for prosecution — up 86 percent.John Torres, special agent in charge of the Bureau of Alcohol, Tobacco, Firearms and Explosives' Los Angeles field division, said these numbers, a comparison between fiscal 2005 and fiscal 2006, are proof positive that its performance measurement process is working. COMPSTAT, short for comparative statistics, is a public event where arrest, conviction and other statistics are reviewed and dissected. Officials in charge are held accountable for meeting goals and the numbers help determine where funds are allocated.

"We saw that the system works and if we're paying attention to where we're dedicating our resources we're going to have an impact on violent crime," Torres said. "That's the bottom line."

COMPSTAT began in the 1990s in New York City where the police department would hold regular meetings to set goals for law enforcement and publicly hold officers accountable for their results. Torres began holding COMPSTAT meetings for the Los Angeles ATF on a quarterly basis in October 2005.

The most recent COMPSTAT was held Oct. 24. The event is open to the public and often attended by representatives from other law enforcement agencies. Agents are asked to report their statistics. Depending on how these numbers match goals from the previous COMPSTAT, they're asked on the spot to explain what went wrong or what went right.

"We're not out for, 'gotcha,' " Torres said. "It's for people to share their success stories. We want people to talk to each other. It's a good tool to encourage communication."

Torres said his interest in COMPSTAT has its roots in the administration's overall push to measure results governmentwide. He recommends other federal law enforcement agencies and other agencies in generalconsider adopting the process, though he said different approaches would be necessary depending on the outcome they're trying to achieve.

"It's not a cookie-cutter approach. Every agency needs to figure out how to make performance measurement part of what they do so the general public can have confidence their tax dollars are being spent wisely," Torres said.

Kim Newman, a program examiner at the Office of Management and Budget, attended the Los Angeles ATF's third-quarter COMPSTAT in August. She said she was struck by how aggressively participants zeroed in on whether the results matched the goals.

"The [agents] realized when they fall short, they better have a good explanation for the results. By the same token, people were recognized if they exceeded goals for the quarter," Newman said.

She said it was clear that the event was meant as a learning process.

Before COMPSTAT, Torres said, his office didn't publicly measure performance, and systems within the department for sharing statistical information were spotty.

He said implementing COMPSTAT has meant changing culture.

"It requires a different mindset," Torres said, a shift that hasn't been easy to convince everyone to buy into. Ultimately, though, he said most agents have appreciated the need for greater accountability and the benefits of a public process.

Kathrene Hansen, executive director of the Greater Los Angeles Federal Executive Board attended the fourth-quarter COMPSTAT earlier this month. Though the process was transparent, she said no one got defensive.

"It seemed like a team effort, a peer review process" she said. "You could see that people wanted to get their numbers up."

Hansen said it appeared to be a good way for agents and the ATF to get buy-in for the resources they need.

OMB's Newman agreed.

"To me, it was great to see that resources could be targeted so quickly and be responsive to what's happening in the field," she said.

While many state and local law enforcement agencies have adopted the process, Torres said as far as he knows, the Los Angeles ATF is the only federal law enforcement agency using COMPSTAT. He said having the support of his supervisors in Washington has been critical.

"I hope ATF doing it opens eyes," he said. "You need to keep score in public."

Newman said whether this process would work at other agencies would depend on the special agent in charge.

"If there are law enforcement organizations out there that are willing to delegate that flexibility and responsibility to their supervisors, I think it would be a very effective tool. I could see it working in other law enforcement agencies in the federal government."

Hansen agreed COMPSTAT could be applied more widely.

"What I liked most about it was the transparency and the willingness to invite all of the stakeholders to the meeting, she said. "The willingness to expose all of your strengths and weaknesses out of your individual domain takes courage as a leader."

Leader Of Aryan Prison Gang Gets 19 Years (AZREP)

By Dennis Wagner, The Arizona Republic

Arizona Republic, November 1, 2006

A leader of the Aryan Brotherhood prison gang with an extensive criminal record was resentenced to more than 19 years behind bars Monday for a weapons violation, according to the U.S. Attorney's Office.

Bruce Foy Lowry, 52, was convicted by a jury after his 2003 arrest by federal marshals who tracked him down on a fugitive warrant. At the time, Lowry was wanted for failure to appear in a drive-by shooting case where he was accused of firing a gun at a mother, father and child who followed him from the scene of a hit-and-run accident.

According to a recorded conversation played during the sentencing, Lowry told a friend that he would have gotten into a gun battle with marshals if he'd had the opportunity. "If I could have drawn I would have," he said. "I couldn't even draw."

Lowry, known as "Boss Hog," appealed his case in 2004 to the Ninth Circuit Court, which remanded it back to the U.S. District Court in Arizona. On Monday, Judge David Campbell ordered Lowery to serve 235 months in prison for possessing ammunition in violation of the Armed Career Criminal Act.

Prosecutors stressed Lowry's extensive history of violent crimes, including seven felony convictions dating to 1974. The list of offenses includes armed robberies and two Aryan Brotherhood knife attack on an inmate. Lowry and a half-dozen other assailants left the knife in their victim's heart, prosecutors said, but surgeons managed to remove the weapon and save the inmate's life.

IMMIGRATION:

Agent Indicted In Smuggling Of Cuban Ballplayers To USA (USAT)

By Donna Leinwand

USA Today, November 1, 2006

A baseball agent who has represented Cuban defectors was indicted by a Miami grand jury on Tuesday for allegedly smuggling ballplayers and other Cuban nationals into the USA.

Gustavo "Gus" Dominguez, vice president of Total Sports International in Encino, Calif., is charged as part of a 53-count indictment related to two operations in 2004.

Geoffrey Rodrigues, Robert Yosvany Hernandez, Ramon Batista and Guillermo Valdez, allegedly hired by Dominguez to transport the Cubans by speedboat to the USA, also were indicted.

Dominguez has represented several Cuban defectors, including Andy Morales, who was signed by the New York Yankees and later the Boston Red Sox. Dominguez did not return a phone message left at his office.

The indictment says Rodrigues traveled in a 28-foot speedboat on July 28, 2004, from the Florida Keys to Cuba, where he picked up 22 people.

The U.S. Coast Guard intercepted them at sea as they attempted to return to Florida, the indictment says.

A second smuggling operation on Aug. 22 succeeded, the indictment said. The smugglers reached the Florida Keys with 19 Cubans, including five baseball players.

Once the Cubans reached land, two other associates drove the players in two rental vans from Miami to Los Angeles, according to the indictment.

Dominguez and his associates rented apartments and provided food for players Osmany Masso-Arredondo, Allen Guevara-Perez, Francisely Bueno-Trueba, Osbek Castillo-Perez, and Yoankis Turino-Montalno so they could begin training, the indictment says.

Castillo-Perez, 25, of Havana, is listed as a pitcher on the roster of the Missoula Ospreys, a minor league affiliate of the Arizona Diamondbacks in the Pioneer League. Osprey general manager and vice president Matt Ellis did not return a phone message left at his office Tuesday afternoon.

Bueno-Trueba, 25, of Havana, is listed as a left-handed pitcher on the roster of the Mississippi Braves, a Southern League affiliate of the Atlanta Braves. The Braves office in Pearl, Miss., had closed for the day.

Julie Myers, an assistant secretary of U.S. Immigration and Customs Enforcement, said in a statement that "Though this case involves a Beverly Hills sports agent and talented baseball players, it is remarkably similar to the human smuggling

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operations that ICE encounters every day. The ringleaders put the lives of illegal immigrants at risk and sought to profit from their labor."

U.S. Government Indicts Agent For Illegally Smuggling Cuban Baseball Players (FINDLAW/AP)

By Matt Sedensky, Associated Press Writer

AP, November 1, 2006

(AP) - MIAMI-An agent for baseball players illegally smuggled Cuban players into the United States, eventually shipping them to California in hopes that they would be signed by Major League Baseball teams, U.S. immigration officials said Tuesday.

The agent, Gustavo "Gus" Dominguez, is charged with paying four aides to transport the athletes and other Cubans to the U.S. in two trips from the island nation. Dominguez, of California-based Total Sports International, has represented several Cuban baseball defectors, including Andy Morales, who was signed by the New York Yankees and later the Boston Red Sox after fleeing Cuba six years ago.

Also charged in the 53-count federal indictment were Geoffrey Rodrigues, Robert Yosvany Hernandez, Ramon Batista and Guillermo Valdez.

"Though this case involves a Beverly Hills sports agent and talented baseball players, it is remarkably similar to the human smuggling operations that ICE encounters every day," Julie Myers, an assistant secretary of the U.S. Immigration and Customs Enforcement, said in a statement. "The ringleaders put the lives of illegal immigrants at risk and sought to profit from their labor."

Dominguez's assistant, who would not give his full name, said Total Sports would not comment and he wouldn't clarify the relationship of the four other defendants or whether they worked for the company. A message left on Dominguez's voicemail was not immediately returned.

It was not known whether any of the defendants had obtained lawyers.

Prosecutors say Rodrigues and Dominguez traveled by boat to Cuba on July 28, 2004, and loaded 22 Cubans aboard, but were intercepted by U.S. authorities at sea. Less than a month later, on Aug. 22, 2004, authorities say the two men successfully brought 19 Cubans into the country.

According to the indictment, the defendants transported the athletes to Los Angeles by van, rented an apartment for them, provided them with food and clothing and began training them. It could not be immediately determined if any of the Cubans have been signed by MLB teams.

All five men are charged with conspiracy to bring immigrants illegally into the United States, transporting them in violation of the law and concealing and harboring them from detection.

Dominguez, Rodrigues and Hernandez are also charged with immigrant smuggling; Dominguez, Batista and Valdez face a charge of transporting, concealing and harboring from detection illegal immigrants; and Rodrigues is accused of assaulting ICE agents when his boat was intercepted.

Lawsuit Challenges Illegal Immigrant Crackdown In US (FINDLAW/AP)

By Michael Rubinkam, Associated Press Writer

AP, November 1, 2006

(AP) - ALLENTOWN, Pennsylvania-Hispanic groups and the American Civil Liberties Union filed a lawsuit against a small U.S. city that has sparked national attention over its immigration policies, setting the stage for a legal battle over its crackdown on illegal immigrants.

The ordinance, approved by the Hazleton City Council last month, imposes fines on landlords who rent to illegal immigrants and denies business permits to companies that give them jobs. The law empowers the city to investigate written complaints about a person's immigration status, using a database operated by the federal government.

Lawyers for the ACLU and other groups planned to ask a federal judge for a temporary restraining order to prevent enforcement of the law, set to begin Wednesday.

"Immigration reform is an important issue but if every little town like Hazleton across the 50 states makes up their own rules about immigration, we're going to be left with an even bigger mess," Witold J. Walczak, legal director of the ACLU of Pennsylvania, said Monday.

Hazleton's ordinance has spurred dozens of copycat versions in small towns around the United States, as the illegal immigration issue has become a key campaign debate as the country heads into congressional elections next week. Some states and communities are accusing the government of inaction.

President George W. Bush signed last week a law that approves partitioning 700 miles (1,125 kilometers) of the U.S. from Mexico. Bush wants a guest worker program, but he has been met with tough resistance from his own Republican Party.

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A bill passed by the U.S. Senate would have allowed immigrants to remain and eventually become citizens after working, paying fines and back taxes and learning English. The House of Representatives approved a separate bill that focused on enforcement measures such as subjecting those in the U.S. illegally to felony prosecution.

The House and Senate did not meet to negotiate a compromise before recessing for the elections. The legislation Bush signed was a small portion of the House version.

In its lawsuit, the ACLU said the Hazleton ordinance and a companion measure violate the Constitution because they step on the federal government's exclusive power to regulate immigration.

Mayor Lou Barletta, disagreed, saying, "We are not regulating immigration in any way."

Barletta, who spearheaded the town law, contends illegal immigrants have brought drugs, crime and gangs to the city, overwhelming police and municipal budgets. He announced the crackdown in June, a month after two illegal immigrants from the Dominican Republic were charged with shooting and killing a 29-year-old man.

Barletta said he is convinced the law will be upheld by the courts and the city has assembled a legal team to defend it.

"Hazleton is prepared to fight and we will take this challenge to the highest court in the United States if that's what it takes to protect our legal citizens and quality of life," he said.

Hazleton, a city of about 31,000 residents, is about 80 miles (130 kilometers) from Philadelphia.

TAX:

Houses Of Worship Fear Wrath Of IRS During Election Season (MCT)

By William Douglas

McClatchy Newspapers, November 1, 2006

WASHINGTON - Scores of houses of worship nationwide are re-examining how they conduct get-out-the-vote programs and other election activities as the Internal Revenue Service investigates religious institutions for illegal campaign activity.

Churches grew more nervous when the IRS launched an investigation of the liberal All Saints Episcopal Church in Pasadena, Calif. after a former rector delivered a sermon that was critical of the Bush administration and the Iraq war shortly before the 2004 presidential election. The church last month said it would fight the IRS in court.

With congressional elections on Tuesday, several religious and voting rights groups are schooling churches, synagogues, and other religious institutions about what they can and cannot do politically under IRS regulations.

Religious institutions and other charitable organizations that violate the rules risk fines and losing their federal tax-exempt status. Fear of IRS investigations has made clergy across religious faiths reluctant to be politically active during this election cycle.

"I think there's a chill," said the Rev. Rick Scarborough, the president of Vision America, a politically active conservative Christian group that promotes civic involvement by the faithful. "I've had pastors come up and tell me their congregations have told them not to mention politics because it's illegal. It's not."

Scarborough said that Christian evangelical leaders, whom Republicans hoped to make part of an enduring GOP majority, have discussed increased IRS scrutiny during rallies and seminars.

To ease concern among its 185,000 members, the Interfaith Alliance, an 185,000-member organization that was formed "to challenge the radical religious right," conducted a conference call on the IRS regulations with ministers two weeks ago.

The Religious Action Center for Reform Judaism, which represents some 900 congregations across the country, held a similar call three weeks ago.

"It's become a very serious issue with congregations, especially African-American congregations," said Rep. Emanuel Cleaver II, D-Mo., the pastor of Kansas City's St. James United Methodist Church. "There's mass paranoia about (churches) being politically involved."

Some Muslim religious leaders said they've had few, if any, discussions about political activity in mosques because they don't usually mount aggressive get-out-the-vote efforts.

"What we do is just generally encourage participation in the election process and stress the importance of people's presence in politics," said Imam Mohammad Ali Elahi, founder and director of the Islamic House of Wisdom in Dearborn, Mich., which has a large Arab-American population.

IRS officials say that religious institutions are under greater scrutiny because the agency is receiving more complaints about them from private citizens, watchdog groups, and other organizations.

During the 2004 election cycle, the IRS investigated 110 cases of alleged illegal political activity by churches, charities and nonprofit organizations. They substantiated illegal political activity in 64 of the cases; 48 involved churches.

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So far this year, the agency has received 116 complaints, 50 of which were referred for further investigation. Of the 50, 11 involved churches. IRS officials say they expect to receive more complaints about churches before the Nov. 7 elections.

Houses of worship and charitable groups can run afoul of the IRS by violating a tax law that prohibits political intervention by tax-exempt organizations called 501(c)3s. That subsection of the Internal Revenue Code says that churches and organizations cannot "participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office," according to the IRS Web site.

However, religious institutions and charities may conduct certain voter education activities, including presenting public forums and publishing nonpartisan voter education guides. Religious institutions may invite candidates to address their congregations as long as opposing candidates are invited, too.

The law allows churches, synagogues and other places of worship to take positions on public policy issues, including issues that divide candidates in an election. But they must take care to avoid making their advocacy on the issue seem like advocacy for a given candidate, a sometimes murky distinction.

Several religious organizations and leaders have criticized the rules, saying they stifle religious free speech. They contend that individuals or organizations opposed to a particular religious group's ideology or participation in the political process use the law as a weapon by complaining to the IRS and triggering investigations.

Americans United for Separation of Church and State fired a warning shot last month when it sent 117,000 letters to pastors and churches in 11 states where the conservative Christian Coalition is politically active. The letter reminded the ministers about IRS regulations and warned that violating them could cost their churches their tax-exempt status.

Some clergy from liberal and African-American churches said the IRS focuses on their ministries and seems to let other Christian and evangelical groups do whatever they want.

"One would think the IRS is totally nonpartisan, but that is not the case," said former Rep. Floyd Flake, D-N.Y., the senior pastor of the Greater Allen African Methodist Episcopal Church in New York City. The IRS investigated and cleared his church of political wrongdoing after Vice President Al Gore addressed the congregation during the 2000 presidential campaign.

Christian evangelical groups also complain about being unfairly investigated by the IRS.

"I think the evangelical community is being targeted," Scarborough said. "But there are too many moral issues that are making the church and pastors get involved and overcome the terror of the state, the threat of the IRS."

IRS spokeswoman Nancy Mathis said the IRS doesn't get involved in politics when it investigates alleged tax-code violators.

"There's a team of career employees that investigates these cases," she said. "Politics plays no role whatsoever."

GAO Urges Closer Oversight Of Private Tax Collectors (WP)

By Jim Abrams

The Washington Post, November 1, 2006

The Internal Revenue Service must improve oversight of a new program that uses private agencies to collect back taxes before it expands the effort, congressional investigators say.

A Government Accountability Office report commended the IRS for addressing some important factors for the success of the program, such as proper training of collection-agency employees, ensuring that taxpayers are treated properly and that taxpayer information is secure.

But it said the agency has not completed critical work on setting goals and determining costs.

The IRS lacks criteria to assess "whether the program performance warrants expanding the number of private collection agencies and turning over more cases to them," the report says.

Critics of the program said yesterday that the GAO report supported arguments that the tax agency was moving quickly to incorporate an unworkable program.

"I've been concerned all along about the use of private contractors to collect federal taxes," said Sen. Max Baucus of Montana, the ranking Democrat on the Senate Finance Committee. Baucus and committee chairman Charles E. Grassley (R-Iowa) requested the GAO study.

"Tax collection is an inherent government function, and the IRS ought to take care of it in house," Baucus said.

The IRS, responding to legislation, initiated the private debt collection program in September, contracting with three companies. The IRS plans to expand the program to up to 12 private agencies, with a goal of collecting $1.4 billion in back taxes over the next decade.

The report cited preliminary IRS data showing that the three companies expected to collect $56 million to $92 million through the end of next year, at a cost of $61 million. Under the program, the private agencies are entitled to up to 24 percent of the tax money they collect.

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The IRS program, said Colleen M. Kelley, president of the National Treasury Employees Union, "is a direct handout to the private sector, which won't generate an appreciable return to the Treasury and will cost taxpayers money."

IRS Commissioner Mark W. Everson, in a statement responding to the GAO report, said he agreed with the recommendations to set more concrete guidelines for the program and said that the agency had begun to carry out those recommendations.

As part of the effort to prevent scams, taxpayers first receive a letter from the IRS that includes the name of the company that will be contacting them about the debt. The firms receive basic background information on the taxpayer but do not have access to tax returns.

Initial Costs Hit IRS Plan To Recover Delinquent Taxes (USAT)

By Kevin Mccoy

USA Today, November 1, 2006

The IRS could lose money or break even in the first phase of its program to turn some tax debts over to private collection agencies, newly released agency data show.

Fiscal projections in a Government Accountability Office report show the IRS expects to collect $55.8 million to $92 million in the recently started first phase of the private collection effort.

The report shows the IRS estimates initial program costs at nearly $61.2 million — which raises the possibility the agency could lose money by the scheduled December 2008 conclusion of the program's initial phase.

However, the IRS data also project collection revenue of $1.4 billion, dwarfing federal costs of nearly $77.6 million, during a 10-year span of private collections.

The data offer one of the first fiscal looks at this year's selection of three private firms to collect taxes from taxpayers who owe less than $25,000 and have not contested the debts. The firms began contacting an initial group of 12,500 taxpayers in September. They are eventually scheduled to handle about 158,000 cases, according to the IRS. The IRS cost data include the companies' fees; up to 24% of what they collect in overdue taxes.

The program, slated for expansion to as many as nine additional collection companies in 2008, has been repeatedly criticized by some members of Congress and the National Treasury Employees Union, the bargaining unit that represents IRS workers.

Citing the new IRS revenue and cost projections, NTEU President Colleen Kelley said Tuesday, “It is only appropriate that the GAO study is in the news on Oct. 31, since it is so scary for taxpayers.”

“But for the contractors, it reveals a program that is much more like Christmas than Halloween,” Kelley said.

The IRS acknowledged that the upfront cost of technology and implementation could result in an initial budget loss. But the agency stressed that IRS budget projections also forecast a long-term profit for the program.

The GAO report also said the IRS had not adequately developed performance measures to gauge the success or failure of the private collection effort and determine whether it should be expanded.

In response, the IRS said it would continually evaluate its own resources and the performance of the private collection firms as it decides whether to expand the effort.

Harvest Those Stock Losses But Beware Of Common Pitfalls (WSJ)

By Tom Herman

The Wall Street Journal, November 1, 2006

With stock prices posting healthy gains this year, here's a tax tip for millions of investors: This is a good time to consider selling your losers and using those losses to save taxes.

But before pulling the trigger, watch out for nasty tax-law potholes that can jolt even the best-laid plans.

The Dow Jones Industrial Average has gained about 13% this year. The Nasdaq Composite Index is up about 7% this year but still is about 53% below its peak in 2000. Many investors still are sitting on painful losses in high-technology issues and other former high fliers purchased during the late 1990s.

Dumping losers now could be a smart strategy for investors in taxable accounts for several reasons. First, losses can be used to offset realized capital gains on a dollar-for-dollar basis. Next, if your capital losses exceed your capital gains, you typically can deduct a net loss of as much as $3,000 a year from your wages and other ordinary income. (For those who are married and filing separately from their spouse, the net-loss limit is $1,500 a year.) Losses above the limit are carried over into future years.

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Here's an example: Suppose you file jointly with your spouse and sold stocks earlier this year for a capital gain of $50,000. Now, you sell other stocks you've owned for years at a $53,000 loss. That loss would erase your entire gain and leave you with a net loss of $3,000, which would be deducted from your ordinary income.

Ordinary income is taxed at federal rates as high as 35%, far above the top rate of only 15% on long-term capital gains on stocks, bonds and other securities. "Long-term" refers to gains on securities held more than one year. Short-term gains are taxed as ordinary income.

"You should definitely harvest your tax losses before the end of the year," says M. Holly Isdale, a managing director at Lehman Brothers and head of wealth advisory services. But, she says, be sure to avoid painful tax traps.

For example, watch out for the tricky "wash-sale" rule, which can ensnare even veteran investors who aren't paying attention. A wash sale typically occurs when you sell or trade stock or securities at a loss and buy the same thing, or something "substantially identical," within 30 days. It's important to note that the rule means 30 days before or after the sale.

If you violate the rule, you can't deduct your loss on the sale, the Internal Revenue Service says. Instead, add the disallowed loss to the cost of the new stock or securities, and the result is your basis in the new stock or securities, the IRS says. (For details, see IRS Publication 550.)

To avoid trouble, invest in something different during the specified time period. Or wait until afterward to buy the same stock, or something substantially the same, as the one you sold.

However, it isn't always quite so simple. For example, it isn't entirely clear what the IRS means by "substantially identical." Lawyers long have debated this issue. It's also unclear whether you would be violating the wash-sale rule if you sell a stock at a loss in a taxable account and then buy the same stock shortly thereafter for your Individual Retirement Account. The IRS hasn't issued a formal ruling. But, to be on the safe side, don't do it, several tax advisers say.

Separately, keep in mind another rule of thumb: Don't donate a stock to charity that is selling for less than you paid for it, says Ms. Isdale of Lehman Brothers. Instead, sell that stock at a loss, use the loss to reduce your taxes, and give the proceeds to charity. * * *

THE IRS HAS IMPROVED efforts to check up on taxpayers in partnerships, trusts and S corporations, a report says.

That's a significant change from just a few years ago, when the IRS drew heavy criticism from a congressional investigative agency and some lawmakers for embarrassing blunders in its efforts to combat tax evasion in this area. Since then, the IRS has done a better job but still needs to do more, says a report by the Treasury Inspector General for Tax Administration.

The IRS program involves "document-matching," which means comparing information that people report on their tax returns against what is reported separately to the agency on "Schedule K-1."

That form is supposed to show a taxpayer's share of an enterprise's income, losses, deductions and credits. * * *

BRIEFS: Paul B. Jones, a senior vice president at Time Warner Telecom in Littleton, Colo., is the new chairman of the IRS Oversight Board, succeeding Raymond T. Wagner Jr., whose term as chairman expired but whose term as a board member won't expire until 2009. ... Jeffrey Kupfer, who was executive director of the President's Advisory Panel on Federal Tax Reform, takes over as chief of staff to Department of Energy Secretary Samuel Bodman.

CONGRESS-ADMINISTRATION:

House Democrats Propose More Spending For Military And Education (WP)

By Jeffrey H. Birnbaum And Jonathan Weisman

The Washington Post, November 1, 2006

As part of their midterm election push, House Democrats are promoting a wide-ranging legislative agenda that would add tens of billions of dollars a year to the federal budget for the military, homeland security and education yet still impose a new budget restraint that would make it harder to widen the annual deficit.

Republicans and budget experts doubt that Democrats could do both simultaneously. When price tags are attached to their six-pronged agenda -- named Six for '06 -- critics say the Democrats will be forced to choose between keeping their pledge of fiscal rectitude and their promises of federal largess.

"There's a trade-off that's being left unspoken here," said Robert L. Bixby, executive director of the Concord Coalition, a nonpartisan opponent of deficits. "To pay for their new spending, they would have to cut programs, raise taxes or be unable to do what they want."

Republicans also scoff at the plan. ""It's schizophrenia in '06 is what it is," said Rep. Patrick T. McHenry (R-N.C.), a member of the Budget Committee. "You cannot balance the budget by vastly increasing spending."

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This week, President Bush blistered Democratic policies and argued that voters would be better off if they kept Republicans in charge of Congress. He charged in a series of speeches that the Democrats would undermine America's fight against terrorism and would raise taxes if they won congressional majorities on Nov. 7.

Democratic leaders dispute the accusation and have been talking up Six for '06. The plan would allocate billions of dollars to build up the military, subsidize student loans and bolster port security. It would raise the minimum wage, make college tuition payments tax-deductible, repeal oil-company tax breaks and expand incentives for personal savings accounts, among many other provisions.

The program would prohibit the House from approving new spending or tax measures that widen the budget deficit. It would do that by restoring budget rules requiring that all future spending increases and tax cuts be offset by equivalent tax hikes or spending cuts.

"It's a road map to how Democrats would govern" if they win a majority in the House, said Jennifer Crider, spokeswoman for Minority Leader Nancy Pelosi (Calif.).

The agenda represents a consensus between the House Democrats' disparate factions. The final plan came together this summer after numerous meetings among Pelosi, other Democratic leaders and Democrats from the liberal, conservative and business-oriented factions of the party, as well as the Congressional Black Caucus and Congressional Hispanic Caucus.

In putting the agenda together, Democrats dropped several proposals that proved too controversial or costly, such as broad and expensive relief from the alternative minimum tax, which threatens to raise taxes on middle-income earners; filling a major gap, or "doughnut hole," in prescription-drug coverage under Medicare, which would cost $427 billion over 10 years; and rolling back Bush's tax cuts for wealthy Americans.

The final product contains plenty of pricey measures, including a commitment to "rebuild a state-of-the-art military capable of projecting power wherever necessary." The plan would also double the size of the military's special forces.

No dollar value is assigned to the provisions. But if Special Forces double through additions to the military and not through a reshuffling of personnel, that would mean 35,000 new active-duty troops and 15,000 reservists, at a minimum cost of about $5.8 billion a year, said Steven M. Kosiak, director of budget studies at the Center for Strategic and Budgetary Assessments.

To fortify the Army, several Democrats have proposed increasing troop levels by 40,000 at a five-year cost of $20 billion, the Congressional Budget Office said.

On the home front, House Democrats would tighten border and port security by screening all containers that enter the country -- a multi-billion-dollar project. The plan would also step up training and equipping National Guard forces and first responders.

A 2004 study by the Council on Foreign Relations estimated that covering the budgetary shortfall for first responders alone would take a fivefold increase in funds, to $25 billion from $5.4 billion a year.

The Democrats' plan would boost federal spending on college education. It would allow some families to write off their children's college tuition payments (up to $3,000 per student), a now-expired tax break that cost the government $4.7 billion in revenue last year.

Democrats also hope to expand federal assistance for needy students under the Pell Grant program and to cut in half interest rates for federal student loans. House Budget Committee Republicans have put the cost of the interest rate cut at $60 billion over five years. Democrats said the cost would be lower, but not by much.

Other pieces of the agenda appear to be paid for, and Democrats are proposing policy changes that would raise substantial revenue. They would couple a minimum-wage increase to ending tax breaks that they say reward companies for sending jobs overseas. Under a plan set out by Democratic presidential nominee John F. Kerry in 2004, U.S.-based companies would be forced to pay taxes immediately on virtually all foreign profits that are not taxed by another country, raising $12 billion a year.

The Six for '06 plan would promote renewable energy sources and would fund the effort by cutting tax subsidies to oil and gas companies. According to Bush's budget, $1.83 billion in tax breaks will go to oil and gas companies next year to subsidize energy exploration and development.

The biggest savings in the Democrats' plan would be a pledge to give the federal government the authority to negotiate lower drug prices for Medicare. Sen. Edward M. Kennedy (D-Mass.) and Rep. Henry A. Waxman (D-Calif.) have estimated that Medicare could save $190 billion over the next decade if the seniors' program adopted the price-negotiating model of the Department of Veterans Affairs.

To finance any remaining budget shortfall created by the agenda, Crider said Democrats would tap the vast amount of tax revenue owed to, but uncollected by, the government -- the "tax gap," which has been projected at $300 billion a year. Crider was not specific about how that money would be brought in except to say that the Internal Revenue Service would be given more manpower.

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In his last budget, Bush also recommended closing the tax gap, but nothing came of his suggestion.

Some Democrats acknowledge that compromises are likely to be needed on the spending side of Six for '06 to make good on its pledge to restore strict budget rules -- the "pay as you go," or "paygo," requirement for offsetting tax cuts or spending hikes.

"The Blue Dogs are very strong on paygo," said John S. Tanner (Tenn.), a leader of the conservative "Blue Dog" Democrats. "If you have to cut spending, you have to cut spending."

Specter Of Tax Man Haunts Democrats (WT)

By Donald Lambro

The Washington Times, November 1, 2006

The Next Congress

Third of five parts

Repealing President Bush's tax cuts and boosting social-welfare spending have been the meat and potatoes of the Democrats' campaigns since the 2002 election, and they would be in a position to attempt both if they win control of Congress next week.

Mr. Bush has been warning in campaign speeches across the country that the Democrats "will raise your taxes" if voters put them in power, and Republican leaders have been making similar charges as Election Day draws closer.

Democrats have an outside chance of taking complete control of Congress, but a better chance of winning one chamber, and in this series, The Washington Times will look at how such a transfer of power will affect U.S. policy and politics.

House Minority Leader "Nancy Pelosi and congressional Democrats want the president's tax-relief measures to expire, raising taxes on millions of Americans," House Republican Whip Roy Blunt said last week.

Fearing Mr. Bush's warnings about higher taxes could drive more people to vote Republican next week, Rep. Charles B. Rangel, New York Democrat, released a statement Friday saying: "Nothing could be further from the truth. Democrats have a long history of supporting targeted relief for middle-income families."

Mr. Rangel would be in line to run the tax-writing Ways and Means Committee if Democrats win a majority in the House.

Recent polls show that most Americans expect Democrats to raise their taxes and increase spending for new big-ticket programs such as health care for the uninsured.

A USA Today/Gallup Poll reported last week that 63 percent of Americans surveyed think Democrats are likely to "increase federal income taxes" if they win control of Congress -- though 74 percent said they disapprove of it.

Past the rhetoric

Mr. Rangel, a fierce critic of the Bush tax cuts, said one of his priorities will be "to close tax shelters and eliminate benefits for companies that move jobs overseas," moves that businesses fear would raise their taxes and reduce profits.

He also said that 2010, when the bulk of the tax cuts expire, is "light-years away from the debate before us, and we have no way of knowing what the economy or even our country's leadership will look like at that time."

Despite Mr. Rangel's promise that Democrats would reach out to Republicans and the White House "to find common ground," Republican tax-cutters point out that he told Bloomberg News several weeks ago that he could not think of one of Mr. Bush's tax cuts that deserved to be extended

But Democratic policy advisers say that despite their campaign rhetoric, many of the Bush tax cuts are supported by Democrats, including the $1,000 child tax credit, marriage penalty relief and lower tax rates for middle-income families.

One of the changes in the tax rates that Mr. Bush enacted was a lower 10 percent tax rate for workers at the bottom of the income scale, a tax-cut provision that the Democrats "would not want to eliminate," a House Democratic staffer said.

"I can't see Democrats opposing the rates that are being paid at the bottom two-thirds of the tax code. Democrats are for taxing the super-rich, though it is yet to be defined where super-richdom begins," said Robert Reischauer, president of the Urban Institute, a nonpartisan economic and social policy research group.

Still, Republicans who have worked with Mr. Rangel in the House say they are a little suspicious of his ultimate goals.

"He's a master politician, but when he talks about everything on the table and tax cuts for the middle class, my eyes begin to widen. When you start targeting tax cuts to a class of people, you are entering the arena of redistribution of wealth," said former Rep. Jack Kemp, a tax-cut crusader who was the architect of the Reagan tax cuts in the 1980s.

Checks and balances

Senior Democratic advisers say that whatever Mr. Rangel might be planning, major tax and spending changes are unlikely to happen because of a number of institutional obstacles that would be extremely hard for the Democrats to overcome, especially in what is likely to remain a narrowly divided Congress.

"I don't see any dramatic changes in taxes or dramatic increases in spending if you want to know the truth. A lot of this fear talk is part of the campaign," said Leon Panetta, former House Budget Committee chairman and Clinton chief of staff.

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"Everybody is saying that all of these things will happen, but there will be checks in the system. The fact is that Bush is still going to be president, with his veto, and the Senate, which could be split 50-50, will act as a barrier as well," Mr. Panetta said.

With his veto power, Mr. Bush would be the biggest obstacle to rolling back any part of the tax cuts, and it would be very difficult for Democrats to win the two-thirds vote needed to override a veto in a narrowly divided House or Senate, former congressional officials said. The Senate filibuster, which requires 60 votes to break, is another big political hurdle that conservative Republicans say would be used to block Democratic tax-and-spend proposals.

Nevertheless, the power structure on Capitol Hill would shift dramatically from right to far left under Democratic rule if veteran liberal lawmakers take over the chairmanships of committees that would write the tax and spending bills the House and Senate would consider.

How the coming tax-and-spend battle plays out will depend upon "how the White House intends to play its cards" and how much Democrats are prepared to fight for their agenda, said Mr. Reischauer, a former director of the Congressional Budget Office (CBO).

"If push comes to shove, we are going to end up with some significant part of the tax cuts extended. We are not going to revert to the 2000 tax code before Bush. Neither is it likely that we will extend all of the tax cuts that have been enacted since 2000," he said.

Pricey plans

But Republicans such as former House Majority Leader Dick Armey of Texas said that if the Democrats take over, "they will try to find some way to raise taxes to finance their spending programs."

Democrats gave voters a peek into the kind of spending proposals they want to enact in their election agenda titled "A New Direction For America." The campaign agenda does not say how much their proposals would cost, but an analysis by the National Taxpayers Union based in part on CBO estimates puts the price tag at more than $79 billion a year.

These legislative proposals include $16.2 billion a year for lower-interest college loans, nearly $1 billion more per year for scientific research, $4 billion in additional Pell Grants for college students and $28.8 billion more for health care, including increased subsidies for the Medicare prescription-drug program for the elderly.

Perhaps one of the biggest spending initiatives in the Democrats' agenda is a program called "AmeriSave," under which the government will match the first $1,000 contributed to an IRA, 401(k) or other investment retirement account. The program would cost taxpayers $37.5 billion in the first five years.

Another measurement of spending increases a Democratic Congress would seek can be found in amendments they have offered in the Senate in the past two years. According to an analysis by the Senate Republican Policy Committee, Senate Democrats proposed $95.2 billion in increased spending for fiscal 2006 and $74 billion for fiscal 2007.

Mr. Panetta blames both Republicans and Democrats for the sizable budget deficits of the past six years and does not see that changing dramatically anytime soon, despite this year's sharp decline in the deficits as a result of unexpectedly stronger federal tax revenues.

"This Congress has been the worst on borrowing and spending that I've seen in my lifetime, with record deficits. Responsibility for that rests with both parties. My theory is that they will continue to borrow and spend in the future," he said.

Part I

Democratic majority ready to go to war over Iraq

Part II

Democrats wait in the wings with subpoenas

Rangel Says No Animosity To Cheney (AP-Y)

By Devlin Barrett

AP, November 1, 2006

Rep. Charles Rangel feels bad — but not too bad — about directing a curse word at Vice President Dick Cheney.

Rangel, a Harlem Democrat who regularly exchanges verbal volleys with the vice president, called Cheney a "son of a b...." on Monday when asked by the New York Post about comments Cheney made about him in a television interview.

He repeated his comments in an interview with The Associated Press on Tuesday, but added, "I shouldn't have said it."

"I thought that he should be flattered, there's certainly no animosity in it," said Rangel, saying he had been making an observation about Cheney. "Some people just have that as part of their personality."

Cheney's spokeswoman Lea Anne McBride declined to address Rangel's off-color language.

"The vice president is going to continue to talk about the clear record on taxes — Republicans voting to lower taxes ... and he's also going to continue to talk about the Democrats' position on taxes," said McBride.

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Rangel's name is invoked regularly by Republicans seeking to retain control of the House of Representatives in next week's midterm elections. If Democrats gain 15 seats to become the majority party, Rangel would become chairman of the powerful tax-writing Ways & Means Committee.

GOP leaders contend a Rangel-led committee would immediately move to undo the Bush administration tax cuts now set to expire in 2010.

Rangel said the charge is ridiculous, and he has not made any decisions about it.

"They can't get me to say I'm going to extend it. I say that just makes good economic sense to see what the status is of our economy before we start projecting what tax cuts we'll have in the future," said Rangel, dean of New York's congressional delegation.

In televised interviews Monday, Cheney told CNBC that Rangel wouldn't keep "a single one" of Bush's tax cuts, and he later told Fox News Channel: "Charlie doesn't understand how the economy works."

More than a year ago, Rangel said he would like to think Cheney is "sick rather than just mean and evil," prompting Cheney to answer: "Charlie is losing it, I guess."

Appeals Court Hears Taped-call Dispute (AP-Y)

By Matthew Daly

AP, November 1, 2006

A lawyer for Democratic Rep. Jim McDermott told a federal appeals court Tuesday that McDermott should not be punished for giving reporters access to an illegally taped telephone call involving House Republican leaders.

In arguments that evoked the Pentagon Papers and other press freedom cases, lawyer Christopher Landau said McDermott had merely received the tape from a Florida couple and therefore had done nothing wrong.

A finding against McDermott could chill the news media's ability to gather information on important public issues, Landau said.

"It's hard to overstate the impact of the case on the media," he said.

Lawyers for 18 news organizations — including ABC, NBC, CBS, CNN, The Associated Press, The New York Times and The Washington Post — have filed a brief backing McDermott, a Democrat from Washington state who gave reporters a recording of a 1996 call involving then-House Speaker Newt Gingrich, R-Ga.

A three-judge panel of the U.S. Circuit Court of Appeals for the District of Columbia ruled against McDermott in March. The 2-1 opinion upheld a lower court ruling that McDermott had violated the rights of Rep. John Boehner, R-Ohio, who was heard on the 1996 call. Boehner was then a Gingrich lieutenant and is now House majority leader.

The full nine-member appeals court vacated the ruling this spring and heard new arguments in the case on Tuesday. A ruling is expected next year.

Boehner's lawyer, Michael Carvin, told the court that McDermott's actions were clearly illegal. He compared McDermott to a "fence" who received stolen goods and then sold them.

McDermott's actions were especially egregious because he received the tape in his capacity as a House ethics committee member who was sworn to confidentiality, Carvin said.

Judge David S. Tatel said that under Carvin's interpretation, the New York Times and other newspapers that published the contents of the tape could be held liable.

"The argument to extend it to the New York Times is quite powerful," Tatel said.

"I'm not representing the New York Times," Carvin retorted. "I'm perfectly happy to throw them overboard."

But Landau said a ruling against McDermott would be disastrous for a free press.

"You are basically saying Congress can indict the media if it is deemed they knew the information was unlawfully obtained," he said.

The case is Boehner v. McDermott, 04-7203.

Background Checks Take Too Much Time, GAO Says (WP)

By Stephen Barr

The Washington Post, November 1, 2006

The Bush administration appears at risk of missing a deadline set by Congress aimed at shortening the time it takes to investigate federal employees and contractors for security clearances and determine whether they can be trusted with classified information.

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The 2004 Intelligence Reform and Terrorism Prevention Act requires that 80 percent of all security clearances be completed in an average of 120 days. The law's goals include improved analytical methods at national security agencies, an effort that requires timely processing of security clearances to expand the workforces at 16 intelligence agencies.

But a report issued by the Government Accountability Office, the congressional watchdog agency, suggests that the administration could miss the Dec. 17 deadline for timely processing of security clearances stipulated in the 2004 law.

For its study, the GAO looked at a small but important group of people seeking security clearances -- government contract employees applying for top-secret clearances. The private-sector employees waited more than a year on average to receive their top-secret clearances, the GAO found.

The GAO examined 2,259 cases of industry personnel granted top-secret clearances in January and February of this year. The clearance process took an average of 446 days for an initial clearance and 545 days for a clearance update, the GAO said.

About 90 percent of the government's background investigations are conducted by the Office of Personnel Management. The Defense Department uses information from the background checks to grant about 80 percent of security clearances, including those for contract workers at Defense and 23 other federal agencies.

The ranks of contractors in the defense and intelligence communities have grown since the Sept. 11, 2001, terrorist attacks as agencies have moved to strengthen homeland security. As of May, contract workers held about 34 percent of the 2.5 million clearances granted by the Defense Department, the GAO noted.

Linda M. Springer , director of the OPM, faulted the GAO report, calling it "based on outdated information." She said the handling of many of the cases covered in the report had been slowed by a 2005 agreement with the Pentagon to consolidate personnel security investigations at the OPM. "The GAO's critical findings do not accurately reflect the current state of affairs," Springer said.

The cases examined by the GAO turned up problems that may be continuing, however. The GAO found that the OPM's "current methods do not fully capture and portray the time required to obtain a clearance."

The OPM, which has scrambled to increase its staff to keep pace with requests for background checks on government workers, relies on "an inexperienced investigative workforce" and cannot always use technology to shorten processing time because some data must be entered into computer systems from paper applications, the GAO said.

Background checks also are delayed because OPM investigators have problems getting access to some criminal and employment records at state and local levels, the GAO said.

In its review, the GAO turned up troubling signs that some top-secret clearances are based on incomplete investigative reports. A study of 50 investigative reports found 47 were missing data required by federal rules, the GAO said.

One person under investigation acknowledged having extramarital affairs, but the GAO found no documentation showing that the affairs had been investigated. Investigators also found that the person had defaulted on a loan worth several thousand dollars but did not explore the issue further, the GAO said.

Other background reports lacked information on where applicants worked and lived, their overseas trips, and their personal conduct, the GAO said.

"The use of incomplete investigations and adjudications in the granting of top secret clearance eligibility increases the risk of unauthorized disclosure of classified information," the GAO said.

Clay Johnson III , deputy director for management at the Office of Management and Budget, said in a letter to the GAO that he will convene a working group to study the issue. The quality of background investigations, he wrote, "is of paramount importance."

Pelosi's Unintelligent Choice (WP)

By Ruth Marcus

The Washington Post, November 1, 2006

If Democrats win control of the House next week, Nancy Pelosi's first test as speaker will arrive long before the 110th Congress convenes. Her choice to head the House intelligence committee -- unlike other House committees, this one is left entirely up to the party leadership -- will speak volumes about whether a Speaker Pelosi will be able to resist a return to paint-by-numbers Democratic Party interest-group politics as usual.

Pelosi is in a box of her own devising. The panel's ranking Democrat is her fellow Californian Jane Harman -- smart and hardworking but also abrasive, ambitious and, in Pelosi's estimation, insufficiently partisan on the committee. So Pelosi, once the intelligence panel's ranking Democrat herself, has made clear that she doesn't intend to name Harman to the chairmanship.

The wrong decision, in my view, but one that's magnified by the unfortunate fact that next in line is Florida Rep. Alcee Hastings. In 1989, after being acquitted in a criminal trial, Hastings was stripped of his position as a federal judge -- impeached

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by the House in which he now serves and convicted by the Senate -- for conspiring to extort a $150,000 bribe in a case before him, repeatedly lying about it under oath and manufacturing evidence at his trial.

Ordinarily, that might doom Hastings's chances, but the situation is further inflamed by racial politics: Hastings is African American, and the Congressional Black Caucus has made it clear that it will not tolerate his rejection. Another black lawmaker, Georgia's Sanford Bishop, was passed over to accommodate Harman, who reclaimed her seniority when she returned to Congress in 2000 after a gubernatorial run. And the black caucus is still smarting over Pelosi's move to oust Louisiana's William J. Jefferson from the Ways and Means Committee after the FBI found a freezerful of cash in Jefferson's home.

Pelosi has floated the notion of naming the intelligence committee's third-ranking Democrat, Texan Silvestre Reyes, who is Hispanic, but that's not flying with the black caucus. "The CBC would not look kindly on that," caucus spokeswoman Myra Dandridge told The Post's Jonathan Weisman. "The first order of business of the CBC chairman would be to protect his members, and Alcee Hastings has the seniority, the knowledge and the experience to be chairman of the intelligence committee."

True -- and still he shouldn't get the job.

The events occurred so long ago (the alleged conspiracy took place in 1981), the facts are so complex and the outcomes so antithetical (the jury acquitted Hastings; the judicial panel that investigated him, the House and the Senate concluded the opposite) that it's tempting to simply let bygones be bygones. After all, Hastings has been in Congress since 1992, on the intelligence committee since 1999. I don't worry that as chairman he'd suddenly be up for sale: If he could be entrusted with national security secrets as a committee member, why not as chairman?

But this was no ordinary crime, and Intelligence is no ordinary committee.

"My goodness gracious, when does it end? When does it end?" Hastings asked me yesterday in a long telephone interview. "It's no way that I can prove a negative. I can't go back and try to establish for everybody alive my bona fides. I've earned my stripes and I suffered through 9 3/4 years that would have crushed the average person, and fortunately for me I was not the kind of person that was crushed."

It's impossible not to like Hastings. But as someone who covered his impeachment and Senate trial, I can't get past the facts of the case, which convince me that Hastings did indeed agree to conspire with a close friend, a prominent Washington lawyer named William A. Borders Jr., to solicit the bribe. Borders was convicted of the bribery scheme in a separate trial, and he served additional time for contempt rather than testify in the congressional proceedings.

The evidence against Hastings is circumstantial, but it's too much to explain away: a suspicious pattern of telephone calls between Hastings and Borders at key moments in the case; Borders's apparent insider knowledge of developments in the criminal case; Hastings's appearance at a Miami hotel, as promised by Borders as a signal that the judge had agreed to the payoff; a cryptic telephone conversation between the two men that appears to be a coded discussion of the bribe arrangement.

Consider: Hastings, a federal judge, gets word from Borders's lawyer that Borders has been arrested for conspiring to bribe him and that the FBI wants to interview him. Instead of calling the FBI agents whose names and numbers he's been given, Hastings leaves his hotel without checking out and heads to the airport outside Baltimore instead of National, where there's an earlier flight. At BWI, Hastings calls his girlfriend, has her call him back at a different pay phone, then asks her to leave the house to call him from a pay phone, then calls her back from a different pay phone. He doesn't speak to the FBI until they track him down at the girlfriend's house later that night.

College Aid Cutbacks (NYT)

The New York Times, November 1, 2006

Pell Grants are one of the largest sources of federal help for low-income college students, and the most valuable form of aid, because the money doesn't have to be paid back. But the level of aid is increasingly out of sync with the level of need.

Last week, the College Board reported that Pell Grants fell last year, for the first time in six years. The cuts were about $100 a year per recipient, on average, and came on top of other miserliness. It's been four years since Congress last increased the maximum annual Pell Grant — by a mere $50 — bringing the top grant for a student who has no parental support to $4,050. Meanwhile, college costs are up 35 percent from five years ago. Tuition and fees at a typical four-year public university are closing in on $6,000 this year.

The recent cutbacks were set in motion in 2004, when the Department of Education reduced the number of students deemed eligible for Pell Grants and the amounts they were qualified to receive. Pell Grants now cover about a third of the average costs at a four-year public school, compared with 42 percent five years ago.

Government loans also have not kept pace with rising costs. Subsidized loans accounted for only 55 percent of student borrowing in the most recent academic year, down from 69 percent 10 years earlier.

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Bush administration officials have said repeatedly that the solution to the nation's growing income inequality is more education. That's a gross oversimplification, but if they really believed it — and cared about a remedy — would federal college aid be declining? As things stand, privatization of college lending is the administration goal that is being advanced. As government aid has declined, loans from banks and other private lenders have soared, climbing to 20 percent of all education borrowing last year, up from 12 percent five years earlier.

The result is towering debt. The same bachelor's degree will cost a student borrower far more than a student who can afford to pay. That's not a path to greater equality.

The Amazing Hubble Telescope (NYT)

The New York Times, November 1, 2006

The space agency's finest scientific instrument escaped a death sentence yesterday when Michael Griffin, the NASA administrator, approved a shuttle mission to service and upgrade the Hubble Space Telescope. It was a brave call, since repairing the Hubble will put the shuttle at greater risk than a typical mission to the International Space Station. It was also a welcome sign that NASA is willing to go the extra orbital mile to support superb science, even while it squanders large sums on completing the space station to perform research that can't begin to compare with the Hubble's in importance.

For a decade and a half, the Hubble has made discoveries that have helped revolutionize our understanding of the universe. Its typical role is to pick up a hint from ground-based telescopes and then use its unparalleled vantage point above the atmosphere to probe deeply into some puzzling phenomenon. The Hubble has peered farther into space and farther back in time than any other instrument. It has discovered more than 500 proto-galaxies that emitted light when the universe was in its formative stages, confirmed the jaw-dropping discovery that the expansion of the universe is accelerating, and helped establish the rate of expansion and the age of the universe.

A panel of distinguished astronomers judged that the Hubble "has arguably had a greater impact on astronomy than any instrument since the original astronomical telescope of Galileo." And what made all of this possible was NASA's willingness to refurbish the Hubble every few years to replace depleted batteries and gyroscopes and install new equipment. Many experts believe that when the Hubble gets two state-of-the-art instruments on the next servicing mission in 2008 it will be more capable than ever, ready to peer farther back into a time when galaxies were forming and the universe was emerging from darkness into light.

The threat to the Hubble's future came unexpectedly from NASA itself in early 2004. In a decision that can only be described as myopic, Sean O'Keefe, the administrator at the time, unexpectedly canceled the next servicing mission, ostensibly because of safety concerns after the Columbia disaster. But the underlying reason was almost certainly that a Hubble mission would be a diversion from the administration's priorities to complete the space station and then send astronauts back to the Moon and eventually Mars. Only intervention by Congress and the National Academy of Sciences kept the death sentence at bay.

Now Mr. Griffin has concluded that the mission can be conducted safely, especially since NASA has developed new inspection and orbital repair techniques, and that the mission will not interfere with other space priorities. A Hubble mission may be marginally more risky than a flight to the space station, but that risk is surely worth taking for the scientific payoff.

Ailing Hubble Gains New Life As Manned Missions Sputter (USAT)

USA Today, November 1, 2006

No mission of NASA's shuttle has been more exciting or successful than the one in 1993, when astronauts repaired the Hubble Space Telescope. After 11 days in orbit and a record five spacewalks, the crew of Endeavour replaced flawed components that had rendered Hubble's pictures blurry.

In so doing they made the telescope all it was supposed to be: a spectacularly powerful window on the universe that could deliver crisp and breathtaking images of far-off galaxies.

Astronauts have been back to the Hubble three more times. But the most important trip since 1993 will likely come in 2008. On Tuesday, NASA Administrator Michael Griffin announced a final service call to Hubble, reversing a decision by his predecessor, Sean O'Keefe, who had opted to let the space telescope die within the next few years rather than approve a mission that was seen as particularly risky after the Columbia disaster. This new mission will upgrade key parts and extend Hubble's life to about 2013.

Griffin made the right call. This mission poses more risks than most, but preserving one of NASA's most successful programs warrants it. The shuttle, moreover, has no other major duties besides completing the International Space Station, a program that faces an iffy future.

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The shuttle's relationship with Hubble underscores a powerful irony. The shuttle never succeeded in its mission of dramatically increasing the human presence in space. That is because human space flight was, is, and likely will remain extraordinarily expensive and dangerous. But the shuttle has done one thing fabulously well: nurture one of NASA's most popular robotic programs.

Robotic missions were once secondary to the more glamorous manned missions. Now programs such as Hubble, and the Spirit and Opportunity rovers exploring Mars, are the stars while human space flight is in a prolonged identity crisis.

The shuttle is slated to die in 2010, largely unloved. Griffin said last year in a meeting with USA TODAY's editorial board that it had been a mistake. The space station has failed to deliver much science or enthusiasm and has been orphaned by the Bush administration. The current plan, to send astronauts back to the moon and on to Mars, is based on the dubious premise that it can rekindle interest in human space flight by retracing small steps and giant leaps made more than 30 years ago.

If future Congresses or presidents pull the plug on this program, there may still be a role for astronauts — as cosmic repairmen.

OTHER NEWS:

Consumer Confidence Data Soften Rally (USAT)

By Matt Krantz

USA Today, November 1, 2006

More hand-wringing over the health of consumer spending caused another lackluster day for stocks Tuesday.

A weaker-than-expected Conference Board report on consumer confidence prompted some investors to lose their gusto for the October stock market rally. The Dow Jones industrial average fell 5.77 points to 12,080.73. Even so, the Dow is still up 12.7% for the year.

The two other major market indexes eked out small gains. The Nasdaq composite index added 2.94 points to 2366.71, pushing it up 7.3% this year.

And helped mainly by stocks in the construction materials, photo products and aluminum industries, the Standard & Poor's 500 rose 0.01 points to 1377.94. The S&P is up 10.4% this year.

Some worry too many investors were jumping on the market rally and losing sight of the fact that there are still some risks facing stocks and the economy. “The market got too saturated with buyers a few weeks ago,” says Chris Johnson at Schaeffer's Investment Research. He is concerned stocks in some leading industry groups, such as semiconductors, have been stalling. But he's not calling for big trouble yet. “I'm cautiously optimistic,” he says.

Gary Tapp, director of quantitative analysis at SunTrust Robinson Humphrey, says a pullback was overdue. “There's no question that the market got a little extended,” he says.

The rally was justified, Tapp says, due to a 22% decline in the price of oil and the Federal Reserve pausing its short-term interest rate increases. But a pullback, of about 3%, would be appropriate. “It went up too fast,” he says.

Highlights:

Trammel Crow, a commercial real estate company, jumped $9.65 to $48.75 after rival CB Richard Ellis agreed to buy it for $49.51 a share.

·Amerigroup, a managed health care company, fell $5.45 to $29.96. A federal jury determined the company should pay $144 million in damages for allegedly discouraging pregnant women from enrolling for coverage.

·Sirna Therapeutics, a biotech firm, jumped $6.18 to $12.63. The company said late Monday is was being acquired by Merck for $13 a share.

·Avanir Pharmaceuticals, a developer of disease treatments, tanked $3.42, or 46.2%, to $3.98. The company received an “approvable letter” from the Food and Drug Administration for its Zenvia treatment for emotional disorders. The letter was a disappointment to investors who were expecting the company to get an approval.

Dow Industrials Ease But Still Post Best Monthly Gain In Nearly A Year (WSJ)

By E.s. Browning

The Wall Street Journal, November 1, 2006

Stocks fell in the morning on more worries about consumer spending, then recovered in the afternoon as end-of-month buying kicked in. The result was little change for the day -- but a big gain for October.

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Amid continued hopes for low interest rates and moderate economic growth, the Dow Jones Industrial Average ended with a monthly gain of 3.4% -- the best monthly gain since November 2005. The Dow average has risen for four straight months, and was up in eight of 10 months this year.

For the day, the Dow industrials fell 5.77 points, or 0.05%, to 12080.73, still up 12.7% for 2006, and within sight of the record 12163.66 close reached last week.

Early in the day, investors learned that the Conference Board's measure of consumer confidence unexpectedly declined in October, raising fresh fears of lackluster holiday spending. A measure of manufacturing growth in the Chicago area also came in weaker than expected.

But as the Dow industrials neared the 12000 level during the day, stocks bounced back. Part of the reason was a belief that the economy is headed for the much-desired "Goldilocks" scenario -- with inflation not too hot and growth not too cold. That would support sustained growth and profits, and might even lead the Federal Reserve to cut interest rates, investors hope.

Mutual-fund companies, meanwhile, reached the end of their fiscal years. Some money managers were required by internal guidelines to be fully invested, and some used the Dow average's fall toward 12000 as an opportunity to buy stocks cheaply. That helped the market recover.

With third-quarter earnings season nearing an end, investors are wondering what the next driver will be for stock prices. "People know that interest rates aren't going higher, so the next driver is the economy," said Todd Leone, head of listed trading at New York brokerage firm Cowen & Co. "Slow growth isn't bad -- so the market could continue to move higher," he said, as long as the economy doesn't go in a ditch.

The Standard & Poor's 500-stock index finished virtually unchanged -- up 0.01 point -- at 1377.94, strengthening by 3.2% for the month and 10.4% in 2006. The Nasdaq Composite Index rose 2.94 points, or 0.12%, to 2366.71, advancing 4.8% in October and 7.3% this year. Neither is near its record finish, both of which date from 2000.

Small stocks outpaced large ones in October, with the Russell 2000 small-stock index up 5.7%. It eased 0.46% yesterday, to 766.84, but is up 13.9% in 2006.

Stocks were helped last month by falling oil and gasoline prices, which took pressure off consumers and businesses. Crude-oil futures fell 6.6% in October and are off 3.8% in 2006, although they rose 37 cents to $58.73 a barrel yesterday.

Outside the U.S., stocks advanced in dollar terms. The Dow Jones World Stock Index, excluding U.S. stocks, rose 1.77 points, or 0.78%, to 228.60.

In major U.S. market action:

Stocks were mixed. Total trading volume for stocks listed on the New York Stock Exchange was 2.75 billion shares, as 1,682 stocks rose and 1,622 fell.

Bond prices gained. The 10-year Treasury note gained 16/32, or $5 for each $1,000 invested, pushing the yield down to 4.610%. The 30-year bond rose 31/32 to yield 4.721%.

The dollar weakened. Late in New York, it traded at 116.96 yen, down from 117.40 yen, while the euro rose against the dollar to $1.2763 from $1.2730.

Employment Costs Rise Faster, Adding To Inflation Concerns (WSJ)

By Brian Blackstone And Christopher Conkey

The Wall Street Journal, November 1, 2006

WASHINGTON -- Employment costs gained in the third quarter at their fastest pace in more than two years, a development likely to keep Federal Reserve officials on edge about inflationary risks to the economy.

The employment-cost index rose 1% during the quarter after gaining 0.9% in the second quarter, the Labor Department reported. Employment costs were 3.3% higher than a year earlier, up from a 3% increase the previous quarter.

Since labor is the biggest expense for many businesses, the report suggests rising labor costs have the potential to keep underlying inflation high despite the recent drop in energy prices. "Labor costs remain a thorn in the side of the Fed's forecast for easing inflation pressures," wrote Gina Martin, an economist at Wachovia Corp., in a research note.

The Fed has kept its target for short-term interest rates unchanged at 5.25% for its past three meetings but has kept a bias toward higher rates should inflation persist.

Despite the upward pressure on prices apparent in yesterday's report, many economists expect the Fed to hold rates steady into 2007. "I think this Fed is committed to the current levels of rates because they think it'll slow the economy enough that over time it will ease inflationary pressures," said Joel Naroff, president of Naroff Economic Advisers. "They need at least six more months to get a picture on whether their policy is working."

The pickup in employment costs, the fastest quarterly rise since the second quarter of 2004, was driven largely by compensation gains for state- and local-government workers. Private-sector employers have reduced their health-care and

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retirement obligations more aggressively than has the public sector. Benefit costs for state and local governments in the third quarter were 5.2% higher than a year earlier, while private-sector employers saw a smaller 2.8% rise.

Separately, the Conference Board, a private research group in New York, said its measure of consumer confidence fell slightly to 105.4 in October from 105.9 in September. Lynn Franco, the group's director of consumer research, said a mixed assessment of business conditions and a less favorable view of the job market caused the modest decline in overall sentiment.

Consumers' view of the current economic situation dimmed, and the proportion of consumers expecting their incomes to increase in the months ahead fell. The share of consumers saying jobs are "plentiful" declined, while the proportion saying jobs are "hard to get" rose.

Other gauges of consumer confidence advanced in October, and the Conference Board's measure of future economic conditions rose to its highest level in nearly a year.

As Vote Nears, Stances On War Set Off Sparks (NYT)

By Adam Nagourney And Jim Rutenberg

The New York Times, November 1, 2006

WASHINGTON, Oct. 31 — For at least a few hours on Tuesday, President Bush had a chance to relive his victorious campaign of 2004, taking a break from a bleak Republican campaign season as he attacked Senator John Kerry of Massachusetts over the war in Iraq.

Mr. Kerry, the Massachusetts Democrat who was Mr. Bush's opponent in 2004, is not running for office this year. But the president seized on what he said were Mr. Kerry's disparaging remarks about the troops — and what Mr. Kerry insisted was a botched joke aimed at Mr. Bush — as he sought to make Mr. Kerry the face of the Democratic Party this fall.

In the process, Mr. Bush brought renewed attention to the war in Iraq, which he defended with vigor while campaigning in Georgia, at the very moment that a number of Republican Congressional candidates, following the advice of party strategists, were stepping up their efforts to distance themselves from the White House on the war as the campaign enters its final days.

"President Bush isn't getting our frustrations — it's time to be decisive, beat the terrorists," Mike McGavick, the Republican candidate for Senate in Washington, said in an advertisement that began running this week. "Partition the country if we have to and get our troops home in victory."

In Rhode Island on Tuesday, Senator Lincoln Chafee, a Republican struggling against a challenge from Sheldon Whitehouse, an antiwar Democrat, began a new television advertisement reminding Rhode Island voters, "I stood against the Senate and president and voted no" on the war.

In a debate a day earlier, Mr. Chafee indicated he would be willing to call on Defense Secretary Donald H. Rumsfeld to step down; Mr. Whitehouse has been pressing Mr. Chafee to do just that in his television advertisements. In Tennessee, Bob Corker, a Republican candidate for Senate, said it was time for a new plan and a change in leadership at the Pentagon.

In New Jersey, Thomas H. Kean Jr., the Republican challenging Senator Robert Menendez, has started a new advertisement that says he wants to "change the course in Iraq; Replace Rumsfeld." In Indiana, John Hostettler, a Republican congressman, reminds voters in his latest advertisement that he voted against the invasion of Iraq because "the intelligence did not support the claim that there were weapons of mass destruction there."

To date, none of the Republicans who have spoken out have called for an immediate withdrawal from Iraq, and some had expressed previous reservations about the war or opposed it initially. But their willingness to break so publicly with the White House in the closing days of the campaign — in some cases, with the active encouragement of the some of the party's own strategists — is evidence of the extent to which they view the war in Iraq as a lethal issue this fall.

It is especially striking because Mr. Bush has defended the war, and attacked Democrats over it, with increasing force in the last several days.

The mounting death toll in Iraq over the last month and apparent differences between the United States and the Iraqi government over how to proceed have given Democrats new opportunities to criticize Mr. Bush's handling of the conflict and make the case that electing a Democratic Congress is the first step toward finding a solution.

Across the country, Democrats are broadcasting television advertisements that feature battle scenes and photographs of their Republican opponent with Mr. Bush as they call for sharp changes in the Iraq strategy.

"We have certainly advised candidates to not appear that they are marching in lock step with the administration in terms of how the Iraq war is being conducted," a senior Republican Party Senate strategist said, insisting on anonymity in exchange for disclosing political advice being given to candidates. "If you aren't speaking out against the way that this war has been conducted, you are dead in the water."

"The candidates have been in a tough position for some time," this party official said. "The way that has been enunciated before — stay the course versus cut and run — any changes to that are certainly welcome."

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In attacking Mr. Kerry and defending the war, the White House clearly made the calculation that achieving what has been its main strategic goal this year — firing up a dispirited conservative base — would outweigh any risk that might come in spotlighting a war that Republican Party officials said had become a huge burden for its candidates. The White House took the unusual step of releasing advance excerpts of Mr. Bush's attacks.

In his remarks in California on Monday, Mr. Kerry said: "You know, education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq."

Mr. Kerry said that he botched a joke that his aides said had been prepared as follows: "Do you know where you end up if you don't study, if you aren't smart, if you're intellectually lazy? You end up getting us stuck in a war in Iraq. Just ask President Bush."

Mr. Bush, speaking to a cheering crowd at a campaign rally late Tuesday afternoon in a half-empty arena at the Georgia National Fairgrounds in Perry, said Mr. Kerry had insulted the intelligence of Americans troops.

"The senator's suggestion that the men and women of our military are somehow uneducated is insulting, and it is shameful," he said. "The members of the United States military are plenty smart and they are plenty brave, and the senator from Massachusetts owes them an apology."

Mention of Senator Kerry's name drew boos, which were amplified after Mr. Bush quoted his remarks.

Mr. Kerry, a Vietnam veteran, called a news conference in which he accused Mr. Bush of twisting his words for political gain. "The White House's attempt to distort my true statement is a remarkable testament to their abject failure in making America safe," he said. "It's a stunning statement about their willingness to reduce anything in America to raw politics."

Some Democrats were quick to distance themselves from the man who had been their standard-bearer just two years ago.

"This is an example of politics at its worst," said Scott Kleeb, a Democratic candidate for Congress in Nebraska. "Many of us have serious concerns over the current situation in Iraq, but no one should question the intelligence and dedication of our troops. Senator Kerry's remark was disrespectful and insulting."

Still, at least some of the students who attended Mr. Kerry's speech at Pasadena City College said they did not think the senator was belittling troops.

"I don't think he was saying our soldiers are dummies," said Natalie Courtney, 21, the student body president, who said she was an independent. "I think he was saying you have to protect yourself. The current government does not have our best interest in mind. Don't let the government lie to you."

But Charles Huang, 19, a sophomore who described himself as one of the few conservatives at the college, said he was offended by the comment and thought Mr. Kerry did owe American troops an apology.

"I was kind of offended that someone would say that," Mr. Huang said. "I think he was trying to crack a joke, but it was inappropriate."

The contrast of Republican candidates distancing themselves from the White House even as Mr. Bush defended his policy again on Tuesday — "We will fight in Iraq and we will win in Iraq," he said to cheers in Georgia — reflects what Republican Party officials said was a pragmatic message they were sending to candidates: do whatever it takes to win.

In one sign of the deteriorating situation for Republicans, Mr. Bush is now expected to fly to Kansas this weekend to campaign on behalf of a Republican incumbent, Jim Ryun, who just a month ago was not considered endangered.

"Whatever they feel they've got to do to move their numbers, they have got to do," said one senior Republican Party official, who spoke on condition of anonymity in exchange for talking about party strategy. The official added that the White House believed it was better to have Republican candidates complaining than to have to deal with a Democratic Congress in January.

But asked about the advertisement by Mr. McGavick, the Republican candidate for Senate in Washington, a senior White House official, who requested anonymity to discuss political strategy, said, "That's not the message we'd be running."

Elliott Bundy, a spokesman for Mr. McGavick, said that the White House had not complained about the advertisement and that Mr. McGavick had to address Iraq head-on, given the public opposition to the war. "Iraq is the No. 1 issue, and you are fooling yourself if you think it isn't," Mr. Bundy said. "Even Republicans who think the mission is worthwhile, they're frustrated and the president doesn't seem to get it all the time."

On Tuesday, one week before Election Day, millions of dollars were being injected into the most competitive races in the country. Both sides were carefully tracking the day-by-day spending of their rivals and outside groups.

With a flurry of polls as their guide, Republicans redirected resources on Tuesday, pulling back on races in Colorado, Ohio and Pennsylvania in hopes of shoring up seats elsewhere. The largest infusion of money was reported in Missouri, Montana, Tennessee and Virginia.

White House, Kerry Exchange Accusations (AP-Y)

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By Jennifer Loven
AP, November 1, 2006

The White House and Sen. John Kerry traded their harshest accusations since the 2004 presidential race on Tuesday, with President Bush accusing the Democrat of troop-bashing and Kerry calling the president's men hacks who are "willing to lie."

The war of words, tough even for this hard-fought campaign season, came after Kerry told a group of California students on Monday that those unable to navigate the country's education system "get stuck in Iraq."

The two parties are searching for any edge amid indications Democrats could take back the House and possibly win control of the Senate in next week's midterm elections. Though neither Bush nor Kerry is on any ballot, the bitterness with which they fought each other as 2004 rivals spilled over as both campaign hard for their parties in a race shaped in large measure by public doubts about the Iraq war.

White House press secretary Tony Snow was asked about Kerry's comment at his regular briefing with reporters, and had clearly come prepared with a lengthy attack. He said the quote "fits a pattern" of negative remarks about U.S. soldiers from the decorated Vietnam veteran and suggested that whether Democratic candidates — particularly those running on their military service backgrounds — agree with their 2004 standard-bearer should be a campaign litmus test.

Bush, campaigning later in Georgia, said Kerry's statement was "insulting and it is shameful."

"The members of the United States military are plenty smart and they are plenty brave and the senator from Massachusetts owes them an apology," Bush said during an appearance for a former GOP congressman, Mac Collins, who is trying to oust Democratic Rep. Jim Marshall. There were boos at the mention of Kerry's name and cheers at Bush's call for an apology.

Kerry, who is considering another run for the White House in 2008, angrily fired back.

At a hastily arranged news conference in Seattle, Kerry said: "I apologize to no one for my criticism of the president and of his broken policy."

Kerry said the comment in question was "a botched joke about the president and the president's people, not about the troops ... and they know that's what I was talking about."

It came during a campaign rally for California Democratic gubernatorial candidate Phil Angelides. Kerry opened his speech at Pasadena City College with several one-liners, saying at one point that Bush had lived in Texas but now "lives in a state of denial."

He then said: "You know, education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq."

That, Kerry said, was meant as a reference to Bush, not troops. Kerry said it is the president who owes U.S. soldiers an apology — for "a Katrina foreign policy" that misled the country into war in Iraq, failed to adequately study and plan for the aftermath, has not properly equipped troops and has expanded the terrorist threat.

"I'm sick and tired of a bunch of despicable Republicans who will not debate real policy, who won't take responsibility for their own mistakes, standing up and trying to make other people the butt of those mistakes," he said. "It disgusts me that a bunch of these Republican hacks who've never worn the uniform of our country are willing to lie about those who did."

Unsubstantiated allegations about Kerry's Vietnam War heroism from a group called Swift Boat Veterans for Truth figured prominently in the 2004 Kerry-Bush race.

Other Republicans issued demands for an apology from Kerry.

GOP Sen. John McCain, like Kerry a decorated Vietnam veteran and a potential 2008 rival, said while campaigning for Republican candidates in Indiana that "the suggestion that only the least educated Americans would agree to serve in the military and fight in Iraq is an insult to every soldier serving in combat today."

Added House Speaker Dennis Hastert, R-Ill., struggling to keep his party in control of Congress: "Our soldiers risk their lives in the face of grave dangers on the battlefield, and no one who chooses to courageously and selflessly defend our country can be considered 'uneducated.' "

Kerry Says He "botched Joke" And Lashes Out At GOP (BOS)

By Andrew Ryan
The Boston Globe, October 31, 2006

An angry Senator John F. Kerry castigated Republicans at a nationally televised press conference this afternoon, accusing conservatives of twisting his words of a "botched joke" to suggest that students who do poorly in school will end up as soldiers serving in Iraq.

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"My statement yesterday, and the White House knows this full well, was a botched joke about the President and the President's people not about the troops," Kerry said at a press conference in Seattle. "The White Houses attempt to distort my true statement is a remarkable testament to their abject failure making America safe.

Kerry continued: "I'm sick and tired of a whole bunch of Republican attacks, most of which come from people who never wore the uniform and never had the courage to stand up and go to war themselves."

The Democratic senator and 2004 presidential nominee has been under fire since he spoke Monday at campaign rally in California. According to the Pasadena Star-News: "Kerry then told the students that if they were able to navigate the education system, they could get comfortable jobs - "If you don't, you get stuck in Iraq," he said to a mixture of laughter and gasps."

Conservative pundits have accused Kerry of suggesting that if students don't do well in school, they could end up in Iraq. White House Spokesman Tony Snow and Massachusetts Governor Mitt Romney both called on Kerry to apologize.

"I apologize to no one for my criticism of the President and of his broken policy," Kerry said this afternoon. "If anyone owes our troops in the fields an apology it is the President and his failed team and a Republican majority of the Congress that has been willing to stamp, rubber stamp, policies that have done injury to our troops and to their families."

Before Kerry's press conference, Romney issued a statement through his spokesman while he campaign from Republican gubernatorial candidates in Idaho and Oregon.

"Senator Kerry owes an apology to the thousands of men and women serving in Iraq, particularly the many patriotic soldiers from Massachusetts who come from all backgrounds to defend our freedoms," Romney said.

Kerry Draws Republican Fire Over Iraq Gaffe (FT)

By Edward Luce And Caroline Daniel In Washington

Financial Times, November 1, 2006

The Republican Party on Tuesday gained a late burst of energy in its flagging midterm election campaign following remarks by John Kerry, the 2004 Democratic presidential candidate, in which he said college students could “get stuck in Iraq” if they do not study hard.

While campaigning in California, the Massachusetts senator told a college crowd on Monday: “You know, education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don’t, you get stuck in Iraq.”

George W. Bush on Tuesday seized on Mr Kerry’s remarks: “The senator’s suggestion that the men and women of our military are somehow uneducated is insulting and shameful,” said the US president at an election rally in Georgia. “The men and women who serve in our all-volunteer Armed Forces are plenty smart – Senator Kerry owes them an apology.”

John McCain, the leading Republican contender for the 2008 presidential nomination and - like Mr Kerry - a veteran of the Vietnam war, also responded strongly: “The suggestion that only the least educated Americans would agree to serve in the military and fight in Iraq is an insult to every soldier serving in combat.”

Republican strategists, who have been watching helplessly as opinion polls have turned against them in the last six weeks, on Tuesday drew renewed purpose from a gaffe that many believe could help motivate the party’s demoralised supporters to turn out to vote at the polls next Tuesday.

Meanwhile some Democratic strategists worried about Mr Kerry’s response to the Republican Party’s criticism of his comments, which appeared to deepen the controversy. Mr Kerry referred to Tony Snow, the White House spokesman, as a “stuffed suit” and said that his remarks had been directed at Mr Bush rather than at US soldiers serving in Iraq.

“It disgusts me that these Republican hacks, who have never worn the uniform of our country, lie and distort so blatantly and carelessly about those who have,” said Mr Kerry. “If anyone thinks a veteran would criticise the more than 140,000 heroes serving in Iraq and not the president who got us stuck there, they’re crazy.”

Mr Kerry’s ebullient response was in sharp contrast to the way he handled the 2004 presidential campaign, in which his campaign team waited more than a week before responding to the negative advertisements put out by the “Swift Boat” veterans questioning the senator’s war record.

“This was a slip of the tongue and the American people are not going to let this sway them over the important issues facing them in this election, which includes the Iraq war,” said Simon Rosenberg head of the New Democratic Network, a centrist group in Washington.

However, some Democrats suggested Mr Kerry’s remarks would almost certainly damage his presidential hopes. “Senator Kerry botched his remarks – as he has in the past,” said James Carville, campaign manager for Bill Clinton in the 1990s. “But Mr Bush has botched the war in Iraq.”

Bush Calls Kerry Remarks Insulting To U.S. Troops (WP)

DOJ_NMG_0089642

By Jim VandeHei And Chris Cillizza

The Washington Post, November 1, 2006

President Bush last night accused Sen. John F. Kerry of disparaging U.S. troops in Iraq, echoing the 2004 strategy of ridiculing the Massachusetts senator to raise anew questions about Democratic leaders and their commitment to the troops. The highly coordinated White House effort came as Republicans sought to shift the focus away from an unpopular war and GOP scandals that are putting their congressional majorities at risk.

The controversy erupted after Kerry told a California audience on Monday: "Education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. And if you don't, you get stuck in Iraq."

Yesterday, Bush, Sen. John McCain (R-Ariz.), the American Legion and many GOP candidates pounced on the comment from the 2004 Democratic presidential nominee to accuse him of insulting U.S. troops. The president said Kerry owes service members an apology -- echoing a parade of prominent Republicans who criticized the Massachusetts Democrat throughout the day.

After reading Kerry's comments to a GOP audience in Georgia, Bush said Kerry's statement was "insulting and it is shameful. The members of the United States military are plenty smart and they are plenty brave, and the senator from Massachusetts owes them an apology." The White House tipped off the networks to when Bush would attack Kerry, so the comments could be carried live and make the evening news.

In his defense, Kerry said that his comment was a "botched joke" and that he was referring to Bush's intellect, not that of American military personnel serving in Iraq.

In a statement released only moments after Bush spoke, Kerry said: "I make apologies to no one about my criticism of the President and his broken policy that kills and maims our heroes in Iraq every single day. This pathetic attempt to distort a botched joke about President Bush is a shameful effort to distract from a botched war."

The unusual back-and-forth that has little to do with the 2006 midterm elections comes as Democrats are planning to end the campaign by bashing Bush and GOP candidates for supporting the U.S. war policy. A senior Democratic strategist said the party will run Iraq-focused ads in at least 15 of the most competitive House races between now and Election Day.

The strategist, who would not discuss internal strategy on the record, said the Kerry comments are an unnecessary distraction but would soon be forgotten. Democrats, who faulted Kerry for failing to respond forcefully enough two years ago, said the senator fell into a GOP trap of debating Democratic support for the troops instead of Bush's management of the war.

With less than one week until the elections, Democrats are trying to expand the number of competitive House races by running ads in districts that are normally reliably Republican. The list includes the districts of several GOP incumbents, including Rep. Ron Lewis (Ky.), who won in 2004 with more than 60 percent of the vote. It is not just Democrats who see the House playing field expanding. The Cook Political Report, a nonpartisan handicapper of races, added the races of several Republicans to its chart of highly competitive contests, including the one for Rep. Jim Ryun's Kansas seat, for which Democrats started running ads over the weekend.

All these numbers and rankings show that Democrats have successfully expanded the playing field beyond the traditional 20 to 30 competitive races the parties have fought over for the past several cycles. As a result, Democrats no longer have to win 80 percent of the tossup races to win the 15 seats they need for the majority. They have built in some room for error and, by doing so, have improved their chances of taking control on Nov. 7.

Republicans -- whose endgame strategy is to limit losses -- are trimming spending for open seats in Colorado and Ohio, which they expect to lose, to help protect endangered GOP incumbents in the final days. They plan to end the campaign by warning that a Democratic Congress would raises taxes and liberalize social policy.

Some candidates are also playing up the economy, with a Washington Post-ABC News survey finding consumer confidence at a three-year high. Republicans said some races that looked bleak a few weeks ago appear more competitive, citing the contest for the Texas seat vacated by former House majority leader Tom DeLay.

In the Senate races, Democratic strategists said that, based on their internal polls, Sen. George Allen (R-Va.) now appears more vulnerable than Sen. James M. Talent (R-Mo.). Several public polls released over the past few days show former Navy secretary James Webb (D-Va.) leading Allen.

The National Republican Senatorial Committee plans to spend an additional $1 million to prop up Allen. Republicans also intend to spend more money than originally planned to assist Sen. Conrad Burns (Mont.) in a race that many GOP strategists had written off a few weeks ago. Democrats need to pick up six seats to win control of the Senate.

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Kerry, White House Exchange Words Over Iraq 'Bad Joke' (USAT)

By David Jackson

USA Today, November 1, 2006

A bitter dispute about Iraq that dominated the 2004 campaign between President Bush and Sen. John Kerry resurfaced Tuesday as they traded barbs a week before voters decide control of Congress.

Kerry told a college crowd Monday: "You know education, if you make the most of it, and you study hard, and you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq."

Bush said Kerry's comments were "insulting" and "shameful" to U.S. troops. "The members of the United States military are plenty smart, and they are plenty brave, and the senator from Massachusetts owes them an apology," the president said Tuesday at a rally in Georgia.

Kerry, a decorated Vietnam War veteran, said his comments at Pasadena City College in Southern California were distorted by "assorted right-wing nut jobs." He said he was trying to make a joke about Bush and his team's preparations for the Iraq war.

The dust-up came a day after Rep. Charles Rangel called Vice President Dick Cheney "a son of a bitch" for saying the New York Democrat doesn't know how the economy works.

Stephen Wayne, a government professor at Georgetown University, said the barbs foreshadow "two years of strident, partisan rhetoric" regardless of who controls Congress after Nov. 7.

Polls show Democrats are in a position to win control of the House of Representatives and possibly even the Senate.

"It does not facilitate compromise," Wayne said. "It does not facilitate legislative output."

Thomas Mann, co-author of The Broken Branch, a book on Congress, said Kerry gave Republicans "a target" just days before the election, the outcome of which will affect the remainder of Bush's presidency. He's not sure, however, if the Bush-Kerry flap will have a long-term impact.

"These things have a shelf life of about a half-hour," he said.

The Cheney-Rangel spat began with the vice president's warnings about a Democrat-controlled House. If Democrats pick up 15 seats, Rangel is in line to lead the House Ways and Means Committee, which writes tax laws.

In two TV interviews Monday, Cheney cited Rangel's objections to Bush's tax cuts and predicted Rangel would block efforts to renew them. "I think Charlie doesn't understand how the economy works," Cheney said on Fox News.

Rangel responded, when asked by the New York Post, that Cheney is "such a real son of a bitch, he just enjoys a confrontation."

On Tuesday, White House press secretary Tony Snow said Cheney did not take Rangel's comments personally and "had a big hearty laugh" when told of them.

Rangel expressed regret in an interview with USA TODAY but did not back down. "It's not the first time the vice president has taken a cheap shot at me," he said. "I should have just ignored it."

A year ago, Cheney said Rangel might be "losing it" after the New York Democrat compared Bush to Bull Connor, the segregationist Alabama official who resisted civil rights in the 1960s. Rangel, a Korean War veteran, has also accused Cheney of "sending other people's kids to war." Cheney did not serve in the military.

Rangel said he tends not to deal with Cheney on policy issues and prefers to work on fiscal matters with Treasury Secretary Henry Paulson, whom he has praised.

While not predicting the results of Election Day, Rangel said Americans are tired of all the political bickering: "Republicans and Democrats are going to have to work together if we don't want gridlock."

Bush, Kerry Clash As Campaigns Heat Up (LAT)

By Ronald Brownstein And James Gerstenzang

The Los Angeles Times, November 1, 2006

WASHINGTON -- On a day of heated coast-to-coast campaign confrontations, highlighted by a confrontation between President Bush and Sen. John Kerry, a flurry of surveys showed the battle for a Senate majority heading for a photo finish that could hinge on a tight contest in Missouri.

Tuesday's rapid fire developments included the sharp collision between familiar antagonists -- the White House and Kerry, the Massachusetts Democrat who lost to Bush in the 2004 presidential campaign.

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Kerry and Republicans, led by Bush, exchanged fire long-distance over whether the senator disparaged American troops in Iraq during a Monday rally for California Democratic gubernatorial candidate Phil Angelides.

After urging students to make the most of their educational opportunities, Kerry had said, "If you don't, you get stuck in Iraq."

Late Tuesday afternoon, Bush told a cheering throng in Georgia that Kerry's remarks were "insulting" and "shameful," and he called on him to apologize to U.S. troops.

Earlier in the day, Kerry had rejected similar calls from other Republicans. At a hastily arranged news conference in Seattle, Kerry said his comment was "a botched joke about the president and the president's people, not about the troops," and he renewed his attacks on what he termed Bush's "broken policy" in Iraq.

Later, responding directly to Bush in a statement, Kerry said: "This pathetic attempt to distort a botched joke about President Bush is a shameful effort to distract from a botched war."

The pointed criticism of Kerry made clear that the GOP believed he had provided an opening to press its case that Democrats could not be trusted to safeguard America's national security -- an argument Republicans hoped would turn voters to their side in a number of Tuesday's House and Senate races.

Also Tuesday, a new controversy erupted in one of the key, and nastiest, Senate campaigns -- the re-election bid by Republican George Allen of Virginia.

Allen faced criticism from Democrats over taped footage showing his supporters tackling a student who approached him at an event in Charlottesville, Va., and accused him of spitting on his first wife.

The furor over Kerry and the new flap surrounding Allen reflected the intensity of a crucial midterm campaign now in its final days. The series of new polls released in the last two days showed Democrats edging closer to the net gain of six seats they need to control the Senate majority -- even as national Republicans launched new campaign advertisements in states they believe they are gaining ground.

Phil Singer, communications director for the Democratic Senatorial Campaign Committee said of his party's prospects: "You can see the light, but it's hardly a done deal."

Brian Nick, his counterpart at the National Republican Senatorial Committee, said that in his view, the polling underscored that control of the Senate would be determined by get-out-the-vote operations. The GOP generally is considered more adept at these efforts, based on its performance in recent elections.

With the outcome of the battle for the Senate in doubt, Democrats remain confident that they are on track to win the 15 seats they need to control the House. But again, Republicans -- while expecting to lose seats -- predict their organizational prowess will help them hang onto a majority in the chamber.

At his stop in Georgia, campaigning for a GOP challenger to a Democratic House member, the president said, "You may not agree with Republicans on every issue, but you should also realize what voting Democrat in this election would mean for the war on terror."

Focusing on Kerry's comment, Bush said, "The senator's suggestion that the men and women of our military are somehow uneducated is insulting and it is shameful."

Saying that U.S. troops "are plenty smart and they are plenty brave, Bush added that Kerry "owes them an apology."

In his statement released after Bush's speech, Kerry said, "I make apologies to no one about my criticism of the president and his broken policy that kills and maims our heroes in Iraq every single day. ... President Bush owes an apology to our troops and to their families for his disaster in Iraq."

Before Bush took him to task, Kerry was harshly criticized by White House press secretary Tony Snow, Sen. John McCain, R-Ariz., and other leading Republicans -- al of whom said the Democrat's comment impugned the intelligence of those in the military.

In his statement, as he did so often during his presidential campaign, Kerry referred to his highly decorated military service in Vietnam to rebut that charge. "As a combat veteran, I know the dedication, integrity, and commitment of American troops," he said. "I've lived it."

He also noted -- again as he did frequently during his White House quest -- that neither Bush nor Vice President Dick Cheney had been in combat.

The incident involving Allen occurred when Mike Stark, a University of Virginia law student who operates a liberal blog, approached the senator and loudly asked "Why did you spit at your first wife, George?" according to The Associated Press.

Allen was married to Anne Waddell from 1980 to 1984; after their divorce, he remarried.

Three men wearing Allen stickers grabbed Stark, removed him from the hall and threw him to the ground.

The Democratic Senate Campaign Committee quickly distributed via e-mail a video clip of the encounter from a local television station.

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Allen's campaign did not return calls seeking comment about the incident. But Nick, the NRSC official, dismissed the Democratic criticism. "Obviously this is a United States Senator and you have to be concerned about someone's safety," he said.

The new surveys showed Democrats holding clear advantages against two of their top targets. In Pennsylvania, separate polls released this week by the Philadelphia Inquirer and a local radio station showed Democrat Bob Casey Jr. maintaining a double-digit advantage over Sen. Rick Santorum, R-Pa.

In Ohio, a CNN survey released Tuesday showed Democratic Rep. Sherrod Brown leading Republican Sen. Mike DeWine by 54 percent to 43 percent among likely voters.

The CNN surveys released Tuesday also showed Democrat Sen. Bob Menendez holding a 51 percent to 44 percent lead over Republican Thomas Kean Jr. in New Jersey. Four statewide surveys released over the past week have showed Menendez re-establishing a lead of five to seven percentage points.

The most recent public polls have also shown Democratic challengers leading Republican incumbents Lincoln Chafee in Rhode Island and Conrad Burns in Montana. But GOP strategists say they believe both states are still within reach, especially Montana, where President Bush is scheduled to campaign Thursday.

The National Republican Senatorial Committee launched a new advertising buy Tuesday to support Burns, who trailed State Sen. Jon Tester by 46 percent to 43 percent in the last major public poll..

The NRSC also launched a new advertising buy in Maryland, where Republican Lt. Gov. Michael Steele, who is black, is opposing Democratic Rep. Ben Cardin for the seat being vacated by Democratic Sen. Paul Sarbanes.

Democrats dismiss the GOP optimism, pointing to a Washington Post survey released last weekend that showed Cardin leading Steele by 54 percent to 43 percent among likely voters.

If Democrats maintained the survey leads they now hold in all six of those races, and no other surprises emerge, the party would win a Senate majority if they can capture at least two of the three contests in Virginia, Tennessee and Missouri.

Another CNN survey, completed before Tuesday's incident involving the law student, showed Webb advancing to a 50 percent to 46 percent lead over Allen. Though that advantage was within the poll's margin of error, it tracked with a new Democratic poll and a Times/Bloomberg survey last week that showed Webb overtaking Allen, who had narrowly lead in most polls until recently.

In Tennessee, another CNN survey released Tuesday showed Corker leading Ford by 52 percent to 44 percent among likely voters, and by 47 percent to 45 percent among all registered voters.

Finally, the new polls confirm Missouri's status as the nation's closest race -- and the contest that could tip the Senate.

CNN showed Republican Sen. Jim Talent and Democratic challenger Claire McCaskill, the state auditor, tied at 49 percent among likely voters, though McCaskill held an eight percentage point lead among all registered voters. In the last ten statewide polls compiled on the Website RealClearPolitics.com, neither Talent nor McCaskill has ever held a lead of more than three percentage points.

"This is a classic 51-49 race," said Del Ali, the president of Research 2000, an independent company that polls in the state. "Regardless of who wins, it is going to be disputed."

Iraq War Dominates Election's Final Days (WSJ)

By Yochi J. Dreazen

The Wall Street Journal, November 1, 2006

In early October, voters in a rural Pennsylvania congressional district received a political mailing that accused the front-runner in the race of using erroneous intelligence to help sell the Iraq war.

The language in the campaign brochure -- which told voters the candidate "failed the nation once" and urged them not to give him "a chance to fail us again" -- wasn't unusual in the home stretch of an election dominated by the war. The surprising part was who issued it.

Although the flier included standard Democratic talking points criticizing the administration's rationale for the war in Iraq, it was sent by the Republican Federal Committee of Pennsylvania, the state party working to protect the incumbent, Rep. Don Sherwood. Mr. Sherwood is facing a challenge by Democrat Chris Carney, a Navy veteran who served in a Pentagon intelligence unit in the run-up to the war.

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With many polls showing the challenger ahead, the Republicans accused Mr. Carney of leading the nation to war by arguing there was a relationship between Iraq and al Qaeda -- in effect tying Mr. Carney to a pivotal part of the administration's prewar rationale for the invasion.

"I was stunned when I saw the mailing," Mr. Carney says in an interview. "The audacity of accusing someone of starting the war is itself ridiculous. And to impugn someone's military service smacks of desperation."

The fireworks in the Pennsylvania contest highlight a dynamic emerging in the final days before next week's midterm elections. With polls showing that the Iraq war could cost Republicans control of at least one house of Congress, some Republican candidates throughout the country are playing down their past support for the war and beginning to sound like their Democratic opponents when discussing the conflict.

After years of ceding the national security issue to the Republicans, Democrats recruited a slate of military veterans as candidates and are challenging Republicans over Iraq and the party's strategy in the broader war on terror. Senate Majority Leader Bill Frist (R., Tenn.) told a New Hampshire newspaper last week Republican candidates should get voters to "focus on pocketbook issues, and not on the Iraq and terror issue."

Iraq is a vexing issue for both parties, and Democrats are struggling with the war. Leading figures within the party have failed to coalesce around a single strategy for reducing the violence there, and Democratic leaders have offered diverging strategies for Iraq that range from beginning a troop withdrawal before the end of the year to splitting the country into three ethnic regions.

Democrats also are struggling to find a way of criticizing the administration's handling of Iraq without appearing to denigrate the U.S. military personnel serving there. The difficulty of striking such a balance was apparent this week when White House spokesman Tony Snow accused Democratic Sen. John Kerry of Massachusetts of troop-bashing after Mr. Kerry told students in California that those who don't do well in school "get stuck in Iraq." Mr. Kerry said the comment was a reference to Mr. Bush.

Republicans are facing the bigger problem, as Iraq dominates the public mood before Election Day. The latest Wall Street Journal/NBC News poll found 37% of registered voters believe the war has been worth its financial and human cost, the lowest level recorded to date in the survey. The poll found that anger over the war in Iraq continues to be the biggest single issue bringing voters to the polls.

Shifting Republican rhetoric on the war is notable for a party that has hewed to the administration's Iraq policies and been reluctant to directly criticize the war effort there. The White House itself last week dropped its "stay the course" language after increasing numbers of Republican lawmakers made clear that they wanted to see a change of plan in Iraq.

Some Republicans have gone further. In Montana, Republican Sen. Conrad Burns raised eyebrows at a debate with Democratic opponent Jon Tester, when he seemed to suggest the White House had a secret plan for ending the war in Iraq. "If you want to go out and spar for a fight, are you going to tell your enemy what your plan is? I don't think so," Mr. Burns said to Mr. Tester. "There is a plan. We're not going to tell you, Jon."

Jason Klindt, a spokesman for the Burns campaign, said the senator "misspoke" during the debate and wasn't "claiming access to any secret" White House or Pentagon deliberations about Iraq. "He used the word 'plan,' but he had meant to talk about 'tactics' and 'benchmarks,'" Mr. Klindt said. "He was saying that you never give away your tactics to your enemy."

In Connecticut -- a state where support for the war is lower than the national average -- Republican incumbent Rep. Chris Shays said at a debate late last month that the U.S. "should have gone in sooner but not for weapons of mass destruction." Mr. Shays is in a tight race against Democratic challenger Diane Farrell, who has been hammering her opponent for continuing to support the Iraq war.

Mr. Shays's campaign manager, Michael Sohn, says the comment was a reference to the lawmaker's belief that the U.S. should have invaded Iraq when former ruler Saddam Hussein launched a crackdown on Shiite and Kurdish guerrillas during the early 1990s.

In Pennsylvania, the Sherwood-Carney race is shaping up as one of the nastiest in the country. The Republican ran unopposed in 2004, but has seen his electoral prospects deteriorate after a former mistress accused him of trying to choke her. Mr. Sherwood has admitted to the extramarital affair, and apologized for it, but denied the choking allegations.

The state Republican Party is targeting Mr. Carney for his prewar work in a small Pentagon office called the Policy Counterterrorism Evaluation Group, which helped prepare intelligence reports -- later discounted -- that accused Iraq of having ties to al Qaeda.

The Republican mailing cites a report in Mother Jones, a liberal magazine, which specifically mentions Mr. Carney's Pentagon intelligence unit, and a quote from Mr. Carney criticizing the Iraq war. "Chris Carney attacks the same war he helped start," the brochure says. The New York Sun reported earlier about the mailing.

Matt Burns, a spokesman for the state Republican Party, says the mailing was meant to underscore Mr. Carney's "hypocrisy" about Iraq. "This is a conservative district, and when Carney talks to people here he likes to point out the fact that he

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worked as a Pentagon intelligence analyst. But when he has Democrats like Charlie Rangel come in and fund-raise for him, he denounces the war," Mr. Burns says, referring to the veteran New York Democratic congressman.

Mr. Sherwood's campaign didn't return requests for comment yesterday.

In a race that includes some Republican campaign ads that read as if they were written by Democrats, it is perhaps no surprise that Mr. Carney occasionally sounds like a Republican. The Democratic challenger says he remains convinced that there were ties between Iraq and al Qaeda.

"On a scale from one to 10, where zero is no relationship and 10 is complete operational unity, it was a 2.5," he says.

Mr. Carney says the invasion itself may have been justified by what he sees as evidence of a relationship between Mr. Hussein and Osama bin Laden's terror group. Still, he says, "if you make that decision to go to war, you damn well better be prepared, and they weren't. That's what my race is all about."

Washington Wire (WSJ)

Wall Street Journal, November 1, 2006

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October 31, 2006, 6:40 pm Iraq Worries Boost Dems, WSJ/NBC News Poll Finds

President Bush is getting improved marks for his handling of the economy, a new WSJ/NBC News poll finds, but fellow Republicans aren't benefiting as voters focus on Iraq. By a 15-point margin, voters want Democrats rather than Republicans to control Congress. Also, a 54% majority of the electorate now says removing Saddam Hussein from power wasn't worth the human and financial costs, the poll finds.

The national telephone survey of 1,010 voters, conducted Oct 28-30, doesn't account for the vagaries of races for individual Senate seats or House districts; the margin for error is 3.1 percentage points. In the House, Republicans are counting on several factors to withstand the hostile national winds: the political strengths of embattled incumbents, district boundaries drawn after each census to protect them, and Republicans' proven turnout operations.

But the poll's overall findings track the assessments of key strategists in both parties that Democrats have a strong chance of achieving at least the 15-seat gain they need to recapture control of the House. The outcome is cloudier in the Senate, where Democrats must gain six seats to reach a majority. Read the full article. – John Harwood and Jackie Calmes

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Read more: Global, Campaign 2006, Foreign Policy, Iraq

October 31, 2006, 4:43 pm November Surprise?

President Bush will hold no public events of any kind on Wednesday, an exceptionally light schedule this close to next Tuesday's midterm elections. That sparked questions about whether Bush has a "November surprise" in store. This is, after all, a president who has twice managed to sneak away to Iraq.

At the White House morning briefing, a reporter observed that the light schedule made it sound "like something is cooking there." Spokesman Tony Snow replied, "No, not really."

That left some Democratic political operatives wondering just what Bush and his political guru, Karl Rove, might be up to. Despite polls showing Democrats poised to take control of the House and possibly the Senate, many Democrats remain fearful Rove will pull something out of his hat–disclosing the death or capture of Osama bin Laden, for instance–that will help Republican snatch victory from the jaws of defeat.

If so, Snow is keeping on his poker face. Bush has "some meetings with senior advisers and a Rush Limbaugh interview," Snow said in an email. "No blockbusters." –Yochi J. Dreazen

Note to readers: Enter the Washington Wire's Election 2006 contest on who will win the House and Senate.

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October 31, 2006, 4:19 pm Voting Absentee?

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Foley Mark Foley isn't checking out of rehab just yet, the Palm Beach Post reports. The former congressman, who quit the House abruptly in late September after being confronted with sexually charged Internet messages to teenage male pages, has been under treatment for alcoholism since Oct. 1 at the Sierra Tucson Treatment Center . The stay, originally planned for 30 days, has been extended indefinitely. "Mark has not left the program," a source told the paper. "His release date has yet to be determined."

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October 31, 2006, 3:44 pm CNBC Video: Obama, Kennedy, Frist

Big names made predictions in CNBC appearances today. Massachusetts Sen. Edward Kennedy said that domestic and foreign policy issues make next week's races the most important election of his generation; Sen. Barack Obama (D., Ill.) said efficient health-care will be his primary focus, should the Democrats take control of the Senate next week; Sen. Majority Leader Bill Frist (R., Tenn.) said he thinks that people are starting to pay attention to races, with the economy figuring more importantly than past scandals. Also, Meet the Press's Tim Russert outlined key Senate races and said that current surveys show Republicans are likely to lose House and Senate seats in next week's election — the question is how many.

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October 31, 2006, 2:41 pm Fight Club Meets Brooks Brothers at Allen Event

Ripples of excitement washed anew through Democratic circles this afternoon, as word began spreading that staffers for Virginia Republican Sen. George Allen roughed up someone at an event at a Charlottesville hotel this morning.

Lo and behold, NBC's affiliate in Charlottesville was on hand for the event and was kind enough to post video from its noon broadcast of the scuffle, which actually isn't as much of a throwdown as we were led to believe.

The Democratic Senatorial Campaign Committee immediately sent out an alert about the incident and it got above-the-fold treatment on its Drudge Report parody, the Fudge Report . According to the NBC affiliate, the man was yelling and asking Allen, "Why did you spit on your first wife?"

Blogger W. Michael Stark immediately claimed credit for being the guy in the video, and sent a blast email to political reporters saying he plans to press charges against Allen's staffers this afternoon. "I demand that Senator Allen fire the staffers who beat up a constituent attempting to use his constitutional right to petition his government," he said. "I also want to know why Senator Allen would want his staffers to assault someone asking questions about matters of public record in the heat of a political campaign. Why are his divorce records sealed? Why was he arrested in the 1970s? And why did his campaign batter me when I asked him about these questions?" –Amy Schatz

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October 31, 2006, 2:18 pm Protectionism Worries Financial CEOs

Chief executives from some of the largest financial service institutions peg "protectionism" as the single biggest threat to continued U.S. economic growth, and they also rank the regulatory environment as a top concern.

Still, a survey by the Financial Services Forum, a group of 20 CEOs from the largest financial institutions, found that most executives expect strong or very strong growth in the U.S. economy over the next year. Their views on the global economy are somewhat tamer, with a majority predicting just "some growth" over the next year.

Paulson

Not surprisingly, the CEOs don't share the concerns of many Democrats in Washington when it comes to China. A majority said they see China as an opportunity for U.S. business, while none labeled it as a threat. The CEOs also predicted that China will fuel global economic growth, with the U.S. just behind the Asian giant.

In the U.S., terrorism, "frivolous" litigation and energy prices are top concerns. Coming in at No. 3 on the list was the "regulatory environment," which is under attack from business in the wake of Sarbanes-Oxley and a crackdown on corporate misbehavior. Treasury Secretary Henry Paulson, who previously chaired the Financial Services Forum, has indicated he, too, has concerns about the regulatory environment and has backed a private-sector effort to recommend regulatory and legal changes. –Deborah Solomon

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October 31, 2006, 1:56 pm A True Halloween Story

The lawyer who disclosed President Bush's drunk-driving arrest just before the 2000 election was arrested in South Portland, Maine, after he was spotted on a highway overpass dressed as Osama bin Laden and toting a fake assault rifle, the Associated Press reports.

The costume, according to AP, came equipped with plastic dynamite, plastic grenades, and a plastic replica of an AK-47. Tom Connolly, 49 years old, was charged with criminal threatening, a misdemeanor. Connolly was carrying a sign that read "I love TABOR," (that's the Taxpayer Bill of Rights on the Maine ballot in the Nov. 7 election). But someone who saw it thought it read "I love the Taliban," according to the South Portland Police Chief Ed Googins. "The whole thing is just incredibly bizarre," Googins said.

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October 31, 2006, 12:42 pm Where's the Nixon Mask?

It's Halloween and the politicos and partisans are trying to scare us.

House Majority Whip Roy Blunt emails a news release: "Nancy Pelosi's 'Liberal Shop of Horrors'; All Tricks, No Treats For America."

"If Nancy Pelosi is elected Speaker, the American people not only have to fear a liberal San Francisco agenda, but the real concern might be what bills she refuses to allow the House to consider in the first place," the Missouri Republican warns. "The president can always veto out-of-the-mainstream legislation, but he can't force the Congress to consider a bill."

If that doesn't send a shiver, he elaborates: "Can the American people trust liberal San Francisco values when it comes to our nation's priorities on immigration reform, tax relief, job creation, and homeland security?"

Seems the Halloween spirit is floating around Missouri today. The National Republican Senatorial Committee takes off after Show-Me State Democrat Claire McCaskill, who is running a close race for the Senate against Republican incumbent Jim Talent. "Halloween Special! Claire McCaskill's Horrifying Record Of Hypocrisy," screams the headline. It quotes NRSC spokesman Brian Walton saying "Claire McCaskill's hypocrisy really is scary, on issue after issue. From failing to protect seniors in nursing homes to hiding behind her husband's money, McCaskill's hypocrisy knows no bounds."

The Democrats apparently caught the fervor early. The Democratic Senatorial Campaign Committee posted a video (complete with pumpkin) on youtube on April 18, highlighting the troubles of former House Majority Leader Tom DeLay, disgraced lobbyist Jack Abramoff, indicted vice presidential aide Lewis I. "Scooter" Libby and others.

Elsewhere on YouTube, a couple of lighthearted Halloween-themed political videos have popped up. Try "I'm a Democrat", written by John Kramer and directed by Jeff Hadick, or Halloween HamNation from conservative blogger Mary Katharine Ham.

In California, the Republican Party of Orange County takes a Web poll on favorite Halloween costumes: princess, ghost, Dracula, pirate, pumpkin, superhero, witch.

What? No politicians?

Update: The theme has caught on! These just in:

The Rev. Louis P. Sheldon of the Traditional Values Coalition, sends a bloodcurdling email, "Halloween Horror: Federal Court Reform Will Die If Liberals Take Senate." "If we fail," he warns, "the horrors of judicial tyranny will multiply like bodies in a Freddy Krueger movie. Last week, for example, the New Jersey Supreme Court ruled that homosexuals must be granted the same rights and privileges as heterosexual married couples…."

A Democratic National Committee email says, "This Halloween, Republicans in Washington can once again only offer tricks and empty rhetoric to America's hard-working families and seniors, as the GOP saves the treats for their special interest friends." –Mary Lu Carnevale

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October 31, 2006, 11:46 am Democrats Hold Slim Lead in 3 Senate Races

Another day, another round of polling data released to help track how the handful of competitive Senate races might end up this year.

CNN's polling data, done with Opinion Research, shows Democratic candidates holding onto slim margins in three of five races, including Ohio, Virginia and New Jersey. Republican Bob Corker held a sizable 52%-44% margin in Tennessee over Rep. Harold Ford Jr. And in Missouri, Democratic challenger Claire McCaskill and Republican Sen. Jim Talent were tied at 49% of likely voters. Just 1% of those polled expressed no opinion on the race. The poll has a 4% margin of error.

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Could the New Jersey Senate race be safely in control of the Democrats now? The CNN poll was just one of several released this morning on the race, which is the one seat Democrats have worried they could lose to a Republican challenger. Sen. Bob Menendez is trying to hold onto a seat that he was appointed to by now-Gov. Jon Corzine against Republican Tom Kean. A Strategic Vision poll out this morning shows Mendenez barely ahead of Kean at 43% to 42%, far closer than CNN's 51% to 44%. Meanwhile, a Quinnipiac poll gives Menendez a 5% point advantage.

In the Zogby Battlegrounds poll released late Monday, Menendez was ahead by six points in New Jersey, while Corker led by a little more than a point in Tennessee. Talent was up by a little more than a point in Missouri. –Amy Schatz

Read more on Senate races in New Jersey, Tennessee and other uncertain states

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October 31, 2006, 10:00 am Alaska's Rep. Young Sees No Lost Seats for GOP

Forget the polls, prognosticators and angsty anonymous quotes from Republican Party insiders, Alaska's only congressman, Republican Don Young, has a prediction of his own: House Republicans won't lose any seats next week.

Arguing that the solidifying convention wisdom that Republicans will lose control of the House next week is a creation of the media, Young told an Associated Press reporter: "I'm predicting we're not going to lose any seats." Young added: "My prediction is as good as anybody else's. The day after the election, we'll see who was right."

One thing there's very little doubt about is that the 16-term congressman will be returning to Washington. But the congressman has apparently been running something of a stealth campaign this year, according to the Anchorage Daily News, which mentioned his less-than-rigorous campaign schedule in a story last week.

Noting it's almost impossible to find his campaign's Web site on a Google search, the paper said: "Asked where someone could go to hear Young speak before Election Day, his campaign manager, Steven Dougherty, said: 'A campaign event? We do not have any campaign event.'"

The story apparently didn't sit well with the congressman, who told AP that his campaigning this year isn't particularly different from those he's run in the past and it's too bad if the Daily News doesn't like it.

"I'm not running the campaign for the Daily Screw," Young told AP. "My job is to hear people, find out what's on their minds." – Amy Schatz

Note to readers: Enter the Washington Wire's Election 2006 contest on who will win the House and Senate.

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October 31, 2006, 7:44 am Early Turnout May Boost GOP

Down in the polls and with their majorities in Congress at risk, Republicans say they have some good news in early-voting statistics that suggest their voter-turnout machine is providing an edge in some tight races. If the trend holds, it could mean that early voting is growing — and continuing to benefit Republicans, who exploited the practice in the 1990s. Experts say early voters could be a bigger factor this year when overall voter turnout could be lower than in 2004, a presidential-election year.

This year, though, Democrats contend that Republicans are exaggerating their successes so far, by highlighting a few races, while ignoring problems they are having in motivating their troops around the country. Democrats also questioned several specific Republican claims, while noting their own early-voting numbers show they are starting to catch up with their rivals in early get-out-the-vote efforts in battleground states such as Iowa.

In congressional districts from Ohio and Florida to New Mexico and Arizona, Republicans report that their get-out-the-vote organization is gaining traction a week ahead of Election Day. The aim of the effort generally is to maximize turnout among their most loyal and reliable voters. If successful, it could help them to hold down their losses in this election cycle and perhaps even retain their majorities in the House and Senate. Read the full article. – John D. McKinnon and Erika Lovley

Kerry Cancels Mankato Appearance (MFP)

Mankato Free Press, November 1, 2006

The dueling rallies scheduled for Mankato today on behalf of Republican congressman Gil Gutknecht and Democratic challenger Tim Walz lost some of their pizzaz Tuesday night when Sen. John Kerry pulled out of the Democratic rally.

Sen. John McCain of Arizona, the front-runner for the 2008 Republican nomination for president, is the star attraction at a rally at the Midwest Wireless Civic Center for Gutknecht and Gov. Tim Pawlenty.

Kerry, the 2004 Democratic presidential nominee pulled out of the DFL event, which will still be held, as the result of a controversy over comments he made Monday inCalifornia.

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Walz communication director Meredith Salsbery said Kerry canceled his visit to keep the focus on the issues and away from Kerry's comments and McCain's response.

She wouldn't comment on whether Walz asked Kerry not to campaign for him, but said the decision was ultimately the senator's choice.

Both of today's rallies are free and open to the public and are expected to last about an hour. McCain will be in the East Banquet Hall at the Civic Center. The event begins at 10:10 a.m., but people need to arrive by 9:50 a.m. The doors open at 9:15 a.m. No backpacks or other bags are allowed.

Doors open at MSU's Taylor Center at 11 a.m. for the Walz event with music by Martin Zellar beginning at 11:15 a.m. The rally begins at noon. Parking around campus is expected to be very limited, but shuttle buses will run starting at 10:30 a.m. from the Madison East Center.

Braley Asks Kerry Not To Campaign (QCT)

By Ed Tibbetts

Quad City Times, November 1, 2006

BREAKING NEWS: (Updated: 6:06 p.m.) Democratic congressional candidate Bruce Braley has asked John Kerry not to campaign with him Thursday in the Quad-Cities as planned, citing the flap between the White House and the senator over his remarks concerning Iraq.

Jeff Giertz, a campaign spokesman, said Braley cancelled their appearance Tuesday afternoon.

"He's not condoning the partisan bickering," Giertz said of Braley, a lawyer from Waterloo who is running against Bettendorf businessman Mike Whalen for Iowa's 1st District Congressional seat.

The White House harshly criticized Kerry, a senator from Massachusetts and the party's 2004 presidential nominee, on Tuesday for remarks he made Monday in California, where he encouraged people to work hard in school lest they "get stuck in Iraq."

President Bush said Kerry was suggesting "the men and women of our military are somehow uneducated," calling the remark "insulting and shameful."

Kerry said the remark was a botched joke aimed at the president, not the troops, according to CNN. And he said the White House response is proof of its willingness to "reduce anything in America to raw politics."

The Braley campaign had confirmed the appearance with Kerry in the Quad-Cities, but Giertz said Braley, unprompted, asked that Kerry not attend.

Kerry's office could not immediately be reached for comment Tuesday night.

"We're upset with the partisan bickering that's going on between Kerry and the White House," Giertz said, adding that it does not contribute to a solution in Iraq.

He added that Braley thought Kerry's remarks were "inappropriate."

Late in the day, Republicans challenged Braley to repudiate the remarks.

Russ Perisho, a spokesman for Whalen, said this afternoon that the campaign expected to make a comment after Braley and Kerry appeared together Thursday. But after being informed of Braley's decision, Perisho said, "It appears to us Mr. Braley is trying to separate from someone whose views parallel Mr. Braley's right up and down the line."

According to The Associated Press, Kerry, a potential 2008 presidential candidate said Monday: "You know, education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq." CNN reported today that a Kerry aide said he mangled the remarks in his delivery.

What he meant to say was that if one does not work hard in school, they will "end up getting us stuck in a war in Iraq," a remark aimed at the president, not at the troops, CNN reported.

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The following are comments from the readers. In no way do they represent the views of the Quad-City Times or Lee Enterprises.

Good for Braley wrote on October 31, 2006 6:19 PM:"Even if it was a 'botched joke', the comment that Kerry made was inappropriate and the White House's response was also out of line. Braley doesn't need an albatross around his neck going into the last week of the campaign. "

Buffoon wrote on October 31, 2006 6:30 PM:"Kerry was a buffoon in 2004. Nothing has changed."

Trigger wrote on October 31, 2006 6:34 PM:"This guy is some kind of whack job. Why dont he go find ole Hanoi Jane and have a good old fashion sit in. Except this time in the middle of I-80. This country can do without people like John Kerry "

DOJ_NMG_0089652

Embarrassed! wrote on October 31, 2006 6:48 PM:"Here are my thoughts. If you don't support the war then fine. However, do not...and I repeat DO NOT disgrace yourself and the country by saying disrespectful things about our military!!!!!! I find that utterly sick and disgraceful! The military fights for OUR freedom and how DARE anyone speak ill-will of our military. God Bless America AND OUR TROOPS!"

Bill wrote on October 31, 2006 6:49 PM:"I'm glad Kerry said what he said. You people need to open your eyes and see the truth. The military is preying on that catagory of kid. I haven't seen many well to do kids giving up their education at Yale for a $5,000 signing bonus and a front row seat to get killed over in this quagmire!"

muckraker wrote on October 31, 2006 7:00 PM:"Too bad I'm not an Iowan. This is just the type of move that would make me vote for Braley. Smart guy that Braley. He recognizes a loser when he sees one;regardless of party. Kerry is a loser, and Braley just might pull this out. "

I agree that Kerry can be an idiot wrote on October 31, 2006 7:03 PM:"But lest we forget George Bush's "botched joke" on 3-24-04 at the Radio and Television Correspondents' Association Dinner. Where he put up a slide show of Iraq and joked about, "no wmd's over here", "Those weapons of mass destruction have got to be somewhere." All the while laughing his ignorant a$$. Now I just imagine how the loved one's of soldiers and contractors killed in Iraq, must rolled on the floor laighing about that. "

SM wrote on October 31, 2006 7:24 PM:"Quick, between George W. Bush and John Kerry, which one actually fought in Vietnam? I have more respect for a man who served in Vietnam and then came home and said the war was wrong than a man who said the war was right while he stayed home and got drunk and let other men fight and die."

You May Not Like... wrote on October 31, 2006 7:54 PM:"His comments, but for the most part they ring true. In this country, the poor and uneducated often find the military the only refuge to escape their situation. After all, you really don't see silver spoon children serving on the front lines. Nor do you see MIT graduates serving on the front lines. So before your knee jerks, think about what he said fitting it into the overall picture of this country and those who serve in the military. If you aren't blinded by nationalistic fervor, you won't be so outraged. By the way, this is coming from a decidely Kerry hater."

Doug wrote on October 31, 2006 7:57 PM:"these responses from those who support the (p)resident who joked about not being able to find weapons of mass destruction under furniture as hundreds of U.S. service men and women were dying in Iraq....Please!! you are getting desperate!!!"

What's the matter Bruce? wrote on October 31, 2006 8:01 PM:"Bruce, since you agree that we're bogged down in Iraq, what is the problem?"

Paul wrote on October 31, 2006 8:13 PM:"Bruce Braley and John Kerry. Two of a kind. Reality is, if they showed up together, it would just reinforce the fact that since the 2004 Presidential Election, the Dems still can't come up with a decent candidate."

rich but dumb wrote on October 31, 2006 8:28 PM:"For those posting that only the poor and uneducated go into the military, what about Kerry's supposed military record in Vietnam that he was so proud of last election. He was far from poor and where did he go to college? He may be rich but he is one dumb s*b. I was not a rich kid but I was not dumb either. I served my country and was proud of it. I feel I am a better person for serving my country and I don't feel the recruiters preyed upon me because I was poor. There were other opportunities for me without going into the military, but I chose to serve my country. I am sure there are poor and rich both that make that choice, not because they have no other option but because they love and believe in this country. Plus, it is a great way to get an education that you can not receive from textbooks and the experience is great."

Tom wrote on October 31, 2006 8:32 PM:"Kerry was a traitor during the Vietnam War and he's again a traitor."

Good Ol' Uncle John wrote on October 31, 2006 8:35 PM:"Shoot, this is the kind of down-home advice your uncle would give you. I can see where the Republicans would jump on the remark for political value, but Kerry's reply on one of the news channels tonight put the significance of the remark in perspective. Kerry noted that his words were being characterized as an insult by men whose behavior strips them of the right to respond on behalf of soldiers in a combat zone. Bush couldn't be found to fly the jet aircraft with his name on it, and Cheney had 'priorities' that didn't include military service. The Bush-Cheney claim to the title commanders-in-chief is something of an insult. Finding themselves in Iraq, having volunteered for monthly meetings and two-weeks training every summer, thousands of the troops in Iraq probably have called THEMSELVES names that would be an insult coming from another. Still Kerry should know better than to come out with a remark that begs for Republican misrepresentation."

Wake Up and Look Into It wrote on October 31, 2006 8:45 PM:"People criticizing Kerry for this need to actually watch the whole video because it sounds like he WAS joking and not about troops, but about Bush and his low IQ. He is a very decorated war veteran and he has voted nearly 100% for veterans. The troops do deserve our respect,gratitude, and love, but Kerry simply was not trashing them, but Bush. And I agree."

DOJ_NMG_0089653

Bill to embarrassed- wrote on October 31, 2006 9:04 PM:"I think the most disrespectful thing you can say to American troops is go and lose your life over lies and misrepresentation. We don't care enough about you to keep you home with your families. We'd rather mislead you then use you for political gain. I think another disrespectful thing you can do to the troops is to recruit the kids from poor, uneducated schools and neighborhoods, offering them a signing bonus and a way out of a povery situation that this administration is to stupid and weak to address. Lowering standards for recruitment, promising them a future in the army (instead of addressing the reason why they have no future in the "greatest country in the world"). Then, when they are one of the thousands that come back limbless, we can cut budgets to the very medical programs that they need for the rest of their life. Maybe they can make a yellow ribbon for your car that says "I'm embarrassed by all the so called Americans that would be so careless as to let this happen to other Americans". NO SIR, YOU ARE A DISGRACE TO MY COUNTRY. I am glad I tought my children to think different then you and your ilk. I am glad they are the future."

Army Dad wrote on October 31, 2006 9:14 PM:"After reviewing the Kerry video more than 10 times my response is with disgust. First if the joke was in reference to Bush then he should have said "Bush" within his joke. He is a professional speaker. Second he made no physical expression that he made a spoken mistake. He is a veteran politician he knows when he made a mistake in his speech. I recommend the full video be released before he made the comment and let us make the decision if it was a botched joke or he meant what he said. "

Gary wrote on October 31, 2006 9:15 PM:"I find it rewarding to see that many do get the fact that John Kerry, who served in Vietnam, is a first class Buffoon. "

still a JOKE....but not a laughing matter..... wrote on October 31, 2006 9:18 PM:"John Kerry was a joke and still is. What else do you expect from a has-been that still thinks he is relevant. Another has-been trying to re-write his legacy. Don't forget a MAJORITY of the Democrats voted FOR this war. And now they are running as fast as they can away from it now that it is not popular or going as well as it could. They claimed they were lied to, didn't like they way it was handled, didn't like the plan, blah...blah...blah. It must be nice to vote for things and when they go well, stick out your chest and claim you made it happen, and when it doesn't go well, run away and say you didn't have any control after you voted. Hey dumb a--, what did you think a vote FOR WAR was? And we pay them $165,000.00 a year to act like that? I can't stand Bush and half of the Republican party, but clowns like Kerry are no answer! I think Bruce Braley is smarter than I thought he was. "

Friends in the Army and Marines wrote on October 31, 2006 9:41 PM:"Kerry shows his true colors on this one. What an insult to those I know who are serving our country. Those of you making excuses for him should be ashamed. If you stand by the trash, you will start smelling like trash yourself." » Post a comment Thank you for your comments! Once your comments are approved, they will appear on the site.

Stuck In Nantucket (WSJ)

The Wall Street Journal, November 1, 2006

Talk show hosts across America knelt down and gave thanks yesterday for the gift of Senator John Kerry, whose cultural condescension keeps on giving. A week before Election Day, his fellow Democrats may have had a different (unprintable) reaction.

The American Legion and various Republicans, including John McCain and President Bush, all criticized Mr. Kerry for his comments a day earlier to a student crowd in California: "You know, education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq."

We didn't always do our homework, but it's hard to come to any conclusion other than that Mr. Kerry was saying that only fools and knaves, not patriots, end up fighting in Iraq. Mr. McCain said the Senator should apologize. But Mr. Kerry instead issued a statement so over the top with invective toward his critics that we wonder if some Republican secretly wrote it to make Mr. Kerry look un-Presidential. Then yesterday Mr. Kerry held a press conference delivering more of the same, and claiming that he was merely attacking Bush policy, not the troops. We don't have space to reprint all of this, but we commend you to OpinionJournal.com for the complete implosion.

For reasons clear only to himself, Mr. Kerry has been acting as if he intends to run for the White House again in 2008. Apparently he thinks he can win. We've long thought that Democratic donors would soon enough convince him otherwise, but his behavior this week may speed up the reckoning. Congratulations, Senator Clinton; another competitor bites the dust.

John Kerry Thinks (WT)

The Washington Times, November 1, 2006

When you get right down to it, the thoughtless foot-in-mouth disease of Sen. John Kerry is a strain unique to him. The senator gives elitism a bad name.

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"Education," Mr. Kerry told a rally this week for Phil Angelides, the Democratic candidate for governor of California, "if you make the most of it, if you study hard and you do your homework, and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq."

Stuck in Iraq -- that's what Sen. Kerry thinks happens to people who don't study hard. You end up in the uniform, serving your country and getting shot at. Nice going, Senator Winter Soldier.

In a press conference to explain himself yesterday, Mr. Kerry rejected calls by the White House and Sen. John McCain to apologize to the American soldiers in Iraq. Instead, he repeated his litany of criticism of the Bush administration's handling of the war, accusing Republicans of a political trick to exploit his remarks. He called his remarks "a botched joke." Some joke. Some botch.

We have news for Mr. Kerry, beyond conveying our assessment that this arrogant, incredibly elitist and defeatist and altogether reprehensible statement reminds us why he isn't president and never will be: Patriotism and selflessness are why young Americans readily put themselves in harm's way for their country's sake. This C student is just plain wrong on the facts.

U.S. recruits are better educated than the average American of equivalent age. In fact, 98 percent of U.S. military recruits have a high-school education or G.E.D. Only 75 percent of equivalent-age American youths do. For senators who can't do the math, that's 23 percentage points past just plain wrong. The Heritage Foundation's recent study, "Who are the Recruits?" lays out these numbers and more. Who would compare what 19- and 20-year-olds do in combat to what the typical college sophomore is doing. (Sometimes best not to know.)

We understand that Mr. Kerry's primary aim on Monday was to bomb the White House to get at the commander in chief. The troops were an afterthought. Which, come to think of it, is the point -- just as it was in the 1970s, when Mr. Kerry made a career of smearing American troops as killers on his return from Vietnam.

It's one thing, bad enough, to be an elitist who knows the facts. It's another to be an elitist who doesn't know them. So thank you, Mr. Kerry, for speaking so candidly. People can see clearly who you are.

Democrats Increase Hope Of Winning House (AP-Y)

By David Espo

AP, November 1, 2006

After a decade in the political wilderness, Democrats are beginning to predict confidently if quietly that they will win control of the House in next week's elections, and possibly emerge with a relatively robust majority.

The optimism coincides with a Republican retreat Tuesday in three costly, highly competitive races in Pennsylvania, Colorado and Ohio, as well as polls showing continued public dissatisfaction with President Bush and the war in Iraq.

In addition, fundraising is running significantly stronger than two years ago, $104.5 million through Oct. 18. That represents an increase of more than 30 percent, and has allowed Democrats to launch late-campaign television advertising in several districts in recent days in an attempt to maximize their gains on Election Day.

Mark Mellman, a Democratic pollster, said in an interview there has never been an election in which a president's approval rating was below 40 percent "and his party has not lost the 15 seats" that Democrats need to gain control this year. Bush's approval ratings hover in the mid- to high 30s.

Despite the developments, Rep. Nancy Pelosi, the Democratic leader, and Rep. Rahm Emanuel the head of the campaign committee, have told aides to avoid predictions of victory before the votes are counted.

"Anybody who's been involved in politics for the past 10 years can tell you that a week out you've still got a long week ahead of you," said Bill Burton of the Democratic campaign committee. "And we are absolutely not taking anything for granted."

Republicans, too, say that with a week of campaigning to go, Democrats are ill-advised to celebrate. They note than an extraordinary number of races remain very close, and that their GOP get-out-the-vote operation will help pull enough of their candidates to victory to preserve their majority.

Eager to persuade conservatives to vote, President Bush, Vice President Dick Cheney and Republican leaders attack Democrats steadily as favoring a policy of retreat in Iraq and higher taxes at home.

The White House and several Republican lawmakers criticized Sen. John Kerry during the day for saying that young men and women unable to navigate the country's education system "get stuck in Iraq."

In remarks prepared for delivery in Georgia, Bush called the statement by his 2004 Democratic presidential rival "insulting and shameful," and called on him to apologize. Kerry lashed out at the president's men and said: "I apologize to no one for my criticism of the president and of his broken policy."

Democrats must gain six seats to win control of the Senate next week, but the House is viewed as more within reach.

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Karin Johanson, executive director of the campaign committee, told one group last week that Democrats felt confident they had locked up 10 of the 15 seats they need to prevail, according to participants in the meeting who spoke on condition of anonymity.

But other officials and strategists with long experience in congressional campaigns have turned far more bullish about Democratic chances, and party strategists say no more than two of the party's incumbents who are seeking new terms are in jeopardy of defeat.

In an interview, Mellman said he wasn't counting victories before they occurred. At the same time, he said polls consistently show Democrats with such a large lead on hypothetical ballot tests that they are "outside the realm of historical experience."

"I think if the election were held today we would win," said Steve Elmendorf, a Democratic lobbyist who retains close ties with party aides and lawmakers from his days as top aide to Rep. Dick Gephardt, the former House democratic leader.

Recalling disappointments from 1996 and 2000, Elmendorf said, "people are very cautious because we've been up this hill before." He added, "the thing that gives people on our side the most confidence is all our friends on the other (Republican) side think they're going to lose."

Erik Smith, a consultant for Chris Murphy, a House candidate in Connecticut, said, "every day the Democrats' chances of taking the House seem to improve. More races become competitive and races that had been competitive are opening up a little bit."

Strategists involved in key races express even stronger confidence as long as they are free to speak on condition of anonymity. One recently put the party's chances of victory at "100 percent," while another said the only remaining question is the size of the Democratic majority in the Congress that convenes in January.

Mellman said academic models predict Democratic gains of between 14 and 32 seats. Elmendorf said a majority of 15 to 20 seats is possible, indicating gains of 30 to 35 seats on Election Day. Others predicted gains in the same range.

One of the most reliable indicators of competitive seats is party-financed television commercials or other political activity designed to augment a candidate's effort.

By that standard, more than 50 Republican-held seats are competitive, and Democrats have made six-figure investments in television advertisements in many of them. Republicans have done likewise.

Republicans pulled back in three such races during the day, including Rep. Curt Weldon's re-election bid in Pennsylvania and open seats held by Rep. Bob Beauprez, running for governor of Colorado, and Bob Ney of Ohio, who recently pleaded guilty to corruption charges.

In recent days, Democrats have moved into districts long viewed as untouchable. They launched advertisements in a western district in Nebraska; for an Idaho seat; and as a challenge to Rep. Jim Ryun in Republican-heavy Kansas.

At the same time, the overall political environment coupled with the prospect of Democratic landslide victories in New York by Sen. Hillary Rodham Clinton and gubernatorial contender Eliot Spitzer has prompted House Democrats to spend heavily in several districts.

Reports filed with the Federal Election Commission show that as of Monday night, the Democratic campaign committee has spent significant amounts on television advertising on five of the state's nine seats currently in Republican hands.

GOP Reins In Spending In 3 House Races (AP-Y)

By David Espo

AP, November 1, 2006

Signaling retreat, House Republicans are scaling back television advertising in three highly contested races, officials said Tuesday, including Rep. Curt Weldon's scandal-tinged bid for re-election in Pennsylvania and open seats in Colorado and Ohio.

Some of the funds will be spent to help other Republicans in races that remain competitive.

In contrast to the Republican strategic retreat, House Democrats are expanding the number of districts where they are advertising, an indication of growing confidence as Election Day approaches. In recent days, the party's campaign committee has moved into districts in New Hampshire, New York, Kansas and Nebraska that have long been in GOP hands.

Democrats must gain 15 seats to win control of the House and six to capture control of the Senate on Nov. 7.

Of the two, the Senate appears a more difficult challenge, and Republicans moved during the day to fortify their position.

The National Republican Senatorial Committee reported it would spend an additional $1 million in the campaign's final days to help Virginia Sen. George Allen in a re-election race that has become far tougher than originally expected.

At the same time, Senate Republicans decided to advertise on behalf of embattled Sen. Conrad Burns in Montana for the first time since August, and beefed up its support for Sen. Lincoln Chafee, trailing in the polls in Rhode Island.

Additionally, the party will begin an independent ad campaign in Michigan for the first time this year, hoping to prevent Sen. Debbie Stabenow from winning a new term.

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The information about the various moves came from public records at the Federal Election Commission as well as experts in both parties who track television advertising and campaign strategy. They spoke on condition of anonymity, saying they were not authorized to discuss confidential matters in public.

Weldon, a 10-term lawmaker who appeared to be cruising to re-election not long ago, has become ensnared in a federal corruption investigation. The government is investigating allegations that he used his influence to help his daughter's lobbying firm secure contracts worth $1 million from foreign clients. The FBI recently raided his daughter's home and office in what Weldon termed a politically motivated inquiry.

It appeared that much of the advertising money the National Republican Congressional Committee had intended for his seat in the campaign's final days would be redirected to help Pennsylvania Reps. Michael Fitzpatrick and Jim Gerlach.

The two other races where Republicans are scaling back advertising include the Ohio district that convicted Rep. Bob Ney has represented, and the one Rep. Bob Beauprez vacated to run for governor of Colorado.

House Republicans have reported spending more than $3 million to hold Ney's seat so far, and it appeared that at least a portion of the money intended for that race will now be spent to help Rep. Deborah Pryce, who is locked in a difficult campaign elsewhere in the state.

The Colorado race pits Democrat Ed Perlmutter against Republican Rick O'Donnell. Perlmutter has led comfortably in recent polls, and Republican strategists apparently concluded the money ticketed for that race could be better spent trying to help re-elect Rep. Marilyn Musgrave, seeking a new term in a different part of Colorado.

In Ohio, Democrat Zack Space is running against State Sen. Joy Padgett. Her campaign has been hindered by Ney's refusal to resign from Congress even though he pleaded guilty to felony corruption charges earlier in the month.

Liberals Keen On Takeover Aid Centrists (USAT)

By Jill Lawrence

USA Today, November 1, 2006

WASHINGTON — Democratic candidates who oppose abortion, gun control and gay rights have some unusual allies this year: liberal online activists desperate for their party to win control of Congress.

Putting aside their own preferences, the Internet activists are promoting and raising money for moderates in swing districts across the country. Many of the candidates have military, business or law enforcement backgrounds. Some, such as Virginia Senate candidate Jim Webb and House hopeful Eric Massa of New York, are former Republicans.

As of Tuesday, online activists had contributed some $826,000 to Webb, a former Navy secretary, via ActBlue.com, a clearinghouse that has raised $16 million for scores of Democrats. Massa had $377,000.

“There is not a single issue that takes precedent to the Democrats winning back a majority in the U.S. Senate this year,” Jerome Armstrong, founder of MyDD.com, wrote last week.

President Bush's unpopularity, the Iraq war and congressional scandals are making it easier than usual for Democrats to bury their differences for now. The moderate makeup of contested states and congressional districts also helps.

“There's a sense of reality here,” says Rep. Ellen Tauscher, D-Calif., chairman of the centrist, 47-member New Democratic Coalition in the House. She says 30 prominent House challengers are potential members of the group, which favors free trade, strong security and high-tech development.

The Republican counterpart to ActBlue.com is Rightroots.com, a small operation that has raised $274,000 for 21 House and Senate hopefuls. Most are conservatives tagging their opponents as liberals. Three moderates — Senate candidates Tom Kean of New Jersey and Michael Steele of Maryland and House hopeful Ray Meier of New York — had collected nearly $60,000 from Rightroots.com as of Tuesday. Moderate Northeastern incumbents in tight races are not on the group's list of recipients.

Congressional Republicans have proposed bans on gay marriage, flag-burning, human cloning and Internet gambling that could energize conservatives. Republicans say they have not abandoned the center. The GOP is making “a tremendous effort” to help endangered House and Senate moderates in New York, Pennsylvania, Connecticut and Rhode Island, strategist Frank Luntz says.

Former GOP chairman Ed Gillespie says “so-called centrist Democrats,” if they win, will end up dragged to the left under pressure from liberal Democrats such as House Minority Leader Nancy Pelosi, D-Calif. She is in line to be speaker if Democrats take control.

Many Democratic bloggers are liberals who don't hesitate to criticize their party. Arianna Huffington and others protested, for instance, when Virginia Gov. Tim Kaine was chosen to respond to Bush's State of the Union Speech. They said he was too conservative.

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This week, bloggers reacted angrily when Tauscher told two newspapers Democrats should not run “over the left cliff” if they win a House majority. Self-described progressive Chris Bowers wrote on MyDD.com that he felt “stabbed in the back.” He later added that “now that I have had the chance to vent, I'd like to … return to actually trying to win the elections.”

The results of a spring survey of 1,936 members of MoveOn.org, the liberal online activist group suggest such pragmatism is widespread. Nearly eight in 10 said Democrats should run moderates in conservative and swing districts rather than “truly progressive or liberal candidates” who have little chance of winning.

Democratic leaders aggressively courted moderates this year. Rep. Harold Ford of Tennessee and Pennsylvania Treasurer Bob Casey, both social conservatives, ran unopposed in Senate primaries after rivals were pressured to drop out. Senate leaders publicly backed Webb, a former Navy secretary for Ronald Reagan, in the Virginia primary. They gave backstage help to Montana Senate President Jon Tester, a wheat farmer and custom butcher, in his primary.

Casey and Tester are leading GOP Sens. Rick Santorum and Conrad Burns, respectively. Ford and Webb are in tight races against Republican Bob Corker and Sen. George Allen.

The purest test of blog power this year has been in Connecticut. Senior Democrats backed Sen. Joe Lieberman, a centrist and Iraq war booster, but online activists helped power anti-war candidate Ned Lamont to a primary win. Lieberman is running as an independent and is ahead in polls, despite a recent survey that showed 60% of Connecticut voters oppose the war.

Some observers say Lamont, a politically inexperienced businessman, failed to capitalize on the war's unpopularity. “The distinction between himself and Lieberman became blurred,” says Gary Rose, a political scientist at Sacred Heart University in Fairfield, Conn.

Bloggers, however, point to the party's treatment of Lamont and the Democrats who nominated him. “Total abandonment,” Matt Stoller said on MyDD.com.

Bush Gains Ground On Economy, But Iraq Still Tops Voters' Agenda (WSJ)

By John Harwood

The Wall Street Journal, November 1, 2006

A week before Election Day, a new poll shows President Bush getting better marks for his handling of the economy -- an issue Republicans are emphasizing in the run-up to Tuesday's vote -- but voters' anxieties about Iraq continue to dominate their concerns.

The latest Wall Street Journal/NBC News poll shows Mr. Bush, buoyed by a rising stock market and falling gasoline prices, essentially breaking even on the economy, with 46% of voters approving his stewardship and 48% disapproving. That's a gain from 39% approval and 56% disapproval in June.

But as Mr. Bush's party fights to retain control of both houses of Congress, the violence in Baghdad in recent weeks has further darkened Americans' mood about Iraq -- the issue voters say is most important in their election decision-making. The result: Voters want Democrats, rather than Republicans, to control Congress by 52% to 37%, a 15-point margin. The spread matches the widest ever recorded on this question in a Journal/NBC poll.

"Iraq sits in the middle of this election," says Bill McInturff, the Republican pollster who helps conduct the Journal/NBC survey. While Republicans may welcome voters' improving attitudes toward the economy, adds his Democratic counterpart, Peter Hart, "they're getting swamped on the issue of Iraq." (See related article4.)

Indeed, the poll demonstrates how directly voters' attitudes on Iraq translate into ballot choices. A 54% majority of the electorate now says removing Saddam Hussein from power wasn't worth the human and financial costs -- the highest percentage in the Journal/NBC poll since the war began in March 2003. Among those voters, eight in 10 want Democrats to control Congress after the elections.

But among the 37% who say the war has been worthwhile, seven in 10 want Republicans in charge on Capitol Hill. Among all voters, 61% say they feel "less confident" the war will end successfully, while just 27% feel "more confident" about the outcome.

The national telephone survey of 1,010 registered voters, which was conducted Oct. 28-30, doesn't account for the vagaries of races for individual Senate seats or House districts; the margin of error is 3.1 percentage points.

In the House, Republicans are counting on several factors to withstand the electoral headwinds: the political strength of embattled incumbents, district boundaries drawn to protect them and their party's proven get-out-the-vote operations. They could also benefit from an uptick in recent weeks in the number of voters who cite "moral values" as a crucial election issue.

Republican strategists suggest their efforts to boost turnout could add two or three points to a candidate's tally; in both 2002 and 2004, those turnout efforts bested Democrats' less-coordinated programs.

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But the poll's overall findings track the assessments of key strategists in both parties that Democrats have a strong chance of achieving at least the 15-seat gain they need to capture control of the House. The outcome is cloudier in the Senate, where Democrats would need to gain six seats to have a majority.

Though Democratic candidates appear to have the advantage in the race for Republican Senate seats in Ohio, Pennsylvania, Montana and Rhode Island, they are locked in tough battles in three key states: Missouri, Tennessee and Virginia.

In all three states, Republicans say, their turnout machine could save the day. Tomorrow, Mr. Bush campaigns in Montana, where Republican hopes are fading for Sen. Conrad Burns, who trails Democratic challenger Jon Tester in polls.

Democrats, meanwhile, cite public and private polls as evidence they will be able to hold on to Senate seats in New Jersey and Maryland, the only two of theirs that have been under threat lately.

Republicans had hoped House races would turn on local issues, such as federally funded projects that incumbents have delivered, in effect protecting their candidates from voters' dismay over Iraq and Republican scandals. But in the campaign's final days, that dismay seems to be overwhelming local messages. A number of Republicans suddenly are considered in greater danger, and in areas of the country long friendly to the party.

Among them are Reps. J.D. Hayworth in suburban Phoenix, Gil Gutknecht in Minnesota, Barbara Cubin in Wyoming and Richard Pombo in California, chairman of the House Resources Committee. Open seats in Nebraska and Colorado, both Republican-leaning states, could fall into Democrats' hands. The developments have expanded Democrats' opportunities beyond the Northeast and Ohio Valley, the regions that have long offered their best chances of making inroads.

As they have since early in the election season, the president and his party are trying to shift voters' focus to two issues more favorable to Republicans: taxes and terrorism.

Late yesterday at a Georgia political rally, Mr. Bush fired off one of his most pointed election attacks to date, suggesting Democratic congressional leaders are potential threats to a successful war against terrorism. He also went after Massachusetts Sen. John Kerry, who reportedly told California college students Monday, "You know education, if you make the most of it, you study hard, you do your homework, and you make an effort to be smart, you can do well. If you don't you get stuck in Iraq."

After the president called the remarks "insulting" and "shameful" and demanded an apology, Mr. Kerry said Mr. Bush was the one who owes troops an apology, for "policies that have done injury to our troops and their families." The senator said his remarks were "a botched joke" that referred to Mr. Bush, not soldiers.

In the Journal/NBC poll, just 15% of voters named terrorism as one of the most important issues in their vote. That's fewer than half the 36% who named Iraq. Some 22% identify job creation and economic growth as a top voting issue. Lately on the campaign trail, Mr. Bush has charged that Democrats would raise taxes and harm economic growth.

In the two weeks since the previous Journal/NBC poll, the percentage of voters who say issues of moral values will be critical to how they vote jumped five points -- to 18% from 13%. That may be at least in part a reaction to last week's New Jersey Supreme Court decision that same-sex couples should enjoy the same rights and benefits in the state as heterosexual married couples. Christian conservative groups and Republican candidates they support have seized on the court's ruling to fire up potential voters.

Mr. Bush has also assailed the court's decision at rallies since last week. But generally, his efforts to steer the campaign debate to more favorable ground -- whether conservative values, taxes or terrorism -- appear to have been hobbled by the bloodshed in Iraq, where more than 100 U.S. soldiers died last month. In the latest poll, 63% of voters now disapprove of Mr. Bush's handling of the war.

That has helped sour assessments of Mr. Bush's job performance overall, and left many voters eager to send him a message. Just 39% of voters approve Mr. Bush's performance while 57% disapprove. By 37% to 22% voters say they will be voting to send a signal of opposition to Mr. Bush rather than support; 38% say their votes won't reflect their feelings about the president.

The Journal/NBC survey suggests that Republicans' closing campaign push has firmed up support among some traditional backers, while pushing others away.

White men, who marginally favored a Democratic-controlled Congress in early October, now marginally favor a Republican-led one. But white women, an important swing vote, have drifted away from Mr. Bush's party; they now favor a Democratic-controlled Congress by 52% to 38%.

Both sides hold the allegiance of nine in 10 of their own partisans. But Republican support in the electorate's center has virtually collapsed. By 49% to 25%, independents want Democrats to control Congress. Suburban voters favor Democratic control by a similar 51%-to-39% margin.

Democrats also retain an edge in excitement among their voters, an advantage that has built all year long. Voters who expressed the highest levels of interest in the election prefer Democrats to control Congress by 55% to 37%.

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It's Up To The GOP Base (HILL)

The Hill, November 1, 2006

Can the Republicans win control of Congress? They can if they want to. It is up to the vaunted GOP base.

According to the Zogby poll, Republican fortunes, while improving in early October, have fallen since. On Sept. 22, Democrats led in the generic vote poll (Do you plan to vote for the Democratic or the Republican candidate in your district?) by nine points, 42-33. But by Oct. 11, their margin was only three — 37-34. But by Oct. 24 it was back up to 11 points — 44-33 — enough for the Democrats to take control of the House and probably the Senate.

But if you dig deep into the Zogby poll, you find an astonishing fact — independents are turning to the Republican Party while Republican base voters are leaving it!

Among independents, the percent that plan to vote Republican has risen from 15 percent on Sept. 22 to 23 percent on Oct. 11 to 26 percent on Oct. 24. While independents are still voting for more Democrats, it's only by 38-26 compared with 38-15 last month.

But as the Republican Party has gained among Independents, it is losing its base. Republicans who plan to vote Republican in 2006 have dropped from 75 percent on Sept. 22 to 72 percent on Oct. 11 to 68 percent on Oct. 24! Obviously the impact of the Foley scandal has yet to diminish among the morality-minded Republican base.

Historically, the Republican Party is able to attract much more support from its base than the Democrats have been able to do from theirs'. But now Democrats are more loyal than Republicans. On Sept. 22, Zogby had 82 percent of the Democrats voting Democrats and 75 percent of Republicans voting Republican. By Oct. 11, party loyalty on both sides had dropped and only 76 percent of Democrats voted their candidates and 72 percent of Republicans backed their party. But by Oct. 24, Democrats had come back to their party and 81 percent were voting for its candidates while only 68 percent of Republicans were loyal to their ticket.

GOP problems with their base should be curable since Republicans largely agree with their party on all the major issues. Their disloyalty stems from the failure of the Republican Congress and President Bush to pass their agenda and concerns over financial and morality scandals in Washington.

If talk-radio show hosts, cable news stations, and the White House do what they do best – talk to their base – they should be able to turn the situation around. But so far their efforts have been unavailing.

But the Democrats have their problems too. Despite their huge national edge they are not leading in the key Senate races. For example, in New Jersey, Rasmussen's polls have the race between Republican challenger Tom Kean and Democratic Sen. Robert Menendez tied. But, in the same survey, New Jersey voters want Democratic Party control of the Senate by 54-36. So while the party is winning by 18 points, its candidate can manage no better than a tie!

And despite the national trend toward the Democrats, Missouri Republican Sen. Jim Talent still clings to a 50-48 lead over Democrat Claire McCaskill. Likewise in Tennessee, Rasmussen has Republican Bob Corker leading Democrat Harold Ford by 50-48.

To control the Senate, Democrats must win two of these three: New Jersey, Tennessee and Missouri and so far, they trail in two and are tied in the third.

Why are Democrats trailing so far behind the national party trend? Because Republican negative ads are working so well and the GOP financial advantage is making itself felt in individual races. The Democrats, dragged down by their suicidal decision to install the fundraising challenged Howard Dean as national chairman, are simply finding it hard to compete on the airwaves in key states. Even Clinton crony Harold Ickes's much heralded effort to fund Democratic races has fallen far short of its fund raising goals, having raised only $3 million of the projected $10 million for which he had hoped.

So voters in swing states are saying: "I want the Democrats to win, just not the guy running in my district." It is still too early to tell if the national Democratic trend will assert itself in the end or whether the Republicans can pull out the swing districts. But the key will be whether the GOP base itself genuinely wants a Republican Congress or not.

Morris and McGann, husband and wife, have written several books together, including Rewriting History, a rebuttal to Living History by Sen. Hillary Rodham Clinton (D-N.Y.).

Campaigner In Chief Has Limited Reach (WP)

By Dan Balz

The Washington Post, November 1, 2006

DES MOINES -- When President Bush swooped down here late last week, Republican House candidate Jeff Lamberti was happy for the high-level attention -- and the roughly $400,000 in contributions -- the short stopover produced for his campaign. But the man Lamberti is trying to unseat, Rep. Leonard L. Boswell (D), was no less happy to see the president in his district.

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As Bush's entourage was heading for Michigan and another campaign event, Lamberti said he would welcome the president back anytime. He also made it clear he does not want the president to be the issue that decides his fate next week: "I trust the voters to be sophisticated enough to know it's between the two candidates."

Boswell had another view, one that underscored the double-edged impact of a presidential visit this fall. Saying his challenger would be little more than a rubber stamp for the White House if he is elected, Boswell said Bush's visit might give both campaigns a boost. "If it ramps up their troops a little bit, it will ramp ours up, too," he said.

His name is not on any ballot this fall, but George W. Bush is the central issue of campaign 2006. Tuesday's vote will deliver a referendum on six years of Bush's leadership -- bold and principled or radically divisive, depending on one's political ideology -- and the wartime policies he has championed.

Other issues may come into play, congressional scandals and performance among them, but in the end, next week's verdict will be remembered for what it says about this president. With Bush's approval ratings hovering just below 40 percent, Republicans are braced for big losses.

GOP strategists know well that no political party has successfully weathered a midterm election with such an unpopular president in office. Bush's challenge as he campaigns in the final days of the election is to find a way to excite and mobilize a fractured Republican base without triggering an even bigger turnout among Democrats and Democratic-leaning independents that could cost his party the House or Senate.

As Election Day draws near, the president has taken on a new role for his beleaguered party, that of optimist in chief. On the stump, Bush is ebullient, defiant, humorous, partisan and totally focused on bolstering morale, mocking Democrats (and the pundits he says are in their pockets) for dancing in the end zone before they have scored a touchdown.

On the surface, he appears little changed from the confident campaigner of two and four years ago, vowing to take the fight to the terrorists, defending his policies in Iraq and shining a spotlight on a string of positive economic indicators. But almost everything about these final days of the 2006 campaign points to the differences between this and Bush's other national campaigns. The politician who has done more than anyone else over the past decade to build and expand the Republican Party has become a liability to Republicans in many parts of the country.

One GOP strategist, speaking candidly about the president on the condition of anonymity, offered this assessment: "I'd say he's at least 50 percent of the problem." In strongly Republican areas, he said, the president can still rally the party's base, but in more marginal districts, Bush is a drag on GOP candidates. "He's the problem," the strategist said. "He should stay away."

"Every midterm functions as a referendum on the president," said Republican pollster Bill McInturff. "In this case, I do think the Foley scandal and the feelings about Congress have made that story line much more muted and much less true." He added that next week's vote "is not a straight-up, yes-or-no referendum on the president."

In the midterm election four years ago, Bush swept through red and blue states in the final week of the campaign, producing Republican victories in places as disparate as Minnesota and Georgia. This year he has been forced by circumstance to pick his spots more carefully, focusing on areas where sympathy for his presidency is greater and opposition to the Iraq war less intense.

That has taken him twice to Georgia already this week, where there are two Democratic-held House seats that Republicans see as vulnerable. It has taken him to his home state, Texas, to campaign in the district held by former House majority leader Tom DeLay, a seat now in danger of tipping to the Democrats.

Later this week he will be in Montana, where Sen. Conrad Burns (R) has been in an uphill battle all year, and in Nevada, where Republican candidates for governor and the House are running into problems. He will touch down in rural Missouri and western Iowa, where Republican voters are plentiful but less motivated than needed to push Senate and gubernatorial candidates to victory.

But as if to underscore his more limited reach this fall, it was first lady Laura Bush who showed up in Connecticut on Monday to campaign for Rep. Nancy L. Johnson (R), one of three vulnerable GOP incumbents in the state. And it was Sen. John McCain (R-Ariz.) who was there Saturday to campaign for the other two, Reps. Rob Simmons and Christopher Shays.

Opposition to the war has forced Bush to avoid campaigning in these final days in many of the most competitive suburban districts this fall, said Rep. Rahm Emanuel (Ill.), chairman of the Democratic Congressional Campaign Committee. "Everywhere he goes, there's this banner above his head -- 'Failed Iraq Policy' -- in these suburban districts," he said.

Republican candidates have welcomed the president in their districts to help raise money for their campaigns, but they have run from him in their television ads. According to officials at the Republican House and Senate campaign committees, just one GOP candidate is using the president in a television commercial, LaVar Christensen in Utah's 2nd District.

Christensen has been running an ad that shows a photograph of him with the president. But the ad never mentions the president. Instead, it opens with a photo of former president Ronald Reagan, with Christensen describing himself as a "conservative, Ronald Reagan Republican."

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That hardly means Bush has been absent from television screens this fall. Democrats by the dozens have featured him in their ads, trying to tie their opponents to the president and his policies. Bill Burton, a DCCC spokesman, said that, as of the beginning of this week, Democratic candidates and the DCCC have run more than 90 ads in 34 districts featuring the president and the Democrats' opponent.

In Pennsylvania's 8th District, the DCCC attacked Rep. Michael G. Fitzpatrick for standing with Bush on stem cell research. In Colorado's 7th District, a party-sponsored ad shows footage of Republican candidate Rick O'Donnell coming off Air Force One with the president and ends with the announcer saying: "Rick O'Donnell. Radical ideas and another vote for George Bush's agenda."

In New Mexico's 1st District, Rep. Heather A. Wilson (R) comes under attack for "standing with Bush . . . echoing Bush . . . voting with Bush on Iraq." The tagline at the end reads: "Heather Wilson and George Bush. Nothing will change."

Rep. E. Clay Shaw Jr. (R-Fla.) came under attack in another ad for working with Bush to pass the prescription drug bill, which Democrats have criticized as a windfall for drug companies. "The drug companies shaped the law," the ad claims. "George Bush backed it, and Clay Shaw helped write it and ram it through."

To save his congressional seat -- in one of the more bizarre twists in this campaign -- Shaw has turned to another president to inoculate himself against attacks that he has marched in lockstep with Bush. Last week he ran a radio ad touting his cooperation with former president Bill Clinton, who was on his way to the state to raise money for Shaw's opponent, Democrat Ron Klein.

"The greatest moments of the Clinton years came when Democrats and Republicans worked together," the ad said. "Like welfare reform. . . . Signed by Bill Clinton and written by our congressman, Clay Shaw."

The ad went on to cite Shaw's work with Clinton to repeal the earnings tax on Social Security and the bill to restore the Everglades. "More than almost anyone else in Congress, Clay Shaw solves problems across party lines," the ad concludes. "So as Palm Beach County welcomes Bill Clinton to town, let's say 'thank you' to Clay Shaw. He's independent and effective."

With his approval rating just below 40 percent, Bush approaches Election Day less popular than all but two presidents in the post-World War II era. Only Harry S. Truman in 1946 and Richard M. Nixon, who had resigned three months before the 1974 midterms, were lower. Even presidents going into midterm elections with higher approval ratings than Bush's -- Dwight D. Eisenhower in 1958, Lyndon B. Johnson in 1966, Ronald Reagan in 1982 and Bill Clinton in 1994 -- have seen their parties suffer major losses.

The best any president has done with an approval rating below 50 percent was in 1978, when Jimmy Carter was at 49 percent. That year, Republicans picked up 15 House seats, exactly the number Democrats need this year to take control of that chamber.

Bush is less unpopular in states whose Senate races are likely to determine whether Republicans retain their majority. With most voters likely to vote Republican or Democratic based on their perceptions of his performance, those differences are enough to affect the outcome of those close races. That has prompted the president to put Missouri on his campaign schedule for Friday.

Bush also will return to Iowa on Friday. David Roederer, who was Bush's Iowa chairman in 2004, said Republicans wanted the president to add a late stop in heavily Republican western Iowa to help Rep. Jim Nussle (R), a gubernatorial candidate who is trailing Democratic Secretary of State Chet Culver -- in part because he is losing in his own congressional district in eastern Iowa.

"We need to have a good turnout in the west," Roederer said.

In past campaigns, Bush's late visits to Iowa have concentrated on the state's eastern battlegrounds. In 2002 he helped save several vulnerable House seats in eastern Iowa, and two years ago his efforts there helped turn Iowa, a blue state in 2000, to red. This year, Nussle's House district could fall to the Democrats. That Bush will campaign in safe Republican territory, rather than in a competitive House district, is one more indicator of the toll that six years and an unpopular war have taken on his presidency.

AP Poll: GOP Outreach To Blacks Falters (AP-Y)

By Nancy Benac, Associated Press Writer

AP, November 1, 2006

So much for the Republican charm offensive toward minorities. Black voters are far less likely to approve of the way President Bush is doing his job than voters generally and they are more likely to feel that the country is on the wrong track, disheartening news for a Republican Party that has been trying to curry favor with minority voters in recent years.

In what could be a particularly bad sign for Republicans in next week's midterm elections, black voters also are more likely to say that the Iraq war was a mistake and that recent disclosures of scandal and corruption in Congress will be very important to their vote, according to an Associated Press-AOL Black Voices poll conducted Oct. 23 through Monday.

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Black voters have historically voted Democratic, and their votes are critical to Democratic hopes to win tight Senate contests in Tennessee, Missouri and Virginia.

Unhappiness among black voters is reflected by L.C. Washington, a 41-year-old Democratic graduate student from Montgomery, Ala., who says Bush is "the worst president in history," not to mention "the dumbest president I've ever seen — he's the devil." Washington lays blame for a laundry list of ills at the Republican Party's doorstep.

"Republicans are trying to win over black voters," says Washington, but "not doing a good job. Doing a poor job — the war, gas prices, job losses and the layoffs."

Even among black Republicans, there clearly still is work for the GOP to do.

"I don't think Republicans are doing any kind of reaching out to African-Americans," said 71-year-old L.D. Harper of Springfield Gardens, N.Y., who's been a Republican since he was 18.

While black voters say Republicans have done a poor job of representing their interests, they also have misgivings about the Democratic Party. Almost half of black voters said the Democratic Party takes their vote for granted; about a third said the party has done a poor job of representing their interests.

About a fourth of blacks said they weren't confident their votes would be counted accurately.

On the issues, black voters were most likely to rate the economy and health care as extremely or very important to them personally.

The AP-AOL Black Voices telephone poll of 900 black adults, 361 of whom are likely voters, was conducted by Ipsos. The margin of error for the full sample is plus or minus 3.5 percentage points, 5 percentage points for the black likely voters. The overall likely voter results are from an AP-AOL poll released last week.

About nine of 10 black voters have gone for the Democrats in recent elections.

Republicans, particularly party chairman Ken Mehlman, have tried to reach out to minority voters in recent years. Bush's draw on the black vote inched up to a still-anemic 11 percent in 2004. But since then the party has taken a hit because of widespread dissatisfaction with how the Bush administration responded to Hurricane Katrina last year.

Only 38 percent of blacks are confident the federal government would help them in a major disaster, according to the AP-AOL poll.

And while the Republican Party has strongly pushed the candidacies of black Republicans in the coming elections, the survey offers little hope that black GOP candidates hold special appeal for minority voters. More than eight in 10 black likely voters say the race of the candidate makes no difference to them.

"It just depends on their platform," said Kassandra Williamson-Moore, a black Democrat from Indianapolis. "You can't just vote strictly by race."

Prominent black candidates this year include Republican gubernatorial hopefuls Kenneth Blackwell in Ohio and Lynn Swann in Pennsylvania, GOP Senate candidate Michael Steele in Maryland, and Democratic Senate candidate Harold Ford Jr., in Tennessee. Republicans Steele, Blackwell and Swann are behind in the polls; Democrat Ford is running about even with his opponent.

Blacks are disproportionately unhappy with Bush, 89 percent of likely voters disapprove, compared with 61 percent of all likely voters.

But blacks' approval ratings for Congress — disapproval ratings, actually — are roughly similar to those for all likely voters. Some 83 percent of likely black voters disapprove of the way Congress is doing its job, compared with 75 percent of all likely voters.

David Bositis, of the Washington-based Joint Center for Political and Economic Studies, said there's little variation in congressional approval numbers by race because Congress is so widely viewed as being "in the trash."

Overall, Bositis said, the Republican courtship of black voters sometimes looks like a case of "one step forward, two steps back."

"They're never going to succeed in attracting more African-American support until the party has some level of catastrophic failure and then decides to go back to the drawing board," he said.

Curtis Gans, director of American University's Center for the Study of the American Electorate, said voter turnout among blacks tends to be lower than among adults in general, but in 2004 they, like Americans overall, turned out in higher numbers.

He said voter discontent could boost turnout similarly this time, adding that: "The group that is the most uniformly anti-Republican at this time is African-Americans."

Two-thirds of black registered voters say they are following news about the campaign, compared with 71 percent of all registered voters doing likewise.

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EDITOR'S NOTE — Associated Press writers Will Lester and Kasie Hunt, AP manager of news surveys Trevor Tompson and AP news survey specialist Dennis Junius contributed to this report.

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On the Net:

Ipsos: http://www.ap-ipsosresults.com

Osama Isn't Running (LAT)

The Los Angeles Times, November 1, 2006

HARD AS IT IS to imagine now, there was a time in the not-so-distant past when the GOP was considered to be the "party of ideas." As the 2006 campaign draws to a merciful close, the only idea national Republicans seem to have left is that, when in doubt, accuse Democrats of being a bunch of terrorist-loving wimps. But as the boy who cried wolf learned the hard way, fear-mongering has its diminishing returns.

The strain of escalating demonization is starting to show. Sen. Rick Santorum (R-Pa.), a former GOP wunderkind now scratching for his political life, absurdly accused his opponent, Bob Casey Jr., this week of "aiding and abetting terrorism and genocide." This after airing a commercial in which Casey was shown next to Kim Jong Il and a mushroom cloud. An ad titled "The Stakes," produced by the Republican National Committee, features Osama bin Laden and his minions threatening more attacks.

Senate Majority Leader Bill Frist (R-Tenn.) last week characterized Democrats' Iraq strategy as "waving the white flag and surrendering." This just weeks after the spectacularly opportunistic retiring majority leader (who can forget the good doctor's "I've seen the video" second-guessing of Terri Schiavo's diagnosis?) concluded that the war in Afghanistan can't be won militarily.

The Republican message reeks of desperation; the party seems spent. That's the nature of the political cycle in Washington — parties eventually overreach after governing uncontested for a time, as their loyalists' desire to stay in power outlasts their enthusiasm for their own ideas. The only reason this election is a cliffhanger is the lack of inspired thinking by Democratic opposition leaders.

President Bush, meanwhile, is also getting into the fear-mongering. "The Democrat approach," he said this week on the stump in Georgia, "comes down to this: The terrorists win and America loses. And that's what's at stake in this election."

This is why much of the world considers our president a caricature figure — because on occasion he acts like one. It is expected and appropriate for parties to flesh out their differences on national security issues, but it should be a debate about means, not ends.

Part of the Republican playbook consists once again of conveniently confusing the war in Iraq with the post-9/11 war on terror. The disingenuous formulation remains: Criticize the war in Iraq and you're a Bin Laden sympathizer. Voters seem to be growing tired of such manipulation. Who knows, they may even notice that Al Qaeda's leader, in fact, has not been captured — except in the video montages of Republican campaign ads.

Big Business Donations Are Left Idle (HILL)

By Alexander Bolton

The Hill, November 1, 2006

Political action committees representing business interests have boosted their donations to House Democrats in recent weeks, but a significant chunk of that money has not gone to Democratic candidates.

Instead, the money has languished in the accounts of safe incumbents who have given little, or nothing at all, to Democratic candidates in the months leading up to Election Day.

The behind-the-scenes financial maneuvers have come to light in recent days with the filing of reports at the Federal Election Commission (FEC) disclosing fundraising activities through Oct. 18.

Among other interesting developments, the new reports show that Democrats who are poised to become influential committee chairmen if they win control of the House have reaped hundreds of thousands of dollars in political action committee (PAC) contributions over the past several weeks.

The flow of funds, most of it from business interests, who tend to give most of their contributions though PACs, is significantly higher than two years ago when Democrats were viewed as having a slim chance of capturing the House.

Rep. Jim Oberstar (D-Minn.), the ranking member of the Transportation and Infrastructure Committee, has raised $225,000 for his campaign account from PACs between July 1 and Oct. 18, drawing donations from PACs belonging to business giants such as CSX Corporation and 3M. That amount is nearly $70,000 more than he raised from such sources during a similar stretch in 2004. But during the recent three-and-a-half month period, a $1,000 contribution to Mike Erlandson was the only money he gave to a Democratic House candidate, fundraising records show.

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John Schadl, Oberstar's campaign spokesman defended his boss by noting that he has paid the entirety of his dues owed to the Democratic Congressional Campaign Committee (DCCC).

"Jim's one of those members who's always kept his dues paid up at the DCCC," he said. "Other members may have let that lag a little but Jim's been a supporter of the DCCC."

Schadl said that Oberstar paid the last installment of his $200,000 in dues last week when he transferred $50,000 to the party committee, a transaction not yet reflected in public reports.

But Oberstar has not given more to the DCCC than what he was asked earlier in the election cycle, before he and other prospective chairmen began reaping a windfall of business giving. Business contributions to Democrats have picked up dramatically since Congress adjourned at the end of September amid the House page sex scandal.

The ranking Democrats on other powerful committees have given lavishly to Democratic candidates as business contributions have begun to pour in.

Rep. Charlie Rangel (D-N.Y.), who would become chairman of the Ways and Means committee, raised $269,000 for his campaign coffers, mostly from business PACs, from the end of August to mid-October. During that time he has also given $156,000 to Democratic congressional candidates and $200,000 to the DCCC.

Rangel owed $300,000 in dues to the DCCC because of his ranking position on Ways and Means, but he has far exceeded that goal by having transferred $570,000 to the party committee, according to FEC records.

But other ranking Democrats have not been quite as generous, keeping most of the money they've raised recently, even though they are not considered in any electoral danger.

Rep. David Obey (Wis.), the ranking Democrat on the House Appropriations Committee, gave $50,000 to the DCCC in the last four months. But during that time Obey raised $203,000 from PACs, almost $40,000 more than what he raised over the same period in 2004.

In total, Obey has given $350,000 to the DCCC this election cycle, more than the $300,000 he owed because of his senior position on Appropriations. But some Democratic candidates may wonder why Obey kept the bulk of his recent fundraising haul despite having $679,000 in his campaign account and facing no real political opposition.

Rep. Collin Peterson (D-Minn.), the ranking member of the House Agriculture Committee, raised $180,000 from PACs between July 1 and Oct. 18. Peterson gave $14,000 to Democratic congressional candidates, even though he raised almost twice as much from PACs compared to a similar period in 2004. Prior to July, however, Peterson gave $250,000 to the DCCC.

Rep. John Dingell (Mich.) owes $300,000 to the DCCC because he is the ranking Democrat on the Energy and Commerce Committee. He has only given $100,000 to the party committee through Oct. 18. That is despite raising $346,000 between July 20 and Oct. 18, according to FEC reports.

During that time he has given $38,000 in contributions to Democratic congressional candidates. He has given more to local candidates in Michigan. He gave over $100,000 during that period to help state-level candidates in the Wolverine State. Dingell, who is serving his 26th term in the House, has $820,000 in cash in his campaign account.

On the Republican side of the aisle, several prominent Republicans have given surprisingly little to the National Republican Congressional Committee (NRCC).

Rep. Jerry Lewis (R-Calif.), the chairman of the House Appropriations Committee, has given only $10,000 from his campaign as of Oct. 18. That could be largely because Lewis is reportedly under federal investigation because of allegations that he did legislative favors in exchange for campaign contributions. He has accumulated hundreds of thousands of dollars in legal bills.

Rep. Tom Reynolds (R-N.Y.), chairman of the National Republican Congressional Committee (NRCC), has only transferred $10,000 from his campaign to the party committee. Reynolds is in a tough race but his colleagues may not accept that as an excuse. The so-called "Battleground" fundraising program Reynolds helped organized has asked even the most endangered Republican lawmakers to contribute $75,000 to the NRCC.

Retiring Rep. Joel Hefley (R-Colo.), who formally chaired the House ethics committee, again signaled his dissatisfaction with his party by giving only $1,000 from his campaign to the NRCC. Hefley was removed as chairman of the ethics panel after he presided over its decision to rebuke former House Majority Leader Tom DeLay (R-Texas) for several ethics transgressions.

House Resources Committee Chairman Richard Pombo (R-Calif.), who has since become embroiled in ethics allegations, has given nothing from his campaign to the NRCC, according to the most recent FEC records.

Pombo is favored to win reelection on Nov. 7, but his race is considered competitive.

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House lawmakers who have given the most from their campaigns through 10/18/06

Republicans

John Boehner (Ohio) $1,115,250

Jim McCrery (La.) $877,500
Spencer Bachus (Ala.) $736,000
Eric Cantor (Va.) $577,250
Roy Blunt (Mo.) $568,000
Dennis Hastert (Ill.) $560,000
David Dreier (Calif.) $525,000
Richard Baker (La.) $505,000
Lamar Smith (Texas) $489, 000
Thomas Petri (Wis.) $479,500
John Shadegg (Ariz.) $470,950
Ed Royce (Calif.) $440,800
Mike Oxley (Ohio) $400,500
Democrats
Nancy Pelosi (Calif.) $770,000
Steny Hoyer (Md.) $720,000
Rahm Emanuel (Ill.) $650,000
Charles Rangel (N.Y.) $570,000
Jim Clyburn (S.C.) $470,000
John Murtha (Pa.) $465,000
John Larson (Conn.) $400,000
George Miller (Calif.) $395,000
Louise Slaughter (N.Y.) $358,000
Norm Dicks (Wash.) $350,000
Hilda Solis (Calif.) $303,500

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Returning House lawmakers who have not given anything from their campaigns through 10/18/06
Republicans
Wayne Gilchrest (Md.)
Sam Graves (Mo.)
Mark Green (Wis.)
Mike Ferguson (N.J.)
Tim Johnson (Ill.)
Anne Northup (Ky.)
Richard Pombo (Calif.)
Jerry Weller (Ill.)
Edward Whitfield (Ky.)
Democrats
Julia Carson (Ind.)
Eddie Bernice Johnson (Texas)
Jim McDermott (Wash.)
Brad Miller (N.C.)
Gene Taylor (Miss.)
Source: FEC

Democrats Enjoy Resurgence (HILL)

By Jim Snyder
The Hill, November 1, 2006

Michael McKenna is a Republican and owner-operator of a one-man lobbying shop, MWR Strategies. Those facts led his client, energy company Suez, to ask him the following in a recent phone conversation: What does he plan to do if Democrats retake the House?

"What my plan is, is to adjust to a new reality," McKenna says he told executives from Suez, formerly known as Tractebel.

McKenna said that likely means he will work more closely with his Democratic colleagues through some sort of formal business agreement to lobby on behalf of his client.

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"There is no getting around the fact that [Democrats] are going to be more important," McKenna said. Even if Democrats fall short of retaking the House or the Senate, the margins in either body are likely to be narrowed.

Some version of the question posed by Suez executives is being repeated across Washington, as companies, associations and lobbying firms plan for the new reality after the midterm elections.

Many political observers predict Democrats will regain the majority in the House, or at least significantly reduce the voting margins held by Republicans. Less likely, though possible, is a Democratic takeover of the Senate.

While the election is still six days away, the strength Democratic candidates have shown has already produced one shift in Washington: Democratic lobbyists, once marginalized, are seeing a resurgence in their popularity.

"We've had more detailed conversations in the last month than we have had all year," says Patrick Murphy, a lobbyist who has been an active supporter of Democrats. Murphy joined mCapitol Management in July and has been aggressively marketing his ties to Democrats ever since.

"We are ready for the new transition," says Murphy, whose current clients include Eastman Kodak, the American Federation of Government Employees, and the Edison Electric Institute.

Lobbyists close to House Democrats in particular are stressing their ties. Not many lobbyists bothered with House Democrats, they say, because the caucus faced a disciplined Republican majority and had little ability to affect the course of House votes. Now those ties could produce new business.

"In 2005, things were pretty tough for a Democrat. Nobody thought we were going to win," said Steve Elmendorf, a former chief of staff to then-House Minority Leader Richard Gephardt (D-Mo.) , who is now in the midst of expanding his practice at Bryan Cave Strategies.

As they work to market themselves by stressing those ties, Democrats on K Street are also careful to strike a cautionary tone.

"Nobody's measuring drapes. Nobody's counting their chickens," Elmendorf said.

Any change in the political dynamic will affect industries differently. How members view issues relating to telecommunications, financial services or transportation doesn't necessarily depend on their party affiliation, Elmendorf said.

One industry, though, that may feel particularly nervous about a Democratic takeover is the energy industry, which is a traditionally strong backer of the Republican Party.

Democrats, meanwhile, have called for "windfall" profits on oil companies. A Democratic House may also investigate the rise in gasoline prices or Vice President Cheney's energy task force that often met in secret.

"There are companies that are definitely looking to hire Democrats," said John Northington of Thomas Advisors, a firm that specializes in energy issues.

Northington is a rarity: a Democratic lobbyist who specializes in energy production issues. Oil giant ExxonMobil hired Northington three months ago to lobby the White House on exploration issues and to reach out to Democrats in Congress.

Other lobbyists said energy companies have been calling them, too.

"It is evident across the board that energy companies are desperately trying to identify lobbyists with Democratic credentials, especially in the House," says Stephen Brown, a former counsel to Rep. Rick Boucher (D-Va.), who is in line to take over the Energy and Commerce Energy and Air Quality subcommittee if Democrats regain the majority in the House.

Brown, who now runs the energy and environment practice at Dutko Worldwide, a broad, bipartisan firm, said several companies have approached him in recent weeks. He declined to name the companies.

Brown favors some issues more aligned with Republicans, like opening the outer continental shelf to oil and gas drilling. But while his practice is bipartisan, Brown adds, "I can talk Democrat."

It may be easy to overstate the nervousness among business groups in town.

Democratic staffers have sought to ease any anxiety among business leaders in the run-up to the election. Many lobbyists don't predict wild swings in policy even if Democrats take over one or both bodies of Congress.

Don Duncan, a lobbyist at ConocoPhillips, said the most onerous measures proposed for oil and gas companies, like windfall profit tax, are unlikely to become law in an environment where the voting margins are close and there is a Republican president with veto power.

"Personally, I'm not that concerned with a change. We'll work with whoever is up there," Duncan said.

Most large companies and trade groups already employ a bipartisan staff, although Republicans, who have control of the House, Senate, and White House, are typically in the top spot.

"At the end of the day, you are going to have to have a strong bipartisan team," Elmendorf said.

But many Democratic lobbyists describe the environment in more hopeful terms than any time since Republicans took over the House in 1994.

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Through efforts like the K Street Project, Republican leaders have sought to put their own into top slots of trade groups or large companies. There is disagreement over how aggressively that effort was carried out. But Democrats maintain the effort was real and harmful to the prospects of Democratic lobbyists.

The Association of Oil Pipe Lines last week hired Shirley Neff, a former Democratic aide on the Senate Energy and Natural Resources, to lead the group.

Raymond Paul, a spokesman for the group, said Neff's Democratic background had nothing to do with the decision.

"Our executive search team didn't discuss party affiliation," he said.

While Neff will replace another former Democratic staffer, Benjamin Cooper, the association would likely have felt more pressure to hire a Republican a couple of years ago when Republicans were more firmly in control of Congress, one Democratic lobbyist said.

Win Or Lose, Some Republicans Are Already Pressing For Major Changes (HILL)

By Susan Crabtree

The Hill, November 1, 2006

Win or lose next week, the GOP needs some serious soul-searching, according to several rank-and-file House Republicans who already are arguing in favor of a post-Election Day leadership shake-up.

With just days before voters decide Republicans' fate, most lawmakers contacted for this article are focused on last-minute campaign and get-out-the-vote efforts and won't talk about post-election strategy.

Others, however, believe that change — be it in policy, process, or leadership matters —as soon as possible is the only way House Republicans can climb out of the rut they've been stuck in this cycle.

"If we lose the majority, I think it ought to be a clean sweep — a fresh start," Rep. Jeff Flake (R-Ariz.) said about the GOP leadership team.

He worries that if the GOP keeps even a fragile hold on its majority, the conference will stick with the same leadership course with only minor changes. This, in turn, will mean continuing to put too much emphasis on trying to keep the majority by handing out earmarks to vulnerable members and special favors to certain groups instead of standing for principles such as fiscal restraint.

Recent conference calls with GOP leaders have done nothing to calm his fears. "When you get on these conference calls … there's not much of a 'Mea culpa on what we've done wrong and here's what we're going to do,' " he said.

Even GOP lawmakers reluctant to discuss anything past Nov. 7 are preparing for a leadership scramble next week.

Rep. Marsha Blackburn (R-Tenn.) has indicated that she would like to run for the GOP conference chair, a key communications position now held by Rep. Deborah Pryce (R-Ohio), who is in the toughest reelection fight of her life. In the last month, Blackburn has hit the talk show circuit to press the GOP's case to voters, appearing on about 20 national TV shows, according to her spokesman.

"Right now everybody's focus is on Nov. 7 and those of us that are looking at leadership races know that the focus has to be on keeping our majority and helping our colleagues win … ," she said. "With that said, and as you look at the last year, we all know there will be a crowded field for different leadership posts when we get ready to have our elections."

Rep. Jack Kingston (R-Ga.), the conference vice chairman and a contender for the full chairmanship, has also hit the media circuit to speak out for Republican candidates. He also gave at least $365,000 from his campaign committee alone to the National Republican Congressional Committee, according to a recent Federal Election Commission report.

Kingston doesn't want to discuss leadership contests, and sticks to the GOP election script that Democrats would raise taxes if they retake control. But he concedes that Republicans need to make critical policy changes after the election, win or lose.

House Republicans must provide more oversight hearings on the war in Iraq and do more to end the nation's addiction to oil by developing viable energy alternatives. "We've got to provide better energy solutions," he said.

Flake is well known for fighting his leaders, especially against earmarks, but he also places some blame for GOP's poor standing on himself for failing to speak out more strongly at key times.

Flake said he deeply regrets not standing up and criticizing GOP leaders' decision early last year to purge the ethics committee of its Republican members after the panel admonished former Majority Leader Tom DeLay (R-Texas) for the third time for ethics violations.

"The rank-and-file members, myself included, should have stood up and screamed," he said. "Its just another indication that we're not policing our own and it goes to the whole earmarking culture [that led to the imprisonment of former Rep.] Duke Cunningham [R-Calif.]."

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If the ethics committee had been up and running last year when GOP leaders first heard about inappropriate emails former Rep. Mark Foley (R-Fla.) sent to a page, members would have been able to refer it to the panel for investigation. Democrats, at the time, were protesting the purge of GOP members and were refusing to meet the new Republicans on the committee.

"You can blame the Democrats, but we certainly gave them a reason to do what they did," Flake said. "We simply didn't have an ethics committee process that worked at a time when we needed it … I feel badly that I didn't say anything and neither did other members … it's a pox on all of us."

Other members would only speak anonymously of a growing desire within the conference to change at least some of its leaders no matter what happens next week.

"There's a heightened sense that there needs to be a different approach — a refocusing of our priorities," one lawmaker noted. "There is a lot of frustration."

When asked, several GOP sources said they believed that Speaker Dennis Hastert (R-Ill.) could announce his departure whether Republicans maintain the majority or not, although most believe it is more likely if Republicans lose.

Majority Leader John Boehner (R-Ohio) could run to replace him or, if in the minority, simply try to keep his job as leader, but he could face opposition in any race for a top spot from outspoken conservatives such as Reps. Mike Pence (R-Ind.) or John Shadegg (R-Ariz.). Majority Whip Roy Blunt (R-Mo.) is also weakened, GOP sources said, and would not fare well in a challenge against Boehner, who beat him for the post after DeLay stepped aside.

"I don't think anyone wants to see that redux," one GOP source remarked.

Others mentioned as possible leadership contenders include: Rep. John Carter (R-Texas) and Tom Feeney (R-Fla.). Reps. Tom Cole (R-Okla.), Pete Sessions (R-Texas) and Phil English (R-Pa.) are all running to chair the National Republican Congressional Committee.

Bill Kristol, editor of the conservative Weekly Standard, said, "If they lose the House, it might be time for a change in leadership for obvious reasons — fresh faces, fresh blood … All three would go—Hastert, Boehner, Blunt, from my outside point of view."

Kristol and several other lawmakers interviewed for this article believe at least two members of the team are safe from challenge: Chief Deputy Whip Eric Cantor (Va.) and GOP Policy Committee Chairman Adam Putnam (Fla.). Both are members of the Republican Study Committee, a large conservative group that has repeatedly challenged GOP leaders to rein in spending. Both have managed to stay above the fray through hard work. Many GOP sources say Cantor could rise in the GOP ranks, considering that he amassed roughly 170 votes in what was then only a hypothetical race for whip earlier this year.

"Eric's worked hard with the battleground program raising money... ," one GOP lawmaker said, "and conservatives and others who are unhappy with the direction of the conference always felt that he would support us if he were in a position to actually make decisions."

Ky. Republican In Toss-up House Race (AP-Y)

By Dylan T. Lovan

AP, November 1, 2006

Democrats have been targeting Republican Rep. Anne Northup for a decade to no avail, but that hasn't stopped them from betting once again that her political luck is about to run out.

Northup, a five-term incumbent, has a lot of advantages, including a prized seat on the House Appropriations Committee. She has raised twice as much money as her Democratic opponent.

But her ties to President Bush, mounting casualties in Iraq and her district's penchant for leaning Democrat has made the race against Louisville businessman John Yarmuth a virtual toss-up.

Bush is not popular here; the district went for Democratic presidential candidates John Kerry in 2004 and Al Gore in 2000. Four years ago, Northup held on to her seat by beating a political newcomer by just a few thousand votes.

"John Yarmuth wants to make this a race on the popularity of the president, which in this district is not that high," Northup said. "He makes two claims, that it's about President Bush or that I'm a rubber stamp for the president, and it's neither one of those."

Yarmuth, a former Republican who switched parties in 1985, said despite the war and the GOP's troubles, he thinks voters will be thinking about their pocketbooks on Nov. 7.

"Economic security has become the critical factor in their decision-making. They're being squeezed by health care costs, by energy costs and stagnant wages," he said.

A recent Bluegrass Poll by The Courier-Journal of Louisville showed Northup was favored 48 percent to 42 percent for Yarmuth, but that falls within the poll's margin of error of plus or minus 4 percentage points.

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Northup said a Yarmuth win would hurt the district, because of her prominent position on the Appropriations Committee and support of a billion-dollar project to build two new bridges on the Ohio River at Louisville.

"This project needs a champion every day," Northup said. She said the project could crumble if Yarmuth were to win the seat.

"If somebody blinks, just by benign neglect, it'll fall apart," she said.

Northup had a strong fundraising advantage as of mid-October, with nearly $900,000 left in her campaign coffers, compared to about $170,000 for Yarmuth.

Yarmuth's campaign is getting some late help from national Democrats.

The Democratic Congressional Campaign Committee began running a television ad critical of Northup on Monday night in the district. The 30-second spot is the first ad the DCCC has run in the district during the campaign, said DCCC spokeswoman Adrienne Elrod.

"This is a race that we definitely see as winnable," she said.

The Republican National Committee had no plans as of this week to run an ad on behalf of Northup, said Northup campaign spokesman Patrick Neely.

Northup has already survived four close races, repeatedly dashing Democratic hopes.

This year's close race has turned the campaign nasty, especially on the airwaves.

Northup's campaign has dug up opinion articles Yarmuth wrote when he was a columnist for a weekly alternative newspaper, the Louisville Eccentric Observer, that he founded. In television ads, she has accused Yarmuth of penning support for marijuana legalization, gay marriage and lowering the drinking age.

Yarmuth has said the columns were taken out of context by the Northup campaign, which created a Web site featuring snippets of Yarmuth's columns and TV appearances over the last 16 years. Yarmuth created his own rebuttal ad that pokes fun at Northup, saying he also "plays golf with Saddam Hussein" and "snatches toys from little children."

Northup's own ads have yet to mention that she is a Republican, and she has not invited President Bush to the district to campaign for her.

In a further distancing from Bush, she recently announced a shift in her views on the Iraq war, calling for the ouster of Secretary of Defense Donald H. Rumsfeld and saying the U.S. military policy needs a change of course.

Yarmuth called Northup's shift "obvious political posturing in the last moments of the campaign."

Northup's change didn't matter to retired truck driver Jim Vibert, who lives in Louisville's south end, a blue-collar area where Northup has won over many Democrats.

Vibert, a Republican, said he has soured on Bush but said he'll vote again for Northup. He said he believes her values are similar to his.

"She's more in line with the thinking around here," Vibert said while sipping coffee during lunch hour at a White Castle restaurant. "I think it's going to be a tight race."

Another south-end voter, Steve Fein, said he is supporting Yarmuth. He said strong gains by the stock market are not improving the economic situation of many in the middle class. He said Yarmuth is a thoughtful candidate.

"He has a lot of good ideas," Fein said.

Northup has held onto the district by effectively appealing to Democratic voters, said Phil Laemmle, a retired University of Louisville political science professor.

"What we have here is a large number of Democratic voters who have consistently voted for Northup," he said.

Laemmle said Yarmuth would be leading Northup if the problems plaguing national Republicans better motivated Democratic voters in the district.

"I think the election has been nationalized in many areas (of the country), but I don't think that strategy is as effective in Kentucky," he said. "It doesn't divide people as much as it does in other districts. If that were the case, Yarmuth would be in a much stronger position."

8th District Battle In Washington A Surprising Tossup (USAT)

By John Ritter

USA Today, November 1, 2006

ORTING, Wash. — By all rights, Republican Rep. Dave Reichert shouldn't be having such a tough time winning a second term.

He's the popular former King County sheriff who brought the Green River serial killer to justice in 2001. He represents a district that has never elected a Democrat. His opponent has never held public office, while he's a 30-year public servant. As a freshman on Capitol Hill he landed a coveted post: chairman of a Homeland Security subcommittee.

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Yet Reichert's race against Democrat Darcy Burner, a former Microsoft manager, is rated a tossup and considered a key race if Democrats are to regain control of the House. A poll Oct 24-26 by Constituent Dynamics, an independent research firm, had Burner leading 49% to 47%.

Heavy hitters from both parties — including President Bush, Vice President Cheney and Democratic Sens. John Kerry and Barack Obama — have stumped this fast-growing, affluent suburban region. Al Gore appeared last month with Burner and Democratic Sen. Maria Cantwell and lambasted Reichert on global warming.

The national parties have funneled in gobs of money: $1.5 million from the Republicans and nearly $900,000 from the Democrats has been spent so far. The candidates themselves have raised a combined $5.1 million.

Reichert's unexpected struggle against a political novice is due to growing opposition to the Iraq war and scandals in the Republican-controlled Congress, to the 8th District's changing demographics and to Burner's well-financed campaign, political analysts say.

Burner, 35, tries to paint Reichert, 56, as a Bush apologist. Reichert maintains that he votes independently and doesn't always toe the party line. Burner has not called for withdrawing the troops but says Congress should be more assertive over Iraq policy. Reichert says troops should stay put until Iraq's government and economy are stable.

"This is a referendum on national politics, the Bush administration and the Republican Congress," says Todd Donovan, a political scientist at Western Washington University. "If she can find a picture of him getting on Air Force One with George Bush, that's in her ads."

If Burner were running in any other year, Reichert says, "she wouldn't have this kind of showing. All she has is to paint me with the Bush brush. … But Congress is not running the war. We shouldn't be calling the shots. We have been and will continue to ask tough questions and provide oversight."

Burner says voters she talks to have turned against the war. "They understand that Bush's strategy in Iraq has failed," she says. "They look at (Reichert's) voting record and the times he's voted with his party and President Bush. They understand if they want to change course, they have to change him."

Shifts in the district, packed with bedroom communities of commuters to Seattle and Tacoma, haven't helped GOP candidates, says David Olson, a University of Washington political science professor. Recent Asian and Russian immigrants have dropped income levels a bit in the state's most prosperous district.

Bellevue, the district's largest city, "is not the rock-ribbed Republican city that it once was," Olson says. "There's a significant group of blue-collar workers. … That's not the usual image we think of" here.

Wealthy voters usually associated with GOP values are more tech-centered here and tend to be moderate on social issues. "Very much like Silicon Valley," Donovan says.

Women could be a key. "On everything from school prayer to abortion, women in these satellite suburbs are economic conservatives and social liberals," Olson says. "That makes a Darcy Burner an attractive candidate."

In Congress, Reichert reversed his opposition to more federal funding for research using embryonic stem cells after, he said, he investigated the issue. "This is no dyed-in-the-wool follower of the Bush line, up, down and sideways," Olson says. "Part of that is driven by the social liberalism of women in this district."

Here in Orting, in eastern Pierce County, change has been rapid. The city has tripled in size to 6,000 since the early 1990s, including a 12% growth rate in the last year alone. Most of the influx was families with children looking for affordable housing, a group that might have moderated a historically conservative rural town, says city administrator Mark Bethune.

Or maybe not. Stan Gunno, a general contractor among 25 or so who turned out last week for Reichert's appearance, says the congressman will support "finishing the job" in Iraq. Burner, says Gunno, "is running a campaign against George Bush instead of running against her opponent."

Another Reichert supporter, retiree Dixon Blackmer, 67, likes it that Reichert "supports the administration most of the time."

"You want to know if I support Bush and the war? Absolutely," he says. "You want to know do I think we need an exit strategy? Yeah, he has one: We're going to win."

A Democrat In Nebraska (NYT)

By Jeff Zeleny

The New York Times, November 1, 2006

This year, open seats have become dangerous territory for Republicans. Only months ago, Scott Kleeb, left, a 31-year-old cattle rancher who is running in Nebraska's Third Congressional District, where voters have not sent a Democrat to the House since 1958, could barely get an audience with Democratic leaders.

This week, after a poll showed Mr. Kleeb with a slight edge, the party sent $100,000 his way. The Republican, Adrian Smith, a 36-year-old real estate agent, had hoped to slip into the seat being vacated by Representative Tom Osborne.

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As he campaigns, Mr. Kleeb quips: "I'm a Democrat, and I'm a bull rider. Now which of those two things do you all think is more difficult to be in Nebraska?"

Rep. Wilson Getting Help From Debate, 5-foot Duck (HILL)

By Josephine Hearn

The Hill, November 1, 2006

ALBUQUERQUE, N.M. — It is a sign of the times for Republicans that the political survival of Rep. Heather Wilson (R-N.M.), a five-term incumbent and straight-laced U.S. Naval Academy graduate, may now depend on a woman in a duck suit.

Wilson trotted out this campaign prop last week to bring attention to her Democratic rival Patricia Madrid's "ducking" of debates. The unabashed tactic was a page from a challenger's playbook — an easy ploy to draw media attention to a flagging campaign — and it underscored Wilson's position as the underdog in the polls.

"You don't need to know the latest insider tracking polls to know that … Heather Wilson is having trouble closing out her race with rival Patricia Madrid. You just have to know about the duck," quipped New Mexican blogger Joe Monahan.

By Saturday, however, the duck was earning its keep in media stardom. A Madrid supporter had allegedly stomped on its webbed foot in a tussle outside a Democratic rally, prompting a call to police.

"The gentleman stepped on my foot purposely," sobbed the wounded waterfowl, Kathleen Hennessey, a campaign volunteer on leave from Rep. Mario Diaz-Balart's (R-Fla.) office. The Wilson campaign speedily distributed the video to news organizations, drawing attention away from the rally with House Minority Leader Nancy Pelosi (D-Calif.) and Los Angeles Mayor Antonio Villaraigosa (D).

The duck appeared on crutches with mock bandages a day later.

The avian performance, coupled with ads highlighting Madrid's gaffe in the candidates' one televised debate, are the incumbent's last-ditch maneuvers to stave off an impending Democratic wave.

The last six independent polls in the race have shown Wilson tied with and then trailing Madrid, the state attorney general, marking the first time the perennially vulnerable incumbent has been behind her challenger.

Democrats have sought to nationalize the race by charging that Wilson is a "rubber stamp" for President Bush and congressional Republicans. As approval ratings for national Republicans have slumped so too have Wilson's poll numbers.

"I'd vote for whatever Democrat, any Democrat to take over this Congress," said Robert Lovelace, 56, the night manager at an Albuquerque Econolodge, who describes himself as "a moderate Republican or moderate Democrat." He said he knew little about the race but planned to vote. "The Republicans are in control of everything. They just have too much power. You learn who tells the truth and who hands you a crock of bull."

But political observers expect Wilson to rally in the final week of the race.

"I expect it to further tighten," said Brian Sanderoff, an independent pollster in Albuquerque whose three surveys in the race have shown Wilson leading 45-42 percent, then tied at 44 percent, then trailing 42-45 percent. "Nationally it's not going well for the Republicans, but I haven't seen the Madrid forces counter the buzz about the debate. The Wilson campaign has skillfully developed an ad based on Madrid's debate faux pas that to me looks quite devastating."

During last week's high-ratings televised debate, Wilson asked Madrid to "cite something … that will give the people of New Mexico some kind of reassurance that you will prevent a tax increase."

Madrid was flummoxed, fumbling for 12 seconds before launching into a response about the proportion of the tax cuts that went to the upper class.

"It's been a long time since I've heard that much dead air time on Channel 4!" quipped Wilson afterward.

The Wilson campaign repackaged the exchange into an ad that began airing Sunday with the tagline "Patricia Madrid … Don't take the risk."

That approach could resonate with voters like Richard Anglada, 48, an Albuquerque real estate broker.

"Whether I'm low-income or high-income, I hate taxes. I don't like all the taxes the Democrats would propose," said Anglada, a Democrat. "I am leaning towards Madrid, but I just hate that tax issue. I would probably make up my mind on taxes."

In the past, it has been Democrats and Hispanics that have propelled Wilson to victory in a district where Democrats outnumber Republicans.

In Sanderoff's first poll in the race, in which Wilson was leading, she had 35 percent of the Hispanic vote and 17 percent of Democrats. In his third poll, Hispanic support had dropped to 20 percent and Democratic backing to 10 percent.

"Simple math in this district tells you the Republican wins by luring Democrats and Hispanics," Sanderoff said.

Wilson was clearly aware of those calculations. She held a "Democrats, Hispanics Pledge Support for Heather Wilson" event Sunday with New Mexican musician Al Hurricane.

Tuesday, a prominent Democrat was predicting an exceedingly tight race.

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Democratic Governor Bill Richardson told the Albuquerque Tribune that Madrid would prevail by one half of one percentage point.

Drug Benefit Is Popular, But Not Touted Much By GOP (HILL)

By Jeffrey Young

The Hill, November 1, 2006

Republican lawmakers looking to change the subject from unfavorable issues such as the war in Iraq have by and large avoided claiming credit for what the White House views as one of the GOP majority's signature domestic-policy accomplishments: the Medicare prescription-drug benefit.

President Bush and congressional leaders such as House Majority Leader John Boehner (Ohio) and Senate Majority Leader Bill Frist (Tenn.) have urged GOP incumbents to shift the electoral debate toward matters that they say demonstrate the effectiveness of Republican-controlled government.

But few candidates have actively highlighted their support for Part D, which has been under constant Democratic fire. House Minority Leader Nancy Pelosi (Calif.) has vowed to begin the process of altering the program within the first 100 hours of the next Congress if her party takes control of the House.

Democrats have maintained their drumbeat of criticism of Part D — frequently referring to it as a "disaster" — even as the program appears to have stabilized from significant logistical problems during its rollout in January.

The program has proved popular with those beneficiaries who have joined the Part D program, according to numerous opinion polls.

J.D. Power and Associates released survey findings in September showing 75 percent of Part D enrollees were satisfied with their benefits. This week, the AARP, which endorsed the bill to create the program, issued survey results showing that 48 percent of voters age 42 and older think the program is good for senior citizens, compared with 26 percent who think it's bad.

Bush, Boehner and other Republican message-makers have responded sharply to Democratic criticisms, pointing to such polls and the millions of people newly receiving drug coverage under the program.

But except for the administration, the GOP has been mostly reactive to Democratic assaults rather than aggressive.

Republican campaign sources identified some exceptions on the campaign trail, such as GOP Reps. Nancy Johnson (Conn.) and Clay Shaw (Fla.), and GOP Sens. Jim Talent (Mo.) and Jon Kyl (Ariz.). Each lawmaker is locked in competitive reelection battles against opponents who have targeted them for their roles in drafting the Medicare drug bill.

Nationally, however, the Republican election effort has shied away from Medicare Part D. Neither the National Republican Congressional Committee (NRCC), the National Republican Senatorial Committee nor the Republican National Committee has run any advertisements highlighting the program this year, spokespeople for the organizations said.

While the national campaign operations have chosen not to highlight Part D, big business has. Between July and September, the U.S. Chamber of Commerce paid for television spots targeting eight Senate races and 26 House races. The advertisements praised lawmakers by name, including some Democrats, for their votes in favor of the bill that created Part D.

In 2003, Bush and the congressional Republican leadership cajoled an often recalcitrant rank-and-file to support the legislation to create the drug program with promises that tackling the potent Medicare issue would win them strengthened support among the politically motivated older voting bloc.

The president reiterated this argument last month. "My own view is our candidates and the people who voted for this ought to be out there traveling to senior centers all over their districts and their state, saying, 'Look what we did,'" Bush remarked on Oct. 20, the AP reported.

One of the central figures in the creation of the program agrees. "They're crazy not to take credit for it," said former Medicare chief Tom Scully, who added, "It's a huge positive in my opinion." Scully left the administration three years ago and now works as a lobbyist at Alston and Bird and is a partner at the New York-based investment firm Welsh, Carson, Anderson and Stowe.

One Republican campaign operative denied that GOP candidates would not benefit from Part D this year. "Just because it's not a central theme in every race … doesn't mean it's not a political winner," said NRCC spokesman Ed Patru.

Scully suggested that Republican candidates simply are not comfortable taking credit for an expansion of an already large entitlement program. "Republicans traditionally are fearful of talking about Medicare," he said.

Moreover, Scully said, the low-income people who stand to benefit the most from the program do not usually support Republican candidates.

The program may be popular with Medicare beneficiaries, but it is not with segments of the GOP. Fiscal conservatives in particular were displeased that Republicans enacted the largest entitlement-program expansion since Medicare itself was created during the Johnson administration.

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The measure passed the House over the objections of 25 Republicans who voted against it and with the support of at least a handful who gritted their teeth when voting for it.

The electoral atmosphere also simply is not conducive to Republicans touting their accomplishments, said GOP pollster Bill McInturff of Public Opinion Strategies.

Furthermore, Part D does not appear poised to play a significant role in voters' decision-making this year, McInturff said. The public's reaction to the drug benefit has been "muted" and the issue has made only a "very modest" impression on voters younger than 65 years old, he said.

Democrats Discover New Political Frontier (NYT)

By Carl Hulse

The New York Times, November 1, 2006

LAKEWOOD, Colo., Oct. 31 — Campaigning in suburban Wheat Ridge in the rapidly fading October twilight, Ed Perlmutter, the Democratic Congressional candidate, knocked on the door of Maxine Dunham, a registered independent.

"Already voted," Mrs. Dunham quickly reassured Mr. Perlmutter, peering out to tell him he had locked up her support. "You can relax."

Mr. Perlmutter is probably unlikely to relax in the final days of his closely watched race with Rick O'Donnell, his Republican opponent, as the two kick their sophisticated get-out-the-vote machines into high gear. But Mr. Perlmutter and fellow Democrats in Colorado and neighboring states believe that unaffiliated voters like Mrs. Dunham are the key to what could be a turnaround in the party's political fortunes in the region.

Despite a Republican edge in registration, Democrats are discovering the Mountain West — and Colorado in particular — to be a new political frontier as the party benefits from a potent mix of changing demographics, anger over the war in Iraq, resentment toward conservative social initiatives and millions of dollars' worth of advocacy advertising.

Republicans acknowledge that the political terrain is shifting along the Continental Divide but argue that any realignment will be temporary and due to the Iraq war more than any other factor.

"We still have more registered Republicans by a pretty significant margin," said Representative Tom Tancredo, an advocate of tough immigration laws who is running for re-election in a nearby district, "but it certainly appears an increasing number of independents or unaffiliated voters are now breaking more for the Democrats than the Republicans."

If that trend holds, Democrats could be in for a big day next Tuesday. The Democratic candidate for governor, Bill Ritter, is leading in his race against Bob Beauprez, a Republican congressman. If Democrats can retain control of the State House and Senate, which they gained in the 2004 elections, they would have total control of the state government for the first time since the early 1960s.

"It really is incredible," said Tom Schaller, a political scientist at the University of Maryland who explores the potential for Democratic gains in the West in a new book, "Whistling Past Dixie." "They had nothing three years ago."

Mr. Perlmutter has consistently led in polls in the Seventh District race in the Denver suburbs. Should he win, it would give Democrats at least a four-to-three advantage in the state's Congressional delegation. The fact that two other House races are even remotely competitive illustrates the changed political dynamic after years of Republican dominance.

In neighboring states, Democrats are seen as having a good chance of capturing a Senate seat in Montana, are battling in what should be safe Republican House seats in Idaho and Wyoming, and have their eyes on Republican seats in Arizona and New Mexico.

The increasingly blue tinge of the formerly red region — some say it gives new meaning to the phrase "purple mountains" — has the national party seriously considering holding its 2008 presidential convention here at the foot of the Rockies.

Republicans are hardly surrendering. Mr. O'Donnell is pushing ahead and on Monday trumpeted an endorsement from Senator John McCain, Republican of Arizona, hoping the McCain name would resonate with independents.

Using a high-tech voter identification model, Mr. O'Donnell spent more than $30,000 to mail a letter of support from Mr. McCain along with his own 38-page platform to 20,000 independents and Democrats deemed receptive to the message.

"It was sent very strategically," said Mr. O'Donnell, who believes he can pull off a victory, although he acknowledges a tough environment for Republicans. "I picked a heck of a year to run for Congress," he said Tuesday as he led volunteers on a local cleanup campaign intended to send the message that he would also help clean up Congress.

Mr. Perlmutter has also focused on independents, trying to sway them by presenting his case that Republican control of Washington has been a failure. "I just think that over the last few days the unaffiliated voters have really been watching what is going on closely, and they are leaning to the Democratic side," Mr. Perlmutter said.

Mr. O'Donnell said he believed that Democratic electoral expectations in the West were overblown and that even if Democrats did have some success, Republicans would quickly recover.

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Analysts and activists say the Democratic rise has been building quietly but steadily. Robert Duffy, a political science professor at Colorado State University, said he thought Republicans began losing the public's confidence after 2002, when the General Assembly was not seen to be responding strongly to an economic downturn but was instead caught up in political fights over redistricting and other peripheral issues.

"The state legislature and the governor seemed to be incapable of doing anything about it," Dr. Duffy said of the economic situation.

He and others said that many in the West, where Republicans exhibit a pronounced libertarian streak, had also grown weary of the social agenda that stirs Republicans in the South.

"They want someone to provide solutions to problems, and they are tired of the government getting too much in their business out there," said Nancy Keenan, a former state legislator in Montana who is now president of Naral Pro-Choice America, an abortion rights group that has been actively engaged in Western Congressional races.

In one respect, the region's conservative leaders have fallen victim to their own success. Exerting strong control over the party in many communities, conservatives have been able to deliver victories for their candidates in party primaries over more moderate Republicans.

But the conservatives then struggle in the general election, sometimes because of hard feelings over the primaries, and Democrats have been able to sneak in. Party infighting over an open Republican House seat in the district around Colorado Springs is considered a factor in giving Democrats a chance at that seat.

Members of both parties say there is another important but less well-known explanation for Democratic success in Colorado: an assertive advocacy campaign by wealthy progressives in the state who have poured millions of dollars into pro-Democratic advertising through independent 527 organizations, groups so named after the provision in the tax code that allows political spending as long as it is not formally coordinated with parties or candidates.

The 527 groups were considered instrumental in the 2004 elections, when Democrats achieved a surprising takeover of the legislature and, at the federal level, won a Senate and a House seat. They have been active again this year, particularly in an effort to unseat Representative Marilyn Musgrave, who has supported a proposed constitutional amendment to ban same-sex marriage.

Democrats say the 2004 gains laid the groundwork for an expansion this year because the Democratic legislature was able to work with the departing Republican governor and address pressing problems in education, health care and immigration, demonstrating to skeptics that Democrats could govern.

Both Mr. Perlmutter and Mr. O'Donnell, competing for the open seat now held by Mr. Beauprez, have said throughout the campaign that they will bring a similar sensibility to Washington, promising to inject new thinking into a Congress that has been plagued by partisanship and stalemate.

Now it is up to the voters in this evenly divided district, where the romance of the Rockies meets the pressures of 21st-century suburbia, to make a choice.

"I think people are ready," Mr. Perlmutter said. "They have seen enough ads."

How The GOP Lost The North (WP)

By Harold Meyerson

The Washington Post, November 1, 2006

Most of the House seats that the Democrats are expected to take from Republicans are in the Northeast and industrial Midwest, heartland of the old Republican Party of Lincoln, McKinley and Eisenhower. Many of the Republicans holding these seats are a distinct minority in a party now dominated by Southerners who are more supportive of executive branch authoritarianism and yet also more government-phobic. And the Republican moderates, judging by their own comments, are boiling mad that the Democrats are going after them.

"There is no one who has voted more often with the Democrats than Linc Chafee," Susan Collins, the Republican senator from Maine, told the New York Times of her Rhode Island colleague, who is trailing Democrat Sheldon Whitehouse in the polls. "Yet that didn't stop them from going after him with everything they had."

And we all remember how moderate Republicans stopped the conservatives who control their party from going after moderate Democrats in previous elections, right? How they pleaded with Tom DeLay not to push through his mid-decade reapportionment of Texas, which led to the ousting of such veteran conservative Democrats as Rep. Charles Stenholm? How they deplored the campaign that Republican Saxby Chambliss waged against Georgia Democratic Sen. Max Cleland, who'd lost both legs and an arm in Vietnam, for being soft on national security?

Indeed, it was precisely the Republicans' success at defeating the centrist and center-right Democrats in the South over the past two decades that has driven the GOP steadily rightward. And for all their protestations of moderation, the northern

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Republicans -- from Susan Collins to Lincoln Chafee to Rep. Chris Shays -- abetted that transformation. While some of them may have favored raising the minimum wage, all the Republican moderates in the House voted for rules that prohibited the Democrats from bringing a minimum-wage hike to the floor unless, as their Republican leaders dictated, it was linked to other provisions (such as a permanent repeal of the estate tax) that would doom it in the Senate. While they may have harbored doubts about the wisdom of the president's course in Iraq, their party conducted no oversight hearings.

Since George W. Bush's election, the rightward gallop of the Republicans has only accelerated. Karl Rove became convinced that independent voters were a myth, prompting Bush to govern as if only his most conservative supporters really mattered. Denny Hastert let no bill come to a vote in the House unless a majority of the Republican caucus backed it -- essentially giving veto power to the House right-wingers. Gerrymandering has made many Republican members more fearful of a primary challenge from the right than of a Democratic challenge in the general election.

But what next week's election seems likely to illustrate is that the laws of thermodynamics -- in particular, the one that states that for every reaction there is an equal and opposite reaction -- have not been repealed. Upstate New York, the Philadelphia suburbs, Connecticut's tweedy enclaves and the Microsoft precincts surrounding Seattle seem poised to show that they've had it with the party that restricts funding for stem cell research. In Arizona and Colorado, secular libertarians have grown estranged from the party that invested the power of the federal government in the cause of keeping Terri Schiavo in a vegetative state. In Ohio, voters look to be revolted not just by the corruption of their state and national Republican parties but also by the party's indifference to the collapse of the state's industrial economy.

Historically, the major parties in America have yoked together the most disparate groups for long periods. The New Deal Democrats were a party of Northern liberals and Southern segregationists. But once Lyndon Johnson committed the Democrats to civil rights for African Americans, the white South up and left -- a process that took 40 years to complete but that left the Democrats struggling to assemble congressional and presidential majorities and that converted the Republicans into a party where Southern values were dominant. Now the non-Southern bastions of Republicanism may themselves up and leave the GOP, seeing it as no longer theirs.

Susan Collins may protest that she has a quarrel with the Democrats, but it's her own party that provoked this transformation. And in a larger sense, her quarrel is really with history.

What If It's A Tie? (NYT)

By Kate Zernike

The New York Times, November 1, 2006

With polls nail-bitingly close, one possible result is that the Senate will divide 50-50 between the two parties. For a hint of how that may work, consider the only time that has happened, for six months in 2001 (before James M. Jeffords, then a Vermont Republican, became an independent to caucus with the Democrats), when the two parties worked out a collegial power-sharing agreement. Republicans maintained control of the Senate because Vice President Dick Cheney had the power to break tie votes.

But while the Democrats lost a bid to have co-chairmanships of committees, they won an equal number of committee seats and an equal share of the money to run them. Senator Tom Daschle, the Democratic leader, called it "miraculous"; Senator Trent Lott, the Republican leader, called it "a framework for bipartisanship." But that was fresh off the 2000 elections, when everyone was pledging bipartisanship.

Could it happen again? Democrats admit they have considered the possibility, "What was done in 2001 should serve as a useful framework," said Jim Manley, a spokesman for the Democratic leader, Senator Harry Reid. Not so fast, the Republicans say. They do not want to be seen even considering the idea of losing control, so much so that a senior Republican aide would speak only anonymously. "If the Senate were ever to return to that ratio," the aide said, "the previous agreement is not precedent."

GOP Grip On Senate Hinges On Tight Races (WT)

By Ralph Z. Hallow

The Washington Times, November 1, 2006

Republicans say the latest evidence gives them reason to think they will maintain control of the Senate, although Vice President Dick Cheney may not feel free to leave Washington often during the next two years.

"There is this for the Republicans -- at least the bleeding seems to have stopped on the Senate side, and in a few House races," said pollster John Zogby. "Republicans can still turn this around."

Race-by-race surveys of Senate contests by pollster Scott Rasmussen show that Republican-leaning voters may be "coming home" in closely watched states like Tennessee and Missouri, while the GOP is poised for a potential upset in Maryland.

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To prevent Democrats from taking over the Senate, Republicans must hold their net losses to five -- which would leave the Senate split 50-50, with Mr. Cheney available to cast a tiebreaking vote -- and election analysts say four of the GOP's incumbent senators likely will fall on Nov. 7:

·Mike DeWine in Ohio is now trailing Democratic Rep. Sherrod Brown by such a wide margin -- 20 percentage points in one poll -- that even some Republicans now privately describe Mr. DeWine as "road kill."

·Lincoln Chafee of Rhode Island is one of the most liberal Republicans in the Senate, and polls indicate a large and growing lead for his Democratic rival, former state Attorney General Sheldon Whitehouse.

·Rick Santorum in Pennsylvania -- a reliable foe of abortion and same-sex "marriage" and a strong supporter of President Bush -- trails pro-life Democrat Bob Casey by 16 percentage points in the latest poll.

·Conrad Burns in Montana is trailing Democratic state Sen. Jon Tester, and has been hammered by Democratic ads highlighting the Republican's involvement in the Jack Abramoff lobbying scandal.

Meanwhile, Republicans have been buoyed by a strong stretch run by Republican Lt. Gov. Michael S. Steele in Maryland, where the former state Republican Party chairman seeks the seat being vacated by Democratic Sen. Paul S. Sarbanes.

Mr. Steele still trails Democratic Rep. Benjamin L. Cardin in most polls, but turned in a solid debate performance Sunday on NBC's "Meet the Press" and this week won the endorsement of important black Democrats in Maryland. "If he gets over 20 percent of black vote statewide, it does have a significant impact for the politics of both parties," Mr. Zogby said.

Republicans have also hoped to pick up a Democratic seat in New Jersey. However, six different major polls since Oct. 10 show Republican Tom Kean Jr. trailing Sen. Robert Menendez by as many as 6 percentage points in a state where institutional advantages favor the Democratic incumbent. "If we had a functional party in New Jersey, we might win that one," said one veteran Republican observer.

Republicans say they feel increasingly confident about holding onto the Tennessee seat being vacated by retiring Senate Majority Leader Bill Frist. The most recent CNN poll showed Chattanooga Mayor Bob Corker with a 52 percent to 44 percent lead over Democratic Rep. Harold E. Ford Jr., although Rasmussen showed a much narrower 49 percent to 47 percent lead for Mr. Corker.

Perhaps the most encouraging recent development for Senate Republicans has been the comeback by Missouri Sen. Jim Talent, who some polls had shown trailing by as much as 9 percentage points to Democratic challenger Claire McCaskill just three weeks ago.

The most recent polls indicate the Missouri contest is a dead heat, with CNN showing both candidates at 49 percent, and Rasmussen giving Mrs. McCaskill a 48 percent to 47 percent lead.

However, Republicans have become concerned as recent polls show Sen. George Allen losing ground in Virginia. A Rasmussen poll released yesterday showed Mr. Allen with 46 percent to 51 percent for Democrat James H. Webb Jr., a former Republican who served about a year as Navy secretary in the Reagan administration.

Republicans says that their well-honed voter-turnout operation can make the difference in close races, but election analyst Charlie Cook remains skeptical about Election Day prospects for the GOP.

"In the House, Republicans are most likely to see a net loss of 20 to 35 seats, and with it their majority," Mr. Cook wrote in the latest issue of National Journal. "In the Senate, the GOP could lose at least four, but a five- or six-seat loss is more likely."

Poll: GOP Corker Leads In Tenn. Senate Race (USAT)

USA Today, November 1, 2006

Tennessee Republican Senate nominee Bob Corker led Democrat Harold Ford by 8 percentage points in a race that could determine who controls the Senate, according to a poll released Tuesday. The survey of 541 likely voters conducted by Opinion Research for CNN showed former Chattanooga mayor Corker favored by 52%, compared with 44% for U.S. Rep. Ford. The error margin is +/-4 percentage points. Previous polls had them neck-and-neck for Sen. Bill Frist's seat.

“This is all about getting out the vote,” Corker told supporters in Knoxville. “Let's energize our base.” In the same poll, taken Thursday through Sunday, Corker led 47%-45% among 897 registered voters, with a +/-3-point margin of error. “This race is a dead heat and it's been a dead heat for a month,” Ford adviser Michael Powell said.

Bush to campaign for Talent in Missouri

President Bush will travel to Missouri on Friday to campaign for Sen. Jim Talent, the first time the two will appear together at a public campaign event in the state this year, the White House said. Details were not released. “The president wants to do everything he can to help him win re-election,” White House spokesman Alex Conant said. Talent has seldom mentioned the president in stump speeches or in his TV spots. Recent polls continue to show Talent and Democratic State Auditor Claire McCaskill running about even.

NFL player wants off mom's election team

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New Orleans Saints' quarterback Drew Brees has asked his mother, Texas 3rd Court of Appeals candidate Mina Brees, to stop using his picture in her campaign TV ads. The athlete is shown in the uniform of his former team, the San Diego Chargers. In the ads, which had aired on Austin stations, she says, "I'm a football fan, and I have to be. … Drew Brees is my son. But there's one difference between him and me: I want to sit on the bench." Drew Brees has referred to his relationship with his mother, a Democratic attorney from Austin, as "non-existent." The NFL player said "my mother is using me in a campaign, and I've made it known many times I don't want to be involved."

Keystone Poll Bodes Ill For GOP (PTR)

By David M. Brown And Brad Bumsted

Pittsburgh Tribune-Review, November 1, 2006

Democrat Bob Casey has opened up a 15-point lead over Republican U.S. Sen. Rick Santorum -- more than double the lead the challenger held in September -- according to a Pittsburgh Tribune-Review/WTAE-TV Keystone poll released today.

Casey leads Santorum 53 percent to 38 percent, with 9 percent undecided, according to the telephone poll of 626 registered voters conducted over five days ending Sunday. The poll has a margin of error of plus or minus 3.9 percentage points.

A Keystone poll conducted in late September showed Casey, the state treasurer from Scranton, with a 7-point lead over Santorum, of Penn Hills, the third-ranking Republican in the Senate.

"(Santorum) is falling further behind as voters seem to be rejecting his shift in course toward focus almost exclusively on the war on terror," said Keystone Poll director G. Terry Madonna, a political science professor at Franklin & Marshall College, Lancaster County.

"It's a campaign theme that's not working well," Madonna said.

Casey's lead, combined with Democratic Gov. Ed Rendell's 25-point advantage over Republican challenger Lynn Swann, could portend disaster for Republicans on Tuesday, when voters head to the polls. Rendell, of Philadelphia, leads Swann, the former Steelers star from Sewickley Heights, by 58 percent to 33 percent, the poll shows.

Political analysts are pondering whether the margins favoring Rendell and Casey will benefit fellow Democrats in congressional and legislative races.

"It's clearly not a positive sign for Republicans in real competitive races lower on the ticket to have their headliners trailing this late in the campaign, but it's not necessarily a death knell," said Christopher Borick, political science professor at Muhlenberg College in Allentown. "Pennsylvanians have a clear record of splitting tickets."

Votes for Casey or Rendell won't automatically translate into votes for other Democrats if a Republican candidate is perceived as having done a good job, said Al Neri, editor of The Insider, a statewide political newsletter.

"It's a very informed electorate," he said.

Santorum trails Casey in nearly all regions, including by 3 points in Central Pennsylvania, where Republicans traditionally enjoy their strongest support.

Santorum leads only in Northwestern Pennsylvania, 50-41 percent, the poll shows. Casey leads by 27 points in Allegheny County and 16 points in the southwest, where U.S. Rep. Melissa Hart, R-Bradford Woods, is seeking to beat back a strong challenge from Democrat Jason Altmire in the 4th Congressional District.

Casey also leads by 33 points in Philadelphia and 27 points in the Philly suburbs, where three Republican Congressmen are fighting for their political survival.

Santorum, who is seeking a third term, has been hurt by his close ties to the Bush White House, analysts say. The president's approval ratings have dropped to an all-time low in Pennsylvania. Only 32 percent hold a favorable opinion of Bush, and only 31 percent say he is doing an excellent or good job.

Poll participant Charles K. Hillman, 68, of Monongahela, Washington County, said he will vote for Casey because he doesn't like the direction the country is going under Republican control. Hillman is upset that American soldiers are dying in Iraq in what seems to be "a civil war."

"I do not trust Santorum, and I don't like Bush at all," he said. "I'm voting for a change."

Walter J. Nichols, 42, of Commodore, Indiana County, said he will vote for Santorum because he is consistent in his views. Nichols likes Santorum's opposition to gun control and abortion.

"Santorum has a platform he sticks with. He believes in what he says, and he stands for something," Nichols said. "Bob Casey seems to be the typical politician. Whatever you want to hear, he's going to say."

Santorum spokeswoman Virginia Davis dismissed the poll's significance.

"No matter how you shake it, there's a range of numbers" in various polls, she said.

At least 55 polls have been conducted since January, all of them showing Casey with a lead of at least 5 points and as high as 23 points, according to RealClearPolitics.com.

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Davis, however, said Santorum will rely on superior Republican get-out-the-vote efforts.

"The investment we've made in our grassroots doesn't have a return until election day," Davis said.

Casey spokesman Larry Smar said the latest Keystone poll reflects that "Santorum's often desperate attacks are backfiring, and people clearly want a change."

"They see Bob Casey talking about issues that concern them," such as health care and jobs, Smar said.

One in three of those polled who indicated they will vote for Casey said their primary motivation was to oust Santorum. Another third said the war in Iraq is the most important issue in determining their Senate vote. Twelve percent identified the war against terrorism as the most important issue.

Rendell spokesman Dan Fee said the numbers are consistent with other recent independent polls. The lead won't change the governor's strategy, Fee said.

"We are going to get out as many of our voters (to the polls) as we can," he said.

Swann spokesman Leonardo Alcivar disputed the poll's results.

"It's simply not a 25-point race," he said. "If it were, Rendell wouldn't continue to pour millions of dollars into negative ads."

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Heckler Subdued At George Allen Event (AP-Y)

By Bob Lewis

AP, November 1, 2006

A heckler who confronted Sen. George Allen at a campaign appearance Tuesday was put in a chokehold and slammed to the floor by three of the Republican's supporters in an incident captured on video.

Mike Stark, a liberal blogger and first-year University of Virginia law student, approached Allen at an event in Charlottesville, loudly asking, "Why did you spit at your first wife, George?" according to witnesses.

Three men, all wearing blue Allen lapel stickers, immediately grabbed Stark, dragged him backward and slung him to the carpet outside a hotel meeting room, according to video captured by WVIR-TV in Charlottesville.

Stark said later in a telephone interview with The Associated Press: "I am a constituent. I am allowed to ask my U.S. senator questions."

A new statewide poll conducted for CNN showed Allen's Democratic challenger, former Navy Secretary Jim Webb, with a slight lead in a bitterly contested race that could help determine whether the GOP retains control of the Senate.

In a Monday posting on "Calling All Wingnuts," the blog Stark publishes, he hinted that he would attempt to provoke Allen before the TV cameras.

"Im also trying to `Roger and Me' George Allen whenever I can," Stark wrote, referring to director Michael Moore's 1989 documentary in which he repeatedly tried to confront former General Motors' chief executive Roger Smith about the company's downsizing.

In August, Stark similarly approached Allen after a speech at a hotel near Staunton, loudly asking if he had ever used a common six-letter epithet against blacks.

That was two weeks after Allen, at a rally, referred to a Webb volunteer of Indian descent as "Macaca," which is considered by some to be a racial slur.

Democratic Activist Claims Abuse By Allen's Staffers (WP)

By Michael D. Shear And Tim Craig

The Washington Post, November 1, 2006

A Democratic activist who verbally confronted U.S. Sen. George Allen at a campaign rally in Charlottesville yesterday was shoved, put into a headlock and thrown against a window by three men wearing Allen stickers, according to a widely disseminated video of the incident.

W. Michael Stark, who identified himself in an e-mail after the incident as a University of Virginia law student, yelled a question at Allen (R) about whether he had ever spit on his first wife, an unsubstantiated charge that has been circulating on liberal blogs on the Internet. Allen supporters hauled him away from the senator as television cameras rolled.

"I demand that Senator Allen fire the staffers who beat up a constituent attempting to use his constitutional right to petition his government," Stark wrote in an e-mail.

Charlottesville Police Lt. Gary Pleasants said Stark reported the incident yesterday and indicated that he wanted to press assault charges against the men. Pleasants said police are investigating and trying to determine the names of the Allen staffers involved.

"We will find out who the people are, give him the information and he can go to the magistrate and try to obtain a warrant for them," Pleasants said.

On the video, Stark was heckling Allen about rumors that embarrassing material is contained in records from the senator's divorce. Those records have been sealed by a judge and are not accessible. Allen's current wife, Susan, is his second and the mother of his children.

Allen aides accused Democrats and the Webb campaign of orchestrating the event as a way of getting news organizations to write about the Internet rumor. "These are the typical Jim Webb tactics," said spokesman Dan Allen, no relation to the senator. "It was disappointing to see, and this certainly has no place in Virginia politics."

Kristian Denny Todd, a Webb spokesman, said Stark has no affiliation with the Webb campaign. "I have no idea who this guy is or what he was trying to accomplish," she said. "I saw the video, and from what I saw, he was wrestled to the ground by a bunch of Allen supporters so that is not very nice behavior."

Dan Allen said Stark pushed him as Stark tried to approach the senator and Sen. Elizabeth Dole (R-N.C.), who was campaigning with Allen. "He did it in a very menacing way," Dan Allen said.

Stark countered: "I never raised my hands above my waist. I was manhandled."

The event was recorded by a local television station and was broadcast widely yesterday on CNN. Within hours, the video was also uploaded to YouTube, a video-sharing Web site.

In the video, Stark can be seen being shoved back by several Allen supporters. A man puts Stark in a headlock, and Stark wiggles out and struggles. The man then wrestles Stark to the ground, knocking his head against a window.

Student Tackled At Allen Campaign Event (CDP)

By Bob Gibson

Charlottesville Daily Progress, November 1, 2006

U.S. Sen. George Allen, R-Fairfax County, spoke at a Charlottesville rally of his supporters Tuesday and then watched as it ended with a law student being wrestled to the floor by Allen supporters.

Allen was walking with Sen. Elizabeth Dole, R-N.C., toward an Omni Charlottesville Hotel lobby after their upbeat campaign speeches when University of Virginia law student Mike Stark approached him and loudly asked if he had ever spat at his first wife.

Television cameras recorded the shoving and tackling that followed and quickly spread images from it around the world on CNN, other networks and Web sites as Stark, 38, was pushed to the lobby floor and escorted from the hotel by three men wearing Allen stickers.

Allen ignored the question and shrugged off the incident.

“That guy’s typical of the Webb campaign, and that’s just their negativity,” Allen said, referring to the campaign of Democratic challenger Jim Webb of Falls Church. Stark, a liberal blogger who confronted Allen two months ago at a Staunton hotel with questions about racial insensitivity, said he is not associated with any campaign.

One of the men who pushed Stark away from Allen, former Albemarle County GOP Chairman John Darden, said he was simply trying to protect Allen and Dole and stood between the law student and the senators not knowing what Stark’s intentions might be.

“It was crazy,” Darden said. “This guy kept coming toward George. I had my back to the guy, just blocking him out, and he pushed me.” Darden said he yelled at Stark, “You are getting personal,” and pushed back as Allen and aides walked away toward the back of the lobby.

Four hours later, Stark, a first-year law student and former Marine, went to Charlottesville police headquarters and tried to obtain an assault warrant. Police said they would assign an investigator to the case today, and no warrant was issued Tuesday.

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Allen's former wife, Anne Waddell, later issued a statement calling Stark's question "a baseless, cheap shot." She said that she and Allen divorced more than 22 years ago and sealed the divorce records because it was a personal matter.

Allen and Dole headlined the hour-long rally attended by about 150 supporters of the junior Virginia senator and former governor seeking a second six-year term. They said Allen should win Nov. 7 based on his record in office, including his strong support for continuing tax cuts, building job growth and protecting Virginians as governor by abolishing parole for convicted felons.

Both senators said they viewed passages from Webb's six novels as "degrading of women."

In remarks to reporters, Allen said, "Those excerpts are, I think, demeaning of women and he will have to explain those passages. … The judgment will be on the part of the people of Virginia."

Allen did not say he had read any of Webb's novels but "I've read those excerpts" depicting explicit sexual behavior and incest.

At the rally, two women who said Allen had affected their lives through his leadership offered testimonials.

Rhonda Winfield of Stuarts Draft, who lost her son 22 months ago in the war in Iraq, called Allen "a tremendous leader for this country" and explained how the senator had written her and shed tears with her over her son's death.

Winfield said she gave Allen his dog tags, which the senator placed on his dresser mirror and told her "that he would never, ever support our withdrawing in defeat" from Iraq. Winfield's son, Marine Lance Cpl. Jason Redifer, died at 19.

Teresa Sayers of Galax, who had been stabbed eight times by her former husband, credited Allen for abolishing parole so her assailant would spend 85 percent of his 36-year prison sentence behind bars instead of just 20 percent.

Allen also helped her by protecting her job through a crime-victim protection act during "a devastating time in my life," Sayers said.

Dole, who chairs the re-election committee of Senate Republicans, said an Allen victory "could be important in the United States Senate in terms of our maintaining our majority." Allowing Democrats to control the Senate would be giving control to a "Trojan horse" full of senators with a stealthy agenda of raising taxes.

Marriage Measure May Turn On Allen (WT)

By Christina Bellantoni

The Washington Times, November 1, 2006

A state constitutional marriage amendment designed to motivate conservative voters and help Virginia Sen. George Allen's re-election campaign appears to be backfiring, at least among black voters.

The Republican senator probably will benefit from evangelical Christians voting for the amendment. But, the amendment also will drive turnout among the state's black voters, many of whom are questioning whether Mr. Allen is racially insensitive and deserves a second term.

Virginia's black voters support the amendment, which defines marriage as the union of one man and one woman, by more than 60 percent, according to most polls. They also overwhelmingly favor Mr. Allen's Democratic challenger James H. Webb Jr.

The black vote is even more crucial this year than most, as Mr. Allen and Mr. Webb are nearly tied in statewide polls leading up to Tuesday's election.

"My people don't see it as a Democratic issue or a Republican issue. They see it as a societal issue," said the Rev. Milton R. Blount, pastor of the predominantly black New Mount Olivet Baptist Church in Portsmouth, Va.

Mr. Blount said his congregants are overwhelmingly in favor of defining marriage as the union of one man and one woman, but they also are traditionally Democratic voters.

Marriage amendments on state ballots in 2004 helped drive turnout among Republican voters and secured President Bush's re-election.

Virginia's majority Republican legislators kept that in mind over the past two years as they crafted the amendment and ensured its placement on the 2006 ballot.

Most Republicans would only smile when asked whether the amendment's timing was a gift to Mr. Allen, a former Virginia delegate and governor. Privately, they acknowledged they wanted to help Mr. Allen, thinking a large re-election margin would help position him for a 2008 presidential run.

Now, after Mr. Allen has been accused of making racial slurs when he was younger and his highly publicized "macaca" moment, a high turnout of black voters for the amendment might cost Mr. Allen a few crucial percentage points in the neck-and-neck race.

Political observers also think the evangelical vote could be depressed next week because of the congressional page scandal in Washington.

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Mr. Allen and most Republican voters favor the marriage amendment as necessary to protect against what they call "activist judges." Mr. Webb opposes the amendment, saying it is unnecessary and would restrict the rights of unmarried heterosexual couples.

The Rev. Charles H. Miller Jr., a pastor from the predominantly black First Church of Jesus Apostolic in Altavista in Southside Virginia, said black voters will side with the amendment because "that is what the word of God teaches."

He recently told his local newspaper that he supports the amendment not "referencing any political party but rather a statement respecting Christian principles."

"I just believe that marriage is man and woman. No gray areas in between," agreed the Rev. Samuel Griffith, a pastor at Union Street Missionary Baptist Church in Danville, Va.

Twenty percent of Virginia's population is black, according to the 2004 census. Mr. Allen won 20 percent of the black vote when elected governor in 1993, and 17 percent in his 2000 Senate election.

A recent poll conducted by The Washington Post showed that Mr. Webb is supported by blacks 81 percent to 11 percent. That same group supported the amendment 61 percent to 34 percent in the poll.

Opponents of the amendment are well-funded and organized, with a large grass-roots operation to turn out voters in Northern Virginia.

Opponents say the measure is unnecessary because same-sex couples already are forbidden from exchanging vows in Virginia. They also say the amendment's language would affect opposite-sex unmarried couples.

That argument has helped shrink support for the amendment, but it is still expected to pass.

The Rev. Benjamin W. Robertson, pastor of Cedar Street Baptist Church of God in Richmond, believes in traditional marriage but plans to vote against the amendment.

"I am the longest-serving pastor in Virginia, and no one has ever asked me to perform a same-sex marriage," he said, adding he fears the amendment would affect heterosexual couples.

Mr. Robertson would not say which candidate he favors. The pastor said many black voters don't like Mr. Allen because he has not voted to increase the minimum wage and he once voted against making Martin Luther King's birthday a state holiday.

He said Mr. Webb is still an unknown to voters.

Others agreed, citing Mr. Webb's past suggestion that affirmative action was unfair to poor whites. He has since tempered those comments.

"I'm not comfortable with either one," said Mr. Blount, who is undecided.

Mr. Webb, who also has the backing of the state's Legislative Black Caucus, was endorsed last week by Richmond Mayor L. Douglas Wilder, who became the nation's first elected black governor in 1990.

Mr. Allen has been endorsed by state Sen. Benjamin J. Lambert III, a black Richmond Democrat. Both Mr. Wilder and Mr. Lambert oppose the marriage amendment, as do members of the legislative black caucus.

Outcome May Rest On Black Turnout (WP)

By Chris L. Jenkins

The Washington Post, November 1, 2006

Erving Sabb, a black Alexandria barber, sat in his chair at the Hair Clinic and considered what he knew and didn't know about the two men running for the U.S. Senate in Virginia.

"Well, not voting for the Republican, Allen. Never could support him," he said, referring to Sen. George Allen.

"But this Webb fella . . . he used to work for Reagan, didn't he? He was a Republican, too?" Sabb, 61, asked, shaking his head thinking about Allen's Democratic challenger, James Webb. "I vote for Democrats, but I'll only vote for a guy I know is a real Democrat. I want to know if he's really one of us."

Whether Webb, a former Republican and Navy secretary in the Reagan administration, will be able to energize loyal Democratic voters such as Sabb will be critical in determining who wins one of the tightest Senate races in the country.

African Americans, who make up about 20 percent of Virginia's electorate, vote reliably for Democrats and are key to their success in the Republican-dominated state. But Webb has struggled to gain their support because of questions about whether he used a racial epithet to describe blacks when he was younger and because of his stance on affirmative action, which he once called "state-sponsored racism."

Allen has had his own problems with black voters, dating to his days as a state delegate. Blacks have long been turned off by Allen's affinity for the Confederate flag and his 1984 vote against a state holiday commemorating the birthday of Martin Luther King Jr., among other things. Last month, a handful of Allen's former teammates accused him of repeatedly using a racial epithet for blacks when he played football at the University of Virginia, a charge Allen denied.

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Allen has tried to mend fences with the state's black community, highlighting his support of black colleges and appearing at several important political events.

Nonetheless, a Washington Post poll conducted last month showed that blacks were overwhelmingly supporting Webb: 81 percent of African Americans said they would vote for the Democrat, compared with 11 percent who said they'd vote for Allen.

But the determining factor, political experts said, will be how many of those voters go to the polls on Election Day, given concerns about both candidates.

"If I was running this race for Webb, the path I would seek for victory is running really well in Northern Virginia and getting a big black turnout in the Tidewater area and the Richmond area," said David Bositis, an expert on black voting patterns at the Joint Center for Political and Economic Studies in Washington. "How many black voters are going to show up . . . that's going to be key."

Successful Virginia Democrats have been helped by high turnout among blacks. In 1989, when L. Douglas Wilder became the first black candidate to be elected governor in the nation's history, African Americans made up 17 percent of voters, according to an analysis by the Weldon Cooper Center for Public Service at the University of Virginia.

In 2001, when Mark R. Warner took the governor's mansion, blacks constituted 15 percent of voters. Both Wilder and Warner won more than 90 percent of their vote.

In between those elections, Republicans Allen and James S. Gilmore III won gubernatorial races in elections when black turnout was less than 14 percent, according to the center's analysis.

Webb probably needs a better turnout than his Democratic predecessors. Many black leaders were initially critical of the former Marine for his position on affirmative action, which has been endorsed by the Democratic party establishment for decades. Webb said he supports affirmative action for blacks but not for other minorities. Otherwise, he thinks preferential job and education programs should be awarded based on economic conditions or not at all.

Webb lost nearly all of the state's majority black communities to Harris N. Miller during the Democratic primary. And although the state's Legislative Black Caucus endorsed Webb in his race against Allen, they did so by a 9 to 8 vote, according to two people who were familiar with the decision.

Webb's effort to woo conservative GOP-leaning voters and independents back into the Democratic column has also clashed with the sensibilities of many black Democrats. His first television commercial, for instance, sought to connect the candidate with Reagan, an unpopular figure among blacks.

After appearing before an audience of black voters in Alexandria last week, Webb acknowledged that he started with an uphill battle reaching out to African Americans.

"The number one thing that I saw is that I worked for Reagan. . . . It was especially hard for the African American leadership," he said, adding that he still believed Reagan was a "very fine" president. "But I've explained my journey on that . . . and it's been a process of us getting to know one another."

In recent weeks, Webb has tried to boost his presence in black communities. Late last month, he visited a dozen black churches in Hampton Roads. In addition, he picked up support from several black newspapers and received the endorsement of Wilder, now the mayor of Richmond. Wilder plans to campaign with Webb today in Richmond, and Sen. Barack Obama (D-Ill.) will join him on the stump there tomorrow.

Some activists said that Webb's opposition to the Iraq war will help with black voters, overriding other potential concerns. Recent polls have found that blacks are more likely than whites to say that the Iraq war was a mistake.

"I think there's going to be a lot of support for him," said Robert James, a black Democratic activist from Arlington County. "He opposed the war early, and in regards to affirmative action, we're beginning to like what we see."

That view was borne out by those who attended the Alexandria event, where Webb received enthusiastic applause when he talked about raising the minimum wage and his concern about a growing economic divide in America.

"Now that I'm beginning to hear more of his message, I'm beginning to feel more comfortable," said Thad Denney, 52, an insurance agent from Fairfax, who was at the event. "I'll admit it, I only knew him from his days as Navy secretary and didn't know where he stood. I wasn't sure if I was going to vote for him . . . but I'm thinking about it now."

Allen also has tried to mend fences with the black community, appearing at an NAACP dinner earlier this month and signing a lifetime membership to the organization. At the dinner, Allen said that he was not perfect and looked forward "to joining hands" with black voters.

Supporters say that Allen has pushed education programs, including Virginia's Standards of Learning and the federal No Child Left Behind law, that are especially beneficial to blacks.

He also picked up an important endorsement from state Sen. Benjamin J. Lambert III (D-Richmond), a leading black lawmaker, who said in an interview that Allen has "appeared to be trying hard" to reach out to black voters and will help secure federal money for Virginia's historically black colleges.

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Still, there is long-standing anger toward Allen and skepticism about his support for black colleges.

In an interview, Harrison B. Wilson, president of Norfolk State University from 1975 to 1997, said that when Allen was governor he never visited the school, turning down three invitations to speak at its commencement ceremony. "Every other governor came and had lunch with me and visited campus and spoke at commencement while they were in office," said Wilson, who recently aired his feelings about Allen with his church congregation.

Dick Wadhams, Allen's campaign director, said black church leaders and William Harvey, president of Hampton University, continue to support his candidate.

Lambert said he wasn't concerned.

"I kind of like to judge people on what they do now," Lambert said. "I think George has changed an awful lot. I didn't like some of the things he did as governor as well, but at the same I time I think our relationship has improved tremendously. He is very apologetic for things that happened earlier in his life."

Staff writers Timothy Dwyer and Frederick Kunkle contributed to this report.

A Star Of Red-state Virginia Has A Fight On His Hands (CSM)

By John Dillin

The Christian Science Monitor, November 1, 2006

FALLS CHURCH, VA.

A few months ago, when the warm breezes of summer were wafting across Virginia's Blue Ridge Mountains, George Allen could justly expect only one result from Election 2006 - he would be reelected easily to the US Senate.

Senator Allen's supporters were already quietly looking beyond November. There were whispers in Republican circles about Allen running for the White House in 2008.

Yet as autumn drew near, there was an abrupt change in the political climate. The winds from the Blue Ridge grew cold. Very cold.

Jim Webb, a decorated, twice-wounded combat marine with family roots in the hamlets and hollows of Virginia's mountains, suddenly threatened Allen's comfortable lead.

Starting in February with no money and few supporters, Mr. Webb had built strength. In June, he won the Democratic Senate primary against an opponent who outspent him 3-to-1. As summer turned to fall, Webb picked up momentum. Allen was now fighting for his survival.

Political polls have seesawed. The latest Bloomberg/Los Angeles Times survey found Webb slightly ahead, 47 percent to 44 percent.

This remains Allen's race to lose, however. Larry Sabato, director of the Center for Politics at the University of Virginia, explains that in federal elections in Virginia, "Republicans almost always win the close races."

Republicans hope so. Otherwise, this election could become part of a major shift in Washington. A Democratic victory here, combined with other states where Republicans are in deep trouble, could tip the balance in the Senate to the Democrats, and give President Bush a rough finish to his second term.

GOP notables, including the president, have rushed to Virginia to help the senator's embattled cause. Mr. Bush raised $500,000 for Allen in a single day Oct. 19.

Democratic worthies, including former President Bill Clinton, smell an upset. Mr. Clinton, on the same day Bush was here, raised a similar $500,000 for the Webb campaign.

It's that close.

So why is Allen - one of only six men in Virginia history to be elected both governor and US senator - in such trouble? After all, he's well known and widely liked across the state. Though a native Californian, he has close ties here. He graduated with history and law degrees from the University of Virginia, and was a quarterback on Virginia's football team.

True to his college, founded by Thomas Jefferson, Allen preaches his adherence to "Jeffersonian principles," one of which is the centrality of the family to America's social and political order, notes Peter Onuf, Thomas Jefferson Memorial Foundation professor at the university.

To understand Allen's problems, however, one needs to look no further than the war in Iraq, as well as to an obscure word with Portuguese origins - "macaca."

First, Iraq. The war might not be such a problem for Allen, except for Webb. Allen has backed the president in the war from the outset. And Webb has opposed it. As security problems grow worse in Iraq, it is "advantage Webb."

What makes Webb so effective on Iraq in a conservative, pro-defense state like Virginia is his extensive military record along with a gravitas that drives home both the human and economic costs of the conflict.

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A 1968 graduate of the United States Naval Academy, Webb later served as a Marine Corps company commander in the Vietnam War. He came away with the Navy Cross, Silver Star, two Bronze Stars, and two Purple Hearts. He knows first- hand the bitter price of war in blood, treasure, and heartbreak.

Some Democratic consultants privately lament that Webb is not what one of them calls "a natural politician" - something Webb readily concedes. On the campaign trail, Webb is a stern, straight-backed man of about 6 feet who seldom smiles and carries himself more like a drill sergeant than a glad-handing politician.

Webb comes from a military background that he traces back to the Scots-Irish who fought, and often defeated, the armies of English kings. He is clearly proud of his ethnic heritage, which he explored in his 2004 book, "Born Fighting: How the Scots-Irish Shaped America."

Since leaving the military because of his war wounds, Webb has become a millionaire writer of six novels, as well as his non-fiction volume on the Scots-Irish. But he is never far mentally from his warrior days.

The Webb family's commitment to the military continues with his son, James Robert Webb, now in Iraq with the Marines. The candidate brushes aside questions about his son's tour, but wears a pair of marine boots on the campaign trail.

Since leaving the military, Webb has been a party switcher. Originally a Democrat, he quit after President Jimmy Carter, also a Democrat, pardoned draft dodgers after the Vietnam War.

When Ronald Reagan became president, Webb joined his Republican administration, first as an assistant secretary of defense, then as secretary of the Navy. But his party hopping continued.

Webb told reporters recently in Arlington that before the Iraq war began, he warned that it could become a quagmire. When Bush ignored such advice and plunged into Iraq, Webb dumped the GOP and returned to the Democrats.

Webb was only marginally responsible for another of Allen's problems. It was a split-second mistake by the senator, captured on video. While at a public meeting, Allen spotted a young Webb campaign volunteer of Indian descent who had been recording Allen's speeches at various locations. The senator knew the man worked for Webb, and speaking to him, referred to him as "macaca," and welcomed him "to America."

Allen claims he just made up the word "macaca." But it turns out that in some countries, the term is considered an insult and refers to a genus of European monkey - although it doesn't appear in most dictionaries. (This reporter finally found it in a 12-1/2-pound, unabridged Webster's.) Allen apologized for any offense, but critics charged him with uttering a racial slur. Damage control pulled Allen away from the message of his campaign for days.

Webb has interpersonal problems of his own, however. Most of those problems are with women, some of whom have criticized his writing about women in the military.

A prime target has been a 1979 article, "Women Can't Fight," in the Washingtonian magazine. There are claims that the article prompted extreme hostility toward female cadets at the Naval Academy.

Webb has apologized, but some former cadets still fume about it.

The candidate recently called together reporters and several retired women military officers to counter the criticism. Nine former women officers endorsed Webb, though like the senior officers they once were, some of them gently dressed down the former marine, who appeared to wince at least once.

Retired Army Col. Barbara Lee reread his articles before joining "Veterans for Webb." She called the article "extremely troubling." But after talking with Webb, she told reporters that he was "a young man then," but is now "a seasoned leader" who has "moved along in his thinking."

As is fitting for a Senate race in Virginia - the home of George Washington, James Monroe, and James Madison - both Senate candidates look into history for inspiration and guidance. Both share a favorite president, Ronald Reagan. Allen is a Reagan Republican, Webb a Reagan Democrat.

And each has a favorite president from America's first century. For Allen, it is Jefferson, author of the Declaration of Independence. For Webb, it is Andrew Jackson. Webb notes that "Old Hickory," as he was known, was the first populist president, and fought for the little man - something Webb wants to do in the Senate. And besides, Jackson was Scots-Irish.

The Two-Minute Drill (WP)

By Michael Leahy

The Washington Post, November 1, 2006

He would have been forgiven for looking stressed. His fat summer lead of 16 percentage points had disappeared. But George Allen seemed just fine early Saturday morning. If tense campaigns demand that imperiled candidates, like card players, learn the art of the bluff, Allen has mastered the technique.

For the first of seven frenetic campaign events on this day, he had come to Winchester, which is solid Allen turf, a good hour away from his electoral troubles in increasingly Democratic Northern Virginia. About 200 people had come to a small hotel

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to wear Allen stickers, eat breakfast and wait for his exhortation. The chairman of Virginia's Republican Party, Kate Obenshain Griffin, launched into her introduction by promising the crowd that "if you've never heard George Allen speak, you'll leave here with a passion you've never had before."

Standing off to the side, Allen softly groaned at the effusive praise, as if a tad embarrassed. "Gosh, geez, ahhhhhh," he muttered, his voice all but inaudible. He towered over several seated breakfasters who, never having met him before, shyly, furtively glanced his way. A few Allen aides in the room occasionally rubbed their eyes, stifled yawns. It had been a long week, and Saturday would be even more grueling, with two long rides of more than an hour awaiting them. Presidents have travel perks: Air Force One, helicopters, bulletproof limos that ride along cleared-out interstates. George Allen, like any other senator in a reelection campaign, cruises like a road-weary salesman.

There is nothing more instructive about the unglamorous nature of the midterm election process than to ride for a day in chase of the candidate's vehicle, which on this day would be racing south through Virginia, trying to put some space between the candidate and an increasingly formidable foe.

His name called by Griffin, Allen strode to the front of the room, beaming. "Ladies and gentlemen . . . patriots all," he boomed. "Good mornin'. Are you ready to win?"

"Yesssss!" the crowd howled back. Allen grinned. His ability to stir his political base has inspired comparisons to Ronald Reagan, part of the reason why he was long regarded by many as the chief rival to John McCain for the 2008 Republican presidential nomination. But ever since a series of missteps that led some to see him as racially or ethnically insensitive, Allen's poll numbers have been sliding.

If Allen's Democratic rival, James Webb, has been the beneficiary, analysts generally agree that this has less to do with his strengths than with Republicans' woes generally and Allen's in particular. In a recent poll of Republican and Democratic insiders conducted by the National Journal, the sampled political pros said Allen had run the worst of all Senate campaigns in the country.

But on this Saturday, the incumbent sounded like a man 20 points up. He talked happily about how his trademark cowboy boots were ready for the race's final sprint. "I only expected a third of this crowd to be out here on a rainy day," he said, rocketing through his stump speech.

In conclusion, the former college quarterback and son of the famous Washington Redskins coach exhorted his troops: "This is the final two-drill . . . Let's get out to victory . . . The boots are ready!"

Out in the audience, Kenny Noe stood and applauded. A political independent, he has been a longtime supporter of Allen. He is a computer technician from nearby Stephens City and, at 40, savvy about the way the world works. He knows politics is a rough game, but even so he has been disappointed by the tenor of campaigns from both parties this year.

"If I had the opportunity, I'd tell Senator Allen that the campaign and the negative campaign ads are turning me off to the whole process," Noe said. "But a [campaign event] is not the place where you can comfortably talk to someone about something like that."

True. An American political rally has its own rituals. Sunny dispositions are mandatory. Discussion of a candidate's problems is verboten. So Kenny Noe and his wife, Traci, lined up to have their picture taken -- on Traci's cellphone -- with Allen, who was doing what nearly all candidates do in these situations: making happy small talk. Riffing about a good hamburger. The Virginia Tech football game the other night. Allen smiled and positioned himself for the photo. He smoothed his blue blazer and adjusted his red tie. "Let's get your bride in close," Allen said to Kenny. The line moved on. Another supporter shyly approached. Allen shook his hand and smiled at the woman alongside him. "Is this your bride?" he asked brightly.Unscripted Moments

Allen's second stop of the day was to a volunteer fire and rescue unit just outside Berryville. After that he hurried into his campaign's red Ford Explorer and was driven back to Winchester, so that he could stand at the entrance to the Handley High School football stadium, the site of an afternoon game.

He shed his blazer and necktie. He gripped a football, in case incoming spectators wanted him to throw passes their way. Not many people stopped. It was a reminder of just how seldom prominent officeholders intrigue the public. In most cases, Simon Cowell would do better.

A stocky man walked by, trailed by a little boy carrying a miniature ball with a Redskins logo on it.

"That's a good Redskins football," Allen said to the kid.

"I don't like the Redskins," said the boy. That was the problem with a public event like a football game -- a non-campaign event. Nothing was controlled. Supporters did not necessarily predominate. There might be a weird moment. On the other hand, a candidate had a chance to win over undecideds.

Here came another kid, this one lithe and big. "Hey, young man, let me throw you a pass," Allen said.

The kid looked at his father, who nodded.

"Go long, go deep," Allen said.

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The kid ran about 15 yards and turned. Allen threw a decent spiral and the boy caught it. His father shook Allen's hand. "I'd appreciate your vote," the candidate said to Thomas Grant Jr., who smiled and wished Allen luck, saying to others, as he walked away, that while he hadn't decided, he thought he might vote for Allen, having enjoyed meeting him.

Buoyed, Allen stuck out his hand toward a thin, mustachioed man with a jaunty black leather cap. "I'm George Allen," he said. "Nice to meet you. Would appreciate your vote."

The man warmly shook Allen's hand and smiled. "Very nice to meet you, too," he said.

Allen began giving him his pitch. "I want you to keep more of your money in your wallet," he said. "And I'd be grateful if you took a look at my stance on illegal immigration. Another really big issue is -- " The smiling man interrupted Allen, amiably. "Can I ask you something? I'm just curious. When will we ever get back to discussing issues? I'm not concerned about the history of a man way back before. And I know it's not just you doing it. It's just that I'd just like to hear more about what all of you are going to do with all the problems, Iraq and everything else. I'm just asking."

Allen nodded. "Yes, and that's right. And I talk about those very important things every day. I really do hope you'll take a look at my positions on taxes and illegal immigration because -- "

"But there is a lot more of the other thing on television -- about the opponents, I mean," said the man, whose name was Larry Banks and who works as a pharmacy technician in Winchester. Banks, 59, had not made up his mind about Allen and Webb, genuinely on the fence about the race, he said, and just as genuinely engaged in their campaigns. "I'd like to hear more about the issues when I turn on the television and it's you on. And, like I said, don't misunderstand, it's not just you, but . . . I guess I'm tired of hearing the slurs from everybody."

Allen nodded. "Well, please take a look at my stance on all those things. And I'd appreciate your vote."

Up at the entrance, Allen's aides were telling him it was time to go; they were already running behind schedule. "Let's go, let's go," Allen responded and, grabbing the football, threw a pass to an aide headed for the red Explorer. "Touchdown."Pedal to the Metal

One of the worst-kept secrets of campaign managers is that they overschedule candidates, are chronically late for everything and try to compensate by having aides drive at some suborbital speed to get to the next event.

Allen headed toward a barbecue at a supporter's house in the town of Sperryville, which was about 58 miles away from Handley High School. Mapquest said it would take an hour and 29 minutes to get there, but Mapquest doesn't count on people driving at 80 to 85 mph.

Allen slept some of the way. The Explorer rocketed south along Route 522, over roadkill in its many forms, around a piece of sheet metal at one point, and once swerving slightly to get out of the way of an erratic driver. Much of the way the SUV was being buffeted by stiff gusts of 30 to 40 mph.

When the Explorer reached the house, Allen ran out and immediately started shaking hands. A bluegrass band was playing on a deck. Supporters wore name tags and Allen stickers. A woman named Connie Hair ran up to Allen to say she had already voted absentee for him. Allen thanked her, hugged his hosts, posed for a few pictures and headed back toward the Explorer, gone. He had been there for 12 minutes.Fact and Fiction

He was off on another long drive south again, this time to Glen Allen, to pick up an endorsement from the National Rifle Association, whose officials waited for him in the parking lot of Green Top Sporting Goods, where a sign carried a huge word in big block letters: GUNS.

Allen was a half-hour late, stepping out of the vehicle even as it was coasting to a stop. He ran toward a podium. About 100 supporters clapped loudly. Cars slowed on the main drag of U.S. 1, right out in front of the store, with motorists craning their necks to see what the fuss was all about. There came the sound of a crash, somebody getting rear-ended. Eventually the candidate took questions, virtually all of which dealt with Allen's charge that novels written by Jim Webb had demeaned women.

When asked whether novelists who had ever written a sex scene, from John Steinbeck to John Updike, were unworthy of pursuing political office, Allen joked, "Are they on the ballot?"

This got a good laugh from his supporters -- proof of the wisdom of staging news conferences while surrounded by boosters. "My opponent runs ads and talks about himself being a writer," he said. "This is part of his record. . . . He can explain those [book] passages. Not just me but others find those passages to be demeaning to women. He can explain those passages."

If Webb's books were grist for fair debate, a reporter asked, should the book by Allen's sister Jennifer be scrutinized, particularly passages that claimed he had bullied her, dragging her by the hair and once dangling her over Niagara Falls?

The boosters fell quiet. Allen stayed composed. "That book is a novel and fiction," he said, "and I love my sister, and she had me escort her down the aisle when she got married. . . . She said it was a novelization of certain events, a lot of it from her perspective [as] . . . a young girl from her view of growing up in a fairly rough and rowdy family, but a lot of those are exaggerations."

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He said he wanted to touch on a couple of other "big issues," noting his support of the Virginia Marriage Protection Amendment.

"Amen," a supporter called out.

But Allen got back on point: "My record is an open book, and he can explain passages that he wrote in his books, because he's proud of being an author."

Is this about character? a reporter pressed.

"He needs to explain his passages," Allen said resolutely.

"Thank you," an aide interrupted, ending things.Focused on the Game

Allen made an appearance at a Ducks Unlimited dinner, and then his day ended in Richmond, at the season's opening home game of the Renegades, a minor-league hockey team. The team's president, Allan B. Harvie Jr., had invited him to drop the ceremonial first puck on this evening and, afterward he stayed to watch the game.

At the end of the first period, he was playing with a souvenir hockey stick under the stands, near the locker room, when a reporter who had grilled him at the NRA event appeared.

Allen slipped the stick around the reporter's left ankle and pretended to jerk. "Tripping," he said, but he was smiling, in good humor. His wife, Susan, had come to the game, and so had one of his best friends, and Allen was looking serene, playing a little game, shooting a puck down a hallway and jogging after it, then tapping it further down the hallway, like a kid dribbling a basketball. No one interfered with his game.

"Let George shoot," his wife said.

"I used to play on a pond when I was a boy," Allen recalled, "second to eighth grade, when we were living out near Chicago, when my father was coaching there."

Someone wanted to ask him a last question about Webb, but he was too engrossed in that puck, asking that a friend open a door so that he could attempt to shoot the puck through it. He drew back for a wrist shot -- and the puck flew through the opening, Allen exultant, his wife saying, "You keep on winning."

"Thanks, coach," he said to her.

An aide whispered in his ear, wanting something. "Not now -- can talk about that later," he said softly, and then the aide repeated the question.

"Not now," Allen said.

People began shuffling into the red Explorer. "It's starting all over again tomorrow anyway," Allen said, climbing into the Explorer, at rest.

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Sex And The Sinking Candidate (WP)

The Washington Post, November 1, 2006

SEN. GEORGE ALLEN implored Virginians four weeks ago to focus less on personal attacks and more on "the issues" in his race for reelection. Now he has seized on an unlikely one: sex scenes in novels written by his Democratic opponent, James Webb. Now there's a pressing concern for Americans in 2006.

Mr. Allen, a Republican whose campaign professes profound moral shock that actual sex should occur in fiction, has spent months trying to extract himself from his own "macaca"-inspired tailspin. When all else failed -- including an Allen ad in which a woman accused Mr. Webb of misquoting her, although he never quoted her at all -- Mr. Allen apparently decided that what he needed was a sex scandal crafted to smear his rival and timed for the campaign's fourth quarter. Lacking such material in real life, he turned to Mr. Webb's novels, most of which concern the wartime experiences of soldiers and international intrigue. There he found -- horrors! -- sex. And what better place to spread the word than the Web site of Matt Drudge, the online gossip-monger. That ensured the story would be echoed by radio talk show hosts in high dudgeon.

Mr. Allen has spent months disparaging Mr. Webb as a writer of fiction, as if a novelist's experience is any more divorced from everyday reality than the life of a U.S. senator. His campaign suggests that because some female characters in Mr. Webb's books are portrayed as sleazy or servile Mr. Webb must himself see women in that light. Please. Maybe Mr. Allen also believes that J.K. Rowling, author of the Harry Potter series, takes too soft a line on wizards.

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As it happens, Mr. Webb, a former Navy secretary, assistant secretary of defense and Marine company commander in Vietnam, is an acclaimed novelist whose books are widely read. Mr. Allen wouldn't say whether he'd read any of Mr. Webb's novels himself -- only that "I've been reading initiatives and ideas and I'm trying to motivate people and inspire people."

Mr. Allen certainly is an inspiration -- to anyone who believes that political campaigns may be won by diversions and dirty tactics, even as the candidate calls high-mindedly for a discussion of "the issues." Win or lose, he'll be remembered for his performance during this race, and not fondly.

Allen's Fumbles, Romney's Gain (WP)

By George F. Will

The Washington Post, November 1, 2006

Even before the votes are counted, over the Republican Party a "thick darkness broodeth" -- words from a Victorian hymn, for a party with a Victorian tendency. But one Republican, who is not running for anything this year, will emerge from this bruising season with enlarged prospects. Massachusetts Gov. Mitt Romney's hopes for the 2008 Republican presidential nomination have been enhanced by Virginia Sen. George Allen's difficulties.

Romney's most formidable rival for the Republican nomination is John McCain, who needs a crowded field of Republican aspirants to prevent the conservative majority of the party's nominating electorate from quickly coalescing around a single candidate. Allen once seemed likely to compete with Romney for conservatives' support.

But Allen, who makes no secret of finding life as a senator tedious, is fighting ferociously for another term, a fate from which his Democratic opponent, Jim Webb, is close to rescuing him. As a result, Allen is dabbling in literary criticism. He has read, or someone has read for him, at least some of Webb's six fine novels, finding therein sexual passages that have caused Allen -- he of the football metaphors, cowboy regalia and Copenhagen smokeless tobacco -- to blush like a fictional Victorian maiden and fulminate like an actual Victorian man, Anthony Comstock, the 19th-century scourge of sin who successfully agitated for New York and federal anti-obscenity statutes and is credited with the destruction of 160 tons of naughty printed matter and pictures.

Webb, a highly decorated Marine veteran of Vietnam combat, includes sexual scenes in his fictional depictions of young men far from home and close to combat, something about which he knows a lot and Allen does not. Allen says the scenes are demeaning to women and are evidence of flaws in Webb's character.

This ham-handed grab for women's votes may help Allen win but will not help him escape the perception that, as a presidential aspirant, he is problematic. His ragged campaign has made him seem accident-prone, and by Tuesday he probably will have burned through all the money he could raise. But to be competitive in the nomination contests that begin with the Iowa caucuses in January 2008, a candidate probably needs to have at least $60 million by December 2007. Allen would have to raise that amount in 60 weeks. A million dollars a week is a daunting challenge.

Allen's radically reduced prospects will make it less likely that McCain can duplicate his 2000 triumph in New Hampshire's primary. As one seasoned New Hampshire Republican says, "It is difficult to capture lightning in a bottle twice." It will be particularly difficult for McCain to do so because there is apt to be a spirited New Hampshire contest on the Democratic side. This would draw independent voters who were crucial to McCain in 2000, when he thrashed George W. Bush, receiving 115,606 votes (48.53 percent) to Bush's 72,330 (30.36).

But Bush won the Republican part of the Republican primary, in this sense: New Hampshire independents can vote in either party's primary, and 34 percent of McCain voters identified themselves as independents. A 41 percent plurality of the Republicans voting favored Bush, 38 percent favored McCain.

If one disregards President Harry Truman's brief interest in seeking a second full term in 1952 -- he renounced running on March 29 -- and the ineffectual attempt by his vice president, Alben Barkley, to secure the nomination, 2008 will be the first election in 56 years with neither an incumbent president nor vice president seeking a nomination. If you count the Truman and Barkley episodes, 2008 will be the first such election since 1928.

So the presidential field is uncommonly open, and there is a palpable desire in the country to shuffle the political deck. In their new book "The Way to Win: Taking the White House in 2008," Mark Halperin of ABC News and John F. Harris of The Post suggest why:

"When the current President Bush completes his full second term, it will be the first time since James Madison and James Monroe almost two hundred years ago that back-to-back presidents both served all eight years of two elected terms. Put another way, two of the most divisive figures in this country's history will have commanded the White House for sixteen consecutive years."

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Such circumstances should entice many aspirants into the race. Yet with Allen much diminished and perhaps out of contention, and with Rudy Giuliani not yet doing serious groundwork for a national campaign, the Republican field is already down to two. That is good for only one of them: Romney.

Cardin, Steele Put Focus On PG (WT)

By S.A. Miller And Jon Ward

The Washington Times, November 1, 2006

The battle for Prince George's County voters is intensifying in the final days of Maryland's U.S. Senate race.

Rep. Benjamin L. Cardin, the Democratic nominee, will team up a second time with Sen. Barack Obama, the Senate's only black member, to woo voters in the mostly black and heavily Democratic county.

Mr. Cardin, 63, also is lining up last-minute endorsements in the county, including from Prince George's County Executive Jack B. Johnson, a black Democrat who could announce his support for Mr. Cardin as early as today, county officials said.

Prominent black Democrats in the county broke party ranks this week to support Lt. Gov. Michael S. Steele, the Republican nominee and the first black elected statewide in Maryland. The Democratic crossovers have accused party officials of repeatedly snubbing the black community and their county.

Mr. Steele, who lives in Prince George's, will be campaigning alongside his crossover supporters, which include all five black members of the County Council and former county Executive Wayne K. Curry.

The election could hinge on how Prince George's 320,000 registered Democrats vote Tuesday.

The county, which is more than 65 percent black, accounts for a large part the Democratic Party's overwhelming advantage in voter registration.

Maryland has about 900,000 registered Republicans and 1.7 million registered Democrats, of which an estimated 700,000 are black.

Polls show the race in a dead heat.

"Cardin's office called yesterday, and they're having Obama, and I'd like to go," said Mount Rainier Mayor Malinda Miles, whose endorsement could sway some of her 600 constituents. "And Steele also is calling and saying, 'I need you.' I'm torn in between.

"If Wayne Curry and the majority of the council endorsed him ... I think it's going to be a major impact," she said.

Mr. Obama, Illinois Democrat, refrained from criticizing Mr. Steele when campaigning for Mr. Cardin after his narrow primary victory over Kweisi Mfume, former president of the National Association for the Advancement of Colored People.

Delegate Eleanor Holmes Norton, the District's nonvoting congressional representative, and Rep. Elijah E. Cummings of Maryland have said they will not attack Mr. Steele, even as they campaign for his Democratic rival.

"I think that is a tactical decision," Mrs. Norton said last week.

Though Mr. Cardin won the statewide primary, Mr. Mfume trounced him in Prince George's, winning 74,637 votes to Mr. Cardin's 19,824.

Mr. Cardin, a white 10-term congressman from Baltimore, has struggled to shore up black support.

Mr. Curry and other black Democrats throwing their support to Mr. Steele this week reiterated accusations that party leaders blocked Mr. Mfume's run and criticism that the ticket lacks black candidates.

Both senatorial campaigns made stops yesterday in Prince George's.

Mr. Steele, 48, greeted residents at a senior-citizen center in Brentwood. Mr. Cardin stumped for universal health care outside the Prince George's County Health Department in Cheverly.

"I've been in this county campaigning more than any other county in the state," Mr. Cardin told reporters. "We'll be here the rest of this week, every day, because of the importance of Prince George's County to our campaign."

A Steele campaign spokesman described the push in the county as "aggressive."

About 400 Steele campaign volunteers have been canvassing in the county for the past several weeks. Joe Gaskins, chairman of the Steele campaign in Prince George's, said he hopes to have between 3,000 and 5,000 canvassers in the county on Election Day.

The candidates are engaged in a fierce tug of war for the county's voters, said the Rev. C. Anthony Muse, a Democrat running unopposed for a Prince George's state Senate seat.

"I've seen them both working extremely hard," he said. "Their presence is felt here in Prince George's County. ... Workers are on the ground. People are enthused about this race."

A Black Republican Runs Against The Tide In Maryland Senate Race (LAT)

By Maura Reynolds

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The Los Angeles Times, November 1, 2006

Washington — Though political momentum appears to be with Democrats around the country, the trend is going the other way in one solidly blue state, where a Republican candidate is gaining on the favored Democrat in a contest with an unexpected racial twist.

The state is Maryland and the candidate is Lt. Gov. Michael Steele, a black Republican running for the Senate against a white Democratic congressman, Benjamin L. Cardin.

Once trailing by more than 10 points, Steele narrowed the margin to where the race is now considered by some to be nearly a tossup. His recent gains reflect growing dissatisfaction among some blacks toward the state Democratic Party.

On Monday, a group of prominent African American Democrats from Prince George's County in the Washington suburbs crossed party lines to endorse the Republican.

"The [Democratic] Party acts as though when they want our opinion they'll give it to us," said Wayne Curry, the former county executive who led the mutiny. "It will not be like that anymore."

Curry and others complained that although nearly 30% of the state's population and 35% of Democratic voters were African American, too many of the statewide Democratic candidates in this year's election were white.

Endorsing Steele "is a way to say, 'Don't leave Prince George's out, and don't leave African Americans out,' " said county council member David Harrington at a press conference.

Racial tensions in Maryland's Democratic Party have been brewing since earlier this year, when Cardin beat back a primary challenge from former congressman and NAACP leader Kweisi Mfume by a margin of 44% to 41%.

Democratic leaders say that Cardin won because he raised more money than Mfume. But Ronald Walters, a professor at the University of Maryland who studies African American politics, said the party leadership rallied early around Cardin, which hampered Mfume's ability to raise cash.

"I was startled by the swiftness of it," Walters said. "It was as if they wanted to foreclose the possibility of anybody else jumping in."

Since winning the primary, Cardin has generally polled well above Steele, which would be expected in a state where Democrats outnumber Republicans 2 to 1. But Cardin's lead began to slip recently, and some polls show it in the single digits.

One reason, observers say, is that Steele has run a series of clever TV ads, including one known as "the puppy ad." In an effort to inoculate himself against negative Democratic ads, Steele warns voters that they are likely to hear Democrats accuse him of terrible things like hating puppies.

"For the record," Steele says, "I love puppies."

Jennifer Duffy, who analyzes Senate races for the nonpartisan Cook Political Report, says that Steele's strong performance has been a surprise.

"Mfume didn't have all that much money, and he still got 41%. Which tells me people didn't exactly flock to Cardin," Duffy said. "Steele is a lot better than expected. It's not that Cardin is a bad candidate; he's just a little dull."

On Friday, Duffy officially moved the race — which is for the seat of retiring Democrat Paul S. Sarbanes — from the "leans Democratic" category to "tossup."

"At the end of the day, do I think it's really hard for Steele? Yes," Duffy said. "It's a very Democratic state and a very bad environment for Republicans. But he has made this a race."

Maryland's Democratic Party insists that Cardin is well ahead of Steele, and that even a black Republican in a state with a sizable African American community will have trouble getting elected this year.

"I think the voters understand that a vote for Michael Steele is a vote for George Bush," said state Democratic Party spokesman David Paulson. "Right now, Democrats don't like the guys who are holding George Bush's hand."

Democrats also complain that to attract Democrats and independents, Steele has been softening his positions to make himself sound more liberal. In particular, they cite what they describe as changing statements about his views on abortion and stem cell research.

"You need to round up a search party to find out where he stands on the issues," said Rep. Chris Van Hollen (D-Md.).

And they also point out that because Steele is from Prince George's County, where he got his start in politics, the support he's won there from some black Democrats may not carry over to the rest of the state.

Still, the race has been closer than expected.

Duffy said that Steele's success continued to be an aberration for black Republicans. The other two black GOP candidates who have caught national attention, gubernatorial candidates J. Kenneth Blackwell in Ohio and Lynn Swann in Pennsylvania, are not expected to win.

"Of the three of them," Duffy said, "Steele is the last man standing."

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Va., Md. Senate Camps Dig Deep (WP)

By Michael D. Shear And Matthew Mosk

The Washington Post, November 1, 2006

Television viewers in Virginia and Maryland are being inundated by a last-minute deluge of commercials from the U.S. Senate candidates and their national political party benefactors, who are pouring millions of dollars into the two states as the bitter fall campaign draws to a close.

The flood of money into the two states means that hardly anyone who watches TV in the next six days will be able to avoid seeing the candidates or their surrogates make a final plea for votes before Tuesday's election. In the Washington area media market, for example, even a casual TV viewer will see 42 campaign commercials for Republican George Allen or Democrat James Webb between now and Election Day, advertising specialists said.

"Each side is dishing it out," said Charlie Cook, who edits a nonpartisan national political newsletter. He said that the money pouring into Maryland and Virginia, especially from Democrats, is staggering. "It's almost as though Chuck Schumer has a printing press in his basement." U.S. Sen. Charles E. Schumer (D-N.Y.) is chairman of the Democratic Senatorial Campaign Committee.

In Virginia, that committee has bought $2.6 million worth of TV and radio spots that began airing yesterday, bringing its contributions on behalf of Webb to about $6 million. The GOP counterpart has spent $1 million on ads for Allen.

In Maryland, the National Republican Senatorial Committee contributed $400,000 yesterday to air 93 TV spots on behalf of Lt. Gov. Michael S. Steele (R) on stations in Baltimore and the Eastern Shore. Democrats have pumped $1.7 million into Maryland for U.S. Rep. Benjamin L. Cardin (D-Md.).

The money from Washington, combined with the substantial cash raised by the Senate candidates, reflects how critical Virginia and Maryland are to the national political parties. A Steele victory in Maryland could doom hopes for Democratic control of the Senate. A victory by Webb in Virginia could be a disaster for the GOP.

The advertising intensity is particularly acute in Virginia, one of three states with close contests where control of the Senate is likely to be decided. Allen, who started the campaign with a huge financial advantage over first-time candidate Webb, will be outspent heavily by Democrats in the closing days as he fights for his political survival. A statewide poll for CNN released Monday showed Webb with a four-point lead over Allen among likely voters.

"It's clear to us that the DSCC and [Sens.] Chuck Schumer and Hillary Clinton -- oh, and let me add in John Kerry -- want to buy themselves a U.S. senator," said Allen consultant Chris LaCivita.

Webb spokeswoman Kristian Denny Todd promised a heavy dose of Webb on TV, offering "what he stands for, what he believes in, what type of person he is."

A spokesman for the National Republican Senatorial Committee, Dan Ronayne, said he could not comment on the TV push in Maryland but said, "We see it as a very close race."

Steele spokesman Doug Heye was more optimistic. "I think over the past week, this campaign has demonstrated that Michael Steele has more momentum than any candidate in the country," Heye said. "He's worked extremely hard to put himself in a position to win, and that's what we've seen happen."

A spokesman for Cardin, Oren Shur, said: "Michael Steele has been the chosen candidate of President Bush and the national Republicans from Day One in this campaign. We expect that to continue to Election Day."

Even as their mugs were flashing on TV, the candidates in both states took to the road yesterday, courting voters face to face.

Cardin spent the day in Prince George's County and Baltimore, where he spoke to a minority business group. Steele gave a 40-minute motivational speech at Morgan State University in Baltimore. In Virginia, Webb campaigned with former governor Mark R. Warner (D) in rural areas; Allen rallied in Charlottesville with Sen. Elizabeth Dole (R-N.C.).

With the clock ticking toward Tuesday, the candidates continued to air negative charges, hoping to depress turnout for their opponents. An Allen ad running frequently in Virginia accuses Webb of failing to take seriously the Navy's Tailhook scandal, in which women were assaulted at a Las Vegas convention in 1991.

Webb has responded with an ad denying Allen's accusations.

"After a campaign filled with nothing but attacks on Jim's character, you would think that now, in the last week, [Allen] would find a shred of decency and keep this positive," Todd said Tuesday. "He can't do it."

LaCivita said that Todd's comments were "the pot calling the kettle black."

Allen and Webb also began airing more positive ads yesterday in hopes of appealing to voters' softer sides. By the end of the week, those ads are likely to become almost as ubiquitous as the attacks that viewers have come to expect as candidates attempt to end the campaign on a high note.

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In one new ad, called "Bottom Line," Webb looks directly into the camera and -- in a first for him -- directly asks to be elected to the Senate.

"Bottom line: They're not fighting for you," he says of incumbents in Washington. "I will. We need a new direction, on issues like making health care and college more affordable and setting a real strategy to make our nation more secure. If you're ready for change, I'd be honored to have your vote."

Allen countered with a new ad of his own, in which he says he deplores what he calls false character attacks and distortions of his record.

"That's not how we do things in Virginia," he says to the camera. "As your senator, I want to continue fighting for our shared values. Lower taxes, a better education for our children and a safer, stronger America. I'm George Allen, and I approve this message and respectfully ask for your vote."

Campaign Takes Low Road Through Crucial Missouri (HILL)

By Jonathan E. Kaplan

The Hill, November 1, 2006

FARMINGTON, Mo. – For Sen. Jim Talent (R-Mo.), one syllable, like one vote or a one-point margin, could make all the difference.

At a Republican rally on Monday in this small town 90 miles south of St. Louis, Talent first pronounced his home state "Missour-ee" and then as "Missour-ah," prompting a cable television producer to inquire about Talent's sudden twang.

Talent explained that he tends to adopt the inflection of those around him, noting that Sen. Kit Bond (R-Mo.), who introduced Talent to the local crowd, calls their home state "Missourah." It is not unusual for politicians to thicken their accents the farther they travel from Washington.

Talent's shifting inflection could serve as an analogy for competing natures of his appeal to voters; Talent has a studious, bookish reputation but his fight against state auditor Claire McCaskill (D) has been as down-and-dirty as others across the country.

Talent, one of seven GOP senators facing tough contests, is in the third fight for his political life. In 2000, he lost a gubernatorial race by one percentage point. Two years later, he won his current Senate seat by a percentage point.

McCaskill, a proven vote-getter, has won two statewide elections. In 2004, she defeated a sitting governor in the Democratic primary, but lost to then-Secretary of State Matt Blunt (R). Some Democrats said she let Republicans define her and did not spend enough time campaigning in rural Missouri. Now, McCaskill is running a more disciplined campaign, touring southern Missouri in her RV and focusing on appealing to rural voters.

Her advertisements, particularly her most recent and controversial one, have thrown Talent off-stride. Last Saturday during the first game of the World Series, the Democrat aired an advertisement on embryonic stem cell research with actor Michael J. Fox. With his symptoms of Parkinson's disease front and center, Fox endorsed McCaskill and criticized Talent, accusing him of opposing stem cell research.

The ad has drawn huge national attention, and Republican criticism for mendacity, but a supporter of Talent in Clayton, an upscale suburb of St. Louis, told two Talent canvassers that, "The Democrat's ads make Talent look like an idiot."

The Democratic Senatorial Campaign Committee (DSCC) has spent $9.1 million running ads against Talent, alleging that he voted for legislation that would send jobs overseas. The Republican National Committee (RNC) and the Senate GOP campaign committee have spent $7.7 million on ads, polling and mailings.

"They're coming after me," McCaskill told a small group of labor supporters earlier last Saturday morning. "Why even take 30 seconds? They ought to just come out and say it. Claire is Satan's sister."

For weeks, Talent and his allies have alleged that McCaskill's husband beat his former wife and used investments in Bermuda to shield income from taxation; that the couple did not pay taxes on a lakeside condominium; and that as state auditor, McCaskill did not scrutinize the nursing home industry in which her husband made his fortune.

Having learned from her loss in 2004, McCaskill lets no attack go unanswered. She will begin airing a television advertisement tonight rebutting GOP criticism of her oversight of the nursing home industry. She insisted that her criticism of Talent is limited to his voting record in the Senate and that his campaign did not match his character.

"I've known Jim for 20 years … He's not a Prince-of-Darkness kind of guy," she said.

Talent said his campaign style was simply a matter of talking about his accomplishments and contrasting his record with his opponent's.

"Yeah, I talk about my record and what I've done and accomplished. I contrast that with her record … this is all relevant to the campaign," Talent said, referring to McCaskill's family's finances.

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While sources from both campaigns said the race would remain close in this traditional swing state, they acknowledged the negative attacks had driven up the candidates' disapproval and unfavorability ratings. A St. Louis Post-Dispatch poll showed the race tied with each candidate pulling in 47 percent of the vote.

Everyone, including both candidates, expect a tight race. Talent said even in a perfect world the best he could do is win by six points, 53 to 47 percent.

Republicans are pouring resources into the state. The Talent campaign is paying volunteers $50 for six hours of working for the campaign. The RNC is expected to send volunteers into the state and local Republicans are recruiting volunteers for the vaunted 72-hour program. In southwestern Missouri, a bastion of GOP votes, Majority Whip Roy Blunt (R-Mo.) is organizing 800 shifts of volunteers to knock on 40,000 doors and make 150,000 phone calls to likely GOP voters, said a campaign aide.

McCaskill loaned her campaign $500,000 last week. The DSCC and the state Democratic party have updated the voter file and labor unions and local and congressional Democrats will help get voters to the polls. Charlie Dooley, the St. Louis County Executive, said he plans to knock on 60,000 doors in the campaign's final week to help McCaskill. Rep. Russ Carnahan (D-Mo.) has deployed his political operation to help McCaskill and Democratic Reps. Lacy Clay and Emanuel Cleaver have done advertisements on black radio stations to encourage black voters.

With six days to go, both campaigns are ginning up support among their base voters. McCaskill began a campaign swing yesterday that will take her from St. Louis to Springfield to Kansas City. She plans to campaign for 24 hours straight starting Friday.

On Monday, Talent, Bond and Rep. Jo Ann Emerson (R-Mo.) made stops in five cities in southeastern Missouri. Senate Majority Leader Bill Frist (R-Tenn.) campaigned yesterday for Talent and President Bush will visit Springfield on Friday.

Bond, who introduced Talent, hyped his work to combat methamphetamine abuse and increase resources for farmers to produce ethanol. Talent then reassured the base voters that he opposed gay marriage, amnesty for illegal immigrants and any legal consolations for terrorists. He mentioned Iraq only in passing.

At each of the five stops and at an evening fundraiser with Bush's press secretary, Tony Snow, Talent told the crowds that he "thinks" he can win. In a pithy rejoinder, Snow said, "The only difference between President Bush and Jim is that [Bush] knows you're going to win."

Democrats are watching McCaskill to see whether her strategy of appealing to culturally conservative voters will pay off. McCaskill laces her speeches with references to the Bible in an effort to connect with voters on a gut level and to make a case for Democratic policies. If she is successful, many Democrats believe her campaign can provide a road map for how to recapture the White House in 2008.

Her strategy appears to have yielded some dividends. Not only have polls shown her running ahead or even with Talent, she appears to have captured support from some disaffected Republicans.

"We need some changes and Claire is that change," said Bernard Fritz of St. Louis, a recent retiree and lifelong Republican who explained that he was fed up with the war and budget deficits.

For his part, Talent has not closed the deal with the few voters who remain undecided. At the Applebutter Festival in Kimmswick, Mo., last weekend, Orville Sauder, who was selling sausage and elk jerky, said, "I'm not impressed with Talent, but I really am unimpressed with McCaskill."

On Sunday afternoon in Clayton, some voters expressed disgust with both campaigns.

"They ought to quit talking about each other. Neither candidate is talking about themselves yet," said a middle-aged man who asked not to be identified. "I'm a supporter [of Talent], but I am [not sure]."

Chafee Takes Jab At Sen. Harry Reid (HILL)

By Elana Schor

The Hill, November 1, 2006

Sen. Lincoln Chafee (R-R.I.), whose collegial personality has bolstered his appeal in an otherwise blue state, took an indirect shot at Senate Minority Leader Harry Reid (D-Nev.) during a debate Monday night with his Democratic opponent, state Attorney General Sheldon Whitehouse.

When Whitehouse blasted Chafee for failing to push for Defense Secretary Donald Rumsfeld's resignation in the wake of escalating chaos in Iraq, the incumbent — trailing his foe by as many as eight points in recent polls — asked Whitehouse why he has failed to question Reid's amended reports to the Senate ethics committee clarifying the details of a $1.1 million land deal.

"Whitehouse is talking about, 'you should call for this, you should call for that,' and the senator is putting out that the current Democratic minority leader, Harry Reid, has got some ethics questions surrounding his conduct and Whitehouse has stayed silent," Chafee campaign manager Ian Lang said. "Does [he] believe that this disqualifies Reid as minority leader?"

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Whitehouse spokeswoman Alex Swartsel did not address the Chafee camp's question directly, instead continuing to hammer the centrist Republican as a reliable vote for GOP leadership.

"Chafee hasn't explained why he has continued to support his Republican leadership despite their failure to hold the administration accountable for its failures in Iraq," Swartsel said.

Behind The 'Mob' Ad, A Republican Donor With A History (NYT)

By Laura Mansnerus

The New York Times, November 1, 2006

TRENTON, Oct. 31 — A much-criticized television advertisement that uses a mob character to impugn Senator Robert Menendez was financed by a Republican donor who has given more than $6 million this year to start ad campaigns attacking Democrats.

The donor, Bob J. Perry, a Houston home builder, gave $4.45 million in 2004 to the Swift Boat Veterans for Truth, an independent organization that attacked Senator John Kerry's Vietnam War record, damaging his presidential campaign and leading to protests about the tactics used by such outside groups.

The anti-Menendez ad was produced by one such group, the Free Enterprise Fund Committee, which said it received about $1 million from Mr. Perry. His role in the ad was reported on Tuesday in The Star-Ledger. Earlier this year, Mr. Perry started another group, the Economic Freedom Fund, with a $5 million contribution. Together, the committees are running attack ads in about a dozen states.

In the anti-Menendez ad, titled "Politicos," a stocky character with a leather jacket and a "Sopranos" accent rasps into a cellphone: "We got a problem. Our boy down in Washington, Bob Menendez, he's caught in a federal investigation. The feds start looking at these fixed contracts, and bada-bing, we're in it deep."

"We need to get the bosses to fix this thing, like they did for Torricelli," he says at the end of the ad.

Jill Hazelbaker, a spokeswoman for Mr. Menendez's Republican opponent, State Senator Thomas H. Kean Jr., said the campaign condemned the ad when it started running a week ago. That statement, Ms. Hazelbaker said, "makes clear that we loathe the ad."

She said the Kean campaign could not call on the sponsors to stop running the ad. Campaign finance laws prohibit any direct contact between campaign officials and the independent groups, known as 527s after a provision in the federal tax code that permits them to spend unlimited amounts as long as they do not coordinate efforts with candidates.

But Matt Miller, a campaign spokesman for Mr. Menendez, said: "The Republicans have been very good at getting all their donors to fund side projects to smear Democratic candidates. We saw it pop up in New Jersey with the Free Enterprise Fund ads, which repeated Tom Kean Jr.'s smears."

Todd S. Schorle, a spokesman for the Free Enterprise Fund Committee, said that Mr. Perry provided almost all of the group's financing but that the ad was entirely the creation of the committee staff and the agency that made it, Nelson Warfield and Company. Mr. Schorle said the ad cost $200,015 and was to run for a week, ending today, on cable stations in several North Jersey counties.

When asked about Mr. Perry, Mr. Schorle said, "We don't discuss any of our donors."

The committee has run ads against other Democratic Senate candidates, including Ned Lamont in Connecticut, Jon Tester in Montana and Harold Ford Jr. in Tennessee. The Economic Freedom Fund, Mr. Perry's new committee, has run attack ads in at least five states.

In Indiana, the state attorney general filed a complaint against the group and forced it to stop automated telephone calls attacking a Democrat, Baron Hill, who is challenging Representative Mike Sodrel.

Anthony Holm, a spokesman for Mr. Perry, declined to comment.

Mr. Perry is the nation's top donor to the independent groups this year, according to the Center for Responsive Politics, which tracks federal campaign finance reports. In 2004 he and his wife, Doylene, were the biggest Republican donors to 527 groups, giving $9.6 million.

Senate Dems Outgive GOP (HILL)

By Elana Schor

The Hill, November 1, 2006

More than half of the members of the Senate Democratic caucus have tapped into campaign coffers for six-figure donations to their party committee, while only 15 Senate Republicans have given similar sums with only one week remaining and control of the chamber up for grabs.

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From committee gavels to White House momentum, Democrats digging deep to transfer unused campaign dollars stand to reap huge gains if they can net the six seats needed to take over the Senate. But even Democratic senators up for reelection and out of chairmanship contention made unrestricted transfers to the Democratic Senatorial Campaign Committee (DSCC) in October, leaving Republicans at a $6 million disadvantage in the hunt for member money.

Senate Republicans maintain that their majority will survive despite members' reluctance to give directly to the National Republican Senatorial Committee (NRSC) and some strategists' anxiety over spending shortfalls in key races. The NRSC made a million-dollar negative-ad buy yesterday in Virginia, where the DSCC reportedly is planning to double that number in a bid to vault Democrat Jim Webb over Sen. George Allen (R-Va.).

Allen chaired the NRSC during the 2004 cycle, when he gave $375,000 in campaign cash directly to the committee, according to Federal Election Commission (FEC) records. Current Chairwoman Elizabeth Dole (R-N.C.) has given the NRSC $100,000 directly from her campaign, which had about $224,000 on hand at the end of September.

Among the members Dole has solicited for six-figure transfers is Judiciary Committee Chairman Arlen Specter (R-Pa.), who did not heed Dole's call for $100,000 from a campaign war chest strained by his high-profile reelection fight in 2004.

"What I've done is raise a lot more money than Dole wanted me to contribute," Specter said in an interview. "I'm working hard to maintain the majority."

Specter said he has held fundraisers for three of his committee members up for reelection, Sens. Jon Kyl (R-Ariz.), Mike DeWine (R-Ohio) and Orrin Hatch (R-Utah), in addition to raising $100,000 through the NRSC's Majority Makers program and giving more to individual candidates through his Big Tent leadership PAC. His greatest effort has been directed at helping fellow Pennsylvanian Sen. Rick Santorum (R), and Specter said he hopes to cut a radio commercial for the embattled senator this week.

Specter's Democratic counterpart on Judiciary, Sen. Patrick Leahy (Vt.), has given $100,000 in direct campaign cash in addition to making appearances for House candidate Peter Welch (D-Vt.).

Specter and Homeland Security and Governmental Affairs Committee Chairman Susan Collins (R-Maine), who is up for reelection in 2008, are the only two Republican chairmen who did not give directly to the NRSC. A Collins spokeswoman noted that she has given more than $200,000 to Republican candidates through other avenues.

"We're very pleased to have support from the caucus and we will do everything we can to get as much as we can during the last week," NRSC spokesman Brian Nick said.

Only one Democratic senator who is in line to chair a committee if the Senate changes hands, Appropriations ranking member Robert Byrd (D-W.Va.), has not given directly from his campaign to the DSCC. Byrd is heavily favored to stave off GOP challenger John Raese next week, and his office did not return a request for comment by press time about his giving record.

Despite the NRSC's nearly $1 million deficit in cash on hand entering the final stretch of one of the most hard-fought midterms in years, some GOP senators have boosted their giving since the 2004 season.

Senate Rules Committee Chairman Trent Lott (R-Miss.), who is widely expected to vie for the majority whip's post if Republicans hold on and Santorum loses his race, transferred $100,000 to the NRSC in September — his first unrestricted contribution since the 2002 cycle, when he was deposed from Senate leadership.

Sen. John Ensign (R-Nev.), who has announced his intention to take over the NRSC for the challenging 2008 cycle, gave $250,000 to the committee in October while waging a reelection fight against Democrat Jack Carter.

"Obviously, he believes in the NRSC and has always been one to help out fellow Republicans wherever he can," Ensign spokesman Jack Finn said.

Sen. Wayne Allard (R-Colo.) gave the NRSC $50,000 in October, bringing his total transfers to seven times his 2004 level. Allard, who took a seat on Appropriations at the beginning of this Congress, also has done direct mail for Colorado House hopeful Rick O'Donnell (R) and will join a statewide bus tour for Colorado candidates this week.

The predominance of incumbents in need during this cycle compared with 2004 helped motivate Allard, his Chief of Staff Sean Conway said: "I think the difference is that this time, a lot of the colleagues he works with on a daily basis are in tough races, so he wanted to step in and help out."

One senior GOP aide pointed to his own boss's fundraising activities and said the Republicans' failure to match moves like Sen. Hillary Rodham Clinton's (D-N.Y.) $2.1 million gift to the DSCC did not tell the full story.

"We certainly understand the importance of this election and we understand the stakes," the aide said. "It's not all about the hard numbers you see, but about your organization. It's not just that members are giving some money to NRSC, but they are doing a lot on behalf of their colleagues. A lot of it is the sweat equity that you do."

Yet few Republican senators can match the earned-media power of John McCain (R-Ariz.), who continues to crisscross the country for Republicans but has given no direct cash to the NRSC. On the Democratic side, presidential aspirants such as Joseph Biden Jr. (Del.), Chris Dodd (Conn.) and Barack Obama (Ill.) have all sent $150,000 or more directly to the DSCC.

In addition to maxing out through his Progressive Patriots Fund PAC, Sen. Russell Feingold (D-Wis.) hit the $100,000 mark in October with a bequest to the DSCC.

"Taking back the Senate is a priority if we're to get our country back on track, and continuing to support the DSCC and its efforts is another way Senator Feingold is working toward that goal," Feingold spokesman Trevor Miller said via e-mail.

Some Democratic senators have targeted their campaign transfers and PAC contributions outside of the DSCC, often to swing close state-level races. Sen. Bill Nelson (D-Fla.), for example, sent $250,000 on Thursday from his unexpectedly full coffers to a Florida Democratic party working to lift Rep. Jim Davis's (D-Fla.) gubernatorial fortunes.

The DSCC did not return requests for comment on Democratic members' money movement.

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Senators who have given the most to the NRSC and DSCC from their campaign funds (through 10/18)

Republicans

Mitch McConnell (Ky.) $1,000,000
John Ensign (Nev.) $250,000
Thad Cochran (Miss.) $225,000
Ted Stevens (Alaska) $200,000
Chuck Grassley (Iowa) $200,000
Orrin Hatch (Utah) $200,000

Democrats

Hillary Rodham Clinton (N.Y.) $2,100,000
Edward Kennedy (Mass.) $1,000,000
Dianne Feinstein (Calif.) $1,000,000
Dick Durbin (Ill.) $985,000
Ron Wyden (Ore.) $769,500
Harry Reid (Nev.) $600,000

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Senate chairmen/ranking members making no direct donations from their campaigns:

Arlen Specter (R-Pa.)
Susan Collins (R-Maine)
Robert Byrd (D-W.Va.)

A Senate Newcomer, Helping Fellow Democrats On The Trail And Drawing Big Crowds (NYT)

By Anne E. Kornblut

The New York Times, November 1, 2006

MILWAUKEE, Oct. 31 — Senator Barack Obama of Illinois has become the prize catch of the midterm campaign. More sought after than virtually every other Democrat, Mr. Obama was fully booked, long ago, on a schedule to take him across a large swath of the country to help his party try to win control of Congress.

Now, having increased the intrigue of his persona with his recent announcement that he may run for president in 2008, Mr. Obama is winding up the closing days of the 2006 race as what party officials believe is a powerful tool to draw last-minute attention to Democratic candidates.

In stops with candidates in Minnesota and Wisconsin over two days at the beginning of this week, Mr. Obama helped draw large crowds and intense news media attention to earnest but otherwise nondescript rallies.

His travels have a self-serving purpose, as well; he has been on a tour the last few weeks to promote his second book, "The Audacity of Hope," which is set to make its debut on the nonfiction best-seller list. But the publicity he has attracted along the way has been welcomed by party officials.

Other prominent African-Americans are summoned to the Midwest to campaign in black churches (and that is on Mr. Obama's schedule, too, before the week is out). But Mr. Obama also traveled to Rochester, Minn., in a Congressional district that is more than 93 percent white, to campaign on Monday in front of a nearly all-white crowd for Amy Klobuchar, who is running for Senate, and Tim Walz, a candidate for the House.

Mr. Obama then traveled to Milwaukee on Tuesday to campaign for Gov. James E. Doyle at a rally, where Senator Herb Kohl compared his appearance to one scheduled later in the week by former President Bill Clinton.

"So we're going to have a former president," Mr. Kohl told the more than 1,000 participants at the outdoor rally, "but you know, we might just have a future president in town."

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And thus on a freezing Halloween morning, Darnell Barrett, a seventh-grade English teacher, carted his class to an outdoor field in Milwaukee to see the junior senator from the state directly to the south. Mr. Barnett said that seeing the governor and the city's mayor would not have justified the journey; it was Mr. Obama, he said, who inspired the trip.

"He's all people are talking about, to be honest with you," said Mr. Barnett, whose class of 20 students stood on their toes to get a glimpse of the stage. "A lot of the kids had heard of him, if you can believe that."

Mr. Obama's message varies little from venue to venue; in interviews and on the stump, he returns to the theme of moving past the divisions of the 1960s, a distinctly post-baby-boom vision that he, at the age of 45, would be conveniently suited to pursue.

He dreams aloud of a political world in which each side tries to understand the other, and speaks of his belief that Americans are fundamentally optimistic. He warns that the current climate risks leaving the country "a little poorer and a little meaner than the one we inherited from our parents," citing universal health care, higher wages, improved education and sounder energy policy as the most pressing goals.

The war in Iraq, which he opposed from the outset, is among the areas where he sounds most like the liberal wing of his party. In other ways, especially in tone and with regard to politics, he insists that neither party has a monopoly on good ideas and frequently declines to criticize President Bush as unfit.

Even on the question of race in a midterm season that has at times had a sharp racial undercurrent, Mr. Obama can be understated.

In an interview on a flight between campaign appearances, the senator said he did not consider an advertising campaign against Representative Harold E. Ford Jr., a Democrat running for Senate in Tennessee, to be offensive strictly because it seemed designed to provoke bias in white voters. In the advertisement, a blond white woman, scantily clad, says she met Mr. Ford at a Playboy party and asks him to call her.

"What I saw was some pretty crude innuendo," Mr. Obama said. "I would have been just as offended had they used a black woman. The fact that they used a blonde was sort of putting mustard on the hot dog."

Mr. Obama, who has campaigned for Mr. Ford and plans to do so again, is also one of the top donors to federal candidates from his federal political action committee. He has given $374,000 to federal candidates in this election cycle, according to the Center for Responsive Politics.

That is more than even Senator Hillary Rodham Clinton of New York, whose PAC donated $252,500, and Senator John Kerry, whose PAC has given $82,600. (All three of them have also helped candidates in other, sometimes more valuable ways, like headlining fund-raising events and lending lists of donor e-mail addresses.) Mr. Obama has also been featured prominently in the Democrats' direct mail campaigns.

When questions about the presidential campaign arise, Mr. Obama is quick to say that he is still at the earliest stages of contemplation. He declined to point out differences between himself and Ms. Clinton, except to say that they had disagreed at the outset of the war in Iraq, which she voted to authorize. (He was not in the Senate yet.)

But he did elaborate on the question of experience, which given his brief tenure is certain to follow him if he decides to run. Asked how important experience should be for a president, he replied, "What I think is more important is judgment."

"Judgment can be borne out of experience," he said. "It would be nice to think the more experience we get, the better our judgment is. But I don't think that's the case. I mean, Dick Cheney and Donald Rumsfeld have an awful lot of experience, and yet have engineered what I think is one of the biggest foreign policy failures in our recent history. So I would say the two most important things are judgment and vision."

"Well," he added, catching himself, "judgment, vision and passion for the American people, and what their hopes and dreams are."

Haunted By The Past (NYT)

By Maureen Dowd

The New York Times, November 1, 2006

Many Republicans have been tut-tutting about the author of "The Audacity of Hope" having the audacity to hope.

"I think people might want a little more experience than that, given the nature of the times we live in," Dick Cheney told Sean Hannity.

Charles Krauthammer wrote that, despite Senator Barack Obama's charms, he could not win in '08: "The reason is Sept. 11, 2001. The country will simply not elect a novice in wartime."

But if there's one thing W.'s reign proves beyond a shadow of a doubt, it is this: Experience, like affectations, can be dangerous.

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They will fill up history books with all the myopic misjudgments made by a war council with a couple of centuries of experience, blunders that undermined America's security and integrity, wrecked Iraq, loosed Osama, and made the world more dangerous.

Those on the president's "dream team" of foreign policy advisers were haunted, not strengthened, by their years of past service in top jobs. When they got the chance to run the country again under W., all they wanted to do was finish unfinished business, misapplying old ideas to new crises, like those who sabotage new romances with baggage from old relationships.

On his initial tour as defense secretary, for Gerald Ford, Rummy felt that Vietnam, Watergate and then Jimmy Carter robbed him of his opportunity to rein in the military brass, who were always impudent enough to have opinions about the military. Determined to banish America's post-Vietnam fears about using force, he ended up creating another Vietnam that spurred more fears about using force.

As Bush 41's defense secretary, Mr. Cheney prepared the '92 Defense Planning Guidance draft with his aides Paul Wolfowitz and Scooter Libby. It called for swaggering world domination in the wake of the cold war, asserting that America should intervene to stop any countries — allies or foes — from challenging its supremacy.

A decade later, with a more jejune Bush as president and a more jittery post-9/11 America, Cheney & Co. brought back the loony plan and renamed it the Bush doctrine.

Vice and Rummy corroded the Constitution by using the terrorist attacks as a pretext to correct the past: as Ford administration big shots, they felt emasculated by the post-Watergate reforms; three decades later, they saw a chance to shoot some steroids into executive branch powers.

Condi Rice had been a Russia expert in Poppy Bush's White House, so she and the older cold warriors like Rummy and Cheney readily saw the red menace under every rock. Like the "experts" who failed back in the 1960s to see that Red China and the Soviet Union were enemies of each other, not friends, they naïvely assumed that Saddam and Osama were in bed together and that because they were both bad guys, going after one was going after the other.

George Tenet's experience tracking bin Laden did him no good, because he was so nervous about being the only Clinton holdover that he was overly sycophantish to W., assuring a skeptical president that proving Saddam had W.M.D.s was a "slam dunk."

W. let the past cloud his judgment as well. He went along with Vice and Rummy on invading Iraq because he thought he could avenge and one-up his father simultaneously.

When Sonny, as Colin Powell called him, announced his candidacy in 1999, I asked him if it was scary to run for president knowing so little about foreign affairs.

"There will be moments when situations, incidents will flare up," he replied, blissfully unaware of the conflagration to come. He said he could lean into his dad's advisers, and trust his gut about which ones to trust and which to "kiss off."

Yesterday, Senator Obama, asked about his short résumé, made the same claim that judgment is more important than experience. But he acknowledged that President Bush has given learning-on-the-job a bad name.

"I mean, Dick Cheney and Donald Rumsfeld have an awful lot of experience, and yet have engineered what I think is one of the biggest foreign policy failures in our recent history," he told The Times's Anne Kornblut. "So I would say the two most important things are judgment and vision. Well, judgment, vision and passion for the American people, and what their hopes and dreams are."

Those who declaim on the need for Senator Obama to have more experience must forget who's running the country. It often seems that the most inexperienced person alive is George W. Bush — even after six years in office.

Hillary Blasts Bush Policy (NSDY)

Long Island Newsday, November 1, 2006

Sen. Hillary Rodham Clinton blasted President George W. Bush Tuesday for pursuing a foreign policy that had produced "a landscape of failure and disorder," and she urged a return to diplomacy and negotiation in tackling the world's challenges.

"Our country desperately needs a foreign policy based on bipartisan consensus and executed with nonpartisan competence," Clinton, a likely 2008 presidential contender, told a packed gathering at the Council on Foreign Relations in Manhattan.

Earlier in the day, former North Carolina Sen. John Edwards, another Democrat eyeing a possible White House bid, outlined his foreign policy views at the Asia Society in Manhattan. While not as openly critical of the Bush administration, Edwards said future leaders would have to deal with a vast erosion of respect for the United States throughout the world as a result of the Iraq war.

"It is the single most important responsibility of the next president: We have to restore American leadership," Edwards said. "The chaos we see in the world today is a direct result of that leadership vacuum."

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Clinton, an increasingly vocal critic of the White House, labeled the Bush administration "the largest and least competent government we've ever had."

In her remarks, the New York Democrat emphasized the need for the United States to develop an "internationalist" foreign policy that engaged allies on issues including nuclear proliferation and terrorism. While she broke little new ground in her remarks, the speech offered a window into how she might approach global challenges as president.

As she has before, Clinton criticized Bush for squandering global goodwill after the 9/11 attacks and for pursuing a flawed strategy in the Iraq war while neglecting threats such as Iran and North Korea's pursuit of nuclear weapons. She expressed amazement over the Bush administration's refusal to negotiate directly with either of those regimes, calling it "a simplistic division of the world into good and evil."

Senator Clinton Attacks Bush And The Iraqi Government (NYT)

By Marc Santora

The New York Times, November 1, 2006

Calling for "a fundamental change in course" in Iraq, Senator Hillary Rodham Clinton presented her most comprehensive criticism yesterday of the Bush administration's handling of the war, and she said the current government in Iraq had so far failed to be part of a solution.

"Only the Iraqi government can take action to create the conditions for a political settlement," Mrs. Clinton said in a speech to the Council on Foreign Relations in New York. "Instead, the government in recent days seems to be going out of its way to rebuff our efforts to move in that direction."

"American credibility is held hostage by an Iraqi government that will not fulfill its pledge to seek a political resolution of the rights and roles of the Sunni minority and to determine how oil revenue is allocated," she added.

Her remarks came on a day of increased tension between the United States and the Iraqi government, led by Prime Minister Nuri Kamal al-Maliki, after his insistence that the American Army remove checkpoints set up around Baghdad neighborhoods that are Shiite militant strongholds. The Americans complied, and administration officials said the decision was mutual.

In Mrs. Clinton's speech, touching on issues in countries including Afghanistan, China, Iran and North Korea, she presented a broad vision for an internationalist approach to foreign policy. Yet she reserved her harshest criticism for Iraq.

"In human terms, this has been a horrible month," she said. "In political terms, we have finally reached the point of complete absurdity. The administration announces that it will propose timetables or benchmarks, and the Iraqi prime minister denounces them."

Mrs. Clinton went on to say that several basic components should guide future American policy, laying much of the burden on the Iraqi government.

"First, we need to press consistently, privately and publicly, the Iraqis to become serious about achieving an internal reconciliation and political solution," she said. "And present real consequences for their failing to do so."

While she did not expound on those consequences, she suggested that the pressure put on the Iraqi government would be tied to a "phased redeployment" of American troops out of the country beginning this year.

"Phased redeployment will get the attention of the Iraqi leadership," Mrs. Clinton said. Iraqi officials have sent a mixed message in meetings with her, she said, expressing a desire to be a sovereign nation yet saying they are not ready for the Americans to leave.

"It is time for us to force the Iraqi government to face up to that contradiction," she said. Repeating other ideas that she has expressed over the past year, Mrs. Clinton called for a fund to administer oil revenues in Iraq in an equitable fashion. She also called for a meeting of all the countries in the region to discuss the situation.

More broadly, Mrs. Clinton outlined a foreign policy that she said tried to blend "realism" and "idealism," as opposed to what she said was the Bush administration's "simplistic division of the world into good and evil."

One example of that philosophy put into action would entail the possibility of negotiating directly with Iran to prevent it from developing nuclear weapons.

As Mrs. Clinton skipped from discussing one global hot spot to another, she was consistently critical of the Bush administration. Regarding North Korea, she said the White House was investing too much faith in China. In Afghanistan, she accused the administration of prematurely shifting focus elsewhere and allowing the Taliban to regroup.

She also made a broad case for international cooperation. For instance, she said that the treaties and institutions that were effective in limiting nuclear proliferation during the cold war should be modernized instead of abandoned.

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The administration declined to comment on the speech, but the Republican National Committee denounced it. “Either the junior senator from New York really doesn’t grasp the stakes in the war on terror or she is so consumed with her political future that she is willing to compromise our security for personal partisan gain,” said Tracey Schmitt, a spokeswoman.

From Iraq to the broader fight against terror to domestic security, Mrs. Clinton said the administration had failed.

“The people who promised less government,” she said, “have instead given us the largest and least competent government we have ever had.”

Bridge To The Center (WP)

The Washington Post, November 1, 2006

David Ignatius

ROCHESTER, N.Y. -- A tinny band strikes up "Happy Days Are Here Again" as Sen. Hillary Clinton makes her way to the podium at a campaign rally. And here in Upstate New York, where Democrats not so long ago were an endangered species, it looks like happy days are indeed ahead.

A week before Election Day, the Democrats are in a dominant position across the Empire State. Clinton is leading her Republican challenger, John Spencer, by nearly 30 percentage points. The Democratic candidate for governor, Eliot Spitzer, is up nearly 50 points over his GOP rival, John Faso. Perhaps most important, Democrats Eric Massa and Jack Davis are making strong races in Upstate congressional districts that have been solidly Republican for years.

A day spent with Clinton on the campaign trail Monday illustrates the broad, bipartisan themes that have helped rebuild the party in Upstate New York. Her comments also signal the legislative strategy that Clinton hopes to pursue next year, when her party is likely to have control of at least one house of Congress and Clinton herself will be the instant front-runner in the 2008 presidential race.

Rochester on a clear fall day seems like an idyllic version of Clinton's own girlhood home in the prosperous Chicago suburbs. It's a sturdy, Rust Belt industrial city -- a place that sees itself in the middle of the political landscape. The mayor, Robert Duffy, is a former police chief who was recruited to run by both parties but opted for the Democrats and now has an 89 percent approval rating. In national politics, it sometimes seems the country is ripped at the seams by extremists on both sides, but it doesn't feel that way in Rochester.

The issues Clinton stresses through the day are classic "bridge to the future" themes articulated by Bill Clinton when he was president, but with a Hillary twist. She starts the morning brainstorming with local leaders on how to make Rochester a hub for "green" alternative-energy technologies, building around a plant that makes fuel cells. Next, she meets with a health-care network and pitches a revival of her failed 1993 campaign to lower health costs and insure the uninsured. Then it's a tour of a poor urban neighborhood being redeveloped with public-private partnerships of the sort the Clintons have long championed. Her last stop is a steel company where she talks about reviving American manufacturing.

Clinton can't match her husband's raw political energy -- his ebullient way of blurring the edges and seeming to be all things to all people -- but she's getting closer. She feels the pain of the doctors and nurses: "We are just skating along, and the ice is cracking, and we're in danger of falling through." At the political rally that ends the day, she turns her version of centrist politics into a war cry, shouting to the crowd that even conservative Republicans are deciding that "there is nothing conservative or Republican" about Bush policies. She leaves the boisterous rally with a Hillaryesque: "Oh my goodness. This is so exciting."

What will happen to this Democratic energy after Nov. 7? Will it coalesce into strategies for effective governing, or will it simply elevate Bush-bashing to a wider stage? The rage among Democratic activists may undermine the party's effectiveness, but you don't see that negativism here. The Democrats are mounting a surprisingly effective challenge in the bedrock GOP 29th District south of here thanks to Massa, a Navy veteran who has bonded with the activists' "Net roots" Internet campaign. Massa's pro-military, anti-Iraq-war stance defines the high ground this year for Democrats.

Clinton says her priorities in the new Congress will be the same issues she discussed here: creating an energy research agency to speed development of alternative technologies; building a nationwide health-information system as a first step toward broader health reform; restoring the budget rules of the 1990s to slow runaway federal spending; and shaping a bipartisan foreign policy that can salvage what's possible in Iraq. She gave a powerful speech Tuesday at the Council on Foreign Relations, staking out this center ground.

I asked Clinton at the end of this long campaign day to sum up where she will be going in 2007 and beyond, and her answer sounded like a version of America as Upstate New York: "Americans are primarily pragmatic," she said. "We are both conservative and progressive. In the pragmatic center, you get people together; you listen, you learn; you don't draw lines in the sand."

Her updated version of the Clinton gospel is obviously working here in Rochester. But for Hillary, the hard part begins the morning after Election Day.

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The writer co-hosts, with Newsweek's Fareed Zakaria, PostGlobal, an online discussion of international issues athttp://blog.washingtonpost.com/postglobal. His e-mail address isdavidignatius@washpost.com.

Election Tests How Much Race Matters (USAT)

By Susan Page

USA Today, November 1, 2006

NEWTON, Mass. — When Democratic gubernatorial nominee Deval Patrick addressed members of the local Chamber of Commerce, he talked about stimulating the state's economy, streamlining regulations and improving public education.

And race? The subject didn't come up.

Patrick, who is African-American, and members of the audience, almost all of them white, insist color isn't a factor in this campaign. “I don't even see him as black,” says Mike Hurley, 54, owner of the local Minuteman Press franchise. He jokes, “It looks like to me that he has a deep tan.”

Colorblind electorate or not, Patrick is likely to make history next week. The political neophyte, who led Republican Lt. Gov. Kerry Healey by 25 percentage points in a Boston Globe poll taken Oct. 22-25, is poised to become the first black governor of Massachusetts and only the second black ever elected governor in any state.

He is one of a new generation of African-American politicians who are changing old assumptions about what offices black candidates can win.

Unlike senior black members of Congress, they are too young to have joined the civil rights struggles of the 1960s. They often haven't gone to historically black colleges or launched careers at black churches. Instead, many graduated from Ivy League colleges and pursued careers at big law firms. They often advocate pragmatism over ideology and aspire — like white politicians — to the most powerful elected offices in the country.

“African-Americans are now able to come through the political pipelines and break through old barriers,” says Donna Brazile, a top Democratic strategist. “Whether they make it to the finish line is another thing, but the door has been left ajar.”

In congressional elections next Tuesday, Memphis Rep. Harold Ford Jr. would be the first black senator popularly elected from the South if he prevails in a tossup contest for the Tennessee Senate seat. Maryland Lt. Gov. Michael Steele is in a competitive contest for the Senate. Keith Ellison, who is black and Muslim, is favored to win a 70% white congressional district in Minneapolis. Angie Paccione, whose mother is black, is in a close contest to represent an 80% white district in Colorado.

A record six African-Americans hold major-party nominations this year for senator and governor — three Republicans, three Democrats — and another 10 are running for such statewide offices as lieutenant governor and secretary of State that often provide steppingstones to higher office.

To win, these candidates have to appeal to white voters, of course — and in a nation where race continues to resonate.

Ads against Patrick and Ford in recent weeks used “subtle and not-so-subtle” racial appeals, says political scientist Kerry Haynie of Duke. Skeptics, among them political scientist Ronald Walters of the University of Maryland, note that 1989 also was proclaimed a breakthrough year, when Douglas Wilder of Virginia became the first black ever elected governor — only to have 17 years pass without a second.

Still, David Bositis of the Joint Center for Political and Economic Studies says he's seen a “co-evolution” by black candidates in shaping broad appeals and by white voters in being open to hearing them.

African-American candidates who lose next week will have been undone not by their race but by the same challenges that defeat white contenders, Bositis says.

Republican Ken Blackwell is running for governor in a year the Ohio GOP has been tainted by scandal, for instance, and Lynn Swann faces a formidable opponent in Pennsylvania Gov. Ed Rendell.

“A lot of young kids are getting beyond race in a lot of ways — I say ‘getting,' not ‘got,' but ‘getting,' ” says Bill Perry, a middle-age high school teacher attending a rally for Patrick at the DCU Center Arena in Worcester, Mass. “It's just like my generation got beyond ‘Are you Irish?' or ‘Are you French?' That was our grandparents.”

Thousands of people jam the arena, waiting for the chance to see Patrick and former president Bill Clinton. They wave small American flags and — at the urging of the emcee — use their cellphones to create a sort of instant phone bank, calling friends and urging them to vote.

“You ready to win?” Patrick asks to cheers when he comes on stage with his wife, Diane. Even at a rally, Patrick has a low-key, conversational style. He's given to on-the-one-hand, on-the-other-hand expositions on policy reminiscent of Clinton, his onetime boss and political patron.

“It's a pretty heady thing for a kid from the South Side of Chicago to have a president stump for you,” Patrick tells the audience. While he's become accustomed to meeting with power brokers in the penthouses of skyscrapers, he says, “What's also wonderful is when the cleaning crew stops you in the lobby and says, ‘I'm for you.' ”

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Patrick, 50, has lived in both worlds. He and his sister were raised by a single mother in one of Chicago's toughest neighborhoods, living on welfare for a time. A teacher recommended him for a program called A Better Chance, which awarded him a scholarship to attend Milton Academy, a tony prep school south of Boston.

It was, he recalls, "like coming to a different planet." He thrived at the private boarding school, graduated from Harvard and Harvard Law School, then worked for the NAACP Legal Defense Fund. That's when he met Clinton, then governor of Arkansas. Later, as president, Clinton appointed Patrick assistant attorney general for civil rights.

Campaigning at the Chamber of Commerce breakfast, Patrick doesn't mention those jobs or his credentials on civil rights. Instead, he notes that he worked in senior posts at Texaco — chairing a task force appointed after the company lost a major race-discrimination lawsuit — and at Coca-Cola. That gives him the background to effectively manage state government, he tells the audience, many of them small-business owners.

"I bring a range of leadership experience in government, in business, in non-profits, in community groups that's broader than any other candidate in the race," Patrick says in an interview with USA TODAY. His skin color hasn't been an issue "because I'm not offering to be the first black governor of Massachusetts," he says. He's appealing to "all kinds of people from all corners of the commonwealth."

His opponent, Kerry Healey, 46, agrees that race hasn't been a significant factor — perhaps, she says, because her election also would represent a political breakthrough. She would be the first woman elected governor in Massachusetts. "That almost takes that all off the table," she says in an interview.

But Healey injected race with two TV ads in recent weeks, according to David Paleologos, director of the Suffolk University Political Research Center. One ad took Patrick to task for writing two letters and contributing $5,000 to a campaign to win parole for a rapist, Benjamin LaGuer, a black man who proclaimed his innocence. Even after new DNA testing proved LaGuer's guilt, the ad shows Patrick calling him "thoughtful."

The second ad shows a white woman being stalked as she walks in a parking garage at night. Depicting Patrick as soft on crime, the announcer declares: "He should be ashamed — not governor."

Healey says the ads raise legitimate questions about Patrick's judgment in supporting LaGuer and the veracity of his initial explanations about what he had done.

Patrick sees a racial message. "There were a lot of reasons why people equated those ads with the Willie Horton ad," he says, a reference to a spot aired against Michael Dukakis in the 1988 presidential race that showed a glowering black man who committed violent crimes while on parole.

Suffolk University surveys showed Healey's attacks on crime initially narrowed Patrick's lead from 21 percentage points in early October to 13 points in the middle of the month. By the end of the month, however, they had backfired, Paleologos says. Patrick's lead rebounded to 27 points.

Patrick, who has never run for office before, seems poised for a resounding victory in a state where 6.8% of the population is black, half the U.S. average. He crushed two better-known white candidates in September's Democratic primary. Now the Suffolk survey shows him leading among every demographic group except Republicans.

Doug Wilder says Patrick shouldn't put too much stock in the findings. In his Virginia campaign, surveys of voters as they left polling places showed him ahead by a comfortable 10 percentage points.

When the votes were counted, he won by just half a point.

Wilder, now the mayor of Richmond, related that cautionary tale to Patrick strategists at a political fundraiser in Washington last month. He says "there's no empirical data" to prove that white voters today are any less likely to lie to pollsters about their willingness to vote for black candidates.

"There remains a non-trivial faction of white voters who will not vote for a candidate simply because (the candidate is) black," says Vincent Hutchings, a University of Michigan political scientist who is co-authoring a book called Wedge Politics. "We are kidding ourselves if we argue these people have disappeared from the landscape."

This year's contests will test whether African-Americans who advocate broad political agendas to mostly white electorates can win, he says. Haynie says their prospects are boosted by such high-profile black officials as Condoleezza Rice and Colin Powell, the current and former secretary of State, who have "helped pave the way."

To the White House?

Illinois Sen. Barack Obama roiled calculations about the 2008 presidential contest when he suggested last month he might jump in. And Patrick declines to rule out higher ambitions. "I'm not making any plans for national office," he says. But he also notes, "Life is what happens while you're making plans."

Study: Big 3 News Tilts Vs. GOP (WT)

By Jennifer Harper

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The Washington Times, November 1, 2006

The Big Three television networks have used unprecedented midterm election coverage to bash the Republican Party with negative stories, and plenty of them, a study says.

Only 12 percent of election stories that aired on NBC, ABC or CBS were favorable toward Republican candidates, according to a study released yesterday by the District-based Center for Media and Public Affairs (CMPA).

In contrast, Democrats basked in glory. The study found that 77 percent of the news accounts between Sept. 5 and Oct. 22 offered favorable evaluations of Democratic candidates and lawmakers.

"These numbers are pretty striking," said Robert Lichter, director of CMPA, a nonpartisan researcher of news and entertainment media. "The coverage has become a referendum on Republican leadership. The big question for all three networks is this: Why are the Republicans in trouble and how bad is it going to get?"

While midterms typically garner only tepid interest from broadcasters, the networks have dramatically ramped up their coverage this time around, providing 167 stories during the study period. Only 35 stories had been aired during a comparable time in 2002.

The networks have fixated on a trio of story themes. The CMPA study found that the resignation of former Florida congressman Mark Foley dominated the midterm coverage, producing 59 stories, compared with the war in Iraq, which inspired 33, and national security or the threat of terrorism, which produced 31 stories.

Other issues of potential importance to voters -- the economy or redistricting, for example -- got short shrift, such topics earning mention in six or fewer stories.

Speculating on voter behavior is also popular on the networks.

"Another big question they ask is this: What is it the public is rejecting, and what are they so angry about?" Mr. Lichter added.

"CBS Evening News" anchor Katie Couric, for example, said yesterday that 2006 would prove a "wave election, where public dissatisfaction changes the political environment" and "incumbents are washed away."

On NBC, Brian Williams led a report from Ohio with the phrase, "Could this red state end up going blue?" ABC News' Jake Tapper also showcased Ohio voters, saying they showed "an extra layer of disillusion with the Republican Party."

Like negative campaign ads, negative news reports may have a destructive rebound effect on a fickle viewing public.

"For the past week, the mainstream media has run story after story about the nastiness of this year's campaign ads -- perhaps as a way to distract our attention from their own dirty tricks," observed Stephen Spruiell of National Review Online yesterday.

"Viewers can get sick of negative TV coverage. They consistently rate the news coverage as one of the worst parts of a campaign, specifically citing negative content," Mr. Lichter said. And its going to get worse in the shrill run-up to Nov. 7.

"The GOP is the story, and they're caught in an echo chamber," he added.

Midterm Elections Offer Rookie Anchors New Battleground By BROOKS BARNES (WSJ)

The Wall Street Journal, November 1, 2006

Add another hotly contested race to the list for Tuesday's elections: Brian, Charlie or Katie?

While NBC's Brian Williams, ABC's Charles Gibson and CBS's Katie Couric have all settled into their new roles as evening news anchors, Tuesday's midterm elections mark their inaugural efforts at presiding over prime-time election results. The stakes are high. Live coverage of national elections is a defining event for news organizations, and viewers, advertisers and cable and broadcast rivals will be watching closely to see how each handles the hot seat.

Ratcheting up pressure are the special demands of this Election Day. Midterm elections are typically sedate affairs that are more important locally than nationally. But this year the results could lead to a seismic shift in political power. With control of both the House and Senate up for grabs, the television audience is expected to be particularly large, with the networks competing with Fox News Channel, CNN and MSNBC for viewers.

The rookies -- particularly Mr. Gibson and Ms. Couric because Mr. Williams has anchored lots of MSNBC election coverage -- have a series of especially difficult races to call. More than a dozen important ones remain too close to predict, raising the specter of recounts. There could be problems in some states with new electronic ballots. Meanwhile, the networks' exit polls, crucial to their system of calling races, are likely to be fuzzy as more people make use of absentee ballots.

The new anchors have strong memories of their predecessors' botched calls in the 2000 presidential election, and they say in interviews that they are determined to get the calls right this time. "If we have learned anything from the last few outings, it is to call no race before its time," Mr. Williams says. "Getting it wrong is forever. Getting it four minutes late is forgivable."

In a change from the 2002 midterm elections, the networks promise they won't project a winner in any state until after all of that state's polls are scheduled to close. In a first, each network has also agreed to send two representatives to a "quarantine

room" at an undisclosed location in New York City to comb through exit-poll data. The goal: to prevent early exit-poll data -- which is often unreliable -- from leaking to the Internet, and to monitor the results in a vacuum, without access to a bank of TV screens tuned to various pundits predicting outcomes.

All three anchors have top billing, but each has a veteran co-pilot. Mr. Williams will be joined by his predecessor, Tom Brokaw. Mr. Gibson will have George Stephanopoulos, the anchor of ABC's "This Week" Sunday news program and a former senior aide to President Clinton. Ms. Couric's predecessor, Bob Schieffer, will appear with her.

ABC, CBS and NBC have spent recent weeks conducting intense preparations for a relatively small amount of on-air coverage. Each network plans an hour-long live special at 10 p.m. EST, with another live broadcast on the West Coast at 10 p.m. PST, the same amount of time the networks dedicated to the last midterms.

The three anchors will be judged not only on ratings but also on content and their ability to perform on the spot. One particularly tricky moment for rookie anchors to master: bringing the newscast back from a commercial or a local break. Called a "reset" in TV parlance, the anchor must sum up the news so far in a pithy sentence.

In their normal slots, Mr. Williams holds a commanding lead. For the week ended Oct. 27, Mr. Williams attracted an average of 8.9 million viewers to "Nightly News" on General Electric Co.'s NBC, according to Nielsen Media Research. At "World News" on Walt Disney Co.'s ABC, Mr. Gibson averaged 8.4 million. Ms. Couric averaged 7.3 million on "Evening News" on CBS Corp.'s CBS.

But unlike the audience for presidential coverage, when the networks remain on the air all evening, viewership for the midterm coverage is typically affected by the strength of the show immediately before. By that measure, ABC has the strongest lead-in with "Dancing With the Stars."

"I personally hope a lot of 'Dancing' fans love politics," says Mr. Stephanopoulos, although they apparently didn't earlier this year, when MSNBC pundit Tucker Carlson was the first "star" voted off the show.

All the new network anchors hope to put individual stamps on their coverage. Ms. Couric, for instance, says her broadcast will strive to be "more accessible and meaningful for regular people." She has been pushing producers to interview average voters over stuffy experts. "Clearly we need to communicate some really critical information, but I think we can have some fun too," she says.

Mr. Williams has something quite different in mind. "I would like to harness some of the shop talk that goes on during our commercial breaks" between political junkies such as Mr. Brokaw and Tim Russert, NBC's senior political analyst. "That's actually really good television," Mr. Williams says. He also plans to pay close attention to potential problems with computerized voting machines. NBC and its sister cable network MSNBC are partnering with an organization that operates a toll-free hotline for voters to report irregularities.

Over at ABC, Mr. Gibson will have the most network air time. While Ms. Couric will go off the air and Mr. Williams will move to MSNBC, Mr. Gibson will continue reporting on ABC's "Nightline."

New this time around at every network is a plethora of news offerings on the Internet and cellphones. CBS plans to update its Web site every 90 seconds, while ABC says it will provide updates every minute. ABC will also allow college and high school students to file Internet "perspectives" via video cellphone, Web cam or camcorder. NBC plans extensive additional material on MSNBC.com, along with original newscasts for mobile phones.

"Online was something that was just beginning the last time around," says Jon Banner, executive producer of "World News." "This time we are truly flooding the zone."

AARP's Tax Trap (WSJ)

The Wall Street Journal, November 1, 2006

Social Security was supposed to be a killer issue for Democrats this election year after they defeated President Bush's reform plans in 2005. But suddenly the tables are turning on several Democratic candidates because of their endorsement of the tax-increase agenda of the American Association of Retired Persons, or AARP.

The liberal entitlement lobby has asked candidates around the country to fill out a questionnaire asking, "Will you support a balanced Social Security plan to continue the program's guaranteed benefits for future generations?" That may sound innocuous, but here's how AARP defines its balanced plan on its Web site near the above question: "AARP believes that a bipartisan plan that balances additional contributions from high income workers with modest adjustments in future benefits can maintain guaranteed Social Security benefits for future generations."

Those italics are ours, because in Washington "additional contributions" means a tax increase. And by "high income workers," AARP can only mean anyone earning more than $94,200, which is the 2006 income level above which the 12.4% Social Security portion of the payroll tax no longer applies. Employers and workers each pay half of the payroll levy, and the income cap already rises each year with inflation.

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Thus if you make, say, $100,000 a year but live in pricey Los Angeles, tough luck; the folks at AARP think you're rich. They supported the elimination of the income cap for Medicare's portion of the payroll tax (2.9%) as part of the Clinton 1993 tax increase, and now they want to do it for the other 12.4%. A worker earning $150,000 would pay roughly $6,900 more each year in "additional contributions" under this AARP definition of "balance."

Many members in both parties signed this pledge, but for a handful of Democrats in hotly contested House seats (see the table nearby) it's become a political liability. That's because their GOP opponents refused to take the AARP pledge and are making an issue of this Democratic support for raising taxes on middle- and upper-income wage earners. It's certainly information voters ought to have before next Tuesday. Strangely, however, the Democrats are crying foul, and AARP is trying to give them political cover.

Democrat Melissa Bean -- who is trying to hold her seat in an affluent district near Chicago -- now claims she never supported the tax increase she plainly endorsed in answering AARP's questionnaire. And AARP is helping her disavow her pledge by sending a letter to her district's AARP members (as well as to the districts of other vulnerable Democrats who took its pledge). The letter from AARP President William Novelli slams Ms. Bean's opponent David McSweeney for his "ads trying to scare voters."

This AARP complaint about Social Security "scare" tactics is certainly novel, given that its own political clout has been built entirely on scaring seniors. In 2005, it paid for a TV campaign claiming President Bush wanted to "dismantle Social Security." But see if you can follow AARP's latest logic: According to a Chicago Daily Herald interview with AARP spokesman Dave Sloane: "The organization does believe lifting the cap on Social Security taxes and cutting future benefits may be necessary to keep the system afloat." But then he added that to conclude that Ms. Bean supports these policies "is an outrageous leap that is not even close to the truth."

That's not what Mr. Sloane said in previous statements about the purpose of AARP's candidate survey. He was quoted in the Palm Beach Post as saying that the intent of the questionnaire was to "gauge support for the group's position on Social Security . . . We presume that all the candidates would have read the background material and understood our positions."

Translation: AARP was hoping to use its candidate survey to nail down enough support to raise taxes on Social Security and to defeat private investment accounts if Mr. Bush pushes for reform again next year. But now that its scheme has been exposed and is hurting its Democratic pals in tight races, AARP leaders want to deny that this is what they meant. Let's hope Republicans remember this AARP double-dealing, which resembles what the lobby did in endorsing a drug plan for Medicare in 2003 only to call it inadequate now.

One irony here is that the now-disavowed AARP questionnaire is more honest than the group usually is about the choices facing politicians on Social Security. One option -- opposed by AARP -- is to reduce long-term unfunded liabilities by allowing workers to divert some of their payroll taxes into private accounts and tap into the higher returns that private investments offer. This would go a good deal of the way to solving the problem.

Another option -- the AARP "balanced" plan -- requires either raising taxes or cutting the future benefits of young workers, or both. That is, AARP would make today's lousy Social Security deal for young workers even worse. By all means voters should pay close attention to what AARP asked and how the candidates answered. It may have been the most honest moment in these Congressional campaigns.

To Save New York, Learn From London (WSJ)

By Charles E. Schumer And Michael R. Bloomberg

The Wall Street Journal, November 1, 2006

In recent months, there has been a lot of media chatter about the possibility of London taking over New York's position as the world's financial capital. Such speculation, although overblown, has focused our attention on a broader and legitimate concern: Unless we improve our corporate climate, we risk allowing New York to lose its pre-eminence in the global financial-services sector. This would be devastating both for our city and nation.

One of the engines of growth for the U.S. economy, the financial-services industry in New York has long possessed significant comparative advantages over London and all other cities. These advantages include the broadest, most efficient and liquid capital markets in the world, and a concentration of the world's biggest financial firms -- which have a much larger presence here than anywhere else. This city dominates global private-equity markets, secondary trading markets, and mergers and acquisitions.

New York has unparalleled quality of life and cultural diversity, which global companies increasingly seek, as well as a dynamic labor market -- our unemployment rate is lower than the nation's. Taken together, these advantages explain why New York's financial-sector employment numbers are greater than any other city's.

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Yet while New York remains the dominant global-exchange center, we have been losing ground as the leader in capital formation. In 2005 only one out of the top 24 IPOs was registered in the U.S., and four were registered in London. London is gaining ground in other areas too, but it is not only London we need to worry about. Next year, more money will be raised through IPOs in Hong Kong than in either London or New York.

We cannot ignore these warning signs. That is why New York has hired a consulting firm, which will issue a report in November identifying the specific variables that are negatively impacting our financial-services industry and recommending an action plan to correct them.

Based on the work completed so far, there are four factors that bear close attention: globalization of the capital markets, overregulation, frivolous litigation and incompatible accounting standards. The first factor is beyond our control; advances in technology and communication are allowing capital to flow more freely, making it much easier to locate financial activities anywhere in the world. But we can, and must, do something about the other three factors to maintain and expand our competitive edge.

First, what lessons can we learn from other nations' regulatory systems? Currently, there are more than 10 federal, state and industry regulatory bodies in the U.S. The British have only one such body. Industry experts estimate that the gross financial regulatory costs to U.S. companies are 15 times higher than in Britain. Beyond cost savings, the British enjoy another advantage: While our regulatory bodies are often competing to be the toughest cop on the street, the British regulatory body seems to be more collaborative and solutions-oriented.

With the benefit of hindsight, the Sarbanes-Oxley Act of 2002, which imposed a new regulatory framework on all public companies doing business in the U.S., also needs to be re-examined. Since its passage, auditing expenses for companies doing business in the U.S. have grown far beyond anything Congress had anticipated. Of course, we must not in any way diminish our ability to detect corporate fraud and protect investors. But there appears to be a worrisome trend of corporate leaders focusing inordinate time on compliance minutiae rather than innovative strategies for growth, for fear of facing personal financial penalties from overzealous regulators.

Second, what lessons can we learn from other nations' legal environments? The total value of securities class-action lawsuits in the U.S. has skyrocketed in recent years, to $9.6 billion in 2005 from $150 million in 1997. The U.K. and other nations have laws that far more effectively discourage frivolous suits. It may be time to revisit the best way to reduce frivolous lawsuits without eliminating meritorious ones.

Third, what lessons can we learn from other nations' experiences with international accounting standards? Most European and Asian countries have already begun to adopt international accounting standards, which businesses tend to prefer over the American system. Yet we have set no timetable for doing the same.

In the last quarter of the 20th century, we achieved an almost exquisite balance between regulation and entrepreneurial vigor in American financial markets. We learned that too much regulation stifles entrepreneurship, competition and innovation; while too little regulation creates excessive risk to industry, investors and the overall system.

This delicate balance has been upset by technological advances, making it much easier to locate financial-services activities anywhere in the world. As a result, foreign markets may be tempted to lower regulatory requirements to achieve a temporary competitive advantage. Though deregulation may help some countries gain more business in the short term, over the long term it could hurt the stability and reliability of the global marketplace.

New York cannot afford to lose its place as the global leader in financial services. We have to carefully redefine this balance of innovation and regulation. That is what we seek to do over the next several months.

Our ability to do that, and to answer these three questions, will determine the future of New York -- and, in many ways, the nation. If we do not rise to the challenge, the speculation that New York is losing its pre-eminence in the global marketplace will become more than just chatter.

Mr. Schumer is a Democratic senator from New York. Mr. Bloomberg is mayor of New York City.

North Korea Will Resume Nuclear Talks (WSJ)

By Evan Ramstad, Andrew Baston and Neil King Jr.

The Wall Street Journal, November 1, 2006

North Korea agreed to return to nuclear-disarmament talks with its four neighbors and the U.S. in a deal brokered by China. As part of the deal, the U.S. agreed to discuss its financial restrictions on the Pyongyang regime.

The agreement relieves some of the tension that North Korea created after it conducted its first nuclear test Oct. 9. It comes as countries around the world prepare to enforce sanctions imposed on North Korea by the United Nations Security Council following the test.

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President Bush said he was "pleased" by the breakthrough and thanked the Chinese for their efforts in making it happen. Yet other U.S. officials expressed concern over whether North Korea plans to actually engage in talks and isn't simply trying to dodge U.N. sanctions.

A State Department spokesman said the U.S. was willing to discuss lifting financial restrictions that Washington imposed on North Korea last year so long as Pyongyang agrees to return to a September 2005 framework, in which it had promised to scrap its nuclear work in return for aid and other inducements.

Mr. Bush said there was still "a lot of work to do" and that the U.S. planned to send "teams to the region to work with our partners to make sure that the current United Nations Security Council resolution is enforced."

A new round of talks could occur as soon as mid-November, said diplomats in Beijing, where officials from the U.S., China and North Korea met yesterday to discuss the talks' resumption. The three countries -- along with Japan, Russia and South Korea -- last met a year ago.

The deal to restart the talks is a significant diplomatic accomplishment for China, North Korea's neighbor and closest ally. Relations between the two have been strained by Pyongyang's drive to demonstrate its nuclear capability. Senior Chinese diplomats went to Pyongyang two weeks ago to begin the process of bringing North Korea back to the table.

Assistant Secretary of State Christopher Hill, who represented the U.S. in the discussions, said China's role validated the Bush administration's longstanding decision to negotiate with North Korea only when other countries are involved. "The close U.S.-China cooperation that we have developed in recent weeks and months is due to the fact that we had a multilateral process," he said.

China in early October joined many other countries in urging North Korea not to undertake a nuclear test. Pyongyang responded by giving the Chinese just 20 minutes' notice that a test would occur. China then joined other countries on the Security Council in a unanimous vote for sanctions. It also held up some bank transactions in cities that border North Korea.

Last November, North Korea walked away from the preliminary agreement forged in the six-way talks, saying the U.S. had ruined the deal by alleging soon after the accord was reached that a bank in the Chinese enclave of Macau had engaged in illegal activities on behalf of the North Korean government.

After the U.S. blacklisted the bank, the Macau government froze about $24 million in North Korean funds there. Subsequently, other banks began refusing to do business with North Korea.

U.S. officials said its investigations of Pyongyang's financial activities began long before the six-way agreement reached in September 2005. Under the framework deal, the assistance North Korea would have received each week exceeded the money frozen in the Macau bank accounts.

But the frozen assets remained a major issue for North Korea and were cited in official pronouncements and in interviews by government and military figures immediately after the Oct. 9 test.

While North Korea put no conditions on returning to the talks, Mr. Hill said, "They wanted to hear that we would address the issue of financial measures. I said we would be prepared to create a mechanism to address these financial issues."

Mr. Hill said he also told the North Korean diplomats that neither the U.S. nor other countries recognize North Korea as a nuclear state.

In South Korea, where the government has been reluctant to take harsh steps for fear of provoking the North further, officials quickly welcomed news the talks would resume.

N. Korea Agrees To Return To Talks (WP)

By Glenn Kessler

The Washington Post, November 1, 2006

North Korea agreed yesterday to return to the six-nation nuclear disarmament talks, just three weeks after it conducted its first test of a nuclear device.

The country's unexpected decision, which was announced by Chinese and U.S. officials in Beijing, will end Pyongyang's year-long boycott of the talks, which have dragged on intermittently for more than three years. Fourteen months ago, North Korea agreed in principle to dismantle its nuclear programs, but hard bargaining is still necessary to determine the sequence and timing of the incentives it expects in return.

Pyongyang had refused to return to the talks until the United States separately negotiated an end to a crackdown on North Korea's counterfeiting of U.S. currency. But that demand disappeared Tuesday during seven hours of meetings, set up by China at Beijing's Diaoyutai State Guesthouse, involving U.S., North Korean and Chinese officials. North Korea instead agreed to a long-standing U.S. proposal to deal with the counterfeiting issue through a working group of the six-party talks.

Assistant Secretary of State Christopher R. Hill emerged from the meetings to say that there was the potential for "substantial progress" in resolving an issue that has raised tensions throughout the region, including the possibility of a nuclear

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arms race. U.S. officials were privately puzzled by the mercurial government's change of heart, though they said they hope the universal condemnation of North Korea's nuclear test and the swift imposition of U.N. sanctions had played a role.

"In the wake of their test, it became very clear that there were going to be costs and consequences for their actions and that they faced even greater isolation from the rest of the international community," State Department spokesman Sean McCormack said. The talks are expected to resume either this month or in December.

Some analysts and diplomats have faulted the Bush administration for being inflexible and ideological during earlier rounds, making it difficult to reach agreement. David Straub, a former State Department official who was part of the U.S. delegation to some of the talks, said North Korea probably shifted tactics to deflect international pressure and divide the nations at the negotiating table. Unless both the United States and North Korea "bring significantly different approaches to the talks, the talks will again amount to nothing," he said. "Indeed, both will almost certainly take even tougher lines."

President Bush, meeting with reporters in Washington, praised China's role in setting up the meeting. "We'll be sending teams to the region to work with our partners to make sure that the current United Nations Security Council resolution is enforced, but also to make sure that the talks are effective, that we achieve the results we want," Bush said.

Last Wednesday, the Chinese government contacted the U.S. Embassy in Beijing and proposed a trilateral meeting involving North Korea, the United States and China. Secretary of State Condoleezza Rice on Friday authorized Hill to cut short the meetings he had in the South Pacific and to slip into Beijing on an unannounced visit. U.S. officials agreed to try the Chinese idea but had little expectation it would yield a breakthrough.

In January, Hill held a 2 1/2 -hour meeting in Beijing with the Chinese and North Koreans to try to restart the talks, but that effort was not successful.

This time, Hill had seven hours of meetings -- including, at one point, with Kim Gye Gwan, the North Korean vice foreign minister who is Hill's counterpart in the talks, and other North Korean officials. Hill said he told Kim that the United States would never accept North Korea as a nuclear power, nor would any other nation. Hill also told Kim that the U.N. Security Council resolution imposed after North Korea's nuclear test was an "international obligation" and not up for discussion before the resumption of the talks.

The meetings were described as very businesslike. Kim wanted assurances that a Treasury Department action against a Macau bank suspected of money laundering for North Korea would be addressed in the six-party talks. The United States had earlier suggested setting up a working group to address the issue, and Hill reaffirmed that idea. Kim said that was acceptable, according to Hill.

U.S. officials have maintained that the Treasury case was simply an excuse by North Korea to avoid making the strategic choice of giving up its nuclear programs. In earlier talks, Pyongyang had demanded light-water reactors in exchange for abandoning its programs. Though that possible incentive is mentioned in a September 2005 "statement of principles" to guide nuclear negotiations, the United States has insisted that it is only a theoretical possibility that could come at the end of the verified dismantling of North Korea's nuclear facilities.

North Korea set no conditions for returning to the six-party talks on its nuclear program, Hill said. "For us it was very important that no one should create conditions for attending the talks," he said.

Michael J. Green, who oversaw Asian affairs at the White House until last year, said it was significant that North Korea agreed to return without getting relief from the Treasury action or the U.N. sanctions.

"The Chinese exerted real pressure," Green said. He added that he expects China to push North Korea to offer something concrete at the upcoming rounds of talks, such as a moratorium on future tests, a full detailing of its nuclear programs or the return of international inspectors at its Yongbyon facility.

"North Korea is going to cling tenaciously to its nuclear weapons," Green said, but the existence of U.N. sanctions will facilitate coercive diplomacy.

North Korea has blamed the impasse on the U.S. Treasury action against a bank in Macau called Banco Delta Asia, which the department had identified as the main conduit for bringing North Korean-made counterfeit U.S. bills into the international system. The Treasury had determined that senior officials at the Macau bank accepted large deposits of cash and agreed to place the bogus money into circulation.

The bank is also reputed to hold the private accounts of North Korean leader Kim Jong Il and his family.

North Korea Will Resume Nuclear Talks (NYT)

By Joseph Kahn And Helene Cooper

The New York Times, November 1, 2006

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BEIJING, Oct. 31 — North Korea agreed Tuesday to resume nuclear disarmament talks, a first sign of easing tensions since the country's nuclear test this month. But the talks have dragged on inconclusively for three years, and the chances for rolling back the country's now-proven nuclear capability remained uncertain.

China announced that six-nation talks would reconvene shortly after a hiatus of more than a year, and an American envoy in Beijing said they could take place in November or December.

The agreement was a procedural victory for Beijing, which scrambled to reopen a diplomatic channel even as it joined the United States and other international powers in supporting United Nations sanctions on North Korea after the Oct. 9 test.

But Kim Jong-il, the North Korean leader, has participated in multiple rounds of talks over the past several years while he accelerated his pursuit of nuclear weapons, and some analysts suspect that he agreed to restart talks now to forestall tough enforcement of sanctions and to persuade China and South Korea to ease his government's growing economic woes.

While North Korea's decision to restart the talks is being heralded as a diplomatic breakthrough, American envoys will be returning to the negotiating table to face an adversary that now has a demonstrated nuclear capability — a fact that America will try to minimize even as North Korea tries to exploit it, Bush administration officials and analysts said.

"The dangerous possibility is that North Korea sits down at the table and says, 'We're now a nuclear state, let's deal with it,' " said Bonnie Glaser, a senior associate at the Center for Strategic and International Studies in Washington.

In an interview on Tuesday, Secretary of State Condoleezza Rice played down suggestions that America's negotiating task would be made more difficult by the North's nuclear test. "Nobody accepts that they're a nuclear power," she said. The North Koreans, she said, "can say it all they wish."

Ms. Rice said the United States would work with the other participants of the talks to force the North to take a concrete step toward ending its nuclear program. She offered few details but acknowledged that two of the possibilities being discussed were a dismantling of one of the North's many nuclear facilities and the readmission of international inspectors.

Other officials who have discussed the administration's internal deliberations have said the dismantling should begin with a facility like North Korea's five-megawatt reactor, which is continuing to produce nuclear fuel, or its plutonium reprocessing center, where spent reactor fuel can be turned into material for weapons.

"We understand it can't go from zero to 100 in the first session," Ms. Rice said. "But the core of this is denuclearization, and we have to have concrete evidence."

Christopher R. Hill, the assistant secretary of state responsible for the talks, and Kim Kye-gwan, his North Korean counterpart, met secretly in Beijing under Chinese auspices to hash out terms of resuming negotiations, Chinese state media reported.

Mr. Hill said Tuesday that he expected "substantial progress" at the talks and that they would resume without preconditions. But he acknowledged that previous talks had been plodding and painstaking, and promised no quick breakthrough.

"We are a long way from our goal, still," he said. "I have not broken out the cigars and Champagne quite yet."

For the past year, North Korea had refused to resume negotiations on its nuclear program until the United States lifted financial penalties imposed on a Macao bank last year that have hobbled the country's international financial transactions. Mr. Hill said that he agreed to discuss the matter as part of the nuclear talks — perhaps in a special working group that would convene at the same time as the main negotiations — but that he had made no promises.

The Bush administration accused the Macao bank, Banco Delta Asia, of helping North Korea to launder money from drug smuggling and other illicit activities and to pass counterfeit $100 bills manufactured by the North Korean government. In September 2005, the Treasury Department ordered United States banks to sever relations with the bank, a move that had broad ripple effects, curtailing North Korean access to the international banking system and further isolating the government in Pyongyang.

The talks, which involve Japan, South Korea and Russia as well as China, North Korea and the United States, reached a vaguely worded agreement for nuclear disarmament in September 2005, which North Korea quickly disavowed. The talks collapsed a short time later amid mutual recriminations.

Mr. Hill said Mr. Kim reiterated during their meetings in Beijing that putting the 2005 accord into effect should be the main focus of the renewed talks.

That agreement called for North Korea to abandon its nuclear weapons program in exchange for a range of diplomatic, economic and energy incentives, but left most of the details to subsequent negotiations that never took place.

"We all reaffirmed, including the North Koreans, our commitment to the September statement and the denuclearization of the Korean peninsula," Mr. Hill said.

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Bush administration hard-liners, who have been chafing under Ms. Rice's multilateral diplomatic approach to North Korea, played down the resumption of talks, saying that America is merely back where it was a year ago before the North abandoned the talks, except now Pyongyang has the added bargaining chip of having exploded a nuclear device.

"Where's the stick?" asked one administration official. "We're celebrating the six-party talks, but we're back to endless chatter."

Gary Samore, a North Korea expert who helped negotiate President Clinton's 1994 agreement with the North, said, "I think the North Koreans gamed this all out. They calculated they could get away with a nuclear test if they allowed themselves to be cajoled back into the six-party talks."

But North Korea's commitment to resume talks may reduce the chances that it will soon conduct a second nuclear test, as some in the region feared it might be preparing to do.

Some Chinese experts have argued that North Korea needs to dispel doubts about its nuclear capabilities and complete its quest to become a full nuclear power before it will be willing to bargain away what it refers to as its "nuclear deterrent."

They say that Kim Jong-il may feel he can demand a higher price for disarmament now than he could when some international experts, including some of China's top North Korea specialists, had expressed doubts that the country could make its own nuclear bombs.

Many others disagree, including a growing contingent of Chinese officials and foreign policy specialists who take a skeptical view of the North's intentions and favor a tougher line on China's Korean War-era ally, according to numerous people involved in the debate.

Shi Yinhong, an international relations expert at People's University in Beijing, said he believed that Kim Jong-il's agreement to return to talks was motivated mainly by his desire to head off tough enforcement of international sanctions.

"His purpose has been to develop nuclear bombs and that purpose has not changed," Mr. Shi said. "His goal now is to keep his bombs but reduce the penalty he has to pay by appearing to be negotiating in good faith."

Some Chinese experts said Beijing had made clear that it would exercise considerable economic and financial leverage on North Korea if it continues to develop its nuclear program and refuses to return to talks.

In September, China did not sell any oil to North Korea, Chinese customs statistic show. The cutoff came before the nuclear test but after North Korea conducted a test of its ballistic missiles in July, ignoring Beijing's pleas for restraint.

Beijing provides an estimated 90 percent of North Korea's oil by pipeline, and any sustained reduction in oil shipments could cripple the country's already weakened economy.

Liu Jianchao, the foreign ministry spokesman, said Tuesday, before the resumption of talks was announced, that China had no plans to sever aid or trade with North Korea, but dodged questions about the oil cutoff.

Pyongyang Agrees To Resume N-talks (FT)

By Mure Dickie In Beijing, David Pilling In Tokyo And Anna Fifield In Seoul

Financial Times, November 1, 2006

North Korea on Tuesday surprisingly agreed to return to the six-party talks on its nuclear programme, just three weeks after it conducted its first nuclear test.

In returning to the talks, analysts say North Korea probably bowed to growing pressure from China, its largest benefactor and closest political ally. China's foreign ministry said that Pyongyang's agreement to resume the talks followed a "frank and in-depth" exchange of views.

As the world's big powers work through the details of how to punish Kim Jong-il's regime for the test on October 9, Christopher Hill, the chief US negotiator in the talks, said on Tuesday that the negotiations – which had been stalled for a year – could resume as soon as this month.

However, with North Korea remaining defiant and the US and Japan still lobbying for tough sanctions, hopes remain dim that Pyongyang will agree to abandon its nuclear capability.

"We are a long way from our goals," Mr Hill told reporters in Beijing, after seven hours of talks with Wu Dawei and Kim Kye-gwan, his Chinese and North Korean counterparts.

"I have not broken out the cigars and the champagne yet," Mr Hill said, adding that the timing was "dependent on agreement of all the parties".

In Tokyo, Hiroshi Suzuki, deputy chief cabinet secretary, said North Korea's return to the table vindicated the tough stance advocated by Shinzo Abe, Japan's prime minister. "We feel this is the result of the international community condemning North Korea and the result of the pressure applied under United Nations resolution 1718 and Japan's own sanctions."

Earlier on Tuesday, Mr Abe told the Financial Times, that sanctions were vital to force a negotiated settlement to the nuclear crisis. He said the international community, including China and South Korea, should "make [Kim's] regime aware that,

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should it continue with its current policy line, it will only find the situation surrounding it worsen by the day. “The economic as well as the food situation is only going to get tougher,” he said.

Mr Abe, who built his political career on being tough on Pyongyang, said imposing severe sanctions would not inevitably lead to confrontation.

“We are convinced that this problem needs to be resolved diplomatically and in a peaceful manner,” he said. “But I also think Chairman Kim Jong-il and the regime are aware that if they resort to force, that will spell the end of them,” he said. Since the test, Tang Jiaxuan, a Chinese state councillor, has travelled to Pyongyang to meet Kim Jong-il and Chinese banks have clamped down on transactions with North Korean companies.

A senior South Korean government official said it was “taken for granted” that North Korea and the US would hold bilateral talks on the sidelines of the multilateral discussions.

Both Japan and the US have said that a return to six-party talks would not be sufficient to prevent sanctions. The cabinet office in Tokyo said last night that in returning to the negotiations, Pyongyang was only doing what it was mandated to do by the United Nations.

Thomas Schieffer, US ambassador to Japan, recently said that only a verifiable end to North Korea’s nuclear programme could justify lifting sanctions.

Analysis: N. Korea, U.S. Both Flexible (AP)

By Burt Herman

AP, November 1, 2006

The United States and North Korea took a step back from the nuclear brink after both sides showed they could be willing to bend under the calm guidance of Beijing.

Still, with no date set for arms talks to resume and Washington and Pyongyang profoundly lacking in trust of each other, it remains to be seen whether Tuesday's agreement for the North to return to negotiations means an end is near for the North's aspirations of being a nuclear power.

Both the North and the United States had previously stuck to ironclad positions that seemed totally at odds, leaving little apparent room for a breakthrough. Neither side wanted to cave, despite calls from other nations for flexibility.

In keeping with its typical tactics of escalation and brinksmanship, the North test-fired a barrage of missiles in July and then took the unprecedented step of conducting a nuclear test Oct. 9 to goad the U.S. to action. Washington responded by backing tough U.N. sanctions.

If the United States agreed to meet the North's demand for direct talks and other concessions, it would amount to succumbing to nuclear blackmail — at least in some minds.

Instead, U.S. officials demanded the North first return to the international nuclear talks — which also include China, Japan, Russia and South Korea — and said it'd be happy to meet separately just with the North there. That position had softened somewhat just before the North's Oct. 9 nuclear test, with U.S. officials saying the North simply had to agree to return to the nuclear talks first to get some face time with the Americans.

But the North insisted on direct talks with the U.S., in keeping with its view that its nuclear dispute is with Washington alone because of the perceived threat to the regime it sees from the American military.

Pyongyang also wants to be seen as on equal footing with Washington, a desire fueled by nationalistic ideology viewing itself as a great nation and "socialist paradise."

North Korea had also refused to return to the talks until the U.S. lifted financial restrictions against a Macau bank where it held accounts. That move had been part of a Washington campaign to sever the already isolated communist country from the international financial system for its alleged involvement in counterfeiting and money laundering to sell weapons of mass destruction.

China appears to have held the key in getting both sides to compromise and allow all to save "face."

During Tuesday's meetings in Beijing that led to the North's agreement to return to the bargaining table, Chinese and American representives first met and then all three sides had lunch, said U.S. Assistant Secretary of State Christopher Hill, the main U.S. envoy. Then, the U.S. and North Korean delegations met before all three got together again.

Having China in the room for most of the time meant the U.S. technically wasn't meeting just with North Korea.

For its part, the North stepped back from its demand that the financial restrictions be lifted to return to nuclear talks. But Hill said Washington did agree to discuss the issue at the nuclear talks.

Those negotiations will still be rife with pitfalls, given disagreements between the two sides.

The North has previously refused to dismantle its nuclear program without getting concessions along the way, while the U.S. has said it wants to see the entire program eliminated before giving Pyongyang any reward.

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When the talks do resume, the U.S. and North Korea will have a chance to show just how far their flexibility goes.

Bush Cautious On N. Korea Nuke Turnabout (AP)

By Tom Raum

AP, November 1, 2006

In a surprise turnabout, North Korea agreed Tuesday to return to six-nation disarmament talks just three weeks after rattling the world by conducting an atomic bomb test. The breakthrough came after pressure from China and a U.S. offer to discuss financial penalties already in place.

President Bush cautiously welcomed the deal and thanked the Chinese for brokering it. But he said the agreement wouldn't sidetrack U.S. efforts to enforce sanctions adopted by the U.N. Security Council to punish Pyongyang for its Oct. 9 nuclear test.

He said there was still "a lot of work to do" and the U.S. would send teams to the region "to make sure that the current United Nations Security Council resolution is enforced."

The ultimate goal is "a North Korea that abandons her nuclear weapons programs and her nuclear weapons in a verifiable fashion in return for a better way forward for her people," the president said.

The unexpected agreement to restart the talks — before year's end, U.S. officials said — was announced after envoys from North Korea, the United States and China met in Beijing, at China's invitation.

In a statement about the decision, North Korea's Foreign Ministry said the North decided to return to the talks to resolve financial restrictions the U.S. had imposed on its international banking activities. The North's recent nuclear test received scant mention, with the Foreign Ministry referring only to a "self-defensive countermeasure" it had taken against the nuclear threat and financial sanctions from the U.S.

The move represented a step back from the nuclear crisis and was widely applauded, if with some reservations. North Korea has a history of walking away from the six-nation talks, only to rejoin them, then to bolt again.

"We believe that the sooner talks resume, the faster the tension around this problem will fade," Igor Ivanov, chief of Russia's presidential Security Council, said in Moscow.

Japan's U.N. ambassador, Kenzo Oshima, called the development "a welcome first step, but there are many, many other things that we need to closely monitor and watch." Japanese Foreign Minister Taro Aso was quoted as saying a resumption of talks "is conditional on North Korea not possessing nuclear weapons."

Aso later said that sanctions would be maintained against North Korea in spite of its willingness to return to the talks. In a tough stance against North Korea, Japan has banned all trade and barred North Korean ships from its ports.

Just a week before contentious U.S. congressional elections, it was a diplomatic victory for Bush. Democrats gave it a qualified but skeptical endorsement.

"It may ultimately be a positive step forward, but it is clearly not sufficient to produce the goal we all want to achieve — a halt to North Korea's nuclear weapons' activities," said Senate Democratic leader Harry Reid of Nevada. He urged Bush to name a special envoy to Pyongyang and to engage in direct U.S.-North Korean talks.

Republicans cast it as a sign of Bush's foreign-policy leadership. "The president's strategy has effectively isolated North Korea from its neighbors in the region and now appears to have returned that rogue regime to the negotiating table," said Senate Majority Leader Bill Frist of Tennessee.

However, China's leaning on its communist neighbor appeared to be the major factor in the progress, not U.S. diplomacy, and Bush acknowledged Beijing's role in Oval Office comments to reporters.

China, the largest supplier of oil for North Korea, has more leverage than any other country with Pyongyang. In a possible sign of Beijing's growing impatience, Chinese exports of diesel and heating oil to North Korea dropped substantially in September from a year ago, though exports of gasoline, liquefied petroleum gas, kerosene and jet fuel rose, according to Chinese customs data.

The six-nation talks — involving North and South Korea, the United States, China, Russia and Japan — have been stalled since last November. North Korea has boycotted them, largely to protest U.S. financial sanctions that target alleged counterfeiting of U.S. currency and money laundering.

Washington has insisted those sanctions, which include a freeze on North Korean bank accounts in Macau, are unrelated to the nuclear weapons dispute.

For its part, the North stepped back from its demand that the financial restrictions be lifted before it would return to nuclear talks. And Washington agreed for the first time to discuss the financial sanctions at the nuclear talks, U.S. Assistant Secretary of State Christopher Hill, the U.S. negotiator, told reporters in Beijing.

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Hill said the talks could resume as early as November or December. "We took a step today toward getting this process back on track," he said. But, he added, "We are a long way from our goal still. ... I have not broken out the cigars and champagne quite yet."

White House press secretary Tony Snow sought to play down U.S. concessions. He insisted that the United States made no promises to link the financial-sanctions dispute to the nuclear one, only agreeing that "issues like that may be discussable at some future time."

At the State Department, spokesman Sean McCormack said he was sure there would be "an opportunity for us to have direct talks" with North Korean negotiators in the context of the six-party framework. He said the negotiations would probably take place in Beijing.

The six-party talks had originally been intended to persuade Pyongyang to abandon its nuclear ambitions. But its nuclear test changed the debate and the stakes.

"No one wants North Korea to continue its nuclear weapons program, particularly after the North Koreans tested a nuclear device," Secretary of State Condoleezza Rice said in an interview on CNBC. She said the U.S. wanted "concrete steps" toward denuclearizing the Korean peninsula. "It really doesn't make sense again for us just to go back and talk," Rice said.

The Security Council voted unanimously on Oct. 14 to impose sanctions on Pyongyang, including a ban on major weapons shipments and restrictions on sales of luxury goods.

"The big question now is, will we meet and will we have anything new to talk about? The North still doesn't trust us, and we don't trust North Korea," said John Wolfstahl, a former nonproliferation official with the U.S. Energy Department.

Sen. Carl Levin, the top Democrat on the Senate Armed Services Committee, said the development was heartening, but that the next round of talks would be much tougher because North Korea has now tested a nuclear weapon. "I'm afraid North Korea comes back stronger," Levin said in an interview.

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AP writers Anne Plummer Flaherty and Barry Schweid in Washington, Edith M. Lederer at the United Nations, and Burt Herman in Seoul contributed to this report.

North Korea To Resume Six-Party Nuclear Talks (LAT)

By Mark Magnier

The Los Angeles Times, November 1, 2006

BEIJING -- North Korea agreed Tuesday to return to negotiations aimed at halting its nuclear weapons program, three weeks after the regime conducted its first nuclear test.

Washington, Beijing, Tokyo and other negotiating partners get what they want -- a North Korean regime back at the table talking with the outside world rather than posturing and threatening from its isolated corner. But the move threatens to widen the differences among other partners in the talks, made up of the U.S., China, Japan, the two Koreas and Russia, which in the immediate wake of the test Oct. 9 were relatively unified.

China and South Korea will be more tempted to oppose further sanctions at the U.N. Security Council amid concerns that pushing North Korea too far could create an expensive and destabilizing refugee crisis on their shared borders.

After North Korea's announcement that it had done an underground test of a nuclear device, the Security Council imposed sanctions last month that restricted trade with North Korea in missile technology and luxury goods.

Washington and Tokyo feel it is more important to keep pressure on Pyongyang, not only to exact a cost for its action but also to serve as a deterrent for others, especially Iran.

North Korea set no conditions for its return to the bargaining table with sessions expected to begin next month, U.S. Assistant Secretary of State Christopher Hill told reporters.

The talks will take as their starting point the September 2005 Beijing joint statement agreed upon by the negotiating parties shortly before Pyongyang walked out. A key goal in the statement is the eventual denuclearization of the Korean peninsula.

North Korea on Tuesday dropped its demand that the U.S. end financial sanctions linked to counterfeiting, money laundering and weapons proliferation before the isolated Stalinist state would return to the bargaining table. Instead, the U.S. financial squeeze, which involves $24 million in a Macau bank, will be considered as a side issue within the six-party framework.

"We need (North Korea) to get out of illicit activities," Hill said. "We didn't start this dance."

With a test under its belt, North Korea returns to the talks in a position of greater strength. This begs the question whether Pyongyang will pick up negotiations where it left them off 13 months ago or cling to a tougher stance reflecting its membership in the nuclear club.

The six-nation talks "can be endlessly gamed by the North Koreans," said Derek Mitchell, an Asia specialist at the Center for Strategic and International Studies in Washington. "We'll see if they're serious once they get there."

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In Washington, President Bush expressed pleasure that the talks would resume and praised the six-party format. In the lead up to next week's midterm election, the news could be used to counter criticism by Democrats of his refusal to hold bilateral talks with Pyongyang.

"I've always felt like it is important for the United States to be at the table with other partners when it comes time to addressing this important issue, and so I thank not only the Chinese but the South Koreans, the Japanese and the Russians for agreeing to come back to the table with North Korea," Bush said in televised comments.

China has a keen interest in resumption of six-party talks. The North's nuclear test, though of a very low yield, upset regional stability and at least temporarily discredited the talks as an institution.

Beijing also sees the format as a way to burnish its global credentials and remain on Washington's good side. Russia quickly welcomed the North's decision to return to the bargaining table.

"We unambiguously assess the informal meeting itself and the statement on resuming the six-sided negotiations as soon as possible as exceedingly positive," Deputy Foreign Minister Alexander Alexeyev told the Russian news agency Interfax. "The six-sided talks have been given a chance."

China Pushes North Korea Back To Table For Nuclear Talks (USAT)

By Barbara Slavin And Calum Macleod

USA Today, November 1, 2006

Economic and political pressure from China was instrumental in prompting North Korea to say it would return to disarmament talks. North Korea's announcement Tuesday eased tensions that had escalated after its first nuclear weapons test three weeks ago.

“I am pleased, and I want to thank the Chinese,” President Bush said. He acknowledged, however, that new talks don't guarantee success.

China provides most of North Korea's fuel, and it sharply cut exports of diesel and heating oil to its impoverished neighbor in September, China's customs administration said. Chinese Foreign Ministry spokesman Liu Jianchao would not comment on the shipments. A senior Chinese official, Tang Jiaxuan, visited North Korea Oct. 19 and urged it to return to the negotiations.

The announcement also followed a day of meetings among top U.S., North Korean and Chinese negotiators in Beijing that included a private U.S.-North Korean session. The North Koreans had refused to return to negotiations without direct contact with U.S. officials. The meeting was arranged by China, said Assistant Secretary of State Christopher Hill, the lead U.S. negotiator.

An Oct. 14 resolution from the United Nations Security Council barred trade and financial transactions that could aid North Korea's nuclear and missile programs.

It was Chinese involvement, however, that was critical. “Today was a good day in the process of having China and the United States work together on this issue,” Hill said.

The Bush administration has been reluctant to deal directly with North Korea and has insisted on using a group of countries, arguing that they have more leverage. Senate Majority Leader Bill Frist, R-Tenn., hailed Tuesday's developments as a victory for the administration's strategy.

Getting North Korea to the table is a diplomatic success, but negotiations will be tough. Shen Dingli, a Korea expert at Fudan University in Shanghai, said “negotiations will be more difficult” because North Korea will enter them as a “de facto nuclear state.”

Hill cautioned that much work needed to be done to prepare for talks. “We're a long way from our goals here,” he said. “I have not broken out the champagne and cigars yet.”

Hill said the six-nation negotiations, which include the two Koreas, Japan, Russia, China and the United States, could resume as early as this month or December.

North Korea may have enough radioactive material for a dozen bombs, according to the Institute for Science and International Security, a think tank.

The six-nation talks began in 2003. In September 2005, North Korea agreed to dismantle its nuclear program in return for energy aid and U.S. pledges not to attack the country. North Korea left the talks after rejecting U.S. demands that it eliminate its nuclear program before receiving civilian nuclear reactors.

North Korea was also angered because the U.S. government persuaded a bank in Macau a year ago to freeze $24 million in North Korean funds.

N. Korea Agrees To Six-party Talks (WT)

By Nicholas Kralev

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The Washington Times, November 1, 2006

North Korea agreed yesterday to return to six-nation talks on its nuclear programs after the United States said it will discuss financial sanctions against Pyongyang on the sidelines of the multilateral talks.

The Bush administration insisted, however, that it and other countries would continue working to implement trade restrictions imposed on the North by a U.N. Security Council resolution last month.

"I'm very pleased with the progress being made in the Far East," President Bush said after the North Koreans told U.S. and Chinese diplomats in Beijing they would end their yearlong boycott of the negotiations. No date was set for the resumption of talks.

The limited breakthrough in efforts to resume the talks was announced by the Chinese Foreign Ministry, which said North Korea had agreed in talks with the United States and China to soon resume the long-stalled six-party talks on its nuclear program. The ministry posted a statement to that effect on its Web site yesterday.

"We'll be sending teams to the region to work with our partners to make sure that the current United Nations Security Council resolution is enforced, but also to make sure the talks are effective, that we achieve the results we want," Mr. Bush said.

That goal, he said, is to see the North abandon its pursuit of nuclear weapons "in a verifiable fashion."

The teams the president referred to will be led by State Department officials and will maintain political contacts with countries in Northeast Asia, said department spokesman Sean McCormack. He said the teams would not get involved in the practical daily implementation of Resolution 1718.

The U.N. measure was adopted unanimously by the 15-member council in response to North Korea's Oct. 9 nuclear test. It bans exports from and imports to the North of illicit materials and equipment that could be used to further its missile and weapons of mass destruction programs.

Mr. McCormack said the Chinese informed Secretary of State Condoleezza Rice late last week that the North Koreans had requested a three-way meeting with the United States.

Miss Rice asked Christopher R. Hill, assistant secretary of state for East Asian and Pacific affairs and chief negotiator on North Korea, to go to Beijing and meet with his North Korean counterpart, Kim Gye-gwan. Mr. Hill was in Sydney at the time, having stayed in the region after Miss Rice's visit two weeks ago.

"We took a step today toward getting this process back on track. This process has suffered a lot in recent weeks by the actions" of North Korea, Mr. Hill told reporters in Beijing.

Mr. Hill said he first met with the Chinese and North Korean delegations together, and then bilaterally with Mr. Kim.

"I made it very clear that the United States does not accept [North Korea] as a nuclear power, and neither does China," he said.

Mr. Hill agreed to discuss financial penalties imposed on the North last year because of counterfeiting and other illegal activities, but he said Mr. Kim did not ask that those sanctions be lifted before the six-party talks can resume.

The talks also include Japan, South Korea and Russia.

Mr. McCormack said the United States hopes the talks will resume before year's end. The venue, as in the past, will most likely be Beijing, he said.

He also said Washington wants the talks to pick up where they left off at the last meeting in September 2005 -- with a joint statement committing all six countries to the denuclearization of the Korean Peninsula.

"North Korea faced a qualitatively different geopolitical environment" after Resolution 1718, which was supported by its benefactor China, Mr. McCormack said. "Implementation of 1718 is going to continue."

Recent reports indicate China has taken a tougher stance toward the North than usual. Chinese trade statistics released Monday showed that China, the reclusive country's main energy supplier, did not sell any crude oil to North Korea in September.

Yesterday's announcement came a week before the U.S. midterm election, and both political parties offered speedy interpretations of the events. Republicans said Pyongyang's decision was a vindication for the Bush administration's rejection of bilateral negotiations. Democrats played down its significance, saying it was a small step forward.

"The announcement that North Korea will return to the six-party talks reinforces how effective the president's response to that crisis has been so far," said House Majority Whip Roy Blunt, Missouri Republican.

"It may ultimately be a positive step forward, but it is clearly not sufficient to produce the goal we all want to achieve -- a halt to North Korea's nuclear weapons activities," said Senate Minority Leader Harry Reid, Nevada Democrat.

Now Nuclear, North Korea Will Talk (CSM)

By Robert Marquand

The Christian Science Monitor, November 1, 2006

BEIJING

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A surprise three-way meeting between US, Chinese, and North Korean diplomats here Tuesday has likely headed off the possibility of a second nuclear test by Pyongyang in the near future. It has also restored six-nation talks aimed at denuclearizing the Korean peninsula, bringing a modicum of stability to a region rocked Oct. 9 by an atomic blast from the cultish military regime of Kim Jong Il.

Given the bristling anger in northeast Asia after the nuclear blast, analysts say it is salutary that Mr. Kim is returning to the table to talk with his immediate neighbors. Talks could resume by late this month.

At a minimum, China and the US - neither of which anticipated the test - need to be seen in the region to be engaged in efforts to deal with Kim, says Ashton Carter at Harvard's Kennedy School of Government.

Yet most observers doubt that the North, having spent 40 years on its atomic program, is likely to give it up without dramatic achievement. Kim agreed to return to the talks without any "preconditions," including the lifting of US-led financial sanctions.

"There has been no real consensus on the main goal of the six-party talks," says Shi Yinhong of People's University in Beijing, who says that North Korea's return is an attempt to regain "strategic flexibility and undercut the hard-liners in the US.

"Now, North Korea has successfully maneuvered to bring the region back to its former status quo," he adds. "They have relieved the tension generated by the nuclear test; the only difference is that North Korea now has gained a nuclear ability."

It remains unclear what status North Korea will formally enjoy as it returns to an international arena of diplomacy that it walked out of last year. But there seems little doubt Pyongyang expects to think of itself as a bona fide nuclear-status nation as talks resume - and is likely to push others to do so as well.

Such a position is leagues from the kind of dismantlement the six-party talks are based on. "No nation that has tested a nuclear device has ever gone on to give up that device," points out Scott Snyder, a Korean specialist with the Asia Foundation. "South Africa gave up its program without having tested. So if I'm a US diplomat, I've got quite a steep uphill right now."

Some Chinese analysts say that Kim's move back to the table is a victory intended to create an aura of reasonability to his program and nuclear test, and to begin a campaign to win back the good graces of China and South Korea, which he isolated by his surprise test three weeks ago.

China's initial outrage over the North's test was quickly tempered by a lack of practical options to rein in the unpredictable Kim.

But its role in furthering North Korean diplomacy was underscored Tuesday when it served as host to what were apparently seven hours of talks between Chinese and North Korean envoys, and US special envoy Christopher Hill.

In the Oval office, President Bush immediately gave credit to China for playing an effective role. An Oct. 31 New York Times report pointed out that in September, according to Chinese trade statistics, China sold no oil to North Korea, whereas it had been averaging about 12,300 barrels a day prior to this.

On July 4, US time, despite warnings from China, North Korea tested a number of missiles, including a Taepodong 2 ballistic missiles capable of reaching US territory in Alaska.

Reaction from other members of the six-party talks was mixed. South Korea, which supports a policy of engagement, was supportive of the development, as was Russia, which said the news was "extremely positive." Japan, on the other hand, stated that it "does not intend to accept North Korea's return to the talks on the premise that it possesses nuclear weapons."

US envoy Hill also sounded a cautionary note, stating that "we're a long way from our goals here."

News of the return by the North to talks was posted in two sentences on the Chinese Foreign Ministry website at the end of Tuesday. Earlier in the day, Foreign Ministry spokesman Liu Jianchao said that Beijing was not engaged in a policy to cut aid or trade in order to force compliance by North Korea, and denied that a cut in oil signaled such a shift.

China is divided between traditionalists who cherish the revolutionary goals of the mid-20th-century communist spirit, and a more pragmatic and internationally minded new generation.

The Bush administration has long been divided on North Korea between hard- liners who feel that any discussions with a regime that grotesquely violates human rights at a mass level is immoral - and moderates who feel that negotiations are an imperfect but necessary tool.

What North Korea's test of a bomb shows, says Mr. Carter, is that the "six-party talks are a theory that doesn't fit the facts.

"The theory is that the US and China both highly value turning around the North Korean nuclear program," he says. "It turns out that China doesn't value that as highly as the US.

"The US would accept the continued existence of a nonnuclear North Korea," Carter says, but has been unable to achieve this through talks.

A US military official in Seoul argues that "the next round of six-party talks will not have any effect in getting Kim to abandon his nuclear program. But at least he will have to sit at the same table as Russia and China, eye to eye, and hear what his neighbors have to say."

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· Associated Press material was used in this report.

North Korea Talks (WP)

The Washington Post, November 1, 2006

NORTH KOREA'S decision to return to the "six party" negotiations on its nuclear program is, first and foremost, a victory for China and its strategy of preserving Kim Jong Il's totalitarian regime. Whether it will contribute to the cause of dismantling the North's atomic arsenal remains to be seen. Beijing hosts the talks, which also include the United States, South Korea, Russia and Japan; the North's refusal to attend for the past year, while testing a long-range missile and then a nuclear warhead, was an embarrassment to its chief patron. It appears China responded toughly: Though it supplies up to 90 percent of North Korea's oil, none was delivered in September. This blunt use of economic leverage -- if that's what it was -- is encouraging, and yesterday's announcement was evidence that it can get results.

The resumption of talks nevertheless falls well short of a breakthrough in the Bush administration's effort to disarm the Kim dictatorship. We hope Assistant Secretary of State Christopher R. Hill, who conducted lengthy talks with his North Korean counterpart in recent days, is justified in expecting "substantial progress" from the new round. But history suggests that both North Korea and China may have achieved their objectives simply by making yesterday's announcement. Pyongyang no doubt expects that its attendance will result in the relaxation of whatever pressure China has applied and that South Korea will now hesitate to cut back on its own substantial subsidies. U.S. attempts to strictly apply recently approved U.N. sanctions and organize inspections of North Korean cargo ships might falter. While talks continue, China can deflect further pressure from the United States or Japan for steps that might ultimately destabilize a regime it prefers to preserve.

If Mr. Kim really is prepared to give up his nukes, a path has been laid. A "framework agreement" signed by the six parties more than a year ago called for North Korea to dismantle its program and receive aid and security guarantees in return, including normalization of relations with the United States. Critics who harp on the need for the Bush administration to strike a deal with Mr. Kim tend to overlook the fact that this deal has already been struck. The question is whether North Korea is serious about it or whether it agreed to the plan merely to mollify China and South Korea and buy more time to develop missiles and nuclear warheads. The evidence points to the latter explanation: Within weeks of agreeing, Mr. Kim broke off the talks, citing as a reason U.S. action against offshore bank accounts his government was using for criminal activity, including the massive counterfeiting of U.S. currency.

Mr. Hill said yesterday that the Bush administration had agreed to discuss the financial sanctions at the talks, thereby removing Mr. Kim's excuse. Now both he and his sponsors will be tested. If North Korea really wants to act on the framework agreement, that should quickly become clear: The accord calls for the regime to return "at an early date" to the nuclear Non-Proliferation Treaty and the international inspections it requires. If not, China will face a question: Is it willing to use its now proven clout with the North to put an end to its nuclear program -- or only to require that it attend meetings?

Keep The Pressure On North Korea (LAT)

The Los Angeles Times, November 1, 2006

NORTH KOREA'S decision Tuesday to return to six-nation nuclear talks is a big diplomatic victory for Washington, and a bigger one for Beijing. Yet there are good reasons to be skeptical about Pyongyang's motives.

Kim Jong Il is a master at the art of weakening the resolve of diplomatic coalitions, and his decision to engage in talks once again may be nothing more than an attempt to stave off aggressive enforcement of U.N. Security Council sanctions. China and South Korea have in the past hesitated to embrace meaningful sanctions, but Kim faces a more united coalition in the aftermath of his nuclear test. The North Korean dictator may be hoping that his willingness to restart talks will erode Chinese and South Korean determination to stand firm and enforce the sanctions.

Such behavior is typical of rogue states eager to buy time or to capitalize on frictions within opposing coalitions. Saddam Hussein was adept at this game too, and nowadays Iran and Sudan seem to be mimicking Kim. The object is to feign flexibility and a willingness to negotiate in good faith — without actually giving anything up — so that those foreign powers most queasy about violating your sovereignty give up the fight to punish you. That's exactly what North Korea did last year, when it signed a broad framework calling for an end to its nuclear program in exchange for economic incentives, then refuted the agreement almost before the ink was dry.

China's support of sanctions in the aftermath of the nuclear test was a welcome departure from its usual nonintervention posture, though its power to influence its neighbor remains unclear. Much has been made, for example, of the fact that China substantially cut exports of heating oil to North Korea in September, widely seen as retaliation for a missile test in July. Yet that same month, China's exports of gasoline and other fuels rose, and the oil cutoff doesn't seem to have had any effect on Kim; he went ahead with his first nuclear test Oct. 9.

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It is unquestionably better to hold talks, even with a suspect partner, than not to hold them at all. But no one — particularly the South Koreans, who have so far refused to join the U.S. effort to interdict ships containing potential materials for weapons of mass destruction — should take the agreement as a reason to avoid tough enforcement of existing sanctions. It's now abundantly clear that the South's attempt to woo Kim's regime with economic incentives and engagement has failed. Strong pressure combined with negotiations constitute the only practical way to curb North Korea's nuclear ambitions.

Rice Urges Major Powers To Speed Up Sanctions On Iran (AFP)

AFP, November 1, 2006

US Secretary of State Condoleezza Rice called her major power counterparts in a bid to spur tough negotiations at the United Nations over a sanctions resolution against Iran, a senior US official said.

Rice urged the foreign ministers from the other permanent UN Security Council members -- Britain, China, France and Russia -- to overcome the differences that have prevented agreement on the sanctions package, Undersecretary of State Nicholas Burns said.

"She put forward the proposal that we should try to work extremely hard to get that resolution passed as quickly as possible," Burns said.

"We are working very hard at the UN Security Council to push for a resolution," he said.

Iran faces the sanctions after rejecting an earlier UN resolution demanding it freeze a uranium enrichment program many fear is a cover for developing nuclear weapons.

Earlier another senior US official said North Korea's sudden decision Tuesday to give up its nuclear arsenal in the face of UN sanctions had provided a model for confronting Iran's uranium program.

"The Iranians certainly are watching whether or not the world was going to react to what North Korea did," said State Department spokesman Sean McCormack, referring to Pyongyang's first test of a nuclear weapon on October 9.

"The (UN) Security Council clearly did act, so I think in that sense it was a lesson for Iran in terms of the will of the international community to act," he said.

Diplomats at UN headquarters in New York meanwhile said another meeting of five veto-wielding Security Council members plus Germany to discuss the Iran sanctions resolution was unlikely to take place before Friday at the earliest.

The six are working on a draft resolution drawn up by Britain, France and Germany urging nuclear and missile-related sanctions against Tehran.

Washington has so far refrained from co-sponsoring the draft in a sign it is seeking tougher measures than those proposed by its European partners.

US officials have notably said they want clear guarantees that a nuclear power station being built in Iran by Russia will not give Tehran access to technology or materials that could be used in a weapons program.

Russia and China, both major trading partners of Iran, are for their part believed to be trying to soften the resolution.

Moscow May Back U.N. Sanctions On Iran (AP)

By Vladimir Isachenkov

AP, November 1, 2006

Two senior Russian officials indicated Tuesday that Moscow could back a draft U.N. Security Council resolution imposing sanctions on Iran, in an apparent sign of the Islamic Republic's growing isolation over its nuclear program.

The comments came after months of Russian opposition to sanctions and suggested that Moscow could reluctantly support punishment as a lever of influence over a stubborn Iran. Just last Thursday, the foreign minister said Moscow was opposed to the resolution being drafted by European powers.

On Tuesday, Yuri Volkov, a deputy speaker of the lower house of parliament, said Russia "will apparently have to join a new resolution on Iran proposed by Britain, Germany and France that envisages limited economic sanctions."

And Igor Ivanov, the head of Russia's presidential Security Council, made comments later that also suggested Moscow could support the draft European resolution.

"Resolutions and sanctions are not a goal in themselves. They are just one of the elements," Ivanov said at a news conference. "And if such a resolution is worked out, it will be first of all one of the elements aimed at assisting political negotiations, because only as a result of political negotiations and dialogue can a concrete result be achieved."

Russia and China, both veto-wielding Security Council members with strong commercial ties to Tehran, have consistently been reluctant to support sanctions. But, separately from the Russian comments, China issued muted criticism of Iran on Tuesday over its standoff with the Security Council.

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Asked about the Iranian president's declaration that Tehran would oppose any sanctions, Chinese Foreign Ministry spokesman Liu Jianchao said "the relevant parties should not take any measures that may lead to the escalation of the situation."

China has recently taken a stronger role in nuclear negotiations more generally, and on Tuesday the U.S. and Chinese governments announced jointly that North Korea had agreed to rejoin six-nation nuclear disarmament talks.

Karen Hughes, the top U.S. envoy for public diplomacy, on Tuesday urged Iran to choose the path of negotiations.

"We're working with our international partners to send a message to Iran that the international community is opposed to Iran obtaining nuclear weapons," Hughes told The Associated Press in Dubai.

"Sanctions against Iran are being discussed. There is a path for negotiations and we hope they choose that path," she said.

Volkov, the Russian lawmaker, has played a low-key role in the past and made no statements on global politics, although he is in charge of inter-parliamentary contacts with Iran. Like most members of the Duma, he belongs to the Kremlin-controlled United Russia faction.

It was unclear whether Volkov has any access to Kremlin decision-making, but Ivanov is a former foreign minister amd longtime diplomatic insider whose security advisory body answers to President Vladimir Putin.

"Any decision in the Security Council must be aimed not at punishing Iran but at achieving our goals through political means," Ivanov said. The goal, he said, is to preserve Iran's right to peaceful nuclear energy while ensuring it does not develop nuclear weapons.

Ivanov's comments suggested that Russia — which is wary of angering Iran by appearing to join the West in calls for punishment and has warned that harsh measures could scuttle chances for a resolution of the crisis — could cast support for limited sanctions as a path toward further talks.

"Russia continues to call for a political settlement," he said.

His remarks left plenty of room for wrangling in the Security Council, and may have been intended more as a signal to a stubborn Iran that Russia's opposition to sanctions has its limits than as a telegraph of its plans for a council vote.

Volkov said "the Iranian leadership's refusal to freeze uranium enrichment activities and engage in a constructive dialogue with leading global powers leaves no chance for a quick diplomatic solution of the Iranian nuclear problem."

At the same time, he said Russia would continue efforts to encourage talks between Iran's top nuclear negotiator, Ali Larijani, and EU foreign policy chief Javier Solana "so that Iran isn't driven into a corner." He also repeated Russia's firm opposition to any decisions that could lead to the use of military force against Iran.

Moscow has been frustrated in its efforts to persuade Tehran to halt enrichment — including by offering to enrich uranium on Russian soil for a peaceful Iranian nuclear program. But Russian officials have repeatedly warned that harsh punishment could make Iran even more recalcitrant and scuttle the chances for a negotiated solution to the crisis.

Syria Still Arming Hezbollah, Politician Says (WT)

By David R. Sands

The Washington Times, November 1, 2006

Syria has continued to funnel arms to the Shi'ite Hezbollah militia in defiance of international demands, thus undermining hopes for peace and stability in Lebanon, a Lebanese political leader said yesterday.

Walid Jumblatt, longtime leader of the minority Druze community, is the most senior Lebanese politician to visit Washington since Israel's inconclusive monthlong war with Hezbollah in southern Lebanon.

The conflict devastated large areas of the country and scrambled Lebanon's already complicated political landscape.

"As long as the Syria-Lebanon border is not being monitored effectively, the flow of weapons will continue and there will be instability," Mr. Jumblatt said in an address to the Woodrow Wilson International Center for Scholars.

Israeli forces pummeled Hezbollah positions during the war but failed to deliver a knockout blow to the Islamic militia, which has resisted demands from other Lebanese factions and from the United Nations to disarm.

The complaint from Mr. Jumblatt, a key figure in the anti-Syrian coalition that dominates Lebanon's parliament, came a day after John R. Bolton, the U.S. ambassador to the United Nations, said at a Security Council meeting that Syria and Iran -- Hezbollah's two main sponsors -- were "actively trying to destabilize the democratically elected government of Lebanon" by re-arming Hezbollah.

Syria has denied the charge.

Israel complains that the Lebanese government and a beefed-up U.N. peacekeeping force now in southern Lebanon have failed to carry out key parts of the accord that ended the fighting in the summer, including disarming Hezbollah and enforcing an arms embargo.

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Israeli fighter planes yesterday flew at low altitude over parts of the capital, Beirut, and southern Lebanon to monitor what Israeli defense officials say are continuing violations of the arms embargo by Hezbollah.

Mr. Jumblatt, head of Lebanon's Progressive Socialist Party, has been a central figure in Lebanon's sectarian politics for three decades as the leader of the country's Druze community, an offshoot of Islam. He first supported Syria's military presence in Lebanon but broke with Damascus after the death of Syrian President Hafez Assad in 2000.

He was a key player in the anti-Syrian Cedar Revolution that followed the February 2005 assassination of former Prime Minister Rafik Hariri. Many blamed Damascus for the attack, and protests forced Syrian troops to withdraw from Lebanon.

Mr. Jumblatt acknowledged yesterday that the image of Hezbollah leader Hassan Nasrallah had soared in the Arab and Muslim world because of the tough resistance his fighters put up against Israel. But Mr. Jumblatt said demands by Hezbollah and its allies inside Lebanon for more seats in a proposed "national unity government" could backfire.

"We have the majority, not Hezbollah," Mr. Jumblatt said. "If they topple the government, there would be chaos and disorder that could lead anywhere.

"If Nasrallah was ordered by the Syrian regime not to agree to national unity, it is a very risky game he is playing."

Israel Fighter Jets Stage Mock Raids (AP)

By Anna Johnson

AP, November 1, 2006

Israel's fighter jets roared over Hezbollah strongholds Tuesday, staging mock raids in its strongest show of force since its war with the guerrilla group ended more than two months ago.

The flyovers, which startled many Lebanese with fresh memories of the war, highlight the unsettled tensions between Israel and its northern neighbor, whose political situation has grown increasingly more uncertain.

The Israeli fighter jets swooped low over south Beirut at least six times in the morning before soaring back into the sky, Lebanese security officials said. The jets could be heard throughout the city, and residents climbed on roofs and balconies to watch.

One woman on her way to work at a clothing store said her hands were shaking after she heard the warplanes because they brought flashbacks of the Israeli airstrikes that pounded her south Beirut neighborhood during the war.

In south Lebanon, officials and witnesses reported Israeli planes staging mock raids over the towns of Nabatiyeh and Tyre. Eight Israeli jets crossed the border and dispersed over southern and central Lebanon, said the officials, speaking on condition of anonymity because they were not authorized to give press statements.

The Lebanese army issued a statement saying its gunners fired anti-aircraft artillery at the planes in south Lebanon to try to drive them away.

An Israeli military official said the flights were part of routine reconnaissance activity.

"It was not to send any message. We do this on a regular basis," the official said, speaking on condition of anonymity because of military regulations.

The mock raids came only hours after U.N. envoy Terje Roed-Larsen told the Security Council that the Lebanese government had reported that arms were being smuggled into Lebanon from Syria since the end of the 34-day Israel-Hezbollah war.

The 34-day fighting left more than 1,000 people dead on both sides, according to the U.N. and Israeli and Lebanese officials. Lebanon's Higher Relief Council, a government group, says the vast majority of those were Lebanese civilians. UNICEF also says most of those killed were civilians, and about a third of them were children.

Of the total deaths, 159 were in Israel, including 39 soldiers.

Israel claimed 800 Hezbollah fighters were killed but that figure was not substantiated, with the group only acknowledging 70 of its fighters were killed.

Lebanon and the U.N. have called on Israel to halt military flights over Lebanese territory, calling them a clear violation of the cease-fire.

Geir Pederson, personal representative in Lebanon of U.N. Secretary-General Kofi Annan, expressed concern about the overflights that "constitute a breach of Lebanese sovereignty" and of the U.N. resolution that ended the war.

But Israel contends the flights must continue because arms are still smuggled to Hezbollah, the group has armed personnel in south Lebanon, and the two soldiers whose capture by guerrillas sparked the Israeli offensive have not been released, said Israeli Foreign Ministry spokesman Mark Regev.

"In the absence of the implementation of these obligations, Israel is forced to continue intelligence flights over Lebanon to monitor these infringements. If there's not a mechanism to prevent illicit arms transfers, we have to monitor arms transfers. If the Hezbollah presence is not removed, there is a need to observe that presence," he said.

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American and European officials have stepped up their demands for Hezbollah to disarm in accordance to the U.N.-brokered cease-fire, but the militant group has repeatedly refused to lay down its arms. The refusal has caused internal struggles as the Lebanese army tries to take control of the south, which has been under Hezbollah's control for decades.

Neither an increased U.N. peacekeeping mission, which currently numbers about 7,300, nor some 15,000 Lebanese troops patrolling a buffer zone in south Lebanon have the mandate or the political will to take Hezbollah's weapons by force.

Tuesday's overflights also came hours before Hezbollah's leader Sheik Hassan Nasrallah made a rare televised appearance on the guerrilla group's TV channel Al-Manar in which he said the United States has failed in Iraq and that animosity in the Arab world against Washington should not be blamed on Islamic extremism.

Nasrallah, in his first appearance since speaking at a Sept. 22 "victory" rally in south Beirut, accused the United States of being responsible for continued violence in Iraq and Afghanistan.

He said America's plans in the Middle East face "failure, frustration and a state of collapse," and predicted the U.S. would be forced to leave the region "within years, not months."

The U.S. has "no future" in the region, Nasrallah said in a taped interview on Hezbollah's television station Al-Manar. "They will leave the Mideast, Arab and Islamic worlds just as they left Vietnam, and I advise those who are counting on them to draw conclusion from the Vietnam experience."

Blair In Secret Overture To Damascus (FT)

By Roula Khalaf And James Blitz

Financial Times, November 1, 2006

Tony Blair, Britain's prime minister, has launched a secret diplomatic move to prise Syria away from its support for radical Middle East groups and policies.

In an initiative that departs from the US policy of isolating Syria, Mr Blair this week sent Sir Nigel Sheinwald, his most senior foreign policy adviser, to Damascus where he met Bashar al-Assad, the president, and other senior figures in the regime.

Downing Street and the Syrian government confirmed on Tuesday night that Sir Nigel, one of Mr Blair's closest aides, met Mr Assad on Monday.

The UK and Syria have maintained diplomatic relations but Sir Nigel's visit is the most high-level encounter between the UK government and the Assad regime since the Iraq war in 2003. The mission precedes a visit to the region that Mr Blair hopes to make before the year's end.

Downing Street insisted the visit did not mark any change of strategy by the UK towards Syria. The US and the UK continue to believe Mr Assad is backing insurgent groups in Iraq, and meddling in Lebanon and the occupied Palestinian territories – charges Syria denies.

However, Mr Blair – now in the final months of his premiership – wishes to use these "back channel" talks to test whether the Syrian regime is serious about seeking to play a constructive role in Middle East peace negotiations with Israel. Britain would also like to see Syria rethink its close alliance with Iran.

Mr Blair once placed high hopes on the British-educated Mr Assad but the UK has found Syria an unwilling ally in its Middle East goals. Damascus has backed the Hamas leaders who have been accused of obstructing plans for a Palestinian national unity government.

In Beirut, Lebanese officials say Syria is supplying arms to Lebanon's Hizbollah and working to undermine its government.

The initiative puts Britain out of step with current Bush administration thinking, though the US said it had been advised in advance of Mr Sheinwald's visit.

The US pulled its ambassador out of Damascus last year. But a congressional committee headed by James Baker, a former secretary of state, is now looking at US options in Iraq and may recommend renewed contact with Syria over Iraq's future.

Engagement with Syria became fashionable again this summer during the month-long conflict between Israel and Hizbollah. European officials have been arguing for engagement to try to move Damascus away from its alliance with Tehran.

Western relations with Syria reached a new low last year after the assassination of Rafiq Hariri, Lebanon's former prime minister and an opponent of Syria. A United Nations probe is looking at Syria's alleged role in the killing.

International pressure forced Syria to withdraw its troops from Lebanon and left it isolated, even within the Arab world.

Politicians in Beirut say Damascus will demand the dropping of the UN investigation in return for changing its foreign policies – a price the west may find too high.

The US and UK continue to insist that Syria live up to its obligations under three UN Security Council resolutions concerning Lebanon, a US official said.

"We remain deeply concerned by indications that Syria is seeking to destabilise Lebanon's democratically elected government," the official added.

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Israel Defense Minister Eyes Arab Plan (AP-Y)

By Aron Heller

AP, November 1, 2006

Israel's defense minister said Tuesday that a dormant Saudi initiative for Mideast peace could be a "basis for negotiation," indicating a new possibility for talks with the Palestinians after years of stalemate.

The Saudi plan calls for a comprehensive peace between Israel and the Arab world, based on a complete Israeli withdrawal from lands it captured in the 1967 Mideast war — the West Bank, Gaza Strip, east Jerusalem and Golan Heights.

Israeli Defense Minister Amir Peretz said he was not endorsing the plan. But he was the most senior Israeli official even to publicly consider it.

"We could see the Saudi initiative as the basis for negotiation. This does not mean that we are adopting the Saudi initiative, but it can serve as a basis," Peretz said at an academic conference at Tel Aviv University.

The Saudi initiative was adopted at an Arab League summit in Beirut, Lebanon, in March 2002. For the first time, it offered Israel normal relations with the entire Arab world in exchange for a complete withdrawal from captured territory.

Israel reacted skeptically at the time, rejecting an addition by Saudi Arabia requiring Israel to recognize the demand to take back Palestinian refugees from the 1948-49 war that followed creation of the Jewish state, as well as their descendants — an estimated 4 million people.

Israel has offered compensation instead, maintaining that demanding a "right of return" is a way of undermining the Jewish character of the state and destroying it from within.

Israel also questioned the meaning of "normal relations" and rejected a total withdrawal from all the territories.

In various unsuccessful rounds of peace talks, Israel has offered an almost complete pullout from the West Bank and Golan Heights, and last year it withdrew unilaterally from the Gaza Strip. However, it maintains that the pre-1967 cease-fire lines are not a border, and it wants to adjust the line to include main West Bank Jewish settlement blocks in Israel.

At the time, Israel asked Saudi Arabia to send an envoy to clarify the proposal, but that did not happen.

In 2003, the Saudi initiative was overtaken by the U.S.-backed "road map" peace plan, which called for establishment of a Palestinian state in a three-stage process and mentioned the Saudi initiative as part of the basis for the solution.

However, the plan was frozen from the outset when neither side implemented its initial steps. Israel failed to dismantle dozens of unauthorized West Bank settlement outposts, and the Palestinians declined to disarm violent groups.

Peace moves have been stalled since 2000, when the outbreak of Palestinian violence followed a failed summit meeting of Israeli and Palestinian leaders in the United States.

Israel's official position has been that the "road map" is the only plan on the table now, but Foreign Ministry spokesman Mark Regev indicated the Saudi plan could be the basis for talks.

"Israel has never accepted the Saudi initiative but would see positive elements in the initiative, particularly the call for reconciliation and the call for establishing normalized realizations between Israel and her Arab neighbors," Regev told The Associated Press.

Though Prime Minister Ehud Olmert's election platform this year called for a unilateral Israeli pullout from much of the West Bank, he shelved the proposal in the aftermath of the unpopular, inconclusive war with Lebanese Hezbollah guerrillas in the summer.

The addition this week of an ultra-hawkish party to shore up Olmert's governing coalition made a new peace drive unlikely.

In violence Tuesday, Israeli troops shot and killed three Hamas militants in the Gaza Strip as the army pressed ahead with a 4-month-old offensive, Palestinian officials said.

Israel has indicated it would expand its offensive, aiming to stop arms smuggling through tunnels from Egypt to Gaza and rocket fire by Palestinian militants at Israeli towns and villages.

Pause For Peace (NYT)

By Ahmed Yousef

The New York Times, November 1, 2006

Gaza

HERE in Gaza, few dream of peace. For now, most dare only to dream of a lack of war. It is for this reason that Hamas proposes a long-term truce during which the Israeli and Palestinian peoples can try to negotiate a lasting peace.

A truce is referred to in Arabic as a “hudna.” Typically covering 10 years, a hudna is recognized in Islamic jurisprudence as a legitimate and binding contract. A hudna extends beyond the Western concept of a cease-fire and obliges the parties to use the period to seek a permanent, nonviolent resolution to their differences. The Koran finds great merit in such efforts at promoting

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understanding among different people. Whereas war dehumanizes the enemy and makes it easier to kill, a hudna affords the opportunity to humanize one's opponents and understand their position with the goal of resolving the intertribal or international dispute.

Such a concept — a period of nonwar but only partial resolution of a conflict — is foreign to the West and has been greeted with much suspicion. Many Westerners I speak to wonder how one can stop the violence without ending the conflict.

I would argue, however, that this concept is not as foreign as it might seem. After all, the Irish Republican Army agreed to halt its military struggle to free Northern Ireland from British rule without recognizing British sovereignty. Irish Republicans continue to aspire to a united Ireland free of British rule, but rely upon peaceful methods. Had the I.R.A. been forced to renounce its vision of reuniting Ireland before negotiations could occur, peace would never have prevailed. Why should more be demanded of the Palestinians, particularly when the spirit of our people will never permit it?

When Hamas gives its word to an international agreement, it does so in the name of God and will therefore keep its word. Hamas has honored its previous cease-fires, as Israelis grudgingly note with the oft-heard words, "At least with Hamas they mean what they say."

This offer of hudna is no ruse, as some assert, to strengthen our military machine, to buy time to organize better or to consolidate our hold on the Palestinian Authority. Indeed, faith-based political movements in Algeria, Egypt, Iraq, Jordan, Kuwait, Malaysia, Morocco, Turkey and Yemen have used hudna-like strategies to avoid expanding conflict. Hamas will conduct itself just as wisely and honorably.

We Palestinians are prepared to enter into a hudna to bring about an immediate end to the occupation and to initiate a period of peaceful coexistence during which both sides would refrain from any form of military aggression or provocation. During this period of calm and negotiation we can address the important issues like the right of return and the release of prisoners. If the negotiations fail to achieve a durable settlement, the next generation of Palestinians and Israelis will have to decide whether or not to renew the hudna and the search for a negotiated peace.

There can be no comprehensive solution of the conflict today, this week, this month, or even this year. A conflict that has festered for so long may, however, be resolved through a decade of peaceful coexistence and negotiations. This is the only sensible alternative to the current situation. A hudna will lead to an end to the occupation and create the space and the calm necessary to resolve all outstanding issues.

Few in Gaza dream. For most of the past six months it's been difficult to even sleep. Yet hope is not dead. And when we dare to hope, this is what we see: a 10-year hudna during which, inshallah (God willing), we will learn again to dream of peace.

US Launches Review Of Stalled Policy On Ending Darfur Violence (AFP)

AFP, November 1, 2006

President George W. Bush announced a review of US policy on the Darfur crisis as Sudan persists in refusing the deployment of UN peacekeepers to halt catastrophic violence in the region.

The United States was a principal backer of a United Nations resolution in August demanding the deployment of some 20,000 UN peacekeepers to Darfur, where at least 200,000 people have been killed and 2.5 million left homeless during three years of civil war.

But the government of President Omar al-Beshir has rejected the peacekeepers and rebuffed a recent initiative to break the deadlock by Bush's personal envoy for Darfur, Andrew Natsios.

Meeting with Natsios at the White House Tuesday, Bush said the diplomat had delivered a "grim report" about the humanitarian situation in Darfur, where government-armed Arab militia have been blamed for much of the violence against civilians.

"The United States is going to work with the international community to come up with a single plan on how to address this issue and save lives," Bush said.

He provided few details, other than to insist that the plan would include deployment of a "credible and effective international force to go into Darfur to save lives".

"The government of Sudan must understand that we're serious," he said.

The UN Security Council adopted a resolution on August 31 calling for the deployment of 20,000 peacekeepers to replace an under-funded African Union (AU) contingent of 7,000 that has failed to end violence which the US has called genocide.

The conflict began in 2003 with rebellion by Darfur's mainly black African population seeking autonomy from the Arab-dominated government in Khartoum.

The government responded by arming Arab militia known as the Janjaweed, who have destroyed hundreds of villages in a scorched-earth policy.

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Beshir's regime has consistently rejected the deployment of UN forces, charging that the plan was part of a US-engineered plot to invade his country and plunder its resources.

State Department spokesman Sean McCormack said that following up on Natsios's mission to Khartoum, the Bush administration was mulling "what new or different policy proposals we might make" to end the deadlock.

He declined to provide details, but said discussions were going on both within the US administration, and with Washington's international partners, including Arab states with influence in Khartoum.

"What all that does is underscore the fact that we want to try to get something done on this issue," he said. "There's too much suffering going on there."

Westerners' Arrests Put Yemen On Spot (WT)

By Shaun Waterman

The Washington Times, November 1, 2006

The arrests in Yemen of six Westerners said to be members of al Qaeda has highlighted concerns that the region remains a "transmission belt" for Islamic converts looking for a way to join jihadi terrorist groups.

But analysts caution that the facts of the case remain murky and warned that Yemenis had many reasons to try to burnish their counterterrorism credentials by exaggerating the importance of the arrests.

Authorities in Yemen told local reporters over at the weekend that they arrested three Australians, a Dane, a German, a Briton and two other foreigners Oct. 16 and charged them with trying to smuggle weapons to Islamic militias in neighboring Somalia.

"Preliminary investigations indicate that they are members of al Qaeda," an Interior Ministry official said in a statement carried by the state-run news agency, Saba.

A U.S. intelligence official agreed in an interview, saying, "This was a pretty good wrap-up of a group of bad guys."

U.S. and European counterterrorism officials have long been concerned about the possible terrorist recruitment of people with European or Australian nationality. They can travel much more freely than recruits from Middle Eastern nations.

The concern is accentuated in chaotic, failing states such as Yemen, where intelligence gathering and interdiction are more difficult.

Australian Foreign Minister Alexander Downer told the Australian Parliament on Monday that two of the men were native-born Australians, while the third was a Polish-born immigrant who had become an Australian citizen in the 1980s.

No information was immediately available about the other suspects, but the Yemen Times, citing unidentified sources, reported that the eight were all students at the Al-Iman religious university in the capital Sana'a, headed by Sheik Abd al-Majid al-Zindani.

Al-Zindani has been named a "Specially Designated Global Terrorist" by the U.S. Treasury Department, which said he had "a long history of working with [al Qaeda leader Osama] bin Laden, notably serving as one of his spiritual leaders."

Karin Von Hippel, a former U.N. official and regional analyst, told UPI that there were well-documented arms transfers to Somalia from Yemen.

"It is very plausible that Islamic extremists in Yemen might be trying to get arms" to the Islamic Courts Union, the umbrella group for Islamic militias that have seized control of most of Somalia.

Bernard Haykel, professor of Islamic law and history at New York University and a Yemen analyst, added that Yemen had in the past served as a "transmission belt country," for jihadist recruitment of Westerners, but many come to learn Arabic and study the Koran legitimately.

"The [Yemeni] government has a history of trying to prove they are hunting al Qaeda," he said, however, in reality they have an arrangement with the group. "As long as they don't stage attacks in Yemen, they are left alone."

The U.S. intelligence official said the arrests were appropriate. "This was not for show," the official said.

The Yemeni government was embarrassed in February when 13 al Qaeda militants including the leaders of the attacks on the USS Cole and the French oil tanker Limburg were among 23 inmates who escaped by tunneling out of their prison to a nearby mosque.

Egypt Sends Sadat's Nephew To Prison For Defaming Military (NYT)

By Jano Charbel And Michael Slackman

The New York Times, November 1, 2006

CAIRO, Oct. 31 — Talaat el-Sadat, the nephew of President Anwar el-Sadat and an opposition member of Parliament, was sentenced by a military court on Tuesday to one year in prison on charges that he defamed the military by essentially blaming it for having a hand in his uncle's death.

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The case, while attracting less attention than the trial of a former presidential candidate, Ayman Nour, who is serving a five-year prison term on charges widely viewed as politically motivated, comes as Egyptian authorities have shown less and less tolerance for critical opposition.

With increasing frequency, members of the Muslim Brotherhood, a banned Islamic organization that amounts to the only organized political opposition in Egypt, have been arrested and held without charge under a law intended to fight terrorism.

In Mr. Sadat's case, he was stripped of parliamentary immunity on a national holiday by the speaker of Parliament, Fathi Sorour, a prominent member of the governing National Democratic Party.

The papers stripping Mr. Sadat of his immunity were signed the day after his appearance on a satellite television show, an action the speaker has said was perfectly legal.

On Tuesday, a military judge, Brig. Gen. Abbas Attiya al-Nagdy, sentenced Mr. Sadat to a year in jail after a six-day trial. Mr. Sadat was convicted of defaming the armed forces, of spreading false information and of suggesting that the government never executed President Sadat's assassin, Khaled el-Islambolli, and instead conspired to let him go free.

"Talaat el-Sadat is a victim," said Mohammad Abdel Wahab, one of his defense lawyers who also served on the team that defended Mr. Nour. "He was targeted because he is a popular opposition figure who received a staggering 33,000 votes during the last parliamentary elections."

Government and party officials said the case had nothing to do with politics and was based solely on comments Mr. Sadat made on satellite television in which, among other things, he blamed the military for negligence in his uncle's assassination.

"This guy is a loose cannon; he is a populist and he enjoys being a celebrity," Muhammad Kamal, a member of the upper house of Parliament and a frequent spokesman for the governing party, said in an interview when the trial began. He added, "If someone claimed that Bush was behind Sept. 11, this would be investigated. So what is happening is normal."

Mr. Sadat, the often outlandish and outspoken son of President Sadat's half-brother, Esmat, has long been a harsh critic of the governing party and has a reputation for espousing outrageous conspiracy theories, including charges that his uncle was killed as part of an international plot.

But he also has caused deep embarrassment to powerful figures — from leaders of the governing National Democratic Party, whom he publicly accused of corruption, to the Interior Ministry, which he showed at his trial had arrested the wrong person in connection with the killing of 10 people.

A group of Egyptian human rights groups have criticized the decision to bring a civilian before a closed military court and what they said was a violation of his freedom of speech.

Others have said the decision to prosecute Mr. Sadat — regardless of how outrageous his comments may have been — should be viewed as part of a broad political suppression in the country.

"The message is that no one is immune, not journalists, not judges, not parliamentarians," said Wael el-Ebrashi, editor in chief of Sawt el Umma, a weekly independent newspaper.

Mr. Ebrashi will himself face trial next month for printing a list of judges whom his newspaper accused of helping to rig parliamentary elections last year.

During those elections, government security forces surrounded polling places, beating and shooting would-be voters, in an effort to prevent opposition candidates from winning. Even so, independent candidates affiliated with the Muslim Brotherhood won 88 seats out of 454 in Parliament.

Egypt's political elite is in a state of anxiety. The president, Hosni Mubarak, is 78, and while there is no clear successor in sight, it appears the president has begun to hand the reins of state over to his son, Gamal Mubarak. At the same time, regional crises — from the war between Lebanon and Israel to the rise of Iran as a regional power — have further undermined the leadership's credibility on the street, political analysts said.

In that environment, the leadership has taken a harder line with its critics.

The United States at one time talked about Egypt as leading the way toward democratic reform in the Middle East. But with the chaos in the region, and the political uncertainty in Egypt, officials in Egypt said the United States had dropped all pressure to make democratic reforms.

Leaders of the governing party, like the younger Mubarak and Mr. Kamal, have said the party intended to move forward with democratic reforms.

Mr. Sorour, for example, announced Tuesday that Parliament would move forward with a plan to amend the Constitution to ensure that in the next presidential election there will be candidates from more than just the governing party.

However, critics, including those within the party, say the plan for making it easier to get opposition members on the ballot is insufficient, because after years of political atrophy there are no credible or effective opposition parties.

The new law is expected to do nothing to pave the way for independent candidates to get on the ballot, which would mean those affiliated with the Muslim Brotherhood would be shut out.

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Mr. Sadat was taken into custody straight from the courtroom in northeastern Cairo.
He is not allowed to appeal and his only recourse would be to ask President Mubarak for a pardon.
He was also fined about $35.

Security Council Seat Tied To Aid (WP)

By Colum Lynch
The Washington Post, November 1, 2006

UNITED NATIONS -- Republican and Democratic administrations have insisted for decades they do not engage in the grubby vote-buying practices that are common in elections for key U.N. posts.

Yet poor countries that serve on the influential Security Council typically receive substantially more U.S. aid dollars and find it easier to obtain loans or grants from financial institutions that are strongly influenced by the United States and other economic powerhouses, according to recent academic studies.

Officials from the United States and several international agencies questioned the findings, insisting that they direct assistance on the basis of need, not in pursuit of votes on the Security Council. They said there are scores of factors that drive the distribution of loans and aid budgets that the research did not consider.

Still, the findings underscore the importance the United States places on cultivating even the weakest members of the Security Council, the lone international body with the power to impose universally binding economic sanctions and grant legitimacy to military adventures. They also suggest a possible price tag.

A two-year seat on the Security Council, for instance, can generate a 59 percent spike in U.S. assistance, according to a study by two Harvard University scholars that tracked U.S. economic and military assistance from 1946 to 2001. In times of crisis, U.S. aid to some member countries has increased by as much as 170 percent. Those aid levels tend to recede after the country leaves the 15-nation council.

United Nations aid agencies such as the Children's Fund, which has always been headed by a U.S. national, have also directed extra money toward disadvantaged children from countries that serve on the U.N. council, the study shows. In an important year, defined as a period that has attracted intensive news coverage, council members experienced a 63 percent increase in overseas development assistance, the study found.

"On average the typical developing country serving on the council can anticipate an additional $16 million from the United States and $1 million from the U.N.," wrote Harvard economics graduate student Ilyana Kuziemko and Eric Werker, an assistant professor at the Harvard Business School. "During important years, these numbers rise to $45 million from the U.S. and $8 million from the U.N."

Kuziemko said the study did not uncover "smoking gun" proof that the United States has used aid to buy influence. But she said the investigation uncovered a statistical pattern "that is very consistent with vote buying."

A UNICEF spokesman, Geoffrey Keele, challenged the report's conclusions. He said the U.N. agency's "funding is always based on very basic indicators of children's health."

Keele presented a chart showing that funding for some countries on the council increased while that for others declined. He said assistance to Congo -- which received more than a doubling of U.S. contributions through UNICEF -- increased because a 2003 peace accord provided greater international access to a country already desperately needing help.

A review by The Washington Post of the U.S. Agency for International Development's "greenbook," which compiles figures on U.S. economic and military assistance, showed a more nuanced picture in the year leading up to the U.S.- led invasion of Iraq in March 2003, a period of intense diplomatic activity in the Security Council.

U.S. economic aid to Angola nearly doubled from $81.6 million in 2001 to $160.5 million in 2003, before dropping by more than $40 million in 2004. Assistance to Cameroon more than tripled, from $5 million in 2001 to $16 million in 2003, before falling by about $3.5 million in 2004.

But U.S. aid to Guinea dropped by $10 million during the same period. Bulgaria, a close U.S. ally in Eastern Europe, got less U.S. economic assistance but registered a doubling of U.S. military aid in 2003.

The U.S. mission to the United Nations and USAID declined requests to comment on the findings. Former U.S. officials insist, though, that the U.S. delegation has sought to steer clear of vote buying.

"I'm not aware of the United States actively molding its aid relationship based on upcoming votes," said Peter Burleigh, the acting U.S. ambassador to the United Nations in 1998 and 1999.

Burleigh said countries seeking membership on the council will often increase their own aid contributions "as a kind of sweetener" for potential supporters. During the 1990s, Iraq and Kuwait frequently stepped up aid or trade pledges on the eve of critical votes in the Security Council.

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"Usually we give aid because there is need rather than because in fact we want to try to buy somebody," said Thomas R. Pickering, U.S. ambassador to the United Nations during the Persian Gulf War. But he said that politics can sometimes creep into U.S. calculations on aid and that membership on the council may tip the balance in favor of a country under consideration for aid.

Pickering recalled then-Secretary of State James A. Baker III telling Yemen, after it voted against a U.S.-backed resolution authorizing the 1991 war, that "it was the most expensive vote they'd ever cast, when in fact their assistance disappeared."

The largesse has extended to U.N. financial institutions, primarily the International Monetary Fund, where the United States holds sway. Romania, Zimbabwe, Ecuador and other countries that frequently backed resolutions sanctioning Iraq for its 1990 invasion of Kuwait received sizable IMF loans, according to a study by a political scientist and two scholars at a Swiss university.

Tanzania and Gabon, meanwhile, did not receive an IMF loan in the first 15 and 18 years, respectively, after their independence. That changed after they announced their bid to join the Security Council in the 1970s, a Chicago University study shows.

Tanzania, which launched its campaign for a council seat in 1974, received more than $10 million in loans in 1974 and 1975. The East African government voted alongside the IMF's most influential members -- the United States, Japan, Britain and France -- on every resolution in 1975.

The relationship grew rockier after Tanzania showed a streak of independence in its voting record in 1976, when it supported resolutions condemning aggression against Angola by U.S. Cold War ally South Africa and calling for Indonesia to withdraw from East Timor. The IMF subsequently declined to disburse more than $10 million in additional funds for Tanzania.

IMF spokesman William Murry said that "the evidence is anecdotal and circumstantial," and that the authors did not adequately consider other possible explanations for the loans.

For instance, he said, Tanzanian loans were driven in large part by the oil crisis after the Arab oil embargo. He said the IMF's support of Romania owed more to the fact the former East Bloc country was looking to the West for help after the Soviet Union's collapse.

China Acts To Reduce High Rate Of Executions (NYT)

By David Lague

The New York Times, November 1, 2006

BEIJING, Oct. 31 — Responding to domestic and international criticism of its extensive use of capital punishment, China adopted new rules on Tuesday requiring review of all death sentences by the Supreme People's Court, state news media reported.

The move, which goes into effect on Jan. 1, restores a power that was stripped from the Supreme Court in 1983 and given to provincial courts as part of a major crackdown on crime. The authorities are facing mounting criticism from human rights groups and Chinese legal scholars for what they say is the widespread and arbitrary use of the death penalty.

China executes more people every year than all other nations combined, by some Chinese estimates, up to 10,000 a year. Chinese courts have been embarrassed in recent years by a number of executions of people who were later proved innocent.

China's legislature, the National People's Congress, approved the amendment to the law, which "is believed to be the most important reform of capital punishment in China in more than two decades," the official New China News Agency said in a brief report.

The state news media have estimated that the number of executions could drop by as much as 30 percent under the new system, though they have not said how they arrived at that figure.

Human rights groups welcomed the change, saying it was likely to lead to fewer executions, but they urged the authorities to take further action. "I think this is a positive step, but it falls well short of what is needed," said Nicholas Bequelin, a researcher for Human Rights Watch who is based in Hong Kong.

Chinese political leaders strongly defend capital punishment as an essential tool to fight crime and preserve social order in a country of 1.3 billion that is undergoing wrenching economic and social changes. The authorities also argue that the death penalty is an important deterrent to official corruption, which has emerged as a major threat to the reputation of the governing Communist Party.

However, legal experts say that as living standards rise and China becomes an important international power, the country's senior leadership is uncomfortable that the death penalty is so readily applied.

They say the reform can also be seen as part of President Hu Jintao's commitment to "build a harmonious society," which covers a range of social concerns, including pollution, growing inequality and access to education and health care. The public has long chafed under a legal system that is widely perceived as favoring the wealthy and politically connected.

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China does not disclose the number of executions it carries out under the criminal code, where almost 70 offenses carry the death penalty.

Citing publicly available reports, Amnesty International estimates that at least 1,770 people were executed in 2005 — more than 80 percent of the world's total — and 3,900 were sentenced to death. In 2004, Amnesty said, 3,400 were executed in China out of 3,797 it documented in the world that year.

Local courts had been given the power to impose the death penalty by Deng Xiaoping, who was angry about a wave of crime and corruption that threatened his economic reform program, which was still in its infancy. From the early 1980s until now, they have operated with virtually no oversight, a situation that has led to the widespread and, legal experts say, indiscriminate use of capital punishment.

In a report on Sept. 21, Amnesty said shortcomings in the legal system for people sentenced to death included a lack of prompt access to lawyers, the absence of the presumption of innocence, political interference in the courts and the use of evidence obtained by torture.

"No one who is sentenced to death in China receives a fair trial in line with international human rights standards," Amnesty said in the report.

The Chinese authorities have already recruited 200 judges for the top court and opened new courtrooms to handle the extra work arising from the change, according to the Chinese news reports.

Some Chinese legal scholars say lower courts will now have to be more careful in imposing the death penalty, handing down more long prison terms instead to avoid the scrutiny of the high court.

Human rights groups and supporters of legal change in China are now urging the government to introduce more sweeping changes, including the establishment of an independent judiciary.

"So far, the leadership is not willing to take on real reform," Mr. Bequelin said.

P. W. Botha, Defender Of Apartheid, Is Dead (NYT)

By Joseph R. Gregory

The New York Times, November 1, 2006

P. W. Botha, the South African leader who struggled vainly to preserve apartheid rule in a tide of domestic racial violence and global condemnation, died yesterday at his home in South Africa. He was 90.

His death was reported by The South African Press Association in Cape Town, quoting the security staff at Mr. Botha's home on the southern Cape coast.

Mr. Botha was a combative, irascible son of a well-to-do Afrikaner farm family who dropped out of college to work for the right-wing National Party, then rose through the ranks of South Africa's political establishment, gaining a reputation as the "Old Crocodile" for his ability to charm, outwit and crush his opponents.

In 1978, Mr. Botha became prime minister and proceeded to engineer the creation of a new Constitution, one that held out the promise of limited reform of apartheid policies. When the Constitution came into effect in 1984, Mr. Botha became president. "We must adapt or die," Mr. Botha told his constituents after becoming prime minister.

But the Constitution only roiled the battle over race. Though it allowed Asians and people of mixed race to be represented in a white-controlled Parliament, it continued to exclude the nation's black majority. Some apartheid laws, like a prohibition on mixed marriages and a requirement that blacks carry special passes, were relaxed. But the measures only fueled the anger of apartheid's opponents. One opposition leader, Frederik van Zyl Slabbert, said Mr. Botha's reforms were the political equivalent of rearranging the deck chairs on the Titanic.

Holding out the promise that apartheid would eventually be dismantled, he opened negotiations with Nelson Mandela, the imprisoned leader of the African National Congress. The talks went nowhere, and Mr. Mandela remained confined.

At the same time, Mr. Botha, who first achieved national prominence as secretary of defense, gave the police and military unprecedented power. His government repressed dissent, encouraged rivalries among Zulu, Xhosa and other tribes and ethnic groups, and tried to destabilize neighboring countries opposed to the system of white rule.

Mr. Botha used the climate of the cold war to justify his actions. He portrayed a growing Marxist threat in southern Africa and warned that Communists had infiltrated the anti-apartheid movement at home. South Africa, he said, was engaged in a "total war" and must develop a "total strategy" to fight the battle.

As opposition to apartheid spread, Mr. Botha's room to maneuver shrank. "He was caught in a bind between wanting to show the international community that he was not inflexible, and not wishing to appear weak within his own country," the journalist Allister Sparks wrote in his 1995 account of the end of apartheid, "Tomorrow Is Another Country: The Inside Story of South Africa's Road to Change."

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Yet for a while Mr. Botha's methods seemed to belie Alexis de Toqueville's dictum that "the most perilous moment for bad government is when it seeks to mend its ways." Mr. Botha was re-elected in 1987. Two years later, as opposition to his intransigent style grew within his own party, the president suffered a stroke and resigned. He was succeeded by F. W. de Klerk, who legalized opposition parties, freed Mr. Mandela and other political prisoners, and made the agreements that eventually brought apartheid down.

Pieter Willem Botha was born on Jan. 12, 1916, in the Orange Free State to a Afrikaner farm family with deep roots in southern Africa's "White Tribe" — descendants of mainly Dutch settlers who had been living on the continent's southern tip for more than three centuries.

Beleaguered, stubborn and insular, they saw themselves as heirs to a promised land watered with the blood of their ancestors in wars against Zulu, Ndebele and other tribes.

The Afrikaners and the British, with their imperial aims, were also old enemies, rivals for land, diamonds and gold. Their enmity culminated in the Boer War of 1899-1901, which ended in a British victory and the eventual consolidation of the country under the empire. Mr. Botha's father fought the British, who burned his mother's family farm. She and her family fled but were eventually captured and interned. Their experiences forged their son's attitudes. Raised in the traditions of the Bible and the gun, he learned to ride and shoot and to embrace the embattled but beneficent self-image of the Afrikaner.

"I grew up on a farm where I came to know black people very well," Mr. Botha told Joseph Lelyveld of The New York Times in an interview in Mr. Lelyveld's 1985 book "Move Your Shadow: South Africa, Black and White." "I played with them, I worked with them. I was taught by my father to be strict with them, but just."

As World War II approached, tensions mounted among those who believed that South Africa should side with Britain, those who advocated neutrality and those who sympathized with the Nazis. Mr. Botha sided with the last, joining the right-wing Afrikaner nationalists in the Ossewabrandwag, or Ox Wagon Fire Guard, which was closely related to Daniel F. Malan's Reunited National Party. A paramilitary group within the Guard, modeled after the Nazi Brownshirts, agitated against the pro-Allied government of Jan Christian Smuts.

But Mr. Botha, who in 1935 had left the University of the Orange Free State to become an organizer for the Nationalists, did not like the Guard's "emphasis on national socialism instead of Christian nationalism," a South African biographer, Brian Pottinger, wrote in 1988 in "The Imperial Presidency: P. W. Botha, the First 10 Years." "With some courage and a fine nose for the prevailing wind," Mr. Pottinger wrote, Mr. Botha publicly condemned the Ossewabrandwag, charging it with "interference" in national politics.

By 1944, with Allied victory looming in Europe, the Guard had become an embarrassment to Mr. Malan, and he banned National Party members from associating with it.

A year earlier, Mr. Botha married Anna Elizabeth Rossouw, who went by the name Elise and who died in 1977. They had two sons, Rossouw and Pieter Willem, and three daughters, Elanza, Amelia and Rozanne. He married Barbara Robertson in 1998.

In the postwar years, economic and social uncertainty eroded the popular base of the Smuts government, which had advocated a comparatively liberal approach toward race relations. In the 1948 general election, Mr. Malan's Nationalists, campaigning on a platform of white supremacy and racial segregation, were swept to power. Mr. Botha, who had become secretary of the party's National Youth League in 1946, won a seat in Parliament.

Over the next six years under Mr. Malan's leadership, the foundations of the apartheid state were laid. The Nationalists enforced segregation on almost all aspects of South African life. They passed laws prohibiting mixed marriages and extramarital sex between races and regulated almost all other social relations. Freedom of movement was limited: most blacks were required to carry passbooks. And "independent" homelands, or tribe-based states, were created to make the various African ethnic groups easier to control.

Throughout the 1950s there were protests and other forms of passive resistance. In 1960, about 70 protesters were killed and nearly 200 wounded when the police opened fire on a demonstration in Sharpeville, near Johannesburg. The climate changed after that.

Within the African National Congress, founded in 1912 to advance the cause of blacks, the leadership diverged, with men like Nelson Mandela advocating violent opposition to the racist state. By 1970, many anti-apartheid leaders, including Mr. Mandela, were either in jail or living in exile.

Meanwhile, Mr. Botha rose through the government ranks. In 1961, he became the minister of colored affairs; in 1966, minister of defense. His rise coincided with the country's deepening political isolation. In 1961, South Africa left the Commonwealth of Nations, as other members strongly criticized apartheid policies. As the country's neighbors achieved independence from colonial rule in the 1960s and '70s, many cut off diplomatic, cultural and commercial ties with South Africa.

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In 1974, the United Nations took away South Africa's seat in the General Assembly. Three years later, it imposed a weapons embargo. In the West, particularly in the United States, debate over imposing trade sanctions on South Africa reached a fever pitch.

But the disciples of apartheid hung tough. Huge reserves of gold and diamonds fueled the Afrikaners' ability to circumvent economic embargoes and political sanctions. As defense minister, Mr. Botha increased military spending to 20 percent of the budget, conducted a clandestine weapons trade with Israel and other states and pushed for the development of nuclear weapons.

In the early 1980s, Mr. Botha's government carried out military strikes on forces of the African National Congress and other insurgent groups in neighboring countries where they had taken sanctuary. Air and ground forces struck at targets in Angola, and South African commandos conducted raids in Botswana, Lesotho, Mozambique, Zambia and Zimbabwe.

South African forces also equipped and trained rebel movements against the left-leaning governments that had taken power in the former Portuguese colonies of Angola and Mozambique. Moreover, under the direction of the State Security Council, created in 1972, Mr. Botha's government carried out a program to murder anti-apartheid activists.

Racial violence and political protests continued to rise. Increasing numbers of white South Africans joined anti-apartheid demonstrations. Although Mr. Botha had come to power with the pledge to uphold apartheid as well as improve race relations, the two goals were mutually exclusive. Despite a seeming willingness to relax some apartheid laws, he remained adamant in his refusal to grant blacks political power.

The situation deteriorated. Police stations and other government installations were attacked. In 1985, the government announced an indefinite state of emergency. In 1986, the Anglican anti-apartheid campaigner Archbishop Desmond Tutu addressed the United Nations and urged further sanctions against South Africa.

Mr. Botha grew defiant. "We are not a nation of jellyfish," he declared in a party speech in 1986. An aide, Hendrik Jacobus Coetsee, recalled: "The Old Crocodile was obsessed with looking tough and in control. He never wanted to show any sign of weakness."

But even within the Botha government, pressure was growing for negotiations with the African National Congress. Clandestine overtures were made to Mr. Mandela, who had been in prison since 1963. The Botha government, hoping to appear reasonable to the world, was looking for a way to free Mr. Mandela without appearing weak to its own Afrikaner constituency.

In March 1989, Mr. Mandela offered to negotiate a political settlement, reversing the Congress's commitment to overthrowing the white government by force. Mr. Botha, who had had a stroke that January, replied that the two men should meet. They did so on July 5, 1989. In the end, the encounter turned out to be little more than a courtesy call. "Yet, in some subtle way a line had been crossed," Mr. Sparks wrote. "After that there was no stopping the process. It was just a matter of time and the man."

Mr. Botha's days in office were numbered. Increasingly ill-tempered and authoritarian, he remained reluctant to move on with reform. In February 1989, a month after his stroke, for reasons that are unclear, he had renounced his position as National Party leader while keeping the presidency. The move left him open to younger rivals. That August, at a cabinet meeting, his successor as party leader, Mr. de Klerk, followed by other ministers, suggested that he step down. That night, in an angry, rambling broadcast, the president announced that he would resign.

Under the new government, led by Mr. de Klerk, apartheid unraveled. In 1990, Mr. Mandela was freed after 27 years in prison and the African National Congress became a legal political party. In April 1994, the republic's first multiracial election was held, the Congress won an overwhelming victory and Mr. Mandela became president. In May 1996, a new national Constitution was adopted.

Apartheid was finished. In the late 1990's, the brutal methods that had been used to prolong its existence were exposed during hearings of South Africa's Truth and Reconciliation Commission. Actions by the country's security forces and police during Mr. Botha's years in power had killed 4,000 people; as many as 50,000 others were held without trial.

The aging Mr. Botha derided the commission as a witch hunt. After failing to attend a hearing in Cape Town on Dec. 19, 1997, he was found guilty of contempt of the law, fined and sentenced to a suspended 12-month prison term. The conviction was overturned on appeal, and the Old Crocodile remained as intransigent as ever.

"I have nothing to apologize for," he said. ''I will never ask for amnesty. Not now, not tomorrow, not after tomorrow."

P.W. Botha; President Of Apartheid-Era South Africa (WP)

By Adam Bernstein

The Washington Post, November 1, 2006

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P.W. Botha, 90, the unapologetic leader of apartheid-era South Africa who led his country into deepening political crisis and racial violence as head of state from 1978 to 1989, died Oct. 31 at his home in Wilderness, a southern coastal town. No cause of death was reported.

"Peevee" Botha was the bald, bespectacled mandarin of the ultra-right Nationalist Party. His trademark was a finger-wagging belligerence that earned him the nickname the "Groot Krokodil," or great crocodile, in Afrikaans, the Dutch language that was his native tongue.

He held a variety of portfolios before becoming defense minister in 1966. During the next decade, he engineered massive increases in the military budget to minimize the effects of the international arms embargo against the apartheid government.

He also saw the militarization of his country as a way to safeguard South Africa from foreign invasion and internal subversion. To international derision, he undertook incursions into Angola and South West Africa (later renamed Namibia) to end leftist guerrilla uprisings and what he called the "forces of chaos, communism and socialism."

As prime minister and then state president, he veered wildly between upholding and reforming apartheid, the system of racial segregation that his party initiated after coming to power in 1948. He understood its inevitable decline amid uncontrollable protests but was unwilling to appear weak to his followers.

Years after he left office and a new, black-led leadership emerged, Mr. Botha remained defiant during investigations into his regime's hard-line racial policies that led to killings, tortures and disappearances. On a technicality, he successfully evaded testifying before South Africa's Truth and Reconciliation Commission, formed to probe apartheid-era crimes.

"I did not authorize murders," he said to reporters at the time. "I will not ask forgiveness for fighting the Marxist revolutionary onslaught."

Pieter Willem Botha was born Jan. 12, 1916, at his family's farm in the Paul Roux district of the Orange Free State. The area was deeply conservative and populated largely by Afrikaners, the white descendants of 17th-century settlers who were mostly Dutch.

In his teens, Mr. Botha became a member of the National Party, then a minority political group. During the Depression, he abandoned his law school studies at the University of the Orange Free State and began his mentorship under the Nationalist leader D.F. Malan. Mr. Botha was a political organizer, a job that sometimes required thuggery and other forms of intimidation.

During World War II, he helped form the Cape branch of the Ossewabrandwag, or Ox-Wagon Fire Guard, a pro-Nazi paramilitary group that opposed his country's support for the British and other Allied powers. His involvement ended when he was threatened with internment.

In 1948, his party won the general election in a surge of Afrikaner nationalism, and Mr. Botha was elected to the lower house of Parliament.

During his first decade in office, he became his party's chief secretary. Under prime minister H.F. Verwoerd, he was minister of colored affairs; minister of community development and housing; and minister of public works.

In this period, he sometimes fought against the most outrageously racist voices in his party on social and land issues. As defense minister, he championed a liberalization of the military that brought women and those of mixed race into fighting units.

Elected prime minister in 1978, he advocated a program of "adapt or die" that surprised many white South Africans for its reformist ring. This approach was partly because of the moderating influences of a strong political challenger during the election. However, to many blacks, Mr. Botha's efforts appeared cosmetic, and many in his white base charged him with surrendering needlessly.

Radical elements within his party abandoned him in 1982 to form another political party. Soon after, Mr. Botha helped craft a new national constitution that bestowed greater authority to himself by changing his title to state president. During the next few years, he repealed some restrictive laws, including a ban on interracial marriage and a passport system that prevented blacks from living freely away from their designated townships.

He allowed participation by Asians and those of mixed race in Parliament and the national cabinet, but blacks were still excluded from government. A goodwill tour of Europe in 1984 had little effect of changing the country's pariah status, although some Western governments and businesses maintained economic ties. He also eased his diplomatic relations with neighboring countries, nearly all of which were under black rule after having gained independence years earlier.

As rioting continued, he declared a state of emergency in 1986, curbing press freedoms and arresting black political leaders.

After a stroke in 1989, Mr. Botha resisted calls within his own party to resign. "I am not a sulking old man," he said.

In a matter of months, he arranged a meeting at his official Cape Town home with Nelson Mandela, a leader with the banned African National Congress who was serving a long prison sentence.

Mandela later wrote in a memoir that Mr. Botha broke all expectations of the "old-fashioned, stiff-necked, stubborn Afrikaner who did not so much discuss matters with black leaders as dictate to them." He said the president was amicable and

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smiling and "completely disarmed me," although he declined to agree to the unconditional release of Mandela and other political prisoners.

Within months, Mr. Botha resigned from the presidency and his party. Mandela was released from prison in 1990 and worked with Mr. Botha's successor, F.W. de Klerk, to hold fair elections. In 1994, Mandela became the first black president of South Africa.

During the new era, Mr. Botha was not allowed to retire quietly. Anglican Archbishop and Nobel laureate Desmond Tutu, who headed the Truth and Reconciliation Commission, personally asked Mr. Botha to testify about allegations of bombing campaigns against black rights groups during his presidency.

Mr. Botha declined to recognize the commission's authority to compel him to testify. Instead, he gave the commission 1,700 pages of answers to their questions.

This led to a court's finding him guilty of contempt and sentencing him to either a year in jail or a fine of $1,600. He avoided the penalty when a higher court said the commission's legal mandate to exist was due to expire before he was called to testify.

At the time, Mr. Botha told reporters he was more worried about the lawlessness he saw around him under the new government. "I'm still concerned about the onslaught," he said. "What I prophesied came true."

He wrote an autobiography, "Voice in the Wilderness."

His first wife, Elize Rossouw, whom he married in 1943, died in 1997. The next year, he married Barbara Robertson, a legal secretary 25 years his junior. She survives him, along with five children from his first marriage.

Former S African President PW Botha Dies (FT)

By Victor Mallet

Financial Times, November 1, 2006

Pieter Willem Botha, the former South African president who died at the age of 90, was a godfearing Afrikaner nationalist who saw the failings of apartheid and reformed the system but could not bring himself to abolish it completely. That task fell to his successor F.W. de Klerk, who earned Botha's scorn by negotiating the transfer of power from the white minority to the African National Congress.

Universally known as “PW” from his initials, Botha was a career politician in the National party which ran South Africa from 1948 until the first, all-race election in 1994. Although he was a hardliner by instinct, he dimly sensed that he was presiding over the final phase of white rule and famously told whites after he became prime minister in 1978 to “adapt or die”.

Yet the curmudgeonly Botha, who earned the nickname “Die Groot Krokodil” (the great crocodile) and had a habit of wagging his finger menacingly at his critics, could never reconcile himself to the inevitable. He resented the liberals and left-wingers in South Africa and abroad who had helped destroy apartheid. He never apologised for the torture, the killings and the poverty inflicted on South Africans and on the inhabitants of neighbouring states by his regime.

“We are a small country, but I am not going to be buggered about,” he told Herman Nickel, the US ambassador, in 1986. “I'd rather fight.” Even in retirement in 1998, Botha refused to testify before the Truth and Reconciliation Commission, which was investigating the crimes committed by both sides during the apartheid era. He called it a “circus” and a “witch-hunt” against Afrikaners.

He was born on January 12, 1916 on a farm in what was then the Afrikaner stronghold of the Orange Free State, but spent most of his political life in the Cape. In the years before the National party's 1948 election victory (when he began his 36-year stint as MP for the George constituency), he was a successful party organiser with a reputation for breaking up meetings of Jan Smuts's United party with thuggery and heckling.

Nothing in his early years suggested he would become a reformer. He briefly joined the right-wing Ossewabrandwag, which rejected support for Britain in the fight against Nazi Germany in the second world war.

As defence minister for 14 years from 1966, as prime minister from 1978 to 1984 (for a while he held both posts), and then in the newly created post of executive state president from 1984 until he was removed after suffering a stroke in 1989, he favoured military solutions to South Africa's foreign and domestic political problems.

During the cold war, Botha subscribed to the view that his government faced a “total onslaught” from Communist guerrillas and their allies, and must fight them with a “total strategy”. He presided over a 20-fold increase in the country's defence budget, nurtured Armscor, a home-grown military equipment group which had some success in bypassing economic sanctions, and oversaw an invasion of Angola in 1975. He turned the State Security Council, which had been an advisory body, into a powerful and secretive inner cabinet.

But it would wrong to portray him, as his enemies often did, as no more than a tyrannical right-winger. For Botha undermined the very foundations of apartheid. He legalised the black trade unions that were to become a motor of political change; he abolished the Mixed Marriages Act outlawing inter-racial weddings; he negotiated South Africa's withdrawal from

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southern Angola and Namibia, paving the way for Namibian independence; he repealed the “pass laws” preventing blacks from entering “white” urban areas; he opened secret talks with the jailed ANC leader Nelson Mandela; and he gave coloureds (people of mixed race) and Indians the vote.

It was this half-hearted concession to the rights of other races in the mid-1980s that accelerated the end of white rule. Although Botha survived a split in his National party over the new constitution and its tricameral parliament (the breakaway right-wing Conservative party was formed in 1982), the still unenfranchised black majority took to the streets in a violent uprising that ultimately destroyed apartheid.

Botha never understood the forces that he had unleashed. Thousands of South Africans were subsequently killed in riots by troops and police, or in clashes between rival political groups. Some victims accused of being traitors or informers were burnt alive in motor-tyre “necklaces” by the young revolutionary “comrades” who paid allegiance to the United Democratic Front, a sort of internal wing of the ANC created out of a common hatred of the new constitution.

The government imposed a partial state of emergency in 1985 and a full one the following year, thinking it could crush the uprising. Even when he accepted the idea of political negotiations, Botha deluded himself that he could strike a deal with “moderate” blacks who would demand something less than full political rights. Likewise, he thought he could divide the nationalists from the Communists in the ANC (many ANC members were both) and assumed that he could eventually release Mandela to prevent him dying in jail a martyr without seeing him become president.

He was wrong on all counts. The defining moment of Botha's presidency was when he made the famous “Rubicon” speech in August 1985. Pik Botha, his foreign minister (and no relation), raised international expectations to a fever pitch that P.W. Botha would “cross the Rubicon” by outlining fundamental reforms and promising to free Mandela.

P.W. Botha did make significant concessions, but, obstinate as ever, he refused to deliver the speech prepared for him and spoke to the waiting world in a hectoring tone and in coded political phrases that only South Africans could understand. Foreign opinion was horrified. The rand plunged and South Africa was obliged to declare a moratorium on repayments of its foreign debt. From that day on, it was clear that Botha would not be the man to lead South Africa into the post-apartheid era.

He was twice married, first, in 1943, to Anna Elizabeth Rossouw, with whom he had two sons and three daughters. She died in 1997. The following year at the age of 82 he married Barbara Robertson, a secretary 25 years his junior.

Former South Africa President Dies At 90 (AP)

By Clare Nullis

AP, November 1, 2006

P.W. Botha, the apartheid-era president who led South Africa through its worst racial violence and deepest international isolation, died Tuesday. He was 90.

Botha died at his home on the southern Cape coast at 8 p.m., according to the South African Press Association. "Botha died at home, peacefully," Capt. Frikkie Lucas was quoted as saying.

The African National Congress issued a statement expressing condolences and wishing his family "strength and comfort at this difficult time."

Nicknamed the "Old Crocodile" for his feared temper and sometimes ruthless manner, Botha served as head of the white racist government from 1978 to 1989.

Throughout his leadership he resisted mounting pressure to free South Africa's most famous political prisoner, Nelson Mandela. Mandela was released by Botha's successor, F.W. de Klerk in 1990.

Botha liked to depict himself as the first South African leader to pursue race reform, but he tenaciously defended the framework of apartheid, sharply restricting the activities of black political organizations and detaining more than 30,000 people.

Through a series of liberalizing moves, Botha sought support among the Asian and mixed-race communities by creating separate parliamentary chambers. He lifted restrictions on interracial sex and marriage. He met with Mandela during his last year as president.

But after each step forward, there was a backlash, resulting in the 1986 state of emergency declaration and the worst reprisals of more than four decades of apartheid.

Botha's intransigence on releasing Mandela led the anti-apartheid Johannesburg Daily, Business Day, to write: "The government is now the prisoner of its prisoner; it cannot escape his embrace."

Within a year after Botha stepped down, de Klerk released Mandela after 27 years in prison and put South Africa on the road to its first all-race elections in 1994, when Mandela became president.

In December 1997, Botha stubbornly resisted appearing before a panel investigating apartheid-era crimes. He risked criminal penalties by repeatedly defying subpoenas from the Truth and Reconciliation Commission to testify about the State Security Council that he headed.

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The council was believed to have sanctioned the killing and torture of anti-apartheid activists, and the panel wanted to know what Botha's involvement was.

Born Jan. 12, 1916, the son of a farmer in the rural Orange Free State province, Botha never served in the military or graduated from college. He quit university in 1935 to become a National Party organizer.

During World War II, Botha joined the Ossewabrandwag (Ox Wagon Fire Guard), a group that was sympathetic to the Nazis and opposed South Africa's participation on the Allied side.

Botha won election to Parliament in 1948, the year the National Party came to power and began codifying apartheid legislation. He joined the Cabinet in 1961 and became defense minister in 1966.

As head of the white-minority government in 1978, Botha repeatedly stressed the paramount importance of national security. He charged that the anti-apartheid struggle was a "total onslaught" on South Africa instigated by communist forces.

During a series of gradual race reforms, he told white South Africans they must "adapt or die." A new constitution in 1983 gave Asians and mixed-race people a limited voice in government, but continued to exclude blacks.

The new law also drastically increased Botha's powers, changing his title from prime minister to president. He declared a national emergency in 1986 after widespread violence erupted in black areas, where anger focused on the new constitution.

State security forces brutally quelled the opposition, and one of his former lieutenants — police minister Adriaan Vlok — told the Truth Commission that Botha had personally congratulated Vlok for successfully bombing a building thought to harbor anti-apartheid activists and weapons.

But in documents submitted to the panel, Botha denied knowledge of the killings, torture and bombings.

Botha's reprisals against the black majority drew international economic sanctions against South Africa during the 1980s that contributed to apartheid's fall.

In July 1989, Mandela went from prison to Botha's official residence for a conversation, which increased speculation that Botha would free Mandela.

Mandela recalled going into the meeting thinking he was seeing "the very model of the old-fashioned, stiff-necked, stubborn Afrikaner who did not so much discuss matters with black leaders as dictate to them."

He found Botha holding out his hand and smiling broadly "and in fact, from that very first moment, he completely disarmed me," Mandela wrote in his autobiography.

Mandela said the only tense moment was when he asked Botha to release all political prisoners — including himself — unconditionally.

"Mr. Botha said that he was afraid he could not do that," Mandela wrote.

The meeting was one of Botha's last acts before he was ousted as National Party leader by de Klerk in September 1989.

Botha refused to attend a farewell banquet held in his honor by the party he had served for 54 years. After 1990, he quit the National Party.

Botha's foremost loyalties were to his fellow Afrikaners, yet his moves to extend limited political power to nonwhites prompted a mass defection of hard-line segregationists from the National Party in 1982.

Beeld, an Afrikaans-language daily that supported Botha for many years, said, "The last image that will linger ... is that of a blind Samson who with his last strength tried to overturn the pillars of his party on himself and his own companions."

There has been no decision on funeral arrangements.

Migrants' Money Is Imperfect Cure For Poor Nations (WSJ)

By Bob Davis

The Wall Street Journal, November 1, 2006

CIUDAD BARRIOS, El Salvador -- This lively mountain town survives on money sent from its sons and daughters living in the U.S. On days payments arrive, lines at the local credit union can reach 150 deep. The crowds then hail motorcycle taxis and head for the town's open-air market to stock up on food and clothing, or browse tiny appliance stores stuffed with blaring televisions and stereos.

It's the sort of scene that many development economists believe could transform some of the world's most impoverished regions, by putting cash directly in the pockets of the poor. With tens of millions of migrants around the globe sending remittances home, the flood of money has grown immense -- $167 billion last year, according to the World Bank.

But Ciudad Barrios also demonstrates why reliance on remittances may turn out to be the latest development fad that fails to live up to its hype. The downside: a cycle of continued poverty, as dependence on remittances turns the town into a kind of ward of the U.S. Those with entrepreneurial ambition head north, emptying out the town of its talent. Only a tiny fraction of the money they send home is invested in industry or agriculture that could produce jobs. And with the breadwinners away, organized

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thugs pounce on a place where money pours in from outside. All of that leaves little opportunity for the next generation except to follow their predecessors north, if they can.

"As soon as people go home and see what their salaries are [there], they come back to the U.S. again," says Israel Hernández, 38 years old, who left Ciudad Barrios in 1998 and has been cleaning houses in Washington, D.C. He has sent enough cash home to his grandmother for her to buy a house. She misses him, she says, but urges him to stay up north.

For countries to reduce poverty on a sustained basis and to create a middle class, they need to grow rapidly over years. Though remittances fuel some spending, there isn't much evidence they have added to sustained growth. Instead, the infusions of outside cash often distort the local economy and may diminish the long-term prospects for gains.

The flood of money from abroad can raise the value of local currencies, making it harder for exporters to compete because the effective price of their goods goes up. Meanwhile, about 85% of the money goes to pay the daily bills of the people left behind, with little left over for savings and investment. Migrants eventually return to retire in their home nations, not to help build their economies.

"Remittances are a band-aid on fundamental development problems," says Dean Yang, a public-policy professor at the University of Michigan. "Labor export and remittances won't turn El Salvador, the Philippines and other poor countries into the next development tigers." Even the World Bank, which has pushed the development potential of remittances, is having second thoughts. In a report on Latin America released yesterday, the bank says that remittances are "neither 'manna from heaven,' nor a substitute for sound development policies."

Remittances have received increasingly widespread attention in recent years as a way to boost aid without spending government money, as other formulas for growth have failed to produce widespread gains. In the 1970s and early 1980s, many nations tried closing their borders to protect their local industries from competition, which boosted growth for a while but led to high prices and monopoly control. Then they tried the opposite approach, free trade and market liberalization, with limited effect so far except in Asia. Meanwhile, foreign aid has been too small and inefficient to make much of a difference, while private investment has been targeted at a limited number of countries and industries.

Remittances do directly help many poor families feed themselves and educate their children. Money sent home from abroad accounts for about 60% of the income of the poorest households in Guatemala, and has helped reduce the number of people living in poverty by 11 percentage points in Uganda and six percentage points in Bangladesh, according to World Bank studies.

Nevertheless, a look at El Salvador shows the ways in which the cash also can hinder impoverished nations. The nation of seven million has revamped its economy since the civil war ended in 1992 in a so-far elusive effort to spur rapid growth. El Salvador abolished price controls, privatized industries, slashed tariffs that were as high as 290% and adopted the dollar as its currency in 2001 to limit inflation. Earlier this year, it joined a regional free-trade bloc with the U.S.

Salvadorans started to flee the country in great numbers in the 1980s as the civil war there intensified. Now one in six Salvadorans -- 1.5 million people -- live abroad, many of them illegally in the U.S. They send home nearly $3 billion annually, equal to about 16% of the country's gross domestic product.

Ciudad Barrios, a remote town 100 miles east of San Salvador, ping-ponged between guerrilla and government control during the civil war. José Edgardo Díaz Cordero worked in the town's hospital pharmacy in 1990 when guerrillas demanded that he give them medicines to treat their wounded. Then, he says, he received an anonymous message from a right-wing death squad accusing him of being a guerrilla ally and warning him to leave the country.

Mr. Díaz made his way to the Washington, D.C., area where many others from his town had settled, attracted by a booming construction industry. He started sending home several hundred dollars a month to his wife to care for their five children. He has been home just once, for about a year in 1995, but wages were too low to make a go of it, says Mr. Díaz, who is now 54. He returned to the U.S. and was later joined by two sons who became his partners in a flooring business. Another burst of Ciudad Barrios natives, who worked in the region's coffee fields, headed for the U.S. starting in 2000 when coffee prices plummeted.

Francisco Membreño, once a Ciudad Barrios coffee farmer, left his pregnant wife in 2000, worried that he wouldn't be able to support his newborn. He hasn't ever been back to meet their son, Ronald, who's now 6 years old. Mr. Membreño works two jobs cleaning offices in Washington, D.C., making $575 on a good week, and sharing an apartment with another Salvadoran.

Each month he sends home about $300 to his wife, Ernestina Argueta, who moved with Ronald to her parents' sweltering concrete house lit by a single light bulb. The money goes for food and medicine mostly, says Ms. Argueta, with a little left over to save to expand a tiny plot of land her husband purchased and hopes someday to cultivate. Though her elderly mother dreams of a new sewing machine, Ms. Argueta says, "For now, we're not buying anything, until he comes back."

About one-third of the 40,000 residents of Ciudad Barrios and surrounding hamlets receive remittances, estimates Claudia Rodríguez-Alas, an American University researcher who has studied the town. Salvadorans abroad typically share apartments,

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keep each other current on job openings and lend relatives at home the $5,000 or so necessary to pay "coyotes" to guide them illicitly across Mexico to the U.S.

In Ciudad Barrios, monthly remittances average about $157 a household, according to Ms. Rodríguez-Alas. That's slightly more than the government calculates is enough to feed a family of four. But it often doesn't pull families above the official poverty line of $275 a month. Essentially, remittances are sufficient to push families out of extreme poverty, but not much higher.

The extra cash does have beneficial effects. It gives even the most destitute families the means to pay for food at the town's markets, and is extra disposable income for those who work. Salvadoran families that receive remittances are more likely to keep their children in school than other families, according to a study by two economists, Alejandra Cox of California State University, Long Beach, and Manuelita Ureta of Texas A&M.

Better-off Salvadorans abroad often send two checks a month -- one for their family's daily expenses, and another to save up to buy small homes with luxuries such as glass windows, electricity in every room, steel gratings on the doors and windows, and tile floors.

A small consumption boom fed by the checks has doubled the number of businesses registered with the Ciudad Barrios City Hall to 220 since 2000, and even helped prompt the opening of a "cyber cafe." Around the town's central square are five financial institutions that handle remittances, including Western Union, which also advertises on highway overpasses on the way to town.

One hardware store, Agro Ferreteria Rivera, has carved out an unusual niche: The couple that owns the store travels monthly to Maryland to take orders for homes sketched out by migrants, who wire payments to their families. A separate appliance store takes orders by cellphone from abroad, while a city council member sells solar panels for homes built in fields that lack electricity hook-ups. Some of the new homeowners also get their fences electrified for extra security.

The gains in consumption financed from abroad could fuel the economy. But paradoxically, the easy money from remittances leads to a fall, rather than a rise, in domestic savings as a percentage of gross domestic product. The investment rate as a percentage of GDP stagnates as well.

The result: The country makes little progress. Between 1999 and 2005, remittances doubled to $2.8 billion, but the country limped along at an annual growth rate of just 2.4% -- far too low for a poor country to advance much. The tide of money from abroad boosted the value of its currency compared with that of its neighbors by nearly 50% between 1992 and 2001, which damaged exports. El Salvador has since adopted the dollar as its currency, but competition from China has intensified and other Central American nations have kept their currencies undervalued, so Salvadoran exporters haven't recovered.

Soaring remittances have boosted real-estate prices to levels that locals without outside help can't afford, while reducing the incentive of remittance recipients to work at home -- since wages are a pittance compared with what their relatives make in the U.S. In Ciudad Barrios, the coffee-growing cooperative recruits Nicaraguans and Hondurans to work the fields, because they can't find enough Salvadorans to fill jobs that pay between $5.50 and $8 a day.

Elsewhere, the same pattern occurs. Examining Mexican labor data, economists Catalina Amuedo-Dorantes of San Diego State University and Susan Pozo of Western Michigan University say that a boost in remittances prompts men to cut back their hours at salaried jobs and fill in with informal work.

Groups of Salvadorans abroad do form associations to help finance municipal improvements back home. In Chinameca, a town near Ciudad Barrios, for instance, migrants have helped to pay for the town's water tower and for the roof on a local church. But the efforts have fallen well far short of the need.

Economists say that El Salvador and other remittance-receiving nations must figure out ways to route money from abroad into domestic investments. The Salvadoran government, for instance, wants to create investment vehicles for Salvadorans abroad to bankroll domestic projects or industries.

In that vein, Salvadoran developers are holding fairs around the U.S. to try to make it easier for migrants to buy real estate. A Washington, D.C., financial company, Microfinance International Corp., is starting to offer Salvadorans transnational loans, which they can use to make investments in El Salvador and make payments in the U.S. -- and avoid having to pay fees on money wired home. Since many Salvadorans don't use banks or credit cards, the company's customers can use their remittance history to prove their creditworthiness.

In Ciudad Barrios, Lorena Romero, the acting manager of a local credit union, says only a tiny percentage of remittance receivers take out business loans. Even those often use the proceeds to pay coyotes to take them to the U.S. instead of opening businesses locally. Another credit union called AMC, which does business throughout eastern El Salvador in conjunction with Microfinance International, says just 1% of its remittance customers take out loans for businesses.

Wilson Salmerón, AMC's general manager, says many migrants don't invest in El Salvador because they're afraid their families will become targets of gang violence. One of the reasons that many nations have come to depend so heavily on

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remittances -- Haiti, Bosnia, Serbia, Honduras, Nicaragua -- is because people were frightened away by war, and their nations are still torn by violence.

In Ciudad Barrios, many remittance recipients try to avoid calling attention to themselves. Some pick up their cash in neighboring towns where they aren't known. Others pace their purchases of appliances, so their neighbors don't notice. The latest gang tactic is to call remittance receivers on their cellphones and extort cash instead of doing it in person. Some in Ciudad Barrios won't answer calls from numbers they don't know.

The fear damps local investment, too. Mr. Salmerón says his credit managers are afraid to travel into the countryside where gang influence is strong. A number of migrants say they wouldn't start a business in Ciudad Barrios for fear they'll draw unwanted attention. "You'll be robbed," says Dora Ruiz, a cook at a Washington, D.C., McDonald's restaurant, who wires $200 a month to care for her four children who live with her sister-in-law. "People will come in through the windows if need be."

At Ciudad Barrios' sole high school, students recognize one important benefit of remittances: They aren't forced to drop out of school to work, as their parents were. The senior class this year is triple the size of a decade ago, says the school's assistant principal, Lex Marvin. But some now leave early to join parents abroad, and few see much opportunity in El Salvador after graduation. José Ines Aguilar Osorio is a shy, slender senior whose father works as a mason in the U.S. "If I don't find work here," he says, "I'm leaving."

Germany's Army (NYT)

The New York Times, November 1, 2006

Germany has made it official: it is prepared to move out of its postwar pacifist mode and undertake a greater role in global security. Good. There has been no good reason for some time why Germany should not do its share of global peacekeeping and peacemaking. Defending Germany's borders, to which its army was restricted after World War II, is hardly a consuming mission in today's Europe.

Berlin's new position paper on international security, issued last week, points to a welcome expansion of Germany's role in conflict prevention, peacekeeping and antiterrorist actions. That is especially important now, when the wars in Iraq and Afghanistan and multiple peacekeeping missions in Africa have strained the military resources of America and its leading NATO allies.

Military ties to the United States will remain at the heart of Berlin's defense policy. But larger and more robust troop contributions from the most populous European NATO country can help restore a measure of political balance to an alliance increasingly distorted by Washington's military role.

The taboos against deploying German troops overseas have been steadily falling away at least since 1992, when a few German medics were dispatched to Cambodia. Today, Germany has about 10,000 soldiers serving on missions in Afghanistan, the Balkans and Congo, and German warships are patrolling the Lebanese coast. But the Germans have usually avoided roles that could involve combat. Those in Afghanistan, for example, are involved in reconstruction. Under the new policy, Germany would presumably engage in all aspects of peacekeeping operations.

The specter of German militarism, once terrifying, is a thing of the past. Contemporary Germans are, if anything, more sensitive than their neighbors to episodes of military wrongdoing. Last week's publication of photographs of German soldiers in Afghanistan toying with a skull prompted a suitably anguished public reaction. But it should not raise questions about transforming the Bundeswehr into a global intervention force. There's a lot of work to be done, and it's time the Germans joined in.

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TERRORISM NEWS:

Perle Slams Administration Over Nuclear Terror Attack Precautions. The Washington Post's Al Kamen (11/1), in his "In The Loop" column, writes, "Eyebrows popped up last week when none other than Richard Perle , former Reagan assistant secretary of defense, former Bush brain-truster on the Defense Policy Board, and a key promoter of the war to find Iraq's weapons of mass destruction, blistered the administration as 'dysfunctional' when it comes to stopping someone from bringing 'a nuclear weapon or even nuclear material into the United States.' … But President Bush , Perle emphasized, is not to blame for this sorry state of affairs. 'I haven't the slightest doubt that if one could…put this proposition to the president, he would first be shocked to learn that we don't have the capability. Secondly, [he] would immediately order that we develop it.'"

72 Muslim Workers At Paris Airport Lose Access Badges. The New York Times (11/1, Bennhold, 1.21M) reports, "The French authorities charged with assessing security risks at Charles de Gaulle airport have stripped 72 Muslim workers of their access badges because they had traveled to Pakistan or Afghanistan, or were suspected of having links to extremists," according to Jacques Lebrot, who oversees the airport. Lebrot, who said a number of the workers "are suspected of having trained in terrorist camps," added that one of the workers "was a friend of Richard Reid, the so-called shoe bomber." Joanna Gonzalez, a spokeswoman for the US Department of Homeland Security, declined to comment on the incident, stating that it is "the government of France's jurisdiction."

HOMELAND RESPONSE:

Washington State Inmate To Face Federal Charges Over Bomb Threat. KXLY-TV Spokane (10/31) reported on its Web site, "A man who threatened to blow up a Spokane DSHS facility earlier this summer will face federal charges, an FBI sgent confirmed Tuesday afternoon. Anthony Garver will face federal charges for possession or receipt of firearms or ammunition by a person adjudicated as mentally defective, according to FBI Special Agent Norm Brown. The charges stem from the relevation earlier this summer after Garver told a fellow inmate at the Spokane County Jail about his plan to blow up the DSHS office." The inmate "tipped off authorities who later found during their investigation that Garver had a variety of items including ammunition, knives, a GPS unit, police scanner and bomb-making recipes saved on a computer, which was enough for the FBI to launch an investigation into Garver."

Alleged Utah Library Bomber May Have Written Letter About Plot. KTVX-TV Salt Lake City (10/31, Jones) reported on its Web site from a story broadcast yesterday, "The man accused of bombing the Salt Lake City Library in September may have also written a letter to police claiming responsibility for the crime. The author also promises more attacks in the future according to the FBI. The letter was addressed to Chief of Police Chris Burbank one week ago." Thomas Zajac "is behind bars in Illinois awaiting extradition to Salt Lake City to face bombing charges here, police are trying to find out if he was the one who wrote the letter. In the letter, the author gives details about the materials used to construct the bomb. The letter writer also tells police someone close to him was a victim of police brutality in Salt Lake City, he or she goes on to say if they see more cases of police brutality they will return and bomb again."

Zajac Possible Suspect In Chicago Bombing. The Salt Lake Tribune (11/1, Carlisle) reports, "Investigators are probing whether the suspect in a Salt Lake City library bombing is linked to an explosion at a train station in suburban Chicago, a federal agent said Tuesday." Salt Lake City ATF Agent in Charge Lori Dyer "said Thomas Zajac's fingerprints are being tested against evidence connected to a bomb that detonated in Hinsdale, Ill. That bomb exploded Sept. 1 -- the same month as the library bomb -- in a trash can at a commuter train station, according to the Daily Herald in suburban Chicago. No one was injured." The Tribune notes, "The FBI arrested Zajac Friday at his home in Oakbrook Terrace, Ill. He is awaiting extradition to Utah."

Defense Lawyer Says LANL Contractor Planned No Espionage. The AP (11/1, Baker) reports, "The woman who lived in a home where classified material from Los Alamos National Laboratory was seized by authorities wasn't a spy -- she was just trying to do her job for the lab, her lawyer said Tuesday. The FBI began investigating a security breach at the nuclear weapons laboratory after police seized three portable computer storage drives during a drug bust at Jessica Quintana's home on Oct.

17." Attorney Stephen Aarons said, "It's not espionage. It's a 22-year-old ... that mishandled documents, and it doesn't appear that third parties got hold of them. Her only intent was to work with these documents herself, and to get them indexed in a timely fashion. ... She was working with these documents and she shouldn't have left the facility with them, but apparently she did."

"Intellipedia" Allows US Intelligence Officials To Air Views On Sensitive Topics. The Los Angeles Times (11/1, Miller, 918K) reports a new computer system being used by US intelligence agencies, referred to as Intellipedia "because it is built on open-source software from the Wikipedia Web site," was discussed "in detail" for the first time yesterday by US officials. "After being criticized for downplaying dissenting views on Iraq's alleged weapons programs, 'we're trying to transform the way we do business,' said Michele Weslander, a senior official overseeing the initiative for the director of national intelligence, John D. Negroponte. The system allows analysts from all 16 US intelligence agencies to weigh in on debates on North Korea's nuclear program and other sensitive topics, creating internal Web sites that are constantly updated with new information and analysis, officials said."

Markey Says TSA Should Alter Procedures In Response To Fake Boarding Pass Site. The Washington Post (11/1, D1, Krebs, 748K) reports Christopher Soghoian, whose Web site allowing users to create fake boarding passes prompted a visit from the FBI over the weekend, "has stirred a national tempest and renewed concerns about passenger screening procedures." Wendy Osborne, a special agent with the FBI's Indianapolis field office, said the bureau "would investigate jointly with the Transportation Security Administration and then decide whether charges would be filed." Meanwhile, "Amy Kudwa, a spokeswoman for the TSA, declined to say whether the agency was considering changing check-in procedures because of the incident." Rep. Edward J. Markey, who praised Soghoian's actions Sunday for calling "attention to a security weakness," indicated Tuesday that "Congress might have to act if the TSA doesn't."

Katrina Evacuees From New Orleans Create Problems For Schools. The New York Times (11/1, Nossiter, 1.21M) reports students at John McDonogh High School have "in the last six weeks…assaulted guards, a teacher and a police officer." The attacks are presented as part of "a far-reaching phenomenon after Hurricane Katrina" wherein "teenagers in the city are living alone or with older siblings or relatives, separated by hundreds of miles from their displaced parents" and "they are angry." Principal Donald Jackson "estimated that up to a fifth of the 775 students live without parents."

WAR NEWS:

Rumsfeld Supports Allocation Of Additional $1 Billion For Iraq's Military. The AP (11/1, Burns) reports Defense Secretary Rumsfeld "endorsed a proposal to spend at least $1 billion to expand the size and accelerate the training and equipping of Iraqi security forces." According to the AP, "Rumsfeld's support underscores the Bush administration's effort to shift more of the burden of Iraq's security to that country's forces." Rumsfeld is quoted as saying, "I'm very comfortable with the increases they've proposed and the accelerations in achievement of some of their targets. … Now it's simply a matter of our pressing forward and getting our portion of the funding from the Congress and working to see that it's executed."

The CBS Evening News (10/31, story 3, 1:55, Couric, 7.66M) reported, "Now more about that story David Martin broke here last night that US troops may have to stay in Iraq a lot longer to train 100,000 more Iraqi security forces. Today…Rumsfeld conceded it's true." CBS added, "Today…Rumsfeld confirmed the mission is about to get bigger and take longer. Saying he expects to approve a recommendation from General George Casey, the American commander in Iraq, to increase the size of the Iraqi security forces." CBS noted Rumsfeld "refused to say exactly how big an increase. But other Pentagon officials predict the current goal of fielding 325,000 Iraqi soldiers and police will be increased by a minimum of 30,000 and a maximum of 100,000. Rumsfeld said that while American trainers and advisers will have to stay longer, combat troops could start coming home before then." NBC Nightly News (10/31, story 4, 2:00, Williams, 9.87M) reported, "Many people believe this now means Americans will have to stay in Iraq longer than first expected. NBC added, "Rumsfeld also confirmed to what many was already obvious. Iraq needs a bigger army. Pentagon officials say with a deadly rise in sectarian violence, there was no other choice but to increase the number of Iraqi

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security forces. … The Pentagon has already spent $10 billion training and equipping Iraqi forces and now expects to ask Congress for even more. But simply increasing the number of Iraqi forces is still no guarantee that they'll soon be able to take on the fight, the enemy, all by themselves and that substantial numbers of American troops can start coming home."

Election Outcome Could Influence Timing Of Rumsfeld Departure. The Financial Times (11/1, Sevastopulo, Dinmore) reports The midterm elections next week could help decide the fate of" Rumsfeld. According to the Times, "A former senior administration official said Mr Rumsfeld might leave if the Iraq Study Group…comes up with radical policy suggestions for Iraq. Another influential Republican with close ties to the White House said the consensus among Republican insiders was that Mr Rumsfeld would remain only until next summer. That would provide enough time after the elections to avoid the impression he was going because of the war, and also allow time for the situation on the ground to improve."

CentCom Briefing Reportedly Describes Iraq As "Edging Toward Chaos." The New York Times (11/1, Gordon, 1.21M) reports, "A classified briefing prepared two weeks ago by the United States Central Command portrays Iraq as edging toward chaos, in a chart that the military is using as a barometer of civil conflict. A one-page slide shown at the Oct. 18 briefing" shows "a color-coded bar chart that is used to illustrate an 'Index of Civil Conflict.' It shows a sharp escalation in sectarian violence since the bombing of a Shiite shrine in Samarra in February. … In fashioning the index, the military is weighing factors like the ineffectual Iraqi police and the dwindling influence of moderate religious and political figures, rather than more traditional military measures such as the enemy's fighting strength and the control of territory. The conclusions the Central Command has drawn from these trends are not encouraging, according to a copy of the slide that was obtained by The New York Times. The slide shows Iraq as moving sharply away from 'peace,' an ideal on the far left side of the chart, to a point much closer to the right side of the spectrum, a red zone marked 'chaos.'"

Most US Soldiers Killed This Month Were Killed Outside Of Baghdad. The New York Times (11/1, Shanker, Cloud, 1.21M) reports, "About two-thirds of the deaths among American troops in Iraq in October occurred outside Baghdad, even with a sharp increase in combat deaths in the capital. … Forty American soldiers were killed in and around Baghdad in October, double the number there just two months ago, a review of casualty reports shows. Military officers and civilian analysts said the rise in October resulted in part from more aggressive American security operations in Baghdad, which exposed larger numbers of troops to danger. The security operation in the capital put American troops on the streets not only in greater numbers, but more often on foot patrols outside their armored vehicles, where they were more vulnerable to improvised bombs and a growing threat of snipers. The spike in violence in the capital was accompanied by higher tolls in other parts of the country, notably in Anbar Province, where 37 Americans died and deaths have climbed steadily since this summer."

Level Of Attacks On US Forces In October Called "Unprecedented." The Los Angeles Times (11/1, Daragahi, 918K) reports, "October's death toll, the highest for American forces in nearly two years, came during a period without conventional battles or catastrophic helicopter crashes. Rather, the 103 troops killed in Baghdad and across Iraq were victims of a steady onslaught of assaults, primarily by their longtime nemeses, Sunni Arab insurgents. The number of attacks on American forces increased in October to unprecedented levels, U.S. military officials said.

Iraqi PM Ends Some Joint Checkpoints In Shiite Enclaves. The AP (11/1, Bodeen) reports, "Exploiting GOP vulnerability in the Nov. 7 elections, Prime Minister Nouri al-Maliki flexed his political muscle Tuesday and won US agreement to lift military blockades on Sadr City and another Shiite enclave where an American soldier was abducted. … The prime minister's challenge to US conduct of the war was the latest in a series of acts designed to force the American hand and test Washington's readiness to give him a greater say in securing the world's most violent capital."

ABC World News (10/31, story 3, 2:25, Gibson, 8.78M) reported Malaki's decision "has put new strains on the Iraq government and the Bush Administration. The Prime Minister bowed to a request from Iraq's most powerful militia leader and lifted a blockade on a Shiite militia stronghold in Baghdad. And it raises questions about just how much influence the US now has over the Iraqi government."

ABC World News (10/31, story 4, 1:50, Gibson, 8.78M) also reported, "Bush Administration officials stress the US has to work with the Iraqi government. But the Prime Minister's

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action today puts the White House in something of a predicament." ABC (Raddatz) added, "The White House will say publicly there is no rift between the Prime Minister and the White House. But privately, many officials are saying they were taken completely by surprise by this move by Prime Minister Maliki. The United States wants him to succeed. But they are not seeing the progress they want to see. They are deeply troubled by what happened today."

The CBS Evening News (10/31, story 2, 1:15, Couric, 7.66M) also portrayed the move as a sign "of growing tension between Washington and an Iraqi government." The Iraqi government, added ABC, seem "to be taking more of its clues these days or cues, rather, from a radical cleric." CBS (Logan) added, "This was an order US soldiers manning checkpoints in parts of Baghdad were not expecting -- pack up and go. And this was the Iraqi reaction: Celebrations on the streets of Sadr City, home to the powerful Mehdi Army militia. Through their leader, al-Sadr, they have been pushing hard to get rid of the US security barriers set up around their area to search for an American soldier abducted last Monday. Today, Sadr, perhaps the most powerful man in Iraq, got exactly what he wanted." NBC Nightly News (10/31, story 3, 2:05, Engel, 9.87M) said, "Al-Sadr rattled his cage to get the Americans out of his neighborhood and won."

The New York Times (11/1, Semple, 1.21M) reports, "Late Tuesday night, after hours of silence, a senior American Embassy official who had been delegated to return reporters' phone calls said the prime minister's order was 'the result of a meeting' between Mr. Maliki, Ambassador Zalmay Khalilzad and Gen. George W. Casey Jr., the top American commander in Iraq. 'It was essentially something that Maliki wanted to do and Casey agreed to it,' the official said." But "Maliki's announcement may have been a foregone conclusion: the meeting was at 1 p.m., officials said, and the prime minister's office issued his press release at about 1:20 p.m."

USA Today (11/1, Jervis, 2.27M) notes "Al-Maliki's government, nominally a coalition of Shiites, Sunnis and Kurds, is dominated by a Shiite majority bloc. Al-Sadr's political organization is among the most powerful groups within that bloc. … Al-Sadr had warned on Monday that his forces might retaliate in response to the security ring around Sadr City. 'If this siege continues for long, we will resort to action,' he said."

The Los Angeles Times (11/1, Ellingwood, 918K) reports, "Maliki's order to take down the roadblocks could help boost his political standing among Iraqis who have grown disappointed in his leadership and irritated over what they view as American meddling."

The Washington Times/AP (11/1, Bodeen) reports Democratic Sen. Jack Reed, "a member of the Armed Services Committee, said al-Maliki was yielding to sectarian pressure and undermining US efforts to curb attacks." Said Reed, "Today, the critical issue in Iraq is whether the Maliki government can muster the political will to confront those who use violence to destabilize Iraq."

Former US Advisor Describes Iraqi Troops' Deficiencies. The Washington Post (11/1, A12, Pincus, 748K) reports, "U.S. military advisers are confronting difficult behavior from Iraqi soldiers, who tend to fire all their ammunition in response to a single sniper shot or go on rampages even against civilians upon witnessing the death of a colleague, according to Lt. Col. Carl D. Grunow, a former adviser to an Iraqi army armored brigade." Grunow. in an article in the U.S. Army's Combined Arms Center's Military Review, "attributes that reaction to the Iraqi army's experience in the 'high-intensity Iran-Iraq war of the 1980s, a war with clear battle lines fought with mass military formations.' At that time, Grunow writes, 'Iranian human-wave assaults presented Iraqi soldiers with a target rich environment' and 'battlefields covered with bodies following huge expenditures of ammunition.' His article, based on his year in Iraq, which ended in June, is in the July-August Military Review and is one of several in recent issues that have dealt forthrightly with concerns of military participants with the U.S. effort to rebuild Iraq's army during the ongoing war."

Syrian Foreign Minister May Visit Iraq This Month. The AP (11/1, Aji) reports Syrian Foreign Minister Walid al-Moallem "is considering a visit to Baghdad in November — the first by a top Syrian official since the fall of Saddam Hussein and a major step toward restoring diplomatic relations, Iraqi and Syrian officials said Tuesday. President Bush has called on Syria to help quell sectarian violence in Iraq, and some in the U.S., including former Secretary of State James A. Baker III, have urged the White House to make overtures to Syria to enlist its help." An Iraqi Foreign Ministry official, "who spoke on condition of anonymity…said the ministries agreed 'in principal' that al-Moallem would visit Iraq in November."

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Blair Ekes Out Win On Iraq War Inquiry Vote. AFP (11/1, Millard) reports British Prime Minister Tony Blair's government "survived a potentially damaging vote in parliament on whether he should order an inquiry into how Britain joined the war in Iraq. Opposition parties had demanded an immediate investigation by a committee of senior members of parliament into the government's handling of the build-up to the US-led March 2003 invasion. However, the motion, proposed by the small Scottish and Welsh nationalist parties in the lower House of Commons, was defeated by 298 votes to 273, with Blair's 62-seat working majority cut to 25. The government later promised an inquiry once the situation permitted." The Los Angeles Times (11/1, Murphy, 918K) reports, "government ministers warned that launching an inquiry now would send a message of weakness to Britain's adversaries, threaten the morale of the troops and undermine support for Iraqi attempts to build a unified and democratic nation. … In a Guardian/ICM poll published Thursday, 61% of respondents said they wanted British forces to leave Iraq this year, even if they have not completed their mission, and even if the U.S. wants them to stay."

Iraq Has Experienced Post-Saddam Baby Boom. The Washington Times (11/1, Palmer, 88K) reports, "Iraq's maternity wards are experiencing an unlikely baby boom. … The birthrate in Iraq actually has increased since the U.S.-led invasion 43 months ago, according to the country's Health Ministry. The rate of births in the country has jumped from 29 births per 1,000 people in 2003 to 37 per 1,000 last year, according to government figures. In neighboring Iran, the birthrate is half that -- 21 per 1,000 population, while the average birthrate in the Middle East is 25, according to the World Bank."

Pro-US Iraqi Legislator Profiled. In an op-ed for the Wall Street Journal (11/1, A18, 2.03M) "independent journalist" Heather Robinson profiles Mithal al-Alusi, "a 53-year-old Sunni Arab who won a seat in parliament last December after having served as director general of the National Commission on de-Baathification. Mr. al-Alusi ran on a platform of religious pluralism, human rights, free markets and a free press. He calls for an alliance among democracies -- including the U.S., Iraq, Israel and Turkey -- to fight terrorism." In February 2005 "assassins opened fire on Mr. al-Alusi's car as it approached his Baghdad home. He wasn't in the vehicle, but his sons, 30-year-old Ayman and 22-year-old Gamal, were. Both were killed as their father watched. Still, Mr. al-Alusi was unbowed." Robinson notes, "Polls suggest a majority of Americans think it was a mistake to enter Iraq. Mr. al-Alusi respectfully disagrees." Robinson concludes, "He has not given up the fight. How can we?"

NATO Forces Continue To Engage Taliban. The New York Times (11/1, Wafa, 1.21M) reports, "Clashes erupted in five provinces in eastern and southern Afghanistan on Monday and Tuesday, with roadside bombs, suicide bombings and gun battles killing four NATO soldiers and an estimated 67 Taliban fighters, NATO officials said." The violence "came as NATO forces continued a military operation started last week intended to put pressure on Taliban forces through the fall and winter, and to allow reconstruction and development to reach the country's restive south and east, NATO officials said. Taliban forces, meanwhile, continued to demonstrate their ability to carry out multiple roadside bombings and suicide attacks."

Musharraf Defends Strike Against Religious School. The New York Times (11/1, Masood, 1.21M) reports, "Faced with protests across the country, President Pervez Musharraf on Tuesday defended a military strike that killed 80 people at a religious school, and insisted that the dead were militants undergoing terrorist training." Musharraf's claim "came amid protests across the political spectrum, but especially by an alliance of Islamic parties and thousands of people in the semi-autonomous tribal areas straddling the Afghan border where the strike took place."

Pakistani Embassy Criticizes Depiction Of Musharraf. Akram Shaheedi, press minister at the Embassy of Pakistan in Washington, writes in a letter to the editor of the Wall Street Journal (11/1, 2.03M), "Tunku Varadarajan, in his review of Pakistani President Pervez Musharraf's autobiography 'In the Line of Fire,' describes Gen. Musharraf as 'self-congratulatory, narcissistic and mendacious.' … Such words are unfair, reflecting the mindset of those determined to malign the president come what may."

Pentagon Seeks Translation Devices To Remedy Shortage Of Arabic Interpreters. On the front page of the Business section, the Washington Post (11/1, Merle, 748K) reports that "the goal of having a machine replace a human interpreter remains elusive, and the military is mounting a multimillion-dollar campaign to find a more

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capable successor, one that can translate both sides of a conversation, from English to Arabic and vice versa." A shortage of interpreters has forced the military "to rely increasingly on contractors -- 6,500 in Iraq and 1,500 in Afghanistan. It can be a dangerous job. Of the 648 contractors killed in Iraq since the war began in March 2003, 153 worked for the division of L-3 Communications Corp. that currently holds the linguist contract." The Post reports that progress on the device has been slow.

The Washington Times (11/1, Pfeiffer, 88K) reports, "The Army has invested $4.2 million in a Web-based software program to improve the foreign-language skills of overseas personnel. The program was created by Rosetta Stone, which provides training software in 30 languages." Army project manager Stan Davis is quoted as saying that "more than 64,000" troops are using the software.

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Gonzales Takes Surprise Teaching Stint At George Washington Law School. In their "Reliable Source" column for the Washington Post (11/1), Amy Argetsinger and Roxanne Roberts write, "Alberto Gonzales dropped by GWU Law School yesterday, surprising 40 students in the criminal procedure class. The attorney general talked about military commissions, terrorist surveillance and the Patriot Act and took questions for 40 minutes -- before vanishing as mysteriously as he arrived." Argetsinger and Roberts add, "Turns out this was all his idea: Gonzales just got a hankering for legal chat with some students, and his staff tracked down a willing prof, former DOJ lawyer Renee Lerner . 'I guess he really likes teaching,' she said. 'The students, of course, were delighted to have him.' Is the AG mulling a move to academia? 'He is not ruling any options out in terms of future careers,' said Justice spokeswoman Tasia Scolinos . Any more stealth visits to law schools planned? 'I wouldn't rule it out.'"

California Federal Prosecutor Ready For Iraq Duty. The Sacramento Bee (11/1, Ellis) reports, "Marlon Cobar so believes in the virtue of the rule of law that he has volunteered to go to Iraq and promote it." The Bee continues, "Cobar, an assistant U.S. attorney in Fresno, next month will start a one-year stint — with the option for a second — advising Iraqis as they work to put together a functioning legal system. … Many areas where Cobar will help already are second nature in the American legal system, such as how to make effective opening and closing arguments, how to pursue a line of questioning, how to preserve evidence and how to develop a chain of custody for prisoners." The Bee adds, "Cobar also will give advice about human rights and ethical issues that lawyers, prosecutors and judges in Iraq might face. … 'We're not going over there to take over,' Cobar said. 'We'll be assisting the Iraqis in taking the reins of their justice system any way they can.'" The Bee notes, "He will be stationed in an undisclosed province far from Baghdad and will be one of only eight such 'Resident Legal Advisers' in the war-torn country. These legal advisers advise the U.S. Embassy and Iraq's central and provincial courts. … In total, the Justice Department has more than 200 employees and contract personnel working on law enforcement, security and justice issues in Iraq. … To date, according to the Justice Department, nearly 500 Iraqi jurists and prosecutors have been trained on topics such as human rights, criminal process and the challenges presented prosecuting insurgency and terrorist cases."

CORPORATE SCANDALS:

Jury Finds Former Cendant Chairman Guilty Of Conspiracy To Commit Securities Fraud, Making False Statements. The Wall Street Journal (11/1, C3) reports a federal jury in the US District court in Bridgeport, CT found former Cendant Chairman Walter A Forbes "guilty of conspiracy to commit securities fraud and two counts of making false statements in a massive fraud scheme that inflated the travel and real-estate company's earnings and crippled the company's once-stellar reputation. … The conviction came in Mr. Forbes's third trial in three years, after juries deadlocked in trials earlier this year and in early 2005. The Cendant case was among the first in a series of corporate-accounting scandals that sparked outrage from investors in recent years, but is one of the last to reach a conclusion." US Attorney Christopher J. Chirstie: "We are gratified by today's verdict. … The innocent victims of this $14 billion fraud engineered by Walter Forbes have waited a very long time for justice to be done. This is a great day for those who believe that everyone in our society must be held accountable for their conduct."

The New York Times (11/1, Stowe) reports, "Prosecutors said Mr. Forbes inflated the income at his

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original company, CUC International, which merged with HFS Inc. in 1997 to form Cendant — with holdings including the Avis and Budget car rental companies and the Century 21 and Coldwell Banker real estate brokerage firms, among other businesses." The Times adds, "The jury foreman, David Cunningham, a business analyst from Wilton, Conn., said the jury did not think that prosecutors proved their case on securities fraud. Asked if there had been a crucial piece of evidence that swayed the jury to vote to convict on other counts, Mr. Cunningham replied simply, 'We were just following the evidence.'

USA Today (11/1, Farrell) reports, "The victory proved sweet for federal prosecutors from New Jersey, who have been pursuing Forbes for eight years. Two previous efforts to convict Forbes for his role in the Cendant fraud ended in mistrials, although jurors in the first trial found Forbes' top lieutenant, E. Kirk Shelton, guilty of participating in the fraud. Shelton was sentenced to 10 years in prison."

The Washington Post (11/1, D1, Johnson) reports, "Forbes, 63, faces more than 10 years in prison on the charges, which stem from a $250 million earnings manipulation at CUC International Inc., which through a merger became the travel and real estate conglomerate known as Cendant. … Cendant's disclosure of accounting tricks eight years ago slashed the stock price in half and erased $14 billion in shareholder value, ultimately leading the company to hand over a $3.2 billion settlement to investors, which was a record at the time." The Post notes that the verdict "marked the third time in recent years that jurors rejected a top executive's claim that he failed to detect accounting tricks because he only breezily reviewed financial reports and delegated the details to subordinates who deceived him."

The AP (11/1, Press) reports, "The verdict could end what was, when it was first brought, the largest case of accounting fraud in the country. The Cendant case was among the first in a series of corporate accounting scandals that sparked outrage from investors in recent years. … The case was being tried after two previous juries deadlocked. … 'It's the third time and was worth all the effort,' said Michael Drewniak, a spokesman for the U.S. Attorney's office in New Jersey. 'We always believed fully in all the evidence against Mr. Forbes. We are extremely gratified by today's results.'" The AP adds, "Prosecutors say that Forbes participated in a scheme to inflate the stock of Cendant's predecessor, CUC International, by $500 million. The fraud was reported in 1998, causing Cendant's market value to drop by $14 billion in one day. … Forbes has argued he knew nothing about the fraud. His co-defendant, former Cendant Vice Chairman E. Kirk Shelton, was convicted last year of conspiracy, mail fraud, wire fraud, securities fraud and making false statements to the SEC."

SEC Regulators Investigate Triparty Repurchase Agreements. The Wall Street Journal (11/1, C6, Ng, Zuckerman) reports that a "regulatory probe into possible manipulation of Treasury prices" is examining "a strategy that helps traders make certain bonds scarcer and more valuable, say people familiar with the matter." The SEC "is investigating whether UBS AG was involved in improper manipulation of Treasury-securities prices. Separately, a Credit Suisse Group bond trader recently left the firm amid regulatory scrutiny of the market. No regulator has alleged wrongdoing by any individual or at any specific bank. Regulators are focusing on a large and somewhat obscure corner of the market where investment banks, hedge funds, mutual funds and other investors use bonds as collateral for short-term cash loans. … People familiar with the government's investigation say some firms might be intentionally restraining supply in the repo market by borrowing scarce bonds and then entering deals that park a large proportion of those bonds with custodian banks, keeping them from being lent out to other traders. By constraining supply this way, traders can make their holdings -- or the holdings of clients -- more profitable." These deals, called "triparty repurchase agreements," are "part of normal trading activity, but regulators are concerned they are being abused."

Former McAfee Treasurer Agrees To Fine In Fraud Case. The Wall Street Journal (11/1, C6) reports that Eric Borrmann, a former McAfee Inc. treasurer, "agreed to pay $758,000 and accept a five-year ban on serving as an officer of a public company to settle civil charges that he aided the computer-security company's multimillion-dollar fraud from mid-1999 until he left the company in July 2000, the Securities and Exchange Commission said." He "was accused of assisting McAfee's executives and senior managers in preparing and distributing false and misleading information about the company's financial results."

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Professors Call For Greater Shareholder Empowerment. In a column in the Wall Street Journal (11/1), James Dow and Paolo Volpin, two professors of finance at the London Business School, write, "Executive compensation scandals are back, in Europe as well as in the U.S. Just think of the news during the last couple of weeks. … Economists have traditionally taken a benign view of stock options and generous executive compensation. Basic economic theory suggests that they align management interests with shareholders'. … But the excesses of the last few years have fueled the resurgence of the contrarian view: that high incentive pay can actually exacerbate conflicts between shareholder value and CEO interests." They explore the issue of CEO pay and corporate governance in Europe and the US, then write, "We have no doubt that shareholder empowerment is the way forward. We would like to see more mechanisms for shareholders to voice their claims as owners. … We disagree with the view that aggressive enforcement is the key to improved corporate governance. We'd certainly like to see blatant transgressors punished, but available evidence shows that relying on enforcement by securities regulators does not suffice. If there is one lesson to be learned from the options backdating scandal, it is that even the most devious lawmaker could never anticipate and prohibit all the devices that managers might conceive to abuse their shareholders."

SEC Closes Intuit Options Probe. The AP (11/1) reports, "Intuit Inc. said the Securities and Exchange Commission has closed its investigation into the software maker's stock option accounting practices without taking any punitive action." The AP continues, "The conclusion removes Mountain View-based Intuit from a long list of companies under SEC scrutiny as regulators examine whether employee stock options had been manipulated in a way that inflates profits and decreases tax bills. The SEC began its Intuit inquiry in June." The AP adds, 'Most of the problems to surface so far have revolved around 'backdating.' … Intuit, which makes the popular TurboTax and Quicken programs, had previously disclosed that it did not need to restate its past profits because an internal investigation found no evidence of stock options misconduct. … The U.S. Attorney's office subpoenaed Intuit for information pertaining to its stock options around the same time the SEC began its investigation. Intuit said the U.S. Attorney's office hasn't sought additional information since the company passed along the findings of its internal inquiry."

CRIMINAL LAW:

Rising Florida Violent Crime Reflects National Trend. USA Today (11/1, 3A, Johnson, 2.27M) reports that Orlando, Fla., and surrounding Orange County already have set annual records for murder this year, and "the escalating number of killings in the Orlando area has made it one of the most extreme examples of the increasing violent crime rates being reported in dozens of cities across the nation, according to a recent analysis by the Police Executive Research Forum, a police advocacy group. The FBI…has not released numbers for 2006," but the PERF "report led the Justice Department to launch a review of possible demographic and economic triggers for violence in cities from Philadelphia to Sacramento. Meanwhile, the FBI has directed more than 100 additional agents to help local authorities fight violent crime." USA adds, "Across Florida, police are reporting spikes in violence after a decade of historically low crime rates."

Florida Said To Have "Complex" Roots. In the article, USA Today singles out Florida where "the violence seems to have roots that are more complex." Ron Stucker, criminal investigations chief for the Orange County Sheriff's Department, "say that although traditional gangs have a presence here, most of the homicides in this area appear to have stemmed from robberies or drug-related disputes that suddenly turned violent."

Montgomery County Reports Increase In Violent Crime. The Washington Post (11/1, Londoño) reports, "Crime in Montgomery County increased by 7 percent during the year's second quarter, largely driven by a sharp rise in robberies, according to statistics released yesterday. Robberies increased by almost 68 percent during the reporting period, which ran from April to June. Another significant rise was in auto theft, which increased by 22 percent." Police Chief J. Thomas Manger "said the increase is part of a national trend. Across the country, violent crime is on the rise, partly driven by an increase in juvenile delinquency." The Post adds, "Other jurisdictions in the area, including Fairfax and Prince William counties, also recorded more robberies in the second quarter. But Prince George's County, which generally has a higher crime rate than Montgomery, says reported robberies fell significantly."

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Libby's Lawyers Ask Judge To Bar Testimony Regarding Miller. The AP (11/1, Apuzzo) reports Special Prosecutor Patrick Fitzgerald and Vice president Cheney's former Chief of Staff I. Lewis 'Scooter' Libby "agree on something: keeping Libby's perjury trial in the CIA leak case focused solely on his actions. The two are separately asking a federal judge not to allow three years of politically charged backstory in the case to seep into Libby's trial starting in January. In new court documents, Fitzgerald argued that he shouldn't have to explain why Libby was charged while others, including the source of the leak, escaped prosecution. Libby said jurors shouldn't hear about New York Times reporter Judith Miller's 85-day jail term for refusing to discuss her conversations with him." Libby's attorneys "said it would be unfair for prosecutors to discuss Miller's refusal to testify. … 'The introduction of these issues would undoubtedly cause jurors to wonder whether Ms. Miller went to jail in an effort to shield Mr. Libby from liability, and whether Mr. Libby is to blame for her incarceration,' defense attorneys wrote."

The New York Sun (10/31, Gerstein) reports, "Prosecutors are asking a federal judge to preclude lawyers for a former White House aide facing trial for lying and obstruction of justice, I. Lewis Libby, from telling jurors that the government failed to charge Mr. Libby or anyone else in connection with the event that triggered the probe, the disclosure of the identity of a veteran CIA officer in 2003." The Sun continues, "Meanwhile, defense attorneys are seeking to prevent jurors from learning about any damage caused by the leak about the CIA operative, Valerie Plame. The defense also wants to keep the jury in the dark about the 85-day incarceration of a New York Times reporter, Judith Miller, after she was cited for contempt for refusing to testify about her contacts with Mr. Libby, who was then chief of staff to Vice President Cheney." The Sun adds, "The legal maneuvering came as the two sides faced a deadline yesterday to file motions aimed at restricting evidence or arguments to be presented at Mr. Libby's trial, which is set for January. … The special prosecutor assigned to the inquiry, Patrick Fitzgerald, asked Judge Reggie Walton to preclude defense attorneys from discussing during the trial why Mr. Libby was not charged with deliberately outing Ms. Plame. Mr. Fitzgerald also asked to exclude any evidence about why others were not charged in the case."

Influential Lobbyist Major Figure In Palm Beach Corruption Probe. The Palm Beach Post (11/1, Musgrave) reports, "William Boose, one of Palm Beach County's most influential lobbyists, is a central figure in the biggest corruption scandal to rock county government in nearly a century. A federal grand jury that indicted former County Commission Chairman Tony Masilotti in a land-deal conspiracy also is looking at Boose. … When FBI agents started asking questions" in the Masilotti probe, "Boose falsified legal bills to disguise the fact that he didn't charge Masilotti full price for legal services, according to the court record. He worked on Masilotti's land deal while lobbying the county commission for other developer clients," without disclosing his relationship with Masilotti. The Post notes that although Boose has not been charged, "he has hired attorney Jack Goldberger -- a legal powerhouse who has a reputation for working with authorities to negotiate plea deals for high-profile clients."

FBI Sting Snares 35 In Philadelphia Medical Insurance Scam. The Philadelphia Inquirer (11/1, Clark, 399K) reports, "A Center City lawyer and 34 other people were charged with fraud yesterday in an elaborate sting operation that focused on personal injury claims from supposed vehicular accidents, the U.S. Attorney's Office announced. U.S. Attorney Patrick L. Meehan said his office and the FBI set up a bogus chiropractic clinic…in Northeast Philadelphia as the center of the sting, which was conducted over about three years. Officials said those charged were divided into three groups: the lawyer, Jordan B. Luber, who obtained a legal settlement on behalf of two FBI agents posing as injured patients from a vehicular accident; 31 'patients' who sought financial recovery based on false medical diagnoses and nonexistent medical treatment for supposed injuries from vehicle accidents; and 'runners' who received referral fees from Injury Associates for recruiting 'patients' to the clinic while knowing the clinic was a fraudulent operation." The Inquirer notes, "Officials said the fraudulent personal injury actions pursued by the defendants yielded more than $1.5 million in settlement demands and more than $350,000 in insurance company payments."

The Philadelphia Daily News (11/1, Hinkelman, 109K) reports, "Injury Associates was not just another chiropractic clinic. … It was part of an elaborate FBI sting carried out from 2003 to June 2006 that targeted individuals participating in phony personal-injury claims against auto insurers arising out

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of supposed car accidents." The Daily News notes, "Each individual sting operation began with a meeting between patients and undercover agents. … FBI agents then explained to potential patients how the scam worked. The meetings were both audio- and videotaped." US Attorney Patrick Meehan "said yesterday that the investigation is ongoing." The AP (11/1) also reports on the indictments.

Federal Investigators Find Big Dig Tunnel Design Had Minimal Safety Margin. The Boston Globe (11/1, Murphy, Allen, 425K) reports, "The Big Dig tunnel ceiling that collapsed in July was designed with a smaller margin of safety than other tunnel ceilings around the country, leaving nothing to prevent heavy concrete slabs from falling on a passing car when ceiling bolts fell out, according to a preliminary report by federal investigators obtained by the Globe." The NTSB report found that the "drop ceiling was held up by steel hangers, which were suspended from bolts that had been glued into the tunnel roof. But there were no beams attaching the ceiling to the walls, and the ceiling was constructed with half as many ceiling bolts as in the original design." The Globe adds, "The NTSB report also suggests that flaws in construction of the ceiling, carried out by Modern Continental Construction Co., may have made the design more hazardous. While offering few details, the report said FBI and State Police interviews with Modern Continental workers point to 'potential problems in the procedures used during installation.'"

High Court Considers Florida Death Row Appeal. The AP (11/1, Yost) reports, "A death row inmate's attorney argued Tuesday that the U.S. Supreme Court should allow the prisoner's appeal to continue despite a federal court ruling that he had missed a deadline for pursuing the case." The AP continues, "The lawyer for Gary Lawrence said Florida courts were to blame for the tardy appeal, not the inmate. …. Attorney Mary Bonner told the justices that Lawrence did not receive a court-appointed counsel to handle his appeal for 10 months, wiping out most of the time that he had under federal law to seek review of his death sentence." The AP adds, "The issue involves the interpretation of the Antiterrorism and Effective Death Penalty Act of 1996, which places limits on the prolonged appeals process in capital punishment cases. It imposes a one-year deadline for petitioning federal courts in death cases after final judgments in state courts. … Under questioning by Chief Justice John Roberts, Bonner agreed with Roberts that her interpretation of the law would involve a process lasting up to six months. … The state of Florida said Lawrence had just one day remaining to petition the federal courts after the Florida Supreme Court ended the case on Nov. 18, 2002. The lawyer for the convicted killer says the deadline under the law did not expire until the U.S. Supreme Court refused to consider the case several months later."

US Gets More Time To Make Kansas Death Penalty Decision. The Topeka (KS) Capital-Journal (11/1, Fry) reports, "Frank Jerome 'Chicago' Robinson, a Topekan charged with starting a fire that killed Marvina Washington last summer, will have another month before learning whether he will face possible imposition of the death penalty." The Capital-Journal continues, "A federal district judge late last week gave federal prosecutors until Nov. 30 to decide whether to seek the federal death penalty against Robinson if he is convicted of a federal count of arson. … If Robinson is convicted, the maximum penalties for arson resulting in a death are life in prison or under certain circumstances, the death penalty, a spokesman for the U.S. attorney's office has said." The Capital-Journal adds, "Marvina Washington, 53, was killed during a fire that destroyed the apartment house she lived in at 427 S.W. Tyler. After the fire was extinguished on Aug. 8, Washington's body was recovered from her second-floor apartment. … U.S. District Judge Julie Robinson said the delay wouldn't prejudice Frank Robinson and gave prosecutors until the close of business on Nov. 30 to file notice of the prosecution's intent to seek the death penalty. Before the judge's ruling, the deadline to file the notice had been Oct. 30. … In the prosecution request for more time, U.S. Attorney Eric Melgren and assistant U.S. Attorney Anthony Mattivi didn't anticipate a decision would be made by federal prosecutors by the Oct. 30 deadline. .. 'As the court is undoubtedly aware, the process within the Department of Justice for determining whether or not to seek the death penalty in a particular case is both lengthy and cumbersome,' the prosecution motion for more time said. … Any decision to seek the death penalty must be approved by U.S. Attorney General Alberto Gonzales. … The judge granted the postponement motion on Oct. 26. The judge will hear the motion on Dec. 18, and Frank Robinson is to be tried starting Feb. 6."

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Bockting Appeal Could Potentially Re-Open "Thousands" Of Criminal Cases. The Christian Science Monitor (11/1, Richey) reports that the case of Marvin Bockting, who was "accused of sexually abusing his 6-year-old stepdaughter" and convicted when her "mother and the detective testified about what she had told them of the alleged sexual assault. Bockting was convicted and sentenced to life in prison," will be taken up in the Supreme Court this term. Bockting "is seeking to overturn his conviction based on a 2004 US Supreme Court decision in a case called Crawford v. Washington. In that case, the Supreme Court strongly reaffirmed the constitutional right to confront one's accusers in court. At the same time, the court struck down a rule that had allowed the introduction at trial of testimonial statements made by a potential witness prior to the trial." If the court decides to apply the *Crawford* rule retroactively to Bockting's case, "the case would also open the courthouse doors potentially for thousands of other individuals convicted under similar circumstances, where a key piece of testimonial evidence was allowed into the trial without the constitutional safeguard of cross-examination."

Two Found Guilty In D.C. Witness Killing. The Washington Post (11/1, Cauvin) reports that Franklin Thompson and Marquette Ward were convicted of murder yesterday in the slaying of "Jahkema 'Princess' Hansen," that the Post calls "as brazen a witness attack as the city had experienced." The trial "cast an unsettling light on the netherworld that Hansen -- and her killers -- inhabited. Just a seventh-grader, Hansen hung out with people a lot older, and she was out buying drugs with some of them at 3 a.m. when she saw a killing that later would cost her her life." The Post writes, "Yesterday, as the jury foreman answered guilty again and again -- 31 times in all -- Thompson, 24, and Ward, 31, betrayed no emotion as they sat behind their attorneys. Both were convicted of first-degree murder, conspiracy to commit murder, obstruction of justice and other offenses tied to Hansen's death."

DNA Evidence Clears Man Of Rape Charges. The New York Times/AP (11/1, Press) reports that Larry Fuller, who was "convicted of rape 25 years ago," was freed Tuesday "after a judge ruled that he would probably not have been found guilty if DNA testing been available." He "was sentenced to 50 years after jurors convicted him of aggravated rape in 1981, finding that he had broken into a woman's apartment and raped her, using a butcher knife to cut her thumb, neck and back as she struggled." The article adds, "Mr. Fuller's subsequent exoneration makes him the 10th Dallas County man in five years cleared by DNA testing. More than 20 men have been exonerated in Texas by such testing, according to the Innocence Project."

Duke Rape Case Overshadows Durham, NC, Prosecutor Election. The New York Times (11/1, Wilson) reports, "A week before Election Day, the race for Durham County district attorney is as odd a political campaign as anyone here can recall. The controversial lacrosse case looms over the incumbent, Michael B. Nifong. The opposition, under the banner of Anyone but Nifong, is fractured. … After all the accusations and commentary that the case has generated around the country, there is mostly silence at the heart of the campaign: little advertising, no debates and no platform by the leading opponent except that if he should win, the governor will pick somebody else. Still, to the extent there is any campaign at all, it is because of Mr. Nifong's handling of the case against the three players, all white, accused of rape by a black woman hired to strip at a team party in March."

Teen Student Arrested After Homemade Bomb Explodes. The Washington Post (11/1, Londoño) reports, "A 15-year-old Rockville student was arrested yesterday afternoon after a homemade 'bottle bomb' he was about to bring onto a school bus exploded as a teacher discarded it, Montgomery County Fire and Rescue Service officials said. A teacher at Mark Twain School who saw something suspicious approached the student -- whom authorities did not identify because he was charged as a juvenile -- as he was getting ready to board a school bus. As the teacher seized the two-liter bottle, its contents were activated by the movement, leading to an explosive chemical reaction. No one was injured."

California Commission Overpaid For Services, Failed To Follow State Contract Rules. The Los Angeles Times (11/1, Morain) reports, "A state commission chaired by Hollywood entertainer Rob Reiner suffered from lapses in its contracting, failed to properly award millions of dollars and did not adequately justify many of its payments, according to a state audit released today. The nonpartisan California Bureau of State

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Audits found that the California Children and Families Commission, also known as the California First 5 Commission, used tax money to overpay for some services and failed to follow state rules when it awarded some contracts.

Former Security Firm Chief Sentenced To Home Detention, Probation For Diverting Funds. The Washington Times (11/1, Mcelhatton) reports, Jeffrey N. Jackson, the former chief executive of Unlimited Security Inc., "a D.C. security firm that has become bankrupt," has been sentenced by the US District Court for DC to "eight months' home detention and five years' probation for illegally diverting hundreds of thousands of dollars from a payroll account." He was also ordered to pay $361,000 in restitution. The Times adds, "According to bankruptcy filings, the company's finances were entangled with Jackson's boxing-promotions business. Earlier this year, Jackson pleaded guilty to one count of bankruptcy fraud, admitting that in 2003, he illegally diverted more than $370,000 from a payroll account."

CIVIL LAW:

Supreme Court Hears Tobacco Company's Appeal Of 1999 Penalty. USA Today (11/1, Biskupic, 2.27M) reports, "An attorney for a smoker's widow urged the Supreme Court on Tuesday to uphold a 1999 jury verdict that imposed a huge penalty on Philip Morris based on the tobacco giant's publicity campaign that played down the dangers of smoking." Robert Peck "told the justices that an Oregon jury that assessed punitive damages in the lung cancer death of Jesse Williams rightly considered how other smokers across the state were affected by Philip Morris' campaign." The Oregon Supreme Court "upheld the verdict, saying the huge punitive damages award was permissible because of Philip Morris' 'extraordinarily reprehensible' conduct." Philip Morris, "which makes Marlboros, contends the punitive damages were unconstitutionally excessive because they were so disproportionate to the actual damages and because jurors considered the company's impact on smokers not part of the case." The dispute "gives the justices a chance to clarify guidelines for awarding punitive damages."

The Washington Post (11/1, A9, Lane, 748K) also says the case "could illuminate the Roberts court's approach to tort reform." In recent years, the court "has helped the business community on the punitive-damages issue, ruling that excessive awards violate companies' constitutional rights. But yesterday's case may be especially significant because the firm seeking help is tobacco company Philip Morris, and it has been found liable not for bilking a consumer out of money, but for actually killing him." A ruling in Philip Morris's favor "would suggest that the court is so concerned about high punitive damages that it would protect even an unpopular corporate defendant. For their part, consumer and anti-smoking groups hope that the court will rule against Philip Morris -- and show that punitive-damage limits do not apply to especially reprehensible conduct." The Post ads, "By the end of oral arguments yesterday, however, it seemed that the court was reluctant to rule broadly in either direction. Instead, several members of the court, including some who had supported its recent limits on punitive damages, suggested that the best way to handle the case would be to send it back to the Oregon Supreme Court for clarification of technical state law issues."

The Wall Street Journal (11/1, A13, 2.03M) reports, "In the past decade, business has won two major rulings that rolled back blockbuster punitive damage awards, money intended to punish a defendant for its behavior and deter repetition. In each case, the court ruled the awards violated the 14th Amendment's Due Process Clause."

The New York Times (11/1, Greenhouse, 1.21M) reports "there was general agreement during the argument, including by Mrs. Williams's lawyer…that awarding damages on the basis of injury to nonplaintiffs was impermissible under the Supreme Court's recent precedents." But "there was no agreement on whether that actually happened." Peck "argued that the Oregon courts had simply permitted the jury to consider harm to others, not to impose 'global punishment' but as part of its assessment of the 'reprehensibility' of the cigarette company's behavior, a factor that the Supreme Court's precedents permit juries in punitive damages cases to consider."

The Legal Times (11/1, Mauro) reports, "The Supreme Court's long-awaited oral argument in the 'Big Tobacco' punitive damages case appeared to fizzle on Tuesday, with several justices hinting that they'd like to kick the case back to the Oregon Supreme Court for clarification." The Times continues, "Instead of delving deeply into the contentious debate over the constitutionality of high punitive damages in the context of tobacco litigation, the justices seemed troubled

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over more technical matters during hourlong arguments in Philip Morris USA v. Williams. … But there were some signs that if the high court decides to keep the case and rule on it, the justices might be willing to uphold the large verdict in the Philip Morris case, in spite of Court precedents that point toward limiting punitive damages." The Times adds, "In the State Farm v. Campbell decision in 2003, the high court suggested that a 9-to-1 ratio between punitive and compensatory damages was the outer limit of acceptability under the Constitution, though it said some cases could warrant higher punitive damages. … But at oral argument Tuesday, there was scant mention of ratios and a greater climate of deference toward state courts and how they handle punitive damages without federal strictures. The result could be the Court tolerating a 'tobacco exception' to State Farm that would allow higher damages because of evidence of decades of industry fraud and deception over the dangers of smoking. … But much of the argument Tuesday was taken up with the smaller-gauge issue of jury instructions that were not allowed in the 1999 trial at issue in the case. Portland, Ore., jurors awarded Mayola Williams $821,485 in compensatory and $79.5 million in punitive damages levied against Philip Morris -- a 97-to-1 ratio between punitives and compensatories. Her husband, Jesse, died in 1997 after four decades of smoking Marlboros."

More Commentary. The Wall Street Journal (11/1, 2.03M) editorializes, "The outcome of this case could have ramifications far beyond tobacco. Whether a jury, in a case involving a single plaintiff, can impose extra damages on a defendant for harming other people who haven't brought suit is an issue that arises in product-liability cases of all kinds -- from autos to drugs. And the Justices yesterday seemed to agree that these pseudo-class actions might present problems of due process." The Journal adds, "When a plaintiffs lawyer is permitted to argue that damages directed at Merck or Toyota should reflect that their products harmed not only his lone client but (allegedly) everyone in the state, it raises the possibility of duplicative punishment. Even if a defendant prevails, what stops the next plaintiffs lawyer from making the same argument on behalf of another (and another and another) lone client? … This may be an even deeper due process violation than outrageous punitive damages because it goes directly to the powers of the jury, and the standards by which it imposes punishment. Some guiding restraint from the Supreme Court on the matter would be helpful."

The Washington Post (11/1, 748K) writes in an editorial, "Cancer rates in this country continue to decline, in large part because of measures such as smoking bans and cigarette taxes. If tobacco companies wanted to live up to their televised pronouncements, they would not hijack the initiative process in Arizona and Ohio, nor would they pour millions into defeating new tobacco taxes."

Also this morning, Robin S. Conrad, senior vice president of the National Chamber Litigation Center of the US Chamber of Commerce, writes in USA Today (11/1, 2.27M), "In Philip Morris v. Williams, in which the U.S. Supreme Court on Tuesday heard oral arguments, Oregon's Supreme Court upheld a $79.5 million punitive damages award that is nearly 100 times the amount of the plaintiff's compensatory damages. In its amicus brief, the National Chamber Litigation Center argued that the state supreme court ignored the Supreme Court's guidance in 2003's State Farm v. Campbell, recommending a single-digit ratio for most punitive damages awards. … Some argue that the judicial branch is not the proper place for punitive damages reform, but rather that irrational punitive damages awards are solely a problem for state legislatures and even Congress. We disagree. The Constitution prohibits the deprivation of property without 'due process of law,' and the essence of 'law' is rational and predictable standards. Courts thus have a fundamental obligation to ensure that the trial procedures employed in determining punitive damages include reasonable standards for measuring them."

DC Circuit Blocks "Light" Cigarettes Ruling.

The AP (11/1, Apuzzo) reports, "A federal appeals court blocked a landmark judgment against the tobacco industry Tuesday, clearing the way for the companies to continue selling 'light' and 'low tar' cigarettes until their appeals can be reviewed." The AP continues, "The decision by the U.S. Circuit Court of Appeals for the District of Columbia Circuit also allows the companies to continue for now the advertising campaigns that a federal judge in August ruled were misleading. … Without comment, the appeals court granted the tobacco companies' request to put Judge Gladys Kessler's order on hold. The companies have argued that her far-reaching ruling could cost them millions of dollars and lead to a loss of customers." The AP adds, "In mid-August, Kessler ruled that the companies had violated racketeering laws and conspired for decades to mislead the public about the health hazards of smoking. … The judge ordered the

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companies to publish in newspapers and on their Web sites 'corrective statements' on the adverse health effects and addictiveness of smoking and nicotine. … She also ordered tobacco companies to stop labeling cigarettes as 'low tar,' 'light,' 'ultra light' or 'mild,' since such cigarettes have been found to be no safer than others because of how people smoke them."

Bloomberg (11/1, McQuillen) reports, "Praising the appellate court's ruling, Altria's associate general counsel William Ohlemeyer said Kessler's decision 'is contrary to the law and facts presented during trial.' … Justice Department spokesman Charles Miller declined to comment."

Former McAfee Treasurer To Settle Civil Fraud Charges For $758,000. The Wall Street Journal (11/1, C6, 2.03M) reports former McAfee Treasurer Eric Borrmann yesterday "agreed to pay $758,000 and accept a five-year ban on serving as an officer of a public company to settle civil charges that he aided the computer-security company's multimillion-dollar fraud from mid-1999 until he left the company in July 2000, the Securities and Exchange Commission said." He "was accused of assisting McAfee's executives and senior managers in preparing and distributing false and misleading information about the company's financial results."

Canadian Sentenced To 10 Years In Prison For Defrauding Merrill-Lynch. Bloomberg (11/1, Schneider) reports, "Michael Ritter, a Canadian who admitted helping ex-Merrill Lynch & Co. trader Daniel Gordon hide $43 million stolen from the securities firm, was sentenced to 10 years in prison." Ritter "was also ordered to forfeit $471,000." Bloomberg notes, "Ritter was indicted by a federal grand jury in Los Angeles for his role in aiding Larry Toshio Osaki in a Ponzi scheme in which early investors received returns above market rates from money deposited by later investors. … In exchange for his guilty plea…Ritter won't be extradited to the U.S. … Osaki was the ringleader, and Ritter deserved a lesser sentence, Thom Mrozek, spokesman at the U.S. Attorney's office in Los Angeles said in a telephone interview. 'It was a fair resolution to this matter,' Mrozek said."

California Man Sentenced To Four Years In Prison For Investment Scam. The San Francisco Chronicle (10/31, B3, Hoge, 405K) reported, "A Walnut Creek man has been sentenced to four years in federal prison for swindling investors out of $1.5 million by falsely claiming that Bill Gates and other magnates were buying shares in his company, prosecutors said Monday." Lal Bhatia "was convicted in February of 27 charges of mail fraud and money laundering. … Prosecutors said Lal Bhatia had shown forged documents to investors to support his claim that a Swiss banking entity, which didn't exist, was backing him." The Chronicle noted that US District Judge Claudia Wilken "also imposed a $100,000 fine and ordered him to pay $894,531 in restitution to his victims."

The Contra Costa Times (10/31, Avalos, 180K) reported, "The FBI and the IRS teamed up to track Bhatia's complex schemes, said Joseph Schadler, a spokesman for the FBI's Bay Area operations. 'The money trail is so convoluted that it really behooves us to have the financial expertise of the IRS on board,' Schadler said. In a separate case, Bhatia awaits trial over accusations that he and other suspects posed as wealthy financiers and a British noble as part of an alleged scam in which victims lost $1.9 million. The suspects convinced developers in Florida and Texas that they could arrange large loans for their projects in return for up-front fees to process the bogus loans, FBI investigators said." The AP (10/31) also reported on Bhatia's sentencing.

Texas Woman Sentenced To Probation For Katrina Relief Fraud. The AP (11/1) reports, "A 29-year-old woman who posed as a Hurricane Katrina evacuee to collect $2,000 in federal aid received three years probation Tuesday." Tomisha Embry of Longview, Texas, "must also pay back the money as restitution after being sentenced by U.S. District Judge Leonard Davis." The AP notes, "Last month, Attorney General Alberto Gonzalez said the Hurricane Katrina Fraud Task Force has produced charges against more than 400 people in more than 30 federal judicial districts around the nation."

Kansas Women Plead Guilty To Health Care Fraud. The Kansas City Star (10/31, 278K) reported, "Two women pleaded guilty in federal court Monday for their roles in a scheme to defraud an employee health-care plan." Sandra Rivers of Kansas City and Delorise Jean Killiebrew of Independence "had been indicted in July with 11 others. Killiebrew acknowledged that Cheri Smith, an employee of Health Midwest Comprehensive Care's claim department, persuaded her to cash nine checks totaling more than $33,000." The Star noted, "A total of $121,284 was

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fraudulently paid out between January and August 2002, according to the charges." The Kansas City Business Journal (10/31) added, "Rivers admitted that she had learned about the health care fraud conspiracy from Killiebrew, a co-worker, and had agreed to accept checks in the summer of 2002. Rivers received two checks for a total of $5,516. After cashing each of the checks, Rivers kept $300 and gave the rest of the money to Killiebrew." The Journal noted, "Executive Assistant U.S. Attorney Roseann Ketchmark is prosecuting the case, which the FBI investigated."

3rd Circuit Revives Suit Against Asbestos Class Action Attorneys. The Legal Intelligencer (11/1, Duffy) reports, "The 3rd U.S. Circuit Court of Appeals has revived a proposed class action suit against a group of lawyers from southern states brought by more than 2,600 former clients from northern states who say they were cheated out of their fair share of $400 million in asbestos personal injury settlements in the Mississippi state courts when the lawyers gave larger payouts to southern plaintiffs." The LI continues, "Reversing a lower court's decision that dismissed the suit, Senior U.S. Circuit Judge Jane R. Roth issued a stern lecture to lawyers about the duty of loyalty. … 'We are embarrassed to have to explain a matter so elementary to the legal profession that it speaks for itself: All attorneys in a co-counsel relationship individually owe each and every client the duty of loyalty. For it to be otherwise is inconceivable,' Roth wrote in Huber v. Taylor." The LI adds, "The case provides a rare glimpse into the high-stakes world of asbestos litigation in which plaintiffs are termed "inventory" and settlements often involve hundreds or even thousands of cases. … The plaintiffs in Huber v. Taylor are steelworkers from Pennsylvania, Ohio and Indiana who joined a massive Mississippi asbestos suit. The defendants are lawyers from Mississippi, North Carolina and Texas. .. The suit, filed by attorneys Esther S. Trakinski and Irving Cohen of Cohen Pope in New York, alleges that the northern plaintiffs were never made aware of a complex series of agreements between and among the lawyers that, they say, ultimately led to their receiving smaller payouts than southern plaintiffs. … The northern plaintiffs had all retained lawyers in their home states -- referred to in the case as 'local counsel' -- who had in turn struck deals with a Texas lawyer who served as co-counsel. … But when the lawyers struck a series of settlements worth more than $400 million, the northern plaintiffs claim that their share was reduced because the southern lawyers wanted to allocate a greater percentage of aggregate settlements to southerners in order to minimize the percentages paid to the northern plaintiffs' local counsel."

Center For Digital Democracy Asks FTC To Investigate Online Advertisers. USA Today (11/1, Hopkins) reports that the Center for Digital Democracy "is expected to file a Federal Trade Commission complaint asking the agency to investigate online advertisers. It also wants the FTC to force companies to halt what it calls deceptive practices and encourage Congress to pass legislation bolstering consumer privacy protection." Jeff Chester, the center's executive director, "says hundreds of companies now track consumers online, gathering detailed dossiers about reading, spending and other habits that endanger personal privacy. Privacy policies published on websites don't adequately warn consumers, he says."

CIVIL RIGHTS:

DOJ To Send Election Monitors To At Least 20 States. USA Today (11/1, Wolf, Johnson) reports, "Thousands of lawyers, election monitors and volunteers with video cameras will be mobilized on Election Day in an effort to guard against problems at the polls." USA continues, "The Justice Department will dispatch more than 800 observers, a record for a non-presidential election year, to look for evidence of discrimination, intimidation and other obstacles to voter accessibility in at least 20 states." USA adds, "The Democratic Party has a 50-state voter-protection effort and an estimated 7,000 lawyers at the ready. Liberal groups have set up hotlines for voters to call if they are denied the right to vote. And hundreds of people plan to film interviews at polling places where voters are being challenged that day. … Fueling the activity this year: dozens of close elections that could decide control of Congress and the potential for problems caused by electronic voting machines, statewide databases and identification requirements. … Republican and conservative interest groups are keeping a lower profile. The Republican National Committee is relying on its state parties for poll monitors and lawyers. Groups such as the Republican National Lawyers Association lack the manpower to match the NAACP, Common Cause and People for the American Way." USA notes, "Justice Department monitors will be deployed next week, partly based on close races for Congress and where questions have been raised about the

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integrity of the election process. That could include Baltimore, Chicago, Cleveland and other places that encountered problems during primaries this year. … Prosecutors will be on standby in each federal district across the country to pursue possible fraud cases or other election-related criminal activity. 'Everyone agrees that we want to make voting easier and fraud harder,' says Assistant Attorney General Wan Kim."

CNN.com (11/1, Frieden) reports, "The Justice Department plans to dispatch more than 800 federal observers and monitors to 20 states to protect voting rights in potentially troubled polling locations, officials announced Tuesday. … That is a record number of federal officials watching polling stations in an off-year election. … 'Yes, the anticipated closeness of races is one factor in our decisions about where we'll be sending people,' said Assistant Attorney General for Civil Rights Wan Kim." CNN continues, "Kim said he would not identify until Monday the more than 65 cities and counties to which the observers will be sent. … The locations where federal observers will be stationed are selected because of past polling problems, an uneasy history among ethnically or racially diverse groups, or where fears and allegations of potential violations are asserted. … The Justice Department is reluctant to make public plans for elections observers. One official said that is because observers are viewed, in part, as frontline collectors of data that could be used to construct cases against local jurisdictions."

NAACP To Monitor Election In St Landry Parish, LA. The Baton Rouge (LA) Advocate (11/1, Burgess) reports, "The NAACP plans to organize poll watchers in St. Landry Parish to monitor what's expected to be a tight race between a black woman interim sheriff and her white male challenger." The Advocate continues, "Concerns of possible racial intimidation in the sheriff's election have also attracted the attention of the U.S. Justice Department, which monitored the parish's primary election on Sept. 30 and is expected to return next week. .. .The NAACP Legal Defense and Education Fund, working with local civil rights groups, hopes to assemble a team of 24 poll watchers to oversee the elections, said Kristen Clarke-Avery, assistant counsel for the NAACP Legal Defense and Education Fund." The Advocate adds, "Clarke-Avery said the group had 12 monitors for last month's elections. … 'All of us are out there to see to it that everybody can exercise their constitutional right to vote,' said Clifton Lemelle Sr., a retired educator from Eunice who is helping organize the poll watchers. … Lemelle said there were no confirmed reports of racial intimidation from the Sept. 30 election. … Federal monitors also reported no apparent violations."

DOJ Says States Will Not Be Penalized For Voting Systems Lapses. The AP (11/1, Jordan) reports, "The Justice Department isn't penalizing states that fail to upgrade voting systems by next week's elections, a requirement passed by Congress in 2002." The AP continues, "Federal efforts to combat election fraud and prevent voter intimidation on Nov. 7 are among the most rigorous ever, Assistant Attorney General Wan J. Kim said Tuesday. He estimated 800 federal observers and monitors are headed next week to oversee elections in 20 states - selected in part because of close races there. … But prosecutors have not penalized states, or tried to hold them in contempt, if they failed to comply with the 2002 Help America Vote Act, Kim said. The law required states to plan for switching to electronic ballot machines and have a voter registration database up and working in time for the 2006 elections." The AP adds, "If states 'miss a deadline, or if they don't do something by a certain time, then obviously we would first go back to the table and try to figure out why, and how we can fix the problem,' Kim told reporters. … If a state still falls short, the Justice Department could go to court and seek a contempt order, which could carry penalties, Kim said. 'But that's something we don't like to do. It means a problem's broken and we can't fix it easily.' … Justice Department officials said it is unclear how many states have not fully updated their voting systems. The department has filed lawsuits against four states - Alabama, Maine, New Jersey and New York - and they have until sometime in 2007 to comply. … Other states are in varying degrees of compliance. They have escaped legal action because they have made good-faith efforts to meet the new standards. … But critics say the absence of electronic voting machines and outdated registration rolls can lead to major problems at the polls - and potentially skew election results."

GOP Challenges Westchester, NY, Voter Rolls. The New York Times (11/1, Santos) reports, "Republicans are challenging the right of thousands of registered voters in the local State Senate district to cast ballots on Nov. 7, charging that these voters do not live at the addresses listed with the Westchester County Board of Elections." The Times continues, "The dispute set off a war of words between the district's longtime incumbent, State Senator Nicholas A. Spano, and his Democratic rival, Andrea Stewart-Cousins, whom Mr. Spano beat by just 18 votes in 2004, after a

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contentious recount that lasted three months. … John Ciampoli, a Republican lawyer who handled the recount for Mr. Spano two years ago, said he found the discrepancies after checking postal change-of-address cards against district's voting rolls. On Friday, Mr. Ciampoli submitted the challenges to the Board of Elections, questioning the validity of 5,929 voter registrations and asking the board to send police officers to voters' homes to find out if any of them had moved." The Times adds, "Ms. Stewart-Cousins, a six-term county legislator, held a flurry of news conferences criticizing the challenges. In an interview, she called the idea of using officers to verify addresses as 'an attempt to intimidate voters before the voting even begins.' … Mr. Ciampoli, who lives on the outskirts of Albany, said he filed the challenges on behalf of the state's Republican Party and the Westchester Republican Committee. In 2004, he successfully challenged hundreds of paper ballots most likely cast for Ms. Stewart-Cousins in the 35th State Senate district race."

12 Charged In California Voter Fraud Case. The AP (11/1, Flaccus) reports, "Twelve people have been charged with tricking voters in Orange County (CA) into registering as Republicans, prosecutors said Monday." The AP continues, "The defendants, ranging in age from 19 to 52, were accused of fraudulently registering 37 voters as Republicans between August 2005 and February 2006. Democrats, Green Party members and a noncitizen were registered as Republicans, prosecutors said." The AP adds, "The suspects were hired to register new Republicans by private firms paid by the Orange County Republican Party, prosecutors said. The recruiters worked for the firm Bader & Associates, as well as a subcontractor, John Burkett. Both have said they no longer work on voter registration drives. … No charges were filed against the companies or the Republican Party." The AP notes, "The recruiters visited shopping centers and college campuses and were paid $10 a head for newly registered Republicans in a district represented by U.S. Rep. Loretta Sanchez, a Democrat, prosecutors said. … Voters were asked to sign petitions for lower taxes or stricter sex offender laws, then tricked into signing voter registration cards, Orange County prosecutor Anthony Rackauckas said. Other information was filled in using voters' driver's licenses, he said."

US Settles Racial Bias Complaint Against Milwaukee Nightclub. The Milwaukee Journal Sentinel (11/1, Barton) reports, "The federal government and the owner of a downtown Milwaukee nightclub have agreed to settle a civil rights suit in which the government accused the business of discriminating against African-Americans." The Sentinel continues, "The suit, filed by U.S. Attorney Steven M. Biskupic in late 2005, said that Eve, a club at 718 N. Milwaukee St., has discriminated against African-Americans since at least 2002, according to court records. The suit accused the owner of the club, Tom Wackman, of refusing entry to black patrons on the basis of race. Wackman contended that he runs an exclusive club that turns prospective patrons away for a number of reasons, but not race." The Sentinel adds, "The government contended that Eve gave 'false or pretextual reasons' for denying black people entry, 'such as inappropriate attire, exclusion due to a private party, or that Eve was already full, while similarly-situated white persons were admitted to Eve,' according to a Department of Justice news release." The Sentinel notes, "Eve did not admit wrongdoing and will not be sanctioned, according to Timothy Baldwin, attorney for Wackman. … 'We'll continue to do business as in the past, and the government will watch and make sure we're doing exactly what we said, which is maintaining a high-end, limited-access nightclub,' Baldwin said. … Wackman has contended that his goal was to run an exclusive club like those in Chicago and Los Angeles that grant or deny entry based on things such as clothing, attitude and fame."

DOJ Will Not Probe Death Of Virginia Man In Police Custody. The Lynchburg (VA) News & Advance (11/1, Brown, Busse) reports, "The U.S. Justice Department says it lacks sufficient information to justify a civil rights investigation into the death of Clarence Lightfoot Beard Jr., who died Sept. 24 while in custody of Lynchburg police." The N&A continues, "The department's decision was outlined in an Oct. 25 letter to L. Garnell Stamps, a local civil rights activist who requested the investigation. … Stamps wrote an Oct. 6 letter to the Justice Department's Civil Rights Division expressing his concerns about the circumstances surrounding Beard's death." The N&A adds, "The matter is the focus of an ongoing investigation by the Virginia State Police and two separate investigations by the Lynchburg Police Department. … Meanwhile, city officials have refused to release public records about the incident, saying they are confidential because they deal with 'personnel matters' or an 'ongoing investigation.' … The lack of a public record weighed heavily on the justice department's decision not to

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proceed with a civil rights investigation. … 'The information which you furnished is insufficient to permit us to determine the existence of a possible violation of federal criminal civil rights statutes,' wrote Daniel Rosenholtz, a paralegal specialist for the Civil Rights Division's Criminal Section, to Stamps. 'Therefore, we are unable to authorize investigation of your complaint at this time.'"

Legal Challenge To Mississippi Judicial Election Withdrawn. The AP (11/1) reports from Jackson, MS, "The attorney for a group of black plaintiffs has withdrawn a federal complaint challenging how Mississippi will elect state circuit and chancery judges." The AP continues, "Attorney Carroll Rhodes of Hazlehurst, who filed the lawsuit in U.S. District Court in October, told Judge Henry T. Wingate that he was withdrawing the request after the Justice Department officially pre-cleared the election change Monday in a letter. .. 'Our complaint was that it should be submitted for pre-clearance,' Rhodes said. 'On Oct. 10, the state submitted it for pre-clearance and on Oct. 30, 2006, the attorney general tentatively gave pre-clearance.' … Rhodes told Wingate the request shouldn't go forward." The AP adds, "In the pre-clearance letter, the Justice Department said that for the remainder of the 60-day period the office has to review the matter under the Voting Rights Act, information can be submitted that could result in changes to the pre-clearance. .. .Rhodes said plaintiffs were never seeking to stop or postpone the election. Rhodes said he wanted the judiciary races under the election law before it was rewritten by the Legislature in 2005. … He said the new law was to take effect Jan. 1, 2007, not for the Nov. 7 general election."

Illinois Teen Shot By Police Stun Gun Dies. The AP (11/1) reports from Jerseyville, IL, "A teenager carrying a Bible and shouting 'I want Jesus' was shot twice with a police stun gun and later died at a St. Louis hospital, authorities said." The AP continues, "In a statement obtained Tuesday by The Associated Press, police in Jerseyville, about 40 miles north of St. Louis, said 17-year-old Roger Holyfield would not acknowledge officers who approached him and he continued yelling, 'I want Jesus.' … Police tried to calm the teen, but Holyfield became combative, according to the statement. Officers fired the stun gun at him after he ignored their warnings, then fired again when he continued struggling, police said." The AP adds, "Holyfield was flown to St. Louis' Cardinal Glennon Hospital after the confrontation Saturday; he died there Sunday, police said. … An autopsy was planned for Tuesday." The AP notes, "In a report released in March, international human rights group Amnesty International said it had logged at least 156 deaths across the country in the previous five years related to police stun guns. … The rise in deaths accompanies a marked increase in the number of U.S. law enforcement agencies employing devices made by Taser International Inc. of Scottsdale, Ariz. About 1,000 of the nation's 18,000 police agencies used Tasers in 2001; more than 7,000 departments had them last year, according to a government study. .. Police had used Tasers more than 70,000 times as of last year, Congress' Government Accountability Office said."

DOJ May Reopen Probe Of California Redistricting Plan. The Inland Valley (CA) Daily Bulletin (11/1, Anderson) reports, "The U.S. Justice Department might reopen an inquiry into a claim that the 2001 redistricting plan for the Los Angeles County Board of Supervisors discriminates against Latinos, officials said Tuesday." The Bulletin continues, "Latinos comprise 47 percent of the county's population but are represented by only one of the five supervisors. … Joaquin G. Avila, special counsel to the 1,070-member Los Angeles County Chicano Employees Association, recently provided the Justice Department with what he says is new evidence that indicates supervisors packed Latino voters into a single district when two districts could have been drawn." The Bulletin adds, "First District Supervisor Gloria Molina, whose district includes Pomona, represents most of the county's Latino residents. .. .Avila's filing seeks the creation of two supervisorial districts with Latino majorities that would give the Latino community an opportunity to elect a second candidate to the Board of Supervisors, said Alan Clayton, director of equal employment opportunity at the LACCEA."

Officials Investigate Man's Death After Scuffle With Deputies. The Los Angeles Times (11/1, Wride) reports, "Authorities today are investigating the death of a Long Beach man after a confrontation with Los Angeles County sheriff's deputies Sunday night. The 39-year-old man scuffled on a Lakewood corner with deputies who thought he had a handgun, according to the Sheriff's Department. What was thought to be a weapon turned out to be a cell phone, officials said." The man's name was not released.

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South Dakota Abortion Vote Likely To Influence National Debate. The New York Times (11/1, Davey, 1.21M) reports the battle in South Dakota "over a statewide ballot measure to install one of the country's strictest anti-abortion laws is playing out in television commercials, yard signs and Sunday sermons. It is also drawing the attention of national advocates on both sides of the abortion debate, who are watching the campaign with deep intensity and even fear." Both sides "predict that the outcome of the vote in South Dakota could send the country's broader debate over abortion rights swerving in new directions, and will set the tone for the fate of similarly strict laws being considered in nearly a dozen other states." Nancy Keenan, the president of Naral Pro-Choice America, which opposes the South Dakota ban, said, "I think there's some sense out there that — 'By golly, if they can do it there, we're going to do it here.'" The Times adds Daniel McConchie, "the vice president of Americans United for Life, which favors passage of the measure, said a defeat at the polls on Nov. 7 could take the steam out of efforts to impose even less restrictive measures, like parental notification rules or waiting periods, that have been the focus of the anti-abortion movement in recent years."

NYTimes Accuses New York GOP Of Attempting To Suppress Minority Vote. The New York Times (11/1, 1.21M), in an editorial, writes, "One of the most deplorable political tactics — trying to suppress the votes of poor or minority citizens by raising the specter of voter fraud — is playing out this week in the city of Yonkers. Republican Party lawyers are calling for an 11th-hour purge of voter rolls in a clear effort to help their endangered state senator, Nicholas Spano. … If the Republicans were sincere about tidying the voter rolls, they could have raised the alarm long ago. Instead they dropped a bomb at the last minute — a conjectural list of possibly problematic names that the Board of Elections has no hope of clearing up before Nov. 7."

ANTITRUST:

DOJ Suspends Antitrust Probe Of Entercom. The AP (11/1, Yao) reports, "The Justice Department said Tuesday it has suspended an antitrust investigation into Entercom Communications Corp.'s purchase of several New York radio stations because the company said it would sell three stations to comply with media ownership rules." The AP continues, "The Justice Department had been looking into Entercom's $262 million purchase of 15 radio stations from CBS Corp. in Austin, Texas; Cincinnati; Memphis, Tenn.; and Rochester, N.Y. … The investigation centered on Rochester, where Bala Cynwyd-based Entercom already owns four radio stations, one AM and three FM. The acquisition would hand over four more FM stations in the area." The AP adds, "With eight radio stations, Entercom would control more than 57 percent of the radio advertising market, and the Justice Department was investigating whether its dominant market share would lead to reduced competition and higher prices for radio advertising. … Federal Communications Commission's rules on local ownership would prohibit Entercom from owning more than five FM stations in an area, requiring it to sell two. … Entercom said it's planning to sell three stations — the CBS-owned WRMM-FM and WZNE-FM and Entercom's WFKL-FM — to comply with FCC rules. The stations are expected to be sold within three months to a buyer approved by the Justice Department, according to a news release issued by the department Tuesday."

Donnelley To Acquire Banta In $1.3 Billion Deal. The Wall Street Journal (11/1, B3) reports, "R.R. Donnelley & Sons Co. said late yesterday it has agreed to acquire Banta Corp., a Menasha, Wis., provider of printing and digital-imaging solutions, in a $1.3 billion deal. The agreement comes as printing-services provider Cenveo Inc. said it has withdrawn its $50-a-share acquisition offer for Banta. Cenveo, Stamford, Conn., in August offered to buy rival Banta for $46 a share, or about $1.12 billion. Banta rejected the offer, opting instead to announce a restructuring that would cut as many as 500 jobs and close five printing plants.:

Widening Memory-Chip Probe Targets Sony. The AP (11/1, Robertson) reports, "An obscure corner of the semiconductor industry became an international battleground Tuesday as Sony Corp. became the fifth company ensnared in a U.S. Department of Justice antitrust probe into the sales of a particular type of memory chip." The AP continues, "The same day, European Union regulators said they raided several unnamed semiconductor companies in Germany on Oct. 11 as part of a probe into possible price fixing for the same type of chip." The AP adds, "Both investigations center on the sale of static random access memory, or SRAM, a kind of computer memory found in relatively small quantities in PCs and used in disk drives,

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communications equipment and networking gear." The AP notes, "European regulators were explicit that the companies targeted in the cartel raid were suspected of breaking price-fixing laws. … However, the European Commission never names the companies suspected of operating a cartel and said that the surprise inspections were a preliminary step in its probe. … Under EU law, businesses found guilty of taking part in a cartel can be fined up to 10 percent of their annual revenue. … In Washington, Justice Department officials declined to discuss details of the probe. Spokeswoman Gina Talamona would only say that antitrust prosecutors are 'investigating the possibility of anticompetitive practices in the SRAM industry.'"

The New York Times (11/1, Fackler) reports, "An earlier investigation by the Justice Department into price fixing in the market for another type of memory chip, dynamic random access memory, or DRAM, led to $731 million in fines imposed on four companies and several individuals." The Times adds, "Sony's sales last year of SRAM chips totaled $28 million, a fraction of the company's $64 billion in global sales. The bigger potential damage will probably be to Sony's once-sterling reputation, which has already been tarnished by the recent recall of 9.6 million laptop batteries and delays to its widely awaited next-generation game console, PlayStation 3. … The recent problems have come just as Sony appeared headed to recovery under its first non-Japanese chief executive, Sir Howard Stringer. … Under Mr. Stringer, who took Sony's helm last year, the company had appeared to be bouncing back from blunders like losing the market in global portable music players to the iPod from Apple and being late to produce flat-panel televisions."

Bloomberg (11/1, Newman) reports, "European Union regulators are investigating potential price-fixing of memory chips used in computers and mobile phones, working with U.S. authorities." Bloomberg continues, "A Sony Corp. chip-making unit, Sony Electronics Inc., received a U.S. Justice Department subpoena seeking information about its business, the company said in a statement today. U.S. regulators are conducting a criminal price-fixing investigation into the market for static random-access memory chips. … The EU is probing makers of SRAM chips, coordinating with U.S. authorities. The commission conducted unannounced inspections at offices in Germany on Oct. 11 along with national antitrust officials, commission spokesman Jonathan Todd said. He didn't identify the companies involved. The U.S. inquiry follows a three-year probe of price-fixing in the DRAM chip market." Bloomberg adds, "Samsung Electronics Co., Cypress Semiconductor Corp. and Micron Technology Inc., among the biggest makers of the chips, said Oct. 12 that the Justice Department had contacted them about SRAMs. In the probe of the dynamic random-access memory chip probe, the Justice Department has collected $731 million in criminal fines, including $300 million from Samsung."

Former Head Of Tulsa Firm Fined For Bid-Rigging. The Durango (CO) Herald (11/1, Hanel) reports, "A Tulsa company was fined $150,000 for rigging bids for the construction of BP natural-gas pipelines in Southwest Colorado. … Flint Energy Services received the sentence on Monday from U.S. District Court Judge Phillip Figa." The Herald continues, "The company and the former head of its Farmington office, Kenneth L. Rains, pleaded guilty in August to conspiring with other unnamed people to defraud BP by submitting high bids for pipeline construction. Bid-rigging is a violation of the Sherman Antitrust Act. … Rains has been transferred to the company's Oklahoma headquarters, but he hasn't been fired. Figa questioned why not. … 'Why does the company keep on someone who has committed a felony?' Figa asked." The Herald adds, "Flint's attorney, Ryan Stoll, said the company isolated Rains from his old post but decided not to fire him because of 'personal circumstances' that might become clear at Rains' sentencing in January. Stoll said he expects Rains to be sent to prison. … Flint and lawyers for the Justice Department's antitrust division had asked for a fine of $100,000, citing the prompt cooperation of Flint executives. Federal sentencing guidelines call for a fine of $161,000 to $322,000. … Carla Stern, a Justice Department attorney, said there's no evidence the conspiracy went any higher than Rains. She praised Flint executives for cooperating and speeding up the case."

AMD Seeks Intel Documents In Antitrust Suit. The AP (11/1) reports, "Advanced Micro Devices Inc., the No. 2 computer chip maker behind Intel Corp., asked the court overseeing its antitrust lawsuit against Intel to force the company to produce documents related to its conduct outside of the United States." The AP continues, "The judge had previously ruled AMD cannot sue in the U.S. for Intel's alleged monopolistic tactics overseas. .. .But AMD argued in the motion filed Monday in a Delaware federal court that the order only applies to damages sought in the U.S. for Intel's alleged strong-arm tactics abroad. AMD maintains it should

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be allowed to use documentation of those actions to pursue domestic commerce claims." The AP adds, "Sunnyvale-based AMD, which filed its lawsuit in June 2005, accuses Santa Clara-based Intel of bullying major customers into exclusive deals and offering secret rebates to undercut AMD in the market for microprocessors, which act as the brains of computers. .. .The lawsuit alleges anticompetitive practices in several countries including Britain, Germany and Japan."

Donnelley To Buy Banta In $1.3 Billion Deal. The AP (11/1) reports, "R.R. Donnelley & Sons Co. will acquire Banta Corp. in a $1.3 billion deal combining two Midwestern printing firms with histories dating back more than a century, the companies announced Tuesday." The AP continues, "Chicago-based R.R. Donnelley, which prints the Yellow Pages, said the acquisition will allow it to expand its range of products and services for customers and also enhance its services in magazine, catalog and book printing and in direct marketing." The AP adds, "Donnelley also said in a press release that while it expected its 2006 earnings from continuing operations to be at the high end of earlier guidance of $2.45 to $2.50, anticipated restructuring charges made it impossible to estimate net income for the full year. … Banta, based in Menasha, Wis., has operations in Europe and Asia, in addition to the United States. … The cash deal is valued at about $1.3 billion, or $36.50 per share after a special dividend of $16.00 per share already declared by Banta. The offer, equal to $52.50 per share, represents a premium of 18.6 percent over Banta's closing share price Tuesday on the New York Stock Exchange of $44.28."

Stratex-Harris Deal Gets Antitrust Nod. The AP (11/1) reports, "Stratex Networks Inc., a maker of digital microwave radios used in wireless communications, said Tuesday the required waiting period for its merger into Harris Corp.'s microwave communications unit has ended." The AP continues, "The deal, announced in September, would give Harris a majority stake in the new company." The AP adds, "Melbourne, Fla.-based Harris, which sells communications products to government and commercial customers, will contribute its microwave division and $25 million in cash and get a 56 percent ownership stake in the combined company. Shareholders of Stratex will own 44 percent. … The waiting period was required by the Hart-Scott-Rodino Antitrust Improvements Act of 1976. … The deal still requires approval by other regulators and Stratex shareholders."

Music Publishers Strike Anti-Piracy Deal With Kazaa. The AP (11/1) reports, "The music publishing industry reached a tentative deal with operators of the Kazaa file-sharing network over claims of copyright infringement, an industry group said." The AP continues, "Publishers pursuing a class-action suit against Kazaa informed U.S. District Court on Monday that the peer-to-peer network had agreed to pay "a substantial sum" under the agreement, the National Music Publishers' Association said in a statement. … The amount of the settlement was not disclosed. It is subject to final approval by the association board." The AP adds, "The settlement 'will be another key milestone of the ongoing transformation of the digital music marketplace to one that will allow legal services to thrive,' NMPA president and chief executive David Israelite said in the statement. … Sharman Networks announced in July that it had settled copyright infringement lawsuits with music labels and movie studios, agreeing to redesign its software to block customers from downloading protected music and movies and to pay more than $115 million in penalties."

Two Real Estate Firms Merge. The Washington Post (11/1, Hedgpeth) reports, "CB Richard Ellis Group Inc., the world's largest commercial real estate broker and one of the most prominent real estate firms in Washington, agreed yesterday to buy rival Trammell Crow Co. in a deal worth $2.2 billion that will more than double its property management business. Although neither company is based here, both are considered major local players. CB Richard Ellis, which manages 22 million square feet of space in the Washington area, is handling the leasing of one of the Watergate office buildings and has done leasing for Northrop Grumman Corp., Verizon Communications Inc. and General Dynamics Corp." The Post adds, "The deal is one of several mergers that have occurred in the past few years as clients seek more efficient ways of buying, selling and leasing office space, industry experts said."

The Wall Street Journal (11/1, B4, Chittum, Herrick) reports, "The deal, by far the biggest in the commercial real-estate services sector, hastens consolidation that began in earnest a decade ago and has transformed what were once regional businesses focused on lease and sales brokerage into a handful of multiservice behemoths catering to multinational corporations increasingly looking to outsource their global real-estate functions. … Much of the industry's consolidation has been driven by geographic considerations,

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including the last major deal in 2003 when CB Richard Ellis swallowed Insignia/ESG to boost its New York presence."

Google Acquires Document Management Firm. The Wall Street Journal (11/1, A15, Delaney) reports, "Google Inc. said it acquired closely held start-up JotSpot for an undisclosed sum, a move that could strengthen Google's expanding services for users to create and share documents online. JotSpot, exploiting a technology called wikis, provides free and paid services that allow individuals to jointly work on Web-based information such as spreadsheets, photo albums, calendars and contact lists. Google, Mountain View, Calif., has assembled free online word-processing, spreadsheet, email and calendar services that have some similarities with JotSpot's offerings. Such services could win away some of the consumers Microsoft Corp. is targeting with its Office software."

ENVIRONMENT:

Boulder Set To Vote On Whether To Impose Nation's First Carbon Tax. USA Today (11/1, 6A, Kenworthy, 2.27M) reports, "Voters in Boulder, Colo., will decide Tuesday whether the city will become the first in the nation to impose a 'carbon tax' on homeowners and businesses to fund efforts to reduce emissions that cause global warming. If approved, the ballot measure would tax electricity usage and add about $16-$20 a year to the average residential electric bill." Boulder's "City Council authorized the ballot measure to fund a city plan to reduce greenhouse emissions 7% below 1990 levels. ... Four years ago, the city adopted emission targets set by the 1997 Kyoto Protocol, an international agreement the United States has not ratified... ." USA Today notes, "No group has organized in the city to oppose the tax measure, and even the Boulder Chamber of Commerce has endorsed it."

Venture Capitalist's Promotion Of Prop 87 Criticized. In his Wall Street Journal (11/1, 2.03M) column, Holman W. Jenkins, Jr., criticizes venture capitalist Vinod Khosla, "an avid investor in ethanol ventures," for his promotion of California's Proposition 87 ballot measure, under which "California-produced oil would be taxed to fund alternative energy projects." Jenkins says, "there's been no shortage of capital for alternative energy ventures. ... This year's boom was sparked by a sudden shift in federal policy and a short-lived gasoline spike. The price of ethanol is expected to fall dramatically." Khosla's "real concern, to the extent that he has offered a coherent one, is global warming. Now this at least could be the subject of an intelligent debate -- about whether climate concerns justify putting a heavy government finger on the scale to help biofuel investors in their competition with gasoline. But the public would have to be told that part of the plan is higher gas prices." The "proposition is expected to lose handily, but for his modest contribution (a reported $1 million), Mr. Khosla has reaped an untold bonanza of propaganda for his energy investments. Already Congress is hurriedly putting together an expansion of the ethanol mandate in last year's energy bill in hopes of soaking up the excess supply stimulated by previous government actions. Earth's atmosphere might not notice the difference, but Mr. Khosla's portfolio certainly will."

FBI/DEA/ATF/USMS:

Person Of Interest In California Wildfire Arrested As Fifth Firefighter Dies. In a widely-distributed story, the AP (11/1, Glazer) reports, "Authorities on Tuesday arrested a 37-year-old man suspected of igniting two wildfires this summer and who is considered a 'person of interest' in the Esperanza blaze, which killed five firefighters. Word of the arrest came an hour after a somber news conference at which officials announced the death of a horribly burned firefighter," Pablo Cerda, "who survived five days on life support. Raymond Lee Oyler of Beaumont was arrested…on two counts of arson related to wildfires in June, the Riverside County Sheriff's Department said in a statement posted on its Web site late Tuesday." The AP notes, "As part of the investigation, authorities said they sifted through hundreds of tips and interviewed previously convicted arsonists who live in the Cabazon area. Assisting in the investigation were the Bureau of Alcohol, Tobacco, Firearms and Explosives and the Federal Bureau of Investigation. The reward for information leading to an arrest had topped $500,000."

The Los Angeles Times (11/1, Reston, Lin, Abrams, 918K) reports, "Investigators continued working with more than 300 tips called in to an arson hotline since the fire began early Thursday. … Although authorities didn't indicate which fires Oyler was charged with setting, Riverside and San Bernardino counties were hit with a rash of more than 40 small, suspicious fires in May and the first half of June. One

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such fire in mid-June broke out in Cabazon, burning 10 acres near the intersection of Esperanza Avenue and Broadway, not far from the Esperanza blaze.

17 Indicted After FBI, Wisconsin Police Raid Drug Gang. The Milwaukee Journal Sentinel (11/1, Barton, 259K) reports, "Seventeen people affiliated with a gang that authorities say has been distributing cocaine, crack cocaine and marijuana on Milwaukee's north side for about 15 years have been charged with conspiracy and other drug offenses in federal court in Milwaukee, according to an indictment made public Tuesday." The Journal Sentinel notes, "Two hundred law enforcement officers from the FBI, Milwaukee Police Department, state Department of Justice and other state and local agencies rounded up the defendants in the culmination of a two-year investigation, said Linda Krieg, assistant special agent in charge of the FBI's Milwaukee office. Swat teams from the FBI's Milwaukee and Chicago offices both were involved in the arrests because the suspects were considered armed and dangerous, Krieg said. The 10 arrests were made without incident, she said. Five other defendants already were in state custody," and "two remained at large Tuesday evening."

Protest Of Utah Pot Sale Sentence Grows. The Salt Lake Tribune (11/1, Neff) reports, "Former top Justice Department officials and several judges have asked the U.S. Supreme Court to hear the appeal of a Utah man sentenced to serve 55 years in prison for selling pot - a sentence decried by a judge who said the law forced his hand." The Tribune continues, "The 10th U.S. Circuit Court of Appeals in Denver in January rejected an argument that the sentence handed down to record producer Weldon Angelos was cruel and unusual punishment that was disproportionate to his crime. … But a friend of the court brief filed with the high court by 145 people -including former U.S. Attorneys General Griffin Bell, Benjamin Civiletti, Nicholas Katzenbach and Janet Reno; other former high ranking Justice Department officials and former federal judges - urges the high court to take the case." The Tribune adds, "Angelos, 26, the founder of Extravagant Records, was accused of selling 8 ounces of marijuana to a police informant three times in May and June 2002. At one sale, he had a gun strapped to his ankle, according to court records. At the other drug buys, there were firearms in the vicinity. … A federal grand jury originally indicted Angelos in November 2002 on one gun possession count, three counts of marijuana distribution and two lesser charges. After Angelos rejected a plea bargain that would have sent him to prison for 16 years, authorities obtained a new indictment with 20 charges. … . When Angelos asked to reopen negotiations, prosecutors said it was too late. In December 2001, a jury convicted him of 16 counts."

Maryland Man Convicted Of Drug Distribution Gets 20-Year Sentence. The Frederick (MD) News Post (10/31) reports a Frederick man "caught in an undercover operation headed by the Drug Enforcement Administration was sentenced Monday to 20 years in federal prison. Winfred Gregg Travis' sentence stems from his conviction for distributing crack cocaine and possession of a firearm by a convicted felon. … Since 1991, Travis has been charged in Frederick and Montgomery counties 10 times, primarily with drug crimes, but also with breaking and entering, battery and disorderly conduct, according to court records."

Eighth Member Of Hawaiian Drug Ring Sentenced. The Maui News (11/1) reports, "The eighth member of a methamphetamine trafficking ring was sentenced Monday by U.S. District Court Judge J. Michael Seabright to nearly 24 years in prison, according to the U.S. Department of Justice." The News continues, "Leandro Gomez III, 30, of Las Vegas, was one of 10 defendants to plead guilty to charges of taking part in a large-scale organization that imported methamphetamine from Las Vegas to Maui. .. .'Gomez was the Las Vegas supplier of the methamphetamine, which was transported to Maui either by couriers or mail shipment,' a Justice Department news release says." The News adds, "In Las Vegas, he had been assisted by co-defendants Timothy James Sullivan and Gilbert Gomez Jr., federal officials said. And, on Maui, 'Nathaniel Russell and Pamela Mahealani Newton (husband and wife) oversaw an extensive distribution network involving co-defendants John Corniel Jr., Charles R.K. Farren, Roger Manu Bates, Cyrinah L. Aken and Reed Kaleookalani Aken.' … The investigation of the drug ring resulted in the recovery of 616.8 grams (1.4 pounds) of methamphetamine from Bates in early May 2005 on Maui, according to Justice Department officials."

The Honolulu Star-Bulletin (10/31) reports, "The 30-year-old Las Vegas supplier of a large-scale trafficking

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organization bringing 'ice' to Maui in 2005 was sentenced in federal court yesterday to 23 years and eight months in prison. U.S. District Judge J. Michael Seabright sentenced Leandro Gomez III, who pleaded guilty to methamphetamine-trafficking charges along with nine others. … U.S. Attorney Michael Kawahara "said efforts by Maui police, the federal Drug Enforcement Administration and other law enforcement agencies in this and other cases have 'stemmed the flow of drugs to Hawaii.'" The Maui News (10/31) and Honolulu Advertiser (10/31) also report on the sentencing.

Court Ruling Could Reduce Michigan Man's Sentence In Heroin Case. Grand Rapids (MI) Press (10/31, Agar) reports a federal appeals court ruling "could shorten the 25-year prison term for a man who provided heroin to a friend and failed to call 911 as she was dying in his Grandville home. Kevin Obi, 23, pleaded guilty to providing heroin that killed Nora Lares, 21, in 2004." The Sixth Circuit Court of Appeals "said recently the prosecution failed to show Obi's false statements [to investigators] significantly hurt the investigation. The court ordered the case returned to U.S. District Court for resentencing." The government "argued Obi's false statements led police to initially consider the crime scene to be the vehicle, rather than his basement, which resulted in a loss of possible evidence."

San Diego Chargers Linebacker Drops Appeal Of Drug-Related Suspension. There are nearly 300 media references to San Diego Chargers linebacker Shawne Merriman dropping an appeal of his drug-related suspension imposed by the NFL. For example, the New York Times (11/1, Schmidt) reports Merriman yesterday "dropped his appeal of a four-game suspension for violating the National Football League's policy on banned substances, and he blamed his positive drug test on a supplement he took before the season to boost his energy for workouts. Merriman said his lawyer, David Cornwell, was considering legal action against the supplement maker because its product contained a precursor to the steroid nandrolone. Dietary supplement makers are prohibited from including nandrolone's precursors in their products."

The San Diego Union-Tribune (10/31) reports Merriman "had been leaning toward this decision for days, weighing the likelihood he could win a reversal of his suspension versus the desire to clear his name along with the question of what would be best for his team. In the end, he decided Tuesday to drop the appeal of his four-game suspension for a positive drug test."

The Washington Post (11/1) reports Merriman "is scheduled to begin serving his suspension immediately and will miss the Chargers' next four games, beginning Sunday against the Cleveland Browns."

The AP (11/1) reports the suspension "won't officially begin until after Merriman addresses teammates today. After that, he will be barred from the team's headquarters until he is eligible to return Nov. 27."

Reputed Member Of Colombia Drug Cartel Arrested In Spain. The AP (11/1) reports police in Spain "said Tuesday they arrested a leading member of one of Colombia's most feared drug-trafficking cartels. Orlando Sabogal Zuluaga, 40, was arrested last Thursday in a shopping center on the outskirts of Madrid, the Civil Guard police force said in a statement posted on the Interior Ministry's Web site. Police said Sabogal Zuluaga was a right-hand man to the former head of the Norte del Valle cartel, Luis Hernando Gomez Bustamente, who himself was captured in Cuba in 2004." According to Colombian anti-narcotics police, Sabogal "is wanted for extradition to the U.S. to face charges of drug-trafficking and money-laundering."

Colombia's Vice President Says Celebrities Are Financing "Drug-Fueled" Conflict. In Bogota, the AP (11/1, Goodman) reports Colombia's vice president "is taking a hard-hitting anti-drug message to Europe, complaining about cocaine-snorting celebrities who he says are financing the drug-fueled civil conflict bleeding this South American nation. Vice President Francisco Santos spoke of supermodel Kate Moss, although she doesn't appear in the ads that he planned to unveil Wednesday in London along with 13 European anti-drug czars. Santos called Moss a perfect example of liberal European attitudes toward drug use because she is enjoying a career comeback after a British tabloid last year published photos of her apparently snorting cocaine." The European Monitoring Center for Drugs and Drug Addiction "says surveys in Denmark, Italy, Hungary, the Netherlands and Austria also show a rise in cocaine use among young adults. Santos noted findings by the White House Office of National Drug Control Policy that cocaine consumption has declined 50 percent in the United States over the past two decades."

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Barr Says NRA Not To Blame For Violent Crime. In an op-ed for the Atlanta Journal-Constitution (11/1), former Rep. Bob Barr writes, "Atlanta suffers from a rate of violent crime about four times the national average; murders take place in the city at a rate about five times the nation's average. The reasons Atlanta's crime statistics remain stubbornly high are many and persistent, but criminologists and law enforcement experts know that none of them is the fault of the National Rifle Association. .. .Yet last week, Atlanta police Chief Richard Pennington was at the National Press Club in Washington offering sound bites and photo ops with the anti-gun lobby organization, the Brady Center to Prevent Gun Violence, blaming the city's sorry crime statistics on the NRA." Barr continues, "Taking potshots at the NRA has become a time-worn practice of big city mayors such as New York's Michael Bloomberg. While one expects liberal politicians in northeastern cities to curry favor by leveling broadsides at the NRA, it is surprising to find their ranks joined by a police chief from Atlanta, the capital of a state with a long and positive relationship with the NRA." Barr adds that "the material Pennington's new-found friends at the Brady Center are pushing is simply political pap of the sort the center has been espousing every election cycle for more than a decade." Barr argues that "while the evidence clearly shows that broader civilian ownership of firearms translates into less, not more, violent crime in America, and even as members of Congress of both political parties support efforts to reform and streamline federal firearms regulatory efforts, the anti-firearms crowd that apparently now includes Atlanta's police chief prefers hollow rhetoric to cooperative action."

Los Angeles ATF Office Uses Statistics To Prove Success. The Federal Times (11/1, Curl) reports, "Convictions — also up 23 percent. … Gang cases referred for prosecution — up 86 percent. … John Torres, special agent in charge of the Bureau of Alcohol, Tobacco, Firearms and Explosives' Los Angeles field division, said these numbers, a comparison between fiscal 2005 and fiscal 2006, are proof positive that its performance measurement process is working. COMPSTAT, short for comparative statistics, is a public event where arrest, conviction and other statistics are reviewed and dissected. Officials in charge are held accountable for meeting goals and the numbers help determine where funds are allocated. … 'We saw that the system works and if we're paying attention to where we're dedicating our resources we're going to have an impact on violent crime,' Torres said. 'That's the bottom line.'" The Times continues, "COMPSTAT began in the 1990s in New York City where the police department would hold regular meetings to set goals for law enforcement and publicly hold officers accountable for their results. Torres began holding COMPSTAT meetings for the Los Angeles ATF on a quarterly basis in October 2005. … The most recent COMPSTAT was held Oct. 24. The event is open to the public and often attended by representatives from other law enforcement agencies. Agents are asked to report their statistics. Depending on how these numbers match goals from the previous COMPSTAT, they're asked on the spot to explain what went wrong or what went right." The Times adds, "Torres said his interest in COMPSTAT has its roots in the administration's overall push to measure results governmentwide. He recommends other federal law enforcement agencies and other agencies in generalconsider adopting the process, though he said different approaches would be necessary depending on the outcome they're trying to achieve."

Leader Of Prison Gang Resentenced To 19 Years. The Arizona Republic (11/1, Wagner) reports, "A leader of the Aryan Brotherhood prison gang with an extensive criminal record was resentenced to more than 19 years behind bars Monday for a weapons violation, according to the U.S. Attorney's Office." The Republic continues, "Bruce Foy Lowry, 52, was convicted by a jury after his 2003 arrest by federal marshals who tracked him down on a fugitive warrant. At the time, Lowry was wanted for failure to appear in a drive-by shooting case where he was accused of firing a gun at a mother, father and child who followed him from the scene of a hit-and-run accident." The Republic adds, "According to a recorded conversation played during the sentencing, Lowry told a friend that he would have gotten into a gun battle with marshals if he'd had the opportunity. 'If I could have drawn I would have,' he said. 'I couldn't even draw.' … Lowry, known as 'Boss Hog,' appealed his case in 2004 to the Ninth Circuit Court, which remanded it back to the U.S. District Court in Arizona. On Monday, Judge David Campbell ordered Lowery to serve 235 months in prison for possessing ammunition in violation of the Armed Career Criminal Act." The Republic notes, "Prosecutors stressed Lowry's extensive history of violent crimes, including seven felony convictions dating to 1974. The list of offenses includes armed robberies and two Aryan Brotherhood knife attack on an inmate. Lowry and a

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half-dozen other assailants left the knife in their victim's heart, prosecutors said, but surgeons managed to remove the weapon and save the inmate's life."

IMMIGRATION:

Five Indicted In Ballplayer-Smuggling Investigation. USA Today (11/1, Leinwand) reports that Gustavo "Gus" Dominguez, Totoal Sports International vice president, was "indicted by a Miami grand jury on Tuesday for allegedly smuggling ballplayers and other Cuban nationals into the USA." He "is charged as part of a 53-count indictment related to two operations in 2004." USA Today adds, "Geoffrey Rodrigues, Robert Yosvany Hernandez, Ramon Batista and Guillermo Valdez, allegedly hired by Dominguez to transport the Cubans by speedboat to the USA, also were indicted."

The AP (11/1, Sedensky) reports, "Prosecutors say Rodrigues and Dominguez traveled by boat to Cuba on July 28, 2004, and loaded 22 Cubans aboard, but were intercepted by U.S. authorities at sea. Less than a month later, on Aug. 22, 2004, authorities say the two men successfully brought 19 Cubans into the country."

Suit Challenges Illegal Immigrant Crackdown In Allentown, PA. The AP (11/1, Rubinkam) reports, "Hispanic groups and the American Civil Liberties Union filed a lawsuit against a small U.S. city that has sparked national attention over its immigration policies, setting the stage for a legal battle over its crackdown on illegal immigrants." The AP continues, "The ordinance, approved by the Hazleton City Council last month, imposes fines on landlords who rent to illegal immigrants and denies business permits to companies that give them jobs. The law empowers the city to investigate written complaints about a person's immigration status, using a database operated by the federal government." The AP adds, "Lawyers for the ACLU and other groups planned to ask a federal judge for a temporary restraining order to prevent enforcement of the law, set to begin Wednesday. … 'Immigration reform is an important issue but if every little town like Hazleton across the 50 states makes up their own rules about immigration, we're going to be left with an even bigger mess,' Witold J. Walczak, legal director of the ACLU of Pennsylvania, said Monday. … Hazleton's ordinance has spurred dozens of copycat versions in small towns around the United States, as the illegal immigration issue has become a key campaign debate as the country heads into congressional elections next week. Some states and communities are accusing the government of inaction."

TAX:

Churches Reevaluate Their Political Activities In Light Of IRS Crackdown. McClatchy (11/1, Douglas) reports, "Scores of houses of worship nationwide are re-examining how they conduct get-out-the-vote programs and other election activities as the Internal Revenue Service investigates religious institutions for illegal campaign activity. Churches grew more nervous when the IRS launched an investigation of the liberal All Saints Episcopal Church in Pasadena, Calif. after a former rector delivered a sermon that was critical of the Bush administration and the Iraq war shortly before the 2004 presidential election. … Several religious and voting rights groups are schooling churches, synagogues, and other religious institutions about what they can and cannot do politically under IRS regulations.

GAO Urges IRS To Tighten Oversight Of Private Collection Agencies. The Washington Post/AP (11/1, D2, Abrams) reports the GAO is recommending that the IRS "improve oversight of a new program that uses private agencies to collect back taxes before it expands the effort." A GAO report "commended the IRS for addressing some important factors for the success of the program, such as proper training of collection-agency employees, ensuring that taxpayers are treated properly and that taxpayer information is secure. But it said the agency has not completed critical work on setting goals and determining costs. The IRS lacks criteria to assess 'whether the program performance warrants expanding the number of private collection agencies and turning over more cases to them,' the report says."

IRS Could Lose Money In First Year Of Using Private Bill Collectors. USA Today (11/1, Mccoy) reports, "The IRS could lose money or break even in the first phase of its program to turn some tax debts over to private collection agencies, newly released agency data show." The GAO's fiscal projects show "show the IRS expects to collect $55.8 million to $92 million in the recently started first phase of the private collection effort." The data "offer one of the first

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fiscal looks at this year's selection of three private firms to collect taxes from taxpayers who owe less than $25,000 and have not contested the debts. The firms began contacting an initial group of 12,500 taxpayers in September. They are eventually scheduled to handle about 158,000 cases, according to the IRS. The IRS cost data include the companies' fees; up to 24% of what they collect in overdue taxes."

IRS Steps Up Checks On Partnerships, Trusts, S Corps. In his "Tax Report" column in the Wall Street Journal (11/1), Tom Herman writes, "The IRS has improved efforts to check up on taxpayers in partnerships, trusts and S corporations, a report says." Herman continues, "That's a significant change from just a few years ago, when the IRS drew heavy criticism from a congressional investigative agency and some lawmakers for embarrassing blunders in its efforts to combat tax evasion in this area. Since then, the IRS has done a better job but still needs to do more, says a report by the Treasury Inspector General for Tax Administration. … The IRS program involves 'document-matching,' which means comparing information that people report on their tax returns against what is reported separately to the agency on 'Schedule K-1.'"

CONGRESS-ADMINISTRATION:

Democrats Propose New Spending On Defense, Homeland Security And Education. The Washington Post (11/1, A07, Birnbaum, Weisman, 748K) reports, "As part of their midterm election push, House Democrats are promoting a wide-ranging legislative agenda that would add tens of billions of dollars a year to the federal budget for the military, homeland security and education yet still impose a new budget restraint that would make it harder to widen the annual deficit. … Critics say the Democrats will be forced to choose between keeping their pledge of fiscal rectitude and their promises of federal largess." The Democrats' proposal "would allocate billions of dollars to build up the military, subsidize student loans and bolster port security. It would raise the minimum wage, make college tuition payments tax-deductible, repeal oil-company tax breaks and expand incentives for personal savings accounts, among many other provisions. The program would prohibit the House from approving new spending or tax measures that widen the budget deficit. It would do that by restoring budget rules requiring that all future spending increases and tax cuts be offset by equivalent tax hikes or spending cuts."

Democrats Dispute Bush's Charge That They Will Raise Taxes. The Washington Times (11/1, Lambro, 88K) reports, "Repealing President Bush's tax cuts and boosting social-welfare spending have been the meat and potatoes of the Democrats' campaigns since the 2002 election, and they would be in a position to attempt both if they win control of Congress next week. Mr. Bush has been warning in campaign speeches across the country that the Democrats 'will raise your taxes' if voters put them in power, and Republican leaders have been making similar charges as Election Day draws closer. … Recent polls show that most Americans expect Democrats to raise their taxes and increase spending for new big-ticket programs such as health care for the uninsured." The Times notes, "Senior Democratic advisers say…major tax and spending changes are unlikely to happen because of a number of institutional obstacles that would be extremely hard for the Democrats to overcome, especially in what is likely to remain a narrowly divided Congress."

Rangel Says He Has No Animosity Towards Cheney Despite Cursing Him. The AP (11/1, Barrett) reports Rep. Charles Rangel "feels bad — but not too bad — about directing a curse word at Vice President Dick Cheney." Rangel "called Cheney a 'son of a b....' on Monday when asked by the New York Post about comments Cheney made about him in a television interview. He repeated his comments in an interview with The Associated Press on Tuesday, but added, 'I shouldn't have said it.' 'I thought that he should be flattered, there's certainly no animosity in it,' said Rangel, saying he had been making an observation about Cheney."

Appeals Court Hears New Arguments In McDermott-Boehner Tape Case. The AP (11/1, Daly) reports Christopher Landau, a lawyer for Rep. Jim McDermott, "told a federal appeals court Tuesday that McDermott should not be punished for giving reporters access to an illegally taped telephone call involving House Republican leaders. In arguments that evoked the Pentagon Papers and other press freedom cases…Landau said McDermott had merely received the tape from a Florida couple and therefore had done nothing wrong. … A three-judge panel of the U.S. Circuit Court of Appeals for the District of Columbia ruled against McDermott in March. The 2-1

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opinion upheld a lower court ruling that McDermott had violated the rights of Rep. John Boehner who was heard on the 1996 call."

Commission For Labor Cooperation Director Resigns Over Outside Lobbying. The Washington Post's Al Kamen (11/1), in his "In The Loop" column, writes, "Mark Knouse , a Pittsburgh-based lobbyist who was appointed in 2004 by Labor Secretary Elaine Chao to a three-year term as executive director of the Commission for Labor Cooperation, has called it quits after an investigation raised questions about his use of government money to pay for lobbying for his old clients, the National Journal reports. Knouse, whose wife is Chao's executive assistant, told the magazine he'd done nothing wrong and thought he could take on outside work, despite a commission requirement that such work must be approved. The investigation also noted that, in 18 months, he charged the commission for more than a dozen trips to meet with Pennsylvania officials but met just twice with officials who were not from his home state."

GAO Warns Administration Could Miss Deadline On Expedited Background Checks. The Washington Post's Stephen Barr (11/1), in his "Federal Diary" column, writes, "The Bush administration appears at risk of missing a deadline set by Congress aimed at shortening the time it takes to investigate federal employees and contractors for security clearances and determine whether they can be trusted with classified information. The 2004 Intelligence Reform and Terrorism Prevention Act requires that 80 percent of all security clearances be completed in an average of 120 days. … But a report issued by the Government Accountability Office, the congressional watchdog agency, suggests that the administration could miss the Dec. 17 deadline for timely processing of security clearances stipulated in the 2004 law." Clay Johnson, deputy director for management at the Office of Management and Budget, "said in a letter to the GAO that he will convene a working group to study the issue."

Pelosi Urged To Choose Harman Over Hastings For Intelligence Committee Chair. The Washington Post's Ruth Marcus (11/1, A21) writes, "If Democrats win control of the House next week, Nancy Pelosi's first test as speaker will arrive long before the 110th Congress convenes. Her choice to head the House intelligence committee…will speak volumes about whether a Speaker Pelosi will be able to resist a return to paint-by-numbers Democratic Party interest-group politics as usual. … The panel's ranking Democrat is her fellow Californian Jane Harman -- smart and hardworking but also abrasive, ambitious and, in Pelosi's estimation, insufficiently partisan on the committee. So Pelosi, once the intelligence panel's ranking Democrat herself, has made clear that she doesn't intend to name Harman to the chairmanship. The wrong decision, in my view, but one that's magnified by the unfortunate fact that next in line is Florida Rep. Alcee Hastings. In 1989, after being acquitted in a criminal trial, Hastings was stripped of his position as a federal judge -- impeached by the House in which he now serves and convicted by the Senate -- for conspiring to extort a $150,000 bribe in a case before him, repeatedly lying about it under oath and manufacturing evidence at his trial.'

NYTimes Criticizes Administration's Actions On Pell Grants. The New York Times (11/1, 1.21M) writes in an editorial that "Pell Grants are one of the largest sources of federal help for low-income college students, and the most valuable form of aid" but "the level of aid is increasingly out of sync with the level of need." The Times describes "cuts" of "about $100 a year per recipient" as "miserliness" and adds that though "it's been four years since Congress last increased the maximum annual Pell Grant … college costs are up 35 percent from five years ago." It continues, "Bush administration officials have said repeatedly that the solution to the nation's growing income inequality is more education." Yet "if they really believed it -- and cared about a remedy -- would federal college aid be declining?" Instead "as government aid has declined, loans from banks and other private lenders have soared" and "the result is towering debt."

Newspapers Call Hubble Mission A Worthy Risk. An editorial by the New York Times (11/1, 1.21M) called the decision by NASA administrator Michael Griffin to approve a mission to repair the Hubble telescope "a brave call, since repairing the Hubble will put the shuttle at greater risk than a typical mission to the International Space Station. It was also a welcome sign that NASA is willing to go the extra orbital mile to support superb science, even while it squanders large sums on completing the space station to

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perform research that can't begin to compare with the Hubble's in importance."

USA Today (11/1, 2.27M) editorializes, "Griffin made the right call. This mission poses more risks than most, but preserving one of NASA's most successful programs warrants it. The shuttle, moreover, has no other major duties besides completing the International Space Station, a program that faces an iffy future."

OTHER NEWS:

Stocks Slightly Down Yesterday. NBC Nightly News (10/31, story 6, 0:10, Williams, 9.87M) reported "the Dow fell almost six points [to close at 12,080.73]. NASDAQ was up nearly three points [to close at 2,366.71] on the days trading." USA Today (11/1, Krantz, 2.27M) says "a weaker-than-expected Conference Board report on consumer confidence prompted some investors to lose their gusto for the October stock market rally. … Even so, the Dow is still up 12.7% for the year." The Wall Street Journal (11/1, C1, Browning, 2.03M) notes that "amid continued hopes for low interest rates and moderate economic growth, the Dow Jones Industrial Average ended with a monthly gain of 3.4% -- the best monthly gain since November 2005."

Employment Costs Up. The Wall Street Journal (11/1, A2, Blackstone, Conkey, 2.03M) reports, "Employment costs gained in the third quarter at their fastest pace in more than two years, a development likely to keep Federal Reserve officials on edge about inflationary risks to the economy." The employment-cost index "rose 1% during the quarter after gaining 0.9% in the second quarter, the Labor Department reported. Employment costs were 3.3% higher than a year earlier, up from a 3% increase the previous quarter."

Bush Calls Kerry Comment "Insulting and Shameful" To US Soldiers. A remark by Sen. John Kerry to students at Pasadena City College on Monday triggered furious debate on the campaign trail yesterday. Kerry, whose comments aired on all three network newscasts last night, told his audience: "You know education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq." The President, Tony Snow and a number of GOP officials, including Sen. John McCain, yesterday termed Kerry's remark an insult to US servicemen. Bush, in remarks that were also featured on all three network shows, said while campaigning in Georgia, "The Senator's suggestion that the men and women of our military are somehow uneducated is insulting and it is shameful. And the Senator from Massachusetts owes them an apology."

The story led all three evening newscasts and is being extensively reported on in major newspapers today. Political commentators are suggesting the controversy may help the GOP in the final weeks of the campaign. Fox News' Special Report (10/31, Hume) opened its broadcast last night with a report on Kerry comments, saying, "Republicans who felt that John Kerry gave the gift that kept on giving in 2004 suddenly had reason to hope that he'd done it again."

On NBC Nightly News (10/31, story 2, 2:50, 9.87M), Tim Russert said Democrats "are not very pleased because the last thing they want a week before the election are the evening newscasts leading with this story. They want the story to be the management of the war by George W. Bush, not comments about the caliber of the troops, fairly or unfairly, no matter what John Kerry meant, they think this is unfortunate, they hope it ends." ABC World News (10/31, lead story, 3:25, Gibson, 8.78M) asked, "Will Kerry's comments help rally Republican voters? Will it help Republicans portray Democrats as against the troops" One Democratic Congressman tells me, 'I guess Kerry wasn't content blowing 2004. Now he wants to blow 2006, too.'" ABC also said this is "a fight the White House wants, one it is relishing." In fact, says this morning's New York Times (11/1, Nagourney, Rutenberg, 1.21M), "the White House took the unusual step of releasing advance excerpts of Mr. Bush's attacks."

Also on ABC World News (10/31, story 2, 2:20, Gibson, 8.78M), George Stephanopoulos said that "even in the best case," Kerry "was calling the President dumb. This gives them an opening to do to fit in the strategy of the week, rile up the conservative base voters. They spent almost $200 million in 2004 getting that base to hate John Kerry. They're happy to run that race again." The CBS Evening News (10/31, lead story, 2:30, Axelrod, 7.66M), in a similar report, said Kerry "may have energized Republicans to vote who might otherwise have stayed home. You can bet we'll be hearing a lot more about this tomorrow when President Bush does a radio interview. Whose broadcast? Rush Limbaugh's."

Chuck Todd, Editor in Chief of The Hotline, said on MSNBC's Hardball (10/31, Matthews), "I think it was clear that he was probably trying to go after the President, but he did it from that place that Northeast liberal Democrats do to much – even though it was an attack on President Bush's

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intellect…it is that stuff that makes the right wing crazy. They hate the elitism, intellectualism attacks on them." And US News & World Report's Michael Barone, on Fox News' Special Report (10/31, Hume) predicted "the effect of this is that it's going to increase the Republican base because they're seeing a figure there that they deeply dislike and they're seeing him make what are on their face inaccurate charges that are slanderous of the military and he's slandered them in the past. … It's a fair question to ask Democratic candidates if they agree with this statement by their party's nominee for president in 2004 -- not a peripheral figure but a central figure."

Former House majority leader Tom DeLay, on Fox News' Hannity and Colmes (10/31), said, "I don't think he intended to insult the troops at a campaign event, but he did. I don't think he intended to call them stupid, but he did. … I think what John Kerry was done has put a face on what we have been talking about all along. The left has a disdain for the military."

Some of the media coverage, however, portrays the debate as an example of the "Republican PR machine…moving into high gear," as ABC World News (10/31, lead story, 3:25, Gibson, 8.78M) put it, describing "what happened" as "an object lesson in how in this day and age, an idle political remark gets seized upon, becomes fodder for the talk shows and obscures discussion of all other issues." ABC (Tapper) added that "the war in Iraq has generally been a subject helping Democrats this election season. But today, that debate took an unpredictable turn, with President Bush accusing John Kerry of insulting US troops." Kerry "said he was addressing the President, not the troops," but "early this morning after those remarks appeared in local newspapers and the video popped up on YouTube, conservative blogs and talk radio had a field day." Rush Limbaugh, radio host: "It tells us what John Kerry, himself and the Democratic Party, think about the troops and think about the US military." Tony Snow, White House Press Secretary, was shown saying, "This is an absolute insult." Tapper: "Shortly before noon, Kerry in a paper statement insisted he had not belittled the intelligence of soldiers serving in Iraq, but rather that of 'the President who got us stuck there.' He lashed out at White House spokesman Tony Snow whom he called a 'stuffed suit mouthpiece' and 'doughy Rush Limbaugh.' But by then the Republicans were already piling on." Sen. John McCain was shown saying, "I believe Senator Kerry owes an apology to many thousands of Americans serving in Iraq, who answered their country's call."

During an appearance on Fox News' Hannity and Colmes (10/31), McCain restated his point, "I hope that Senator Kerry will apologize quickly so that we can get this issue behind us. … I hope that there are some Democrats who are contacting Senator Kerry and telling him to do the right thing. … I have misspoken and I have made bad jokes, but I have apologized and Americans are very forgiving, I'm happy to say, and I have been able to move on. … I hope he apologizes, if he does I will accept his apology." Later in the interview McCain noted, "After [Kerry] got out of the Navy in the Vietnam War he repeated some terrible allegations before the Senate Foreign Relations Committee about beheadings and rapes and disembowelments and things like that that were very harmful to the men and women who were then serving in the military."

The AP (11/1, Loven) quotes House Speaker Dennis Hastert saying, "Our soldiers risk their lives in the face of grave dangers on the battlefield, and no one who chooses to courageously and selflessly defend our country can be considered 'uneducated.'" The Boston Globe (11/1, Ryan, 425K) notes GOP Gov. Mitt Romney also called on Kerry to apologize. Said Romney, "Senator Kerry owes an apology to the thousands of men and women serving in Iraq, particularly the many patriotic soldiers from Massachusetts who come from all backgrounds to defend our freedoms."

NBC Nightly News (10/31, lead story, 3:40, O'Donnell, 9.87M) reported, "Kerry's first response blamed assorted right-wing nut-jobs for distorting his intent. Followed by a defense on camera." Kerry was shown saying, "My statement yesterday and the White House knows this full well was a botched joke about the President." NBC added, "Stressing his pride as commander in chief, the President used his former opponent's words as a new political tool in an already divisive party battle over Iraq." Bush was shown saying, "The members of the United States military are plenty smart and they are plenty brave and the Senator from Massachusetts owes them an apology."

The CBS Evening News (10/31, lead story, 2:30, Axelrod, 7.66M), in a similar report, said Kerry "signaled Republicans would not 'swift boat' him again." Kerry was shown saying, "I'm not going to give them one ounce of daylight to spread one of their lies and to play this game ever, ever again. That is a lesson I learned deep and hard." The CBS Evening News (10/31, story 6, 0:15, Couric, 7.66M) later

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interviewed Nicolle Wallace, former communications director for the current Bush Administration. Asked why "the White House would love to have John Kerry on TV every day from now until election day," Wallace said, "First of all, he didn't apologize, which is inexplicable. Second, he embodies everything the Democrats have been trying to erase about what voters think about them and national security. So for him to have popped back up and reminded voters that he is someone who really doesn't stand with the military, in their view, and who can't apologize when he says something that is so obviously a gaff is a reminder the Republicans welcome."

The Financial Times (11/1, Luce, Daniel) says the GOP "gained a late burst of energy in its flagging midterm election campaign" following Kerry's remarks. Republican "strategists, who have been watching helplessly as opinion polls have turned against them in the last six weeks, on Tuesday drew renewed purpose from a gaffe that many believe could help motivate the party's demoralised supporters to turn out to vote at the polls next Tuesday." But Democrats are predicting the controversy will have no lingering political effects. The Washington Post (11/1, A8, VandeHei, Cillizza, 748K) reports, "The unusual back-and-forth that has little to do with the 2006 midterm elections comes as Democrats are planning to end the campaign by bashing Bush and GOP candidates for supporting the US war policy. A senior Democratic strategist said the party will run Iraq-focused ads in at least 15 of the most competitive House races between now and Election Day." The strategist, "who would not discuss internal strategy on the record, said the Kerry comments are an unnecessary distraction but would soon be forgotten."

USA Today (11/1, Jackson, 2.27M) notes "the dust-up came a day after Rep. Charles Rangel called Vice President Dick Cheney 'a son of a bitch' for saying the New York Democrat doesn't know how the economy works. Stephen Wayne, a government professor at Georgetown University, said the barbs foreshadow 'two years of strident, partisan rhetoric' regardless of who controls Congress after Nov. 7." USA Today adds, "Polls show Democrats are in a position to win control of the House of Representatives and possibly even the Senate." The Los Angeles Times (11/1, Brownstein, Gerstenzang, 918K) says Democrats "remain confident that they are on track to win the 15 seats they need to control the House. But again, Republicans -- while expecting to lose seats -- predict their organizational prowess will help them hang onto a majority in the chamber."

The Wall Street Journal (11/1, A4, Dreazen, 2.03M) says Iraq "is a vexing issue for both parties, and Democrats are struggling with the war. Leading figures within the party have failed to coalesce around a single strategy for reducing the violence there, and Democratic leaders have offered diverging strategies for Iraq that range from beginning a troop withdrawal before the end of the year to splitting the country into three ethnic regions." Democrats also "are struggling to find a way of criticizing the administration's handling of Iraq without appearing to denigrate the U.S. military personnel serving there." But Republicans "are facing the bigger problem, as Iraq dominates the public mood before Election Day. The latest Wall Street Journal/NBC News poll found 37% of registered voters believe the war has been worth its financial and human cost, the lowest level recorded to date in the survey. The poll found that anger over the war in Iraq continues to be the biggest single issue bringing voters to the polls."

Bush's Light Schedule Today Reportedly Making Democrats Uneasy. The Wall Street Journal web-exclusive "Washington Wire" column (10/1, Dreazen) reports President Bush "will hold no public events of any kind on Wednesday, an exceptionally light schedule this close to next Tuesday's midterm elections. That sparked questions about whether Bush has a 'November surprise' in store. This is, after all, a president who has twice managed to sneak away to Iraq. At the White House morning briefing, a reporter observed that the light schedule made it sound 'like something is cooking there.' Spokesman Tony Snow replied, 'No, not really.' That left some Democratic political operatives wondering just what Bush and his political guru, Karl Rove, might be up to." However, "Snow is keeping on his poker face. Bush has 'some meetings with senior advisers and a Rush Limbaugh interview,' Snow said in an email. 'No blockbusters.'"

Kerry Withdraws From Minnesota Event, Is Asked Not To Campaign In Iowa. The Mankato (MN) Free Press (11/1) reports, "The dueling rallies scheduled for Mankato today on behalf of Republican congressman Gil Gutknecht" featuring Sen. John McCain, "and Democratic challenger Tim Walz lost some of their pizzaz Tuesday night when Sen. John Kerry pulled out of the Democratic rally." Kerry withdrew from the rally, "which will still be held, as the result of a controversy over comments he made Monday in California." The Free Press adds, "Walz communication director Meredith Salsbery said Kerry canceled his visit to keep the

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focus on the issues and away from Kerry's comments and McCain's response."

Meanwhile, the Quad City Times (10/11) reports "Democratic congressional candidate Bruce Braley has asked…Kerry not to campaign with him Thursday in the Quad-Cities as planned, citing the flap between the White House and the senator over his remarks concerning Iraq." Jeff Giertz, a campaign spokesman, "said Braley cancelled their appearance Tuesday afternoon. 'He's not condoning the partisan bickering,' Giertz said of Braley, a lawyer from Waterloo who is running against Bettendorf businessman Mike Whalen for Iowa's 1st District Congressional seat. "

Moreover, says the Financial Times (11/1, Luce, Daniel), "some Democrats suggested Mr Kerry's remarks would almost certainly damage his presidential hopes."

O'Reilly Defends Kerry. Bill O'Reilly, host of Fox News' The O'Reilly Factor (10/31) said, "I don't believe that John Kerry meant to demean any American military member, I just don't, and I think that fair-minded people know that would be political suicide for the senator and he wouldn't do it. But his choice of words and his delivery of that statement has now…given the Republicans a huge, huge campaign club." O'Reilly added, "This is a huge, huge development in an election that is just one week away, because the Republicans by all of the polls were on the ropes. And now by his statement, and, again, I don't think that John Kerry had any idea what was going to happen, he's basically pulled the GOP off of the defensive, and given them momentum."

More Commentary On Kerry. Editorial pages generally considered conservative this morning criticized Kerry. The Wall Street Journal (11/1, 2.03M) editorializes on Kerry, "whose cultural condescension keeps on giving. … We didn't always do our homework, but it's hard to come to any conclusion other than that Mr. Kerry was saying that only fools and knaves, not patriots, end up fighting in Iraq." The Journal adds, "For reasons clear only to himself, Mr. Kerry has been acting as if he intends to run for the White House again in 2008. Apparently he thinks he can win. We've long thought that Democratic donors would soon enough convince him otherwise, but his behavior this week may speed up the reckoning. Congratulations, Senator Clinton; another competitor bites the dust."

The Washington Times (11/1, 88K) says in its editorial, "We understand that Mr. Kerry's primary aim on Monday was to bomb the White House to get at the commander in chief. The troops were an afterthought. Which, come to think of it, is the point -- just as it was in the 1970s, when Mr. Kerry made a career of smearing American troops as killers on his return from Vietnam."

Democrats Confidently Predicting House Majority. The AP (11/1, Espo) reports Democrats are "beginning to predict confidently if quietly that they will win control of the House in next week's elections, and possibly emerge with a relatively robust majority." Democratic fundraising is "running significantly stronger than two years ago, $104.5 million through Oct. 18. That represents an increase of more than 30 percent, and has allowed Democrats to launch late-campaign television advertising in several districts in recent days in an attempt to maximize their gains on Election Day." Still, House Minority Leader Nancy Pelosi and Democratic Congressional Campaign Committee Chairman Rahm "have told aides to avoid predictions of victory before the votes are counted." Republicans, too, "say that with a week of campaigning to go, Democrats are ill-advised to celebrate. They note than an extraordinary number of races remain very close, and that their GOP get-out-the-vote operation will help pull enough of their candidates to victory to preserve their majority." Karin Johanson, executive director of the DCCC, "told one group last week that Democrats felt confident they had locked up 10 of the 15 seats they need to prevail, according to participants in the meeting who spoke on condition of anonymity." But "other officials and strategists with long experience in congressional campaigns have turned far more bullish about Democratic chances, and party strategists say no more than two of the party's incumbents who are seeking new terms are in jeopardy of defeat."

House Republicans Scale Back Ads In Three Key Races As Democrats Expand Field. The AP (11/1, Espo) reports, "Signaling retreat, House Republicans are scaling back television advertising in three highly contested races, officials said Tuesday, including Rep. Curt Weldon's scandal-tinged bid for re-election in Pennsylvania and open seats in Colorado and Ohio." Some of the funds "will be spent to help other Republicans in races that remain competitive." In contrast "to the Republican strategic retreat, House Democrats are expanding the number of districts where they are advertising, an indication of growing confidence as Election Day approaches. In recent days, the party's campaign committee has moved into districts in New Hampshire, New York, Kansas and Nebraska that have long

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been in GOP hands." Meanwhile, in the campaign for the Senate, "Republicans moved during the day to fortify their position. The National Republican Senatorial Committee reported it would spend an additional $1 million in the campaign's final days to help Virginia Sen. George Allen in a re-election race that has become far tougher than originally expected." Senate Republicans also "decided to advertise on behalf of embattled Sen. Conrad Burns in Montana for the first time since August, and beefed up its support for Sen. Lincoln Chafee, trailing in the polls in Rhode Island."

"Security Moms" Seen As Defecting From GOP. The CBS Evening News (10/31, story 7, 2:55, Couric, 7.66M) reported, "Talk about political power. Two years ago, soccer moms morphed into security moms, the threat of terrorism driving them to the polls, and they helped swing election for President Bush and the Republicans. Well, what about this year?" CBS (Cowan) added, "In 2004 it was women like April Thacker who helped give Republicans the edge. They voted for Bush over Kerry by a 20-point margin. But if Republicans were hoping to get that kind of turnout for women voters this time around, they may be going against the current. According to a new CBS News/New York Times poll, over a third of women voters here say they plan to vote Republican in the state's tough Senate race this year. Half of them say they'll vote Democrat instead." Almost "half the women voters surveyed here don't like the way the President has handled terrorism. As for the war in Iraq, 57% think the troops should start coming home."

Liberal Activists Contributing To Moderate Democrats In Hopes Of Boosting Majority. USA Today (11/1, Lawrence, 2.27M) reports Democratic candidates "who oppose abortion, gun control and gay rights have some unusual allies this year: liberal online activists desperate for their party to win control of Congress." Putting aside "their own preferences, the Internet activists are promoting and raising money for moderates in swing districts across the country. Many of the candidates have military, business or law enforcement backgrounds. Some, such as Virginia Senate candidate Jim Webb and House hopeful Eric Massa of New York, are former Republicans." As of Tuesday, "online activists had contributed some $826,000 to Webb, a former Navy secretary, via ActBlue.com, a clearinghouse that has raised $16 million for scores of Democrats. Massa had $377,000." President Bush's "unpopularity, the Iraq war and congressional scandals are making it easier than usual for Democrats to bury their differences for now. The moderate makeup of contested states and congressional districts also helps."

WSJournal/NBC Poll Shows Democrats With 15-Point Generic Advantage. The Wall Street Journal (11/1, A1, 2.03M) reports, "A week before Election Day, a new poll shows President Bush getting better marks for his handling of the economy -- an issue Republicans are emphasizing in the run-up to Tuesday's vote -- but voters' anxieties about Iraq continue to dominate their concerns. The latest Wall Street Journal/NBC News poll shows Mr. Bush, buoyed by a rising stock market and falling gasoline prices, essentially breaking even on the economy, with 46% of voters approving his stewardship and 48% disapproving. That's a gain from 39% approval and 56% disapproval in June." But "as Mr. Bush's party fights to retain control of both houses of Congress, the violence in Baghdad in recent weeks has further darkened Americans' mood about Iraq -- the issue voters say is most important in their election decision-making. The result: Voters want Democrats, rather than Republicans, to control Congress by 52% to 37%, a 15-point margin. The spread matches the widest ever recorded on this question in a Journal/NBC poll."

Morris Says GOP Turnout Can Stem Democratic Tide. Dick Morris writes in The Hill (11/1), "Can the Republicans win control of Congress? They can if they want to. It is up to the vaunted GOP base. According to the Zogby poll, Republican fortunes, while improving in early October, have fallen since. On Sept. 22, Democrats led in the generic vote poll (Do you plan to vote for the Democratic or the Republican candidate in your district?) by nine points, 42-33. But by Oct. 11, their margin was only three -- 37-34. But by Oct. 24 it was back up to 11 points -- 44-33 -- enough for the Democrats to take control of the House and probably the Senate." But "if you dig deep into the Zogby poll, you find an astonishing fact -- independents are turning to the Republican Party while Republican base voters are leaving it!" Morris adds "voters in swing states are saying: 'I want the Democrats to win, just not the guy running in my district.' It is still too early to tell if the national Democratic trend will assert itself in the end or whether the Republicans can pull out the swing districts. But the key will be whether the GOP base itself genuinely wants a Republican Congress or not."

Bush Seen As A "Liability" To Republicans In Many Parts Of Country. The Washington Post

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(11/1, A1, Balz, 748K) reports, "His name is not on any ballot this fall, but George W. Bush is the central issue of campaign 2006. Tuesday's vote will deliver a referendum on six years of Bush's leadership -- bold and principled or radically divisive, depending on one's political ideology -- and the wartime policies he has championed." Other issues "may come into play, congressional scandals and performance among them, but in the end, next week's verdict will be remembered for what it says about this president. With Bush's approval ratings hovering just below 40 percent, Republicans are braced for big losses." GOP strategists "know well that no political party has successfully weathered a midterm election with such an unpopular president in office. Bush's challenge as he campaigns in the final days of the election is to find a way to excite and mobilize a fractured Republican base without triggering an even bigger turnout among Democrats and Democratic-leaning independents that could cost his party the House or Senate." The "politician who has done more than anyone else over the past decade to build and expand the Republican Party has become a liability to Republicans in many parts of the country." In "strongly Republican areas, he said, the president can still rally the party's base, but in more marginal districts, Bush is a drag on GOP candidates."

GOP Outreach Notwithstanding, Bush Approval Among Black Voters Lags. The AP (11/1, Benac) reports, "So much for the Republican charm offensive toward minorities. Black voters are far less likely to approve of the way President Bush is doing his job than voters generally and they are more likely to feel that the country is on the wrong track, disheartening news for a Republican Party that has been trying to curry favor with minority voters in recent years." In what "could be a particularly bad sign for Republicans in next week's midterm elections, black voters also are more likely to say that the Iraq war was a mistake and that recent disclosures of scandal and corruption in Congress will be very important to their vote, according to an Associated Press-AOL Black Voices poll conducted Oct. 23 through Monday." But while black voters "say Republicans have done a poor job of representing their interests, they also have misgivings about the Democratic Party. Almost half of black voters said the Democratic Party takes their vote for granted; about a third said the party has done a poor job of representing their interests." The AP-AOL Black Voices poll "of 900 black adults, 361 of whom are likely voters, was conducted by Ipsos. The margin of error for the full sample is plus or minus 3.5 percentage points, 5 percentage points for the black likely voters." Blacks are "disproportionately unhappy with Bush, 89 percent of likely voters disapprove, compared with 61 percent of all likely voters." But blacks' "approval ratings for Congress — disapproval ratings, actually — are roughly similar to those for all likely voters. Some 83 percent of likely black voters disapprove of the way Congress is doing its job, compared with 75 percent of all likely voters."

LATimes Accuses Bush Of Resorting To "Fear-Mongering." The Los Angeles Times (11/1, 918K) editorializes, "As the 2006 campaign draws to a merciful close, the only idea national Republicans seem to have left is that, when in doubt, accuse Democrats of being a bunch of terrorist-loving wimps. But as the boy who cried wolf learned the hard way, fear-mongering has its diminishing returns. … President Bush, meanwhile, is also getting into the fear-mongering. 'The Democrat approach,' he said this week on the stump in Georgia, 'comes down to this: The terrorists win and America loses. And that's what's at stake in this election.' This is why much of the world considers our president a caricature figure — because on occasion he acts like one."

PAC Contributions Flowing To Ranking House Democrats, Not Challengers. The Hill (11/1, Bolton) reports political action committees "representing business interests have boosted their donations to House Democrats in recent weeks, but a significant chunk of that money has not gone to Democratic candidates." Instead, the money "has languished in the accounts of safe incumbents who have given little, or nothing at all, to Democratic candidates in the months leading up to Election Day." The "behind-the-scenes financial maneuvers have come to light in recent days with the filing of reports at the Federal Election Commission (FEC) disclosing fundraising activities through Oct. 18." The new reports "show that Democrats who are poised to become influential committee chairmen if they win control of the House have reaped hundreds of thousands of dollars in political action committee (PAC) contributions over the past several weeks." The "flow of funds, most of it from business interests, who tend to give most of their contributions though PACs, is significantly higher than two years ago when Democrats were viewed as having a slim chance of capturing the House."

Democratic Lobbyists Enjoy Revival In Washington. The Hill (11/1, Snyder) reports while the "election is still six days away, the strength Democratic

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candidates have shown has already produced one shift in Washington: Democratic lobbyists, once marginalized, are seeing a resurgence in their popularity." Patrick Murphy, a lobbyist who has been an active supporter of Democrats, said, "We've had more detailed conversations in the last month than we have had all year." Murphy "joined Capitol Management in July and has been aggressively marketing his ties to Democrats ever since." The Hill adds lobbyists "close to House Democrats in particular are stressing their ties. Not many lobbyists bothered with House Democrats, they say, because the caucus faced a disciplined Republican majority and had little ability to affect the course of House votes. Now those ties could produce new business." But as they "work to market themselves by stressing those ties, Democrats on K Street are also careful to strike a cautionary tone."

Republican Lawmakers Face Pressure To Change Leadership After Midterms. The Hill (11/1, Crabtree) reports, "Win or lose next week, the GOP needs some serious soul-searching, according to several rank-and-file House Republicans who already are arguing in favor of a post-Election Day leadership shake-up." Some GOP lawmakers "believe that change — be it in policy, process, or leadership matters — as soon as possible is the only way House Republicans can climb out of the rut they've been stuck in this cycle." Rep. Jeff Flake said, "If we lose the majority, I think it ought to be a clean sweep — a fresh start." Flake "worries that if the GOP keeps even a fragile hold on its majority, the conference will stick with the same leadership course with only minor changes. This, in turn, will mean continuing to put too much emphasis on trying to keep the majority by handing out earmarks to vulnerable members and special favors to certain groups instead of standing for principles such as fiscal restraint." The Hill adds that even "GOP lawmakers reluctant to discuss anything past Nov. 7 are preparing for a leadership scramble next week."

Democrats Hope To Beat Northup In Kentucky's Third CD. The AP (11/1, Lovan) reports Democrats have "been targeting Republican Rep. Anne Northup for a decade to no avail, but that hasn't stopped them from betting once again that her political luck is about to run out." Northup, "a five-term incumbent, has a lot of advantages, including a prized seat on the House Appropriations Committee. She has raised twice as much money as her Democratic opponent." But her "ties to President Bush, mounting casualties in Iraq and her district's penchant for leaning Democrat has made the race against Louisville businessman John Yarmuth a virtual toss-up." A "recent Bluegrass Poll by The Courier-Journal of Louisville showed Northup was favored 48 percent to 42 percent for Yarmuth, but that falls within the poll's margin of error of plus or minus 4 percentage points." The Democratic Congressional Campaign Committee "began running a television ad critical of Northup on Monday night in the district. The 30-second spot is the first ad the DCCC has run in the district during the campaign, said DCCC spokeswoman Adrienne Elrod."

Parties Have Lavished Resources On Unexpectedly Competitive WA8 Race. USA Today (11/1, Ritter, 2.27M) reports, "By all rights, Republican Rep. Dave Reichert shouldn't be having such a tough time winning a second term. … He represents a district that has never elected a Democrat. His opponent has never held public office, while he's a 30-year public servant." However, "Reichert's race against Democrat Darcy Burner, a former Microsoft manager, is rated a tossup and considered a key race if Democrats are to regain control of the House. A poll Oct 24-26 by Constituent Dynamics, an independent research firm, had Burner leading 49% to 47%. Heavy hitters from both parties — including President Bush, Vice President Cheney and Democratic Sens. John Kerry and Barack Obama — have stumped this fast-growing, affluent suburban region. … The national parties have funneled in gobs of money: $1.5 million from the Republicans and nearly $900,000 from the Democrats has been spent so far. The candidates themselves have raised a combined $5.1 million."

Democrat In NE3 Getting Support From National Party. The New York Times (11/1, Zeleny, 1.21M) reports, "This year, open seats have become dangerous territory for Republicans. Only months ago, Scott Kleeb, left, a 31-year-old cattle rancher who is running in Nebraska's Third Congressional District, where voters have not sent a Democrat to the House since 1958, could barely get an audience with Democratic leaders. This week, after a poll showed Mr. Kleeb with a slight edge, the party sent $100,000 his way."

Wilson Hopeful Duck Prop Heralds Revival. The Hill (11/1, Hearn) reports it is "a sign of the times for Republicans that the political survival of Rep. Heather Wilson

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(R-N.M.), a five-term incumbent and straight-laced U.S. Naval Academy graduate, may now depend on a woman in a duck suit." Wilson "trotted out this campaign prop last week to bring attention to her Democratic rival Patricia Madrid's 'ducking' of debates. The unabashed tactic was a page from a challenger's playbook — an easy ploy to draw media attention to a flagging campaign — and it underscored Wilson's position as the underdog in the polls." New Mexican blogger Joe Monahan said, "You don't need to know the latest insider tracking polls to know that … Heather Wilson is having trouble closing out her race with rival Patricia Madrid. You just have to know about the duck." The Hill adds that by Saturday, "however, the duck was earning its keep in media stardom. A Madrid supporter had allegedly stomped on its webbed foot in a tussle outside a Democratic rally, prompting a call to police." The Wilson campaign "speedily distributed the video to news organizations, drawing attention away from the rally with House Minority Leader Nancy Pelosi (D-Calif.) and Los Angeles Mayor Antonio Villaraigosa (D). The duck appeared on crutches with mock bandages a day later." The Hill ads the "avian performance, coupled with ads highlighting Madrid's gaffe in the candidates' one televised debate, are the incumbent's last-ditch maneuvers to stave off an impending Democratic wave." The "last six independent polls in the race have shown Wilson tied with and then trailing Madrid, the state attorney general, marking the first time the perennially vulnerable incumbent has been behind her challenger."

GOP Candidates Not Touting Medicare Prescription Drug Program. The Hill (11/1, Young) reports Republican lawmakers "looking to change the subject from unfavorable issues such as the war in Iraq have by and large avoided claiming credit for what the White House views as one of the GOP majority's signature domestic-policy accomplishments: the Medicare prescription-drug benefit." President Bush "and congressional leaders such as House Majority Leader John Boehner (Ohio) and Senate Majority Leader Bill Frist (Tenn.) have urged GOP incumbents to shift the electoral debate toward matters that they say demonstrate the effectiveness of Republican-controlled government." But few GOP candidates "have actively highlighted their support for Part D, which has been under constant Democratic fire. House Minority Leader Nancy Pelosi (Calif.) has vowed to begin the process of altering the program within the first 100 hours of the next Congress if her party takes control of the House." Democrats have "maintained their drumbeat of criticism of Part D — frequently referring to it as a 'disaster' — even as the program appears to have stabilized from significant logistical problems during its rollout in January." The program "has proved popular with those beneficiaries who have joined the Part D program, according to numerous opinion polls. J.D. Power and Associates released survey findings in September showing 75 percent of Part D enrollees were satisfied with their benefits."

Democrats Find Fertile Ground In Mountain West. The New York Times (11/1, Hulse, 1.21M) reports that in Colorado's 7th CD, Democrat Ed Perlmutter "is probably unlikely to relax in the final days of his closely watched race with Rick O'Donnell, his Republican opponent, as the two kick their sophisticated get-out-the-vote machines into high gear. But Mr. Perlmutter and fellow Democrats in Colorado and neighboring states believe that unaffiliated voters" are "the key to what could be a turnaround in the party's political fortunes in the region." Despite a "Republican edge in registration, Democrats are discovering the Mountain West — and Colorado in particular — to be a new political frontier as the party benefits from a potent mix of changing demographics, anger over the war in Iraq, resentment toward conservative social initiatives and millions of dollars' worth of advocacy advertising." Republicans "acknowledge that the political terrain is shifting along the Continental Divide but argue that any realignment will be temporary and due to the Iraq war more than any other factor." If the "trend holds, Democrats could be in for a big day next Tuesday. The Democratic candidate for governor, Bill Ritter, is leading in his race against Bob Beauprez, a Republican congressman. If Democrats can retain control of the State House and Senate, which they gained in the 2004 elections, they would have total control of the state government for the first time since the early 1960s."

Democrats Expected To Make Gains In Former GOP Strongholds. In his Washington Post column (11/1), Harold Meyerson says, "Most of the House seats that the Democrats are expected to take from Republicans are in the Northeast and industrial Midwest, heartland of the old Republican Party of Lincoln, McKinley and Eisenhower. Many of the Republicans holding these seats are a distinct minority in a party now dominated by Southerners who are more supportive of executive branch

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authoritarianism and yet also more government-phobic. And the Republican moderates, judging by their own comments, are boiling mad that the Democrats are going after them." But "we all remember how moderate Republicans stopped the conservatives who control their party from going after moderate Democrats in previous elections, right?" It was "precisely the Republicans' success at defeating the centrist and center-right Democrats in the South over the past two decades that has driven the GOP steadily rightward. And for all their protestations of moderation, the northern Republicans -- from Susan Collins to Lincoln Chafee to Rep. Chris Shays -- abetted that transformation."

GOP Will Not Commit To Power-Sharing Agreement In The Event Of A 50-50 Senate. The New York Times (11/1, Zernike, 1.21M) reports, "With polls nail-bitingly close, one possible result is that the Senate will divide 50-50 between the two parties. For a hint of how that may work, consider the only time that has happened, for six months in 2001…when the two parties worked out a collegial power-sharing agreement. Republicans maintained control of the Senate because Vice President Dick Cheney had the power to break tie votes. … Could it happen again? Democrats admit they have considered the possibility, 'What was done in 2001 should serve as a useful framework,' said Jim Manley, a spokesman for the Democratic leader, Senator Harry Reid. Not so fast, the Republicans say. They do not want to be seen even considering the idea of losing control, so much so that a senior Republican aide would speak only anonymously. 'If the Senate were ever to return to that ratio,' the aide said, 'the previous agreement is not precedent.'

Senate Republicans Reportedly Pleased With New Polling Data. The Washington Times (11/1, Hallow, 88K) reports, "Race-by-race surveys of Senate contests by pollster Scott Rasmussen show that Republican-leaning voters may be 'coming home' in closely watched states like Tennessee and Missouri, while the GOP is poised for a potential upset in Maryland. … Republicans have also hoped to pick up a Democratic seat in New Jersey. However, six different major polls since Oct. 10 show Republican Tom Kean Jr. trailing Sen. Robert Menendez by as many as 6 percentage points in a state where institutional advantages favor the Democratic incumbent." The Times adds, "Perhaps the most encouraging recent development for Senate Republicans has been the comeback by Missouri Sen. Jim Talent, who some polls had shown trailing by as much as 9 percentage points to Democratic challenger Claire McCaskill just three weeks ago. The most recent polls indicate the Missouri contest is a dead heat. … However, Republicans have become concerned as recent polls show Sen. George Allen losing ground in Virginia. A Rasmussen poll released yesterday showed Mr. Allen with 46 percent to 51 percent for Democrat James H. Webb Jr."

Poll Shows Corker Leading Ford 52%-44%. USA Today (11/1, 2.27M) reports, "Tennessee Republican Senate nominee Bob Corker led Democrat Harold Ford by 8 percentage points in a race that could determine who controls the Senate, according to a poll released Tuesday. The survey of 541 likely voters conducted by Opinion Research for CNN showed former Chattanooga mayor Corker favored by 52%, compared with 44% for U.S. Rep. Ford. The error margin is +/-4 percentage points." Previous polls "had them neck-and-neck for Sen. Bill Frist's seat."

Santorum Down 15 Points In New Poll. The Pittsburgh Tribune-Review (11/1, Brown, Burnstead) reports, "Democrat Bob Casey has opened up a 15-point lead over Republican U.S. Sen. Rick Santorum -- more than double the lead the challenger held in September -- according to a Pittsburgh Tribune-Review/WTAE-TV Keystone poll released today." Casey "leads Santorum 53 percent to 38 percent, with 9 percent undecided, according to the telephone poll of 626 registered voters conducted over five days ending Sunday. The poll has a margin of error of plus or minus 3.9 percentage points."

Santorum Calls Casey's Grasp Of National Defense Issues "Laughable." Santorum, during an appearance on Fox News' The O'Reilly Factor (10/31), said, "I've been giving speeches all over the state talking about the gathering storm of the 21st century and I believe that the threats that I've talked about from North Korea and Iran and the fascists there and Venezuela and others are the serious threats of our time. … I've even been critical of the administration for not being forthright and tough about these issues." Santorum said his opponent Bob Casey is "absolutely clueless as to what's facing this country. … It's almost laughable to look at the reaction that he has on these very complex and serious issues." Santorum added that if candidates like Casey are elected "we'll be in a world of hurt in a very short period of time"

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Liberal Blogger Heckles Allen, Accuses Him Of Spitting On His Ex-Wife. The AP (11/1, Lewis) reports a "heckler who confronted Sen. George Allen at a campaign appearance Tuesday was put in a chokehold and slammed to the floor by three of the Republican's supporters in an incident captured on video." Mike Stark, "a liberal blogger and first-year University of Virginia law student, approached Allen at an event in Charlottesville, loudly asking, 'Why did you spit at your first wife, George?' according to witnesses." Three men, "all wearing blue Allen lapel stickers, immediately grabbed Stark, dragged him backward and slung him to the carpet outside a hotel meeting room, according to video captured by WVIR-TV in Charlottesville."

Fox News' Special Report (10/31, Hume) reported, "In Virginia, an Opinion Research poll puts Democrat Jim Webb now in the lead by four points over republican incumbent Senator George Allen, that's in the margin of error, but barely. And speaking of that Virginia race, in Charlottesville, a heckler loudly accused Senator Allen of spitting at his former wife, three supporters not with the Allen campaign dragged out the man, a liberal blogger named Mike Stark and then wrestled him to the floor." Fox News' footage of the incident can be accessed by clicking on the link at the top of this story.

The Washington Post (11/1, Shear, Craig, 748K) reports the "widely disseminated video of the incident" shows the "Democratic activist who verbally confronted U.S. Sen. George Allen at a campaign rally in Charlottesville…shoved, put into a headlock and thrown against a window by three men wearing Allen stickers." Stark "yelled a question at Allen (R) about whether he had ever spit on his first wife, an unsubstantiated charge that has been circulating on liberal blogs on the Internet. Allen supporters hauled him away from the senator as television cameras rolled." In an email, Stark said, "I demand that Senator Allen fire the staffers who beat up a constituent attempting to use his constitutional right to petition his government." The Post adds Charlottesville Police Lt. Gary Pleasants "said Stark reported the incident yesterday and indicated that he wanted to press assault charges against the men. Pleasants said police are investigating and trying to determine the names of the Allen staffers involved." Allen aides "accused Democrats and the Webb campaign of orchestrating the event as a way of getting news organizations to write about the Internet rumor."

The Charlottesville Daily Progress (11/1, Gibson) reports Allen "ignored the question and shrugged off the incident." Allen said, "That guy's typical of the Webb campaign, and that's just their negativity." The Daily Progress added Stark, "a liberal blogger who confronted Allen two months ago at a Staunton hotel with questions about racial insensitivity, said he is not associated with any campaign." One of the men "who pushed Stark away from Allen, former Albemarle County GOP Chairman John Darden, said he was simply trying to protect Allen and Dole and stood between the law student and the senators not knowing what Stark's intentions might be." Allen's former wife, Anne Waddell, "later issued a statement calling Stark's question 'a baseless, cheap shot.' She said that she and Allen divorced more than 22 years ago and sealed the divorce records because it was a personal matter."

Marriage Amendment May Backfire On Allen, Bring Black Webb Supporters To Polls. The Washington Times (11/1, Bellantoni, 88K) reports the Virginia state constitutional marriage amendment "designed to motivate conservative voters and help Virginia Sen. George Allen's re-election campaign appears to be backfiring, at least among black voters." Allen "probably will benefit from evangelical Christians voting for the amendment. But, the amendment also will drive turnout among the state's black voters, many of whom are questioning whether Mr. Allen is racially insensitive and deserves a second term." Virginia's black voters "support the amendment, which defines marriage as the union of one man and one woman, by more than 60 percent, according to most polls. They also overwhelmingly favor Mr. Allen's Democratic challenger James H. Webb Jr."

Black Vote Seen As Key For Webb. The Washington Post (11/1, B1, Jenkins, 748K) reports whether Webb, "a former Republican and Navy secretary in the Reagan administration, will be able to energize loyal Democratic voters…will be critical in determining who wins one of the tightest Senate races in the country." African Americans, "who make up about 20 percent of Virginia's electorate, vote reliably for Democrats and are key to their success in the Republican-dominated state. But Webb has struggled to gain their support because of questions about whether he used a racial epithet to describe blacks when he was younger and because of his stance on affirmative action, which he once called 'state-sponsored racism.'" Allen has "had his own problems with black voters, dating to his days as a state delegate." But he has "tried to mend fences with the state's black community, highlighting his support of black colleges and appearing at several important political events." A Washington Post poll "conducted last month showed that

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blacks were overwhelmingly supporting Webb: 81 percent of African Americans said they would vote for the Democrat, compared with 11 percent who said they'd vote for Allen. But the determining factor, political experts said, will be how many of those voters go to the polls on Election Day, given concerns about both candidates."

Virginia Senate Race Said To Remain Allen's To Lose. The Christian Science Monitor (11/1, Dillin, 58K) reports that although he was expected to easily win reelection in Virginia, Republican Sen. George Allen is "fighting for his survival. Political polls have seesawed. The latest Bloomberg/Los Angeles Times survey found Webb slightly ahead, 47 percent to 44 percent." But it "remains Allen's race to lose, however. Larry Sabato, director of the Center for Politics at the University of Virginia, explains that in federal elections in Virginia, 'Republicans almost always win the close races.'" The Monitor adds Republicans "hope so. Otherwise, this election could become part of a major shift in Washington. A Democratic victory here, combined with other states where Republicans are in deep trouble, could tip the balance in the Senate to the Democrats, and give President Bush a rough finish to his second term."

Allen's Campaign Travels Documented. The Washington Post (11/1, C1, Leahy, 748K) reports, "If tense campaigns demand that imperiled candidates, like card players, learn the art of the bluff, Allen has mastered the technique." While Presidents "have travel perks: Air Force One, helicopters, bulletproof limos that ride along cleared-out interstates," Allen "like any other senator in a reelection campaign, cruises like a road-weary salesman. There is nothing more instructive about the unglamorous nature of the midterm election process than to ride for a day in chase of the candidate's vehicle, which on this day would be racing south through Virginia, trying to put some space between the candidate and an increasingly formidable foe."

WPost Criticizes Allen For Trying To Make Issue Of Sex Scenes In Webb Books. In an editorial, the Washington Post (11/1, 748K) criticizes the Allen campaign for raising the fictional sex scenes in Webb's books, saying, "Now there's a pressing concern for Americans in 2006. Mr. Allen, a Republican whose campaign professes profound moral shock that actual sex should occur in fiction, has spent months trying to extract himself from his own 'macaca'-inspired tailspin. When all else failed -- including an Allen ad in which a woman accused Mr. Webb of misquoting her, although he never quoted her at all -- Mr. Allen apparently decided that what he needed was a sex scandal crafted to smear his rival and timed for the campaign's fourth quarter. Lacking such material in real life, he turned to Mr. Webb's novels, most of which concern the wartime experiences of soldiers and international intrigue."

Allen's Midterm Woes Likely To Boost Romney In 2008. In his Washington Post column (11/1), George Will says, "One Republican, who is not running for anything this year, will emerge from this bruising season with enlarged prospects. Massachusetts Gov. Mitt Romney's hopes for the 2008 Republican presidential nomination have been enhanced by Virginia Sen. George Allen's difficulties." Romney's "most formidable rival for the Republican nomination is John McCain, who needs a crowded field of Republican aspirants to prevent the conservative majority of the party's nominating electorate from quickly coalescing around a single candidate. Allen once seemed likely to compete with Romney for conservatives' support." But Allen, "who makes no secret of finding life as a senator tedious, is fighting ferociously for another term, a fate from which his Democratic opponent, Jim Webb, is close to rescuing him." Allen's "ragged campaign has made him seem accident-prone, and by Tuesday he probably will have burned through all the money he could raise. But to be competitive in the nomination contests that begin with the Iowa caucuses in January 2008, a candidate probably needs to have at least $60 million by December 2007. Allen would have to raise that amount in 60 weeks. A million dollars a week is a daunting challenge."

Cardin, Steele Focus On Prince George's County In Maryland Senate Race. The Washington Times (11/1, Miller, Ward, 88K) reports the "battle for Prince George's County voters is intensifying in the final days of Maryland's U.S. Senate race." Democrat Benjamin L. Cardin "will team up a second time with Sen. Barack Obama, the Senate's only black member, to woo voters in the mostly black and heavily Democratic county." Cardin is also "lining up last-minute endorsements in the county, including from Prince George's County Executive Jack B. Johnson, a black Democrat who could announce his support for Mr. Cardin as early as today, county officials said." Prominent black Democrats "in the county broke party ranks this week to support Lt. Gov. Michael S. Steele, the Republican nominee and the first black elected statewide in Maryland. The Democratic crossovers have accused party

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officials of repeatedly snubbing the black community and their county. " Steele, "who lives in Prince George's, will be campaigning alongside his crossover supporters, which include all five black members of the County Council and former county Executive Wayne K. Curry." The election "could hinge on how Prince George's 320,000 registered Democrats vote Tuesday."

Steele Seen As Gaining Momentum. The Los Angeles Times (11/1, Reynolds, 918K) reports that although the "political momentum appears to be with Democrats around the country, the trend is going the other way in one solidly blue state, where a Republican candidate is gaining on the favored Democrat in a contest with an unexpected racial twist." Once "trailing by more than 10 points, Steele narrowed the margin to where the race is now considered by some to be nearly a tossup. His recent gains reflect growing dissatisfaction among some blacks toward the state Democratic Party." On Monday, "a group of prominent African American Democrats from Prince George's County in the Washington suburbs crossed party lines to endorse the Republican." Racial tensions "in Maryland's Democratic Party have been brewing since earlier this year, when Cardin beat back a primary challenge from former congressman and NAACP leader Kweisi Mfume by a margin of 44% to 41%." Democratic leaders "say that Cardin won because he raised more money than Mfume. But Ronald Walters, a professor at the University of Maryland who studies African American politics, said the party leadership rallied early around Cardin, which hampered Mfume's ability to raise cash." Jennifer Duffy of the Cook Political Report "says that Steele's strong performance has been a surprise." Duffy said, "Steele is a lot better than expected. It's not that Cardin is a bad candidate; he's just a little dull."

National Parties Inundate Virginia, Maryland With Senate Ads. The Washington Post (11/1, A1, Shear, Mosk, 748K) reports TV viewers "in Virginia and Maryland are being inundated by a last-minute deluge of commercials from the U.S. Senate candidates and their national political party benefactors, who are pouring millions of dollars into the two states as the bitter fall campaign draws to a close." The "flood of money into the two states means that hardly anyone who watches TV in the next six days will be able to avoid seeing the candidates or their surrogates make a final plea for votes before Tuesday's election. In the Washington area media market, for example, even a casual TV viewer will see 42 campaign commercials for Republican George Allen or Democrat James Webb between now and Election Day, advertising specialists said." Political analyst Charlie Cook said, "Each side is dishing it out." Cook added that the "money pouring into Maryland and Virginia, especially from Democrats, is staggering. 'It's almost as though Chuck Schumer has a printing press in his basement.'" The Post adds that in Virginia, the Democratic Senatorial Campaign Committee "has bought $2.6 million worth of TV and radio spots that began airing yesterday, bringing its contributions on behalf of Webb to about $6 million. The GOP counterpart has spent $1 million on ads for Allen." In Maryland, the National Republican Senatorial Committee "contributed $400,000 yesterday to air 93 TV spots on behalf of Lt. Gov. Michael S. Steele (R) on stations in Baltimore and the Eastern Shore. Democrats have pumped $1.7 million into Maryland for U.S. Rep. Benjamin L. Cardin (D-Md.)." The "money from Washington, combined with the substantial cash raised by the Senate candidates, reflects how critical Virginia and Maryland are to the national political parties. A Steele victory in Maryland could doom hopes for Democratic control of the Senate. A victory by Webb in Virginia could be a disaster for the GOP."

Talent, McCaskill Work To Rally Base Supporters. The Hill (11/1, Kaplan) reports Sen. Jim Talent "has a studious, bookish reputation but his fight against state auditor Claire McCaskill (D) has been as down-and-dirty as others across the country." McCaskill's ads, "particularly her most recent and controversial one, have thrown Talent off-stride. Last Saturday during the first game of the World Series, the Democrat aired an advertisement on embryonic stem cell research with actor Michael J. Fox. With his symptoms of Parkinson's disease front and center, Fox endorsed McCaskill and criticized Talent, accusing him of opposing stem cell research." While sources "from both campaigns said the race would remain close in this traditional swing state, they acknowledged the negative attacks had driven up the candidates' disapproval and unfavorability ratings. A St. Louis Post-Dispatch poll showed the race tied with each candidate pulling in 47 percent of the vote." With "six days to go, both campaigns are ginning up support among their base voters. McCaskill began a campaign swing yesterday that will take her from St. Louis to Springfield to Kansas City. She plans to campaign for 24 hours straight starting Friday." On Monday, "Talent, Bond and

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Rep. Jo Ann Emerson (R-Mo.) made stops in five cities in southeastern Missouri. Senate Majority Leader Bill Frist (R-Tenn.) campaigned yesterday for Talent and President Bush will visit Springfield on Friday."

Snow Campaigns For Talent. Fox News' Special Report (10/31, Hume) reported Sen. Jim Talent "is getting help from the big guns, White House spokesman Tony Snow." Snow was shown saying, "Jim, you said you think you will win, but the difference between and you the president is that he knows you'll win."

Chafee Takes Shot At Reid's Ethics During Debate. The Hill (11/1, Schor) reports Sen. Lincoln Chafee (R-R.I.), "whose collegial personality has bolstered his appeal in an otherwise blue state, took an indirect shot at Senate Minority Leader Harry Reid (D-Nev.) during a debate Monday night with his Democratic opponent, state Attorney General Sheldon Whitehouse." When Whitehouse "blasted Chafee for failing to push for Defense Secretary Donald Rumsfeld's resignation in the wake of escalating chaos in Iraq, the incumbent — trailing his foe by as many as eight points in recent polls — asked Whitehouse why he has failed to question Reid's amended reports to the Senate ethics committee clarifying the details of a $1.1 million land deal." Whitehouse spokeswoman Alex Swartsel "did not address the Chafee camp's question directly, instead continuing to hammer the centrist Republican as a reliable vote for GOP leadership."

Swift Boat Contributor Behind Ad Tying Menendez To The Mafia. The New York Times (11/1, Mansnerus, 1.21M) reports a "much-criticized television advertisement that uses a mob character to impugn Senator Robert Menendez was financed by a Republican donor who has given more than $6 million this year to start ad campaigns attacking Democrats." Bob J. Perry, "a Houston home builder, gave $4.45 million in 2004 to the Swift Boat Veterans for Truth, an independent organization that attacked Senator John Kerry's Vietnam War record, damaging his presidential campaign and leading to protests about the tactics used by such outside groups." The "anti-Menendez ad was produced by one such group, the Free Enterprise Fund Committee, which said it received about $1 million from Mr. Perry. His role in the ad was reported on Tuesday in The Star-Ledger." In the "anti-Menendez ad, titled 'Politicos,' a stocky character with a leather jacket and a 'Sopranos' accent rasps into a cellphone: 'We got a problem. Our boy down in Washington, Bob Menendez, he's caught in a federal investigation. The feds start looking at these fixed contracts, and bada-bing, we're in it deep. … We need to get the bosses to fix this thing, like they did for Torricelli,' he says at the end of the ad."

Senate Democrats Give More To Party Committee Than GOP Counterparts. The Hill (11/1, Schor) reports more than "half of the members of the Senate Democratic caucus have tapped into campaign coffers for six-figure donations to their party committee, while only 15 Senate Republicans have given similar sums with only one week remaining and control of the chamber up for grabs." Democrats "digging deep to transfer unused campaign dollars stand to reap huge gains if they can net the six seats needed to take over the Senate. But even Democratic senators up for reelection and out of chairmanship contention made unrestricted transfers to the Democratic Senatorial Campaign Committee (DSCC) in October, leaving Republicans at a $6 million disadvantage in the hunt for member money." Senate Republicans "maintain that their majority will survive despite members' reluctance to give directly to the National Republican Senatorial Committee (NRSC) and some strategists' anxiety over spending shortfalls in key races. The NRSC made a million-dollar negative-ad buy yesterday in Virginia, where the DSCC reportedly is planning to double that number in a bid to vault Democrat Jim Webb over Sen. George Allen (R-Va.)." Only "one Democratic senator who is in line to chair a committee if the Senate changes hands, Appropriations ranking member Robert Byrd (D-W.Va.), has not given directly from his campaign to the DSCC." Despite the NRSC's "nearly $1 million deficit in cash on hand entering the final stretch of one of the most hard-fought midterms in years, some GOP senators have boosted their giving since the 2004 season."

Obama Drawing Huge Crowds As He Campaigns For Fellow Democrats. The New York Times (11/1, Kornblut, 1.21M) reports Sen. Barack Obama "has become the prize catch of the midterm campaign. More sought after than virtually every other Democrat, Mr. Obama was fully booked, long ago, on a schedule to take him across a large swath of the country to help his party try to win control of Congress. … Other prominent African-Americans are summoned to the Midwest

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to campaign in black churches (and that is on Mr. Obama's schedule, too, before the week is out). But Mr. Obama also traveled to Rochester, Minn., in a Congressional district that is more than 93 percent white, to campaign on Monday in front of a nearly all-white crowd." The Times notes, "The war in Iraq, which he opposed from the outset, is among the areas where he sounds most like the liberal wing of his party. In other ways, especially in tone and with regard to politics, he insists that neither party has a monopoly on good ideas and frequently declines to criticize President Bush as unfit.

Dowd Notes Conservatives' Comments Regarding Obama's Inexperience. The New York Times' Maureen Dowd (11/1) writes, "Many Republicans have been tut-tutting about the author of 'The Audacity of Hope' having the audacity to hope. 'I think people might want a little more experience than that, given the nature of the times we live in,' Dick Cheney told Sean Hannity. Charles Krauthammer wrote that, despite Senator Barack Obama's charms, he could not win in '08: 'The reason is Sept. 11, 2001. The country will simply not elect a novice in wartime.' But if there's one thing W.'s reign proves beyond a shadow of a doubt, it is this: Experience, like affectations, can be dangerous. Those who declaim on the need for Senator Obama to have more experience must forget who's running the country. It often seems that the most inexperienced person alive is George W. Bush — even after six years in office."

Clinton Endorses Plan For Withdrawal Of US Troops From Iraq. Fox News' Special Report (10/31, Hume) reported Sen. Hillary Clinton "firmly endorsed a plan, first introduced by Democrat congressman and war critic Jack Murtha, calling for US troops to start pulling out over the next two months." Clinton "said that the start of a US withdrawal would force Iraqi leaders to step up to the plate for their own security."

The AP (11/1) reports Clinton said Bush had pursued "a foreign policy that had produced 'a landscape of failure and disorder,' and she urged a return to diplomacy and negotiation in tackling the world's challenges." The New York Times (11/1, Santora, 1.21M) says Clinton "outlined a foreign policy that she said tried to blend 'realism' and 'idealism,' as opposed to what she said was the Bush administration's 'simplistic division of the world into good and evil.'"

Clinton Said To Be Rehearsing 2008 Themes During Campaign Stops. The Washington Post's David Ignatius (11/1) writes, "A day spent with" Sen. Hillary Clinton "on the campaign trail…illustrates the broad, bipartisan themes that have helped rebuild the party in Upstate New York. Her comments also signal the legislative strategy that Clinton hopes to pursue next year, when…Clinton herself will be the instant front-runner in the 2008 presidential race. … The issues Clinton stresses through the day are classic 'bridge to the future' themes articulated by Bill Clinton when he was president, but with a Hillary twist. She starts the morning brainstorming with local leaders on how to make Rochester a hub for 'green' alternative-energy technologies, building around a plant that makes fuel cells. Next, she meets with a health-care network and pitches a revival of her failed 1993 campaign to lower health costs and insure the uninsured. T hen it's a tour of a poor urban neighborhood being redeveloped with public-private partnerships of the sort the Clintons have long championed. Her last stop is a steel company where she talks about reviving American manufacturing."

Patrick Set To Become Only The Second Black Governor In US History. USA Today (11/1, Page, 2.27M) reports Massachusetts Democratic gubernatorial nominee Deval Patrick, "who is African-American…insist[s] color isn't a factor in this campaign. … Colorblind electorate or not, Patrick is likely to make history next week. The political neophyte, who led Republican Lt. Gov. Kerry Healey by 25 percentage points in a Boston Globe poll taken Oct. 22-25, is poised to become the first black governor of Massachusetts and only the second black ever elected governor in any state. He is one of a new generation of African-American politicians who are changing old assumptions about what offices black candidates can win."

Study Finds Networks' Stories Have Pronounced Pro-Democratic Slant. The Washington Times (11/1, Harper, 88K) reports, "The Big Three television networks have used unprecedented midterm election coverage to bash the Republican Party with negative stories, and plenty of them, a study says. Only 12 percent of election stories that aired on NBC, ABC or CBS were favorable toward Republican candidates, according to a study released yesterday by the District-based Center for Media and Public Affairs (CMPA). … The study found that 77 percent of the news accounts between Sept. 5 and Oct. 22 offered favorable evaluations of Democratic candidates and lawmakers."

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"Rookie" Anchors Prepare For Election Night Coverage. The Wall Street Journal (11/1, B1, Barnes, 2.03M) reports, "While NBC's Brian Williams, ABC's Charles Gibson and CBS's Katie Couric have all settled into their new roles as evening news anchors, Tuesday's midterm elections mark their inaugural efforts at presiding over prime-time election results. The stakes are high. Live coverage of national elections is a defining event for news organizations."

WSJournal Says AARP Position On Taxes Hurting Democrats. The Wall Street Journal (11/1, 2.03M) editorializes, "Social Security was supposed to be a killer issue for Democrats this election year after they defeated President Bush's reform plans in 2005. But suddenly the tables are turning on several Democratic candidates because of their endorsement of the tax-increase agenda of the American Association of Retired Persons, or AARP. The liberal entitlement lobby has asked candidates around the country to fill out a questionnaire asking, 'Will you support a balanced Social Security plan to continue the program's guaranteed benefits for future generations?' That may sound innocuous, but here's how AARP defines its balanced plan on its Web site near the above question: 'AARP believes that a bipartisan plan that balances additional contributions from high income workers with modest adjustments in future benefits can maintain guaranteed Social Security benefits for future generations.' … In Washington 'additional contributions' means a tax increase." Rep. Melissa Bean "now claims she never supported the tax increase she plainly endorsed in answering AARP's questionnaire. And AARP is helping her disavow her pledge by sending a letter to her district's AARP members."

Schumer, Bloomberg Say NYC Must Improve Corporate Climate. Sen. Charles E. Schumer and Mayor Michael R. Bloomberg, in an op-ed in the Wall Street Journal (11/1, A18, 2.03M) write that although recent "media chatter about the possibility of London taking over New York's position as the world's financial capital" have been "overblown," the city does run the risk of losing "its pre-eminence in the global financial-services sector" if its corporate climate is not improved. In spite of New York's advantages, the US has "been losing ground as the leader in capital formation," registering only one of the top 24 IPOs of 2005 to London's four. In light of these and other "warning signs," the city "has hired a consulting firm, which will issue a report in November identifying the specific variables that are negatively impacting our financial-services industry and recommending an action plan to correct them." Schumer and Bloomberg state that the firm's early work indicates that specific attention must be paid to "overregulation, frivolous litigation and incompatible accounting standards."

North Korea Agrees To Return To Six-Party Talks. The Wall Street Journal (11/1, A6, Ramstad, Baston, King, 2.03M) reports Pyongyang "agreed to return to nuclear-disarmament talks with its four neighbors and the US in a deal brokered by China. As part of the deal, the U.S. agreed to discuss its financial restrictions on the Pyongyang regime." The deal "relieves some of the tension that North Korea created after" its nuclear test, and "comes as countries around the world prepare to enforce sanctions imposed on North Korea by the [UNSC] following the test. President Bush said he was 'pleased' by the breakthrough and thanked the Chinese for their efforts in making it happen. Yet other U.S. officials expressed concern over whether North Korea plans to actually engage in talks and isn't simply trying to dodge U.N. sanctions." The Times adds the agreement "is a significant diplomatic accomplishment for China, North Korea's neighbor and closest ally. Relations between the two have been strained by Pyongyang's drive to demonstrate its nuclear capability." Assistant Secretary Chris Hill "who represented the U.S. in the discussions, said China's role validated the Bush administration's longstanding decision to negotiate with North Korea only when other countries are involved."

Secretary Rice was asked, during an interview with Larry Kudlow, host of CNBC's Kudlow & Company (10/31), to explain what led to yesterday's move. "The international community spoke with one voice with resolution 1718 after the North Koreans tested a nuclear weapon. China has been an effective member, effective important member of this coalition of states that is, dealing with the North Korean issue. And, the Chinese asked if we would be prepared to attend a meeting that the North Koreans had suggested. An informal meeting in Beijing, we did. The North Koreans, agreed to come back to the talks. Now we have to make certain that we really prepare the talks well so we can have a good outcome and, can get some implementation of the agreement that was actually signed in September of 2005."

All three major networks noted the announcement. ABC World News (10/31, story 5, 0:20, Gibson, 8.78M)

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reported, "There has been a breakthrough in the standoff with North Korea. North Korea has returned to return to the six-party disarmament talks. It is quite a reversal. The North has been talking about war and threatening more tests. China played a key role in convincing the North to return to negotiations. But the US says sanctions against North Korea will remain until the North takes concrete steps to abandon its nuclear ambitions." NBC Nightly News (10/31, story 5, 0:20, Williams, 9.87M) reported, "There was surprising news for the Administration today in another foreign policy crisis. Word that North Korea has agreed to restart those so-called six-nation talks on dismantling its atomic weapons program. The talks collapsed a year ago. It's now been three weeks since the north conducted that nuclear test. The US says China made the difference in getting them back to the table."

On its front page, the Washington Post (11/1, A1, Kessler, 748K) notes Pyongyang's "unexpected" move "will end" its "year-long boycott of the talks, which have dragged on intermittently for more than three years. Fourteen months ago, North Korea agreed in principle to dismantle its nuclear programs, but hard bargaining is still necessary to determine the sequence and timing of the incentives it expects in return." Hill "emerged from the meetings to say that there was the potential for 'substantial progress' in resolving an issue that has raised tensions throughout the region… U.S. officials were privately puzzled by the mercurial government's change of heart, though they said they hope the universal condemnation of North Korea's nuclear test and the swift imposition of U.N. sanctions had played a role."

The New York Times (11/1, Kahn, Cooper, 1.21M) calls the move "a first sign of easing tensions since" the nuclear test, but notes "the chances for rolling back the country's now-proven nuclear capability remained uncertain." The deal is "a procedural victory for Beijing, which scrambled to reopen a diplomatic channel even as it joined the United States and other international powers in supporting" post-test sanctions. "While North Korea's decision to restart the talks is being heralded as a diplomatic breakthrough, American envoys will be returning to the negotiating table to face an adversary that now has a demonstrated nuclear capability — a fact that America will try to minimize even as North Korea tries to exploit it, Bush administration officials and analysts said." Secretary Rice "played down suggestions that America's negotiating task would be made more difficult by the North's nuclear test." Rice "said the United States would work with the other participants of the talks to force the North to take a concrete step toward ending its nuclear program."

The Financial Times (11/1, Dickie, Pilling, Fifield) says analysts believe Pyongyang "probably bowed to growing pressure from China, its largest benefactor and closest political ally." While "the world's big powers work through the details of how to punish Kim Jong-il's regime for" its nuclear test, Hill "said on Tuesday that the negotiations – which had been stalled for a year – could resume as soon as this month. However, with North Korea remaining defiant and the US and Japan still lobbying for tough sanctions, hopes remain dim that Pyongyang will agree to abandon its nuclear capability."

In an analysis piece entitled, "N. Korea, U.S. Both Flexible," the AP (11/1, Herman) notes Washington and Pyongyang "took a step back from the nuclear brink after both sides showed they could be willing to bend under the calm guidance of Beijing." Both "had previously stuck to ironclad positions that seemed totally at odds, leaving little apparent room for a breakthrough. Neither side wanted to cave, despite calls from other nations for flexibility." Beijing "appears to have held the key in getting both sides to compromise and allow all to save 'face.'"

The AP (11/1, Raum) calls the move "a surprise turnabout," and says the "breakthrough came after pressure from China and a U.S. offer to discuss financial penalties already in place." Bush "cautiously welcomed the deal and thanked the Chinese for brokering it. But he said the agreement wouldn't sidetrack U.S. efforts to enforce sanctions… He said there was still 'a lot of work to do' and the U.S. would send teams to the region 'to make sure that the current United Nations Security Council resolution is enforced.'" The deal "represented a step back from the nuclear crisis and was widely applauded, if with some reservations. North Korea has a history of walking away from the six-nation talks, only to rejoin them, then to bolt again." Assistant Secretary McCormack "said he was sure there would be 'an opportunity for us to have direct talks' with North Korean negotiators in the context of the six-party framework."

Similar stories appear in this morning's Los Angeles Times (11/1, Magnier, 918K), USA Today (11/1, Slavin, Macleod, 2.27M) and Washington Times (11/1, Kralev, 88K), among other sources. In its analysis, the Christian Science Monitor (11/1, Marquand, 58K) says the "surprise" deal "has likely headed off the possibility of a second nuclear test" and "has also restored six-nation talks aimed at denuclearizing the Korean peninsula, bringing a modicum of stability to a

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region rocked" by the first test. "Given the bristling anger in northeast Asia after the nuclear blast, analysts say it is salutary that Mr. Kim is returning to the table to talk with his immediate neighbors." However, experts "doubt that the North, having spent 40 years on its atomic program, is likely to give it up without dramatic achievement." When talks resume, "there seems little doubt Pyongyang expects to think of itself as a bona fide nuclear-status nation as talks resume - and is likely to push others to do so as well. Such a position is leagues from the kind of dismantlement the six-party talks are based on."

Bush Says US Allies In Asia Should Not Seek Nuclear Weapons. During the second-half of an interview he did with Sean Hannity of Fox News' Hannity and Colmes (10/31) President Bush was asked if he supports helping Japan, Taiwan and South Korea to arm themselves with nuclear weapons in order to confront the threat from North Korea. President Bush responded, "I would not support them for having nuclear weapons, although I notice the Japanese official said 'if we have to, we will.' And then of course the government stepped it back. I think the less nuclear armament in the far-east the better-off the world will be. I do believe we need to work very closely with our allies on missile defense. Our missile defense systems are getting better and better because of the money that we have been spending over the past five years. The key to success there in North Korea is to convince all the parties that it's not in their interest that North Korea have a nuclear weapon, which we have successfully done."

More Commentary. The Washington Post (11/1, 748K) editorializes that the move "is, first and foremost, a victory for China and its strategy of preserving Kim Jong Il's totalitarian regime. Whether it will contribute to the cause of dismantling the North's atomic arsenal remains to be seen."

In an editorial, the Los Angeles Times (11/1, 918K) calls the development "a big diplomatic victory for Washington, and a bigger one for Beijing. Yet there are good reasons to be skeptical about Pyongyang's motives." Kim Jong Il "is a master at the art of weakening the resolve of diplomatic coalitions, and his decision to engage in talks once again may be nothing more than an attempt to stave off aggressive enforcement of U.N. Security Council sanctions."

Rice Urges UN To Speed Up Sanctions On Iran. AFP (11/1) reports Secretary Rice "called her major power counterparts in a bid to spur tough negotiations at the United Nations over a sanctions resolution against Iran," according to Undersecretary Burns. Rice "urged the foreign ministers from the other permanent" UNSC members "to overcome the differences that have prevented agreement on the sanctions package," Burns said. "She put forward the proposal that we should try to work extremely hard to get that resolution passed as quickly as possible," he added. Separately, Assistant Secretary McCormack said Monday that North Korea's "sudden decision Tuesday to give up its nuclear arsenal in the face of UN sanctions had provided a model for confronting Iran," whom he said is "certainly are watching whether or not the world was going to react to what North Korea did."

Moscow May Back UN Sanctions On Iran. The AP (11/1, Isachenkov) reports two senior Russian officials "indicated Tuesday that Moscow could back a draft UN Security Council resolution imposing sanctions on Iran, in an apparent sign of the Islamic Republic's growing isolation over its nuclear program." Yuri Volkov, a deputy speaker of the lower house of parliament, said Russia "will apparently have to join a new resolution on Iran proposed by Britain, Germany and France that envisages limited economic sanctions." And Igor Ivanov, the head of Russia's presidential Security Council, "made comments later that also suggested Moscow could support the draft European resolution." Meanwhile, Undersecretary Hughes told the AP while traveling in Dubai, "We're working with our international partners to send a message to Iran that the international community is opposed to Iran obtaining nuclear weapons." Although "sanctions against Iran are being discussed," Hughes noted that "there is a path for negotiations and we hope they choose that path." Separately, China "issued muted criticism" of Iran Tuesday, the AP notes. Asked about the Iranian president's declaration that Tehran would oppose any sanctions, Chinese Foreign Ministry spokesman Liu Jianchao said "the relevant parties should not take any measures that may lead to the escalation of the situation."

Lebanese Leader Says Syria Still Arming Hezbollah. The Washington Times (11/1, Sands, 88K) reports, "Syria has continued to funnel arms to the Shi'ite Hezbollah militia in defiance of international demands, thus undermining hopes for peace and stability in Lebanon, a Lebanese political leader said yesterday. Walid Jumblatt, longtime leader of the minority Druze community, is the most senior Lebanese politician to visit Washington since Israel's

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inconclusive monthlong war with Hezbollah in southern Lebanon." The Times adds, "The complaint from Mr. Jumblatt, a key figure in the anti-Syrian coalition that dominates Lebanon's parliament, came a day after John R. Bolton, the U.S. ambassador to the United Nations, said at a Security Council meeting that Syria and Iran -- Hezbollah's two main sponsors -- were 'actively trying to destabilize the democratically elected government of Lebanon' by re-arming Hezbollah."

Israeli Jets Stage Mock Raids On Hezbollah Strongholds. The AP (11/1, Johnson) reports, "Israel's fighter jets roared over Hezbollah strongholds Tuesday, staging mock raids in its strongest show of force since its war with the guerrilla group ended more than two months ago. The flyovers, which startled many Lebanese with fresh memories of the war, highlight the unsettled tensions between Israel and its northern neighbor, whose political situation has grown increasingly more uncertain." The Israeli fighter jets "swooped low over south Beirut at least six times in the morning before soaring back into the sky, Lebanese security officials said."

In Departure From US Policy, Blair Reaches Out To Syria. The Financial Times (11/1, Khalaf, Blitz) reports, "Tony Blair, Britain's prime minister, has launched a secret diplomatic move to prise Syria away from its support for radical Middle East groups and policies. In an initiative that departs from the US policy of isolating Syria, Mr Blair this week sent Sir Nigel Sheinwald, his most senior foreign policy adviser, to Damascus where he met Bashar al-Assad, the president, and other senior figures in the regime." The Times adds, "Downing Street and the Syrian government confirmed on Tuesday night that Sir Nigel, one of Mr Blair's closest aides, met Mr Assad on Monday."

Israeli Defense Minister Says Saudi Plan Could Be Basis For Talks With Palestinians. The AP (11/1, Heller) reports, "Israel's defense minister said Tuesday that a dormant Saudi initiative for Mideast peace could be a 'basis for negotiation,' indicating a new possibility for talks with the Palestinians after years of stalemate." The Saudi plan "calls for a comprehensive peace between Israel and the Arab world, based on a complete Israeli withdrawal from lands it captured in the 1967 Mideast war -- the West Bank, Gaza Strip, east Jerusalem and Golan Heights." Israeli Defense Minister Amir Peretz "said he was not endorsing the plan. But he was the most senior Israeli official even to publicly consider it."

Palestinian Adviser Says Hamas Will Honor Truce. In a New York Times (11/1, 1.21M) op-ed, Ahmed Yousef, a senior adviser to Palestinian Prime Minister Ismail Haniya, says Hamas has proposed "a long-term truce" so "the Israeli and Palestinian peoples can try to negotiate a lasting peace." Yousef argues that "when Hamas gives its word to an international agreement, it does so in the name of God and will therefore keep its word." Hamas, he notes, "has honored its previous cease-fires, as Israelis grudgingly note," and its truce offer is "no ruse, as some assert, to strengthen our military machine, to buy time to organize better or to consolidate our hold on the Palestinian Authority." Instead, he says "Palestinians are prepared to enter into a [truce] to bring about an immediate end to the occupation and to initiate a period of peaceful coexistence during which both sides would refrain from any form of military aggression or provocation."

Bush Launches Review Of Darfur Policy. AFP (11/1) reports President Bush Tuesday announced a review of US policy on the Darfur crisis. Meeting with his personal envoy for Darfur, Andrew Natsios at the White House, Bush "said the diplomat had delivered a 'grim report' about the humanitarian situation" in Darfur. "The United States is going to work with the international community to come up with a single plan on how to address this issue and save lives," Bush said. AFP notes that Bush "provided few details, other than to insist that the plan would include deployment of a 'credible and effective international force to go into Darfur to save lives.'" Separately, Assistant Secretary McCormack said the Bush administration was mulling "what new or different policy proposals we might make" to end the deadlock. Although he "declined to provide details," McCormack stressed that "what all that does is underscore the fact that we want to try to get something done on this issue."

Westerners' Arrests In Yemen Renew Terrorism Concerns. The Washington Times (11/1, Waterman, 88K) reports the arrests in Yemen of six Westerners said to be members of al Qaeda has "highlighted concerns that the region remains a 'transmission belt' for Islamic converts looking for a way to join jihadi terrorist groups." However, analysts "caution that the facts of the case remain murky and warned that Yemenis had many reasons to

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try to burnish their counterterrorism credentials by exaggerating the importance of the arrests." Over the weekend, authorities in Yemen announced they arrested "three Australians, a Dane, a German, a Briton and two other foreigners Oct. 16 and charged them with trying to smuggle weapons to Islamic militias in neighboring Somalia." An unidentified US intelligence official speaking about the arrests was quoted as saying, "This was a pretty good wrap-up of a group of bad guys."

Sadat's Nephew Sentenced To Prison For Defaming Egyptian Military. The New York Times (11/1, A8, Charbel, Slackman, 1.21M) reports Talaat el-Sadat, the nephew of President Anwar el-Sadat and an opposition member of Parliament, was sentenced by a military court Tuesday to one year in prison "on charges that he defamed the military by essentially blaming it for having a hand in his uncle's death." The Post notes that move comes "as Egyptian authorities have shown less and less tolerance for critical opposition." It also notes that "with increasing frequency," members of the banned Muslim Brotherhood organization "have been arrested and held without charge under a law intended to fight terrorism."

Studies Find Security Council Seats Tied To US Aid. The Washington Post (11/1, A19, Lynch, 748K) reports that although "Republican and Democratic administrations have insisted for decades they do not engage in the grubby vote-buying practices that are common in elections for key UN posts," recent academic studies have found that "poor countries that serve on the influential Security Council typically receive substantially more US aid dollars and find it easier to obtain loans or grants from financial institutions that are strongly influenced by the United States and other economic powerhouses." While officials from the US and "several international agencies questioned the findings," the Post says they "underscore the importance the United States places on cultivating even the weakest members of the Security Council" and "suggest a possible price tag." For example, a study by two Harvard University scholars that tracked US economic and military assistance from 1946 to 2001 found that a "two-year seat on the Security Council…can generate a 59 percent spike in US assistance." While "in times of crisis, US aid to some member countries has increased by as much as 170 percent," the Post notes.

China Adopts Rules Aimed At Reducing Executions. The New York Times (11/1, A3, Lague, 1.21M) reports that in response to "domestic and international criticism of its extensive use of capital punishment," China Tuesday adopted new rules "requiring review of all death sentences by the Supreme People's Court." The Times notes that the move, which "restores a power that was stripped from the Supreme Court in 1983 and given to provincial courts as part of a major crackdown on crime," comes as authorities "are facing mounting criticism from human rights groups and Chinese legal scholars for what they say is the widespread and arbitrary use of the death penalty."

Former South African Leader Botha, Dies. The death of former South African leader, P.W. Botha, Tuesday was heavily noted in lengthy obituaries in today's dailies. For example, the New York Times (11/1, B9, Gregory, 1.21M) runs a 2,100-word recount of Botha's personal history, noting that he "struggled vainly to preserve apartheid rule in a tide of domestic racial violence and global condemnation."

Similarly, in a 1,100-word obit, the Washington Post (11/1, B7, Bernstein, 748K) calls Botha an "unapologetic leader…who led his country into deepening political crisis and racial violence." The Financial Times (11/1, Mallet) notes in its piece that the former president "never understood the forces that he had unleashed" nor did he ever apologize "for the torture, the killings and the poverty inflicted on South Africans and on the inhabitants of neighboring states by his regime."

The AP (11/1, Nullis) notes that "there has been no decision on funeral arrangements."

Migrants' Remittances Seen As Imperfect Cure For Poor Nations. In a 2,350-word front page article, the Wall Street Journal (11/1, A1, Davis, 2.03M) examines the economic impact of money sent from Salvadoran immigrants in the US to relatives at home. The Journal says "many development economists believe" the funds "could transform some of the world's most impoverished regions, by putting cash directly in the pockets of the poor." At the same time it warns that "reliance on remittances may turn out to be the latest development fad that fails to live up to its hype." For countries to "reduce poverty on a sustained basis and to create a middle class," the Journal

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says they "need to grow rapidly over years," and "though remittances fuel some spending, there isn't much evidence they have added to sustained growth. Instead, the infusions of outside cash often distort the local economy and may diminish the long-term prospects for gains."

NYTimes Welcomes Germany's Decision To Play Greater Role In Global Security. In an editorial, the New York Times (11/1, 1.21M) welcomes Germany's "move out of its postwar pacifist mode and undertake a greater role in global security." The Times says, "There has been no good reason for some time why Germany should not do its share of global peacekeeping and peacemaking," especially at a time "when the wars in Iraq and Afghanistan and multiple peacekeeping missions in Africa have strained the military resources of America and its leading NATO allies." The Times concludes, "There's a lot of work to be done, and it's time the Germans joined in."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Affordable Housing Bond Asks Voters For Their Vision Of L.A.."
"A Violent Month Hits Home."
"Campaign Fireworks Fly As Polls Put Senate In Play."
"Hubble Tune-Up Is A Go."
"More Than Ever, Insurgents Are Targeting U.S. Forces."

USA Today:
"Previous Hubble Upgrades."
"Hubble Repair Flight Ok'd, But First NASA Needs $900M."
"Election Tests How Much Race Matters."
"Many Eyes Will Watch The Polls."
"On Lookout For Trouble."
"Study Shows Depression's Scope."

New York Times:
"Iraqi Demands Pullback; U.S. Lifts Baghdad Cordon."
"As Vote Nears, Stances On War Set Off Sparks."
"North Korea Will Resume Nuclear Talks."
"After The Storm, Students Left Alone And Angry."
"Battle Over Abortion Focuses On South Dakota Vote."
"Working Mothers Find Some Peace On The Road."

Washington Post:
"N. Korea Agrees To Return To Nuclear Talks."
"Iraq Tells U.S. to Quit Sadr City Checkpoints."
"Va., Md. Senate Camps Dig Deep."
"Campaigner in Chief Has Limited Reach."
"Hubble Repair Mission Is A Go."
"Molded By Faith And Persistence."

Washington Times:
"N. Korea Agrees To Six-Party Talks."
"Marriage Measure May Turn On Allen."
"Baby Boom Echoes In Iraq."
"Specter Of Tax man Haunts Democrats."
"Cardin, Steele Put Focus On PG."
"Obsolete Legion Faces Uncertainly."
"Holiday Revelers Can Give Thanks For $2 Gas."

Atlanta Journal-Constitution:
"MegaFest Off Atlanta's '07 Calendar."
"Dekalb Cops Ignore Rules In Shootings."
"Bush Skewers Kerry Over Iraq Comment."
"Vegetables To Suspect In Salmonella Outbreak."

Houston Chronicle:
"New Safety Measures Urged For BP, Others."
"NASA To repair Hubble Despite Potential Risk."
"Texas May See Its Star Wane On Capitol Hill."
"DNA Clears Inmate 25 Years After Conviction For Rape."
"Getting A Nutty Idea To take Root."

Story Lineup From Last Night's Network News:
ABC: Kerry's Statements; Kerry's Statements Analysis; No More US Blockade –Iraq; US Response To Maliki; North Korea-Six Party Talks; New Medical Finding-SIDS; Airlines Making Money; Repairing Hubble; PW Botha Obit; Tag Team Parents; Elephants & Mirrors; Halloween Costumes.
CBS: Kerry's Statement; No More US Blockade-Iraq; Troops Staying Longer-Iraq; North Korea-Six Party Talks; New Medical Finding-SIDS; Kerry's Statement Analysis; Security Moms-Campaign 2006; Halloween Holiday Of The Year.
NBC: Kerry's Statement; Kerry's Statement Analysis; No More US Check Points-Iraq; Troops Staying longer-Iraq; North Korea-Six Party Talks; Stock Market; New Medical Finding-SIDS; PW Botha Obit; Repairing Hubble; Halloween Business.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: CA Wildfire-Another Firefighter Dies; CA Wildfire Investigation; San Francisco-Gunshots During Halloween

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Street Party; Kerry-Iraq Comments; Iraq-US Forces Leave Sadr City Blockade; Iraq-Brother's Reunion; Britain-Sexual Activity Study.

CBS: CA Wildfire-Another Firefighter Dies; San Francisco-Gunshots During Halloween Street Party; Republicans-Kerry's Iraq Comments; Iraq-Fallujah Insurgents Making Comeback; Botha Obit; Stock Markets.

NPR: CA Wildfire-Another Firefighter Dies; CA Wildfire Investigation; San Francisco-Gunshots During Halloween Street Party; Bush-Kerry's Iraq Comments; Bush-Afghanistan; Iraq-US Forces Leave Sadr City Blockade; Fiji-Coup Fears; North Korea's Decision To Rejoin Six Party Talks; Tokyo Stock Market.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — No public schedule.

VICE PRESIDENT CHENEY —Speaks at a Montana Victory Rally, Majestic Valley Arena, Kalispell, Mont.

LAURA BUSH — Speaks at a Ron Lewis for Congress and Kentucky Victory 2006 Rally, Colvin Community Center, Radcliff, Ky. Speaks at an Ohio Victory 2006 Rally. Emerald Room at the Makoy Center, Hilliard, Ohio.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: FINANCIAL CONFERENCE _ The Opportunity Finance Network hosts a four day conference on bringing Americans on the economic margins into the mainstream and opening emerging domestic markets. Highlights: 12:30 p.m. - 1:45 p.m. Keynote address by Federal Reserve Chairman Ben Bernanke. Location: JW Marriott, 1331 Pennsylvania Ave, NW.

TREASURY REFUNDING _ 10 a.m. Deputy Assistant Treasury Secretary James Clouse holds the Quarterly Refunding news conference. Location: Room 4121, main Treasury.

COMMON ACCESS CARD _ 10:30 a.m. David S. Chu, Under Secretary of Defense for Personnel and Readiness, will brief on the Next Generation Common Access Card. Location: DOD Briefing Studio, Pentagon 2E579.

DRUG COVERAGE _ 11 a.m. Families USA holds a telephone briefing to discuss prescription drug coverage through the ``doughnut hole." Contacts: Dave Lemmon, 202-628-3030. Notes: Callin number: 800-662-5508; passcode: 4649350.

POLITICS-YOUTH POLL _ 11 a.m. - 12 p.m. Harvard University's Institute of Politics releases a new national poll on the political views of 18-24 year olds. With Jean Shaheen, director, Harvard's IOP and former governor of New Hampshire; and Christopher Aterton, dean, George Washington University's Graduate School of Political Management. Location: Morton Auditorium, GWU, 805 21st St. NW.

PANDEMIC FLU _ 12 p.m. The Financial Services Roundtable's Blue Ribbon Commission on Mega Catastrophes sponsors a panel discussion, ``Preparing for Pandemic Flu: A Call to Action," with Harvey Rubin of the Institute for Strategic Threat Analysis and Response, Tara O'Toole of University of Pittsburgh Medical Center; Annie Searle of Washington Mutual Enterprise Risk Services. Location: National Press Club.

REAGAN-COMMUNISM _ 12 p.m. The Heritage Foundation holds a program on ``Ronald Reagan and the Fall of Communism, with author Paul Kengor. Location: Lehrman Auditorium, Heritage Foundation, 214 Massachusetts Ave. NE.

CLEAN AIR _ 12:15 p.m. Georgetown Environmental Law and Policy Institute, others, hold a panel discussion on the Duke Energy case which will have been heard that morning before the Supreme Court, with Sean Donahue of Environmental Defense, Holly Gordon of Stanford Law School, F. William Brownell of Hunton and Williams, and Scott Segal of Bracewell and Giuliani. Location: Room 201, Georgetown University Law Center, 600 New Jersey Ave. NW.

INDIA-US _ 12:30 p.m. The School of Advanced International Studies holds a program with former Indian External Affairs Minister Jaswant Singh and former Deputy Secretary of State Strobe Talbott discussing their meetings held in the wake of India's 1998 nuclear tests. Location: Kenney Auditorium, 1740 Massachusetts Ave. NW.

IRAN OPTIONS _ 12:30 p.m. The Council on Foreign Relations hosts ``Axis of Anxiety: US Options on Iran." Participants: ``Kenneth M. Pollack, Senior Fellow and Director of Research, Saban Center for Middle East Policy, The Brookings Institution; Ray Takeyh, Senior Fellow for Middle Eastern Studies, Council on Foreign Relations; Author, ``Hidden Iran: Paradox and Power in the Islamic Republic;" and Barbara Slavin, Senior Diplomatic Reporter,

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USA Today. Location: Council on Foreign Relations, 1779 Massachusetts Ave. NW.

PURPLE HEART _ 12:30 p.m. VA Secretary Jim Nicholson presents Purple Heart Medals to four recently wounded combat veterans. Tom Poulter, national commander of Military Order of the Purple Heart, discusses groups new ``Hall of Honor in New Windsor, N.Y. Location: National Press Club, First Amendment Lounge.

SADDAM TRIAL _ 1 p.m. Attorney Ramsey Clark holds a news conference to report on the progress of the Saddam Hussein trial. Location: National Press Club.

GREENHOUSE GASES _ 2 p.m. - 3:30 p.m. The Environmental and Energy Study Institute (EESI) hosts a congressional briefing on the active role small business has taken in supporting California's recently enacted first-of-a-kind greenhouse gas legislation, AB 32, and why this can have significant implications for climate legislation nationally. Speakers: Byron Kennard, Executive Director, Center for Small Business and the Environment; Scott Hauge, Founder and President, Small Business California; and Hank Ryan, Executive Director, Small Business California. Location: Room 428-A, Russell Senate Office Building.

EXIT POLL _ 3 p.m. Rev. Jim Wallis, author of Gods Politics, and Rabbi David Saperstein, Director of the Religious Action Center, hold a telephone press conference calling on the media outlets that commissioned and prepared the 2004 ``moral values exit poll question to change the question, both in their 2006 election polling and news coverage. Contacts: Katie Barge, 202-544-7921.

RYAN LECTURE _ 4 p.m. Professor William Eskridge Jr. delivers the Thomas F. Ryan Lecture, ``Supreme Court Deference to Agencies, 1981-2006: An Empirical and Normative Examination." Location: Georgetown University Law Center Gewirz Student Center, 12th Floor 120 F St. NW.

MINUTEMAN-IMMIGRATION _ 7:30 p.m. Chris Simcox, founder and President of the Minuteman Civil Defense Corps, speaks at Georgetown University. Location: Copley Formal Lounge, Copley Hall, Georgetown University.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: WEDNESDAY, NOVEMBER 1, 2006 7:45 AM EST

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TERRORISM NEWS:

Perle Slams Administration Over Nuclear Terror Attack Precautions. The Washington Post's Al Kamen (11/1), in his "In The Loop" column, writes, "Eyebrows popped up last week when none other than Richard Perle , former Reagan assistant secretary of defense, former Bush brain-truster on the Defense Policy Board, and a key promoter of the war to find Iraq's weapons of mass destruction, blistered the administration as 'dysfunctional' when it comes to stopping someone from bringing 'a nuclear weapon or even nuclear material into the United States.' … But President Bush , Perle emphasized, is not to blame for this sorry state of affairs. 'I haven't the slightest doubt that if one could…put this proposition to the president, he would first be shocked to learn that we don't have the capability. Secondly, [he] would immediately order that we develop it.'"

72 Muslim Workers At Paris Airport Lose Access Badges. The New York Times (11/1, Bennhold, 1.21M) reports, "The French authorities charged with assessing security risks at Charles de Gaulle airport have stripped 72 Muslim workers of their access badges because they had traveled to Pakistan or Afghanistan, or were suspected of having links to extremists," according to Jacques Lebrot, who oversees the airport. Lebrot, who said a number of the workers "are suspected of having trained in terrorist camps," added that one of the workers "was a friend of Richard Reid, the so-called shoe bomber." Joanna Gonzalez, a spokeswoman for the US Department of Homeland Security, declined to comment on the incident, stating that it is "the government of France's jurisdiction."

HOMELAND RESPONSE:

Washington State Inmate To Face Federal Charges Over Bomb Threat. KXLY-TV Spokane (10/31) reported on its Web site, "A man who threatened to blow up a Spokane DSHS facility earlier this summer will face federal charges, an FBI sgent confirmed Tuesday afternoon. Anthony Garver will face federal charges for possession or receipt of firearms or ammunition by a person adjudicated as mentally defective, according to FBI Special Agent Norm Brown. The charges stem from the relevation earlier this summer after Garver told a fellow inmate at the Spokane County Jail about his plan to blow up the DSHS office." The inmate "tipped off authorities who later found during their investigation that Garver had a variety of items including ammunition, knives, a GPS unit, police scanner and bomb-making recipes saved on a computer, which was enough for the FBI to launch an investigation into Garver."

Alleged Utah Library Bomber May Have Written Letter About Plot. KTVX-TV Salt Lake City (10/31, Jones) reported on its Web site from a story broadcast yesterday, "The man accused of bombing the Salt Lake City Library in September may have also written a letter to police claiming responsibility for the crime. The author also promises more attacks in the future according to the FBI. The letter was addressed to Chief of Police Chris Burbank one week ago." Thomas Zajac "is behind bars in Illinois awaiting extradition to Salt Lake City to face bombing charges here, police are trying to find out if he was the one who wrote the letter. In the letter, the author gives details about the

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materials used to construct the bomb. The letter writer also tells police someone close to him was a victim of police brutality in Salt Lake City, he or she goes on to say if they see more cases of police brutality they will return and bomb again."

Zajac Possible Suspect In Chicago Bombing. The Salt Lake Tribune (11/1, Carlisle) reports, "Investigators are probing whether the suspect in a Salt Lake City library bombing is linked to an explosion at a train station in suburban Chicago, a federal agent said Tuesday." Salt Lake City ATF Agent in Charge Lori Dyer "said Thomas Zajac's fingerprints are being tested against evidence connected to a bomb that detonated in Hinsdale, Ill. That bomb exploded Sept. 1 -- the same month as the library bomb -- in a trash can at a commuter train station, according to the Daily Herald in suburban Chicago. No one was injured." The Tribune notes, "The FBI arrested Zajac Friday at his home in Oakbrook Terrace, Ill. He is awaiting extradition to Utah."

Defense Lawyer Says LANL Contractor Planned No Espionage. The AP (11/1, Baker) reports, "The woman who lived in a home where classified material from Los Alamos National Laboratory was seized by authorities wasn't a spy -- she was just trying to do her job for the lab, her lawyer said Tuesday. The FBI began investigating a security breach at the nuclear weapons laboratory after police seized three portable computer storage drives during a drug bust at Jessica Quintana's home on Oct. 17." Attorney Stephen Aarons said, "It's not espionage. It's a 22-year-old ... that mishandled documents, and it doesn't appear that third parties got hold of them. Her only intent was to work with these documents herself, and to get them indexed in a timely fashion. ... She was working with these documents and she shouldn't have left the facility with them, but apparently she did."

"Intellipedia" Allows US Intelligence Officials To Air Views On Sensitive Topics. The Los Angeles Times (11/1, Miller, 918K) reports a new computer system being used by US intelligence agencies, referred to as Intellipedia "because it is built on open-source software from the Wikipedia Web site," was discussed "in detail" for the first time yesterday by US officials. "After being criticized for downplaying dissenting views on Iraq's alleged weapons programs, 'we're trying to transform the way we do business,' said Michele Weslander, a senior official overseeing the initiative for the director of national intelligence, John D. Negroponte. The system allows analysts from all 16 US intelligence agencies to weigh in on debates on North Korea's nuclear program and other sensitive topics, creating internal Web sites that are constantly updated with new information and analysis, officials said."

Markey Says TSA Should Alter Procedures In Response To Fake Boarding Pass Site. The Washington Post (11/1, D1, Krebs, 748K) reports Christopher Soghoian, whose Web site allowing users to create fake boarding passes prompted a visit from the FBI over the weekend, "has stirred a national tempest and renewed concerns about passenger screening procedures." Wendy Osborne, a special agent with the FBI's Indianapolis field office, said the bureau "would investigate jointly with the Transportation Security Administration and then decide whether charges would be filed." Meanwhile, "Amy Kudwa, a spokeswoman for the TSA, declined to say whether the agency was considering changing check-in procedures because of the incident." Rep. Edward J. Markey, who praised Soghoian's actions Sunday for calling "attention to a security weakness," indicated Tuesday that "Congress might have to act if the TSA doesn't."

Katrina Evacuees From New Orleans Create Problems For Schools. The New York Times (11/1, Nossiter, 1.21M) reports students at John McDonogh High School have "in the last six weeks…assaulted guards, a teacher and a police officer." The attacks are presented as part of "a far-reaching phenomenon after Hurricane Katrina" wherein "teenagers in the city are living alone or with older siblings or relatives, separated by hundreds of miles from their displaced parents" and "they are angry." Principal Donald Jackson "estimated that up to a fifth of the 775 students live without parents."

WAR NEWS:

Rumsfeld Supports Allocation Of Additional $1 Billion For Iraq's Military. The AP (11/1, Burns) reports Defense Secretary Rumsfeld "endorsed a proposal to spend at least $1 billion to expand the size and accelerate the training and equipping of Iraqi security forces." According to the AP, "Rumsfeld's support underscores the Bush administration's effort to shift more of the burden of Iraq's security to that country's forces." Rumsfeld is quoted as saying, "I'm very comfortable with the increases they've proposed and the accelerations in achievement of some of their targets. … Now it's simply a matter of our pressing forward and getting our portion of the funding from the Congress and working to see that it's executed."

The CBS Evening News (10/31, story 3, 1:55, Couric, 7.66M) reported, "Now more about that story David Martin broke here last night that US troops may have to stay in Iraq a lot longer to train 100,000 more Iraqi security forces. Today…Rumsfeld conceded it's true." CBS added, "Today…Rumsfeld confirmed the mission is about to get

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bigger and take longer. Saying he expects to approve a recommendation from General George Casey, the American commander in Iraq, to increase the size of the Iraqi security forces." CBS noted Rumsfeld "refused to say exactly how big an increase. But other Pentagon officials predict the current goal of fielding 325,000 Iraqi soldiers and police will be increased by a minimum of 30,000 and a maximum of 100,000. Rumsfeld said that while American trainers and advisers will have to stay longer, combat troops could start coming home before then." NBC Nightly News (10/31, story 4, 2:00, Williams, 9.87M) reported, "Many people believe this now means Americans will have to stay in Iraq longer than first expected. NBC added, "Rumsfeld also confirmed to what many was already obvious. Iraq needs a bigger army. Pentagon officials say with a deadly rise in sectarian violence, there was no other choice but to increase the number of Iraqi security forces. … The Pentagon has already spent $10 billion training and equipping Iraqi forces and now expects to ask Congress for even more. But simply increasing the number of Iraqi forces is still no guarantee that they'll soon be able to take on the fight, the enemy, all by themselves and that substantial numbers of American troops can start coming home."

Election Outcome Could Influence Timing Of Rumsfeld Departure. The Financial Times (11/1, Sevastopulo, Dinmore) reports The midterm elections next week could help decide the fate of" Rumsfeld. According to the Times, "A former senior administration official said Mr Rumsfeld might leave if the Iraq Study Group…comes up with radical policy suggestions for Iraq. Another influential Republican with close ties to the White House said the consensus among Republican insiders was that Mr Rumsfeld would remain only until next summer. That would provide enough time after the elections to avoid the impression he was going because of the war, and also allow time for the situation on the ground to improve."

CentCom Briefing Reportedly Describes Iraq As "Edging Toward Chaos." The New York Times (11/1, Gordon, 1.21M) reports, "A classified briefing prepared two weeks ago by the United States Central Command portrays Iraq as edging toward chaos, in a chart that the military is using as a barometer of civil conflict. A one-page slide shown at the Oct. 18 briefing" shows "a color-coded bar chart that is used to illustrate an 'Index of Civil Conflict.' It shows a sharp escalation in sectarian violence since the bombing of a Shiite shrine in Samarra in February. … In fashioning the index, the military is weighing factors like the ineffectual Iraqi police and the dwindling influence of moderate religious and political figures, rather than more traditional military measures such as the enemy's fighting strength and the control of territory. The conclusions the Central Command has drawn from these trends are not encouraging, according to a copy of the slide that was obtained by The New York Times. The slide shows Iraq as moving sharply away from 'peace,' an ideal on the far left side of the chart, to a point much closer to the right side of the spectrum, a red zone marked 'chaos.'"

Most US Soldiers Killed This Month Were Killed Outside Of Baghdad. The New York Times (11/1, Shanker, Cloud, 1.21M) reports, "About two-thirds of the deaths among American troops in Iraq in October occurred outside Baghdad, even with a sharp increase in combat deaths in the capital. … Forty American soldiers were killed in and around Baghdad in October, double the number there just two months ago, a review of casualty reports shows. Military officers and civilian analysts said the rise in October resulted in part from more aggressive American security operations in Baghdad, which exposed larger numbers of troops to danger. The security operation in the capital put American troops on the streets not only in greater numbers, but more often on foot patrols outside their armored vehicles, where they were more vulnerable to improvised bombs and a growing threat of snipers. The spike in violence in the capital was accompanied by higher tolls in other parts of the country, notably in Anbar Province, where 37 Americans died and deaths have climbed steadily since this summer."

Level Of Attacks On US Forces In October Called "Unprecedented." The Los Angeles Times (11/1, Daragahi, 918K) reports, "October's death toll, the highest for American forces in nearly two years, came during a period without conventional battles or catastrophic helicopter crashes. Rather, the 103 troops killed in Baghdad and across Iraq were victims of a steady onslaught of assaults, primarily by their longtime nemeses, Sunni Arab insurgents. The number of attacks on American forces increased in October to unprecedented levels, U.S. military officials said.

Iraqi PM Ends Some Joint Checkpoints In Shiite Enclaves. The AP (11/1, Bodeen) reports, "Exploiting GOP vulnerability in the Nov. 7 elections, Prime Minister Nouri al-Maliki flexed his political muscle Tuesday and won US agreement to lift military blockades on Sadr City and another Shiite enclave where an American soldier was abducted. … The prime minister's challenge to US conduct of the war was the latest in a series of acts designed to force the American hand and test Washington's readiness to give him a greater say in securing the world's most violent capital."

ABC World News (10/31, story 3, 2:25, Gibson, 8.78M) reported Malaki's decision "has put new strains on the Iraq government and the Bush Administration. The Prime Minister bowed to a request from Iraq's most powerful militia leader and lifted a blockade on a Shiite militia stronghold in Baghdad. And it raises questions about just how much influence the US now has over the Iraqi government."

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ABC World News (10/31, story 4, 1:50, Gibson, 8.78M) also reported, "Bush Administration officials stress the US has to work with the Iraqi government. But the Prime Minister's action today puts the White House in something of a predicament." ABC (Raddatz) added, "The White House will say publicly there is no rift between the Prime Minister and the White House. But privately, many officials are saying they were taken completely by surprise by this move by Prime Minister Maliki. The United States wants him to succeed. But they are not seeing the progress they want to see. They are deeply troubled by what happened today."

The CBS Evening News (10/31, story 2, 1:15, Couric, 7.66M) also portrayed the move as a sign "of growing tension between Washington and an Iraqi government." The Iraqi government, added ABC, seem "to be taking more of its clues these days or cues, rather, from a radical cleric." CBS (Logan) added, "This was an order US soldiers manning checkpoints in parts of Baghdad were not expecting -- pack up and go. And this was the Iraqi reaction: Celebrations on the streets of Sadr City, home to the powerful Mehdi Army militia. Through their leader, al-Sadr, they have been pushing hard to get rid of the US security barriers set up around their area to search for an American soldier abducted last Monday. Today, Sadr, perhaps the most powerful man in Iraq, got exactly what he wanted." NBC Nightly News (10/31, story 3, 2:05, Engel, 9.87M) said, "Al-Sadr rattled his cage to get the Americans out of his neighborhood and won."

The New York Times (11/1, Semple, 1.21M) reports, "Late Tuesday night, after hours of silence, a senior American Embassy official who had been delegated to return reporters' phone calls said the prime minister's order was 'the result of a meeting' between Mr. Maliki, Ambassador Zalmay Khalilzad and Gen. George W. Casey Jr., the top American commander in Iraq. 'It was essentially something that Maliki wanted to do and Casey agreed to it,' the official said." But "Maliki's announcement may have been a foregone conclusion: the meeting was at 1 p.m., officials said, and the prime minister's office issued his press release at about 1:20 p.m."

USA Today (11/1, Jervis, 2.27M) notes "Al-Maliki's government, nominally a coalition of Shiites, Sunnis and Kurds, is dominated by a Shiite majority bloc. Al-Sadr's political organization is among the most powerful groups within that bloc. … Al-Sadr had warned on Monday that his forces might retaliate in response to the security ring around Sadr City. 'If this siege continues for long, we will resort to action,' he said."

The Los Angeles Times (11/1, Ellingwood, 918K) reports, "Maliki's order to take down the roadblocks could help boost his political standing among Iraqis who have grown disappointed in his leadership and irritated over what they view as American meddling."

The Washington Times/AP (11/1, Bodeen) reports Democratic Sen. Jack Reed, "a member of the Armed Services Committee, said al-Maliki was yielding to sectarian pressure and undermining US efforts to curb attacks." Said Reed, "Today, the critical issue in Iraq is whether the Maliki government can muster the political will to confront those who use violence to destabilize Iraq."

Former US Advisor Describes Iraqi Troops' Deficiencies. The Washington Post (11/1, A12, Pincus, 748K) reports, "U.S. military advisers are confronting difficult behavior from Iraqi soldiers, who tend to fire all their ammunition in response to a single sniper shot or go on rampages even against civilians upon witnessing the death of a colleague, according to Lt. Col. Carl D. Grunow, a former adviser to an Iraqi army armored brigade." Grunow. in an article in the U.S. Army's Combined Arms Center's Military Review, "attributes that reaction to the Iraqi army's experience in the 'high-intensity Iran-Iraq war of the 1980s, a war with clear battle lines fought with mass military formations.' At that time, Grunow writes, 'Iranian human-wave assaults presented Iraqi soldiers with a target rich environment' and 'battlefields covered with bodies following huge expenditures of ammunition.' His article, based on his year in Iraq, which ended in June, is in the July-August Military Review and is one of several in recent issues that have dealt forthrightly with concerns of military participants with the U.S. effort to rebuild Iraq's army during the ongoing war."

Syrian Foreign Minister May Visit Iraq This Month. The AP (11/1, Aji) reports Syrian Foreign Minister Walid al-Moallem "is considering a visit to Baghdad in November — the first by a top Syrian official since the fall of Saddam Hussein and a major step toward restoring diplomatic relations, Iraqi and Syrian officials said Tuesday. President Bush has called on Syria to help quell sectarian violence in Iraq, and some in the U.S., including former Secretary of State James A. Baker III, have urged the White House to make overtures to Syria to enlist its help." An Iraqi Foreign Ministry official, "who spoke on condition of anonymity…said the ministries agreed 'in principal' that al-Moallem would visit Iraq in November."

Blair Ekes Out Win On Iraq War Inquiry Vote. AFP (11/1, Millard) reports British Prime Minister Tony Blair's government "survived a potentially damaging vote in parliament on whether he should order an inquiry into how Britain joined the war in Iraq. Opposition parties had demanded an immediate investigation by a committee of senior members of parliament into the government's handling of the build-up to the US-led March 2003 invasion. However, the motion, proposed by the small Scottish and Welsh

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nationalist parties in the lower House of Commons, was defeated by 298 votes to 273, with Blair's 62-seat working majority cut to 25. The government later promised an inquiry once the situation permitted." The Los Angeles Times (11/1, Murphy, 918K) reports, "government ministers warned that launching an inquiry now would send a message of weakness to Britain's adversaries, threaten the morale of the troops and undermine support for Iraqi attempts to build a unified and democratic nation. … In a Guardian/ICM poll published Thursday, 61% of respondents said they wanted British forces to leave Iraq this year, even if they have not completed their mission, and even if the U.S. wants them to stay."

Iraq Has Experienced Post-Saddam Baby Boom. The Washington Times (11/1, Palmer, 88K) reports, "Iraq's maternity wards are experiencing an unlikely baby boom. … The birthrate in Iraq actually has increased since the U.S.-led invasion 43 months ago, according to the country's Health Ministry. The rate of births in the country has jumped from 29 births per 1,000 people in 2003 to 37 per 1,000 last year, according to government figures. In neighboring Iran, the birthrate is half that -- 21 per 1,000 population, while the average birthrate in the Middle East is 25, according to the World Bank."

Pro-US Iraqi Legislator Profiled. In an op-ed for the Wall Street Journal (11/1, A18, 2.03M) "independent journalist" Heather Robinson profiles Mithal al-Alusi, "a 53-year-old Sunni Arab who won a seat in parliament last December after having served as director general of the National Commission on de-Baathification. Mr. al-Alusi ran on a platform of religious pluralism, human rights, free markets and a free press. He calls for an alliance among democracies -- including the U.S., Iraq, Israel and Turkey -- to fight terrorism." In February 2005 "assassins opened fire on Mr. al-Alusi's car as it approached his Baghdad home. He wasn't in the vehicle, but his sons, 30-year-old Ayman and 22-year-old Gamal, were. Both were killed as their father watched. Still, Mr. al-Alusi was unbowed." Robinson notes, "Polls suggest a majority of Americans think it was a mistake to enter Iraq. Mr. al-Alusi respectfully disagrees." Robinson concludes, "He has not given up the fight. How can we?"

NATO Forces Continue To Engage Taliban. The New York Times (11/1, Wafa, 1.21M) reports, "Clashes erupted in five provinces in eastern and southern Afghanistan on Monday and Tuesday, with roadside bombs, suicide bombings and gun battles killing four NATO soldiers and an estimated 67 Taliban fighters, NATO officials said." The violence "came as NATO forces continued a military operation started last week intended to put pressure on Taliban forces through the fall and winter, and to allow reconstruction and development to reach the country's restive south and east, NATO officials said. Taliban forces, meanwhile, continued to demonstrate their ability to carry out multiple roadside bombings and suicide attacks."

Musharraf Defends Strike Against Religious School. The New York Times (11/1, Masood, 1.21M) reports, "Faced with protests across the country, President Pervez Musharraf on Tuesday defended a military strike that killed 80 people at a religious school, and insisted that the dead were militants undergoing terrorist training." Musharraf's claim "came amid protests across the political spectrum, but especially by an alliance of Islamic parties and thousands of people in the semi-autonomous tribal areas straddling the Afghan border where the strike took place."

Pakistani Embassy Criticizes Depiction Of Musharraf. Akram Shaheedi, press minister at the Embassy of Pakistan in Washington, writes in a letter to the editor of the Wall Street Journal (11/1, 2.03M), "Tunku Varadarajan, in his review of Pakistani President Pervez Musharraf's autobiography 'In the Line of Fire,' describes Gen. Musharraf as 'self-congratulatory, narcissistic and mendacious.' … Such words are unfair, reflecting the mindset of those determined to malign the president come what may."

Pentagon Seeks Translation Devices To Remedy Shortage Of Arabic Interpreters. On the front page of the Business section, the Washington Post (11/1, Merle, 748K) reports that "the goal of having a machine replace a human interpreter remains elusive, and the military is mounting a multimillion-dollar campaign to find a more capable successor, one that can translate both sides of a conversation, from English to Arabic and vice versa." A shortage of interpreters has forced the military "to rely increasingly on contractors -- 6,500 in Iraq and 1,500 in Afghanistan. It can be a dangerous job. Of the 648 contractors killed in Iraq since the war began in March 2003, 153 worked for the division of L-3 Communications Corp. that currently holds the linguist contract." The Post reports that progress on the device has been slow.

The Washington Times (11/1, Pfeiffer, 88K) reports, "The Army has invested $4.2 million in a Web-based software program to improve the foreign-language skills of overseas personnel. The program was created by Rosetta Stone, which provides training software in 30 languages." Army project manager Stan Davis is quoted as saying that "more than 64,000" troops are using the software.

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Gonzales Takes Surprise Teaching Stint At George Washington Law School. In their "Reliable Source" column for the Washington Post (11/1), Amy Argetsinger and Roxanne Roberts write, "Alberto Gonzales dropped by GWU Law School yesterday, surprising 40 students in the criminal procedure class. The attorney general talked about military commissions, terrorist surveillance and the Patriot Act and took questions for 40 minutes -- before vanishing as mysteriously as he arrived." Argetsinger and Roberts add, "Turns out this was all his idea: Gonzales just got a hankering for legal chat with some students, and his staff tracked down a willing prof, former DOJ lawyer Renee Lerner . 'I guess he really likes teaching,' she said. 'The students, of course, were delighted to have him.' Is the AG mulling a move to academia? 'He is not ruling any options out in terms of future careers,' said Justice spokeswoman Tasia Scolinos . Any more stealth visits to law schools planned? 'I wouldn't rule it out.'"

California Federal Prosecutor Ready For Iraq Duty. The Sacramento Bee (11/1, Ellis) reports, "Marlon Cobar so believes in the virtue of the rule of law that he has volunteered to go to Iraq and promote it." The Bee continues, "Cobar, an assistant U.S. attorney in Fresno, next month will start a one-year stint — with the option for a second — advising Iraqis as they work to put together a functioning legal system. … Many areas where Cobar will help already are second nature in the American legal system, such as how to make effective opening and closing arguments, how to pursue a line of questioning, how to preserve evidence and how to develop a chain of custody for prisoners." The Bee adds, "Cobar also will give advice about human rights and ethical issues that lawyers, prosecutors and judges in Iraq might face. … 'We're not going over there to take over,' Cobar said. 'We'll be assisting the Iraqis in taking the reins of their justice system any way they can.'" The Bee notes, "He will be stationed in an undisclosed province far from Baghdad and will be one of only eight such 'Resident Legal Advisers' in the war-torn country. These legal advisers advise the U.S. Embassy and Iraq's central and provincial courts. … In total, the Justice Department has more than 200 employees and contract personnel working on law enforcement, security and justice issues in Iraq. … To date, according to the Justice Department, nearly 500 Iraqi jurists and prosecutors have been trained on topics such as human rights, criminal process and the challenges presented prosecuting insurgency and terrorist cases."

CORPORATE SCANDALS:

Jury Finds Former Cendant Chairman Guilty Of Conspiracy To Commit Securities Fraud, Making False Statements. The Wall Street Journal (11/1, C3) reports a federal jury in the US District court in Bridgeport, CT found former Cendant Chairman Walter A Forbes "guilty of conspiracy to commit securities fraud and two counts of making false statements in a massive fraud scheme that inflated the travel and real-estate company's earnings and crippled the company's once-stellar reputation. … The conviction came in Mr. Forbes's third trial in three years, after juries deadlocked in trials earlier this year and in early 2005. The Cendant case was among the first in a series of corporate-accounting scandals that sparked outrage from investors in recent years, but is one of the last to reach a conclusion." US Attorney Christopher J. Chirstie: "We are gratified by today's verdict. … The innocent victims of this $14 billion fraud engineered by Walter Forbes have waited a very long time for justice to be done. This is a great day for those who believe that everyone in our society must be held accountable for their conduct."

The New York Times (11/1, Stowe) reports, "Prosecutors said Mr. Forbes inflated the income at his original company, CUC International, which merged with HFS Inc. in 1997 to form Cendant — with holdings including the Avis and Budget car rental companies and the Century 21 and Coldwell Banker real estate brokerage firms, among other businesses." The Times adds, "The jury foreman, David Cunningham, a business analyst from Wilton, Conn., said the jury did not think that prosecutors proved their case on securities fraud. Asked if there had been a crucial piece of evidence that swayed the jury to vote to convict on other counts, Mr. Cunningham replied simply, 'We were just following the evidence.'

USA Today (11/1, Farrell) reports, "The victory proved sweet for federal prosecutors from New Jersey, who have been pursuing Forbes for eight years. Two previous efforts to convict Forbes for his role in the Cendant fraud ended in mistrials, although jurors in the first trial found Forbes' top lieutenant, E. Kirk Shelton, guilty of participating in the fraud. Shelton was sentenced to 10 years in prison."

The Washington Post (11/1, D1, Johnson) reports, "Forbes, 63, faces more than 10 years in prison on the charges, which stem from a $250 million earnings manipulation at CUC International Inc., which through a merger became the travel and real estate conglomerate known as Cendant. … Cendant's disclosure of accounting tricks eight years ago slashed the stock price in half and erased $14 billion in shareholder value, ultimately leading the company to hand over a $3.2 billion settlement to investors,

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which was a record at the time." The Post notes that the verdict "marked the third time in recent years that jurors rejected a top executive's claim that he failed to detect accounting tricks because he only breezily reviewed financial reports and delegated the details to subordinates who deceived him."

The AP (11/1, Press) reports, "The verdict could end what was, when it was first brought, the largest case of accounting fraud in the country. The Cendant case was among the first in a series of corporate accounting scandals that sparked outrage from investors in recent years. … The case was being tried after two previous juries deadlocked. … 'It's the third time and was worth all the effort,' said Michael Drewniak, a spokesman for the U.S. Attorney's office in New Jersey. 'We always believed fully in all the evidence against Mr. Forbes. We are extremely gratified by today's results.'" The AP adds, "Prosecutors say that Forbes participated in a scheme to inflate the stock of Cendant's predecessor, CUC International, by $500 million. The fraud was reported in 1998, causing Cendant's market value to drop by $14 billion in one day. … Forbes has argued he knew nothing about the fraud. His co-defendant, former Cendant Vice Chairman E. Kirk Shelton, was convicted last year of conspiracy, mail fraud, wire fraud, securities fraud and making false statements to the SEC."

SEC Regulators Investigate Triparty Repurchase Agreements. The Wall Street Journal (11/1, C6, Ng, Zuckerman) reports that a "regulatory probe into possible manipulation of Treasury prices" is examining "a strategy that helps traders make certain bonds scarcer and more valuable, say people familiar with the matter." The SEC "is investigating whether UBS AG was involved in improper manipulation of Treasury-securities prices. Separately, a Credit Suisse Group bond trader recently left the firm amid regulatory scrutiny of the market. No regulator has alleged wrongdoing by any individual or at any specific bank. Regulators are focusing on a large and somewhat obscure corner of the market where investment banks, hedge funds, mutual funds and other investors use bonds as collateral for short-term cash loans. … People familiar with the government's investigation say some firms might be intentionally restraining supply in the repo market by borrowing scarce bonds and then entering deals that park a large proportion of those bonds with custodian banks, keeping them from being lent out to other traders. By constraining supply this way, traders can make their holdings -- or the holdings of clients -- more profitable." These deals, called "triparty repurchase agreements," are "part of normal trading activity, but regulators are concerned they are being abused."

Former McAfee Treasurer Agrees To Fine In Fraud Case. The Wall Street Journal (11/1, C6) reports that Eric Borrmann, a former McAfee Inc. treasurer, "agreed to pay $758,000 and accept a five-year ban on serving as an officer of a public company to settle civil charges that he aided the computer-security company's multimillion-dollar fraud from mid-1999 until he left the company in July 2000, the Securities and Exchange Commission said." He "was accused of assisting McAfee's executives and senior managers in preparing and distributing false and misleading information about the company's financial results."

Professors Call For Greater Shareholder Empowerment. In a column in the Wall Street Journal (11/1), James Dow and Paolo Volpin, two professors of finance at the London Business School, write, "Executive compensation scandals are back, in Europe as well as in the U.S. Just think of the news during the last couple of weeks. … Economists have traditionally taken a benign view of stock options and generous executive compensation. Basic economic theory suggests that they align management interests with shareholders'. … But the excesses of the last few years have fueled the resurgence of the contrarian view: that high incentive pay can actually exacerbate conflicts between shareholder value and CEO interests." They explore the issue of CEO pay and corporate governance in Europe and the US, then write, "We have no doubt that shareholder empowerment is the way forward. We would like to see more mechanisms for shareholders to voice their claims as owners. … We disagree with the view that aggressive enforcement is the key to improved corporate governance. We'd certainly like to see blatant transgressors punished, but available evidence shows that relying on enforcement by securities regulators does not suffice. If there is one lesson to be learned from the options backdating scandal, it is that even the most devious lawmaker could never anticipate and prohibit all the devices that managers might conceive to abuse their shareholders."

SEC Closes Intuit Options Probe. The AP (11/1) reports, "Intuit Inc. said the Securities and Exchange Commission has closed its investigation into the software maker's stock option accounting practices without taking any punitive action." The AP continues, "The conclusion removes Mountain View-based Intuit from a long list of companies under SEC scrutiny as regulators examine whether employee stock options had been manipulated in a way that inflates profits and decreases tax bills. The SEC began its Intuit inquiry in June." The AP adds, 'Most of the problems to surface so far have revolved around 'backdating.' … Intuit, which makes the popular TurboTax and Quicken programs, had previously disclosed that it did not need to restate its past

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profits because an internal investigation found no evidence of stock options misconduct. … The U.S. Attorney's office subpoenaed Intuit for information pertaining to its stock options around the same time the SEC began its investigation. Intuit said the U.S. Attorney's office hasn't sought additional information since the company passed along the findings of its internal inquiry."

CRIMINAL LAW:

Rising Florida Violent Crime Reflects National Trend. USA Today (11/1, 3A, Johnson, 2.27M) reports that Orlando, Fla., and surrounding Orange County already have set annual records for murder this year, and "the escalating number of killings in the Orlando area has made it one of the most extreme examples of the increasing violent crime rates being reported in dozens of cities across the nation, according to a recent analysis by the Police Executive Research Forum, a police advocacy group. The FBI…has not released numbers for 2006," but the PERF "report led the Justice Department to launch a review of possible demographic and economic triggers for violence in cities from Philadelphia to Sacramento. Meanwhile, the FBI has directed more than 100 additional agents to help local authorities fight violent crime." USA adds, "Across Florida, police are reporting spikes in violence after a decade of historically low crime rates."

Florida Said To Have "Complex" Roots. In the article, USA Today singles out Florida where "the violence seems to have roots that are more complex." Ron Stucker, criminal investigations chief for the Orange County Sheriff's Department, "say that although traditional gangs have a presence here, most of the homicides in this area appear to have stemmed from robberies or drug-related disputes that suddenly turned violent."

Montgomery County Reports Increase In Violent Crime. The Washington Post (11/1, Londoño) reports, "Crime in Montgomery County increased by 7 percent during the year's second quarter, largely driven by a sharp rise in robberies, according to statistics released yesterday. Robberies increased by almost 68 percent during the reporting period, which ran from April to June. Another significant rise was in auto theft, which increased by 22 percent." Police Chief J. Thomas Manger "said the increase is part of a national trend. Across the country, violent crime is on the rise, partly driven by an increase in juvenile delinquency." The Post adds, "Other jurisdictions in the area, including Fairfax and Prince William counties, also recorded more robberies in the second quarter. But Prince George's County, which generally has a higher crime rate than Montgomery, says reported robberies fell significantly."

Libby's Lawyers Ask Judge To Bar Testimony Regarding Miller. The AP (11/1, Apuzzo) reports Special Prosecutor Patrick Fitzgerald and Vice president Cheney's former Chief of Staff I. Lewis 'Scooter' Libby "agree on something: keeping Libby's perjury trial in the CIA leak case focused solely on his actions. The two are separately asking a federal judge not to allow three years of politically charged backstory in the case to seep into Libby's trial starting in January. In new court documents, Fitzgerald argued that he shouldn't have to explain why Libby was charged while others, including the source of the leak, escaped prosecution. Libby said jurors shouldn't hear about New York Times reporter Judith Miller's 85-day jail term for refusing to discuss her conversations with him." Libby's attorneys "said it would be unfair for prosecutors to discuss Miller's refusal to testify. … 'The introduction of these issues would undoubtedly cause jurors to wonder whether Ms. Miller went to jail in an effort to shield Mr. Libby from liability, and whether Mr. Libby is to blame for her incarceration,' defense attorneys wrote."

The New York Sun (10/31, Gerstein) reports, "Prosecutors are asking a federal judge to preclude lawyers for a former White House aide facing trial for lying and obstruction of justice, I. Lewis Libby, from telling jurors that the government failed to charge Mr. Libby or anyone else in connection with the event that triggered the probe, the disclosure of the identity of a veteran CIA officer in 2003." The Sun continues, "Meanwhile, defense attorneys are seeking to prevent jurors from learning about any damage caused by the leak about the CIA operative, Valerie Plame. The defense also wants to keep the jury in the dark about the 85-day incarceration of a New York Times reporter, Judith Miller, after she was cited for contempt for refusing to testify about her contacts with Mr. Libby, who was then chief of staff to Vice President Cheney." The Sun adds, "The legal maneuvering came as the two sides faced a deadline yesterday to file motions aimed at restricting evidence or arguments to be presented at Mr. Libby's trial, which is set for January. … The special prosecutor assigned to the inquiry, Patrick Fitzgerald, asked Judge Reggie Walton to preclude defense attorneys from discussing during the trial why Mr. Libby was not charged with deliberately outing Ms. Plame. Mr. Fitzgerald also asked to exclude any evidence about why others were not charged in the case."

Influential Lobbyist Major Figure In Palm Beach Corruption Probe. The Palm Beach Post (11/1, Musgrave) reports, "William Boose, one of Palm Beach County's most influential lobbyists, is a central figure in the biggest corruption scandal to rock county government in nearly a century. A federal grand jury that indicted former County Commission Chairman Tony Masilotti in a land-deal

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conspiracy also is looking at Boose. … When FBI agents started asking questions" in the Masilotti probe, "Boose falsified legal bills to disguise the fact that he didn't charge Masilotti full price for legal services, according to the court record. He worked on Masilotti's land deal while lobbying the county commission for other developer clients," without disclosing his relationship with Masilotti. The Post notes that although Boose has not been charged, "he has hired attorney Jack Goldberger -- a legal powerhouse who has a reputation for working with authorities to negotiate plea deals for high-profile clients."

FBI Sting Snares 35 In Philadelphia Medical Insurance Scam. The Philadelphia Inquirer (11/1, Clark, 399K) reports, "A Center City lawyer and 34 other people were charged with fraud yesterday in an elaborate sting operation that focused on personal injury claims from supposed vehicular accidents, the U.S. Attorney's Office announced. U.S. Attorney Patrick L. Meehan said his office and the FBI set up a bogus chiropractic clinic…in Northeast Philadelphia as the center of the sting, which was conducted over about three years. Officials said those charged were divided into three groups: the lawyer, Jordan B. Luber, who obtained a legal settlement on behalf of two FBI agents posing as injured patients from a vehicular accident; 31 'patients' who sought financial recovery based on false medical diagnoses and nonexistent medical treatment for supposed injuries from vehicle accidents; and 'runners' who received referral fees from Injury Associates for recruiting 'patients' to the clinic while knowing the clinic was a fraudulent operation." The Inquirer notes, "Officials said the fraudulent personal injury actions pursued by the defendants yielded more than $1.5 million in settlement demands and more than $350,000 in insurance company payments."

The Philadelphia Daily News (11/1, Hinkelman, 109K) reports, "Injury Associates was not just another chiropractic clinic. … It was part of an elaborate FBI sting carried out from 2003 to June 2006 that targeted individuals participating in phony personal-injury claims against auto insurers arising out of supposed car accidents." The Daily News notes, "Each individual sting operation began with a meeting between patients and undercover agents. … FBI agents then explained to potential patients how the scam worked. The meetings were both audio- and videotaped." US Attorney Patrick Meehan "said yesterday that the investigation is ongoing." The AP (11/1) also reports on the indictments.

Federal Investigators Find Big Dig Tunnel Design Had Minimal Safety Margin. The Boston Globe (11/1, Murphy, Allen, 425K) reports, "The Big Dig tunnel ceiling that collapsed in July was designed with a smaller margin of safety than other tunnel ceilings around the country, leaving nothing to prevent heavy concrete slabs from falling on a passing car when ceiling bolts fell out, according to a preliminary report by federal investigators obtained by the Globe." The NTSB report found that the "drop ceiling was held up by steel hangers, which were suspended from bolts that had been glued into the tunnel roof. But there were no beams attaching the ceiling to the walls, and the ceiling was constructed with half as many ceiling bolts as in the original design." The Globe adds, "The NTSB report also suggests that flaws in construction of the ceiling, carried out by Modern Continental Construction Co., may have made the design more hazardous. While offering few details, the report said FBI and State Police interviews with Modern Continental workers point to 'potential problems in the procedures used during installation.'"

High Court Considers Florida Death Row Appeal. The AP (11/1, Yost) reports, "A death row inmate's attorney argued Tuesday that the U.S. Supreme Court should allow the prisoner's appeal to continue despite a federal court ruling that he had missed a deadline for pursuing the case." The AP continues, "The lawyer for Gary Lawrence said Florida courts were to blame for the tardy appeal, not the inmate. …. Attorney Mary Bonner told the justices that Lawrence did not receive a court-appointed counsel to handle his appeal for 10 months, wiping out most of the time that he had under federal law to seek review of his death sentence." The AP adds, "The issue involves the interpretation of the Antiterrorism and Effective Death Penalty Act of 1996, which places limits on the prolonged appeals process in capital punishment cases. It imposes a one-year deadline for petitioning federal courts in death cases after final judgments in state courts. … Under questioning by Chief Justice John Roberts, Bonner agreed with Roberts that her interpretation of the law would involve a process lasting up to six months. … The state of Florida said Lawrence had just one day remaining to petition the federal courts after the Florida Supreme Court ended the case on Nov. 18, 2002. The lawyer for the convicted killer says the deadline under the law did not expire until the U.S. Supreme Court refused to consider the case several months later."

US Gets More Time To Make Kansas Death Penalty Decision. The Topeka (KS) Capital-Journal (11/1, Fry) reports, "Frank Jerome 'Chicago' Robinson, a Topekan charged with starting a fire that killed Marvina Washington last summer, will have another month before learning whether he will face possible imposition of the death penalty." The Capital-Journal continues, "A federal district judge late last week gave federal prosecutors until Nov. 30 to decide whether to seek the federal death penalty against Robinson if he is convicted of a federal count of arson. … If

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Robinson is convicted, the maximum penalties for arson resulting in a death are life in prison or under certain circumstances, the death penalty, a spokesman for the U.S. attorney's office has said." The Capital-Journal adds, "Marvina Washington, 53, was killed during a fire that destroyed the apartment house she lived in at 427 S.W. Tyler. After the fire was extinguished on Aug. 8, Washington's body was recovered from her second-floor apartment. … U.S. District Judge Julie Robinson said the delay wouldn't prejudice Frank Robinson and gave prosecutors until the close of business on Nov. 30 to file notice of the prosecution's intent to seek the death penalty. Before the judge's ruling, the deadline to file the notice had been Oct. 30. … In the prosecution request for more time, U.S. Attorney Eric Melgren and assistant U.S. Attorney Anthony Mattivi didn't anticipate a decision would be made by federal prosecutors by the Oct. 30 deadline. .. 'As the court is undoubtedly aware, the process within the Department of Justice for determining whether or not to seek the death penalty in a particular case is both lengthy and cumbersome,' the prosecution motion for more time said. … Any decision to seek the death penalty must be approved by U.S. Attorney General Alberto Gonzales. … The judge granted the postponement motion on Oct. 26. The judge will hear the motion on Dec. 18, and Frank Robinson is to be tried starting Feb. 6."

Bockting Appeal Could Potentially Re-Open "Thousands" Of Criminal Cases. The Christian Science Monitor (11/1, Richey) reports that the case of Marvin Bockting, who was "accused of sexually abusing his 6-year-old stepdaughter" and convicted when her "mother and the detective testified about what she had told them of the alleged sexual assault. Bockting was convicted and sentenced to life in prison," will be taken up in the Supreme Court this term. Bockting "is seeking to overturn his conviction based on a 2004 US Supreme Court decision in a case called Crawford v. Washington. In that case, the Supreme Court strongly reaffirmed the constitutional right to confront one's accusers in court. At the same time, the court struck down a rule that had allowed the introduction at trial of testimonial statements made by a potential witness prior to the trial." If the court decides to apply the *Crawford* rule retroactively to Bockting's case, "the case would also open the courthouse doors potentially for thousands of other individuals convicted under similar circumstances, where a key piece of testimonial evidence was allowed into the trial without the constitutional safeguard of cross-examination."

Two Found Guilty In D.C. Witness Killing. The Washington Post (11/1, Cauvin) reports that Franklin Thompson and Marquette Ward were convicted of murder yesterday in the slaying of "Jahkema 'Princess' Hansen," that the Post calls "as brazen a witness attack as the city had experienced." The trial "cast an unsettling light on the netherworld that Hansen -- and her killers -- inhabited. Just a seventh-grader, Hansen hung out with people a lot older, and she was out buying drugs with some of them at 3 a.m. when she saw a killing that later would cost her her life." The Post writes, "Yesterday, as the jury foreman answered guilty again and again -- 31 times in all -- Thompson, 24, and Ward, 31, betrayed no emotion as they sat behind their attorneys. Both were convicted of first-degree murder, conspiracy to commit murder, obstruction of justice and other offenses tied to Hansen's death."

DNA Evidence Clears Man Of Rape Charges. The New York Times/AP (11/1, Press) reports that Larry Fuller, who was "convicted of rape 25 years ago," was freed Tuesday "after a judge ruled that he would probably not have been found guilty if DNA testing been available." He "was sentenced to 50 years after jurors convicted him of aggravated rape in 1981, finding that he had broken into a woman's apartment and raped her, using a butcher knife to cut her thumb, neck and back as she struggled." The article adds, "Mr. Fuller's subsequent exoneration makes him the 10th Dallas County man in five years cleared by DNA testing. More than 20 men have been exonerated in Texas by such testing, according to the Innocence Project."

Duke Rape Case Overshadows Durham, NC, Prosecutor Election. The New York Times (11/1, Wilson) reports, "A week before Election Day, the race for Durham County district attorney is as odd a political campaign as anyone here can recall. The controversial lacrosse case looms over the incumbent, Michael B. Nifong. The opposition, under the banner of Anyone but Nifong, is fractured. … After all the accusations and commentary that the case has generated around the country, there is mostly silence at the heart of the campaign: little advertising, no debates and no platform by the leading opponent except that if he should win, the governor will pick somebody else. Still, to the extent there is any campaign at all, it is because of Mr. Nifong's handling of the case against the three players, all white, accused of rape by a black woman hired to strip at a team party in March."

Teen Student Arrested After Homemade Bomb Explodes. The Washington Post (11/1, Londoño) reports, "A 15-year-old Rockville student was arrested yesterday afternoon after a homemade 'bottle bomb' he was about to bring onto a school bus exploded as a teacher discarded it, Montgomery County Fire and Rescue Service officials said. A teacher at Mark Twain School who saw something suspicious approached the student -- whom authorities did not identify because he was charged as a juvenile -- as he was getting ready to board a school bus. As the teacher

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seized the two-liter bottle, its contents were activated by the movement, leading to an explosive chemical reaction. No one was injured."

California Commission Overpaid For Services, Failed To Follow State Contract Rules. The Los Angeles Times (11/1, Morain) reports, "A state commission chaired by Hollywood entertainer Rob Reiner suffered from lapses in its contracting, failed to properly award millions of dollars and did not adequately justify many of its payments, according to a state audit released today. The nonpartisan California Bureau of State Audits found that the California Children and Families Commission, also known as the California First 5 Commission, used tax money to overpay for some services and failed to follow state rules when it awarded some contracts.

Former Security Firm Chief Sentenced To Home Detention, Probation For Diverting Funds. The Washington Times (11/1, Mcelhatton) reports, Jeffrey N. Jackson, the former chief executive of Unlimited Security Inc., "a D.C. security firm that has become bankrupt," has been sentenced by the US District Court for DC to "eight months' home detention and five years' probation for illegally diverting hundreds of thousands of dollars from a payroll account." He was also ordered to pay $361,000 in restitution. The Times adds, "According to bankruptcy filings, the company's finances were entangled with Jackson's boxing-promotions business. Earlier this year, Jackson pleaded guilty to one count of bankruptcy fraud, admitting that in 2003, he illegally diverted more than $370,000 from a payroll account."

CIVIL LAW:

Supreme Court Hears Tobacco Company's Appeal Of 1999 Penalty. USA Today (11/1, Biskupic, 2.27M) reports, "An attorney for a smoker's widow urged the Supreme Court on Tuesday to uphold a 1999 jury verdict that imposed a huge penalty on Philip Morris based on the tobacco giant's publicity campaign that played down the dangers of smoking." Robert Peck "told the justices that an Oregon jury that assessed punitive damages in the lung cancer death of Jesse Williams rightly considered how other smokers across the state were affected by Philip Morris' campaign." The Oregon Supreme Court "upheld the verdict, saying the huge punitive damages award was permissible because of Philip Morris' 'extraordinarily reprehensible' conduct." Philip Morris, "which makes Marlboros, contends the punitive damages were unconstitutionally excessive because they were so disproportionate to the actual damages and because jurors considered the company's impact on smokers not part of the case." The dispute "gives the justices a chance to clarify guidelines for awarding punitive damages."

The Washington Post (11/1, A9, Lane, 748K) also says the case "could illuminate the Roberts court's approach to tort reform." In recent years, the court "has helped the business community on the punitive-damages issue, ruling that excessive awards violate companies' constitutional rights. But yesterday's case may be especially significant because the firm seeking help is tobacco company Philip Morris, and it has been found liable not for bilking a consumer out of money, but for actually killing him." A ruling in Philip Morris's favor "would suggest that the court is so concerned about high punitive damages that it would protect even an unpopular corporate defendant. For their part, consumer and anti-smoking groups hope that the court will rule against Philip Morris -- and show that punitive-damage limits do not apply to especially reprehensible conduct." The Post ads, "By the end of oral arguments yesterday, however, it seemed that the court was reluctant to rule broadly in either direction. Instead, several members of the court, including some who had supported its recent limits on punitive damages, suggested that the best way to handle the case would be to send it back to the Oregon Supreme Court for clarification of technical state law issues."

The Wall Street Journal (11/1, A13, 2.03M) reports, "In the past decade, business has won two major rulings that rolled back blockbuster punitive damage awards, money intended to punish a defendant for its behavior and deter repetition. In each case, the court ruled the awards violated the 14th Amendment's Due Process Clause."

The New York Times (11/1, Greenhouse, 1.21M) reports "there was general agreement during the argument, including by Mrs. Williams's lawyer…that awarding damages on the basis of injury to nonplaintiffs was impermissible under the Supreme Court's recent precedents." But "there was no agreement on whether that actually happened." Peck "argued that the Oregon courts had simply permitted the jury to consider harm to others, not to impose 'global punishment' but as part of its assessment of the 'reprehensibility' of the cigarette company's behavior, a factor that the Supreme Court's precedents permit juries in punitive damages cases to consider."

The Legal Times (11/1, Mauro) reports, "The Supreme Court's long-awaited oral argument in the 'Big Tobacco' punitive damages case appeared to fizzle on Tuesday, with several justices hinting that they'd like to kick the case back to the Oregon Supreme Court for clarification." The Times continues, "Instead of delving deeply into the contentious debate over the constitutionality of high punitive damages in the context of tobacco litigation, the justices seemed troubled over more technical matters during hourlong arguments in Philip Morris USA v. Williams. … But there were some signs that if the high court decides to keep the case and rule on it,

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the justices might be willing to uphold the large verdict in the Philip Morris case, in spite of Court precedents that point toward limiting punitive damages." The Times adds, "In the State Farm v. Campbell decision in 2003, the high court suggested that a 9-to-1 ratio between punitive and compensatory damages was the outer limit of acceptability under the Constitution, though it said some cases could warrant higher punitive damages. … But at oral argument Tuesday, there was scant mention of ratios and a greater climate of deference toward state courts and how they handle punitive damages without federal strictures. The result could be the Court tolerating a 'tobacco exception' to State Farm that would allow higher damages because of evidence of decades of industry fraud and deception over the dangers of smoking. … But much of the argument Tuesday was taken up with the smaller-gauge issue of jury instructions that were not allowed in the 1999 trial at issue in the case. Portland, Ore., jurors awarded Mayola Williams $821,485 in compensatory and $79.5 million in punitive damages levied against Philip Morris -- a 97-to-1 ratio between punitives and compensatories. Her husband, Jesse, died in 1997 after four decades of smoking Marlboros."

More Commentary. The Wall Street Journal (11/1, 2.03M) editorializes, "The outcome of this case could have ramifications far beyond tobacco. Whether a jury, in a case involving a single plaintiff, can impose extra damages on a defendant for harming other people who haven't brought suit is an issue that arises in product-liability cases of all kinds -- from autos to drugs. And the Justices yesterday seemed to agree that these pseudo-class actions might present problems of due process." The Journal adds, "When a plaintiffs lawyer is permitted to argue that damages directed at Merck or Toyota should reflect that their products harmed not only his lone client but (allegedly) everyone in the state, it raises the possibility of duplicative punishment. Even if a defendant prevails, what stops the next plaintiffs lawyer from making the same argument on behalf of another (and another and another) lone client? … This may be an even deeper due process violation than outrageous punitive damages because it goes directly to the powers of the jury, and the standards by which it imposes punishment. Some guiding restraint from the Supreme Court on the matter would be helpful."

The Washington Post (11/1, 748K) writes in an editorial, "Cancer rates in this country continue to decline, in large part because of measures such as smoking bans and cigarette taxes. If tobacco companies wanted to live up to their televised pronouncements, they would not hijack the initiative process in Arizona and Ohio, nor would they pour millions into defeating new tobacco taxes."

Also this morning, Robin S. Conrad, senior vice president of the National Chamber Litigation Center of the US Chamber of Commerce, writes in USA Today (11/1, 2.27M), "In Philip Morris v. Williams, in which the U.S. Supreme Court on Tuesday heard oral arguments, Oregon's Supreme Court upheld a $79.5 million punitive damages award that is nearly 100 times the amount of the plaintiff's compensatory damages. In its amicus brief, the National Chamber Litigation Center argued that the state supreme court ignored the Supreme Court's guidance in 2003's State Farm v. Campbell, recommending a single-digit ratio for most punitive damages awards. … Some argue that the judicial branch is not the proper place for punitive damages reform, but rather that irrational punitive damages awards are solely a problem for state legislatures and even Congress. We disagree. The Constitution prohibits the deprivation of property without 'due process of law,' and the essence of 'law' is rational and predictable standards. Courts thus have a fundamental obligation to ensure that the trial procedures employed in determining punitive damages include reasonable standards for measuring them."

DC Circuit Blocks "Light" Cigarettes Ruling. The AP (11/1, Apuzzo) reports, "A federal appeals court blocked a landmark judgment against the tobacco industry Tuesday, clearing the way for the companies to continue selling 'light' and 'low tar' cigarettes until their appeals can be reviewed." The AP continues, "The decision by the U.S. Circuit Court of Appeals for the District of Columbia Circuit also allows the companies to continue for now the advertising campaigns that a federal judge in August ruled were misleading. … Without comment, the appeals court granted the tobacco companies' request to put Judge Gladys Kessler's order on hold. The companies have argued that her far-reaching ruling could cost them millions of dollars and lead to a loss of customers." The AP adds, "In mid-August, Kessler ruled that the companies had violated racketeering laws and conspired for decades to mislead the public about the health hazards of smoking. … The judge ordered the companies to publish in newspapers and on their Web sites 'corrective statements' on the adverse health effects and addictiveness of smoking and nicotine. … She also ordered tobacco companies to stop labeling cigarettes as 'low tar,' 'light,' 'ultra light' or 'mild,' since such cigarettes have been found to be no safer than others because of how people smoke them."

Bloomberg (11/1, McQuillen) reports, "Praising the appellate court's ruling, Altria's associate general counsel William Ohlemeyer said Kessler's decision 'is contrary to the law and facts presented during trial.' … Justice Department spokesman Charles Miller declined to comment."

Former McAfee Treasurer To Settle Civil Fraud Charges For $758,000. The Wall Street Journal (11/1, C6, 2.03M) reports former McAfee Treasurer Eric Borrmann yesterday "agreed to pay $758,000 and accept a five-year

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ban on serving as an officer of a public company to settle civil charges that he aided the computer-security company's multimillion-dollar fraud from mid-1999 until he left the company in July 2000, the Securities and Exchange Commission said." He "was accused of assisting McAfee's executives and senior managers in preparing and distributing false and misleading information about the company's financial results."

Canadian Sentenced To 10 Years In Prison For Defrauding Merrill-Lynch. Bloomberg (11/1, Schneider) reports, "Michael Ritter, a Canadian who admitted helping ex-Merrill Lynch & Co. trader Daniel Gordon hide $43 million stolen from the securities firm, was sentenced to 10 years in prison." Ritter "was also ordered to forfeit $471,000." Bloomberg notes, "Ritter was indicted by a federal grand jury in Los Angeles for his role in aiding Larry Toshio Osaki in a Ponzi scheme in which early investors received returns above market rates from money deposited by later investors. … In exchange for his guilty plea…Ritter won't be extradited to the U.S. … Osaki was the ringleader, and Ritter deserved a lesser sentence, Thom Mrozek, spokesman at the U.S. Attorney's office in Los Angeles said in a telephone interview. 'It was a fair resolution to this matter,' Mrozek said."

California Man Sentenced To Four Years In Prison For Investment Scam. The San Francisco Chronicle (10/31, B3, Hoge, 405K) reported, "A Walnut Creek man has been sentenced to four years in federal prison for swindling investors out of $1.5 million by falsely claiming that Bill Gates and other magnates were buying shares in his company, prosecutors said Monday." Lal Bhatia "was convicted in February of 27 charges of mail fraud and money laundering. … Prosecutors said Lal Bhatia had shown forged documents to investors to support his claim that a Swiss banking entity, which didn't exist, was backing him." The Chronicle noted that US District Judge Claudia Wilken "also imposed a $100,000 fine and ordered him to pay $894,531 in restitution to his victims."

The Contra Costa Times (10/31, Avalos, 180K) reported, "The FBI and the IRS teamed up to track Bhatia's complex schemes, said Joseph Schadler, a spokesman for the FBI's Bay Area operations. 'The money trail is so convoluted that it really behooves us to have the financial expertise of the IRS on board,' Schadler said. In a separate case, Bhatia awaits trial over accusations that he and other suspects posed as wealthy financiers and a British noble as part of an alleged scam in which victims lost $1.9 million. The suspects convinced developers in Florida and Texas that they could arrange large loans for their projects in return for up-front fees to process the bogus loans, FBI investigators said." The AP (10/31) also reported on Bhatia's sentencing.

Texas Woman Sentenced To Probation For Katrina Relief Fraud. The AP (11/1) reports, "A 29-year-old woman who posed as a Hurricane Katrina evacuee to collect $2,000 in federal aid received three years probation Tuesday." Tomisha Embry of Longview, Texas, "must also pay back the money as restitution after being sentenced by U.S. District Judge Leonard Davis." The AP notes, "Last month, Attorney General Alberto Gonzalez said the Hurricane Katrina Fraud Task Force has produced charges against more than 400 people in more than 30 federal judicial districts around the nation."

Kansas Women Plead Guilty To Health Care Fraud. The Kansas City Star (10/31, 278K) reported, "Two women pleaded guilty in federal court Monday for their roles in a scheme to defraud an employee health-care plan." Sandra Rivers of Kansas City and Delorise Jean Killiebrew of Independence "had been indicted in July with 11 others. Killiebrew acknowledged that Cheri Smith, an employee of Health Midwest Comprehensive Care's claim department, persuaded her to cash nine checks totaling more than $33,000." The Star noted, "A total of $121,284 was fraudulently paid out between January and August 2002, according to the charges." The Kansas City Business Journal (10/31) added, "Rivers admitted that she had learned about the health care fraud conspiracy from Killiebrew, a co-worker, and had agreed to accept checks in the summer of 2002. Rivers received two checks for a total of $5,516. After cashing each of the checks, Rivers kept $300 and gave the rest of the money to Killiebrew." The Journal noted, "Executive Assistant U.S. Attorney Roseann Ketchmark is prosecuting the case, which the FBI investigated."

3rd Circuit Revives Suit Against Asbestos Class Action Attorneys. The Legal Intelligencer (11/1, Duffy) reports, "The 3rd U.S. Circuit Court of Appeals has revived a proposed class action suit against a group of lawyers from southern states brought by more than 2,600 former clients from northern states who say they were cheated out of their fair share of $400 million in asbestos personal injury settlements in the Mississippi state courts when the lawyers gave larger payouts to southern plaintiffs." The LI continues, "Reversing a lower court's decision that dismissed the suit, Senior U.S. Circuit Judge Jane R. Roth issued a stern lecture to lawyers about the duty of loyalty. … 'We are embarrassed to have to explain a matter so elementary to the legal profession that it speaks for itself: All attorneys in a co-counsel relationship individually owe each and every client the duty of loyalty. For it to be otherwise is inconceivable,' Roth wrote in Huber v. Taylor." The LI adds, "The case provides a rare glimpse into the high-stakes world of asbestos litigation in which plaintiffs are termed "inventory"

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and settlements often involve hundreds or even thousands of cases. … The plaintiffs in Huber v. Taylor are steelworkers from Pennsylvania, Ohio and Indiana who joined a massive Mississippi asbestos suit. The defendants are lawyers from Mississippi, North Carolina and Texas. .. The suit, filed by attorneys Esther S. Trakinski and Irving Cohen of Cohen Pope in New York, alleges that the northern plaintiffs were never made aware of a complex series of agreements between and among the lawyers that, they say, ultimately led to their receiving smaller payouts than southern plaintiffs. … The northern plaintiffs had all retained lawyers in their home states -- referred to in the case as 'local counsel' -- who had in turn struck deals with a Texas lawyer who served as co-counsel. … But when the lawyers struck a series of settlements worth more than $400 million, the northern plaintiffs claim that their share was reduced because the southern lawyers wanted to allocate a greater percentage of aggregate settlements to southerners in order to minimize the percentages paid to the northern plaintiffs' local counsel."

Center For Digital Democracy Asks FTC To Investigate Online Advertisers. USA Today (11/1, Hopkins) reports that the Center for Digital Democracy "is expected to file a Federal Trade Commission complaint asking the agency to investigate online advertisers. It also wants the FTC to force companies to halt what it calls deceptive practices and encourage Congress to pass legislation bolstering consumer privacy protection." Jeff Chester, the center's executive director, "says hundreds of companies now track consumers online, gathering detailed dossiers about reading, spending and other habits that endanger personal privacy. Privacy policies published on websites don't adequately warn consumers, he says."

CIVIL RIGHTS:

DOJ To Send Election Monitors To At Least 20 States. USA Today (11/1, Wolf, Johnson) reports, "Thousands of lawyers, election monitors and volunteers with video cameras will be mobilized on Election Day in an effort to guard against problems at the polls." USA continues, "The Justice Department will dispatch more than 800 observers, a record for a non-presidential election year, to look for evidence of discrimination, intimidation and other obstacles to voter accessibility in at least 20 states." USA adds, "The Democratic Party has a 50-state voter-protection effort and an estimated 7,000 lawyers at the ready. Liberal groups have set up hotlines for voters to call if they are denied the right to vote. And hundreds of people plan to film interviews at polling places where voters are being challenged that day. … Fueling the activity this year: dozens of close elections that could decide control of Congress and the potential for problems caused by electronic voting machines, statewide databases and identification requirements. … Republican and conservative interest groups are keeping a lower profile. The Republican National Committee is relying on its state parties for poll monitors and lawyers. Groups such as the Republican National Lawyers Association lack the manpower to match the NAACP, Common Cause and People for the American Way." USA notes, "Justice Department monitors will be deployed next week, partly based on close races for Congress and where questions have been raised about the integrity of the election process. That could include Baltimore, Chicago, Cleveland and other places that encountered problems during primaries this year. … Prosecutors will be on standby in each federal district across the country to pursue possible fraud cases or other election-related criminal activity. 'Everyone agrees that we want to make voting easier and fraud harder,' says Assistant Attorney General Wan Kim."

CNN.com (11/1, Frieden) reports, "The Justice Department plans to dispatch more than 800 federal observers and monitors to 20 states to protect voting rights in potentially troubled polling locations, officials announced Tuesday. … That is a record number of federal officials watching polling stations in an off-year election. … 'Yes, the anticipated closeness of races is one factor in our decisions about where we'll be sending people,' said Assistant Attorney General for Civil Rights Wan Kim." CNN continues, "Kim said he would not identify until Monday the more than 65 cities and counties to which the observers will be sent. … The locations where federal observers will be stationed are selected because of past polling problems, an uneasy history among ethnically or racially diverse groups, or where fears and allegations of potential violations are asserted. … The Justice Department is reluctant to make public plans for elections observers. One official said that is because observers are viewed, in part, as frontline collectors of data that could be used to construct cases against local jurisdictions."

NAACP To Monitor Election In St Landry Parish, LA. The Baton Rouge (LA) Advocate (11/1, Burgess) reports, "The NAACP plans to organize poll watchers in St. Landry Parish to monitor what's expected to be a tight race between a black woman interim sheriff and her white male challenger." The Advocate continues, "Concerns of possible racial intimidation in the sheriff's election have also attracted the attention of the U.S. Justice Department, which monitored the parish's primary election on Sept. 30 and is expected to return next week. .. .The NAACP Legal Defense and Education Fund, working with local civil rights groups, hopes to assemble a team of 24 poll watchers to oversee the elections, said Kristen Clarke-Avery, assistant counsel for the NAACP Legal Defense and Education Fund." The Advocate adds, "Clarke-Avery said the group had 12 monitors for last month's elections. … 'All of us are out there to see to it that

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everybody can exercise their constitutional right to vote,' said Clifton Lemelle Sr., a retired educator from Eunice who is helping organize the poll watchers. … Lemelle said there were no confirmed reports of racial intimidation from the Sept. 30 election. … Federal monitors also reported no apparent violations."

DOJ Says States Will Not Be Penalized For Voting Systems Lapses. The AP (11/1, Jordan) reports, "The Justice Department isn't penalizing states that fail to upgrade voting systems by next week's elections, a requirement passed by Congress in 2002." The AP continues, "Federal efforts to combat election fraud and prevent voter intimidation on Nov. 7 are among the most rigorous ever, Assistant Attorney General Wan J. Kim said Tuesday. He estimated 800 federal observers and monitors are headed next week to oversee elections in 20 states - selected in part because of close races there. … But prosecutors have not penalized states, or tried to hold them in contempt, if they failed to comply with the 2002 Help America Vote Act, Kim said. The law required states to plan for switching to electronic ballot machines and have a voter registration database up and working in time for the 2006 elections." The AP adds, "If states 'miss a deadline, or if they don't do something by a certain time, then obviously we would first go back to the table and try to figure out why, and how we can fix the problem,' Kim told reporters. … If a state still falls short, the Justice Department could go to court and seek a contempt order, which could carry penalties, Kim said. 'But that's something we don't like to do. It means a problem's broken and we can't fix it easily.' … Justice Department officials said it is unclear how many states have not fully updated their voting systems. The department has filed lawsuits against four states - Alabama, Maine, New Jersey and New York - and they have until sometime in 2007 to comply. … Other states are in varying degrees of compliance. They have escaped legal action because they have made good-faith efforts to meet the new standards. … But critics say the absence of electronic voting machines and outdated registration rolls can lead to major problems at the polls - and potentially skew election results."

GOP Challenges Westchester, NY, Voter Rolls. The New York Times (11/1, Santos) reports, "Republicans are challenging the right of thousands of registered voters in the local State Senate district to cast ballots on Nov. 7, charging that these voters do not live at the addresses listed with the Westchester County Board of Elections." The Times continues, "The dispute set off a war of words between the district's longtime incumbent, State Senator Nicholas A. Spano, and his Democratic rival, Andrea Stewart-Cousins, whom Mr. Spano beat by just 18 votes in 2004, after a contentious recount that lasted three months. … John Ciampoli, a Republican lawyer who handled the recount for Mr. Spano two years ago, said he found the discrepancies after checking postal change-of-address cards against district's voting rolls. On Friday, Mr. Ciampoli submitted the challenges to the Board of Elections, questioning the validity of 5,929 voter registrations and asking the board to send police officers to voters' homes to find out if any of them had moved." The Times adds, "Ms. Stewart-Cousins, a six-term county legislator, held a flurry of news conferences criticizing the challenges. In an interview, she called the idea of using officers to verify addresses as 'an attempt to intimidate voters before the voting even begins.' … Mr. Ciampoli, who lives on the outskirts of Albany, said he filed the challenges on behalf of the state's Republican Party and the Westchester Republican Committee. In 2004, he successfully challenged hundreds of paper ballots most likely cast for Ms. Stewart-Cousins in the 35th State Senate district race."

12 Charged In California Voter Fraud Case. The AP (11/1, Flaccus) reports, "Twelve people have been charged with tricking voters in Orange County (CA) into registering as Republicans, prosecutors said Monday." The AP continues, "The defendants, ranging in age from 19 to 52, were accused of fraudulently registering 37 voters as Republicans between August 2005 and February 2006. Democrats, Green Party members and a noncitizen were registered as Republicans, prosecutors said." The AP adds, "The suspects were hired to register new Republicans by private firms paid by the Orange County Republican Party, prosecutors said. The recruiters worked for the firm Bader & Associates, as well as a subcontractor, John Burkett. Both have said they no longer work on voter registration drives. … No charges were filed against the companies or the Republican Party." The AP notes, "The recruiters visited shopping centers and college campuses and were paid $10 a head for newly registered Republicans in a district represented by U.S. Rep. Loretta Sanchez, a Democrat, prosecutors said. … Voters were asked to sign petitions for lower taxes or stricter sex offender laws, then tricked into signing voter registration cards, Orange County prosecutor Anthony Rackauckas said. Other information was filled in using voters' driver's licenses, he said."

US Settles Racial Bias Complaint Against Milwaukee Nightclub. The Milwaukee Journal Sentinel (11/1, Barton) reports, "The federal government and the owner of a downtown Milwaukee nightclub have agreed to settle a civil rights suit in which the government accused the business of discriminating against African-Americans." The Sentinel continues, "The suit, filed by U.S. Attorney Steven M. Biskupic in late 2005, said that Eve, a club at 718 N. Milwaukee St., has discriminated against African-Americans since at least 2002, according to court records. The suit accused the owner of the club, Tom Wackman, of refusing entry to black patrons on the basis of race. Wackman

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contended that he runs an exclusive club that turns prospective patrons away for a number of reasons, but not race." The Sentinel adds, "The government contended that Eve gave 'false or pretextual reasons' for denying black people entry, 'such as inappropriate attire, exclusion due to a private party, or that Eve was already full, while similarly-situated white persons were admitted to Eve,' according to a Department of Justice news release." The Sentinel notes, "Eve did not admit wrongdoing and will not be sanctioned, according to Timothy Baldwin, attorney for Wackman. … 'We'll continue to do business as in the past, and the government will watch and make sure we're doing exactly what we said, which is maintaining a high-end, limited-access nightclub,' Baldwin said. … Wackman has contended that his goal was to run an exclusive club like those in Chicago and Los Angeles that grant or deny entry based on things such as clothing, attitude and fame."

DOJ Will Not Probe Death Of Virginia Man In Police Custody. The Lynchburg (VA) News & Advance (11/1, Brown, Busse) reports, "The U.S. Justice Department says it lacks sufficient information to justify a civil rights investigation into the death of Clarence Lightfoot Beard Jr., who died Sept. 24 while in custody of Lynchburg police." The N&A continues, "The department's decision was outlined in an Oct. 25 letter to L. Garnell Stamps, a local civil rights activist who requested the investigation. … Stamps wrote an Oct. 6 letter to the Justice Department's Civil Rights Division expressing his concerns about the circumstances surrounding Beard's death." The N&A adds, "The matter is the focus of an ongoing investigation by the Virginia State Police and two separate investigations by the Lynchburg Police Department. … Meanwhile, city officials have refused to release public records about the incident, saying they are confidential because they deal with 'personnel matters' or an 'ongoing investigation.' … The lack of a public record weighed heavily on the justice department's decision not to proceed with a civil rights investigation. … 'The information which you furnished is insufficient to permit us to determine the existence of a possible violation of federal criminal civil rights statutes,' wrote Daniel Rosenholtz, a paralegal specialist for the Civil Rights Division's Criminal Section, to Stamps. 'Therefore, we are unable to authorize investigation of your complaint at this time.'"

Legal Challenge To Mississippi Judicial Election Withdrawn. The AP (11/1) reports from Jackson, MS, "The attorney for a group of black plaintiffs has withdrawn a federal complaint challenging how Mississippi will elect state circuit and chancery judges." The AP continues, "Attorney Carroll Rhodes of Hazlehurst, who filed the lawsuit in U.S. District Court in October, told Judge Henry T. Wingate that he was withdrawing the request after the Justice Department officially pre-cleared the election change Monday in a letter. .. 'Our complaint was that it should be submitted for pre-clearance,' Rhodes said. 'On Oct. 10, the state submitted it for pre-clearance and on Oct. 30, 2006, the attorney general tentatively gave pre-clearance.' … Rhodes told Wingate the request shouldn't go forward." The AP adds, "In the pre-clearance letter, the Justice Department said that for the remainder of the 60-day period the office has to review the matter under the Voting Rights Act, information can be submitted that could result in changes to the pre-clearance. .. .Rhodes said plaintiffs were never seeking to stop or postpone the election. Rhodes said he wanted the judiciary races under the election law before it was rewritten by the Legislature in 2005. … He said the new law was to take effect Jan. 1, 2007, not for the Nov. 7 general election."

Illinois Teen Shot By Police Stun Gun Dies. The AP (11/1) reports from Jerseyville, IL, "A teenager carrying a Bible and shouting 'I want Jesus' was shot twice with a police stun gun and later died at a St. Louis hospital, authorities said." The AP continues, "In a statement obtained Tuesday by The Associated Press, police in Jerseyville, about 40 miles north of St. Louis, said 17-year-old Roger Holyfield would not acknowledge officers who approached him and he continued yelling, 'I want Jesus.' … Police tried to calm the teen, but Holyfield became combative, according to the statement. Officers fired the stun gun at him after he ignored their warnings, then fired again when he continued struggling, police said." The AP adds, "Holyfield was flown to St. Louis' Cardinal Glennon Hospital after the confrontation Saturday; he died there Sunday, police said. … An autopsy was planned for Tuesday." The AP notes, "In a report released in March, international human rights group Amnesty International said it had logged at least 156 deaths across the country in the previous five years related to police stun guns. … The rise in deaths accompanies a marked increase in the number of U.S. law enforcement agencies employing devices made by Taser International Inc. of Scottsdale, Ariz. About 1,000 of the nation's 18,000 police agencies used Tasers in 2001; more than 7,000 departments had them last year, according to a government study. .. Police had used Tasers more than 70,000 times as of last year, Congress' Government Accountability Office said."

DOJ May Reopen Probe Of California Redistricting Plan. The Inland Valley (CA) Daily Bulletin (11/1, Anderson) reports, "The U.S. Justice Department might reopen an inquiry into a claim that the 2001 redistricting plan for the Los Angeles County Board of Supervisors discriminates against Latinos, officials said Tuesday." The Bulletin continues, "Latinos comprise 47 percent of the county's population but are represented by only one of the

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five supervisors. … Joaquin G. Avila, special counsel to the 1,070-member Los Angeles County Chicano Employees Association, recently provided the Justice Department with what he says is new evidence that indicates supervisors packed Latino voters into a single district when two districts could have been drawn." The Bulletin adds, "First District Supervisor Gloria Molina, whose district includes Pomona, represents most of the county's Latino residents. .. .Avila's filing seeks the creation of two supervisorial districts with Latino majorities that would give the Latino community an opportunity to elect a second candidate to the Board of Supervisors, said Alan Clayton, director of equal employment opportunity at the LACCEA."

Officials Investigate Man's Death After Scuffle With Deputies. The Los Angeles Times (11/1, Wride) reports, "Authorities today are investigating the death of a Long Beach man after a confrontation with Los Angeles County sheriff's deputies Sunday night. The 39-year-old man scuffled on a Lakewood corner with deputies who thought he had a handgun, according to the Sheriff's Department. What was thought to be a weapon turned out to be a cell phone, officials said." The man's name was not released.

South Dakota Abortion Vote Likely To Influence National Debate. The New York Times (11/1, Davey, 1.21M) reports the battle in South Dakota "over a statewide ballot measure to install one of the country's strictest anti-abortion laws is playing out in television commercials, yard signs and Sunday sermons. It is also drawing the attention of national advocates on both sides of the abortion debate, who are watching the campaign with deep intensity and even fear." Both sides "predict that the outcome of the vote in South Dakota could send the country's broader debate over abortion rights swerving in new directions, and will set the tone for the fate of similarly strict laws being considered in nearly a dozen other states." Nancy Keenan, the president of Naral Pro-Choice America, which opposes the South Dakota ban, said, "I think there's some sense out there that — 'By golly, if they can do it there, we're going to do it here.'" The Times adds Daniel McConchie, "the vice president of Americans United for Life, which favors passage of the measure, said a defeat at the polls on Nov. 7 could take the steam out of efforts to impose even less restrictive measures, like parental notification rules or waiting periods, that have been the focus of the anti-abortion movement in recent years."

NYTimes Accuses New York GOP Of Attempting To Suppress Minority Vote. The New York Times (11/1, 1.21M), in an editorial, writes, "One of the most deplorable political tactics — trying to suppress the votes of poor or minority citizens by raising the specter of voter fraud — is playing out this week in the city of Yonkers. Republican Party lawyers are calling for an 11th-hour purge of voter rolls in a clear effort to help their endangered state senator, Nicholas Spano. … If the Republicans were sincere about tidying the voter rolls, they could have raised the alarm long ago. Instead they dropped a bomb at the last minute — a conjectural list of possibly problematic names that the Board of Elections has no hope of clearing up before Nov. 7."

ANTITRUST:

DOJ Suspends Antitrust Probe Of Entercom. The AP (11/1, Yao) reports, "The Justice Department said Tuesday it has suspended an antitrust investigation into Entercom Communications Corp.'s purchase of several New York radio stations because the company said it would sell three stations to comply with media ownership rules." The AP continues, "The Justice Department had been looking into Entercom's $262 million purchase of 15 radio stations from CBS Corp. in Austin, Texas; Cincinnati; Memphis, Tenn.; and Rochester, N.Y. … The investigation centered on Rochester, where Bala Cynwyd-based Entercom already owns four radio stations, one AM and three FM. The acquisition would hand over four more FM stations in the area." The AP adds, "With eight radio stations, Entercom would control more than 57 percent of the radio advertising market, and the Justice Department was investigating whether its dominant market share would lead to reduced competition and higher prices for radio advertising. … Federal Communications Commission's rules on local ownership would prohibit Entercom from owning more than five FM stations in an area, requiring it to sell two. … Entercom said it's planning to sell three stations — the CBS-owned WRMM-FM and WZNE-FM and Entercom's WFKL-FM — to comply with FCC rules. The stations are expected to be sold within three months to a buyer approved by the Justice Department, according to a news release issued by the department Tuesday."

Donnelley To Acquire Banta In $1.3 Billion Deal. The Wall Street Journal (11/1, B3) reports, "R.R. Donnelley & Sons Co. said late yesterday it has agreed to acquire Banta Corp., a Menasha, Wis., provider of printing and digital-imaging solutions, in a $1.3 billion deal. The agreement comes as printing-services provider Cenveo Inc. said it has withdrawn its $50-a-share acquisition offer for Banta. Cenveo, Stamford, Conn., in August offered to buy rival Banta for $46 a share, or about $1.12 billion. Banta rejected the offer, opting instead to announce a restructuring that would cut as many as 500 jobs and close five printing plants.:

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Widening Memory-Chip Probe Targets Sony. The AP (11/1, Robertson) reports, "An obscure corner of the semiconductor industry became an international battleground Tuesday as Sony Corp. became the fifth company ensnared in a U.S. Department of Justice antitrust probe into the sales of a particular type of memory chip." The AP continues, "The same day, European Union regulators said they raided several unnamed semiconductor companies in Germany on Oct. 11 as part of a probe into possible price fixing for the same type of chip." The AP adds, "Both investigations center on the sale of static random access memory, or SRAM, a kind of computer memory found in relatively small quantities in PCs and used in disk drives, communications equipment and networking gear." The AP notes, "European regulators were explicit that the companies targeted in the cartel raid were suspected of breaking price-fixing laws. … However, the European Commission never names the companies suspected of operating a cartel and said that the surprise inspections were a preliminary step in its probe. … Under EU law, businesses found guilty of taking part in a cartel can be fined up to 10 percent of their annual revenue. … In Washington, Justice Department officials declined to discuss details of the probe. Spokeswoman Gina Talamona would only say that antitrust prosecutors are 'investigating the possibility of anticompetitive practices in the SRAM industry.'"

The New York Times (11/1, Fackler) reports, "An earlier investigation by the Justice Department into price fixing in the market for another type of memory chip, dynamic random access memory, or DRAM, led to $731 million in fines imposed on four companies and several individuals." The Times adds, "Sony's sales last year of SRAM chips totaled $28 million, a fraction of the company's $64 billion in global sales. The bigger potential damage will probably be to Sony's once-sterling reputation, which has already been tarnished by the recent recall of 9.6 million laptop batteries and delays to its widely awaited next-generation game console, PlayStation 3. … The recent problems have come just as Sony appeared headed to recovery under its first non-Japanese chief executive, Sir Howard Stringer. … Under Mr. Stringer, who took Sony's helm last year, the company had appeared to be bouncing back from blunders like losing the market in global portable music players to the iPod from Apple and being late to produce flat-panel televisions."

Bloomberg (11/1, Newman) reports, "European Union regulators are investigating potential price-fixing of memory chips used in computers and mobile phones, working with U.S. authorities." Bloomberg continues, "A Sony Corp. chip-making unit, Sony Electronics Inc., received a U.S. Justice Department subpoena seeking information about its business, the company said in a statement today. U.S. regulators are conducting a criminal price-fixing investigation into the market for static random-access memory chips. … The EU is probing makers of SRAM chips, coordinating with U.S. authorities. The commission conducted unannounced inspections at offices in Germany on Oct. 11 along with national antitrust officials, commission spokesman Jonathan Todd said. He didn't identify the companies involved. The U.S. inquiry follows a three-year probe of price-fixing in the DRAM chip market." Bloomberg adds, "Samsung Electronics Co., Cypress Semiconductor Corp. and Micron Technology Inc., among the biggest makers of the chips, said Oct. 12 that the Justice Department had contacted them about SRAMs. In the probe of the dynamic random-access memory chip probe, the Justice Department has collected $731 million in criminal fines, including $300 million from Samsung."

Former Head Of Tulsa Firm Fined For Bid-Rigging. The Durango (CO) Herald (11/1, Hanel) reports, "A Tulsa company was fined $150,000 for rigging bids for the construction of BP natural-gas pipelines in Southwest Colorado. … Flint Energy Services received the sentence on Monday from U.S. District Court Judge Phillip Figa." The Herald continues, "The company and the former head of its Farmington office, Kenneth L. Rains, pleaded guilty in August to conspiring with other unnamed people to defraud BP by submitting high bids for pipeline construction. Bid-rigging is a violation of the Sherman Antitrust Act. … Rains has been transferred to the company's Oklahoma headquarters, but he hasn't been fired. Figa questioned why not. … 'Why does the company keep on someone who has committed a felony?' Figa asked." The Herald adds, "Flint's attorney, Ryan Stoll, said the company isolated Rains from his old post but decided not to fire him because of 'personal circumstances' that might become clear at Rains' sentencing in January. Stoll said he expects Rains to be sent to prison. … Flint and lawyers for the Justice Department's antitrust division had asked for a fine of $100,000, citing the prompt cooperation of Flint executives. Federal sentencing guidelines call for a fine of $161,000 to $322,000. … Carla Stern, a Justice Department attorney, said there's no evidence the conspiracy went any higher than Rains. She praised Flint executives for cooperating and speeding up the case."

AMD Seeks Intel Documents In Antitrust Suit. The AP (11/1) reports, "Advanced Micro Devices Inc., the No. 2 computer chip maker behind Intel Corp., asked the court overseeing its antitrust lawsuit against Intel to force the company to produce documents related to its conduct outside of the United States." The AP continues, "The judge had previously ruled AMD cannot sue in the U.S. for Intel's alleged monopolistic tactics overseas. .. .But AMD argued in the motion filed Monday in a Delaware federal court that the order only applies to damages sought in the U.S. for Intel's alleged strong-arm tactics abroad. AMD maintains it should be allowed to use documentation of those actions to pursue

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domestic commerce claims." The AP adds, "Sunnyvale-based AMD, which filed its lawsuit in June 2005, accuses Santa Clara-based Intel of bullying major customers into exclusive deals and offering secret rebates to undercut AMD in the market for microprocessors, which act as the brains of computers. .. .The lawsuit alleges anticompetitive practices in several countries including Britain, Germany and Japan."

Donnelley To Buy Banta In $1.3 Billion Deal. The AP (11/1) reports, "R.R. Donnelley & Sons Co. will acquire Banta Corp. in a $1.3 billion deal combining two Midwestern printing firms with histories dating back more than a century, the companies announced Tuesday." The AP continues, "Chicago-based R.R. Donnelley, which prints the Yellow Pages, said the acquisition will allow it to expand its range of products and services for customers and also enhance its services in magazine, catalog and book printing and in direct marketing." The AP adds, "Donnelley also said in a press release that while it expected its 2006 earnings from continuing operations to be at the high end of earlier guidance of $2.45 to $2.50, anticipated restructuring charges made it impossible to estimate net income for the full year. … Banta, based in Menasha, Wis., has operations in Europe and Asia, in addition to the United States. … The cash deal is valued at about $1.3 billion, or $36.50 per share after a special dividend of $16.00 per share already declared by Banta. The offer, equal to $52.50 per share, represents a premium of 18.6 percent over Banta's closing share price Tuesday on the New York Stock Exchange of $44.28."

Stratex-Harris Deal Gets Antitrust Nod. The AP (11/1) reports, "Stratex Networks Inc., a maker of digital microwave radios used in wireless communications, said Tuesday the required waiting period for its merger into Harris Corp.'s microwave communications unit has ended." The AP continues, "The deal, announced in September, would give Harris a majority stake in the new company." The AP adds, "Melbourne, Fla.-based Harris, which sells communications products to government and commercial customers, will contribute its microwave division and $25 million in cash and get a 56 percent ownership stake in the combined company. Shareholders of Stratex will own 44 percent. … The waiting period was required by the Hart-Scott-Rodino Antitrust Improvements Act of 1976. … The deal still requires approval by other regulators and Stratex shareholders."

Music Publishers Strike Anti-Piracy Deal With Kazaa. The AP (11/1) reports, "The music publishing industry reached a tentative deal with operators of the Kazaa file-sharing network over claims of copyright infringement, an industry group said." The AP continues, "Publishers pursuing a class-action suit against Kazaa informed U.S. District Court on Monday that the peer-to-peer network had agreed to pay "a substantial sum" under the agreement, the National Music Publishers' Association said in a statement. … The amount of the settlement was not disclosed. It is subject to final approval by the association board." The AP adds, "The settlement 'will be another key milestone of the ongoing transformation of the digital music marketplace to one that will allow legal services to thrive,' NMPA president and chief executive David Israelite said in the statement. … Sharman Networks announced in July that it had settled copyright infringement lawsuits with music labels and movie studios, agreeing to redesign its software to block customers from downloading protected music and movies and to pay more than $115 million in penalties."

Two Real Estate Firms Merge. The Washington Post (11/1, Hedgpeth) reports, "CB Richard Ellis Group Inc., the world's largest commercial real estate broker and one of the most prominent real estate firms in Washington, agreed yesterday to buy rival Trammell Crow Co. in a deal worth $2.2 billion that will more than double its property management business. Although neither company is based here, both are considered major local players. CB Richard Ellis, which manages 22 million square feet of space in the Washington area, is handling the leasing of one of the Watergate office buildings and has done leasing for Northrop Grumman Corp., Verizon Communications Inc. and General Dynamics Corp." The Post adds, "The deal is one of several mergers that have occurred in the past few years as clients seek more efficient ways of buying, selling and leasing office space, industry experts said."

The Wall Street Journal (11/1, B4, Chittum, Herrick) reports, "The deal, by far the biggest in the commercial real-estate services sector, hastens consolidation that began in earnest a decade ago and has transformed what were once regional businesses focused on lease and sales brokerage into a handful of multiservice behemoths catering to multinational corporations increasingly looking to outsource their global real-estate functions. … Much of the industry's consolidation has been driven by geographic considerations, including the last major deal in 2003 when CB Richard Ellis swallowed Insignia/ESG to boost its New York presence."

Google Acquires Document Management Firm. The Wall Street Journal (11/1, A15, Delaney) reports, "Google Inc. said it acquired closely held start-up JotSpot for an undisclosed sum, a move that could strengthen Google's expanding services for users to create and share documents online. JotSpot, exploiting a technology called wikis, provides free and paid services that allow individuals to jointly work on Web-based information such as spreadsheets, photo albums, calendars and contact lists. Google, Mountain View, Calif., has assembled free online word-processing, spreadsheet, email and calendar services that have some similarities with

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JotSpot's offerings. Such services could win away some of the consumers Microsoft Corp. is targeting with its Office software."

ENVIRONMENT:

Boulder Set To Vote On Whether To Impose Nation's First Carbon Tax. USA Today (11/1, 6A, Kenworthy, 2.27M) reports, "Voters in Boulder, Colo., will decide Tuesday whether the city will become the first in the nation to impose a 'carbon tax' on homeowners and businesses to fund efforts to reduce emissions that cause global warming. If approved, the ballot measure would tax electricity usage and add about $16-$20 a year to the average residential electric bill." Boulder's "City Council authorized the ballot measure to fund a city plan to reduce greenhouse emissions 7% below 1990 levels. ... Four years ago, the city adopted emission targets set by the 1997 Kyoto Protocol, an international agreement the United States has not ratified... ." USA Today notes, "No group has organized in the city to oppose the tax measure, and even the Boulder Chamber of Commerce has endorsed it."

Venture Capitalist's Promotion Of Prop 87 Criticized. In his Wall Street Journal (11/1, 2.03M) column, Holman W. Jenkins, Jr., criticizes venture capitalist Vinod Khosla, "an avid investor in ethanol ventures," for his promotion of California's Proposition 87 ballot measure, under which "California-produced oil would be taxed to fund alternative energy projects." Jenkins says, "there's been no shortage of capital for alternative energy ventures. ... This year's boom was sparked by a sudden shift in federal policy and a short-lived gasoline spike. The price of ethanol is expected to fall dramatically." Khosla's "real concern, to the extent that he has offered a coherent one, is global warming. Now this at least could be the subject of an intelligent debate -- about whether climate concerns justify putting a heavy government finger on the scale to help biofuel investors in their competition with gasoline. But the public would have to be told that part of the plan is higher gas prices." The "proposition is expected to lose handily, but for his modest contribution (a reported $1 million), Mr. Khosla has reaped an untold bonanza of propaganda for his energy investments. Already Congress is hurriedly putting together an expansion of the ethanol mandate in last year's energy bill in hopes of soaking up the excess supply stimulated by previous government actions. Earth's atmosphere might not notice the difference, but Mr. Khosla's portfolio certainly will."

FBI/DEA/ATF/USMS:

Person Of Interest In California Wildfire Arrested As Fifth Firefighter Dies. In a widely-distributed story, the AP (11/1, Glazer) reports, "Authorities on Tuesday arrested a 37-year-old man suspected of igniting two wildfires this summer and who is considered a 'person of interest' in the Esperanza blaze, which killed five firefighters. Word of the arrest came an hour after a somber news conference at which officials announced the death of a horribly burned firefighter," Pablo Cerda, "who survived five days on life support. Raymond Lee Oyler of Beaumont was arrested…on two counts of arson related to wildfires in June, the Riverside County Sheriff's Department said in a statement posted on its Web site late Tuesday." The AP notes, "As part of the investigation, authorities said they sifted through hundreds of tips and interviewed previously convicted arsonists who live in the Cabazon area. Assisting in the investigation were the Bureau of Alcohol, Tobacco, Firearms and Explosives and the Federal Bureau of Investigation. The reward for information leading to an arrest had topped $500,000."

The Los Angeles Times (11/1, Reston, Lin, Abrams, 918K) reports, "Investigators continued working with more than 300 tips called in to an arson hotline since the fire began early Thursday. … Although authorities didn't indicate which fires Oyler was charged with setting, Riverside and San Bernardino counties were hit with a rash of more than 40 small, suspicious fires in May and the first half of June. One such fire in mid-June broke out in Cabazon, burning 10 acres near the intersection of Esperanza Avenue and Broadway, not far from the Esperanza blaze.

17 Indicted After FBI, Wisconsin Police Raid Drug Gang. The Milwaukee Journal Sentinel (11/1, Barton, 259K) reports, "Seventeen people affiliated with a gang that authorities say has been distributing cocaine, crack cocaine and marijuana on Milwaukee's north side for about 15 years have been charged with conspiracy and other drug offenses in federal court in Milwaukee, according to an indictment made public Tuesday." The Journal Sentinel notes, "Two hundred law enforcement officers from the FBI, Milwaukee Police Department, state Department of Justice and other state and local agencies rounded up the defendants in the culmination of a two-year investigation, said Linda Krieg, assistant special agent in charge of the FBI's Milwaukee office. Swat teams from the FBI's Milwaukee and Chicago offices both were involved in the arrests because the suspects were considered armed and dangerous, Krieg said. The 10 arrests were made without incident, she said. Five

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other defendants already were in state custody," and "two remained at large Tuesday evening."

Protest Of Utah Pot Sale Sentence Grows. The Salt Lake Tribune (11/1, Neff) reports, "Former top Justice Department officials and several judges have asked the U.S. Supreme Court to hear the appeal of a Utah man sentenced to serve 55 years in prison for selling pot - a sentence decried by a judge who said the law forced his hand." The Tribune continues, "The 10th U.S. Circuit Court of Appeals in Denver in January rejected an argument that the sentence handed down to record producer Weldon Angelos was cruel and unusual punishment that was disproportionate to his crime. … But a friend of the court brief filed with the high court by 145 people -including former U.S. Attorneys General Griffin Bell, Benjamin Civiletti, Nicholas Katzenbach and Janet Reno; other former high ranking Justice Department officials and former federal judges - urges the high court to take the case." The Tribune adds, "Angelos, 26, the founder of Extravagant Records, was accused of selling 8 ounces of marijuana to a police informant three times in May and June 2002. At one sale, he had a gun strapped to his ankle, according to court records. At the other drug buys, there were firearms in the vicinity. … A federal grand jury originally indicted Angelos in November 2002 on one gun possession count, three counts of marijuana distribution and two lesser charges. After Angelos rejected a plea bargain that would have sent him to prison for 16 years, authorities obtained a new indictment with 20 charges. … . When Angelos asked to reopen negotiations, prosecutors said it was too late. In December 2001, a jury convicted him of 16 counts."

Maryland Man Convicted Of Drug Distribution Gets 20-Year Sentence. The Frederick (MD) News Post (10/31) reports a Frederick man "caught in an undercover operation headed by the Drug Enforcement Administration was sentenced Monday to 20 years in federal prison. Winfred Gregg Travis' sentence stems from his conviction for distributing crack cocaine and possession of a firearm by a convicted felon. … Since 1991, Travis has been charged in Frederick and Montgomery counties 10 times, primarily with drug crimes, but also with breaking and entering, battery and disorderly conduct, according to court records."

Eighth Member Of Hawaiian Drug Ring Sentenced. The Maui News (11/1) reports, "The eighth member of a methamphetamine trafficking ring was sentenced Monday by U.S. District Court Judge J. Michael Seabright to nearly 24 years in prison, according to the U.S. Department of Justice." The News continues, "Leandro Gomez III, 30, of Las Vegas, was one of 10 defendants to plead guilty to charges of taking part in a large-scale organization that imported methamphetamine from Las Vegas to Maui. .. .'Gomez was the Las Vegas supplier of the methamphetamine, which was transported to Maui either by couriers or mail shipment,' a Justice Department news release says." The News adds, "In Las Vegas, he had been assisted by co-defendants Timothy James Sullivan and Gilbert Gomez Jr., federal officials said. And, on Maui, 'Nathaniel Russell and Pamela Mahealani Newton (husband and wife) oversaw an extensive distribution network involving co-defendants John Corniel Jr., Charles R.K. Farren, Roger Manu Bates, Cyrinah L. Aken and Reed Kaleookalani Aken.' … The investigation of the drug ring resulted in the recovery of 616.8 grams (1.4 pounds) of methamphetamine from Bates in early May 2005 on Maui, according to Justice Department officials."

The Honolulu Star-Bulletin (10/31) reports, "The 30-year-old Las Vegas supplier of a large-scale trafficking organization bringing 'ice' to Maui in 2005 was sentenced in federal court yesterday to 23 years and eight months in prison. U.S. District Judge J. Michael Seabright sentenced Leandro Gomez III, who pleaded guilty to methamphetamine-trafficking charges along with nine others. … U.S. Attorney Michael Kawahara "said efforts by Maui police, the federal Drug Enforcement Administration and other law enforcement agencies in this and other cases have 'stemmed the flow of drugs to Hawaii.'" The Maui News (10/31) and Honolulu Advertiser (10/31) also report on the sentencing.

Court Ruling Could Reduce Michigan Man's Sentence In Heroin Case. Grand Rapids (MI) Press (10/31, Agar) reports a federal appeals court ruling "could shorten the 25-year prison term for a man who provided heroin to a friend and failed to call 911 as she was dying in his Grandville home. Kevin Obi, 23, pleaded guilty to providing heroin that killed Nora Lares, 21, in 2004." The Sixth Circuit Court of Appeals "said recently the prosecution failed to show Obi's false statements [to investigators] significantly hurt the investigation. The court ordered the case returned to U.S. District Court for resentencing." The government "argued Obi's false statements led police to initially consider the crime scene to be the vehicle, rather than his basement, which resulted in a loss of possible evidence."

San Diego Chargers Linebacker Drops Appeal Of Drug-Related Suspension. There are nearly 300 media references to San Diego Chargers linebacker Shawne Merriman dropping an appeal of his drug-related suspension imposed by the NFL. For example, the New York Times (11/1, Schmidt) reports Merriman yesterday "dropped his appeal of a four-game suspension for violating the National Football League's policy on banned substances, and he blamed his positive drug test on a supplement he took before

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the season to boost his energy for workouts. Merriman said his lawyer, David Cornwell, was considering legal action against the supplement maker because its product contained a precursor to the steroid nandrolone. Dietary supplement makers are prohibited from including nandrolone's precursors in their products."

The San Diego Union-Tribune (10/31) reports Merriman "had been leaning toward this decision for days, weighing the likelihood he could win a reversal of his suspension versus the desire to clear his name along with the question of what would be best for his team. In the end, he decided Tuesday to drop the appeal of his four-game suspension for a positive drug test."

The Washington Post (11/1) reports Merriman "is scheduled to begin serving his suspension immediately and will miss the Chargers' next four games, beginning Sunday against the Cleveland Browns."

The AP (11/1) reports the suspension "won't officially begin until after Merriman addresses teammates today. After that, he will be barred from the team's headquarters until he is eligible to return Nov. 27."

Reputed Member Of Colombia Drug Cartel Arrested In Spain. The AP (11/1) reports police in Spain "said Tuesday they arrested a leading member of one of Colombia's most feared drug-trafficking cartels. Orlando Sabogal Zuluaga, 40, was arrested last Thursday in a shopping center on the outskirts of Madrid, the Civil Guard police force said in a statement posted on the Interior Ministry's Web site. Police said Sabogal Zuluaga was a right-hand man to the former head of the Norte del Valle cartel, Luis Hernando Gomez Bustamente, who himself was captured in Cuba in 2004." According to Colombian anti-narcotics police, Sabogal "is wanted for extradition to the U.S. to face charges of drug-trafficking and money-laundering."

Colombia's Vice President Says Celebrities Are Financing "Drug-Fueled" Conflict. In Bogota, the AP (11/1, Goodman) reports Colombia's vice president "is taking a hard-hitting anti-drug message to Europe, complaining about cocaine-snorting celebrities who he says are financing the drug-fueled civil conflict bleeding this South American nation. Vice President Francisco Santos spoke of supermodel Kate Moss, although she doesn't appear in the ads that he planned to unveil Wednesday in London along with 13 European anti-drug czars. Santos called Moss a perfect example of liberal European attitudes toward drug use because she is enjoying a career comeback after a British tabloid last year published photos of her apparently snorting cocaine." The European Monitoring Center for Drugs and Drug Addiction "says surveys in Denmark, Italy, Hungary, the Netherlands and Austria also show a rise in cocaine use among young adults. Santos noted findings by the White House Office of National Drug Control Policy that cocaine consumption has declined 50 percent in the United States over the past two decades."

Barr Says NRA Not To Blame For Violent Crime. In an op-ed for the Atlanta Journal-Constitution (11/1), former Rep. Bob Barr writes, "Atlanta suffers from a rate of violent crime about four times the national average; murders take place in the city at a rate about five times the nation's average. The reasons Atlanta's crime statistics remain stubbornly high are many and persistent, but criminologists and law enforcement experts know that none of them is the fault of the National Rifle Association. .. .Yet last week, Atlanta police Chief Richard Pennington was at the National Press Club in Washington offering sound bites and photo ops with the anti-gun lobby organization, the Brady Center to Prevent Gun Violence, blaming the city's sorry crime statistics on the NRA." Barr continues, "Taking potshots at the NRA has become a time-worn practice of big city mayors such as New York's Michael Bloomberg. While one expects liberal politicians in northeastern cities to curry favor by leveling broadsides at the NRA, it is surprising to find their ranks joined by a police chief from Atlanta, the capital of a state with a long and positive relationship with the NRA." Barr adds that "the material Pennington's new-found friends at the Brady Center are pushing is simply political pap of the sort the center has been espousing every election cycle for more than a decade." Barr argues that "while the evidence clearly shows that broader civilian ownership of firearms translates into less, not more, violent crime in America, and even as members of Congress of both political parties support efforts to reform and streamline federal firearms regulatory efforts, the anti-firearms crowd that apparently now includes Atlanta's police chief prefers hollow rhetoric to cooperative action."

Los Angeles ATF Office Uses Statistics To Prove Success. The Federal Times (11/1, Curl) reports, "Convictions — also up 23 percent. … Gang cases referred for prosecution — up 86 percent. … John Torres, special agent in charge of the Bureau of Alcohol, Tobacco, Firearms and Explosives' Los Angeles field division, said these numbers, a comparison between fiscal 2005 and fiscal 2006, are proof positive that its performance measurement process is working. COMPSTAT, short for comparative statistics, is a public event where arrest, conviction and other statistics are reviewed and dissected. Officials in charge are held accountable for meeting goals and the numbers help determine where funds are allocated. … 'We saw that the system works and if we're paying attention to where we're dedicating our resources we're going to have an impact on violent crime,' Torres said. 'That's the bottom line.'" The

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Times continues, "COMPSTAT began in the 1990s in New York City where the police department would hold regular meetings to set goals for law enforcement and publicly hold officers accountable for their results. Torres began holding COMPSTAT meetings for the Los Angeles ATF on a quarterly basis in October 2005. … The most recent COMPSTAT was held Oct. 24. The event is open to the public and often attended by representatives from other law enforcement agencies. Agents are asked to report their statistics. Depending on how these numbers match goals from the previous COMPSTAT, they're asked on the spot to explain what went wrong or what went right." The Times adds, "Torres said his interest in COMPSTAT has its roots in the administration's overall push to measure results governmentwide. He recommends other federal law enforcement agencies and other agencies in generalconsider adopting the process, though he said different approaches would be necessary depending on the outcome they're trying to achieve."

Leader Of Prison Gang Resentenced To 19 Years. The Arizona Republic (11/1, Wagner) reports, "A leader of the Aryan Brotherhood prison gang with an extensive criminal record was resentenced to more than 19 years behind bars Monday for a weapons violation, according to the U.S. Attorney's Office." The Republic continues, "Bruce Foy Lowry, 52, was convicted by a jury after his 2003 arrest by federal marshals who tracked him down on a fugitive warrant. At the time, Lowry was wanted for failure to appear in a drive-by shooting case where he was accused of firing a gun at a mother, father and child who followed him from the scene of a hit-and-run accident." The Republic adds, "According to a recorded conversation played during the sentencing, Lowry told a friend that he would have gotten into a gun battle with marshals if he'd had the opportunity. 'If I could have drawn I would have,' he said. 'I couldn't even draw.' … Lowry, known as 'Boss Hog,' appealed his case in 2004 to the Ninth Circuit Court, which remanded it back to the U.S. District Court in Arizona. On Monday, Judge David Campbell ordered Lowery to serve 235 months in prison for possessing ammunition in violation of the Armed Career Criminal Act." The Republic notes, "Prosecutors stressed Lowry's extensive history of violent crimes, including seven felony convictions dating to 1974. The list of offenses includes armed robberies and two Aryan Brotherhood knife attack on an inmate. Lowry and a half-dozen other assailants left the knife in their victim's heart, prosecutors said, but surgeons managed to remove the weapon and save the inmate's life."

IMMIGRATION:

Five Indicted In Ballplayer-Smuggling Investigation. USA Today (11/1, Leinwand) reports that Gustavo "Gus" Dominguez, Totoal Sports International vice president, was "indicted by a Miami grand jury on Tuesday for allegedly smuggling ballplayers and other Cuban nationals into the USA." He "is charged as part of a 53-count indictment related to two operations in 2004." USA Today adds, "Geoffrey Rodrigues, Robert Yosvany Hernandez, Ramon Batista and Guillermo Valdez, allegedly hired by Dominguez to transport the Cubans by speedboat to the USA, also were indicted."

The AP (11/1, Sedensky) reports, "Prosecutors say Rodrigues and Dominguez traveled by boat to Cuba on July 28, 2004, and loaded 22 Cubans aboard, but were intercepted by U.S. authorities at sea. Less than a month later, on Aug. 22, 2004, authorities say the two men successfully brought 19 Cubans into the country."

Suit Challenges Illegal Immigrant Crackdown In Allentown, PA. The AP (11/1, Rubinkam) reports, "Hispanic groups and the American Civil Liberties Union filed a lawsuit against a small U.S. city that has sparked national attention over its immigration policies, setting the stage for a legal battle over its crackdown on illegal immigrants." The AP continues, "The ordinance, approved by the Hazleton City Council last month, imposes fines on landlords who rent to illegal immigrants and denies business permits to companies that give them jobs. The law empowers the city to investigate written complaints about a person's immigration status, using a database operated by the federal government." The AP adds, "Lawyers for the ACLU and other groups planned to ask a federal judge for a temporary restraining order to prevent enforcement of the law, set to begin Wednesday. … 'Immigration reform is an important issue but if every little town like Hazleton across the 50 states makes up their own rules about immigration, we're going to be left with an even bigger mess,' Witold J. Walczak, legal director of the ACLU of Pennsylvania, said Monday. … Hazleton's ordinance has spurred dozens of copycat versions in small towns around the United States, as the illegal immigration issue has become a key campaign debate as the country heads into congressional elections next week. Some states and communities are accusing the government of inaction."

TAX:

Churches Reevaluate Their Political Activities In Light Of IRS Crackdown. McClatchy (11/1,

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Douglas) reports, "Scores of houses of worship nationwide are re-examining how they conduct get-out-the-vote programs and other election activities as the Internal Revenue Service investigates religious institutions for illegal campaign activity. Churches grew more nervous when the IRS launched an investigation of the liberal All Saints Episcopal Church in Pasadena, Calif. after a former rector delivered a sermon that was critical of the Bush administration and the Iraq war shortly before the 2004 presidential election. … Several religious and voting rights groups are schooling churches, synagogues, and other religious institutions about what they can and cannot do politically under IRS regulations.

GAO Urges IRS To Tighten Oversight Of Private Collection Agencies. The Washington Post/AP (11/1, D2, Abrams) reports the GAO is recommending that the IRS "improve oversight of a new program that uses private agencies to collect back taxes before it expands the effort." A GAO report "commended the IRS for addressing some important factors for the success of the program, such as proper training of collection-agency employees, ensuring that taxpayers are treated properly and that taxpayer information is secure. But it said the agency has not completed critical work on setting goals and determining costs. The IRS lacks criteria to assess 'whether the program performance warrants expanding the number of private collection agencies and turning over more cases to them,' the report says."

IRS Could Lose Money In First Year Of Using Private Bill Collectors. USA Today (11/1, Mccoy) reports, "The IRS could lose money or break even in the first phase of its program to turn some tax debts over to private collection agencies, newly released agency data show." The GAO's fiscal projects show "show the IRS expects to collect $55.8 million to $92 million in the recently started first phase of the private collection effort." The data "offer one of the first fiscal looks at this year's selection of three private firms to collect taxes from taxpayers who owe less than $25,000 and have not contested the debts. The firms began contacting an initial group of 12,500 taxpayers in September. They are eventually scheduled to handle about 158,000 cases, according to the IRS. The IRS cost data include the companies' fees; up to 24% of what they collect in overdue taxes."

IRS Steps Up Checks On Partnerships, Trusts, S Corps. In his "Tax Report" column in the Wall Street Journal (11/1), Tom Herman writes, "The IRS has improved efforts to check up on taxpayers in partnerships, trusts and S corporations, a report says." Herman continues, "That's a significant change from just a few years ago, when the IRS drew heavy criticism from a congressional investigative agency and some lawmakers for embarrassing blunders in its efforts to combat tax evasion in this area. Since then, the IRS has done a better job but still needs to do more, says a report by the Treasury Inspector General for Tax Administration. … The IRS program involves 'document-matching,' which means comparing information that people report on their tax returns against what is reported separately to the agency on 'Schedule K-1.'"

CONGRESS-ADMINISTRATION:

Democrats Propose New Spending On Defense, Homeland Security And Education. The Washington Post (11/1, A07, Birnbaum, Weisman, 748K) reports, "As part of their midterm election push, House Democrats are promoting a wide-ranging legislative agenda that would add tens of billions of dollars a year to the federal budget for the military, homeland security and education yet still impose a new budget restraint that would make it harder to widen the annual deficit. … Critics say the Democrats will be forced to choose between keeping their pledge of fiscal rectitude and their promises of federal largess." The Democrats' proposal "would allocate billions of dollars to build up the military, subsidize student loans and bolster port security. It would raise the minimum wage, make college tuition payments tax-deductible, repeal oil-company tax breaks and expand incentives for personal savings accounts, among many other provisions. The program would prohibit the House from approving new spending or tax measures that widen the budget deficit. It would do that by restoring budget rules requiring that all future spending increases and tax cuts be offset by equivalent tax hikes or spending cuts."

Democrats Dispute Bush's Charge That They Will Raise Taxes. The Washington Times (11/1, Lambro, 88K) reports, "Repealing President Bush's tax cuts and boosting social-welfare spending have been the meat and potatoes of the Democrats' campaigns since the 2002 election, and they would be in a position to attempt both if they win control of Congress next week. Mr. Bush has been warning in campaign speeches across the country that the Democrats 'will raise your taxes' if voters put them in power, and Republican leaders have been making similar charges as Election Day draws closer. … Recent polls show that most Americans expect Democrats to raise their taxes and increase spending for new big-ticket programs such as health care for the uninsured." The Times notes, "Senior Democratic advisers say…major tax and spending changes are unlikely to happen because of a number of institutional obstacles that would be extremely hard for the Democrats to overcome, especially in what is likely to remain a narrowly divided Congress."

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Rangel Says He Has No Animosity Towards Cheney Despite Cursing Him. The AP (11/1, Barrett) reports Rep. Charles Rangel "feels bad — but not too bad — about directing a curse word at Vice President Dick Cheney." Rangel "called Cheney a 'son of a b....' on Monday when asked by the New York Post about comments Cheney made about him in a television interview. He repeated his comments in an interview with The Associated Press on Tuesday, but added, 'I shouldn't have said it.' 'I thought that he should be flattered, there's certainly no animosity in it,' said Rangel, saying he had been making an observation about Cheney."

Appeals Court Hears New Arguments In McDermott-Boehner Tape Case. The AP (11/1, Daly) reports Christopher Landau, a lawyer for Rep. Jim McDermott, "told a federal appeals court Tuesday that McDermott should not be punished for giving reporters access to an illegally taped telephone call involving House Republican leaders. In arguments that evoked the Pentagon Papers and other press freedom cases…Landau said McDermott had merely received the tape from a Florida couple and therefore had done nothing wrong. … A three-judge panel of the U.S. Circuit Court of Appeals for the District of Columbia ruled against McDermott in March. The 2-1 opinion upheld a lower court ruling that McDermott had violated the rights of Rep. John Boehner who was heard on the 1996 call."

Commission For Labor Cooperation Director Resigns Over Outside Lobbying. The Washington Post's Al Kamen (11/1), in his "In The Loop" column, writes, "Mark Knouse , a Pittsburgh-based lobbyist who was appointed in 2004 by Labor Secretary Elaine Chao to a three-year term as executive director of the Commission for Labor Cooperation, has called it quits after an investigation raised questions about his use of government money to pay for lobbying for his old clients, the National Journal reports. Knouse, whose wife is Chao's executive assistant, told the magazine he'd done nothing wrong and thought he could take on outside work, despite a commission requirement that such work must be approved. The investigation also noted that, in 18 months, he charged the commission for more than a dozen trips to meet with Pennsylvania officials but met just twice with officials who were not from his home state."

GAO Warns Administration Could Miss Deadline On Expedited Background Checks. The Washington Post's Stephen Barr (11/1), in his "Federal Diary" column, writes, "The Bush administration appears at risk of missing a deadline set by Congress aimed at shortening the time it takes to investigate federal employees and contractors for security clearances and determine whether they can be trusted with classified information. The 2004 Intelligence Reform and Terrorism Prevention Act requires that 80 percent of all security clearances be completed in an average of 120 days. … But a report issued by the Government Accountability Office, the congressional watchdog agency, suggests that the administration could miss the Dec. 17 deadline for timely processing of security clearances stipulated in the 2004 law." Clay Johnson, deputy director for management at the Office of Management and Budget, "said in a letter to the GAO that he will convene a working group to study the issue."

Pelosi Urged To Choose Harman Over Hastings For Intelligence Committee Chair. The Washington Post's Ruth Marcus (11/1, A21) writes, "If Democrats win control of the House next week, Nancy Pelosi's first test as speaker will arrive long before the 110th Congress convenes. Her choice to head the House intelligence committee…will speak volumes about whether a Speaker Pelosi will be able to resist a return to paint-by-numbers Democratic Party interest-group politics as usual. … The panel's ranking Democrat is her fellow Californian Jane Harman -- smart and hardworking but also abrasive, ambitious and, in Pelosi's estimation, insufficiently partisan on the committee. So Pelosi, once the intelligence panel's ranking Democrat herself, has made clear that she doesn't intend to name Harman to the chairmanship. The wrong decision, in my view, but one that's magnified by the unfortunate fact that next in line is Florida Rep. Alcee Hastings. In 1989, after being acquitted in a criminal trial, Hastings was stripped of his position as a federal judge -- impeached by the House in which he now serves and convicted by the Senate -- for conspiring to extort a $150,000 bribe in a case before him, repeatedly lying about it under oath and manufacturing evidence at his trial.'

NYTimes Criticizes Administration's Actions On Pell Grants. The New York Times (11/1, 1.21M) writes in an editorial that "Pell Grants are one of the largest sources of federal help for low-income college students, and the most valuable form of aid" but "the level of aid is increasingly out of sync with the level of need." The Times describes "cuts" of "about $100 a year per recipient" as "miserliness" and adds that though "it's been four years since Congress last increased the maximum annual Pell Grant … college costs are up 35 percent from five years ago." It continues, "Bush administration officials have said repeatedly that the solution to the nation's growing income inequality is more education." Yet "if they really believed it -- and cared about a remedy -- would federal college aid be declining?" Instead "as government aid has declined, loans from banks

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and other private lenders have soared" and "the result is towering debt."

Newspapers Call Hubble Mission A Worthy Risk. An editorial by the New York Times (11/1, 1.21M) called the decision by NASA administrator Michael Griffin to approve a mission to repair the Hubble telescope "a brave call, since repairing the Hubble will put the shuttle at greater risk than a typical mission to the International Space Station. It was also a welcome sign that NASA is willing to go the extra orbital mile to support superb science, even while it squanders large sums on completing the space station to perform research that can't begin to compare with the Hubble's in importance."

USA Today (11/1, 2.27M) editorializes, "Griffin made the right call. This mission poses more risks than most, but preserving one of NASA's most successful programs warrants it. The shuttle, moreover, has no other major duties besides completing the International Space Station, a program that faces an iffy future."

OTHER NEWS:

Stocks Slightly Down Yesterday. NBC Nightly News (10/31, story 6, 0:10, Williams, 9.87M) reported "the Dow fell almost six points [to close at 12,080.73]. NASDAQ was up nearly three points [to close at 2,366.71] on the days trading." USA Today (11/1, Krantz, 2.27M) says "a weaker-than-expected Conference Board report on consumer confidence prompted some investors to lose their gusto for the October stock market rally. … Even so, the Dow is still up 12.7% for the year." The Wall Street Journal (11/1, C1, Browning, 2.03M) notes that "amid continued hopes for low interest rates and moderate economic growth, the Dow Jones Industrial Average ended with a monthly gain of 3.4% -- the best monthly gain since November 2005."

Employment Costs Up. The Wall Street Journal (11/1, A2, Blackstone, Conkey, 2.03M) reports, "Employment costs gained in the third quarter at their fastest pace in more than two years, a development likely to keep Federal Reserve officials on edge about inflationary risks to the economy." The employment-cost index "rose 1% during the quarter after gaining 0.9% in the second quarter, the Labor Department reported. Employment costs were 3.3% higher than a year earlier, up from a 3% increase the previous quarter."

Bush Calls Kerry Comment "Insulting and Shameful" To US Soldiers. A remark by Sen. John Kerry to students at Pasadena City College on Monday triggered furious debate on the campaign trail yesterday. Kerry, whose comments aired on all three network newscasts last night, told his audience: "You know education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq." The President, Tony Snow and a number of GOP officials, including Sen. John McCain, yesterday termed Kerry's remark an insult to US servicemen. Bush, in remarks that were also featured on all three network shows, said while campaigning in Georgia, "The Senator's suggestion that the men and women of our military are somehow uneducated is insulting and it is shameful. And the Senator from Massachusetts owes them an apology."

The story led all three evening newscasts and is being extensively reported on in major newspapers today. Political commentators are suggesting the controversy may help the GOP in the final weeks of the campaign. Fox News' Special Report (10/31, Hume) opened its broadcast last night with a report on Kerry comments, saying, "Republicans who felt that John Kerry gave the gift that kept on giving in 2004 suddenly had reason to hope that he'd done it again."

On NBC Nightly News (10/31, story 2, 2:50, 9.87M), Tim Russert said Democrats "are not very pleased because the last thing they want a week before the election are the evening newscasts leading with this story. They want the story to be the management of the war by George W. Bush, not comments about the caliber of the troops, fairly or unfairly, no matter what John Kerry meant, they think this is unfortunate, they hope it ends." ABC World News (10/31, lead story, 3:25, Gibson, 8.78M) asked, "Will Kerry's comments help rally Republican voters? Will it help Republicans portray Democrats as against the troops" One Democratic Congressman tells me, 'I guess Kerry wasn't content blowing 2004. Now he wants to blow 2006, too.'" ABC also said this is "a fight the White House wants, one it is relishing." In fact, says this morning's New York Times (11/1, Nagourney, Rutenberg, 1.21M), "the White House took the unusual step of releasing advance excerpts of Mr. Bush's attacks."

Also on ABC World News (10/31, story 2, 2:20, Gibson, 8.78M), George Stephanopoulos said that "even in the best case," Kerry "was calling the President dumb. This gives them an opening to do to fit in the strategy of the week, rile up the conservative base voters. They spent almost $200 million in 2004 getting that base to hate John Kerry. They're happy to run that race again." The CBS Evening News (10/31, lead story, 2:30, Axelrod, 7.66M), in a similar report, said Kerry "may have energized Republicans to vote who might otherwise have stayed home. You can bet we'll be hearing a lot more about this tomorrow when President Bush does a radio interview. Whose broadcast? Rush Limbaugh's."

Chuck Todd, Editor in Chief of The Hotline, said on MSNBC's Hardball (10/31, Matthews), "I think it was clear that he was probably trying to go after the President, but he did it from that place that Northeast liberal Democrats do to

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much – even though it was an attack on President Bush's intellect…it is that stuff that makes the right wing crazy. They hate the elitism, intellectualism attacks on them." And US News & World Report's Michael Barone, on Fox News' Special Report (10/31, Hume) predicted "the effect of this is that it's going to increase the Republican base because they're seeing a figure there that they deeply dislike and they're seeing him make what are on their face inaccurate charges that are slanderous of the military and he's slandered them in the past. … It's a fair question to ask Democratic candidates if they agree with this statement by their party's nominee for president in 2004 -- not a peripheral figure but a central figure."

Former House majority leader Tom DeLay, on Fox News' Hannity and Colmes (10/31), said, "I don't think he intended to insult the troops at a campaign event, but he did. I don't think he intended to call them stupid, but he did. … I think what John Kerry was done has put a face on what we have been talking about all along. The left has a disdain for the military."

Some of the media coverage, however, portrays the debate as an example of the "Republican PR machine…moving into high gear," as ABC World News (10/31, lead story, 3:25, Gibson, 8.78M) put it, describing "what happened" as "an object lesson in how in this day and age, an idle political remark gets seized upon, becomes fodder for the talk shows and obscures discussion of all other issues." ABC (Tapper) added that "the war in Iraq has generally been a subject helping Democrats this election season. But today, that debate took an unpredictable turn, with President Bush accusing John Kerry of insulting US troops." Kerry "said he was addressing the President, not the troops," but "early this morning after those remarks appeared in local newspapers and the video popped up on YouTube, conservative blogs and talk radio had a field day." Rush Limbaugh, radio host: "It tells us what John Kerry, himself and the Democratic Party, think about the troops and think about the US military." Tony Snow, White House Press Secretary, was shown saying, "This is an absolute insult." Tapper: "Shortly before noon, Kerry in a paper statement insisted he had not belittled the intelligence of soldiers serving in Iraq, but rather that of 'the President who got us stuck there.' He lashed out at White House spokesman Tony Snow whom he called a 'stuffed suit mouthpiece' and 'doughy Rush Limbaugh.' But by then the Republicans were already piling on." Sen. John McCain was shown saying, "I believe Senator Kerry owes an apology to many thousands of Americans serving in Iraq, who answered their country's call."

During an appearance on Fox News' Hannity and Colmes (10/31), McCain restated his point, "I hope that Senator Kerry will apologize quickly so that we can get this issue behind us. … I hope that there are some Democrats who are contacting Senator Kerry and telling him to do the right thing. … I have misspoken and I have made bad jokes, but I have apologized and Americans are very forgiving, I'm happy to say, and I have been able to move on. … I hope he apologizes, if he does I will accept his apology." Later in the interview McCain noted, "After [Kerry] got out of the Navy in the Vietnam War he repeated some terrible allegations before the Senate Foreign Relations Committee about beheadings and rapes and disembowelments and things like that that were very harmful to the men and women who were then serving in the military."

The AP (11/1, Loven) quotes House Speaker Dennis Hastert saying, "Our soldiers risk their lives in the face of grave dangers on the battlefield, and no one who chooses to courageously and selflessly defend our country can be considered 'uneducated.'" The Boston Globe (11/1, Ryan, 425K) notes GOP Gov. Mitt Romney also called on Kerry to apologize. Said Romney, "Senator Kerry owes an apology to the thousands of men and women serving in Iraq, particularly the many patriotic soldiers from Massachusetts who come from all backgrounds to defend our freedoms."

NBC Nightly News (10/31, lead story, 3:40, O'Donnell, 9.87M) reported, "Kerry's first response blamed assorted right-wing nut-jobs for distorting his intent. Followed by a defense on camera." Kerry was shown saying, "My statement yesterday and the White House knows this full well was a botched joke about the President." NBC added, "Stressing his pride as commander in chief, the President used his former opponent's words as a new political tool in an already divisive party battle over Iraq." Bush was shown saying, "The members of the United States military are plenty smart and they are plenty brave and the Senator from Massachusetts owes them an apology."

The CBS Evening News (10/31, lead story, 2:30, Axelrod, 7.66M), in a similar report, said Kerry "signaled Republicans would not 'swift boat' him again." Kerry was shown saying, "I'm not going to give them one ounce of daylight to spread one of their lies and to play this game ever, ever again. That is a lesson I learned deep and hard." The CBS Evening News (10/31, story 6, 0:15, Couric, 7.66M) later interviewed Nicolle Wallace, former communications director for the current Bush Administration. Asked why "the White House would love to have John Kerry on TV every day from now until election day," Wallace said, "First of all, he didn't apologize, which is inexplicable. Second, he embodies everything the Democrats have been trying to erase about what voters think about them and national security. So for him to have popped back up and reminded voters that he is someone who really doesn't stand with the military, in their view, and who can't apologize when he says something that is so obviously a gaff is a reminder the Republicans welcome."

The Financial Times (11/1, Luce, Daniel) says the GOP "gained a late burst of energy in its flagging midterm election

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campaign" following Kerry's remarks. Republican "strategists, who have been watching helplessly as opinion polls have turned against them in the last six weeks, on Tuesday drew renewed purpose from a gaffe that many believe could help motivate the party's demoralised supporters to turn out to vote at the polls next Tuesday." But Democrats are predicting the controversy will have no lingering political effects. The Washington Post (11/1, A8, VandeHei, Cillizza, 748K) reports, "The unusual back-and-forth that has little to do with the 2006 midterm elections comes as Democrats are planning to end the campaign by bashing Bush and GOP candidates for supporting the US war policy. A senior Democratic strategist said the party will run Iraq-focused ads in at least 15 of the most competitive House races between now and Election Day." The strategist, "who would not discuss internal strategy on the record, said the Kerry comments are an unnecessary distraction but would soon be forgotten."

USA Today (11/1, Jackson, 2.27M) notes "the dust-up came a day after Rep. Charles Rangel called Vice President Dick Cheney 'a son of a bitch' for saying the New York Democrat doesn't know how the economy works. Stephen Wayne, a government professor at Georgetown University, said the barbs foreshadow 'two years of strident, partisan rhetoric' regardless of who controls Congress after Nov. 7." USA Today adds, "Polls show Democrats are in a position to win control of the House of Representatives and possibly even the Senate." The Los Angeles Times (11/1, Brownstein, Gerstenzang, 918K) says Democrats "remain confident that they are on track to win the 15 seats they need to control the House. But again, Republicans -- while expecting to lose seats -- predict their organizational prowess will help them hang onto a majority in the chamber."

The Wall Street Journal (11/1, A4, Dreazen, 2.03M) says Iraq "is a vexing issue for both parties, and Democrats are struggling with the war. Leading figures within the party have failed to coalesce around a single strategy for reducing the violence there, and Democratic leaders have offered diverging strategies for Iraq that range from beginning a troop withdrawal before the end of the year to splitting the country into three ethnic regions." Democrats also "are struggling to find a way of criticizing the administration's handling of Iraq without appearing to denigrate the U.S. military personnel serving there." But Republicans "are facing the bigger problem, as Iraq dominates the public mood before Election Day. The latest Wall Street Journal/NBC News poll found 37% of registered voters believe the war has been worth its financial and human cost, the lowest level recorded to date in the survey. The poll found that anger over the war in Iraq continues to be the biggest single issue bringing voters to the polls."

Bush's Light Schedule Today Reportedly Making Democrats Uneasy. The Wall Street Journal web-exclusive "Washington Wire" column (10/1, Dreazen) reports President Bush "will hold no public events of any kind on Wednesday, an exceptionally light schedule this close to next Tuesday's midterm elections. That sparked questions about whether Bush has a 'November surprise' in store. This is, after all, a president who has twice managed to sneak away to Iraq. At the White House morning briefing, a reporter observed that the light schedule made it sound 'like something is cooking there.' Spokesman Tony Snow replied, 'No, not really.' That left some Democratic political operatives wondering just what Bush and his political guru, Karl Rove, might be up to." However, "Snow is keeping on his poker face. Bush has 'some meetings with senior advisers and a Rush Limbaugh interview,' Snow said in an email. 'No blockbusters.'"

Kerry Withdraws From Minnesota Event, Is Asked Not To Campaign In Iowa. The Mankato (MN) Free Press (11/1) reports, "The dueling rallies scheduled for Mankato today on behalf of Republican congressman Gil Gutknecht" featuring Sen. John McCain, "and Democratic challenger Tim Walz lost some of their pizzaz Tuesday night when Sen. John Kerry pulled out of the Democratic rally." Kerry withdrew from the rally, "which will still be held, as the result of a controversy over comments he made Monday in California." The Free Press adds, "Walz communication director Meredith Salsbery said Kerry canceled his visit to keep the focus on the issues and away from Kerry's comments and McCain's response."

Meanwhile, the Quad City Times (10/11) reports "Democratic congressional candidate Bruce Braley has asked…Kerry not to campaign with him Thursday in the Quad-Cities as planned, citing the flap between the White House and the senator over his remarks concerning Iraq." Jeff Giertz, a campaign spokesman, "said Braley cancelled their appearance Tuesday afternoon. 'He's not condoning the partisan bickering,' Giertz said of Braley, a lawyer from Waterloo who is running against Bettendorf businessman Mike Whalen for Iowa's 1st District Congressional seat. "

Moreover, says the Financial Times (11/1, Luce, Daniel), "some Democrats suggested Mr Kerry's remarks would almost certainly damage his presidential hopes."

O'Reilly Defends Kerry. Bill O'Reilly, host of Fox News' The O'Reilly Factor (10/31) said, "I don't believe that John Kerry meant to demean any American military member, I just don't, and I think that fair-minded people know that would be political suicide for the senator and he wouldn't do it. But his choice of words and his delivery of that statement has now…given the Republicans a huge, huge campaign club." O'Reilly added, "This is a huge, huge development in an election that is just one week away, because the Republicans by all of the polls were on the ropes. And now by his statement, and, again, I don't think that John Kerry had any idea what was going to happen, he's basically pulled the GOP off of the defensive, and given them momentum."

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More Commentary On Kerry. Editorial pages generally considered conservative this morning criticized Kerry. The Wall Street Journal (11/1, 2.03M) editorializes on Kerry, "whose cultural condescension keeps on giving. … We didn't always do our homework, but it's hard to come to any conclusion other than that Mr. Kerry was saying that only fools and knaves, not patriots, end up fighting in Iraq." The Journal adds, "For reasons clear only to himself, Mr. Kerry has been acting as if he intends to run for the White House again in 2008. Apparently he thinks he can win. We've long thought that Democratic donors would soon enough convince him otherwise, but his behavior this week may speed up the reckoning. Congratulations, Senator Clinton; another competitor bites the dust."

The Washington Times (11/1, 88K) says in its editorial, "We understand that Mr. Kerry's primary aim on Monday was to bomb the White House to get at the commander in chief. The troops were an afterthought. Which, come to think of it, is the point -- just as it was in the 1970s, when Mr. Kerry made a career of smearing American troops as killers on his return from Vietnam."

Democrats Confidently Predicting House Majority. The AP (11/1, Espo) reports Democrats are "beginning to predict confidently if quietly that they will win control of the House in next week's elections, and possibly emerge with a relatively robust majority." Democratic fundraising is "running significantly stronger than two years ago, $104.5 million through Oct. 18. That represents an increase of more than 30 percent, and has allowed Democrats to launch late-campaign television advertising in several districts in recent days in an attempt to maximize their gains on Election Day." Still, House Minority Leader Nancy Pelosi and Democratic Congressional Campaign Committee Chairman Rahm "have told aides to avoid predictions of victory before the votes are counted." Republicans, too, "say that with a week of campaigning to go, Democrats are ill-advised to celebrate. They note than an extraordinary number of races remain very close, and that their GOP get-out-the-vote operation will help pull enough of their candidates to victory to preserve their majority." Karin Johanson, executive director of the DCCC, "told one group last week that Democrats felt confident they had locked up 10 of the 15 seats they need to prevail, according to participants in the meeting who spoke on condition of anonymity." But "other officials and strategists with long experience in congressional campaigns have turned far more bullish about Democratic chances, and party strategists say no more than two of the party's incumbents who are seeking new terms are in jeopardy of defeat."

House Republicans Scale Back Ads In Three Key Races As Democrats Expand Field. The AP (11/1, Espo) reports, "Signaling retreat, House Republicans are scaling back television advertising in three highly contested races, officials said Tuesday, including Rep. Curt Weldon's scandal-tinged bid for re-election in Pennsylvania and open seats in Colorado and Ohio." Some of the funds "will be spent to help other Republicans in races that remain competitive." In contrast "to the Republican strategic retreat, House Democrats are expanding the number of districts where they are advertising, an indication of growing confidence as Election Day approaches. In recent days, the party's campaign committee has moved into districts in New Hampshire, New York, Kansas and Nebraska that have long been in GOP hands." Meanwhile, in the campaign for the Senate, "Republicans moved during the day to fortify their position. The National Republican Senatorial Committee reported it would spend an additional $1 million in the campaign's final days to help Virginia Sen. George Allen in a re-election race that has become far tougher than originally expected." Senate Republicans also "decided to advertise on behalf of embattled Sen. Conrad Burns in Montana for the first time since August, and beefed up its support for Sen. Lincoln Chafee, trailing in the polls in Rhode Island."

"Security Moms" Seen As Defecting From GOP. The CBS Evening News (10/31, story 7, 2:55, Couric, 7.66M) reported, "Talk about political power. Two years ago, soccer moms morphed into security moms, the threat of terrorism driving them to the polls, and they helped swing election for President Bush and the Republicans. Well, what about this year?" CBS (Cowan) added, "In 2004 it was women like April Thacker who helped give Republicans the edge. They voted for Bush over Kerry by a 20-point margin. But if Republicans were hoping to get that kind of turnout for women voters this time around, they may be going against the current. According to a new CBS News/New York Times poll, over a third of women voters here say they plan to vote Republican in the state's tough Senate race this year. Half of them say they'll vote Democrat instead." Almost "half the women voters surveyed here don't like the way the President has handled terrorism. As for the war in Iraq, 57% think the troops should start coming home."

Liberal Activists Contributing To Moderate Democrats In Hopes Of Boosting Majority. USA Today (11/1, Lawrence, 2.27M) reports Democratic candidates "who oppose abortion, gun control and gay rights have some unusual allies this year: liberal online activists desperate for their party to win control of Congress." Putting aside "their own preferences, the Internet activists are promoting and raising money for moderates in swing districts across the country. Many of the candidates have military, business or law enforcement backgrounds. Some, such as Virginia Senate candidate Jim Webb and House hopeful Eric Massa of New York, are former Republicans." As of Tuesday, "online activists had contributed some $826,000 to Webb, a

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former Navy secretary, via ActBlue.com, a clearinghouse that has raised $16 million for scores of Democrats. Massa had $377,000." President Bush's "unpopularity, the Iraq war and congressional scandals are making it easier than usual for Democrats to bury their differences for now. The moderate makeup of contested states and congressional districts also helps."

WSJournal/NBC Poll Shows Democrats With 15-Point Generic Advantage. The Wall Street Journal (11/1, A1, 2.03M) reports, "A week before Election Day, a new poll shows President Bush getting better marks for his handling of the economy -- an issue Republicans are emphasizing in the run-up to Tuesday's vote -- but voters' anxieties about Iraq continue to dominate their concerns. The latest Wall Street Journal/NBC News poll shows Mr. Bush, buoyed by a rising stock market and falling gasoline prices, essentially breaking even on the economy, with 46% of voters approving his stewardship and 48% disapproving. That's a gain from 39% approval and 56% disapproval in June." But "as Mr. Bush's party fights to retain control of both houses of Congress, the violence in Baghdad in recent weeks has further darkened Americans' mood about Iraq -- the issue voters say is most important in their election decision-making. The result: Voters want Democrats, rather than Republicans, to control Congress by 52% to 37%, a 15-point margin. The spread matches the widest ever recorded on this question in a Journal/NBC poll."

Morris Says GOP Turnout Can Stem Democratic Tide. Dick Morris writes in The Hill (11/1), "Can the Republicans win control of Congress? They can if they want to. It is up to the vaunted GOP base. According to the Zogby poll, Republican fortunes, while improving in early October, have fallen since. On Sept. 22, Democrats led in the generic vote poll (Do you plan to vote for the Democratic or the Republican candidate in your district?) by nine points, 42-33. But by Oct. 11, their margin was only three -- 37-34. But by Oct. 24 it was back up to 11 points -- 44-33 -- enough for the Democrats to take control of the House and probably the Senate." But "if you dig deep into the Zogby poll, you find an astonishing fact -- independents are turning to the Republican Party while Republican base voters are leaving it!" Morris adds "voters in swing states are saying: 'I want the Democrats to win, just not the guy running in my district.' It is still too early to tell if the national Democratic trend will assert itself in the end or whether the Republicans can pull out the swing districts. But the key will be whether the GOP base itself genuinely wants a Republican Congress or not."

Bush Seen As A "Liability" To Republicans In Many Parts Of Country. The Washington Post (11/1, A1, Balz, 748K) reports, "His name is not on any ballot this fall, but George W. Bush is the central issue of campaign 2006. Tuesday's vote will deliver a referendum on six years of Bush's leadership -- bold and principled or radically divisive, depending on one's political ideology -- and the wartime policies he has championed." Other issues "may come into play, congressional scandals and performance among them, but in the end, next week's verdict will be remembered for what it says about this president. With Bush's approval ratings hovering just below 40 percent, Republicans are braced for big losses." GOP strategists "know well that no political party has successfully weathered a midterm election with such an unpopular president in office. Bush's challenge as he campaigns in the final days of the election is to find a way to excite and mobilize a fractured Republican base without triggering an even bigger turnout among Democrats and Democratic-leaning independents that could cost his party the House or Senate." The "politician who has done more than anyone else over the past decade to build and expand the Republican Party has become a liability to Republicans in many parts of the country." In "strongly Republican areas, he said, the president can still rally the party's base, but in more marginal districts, Bush is a drag on GOP candidates."

GOP Outreach Notwithstanding, Bush Approval Among Black Voters Lags. The AP (11/1, Benac) reports, "So much for the Republican charm offensive toward minorities. Black voters are far less likely to approve of the way President Bush is doing his job than voters generally and they are more likely to feel that the country is on the wrong track, disheartening news for a Republican Party that has been trying to curry favor with minority voters in recent years." In what "could be a particularly bad sign for Republicans in next week's midterm elections, black voters also are more likely to say that the Iraq war was a mistake and that recent disclosures of scandal and corruption in Congress will be very important to their vote, according to an Associated Press-AOL Black Voices poll conducted Oct. 23 through Monday." But while black voters "say Republicans have done a poor job of representing their interests, they also have misgivings about the Democratic Party. Almost half of black voters said the Democratic Party takes their vote for granted; about a third said the party has done a poor job of representing their interests." The AP-AOL Black Voices poll "of 900 black adults, 361 of whom are likely voters, was conducted by Ipsos. The margin of error for the full sample is plus or minus 3.5 percentage points, 5 percentage points for the black likely voters." Blacks are "disproportionately unhappy with Bush, 89 percent of likely voters disapprove, compared with 61 percent of all likely voters." But blacks' "approval ratings for Congress — disapproval ratings, actually — are roughly similar to those for all likely voters. Some 83 percent of likely black voters disapprove of the way Congress is doing its job, compared with 75 percent of all likely voters."

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LATimes Accuses Bush Of Resorting To "Fear-Mongering." The Los Angeles Times (11/1, 918K) editorializes, "As the 2006 campaign draws to a merciful close, the only idea national Republicans seem to have left is that, when in doubt, accuse Democrats of being a bunch of terrorist-loving wimps. But as the boy who cried wolf learned the hard way, fear-mongering has its diminishing returns. … President Bush, meanwhile, is also getting into the fear-mongering. 'The Democrat approach,' he said this week on the stump in Georgia, 'comes down to this: The terrorists win and America loses. And that's what's at stake in this election.' This is why much of the world considers our president a caricature figure — because on occasion he acts like one."

PAC Contributions Flowing To Ranking House Democrats, Not Challengers. The Hill (11/1, Bolton) reports political action committees "representing business interests have boosted their donations to House Democrats in recent weeks, but a significant chunk of that money has not gone to Democratic candidates." Instead, the money "has languished in the accounts of safe incumbents who have given little, or nothing at all, to Democratic candidates in the months leading up to Election Day." The "behind-the-scenes financial maneuvers have come to light in recent days with the filing of reports at the Federal Election Commission (FEC) disclosing fundraising activities through Oct. 18." The new reports "show that Democrats who are poised to become influential committee chairmen if they win control of the House have reaped hundreds of thousands of dollars in political action committee (PAC) contributions over the past several weeks." The "flow of funds, most of it from business interests, who tend to give most of their contributions though PACs, is significantly higher than two years ago when Democrats were viewed as having a slim chance of capturing the House."

Democratic Lobbyists Enjoy Revival In Washington. The Hill (11/1, Snyder) reports while the "election is still six days away, the strength Democratic candidates have shown has already produced one shift in Washington: Democratic lobbyists, once marginalized, are seeing a resurgence in their popularity." Patrick Murphy, a lobbyist who has been an active supporter of Democrats, said, "We've had more detailed conversations in the last month than we have had all year." Murphy "joined Capitol Management in July and has been aggressively marketing his ties to Democrats ever since." The Hill adds lobbyists "close to House Democrats in particular are stressing their ties. Not many lobbyists bothered with House Democrats, they say, because the caucus faced a disciplined Republican majority and had little ability to affect the course of House votes. Now those ties could produce new business." But as they "work to market themselves by stressing those ties, Democrats on K Street are also careful to strike a cautionary tone."

Republican Lawmakers Face Pressure To Change Leadership After Midterms. The Hill (11/1, Crabtree) reports, "Win or lose next week, the GOP needs some serious soul-searching, according to several rank-and-file House Republicans who already are arguing in favor of a post-Election Day leadership shake-up." Some GOP lawmakers "believe that change — be it in policy, process, or leadership matters — as soon as possible is the only way House Republicans can climb out of the rut they've been stuck in this cycle." Rep. Jeff Flake said, "If we lose the majority, I think it ought to be a clean sweep — a fresh start." Flake "worries that if the GOP keeps even a fragile hold on its majority, the conference will stick with the same leadership course with only minor changes. This, in turn, will mean continuing to put too much emphasis on trying to keep the majority by handing out earmarks to vulnerable members and special favors to certain groups instead of standing for principles such as fiscal restraint." The Hill adds that even "GOP lawmakers reluctant to discuss anything past Nov. 7 are preparing for a leadership scramble next week."

Democrats Hope To Beat Northup In Kentucky's Third CD. The AP (11/1, Lovan) reports Democrats have "been targeting Republican Rep. Anne Northup for a decade to no avail, but that hasn't stopped them from betting once again that her political luck is about to run out." Northup, "a five-term incumbent, has a lot of advantages, including a prized seat on the House Appropriations Committee. She has raised twice as much money as her Democratic opponent." But her "ties to President Bush, mounting casualties in Iraq and her district's penchant for leaning Democrat has made the race against Louisville businessman John Yarmuth a virtual toss-up." A "recent Bluegrass Poll by The Courier-Journal of Louisville showed Northup was favored 48 percent to 42 percent for Yarmuth, but that falls within the poll's margin of error of plus or minus 4 percentage points." The Democratic Congressional Campaign Committee "began running a television ad critical of Northup on Monday night in the district. The 30-second spot is the first ad the DCCC has run in the district during the campaign, said DCCC spokeswoman Adrienne Elrod."

Parties Have Lavished Resources On Unexpectedly Competitive WA8 Race. USA Today (11/1, Ritter, 2.27M) reports, "By all rights, Republican Rep. Dave Reichert shouldn't be having such a tough time winning a second term. … He represents a district that has never

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elected a Democrat. His opponent has never held public office, while he's a 30-year public servant." However, "Reichert's race against Democrat Darcy Burner, a former Microsoft manager, is rated a tossup and considered a key race if Democrats are to regain control of the House. A poll Oct 24-26 by Constituent Dynamics, an independent research firm, had Burner leading 49% to 47%. Heavy hitters from both parties — including President Bush, Vice President Cheney and Democratic Sens. John Kerry and Barack Obama — have stumped this fast-growing, affluent suburban region. … The national parties have funneled in gobs of money: $1.5 million from the Republicans and nearly $900,000 from the Democrats has been spent so far. The candidates themselves have raised a combined $5.1 million."

Democrat In NE3 Getting Support From National Party. The New York Times (11/1, Zeleny, 1.21M) reports, "This year, open seats have become dangerous territory for Republicans. Only months ago, Scott Kleeb, left, a 31-year-old cattle rancher who is running in Nebraska's Third Congressional District, where voters have not sent a Democrat to the House since 1958, could barely get an audience with Democratic leaders. This week, after a poll showed Mr. Kleeb with a slight edge, the party sent $100,000 his way."

Wilson Hopeful Duck Prop Heralds Revival. The Hill (11/1, Hearn) reports it is "a sign of the times for Republicans that the political survival of Rep. Heather Wilson (R-N.M.), a five-term incumbent and straight-laced U.S. Naval Academy graduate, may now depend on a woman in a duck suit." Wilson "trotted out this campaign prop last week to bring attention to her Democratic rival Patricia Madrid's 'ducking' of debates. The unabashed tactic was a page from a challenger's playbook — an easy ploy to draw media attention to a flagging campaign — and it underscored Wilson's position as the underdog in the polls." New Mexican blogger Joe Monahan said, "You don't need to know the latest insider tracking polls to know that … Heather Wilson is having trouble closing out her race with rival Patricia Madrid. You just have to know about the duck." The Hill adds that by Saturday, "however, the duck was earning its keep in media stardom. A Madrid supporter had allegedly stomped on its webbed foot in a tussle outside a Democratic rally, prompting a call to police." The Wilson campaign "speedily distributed the video to news organizations, drawing attention away from the rally with House Minority Leader Nancy Pelosi (D-Calif.) and Los Angeles Mayor Antonio Villaraigosa (D). The duck appeared on crutches with mock bandages a day later." The Hill ads the "avian performance, coupled with ads highlighting Madrid's gaffe in the candidates' one televised debate, are the incumbent's last-ditch maneuvers to stave off an impending Democratic wave." The "last six independent polls in the race have shown Wilson tied with and then trailing Madrid, the state attorney general, marking the first time the perennially vulnerable incumbent has been behind her challenger."

GOP Candidates Not Touting Medicare Prescription Drug Program. The Hill (11/1, Young) reports Republican lawmakers "looking to change the subject from unfavorable issues such as the war in Iraq have by and large avoided claiming credit for what the White House views as one of the GOP majority's signature domestic-policy accomplishments: the Medicare prescription-drug benefit." President Bush "and congressional leaders such as House Majority Leader John Boehner (Ohio) and Senate Majority Leader Bill Frist (Tenn.) have urged GOP incumbents to shift the electoral debate toward matters that they say demonstrate the effectiveness of Republican-controlled government." But few GOP candidates "have actively highlighted their support for Part D, which has been under constant Democratic fire. House Minority Leader Nancy Pelosi (Calif.) has vowed to begin the process of altering the program within the first 100 hours of the next Congress if her party takes control of the House." Democrats have "maintained their drumbeat of criticism of Part D — frequently referring to it as a 'disaster' — even as the program appears to have stabilized from significant logistical problems during its rollout in January." The program "has proved popular with those beneficiaries who have joined the Part D program, according to numerous opinion polls. J.D. Power and Associates released survey findings in September showing 75 percent of Part D enrollees were satisfied with their benefits."

Democrats Find Fertile Ground In Mountain West. The New York Times (11/1, Hulse, 1.21M) reports that in Colorado's 7th CD, Democrat Ed Perlmutter "is probably unlikely to relax in the final days of his closely watched race with Rick O'Donnell, his Republican opponent, as the two kick their sophisticated get-out-the-vote machines into high gear. But Mr. Perlmutter and fellow Democrats in Colorado and neighboring states believe that unaffiliated voters" are "the key to what could be a turnaround in the party's political fortunes in the region." Despite a "Republican edge in registration, Democrats are discovering the Mountain West — and Colorado in particular — to be a new political frontier as the party benefits from a potent mix of changing demographics, anger over the war in Iraq, resentment toward conservative social initiatives and millions of dollars' worth of advocacy advertising." Republicans "acknowledge that the political terrain is shifting along the Continental Divide but argue that any realignment will be temporary and due to the Iraq war more than any other factor." If the "trend holds,

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Democrats could be in for a big day next Tuesday. The Democratic candidate for governor, Bill Ritter, is leading in his race against Bob Beauprez, a Republican congressman. If Democrats can retain control of the State House and Senate, which they gained in the 2004 elections, they would have total control of the state government for the first time since the early 1960s."

Democrats Expected To Make Gains In Former GOP Strongholds. In his Washington Post column (11/1), Harold Meyerson says, "Most of the House seats that the Democrats are expected to take from Republicans are in the Northeast and industrial Midwest, heartland of the old Republican Party of Lincoln, McKinley and Eisenhower. Many of the Republicans holding these seats are a distinct minority in a party now dominated by Southerners who are more supportive of executive branch authoritarianism and yet also more government-phobic. And the Republican moderates, judging by their own comments, are boiling mad that the Democrats are going after them." But "we all remember how moderate Republicans stopped the conservatives who control their party from going after moderate Democrats in previous elections, right?" It was "precisely the Republicans' success at defeating the centrist and center-right Democrats in the South over the past two decades that has driven the GOP steadily rightward. And for all their protestations of moderation, the northern Republicans -- from Susan Collins to Lincoln Chafee to Rep. Chris Shays -- abetted that transformation."

GOP Will Not Commit To Power-Sharing Agreement In The Event Of A 50-50 Senate. The New York Times (11/1, Zernike, 1.21M) reports, "With polls nail-bitingly close, one possible result is that the Senate will divide 50-50 between the two parties. For a hint of how that may work, consider the only time that has happened, for six months in 2001…when the two parties worked out a collegial power-sharing agreement. Republicans maintained control of the Senate because Vice President Dick Cheney had the power to break tie votes. … Could it happen again? Democrats admit they have considered the possibility, 'What was done in 2001 should serve as a useful framework,' said Jim Manley, a spokesman for the Democratic leader, Senator Harry Reid. Not so fast, the Republicans say. They do not want to be seen even considering the idea of losing control, so much so that a senior Republican aide would speak only anonymously. 'If the Senate were ever to return to that ratio,' the aide said, 'the previous agreement is not precedent.'

Senate Republicans Reportedly Pleased With New Polling Data. The Washington Times (11/1, Hallow, 88K) reports, "Race-by-race surveys of Senate contests by pollster Scott Rasmussen show that Republican-leaning voters may be 'coming home' in closely watched states like Tennessee and Missouri, while the GOP is poised for a potential upset in Maryland. … Republicans have also hoped to pick up a Democratic seat in New Jersey. However, six different major polls since Oct. 10 show Republican Tom Kean Jr. trailing Sen. Robert Menendez by as many as 6 percentage points in a state where institutional advantages favor the Democratic incumbent." The Times adds, "Perhaps the most encouraging recent development for Senate Republicans has been the comeback by Missouri Sen. Jim Talent, who some polls had shown trailing by as much as 9 percentage points to Democratic challenger Claire McCaskill just three weeks ago. The most recent polls indicate the Missouri contest is a dead heat. … However, Republicans have become concerned as recent polls show Sen. George Allen losing ground in Virginia. A Rasmussen poll released yesterday showed Mr. Allen with 46 percent to 51 percent for Democrat James H. Webb Jr."

Poll Shows Corker Leading Ford 52%-44%. USA Today (11/1, 2.27M) reports, "Tennessee Republican Senate nominee Bob Corker led Democrat Harold Ford by 8 percentage points in a race that could determine who controls the Senate, according to a poll released Tuesday. The survey of 541 likely voters conducted by Opinion Research for CNN showed former Chattanooga mayor Corker favored by 52%, compared with 44% for U.S. Rep. Ford. The error margin is +/-4 percentage points." Previous polls "had them neck-and-neck for Sen. Bill Frist's seat."

Santorum Down 15 Points In New Poll. The Pittsburgh Tribune-Review (11/1, Brown, Burnstead) reports, "Democrat Bob Casey has opened up a 15-point lead over Republican U.S. Sen. Rick Santorum -- more than double the lead the challenger held in September -- according to a Pittsburgh Tribune-Review/WTAE-TV Keystone poll released today." Casey "leads Santorum 53 percent to 38 percent, with 9 percent undecided, according to the telephone poll of 626 registered voters conducted over five days ending Sunday. The poll has a margin of error of plus or minus 3.9 percentage points."

Santorum Calls Casey's Grasp Of National Defense Issues "Laughable." Santorum, during an appearance on Fox News' The O'Reilly Factor (10/31), said, "I've been giving speeches all over the state talking about the gathering storm of the 21st century and I believe that the threats that I've talked about from North Korea and Iran and the fascists there and Venezuela and others are the serious threats of our time. … I've even been critical of the administration for not being forthright and tough about these issues." Santorum said his opponent Bob Casey is "absolutely clueless as to what's facing this country. … It's almost laughable to look at the

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reaction that he has on these very complex and serious issues." Santorum added that if candidates like Casey are elected "we'll be in a world of hurt in a very short period of time"

Liberal Blogger Heckles Allen, Accuses Him Of Spitting On His Ex-Wife. The AP (11/1, Lewis) reports a "heckler who confronted Sen. George Allen at a campaign appearance Tuesday was put in a chokehold and slammed to the floor by three of the Republican's supporters in an incident captured on video." Mike Stark, "a liberal blogger and first-year University of Virginia law student, approached Allen at an event in Charlottesville, loudly asking, 'Why did you spit at your first wife, George?' according to witnesses." Three men, "all wearing blue Allen lapel stickers, immediately grabbed Stark, dragged him backward and slung him to the carpet outside a hotel meeting room, according to video captured by WVIR-TV in Charlottesville."

Fox News' Special Report (10/31, Hume) reported, "In Virginia, an Opinion Research poll puts Democrat Jim Webb now in the lead by four points over republican incumbent Senator George Allen, that's in the margin of error, but barely. And speaking of that Virginia race, in Charlottesville, a heckler loudly accused Senator Allen of spitting at his former wife, three supporters not with the Allen campaign dragged out the man, a liberal blogger named Mike Stark and then wrestled him to the floor." Fox News' footage of the incident can be accessed by clicking on the link at the top of this story.

The Washington Post (11/1, Shear, Craig, 748K) reports the "widely disseminated video of the incident" shows the "Democratic activist who verbally confronted U.S. Sen. George Allen at a campaign rally in Charlottesville…shoved, put into a headlock and thrown against a window by three men wearing Allen stickers." Stark "yelled a question at Allen (R) about whether he had ever spit on his first wife, an unsubstantiated charge that has been circulating on liberal blogs on the Internet. Allen supporters hauled him away from the senator as television cameras rolled." In an email, Stark said, "I demand that Senator Allen fire the staffers who beat up a constituent attempting to use his constitutional right to petition his government." The Post adds Charlottesville Police Lt. Gary Pleasants "said Stark reported the incident yesterday and indicated that he wanted to press assault charges against the men. Pleasants said police are investigating and trying to determine the names of the Allen staffers involved." Allen aides "accused Democrats and the Webb campaign of orchestrating the event as a way of getting news organizations to write about the Internet rumor."

The Charlottesville Daily Progress (11/1, Gibson) reports Allen "ignored the question and shrugged off the incident." Allen said, "That guy's typical of the Webb campaign, and that's just their negativity." The Daily Progress added Stark, "a liberal blogger who confronted Allen two months ago at a Staunton hotel with questions about racial insensitivity, said he is not associated with any campaign." One of the men "who pushed Stark away from Allen, former Albemarle County GOP Chairman John Darden, said he was simply trying to protect Allen and Dole and stood between the law student and the senators not knowing what Stark's intentions might be." Allen's former wife, Anne Waddell, "later issued a statement calling Stark's question 'a baseless, cheap shot.' She said that she and Allen divorced more than 22 years ago and sealed the divorce records because it was a personal matter."

Marriage Amendment May Backfire On Allen, Bring Black Webb Supporters To Polls. The Washington Times (11/1, Bellantoni, 88K) reports the Virginia state constitutional marriage amendment "designed to motivate conservative voters and help Virginia Sen. George Allen's re-election campaign appears to be backfiring, at least among black voters." Allen "probably will benefit from evangelical Christians voting for the amendment. But, the amendment also will drive turnout among the state's black voters, many of whom are questioning whether Mr. Allen is racially insensitive and deserves a second term." Virginia's black voters "support the amendment, which defines marriage as the union of one man and one woman, by more than 60 percent, according to most polls. They also overwhelmingly favor Mr. Allen's Democratic challenger James H. Webb Jr."

Black Vote Seen As Key For Webb. The Washington Post (11/1, B1, Jenkins, 748K) reports whether Webb, "a former Republican and Navy secretary in the Reagan administration, will be able to energize loyal Democratic voters…will be critical in determining who wins one of the tightest Senate races in the country." African Americans, "who make up about 20 percent of Virginia's electorate, vote reliably for Democrats and are key to their success in the Republican-dominated state. But Webb has struggled to gain their support because of questions about whether he used a racial epithet to describe blacks when he was younger and because of his stance on affirmative action, which he once called 'state-sponsored racism.'" Allen has "had his own problems with black voters, dating to his days as a state delegate." But he has "tried to mend fences with the state's black community, highlighting his support of black colleges and appearing at several important political events." A Washington Post poll "conducted last month showed that blacks were overwhelmingly supporting Webb: 81 percent of African Americans said they would vote for the Democrat, compared with 11 percent who said they'd vote for Allen. But the determining factor, political experts said, will be how many of those voters go to the polls on Election Day, given concerns about both candidates."

Virginia Senate Race Said To Remain Allen's To Lose. The Christian Science Monitor (11/1, Dillin, 58K)

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reports that although he was expected to easily win reelection in Virginia, Republican Sen. George Allen is "fighting for his survival. Political polls have seesawed. The latest Bloomberg/Los Angeles Times survey found Webb slightly ahead, 47 percent to 44 percent." But it "remains Allen's race to lose, however. Larry Sabato, director of the Center for Politics at the University of Virginia, explains that in federal elections in Virginia, 'Republicans almost always win the close races.'" The Monitor adds Republicans "hope so. Otherwise, this election could become part of a major shift in Washington. A Democratic victory here, combined with other states where Republicans are in deep trouble, could tip the balance in the Senate to the Democrats, and give President Bush a rough finish to his second term."

Allen's Campaign Travels Documented. The Washington Post (11/1, C1, Leahy, 748K) reports, "If tense campaigns demand that imperiled candidates, like card players, learn the art of the bluff, Allen has mastered the technique." While Presidents "have travel perks: Air Force One, helicopters, bulletproof limos that ride along cleared-out interstates," Allen "like any other senator in a reelection campaign, cruises like a road-weary salesman. There is nothing more instructive about the unglamorous nature of the midterm election process than to ride for a day in chase of the candidate's vehicle, which on this day would be racing south through Virginia, trying to put some space between the candidate and an increasingly formidable foe."

WPost Criticizes Allen For Trying To Make Issue Of Sex Scenes In Webb Books. In an editorial, the Washington Post (11/1, 748K) criticizes the Allen campaign for raising the fictional sex scenes in Webb's books, saying, "Now there's a pressing concern for Americans in 2006. Mr. Allen, a Republican whose campaign professes profound moral shock that actual sex should occur in fiction, has spent months trying to extract himself from his own 'macaca'-inspired tailspin. When all else failed -- including an Allen ad in which a woman accused Mr. Webb of misquoting her, although he never quoted her at all -- Mr. Allen apparently decided that what he needed was a sex scandal crafted to smear his rival and timed for the campaign's fourth quarter. Lacking such material in real life, he turned to Mr. Webb's novels, most of which concern the wartime experiences of soldiers and international intrigue."

Allen's Midterm Woes Likely To Boost Romney In 2008. In his Washington Post column (11/1), George Will says, "One Republican, who is not running for anything this year, will emerge from this bruising season with enlarged prospects. Massachusetts Gov. Mitt Romney's hopes for the 2008 Republican presidential nomination have been enhanced by Virginia Sen. George Allen's difficulties." Romney's "most formidable rival for the Republican nomination is John McCain, who needs a crowded field of Republican aspirants to prevent the conservative majority of the party's nominating electorate from quickly coalescing around a single candidate. Allen once seemed likely to compete with Romney for conservatives' support." But Allen, "who makes no secret of finding life as a senator tedious, is fighting ferociously for another term, a fate from which his Democratic opponent, Jim Webb, is close to rescuing him." Allen's "ragged campaign has made him seem accident-prone, and by Tuesday he probably will have burned through all the money he could raise. But to be competitive in the nomination contests that begin with the Iowa caucuses in January 2008, a candidate probably needs to have at least $60 million by December 2007. Allen would have to raise that amount in 60 weeks. A million dollars a week is a daunting challenge."

Cardin, Steele Focus On Prince George's County In Maryland Senate Race. The Washington Times (11/1, Miller, Ward, 88K) reports the "battle for Prince George's County voters is intensifying in the final days of Maryland's U.S. Senate race." Democrat Benjamin L. Cardin "will team up a second time with Sen. Barack Obama, the Senate's only black member, to woo voters in the mostly black and heavily Democratic county." Cardin is also "lining up last-minute endorsements in the county, including from Prince George's County Executive Jack B. Johnson, a black Democrat who could announce his support for Mr. Cardin as early as today, county officials said." Prominent black Democrats "in the county broke party ranks this week to support Lt. Gov. Michael S. Steele, the Republican nominee and the first black elected statewide in Maryland. The Democratic crossovers have accused party officials of repeatedly snubbing the black community and their county. " Steele, "who lives in Prince George's, will be campaigning alongside his crossover supporters, which include all five black members of the County Council and former county Executive Wayne K. Curry." The election "could hinge on how Prince George's 320,000 registered Democrats vote Tuesday."

Steele Seen As Gaining Momentum. The Los Angeles Times (11/1, Reynolds, 918K) reports that although the "political momentum appears to be with Democrats around the country, the trend is going the other way in one solidly blue state, where a Republican candidate is gaining on the favored Democrat in a contest with an unexpected racial twist." Once "trailing by more than 10 points, Steele narrowed the margin to where the race is now considered by some to be nearly a tossup. His recent gains reflect growing dissatisfaction among some blacks toward the state Democratic Party." On Monday, "a group of prominent African American Democrats from Prince George's County in the Washington suburbs crossed party lines to endorse the Republican." Racial tensions "in Maryland's Democratic

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Party have been brewing since earlier this year, when Cardin beat back a primary challenge from former congressman and NAACP leader Kweisi Mfume by a margin of 44% to 41%." Democratic leaders "say that Cardin won because he raised more money than Mfume. But Ronald Walters, a professor at the University of Maryland who studies African American politics, said the party leadership rallied early around Cardin, which hampered Mfume's ability to raise cash." Jennifer Duffy of the Cook Political Report "says that Steele's strong performance has been a surprise." Duffy said, "Steele is a lot better than expected. It's not that Cardin is a bad candidate; he's just a little dull."

National Parties Inundate Virginia, Maryland With Senate Ads. The Washington Post (11/1, A1, Shear, Mosk, 748K) reports TV viewers "in Virginia and Maryland are being inundated by a last-minute deluge of commercials from the U.S. Senate candidates and their national political party benefactors, who are pouring millions of dollars into the two states as the bitter fall campaign draws to a close." The "flood of money into the two states means that hardly anyone who watches TV in the next six days will be able to avoid seeing the candidates or their surrogates make a final plea for votes before Tuesday's election. In the Washington area media market, for example, even a casual TV viewer will see 42 campaign commercials for Republican George Allen or Democrat James Webb between now and Election Day, advertising specialists said." Political analyst Charlie Cook said, "Each side is dishing it out." Cook added that the "money pouring into Maryland and Virginia, especially from Democrats, is staggering. 'It's almost as though Chuck Schumer has a printing press in his basement.'" The Post adds that in Virginia, the Democratic Senatorial Campaign Committee "has bought $2.6 million worth of TV and radio spots that began airing yesterday, bringing its contributions on behalf of Webb to about $6 million. The GOP counterpart has spent $1 million on ads for Allen." In Maryland, the National Republican Senatorial Committee "contributed $400,000 yesterday to air 93 TV spots on behalf of Lt. Gov. Michael S. Steele (R) on stations in Baltimore and the Eastern Shore. Democrats have pumped $1.7 million into Maryland for U.S. Rep. Benjamin L. Cardin (D-Md.)." The "money from Washington, combined with the substantial cash raised by the Senate candidates, reflects how critical Virginia and Maryland are to the national political parties. A Steele victory in Maryland could doom hopes for Democratic control of the Senate. A victory by Webb in Virginia could be a disaster for the GOP."

Talent, McCaskill Work To Rally Base Supporters. The Hill (11/1, Kaplan) reports Sen. Jim Talent "has a studious, bookish reputation but his fight against state auditor Claire McCaskill (D) has been as down-and-dirty as others across the country." McCaskill's ads, "particularly her most recent and controversial one, have thrown Talent off-stride. Last Saturday during the first game of the World Series, the Democrat aired an advertisement on embryonic stem cell research with actor Michael J. Fox. With his symptoms of Parkinson's disease front and center, Fox endorsed McCaskill and criticized Talent, accusing him of opposing stem cell research." While sources "from both campaigns said the race would remain close in this traditional swing state, they acknowledged the negative attacks had driven up the candidates' disapproval and unfavorability ratings. A St. Louis Post-Dispatch poll showed the race tied with each candidate pulling in 47 percent of the vote." With "six days to go, both campaigns are ginning up support among their base voters. McCaskill began a campaign swing yesterday that will take her from St. Louis to Springfield to Kansas City. She plans to campaign for 24 hours straight starting Friday." On Monday, "Talent, Bond and Rep. Jo Ann Emerson (R-Mo.) made stops in five cities in southeastern Missouri. Senate Majority Leader Bill Frist (R-Tenn.) campaigned yesterday for Talent and President Bush will visit Springfield on Friday."

Snow Campaigns For Talent. Fox News' Special Report (10/31, Hume) reported Sen. Jim Talent "is getting help from the big guns, White House spokesman Tony Snow." Snow was shown saying, "Jim, you said you think you will win, but the difference between and you the president is that he knows you'll win."

Chafee Takes Shot At Reid's Ethics During Debate. The Hill (11/1, Schor) reports Sen. Lincoln Chafee (R-R.I.), "whose collegial personality has bolstered his appeal in an otherwise blue state, took an indirect shot at Senate Minority Leader Harry Reid (D-Nev.) during a debate Monday night with his Democratic opponent, state Attorney General Sheldon Whitehouse." When Whitehouse "blasted Chafee for failing to push for Defense Secretary Donald Rumsfeld's resignation in the wake of escalating chaos in Iraq, the incumbent — trailing his foe by as many as eight points in recent polls — asked Whitehouse why he has failed to question Reid's amended reports to the Senate ethics committee clarifying the details of a $1.1 million land deal." Whitehouse spokeswoman Alex Swartsel "did not address the Chafee camp's question directly, instead continuing to hammer the centrist Republican as a reliable vote for GOP leadership."

Swift Boat Contributor Behind Ad Tying Menendez To The Mafia. The New York Times (11/1, Mansnerus, 1.21M) reports a "much-criticized television advertisement that uses a mob character to impugn Senator

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Robert Menendez was financed by a Republican donor who has given more than $6 million this year to start ad campaigns attacking Democrats." Bob J. Perry, "a Houston home builder, gave $4.45 million in 2004 to the Swift Boat Veterans for Truth, an independent organization that attacked Senator John Kerry's Vietnam War record, damaging his presidential campaign and leading to protests about the tactics used by such outside groups." The "anti-Menendez ad was produced by one such group, the Free Enterprise Fund Committee, which said it received about $1 million from Mr. Perry. His role in the ad was reported on Tuesday in The Star-Ledger." In the "anti-Menendez ad, titled 'Politicos,' a stocky character with a leather jacket and a 'Sopranos' accent rasps into a cellphone: 'We got a problem. Our boy down in Washington, Bob Menendez, he's caught in a federal investigation. The feds start looking at these fixed contracts, and bada-bing, we're in it deep. … We need to get the bosses to fix this thing, like they did for Torricelli,' he says at the end of the ad."

Senate Democrats Give More To Party Committee Than GOP Counterparts. The Hill (11/1, Schor) reports more than "half of the members of the Senate Democratic caucus have tapped into campaign coffers for six-figure donations to their party committee, while only 15 Senate Republicans have given similar sums with only one week remaining and control of the chamber up for grabs." Democrats "digging deep to transfer unused campaign dollars stand to reap huge gains if they can net the six seats needed to take over the Senate. But even Democratic senators up for reelection and out of chairmanship contention made unrestricted transfers to the Democratic Senatorial Campaign Committee (DSCC) in October, leaving Republicans at a $6 million disadvantage in the hunt for member money." Senate Republicans "maintain that their majority will survive despite members' reluctance to give directly to the National Republican Senatorial Committee (NRSC) and some strategists' anxiety over spending shortfalls in key races. The NRSC made a million-dollar negative-ad buy yesterday in Virginia, where the DSCC reportedly is planning to double that number in a bid to vault Democrat Jim Webb over Sen. George Allen (R-Va.)." Only "one Democratic senator who is in line to chair a committee if the Senate changes hands, Appropriations ranking member Robert Byrd (D-W.Va.), has not given directly from his campaign to the DSCC." Despite the NRSC's "nearly $1 million deficit in cash on hand entering the final stretch of one of the most hard-fought midterms in years, some GOP senators have boosted their giving since the 2004 season."

Obama Drawing Huge Crowds As He Campaigns For Fellow Democrats. The New York Times (11/1, Kornblut, 1.21M) reports Sen. Barack Obama "has become the prize catch of the midterm campaign. More sought after than virtually every other Democrat, Mr. Obama was fully booked, long ago, on a schedule to take him across a large swath of the country to help his party try to win control of Congress. … Other prominent African-Americans are summoned to the Midwest to campaign in black churches (and that is on Mr. Obama's schedule, too, before the week is out). But Mr. Obama also traveled to Rochester, Minn., in a Congressional district that is more than 93 percent white, to campaign on Monday in front of a nearly all-white crowd." The Times notes, "The war in Iraq, which he opposed from the outset, is among the areas where he sounds most like the liberal wing of his party. In other ways, especially in tone and with regard to politics, he insists that neither party has a monopoly on good ideas and frequently declines to criticize President Bush as unfit.

Dowd Notes Conservatives' Comments Regarding Obama's Inexperience. The New York Times' Maureen Dowd (11/1) writes, "Many Republicans have been tut-tutting about the author of 'The Audacity of Hope' having the audacity to hope. 'I think people might want a little more experience than that, given the nature of the times we live in,' Dick Cheney told Sean Hannity. Charles Krauthammer wrote that, despite Senator Barack Obama's charms, he could not win in '08: 'The reason is Sept. 11, 2001. The country will simply not elect a novice in wartime.' But if there's one thing W.'s reign proves beyond a shadow of a doubt, it is this: Experience, like affectations, can be dangerous. Those who declaim on the need for Senator Obama to have more experience must forget who's running the country. It often seems that the most inexperienced person alive is George W. Bush — even after six years in office."

Clinton Endorses Plan For Withdrawal Of US Troops From Iraq. Fox News' Special Report (10/31, Hume) reported Sen. Hillary Clinton "firmly endorsed a plan, first introduced by Democrat congressman and war critic Jack Murtha, calling for US troops to start pulling out over the next two months." Clinton "said that the start of a US withdrawal would force Iraqi leaders to step up to the plate for their own security."

The AP (11/1) reports Clinton said Bush had pursued "a foreign policy that had produced 'a landscape of failure and disorder,' and she urged a return to diplomacy and negotiation in tackling the world's challenges." The New York Times (11/1, Santora, 1.21M) says Clinton "outlined a foreign policy that she said tried to blend 'realism' and 'idealism,' as opposed to what she said was the Bush administration's 'simplistic division of the world into good and evil.'"

Clinton Said To Be Rehearsing 2008 Themes During Campaign Stops. The Washington Post's David Ignatius (11/1) writes, "A day spent with" Sen. Hillary Clinton "on the

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campaign trail…illustrates the broad, bipartisan themes that have helped rebuild the party in Upstate New York. Her comments also signal the legislative strategy that Clinton hopes to pursue next year, when…Clinton herself will be the instant front-runner in the 2008 presidential race. … The issues Clinton stresses through the day are classic 'bridge to the future' themes articulated by Bill Clinton when he was president, but with a Hillary twist. She starts the morning brainstorming with local leaders on how to make Rochester a hub for 'green' alternative-energy technologies, building around a plant that makes fuel cells. Next, she meets with a health-care network and pitches a revival of her failed 1993 campaign to lower health costs and insure the uninsured. T hen it's a tour of a poor urban neighborhood being redeveloped with public-private partnerships of the sort the Clintons have long championed. Her last stop is a steel company where she talks about reviving American manufacturing."

Patrick Set To Become Only The Second Black Governor In US History. USA Today (11/1, Page, 2.27M) reports Massachusetts Democratic gubernatorial nominee Deval Patrick, "who is African-American…insist[s] color isn't a factor in this campaign. … Colorblind electorate or not, Patrick is likely to make history next week. The political neophyte, who led Republican Lt. Gov. Kerry Healey by 25 percentage points in a Boston Globe poll taken Oct. 22-25, is poised to become the first black governor of Massachusetts and only the second black ever elected governor in any state. He is one of a new generation of African-American politicians who are changing old assumptions about what offices black candidates can win."

Study Finds Networks' Stories Have Pronounced Pro-Democratic Slant. The Washington Times (11/1, Harper, 88K) reports, "The Big Three television networks have used unprecedented midterm election coverage to bash the Republican Party with negative stories, and plenty of them, a study says. Only 12 percent of election stories that aired on NBC, ABC or CBS were favorable toward Republican candidates, according to a study released yesterday by the District-based Center for Media and Public Affairs (CMPA). … The study found that 77 percent of the news accounts between Sept. 5 and Oct. 22 offered favorable evaluations of Democratic candidates and lawmakers."

"Rookie" Anchors Prepare For Election Night Coverage. The Wall Street Journal (11/1, B1, Barnes, 2.03M) reports, "While NBC's Brian Williams, ABC's Charles Gibson and CBS's Katie Couric have all settled into their new roles as evening news anchors, Tuesday's midterm elections mark their inaugural efforts at presiding over prime-time election results. The stakes are high. Live coverage of national elections is a defining event for news organizations."

WSJournal Says AARP Position On Taxes Hurting Democrats. The Wall Street Journal (11/1, 2.03M) editorializes, "Social Security was supposed to be a killer issue for Democrats this election year after they defeated President Bush's reform plans in 2005. But suddenly the tables are turning on several Democratic candidates because of their endorsement of the tax-increase agenda of the American Association of Retired Persons, or AARP. The liberal entitlement lobby has asked candidates around the country to fill out a questionnaire asking, 'Will you support a balanced Social Security plan to continue the program's guaranteed benefits for future generations?' That may sound innocuous, but here's how AARP defines its balanced plan on its Web site near the above question: 'AARP believes that a bipartisan plan that balances additional contributions from high income workers with modest adjustments in future benefits can maintain guaranteed Social Security benefits for future generations.' … In Washington 'additional contributions' means a tax increase." Rep. Melissa Bean "now claims she never supported the tax increase she plainly endorsed in answering AARP's questionnaire. And AARP is helping her disavow her pledge by sending a letter to her district's AARP members."

Schumer, Bloomberg Say NYC Must Improve Corporate Climate. Sen. Charles E. Schumer and Mayor Michael R. Bloomberg, in an op-ed in the Wall Street Journal (11/1, A18, 2.03M) write that although recent "media chatter about the possibility of London taking over New York's position as the world's financial capital" have been "overblown," the city does run the risk of losing "its pre-eminence in the global financial-services sector" if its corporate climate is not improved. In spite of New York's advantages, the US has "been losing ground as the leader in capital formation," registering only one of the top 24 IPOs of 2005 to London's four. In light of these and other "warning signs," the city "has hired a consulting firm, which will issue a report in November identifying the specific variables that are negatively impacting our financial-services industry and recommending an action plan to correct them." Schumer and Bloomberg state that the firm's early work indicates that specific attention must be paid to "overregulation, frivolous litigation and incompatible accounting standards."

North Korea Agrees To Return To Six-Party Talks. The Wall Street Journal (11/1, A6, Ramstad, Baston, King, 2.03M) reports Pyongyang "agreed to return to nuclear-disarmament talks with its four neighbors and the US in a deal brokered by China. As part of the deal, the U.S. agreed

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to discuss its financial restrictions on the Pyongyang regime." The deal "relieves some of the tension that North Korea created after" its nuclear test, and "comes as countries around the world prepare to enforce sanctions imposed on North Korea by the [UNSC] following the test. President Bush said he was 'pleased' by the breakthrough and thanked the Chinese for their efforts in making it happen. Yet other U.S. officials expressed concern over whether North Korea plans to actually engage in talks and isn't simply trying to dodge U.N. sanctions." The Times adds the agreement "is a significant diplomatic accomplishment for China, North Korea's neighbor and closest ally. Relations between the two have been strained by Pyongyang's drive to demonstrate its nuclear capability." Assistant Secretary Chris Hill "who represented the U.S. in the discussions, said China's role validated the Bush administration's longstanding decision to negotiate with North Korea only when other countries are involved."

Secretary Rice was asked, during an interview with Larry Kudlow, host of CNBC's Kudlow & Company (10/31), to explain what led to yesterday's move. "The international community spoke with one voice with resolution 1718 after the North Koreans tested a nuclear weapon. China has been an effective member, effective important member of this coalition of states that is, dealing with the North Korean issue. And, the Chinese asked if we would be prepared to attend a meeting that the North Koreans had suggested. An informal meeting in Beijing, we did. The North Koreans, agreed to come back to the talks. Now we have to make certain that we really prepare the talks well so we can have a good outcome and, can get some implementation of the agreement that was actually signed in September of 2005."

All three major networks noted the announcement. ABC World News (10/31, story 5, 0:20, Gibson, 8.78M) reported, "There has been a breakthrough in the standoff with North Korea. North Korea has returned to return to the six-party disarmament talks. It is quite a reversal. The North has been talking about war and threatening more tests. China played a key role in convincing the North to return to negotiations. But the US says sanctions against North Korea will remain until the North takes concrete steps to abandon its nuclear ambitions." NBC Nightly News (10/31, story 5, 0:20, Williams, 9.87M) reported, "There was surprising news for the Administration today in another foreign policy crisis. Word that North Korea has agreed to restart those so-called six-nation talks on dismantling its atomic weapons program. The talks collapsed a year ago. It's now been three weeks since the north conducted that nuclear test. The US says China made the difference in getting them back to the table."

On its front page, the Washington Post (11/1, A1, Kessler, 748K) notes Pyongyang's "unexpected" move "will end" its "year-long boycott of the talks, which have dragged on intermittently for more than three years. Fourteen months ago, North Korea agreed in principle to dismantle its nuclear programs, but hard bargaining is still necessary to determine the sequence and timing of the incentives it expects in return." Hill "emerged from the meetings to say that there was the potential for 'substantial progress' in resolving an issue that has raised tensions throughout the region… U.S. officials were privately puzzled by the mercurial government's change of heart, though they said they hope the universal condemnation of North Korea's nuclear test and the swift imposition of U.N. sanctions had played a role."

The New York Times (11/1, Kahn, Cooper, 1.21M) calls the move "a first sign of easing tensions since" the nuclear test, but notes "the chances for rolling back the country's now-proven nuclear capability remained uncertain." The deal is "a procedural victory for Beijing, which scrambled to reopen a diplomatic channel even as it joined the United States and other international powers in supporting" post-test sanctions. "While North Korea's decision to restart the talks is being heralded as a diplomatic breakthrough, American envoys will be returning to the negotiating table to face an adversary that now has a demonstrated nuclear capability — a fact that America will try to minimize even as North Korea tries to exploit it, Bush administration officials and analysts said." Secretary Rice "played down suggestions that America's negotiating task would be made more difficult by the North's nuclear test." Rice "said the United States would work with the other participants of the talks to force the North to take a concrete step toward ending its nuclear program."

The Financial Times (11/1, Dickie, Pilling, Fifield) says analysts believe Pyongyang "probably bowed to growing pressure from China, its largest benefactor and closest political ally." While "the world's big powers work through the details of how to punish Kim Jong-il's regime for" its nuclear test, Hill "said on Tuesday that the negotiations – which had been stalled for a year – could resume as soon as this month. However, with North Korea remaining defiant and the US and Japan still lobbying for tough sanctions, hopes remain dim that Pyongyang will agree to abandon its nuclear capability."

In an analysis piece entitled, "N. Korea, U.S. Both Flexible," the AP (11/1, Herman) notes Washington and Pyongyang "took a step back from the nuclear brink after both sides showed they could be willing to bend under the calm guidance of Beijing." Both "had previously stuck to ironclad positions that seemed totally at odds, leaving little apparent room for a breakthrough. Neither side wanted to cave, despite calls from other nations for flexibility." Beijing "appears to have held the key in getting both sides to compromise and allow all to save 'face.'"

The AP (11/1, Raum) calls the move "a surprise turnabout," and says the "breakthrough came after pressure from China and a U.S. offer to discuss financial penalties already in place." Bush "cautiously welcomed the deal and thanked the Chinese for brokering it. But he said the

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agreement wouldn't sidetrack U.S. efforts to enforce sanctions… He said there was still 'a lot of work to do' and the U.S. would send teams to the region 'to make sure that the current United Nations Security Council resolution is enforced.'" The deal "represented a step back from the nuclear crisis and was widely applauded, if with some reservations. North Korea has a history of walking away from the six-nation talks, only to rejoin them, then to bolt again." Assistant Secretary McCormack "said he was sure there would be 'an opportunity for us to have direct talks' with North Korean negotiators in the context of the six-party framework."

Similar stories appear in this morning's Los Angeles Times (11/1, Magnier, 918K), USA Today (11/1, Slavin, Macleod, 2.27M) and Washington Times (11/1, Kralev, 88K), among other sources. In its analysis, the Christian Science Monitor (11/1, Marquand, 58K) says the "surprise" deal "has likely headed off the possibility of a second nuclear test" and "has also restored six-nation talks aimed at denuclearizing the Korean peninsula, bringing a modicum of stability to a region rocked" by the first test. "Given the bristling anger in northeast Asia after the nuclear blast, analysts say it is salutary that Mr. Kim is returning to the table to talk with his immediate neighbors." However, experts "doubt that the North, having spent 40 years on its atomic program, is likely to give it up without dramatic achievement." When talks resume, "there seems little doubt Pyongyang expects to think of itself as a bona fide nuclear-status nation as talks resume - and is likely to push others to do so as well. Such a position is leagues from the kind of dismantlement the six-party talks are based on."

Bush Says US Allies In Asia Should Not Seek Nuclear Weapons. During the second-half of an interview he did with Sean Hannity of Fox News' Hannity and Colmes (10/31) President Bush was asked if he supports helping Japan, Taiwan and South Korea to arm themselves with nuclear weapons in order to confront the threat from North Korea. President Bush responded, "I would not support them for having nuclear weapons, although I notice the Japanese official said 'if we have to, we will.' And then of course the government stepped it back. I think the less nuclear armament in the far-east the better-off the world will be. I do believe we need to work very closely with our allies on missile defense. Our missile defense systems are getting better and better because of the money that we have been spending over the past five years. The key to success there in North Korea is to convince all the parties that it's not in their interest that North Korea have a nuclear weapon, which we have successfully done."

More Commentary. The Washington Post (11/1, 748K) editorializes that the move "is, first and foremost, a victory for China and its strategy of preserving Kim Jong Il's totalitarian regime. Whether it will contribute to the cause of dismantling the North's atomic arsenal remains to be seen."

In an editorial, the Los Angeles Times (11/1, 918K) calls the development "a big diplomatic victory for Washington, and a bigger one for Beijing. Yet there are good reasons to be skeptical about Pyongyang's motives." Kim Jong Il "is a master at the art of weakening the resolve of diplomatic coalitions, and his decision to engage in talks once again may be nothing more than an attempt to stave off aggressive enforcement of U.N. Security Council sanctions."

Rice Urges UN To Speed Up Sanctions On Iran. AFP (11/1) reports Secretary Rice "called her major power counterparts in a bid to spur tough negotiations at the United Nations over a sanctions resolution against Iran," according to Undersecretary Burns. Rice "urged the foreign ministers from the other permanent" UNSC members "to overcome the differences that have prevented agreement on the sanctions package," Burns said. "She put forward the proposal that we should try to work extremely hard to get that resolution passed as quickly as possible," he added. Separately, Assistant Secretary McCormack said Monday that North Korea's "sudden decision Tuesday to give up its nuclear arsenal in the face of UN sanctions had provided a model for confronting Iran," whom he said is "certainly are watching whether or not the world was going to react to what North Korea did."

Moscow May Back UN Sanctions On Iran. The AP (11/1, Isachenkov) reports two senior Russian officials "indicated Tuesday that Moscow could back a draft UN Security Council resolution imposing sanctions on Iran, in an apparent sign of the Islamic Republic's growing isolation over its nuclear program." Yuri Volkov, a deputy speaker of the lower house of parliament, said Russia "will apparently have to join a new resolution on Iran proposed by Britain, Germany and France that envisages limited economic sanctions." And Igor Ivanov, the head of Russia's presidential Security Council, "made comments later that also suggested Moscow could support the draft European resolution." Meanwhile, Undersecretary Hughes told the AP while traveling in Dubai, "We're working with our international partners to send a message to Iran that the international community is opposed to Iran obtaining nuclear weapons." Although "sanctions against Iran are being discussed," Hughes noted that "there is a path for negotiations and we hope they choose that path." Separately, China "issued muted criticism" of Iran Tuesday, the AP notes. Asked about the Iranian president's declaration that Tehran would oppose any sanctions, Chinese Foreign Ministry spokesman Liu Jianchao said "the relevant parties should not take any measures that may lead to the escalation of the situation."

Lebanese Leader Says Syria Still Arming Hezbollah. The Washington Times (11/1, Sands, 88K) reports, "Syria has continued to funnel arms to the Shi'ite

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Hezbollah militia in defiance of international demands, thus undermining hopes for peace and stability in Lebanon, a Lebanese political leader said yesterday. Walid Jumblatt, longtime leader of the minority Druze community, is the most senior Lebanese politician to visit Washington since Israel's inconclusive monthlong war with Hezbollah in southern Lebanon." The Times adds, "The complaint from Mr. Jumblatt, a key figure in the anti-Syrian coalition that dominates Lebanon's parliament, came a day after John R. Bolton, the U.S. ambassador to the United Nations, said at a Security Council meeting that Syria and Iran -- Hezbollah's two main sponsors -- were 'actively trying to destabilize the democratically elected government of Lebanon' by re-arming Hezbollah."

Israeli Jets Stage Mock Raids On Hezbollah Strongholds. The AP (11/1, Johnson) reports, "Israel's fighter jets roared over Hezbollah strongholds Tuesday, staging mock raids in its strongest show of force since its war with the guerrilla group ended more than two months ago. The flyovers, which startled many Lebanese with fresh memories of the war, highlight the unsettled tensions between Israel and its northern neighbor, whose political situation has grown increasingly more uncertain." The Israeli fighter jets "swooped low over south Beirut at least six times in the morning before soaring back into the sky, Lebanese security officials said."

In Departure From US Policy, Blair Reaches Out To Syria. The Financial Times (11/1, Khalaf, Blitz) reports, "Tony Blair, Britain's prime minister, has launched a secret diplomatic move to prise Syria away from its support for radical Middle East groups and policies. In an initiative that departs from the US policy of isolating Syria, Mr Blair this week sent Sir Nigel Sheinwald, his most senior foreign policy adviser, to Damascus where he met Bashar al-Assad, the president, and other senior figures in the regime." The Times adds, "Downing Street and the Syrian government confirmed on Tuesday night that Sir Nigel, one of Mr Blair's closest aides, met Mr Assad on Monday."

Israeli Defense Minister Says Saudi Plan Could Be Basis For Talks With Palestinians. The AP (11/1, Heller) reports, "Israel's defense minister said Tuesday that a dormant Saudi initiative for Mideast peace could be a 'basis for negotiation,' indicating a new possibility for talks with the Palestinians after years of stalemate." The Saudi plan "calls for a comprehensive peace between Israel and the Arab world, based on a complete Israeli withdrawal from lands it captured in the 1967 Mideast war -- the West Bank, Gaza Strip, east Jerusalem and Golan Heights." Israeli Defense Minister Amir Peretz "said he was not endorsing the plan. But he was the most senior Israeli official even to publicly consider it."

Palestinian Adviser Says Hamas Will Honor Truce. In a New York Times (11/1, 1.21M) op-ed, Ahmed Yousef, a senior adviser to Palestinian Prime Minister Ismail Haniya, says Hamas has proposed "a long-term truce" so "the Israeli and Palestinian peoples can try to negotiate a lasting peace." Yousef argues that "when Hamas gives its word to an international agreement, it does so in the name of God and will therefore keep its word." Hamas, he notes, "has honored its previous cease-fires, as Israelis grudgingly note," and its truce offer is "no ruse, as some assert, to strengthen our military machine, to buy time to organize better or to consolidate our hold on the Palestinian Authority." Instead, he says "Palestinians are prepared to enter into a [truce] to bring about an immediate end to the occupation and to initiate a period of peaceful coexistence during which both sides would refrain from any form of military aggression or provocation."

Bush Launches Review Of Darfur Policy. AFP (11/1) reports President Bush Tuesday announced a review of US policy on the Darfur crisis. Meeting with his personal envoy for Darfur, Andrew Natsios at the White House, Bush "said the diplomat had delivered a 'grim report' about the humanitarian situation" in Darfur. "The United States is going to work with the international community to come up with a single plan on how to address this issue and save lives," Bush said. AFP notes that Bush "provided few details, other than to insist that the plan would include deployment of a 'credible and effective international force to go into Darfur to save lives.'" Separately, Assistant Secretary McCormack said the Bush administration was mulling "what new or different policy proposals we might make" to end the deadlock. Although he "declined to provide details," McCormack stressed that "what all that does is underscore the fact that we want to try to get something done on this issue."

Westerners' Arrests In Yemen Renew Terrorism Concerns. The Washington Times (11/1, Waterman, 88K) reports the arrests in Yemen of six Westerners said to be members of al Qaeda has "highlighted concerns that the region remains a 'transmission belt' for Islamic converts looking for a way to join jihadi terrorist groups." However, analysts "caution that the facts of the case remain murky and warned that Yemenis had many reasons to try to burnish their counterterrorism credentials by exaggerating the importance of the arrests." Over the weekend, authorities in Yemen announced they arrested "three Australians, a Dane, a German, a Briton and two other foreigners Oct. 16 and charged them with trying to smuggle weapons to Islamic militias in neighboring Somalia." An unidentified US intelligence official speaking about the arrests was quoted as

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saying, "This was a pretty good wrap-up of a group of bad guys."

Sadat's Nephew Sentenced To Prison For Defaming Egyptian Military. The New York Times (11/1, A8, Charbel, Slackman, 1.21M) reports Talaat el-Sadat, the nephew of President Anwar el-Sadat and an opposition member of Parliament, was sentenced by a military court Tuesday to one year in prison "on charges that he defamed the military by essentially blaming it for having a hand in his uncle's death." The Post notes that move comes "as Egyptian authorities have shown less and less tolerance for critical opposition." It also notes that "with increasing frequency," members of the banned Muslim Brotherhood organization "have been arrested and held without charge under a law intended to fight terrorism."

Studies Find Security Council Seats Tied To US Aid. The Washington Post (11/1, A19, Lynch, 748K) reports that although "Republican and Democratic administrations have insisted for decades they do not engage in the grubby vote-buying practices that are common in elections for key UN posts," recent academic studies have found that "poor countries that serve on the influential Security Council typically receive substantially more US aid dollars and find it easier to obtain loans or grants from financial institutions that are strongly influenced by the United States and other economic powerhouses." While officials from the US and "several international agencies questioned the findings," the Post says they "underscore the importance the United States places on cultivating even the weakest members of the Security Council" and "suggest a possible price tag." For example, a study by two Harvard University scholars that tracked US economic and military assistance from 1946 to 2001 found that a "two-year seat on the Security Council…can generate a 59 percent spike in US assistance." While "in times of crisis, US aid to some member countries has increased by as much as 170 percent," the Post notes.

China Adopts Rules Aimed At Reducing Executions. The New York Times (11/1, A3, Lague, 1.21M) reports that in response to "domestic and international criticism of its extensive use of capital punishment," China Tuesday adopted new rules "requiring review of all death sentences by the Supreme People's Court." The Times notes that the move, which "restores a power that was stripped from the Supreme Court in 1983 and given to provincial courts as part of a major crackdown on crime," comes as authorities "are facing mounting criticism from human rights groups and Chinese legal scholars for what they say is the widespread and arbitrary use of the death penalty."

Former South African Leader Botha, Dies. The death of former South African leader, P.W. Botha, Tuesday was heavily noted in lengthy obituaries in today's dailies. For example, the New York Times (11/1, B9, Gregory, 1.21M) runs a 2,100-word recount of Botha's personal history, noting that he "struggled vainly to preserve apartheid rule in a tide of domestic racial violence and global condemnation."

Similarly, in a 1,100-word obit, the Washington Post (11/1, B7, Bernstein, 748K) calls Botha an "unapologetic leader…who led his country into deepening political crisis and racial violence." The Financial Times (11/1, Mallet) notes in its piece that the former president "never understood the forces that he had unleashed" nor did he ever apologize "for the torture, the killings and the poverty inflicted on South Africans and on the inhabitants of neighboring states by his regime."

The AP (11/1, Nullis) notes that "there has been no decision on funeral arrangements."

Migrants' Remittances Seen As Imperfect Cure For Poor Nations. In a 2,350-word front page article, the Wall Street Journal (11/1, A1, Davis, 2.03M) examines the economic impact of money sent from Salvadoran immigrants in the US to relatives at home. The Journal says "many development economists believe" the funds "could transform some of the world's most impoverished regions, by putting cash directly in the pockets of the poor." At the same time it warns that "reliance on remittances may turn out to be the latest development fad that fails to live up to its hype." For countries to "reduce poverty on a sustained basis and to create a middle class," the Journal says they "need to grow rapidly over years," and "though remittances fuel some spending, there isn't much evidence they have added to sustained growth. Instead, the infusions of outside cash often distort the local economy and may diminish the long-term prospects for gains."

NYTimes Welcomes Germany's Decision To Play Greater Role In Global Security. In an editorial, the New York Times (11/1, 1.21M) welcomes Germany's "move out of its postwar pacifist mode and undertake a greater role in global security." The Times says, "There has been no good reason for some time why Germany should not do its share of global peacekeeping and peacemaking," especially at a time "when the wars in Iraq and Afghanistan and multiple peacekeeping missions in Africa have strained the military resources of America and its leading NATO allies." The Times concludes, "There's a lot of work to be done, and it's time the Germans joined in."

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THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Affordable Housing Bond Asks Voters For Their Vision Of L.A.."
"A Violent Month Hits Home."
"Campaign Fireworks Fly As Polls Put Senate In Play."
"Hubble Tune-Up Is A Go."
"More Than Ever, Insurgents Are Targeting U.S. Forces."

USA Today:
"Previous Hubble Upgrades."
"Hubble Repair Flight Ok'd, But First NASA Needs $900M."
"Election Tests How Much Race Matters."
"Many Eyes Will Watch The Polls."
"On Lookout For Trouble."
"Study Shows Depression's Scope."

New York Times:
"Iraqi Demands Pullback; U.S. Lifts Baghdad Cordon."
"As Vote Nears, Stances On War Set Off Sparks."
"North Korea Will Resume Nuclear Talks."
"After The Storm, Students Left Alone And Angry."
"Battle Over Abortion Focuses On South Dakota Vote."
"Working Mothers Find Some Peace On The Road."

Washington Post:
"N. Korea Agrees To Return To Nuclear Talks."
"Iraq Tells U.S. to Quit Sadr City Checkpoints."
"Va., Md. Senate Camps Dig Deep."
"Campaigner in Chief Has Limited Reach."
"Hubble Repair Mission Is A Go."
"Molded By Faith And Persistence."

Washington Times:
"N. Korea Agrees To Six-Party Talks."
"Marriage Measure May Turn On Allen."
"Baby Boom Echoes In Iraq."
"Specter Of Tax man Haunts Democrats."
"Cardin, Steele Put Focus On PG."
"Obsolete Legion Faces Uncertainly."
"Holiday Revelers Can Give Thanks For $2 Gas."

Atlanta Journal-Constitution:
"MegaFest Off Atlanta's '07 Calendar."
"Dekalb Cops Ignore Rules In Shootings."
"Bush Skewers Kerry Over Iraq Comment."
"Vegetables To Suspect In Salmonella Outbreak."

Houston Chronicle:
"New Safety Measures Urged For BP, Others."
"NASA To repair Hubble Despite Potential Risk."
"Texas May See Its Star Wane On Capitol Hill."
"DNA Clears Inmate 25 Years After Conviction For Rape."
"Getting A Nutty Idea To take Root."

Story Lineup From Last Night's Network News:
ABC: Kerry's Statements; Kerry's Statements Analysis; No More US Blockade –Iraq; US Response To Maliki; North Korea-Six Party Talks; New Medical Finding-SIDS; Airlines Making Money; Repairing Hubble; PW Botha Obit; Tag Team Parents; Elephants & Mirrors; Halloween Costumes.
CBS: Kerry's Statement; No More US Blockade-Iraq; Troops Staying Longer-Iraq; North Korea-Six Party Talks; New Medical Finding-SIDS; Kerry's Statement Analysis; Security Moms-Campaign 2006; Halloween Holiday Of The Year.
NBC: Kerry's Statement; Kerry's Statement Analysis; No More US Check Points-Iraq; Troops Staying longer-Iraq; North Korea-Six Party Talks; Stock Market; New Medical Finding-SIDS; PW Botha Obit; Repairing Hubble; Halloween Business.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: CA Wildfire-Another Firefighter Dies; CA Wildfire Investigation; San Francisco-Gunshots During Halloween Street Party; Kerry-Iraq Comments; Iraq-US Forces Leave Sadr City Blockade; Iraq-Brother's Reunion; Britain-Sexual Activity Study.
CBS: CA Wildfire-Another Firefighter Dies; San Francisco-Gunshots During Halloween Street Party; Republicans-Kerry's Iraq Comments; Iraq-Fallujah Insurgents Making Comeback; Botha Obit; Stock Markets.
NPR: CA Wildfire-Another Firefighter Dies; CA Wildfire Investigation; San Francisco-Gunshots During Halloween Street Party; Bush-Kerry's Iraq Comments; Bush-Afghanistan; Iraq-US Forces Leave Sadr City Blockade; Fiji-Coup Fears; North Korea's Decision To Rejoin Six Party Talks; Tokyo Stock Market.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — No public schedule.

VICE PRESIDENT CHENEY —Speaks at a Montana Victory Rally, Majestic Valley Arena, Kalispell, Mont.

LAURA BUSH — Speaks at a Ron Lewis for Congress and Kentucky Victory 2006 Rally, Colvin Community Center, Radcliff, Ky. Speaks at an Ohio Victory 2006 Rally. Emerald Room at the Makoy Center, Hilliard, Ohio.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: FINANCIAL CONFERENCE _ The Opportunity Finance Network hosts a four day conference on bringing Americans on the economic margins into the mainstream and

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opening emerging domestic markets. Highlights: 12:30 p.m. - 1:45 p.m. Keynote address by Federal Reserve Chairman Ben Bernanke. Location: JW Marriott, 1331 Pennsylvania Ave, NW.

TREASURY REFUNDING _ 10 a.m. Deputy Assistant Treasury Secretary James Clouse holds the Quarterly Refunding news conference. Location: Room 4121, main Treasury.

COMMON ACCESS CARD _ 10:30 a.m. David S. Chu, Under Secretary of Defense for Personnel and Readiness, will brief on the Next Generation Common Access Card. Location: DOD Briefing Studio, Pentagon 2E579.

DRUG COVERAGE _ 11 a.m. Families USA holds a telephone briefing to discuss prescription drug coverage through the ``doughnut hole." Contacts: Dave Lemmon, 202-628-3030. Notes: Callin number: 800-662-5508; passcode: 4649350.

POLITICS-YOUTH POLL _ 11 a.m. - 12 p.m. Harvard University's Institute of Politics releases a new national poll on the political views of 18-24 year olds. With Jean Shaheen, director, Harvard's IOP and former governor of New Hampshire; and Christopher Aterton, dean, George Washington University's Graduate School of Political Management. Location: Morton Auditorium, GWU, 805 21st St. NW.

PANDEMIC FLU _ 12 p.m. The Financial Services Roundtable's Blue Ribbon Commission on Mega Catastrophes sponsors a panel discussion, ``Preparing for Pandemic Flu: A Call to Action," with Harvey Rubin of the Institute for Strategic Threat Analysis and Response, Tara O'Toole of University of Pittsburgh Medical Center; Annie Searle of Washington Mutual Enterprise Risk Services. Location: National Press Club.

REAGAN-COMMUNISM _ 12 p.m. The Heritage Foundation holds a program on ``Ronald Reagan and the Fall of Communism, with author Paul Kengor. Location: Lehrman Auditorium, Heritage Foundation, 214 Massachusetts Ave. NE.

CLEAN AIR _ 12:15 p.m. Georgetown Environmental Law and Policy Institute, others, hold a panel discussion on the Duke Energy case which will have been heard that morning before the Supreme Court, with Sean Donahue of Environmental Defense, Holly Gordon of Stanford Law School, F. William Brownell of Hunton and Williams, and Scott Segal of Bracewell and Giuliani. Location: Room 201, Georgetown University Law Center, 600 New Jersey Ave. NW.

INDIA-US _ 12:30 p.m. The School of Advanced International Studies holds a program with former Indian External Affairs Minister Jaswant Singh and former Deputy Secretary of State Strobe Talbott discussing their meetings held in the wake of India's 1998 nuclear tests. Location: Kenney Auditorium, 1740 Massachusetts Ave. NW.

IRAN OPTIONS _ 12:30 p.m. The Council on Foreign Relations hosts ``Axis of Anxiety: US Options on Iran." Participants: ``Kenneth M. Pollack, Senior Fellow and Director of Research, Saban Center for Middle East Policy, The Brookings Institution; Ray Takeyh, Senior Fellow for Middle Eastern Studies, Council on Foreign Relations; Author, ``Hidden Iran: Paradox and Power in the Islamic Republic;" and Barbara Slavin, Senior Diplomatic Reporter, USA Today. Location: Council on Foreign Relations, 1779 Massachusetts Ave. NW.

PURPLE HEART _ 12:30 p.m. VA Secretary Jim Nicholson presents Purple Heart Medals to four recently wounded combat veterans. Tom Poulter, national commander of Military Order of the Purple Heart, discusses groups new ``Hall of Honor in New Windsor, N.Y. Location: National Press Club, First Amendment Lounge.

SADDAM TRIAL _ 1 p.m. Attorney Ramsey Clark holds a news conference to report on the progress of the Saddam Hussein trial. Location: National Press Club.

GREENHOUSE GASES _ 2 p.m. - 3:30 p.m. The Environmental and Energy Study Institute (EESI) hosts a congressional briefing on the active role small business has taken in supporting California's recently enacted first-of-a-kind greenhouse gas legislation, AB 32, and why this can have significant implications for climate legislation nationally. Speakers: Byron Kennard, Executive Director, Center for Small Business and the Environment; Scott Hauge, Founder and President, Small Business California; and Hank Ryan, Executive Director, Small Business California. Location: Room 428-A, Russell Senate Office Building.

EXIT POLL _ 3 p.m. Rev. Jim Wallis, author of Gods Politics, and Rabbi David Saperstein, Director of the Religious Action Center, hold a telephone press conference calling on the media outlets that commissioned and prepared the 2004 ``moral values exit poll question to change the question, both in their 2006 election polling and news coverage. Contacts: Katie Barge, 202-544-7921.

RYAN LECTURE _ 4 p.m. Professor William Eskridge Jr. delivers the Thomas F. Ryan Lecture, ``Supreme Court Deference to Agencies, 1981-2006: An Empirical and Normative Examination." Location: Georgetown University Law Center Gewirz Student Center, 12th Floor 120 F St. NW.

MINUTEMAN-IMMIGRATION _ 7:30 p.m. Chris Simcox, founder and President of the Minuteman Civil Defense Corps, speaks at Georgetown University. Location: Copley Formal Lounge, Copley Hall, Georgetown University.

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Miller, Charles S

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Subject: 11/1/06 Civil News News

Tobacco Companies Win Delay of `Light' Cigarette Marketing Ban

Court Blocks Ruling on Tobacco Industry

New Battle Over Executive Privilege Is Looming in Washington

Judge Dismisses Oilman's Fraud Claims

School to pay $1.3M, settle feds' charges

Bloomberg

October 31, 2006

Tobacco Companies Win Delay of `Light' Cigarette Marketing Ban

By William McQuillen

Altria Group Inc.'s Philip Morris USA and other U.S. cigarette makers won a delay of a court-imposed ban on the marketing of ``light'' cigarettes the industry claimed would cost it hundreds of millions of dollars.

The ruling by the U.S. Court of Appeals in Washington postpones changes imposed in August by U.S. District Judge Gladys Kessler. She ordered the companies to stop marketing cigarettes as ``light'' and ``low-tar'' by January, and to make statements about the health effects of smoking in the media and on cigarette packages. Today's decision by the higher court delays enforcement of her order while the companies pursue an appeal.

Following a nine-month trial, Kessler ruled that the companies violated the Racketeer Influenced and Corrupt Organizations Act, or RICO, in a case filed in 1999 by the U.S. Department of Justice. In an order today, a three-judge panel of the U.S. Court of Appeals for the District of Columbia Circuit said the companies had ``satisfied the stringent standards required'' for a stay pending their appeal to the court.

In her August decision, Kessler declined to order the companies to pay $14 billion to fun nationwide smoking cessation and anti-smoking education programs.

Justice Department spokesman Charles Miller declined to comment.

In addition to Philip Morris, the defendants that requested the stay are Reynolds American Inc.'s R.J. Reynolds Tobacco; Brown & Williamson Tobacco Corp.; Loews Corp.'s Lorillard Tobacco Co. and British American Tobacco Plc's British American Tobacco (Investments) Ltd.

Shares of New York-based Altria were unchanged at $81.33 at 5:04 p.m. in trading after the close of the New York Stock Exchange. Shares of Winston-Salem, North Carolina-based Reynolds American fell 34 cents to $63.16.

The case is U.S. v. Philip Morris USA, 99-CV-2496, U.S. District Court, District of Columbia (Washington).

END

AP

November 1, 2006

Court Blocks Ruling on Tobacco Industry

By MATT APUZZO

WASHINGTON - A federal appeals court blocked a landmark judgment against the tobacco industry Tuesday, allowing the companies to continue selling "light" and "low tar" cigarettes until their appeals can be reviewed.

The decision by the U.S. Circuit Court of Appeals for the District of Columbia Circuit also allows the companies to continue for now the advertising campaigns that a federal judge in August ruled were misleading.

Without comment, the appeals court granted the tobacco companies' request to put Judge Gladys Kessler's order on hold. The companies have argued that her far-reaching ruling could cost them millions of dollars and lead to a loss of customers.

In mid-August, Kessler ruled that the companies had violated racketeering laws and conspired for decades to mislead the public about the health hazards of smoking.

The judge ordered the companies to publish in newspapers and on their Web sites "corrective statements" on the adverse health effects and addictiveness of smoking and nicotine.

She also ordered tobacco companies to stop labeling cigarettes as "low tar," "light," "ultra light" or "mild," since such cigarettes have been found to be no safer than others because of how people smoke them.

Kessler's ruling was appealed by Philip Morris USA, Lorillard Inc., Brown & Williamson Corp. and British American Tobacco PLC.

"The company believes the trial court's decision is contrary to the law and facts presented during trial, and looks forward to the opportunity to present its arguments to the appellate court.," said William S. Ohlemeyer, vice president and associate general counsel for Altria Group Inc., the parent company of Philip Morris.

William V. Corr, executive director of the Campaign for Tobacco-Free Kids, said the appeals court stay was not surprising.

"Judge Kessler's finding was that these companies have lied to the American people for 50 years," Corr said. "We're confident that, if it means going all the way to the Supreme Court, the government's case will be vindicated and the industry will be held accountable."

The Justice Department declined comment.

The three-judge appeals court panel was divided 2-1 on whether to block the order, with Republican-appointed Judges David B. Sentelle and A. Raymond Randolph in the majority and Democratic appointee Judge David S. Tatel in dissent.

The court will consider written and oral arguments in the case. No date has been set for arguments. It could be more than a year before an opinion is released.

END

New York Sun

November 1, 2006

New Battle Over Executive Privilege Is Looming in Washington

BY JOSH GERSTEIN - Staff Reporter of the Sun

A new executive privilege battle is looming in Washington as a federal appeals court considers whether to intervene in an election-eve dispute over records of visitors to Vice President Cheney's home at the Naval Observatory, as well as his offices in the White House complex.

Last month, a federal judge in Washington, Ricardo Urbina, ordered the Secret Service to disclose two years of visitor logs to the Washington Post immediately or explain in detail why the records are exempt from release under the Freedom of Information Act.

The Justice Department has asked the U.S. Court of Appeals to block Judge Urbina's order to allow the parties to present more extensive legal arguments about the dispute.

"Disclosure of the records at issue could reveal an ever-expanding mosaic that would allow observers to chart the course of vice presidential contacts and deliberations in unprecedented fashion," government attorneys argued in a brief filed yesterday. "Such an unwarranted intrusion into the most sensitive deliberations of the vice presidency cannot be countenanced."

Judge Urbina and the Post cited the upcoming election as a reason for expeditious release of the logs.

Justice Department lawyers said the election was not a proper factor to consider. They also scoffed at the suggestion that voters might change their minds because of the visitor records. "The timing of congressional elections should not drive (or be seen to drive) the timing of FOIA litigation, especially litigation raising sensitive issues concerning the vice president and separation of powers," the government said.

Judge Urbina's order did not actually order the release of any records, because the Secret Service could still assert exemptions, including one that covers executive privilege. "The government has failed to articulate how invocation of appropriate FOIA exemptions might somehow be inadequate to protect it from unwarranted harm," an attorney for the Post, David Sobel, told the appeals court. Mr. Sobel said the time pressure now on the Secret Service was the product of its failure to respond in a timely fashion to the Post's request, which was filed in June.

In his recent opinion, Judge Urbina signaled a willingness to shield personal visits to Mr. Cheney from disclosure. However, he said that if personal and official visits could not be easily segregated, Mr. Cheney's privacy might have to yield to the public's interest in open government.

In response to recent Freedom of Information Act lawsuits, the Secret Service has released logs of White House visits by a disgraced lobbyist, Jack Abramoff, and other GOP insiders, such as Grover Norquist and Ralph Reed. The Justice Department said those were "discretionary" releases that did not undermine the government's position that the visitor logs are presidential records not subject to public records requests until years after the president leaves office.

END

AP

Oct. 31, 2006, 6:58PM

Judge Dismisses Oilman's Fraud Claims

By BEN NEARY Associated Press Writer

CHEYENNE, Wyo. — A federal judge has dismissed all 73 lawsuits in which a Colorado oilman had claimed that natural gas companies around the West had underreported their production on federal lands.

Jack Grynberg, who runs a petroleum company based in Greenwood Village, Colo., had sued 73 energy and pipeline companies charging they inaccurately measured gas production. Under the federal False Claims Act, he stood to collect a bounty if the courts agreed.

However, in a strongly worded ruling entered Friday, U.S. District Judge William Downes of Casper concluded that most of Grynberg's knowledge of the companies' gas-measurement techniques was secondhand or speculative. Federal law requires that to collect a bounty, a person must show the government new information about the fraud he or she alleges.

"Grynberg deliberately chose to make sweeping allegations of fraud against nearly the entire industry, based in large part on rank speculation," Downes wrote. "By employing such odious tactics, he now becomes the instrument of his own undoing."

Downes has yet to rule on a request that he dismiss six similar lawsuits in which Grynberg has charged that companies underreported the amount of CO_2 they produced from federal lands.

In a telephone interview on Tuesday, Grynberg said he plans to appeal Downes' ruling. Grynberg emphasized that a special master in the case _ a legal hearing officer who oversees involved litigation for the judge _ had recommended that Downes allow 35 of his cases to go to trial.

"Needless to say, we're going to be taking the cases to the 10th Circuit," Grynberg said. The 10th U.S. Circuit Court of Appeals in Denver considers appeals from Wyoming.

Grynberg said he disagrees with Downes' finding that he had only secondhand or speculative knowledge

of the gas production.

"I am the original source," Grynberg said.

"I'm sure the 10th Circuit is going to resolve it," Grynberg said. "We think that all of them should go to trial. That's of course our opinion, not the judge's opinion. It's a highly technical situation, a highly technical case."

Grynberg said he's spent over $20 million on the litigation. His 73 cases named 305 defendants.

"I think I was very careful," Grynberg said. "It's supposed to be the largest False Claims Act litigation in the history of the United States."

Grynberg said he hadn't done any calculations about how much he stood to gain if the courts ultimately ruled in his favor. He said he was not motivated by the prospect of personal gain.

Rather, Grynberg said he wants to see energy companies pay their fair share for drilling on American Indian lands, and also wants to see them pay to support public schools that draw revenue from energy production on other federal lands.

Denver lawyer Gary Davenport represents three companies named in one of Grynberg's lawsuits: Western Gas Resources Inc. _ acquired by Anadarko Petroleum earlier this year _ and MIGC and MGTC, which operate pipelines in Wyoming's Powder River Basin.

"Obviously, we feel that the judge did exactly the right thing," Davenport said Tuesday.

Davenport said he's not aware of any estimates of how much money could have been involved in the case if Grynberg had prevailed.

"The defendants in this case don't think their measurement techniques were wrong in any case," he said.

END

Asbury Park Press
November 1, 2006

School to pay $1.3M, settle feds' charges

BY JOHN VANDIVER
TOMS RIVER BUREAU

LAKEWOOD — One of the township's largest private schools has agreed to pay more than $1.2 million to the federal government to resolve charges that it provided false information to obtain funds for preschoolers' lunches, U.S. Attorney Christopher J. Christie announced Tuesday.

The government alleged that between 1996 and 2000, Lakewood Cheder School submitted claims for school lunches for more than 1,100 preschool-age children whose lunches were served at about 90 private residences. These were ineligible and unapproved sites under the program, Christie said.

"This is an abuse of government funds that takes money away from other children who are truly in need and deserving of these resources," Christie said in a news statement detailing the alleged offenses.

The school submitted the false information and statements to the U.S. Department of Agriculture through the state Bureau of Child Nutrition, the U.S. Attorney's Office said. The false information resulted in excessive payments to Lakewood Cheder under the National School Lunch Program.

Under terms of the settlement, Lakewood Cheder School does not admit liability.

Officials at Lakewood Cheder did not return phone calls seeking comment. The U.S. Attorney's Office also could not be reached to clarify the charges.

The settlement was signed Oct. 25 by Baruch Manes, the school's vice president, who is also vice chairman of the Igud, an influential council of private school leaders.

By providing false information, the school obtained an increased payment of $953,421 under the National School Lunch Program to which it was not entitled, Christie's office reported. The settlement amount is $1,295,549.

"It is wrong, and we will continue to look for such misappropriations and recoup that money so that it can serve the intended recipients," Christie's statement said.

Lakewood Cheder for boys is affiliated with Bais Faiga School for girls. In 2000, they had a combined enrollment of more than 2,500 pupils at three locations.

There are some 50 private schools in Lakewood, home to the state's largest concentration of Orthodox Jewish families. Private school enrollment is about three times the public school total.

Controversy about public funds and private schools is not new in Lakewood. Earlier this year, the Board of Education determined that the Lakewood school district shortchanged private schools about $1.1 million in Title I funding during the 2005-06 school year. Title I provides federal aid to low-income students, both public and private.

The settlement resolves allegations against Lakewood Cheder for violations of the False Claims Act, which permits recovery of triple the amount of damages to the government plus penalties, according to Assistant U.S. Attorney Rudolph A. Filko, deputy chief of the Civil Division of the U.S. Attorney's Office.

END

Goodling, Monica

From: Goodling, Monica
Sent: Wednesday, November 1, 2006 7:48 PM
To: Gorsuch, Neil M
Subject: Not read: RE: Second Draft of Bradbury testimony re Hamdan

USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Detainees' Attorneys Ask Court To Allow Challenges (WP)

By Carol D. Leonnig

The Washington Post, November 2, 2006

Attorneys for captives in the Guantanamo Bay military prison asked a federal appeals court yesterday to reject a provision of the new military-commission law that strips hundreds of detainees of their right to challenge their detention in U.S. courts.

The lawyers, joined by a group of retired judges from both political parties, argued that the United States cannot indefinitely imprison foreign nationals in a military prison without charging them with crimes and deny them the chance to test the evidence against them in the U.S. justice system.

President Bush sought Congress's approval this fall for the Military Commissions Act, which also set new rules for military trials of the detainees, and signed it into law Oct. 17. Government lawyers quickly moved to throw out hundreds of pending challenges by the detainees, known as habeas corpus cases. The issue is pending before the U.S. Court of Appeals for the District of Columbia Circuit.

But attorneys for detainees argue that the law does not apply to detainees with ongoing cases, in part because the government can take that drastic step only when the country is in the middle of an active war.

"We do not believe Congress wiped out our cases in this act, and we feel strongly if Congress had done that, it would be unconstitutional," said David H. Remes, one of the lawyers. "The only time Congress can suspend the writ of habeas is in cases of invasion and rebellion. We are not being invaded, and there is no rebellion."

The administration pressed for passage of the new law after the Supreme Court ruled this summer in Hamdan v. Rumsfeld that pending habeas cases could continue, despite administration arguments that a previous law had ended those rights.

Justice Department spokesman Charles Miller said yesterday that the government would not comment but would respond in a brief due to the appeals court Nov. 13.

An estimated 435 detainees remain at the military prison at Guantanamo Bay. The government has determined that about 100 could be released or transferred. Another group may be charged with crimes and tried before military commissions.

The habeas dispute involves the majority, who never will be charged but have been deemed "enemy combatants" by a three-member military panel.

A group of seven federal judges, who filed a separate friend-of-the-court brief, argued that the new law is fatally flawed for another reason. Under a separate provision, they noted, the military can imprison someone without any charges based on evidence produced through statements of the detainee or of someone else made during torture.

The government "created a tribunal that was permitted to accept evidence secured by torture and presume that evidence was genuine and accurate," the judges wrote. If U.S. courts have no role in testing the basis for holding detainees, they said, the U.S. government "cannot remove the stain of torture" from the military's decisions.

The detainee attorneys also argued that the law uses imprecise language in describing the effective date for the act to apply to specific categories of cases.

Detainees Challenge Military Trials Law (AP)

By Matt Apuzzo

AP, November 2, 2006

WASHINGTON - Lawyers for dozens of Guantanamo Bay detainees asked a federal appeals court Wednesday to declare a key part of President Bush's new military trials law unconstitutional.

The detainees' lawyers challenged the military's authority to arrest people overseas and detain them indefinitely without allowing them to use the U.S. courts to contest their detention.

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Bush gave the military that authority last month when he signed a law that sets up special commissions to hold trials for foreigners designated as "enemy combatants." Bush hailed the law as a crucial tool in the war on terrorism and said it would allow prosecution of several high-level terror suspects.

In written arguments, attorneys for more than 100 detainees who would be locked out of the regular judicial system asked the U.S. Court of Appeals for the District of Columbia Circuit to let the detainees keep their legal challenges going in civilian courts.

The framers of the Constitution never would have permitted the government to hold people indefinitely without charges, the lawyers wrote.

"Persons imprisoned without charge must retain the right to obtain a court inquiry into the factual and legal bases for their imprisonment," they wrote.

This argument echoes a Supreme Court ruling in June in which the justices ruled that the Bush administration's system for trying enemy combatants violated U.S. and international law. Within weeks, the president persuaded Congress to pass a law setting up military commissions and barring detainees from using the civilian court system.

Shortly after the law was signed, the Justice Department told hundreds of detainees that their cases in the U.S. courts had been rendered moot.

Even if the court decide not to declare the law unconstitutional, attorneys offered a creative way for the court to keep the case alive. They suggested the judges rule that the law doesn't mean what the Justice Department thinks it means - because if it did, it would be unconstitutional.

On Wednesday, seven retired federal judges from both political parties filed legal briefs in the detainees case before the Washington appeals court, arguing that the military commissions law would allow authorities to use evidence obtained by torture.

"We believe that compelling this court to sanction executive detentions based on evidence that has been condemned in the American legal system since our nation's founding erodes the vital role of the judiciary in safeguarding the rule of law," the judges wrote.

Although the law prohibits torture, the judges said the military has not addressed torture claims made by detainees. The retired judges also argued that the new law illegally strips courts of the power to question military decisions about the detainees' torture claims.

The Justice Department had no comment on the briefs Wednesday and has until Nov. 13 to respond in court.

Padilla Papers Detail Allegations Of Mistreatment (NYT/AP)

By The Associated Press

The New York Times, November 2, 2006

MIAMI, Nov. 1 (AP) — Jose Padilla is asserting that he was tortured during his three and a half years in American custody as an enemy combatant, including being threatened with execution and forced to stand for long periods.

Mr. Padilla's lawyers are asking a federal judge to dismiss the terror support charges against him because he suffered from "outrageous government conduct" during more than 1,300 days in military custody.

"Many of the conditions Mr. Padilla experienced were inhumane and caused him great physical and psychological pain," Michael Caruso, a lawyer for Mr. Padilla, said in court papers filed last month. It is the first time Mr. Padilla has made such detailed allegations about his treatment. His lawyers cited no corroborating evidence or witnesses.

United States Attorney R. Alexander Acosta in Miami declined to comment. Prosecutors and Defense Department officials said they would respond to the allegations by Nov. 13.

Mr. Padilla, a 36-year-old former Chicago gang member, was declared an enemy combatant by President Bush in June 2002, shortly after he was arrested when he arrived at O'Hare International Airport in Chicago. American authorities initially said he was on a mission for Al Qaeda to detonate a radioactive "dirty bomb" in an American city.

He was held and interrogated at a Navy brig, mostly in a small isolation cell, until he was transferred to civilian custody in January to face federal terrorism support charges in Miami along with two others. Trial on those charges is scheduled to begin Jan. 22.

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In the court papers, Mr. Padilla asserted among other things that interrogators had threatened him with "imminent execution" or with painful cuts; that he was forced to wear a hood and stand in "stress positions" for long periods; that noxious fumes were sometimes introduced into his cell; that he was forced to endure extreme heat and cold, bright lights or total darkness, denied opportunities to shower for weeks and deprived of sleep; and that he was not provided with a copy of the Koran.

Ex-judges: Detainee Law Unconstitutional (AP-Y)

By Matt Apuzzo, Associated Press Writer

AP, November 2, 2006

Seven retired federal judges from both political parties have joined dozens of Guantanamo Bay detainees in urging an appeals court to declare key parts of President Bush's new anti-terrorism law unconstitutional.

The judges, in a rare court filing Wednesday, said stripping courts of the right to question how the military handles terrorism suspects "challenges the integrity of our judicial system" and effectively sanctions the use of torture.

Bush signed a law this month allowing the military to arrest people overseas and detain them indefinitely without allowing them to use the U.S. courts to contest their detention. Bush hailed the law, which established a system of military trials, as a crucial tool in the war on terrorism and said it would allow prosecution of several high-level terror suspects.

For detainees challenging their imprisonment, the law locks them out of the civilian court system. Dozens of detainees argued Wednesday that the law is unconstitutional, and the retired judges echoed that in their own papers filed with the U.S. Court of Appeals for the District of Columbia Circuit.

"We believe that compelling this court to sanction executive detentions based on evidence that has been condemned in the American legal system since our nation's founding erodes the vital role of the judiciary in safeguarding the rule of law," the judges wrote.

The brief was filed by retired Judges Shirley M. Hufstedler, Nathaniel R. Jones, George N. Leighton, Timothy K. Lewis, Frank J. McGarr, Abner J. Mikva and Patricia M. Wald. Three of the judges — Leighton, Lewis and McGarr — were appointed by Republican presidents.

Though Congress banned the use of torture in the military commission law, the judges said military documents revealed evidence of torture that officials didn't properly address.

In one instance cited in court documents, a man who denied receiving artillery training said an interrogator beat him until he bled from his head.

"I was in a lot of pain, so I said I had the training," the man said, according to a transcript cited in court documents. "At that point, if he had asked me if I was Usama Bin Ladin, I would have said yes."

Without the court system, the judges said, there is no check on such behavior.

In their own court filings, lawyers for the detainees argued that the law is unconstitutional because it prevents people from challenging their detention in U.S. courts — a right that attorneys said the framers of the Constitution never would have allowed to be stripped.

"Persons imprisoned without charge must retain the right to obtain a court inquiry into the factual and legal bases for their imprisonment," attorneys wrote.

This argument echoes a Supreme Court ruling in June in which the justices ruled that the Bush administration's system for trying enemy combatants violated U.S. and international law.

Within weeks, the president persuaded Congress to pass a law setting up military commissions and barring detainees from using the civilian court system. Shortly after the law was signed, the Justice Department told hundreds of detainees that their cases in the U.S. courts had been rendered moot.

Supporters of the law compare military detainees to prisoners of war, who don't normally have access to civilian courts. They say wartime decisions should be left up to the president, who acts as commander in chief, not the courts.

The Justice Department had no comment on the briefs Wednesday and has until Nov. 13 to respond in court.

A Pentagon spokesman, Navy Cmdr. Jeffrey D. Gordon, defended the new law and said that terror suspects were being given their day in court.

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"As a responsible democracy, we have an obligation to protect our citizens and those of our allies," Gordon said. "Holding unlawful enemy combatants captured during the war on terror is essential to preventing their return to the battlefield while collecting valuable intelligence in order to avert terror attacks like those seen on 9/11 and in cities around the world."

Alleged Terrorist Mastermind Languishes In British Legal Limbo (FINDLAW/AP)

By Jill Lawless, Associated Press Writer

AP, November 2, 2006

(AP) - LONDON-He's an al-Qaida-linked terrorist who worked with Osama bin Laden and plotted to bomb Los Angeles airport at the turn of the millennium, according to U.S. authorities.

Yet for the past year, Abu Doha has been imprisoned in a British jail for nothing more serious than immigration violations: A U.S. attempt to extradite him collapsed, and Britain lacks the evidence to charge him with terrorism.

Abu Doha's legal limbo has both civil libertarians and counterterrorism officials concerned - and some experts questioning how big a terrorist player he really is.

"I think if all that had been said about him was true, there would have been efforts to sustain the (extradition) request from the United States," Paul Wilkinson of the Center for the Study of Terrorism and Political Violence at St. Andrews University in Scotland said Wednesday.

The British government, however, says Abu Doha is a threat to national security and wants to deport him to his native Algeria.

Abu Doha is appealing, and the case is due to be heard early next year.

In Washington, an official who spoke on condition of anonymity because of the sensitivity of the case, said the U.S. Justice Department was "horrified" at the idea of Abu Doha being free.

Abu Doha, 40, also known as Dr. Haidar, Amar Makhlulif and "The Doctor," has been described by U.S. prosecutors as a key al-Qaida figure who oversaw a plot to blow up Los Angeles airport on New Year's Eve 1999.

The plan was foiled when another Algerian, Ahmed Ressam, was caught trying to enter Washington state from Canada in a car loaded with explosives. Ressam identified Abu Doha as ringleader of the plot.

Abu Doha was arrested at Britain's Heathrow Airport in February 2001 while trying to travel to Saudi Arabia on a fake passport. He has been held in a high-security prison ever since.

In August 2001, he was indicted in New York as a mastermind of the Los Angeles millennium bomb plot. According to the indictment, he sent terrorists to training camps in Afghanistan and dispatched others to Canada to prepare for the failed attack.

Police and prosecutors claimed that Abu Doha, who moved to London in the 1990s, was a major player at the Finsbury Park Mosque - a key center for Islamist recruitment and training - and led a mostly Algerian terrorist network with cells in Europe and North America.

U.S. prosecutors also alleged that in late 1998, he met with bin Laden in Afghanistan "to discuss cooperation and coordination" between al-Qaida and "a group of Algerian terrorists whose activities Abu Doha coordinated and oversaw."

But in August 2005, the U.S. dropped its extradition request. Ressam, now serving a 22-year sentence for his involvement in the millennium plot, had stopped cooperating with prosecutors in 2003. Without his continued testimony, the U.S. said it was forced to drop its cases against Abu Doha and another alleged co-conspirator, Samir Ait Mohamed.

"Ressam's testimony would have been an essential part of the government's evidence at trial against Abu Doha," Assistant U.S. Attorney Eric B. Bruce wrote in an Aug. 21, 2005, notice asking the U.S. District Court in Manhattan to dismiss the charges.

Britain's Home Office said Abu Doha is now being held on immigration charges, appealing against its decision to extradite him to Algeria - a prospect that concerns civil liberties groups.

As a signatory to the European Convention on Human Rights, Britain is not allowed to deport people to countries where they may face torture or abuse.

In July, Britain and Algeria signed an agreement promising that nationals returned there will not be mistreated. Amnesty International says the Algerian security service uses torture on terrorist suspects, and has called the deportation agreement "a green light to torture."

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A former senior U.S. intelligence official, who spoke on condition of anonymity, said it was almost certain Abu Doha would be imprisoned on his return.

Rabah Toubal, spokesman at the Algerian Embassy in London, said Abu Doha had been involved in "many acts of terrorism" in his homeland, but declined to specify what would happen to him if he returned.

"If he comes back, he has to respond to some questions about what he did," he said.

Associated Press writer Lara Jakes Jordan in Washington contributed to this report.

Britain Said To Seek Weaker Torture Protections (WP)

By Kevin Sullivan

The Washington Post, November 2, 2006

LONDON, Nov. 2 -- The British government has systematically attempted to water down laws banning the transfer of terror suspects to countries that practice torture, according to a report issued Thursday by Human Rights Watch.

British officials strongly disputed the report's conclusions.

"Britain cannot have it both ways," Benjamin Ward, an official with the New York-based rights agency, said in a statement. "The government claims to oppose torture. Yet at the same time, it is actively trying to undermine the global ban against it."

The group concluded that the government of Prime Minister Tony Blair has adopted a "dangerous ambivalence" toward torture of suspected terrorists abroad since the Sept. 11, 2001, attacks in the United States and the July 2005 bombings of the London public transit system.

"We're not in any way ambivalent about torture; we absolutely condemn torture and oppose it unreservedly," said a spokeswoman for the British Home Office, which handles domestic security. The spokeswoman spoke on condition of anonymity, following government practice here.

British opposition parties say Blair's government slavishly follows the American lead in foreign affairs, in particular the decision to invade Iraq. The war is widely unpopular here.

British and European law prohibit deportation to a country where there is a likelihood that the deportee would be tortured. The British government has announced that it is seeking written assurances from countries, including Syria, Lebanon and Jordan, that they would not torture or mistreat suspected extremists deported from Britain.

Human Rights Watch said such assurances were little more than a legal fig leaf. "When it comes to torture, diplomatic assurances simply don't work," Ward said.

The Home Office spokeswoman said British officials believe that such assurances would be effective and added that the government was "happy to leave it up to the courts" to decide whether that policy was proper. She pointed out that in August a British judge ruled that the government could deport an Algerian man to his home country despite his argument that he would face torture there.

"The government is committed to protecting the public from the very real threat of terrorism," she said, adding that the government was trying to balance a deportee's risk of being tortured against the security risk posed if the person remained in Britain.

"It should be possible to take some account of the risk posed by the person on grounds of national security," she said.

The rights group also accused the Blair government of "whitewashing U.S. government abuses," including the practice of "rendition" of suspected extremists to countries that use torture.

A spokesman for the Foreign Office said British officials have no evidence that U.S. officials ever conducted a rendition using British territory or airspace.

"The U.K. government have not approved and will not approve a policy of facilitating the transfer of individuals through the U.K. to places where there are substantial grounds to believe they would face a risk of torture," the spokesman said.

Human Rights Watch said Blair had failed to use his close relationship with President Bush to press for changes to policies such as rendition. "The U.K. is losing the credibility that it once enjoyed," the report concluded. "The government's determination

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to bend the rules on its own account, and its refusal to confront abuses committed by its closest ally, is a moral and political abdication, in defiance of international law."

British Authorities Charge Suspect With Violations Of Terrorism Laws (NYT)

By Sarah Lyall

The New York Times, November 2, 2006

LONDON, Nov. 1 — A 29-year-old man from East London was charged Wednesday with trying to take terrorism-related materials, including a manual titled "The Mujahideen Poisons Handbook," on a Pakistan-bound flight from Heathrow Airport.

The man, Sohail Anjum Qureshi, was arrested by antiterror officers at the airport on Oct. 18 as he was waiting to board a flight to Islamabad, Pakistan. He was carrying about $17,000 in cash, a night-vision scope, two metal batons, two backpacks, two sleeping bags and a computer disk and hard drive containing a combat-training manual as well as the poison manual, the authorities said.

Mr. Qureshi, who lives in the Forest Gate neighborhood, has been charged with three counts of violating British antiterrorism laws and is to appear in court on Thursday. The authorities said that the charges were related to terrorist activities that were to have been carried out abroad, and that Mr. Qureshi was not involved in any of the other terrorism cases they were investigating.

In a separate case, a judge freed 2 of the 24 men arrested in August on suspicion of being part of what the authorities said was a foiled plot to blow up trans-Atlantic airplanes with homemade liquid explosives. The men, Mehran Hussain, 24, and Umair Hussain, 25, both of Chingford, East London, were set free after a hearing at a magistrate's court in central London.

The judge in the case, Quentin Purdy, said there was "insufficient evidence" to put the two men on trial. But he warned the men, who are brothers, that they should not consider themselves exonerated, and he said that if new evidence came to light, prosecutors were free to charge them again.

The men had been charged with failing to disclose information to the authorities about their brother, Nabeel, a suspect in the bombing-plot case.

Nabeel Hussain, 22, remains in custody, charged with conspiracy to murder and with planning to bring liquid bomb-making materials on board airplanes and then to assemble and detonate them in midair.

Israeli Agent Scoffs At Hamas Defendant's Torture Claims (AP)

By Mike Robinson

AP, November 2, 2006

CHICAGO - An Israeli security agent scoffed Wednesday at a Chicago grocer's claim that he was deprived of sleep, forced to wear a foul-smelling hood and otherwise tortured after his arrest on charges of bankrolling terrorists.

"Isn't it true that he was psychologically and somewhat physically brutally, brutally abused?" defense attorney Robert Bloom asked the Israeli who testified under the alias Nadav at Muhammad Salah's trial.

"That is not correct," Nadav testified in Hebrew through a translator.

Salah, 53, of suburban Bridgeview and former university professor Abdelhaleem Ashqar, 48, of Alexandria, Va., face federal charges of with conspiring to funnel cash and fresh recruits for a terrorist campaign against Israel.

Salah was arrested at an Israeli checkpoint in January 1993 and agents found $97,000 in his East Jerusalem hotel room. He served 4 1/2 years in an Israeli prison after signing statements that he met with Hamas leaders.

Both defendants deny they are members of Hamas, which is intent on toppling the Israeli government, and Salah says that when arrested he was delivering the money to charities on the West Bank and the Gaza Strip.

Salah claims he was tortured by agents of Israel's Shin Bet security service into admitting he furnished funds to Hamas commanders.

Nadav said he didn't attend the initial interrogation of Salah. But he said he knew the agents who took part refrained from using torture.

Bloom suggested Nadav had played the part of the "good cop" to warm up Salah while other agents placed a reeking hood over his head, forced him to sit handcuffed in a tiny chair and "beat the hell out of him."

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Nadav steadfastly refused to agree to any of it.

In 3 1/2 hours of cross examination, Bloom and Nadav, a Shin Bet agent, played cat and mouse over what happened in the hours after Salah's arrest.

Nadav admitted that it took only 1 1/2 hours to get from the checkpoint to the Shin Bet interrogation center at Ramallah. But he balked when Bloom said Salah's arrest at about 5:30 p.m. and arrival at the center at 10 p.m. suggested soldiers had taken the long way to "soften him up."

"If there is a document that shows what time Mr. Salah was arrested I would be glad to see it," Nadav said. Pressed by Bloom, he said Israeli interrogators are not given arrest records but only arrest warrants.

"Are you aware that you are known to the Palestinians as Captain Liar?" Bloom asked Nadav. The agent said that was "far from the truth."

Salah attorneys had hoped to question Nadav further about Shin Bet interrogation methods but were barred from doing so. Some of the material they sought to elicit from the witness is classified for security reasons.

In place of the evidence, the defense attorneys introduced government supplied "substitutions," which were not as specific but did give a sharp glimpse into how prisoners were questioned.

The statement from the government said at the time Salah was questioned, Israeli interrogators were allowed to use hoods, handcuffs and shackles and to handcuff prisoners in small chairs, to threaten them and to threaten to arrest their family members.

In some cases, interrogators were allowed to slap prisoners, according to one of the substitutions read to the jury.

The trial is being conducted among heavy security. The courtroom is cleared of spectators and even those allowed to watch on TV from a room five floors away must pass through a metal detector, watched by an explosives-sniffing Labrador retriever named Comet.

What They Don't Know Is Frightening (WT)

The Washington Times, November 2, 2006

How alarmed should Americans be upon learning that one of the nation's highest-ranking FBI counterterrorism policy-makers and two members of the House Permanent Select Committee on Intelligence, among numerous other unnamed officials, possess shallow knowledge about terrorist groups that have slaughtered Americans in the past, are killing our soldiers in the war on terror today and threaten to obliterate us in the future?

In a recent op-ed essay in the New York Times, Jeff Stein, the national security editor at Congressional Quarterly, revealed how ignorant these people are. Wrapping up lengthy interviews with Washington counterterrorism officials, Mr. Stein would ask, "Do you know the difference between a Sunni and a Shi'ite?" He wasn't seeking theological explanations, "just the basics: Who's on what side today, and what does each want?"

Recently appointed as the executive assistant director of the National Security Branch of the FBI, Willie Hulon previously served as deputy assistant director of the Counterterrorism Division, when he testified July 13, 2004, before Congress about how important it was to develop "our knowledge and expertise about foreign cultures and our terrorist adversaries overseas." Mr. Hulon appeared stumped when he was asked: Which one is Iran -- Sunni or Shi'ite? "Iran and Hezbollah," Mr. Stein prompted. "Which are they?" Mr. Hulon guessed Sunni. Wrong.

"The FBI believes the Lebanese-based Hezbollah," which blew up the Marine barracks in Lebanon in 1983, killing 241 Marines, "has terrorist cells in at least 10 U.S. cities," Bill Gertz, national security reporter for The Washington Times, revealed in his latest book, "Enemies." John Miller, the FBI's assistant director for public affairs, told Mr. Gertz that the FBI is concerned that Iran could activate a network of Hezbollah terrorists in the United States if the international community takes action to stop the Iranian nuclear program.

Given that Sunnis and Shi'ites are massacring each other throughout Baghdad and across Iraq in sectarian strife bordering on civil war, one would think that seven-term Alabama Republican Rep. Terry Everett, who serves as vice chairman of the subcommittee on Technical and Tactical Intelligence, would be on top of it. To Mr. Stein's basic question, Mr. Everett replied, "One's in one location, another's in another location. No, to be honest with you, I don't know" the difference. Three-term Virginia

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Republican Rep. Jo Ann Davis, who chairs the subcommittee on Terrorism/HUMINT, Analysis and Counterintelligence, which oversees the CIA's performance in its recruitment of Islamic spies, told Mr. Stein: "It's a difference in their fundamental beliefs. The Sunni are more radical than the Shia. Or vice versa. But I think it's the Sunnis who're more radical than the Shia." Asked which branch al Qaeda's leaders follow, she reasoned as follows: "Al Qaeda is the one that's most radical, so I think they're Sunni. I may be wrong, but I think that's right."

You could not make this stuff up. Given their governmental responsibilities, the ingrained incuriosity of these officials is as appalling as it is frightening.

FBI Logs On For Monitoring Service For Arabic Networks (GCN)

By Wilson P. Dizard III, GCN Staff

Government Computer News, November 2, 2006

The FBI now has access to an online service that its employees can use to screen TV broadcasts and provide alerts when specified words are used, either on English-language networks or networks broadcasting in Arabic.

Critical Mention Inc. of New York City provides the service, which it is furnishing to multiple users at the bureau under a recently concluded one-year contract with options for renewal.

"CriticalTV alerts users about a relevant clip seconds after a broadcast, and allows users to share the clip instantly within a workgroup via secure video-e-mail or a private video gallery. Users can also order a professional transcript or hard copy online," according to a company announcement.

The vendor has forged a partnership with IBM Corp. to incorporate an Arabic-to-English, speech-to-text translation feature into the CriticalTV service. The TV monitoring service generates alerts of the use of a specified word or term within two minutes or so of its broadcast via a satellite or terrestrial broadcast network, the company said.

The bureau is using the service to monitor TV news mentions of the term "FBI" on various news networks to track the public's perception of the law enforcement agency, sources said.

In a similar vein, a user at the bureau could use the service to track the use of other words of interest that might be broadcast in Arabic, including the names, events, locations, physical objects, organizations, vehicles, political parties, products or the like. Then a user could receive an English-text version of the Arabic broadcast as well as a video clip, and potentially incorporate the information in an appropriate database.

The company's chief financial officer, Alan Davison, noted that its existing customers include many Fortune 500 companies as well as members of Congress who seek to track the news profile of political campaigns, major public events, their own companies, competitors, their products and the like.

Davison said that Critical Mention would launch its monitoring of five Arabic-language TV networks in mid-November, including Al Jazeera and other major broadcasters.

He added that the company plans to expand the foreign-language TV monitoring service to other languages as well.

A system user views a screen that provides, among other features an opportunity for "advanced search" which limits an inquiry by the network monitored or by other dimensions. Once the user has crafted a search that limits the inquiry to a targeted word or phrase, the system generates a response that includes text and video clips of the use of that term.

The user can immediately view the entire video clip or text version of the broadcast, translated by the advanced IBM Arabic-to-English translation tool if necessary.

The company already has about 500 clients, including private companies and government agencies.

HOMELAND RESPONSE:

Air Plot Said To Target Cities (WP)

By Dan Eggen

The Washington Post, November 2, 2006

DOJ_NMG_0089859

A group of alleged terrorists arrested in London in August planned to blow up airliners over U.S. cities to maximize casualties, rather than over the Atlantic Ocean as many intelligence officials originally thought, according to recent remarks by a senior FBI official.

The comments by Mark Mershon, head of the FBI's New York field office, indicate that U.S. and British intelligence officials now think that the airliner plot was aimed at maximizing the potential loss of life and economic impact.

"The plan was bring them down over U.S. cities, not over the ocean," Mershon said Oct. 24 at the Infosecurity 2006 conference in New York, according to Government Security News, which first reported the remarks this week.

Authorities had previously said it was unclear where the alleged terrorists intended to detonate liquid explosives, which they planned to smuggle onto as many as 10 transatlantic flights. Michael P. Jackson, deputy secretary of the Department of Homeland Security, said shortly after the plot was thwarted that while the conspirators appeared to be targeting nonstop flights to the United States, "the real focus was to blow up airliners and the people on them."

British police arrested 25 people in raids across Britain after uncovering the alleged plot. Eleven have been charged with conspiracy to murder and preparing acts of terrorism. Two brothers, Umair Hussain, 25, and Mehran Hussain, 23, were released Wednesday after a British court ruled evidence against them was insufficient to warrant a trial.

Christine Monaco, a spokeswoman for the FBI in New York, declined to comment on Mershon's speech.

Mershon told cybersecurity conference attendees that representatives of MI5, the British intelligence service, briefed the FBI on the liquid explosives case in recent weeks. "It would make your hair stand up to be in the room to hear that presentation," Mershon said, according to GSN.

Bruce Hoffman, a terrorism expert and Georgetown University professor, said the case indicates that Islamic extremists remain focused on attacking U.S. cities.

"They were clearly desirous of exceeding 9/11," Hoffman said. "The loss of life on the air and ground would be significant."

PayPal Building Targeted In Explosion (AP)

By Jordan Robertson

AP, November 2, 2006

SAN JOSE, Calif. - A Halloween night explosion shattered a window at a building housing offices for eBay's PayPal division, forcing the evacuation of dozens of employees.

PayPal spokeswoman Amanda Pires said Wednesday that the company had not received any threats but declined to comment on the investigation. The blast hit the first floor of the company's network operations center.

"We believe this is an isolated incident," she said. "We're working closely with local authorities. We have everything under control."

Business was not disrupted, but the complex was closed Wednesday and cordoned off by police tape. About 1,900 eBay and PayPal employees who work in buildings on the campus where the explosion occurred were asked to work from home or at another eBay campus in San Jose, Pires said.

No injuries were reported and no explosive device was found, but investigators determined the blast was deliberately set, Sgt. Nick Muyo said. Police had no suspects.

Investigators from the San Jose police and fire departments, the FBI and the Bureau of Alcohol, Tobacco, Firearms and Explosives were investigating.

PayPal, which provides a platform for online payments, is a lucrative division of San Jose-based eBay Inc., generating some $350 million in revenue for the online auction company in the latest quarter.

Probe Of Blast At EBay's North S.J. Campus Yields Few Answers; Site Set To Reopen Thursday (MERCN)

By Sean Webby And Kimra Mcpherson

The San Jose Mercury News, November 2, 2006

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EBay shut down its North San Jose campus on Wednesday, clearing the way for bomb-sniffing dogs and investigators, who still don't know who planted a powerful explosive that blew out a window and forced more than 1,900 employees to work elsewhere.

Nobody was injured in the Halloween night blast -- and other Silicon Valley companies were not put on alert. EBay expected Thursday morning to reopen the campus that also houses some of its PayPal operations.

The company received no threats before or after the blast, which happened about 7:30 p.m. Tuesday in a landscaped breezeway outside the 100,000 square-foot, four-story building.

But the corporate target was so sensitive, the explosion so powerful and the bombing so rare in Silicon Valley that law enforcement from San Jose, the federal Bureau of Alcohol Tobacco and Firearms and FBI converged on the campus.

After more than 24 hours scouring for clues, investigators had few answers. Was it someone intentionally targeting the Internet corporate giant, a techno-terrorist? Or was it a dangerous prank on a night known for smashed pumpkins and toilet paper attacks?

``It could have been a Halloween thing, it could have been kids, it could have been something larger," said San Jose Police Sgt. Nick Muyo. ``If it's a Halloween prank it's a sophisticated one."

Bomb-sniffing dogs spent the day nosing around the office and other campus buildings, all emptied of its employees, and at eBay's headquarters on Hamilton Avenue. They found nothing suspicious.

And investigators said that there was no indication that the company had been warned or that the bomber had targeted any other place. No one had taken responsibility for the blast as of Wednesday night.

EBay officials said eBay and PayPal service was not disrupted. Many of the processes that keep the Web pages running can be handled from other locations, eBay spokesman Hani Durzy said.

Durzy said the company expected to reopen the campus Thursday and ``the safety and security of our employees is our top priority for us."

Muyo described the source of the blast as a sophisticated explosive device that not only shattered a large, two-inch thick plate of safety glass, but blew over furniture inside.

``Whatever caused it was pretty strong," San Jose Fire Capt. Jose Guerrero said.

About 1,900 eBay employees work at eBay's North San Jose campus, which includes PayPal headquarters, technology staff, sales, marketing and the network operations center, Durzy said. Employees at that campus were invited to work at the company's other San Jose location or dial in from home, he said.

When PayPal employee Dan Hyder arrived for work this morning, he was told the office was closed and given a flier explaining what had happened. He walked around the site for a while after, taking photos of the investigators milling around the building where he used to work.

``It's bizarre," said Hyder, who now works in a different building and had already left work by the time the incident began Tuesday night.

Muyo said the timing of the explosion, at 7:34 p.m. when many people had already left work for the day, might indicate that whomever placed the device at the building wasn't looking to injure people.

Authorities received multiple reports of a smoke detector alarm sounding, Guerrero said, followed a few minutes later by multiple calls of an explosion.

When crews arrived, they found a 6-by-7-foot window had been shattered near a first-floor exit. The window's frame was bent and a light haze covered the area, Guerrero said. No flames, however, were visible, nor was there any other damage. Other debris was in the area, said Guerrero, who couldn't say exactly what the debris was.

Authorities have an idea about what may have caused the blast, Guerrero said, but he declined to disclose it. Muyo declined to say whether security cameras may have captured video footage from the site.

``We're not ruling anything out," said Muyo. Neither PayPal nor its corporate parent eBay received any threats prior to the blast, Muyo said.

``It was fortunate that no one was hurt," said Catherine England, an eBay spokeswoman.

From Google to Yahoo, other Silicon Valley corporations reported no similar threats or incidents.

Security experts said such dangers unfortunately came with the corporate territory.

``You're a target if you have a commodity that's of any particular value, whether it's home invasion or the CEO being kidnapped. It doesn't have to be a terrorist group, it could be the animal liberation front," said Forrest Franklin, direction of operations for Focus Group Consultants, Inc. in Carson City, Nev., who has worked as a consultant for several Silicon Valley companies. ``If you've got 3,000 people in your company, you've got 3,000 potential perps."

Ken Silva, Chief Security Officer for Verisign, agreed that such attacks can come from disgruntled employees.

``It could also just be a random person who is disgruntled with the company," Silva said. ``It doesn't take much for among millions of people out there for someone to get angry."

Explosive Shatters Window At PayPal Headquarters (NYT)

By Greg Sandoval, For News.com

The New York Times, November 2, 2006

An explosive left outside the headquarters of eBay-owned PayPal blew out a window Tuesday evening but caused no injuries, according to eBay.

San Jose, Calif.-based PayPal, an online payment system, closed the building on Wednesday as FBI agents and local police investigated, said eBay spokesman Hani Durzi. The blast occurred at about 7:25 p.m., and at that time about 45 employees occupied the building, said Durzi.

The explosion triggered the security alarm and officials from the San Jose Fire department later ordered the building, which is typically occupied by about 1,900, to be evacuated. Employees are scheduled to return to work tomorrow, Durzi said. He added that PayPal's operations were never interrupted.

"We have at this point no reason to believe that this was anything other than an isolated incident," Durzi said. "The most important point is that we continue to provide a safe and secure work environment for our employees."

Durzi said he was unaware whether authorities have identified a suspect. Calls to the San Jose Police Department and the FBI were not immediately returned.

Capt. Jose Guerrero, of the San Jose Fire Department, said it's believed that the device "was not highly sophisticated." Authorities have called in the federal Bureau of Alcohol, Tobacco, Firearms and Explosives to help identify the explosive.

EBay Campus Closed After Halloween Explosion (SJBIZ)

San Jose Business Journal, November 2, 2006

The North San Jose campus of eBay Inc. remained closed Wednesday while investigators combed the area looking for clues to what caused an explosion Tuesday night that shattered a window.

Following the explosion, about 26 employees were evacuated from the offices used by Pay Pal, a unit of of eBay (NASDAQ:EBAY), shortly after 7:30 p.m.

By midday Wednesday, investigators from the FBI, Bureau of Alcohol, Tobacco, Firearms and Explosives and San Jose police were on the scene and employees were not allowed inside.

No one was injured during the blast at 2211 N. First St. and no explosive devices were found.

About 1,900 eBay employees work at campus, which houses PayPal headquarters. Employees were either allowed to work from home Wednesday or at the company's other San Jose location.

EBay said there has been no disruption experienced by its customers due to the explosion or ongoing investigation.

Man Convicted In Fake Hazmat Incident (NSDY/AP)

Long Island Newsday, November 2, 2006

HARTFORD, Conn. (AP) _ An Uncasville man was convicted Wednesday of lying to federal authorities about being the victim of a chemical attack.

Robert Robishaw, 40, pleaded guilty to one count of making false statements to the Federal Bureau of Investigation, prosecutors said. He entered his plea in U.S. District Court in Hartford, eight months after telling Groton fire authorities that an

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unknown substance fell out of a newspaper that he purchased at a Waterford convenience store. He told authorities the off-white, powdery substance caused his skin to turn red and tingle.

The report prompted a massive hazardous materials response in Waterford and Groton, and sent eight people to the hospital for decontamination. The substance turned out ot be cigarette ash that prosecutors say Robishaw put in the newspaper.

Robishaw was indicted on the federal charge in April and faces up to five years in prison and a fine of up to $250,000 when he is sentenced on Jan. 23.

U.S. Attorney Keven O'Connor said the case was prosecuted under a relatively new federal law that makes it a crime to perpetrate a hoax about a bombing, chemical attack or similar incident.

Man Behind Chemical Attack Hoax Could Get 5 Years (WVIT)

WVIT-TV, November 2, 2006

HARTFORD, Conn. -- An Uncasville man who reported a chemical attack that turned out to be a hoax could spend five years in prison, NBC 30 News reported.

Robert Robishaw, 39, pleaded guilty Wednesday to making a false statement to the FBI.

Robishaw claimed he was exposed to a white powder at a Waterford gas station in March. The powder turned out to be cigarette ash.

The scare sent eight people to a hospital for decontamination.

Uncasville Man Admits Lying To FBI In Powdery Substance Hoax (NORBULL)

Norwich Bulletin, November 2, 2006

HARTFORD — A 40-year-old Uncasville man pleaded guilty today to one count of making a false statement to the FBI in connection with his claim that he was exposed to a white powder substance which caused toxic chemical effects.

Robert Robishaw, 40, formerly of 119 Maple Ave., entered the plea in federal court in Hartford, according to U.S. Attorney Kevin J. O'Connor.

On March 16, Robishaw called the Groton fire department to report he had been exposed to an unknown powder substance that had dropped from a newspaper at Cumberland Farms in Waterford earlier in the day. He claimed there was a reaction on his skin from the substance.

His claim prompted a large scale response by firefighters at his location at 266 Bridge St. in the City of Groton, where the area was evacuated and individuals were decontaminated.

The Cumberland Farms in Waterford, where he had allegedly purchased the newspaper, was also evacuated and employees subjected to decontamination procedures.

Robishaw later revealed that the substance was cigarette ash, and that he had placed the ash on his desk.

"Individuals who make threats of mass violence, however real or intended, will be prosecuted to the extent that federal law allows," O'Connor said.Robishaw is scheduled to be sentenced by Chief U.S. District Judge Robert N. Chatigny on Jan. 23, 2007 .

He faces a maximum sentence of five years in prison and a fine of up to $250,000.

The case was investigated by the FBI's Joint Terrorism Task Force and is being prosecuted by Assistant U.S. Attorneys David Ring and Mark Rubino.

There's Secrecy, And There's Expediency (WP)

The Washington Post, November 2, 2006

In 2004, the Department of Homeland Security inspector general's office issued a report slamming the department's failure to consolidate a dozen government watch lists containing information about suspected terrorists. The lack of a reliable master list, the report said, slows efforts to find terrorists trying to enter the country or plan an attack.

At least that's what the report seemed to say. When it was released, entire pages were blacked out, ostensibly for security reasons.

But recently, the Washington-based National Security Archive found a surprise in its mailbox: a mostly uncut copy of the report. The editor of a legal publication had requested an unedited version of the 48-page report under the Freedom of

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Information Act two years ago. By the time the government handed it over last month, the requester, Daniel Kowalski of Bender's Immigration Bulletin, had lost interest. So he mailed the report to the archive, an independent institute that collects and publishes declassified documents obtained through the FOIA. Its library, containing hundreds of thousands of once-secret notes, memos and reports, illuminates many of history's most significant, and clandestine, decisions and events.

"So many of these secrecy stamps look like Nixon's madman theory in operation," said Thomas S. Blanton, director of the National Security Archive. "If everybody thinks you're just not rational, that keeps them off balance, whether they are your fellow bureaucrats, your outside critics, or even your international criminals and terrorists."

Often, secrecy-related edits aren't about national security -- or madness -- as much as they are about convenience. Although some of the redacted information is truly sensitive, some is merely embarrassing to the government. Other cuts reflect the bureaucratic fact that it's easier to keep information secret than to risk releasing too much.

Several portions of the 2004 report seem to bear that out. It took two years to get, but here's Page 26, in its edited and restored forms. The problems the report describes, by the way, persist.

Bonuses Don't Cut Turnover For TSA (USAT)

By Thomas Frank

USA Today, November 2, 2006

WASHINGTON — An ambitious program that paid the nation's airport screeners $18 million in bonuses as an enticement to stay in their jobs did not reduce the turnover rate at the Transportation Security Administration, which still has one of the highest attrition rates in the U.S. government, according to agency data.

The TSA has battled high turnover among screeners since the agency was formed after the Sept. 11 attacks. It is looking for ways to curb a staffing problem that has lengthened lines at airport checkpoints.

The TSA began paying 36,000 of its 45,000 screeners "retention bonuses" of $500 or $1,000 each in May. The turnover rate over the summer was unchanged from the winter and spring months, according to the TSA and the federal Office of Personnel Management.

One in five screeners left from Oct. 1, 2005, to Sept. 30.

"It's menial labor," said Michael Boyd, an aviation consultant who advises airports and airlines. "These are people who paw through luggage."

The TSA acknowledges the attrition problem and is taking additional steps. Among more recent efforts to curb turnover is a new pay grade that will raise salaries of high-quality veteran screeners by up to $5,300 and better position them to move into other government-security jobs such as the Secret Service or Border Patrol, according to TSA.

The agency also says it is creating screener jobs with salaries up to $56,700 that will focus on detecting bombs or identifying suspicious passengers. TSA has maintained that screeners with more experience are better at finding weapons at checkpoints.

Such improvements could help upgrade screening — which pays an average of $30,000 a year — "from a dead-end job to an occupation where (screeners) can see years of opportunity," said Gale Rossides, a TSA associate administrator.

The efforts come as some airports face longer security lines, prompting a TSA publicity campaign that urges travelers to know the rules about items they can carry onto planes so fewer bags have to be searched.

Cris Soulia, a screener in San Diego, said $500 bonuses amounted to $335 after taxes and "really don't have any effect" on people quitting.

Rossides said the attrition "is probably not that high" when considered against screeners' salaries and their physically demanding work, which often requires lifting heavy bags. Some efforts to retain screeners started too recently to affect attrition, Rossides said.

TSA figures show that attrition is lower than before 9/11, when private companies ran airport security.

Rossides said the bonuses and other efforts are improving morale and screener retention. She said TSA data show screeners are less likely to quit now than they were six months ago. But those gains are being offset by a growing number of part-time screeners, who are twice as likely to leave as full-timers.

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The agency has 8,200 part-time screeners, up from nearly 6,200 late last year, and will add even more. Part-time screeners work brief shifts at busy periods.

Randy Walker, director of Las Vegas' McCarran International Airport, said that he's seen no reduction in turnover and that lines are "still painful on our peak times." But he said a new program that shifts screener hiring from TSA headquarters to TSA's local airport security directors means vacancies are filled faster.

Ruby Ridge Revisited: Deval Let Sniper Off The The Hook (BOSH)

By Kimberly Atkins, Boston Herald Reporter

Boston Herald, November 2, 2006

As the Justice Department's chief civil rights prosecutor, Deval Patrick made the controversial decision not to criminally prosecute an FBI sniper who shot and killed an unarmed woman as she held her infant daughter in her arms during a 1992 standoff in Ruby Ridge, Idaho.

The incident, in which U.S. Marshall William F. Degan of Quincy and the wife and son of white separatist Randy Weaver were killed during an 11-day standoff, is cited by experts as the spark that started the anti-government militia movement that exploded after the standoff in Waco, Texas, less than a year later.

In 1994, Patrick, the Democratic candidate for governor who was then assistant attorney general, concluded there was insufficient basis to prosecute FBI sniper Lon Horiuchi for shooting and killing 43-year-old Vicki Weaver. Horiuchi had testified that he opened fire on the woman's husband and his friend, Kevin Harris, when he thought they were about to fire on an FBI helicopter.

Patrick made the recommendation despite a report by a task force assembled by Patrick's boss, Attorney General Janet Reno, that found numerous problems with the FBI's handling of the standoff, and called the protocol used by the FBI's Hostage Rescue unconstitutional under the circumstances.

The report referred the case to Patrick's department to decide whether to charge Horiuchi. Aides to Patrick said he was unavailable for comment because he was preparing for last night's debate.

Former Justice Department spokesman Myron Marlin called the incident "a tragic one that occurred during the final months of the first Bush administration."

"The Justice Department believed the critical element of willfulness necessary for a criminal civil rights prosecution could not be established beyond a reasonable doubt," Marlin said in a statement to the Herald yesterday. "Such willfulness, or knowing, intentional use of unreasonable force could not be made out against the FBI agent."

Patrick's assessment, he noted, was"reaffirmed by a separate criminal investigative team."

In 1995, however, a Senate subcommittee headed by Sen. Arlen Specter (R-Pa.) found "simply no justification" for the shot Horiuchi took that killed Vicki Weaver and "missed the 10-month-old baby in her arms by less than two feet."

"Horiuchi should have known that as he fired blind through the cabin door, he was shooting into an area which could well have contained Vicki Weaver and her two younger daughters," states the report, which took no position on whether Horiuchi should have been prosecuted.

The decision not to prosecute was ripped by both conservative and liberal groups. "It was obscene," said author James Bovard, an outspoken critic of federal officials' handling of the case. "There was no need for the excessive force the FBI used in gunning down a mother holding her baby."

WAR NEWS:

Staying The Course, Win Or Lose (WP)

By Robert Kagan

The Washington Post, November 2, 2006

BRUSSELS -- Here in Europe, people ask hopefully if a Democratic victory in the congressional elections will finally shift the direction of American foreign policy in a more benign direction. But congressional elections rarely affect the broad direction

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of American foreign policy. A notable exception was when Congress cut funding for American military operations in support of South Vietnam in 1973. Yet it's unlikely that a Democratic House would cut off funds for the war in Iraq in the next two years.

Indeed, the preferred European scenario -- "Bush hobbled" -- is less likely than the alternative: "Bush unbound." Neither the president nor his vice president is running for office in 2008. That is what usually prevents high-stakes foreign policy moves in the last two years of a president's term. In 1988 Ronald Reagan had negotiated a clever agreement to get the dictator Manuel Noriega peacefully out of Panama, but Vice President George H.W. Bush and his advisers feared the domestic political repercussions of cutting a deal with a drug lord at the height of the "war on drugs," so they nixed the plan. The result was that Bush had to invade Panama the very next year to remove Noriega -- but he did get elected.

This President Bush doesn't have to worry about getting anyone elected in 2008 and appears to be thinking only about his place in history. That can lead him to act in ways that please Europeans -- for instance, the vigorous multilateral diplomacy on Iran and North Korea. But it could also take him in directions they will find worrisome if that diplomacy fails.

There is a deeper reason this election, and even the next presidential election, may not change U.S. foreign policy very much. Historically, and especially in the six decades since the end of World War II, there has been much more continuity than discontinuity in foreign policy. New administrations change policy around the margins, and sometimes those changes prove important -- George H.W. Bush temporized about the Balkans; Bill Clinton temporized and then sent troops. Clinton temporized about Iraq and then bombed. George W. Bush temporized and then invaded. But the motives behind American foreign policy, and even the means, don't differ all that much from administration to administration. Republicans berated the Democrats' "cowardly" containment until they took the White House in 1952, then adopted that strategy as their own.

This tendency toward continuity is particularly striking on the issue that most divides Americans from Europeans today: the use of military force in international affairs. Americans of both parties simply have more belief in the utility and even justice of military action than do most other peoples around the world. The German Marshall Fund commissions an annual poll that asks Europeans and Americans, among other things, whether they agree with the following statement: "Under some conditions, war is necessary to obtain justice." Europeans disagree, and by a 2 to 1 margin. But Americans overwhelmingly support the idea that war may be necessary to obtain justice. Even this year, with disapproval of the Iraq war high, 78 percent of American respondents agreed with the statement.

This broad bipartisan conviction is reflected in U.S. policies. Between 1989 and 2003, the United States engaged in significant military actions overseas on nine occasions under Bush I, Clinton and Bush II: Panama in 1989, Somalia in 1992, Haiti in 1994, Bosnia in 1995-96, Kosovo in 1999, Afghanistan in 2001 and Iraq three times -- 1991, 1998 and 2003, an average of one major military action every year and a half.

The reasons for this prolific use of military force have to do with the nation's history -- Americans have been fighting what they considered just and moral wars since the Revolution and the Civil War. And it has to do with Americans' relative power. It is no accident that the United States began to use force more frequently after the fall of the Soviet Union.

Those who imagine that the Iraq imbroglio may change this approach could be right, but the historical record suggests otherwise. Less than six years after the defeat in Vietnam, Americans were electing Reagan on a promise to restore American military power and engage in a concerted arms race with the Soviet Union.

Even today leading Democrats who oppose the Iraq war do not oppose the idea of war itself or its utility. They're not even denouncing a defense budget approaching $500 billion per year. While Europeans mostly reject the Bush administration's phrase "the war on terror," leading Democrats embrace it and accuse the administration of not pursuing it vigorously or intelligently enough. Nor do leading Democrats reject the premise of the United States as the world's "indispensable nation" -- a notion that most Europeans find offensive at best and dangerous at worst.

In this respect, there is even less debate over the general principles of American foreign policy than during the Vietnam era. In those days, opponents of the war insisted that not just President Richard Nixon was rotten but that the "system" was rotten. They did not just reject the Vietnam War, they rejected the whole containment strategy of Dean Acheson and Harry Truman, which, they rightly claimed, helped produce the intervention in the first place. They rejected the idea that the United States could be a benevolent force in the world.

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Today Democrats insist that the United States will be such a force as soon as George W. Bush leaves office. Although they pretend they have a fundamental doctrinal dispute with the Bush administration, their recommendations are less far-reaching. They argue that the United States should generally try to be nicer, employ more "soft power" and be more effective when it employs "hard power." That may be good advice, but it hardly qualifies as an alternative doctrine.

Many around the world will thrill at the defeat of Republicans next week. They should enjoy the moment while they can. When the smoke clears, they will find themselves dealing with much the same America, with all its virtues and all its flaws.

Robert Kagan, a senior associate at the Carnegie Endowment for International Peace and transatlantic fellow at the German Marshall Fund, writes a monthly column for The Post. He is the author of "Dangerous Nation," a history of American foreign policy.

US Air Strike Kills Al-Qaeda Kingpin: Military (AFP)

AFP, November 2, 2006

American forces killed an Al-Qaeda chieftain in the lawless western Iraqi city of Ramadi by destroying his car with a laser guided bomb, the US military said.

"Rafa Abdul Salam Hamud al-Ithawi, also known as Abu Taha, was the emir of Shamiyyah," it said. "He frequently harboured foreign fighters who entered Iraq illegally in order to assault innocent Iraqis and coalition forces."

Ithawi was killed on Wednesday along with his driver, "diminishing the al-Qaeda in Iraq network," the statement said.

Ramadi has become the focus of the battle between US forces and Sunni Arab insurgents fighting under the Al-Qaeda banner. Last week a US spokesman said marines were fighting to take back the city.

On October 15, Al-Qaeda militants held a brief parade in central Ramadi to declare the region an independent emirate, scoring a propaganda victory, but fierce fighting has continued since.

Iraqi Shiites Continue To Exert Independence And Seek Changes To U.N. Deal On U.S. Troops (NYT)

By Sabrina Tavernise

The New York Times, November 2, 2006

BAGHDAD, Nov. 1 — In a continued effort to demonstrate their independence from Washington, Iraqi Shiites are pressing a fresh set of conditions on their American supporters, asking for changes in the Iraqi government's relationship with the United States military.

In a move that seemed designed more to placate Iraq's Shiite majority than to influence the broader management of the war, Iraqi leaders have drawn up a set of changes to a United Nations agreement that provides some of the legal basis for American troops here.

The changes, if enacted, could give the Iraqi government more control over its own armed forces, something Iraqi leaders want, but were not likely to change fundamentally the way the war is directed.

The United Nations agreement, which expires on Dec. 31, is not the only source of legal justification for continued presence of American troops here. Another is the Iraqi Constitution. Even if the agreement expired, the status of the American military here would not change. What is more, no single Iraqi group truly wants the Americans out.

Iraqi leaders say they cannot accept a continuation of the United Nations agreement, which gives the United States and 27 other countries "the authority to take all necessary measures to contribute to the maintenance of security and stability in Iraq" without attaching some conditions to the original agreement. They say they want more control over their military to protect vulnerable areas from insurgent attacks.

A common view among American officers in the field, though, is that Iraqi troops, more than three years after the American effort to rebuild the Iraqi forces began, are years away from being able to fight the war on their own.

A 19-member committee of Iraq's top political leaders, its prime minister and its president has agreed on six conditions, said one Shiite politician who has participated in negotiations. The points are being discussed with senior American military commanders here as well as with officials from the American and British Embassies.

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They will be codified in a memorandum between Prime Minister Nuri Kamal al-Maliki and President Bush, Shiite lawmakers said, although the type of document is still a subject of debate. Iraqis say they will not insist on reopening the case publicly at the United Nations to avoid the risk of not having it extended.

Even so, they could embarrass the Americans by refusing to relent on changes, even as the deadline for extending the United Nations agreement nears or passes. But if that happened, the only serious question would be about the status of foreign forces from other countries, who provide more than 17,000 troops and whose legal status for being here is still more closely bound with the United Nations agreement.

"They agreed on almost all the conditions," said Sami al-Askari, a Shiite politician whose political bloc has participated in the talks, but "we want legal guarantees that this document will be implemented, otherwise we will have a problem facing the Parliament."

A spokesman for the United States Embassy in Baghdad confirmed that American officials were in talks with the Iraqi government on the subject, but would not give details.

The changes the leaders seek include speeding up the process of handing over control to Iraqi regions for their own security sooner, currently scheduled to be completed in the first half of next year. Under the current arrangement, American forces have full operational control nationally until the end of 2007, and political leaders seek more control over security for portions of the country earlier, according to Mowaffak al-Rubaie, Iraq's national security adviser.

"Iraqi leaders are handcuffed" by the United Nations agreement, said Hadi al-Ameri, a member of the committee and the leader of the Defense and Security Committee in Parliament. "We will not tell the Americans to go, but if they stay it should be according to conditions."

Mr. Maliki remarked bitterly in an interview with [a news service] last week that he could not move one company of Iraqi soldiers without permission from the American military.

The complaint is a striking example of just how far apart Iraqi and American leaders are, at least in their public statements.

Demands for a faster transition to Iraqi control are being made at a time when the 141,000 American forces deployed here remain the indispensable core of the war effort. Shiite officials in the Maliki government have acknowledged that fast-forwarding the move to Iraqi control involves "risks," an assessment many American officers call an understatement.

Nowhere is that more apparent than in Baghdad, where American and Iraqi officials have said the war will be won or lost. In the stepped-up effort to regain control of the capital that began in August — an effort now admitted by American commanders to be faltering, partly for lack of troops — nearly two-thirds of the forces have been American. Only a third of the needed Iraqi forces ever showed up, leaving the effort vastly understaffed.

The Shiite demands spring from a frustration deep within the Shiite leadership that has been building for months over the American approach to the war. Shiites say Americans, particularly Ambassador Zalmay Khalilzad, have focused unfairly on Shiite-run death squads and that the American military has not been tough enough on Sunni militias.

"There is a feeling that the Americans diverted their support to the Sunni side," Mr. Askari said.

Mr. Maliki has repeatedly acted to soothe this frustration in recent weeks with policy moves asserting his own independence from the Americans. Last month, he demanded that the American military release a Shiite cleric whom it had suspected of death squad activity, and on Tuesday, he ordered the lifting of an American security cordon here. He has to ask American permission as he does not have operational control of the American forces, something that Americans will never give.

"Now they hear about amnesty for Baathists," Mr. Askari said, referring to the Sunni-dominated party that ran the country under Saddam Hussein. And Sadr City, the largest Shiite district, he said, "is surrounded from all sides. If it continues like this, it is very dangerous."

Mr. Maliki even refused an American request last month for amnesty for some prisoners at the end of Ramadan, Mr. Askari said. Many in American facilities are Sunni Arabs, and Shiites often say that Americans release too many of them.

That argument goes to the very heart of the war here, which has shifted from a Sunni-led insurgency to an even deadlier conflict in which Shiite and Sunni militias force members of the other group out of neighborhoods and carry out revenge killings with relative impunity. But while formerly these arguments were the domain of Iraq's most partisan politicians, Mr. Maliki himself is now putting them forth in a sign of just how strained relations with the American military have become.

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They are also deeply troubling to American military commanders, who fear the government will use the security forces, largely Shiite, selectively to protect Shiites, or in an even darker possibility, as a fighting force on one side of a civil war.

American officials have expressed frustration with the government of Mr. Maliki, saying it has been slow to begin to make changes badly needed to stabilize the country and that action against death squads is just one of them. Mr. Khalilzad detailed a series of goals last month in remarks that Mr. Maliki angrily dismissed as "inaccurate."

Attacks that harden Iraqi groups against one another continued. At least 18 Iraqis were killed in a series of attacks across the capital on Wednesday. In addition, 35 bodies were found. Casualties mounted in a suicide attack Tuesday on a wedding party. In all, 23 Iraqis, including 9 children, the bride and the groom, were killed in the blast, The Associated Press reported. Gunmen on Wednesday seized two Sunni coaches from a youth center. One of them taught blind athletes.

The military on Wednesday announced two deaths on Tuesday, a soldier in Baghdad and a marine in western Iraq, bringing the toll for October to 105.

Iraqi leaders said they expected to submit the new text of the changes by Dec. 1. It must pass through Parliament before taking effect.

Iraqi Prime Minister Asserts Independence, Gains Stature (CSM)

By Scott Peterson

The Christian Science Monitor, November 2, 2006

BAGHDAD

Shiites from the crowded Baghdad district of Sadr City are reveling in what they deem their "victory" over American forces after Iraqi Prime Minister Nuri al-Maliki on Tuesday ordered the dismantling of US and Iraqi checkpoints surrounding the area.

The checkpoints - manned by US and Iraqi troops for a week in an effort to find a kidnapped US military translator of Iraqi descent as well as snare an alleged death-squad leader - had snarled traffic and bred growing anger in the slum.

They also provided Mr. Maliki with a chance to further assert his independence after weeks of friction between Washington and Baghdad - just days before US midterm elections, in which the Iraq war has become a defining issue.

Aides to the premier have said that they want to take advantage of the vote, and the unpopularity of Mr. Bush and the Iraq war, to expand Maliki's authority. The new assertive tack is boosting the portrayal of Maliki as commander in chief.

The US pullback is being seen in Sadr City as a loss for the Americans, even as Maliki has shown that he can issue orders and deliver - though he has yet to follow through on vows to stanch sectarian killings.

At the same time, anti-American cleric Moqtada al-Sadr, whose Mahdi Army militia has been accused of playing a key role in sectarian murders, has also gained from a careful marshalling of his loyalists. Militiamen enforced a general strike on Tuesday to protest the US "siege," shutting down shops, offices, and schools.

Maliki's decision caught US commanders off guard, but was nonetheless carried out on the ground. The US Embassy insisted later that a joint Iraqi-US decision had been made.

Some Sadr City residents said the growing threat of unrest prompted the US acceptance of the checkpoint dismantling.

"The Americans agreed with Maliki's decision to leave Sadr City because of the US elections," says a driver with the nickname Abu Haidar. "If they let [the unrest] continue, it will spread. Moqtada [al-Sadr] and Maliki played it very well."

"It's a tactical loss for the Americans," says a jobless resident nicknamed Abu Ali, who says the decision to pull back was wise. "Because if they stayed [and violence flared], they would lose much more, not just in Iraq, but in the US."

A primary complaint echoing in Sadr City is that the US-Iraqi checkpoints did little to stop the violence: 26 laborers died in a market blast on Sunday. In the nearby district of Ur, also apparently subject to checkpoint control, a wedding party was hit with a car bomb Tuesday, leaving 23 dead, among them nine children.

Across Iraq Wednesday, police searched for at least 40 Shiites suspected to have been abducted by Sunni gunmen along a dangerous highway north of Baghdad. At least 27 Iraqis died in a spate of attacks.

Under fire by critics for not authorizing enough troops in Iraq, US Defense Secretary Donald Rumsfeld said that he had agreed to expand the size of Iraqi forces beyond the current 310,000 listed on the books as trained, and the previous goal of 325,000.

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In Baghdad, an increasing number of Shiites believe that the US is more to blame for violence in Baghdad than Sunni insurgents - a once-common accusation that largely disappeared last February, when sectarian bloodletting surged after destruction of a key Shiite shrine. Some even accuse US forces of deliberately planting bombs to stoke more violence.

"The bombs came after the Americans came. When they are there, they are controlling security, so who is to blame?" says Ali al-Saidi, an Internet cafe owner. "When [US forces] entered Sadr City, we were worried. When they leave, we feel safer."

"The Americans are trying to make trouble in Sadr City," asserts Abu Ali. "They want to return Sadr City and the Mahdi Army to a war situation."

US forces fought pitched battles with the Mahdi Army in the holy city of Najaf and in Sadr City in April and August 2004. Sadr has since ordered his fighters not to attack US forces, and his support of Maliki's fragile Shiite coalition ended a months-long deadlock earlier this year.

After Maliki's order to remove the checkpoints, Sadr's office crowed in a statement to supporters: "Your patience and unity brought victory."

US forces have rubbed increasingly against Sadr's militia in recent months, with friction turning to gunfights at times. And the Mahdi Army, while winning kudos among many Shiites for defending them against Sunni insurgent attack, is also believed to be behind some sectarian killings that are leaving more than 2,500 Iraqis dead each month.

A second purpose of the US-Iraqi checkpoints was to snare a Shiite man alleged to be a death-squad leader. Residents and Sadr supporters jump to Abu Deraa's defense, countering that he is a simple man with a penchant for helping hostages get released from kidnapping gangs.

"One man gave him a camel for helping free his son," says Abu Kumail, a money changer who has seven children. "He saved a Sunni man from a gang - does that mean he is a leader of the death squads?"

"We are feeling that whenever [Americans] raid in Sadr City, they leave many bombs and IEDs [roadside bombs]," says Abu Kumail. "Who is the terrorist? We didn't know terrorism in our country before the [2003] US invasion."

Coming after one of the bloodiest months for US troops since the 2003 Iraq campaign began - 105 Americans died in October - some say US commanders preferred not to push harder on Sadr City now.

"It's a victory for the Iraqi people," says Abu Kumail. "They obeyed the cleric's order [for a strike], and they proved to the government and American soldiers they are peaceful people, and civilized.

"It's a victory, too, for the government," he adds. "They proved their power with a decision, a small justice that is fair to the people."

In a suburb that is home to an estimated 2.5 million Iraqis, Maliki's decision is resounding widely.

But so, too, do rumors that US troops are behind some of the blasts. Among the most common reasons cited here for a US interest in more war: Iraqi Shiites and militias have grown too powerful, both in government and outside of it; and even more conflict would justify a longer US presence, according to this perception.

"The Americans have different ways to make these blasts," charges Abu Ali, the jobless young man. "Sometimes they do it, and plant these bombs. Sometimes they create the good environment for bombs."

"We are not seeing [bombs being planted], but the Americans control the night," he adds, making a deductive leap. "All IEDs and bombs are planted at night, in the curfew."

Baghdad Attacks Target Busy Areas (WP)

By John Ward Anderson

The Washington Post, November 2, 2006

BAGHDAD, Nov. 1 -- At least 17 people were killed in car bombings, mortar attacks and roadside explosions in Baghdad on Wednesday, as the sounds of gunfights and explosions reverberated through the capital for much of the day.

In Sadr City, a Shiite Muslim slum in eastern Baghdad, life returned to normal a day after U.S. and Iraqi checkpoints were removed to allow the free flow of traffic and a strike was lifted to permit residents to reopen shops and return to jobs and classrooms.

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The forced shutdown of most activities in Sadr City this week by the powerful Mahdi Army militia apparently played a major role in compelling the government of Prime Minister Nouri al-Maliki to order an end Tuesday to a nearly week-long U.S. blockade of the teeming slum, home to 2.5 million Shiites. U.S. troops had cordoned it off in an effort to find an abducted U.S. soldier and a man considered to be one of Iraq's most notorious death squad leaders, both of whom were believed to be there.

But while Shiites hailed Maliki for asserting his independence and authority, and for alleviating the hardships imposed by the cordon, some Sunni Arab leaders questioned the decision.

Vice President Tariq al-Hashimi, a Sunni, said in a statement that security in Baghdad had "noticeably improved" during the barricading of Sadr City. He said lifting the checkpoints "may mean freeing up the movement of terrorists."

Alaa Makky, a Sunni member of parliament from the Iraqi Islamic Party, said in an interview that Maliki "should suspend his decision" to lift the siege. Makky called for Maliki to forward the matter to the country's National Security Council, which he said could "consider the complications and side effects of the decision" and formulate a security plan for all of Baghdad, not just one neighborhood.

The crackle of gunfire and the boom of bombs and mortars punctuated life in the capital for most of the day. In the deadliest incidents, six people were killed by a roadside bomb in the Shurjah market of central Baghdad, five were killed and seven wounded by a car bomb at Aqaba bin Nafi intersection in eastern Baghdad, and three people were killed in a car bombing Wednesday morning in the southwest Bayaa neighborhood.

The U.S. military said in a statement that a soldier assigned to Regimental Combat Team 7 in Anbar province west of Baghdad -- a stronghold for Sunni insurgents and the group al-Qaeda in Iraq -- died of combat injuries on Tuesday, raising the number of U.S. service members killed in Iraq in October to at least 104. It was the fourth-deadliest month for U.S. troops since the start of the war, and it brought the most fatalities since January 2005, when 106 U.S. service members were killed.

In a sign of how violent the month was, an unusually large number of October's deaths occurred in combat. Ninety-nine of the troops were killed in action, compared with 63 in September, 58 in August and 38 in July. Only two other months brought more U.S. troops killed in action -- November 2004 (125) and April 2004 (126).

On Wednesday, a U.S. soldier was killed by a roadside bomb west of Baghdad, the military said in a statement.

[A] news service, citing data from Iraq's Interior Ministry, reported that 1,289 Iraqi civilians died last month in political violence -- nearly 42 people per day -- up 18 percent from the 1,089 such fatalities in September. Many violent deaths in Iraq are believed to go unreported, however. This summer, the United Nations put the nationwide death toll at more than 3,000 people a month.

Because of the political sensitivity of death counts, the Interior Ministry has stopped publicly releasing death statistics, and the [news service] report could not be independently verified. The news agency said the data, a nationwide compilation of reports from the Interior, Defense and Health ministries, did not include all violent deaths, but only those judged to be the result of political, sectarian or ethnic killings, as opposed to criminal acts.

Last Gasps In Iraq (USAT)

By Ralph Peters

USA Today, November 2, 2006

On Tuesday, Iraqi Prime Minister Nouri al-Maliki obeyed Muqtada al-Sadr's command to withdraw U.S. troops from Baghdad's Sadr City. He halted a vital U.S. military operation. It was the third time in less than a month that al-Maliki had sided with the anti-American cleric against our forces.

President Bush insists that we have no conflicts with the al-Maliki government. The president isn't telling the truth — or he himself doesn't support our military's efforts. He can't have it both ways. Bush appears increasingly desperate just to get through the upcoming elections.

I supported the removal of Saddam Hussein. I believed that Arabs deserved a chance to build a rule-of-law democracy in the Middle East. Based upon firsthand experience, I was convinced that the Middle East was so politically, socially, morally and intellectually stagnant that we had to risk intervention — or face generations of terrorism and tumult. I still believe that our removal of Hussein was a noble act.

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I only wish the administration had done it competently.

Iraq is failing. No honest observer can conclude otherwise. Even six months ago, there was hope. Now the chances for a democratic, unified Iraq are dwindling fast. The country's prime minister has thrown in his lot with al-Sadr, our mortal enemy. He has his eye on the future, and he's betting that we won't last. The police are less accountable than they were under Saddam. Our extensive investment in Iraqi law enforcement only produced death squads. Government ministers loot the country to strengthen their own factions. Even Iraq's elections — a worthy experiment — further divided Iraq along confessional and ethnic lines. Iraq still exists on the maps, but in reality it's gone. Only a military coup — which might come in the next few years — could hold the artificial country together.

This chaos wasn't inevitable. While in Iraq late last winter, I remained soberly hopeful. Since then, the strength of will of our opponents — their readiness to pay any price and go to any length to win — has eclipsed our own. The valor of our enemies never surpassed that of our troops, but it far exceeded the fair-weather courage of the Bush administration.

Yet, for all our errors, we did give the Iraqis a unique chance to build a rule-of-law democracy. They preferred to indulge in old hatreds, confessional violence, ethnic bigotry and a culture of corruption. It appears that the cynics were right: Arab societies can't support democracy as we know it. And people get the government they deserve.

For us, Iraq's impending failure is an embarrassment. For the Iraqis — and other Arabs — it's a disaster the dimensions of which they do not yet comprehend. They're gleeful at the prospect of America's humiliation. But it's their tragedy, not ours.

Iraq was the Arab world's last chance to board the train to modernity, to give the region a future, not just a bitter past. The violence staining Baghdad's streets with gore isn't only a symptom of the Iraqi government's incompetence, but of the comprehensive inability of the Arab world to progress in any sphere of organized human endeavor. We are witnessing the collapse of a civilization. All those who rooted for Iraq to fail are going to be chastened by what follows.

Iraq still deserves one last chance — as long as we don't confuse deadly stubbornness and perseverance. If, at this late hour, Iraqis in decisive numbers prove willing to fight for their own freedom and a constitutional government, we should be willing to remain for a generation. If they continue to revel in fratricidal slaughter, we must leave.

And contrary to the prophets of doom, the United States wouldn't be weakened by our withdrawal, should it come to that. Iraq was never our Vietnam. It's al-Qaeda's Vietnam. They're the ones who can't leave and who can't win.

Islamist terrorists have chosen Iraq as their battleground and, even after our departure, it will continue to consume them. We'll still be the greatest power on earth, indispensable to other regional states — such as the Persian Gulf states and Saudi Arabia — that are terrified of Iran's growing might. If the Arab world and Iran embark on an orgy of bloodshed, the harsh truth is that we may be the beneficiaries.

My disillusionment with our Iraq endeavor began last summer, when I was invited to a high-level discussion with administration officials. I went into the meeting with one firm goal, to convince my hosts that they'd better have Plan B in case Iraq continued to disintegrate. I left the session convinced that the administration still didn't have Plan A, only a blur of meandering policies and blind hopes. After more than three years, it was still “An Evening at the Improv.”

Then, last month, as Iraq's prime minister seconded al-Sadr's demand that our troops free a death-squad mastermind they had captured, I knew a fateful page had turned. A week later, al-Maliki forbade additional U.S. military raids in Sadr City, the radical mullah's Baghdad stronghold. On Tuesday, al-Maliki insisted that our troops remove roadblocks set up to help find a kidnapped U.S. soldier. Iraq's prime minister has made his choice. We're not it. It's time to face reality. Only Iraqis can save Iraq now — and they appear intent on destroying it. Après nous, le deluge.

Iraq could have turned out differently. It didn't. And we must be honest about it. We owe that much to our troops. They don't face the mere forfeiture of a few congressional seats but the loss of their lives. Our military is now being employed for political purposes. It's unworthy of our nation.

Ralph Peters is a member of USA TODAY's board of contributors and the author of 21 books. He is a retired U.S. Army officer.

Army Journal Cites Problems With Iraqis (AP-Y)

By John Milburn

DOJ_NMG_0089872

AP, November 2, 2006

Iraqi soldiers being trained by American military advisers go on rampages, flee from dangerous situations and waste ammunition in undisciplined bursts of fire at any provocation, according to an account in a U.S. Army journal.

In contrast to the iron discipline imposed during Saddam Hussein's regime, "the new army serves the cause of freedom, and officers and soldiers alike are a bit confused about what this means," Lt. Col. Carl D. Grunow wrote in the July-August issue of Military Review.

Iraqi soldiers frequently use excessive force, going on retaliatory rampages after colleagues are killed by insurgents, Grunow wrote in the journal, a publication of the U.S. Army Combined Arms Center at Fort Leavenworth, Kan.

"The `burst reaction' may be attributed to Iraqis experiencing denial, anger and grief all at the same time," he wrote.

Grunow, who spent a year with an Iraqi armored brigade north of Baghdad, also said that Iraqis often fail to report for training, and that sometimes up to 40 percent of some units flee from dangerous situations without fear of punishment.

"As of this writing, the only power holding them is the promise of a paycheck (not always delivered) and a sense of duty. Good soldiers leave after receiving terrorist threats against their families," Grunow wrote.

The old Iraqi army "executed deserters unhesitatingly," he said.

Another problem, Grunow wrote, is the Iraqi "death blossom," in which an attack by even a single sniper "provokes the average Iraqi soldier to empty his 30-round magazine and fire whatever belt of ammunition happens to be in his machine gun."

That is both dangerous and wasteful, he said.

Military Rebuts Media On Iraq (LAT)

By Julian E. Barnes

The Los Angeles Times, November 2, 2006

Washington — As concern in the Defense Department mounts over eroding public support for the Iraq war, the Pentagon has launched a rapid-response public relations effort to rebut news stories that officials believe are inaccurate or misleading.

Although all administrations have been critical of the media, most have avoided regular, ongoing public fights with journalists. But in recent weeks the Bush administration has shown a willingness to fight over facts and reporters' analysis of news events.

The Defense Department's rapid-response efforts echo an initiative called "Setting the Record Straight," in which the White House identifies what it says are news reports' inaccuracies or quotations out of context. Among the first results of the Pentagon response is a new "For the Record" section of the Defense Department's website, http://www.defenselink.mil .

On Wednesday the section contained critiques of a Washington Post article, a Newsweek cover story and two New York Times editorials, as well as a list of "Five Myths About the War on Terror" that it said were "some of the more prominent ones in the public dialogue."

Pentagon officials say the effort is not in response to negative coverage of the war, but rather an attempt to adapt to new technologies and find ways to communicate with the American public and international audiences.

"We've always thought it is important to go out and correct the record," said Pentagon spokesman Bryan G. Whitman. "If we are doing it more aggressively, it is because we understand in this Information Age, it is easy for wrong information to be perpetuated."

The effort shows Defense Secretary Donald H. Rumsfeld's frustration with increasingly negative coverage of the war, said Marvin Kalb, Washington-based senior fellow for Harvard's Shorenstein Center on the Press, Politics & Public Policy.

But Kalb said as long as the war was going badly, the media coverage was sure to be negative.

"It is not a matter of improving communication, it is a matter of the reality of the war," Kalb said. "The effective response has to be in the policy you pursue, not in the way the policy is covered.

"Rumsfeld is not the first government official who turns on the news at night and throws a bottle of Scotch at the TV."

Pentagon officials said they were dedicating staffers to the effort but would not specify how many would be hired or transferred. They also declined to say how much was going to be spent on the effort.

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In an Oct. 3 memo released this week, J. Dorrance Smith, the assistant secretary of Defense for public affairs, outlined four focus areas for his department: distributing information on newer media forms like podcasts and YouTube; increased television and radio bookings; better assistance to military analysts and other "surrogates"; and the rapid-response group.

Pentagon Press Secretary Eric Ruff said the changes were part of an effort to improve the D-plus rating that Rumsfeld had given the public affairs operation.

"We're trying to do better than a D-plus," Ruff said this week.

"Al Qaeda has demonstrated time and again how they can use the Internet. We are, very frankly, behind the curve."

Homeward Bound -- If Only For A Year (LAT)

By Borzou Daragahi

The Los Angeles Times, November 2, 2006

camp paliwoda, iraq — Home means snowboarding, family meals and first-run movies. Home is where you can sleep late and drive around town in a pickup with the windows down and the radio up.

"I want to relax, maybe dress down, put on shorts and a T-shirt instead of wearing a uniform, maybe every once in a while not shave," Sgt. Jon Bullard said as he prepared to pack up his gear and head home to his wife and 12-year-old daughter.

Bullard and the other soldiers of the 1st Battalion, 8th Infantry Regiment, or the 1-8, are finishing up a one-year tour of duty in Iraq, leaving the portable toilets and processed food of this bleak base 50 miles north of Baghdad for division headquarters in Ft. Carson, Colo.

But home may be a fleeting respite. This was the battalion's second tour in Iraq, and most think they will be back for a third time, probably in another year.

"I hate this place," said Spc. Alex Esteban, a 21-year-old Miami native who mapped out plans for a trip to Las Vegas. At home, "I won't worry about getting shot at or mortared. But there's a 90% chance that I'll be back here in a year. I have no choice. It's my job."

Outside the former schoolhouse used as a battalion headquarters, the soldiers waited for the Chinook helicopters that would ferry them to nearby Anaconda, the massive air base where they would stay for a few days before heading to Kuwait and beyond.

Delay followed delay. They laid their rucksacks and M-16s on the ground; some dozed beneath the stars daydreaming, smoking cigarettes and chewing tobacco.

The talk turned to politics.

"There is no progress," said Sgt. Stephen Brodbeck, a 25-year-old Denver native. "We've been here doing the same thing for 3 1/2 years. These are the same Iraqi soldiers we tried to train in 2003. We did a lot, but it was all in vain. And the guys we lost, we lost in vain."

Others chimed in, some vehemently disagreeing.

"We're helping provide security and buy time for the Iraqi government to step in," said Capt. Andrew Kletzing, 25, of Chicago. "Every month that goes by, they get a little bit more credibility and a little stronger. In the grand scheme of things it's making a difference. If we can succeed here, we can change the course of history."

Still, many of the soldiers despair at how bad things have gotten since they were last here.

"This doesn't look good, the things here," said Sgt. Dominie Price, 25, of Wheaton, Ill. "Maybe we don't see the big picture, and things will be better the next time we come back."

Almost all have become news junkies in Iraq, hanging on every word spoken by U.S. officials about the war, reading newspapers and news websites for clues about the country's security situation, any deployment extensions and whether the war will continue for many months or many years.

A sobering toll

It's been a harsh year for the men and women of the 1-8, a unit of the 3rd Brigade of the 4th Infantry Division, and the rest of the troops in Iraq. At least 780 troops have died in the country since the 4th Infantry deployed here last November, 105 in the last month alone. At least 5,500 troops have been wounded in the last year.

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Five guys from the 1-8 won't be making it back to Ft. Carson. Their comrades recall their names as they were read out during commemorative roll calls:

Staff Sgt. Curtis T. Howard II, 32, of Ann Arbor, Mich.

Sgt. Gordon F. Misner II, 23, of Sparks, Nev.

Sgt. Dimitri Muscat, 21, of Aurora, Colo.

Spc. Thomas J. Wilwerth, 21, of Mastic, N.Y.

Spc. Walter B. Howard II, 35, of Rochester, Mich.

The soldiers cherish memories of home to keep up morale. Back home, though, life has not stopped. Relationships with loved ones have become more strained. Children have grown a year older.

"I'm worried about my son not recognizing me," said Spc. Joseph D. Leon, 23, of Santa Paula. "It's been hard just with the kids being so young still and just trying to get them going, and my wife being home by herself taking care of everything."

First thing he'll do when he gets home is take his wife, son and daughter to the zoo. "My daughter loves the monkeys running around, and the birds," he said.

Capt. Mark T. Jenner's mother died of cancer while he was deployed in Iraq. He's planning to leave the military. The 26-year-old Cherry Hill, N.J., native is looking forward to spending Thanksgiving with his wife and piecing together a new life as a civilian.

"We're into wine," he said. "We had a little hobby of traveling around the Colorado countryside and visiting the vineyards."

A light rain began, among the first signs of the coming winter. The noontime call to prayers floated across from a nearby mosque as Capt. Keith L. Carter, the departing commander of Bravo Company, set out on what was likely to be his last visit to Balad, a friendly, ramshackle Shiite Muslim farming town that has been the focus of the troops' attention.

Carter has put on 15 pounds since taking up weight lifting in Iraq. He used to run five or more miles a day. Being here, he says, has changed his physique.

"Since being in Iraq, I can bench press way more than I used to," he said.

But like many officers here, the low-key 29-year-old Chelmsford, Mass., native wonders whether any of his efforts to train Iraqi forces and improve security have made a difference.

"I think we're winning," he said. "But the pace isn't as rapid as a lot of people would like."

Confrontation in Balad

A commotion erupted in downtown Balad as the convoy pulled in. Residents gathered near the police headquarters. Carter led a group of men inside. The police chief and mayor were triumphant, showing off a pair of bloodied suspected insurgents they had captured.

A group of Iraqi soldiers and police manning a volatile checkpoint had confronted a car carrying three suspected insurgents. They engaged in a gun battle, killing one man who turned out to be a member of a local security force and arresting the two others, who had dynamite and other munitions in their Toyota sedan.

The suspected insurgents had a map of Balad that obviously came from Americans, giving credence to long-held suspicions that the security force in question, the Iraqi Strategic Infrastructure Battalion, had been infiltrated by insurgents.

"Did the terrorists have this map on them?" Carter asked.

Yes, they replied.

"Good job," he told them.

The rain clouds dispersed as the patrol pushed through traffic toward the base. Beams of sunlight illuminated the green farmlands.

"They did this by themselves," Carter said. "We didn't even know about it."

Later that night at the base, the next batch of soldiers scheduled to head home started to assemble near headquarters. They clutched their redeployment orders as they waited for roll call. They eventually dozed off, but sprung to life as the roar of the Chinooks began to fill the sky over Iraq.

Medic Tends A Fallen Marine, With Skill, Prayer And Fury (NYT)

By C. J. Chivers

The New York Times, November 2, 2006

KARMA, Iraq, Oct. 30 — Petty Officer Third Class Dustin E. Kirby clutched the injured marine's empty helmet. His hands were coated in blood. Sweat ran down his face, which he was trying to keep straight but kept twisting into a snarl.

He held up the helmet and flipped it, exposing the inside. It was lined with blood and splinters of bone.

"The round hit him," he said, pausing to point at a tiny hole that aligned roughly with a man's temple. "Right here."

Petty Officer Kirby, 22, is a Navy corpsman, the trauma medic assigned to Second Mobile Assault Platoon of Weapons Company, Second Battalion, Eighth Marines. Everyone calls him Doc. He had just finished treating a marine who had been shot by an Iraqi sniper.

"It was 7.62 millimeter," he continued. "Armor piercing."

He reached into his pocket and retrieved the bullet, which he had found. "The impact with the Kevlar stopped most of it," he said. "But it tore through, hit his head, went through and came out."

He put the bullet in his breast pocket, to give to an intelligence team later. Sweat kept rolling off his face, mixed with tears. His voice was almost cracking, but he managed to control it and keep it deep. "When I got there, there wasn't much I could do," he said.

Then he nodded. He seemed to be talking to himself. "I kept him breathing," he said.

He looked at Lance Cpl. Matias Tafoya, his driver, and raised his voice. It was almost a shout. "When I told you that I do not let people die on me, I meant it," he said. "I meant it."

He scanned the Iraqi houses, perhaps 150 yards away, on the other side of a fetid green canal. Marines were all around, pressed to the ground, peering from behind machine-gun turrets or bracing against their armored vehicles, aiming rifles at where they thought the sniper was.

The sniper had made a single shot just as the marines were leaving a rural settlement on the western edge of Karma, a city near Falluja in Anbar Province.

The marines had been searching several houses on this side of the canal, where they found five Kalashnikov assault rifles and bomb components, and were getting back into their vehicles when everyone heard the shot. It was a single loud crack.

No one was precisely sure where it had come from. Everyone knew precisely where it hit. It struck a marine who was peering out of the first vehicle's gun turret. He collapsed.

Petty Officer Kirby rushed to him and found him breathing. He bandaged the marine's head as the vehicle lurched away. Soon he helped load the wounded marine into a helicopter, which touched down beside the convoy within 12 minutes of the shot.

Once the helicopter lifted away, he ran back to his vehicle, ready to treat anyone else. He was thinking about the marine he had already treated.

"If I had gone with him," he said, and glanced to where the helicopter had flown away, over the line of date palms at the end of a field. His voice softened. "But I'm not with him," he said.

He turned, faced a reporter and spoke loudly again. "In situations and times like this, I am bound to start yelling and shouting furiously," he said. "Don't think I am losing my mind."

He held his bloody hands before his face, to examine them. They were shaking. He made fists so tight his veins bulged. His forearms started to bounce.

"His name was Lance Cpl. Colin Smith," he said. "He said a prayer today right before we came out, too."

"Every time before we go out, we say a prayer," he said. "It is a prayer for serenity. It says a lot about things that do pertain to us in this kind of environment."

The only sounds were Doc's voice and the vehicle's engine thrumming.

He recited the prayer. There was a few moments of silence. "It's a platoon kind of thing, if you know what I mean," he said.

He listened to his radio headset and looked at Lance Corporal Tafoya, relaying word of the marines' movements. "Right now the grunts are performing a hard hit on a house," he said. He turned back to the subject of Lance Corporal Smith, 19.

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"The best news I can throw at anybody right now, and that I am throwing to myself as often as I can, is that his eyes were O.K.," he said. "They were both responsive. And he was breathing. And he had a pulse."

He listened to his radio. "Two houses they've hit so far have both been swept and cleared."

He looked at the reporter beside him. "Do you pray?" he asked. "Do that. I'd appreciate it."

After a few minutes he started talking again. "You see, having a good platoon, one that you know real well, it's both a gift and a curse. And Smith? Smith has been with me since I was..."

He stopped. "He was my roommate before we left," he said.

He refilled his lungs and raised his voice. "His dad was his best friend," he said. "He's got the cutest little blond girlfriend, and she freaks out every time we call because she's so happy to hear from him."

He sat quietly again. A few minutes passed. "The first casualty we had here — his name was James Hirlston — he was his good friend."

"Hirlston got shot in the head, too," he said.

He said something about Iraqi snipers that could not be printed here.

Then he was back to the subject of Lance Corporal Smith.

"I really thank God that he was breathing when I got to him, because it means that I can do something with him," he said. "It helps. People ask you, 'What are you doing? What are you doing?' It helps, because if he's breathing, you're doing something."

There had been many Iraqi civilians outside a few minutes before the sniper made his shot. Most of them had disappeared. Now an Iraqi woman walked calmly between the sniper and the marines, as if nothing had happened.

She passed down the street.

Petty Officer Kirby began to list the schools he had attended to be ready for this moment. Some he had paid for himself, he said, to be extra-prepared.

In one course, an advanced trauma treatment program he had taken before deploying, he said, the instructors gave each corpsman an anesthetized pig.

"The idea is to work with live tissue," he said. "You get a pig and you keep it alive. And every time I did something to help him, they would wound him again. So you see what shock does, and what happens when more wounds are received by a wounded creature."

"My pig?" he said. "They shot him twice in the face with a 9-millimeter pistol, and then six times with an AK-47 and then twice with a 12-gauge shotgun. And then he was set on fire."

"I kept him alive for 15 hours," he said. "That was my pig."

"That was my pig," he said.

He paused. "Smith is my friend."

He looked at his bloody hands. "You got some water?" he said. "I want some water. I just want to wash my wedding band."

He listened to the tactical radio. The platoon was sweeping houses but could not find the sniper.

The company started to move. It stopped at another house. The marines were questioning five Iraqi men. Doc watched from the road, waiting for the next call.

"I would like to say that I am a good man," he said. "But seeing this now, what happened to Smith, I want to hurt people. You know what I mean?"

The marines had not fired a shot.

They took one of the men into custody, mounted their vehicles and drove back to Outpost Omar, their company base, passing knots of Iraqi civilians on the way. The civilians looked at them coldly.

Inside the wire, First Lt. Scott R. Burlison, the company commander, gathered the group and told them that Lance Corporal Smith was alive and in surgery. He was critical, but stable. They hoped to fly him to Germany.

Doc had scrubbed himself clean. A big marine stepped forward with a small Bible, and the platoon huddled. He began with Psalm 91, verses 5 and 11.

"Thou shall not be afraid for the terror by night, nor for the arrow that flieth by day," said the big marine, Lance Cpl. Daniel B. Nicholson. "For he shall give his angels charge over thee, to keep thee in all thy ways."

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Then he asked for the Lord to look after Lance Corporal Smith and whatever was ahead, and to take care of everyone who was still in the platoon.

"Help us Lord," he said. "We need your help. It's the only way we're going to get through this."

Doc stood in the corner, his arm looped over a marine. "Amen," he said. There were some hugs, and then the marines and their Doc went back to their bunks and their guns.

Same Old Demons (NYT)

By David Brooks

The New York Times, November 2, 2006

Policy makers are again considering fundamental changes in our Iraq policy, but as they do I hope they read Elie Kedourie's essay, "The Kingdom of Iraq: A Retrospect."

Kedourie, a Baghdad-born Jew, published the essay in 1970. It's a history of the regime the British helped establish over 80 years ago, but it captures an idea that is truer now than ever: Disorder is endemic to Iraq. Today's crisis is not three years old. It's worse now, but the crisis is perpetual. This is a bomb of a nation.

"Brief as it is, the record of the kingdom of Iraq is full of bloodshed, treason and rapine," Kedourie wrote.

And his is a Gibbonesque tale of horror. There is the endless Shiite-Sunni fighting. There is a massacre of the Assyrians, which is celebrated rapturously in downtown Baghdad. Children are gunned down from airplanes. Tribal wars flare and families are destroyed. A Sunni writer insults the Shiites and the subsequent rioters murder students and policemen. A former prime minister is found on the street by a mob, killed, and his body is reduced to pulp as cars run him over in joyous retribution.

Kedourie described "a country riven by obscure and malevolent factions, unsettled by the war and its aftermath." He observed, "The collapse of the old order had awakened vast cupidities and revived venomous hatreds."

In 1927, a British officer asked a tribal leader: "You now have a government, a constitution, a parliament, ministers and officials — what more can you want?" The tribal leader replied, "Yes, but they speak with a foreign accent."

The British tried to encourage responsible Iraqi self-government, to no avail. "The political ambitions of the Shia religious headquarters have always lain in the direction of theocratic domination," a British official reported in 1923. They "have no motive for refraining from sacrificing the interests of Iraq to those which they conceive to be their own."

At one point, the British high commissioner, Sir Henry Dobbs, argued that if Britain threatened to withdraw its troops, Iraqis would behave more responsibly. It didn't work. Iraqis figured the Brits were bugging out. They concluded it was profitless to cultivate British friendship. Everything the British said became irrelevant.

The Iraq of his youth, Kedourie concluded, "was a make-believe kingdom built on false pretenses." He quoted a British report from 1936, which noted that the Iraqi government would never be a machine based on law that treated citizens impartially, but would always be based on tribal favoritism and personal relationships. Iraq, Kedourie said, faced two alternatives: "Either the country would be plunged into chaos or its population should become universally the clients and dependents of an omnipotent but capricious and unstable government." There is, he wrote, no third option.

Today Iraq is in much worse shape. The most perceptive reports describe not so much a civil war as a complete social disintegration. This latest descent was initiated by American blunders, but is exacerbated by the same old Iraqi demons: greed, blood lust and a mind-boggling unwillingness to compromise for the common good, even in the face of self-immolation.

The core problem is the same one Kedourie identified decades ago. Iraq is teetering on the edge of futility. Perhaps a competent occupation could have preserved it as a coherent entity, but now the Iraqi national identity is looking like a suicidal self-delusion.

Partitioning the country would be traumatic, so after the election it probably makes sense to make one last effort to hold the place together. Fire Donald Rumsfeld to signal a break with the past. Alter troop rotations so that 30,000 more troops are policing Baghdad.

But if that does not restore order, if Iraqi ministries remain dysfunctional and the national institutions remain sectarian institutions in disguise, then surely it will be time to accede to reality. It will be time to effectively end Iraq, with a remaining fig-leaf

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central government or not. It will be time to radically diffuse authority down to the only communities that are viable — the clan, tribe or sect.

A muscular U.S. military presence will be more necessary than ever, to deter neighboring powers and contain bloodshed. And the goals will remain the same: to nurture civilized democratic societies that reject extremism and terror.

But the boundaries may have to change. The war was an attempt to lift a unified Iraq out of its awful history, but history has proved stubborn. It's time to adjust the plans to reality.

Hadley Travels To Afghanistan After Iraq (AP-Y)

AP, November 2, 2006

President Bush's national security adviser arrived in Afghanistan Wednesday after wrapping up two days of meetings in Iraq aimed at soothing tension with Prime Minister Nouri al-Maliki.

White House spokeswoman Dana Perino said National Security Adviser Stephen Hadley traveled to Kabul for meetings with Afghan President Hamid Karzai and senior military leaders. A joint NATO-Afghan force has stepped up patrols in areas where insurgents are active to increase security in the country.

Perino said Hadley, who made the trip unannounced as a security precaution, "had two days of good meetings in Iraq." His visit came as al-Maliki was trying to assert authority with the Americans, most recently with Tuesday's orders to lift joint U.S.-Iraqi military checkpoints around the Shiite militant stronghold of Sadr City and other parts of Baghdad.

Al-Maliki has repeatedly said the United States was trying to impose timelines for progress without first seeking his approval. At one point, he said he was a friend of the United States, but "I am not America's man in Iraq." The White House has sought to down play any serious dispute and said Hadley was not on a fence-mending mission.

Stop Calling It The 'War On Terror' (LAT)

By Timothy Garton Ash

The Los Angeles Times, November 2, 2006

WHETHER or not a formal post-mortem into the Iraq war is launched by a newly Democrat-controlled Congress after Tuesday's midterm elections, no one doubts that this has been a war, one without end. Yet one day it will end. Will we then still be at war? Were 9/11, Afghanistan, Iraq, the London bombings, Madrid, Bali and the rest all just pages of the opening chapter in a long saga called the War on Terror?

For all their criticisms of the way President Bush has waged the wars in Iraq and Afghanistan, most Democrats don't challenge the central concept of the war on terror. They merely claim they could fight it better. Only a few intellectual Democrats, such as financier and philanthropist George Soros, insist that the very idea of the war on terror is, in his words, "a false metaphor."

Most Europeans, by contrast, agree with Soros. I have argued the same point. British military historian Sir Michael Howard was prescient in a brilliant article in Foreign Affairs titled "What's in a name?" and published just months after the 9/11 attacks. When then-Secretary of State Colin Powell declared that the U.S. was "at war" with terrorism, wrote Howard, "he made a very natural but terrible and irrevocable error." Apart from anything else, to use this language dignified the terrorists with the status of belligerents when they should have been treated as criminals. In a backhanded way, the coinage was itself a kind of glorification of terrorism.

Political words have consequences — especially when used by the most powerful nation on Earth — and one could plausibly suggest that much blood has flowed as a result of that choice of words.

It's clearly the case that after Sept. 11, 2001, when the administration said "war," it meant war in the familiar sense of trained people being commanded to go kill other people. In 2002, I asked a very senior administration official how this war on terror might end. He replied: "With the elimination of the terrorists." Yes, from the outset officials acknowledged that this was no longer war in the classic sense of two uniformed armies meeting on a field of battle. Yet the decision to make Iraq a central theater of the war on terror was, among other things, a kind of desperate reaching back to a more conventional kind of warfare that the mightiest army in the history of the world could clearly and swiftly win. Or so they thought.

In the last week, I have heard two powerful arguments for retaining the word "war" to describe the essential character of the age we're in. Lecturing in Oxford, Philip Bobbitt, the American historian and author of "The Shield of Achilles," and Matthew

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d'Ancona, editor of the conservative British weekly the Spectator, both insisted that we should not throw out the baby of the "war on terror" with the bathwater of Iraq.

Both counter-posed the notion of war to that of combating crime, favored by many liberal Europeans. Yes, bad mistakes were made in Iraq, said D'Ancona, but the very nature of this war is so new that it was inevitable that big mistakes would be made. The new terrible trio of rogue states, weapons of mass destruction and international terrorism cannot be beaten by the old Cold War trio of containment, deterrence and nonproliferation. Terrorists are waging a long-term psychological war, aimed at reducing us to a state of terror. This is not the Cold War, said D'Ancona, it's the cold-sweat war.

Bobbitt, meanwhile, talked of no less than three wars on terror: against global-networked terrorists, against the proliferation of WMD and against large-scale natural and non-natural assaults on civilian infrastructure, from earthquakes and the consequences of global warming to genocide and ethnic cleansing. That just about covers all the bases.

Both made some strikingly similar claims, far removed from the initial gung-ho rhetoric of Bush, Dick Cheney and Donald Rumsfeld. This, D'Ancona and Bobbitt insisted, is a long-term, generational struggle, which requires patience as much as patriotism. Neither had a good word to say for Guantanamo Bay or Abu Ghraib. Both agreed that this war has to be fought within a framework of international law — which, however, must be adjusted to the new circumstances. And they emphasized the new context of what Bobbitt calls "market states," in which citizens have become like consumers, with governments behaving like nervous company boards. Does the consumer not like the product? Withdraw it from the shelves at once. Our presence in Iraq, said D'Ancona, is being treated like a listed company whose shares on the stock exchange are in free fall.

These are important points, which a segment of the British and European left has already taken onboard.

They failed to convince me, however, that the term "war on terror" should not be thrown out. It wasn't a good term to start with. Whatever the might-have-beens, it's now inextricably associated with a discredited U.S. policy and a disastrous real war in Iraq. What would we lose by dropping it?

However, then we need an alternative. It might be better if international terrorists were treated as international criminals, but the overall metaphor of crime is not up to the job. A word that keeps popping up is "struggle." In substance, that's about right. This is a long-term struggle against multiple threats to free and open societies.

But the word "struggle" has its own baggage. It really won't do in German; not since "Mein Kampf" anyway. In English — English English, that is — it has a faint echo of people handing out copies of Socialist Worker on street corners. No, I can't see President John McCain or Hillary Clinton taking up "the struggle." So I'm struggling to find a better term. Ideas, anyone?

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Attorney General Makes Surprise Lecture At Law School (HATCHET)

By Brandon Butler

George Washington University Hatchet, November 2, 2006

U.S. Attorney General Alberto Gonzales made a surprise visit to a Law School class Tuesday and spoke about U.S. policy in the war on terror.

Students in the Law School's criminal procedure class were surprised to see the special guest speaker in Stockton Hall Tuesday. Associate professor of law Renee Lerner teaches the class and is an acquaintance of Gonzales'. The two worked together when she was at the Department of Justice and he served as White House counsel.

"When he walked in there was a definitive gasp," Lerner said. "The students were happily surprised to see him."

The attorney general spent about 15 minutes talking about issues such as the USA PATRIOT Act, wiretapping and military tribunals. Then, for about 35 minutes he answered questions from the 40 students in the class.

Lerner said Gonzales had a "very warm and inviting manner" when speaking with the students, whom she said responded well to the visit.

"Several students mentioned it was good to hear from someone who is directly involved in legal questions they study in an academic setting," she said. "Some also mentioned how fortunate we are to be in Washington D.C. where we have access to such high-ranking officials."

Lerner said she arranged the visit a couple of months ago when Gonzales approached her because he wanted to guest lecture in a Law School class. She did not tell her students Gonzales would be joining the class, but assigned readings on the subjects he spoke about.

She said that in the late 1990s, she arranged a guest lecture from then special prosecutor Kenneth Starr who was investigating President Bill Clinton.

CORPORATE SCANDALS:

H-P's Hurd Answers House Panel On Probe, Sheds Little New Light (WSJ)

By DON CLARK And PETER WALDMAN

The Wall Street Journal, November 2, 2006

There are a few lingering questions in the Hewlett-Packard Co. leak-investigation scandal. For the most part, Chief Executive Mark Hurd has answered them with a standard response: I don't remember.

Mr. Hurd yesterday submitted written answers to 16 questions that were put to him by a House subcommittee investigating the affair, following his Sept. 28 testimony before the subcommittee. The responses don't provide much new information.

The investigation into media leaks of boardroom discussions, which began in early 2005 at the behest of former Chairman Patricia Dunn, included the examination of private phone records of directors, journalists and others. Private investigators, working on behalf of H-P, obtained records using a technique called pretexting, which involves pretending to be the user of a particular phone account.

SEE MORE

1

Read Mark Hurd's written responses2 to the House subcommittee questions.

One unanswered question is exactly when Mr. Hurd learned that phone records were being examined. He attended portions of a July 22, 2005, meeting that discussed the first phase of the leak investigation, called Kona I, but in response to questions from the House subcommittee, he said he can't recall much about it.

"I cannot say that as of the July 22, 2005, meeting I understood that 'phone record information' was being obtained in connection with, or was assisting in the 'Kona I' phase of the investigation. At some point, I did come to understand that telephone-call information was being used," Mr. Hurd said in a response to the subcommittee.

Mr. Hurd said, in retrospect, he wishes he had been more focused on the "investigatory methodologies" used in the probe. He said he "did not think that anything improper might have been done" until much later, after Thomas Perkins resigned as a director in May 2006 and raised questions about the investigation.

"Unfortunately, I was not focused on the issue, so I did not dive into the details" of the investigation at the July 22, 2005, meeting, Mr. Hurd wrote.

Other evidence, indicates Mr. Hurd was indeed focused on media leaks during this period. In two separate speeches to H-P employees within days of his July 22, 2005, briefing on the leaks investigation, Mr. Hurd upbraided H-P workers for leaking corporate information to the media before H-P had formally disclosed it. In one of those speeches, Mr. Hurd called media leaks "reprehensible and unacceptable," and promised to "deal with [the leakers] appropriately." He said, "It is absolutely unacceptable that information does not stay in the company and that we have people that can't behave like adults."

Other participants in the July 22, 2005, briefing on the leaks investigation have said phone records were indeed discussed. Tony Gentilucci, H-P's former chief of investigations -- who ran the Kona I probe -- told H-P's outside counsel in August 2006 that he briefed Mr. Hurd and other H-P officials at the July 22 meeting, and "that the issue of obtaining phone records came up." Mr. Gentilucci added that he didn't think the details of pretexting were discussed.

Kevin Huska, another H-P security official who attended the July 2005 meeting, told H-P's outside lawyers that he thought "the concept of obtaining phone records" was discussed, but he wasn't sure whether pretexting itself came up.

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And Ronald DeLia, the private investigator who led the leak probes for H-P, told H-P's outside lawyers that "any results" discussed at that July 2005 meeting, "would have had to include the results of the telephone research." Mr. DeLia said he didn't recall if Mr. Hurd was in the room for any discussion of phone records.

Several of the subcommittee's questions homed in on a remark that Mr. Hurd made to H-P's outside counsel in August of this year that he got the impression that H-P's investigators may have been obtaining phone records from some Web site. But he said he couldn't clarify whether he got that impression from the July meeting.

"I cannot say who made the remark about obtaining phone-record information off the Web or when that remark was made without speculating," Mr. Hurd wrote. "What I recall is that at some meeting someone mentioned getting phone-record information off of the Web and thinking there must be some sort of Web site with this information."

When Ms. Dunn gave similar testimony at the subcommittee hearing in late September, she was ridiculed by some House members, who found her belief that private phone records were publicly available to be implausible.

The subcommittee asked Mr. Hurd to explain his understanding of a PowerPoint slide presented at the July 2005 meeting, which said "intelligence" had been obtained that indicated one H-P director "appears to have contacted" certain journalists.

In response, Mr. Hurd wrote that he didn't recall any discussion at the July 2005 meeting of "what 'intelligence' meant or what specific types of 'intelligence' had been obtained."

The subcommittee's written questions focused only on the Kona I investigation. An H-P spokesman said Mr. Hurd is expected to respond to a second set of questions from the subcommittee within the next 30 days.

Last month, Ms. Dunn, Mr. DeLia and three other people were charged by California prosecutors with criminal fraud and conspiracy stemming from H-P's spying. All have professed innocence. Ms. Dunn was forced to resign as an H-P director. Messrs. Gentilucci and Huska were not charged with any crimes; Mr. Gentilucci resigned from H-P. Mr. Hurd was named to the additional post of H-P chairman, succeeding Ms. Dunn.

Sorin To Plead Guilty In Comverse Backdating Case (WSJ)

By PAUL DAVIES And MARK MAREMONT

The Wall Street Journal, November 2, 2006

The former general counsel of Comverse Technology Inc. is expected to plead guilty today to one count of criminal conspiracy in connection with an options-backdating scheme, according to people familiar with the matter.

William F. Sorin, a Harvard-educated lawyer who was at Comverse for more than two decades, would be the second former executive of the telecommunications-software firm to plead guilty. The company's former chief financial officer, David Kreinberg, entered a guilty plea last week.

Mr. Sorin, 57 years old, is scheduled to have a hearing at 12:30 p.m. EST today before Judge Nicholas Garaufis in U.S. District Court in Brooklyn, N.Y. He was charged in August with conspiracy to commit mail fraud, securities fraud and wire fraud and is expected to plead to one conspiracy count. The maximum time in prison for that charge is five years.

The main target in the case, former Comverse Chief Executive Kobi Alexander, fled the country ahead of the charges and was arrested in September in Namibia after an international manhunt. An Israeli citizen and U.S. resident, Mr. Alexander is fighting extradition requests by the U.S. government, which has charged him in a 35-count indictment with securities fraud, bribery and other crimes. His attorneys have said he will contest the charges if and when he returns to the U.S.

Mr. Kreinberg is cooperating with the government, and in pleading guilty last week he claimed Mr. Alexander was the mastermind of a stock-options backdating scheme at Comverse that secretly boosted pay for top executives and caused the company to inflate its net income. Mr. Sorin has been in plea discussions with prosecutors in the Eastern District of New York, who declined to comment on whether he also will cooperate against Mr. Alexander.

Comverse is one of more than 130 companies being investigated by federal authorities for manipulating their options to benefit insiders. Options allow recipients to buy stock at a preset exercise price, generally set at the market price on the day they were granted. Backdating involves pretending that an option was granted on an earlier date when the market price was lower, thus conveying extra potential profit to the recipient.

In charging Mr. Sorin in August, federal authorities claimed that he, in effect, had tricked compensation committee members of Comverse's board into approving the backdated grants, by getting them to sign documents with the bogus grant dates already filled in.

5 Workers Charged With Conspiracy & Security Fraud (KCBS)

KCBS-TV, CBS 2, Los Angeles, November 2, 2006

(CBS) LOS ANGELES Five men who worked for a San Diego brokerage took secret commissions for selling stocks their firm had bought cheaply and that their superiors wanted to run up in value, a prosecutor told a jury Wednesday.

The brokerage, Hampton Porter Investment Bankers, shut its doors abruptly in 2001, U.S. Justice Department attorney Kathleen McGovern told a federal jury in Los Angeles.

The five, Bryan Laurienti, Michael Losse, David Montesano, Curtiss Parker and Donald Samaria are charged with conspiracy and securities fraud in connection with the transactions, which typically involved thinly traded low-value stocks their firm had received at deep discounts, the prosecutor said.

The stocks were known as "house stocks." "They carried out this scheme by pushing house stocks on their clients, many of whom had no business being in these stocks," McGovern said her opening statement.

The owners of the brokerage, John Laurienti and Gregory Walker, have pleaded guilty and are cooperating with the prosecution of their former underlings, McGovern said.

Prosecutors allege that more than 100 of Hampton Porter's clients were bilked out of an estimated $5 million as the result of trades made between 1998 and 2000.

Once the clients bought the stocks, the prices would go up, and co-conspirators in the alleged scam would sell their shares for huge profits, according to the government.

In addition to the commissions the clients paid for trades, Hampton Porter paid the defendants special commissions of about 10 percent for selling the house stocks, which they were allowed to keep only if the clients didn't then sell the shares, prosecutors allege.

But Bryan Laurienti's attorney said her client did not conduct any trades clients did not request. He "wasn't answering to a contingent in the firm, who the prosecution has told you they know were crooks," defense lawyer Evan Jenness said.

Jenness said some of the clients who bought the house stocks "made a lot of money" very quickly.

Jenness also blamed the dot-com stock market crash for prompting some of the clients to decide they should not have been involved in risky trades.

Lawyer Marcia Brewer, who represents Curtiss Parker, contended John Laurienti and Walker kept their scam hidden from the underlings at Hampton Porter because they wanted to make the brokerage seem legitimate. The brokers were yelled at if they did not sell the house stocks, Brewer said.

Testimony in the case is expected to begin Thursday morning.

Prosecutors Are Prospering (HC)

By Kristen Hays

Houston Chronicle, November 2, 2006

Talent from the task force is moving on or moving up

The Enron scandal led former CEO Jeff Skilling to a lengthy prison sentence.

But it also led to lucrative moves to law firms, promotions or academic careers for several of the federal prosecutors who dogged him and other corporate crooks.

Two of the three prosecutors who headlined the trial of Skilling and former Enron Chairman Ken Lay have left government work for law firms with deep pockets. The third is considering options.

Several prosecutors have done the same, though others chose different paths after serving an Enron tour of duty.

Upon Skilling's sentencing last week to 24 years and four months in prison for 19 criminal counts, the Justice Department said its Enron Task Force was disbanding after nearly five years, more than 30 indictments, 16 guilty pleas and five trials with a mixed record of success.

Their experience in chasing crimes made task force members hot commodities to law firms offering big money, said Adam Gershowitz, a professor at the South Texas College of Law in Houston.

"They got a lot of recognition from it. That means the next time a major white-collar case comes along and people look down the Rolodex on who to hire, they may want one of these guys," he said.

Most white-collar work, such as internal company investigations, never reaches a courtroom, though companies pay a lot for such guidance, Gershowitz said. Ex-federal prosecutors "are a cash cow for some of these big law firms because white-collar is very lucrative."

Sean Berkowitz, the third director of the Justice Department's Enron Task Force since its inception in January 2002, left the government this week to switch sides. He cross-examined Skilling, challenging everything from the ex-CEO's truthfulness to whether he paid his taxes.

"I'll be accepting with a major law firm in the Chicago area as soon as this week," Berkowitz said Wednesday, declining to confirm the name. Several firms have reportedly pursued Berkowitz since the trial ended.

John Hueston, who brutally cross-examined Lay, will join Los Angeles firm Irell & Manella next week after wrapping up a two-week Enron speaking tour in China.

The third main prosecutor, task force deputy director Kathryn Ruemmler, confirmed Wednesday that she is exploring opportunities but hasn't decided what her next move will be.

Berkowitz said critics may decry prosecutors who bolted for lucrative private-sector jobs. But he said none knew when they joined the Justice Department that Enron would come along or whether prosecutions would be successful. And most federal prosecutions go unnoticed.

"If we had not performed well, obviously it would not have gone as well," he said. Enron "has allowed people on a national level to see the talent that exists within the ranks of the Department of Justice."

North and FleissSeveral top white-collar attorneys that Enron prosecutors have faced also were once federal prosecutors.

Those include John Keker, lead lawyer for former Enron finance chief Andrew Fastow, and Mark Holscher, a member of Skilling's legal team. Keker prosecuted Oliver North in the Iran-Contra scandal and Holscher prosecuted Hollywood madam Heidi Fleiss.

None of the Enron prosecutors served on the task force from its inception through to the Lay-Skilling convictions. They hailed from cities throughout the country, and the work often required months away from home.

The first director, Leslie Caldwell, left the task force in March 2004, shortly after Skilling was indicted but before Lay was. She joined Morgan Lewis in New York a few months later.

She said she has no regrets about missing the premier trial in the probe.

"I never intended to stay for the duration, only to get things focused and moving forward until at least the key players were addressed," she said. "And I knew the case was in great hands."

The deputy director who moved up to replace her, Andrew Weissmann, stayed longer than any other task force prosecutor before he stepped down in July 2005. For several months he served as special counsel to FBI Director Robert Mueller, and in March of this year he joined Jenner & Block in New York. Another ex-Enron prosecutor, Lisa Monaco, now advises Mueller.

"Doing a very sophisticated white-collar investigation prepares you for representing companies," Weissmann said. "Enron itself was the world's most complicated internal investigation."

Sam Buell chose academia after leaving the task force in early 2004 upon having secured an indictment against Skilling. He was a visiting professor for two years at the University of Texas School of Law, and this fall joined the faculty of Washington University School of Law in the St. Louis area.

He said he always expected to write and teach in his post-prosecutorial life.

"Enron was the ultimate case in terms of its challenging complexity and national importance, so there really wasn't a whole lot left for me to do in the Department of Justice after Enron that would excite me," Buell said.

Justice promotionsStill others have moved up in the Justice Department.

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• Cliff Stricklin, a former Texas state judge in Dallas who helped prosecute Skilling and Lay, in August was appointed first assistant to U.S. Attorney Troy Eid in Denver. He is to lead the prosecution team in the March insider trading trial of former Qwest Communications CEO Joseph Nacchio.

• Matthew Friedrich, who helped prosecute two trials, is counselor to U.S. Attorney General Alberto Gonzales.

• Ben Campbell, who led the prosecution team in the first broadband trial last year, succeeded Friedrich as acting chief of staff and principal deputy assistant attorney general in charge of the Justice Department's criminal division.

• Van Vincent, who joined the task force in December to lead the retrial of two of the broadband executives this year, will begin a six-month detail in Iraq later this month as attorney adviser with the Justice Department's Regime Crimes Liaison Office in Baghdad. The organization helps the Iraqi High Tribunal with war crimes investigations and trials.

New York AG Presses Companies To Stop Paying Indicted Employees' Legal Bills (LAW)

By David Hechler, Corporate Counsel

Corporate Counsel, November 2, 2006

Federal prosecutors aren't the only ones putting the squeeze on corporate defendants, it turns out. Like the U.S. Department of Justice, New York state Attorney General Eliot Spitzer has also pressured companies to stop paying the legal fees of employees who face criminal charges. Spitzer appears to be the only state AG who has raised fee payment as an issue.

A handful of defense attorneys with clients indicted by Spitzer knew that he had demanded fee cutoffs. But the AG's tactics came as a surprise to several white-collar crime experts and leaders of the bar, including officials at the Association of Corporate Counsel, the National Association of Criminal Defense Lawyers and the American Bar Association.

Most of Spitzer's targets are financial institutions swept up in his probe of mutual funds. According to a Corporate Counsel review of 17 agreements that Spitzer's office struck with companies accused of market timing, nine settlements included "no indemnification" clauses. These provisions prohibit a business from paying the legal fees of indicted employees unless its bylaws require it. In one instance, Bank of America Corp. agreed to a no-indemnification clause even though its bylaws require it to pay fees. Moreover, the bank had already begun advancing expenses in at least one case.

Spitzer's office declined to comment on the no-indemnification clauses. (Spitzer is running for governor of New York.)

The fee issue first garnered public attention in the Justice Department's prosecution of 16 former employees of KPMG for allegedly promoting and selling illegal tax shelters. In June the federal district court judge hearing the case ruled that Justice lawyers had unconstitutionally pressured KPMG to stop paying the legal bills of its ex-employees. Judge Lewis Kaplan wrote in his decision that the right of employees to have their companies pay their legal expenses "is as much a part of the bargain between employer and employee as salary or wages."

Though the fee cutoff question had come up in court before, Kaplan appears to be the first judge to issue a written ruling since the Justice Department issued its corporate prosecution guidelines in 2003. Known as the Thompson Memorandum, the guidelines instruct federal prosecutors to consider whether a company is paying its employees' legal bills when deciding whether to indict the business.

Spitzer has also taken an aggressive approach on fee payment, most often in mutual fund cases. Starting in 2003, the AG began investigating firms that engaged in market timing of their funds -- rapid trading that benefited favored clients to the detriment of long-term shareholders. It was a natural issue for Spitzer, since New York is the capital of the financial services industry. Believing that federal securities enforcement was lax, the AG resolved to go after perceived offenders himself. He was helped by a New York state securities law, the Martin Act, which allows prosecutors to win convictions without having to prove criminal intent.

To date, nine companies implicated in the market-timing probe have signed agreements with the AG that contain no-indemnification clauses. In virtually identical language in a section headed "Cooperation," the businesses are prohibited from paying expenses of "current or former directors, officers, employees, or agents," except where required by law or written agreement.

In addition to Bank of America, the companies that have agreed to this provision are Bank One Corp.; Federated Investors Inc.; Pilgrim Baxter & Associates Ltd.; RS Investment Management Inc.; Strong Capital Management Co.; Alliance Capital

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Management Corp.; AIM Advisors Inc. and Invesco Funds Group, which are affiliated; and Waddell & Reed Financial Inc., which signed the most recent agreement, in July.

One corporate defense attorney who challenged Spitzer on fee payments is C. Evan Stewart of New York's Zuckerman Spaeder. Stewart represents former Bank of America financial adviser Theodore Sihpol III, who was indicted by Spitzer's office in 2004. Though Bank of America's bylaws required it to pay its employees' legal fees, Stewart says he had to sue the company to force the issue.

According to Sihpol's complaint, filed in Delaware Chancery Court in 2003, his attorney was told by a Bank of America lawyer that it had decided to "cooperate fully" with Spitzer's office, and any "request for advancement of [legal] expenses by Mr. Sihpol would be vetted with the attorney general." After the bank's lawyers submitted a written request to Spitzer's office, they later told Sihpol that expenses would not be advanced. But shortly before the suit was scheduled to go to trial, Bank of America agreed to pay.

In Stewart's view, the denial of fees is "fundamentally a denial of due process." He explains, "You're taking away the ability of people to defend themselves." A lawyer for Bank of America did not respond to a request for comment. In July 2005 a Manhattan jury acquitted Sihpol on 29 of 33 charges, deadlocking on the others. Three months later, the AG dropped those charges too.

Spitzer has aggressively pushed the fee issue in at least one other case. Last year his office sued Soundview Health Center to require that its indicted executives post a bond before it could could pay their attorneys' fees. Spitzer wanted to ensure that employees at the New York-based nonprofit health care provider who had been charged with misusing state funds would personally repay their legal expenses if they were eventually convicted.

Soundview's lawyer, Susan Necheles of New York's Hafetz & Necheles, says she had never heard of a prosecutor demanding a bond in such circumstances. "The attorney general was trying to squeeze people into cooperating with the investigation," Necheles says. "They were trying to cut off fees so people couldn't defend themselves." The state court judge denied Spitzer's demand. The employees eventually pleaded guilty to lesser offenses and still work at Soundview, Necheles says.

Defense lawyer Stewart hopes prosecutors at both the state and federal level will have a change of heart about fee payments after the KPMG ruling, but he isn't sanguine about it. "The optimist in me says I hope so, but I remain skeptical," he says. "I think the government will use every power it has at its disposal to do what it thinks is necessary."

Halliburton Says It Will Agree To SEC's Request For More Time For Bribery Investigation (FINDLAW/AP)

By Marcy Gordon, Ap Business Writer

AP, November 2, 2006

(AP) - WASHINGTON-Halliburton Co. has said it will agree to the Securities and Exchange Commission's request for more time to investigate possible bribery and corruption in connection with the company's natural gas operations in Nigeria.

The oilfield services conglomerate disclosed the SEC's recent request for a so-called tolling agreement in a regulatory filing on Tuesday. Such an accord will put off the time when the legal clock started running, or tolling, on the case under the statute of limitations - generally five years for such investigations.

The agreement also gives Houston-based Halliburton more time to make its case to the SEC against possible civil charges under the Foreign Corrupt Practices Act or to work out a settlement with the agency. The act makes it unlawful to bribe foreign government officials or company executives to obtain or retain business.

"In September 2006, the SEC requested that we enter into a tolling agreement with respect to its investigation. We anticipate that we will enter into an appropriate tolling agreement with the SEC," Halliburton said in its filing.

SEC spokesman John Nester declined comment Wednesday.

Both the SEC and the Justice Department have been investigating an alleged $180 million (â,¬141 million) bribery scheme in Nigeria involving the predecessor company of Halliburton engineering and construction subsidiary Kellogg, Brown & Root and three other companies - from France, Italy and Japan. The allegations center on a contract for a $4 billion (currently â,¬3.1 billion) Nigerian liquefied natural gas plant that was awarded in 1995 to a consortium of the four companies.

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Halliburton fired two consultants, including former KBR chairman A. Jack Stanley, for violating the company's business code of conduct by receiving "improper personal benefits" related to the consortium's construction of the Nigerian plant.

A former KBR employee has asked Congress to investigate what he claims are Halliburton's efforts to cover up violations of the anti-corruption law and to mislead federal investigators.

David A. Smith said in a filing with the SEC in September that he mistakenly received e-mails from a company attorney on how to handle federal investigations - notes he says were intended for David R. Smith, a vice president with Halliburton's tax group.

The e-mails, he said, focused on how Halliburton would defend itself against bribery charges.

David A. Smith, who says he owns a single share of Halliburton's common stock said in his SEC filing that David R. Smith "was being asked to weigh in on how to explain away the source of the bribes paid to Nigerian officials."

Halliburton has said that Smith's allegations are groundless.

The company, whose chief executive was Vice President Dick Cheney from 1995 to 2000, has been criticized since the beginning of the war in Iraq in connection with multibillion-dollar government contracts.

In a report released last month, the special inspector general for Iraq reconstruction found that KBR, which provides food, shelter and other logistics to U.S. troops in Iraq and Afghanistan, abused federal rules to conceal details of its contract performance.

On the Net:

Securities and Exchange Commission: http://www.sec.gov

Halliburton Co.: http://www.halliburton.com

CRIMINAL LAW:

Judge May Allow Abramoff To Be Sentenced In Washington (MH)

By Jay Weaver

The Miami Herald, November 2, 2006

The imminent surrender of superlobbyist-turned-superinformant Jack Abramoff on a South Florida fraud conviction is eclipsing his starring role in a Washington corruption probe.

Abramoff is set to turn himself in on Nov. 15 to serve about six years in prison for lying to obtain a $60 million bank loan to buy a fleet of South Florida gambling ships.

Now, Justice Department lawyers and Abramoff's attorneys are rushing to have the once-powerful Republican insider sentenced two days later on a separate corruption conviction.

That way, they say, he can be imprisoned near Washington to continue to inform the government on dozens of lawmakers under investigation. Abramoff faces between 9 and 11 years in prison.

This week, U.S. District Judge Ellen S. Huvelle might consider their request for the Nov. 17 sentencing in Washington.

Justice Department prosecutors fear that if Abramoff ends up being incarcerated hundreds of miles from the nation's capital, their complex influence-peddling probe would be seriously hampered or indefinitely stalled.

The reason: Abramoff would not be as readily available to make sense of thousands of sensitive documents, e-mails, computer files and other potentially incriminating records for investigators. While he has been free on bond, he has been working around the clock as an informant for the Justice Department.

The investigation, which is likely to affect next week's congressional midterm elections, has already netted a half-dozen Washington lobbyists and GOP Congressman Bob Ney of Ohio.

The Washington probe's fate may come down to the timing of Abramoff's two sentencings.

U.S. District Judge Paul Huck, who has granted Abramoff three surrender extensions since his sentencing in late March, won't budge anymore.

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"My main concern is, there comes a time when people have to pay the piper, so to speak," Huck said at a late September hearing in a Miami federal court. ``I think that time has come."

Breach At Lab Called Significant (LAT)

By Ralph Vartabedian

Los Angeles Times, November 2, 2006

More classified information from Los Alamos nuclear facility was found in the police raid of a residential trailer than was first disclosed, sources say.

A significantly larger amount of classified information from a nuclear weapons laboratory in New Mexico was discovered in a residential trailer during a police search on Oct. 17 than was disclosed by law enforcement officials, sources close to the investigation said Wednesday.

The search turned up a number of copies of classified documents from Los Alamos National Laboratory in the trailer park where a former employee lived.

Law enforcement officials last week had described finding only three electronic storage devices, known as memory sticks or thumb drives, inside the trailer. It was unclear whether the employee had knowingly removed secret material and placed it on the drives.

The discovery of the documents heightened concerns that the removal of classified information from the laboratory was not purely accidental, according to the sources, who asked not to be identified because they were not authorized to make public statements.

Spokesmen for the laboratory and the Department of Energy said they would not comment about the classified documents, noting that the matter was in the hands of the FBI.

An FBI spokesman in New Mexico said the agency did not comment on ongoing investigations.

But it was clear that federal officials had grown concerned about the security breach.

Deputy Energy Secretary Clay Sell and National Nuclear Security Administration chief Linton F. Brooks went to Los Alamos this week to assess the breach and oversee the administrative probe into how the classified information was removed.

The facility has a long history of security and safety breaches. After new management was installed by the Energy Department this year, top officials had hoped the problems were solved. But the current incident is "one of the utmost concern," according to lab director Michael Anastasio.

Despite plans to eliminate most, if not all, of the access that employees have to transfer data from classified computers to removable storage devices, a significant ability still exists to place documents on disks and drives that can be taken from the lab, according to one official.

The existence of a larger amount of classified data at the trailer was first disclosed by Nuclear Watch New Mexico, a watchdog group in Santa Fe, which said it had obtained a detailed summary of a laboratory briefing.

Portions of the information were independently corroborated by The Times.

The summary indicated that police had found 228 documents with information printed on both sides, including classified intelligence and weapons data.

The computer thumb drives contained 408 separate classified documents.

Those numbers could not be independently verified, but sources told The Times it was a "large amount of information."

The documents originated in a classified data vault in the lab's dynamic experiments division, which conducts tests on nuclear weapons components, the summary said.

When Los Alamos police arrived at the trailer in response to neighbors' report of a fight, they found Justin Stone, 20, who was wanted on a probation violation, according to a police report.

Stone was hiding in the trailer owned by former laboratory archivist Jessica Quintana, and agreed to come out only after police promised he could smoke a cigarette before being placed under arrest.

A search of the trailer turned up a sizable amount of drug paraphernalia associated with methamphetamine use, and the classified data. Stone remains in custody.

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Quintana, 22, later admitted to police that one of the glass drug pipes was hers, according to the police report. She has not been charged.

Quintana's attorney, Stephen Aarons, told New Mexico newspapers that Quintana did not know the significance of the information on the thumb drives.

Karen Weldon's Ties To Serbs Detailed (PHI)

By Mark Fazlollah And John Shiffman

The Philadelphia Inquirer, November 2, 2006

As her father the congressman publicly supported a Serbian family with close ties to war criminal Slobodan Milosevic, lobbyist Karen Weldon in 2003 won a $240,000 contract to help improve the family's image.

Her relationship with the Karic family continued into late 2004, months after the House ethics committee began an investigation of her contracts and the role of her father, Rep. Curt Weldon (R., Pa.), The Inquirer has learned.

A newly obtained State Department cable shows that she tried to help the wife of Serbian tycoon Bogoljub Karic get a visa to visit Florida. The State Department - noting the request came from a congressman's daughter - opposed the visa, citing links to "terrorist activities."

"Karic wanted the visa to try to make himself respectable," recalled Ambassador Richard Gelbard, who was President Bill Clinton's personal envoy to the Balkans. "Getting a U.S. visa is like getting the Good Housekeeping Seal of Approval."

Bogoljub Karic has been on the lam since being charged in February with embezzling Serbian state funds. The Karics were once referred to as "the Rockefellers of Serbia."

The FBI is now investigating Karen Weldon's work for the Karics and other clients, trying to determine whether Curt Weldon used his position to help her win contracts.

Curt Weldon, who also repeatedly tried to persuade the State Department to grant visas to the Karic family, has said that his daughter never lobbied him and that he has not violated any ethics rules.

A lawyer for Curt Weldon, William J. Winning, said that the "cable doesn't say anything about what Congressman Weldon did or didn't do, or that he even knew about it."

"I think it's extremely disturbing that we've had a series of bureaucratic leaks so close to the election that are obviously calculated to undermine Congressman Weldon," Winning said. "That strikes me as being particularly unfair."

The lawyer for Karen Weldon, James J. Rohn, declined to comment on the cable. Speaking generally about the investigation, Rohn said: "I've reached out to the government and offered our cooperation."

Prosecutors declined to comment.

The investigation became public Oct. 13, in the last weeks of a tough reelection fight for Weldon, a 10-term Republican from Delaware County.

On Oct. 16, FBI agents raided Karen Weldon's home in Philadelphia and office in Media. Agents also raided the Florida office of Itera International, a Russian energy giant that has paid about $500,000 to Solutions Worldwide for public-relations work, and whose employees have contributed $20,000 to Curt Weldon.

Gelbard said he twice met with Karic in an unsuccessful attempt to get him to disavow Milosevic. When he refused, the United States took away Karic's visa in 1999.

"We tried to use the visa as leverage," Gelbard said. "When he wouldn't help, we got the Europeans to revoke his visa also."

Both Weldons have long-standing relationships with the Karic family. He tried to help them as a congressman; she promoted them as a public-relations agent.

In 2003, Weldon unsuccessfully lobbied U.S. diplomats and immigration officials to allow Dragomir Karic, Bogoljub's brother, to enter this country as the congressman's guest at the annual National Prayer Breakfast in Washington.

Later that year, Weldon led a congressional delegation to Serbia to meet with Bogoljub Karic and the Serb's trade group.

Weldon has acknowledged that he has reviewed extensive - and unflattering - U.S. intelligence reports about the Karic family's ties with Milosevic.

"They told me that he and his brothers owned Milosevic, that they owned the banking system," Weldon said in a 2002 hearing before his House Armed Services Committee, speaking of conversations with U.S. Army intelligence officers.

"... The wives of the Karic brothers were best of friends with Milosevic's wife," Weldon told the committee. "The Karic brothers actually owned the house Milosevic lived in that we bombed."

Weldon came to change his mind about the Karics, and to believe they were humanitarians who were bullied into supporting Milosevic, a former staffer told the Los Angeles Times.

Karen Weldon's firm received a $20,000-a-month contract from the Karic family foundation in March 2003 to burnish the Karics' image and help them establish a "Serbia House" in Washington.

The State Department cable was posted by the U.S. Embassy in Belgrade on Oct. 15, 2004. It included a paragraph about Karen Weldon's efforts on behalf of Bogoljub Karic's wife, Milanka.

"An invitation letter was submitted from Karen Weldon, daughter of Congressman Curt Weldon," the document says. It noted that Bogoljub Karic is "ineligible under 212(a)(3)(B) (Terrorism Activities)."

"Mrs. Karic is in the lookout system as a '00' hit," the document says, a designation used for a person believed to be involved in criminal activity, according to State Department officials. A former senior diplomat said that Bogoljub Karic was suspected of money-laundering and gun-running.

Milosevic, who died in prison this year while on trial before the U.N. war-crimes tribunal at the Hague, was indicted in 1999 for ethnic cleansing during the 1990s Balkans war.

State Department officials said they could not comment on whether Milanka Karic received the visa.

The House ethics committee began investigating Karen Weldon's contracts in March 2004, after the Los Angeles Times report.

Curt Weldon has said he was cleared by that investigation. He has declined to release the committee's letter, which was issued in late September.

Karen Weldon owns a firm called Solutions Worldwide with partner Charles P. Sexton Jr., a top Delaware County Republican leader. Joseph Fioravanti, a lawyer for Sexton, said he could not comment, adding that he did not recall any details of the firm's work for the Karics.

U.S. diplomats have used the "terrorist activity" label to block visas for people as varied as Iran's hard-line president, Mahmoud Ahmadinejad, members of the Palestine Liberation Organization, and Venezuela's Supreme Court president, Omar Mora.

Powerful Republican Enters A Dogfight Over Lobbying Link (FT)

By Stephanie Kirchgaessner In Washington

Financial Times, November 2, 2006

In the high-stakes world of US lobbying, the Pennsylvanian town of Media is an unlikely power base for one of Europe's biggest defence manufacturers.

But in June 2005, Oto Melara, a division of Italy's Finmeccanica, turned to Cecelia Grimes, a property agent-turned lobbyist based in the quiet suburban town, to lobby on the company's behalf on crucial congressional defence appropriations decisions.

At first glance the decision to hire Ms Grimes, who runs her firm Grimes & Young from home, was an odd one. The lobbyist, who is known as "Cece", did not have the credentials of a seasoned Washington power player, unlike the company's former lobbyist, David Bates, who had served as an aide to President George Bushsenior.

But Ms Grimes did have at least one influential friend from the state in the US Congress: Curt Weldon. Today, Mr Weldon, a 10-term congressman who is the number two Republican on the powerful House armed services committee, is in a fight for his political life ahead of next week's mid-term elections.

In an election year that has been tough for Republicans across the country because of the unpopularity of the war in Iraq and a host of corruption scandals in the capital, Mr Weldon's campaign battle has been made more difficult by allegations that the lawmaker used his political weight to steer lobbying work to friends such as Ms Grimes and his own daughter, Karen, who heads the lobbying firm Solutions North America.

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Last month, the FBI raided Ms Weldon's home and lobbying firm and the Florida headquarters of Itera, a Russian natural gas company that was championed by the congressman and was one of Ms Weldon's most lucrative clients.

According to a report in the Washington Post, prosecutors have already empanelled a grand jury on the Weldon case, and have obtained evidence through wiretaps on Washington-based mobile phones.

While it is unclear whether the investigation by federal prosecutors is limited to questions about the Weldon family's links to Itera, the probe has put Mr Weldon's other activities - including his support of Finmeccanica - under the microscope. It has also raised new questions about the fine line that regulates dealings between corporate lobbyists, lawmakers and the companies they advocate following the scandal involving the convicted "super-lobbyist" Jack Abramoff.

The Pennsylvania lawmaker has defended his record and said he believed the FBI's investigation was politically motivated.

Whatever the outcome of the probe, Mr Weldon's broad support for Finmeccanica has undoubtedly helped the company make inroads in the lucrative market for US defence projects. The support also appears to have bolstered the congressman's hometown district, which was chosen by Oto Melara in 2004 as a site for a new plant.

That same year Mr Weldon convinced the US Navy to reconsider a gun manufactured by Oto Melara, the Super Rapid 76mm, even though contractors had already chosen a gun made by United Defense, another manufacturer. At the time Mr Weldon said he was confident that giving Oto Melara "a fair chance" to bid for the project would lead to a "major investment" in the company's product.

One year later AgustaWestland, which is 50 per cent owned by Finmeccanica, won with Lockheed-Martin a $1.7bn (€1.4bn, £895m) contract to build the presidential helicopter, Marine One.

Although the award of the contract was seen at the time as a gesture of gratitude by the US to the government of Silvio Berlusconi, then Italian prime minister, for his support for the Iraq war, Aviation Week, a defence publication, noted the friendship between Mr Weldon and Pier Francesco Guarguaglini, Finmeccanica's chief executive. Mr Weldon's other daughter, Kim, was retained by AgustaWestland last year.

Russ Caso, a top aide to the lawmaker, denies Mr Weldon helped AgustaWestland to clinch the helicopter deal or that the company hired Kim Weldon to win favour with the congressman.

The Italian defence group said it had not been contacted by federal investigators and said it did not "seem" to be involved in the investigation. The company said it hired Ms Grimes last year after the chief executive of the subsidiary's US division, Howard Goldberg, met the lobbyist and was impressed by her "local expertise" in the Philadelphia market.

The statement contrasts with Ms Grimes's own lobbying disclosure forms, which indicate she lobbied lawmakers in Washington. Ms Grimes did not respond to requests for comment by the Financial Times, but she told the Los Angeles Times this year that her clients picked her firm over other Washington lobby groups because she was more affordable.

She also denied her clients liked her lobbying firm because of her friendship with Mr Weldon, whom she has known for 15 years.

Women's Testimony Continues At FCI Trial (TALLDEM)

By Chitra Subramanyam, DEMOCRAT STAFF WRITER

Tallahassee Democrat, November 2, 2006

One by one, women walked into a federal courtroom Wednesday to testify against two correctional officers charged in a sex-with-prisoners conspiracy on Day Three of their trial.

Ten women, some in suits and others in chains and prison uniforms, described their encounters with the two men at the Federal Correctional Institution in Tallahassee.

Alan Moore and Gregory Dixon are two of five FCI officers arrested June 21. A sixth officer, Ralph Hill, was killed in a shootout at FCI after he opened fire on federal agents. Moore and Dixon are facing trial on charges of mail fraud, bribery, witness tampering and conspiracy. The other officers, Alfred Barnes, Vincent Johnson and E. Lavon Spence, earlier pleaded guilty to mail fraud.

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Some women told jurors they had sex with the officers in exchange for banned items. Others said they acted as lookouts or paid the officers to bring packages containing banned items into the prison. Defense attorneys tried to prove the witnesses were testifying in exchange for a reduced sentence.

One woman told jurors she had sex with Barnes and Moore.

"It wasn't a written agreement or anything like that," she said, referring to Barnes. She had sex with him "for the things that he brought me," she said. Moore, she said, entered her cell one night while her cellmate was sleeping. They had sex twice that night, she said.

A former inmate testified that she often acted as a lookout for Barnes. On one occasion, Dixon propositioned her, she said. On being questioned by defense attorneys, she said she didn't say anything about it earlier because "it was bad for me to cooperate while I was at FCI."

Another inmate, serving time for murder, said she had sex with Hill over a six-month period. On one occasion, she said, Dixon told her he "treated all females like they were wearing wires," and groped her. She told jurors Moore also talked to her about Hill.

One inmate, serving time on drug charges, told jurors Dixon "kinda took me under his wing ... looked at me like a little brother."

The Tallahassee Democrat is not using the women's names because of concerns raised by the U.S. Attorney's Office about identifying them.

The trial continues today.

Ex-Ala. Fire College Official Agrees To Plead Guilty To Fraud (AP)

By Desiree Hunter, The Associated Press

AP, November 2, 2006

MONTGOMERY, Ala. (AP) — A former deputy director at the Alabama Fire College agreed to plead guilty to conspiracy and fraud charges Wednesday, the fifth person at the fire college in Tuscaloosa to be charged in the ongoing probe of corruption in the state's post-secondary system.

The three-count plea agreement was reached with Robert Nix, who retired as deputy director in 1996, took a post at Shelton State Community College and served on the Alabama Fire College and Personnel Standards Commission from 2001-2005.

A former board member and treasurer of the Fire College Foundation, Nix admitted to spending about $70,000 of foundation funds for home improvements such as a gazebo-covered Jacuzzi and various purchases including a large screen TV and two Harley Davidson motorcycles.

He also admitted directing about $25,000 in fraudulent foundation scholarships to his son, granddaughter, grandson, sister and girlfriend's two daughters.

Nix, 67, faces up to five years in federal prison and a maximum $250,000 fine for counts one and two, which are conspiracy to commit theft and conspiracy to commit wire fraud. The third count seeks restitution of $328,000, the total amount Nix admitted receiving for personal use. He also agreed to cooperate with investigators and to plead guilty to a state felony ethics charge.

According to the plea agreement, Nix and the college's executive director spent hundreds of thousands in foundation funds from about January 2000 until September 2004 and falsified financial records. The executive director during that time was W.L. Langston, who was removed in April after concerns were raised about his management of the college.

U.S. Attorney Alice Martin announced the plea deal at a joint news conference in Attorney General Troy King's office at the Alabama Statehouse and said the fire college foundation could have been called the "friends and family foundation."

"When you read that he admits to having paid scholarships that were supposed to be money for the training of volunteer firefighters and EMTs, I wonder how much safer we are as a result of his children receiving scholarships to their grammar schools," she said.

"For too long, too many too powerful have been left unchecked," Martin said.

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Birmingham attorney Tommy Spina, who began representing Nix in 2004, said earnest pre-negotiations between his client and investigators had been going on for a few months. He said he expects Nix to have his first court appearance later this month.

Spina said Nix, who resigned from his part-time job as a fire safety specialist at Shelton State on Monday, recently decided on the plea deal so he could "right the wrongs and move forward."

Martin said the investigation, which began more than two years ago, is still "in the very beginning." She and King would not say how many others could be charged in the case.

"Everybody who has stolen a nickel from the two-year school system is a person of interest and every one of them will be sought and will be prosecuted," King said.

Former state Rep. Bryant Melton, D-Tuscaloosa, was the first to be charged in the joint federal and state probe at the fire college, which is located at Shelton State. He entered an agreement similar to Nix's in June, admitting he funneled state legislative grants to the fire college foundation and then used the money to pay gambling debts.

Next, Jasper banker Phillip Curtis Grace was charged with obstruction of justice and making false statements to federal investigators in August and two Shelton State assistants were arrested in the case last month. Doris Phillips and her daughter, Melinda Phillips Sexton, are accused of conspiring to fraudulently obtain state property and were charged with two counts of theft.

The state's two-year college system has been under intense scrutiny, with questions being raised about the use of state funding and nepotism issues.

Former Chancellor Roy Johnson was fired in July and Interim Chancellor Thomas Corts has begun investigations at Bishop State, where six people have been charged with theft by deception in connection with financial aid irregularities.

Two-year college spokesman Andre Taylor pointed out Wednesday that the fire college is autonomous from the two-year college system and is governed by a separate board. Taylor said two-year officials are working to make sure the "policies, procedures and practices" within the system are "up to par."

Former Elsa Officer Second Accused Of Taking Bribes (FWST)

The Fort Worth Star-Telegram, November 2, 2006

McALLEN, Texas - A former Elsa police officer is the second to be indicted recently for allegedly taking bribes to protect drug loads, federal prosecutors said Wednesday.

Ismael Gomez, 27, is accused in a one-count indictment of receiving about $2,500 to use his official position to protect a vehicle he believed was transporting 10 kilograms of cocaine. The indictment was returned by a McAllen grand jury on Oct. 24 and unsealed Wednesday.

Gomez surrendered to the FBI and was ordered held without bond pending a hearing Nov. 6. He faces up to 20 years in federal prison and $250,000 in fines if convicted.

Another former Elsa police officer, 45-year-old Herman Carr of Donna, was indicted in an unrelated case in September for allegedly taking $5,000 to provide protection for a vehicle he believed was transporting five kilograms of cocaine. Carr is a waiting trial.

Sentencing Postponed For City Official In Truck Scandal (AP)

AP, November 2, 2006

CHICAGO - The sentencing of a key figure in the federal investigation of Chicago's scandal-plagued Hired Truck Program was abruptly postponed Wednesday.

Donald Tomczak, 70, the former deputy head of the city water department, was rescheduled to be sentenced next Monday.

Attorneys said Tomczak was unable to come to court Wednesday because he had an unspecified medical condition.

Tomczak was charged in a federal investigation of the Hired Truck Program which outsources city hauling work to private companies.

He admitted taking payoffs from trucking companies in exchange for hauling work. He pleaded guilty to racketeering and a tax offense.

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He also acknowledged that he headed a so-called patronage army of city workers that campaigned for Mayor Richard M. Daley and his allies. Daley has not been accused of any wrongdoing.

Commerce Bancorp Is Off The Hook (PHI)

By Joseph N. Distefano And John Shiffman

The Philadelphia Inquirer, November 2, 2006

One year after two of its former Pennsylvania executives were sentenced to prison, Commerce Bancorp Inc. says federal prosecutors in Philadelphia are no longer investigating the company.

After "several inquiries" by the office of U.S. Attorney Patrick Meehan in 2004 and 2005, "we were recently advised by the U.S. Attorney's Office that it has concluded its investigations without any action against us," Commerce said in a statement filed yesterday with the Securities and Exchange Commission.

"As a result, Commerce and its employees are not subjects of any investigations" by Meehan's office, the statement said.

Two federal law enforcement officials, speaking on condition of anonymity, confirmed that authorities had concluded their investigation.

Commerce shares fell 10 cents, or 0.3 percent, to $34.82 yesterday on the New York Stock Exchange. Even before the announcement, investors had stopped focusing on the bank's legal problems, and worried more about declining profitability in the banking business, said Gerard Cassidy, bank analyst at RBC Capital Markets, in New York.

Commerce, which has headquarters in Cherry Hill, is the largest bank based in the Philadelphia area. It has grown rapidly across New Jersey and Pennsylvania since the 1970s, targeting local-government deposit, insurance and bond accounts as a key part of its expansion strategy.

But Commerce's attempts to win Philadelphia city business away from locally dominant Wachovia Corp. after Mayor Street's election in 1999 brought the bank under the scrutiny of a federal probe of city contracting practices. The investigation examined the role of the late Ronald White, a lawyer and political fund-raiser, whom Commerce hired as a consultant and appointed as head of the bank's Pennsylvania advisory board.

Commerce Bank of Pennsylvania executives Glenn K. Holck and Stephen M. Umbrell were convicted last year on corruption charges related to former city treasurer Corey Kemp, who, with White's help, tried to win city business for Commerce. Kemp was convicted of providing help in winning city business in return for cash and favors, and sentenced to 10 years in prison. Holck and Umbrell are free while they appeal their convictions.

Assistant U.S. Attorney Michael Schwartz, chief of the public-corruption unit in Philadelphia, said it would be inappropriate to comment.

"Typically, we don't comment on when an investigation is begun, whether it is active or has been concluded," said Schwartz, who prosecuted Holck and Umbrell.

Michael Drewniak, spokesman for the U.S. Attorney's Office in New Jersey, where Commerce is based, would not comment on whether his office had also made inquiries involving Commerce.

Commerce spokesman David Flaherty had no comment.

In the summer of 2005, Meehan said the FBI had seized Commerce records to determine whether the bank had also given municipal officials in Philadelphia suburbs preferential treatment to win government business. But investigators found no wrongdoing by the bank.

Key Dates in Commerce Probe

February 2003: The FBI begins bugging campaign to record Philadelphia officials' dealings with financial companies that sought city business.

October 2003: FBI bug discovered by Philadelphia police in City Hall.

June 2004: Commerce Bank of Pennsylvania executives Glenn K. Holck and Stephen M. Umbrell indicted on charges of attempting to corrupt Philadelphia officials.

May 2005:Holck and Umbrell convicted of conspiring to deliver personal benefits to Philadelphia treasurer Corey Kemp in exchange for help in winning city business.

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July 2005: Kemp sentenced to 10 years in federal prison.

November 2005:A federal judge in Philadelphia sentences Holck and Umbrell to two years in prison and fines. Both men appeal.

December 2005: Commerce pays $600,000 to settle NASD accusations that its bond unit violated political campaign finance rules.

January 2006: U.S. Attorney's Office subpoenas Delaware County and several local governments in Delaware and Bucks Counties, seeking records of their business dealings with Commerce.

November 2006: Commerce tells the Securities and Exchange Commission that the U.S. Attorney's Office in Philadelphia has "concluded its investigations without any action against us."

Fla. Lawmaker Resigns Over Threatening Phone Calls (USAT/AP)

By Laura Wides-munoz, The Associated Press

USA Today, November 2, 2006

HIALEAH, Fla. — A state lawmaker resigned Wednesday from the Florida Legislature and was charged with two felonies in connection with leaving obscenity-filled messages and a racial slur on a colleague's voice mail.

State prosecutors charged Rep. Ralph Arza, a Hialeah Republican, and his 25-year-old cousin, Paulino Barbon. Both men could face up to 10 years in prison if convicted.

Arza, 46, had been urged to resign by House Republicans and Gov. Jeb Bush after the messages left on Rep. Gus Barreiro's voice mail became public.

Barreiro, a Miami Beach Republican, had already filed a complaint with the House rules committee, claiming Arza used racial epithets when referring to a Miami-Dade County official. To thwart the investigation, Arza allegedly left threatening phone messages for Barreiro.

The felony charges are one count each of retaliating against and tampering with a witness.

Authorities said a total of 10 phone calls were made Oct. 21 and Oct. 22 to Barreiro from phones belonging to Arza and Barbon. Five threatening calls were recorded, two from Arza's cellphone and three from Barbon's phone.

The men were expected to turn themselves in today, according to the Miami-Dade County State Attorney Katherine Fernandez Rundle.

Earlier in the day, Arza apologized for his actions and said he didn't want to distract from the work of the Republican-led Legislature. “I do not want to be the story,” he said. Arza previously acknowledged leaving the messages last month but said he was drunk.

He said he had learned that Barreiro had filed the complaint alleging Arza had earlier used a racial epithet when referring to Miami-Dade County schools Superintendent Rudy Crew, who is black. He used the same epithet in the phone message to Barreiro, who is Hispanic, but he has vehemently denied ever using a racial slur to refer to Crew.

Arza resigned about an hour before a special House panel was set to begin hearings on whether to expel him. The hearings were canceled.

“It's not really a happy day for anybody, I don't think,” Barreiro said. “I think he made the right decision — the right decision not only for himself, but I thought he looked at the bigger picture, which is the institution he represents.” Crew called the situation “a tragedy all the way around,” but said Arza was right to leave the Legislature.

The GOP gets to choose a replacement for Arza for Tuesday's general election, but his name will still be on the ballot. The situation will be similar to what has happened in former U.S. congressman Mark Foley's district. The GOP has replaced him with Joe Negron.

Mob Enforcer Denied Bail On Extortion Charges (PHI)

By George Anastasia

The Philadelphia Inquirer, November 2, 2006

Mob enforcer Vincent "Big Vince" Filipelli was trying to explain to a deadbeat gambler the rules of the underworld:

He bet. He lost. Now he had to pay.

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And if he didn't, Filipelli added, he would "hunt him down and put him in the hospital."

That was the message the hulking, former competitive bodybuilder delivered to a gambler named "T.J." during a meeting in the parking lot of a South Philadelphia "gentleman's club" back in May, according to an FBI agent who testified yesterday at Filipelli's bail hearing in federal court in Camden.

What Big Vince didn't know at the time was that T.J. was a New Jersey State Police trooper working undercover in an organized crime gambling investigation. The parking lot meeting was picked up on both audio and videotape as part of a 15-month probe.

After a protracted five-hour bail hearing yesterday, U.S. Magistrate Judge Ann Marie Donio pointed to that threat as the primary basis for granting the government's motion to have Filipelli, 53, held without bail.

Three witnesses outlined the confrontation, which took place in the parking lot of Crazy Horse Too, an upscale go-go bar and restaurant on Columbus Boulevard in South Philadelphia.

Filipelli met that day with T.J. and Lou, two men who had been placing bets with a mob-linked Internet gambling operation. T.J. was State Trooper James Calderelas. Lou was Trooper Leonard DiJoseph.

FBI Agent James Titcombe, who was part of the joint federal-state probe, provided a detailed account of several meetings Filipelli had with the undercover investigators. Titcombe said Filipelli, a former Mr. America bodybuilding champion, boasted about his acts of violence and the fact that he was a "made" member of the mob.

While none of the tapes was played in open court, Assistant U.S. Attorney Jacquline Carle quoted from them in arguing that Filipelli was a danger to the community and should be denied bail.

Filipelli was charged with gambling, extortion and traveling interstate to make a violent threat when he was arrested last week. Those charges were formalized in an indictment returned by a federal grand jury yesterday.

Carle, in her closing argument, referred directly to one tape-recorded conversation in which Filipelli bragged that he had burst into an office and in front of 40 people had beaten a gambler who had refused to pay.

" 'He tried to get cute with me,' " Carle said, quoting the conversation recorded in April in which Filipelli told DiJoseph about the assault. " 'I put the kid in the hospital.' "

Donald Manno, Filipelli's attorney, had argued that the conversations were "street talk" and "puffing" by his client. "No one was assaulted," Manno said.

But Donio ruled the testimony was strong enough to support the government's request for no bail in the case.

Pittsburgh Mob Boss Dies (KDKA)

KDKA-TV, November 2, 2006

PITTSBURGH Michael Genovese was one of the last links to a lost era - an old-school mob boss who the law never caught up with.

The head of the western Pennsylvania La Cosa Nostra is dead.

By all accounts, mob informants, FBI agents and the now-defunct Pennsylvania Crime Commission, Genovese was the don of the Pittsburgh mob.

An old-style mob boss who ran one of 24 original mafia families in the U.S. that trace their roots back to Sicily.

Gambling, narcotics, loan sharking, even murder were all linked to the Genovese mob.

But Geneovese was never indicted - never sent to prison.

Several of his underbosses - including Chuckie Porter, Lou Ruicci and other mob lieutenants - were all convicted in a federal trial in the 1990s.

But they never brought charges against the reputed mob boss.

Genovese is reported to have been suffering from bladder cancer and heart disease.

He was 87 years old and died in his sleep.

The U.S. Attorney's office in Pittsburgh declined comment on Genovese's death.

In the past, the U.S. Attorney has said that the mob trials of the 1990s severely weakened mafia influence in the Pittsburgh area.

Late Design Change Is Cited In Collapse Of Tunnel Ceiling In Boston (NYT)

By Matthew L. Wald

The New York Times, November 2, 2006

WASHINGTON, Nov. 1 — Engineers changed the design of the ceiling in Boston's Big Dig highway tunnel after they had already finished building the roof from which it would hang, and attached a new, heavier ceiling with hardware that had little margin of strength, the National Transportation Safety Board said on Wednesday.

Part of the ceiling collapsed on July 10, killing a woman as she rode in her car to Logan Airport and injuring her husband, who was driving. Details of the board's most recent discoveries were reported Wednesday in The Boston Globe.

According to the board, the original plan was for the ceiling in the area of the collapse to be made of metal coated with porcelain, but because of its high price, designers substituted pre-cast concrete panels, which are heavier. In some areas, they installed steel brackets in the roof for hanging the panels, but in the area of the collapse, in a connector tunnel that leads to Interstate 90, the roof was finished. So instead, they drilled holes in it and glued in anchors.

The heavier ceiling system, approved by engineers in March 1997, was a "one hanger out" design, meaning that it could survive the failure of one hanger. But that design "provides little or no redundancy," the board said in a report it released on Wednesday. "The N.T.S.B. has researched other tunnels throughout the country and has found that significant redundancy is built into the ceiling design so that in the event of hanger failures, the panels are self-supported."

In addition, the safety board said, it had not found any evidence that the tunnels were inspected between January 2003, when the tunnel opened to traffic, and the date of the collapse. An inspection after the collapse found that where the ceiling was still intact, many anchors had begun to pull away from the roof, some showing "extreme displacement" of more than one inch, the board said.

The board said it was trying to determine if there was a standard for tunnel inspection, but it noted that bridges were typically inspected every two years.

The board is also supervising an analysis of the epoxy used with the anchors, and it said it had interviewed an employee of CobnAm Testing, which was hired to test the strength of the anchor bolts.

"The tester's description of the testing procedure differs from what has been found in the construction contract," the board said.

The board is an advisory agency that makes recommendations to government agencies and private parties after its investigations. The Massachusetts attorney general's office, the Justice Department and the Transportation Department's Office of Inspector General, whose investigations could lead to indictments, are also looking into the accident.

CEO Is Charged With Stealing Identities (MH)

The Miami Herald, November 2, 2006

WHITE PLAINS, N.Y. - A prominent Westchester businessman has been charged with stealing his employees' identities to obtain more than $1 million in bank loans and credit card charges, prosecutors said.

Terrence Chalk, 44, the chief executive officer of Compulinx Managed Services of White Plains, was indicted along with his nephew, Damon Chalk, by a federal grand jury on charges of conspiracy, credit card fraud, and making false statements to banks.

Terrence Chalk pleaded not guilty in U.S. District Court on Tuesday, where U.S. Magistrate Judge George Yanthis ordered him held on $250,000 bond.

Terrence Chalk founded Compulinx, a computer management firm, in 1990. He is accused of using the names, addresses, and Social Security numbers of his employees to secure the bank loans between 2001 and 2006, prosecutors said. He also ran up $100,000 in credit card charges using their identities, they said.

Chalk and his company were inducted this year into the Hall of Fame by the Business Council of Westchester. He serves on the boards of the American Red Cross and Hospice and Palliative Care of Westchester.

Last year, Terrence Chalk was nominated to the White Plains Youth Bureau, and was named businessperson of the year in February by the Westchester chapter of the Omega Psi Phi fraternity.

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His lawyer, Mayo Bartlett, did not immediately return a call for comment.

Damon Chalk, 35, of Florida, was arrested by FBI agents Tuesday at La Guardia Airport. He was ordered held without bail. The name of his lawyer could not be immediately determined.

Former Atlanta Editor Gets 8 Years In Child Porn Case (TEXGAZ)

By Paige Milton, Texarkana Gazette

Texarkana Gazette, November 2, 2006

Federal child pornography charges stem from February 2004 incident

MARSHALL, Texas—Former Cass County newspaper editor Charlie Harrist will spend 97 months in a federal prison for child pornography charges, a judge ruled Tuesday.

The sentence was handed down by Judge T. John Ward of the Eastern District of U.S. District Court of Texas.

Harrist was convicted in June of two charges of federal child pornography, including possession of material involving sexual exploitation of minors and receiving material involving sexual exploitation of minors.

The charges stem from a February 2004 incident. Harrist took his personal computer to Atlanta, Texas, technician Jerry Griffin for repair. Griffin's employee, Melanie Warren, found child pornography images on Harrist's computer and reported her findings to the Cass County Sheriff's Office.

Harrist's computer was turned over to the sheriff's office, which was assisted in its investigation by the FBI.

During the trial, Billy Harrell, Harrist's attorney, argued the computer's hard drive had been cleaned prior to the discovery, negating the possibility the images belonged to Harrist.

Harrell also raised the possibility of tampering while the computer was in police custody, and pointed out Harrist had an adversarial relationship with law enforcement because of his reporting.

The defense also asserted Harrist was out of town during the times the images were placed on the computer, as shown by the computer system's clock.

Prosecutors argued the computer also contained news stories with Harrist's byline and personal photographs of Harrist and a friend, and the computer's system clock can be reset. A Longview, Texas, police detective who examined the computer testified he found "thousands" of images and videos of underage girls in sexual situations.

Harrist was indicted by a Tyler federal grand jury in April 2004.

He is the former editor of the Citizens Journal newspaper, based in Atlanta.

Supreme Court Ponders Retroactive Ruling (AP)

By Mark Sherman, The Associated Press

AP, November 2, 2006

WASHINGTON (AP) — If Marvin Bockting were on trial today, his stepdaughter's accusations that he sexually abused her would not be allowed unless she testified about them in court.

The Supreme Court settled that issue in 2004 when it ruled that defendants have a constitutional right to cross-examine witnesses against them.

But Bockting was convicted in 1988 after 6-year-old Autumn Bockting's statements to Las Vegas police were presented to the jury even though the girl did not testify during the trial. He received a life sentence.

The question that reluctant justices confronted Wednesday was whether to apply the new rule to older cases, which the court has refused to do in a dozen cases over 17 years for matters of criminal procedure. However, an appeals court said the rule should apply retroactively and overturned Bockting's conviction as a result; other appellate courts have ruled differently.

Nevada Attorney General George Chanos and Justice Department lawyer Irving Gornstein argued that justices should not apply their 2004 ruling to older cases because, among other things, it would open the door to many defendants whose convictions depended on out of-court statements that were not subject to cross-examination.

Justice Anthony Kennedy singled out that problem if the court were to uphold the 9th U.S. Circuit Court of Appeals in this case. "We have to look at the rule in the whole universe of cases, not just your case. It seems to me that was the problem you had in arguing in this area, and maybe you can suggest some way out. I don't see it," Kennedy said.

Franny Forsman, Bockting's lawyer, countered that the right to confront a witness was so important to the integrity of the trial that it deserved the same consideration as, say, the court's landmark ruling in the 1960s that guaranteed a lawyer to defendants in criminal trials.

Forsman, the federal public defender in Nevada, also told the justices that concerns about courts being weighed down with defendants challenging their convictions as a result of a favorable ruling for Bockting were overblown. Her research found just five cases, as of late September, in which convictions were overturned because the ruling about confronting witnesses was applied to older cases, she said. Claims based on the 2004 ruling would already have to be under way, she said.

"It is not going to open the floodgates," Forsman said.

A ruling is expected before July.

If Bockting loses at the Supreme Court, it will not be because his lawyer was ineffective.

Forsman received some rare public praise from the bench at the conclusion of her argument. "Ms. Forsman, can I ask you a personal question? Were you a moot court finalist?" Justice John Paul Stevens asked, referring to the law school exercise in which students display their advocacy skills in mock trials.

No, she said. Undeterred, Stevens said he attended a moot court at the University of Notre Dame law school around the time Forsman was a student there. "It was an awfully good moot court," he said.

The case is Whorton v. Bockting, 05-595.

Second Guilty Plea In Cable Fraud Scheme (UPI)

United Press International, November 2, 2006

WASHINGTON, Nov. 1 (UPI) -- A second Connecticut defense contractor has pleaded guilty to fabricating test data on fiber optic cables used on the Patriot missile system.

Patrick Hale was the operations manager for Ace & Co., Inc., in Naugatuck, Conn. Ace distributes electronic components through its Stran Technologies division, which makes fiber optic and electrical connectors.

The military bought hundreds of the electrical connectors, known as the Tactical Fiber Optic Cable Assembly. Some were used on the first generation of the Patriot missile launchers, among other military systems.

All the Stran cables have since passed the required tests, and there are no known safety or suitability issues, according to the Justice Department.

The fraud began in 1999 when Ace was attempting to qualify as a military source for the cables, according to court documents filed at the beginning of August.

The humidity tests required by the Army's Communications and Electronics Command would have taken three months to complete, costing Ace up to $42,000, and would have delayed its ability to fill military orders for the connectors.

So Ace fabricated and falsified test results, and leased testing equipment to convince Army inspectors who visited the facility that the tests had been completed. Hale participated in the scheme to deceive the government.

On Aug. 2, 2006, Ace & Company, Inc. entered a corporate guilty plea based on the same scheme. Also on Aug. 2, the owner and president of Ace, James E. Stranberg, Jr., pleaded guilty to tax evasion based on his filing a false corporate income tax return for Ace in 2003.

Hale faces a maximum term of imprisonment of five years and a fine of up to $250,000 on the fraud charge, and a maximum term of imprisonment of one year and a fine of up to $25,000 on a tax charge.

Despite Flawed Defense, A Death Sentence Stands (NYT)

By Adam Liptak

The New York Times, November 2, 2006

Defense lawyers in capital cases are often criticized for conducting superficial investigations of their clients' backgrounds, but Ferdinand Radolovich's performance in a Kentucky case, one that ended in a death sentence, may have set a new standard.

"Apparently," a federal judge wrote in 2001, "neither attorney Radolovich nor the prosecution knew of petitioner's actual identity until his case had been affirmed on appeal."

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When he was later challenged about the quality of his work on the case, Mr. Radolovich testified that he was an accomplished death penalty lawyer at the time, having tried four capital cases. The real number was zero, the federal judge, Jennifer B. Coffman, found, and Mr. Radolovich has been indicted for perjury for his statement.

But none of this has helped the inmate in question, who was sent to death row as James Slaughter but whose real name is Jeffrey Leonard.

Yesterday in Cincinnati, splitting 7 to 7, the United States Court of Appeals for the Sixth Circuit declined to rehear the case. A dissenting judge, R. Guy Cole Jr., said the decision to allow Mr. Leonard to be executed even though the jury did not even know his real name, much less his background, opens a "new chapter in our death penalty history."

The case is not one of mistaken identity, and there is substantial evidence that Mr. Leonard is guilty of murder. But Mr. Leonard's current lawyers say a competent investigation of his background would have yielded a trove of evidence that might well have persuaded the jury to spare his life. He is, for instance, apparently brain damaged, and he endured a brutal childhood.

In June, the federal appeals court's three-judge panel agreed that Mr. Radolovich's performance was so bad that it violated the Constitution. But the two judges in the majority ruled against Mr. Leonard anyway, saying that better legal work would not have caused the jury to sentence him to life in prison instead of death.

Mr. Leonard, as James Slaughter, was sent to death row in 1983 for the stabbing death that year of Esther Stewart at a Louisville consignment store she owned.

In an interview yesterday, Mr. Radolovich defended his work.

"Mr. Slaughter admitted that he had lied to me, that he had given me a false name, a false date of birth, a false Social Security number." Mr. Radolovich said. "He told me he had no living relatives. Where was I supposed to go? What was I supposed to do?"

He added that the perjury charge, to which he has pleaded not guilty, was a result of a misunderstanding. While he acknowledged that the Leonard case was his first capital trial, he said that his testimony, at a 1994 state court hearing on Mr. Leonard's motion to vacate his conviction, meant to refer to experience he gained after the trial.

Judge Coffman, of Federal District Court in Lexington, Ky., wrote that Mr. Radolovich's investigation was inadequate.

"Petitioner could not even correctly spell the name, Slaughter, which he misspelled phonetically as being 'Slawter,' " Judge Coffman wrote. "This fact alone would cause the effective attorney to wonder about the veracity of his client's background information."

In yesterday's dissent, Judge Cole listed some of the information that Mr. Radolovich had failed to locate. Mr. Leonard "has possible brain damage from an untreated childhood skull fracture." His mother and stepfather "beat him so badly as a child that scars remain all over his body." His stepfather "once fired a gun at him as he ran out of his home carrying his younger brother." And "his mother, brothers and grandparents (who did not know about the trial) would have testified on his behalf."

The judges who declined to rehear the case yesterday did not give reasons. In the panel decision in June, the two judges in the majority said that "we do not find it reasonably probable that the outcome of Slaughter's sentencing would have been different if Radolovich had unearthed" the additional information.

Judge Cole, dissenting yesterday, said that was speculation.

"Although we cannot be absolutely certain," Judge Cole wrote, "that a single juror sentencing Jeffrey Leonard — a brain-damaged man whose family would corroborate his testimony and plead for his life — would come to a different conclusion, this court's decision leaves one aspect of this case indisputable: We will never know."

Judge Cole noted that one juror in the 1983 trial, in a sworn statement, said she would have voted to spare Mr. Leonard's life had she known more about him.

Kathleen K. Schmidt, a lawyer for Mr. Leonard, said she would ask the United States Supreme Court to hear the case.

Mr. Radolovich said he had mixed sentiments about yesterday's decision. "I'm heartsick that James went to death row," Mr. Radolovich said. "But after he told me he did it and after he lied to me, I'm a little less sympathetic."

CIVIL LAW:

DOJ_NMG_0089900

Groups Ask FTC To Probe Online Ad Profiling (WP)

By Ellen Nakashima

The Washington Post, November 2, 2006

Two consumer advocacy groups asked the Federal Trade Commission yesterday to investigate online advertising practices of Internet companies, asserting that the practices violate consumer privacy.

In a 50-page complaint, the D.C.-based Center for Digital Democracy and the U.S. Public Interest Research Group outlined online consumer tracking and profiling systems that they said are "deceptive and unfair to millions of users."

"Our online travels are increasingly becoming part of vast databases that comprise the source material for sophisticated analytical engines designed solely to make us more susceptible to online marketing," the complaint said.

The groups asked the FTC to investigate Microsoft Corp., Google Inc., Yahoo Inc. and other online companies and software firms, which they said were "aggressively" building new tools to analyze and classify consumers' behavior across the Internet and other digital media -- computers, cellphones, video games and televisions.

They singled out a Microsoft service that allows advertisers to take information gleaned from watching the millions of people who use the company's MSN Internet network. The information is combined with demographic data from credit bureaus and other sources to tailor ads to people based on geographic location, sex, age group, lifestyle and time of day. Microsoft's ad system "is deceptive and unfair," the report said.

The report also described new Web software programs that allow marketers to monitor people as they click and scroll online, logging where they enter a Web site, how long they linger on a page, even which part of the page they move their mouse across.

The groups urged the FTC to halt advertising practices that "abuse consumers" and to recommend federal legislation to protect them.

Mike Hintze, a senior attorney for Microsoft, said in an e-mail statement that "transparency" with consumers is "extremely important" and "will continue to be a central focus" of Microsoft's design of online services: "Consumer trust is essential to the success of online business and helping protect consumers' privacy is a top priority for Microsoft in our development and implementation of online services."

Google spokesman Barry Schnitt said that Google recognizes "that privacy is important" and that as it develops its advertising programs, it comes back "every time to the idea that the trust of the user is paramount." Yahoo spokeswoman Nissa Anklesaria said consumer trust and privacy were important and that the company had "a longstanding commitment to providing users with clear notice and choice" on the way their data is used.

Torts Gone Wild (LAT)

The Los Angeles Times, November 2, 2006

WHEN LAWYERS say, "hard cases make bad law," what they often mean is that a sympathetic plaintiff or an unattractive defendant can induce judges to depart from a general rule that makes sense. The U.S. Supreme Court should resist that temptation in ruling on an Oregon jury's decision to order a tobacco company to pay $79.5 million in punitive damages in a case involving a lifelong smoker who died of lung cancer.

Lawyers for the widow of Jesse Williams convinced the jury that Philip Morris had targeted people like her husband with a "massive, fraudulent campaign to sow doubt about smoking and disease" — a campaign so effective that it could blunt warnings by the surgeon general. The jury then ordered the company to pay Mrs. Williams $821,000 in actual damages.

Fair enough, even though Williams had disregarded warnings from his family about the risks of smoking, realizing too late that "those darn cigarette people … were lying all the time."

But then the jury tacked on a punitive-damage award that was almost 100 times what it thought was necessary to compensate her for her loss. The jurors did so after her lawyer asked them to think about "how many other Jesse Williams[es] in the last 40 years in the state of Oregon there have been. It's more than fair to think about how many more are out there in the future."

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Actually, the $79.5-million award was less than fair. In recent years, the Supreme Court has held that due process of law is violated when punitive damages — admittedly designed to punish the defendant for wrongful conduct, not to compensate the plaintiff — are "grossly excessive."

In a landmark 2003 ruling, the justices suggested that punitive damages should be capped at nine times the amount of actual damages.

After Oregon's highest court affirmed the jury verdict against Philip Morris, the U.S. Supreme Court asked lawyers for the company and Mrs. Williams to address two questions. One was whether Philip Morris' "reprehensible" conduct overrode the requirement that punitive damages bear a reasonable relation to actual damages. The other was whether the Constitution allows a jury in a case brought by one individual to punish the defendant for the effects of its conduct on others.

Both questions seem like no-brainers in light of past decisions about the need for punitive damages to bear a reasonable relationship to proven harm. Yet during oral arguments Tuesday, several justices seemed to suggest that ambiguities in the record — such as whether the Oregon Supreme Court had concluded that punitive damages could be based on harm to non-parties — might require returning the case to lower courts.

Punting the case would be a terrible idea. As this lawsuit demonstrates, many lower courts are uncomfortable with the Supreme Court's efforts to curb outlandish punitive-damage awards. An inconclusive ruling would embolden those courts in their resistance. It also would encourage speculation that recent changes in the high court's membership have undermined its punitive-damage precedents. Two of the six justices in the majority in the 2003 ruling, the late Chief Justice William H. Rehnquist and Sandra Day O'Connor, are no longer on the court.

Huge awards in individual lawsuits — as opposed to sensible legislation — are not the best way to curb smoking, obesity, gun violence and other threats to public health. The Supreme Court should see through the smoke screen of this "hard" case and say that.

CIVIL RIGHTS:

Poll Assignment Calls Mislead (BSUN)

By Melissa Harris, Sun Reporter

The Baltimore Sun, November 2, 2006

Workers falsely told of changes in Election Day posts; FBI notified

With Baltimore scrambling to make sure next week's voting goes smoothly, city elections officials expressed concern Wednesday at reports that a rogue caller was contacting poll workers and changing their Election Day assignments -- raising the prospect that some precincts might not have the staffing they need.

State elections chief Linda H. Lamone contacted the FBI Wednesday after Baltimore officials reported that someone called at least 10 poll workers and falsely told them that their precinct assignments had been switched.

Baltimore Board of Elections Chairman Armstead B. Crawley Jones Sr. said that poll workers are receiving legitimate calls this week from employees at the University of Baltimore's Schaefer Center, reminding election judges where to go and what time to arrive.

But the assignments have not been shuffled, Jones said. Such changes might be needed to fill vacancies but would not be made until early next week, he said.

The mysterious calls were being made as Baltimore elections officials hurried to make final preparations for Tuesday, when they hope to avoid a repeat of the no-show judge problem that the Sept. 12 primary suffered. Many precincts did not open on time, and a judge ordered polls to remain open an extra hour.

Overall, the city has trained enough volunteers -- 2,206 as of Wednesday for 2,100 spots -- but not enough of those are chief judges, who must attend a class to teach them how to supervise precincts.

This week, state auditors reported that Baltimore had not filled 250 of its 580 chief judge slots.

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Helen Jankowiak, a Highlandtown Democrat who has been a chief judge for "longer than she can count," said that she could not return for the general election because she had no way of getting to the required refresher training course. She does not drive.

Lamone required local election boards to retrain every chief judge in the state after some jurisdictions experienced problems during the primary that resulted in late-opening precincts, slow results and a heavy reliance on paper ballots.

Election officials determined that all of the judges who reported the phone call attended the same training class of about 20 people.

"We don't want this to start spreading to other classes," said Jones, the interim chief.

The rogue calls added a new element of uncertainty to a tense election. Voters have requested more than 175,000 absentee ballots after calls from both political parties to use the paper alternative rather than risk equipment malfunction.

Federal prosecutors and the FBI have established an election fraud initiative in Maryland, as they do every two years, and warned Wednesday that fraud is often subtle.

"It is a federal crime to seek out elderly or illiterate voters for the purpose of obtaining control of their ballots," according to a press release from U.S. Attorney Rod J. Rosenstein. "In addition, every voter has the right to mark his or her ballot in private."

About 10 election judges have reported that a female caller, who gave her name as either "Miss Brown" or "Marcia," called them Wednesday morning with a new precinct assignment, said Jones, the acting city elections chief.

In some cases, judges reported the call to city officials simply to complain about the switch. Two of the 10 judges reported that a phone number appeared on caller ID, but when that number was later dialed, a message said that the number was not in service, Jones said. Officials with the Schaefer Center were checking to make sure the calls were not coming from there.

In response to concerns about fraud generated by Wednesday's phone calls, interim elections director Cornelius L. Jones clamped down on election judges' personal information.

For instance, the Baltimore City Council has requested rosters of election judges, technicians and facility managers -- a request election officials said they would deny Wednesday.

Poll workers in the affected class also will receive a letter in the mail, confirming their assignments.

"It is extremely unfortunate that someone has resorted to cowardly and sneaky tactics to disrupt the election," said Raquel Guillory, a spokeswoman for Baltimore Mayor Martin O'Malley.

Armstead Jones, said that he is concerned because, at some point, the city likely will have to move poll workers and it will be difficult for judges to discern whether the switch is real.

He said that election officials would use e-mail addresses, cell phone numbers and a combination of methods to convey the information, including, if necessary, doing so in-person Tuesday morning.

The moves would likely be needed to fill chief judge vacancies.

Election supervisor Abigail Goldman said that the number of unfilled spots in Baltimore is shrinking every day but that she did not know exactly where the city stood and would not have a final count until training sessions conclude Sunday.

State law requires two chief judges per precinct, one Republican and one Democrat.

If there are still holes, Goldman said that she would "ask someone in that polling place to take the responsibility and become a chief judge" and that historically "people do step up to the plate."

Megan Shook, a chief Republican judge at Baltimore's Western High School, said that the system has improved since the primary.

"This time I got a phone call confirming when and where to report for duty," she said. "I've been paid for the primary, and I've already voted my absentee ballot. So I'm all set."

melissa.harris@baltsun.com

U.S. Attorney's Office: We're Ready To Investigate Election Fraud (BALTBIZ)

Baltimore Business Journal, November 2, 2006

In a preemptive move that underscores the highly partisan and tightly contested races for public office that will be decided next week, the Maryland U.S. Attorney's office said Wednesday that federal prosecutors and FBI agents are prepared to review and investigate allegations of election fraud.

A federal task force has been formed to look into any allegations of ballot forgery or theft, voter intimidation, campaign finance violations and corruption, among other federal election crimes, Maryland U.S. Attorney Rod J. Rosenstein said in a statement.

The task force has consulted with Maryland Elections Administrator Linda H. Lamone, Attorney General J. Joseph Curran and Special Prosecutor Robert A. Rohrbaugh on how it will handle fraud or voting rights violations, and will have a team of federal prosecutors and FBI agents at the ready while polls are open Nov. 7.

"Our goal is to prevent election fraud and preserve public confidence in the integrity of the democratic process," Rosenstein said in a statement. "Fair elections are the foundation of American government. Because elections involve high stakes and strong emotions, allegations of wrongdoing frequently arise. We will review all allegations in a nonpartisan manner and pursue any evidence that warrants criminal prosecution."

Such a move isn't unprecedented; the U.S. Department of Justice has long mobilized its resources in election years to quell electoral corruption, said Marcy Murphy, public affairs specialist for the U.S. Attorney's Office.

But Murphy also conceded "a lot of people are talking" about voter fraud in Maryland, and Rosenstein and his top prosecutors want to get the word out: We're ready to investigate wrongdoing.

Gov. Robert Ehrlich, locked in a tight and increasingly nasty race with Baltimore Mayor Martin O'Malley, has called for voters to avoid the polls and vote with absentee ballots after human errors caused delays in Baltimore City and Montgomery County precincts during the Sept. 12 primary. Democrats have criticized Ehrlich's push as an attempt to depress turnout.

Controversy has also swirled around the use of electronic voting machines and their accuracy.

"I don't believe it's in response [to allegations already surfacing], but I think they are trying to alleviate the concerns about the election," Murphy said.

More Poll Workers Recruited, But Training Proves Daunting (WP)

By Christian Davenport

The Washington Post, November 2, 2006

He had heard the horror stories about the voter check-in machines crashing during Maryland's September primary. And he knew about the doomsday fears of hackers hijacking an election.

But Samuel Goodman's main concern during a training session last week for prospective election judges in Montgomery County was something far more simple: how to turn on the machines.

In the aftermath of glitches that marred primaries in Maryland and other states, a lot of attention has focused on electronic voting systems -- why they malfunctioned and how susceptible they are to attack. But the pillars of Election Day are the legions of judges, the human safeguards in a process that has become more complicated as voting has grown more automated and layered with regulations.

The judges, often known as poll workers, have been recruited en masse locally and across the country leading up to the general election Tuesday. Prince George's and Montgomery counties, for example, will have 300 more than in the September primary.

Goodman is part of the wave of hastily recruited Montgomery trainees, and at 73 he fits what elections officials say is the age profile of the average poll worker nationwide. Most are well into their retirement years, and the technology changes can be daunting for some of those who didn't grow up using computers. That is why some states are looking to recruit college, and even high school, students to work the polls.

Goodman, a former NBC television news producer who lives near Rockville, said he found the jargon of the training session offered by the county Board of Elections incomprehensible and the technology overwhelming. It wasn't long before his eagerness hardened to frustration as he realized the job of check-in judge was going to be a lot harder than he thought.

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He's no computer whiz, but given a bit more time he could manage, he said. In a single three-hour class, "there was no way to absorb all that," he said.

For the most part, poll workers are ordinary people who work long hours for little pay and perform admirably under trying conditions. Since the 2000 presidential election debacle, several states, including Maryland, have replaced paper ballot voting with electronic systems, and poll workers have had to relearn their jobs.

Some states have new rules to learn about checking photo identification at the polls and offering provisional ballots.

"We've made more election reform in the last six years in this country than we had in the 230 before it," said Paul S. DeGregorio, chairman of the U.S. Election Assistance Commission, which was created in 2002 to help elections run smoothly. "When you have poll workers who have been used to one system for 20, 30, 40 years, teaching them a new system can take a couple of elections for them to get used to."

Across Maryland, officials launched an aggressive campaign to recruit judges after the troubled fall primary, saying they needed more people to help with the general election. The judges are hired temporarily and paid $150 or more to work at precincts on Election Day after several hours of training.

State officials have called for additional training, but some local elections administrators say the sessions aren't nearly long enough.

"I think we should do a lot more," said Robert J. Antonetti Sr., the Prince George's interim elections administrator. He added that many of the judges find the new technology "mind-boggling." The county has held training sessions almost nightly and twice on Saturdays, he said.

Virginia did not experience any problems on the level of Maryland's during its primary, but it has also worked to recruit more judges in anticipation of an unusually high turnout for a midterm election. Helping the recruitment was a grant received by the University of Virginia, which went toward training 80 students from U-Va. and Piedmont College to be poll workers.

Jean Jensen, secretary of the Virginia Board of Elections, said recruiting efforts also were greatly aided by a new state law that prevents employers from penalizing workers who want to serve as elections judges, by, for example, forcing them to use a personal day.

Virginia uses touch-screen machines in 105 of its 135 cities and counties, with the rest using optical-scan machines. The touch-screen machines, which have been the focus of concerns in Maryland and elsewhere, have been operated in at least one previous election in each jurisdiction that is using them, Jensen said.

In Maryland, training sessions for Montgomery's judges have been held six days a week and will continue through Monday afternoon, the day before the election, officials said.

Montgomery is more familiar with electronic voting than most Maryland jurisdictions because it was introduced to the technology in 2002 with Prince George's and two other counties.

Still, the training session last week revealed how difficult it is for some prospective judges to master such a large amount of material in a short time. The trainees struggled with a new vocabulary: voter access cards, USB port, local area network, GEMS server. After the trainer said using the electronic poll book -- the machine that repeatedly faltered during the primary -- was a lot like using a PDA, Goodman wondered what a PDA is. It's a personal digital assistant, such as a BlackBerry or PalmPilot, he was told.

Later, when the instructor, Belinda Lee, asked the class to plug in the ethernet line, some stared blankly at the tangle of wires in front of them until she told them it was the one that looks like a telephone cord.

"Oy vey!" an exasperated Goodman blurted out.

During a break, trainee Joseph Burke, 80, of Chevy Chase thumbed through the thick three-ring binder he will have to become familiar with before Tuesday.

"That's a lot of stuff they threw at us," he said. "It's going to take some more studying."

Anthony DiLullo, 67, of Bethesda was comforted only by the fact that another check-in judge would be working the polls with him Election Day. "I hope the other person knows more than I do," he said.

Some fear that the changes in the way elections are run might be driving longtime poll workers away.

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"It's a nationwide issue, and particularly when you transition to new equipment you see that some of your traditional poll workers decide it's time to retire," said DeGregorio, of the Election Assistance Commission. "So it puts the election officials in a bind in trying to fill the polls."

Although most poll workers are retirees who don't have to sacrifice a day of work to work the polls, states across the country are reaching out to younger generations, who have grown up using computers.

In Chicago, 754 high school students have been recruited to work the polls. Those younger than 18 are allowed to work as judges under a state law designed to involve younger people in the voting process, according to a news release. The city has also trained 2,000 college students to work as technicians at every polling place to prevent the kinds of problems that affected the city's primary this March.

In Ohio, Cuyahoga County has turned poll worker training over to the local community college, which has extended sessions by an hour and limited the class sizes. People must pass a written exam before they can serve as poll workers on Election Day.

Staff writers Zachary A. Goldfarb, Rosalind S. Helderman and Alec MacGillis contributed to this report.

Md. Democrats Say GOP Plans To Block Voters (WP)

By Matthew Mosk

The Washington Post, November 2, 2006

A recently distributed guide for Republican poll watchers in Maryland spells out how to aggressively challenge the credentials of voters and urges these volunteers to tell election judges they could face jail time if a challenge is ignored.

Democrats said yesterday they consider the handbook, obtained by The Washington Post, evidence of a Republican effort to block people from voting Tuesday.

"The tenor of the material is that they are asking folks, if not directing them, to challenge voters," said Bruce L. Marcus, an attorney for the state Democratic Party. "It's really tantamount to a suppression effort."

Advocacy groups including the National Campaign for Fair Elections, Common Cause and the NAACP, as well as a George Washington University professor who is an expert on voter suppression, agreed with that assessment.

Barbara Burt of Common Cause said the technique, last seen in Ohio in the 2004 presidential election, is an "insidious voter intimidation tactic."

Republicans rebutted that charge, saying they merely are guarding against fraud. "I don't think that's borderline suppression," said state Republican Party Chairman John Kane. "It's making sure that people who have earned the right to vote are voting. We've had people die in wars to protect those rights."

No one disputes the legality of having poll watchers set up folding chairs and monitor the election on behalf of their party. Typically, though, poll watchers are present to help ensure that their party's supporters get to vote, not the other way around.

Democrats, for instance, have distributed advice to their poll watchers to "make sure that voters are not being turned away."

"The key is the perspective each party brings to the process," Marcus said. "Our philosophy is, if we have a qualified voter, we're going to turn things inside out and upside down to get them to be able to vote."

The GOP poll-watcher program, outlined in a 13-page document, states: "Your most important duty as a poll worker is to challenge people who present themselves to vote but who are not authorized to vote."

It cautions, "Undoubtedly, the challenge process will be awkward and may cause consternation on the part of the challenged voter as well as the judges." It advises, "If there is cause to make a challenge, you should not hesitate to do so merely because it upsets the challenged voter or the election judges."

It adds, "If the election judge should try to ignore your challenge, point out that they would be committing a criminal offense punishable by not less than 30 days in jail."

Jonah H. Goldman, director of the National Campaign for Fair Elections, said the program "raises serious concerns."

"When you have a political party telling people their Number 1 responsibility is to challenge voters, our ears certainly perk up," Goldman said. "This could either be intended to challenge voters in a discriminatory way or in a disruptive way. A lot of times, they just try to cause chaos and long lines."

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The manual provides a range of scenarios in which the volunteer should phone complaints to the party's legal headquarters or fill out "incident reports." The scenarios include voters who can't readily supply their full name, address or date of birth -- or who are assisted by election judges.

"People raising questions about the poll-watcher program may be looking at it from the wrong perspective," said Dirk Haire, the legal counsel for the state GOP. "I wonder if they are concerned that efforts we take could uncover fraud."

Democratic National Committee counsel Joseph E. Sandler said he believes one goal is to create a record for the GOP to use to challenge a close election's outcome in court.

Kane disputed this: "I think what we're doing is protecting ourselves. The Democrats are going to have 500 roving lawyers out there looking for every possible legal challenge."

Sandler said the legal team organized by his party will "be there to help deter the Republicans from effectively carrying this out. So people's votes are safe and secure."

The poll-watcher programs also underscore how tense both parties are about turnout -- particularly among black voters -- in the final days of the contests for Maryland governor and a U.S. Senate seat.

Various polls have shown that the outcome changes dramatically depending on how many black voters cast ballots.

A recent Washington Post poll that measured black turnout at 25 percent showed Baltimore Mayor Martin O'Malley (D) with a lead of 10 percentage points over Gov. Robert L. Ehrlich Jr. (R). A poll published yesterday by the Baltimore Sun that assumed black turnout at 19 percent showed the race as a statistical dead heat.

Spencer A. Overton, the GWU professor, said a program designed to encourage Election Day challenges has the potential to disenfranchise black voters. "Parties target particular communities, and they don't apply the rules uniformly to all voters in all areas," Overton said.

Kane, however, said the program is in no way intended to bar black voters. Ehrlich said he would not tolerate such an effort, adding that his plan has been to woo black voters, not turn them away. "I think our message has really struck a chord."

False Voter Registrations Allegedly Submitted (KCS)

By Dave Helling

The Kansas City Star, November 2, 2006

A federal grand jury handed up indictments Wednesday against four people for allegedly submitting false voter registrations to the Kansas City election board.

The indictments — against Kwaim A. Stenson; Dale D. Franklin; Stephanie L. Davis, also known as Latisha Reed; and Brian Gardner — include two felony counts against each, the U.S. attorney's office said.

All four defendants worked this year as voter registration recruiters for the Association of Community Organizations for Reform Now, known as ACORN. They could not be reached for comment.

ACORN officials said they no longer work for the group. And, they emphasized, ACORN turned in the names of three of the defendants to authorities last month after learning of the problem.

"I think that our system is working because we caught these people," Andrew Gins-berg, head organizer for Kansas City ACORN, said in an interview. "Sometimes people cheat, whether they make eight dollars an hour or eight million an hour."

Each charge of "knowingly and willingly" filing the false information carries a potential penalty of five years in prison and a $250,000 fine.

"Those who commit fraud in the electoral process dilute the votes of their fellow citizens," U.S. Attorney Bradley Schlozman said in a statement.

The statement added: "This national investigation is very much ongoing."

Claudie Harris, board president for Kansas City ACORN, said the indictments do not taint the 35,000 other voter registrations submitted by ACORN in Kansas City this year. "I think we're doing a great job," she said.

Kansas City's Republican election director, Ray James, said the indictments could help maintain public trust in the election process.

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"I hate for anyone to be prosecuted and suffer," James said. "But I've long been concerned about the rights of the general public to a fair election."

James and his Democratic counterpart, Sharon Turner Buie, have said that as many as 15,000 recently submitted voter registrations could be "questionable" — which they define as duplicates, unreadable applications, or containing information that doesn't match other existing records.

Last week the board chairwoman, Melodie Powell, said the board had turned over the investigation of the questionable cards to local and federal authorities.

ACORN has said that some of its applications may have contained honest mistakes. But it also says some of the problems may be political.

"I think if we had registered 35,000 Republicans, none of this would have been in the news," Ginsberg said.

Republicans were quick to respond. "This illegal assault on our election system should concern every voter in the state," party spokesman Paul Sloca said in a statement.

Democratic party spokesman Jack Cardetti said, "We absolutely support the prosecution of anyone who turns in fraudulent registration cards."

The Republican election director in St. Louis has criticized ACORN's voter registration process in that city. Its board sent letters to 5,000 voters asking them to re-verify their registrations, an action some critics called illegal.

Four ACORN Workers Indicted In Kansas City (SLPD)

By Jo Mannies

St. Louis Post-Dispatch, November 2, 2006

According to the Kansas City Star, the U.S. attorney's office over there has just announced it has indicted four workers with ACORN for "providing false information to the Kansas City Election Board, and…filing a false voter application with the board."

Each offense carries a penalty of up to five years in prison and a fine of $250,000; anyone found guilty also loses their right to vote.

ACORN, which stands for the Association of Community Organizations for Reform Now, has come under fire in a number of states — and the city of St. Louis — over allegedly fraudulent voter registrations.

ACORN national spokesman Kevin Whelan said the group actually had been responsible for three of the indictments. "We caught them; we turned them in," he said. "We're pleased that the FBI was able to bring these indictments and we provided them with information that helped with the investigation."

ACORN provided a copy of the letter it had sent to Kansas City authorities on Oct. 11.

ACORN officials have maintained that they welcome any arrests of workers found to have committed fraud, but that they don't want such problems to take away from the legitimate registrations honest workers have turned in.

ACORN sent out a release earlier Wednesday, saying that its workers in St. Louis plan on "knocking on 150,000 doors — three times on Election Day — to get out the vote!"

Meanwhile, the U.S. Attorney's office here Catherine Hanaway, U.S. attorney for Missouri's Eastern District, said Wednesday that her office has set up a hotline for people reporting possible election fraud or voter discrimination in connection with Tuesday's election. The number is 314-539-7733.

Assistant U.S. Attorney John Bodenhausen, an assistant U.S. attorney, will coordinate the office's efforts, which are part of the Justice Department's nationwide Election Day Program.

Complaints about ballot access problems or discrimination can also be made directly to the Civil Rights Division's Voting Section in Washington at 1-800-253-3931 or 202-307-2767.

Conference Looks At Human Trafficking Along Border (EPTIMES)

By Darren Meritz, El Paso Times

El Paso Times, November 2, 2006

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Far West Texas and Southern New Mexico's proximity to the U.S.-Mexico border creates a unique environment in which immigrant-smuggling operations can easily change into abusive, exploitative human trafficking, experts said Wednesday at an El Paso conference.

Victims of human trafficking -- who often are manipulated into forced labor, prostitution, sex tourism and pornography -- are typically reluctant to come forward for fear of deportation, recriminations from their trafficker or insecurity about admitting they are victims, experts said.

"The difficult aspect of this is actually identifying the victims," said Paul Piñon, coordinator of the El Paso Human Trafficking Task Force and an organizer of the two-day conference titled "Human Trafficking: Working Together to End Modern-Day Slavery." The conference continues today.

About 300 representatives of law enforcement agencies and social service organizations, such as the Salvation Army and the Diocesan Migrant and Refugee Services, attended the third annual conference.

Piñon detailed several cases in the El Paso area that illustrated crimes possibly related to human trafficking and indicative of the close association of human trafficking and immigrant smuggling.

In one case, police charged two men in October 2005 with unlawful transport for holding an 18-year-old man and an 18-year-old pregnant woman against their will after they had crossed the border into the United States near Fabens.

In another case, police in February this year recovered a 15-year-old Salvadoran girl during an undercover sting operation at the Downtown Greyhound bus station. Her alleged kidnapper tried to hold her in exchange for a $5,500 ransom, Piñon said.

Though local figures were unavailable, officials at the conference Wednesday conference speculated that trafficking in the region is rising and cited a Department of State estimate that about 18,000 people are trafficked annually in the United States. The FBI estimates that human trafficking generates about $9 billion in profit each year.

"During the past few years, we have seen an increase in trafficking in this area, but they're difficult to investigate because victims don't want to cooperate," said Michelle Arriaga, a graduate student who presented a report on local efforts to curb the crime. "If they're in constant fear of being deported, it's very difficult for them to be willing to participate or discuss what's happened to them."

Jennifer Romero, a victim specialist for the FBI in El Paso, said that victims often experience debilitating psychological abuse at the hands of the trafficker, who lures them with the promise of good jobs and assistance navigating through the U.S. immigration process, she said.

Human traffickers use coercion and control, sometimes depriving victims of basic necessities and using long-term manipulation to instill enough fear and doubt to prevent them from reporting to authorities, she said. Victims then can be forced into jobs that are illicit and illegal, such as prostitution and sex tourism.

"Screw with the mind, and the body will follow," she said.

Darren Meritz may be reached at dmeritz@elpasotimes.com; 546-6127.

Annexation Excludes Vote (BSH)

By Ryan Lafontaine

Biloxi Sun Herald, November 2, 2006

WAVELAND - Newly annexed residents here will not have a say in Tuesday's party primaries for mayor and aldermen, according to a letter Wednesday from the Justice Department.

However, voters who register to vote before 5 p.m. on Monday will be allowed to vote for mayor and aldermen in the Dec. 5 general election.

The city had been awaiting an official decision from the federal government for several weeks on whether nearly 1,000 residents would be included in next week's vote.

The residents officially became Waveland citizens in July when the city settled an annexation dispute with neighboring Bay St. Louis in a deal that gave Waveland a stretch of land along the western right of way of Mississippi 603.

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According to federal legislation adopted in the 1960s, the Justice Department must review changes in ballot procedures, voting districts and other electoral rules in several states - mostly in the South - to ensure that minorities maintain influence in elections.

In the settlement, Bay St. Louis took a massive slice of land between the highway and the Jourdan River, stretching north to Interstate 10.

Many residents on both sides of the highway were anti-annexation, and some believe Waveland purposely delayed a federal decision to eliminate the disgruntled new voters from this year's election.

Earlier this year, Waveland attorney Zach Butterworth said the city was hoping to have a decision at least 30 days before the party primaries, which would have given the new residents time to become registered voters.

On Wednesday, Butterworth dismissed claims of malice and said federal approval simply took longer than the city first thought.

GOP mayoral candidate Craig Cameron, who is looking to make history by becoming the city's first black mayor and just the second Republican ever to hold the city's top office, said a chunk of new votes made available days before the election could muddy the campaign for any candidate.

"I have no way of knowing whether anything was done to purposely exclude them," Cameron said. "Having new voters at the last minute could complicate things for all the candidates, but I am very sympathetic to (the new residents') concerns."

Mayor Tommy Longo said the court denied a request last year from Waveland, asking to postpone an annexation decision until the two cities could recover from Hurricane Katrina.

"There wasn't much we could do," Longo said. "The annexed land was handed to us, and we asked to get a decision on the new voters as quickly as we could, but we were at the mercy of the federal government."

Activist Calls For Cop Probe In DeKalb Rally Set For Friday Over 31 Shootings Since 2001 (AJC)

By David Simpson, Mae Gentry, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, November 2, 2006

A DeKalb County civil rights activist Wednesday called for an outside investigation of a string of shootings by police, and the sister of a slain suspect plans to organize a protest this week to demand that the department do a better job of training its officers.

"Bring in the FBI, the GBI and the Justice Department to investigate all of the shootings," said John Evans, former president of the DeKalb County chapter of the NAACP. "And then set up a civilian review board [to review future cases]."

An article in Wednesday's Atlanta Journal-Constitution prompted the call for the outside investigation, said Evans, who now heads up a local civil rights group based in Lithonia known as Operation LEAD.

The AJC examined internal reports of 31 shootings from 2001 to 2005 and found that officers had a pattern of violating department policy, such as forcing confrontations with armed suspects without backup, shooting into moving cars and neglecting safety rules for handling suspects once they were in custody.

Most of the officers involved were not disciplined, the newspaper found, and the department did not address the pattern of violations in its training programs.

Iffat Muhammad, whose brother was fatally shot by a DeKalb officer in August, said the newspaper's report confirmed her concerns about the recent string of shootings.

Her brother was shot by an officer checking on a trespassing complaint. He attacked the officer and tried to get her gun, police said.

"Basically, we were told this doesn't happen in DeKalb County," said Muhammad, the president of the DeKalb County chapter of the New Order Human Rights Organization. "Yes, it does, from 2001 to 2005 and into 2006."

Nick Marinelli, the county's interim police chief, and DeKalb Chief Executive Officer Vernon Jones did not respond to messages seeking comment on Evans' and Muhammad's statements, which were made late Wednesday afternoon.

The GBI can only enter a shooting case at the request of the law enforcement agency, said GBI spokesman John Bankhead. An FBI spokesman declined to comment.

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In the meantime, the department is putting together a process to detect patterns of problems, Marinelli said earlier.

The department also is making changes to its training after a consultant found it hadn't paid enough attention to "de-escalation" of confrontations, Marinelli said.

So far this year, DeKalb County police officers have shot and killed 11 suspects — the highest number in metro Atlanta. One officer also has been killed.

The department hasn't finished its investigations of those cases, but Marinelli has said he is expediting the process and plans to release his findings soon.

In its examination of the 31 shootings, the AJC found that officers had violated department policy in nine of them. Two officers were fired, one was suspended and another was reprimanded.

In light of the findings, community leaders called on the department to place a greater emphasis on training.

"The message is train them properly, follow procedures," said Muhammad, whose group is planning a protest outside police headquarters at 2 p.m. Friday.

"We're not saying that the outcomes would be different, but who knows? They may have been," she said.

The newspaper's article comes at a time when the county is conducting a search for a new police chief. Marinelli is among the candidates being considered by Jones.

Civil rights activist Gerald Rose, the founder and CEO of the New Order organization, said Wednesday he hopes Jones "looks at the true facts" about the shootings and ensures that the next chief takes the issue seriously.

Kristie Swink, a spokeswoman for Jones, said, "The next DeKalb County police chief will ensure that all officers are properly trained and well-equipped in order to protect the safety of every resident in DeKalb County."

In south DeKalb, constituents have been concerned about the shootings, said County Commissioner Lee May, who wants to hear more about Marinelli's training plans.

"That is definitely something that I'm going to ask to see," May said.

Staff writer Ty Tagami contributed to this article.

US State Attorney General Gets Patient Records From Abortion Clinics After 2-year Effort (FINDLAW/AP)

By John Hanna, Associated Press Writer

AP, November 2, 2006

(AP) - TOPEKA, Kansas-The state attorney general said that his office has received the records of 90 patients from two abortion clinics and is reviewing them for possible crimes, the culmination of an effort that prompted concerns over patient privacy.

Attorney General Phill Kline, one of the United States' foremost abortion opponents, said Tuesday the targets of his investigation are rapists, sex offenders with child victims - and doctors involved in abortions. Those doctors could include physicians performing abortions, providing a second opinion for late-term abortions or failing to report abuse of a child.

The clinics had argued that giving the attorney general access to the records would invade patients' privacy.

Shawnee County District Judge Richard Anderson subpoenaed the records at Kline's request in September 2004, concluding there was probable cause to believe they contained evidence of crimes.

While Anderson didn't give Kline unfettered access to the records, the state Supreme Court imposed new guidelines for having them reviewed and edited before they were given to the district court. Under that process, neither Kline nor the judge saw the names of the patients.

Kline's office received redacted copies of the records a week ago.

His disclosure came a week before the Nov. 7 general election, with Kline, a Republican, in a tight race with Johnson County prosecutor Paul Morrison, a Democrat. Morrison has made Kline's pursuit of the records a key issue in his campaign, even suggesting the efforts are an abuse of power.

Because the records are redacted, individual patients cannot be identified, Kline said. He could seek the names of any victims of child rape to build cases against the perpetrators, he said.

In addition to child rape, possible crimes include potentially illegal late-term abortions, incest, forcible rape and making a "false writing," he said.

The records came from a clinic in Overland Park, Kansas, and a clinic in Wichita, Kansas, operated by Dr. George Tiller.

Pedro Irigonegaray, an attorney for the clinic, said that the records don't show any wrongdoing by the clinics and that if the clinics had not fought back, the attorney general would have seen unedited files.

"Nothing whatsoever in those records supports the proposition that our clients have violated the law," Irigonegaray said.

Outside Money Fuels Battle On Abortion (NYT)

By Monica Davey

The New York Times, November 2, 2006

The fierce battle over abortion in South Dakota has cost some $4 million, much of that from places other than South Dakota.

That is what the two largest political groups campaigning on the issue say they have collected in the months leading up to next week, when voters there will decide whether to uphold a ban on nearly all abortions in what would become the most restrictive such law passed in the nation in at least 14 years.

Vote Yes for Life, a group that has pressed for approval of the law, said on Wednesday that it had received $2.15 million in cash, as well as contributions of $39,000 in goods and services. The South Dakota Campaign for Healthy Families, which has urged voters to reject the provision legislators adopted in February and the governor signed in March, said it had collected $1.8 million since late June, as well as in-kind contributions of less than $50,000.

All along, each side had said its efforts were being driven by South Dakota natives, but had complained that the other side was being pressed on and heavily financed by well organized national organizations from Washington and elsewhere.

As a deadline for filing financial data to state officials arrived this week, both sides issued news releases that show they have received money from outside South Dakota.

The South Dakota Campaign for Healthy Families said that of the $1.8 million, less than $160,000 — about 9 percent — came from South Dakota; the campaign got 738 contributions from state residents, it said. The rest — more than 10,000 donations totaling more than $1.6 million — came from elsewhere. Vote Yes For Life, meanwhile, said that 65 percent of its money came from inside the state.

Military Pressed Over Expressions Of Faith (WP)

By Alan Cooperman

The Washington Post, November 2, 2006

The U.S. military is being buffeted by dueling legal claims over religion, with one set of plaintiffs contending that the Pentagon is suppressing evangelical Christianity and another set arguing just the opposite -- that the brass gives the most aggressive evangelicals free rein to proselytize in uniform.

Although Congress intervened this fall, directing the Air Force and Navy to rescind controversial new policies on religion, chaplains on both sides of the issue said the congressional action only muddied the waters.

"Congress took action, but who won? I'm not sure. The only thing I can safely predict is, get ready for new controversies over the place of evangelism in the armed forces," said retired Navy Capt. Gary R. Pollitt, executive director of the Military Chaplains Association, a private, nonprofit group representing chaplains in all the services.

In the latest lawsuit, an evangelical Christian chaplain is charging the Navy with violating his First Amendment rights by forbidding him to pray "in the name of Jesus" at public ceremonies.

Chaplain Gordon J. Klingenschmitt filed the lawsuit Oct. 25 in U.S. District Court for the District of Columbia with assistance from the Rutherford Institute, a Charlottesville-based public interest law firm that sued the Pentagon over its policy of requiring U.S. servicewomen stationed in Saudi Arabia to wear a Muslim head covering.

Klingenschmitt's suit alleges that the Navy has effectively established a "civic religion" and is "suppressing [his] Christian faith" by requiring him to offer nonsectarian prayers when speaking to diverse groups of sailors.

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He also alleges that his objections to the Navy policy are the real reason that his commanders court-martialed him in September and are now in the process of kicking him out of the Navy. Klingenschmitt was found guilty of disobeying an order by wearing his uniform at a political protest in front of the White House.

"Can the Navy censor a chaplain's prayers, yes or no? That's what my suit is asking," Klingenschmitt said yesterday.

A spokesman for the Navy, Lt. j.g. Karl Lettow, said it does not comment on pending litigation. Navy officials have said that chaplains are free to pray however they wish in voluntary worship services but that the Navy encourages them to "respect the diversity of their audience" when addressing mandatory gatherings.

Meanwhile, a former White House counsel whose lawsuit against the Air Force was dismissed last week said he intends to refile a broader suit, or possibly multiple suits, accusing all the armed services of allowing evangelical Christians to pressure members of other faiths.

U.S. District Judge James A. Parker dismissed the initial suit by Michael L. "Mikey" Weinstein because it was based on alleged incidents of religious bias at the Air Force Academy, but neither Weinstein nor any of his five co-plaintiffs claimed to have suffered from those incidents.

Weinstein, who spent 10 years as an Air Force lawyer and worked in the Reagan White House, said he is now picking the best cases from "a veritable cornucopia of new plaintiffs and accusations."

Some evangelical groups and individuals "believe they have an illimitable right to push their biblical worldview in the military, 24 hours a day, seven days a week, up and down the chain of command," Weinstein said. "Our view is that you certainly have that right at certain times and places that are well established by the U.S. Constitution and our case law. . . . But you can't do it on the job when you're wearing the uniform during the workday."

Reports of aggressive evangelism at the Air Force Academy led the service to issue interim guidelines last year urging commanders to be "sensitive" about sharing their faith and called for a minute of silence or at most a "brief, non-sectarian" prayer at mandatory gatherings.

Evangelical groups complained about the Air Force guidelines and a similar Navy instruction, and House Republicans proposed legislation to guarantee that chaplains can always pray as they wish. In a compromise, that wording was dropped from a defense authorization bill, but a legislative report urged both the Air Force and the Navy to rescind their policies. Congress is expected to hold hearings on the issue next year.

Marriage Limits Set To Face Stiff Fight In 3 States (WT)

By Cheryl Wetzstein

The Washington Times, November 2, 2006

Voters in eight states are expected Tuesday to pass constitutional amendments that define marriage as the union of one man and one woman. But in at least three states, the margin of victory -- if there is one -- may be razor-thin.

In Arizona, a recent Northern Arizona University (NAU) poll shows Proposition 107 squeaking by, 51 percent to 42 percent, which is "way too close for comfort," said Cathi Herrod of Protect Marriage Arizona Coalition.

The Arizona amendment has attracted huge public support -- more than 300,000 people signed petitions to get it on the ballot -- and survived a court challenge. But it also has been targeted for defeat by a well-organized coalition called Arizona Together, which says the amendment will hurt both heterosexual and homosexual couples.

Several polls, including one by Arizona State University (ASU) and KAET-TV, indicate the amendment will be soundly defeated. Recent ASU polling results, which show 30 percent of voters supporting the amendment, "reaffirm that Arizona voters do not want to take away health care from families," said state Rep. Kyrsten Sinema, a leader of Arizona Together.

Mrs. Herrod said NAU used the ballot language in its poll and is a more accurate reflection of voter intent. But she worries that the opponents' vigorous campaign and voter complacency will pose problems. "People think these marriage amendments pass easily. That's not true," she said.

In Wisconsin and South Dakota, polls have shown marriage amendments headed for defeat. Fair Wisconsin, which opposes the amendment, has promised to run "one of the biggest campaigns in the state in 2006." In South Dakota, a poll released in August showed the amendment losing, 49 percent to 41 percent, and South Dakotans Against Discrimination has

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initiated a radio and print campaign to educate voters about this "poorly worded" and "extreme" amendment, said spokesman Jon Hoadley.

But traditional-values groups in those states say they have no intention of losing. "There is just a groundswell of movement in support of this amendment," said Julaine Appling of Vote Yes for Marriage in Madison, Wis., noting that recent polls have consistently put them ahead by 51 percent to 53 percent.

Rob Regier of the South Dakota Family Policy Council said he can't explain polls showing a defeat for the marriage amendment, but he noted that at least one poll showed the amendment winning by a landslide. South Dakota voters are "still pretty conservative," he said. "I don't see South Dakota being the first and only state to lose a marriage amendment."

Polls in South Carolina, Tennessee and Virginia suggest those amendments will pass. In Idaho, citizens lobbied lawmakers for more than three years to pass an amendment, and at least one poll showed a 2-to-1 margin of support, "so I think it will pass," said Marriage Protection Alliance leader Julie Lynde.

Colorado has two marriage-related measures that are expected to pass: A new Denver Post poll of 625 voters indicated a marriage amendment would win, 51 percent to 43 percent, as would a domestic partnership law, 47 percent to 42 percent.

Female Voters Courted In Affirmative-Action Fight (WP)

By David S. Broder

The Washington Post, November 2, 2006

DETROIT -- The women are having their say in Michigan politics this year. With Democrats trying to reelect Gov. Jennifer M. Granholm and Sen. Debbie Stabenow over their male Republican challengers, no state has a more feminist cast to its ballot.

And, in a referendum fight over affirmative action, female voters will probably decide whether Michigan becomes the third state to outlaw preferential treatment for minorities and women in education, state employment and public contracting.

Ward Connerly, the Californian who sponsored successful anti-affirmative-action initiatives in California and Washington state during the 1990s, has brought an identical measure to Michigan.

His spokeswoman here is Jennifer Gratz, who was the plaintiff in a lawsuit accusing the University of Michigan of discriminating against her for being white when it did not admit her as a student a decade ago. The Supreme Court ultimately upheld the university's right to give preference to "under-represented groups" but barred it from artificially boosting their entrance qualification scores.

After her rejection, Gratz said in an interview, she contacted Connerly and asked him to bring the fight to end racial and gender preferences to Michigan. It has turned into an expensive and bitter battle -- with women's votes the main prize in what polls suggest is a tossup election.

Trisha Stein, campaign manager for One United Michigan, the broad coalition fighting the measure to ban affirmative action, said polling shows that "if this is a campaign about gender, the proposal will not pass, but if it's a campaign about race, it will likely pass."

The opposition to Connerly looks formidable. Stein counts more than 200 organizations on her side, including major Michigan businesses, labor unions, and religious and civic groups. One United Michigan has raised and spent more than $3.3 million.

But Connerly faced equally formidable establishment opposition in California and Washington and prevailed. In an interview, he said Michigan has presented "more obstacles than I expected," but he still predicted victory. "People see simple fairness in what we're proposing," he said.

On Friday, his supporters in Michigan reported raising $1.3 million and spending slightly more than half, with the rest in reserve. More than $1 million came from Connerly's California organization and similar groups elsewhere.

The proposed amendment to the state constitution would "ban affirmative action programs that give preferential treatment to groups or individuals based on their race, gender, color, ethnicity or national origin for public employment, education or contracting purposes."

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Debbie Dingell, a General Motors executive who is co-chairman of One United Michigan, said that if the initiative passed, it would jeopardize special treatment programs for breast and cervical cancer and end an effort to attract more women into science and mathematics careers.

Gratz says such fears are exaggerated. "I have a degree in math," she said, "and colleges are eager to have more women coming into the field. This is a distraction from the real issue: discrimination on the basis of race and gender."

Church groups and civil rights organizations in Detroit are trying to mobilize the African American community in opposition to the initiative. But at a rally of female activists in a local Teamsters hall, leaders complained that it is difficult to communicate the message that a vote in favor of affirmative action requires marking the ballot "no."

One United Michigan's radio and television ads are targeted at women, with one concluding that the measure "hurts Michigan's mothers and daughters, taking away opportunities, risking their future."

Connerly's side ran ads during the summer but has delayed going back on the airwaves until the final days. A tracking poll for One United Michigan conducted by Steve Mitchell, a veteran Michigan pollster, found a sharp gender split on the proposition.

In the first few days after the ads began in mid-October, opposition among women rose from 36 percent to 49 percent, and most recently it has leveled off at 47 percent, with 35 percent opposed. Men supported the measure, 49 percent to 40 percent. Mitchell said the outcome is too close to judge, especially because there is a history of white voters fudging their answers to pollsters on racial matters.

Mitchell also noted that on ballot issues, the undecided typically break to the "no" side, but he cautioned that the racial aspect of the measure might change the pattern.

There is also a partisan split in the polling. Although GOP gubernatorial candidate Dick DeVos and other prominent Republicans have urged a "no" vote, 63 percent of Republicans in the poll said yes, while 59 percent of Democrats said no. Independents were split.

ANTITRUST:

CVS Buying Caremark For About $21.2B (AP)

By LUCAS L. JOHNSON II

AP, November 2, 2006

NASHVILLE, Tenn. - Drugstore operator CVS Corp. announced Wednesday it is buying pharmacy benefits manager Caremark Rx Inc. for about $21.2 billion in stock, creating a company that will have formidable power in negotiating lower prices with drug companies.

The deal would create a $75 billion drug distribution powerhouse that could compete more effectively for customers as Wal-Mart Stores Inc. and other retailers introduce programs selling cheap generic drugs.

"This is all about giving the consumers unparalleled access and choice ... It will help providers deliver the right drugs at the right time," CVS CEO Tom Ryan said in a conference call.

But investors sent shares of both companies lower, and some analysts raised concerns about integrating the two businesses.

CVS shares tumbled $2.32, or 7.4 percent, to close at $29.06 on the New York Stock Exchange while Caremark lost $1.06, or 2.2 percent, to finish at $48.17. Caremark shareholders will be getting CVS stock in the deal.

SunTrust Robinson Humphrey analyst David Magee wrote in a note that the deal could be seen as too much risk for CVS which is still digesting acquisitions from the past couple of years, including purchasing the Sav-On drug store chain made earlier this year. He also wrote the deal could distract CVS from growing its existing business lines.

He said the he was optimistic about the long-term implications of the deal because of the size and buying power of the new company.

Company officials said the deal would create significant benefits for employers and health plans through more effective cost management and new programs, and for consumers through expanded choice and more personalized services.

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"Combining Caremark's expertise in serving employers and health plans with CVS's expertise in serving consumers will create a powerful force for change in pharmacy services," said Edwin "Mac" Crawford, Chairman, CEO and President of Caremark, which is based in Nashville.

The merger brings together companies from two industries that have had a sometimes bitter rivalry. PBMs offer customers the option of purchasing their drugs through the mail for reduced prices. Drug stores have argued such policies cut into their revenue and compromise patient safety because it deprives them of access to a pharmacist.

The growing mail order business has been hurting drug stores' market share, said Morgan Stanley analyst Mark Wiltamuth. CVS has its own mail order subsidy and analysts said buying Caremark would bolster that portion of its business, analysts said.

The companies called the deal a "merger of equals" and under the terms, Caremark shareholders will receive 1.67 shares of Woonsocket, R.I.-based CVS for each share of Caremark. CVS shareholders will own 54.5 percent of the combined company and Caremark shareholders will own 45.5 percent.

The new company will be called CVS/Caremark Corp. and will be headquartered in Woonsocket.

The pharmacy services business will remain based in Nashville. Combined 2006 revenue for the companies are expected total about $75 billion, a joint statement said.

Caremark's Crawford will become the chairman of the combined company and Ryan will become president and chief executive of the combined company.

After the markets closed Wednesday, CVS reported its third-quarter profit rose 13 percent on higher same-store sales.

Net income grew to $280.7 million, or 33 cents per share, from $249.2 million, or 30 cents per share, a year ago.

Revenue rose 25 percent to $11.21 billion.

Analysts surveyed by Thomson Financial expected earnings per share of 32 cents on revenue of $11.24 billion.

Caremark reported a 25 percent increase in third-quarter profit on strong sales in the company's mail-order and retail businesses.

Net income grew to $288.6 million, or 67 cents per share, from $231.4 million, or 51 cents per share, a year ago.

Revenue rose 13 percent to $9.14 billion.

Analysts expected earnings per share of 63 cents on revenue of $9.23 billion.

Glenn Garmont, an analyst with First Albany Corp., said before the announcement that the deal was likely spurred in part by the fear that Wal-Mart, "will emerge as a fierce new competitor following its introduction of selected $4 generic drugs."

Wal-Mart announced last week that it is extending its $4 for a one-month supply of 314 different generic prescriptions to make the program available at 1,008 stores in 27 states.

However, Ryan and Crawford said Wal-Mart's action didn't affect their decision to merge.

"We've been working on all this for some time," Crawford said. "This didn't have anything to do with Wal-Mart."

Garmont said such a deal between Caremark and CVS "would spawn others, and we view all PBMs ... as potential take-out targets."

Still, some analysts said the deal might face antitrust concerns. Barry Barnett, a health care consultant for PricewaterhouseCoopers, said regulators might be concerned that Caremark might unfairly funnel business to CVS pharmacies at the expense of other drug stores.

Caremark buys drugs from pharmaceutical companies directly and then distributes them through its national network of about 60,000 pharmacies and seven mail-order offices. It provides services for over 2,000 corporate, insurance, managed care, government, and union health plans.

Caremark posted 2005 net income of $932.4 million on sales of $32.99 billion.

CVS is the nation's largest pharmacy chain by prescriptions filled, and is second to Walgreen Co. in total sales. It operates more than 6,200 stores in 45 states and reported 2005 net income of $1.22 billion on sales of $37.01 billion.

The Securities and Exchange Commission has been investigating whether executive stock options were backdated at Caremark, company officials have acknowledged. In September, Caremark's Crawford said the company is in "good shape" regarding the investigation and doesn't expect to have to restate earnings.

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Kazaa Said To Pay $10 Million In Settlement (NYT)

By Jeremy W. Peters

The New York Times, November 2, 2006

Kazaa, the file-sharing successor to Napster that record companies have been battling for years, has reached a tentative settlement in the last of three major lawsuits against it.

Under the agreement with the National Music Publishers' Association, Kazaa agreed to pay music publishers and songwriters a "substantial sum," the association said. Though it not disclose the figure, a person with knowledge of the terms of the deal said it was about $10 million.

Kazaa also agreed to continue using filtering software intended to prevent unauthorized exchange of copyrighted songs over its network.

The music and motion picture industries sued Kazaa, as well as the rival file-sharing networks Grokster and Morpheus, in 2001, claiming that they facilitated the illegal distribution of copyrighted material.

Kazaa, which is operated by Sharman Networks in Australia, settled separate lawsuits by recording artists and motion picture studios in July, agreeing to pay a total of $115 million. That left one major case from 2001 still unresolved, the one filed by the association, which represents songwriters and their publishers.

The association notified the United States District Court in Los Angeles on Monday that the two sides had reached an agreement in principle. The terms of that agreement are subject to final court approval, and also must be approved by the board of the publishers' association and the individual plaintiffs.

"The anticipated settlement represents an important victory for songwriters, music publishers and music fans alike," said David Israelite, the publishers' association president and chief executive, in a written statement today. "It will be another key milestone in the ongoing transformation of the digital music marketplace to one that will allow legal services to thrive."

A spokeswoman for Kazaa in the United States said the company had no comment on the settlement or its terms.

The settlement underscores how the tables have turned in recent years on file-sharing networks, whose days of operating freely outside the realm of copyright law appear to be ending. When Kazaa settled the two lawsuits earlier this year, it also struck licensing deals with major record labels — Universal Music Group, Sony BMG, Warner Music and the EMI Group — to distribute their copyrighted material over its network and pay them royalties. It also agreed to employ filtering technology.

Napster, the pioneering file-sharing network that became a scourge of the record industry, earlier reached a similar agreement with the music industry, but not before it was forced to shut down operations.

The record industry's success in fighting Napster led to the growth of networks like Kazaa, Grokster and Morpheus, which allowed users to do similar things. Though they hoped to escape Napster's fate by using somewhat different technology, those networks eventually ran into the same legal issues that Napster had.

Last year, in the case Metro-Goldwyn-Mayer Studios v. Grokster Ltd., the United States Supreme Court ruled that file-sharing services could be held liable for contributing to copyright infringement. That ruling gave the record companies and motion picture studios leverage to press the file-sharing services to reach settlements.

Grokster resolved all its suits with the industry and is no longer in operation. A federal court in Los Angeles last month found that Morpheus had assisted in copyright infringement; its operator, StreamCast, is in settlement talks with the movie and music industries.

LimeWire, another service that has been sued by the record industry, continues to allow users to download songs without the industry's permission, and Grokster, Kazaa or Morpheus, has indicated no willingness to settle. Instead, LimeWire has mounted an aggressive legal defense, and last month filed a counterclaim against the record industry.

Fate Of Canadian Steelmaker To Be Decided Soon (BSUN/BLOOM)

Bloomberg News

The Baltimore Sun, November 2, 2006

Mittal Steel Co., the world's largest steel producer, said the trust holding Canadian steelmaker Dofasco Inc. will likely make a decision by the end of this month on whether to sell the business to ThyssenKrupp AG.

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The Netherlands trust, created by Arcelor SA in April to try to thwart Mittal's hostile takeover bid, will likely decide whether to allow the sale by Nov. 28 to comply with an antitrust agreement with the U.S. Justice Department, Carlos Hernandez, Mittal's U.S. legal counsel, said Oct. 30.

Mittal must sell either Dofasco or one of two tin mills in Weirton, W.Va., or Sparrows Point, after the Justice Department said in May the merger between Mittal and Arcelor would lead to less competition in tin mill products in the Eastern United States. Mittal is required by the department to use its "best efforts" to try to sell Dofasco.

"We think we've done everything possible to make the sale of Dofasco," Hernandez said. "We are now awaiting on the trustees to say what they are going to do. We are fairly confident it will be before the 28th."

Luxembourg-based Arcelor agreed to buy Dofasco for $4.95 billion in January, giving it 10 percent of the North American automotive steel market. Rotterdam-based Mittal in January agreed to sell Dofasco to ThyssenKrupp if its takeover of Arcelor was successful.

The trustees are Allan Tuttle, a lawyer at Washington-based Patton Boggs LLP, former Arcelor board member Robert Hudry and Frederic van Bladel, who headed legal affairs at Arcelor.

"It still looks very difficult for them to sell Dofasco," Credit Suisse analyst Michael Shillaker wrote in an Oct. 18 note. "The ultimate legal decision is that of the Dutch stichting [trust], and why will the stichting agree as a value proposition to sell Dofasco at a lower price than Arcelor paid for it?"

No legal impediment prevents Arcelor Mittal from selling Dofasco to ThyssenKrupp if the directors of the trust agree, Hernandez said. ThyssenKrupp AG, Germany's largest steelmaker, expects to acquire Canadian steelmaker Dofasco from Arcelor Mittal "soon," Karl-Ulrich Koehler, the president of ThyssenKrupp's steel unit, said on Sept. 29.

Orthopedics Maker Is Said To Be In Talks To Buy A U.S. Rival (NYT)

By Andrew Ross Sorkin

The New York Times, November 2, 2006

Smith & Nephew, the British maker of orthopedic products, is in early talks to acquire an American rival, Biomet, the nation's largest manufacturer of artificial hips, knees and other orthopedic devices, for more than $9 billion, people briefed on the negotiations said yesterday.

The preliminary talks come more than six months after Biomet hired Morgan Stanley to help consider "strategic alternatives focused on enhancing shareholder value."

Other suitors, including several private equity firms, have also expressed interest in Biomet, these people said. Rivals like Zimmer Holdings; DePuy, a subsidiary of Johnson & Johnson; and the Stryker Corporation have not participated in the auction, these people said, because of potential antitrust concerns.

Speculation has been rife in recent weeks that Smith & Nephew, which is based in London, had approached Biomet, and its shares rose more than 16 percent in the last month. Biomet's stock fell 44 cents yesterday, to $37.40 a share. Smith & Nephew has long been viewed as the natural buyer for Biomet, analysts said.

Biomet, which is based in Warsaw, Ind., is expected to fetch at least $10 billion, analysts suggest, though the company still could decide against selling and call off the auction entirely.

The auction was a result, in part, of a sluggish financial performance and the abrupt and unexpected resignation of Dane A. Miller, Biomet's longtime president and chief executive, in March.

Biomet's board responded to Mr. Miller's resignation by skipping over the two operating executives under Mr. Miller and naming Daniel P. Hann, Biomet's general counsel, as the company's interim leader.

One cloud hanging over Biomet is a Department of Justice investigation that started in June over possible criminal violations of antitrust regulations in the manufacturing and sale of orthopedic implant devices among the top companies in the industry.

Tribune To Weigh Offers For Parts Of Its Holdings Decision Follows Tepid Bids For All Of Media Company; A Prod To Private Equity? By SARAH ELLISON (WSJ)

The Wall Street Journal, November 2, 2006

Tribune Co., the big media company whose properties include the flagship Chicago Tribune, the Los Angeles Times and the Chicago Cubs baseball team, has told prospective bidders it is prepared to consider offers to sell off parts of itself after receiving lower bids than expected for the entire company, said people familiar with the situation.

The move raises the prospect that Tribune Co., whose current market value is $8.4 billion, could become the second large U.S. newspaper chain this year to drastically remake itself under investor pressure. The changes signal tectonic shifts in newspaper ownership in an age when readership and advertising, threatened by the Internet and other new technologies, are under siege. It also marks an about-face for Tribune management, which earlier this year rebuffed calls from its biggest shareholder, the Chandler family, to consider a sale or a breakup.

For the newspaper industry, the postwar era has been dominated by giant newspaper chains like Tribune and Gannett Co. snapping up regional newspapers and creating broad, publicly traded companies generating large profits even as circulation slowly declined. But the surge in online news, a steep drop-off in younger readers and the migration of advertising to the Internet has hammered profits and stocks for many media companies, which have been slashing costs and seeking other new strategies.

A breakup of part or all of Tribune would follow the full breakup earlier this year of Knight-Ridder Inc., which sold all of its 32 newspapers -- a portfolio which included the Miami Herald and the Philadelphia Inquirer -- to McClatchy Co. It turned around and sold 12 Knight-Ridder papers, some to local business interests.

Indeed, a slew of local owners like the investor group that purchased the Philadelphia Inquirer and Daily News from Knight-Ridder could be lined up to take Wall Street's place in the industry. Among others, former General Electric Co. Chief Executive Jack Welch has said he would be interested in buying the Boston Globe from the New York Times Co. with partners including Jack Connors, an advertising executive.

As Tribune's problems have deepened, a host of wealthy and well-connected prospective bidders have made public their desires to pick off a few of its 11 daily newspapers. Most coveted is the Los Angeles Times, for which at least three wealthy Los Angelenos have expressed interest: Entertainment mogul David Geffen, real-estate magnate Eli Broad and Ron Burkle, who made his fortune from supermarkets. The Times generates an estimated $250 million in annual earnings before interest, taxes, depreciation and amortization and could be valued at $2 billion or more.

Other groups have circled the Hartford (Conn.) Courant and Newsday on New York's Long Island.

Even while opening up the bidding, Tribune plans to continue discussions with private-equity groups that have expressed interest in the entire company, said people familiar with the matter. So far, four private-equity bidding teams have submitted nonbinding expressions of interest, putting a value on Tribune in the "low $30s," said a person familiar with the situation.

That's right around where Tribune stock has been trading. Shares yesterday closed down 71 cents at $32.62 in 4 p.m. trading on the New York Stock Exchange. Tribune declined to comment.

People familiar with the process said Tribune is unlikely to be disbanded into dozens of small pieces. If anything, these people said, shopping individual assets may be a way to flush out higher prices from the private-equity groups. As in any negotiation, these people said, each side is pushing for whatever advantages it can claim. Moreover, Tribune may resist offers for some properties, such as its flagship newspaper, and could ultimately decide to do nothing.

Still, it seems clear Tribune has been losing leverage in recent discussions with bidders. Earlier this week, the Audit Bureau of Circulations reported that nearly every major newspaper in the nation suffered a drop in circulation in the past six months. Tribune was among the worst hit.

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Total average weekday paid circulation at the Los Angeles Times, its biggest newspaper, dropped 8% in the past six months, to 775,766 as of Sept. 30. The Chicago Tribune's circulation fell 1.7% to 576,132, while Newsday was down 5% to 410,579.

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More broadly, Tribune has been disappointed by the overall tepid response of bidders so far. "I'm somewhat surprised," said John Miller, an analyst at Chicago-based Ariel Capital Management, one of the company's biggest holders with several million shares. Given recent sales prices for other newspapers, and valuable Tribune properties such as the Cubs and an interest in online jobs company CareerBuilder, he said, the prices being offered "seem too low."

That has forced Tribune to reconsider its reorganization plan, and could push the Chicago-based company to sell off assets it once considered untouchable. Such is the case with the Cubs, which the company acquired in 1981 for just $20 million. Today the Cubs are one of the most highly visible franchises in sports, despite their notorious losing ways. At least one analyst now estimates the team is valued at as much as $750 million.

Meanwhile, Tribune's TV stations as a group could sell for as much as $4 billion, according to industry estimates. Several recent television stations have sold for about 12 times cash flow, including WATL in Atlanta. Since the broadcast group raked in $436 million in operating profit in 2005, that would put their price tag at about $5.2 billion. But the price is likely to be lower than that because Tribune has sold three stations this year, and some stations -- such as two in New Orleans -- could be difficult to unload.

Almost all of Tribune's stations are affiliated with the upstart CW network, formed this fall by merging assets from the defunct WB and UPN networks. While audiences for the CW are slightly larger than those for the WB -- Tribune's CW stations were all former WB affiliates -- its future performance is unclear.

"Selling some of these stations is going to be a pretty steep hill for Tribune to climb because the CW is still an unproven asset," says Elliot Evers, managing director of San Francisco's Media Venture Partners.

Potential bidders for at least some stations include Belo Corp., Gannett, and CBS Corp., which already owns 11 stations that are CW affiliates. Although CBS's station portfolio reaches about 38% of the country -- 39% is the federal limit -- it could buy WPIX in New York and WGN in Chicago under rules allowing for one broadcaster to own two stations in a market under certain circumstances. CBS already owns a station in New York and one in Chicago.

A person familiar with the matter said CBS has looked at Tribune's New York and Chicago stations but cautioned that nothing is imminent and that the two sides were nowhere near agreement in valuation. A CBS spokesman declined to comment.

E.W. Scripps Co., which owns 70% of the Food Network, is the obvious buyer for Tribune's 30% stake in that cable channel, but the two remain far apart on price. "We continue to have an interest in acquiring Tribune's minority stake in Food Network, but at a price that creates value for our shareholders," said Scripps spokesman Tim Stautberg.

A big problem in any breakup plan would be taxes. Unlike a full corporate sale -- which would create minimal taxes -- Tribune would have to pay a tax bill on each individual divestment. That means that buyers will have to make highly attractive offers for each individual asset, covering both the tax costs and the value offered by the private-equity consortiums.

The Tribune's newspapers have a very low tax basis of about $2 billion to $3 billion, estimates Lehman Bros. corporate tax expert Robert Willens, and could likely fetch high prices that would trigger a big tax bill. However, he said, it would be relatively easy to get around that tax bill by spinning off individual newspapers into publicly traded subsidiaries. A potential buyer could then buy a controlling stake in the new subsidiary.

That could figure into another big part of this process: How the Federal Communications Commission will treat special exemptions previously awarded to Tribune allowing it to operate newspapers and television stations in the same market. The exemption -- from FCC rules that limit cross-ownership -- disappears once the assets are sold.

Private-equity firms apparently are comfortable with the asset questions, said people familiar with the matter. But getting new waivers may be timely and complicated, and could get wrapped into an always unpredictable political and legal process.

Earlier this year, Tribune had pursued a different approach to deal with pressure from the Chandlers and other shareholders. CEO Dennis FitzSimons opted for a $2 billion stock buyback and undertaking $500 million of asset sales. But pressure for more decisive action grew as Tribune's stock price weakened after the buyback was completed.

Even when the company announced it would explore alternatives to maximize value, Mr. FitzSimons insisted that the Los Angeles Times was not for sale. And while the latest move may be designed to test the market for individual assets, it may be hard for the board to resist momentum toward a breakup once offers start coming in.

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Besides reversing that approach, a breakup would seem to undercut the rationale behind the landmark $8 billion merger between Tribune and Times Mirror in 2000, which brought the Tribune and Times under one roof and established coast-to-coast marketplaces of newspaper and television stations.

At the time, John Madigan, then chairman and CEO of Tribune, said, "A major portion of the value creation opportunities from this combination will be derived from faster revenue growth in our media businesses."

But that growth never materialized. Times Mirror's biggest property, the Los Angeles Times, began to hemorrhage readers and advertisers, and the same thing happened to smaller Times Mirror papers. As the fortunes of those properties faded, tensions between Los Angles and Chicago grew, ultimately resulting in a rupture on Tribune's board.

The merger was announced six years ago at the height of the Internet boom, before the outlook on newspapers and broadcast stations had soured.

---- Brooks Barnes, Adam Thompson, Merissa Marr and Joseph T. Hallinan contributed to this article.

ENVIRONMENT/INDIAN AFFAIRS:

Justices Appear Divided In Case On Emission Rules (WSJ)

By Mark H. Anderson

The Wall Street Journal, November 2, 2006

WASHINGTON -- Several justices resisted pleas from environmental groups and the federal government for the Supreme Court to overturn a lower-court ruling that spared Duke Energy Corp. from having to install pollution controls on several power plants.

The outcome of the case wasn't clear, with the nine-member court appearing divided on how to rule.

Duke Energy and the Environmental Protection Agency have been fighting over whether the company was required to get federal permits before it modernized eight coal-fired power plants in North Carolina and South Carolina in a way that increased efficiency but let them run longer hours so as to emit more pollution. The utility has alleged the EPA, under the Clinton administration, wrongly altered longstanding emissions regulations allowing companies to skip permits for upgrades as long as the hourly rate of pollution doesn't increase.

The Fourth U.S. Circuit Court of Appeals in Richmond, Va., agreed and ordered changes to the EPA regulations. A similar lawsuit in the U.S. Court of Appeals for the District of Columbia came out the other way, upholding the EPA.

The electric-utility industry says it is on the line for billions of dollars in upgrades if the EPA's current rules are upheld. Environmental groups counter that a Duke Energy victory would frustrate the Clean Air Act's goal of imposing tougher pollution standards on newer facilities.

But the case's impact may be limited because the Bush administration has proposed industry-friendly rule changes that would exempt power companies from new permits when retrofitting their plants as long as the hourly rate of emissions doesn't increase. After the EPA lost in the Fourth Circuit, the administration declined to appeal. The government appeared before the Supreme Court to defend the current regulation only after environmental groups, over the government's objection, persuaded the justices to hear the case.

At oral arguments yesterday, Chief Justice John Roberts and Justices Antonin Scalia and Samuel Alito expressed concerns the EPA altered its emissions regulatory scheme almost 20 years after implementing regulations mandated by Congress. "What I'm concerned about is companies can get whipsawed," Justice Scalia said. Chief Justice Roberts more than once cut off Sean Donahue, the attorney representing several environmental groups, questioning his arguments that the statutes support the EPA regulatory changes. "That's a tough sell, isn't it," he told Mr. Donahue.

At issue in the appeal is whether the EPA has regulatory leeway under the Clean Air Act to alter rules that apply when power plants make changes to existing facilities. Before the 1999 changes, some of the EPA's regulations required federal permits only if the hourly rate of emissions rose while other rules required a permit if total emissions would be raised.

Duke Energy has maintained that, while its plant upgrades will result in more pollution because the overhauled facilities will run longer, the hourly rate won't increase. A decision is expected by July 2007.

DOJ_NMG_0089921

Justices Challenge EPA's Arguments In Clean Air Act Case (WP)

By Charles Lane

The Washington Post, November 2, 2006

Supreme Court justices took a skeptical view of an Environmental Protection Agency crackdown on air pollution from electric power plants yesterday as the court heard oral arguments in a major case on the authority of the federal government to punish violations of the Clean Air Act.

At issue is a wave of lawsuits begun by the EPA during the last two years of the Clinton administration in which the agency sought to force utilities to equip their refurbished older plants with state-of-the-art pollution control equipment. The EPA said it was enforcing its long-established view of the Clean Air Act's requirements. But companies objected, saying the EPA was unfairly imposing a new and stricter interpretation of ambiguous federal regulations.

At yesterday's argument, most of the justices who spoke up seemed to agree with industry's view.

"What I'm concerned about is that companies can get whipsawed," said Justice Antonin Scalia.

When Sean H. Donahue, a lawyer for Environmental Defense, a private organization defending the EPA enforcement actions, told the court that the agency's regulations were "clear on their face," Chief Justice John G. Roberts Jr. interjected, "That's an audacious statement."

At issue in the case, Environmental Defense v. Duke Energy , No. 05-848, is how to measure utilities' compliance with the Clean Air Act's "new source review" program, which governs emissions from plants that have been modernized or expanded.

Environmental Defense says that about 17,000 facilities are covered by the rules, and it cites studies that show 20,000 premature deaths per year traceable to pollution from coal-fired plants.

It says the EPA properly insisted that Duke Energy get a special permit and install new pollution-control equipment before reopening several coal-fired plants it had started renovating in 1988, because the plants' total emissions dramatically increased when they were brought back online.

But Duke, a North Carolina-based utility, countered that the proper standard was not the total amount of pollution its plants emitted, but the rate at which they emitted it. By that measure, the company said, its renovations had not changed the plants' capacity for pollution.

In June 2005, the U.S. Court of Appeals for the 4th Circuit, based in Richmond, ruled in Duke Energy's favor.

By that time, the Bush administration had promised to change EPA enforcement policy, announcing in 2002 that it would bring no new cases against utilities.

But the EPA continued cases that were pending when the administration took office in 2001, so the Bush EPA and Environmental Defense were on the same side in the 4th Circuit.

After that, the administration proposed new clean air regulations that echo the 4th Circuit's decision and would apply it nationwide. It then asked the Supreme Court not to accept Environmental Defense's request to intervene in the case.

The court's decision to take the case over the administration's objection was a surprise. Since the adoption of modern environmental legislation in 1970, the court had agreed to hear just two previous cases in which an environmental group was the petitioner.

Yesterday, the Bush administration was back on Environmental Defense's side of the case, defending the EPA's authority to press the last few cases against Duke and others.

Justice Ruth Bader Ginsburg asked Thomas G. Hungar, a deputy solicitor general, about the impact of the administration's shifting positions. "Since the government is now taking the position that another Duke could do just what was done here and there's an enforcement action pending, would you, if you prevailed in that enforcement action, nonetheless enforce, though it goes against the current government policy?"

"Your Honor, the 2005 proposal that you're referring to is only a proposal. . . . It has not been adopted," Hungar replied. "So the rules as they exist today are the same as the ones we're talking about, although there was a modification in 2002."

A decision in the case is expected by July.

Groups Want Forest Rules Overturned (AP)

DOJ_NMG_0089922

By Terence Chea

AP, November 2, 2006

SAN FRANCISCO (AP) — Environmentalists asked a federal judge Wednesday to overturn the Bush administration's rules for managing the country's 155 national forests, arguing that the regulations illegally weaken protections for wilderness and wildlife.

Issued in December 2004, the rules represented a major shift in how the government balanced conservation and commercial interests in its 192 million acres of forest land. The management plan gave regional forest managers more discretion to approve logging, drilling and other projects without lengthy environmental studies.

Wednesday's hearing in federal court in San Francisco was the first since a coalition of environmental groups sued the Bush administration over the changes in February 2005, a month after they took effect.

Lawyers for the environmentalists told U.S. District Court Judge Phyllis Hamilton that the rules do not include the safeguards for endangered wildlife and forests that federal law requires. The rules allowed forest management plans to be revised without environmental studies and repealed a requirement for forests to maintain "viable" populations of native wildlife.

They also argued that the administration failed to study adequately the environmental impact of changing forest management practices and did not give the public enough opportunity to comment on the revisions.

"The government must involve the public when it radically changes the management standards of our forests," said Peter Frost, an attorney for the environmental groups, Defenders of Wildlife, Sierra Club, the Wilderness Society, and Vermont Natural Resources Council.

Administration officials said the rules allow forest managers to respond more quickly to wildfires, invasive species and other emerging threats. The change shortened the time to get revisions made from as many as nine years to as few as two or three.

In court Wednesday, Cynthia Huber, a Justice Department attorney, defended the Bush forest rules. She said the administration provided 90 days of public comment when it issued its draft proposal to overhaul forest management rules in December 2002.

Huber also argued that environmental studies should only be required for specific projects that could impact forests and wildlife, not when management plans are revised.

The plan "definitely does not undermine protections of the forests" and complies with federal environmental laws, Huber said.

Judge Hamilton did not indicate when she might rule.

The lawsuit is one of several ongoing legal challenges to Bush administration policies for overseeing national forests.

Twenty environmental groups and four states sued the U.S. Forest Service last October when it repealed the "Roadless Rule," a Clinton-era ban on road construction in nearly a third of the nation's forests. In September, a federal judge reinstated the ban, ruling the agency failed to conduct necessary environmental studies before making the change.

U.S. Agency To Review Oil Royalties (NYT)

By Edmund L. Andrews

The New York Times, November 2, 2006

WASHINGTON, Nov. 1 — The Government Accountability Office, the watchdog agency for Congress, is beginning a broad investigation into potential deficiencies in how the government collects billions of dollars in royalties from companies that produce oil and gas on federal territory. The inquiry is being done at the request of the Republican-led House Government Reform Committee.

In announcing the investigation, Republican lawmakers said they had worries about the management of the entire royalty program by the Interior Department, including its regulations and enforcement practices and the accuracy of basic information.

“They don’t know how much oil is coming out of the ground,” said Representative Darrell E. Issa, Republican of California and chairman of the committee’s subcommittee on energy. “If an oil company were to give them the right number, they would take it. If they were to give them the wrong number, they would take it.”

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The investigation reflects a growing anger in Congress about the Interior Department's vast oil and gas leasing program, under which the government collects as much as $10 billion a year on oil and gas produced on federal land and in federal waters.

The Minerals Management Service of the Interior Departmet, which oversees royalty collections, has come under growing criticism from lawmakers in both parties for losing track of billions of dollars in royalties.

The agency has been under fire since February for errors on offshore leases that could cost the government more than $7 billion over the next five years, as well as for its sluggish response.

Four auditors responsible for scrutinizing royalties recently contended that their superiors blocked them from challenging millions of dollars in deliberate underpayments.

In September, the inspector general of the Interior Department, Earl C. Devaney, told lawmakers that top Interior officials had encouraged a culture of cronyism, ethical lapses and poor management. "Short of crime, anything goes," he testified.

Mr. Issa said the agency's numbers do not add up, that its systems for reporting production and royalty payments appear to be overwhelmed and that midlevel officials had come forward confidentially to describe wide-ranging weaknesses throughout the program.

Mr. Issa and Representative Tom Davis, a Virginia Republican who is chairman of the Government Reform Committee, said their staff had been "contacted numerous times regarding alleged deficiencies in M.M.S. management" and reporting by oil and gas companies.

In a statement on Wednesday, the Minerals Management Service said it welcomed the review and had nothing to hide. "We are confident the review will show that M.M.S. is accurately and efficiently collecting the royalties due to the federal government per existing statutes and regulations," the agency said. "We also welcome any constructive suggestions that we can use to further strengthen our program."

In their letter to the Congressional investigative agency, the lawmakers demanded that the inquiry examine the complex regulations for calculating royalties, the adequacy of the agency's information systems and the pace of its enforcement efforts.

As part of that, investigators will scrutinize a recent decision by the agency to drop claims that the Chevron Corporation had systematically underpaid the government for natural gas by inflating its costs for processing.

Democratic lawmakers have argued for months that the Interior Department under President Bush has been devoted almost entirely to serving the oil and gas industry, at the expense of American taxpayers.

Mr. Issa and other Republicans have become sharply critical as well.

The agency set off an initial round of investigations in February when it admitted that energy companies were likely to escape billions of dollars in royalties over the next five years because of mistakes in leases the government signed in the 1990s. The mistakes were made during the Clinton administration, but were not disclosed for another six years.

In July, Mr. Issa and Mr. Davis publicly accused the department of stonewalling their inquiry. "We believe the department may have deliberately withheld crucial information," the lawmakers wrote in a letter to the department.

In September, the two lawmakers expressed anger that the Bush administration had decided it would not try to recover about $2 billion that had already been lost as a result of the flawed leases.

"This is absurd," they wrote in a letter to Dirk Kempthorne, the interior secretary. "That money belongs to the federal government."

The new investigation will come on top of others already under way. The Government Accountability Office is already digging into the agency's accounting systems. The inspector general of the Interior Department is reviewing the agency's auditing and enforcement efforts; that report is expected by the end of December.

California Can Lead The Way (USAT)

By Carl Pope

USA Today, November 2, 2006

Voters want change and leadership that will take America in a dramatically different direction. One way many candidates across the country are demonstrating their commitment to change is by calling for the development of renewable energy

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sources. And this Election Day, Californians can help put the USA on the path to a saner, cheaper, smarter, more secure energy future by voting "yes" on Proposition 87.

To most Americans, investing in smart energy solutions such as renewable solar and wind and other alternate fuel sources is a no-brainer. It's obvious to them that our nation's dependence on oil ties our fate to the most unstable parts of the world, makes consumers vulnerable to high gas prices, and increases the threat of global warming.

A monumental investment in new energy technologies ought to be a top political priority. Instead, federal spending for energy research and development is half what it was 25 years ago. Congress has handed over billions in new subsidies to oil companies, despite the fact that oil industry profits have tripled in the past three years.

California citizens can help the entire nation free itself from the grip of Big Oil by approving Proposition 87. This initiative would fund a $4 billion effort to reduce dependence on gasoline by 25% over 10 years. It would provide incentives to make alternative-fuel vehicles and renewable fuels more widely available and affordable to consumers. And it would fund research to bring clean, renewable energy and energy efficiency technologies to the marketplace more quickly.

Prop 87 is not a tax on residents. It would impose a minor assessment on the excess profits of California oil producers, something other oil producing states such as Alaska, New Mexico, Texas and Louisiana already have in place.

California has long been a leader in technological innovation, and our national economy and way of life are better for it. By supporting Prop 87 on Tuesday, California citizens can be leaders once again and make an important investment that will pay dividends for current and future generations.

FBI/DEA/ATF/USMS:

Balco Grand Jury To Charge Graham (MERCN)

By Elliott Almond

The San Jose Mercury News, November 2, 2006

The track and field coach who ignited the Balco Laboratories drug scandal in 2003 is expected to be charged by the U.S. Attorney on Thursday with obstructing the investigation.

Trevor Graham, who has coached sprinters Marion Jones, Justin Gatlin, Tim Montgomery and other Olympic medal winners, will be indicted for making false statements to federal agents investigating the steroids case, the Associated Press reported Wednesday. AP cited two unidentified Justice Department sources.

In June, 2003, Graham sent the U.S. Anti-Doping Agency a syringe with traces of a steroid known as ``the clear" and fingered Balco as the source.

The Mercury News previously reported one of Graham's former athletes told the San Francisco grand jury investigating Balco that the Raleigh, N.C., coach sold the sprinter illegal drugs. Graham, who runs the Sprint Capitol USA team, has repeatedly denied wrongdoing.

His attorney, Joseph Zeszotarski, declined to comment Wednesday evening. He previously said Graham told the truth when interviewed by authorities in 2004.

The charges come two weeks after Graham's long-time assistant testified in front of the current grand jury handling the case. Randall Evans, a former sprinter from St. Augustine College in Raleigh, told the Mercury News two weeks ago at the courthouse, ``Trevor is my best friend. I was there the whole time. I know what happened."

He declined to say what he told the grand jury, or what prosecutors asked him. But Evans said, ``I had no choice. I wasn't going to take the rap. I told the grand jury the truth. I wasn't going to lie and then face perjury."

Evans, who said he wasn't sure if he would coach again, added that he planned to ``tell all. Maybe I'll write a book."

Evans, 36, might have provided damaging evidence against Graham because he is connected to Angel Guillermo Heredia, a former discus thrower from Laredo, Texas, and Mexico.

Heredia told the grand jury he supplied performance-enhancing drugs to Graham for his athletes, according to reports. Heredia's name surfaced in a letter written in 2003 by Balco founder Victor Conte Jr. about drug use by Sprint Capitol athletes.

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Conte never sent the letter to track officials but an Internal Revenue Service Agent leading the investigation of drugs and money laundering discovered it.

The charges against the coach likely stem from a 2004 interview with agents in which Graham denied knowledge of drug use among his athletes even though at least a half dozen had tested positive. His statement differed from one given about the same time by former shot putter C.J. Hunter, Jones' ex-husband.

Hunter told investigators that Graham introduced Jones to a drug regimen for the 400 meters, the Mercury News reported. It included the blood-boosting drug EPO. Hunter told authorities that Graham instructed Jones where to inject herself. Sources also told the Mercury News that Conte originally sent packages of drugs to Graham, according to Hunter's account.

The U.S. Olympic Committee banned Graham from its training centers in August because of the unusual number of his athletes convicted of drug violations. Last year, Montgomery was banned for two years based on evidence in the Balco case. Gatlin, the defending Olympic gold medalist in the 100 meters, tested positive for artificial testosterone in April.

Contact Elliott Almond at (408) 920-5865 or ealmond@mercurynews.com

BALCO Panel To Charge Track Coach (LAT/AP)

From The Associated Press

The Los Angeles Times, November 2, 2006

SAN FRANCISCO — Track coach Trevor Graham, who helped launch a three-year federal probe of steroid use by elite athletes, was expected to be charged by a grand jury as soon as today with obstructing the investigation, two Justice Department officials with knowledge of the investigation told the Associated Press.

Speaking on condition of anonymity because the charges had not been made public, the officials said Graham would be charged with making false statements to authorities investigating steroid use in sports.

Graham operates Raleigh, N.C.-based Sprint Capitol USA, a team of about 10 athletes that includes 100-meter co-world record holder Justin Gatlin, who tested positive for testosterone and other steroids in April.

Graham also coached sprinter Marion Jones, who won five medals at the 2000 Sydney Games, and her ex-boyfriend Tim Montgomery, suspended from competition for two years although he never tested positive for a banned substance.

Several of Graham's athletes, however, have tested positive for banned substances, and the coach is being investigated by a grand jury for lying to those looking into doping among elite athletes connected to the Bay Area Laboratory Co-Operative, the now-defunct Burlingame supplement company that served as a front for a steroids ring.

Graham helped launch the federal investigation three years ago by anonymously mailing a vial containing "the clear," a previously undetectable steroid to the U.S. Anti-Doping Agency.

Neither Graham nor his attorney returned telephone calls and e-mail inquiries from the Associated Press. Graham steadfastly has denied ever providing banned performance-enhancing drugs to his athletes.

2 Suspects In Arson Cases Arrested (USAT)

By Keith Matheny, Marie Mccain And Erica Solvig

USA Today, November 2, 2006

BEAUMONT, Calif. — An auto mechanic in jail Wednesday in connection with two June arson fires is a “person of interest” in last week's massive wind-whipped wildfire that killed five federal firefighters, the Riverside County Sheriff's Department said.

Raymond Lee Oyler, 36, was arrested Tuesday after his home was searched Monday, Sgt. Earl Quinata said.

Quinata issued a news release Tuesday night that said Oyler was not a suspect in the Esperanza fire. He has not been charged in that fire.

Oyler, who is being held in the Riverside County Jail in lieu of $25,000 bail, is accused of igniting the two earlier fires near this rural town 20 miles west of Palm Springs. He is being arraigned today on charges related to those fires, the sheriff's department said.

Jason Walden, general manager of the auto center where Oyler has worked for four months, described him as a real workhorse. “They're climbing up the wrong tree,” said Walden, a former firefighter with the U.S. Forest Service. “He's not someone who is into fire.”

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Oyler uses blowtorches on the job, but "he doesn't get that gleam in his eye like a pyromaniac," Walden said.

Whoever is ultimately charged with last week's wildfire arson also will face murder charges and, potentially, the death penalty, said Sara Danville, Riverside County chief deputy district attorney for the Major Crimes Unit.

Firefighters on Monday were able to surround the wildfire that blackened more than 40,200 mostly uninhabited acres, the California Department of Forestry and Fire Protection reported. Firefighting costs reached $9.9 million.

The fire, which was started last Thursday, burned 34 homes and killed five firefighters. The five — Capt. Mark Loutzenhiser, 43, of Idyllwild; Jason McKay, 27, of Phelan; Jess McLean, 27, of Beaumont; Daniel Hoover-Najera, 20, of San Jacinto; and Pablo Cerda, 23, of Fountain Valley — will be honored in a memorial service in a large arena near San Bernardino on Sunday.

Cerda, who suffered burns over 90% of his body, died Tuesday at a hospital near San Bernardino.

A preliminary report from the U.S. Forest Service released Tuesday said the firefighters had only one escape route from a house they were trying to save. Their engine faced toward that escape route, but the fire overwhelmed them, the report stated, and they were not able to get to shelter.

At least three federal departments will investigate the scene separately.

"The objective of this safety investigation is to determine facts surrounding the incident, identify lessons learned, and develop recommendations for accident-prevention purposes," the preliminary report stated.

Local investigators Wednesday continued questioning people, including convicted arsonists, to try to determine who started the blaze.

The Riverside County sheriff announced shortly after the six-day blaze began that it was a case of arson. A reward leading to an arrest and conviction is $550,000 and growing. A fund for the firefighters' families also exceeds $500,000 and could eventually reach $1 million, Riverside County officials said.

Nationwide Dragnet Nabs Local Fugitive (TOLB)

Toledo Blade (OH), November 2, 2006

Ex-Toledoan accused of probation violation

A former Toledo man who was arrested last week on an 11-year-old outstanding warrant is among the fugitives nabbed in a nationwide law enforcement dragnet that will be the subject of a major announcement tomorrow by Attorney General Alberto Gonzales.

Russell Johnson, 49, was wanted for an alleged probation violation that stems from a 1991 conviction in Lucas County Common Pleas Court for sexually assaulting an 11-year-old girl.

A resident of Florida, Johnson was arrested by officers with Northern Ohio Violent Fugitive Task Force on Oct. 22 at a mobile home park at 3510 Consaul St. in East Toledo.

Mark Herr, a Lucas County assistant prosecutor, said Johnson's arrest was part of a dragnet involving federal, state, and local authorities to apprehend suspects wanted in homicides, sexual assaults, gang-related crimes, kidnappings, major drug offenses, and crimes against children and the elderly.

"He is a very high-profile figure," said Mr. Herr, who was informed of the arrest by U.S. Marshals involved in the operation.

The Justice Department is planning to announce the arrest of Johnson and others tomorrow in Washington as part of an effort to track down and arrest fugitives from justice, Mr. Herr said.

Johnson appeared yesterday before Judge Frederick McDonald on the probation violation charge. The hearing was continued to tomorrow to allow the defendant to consult with a court-appointed attorney.

He was indicted in 1990 on 20 counts of sexual battery and convicted in December, 1990 on one of those felony offenses.

Judge McDonald sentenced him to the maximum two-year prison term in January, 1991, and released him about three months later on shock probation. He was placed on probation.

The arrest warrant was issued in October, 1995 after he allegedly failed to report to the court's probation department.

Multi-agency Sweep Nets Murray Man (MURRLT)

Murray (KY) Ledger & Times, November 2, 2006

A 19-year-old Murray man was arrested in a multi-agency round up of people who committed sex crimes.

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Brian Gryzmala, of Murray, was charged with distribution of matter portraying a sexual performance by a minor and possession of matter portraying a sexual performance by a minor, according to a release from the Kentucky State Police.

KSP and the Kentucky Internet Crimes Against Children Task Force announced Monday the results of Operation Harvest Moon. The effort aimed to arrest suspects involved in online child sexual exploitation crimes and non-compliant registered sexual offenders.

Operation Harvest Moon resulted in 11 federal indictments and three state arrests, including Gryzmala.

"The message is clear: Kentucky is and will continue to be a child-predator-free zone," U.S. Attorney for the Eastern Kentucky District said in the KSP release. "The message to child sexual predators should also be clear: Stay out of our state. These people are the lowest dregs of society and we will not allow them to harm our children."

Operation Harvest Moon began Oct. 23 and culminated months of investigations by KSP and other law enforcement agencies throughout the state.

The task force, which is located within the KSP Communications and Computer Technology Branch, and 14 other participating agencies spearheaded the online investigative component of Operation Harvest Moon.

The other agencies partnering with Kentucky ICAC include the FBI, U.S. Secret Service, U.S. Marshals Service, U.S. Attorney's Office, U.S. Postal Inspection Service, Louisville Metro Police Department, Lexington-Fayette Urban County Division of Police, Owensboro Police Department, Bowling Green Police Department, Morehead Police Department, Winchester Police Department, Franklin Police Department, Oldham County Police Department and Boone County Sheriff's Department.

"The Kentucky State Police led this effort to identify and round up those individuals engaged in criminal online activity and in non-compliance with House Bill 3," KSP Commissioner Jack Adams said in the release. "But the success of Operation Harvest Moon rests with the cooperation among law enforcement agencies throughout the state. The resources, time and energy invested by these officers, and their family with their populations and locales, are responsible for the effectiveness of the operation."

In addition to the online investigations, the KSP and task force identified those registered sexual offenders violating new residency restrictions. As of Monday, KSP troopers have charged 37 people for residing within 1,000 feet of restricted areas and another 58 arrests are pending.

The registry notification requires sex offenders to report any address change to their local probation and parole office before actually moving. If offenders move without following procedure, they are considered non-compliant and can be charged with a Class D felony punishable by one to five years in prison. House Bill 3 enhanced those conditions by requiring offenders to live at least 1,000 feet from schools, licensed day care facilities and publicly owned playgrounds and by making possession of child pornography a felony.

Fugitive In Sexual Assault Case In Colorado Arrested (LVRJ)

Las Vegas Review-Journal, November 2, 2006

A fugitive strike team arrested a 43-year-old North Las Vegas man late Monday on a warrant charging him with multiple counts of sexually assaulting an 11-year-old girl in Littleton, Colo.

Michael Pope, who once worked as a dealer in Las Vegas casinos in the late 1980s and early 1990s, was taken into custody without incident while trying to hide in a vehicle, according to task force commander Patrick Sedoti.

Advertisement

Pope's arrest stems from incidents that authorities in Jefferson County, Colo., said occurred between December 2004 and June 2005 when he was renting a room in Littleton and occasionally was the baby sitter for the girl, who lived in the home.

Pope had moved to North Las Vegas, where he lived with his sister until moving out recently to live near Fort Apache Road and Charleston Boulevard, said Fidencio Rivera, chief deputy of the U.S. Marshals' office in Las Vegas.

"When the case came in, we tracked him down to a girlfriend in the valley," Rivera said, noting that the strike team worked in cooperation with North Las Vegas police.

He said law enforcement officials in the Las Vegas area have no knowledge of Pope molesting any children locally.

Tips Sought On Missing Explosives (MUCHRONICLE)

By Theresa D.McClellan, CHRONICLE NEWS SERVICE

Muskegon Chronicle (MI), November 1, 2006

Missing explosives from a Ferry Township asparagus field has sparked the interest of federal authorities.

The Bureau of Alcohol, Tobacco, Firearms and Explosives posted a $5,000 reward for information leading to an arrest and conviction in connection with whoever dug up and stole the materials buried about 3 feet deep on the 48-acre site.

The materials had been placed by Bay Geophysical Inc. of Traverse City. The company used them to create seismic charges while looking for gas and oil, having been doing gas and oil explorations "for a few years," Michigan State Police Trooper Stacy Baylis said.

The materials were eight 150-gram Pentalite seismic charges and nine electric cap detonators. When combined, each charger has the explosive power of a half stick of dynamite, police said.

"In a word, damage could be considerable. That could remove the front of a small building," said Sgt. Troy Fellows of Michigan State Police's Hart post.

The theft was discovered Monday. Company officials estimate it occurred between 6 p.m. Sunday and 11 a.m. Monday, police said.

While a security guard was posted on the wooded property off Baker Road, he did not see anything unusual, Baylis said.

"This is a federal case, the feds are investigating and we are making no other statement," said a company spokeswoman, who declined further comment.

The green explosives are about six inches long and four inches round with electric systematic detector caps.

"Theft of explosives is a top priority for ATF. The stolen charges and detonators are identified as high explosives and are dangerous," said ATF Special Agent Valerie J. Goddard.

"The public is cautioned not to handle or touch any of these explosives materials if they are located, and to immediately contact their local law enforcement agency or ATF for the safe removal of these items," Goddard said.

faxbox

Anyone with information about missing explosives from an Oceana County asparagus field taken sometime between 6 p.m. Sunday and 11 a.m. Monday is asked to call Michigan State Police's Hart post at (231) 873-2171; the federal Bureau of Alcohol, Tobacco, Firearms and Explosive at (888) 283-2662 (ATF-BOMB); or Silent Observer at (888) 786-7271 (STOP-CRIME).

Drug Death Defendant Pleads Not Guilty (SLPD)

St. Louis Post-Dispatch, November 2, 2006

A St. Louis man pleaded not guilty Wednesday to charges connecting him with the "date rape drug" overdose death of a SIUE senior in 2002 — but he was unsuccessful getting a federal judge to issue a gag order in the case.

John F. Berger, 36, was arraigned Wednesday afternoon after being indicted on charges of possession with intent to distribute 1,4-butanediol (BD) with a resulting death; possession with intent to distribute BD for human consumption; cocaine distribution; and possession with intent to distribute BD for human consumption with death resulting. He surrendered Monday and has been released on $50,000 bond.

BD converts to Gamma-hydroxybutyric acid, or GHB, in the body. GHB is colorless, odorless and tasteless and depresses the central nervous system. It can cause drowsiness, nausea, loss of inhibition, amnesia and hallucinations and at higher does, it can cause unconsciousness, seizures, breathing trouble or death.

U.S. Attorney Catherine Hanaway said that investigators believe Berger supplied the drug that killed Tressa Gross on April 7, 2002. Hanaway announced the charges against Berger in a press conference Tuesday, complete with pictures of Berger and a plea for any potential victims or witnesses to come forward.

Berger's lawyer, John Rogers, cited Hanaway's press conference and the news reports that followed as reasons for a "gag order" on attorneys and staff on both sides and all parties involved in the case.

Rogers' filing called Hanaway's comments at the press conference "inappropriate" and "unfair" and said they could "poison" or manipulate jurors in a future trial.

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U.S. Magistrate Judge Thomas Mummert III, however, turned down the gag order and got Assistant U.S. Attorney Jim Delworth to promise that his office and the Drug Enforcement Administration will make no more public statements without discussing the issue with him.

In other developments, Delworth said that he had provided Rogers with some of the evidence in the case before the hearing. He handed Rogers an audiotape and videotape after the hearing.

Heroin Kingpin Convicted, Could Get Life Sentence (AP)

AP, November 1, 2006

TRENTON, N.J. (AP) _ An Irvington man who authorities say was a major heroin kingpin faces up to life in prison after a jury convicted him Tuesday of conspiracy, racketeering, drug, gun and money laundering charges.

Authorities said Charles "Black" Hamilton was the head of an operation that moved huge amounts of heroin _ about 20,000 doses a week _ from northern New Jersey to the Trenton area.

At the time Hamilton was arrested in 2004, authorities believed his operation was responsible for three-fourths of the heroin in Trenton.

Hamilton, 36, also had ties to the Bloods street gang, the Attorney General's office said.

His conviction came after a three-week jury trial in Trenton. While the sentence could be as stiff as life in prison, it will be up to a judge to decide Hamilton's exact penalty.

Two other men in the operation already are serving prison terms.

FEDS FINISH GIVING 'ICEBOX' EVIDENCE (TMT)

Tyler Morning Telegraph, November 1, 2006

EDITOR'S NOTE: The names of undercover law enforcement officers and confidential informants in this article are withheld to protect their identities.

The U.S. government presented the rest of its evidence Wednesday in the trial of three men involved in a large methamphetamine-distribution ring that spanned three states.

A confidential informant and co-defendant testified in the "Operation Icebox" case in U.S. District Judge Leonard Davis' court, along with law enforcement officials and forensic chemists.

Simon "BJ" Balderas Jr., 29, the alleged ringleader in the case, and brothers Jose (Joe) Zavala, 27, and Rene Zavala, 31, are on trial in Tyler federal court for allegedly conspiring to distribute more than 10 kilograms of meth in Tyler, Shreveport and Miami. Nineteen people were charged in the conspiracy. The three men on trial are each charged in at least 23 counts of the 26-count indictment and face up to life in prison for the conspiracy.

A confidential informant testified Wednesday that he bought "ice" meth from Jose Zavala, whom he called a "pretty large drug dealer in the Tyler area." He said Rene Zavala helped his brother distribute the meth and picked the drugs up in Dallas.

The CI said he and Jose Zavala went to Balderas' house a few times to buy meth. The jury saw video recordings of the CI buying meth from Jose Zavala and at Balderas' house. The jurors also heard an audio recording of a trip the CI took with Rene Zavala to Dallas to pick up 2 pounds of meth on Feb. 3.

He said 1 pound was given to Stanley "Drew" Burkhart and the other was given to Jose Zavala.

During one recording, Jose Zavala talked about a Dallas source he felt was "ripping them off" and said he had a "necklace full of teeth" for the man, which the CI said meant he would knock his teeth out.

One video showed the CI sitting with Balderas and Jose Zavala in the living room of Balderas' house. On the coffee table, Balderas weighed drugs and had a large bag of meth.

The CI had three felony charges against him in Rusk County dropped and was paid $2,100 for helping the government. He now has several felony cases pending in Smith County, including possessing 14 grams of meth, unlawfully carrying a pistol, burglary, failure to identify and theft charges, which he incurred after his work as a CI was completed, he said.

CO-DEFENDANT TESTIFIES

Stanley "Drew" Burkhart, 44, testified that he had been using meth for about 20 years when he met Balderas in 2004. Burkhart said he had been selling drugs since about 2003. He said he bought meth from Balderas, starting out at a couple of ounces and increasing to 1 pound per week. He said he estimated that he bought a total of about 10 pounds from Balderas.

After about four months, he said he began buying meth from Jose Zavala and he estimated he bought a total of 20 pounds from him. He said he also bought meth from Sam Leal, another co-defendant in the case.

He pleaded guilty to possessing with the intent to distribute more than 1 kilogram of meth. He was arrested Feb. 3 with the pound of meth he got from Rene Zavala. He said he paid him about $1,000 for the pound.

Smith County sheriff's Deputy Michael Strickland said he stopped Burkhart for a traffic violation on Feb. 3 and after found several small plastic bags of meth, as well as a large bag of meth, totaling 580 grams, and drug paraphernalia.

A Gregg County sheriff's deputy and DEA task force officer testified that he arrested co-defendants Gloria Medina and Manuel Escobar at a motel in Longview on Jan. 19. He said 10 ounces of meth were discovered there and drug paraphernalia and an assault rifle were found at Ms. Medina's Tyler residence.

An undercover Texas Department of Public Safety narcotics officer testified that a CI bought 2.7 grams of meth on Jan. 5 and 32 grams of meth on Feb. 15 from co-defendant Eduardo "Collette" Vasquez Jr.

He said another CI bought 28 grams of meth on Jan. 25 from co-defendant David Branch and introduced the officer to Branch. The officer said he developed a relationship with Branch about dealing Ecstasy and meth, and that his source was "BJ." On Feb. 8, Branch told the officer he sold more than 1,000 pills of Ecstasy in the last month and sold the officer 1 ounce of meth and 24 Ecstasy pills, he said.

SEARCHES, SEIZURES

A Smith County sheriff's deputy and DEA task force member testified that when officers searched Jose and Rene Zavala's residence on March 8, they found two handguns, ammunition, a container with suspected meth, two tubes with suspected steroids, two scales and more than $5,000 in cash.

A Palestine police officer and DEA task force officer testified that officials found two rifles, four pistols and $2,500 cash in a March 8 search of Simon Balderas Sr.'s home.

A DEA special agent testified that on March 8, law enforcement searched Vasquez's apartment and found marijuana in several small bags as well as six bricks, about 1 kilogram each. He said they also found 141 tablets of Ecstasy, three handguns, a fake shaving cream bottle with 2 ounces of meth and Ecstasy pills inside and a fake hairspray can with 1 ounce of meth inside.

He said officials searched the house of Zavala's parents and found scales and a collector's AR-15 assault rifle.

An ATF special agent testified that when searching a Tyler hotel room on March 8 where a woman and co-defendant Jacinto Martinez were located, officials found nearly $6,000 inside the woman's purse, $3,710 in Martinez's pocket and a safe with $200,000 cash and a drug ledger inside.

A DEA special agent testified that when officials searched Balderas Jr.'s house on March 8, they discovered digital scales, pictures of Balderas Jr. and others displaying guns and Nortenos signs, a safe containing pills and two pistols and another safe containing drug notes.

Two handguns were found in a garage behind Balderas Jr.'s and Balderas Sr.'s neighboring houses, he said.

DRUG TESTING

Two chemists testified about testing drugs in the case.

A chemist in the DPS' Tyler crime lab said he tested 14.1 grams of meth.

A forensic chemist for the DEA lab in Dallas said she tested 29 items, which totaled 1,315.5 grams of meth, 749.2 grams of Ecstasy, steroids and 5.19 grams of prescription medication. She said 1,000 grams equals 1 kilogram.

Two Smith County probation officers testified to Jose Zavala's and Balderas' prior felony convictions.

Jose Zavala was convicted in 1999 of possession of marijuana. Balderas was convicted in 1993 of aggravated assault. They are each charged with being felons in possession of firearms.

Paul Fazande has testified he sold up to 6 pounds of meth per week in Shreveport for Balderas. He was arrested in Shreveport in October 2005 and has pleaded guilty to drug charges. He was not indicted in Icebox.

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Samuel Leal Jr., 33, testified that he bought meth from Jose Zavala and Balderas. He said several sources in Dallas supplied Balderas with meth through the Zavala brothers but he met one man who claimed to be associated with a drug cartel who moved drugs to Dallas from Mexico. Leal said he began buying meth from the man and took the place of Joe Zavala with that drug source. Leal bought and supplied Balderas with the drugs, up to 10-15 kilograms per week, he said.

John Thomas Carroll, 24, testified earlier that he bought meth from Balderas Jr. and the Zavalas and sold it in Tyler. After he moved to Miami, Balderas' source had switched from the Zavalas to Leal and Jacinto Martinez, who began sending him shipments that increased from ounces to kilograms. He said at the peak of sales, he sold 5 kilograms per week in Miami.

Efrem Gonzalez Gamez was scheduled to go to trial with the others but pleaded guilty to the conspiracy charge.

Leal, Carroll, Gamez, Martinez, Balderas Sr., Escobar, Burkhart, Vasquez, Branch, Ms. Medina, Jeff Attaway, Mark Anthony Gomez, Tanya Smith, Joey Paup, and Brandy Rodgers, also known as Brandy McNinch, have all pleaded guilty to similar charges. Jamie Long was arrested in September and is set to go to trial in December.

Assistant U.S. attorneys Bill Baldwin and Mary Ann Cozby are prosecuting the case. Tonda Curry represents Balderas, Rex Thompson represents Jose Zavala and Jim Williams represents Rene Zavala.

The trial will resume with defense evidence on Thursday.

Border Guard Accused Of Accepting Bribes Released Pending Trial (AP)

AP, November 2, 2006

SEATTLE -- A U.S. border guard accused of accepting cash and sexual favors from a female drug smuggler was released Tuesday on a $20,000 bond, against the wishes of prosecutors.

Federal Magistrate Judge Mary Alice Theiler also agreed to let the guard, Desmone Bastian, continue living in Surrey, British Columbia, where he will be monitored pending trial, scheduled for Jan. 2. Bastian has pleaded not guilty to one count of accepting a bribe and another of importing controlled substances.

Bastian is accused of accepting an undisclosed amount of money as well as sexual favors from a female smuggler who told federal agents that she is also a madam. According to Assistant U.S. Attorney Susan Roe, the smuggler claimed that Bastian sometimes showed up at her house of prostitution wearing his U.S. Customs and Border Protection uniform.

In exchange for the money and favors, he would allow her to drive into the U.S. from British Columbia with OxyContin pills and marijuana, Roe said.

Bastian first raised suspicion last March, when he was seen leaving his post at the Blaine crossing to approach the smuggler's car, which contained 3,000 OxyContin pills, Roe said.

Investigators combed records and discovered that the woman had crossed the border numerous times in the past several years, often in Bastian's lane. He never referred her for a secondary inspection, Roe said.

Bastian's attorney, Michael Nance, argued against detaining him pending trial, noting that it was not a violent crime.

Ex-Mexican Drug Czar Faces More Charges (AP)

AP, November 1, 2006

MEXICO CITY — Mexico's former drug czar, already serving 71 years for drug trafficking and racketeering, has been ordered to stand trial on a new set of firearms and corruption charges, prosecutors announced Wednesday.

Jesus Gutierrez Rebollo is accused of handing out military weapons to corrupt government officials, the federal attorney general's office said.

The officials allegedly worked with a web of conspirators that protected and aided drug traffickers, the office said in a statement.

Gutierrez Rebollo, one of the highest-level Mexican officials to ever have been convicted, was expected to bring toughness and integrity to Mexico's war on drugs when he assumed the drug czar post in 1996.

But the next year, police arrested Gutierrez Rebollo after it was found he was staying in a luxury apartment owned by cocaine kingpin Amado Carrillo Fuentes.

Informants later alleged that the general was asking Carrillo Fuentes' Juarez cartel for a $60 million in exchange for sending soldiers to protect and support its smuggling operations.

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Gutierrez Rebollo was convicted of drug trafficking, racketeering and corruption and sentenced to 40 years in prison. He was later convicted of handing out military firearms to drug traffickers and sentenced to an additional 31 years and 10 months.

Ex-LCC Coach Given Probation In Drug Case (SDUT)

The San Diego Union-Tribune, November 1, 2006

SAN DIEGO – A former La Costa Canyon High School girls water polo coach who had cocaine and Ecstasy in his car when stopped in February was sentenced Wednesday to probation and ordered to register as a narcotics offender.

Steven Pierce Moyer, 43, pleaded guilty Sept. 11 to possession for sale and transportation of Ecstasy.

The married father of two also admitted an allegation that the drugs found in his car were not for personal use and that he intended to sell or distribute them.

The Carlsbad resident faced a maximum of four years in state prison under the plea bargain.

A U.S. Drug Enforcement Administration agent testified at Moyer's July 14 preliminary hearing that the defendant was overheard ordering cocaine and Ecstasy from a known drug dealer, Michael Cardosi.

Moyer left a voice mail message for Cardosi, indicating that he needed the drugs before a party he was hosting, according to court testimony.

On Feb. 23, Moyer was seen getting into the back seat of Cardosi's Mercedes-Benz in the parking lot of a Vons supermarket in Encinitas, but agents did not see any drugs change hands.

DEA agents tailing Moyer asked Carlsbad police to pull him over because they didn't want to jeopardize the larger investigation that had been going on since 2004, DEA Special Agent Helem Sosa testified.

Carlsbad police Sgt. Greg White testified that he stopped Moyer for speeding and was given permission to search his car, which yielded 10.2 grams of cocaine and 30 Ecstasy tablets.

Cardosi, 33, has been charged with evading a peace officer and drug offenses and will be back in court Dec. 12.

In sentencing Moyer, Judge David Danielsen agreed with prosecutor Cari Phillips that federal agents may have done Moyer a favor by arresting him and taking him out of his “party” lifestyle.

The judge suspended a one-year jail sentence so long as Moyer successfully completes three years on probation.

Danielsen told the defendant to put 100 percent of his effort into complying with all the terms of probation, because another judge might not react favorably to a violation considering the defendant's background.

Moyer, a walk-on, part-time coach at La Costa Canyon, resigned his position after he was charged in June.

He was the captain of Stanford's water polo team from 1982 to 1984 and played on the U.S. national team.

IMMIGRATION:

Federal Judge Blocks Town's Crackdown On Illegal Immigrants (FINDLAW/AP)

By Michael Rubinkam, Associated Press Writer

AP, November 2, 2006

(AP) - ALLENTOWN, Pennsylvania-A federal judge blocked the city of Hazleton from enforcing a pair of tough ordinances targeting illegal immigrants, just hours before the measures were to go into effect.

The measures, approved by City Council last month, would have imposed fines on landlords who rent to illegal immigrants and denied business permits to companies that give them jobs. They also would have required tenants to register with City Hall and pay for a rental permit.

U.S. District Judge James Munley ruled that landlords, tenants and businesses that cater to Hispanics faced "irreparable harm" from the laws and issued a temporary restraining order blocking their enforcement.

"We find it in the public interest to protect residents access to homes, education, jobs and businesses," he wrote in a 13-page opinion.

Hispanic groups and the ACLU sued Hazleton on Monday, contending the laws violate the Constitution because they trample on the federal government's exclusive power to regulate immigration.

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Mayor Lou Barletta, who spearheaded the law, has argued that illegal immigrants have brought an increase in drugs, crime and gangs to the city. The city's lawyers on Tuesday cited a 10 percent increase in crime between 2004 and 2005 as a reason why the ordinances should be enforced.

Munley, however, wrote that the city "offers only vague generalizations about the crime allegedly caused by illegal immigrants, but has nothing concrete to back up these claims."

Hazleton's crackdown, which was announced in June, has received national attention and spurred other towns to pass similar laws, saying that the federal government has not done enough about illegal immigration. Municipal officials view the Hazleton lawsuit and a similar one in Riverside, New Jersey, as test cases.

Witold J. Walczak, legal director of the ACLU of Pennsylvania, hailed Tuesday's decision as an important victory.

"I think what's important is the judge recognized that this ordinance has the potential to cause real harm by costing people their jobs, their houses and requiring children to leave schools," he said.

The judge's restraining order expires Nov. 14. He indicated that he will schedule a hearing on the ACLU's motion for a temporary injunction.

Barletta has said he is convinced the courts will ultimately uphold the law.

Bush May Find An Ally On Immigration (WT)

By Stephen Dinan

The Washington Times, November 2, 2006

The Next Congress

Fourth of five parts

Immigration is the one major issue on which President Bush is likely to fare better next year if Democrats win control of Congress.

The issue is unfinished business to which all sides promise to return, after House Republicans this year prevented Mr. Bush from winning both a guest-worker program and citizenship rights for most illegal aliens.

Instead, House Republican leaders forced through a bill to construct 698 miles of fencing along the U.S.-Mexico border. Funding for the fencing and other border security measures will be the first test of the new Congress on immigration policy.

Democrats have an outside chance of taking complete control of Capitol Hill, but a better chance of winning one chamber, and in this series, The Washington Times is examining how such a transfer of power will affect U.S. policy and politics.

Neither House Minority Leader Nancy Pelosi, likely to be the speaker of the House if Democrats win that chamber, nor Senate Minority Leader Harry Reid, the Democrats' Senate leader, would commit this week to funding the fencing if they gain control of Congress.

"What Leader Pelosi has said in the past is that we need to do comprehensive reform, and the fence could be part of that reform," said the California Democrat's spokeswoman, Jennifer Crider.

Jim Manley, spokesman for Mr. Reid, said the Nevada Democrat is working toward "solutions that are tough and smart, not political legislation designed to make for good election-year sound bites."

Republicans are questioning the Democrats' commitment. Last week, on the day Mr. Bush signed the fencing into law, House Speaker J. Dennis Hastert issued a statement asking, "Would a Democrat majority support construction of a border fence?"

But Mr. Hastert won't commit to spending for the entire fence, instead focusing on "operational control" that could include less fencing but other measures, such as more Border Patrol agents and vehicle barriers.

"He'll commit to funding necessary to get operational control of the border, which goes far beyond a single line of fencing," said Lisa C. Miller, spokeswoman for the Illinois Republican.

For his part, Senate Majority Whip Mitch McConnell, the Kentucky Republican likely to lead his party in the Senate with the retirement of Majority Leader Bill Frist, wants to see the funding through, his spokesman said.

"He sees border security as critical to our national and homeland security and believes the Congress should fund border security, including the border fence," spokesman Don Stewart said.

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Unfinished business

Spending aside, Congress still faces the four major immigration questions that it punted on this year -- how to secure the border, how to boost workplace enforcement, whether to create a new program for future foreign workers in addition to the existing work programs that hundreds of thousands of people already use; and what to do about the estimated 12 million to 20 million illegal aliens now in the country.

Mr. Bush, joined by almost all Democrats and some Republicans, wants action on all of those issues, and the Senate passed such a bill this year.

But House Republicans insist that the government must prove it can control the borders and enforce the laws before considering a new worker program, and many Republicans oppose legalization of illegal aliens altogether, arguing that it is amnesty for lawbreakers.

If Republicans retain control of Congress, that impasse is likely to remain, said Frank Sharry, executive director of the National Immigration Forum, which supports a path to citizenship.

"It has stalemate written all over it -- stalemate plus [passage of] appropriations, which I don't think would satisfy either group of partisans," he said.

But if Democrats win the 15 seats they need to snatch control of the House, the odds for a deal improve somewhat.

"If the House stays Republican, chances of a comprehensive bill being enacted in the next Congress are less than 10 percent. And if the House is taken by the Democrats, chances of a comprehensive bill passing in the next Congress are about 50-50," Mr. Sharry said.

He figures there are probably 160 to 175 House Democrats willing to vote for comprehensive reform, meaning between 45 and 60 Republicans would have to join them to reach a comfortable margin for passage.

Less depends on which party controls the Senate, because a bipartisan consensus appears to exist for some sort of broad bill. Still, the Senate could improve prospects for a final compromise bill if it acts first, putting pressure on the House to follow through.

That would be different from this year, when the Senate Judiciary Committee got bogged down on judicial nominations, renewal of the USA Patriot Act and detainee treatment, allowing the House to drive the enforcement-first side.

People power

Much also will depend on the personalities in the debate.

The biggest change would be the difference between Mr. Hastert and Mrs. Pelosi. While the Republican has focused squarely on enforcement, boosted by voters in his district who have driven that message home to him, the Democrat has supported legalization.

She has opposed many of the security-only provisions Republicans have put forth, calling some "awful" and others "OK." But she said in September that "all of them are more acceptable in the context of comprehensive immigration reform."

If the Republicans maintain control in the House, the Republican chairman of the Judiciary Committee probably would be Rep. Lamar Smith, a Texan who is a strong advocate for enforcement and has argued that a guest-worker program hurts American workers. However, Rep. John Conyers Jr., the Michigan Democrat in line to become chairman if his party wins control, supports a broad legalization.

How much of a priority the issue is for Democrats remains to be seen. Although leaders say they want to find a solution, it has not played a major role as Democrats campaigned this year.

When House Democrats issued a 25-page position paper on their priorities for next year, immigration reform was not among them.

And in "The Plan," a manifesto-type book by Democratic Congressional Campaign Committee Chairman Rahm Emanuel and Democratic Leadership Council President Bruce Reed, immigration rated one brief mention -- an attack on Republicans for using the issue for political gain.

Money matters

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But the opportunity to outspend Mr. Bush on homeland security might end up enticing Democrats to push for their own political gain on the issue, said Rikki Horton, government relations associate for the Federation for American Immigration Reform, which opposes amnesty and calls for a crackdown on illegal immigration.

"Since the president doesn't fully fund some of these in his budget, I actually believe the Democrats would want to go against the president," she said. "I don't believe that everything will be fully funded but I do believe, in a scenario where the Democrats take over, I can see them wanting to use this to put the president in a bad light."

That happened two years ago, when just months after promising to increase the U.S. Border Patrol by 2,000 agents a year for five years, Mr. Bush's first budget included just 210 agents. Lawmakers from both parties used that move to criticize the White House and insist on bigger increases.

One of those lawmakers, Sen. Robert C. Byrd, West Virginia Democrat, would have the chance to play a major role again should Democrats take control of the Senate.

He is in line to recapture the chairmanship of the Senate Appropriations Committee, and although he is not talking about specifics should Democrats win control, his record is clear.

"If we are truly serious about securing our borders -- and not just engaging in rhetoric and hot air -- then we will put real dollars where the rubber hits the road," he said earlier this year.

His spokesman, Tom Gavin, said Mr. Byrd supports the homeland security spending bill the president signed into law last month that included $1.2 billion for fencing, vehicle barriers, sensors, cameras and other infrastructure, and gives the Department of Homeland Security flexibility to decide what to spend where.

"Senator Byrd is supportive of that funding and the secretary's authority. No matter which party is in power, Senator Byrd will continue to work to make the improvements to border security that are critical to the safety of the United States," Mr. Gavin said.

The major decisions for the appropriations committees will be how much to increase the Border Patrol and to determine how many workplace enforcement teams and additional detention beds are needed.

Chances for an immigration agreement also will become entwined with presidential personalities and politics.

The Hispanic vote might play a much larger role in the presidential election than it has in House races this year, which could influence the way both parties handle it.

And Sen. John McCain, Arizona Republican and a major backer of legalization, is a presidential contender on the Republican side, though other Republican candidates are likely to emerge taking a much stricter line on the issue. Just this week Rep. Duncan Hunter, California Republican and chairman of the House Armed Services Committee, who was the champion of the 700 miles of fencing, announced that he is exploring a run for president.

Part I

Democratic majority ready to go to war over Iraq

Part II

Democrats wait in the wings with subpoenas

Part III

Specter of tax man haunts Democrats

Lawsuit Says Latino Citizens Were Caught Up In Raids Seeking Illegal Immigrants (LAT)

By Jenny Jarvie

The Los Angeles Times, November 2, 2006

atlanta — A civil rights group sued the federal government Wednesday on behalf of five Latino U.S. citizens who say they were detained and harassed by agents carrying out raids targeting illegal immigrants in south Georgia.

The Southern Poverty Law Center said that U.S. Immigration and Customs Enforcement agents used "Gestapo-like" tactics as they fanned across three Georgia counties in September, breaking into homes and stopping people in their cars "because they looked 'Mexican.' "

The class-action suit seeks not only compensatory damages for the plaintiffs — who include a landlord whose property was damaged — but also a court order preventing the agency from conducting similar raids across the country.

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"This was a widespread sweep, based largely on racial and ethnic profiling, in violation of the 4th and 5th Amendments to the United States Constitution," Mary Bauer, attorney for the plaintiffs, said at a news conference here. Those amendments pertain to the right to be free from unreasonable search and seizure and the right to due process.

"Agents saw brown skin," Bauer said, "and made a presumption of illegality."

Marc Raimondi, an ICE spokesman, said the raids were conducted legally. "We don't conduct random sweeps," he said, noting that the agency had spent a month investigating the area and had compiled a targeted list of illegal immigrants who had worked at a poultry plant using fraudulent documents. "Race or ethnicity played no role," he said.

Federal agents searching for undocumented immigrants who worked at the Crider Corp. poultry plant in Stillmore, Ga., arrested more than 125 people in September. No U.S. citizens were arrested, but the suit claims that agents "trampled on" the constitutional rights of "every person of Hispanic descent unfortunate enough to get in the way."

Marie Justeen Mancha — a 15-year-old who was born in Texas and lives in Reidsville, Ga. — says she was in her bedroom getting dressed for school when she heard men inside her home yelling "illegals" and "Mexicans." In the living room, she says, she saw five men, one with his hand on his gun holster.

"My heart just dropped," she said.

Nearly two dozen armed agents roamed her house and yard without presenting a search warrant, the lawsuit said. Mancha's mother, Maria Christina Martinez, is a U.S. citizen who previously worked at the chicken plant.

According to the suit filed in federal court in Atlanta, agents stopped one plaintiff, Maria Margarita Morales, as she was driving home, repeatedly called her "Mexican," grabbed her arm and ordered her to get out of her vehicle. Agents also surrounded another plaintiff, Ranulfo Perez, outside his home, the suit said, grabbing him by the shirt, pressing a gun into his side and throwing him against his truck. Another plaintiff, Gladis Alicia Espitia, says agents broke down her front door and threatened to throw gas into her home if her family did not come out of a bedroom.

Georgia has the nation's fastest-growing population of illegal immigrants. According to the federal government, the number of undocumented immigrants in the state more than doubled, to 470,000 from 220,000, in the last five years. ICE's Atlanta office — which covers Georgia, South Carolina and North Carolina — arrested 4,633 suspected illegal immigrants in 2006, more than any previous year.

Bauer said the Southern Poverty Law Center filed the suit — which lists Homeland Security Secretary Michael Chertoff, six ICE administrators and 30 unnamed ICE agents as defendants — to warn federal agents against conducting similar raids.

"If immigration is a problem, this isn't the solution," she said. "We want to send out a strong message that if they do this in other communities, they are going to be sued."

CONGRESS-ADMINISTRATION:

Bush Says Rumsfeld, Cheney Should Stay (AP-Y)

By Terence Hunt

AP, November 2, 2006

President Bush said Wednesday he wants Defense Secretary Donald Rumsfeld and Vice President Dick Cheney to remain with him until the end of his presidency, extending a job guarantee to two of the most-vilified members of his administration.

"Both those men are doing fantastic jobs and I strongly support them," Bush said in an interview with The Associated Press and others.

On the war in Iraq, Bush said the military has not asked for an increase in U.S. forces beyond the 144,000 already there. He said U.S. generals have told him "that the troop level they got right now is what they can live with."

On another international issue, Bush said he was determined that sanctions imposed against North Korea must be applied even though Pyongyang has agreed to return to six-nation nuclear disarmament talks.

The president spoke in the Oval Office, seated in a wing chair in front of a table with a bowl of roses. Six days before midterm elections, he steered away from political questions beyond saying he was confident that Republicans would defy the

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polls and hold control of the House and Senate. "I understand the pundits have got the race over. But I don't believe it's over until everybody votes," Bush said.

He refused to say whether he could work effectively with House Minority Leader Nancy Pelosi or Senate Minority Leader Harry Reid if Democrats won either the House or Senate, or both.

Bush did take the opportunity to take another poke at Sen. John Kerry, in political hot water for a remark that the White House has characterized as a slam on U.S. troops in Iraq. Kerry has said he was making a joke critical of Bush, not the troops.

"It didn't sound like a joke to me," the president said.

Democrats and Republicans alike have called for Rumsfeld's resignation, arguing he has mishandled the war in Iraq where more than 2,800 members of the U.S. military have died since the U.S.-led invasion in March 2003. Cheney has faced sharp criticism for his hardline views. In recent polling, less than 40 percent of respondents had a favorable view of Cheney and about a third had a favorable view of Rumsfeld.

Bush said he valued Cheney's advice and judgment.

"The good thing about Vice President Cheney's advice is, you don't read about it in the newspaper after he gives it," the president said. While Cheney was re-elected with Bush for four years, there has been recurring speculation that he might step down, perhaps for health reasons. As a practical matter, Bush could ask the vice president to leave if he wanted.

Bush credited Rumsfeld with overseeing wars in Iraq and Afghanistan while overhauling the military. "I'm pleased with the progress we're making," the president said. He replied in the affirmative when asked if he wanted Rumsfeld and Cheney to stay with him until the end.

Responding to Bush, Sen. Charles Schumer, D-N.Y., said, "With all due respect, the president just doesn't get it. We need a change in the Iraq strategy, but with Rumsfeld running the show we'll never get it."

Bush opened the interview by saying he was pleased that North Korea was returning to stalled nuclear talks. Although North Korea has a history of walking away from negotiations, Bush did not express doubts about the intentions of Kim Jong Il, North Korea's leader.

"It's his choice," Bush said. "I would hope he is sincere." He said that any deal with North Korea would have to be verifiable.

The president said he did not accept North Korea as a nuclear weapons state, even though it tested an atomic bomb three weeks ago. "Our objective is to see they're not a nuclear weapons state," the president said.

Bush said Robert Joseph, U.S. undersecretary of state for arms control and international security, and R. Nicholas Burns, undersecretary of state for political affairs, will travel through the region to talk with allies about how to make progress.

"We're going to talk about making sure that the sanctions passed by the United Nations are effective," the president said. "Implementation of the sanctions will be on the table."

As for Iraq, the president expressed confidence in Prime Minister Nouri al-Maliki despite apparent strains between Washington and Baghdad.

"I appreciate he's making hard decisions that he thinks are necessary to keep his country united and moving forward," Bush said. "I didn't find many differences of opinion when I talked to him. We both want Iraq to be able to govern itself, sustain itself and defend itself. We both want there to be benchmarks — Iraqi developed and designed benchmarks — that show the Iraqi people and the American people that this young democracy is making progress."

Bush said that "there's no question that October was a tough month. We lost 103 soldiers. It was a tough month because we were on the offense, the enemy was on the offense — the enemy was trying to affect us. And it was a tough month because of Ramadan. ... Our troops and Iraqi troops killed or captured over 1,500 people during this period of time."

Bush refused to comment on Cheney's assertion that a "dunk in water" of terrorist suspects was a "no-brainer" if it would save American lives. "We don't discuss the techniques we use," Bush said.

On other questions, Bush said:

_He will send Treasury Secretary Henry Paulson to Capitol Hill after the election to determine what can be achieved in the way of overhauling Social Security and Medicare.

_He understands the anxieties of some Republicans who have distanced themselves from his Iraq policies. "People will run the race they need to run," he said. Bush said Democrats "don't have a plan for victory."

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_"It's hard for me to tell" if U.S. troops will still be in Iraq when he leaves office in January 2009.

Kerry Offers Apology To Troops (WP)

By Peter Baker And Jim VandeHei

The Washington Post, November 2, 2006

Sen. John F. Kerry (D-Mass.) issued two apologies for remarks that seemed to impugn U.S. troops and abandoned his public schedule yesterday, but he denounced what he called the "campaign of smear and fear" against him as the surreal sequel to the 2004 presidential election echoed across the campaign trail.

The White House and Republican allies orchestrated a cascade of denunciations throughout the day to keep the once and possibly future presidential candidate on the defensive and force other Democrats to distance themselves. Kerry canceled plans to appear with several candidates and returned home to avoid becoming "a distraction to these campaigns."

Republican strategists appeared almost gleeful over the contretemps because it revived a favorite target at a time they need to motivate core supporters to vote in Tuesday's midterm elections. GOP officials have tried to make the elections not a referendum on President Bush but a choice between two parties with competing visions over taxes, terrorism and Iraq, but they have struggled to find a symbol for Democrats. Kerry's comments have allowed Republicans to make him again the face of his party and cast 2006 as a rerun of Bush vs. Kerry.

Democrats were irritated to lose two days in the homestretch that they would rather have devoted to Bush's troubled Iraq policy, and they pressed Kerry to apologize and get out of sight. Hoping to change the subject, Democrats seized on comments by Bush, who told reporters he wants Vice President Cheney and Defense Secretary Donald H. Rumsfeld to remain in their jobs for the final two years of his administration.

To reassert their main message, Democrats planned a blitz of final-weekend television advertising assailing Bush for his management of the war; Republicans, meanwhile, poured more money into once-safe districts in a sign that the field of competitive races may still be expanding. Polls and strategists in both parties indicate that the Democrats are in position to win the House and are running neck-and-neck to take the Senate.

Republicans decided to make a last-minute bid to help save two GOP senators who had been almost given up for lost. Sens. Conrad Burns (Mont.) and Lincoln D. Chafee (R.I.) trail Democratic challengers but appear within striking distance, according to GOP strategists. Democrats need to all but sweep the most competitive Senate races to win control.

But much of the day's political conversation centered on Kerry. His return to the national spotlight provided a new opening to Republicans, who have been battered through much of the fall by the political fallout from the escalating violence in Iraq, the House page scandal and new corruption probes.

Speaking to an audience in California on Monday, Kerry said: "Education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. And if you don't, you get stuck in Iraq."

Kerry said yesterday that he meant it as a dig at Bush, and his office released a copy of the prepared remarks he was supposed to deliver: "I can't overstress the importance of a great education. Do you know where you end up if you don't study, if you aren't smart, if you're intellectually lazy? You end up getting us stuck in a war in Iraq. Just ask President Bush."

Rejecting the explanation, Republicans quickly developed a Web ad demanding that he apologize and issued statement after statement attacking and mocking him. One released by House Majority Leader John A. Boehner (Ohio) included a picture that appeared to show soldiers in the desert holding up a banner: "Halp Us Jon Carry -- We R Stuck Hear N Irak."

Bush for the second day took aim at his old foe as well. "It didn't sound like a joke to me," he said in an interview with news services. In a separate interview with radio host Rush Limbaugh, Bush said, "Anybody who is in a position to serve this country ought to understand the consequences of words, and our troops deserve the full support of people in government."

Cheney also jumped into the fray, his office so eager that in a rare move it sent out advance excerpts from a speech given later in the day. "Senator Kerry said he was just making a joke and he botched it up," Cheney said. "I guess we didn't get the nuance. Actually, he was for the joke before he was against it."

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Around the country, Republicans pressed Democratic opponents to respond to Kerry's remarks. "Whatever the intent, Senator Kerry was wrong to say what he said," said Rep. Harold E. Ford Jr. (D), who is in a tight Senate race in Tennessee. "He needs to apologize to our troops."

Sen. Hillary Rodham Clinton (D-N.Y.) likewise condemned the remarks. "What Senator Kerry said was inappropriate," she said at a Veterans of Foreign Wars post. She added: "We don't need to be reciting the 2004 election, as much as President Bush would like that to happen. This election is about him and his policies."

Kerry tried twice to explain himself yesterday. After a Democratic candidate asked the senator not to campaign with him, Kerry canceled the rest of his schedule and called in to the Don Imus radio talk show, which is simulcast on MSNBC. Kerry said it is Bush who owes the nation an apology, for a botched war.

"They're trying to change the subject," Kerry said. "It's their campaign of smear and fear. . . . This is Swift boat stuff all over again."

Asked why not apologize for the misunderstanding, Kerry said: "Of course I'm sorry about a botched joke. You think I love botched jokes? I mean, it's pretty stupid."

Imus reflected Democratic anxieties by asking Kerry to stop talking publicly because it might "ruin" the party's election chances.

"I love you, but just stop it," Imus said. "I'm begging you."

"Well, I think it's important to talk about Iraq," Kerry said.

"I'm begging you," Imus said.

"I hear you," Kerry said. "You do not have to beg. You're my friend. I understand what you're saying. But I'm telling you, I'm not going to let these guys lie and smear."

"Stop now, stop now," Imus said again. "I'm begging you."

"You got it," Kerry said.

Kerry's apology did not satisfy critics, so by day's end, he issued a written apology: "I sincerely regret that my words were misinterpreted to wrongly imply anything negative about those in uniform and I personally apologize to any service member, family member or American who was offended."

Heading into the final days before the elections, the Democratic Congressional Campaign Committee plans to run an advertisement over the weekend that hits Republicans for not holding Bush accountable on the Iraq war, but the ad buy is small and is scheduled for CNN alone. More than half of Democratic candidates in close races for the House and the Senate are planning ads criticizing Bush for his management of the war.

Republicans, meanwhile, are spending a lot of money protecting GOP seats. The National Republican Congressional Committee launched a $200,000-plus ad to help Rep. Charles H. Taylor (N.C.), who trails Democrat Heath Shuler. As part of its effort to limit losses, the NRCC is spending heavily in Idaho to win an open seat in a conservative part of the country. Rep. Melissa Hart (Pa.), who was not considered in much trouble a few weeks ago, is also getting last-minute help from the NRCC.

Both sides are making last-ditch efforts at long-shot races as well. The Democratic Senatorial Campaign Committee plans to run $1 million in ads against Sen. Jon Kyl (R-Ariz.). Republicans are making a play for Michigan, where polls show Democratic Sen. Debbie Stabenow with a steady lead.

Bush Stands By Cheney, Rumsfeld (LAT)

By James Gerstenzang

The Los Angeles Times, November 2, 2006

washington — President Bush reached out Wednesday to conservative audiences, delivering pared-down versions of his campaign speech in interviews with radio talk show host Rush Limbaugh and Pat Robertson's Christian Broadcasting Network.

And, in a separate interview with news agencies, he gave a vow of support for Vice President Dick Cheney and Defense Secretary Donald H. Rumsfeld, two heroes to conservatives, and said he wanted them to remain in their posts.

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With control of the Senate and House at stake in Tuesday's election, the president has focused on delivering a sharp-edged message intended to draw contrasts between Republicans and Democrats and energize his most loyal conservative voters to get to the polls.

Rumsfeld and Cheney have become focal points for critics of the administration's policies in Iraq. Democrats, and some Republicans, have called in increasing numbers for Rumsfeld's removal as the death toll in Iraq has climbed.

Bush told news services Wednesday that "both those men are doing fantastic jobs, and I strongly support them," the Associated Press reported. When he was asked whether he wanted them to remain until the end of his term, he said yes.

The president also said he did not anticipate an increase in the approximately 140,000 U.S. troops in Iraq, saying that U.S. commanders there had assured him that "they've got what they can live with."

In the interview with Limbaugh, Bush said the fundamental issue in the campaign was whether voters would elect a Congress that supported him on national security issues.

"People come up to me all the time and say, 'Thank you for protecting us,' " Bush said. "And my answer in this campaign is, 'I'm going to continue to protect you, but I need a Congress that understands the stakes.' "

In its interview, the Christian Broadcasting Network asked Bush: "What's your prayer for the country?"

"My prayer is that this world be peaceful so that children can grow up understanding the benefits of freedom," the president said.

Bush Works To Solidify Base With A Defense Of Rumsfeld (NYT)

By John M. Broder

The New York Times, November 2, 2006

WASHINGTON, Nov. 1 — With less than a week before the election, President Bush sought to rally Republican voters on Wednesday with a vigorous defense of the war in Iraq and a vow to keep Defense Secretary Donald H. Rumsfeld in office until the end of Mr. Bush's term.

Mr. Bush appeared on Rush Limbaugh's radio program, whose audience is a reservoir of conservative voters, to criticize Democrats as lacking a plan for victory in Iraq.

Mr. Bush and Vice President Dick Cheney also spent another day going after Senator John Kerry, the Democratic presidential nominee two years ago, for remarks that Republicans say insulted the intelligence of American troops in Iraq.

"Anybody who is in a position to serve this country ought to understand the consequences of words," Mr. Bush said, "and our troops deserve the full support of people in government."

Mr. Kerry said in a statement issued on Wednesday by his office that his "poorly stated joke at a rally was not about and never intended to refer to any troop."

As Mr. Bush worked to solidify his base, Democratic and Republican Party committees were making some of their final moves on the electoral chessboard. The Republican Senate committee reported spending nearly $1 million on television advertisements in Maryland and more than $800,000 in Michigan. The Senate seats in those states are held by Democrats and have generally been considered safe, but the investments by Republicans suggested a hope of making them competitive.

Democrats sought to expand the contest for the Senate as well by buying air time in Arizona to rattle, if not defeat, Senator Jon Kyl, a Republican thought to be headed for relatively easy re-election. Democratic officials would not disclose how much they were spending.

Mr. Bush, in an interview with wire service reporters on Wednesday, said he intended to keep Mr. Rumsfeld at the Pentagon and Mr. Cheney in the vice presidency until he leaves office in 2009. Both are controversial figures, even among some Republicans, but they are also popular with conservatives who form the foundation of Mr. Bush's political and electoral strategy.

With polls showing a majority of Americans unhappy with the course of the war and many Republican candidates distancing themselves from Mr. Bush on it, the White House was taking a gamble on making Iraq the central subject of discussion in the final week of the campaign. His embrace of Mr. Rumsfeld carried particular risk, since some Republican candidates have joined nearly all Democrats in seeking his dismissal.

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Democrats responded to the Republicans' efforts with new advertisements accusing Mr. Bush and Mr. Rumsfeld of botching the war and making the United States less safe. A television spot from the Democratic Congressional committee said, "The White House is in denial as top generals warn that Iraq may be sliding into full-scale civil war."

A veterans group released an advertisement on Wednesday in which Iraq war veterans and Gen. Wesley K. Clark, who is retired and who was a Democratic presidential candidate in 2004, criticize the war. "Because of Iraq, there are more terrorists in the world," one veteran says.

Democrats also criticized Representative John A. Boehner, the No. 2 Republican in the House, as seeming to shift responsibility for problems in Iraq from Secretary Rumsfeld to the uniformed military.

"Let's not blame what's happening in Iraq on Rumsfeld," Mr. Boehner said in an interview on CNN on Wednesday afternoon. "But the fact is, the generals on the ground are in charge, and he works closely with them and the president."

Seeking to a draw a parallel to the flap over Mr. Kerry's comments, Senator Harry Reid of Nevada, the minority leader, demanded that Mr. Boehner apologize to the generals.

"John Boehner ought to be ashamed," Mr. Reid said in a statement. "He's blaming our troops for failures in Iraq."

Republican leaders hoped to buck up morale among conservative Christians, a normally reliable source of Republican votes. A sizeable number of such so-called values voters have told pollsters that they are unhappy with Mr. Bush and the Republican-led Congress and might stay home on Election Day or vote for Democrats.

James C. Dobson, founder of Focus on the Family and an influential voice among evangelical Christian voters, said on his radio program this week that Democrats and the news media were trying to suppress the conservative vote by reporting on unhappiness among evangelicals.

Mr. Dobson also warned that a Democratic takeover of Congress would bring "crippling setbacks in the battles against abortion and gay marriage."

In recent days, Mr. Bush and his surrogates have sought to rally Republicans by raising the specter of what they call unreconstructed liberal Democrats leading powerful committees if the Democrats regain control of Congress. Mr. Cheney took aim at one of them, Representative Charles B. Rangel of New York, who is in line to become chairman of the House Ways and Means Committee, which writes tax laws.

Mr. Cheney said late last week that Mr. Rangel knew nothing about the American economy and would raise taxes as soon as he took over the committee.

Mr. Rangel responded by using a profanity to question Mr. Cheney's parentage. He said in an interview Wednesday that he was sorry for his choice of words, but not for the thought. He said he hoped that if the Democrats won control of Congress the nasty language on both sides would cease.

"I can take a political shot," Mr. Rangel said. "But my family and friends and constituents deserve better from the vice president of the United States."

Bush Seeks To Minimize Burden Of Iraq On Republican Candidates (BLOOM)

By Richard Keil

Bloomberg, November 2, 2006

Nov. 2 (Bloomberg) -- President George W. Bush sought on several fronts yesterday to minimize what he acknowledged was the political burden of Iraq on Republicans in the Nov. 7 congressional elections.

The president, in an interview at the White House, reiterated his firm support for two of the officials most closely identified with U.S. policies there, Defense Secretary Donald Rumsfeld and Vice President Dick Cheney, and predicted his party would hang on to its majority in Congress.

Bush also took another jab at one of his chief critics, Democratic Senator John Kerry, for remarks that have been interpreted as a criticism of U.S. troops. Kerry last night apologized for what he said was a ``botched" attempt at a joke aimed at Bush.

``It didn't sound like a joke to me," Bush said before Kerry issued his apology. ``More importantly, it didn't sound like a joke to the troops."

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With six days until the midterm election, Bush is attempting to rally core Republican voters to counter what polls show is widespread dissatisfaction with Congress and his handling of the presidency. He said he understood why some of his party's candidates are distancing themselves from his administration.

``People will run the race they need to run," Bush said. Still, he said he was confident Republicans would prevail.

``This is not my first campaign," Bush said. ``When people get in that booth, they'll ask two questions: Who best to protect us, and how best to keep the economy going."

In the final days before the election, Bush has been granting interviews with news organizations and stumping for candidates across the country.

Iraq

One of the biggest hurdles for Republicans is growing public sentiment that the war in Iraq was a mistake. A New York Times/CBS News poll released last night found 64 percent of Americans disapprove of the way Bush is handling the war. Other than Bush, Cheney and Rumsfeld are the two officials who draw the most criticism on the war.

Democrats and some Republicans have called for Rumsfeld to resign over the U.S. failure to head off an insurgency and sectarian strife that has increased the level of violence in Iraq. There were 99 U.S. military personnel killed in combat in Iraq during October, the biggest monthly toll since November 2004, when 126 were killed as U.S. forces were driving insurgents from the city of Fallujah. Another six died in accidents and from other causes last month, bringing the total death toll to 105.

`Fantastic Jobs'

Bush said he values Cheney's counsel and said Rumsfeld has steered the U.S. through wars in Iraq and Afghanistan while also undertaking an effort to transform the military's approach to warfare.

Both men ``are doing fantastic jobs," he said, adding that he wants them to remain in place for the rest of his presidency.

The president's comments about Rumsfeld were immediately seized on by Senator Charles Schumer of New York, who is heading Democratic Senate Campaign Committee.

``The president just doesn't get it," Schumer said in a statement. ``We need a change in the Iraq strategy, but with Rumsfeld running the show we'll never get it."

The furor over Kerry's remarks, made Oct. 30 during a campaign event in California, gave Republicans a rare opportunity to go on the offensive about Iraq. Kerry told his audience that those who fail to study hard ``could end up getting stuck in Iraq."

Regrets

Bush and other Republican demanded an apology for what they said was a slam against U.S. troops. Last night they got it.

``I sincerely regret that my words were misinterpreted to wrongly imply anything negative about those in uniform, and I personally apologize to any service member, family member, or American who was offended," Kerry said in a statement.

Some Republicans suggested Kerry's apology would lay the matter to rest. House Majority Leader John Boehner of Ohio said the apology was ``good enough." White House spokeswoman Dana Perino said ``it was the right thing to do."

Still, the Republican National Committee said the party would continue using Kerry's gaffe in campaign material.

``It is getting a significant amount of local coverage," said Danny Diaz, a spokesman for the Republican National Committee in Washington. ``Republicans are on the offensive. Democrats are defensive."

Minimal Effect

Steve Hess, a presidential scholar at the Washington-based Brookings Institution, said any effects weren't likely to carry over to Election Day. ``I can't really imagine anybody going into the voting booth on Tuesday who is going to change their mind or even be there because John Kerry said something stupid," he said.

Bush acknowledged that Iraq hangs over the political landscape and is impeding his efforts to tout the growth of the U.S. economy since he took office and lower income tax rates passed by the Republican-controlled Congress.

``No question about that," he said. ``People ask me, `If the economy is so good, why aren't people celebrating.'" The rising cost of health care and energy are among the reasons, he said. So is Iraq.

``The war has overshadowed a lot," Bush said.

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Looking past the election, Bush said he would send Treasury Secretary Henry Paulson to Capitol Hill to solicit ideas from Democrats and Republicans on restructuring entitlement programs such as Medicare and Medicaid, which face funding shortfalls.

`Willing to Listen'

``I am willing to listen to anything," Bush said. ``But I recognize it's going to take a bipartisan approach."

Another initiative the Bush wants to revive is revamping the Social Security program. Bush said that must be done without increasing taxes. Some Democrats, including former Treasury Secretary Robert Rubin, have said taxes must be part of the equation in discussions about entitlement programs.

``Everyone knows my position: I believe we can solve this problem without raising taxes," Bush said. ``It's going to be important for people, if they are interested in going forward, not to put any preconditions on it."

Bush To Hit GOP Campaign Trail (CHIT)

By Mark Silva

Chicago Tribune, November 2, 2006

WASHINGTON -- On voters' minds though not on the ballot, President Bush is defiantly embracing the issue that has made him both unpopular and a possible liability for Republican congressional candidates this year: unyielding support for the war in Iraq.

As he heads out for a campaign-closing tour through the weekend—starting out West on Thursday and carrying him to Iowa and Missouri on Friday—the president is stumping with the fervor of someone whose own office is at stake. And in many ways it is, considering the impact on the remaining two years of his presidency if the Democrats take control of the House and possibly the Senate.

Insisting that this contest is "far from over," Bush has escalated his campaign-trail rhetoric about the war with a warning: "However they put it, the Democrats' approach in Iraq comes down to this: The terrorists win and America loses."

As Florida Gov. Jeb Bush put it, "My brother loves a fight. He enjoys to be underestimated. He has defied the pundits in the last three election cycles. He will take risks on behalf of his cause."

The risk of putting so much behind support for the war in Iraq in the face of so much distressing news from the battlefront is that public opposition to the war will take the same toll on some of his party's candidates that it has taken on Bush's own public approval ratings. They have been below 40 percent for months.

Yet analysts say the president's resolve for fighting the war against terrorism remains his strongest suit politically and represents his best chance for stirring conservative turnout Tuesday in taut races, such as Missouri's contest between Sen. Jim Talent (R-Mo.) and Democrat Claire McCaskill.

As unpopular as the war in Iraq has become, they say, the president cannot run from it—so he is running with it.

"All other issues are taking second fiddle to Iraq," said Philip Hughes, a communications consultant who served on the National Security Councils of the previous Bush and Reagan administrations. He said flatly that the current Bush administration "has really done a lousy job of communicating its policy" on Iraq.

"There is nothing that seems to be so quite in the minds of Americans—not gay marriage… not taxes. There is nothing that overshadows Iraq," Hughes said. "The president, it seems to me, has no choice but to defend his policy, to defend Iraq. It seems to me this is the only option, the only play."

Playing to the issue that has carried his party through the last two elections, the president is portraying the GOP as the party prepared to protect Americans from terrorism and Democrats as the party ready to "cut and run" from the fight in Iraq.

"You can't win a war unless you're willing to fight the war," Bush said as he campaigned for a Republican House candidate in Sugar Land, Texas, this week. "Retreat from Iraq before the job was done would embolden an enemy and make this country more vulnerable to attack."

Democrats complain that the president is tarring critics of the war in Iraq by waging a campaign of "fear."

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The administration is "massively overstating" the threat that terrorism poses to the United States, according to John Mueller, a professor of political science at Ohio State University and author of a new book, "Overblown: How Politicians and the Terrorism Industry Inflate National Security Threats, and Why We Believe Them."

Yet for Bush, Mueller said, campaigning on a perceived threat of terrorism following any failure of the U.S. mission in Iraq remains "his strongest suit. … In politics, what you always do is play to your strong suit."

The Republicans also have found fresh fodder for their argument that Democrats don't understand the stakes in Iraq with Sen. John Kerry's "botched joke" this week. If "you study hard … you can do well," Kerry said. "If you don't, you get stuck in Iraq." Kerry said he botched a prepared line about Bush getting stuck in Iraq, but Bush and fellow Republican leaders accused Kerry of insulting the intelligence of American troops.

"Of course, now Sen. Kerry says he was just making a joke, and he botched it up," Vice President Dick Cheney said at a campaign rally in Montana on Wednesday. "I guess we didn't get the nuance. He was for the joke before he was against it."

Kerry apologized Wednesday to "any service member, family member or American" offended by his comment and said he regretted that his words were "misinterpreted to imply anything negative about those in uniform."

In another pointed effort to turn out conservatives, the president also is campaigning for passage of several state proposals to ban same-sex marriage.

Having failed to win congressional support for a constitutional amendment defining marriage as the union of a man and woman, Bush has raised the issue anew in recent days, since the New Jersey Supreme Court ruled that the state must give gay and lesbian couples the same legal rights as it affords married couples.

"For decades, activist judges have tried to redefine America by court order," Bush said, campaigning in Georgia this week. "Just this last week in New Jersey, another activist court issued a ruling that raises doubt about the institution of marriage."

Twenty states have enacted constitutional amendments banning gay marriage, and voters in another eight states face amendments on Tuesday—including Tennessee and Virginia where Republicans are fighting to turn out the vote in close races that could determine the balance of partisan power in the Senate.

"It's really a base-mobilization argument," said John Green, a political scientist at the University of Akron. "The issue had lost some of its immediacy.… What the New Jersey Supreme Court ruling did was make it possible to talk about the return of that urgency. It may indeed help mobilize conservative Christians."

Campaigning on the war, too, can help mobilize conservatives disenchanted with the president's stance on other issues, such as deficit spending, Green said. "These are people who nonetheless care a great deal about national security," he said.

Keeping the spotlight focused on Iraq is not without risk in elections where many Democrats are trying to frame them as a referendum on Bush in general, and the war in particular.

This is the case, Green said, "because Iraq is becoming less and less popular—even within his own party. On the other hand, he doesn't have much alternative.… It's a variation on [Secretary of Defense Donald] Rumsfeld's comment that you go to war with the army that you have…. You go into the last week of a campaign with the policies that you have."

IGs Probe Allegations On Global Warming Data (WP)

By Juliet Eilperin

The Washington Post, November 2, 2006

Inspectors general at two agencies have begun an investigation into whether the Bush administration has suppressed government scientists' research on global warming, officials at NASA and the Commerce Department confirmed yesterday.

Prompted by a request this fall by 14 Democratic senators, the IGs are examining whether political appointees have prevented climate researchers at NASA and the National Oceanic and Atmospheric Administration from conveying their findings to the public.

The issue of global warming has emerged as one of the most contentious scientific debates within the administration. In the past year, several federal climate scientists, including James Hansen, director of NASA's Goddard Institute for Space Studies, have accused the administration of muzzling them, a charge the White House has denied.

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Sen. Frank Lautenberg (D-N.J.), a member of the Environment and Public Works Committee and author of the Sept. 29 letter to the two inspectors general, said yesterday in an interview that he was pleased about the investigation. "It's extremely important, because the evidence is so obvious that they've tried to block the presentation of information on this in an unbiased fashion," Lautenberg said.

The probe's results should become public early next year, a Lautenberg aide said.

Officials at NASA and the Commerce Department, which oversees NOAA, pledged to cooperate with any inquiry but defended their media policies.

"We support and encourage a process of open, peer-reviewed science, and the role of our public affairs office, like any other organization, is to coordinate and ensure that media get timely, accurate and thorough information," said Richard Mills, spokesman for Commerce Secretary Carlos M. Gutierrez.

NASA spokesman Dean Acosta, whose agency came under intense media scrutiny once Hansen aired his allegations in January, noted that since then: "NASA clarified its policy ensuring free and open communications of scientific and engineering data with the public and across the agency. The revised policy was widely distributed and widely reported upon. It is working well."

Senate Environment and Public Works Committee Chairman James M. Inhofe (R-Okla.), who has called the idea of human-induced climate change a "hoax," questioned why government officials would be investigating the matter. "This is purely eleventh-hour election-year politics," he said.

Some federal scientists interviewed yesterday said they welcomed the probe because they had encountered problems in speaking to reporters about their work.

Tom Knutson, a climate research scientist at NOAA's Geophysical Fluid Dynamics Laboratory in Princeton, N.J., said he could not speak in his official capacity, "but as a private citizen, I think it's a good idea they're looking into that. There should be open lines of communication between scientists and the media, and some of what I experienced did not meet that standard."

A year ago, Knutson said, Bush administration officials twice blocked him from discussing with television reporters a possible connection between global warming and hurricanes.

An Oct. 19, 2005, e-mail exchange between Commerce Department spokesman Chuck Fuqua and NOAA spokesman Kent Laborde, concerning a possible CNBC interview with Knutson, details Fuqua's concern that Knutson is less willing to discount the connection than two other government researchers. "Why can't we have one of the other guys on then?" Fuqua asked Laborde. The exchange was posted on the Web site of Rep. Henry A. Waxman (D-Calif.).

Democrats Say Hunger Report Stalled (AP-Y)

By Libby Quaid, Ap Food And Farm Writer

AP, November 2, 2006

Democrats are accusing the Bush administration of holding up a report on the number of people going hungry in the United States.

Since 1999, the number of people struggling with hunger has risen from 31 million to 38 million in 2004. The Agriculture Department report has generally been released in October, a month after annual poverty figures are released by the Census Department.

Democrats said the delay appears political. Competitive elections across the country will decide next Tuesday whether President Bush's party keeps control of Congress.

USDA officials said the report has long been set for a mid-November release and that the delay is not political.

Rep. Anthony Weiner, D-N.Y., compared the delay to a recent IRS decision to hold off collections of back taxes from last year's hurricane victims.

"It seems like a pattern is emerging where the administration simply tries to bury bad information the closer they get to the election," Weiner said.

"The professionals in these agencies who want to do their work in this administration are being thwarted, because it's all politics, all the time," he said.

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Rep. Rosa DeLauro, D-Conn., said the administration "continues to put politics ahead of hunger in America." She is the top Democrat on the House Appropriations Committee's farm spending subcommittee.

Weiner sent a letter about the delay Wednesday to Karl Rove, the president's chief political strategist.

A department spokeswoman, Terri Teuber, said officials decided some time ago to issue the report in mid-November because analysts haven't always been able to finish it by October.

"There has been absolutely no political pressure to hold this report," Teuber said.

Done by the department's Economic Research Service, the report details the number of people with food insecurity, meaning they don't have enough money or resources to get food.

It is possible the report will show the number of hungry people has stopped climbing. That is what the Census Bureau reported on this year's poverty figures. Last year there were 37 million people still living below the poverty line, about the same as 2004.

Regardless of the reason for the delay, anti-hunger advocates just want to see the numbers.

"Our real concern is that so few people are talking about the problem and proposing ways to address that struggle with hunger that 38 million people constantly face," said Jim Weill, president of the Food Research and Action Center.

That goes for the administration, for both parties in Congress and for the private sector, Weill said.

"If we ought to be able to do anything as a country, it's that we ought to be able to get enough adequate, decent food to everybody," Weill said.

OTHER NEWS:

Economy Displays More Signs Of Slowing (USAT)

By Barbara Hagenbaugh

USA Today, November 2, 2006

WASHINGTON — There is little doubt the economy is slowing. What is unclear is how long the decline will last or how deep it will be.

The latest evidence of a slowing economy came Wednesday in reports showing a dip in the rate of growth in the manufacturing sector and a further decline in housing construction.

Also on Wednesday, Merrill Lynch warned clients that its “recession-risk indicator” is now pointing to a 51% chance of a recession in the next year, the highest such odds since the last recession in 2001.

The indicator has only twice hit the 51% line without being followed by a recession, Merrill Lynch chief North American economist David Rosenberg said in a report titled, “On a Knife's Edge.”

The question of whether there will be a recession is “still a tough call,” he says. But “what the indicator represents is, at a minimum, a significant slowing in growth.”

Joel Naroff of Naroff Economic Advisors says there are still enough factors in the economy's favor to keep it afloat. In particular, job growth is still solid, and wages are rising while interest rates are low, historically speaking. But that doesn't mean the economy is poised for a big takeoff.

“I'm not concerned about a recession at all, but I do think that we could be looking at (subpar) growth … this quarter and the first half of next year,” he says.

But Sue Burnett of Houston-based Burnett Staffing Specialists, says hiring in Texas is still strong, particularly for engineers, accountants and call-center operators.

“We think that the economy is doing fine,” she says. “We see that people are optimistic, that they are hiring people. We haven't seen any layoffs or any cutbacks.”

Growth in the manufacturing sector in October eased to the slowest pace since June 2003, the Institute for Supply Management said. Measures of orders, production and order backlogs all declined, while employment grew.

Norbert Ore, who heads the ISM factory survey, says one of the “big worries” was that manufacturers on average said their clients' inventories were “too high” last month, the first time that has happened in more than five years. That's significant, because

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if firms have large inventories on hand, they will not need to order more goods, potentially leading to a drop in manufacturing activity.

AGCO, a farm equipment manufacturer and distributor, said Wednesday that net sales in 2006 are expected to be down 2% to 3% vs. 2005, “based on lower industry demand and planned dealer inventory reductions,” the Duluth, Ga.-based firm said in a statement accompanying its latest earnings report.

In another report, the Commerce Department said construction activity declined for the third-consecutive month in September to the lowest level since January. An increase in non-residential construction was more than offset by a decrease in home building.

Weak U.S. Manufacturing Data Signal Slowdown In Economy (WSJ)

By Mark Whitehouse

The Wall Street Journal, November 2, 2006

The latest data on manufacturing activity offered little support for the idea that the U.S. economy will rebound quickly from a slow third quarter.

The Institute for Supply Management, a purchasing managers' trade group, said its manufacturing index fell to 51.2 in October, from 52.9 a month earlier. The new-orders component of the index, which offers a glimpse of potential manufacturing activity, fell to 52.1 from 54.2. Any number above 50 suggests expansion, but the October readings indicate that the manufacturing sector, which makes up about a fifth of the economy, was losing momentum as it entered the current quarter.

"It's an indication that we've peaked and the rate of growth is slowing or will disappear for the short term," said Norbert Ore, who oversees the manufacturing survey and also serves as procurement director at Georgia-Pacific Corp. One bright spot, he said, was a sharp drop in the "prices paid" portion of the survey -- a sign that inflation pressures are easing along with energy prices.

Economists said the deceleration in manufacturing suggests that slowdowns in both the housing and automobile sectors are spreading to the broader economy, as a drop in home and auto construction translates into fewer orders for factories. Mr. Ore named wood products, appliances, plastics and fabricated metals among the sectors that had seen the sharpest declines in October.

"I think I hear the footsteps of housing construction going up the supply chain," said Jim Meil, chief economist at Eaton Corp. in Cleveland.

The ISM report added to investor concerns about the U.S. economy's ability to recover from a tepid third quarter, during which its annualized, inflation-adjusted growth rate fell to an estimated 1.6% -- the slowest pace since 2003.

Recent data have shown significant declines in housing and housing-related industries. Last week, the government estimated that residential investment fell at an annualized, inflation-adjusted rate of 17% in the third quarter -- the largest quarterly drop since 1991. Yesterday, the Commerce Department reported that overall construction spending fell 0.3% in September from a month earlier, and the National Association of Realtors said its index of pending home sales slipped 1.1% in September from August. Also in September, production in several housing-related sectors -- such as wood products and furniture -- dropped more than 1%, according to the Federal Reserve. All the data are seasonally adjusted.

WALL STREET JOURNAL VIDEO

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WSJ's Jon Hilsenrath explains how today's economic indicators2 fit together to give a big picture of the economy's state, with more indications of a slowdown.

"We're going to be down compared to the recent cycle," said Richard Kelley, operations manager at Knoxville Drywall Inc., which does contracting mainly for residential housing projects in and around Knoxville, Tenn. "It's coming back to a more sustainable level." He said his orders for drywall were about flat in October compared with a year earlier, after rising more than 10% the year before.

Some economists argue that any downturn in manufacturing will be short-lived, because consumer demand remains healthy. Data on September personal income and consumption, for example, suggested people have money and are willing to

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spend. Drew Matus, an economist at Lehman Brothers in New York, says many company executives are probably holding back not because they can't find customers, but because they're wary of investing in production until they have a better idea of the depth of the downturn in housing.

Write to Mark Whitehouse at mark.whitehouse@wsj.com3

Catching Breath: Dow Industrials Ease For 4th Day (WSJ)

By Peter A. Mckay

The Wall Street Journal, November 2, 2006

Reports showing surprisingly weak manufacturing and construction activity in the U.S. bumped the Dow Jones Industrial Average lower. The pullback extended the Dow's losing streak to four days, the longest since early August, immediately before the blue-chip indicator began a run to fresh records.

The Dow shed 49.71 points, or 0.4%, to end at 12031.02, up 12.3% on the year. Among the blue-chip indicator's weakest component companies were United Technologies, which fell 2.2%, and Alcoa, which fell 1.5%.

The Standard & Poor's 500-stock index fell 0.7%, or 10.13 points, to 1367.81, up 9.6% on the year. The tech-stock-focused Nasdaq Composite Index fell 1.4%, or 32.36 points, to 2334.35, up 5.9% on the year.

The Institute for Supply Management said its index of U.S. manufacturing activity for October fell 1.7 points to 51.2, the lowest level in more than three years and well below analysts' expectations for an October reading of 53.5.

Bond prices rose and the 10-year Treasury yield fell to its lowest level in a month, as traders interpreted the data as a signal inflation remains in check in the U.S. economy.

At the same time, the drop wasn't enough to rekindle investors' fading hopes that the Federal Reserve will cut its key interest-rate target this year to spur economic growth, said Conrad DeQuadros, senior economist at Bear Stearns.

He pointed out that any ISM reading above 50 signals growth, which means that even if the numbers released yesterday were below expectations, they still mean factory activity is rising. By contrast, when the Fed started its last cycle of rate cuts in 2001, the ISM index was below 44, Mr. DeQuadros said.

"The economy is still fairly solid," he said. "If anything, I think this is the type of report that the Fed might welcome."

Separately, the Commerce Department reported U.S. construction spending fell 0.3% in September, worse than the 0.1% decline Wall Street had expected.

Gold rose, as investors flocked to the yellow metal because of its historical role as a haven from economic difficulties. Futures rose $12.50, or 2.1%, to $616.60 a troy ounce, up 19.2% this year.

In major U.S. market action:

Stocks fell; bonds rose. The 10-year note gained 12/32 point, or $3.75 for each $1,000 invested, pushing the yield down to 4.565%.

The dollar strengthened. Against the Japanese currency, the dollar rose to 117.04 yen, compared with 116.96. The euro fell to $1.2755 from $1.2763.

Write to Peter A. McKay at peter.mckay@wsj.com1

Kerry Sorry For 'Stuck In Iraq' Remark (AP-Y)

By David Espo

AP, November 2, 2006

Fearful of damaging his own party in next week's elections, Sen. John Kerry apologized Wednesday to "any service member, family member or American" offended by remarks deemed by Republicans and Democrats to be insulting to U.S. forces in Iraq.

Six days before the election, the Democrats' 2004 presidential nominee said he wanted to avoid becoming a distraction in the final days of the battle for control of Congress. He added he sincerely regretted that his words were "misinterpreted to imply anything negative about those in uniform."

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In a brief statement, Kerry attacked President Bush for a "failed security policy." Yet his apology, issued after prominent Democrats had urged him to cancel public appearances, was designed to quell a controversy that party leaders feared would stall their drive for big gains on Nov. 7.

With polls showing the public opposed to the war in Iraq, Democrats have expressed increasing optimism in recent days that they will gain the 15 seats they need to win control of the House. Democrats must pick up six seats to win the Senate, a taller challenge, and both parties made last-minute efforts to increase the number of competitive races.

For the Democratic senatorial committee, that meant pumping about $1 million into an Arizona race long thought out of reach. For the counterpart Republican committee, it meant a foray into Maryland, also viewed as an unlikely state to pick up a seat.

Kerry beat a grudging retreat in his return to the national campaign spotlight. Earlier, on the radio program "Imus in the Morning," the Massachusetts senator said he was "sorry about a botched joke" about Bush. He heaped praise on the troops, adamantly accused Republicans of twisting his words and said it was the commander in chief and his aides who "owe America an apology for this disaster in Iraq."

Democrats cringed, though, at the prospect of the Massachusetts senator becoming the face of the party for the second consecutive national campaign. "No one wants to have the 2004 election replayed," said Sen. Hillary Rodham Clinton, D-N.Y., like Kerry, a potential contender for the 2008 nomination.

Congressional candidates in Iowa and Minnesota swiftly made plain that Kerry was no longer welcome to appear at scheduled rallies, and the senator scrapped an appearance in Philadelphia.

"It was a real dumb thing to say. He should say sorry," said Democrat Claire McCaskill, running in a tight Senate campaign in Missouri.

The White House accepted Kerry's statement. "Senator Kerry's apology to the troops for his insulting comments came late but it was the right thing to do," said Dana Perino, deputy press secretary.

With Bush showing the way, Republicans had worked energetically to turn Kerry into an all-purpose target in a campaign that has long loomed as a loser for the GOP — much as they ridiculed him two years ago on their way to electoral gains.

"Anybody who is in a position to serve this country ought to understand the consequences of words. ... We've got incredible people in our military, and they deserve full praise and full support of this government," Bush said in an interview with conservative talk-radio personality Rush Limbaugh.

"Of course, now Senator Kerry says he was just making a joke, and he botched it up," Vice President Dick Cheney said in remarks prepared for a campaign appearance in Montana. "I guess we didn't get the nuance. He was for the joke before he was against it."

The jab was designed to recall Kerry's inartful comment from the last election that he had voted for $87 billion for the wars in Iraq and Afghanistan before he voted against it.

Two days ago, Kerry stirred controversy when he told a group of California students that individuals who don't study hard and do their homework would likely "get stuck in Iraq." Aides said the senator had mistakenly dropped one word from his prepared remarks, which was originally written to say "you end up getting us stuck in a war in Iraq." In that context, they said, it was clear Kerry was referring to Bush, not to the troops.

The speed with which party leaders and candidates shoved Kerry aside underscored the difficulty he will face running for the nomination after leading the party to defeat in 2004. He also had the misfortune of being disinvited from an appearance in Iowa — the state whose caucuses will begin the delegate selection process for the White House race.

Party leaders were far more focused on the election in six days time, rather than the one two years away.

Democratic officials said the leaders of the party's campaign committees had relayed word to Kerry for him to avoid becoming a distraction. Aides to Sen. Chuck Schumer, D-N.Y., and Rep. Rahm Emanuel, D-Ill., chairmen of the Senate and House campaign committees, said they would not comment on any possible telephone conversations that had occurred.

Democrats have privately told outsiders they have locked up 10 of the 15 GOP-held seats they need. Polls indicate several dozen additional races are competitive, far more than appeared possible at the outset of the campaign, and too many for Republican comfort at a time of opposition to the war and low presidential approval ratings at home.

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In the Senate, Democrats claim they are on track to defeat four Republican incumbents, including Sens. Mike DeWine in Ohio, Rick Santorum in Pennsylvania, Lincoln Chafee in Rhode Island and Conrad Burns in Montana. Republicans tacitly concede DeWine and Santorum appear headed for defeat, but the party's senatorial committee has launched television commercials in the campaign's final week in an attempt to save Chafee and Burns.

Barring a dramatic shift in opinion in the campaign's final days, that leaves only a handful of races in significant doubt, principally three Republican-held seats in Tennessee, Missouri and Virginia.

Unlike 2004, when Bush rallied the country to his side by asking "who do you trust" in wartime, public opinion polls now show the conflict in Iraq is unpopular. Increasingly, Republican candidates have found it politically necessary to emphasize their differences with Bush on a struggle that has dragged on for nearly four years and cost more than 2,800 American lives.

The Democratic Congressional Campaign Committee unveiled a web video during the day, hoping to turn discontent with the war into opposition to Republican lawmakers who have backed the president. Bill Burton, a spokesman, said it would air on cable television nationally, although he provided no details.

The ad features scenes of carnage and an ominous soundtrack, while the announcer says, "With the White House in denial, while top generals warning that Iraq might be sliding into a full scale civil war, tell Congress it's long past time to put down their rubber stamp and ask the hard questions about Iraq."

Flubbed Joke Makes Kerry A Political Punching Bag, Again (NYT)

By Kate Zernike

The New York Times, November 2, 2006

WASHINGTON, Nov. 1 — He's back.

Senator John Kerry had been carefully and quietly building himself back up after his failed 2004 presidential run, campaigning for Democratic candidates in places where he could forget about his sometimes strained relationships with his peers back in Washington.

But with a single word — or a single word left out of what was supposed to be a laugh line directed at the president — Mr. Kerry has become a punching bag again, for Republicans and for his own party.

"Please stop it," Mr. Kerry's friend, Don Imus, the radio talk show host, urged him on his morning broadcast. "Stop talking. Go home."

But even as Mr. Kerry seemed to follow that advice, retreating to Washington, he was not going away.

For Republicans and the White House, Mr. Kerry's "botched joke" Monday was manna from Massachusetts, that reliable redoubt of liberal caricatures. The White House, which had been struggling for ways to make President Bush less of a liability in the election, seized on Mr. Kerry's comments, with the president, vice president and spokesmen blanketing radio and television to blast him for impugning the troops.

For Democrats, Mr. Kerry became a headache, as Republican candidates in tight races across the country demanded that Democrats return money they had taken from him or call on him to apologize.

Three Democratic challengers announced they had canceled plans to campaign with him — leaving one, Tim Walz in Minnesota, without a prominent surrogate while his opponent campaigned with Senator John McCain, Republican of Arizona, who called Mr. Kerry unsupportive of the troops.

National leaders calculated that the comments would probably not affect the elections. But Mr. Kerry's sudden center-stage appearance in the last days of the campaign revived grumblings about his putting his own political future ahead of the party's.

Mr. Kerry's advisers were trying to figure out the damage as he considers a 2008 run.

The long-term problem was not so much that he appeared to be insulting the troops — although that did not help, when his message rests so much on his military service and concern for veterans. It was more that his remarks left a segment of his own party, and perhaps the electorate, wondering if he has the agility and political skill to compete at the highest level.

"Do you need to go to joke school?" one reporter asked him.

"Sure," Mr. Kerry replied — a notably concise answer for a senator who typically speaks in paragraphs.

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His advisers lamented the senator's inability to get out of his own way, as much as they attacked Mr. Bush and others for trying to raise doubts about Mr. Kerry's patriotism when they had never gone to war.

"It's the skill of the flak machine to make him the target of ridicule when on everything else he's been doing, he has been really tough, he's been really clear, he's been really on," said one of Mr. Kerry's advisers. "You can imagine how frustrating this thing is to all of us. And him in particular."

Mr. Kerry's camp took heart as some bloggers applauded his feisty rebuttal to the president and Mr. McCain on Tuesday night — in comparison to his sluggish response to the attacks by the Swift boat veterans that helped torpedo his 2004 campaign.

"Wow, much to my total shock, yes folks, there IS a live pulse in Senator Kerry's body," wrote Gun Toting Liberal, a blogger. "I think this may just be the first time I have ever listened to the elitist from Massachusetts and felt a compelling interest to lean forward and listen to what the man had to say."

Mr. Kerry's prepared remarks to California students on Monday called for him to say, "Do you know where you end up if you don't study, if you aren't smart, if you're intellectually lazy? You end up getting us stuck in a war in Iraq. Just ask President Bush." In his delivery, he dropped the word "us."

Democrats came out strongly against him. Representative Harold E. Ford Jr., who is running for an open Senate seat in Tennessee, said Mr. Kerry was "wrong to say what he did," and Senator Hillary Rodham Clinton of New York called Mr. Kerry's remarks inappropriate.

After canceling his appearances, Mr. Kerry called several fellow Democrats to tell them he would apologize, and by the end of the day he issued this statement:

"As a combat veteran, I want to make it clear to anyone in uniform and to their loved ones: my poorly stated joke at a rally was not about, and never intended to refer to any troops. I sincerely regret that my words were misinterpreted to wrongly imply anything negative about those in uniform, and I personally apologize to any service member, family member, or American who was offended."

He blamed Republicans for preferring to "talk about anything but their failed security policy."

"I don't want my verbal slip to be a diversion from the real issues. I will continue to fight for a change of course to provide real security for our country and a winning strategy for our troops."

Representative Edward J. Markey of Massachusetts, one of the Democrats Mr. Kerry reached out to, said: "The country wants to hear what the president intends to do to correct this disastrous Iraq policy. If the president chooses instead to talk about misinterpreted jokes, shame on him."

Other Democrats insisted the episode revealed little.

"If the issue is whether or not John Kerry can tell a joke and tell it well," Gov. Tom Vilsack of Iowa, who campaigned for Mr. Kerry in 2004, said in an interview with Radio Iowa, "I could have told you the answer to that question was no a week ago."

Kerry Apologizes For Iraq Remark (USAT)

By David Jackson

USA Today, November 2, 2006

WASHINGTON — Sen. John Kerry apologized Wednesday for a "botched joke" that suggested U.S. troops in Iraq are uneducated, as Republicans continued to assail him and one Democrat returned a political contribution.

"I personally apologize to any servicemember, family member, or American who was offended," the Massachusetts Democrat said in a statement. Kerry, his party's 2004 presidential nominee, is a decorated Vietnam War veteran.

As the parties argued about Kerry's words, strategists debated how they might affect Tuesday's elections that will determine control of Congress. Republicans such as pollster Frank Luntz said the flap could increase GOP turnout on Nov. 7, while Democrats such as consultant Jenny Backus said any discussion of the Iraq war can only help them.

White House spokeswoman Dana Perino called Kerry's apology "late," but "the right thing to do."

Democrats such as Rep. Harold Ford, who is in a Senate race in Tennessee, had called on Kerry to apologize.

Former congressman Baron Hill, a Democrat trying to reclaim a U.S. House seat in Indiana, returned a $1,000 political contribution from Kerry, saying he was "disturbed and disappointed" by the Massachusetts senator's remarks.

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The firestorm began Monday when Kerry told a college crowd that if they studied hard and made “an effort to be smart, you can do well. If you don't, you get stuck in Iraq.”

Kerry said he meant to refer to President Bush and the administration's handling of the war. He accused the White House of deliberately distorting the statement to distract voters from failures in Iraq.

Kerry's office said he canceled campaign events in Pennsylvania, Minnesota and Iowa because he did not want candidates there to become “proxies” in a “distorted spin war.”

In an interview Wednesday with wire service reporters, Bush said the comment “didn't sound like a joke to me. More importantly, it didn't sound like a joke to the troops.”

Bush also criticized Kerry on Rush Limbaugh's radio program. The president is spending the last week of the campaign trying to rev up GOP turnout. Party officials said Kerry's joke should help with conservatives who are essential to their efforts to keep Congress.

Republican Party spokeswoman Tracey Schmitt said Kerry's comments should remind all voters that Democratic leaders have “a fundamentally flawed perspective about both the honor of our troops and the importance of their mission.”

Luntz said the flap is “not a huge deal, but it does matter.” He said it “sets a tone” for voters, including those who are undecided about whether to cast a ballot. “It could boost GOP turnout,” he said. “That could make a difference in a tight race.”

The flap may end Kerry's hopes for another White House bid in 2008, said New York political consultant Hank Sheinkopf. He added that Kerry may now be seen as someone “who lost once and couldn't control what he said the next time.” Kerry has said he will disclose his plans after the Nov. 7 elections.

Sheinkopf said Kerry's comments could hurt Democrats' efforts to attract Americans who respect the military.

Backus said the Republicans may be overplaying their hand with voters worried more about the war than arguments between politicians. “Anytime the battle is fought on the issue of Iraq, the Republicans lose,” she said.

Kerry Apologizes For Insulting Troops (WT)

By Charles Hurt

The Washington Times, November 2, 2006

Sen. John Kerry bowed to bipartisan pressure yesterday and apologized for insulting U.S. troops earlier this week when he suggested that a lack of wits and poor academic performance had landed them on the front lines of Iraq.

"I sincerely regret that my words were misinterpreted to wrongly imply anything negative about those in uniform, and I personally apologize to any service member, family member, or American who was offended," he said in a statement issued yesterday after both Democrats and Republicans rebuked him for the comments.

The apology came after Democratic campaign events with the 2004 presidential nominee were abruptly scrubbed in Philadelphia, Minnesota and Iowa. Democratic legislators Sens. Hillary Rodham Clinton of New York and Robert Menendez of New Jersey and Rep. Harold E. Ford Jr. of Tennessee also criticized Mr. Kerry. Even Democratic National Committee Chairman Howard Dean, no stranger to gaffes, criticized the remark.

"Senator Kerry's remarks were poorly worded and just plain stupid," said Jon Tester, a Democrat running in a tight race against incumbent Sen. Conrad Burns in Montana. "He owes our troops and their families an apology."

Mr. Kerry, who lost in 2004 to President Bush, says he's still considering another run for the White House in 2008 and had been campaigning heavily for Democrats across the country running for Congress. In one sentence, Mr. Kerry managed to change the national conversation from the Republican handling of the war in Iraq to demands that he apologize to the troops.

"You know," Mr. Kerry said Monday at Pasadena City College in California, "education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq."

Radio host Don Imus, who had Mr. Kerry on his program yesterday morning, implored him to sit out the rest of the election, which most observers predict will be a boon for Democrats.

"Please stop it, stop talking," he said after introducing the junior senator from Massachusetts. "Go home, get on the bike, go windsurfing, anything. Stop it. You're going to ruin this."

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Mr. Kerry insisted that the campaign events were canceled at his urging, but at least one candidate -- Bruce Braley in Iowa -- said he asked Mr. Kerry to pull out.

"I'm coming back to Washington today so that I'm not a distraction," Mr. Kerry said. "I don't want to be a distraction to these campaigns.'

No matter whose idea it was for Mr. Kerry to retreat, said one delighted Republican on Capitol Hill, "He's cutting and running from the campaign trail, after learning he was for his comments before he was against them."

Mr. Kerry said the insult was the result of a "botched" joke.

"If that's joking, he needs to work on his punch line," said James H. Webb Jr., the Virginia Democrat running for the Senate.

White House spokesman Tony Snow also was skeptical.

"Senator Kerry's words were pretty straightforward," he said in response to repeated questions from reporters. "If you listen to the tone of voice in which he said them, it's hard to construe them as a joke. He didn't sound like he was trying to make funnies."

In yesterday's apology, Mr. Kerry said he intended to take a swipe at Mr. Bush for getting the U.S. "stuck in Iraq."

But Mr. Kerry's initial response was to attack his attackers as "right wing nut-jobs." At a press conference in Seattle, he angrily said, "I apologize to no one for my criticism of the president and of his broken policy."

When the "right wing nut-jobs" were joined by many Democrats out campaigning, Mr. Kerry switched tacks.

A Kerry spokeswoman said the senator's prepared remarks had called for him to say: "Do you know where you end up if you don't study, if you aren't smart, if you're intellectually lazy? You end up getting us stuck in a war in Iraq. Just ask President Bush."

That particular approach is one that he and other Democrats generously employed during the 2004 campaign, portraying Mr. Bush as an intellectual lightweight who didn't belong in the Oval Office.

But academic records obtained last year by the Boston Globe revealed that Mr. Bush actually had a higher grade point average than Mr. Kerry did during their time at Yale. In his freshman year, Mr. Kerry got four D's in the ten courses he took.

•Jerry Seper and Christina Bellantoni contributed to this article, which is based in part on wire service reports.

Analysis: Iraq War Dominates Campaign (AP-Y)

By Liz Sidoti

AP, November 2, 2006

Iraq has dominated the 2006 campaign — and could end up costing Republicans control of Congress.

The GOP once viewed the war as a political asset. Now, Republicans are hastily distancing themselves from President Bush as Democrats fiercely challenge the administration's policies amid signs that voters trust them more than the GOP on Iraq.

"People will run the race they need to run," the president said Wednesday, playing down Republican defections on Iraq. "My attitude is that the way you win is you say to the American people, we have a plan for victory, which we do. And the opponents don't have a plan for victory."

Days before Tuesday's election, however, polls show voters aren't inclined to buy that line.

So, in the final week of the campaign, the White House has sought traction on Iraq by seizing on a remark by Democrat John Kerry — the president's 2004 rival — in which the Massachusetts senator appeared to suggest that those who don't get an education "get stuck in Iraq."

Under fire, the senator initially characterized the comment as "a botched joke" about Bush's Iraq policies and then eventually apologized to "any service member, family member or American who was offended" by the remark.

Fellow Democrats, meantime, fought to stay on message, with the Democratic Congressional Campaign Committee airing a television ad that lays out the party's closing argument of why voters should fire Republicans now in power: "Tell Congress it's long past time to put down their rubber stamp and ask the hard questions about Iraq."

With the campaign drawing to a close, the GOP faces the stark possibility of losing seats in the House and Senate — and, perhaps, control of Congress — as voters decide whether to send the president and his party a searing message about the conflict. It has cost nearly $380 billion and led to the deaths of more than 2,800 Americans in less than four years.

"Clearly it's a referendum on the president and the war," said Gary Jacobson, a congressional scholar at the University of California at San Diego, who called Iraq "the key problem" for the GOP in this election.

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"It's very hard for Republican congressional candidates to say everything's just fine, we stay the course and it's going to work," he added.

How times have changed.

Just two years ago, the president and Republicans used the Iraq war to make their case that the GOP was the party that would best protect the country. Voters agreed, re-electing Bush over Kerry and giving Republicans two more years at the helm of the House and Senate.

At the time, Democrats maneuvered delicately around the war for fear of being called unpatriotic. Kerry and the minority party sought a balance between supporting the troops and assailing the administration's handling of the situation.

Over the past two years, public support for Iraq has slid steadily — and the political tables turned. The war became a liability for Republicans and a potential opportunity for Democrats.

The latest Associated Press-AOL News poll showed Democrats with a clear advantage on Iraq — a 15-percentage-point margin over Republicans — compared with the slight edge Bush had over Kerry at the same point two years ago. Since then, men, young people, those whose highest level of education is high school, and suburbanites have moved to Democrats.

Polls also show that more Americans — now a clear majority — have come to see the war as a mistake and far fewer support how the president has handled the war, shifts that took place all in two years' time.

"When the promises of accomplishment proved empty, than you really began to get a swing in sentiment," said Thomas Mann, a scholar at the Brookings Institution, a Washington-based think tank. "It really has been striking."

Democrats became more emboldened and Republicans more hesitant.

With public support on their side, Democrats have freely hammered Bush on Iraq and now are attacking Republicans with gusto in the campaign homestretch. They hope the intense frustration among voters will usher in an era of Democratic control of Congress.

"George Bush and Mike Fitzpatrick have no idea how to fix this mess," Democrat Patrick Murphy says in a television commercial airing against Fitzpatrick, a Republican congressman from a suburban Philadelphia district.

In a Tennessee Senate race, Democratic Rep. Harold Ford Jr. says in his own ad assailing his Republican opponent: "I support our troops and I voted for the war. But we shouldn't stay the course as Mr. (Bob) Corker wants."

As for Republicans, splinters in the GOP began to show earlier this year and only widened as 2006 dragged on and the election drew closer. Fearing the political consequences of standing with the president, Republicans gradually started backing away from him and many now are staking out their own stances on Iraq.

"President Bush isn't getting our frustrations. It's time to be decisive. Beat the terrorists. Partition the country if we have to, and get our troops home in victory," says Mike McGavick, the Republican trying to unseat Sen. Maria Cantwell in Washington, in a campaign ad.

Two-thirds of the way across the country, GOP Rep. John Hostettler reminds Indiana voters in a commercial that he was one of the few Republicans to vote against the war 2002.

"It wasn't a popular vote, especially with members of my own party," says Hostettler, who is locked in a tight race with Democrat Brad Ellsworth. "In fact, it can get lonely when you take a stand."

Democrats are banking on voters doing just that.

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EDITOR'S NOTE: Liz Sidoti covers politics for The Associated Press

Bush's Nostalgia (NSWK)

By Richard Wolffe And Holly Bailey

Newsweek, November 2, 2006

Nov. 1, 2006 - There's no fight like an old fight. And this week's emotional exchanges between President George W. Bush and Sen. John Kerry were nothing if not old. Kerry screwed up what he called a "botched joke" about Bush's brainpower when it comes to Iraq; Bush pounced by challenging his ex-rival's commitment to the troops.

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Memo to Bush and Kerry: neither of you are on the ballot next week. And while it may be satisfying to rehash the last election, you both run the risk of looking totally out of touch.

The risks for President Bush are greater than they are for Senator Kerry, who may have suffered the deep embarrassment of falling into a familiar self-made trap. But he leads nothing inside his party, sets no strategy and the Democrats can easily disown him—as several candidates have done by canceling events with him this week.

President Bush, on the other hand, enjoys no such luxuries. In fact, the concerted attack on Kerry—complete with White House and Republican National Committee press releases—threatens to undermine a central premise of the party's strategy. For months on the campaign trail, GOP candidates have insisted the election isn't a referendum on Bush or national politics; it's a choice between two local contenders. The president may have diverted attention back onto Democrats, but he also turned the focus back on himself and the war.

Neither subject is a winning issue for GOP candidates—and that is precisely why the Bush-Kerry fracas is so outdated. Bush's approval rating in the most recent NEWSWEEK poll stood at 37 percent—10 points lower than the last poll before the 2004 elections, and fully 33 points lower than 2002.

On the two big issues that Bush wants to debate, the political world looks nothing like 2004, as measured by NEWSWEEK polls. Two years ago, Bush held an 11-point lead over Kerry on Iraq, and an 18-point lead on terrorism. Today, the GOP is trailing the Democrats on Iraq by 12 points and is leading on terrorism by just 1 point.

Based on those numbers, it's easy to see why President Bush is vastly happier campaigning like it's still 2004. His rhetoric on the campaign trail reflects those relatively comfortable days much more than the somber statements he has recently issued from the White House.

Just last week, at his press conference in the East Room, the president told how the violence in Iraq started with a sophisticated insurgency, fueled in part by Al Qaeda. But more recently the killing turned into "sectarian reprisals" and what he called "the cycle of violence."

But on the campaign trail, there is no room for the insurgents or sectarian death squads. There are only terrorists, and their apparent friends, the Democrats. "However they put it, the Democrat approach comes down to this: the terrorists win and America loses," Bush told a rally in Perry, Ga., on Tuesday. "And that's what's at stake in this election. The Democrats want to get us out of Iraq, and the Republican goal is to win in Iraq."

In fact, given the choice between the Democratic and Republican strategies—as described by the president—voters seem to prefer his opponents' approach. According to the most recent NEWSWEEK poll, 61 percent want to see a timetable set for withdrawal from Iraq—and that includes 39 percent of Republicans.

That's not the only stark comparison with elections past. When President Bush goes to Missouri on Friday to stump for GOP Senate candidate Jim Talent, it will be four years—almost to the day—since he did the same thing.

On Nov. 4, 2002, in the final hours of the hotly contested midterm elections, Bush was the star attraction at a rally to drive up voter enthusiasm for Talent's first Senate campaign. The circumstances weren't much different back then: a dead-heat Senate race in an influential swing state and a president fighting to retain his party's majority in Congress.

Recently, Bush has explained his optimism for his party's political chances this year by reminding reporters how many people predicted the GOP's demise in 2002. "A lot of pundits didn't get the election right," Bush said in an interview with Fox News earlier this week. "In 2006, there is a lot of predictors saying that, you know, the Democrats will sweep the House and maybe take the Senate … I just don't see it that way."

Yet 2006 is not like 2002. Four years ago, Bush and the GOP were not weighed down by worries over Iraq or ethical scandals. The White House has worked hard to squelch talk that Bush's low poll numbers have made him politically radioactive on the campaign trail. But the numbers don't lie.

In 2002, Bush hit 17 cities in 15 states in the final five days of the campaign. This year, a tentative schedule released by the White House has Bush working at half that pace: eight cities in seven states between now and Election Day.

In 2002, Bush devoted the final days of the campaign to helping his party's most vulnerable candidates—a list that included four Senate candidates, nearly a dozen House races and a handful of Republican gubernatorial candidates. His itinerary included public rallies in states like Tennessee, Missouri, Minnesota, Illinois, Florida and Iowa.

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Today most of those stops are scheduled in what has been traditionally regarded as Bush country, a list that includes Iowa, Kansas, Montana and Texas. This week alone, Bush held rallies in what should be friendly territory—including Tom DeLay's old congressional district in Texas and two straight days of campaigning in Georgia.

Administration officials have said they are keeping Bush's schedule flexible to aid any last-minute political maneuvering, so additions to his itinerary may yet come.

But Missouri is a case in point: a conservative state that has become ground zero in the fight to control the Senate. A series of polls puts Talent in a dead heat with Democrat Claire McCaskill. Yet Bush's visit is hardly a slam dunk for the GOP. Bush has visited the state twice this year to raise money for Talent's campaign, but the Republican candidate has not appeared publicly with the president. On Friday, that will change: Talent is scheduled to travel with Bush to rallies in Springfield and Joplin to, in his words, "get people enthusiastic in the last stretch."

On that basis, the GOP may be writing off independent voters who have fallen out of love with the president. That might also explain the curious decision to campaign back home in Texas the day before the election. On Monday, Bush is scheduled to headline a rally in Dallas for a roster of Lone Star Republicans, including Gov. Rick Perry—who looks safely on his way to a third term.

Two years ago, Bush wound up his re-election campaign with a last rally in Dallas, where thousands of people turned out to cheer the president onto a second term. This time around, the mood is different. Asked about the Perry rally during an interview with the Dallas Morning News last week, Bush seemed to have mixed feelings. "It'll be a nostalgic moment for me," Bush said. "It's the last time I will be at the head of the ticket, and I'm looking forward to it."

Bush may be feeling nostalgic about the campaign. But judging by the polls, voters are ready to move on.

First Lady: World Listening To Iraq Talk (AP-Y)

AP, November 2, 2006

First lady Laura Bush cautioned Wednesday that Americans discussing the war in Iraq — especially politicians — should be careful what they say because other countries are paying attention.

"The right to have these conversations is part of what makes our country great and our democracy strong. We must be mindful that people around the world are listening to these discussions," Laura Bush said at a suburban Columbus recreation center during a campaign appearance with Rep. Deborah Pryce.

"Responsible candidates understand that the men and women of our military are risking their lives for us, and that we must conduct our debate here at home in a way that does not jeopardize our troops in harm's way," she said, calling for "conversations conducted with civility and respect."

Bush did not mention her husband's 2004 election opponent, Sen. John Kerry, but her comments came on the day the Democrat apologized for telling a group of California students that individuals who don't study hard and do their homework would likely "get stuck in Iraq."

Aides said the senator had mistakenly dropped one word from his prepared remarks, which was originally written to say "you end up getting us stuck in a war in Iraq." In that context, they said, it was clear Kerry was referring to Bush, not to the troops.

Pryce is in a close fight for her Ohio seat against Democrat Mary Jo Kilroy.

Party Shuns Kerry After Iraq 'Joke' (FT)

By Caroline Danielin Washington

Financial Times, November 2, 2006

Democrats yesterday moved swiftly to distance themselves from John Kerry's "botched joke" that appeared to disparage US troops.

Three candidates have cancelled campaign events with the losing 2004 presidential candidate amid dismay that his verbal gaffe has handed Republicans a chance to paint the Democratic party as weak on national security.

In Iowa, Bruce Braley, a House candidate, cancelled a campaign event. Harold Ford, who faces a tight race for the Senate in Tennessee and has received $100,000 (£53,000, €78,000) from Mr Kerry's leadership political action committee, joined Republican calls for an -apology.

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"Whatever the intent, Senator Kerry was wrong to say what he said. He needs to apologise to our troops," he said.

Just as Dennis Hastert's recent handling of a cyber-sex scandal involving Mark Foley, a Republican congressman, rendered the Speaker politically toxic on the campaign trail, Mr Kerry conceded he was becoming a distraction.

He cancelled appearances at rallies in Minnesota and Pennsylvania. "I'm not going to go to some place that a congressman's going to get embroiled in this, because I want them to win," he said.

The furore started on Monday when Mr Kerry told students in Los Angeles that if "you make an effort to be smart, you can do well. If you don't you get stuck in Iraq". Yesterday he defended his comment as a joke about President George W. Bush's lack of research. "Look, everybody knows I botched a joke," he said.

Republicans have seized on the comments, calling the idea that US troops were uneducated "insulting and shameful", and linking it to the wider theme of Democratic spinelessness.

"He is a liberal, a leftist and this is the typical attitude they have toward our military," said John Boehner, House majority leader. "What they want to do in Iraq is they want to give up and pull our troops out."

Despite fears about the immediate electoral fallout, several Democratic strategists said the gaffe could be most damaging to Mr Kerry's ambition to put himself forward again to become the 2008 presidential democratic nominee.

Kerry Issues Apology After Iraq 'joke' (FT)

By Caroline Daniel In Washington

Financial Times, November 2, 2006

Senator John Kerry, the losing 2004 presidential candidate, on Wednesday issued a formal apology for what he called "a botched joke" that was mistaken as an attack on the intelligence of US troops.

"As a combat veteran, I want to make it clear to anyone in uniform and to their loved ones: my poorly stated joke at a rally was not about, and never intended to refer to any troop. I sincerely regret that my words were misinterpreted… and I personally apologise to any service member, family member, or American who was offended," he said.

Several Democrats moved swiftly to distance themselves from Mr Kerry after Republicans eagerly exploited his comments to galvanise voters in the last days of the congressional midterm elections.

Three Democratic candidates have cancelled cancel campaign events with Mr Kerry, including Bruce Braley, a House candidate, in Iowa. Harold Ford, who faces a tight race for the Senate in Tennessee and has received $100,000 from Mr Kerry's leadership PAC, had earlier in the day called on him to apologise.

"Whatever the intent, Senator Kerry was wrong to say what he said. He needs to apologise to our troops," Mr Ford said.

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"He is a liberal, a leftist and this is the typical attitude they have toward our military," said John Boehner, House majority leader. "What they want to do in Iraq is they want to give up and pull our troops out."

Kerry's Remark Puts Presidential Bid At Risk (LAT)

By Peter Wallsten

The Los Angeles Times, November 2, 2006

WASHINGTON -- Ever since he came within 118,000 Ohio votes of winning the presidency, Sen. John F. Kerry of Massachusetts has refused to give up the idea that he could try again. He kept much of his 2004 finance team together and

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campaigned aggressively this year for dozens of fellow Democrats who could turn around and help Kerry make a comeback in 2008.

But with one botched joke this week in Pasadena, Calif., Kerry not only sapped some momentum from his party in the final week of a competitive election, he dealt a damaging blow to his own White House aspirations.

Under pressure from many Democrats, Kerry issued an apology late Wednesday, two days after appearing to tell college students that if they did not get an education, "you get stuck in Iraq." In a written statement, Kerry lamented that his words were "misinterpreted to wrongly imply anything negative about those in uniform, and I personally apologize to any service member, family member, or American who was offended."

Earlier in the day on the Don Imus radio show, Kerry said: "Everybody knows that I botched a joke," explaining that he was trying to say that President Bush did not do his homework and therefore, "got us stuck in Iraq." But for a politician striving to prove that he had become a better candidate than he was when GOP attacks derailed his White House campaign in 2004, the damage was done.

It could not have come at a worse time for Kerry, who has been rebuilding his national campaign structure and hoping to capitalize on the political goodwill he amassed by raising more than $12 million for 2006 candidates and campaigning in 35 states. With the recent decision by former Virginia Gov. Mark Warner not to run for president, Kerry was hoping to position himself as the top challenger to Sen. Hillary Rodham Clinton, D-N.Y., for the party's nomination, although early surveys suggested he faced an uphill struggle.

Fellow Democrats now worry that Kerry's words made their party's candidates vulnerable to accusations of insensitivity toward the troops in the final week of an election in which Democrats seemed to be benefiting from voters' distaste for the Iraq war.

Moreover, the flap allowed the GOP to remind voters why they chose Bush in 2004 over a Democrat who was portrayed as a flip-flopper. It was enough to make some wish that Kerry would just go away for a while.

"Nothing against John Kerry, but this election is not about John Kerry," said Gordon Fischer, chairman of the Democratic Party in Iowa, where one congressional candidate canceled a scheduled appearance this week with the Massachusetts senator.

Fischer, whose home state caucuses play a central role in choosing a presidential nominee, said Kerry's gaffe would "undoubtedly" hurt his chances in two years -- a sentiment echoed Wednesday by several other Democrats.

Burton Cohen, the former New Hampshire state Senate majority leader and a key Kerry backer in 2004, said the botched joke could rival former Vermont Gov. Howard Dean's famous Iowa scream in terms of media exposure and political damage.

"It's getting played over and over again," Cohen said. "You just need one instance that can define a campaign. This may be one of those things, and if that's the case, I hope John Kerry likes staying in the Senate."

Kerry canceled upcoming appearances in Minnesota and Pennsylvania, while his office confirmed that he called off an additional stop this weekend in New Hampshire, home of the first-in-the-nation presidential primary and a state that would be crucial for another run at the nomination.

"I don't want to be a distraction to these campaigns," Kerry told Imus Wednesday morning after calling the show to blast the White House for "disgraceful" tactics.

Republicans were delighted to make Kerry a central theme of the campaign's closing days. Conservatives moved quickly to elevate the controversy in order to further mobilize the core voters that White House strategists believe could help the GOP retain majorities in Congress.

The Drudge Report, the popular conservative Web site that first posted audio and video of Kerry's original comments, hyped the story all day Wednesday, listing Democrats who were disinviting Kerry and displaying a photograph depicting troops in Iraq hoisting a sign -- full of spelling errors -- that said they were stuck "hear in Irak."

The Republican National Committee helped fan the flames, distributing talking points to sympathetic radio hosts and bloggers; Bush, Vice President Dick Cheney and his wife, Lynn Cheney, and White House press secretary Tony Snow also addressed the senator's remarks.

Bush, who on Tuesday called Kerry's words "shameful," reiterated criticism Wednesday during interviews with conservative radio host Rush Limbaugh and The Associated Press.

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Worse for Kerry, Democrats joined the GOP's demands that the Massachusetts senator apologize.

Clinton called his remarks "inappropriate," while Rep. Harold Ford, Jr., who is in a tight race for Senate in Tennessee, told MSNBC that the comment "offended some people" and that Kerry should apologize and let everyone "move on." Larry Grant, an Idaho congressional candidate, welcomed Kerry's apology but added: "He shouldn't have tried to make a joke about it in the first place."

Kerry's contrition followed two days in which he tried to fight back, ridiculing Snow at one point as a "stuffed suit" and noting that his White House critics had not served in the military. Kerry appeared to be exorcising the ghosts of 2004, when even he acknowledged he did not fight back in time against a group of pro-Bush veterans who accused Kerry of misrepresenting his record as a Vietnam War hero.

"This is swift boat stuff all over again," he told Imus. "The controversy is based on a lie."

But Democrats worried he was only making matters worse.

"He was applying the swift boat lessons of 2004 to the wrong set of facts in 2006," said party strategist Chris Lehane, who once worked for Kerry. "He's not on the ballot this time."

To Kerry supporters, the episode has been frustrating.

"There isn't a soul in America that is either being quoted or privately talking to the press that honestly believes that John Kerry was insulting the troops of this country," said Kirk Wagar, a Miami lawyer and top fundraiser for Kerry's 2004 campaign. "Anybody who questions that out loud is doing nothing but parroting a Republican talking-point lie that they're trying to use to change the subject."

There was some evidence of a possible silver lining for Kerry, with increasingly influential liberal bloggers defending him and bashing the media for enabling the GOP spin machine.

David Wade, a Kerry spokesman, predicted that Democrats would "respect someone who fights like hell against a broken policy in Iraq and has the guts to offer a real change in course that honors our troops."

To find success in 2008, though, Kerry will need to overcome sentiments like those expressed by Imus, who echoed the feelings of many Democrats when he told the senator repeatedly on Wednesday: "Stop it. Stop talking. Go home . . . . You're going to ruin this."

Job From Hell Dept. (RC)

By Mary Ann Akers

Roll Call, November 2, 2006

With his “botched joke” about dumbos serving in Iraq, Sen. John Kerry (D-Mass.) may have joined Sen. George Allen (R-Va.) in becoming a (part-Jewish) former ’08 presidential hopeful. As Republicans pummeled Kerry and Allen aides beat the daylights out of a heckling blogger, we wondered: Who had a worse day Tuesday, Kerry or Allen? And whose job sucked more: that of Allen’s press staff, or Kerry’s?

We took an informal poll and got some amusing answers, which, as you might have guessed, varied depending on party affiliation. Our survey showed a majority of Republicans staunchly defending Allen and his heavies, while Democrats were generally willing to sail their failed 2004 presidential nominee down the river.

“You expect Allen to surround himself with thugs, and you expect Kerry to trip over his own words,” said one senior Senate Democratic aide who, rather than choosing who screwed up more, suggested it was just another day at the office.

Veteran GOP spinmeister Terry Holt, who now has his own public relations firm, said Kerry’s flub was definitely more damaging than Allen’s latest mishap. “Team Allen might not be able to block, but at least they didn’t throw an interception for a touchdown,” he said.

Another Senate Democratic leadership staffer who requested anonymity didn’t hesitate to choose Allen as having the worst day, while still taking a jab at Kerry. “John Kerry’s a moron, but he’s not running for anything [in ’06]. And there’s no way he’d lose his Senate seat.”

But as to the question of who had the tougher job, Kerry spokesman David Wade pulled nary a punch.

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"Any day working for George Allen is worse because, um, you work for George Allen. Fortunately, no one will be working for him after Nov. 7. John Kerry is a tough son of a bitch and I'd follow him anywhere. He was right about Vietnam and he's right about Iraq. That's more honor than George Felix Allen will ever have."

Wow! Now we know why those other Democratic wusses were scared to go on the record.

Then again, Republican political consultant and blogger Rich Galen countered that Kerry definitely had a worse day because "like every day, he has to wake up and be John Kerry. The Allen campaign is like that old country song: If it weren't for bad news they'd have no news at all." Plus, he said, "Kerry has already lost. Allen will probably win."

The Allen camp was too busy (presumably roughing people up) to respond to our request for comment.

No matter whose day was worse, one Democratic consultant, noting the shared Jewish heritage of Allen and Kerry, noted, "If you put both screw-ups together, you'd have a day of real tsuris." That's Yiddish for "calamity."

Beat-up Blogger Goes On the Air.Speaking of the blocking and tackling display at the Allen event, blogger Mike Stark, the man Allen aides knocked down Tuesday, has been hired by Air America's "The Young Turks" show to be a reporter.

The show's co-host, Cenk Uygur, announced Wednesday afternoon in a posting on HuffingtonPost.com that Stark — who considers himself a "citizen journalist" — is joining the show.

"Mike is smart, tough, well-educated, dedicated and obviously courageous. This country needs more reporters like Mike Stark. ... If the mainstream press won't ask the questions, then we will," Uygur said.

Stark told HOH on Wednesday that he wasn't as black-and-blue as you might imagine considering three Allen aides essentially kicked his butt when he showed up at that Allen event asking the inflammatory question, "Why did you spit on your first wife?"

"Nah, I'm tough," the former Marine and first-year law student at the University of Virginia said. He said Tuesday was the third time he'd shown up at an Allen campaign event, but the first at which he was beaten up. (He filed charges afterward.)

Stark, whose Web site, CallingAll Wingnuts.com, details his many exploits as a heckler, confirmed he was the same guy who showed up at a taping of the Fox News show "Hannity & Colmes" and held up a sign behind host Sean Hannity that read "HANNITY SUCKS ASS."

He also made his start as an activist in politics by dialing into right-wing radio programs and heckling guests, including former Speaker Newt Gingrich (R-Ga.) and Rep. Tom Tancredo (R-Colo.).

Republicans Go GooGoo. Rep. Marsha Blackburn (R-Tenn.) showed some down-home Southern hospitality by shipping out about 300 packages of GooGoo Cluster candies across the country to Republican incumbents and candidates.

The chocolate-marshmallow-caramel-peanut concoctions are a staple of Blackburn's home state, and like any proper Southern lady, Blackburn included an effusive note in her candy-grams saying how much she was looking forward to working with the recipients in the 110th Congress.

"For years, my campaign team and I have relied on a Tennessee treat to provide the energy boost we all need to complete those last days of phone banking, sign planting, and door knocking," she wrote. "Enjoy these Goo Goos, a Grand Ole Opry tradition, and best of luck for a well deserved victory."

Blackburn added, "Please do not hesitate to contact me or my campaign if we can be of any assistance to you."

It should be noted that the sweet little gesture comes as Blackburn is on the verge of announcing an expected bid for House Republican Conference chairwoman in the 110th Congress. Rep. Deborah Pryce (R-Ohio) currently has the job, and Blackburn will challenge Pryce, and possibly others, if the Ohio Republican manages to win her own tough re-election bid and return to the House next year.

And yes, Pryce's campaign also received the GooGoos. No word on whether they've asked Blackburn for campaign assistance.

The Great Divider (NYT)

The New York Times, November 2, 2006

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As President Bush throws himself into the final days of a particularly nasty campaign season, he's settled into a familiar pattern of ugly behavior. Since he can't defend the real world created by his policies and his decisions, Mr. Bush is inventing a fantasy world in which to campaign on phony issues against fake enemies.

In Mr. Bush's world, America is making real progress in Iraq. In the real world, as Michael Gordon reported in yesterday's Times, the index that generals use to track developments shows an inexorable slide toward chaos. In Mr. Bush's world, his administration is marching arm in arm with Iraqi officials committed to democracy and to staving off civil war. In the real world, the prime minister of Iraq orders the removal of American checkpoints in Baghdad and abets the sectarian militias that are slicing and dicing their country.

In Mr. Bush's world, there are only two kinds of Americans: those who are against terrorism, and those who somehow are all right with it. Some Americans want to win in Iraq and some don't. There are Americans who support the troops and Americans who don't support the troops. And at the root of it all is the hideously damaging fantasy that there is a gulf between Americans who love their country and those who question his leadership.

Mr. Bush has been pushing these divisive themes all over the nation, offering up the ludicrous notion the other day that if Democrats manage to control even one house of Congress, America will lose and the terrorists will win. But he hit a particularly creepy low when he decided to distort a lame joke lamely delivered by Senator John Kerry of Massachusetts. Mr. Kerry warned college students that the punishment for not learning your lessons was to "get stuck in Iraq." In context, it was obviously an attempt to disparage Mr. Bush's intelligence. That's impolitic and impolite, but it's not as bad as Mr. Bush's response. Knowing full well what Mr. Kerry meant, the president and his team cried out that the senator was disparaging the troops. It was a depressing replay of the way the Bush campaign Swift-boated Americans in 2004 into believing that Mr. Kerry, who went to war, was a coward and Mr. Bush, who stayed home, was a hero.

It's not the least bit surprising or objectionable that Mr. Bush would hit the trail hard at this point, trying to salvage his party's control of Congress and, by extension, his last two years in office. And we're not naïve enough to believe that either party has been running a positive campaign that focuses on the issues.

But when candidates for lower office make their opponents out to be friends of Osama bin Laden, or try to turn a minor gaffe into a near felony, that's just depressing. When the president of the United States gleefully bathes in the muck to divide Americans into those who love their country and those who don't, it is destructive to the fabric of the nation he is supposed to be leading.

This is hardly the first time that Mr. Bush has played the politics of fear, anger and division; if he's ever missed a chance to wave the bloody flag of 9/11, we can't think of when. But Mr. Bush's latest outbursts go way beyond that. They leave us wondering whether this president will ever be willing or able to make room for bipartisanship, compromise and statesmanship in the two years he has left in office.

A Taxing Time For The GOP (WP)

By Lori Montgomery

The Washington Post, November 2, 2006

NEW BRITAIN, Conn. -- In the waning days before Tuesday's election, Republican leaders are holding the issue of taxes out like a life raft to struggling congressional candidates. Few have grabbed it with greater enthusiasm than Rep. Nancy L. Johnson.

A 24-year incumbent from Connecticut who sits on the tax-writing House Ways and Means Committee, Johnson has run at least three television ads on fees and taxes, accusing her Democratic challenger, Chris Murphy, of raising "our taxes 27 times." She presses the point in speeches, telling voters that while Murphy was hiking taxes as a state lawmaker in Hartford, she was helping President Bush cut taxes on Capitol Hill.

But it's not clear the tax boat is going to float in this western Connecticut district, where Johnson, like Republicans nationally, is having trouble turning the economy into a winning issue. Murphy, 33, a lawyer and state senator, has opened a narrow margin in the polls by painting Johnson as a pawn of big business and attacking administration policies -- including the tax cuts -- as giveaways to millionaires.

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Across the nation, taxes have become a battleground in competitive House races, as Republican candidates charge their Democratic opponents with voting for more taxes, voting against tax cuts or harboring plans to raise taxes. Political analysts say the tactic is designed to turn attention toward tax relief, which Republicans credit with spurring an economic recovery, and away from the Democrats' favorite topic, the unpopular war in Iraq..

President Bush talks about taxes nearly as much as terrorism these days, a message intended to rally the Republican faithful and assuage conservatives upset about the expanding cost of government. On Saturday, he devoted his weekly radio address to the topic. And at a fundraiser Tuesday in Georgia, Bush called taxes "a fundamental issue in this campaign," declaring that "if the Democrats take the House, your taxes are going up."

Ed Patru, a spokesman for the National Republican Congressional Committee, said Republicans are "pounding Democrats all across the country" on taxes because it is "always a winning issue."

"To the extent that there's a sour mood among the electorate because of issues like the war, that sour mood has dampened" the political value of a record Dow Jones industrial average, falling gas prices and low unemployment, Patru said. Focusing on taxes turns the tables and puts Democrats on the defensive, he said, adding, "People do appreciate the good economy, so they're upset when they hear Democrat proposals that threaten economic growth."

Democrats argue that economic growth is not benefiting many ordinary Americans, whose wages are barely keeping pace with the costs of fuel and health care. The Bush tax cuts haven't offered much relief, they contend. The richest 1 percent of Americans are assuming a slightly greater share of the overall tax burden thanks to cuts enacted from 2001 to 2005, but Democrats like to point out that the wealthy are doing far better in absolute dollars under Bush's tax policies than the working class.

A new analysis by the Tax Policy Center, a joint project of the Urban Institute and the Brookings Institution, shows that more than 60 percent of savings from the Bush tax cuts are going to families that earn more than $100,000 a year. Put another way, a working-class family earning between $30,000 and $40,000 will save an average of $747 this year thanks to the cuts, while a family earning between $200,000 and $500,000 will save an average of $7,609.

"Financial pressure on the middle class is a big issue," said Stanley Greenberg, a Democratic pollster who has encouraged Democratic candidates to run on the economy. "What you talk about is middle-class squeeze and the fact that Republicans have done nothing for the middle class."

Republicans note that middle-class families are getting more relief in percentage terms. According to the Tax Policy Center, that $747 represents a 12.8 percent tax cut for the working-class family, while $7,609 represents a 9.4 percent cut for the wealthier family. Still, some Republican strategists acknowledge that Democrats are gaining traction on the issue.

"We've been screaming for months that we need to talk about the economy and we need to make it meaningful to the guy who drives the F-150 pickup in Indiana," said Greg Casey, president and chief executive of the Business Industry Political Action Committee, which supports mainly Republican candidates. "Despite the good story Republicans have to tell about the economy, if you look at people's perceptions right now, the Democrats have the upper hand."

In Connecticut, a relatively affluent state where unemployment is running about even with the national average of 4.6 percent, three veteran Republican lawmakers are fighting for their seats. Polls show Rep. Christopher Shays and Rep. Rob Simmons tied with Democratic challengers. This week, a poll by the Hartford Courant and the University of Connecticut found Murphy with 46 percent support and Johnson with 42 percent among likely voters.

As Murphy knocked on doors last week in Cheshire, a prosperous town about 25 miles south of Hartford, no one asked about the 27 tax hikes, a figure Murphy contends is exaggerated. But voters did express frustration with Republicans in Washington, saying the positive economic indicators have meant little in their lives.

"Good economy for whom? It's a good economy for people who already have a lot of money," said Kathleen Viereg, a family physician who was tending her lawn. Viereg said she has patients who postpone treatment because they can't afford rising deductibles and co-payments -- and those are the ones with insurance.

A political independent and undecided voter, Viereg said talk of tax relief leaves her cold when so many people are struggling financially. "The voodoo economics of these tax cuts doesn't add up," she said.

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A block away, Joe Norcross, an assistant school principal, said Murphy has his vote because Republicans "want to take care of the wealthy." As for the tax cuts, Norcross remembered getting a check for $300 a few years ago, but "we sent it right into the credit card company."

Murphy attacks Johnson on a range of economic issues, from Social Security to a new drug benefit for Medicare recipients. If elected, Murphy says he will "absolutely" work to repeal cuts in the dividend and capital gains tax rates, calling them "tax breaks for the richest 1 or 2 percent of Americans."

Johnson seems to sense a shift in public sentiment. At a Rotary Club luncheon last week, she spent most of a 15-minute speech explaining how the tax cuts have created jobs and helped poor people.

"You can increase revenue by increasing taxes, and that gives you more money, at least for a while," she said. "Or you can increase revenue by growing the economy. That gives you more taxpayers."

Johnson said dozens of small businesses in her district hired extra workers thanks to a tax credit for equipment purchases. And she challenged the claim that the cuts benefit only the rich, noting that the rate for the lowest tax bracket was cut from 15 percent to 10 percent.

Many Rotarians said they planned to support Johnson. Several praised her long record of constituent service, saying she had increased government payments to their nursing homes and won money to redevelop New Britain's Polish business district. Rotary president Ken Slater, a Democrat, said he was voting for Johnson because "her heart's in the right place and she works very, very hard."

No one mentioned taxes.

Later, Johnson said there was "some truth" to the notion that she wins support from voters who like her personally, while Murphy wins among voters motivated by broad themes such as the economy.

"People know me, trust me and they're behind me," she said. "I feel very upbeat."

Is GOP Confidence For Real? (CSM)

By Linda Feldmann

The Christian Science Monitor, November 2, 2006

WASHINGTON

"We're going to win," President Bush asserted confidently in his latest press conference, when asked about the midterm elections.

Vice President Dick Cheney tells interviewers he is "optimistic" about the Republican Party's ability to hold on to control of both the House and the Senate.

But the voice that gives Democrats the biggest chills - days before an election that by most public indications favors the Democrats in their quest to win their first House majority in 12 years - is that of Karl Rove, the architect of GOP victories in the past three elections. Mr. Rove has seen the private polls from individual races, he tells interviewers, and the data point "strongly" in one direction: a Republican House and a Republican Senate.

Is this a classic bluff, designed to psych out the opposition and energize demoralized Republicans who might be tempted to sit out the Nov. 7 vote? Or do Rove and his bosses really know something that's not knowable by the rest of us?

"No matter what the polls say or the mood of the country, no president rolls over and plays dead in midterm elections and lays himself open to the charge of surrender to the opposition," says John Gizzi, political editor of the conservative weekly Human Events.

The rock-solid pronouncements of Rove, who cites not just internal polls but also the GOP's advantage in fund-raising and organization, buttress the predictable positive outlook from the president and vice president, and feed into a reputation for success running campaigns built over decades.

"Rove is relying on the Rove mystique," says John Pitney, a political scientist at Claremont-McKenna College in Claremont, Calif. "A lot of Democrats are paranoid about it. ... Conversely, Republicans also have the same belief, and that's what gives them hope and confidence and keeps them working. If they thought they were surely going to lose, they wouldn't work as hard."

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The idea that there are polls suggesting an outcome wildly different from what most political analysts - including many Republican strategists - are saying may not be such a big stretch, Mr. Pitney says. The difference may be in interpretation: It's possible, he says, someone looking at the same numbers might come to a different conclusion.

The answer on who was right, it can be argued, will be known only after the actual votes are cast - but even then, if the Democrats do manage to take over at least the House, Bush's advisers could still say that a week or two earlier, the data pointed in the Republicans' favor.

Among those who make a living looking at each race with as nonpartisan an eye as possible and predicting the outcome, the Democrats do appear on track to retake control of the House, maybe by just a few seats. In the 435-seat House, the Democrats need to make a net gain of just 15 seats. As of Oct. 30, one such prognosticator, Charlie Cook, sees "no ebb in the wave" favoring the Democrats and predicts that, barring a dramatic event, the GOP will lose at least 20 to 35 seats in the House and at least four in the Senate, with "five or six most likely." For the Democrats to retake the 100-seat Senate, a bigger leap than retaking the House, they need a net gain of six seats.

Stuart Rothenberg, another nonpartisan handicapper, projects Democratic gains in the House of 18 to 28 seats - or more. For the Senate, he projects Democratic gains of four to seven seats. Larry Sabato, political scientist at the University of Virginia, Charlottesville, says the Democrats will gain well more than the 15 seats needed for the House and is on the edge of taking over the Senate.

Still, no pundit makes predictions without a caveat. The latest bump for the Democrats came Monday with a comment by John Kerry, the Democrats' 2004 presidential nominee, that was interpreted as a slight against US troops in Iraq. Sen. Kerry said, "Education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. And if you don't, you get stuck in Iraq." Kerry called it a botched joke.

The controversy has put Kerry back in the middle of GOP campaign rhetoric at a time when Democrats would rather be focusing on Republicans vulnerabilities. But at least, some Democrats say, it keeps the focus on Iraq - the No. 1 issue for voters and a net negative for Republican candidates.

Ultimately, Republicans point to several factors that could make the difference on election day: The Democratic "wave" has been a long time in building, and no Republican incumbent can be caught off guard - unlike in 1994, when the Democrats were swept out of power in Congress in a wave they did not see coming. Republicans maintain a funding advantage. At the end of August, in 30 of the most competitive races, Republicans had $33 million cash on hand versus $14 million for the Democrats, says Rove. The Republicans also tout their so-called 72-hour turnout operation. There have been reports of greater early-voting turnout by Republicans than by Democrats.

"Those are all the strengths of a Republican team," says GOP pollster Whit Ayres. "They have not said the climate is favorable or that the odds favor them or that there's not a bigger challenge ahead." But, he adds, if the Democrats don't retake the House next Tuesday, "they should hang it up as a political party. If they can't win in this climate, when can they win?"

Democrats' Foreign Policy Pickle As Iraq And Terror Top Agenda (WSJ)

By Neil King Jr.

The Wall Street Journal, November 2, 2006

WASHINGTON -- Democrats, anticipating a possible victory in Congress, are brimming over with proposed cures in one of the Republicans' main areas of weakness: foreign policy.

But if they triumph Tuesday, Democrats will first have to figure out how to get their ranks to hew to a core foreign-policy theme that both helps the country and positions the party well for the 2008 presidential election.

Republicans have for decades painted the Democrats as soft on national security. That is an image that the Democrats are now eager to shed, especially as they look toward a presidential campaign that is sure to dwell largely on issues of terrorism and the Iraq war.

Democrats see this election -- and 2008, to an even greater degree -- as pivotal to their bid to take on a tougher, but also wiser, foreign-policy husk. Some propose implementing tougher port and border security. Some key voices are also promoting a softer line toward North Korea and Iran, including the need for one-on-one talks.

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Yet the challenge the Democrats face is how to take on an image of steeliness while also pushing, as most in the party now are, to get out of Iraq as quickly as possible.

Wresting control of Congress would still leave the party with limited leverage to force change. Party leaders, fearing a potential backlash, may have to scramble to mute some of the party's harshest Bush critics, who could push for impeachment hearings or long investigations into the war. Massachusetts Sen. John Kerry's gaffe on uneducated troops getting "stuck in Iraq," for which he apologized yesterday in a statement, also shows how vulnerable Democrats remain on the issue.

Democrats had hoped to base their congressional campaign largely on deepening unease over the Iraq war but without offering many specifics. Now, they are pushing much more explicitly for a radical shift in Iraq policy.

"The principal argument that Democrats must make is that Bush policies have undermined U.S. national security [by inciting more hatred against America and increasing the terrorist threat], and that we are determined to fix that," said Zbigniew Brzezinski, a former national security adviser to President Carter. Mr. Brzezinski has proposed that the U.S. and Iraq jointly announce a date for a U.S. pullout of forces.

The Democrats have scurried in recent months to give cohesion to their many and sometimes contradictory critiques of the current Iraq policy. Last month, 12 top congressional Democrats, including Sen. Joseph Biden of Delaware, House Democratic leader Nancy Pelosi of California and Senate Democratic leader Harry Reid of Nevada, sent Mr. Bush a third letter in as many months calling on him "to change course" and "join with us to develop a policy that will work." A September version laid out a five-point plan for quitting Iraq, which included firing Defense Secretary Donald Rumsfeld.

"This is a very conscious and coordinated effort to come together on a message and stick to it," said John Podesta, President Clinton's former chief of staff and now president of the Center for American Progress, a liberal think tank.

New groups and initiatives are being launched almost monthly to give coherence to this push, among them the National Security Network, a brain-trust of Democratic foreign-policy officials and thinkers, and the just-launched "New Direction for Real Security," a package of ideas that Ms. Pelosi has portrayed as the Democrats' "tough and smart national security policy."

Even if most Democrats favor disengagement, plenty of divisions remain. Mr. Biden, who as ranking member of the Senate Foreign Relations Committee stands to become its chairman if the Democrats retake the Senate, is pushing for slicing Iraq into three "largely autonomous regions," followed by a pullout by 2008. Mr. Brzezinski calls that approach "suicidal," saying "if we do that, everyone will hate us." Sen. Hillary Clinton of New York has only recently endorsed the Democrats' "redeployment" push, after having taken a less-critical stance toward the war for much of the year.

Another possible hindrance to Democrats' ambitions for changing Iraq policy is President Bush, who so far has been firm that withdrawal from Iraq isn't an option that he would consider. And he told the Associated Press yesterday that he plans to keep on Mr. Rumsfeld until the end of his term. A Democratic majority in Congress would have limited authority on either issue.

Rep. Tom Lantos, a California Democrat who would chair the House International Relations Committee under a Democratic majority, said public opinion could force the president's hand. "If we take one or both houses, then the administration will have to take into account that the mainstream public view is that we are very off course in Iraq," he said.

Democrats may get significant help from congressional Republicans, whose mounting unease over the Iraq war could turn to more open rebellion during Mr. Bush's last two years in office as the party seeks to position itself for 2008.

A Democratic majority could also seek to put more attention back on Afghanistan, which many view as central to the battle against terrorism. They are likely to urge Mr. Bush to devote more effort and money to assuring that early gains there don't wither away.

On other issues, from China to Iran and including Iraq, the Democrats are likely to push for a more multilateral and cooperative approach on the international scene. But they are hardly united. Democrats have turned sharply protectionist in recent years, a stance that could color U.S. ties with China, although most prominent voices within the party don't want to ruffle relations with Beijing.

Mr. Lantos, for his part, said he would use his possible new perch to advocate policies that would be "dramatically more multilateral and dramatically more respectful of other countries' views."

He envisions a series of hearings in the spring that call to Capitol Hill all former secretaries of state and national security advisers to weigh in on "the U.S. national security predicament." He also hopes to travel to North Korea, Iran and Syria.

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"I strongly believe in the need for dialogue with people that you strongly disagree with," he said, adding that the Democrats' first stop, postelection, should be the White House.

Cantor Pushes For Reforms (RC)

By Susan Davis

Roll Call, November 2, 2006

House Chief Deputy Majority Whip Eric Cantor (Va.) has no interest in discussing his own future ambitions, but he has begun outlining a framework for what he says is much-needed soul-searching on the future of the House Republican Conference and the party's agenda.

"I am committed to the House, and I want us to continue to build and strengthen our majority," Cantor said in an interview Tuesday with Roll Call reporters and editors when asked about his future plans.

Pressed on whether he would run for an elected leadership position if the field opens up after Election Day, he said, "I don't want to answer that."

Cantor maintains that Republicans will retain the House majority next Tuesday and that the current leadership slate will stay largely intact — although as a member of leadership he has little leeway to say otherwise — but he freely offers that Republicans need to start changing the way they do business.

"We will hold the House, I think obviously it's going to be by a reduced margin," Cantor said. "At that point what I would like to see is for us to take a breather."

Cantor advocates postponing the scheduled Nov. 15 leadership elections for two reasons. First, he said Members need to know the outcome of the ongoing Committee on Standards of Official Conduct investigation into the activities of former Rep. Mark Foley (R-Fla.) because current leaders — including Speaker Dennis Hastert (Ill.), Majority Leader John Boehner (Ohio) and National Republican Congressional Committee Chairman Tom Reynolds (N.Y.) — as well as several senior leadership aides have been involved in the investigation.

"I don't think [Hastert] knew, I don't think anybody knew about the lewd e-mails," Cantor said. "So the real question is then, what did they know and what did his office know? The Speaker says he doesn't recall having any conversations about it, and I absolutely take that as his word and believe that."

Cantor said he was supportive of how leaders immediately handled the Foley situation when the story first broke Sept. 29 about his sexually explicit communications with minors, but he also noted his own role in calling for an investigation.

"I think I was probably the first Member to go and call for an FBI investigation," he said. "I did it unilaterally without talking to anybody because I think that's what needs to be done, and that's what happened."

But more broadly, Cantor said House Republicans need to meet and discuss the game plan for the 110th Congress.

"We really need to try and address things in a little different way. My desire would be for us to take a few days and meet as a Conference ... to take stock of where we are," he said. "I think at the end of the day the fact that we have not delivered on some of the things we set out to do [means] we need to come out of the gate in the next Congress with a recipe for success. There are plenty of times you can give excuses as to why we don't produce, but the electorate doesn't stand for it."

Cantor said the rash of ethical scandals that dogged Republicans in the 109th Congress is unacceptable and the House needs to take serious action to put mechanisms in place to try to prevent future scenarios.

"Good Lord, you can't just keep doing the things the way we've been doing them," he said. "We've got to have some accountability and we've got to put in place, if at all possible, mechanisms that will pre-empt that from happening."

Cantor cited as an example the use of information technology audits in the private sector and some local governments, in which employees are aware of periodic audits of communications sent from their offices. He said that kind of mechanism may have prevented Foley from using e-mail and Instant Messenger to inappropriately contact pages.

Cantor is mulling introducing his own legislative proposal, which has not been hashed out, that would include what he calls "internal control mechanisms." He said Republicans need to take serious reform actions to address how some Members abused the system for their own gain.

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Citing the actions of incarcerated former Rep. Duke Cunningham (R-Calif.) and Rep. Bob Ney (R-Ohio), Cantor said more needs to be done to address earmark reform and oversight of federal dollars.

"We have some divide in our Conference over what the Appropriations Committee ought to be doing and ought to be transparent about," he said. "I fully support transparency on that, to me, that's a little step."

Cantor noted that the increased spotlight on the earmark process caused a 37 percent drop in earmark requests this fiscal year.

"The American public expects us and our base expects us to exercise oversight over how federal dollars are spent and to exercise oversight onto ourselves," he said. "To me, there has to be a way to ensure that we have in place" some new practices.

Echoing a message employed by Boehner in his successful campaign for Majority Leader earlier this year, Cantor said Republicans need to plot a solid legislative agenda for the upcoming Congress and move beyond scandals and internal disputes.

"We have to get off this distraction and get back to the vision," he said, adding that Republicans need to reinforce in the electorate's mind that the GOP is "the party of ideas" and that Republicans should do more to appeal to independent and suburban voters.

While Cantor acknowledges that the party needs some recovery time, he downplayed suggestions that the turmoil in the ranks is signaling the end of the 12-year Republican majority.

Cantor noted that the NRCC's Battleground fundraising program, which he chaired this cycle, is poised to break the $25 million mark and set a new record for the GOP. He said the majority of that money came from individual members opening up their campaign chests to help the party.

"If that isn't an expression of confidence that we are going to stand together and weather this storm, I don't know what is," he said.

Word To The Wise: Don't Ignore Independents This Year (RC)

By Stuart Rothenberg

Roll Call, November 2, 2006

While all of us following this year's midterms are spending most of our time talking about the GOP's "base" problems and speculating about whether conservatives and evangelicals will stay home next month, we are missing a story that could turn out to be as big, or even bigger: independents.

Of course, fewer Americans vote in midterm elections than in presidential years, and much of the drop-off can be attributed to independents and weak partisans. Partisan voters historically make up the bulk of the midterm electorate, which is why we all pay so much attention to each party's base voters, whether they are African Americans, conservative evangelicals, liberals or opponents of legalizing abortion.

Obviously, if conservatives and Republicans stay home on Nov. 7, it will be a long, long night for the GOP. Republican candidates in all kinds of districts would be in trouble — even if those districts gave President Bush 65 percent of the vote two years ago.

But even if Republicans turn out, GOP candidates could find themselves in hot water in dozens of districts that they ordinarily should hold. That's because independent voters are not acting the way they normally do.

Independents may not turn out at the same rate as strong partisans in midterm elections, but for dozens of Republicans trying to hold their seats in a potentially strong Democratic wave — particularly those running in marginal districts — independents will be plentiful enough at the polls to separate winners from losers. In Connecticut, for example, independents (unaffiliated voters) constitute a plurality of all state voters.

Normally, independents break roughly evenly between the two parties. In the 2000 presidential election, independents went for then-Texas Gov. Bush over Al Gore, 47 percent to 45 percent. Four years later, Sen. John Kerry (D-Mass.) bested Bush 49 percent to 48 percent among independents.

This year, that's not close to being the case. "There just aren't any independents this year," joked one Republican strategist I talked with recently. "There are Republicans, Democrats and soft Democrats."

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In poll after poll, independents are behaving like Democrats, whether it is in their distaste for Bush and the GOP-run Congress or in their vote choice in dozens of races around the country.

Nationally, a recent Cook Political Report/RT Strategies survey found a mere 33 percent of independents approving of the job Bush is doing. Those same independents favored Democrats, 49 percent to 30 percent, on the generic ballot. A Fox News/Opinion Dynamics poll found Democrats with a 9-point generic advantage among independents.

In a recent Mason-Dixon Polling & Research Inc. survey of Ohio's gubernatorial race, independent voters broke for Democrat Ted Strickland over Republican Ken Blackwell by an astonishing 22 points — 51 percent to 29 percent.

A recent series of Los Angeles Times/Bloomberg surveys in Senate races found the same thing. In the Virginia Senate race, Jim Webb (D) held a 9-point advantage among independents over incumbent Sen. George Allen (R). In Ohio, Rep. Sherrod Brown (D), the challenger, held a 12-point lead over incumbent Sen. Mike DeWine (R). And in Tennessee, Rep. Harold Ford Jr. (D) held a 10-point lead over Republican Bob Corker among independents.

A rare exception was in New Jersey, where Republican state Sen. Tom Kean Jr.'s anti-corruption, pro-change message was allowing him to split independents with Democratic Sen. Bob Menendez.

Taking Stock of This Year's Midterms

It's almost over. So it's time to see where we are, and finally to put to rest two of the questions that continue to be asked most often even though they were answered months ago, and a newer question.

Question 1. Have these midterms been nationalized, or are they about local issues?

It has been obvious for months that most voters see the upcoming elections as a referendum on Bush and on the Iraq War, which is why Democratic House candidates across the country are running as well as they are.

Does anyone really think that Democrats Nancy Boyda (Kansas' 2nd district), Paul Hodes (New Hampshire's 2nd) and Jerry McNerney (California's 11th), each of whom lost badly two years ago, suddenly are doing well because of local issues? Would they have any chance of winning were it not for the national mood this time?

Republicans still are trying to localize their races so that voters see those contests less as a referendum on the president and more as a choice between GOP incumbents and the Democratic challengers. But so far that hasn't happened to the extent that Republicans hope and need.

Question 2. Are this year's midterm elections a referendum on President Bush?

If you have to ask, you haven't been paying attention and probably don't even care. Of course they are about the president and his Iraq policy.

Question 3. Did the scandal surrounding former Rep. Mark Foley (R-Fla.) expand the field?

Yes, but not by a lot. Republican seats held by Foley and Reps. Tom Reynolds (N.Y.) and Deborah Pryce (Ohio) certainly were affected by the scandal, and the scandal undoubtedly aided the Democratic message about corruption and change. But the page scandal isn't the reason Republicans are likely to lose the House. It just added to the GOP's pre-existing woes.

What It's Like Being Caught Up In A Wave: I've Been There (RC)

By Dan Glickman

Roll Call, November 2, 2006

The last time Congress flipped, I was flipped as well. It was 1994. I had been a House Member for 18 years. I thought I had done a good job.

In the year leading up to Election Day, I had been the key sponsor of legislation creating product liability protection for small plane manufacturers — no coincidence for a Member whose Wichita district is home to Beech, Cessna and Learjet. The bill had been passed. The bill had been signed into law.

My opponent was a relative unknown with a substantially smaller campaign war chest. I was 30 points ahead of my opponent on Labor Day. In short, I was in political hog heaven.

Yet in November 1994, I was beaten by Republican Todd Tiahrt.

It was a bellwether of the nation — and it reflected the national conversation and the influence it had on individual races. This year, there are similarities. Predictions and speculation about 2006 being another 1994 are on everyone's minds.

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In fact, a few months ago, The Wichita Eagle wrote an article about my loss to Tiahrt, who has served the 4th district now for 12 years, and whether he could be unseated by a Democratic opponent — an underdog not unlike the one he was back in 1994.

As Margaret Thatcher once said, "The wisdom of hindsight, so useful to historians and indeed to authors of memoirs, is sadly denied to practicing politicians."

So I offer a couple of thoughts about what I didn't do in 1994, at the nexus of a national referendum.

For starters, Democrats in 1994 didn't see the wave coming. My loss was a surprise. I was not on any target list. I was not viewed as a Member in trouble.

This year, I think Republicans are more prepared financially and from an organizational standpoint. On the other hand, if the public is sufficiently disenchanted with policy and the times, it is hard for money or organization to fight that.

But there are things candidates can do to help themselves.

First, I didn't work hard enough. I realized too late that I had rested a little bit on my laurels. I was a nine-term Congressman with a long track record of success. I was chairman of the House subcommittee with jurisdiction over most federal farm programs — a huge issue in my state. I was chairman of the Intelligence Committee. I was the incumbent.

But I guessed that people knew about all the great things I'd done. I didn't do a good enough job telling people my story.

Second, I didn't understand until too late what issues were motivating voters and how they were energizing the base of the Republican Party. Politics is important, but you cannot forget the issues. Issues can galvanize and organize the public. They can create zealous constituencies. A financial advantage in politics is not as important as the intensity of how people feel about the issues, your opponent and you.

I will never forget the day when the issues were spelled out for me.

It was 6 a.m. about two weeks before the elections, and I was working the plant gate at Cessna. I was a prodigious worker of plant gates at airplane companies in Wichita.

I was standing outside (cold) with a cup of coffee (hot), when a guy walked straight over to me and said, "Good job on that product liability bill, Glickman. But I'm not voting for you this time."

"Why?" I asked, mildly taken aback.

And he said, "Three reasons: guns, abortion and NAFTA."

In the previous two years, I had voted for the crime bill with gun restrictions, against most restrictions on abortion and for the North American Free Trade Agreement. And because of health care reform and other issues, then-President Bill Clinton was not popular in my district.

My opponent did a good job tying me to him and exploiting my votes on the crime bill and NAFTA in particular. This jeopardized my relationship with my aircraft worker constituency.

It struck me, as my hot coffee turned cold: I didn't realize I had lost my base. He abandoned me because he felt I had abandoned him.

I don't regret my votes on those issues. But I do regret that I didn't work harder to explain them and to motivate my supporters.

Finally, as someone who in 1976 ran against the establishment, I realized I now was perceived as being with the establishment and no longer as someone railing against the system. And that was something the public was looking for.

Hindsight is good for seeing where you've been, but it can't always tell you where you ought to go. However, take it from this 1994 roadkill: You can learn a lot of lessons from running a winning campaign, but you can learn a lot more from running a losing campaign.

Succeeding in local politics through the storm of a national referendum is possible, particularly if you can see a wave coming. Work hard. Operate as if you're going to lose. Understand what is motivating your constituents. In many cases you can fight the wave. But sometimes you can't, and you just have to accept the inevitable.

It helps to understand that there is always a bright lining. Life after losing a Congressional race can lead to other opportunities — in my case, a Cabinet post, or heading a leading trade organization.

I enjoyed Congress. It is still the greatest job in the world. But life after Congress is pretty good as well.

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Dan Glickman, a former Democratic Member of Congress from Kansas, is chairman and CEO of the Motion Picture Association of America.

With Iraq Driving Election, Voters Want New Approach (NYT)

By Adam Nagourney And Megan Thee

The New York Times, November 2, 2006

WASHINGTON, Nov. 1 — A substantial majority of Americans expect Democrats to reduce or end American military involvement in Iraq if they win control of Congress next Tuesday and say Republicans will maintain or increase troop levels to try to win the war if they hold on to power on Capitol Hill, according to the final New York Times/CBS News poll before the midterm election.

The poll showed that 29 percent of Americans approve of the way President Bush is managing the war, matching the lowest mark of his presidency. Nearly 70 percent said Mr. Bush did not have a plan to end the war, and 80 percent said Mr. Bush's latest effort to rally public support for the conflict amounted to a change in language but not policy.

The poll underlined the extent to which the war has framed the midterm elections. Americans cited Iraq as the most important issue affecting their vote, and majorities of Republicans and Democrats said they wanted a change in approach. Twenty percent said they thought the United States was winning in Iraq, down from a high this year of 36 percent in January.

Even beyond the war, the Times/CBS News poll, like most other polls this fall, contained worrisome indicators for Republicans as they go into the final days of a campaign in which many are bracing for a loss of seats in both the House and the Senate.

In a year when there are many close races, Democrats were more enthusiastic than Republicans about voting and more likely to say they would support their party's candidates, although Republicans were slightly more likely to say they would actually vote.

Fifty percent of independent voters, a closely watched segment of the electorate in such polarized times, said they intended to vote for the Democratic candidate, versus 23 who said they would vote for a Republican.

Among registered voters, 33 percent said they planned to support Republicans, and 52 percent said they would vote for Democrats.

As a rule, generic questions like those, while providing broad insights into the national mood, are often imprecise as a predictor of the outcome of hundreds of Congressional races, where local issues and personalities can shape the result.

Voters said neither Democrats nor Republicans had offered a plan for governing should they win on Tuesday, the poll found.

Yet Americans have some clear notions of how government may change if Democrats win control of Congress.

Beyond a quicker exit from Iraq, respondents said they thought a Democratic-led Congress would be more likely to increase the minimum wage, hold down rapidly rising health and prescription drug costs, improve the economy and — as Republicans have said frequently in these closing days of the campaign — raise taxes.

By a slight margin, more respondents said the threat of terrorism would increase under Republicans than said it would increase under Democrats.

Notwithstanding the clear expectation among members of both parties that a Democratic-led Congress would produce a change in Iraq policy, it was not clear how much influence that might have on Mr. Bush, who as commander in chief would retain the final say.

In addition, while Democrats have coalesced around a general position of finding a way to reduce or end American involvement in Iraq, there is substantial disagreement among Democratic Congressional leaders and candidates about exactly how to accomplish that.

Nearly 75 percent of respondents, including 67 percent of Republicans and 92 percent of Democrats, said they expected that Americans troops would be taken out of Iraq more swiftly under a Democratic-led Congress.

Forty-one percent of respondents said they expected that troop levels would decrease if Democrats won control, while 40 percent said the party would seek to remove all troops. Forty-one percent said they expected troop levels to remain the same if

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Republicans won, while 29 percent said they thought the United States would send more troops if the Republicans continued to control Congress.

Those findings cut across party lines, but the poll found that Democrats were more likely to say Republicans would increase American troop strength while Republicans were more likely to say Democrats would remove all troops.

Follow-up interviews found clear expectations about the policies each party would pursue in Iraq, even if there was disagreement about which course was correct.

"If the Republicans continue in power, they would probably just want to keep doing what we're doing and doing it longer and harder because the president is Republican and he's the one who sent the troops there in the first place," said Ashley Robertson, 20, a Democrat from Minnesota. "But right now I think it's a bad thing to bring them all home because it's like we went in there to try to help and we're leaving them high and dry and saying clean up our mess."

Pat Atley, 73, a Republican from Florida, said she expected Republicans to press for more troops in Iraq if they stayed in power, although she said she hoped they would not.

"I've always felt we were never going to do any good over there," Ms. Atley said, adding, "I don't think we should increase our troops because increased troops aren't going to do anything except put more of our men and women in jeopardy."

Mr. Bush's overall approval rating was 34 percent, unchanged from a poll three weeks ago, an anemic rating that explains why many Democrats are featuring him in their final advertisements, as well as why some Republican incumbents do not want him at their side.

That approval rating is 9 points below where former President Bill Clinton's was in October 1994 — the election in which Republicans surprised Democrats by taking control of the House — and 28 points below where Mr. Bush's approval rating was on the eve of the 2002 midterms.

In this latest poll, 56 percent of respondents said Mr. Bush's campaigning on behalf of candidates had generally hurt them, as compared with 26 percent who said a campaign visit by Mr. Bush helped.

There was a slight increase, to 38 percent from 34 percent three weeks ago, in respondents who said they approved of how Mr. Bush was managing the economy. Similarly, there was a slight increase, to 44 percent from 40 percent in July, in respondents who said they approved of how Mr. Bush had managed the situation with North Korea.

In a year marked by corruption scandals, 58 percent of voters said corruption was widespread in Washington; 35 percent said the Republican Party had the most corrupt politicians, compared with 15 percent who said the Democratic Party did.

The poll found that the intensity of Democratic support for Democratic candidates was slightly greater than Republican support for Republican candidates, which could give some solace to Democrats who have been concerned that the Republican Party's formidable get-out-the-vote operation would help them eke out victories in close Congressional races. Ninety percent of Democratic voters are planning to vote Democratic, while 83 percent of Republicans said they would support Republican candidates.

In addition, 50 percent of Democrats said they felt more enthusiastic about voting in this election than in previous ones, compared with 39 percent of Republicans.

But 93 percent of Republicans said they were definitely or probably going to vote next Tuesday, compared with 89 percent of Democrats.

Democratic Leader Put To Work As G.O.P. Campaign Star (NYT)

By Jennifer Steinhauer

The New York Times, November 2, 2006

LOS ANGELES, Nov. 1 — Representative Melissa Bean of Illinois, a Democrat, has a Republican opponent in next week's election, but he does not appear in the advertisement that skewers her. Instead, that role is being played by a fellow Democrat, Representative Nancy Pelosi of California, the minority leader.

Judging by some of the political name-calling in the final days before the elections, Ms. Pelosi seems to be in the thick of campaigns for Congress from Illinois to Georgia and several places in between. She is the unwitting star of at least a half-dozen

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television spots — and countless radio spots, direct-mail campaigns and candidate debates —warning voters that if they choose their local Democrat for Congress, they are also casting a vote for Ms. Pelosi.

The problem with the tactic, Democrats and some Republican strategists say, is that many voters have no idea who Ms. Pelosi is. That can make the advertisements sound more desperate than menacing, or at the least, confounding.

"It's awful hard to make a boogeyman out of someone no one knows," said Ed Rollins, a Republican political consultant. "The reality is, no one is going to vote for a Republican congressman because they are afraid of Nancy Pelosi."

A spokeswoman for the Democratic Congressional Campaign Committee suggested that Ms. Pelosi fell into the same category of unknowns as Representative J. Dennis Hastert of Illinois, the Republican speaker.

"We don't run Denny Hastert ads because he is speaker of the House and no one knows who he is," said Sarah Feinberg, the spokeswoman. "People know who the president is, and that is why we have used him in more than 90 ads in 35 districts."

In a New York Times/CBS News poll conducted last week, 55 percent of those polled said they had not heard enough about Ms. Pelosi to form an opinion about her, compared with 10 percent who viewed her favorably and 17 percent who viewed her unfavorably. Other polls released in the last month have yielded similar results.

Still, many Republicans are betting that the prospect of Ms. Pelosi replacing Mr. Hastert as speaker should the Democrats take control of Congress will scare undecided voters into voting Republican.

"Nancy Pelosi is like kryptonite in Republican districts," said Ed Patru, a spokesman for the Republican National Campaign Committee, which is paying for some of the advertisements. "We'd be more than happy to fly Nancy Pelosi in to those districts."

Here she is in one of the group's advertisements against Ms. Bean: "Melissa Bean follows liberal Nancy Pelosi 83 percent of the time," growls the announcer, over images of the Golden Gate Bridge and some not-particularly-flattering snapshots of Ms. Pelosi, who represents San Francisco. "Melissa Bean. Just a Nancy Pelosi wannabe."

Mr. Patru said that the committee is encouraging candidates in "overwhelming red states" to invoke the specter of a Speaker Pelosi in their campaigns. The tactic mirrors one employed by Democrats in 1996, when the speaker, Newt Gingrich, became an antagonist in advertisements attacking Republican candidates.

"She'll reward illegal aliens with welfare, food stamps and free education," warns the announcer in an advertisement for Mac Collins, a Republican who is seeking to unseat Representative Jim Marshall in Georgia.

In one of the most fiercely contested races in Indiana, a Republican incumbent, Representative John Hostettler, has broadcast a commercial linking his Democratic challenger, Brad Ellsworth, to Ms. Pelosi. A radio spot went even further: "Pelosi will then put in motion her radical plan to advance the homosexual agenda, led by Barney Frank," the narrator says.

Representative Charles H. Taylor, the Republican incumbent in North Carolina's 11th District, goes for an even broader approach, linking his Democratic opponent, Heath Shuler, to Ms. Pelosi; Howard Dean, the chairman of the Democratic National Committee; and Senator Hillary Rodham Clinton.

The television advertisements tend to share three features: images of Ms. Pelosi looking angry, startled or slightly bug-eyed; the words "liberal" and "San Francisco"; and dire tones reminiscent of the films shown to seventh-graders, warning of the dangers of marijuana.

The Republican National Campaign Committee even has a quiz on the home page of its Web site: "Which Nancy Pelosi quote do you find most disturbing?"

Ms. Pelosi is also used as a bat with which to beat on Democrats in debates and interviews. In Indiana, for example, Chris Chocola, a Republican incumbent, repeated Ms. Pelosi's name throughout a debate with his Democratic challenger, Joe Donnelly. In Utah's Second Congressional District, the Republican challenger, LaVar Christensen, has brought up her name incessantly on the campaign trail.

Among the many issues that surface in the advertisements — abortion, taxes and national security — immigration appears to be the most potent in Republican districts.

For example, an announcer in one advertisement produced by the campaign for Van Taylor, who is challenging a Democratic incumbent in Texas, warns over the sounds of a pounding kettle drum that his opponent, if elected, would pair up with Ms. Pelosi to raise taxes and offer welfare to immigrants. Voters are encouraged to "stop them" by voting for Mr. Taylor, to "protect our conservative values."

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Variations of the anti-Pelosi advertisements have appeared in past campaigns, but unlike in this case, the targets had already become speaker.

In addition to the Gingrich advertisements in 1996, the Republicans produced an advertisement in 1980 about Thomas P. O'Neill Jr., then the Democratic speaker, in which Mr. O'Neill refused to yield to warnings that his car was out of gas, intended as a metaphor for his party.

Mr. Gingrich's spokesman, Rick Tyler, answered an e-mail message requesting comments about the anti-Pelosi advertisements with his own e-mail message: "Sorry. No interest here on that topic."

In a recent interview, Ms. Pelosi said she was unconcerned about the advertisements because, she said, they had no traction with voters.

"The American people don't know me," she said.

But some Republicans running in close races are counting on her being wrong.

"Nancy Pelosi does not represent the values of middle Georgia," said Ted Prill, the campaign manger for Mr. Collins, who is seeking a seat in the Third District. "There is a case to be made that a vote for a Democrat in Georgia is a vote for Nancy Pelosi."

Pelosi's War Blunder (WT)

By Jack Kingston

The Washington Times, November 2, 2006

In a stunning performance on "60 Minutes," House Minority Leader Nancy Pelosi proved again why she cannot be trusted to keep America safe from the threat of global terrorism and Islamic extremists.

Mrs. Pelosi demonstrated that she does not understand the global nature of the threat when she stated flatly "the war on terror is the war in Afghanistan." She may think the war is limited to Afghanistan, but where does al Qaeda believe the war is? Al Qaeda's No. 2 man, Ayman al-Zawahiri, in a letter to the leaders of al Qaeda in Iraq, was clear about the location of the global jihad and the importance of victory in Iraq:

"Victory of Islam will never take place until a Muslim state is established in the manner of the Prophet in the heart of the Islamic world ... As for the battles that are going on in the far flung regions of the Islamic world, such as Chechnya, Afghanistan, Kashmir, and Bosnia, they are just the groundwork and the vanguard for the major battles which have begun in the heart of the Islamic world."

Zawahiri reminds Iraqi terrorists, like Abu Musab Zarqawi, that God has blessed them "with the splendor of the spearhead of Jihad." Translation: Islamic fascists led by al Qaeda are fighting a global jihad to establish a Muslim caliphate from Egypt to Iraq. They will attack anyone, anywhere, with any means, that will further their violent cause.

Tourists in Indonesia, embassy workers in Africa, commuters in Spain and London, schoolchildren in Russia, office workers in New York and Washington, and 40 Americans on a plane over Pennsylvania could all tell Nancy Pelosi where the war on terror is, if their voices had not been silenced.

For Mrs. Pelosi, Iraq is not even part of the war on Islamic terrorism, while for our terrorist enemies Iraq is "the spearhead of jihad." Zawahiri's letter details a four-part strategy for global jihad starting with Iraq; "the first stage: expel the Americans from Iraq." In this first stage at least, Zawahiri seems to have found his "useful idiot" in Mrs. Pelosi.

She acknowledges that there are terrorists in Iraq, but naively submits that "they'll stay as long as we're there. They're there because we're there." What Mrs. Pelosi doesn't say is where she thinks the terrorists will go if we leave Iraq to fall into chaos. According to Mrs. Pelosi, our presence created the terrorists and when we leave they will put down their suicide belts and IEDs. She might want to read the rest of al Qaeda's plan before she is so sure:

"The second stage: Establish an Islamic authority ... over as much territory as you can to spread its power in Iraq ... in order to fill the void stemming from the departure of the Americans ... The third stage: Extend the jihad wave to the secular countries neighboring Iraq ... The fourth stage: It may coincide with what came before: the clash with Israel."

Our actions to liberate Iraq from the butcher of Baghdad did not cause Islamic terrorists, but our premature departure will surely embolden them. Zawahiri's letter exhorts his followers to learn the lessons of history as "things may develop faster than we

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imagine. The aftermath of the collapse of American power in Vietnam and how they ran and left their agents is noteworthy... we must take the initiative and impose a fait accompli upon our enemies."

While we may not have entered Iraq to defeat al Qaeda, there is no doubt that al Qaeda has entered Iraq to defeat us and begin the defeat of all nations in the region who do not share their extreme view of an Islamic caliphate, under strict Sunni rule, stretching across the entire Middle East. Like Osama bin Laden's fatwas declaring war on the United States and the civilized world, Zawahiri points to American retreat from Vietnam for inspiration. Maybe Mrs. Pelosi can answer how giving al Qaeda what they want in Iraq will keep Americans safe and secure from Islamic terrorism in the future.

Al Qaeda knows that they are in a war with many fronts. Zawahiri concludes that "more than half of this battle is taking place in the battlefield of the media ... we are in a media battle in a race for the hearts and minds of our umma (people)." Part of the battle against terrorism is taking place in our media as well. Last week, Mrs. Pelosi lost one battle for our side. America cannot take the risk that she will lose the war.

Rep. Jack Kingston, Georgia Republican, is vice chairman of of the House Republican Conference and a member of the Defense Appropriations Committee.

Scandals Alone Could Cost Republicans Their House Majority (WP)

By Jonathan Weisman And Jeffrey H. Birnbaum

The Washington Post, November 2, 2006

Indictments, investigations and allegations of wrongdoing have helped put at least 15 Republican House seats in jeopardy, enough to swing control to the Democrats on Tuesday even before the larger issues of war, economic unease and President Bush are invoked.

With just five days left before Election Day, allegations are springing up like brushfires. Four GOP House seats have been tarred by lobbyist Jack Abramoff's influence-peddling scandal. Five have been adversely affected by then-Rep. Mark Foley's unseemly contacts with teenage male House pages. The remaining half a dozen or so could turn on controversies including offshore tax dodging, sexual misconduct and shady land deals.

Not since the House bank check-kiting scandal of the early 1990s have so many seats been affected by scandals, and not since the Abscam bribery cases of the 1970s have the charges been so serious. But this year's combination of breadth and severity may be unprecedented, suggested Julian E. Zelizer, a congressional historian at Boston University.

For more than a year, Democrats have tried to gain political advantage from what they called "a culture of corruption" in Republican-controlled Washington. Republican campaign officials insist the theme has not caught on with the public, but even they concede that many individual races have been hit hard.

"So many different kinds of scandals going on at the same time, that's pretty unique," Zelizer said. "There were scandals throughout the '70s, multiple scandals, but the number of stories now are almost overwhelming."

At least nine GOP seats have been affected by scandals and are highly vulnerable to Democratic takeover next week. Foley's abrupt resignation has jeopardized a Florida House district that had been on no one's radar screen. Under indictment and amid a swirl of ethics investigations, former House majority leader Tom DeLay (Tex.) resigned from Congress earlier this year, forcing Republicans to mount a long-shot write-in campaign for their chosen candidate. Rep. Robert W. Ney's guilty plea last month on corruption charges still hangs over the Ohio campaign of his would-be Republican successor, Joy Padgett, especially because Ney still has not resigned from Congress.

The GOP has all but abandoned longtime Rep. Curt Weldon (Pa.), as federal investigators examine charges that he steered lobbying contracts to his daughter. Weldon went on television yesterday with an ad featuring actors pleading, "Would you give a friend the benefit of the doubt? . . . Today, Curt Weldon needs our support."

Republican campaign strategists fear they have also lost the seat of Rep. Don Sherwood (Pa.), who has been dogged by the settlement of a lawsuit filed by a mistress who charged that Sherwood had throttled her.

Congress watchers once saw the swing seat of Rep. Rick Renzi (R-Ariz.) as a missed opportunity for Democrats. But now, as the U.S. attorney's office in Phoenix examines his role in a land deal for a business partner and political benefactor, Renzi's race with political neophyte Ellen Simon (D) has tightened.

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Farther west, Rep. Jon Porter (R-Nev.) has had to contend with charges lodged last month by a longtime former aide, Jim Shepard, that the lawmaker made dozens of illegal fundraising calls from his congressional offices. And two reliably Republican districts in California are under assault by Democrats because Reps. Richard W. Pombo and John T. Doolittle have been linked to Abramoff, the lobbyist who pleaded guilty in January to fraud, tax evasion and conspiracy to bribe public officials.

Beyond those nine jeopardized GOP seats, four other Republicans have been tainted by the Foley page scandal. Rep. Thomas M. Reynolds (N.Y.) chose to issue a public apology after he admitted that he had known about inappropriate contact between Foley and a former page this spring. Democrats have repeatedly hit Rep. Deborah Pryce (Ohio), the House Republican Conference chairman, for inaction on the Foley matter. And Democrats have tried to hold two former members of the Page Board, Reps. Sue W. Kelly (N.Y.) and Heather A. Wilson (N.M.), accountable for Foley's actions.

Meanwhile, new allegations continue to spring up. Vern Buchanan, a Republican running for the Florida seat vacated by Rep. Katherine Harris (R), was the target of local media reports this week detailing his use of business entities in Caribbean tax havens to reduce levies on his auto dealerships. The Albany Times Union published an article yesterday charging that the wife of Rep. John E. Sweeney (R-N.Y.) called police late last year to report that her husband was "knocking her around" during a late-night argument.

And Rep. Christopher Shays (R-Conn.), who made his name pushing campaign finance changes and governance reforms, was confronted with media reports alleging that a 2003 trip to Qatar -- partly funded by a group loosely tied to Abramoff -- had not been properly disclosed.

"The corruption issue plays in two ways: It contributes to the sour mood of the country and to the low job approval of Congress, and it particularly plays in races directly touched by allegations of scandal," said Republican pollster Whit Ayers. "And in those races, it plays a significant role."

House Democrats have had to deal with investigations of their own, involving Reps. William J. Jefferson (La.), Alan B. Mollohan (W.Va.) and Jane Harman (Calif.), but none of those cases have put Democratic seats in jeopardy.

In the Senate, a federal inquiry into Sen. Robert Menendez (D-N.J.) and his ties to a nonprofit community agency that paid him more than $300,000 in rent while receiving millions of dollars in federal assistance has provided his Republican challenger with a strong issue and has kept that race close. But the seat of Sen. Conrad Burns (R-Mont.) may be in even more jeopardy, primarily because of Burns's ties to Abramoff.

Recent polling suggests that the issue of corruption is beginning to stick. A CNN poll last month found that "half of all Americans believe most members of Congress are corrupt" and that "more than a third think their own representative is crooked."

And where the issue has hit directly, Democrats and their allies have been playing up charges to the hilt. Just yesterday, Christine Jennings, the Florida Democrat running for Harris's House seat, held a news conference to attack Buchanan's alleged offshore tax dodges.

Even the most peripheral contact with a scandal has not gone unnoticed. "Those that knew got to go," Albuquerque's Democratic mayor, Martin J. Chavez, thundered at a rally last month against New Mexico's Wilson, citing her role on the Page Board during Foley's misconduct. "Those that didn't know need to explain why they didn't."

Picking Up The Pace (NYT)

By Jeff Zeleny

The New York Times, November 2, 2006

In the closing days of campaigns, itineraries can be telling barometers of political strategy. Ken Mehlman, chairman of the Republican National Committee, is making 12 stops in Missouri this week, hoping to increase Republican turnout in a too-close-to-call race between Senator Jim Talent, a Republican, and Claire McCaskill.

“We are literally hitting every media market of the state,” Mr. Mehlman said in a telephone interview from Sedalia before flying nearly 300 miles to Cape Girardeau. By week’s end, Mr. Mehlman is scheduled to hit top races in at least 10 states.

The Democratic outlook, however, cannot be as easily divined by studying the travel schedule of its party chairman, Howard Dean, who has been at odds with Congressional leaders throughout the midterm campaign. Mr. Dean held a news

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conference yesterday in Burlington, Vt., where he was governor, before flying to Chicago for a campus get-out-the-vote rally. Then, he was off to Pennsylvania, Ohio and Michigan.

"Governor Dean is crisscrossing the country raising money and rallying supporters," a spokeswoman, Stacie Paxton, said.

Not included on his itinerary are many top Senate or House races that Democrats are concentrating on. JEFF ZELENY

Winning Small (NYT)

By Brian Mann

The New York Times, November 2, 2006

Saranac Lake, N.Y.

WITH the midterm election just a few days away, Republicans face a toxic political environment, fouled in large part by growing bitterness over the handling of the war in Iraq. By almost every measure, voter discontent is deeper than it was in 1994, when Democrats lost nine seats in the Senate and 54 in the House.

Surely, the Republican Party is facing an electoral drubbing. And yet, President Bush and Karl Rove baldly assert that Republicans will retain control of Congress. The rationale?

Majorities in Congress aren't formed by the national zeitgeist, as Mr. Rove cheerfully points out. They are built one race at a time. And in dozens of close contests this fall, the outcome will be determined largely by one often-overlooked minority group: the mostly white and mostly conservative voters who live in America's small towns.

Residents of rural areas make up only a fifth of the country's population. That's a little less than African-Americans and Hispanics combined. But unlike voters in those minority groups, small-town whites are often kingmakers in national politics.

In 2004, they voted for George W. Bush by nearly a 20-point margin. Newspapers ran headlines that baffled their urban readers: "Rural Values Proved Pivotal," "Conservatives in Rural Ohio Big Key in Bush Victory," and "G.O.P. Won With Accent on Rural and Traditional."

This year, those same right-leaning small towns make up a major voting bloc in a half-dozen make-or-break Senate races, like those in Missouri, Montana, Tennessee and Virginia. They also dominate battleground House districts throughout the country, from Idaho to northern New York. If rural America embraces Republicans with the same fervor it did two years ago, Democrats will almost certainly be denied a majority in the Senate and may fall short in the House.

In part, the electoral importance of small towns reflects a profound rural bias hardwired into our political system. The Constitution grants two Senate seats to each state regardless of its population. As a consequence, a majority of senators are elected by voters in 26 sparsely settled states that together contain less than 18 percent of the country's population.

A few decades ago, this uneven distribution of power didn't matter, because rural states regularly divided their votes between the two major parties. But in recent years, low-population states like Alaska, Kansas and Wyoming have voted as a conservative bloc, favoring Republican candidates by overwhelming margins.

Today the Republican Party holds an 11-seat Senate majority, but Republican senators represent 4.5 million fewer people than their Democratic colleagues, who tend to come from urban states like California, Illinois and New York. In the 2004 elections, Democratic candidates for the Senate captured nearly 10 percent more votes than Republicans nationwide, thanks to landslide support among urbanites. Yet the Republicans still managed to gain four seats, due to victories in rural states like South Dakota and South Carolina.

A similarly skewed outcome is possible this year. Democrats are widely expected to gain seats in Ohio and Pennsylvania. If they do, Democratic senators will represent some 10 to 20 million more Americans nationwide than Republican senators. But if rural voters in Missouri, Tennessee and Virginia swing conservative, the Republicans will cling to the narrow majority Mr. Rove has promised.

In the House, Republican leaders, including Speaker Dennis Hastert and his former deputy, Tom DeLay, have worked to create a similar small-town bias. They redrew district lines to systematically fracture the voting power of urban and suburban neighborhoods in half a dozen states, including Florida, Ohio and Texas.

In 2003, The Washington Post published an analysis of this scheme by a Texas political operative, Joby Fortson: "This has a real national impact that should assure that Republicans keep the House no matter the national mood," Mr. Fortson wrote.

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Naturally, the Republicans' rural strategy only works if small towns vote Republican by wide margins. This year, that might not happen. A bipartisan poll conducted last week for the Center for Rural Strategies found that the loyalty of rural voters has been deeply shaken by Iraq and the Mark Foley page scandal.

Since September, rural voters moved from a four-point advantage for Republicans to a four-point advantage for Democrats in Senate races, the Rural Strategies report concluded, and from evenly divided to a 13-point advantage for the Democrats in House races.

Worse yet for Republicans, a growing number of Democrats have awakened to the fact that small towns matter. In Missouri, Claire McCaskill's Senate campaign has focused so intently on small-town voters that The St. Louis Post-Dispatch described it as an "apparent obsession." And nationwide, Democrats are fielding centrist candidates who can compete in rural districts like Idaho's First, Indiana's Second, and New York's 24th.

If Democrats succeed in increasing their rural vote, they could decisively sweep Republicans from power. But as the Center for Rural Strategies has pointed out, most of these races will be decided by razor-thin margins. And the Republicans are working feverishly to mollify and re-energize their rural base with talk about same-sex marriage, abortion, gun rights, public Christianity, terrorism and immigration — all issues that play brilliantly in small towns. The Republican National Committee has cranked up its sophisticated get-out-the-vote machine, combining phone and mail prompts, pastor-and-pulpit networks, conservative talk radio and door-to-door canvassing.

On Election Day, millions of urban Democrats will go to the polls expecting victory and dramatic change in Washington. But beware: Mr. Rove's sunny forecast isn't just spin. He and his party are counting on small towns to send a very different message, and to give the Republicans two more years to get it right.

How Big Will The Democratic Wave Be? Use This Formula (RC)

By Louis Jacobson

Roll Call, November 2, 2006

How big might the Democratic wave on Nov. 7 be? In one sense, there's an easy answer: Just look at the Congressional results, and if there's a Speaker Nancy Pelosi (D-Calif.) and maybe a Senate Majority Leader Harry Reid (D-Nev.) on Nov. 8, that will be evidence enough.

However, to truly measure the intensity of a Democratic wave means probing a little deeper. Does the wave accelerate longer-term trends of geographic realignment? Does it carry Democrats to victory even in "red" areas? Is it strong enough to rescue weak Democratic incumbents? And does it reach down below the Congressional level to governors, legislatures and attorneys general?

Here are some questions that address these issues. We've provided a scoring system for each one that, when aggregated after Nov. 7, should suggest just how far-reaching the Democratic wave of 2006 was.

1. How many New England Republicans — Senators, House Members and governors — will be left standing after Election Day?

Currently, 14 Republicans hold one of these three offices in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. Of these, six are either not up for election this year or seem safe bets to win again.

The races that are in play are the seats held by New Hampshire Reps. Charles Bass and Jeb Bradley; Connecticut Reps. Nancy Johnson, Christopher Shays and Rob Simmons; Rhode Island Sen. Lincoln Chafee; Rhode Island Gov. Don Carcieri and the seat being vacated by Massachusetts Gov. Mitt Romney.

Scoring:

Seven or fewer Republicans survive: 8 points

Eight or nine survive: 6 points

10 or 11: 3 points

12 to 14: 1 point

2. Is there a correlation between Democratic Senate candidates and Democratic gubernatorial candidates in the same state winning, or are voters willing to ticket-split?

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This question only concerns states where both races are considered competitive: Ohio, Rhode Island, Maryland and Minnesota.

For any seat where Democrats win both contests: Add 2 points.

For any seat where each party wins one seat: Add zero points.

For any seat where Republicans win both: Subtract 2 points.

3. How many Democratic-held House seats can the GOP flip on Election Day?

No seats: 8 points

One or two seats: 6 points

Three or four seats: 3 points

Five or more seats: 0 points

4. How many Republican-held House districts that voted for Sen. John Kerry (D-Mass.) in the 2004 presidential race will still be held by Republicans after Election Day?

There are 18 such districts. Of those, four Republicans are likely to hold their seats — Reps. Mike Castle (Del.), Charlie Dent (Pa.), Mark Kirk (Ill.) and Jim Leach (Iowa).

The other 14 are considered competitive. The seats are held by Bass; Johnson; Simmons; Shays; Michael Fitzpatrick (Pa.); Jim Gerlach (Pa.); Anne Northup (Ky.); Dave Reichert (Wash.); Clay Shaw (Fla.); Jim Walsh (N.Y.); Curt Weldon (Pa.); Heather Wilson (N.M.); and the seats being vacated by Reps. Bob Beauprez (Colo.) and Jim Nussle (Iowa).

Four or fewer seats: 8 points

Five to eight seats: 6 points

Nine to 11 seats: 4 points

12 to 14 seats: 3 points

15 to 18 seats: 1 point

5. How far ahead of Bush's 2004 vote percentages will Republicans run in blue-state Senate races?

There are seven competitive races in this category. The Republicans running are Mike Bouchard in Michigan, where Bush won 48 percent; Chafee in Rhode Island, where Bush won 39 percent; Tom Kean Jr. in New Jersey, where Bush won 46 percent; Rep. Mark Kennedy in Minnesota, where Bush won 48 percent; Mike McGavick in Washington, where Bush won 46 percent; Sen. Rick Santorum in Pennsylvania, where Bush won 48 percent; and Michael Steele in Maryland, where Bush won 43 percent.

39 or more aggregate percentage points ahead of Bush: 0 points

30 to 38 aggregate points ahead: 2 points

20 to 29 points: 3 points

10 to 19 points: 5 points

1 to 9 points: 7 points

0 or fewer points: 8 points

6. How far ahead of Kerry's 2004 vote percentages will Democrats run in red-state Senate races?

There are six competitive races in this category. The Democrats running are Rep. Sherrod Brown in Ohio, where Kerry won 49 percent; Rep. Harold Ford Jr. in Tennessee, where Kerry won 43 percent; Claire McCaskill in Missouri, where Kerry won 46 percent; Jim Pederson in Arizona, where Kerry won 44 percent; Jon Tester in Montana, where Kerry won 39 percent; and Jim Webb in Virginia, where Kerry won 45 percent.

40 or more aggregate percentage points ahead of Kerry: 8 points

30 to 39 aggregate points ahead: 7 points

20 to 29 points: 5 points

10 to 19 points: 3 points

1 to 9 points: 2 points

0 or fewer points: 0 points

7. Will voters in blue states elect weakened Democratic candidates who have relatively low approval ratings, just to prevent the GOP from gaining ground?

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The candidates in this category are Maine Gov. John Baldacci, Illinois Gov. Rod Blagojevich, Wisconsin Gov. Jim Doyle, Michigan Gov. Jennifer Granholm, Rep. William Jefferson (La.), Oregon Gov. Ted Kulongoski; Sen. Bob Menendez (N.J.) and Rep. Alan Mollohan (W.Va.).

Seven or eight of these candidates win: 8 points

Five or six of them win: 6 points

Three or four win: 2 points

Two or fewer win: 0 points

8. Which ballot initiatives have better success, those that would raise the minimum wage or those that would ban same-sex marriage?

Minimum-wage hikes are on the ballot in Arizona, Colorado, Missouri, Montana, Nevada and Ohio. Same-sex marriage bans are on the ballot in Arizona, Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin. And one measure in Colorado would establish domestic partnerships.

Any same-sex marriage measure is defeated: 2 points per measure

Colorado's domestic partnership measure passes: 2 points

All minimum-wage measures pass: 2 points

Any minimum-wage measure loses: Subtract 2 points per measure.

9. How many in-play legislative chambers do the Democrats control after Election Day?

This year, 21 legislatures are rated as competitive by the Rothenberg Political Report. The 10 Democratic-held chambers that are in play are the Colorado House and Senate; the Maine House and Senate; the Montana Senate; the North Carolina House; the Oklahoma Senate; the Tennessee House; and the Washington House and Senate.

The nine Republican-held chambers that are in play are the Indiana House; the Iowa House; the Minnesota House; the Nevada Senate; the Ohio House; the Oregon House; the Pennsylvania House; the Tennessee Senate and the Wisconsin Senate. The two tied chambers are the Iowa Senate and the Montana House.

The Democrats end up controlling 18 to 20 of these competitive chambers: 8 points

The Democrats control 14 to 17: 6 points

Nine to 13: 4 points

Five to eight: 2 points

Four or fewer: 0 points

10. How many strong Republican candidates in competitive races for state attorney general win this year?

The candidates are: Chuck Poochigian in California; Ferris Wharton in Delaware; Bill McCollum in Florida; Phill Kline in Kansas; Scott Rolle in Maryland; Jeff Johnson in Minnesota; Jim Bibb in New Mexico; Jeanine Pirro in New York; Betty Montgomery in Ohio; and J.B. Van Hollen in Wisconsin.

No Republicans on this list win: 8 points

One to three win: 6 points

Four or five: 4 points

Six or seven: 2 points

Eight to 10: 0 points

Now, for the final ratings, add up the points from each question and use the scale below to gauge how strong the Democratic wave was.

70-80 points: Massive Democratic wave

55-69 points: Strong Democratic wave

45-54 points: It'll do

30-44 points: Underwhelming

11-29 points: Big disappointment

0-10 points: Democrats, find another line of work.

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Behind The Gridlock (WP)

By David S. Broder

The Washington Post, November 2, 2006

On the eve of another national election, the terms "gridlock" and "polarization" have become staples of the political vocabulary -- so much so that the reality behind them often goes unexamined.

Remedying that oversight is what motivates the unusual collaboration of two think tanks, the Hoover Institution at Stanford University and the Brookings Institution in Washington, in a forthcoming volume titled "Red and Blue Nation? Characteristics and Causes of America's Polarized Politics."

I have not read all the essays that more than 15 scholars have contributed to the volume, but the lead piece by William Galston and Pietro Nivola, both of Brookings, offers a modest bit of cheer to those who despair of our democracy in this season when we are swamped by nasty, negative campaign ads.

They acknowledge that polarization is real -- certainly in Congress and in some respects in the country as well. The parties are more sharply defined and constituencies are more distinct -- philosophically and to some extent geographically.

But when it comes to weighing the consequences of these divisions, Galston and Nivola offer some useful counters to the prevailing pessimism.

In one powerful paragraph they set forth their refutation of the notion that polarization produces gridlock. "Whatever else the overall legislative record of recent years may show, sclerosis has not been a distinguishing characteristic," they write.

"Reform of the welfare system, substantial tax reductions, big trade agreements, a great expansion of federal intervention in local public education, important course corrections in foreign policy, reorganization of the intelligence bureaus, a significant campaign finance law, new rules governing bankruptcy and class-action litigation, a huge new Cabinet department, massive enlargement of Medicare -- for better or worse, all these milestones, and others, were achieved despite polarized politics."

Beyond these specific measures, they find signs of convergence between the parties -- at least in some ways. Republicans, they note, have become far more comfortable with "big government" programs such as Medicare drug benefits. And Democrats have swallowed tax cuts and trade agreements they originally opposed -- and now make no noises about repealing them.

"There has been enough partisan convergence (albeit selective, tenuous, opportunistic or episodic) to secure pieces of legislation," they write. The implication I draw from this is that despite the failures on Social Security, immigration and other issues, the possibility exists that the new Congress can accomplish some things.

But even these relatively upbeat scholars acknowledge certain dangers in the degree of polarization we are seeing. First, it makes it far harder to address long-term challenges such as the underfinanced condition of our Social Security and Medicare systems and the needs of the retiring baby boomers.

Second, because the divisions no longer stop at the water's edge, it becomes far more difficult to maintain a steady course in foreign policy. The partisan nature of the Iraq debate underlines that risk.

Third, the polarization is particularly hard on the third branch of government, the judiciary. Hearings on judgeships -- especially the Supreme Court -- have become full-scale political campaigns, with all the nastiness we have come to expect in those races. And some Republicans have made whipping boys of sitting judges.

Finally, there is the damage that polarization does to the whole structure of trust on which any system of representative government must rest.

The authors write: "If polarized parties are what can get 120.3 million Americans to cast ballots -- the largest number in U.S. history -- why worry? Because a healthy civic culture ought to do more than bestir voters; it should build their trust in the nation's political institutions. It is in this respect that, alas, querulous partisanship can become corrosive."

As we come to the end of another down-and-dirty campaign, that is the damage we must contemplate. It matters little which party controls Congress if the people think Congress is made up of knaves and rascals, or even of well-intentioned men and women corrupted by special interests and the constant pursuit of campaign cash.

Nothing that comes out of such a Congress will be accepted as genuine or worthwhile by the citizenry. That is a lesson that campaign consultants and candidates who indulge in relentlessly negative campaigns forget.

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In the end they not only demean their opponents, they also damage the very institution in which they hope to serve. What kind of victory is that?

Republican Seems To Rally In Run For Seat Foley Quit (NYT)

By Abby Goodnough

The New York Times, November 2, 2006

STUART, Fla., Nov. 1 — When Mark Foley resigned from Congress in disgrace five weeks ago, his Democratic challenger seemed headed for one of the easiest victories of the election season.

But in this least predictable of states, Joe Negron, the Republican choice to run as Mr. Foley's replacement, is getting powerful help as the clock runs down, and now appears to be running almost neck and neck with Tim Mahoney, the Democrat.

With the National Republican Congressional Committee pouring nearly $2 million into the race and Gov. Jeb Bush campaigning at his side, Mr. Negron, a member of the Florida House, is hoping that even the misfortune of having Mr. Foley's name on the ballot instead of his own — a consequence of the last-minute nature of the change — can be turned to his advantage. Republicans are posting signs urging voters to "Punch Foley for Joe," a reminder that a vote in the Foley column is actually a vote for Mr. Negron.

"I know this district, and we are not going to allow ourselves to be defined by the disgraceful actions of our former congressman," Mr. Negron said in an interview Wednesday. "I feel this tremendous momentum and energy among Republicans and conservative Democrats to keep this district in the Republican column."

The numbers are on his side: 42 percent of voters here in the 16th Congressional District, which spans the state from Palm Beach to Charlotte County, are Republicans, and 36 percent Democrats. President Bush won here comfortably in 2000 and 2004, and most of the district (its boundaries were redrawn in 2002) has not sent a Democrat to Congress since the 1970's.

Nationally, the chief political benefit of the Foley furor to Democrats was that it knocked Republicans off their tax and terrorism message in the crucial weeks after Congress adjourned at the end of September. It also ensnared several leading Republicans associated with Mr. Foley, while limiting Speaker J. Dennis Hastert's political drawing power.

But in a reflection of the race in Mr. Foley's own district, his lewd e-mail messages to House pages seem to have had little lasting effect on Congressional races around the country. One Democratic strategist said the party had never expected more than a few races to be influenced significantly by Mr. Foley's conduct.

Yet Mr. Mahoney has made a strong showing, especially given that he is a newcomer to politics who was virtually unknown before the Foley scandal drew spotlights to the race. A financier recruited by the Democratic Congressional Campaign Committee to run against Mr. Foley, he is more conservative than many of his party's other newcomers, a self-described fundamentalist Christian who opposes same-sex marriage and tighter gun control. He has painted himself as an outsider who would act independently in Congress, and Mr. Negron, a state lawmaker since 2000, as an ineffective partisan.

"I find myself running against Dennis Hastert, Karl Rove and the Republican leadership in Washington," Mr. Mahoney said after rallying campaign volunteers here. "They picked somebody to run for this seat that is publicly on record as supporting the failed policy of this administration for the last six years."

A poll conducted in mid-October for The South Florida Sun-Sentinel showed Mr. Mahoney leading Mr. Negron by 48 percent to 41 percent, with 11 percent undecided. But this week two nonpartisan Congressional handicappers, Stuart Rothenberg and Charlie Cook, changed their assessments of the race from "leans Democrat" to "tossup."

Mr. Rothenberg said voters seemed to have gotten past any confusion about the ballot, perhaps because news organizations had closely covered the race since Mr. Foley quit on Sept. 29. He also noted that Mr. Mahoney had begun attacking Mr. Negron by name in television advertisements — a sign, he said, that Mr. Mahoney is worried.

Mr. Mahoney said a new internal poll showed not only that he was still ahead, but that the margin was widening.

"What's going to put me over the top," he said, "is I'm getting virtually all the Democrats, the vast majority of independents and about 20 percent of the Republicans to vote for me."

Mr. Mahoney entered the race about a year ago and says he has been traveling the vast district ever since. It includes a few wealthy Palm Beach County towns, the growing exurbs of Martin and St. Lucie Counties, rural interior regions of cattle and citrus

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farms, and Punta Gorda and Port Charlotte on the Gulf Coast. He owns a ranch in Highlands County, the backdrop for advertisements in which he shoots a gun, saddles a horse and barbecues slabs of meat.

Mr. Negron, a lawyer from Stuart, heads the powerful budget committee in the Florida House. He ran for attorney general this year, but was lagging and dropped out of the primary.

On Wednesday he issued a news release criticizing Mr. Mahoney for planning to attend a fund-raiser in New York with Senator Hillary Rodham Clinton, accusing him of taking his marching orders from her. Asked about the fund-raiser, Mr. Mahoney said he needed to "reach out to Democrats on a nationwide basis."

But his spokeswoman, Jessica Santillo, said later that he had never planned to attend. He will participate by teleconference from Florida, she said.

Luring Lapsed Democrats In Kentucky (NYT)

By Kate Zernike

The New York Times, November 2, 2006

BARDSTOWN, Ky., Oct. 27 — When Ron Lewis, a Republican, won an upset in a special election here in the spring of 1994, he replaced a Democrat who had represented the district in Congress for four decades before he died. Mr. Lewis's victory in an overwhelmingly Democratic area came to be seen as a harbinger of the Republican sweep that followed that fall.

Now, Democrats are hoping that Mr. Lewis's first tight race in a decade could be a bellwether of a Democratic tide this year.

His opponent, Mike Weaver, has come increasingly close to Mr. Lewis in the polls by running as a conservative Democrat on a slogan of "Faith, Family, Freedom." He has emphasized his military background in signs urging people to vote for "Colonel Mike Weaver." And if the Democrats win a majority, he says he will not vote for Nancy Pelosi, the Democratic leader whom Republicans have caricatured as the symbol of all things California and liberal, for House speaker.

With widespread unease about the war in Iraq, even in a region that includes the Fort Knox Army base, many Democrats who have supported Mr. Lewis are now saying that Mr. Weaver seems like the kind of Democrat who could bring them back to the party.

"What I hear when I go out in the district is, 'Thank goodness we have a Democrat we can vote for,' " Mr. Weaver said.

The race here in the Second District is one of three Congressional contests in Kentucky that have become unexpectedly competitive in the last days of a campaign where Democrats are hoping to win the 15 seats they need to gain a majority in the House.

Signs here say, "Had enough? Vote Democratic!" and it seems many people are willing to do just that.

At a luncheon for retired teachers here, Mr. Weaver, a state legislator, fielded questions about taxes and Social Security. But most of the questions focused on abortion, stem cell research and religion. He reassured the audience, "I am pro-life." And he repeatedly mentioned his family, the lessons of his humble upbringing on a farm and what he calls moral values.

"The Mark Foley scandal just kind of shattered the attitude that in order to stand for faith and freedom and family that you had to be of one political party," he told the teachers. "My faith and family values are as strong as anyone's. They were taught and nurtured at home and in a school system, and earned in a foxhole. I think you elect people based on their own individual values, family values, moral values, not on their political party."

But, one woman pressed him nervously, wouldn't he have to vote with Ms. Pelosi?

"I don't think she has truly looked at the Democratic Party to see what the Democratic Party stands for," Mr. Weaver replied. He opened his arms wide to describe what he sees as the party's philosophy. "It incorporates all of the United States, all of Kentucky, all of the Second Congressional District," he said. "There's room for everybody there."

He told the crowd that he had already joined the Blue Dog Democrats, a group of about 40 conservatives in Congress, as well as the anti-abortion group Democrats for Life, with about 29 lawmakers.

"That's 69 of us who won't necessarily agree" with the liberal wing of the party, he said.

Mr. Lewis, a former Christian bookstore owner who has risen in Congress to become a member of the powerful Ways and Means Committee, was seen as a long shot when he won in 1994.

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But in 12 years, the state and the district have increasingly leaned Republican, even if many people retain their registration as Democrats. And Mr. Lewis doubts that Mr. Weaver will be able to persuade enough voters to elect a Democrat.

"Voters are concerned, no matter if it is a conservative Democrat, what the party will look like in D.C., with Nancy Pelosi in charge," he said. "They see the Democrat Party as being controlled by very strong liberal leadership, and that makes people here in the Second District very nervous, no matter who is their nominee."

Still, he acknowledges that this will be much tighter race than his last, when he won by about 30 points. To prepare, he raised more money than he ever has before.

Mr. Lewis said he expected to win by 15 points. Republicans declined to release polling data, but Democratic surveys have shown the two pulling about even.

Mr. Lewis put up an advertisement this month attacking Mr. Weaver as displaying "disgraceful conduct" as a member of the state's National Guard Retention Board in the early 1990's, when the board fired 24 officers. Many of the officers later said they had been fired for refusing to contribute to the Democratic governor.

Investigations cleared Mr. Weaver of any wrongdoing. Factcheck.org, a nonpartisan organization that assesses political advertising, concluded, "The only 'disgraceful conduct' we see here is the ad itself."

Mr. Weaver called it the move of a "desperate individual." But Scott Lasley, an assistant professor of political science at Western Kentucky University, said it signaled the threat to Mr. Lewis, and a sharp departure from previous races, when he could not recall Mr. Lewis even putting up a Web site.

Mr. Lewis has declined to appear at several debates with Mr. Weaver, or to appear with him at any forum that might look like a debate. Some debate organizers left an empty chair to signify his absence.

"When you're the incumbent and you have a good lead, a lot of people don't debate," Mr. Lewis said, "because you're letting your opponent have some exposure on your time."

But the move has cost him some voters.

"I think he is running scared," said Margaret Sims, who had organized the teachers' luncheon and said she was disappointed when Mr. Lewis's office declined several pleas for him to attend. "And he needs to. I think this is going to be the year of the Democrat."

Ms. Sims is a registered Democrat who has repeatedly supported Mr. Lewis, but says she will vote for Mr. Weaver. Peggy Horton, another retired teacher, was once a Democrat but is now a registered Republican.

"The Democrats left a lot of the values I put a lot of stock in," Ms. Horton said.

She is still undecided. But after asking Mr. Weaver questions about taxes and religion, she said this might be the year that she votes for a Democrat again.

Politics That Go Against The Grain (WP)

By Lynne Duke

The Washington Post, November 2, 2006

DUBUQUE, Iowa -- On Main Street in this Mississippi River town, the bar at Mario's Italian Restaurant is a hothouse of politics these days, a place where folks such as Cheryl Walser Kramer, a Republican, and Frank Frost, a Democrat, hurl sharp-tongued barbs across party lines.

"She's probably packing heat," Frost, 71, jokes when Kramer says she's a member of the National Rifle Association.

Kramer teases back, "I'm gonna get a bumper sticker: 'I only shoot Democrats.' "

Debbie Gau, the bartender, glides through the friendly fire, filling Frost's glass with whiskey, Kramer's with beer, and letting them carry on the rhetorical war here in Iowa's 1st Congressional District. It is one of the super-close races that could decide whether the Republicans lose control of the House of Representatives -- and Gau, it turns out, could be part of the reason why.

Though she keeps quiet about her politics when her regulars are revved up, she's got some distinct views of her own.

Gau, 52, a Democrat, supported the war. She thought Iraq had attacked the United States, and she thought it right that the United States should hit back. But then the war dragged on. The death toll rose. She's got a brother working as a civilian contractor over there and worries about him every day.

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"I just don't think we should be over there," she says. "We should just leave."

The war looms large in this year's midterm elections, so the pollsters say, and sentiments such as Gau's are the reason why: the drift of support away from war, the struggle to find a rationale for continuing a war in which U.S. troop deaths mount and the chaos deepens.

In Iowa's 1st, which has sent only Republicans to the House since 1978, the open-seat race pits Democrat Bruce Braley against Republican Mike Whalen. But in several interviews on Main Streets around this district, it becomes clear that people are focused less on the candidates and far more on the big issues of the day: corruption, scandal and polarized politics; the cost of health care, the quality of education, the economy and the war above all.

People are cynical about politics, at least about the other party's politics, and so Democrats especially believe that things have gone off the rails in Washington.

Gau, for one, is not even sure she'll vote. She's disaffected from politics altogether.

"I just think politics is crooked," she says. "The rich pay to get what they want from the people in office. . . . It's like the Mafia, with laws. They get to run what they want, when they want. They don't mean nothing that they say."

* * *

Over in the tiny town of Anamosa, about 60 miles southwest of Dubuque, Sue Postel, 61, watches the comings and goings of Main Street from her perch at the cash register of the National Motorcycle Museum, which features bikes dating back to 1910. It's the main draw of an otherwise sleepy town.

Ask what's eating her these days about politics and Postel lets loose not about the war, but about her monthly health-care premium. It's risen from $25 a month to $394 a month in the five years since she retired.

She's a Bushie -- voted for him twice -- though she's a registered Democrat and also voted for Bill Clinton. A bona fide ticket-splitter, she is not sure which candidate will get her vote, though she definitely will vote, she says, because "that gives me my chance to bitch."

"This war is another thing," she says, shaking her head. "But there's nothing you can do about it. We're stuck, honey. How are we going to get our troops home?"

Her angst about the war is related to her distaste about politics and the direction of the country -- a solid mound of discontent with many component parts.

Politics, she says, "is dirty, it's nasty. I don't like to watch it. I switch [the TV] when ads come on. I can't take the slammin'."

Of late, the ad that's had blood boiling among Democrats in the district was one in which the Whalen campaign tried to suggest that Braley would defund the troops in Iraq. The ad depicted a soldier removing his armor, helmet and weapon and standing defenseless in a T-shirt.

* * *

Down in Maquoketa, 35 miles south of Dubuque, cigarette smoke clouds the air as Peter Carlson talks politics in the Main Street Cafe, as he does most Saturday mornings in this spot-on-a-map town.

His muscular arms on the table, Carlson leans in close, lowers his voice and says matter-of-factly, "I hate Bush with a passion."

Carlson, 27, wears a Harley jacket and heavy boots. His fingernails are dirty, for he's a man who works with his hands on a machine shop floor, who lives on 28 acres of timberland with his wife and toddling son.

Carlson can cite chapter and verse of what's wrong with American politics. The war; the corruption of influence and power; the creation of wedge issues to polarize people, "making issues out of non-issues," such as stem cell research.

"I have no belief that that's important whatsoever," Carlson says of the stem cell debate.

He's sick of it. Sick of accusations that folks who criticize the war are undermining the troops.

"I do support soldiers," he says. "They're employees. They do their jobs. But it's obvious that Iraq was not the place we should have gone into. . . . They had nothing to do with 9/11."

So he'll vote for Braley. But really, Carlson will be voting against Bush, against the Republicans.

"Now is kind of the time to put all your cards in," he says. "I'd like to see us win back the House."

* * *

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Sometimes it is something quite personal that sparks political activism. Something such as watching your father suffer with Parkinson's disease and then hearing a public figure mock the disease's symptoms.

And so it was, back in Dubuque, that Stratis Giannakouros was overheard at a Braley campaign office one night last week offering to volunteer.

Giannakouros, 27, says he was deeply offended when he heard Rush Limbaugh ridicule the actor Michael J. Fox, who has Parkinson's disease, for shaking so wildly in a campaign ad supporting federal funding for stem cell research. Seeing his father suffer in the same way, Giannakouros says, he was outraged at the mockery.

Though already a Democrat, he had not been active. Limbaugh was his spark. Giannakouros volunteered to canvass Democratic voters, "to make sure that this state doesn't go Republican," because he believes that Limbaugh wasn't just speaking for himself.

"He is the Republican mouthpiece," says Giannakouros. "He represents that party."

But it's more than Parkinson's. Something more, he says, is wrong. In politics, he hears the rhetoric of compassion, but he doesn't see it in policy, he says, citing cuts in education funding and the Mark Foley scandal.

He is reluctant to opine on the war, saying he doesn't feel he has enough facts.

"I'm against the misinformation" is all he'll say, adding that the misinformation comes from both sides in the political debate.

* * *

Back at Mario's, they're throwing down the spirits and talking terrorism and the war and politics.

"I think the president has his [eye] on the ball," says Kramer, the Republican, who works in health-care administration. "I think he totally understands that the people who came here on 9/11 plan to come back."

"There are evil people in the world," says James Darling, her companion, an optometrist and a Republican who describes himself as a libertarian.

He adds, "If you don't appear strong, you appear weak and people will take advantage of you."

Frost, the Democrat, agrees. Though he is against tax cuts for the rich and believes the country is better off with Democratic leadership, he offers, "I have a little more hawkish opinion than most Democrats."

In fact, he calls himself "a bit of a warmonger." Rather than pull troops out of Iraq, he'd like to see more troops sent in. He's a Korean War vet who sat on the demilitarized zone more than 50 years ago and is aghast that the United States still is dealing with the North Korean threat after all these years.

"If Truman had let MacArthur A-bomb Korea, we wouldn't be here," he says.

When it comes to enemies, his philosophy is: "We've got to stomp somebody's [butt]." He believes the Democrats know this, too -- that all the talk about pulling troops out of Iraq is just politics.

"I think the Democrats are trying to use it against [Bush] to get elected, but it don't mean nothing," says Frost, who will vote Democratic and who last voted Republican in 1968.

Frost describes himself as "very liberal."

"I don't think you're very liberal at all," Kramer interjects.

There is a quiet confidence about her, some might call it smugness. All this talk in the media about Republicans being in trouble? On the way out of power? Reaping what they've sown? She's not so sure.

"No vote's been cast, and they're already predicting the demise of the Republican Party," she scoffs.

She nods her head crisply, warning, "Republicans will turn out."

Republicans In Uphill Slog In Colorado (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, November 2, 2006

WHEAT RIDGE, COLO.

In an unmarked suite around the corner from Rick O'Donnell's campaign headquarters here in suburban Denver, the Republican National Committee has had its get-out-the vote "victory office" in operation since March. Volunteers man phone

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banks. The foyer showcases a wall of unflattering photos of Democrats in line to head key congressional committees should that party take back the House. A banner reads: "In case you need another reason to volunteer!"

In a normal year, the fabled GOP operation might be enough to tip the balance in a congressional race that, until September, was billed as one of the nation's most competitive. But with an unpopular war, an unpopular president, and corruption scandals, the GOP has seen Mr. O'Donnell's Democratic opponent take a double-digit lead in the polls.

So last week, the national party confirmed that it had shifted resources from this race in Colorado's Seventh District to help shore up Republicans in two other districts once considered safe: incumbent Rep. Marilyn Musgrave in Colorado's Fourth and conservative Doug Lamborn in the Fifth, where Republicans have an advantage of up to 14 percentage points in voter registration. Cautiously optimistic, Democrats now aim to pick up in Colorado as many as three of the 15 seats they need to take back the House.

"Colorado is more Republican than the nation but tends to follow national politics closely," says Bob Loevy, a political scientist at Colorado College in Colorado Springs. "If the national Democratic tide continues to run right through Election Day, it will affect Colorado and should put both the Fourth and Fifth districts in play."

The shift of resources means more money for TV ad buys and a get-out-the-vote drive in a fast-breaking political environment.

"From the vantage point of today, it looks good for the Democrats, but the situation is very fluid," says pollster John Zogby.

Democrats, too, are shifting resources to take advantage of new opportunities. After a Denver Post poll showed Musgrave leading by 10 points last month, the Democratic Congressional Campaign Committee (DCCC) pulled some $630,000 it had reserved for her Democratic rival, Angie Paccione, although it still includes her in a program for its most competitive candidates. A political-issue group picked up the slack.

Both Republicans are getting high- profile help from the top. On Friday, Vice President Cheney flies into Colorado Springs to stump for state Senator Lamborn. On Saturday, President Bush will be in Greeley, Colo., with two-term Representative Musgrave as well as GOP gubernatorial candidate Bob Beauprez.

Best known nationally as the lead sponsor on the constitutional amendment to ban same-sex marriage in 2003, Musgrave faces strong competition from Democratic state Representative Paccione. A former professional basketball player and teacher, she says that Musgrave is out of the mainstream and too conservative for the district.

In a race driven by negative ads from both camps, Paccione got a recent boost from some $750,000 in issue ads by Coloradans for Life, a nonprofit political-issue group (known as a "527" because of its tax-code category). The group is funded largely by Fort Collins heiress and Democratic activist Pat Stryker. The Musgrave campaign calls the ads "malicious," and the National Republican Congressional Committee (NRCC) has already spent some $1.7 million to counter them.

"The liberal 527s went after Marilyn in 2004, and they're doing it again. When you have outside groups spending literally millions of dollars trying to knock out a Republican member, then the committee has to step in to level the playing field," says NRCC spokesman Jonathan Collegio.

Democrats are bringing in their own heavy hitters like former President Clinton and Sen. Barack Obama of Illinois.

It's time to "knock off bedroom slippers and put on marching shoes," the senator told a fist-pumping crowd in Aurora, Colo., last week. Not that Democrats need much firing up in the Seventh District.

Early on, this race in the inner Denver suburbs was considered wide open because the incumbent, Mr. Beauprez, opted to run for governor. Now, former state Sen. Ed Perlmutter (D) has built a strong lead in the polls. "Sometimes it's better to be lucky than to be smart, and we're at a time when people want a change," Mr. Perlmutter told the crowd in Aurora.

His GOP rival, O'Donnell, makes a similar point in an interview. "I picked a hell of a year to run as a Republican," says the former higher education commissioner.

While it's rarely clear how much big names like Obama or Mr. Bush actually contribute to turnout, it is a sign that unlike most midterm elections, this one is being slugged out on national themes.

"The fact that these national figures are going around the country shows that it's a nationalized race," says Rhodes Cook, a political analyst in Annandale, Va. "There are some 80 [congressional] races still on the radar screen, that's double or triple the number we had two and four years ago, and races had to be nationalized to produce that great an expansion of the field."

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O'Donnell says his biggest liability is the perception that he walks in lock step with Bush and the national Republican Party. "I made a strategic mistake: I flew back [to Denver] on Air Force One," he adds. That photo was Exhibit A for a flood of negative ads, "all of the president getting off the plane with me and waving." An ad sponsored by the DCCC uses that scene for an ad that ends with the line: "Rick O'Donnell: Radical ideas and another vote for George Bush's agenda." The DCCC has spent more than $1.3 million for Perlmutter in this race.

In fact, O'Donnell says there's a lot he doesn't like about Republican politics in Washington, such as big spending and all those pork projects added to bills in the dead of the night. A policy wonk who wrote his own platform, O'Donnell says that he also disagrees with the president on immigration and thinks the House GOP is "out to lunch" on healthcare. "It's not enough to beat up on trial lawyers or create new health savings accounts. That in itself doesn't tackle our problems," he says.

Mr. Collegio, the NRCC spokesman, says that the transfer of get-out-the-vote resources to other districts does not mean that the GOP has given up on the Seventh District. But analysts say that this fabled micro-targeting operation may be swamped by a national Democratic tide in this election. A recent Zogby poll gives the Democrat Perlmutter a 14-point lead. Another puts it at 6.

"In a year when you had a motivated base on each side and the race is one or two points either way, that [ground game] matters a lot. But that's not what the Colorado 7 race is about now," says Amy Walter, who handicaps House races for the Cook Political Report. "There's a less motivated Republican base, a more motivated Democratic base, and independents are increasingly negative [toward the GOP]," she adds.

Why Economy Is Key In Indiana Election (CSM)

By Mark Trumbull

The Christian Science Monitor, November 2, 2006

SOUTH BEND, IND.

Evelyn Salyer is the kind of voter Republicans desperately need to hang onto this fall.

In 2004, her vote helped push a Republican House member toward a narrow reelection win in this northern Indiana district. Now, with a new election just days away, she hasn't made up her mind.

The candidates are the same two men who ran last time. Their battle for blue-collar voters is lug-wrench tight. And Ms. Salyer cites economic concerns among the mix of issues that make her reluctant to commit her vote.

Although Iraq comes first, immigration and her own cost of living are close behind.

"We should be taking care of our people here" rather than spending abroad, says Salyer, who worked for years at a local bank and lives mostly on Social Security.

It's a refrain echoed by many voters in this region where bedrock jobs in heavy industry are being shaken anew by the current downsizing of US automakers.

"People who live in the Midwest are more negative about the economy" than voters in other regions are, says Scott Keeter, who directs voter surveys at the Pew Research Center for the People and the Press in Washington. Tight races in the region "could certainly be affected by this."

Nationwide, voters who are concerned about the economy are likely to vote Democratic in this election, says Mr. Keeter.

Their ranks are sizable. In a late-October Pew survey, 20 percent of registered voters said the economy is the most important issue in their vote for Congress, second only to the 27 percent who cited the situation in Iraq.

Indiana's Second Congressional District, anchored by the city of South Bend, exemplifies how economic concerns have emerged as significant in some races. It is among a relative handful of contests on which control of the House of Representatives could hinge. Democrats need a gain of 15 seats, out of 435 total, for control.

In the Second District, Democratic challenger Joe Donnelly is leading GOP Rep. Chris Chocola 48 percent to 45 percent, according to a poll from RT Strategies released last week.

"Bad and getting worse," is how Juli Tate, who works as an administrative assistant University of Notre Dame, describes the local economy. "We're losing jobs," she says. "Young people are dropping out of school."

As she walks near the campus's gold dome, she says she'll vote for Mr. Donnelly. Representative Chocola is "not doing anything for Indiana as far as I can see," she says.

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South Bend has more than its share of boarded-up storefronts, and the city's jobless rate is 5.1 percent, above the national rate of 4.6 percent. The city has been adapting to the loss of automotive jobs since the 1960s, when Studebaker closed an assembly line here.

But conditions aren't all bleak. Several medical centers, and Notre Dame just north of the city, have provided service sector jobs.

Indiana's automotive sector is doing better than Michigan's. The state has had success luring foreign manufacturers such as Honda. The AM General plant next door to South Bend, in Mishawaka, continues to crank out Humvees for the US military, even though $2-a-gallon gasoline has crimped demand for the civilian Hummer.

Still, this area feels the pressure of pocketbook issues. People complain about a spike in property taxes. And at a time of concern about global competition, they're angry that the state recently moved to lease a key toll road to a foreign consortium. Mr. Chocola had no direct say on either of those matters, but that doesn't mean he can escape voter frustration.

In the nearby city of Kokomo, at the southern edge of this district, auto-parts giant Delphi plans to shed hundreds of workers soon. To emerge from bankruptcy, the company says it will have to cut worker pay.

Such challenges make the economy a big issue for Dale Cooper, who retired from a union job at Bendix, a brake manufacturer, which was once one of South Bend's biggest employers.

"You have many people working, but they're making less money," he says. "It's almost a necessity for both [spouses] to work."

Similar worries are common in industrial centers throughout the Midwest. The economy isn't the only issue, or even the main issue but every bit of pessimism weighs against Republicans. "It's a sour mood that is driven in part by Iraq, that's driven in part by economic anxiety," says Robert Schmuhl, a political analyst at Notre Dame.

In Ohio, these concerns are helping Democrat Sherrod Brown in his challenge to Sen. Mike DeWine (R). In Michigan, Republican Dick DeVos has tried to use it in his bid to unseat Gov. Jennifer Granholm (D), but still trails in polls.

In this election, the economy provides fodder for both parties. The GOP record on tax cuts appeals to many here. "I'm a big anti-liberal.... I vote Chocola," says Travis Hessey, who runs his own plumbing business in town.

He says times are pretty tight. His gasoline bill has soared even as local customers can't afford to pay big fees. But to him, the best way to keep the economy going is to keep taxes low and for US workers to keep boosting their skills. "I don't look for ways that the government can help," he says.

Nationwide, many Republican candidates hope to reap some tailwind from a good job market, low taxes, and a recent dip in gasoline prices. But a housing slowdown and rising personal debt weigh against those positives.

"It's hard for voters to make sense of the economy," says Elizabeth Bennion, a political scientist at Indiana University's branch campus here.

Only 35 percent of Americans rate the current economy as "excellent" or "good," according to the Pew survey, and just 25 percent of Midwesterners feel that way.

Concentration Of Competitive Races Puts Ohio At Center Of Midterm Battle (NYT)

By David D. Kirkpatrick

The New York Times, November 2, 2006

COLUMBUS, Ohio, Oct. 31 — Mary Jo Kilroy is an awkward, stumbling speaker. John Cranley is a baby-faced 32-year-old whose campaign biography still highlights his election as student body president in college. Dr. Victoria Wulsin has never held elected office.

But, reflecting the political drift of this bellwether state a week before the midterm elections, all three of these Democrats are in competitive races to unseat once-safe Republican members of Congress. With polls showing Democrats running well ahead in Ohio races for senator and governor, the Democratic Congressional Campaign Committee has recently begun spending money to help Dr. Wulsin unseat her opponent, Representative Jean Schmidt, adding Ms. Schmidt to its list of three other Republican targets in the state.

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Republicans, meanwhile, are scaling back their support for State Senator Joy Padgett in her fight against Zack Space, a Democrat who is the city attorney in Dover, for the Congressional seat being vacated by Representative Bob Ney, a Republican who pleaded guilty to corruption charges.

That puts four Republican seats in play. Strategists for both sides say Mr. Ney's seat is the Democrats' best chance while Ms. Schmidt is the least vulnerable of the four Republicans.

Ohio has been a central battleground of the midterm elections because of the unusual concentration of competitive races. The Senate seat, now held by Senator Mike DeWine, is one of a half-dozen or so that will determine control of the chamber. The 4 House seats are among about 40 that will decide control of that body. And winning the governorship of Ohio can give a party a big assist in carrying the state in a presidential election.

Discontent with the war in Iraq, the limping regional economy and a corruption scandal in the Republican-controlled statehouse tilted the table in favor of the Democrats from the start of the campaign. But in the final days before the election, Republicans are fighting hard to hold on.

"It's not over yet — it's too early to wrap things up!" Representative Deborah Pryce said in a telephone interview Monday on her way back from an event in Maryville.

Ms. Pryce, the fourth-ranking member of the House Republican leadership and a moderate on many social issues, is facing her first competitive contest in a decade against Ms. Kilroy, a local county commissioner. Ms. Pryce is closing the race by reminding voters, in television commercials and campaign appearances, of the federally financed projects she has helped bring to the area.

"We have to do something pro-active and not just bad-mouth and be negative," Ms. Pryce said in an interview Tuesday on a Columbus public radio station, WOSU. "My solid record of bringing jobs to this community is exactly what we need to do."

Still, Ms. Pryce's anxiety is showing. In a reversal of the customary ritual between incumbent and challenger, Ms. Pryce recently stood with a bullhorn outside Ms. Kilroy's office demanding that Ms. Kilroy participate in another debate. Ms. Kilroy has refused.

"She has come up with any excuse not to," Ms. Pryce said in the interview.

"Every time she says the president's name she says mine too," she added with frustration, saying she believed voters would see through the efforts to tie her to President Bush.

Ms. Kilroy, in turn, is criticizing Ms. Pryce for describing the current national economy as "storybook," arguing that she is out of touch with Ohio voters affected by the region's doldrums.

"Two hundred and twenty thousand jobs were lost in a six-year period here in Ohio," Ms. Kilroy said Tuesday, also in an interview with WOSU. Like Republican candidates a decade ago, she called for reducing the federal deficit by requiring offsets for any new spending or tax cuts.

In Cincinnati, Representative Steve Chabot is a staunch conservative first elected in the Republican landslide of 1994. Mr. Chabot's campaign is running commercials stating: "Some people want you to think that I've changed. I've lived in the same house for 21 years, with my wife of 33 years. I still cut our grass, and drive the same old '93 Buick. More important, I've never wavered in our fight to cut spending, stand up to the special interests and protect Social Security."

The advertisement is a response to a refrain of his opponent, Mr. Cranley, that "Washington changed Steve Chabot." Mr. Cranley, a city councilman, is running as a fiscal conservative, pledging not to accept a raise until the federal budget is balanced. Accusing Mr. Chabot of having abandoned his commitments to a balanced budget, Mr. Cranley recently won the endorsement of The Cincinnati Enquirer, which picked Republicans for most other races.

Mr. Cranley is also attacking Mr. Chabot over his support for the Iraq war, reminding voters that Mr. Chabot recommended making Saddam Hussein "a principal target" shortly after the terrorist attacks of Sept. 11 and that he once praised Defense Secretary Donald Rumsfeld's job performance as "exemplary." (Mr. Chabot says he, too, has some criticisms of the conduct of the war.)

In the governor's race, polls show that Representative Ted Strickland, the Democratic candidate, has a commanding lead over J. Kenneth Blackwell, the Republican who is Ohio's secretary of state. Representative Sherrod Brown, the Democrat who is

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running for Senate, is also ahead of the Republican incumbent, Mr. DeWine, and the National Republican Senatorial Committee has stopped spending to support Mr. DeWine.

The Democrats received an additional boost this week when the actor Michael J. Fox, who has Parkinson's disease, campaigned with Mr. Brown to highlight Mr. DeWine's opposition to embryonic stem cell research. Mr. Fox became famous playing the conservative son of liberal parents in a television show set in Columbus, and his appearance dominated television news coverage around the state that day.

Reverse Swiftboating (WT)

By Brendan Conway

The Washington Times, November 2, 2006

MORGANTOWN, W.Va. -- Can you call what backers of West Virginia Democratic Rep. Alan Mollohan are doing to Republican challenger Chris Wakim "swiftboating?" Here's the evidence. The media, the ethics-challenged Mr. Mollohan and his supporters are questioning whether Mr. Wakim can justifiably call himself a Persian Gulf War veteran when he never served in that military theater. This Swiftee-reminiscent move knocked a previously surging Mr. Wakim off message, at which time deep-pocketed Swiftboat-funder Bob Perry intervened, this time on behalf of the targeted.

At minimum, this is an echo of the scrutiny John Kerry's military service received in the last presidential election. Except now, Democrats are doing the scrutinizing. Merits aside, this should raise hope that Democrats now can agree that a candidate who claims military accomplishments on the stump should be challenged if the claims don't tell the whole story.

Whether you think a fact-check is warranted in this case depends on your definition of "Gulf War veteran." It all started earlier this year when Mr. Wakim -- a West Point graduate, 11-year Army officer and disabled vet -- characterized himself that way on the stump. His opponents pounced. Mr. Wakim, who sustained back, elbow and knee injuries while serving, spent the war on active duty at Ft. Devens, Mass., 35 miles outside Boston. This paralleled a controversy over whether Mr. Wakim had trumped up a Harvard master's degree by calling it a credential in "public policy" (It was actually in liberal arts).

It didn't take Mollohan backers long to start touting Swiftee-like local vets who accused Mr. Wakim of stretching his military resume. "He led soldiers to the bus, but never made it to the Gulf War," one anti-Wakim vet says in a particularly nasty commercial from a 527 group. (Last week the Wakim campaign filed a Federal Election Commission complaint against the group, West Virginia Values, alleging illegal coordination with Mr. Mollohan.)

No wonder Mr. Mollohan's supporters went negative: A strong-campaigning Mr. Wakim had been gaining quickly in a conservative-trending district and Mr. Mollohan's swirling ethics questions were threatening to make this year his last in the House. He is currently under investigation in connection with $202 million in earmarks to nonprofits he helped found which employ some of his campaign donors. Earlier this year he stepped down as ranking member of the House Ethics Committee.

The anti-Wakim line of attack literally boils down to which medals the Republican has -- and it infuriates him. "The crux of the issue is pretty simple," Mr. Wakim told me recently. "Alan Mollohan is trying to discredit the fact that I am a West Point graduate, that I am a Gulf War veteran, that I served in the infantry for over 11 years, that I am a disabled vet. He doesn't understand how the Army works...What happens in one end of the front is the same thing -- is all related to what happens on the other."

So, who's right? Technically speaking, the law is on Mr. Wakim's side. The U.S. Code defines a veteran of a given conflict as "any veteran who served in the active military, naval, or air service during a period of war." If you served, you helped the war effort, and according to 38 U.S.C. 101(12) you can call yourself a veteran of that conflict.

But perception is a different matter. The man on the street can be forgiven for thinking that a Gulf War vet -- just like a Vietnam vet in Vietnam -- would need to have spent time in Iraq or Kuwait or another Middle Eastern country to earn that designation. It's also true that the Veterans of Foreign Wars stipulates that members must hold one or more foreign-theater campaign medals or badges to join. That's more than enough ammunition for Mollohan backers.

Of course, the fact that the issue is even being discussed means that the Mollohan camp has used some variant of "swiftboating" to cut down a challenger. It was probably quite effective: Election handicappers have started calling the race a likely Democratic retention.

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This should quiet some of the more histrionic Democratic indignation over the questioning of Mr. Kerry's military service. Last month at Washington's Phoenix Park Hotel, for instance, I listened to a visibly angry Paul Bucha, board chairman of the liberal veterans' group VETPAC, vow: "Let no person think that they have been anointed in such a way as to question the validity of service and patriotism of anybody who has had the courage to don the uniform of this great country." The context was the effort to question Mr. Kerry's Purple Hearts.

This gets things precisely backward. If a candidate wants to use his military biography to seek high office, why shouldn't people be allowed to corroborate his self-portrayal for the voting public? In a democracy, elections are one of the few things more hallowed than Mr. Kerry's or anyone else's service. There are no free passes.

Brendan Conway is an editorial writer at the Washington Times and a 2006 Phillips Foundation journalism fellow.

GOP Closing Gaps In A Couple Of Key Races (USAT)

USA Today, November 2, 2006

In a campaign in which they have often been on the defensive, Republicans got some good news in a pair of state polls Wednesday and learned that an effort to register Hispanic voters in Democratic-leaning districts fell well short of its goal.

The news comes as President Bush and first lady Laura Bush continued to push hard to help Republicans keep control of Congress in Tuesday's elections.

“We'll win this election,” President Bush said in a radio interview Wednesday.

Democrats have assailed Republicans for weeks for not doing enough to curb violence in Iraq or to investigate charges of improper contact between Republican Rep. Mark Foley and congressional pages.

House Democratic Whip Rep. Steny Hoyer of Maryland said Republican missteps will make his party a winner Tuesday.

“Democrats believe that we must take our nation in a new direction. And we believe that it is long past time that the United States Congress conduct meaningful, bipartisan oversight of the Bush administration rather than serve as a rubber stamp for it.”

Bush's upbeat tone in an interview with conservative radio talk show host Rush Limbaugh coincided with polls showing gains for the GOP in Tennessee and Maryland.

In Tennessee, an Opinion Research Corp. survey found Republican Senate candidate Bob Corker, a former Chattanooga mayor, leading Democratic Rep. Harold Ford, 52%-44%. The margin of error was +/-4 percentage points. Earlier polls had found the race closer.

Tennessee is one of several states where Democrats hope to win seats in order to take the Senate from GOP control.

In Maryland, a poll by The (Baltimore) Sun found a virtual tie in the governor's race. Democrat Martin O'Malley, the mayor of Baltimore, leads Republican Gov. Robert Ehrlich 47%-46%. A Washington Post poll published three days earlier showed Ehrlich trailing by 10 percentage points.

Meanwhile, a drive to register Hispanic voters, who tend to vote Democratic, has fallen short of expectations. The campaign to register 1 million foreign-born voters signed up 146,000 people, said Germonique Jones of the Center for Community Change. The registration drive followed large protests by Latinos this summer angered by proposed House legislation to stem illegal immigration.

“People were waving signs, ‘Today we march, tomorrow we vote,' but that may not be something that's literally tomorrow,” said Lionel Sosa, a Republican political strategist who heads Mexicans & Americans Thinking Together, a Web-based group.

As first lady Laura Bush campaigned in Kentucky and Ohio for Republicans, President Bush voiced optimism about the elections in an interview with Limbaugh. Limbaugh asked about the consequences if Democrats win House or Senate majorities.

“I really don't think about the idea of having a Democrat-led House and Senate because I don't think it's going to happen,” Bush said.

“I believe if our candidates continue to talk about the strong economy, based upon low taxes, and an administration and a Congress that was willing to give professionals the tools necessary to protect (citizens from terrorism), we'll win this election,” he said.

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When asked about Democratic critics of the Iraq war, Bush said: “My answer to them is listen to Osama bin Laden who says, ‘Our objective is to defeat America,' which will embolden the terrorists, which will then enable (al-Qaeda) to have safe haven, just like they had in Afghanistan. And we're not going to let them do it.”

Parochial Issues Come To The Fore In Tennessee Senate Race (MCT)

By Margaret Talev

McClatchy Newspapers, November 2, 2006

NASHVILLE, Tenn. - The Iraq war and racism form the raw bookends of the tight U.S. Senate race in Tennessee, which could be historically significant and could make or break the Democrats' campaign to take over the upper chamber of Congress.

Iraq is the dominant issue, voters told a recent McClatchy-MSNBC poll. And the Democratic candidate, Rep. Harold Ford Jr., 36, would be the first black U.S. senator from the South since Reconstruction. He says U.S. policy in Iraq isn't working and endorses splitting the nation into three semi-autonomous regions - for Sunni Muslim Arabs, Shiite Muslims and Sunni Kurds - with a weak central government.

Republican Bob Corker, 54, is a white businessman and former Chattanooga, Tenn., mayor. He favors staying the course in Iraq until the mission is complete.

Ford couldn't have gotten so close without a public backlash against the war and President Bush, political analysts here say. But if Corker wins, several voters said, they'll blame latent, if not overt, racism for Ford's defeat.

Still, it's not that simple. If the voting next Tuesday is as close as polls suggest, parochial issues below the headline topics of war and race could spell the difference. The candidates' personal weaknesses, their parties' records on gay rights, health care and taxes, and the changing makeup of voters in the state could tip the outcome.

Many voters said this week in interviews in and around Nashville that they were turned off by Ford's large and politically influential Memphis family, which has been dogged for years by corruption investigations. An uncle who was a state senator is awaiting trial on bribery charges even now.

"I just don't think the acorn falls far from the tree," said Mike Shackleford, 47, a businessman who voted early for Corker. Ford "may be a fine person, but I don't know enough about him."

Ford's more charismatic than Corker, but the congressman, who's single, has a reputation as a Casanova and somewhat of a policy lightweight. Flanked by screen actress Ashley Judd and Sen. Mary Landrieu, D-La., at a "Women for Ford" event this week, he meandered through several policy questions and frequently deferred to Landrieu.

When Judd championed monogamy, saying, "It's useless, by the way, if only one partner is being faithful," Ford perked up. "Let me write that down," he quipped. Asked about his faith, he said he renewed his commitment to prayer after his uncle's indictment.

Both candidates tout their Christianity and applaud traditional family values.

The Republican Party has had a big statewide advantage in Tennessee since the 1990s, when white conservative Democrats switched parties. Retiring Sen. Bill Frist won his last election, in 2000, with 65 percent of the vote. And a proposed gay-marriage ban for the state on this year's ballot could help Corker by boosting Republican turnout.

If Ford wins, factors beyond Iraq that could help him include voters' desire for more affordable health care, on which Democrats are regarded as more sympathetic. Charlie Miller, 69, a retired salesman, said he prefers Corker on other issues, but that "it'll be close . . . everybody needs insurance."

Ford can appeal to moderates by citing his 2002 race against liberal Rep. Nancy Pelosi, D-Calif., to become House Democratic leader, his support for school prayer and his devotion to his faith. He's never positioned himself as a liberal.

His candidacy is likely to prompt high turnout among blacks, who compose 16 percent of the state's population. A McClatchy-MSNBC poll earlier this month showed that blacks split for Ford by 86-4 percent, but that whites tilt to Corker by 53-36 percent. Women split about evenly between Ford and Corker, while men tilted toward the Republican by a 5-point margin.

Although analysts here suggest that it may not be happening fast enough to help Ford, Tennessee's favorable business climate is gradually changing the population by bringing in voters from traditionally more liberal states. Nissan moved its California headquarters to a suburb south of Nashville last summer, for example.

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Kristi Weiner, 40, a consultant whose husband works for Nissan, can't vote because she's still registered in Los Angeles. If she could, she said, "I'd probably vote for Ford."

Voters also debate the effect of a television ad that was paid for by the Republican National Committee and pulled down after cries of race-baiting. In it, a bare-shouldered white woman flirts, "Harold, call me."

Some black voters, such as Wanda Graham, 53, a retired Army lieutenant colonel and local Democratic activist, worry that the ad could hurt Ford by recalling traditional Southern cultural taboos against interracial sexuality. But some younger white voters who want to distance themselves from stereotypes said it could hurt Corker.

Rachel Deering, 28, said she and her husband usually voted Republican, but that this time - because of the ad - they planned to stay home in protest.

Clinton Campaigns For Ford In Memphis (USAT)

USA Today, November 2, 2006

Former president Bill Clinton told a Memphis church congregation Wednesday that if Democratic Rep. Harold Ford wins next week's Senate election, it will represent a "victory of going beyond race." Clinton spoke in Ford's hometown at the predominantly black Temple of Deliverance Church of God in Christ. "You know what it will mean if Harold gets elected on Tuesday," Clinton said at the 4,500-seat church. "It won't mean that it's a victory of race; it will be a victory of going beyond race."

Ford, 36, hopes to become the first black senator elected from the South since Reconstruction. Ford, a five-term congressman, and Republican Bob Corker, a former Chattanooga mayor, are vying to replace Sen. Bill Frist, who is retiring.

McCaskill: Bush's Mo. visit won't help Talent

Democratic Senate challenger Claire McCaskill dismissed President Bush's visit to Missouri on Friday in support of GOP Sen. Jim Talent as an example of Talent's too-close ties to Washington. Bush and Talent will appear at stops in Springfield and Joplin.

Bush's appearance will mark his first public campaign event with Talent this year, although the president has helped raise money for Talent. Bush spokesman Tony Snow headlined a Talent fundraiser Monday, and Talent campaigned Tuesday with Senate Majority Leader Bill Frist. "The last week of Sen. Talent's campaign is about Washington, D.C.," McCaskill said. "The last week of my campaign is about Missouri."

Talent spokesman Rich Chrismer said, "We're doing what successful campaigns do in the final week, which is energize our supporters and get out the vote."

Strayhorn: Gov. Perry's ad is sexist

Independent gubernatorial candidate Carole Keeton Strayhorn claimed Wednesday that Republican Texas Gov. Rick Perry's radio ad is sexist because it suggests a woman is incapable of holding the office. "The implication is certainly … that a woman is not tough enough to be governor," Strayhorn, the state comptroller, told about 40 supporters in Waco. The ad, which began airing Tuesday, calls Strayhorn "Mrs. Corrupt Comptroller Politician Woman," much like another Perry ad calls Democrat Chris Bell "Mr. Way Too Liberal For Texas Guy." Strayhorn said the ad is "sad. I thought that was gone decades ago, and here he is talking 'politician woman.' " Perry campaign spokesman Ted Royer said he found it curious that Strayhorn was complaining about the word "woman" and not "corrupt."

Settlement reached on Ohio voter-ID law

Lawyers for the state and groups that opposed Ohio's voter identification rules reached a settlement that suspends the law for absentee voters and clarifies and expands it for voting in person. The plaintiffs had argued that county elections boards were disenfranchising voters by inconsistently applying the law.

The settlement stopped short of declaring any aspect of the law unconstitutional, preventing further court wrangling from disrupting the election, said Mark Anthony, spokesman for the state attorney general. The settlement allows voters without ID to use Social Security numbers, and it expands the definition of government documents that can be used as ID to include those from local and county governments, state universities and public community colleges.

Coulter may face charge of voter fraud

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Conservative columnist Ann Coulter has refused to cooperate in an investigation into whether she voted in the wrong Florida precinct and may be prosecuted for voter fraud, Palm Beach County Elections Supervisor Arthur Anderson said. He said that his office has been looking into the matter since the Feb. 7 Palm Beach Town Council election and that he would turn over the case to the state attorney's office by Friday.

Knowingly voting in the wrong precinct is a felony. Anderson, a Democrat, said a letter was sent to Coulter on March 27 requesting that she clarify her address for the voting records "or face the possibility of her voter registration being rescinded." She and her lawyer have yet to respond to several inquiries, he said.

Beating Around The Bush (WSJ)

By Brendan Miniter

The Wall Street Journal, November 2, 2006

CLINTON, Mo. -- If Democrat Claire McCaskill wins her Senate race in Missouri next week, her victory won't rest, for the most part, on any policy proposal or characteristic particular to her -- precisely as she intended from the start of her campaign. Nor has she made the focus of the race Jim Talent, the incumbent Republican she is trying to unseat. Instead, she's running against George W. Bush.

Ms. McCaskill's strategy, like that of Democrats across the country, has been to "nationalize" the election by making it a referendum on the president. She spends a considerable amount of time blurring the boundaries between the unpopular Republican in the White House and a Republican-controlled Senate. Along the way she's even displayed a little wit: "Talent votes with President Bush more often than I agree with my husband," she quipped at a recent campaign rally in this small town, four hours west of St. Louis.

She's run a credible, competitive campaign, and is now deadlocked in a virtual tie -- all polling differences within the margin of error -- for a post that has changed party hands twice in the past six years. Give her credit, at least, for rallying the flagging morale of the state party and raising the hopes of Democrats nationwide. Depending on what happens in Ohio, Montana, Rhode Island, Tennessee and Virginia next week, she may hand her party the sixth seat it needs to take control of the Senate.

Sen. Talent, for his part, has not been caught up in scandal or made gaffes. He has been attentive to home-state voters. He has championed laws on apple-pie issues such as curbing the use of methamphetamines and supporting research into sickle-cell anemia, a disease that afflicts African-Americans acutely. He promotes breast cancer awareness by having St. Louis's 630-foot-tall Gateway Arch lit pink one night each year.

By taking care of smallish issues, and not screwing up, Mr. Talent has ensured that the race will focus on larger, more controversial topics. Thus the Missouri race is a relatively pure expression of the Democratic attempt to make the election a referendum on the Bush administration. And it may illustrate the flaws in the strategy of putting few substantive ideas on the table and instead counting on discontent with the Republican Party. Voters clearly aren't happy with the status quo, but neither do they seem convinced that the alternative is any better.

Here, Mr. Talent enjoys the advantage of clarity. On national security, he wants to isolate North Korea and preserve a "credible" deterrent to Iran's nuclear ambitions, which in his view includes the possibility of air strikes. Asked if he wants to "stay the course" in Iraq, the senator responded emphatically. "I don't want to stay anything," he told me on a recent blustery afternoon in St. Louis. "I want to win. And Missourians want to win."

Ms. McCaskill's positions are more carefully hedged. Currently the state auditor, she's a former prosecutor who promises to be tough on terrorists and voices unequivocal support for building missile defenses. "Absolutely," she told us before noting the weapon system her party has spent more than two decades deriding as a waste of money "will work." Yesterday, she called on Sen. John Kerry to apologize for disparaging those who serve in the military.

When it comes to elaboration, however, the positions she takes don't so much straddle the political divide on national security as occupy both sides of it. On Iraq, she doesn't support a timetable for withdrawal, but told us that the Bush administration should "privately" tell the Iraqi government the U.S. will pull out, eventually. On North Korea, she opposes rewarding Kim Jong Il

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with bilateral talks, but blasts the president for a general "aversion" to direct talks. On terrorist surveillance, she supports wiretapping international calls of suspected terrorists, just not the way President Bush has gone about it. And so on.

Keeping the focus off Ms. McCaskill, Missouri Democrats have also taken a page out of the conservative playbook to depend on two hot-button issues on the ballot increasing liberal turnout. The first would create a $6.50 state minimum wage, more than a dollar higher than the federal mandate. The second is a contentious amendment to the state constitution regarding embryonic stem-cell research, drafted as a rebuke of the president's federal funding policy. Ms. McCaskill supports the amendment, has run ads on it, and welcomed actor Michael J. Fox to the state to campaign for its passage.

The irony, though, is the amendment may also increase turnout for the Republicans. Sen. Talent, social conservatives and other opponents fear the 2,000-word document will legalize human cloning at taxpayer expense. To ensure that that doesn't happen, Marjorie Dannensfelser, head of the Susan B. Anthony List, a national right-to-life organization, has identified some 200,000 "casual voters" in the state and says she's working double time to convince as many of them as possible to vote.

Mr. Talent won his seat in 2002 in a special election by a razor-thin margin of just 21,000 votes, so just a fraction of Ms. Dannensfelser's list could tip the scales in his favor. Ms. McCaskill is likewise dependent on turnout. In the governor's race two years ago, she lost 90 out of 97 counties to now-Gov. Matt Blunt, but the outcome was quite close, 51% to 48%.

The partisan divide in Missouri, then, is close to even. The state has a nearly unblemished electoral history -- stretching back to Teddy Roosevelt -- of siding with winning presidential candidates, breaking in the last two elections for President Bush. The unknown aspect here is intellectual. Ms. McCaskill doesn't want this election to be about her ideas. But next week's outcome will depend on whether those who head to the polls will see her as running on almost the same campaign platform on which the Democrats lost in 2002 and 2004. Will voters make this election in part about Ms. McCaskill?

Virginia's Tight Senate Campaign Turns On Personal Attacks (MCT)

By Steven Thomma

McClatchy Newspapers, November 2, 2006

CHARLOTTESVILLE, Va. - In its final week, the U.S. Senate campaign in Virginia came down to this:

A liberal blogger tried to ask Republican Sen. George Allen about the most urgent issue he could think of - whether Allen had spit on his first wife. Then Allen's aides put the man in a chokehold and threw him on the floor.

That episode Tuesday, captured on video by a local news crew, summed up how one of the races that could determine which party controls the Senate has degenerated into bitter name-calling and personal attacks instead of a debate over the issues that matter most to voters.

It started very differently, as a clash over the Iraq war between Allen and Democrat James Webb, a former secretary of the Navy under Ronald Reagan. Allen supports the war; Webb's vehement opposition prompted him to switch parties from Republican to Democratic and to challenge Allen.

The campaign changed when Allen unleashed a firestorm over the summer by calling a dark-skinned Webb volunteer a "macaca," which Democrats labeled a racial slur. Allen soon was inundated with stories accusing him of using racial slurs as a college student.

He was losing support fast when he pleaded to change the subject.

"Virginians expect to hear us address the real issues you care about," the Virginia Republican said in a primetime TV appearance in early October. "Over the past several weeks, that hasn't been the case. Some of this I brought on myself. But the negative personal attacks and baseless allegations have also pulled us away from what you expect and deserve."

Yet Allen responded by launching counterattacks on Webb for including sex scenes in his best-selling war novels, attacks that have continued into the final week of the campaign. National Republicans also launched ads ripping Webb for criticizing women in the military 25 years ago and calling a 1991 investigation of Navy pilots for abusing women a "witch hunt."

On a recent campaign swing through Portsmouth, Va., Allen insisted that all the dirt has come from Webb and that his attacks on sex scenes in Webb's novels are the kind of serious issue he wanted the campaign to address.

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"My opponent does say he's proud of being an author and a novelist. Those passages, people have found demeaning to women," Allen said during a stop at the Virginia Sports Hall of Fame, standing beside a display case featuring the short shorts and sequined halter top of a Washington Redskins cheerleader. Allen's father coached the Redskins in the 1970s.

Allen also brushed aside demands from Democrats that he explain why his name is listed without any detail in a 1974 Virginia court docket. Aides have said he was cited for unpaid parking tickets and for fishing without a license. National Democrats suggest that his name could be listed for anything ranging from parking tickets to assault, but they offer no evidence of any crime.

Webb, too, insisted that he's refused to participate in the name-calling and character attacks.

"We haven't done that. . . I have declined to go after George Allen when he was in trouble," he told supporters at a University of Virginia rally.

"I don't think you'll find an attack ad with my name on it," he said afterward. "I've been talking about the issues every day."

In his rally, Webb did talk at length about the Iraq war, praising the soldiers fighting there and criticizing Allen for not asking hard questions before supporting the war.

But it was Webb's campaign that set off the "macaca" brouhaha by releasing the video of Allen and the Webb aide. And it's been liberals and national Democrats talking about Allen's divorce or his court record from 32 years ago.

Voters said they didn't like the nasty campaign and wished it would return to more substantive issues. But many saw that through partisan lenses: The attacks on their candidate are nasty and trivial; the attacks on the other side are deserved.

"All the negative ads turn me off," said Bev Graeber, a Republican who singled out anti-Republican ads from the liberal group Moveon.org as particularly offensive. "They make me sad. I wish it was back on the issues."

Barbara Barton, a Democrat, said the criticisms of Allen were justified. "The macaca stuff really irritated me," she said. "Allen picked on the only dark face in a crowd of white faces. That IS substantive."

Polls show the Allen-Webb race is a toss-up. Voters decide Tuesday.

For more on the campaigns, go to www.georgeallen.com and www.webbforsenate.com

Allen Suggests Webb Behind Heckler Incident (WT)

By Christina Bellantoni And Seth Mclaughlin

The Washington Times, November 2, 2006

Sen. George Allen yesterday suggested that his Democratic opponent, James H. Webb Jr., has a connection to a heckler who accosted him Tuesday, while Mr. Webb said the incident exemplifies what is wrong with politics.

Mr. Allen referenced the incident during which liberal blogger Mike Stark confronted him in Charlottesville, prompting the Republican's supporters to tackle him.

"What the people of Virginia deserve in the last few days of the campaign is my opponent to say to these allies and people associated with him that this is not appropriate," Mr. Allen said during a campaign stop at a business park in Fairfax.

The Webb campaign says it has no link to Mr. Stark.

Mr. Webb, who was campaigning in Richmond yesterday, said the incident shows that the two parties are at each other's throats because of the "emotional" election.

"It's one of the frustrations in dealing with the political process right now -- we've become so antagonistic," Mr. Webb said as he began a discussion with Virginia Commonwealth University (VCU) students in Richmond.

"For the good of the country, I don't think we should be engaging in that sort of conduct," he said. "We can have healthy debate and we can talk about differences without having to have the kind of confrontation that happened [Tuesday]. We don't need that."

Mr. Webb did not specify whether he was talking about Mr. Stark's behavior or the assault. Mr. Stark, a University of Virginia student, said Tuesday that he planned to file charges, although no charges were filed as of yesterday.

Mr. Stark told Washington Post Radio yesterday that he was "baiting" Mr. Allen, who has been known to lose his cool on the campaign trail.

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In August, Mr. Allen singled out a Webb volunteer taping his campaign event in Southwest Virginia, calling the Indian-American man "macaca," a term considered derogatory in some cultures.

Since then, Mr. Allen has faced accusations that he used the "N-word" in the 1970s. He also has struggled through questions about his Jewish heritage.

Mr. Webb has said he could have used such incidents against Mr. Allen, but chose not to because they are "not relevant to what I'm trying to do."

Mr. Allen, standing beside Sen. John W. Warner, Virginia Republican, said the election on Tuesday should be focused on issues that affect voters "rather than encouraging this sort of disruptive, provocative behavior."

"This is typical of what my opponent has done, and his allies, trying to provoke incidents," Mr. Allen said. "I wish he would try to rein that in."

Both men have said the other is engaging in "vicious" personal attacks, while polls show that voters are irritated by negative campaigning.

Mr. Webb, who spent the day with Richmond Mayor L. Douglas Wilder, told VCU students that he "never really wanted to run for public office," but was forced to act out of frustration over the handling of the war in Iraq and Hurricane Katrina, among other issues.

"Looking at all those things, I just said, 'Well, I either have to shoot my TV or try to do something about this,' " he said.

In Northern Virginia, Mr. Allen discussed taxes. "I think we should give the death penalty to the death tax," he said.

On Tuesday, Mr. Stark loudly asked Mr. Allen whether he ever spit on his first wife, alluding to a rumor that has been floating on liberal blogs.

Mr. Allen, who was campaigning with Sen. Elizabeth Dole of North Carolina, who is serving as chairman of the National Republican Senatorial Campaign Committee, ignored Mr. Stark as an Allen campaign volunteer blocked him.

"You're going to need to leave now. Get out the door," the Allen volunteer said as another man held Mr. Stark in a headlock.

Other Allen supporters tackled Mr. Stark, saying: "Now you're getting personal."

Mrs. Dole called the incident disturbing and asked Mr. Webb to apologize. "An ally of James Webb's campaign shouted diatribes in a sleazy attempt to create a political incident," she said.

When told about Mrs. Dole's request yesterday, Mr. Webb said: "I don't even know what happened [Tuesday]. I certainly regret the conduct of certain people there."

Meanwhile, most jurisdictions in Virginia are reporting slight to sizable increases in the number of requests for absentee ballots. Most officials attribute the increase to an aggressive campaign to encourage voters to use such ballots.

James Alcorn, a policy adviser with the state elections board, said yesterday that 101,852 requests for absentee ballots had been made as of last week, slightly higher than normal during congressional election years. The number of requests is comparable to that of 1994, he said.

Some local elections officials attribute the increase to the Senate race and the constitutional marriage amendment proposal.

Steele Gains Key Support Beneath The Surface In PG (WT)

By Jon Ward

The Washington Times, November 2, 2006

Prince George's County Democrats say they expect Lt. Gov. Michael S. Steele, a Republican running for the U.S. Senate, to receive a surprising number of votes in the majority black, heavily Democratic county.

"A lot of people don't want to disclose who they're voting for," said state Sen. Leo E. Green, who is retiring in January. "A lot of my African-American friends are voting for Steele. I know that, but quietly, not publicly."

Mount Rainier Mayor Malinda Miles, a lifelong Democrat, said that many of her friends "are really supporting Steele, and it doesn't matter that they're Democrats."

"I'm not talking about what's in the newspapers. I'm talking about where people are at," Miss Miles said. "I think Prince George's is probably going to go Steele."

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Anngelique Carroll, 27, a legal secretary from Upper Marlboro, said she and many of her friends are voting for Mr. Steele.

"He's for small business. He is for minorities," said Ms. Carroll, a black Democrat. "Throughout his political career with Governor [Robert L.] Ehrlich, his progress has been good."

Throughout the campaign season, most polls have shown Mr. Steele, the first black to win a statewide office in Maryland, trailing Rep. Benjamin L. Cardin, the Democratic nominee. But SurveyUSA and other recent polls have pegged the Senate contest a dead heat.

Prince George's County, which has the state's largest concentration of Democratic voters, has become a battleground.

Race has become a key issue. Black Democrats, especially in Prince George's, have complained that party leaders have been neglecting them for years.

On Monday, former Prince George's County Executive Wayne K. Curry, five fellow black Democrats on the County Council and several other black Democratic leaders endorsed Mr. Steele and criticized their party.

"I think it's a close race," said County Council member David Harrington, one of those who endorsed Mr. Steele. "Turnout is key. If it's low turnout, then he's not going to do well."

The election outcome is uncertain, especially in Prince George's, because of blacks' longtime loyalty to the Democratic Party.

"It's so close. So many people, among African-Americans, there's things they like about Steele, but there's some things where he agreed with President Bush," said J. Aaron Warren, 38, a county police officer and co-founder of Minority Building Industry Association Inc. in Upper Marlboro.

"But with Ben Cardin, the only really negative thing I hear is that people didn't really know him because he's from Baltimore," Officer Warren said.

Damiean Williams, 31, a technician, travel agent and real estate agent in Prince George's, said he has heard too many negative things about Mr. Steele to vote for him.

"If I do vote, it would probably be for Cardin. ... I've heard [Mr. Steele is] a 'yes man,' " Mr. Williams said. "A lot of his ads look phony."

Cherelle Gray, 38, of Fort Washington, who works as a manager at Linens-n-Things, is undecided.

"I'm not getting [Mr. Steele's] explanations for anything. He hasn't convinced me yet. But I'm open," Mrs. Gray said.

Winning Prince George's is essential for Mr. Cardin. He has scheduled a press conference for today with Rep. Albert R. Wynn and County Executive Jack B. Johnson, black Democrats who are supporting his campaign.

Maryland has about 900,000 registered Republicans and 1.7 million registered Democrats, of which an estimated 700,000 are black. Blacks represent more than 65 percent of the population in Prince George's, which has more than 320,000 registered Democrats.

Although Mr. Cardin won the statewide primary, he was trounced in Prince George's by Kweisi Mfume, former president of the National Association for the Advancement of Colored People. Mr. Mfume received 74,637 votes to Mr. Cardin's 19,824 in the county.

The tight Steele-Cardin contest is no surprise to Delegate Marvin E. Holmes Jr., Prince George's Democrat.

On primary day in September, Mr. Holmes said that "if Ben Cardin wins [the primary], Steele wins [the general election]."

A black Democrat in the state Senate, who spoke on the condition of anonymity, said more recently: "It would have been probably better for the Democratic Party to come around Mfume. They would have had a better chance ... if they were serious about the black vote."

Arizona, Maryland Senate Races Targeted (AP-Y)

By Jim Kuhnhenn

AP, November 2, 2006

The national parties sought to shake up Senate races in two states Wednesday, with Democrats pumping about $1 million into Arizona and Republicans spending about the same in Maryland.

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Less than a week before the election, the Democratic Senatorial Campaign Committee is spending money to help defeat Republican Sen. Jon Kyl, once considered a favorite to win re-election in Arizona, officials from both parties said.

The National Republican Senatorial Committee put its money on Maryland's Republican Lt. Gov. Michael Steele to win the Senate seat held by retiring Democrat Paul Sarbanes, the longest-serving senator in the history of the state.

Until this week, the parties had narrowed their primary battlegrounds, with both spending millions on ads in New Jersey, Tennessee, Missouri and Virginia. The DSCC already was spending money in Maryland, as well as Montana and Rhode Island. The NRSC this week also bought more than $880,000 in ads in Michigan in an effort to defeat incumbent Democrat Debbie Stabenow.

The moves and countermoves by the two party organizations reflect the fluid nature of the closing days of the midterm election campaign. Both parties have money to spend, but it was unclear Wednesday whether the commitments in Arizona and Maryland were based on perceived opportunities or a desire to force the opposition to spend money where it hadn't planned.

Kyl, a 12-year veteran of the Senate, is being challenged by millionaire Jim Pederson, a former state Democratic chairman who had spent millions of his own money on the campaign. The state has long leaned Republican, but in this election Democratic challengers are in close contests in three of the state's eight congressional districts.

"This contribution is a small return on the millions Pederson has contributed to the Democrat party," Kyl spokesman Andy Chasin said. "We're surprised they didn't pay him back earlier. Now they're doing it at a point when it won't do much good."

In Maryland, most polls show Steele behind Democratic Rep. Ben Cardin. But Steele, who is black, has been winning the support of some Democratic African-American elected officials in the state.

Meanwhile, in Tennessee, Republican Bob Corker gave his campaign $2 million of his own money for the final week of the race. It was the second time the millionaire and former construction company executive has put $2 million toward his election effort.

The loan would trigger the so-called "millionaire's amendment," and campaign finance law provision that allows his opponent, Democratic Rep. Harold Ford Jr., to raise more money from individual donors.

Ohio Voters Unmoved By Incumbent's Bipartisan Reputation (FT)

By Edward Luce In Toledo, Ohio

Financial Times, November 2, 2006

Mike DeWine, a Republican senator for Ohio, may be an unfortunate victim of what some pundits predict will be a "tsunami" against his party in the US mid-term congressional elections next Tuesday. Whether or not that wave of votes materialises at the national level for the Democrats (many Republicans remain confident their "get-out-the-vote" machine can reproduce past magic), Mr DeWine's prospects still look bleak.

A moderate Republican, Mr DeWine's breed of politics does not fit the bitterly partisan narrative of America's 2006 election campaign. But in Toledo, a small industrial town that borders the auto-state of Michigan, few voters are paying much attention to Mr DeWine's plea for the politics of the centre-ground.

Once a thriving hub of America's industrial mid-west, Toledo is now a symbol of the country's expanding rustbelt. "Every year my revenues fall by about 25 per cent," says Rida Hazimah, the Lebanon-born proprietor of Dennis Market, a blue collar café that serves beer and steak. "If you listen to the customers at lunch time all they talk about is job losses. I am not sure how much longer I can keep this place open. Maybe another year or two."

Opinion polls give Sherrod Brown, Mr DeWine's Democratic challenger, a lead of between 10 and 12 percentage points. Last month the Republican National Committee, which raised almost $200m (€157m, £105m) for the final weeks of the campaign, withdrew funds from Mr DeWine's race in order to target resources on closer senatorial races in Tennessee, Virginia and New -Jersey.

But Mr DeWine can still tap the loyalty of the few wealthy Republicans who live in Toledo as well as their more numerous counterparts in more conservative parts of the state. He can also draw on the star attraction of John McCain, his fellow Republican senator, whose probable presidential bid for 2008 would almost certainly be built on his own reputation for bipartisanship.

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"I am here because Mr DeWine is a friend and also somebody for whom I have the greatest respect," said Mr McCain, having flown in on a private jet to Toledo's small airport. "It is no secret that the Republican party is facing a very tough election because of our record on spending [which has risen sharply] and on ethics [several Republican lawmakers are either on trial for corruption or facing investigation]. At times like this we should appreciate the value and public service of people like Mike DeWine."

Mr McCain's words clearly had an impact on the small group of donors that had gathered at the home of a wealthy Republican in Toledo. Altogether they donated enough for Mr DeWine to air another bout of state-wide television advertisements contrasting his bipartisan reputation with what he bills as the "far left" record of Mr Brown.

But even if Mr DeWine could afford to blitz all the channels in the few remaining days of campaigning, the state of Ohio seems almost certain to go Democrat by embracing Mr Brown as well as Ted Strickland, the Democratic candidate for governor. With an unemployment rate of 7 per cent - way above the national average of 4.6 per cent - and the certainty of more lay-offs in the pipeline, Ohio's voters are disaffected.

Even Republicans wonder what the future holds. "What Ohio needs is some kind of jump start to get the economy going again," said Stephen Taylor, general manager of the Kia showroom in Toledo's outskirts, whose business is booming partly because the South Korean vehicles are so much cheaper than their US counterparts. "Although I am a Republican, I can tell this isn't a very good year for my party."

Meanwhile, Mr McCain, whose senate seat is not up for contest in this election, is unlikely to be damaged by a poor Republican performance. Unlike George W. Bush, whose low approval ratings have largely meant he has had to stay away from the hustings during the campaign, Mr McCain's ability to appeal to middle ground might be in greater demand if one or both houses of Congress turn Democrat next week.

"If you look at the problems America faces - for example our system of Social Security, which is going bust - these problems can only be fixed if both parties work together," said Mr McCain. "It is that kind of co-operation that most Americans are looking for."

Clawing For Votes, Chafee Steers Race Toward Gutter (WP)

By Shailagh Murray

The Washington Post, November 2, 2006

CRANSTON, R.I. -- Sen. Lincoln D. Chafee (R-R.I.) always sounds so polite and sincere, even when he's wrapping his hands around his opponent's throat.

"Eight years as a top law enforcement official in Rhode Island and not a single successful conviction of a public official," Chafee said during a debate Monday night with his Democratic challenger, Sheldon Whitehouse. "He's always looking after the power brokers and his own political career."

The attack left the former state attorney general seething. Chafee is "just making this stuff up entirely out of whole cloth," Whitehouse shot back. A similar onslaught knocked Stephen Laffey off course in the final weeks before the GOP primary, forcing the Cranston mayor to deny that he had taunted firefighters and doctored his rÃ©sumÃ©. Robert A. Weygand got a dose of nice-guy negativism in 2000, when Chafee accused the Democratic former congressman of "embroidering the truth" about the age of his dog.

What happened to the affable fellow who drives a hybrid and studied classics at Brown University? Well, his political career is on the line, and the gutter seems the best hope for salvation. Chafee has slogged through two tough campaigns this year, against a conservative primary opponent and now in the general election against Whitehouse. He survived the first round. Next week, polls suggest, he may not be so lucky.

Whitehouse led Chafee in every poll published in October. Many political observers say that despite the vaunted Chafee name, the national climate has become too hostile for a Republican to survive in one of the most Democratic states. President Bush's approval rating here is 22 percent.

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"He's very much the underdog and has been forced into an attack strategy," said Darrell West, a Brown political science professor and pollster. "I can't imagine he's happy about it, but he has to do it. He's being bogged down by Bush's high negatives, and unless he can raise the negatives of his opponent, then he loses."

The candidates agree on just about every major issue: expanded federal support for embryonic stem cell research, gun control, legalizing marijuana use for medical purposes. Both are well-born, with deep roots in this tiny state. Their children attend the same school. Their fathers were roommates at Yale. Without the trash talk, this race would be a snoozer, a battle of the bores.

Whitehouse's message is a simple one: Chafee may be the Senate's most moderate Republican, but he's still a Republican. "To change Washington, we have to change the Senate," reads the tagline of one Whitehouse ad. In another, an image of Chafee fades into a grainy photo of Bush, Vice President Cheney and House Speaker J. Dennis Hastert (R-Ill.). "Think about it," the announcer warns.

For a while this summer, it wasn't clear whether Chafee would survive the primary, and he needed extensive help from national Republicans. After seven years of bucking his party on major issues, Chafee drew close to the GOP at exactly the wrong time. Whitehouse, who faced a nominal primary challenge, was waiting in the wings, saving his money and savoring the political reverberations of Chafee's survival strategy.

Chafee was appointed to the Senate in 1999 upon the death of his father, the immensely popular senator John H. Chafee, and is known as a cautious and stubbornly independent lawmaker. Despite his pedigree, he is low-key. Barry O'Brien, a wastewater operator, has worked for every Chafee campaign since 1990, when Chafee lost his first run for Warwick mayor, and speaks of the senator as a family member. "He got elected because he was a good guy, an honest guy," O'Brien said. "That means something in Rhode Island."

Although Chafee rarely seeks out the spotlight, he doesn't mince words when it finds him. In 2004, he confessed that he had written in the name of George H.W. Bush as a protest vote against the former president's son. But when asked during the debate Monday whether he was proud of the current president, Chafee declined to say. "I'm opposed to much of his agenda," he responded carefully.

"All the time people tell me, 'Linc, I really like you, but I want to send Bush a message,' " Chafee says in his most recent ad. Seated in front of a model sailboat, he reminds viewers that he was the only Senate Republican to vote against the Iraq war. "I've always stood for principle," Chafee asserts, "even if it meant standing alone."

But to win, Chafee must woo Democrats and left-leaning independents away from Whitehouse. And if he has to bring the former attorney general down a notch, so be it.

Chafee's accusations against Whitehouse revolve around the Democrat's tenure as a crime fighter, a sensitive post in a state with a history of widespread institutional corruption. In one ad, Chafee accuses Whitehouse of failing to investigate corruption allegations at a Providence medical center because of possible ties to Democratic power brokers. Two hospital executives were later convicted in the case. "When corruption in Providence was out of control, Sheldon Whitehouse did nothing," the announcer rumbles. "He put his ambition over duty."

The attacks have infuriated Whitehouse, a 20-year public servant in Rhode Island who has been attorney general and a U.S. attorney. He noted in the debate that the Chafee family has been in Rhode Island public life for 30 years and "has never been involved in conduct like this." Whitehouse described Chafee's tactics as "straight out of the Karl Rove playbook. Pretty soon a candidate like me is playing follow the falsehood."

"I always look at my opponent's record," Chafee responded mildly. "When I see shortcomings, I bring them to the voters' attention."

Republican Is A Political Force, Despite Party Baggage (WP)

By Michael Grunwald

The Washington Post, November 2, 2006

WINTER PARK, Fla. -- At a recent fundraiser in this ritzy Orlando suburb, Iowa Gov. Tom Vilsack (D) was handicapping governor's races with the air of a gambler who liked his odds: "No matter where you go, there's good news for Democrats."

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Colorado, Maryland, Massachusetts, New York and Ohio all looked like pickups, with strong Democratic threats in Minnesota and even Arkansas.

And then there was Florida, where Vilsack had traveled to help Rep. Jim Davis, the Democratic nominee to succeed term-limited Gov. Jeb Bush (R). In a supposedly Democratic year, in a supposedly bellwether state, polls showed Davis 15 points behind his GOP opponent, Charlie Crist, the state attorney general.

"Well, Florida will get competitive," Vilsack said.

It has, but Crist is still the front-runner, with an 11-point lead in two statewide polls and single-digit leads in the others. Along with California Gov. Arnold Schwarzenegger, he is hoping to show Republicans across the country how to survive a Democratic wave.

Crist is an exuberant retail politician who puts the "glad" into glad-handing, a Reagan-style optimist with a made-for-TV tan, a made-for-TV shock of white hair and a made-for-radio baritone. He is a genial moderate who is nevertheless known as "Chain Gang Charlie" for his hard line on crime. He is a close ally of the governor, who is far more popular in Florida than President Bush, but he has shown an independent streak by supporting stem cell research and same-sex civil unions and by refusing to intervene in the Terri Schiavo case.

He is also a relentless fundraiser who has outdistanced Davis by more than $12 million, which seemed to discourage many of the Democrats at developer Jim Pugh's Winter Park estate. "Charlie's raising an ungodly amount of money, and he's a terrific campaigner," Pugh said. "It's going to be tough to overcome all that."

Crist has cut into the Democratic base by focusing on civil rights and the environment, choosing a trial lawyer as his running mate, and saturating the airwaves before Davis could respond.

Now that Davis is airing a few ads, some independents seem to be tilting his way. In recent weeks, Crist has changed his positions on property insurance, testing in schools and voting rights for felons, moving left every time, but his Republican label still seems to be a drag. Even though Republicans enjoy comfortable majorities in both houses of the state legislature, GOP leaders are nervous about losing three congressional seats here, including the one vacated by Mark Foley, and incumbent Bill Nelson (D) is dominating Rep. Katherine Harris (R) in the Senate race.

And Davis is happy to have a D after his name this year. "The Republican Party is a money machine in this state -- fueled by the insurance industry and the special interests -- but there's an awful lot of discontent out there," he said.

Ever since the 2000 recount, Florida has been known as the ultimate swing state, but it is really a unique mix of voting blocs, with a slightly Republican trend that swept President Bush to victory in 2004. North Florida is like a small Southern state, with fast-growing Republican exurbs. The southwest part of the state is booming with GOP-leaning snowbirds from Midwestern Kiwanis clubs. Southeast Florida is still jammed with Democratic-leaning retirees from Northeastern states, but many of its residents are dying or moving to the Carolinas to escape the crowds.

The Republican tilt also has a lot to do with the governor, who is almost universally admired for his leadership during hurricanes and is widely respected as a principled conservative -- even by many Floridians who have disagreed with his strong stands on testing schoolchildren, revamping Medicaid and having the government intervene in the Schiavo case. Crist has highlighted his alliance with him, while the Davis campaign has mostly attacked the president and spotlighted issues on which the governor has disagreed with Crist.

"I don't think Jeb's popularity rubs off on Charlie," said Van Church, a political coordinator for the Service Employees International Union. "He's just a politician."

To watch Crist on the campaign trail is to see that he is not just a politician; he's a natural politician. On a recent visit to a printing company in a Miami suburb, Crist bounded out of his car with the joy of a child who had just arrived at Disney World. He hugged his host, Manuel Fernandez, as if he were a long-lost brother: "It's so wonderful to see you!" The two men had never met.

Fernandez then told Crist his story: He arrived from Cuba in 1961 and started working at the company as a $2-an-hour janitor in 1965, when it had only six employees. Now he is the owner, and the firm has 50 employees, including his three children.

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"That's America!" Crist shouted with delight. He told Fernandez about his grandfather, Adam Christodoulos, a Greek immigrant who shined shoes when he arrived in the United States and eventually opened his own shoeshine parlor: "It's the same story: the power of the American dream!"

Crist then introduced himself to Fernandez's 90-year-old mother: "Mamacita! You can't possibly be 90 years old!" Next, he kissed Fernandez's 7-month-old grandson: "You're Florida's future!" He praised the rest of the Fernandez clan with a playful slap at Davis, who missed a lot of congressional votes during the campaign: "Such a wonderful work ethic. You know, my opponent doesn't always show up to work."

"I thrive on this," Crist said in an interview. "I love people. And I love Florida. It's got such great weather, such tremendous diversity. Wonderful fishing. What's not to like?"

Florida has a history of boosterism -- not just shady speculators selling swampland, but visionary leaders seeking tourism, immigration and development. Crist fits into that tradition; when it comes to Florida real estate, for example, he sees nothing but smooth sailing ahead. "I'm telling you, it's not just going to be a boom -- it's going to be a sonic boom!" he said.

The Davis campaign has tried to portray Crist as a lightweight who floats with the political winds. But the charges seem not to have stuck. Crist may be swimming against a Democratic tide, but even his opponents think he is a powerful swimmer.

"I think Charlie's fabulous, just a great guy," said Jimmy Goff, a Democratic businessman at the Davis fundraiser. "I think this race will turn around, but it won't be easy."

On Election Night, Networks Plan To Proceed With Caution (WP)

By Howard Kurtz

The Washington Post, November 2, 2006

"Mathematically," CBS Senior Vice President Linda Mason says of the election coverage, "you could know by 10 for the House and 11 for the Senate." But, she says, "it could go on until all hours of the early morning."

"We have learned from past mistakes," says NBC anchor Brian Williams. "I start from the assumption I will wake up with a sore back on my couch" after an all-nighter.

"There's likely to be a lot of hedging," says ABC's George Stephanopoulos. "You may know it, but you can't say it."

If the Democrats capture the House, television anchors won't be able to project that until they are sure the party has locked in a 15-seat gain. Fortunately for them, 35 of the 53 closest races, as handicapped by analyst Charlie Cook, are in states where polls close by 8 p.m. Eastern time.

In the Senate, with fewer seats in play, the math is simpler. If one or two of the most vulnerable Republicans -- in Virginia, Pennsylvania, Rhode Island, Tennessee and Missouri -- win decisively, the networks will know fairly early that the Democrats won't be able to reach their magic number of six needed to take control. But even if the Democrats sweep those races -- and hold New Jersey, which is in doubt -- the networks still won't be able to forecast a Democratic takeover until enough votes are counted in Montana, where polls close at 10 p.m. Eastern. The Democrats would have to unseat Montana's embattled GOP senator, Conrad Burns, to gain control.

The biggest behind-the-scenes change in network coverage involves what has been dubbed the Quarantine Room. Determined to avoid a rerun of recent years, when its exit polls leaked out by early afternoon to the Drudge Report, Slate and other Web sites, a media consortium is allowing two people from each of the networks and the Associated Press entree to a windowless room in New York. All cellphones, laptops and BlackBerrys will be confiscated. The designated staffers will pore over the exit polls but will not be allowed to communicate with their offices until 5 p.m.

The consortium, called the National Election Pool, is conducting no surveys for House races. The exit polling will take place for Senate and gubernatorial contests in 32 states with competitive races.

The recent track record with such polling has been pockmarked with failure. There was, of course, the debacle of election night 2000, when the networks used polling data from Florida to prematurely award the presidency, twice, within hours. In 2002, the network consortium's predecessor, Voter News Service, suffered a computer meltdown and pulled the plug on its exit polls. Two years ago, its sample was so skewed that the group's surveys showed Sen. John Kerry beating President Bush well into the night.

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Williams is acutely aware of that history. "I called Florida for Al Gore, too," he says, recalling his anchoring role on MSNBC. "It was a horrible moment." Now, he says, "we have all kinds of fail-safes built into the system."

All the networks are using what are called "precinct models" -- taking into account such factors as a district's voting history and level of absentee ballots -- in gauging whether it is safe to make projections based on partial vote counts.

Much of the action will be on cable news. The broadcast networks are limiting themselves to hour-long specials at 10 p.m. (plus ABC's "Nightline" at 11:30 p.m.), along with news cut-ins and updated specials (mainly for West Coast audiences) at 1 a.m. "It's going to be a long night," says Marty Ryan, executive producer at Fox News, which is doing some exit polling to supplement the network pool surveys. "House races are notoriously difficult to call. How do you call 50 House races? The fact of the matter is, you don't. You have to wait until a lot of returns are in."

"Frankly," says Sam Feist, CNN's political director, "we're not in any rush to call individual House races. Our mantra is simple: It's better to be right than to be first. We're going to be extremely cautious."

As always, the networks will be looking for early bellwethers. Three Republican House members are considered in jeopardy in Indiana, where polls close at 7 p.m. If one or more go down, that will affect the tone of the coverage.

If the dominoes aren't falling the Republicans' way, there may be broad hints about how it's "shaping up to be a big Democratic night" well before any network makes an official projection.

But if the races are tight, network analysts say, the outcome in the House might not be known until Thursday -- or days after that if recounts are involved. Another complicating factor would be delayed counting in Oregon and Washington state, which rely almost entirely on mail ballots.

A big political wave can wash away much of the drama. During the Republican sweep of 1994, the networks began talking of a GOP takeover of the House as early as 8:45 but made no official predictions until hours later.

With the level of public interest -- and the volume of television coverage -- much greater than in a typical midterm election, the networks are turning to some of their veterans. At CBS, former anchor Bob Schieffer will join Katie Couric, who will be headlining election night for the first time. At NBC, longtime anchor Tom Brokaw will join Williams on the set.

"This won't have the moment of a presidential night," says Williams. "But it's a little more than Olympic trials."

Howard Kurtz hosts CNN's weekly media program, "Reliable Sources."

Elections Rake In Big Bucks For Media Outlets (USAT)

By David Lieberman

USA Today, November 2, 2006

NEW YORK — There's a bonanza for media companies in this year's unusually large array of hotly contested election campaigns: Candidates and activists will end up spending a record $3.1 billion getting their messages out, according to research firm PQ Media.

The total is 14.5% higher than 2004, even though that year included more than $1 billion for the presidential race.

“The presidential election was very focused in 17 battleground states, and there weren't that many contentious House and Senate races,” says PQ Media Vice President Leo Kivijarv.

But this year political spending is up in 90% of the USA's 210 media markets. Those seeing the biggest percentage increases are Cedar Rapids, Davenport, Ottumwa and Sioux City — Iowa communities with contentious House races — and Lansing, Mich.

About half of the total dollars go to broadcast TV, followed by direct mail, which accounts for 23%.

The most noticeable change is in gubernatorial races, where spending will exceed $1 billion for the first time. With 36 contests, many considered close, campaigns are on pace to spend $1.1 billion — up 757% vs. 2004, when there were just 11 races.

House candidates will spend $744 million, up 38%, while Senate contenders are spending $705 million, up 40%.

The Senate race in New Jersey, where Democrat Robert Menendez faces Republican Thomas Kean Jr., may end up being the most costly. To reach all of the state's voters, the candidates must buy airtime on TV stations in New York City as well as Philadelphia.

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Yet the media seeing the biggest sales jumps from 2004 are radio stations, newspapers and billboards — all of which target local voters. That local focus kept Web services from growing as much as they did 2002 to 2004.

"You don't have local search, and online isn't known as a local medium," Kivijarv says. He notes, though, that some of the dollars attributed to newspapers may be for ads on their websites.

There's also less targeting this year of specific groups, such as Hispanics. Only two states, Arizona and Colorado, have ballot initiatives about immigration.

PQ Media says the focus on local races should help companies such as CBS, Fox, MediaNews and Clear Channel.

The 2006 dollar record may not last long. "Somebody's got to replace President Bush in 2008, and if the Democrats take both houses of Congress, then the Republicans will put a lot of money in" to retake key seats, Kivijarv says. "It will probably break $3 billion again."

Stem-cell Issue Gains Momentum In Homestretch (WT)

By Amy Fagan

The Washington Times, November 2, 2006

The debate over embryonic stem-cell research surged onto the scene in several political races in the final weeks before the election, spurred in part by actor Michael J. Fox's ads on behalf of some Democratic candidates.

But Democrats say they've been chipping away at the issue for more than a year, betting it will make a difference with voters in middle America.

"Stem-cell research has been an issue that we have focused a lot of attention on -- ads, e-mails, mail, Web ads -- for a good 18 months. We have always believed this would be an important issue, particularly in suburban districts," said Sarah Feinberg, a spokeswoman for the Democratic Congressional Campaign Committee.

"Democrats see this as their 'marriage' issue, their wedge," said Tom McClusky, vice president for governmental affairs at the Family Research Council. The fight is on "to prove them wrong," he said.

In July, President Bush issued his first veto to block a bill, approved overwhelmingly by both chambers, that would have overturned his limits on federal support for embryonic stem-cell research. Democratic candidates subsequently have accused Republican opponents of standing in the way of life-saving cures from such research.

Mr. Fox, who has Parkinson's disease, recorded ads for Democratic Senate candidates Claire McCaskill in Missouri and Rep. Benjamin L. Cardin in Maryland, as well as Wisconsin Gov. James E. Doyle, who is running for re-election. The ads caused more ruckus when conservative talk-show host Rush Limbaugh said Mr. Fox had stopped taking medication to worsen his symptoms for the camera's benefit. Mr. Limbaugh has since apologized.

Republican candidates nationwide have said that their position is being distorted and that they support research that uses adult stem cells but does not require the destruction of embryos.

"The false impression that's trying to be made is that Republicans don't support stem-cell research or are looking to somehow outlaw it. It's simply not the case," said Dan Ronayne of the National Republican Senatorial Committee.

In a recent "Meet the Press" debate, Maryland Republican Senate candidate Lt. Gov. Michael S. Steele said Mr. Cardin's ad makes it seem that Mr. Steele doesn't support stem-cell research. "I do," he said. "Where I have drawn the line is federal funding for research that destroys an embryo."

Mr. Steele, like other Republicans, fought back with his own ad on the issue.

The issue likely will have the biggest effect in Missouri, which will vote on a ballot initiative to create a state constitutional right to engage in embryonic stem-cell research. Democrats also have raised the issue in House races in Illinois, Florida, Ohio, Colorado and Pennsylvania. It has emerged in the Maryland governor's race and New Jersey Senate race.

Democrat Patrick Murphy in Pennsylvania has accused Republican Rep. Michael G. Fitzpatrick of flip-flopping by backing Mr. Bush "in opposition to this life-saving research." Mr. Fitzpatrick's chief of staff said he has mailed explanations that he has strongly supported research on adult stem cells and cord blood.

Similar attacks have come from House Democratic candidates in Iowa and Illinois.

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Maryland's Republican governor, Robert L. Ehrlich Jr., is running an ad saying that he has made the state a national leader in stem-cell research, though the ad did not specify which kind.

Republican pollster Whit Ayres said this "can be a very effective issue" for Democrats. A Republican operative said it "hasn't moved numbers" as Democrats had hoped.

But Sean Tipton, president of the Coalition for the Advancement of Medical Research, said it's clear that Republicans who side with Mr. Bush know they're in trouble because most Americans favor the bill he vetoed. "They know it's a political loser" to support Mr. Bush's policy, he said of Republicans. "I see no one running ads saying, 'I stood with Bush.' "

In a Newsweek poll last week by Princeton Survey Research Associates, 50 percent said they favor using tax dollars to fund research using stem cells obtained from human embryos and 37 percent said they oppose it. At the same time, the issue ranked low among voters' priorities, trailing matters such as Iraq, the economy, health care and terrorism.

Local Issues Mirror National Ones, But The Special Effects Occasionally Stand Alone (NYT)

By Pam Belluck

The New York Times, November 2, 2006

The election season is getting punchier in places far from the national political spotlight — even in Eden, N.C., where 16 candidates are slugging it out for the five available seats on the Rockingham County School Board.

One of them produced a television advertisement suggesting that the school system turned children into automatons. It is shot against a backdrop of a Pink Floyd video showing children coursing through an assembly line to the lyrics: “We don’t need no education. We don’t need no thought control.”

Another candidate shows himself brandishing a light saber as a “Star Wars” Death Star blows up a little red schoolhouse. The message: the federal government, a “cosmic bully,” meddles too much in education.

The advertisement of a third contender, riffing on a “new sheriff in town” theme, shows a sheriff being killed in “The Terror of Tiny Town,” the 1938 all-dwarf musical Western.

Not every local race is quite as entertaining, but the Rockingham County election shows how national issues like education, the economy, crime and ethics have been localized.

And the effort invested in contests for school board, city council, sheriff and state legislatures is emblematic of how much stock voters, interest groups and political parties are placing on local elections.

“I sort of argue it’s the hidden election,” Tim Storey, an election analyst with the National Conference of State Legislatures, said of the local races. “It’s very localized, but in a strange way it’s more important. It’s how good your school is, how good your road is, how good the hospitals are.”

Some of the races, especially those for state legislatures, have attracted the national political parties. Partisan interest groups have also paid for advertisements in some races.

In Colorado, for example, immigration issues have been highlighted in advertisements in the State Senate contest in Jefferson County between Betty Boyd, the Democratic incumbent, and Matt Knoedler, a Republican state representative, and in the State House race between the incumbent, James L. Riesberg, a Democrat, and his challenger, David T. Owen, a Republican state senator.

“Special interests have discovered that if you want to get something done, you’re going to have to work with legislatures and governors, because you’re not going to get anything done in Congress,” Mr. Storey said. “They are doing television, doing very targeted walk-the-precinct strategies. State legislative groups are able to raise more money than ever before.”

Some issues mirror national ones writ smaller. Take ethics. Several races have local parallels with national scandals. In San Jose, Calif., the mayor’s race is being run against the background of the indictment of the current mayor, Ron Gonzales, on corruption charges.

Mr. Gonzales is not seeking re-election, but the two candidates running to succeed him have cast aspersions about ethics against each other.

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In Alaska, an F.B.I. investigation into ties between lawmakers and a major oil field services company could influence several legislative races. Only one of the six legislators whose offices were searched by federal investigators is running for re-election, but some polls suggest that the investigation has created a wave of n anti-incumbent sentiment.

In North Carolina, Speaker Jim Black, a Democrat, is seeking re-election amid a federal and state investigation of people connected with his office. Mr. Black has not been charged, but three people have been convicted, including Mr. Black's first appointee to the state lottery commission, his former political director, and a former state representative who said he took $50,000 from a Democrat to support Mr. Black.

The investigation is being used as political fodder, not only by Mr. Black's Republican opponent, Hal Jordan, but also by Republicans in other statehouse races who are trying to link their opponents to Mr. Black or to paint Democrats as ethically questionable.

In other elections, crime has taken local permutations. The mayor's race in Little Rock, Ark., is a four-way contest over ways to deal with a surge in violent crime and the overflowing Pulaski County Jail.

In South Carolina, Sheriff Steve McCaskill of Kershaw County, a Republican, has been criticized by his opponent, Sammie Tucker Jr., a Democrat and former highway patrolman, for not issuing an Amber Alert in the case of a 14-year-old girl who was kidnapped and held in an underground bunker for 10 days. Sheriff McCaskill has said the girl's case did not meet Amber Alert criteria because law enforcement officials did not have a suspect, a description of a car, or even a clear idea that the girl had been abducted.

In the Massachusetts governor's race, the Republican candidate, Lt. Gov. Kerry Healey, has made an issue of the fact that her Democratic opponent, Deval Patrick, had advocated the release of Benjamin LaGuer, who Mr. Patrick believed had been wrongly convicted of rape. Mr. Patrick withdrew his support of Mr. LaGuer when a DNA test linked Mr. LaGuer to the crime.

Ms. Healey has repeatedly raised the rape issue, producing an advertisement showing a woman walking in a dark parking garage and Mr. Patrick in a television interview describing Mr. LaGuer as "eloquent" and "thoughtful."

The advertisement says: "If anyone you knew actually praised a convicted rapist, what would you think?" and concludes, "Deval Patrick. He should be ashamed, not governor."

Polls, however, suggest that the advertisement has not drawn voters to Ms. Healey, and Mr. Patrick is considered comfortably ahead.

Not every state or local election is turning on a larger national issue. In Pennsylvania, voters are angry over a raise approved last year by state legislators. It was retracted, and 17 lawmakers were defeated in the May primary. But the issue could still reverberate.

Indiana has two issues found nowhere else. One is the decision to lease the Indiana Toll Road to a private Spanish-Australian group, and the other is daylight saving time, which the state imposed last year on Indiana's patchwork of time zones.

Both issues have resulted in anger at Gov. Mitch Daniels, a Republican, and the Republican-controlled legislature.

Although some Indianans welcome the money from the lease, others are rankled that a state highway is being controlled by foreign investors.

And as Indianans turned their clocks back one hour on Sunday for the first time in 30 years, many business owners are grateful to be in step with other parts of the country, but some are angered by a new pattern of confusion.

A public employees union paid George Schricker $150 to write a song about the controversy:

I'm losing track of time.
Yes, I'm losing track of time.
I'm living in two time zones.
I think I've lost my mind.
I'm late for my appointments,
like a clock that's full of grime.
I come from Indiana, where we're losing track of time.

Voting For Judicial Independence (NYT)

DOJ_NMG_0090008

The New York Times, November 2, 2006

Nearly obscured by the struggle for control of Congress, there is another important battle in a handful of states over measures aimed at punishing judges for their official rulings and making them more captive to prevailing political winds. These measures all hide behind the superficially appealing but profoundly misleading banner of judicial accountability. And, taken together, they add up to an assault on a fair and independent judiciary.

In Colorado, voters will decide the fate of a far-reaching state constitutional amendment designed to kick a huge percentage of top sitting judges off the bench by setting a term limit of 10 years and applying the cap retroactively. A measure on the ballot in Oregon would create new geographic districts from which appellate judges could run, as a backdoor way to oust judges from the Portland area.

In Montana, conservative groups tried to force voters to confront Constitutional Initiative 98, an attempt to "rein in" judges by establishing new recall elections and making it easier to remove judges for specific rulings. Fortunately, the state's high court ruled this misbegotten initiative invalid because of what it called "pervasive fraud" by out-of-state paid gatherers of signatures.

But the wackiest and potentially most far-reaching of the judge-bashing schemes is still on the ballot, South Dakota's Jail 4 Judges initiative. The brainchild of Ronald Branson, an antigovernment activist from California operating at the political fringe, this reckless exercise seeks to keep judges in line by amending the state Constitution to eliminate judicial immunity from lawsuits by disgruntled plaintiffs and others. Immunity is a time-honored way of preserving an independent judiciary.

This radical measure would create a special grand jury with a rotating membership and loose rules — in effect, a fourth branch of government. This new entity would be vested with the power to punish judges for their decisions, or, for that matter, school board members or any other local public official who had the bad luck to fit under the amendment's broad definition of judicial power. Writing in The Wall Street Journal, the former Supreme Court Justice Sandra Day O'Connor correctly blasted the initiative as a bald attempt at judicial intimidation.

By rejecting Jail 4 Judges, South Dakota voters can send a message of support for a strong and independent judicial system — without which democracy cannot function — that will resound nationwide.

Life, Liberty And Property Rights (USAT)

By Mary Zeiss Stange

USA Today, November 2, 2006

"They paved paradise, and put up a parking lot."

The refrain of Joni Mitchell's old hit might as well be the theme song of a steam-rolling property rights movement in the West. Initiatives have made their way onto this November's ballot in six Western states — Arizona, California, Idaho, Montana, Nevada and Washington — that would sharply limit the concept of eminent domain and bar government seizure of private property without just compensation. Until recently, these initiatives have drawn little attention, but planners and policymakers around the country are beginning to take note of them, and for good reason.

On the face of things, this "anti-takings" movement makes sense. Supporters cite last year's U.S. Supreme Court ruling in Kelo v. New London (Conn.), in which by a 5-4 vote the court upheld the seizure of a handful of private homes standing in the way of a large development project on the grounds that it would serve the larger "public purpose" of creating jobs and generating tax revenue.

In a vigorous dissent, then-justice Sandra Day O'Connor objected that "nothing is to prevent the State from replacing any Motel 6 with a Ritz-Carlton, any home with a shopping mall, or any farm with a factory." This argument strikes a chord with voters, especially when coupled with images of Susette Kelo displaced from the only home she had ever known. Surveys suggest that as many as 90% of Americans disapprove of the seizures allowed by the Kelo ruling. Polls also point toward substantial public support for the anti-takings initiatives.

With such strong public sentiment in favor of these measures, what is not to like about them?

Actually, a lot. The property-rights movement is just the latest incarnation of the "wise-use" movement of the 1990s — except without the pretense of being wise. On their face, these initiatives are about preventing government from the "physical

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takings" allowed by the Kelo ruling. Hence their innocuously worded titles: "Protect Our Homes," "The Home Owners Protection Effort," the "People's Initiative to Stop the Taking of Our Land," and so on. But they actually amount to "Kelo-plus."

Their goal is to block "regulatory takings," says Leonard Gilroy, a senior policy analyst at the public policy research group Reason Foundation, based in Los Angeles.

Translation: These initiatives would gut local and state abilities to enact or enforce virtually any regulations affecting private land use and development.

And more: They would require government to compensate property owners for the worth, in the form of lost property value and/or lost potential income, of any restrictions imposed upon them. The cost to municipalities of enforcing commercial and residential zoning regulations, environmental quality laws, and so on would be devastating. The Washington State Green Party rightly calls that state's anti-takings initiative a "Trojan horse" in terms both of its environmental and economic consequences.

Like the original Trojan horse, this one comes from outside. Despite a concerted effort to portray the property rights movement as a grassroots phenomenon, all six initiatives made it onto the ballot thanks to large infusions of out-of-state cash — lots of it from one man, New York real estate developer Howard Rich.

Rich's two advocacy groups, the Fund for Democracy and Americans for Limited Government, alone have funneled about $4 million into the petition process of getting these initiatives onto state ballots. Much of the money has gone to professional signature-gatherers, most of whom travel from state to state pushing innocuously worded petitions and are paid by the signature. Prices range from $1 a pop in California to $3 for every name collected in Arizona.

The High Country News, a non-profit news magazine covering issues in the West, quoted one such signature-gatherer, Eric Dondero: "This is a statewide petition to protect our property rights. To keep that new eminent domain law from coming to Montana and taking our homes away." Spoken by an itinerant professional petition-pusher from Texas, this hardly amounts to prairie populism. On the contrary, it represents a calculated effort to deceive voters about the likely consequences of property rights initiatives.

In Montana, the strategy might not have worked. In September, a Montana District Court judge invalidated the petitions gathered in support of Interstate 154, on the grounds that there was clear evidence of fraud in the way signatures were obtained. The state supreme court has upheld the ruling.

Voters in the other five states, however, will in a few days confront an issue of devastating simplicity. Vote "No" and you are, supposedly, giving up your rights to life, liberty and property. Vote "Yes" and the backyard in which the next "in-fill" housing development or Wal-Mart breaks ground could well be your own.

Mary Zeiss Stange teaches at Skidmore College and ranches in Montana. She is a member of USA TODAY's board of contributors.

Loose Change Lawmakers Tap PAC Money To Pay Wide Array Of Bills Funds For Candidates At Risk Also Cover Hotels, Meals And Gifts For Big Donors $5,000 For A Texas Funeral By BRODY MULLINS (WSJ)

The Wall Street Journal, November 2, 2006

Harry Reid, the Senate's top Democrat, makes frequent trips to his home state of Nevada. Over the past four years, his bills at Caesars Palace, Mandalay Bay and other Las Vegas establishments have totaled more than $125,000, according to PoliticalMoneyLine, a nonpartisan organization that tracks money in politics.

Mr. Reid charged these expenses to a special campaign account called a leadership political-action committee, or leadership PAC. The primary purpose of such accounts is to funnel money to other congressional candidates in need of campaign cash, especially those in close races.

But in recent years, leadership PACs on both sides of the political aisle have spent an increasing portion of their money for things other than contributions to candidates, the records show. Those expenses ranged from hotels and meals for the lawmakers who set up the PACs to flowers and jewelry for political supporters, the records indicate.

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This shift in spending is notable in an election cycle that features so many closely contested races. With only a few days remaining before next week's elections, many candidates have run short of funding for all-important television advertising, and every additional dollar contributed by leadership PACs is important.

On average, the leadership PACs of Republicans and Democrats in the House contribute 40 cents to candidates for every dollar they raise, an analysis of the spending data shows. In the Senate, Republicans contribute about 30 cents for every dollar they raise, and Democrats contribute about 20 cents.

Leadership PACs aren't subject to the same campaign-finance rules as the re-election accounts of individual congressmen. Election law, for example, bars politicians from using their own campaign funds to cover personal expenses. Those rules don't apply to leadership PACs, campaign-finance lawyers say.

Lawyers say there are few limits on what leadership PACs can pay for. "If a lawmaker wanted to pay his or her mortgage out of their PAC, they could do it," says Jan Baran, a campaign-finance lawyer with Wiley Rein & Fielding in Washington.

A spokesman for Mr. Reid says all expenses the senator charged to his leadership PAC were appropriate and were related to campaign or fund-raising business, including meals in Las Vegas with political supporters. Lawmakers with leadership PACs contend that, regulations aside, donors would never tolerate the use of money for personal expenses.

But critics say the rules that apply to PACs, which chiefly govern the size of contributions, aren't rigid enough, and give the lawmakers too much latitude over how money is spent.

"My impression is that a lot of people use leadership PACs as a slush fund," says Rep. Joel Hefley, a Colorado Republican and former chairman of the House Ethics Committee, who is retiring at year's end. Lawmakers use their accounts, he says, to pay for "all kinds of things that can be justified, but certainly are questionable." Mr. Hefley, who says he believes congressmen spend too much time raising money, introduced a bill this year to outlaw leadership PACs. So far, no other lawmakers have endorsed it.

Nearly half of the 535 members of Congress, in both parties, have leadership PACs. Through Aug. 30 of this election cycle, 260 leadership PACs have raised about $100 million and have disbursed about $33 million to colleagues' election campaigns, analysis of the PoliticalMoneyLine data shows.

Both the number of leadership PACs and the money they have contributed to candidates have increased by 20% since 2002. But their operational costs -- the money spent on staff salaries, fund raising, flights, meals, everything other than campaign contributions -- have doubled to $53.3 million over that period, analysis of the data shows.

Leadership PACs have been around for a couple of decades, but until recently, only a few congressional leaders operated them. In the mid-1990s, Rep. Tom DeLay of Texas, who left Congress this year, founded a leadership PAC and began encouraging other Republicans to do the same. He urged his colleagues to use the PACs to funnel political contributions into competitive elections their party needed to win to retain their congressional majority.

Lawmakers who want to give money to a vulnerable colleague are barred by law, under most circumstances, from sending more than $4,000 from their own re-election accounts per two-year election cycle. By setting up a leadership PAC, lawmakers can dole out as much as $10,000 per cycle to a candidate. Corporations can donate up to $10,000 per election to the PACs. Those limits are more than twice the legal limits for conventional re-election accounts.

GROWING EXPENSES

LPAC data show sharp rises in some expenses.

*Through Aug. 30, 2006

Note: Does not include PACs run by lawmakers who are considering running for president.

Source: PoliticalMoneyLine

Lawmakers in safe seats often direct money to colleagues who are struggling. In many cases, the grateful recipients support these donors in subsequent congressional votes on leadership posts.

For example, when House Republicans voted to replace Mr. DeLay as majority leader earlier this year, most backed the candidate who had given them the most leadership-PAC money, records indicate. Republican Rep. John Boehner of Ohio, who was voted the new majority leader, had donated more money to his Republican colleagues than did his opponent, Missouri Rep. Roy Blunt, according to a study by the Campaign for a Cleaner Congress, a congressional watchdog group.

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This year, with only a few days remaining before the elections, some candidates on each side of the aisle don't have the money they need for the final push, and they aren't getting as much as hoped for from leadership PACs.

Rick Santorum of Pennsylvania, the Senate's third-ranking Republican, spent nearly $1,500 over the past six years at fast-food restaurants, according to PoliticalMoneyLine, which analyzes Federal Election Commission records. Records show his PAC paid $22 at a Burger King in Virginia, $6 at a Boston Chicken in West Chester, Pa., and $15 at a Subway in Pittsburgh. In addition, it paid for $600 of Starbucks coffee.

"I'll be on a trip for a candidate and I'll stop in to buy a cup of coffee or a sandwich," he said in an interview yesterday. "I don't eat at fancy restaurants, so when I'm traveling I just eat at cheap places. We don't have $500 restaurant bills at Charlie Palmer's.... That's not how you spend donors' money."

Mr. Santorum has handed out to other candidates 20 cents of every dollar his leadership PAC has raised over the past four years. The account, called Fight PAC, raised $3.5 million and distributed $700,000 to Republican candidates and causes.

Records show that over the past six years, Mr. Santorum's PAC has paid $1,900 for limousines, $3,000 for flowers, $4,100 for art and framing.

Robert Traynham, the senator's spokesman, says the PAC's goal is to elect more Republicans to Congress, and that it is permissible for Mr. Santorum to bill the PAC for "reasonable administrative expenses."

Rep. Tom Reynolds, who is in charge of organizing the Republican party's effort to retain a House majority, has dipped into his leadership account to pay $650 for stationery design and $447 for a dinner meeting for his staff at an Irish bar on Capitol Hill.

Steny Hoyer of Maryland, the House Democratic whip, spent $2,315 on L.L. Bean shaving kits for political supporters, staff and other politicians, and $405 on flower arrangements for several funerals, according to PoliticalMoneyLine. A spokeswoman for Mr. Hoyer says his PAC is one of the most efficient, having given away $1.1 million of the $1.9 million it has raised so far this year.

Sen. Bob Menendez, the New Jersey Democrat facing a tough re-election battle, dined a dozen times over the past two years at Morton's. The bills, which totaled $3,197, were paid by his PAC. A spokesman for Mr. Menendez says the bills were either "fund-raisers for the PAC or donor prospecting."

The leadership PAC of Rep. Joe Barton, a Texas Republican, paid $5,000 to the Blessing Funeral Home in Mansfield, Texas, for a funeral in June 2004. Larry Neal, an aide to Mr. Barton, said the funeral expense was for "the burial of a young staff assistant in Texas who left behind a devastated widow and their one-year-old child after committing suicide at home one awful summer night."

Republican Rep. Mike Oxley of Ohio, who is retiring, paid for $30,000 worth of going-away parties for himself from his leadership PAC. His spokeswoman declines to comment.

Several lawmakers have family members on the payrolls of their leadership PACs. Mr. DeLay's wife, Christine, was paid more than $170,000 by his PAC over the last four years for fund raising and political consulting. His lawyer says the payments were appropriate. The wife of California Republican Rep. John Doolittle worked as a fund-raiser for his PAC, keeping 15% of the contributions she brought in as payment. And California Democratic Sen. Barbara Boxer's PAC is run by her son, a lawyer, who has been paid $80,000 so far this election cycle.

The PACs can remain in place even after lawmakers retire. In September 2004, New York Rep. Jack Quinn started a leadership PAC a few months before his planned retirement from the House. Mr. Quinn said the account would allow him to donate leftover campaign funds to other Republican candidates. Since then, he has donated about $100,000 to candidates and has used another $115,000 to pay for expenses ranging from liquor for a Christmas party with political allies to insurance on a 2004 Ford Taurus he once used as a campaign vehicle.

Mr. Reid, the Senate minority leader, travels frequently to Las Vegas to raise money and meet with political supporters. Many of his bills there are paid by his Searchlight Leadership PAC, named after his hometown in Nevada. In June, for example, his PAC paid $3,800 for hotels and fund-raisers at Caesars, Mandalay Bay and the MGM Grand. In August, it paid another $660 for meals and hotels during a pair of Las Vegas trips.

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Jim Manley, a spokesman for Mr. Reid, says the expenditures are legal and appropriate. Some of them, he says, cover costs incurred by the minority leader's staffers, since Mr. Reid often stays at his home about 50 miles outside the city. "These expenditures are not especially large by Las Vegas standards," he says.

The Searchlight PAC was set up to support Democratic candidates, he says, and all its expenses "are directly related to fund raising, donor prospecting and donor maintenance, activities that are the core of the fund's permissible activities."

During the 2006 election cycle, Mr. Reid's PAC raised $2.2 million and distributed $447,000 to Democratic candidates and political parties, or about 21 cents of every $1 it raised, according to PoliticalMoneyLine. For the 2002 election, it raised $1.1 million and contributed $350,000 to candidates. During that election cycle, it spent about $14,000 on salaries, overhead and other expenses. Through Oct. 18 of this cycle, it has spent $1.2 million.

"There's no mystery about why the leadership fund is spending more money," Mr. Manley says. "It is the right way for a Senate leader to help elect other Democrats consistent with federal election law." He added that Mr. Reid also has contributed $845,000 to Democratic candidates and political parties from his separate re-election account.

Between December 2005 and March 2006, Mr. Reid's PAC paid $3,367 to cover stays by his guests at the Ritz-Carlton in Georgetown, where Mr. Reid has a condominium. Over the past two years, it paid another $3,000 for meals and to set up meetings at the hotel. Mr. Manley says the expenditures in Washington were for fund-raising events or for feeding and lodging "special guests" who attend them.

The PAC also spent $21,000 on gifts for political supporters, including $3,082 for bracelets and cuff links, $1,000 for art, $1,592 for chocolates, $803 for a pair of iPods, and hundreds of dollars for merchandise at Barnes & Noble and Amazon.com. "These types of expenses are a normal part of every fund-raising operation," says Mr. Manley. "They are designed to thank donors for their past efforts and to strengthen their future commitment to helping to elect Democrats."

Stinging From Scandal, Tribes Trim Donations (USAT)

By Thomas Frank

USA Today, November 2, 2006

WASHINGTON — Indian tribes have cut back this year on political contributions to congressional candidates after a lobbying scandal that ensnared some tribes.

Contributions from 216 tribes are nearly 30% lower so far in the 2005-06 election cycle than they were at this point in 2003-04, ending six years of sharp increases, according to PoliticalMoneyLine and the Center for Responsive Politics, non-partisan groups that track campaign money.

The decline reflects caution by tribes after the January guilty plea of Jack Abramoff, a lobbyist who admitted directing tribal clients to give lawmakers millions to sway legislation and policy. The tribes were not implicated in the criminal probe but were stung by the scrutiny of their politicking.

“Tribes are saying, ‘We're going to stay away from this; everybody is focusing on how much we're contributing,' ” said Ron Allen of the National Congress of American Indians, an advocacy group.

For example, the Grand Traverse Band of Ottawa and Chippewa Indians in Michigan ceased giving any money to federal candidates and political parties after Abramoff's plea, even though the tribe had no dealings with Abramoff.

“This election we're just sitting it out,” said George Bennett, vice chairman of the tribe, which gave $108,000 in 2003-04. “The (tribal) council took a position that we're sick and tired of getting a black eye over that issue.”

Several lawmakers, including Senate Majority Leader Bill Frist, R-Tenn., and Sen. Byron Dorgan, D-N.D., returned thousands in campaign contributions from six tribes. The business dealings of Abramoff, his associate Michael Scanlon and those six tribes were the subject of a Senate Indian Affairs Committee probe this year.

The returned political contributions — $159,000— account for part of the overall decline in tribal giving.

The six Abramoff clients had been leading Indian political donors. They gave $3.9 million from 2001 to 2004, or about 20% of all tribal donations, according to PoliticalMoneyLine. They've given nearly $900,000 for next week's elections.

“Members of Congress are less willing to accept contributions from tribes,” said Scott Dacey, a Washington lobbyist who represents several tribes. Tribes, in turn, are more careful about making donations.

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"Tribes have become smarter political givers, focusing on supporters of tribal issues and not simply candidates who happen to call or fax a request," said Wilson Pipestem, a lobbyist for 11 tribes.

Charles Bunnell, chief of staff of the Mohegan Tribe of Connecticut, said tribes have curtailed large donations to political party organizations. Instead, they are directing money to home-state lawmakers and those who oversee Indian-related issues. "Tribes are continuing to give, but it's far more targeted," Bunnell said.

Tribes gave little money — just $4,400 in 1989-90 — until the mid-1990s, when Indian gambling flourished, according to the Center for Responsive Politics. Abramoff admitted bilking tribes out of millions of dollars as he purported to be defending their gambling interests. Tribes also lobby for federal grants for education, bridges, housing and other things.

Abramoff was sentenced in March to five years and 10 months in prison for the fraud and conspiracy conviction, which stems from a deal to buy a fleet of casino ships in Florida.

He awaits sentencing on separate charges in a federal probe of corruption in Congress and federal agencies. Under a plea deal, Abramoff admitted giving lawmakers and government officials meals, trips and campaign donations in exchange for favors. He is cooperating in the investigation.

Tribal leaders said they don't expect to lose influence as their political contributions decline. "We're probably stronger than we've ever been because of the contact we keep with folks in both the House and the Senate," said Michell Hicks, principal chief of the Eastern Band of Cherokee Indians of North Carolina, whose contributions are down this year. "We have good relationships, and we try to maintain those."

PodestaMattoon Said To Be Ready To Split Up (RC)

By Tory Newmyer

Roll Call, November 2, 2006

PodestaMattoon, the bipartisan K Street powerhouse, is splitting up, according to several sources close to the firm.

The two name partners, Republican Dan Mattoon and Democrat Tony Podesta, have agreed to separate while retaining a strategic partnership, the sources said. The break is set to become effective by Jan. 1.

Further details of the split were unavailable because principals at the firm did not answer several requests for comment. Several clients of the firm contacted for this article said they were unaware of the impending change.

At a time when the influence industry is bracing for the outcome of the midterm elections, the news adds another question mark to a pair of K Street's heaviest hitters.

Podesta, who's currently chairing the re-election campaign of Pennsylvania Gov. Ed Rendell (D), is widely regarded as one of the best-connected Democratic strategists inside the Beltway. Mattoon, likewise, is known for his reach in House Republican leadership circles, due in particular to his longtime friendship with Speaker Dennis Hastert (R-Ill.).

The firm has maintained healthy growth over the past few years, hovering around the 15th spot in Roll Call's semiannual rankings of top lobbying firms by revenue. For the first half of this year, PodestaMattoon brought in $6 million in revenues, an 11 percent bump, even as some other large firms struggled to sign up new business.

In addition to nonprofit and appropriations-related clients, the firm's roster includes corporate titans such as Google, BellSouth, Tyco and the National Association of Broadcasters.

Podesta founded Podesta Associates in 1988 with his brother John, who later became White House chief of staff for President Bill Clinton. Through the 1990s, Podesta operated under the tech-friendly banner of podesta.com. But the name changed in 2001, when Mattoon agreed to come aboard after 15 years of in-house work for BellSouth.

Both men have held key positions of power in the party. Podesta headed the Pennsylvania campaigns of both President Clinton in 1996 and Sen. John Kerry (D-Mass.) in 2004. At Hastert's request, Mattoon headed up the House Republican's campaign arm for the 2000 cycle, and he led the outside coalition whipping a major trade bill in 2001.

When Mattoon joined the firm, the move marked a union of two outsized personalities, and those close to the situation said it was not always a happy marriage.

"Personality issues were part of it," said one source with knowledge of the firm, with some observers pointing to Podesta's jet-setting and focus with his wife on collecting contemporary art as one clear point of contrast with the more low-key Mattoon.

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But others said the two name partners maintained a solid professional front.

"Maybe over time it drove a wedge, but I just never saw it," said another source close to the firm. Nevertheless, several sources said at various times over the past two years, they heard rumors that a split was imminent.

The firm has had some success inking new contracts and most recently it signed up Alcatel North America and Novartis Vaccines and Diagnostics, as well as the Leadership Conference on Civil Rights, a group for whom PodestaMattoon already has done some work.

Besides the name partners, the firm has roughly a dozen lobbyists on staff, including Hastert's son, Josh, plus several more associates who work for its public affairs arm.

An Election On Drugs (WP)

The Washington Post, November 2, 2006

ONE OF the Democrats' election talking points is a promise to revamp the Medicare prescription drug benefit. They paint the 2003 legislation as a sellout to pharmaceutical firms: Rather than having Medicare officials use the government's bargaining power to keep drug prices down, the law left the job of negotiating prices to private insurers. The Medicare drug benefit has actually turned out to be cheaper than projected, and most beneficiaries say they are satisfied with it. But the House Democratic leader, Nancy Pelosi (Calif.), nonetheless accuses Republicans of "putting pharmaceutical companies and HMOs first at the expense of America's seniors."

The Democrats rightly point out that the federal health program for veterans uses its purchasing power to secure drugs at prices lower than the average obtained by the private insurers that administer the Medicare benefit. But this is not a fair comparison. The veterans program keeps prices down partly by maintaining a sparse network of pharmacies and delivering three-quarters of its prescriptions by mail, a policy that might not appeal to retirees who want a local pharmacist. Moreover, the program for veterans is in a position to negotiate hard with drugmakers because it can credibly threaten not to buy from them: Its plan excludes many new medicines. More than a third of retired veterans have signed up for Medicare drug coverage, suggesting that while the veterans program is cheaper, its restricted pharmacy network and formulary render it less attractive.

Setting the veterans comparison aside, could Medicare officials save money by negotiating directly with drug companies? In theory, yes: Once a drug has been invented, the cost of manufacturing pills is low, so a huge purchaser such as Medicare could demand large discounts and still find willing sellers. This is what governments do in most other rich countries. But lower prices might reduce drug companies' incentive to invest in research, and although it is infuriating that Canadians and Europeans get discounts while Americans finance pharmaceutical advances, slowing that advance may not make the world better. Moreover, having the government set drug prices is a sure way of flooding the political system with yet more pharmaceutical lobbyists and campaign spending.

The best way to make the difficult trade-off between affordable drugs and incentives for new research is not to stage a showdown in Gucci Gulch but rather to heed signals from consumers. The existing Medicare drug benefit may ultimately generate such signals. Retirees have a choice of insurance plans with wildly varying costs, and some are faced with decisions on how much to spend out of pocket. If they choose to pay top dollar for branded medicines, the incentives to invent new medicines will rise; if they prefer to save money, incentives for innovation will decline a bit. Either way, a balance will be struck that reflects broad social preferences.

It's fair to object that consumers may not be equipped to make smart decisions; the market signals they send may reflect the success of gauzy drug commercials rather than clinical evidence. The attraction of the market-based model depends on consumers being guided more by science-based Web sites created by universities or other groups. It's an open question whether consumers, led perhaps by their insurers, will learn to make sophisticated drug choices, but the fact that Medicare patients already buy more generic medications than other Americans is an encouraging sign of the capacity for smart purchasing. A switch to government purchasing of Medicare drugs would choke off this experiment before it had a chance to play out, and it would usher in its own problems. For the moment, the Democrats would do better to invest their health-care energy elsewhere.

Wiring Development (NYT)

The New York Times, November 2, 2006

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The Inter-American Development Bank announced last month that Latin American migrants working in the United States will send a record $45 billion to their families back home this year. At that level, remittances represent the largest and most direct poverty reduction program in the region, topping by far the amounts of foreign aid provided by the United States. Most of the cash arrives in monthly wire transfers of about $300 apiece, and is spent on basics like food, shelter and health care. But not all of it. Development bankers estimate that some $10 billion of remittances could be saved or invested — if people had access to banks and were encouraged to use them.

By banking part of their remittances, recipient families could earn interest, establish credit and provide money for local investment. The result would be more resources to help pay for schooling, starting small businesses or home ownership. Such saving and investment lead to economic growth. And growth at the bottom of the economic scale is the surest way to actually lift people out of poverty.

As it is now, most banks in Latin America that receive remittances simply dole out the sums to recipients, after collecting part of the fee paid by the sender. They make no attempt to turn the recipients into bank customers. Bank officials and the politicians that oversee them need to do more to educate the poor about banking and to offer them services. Banks need to be reminded that such lending can be profitable — and will further broader national goals for economic growth. To that end, remittances deserve a more prominent place on the agenda at the meetings of the World Bank, the International Monetary Fund and the Group of 8 leading industrialized nations. Unless those billions in remittances are banked, money that could fight poverty will be left on the table.

North Korea Wants Bank Accounts Unfrozen (AP)

By Burt Herman

AP, November 2, 2006

North Korea said Wednesday it would return to nuclear disarmament talks in an effort to get access to frozen overseas bank accounts, a vital source of hard currency for the impoverished and isolated communist nation.

The North's Foreign Ministry make only indirect mention of its headline-grabbing atomic test last month, saying in a statement that it hoped to resolve U.S. financial restrictions by going back to six-nation arms talks that it has boycotted for a year.

Confirming U.S. and Chinese reports of the agreement Tuesday, the North's Foreign Ministry said Pyongyang decided to return to the arms talks "on the premise that the issue of lifting financial sanctions will be discussed and settled between the (North) and the U.S. within the framework of the six-party talks."

Washington had banned transactions between American financial institutions and Banco Delta Asia SARL — a bank in the Chinese territory of Macau — saying it was being used by North Korea for money-laundering.

U.S. officials also sought to rally other countries to prevent the North from doing business abroad, saying all transactions involving Pyongyang were suspected of being involved in counterfeiting and money laundering.

The Macau ban is believed to have blocked the North's access to some US$24 million (euro18.9 million), and is thought to have hit the country's leadership in particular, who indulge in luxury goods like cognac and fine wines while the vast majority of North Koreans live in poverty.

In Seoul, South Korean Vice Foreign Minister Yu Myung-hwan said Wednesday he expects leaders of the countries involved to discuss the issue when they gather in Vietnam for an Asia-Pacific summit in mid-November and that the six-party talks were expected to take place after that. He did not indicate when.

However, South Korea's Foreign Minister Ban Ki-moon was quoted as saying by Russia's ITAR-Tass news agency that the talks could resume as early as this month.

Ban, who will be the next U.N. secretary-general, also said sanctions against the North would remain in place until the six-nation talks make progress, and that Pyongyang must halt all nuclear testing activity and invite inspectors to examine its nuclear program, ITAR-Tass reported.

According to Interfax, Ban also said the international community should provide North Korea with security guarantees and economic aid.

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The North barely alluded to its Oct. 9 nuclear test in the statement carried by the official Korean Central News Agency, and didn't say whether it remained committed to an earlier agreement to abandon its nuclear ambitions — a possible sign that negotiators could be facing another round of frustrating dialogue when the talks resume.

North Korea also emphasized that a direct meeting with the U.S. during previously unpublicized negotiations Tuesday in Beijing, had made the diplomatic breakthrough possible. U.S. President George W. Bush, who has long shunned direct talks with Pyongyang, credited China's mediation for the agreement.

"Bilateral and multilateral contacts took place in Beijing on Oct. 31 with (the) main emphasis on the contact between the DPRK (North Korea) and the U.S," it said.

The North only briefly noted that the country "recently took a self-defensive countermeasure against the U.S. daily increasing nuclear threat and financial sanctions against it."

The nuclear talks — which include China, Japan, Russia, the United States and the two Koreas — reached an agreement in September 2005 where the North pledged to abandon its nuclear program in exchange for aid and security guarantees, but there was little progress toward implementing the accord.

The U.S. had previously maintained that the financial issue was a matter of law enforcement separate from the nuclear talks. But in Beijing on Tuesday, the chief U.S. nuclear envoy, Assistant Secretary of State Christopher Hill, said Washington agreed to take up the matter in the revived arms negotiations.

However, there were conflicting signals from the United States. White House press secretary Tony Snow later insisted the United States made no promises to link the financial dispute to the nuclear one, but only agreed that "issues like that may be discussable at some future time."

Hill said Tuesday that the nuclear talks could resume as easy as November or December, but acknowledged the negotiations still had a long way to go.

In Washington, Bush cautiously welcomed Tuesday's deal and thanked the Chinese for brokering it. But he said the agreement would not sidetrack U.S. efforts to enforce sanctions adopted by the U.N. Security Council to punish Pyongyang for the nuclear test. Those measures ban the North's weapons trade and other items such as luxury goods.

In Tokyo, Chief Cabinet Secretary Yasuhisa Shiozaki said Japan will maintain sanctions on the North until it abandons its nuclear development.

South Korea's Yu also told lawmakers Wednesday in Seoul that "just coming to the talks itself won't affect the level of Security Council sanctions" against North Korea.

South Korean President Roh Moo-hyun announced a shake-up Wednesday of top Cabinet security positions, naming a new foreign minister, unification minister, defense minister and spy chief.

The reshuffle was triggered by the appointment of the current foreign minister, Ban Ki-moon, as the next U.N. Secretary-General and last week's resignation by the unification minister, who offered to step down to apologize for policy failures after the North's nuclear test. Two other top-level officials also handed in their resignations last week citing separate reasons.

N. Korea's Bank Accounts Targeted (LAT)

By Josh Meyer

The Los Angeles Times, November 2, 2006

WASHINGTON — For three years, the Bush administration has waged a campaign to choke off North Korea's access to the world's financial system, where U.S. officials say the nation launders money from criminal enterprises to fuel its trade in missile technology and its efforts to build a nuclear arsenal.

That effort has started to pay off.

U.S. pressure forced Macao this year to freeze North Korean assets in one of its banks, then foiled North Korea's panicky attempts to find friendly bankers in Vietnam, Mongolia, Singapore and Europe. And after North Korea's Oct. 9 nuclear test, China ordered some of its major banks to cease financial transactions with the country.

The cash crunch appears to have played a key role in North Korea's decision Tuesday to return to six-nation talks over its nuclear ambitions. North Korean officials said that as part of the talks, they wanted to raise the issue of lifting financial sanctions.

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"They're not coming back because they want to give up nuclear weapons," said David L. Asher, the U.S. State Department's point man on North Korea until last year. "They are feeling the financial pressure and the cutoff from the international financial system, so they are trying to make nice."

But the U.S. effort still faces two enormous obstacles: Russia and China.

North Korea continues to have access to banks in both countries, according to current and former U.S. officials who say that without those nations' cooperation, the U.S. effort will be largely ineffective.

Both major powers have historically been more concerned about protecting their strategic interests than in joining U.S. efforts to sanction their neighbor.

Stuart Levey, the U.S. Treasury undersecretary in charge of investigating terrorist financial webs, has traveled to Russia and China, including a trip to Moscow last week. Levey said he had "constructive discussions" with his Russian counterparts, but declined to say whether they would act. A Russian Foreign Ministry official said they had "agreed to further cooperation."

U.S. officials believe that both countries will continue to resist American appeals for a further crackdown in part because of their "historic ties to North Korea," said a senior counter-terrorism official, who spoke about the U.S. campaign on condition of anonymity.

Evidence gathered over the decades by Washington indicates that North Korea has become what some U.S. officials call a "Soprano state." The government in Pyongyang used its embassies to coordinate illegal activities, its ships to move heroin and other contraband, and its factories to make counterfeit $100 bills and bogus brand-name cigarettes, U.S. officials say.

Kim Jong Il, the North Korean leader, used the profits to fund his nuclear program, U.S. officials say, but also to import Mercedes-Benzes, pricey cognacs and other luxury items to buy loyalty.

Washington fears that North Korea could decide to use its well-worn trafficking networks to sell Iran or others the hardware or know-how to make weapons of mass destruction.

So administration officials decided in 2003 to attack by unconventional means. They created the Illicit Activities Initiative, a classified, multi-agency effort aimed at curbing North Korea's black-market networks.

A year ago, the United States moved on one of North Korea's bankers, officially designating the small Banco Delta Asia in Macao as a "primary money-laundering concern" under the Patriot Act.

Pyongyang, U.S. authorities found, banked much of its criminal proceeds in the former Portuguese colony, a freewheeling gambling haven, which became an autonomously governed Chinese territory in 1999.

"Banco Delta was just a thumbtack against their skin," said Asher, who headed the Illicit Activities Initiative. "We knew that behind the skin was a central artery. When we pricked it, blood was going to start coming out fast."

The Treasury action created a run on Banco Delta, which lost a third of its deposits in six days, and forced the government to seize control, sending an unmistakable message to bankers about the consequences of dealing with the North Koreans.

Assets frozen

In February, local officials froze at least $24.million in North Korean accounts at the bank. Pyongyang officials protested and have repeatedly cited the action as justification for abandoning the nuclear bargaining table for the last year.

But Treasury officials went further. Privately, they threatened to go after much larger banks in Macao, including the Bank of China, the second-largest Chinese bank, which eventually froze some North Korean accounts.

Pyongyang then looked elsewhere for a financial safe haven.

Using spies, cooperative bankers and law enforcement agents, Washington followed the North Korean money trail. Levey and other senior Treasury officials visited Vietnam, Hong Kong, Singapore and Mongolia this year. They say they persuaded government officials and bankers to shun financial relationships with North Korea.

"Because of the way North Korea operates, it's very difficult for financial institutions to differentiate between its licit and illicit activities. And so, a lot of banks have decided that as long as North Korea is engaged in illicit activity, they don't want to take any chances of being associated with it," Levey said. "As a result, the North Koreans have had a very difficult time."

Nonetheless, Russia and China have common reasons for treading softly with North Korea on the financial front. Both fear that a financial crackdown could destabilize or even bankrupt North Korea. And both are jockeying to someday collaborate with a friendlier North Korea on economic and military issues.

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"They are willing to hold their nose and live with North Korea as it is in exchange for stability on the [Korean] peninsula," said Peter Brookes, the Bush administration's former deputy assistant secretary of Defense for Asian and Pacific affairs.

Also, North Korea is able to continue to deal with Russia and China because both countries are riddled with political corruption and organized crime, and because it is willing to pay huge commissions to banks, U.S. and Asian authorities have found.

Officials in Russia and China would not talk about North Korea's use of their banks. North Korean officials also declined to comment, but have called on the U.S. to "immediately give up its anachronistic hostile policy."

In recent months, intelligence has pointed to Russia as the place where North Korea has turned to stash its cash and tap into international financial markets, according to U.S. officials and money-laundering experts.

South Korea's intelligence service recently identified Sberbank, the biggest bank in Russia, as one of the institutions doing business with North Korea, according to lawmakers in Seoul who have seen the report. Russian and Japanese media have reported that at least 10 North Korean accounts have been opened in Moscow, including at state-owned Vnesheconombank, to circumvent U.S. sanctions.

Several current and former U.S. law enforcement and banking officials confirmed the broad outlines of those reports. Neither bank responded to requests for comment.

The senior U.S. counter-terrorism official said Russia was not being cooperative because Treasury officials had spent little time lobbying Moscow. "Russia, I think, is still very much up in the air. I genuinely think the jury is still out," he said.

By contrast, U.S. officials have lobbied the Chinese government for years. Levey and Daniel Glaser, a senior Treasury official who oversees anti-money-laundering efforts, have each traveled to Beijing this year to press authorities to cut off North Korea.

Within the last year, Beijing has started to respond.

But current and former U.S. officials say China's recent moves are not enough to stop the illicit money flow between the countries. "Are they doing everything that we want them to be doing on the targeted financial sanctions? No," said the U.S. counter-terrorism official.

'Window dressing'

Raphael Perl, a Congressional Research Service analyst, agreed.

"The efforts by Chinese banks in this regard are often privately referred to within [Bush] administration circles as more 'window dressing' than substantive," he said.

Some former U.S. officials also worry that completely uprooting North Korea's illicit financial network might be unwise, forcing the secretive nation to resort to tactics that could hamper U.S. efforts to spy on it.

"If you crack down in certain areas, it is like squeezing the balloon. It may pop up in an area we can't monitor," said John Cassara, a former Treasury and CIA money-laundering specialist.

The financial crackdown already appears to be forcing North Korea into closer arrangements with organized-crime syndicates with ready access to the international financial system.

That is particularly worrisome, the officials said, because these criminal outfits have a well-entrenched presence in the United States and are better at clandestinely moving money, illicit goods -- and, potentially, weapons of mass destruction -- than terrorists.

"That's why it's absolutely critical for us to crack down much harder on North Korea's ties to organized crime globally," Asher said. "It's going to be a much bigger challenge in my mind than even tracking terrorist finances."

Money May Underlie North Korea's Return To Talks (WSJ)

By Evan Ramstad

The Wall Street Journal, November 2, 2006

SEOUL, South Korea -- North Korea's decision to reopen nuclear-disarmament talks may have simply come down to money.

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During nearly seven hours of talks with U.S. and Chinese diplomats Tuesday, North Korean officials repeatedly asked that a restart of the six-nation talks include a discussion of the financial straitjacket imposed on the impoverished country and its dictatorial regime. It was the North's sole request, the U.S. envoy to the talks said, and an indicator of the pressure the country is facing after being practically cut off from the world's banking system.

Yesterday, the North Korean government raised the matter again in its own announcement about the talks, saying it decided to return to negotiations "on the premise that the issue of lifting financial sanctions will be discussed and settled." The statement, issued by North Korea's foreign ministry, characterized its Oct. 9 nuclear test as "a self-defensive countermeasure against the U.S. daily increasing nuclear threat and financial sanctions against it."

NUCLEAR AMBITION

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North Korea's banking woes are due not to direct financial sanctions but instead to decisions by foreign banks that feared continuing business with North Korea. The foreign banks suspended their ties with North Korea following the U.S.'s move to blacklist a Macau bank that did business with Pyongyang. It is unclear whether the U.S. can do something in the six-party talks to change North Korea's financial isolation.

U.S. diplomats are likely to create a special working group within the six-nation talks, which North Korea had been boycotting for a year, to discuss financial issues. "Of course, addressing it will require the cooperation" of North Korea, said Christopher Hill, the U.S. envoy to the talks. He noted North Korea is suspected of engaging in money laundering and counterfeiting of U.S. dollars. The other parties involved in the talks are Russia, China, Japan and South Korea.

North Korea's financial troubles have arisen in part because of steps it began taking in 2002 to introduce market changes to its centrally planned economy. These included greater use of international banks for borrowing, investing and trade. The isolated regime of dictator Kim Jong Il apparently didn't realize such steps would ultimately provide outsiders with another means to pressure the country.

"The alarming thing for North Korea was to find that any assets they held around the world were liable to be frozen" if it was accused of criminal activities, said Tony Michell, managing director of Korea Associates Business Consultancy in Seoul and co-founder of the first international business-consulting company in Pyongyang, North Korea's capital.

The inability to conduct international banking "has made it extremely difficult for ordinary businesses to send money to North Korea and to receive money from North Korea," Mr. Michell added.

The trouble began in September 2005 when the U.S. put Banco Delta Asia in Macau, China, on a blacklist -- which essentially banned U.S. financial institutions from doing transactions with the bank -- for allegedly assisting North Korea in money laundering. That action created a run on the bank, a criminal investigation by Macau and a freeze of 40 North Korea accounts with assets of about $24 million.

Banco Delta Asia, which has since folded, has called the U.S. allegations "totally unfounded," and bank executives say they alerted U.S. officials of one instance in which counterfeit U.S. currency was put into a North Korean account. Macau's policy and bank regulator have been investigating the case since then.

North Korea immediately called for its money to be unfrozen. Nine of the accounts belonged to individual North Koreans, including some people believed to be high-ranking officials in the Kim regime. The remaining accounts belonged to 20 North Korean banks and 11 trading companies.

A bigger problem soon developed, as other foreign banks that were North Korea's chief conduit to the global banking system cut the country off, worried that a mere threat of U.S. penalties would cripple them, too. Officials at four Chinese commercial banks stopped moving funds in or out of North Korea after last month's nuclear test. Those banks said yesterday they were continuing that restriction.

North Korean authorities have for months repeatedly called for an end to the virtual cutoff from global banking, but they have never described the financial effects of the freeze. The country's banks disclose no information, not even their size or asset base. The only foreign-owned bank in North Korea, Daedong Credit Bank, reported in April that its revenue had been cut in half as a

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result of the inability to transact with banks outside the country. A Hong Kong investment company owns 70% of the bank, while a North Korean bank owns the rest.

U.N. Creates N.Korea Sanctions List (AP)

AP, November 2, 2006

The U.N. Security Council agreed Wednesday on a list of banned items that could be used to make nuclear, chemical and biological weapons or ballistic missiles and ordered all countries to prevent North Korea from importing or exporting the items.

The Security Council resolution adopted on Oct. 14 to punish North Korea for conducting a nuclear test requires all countries to keep North Korea from selling or buying any material for weapons of mass destruction or ballistic missiles. It also orders nations to freeze assets of people or businesses connected to these programs, and ban the individuals from traveling.

The new council committee monitoring the sanctions drew up three separate lists of nuclear-related, chemical and biological-related, and missile-related material and equipment which the 15 council members approved.

Slovakia's U.N. Ambassador Peter Burian, the sanctions committee chairman, said he sent a note to all 192 U.N. member states on Wednesday informing them that the lists had been approved and reminding them to send a report to the committee on their compliance with the sanctions by Nov. 13.

He said the lists have hundreds of items "but if you are translating them into concrete products, it's really thousands."

Burian said the lists would likely be updated with additional items.

At a meeting of the sanctions committee on Wednesday, he said, members would start discussing the individuals and entities that will face sanctions, and they would also start putting together a list of luxury items that North Korea will be banned from importing.

U.S. Debates Value Of North Korea Talks (NYT)

By Helene Cooper

The New York Times, November 2, 2006

WASHINGTON, Nov. 1 — Officially, the Bush administration is “pleased” — as President Bush put it on Wednesday — that North Korea has agreed to resume talks on nuclear disarmament. But behind closed doors at the White House and the State Department, some are less happy, saying the country’s nuclear test should be answered with isolation.

When it comes to North Korea, the Bush administration has always found itself pulled in two directions — confrontation versus engagement — and has generally settled on a middle course that was neither. To persuade North Korea to return to the bargaining table, President Bush agreed last week to a slight softening of his stance against direct talks with North Korea, a concession that made clear that Secretary of State Condoleezza Rice was in charge of the policy, at least for now.

But Ms. Rice is coming under increased fire inside and outside the administration from officials and experts who are skeptical about what diplomacy can achieve in this case, and who argue that there is no chance a new round of nuclear talks with North Korea will succeed.

“What’s a good description? Fantasy? Dreamworld?” said Nicholas Eberstadt, a North Korea expert with the American Enterprise Institute in Washington. “All we’re doing with these hapless efforts at conference diplomacy is continuing to talk while North Korea continues to build nuclear weapons.”

A senior Bush administration official was equally pointed in criticizing the new initiative. “In the past, the one thing we could never be criticized for was whether our tough talk meant something,” said the official, who has participated in internal debates and would speak only on condition of anonymity about his dissenting views. “When we gave a stick, they knew we were serious. We’ve lost that credibility.”

This is not a new debate by any stretch. Within the administration, a more hawkish wing that includes Vice President Dick Cheney, Defense Secretary Donald H. Rumsfeld and John R. Bolton, the ambassador to the United Nations, has chafed against talks with any American foe, be it North Korea or Iran. Meanwhile, advocates of diplomacy, including R. Nicholas Burns and Philip D. Zelikow, two of Ms. Rice’s top lieutenants at the State Department, have sided with European allies in saying that the United States should engage its foes.

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But the fact that the debate has resurfaced with such vigor suggests that even North Korea's decision to test a nuclear device on Oct. 9 in defiance of American warnings has not changed the old fault lines.

Ms. Rice has found herself in the middle of the tug-of-war as she seeks to mute international criticism of America's so-called cowboy diplomacy. On the two big nuclear proliferation issues, Iran and North Korea, Ms. Rice has helped to move the administration away from unilateralism, with President Bush offering in May to join European negotiations over Iran's nuclear ambitions.

Even after North Korea conducted a round of missile tests in July and three months later tested the nuclear device, the United States continued to call for it to return to six-nation disarmament talks.

"Pretty clearly, the president of the United States thinks we're doing the right thing," the State Department spokesman, Sean McCormack, said Wednesday. "This pathway is the best opportunity we have to achieve the objective we all share: a denuclearized Korean peninsula."

Ms. Rice argues that a new round of talks will be different and that the United States will wield more leverage because the negotiations will take place while North Korea is under United Nations sanctions for the nuclear test. But Kim Jong-il, the North Korean leader, has participated in multiple rounds of talks over the past several years while accelerating his pursuit of nuclear weapons.

North Korea boycotted the talks last year after the United States imposed financial penalties in September 2005 on Banco Delta Asia, a bank in Macao, accusing it of helping the North launder money and pass counterfeit $100 bills manufactured by the North Korean government.

For a year, North Korea refused to return to the talks, and the United States refused to lift the sanctions. The Bush administration balked at North Korean overtures for one-on-one talks, insisting that America would talk to North Korea only as part of the six-party negotiations. But last week, Chinese officials contacted the American Embassy in Beijing and proposed a three-way meeting involving the United States, North Korea and China. That step required a shift in the American line against direct talks, but in response to a request from Ms. Rice, Mr. Bush agreed.

The chief American negotiator, Assistant Secretary of State Christopher R. Hill, worked out the deal in a seven-hour session on Tuesday with his Chinese and North Korean counterparts. As a concession to entice North Korea back to the talks, the United States agreed to discuss the financial restrictions arising from the counterfeiting issue, a gesture that has been criticized inside and outside the administration.

There is "zero chance" that the talks will persuade North Korea to dismantle its nuclear program, said John Tkacik, a senior research fellow at the Heritage Foundation and a former State Department diplomat. "My Machiavellian mind tells me that the Chinese have worked out a deal with the Russians and the North Koreans that if North Korea comes back to the six-party talks, the main issue will not be denuclearization, it will be counterfeiting."

American negotiators continue to maintain the financial restrictions will remain unless North Korea stops counterfeiting United States currency. "They have to get out of the illicit-activities business and get out of the counterfeiting business," Mr. Hill said in an interview Tuesday.

Russia Speaks Against Iran Draft Measure (AP)

By Steve Gutterman

AP, November 2, 2006

Russian Foreign Minister Sergey Lavrov said Wednesday that a draft U.N. Security Council resolution imposing sanctions on Tehran over its nuclear program would isolate Iran, suggesting that Moscow will not back the resolution in its current form, news agencies reported.

Russia has not ruled out sanctions against Iran but repeatedly has warned that harsh measures could harden Tehran's defiance and scuttle chances for a negotiated end to the prolonged standoff over its nuclear program.

"We cannot support measures that in essence are aimed at isolating Iran from the outside world, including isolating people who are called upon to conduct negotiations on the nuclear program," Interfax quoted Lavrov as saying.

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The European resolution is meant to punish Iran for its refusal to halt uranium enrichment activities that have heightened fears it is seeking to develop nuclear weapons.

Lavrov reiterated his claim that the resolution would go beyond existing agreements among nations seeking to rein in Tehran's nuclear ambitions.

The draft orders all countries to prevent the sale and supply of material and technology that could contribute to Iran's nuclear and missile programs. It requires countries to freeze the assets of companies and organizations involved in those programs, and also imposes a travel ban and freezes the assets of people involved — a measure Lavrov appeared to be referring to in his remark suggesting it would hamper negotiators.

Interfax said Lavrov spoke in response to a question about whether Russia completely rejects the European draft or intends to seek changes.

"We will work on the text of the resolution," Lavrov said, adding that Russia would seek to focus the document on concrete aspects of Iran's program that the International Atomic Energy Agency has identified as possibly serious risks, including uranium enrichment and a heavy-water reactor, ITAR-Tass reported.

The text of the resolution drafted by Britain, France and Germany was expected to be discussed this week at the United Nations.

While the U.S. has indicated it considers the draft too weak, Lavrov has signaled Russia's opposition and suggested it is too strong.

Lavrov said Moscow will seek to foster negotiations between Iran and the international community.

Russia and China, both veto-wielding Security Council members, consistently have been reluctant to support sanctions. Comments Tuesday by Russia's Security Council chief Igor Ivanov hinted that Russia could support sanctions as a way to push Tehran into talks, but also left plenty of room for wrangling in the council.

Speaking Wednesday in Moscow, South Korean Foreign Minister Ban Ki-moon, who will take over as U.N. secretary-general on Jan. 1, urged Iran to halt uranium enrichment and accept an international offer of incentives in return, Interfax reported. Iran's rejection of the proposal prompted the moves toward punishment that could include sanctions.

Russia has strong commercial ties with Iran, and a Defense Ministry official told The Associated Press on Wednesday that Moscow would fulfill a contract to supply air defense missiles to Iran unless Moscow backs international sanctions that would make it illegal.

Defense Minister Sergei Ivanov defended the $700 million contract signed last December to sell 29 Tor-M1 air defense missile systems to Iran, saying they were purely defensive weapons with a limited range.

Incoming UN Chief Calls On Iran To Halt Enrichment (AFP)

AFP, November 2, 2006

The newly-designated UN secretary general, Ban Ki-Moon, called on Iran to halt uranium enrichment and accept alternative incentives proposed by six world powers, Russian news agencies reported.

"Iran must halt enrichment of uranium and accept the proposal of the six" powers, the agencies quoted Ban as telling Russian journalists following a meeting with Russian President Vladimir Putin.

Ban, who is also currently the foreign minister of South Korea, afterwards held a meeting with Russian Foreign Minister Sergei Lavrov who repeated Moscow's reservations about a European draft UN resolution imposing sanctions on Tehran over its nuclear program.

"We cannot support measures that are essentially aimed at isolating Iran from the outside world, at isolating the very people who are called upon to conduct negotiations on the nuclear program," Lavrov told reporters after his meeting with Ban.

He said Russia, like the United States and Europe, had no interest in Iran acquiring sensitive nuclear technologies and wanted to ensure that UN nuclear inspectors got access to Iranian facilities to verify that this was not the case.

But he added that the European draft "goes far beyond the agreed framework" established by the five permanent UN Security Council members and Germany for alleviating international worry over Iran's nuclear intentions.

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Lavrov's comments mirrored remarks he made on October 26, when he stated that the European draft resolution on Iran "clearly does not further the objectives that the six powers agreed on earlier".

The United States has accused Iran of seeking secretly to develop nuclear weapons under cover of its nuclear energy program, a charge Tehran has consistently denied. Washington has also led calls for tough sanctions on Iran.

Russia, which is helping Iran build its first nuclear reactor, has maintained that only IAEA inspections can determine independently what Iran's nuclear activities aims are and has insisted that negotiations are best way to ensure Tehran does not move to develop nuclear weapons.

Iran Announces Military Maneuvers (AP)

By Nasser Karimi

AP, November 2, 2006

Iran unexpectedly announced Wednesday that it would be holding military maneuvers in the Gulf this week, only days after U.S.-led navies held exercises in the same waterway.

Iranian state television quoted the head of the Revolutionary Guards, Gen. Yahya Rahim Safavi, as saying the 10-day maneuvers, named "Great Prophet," would take place in the Gulf and the Sea of Oman, beginning Thursday.

"The war games are aimed at demonstrating the deterrent power of the guards against possible threats," Safavi said.

Safavi stressed the drills were not a threat to neighboring countries, saying: "Our neighbors are our friends. The guards just want to prove that they ready to resist in any threatening situation."

His announcement came two days after U.S.-led warships finished a two-day maneuver in the Gulf — an exercise that Iran described as ""adventurist."

Iran said the six-nation drills would not improve security in the Gulf waters, through which about 20 percent of the world's oil passes. It also called on Gulf nations to set up their own regional security arrangements.

The U.S.-led maneuvers focused on surveillance, with warships tracking a ship suspected of carrying components of illegal weapons. The nations that took part were Australia, Bahrain, Britain, France, Italy and the United States.

Iran regularly holds large maneuvers, often using them to test weapons developed by its arms industry.

On Wednesday, Safavi told state TV: "The guard's air force will test fire the Shahab-3 (missile), equipped with cluster warhead, in the war game."

The Shahab-3 missile is capable of carrying a nuclear warhead and has a range of more than 2,000 kilometers (1,242.8 miles). It can reach Israel and U.S. forces in the Middle East.

Meanwhile, Russia on Wednesday defended Moscow's deal to supply air defense missiles to Iran, saying they were purely defensive weapons with a limited range.

"I wish to underline that these systems cannot be used in offensive operations," Defense Minister Sergei Ivanov told Russia Today television in an interview broadcast early Wednesday. "Secondly, they have a limited use as they are capable of protecting a small part of the Iranian territory."

Moscow has refused to bow to Western pressure and cancel its $700 million contract to sell 29 Tor-M1 air defense missile systems to Iran which was signed last December.

U.S. Faults Syria, Iran, Hezbollah On Lebanon (WP)

By Colum Lynch

The Washington Post, November 2, 2006

UNITED NATIONS, Nov. 1 -- The White House on Wednesday accused Lebanon's Hezbollah militia and its Iranian and Syrian backers of seeking to topple the U.S.-backed government of Lebanese Prime Minister Fouad Siniora.

White House spokesman Tony Snow said the United States is "increasingly concerned by mounting evidence that the Syrian and Iranian governments, Hezbollah and their Lebanese allies are preparing plans to topple Lebanon's democratically elected government."

Snow warned that any attempt to destabilize Lebanon through "manufactured demonstrations" or "physically threatening its leaders" would constitute clear violations of U.N. resolutions. He singled out Syria, charging that it has devised a plan "to prevent"

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the Lebanese government from approving a U.N. tribunal to try the killers of former Lebanese prime minister Rafiq Hariri, who was assassinated in February 2005.

White House and State Department spokesmen declined to characterize the evidence used to support the claim, implying that it was based on classified information. And some U.S. intelligence officials and U.N. diplomats said privately that there was no sign that an armed overthrow of the government is in the works.

The announcement came just one day after Hezbollah's leader, Hasan Nasrallah, said in a television interview that he is prepared to organize protests if his movement is not given a larger say in Lebanon's affairs. It followed the report of a new diplomatic initiative by British Prime Minister Tony Blair, who sent a senior adviser, Nigel Sheinwald, to meet Syrian President Bashar al-Assad.

Next week, Lebanon's leading political figures will discuss a demand by a political alliance, headed by Hezbollah, that it be granted 30 percent of the Lebanese cabinet seats in a new national unity government, U.N. diplomats said. That would give them the power to veto any major decision by the government.

The demand represents an effort by the Islamic movement to parlay the political popularity it won by battling Israeli forces to a standstill over the summer. U.S. and U.N. officials fear that Hezbollah would use that authority to block any decision by the Lebanese government to approve a U.N.-backed tribunal to prosecute suspects in Hariri's death.

"It's pretty clear that in the aftermath of this summer's violence there is a broader political struggle going on over Lebanon's political future," said Flynt L. Leverett, a Middle East expert and senior fellow at the New America Foundation. "I think that Hezbollah and its allies have the natural advantage in that struggle, given Hezbollah's role in the conflict."

Intelligence officials said they think the White House statement was referring to Nasrallah's threat of widespread protests if Lebanese leaders fail to create a unity government. One official said that although U.S. intelligence officials think Nasrallah would like more power and Syria would like a friendlier Lebanese government, there are no signs of an impending coup.

U.N. Secretary General Kofi Annan convened a meeting with U.S., Russian, French, British and Chinese representatives to build support for a plan to establish a tribunal, probably based in Cyprus, to prosecute suspects in Hariri's death.

U.N. prosecutor Serge Brammertz is investigating whether top Syrian officials ordered the assassination of Hariri and other critics of the Syrian government. His predecessor, Detlev Mehlis, has implicated officials within Assad's inner circle.

Secretary of State Condoleezza Rice told the Lebanese Broadcasting Corp. last week that the United States has heard that "there are people who would like to destabilize the government of Prime Minister Siniora. We've heard that there are people who would like to intimidate or assassinate again."

Rice said "it's not any great secret" that the administration has concerns about Syria's sponsorship of violence in Lebanon, but she stopped short of accusing Syria of planning fresh attacks. "I just want to make very clear that the international community believes there should be no foreign intimidation of the Lebanese people," she said.

U.S. Reports Plot To Topple Beirut Leaders (NYT)

By David E. Sanger And Michael Slackman

The New York Times, November 2, 2006

WASHINGTON, Nov. 1 — The White House said Wednesday that there was “mounting evidence” that Iran and Syria were involved in a plot to bring down the government of Prime Minister Fouad Siniora of Lebanon, but senior officials refused to describe in any detail the intelligence they said they had collected.

In an unusual statement, the White House said it was “increasingly concerned by mounting evidence that the Syrian and Iranian governments, Hezbollah and their Lebanese allies are preparing plans to topple Lebanon’s democratically elected government.”

American officials said they had evidence that Syria and Iran were trying to engineer the creation of a new “unity” government that they could control, partly through Hezbollah, a Lebanese Shiite organization considered a terrorist group by the United States.

One senior American official, who declined to be identified by name because he was discussing an intelligence issue, said there were also indications of “planning for a more violent” attack on the government, but he gave no details.

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In the written statement, issued by the White House press secretary, Tony Snow, the administration also said there were "indications" that Syria was trying to block passage of a statute by the Lebanese Parliament that would require that Lebanon cooperate with an international tribunal that is to try those accused of involvement in the assassination of the former prime minister, Rafik Hariri, in February 2005. Syria has denied involvement, though Syrian intelligence officials, including close family members of President Bashar al-Assad, have been implicated.

In interviews in recent days, senior American officials have said the evidence is one reason that the United States cannot engage in negotiations with Syria or Iran, as several leading Republicans, including the former Secretary of State James A. Baker III, have urged.

"Talking isn't a strategy," the president's national security adviser, Stephen J. Hadley, said in an interview late last week before heading to Iraq. "The issue is how can we condition the environment so that Iran and Syria will make a 180 degree turn?" a reference to what he said were their efforts to undermine stability in the region.

Asked on Wednesday about the new warning from the White House, Sean McCormack, the State Department spokesman, said that "quite clearly, Hezbollah has its patrons in Damascus, and certainly in Tehran" who observe "very few boundaries concerning what it will do and what it won't do."

But administration officials said they had little evidence of an impending physical attack. Instead, they said they believed that Hezbollah might stage a political crisis to bring about the fall of the government. For the Bush administration, that possibility poses a vexing problem: if the Siniora government collapses because of domestic political infighting, any change of government may look more like parliamentary politics than a coup.

At the moment, Hezbollah, which is part of the current government, is seen to be in a stronger political position than the Washington-allied March 14 coalition, which controls the government and the largest bloc in Parliament.

Tension has been rising in Lebanon since the cease-fire that ended a 34-day war with Israel this summer that was directed against Hezbollah, which launched attacks on Israel from Lebanese territory.

Foreign pressures are only one of the many forces driving the political dynamics between competing factions. Lebanon's political factions are scheduled to begin talks on Monday to discuss Hezbollah's demand for a new national unity government, a proposal that two recent polls determined has the backing of about 70 percent of the population.

"Both camps are escalating to put their opponents in the corner in order to reach concessions," said Hilal Khashan, a political scientist at the American University of Beirut who said that Washington's charges do not warrant "any attention."

The White House clearly hopes that its public support will buttress the American-backed government, but some experts in Beirut warned that it may well have had the opposite effect. The government's chief critics, including the Hezbollah leader, Hassan Nasrallah, have charged that those who control the government are puppets of Washington.

"Love can be deadly," said the speaker of Parliament, Nabih Berri, after hearing Washington's charges on Wednesday. "Is it a defense for Lebanon? Or pushing it toward chaos? Is it a support for the government? Or incitement against it?"

While Iran and Syria have long maneuvered for position in Lebanon, there is also a local fight under way over who controls the reins of power. Hezbollah and its chief ally, the former general Michel Aoun, are pressing to extend their control. The March 14 coalition is struggling to hold them back.

With its announcement, Washington has adopted the political talking points of its closest ally in Beirut, the Druse leader Walid Jumblatt, who has repeatedly sought to undermine Hezbollah by charging it is nothing more than a puppet of Iran and Syria. Mr. Jumblatt was visiting Washington this week and met with Secretary of State Condoleezza Rice.

In an interview, a member of Mr. Jumblatt's party, the Progressive Socialist Party, said he agreed with Washington's characterization of how events may unfold.

"We have evidence of the Iranian-Syrian-Hezbollah plan," said Akram Chehayeb, a member of Parliament. His proof, he said, included statements by Syrian officials close to Iran who called for toppling the government, and a speech by the Syrian president in which he said "we have to translate our military victory into a political one."

It was unclear to what extent Washington may have relied on that information in making its assertions.

In a television interview on Tuesday, Mr. Nasrallah said that if his political opponents did not accept a national unity government, he would rally his supporters in the streets.

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Mr. Nasrallah's influence is clear: when the fractious parties sit down to talk on Monday only Hezbollah's demands will be on the agenda. In addition to the unity government, which would bring Hezbollah's allies into power, the group wants to amend the election law and call early elections for Parliament.

Opponents of Hezbollah wanted to discuss disarming Hezbollah's militia, and replacing the pro-Syrian president, Émile Lahoud, whose term was extended by Damascus.

"I don't buy it," said Jamil Mroueh, publisher of The Daily Star newspaper in Lebanon of Washington's statement. "This is a domestic issue, in terms of the wrestle for power."

Syria 'plotting To Destabilise' Lebanon (FT)

By Guy Dinmore And Daniel Dombey And Roula Khalaf

Financial Times, November 2, 2006

The US on Wednesday said it had mounting evidence that Syria, Iran and Hizbollah were planning to "topple" the elected Lebanese government and told them to keep their "hands off".

The US warning reflects growing concerns that Lebanon's Hizbollah, an armed faction and political party backed by Syria and Iran, is raising the pressure for a change of government, now dominated by pro-western forces.

The US statement came hours after Hassan Nasrallah, Hizbollah leader, vowed to stage peaceful protests demanding fresh elections unless his opponents agreed to the creation of a national unity government to replace that of Fouad Siniora, the prime minister, by mid-November.

The White House said: "We are increasingly concerned by mounting evidence that the Syrian and Iranian government, Hizbollah and their Lebanese allies are preparing plans to topple Lebanon's democratically elected government."

Later, Tony Snow, the White House spokesman, said the US was "making it clear to everybody in the region that we think that there ought to be hands off the Siniora government; let them go about and do their business."

Hizbollah, which has 14 of parliament's 128 seats, is represented in the government by two ministers but demands that its Christian allies, now in opposition, also be brought in. Mr Siniora has rejected demands for change but top political leaders are due to hold talks on the issue next week.

The warning – dismissed by Hizbollah as "just one more American interference in Lebanese affairs" – followed a diplomatic initiative by Tony Blair, the UK prime minister, who sent his top foreign policy adviser to meet Bashar al-Assad, the Syrian president, in Damascus on Monday.

Sir Nigel Sheinwald first visited Washington where he met senior US officials to discuss the situation in Iraq, the Israeli-Palestinian conflict as well as his planned mission to Syria.

But analysts said such consultations did not mean that the US and UK were in agreement over their policy towards Damascus, with the US seeking to isolate Mr Assad and the UK exploring ways to engage Syria and test its willingness to play a more constructive role in the peace process between Israel and the Palestinians.

"We went to [Damascus] express our concerns on these issues," said a Downing Street official on Wednesday night. "We want to see concrete action and we are now waiting to see what concrete reaction there might be from the -Syrians."

The UK is as concerned as the US about a potential fall of the Lebanese government, as pressure mounts from Hizbollah and its allies in Beirut. The anti-Syrian coalition that now controls the government believes that part of the Hizbollah attempt to widen the participation in the government or bring a new cabinet is to derail plans for an international tribunal to try the perpetrators of the killing of the former prime minister Rafiq Hariri.

Sean McCormack, the US state department spokesman, said Hizbollah which "started a war in the region" with Israel, would stop at nothing to achieve its ends.

In Damascus on Monday, Sir Nigel told Mr Assad there was a range of actions that Syria could take which would be in its own interest and that of the international community.

The UK is exploring whether Syria can move the Palestinian Hamas movement towards adopting the conditions set by western governments to move the peace process forward.

U.S. Sees Evidence Of Lebanon Coup Plot (LAT)

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By Paul Richter

The Los Angeles Times, November 2, 2006

washington — In an unusual statement, the Bush administration charged Wednesday that there was "mounting evidence" that Iran, Syria and the militant group Hezbollah were trying to engineer the overthrow of the elected government of Lebanese Prime Minister Fouad Siniora.

American officials said they had evidence that the two countries were trying to help create a new "unity" government that would give greater influence to their Hezbollah allies.

They contended that Syria was also trying to block legislation that directed Lebanese cooperation with an international tribunal investigating the slaying of former Prime Minister Rafik Hariri. Syrian officials have been implicated in the February 2005 attack.

But U.S. officials declined to provide details, saying they could not disclose information from intelligence sources. Sean McCormack, the chief State Department spokesman, said there were "strictures" on what he could say because "we collect a lot of information I can't talk about."

He said Hezbollah chief Sheik Hassan Nasrallah recently warned in a speech that "the Siniora government take certain steps or Nasrallah and his compatriots would see that it falls."

Hezbollah officials have been pressing for Shiite Muslim parties to be given control of eight Cabinet ministries, up from five, to better reflect their share of Lebanese support. Hezbollah has also called for mass demonstrations to press for a unity Cabinet that would give Islamic militants and their allies vetoes over key decisions.

McCormack also noted that Emile Lahoud, the pro-Syria president of Lebanon, had spoken about taking steps to block formation of the tribunal to bring Hariri's killers to justice.

McCormack said that the administration had put out its statement to show its support for the Siniora government and to make clear that "we, as well as others, are watching closely."

At the same time, he insisted that "we're not going to interfere in Lebanon's domestic politics."

In Beirut, Hezbollah spokesman Hussein Rahal said on Al Arabiya television that the U.S. statement was "just one more American interference in Lebanese affairs" designed to prop up the Siniora government.

Secretary of State Condoleezza Rice and U.S. Ambassador to the United Nations John R. Bolton have warned Syria and Iran in recent days not to interfere in Lebanese affairs. In an interview with the Lebanese Broadcasting Corp. on Oct. 26, Rice said that Lebanon had a history of intimidation and assassinations and "we've heard that there are people who'd like to intimidate or assassinate again." She offered no details.

The Siniora government has worked closely with Washington, which hopes Siniora's team can help limit Hezbollah's influence. The Shiite Muslim militant group waged war with Israel during the summer.

The Jerusalem Post speculated Wednesday that mock raids by Israeli fighter jets over Hezbollah strongholds Tuesday were "an unveiled warning to Nasrallah" not to restock the militant group's arsenal.

Israeli officials have said the military will conduct periodic flights over Lebanon until Hezbollah returns two Israeli troops captured during the summer and international forces take adequate steps to prevent Hezbollah from rearming.

The U.S. is providing political and economic support to the Lebanese government as well as aid to train the weak military.

Yet the popularity of the United States in Lebanon has diminished because of perceived U.S. support for Israel in the summer war, limiting the Bush administration's ability to influence events in the country.

David Schenker, a former Pentagon official now at the Washington Institute for Near East Policy, said the "trend in Lebanon is really troubling…. There's an overwhelming array of forces against the Siniora camp. It's going to be hard to beat them back."

Hezbollah Threatens Protests In Lebanon (AP)

By Sam F. Ghattas

AP, November 2, 2006

Hezbollah is threatening street protests to force early elections in Lebanon if its demands are not met for a "national unity" Cabinet that would give the Islamic militants and their allies veto power over key decisions.

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The bold move reflects the Shiite group's push to consolidate the political power it gained following its self-proclaimed victory in its punishing summer war with Israel. The effort seems certain to further exacerbate an already tense political situation in Lebanon, where the Western-backed government of Prime Minister Fuad Saniora has refused earlier Hezbollah calls to step down and allow the formation of a new Cabinet.

It could also lead to violence, with pro-government groups warning of a confrontation with militants in the streets.

"Our concept of the national unity government is that all the basic forces in Lebanon be in it ... actual and serious participation, not an aesthetic participation," Sheik Hassan Nasrallah, Hezbollah's leader, said in a lengthy interview on Hezbollah's Al-Manar TV Tuesday night.

In the same interview, Nasrallah said that "serious negotiations" were taking place over the two Israeli soldiers whose July 12 capture by his militant group sparked the 34-day war.

He said a negotiator appointed by U.N. Secretary-General Kofi Annan has been meeting with Hezbollah and Israeli officials. He would not provide details about the negotiations, but told Al-Manar: "We have reached a stage of exchanging ideas, proposals or conditions."

The Israeli government declined to comment on the assertion.

"We don't comment about anything that has to do with the abducted soldiers. Israel will do all it takes to get their release without hurting Israel's security," spokeswoman Miri Eisin said.

Nasrallah also warned that any attempts by the beefed-up U.N. peacekeeping force in southern Lebanon to disarm Hezbollah would transform the country into another Iraq or Afghanistan. He did not elaborate.

A U.N.-brokered cease-fire that ended the fighting on Aug. 14 does not give a direct mandate to the peacekeepers to take away Hezbollah's weapons by force, unless the guerrillas are caught in the buffer zone along the border with Israel.

On the domestic front, Nasrallah said Hezbollah and its allies should comprise one-third of the 24-member Cabinet. That effectively means the guerrilla group and allies could veto key decisions. A two-thirds vote in the Cabinet is needed to pass decisions that are not made by consensus. A resignation of one-third of the Cabinet automatically brings down the government.

The move, if successful, would significantly raise Hezbollah's standing in the Cabinet, where it and its Shiite ally, Amal, currently have five ministers. Such veto power and influence in decision-making would also bolster their standing in the 128-seat parliament, where the group and its allies hold less than half the seats, compared to 70 seats held by the anti-Syrian majority.

Nasrallah said he welcomed a call by parliament speaker Nabih Berri, a Hezbollah ally, to hold talks next week on forming a national unity government. However, should the talks fail, Nasrallah said Hezbollah would begin political and street actions against the government on Nov. 13. The guerrilla group is highly organized and politically disciplined, and its rallies frequently draw hundreds of thousands of supporters.

Saniora has repeatedly rejected the idea of a new government, contending that his Cabinet achieved much for the country and did its best to stop the war. His supporters say that Hezbollah and its backers, in pushing for greater political power, are doing Damascus' bidding and are trying to undermine the formation of an international tribunal to try suspects in the assassination of former Prime Minister Rafik Hariri in February 2005.

The assassination sparked massive street protests and prompted Syria to withdraw its forces from Lebanon under international pressure. The parliament, however, has lacked the strength to force pro-Syrian President Emile Lahoud out of office or to eliminate Syria's proxy influence through local allies like Hezbollah.

In the face of Nasrallah's ultimatum, government supporters have threatened popular counter-protests, raising fears of a repeat of the kind of sectarian clashes between Lebanon's Sunnis, Shiites, Druse and Christians that ravaged the country during its 15-year civil war.

Leaders of Anti-Syrian factions have repeatedly warned of violence if Hezbollah supporters pour into the streets.

Walid Jumblatt, a member of parliament, was quoted by Lebanese newspapers Wednesday as warning during a visit to Washington that "threats by some forces in Lebanon to resort to street (protests) in order to bring down the government" would "lead to anarchy."

Nasrallah has played down any fears of violence in the threatened street protests, saying his campaign would be peaceful.

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Ethiopian PM: Islamic Militia A Threat (AP)

By Chris Tomlinson

AP, November 2, 2006

Ethiopia's prime minister, who has sent troops to bolster Somalia's interim government, said Wednesday the al-Qaida-linked militants controlling much of the neighboring nation are a threat to the Horn of Africa and the wider world.

Prime Minister Meles Zenawi said he held out little hope that the secular, U.N.-backed acting government in Somalia can reach a peace agreement with the Islamic militants.

"Apparently some people believe that the al-Qaida elements in Mogadishu ... are people one can talk to in a reasonable manner, that they can be convinced not to be extremists," Meles said in an exclusive interview with The Associated Press.

The extremists "represent a direct threat first to Somalia and the Somali people, second to the region and Ethiopia, and lastly to the international community," he said. "When they control the whole of Somalia it would be very naive to assume that they will mend their ways, cease to be terrorists and become very civilized and very tame pussycats."

Ethiopia, a largely Christian nation, backs Somalia's two-year-old acting government, which has failed to exert any influence outside its base in the western city of Baidoa. Eritrea, a nation that broke away from Ethiopia in a 1961-91 civil war and fought a 1998-2000 border war with its rival, supports the Islamic militia.

A confidential U.N. report obtained by the AP on Friday said 6,000 to 8,000 Ethiopian soldiers are in Somalia or along their border while 2,000 troops from Eritrea are inside Somalia. Eritrea denied having any troops in Somalia, and Ethiopia says it sent only a few hundred advisers.

Meles controls the Ethiopian armed forces as head of a coalition that has governed since 1991. He previously confirmed sending military advisers to Somalia; that prompted the Islamic militia to declare a holy war against Ethiopia.

"In effect they have declared war on us, they have massed their troops very close to our border, so they have publicly shown that they pose a direct security threat to us," Meles said Wednesday. "It would be a dereliction of duty for any Ethiopian government to ignore that and welcome the takeover of the whole of Somalia by jihadists."

He declined to discuss what action he might take against the militants in Somalia.

The Arab League is sponsoring peace negotiations between the Somali government and the Islamic militia. But a third round in the effort, being held in Khartoum, Sudan, was suspended Wednesday after the two sides refused to sit down with each other.

Meanwhile, Islamic militants expanded their control by taking over an important Somali coastal town Tuesday night. The fighters peacefully seized Hobyo in the central Mudug region, according to an Islamic official.

The leaders of the Council of Islamic Courts have demanded that Ethiopian troops withdraw from Somalia before they will meet with the interim government. They have also called for Somalia's secular national charter to be replaced with Islamic law.

Meles said he has little faith that extremist elements within the Islamic group would ever honor an agreement with the transitional government.

"I think so far the talks have not been serious. I believe the (extremists) believe they have the military momentum and that they are using the talks in Khartoum as a cover for their military takeover," he said.

The prime minister said international diplomats do not take the threat posed by the militants seriously. The Islamic group appears to be split between a moderate wing which is ready to negotiate, and an extremist wing led by men the United States accuses of having ties to al-Qaida.

Meles insisted the Ethiopian soldiers in Somalia are there only to train a new Somali national army and protect the interim government. He said the training began about a month ago and the new army was not yet capable of protecting the transitional government.

Meles first warned about Somalia's Islamic militants during a May 2005 interview with the AP, but he said the world did little to build up the transitional government, allowing the Islamic militants to become the most powerful military force in the country.

"I believe the international community could have done more and should have done more," he said.

State Dept Vetted Speakers For Criticism Of Bush Adminstration (KCS)

DOJ_NMG_0090030

By Jonathan S. Landay

The Kansas City Star, November 2, 2006

WASHINGTON - An internal State Department review has found that U.S. officials screened the public statements and writings of private citizens for criticism of the Bush administration before deciding whether to send them on foreign speaking assignments.

The screenings amounted to "virtual censorship" in the State Department's selection of speakers, said a report by the department's Inspector General's Office. McClatchy Newspapers obtained a copy of the 22-page report, which was completed in September.

The vetting practice appears to have been part of the Bush administration's efforts to control information, muffle dissenting views and promote positive assessments of its policies to foreign audiences.

It also appears to be contrary to the guidelines of the U.S. Speaker and Specialist Program, which taps U.S. experts to deliver lectures, serve as consultants and conduct seminars overseas or from the United States via teleconferences. The guidelines call for the State Department to provide speakers "who represent a broad range of responsible and informed opinion in the United States" and are "not limited to the expression of U.S. government policies."

Sen. Joe Biden of Delaware, the top Democrat on the Senate Foreign Relations Committee, requested a review of the program after a December 2005 story by Knight Ridder Newspapers (since acquired by the McClatchy Co.) quoted State Department officials who complained that political litmus tests were being used to weed out speakers critical of the Bush administration.

The Inspector General's Office recommended that the Bureau of International Information Programs, which runs the speakers program, adopt new regulations to ensure that speakers are chosen "regardless of their personal opinions on policy issues."

In one case cited in the December Knight Ridder story, a conflict resolution expert and author of a book critical of Iraqi reconstruction was told at the last minute that his participation in a videoconference in Jerusalem was no longer required.

Internal e-mails quoted in the report showed that IIP officials pressed to have the expert, David L. Phillips, replaced by other scholars.

The Inspector General's report found that the Bureau of International Information Programs (IIP) used "no expressed or established 'ideological litmus tests,' or 'black or white lists" of speakers. But it said that "past . . . leadership" in the State Department's Bureau of Public Diplomacy and Public Affairs, whom it didn't name, questioned the "ideological credentials" of some speakers and "this contributed to a series of internal IIP management reactions."

"These reactions were manifested in some cases in poor management decisions that influenced the speaker selection process during a period of heightened national security concerns," said the report. "An atmosphere of extreme caution and self-censorship was created."

Unidentified former IIP managers "encouraged the speakers program to employ 'due diligence' in its selection of speakers. This meant vetting speaker candidates' public statements or publications that appeared to run counter to Administration policies," the State Department Inspector General's report continued. "Several speaker program officers and reference specialists did so regardless of whether the speaker candidates' personal opinions had a bearing on the topical issues for which they were being considered for recruitment."

"Others, in an effort to maintain 'balance' unrealistically, suggested recommending two ideologically different speakers for a program in which only one speaker was requested," said the report.

In another case cited in the Knight Ridder report, a request by the U.S. Embassy in Jakarta, Indonesia, for a visit by Sen. Barack Obama, D-Ill., who lived in Indonesia when he was young, was delayed for seven months while IIP political appointees argued that a Republican senator be sent with him.

The report found that while some IIP employees acted "on the margins" of the speaker program's guidelines, "there was no ideological motivation; rather, it was done in an attempt to 'maintain program balance.' Nevertheless, it resulted in virtual censorship in the speaker selection process."

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The report didn't reveal the identities of anyone involved in the selection process or the private U.S. citizens whose statements and publications were vetted.

Big Israeli Strike With Tanks Kills 8 Palestinians In Gaza (NYT)

By Greg Myre

The New York Times, November 2, 2006

JERUSALEM, Nov. 1 — Israeli troops staged one of the largest raids into the Gaza Strip in recent months on Wednesday, killing eight Palestinians and wounding more than 40 in gun battles that began before dawn and lasted much of the day. One Israeli soldier was also killed.

The Israeli soldiers, in tanks, on foot and backed by helicopters, exchanged fire with Palestinian militants in the northern Gaza farming town of Beit Hanun, the launching ground for many of the Palestinian rockets fired into southern Israel.

As the two sides battled, Prime Minister Ehud Olmert's security cabinet met in Jerusalem and debated whether to step up the 4-month-old military operations in Gaza.

In recent weeks, some senior political and military officials have expressed support for expanded operations to halt Palestinian rocket fire in northern Gaza and rooting out weapons smuggling tunnels on Gaza's southern border with Egypt.

But the security cabinet chose not to escalate military actions, at least for now. In a statement, the security cabinet said the military would continue the "current security activity."

Avigdor Lieberman, the leader of Israel Beiteinu, a far-right party that just joined the governing coalition, said the military should take a much tougher approach, Israel radio reported.

However, Israel's defense minister, Amir Peretz, who leads the left-leaning Labor Party, opposed expanding the military operations, and his position carried the day.

"There is no intention to carry out operations for show, or operations to appease public opinion, but only defined operations whose goal is clear, whose purpose is not only deserving but necessary," Mr. Peretz said.

Still, the incursion on Wednesday was one of the most wide-ranging since the Israeli military re-entered Gaza at the end of June.

The Israeli military pulled out of Gaza in September 2005, but returned after an Israeli soldier, Cpl. Gilad Shalit, was captured and taken into the territory.

In a statement released by his office on Wednesday, the Palestinian Authority president, Mahmoud Abbas, demanded that Israel "cease immediately all hostile actions against our people."

Wednesday's operation, like many that have preceded it, involved dozens of Israeli tanks and other armored vehicles. In addition, hundreds of infantry soldiers walked into the territory, which is much less common.

Most of the fighting was on the outskirts of Beit Hanun, in the northeast corner of Gaza. The eight Palestinians killed are five militants, a member of the Palestinian security forces and two people whose identities could not be immediately determined. Most of the wounded also were militants, though some civilians were hurt, according to Palestinian security officials and medical workers.

The Israeli military said its forces had come under fire from Palestinians with automatic rifles and antitank missiles.

Israeli troops took up positions atop Palestinian homes. Helicopters and drones flew overhead and carried out occasional strikes.

The Palestinians still managed to fire several rockets into southern Israel, lightly wounding one civilian, the military said.

Rami Hamad, a 24-year-old Hamas militant who was wounded, said he had been shot in the leg while trying to reach a fellow militant, Ahmad Saadat, who died.

"They have the sophisticated military power, but in our religion it says prepare whatever you have to confront the enemy," Mr. Hamad said at Kamal Adwan Hospital in Gaza, where he was being treated. "Holy war is an obligation."

At the hospital morgue, Yousef Saadat, 43, wept as he learned that his son had been killed. Mr. Saadat said he had urged his son to finish school and become a teacher, which he did. But Ahmad still insisted on becoming a militant. "He refused to get married," Mr. Saadat said. "He spent his time preparing for martyrdom."

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The Israeli forces closed off the entrances and exits to Beit Hanun, and it was not clear how long they intended to remain. In recent months, the Israeli raids have typically lasted a day or two before the forces pulled back.

Since the Israeli troops returned to Gaza four months ago, more than 250 Palestinian militants and civilians have been killed, according to Palestinian and Israeli rights groups. Three soldiers have died.

Meanwhile, in the latest measure of the Palestinian economic crisis, Palestinian government revenue has fallen by 60 percent since Hamas, the radical Islamic group, came to power in March, the International Monetary Fund said in a new report.

Palestinian Authority revenue for the April-September period was $500 million in 2006, down from $1.2 billion during the same period a year earlier, the report said.

Israel, the European Union and the United States classify Hamas as a terrorist group and cut the flow of money to the government when it took over. As a result, the Palestinian Authority has paid salaries to government workers only partially and sporadically.

The sharp drop in government revenues was partly offset by increased international aid to nongovernmental groups. The aid for the April-September period was $420 million, up from $230 million a year earlier. Still, the overall economy has been contracting rapidly in recent months.

Israeli Troops Spark Clashes In Gaza Strip (WP)

By Scott Wilson

The Washington Post, November 2, 2006

GAZA CITY, Nov. 1 -- Israeli special forces backed by tanks and drone aircraft pushed into the northern Gaza Strip on Wednesday, setting off hours of fighting that killed at least seven Palestinians, most of them gunmen, and one Israeli soldier. More than 40 other Palestinians were wounded by shrapnel and Israeli gunfire, some from rooftop snipers.

The raid was designed to root out stockpiles of crude Palestinian rockets, known as Qassams, and the men who fire them into southern Israel. By twilight, at least eight rockets had landed in or around the Israeli city of Sderot, damaging cars and slightly injuring two women in the largest one-day barrage in weeks.

A few masked gunmen from the Izzedine al-Qassam Brigades, the military wing of the Palestinians' governing Hamas movement, held a street-corner news conference here, where a spokesman called on Sderot residents to leave the city "if they care about their lives."

Capt. Noa Meir, an Israeli military spokeswoman, said the Palestinian guerrillas "are going to try to prove they still have the ability to do this. Bringing rocket fire down to zero may be impossible."

Israeli forces, which pulled out of Gaza last year, have been entering the strip regularly since the June 25 cross-border raid in which gunmen killed two Israeli soldiers and captured Cpl. Gilad Shalit, a 20-year-old conscript now in the hands of Hamas's military wing. Operations have rarely lasted longer than a few days and have focused on reducing rocket fire and destroying tunnels used by Palestinians to smuggle weapons across Gaza's border with Egypt.

In recent days, senior Israeli military officers have argued for a broader assault on the strip, frustrated that the rocket attacks, while declining in intensity, have continued. Israel's security cabinet rejected the military's request Wednesday but voted to continue what Israeli officials describe as "pinpoint" operations.

The push Wednesday into Beit Hanoun brought Israeli troops as deep into Gaza as they have been in months, effectively sealing off the agricultural community of 28,000 people. Palestinian health officials said Israeli forces prevented ambulances from entering or exiting the small hospital in Beit Hanoun for hours. Israeli military officials said that the delay was the result of heavy fighting and that a humanitarian corridor into Beit Hanoun for Palestinian ambulances was opened after noon.

Prime Minister Ismail Haniyeh of Hamas called the operation a "massacre," adding that he hoped "the Israeli escalation in the Gaza Strip would not affect the ongoing negotiations" over Shalit's release. Israeli and Palestinian officials, working through Egyptian mediators, have been seeking a deal that would free roughly 1,000 Palestinian prisoners in exchange for Shalit.

Hamas gunmen engaged Israeli troops as they crossed into Beit Hanoun around 1:30 a.m., firing rocket-propelled grenades and rifles with support fire from tanks and drones. An Israeli soldier identified as Staff Sgt. Kiril Golenshein, 21, was killed in the morning fighting.

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Golenshein is the third Israeli soldier killed in Gaza since Shalit's capture. Over that time, more than 250 Palestinians in Gaza have been killed by Israeli military forces; most of them were gunmen.

"We were exchanging fire with the special forces," said Rami Ehkrawat, 24, a Hamas gunmen recovering from a bullet wound in his left leg at Kamal Adwan Hospital in Beit Lahiya. "Our men heard Israeli soldiers screaming for help."

Ahmad Saadat, a 23-year-old Hamas gunman, was killed next to Ehkrawat. The dead also included three other Hamas gunmen -- Tareq Naser, 23; Husam Abu Herbeed, 26; and Ahmad Odwan, 20. Mohammed al-Masri, 23, of the radical group Islamic Jihad, and Fayez al-Zuwaidy, 27, of the Palestinian National Forces, a government security branch, were also killed. The affiliation of the seventh man, Khalil Hamad, 28, was unclear. [A] news service reported two additional deaths, both civilians, citing hospital officials.

Maazoza Abu Amsha, 60, said she peered out her window during the fighting and watched four Hamas gunmen stop a Palestinian ambulance. The men, she said, waved the ambulance on after determining it was not being used by Israeli special forces.

Seconds later, Abu Amsha said, a missile slammed into the men from the sky. She said she was wounded when a second missile landed nearby as she and about a dozen relatives tried to help the wounded.

"As long as Israel continues to target us, we will target Israel," said Abu Obaida, a spokesman for Hamas's military wing.

Al-Jazeera Plans To Battle Western Media (AP)

By Jim Krane

AP, November 2, 2006

Al-Jazeera's taboo-smashing newscasts regularly vex politicians in Washington, but not nearly as much as they anger leaders in the Arab world, where the news channel has been banned from operating in 18 countries at one time or another.

Now, the network is launching its biggest gamble on its 10th anniversary — an English-language channel with an Arab perspective. Al-Jazeera International plans to hit the airwaves Nov. 15 and hopes to steal viewers from CNN and the BBC.

Feisty and sometimes graphic coverage of global carnage is an Al-Jazeera specialty, as is bracing commentary that has shaken up the Arab world and rattled the West.

"We have an edge over the other networks: We're already based in the Middle East. And we have a different perspective," director Wadah Khanfar told a news conference at the network's Doha headquarters Wednesday.

Al-Jazeera has been through a lot in 10 years, with three staffers killed in Iraq, another locked away without charge at the U.S. prison facility in Guantanamo Bay, Cuba, and a correspondent who interviewed Osama bin Laden convicted on terror charges in Spain.

Those it has covered have also suffered. The network is credited with waking up Arab TV viewers with brash discussions of banned topics. It questioned autocrats across the region and brought a large dollop of diplomatic clout to Qatar, a tiny sheikdom on the Persian Gulf. A frustrated President Bush even talked of bombing the channel's headquarters in 2004, according to a leaked British government memo.

"It made the airwaves uncontrollable," Amjad Nasser wrote Wednesday in the London-based pan-Arab daily Al-Quds Al-Arabi.

The fear Al-Jazeera inspires in the Arab world is best seen in Saudi Arabia, where the network has never been allowed to send a reporter — even those making personal pilgrimages to Mecca.

Worse, a Saudi boycott of the channel bars Al-Jazeera advertisers from doing business in the kingdom. The boycott has chased away almost all advertisers, leaving Al-Jazeera dependent on the deep pockets of Qatar's royal family.

"We are totally blocked from Saudi Arabia," Khanfar said. The station's employees are also banned from Iraq, Tunisia and Algeria, staffers said.

The network declines to say virtually anything about its finances, but it doesn't appear to be having money trouble. Al-Jazeera International has hired more than 500 staffers, poaching some of the world's best-known journalists from networks including the British Broadcasting Corp., CNN, CNBC and ABC. It will broadcast in ultra-expensive high-definition TV with four chief broadcast centers rather than CNN's two or BBC's one.

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Although its one-time anchor, Riz Khan, is among those who departed for Al-Jazeera International, CNN International said it welcomed the new competition.

"We're not worried," spokeswoman Susanna Flood said. "News channels are judged by what they do and not what they say they'll do."

Al-Jazeera says its goal is to reverse the information flow to the world's 1 billion English speakers who now have no choice but to watch Western-oriented broadcasters. Al-Jazeera International also appears to have natural audiences among the world's 1.2 billion Muslims, most of whom don't speak Arabic.

Before taking on the big networks, however, it first needs to be seen, which requires coaxing hundreds of global cable TV operators to carry its signal. This has been tough in many countries, the station's commercial director Lindsey Oliver said — not least the United States, where the Bush administration has accused Al-Jazeera of anti-American bias.

Some U.S. cable carriers are adopting a "show-me" policy, waiting to see what sort of opposition it generates before agreeing to carry it, said Michael Holtzman, a PR spokesman for the network.

"There's no better way to demystify Al-Jazeera than by putting it on the air," Holtzman said. "Most Americans don't speak Arabic, so they haven't had the opportunity to draw their own conclusions."

On Nov. 15, the new 24-hour network will be available to at least 40 million households worldwide via cable in Western Europe, the Middle East, Australia, Malaysia and a few other places, Oliver said.

In the United States, she said, at least one major cable provider and one major satellite provider will carry it, but she declined to identify them.

Comcast, the largest U.S. cable provider, does not plan to be one of them, spokeswoman Jenny Moyer said.

Cox Communications, the third-largest provider, has talked with Al-Jazeera but has not decided whether to carry it, Cox media relations director Stephanie Davis said.

Al-Jazeera has been trying to smooth its entry into the vital U.S. market by casting the channel as the ideal forum for the Bush administration to talk to the Muslim world. Al-Jazeera has had meetings in the White House, with members of Congress and at the State Department and Pentagon, Oliver said.

It has also met with American Jewish media leaders and interest groups to discuss its portrayal of Israel, Holtzman said.

Israel, one of the few countries in the Middle East that has never banned Al-Jazeera, is itself a lucrative target market. Oliver said she was in discussions with Israeli providers.

"There's huge interest for this channel in Israel," she said. "That wouldn't be the case if we were going to be unbalanced."

The network also said it was launching a pan-Arab newspaper, also called Al-Jazeera, to compete with other Arabic dailies.

Taiwan Set For New Clash With Beijing (FT)

By Kathrin Hille

Financial Times, November 2, 2006

Chen Shui-bian, Taiwan's president, has suggested his country could "freeze" its current constitution and adopt a new one, a move likely to re-ignite tensions with China.

Speaking to the Financial Times, Mr Chen said that defining the scope of Taiwan's sovereignty and territory was "extremely serious, complicated and sensitive, but also extremely important".

The remarks indicate that Mr Chen intends to challenge Beijing further before he steps down in May 2008.

China retains a threat of war against the self-ruled island in case it formalises its de-facto independence. Past moves by Taiwan to amend its constitution – in place since 1947 – have provoked stern warnings from Beijing.

Altering Taiwan's constitution would be difficult since any change would require a three-fourths majority in the opposition-dominated parliament. A change would also require approval by at least 50 per cent of the electorate in a referendum.

However, Mr Chen pledged to put constitutional change at the centre of the agenda for his remaining time in office. "I must pursue three big movements [including pushing for] a new constitution which truly fits Taiwan," he said.

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Mr Chen's comments indicate he could adopt a more audacious course in strengthening Taiwan's separation from China before he steps down, an approach which would unsettle cross-Strait relations after more than two years of relative quiet.

Mr Chen triggered warnings from China and the US in late 2003 and again in early 2004 when he first proposed a new constitution and pushed for Taiwan's first island-wide referendum.

His remarks appear designed to regain support among Taiwanese nationalist voters, a group his ruling party badly needs to win over before a series of forthcoming elections.

Taiwan's current "Republic of China" constitution refers to the country's territory only as "existing national boundaries" rather than spelling out precisely what comprises the national territory. However, since it was written in China after the second world war for all of China, it is widely understood to refer to the then Chinese territory, which stretched as far as Mongolia.

Mr Chen said Taiwan should discuss the idea of a "Second Republic" – a concept raised by one of his former pro-independence advisers – to free the country of what he called an "absurd and unrealistic" definition of sovereignty, without openly provoking China.

"[Under this concept] the current constitution would be frozen, and a new Taiwan constitution would be written," he said. "Freezing the [Republic of China] constitution also means keeping some kind of a link to the [old] ROC constitution and not cutting it off completely."

The preamble to a new constitution could address the territory of Taiwan, but the relevant sections of the old constitution defining the territory would not be touched, thus avoiding a change to the status quo, Mr Chen said.

The ideas discussed by Mr Chen represent ways technically to honour his previous commitments not to declare Taiwanese independence.

But the president made clear that he feels no more than formally bound by these commitments: "We are not breaking these commitments. But Taiwan still wants to continue to walk down our own path of democracy, of freedom, of human rights, and of peace."

African Leaders, China To Meet On Investment (WT)

By Nicholas Kralev

The Washington Times, November 2, 2006

BEIJING -- Forty-eight African leaders will convene in Beijing tomorrow, with Chinese officials unusually defensive about suggestions that they are exploiting Africa to satisfy their country's growing economic needs.

The heads of state are expected to participate in the unprecedented three-day gathering that many foreign diplomats and analysts describe as a "charm offensive." Chinese leaders reject that term.

Accusations of a Chinese threat to Africa are unfounded, state council member and former Foreign Minister Tang Jiaxuan said last week. He took pains to reassure Americans and others that China will not threaten their interests in the continent.

Chinese involvement "will not affect the cooperation of China or African countries with a third party, nor will it hurt the interests of any third party," Mr. Tang told the Xinhua news agency. "Quite on the contrary, strengthened China-Africa cooperation and common development will only bring good opportunities for the rest of the world."

A day before Mr. Tang spoke, World Bank President Paul Wolfowitz accused China and its banks of ignoring human rights and environmental standards when lending to certain African countries.

"I hope, in time, our viewpoints will converge," Mr. Wolfowitz told Les Echos, the French sister newspaper of the Financial Times.

In September, the Zambian opposition's presidential candidate, Michael Sata, called the Chinese in his country "exploitative investors" who "ill-treat our people."

"Foreign relations must benefit all concerned," he said. "It must not be a one-way street. Chinese investment has not added any value to the lives of the people of Zambia. We want investors ... who add value."

The China-Africa Cooperation Forum was established in 2000, but its highest-level sessions have been ministerial meetings. The summit that begins tomorrow will be the largest gathering of Chinese and African leaders in history.

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China's investment in Africa has exceeded $6 billion, according to Ministry of Commerce statistics. More than 800 nonfinancial investment projects have been set up in 49 African countries, covering trade, manufacturing and processing, resource development, communications, agriculture and other areas.

Government figures show that by the end of last year, China had invested in 27 major oil and natural-gas projects in 14 African countries, including Sudan, Algeria, Angola and Nigeria. It imported more than 38 million tons of crude oil from Africa in 2005, or about 30 percent of its total oil imports.

In the first six months of this year, Sino-African trade totaled $25.6 billion, up 41 percent from the same period last year.

U.S. officials said they will scrutinize the summit, but that China's interest in Africa is not necessarily a negative development. If conducted properly, respecting international standards and following transparent practices, Chinese investment could help Africa and the world economy as a whole, they said.

"We welcome not only Chinese, but any country's efforts to bring about economic development and positive change in Africa," said a senior State Department official in Washington. "We hope the Chinese will engage with African regimes and emphasize the importance of democracy and human rights."

Jendayi Frazer, assistant secretary of state for African affairs, urged China earlier this year to invest in sectors other than oil, which would "contribute to Africa's growth and development" rather than just helping China's economic growth.

Mauro De Lorenzo, resident fellow at the American Enterprise Institute in Washington, said China also has "increased military cooperation and arms sales" to Africa. He added that, because of the lack of transparency, "nobody knows if the Chinese are making money in Africa."

"The Chinese interest has no doubt raised Africa's status," he said. "For the first time, we are talking about Africa in terms of what it has to offer, not what it needs."

Mr. De Lorenzo noted that the Sept. 28 Zambian election marked the first time that China openly interfered in another country's affairs.

After Mr. Sata's anti-China comments, Beijing's ambassador to Zambia, Li Baodong, suggested that bilateral ties would suffer and Chinese investors might pull out if Mr. Sata won. He did not.

China's Great Haul: 15 Billionaires (USAT)

By Calum Macleod

USA Today, November 2, 2006

SHANGHAI — Forget Chairman Mao's workers' paradise. Communist China is taking a great leap toward huge private fortunes.

Forbes' annual list of the richest Chinese out today includes a record 15 billionaires, up from 10 last year and just three in 2004.

That's chump change in the USA, where all 400 on Forbes' list of richest Americans are billionaires. Still, a country that once persecuted disciples of free enterprise is now barreling down the capitalist road.

China's new billionaires have profited from enterprises ranging from selling TVs to recycling paper to building condos. “Chinese are born with entrepreneurialism in their genes,” says Russell Flannery, who compiled Forbes' list.

The combined worth of China's richest 40 jumped nearly 50% from last year to $38 billion. The minimum fortune to gain entry to the exclusive club: $514 million.

Topping the list is electrical appliance king Wong Kwong Yu, 37, whose worth is estimated at $2.3 billion. That's 4% of the value of the world's richest man, Microsoft co-founder Bill Gates.

China's recent surge in mega-wealth is “comparable to the U.S. at the end of the 19th century, when you had the Rockefellers and Carnegies,” says Rupert Hoogewerf, CEO of Hurun Report, a rival list of the rich.

The late Chinese leader Deng Xiaoping paved the way for today's billionaires in the 1980s, when he freed the economy from the straitjacket of central planning imposed by Mao Zedong, the revolutionary founder of the People's Republic of China.

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The percent of households with large fortunes in a country of 1.3 billion is still tiny. Los Angeles County has 263,000 millionaire households, about the same number as all of China, according to an April 2006 survey by the research firm TNS Financial Services.

The prospect of many more millionaires in coming years has lured representatives of companies that peddle high-end goods to Shanghai this week for China's Luxury Summit. They are talking about how to cash in on China's burgeoning wealth.

Tom Murry, president of New York-based Calvin Klein, says on his first visit to China in 1974 that he saw "dirt roads and everybody wearing the same clothes."

Today, Calvin Klein has 43 stores in China. In March, it plans to open its first Calvin Klein Collection luxury store in Beijing. China, Murry says, has undergone "a radical change, the biggest transformation in any country I've ever observed."

Bill Hutchinson, general manager of Simpson Marine, a yacht dealer based in Hong Kong, agrees. "The wealth and speed of growth in China is staggering," says Hutchinson, who predicts boat sales will soon rival those in the USA. "The lure of China's riches are profound for all the luxury goods purveyors. We're like chickens sitting on an egg. When it hatches, it's going to be a big chicken."

Chinese Activist's Verdict Overturned (WP)

By Maureen Fan

The Washington Post, November 2, 2006

BEIJING, Nov. 1 -- Rights activists and lawyers on Wednesday hailed an overturned verdict in the case of a blind legal activist as a victory over corrupt officials in China.

"This is a success of the central party committee practicing rule of law," said Li Jinsong, lawyer for Chen Guangcheng, a self-taught legal activist blinded by a childhood illness. "This is a success of the Chinese people fighting against corrupt officials and safeguarding the dignity of law."

Chen and his supporters have been beaten, jailed and placed under house arrest since embarrassing local officials by exposing forced abortions and sterilizations in eastern Shandong province last year.

At his trial, conducted by Judge Wang Jun in Yinan County People's Court, Chen was deprived of his own legal counsel. He was sentenced in August to more than four years in prison for disrupting traffic and damaging property. Supporters said the charges were trumped up and noted that Chen was under guard or house arrest at the time of the incident in question.

Chen appealed his sentence to the Linyi City Intermediate Court, which decided Monday to overturn the verdict and send the case back to Yinan People's Court to be retried. That trial could come in about six weeks, lawyers said.

Chen's wife, Yuan Weijing, said this week's decision "shows that there are some serious problems with the first trial" and said she believed authorities had been under great pressure to make concessions. Chen's case has garnered international attention. Diplomats have said the trial made a mockery of China's stated aim to improve the rule of law.

While Yuan said she was overjoyed by the developments, she also expressed caution about expectations for a second trial.

"It's really hard for me to predict the result of the retrial, because I'm still under house arrest," she said. "If I don't have freedom, villagers will still be under great pressure. If I don't have freedom, witnesses will not talk frankly in the court. If I don't have freedom, the case will not be judged justly."

Li, the lawyer, said he was optimistic.

"There is still hope for us," he said. "The current result shows that the first verdict was illegitimate, and the prosecution against Guangcheng has been effectively contaminated."

Bush Renews US Sanctions On Sudan (AFP-Y)

AFP, November 2, 2006

US President George W. Bush renewed US economic sanctions on Sudan for one year and left open the door to imposing new ones linked to the violence in Darfur, the White House said.

"I have determined that it is necessary to continue the national emergency and to maintain sanctions against Sudan," Bush said in a letter to the US Congress released by the White House.

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The US president cited actions and policies that "are hostile to US interests and pose a continuing unusual and extraordinary threat to the national security and foreign policy of the United States."

The United States has a wide range of economic sanctions in force against Sudan, from bans on trade and all oil and petrochemical transactions to prohibitions on selling defense-relate goods to Khartoum.

In addition, "the United States has designated individuals at the United Nations under targeted sanctions, in the form of an assets freeze and travel ban," said White House national security spokesman Gordon Johndroe.

Washington "is prepared to pursue the designation of additional individuals that continue to commit violence and impede the peace process in Darfur," he said.

Turkey's EU Bid Quietly Loses Steam (WSJ)

By Philip Shishkin

The Wall Street Journal, November 2, 2006

Cengiz Candar has backed Turkey's bid to join the European Union for two decades.

These days, however, Mr. Candar, a former adviser to the Turkish leader who drafted the country's 1987 EU application, is having doubts. "It's not a sentiment of love," Mr. Candar says of Turkey's stance toward the European bloc. "It's a marriage of convenience."

Mr. Candar's skepticism is one measure of how Turkey-EU relations have deteriorated to the point where a total collapse of the membership bid is possible.

Next week, the European Commission is scheduled to issue a report card on Turkey's first year of membership talks, launched nearly two decades after the original application. The report is expected to be so poor that commission President José Manuel Barroso has warned that the talks could come to a "traumatic stop" if Turkey doesn't meet more requirements soon. With public support for the Turkish bid sliding well below 50% both across Europe and inside Turkey, the talks have come close to being suspended, with recriminations on both sides.

Cengiz Aktar, one of Turkey's foremost EU commentators, describes the dynamic between the two sides as "the coalition of the unwilling."

Successive U.S. administrations have backed the idea of Turkey's membership as a way to bind this Muslim democracy of 70 million into the Western fold. It would help bridge the growing divide between the West and the Islamic world, and show that there's nothing inherently incompatible between a secularly governed Muslim country and the West. At a time when much of the Middle East has embraced either political Islam or secular dictatorship as a model of governance, Turkey stands almost alone with its open political system.

Turkey's rejection by the EU would be seen by many Muslims as further evidence that the West is hostile to Muslims and seeks to subdue them. The West's regional image is already tarnished by the U.S.-led war in Iraq, the Israeli bombing of Lebanon and Pope Benedict XVI's recent critical comments about Islam, which inflamed anger that is likely to resurface when the pope visits Turkey this month.

For Turkey, any breakdown of the talks could hurt its economy and slow down the process of domestic overhauls that have delivered more transparent governance and macroeconomic stability. It would also strengthen the hand of nationalist forces that have long believed that Turkey's alliances with the West aren't necessary.

"The most valuable part of the [EU] process is the realignment of [Turkish] institutions toward a liberal-democratic stance," says Serhan Cevik, a Turkish native who is a Turkey analyst at Morgan Stanley in London. "The EU also gives you the anchor effect, and that improves predictability, which is valuable for investors."

But European officials have warned that unless Turkey makes some steep concessions, negotiations could come to a halt when EU leaders meet in December. Diplomats say the odds favor a compromise that allows talks to continue. "If the European Commission were to freeze some negotiating chapters...it would be a joke. They're already frozen," says Volkan Bozkir, Turkey's ambassador to the EU, noting that after a year of talks, only one of the 35 chapters for negotiation has been opened. He blames obstructionist tactics by EU states opposed to Turkey's membership.

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The EU blames Turkey's failure to meet commitments it made when negotiations began. Olli Rehn, the EU's official in charge of extending membership to new countries, has expressed frustration at Turkey's slow progress since the start of negotiations in implementing the legislative and other changes that it needs to go forward. "We should be both fair and firm" with Turkey, said Mr. Rehn, who has also criticized the European opposition to Turkish membership, chiefly from Austria, Germany and France.

Many Turks accuse Europe of looking for ways to derail the talks by coming up with new and ever-more-difficult-to-meet demands. "Even if you catch a bird with your mouth, they will invent another trick" for the Turks to perform, Mr. Candar says, quoting an old Turkish adage.

By the time the EU decided to open formal accession talks in December 2004, Turkey had adopted overhauls so far-reaching that some local commentators called them "a silent revolution." Turkey extended greater rights to its restive Kurdish minority, limited the role of the military in the state affairs, and perhaps most symbolically, the Turkish government showed new flexibility on settling the decades-long impasse on the island of Cyprus, which is divided into the Greek South and the Turkish North. But progress on Cyprus quickly fizzled out, through no fault of Turkey, and remains the subject of a continuing deadlock with the EU.

While Turkish Cypriots voted for reunification in a 2004 referendum, Greek Cypriots rejected it, then went on to join the EU where they've become among the toughest critics of Turkey. The EU is now demanding that Turkey end an embargo on the ports and airports of the Greek Cyprus, but Turkey says it will only do that if the EU lifts its blockade of Turkish Cyprus. The deadlock continues. After 2004, when the EU decided to open talks, the Turkish government slowed down the pace of change. "The calculation was: We have achieved great success and should take credit for it," says Mr. Aktar, the EU commentator.

Turkey has also been unfortunate in the timing of its bid. After admitting 10 mainly Eastern European countries in 2004, and with Romania and Bulgaria to come in January, there is a sense of enlargement fatigue within the EU. Also across Europe, there are growing suspicions of how well Europe's own Muslim communities can integrate into European secular culture, adding further strain to Turkey's bid.

Since 2004, when the EU decided to open talks, Austria threatened to veto their launch so it could add conditions; France said it would hold a referendum before admitting Turkey; and most recently, the French parliament passed a law making it a crime to deny that Turks committed genocide against ethnic Armenians early last century -- a genocide Turkey denies. The bill further convinced many Turks that Europe is simply seeking to humiliate them instead of holding constructive talks.

US Seeks Return Of Democracy Organization To Bahrain (AFP)

AFP, November 2, 2006

A US official said she had urged Bahraini officials to allow a US-funded organization that promotes democracy in developing nations to resume activities in the Gulf monarchy.

"I discussed the return of NDI to Bahrain," undersecretary for public diplomacy and public affairs Karen Hughes told reporters in reference to the National Democratic Institute, whose Bahrain representative was asked to leave the country last May.

"We are disappointed that NDI left Bahrain ... NDI played a positive role in Bahrain as well in other countries like Kuwait and Yemen," she said.

Hughes, whose visit to Bahrain came in the runup to parliamentary and municipal elections on November 25, met with Crown Prince Sheikh Salman bin Hamad al-Khalifa.

The NDI's representative in Bahrain, a close US ally that hosts the US Navy's Fifth Fleet, said in May he had been asked by authorities to leave the country. The representative, Fawzy Gouled, said he was not given an explanation.

The NDI, loosely affiliated with the Democratic Party of the United States and funded in part by the US government, is a non-profit organization founded in 1983 to channel grants for promoting democratic institutions in the developing world.

Starting 2002, the Institute organized a series of democracy-building training courses in Bahrain, working with association leaders, municipal officials and parliamentarians.

Their activities have been sharply criticized by Islamist lawmakers, Shiite religious leaders and members of government, who accused the organization of interfering in Bahrain's internal affairs.

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The NDI maintains field offices in some 50 nations in Africa, Asia, Latin America and the Middle East, and is currently chaired by former US secretary of state Madeleine Albright.

Rivals For U.N. Council Seat Reach Deal To Back Panama (WP/AP)

Associated Press

The Washington Post, November 2, 2006

UNITED NATIONS, Nov. 1 -- Guatemala and Venezuela agreed Wednesday to withdraw from the race for a seat on the U.N. Security Council and support Panama as a consensus candidate, Ecuador's U.N. ambassador said.

With the backing of the two countries, Panama's election to a two-year term on the Security Council is virtually certain.

The announcement by Ambassador Diego Cordovez, who hosted two meetings Wednesday between the foreign ministers of Guatemala and Venezuela, ends a deadlock between the two countries that dragged on through 47 votes.

The voting has become highly political because the United States is supporting Guatemala over leftist Venezuela, whose fiercely anti-American president, Hugo ChÃ¡vez, referred last month to President Bush as "the devil" in a speech to the U.N. General Assembly.

With pressure mounting from Latin American countries to break the deadlock, Guatemalan Foreign Minister Gert Rosenthal and Venezuelan Foreign Minister Nicolas Maduro met Wednesday morning, and again for two hours in the late afternoon, to discuss withdrawing from the race and supporting a third candidate.

Asked why Panama had been selected, Rosenthal said: "It's a country that unites South America and Central America. We're concerned about the idea of divisions between the north and the south of Latin America. We would like to put that idea to rest by seeking a country that is well received at both extremes of our continent."

Latin Fight For U.N. Security Council Seat Ends (NYT)

By Simon Romero

The New York Times, November 2, 2006

CARACAS, Venezuela, Nov. 1 — Venezuela and Guatemala agreed Wednesday to withdraw from their race for a seat on the United Nations Security Council and to support Panama as a candidate. Their agreement ended a drawn-out contest that had shown the limits of the efforts by the Venezuelan president, Hugo Chávez, to find a prominent platform for his views.

Diego Cordovez, Ecuador's ambassador to the United Nations, announced in New York the choice of Panama as a consensus candidate to represent the region, after weeks of voting that began Oct. 16. The compromise came after 47 rounds of voting in the United Nations in which neither Guatemala nor Venezuela attained the two-thirds majority of the 192-member General Assembly needed for the seat.

"This is moment of isolation for Venezuela on the world stage," said Milos Alcalay, a former Venezuelan ambassador to the United Nations under Mr. Chávez, who resigned in 2004, saying the government was violating democratic principles. "The democratic left in Latin America was becoming alienated by Venezuela's militaristic language."

Venezuelan diplomats had positioned the race largely as a contest between Mr. Chávez's foreign policy and that of the Bush administration, describing efforts by the United States to support Guatemala's candidacy as "gross blackmail." The presidents of Bolivia and the Dominican Republic said they had been approached by Venezuelan officials as possible alternatives.

Still, officials here have been describing the episode as a victory illustrating the capacity of a developing country to stand up to the "empire," as the United States is frequently called in Venezuelan government circles. "Chávez will try to find a way to use this to his favor," said Elsa Cardozo, a political analyst at the Central University of Venezuela. "This is not a government looking to become more moderate."

Venezuela agreed with Syria and Iran on Wednesday to build a $1.5 billion oil refinery in Syria. Venezuela has been strengthening ties with the two Middle Eastern countries, in addition to other nations on the fringe of American influence like Belarus and Cuba, in an effort to counter the power of the United States.

While Venezuela's effort to win the seat for a nonpermanent member of the United Nations Security Council illustrated the limits of Mr. Chávez's international ambitions, it also showed how Venezuela had been able to cement regional alliances. While

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the balloting was secret, news reports have said that South American countries like Argentina, Brazil and Uruguay, which have increasingly important commercial ties with Venezuela, supported Mr. Chávez.

Most Caribbean countries also reportedly voted in favor of Venezuela, following intensive efforts by Mr. Chávez's government to extend its exports of oil on favorable terms to countries in the region.

A turning point against Venezuela's effort to win the seat seemed to come during a speech by Mr. Chávez at the United Nations in September, when he ridiculed Mr. Bush as the devil. That comment appeared to influence some of the diplomats who decided to vote for Guatemala. Still, Mr. Chávez's description of Mr. Bush played well with many people in Venezuela, where wariness over the tacit approval by the United States of the brief coup that ousted Mr. Chávez in 2002 has pervaded relations between the two countries.

Sometimes relations tilt toward the surreal. The National Assembly, which is controlled by Mr. Chávez's supporters, recently called on the Bush administration to explain why it had carried out the attack on the World Trade Center.

Panama In Line For UN Security Council Seat (FT)

By Mark Turner

Financial Times, November 2, 2006

Venezuela and Guatemala agreed to abandon their competing bids to win a two-year seat on the UN Security Council, settling on Panama as a compromise candidate.

The race, which reached 47 rounds, had pitched supporters of Hugo Chavez, the populist Venezuelan president, against allies of the US, in an angry battle of competing visions for the future of the United Nations.

Guatemala held a consistent lead throughout the contest, but it never attained the two-thirds majority necessary for victory. Venezuela had been expected to win greater support, but nonetheless claimed success in staving off the US-backed candidate's ambitions.

Diego Cordovez, Ecuador's UN ambassador, yesterday said both countries had "agreed that Panama will be the country that will replace them as a candidate for the Security Council", paving the way for a quick resolution to the deadlock.

The 35-member Latin American and Caribbean group must still approve the choice, followed by a vote in the General Assembly, but the agreement is unlikely to face major opposition.

Venezuela had earlier backed Bolivia as the country to replace its bid, but that choice was equally unpalatable to the US. The choice of Panama, which is seen as closer to the US camp, came as something of a surprise, with many analysts expecting Dominican Republic instead.

Venezuela last week indicated it was ready to withdraw, but Guatemala had resisted a deal. Gert Rosenthal, its foreign minister, yesterday said his government had withdrawn reluctantly, even though it won 46 of the 47 rounds of voting.

Panama, assuming its candidacy is accepted, will join four other new members – South Africa, Indonesia, Italy and Belgium – on next year's council. Peru, the Republic of Congo, Ghana, Qatar and Slovakia will remain another year.

The five permanent members of the council are the US, UK, France, Britain and Russia. Some diplomats feared a Venezuelan victory would have significantly increased the difficulty of pushing through controversial resolutions in the council, such as current proposals for sanctions on Iran – leading to endless speeches.

But the presence of South Africa and Indonesia is still likely to make discussions more difficult next year, and the US and Europe are hoping to resolve the Iran issue before the changeover.

Venezuela To Sell D.C. Oil At Discount (WT)

By Nicholas Kralev

The Washington Times, November 2, 2006

Venezuela will provide heavily discounted heating oil to about 37,000 low-income families in Maryland, Virginia and the District this winter, Caracas' envoy to the United States said yesterday.

The local jurisdictions are beneficiaries of a greatly expanded program that this winter will assist more than 400,000 families in 16 U.S. states and the District, up from eight states and 180,000 families last year, said Ambassador Bernardo Alvarez Herrera.

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Oil provided under the expanded program, first mentioned by President Hugo Chavez during a fiery speech to the United Nations in September, will be distributed through local governments, community centers and churches, and will be offered at 40 percent below the market price.

"This will give people a chance to have additional supply of heating oil," Mr. Alvarez told editors and reporters during a luncheon at The Washington Times. "We are not making as much money as we could be, but extraordinary times require extraordinary measures."

This will be the first time that Washington-area families benefit from the program, which is still being negotiated by Citgo, the oil company controlled by the Venezuelan government, and the Citizens Energy Corp., a non-profit group founded by Joseph P. Kennedy II, said an aide to Mr. Alvarez.

Citizens Energy officials could not be reached for comment late yesterday. Mr. Kennedy is a former congressman from Massachusetts and the son of Robert F. Kennedy.

The heating-oil program, which started last year, again includes jurisdictions in Delaware, Pennsylvania, New York, Connecticut, Rhode Island, Massachusetts, Maine and Vermont. Other newcomers this year are Alaska, New Jersey, Michigan, Minnesota, Indiana and Wisconsin, Mr. Alvarez said.

Several communities that had been considering the Venezuelan offer rejected it after Mr. Chavez described President Bush as "the devil" in his speech to the U.N. General Assembly.

In Alaska, many Eskimo and Indian villages say they have no choice but to accept the oil, but others would rather suffer.

"As a citizen of this country, you can have your own opinion of our president and our country. But I don't want a foreigner coming in here and bashing us," Justine Gunderson, administrator for the tribal council in the Aleut village of Nelson Lagoon, told the Associated Press last month. "Even though we are in economically dire straits, it was the right choice to make."

Nelson Lagoon residents pay more than $5 for a gallon of oil -- or at least $300 a month per household -- to heat their homes along the wind-swept coast of the Bering Sea, where temperatures can dip to minus 15 degrees.

Asked why Mr. Chavez's government is worried about poor Americans while poverty in his own country remains a problem, the ambassador said the profit Venezuela is forfeiting from its discounted sales in the United States is not enough to make a difference for Venezuela's needy.

"The problem with poverty in our country is not money, it's management," he said.

The United States and Venezuela have had a tenuous relationship since Mr. Chavez came to power in 1999. Mr. Chavez has partnered with other U.S. adversaries, such as Cuba and Iran, to challenge the dominant role of the United States in world affairs.

Nevertheless, Venezuela wants American businesses to continue investing in the South American country, and Mr. Alvarez repeatedly urged the United States yesterday to import more oil from relatively nearby Venezuela, rather than the distant Middle East.

He said, however, that Caracas had decided to purchase future commercial aircraft from Airbus, the European company, instead of Boeing, for fear that U.S. sanctions would bar Venezuela from buying spare parts from the United States.

On another recent dispute that threatened to decrease the number of flights U.S. airlines are allowed to operate to Venezuela, the ambassador said his government will preserve the status quo, having won more flight licenses for Venezuelan carriers to the United States.

Mr. Alvarez, a 50-year-old political scientist, has been ambassador to Washington since 2003. He has held various positions in the Venezuelan government, rising to a vice minister of energy and mines.

'Yes, You Will Be Thoroughly Beaten' (WSJ)

By Arnold Tsunga

The Wall Street Journal, November 2, 2006

A tsunami has rolled through Zimbabwe, different from the tidal waves that hit Asia in 2004. Ours came last year, in the form of bulldozers and soldiers. Vibrant towns were reduced to flat and desolate grounds. More than 700,000 people lost their homes and livelihood. Why?

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President Robert Mugabe thought that the poor people who lived in these urban areas represented a political threat. He feared that the citizens might mobilize against him. So he launched a pre-emptive strike against those already suffering under his policies. He called it "Operation Murambatsvina," literally "Operation Clear the Filth" -- the "filth" being hundreds of thousands of Zimbabwean men, women and children who were internally displaced, many of whom continue to live without access to humanitarian assistance today.

Zimbabwe was once a success story in Africa, but over his long rule Mr. Mugabe has dragged us all down. Under the pretext of pan-Africanism, he has created a system of terror for the majority and patronage for the elite few. Our inflation is estimated to be the highest rate in the world. According to the WHO, Zimbabweans have the shortest life expectancy world-wide -- the average life span has halved to only 35 years old today from 69 in 2000.

In the past six years, the government of Zimbabwe has increasingly turned to repressive and often violent means to suppress criticism from the opposition and civil society. Opposition political parties have been stifled. Police and other state-sponsored agents routinely intimidate, attack and torture government critics, including members of civil-society organizations, human-rights lawyers, journalists and trade unionists. At the same time, the police use repressive laws to silence critical voices in the remnants of civil society. Americans may take for granted the essential freedoms of speech and assembly. But in Zimbabwe, printing presses have been bombed and newspapers have been closed for criticizing Mr. Mugabe.

In reaction to recent waves of protests against deteriorating social and economic conditions, the Zimbabwean government this autumn intensified its campaign to suppress those of us who are peacefully dissenting. On Sept. 25, the government violently ended a peaceful march by some 500 activists from the National Constitutional Assembly in Harare. Riot police armed with batons blocked the march, ordered the activists to sit down, and proceeded to beat them one at a time with batons. During the beatings, people panicked, leading to a stampede that injured several dozen.

Mr. Mugabe has thrown himself into this campaign to stifle critics. Responding to the arrest and torture of 15 trade-union activists in September, he said "some are crying that they were beaten. Yes, you will be thoroughly beaten."

Today, Zimbabwe's man-made human-rights catastrophe is bleeding across the region, as Zimbabweans continue to stream into South Africa to escape the deteriorating political and economic conditions at home. An estimated 1.2 to 3 million Zimbabweans refugees now live in South Africa, and the stability of the Southern African region is increasingly at stake.

The effort to fight HIV/AIDS has also suffered serious setbacks. According to a report by Human Rights Watch, Mr. Mugabe's forced evictions have disrupted access to treatment and health care for thousands of Zimbabweans living with HIV. Today, more than a year after the evictions, many still live in appalling conditions, without shelter or in overcrowded houses. As a result they are left not only more prone to opportunistic infections such as pneumonia and tuberculosis, but also exposed to a more resistant strain of HIV with potentially catastrophic consequences for the whole region.

After working for many years as a commercial lawyer in Mutare, I was abducted, tortured and threatened for simply defending individuals who stood in the way of Mr. Mugabe. My co-workers and I have been arrested and dragged to the courts for trying to document and create an official record of government abuses. Some people ask me why I bother using the legal system when the deck is so stacked against us. I answer that there is still a semblance of a court system and some brave judges who will uphold the law. But they are operating in straitjackets and desperately need support to continue doing the right thing.

We in Zimbabwe will continue our long fight to restore civil society, the rule of law and basic human rights. But we need the support of the international community.

Human-rights defenders in Zimbabwe face enormous risks as they fight for reparations and resettlement of the hundreds of thousands made homeless by Mr. Mugabe's evictions. The U.S. can support these activists through the provision of technical assistance and other forms of targeted support. Greater humanitarian assistance is also required for the victims of the evictions who today remain in desperate need of housing, food and other forms of assistance.

The crisis in Zimbabwe does not just affect Zimbabwe. It destabilizes the entire region. It also tests the interests of Western society. For example, in the absence of concerted U.S. assistance and support, Beijing has seen a strategic opportunity to fill a vacuum: China is moving in to fill the gap in Zimbabwe and other developing countries -- without any concern for human rights or democracy.

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Zimbabwe Lawyers for Human Rights stands for a Zimbabwe that adheres to constitutionalism, the independence of the judiciary and respect for basic human rights. Just as Mr. Mugabe has used law with tsunami-like force for his own political ends, our vision is to use it to rebuild a just, stable and democratic society that adheres to the rule of law.

Mr. Tsunga is the executive director of Zimbabwe Lawyers for Human Rights. He will be awarded Human Rights Watch's top honor at the organization's Voices for Justice dinner tonight in New York City.

Punished For Being Female (NYT)

By Bob Herbert

The New York Times, November 2, 2006

Bride burnings, honor killings, female infanticide, sex trafficking, mass rape as a weapon of war and many other hideous forms of violence against women are documented in a report released last month by the United Nations.

The report, a compilation of many studies from around the world, should have been seen as the latest dispatch from that permanent world war — the war against women all over the planet. Instead, the news media greeted its shocking contents with a collective yawn.

The war analogy is not an overstatement. In many parts of the world, men beat, torture, rape and kill women with impunity. In Ciudad Juárez, a Mexican city on the Texas border, 300 to 400 women have been murdered over the past several years. Many were raped and mutilated. The widespread belief that punishment for these crimes was unlikely was a "key factor" in their occurrence, the report said.

Each year thousands of wives in India are murdered and maimed — many of them doused with kerosene and set ablaze — by husbands dissatisfied by the size of their dowries or angry about their wives' behavior. In Ethiopia, the abduction and rape of young girls is a commonplace way to obtain a bride. In many instances the parents agree to the marriage, believing that the raped child is no longer fit to marry anyone else.

In Pakistan, a woman cannot legally prove that she was raped unless four "virtuous" Muslim men testify that they witnessed the attack. Without those four witnesses, the woman herself is vulnerable to prosecution for fornication or adultery.

While it's undoubtedly true that men maim and kill other men in astonishing numbers, what I'm talking about here is the way that women, by the millions, are systematically targeted for attack because they are women.

In some cases the sexual violence comes in vast, sickening waves. Just think, for example, of Darfur, Congo, Sudan and the former Yugoslavia. As the report noted, "The incidence of violence against women in armed conflict, particularly sexual violence, including rape, has been increasingly acknowledged and documented."

More than 130 million girls and women are living with the consequences of genital mutilation, and many others have died from this barbaric practice. Jessica Neuwirth, the president of Equality Now, an international women's rights organization, said, "Everyone who's been cut knows someone who died from the cutting. They die from bleeding, or later from infection, or sometime later in life they have enormous health problems."

The litany of serious abuses against women and girls can seem endless: child marriages, forced marriages, kidnapping and forced prostitution, sex slavery. According to the U.N. report, "A study in India estimated that prenatal sex selection and infanticide have accounted for half a million missing girls per year for the past two decades."

The most common form of serious abuse against women and girls around the globe is violence by intimate partners. Huge percentages of female murder victims, even in such developed countries as Australia, Canada, Israel and the United States, are killed by current or former husbands or boyfriends.

A study of young, female murder victims in the U.S. found that homicide was the second leading cause of death for girls 15 to 18, and that 78 percent of all the homicide victims in the study had been killed by an acquaintance or intimate partner.

The U.N. report tells us what we should already have concluded: that this pervasive violence against women, "whether perpetrated by the state and its agents, or by family members or strangers, in the public or private sphere, in peacetime or in times of conflict," is unacceptable.

Not only are we not doing enough to counter this wholesale destruction of the lives of so many women and girls, we're not even paying close attention. There are women's movements in even the smallest countries fighting against the violence and

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other forms of abuse. But they are underfunded and get very little support from those in a position to help. (Even in Afghanistan under the Taliban there were women who ran underground schools, and girls who risked their lives to go to them.)

There was a time when activists cried out for our consciousness to be raised. It's not too late. We can start by recognizing that the systematic subordination and brutalization of women and girls around the world is, in fact, occurring — and that we need to do something about it.

Why Meddle In Nicaragua? (WP)

By Michael Shifter

The Washington Post, November 2, 2006

As Latin America's busy election cycle winds down, the Bush administration deserves a lot of credit. In election after election it has shown admirable restraint and has wisely avoided taking sides. Nicaragua, however, has been the exception. U.S. conduct in advance of Sunday's election has been anything but restrained. The Bush administration has blotted its otherwise exemplary record in a small and impoverished Central American country -- probably the one in which there is the least at stake for U.S. interests.

Washington has been in a dither about the prospect of former Sandinista president Daniel Ortega returning to power after 16 years. To be sure, an Ortega win would not be cause for celebration. He has essentially become a corrupt and cynical party boss, intent on amassing and maintaining power. His pact in 2000 with former president Arnoldo Aleman, who was later convicted of embezzlement, tightened his grip on key electoral and judicial institutions. Ortega has forged alliances with a number of former enemies, including contras -- members of the U.S.-supported rebel army that sought to topple the Soviet-backed Sandinistas in the 1980s. The chances that an Ortega presidency would usher in the kind of fundamental economic and social reforms that Nicaragua desperately needs are next to nil.

Yet Ortega's possible comeback would not have far-reaching repercussions in Latin America and surely would constitute no threat to the United States. Intervention in Nicaragua's internal affairs is unwarranted. Nevertheless, an alarmed Bush administration seems to be suffering from a Cold War flashback. U.S. officials have threatened dire consequences for Nicaragua should Ortega be elected. Both Commerce Secretary Carlos Gutierrez and the American ambassador in Managua, Paul Trivelli, have said that an Ortega presidency would scare off foreign investors and jeopardize Nicaragua's participation in the Central American Free Trade Agreement (CAFTA) with the United States. Nicaraguans have been given notice that U.S. aid would be cut under an Ortega administration. Most egregious, Reps. Dana Rohrabacher, Ed Royce and Pete Hoekstra sent letters to Secretary of State Condoleezza Rice and Homeland Security Secretary Michael Chertoff requesting that they block remittances sent by Nicaraguans living in the United States back to their families -- an important part of the Nicaraguan economy -- in the event of an Ortega win.

These tactics are clearly intended to prevent Ortega -- who, polls suggest, is hovering around the 35 percent he would need to win outright -- from returning to the presidency. The Bush administration has also tried without success to persuade a divided opposition to unite behind the candidacy of conservative Eduardo Montealegre, who recent polls show would be Ortega's strongest challenger.

Adding to the spectacle, Oliver North, who helped raise funds for the contras in the 1980s by selling arms to Iran, went to Nicaragua last week to throw his weight behind another candidate, Jose Rizo, who is aligned with Aleman.

U.S. interference in the Nicaraguan election -- criticized by the Organization of American States monitoring group -- has been motivated in part by a sense that under a Sandinista government Venezuela's Hugo ChÃ¡vez, an ally of Ortega and adversary of President Bush, would be able to cause further mischief and gain a foothold in Central America. But such fears are exaggerated. ChÃ¡vez's capacity to carry out his agenda has been limited. In fact, ChÃ¡vez's support for anti-U.S. candidates in various elections this year -- including those in Peru and Ecuador -- has largely backfired. At a minimum, any possible criticism of ChÃ¡vez for interfering in Nicaragua by giving oil and fertilizer to Sandinista-controlled municipalities is neutralized by Washington's own questionable role.

Before Nicaragua, the Bush administration could claim the moral high ground in dealing with Latin American elections this year. Even in the tight Mexican election -- where there is clearly more at stake than in Nicaragua -- U.S. officials were highly

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professional, winning praise even from advisers in the campaign of leftist AndrÃ©s Manuel LÃ³pez Obrador. In Peru, where a stridently anti-U.S. and pro-ChÃ¡vez candidate had a real chance of winning the presidency, the United States was properly discreet.

But it seems it couldn't resist the temptation to meddle in an election to thwart an old Cold War foe. Too bad. There was reason to believe Washington had finally learned its lesson.

The writer is vice president for policy at the Inter-American Dialogue and teaches Latin American politics at Georgetown University.

Ortega's Strange Allies (WSJ)

The Wall Street Journal, November 2, 2006

Hard to believe, but the candidate with the best shot of coming to power in Nicaragua's election on Sunday is none other than Daniel Ortega, the former Sandinista dictator. A change of heart by the people of Nicaragua? Not at all. Most Nicaraguans dread his return, after his decade of rule after 1979 destroyed the economy and drove inflation over 1,000% annually.

Up to now, Nicaraguans have never entertained the thought of Mr. Ortega returning to power. When the Sandinistas agreed to an election in 1990, they expected him to win hands down. But Mr. Ortega got only 41% of the vote to Violeta Chamorro's 55%. In the 16 years since, the Sandinistas have used their seats in congress to thwart and weaken Nicaragua's hard-won democracy. Persistent, if nothing else, the Sandinistas manufactured a political opening for the party in the late 1990s when a corrupt president needed a ruthless party to bail him out.

The president was Arnoldo Aleman (1997-2002), whose right-of-center Constitutional Liberal Party (PLC) was once the symbol of Contra resistance against Sandinista repression. But in 2003 Mr. Aleman was sentenced to 20 years in prison after being convicted of money laundering and fraud. In an attempt to minimize his legal troubles while still president, Mr. Aleman carved up Nicaraguan politics with Mr. Ortega in what is now infamously known as "the pact" or El Pacto.

Under this incredible deal, Mr. Aleman and the Sandinistas divided the seats on the electoral council, the Supreme Court and the government's fiscal oversight agency. And one more thing: Mr. Ortega got the PLC to agree to lower the threshold needed to win the presidency in the first voting round to 35%, provided the winner has a five percentage point spread over the next finisher. Mr. Aleman's past problems have made it difficult for the two anti-Sandinista parties to unite, so the old commandante's presidential dream is in reach.

Ironically, Mr. Ortega may be even less popular than he was when he lost to Mrs. Chamorro; he's polling just below the 35% he would need to avoid a second round, where he almost certainly would lose. But if he tops 35%, he'll need to ensure that Eduardo Montealegre, who has been making a credible run at Mr. Ortega, finishes well behind.

Mr. Montealegre broke with the PLC over its corrupt practices and now leads the Liberal Nicaraguan Alliance (ALN). He has had few resources in the campaign and no political machine, but he has held his own against Mr. Ortega. Yesterday the former Prime Minister of Spain, José Maria Aznar, released a letter supporting Mr. Montealegre.

Why, you may wonder, hasn't the anti-Sandinista opposition joined behind Mr. Montealegre? The reason is that the PLC's Mr. Aleman, now living under house arrest, still needs Danny Ortega. Mr. Aleman remains party boss of the PLC, and he knows that his only hope to get out from under his long sentence is a President Ortega.

The PLC has its own candidate, José Rizo, and it has tried to drain votes from Mr. Montealegre by telling anti-Sandinista voters -- who tend to be pro-American -- that Mr. Rizo is backed by the U.S. and even by Oliver North, who is still widely regarded as a hero among anti-Sandinistas.

In early October Mr. North wrote a column arguing that the PLC is the only party that can beat Mr. Ortega. Last week he traveled to Managua and was photographed with Mr. Rizo. Mr. Montealegre dropped in a recent CID-Gallup poll, though without much gain for Mr. Rizo. Many voters remain undecided, seemingly confused over who has the better chance to defeat Mr. Ortega.

Florida Governor Jeb Bush has also had to dispel rumors that he would come to Nicaragua on behalf of the PLC and Mr. Rizo. Governor Bush told the Miami Herald on Friday: "The particular thing I wanted to make sure people understood is that I'm not supporting a candidate whose campaign says I was going to attend the last week of rallies for him. I wasn't, and I'm not."

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If confusion still remains come election day, Messrs. Ortega and Aleman may be the beneficiaries. Nicaraguans will be the losers.

Stern Review (WSJ)

By Bjorn Lomborg

The Wall Street Journal, November 2, 2006

The report on climate change by Nicholas Stern and the U.K. government has sparked publicity and scary headlines around the world. Much attention has been devoted to Mr. Stern's core argument that the price of inaction would be extraordinary and the cost of action modest.

Unfortunately, this claim falls apart when one actually reads the 700-page tome. Despite using many good references, the Stern Review on the Economics of Climate Change is selective and its conclusion flawed. Its fear-mongering arguments have been sensationalized, which is ultimately only likely to make the world worse off. * * *

The review correctly points out that climate change is a real problem, and that it is caused by human greenhouse-gas emissions. Little else is right, however, and the report seems hastily put-together, with many sloppy errors. As an example, the cost of hurricanes in the U.S. is said to be both 0.13% of U.S. GDP and 10 times that figure.

The review is also one-sided, focusing almost exclusively on carbon-emission cuts as the solution to the problem of climate change. Mr. Stern sees increasing hurricane damage in the U.S. as a powerful argument for carbon controls. However, hurricane damage is increasing predominantly because there are more people with more goods to be damaged, settling in ever more risky habitats. Even if global warming does significantly increase the power of hurricanes, it is estimated that 95% to 98% of the increased damage will be due to demographics. The review acknowledges that simple initiatives like bracing and securing roof trusses and walls can cheaply reduce damage by more than 80%; yet its policy recommendations on expensive carbon reductions promise to cut the damages by 1% to 2% at best. That is a bad deal.

Mr. Stern is also selective, often seeming to cherry-pick statistics to fit an argument. This is demonstrated most clearly in the review's examination of the social damage costs of CO2 -- essentially the environmental cost of emitting each extra ton of CO2. The most well-recognized climate economist in the world is probably Yale University's William Nordhaus, whose "approach is perhaps closest in spirit to ours," according to the Stern review. Mr. Nordhaus finds that the social cost of CO2 is $2.50 per ton. Mr. Stern, however, uses a figure of $85 per ton. Picking a rate even higher than the official U.K. estimates -- that have themselves been criticized for being over the top -- speaks volumes.

Mr. Stern tells us that the cost of U.K. flooding will quadruple to 0.4% from 0.1% of GDP due to climate change. However, we are not told that these alarming figures only hold true if one assumes that the U.K. will take no additional measures -- essentially doing absolutely nothing and allowing itself to get flooded, perhaps time and again. In contrast, the U.K. government's own assumptions take into account a modest increase in flood prevention, finding that the cost will actually decline sharply to 0.04% of U.K. GDP, in spite of climate change. Why does Mr. Stern not share that information?

But nowhere is the imbalance clearer than in Mr. Stern's central argument about the costs and benefits of action on climate change. The review tells us that we should make significant cuts in carbon emissions to stabilize the concentration of atmospheric carbon dioxide at 550 ppm (parts per million). Yet such a stark recommendation is not matched by an explicit explanation of what this would mean in terms of temperature.

The U.N. Climate Panel estimates that stabilizing at 550 ppm would mean an increase in temperature of about 2.3 degrees Celsius in the year 2100. This might be several degrees below what would otherwise happen, but it might also be higher. Mr. Nordhaus estimates that the stabilization policy would reduce the rise in temperature from 2.53 degrees Celsius to just 2.42 degrees Celsius. One can understand the reluctance of the Stern review to advertise such a puny effect.

Most economists were surprised by Mr. Stern's large economic estimates of damage from global warming. Mr. Nordhaus's model, for example, anticipates 3% will be wiped off global GDP if nothing is done over the coming century, taking into account the risk for catastrophes. The Stern review purports to show that the cost is "larger than many earlier studies suggested."

On the face of it, Mr. Stern actually accepts Mr. Nordhaus's figure: Even including risks of catastrophe and non-market costs, he agrees that an increase of four degrees Celsius will cost about 3% of GDP. But he assumes that we will continue to

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pump out carbon far into the 22nd century -- a rather unlikely scenario given the falling cost of alternative fuels, and especially if some of his predictions become clear to us toward the end of this century. Thus he estimates that the higher temperatures of eight degrees Celsius in the 2180s will be very damaging, costing 11% to 14% of GDP.

The Stern review then analyzes what the cost would be if everyone in the present and the future paid equally. Suddenly the cost estimate is not 0% now and 3% in 2100 -- but 11% of GDP right now and forever. If this seems like a trick, it is certainly underscored by the fact that the Stern review picks an extremely low discount rate, which makes the cost look much more ominous now.

But even 11% is not the last word. Mr. Stern suggests that there is a risk that the cost of global warming will be higher than the top end of the U.N. climate panel's estimates, inventing, in effect, a "worst-case scenario" even worse than any others on the table. Therefore, the estimated damage to GDP jumps to 15% from 11%. Moreover, Mr. Stern admonishes that poor people count for less in the economic calculus, so he then inflates 15% to 20%.

This figure, 20%, was the number that rocketed around the world, although it is simply a much-massaged reworking of the standard 3% GDP cost in 2100 -- a figure accepted among most economists to be a reasonable estimate.

Likewise, Mr. Stern readjusts the cost of dealing with climate change. The U.N. found that the cost of 550 ppm stabilization would be somewhere around 0.2% to 3.2% of GDP today; he reports that costs could lie between -4% and 15% of GDP. The -4% is based on the suggestion that cutting carbon emissions could make us richer because revenue recycling could address inefficiencies in taxation -- but the alleged inefficiencies, if correct, should be addressed no matter what the policies about climate change. The reason Mr. Stern nevertheless finds a very low cost estimate is because he only considers models with so-called Induced Technological Change. These models are known to reduce costs by about two percentage points because carbon cuts lead to an increase in research and development, which again makes further cuts cheaper. Thus Mr. Stern concludes that the costs are on average 1% of GDP, and in the summary actually claims that this is a maximum cost. * * *

The Stern review's cornerstone argument for immediate and strong action now is based on the suggestion that doing nothing about climate change costs 20% of GDP now, and doing something only costs 1%. However, this argument hinges on three very problematic assumptions.

First, it assumes that if we act, we will not still have to pay. But this is not so -- Mr. Stern actually tells us that his solution is "already associated with significant risks." Second, it requires the cost of action to be as cheap as he tells us -- and on this front his numbers are at best overly optimistic. Third, and most importantly, it requires the cost of doing nothing to be a realistic assumption: But the 20% of GDP figure is inflated by an unrealistically pessimistic vision of the 22nd century, and by an extreme and unrealistically low discount rate. According to the background numbers in Mr. Stern's own report, climate change will cost us 0% now and 3% of GDP in 2100, a much more informative number than the 20% now and forever.

In other words: Given reasonable inputs, most cost-benefit models show that dramatic and early carbon reductions cost more than the good they do. Mr. Stern's attempt to challenge that understanding is based on a chain of unlikely assumptions.

Moreover, there is a fourth major problem in Mr. Stern's argument that has received very little attention. It seems naïve to believe that the world's 192 nations can flawlessly implement Mr. Stern's multitrillion-dollar, century-long policy proposal. Will nobody try to avoid its obligations? Why would China and India even participate? And even if China got on board, would it be able to implement the policies? In 2002, China decided to cut sulfur dioxide (SO2) emissions by 10% -- they are now 27% higher despite SO2 being nationally a much bigger health and environmental problem than climate change. * * *

Why does all this matter? It matters because, with clever marketing and sensationalist headlines, the Stern review is about to edge its way into our collective consciousness. The suggestion that flooding will overwhelm us has already been picked up by commentators, yet going back to the background reports properly shows declining costs from flooding and fewer people at risk. The media is now quoting Mr. Stern's suggestion that climate change will wreak financial devastation that will wipe 20% off GDP, explicitly evoking memories of past financial catastrophes such as the Great Depression or World War II; yet the review clearly tells us that costs will be 0% now and just 3% in 2100.

It matters because Gordon Brown, Tony Blair and Nicholas Stern all profess that one of the major reasons that they want to do something about climate change is because it will hit the world's poor the hardest. Using a worse-than-worst-case scenario,

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Mr. Stern warns that the wealth of South Asia and Sub-Saharan Africa will be reduced by 10% to 13% in 2100 and suggests that effect would lead to 145 million more poor people.

Faced with such alarmist suggestions, spending just 1% of GDP or $450 billion each year to cut carbon emissions seems on the surface like a sound investment. In fact, it is one of the least attractive options. Spending just a fraction of this figure -- $75 billion -- the U.N. estimates that we could solve all the world's major basic problems. We could give everyone clean drinking water, sanitation, basic health care and education right now. Is that not better?

We know from economic models that dealing just with malaria could provide economic boosts to the order of 1% extra GDP growth per capita per year. Even making a very conservative estimate that solving all the major basic issues would induce just 2% extra growth, 100 years from now each individual in the developing world would be more than 700% richer. That truly trivializes Mr. Stern's 10% to 13% estimates for South Asia and Sub-Saharan Africa.

Last weekend in New York, I asked 24 U.N. ambassadors -- from nations including China, India and the U.S. -- to prioritize the best solutions for the world's greatest challenges, in a project known as Copenhagen Consensus. They looked at what spending money to combat climate change and other major problems could achieve. They found that the world should prioritize the need for better health, nutrition, water, sanitation and education, long before we turn our attention to the costly mitigation of global warning.

We all want a better world. But we must not let ourselves be swept up in making a bad investment, simply because we have been scared by sensationalist headlines.

Mr. Lomborg, author of "The Skeptical Environmentalist" (Cambridge, 2001), teaches at the Copenhagen Business School and is director of the Copenhagen Consensus Center.

Climate Non-Conformity (WSJ)

The Wall Street Journal, November 2, 2006

Two scientific events of note occurred this week, but only one got any media coverage. Therein lies a story about modern politics and scientific priorities.

The report that received the headlines was Monday's 700-page jeremiad out of London on fighting climate change. Commissioned by the British government and overseen by former World Bank chief economist Nicholas Stern, the report made the intentionally shocking prediction that global warming could eliminate from 5% to 20% of world economic output "forever." Meanwhile, doing the supposedly virtuous thing and trying to forestall this catastrophe would cost merely an estimated 1% of world GDP. Thus we must act urgently and with new taxes and policies that go well beyond anything in the failed Kyoto Protocol.

The other event was a meeting at the United Nations organized by economist Bjørn Lomborg's Copenhagen Consensus Center. Ambassadors from 24 countries -- including Australia, China, India and the U.S. -- mulled which problems to address if the world suddenly found an extra $50 billion lying around. Mr. Lomborg's point is that, in a world with scarce resources, you need priorities. The consensus was that communicable diseases, sanitation and water, malnutrition and hunger, and education were all higher priorities than climate change.

We invited Mr. Lomborg to address the Stern report, and he takes apart its analysis brick-by-brick in the columns nearby. To our reading, there isn't much left of this politicized edifice. But we'd stress a couple of points ourselves.

The first is that the Stern review almost surely understates the real costs of combating climate change. The International Energy Agency has estimated that the world must spend $16 trillion on infrastructure from 2001 to 2030 just to meet growing energy demand. That by itself would be 1% of GDP over that period. And that doesn't include the cost of moving to carbon-free power from fossil fuels, or the financial "incentives" -- i.e., global subsidies from Western taxpayers -- that China and India would need if the Stern report's policies were to have any chance of being implemented. The Stern review also calls for substantially increasing taxes, which we know from experience would also reduce global GDP and thus leave fewer resources to fight the consequences of any warming.

The second point is that the Stern report barely mentions the potential benefits from warming in the world's cold-weather regions. Al Gore and others warn about the damage from coastal flooding and changing weather patterns, among other horror scenarios. But the world is large and its climate diverse, and a longer growing season in Siberia or Canada is at least one

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possible benefit of warming. The Stern report also dismisses any chance of moderate warming (meaning temperatures in 2100 only two to three degrees Celsius higher than in 1900), even though many climate models say this is in fact the most likely outcome.

Unlike the Stern report and its patrons, those of us who take a skeptical approach to these doomsday climate scenarios aren't trying to end the discussion. The Earth is warmer now than it was in the recent past, and this may be partly attributable to human behavior. But everything else -- from how much warmer, to the extent of mankind's contribution, to the cost of doing something about it -- remains very much in dispute.

Some of the Stern review's recommendations, such as carbon trading rights, are also worth debating. But most of its proposals are merely openings for government to expand its role in allocating investment, raising taxes and otherwise controlling economic decisions. Socialism was supposed to have died with the Soviet Union, but it is making a comeback under the guise of coping with global warming.

Meanwhile, there are far more urgent, and far less speculative, problems that we know how to solve with the right policies. That message may not get scary headlines, but it would improve the lives of more human beings around the world.

Climate Threat Heats Up (LAT)

The Los Angeles Times, November 2, 2006

OVER THE LAST two years, the findings of studies on global warming have grown increasingly dire. The glaciers are melting, the polar bears are endangered. Climate change is linked to the catastrophic western wildfires, and warming oceans have been tied to Katrina-like hurricanes.

On Monday, the British government tried to translate it all into dollars and cents. A 700-page report written by former World Bank economist Nicholas Stern argued that global warming will eventually cost nations from 5% to 20% of their gross domestic product if strong action is not taken now. Flooding, crop failures, shortages of drinking water and higher rates of some diseases would bring about a depression equal to the worst the world has ever known, the report projects, while population migrations from the most affected nations would create global chaos.

The Stern report attempts to weave climate science with economics, but in truth it is at best guesstimating, down to its dubiously tidy bottom line, that if nations invested 1% of their GDP right now into reducing greenhouse gas emissions they could avoid much or all of this catastrophe. There's no doubt that human activity contributes heavily to climate change, but at this point we still don't know how much of the blame we deserve or the extent of the possible damage, let alone what the best spending formula is to prevent it.

Though the numbers are debatable, the essential message cannot be ignored: There will be irreversible long-term damage if emissions are not significantly reduced. The report repudiates President Bush's line that regulating greenhouse gases would endanger jobs. Under Stern's scenario, there would be a great loss of jobs if nothing is done.

Britain has championed the struggle against global warming, and Bush's intransigence is isolating him from the emerging global consensus. No wonder this nation's emissions are up almost 16% since 1990 and climbing every year, while Britain has reduced emissions during that time by 14% and Germany by 17%.

The U.S. is not only failing to be a leader on curbing one of the world's most serious threats, it's not even a decent follower.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Detainees' Attorneys Ask Court To Allow Challenges (WP)

By Carol D. Leonnig

The Washington Post, November 2, 2006

Attorneys for captives in the Guantanamo Bay military prison asked a federal appeals court yesterday to reject a provision of the new military-commission law that strips hundreds of detainees of their right to challenge their detention in U.S. courts.

The lawyers, joined by a group of retired judges from both political parties, argued that the United States cannot indefinitely imprison foreign nationals in a military prison without charging them with crimes and deny them the chance to test the evidence against them in the U.S. justice system.

President Bush sought Congress's approval this fall for the Military Commissions Act, which also set new rules for military trials of the detainees, and signed it into law Oct. 17. Government lawyers quickly moved to throw out hundreds of pending challenges by the detainees, known as habeas corpus cases. The issue is pending before the U.S. Court of Appeals for the District of Columbia Circuit.

But attorneys for detainees argue that the law does not apply to detainees with ongoing cases, in part because the government can take that drastic step only when the country is in the middle of an active war.

"We do not believe Congress wiped out our cases in this act, and we feel strongly if Congress had done that, it would be unconstitutional," said David H. Remes, one of the lawyers. "The only time Congress can suspend the writ of habeas is in cases of invasion and rebellion. We are not being invaded, and there is no rebellion."

The administration pressed for passage of the new law after the Supreme Court ruled this summer in Hamdan v. Rumsfeld that pending habeas cases could continue, despite administration arguments that a previous law had ended those rights.

Justice Department spokesman Charles Miller said yesterday that the government would not comment but would respond in a brief due to the appeals court Nov. 13.

An estimated 435 detainees remain at the military prison at Guantanamo Bay. The government has determined that about 100 could be released or transferred. Another group may be charged with crimes and tried before military commissions.

The habeas dispute involves the majority, who never will be charged but have been deemed "enemy combatants" by a three-member military panel.

A group of seven federal judges, who filed a separate friend-of-the-court brief, argued that the new law is fatally flawed for another reason. Under a separate provision, they noted, the military can imprison someone without any charges based on evidence produced through statements of the detainee or of someone else made during torture.

The government "created a tribunal that was permitted to accept evidence secured by torture and presume that evidence was genuine and accurate," the judges wrote. If U.S. courts have no role in testing the basis for holding detainees, they said, the U.S. government "cannot remove the stain of torture" from the military's decisions.

The detainee attorneys also argued that the law uses imprecise language in describing the effective date for the act to apply to specific categories of cases.

Detainees Challenge Military Trials Law (AP)

By Matt Apuzzo

AP, November 2, 2006

WASHINGTON - Lawyers for dozens of Guantanamo Bay detainees asked a federal appeals court Wednesday to declare a key part of President Bush's new military trials law unconstitutional.

The detainees' lawyers challenged the military's authority to arrest people overseas and detain them indefinitely without allowing them to use the U.S. courts to contest their detention.

Bush gave the military that authority last month when he signed a law that sets up special commissions to hold trials for foreigners designated as "enemy combatants." Bush hailed the law as a crucial tool in the war on terrorism and said it would allow prosecution of several high-level terror suspects.

In written arguments, attorneys for more than 100 detainees who would be locked out of the regular judicial system asked the U.S. Court of Appeals for the District of Columbia Circuit to let the detainees keep their legal challenges going in civilian courts.

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The framers of the Constitution never would have permitted the government to hold people indefinitely without charges, the lawyers wrote.

"Persons imprisoned without charge must retain the right to obtain a court inquiry into the factual and legal bases for their imprisonment," they wrote.

This argument echoes a Supreme Court ruling in June in which the justices ruled that the Bush administration's system for trying enemy combatants violated U.S. and international law. Within weeks, the president persuaded Congress to pass a law setting up military commissions and barring detainees from using the civilian court system.

Shortly after the law was signed, the Justice Department told hundreds of detainees that their cases in the U.S. courts had been rendered moot.

Even if the court decide not to declare the law unconstitutional, attorneys offered a creative way for the court to keep the case alive. They suggested the judges rule that the law doesn't mean what the Justice Department thinks it means - because if it did, it would be unconstitutional.

On Wednesday, seven retired federal judges from both political parties filed legal briefs in the detainees case before the Washington appeals court, arguing that the military commissions law would allow authorities to use evidence obtained by torture.

"We believe that compelling this court to sanction executive detentions based on evidence that has been condemned in the American legal system since our nation's founding erodes the vital role of the judiciary in safeguarding the rule of law," the judges wrote.

Although the law prohibits torture, the judges said the military has not addressed torture claims made by detainees. The retired judges also argued that the new law illegally strips courts of the power to question military decisions about the detainees' torture claims.

The Justice Department had no comment on the briefs Wednesday and has until Nov. 13 to respond in court.

Padilla Papers Detail Allegations Of Mistreatment (NYT/AP)

By The Associated Press

The New York Times, November 2, 2006

MIAMI, Nov. 1 (AP) — Jose Padilla is asserting that he was tortured during his three and a half years in American custody as an enemy combatant, including being threatened with execution and forced to stand for long periods.

Mr. Padilla's lawyers are asking a federal judge to dismiss the terror support charges against him because he suffered from "outrageous government conduct" during more than 1,300 days in military custody.

"Many of the conditions Mr. Padilla experienced were inhumane and caused him great physical and psychological pain," Michael Caruso, a lawyer for Mr. Padilla, said in court papers filed last month. It is the first time Mr. Padilla has made such detailed allegations about his treatment. His lawyers cited no corroborating evidence or witnesses.

United States Attorney R. Alexander Acosta in Miami declined to comment. Prosecutors and Defense Department officials said they would respond to the allegations by Nov. 13.

Mr. Padilla, a 36-year-old former Chicago gang member, was declared an enemy combatant by President Bush in June 2002, shortly after he was arrested when he arrived at O'Hare International Airport in Chicago. American authorities initially said he was on a mission for Al Qaeda to detonate a radioactive "dirty bomb" in an American city.

He was held and interrogated at a Navy brig, mostly in a small isolation cell, until he was transferred to civilian custody in January to face federal terrorism support charges in Miami along with two others. Trial on those charges is scheduled to begin Jan. 22.

In the court papers, Mr. Padilla asserted among other things that interrogators had threatened him with "imminent execution" or with painful cuts; that he was forced to wear a hood and stand in "stress positions" for long periods; that noxious fumes were sometimes introduced into his cell; that he was forced to endure extreme heat and cold, bright lights or total darkness, denied opportunities to shower for weeks and deprived of sleep; and that he was not provided with a copy of the Koran.

Ex-judges: Detainee Law Unconstitutional (AP-Y)

By Matt Apuzzo, Associated Press Writer

AP, November 2, 2006

Seven retired federal judges from both political parties have joined dozens of Guantanamo Bay detainees in urging an appeals court to declare key parts of President Bush's new anti-terrorism law unconstitutional.

The judges, in a rare court filing Wednesday, said stripping courts of the right to question how the military handles terrorism suspects "challenges the integrity of our judicial system" and effectively sanctions the use of torture.

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Bush signed a law this month allowing the military to arrest people overseas and detain them indefinitely without allowing them to use the U.S. courts to contest their detention. Bush hailed the law, which established a system of military trials, as a crucial tool in the war on terrorism and said it would allow prosecution of several high-level terror suspects.

For detainees challenging their imprisonment, the law locks them out of the civilian court system. Dozens of detainees argued Wednesday that the law is unconstitutional, and the retired judges echoed that in their own papers filed with the U.S. Court of Appeals for the District of Columbia Circuit.

"We believe that compelling this court to sanction executive detentions based on evidence that has been condemned in the American legal system since our nation's founding erodes the vital role of the judiciary in safeguarding the rule of law," the judges wrote.

The brief was filed by retired Judges Shirley M. Hufstedler, Nathaniel R. Jones, George N. Leighton, Timothy K. Lewis, Frank J. McGarr, Abner J. Mikva and Patricia M. Wald. Three of the judges — Leighton, Lewis and McGarr — were appointed by Republican presidents.

Though Congress banned the use of torture in the military commission law, the judges said military documents revealed evidence of torture that officials didn't properly address.

In one instance cited in court documents, a man who denied receiving artillery training said an interrogator beat him until he bled from his head.

"I was in a lot of pain, so I said I had the training," the man said, according to a transcript cited in court documents. "At that point, if he had asked me if I was Usama Bin Ladin, I would have said yes."

Without the court system, the judges said, there is no check on such behavior.

In their own court filings, lawyers for the detainees argued that the law is unconstitutional because it prevents people from challenging their detention in U.S. courts — a right that attorneys said the framers of the Constitution never would have allowed to be stripped.

"Persons imprisoned without charge must retain the right to obtain a court inquiry into the factual and legal bases for their imprisonment," attorneys wrote.

This argument echoes a Supreme Court ruling in June in which the justices ruled that the Bush administration's system for trying enemy combatants violated U.S. and international law.

Within weeks, the president persuaded Congress to pass a law setting up military commissions and barring detainees from using the civilian court system. Shortly after the law was signed, the Justice Department told hundreds of detainees that their cases in the U.S. courts had been rendered moot.

Supporters of the law compare military detainees to prisoners of war, who don't normally have access to civilian courts. They say wartime decisions should be left up to the president, who acts as commander in chief, not the courts.

The Justice Department had no comment on the briefs Wednesday and has until Nov. 13 to respond in court.

A Pentagon spokesman, Navy Cmdr. Jeffrey D. Gordon, defended the new law and said that terror suspects were being given their day in court.

"As a responsible democracy, we have an obligation to protect our citizens and those of our allies," Gordon said. "Holding unlawful enemy combatants captured during the war on terror is essential to preventing their return to the battlefield while collecting valuable intelligence in order to avert terror attacks like those seen on 9/11 and in cities around the world."

Alleged Terrorist Mastermind Languishes In British Legal Limbo (FINDLAW/AP)

By Jill Lawless, Associated Press Writer

AP, November 2, 2006

(AP) - LONDON-He's an al-Qaida-linked terrorist who worked with Osama bin Laden and plotted to bomb Los Angeles airport at the turn of the millennium, according to U.S. authorities.

Yet for the past year, Abu Doha has been imprisoned in a British jail for nothing more serious than immigration violations: A U.S. attempt to extradite him collapsed, and Britain lacks the evidence to charge him with terrorism.

Abu Doha's legal limbo has both civil libertarians and counterterrorism officials concerned - and some experts questioning how big a terrorist player he really is.

"I think if all that had been said about him was true, there would have been efforts to sustain the (extradition) request from the United States," Paul Wilkinson of the Center for the Study of Terrorism and Political Violence at St. Andrews University in Scotland said Wednesday.

The British government, however, says Abu Doha is a threat to national security and wants to deport him to his native Algeria.

Abu Doha is appealing, and the case is due to be heard early next year.

In Washington, an official who spoke on condition of anonymity because of the sensitivity of the case, said the U.S. Justice Department was "horrified" at the idea of Abu Doha being free.

Abu Doha, 40, also known as Dr. Haidar, Amar Makhlulif and "The Doctor," has been described by U.S. prosecutors as a key al-Qaida figure who oversaw a plot to blow up Los Angeles airport on New Year's Eve 1999.

The plan was foiled when another Algerian, Ahmed Ressam, was caught trying to enter Washington state from Canada in a car loaded with explosives. Ressam identified Abu Doha as ringleader of the plot.

Abu Doha was arrested at Britain's Heathrow Airport in February 2001 while trying to travel to Saudi Arabia on a fake passport. He has been held in a high-security prison ever since.

In August 2001, he was indicted in New York as a mastermind of the Los Angeles millennium bomb plot. According to the indictment, he sent terrorists to training camps in Afghanistan and dispatched others to Canada to prepare for the failed attack.

Police and prosecutors claimed that Abu Doha, who moved to London in the 1990s, was a major player at the Finsbury Park Mosque - a key center for Islamist recruitment and training - and led a mostly Algerian terrorist network with cells in Europe and North America.

U.S. prosecutors also alleged that in late 1998, he met with bin Laden in Afghanistan "to discuss cooperation and coordination" between al-Qaida and "a group of Algerian terrorists whose activities Abu Doha coordinated and oversaw."

But in August 2005, the U.S. dropped its extradition request. Ressam, now serving a 22-year sentence for his involvement in the millennium plot, had stopped cooperating with prosecutors in 2003. Without his continued testimony, the U.S. said it was forced to drop its cases against Abu Doha and another alleged co-conspirator, Samir Ait Mohamed.

"Ressam's testimony would have been an essential part of the government's evidence at trial against Abu Doha," Assistant U.S. Attorney Eric B. Bruce wrote in an Aug. 21, 2005, notice asking the U.S. District Court in Manhattan to dismiss the charges.

Britain's Home Office said Abu Doha is now being held on immigration charges, appealing against its decision to extradite him to Algeria - a prospect that concerns civil liberties groups.

As a signatory to the European Convention on Human Rights, Britain is not allowed to deport people to countries where they may face torture or abuse.

In July, Britain and Algeria signed an agreement promising that nationals returned there will not be mistreated. Amnesty International says the Algerian security service uses torture on terrorist suspects, and has called the deportation agreement "a green light to torture."

A former senior U.S. intelligence official, who spoke on condition of anonymity, said it was almost certain Abu Doha would be imprisoned on his return.

Rabah Toubal, spokesman at the Algerian Embassy in London, said Abu Doha had been involved in "many acts of terrorism" in his homeland, but declined to specify what would happen to him if he returned.

"If he comes back, he has to respond to some questions about what he did," he said.

Associated Press writer Lara Jakes Jordan in Washington contributed to this report.

Britain Said To Seek Weaker Torture Protections (WP)

By Kevin Sullivan

The Washington Post, November 2, 2006

LONDON, Nov. 2 -- The British government has systematically attempted to water down laws banning the transfer of terror suspects to countries that practice torture, according to a report issued Thursday by Human Rights Watch.

British officials strongly disputed the report's conclusions.

"Britain cannot have it both ways," Benjamin Ward, an official with the New York-based rights agency, said in a statement. "The government claims to oppose torture. Yet at the same time, it is actively trying to undermine the global ban against it."

The group concluded that the government of Prime Minister Tony Blair has adopted a "dangerous ambivalence" toward torture of suspected terrorists abroad since the Sept. 11, 2001, attacks in the United States and the July 2005 bombings of the London public transit system.

"We're not in any way ambivalent about torture; we absolutely condemn torture and oppose it unreservedly," said a spokeswoman for the British Home Office, which handles domestic security. The spokeswoman spoke on condition of anonymity, following government practice here.

British opposition parties say Blair's government slavishly follows the American lead in foreign affairs, in particular the decision to invade Iraq. The war is widely unpopular here.

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British and European law prohibit deportation to a country where there is a likelihood that the deportee would be tortured. The British government has announced that it is seeking written assurances from countries, including Syria, Lebanon and Jordan, that they would not torture or mistreat suspected extremists deported from Britain.

Human Rights Watch said such assurances were little more than a legal fig leaf. "When it comes to torture, diplomatic assurances simply don't work," Ward said.

The Home Office spokeswoman said British officials believe that such assurances would be effective and added that the government was "happy to leave it up to the courts" to decide whether that policy was proper. She pointed out that in August a British judge ruled that the government could deport an Algerian man to his home country despite his argument that he would face torture there.

"The government is committed to protecting the public from the very real threat of terrorism," she said, adding that the government was trying to balance a deportee's risk of being tortured against the security risk posed if the person remained in Britain.

"It should be possible to take some account of the risk posed by the person on grounds of national security," she said.

The rights group also accused the Blair government of "whitewashing U.S. government abuses," including the practice of "rendition" of suspected extremists to countries that use torture.

A spokesman for the Foreign Office said British officials have no evidence that U.S. officials ever conducted a rendition using British territory or airspace.

"The U.K. government have not approved and will not approve a policy of facilitating the transfer of individuals through the U.K. to places where there are substantial grounds to believe they would face a risk of torture," the spokesman said.

Human Rights Watch said Blair had failed to use his close relationship with President Bush to press for changes to policies such as rendition. "The U.K. is losing the credibility that it once enjoyed," the report concluded. "The government's determination to bend the rules on its own account, and its refusal to confront abuses committed by its closest ally, is a moral and political abdication, in defiance of international law."

British Authorities Charge Suspect With Violations Of Terrorism Laws (NYT)

By Sarah Lyall

The New York Times, November 2, 2006

LONDON, Nov. 1 — A 29-year-old man from East London was charged Wednesday with trying to take terrorism-related materials, including a manual titled “The Mujahideen Poisons Handbook,” on a Pakistan-bound flight from Heathrow Airport.

The man, Sohail Anjum Qureshi, was arrested by antiterror officers at the airport on Oct. 18 as he was waiting to board a flight to Islamabad, Pakistan. He was carrying about $17,000 in cash, a night-vision scope, two metal batons, two backpacks, two sleeping bags and a computer disk and hard drive containing a combat-training manual as well as the poison manual, the authorities said.

Mr. Qureshi, who lives in the Forest Gate neighborhood, has been charged with three counts of violating British antiterrorism laws and is to appear in court on Thursday. The authorities said that the charges were related to terrorist activities that were to have been carried out abroad, and that Mr. Qureshi was not involved in any of the other terrorism cases they were investigating.

In a separate case, a judge freed 2 of the 24 men arrested in August on suspicion of being part of what the authorities said was a foiled plot to blow up trans-Atlantic airplanes with homemade liquid explosives. The men, Mehran Hussain, 24, and Umair Hussain, 25, both of Chingford, East London, were set free after a hearing at a magistrate’s court in central London.

The judge in the case, Quentin Purdy, said there was “insufficient evidence” to put the two men on trial. But he warned the men, who are brothers, that they should not consider themselves exonerated, and he said that if new evidence came to light, prosecutors were free to charge them again.

The men had been charged with failing to disclose information to the authorities about their brother, Nabeel, a suspect in the bombing-plot case.

Nabeel Hussain, 22, remains in custody, charged with conspiracy to murder and with planning to bring liquid bomb-making materials on board airplanes and then to assemble and detonate them in midair.

Israeli Agent Scoffs At Hamas Defendant's Torture Claims (AP)

By Mike Robinson

AP, November 2, 2006

CHICAGO - An Israeli security agent scoffed Wednesday at a Chicago grocer's claim that he was deprived of sleep, forced to wear a foul-smelling hood and otherwise tortured after his arrest on charges of bankrolling terrorists.

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"Isn't it true that he was psychologically and somewhat physically brutally, brutally abused?" defense attorney Robert Bloom asked the Israeli who testified under the alias Nadav at Muhammad Salah's trial.

"That is not correct," Nadav testified in Hebrew through a translator.

Salah, 53, of suburban Bridgeview and former university professor Abdelhaleem Ashqar, 48, of Alexandria, Va., face federal charges of with conspiring to funnel cash and fresh recruits for a terrorist campaign against Israel.

Salah was arrested at an Israeli checkpoint in January 1993 and agents found $97,000 in his East Jerusalem hotel room. He served 4 1/2 years in an Israeli prison after signing statements that he met with Hamas leaders.

Both defendants deny they are members of Hamas, which is intent on toppling the Israeli government, and Salah says that when arrested he was delivering the money to charities on the West Bank and the Gaza Strip.

Salah claims he was tortured by agents of Israel's Shin Bet security service into admitting he furnished funds to Hamas commanders.

Nadav said he didn't attend the initial interrogation of Salah. But he said he knew the agents who took part refrained from using torture.

Bloom suggested Nadav had played the part of the "good cop" to warm up Salah while other agents placed a reeking hood over his head, forced him to sit handcuffed in a tiny chair and "beat the hell out of him."

Nadav steadfastly refused to agree to any of it.

In 3 1/2 hours of cross examination, Bloom and Nadav, a Shin Bet agent, played cat and mouse over what happened in the hours after Salah's arrest.

Nadav admitted that it took only 1 1/2 hours to get from the checkpoint to the Shin Bet interrogation center at Ramallah. But he balked when Bloom said Salah's arrest at about 5:30 p.m. and arrival at the center at 10 p.m. suggested soldiers had taken the long way to "soften him up."

"If there is a document that shows what time Mr. Salah was arrested I would be glad to see it," Nadav said. Pressed by Bloom, he said Israeli interrogators are not given arrest records but only arrest warrants.

"Are you aware that you are known to the Palestinians as Captain Liar?" Bloom asked Nadav. The agent said that was "far from the truth."

Salah attorneys had hoped to question Nadav further about Shin Bet interrogation methods but were barred from doing so. Some of the material they sought to elicit from the witness is classified for security reasons.

In place of the evidence, the defense attorneys introduced government supplied "substitutions," which were not as specific but did give a sharp glimpse into how prisoners were questioned.

The statement from the government said at the time Salah was questioned, Israeli interrogators were allowed to use hoods, handcuffs and shackles and to handcuff prisoners in small chairs, to threaten them and to threaten to arrest their family members.

In some cases, interrogators were allowed to slap prisoners, according to one of the substitutions read to the jury.

The trial is being conducted among heavy security. The courtroom is cleared of spectators and even those allowed to watch on TV from a room five floors away must pass through a metal detector, watched by an explosives-sniffing Labrador retriever named Comet.

What They Don't Know Is Frightening (WT)

The Washington Times, November 2, 2006

How alarmed should Americans be upon learning that one of the nation's highest-ranking FBI counterterrorism policy-makers and two members of the House Permanent Select Committee on Intelligence, among numerous other unnamed officials, possess shallow knowledge about terrorist groups that have slaughtered Americans in the past, are killing our soldiers in the war on terror today and threaten to obliterate us in the future?

In a recent op-ed essay in the New York Times, Jeff Stein, the national security editor at Congressional Quarterly, revealed how ignorant these people are. Wrapping up lengthy interviews with Washington counterterrorism officials, Mr. Stein would ask, "Do you know the difference between a Sunni and a Shi'ite?" He wasn't seeking theological explanations, "just the basics: Who's on what side today, and what does each want?"

Recently appointed as the executive assistant director of the National Security Branch of the FBI, Willie Hulon previously served as deputy assistant director of the Counterterrorism Division, when he testified July 13, 2004, before Congress about how important it was to develop "our knowledge and expertise about foreign cultures and our terrorist adversaries overseas." Mr. Hulon appeared stumped when he was asked: Which one is Iran -- Sunni or Shi'ite? "Iran and Hezbollah," Mr. Stein prompted. "Which are they?" Mr. Hulon guessed Sunni. Wrong.

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"The FBI believes the Lebanese-based Hezbollah," which blew up the Marine barracks in Lebanon in 1983, killing 241 Marines, "has terrorist cells in at least 10 U.S. cities," Bill Gertz, national security reporter for The Washington Times, revealed in his latest book, "Enemies." John Miller, the FBI's assistant director for public affairs, told Mr. Gertz that the FBI is concerned that Iran could activate a network of Hezbollah terrorists in the United States if the international community takes action to stop the Iranian nuclear program.

Given that Sunnis and Shi'ites are massacring each other throughout Baghdad and across Iraq in sectarian strife bordering on civil war, one would think that seven-term Alabama Republican Rep. Terry Everett, who serves as vice chairman of the subcommittee on Technical and Tactical Intelligence, would be on top of it. To Mr. Stein's basic question, Mr. Everett replied, "One's in one location, another's in another location. No, to be honest with you, I don't know" the difference. Three-term Virginia Republican Rep. Jo Ann Davis, who chairs the subcommittee on Terrorism/HUMINT, Analysis and Counterintelligence, which oversees the CIA's performance in its recruitment of Islamic spies, told Mr. Stein: "It's a difference in their fundamental beliefs. The Sunni are more radical than the Shia. Or vice versa. But I think it's the Sunnis who're more radical than the Shia." Asked which branch al Qaeda's leaders follow, she reasoned as follows: "Al Qaeda is the one that's most radical, so I think they're Sunni. I may be wrong, but I think that's right."

You could not make this stuff up. Given their governmental responsibilities, the ingrained incuriosity of these officials is as appalling as it is frightening.

FBI Logs On For Monitoring Service For Arabic Networks (GCN)

By Wilson P. Dizard III, GCN Staff

Government Computer News, November 2, 2006

The FBI now has access to an online service that its employees can use to screen TV broadcasts and provide alerts when specified words are used, either on English-language networks or networks broadcasting in Arabic.

Critical Mention Inc. of New York City provides the service, which it is furnishing to multiple users at the bureau under a recently concluded one-year contract with options for renewal.

“CriticalTV alerts users about a relevant clip seconds after a broadcast, and allows users to share the clip instantly within a workgroup via secure video-e-mail or a private video gallery. Users can also order a professional transcript or hard copy online,” according to a company announcement.

The vendor has forged a partnership with IBM Corp. to incorporate an Arabic-to-English, speech-to-text translation feature into the CriticalTV service. The TV monitoring service generates alerts of the use of a specified word or term within two minutes or so of its broadcast via a satellite or terrestrial broadcast network, the company said.

The bureau is using the service to monitor TV news mentions of the term “FBI” on various news networks to track the public’s perception of the law enforcement agency, sources said.

In a similar vein, a user at the bureau could use the service to track the use of other words of interest that might be broadcast in Arabic, including the names, events, locations, physical objects, organizations, vehicles, political parties, products or the like. Then a user could receive an English-text version of the Arabic broadcast as well as a video clip, and potentially incorporate the information in an appropriate database.

The company’s chief financial officer, Alan Davison, noted that its existing customers include many Fortune 500 companies as well as members of Congress who seek to track the news profile of political campaigns, major public events, their own companies, competitors, their products and the like.

Davison said that Critical Mention would launch its monitoring of five Arabic-language TV networks in mid-November, including Al Jazeera and other major broadcasters.

He added that the company plans to expand the foreign-language TV monitoring service to other languages as well.

A system user views a screen that provides, among other features an opportunity for “advanced search” which limits an inquiry by the network monitored or by other dimensions. Once the user has crafted a search that limits the inquiry to a targeted word or phrase, the system generates a response that includes text and video clips of the use of that term.

The user can immediately view the entire video clip or text version of the broadcast, translated by the advanced IBM Arabic-to-English translation tool if necessary.

The company already has about 500 clients, including private companies and government agencies.

HOMELAND RESPONSE:

Air Plot Said To Target Cities (WP)

DOJ_NMG_0090061

By Dan Eggen
The Washington Post, November 2, 2006

A group of alleged terrorists arrested in London in August planned to blow up airliners over U.S. cities to maximize casualties, rather than over the Atlantic Ocean as many intelligence officials originally thought, according to recent remarks by a senior FBI official.

The comments by Mark Mershon, head of the FBI's New York field office, indicate that U.S. and British intelligence officials now think that the airliner plot was aimed at maximizing the potential loss of life and economic impact.

"The plan was bring them down over U.S. cities, not over the ocean," Mershon said Oct. 24 at the Infosecurity 2006 conference in New York, according to Government Security News, which first reported the remarks this week.

Authorities had previously said it was unclear where the alleged terrorists intended to detonate liquid explosives, which they planned to smuggle onto as many as 10 transatlantic flights. Michael P. Jackson, deputy secretary of the Department of Homeland Security, said shortly after the plot was thwarted that while the conspirators appeared to be targeting nonstop flights to the United States, "the real focus was to blow up airliners and the people on them."

British police arrested 25 people in raids across Britain after uncovering the alleged plot. Eleven have been charged with conspiracy to murder and preparing acts of terrorism. Two brothers, Umair Hussain, 25, and Mehran Hussain, 23, were released Wednesday after a British court ruled evidence against them was insufficient to warrant a trial.

Christine Monaco, a spokeswoman for the FBI in New York, declined to comment on Mershon's speech.

Mershon told cybersecurity conference attendees that representatives of MI5, the British intelligence service, briefed the FBI on the liquid explosives case in recent weeks. "It would make your hair stand up to be in the room to hear that presentation," Mershon said, according to GSN.

Bruce Hoffman, a terrorism expert and Georgetown University professor, said the case indicates that Islamic extremists remain focused on attacking U.S. cities.

"They were clearly desirous of exceeding 9/11," Hoffman said. "The loss of life on the air and ground would be significant."

PayPal Building Targeted In Explosion (AP)

By Jordan Robertson
AP, November 2, 2006

SAN JOSE, Calif. - A Halloween night explosion shattered a window at a building housing offices for eBay's PayPal division, forcing the evacuation of dozens of employees.

PayPal spokeswoman Amanda Pires said Wednesday that the company had not received any threats but declined to comment on the investigation. The blast hit the first floor of the company's network operations center.

"We believe this is an isolated incident," she said. "We're working closely with local authorities. We have everything under control."

Business was not disrupted, but the complex was closed Wednesday and cordoned off by police tape. About 1,900 eBay and PayPal employees who work in buildings on the campus where the explosion occurred were asked to work from home or at another eBay campus in San Jose, Pires said.

No injuries were reported and no explosive device was found, but investigators determined the blast was deliberately set, Sgt. Nick Muyo said. Police had no suspects.

Investigators from the San Jose police and fire departments, the FBI and the Bureau of Alcohol, Tobacco, Firearms and Explosives were investigating.

PayPal, which provides a platform for online payments, is a lucrative division of San Jose-based eBay Inc., generating some $350 million in revenue for the online auction company in the latest quarter.

Probe Of Blast At EBay's North S.J. Campus Yields Few Answers; Site Set To Reopen Thursday (MERCN)

By Sean Webby And Kimra Mcpherson
The San Jose Mercury News, November 2, 2006

EBay shut down its North San Jose campus on Wednesday, clearing the way for bomb-sniffing dogs and investigators, who still don't know who planted a powerful explosive that blew out a window and forced more than 1,900 employees to work elsewhere.

Nobody was injured in the Halloween night blast -- and other Silicon Valley companies were not put on alert. EBay expected Thursday morning to reopen the campus that also houses some of its PayPal operations.

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The company received no threats before or after the blast, which happened about 7:30 p.m. Tuesday in a landscaped breezeway outside the 100,000 square-foot, four-story building.

But the corporate target was so sensitive, the explosion so powerful and the bombing so rare in Silicon Valley that law enforcement from San Jose, the federal Bureau of Alcohol Tobacco and Firearms and FBI converged on the campus.

After more than 24 hours scouring for clues, investigators had few answers. Was it someone intentionally targeting the Internet corporate giant, a techno-terrorist? Or was it a dangerous prank on a night known for smashed pumpkins and toilet paper attacks?

``It could have been a Halloween thing, it could have been kids, it could have been something larger," said San Jose Police Sgt. Nick Muyo. ``If it's a Halloween prank it's a sophisticated one."

Bomb-sniffing dogs spent the day nosing around the office and other campus buildings, all emptied of its employees, and at eBay's headquarters on Hamilton Avenue. They found nothing suspicious.

And investigators said that there was no indication that the company had been warned or that the bomber had targeted any other place. No one had taken responsibility for the blast as of Wednesday night.

EBay officials said eBay and PayPal service was not disrupted. Many of the processes that keep the Web pages running can be handled from other locations, eBay spokesman Hani Durzy said.

Durzy said the company expected to reopen the campus Thursday and ``the safety and security of our employees is our top priority for us."

Muyo described the source of the blast as a sophisticated explosive device that not only shattered a large, two-inch thick plate of safety glass, but blew over furniture inside.

``Whatever caused it was pretty strong," San Jose Fire Capt. Jose Guerrero said.

About 1,900 eBay employees work at eBay's North San Jose campus, which includes PayPal headquarters, technology staff, sales, marketing and the network operations center, Durzy said. Employees at that campus were invited to work at the company's other San Jose location or dial in from home, he said.

When PayPal employee Dan Hyder arrived for work this morning, he was told the office was closed and given a flier explaining what had happened. He walked around the site for a while after, taking photos of the investigators milling around the building where he used to work.

``It's bizarre," said Hyder, who now works in a different building and had already left work by the time the incident began Tuesday night.

Muyo said the timing of the explosion, at 7:34 p.m. when many people had already left work for the day, might indicate that whomever placed the device at the building wasn't looking to injure people.

Authorities received multiple reports of a smoke detector alarm sounding, Guerrero said, followed a few minutes later by multiple calls of an explosion.

When crews arrived, they found a 6-by-7-foot window had been shattered near a first-floor exit. The window's frame was bent and a light haze covered the area, Guerrero said. No flames, however, were visible, nor was there any other damage. Other debris was in the area, said Guerrero, who couldn't say exactly what the debris was.

Authorities have an idea about what may have caused the blast, Guerrero said, but he declined to disclose it. Muyo declined to say whether security cameras may have captured video footage from the site.

``We're not ruling anything out," said Muyo. Neither PayPal nor its corporate parent eBay received any threats prior to the blast, Muyo said.

``It was fortunate that no one was hurt," said Catherine England, an eBay spokeswoman.

From Google to Yahoo, other Silicon Valley corporations reported no similar threats or incidents.

Security experts said such dangers unfortunately came with the corporate territory.

``You're a target if you have a commodity that's of any particular value, whether it's home invasion or the CEO being kidnapped. It doesn't have to be a terrorist group, it could be the animal liberation front," said Forrest Franklin, direction of operations for Focus Group Consultants, Inc. in Carson City, Nev., who has worked as a consultant for several Silicon Valley companies. ``If you've got 3,000 people in your company, you've got 3,000 potential perps."

Ken Silva, Chief Security Officer for Verisign, agreed that such attacks can come from disgruntled employees.

``It could also just be a random person who is disgruntled with the company," Silva said. ``It doesn't take much for among millions of people out there for someone to get angry."

Explosive Shatters Window At PayPal Headquarters (NYT)

By Greg Sandoval, For News.com

The New York Times, November 2, 2006

An explosive left outside the headquarters of eBay-owned PayPal blew out a window Tuesday evening but caused no injuries, according to eBay.

San Jose, Calif.-based PayPal, an online payment system, closed the building on Wednesday as FBI agents and local police investigated, said eBay spokesman Hani Durzi. The blast occurred at about 7:25 p.m., and at that time about 45 employees occupied the building, said Durzi.

The explosion triggered the security alarm and officials from the San Jose Fire department later ordered the building, which is typically occupied by about 1,900, to be evacuated. Employees are scheduled to return to work tomorrow, Durzi said. He added that PayPal's operations were never interrupted.

"We have at this point no reason to believe that this was anything other than an isolated incident," Durzi said. "The most important point is that we continue to provide a safe and secure work environment for our employees."

Durzi said he was unaware whether authorities have identified a suspect. Calls to the San Jose Police Department and the FBI were not immediately returned.

Capt. Jose Guerrero, of the San Jose Fire Department, said it's believed that the device "was not highly sophisticated." Authorities have called in the federal Bureau of Alcohol, Tobacco, Firearms and Explosives to help identify the explosive.

EBay Campus Closed After Halloween Explosion (SJBIZ)

San Jose Business Journal, November 2, 2006

The North San Jose campus of eBay Inc. remained closed Wednesday while investigators combed the area looking for clues to what caused an explosion Tuesday night that shattered a window.

Following the explosion, about 26 employees were evacuated from the offices used by Pay Pal, a unit of of eBay (NASDAQ:EBAY), shortly after 7:30 p.m.

By midday Wednesday, investigators from the FBI, Bureau of Alcohol, Tobacco, Firearms and Explosives and San Jose police were on the scene and employees were not allowed inside.

No one was injured during the blast at 2211 N. First St. and no explosive devices were found.

About 1,900 eBay employees work at campus, which houses PayPal headquarters. Employees were either allowed to work from home Wednesday or at the company's other San Jose location.

EBay said there has been no disruption experienced by its customers due to the explosion or ongoing investigation.

Man Convicted In Fake Hazmat Incident (NSDY/AP)

Long Island Newsday, November 2, 2006

HARTFORD, Conn. (AP) _ An Uncasville man was convicted Wednesday of lying to federal authorities about being the victim of a chemical attack.

Robert Robishaw, 40, pleaded guilty to one count of making false statements to the Federal Bureau of Investigation, prosecutors said. He entered his plea in U.S. District Court in Hartford, eight months after telling Groton fire authorities that an unknown substance fell out of a newspaper that he purchased at a Waterford convenience store. He told authorities the off-white, powdery substance caused his skin to turn red and tingle.

The report prompted a massive hazardous materials response in Waterford and Groton, and sent eight people to the hospital for decontamination. The substance turned out ot be cigarette ash that prosecutors say Robishaw put in the newspaper.

Robishaw was indicted on the federal charge in April and faces up to five years in prison and a fine of up to $250,000 when he is sentenced on Jan. 23.

U.S. Attorney Keven O'Connor said the case was prosecuted under a relatively new federal law that makes it a crime to perpetrate a hoax about a bombing, chemical attack or similar incident.

Man Behind Chemical Attack Hoax Could Get 5 Years (WVIT)

WVIT-TV, November 2, 2006

HARTFORD, Conn. -- An Uncasville man who reported a chemical attack that turned out to be a hoax could spend five years in prison, NBC 30 News reported.

Robert Robishaw, 39, pleaded guilty Wednesday to making a false statement to the FBI.

Robishaw claimed he was exposed to a white powder at a Waterford gas station in March. The powder turned out to be cigarette ash.

The scare sent eight people to a hospital for decontamination.

Uncasville Man Admits Lying To FBI In Powdery Substance Hoax (NORBULL)

DOJ_NMG_0090064

Norwich Bulletin, November 2, 2006

HARTFORD — A 40-year-old Uncasville man pleaded guilty today to one count of making a false statement to the FBI in connection with his claim that he was exposed to a white powder substance which caused toxic chemical effects.

Robert Robishaw, 40, formerly of 119 Maple Ave., entered the plea in federal court in Hartford, according to U.S. Attorney Kevin J. O'Connor.

On March 16, Robishaw called the Groton fire department to report he had been exposed to an unknown powder substance that had dropped from a newspaper at Cumberland Farms in Waterford earlier in the day. He claimed there was a reaction on his skin from the substance.

His claim prompted a large scale response by firefighters at his location at 266 Bridge St. in the City of Groton, where the area was evacuated and individuals were decontaminated.

The Cumberland Farms in Waterford, where he had allegedly purchased the newspaper, was also evacuated and employees subjected to decontamination procedures.

Robishaw later revealed that the substance was cigarette ash, and that he had placed the ash on his desk.

"Individuals who make threats of mass violence, however real or intended, will be prosecuted to the extent that federal law allows," O'Connor said.Robishaw is scheduled to be sentenced by Chief U.S. District Judge Robert N. Chatigny on Jan. 23, 2007.

He faces a maximum sentence of five years in prison and a fine of up to $250,000.

The case was investigated by the FBI's Joint Terrorism Task Force and is being prosecuted by Assistant U.S. Attorneys David Ring and Mark Rubino.

There's Secrecy, And There's Expediency (WP)

The Washington Post, November 2, 2006

In 2004, the Department of Homeland Security inspector general's office issued a report slamming the department's failure to consolidate a dozen government watch lists containing information about suspected terrorists. The lack of a reliable master list, the report said, slows efforts to find terrorists trying to enter the country or plan an attack.

At least that's what the report seemed to say. When it was released, entire pages were blacked out, ostensibly for security reasons.

But recently, the Washington-based National Security Archive found a surprise in its mailbox: a mostly uncut copy of the report. The editor of a legal publication had requested an unedited version of the 48-page report under the Freedom of Information Act two years ago. By the time the government handed it over last month, the requester, Daniel Kowalski of Bender's Immigration Bulletin, had lost interest. So he mailed the report to the archive, an independent institute that collects and publishes declassified documents obtained through the FOIA. Its library, containing hundreds of thousands of once-secret notes, memos and reports, illuminates many of history's most significant, and clandestine, decisions and events.

"So many of these secrecy stamps look like Nixon's madman theory in operation," said Thomas S. Blanton, director of the National Security Archive. "If everybody thinks you're just not rational, that keeps them off balance, whether they are your fellow bureaucrats, your outside critics, or even your international criminals and terrorists."

Often, secrecy-related edits aren't about national security -- or madness -- as much as they are about convenience. Although some of the redacted information is truly sensitive, some is merely embarrassing to the government. Other cuts reflect the bureaucratic fact that it's easier to keep information secret than to risk releasing too much.

Several portions of the 2004 report seem to bear that out. It took two years to get, but here's Page 26, in its edited and restored forms. The problems the report describes, by the way, persist.

Bonuses Don't Cut Turnover For TSA (USAT)

By Thomas Frank

USA Today, November 2, 2006

WASHINGTON — An ambitious program that paid the nation's airport screeners $18 million in bonuses as an enticement to stay in their jobs did not reduce the turnover rate at the Transportation Security Administration, which still has one of the highest attrition rates in the U.S. government, according to agency data.

The TSA has battled high turnover among screeners since the agency was formed after the Sept. 11 attacks. It is looking for ways to curb a staffing problem that has lengthened lines at airport checkpoints.

The TSA began paying 36,000 of its 45,000 screeners "retention bonuses" of $500 or $1,000 each in May. The turnover rate over the summer was unchanged from the winter and spring months, according to the TSA and the federal Office of Personnel Management.

One in five screeners left from Oct. 1, 2005, to Sept. 30.

"It's menial labor," said Michael Boyd, an aviation consultant who advises airports and airlines. "These are people who paw through luggage."

The TSA acknowledges the attrition problem and is taking additional steps. Among more recent efforts to curb turnover is a new pay grade that will raise salaries of high-quality veteran screeners by up to $5,300 and better position them to move into other government-security jobs such as the Secret Service or Border Patrol, according to TSA.

The agency also says it is creating screener jobs with salaries up to $56,700 that will focus on detecting bombs or identifying suspicious passengers. TSA has maintained that screeners with more experience are better at finding weapons at checkpoints.

Such improvements could help upgrade screening — which pays an average of $30,000 a year — "from a dead-end job to an occupation where (screeners) can see years of opportunity," said Gale Rossides, a TSA associate administrator.

The efforts come as some airports face longer security lines, prompting a TSA publicity campaign that urges travelers to know the rules about items they can carry onto planes so fewer bags have to be searched.

Cris Soulia, a screener in San Diego, said $500 bonuses amounted to $335 after taxes and "really don't have any effect" on people quitting.

Rossides said the attrition "is probably not that high" when considered against screeners' salaries and their physically demanding work, which often requires lifting heavy bags. Some efforts to retain screeners started too recently to affect attrition, Rossides said.

TSA figures show that attrition is lower than before 9/11, when private companies ran airport security.

Rossides said the bonuses and other efforts are improving morale and screener retention. She said TSA data show screeners are less likely to quit now than they were six months ago. But those gains are being offset by a growing number of part-time screeners, who are twice as likely to leave as full-timers.

The agency has 8,200 part-time screeners, up from nearly 6,200 late last year, and will add even more. Part-time screeners work brief shifts at busy periods.

Randy Walker, director of Las Vegas' McCarran International Airport, said that he's seen no reduction in turnover and that lines are "still painful on our peak times." But he said a new program that shifts screener hiring from TSA headquarters to TSA's local airport security directors means vacancies are filled faster.

Ruby Ridge Revisited: Deval Let Sniper Off The The Hook (BOSH)

By Kimberly Atkins, Boston Herald Reporter

Boston Herald, November 2, 2006

As the Justice Department's chief civil rights prosecutor, Deval Patrick made the controversial decision not to criminally prosecute an FBI sniper who shot and killed an unarmed woman as she held her infant daughter in her arms during a 1992 standoff in Ruby Ridge, Idaho.

The incident, in which U.S. Marshall William F. Degan of Quincy and the wife and son of white separatist Randy Weaver were killed during an 11-day standoff, is cited by experts as the spark that started the anti-government militia movement that exploded after the standoff in Waco, Texas, less than a year later.

In 1994, Patrick, the Democratic candidate for governor who was then assistant attorney general, concluded there was insufficient basis to prosecute FBI sniper Lon Horiuchi for shooting and killing 43-year-old Vicki Weaver. Horiuchi had testified that he opened fire on the woman's husband and his friend, Kevin Harris, when he thought they were about to fire on an FBI helicopter.

Patrick made the recommendation despite a report by a task force assembled by Patrick's boss, Attorney General Janet Reno, that found numerous problems with the FBI's handling of the standoff, and called the protocol used by the FBI's Hostage Rescue unconstitutional under the circumstances.

The report referred the case to Patrick's department to decide whether to charge Horiuchi. Aides to Patrick said he was unavailable for comment because he was preparing for last night's debate.

Former Justice Department spokesman Myron Marlin called the incident "a tragic one that occurred during the final months of the first Bush administration."

"The Justice Department believed the critical element of willfulness necessary for a criminal civil rights prosecution could not be established beyond a reasonable doubt," Marlin said in a statement to the Herald yesterday. "Such willfulness, or knowing, intentional use of unreasonable force could not be made out against the FBI agent."

Patrick's assessment, he noted, was"reaffirmed by a separate criminal investigative team."

In 1995, however, a Senate subcommittee headed by Sen. Arlen Specter (R-Pa.) found “simply no justification” for the shot Horiuchi took that killed Vicki Weaver and “missed the 10-month-old baby in her arms by less than two feet.”

“Horiuchi should have known that as he fired blind through the cabin door, he was shooting into an area which could well have contained Vicki Weaver and her two younger daughters,” states the report, which took no position on whether Horiuchi should have been prosecuted.

The decision not to prosecute was ripped by both conservative and liberal groups. “It was obscene,” said author James Bovard, an outspoken critic of federal officials’ handling of the case. “There was no need for the excessive force the FBI used in gunning down a mother holding her baby.”

WAR NEWS:

Staying The Course, Win Or Lose (WP)

By Robert Kagan

The Washington Post, November 2, 2006

BRUSSELS -- Here in Europe, people ask hopefully if a Democratic victory in the congressional elections will finally shift the direction of American foreign policy in a more benign direction. But congressional elections rarely affect the broad direction of American foreign policy. A notable exception was when Congress cut funding for American military operations in support of South Vietnam in 1973. Yet it's unlikely that a Democratic House would cut off funds for the war in Iraq in the next two years.

Indeed, the preferred European scenario -- "Bush hobbled" -- is less likely than the alternative: "Bush unbound." Neither the president nor his vice president is running for office in 2008. That is what usually prevents high-stakes foreign policy moves in the last two years of a president's term. In 1988 Ronald Reagan had negotiated a clever agreement to get the dictator Manuel Noriega peacefully out of Panama, but Vice President George H.W. Bush and his advisers feared the domestic political repercussions of cutting a deal with a drug lord at the height of the "war on drugs," so they nixed the plan. The result was that Bush had to invade Panama the very next year to remove Noriega -- but he did get elected.

This President Bush doesn't have to worry about getting anyone elected in 2008 and appears to be thinking only about his place in history. That can lead him to act in ways that please Europeans -- for instance, the vigorous multilateral diplomacy on Iran and North Korea. But it could also take him in directions they will find worrisome if that diplomacy fails.

There is a deeper reason this election, and even the next presidential election, may not change U.S. foreign policy very much. Historically, and especially in the six decades since the end of World War II, there has been much more continuity than discontinuity in foreign policy. New administrations change policy around the margins, and sometimes those changes prove important -- George H.W. Bush temporized about the Balkans; Bill Clinton temporized and then sent troops. Clinton temporized about Iraq and then bombed. George W. Bush temporized and then invaded. But the motives behind American foreign policy, and even the means, don't differ all that much from administration to administration. Republicans berated the Democrats' "cowardly" containment until they took the White House in 1952, then adopted that strategy as their own.

This tendency toward continuity is particularly striking on the issue that most divides Americans from Europeans today: the use of military force in international affairs. Americans of both parties simply have more belief in the utility and even justice of military action than do most other peoples around the world. The German Marshall Fund commissions an annual poll that asks Europeans and Americans, among other things, whether they agree with the following statement: "Under some conditions, war is necessary to obtain justice." Europeans disagree, and by a 2 to 1 margin. But Americans overwhelmingly support the idea that war may be necessary to obtain justice. Even this year, with disapproval of the Iraq war high, 78 percent of American respondents agreed with the statement.

This broad bipartisan conviction is reflected in U.S. policies. Between 1989 and 2003, the United States engaged in significant military actions overseas on nine occasions under Bush I, Clinton and Bush II: Panama in 1989, Somalia in 1992, Haiti in 1994, Bosnia in 1995-96, Kosovo in 1999, Afghanistan in 2001 and Iraq three times -- 1991, 1998 and 2003, an average of one major military action every year and a half.

The reasons for this prolific use of military force have to do with the nation's history -- Americans have been fighting what they considered just and moral wars since the Revolution and the Civil War. And it has to do with Americans' relative power. It is no accident that the United States began to use force more frequently after the fall of the Soviet Union.

Those who imagine that the Iraq imbroglio may change this approach could be right, but the historical record suggests otherwise. Less than six years after the defeat in Vietnam, Americans were electing Reagan on a promise to restore American military power and engage in a concerted arms race with the Soviet Union.

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Even today leading Democrats who oppose the Iraq war do not oppose the idea of war itself or its utility. They're not even denouncing a defense budget approaching $500 billion per year. While Europeans mostly reject the Bush administration's phrase "the war on terror," leading Democrats embrace it and accuse the administration of not pursuing it vigorously or intelligently enough. Nor do leading Democrats reject the premise of the United States as the world's "indispensable nation" -- a notion that most Europeans find offensive at best and dangerous at worst.

In this respect, there is even less debate over the general principles of American foreign policy than during the Vietnam era. In those days, opponents of the war insisted that not just President Richard Nixon was rotten but that the "system" was rotten. They did not just reject the Vietnam War, they rejected the whole containment strategy of Dean Acheson and Harry Truman, which, they rightly claimed, helped produce the intervention in the first place. They rejected the idea that the United States could be a benevolent force in the world.

Today Democrats insist that the United States will be such a force as soon as George W. Bush leaves office. Although they pretend they have a fundamental doctrinal dispute with the Bush administration, their recommendations are less far-reaching. They argue that the United States should generally try to be nicer, employ more "soft power" and be more effective when it employs "hard power." That may be good advice, but it hardly qualifies as an alternative doctrine.

Many around the world will thrill at the defeat of Republicans next week. They should enjoy the moment while they can. When the smoke clears, they will find themselves dealing with much the same America, with all its virtues and all its flaws.

Robert Kagan, a senior associate at the Carnegie Endowment for International Peace and transatlantic fellow at the German Marshall Fund, writes a monthly column for The Post. He is the author of "Dangerous Nation," a history of American foreign policy.

US Air Strike Kills Al-Qaeda Kingpin: Military (AFP)

AFP, November 2, 2006

American forces killed an Al-Qaeda chieftain in the lawless western Iraqi city of Ramadi by destroying his car with a laser guided bomb, the US military said.

"Rafa Abdul Salam Hamud al-Ithawi, also known as Abu Taha, was the emir of Shamiyyah," it said. "He frequently harboured foreign fighters who entered Iraq illegally in order to assault innocent Iraqis and coalition forces."

Ithawi was killed on Wednesday along with his driver, "diminishing the al-Qaeda in Iraq network," the statement said.

Ramadi has become the focus of the battle between US forces and Sunni Arab insurgents fighting under the Al-Qaeda banner. Last week a US spokesman said marines were fighting to take back the city.

On October 15, Al-Qaeda militants held a brief parade in central Ramadi to declare the region an independent emirate, scoring a propaganda victory, but fierce fighting has continued since.

Iraqi Shiites Continue To Exert Independence And Seek Changes To U.N. Deal On U.S. Troops (NYT)

By Sabrina Tavernise

The New York Times, November 2, 2006

BAGHDAD, Nov. 1 — In a continued effort to demonstrate their independence from Washington, Iraqi Shiites are pressing a fresh set of conditions on their American supporters, asking for changes in the Iraqi government's relationship with the United States military.

In a move that seemed designed more to placate Iraq's Shiite majority than to influence the broader management of the war, Iraqi leaders have drawn up a set of changes to a United Nations agreement that provides some of the legal basis for American troops here.

The changes, if enacted, could give the Iraqi government more control over its own armed forces, something Iraqi leaders want, but were not likely to change fundamentally the way the war is directed.

The United Nations agreement, which expires on Dec. 31, is not the only source of legal justification for continued presence of American troops here. Another is the Iraqi Constitution. Even if the agreement expired, the status of the American military here would not change. What is more, no single Iraqi group truly wants the Americans out.

Iraqi leaders say they cannot accept a continuation of the United Nations agreement, which gives the United States and 27 other countries "the authority to take all necessary measures to contribute to the maintenance of security and stability in Iraq" without attaching some conditions to the original agreement. They say they want more control over their military to protect vulnerable areas from insurgent attacks.

A common view among American officers in the field, though, is that Iraqi troops, more than three years after the American effort to rebuild the Iraqi forces began, are years away from being able to fight the war on their own.

DOJ_NMG_0090068

A 19-member committee of Iraq's top political leaders, its prime minister and its president has agreed on six conditions, said one Shiite politician who has participated in negotiations. The points are being discussed with senior American military commanders here as well as with officials from the American and British Embassies.

They will be codified in a memorandum between Prime Minister Nuri Kamal al-Maliki and President Bush, Shiite lawmakers said, although the type of document is still a subject of debate. Iraqis say they will not insist on reopening the case publicly at the United Nations to avoid the risk of not having it extended.

Even so, they could embarrass the Americans by refusing to relent on changes, even as the deadline for extending the United Nations agreement nears or passes. But if that happened, the only serious question would be about the status of foreign forces from other countries, who provide more than 17,000 troops and whose legal status for being here is still more closely bound with the United Nations agreement.

"They agreed on almost all the conditions," said Sami al-Askari, a Shiite politician whose political bloc has participated in the talks, but "we want legal guarantees that this document will be implemented, otherwise we will have a problem facing the Parliament."

A spokesman for the United States Embassy in Baghdad confirmed that American officials were in talks with the Iraqi government on the subject, but would not give details.

The changes the leaders seek include speeding up the process of handing over control to Iraqi regions for their own security sooner, currently scheduled to be completed in the first half of next year. Under the current arrangement, American forces have full operational control nationally until the end of 2007, and political leaders seek more control over security for portions of the country earlier, according to Mowaffak al-Rubaie, Iraq's national security adviser.

"Iraqi leaders are handcuffed" by the United Nations agreement, said Hadi al-Ameri, a member of the committee and the leader of the Defense and Security Committee in Parliament. "We will not tell the Americans to go, but if they stay it should be according to conditions."

Mr. Maliki remarked bitterly in an interview with [a news service] last week that he could not move one company of Iraqi soldiers without permission from the American military.

The complaint is a striking example of just how far apart Iraqi and American leaders are, at least in their public statements.

Demands for a faster transition to Iraqi control are being made at a time when the 141,000 American forces deployed here remain the indispensable core of the war effort. Shiite officials in the Maliki government have acknowledged that fast-forwarding the move to Iraqi control involves "risks," an assessment many American officers call an understatement.

Nowhere is that more apparent than in Baghdad, where American and Iraqi officials have said the war will be won or lost. In the stepped-up effort to regain control of the capital that began in August — an effort now admitted by American commanders to be faltering, partly for lack of troops — nearly two-thirds of the forces have been American. Only a third of the needed Iraqi forces ever showed up, leaving the effort vastly understaffed.

The Shiite demands spring from a frustration deep within the Shiite leadership that has been building for months over the American approach to the war. Shiites say Americans, particularly Ambassador Zalmay Khalilzad, have focused unfairly on Shiite-run death squads and that the American military has not been tough enough on Sunni militias.

"There is a feeling that the Americans diverted their support to the Sunni side," Mr. Askari said.

Mr. Maliki has repeatedly acted to soothe this frustration in recent weeks with policy moves asserting his own independence from the Americans. Last month, he demanded that the American military release a Shiite cleric whom it had suspected of death squad activity, and on Tuesday, he ordered the lifting of an American security cordon here. He has to ask American permission as he does not have operational control of the American forces, something that Americans will never give.

"Now they hear about amnesty for Baathists," Mr. Askari said, referring to the Sunni-dominated party that ran the country under Saddam Hussein. And Sadr City, the largest Shiite district, he said, "is surrounded from all sides. If it continues like this, it is very dangerous."

Mr. Maliki even refused an American request last month for amnesty for some prisoners at the end of Ramadan, Mr. Askari said. Many in American facilities are Sunni Arabs, and Shiites often say that Americans release too many of them.

That argument goes to the very heart of the war here, which has shifted from a Sunni-led insurgency to an even deadlier conflict in which Shiite and Sunni militias force members of the other group out of neighborhoods and carry out revenge killings with relative impunity. But while formerly these arguments were the domain of Iraq's most partisan politicians, Mr. Maliki himself is now putting them forth in a sign of just how strained relations with the American military have become.

They are also deeply troubling to American military commanders, who fear the government will use the security forces, largely Shiite, selectively to protect Shiites, or in an even darker possibility, as a fighting force on one side of a civil war.

DOJ_NMG_0090069

American officials have expressed frustration with the government of Mr. Maliki, saying it has been slow to begin to make changes badly needed to stabilize the country and that action against death squads is just one of them. Mr. Khalilzad detailed a series of goals last month in remarks that Mr. Maliki angrily dismissed as “inaccurate.”

Attacks that harden Iraqi groups against one another continued. At least 18 Iraqis were killed in a series of attacks across the capital on Wednesday. In addition, 35 bodies were found. Casualties mounted in a suicide attack Tuesday on a wedding party. In all, 23 Iraqis, including 9 children, the bride and the groom, were killed in the blast, The Associated Press reported. Gunmen on Wednesday seized two Sunni coaches from a youth center. One of them taught blind athletes.

The military on Wednesday announced two deaths on Tuesday, a soldier in Baghdad and a marine in western Iraq, bringing the toll for October to 105.

Iraqi leaders said they expected to submit the new text of the changes by Dec. 1. It must pass through Parliament before taking effect.

Iraqi Prime Minister Asserts Independence, Gains Stature (CSM)

By Scott Peterson

The Christian Science Monitor, November 2, 2006

BAGHDAD

Shiites from the crowded Baghdad district of Sadr City are reveling in what they deem their "victory" over American forces after Iraqi Prime Minister Nuri al-Maliki on Tuesday ordered the dismantling of US and Iraqi checkpoints surrounding the area.

The checkpoints - manned by US and Iraqi troops for a week in an effort to find a kidnapped US military translator of Iraqi descent as well as snare an alleged death-squad leader - had snarled traffic and bred growing anger in the slum.

They also provided Mr. Maliki with a chance to further assert his independence after weeks of friction between Washington and Baghdad - just days before US midterm elections, in which the Iraq war has become a defining issue.

Aides to the premier have said that they want to take advantage of the vote, and the unpopularity of Mr. Bush and the Iraq war, to expand Maliki's authority. The new assertive tack is boosting the portrayal of Maliki as commander in chief.

The US pullback is being seen in Sadr City as a loss for the Americans, even as Maliki has shown that he can issue orders and deliver - though he has yet to follow through on vows to stanch sectarian killings.

At the same time, anti-American cleric Moqtada al-Sadr, whose Mahdi Army militia has been accused of playing a key role in sectarian murders, has also gained from a careful marshalling of his loyalists. Militiamen enforced a general strike on Tuesday to protest the US "siege," shutting down shops, offices, and schools.

Maliki's decision caught US commanders off guard, but was nonetheless carried out on the ground. The US Embassy insisted later that a joint Iraqi-US decision had been made.

Some Sadr City residents said the growing threat of unrest prompted the US acceptance of the checkpoint dismantling.

"The Americans agreed with Maliki's decision to leave Sadr City because of the US elections," says a driver with the nickname Abu Haidar. "If they let [the unrest] continue, it will spread. Moqtada [al-Sadr] and Maliki played it very well."

"It's a tactical loss for the Americans," says a jobless resident nicknamed Abu Ali, who says the decision to pull back was wise. "Because if they stayed [and violence flared], they would lose much more, not just in Iraq, but in the US."

A primary complaint echoing in Sadr City is that the US-Iraqi checkpoints did little to stop the violence: 26 laborers died in a market blast on Sunday. In the nearby district of Ur, also apparently subject to checkpoint control, a wedding party was hit with a car bomb Tuesday, leaving 23 dead, among them nine children.

Across Iraq Wednesday, police searched for at least 40 Shiites suspected to have been abducted by Sunni gunmen along a dangerous highway north of Baghdad. At least 27 Iraqis died in a spate of attacks.

Under fire by critics for not authorizing enough troops in Iraq, US Defense Secretary Donald Rumsfeld said that he had agreed to expand the size of Iraqi forces beyond the current 310,000 listed on the books as trained, and the previous goal of 325,000.

In Baghdad, an increasing number of Shiites believe that the US is more to blame for violence in Baghdad than Sunni insurgents - a once-common accusation that largely disappeared last February, when sectarian bloodletting surged after destruction of a key Shiite shrine. Some even accuse US forces of deliberately planting bombs to stoke more violence.

"The bombs came after the Americans came. When they are there, they are controlling security, so who is to blame?" says Ali al-Saidi, an Internet cafe owner. "When [US forces] entered Sadr City, we were worried. When they leave, we feel safer."

"The Americans are trying to make trouble in Sadr City," asserts Abu Ali. "They want to return Sadr City and the Mahdi Army to a war situation."

DOJ_NMG_0090070

US forces fought pitched battles with the Mahdi Army in the holy city of Najaf and in Sadr City in April and August 2004. Sadr has since ordered his fighters not to attack US forces, and his support of Maliki's fragile Shiite coalition ended a months-long deadlock earlier this year.

After Maliki's order to remove the checkpoints, Sadr's office crowed in a statement to supporters: "Your patience and unity brought victory."

US forces have rubbed increasingly against Sadr's militia in recent months, with friction turning to gunfights at times. And the Mahdi Army, while winning kudos among many Shiites for defending them against Sunni insurgent attack, is also believed to be behind some sectarian killings that are leaving more than 2,500 Iraqis dead each month.

A second purpose of the US-Iraqi checkpoints was to snare a Shiite man alleged to be a death-squad leader. Residents and Sadr supporters jump to Abu Deraa's defense, countering that he is a simple man with a penchant for helping hostages get released from kidnapping gangs.

"One man gave him a camel for helping free his son," says Abu Kumail, a money changer who has seven children. "He saved a Sunni man from a gang - does that mean he is a leader of the death squads?"

"We are feeling that whenever [Americans] raid in Sadr City, they leave many bombs and IEDs [roadside bombs]," says Abu Kumail. "Who is the terrorist? We didn't know terrorism in our country before the [2003] US invasion."

Coming after one of the bloodiest months for US troops since the 2003 Iraq campaign began - 105 Americans died in October - some say US commanders preferred not to push harder on Sadr City now.

"It's a victory for the Iraqi people," says Abu Kumail. "They obeyed the cleric's order [for a strike], and they proved to the government and American soldiers they are peaceful people, and civilized.

"It's a victory, too, for the government," he adds. "They proved their power with a decision, a small justice that is fair to the people."

In a suburb that is home to an estimated 2.5 million Iraqis, Maliki's decision is resounding widely.

But so, too, do rumors that US troops are behind some of the blasts. Among the most common reasons cited here for a US interest in more war: Iraqi Shiites and militias have grown too powerful, both in government and outside of it; and even more conflict would justify a longer US presence, according to this perception.

"The Americans have different ways to make these blasts," charges Abu Ali, the jobless young man. "Sometimes they do it, and plant these bombs. Sometimes they create the good environment for bombs."

"We are not seeing [bombs being planted], but the Americans control the night," he adds, making a deductive leap. "All IEDs and bombs are planted at night, in the curfew."

Baghdad Attacks Target Busy Areas (WP)

By John Ward Anderson

The Washington Post, November 2, 2006

BAGHDAD, Nov. 1 -- At least 17 people were killed in car bombings, mortar attacks and roadside explosions in Baghdad on Wednesday, as the sounds of gunfights and explosions reverberated through the capital for much of the day.

In Sadr City, a Shiite Muslim slum in eastern Baghdad, life returned to normal a day after U.S. and Iraqi checkpoints were removed to allow the free flow of traffic and a strike was lifted to permit residents to reopen shops and return to jobs and classrooms.

The forced shutdown of most activities in Sadr City this week by the powerful Mahdi Army militia apparently played a major role in compelling the government of Prime Minister Nouri al-Maliki to order an end Tuesday to a nearly week-long U.S. blockade of the teeming slum, home to 2.5 million Shiites. U.S. troops had cordoned it off in an effort to find an abducted U.S. soldier and a man considered to be one of Iraq's most notorious death squad leaders, both of whom were believed to be there.

But while Shiites hailed Maliki for asserting his independence and authority, and for alleviating the hardships imposed by the cordon, some Sunni Arab leaders questioned the decision.

Vice President Tariq al-Hashimi, a Sunni, said in a statement that security in Baghdad had "noticeably improved" during the barricading of Sadr City. He said lifting the checkpoints "may mean freeing up the movement of terrorists."

Alaa Makky, a Sunni member of parliament from the Iraqi Islamic Party, said in an interview that Maliki "should suspend his decision" to lift the siege. Makky called for Maliki to forward the matter to the country's National Security Council, which he said could "consider the complications and side effects of the decision" and formulate a security plan for all of Baghdad, not just one neighborhood.

The crackle of gunfire and the boom of bombs and mortars punctuated life in the capital for most of the day. In the deadliest incidents, six people were killed by a roadside bomb in the Shurjah market of central Baghdad, five were killed and

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seven wounded by a car bomb at Aqaba bin Nafi intersection in eastern Baghdad, and three people were killed in a car bombing Wednesday morning in the southwest Bayaa neighborhood.

The U.S. military said in a statement that a soldier assigned to Regimental Combat Team 7 in Anbar province west of Baghdad -- a stronghold for Sunni insurgents and the group al-Qaeda in Iraq -- died of combat injuries on Tuesday, raising the number of U.S. service members killed in Iraq in October to at least 104. It was the fourth-deadliest month for U.S. troops since the start of the war, and it brought the most fatalities since January 2005, when 106 U.S. service members were killed.

In a sign of how violent the month was, an unusually large number of October's deaths occurred in combat. Ninety-nine of the troops were killed in action, compared with 63 in September, 58 in August and 38 in July. Only two other months brought more U.S. troops killed in action -- November 2004 (125) and April 2004 (126).

On Wednesday, a U.S. soldier was killed by a roadside bomb west of Baghdad, the military said in a statement.

[A] news service, citing data from Iraq's Interior Ministry, reported that 1,289 Iraqi civilians died last month in political violence -- nearly 42 people per day -- up 18 percent from the 1,089 such fatalities in September. Many violent deaths in Iraq are believed to go unreported, however. This summer, the United Nations put the nationwide death toll at more than 3,000 people a month.

Because of the political sensitivity of death counts, the Interior Ministry has stopped publicly releasing death statistics, and the [news service] report could not be independently verified. The news agency said the data, a nationwide compilation of reports from the Interior, Defense and Health ministries, did not include all violent deaths, but only those judged to be the result of political, sectarian or ethnic killings, as opposed to criminal acts.

Last Gasps In Iraq (USAT)

By Ralph Peters

USA Today, November 2, 2006

On Tuesday, Iraqi Prime Minister Nouri al-Maliki obeyed Muqtada al-Sadr's command to withdraw U.S. troops from Baghdad's Sadr City. He halted a vital U.S. military operation. It was the third time in less than a month that al-Maliki had sided with the anti-American cleric against our forces.

President Bush insists that we have no conflicts with the al-Maliki government. The president isn't telling the truth — or he himself doesn't support our military's efforts. He can't have it both ways. Bush appears increasingly desperate just to get through the upcoming elections.

I supported the removal of Saddam Hussein. I believed that Arabs deserved a chance to build a rule-of-law democracy in the Middle East. Based upon firsthand experience, I was convinced that the Middle East was so politically, socially, morally and intellectually stagnant that we had to risk intervention — or face generations of terrorism and tumult. I still believe that our removal of Hussein was a noble act.

I only wish the administration had done it competently.

Iraq is failing. No honest observer can conclude otherwise. Even six months ago, there was hope. Now the chances for a democratic, unified Iraq are dwindling fast. The country's prime minister has thrown in his lot with al-Sadr, our mortal enemy. He has his eye on the future, and he's betting that we won't last. The police are less accountable than they were under Saddam. Our extensive investment in Iraqi law enforcement only produced death squads. Government ministers loot the country to strengthen their own factions. Even Iraq's elections — a worthy experiment — further divided Iraq along confessional and ethnic lines. Iraq still exists on the maps, but in reality it's gone. Only a military coup — which might come in the next few years — could hold the artificial country together.

This chaos wasn't inevitable. While in Iraq late last winter, I remained soberly hopeful. Since then, the strength of will of our opponents — their readiness to pay any price and go to any length to win — has eclipsed our own. The valor of our enemies never surpassed that of our troops, but it far exceeded the fair-weather courage of the Bush administration.

Yet, for all our errors, we did give the Iraqis a unique chance to build a rule-of-law democracy. They preferred to indulge in old hatreds, confessional violence, ethnic bigotry and a culture of corruption. It appears that the cynics were right: Arab societies can't support democracy as we know it. And people get the government they deserve.

For us, Iraq's impending failure is an embarrassment. For the Iraqis — and other Arabs — it's a disaster the dimensions of which they do not yet comprehend. They're gleeful at the prospect of America's humiliation. But it's their tragedy, not ours.

Iraq was the Arab world's last chance to board the train to modernity, to give the region a future, not just a bitter past. The violence staining Baghdad's streets with gore isn't only a symptom of the Iraqi government's incompetence, but of the comprehensive inability of the Arab world to progress in any sphere of organized human endeavor. We are witnessing the collapse of a civilization. All those who rooted for Iraq to fail are going to be chastened by what follows.

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Iraq still deserves one last chance — as long as we don't confuse deadly stubbornness and perseverance. If, at this late hour, Iraqis in decisive numbers prove willing to fight for their own freedom and a constitutional government, we should be willing to remain for a generation. If they continue to revel in fratricidal slaughter, we must leave.

And contrary to the prophets of doom, the United States wouldn't be weakened by our withdrawal, should it come to that. Iraq was never our Vietnam. It's al-Qaeda's Vietnam. They're the ones who can't leave and who can't win.

Islamist terrorists have chosen Iraq as their battleground and, even after our departure, it will continue to consume them. We'll still be the greatest power on earth, indispensable to other regional states — such as the Persian Gulf states and Saudi Arabia — that are terrified of Iran's growing might. If the Arab world and Iran embark on an orgy of bloodshed, the harsh truth is that we may be the beneficiaries.

My disillusionment with our Iraq endeavor began last summer, when I was invited to a high-level discussion with administration officials. I went into the meeting with one firm goal, to convince my hosts that they'd better have Plan B in case Iraq continued to disintegrate. I left the session convinced that the administration still didn't have Plan A, only a blur of meandering policies and blind hopes. After more than three years, it was still “An Evening at the Improv.”

Then, last month, as Iraq's prime minister seconded al-Sadr's demand that our troops free a death-squad mastermind they had captured, I knew a fateful page had turned. A week later, al-Maliki forbade additional U.S. military raids in Sadr City, the radical mullah's Baghdad stronghold. On Tuesday, al-Maliki insisted that our troops remove roadblocks set up to help find a kidnapped U.S. soldier. Iraq's prime minister has made his choice. We're not it. It's time to face reality. Only Iraqis can save Iraq now — and they appear intent on destroying it. Après nous, le deluge.

Iraq could have turned out differently. It didn't. And we must be honest about it. We owe that much to our troops. They don't face the mere forfeiture of a few congressional seats but the loss of their lives. Our military is now being employed for political purposes. It's unworthy of our nation.

Ralph Peters is a member of USA TODAY's board of contributors and the author of 21 books. He is a retired U.S. Army officer.

Army Journal Cites Problems With Iraqis (AP-Y)

By John Milburn

AP, November 2, 2006

Iraqi soldiers being trained by American military advisers go on rampages, flee from dangerous situations and waste ammunition in undisciplined bursts of fire at any provocation, according to an account in a U.S. Army journal.

In contrast to the iron discipline imposed during Saddam Hussein's regime, "the new army serves the cause of freedom, and officers and soldiers alike are a bit confused about what this means," Lt. Col. Carl D. Grunow wrote in the July-August issue of Military Review.

Iraqi soldiers frequently use excessive force, going on retaliatory rampages after colleagues are killed by insurgents, Grunow wrote in the journal, a publication of the U.S. Army Combined Arms Center at Fort Leavenworth, Kan.

"The `burst reaction' may be attributed to Iraqis experiencing denial, anger and grief all at the same time," he wrote.

Grunow, who spent a year with an Iraqi armored brigade north of Baghdad, also said that Iraqis often fail to report for training, and that sometimes up to 40 percent of some units flee from dangerous situations without fear of punishment.

"As of this writing, the only power holding them is the promise of a paycheck (not always delivered) and a sense of duty. Good soldiers leave after receiving terrorist threats against their families," Grunow wrote.

The old Iraqi army "executed deserters unhesitatingly," he said.

Another problem, Grunow wrote, is the Iraqi "death blossom," in which an attack by even a single sniper "provokes the average Iraqi soldier to empty his 30-round magazine and fire whatever belt of ammunition happens to be in his machine gun."

That is both dangerous and wasteful, he said.

Military Rebuts Media On Iraq (LAT)

By Julian E. Barnes

The Los Angeles Times, November 2, 2006

Washington — As concern in the Defense Department mounts over eroding public support for the Iraq war, the Pentagon has launched a rapid-response public relations effort to rebut news stories that officials believe are inaccurate or misleading.

Although all administrations have been critical of the media, most have avoided regular, ongoing public fights with journalists. But in recent weeks the Bush administration has shown a willingness to fight over facts and reporters' analysis of news events.

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The Defense Department's rapid-response efforts echo an initiative called "Setting the Record Straight," in which the White House identifies what it says are news reports' inaccuracies or quotations out of context. Among the first results of the Pentagon response is a new "For the Record" section of the Defense Department's website, http://www.defenselink.mil .

On Wednesday the section contained critiques of a Washington Post article, a Newsweek cover story and two New York Times editorials, as well as a list of "Five Myths About the War on Terror" that it said were "some of the more prominent ones in the public dialogue."

Pentagon officials say the effort is not in response to negative coverage of the war, but rather an attempt to adapt to new technologies and find ways to communicate with the American public and international audiences.

"We've always thought it is important to go out and correct the record," said Pentagon spokesman Bryan G. Whitman. "If we are doing it more aggressively, it is because we understand in this Information Age, it is easy for wrong information to be perpetuated."

The effort shows Defense Secretary Donald H. Rumsfeld's frustration with increasingly negative coverage of the war, said Marvin Kalb, Washington-based senior fellow for Harvard's Shorenstein Center on the Press, Politics & Public Policy.

But Kalb said as long as the war was going badly, the media coverage was sure to be negative.

"It is not a matter of improving communication, it is a matter of the reality of the war," Kalb said. "The effective response has to be in the policy you pursue, not in the way the policy is covered.

"Rumsfeld is not the first government official who turns on the news at night and throws a bottle of Scotch at the TV."

Pentagon officials said they were dedicating staffers to the effort but would not specify how many would be hired or transferred. They also declined to say how much was going to be spent on the effort.

In an Oct. 3 memo released this week, J. Dorrance Smith, the assistant secretary of Defense for public affairs, outlined four focus areas for his department: distributing information on newer media forms like podcasts and YouTube; increased television and radio bookings; better assistance to military analysts and other "surrogates"; and the rapid-response group.

Pentagon Press Secretary Eric Ruff said the changes were part of an effort to improve the D-plus rating that Rumsfeld had given the public affairs operation.

"We're trying to do better than a D-plus," Ruff said this week.

"Al Qaeda has demonstrated time and again how they can use the Internet. We are, very frankly, behind the curve."

Homeward Bound -- If Only For A Year (LAT)

By Borzou Daragahi

The Los Angeles Times, November 2, 2006

camp paliwoda, iraq — Home means snowboarding, family meals and first-run movies. Home is where you can sleep late and drive around town in a pickup with the windows down and the radio up.

"I want to relax, maybe dress down, put on shorts and a T-shirt instead of wearing a uniform, maybe every once in a while not shave," Sgt. Jon Bullard said as he prepared to pack up his gear and head home to his wife and 12-year-old daughter.

Bullard and the other soldiers of the 1st Battalion, 8th Infantry Regiment, or the 1-8, are finishing up a one-year tour of duty in Iraq, leaving the portable toilets and processed food of this bleak base 50 miles north of Baghdad for division headquarters in Ft. Carson, Colo.

But home may be a fleeting respite. This was the battalion's second tour in Iraq, and most think they will be back for a third time, probably in another year.

"I hate this place," said Spc. Alex Esteban, a 21-year-old Miami native who mapped out plans for a trip to Las Vegas. At home, "I won't worry about getting shot at or mortared. But there's a 90% chance that I'll be back here in a year. I have no choice. It's my job."

Outside the former schoolhouse used as a battalion headquarters, the soldiers waited for the Chinook helicopters that would ferry them to nearby Anaconda, the massive air base where they would stay for a few days before heading to Kuwait and beyond.

Delay followed delay. They laid their rucksacks and M-16s on the ground; some dozed beneath the stars daydreaming, smoking cigarettes and chewing tobacco.

The talk turned to politics.

"There is no progress," said Sgt. Stephen Brodbeck, a 25-year-old Denver native. "We've been here doing the same thing for 3 1/2 years. These are the same Iraqi soldiers we tried to train in 2003. We did a lot, but it was all in vain. And the guys we lost, we lost in vain."

Others chimed in, some vehemently disagreeing.

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"We're helping provide security and buy time for the Iraqi government to step in," said Capt. Andrew Kletzing, 25, of Chicago. "Every month that goes by, they get a little bit more credibility and a little stronger. In the grand scheme of things it's making a difference. If we can succeed here, we can change the course of history."

Still, many of the soldiers despair at how bad things have gotten since they were last here.

"This doesn't look good, the things here," said Sgt. Dominie Price, 25, of Wheaton, Ill. "Maybe we don't see the big picture, and things will be better the next time we come back."

Almost all have become news junkies in Iraq, hanging on every word spoken by U.S. officials about the war, reading newspapers and news websites for clues about the country's security situation, any deployment extensions and whether the war will continue for many months or many years.

A sobering toll

It's been a harsh year for the men and women of the 1-8, a unit of the 3rd Brigade of the 4th Infantry Division, and the rest of the troops in Iraq. At least 780 troops have died in the country since the 4th Infantry deployed here last November, 105 in the last month alone. At least 5,500 troops have been wounded in the last year.

Five guys from the 1-8 won't be making it back to Ft. Carson. Their comrades recall their names as they were read out during commemorative roll calls:

Staff Sgt. Curtis T. Howard II, 32, of Ann Arbor, Mich.

Sgt. Gordon F. Misner II, 23, of Sparks, Nev.

Sgt. Dimitri Muscat, 21, of Aurora, Colo.

Spc. Thomas J. Wilwerth, 21, of Mastic, N.Y.

Spc. Walter B. Howard II, 35, of Rochester, Mich.

The soldiers cherish memories of home to keep up morale. Back home, though, life has not stopped. Relationships with loved ones have become more strained. Children have grown a year older.

"I'm worried about my son not recognizing me," said Spc. Joseph D. Leon, 23, of Santa Paula. "It's been hard just with the kids being so young still and just trying to get them going, and my wife being home by herself taking care of everything."

First thing he'll do when he gets home is take his wife, son and daughter to the zoo. "My daughter loves the monkeys running around, and the birds," he said.

Capt. Mark T. Jenner's mother died of cancer while he was deployed in Iraq. He's planning to leave the military. The 26-year-old Cherry Hill, N.J., native is looking forward to spending Thanksgiving with his wife and piecing together a new life as a civilian.

"We're into wine," he said. "We had a little hobby of traveling around the Colorado countryside and visiting the vineyards."

A light rain began, among the first signs of the coming winter. The noontime call to prayers floated across from a nearby mosque as Capt. Keith L. Carter, the departing commander of Bravo Company, set out on what was likely to be his last visit to Balad, a friendly, ramshackle Shiite Muslim farming town that has been the focus of the troops' attention.

Carter has put on 15 pounds since taking up weight lifting in Iraq. He used to run five or more miles a day. Being here, he says, has changed his physique.

"Since being in Iraq, I can bench press way more than I used to," he said.

But like many officers here, the low-key 29-year-old Chelmsford, Mass., native wonders whether any of his efforts to train Iraqi forces and improve security have made a difference.

"I think we're winning," he said. "But the pace isn't as rapid as a lot of people would like."

Confrontation in Balad

A commotion erupted in downtown Balad as the convoy pulled in. Residents gathered near the police headquarters. Carter led a group of men inside. The police chief and mayor were triumphant, showing off a pair of bloodied suspected insurgents they had captured.

A group of Iraqi soldiers and police manning a volatile checkpoint had confronted a car carrying three suspected insurgents. They engaged in a gun battle, killing one man who turned out to be a member of a local security force and arresting the two others, who had dynamite and other munitions in their Toyota sedan.

The suspected insurgents had a map of Balad that obviously came from Americans, giving credence to long-held suspicions that the security force in question, the Iraqi Strategic Infrastructure Battalion, had been infiltrated by insurgents.

"Did the terrorists have this map on them?" Carter asked.

Yes, they replied.

"Good job," he told them.

The rain clouds dispersed as the patrol pushed through traffic toward the base. Beams of sunlight illuminated the green farmlands.

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"They did this by themselves," Carter said. "We didn't even know about it."

Later that night at the base, the next batch of soldiers scheduled to head home started to assemble near headquarters. They clutched their redeployment orders as they waited for roll call. They eventually dozed off, but sprung to life as the roar of the Chinooks began to fill the sky over Iraq.

Medic Tends A Fallen Marine, With Skill, Prayer And Fury (NYT)

By C. J. Chivers

The New York Times, November 2, 2006

KARMA, Iraq, Oct. 30 — Petty Officer Third Class Dustin E. Kirby clutched the injured marine's empty helmet. His hands were coated in blood. Sweat ran down his face, which he was trying to keep straight but kept twisting into a snarl.

He held up the helmet and flipped it, exposing the inside. It was lined with blood and splinters of bone.

"The round hit him," he said, pausing to point at a tiny hole that aligned roughly with a man's temple. "Right here."

Petty Officer Kirby, 22, is a Navy corpsman, the trauma medic assigned to Second Mobile Assault Platoon of Weapons Company, Second Battalion, Eighth Marines. Everyone calls him Doc. He had just finished treating a marine who had been shot by an Iraqi sniper.

"It was 7.62 millimeter," he continued. "Armor piercing."

He reached into his pocket and retrieved the bullet, which he had found. "The impact with the Kevlar stopped most of it," he said. "But it tore through, hit his head, went through and came out."

He put the bullet in his breast pocket, to give to an intelligence team later. Sweat kept rolling off his face, mixed with tears. His voice was almost cracking, but he managed to control it and keep it deep. "When I got there, there wasn't much I could do," he said.

Then he nodded. He seemed to be talking to himself. "I kept him breathing," he said.

He looked at Lance Cpl. Matias Tafoya, his driver, and raised his voice. It was almost a shout. "When I told you that I do not let people die on me, I meant it," he said. "I meant it."

He scanned the Iraqi houses, perhaps 150 yards away, on the other side of a fetid green canal. Marines were all around, pressed to the ground, peering from behind machine-gun turrets or bracing against their armored vehicles, aiming rifles at where they thought the sniper was.

The sniper had made a single shot just as the marines were leaving a rural settlement on the western edge of Karma, a city near Falluja in Anbar Province.

The marines had been searching several houses on this side of the canal, where they found five Kalashnikov assault rifles and bomb components, and were getting back into their vehicles when everyone heard the shot. It was a single loud crack.

No one was precisely sure where it had come from. Everyone knew precisely where it hit. It struck a marine who was peering out of the first vehicle's gun turret. He collapsed.

Petty Officer Kirby rushed to him and found him breathing. He bandaged the marine's head as the vehicle lurched away. Soon he helped load the wounded marine into a helicopter, which touched down beside the convoy within 12 minutes of the shot.

Once the helicopter lifted away, he ran back to his vehicle, ready to treat anyone else. He was thinking about the marine he had already treated.

"If I had gone with him," he said, and glanced to where the helicopter had flown away, over the line of date palms at the end of a field. His voice softened. "But I'm not with him," he said.

He turned, faced a reporter and spoke loudly again. "In situations and times like this, I am bound to start yelling and shouting furiously," he said. "Don't think I am losing my mind."

He held his bloody hands before his face, to examine them. They were shaking. He made fists so tight his veins bulged. His forearms started to bounce.

"His name was Lance Cpl. Colin Smith," he said. "He said a prayer today right before we came out, too."

"Every time before we go out, we say a prayer," he said. "It is a prayer for serenity. It says a lot about things that do pertain to us in this kind of environment."

The only sounds were Doc's voice and the vehicle's engine thrumming.

He recited the prayer. There was a few moments of silence. "It's a platoon kind of thing, if you know what I mean," he said.

He listened to his radio headset and looked at Lance Corporal Tafoya, relaying word of the marines' movements. "Right now the grunts are performing a hard hit on a house," he said. He turned back to the subject of Lance Corporal Smith, 19.

"The best news I can throw at anybody right now, and that I am throwing to myself as often as I can, is that his eyes were O.K.," he said. "They were both responsive. And he was breathing. And he had a pulse."

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He listened to his radio. “Two houses they’ve hit so far have both been swept and cleared.”

He looked at the reporter beside him. “Do you pray?” he asked. “Do that. I’d appreciate it.”

After a few minutes he started talking again. “You see, having a good platoon, one that you know real well, it’s both a gift and a curse. And Smith? Smith has been with me since I was...”

He stopped. “He was my roommate before we left,” he said.

He refilled his lungs and raised his voice. “His dad was his best friend,” he said. “He’s got the cutest little blond girlfriend, and she freaks out every time we call because she’s so happy to hear from him.”

He sat quietly again. A few minutes passed. “The first casualty we had here — his name was James Hirlston — he was his good friend.”

“Hirlston got shot in the head, too,” he said.

He said something about Iraqi snipers that could not be printed here.

Then he was back to the subject of Lance Corporal Smith.

“I really thank God that he was breathing when I got to him, because it means that I can do something with him,” he said. “It helps. People ask you, ‘What are you doing? What are you doing?’ It helps, because if he’s breathing, you’re doing something.”

There had been many Iraqi civilians outside a few minutes before the sniper made his shot. Most of them had disappeared. Now an Iraqi woman walked calmly between the sniper and the marines, as if nothing had happened.

She passed down the street.

Petty Officer Kirby began to list the schools he had attended to be ready for this moment. Some he had paid for himself, he said, to be extra-prepared.

In one course, an advanced trauma treatment program he had taken before deploying, he said, the instructors gave each corpsman an anesthetized pig.

“The idea is to work with live tissue,” he said. “You get a pig and you keep it alive. And every time I did something to help him, they would wound him again. So you see what shock does, and what happens when more wounds are received by a wounded creature.”

“My pig?” he said. “They shot him twice in the face with a 9-millimeter pistol, and then six times with an AK-47 and then twice with a 12-gauge shotgun. And then he was set on fire.”

“I kept him alive for 15 hours,” he said. “That was my pig.”

“That was my pig,” he said.

He paused. “Smith is my friend.”

He looked at his bloody hands. “You got some water?” he said. “I want some water. I just want to wash my wedding band.”

He listened to the tactical radio. The platoon was sweeping houses but could not find the sniper.

The company started to move. It stopped at another house. The marines were questioning five Iraqi men. Doc watched from the road, waiting for the next call.

“I would like to say that I am a good man,” he said. “But seeing this now, what happened to Smith, I want to hurt people. You know what I mean?”

The marines had not fired a shot.

They took one of the men into custody, mounted their vehicles and drove back to Outpost Omar, their company base, passing knots of Iraqi civilians on the way. The civilians looked at them coldly.

Inside the wire, First Lt. Scott R. Burlison, the company commander, gathered the group and told them that Lance Corporal Smith was alive and in surgery. He was critical, but stable. They hoped to fly him to Germany.

Doc had scrubbed himself clean. A big marine stepped forward with a small Bible, and the platoon huddled. He began with Psalm 91, verses 5 and 11.

“Thou shall not be afraid for the terror by night, nor for the arrow that flieth by day,” said the big marine, Lance Cpl. Daniel B. Nicholson. “For he shall give his angels charge over thee, to keep thee in all thy ways.”

Then he asked for the Lord to look after Lance Corporal Smith and whatever was ahead, and to take care of everyone who was still in the platoon.

“Help us Lord,” he said. “We need your help. It’s the only way we’re going to get through this.”

Doc stood in the corner, his arm looped over a marine. “Amen,” he said. There were some hugs, and then the marines and their Doc went back to their bunks and their guns.

Same Old Demons (NYT)

By David Brooks

The New York Times, November 2, 2006

DOJ_NMG_0090077

Policy makers are again considering fundamental changes in our Iraq policy, but as they do I hope they read Elie Kedourie's essay, "The Kingdom of Iraq: A Retrospect."

Kedourie, a Baghdad-born Jew, published the essay in 1970. It's a history of the regime the British helped establish over 80 years ago, but it captures an idea that is truer now than ever: Disorder is endemic to Iraq. Today's crisis is not three years old. It's worse now, but the crisis is perpetual. This is a bomb of a nation.

"Brief as it is, the record of the kingdom of Iraq is full of bloodshed, treason and rapine," Kedourie wrote.

And his is a Gibbonesque tale of horror. There is the endless Shiite-Sunni fighting. There is a massacre of the Assyrians, which is celebrated rapturously in downtown Baghdad. Children are gunned down from airplanes. Tribal wars flare and families are destroyed. A Sunni writer insults the Shiites and the subsequent rioters murder students and policemen. A former prime minister is found on the street by a mob, killed, and his body is reduced to pulp as cars run him over in joyous retribution.

Kedourie described "a country riven by obscure and malevolent factions, unsettled by the war and its aftermath." He observed, "The collapse of the old order had awakened vast cupidities and revived venomous hatreds."

In 1927, a British officer asked a tribal leader: "You now have a government, a constitution, a parliament, ministers and officials — what more can you want?" The tribal leader replied, "Yes, but they speak with a foreign accent."

The British tried to encourage responsible Iraqi self-government, to no avail. "The political ambitions of the Shia religious headquarters have always lain in the direction of theocratic domination," a British official reported in 1923. They "have no motive for refraining from sacrificing the interests of Iraq to those which they conceive to be their own."

At one point, the British high commissioner, Sir Henry Dobbs, argued that if Britain threatened to withdraw its troops, Iraqis would behave more responsibly. It didn't work. Iraqis figured the Brits were bugging out. They concluded it was profitless to cultivate British friendship. Everything the British said became irrelevant.

The Iraq of his youth, Kedourie concluded, "was a make-believe kingdom built on false pretenses." He quoted a British report from 1936, which noted that the Iraqi government would never be a machine based on law that treated citizens impartially, but would always be based on tribal favoritism and personal relationships. Iraq, Kedourie said, faced two alternatives: "Either the country would be plunged into chaos or its population should become universally the clients and dependents of an omnipotent but capricious and unstable government." There is, he wrote, no third option.

Today Iraq is in much worse shape. The most perceptive reports describe not so much a civil war as a complete social disintegration. This latest descent was initiated by American blunders, but is exacerbated by the same old Iraqi demons: greed, blood lust and a mind-boggling unwillingness to compromise for the common good, even in the face of self-immolation.

The core problem is the same one Kedourie identified decades ago. Iraq is teetering on the edge of futility. Perhaps a competent occupation could have preserved it as a coherent entity, but now the Iraqi national identity is looking like a suicidal self-delusion.

Partitioning the country would be traumatic, so after the election it probably makes sense to make one last effort to hold the place together. Fire Donald Rumsfeld to signal a break with the past. Alter troop rotations so that 30,000 more troops are policing Baghdad.

But if that does not restore order, if Iraqi ministries remain dysfunctional and the national institutions remain sectarian institutions in disguise, then surely it will be time to accede to reality. It will be time to effectively end Iraq, with a remaining fig-leaf central government or not. It will be time to radically diffuse authority down to the only communities that are viable — the clan, tribe or sect.

A muscular U.S. military presence will be more necessary than ever, to deter neighboring powers and contain bloodshed. And the goals will remain the same: to nurture civilized democratic societies that reject extremism and terror.

But the boundaries may have to change. The war was an attempt to lift a unified Iraq out of its awful history, but history has proved stubborn. It's time to adjust the plans to reality.

Hadley Travels To Afghanistan After Iraq (AP-Y)

AP, November 2, 2006

President Bush's national security adviser arrived in Afghanistan Wednesday after wrapping up two days of meetings in Iraq aimed at soothing tension with Prime Minister Nouri al-Maliki.

White House spokeswoman Dana Perino said National Security Adviser Stephen Hadley traveled to Kabul for meetings with Afghan President Hamid Karzai and senior military leaders. A joint NATO-Afghan force has stepped up patrols in areas where insurgents are active to increase security in the country.

Perino said Hadley, who made the trip unannounced as a security precaution, "had two days of good meetings in Iraq." His visit came as al-Maliki was trying to assert authority with the Americans, most recently with Tuesday's orders to lift joint U.S.-Iraqi military checkpoints around the Shiite militant stronghold of Sadr City and other parts of Baghdad.

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Al-Maliki has repeatedly said the United States was trying to impose timelines for progress without first seeking his approval. At one point, he said he was a friend of the United States, but "I am not America's man in Iraq." The White House has sought to down play any serious dispute and said Hadley was not on a fence-mending mission.

Stop Calling It The 'War On Terror' (LAT)

By Timothy Garton Ash

The Los Angeles Times, November 2, 2006

WHETHER or not a formal post-mortem into the Iraq war is launched by a newly Democrat-controlled Congress after Tuesday's midterm elections, no one doubts that this has been a war, one without end. Yet one day it will end. Will we then still be at war? Were 9/11, Afghanistan, Iraq, the London bombings, Madrid, Bali and the rest all just pages of the opening chapter in a long saga called the War on Terror?

For all their criticisms of the way President Bush has waged the wars in Iraq and Afghanistan, most Democrats don't challenge the central concept of the war on terror. They merely claim they could fight it better. Only a few intellectual Democrats, such as financier and philanthropist George Soros, insist that the very idea of the war on terror is, in his words, "a false metaphor."

Most Europeans, by contrast, agree with Soros. I have argued the same point. British military historian Sir Michael Howard was prescient in a brilliant article in Foreign Affairs titled "What's in a name?" and published just months after the 9/11 attacks. When then-Secretary of State Colin Powell declared that the U.S. was "at war" with terrorism, wrote Howard, "he made a very natural but terrible and irrevocable error." Apart from anything else, to use this language dignified the terrorists with the status of belligerents when they should have been treated as criminals. In a backhanded way, the coinage was itself a kind of glorification of terrorism.

Political words have consequences — especially when used by the most powerful nation on Earth — and one could plausibly suggest that much blood has flowed as a result of that choice of words.

It's clearly the case that after Sept. 11, 2001, when the administration said "war," it meant war in the familiar sense of trained people being commanded to go kill other people. In 2002, I asked a very senior administration official how this war on terror might end. He replied: "With the elimination of the terrorists." Yes, from the outset officials acknowledged that this was no longer war in the classic sense of two uniformed armies meeting on a field of battle. Yet the decision to make Iraq a central theater of the war on terror was, among other things, a kind of desperate reaching back to a more conventional kind of warfare that the mightiest army in the history of the world could clearly and swiftly win. Or so they thought.

In the last week, I have heard two powerful arguments for retaining the word "war" to describe the essential character of the age we're in. Lecturing in Oxford, Philip Bobbitt, the American historian and author of "The Shield of Achilles," and Matthew d'Ancona, editor of the conservative British weekly the Spectator, both insisted that we should not throw out the baby of the "war on terror" with the bathwater of Iraq.

Both counter-posed the notion of war to that of combating crime, favored by many liberal Europeans. Yes, bad mistakes were made in Iraq, said D'Ancona, but the very nature of this war is so new that it was inevitable that big mistakes would be made. The new terrible trio of rogue states, weapons of mass destruction and international terrorism cannot be beaten by the old Cold War trio of containment, deterrence and nonproliferation. Terrorists are waging a long-term psychological war, aimed at reducing us to a state of terror. This is not the Cold War, said D'Ancona, it's the cold-sweat war.

Bobbitt, meanwhile, talked of no less than three wars on terror: against global-networked terrorists, against the proliferation of WMD and against large-scale natural and non-natural assaults on civilian infrastructure, from earthquakes and the consequences of global warming to genocide and ethnic cleansing. That just about covers all the bases.

Both made some strikingly similar claims, far removed from the initial gung-ho rhetoric of Bush, Dick Cheney and Donald Rumsfeld. This, D'Ancona and Bobbitt insisted, is a long-term, generational struggle, which requires patience as much as patriotism. Neither had a good word to say for Guantanamo Bay or Abu Ghraib. Both agreed that this war has to be fought within a framework of international law — which, however, must be adjusted to the new circumstances. And they emphasized the new context of what Bobbitt calls "market states," in which citizens have become like consumers, with governments behaving like nervous company boards. Does the consumer not like the product? Withdraw it from the shelves at once. Our presence in Iraq, said D'Ancona, is being treated like a listed company whose shares on the stock exchange are in free fall.

These are important points, which a segment of the British and European left has already taken onboard.

They failed to convince me, however, that the term "war on terror" should not be thrown out. It wasn't a good term to start with. Whatever the might-have-beens, it's now inextricably associated with a discredited U.S. policy and a disastrous real war in Iraq. What would we lose by dropping it?

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However, then we need an alternative. It might be better if international terrorists were treated as international criminals, but the overall metaphor of crime is not up to the job. A word that keeps popping up is "struggle." In substance, that's about right. This is a long-term struggle against multiple threats to free and open societies.

But the word "struggle" has its own baggage. It really won't do in German; not since "Mein Kampf" anyway. In English — English English, that is — it has a faint echo of people handing out copies of Socialist Worker on street corners. No, I can't see President John McCain or Hillary Clinton taking up "the struggle." So I'm struggling to find a better term. Ideas, anyone?

DOJ:

Attorney General Makes Surprise Lecture At Law School (HATCHET)

By Brandon Butler

George Washington University Hatchet, November 2, 2006

U.S. Attorney General Alberto Gonzales made a surprise visit to a Law School class Tuesday and spoke about U.S. policy in the war on terror.

Students in the Law School's criminal procedure class were surprised to see the special guest speaker in Stockton Hall Tuesday. Associate professor of law Renee Lerner teaches the class and is an acquaintance of Gonzales'. The two worked together when she was at the Department of Justice and he served as White House counsel.

"When he walked in there was a definitive gasp," Lerner said. "The students were happily surprised to see him."

The attorney general spent about 15 minutes talking about issues such as the USA PATRIOT Act, wiretapping and military tribunals. Then, for about 35 minutes he answered questions from the 40 students in the class.

Lerner said Gonzales had a "very warm and inviting manner" when speaking with the students, whom she said responded well to the visit.

"Several students mentioned it was good to hear from someone who is directly involved in legal questions they study in an academic setting," she said. "Some also mentioned how fortunate we are to be in Washington D.C. where we have access to such high-ranking officials."

Lerner said she arranged the visit a couple of months ago when Gonzales approached her because he wanted to guest lecture in a Law School class. She did not tell her students Gonzales would be joining the class, but assigned readings on the subjects he spoke about.

She said that in the late 1990s, she arranged a guest lecture from then special prosecutor Kenneth Starr who was investigating President Bill Clinton.

CORPORATE SCANDALS:

H-P's Hurd Answers House Panel On Probe, Sheds Little New Light (WSJ)

By DON CLARK And PETER WALDMAN

The Wall Street Journal, November 2, 2006

There are a few lingering questions in the Hewlett-Packard Co. leak-investigation scandal. For the most part, Chief Executive Mark Hurd has answered them with a standard response: I don't remember.

Mr. Hurd yesterday submitted written answers to 16 questions that were put to him by a House subcommittee investigating the affair, following his Sept. 28 testimony before the subcommittee. The responses don't provide much new information.

The investigation into media leaks of boardroom discussions, which began in early 2005 at the behest of former Chairman Patricia Dunn, included the examination of private phone records of directors, journalists and others. Private investigators, working on behalf of H-P, obtained records using a technique called pretexting, which involves pretending to be the user of a particular phone account.

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1

Read Mark Hurd's written responses2 to the House subcommittee questions.

One unanswered question is exactly when Mr. Hurd learned that phone records were being examined. He attended portions of a July 22, 2005, meeting that discussed the first phase of the leak investigation, called Kona I, but in response to questions from the House subcommittee, he said he can't recall much about it.

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"I cannot say that as of the July 22, 2005, meeting I understood that 'phone record information' was being obtained in connection with, or was assisting in the 'Kona I' phase of the investigation. At some point, I did come to understand that telephone-call information was being used," Mr. Hurd said in a response to the subcommittee.

Mr. Hurd said, in retrospect, he wishes he had been more focused on the "investigatory methodologies" used in the probe. He said he "did not think that anything improper might have been done" until much later, after Thomas Perkins resigned as a director in May 2006 and raised questions about the investigation.

"Unfortunately, I was not focused on the issue, so I did not dive into the details" of the investigation at the July 22, 2005, meeting, Mr. Hurd wrote.

Other evidence, indicates Mr. Hurd was indeed focused on media leaks during this period. In two separate speeches to H-P employees within days of his July 22, 2005, briefing on the leaks investigation, Mr. Hurd upbraided H-P workers for leaking corporate information to the media before H-P had formally disclosed it. In one of those speeches, Mr. Hurd called media leaks "reprehensible and unacceptable," and promised to "deal with [the leakers] appropriately." He said, "It is absolutely unacceptable that information does not stay in the company and that we have people that can't behave like adults."

Other participants in the July 22, 2005, briefing on the leaks investigation have said phone records were indeed discussed. Tony Gentilucci, H-P's former chief of investigations -- who ran the Kona I probe -- told H-P's outside counsel in August 2006 that he briefed Mr. Hurd and other H-P officials at the July 22 meeting, and "that the issue of obtaining phone records came up." Mr. Gentilucci added that he didn't think the details of pretexting were discussed.

Kevin Huska, another H-P security official who attended the July 2005 meeting, told H-P's outside lawyers that he thought "the concept of obtaining phone records" was discussed, but he wasn't sure whether pretexting itself came up.

And Ronald DeLia, the private investigator who led the leak probes for H-P, told H-P's outside lawyers that "any results" discussed at that July 2005 meeting, "would have had to include the results of the telephone research." Mr. DeLia said he didn't recall if Mr. Hurd was in the room for any discussion of phone records.

Several of the subcommittee's questions homed in on a remark that Mr. Hurd made to H-P's outside counsel in August of this year that he got the impression that H-P's investigators may have been obtaining phone records from some Web site. But he said he couldn't clarify whether he got that impression from the July meeting.

"I cannot say who made the remark about obtaining phone-record information off the Web or when that remark was made without speculating," Mr. Hurd wrote. "What I recall is that at some meeting someone mentioned getting phone-record information off of the Web and thinking there must be some sort of Web site with this information."

When Ms. Dunn gave similar testimony at the subcommittee hearing in late September, she was ridiculed by some House members, who found her belief that private phone records were publicly available to be implausible.

The subcommittee asked Mr. Hurd to explain his understanding of a PowerPoint slide presented at the July 2005 meeting, which said "intelligence" had been obtained that indicated one H-P director "appears to have contacted" certain journalists.

In response, Mr. Hurd wrote that he didn't recall any discussion at the July 2005 meeting of "what 'intelligence' meant or what specific types of 'intelligence' had been obtained."

The subcommittee's written questions focused only on the Kona I investigation. An H-P spokesman said Mr. Hurd is expected to respond to a second set of questions from the subcommittee within the next 30 days.

Last month, Ms. Dunn, Mr. DeLia and three other people were charged by California prosecutors with criminal fraud and conspiracy stemming from H-P's spying. All have professed innocence. Ms. Dunn was forced to resign as an H-P director. Messrs. Gentilucci and Huska were not charged with any crimes; Mr. Gentilucci resigned from H-P. Mr. Hurd was named to the additional post of H-P chairman, succeeding Ms. Dunn.

Sorin To Plead Guilty In Comverse Backdating Case (WSJ)

By PAUL DAVIES And MARK MAREMONT

The Wall Street Journal, November 2, 2006

The former general counsel of Comverse Technology Inc. is expected to plead guilty today to one count of criminal conspiracy in connection with an options-backdating scheme, according to people familiar with the matter.

William F. Sorin, a Harvard-educated lawyer who was at Comverse for more than two decades, would be the second former executive of the telecommunications-software firm to plead guilty. The company's former chief financial officer, David Kreinberg, entered a guilty plea last week.

Mr. Sorin, 57 years old, is scheduled to have a hearing at 12:30 p.m. EST today before Judge Nicholas Garaufis in U.S. District Court in Brooklyn, N.Y. He was charged in August with conspiracy to commit mail fraud, securities fraud and wire fraud and is expected to plead to one conspiracy count. The maximum time in prison for that charge is five years.

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The main target in the case, former Comverse Chief Executive Kobi Alexander, fled the country ahead of the charges and was arrested in September in Namibia after an international manhunt. An Israeli citizen and U.S. resident, Mr. Alexander is fighting extradition requests by the U.S. government, which has charged him in a 35-count indictment with securities fraud, bribery and other crimes. His attorneys have said he will contest the charges if and when he returns to the U.S.

Mr. Kreinberg is cooperating with the government, and in pleading guilty last week he claimed Mr. Alexander was the mastermind of a stock-options backdating scheme at Comverse that secretly boosted pay for top executives and caused the company to inflate its net income. Mr. Sorin has been in plea discussions with prosecutors in the Eastern District of New York, who declined to comment on whether he also will cooperate against Mr. Alexander.

Comverse is one of more than 130 companies being investigated by federal authorities for manipulating their options to benefit insiders. Options allow recipients to buy stock at a preset exercise price, generally set at the market price on the day they were granted. Backdating involves pretending that an option was granted on an earlier date when the market price was lower, thus conveying extra potential profit to the recipient.

In charging Mr. Sorin in August, federal authorities claimed that he, in effect, had tricked compensation committee members of Comverse's board into approving the backdated grants, by getting them to sign documents with the bogus grant dates already filled in.

5 Workers Charged With Conspiracy & Security Fraud (KCBS)

KCBS-TV, CBS 2, Los Angeles, November 2, 2006

(CBS) LOS ANGELES Five men who worked for a San Diego brokerage took secret commissions for selling stocks their firm had bought cheaply and that their superiors wanted to run up in value, a prosecutor told a jury Wednesday.

The brokerage, Hampton Porter Investment Bankers, shut its doors abruptly in 2001, U.S. Justice Department attorney Kathleen McGovern told a federal jury in Los Angeles.

The five, Bryan Laurienti, Michael Losse, David Montesano, Curtiss Parker and Donald Samaria are charged with conspiracy and securities fraud in connection with the transactions, which typically involved thinly traded low-value stocks their firm had received at deep discounts, the prosecutor said.

The stocks were known as "house stocks." "They carried out this scheme by pushing house stocks on their clients, many of whom had no business being in these stocks," McGovern said her opening statement.

The owners of the brokerage, John Laurienti and Gregory Walker, have pleaded guilty and are cooperating with the prosecution of their former underlings, McGovern said.

Prosecutors allege that more than 100 of Hampton Porter's clients were bilked out of an estimated $5 million as the result of trades made between 1998 and 2000.

Once the clients bought the stocks, the prices would go up, and co-conspirators in the alleged scam would sell their shares for huge profits, according to the government.

In addition to the commissions the clients paid for trades, Hampton Porter paid the defendants special commissions of about 10 percent for selling the house stocks, which they were allowed to keep only if the clients didn't then sell the shares, prosecutors allege.

But Bryan Laurienti's attorney said her client did not conduct any trades clients did not request. He "wasn't answering to a contingent in the firm, who the prosecution has told you they know were crooks," defense lawyer Evan Jenness said.

Jenness said some of the clients who bought the house stocks "made a lot of money" very quickly.

Jenness also blamed the dot-com stock market crash for prompting some of the clients to decide they should not have been involved in risky trades.

Lawyer Marcia Brewer, who represents Curtiss Parker, contended John Laurienti and Walker kept their scam hidden from the underlings at Hampton Porter because they wanted to make the brokerage seem legitimate. The brokers were yelled at if they did not sell the house stocks, Brewer said.

Testimony in the case is expected to begin Thursday morning.

Prosecutors Are Prospering (HC)

By Kristen Hays

Houston Chronicle, November 2, 2006

Talent from the task force is moving on or moving up

The Enron scandal led former CEO Jeff Skilling to a lengthy prison sentence.

But it also led to lucrative moves to law firms, promotions or academic careers for several of the federal prosecutors who dogged him and other corporate crooks.

Two of the three prosecutors who headlined the trial of Skilling and former Enron Chairman Ken Lay have left government work for law firms with deep pockets. The third is considering options.

Several prosecutors have done the same, though others chose different paths after serving an Enron tour of duty.

Upon Skilling's sentencing last week to 24 years and four months in prison for 19 criminal counts, the Justice Department said its Enron Task Force was disbanding after nearly five years, more than 30 indictments, 16 guilty pleas and five trials with a mixed record of success.

Their experience in chasing crimes made task force members hot commodities to law firms offering big money, said Adam Gershowitz, a professor at the South Texas College of Law in Houston.

"They got a lot of recognition from it. That means the next time a major white-collar case comes along and people look down the Rolodex on who to hire, they may want one of these guys," he said.

Most white-collar work, such as internal company investigations, never reaches a courtroom, though companies pay a lot for such guidance, Gershowitz said. Ex-federal prosecutors "are a cash cow for some of these big law firms because white-collar is very lucrative."

Sean Berkowitz, the third director of the Justice Department's Enron Task Force since its inception in January 2002, left the government this week to switch sides. He cross-examined Skilling, challenging everything from the ex-CEO's truthfulness to whether he paid his taxes.

"I'll be accepting with a major law firm in the Chicago area as soon as this week," Berkowitz said Wednesday, declining to confirm the name. Several firms have reportedly pursued Berkowitz since the trial ended.

John Hueston, who brutally cross-examined Lay, will join Los Angeles firm Irell & Manella next week after wrapping up a two-week Enron speaking tour in China.

The third main prosecutor, task force deputy director Kathryn Ruemmler, confirmed Wednesday that she is exploring opportunities but hasn't decided what her next move will be.

Berkowitz said critics may decry prosecutors who bolted for lucrative private-sector jobs. But he said none knew when they joined the Justice Department that Enron would come along or whether prosecutions would be successful. And most federal prosecutions go unnoticed.

"If we had not performed well, obviously it would not have gone as well," he said. Enron "has allowed people on a national level to see the talent that exists within the ranks of the Department of Justice."

North and FleissSeveral top white-collar attorneys that Enron prosecutors have faced also were once federal prosecutors.

Those include John Keker, lead lawyer for former Enron finance chief Andrew Fastow, and Mark Holscher, a member of Skilling's legal team. Keker prosecuted Oliver North in the Iran-Contra scandal and Holscher prosecuted Hollywood madam Heidi Fleiss.

None of the Enron prosecutors served on the task force from its inception through to the Lay-Skilling convictions. They hailed from cities throughout the country, and the work often required months away from home.

The first director, Leslie Caldwell, left the task force in March 2004, shortly after Skilling was indicted but before Lay was. She joined Morgan Lewis in New York a few months later.

She said she has no regrets about missing the premier trial in the probe.

"I never intended to stay for the duration, only to get things focused and moving forward until at least the key players were addressed," she said. "And I knew the case was in great hands."

The deputy director who moved up to replace her, Andrew Weissmann, stayed longer than any other task force prosecutor before he stepped down in July 2005. For several months he served as special counsel to FBI Director Robert Mueller, and in March of this year he joined Jenner & Block in New York. Another ex-Enron prosecutor, Lisa Monaco, now advises Mueller.

"Doing a very sophisticated white-collar investigation prepares you for representing companies," Weissmann said. "Enron itself was the world's most complicated internal investigation."

Sam Buell chose academia after leaving the task force in early 2004 upon having secured an indictment against Skilling. He was a visiting professor for two years at the University of Texas School of Law, and this fall joined the faculty of Washington University School of Law in the St. Louis area.

He said he always expected to write and teach in his post-prosecutorial life.

"Enron was the ultimate case in terms of its challenging complexity and national importance, so there really wasn't a whole lot left for me to do in the Department of Justice after Enron that would excite me," Buell said.

Justice promotionsStill others have moved up in the Justice Department.

· Cliff Stricklin, a former Texas state judge in Dallas who helped prosecute Skilling and Lay, in August was appointed first assistant to U.S. Attorney Troy Eid in Denver. He is to lead the prosecution team in the March insider trading trial of former Qwest Communications CEO Joseph Nacchio.

· Matthew Friedrich, who helped prosecute two trials, is counselor to U.S. Attorney General Alberto Gonzales.

· Ben Campbell, who led the prosecution team in the first broadband trial last year, succeeded Friedrich as acting chief of staff and principal deputy assistant attorney general in charge of the Justice Department's criminal division.

· Van Vincent, who joined the task force in December to lead the retrial of two of the broadband executives this year, will begin a six-month detail in Iraq later this month as attorney adviser with the Justice Department's Regime Crimes Liaison Office in Baghdad. The organization helps the Iraqi High Tribunal with war crimes investigations and trials.

New York AG Presses Companies To Stop Paying Indicted Employees' Legal Bills (LAW)

By David Hechler, Corporate Counsel

Corporate Counsel, November 2, 2006

Federal prosecutors aren't the only ones putting the squeeze on corporate defendants, it turns out. Like the U.S. Department of Justice, New York state Attorney General Eliot Spitzer has also pressured companies to stop paying the legal fees of employees who face criminal charges. Spitzer appears to be the only state AG who has raised fee payment as an issue.

A handful of defense attorneys with clients indicted by Spitzer knew that he had demanded fee cutoffs. But the AG's tactics came as a surprise to several white-collar crime experts and leaders of the bar, including officials at the Association of Corporate Counsel, the National Association of Criminal Defense Lawyers and the American Bar Association.

Most of Spitzer's targets are financial institutions swept up in his probe of mutual funds. According to a Corporate Counsel review of 17 agreements that Spitzer's office struck with companies accused of market timing, nine settlements included "no indemnification" clauses. These provisions prohibit a business from paying the legal fees of indicted employees unless its bylaws require it. In one instance, Bank of America Corp. agreed to a no-indemnification clause even though its bylaws require it to pay fees. Moreover, the bank had already begun advancing expenses in at least one case.

Spitzer's office declined to comment on the no-indemnification clauses. (Spitzer is running for governor of New York.)

The fee issue first garnered public attention in the Justice Department's prosecution of 16 former employees of KPMG for allegedly promoting and selling illegal tax shelters. In June the federal district court judge hearing the case ruled that Justice lawyers had unconstitutionally pressured KPMG to stop paying the legal bills of its ex-employees. Judge Lewis Kaplan wrote in his decision that the right of employees to have their companies pay their legal expenses "is as much a part of the bargain between employer and employee as salary or wages."

Though the fee cutoff question had come up in court before, Kaplan appears to be the first judge to issue a written ruling since the Justice Department issued its corporate prosecution guidelines in 2003. Known as the Thompson Memorandum, the guidelines instruct federal prosecutors to consider whether a company is paying its employees' legal bills when deciding whether to indict the business.

Spitzer has also taken an aggressive approach on fee payment, most often in mutual fund cases. Starting in 2003, the AG began investigating firms that engaged in market timing of their funds -- rapid trading that benefited favored clients to the detriment of long-term shareholders. It was a natural issue for Spitzer, since New York is the capital of the financial services industry. Believing that federal securities enforcement was lax, the AG resolved to go after perceived offenders himself. He was helped by a New York state securities law, the Martin Act, which allows prosecutors to win convictions without having to prove criminal intent.

To date, nine companies implicated in the market-timing probe have signed agreements with the AG that contain no-indemnification clauses. In virtually identical language in a section headed "Cooperation," the businesses are prohibited from paying expenses of "current or former directors, officers, employees, or agents," except where required by law or written agreement.

In addition to Bank of America, the companies that have agreed to this provision are Bank One Corp.; Federated Investors Inc.; Pilgrim Baxter & Associates Ltd.; RS Investment Management Inc.; Strong Capital Management Co.; Alliance Capital Management Corp.; AIM Advisors Inc. and Invesco Funds Group, which are affiliated; and Waddell & Reed Financial Inc., which signed the most recent agreement, in July.

One corporate defense attorney who challenged Spitzer on fee payments is C. Evan Stewart of New York's Zuckerman Spaeder. Stewart represents former Bank of America financial adviser Theodore Sihpol III, who was indicted by Spitzer's office in 2004. Though Bank of America's bylaws required it to pay its employees' legal fees, Stewart says he had to sue the company to force the issue.

According to Sihpol's complaint, filed in Delaware Chancery Court in 2003, his attorney was told by a Bank of America lawyer that it had decided to "cooperate fully" with Spitzer's office, and any "request for advancement of [legal] expenses by Mr. Sihpol would be vetted with the attorney general." After the bank's lawyers submitted a written request to Spitzer's office, they

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later told Sihpol that expenses would not be advanced. But shortly before the suit was scheduled to go to trial, Bank of America agreed to pay.

In Stewart's view, the denial of fees is "fundamentally a denial of due process." He explains, "You're taking away the ability of people to defend themselves." A lawyer for Bank of America did not respond to a request for comment. In July 2005 a Manhattan jury acquitted Sihpol on 29 of 33 charges, deadlocking on the others. Three months later, the AG dropped those charges too.

Spitzer has aggressively pushed the fee issue in at least one other case. Last year his office sued Soundview Health Center to require that its indicted executives post a bond before it could could pay their attorneys' fees. Spitzer wanted to ensure that employees at the New York-based nonprofit health care provider who had been charged with misusing state funds would personally repay their legal expenses if they were eventually convicted.

Soundview's lawyer, Susan Necheles of New York's Hafetz & Necheles, says she had never heard of a prosecutor demanding a bond in such circumstances. "The attorney general was trying to squeeze people into cooperating with the investigation," Necheles says. "They were trying to cut off fees so people couldn't defend themselves." The state court judge denied Spitzer's demand. The employees eventually pleaded guilty to lesser offenses and still work at Soundview, Necheles says.

Defense lawyer Stewart hopes prosecutors at both the state and federal level will have a change of heart about fee payments after the KPMG ruling, but he isn't sanguine about it. "The optimist in me says I hope so, but I remain skeptical," he says. "I think the government will use every power it has at its disposal to do what it thinks is necessary."

Halliburton Says It Will Agree To SEC's Request For More Time For Bribery Investigation (FINDLAW/AP)

By Marcy Gordon, Ap Business Writer

AP, November 2, 2006

(AP) - WASHINGTON-Halliburton Co. has said it will agree to the Securities and Exchange Commission's request for more time to investigate possible bribery and corruption in connection with the company's natural gas operations in Nigeria.

The oilfield services conglomerate disclosed the SEC's recent request for a so-called tolling agreement in a regulatory filing on Tuesday. Such an accord will put off the time when the legal clock started running, or tolling, on the case under the statute of limitations - generally five years for such investigations.

The agreement also gives Houston-based Halliburton more time to make its case to the SEC against possible civil charges under the Foreign Corrupt Practices Act or to work out a settlement with the agency. The act makes it unlawful to bribe foreign government officials or company executives to obtain or retain business.

"In September 2006, the SEC requested that we enter into a tolling agreement with respect to its investigation. We anticipate that we will enter into an appropriate tolling agreement with the SEC," Halliburton said in its filing.

SEC spokesman John Nester declined comment Wednesday.

Both the SEC and the Justice Department have been investigating an alleged $180 million (â‚¬141 million) bribery scheme in Nigeria involving the predecessor company of Halliburton engineering and construction subsidiary Kellogg, Brown & Root and three other companies - from France, Italy and Japan. The allegations center on a contract for a $4 billion (currently â‚¬3.1 billion) Nigerian liquefied natural gas plant that was awarded in 1995 to a consortium of the four companies.

Halliburton fired two consultants, including former KBR chairman A. Jack Stanley, for violating the company's business code of conduct by receiving "improper personal benefits" related to the consortium's construction of the Nigerian plant.

A former KBR employee has asked Congress to investigate what he claims are Halliburton's efforts to cover up violations of the anti-corruption law and to mislead federal investigators.

David A. Smith said in a filing with the SEC in September that he mistakenly received e-mails from a company attorney on how to handle federal investigations - notes he says were intended for David R. Smith, a vice president with Halliburton's tax group.

The e-mails, he said, focused on how Halliburton would defend itself against bribery charges.

David A. Smith, who says he owns a single share of Halliburton's common stock said in his SEC filing that David R. Smith "was being asked to weigh in on how to explain away the source of the bribes paid to Nigerian officials."

Halliburton has said that Smith's allegations are groundless.

The company, whose chief executive was Vice President Dick Cheney from 1995 to 2000, has been criticized since the beginning of the war in Iraq in connection with multibillion-dollar government contracts.

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In a report released last month, the special inspector general for Iraq reconstruction found that KBR, which provides food, shelter and other logistics to U.S. troops in Iraq and Afghanistan, abused federal rules to conceal details of its contract performance.

On the Net:

Securities and Exchange Commission: http://www.sec.gov

Halliburton Co.: http://www.halliburton.com

CRIMINAL LAW:

Judge May Allow Abramoff To Be Sentenced In Washington (MH)

By Jay Weaver

The Miami Herald, November 2, 2006

The imminent surrender of superlobbyist-turned-superinformant Jack Abramoff on a South Florida fraud conviction is eclipsing his starring role in a Washington corruption probe.

Abramoff is set to turn himself in on Nov. 15 to serve about six years in prison for lying to obtain a $60 million bank loan to buy a fleet of South Florida gambling ships.

Now, Justice Department lawyers and Abramoff's attorneys are rushing to have the once-powerful Republican insider sentenced two days later on a separate corruption conviction.

That way, they say, he can be imprisoned near Washington to continue to inform the government on dozens of lawmakers under investigation. Abramoff faces between 9 and 11 years in prison.

This week, U.S. District Judge Ellen S. Huvelle might consider their request for the Nov. 17 sentencing in Washington.

Justice Department prosecutors fear that if Abramoff ends up being incarcerated hundreds of miles from the nation's capital, their complex influence-peddling probe would be seriously hampered or indefinitely stalled.

The reason: Abramoff would not be as readily available to make sense of thousands of sensitive documents, e-mails, computer files and other potentially incriminating records for investigators. While he has been free on bond, he has been working around the clock as an informant for the Justice Department.

The investigation, which is likely to affect next week's congressional midterm elections, has already netted a half-dozen Washington lobbyists and GOP Congressman Bob Ney of Ohio.

The Washington probe's fate may come down to the timing of Abramoff's two sentencings.

U.S. District Judge Paul Huck, who has granted Abramoff three surrender extensions since his sentencing in late March, won't budge anymore.

"My main concern is, there comes a time when people have to pay the piper, so to speak," Huck said at a late September hearing in a Miami federal court. ``I think that time has come."

Breach At Lab Called Significant (LAT)

By Ralph Vartabedian

Los Angeles Times, November 2, 2006

More classified information from Los Alamos nuclear facility was found in the police raid of a residential trailer than was first disclosed, sources say.

A significantly larger amount of classified information from a nuclear weapons laboratory in New Mexico was discovered in a residential trailer during a police search on Oct. 17 than was disclosed by law enforcement officials, sources close to the investigation said Wednesday.

The search turned up a number of copies of classified documents from Los Alamos National Laboratory in the trailer park where a former employee lived.

Law enforcement officials last week had described finding only three electronic storage devices, known as memory sticks or thumb drives, inside the trailer. It was unclear whether the employee had knowingly removed secret material and placed it on the drives.

The discovery of the documents heightened concerns that the removal of classified information from the laboratory was not purely accidental, according to the sources, who asked not to be identified because they were not authorized to make public statements.

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Spokesmen for the laboratory and the Department of Energy said they would not comment about the classified documents, noting that the matter was in the hands of the FBI.

An FBI spokesman in New Mexico said the agency did not comment on ongoing investigations.

But it was clear that federal officials had grown concerned about the security breach.

Deputy Energy Secretary Clay Sell and National Nuclear Security Administration chief Linton F. Brooks went to Los Alamos this week to assess the breach and oversee the administrative probe into how the classified information was removed.

The facility has a long history of security and safety breaches. After new management was installed by the Energy Department this year, top officials had hoped the problems were solved. But the current incident is "one of the utmost concern," according to lab director Michael Anastasio.

Despite plans to eliminate most, if not all, of the access that employees have to transfer data from classified computers to removable storage devices, a significant ability still exists to place documents on disks and drives that can be taken from the lab, according to one official.

The existence of a larger amount of classified data at the trailer was first disclosed by Nuclear Watch New Mexico, a watchdog group in Santa Fe, which said it had obtained a detailed summary of a laboratory briefing.

Portions of the information were independently corroborated by The Times.

The summary indicated that police had found 228 documents with information printed on both sides, including classified intelligence and weapons data.

The computer thumb drives contained 408 separate classified documents.

Those numbers could not be independently verified, but sources told The Times it was a "large amount of information."

The documents originated in a classified data vault in the lab's dynamic experiments division, which conducts tests on nuclear weapons components, the summary said.

When Los Alamos police arrived at the trailer in response to neighbors' report of a fight, they found Justin Stone, 20, who was wanted on a probation violation, according to a police report.

Stone was hiding in the trailer owned by former laboratory archivist Jessica Quintana, and agreed to come out only after police promised he could smoke a cigarette before being placed under arrest.

A search of the trailer turned up a sizable amount of drug paraphernalia associated with methamphetamine use, and the classified data. Stone remains in custody.

Quintana, 22, later admitted to police that one of the glass drug pipes was hers, according to the police report. She has not been charged.

Quintana's attorney, Stephen Aarons, told New Mexico newspapers that Quintana did not know the significance of the information on the thumb drives.

Karen Weldon's Ties To Serbs Detailed (PHI)

By Mark Fazlollah And John Shiffman

The Philadelphia Inquirer, November 2, 2006

As her father the congressman publicly supported a Serbian family with close ties to war criminal Slobodan Milosevic, lobbyist Karen Weldon in 2003 won a $240,000 contract to help improve the family's image.

Her relationship with the Karic family continued into late 2004, months after the House ethics committee began an investigation of her contracts and the role of her father, Rep. Curt Weldon (R., Pa.), The Inquirer has learned.

A newly obtained State Department cable shows that she tried to help the wife of Serbian tycoon Bogoljub Karic get a visa to visit Florida. The State Department - noting the request came from a congressman's daughter - opposed the visa, citing links to "terrorist activities."

"Karic wanted the visa to try to make himself respectable," recalled Ambassador Richard Gelbard, who was President Bill Clinton's personal envoy to the Balkans. "Getting a U.S. visa is like getting the Good Housekeeping Seal of Approval."

Bogoljub Karic has been on the lam since being charged in February with embezzling Serbian state funds. The Karics were once referred to as "the Rockefellers of Serbia."

The FBI is now investigating Karen Weldon's work for the Karics and other clients, trying to determine whether Curt Weldon used his position to help her win contracts.

Curt Weldon, who also repeatedly tried to persuade the State Department to grant visas to the Karic family, has said that his daughter never lobbied him and that he has not violated any ethics rules.

A lawyer for Curt Weldon, William J. Winning, said that the "cable doesn't say anything about what Congressman Weldon did or didn't do, or that he even knew about it."

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"I think it's extremely disturbing that we've had a series of bureaucratic leaks so close to the election that are obviously calculated to undermine Congressman Weldon," Winning said. "That strikes me as being particularly unfair."

The lawyer for Karen Weldon, James J. Rohn, declined to comment on the cable. Speaking generally about the investigation, Rohn said: "I've reached out to the government and offered our cooperation."

Prosecutors declined to comment.

The investigation became public Oct. 13, in the last weeks of a tough reelection fight for Weldon, a 10-term Republican from Delaware County.

On Oct. 16, FBI agents raided Karen Weldon's home in Philadelphia and office in Media. Agents also raided the Florida office of Itera International, a Russian energy giant that has paid about $500,000 to Solutions Worldwide for public-relations work, and whose employees have contributed $20,000 to Curt Weldon.

Gelbard said he twice met with Karic in an unsuccessful attempt to get him to disavow Milosevic. When he refused, the United States took away Karic's visa in 1999.

"We tried to use the visa as leverage," Gelbard said. "When he wouldn't help, we got the Europeans to revoke his visa also."

Both Weldons have long-standing relationships with the Karic family. He tried to help them as a congressman; she promoted them as a public-relations agent.

In 2003, Weldon unsuccessfully lobbied U.S. diplomats and immigration officials to allow Dragomir Karic, Bogoljub's brother, to enter this country as the congressman's guest at the annual National Prayer Breakfast in Washington.

Later that year, Weldon led a congressional delegation to Serbia to meet with Bogoljub Karic and the Serb's trade group.

Weldon has acknowledged that he has reviewed extensive - and unflattering - U.S. intelligence reports about the Karic family's ties with Milosevic.

"They told me that he and his brothers owned Milosevic, that they owned the banking system," Weldon said in a 2002 hearing before his House Armed Services Committee, speaking of conversations with U.S. Army intelligence officers.

"... The wives of the Karic brothers were best of friends with Milosevic's wife," Weldon told the committee. "The Karic brothers actually owned the house Milosevic lived in that we bombed."

Weldon came to change his mind about the Karics, and to believe they were humanitarians who were bullied into supporting Milosevic, a former staffer told the Los Angeles Times.

Karen Weldon's firm received a $20,000-a-month contract from the Karic family foundation in March 2003 to burnish the Karics' image and help them establish a "Serbia House" in Washington.

The State Department cable was posted by the U.S. Embassy in Belgrade on Oct. 15, 2004. It included a paragraph about Karen Weldon's efforts on behalf of Bogoljub Karic's wife, Milanka.

"An invitation letter was submitted from Karen Weldon, daughter of Congressman Curt Weldon," the document says. It noted that Bogoljub Karic is "ineligible under 212(a)(3)(B) (Terrorism Activities)."

"Mrs. Karic is in the lookout system as a '00' hit," the document says, a designation used for a person believed to be involved in criminal activity, according to State Department officials. A former senior diplomat said that Bogoljub Karic was suspected of money-laundering and gun-running.

Milosevic, who died in prison this year while on trial before the U.N. war-crimes tribunal at the Hague, was indicted in 1999 for ethnic cleansing during the 1990s Balkans war.

State Department officials said they could not comment on whether Milanka Karic received the visa.

The House ethics committee began investigating Karen Weldon's contracts in March 2004, after the Los Angeles Times report.

Curt Weldon has said he was cleared by that investigation. He has declined to release the committee's letter, which was issued in late September.

Karen Weldon owns a firm called Solutions Worldwide with partner Charles P. Sexton Jr., a top Delaware County Republican leader. Joseph Fioravanti, a lawyer for Sexton, said he could not comment, adding that he did not recall any details of the firm's work for the Karics.

U.S. diplomats have used the "terrorist activity" label to block visas for people as varied as Iran's hard-line president, Mahmoud Ahmadinejad, members of the Palestine Liberation Organization, and Venezuela's Supreme Court president, Omar Mora.

Powerful Republican Enters A Dogfight Over Lobbying Link (FT)

By Stephanie Kirchgaessner In Washington

Financial Times, November 2, 2006

In the high-stakes world of US lobbying, the Pennsylvanian town of Media is an unlikely power base for one of Europe's biggest defence manufacturers.

But in June 2005, Oto Melara, a division of Italy's Finmeccanica, turned to Cecelia Grimes, a property agent-turned lobbyist based in the quiet suburban town, to lobby on the company's behalf on crucial congressional defence appropriations decisions.

At first glance the decision to hire Ms Grimes, who runs her firm Grimes & Young from home, was an odd one. The lobbyist, who is known as "Cece", did not have the credentials of a seasoned Washington power player, unlike the company's former lobbyist, David Bates, who had served as an aide to President George Bushsenior.

But Ms Grimes did have at least one influential friend from the state in the US Congress: Curt Weldon. Today, Mr Weldon, a 10-term congressman who is the number two Republican on the powerful House armed services committee, is in a fight for his political life ahead of next week's mid-term elections.

In an election year that has been tough for Republicans across the country because of the unpopularity of the war in Iraq and a host of corruption scandals in the capital, Mr Weldon's campaign battle has been made more difficult by allegations that the lawmaker used his political weight to steer lobbying work to friends such as Ms Grimes and his own daughter, Karen, who heads the lobbying firm Solutions North America.

Last month, the FBI raided Ms Weldon's home and lobbying firm and the Florida headquarters of Itera, a Russian natural gas company that was championed by the congressman and was one of Ms Weldon's most lucrative clients.

According to a report in the Washington Post, prosecutors have already empanelled a grand jury on the Weldon case, and have obtained evidence through wiretaps on Washington-based mobile phones.

While it is unclear whether the investigation by federal prosecutors is limited to questions about the Weldon family's links to Itera, the probe has put Mr Weldon's other activities - including his support of Finmeccanica - under the microscope. It has also raised new questions about the fine line that regulates dealings between corporate lobbyists, lawmakers and the companies they advocate following the scandal involving the convicted "super-lobbyist" Jack Abramoff.

The Pennsylvania lawmaker has defended his record and said he believed the FBI's investigation was politically motivated.

Whatever the outcome of the probe, Mr Weldon's broad support for Finmeccanica has undoubtedly helped the company make inroads in the lucrative market for US defence projects. The support also appears to have bolstered the congressman's hometown district, which was chosen by Oto Melara in 2004 as a site for a new plant.

That same year Mr Weldon convinced the US Navy to reconsider a gun manufactured by Oto Melara, the Super Rapid 76mm, even though contractors had already chosen a gun made by United Defense, another manufacturer. At the time Mr Weldon said he was confident that giving Oto Melara "a fair chance" to bid for the project would lead to a "major investment" in the company's product.

One year later AgustaWestland, which is 50 per cent owned by Finmeccanica, won with Lockheed-Martin a $1.7bn (€1.4bn, £895m) contract to build the presidential helicopter, Marine One.

Although the award of the contract was seen at the time as a gesture of gratitude by the US to the government of Silvio Berlusconi, then Italian prime minister, for his support for the Iraq war, Aviation Week, a defence publication, noted the friendship between Mr Weldon and Pier Francesco Guarguaglini, Finmeccanica's chief executive. Mr Weldon's other daughter, Kim, was retained by AgustaWestland last year.

Russ Caso, a top aide to the lawmaker, denies Mr Weldon helped AgustaWestland to clinch the helicopter deal or that the company hired Kim Weldon to win favour with the congressman.

The Italian defence group said it had not been contacted by federal investigators and said it did not "seem" to be involved in the investigation. The company said it hired Ms Grimes last year after the chief executive of the subsidiary's US division, Howard Goldberg, met the lobbyist and was impressed by her "local expertise" in the Philadelphia market.

The statement contrasts with Ms Grimes's own lobbying disclosure forms, which indicate she lobbied lawmakers in Washington. Ms Grimes did not respond to requests for comment by the Financial Times, but she told the Los Angeles Times this year that her clients picked her firm over other Washington lobby groups because she was more affordable.

She also denied her clients liked her lobbying firm because of her friendship with Mr Weldon, whom she has known for 15 years.

Women's Testimony Continues At FCI Trial (TALLDEM)

By Chitra Subramanyam, DEMOCRAT STAFF WRITER

Tallahassee Democrat, November 2, 2006

One by one, women walked into a federal courtroom Wednesday to testify against two correctional officers charged in a sex-with-prisoners conspiracy on Day Three of their trial.

Ten women, some in suits and others in chains and prison uniforms, described their encounters with the two men at the Federal Correctional Institution in Tallahassee.

Alan Moore and Gregory Dixon are two of five FCI officers arrested June 21. A sixth officer, Ralph Hill, was killed in a shootout at FCI after he opened fire on federal agents. Moore and Dixon are facing trial on charges of mail fraud, bribery, witness tampering and conspiracy. The other officers, Alfred Barnes, Vincent Johnson and E. Lavon Spence, earlier pleaded guilty to mail fraud.

Some women told jurors they had sex with the officers in exchange for banned items. Others said they acted as lookouts or paid the officers to bring packages containing banned items into the prison. Defense attorneys tried to prove the witnesses were testifying in exchange for a reduced sentence.

One woman told jurors she had sex with Barnes and Moore.

"It wasn't a written agreement or anything like that," she said, referring to Barnes. She had sex with him "for the things that he brought me," she said. Moore, she said, entered her cell one night while her cellmate was sleeping. They had sex twice that night, she said.

A former inmate testified that she often acted as a lookout for Barnes. On one occasion, Dixon propositioned her, she said. On being questioned by defense attorneys, she said she didn't say anything about it earlier because "it was bad for me to cooperate while I was at FCI."

Another inmate, serving time for murder, said she had sex with Hill over a six-month period. On one occasion, she said, Dixon told her he "treated all females like they were wearing wires," and groped her. She told jurors Moore also talked to her about Hill.

One inmate, serving time on drug charges, told jurors Dixon "kinda took me under his wing ... looked at me like a little brother."

The Tallahassee Democrat is not using the women's names because of concerns raised by the U.S. Attorney's Office about identifying them.

The trial continues today.

Ex-Ala. Fire College Official Agrees To Plead Guilty To Fraud (AP)

By Desiree Hunter, The Associated Press

AP, November 2, 2006

MONTGOMERY, Ala. (AP) — A former deputy director at the Alabama Fire College agreed to plead guilty to conspiracy and fraud charges Wednesday, the fifth person at the fire college in Tuscaloosa to be charged in the ongoing probe of corruption in the state's post-secondary system.

The three-count plea agreement was reached with Robert Nix, who retired as deputy director in 1996, took a post at Shelton State Community College and served on the Alabama Fire College and Personnel Standards Commission from 2001-2005.

A former board member and treasurer of the Fire College Foundation, Nix admitted to spending about $70,000 of foundation funds for home improvements such as a gazebo-covered Jacuzzi and various purchases including a large screen TV and two Harley Davidson motorcycles.

He also admitted directing about $25,000 in fraudulent foundation scholarships to his son, granddaughter, grandson, sister and girlfriend's two daughters.

Nix, 67, faces up to five years in federal prison and a maximum $250,000 fine for counts one and two, which are conspiracy to commit theft and conspiracy to commit wire fraud. The third count seeks restitution of $328,000, the total amount Nix admitted receiving for personal use. He also agreed to cooperate with investigators and to plead guilty to a state felony ethics charge.

According to the plea agreement, Nix and the college's executive director spent hundreds of thousands in foundation funds from about January 2000 until September 2004 and falsified financial records. The executive director during that time was W.L. Langston, who was removed in April after concerns were raised about his management of the college.

U.S. Attorney Alice Martin announced the plea deal at a joint news conference in Attorney General Troy King's office at the Alabama Statehouse and said the fire college foundation could have been called the "friends and family foundation."

"When you read that he admits to having paid scholarships that were supposed to be money for the training of volunteer firefighters and EMTs, I wonder how much safer we are as a result of his children receiving scholarships to their grammar schools," she said.

"For too long, too many too powerful have been left unchecked," Martin said.

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Birmingham attorney Tommy Spina, who began representing Nix in 2004, said earnest pre-negotiations between his client and investigators had been going on for a few months. He said he expects Nix to have his first court appearance later this month.

Spina said Nix, who resigned from his part-time job as a fire safety specialist at Shelton State on Monday, recently decided on the plea deal so he could "right the wrongs and move forward."

Martin said the investigation, which began more than two years ago, is still "in the very beginning." She and King would not say how many others could be charged in the case.

"Everybody who has stolen a nickel from the two-year school system is a person of interest and every one of them will be sought and will be prosecuted," King said.

Former state Rep. Bryant Melton, D-Tuscaloosa, was the first to be charged in the joint federal and state probe at the fire college, which is located at Shelton State. He entered an agreement similar to Nix's in June, admitting he funneled state legislative grants to the fire college foundation and then used the money to pay gambling debts.

Next, Jasper banker Phillip Curtis Grace was charged with obstruction of justice and making false statements to federal investigators in August and two Shelton State assistants were arrested in the case last month. Doris Phillips and her daughter, Melinda Phillips Sexton, are accused of conspiring to fraudulently obtain state property and were charged with two counts of theft.

The state's two-year college system has been under intense scrutiny, with questions being raised about the use of state funding and nepotism issues.

Former Chancellor Roy Johnson was fired in July and Interim Chancellor Thomas Corts has begun investigations at Bishop State, where six people have been charged with theft by deception in connection with financial aid irregularities.

Two-year college spokesman Andre Taylor pointed out Wednesday that the fire college is autonomous from the two-year college system and is governed by a separate board. Taylor said two-year officials are working to make sure the "policies, procedures and practices" within the system are "up to par."

Former Elsa Officer Second Accused Of Taking Bribes (FWST)

The Fort Worth Star-Telegram, November 2, 2006

McALLEN, Texas - A former Elsa police officer is the second to be indicted recently for allegedly taking bribes to protect drug loads, federal prosecutors said Wednesday.

Ismael Gomez, 27, is accused in a one-count indictment of receiving about $2,500 to use his official position to protect a vehicle he believed was transporting 10 kilograms of cocaine. The indictment was returned by a McAllen grand jury on Oct. 24 and unsealed Wednesday.

Gomez surrendered to the FBI and was ordered held without bond pending a hearing Nov. 6. He faces up to 20 years in federal prison and $250,000 in fines if convicted.

Another former Elsa police officer, 45-year-old Herman Carr of Donna, was indicted in an unrelated case in September for allegedly taking $5,000 to provide protection for a vehicle he believed was transporting five kilograms of cocaine. Carr is awaiting trial.

Sentencing Postponed For City Official In Truck Scandal (AP)

AP, November 2, 2006

CHICAGO - The sentencing of a key figure in the federal investigation of Chicago's scandal-plagued Hired Truck Program was abruptly postponed Wednesday.

Donald Tomczak, 70, the former deputy head of the city water department, was rescheduled to be sentenced next Monday.

Attorneys said Tomczak was unable to come to court Wednesday because he had an unspecified medical condition.

Tomczak was charged in a federal investigation of the Hired Truck Program which outsources city hauling work to private companies.

He admitted taking payoffs from trucking companies in exchange for hauling work. He pleaded guilty to racketeering and a tax offense.

He also acknowledged that he headed a so-called patronage army of city workers that campaigned for Mayor Richard M. Daley and his allies. Daley has not been accused of any wrongdoing.

Commerce Bancorp Is Off The Hook (PHI)

By Joseph N. Distefano And John Shiffman

The Philadelphia Inquirer, November 2, 2006

DOJ_NMG_0090091

One year after two of its former Pennsylvania executives were sentenced to prison, Commerce Bancorp Inc. says federal prosecutors in Philadelphia are no longer investigating the company.

After "several inquiries" by the office of U.S. Attorney Patrick Meehan in 2004 and 2005, "we were recently advised by the U.S. Attorney's Office that it has concluded its investigations without any action against us," Commerce said in a statement filed yesterday with the Securities and Exchange Commission.

"As a result, Commerce and its employees are not subjects of any investigations" by Meehan's office, the statement said.

Two federal law enforcement officials, speaking on condition of anonymity, confirmed that authorities had concluded their investigation.

Commerce shares fell 10 cents, or 0.3 percent, to $34.82 yesterday on the New York Stock Exchange. Even before the announcement, investors had stopped focusing on the bank's legal problems, and worried more about declining profitability in the banking business, said Gerard Cassidy, bank analyst at RBC Capital Markets, in New York.

Commerce, which has headquarters in Cherry Hill, is the largest bank based in the Philadelphia area. It has grown rapidly across New Jersey and Pennsylvania since the 1970s, targeting local-government deposit, insurance and bond accounts as a key part of its expansion strategy.

But Commerce's attempts to win Philadelphia city business away from locally dominant Wachovia Corp. after Mayor Street's election in 1999 brought the bank under the scrutiny of a federal probe of city contracting practices. The investigation examined the role of the late Ronald White, a lawyer and political fund-raiser, whom Commerce hired as a consultant and appointed as head of the bank's Pennsylvania advisory board.

Commerce Bank of Pennsylvania executives Glenn K. Holck and Stephen M. Umbrell were convicted last year on corruption charges related to former city treasurer Corey Kemp, who, with White's help, tried to win city business for Commerce. Kemp was convicted of providing help in winning city business in return for cash and favors, and sentenced to 10 years in prison. Holck and Umbrell are free while they appeal their convictions.

Assistant U.S. Attorney Michael Schwartz, chief of the public-corruption unit in Philadelphia, said it would be inappropriate to comment.

"Typically, we don't comment on when an investigation is begun, whether it is active or has been concluded," said Schwartz, who prosecuted Holck and Umbrell.

Michael Drewniak, spokesman for the U.S. Attorney's Office in New Jersey, where Commerce is based, would not comment on whether his office had also made inquiries involving Commerce.

Commerce spokesman David Flaherty had no comment.

In the summer of 2005, Meehan said the FBI had seized Commerce records to determine whether the bank had also given municipal officials in Philadelphia suburbs preferential treatment to win government business. But investigators found no wrongdoing by the bank.

Key Dates in Commerce Probe

February 2003: The FBI begins bugging campaign to record Philadelphia officials' dealings with financial companies that sought city business.

October 2003: FBI bug discovered by Philadelphia police in City Hall.

June 2004: Commerce Bank of Pennsylvania executives Glenn K. Holck and Stephen M. Umbrell indicted on charges of attempting to corrupt Philadelphia officials.

May 2005:Holck and Umbrell convicted of conspiring to deliver personal benefits to Philadelphia treasurer Corey Kemp in exchange for help in winning city business.

July 2005: Kemp sentenced to 10 years in federal prison.

November 2005:A federal judge in Philadelphia sentences Holck and Umbrell to two years in prison and fines. Both men appeal.

December 2005: Commerce pays $600,000 to settle NASD accusations that its bond unit violated political campaign finance rules.

January 2006: U.S. Attorney's Office subpoenas Delaware County and several local governments in Delaware and Bucks Counties, seeking records of their business dealings with Commerce.

November 2006: Commerce tells the Securities and Exchange Commission that the U.S. Attorney's Office in Philadelphia has "concluded its investigations without any action against us."

Fla. Lawmaker Resigns Over Threatening Phone Calls (USAT/AP)

By Laura Wides-munoz, The Associated Press

USA Today, November 2, 2006

HIALEAH, Fla. — A state lawmaker resigned Wednesday from the Florida Legislature and was charged with two felonies in connection with leaving obscenity-filled messages and a racial slur on a colleague's voice mail.

State prosecutors charged Rep. Ralph Arza, a Hialeah Republican, and his 25-year-old cousin, Paulino Barbon. Both men could face up to 10 years in prison if convicted.

Arza, 46, had been urged to resign by House Republicans and Gov. Jeb Bush after the messages left on Rep. Gus Barreiro's voice mail became public.

Barreiro, a Miami Beach Republican, had already filed a complaint with the House rules committee, claiming Arza used racial epithets when referring to a Miami-Dade County official. To thwart the investigation, Arza allegedly left threatening phone messages for Barreiro.

The felony charges are one count each of retaliating against and tampering with a witness.

Authorities said a total of 10 phone calls were made Oct. 21 and Oct. 22 to Barreiro from phones belonging to Arza and Barbon. Five threatening calls were recorded, two from Arza's cellphone and three from Barbon's phone.

The men were expected to turn themselves in today, according to the Miami-Dade County State Attorney Katherine Fernandez Rundle.

Earlier in the day, Arza apologized for his actions and said he didn't want to distract from the work of the Republican-led Legislature. “I do not want to be the story,” he said. Arza previously acknowledged leaving the messages last month but said he was drunk.

He said he had learned that Barreiro had filed the complaint alleging Arza had earlier used a racial epithet when referring to Miami-Dade County schools Superintendent Rudy Crew, who is black. He used the same epithet in the phone message to Barreiro, who is Hispanic, but he has vehemently denied ever using a racial slur to refer to Crew.

Arza resigned about an hour before a special House panel was set to begin hearings on whether to expel him. The hearings were canceled.

“It's not really a happy day for anybody, I don't think,” Barreiro said. “I think he made the right decision — the right decision not only for himself, but I thought he looked at the bigger picture, which is the institution he represents.” Crew called the situation “a tragedy all the way around,” but said Arza was right to leave the Legislature.

The GOP gets to choose a replacement for Arza for Tuesday's general election, but his name will still be on the ballot. The situation will be similar to what has happened in former U.S. congressman Mark Foley's district. The GOP has replaced him with Joe Negron.

Mob Enforcer Denied Bail On Extortion Charges (PHI)

By George Anastasia

The Philadelphia Inquirer, November 2, 2006

Mob enforcer Vincent "Big Vince" Filipelli was trying to explain to a deadbeat gambler the rules of the underworld:

He bet. He lost. Now he had to pay.

And if he didn't, Filipelli added, he would "hunt him down and put him in the hospital."

That was the message the hulking, former competitive bodybuilder delivered to a gambler named "T.J." during a meeting in the parking lot of a South Philadelphia "gentleman's club" back in May, according to an FBI agent who testified yesterday at Filipelli's bail hearing in federal court in Camden.

What Big Vince didn't know at the time was that T.J. was a New Jersey State Police trooper working undercover in an organized crime gambling investigation. The parking lot meeting was picked up on both audio and videotape as part of a 15-month probe.

After a protracted five-hour bail hearing yesterday, U.S. Magistrate Judge Ann Marie Donio pointed to that threat as the primary basis for granting the government's motion to have Filipelli, 53, held without bail.

Three witnesses outlined the confrontation, which took place in the parking lot of Crazy Horse Too, an upscale go-go bar and restaurant on Columbus Boulevard in South Philadelphia.

Filipelli met that day with T.J. and Lou, two men who had been placing bets with a mob-linked Internet gambling operation. T.J. was State Trooper James Calderelas. Lou was Trooper Leonard DiJoseph.

FBI Agent James Titcombe, who was part of the joint federal-state probe, provided a detailed account of several meetings Filipelli had with the undercover investigators. Titcombe said Filipelli, a former Mr. America bodybuilding champion, boasted about his acts of violence and the fact that he was a "made" member of the mob.

While none of the tapes was played in open court, Assistant U.S. Attorney Jacquline Carle quoted from them in arguing that Filipelli was a danger to the community and should be denied bail.

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Filipelli was charged with gambling, extortion and traveling interstate to make a violent threat when he was arrested last week. Those charges were formalized in an indictment returned by a federal grand jury yesterday.

Carle, in her closing argument, referred directly to one tape-recorded conversation in which Filipelli bragged that he had burst into an office and in front of 40 people had beaten a gambler who had refused to pay.

" 'He tried to get cute with me,' " Carle said, quoting the conversation recorded in April in which Filipelli told DiJoseph about the assault. " 'I put the kid in the hospital.' "

Donald Manno, Filipelli's attorney, had argued that the conversations were "street talk" and "puffing" by his client. "No one was assaulted," Manno said.

But Donio ruled the testimony was strong enough to support the government's request for no bail in the case.

Pittsburgh Mob Boss Dies (KDKA)

KDKA-TV, November 2, 2006

PITTSBURGH Michael Genovese was one of the last links to a lost era - an old-school mob boss who the law never caught up with.

The head of the western Pennsylvania La Cosa Nostra is dead.

By all accounts, mob informants, FBI agents and the now-defunct Pennsylvania Crime Commission, Genovese was the don of the Pittsburgh mob.

An old-style mob boss who ran one of 24 original mafia families in the U.S. that trace their roots back to Sicily.

Gambling, narcotics, loan sharking, even murder were all linked to the Genovese mob.

But Geneovese was never indicted - never sent to prison.

Several of his underbosses - including Chuckie Porter, Lou Ruicci and other mob lieutenants - were all convicted in a federal trial in the 1990s.

But they never brought charges against the reputed mob boss.

Genovese is reported to have been suffering from bladder cancer and heart disease.

He was 87 years old and died in his sleep.

The U.S. Attorney's office in Pittsburgh declined comment on Genovese's death.

In the past, the U.S. Attorney has said that the mob trials of the 1990s severely weakened mafia influence in the Pittsburgh area.

Late Design Change Is Cited In Collapse Of Tunnel Ceiling In Boston (NYT)

By Matthew L. Wald

The New York Times, November 2, 2006

WASHINGTON, Nov. 1 — Engineers changed the design of the ceiling in Boston's Big Dig highway tunnel after they had already finished building the roof from which it would hang, and attached a new, heavier ceiling with hardware that had little margin of strength, the National Transportation Safety Board said on Wednesday.

Part of the ceiling collapsed on July 10, killing a woman as she rode in her car to Logan Airport and injuring her husband, who was driving. Details of the board's most recent discoveries were reported Wednesday in The Boston Globe.

According to the board, the original plan was for the ceiling in the area of the collapse to be made of metal coated with porcelain, but because of its high price, designers substituted pre-cast concrete panels, which are heavier. In some areas, they installed steel brackets in the roof for hanging the panels, but in the area of the collapse, in a connector tunnel that leads to Interstate 90, the roof was finished. So instead, they drilled holes in it and glued in anchors.

The heavier ceiling system, approved by engineers in March 1997, was a "one hanger out" design, meaning that it could survive the failure of one hanger. But that design "provides little or no redundancy," the board said in a report it released on Wednesday. "The N.T.S.B. has researched other tunnels throughout the country and has found that significant redundancy is built into the ceiling design so that in the event of hanger failures, the panels are self-supported."

In addition, the safety board said, it had not found any evidence that the tunnels were inspected between January 2003, when the tunnel opened to traffic, and the date of the collapse. An inspection after the collapse found that where the ceiling was still intact, many anchors had begun to pull away from the roof, some showing "extreme displacement" of more than one inch, the board said.

The board said it was trying to determine if there was a standard for tunnel inspection, but it noted that bridges were typically inspected every two years.

The board is also supervising an analysis of the epoxy used with the anchors, and it said it had interviewed an employee of CobnAm Testing, which was hired to test the strength of the anchor bolts.

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"The tester's description of the testing procedure differs from what has been found in the construction contract," the board said.

The board is an advisory agency that makes recommendations to government agencies and private parties after its investigations. The Massachusetts attorney general's office, the Justice Department and the Transportation Department's Office of Inspector General, whose investigations could lead to indictments, are also looking into the accident.

CEO Is Charged With Stealing Identities (MH)

The Miami Herald, November 2, 2006

WHITE PLAINS, N.Y. - A prominent Westchester businessman has been charged with stealing his employees' identities to obtain more than $1 million in bank loans and credit card charges, prosecutors said.

Terrence Chalk, 44, the chief executive officer of Compulinx Managed Services of White Plains, was indicted along with his nephew, Damon Chalk, by a federal grand jury on charges of conspiracy, credit card fraud, and making false statements to banks.

Terrence Chalk pleaded not guilty in U.S. District Court on Tuesday, where U.S. Magistrate Judge George Yanthis ordered him held on $250,000 bond.

Terrence Chalk founded Compulinx, a computer management firm, in 1990. He is accused of using the names, addresses, and Social Security numbers of his employees to secure the bank loans between 2001 and 2006, prosecutors said. He also ran up $100,000 in credit card charges using their identities, they said.

Chalk and his company were inducted this year into the Hall of Fame by the Business Council of Westchester. He serves on the boards of the American Red Cross and Hospice and Palliative Care of Westchester.

Last year, Terrence Chalk was nominated to the White Plains Youth Bureau, and was named businessperson of the year in February by the Westchester chapter of the Omega Psi Phi fraternity.

His lawyer, Mayo Bartlett, did not immediately return a call for comment.

Damon Chalk, 35, of Florida, was arrested by FBI agents Tuesday at La Guardia Airport. He was ordered held without bail. The name of his lawyer could not be immediately determined.

Former Atlanta Editor Gets 8 Years In Child Porn Case (TEXGAZ)

By Paige Milton, Texarkana Gazette

Texarkana Gazette, November 2, 2006

Federal child pornography charges stem from February 2004 incident

MARSHALL, Texas—Former Cass County newspaper editor Charlie Harrist will spend 97 months in a federal prison for child pornography charges, a judge ruled Tuesday.

The sentence was handed down by Judge T. John Ward of the Eastern District of U.S. District Court of Texas.

Harrist was convicted in June of two charges of federal child pornography, including possession of material involving sexual exploitation of minors and receiving material involving sexual exploitation of minors.

The charges stem from a February 2004 incident. Harrist took his personal computer to Atlanta, Texas, technician Jerry Griffin for repair. Griffin's employee, Melanie Warren, found child pornography images on Harrist's computer and reported her findings to the Cass County Sheriff's Office.

Harrist's computer was turned over to the sheriff's office, which was assisted in its investigation by the FBI.

During the trial, Billy Harrell, Harrist's attorney, argued the computer's hard drive had been cleaned prior to the discovery, negating the possibility the images belonged to Harrist.

Harrell also raised the possibility of tampering while the computer was in police custody, and pointed out Harrist had an adversarial relationship with law enforcement because of his reporting.

The defense also asserted Harrist was out of town during the times the images were placed on the computer, as shown by the computer system's clock.

Prosecutors argued the computer also contained news stories with Harrist's byline and personal photographs of Harrist and a friend, and the computer's system clock can be reset. A Longview, Texas, police detective who examined the computer testified he found "thousands" of images and videos of underage girls in sexual situations.

Harrist was indicted by a Tyler federal grand jury in April 2004.

He is the former editor of the Citizens Journal newspaper, based in Atlanta.

Supreme Court Ponders Retroactive Ruling (AP)

By Mark Sherman, The Associated Press

DOJ_NMG_0090095

AP, November 2, 2006

WASHINGTON (AP) — If Marvin Bockting were on trial today, his stepdaughter's accusations that he sexually abused her would not be allowed unless she testified about them in court.

The Supreme Court settled that issue in 2004 when it ruled that defendants have a constitutional right to cross-examine witnesses against them.

But Bockting was convicted in 1988 after 6-year-old Autumn Bockting's statements to Las Vegas police were presented to the jury even though the girl did not testify during the trial. He received a life sentence.

The question that reluctant justices confronted Wednesday was whether to apply the new rule to older cases, which the court has refused to do in a dozen cases over 17 years for matters of criminal procedure. However, an appeals court said the rule should apply retroactively and overturned Bockting's conviction as a result; other appellate courts have ruled differently.

Nevada Attorney General George Chanos and Justice Department lawyer Irving Gornstein argued that justices should not apply their 2004 ruling to older cases because, among other things, it would open the door to many defendants whose convictions depended on out of-court statements that were not subject to cross-examination.

Justice Anthony Kennedy singled out that problem if the court were to uphold the 9th U.S. Circuit Court of Appeals in this case. "We have to look at the rule in the whole universe of cases, not just your case. It seems to me that was the problem you had in arguing in this area, and maybe you can suggest some way out. I don't see it," Kennedy said.

Franny Forsman, Bockting's lawyer, countered that the right to confront a witness was so important to the integrity of the trial that it deserved the same consideration as, say, the court's landmark ruling in the 1960s that guaranteed a lawyer to defendants in criminal trials.

Forsman, the federal public defender in Nevada, also told the justices that concerns about courts being weighed down with defendants challenging their convictions as a result of a favorable ruling for Bockting were overblown. Her research found just five cases, as of late September, in which convictions were overturned because the ruling about confronting witnesses was applied to older cases, she said. Claims based on the 2004 ruling would already have to be under way, she said.

"It is not going to open the floodgates," Forsman said.

A ruling is expected before July.

If Bockting loses at the Supreme Court, it will not be because his lawyer was ineffective.

Forsman received some rare public praise from the bench at the conclusion of her argument. "Ms. Forsman, can I ask you a personal question? Were you a moot court finalist?" Justice John Paul Stevens asked, referring to the law school exercise in which students display their advocacy skills in mock trials.

No, she said. Undeterred, Stevens said he attended a moot court at the University of Notre Dame law school around the time Forsman was a student there. "It was an awfully good moot court," he said.

The case is Whorton v. Bockting, 05-595.

Second Guilty Plea In Cable Fraud Scheme (UPI)

United Press International, November 2, 2006

WASHINGTON, Nov. 1 (UPI) -- A second Connecticut defense contractor has pleaded guilty to fabricating test data on fiber optic cables used on the Patriot missile system.

Patrick Hale was the operations manager for Ace & Co., Inc., in Naugatuck, Conn. Ace distributes electronic components through its Stran Technologies division, which makes fiber optic and electrical connectors.

The military bought hundreds of the electrical connectors, known as the Tactical Fiber Optic Cable Assembly. Some were used on the first generation of the Patriot missile launchers, among other military systems.

All the Stran cables have since passed the required tests, and there are no known safety or suitability issues, according to the Justice Department.

The fraud began in 1999 when Ace was attempting to qualify as a military source for the cables, according to court documents filed at the beginning of August.

The humidity tests required by the Army's Communications and Electronics Command would have taken three months to complete, costing Ace up to $42,000, and would have delayed its ability to fill military orders for the connectors.

So Ace fabricated and falsified test results, and leased testing equipment to convince Army inspectors who visited the facility that the tests had been completed. Hale participated in the scheme to deceive the government.

On Aug. 2, 2006, Ace & Company, Inc. entered a corporate guilty plea based on the same scheme. Also on Aug. 2, the owner and president of Ace, James E. Stranberg, Jr., pleaded guilty to tax evasion based on his filing a false corporate income tax return for Ace in 2003.

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Hale faces a maximum term of imprisonment of five years and a fine of up to $250,000 on the fraud charge, and a maximum term of imprisonment of one year and a fine of up to $25,000 on a tax charge.

Despite Flawed Defense, A Death Sentence Stands (NYT)

By Adam Liptak

The New York Times, November 2, 2006

Defense lawyers in capital cases are often criticized for conducting superficial investigations of their clients' backgrounds, but Ferdinand Radolovich's performance in a Kentucky case, one that ended in a death sentence, may have set a new standard.

"Apparently," a federal judge wrote in 2001, "neither attorney Radolovich nor the prosecution knew of petitioner's actual identity until his case had been affirmed on appeal."

When he was later challenged about the quality of his work on the case, Mr. Radolovich testified that he was an accomplished death penalty lawyer at the time, having tried four capital cases. The real number was zero, the federal judge, Jennifer B. Coffman, found, and Mr. Radolovich has been indicted for perjury for his statement.

But none of this has helped the inmate in question, who was sent to death row as James Slaughter but whose real name is Jeffrey Leonard.

Yesterday in Cincinnati, splitting 7 to 7, the United States Court of Appeals for the Sixth Circuit declined to rehear the case. A dissenting judge, R. Guy Cole Jr., said the decision to allow Mr. Leonard to be executed even though the jury did not even know his real name, much less his background, opens a "new chapter in our death penalty history."

The case is not one of mistaken identity, and there is substantial evidence that Mr. Leonard is guilty of murder. But Mr. Leonard's current lawyers say a competent investigation of his background would have yielded a trove of evidence that might well have persuaded the jury to spare his life. He is, for instance, apparently brain damaged, and he endured a brutal childhood.

In June, the federal appeals court's three-judge panel agreed that Mr. Radolovich's performance was so bad that it violated the Constitution. But the two judges in the majority ruled against Mr. Leonard anyway, saying that better legal work would not have caused the jury to sentence him to life in prison instead of death.

Mr. Leonard, as James Slaughter, was sent to death row in 1983 for the stabbing death that year of Esther Stewart at a Louisville consignment store she owned.

In an interview yesterday, Mr. Radolovich defended his work.

"Mr. Slaughter admitted that he had lied to me, that he had given me a false name, a false date of birth, a false Social Security number." Mr. Radolovich said. "He told me he had no living relatives. Where was I supposed to go? What was I supposed to do?"

He added that the perjury charge, to which he has pleaded not guilty, was a result of a misunderstanding. While he acknowledged that the Leonard case was his first capital trial, he said that his testimony, at a 1994 state court hearing on Mr. Leonard's motion to vacate his conviction, meant to refer to experience he gained after the trial.

Judge Coffman, of Federal District Court in Lexington, Ky., wrote that Mr. Radolovich's investigation was inadequate.

"Petitioner could not even correctly spell the name, Slaughter, which he misspelled phonetically as being 'Slawter,' " Judge Coffman wrote. "This fact alone would cause the effective attorney to wonder about the veracity of his client's background information."

In yesterday's dissent, Judge Cole listed some of the information that Mr. Radolovich had failed to locate. Mr. Leonard "has possible brain damage from an untreated childhood skull fracture." His mother and stepfather "beat him so badly as a child that scars remain all over his body." His stepfather "once fired a gun at him as he ran out of his home carrying his younger brother." And "his mother, brothers and grandparents (who did not know about the trial) would have testified on his behalf."

The judges who declined to rehear the case yesterday did not give reasons. In the panel decision in June, the two judges in the majority said that "we do not find it reasonably probable that the outcome of Slaughter's sentencing would have been different if Radolovich had unearthed" the additional information.

Judge Cole, dissenting yesterday, said that was speculation.

"Although we cannot be absolutely certain," Judge Cole wrote, "that a single juror sentencing Jeffrey Leonard — a brain-damaged man whose family would corroborate his testimony and plead for his life — would come to a different conclusion, this court's decision leaves one aspect of this case indisputable: We will never know."

Judge Cole noted that one juror in the 1983 trial, in a sworn statement, said she would have voted to spare Mr. Leonard's life had she known more about him.

Kathleen K. Schmidt, a lawyer for Mr. Leonard, said she would ask the United States Supreme Court to hear the case.

Mr. Radolovich said he had mixed sentiments about yesterday's decision. "I'm heartsick that James went to death row," Mr. Radolovich said. "But after he told me he did it and after he lied to me, I'm a little less sympathetic."

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CIVIL LAW:

Groups Ask FTC To Probe Online Ad Profiling (WP)

By Ellen Nakashima

The Washington Post, November 2, 2006

Two consumer advocacy groups asked the Federal Trade Commission yesterday to investigate online advertising practices of Internet companies, asserting that the practices violate consumer privacy.

In a 50-page complaint, the D.C.-based Center for Digital Democracy and the U.S. Public Interest Research Group outlined online consumer tracking and profiling systems that they said are "deceptive and unfair to millions of users."

"Our online travels are increasingly becoming part of vast databases that comprise the source material for sophisticated analytical engines designed solely to make us more susceptible to online marketing," the complaint said.

The groups asked the FTC to investigate Microsoft Corp., Google Inc., Yahoo Inc. and other online companies and software firms, which they said were "aggressively" building new tools to analyze and classify consumers' behavior across the Internet and other digital media -- computers, cellphones, video games and televisions.

They singled out a Microsoft service that allows advertisers to take information gleaned from watching the millions of people who use the company's MSN Internet network. The information is combined with demographic data from credit bureaus and other sources to tailor ads to people based on geographic location, sex, age group, lifestyle and time of day. Microsoft's ad system "is deceptive and unfair," the report said.

The report also described new Web software programs that allow marketers to monitor people as they click and scroll online, logging where they enter a Web site, how long they linger on a page, even which part of the page they move their mouse across.

The groups urged the FTC to halt advertising practices that "abuse consumers" and to recommend federal legislation to protect them.

Mike Hintze, a senior attorney for Microsoft, said in an e-mail statement that "transparency" with consumers is "extremely important" and "will continue to be a central focus" of Microsoft's design of online services: "Consumer trust is essential to the success of online business and helping protect consumers' privacy is a top priority for Microsoft in our development and implementation of online services."

Google spokesman Barry Schnitt said that Google recognizes "that privacy is important" and that as it develops its advertising programs, it comes back "every time to the idea that the trust of the user is paramount." Yahoo spokeswoman Nissa Anklesaria said consumer trust and privacy were important and that the company had "a longstanding commitment to providing users with clear notice and choice" on the way their data is used.

Torts Gone Wild (LAT)

The Los Angeles Times, November 2, 2006

WHEN LAWYERS say, "hard cases make bad law," what they often mean is that a sympathetic plaintiff or an unattractive defendant can induce judges to depart from a general rule that makes sense. The U.S. Supreme Court should resist that temptation in ruling on an Oregon jury's decision to order a tobacco company to pay $79.5 million in punitive damages in a case involving a lifelong smoker who died of lung cancer.

Lawyers for the widow of Jesse Williams convinced the jury that Philip Morris had targeted people like her husband with a "massive, fraudulent campaign to sow doubt about smoking and disease" — a campaign so effective that it could blunt warnings by the surgeon general. The jury then ordered the company to pay Mrs. Williams $821,000 in actual damages.

Fair enough, even though Williams had disregarded warnings from his family about the risks of smoking, realizing too late that "those darn cigarette people … were lying all the time."

But then the jury tacked on a punitive-damage award that was almost 100 times what it thought was necessary to compensate her for her loss. The jurors did so after her lawyer asked them to think about "how many other Jesse Williams[es] in the last 40 years in the state of Oregon there have been. It's more than fair to think about how many more are out there in the future."

Actually, the $79.5-million award was less than fair. In recent years, the Supreme Court has held that due process of law is violated when punitive damages — admittedly designed to punish the defendant for wrongful conduct, not to compensate the plaintiff — are "grossly excessive."

In a landmark 2003 ruling, the justices suggested that punitive damages should be capped at nine times the amount of actual damages.

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After Oregon's highest court affirmed the jury verdict against Philip Morris, the U.S. Supreme Court asked lawyers for the company and Mrs. Williams to address two questions. One was whether Philip Morris' "reprehensible" conduct overrode the requirement that punitive damages bear a reasonable relation to actual damages. The other was whether the Constitution allows a jury in a case brought by one individual to punish the defendant for the effects of its conduct on others.

Both questions seem like no-brainers in light of past decisions about the need for punitive damages to bear a reasonable relationship to proven harm. Yet during oral arguments Tuesday, several justices seemed to suggest that ambiguities in the record — such as whether the Oregon Supreme Court had concluded that punitive damages could be based on harm to non-parties — might require returning the case to lower courts.

Punting the case would be a terrible idea. As this lawsuit demonstrates, many lower courts are uncomfortable with the Supreme Court's efforts to curb outlandish punitive-damage awards. An inconclusive ruling would embolden those courts in their resistance. It also would encourage speculation that recent changes in the high court's membership have undermined its punitive-damage precedents. Two of the six justices in the majority in the 2003 ruling, the late Chief Justice William H. Rehnquist and Sandra Day O'Connor, are no longer on the court.

Huge awards in individual lawsuits — as opposed to sensible legislation — are not the best way to curb smoking, obesity, gun violence and other threats to public health. The Supreme Court should see through the smoke screen of this "hard" case and say that.

CIVIL RIGHTS:

Poll Assignment Calls Mislead (BSUN)

By Melissa Harris, Sun Reporter

The Baltimore Sun, November 2, 2006

Workers falsely told of changes in Election Day posts; FBI notified

With Baltimore scrambling to make sure next week's voting goes smoothly, city elections officials expressed concern Wednesday at reports that a rogue caller was contacting poll workers and changing their Election Day assignments -- raising the prospect that some precincts might not have the staffing they need.

State elections chief Linda H. Lamone contacted the FBI Wednesday after Baltimore officials reported that someone called at least 10 poll workers and falsely told them that their precinct assignments had been switched.

Baltimore Board of Elections Chairman Armstead B. Crawley Jones Sr. said that poll workers are receiving legitimate calls this week from employees at the University of Baltimore's Schaefer Center, reminding election judges where to go and what time to arrive.

But the assignments have not been shuffled, Jones said. Such changes might be needed to fill vacancies but would not be made until early next week, he said.

The mysterious calls were being made as Baltimore elections officials hurried to make final preparations for Tuesday, when they hope to avoid a repeat of the no-show judge problem that the Sept. 12 primary suffered. Many precincts did not open on time, and a judge ordered polls to remain open an extra hour.

Overall, the city has trained enough volunteers -- 2,206 as of Wednesday for 2,100 spots -- but not enough of those are chief judges, who must attend a class to teach them how to supervise precincts.

This week, state auditors reported that Baltimore had not filled 250 of its 580 chief judge slots.

Helen Jankowiak, a Highlandtown Democrat who has been a chief judge for "longer than she can count," said that she could not return for the general election because she had no way of getting to the required refresher training course. She does not drive.

Lamone required local election boards to retrain every chief judge in the state after some jurisdictions experienced problems during the primary that resulted in late-opening precincts, slow results and a heavy reliance on paper ballots.

Election officials determined that all of the judges who reported the phone call attended the same training class of about 20 people.

"We don't want this to start spreading to other classes," said Jones, the interim chief.

The rogue calls added a new element of uncertainty to a tense election. Voters have requested more than 175,000 absentee ballots after calls from both political parties to use the paper alternative rather than risk equipment malfunction.

Federal prosecutors and the FBI have established an election fraud initiative in Maryland, as they do every two years, and warned Wednesday that fraud is often subtle.

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"It is a federal crime to seek out elderly or illiterate voters for the purpose of obtaining control of their ballots," according to a press release from U.S. Attorney Rod J. Rosenstein. "In addition, every voter has the right to mark his or her ballot in private."

About 10 election judges have reported that a female caller, who gave her name as either "Miss Brown" or "Marcia," called them Wednesday morning with a new precinct assignment, said Jones, the acting city elections chief.

In some cases, judges reported the call to city officials simply to complain about the switch. Two of the 10 judges reported that a phone number appeared on caller ID, but when that number was later dialed, a message said that the number was not in service, Jones said. Officials with the Schaefer Center were checking to make sure the calls were not coming from there.

In response to concerns about fraud generated by Wednesday's phone calls, interim elections director Cornelius L. Jones clamped down on election judges' personal information.

For instance, the Baltimore City Council has requested rosters of election judges, technicians and facility managers -- a request election officials said they would deny Wednesday.

Poll workers in the affected class also will receive a letter in the mail, confirming their assignments.

"It is extremely unfortunate that someone has resorted to cowardly and sneaky tactics to disrupt the election," said Raquel Guillory, a spokeswoman for Baltimore Mayor Martin O'Malley.

Armstead Jones, said that he is concerned because, at some point, the city likely will have to move poll workers and it will be difficult for judges to discern whether the switch is real.

He said that election officials would use e-mail addresses, cell phone numbers and a combination of methods to convey the information, including, if necessary, doing so in-person Tuesday morning.

The moves would likely be needed to fill chief judge vacancies.

Election supervisor Abigail Goldman said that the number of unfilled spots in Baltimore is shrinking every day but that she did not know exactly where the city stood and would not have a final count until training sessions conclude Sunday.

State law requires two chief judges per precinct, one Republican and one Democrat.

If there are still holes, Goldman said that she would "ask someone in that polling place to take the responsibility and become a chief judge" and that historically "people do step up to the plate."

Megan Shook, a chief Republican judge at Baltimore's Western High School, said that the system has improved since the primary.

"This time I got a phone call confirming when and where to report for duty," she said. "I've been paid for the primary, and I've already voted my absentee ballot. So I'm all set."

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U.S. Attorney's Office: We're Ready To Investigate Election Fraud (BALTBIZ)

Baltimore Business Journal, November 2, 2006

In a preemptive move that underscores the highly partisan and tightly contested races for public office that will be decided next week, the Maryland U.S. Attorney's office said Wednesday that federal prosecutors and FBI agents are prepared to review and investigate allegations of election fraud.

A federal task force has been formed to look into any allegations of ballot forgery or theft, voter intimidation, campaign finance violations and corruption, among other federal election crimes, Maryland U.S. Attorney Rod J. Rosenstein said in a statement.

The task force has consulted with Maryland Elections Administrator Linda H. Lamone, Attorney General J. Joseph Curran and Special Prosecutor Robert A. Rohrbaugh on how it will handle fraud or voting rights violations, and will have a team of federal prosecutors and FBI agents at the ready while polls are open Nov. 7.

"Our goal is to prevent election fraud and preserve public confidence in the integrity of the democratic process," Rosenstein said in a statement. "Fair elections are the foundation of American government. Because elections involve high stakes and strong emotions, allegations of wrongdoing frequently arise. We will review all allegations in a nonpartisan manner and pursue any evidence that warrants criminal prosecution."

Such a move isn't unprecedented; the U.S. Department of Justice has long mobilized its resources in election years to quell electoral corruption, said Marcy Murphy, public affairs specialist for the U.S. Attorney's Office.

But Murphy also conceded "a lot of people are talking" about voter fraud in Maryland, and Rosenstein and his top prosecutors want to get the word out: We're ready to investigate wrongdoing.

Gov. Robert Ehrlich, locked in a tight and increasingly nasty race with Baltimore Mayor Martin O'Malley, has called for voters to avoid the polls and vote with absentee ballots after human errors caused delays in Baltimore City and Montgomery County precincts during the Sept. 12 primary. Democrats have criticized Ehrlich's push as an attempt to depress turnout.

Controversy has also swirled around the use of electronic voting machines and their accuracy.

"I don't believe it's in response [to allegations already surfacing], but I think they are trying to alleviate the concerns about the election," Murphy said.

More Poll Workers Recruited, But Training Proves Daunting (WP)

By Christian Davenport

The Washington Post, November 2, 2006

He had heard the horror stories about the voter check-in machines crashing during Maryland's September primary. And he knew about the doomsday fears of hackers hijacking an election.

But Samuel Goodman's main concern during a training session last week for prospective election judges in Montgomery County was something far more simple: how to turn on the machines.

In the aftermath of glitches that marred primaries in Maryland and other states, a lot of attention has focused on electronic voting systems -- why they malfunctioned and how susceptible they are to attack. But the pillars of Election Day are the legions of judges, the human safeguards in a process that has become more complicated as voting has grown more automated and layered with regulations.

The judges, often known as poll workers, have been recruited en masse locally and across the country leading up to the general election Tuesday. Prince George's and Montgomery counties, for example, will have 300 more than in the September primary.

Goodman is part of the wave of hastily recruited Montgomery trainees, and at 73 he fits what elections officials say is the age profile of the average poll worker nationwide. Most are well into their retirement years, and the technology changes can be daunting for some of those who didn't grow up using computers. That is why some states are looking to recruit college, and even high school, students to work the polls.

Goodman, a former NBC television news producer who lives near Rockville, said he found the jargon of the training session offered by the county Board of Elections incomprehensible and the technology overwhelming. It wasn't long before his eagerness hardened to frustration as he realized the job of check-in judge was going to be a lot harder than he thought.

He's no computer whiz, but given a bit more time he could manage, he said. In a single three-hour class, "there was no way to absorb all that," he said.

For the most part, poll workers are ordinary people who work long hours for little pay and perform admirably under trying conditions. Since the 2000 presidential election debacle, several states, including Maryland, have replaced paper ballot voting with electronic systems, and poll workers have had to relearn their jobs.

Some states have new rules to learn about checking photo identification at the polls and offering provisional ballots.

"We've made more election reform in the last six years in this country than we had in the 230 before it," said Paul S. DeGregorio, chairman of the U.S. Election Assistance Commission, which was created in 2002 to help elections run smoothly. "When you have poll workers who have been used to one system for 20, 30, 40 years, teaching them a new system can take a couple of elections for them to get used to."

Across Maryland, officials launched an aggressive campaign to recruit judges after the troubled fall primary, saying they needed more people to help with the general election. The judges are hired temporarily and paid $150 or more to work at precincts on Election Day after several hours of training.

State officials have called for additional training, but some local elections administrators say the sessions aren't nearly long enough.

"I think we should do a lot more," said Robert J. Antonetti Sr., the Prince George's interim elections administrator. He added that many of the judges find the new technology "mind-boggling." The county has held training sessions almost nightly and twice on Saturdays, he said.

Virginia did not experience any problems on the level of Maryland's during its primary, but it has also worked to recruit more judges in anticipation of an unusually high turnout for a midterm election. Helping the recruitment was a grant received by the University of Virginia, which went toward training 80 students from U-Va. and Piedmont College to be poll workers.

Jean Jensen, secretary of the Virginia Board of Elections, said recruiting efforts also were greatly aided by a new state law that prevents employers from penalizing workers who want to serve as elections judges, by, for example, forcing them to use a personal day.

Virginia uses touch-screen machines in 105 of its 135 cities and counties, with the rest using optical-scan machines. The touch-screen machines, which have been the focus of concerns in Maryland and elsewhere, have been operated in at least one previous election in each jurisdiction that is using them, Jensen said.

In Maryland, training sessions for Montgomery's judges have been held six days a week and will continue through Monday afternoon, the day before the election, officials said.

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Montgomery is more familiar with electronic voting than most Maryland jurisdictions because it was introduced to the technology in 2002 with Prince George's and two other counties.

Still, the training session last week revealed how difficult it is for some prospective judges to master such a large amount of material in a short time. The trainees struggled with a new vocabulary: voter access cards, USB port, local area network, GEMS server. After the trainer said using the electronic poll book -- the machine that repeatedly faltered during the primary -- was a lot like using a PDA, Goodman wondered what a PDA is. It's a personal digital assistant, such as a BlackBerry or PalmPilot, he was told.

Later, when the instructor, Belinda Lee, asked the class to plug in the ethernet line, some stared blankly at the tangle of wires in front of them until she told them it was the one that looks like a telephone cord.

"Oy vey!" an exasperated Goodman blurted out.

During a break, trainee Joseph Burke, 80, of Chevy Chase thumbed through the thick three-ring binder he will have to become familiar with before Tuesday.

"That's a lot of stuff they threw at us," he said. "It's going to take some more studying."

Anthony DiLullo, 67, of Bethesda was comforted only by the fact that another check-in judge would be working the polls with him Election Day. "I hope the other person knows more than I do," he said.

Some fear that the changes in the way elections are run might be driving longtime poll workers away.

"It's a nationwide issue, and particularly when you transition to new equipment you see that some of your traditional poll workers decide it's time to retire," said DeGregorio, of the Election Assistance Commission. "So it puts the election officials in a bind in trying to fill the polls."

Although most poll workers are retirees who don't have to sacrifice a day of work to work the polls, states across the country are reaching out to younger generations, who have grown up using computers.

In Chicago, 754 high school students have been recruited to work the polls. Those younger than 18 are allowed to work as judges under a state law designed to involve younger people in the voting process, according to a news release. The city has also trained 2,000 college students to work as technicians at every polling place to prevent the kinds of problems that affected the city's primary this March.

In Ohio, Cuyahoga County has turned poll worker training over to the local community college, which has extended sessions by an hour and limited the class sizes. People must pass a written exam before they can serve as poll workers on Election Day.

Staff writers Zachary A. Goldfarb, Rosalind S. Helderman and Alec MacGillis contributed to this report.

Md. Democrats Say GOP Plans To Block Voters (WP)

By Matthew Mosk

The Washington Post, November 2, 2006

A recently distributed guide for Republican poll watchers in Maryland spells out how to aggressively challenge the credentials of voters and urges these volunteers to tell election judges they could face jail time if a challenge is ignored.

Democrats said yesterday they consider the handbook, obtained by The Washington Post, evidence of a Republican effort to block people from voting Tuesday.

"The tenor of the material is that they are asking folks, if not directing them, to challenge voters," said Bruce L. Marcus, an attorney for the state Democratic Party. "It's really tantamount to a suppression effort."

Advocacy groups including the National Campaign for Fair Elections, Common Cause and the NAACP, as well as a George Washington University professor who is an expert on voter suppression, agreed with that assessment.

Barbara Burt of Common Cause said the technique, last seen in Ohio in the 2004 presidential election, is an "insidious voter intimidation tactic."

Republicans rebutted that charge, saying they merely are guarding against fraud. "I don't think that's borderline suppression," said state Republican Party Chairman John Kane. "It's making sure that people who have earned the right to vote are voting. We've had people die in wars to protect those rights."

No one disputes the legality of having poll watchers set up folding chairs and monitor the election on behalf of their party. Typically, though, poll watchers are present to help ensure that their party's supporters get to vote, not the other way around.

Democrats, for instance, have distributed advice to their poll watchers to "make sure that voters are not being turned away."

"The key is the perspective each party brings to the process," Marcus said. "Our philosophy is, if we have a qualified voter, we're going to turn things inside out and upside down to get them to be able to vote."

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The GOP poll-watcher program, outlined in a 13-page document, states: "Your most important duty as a poll worker is to challenge people who present themselves to vote but who are not authorized to vote."

It cautions, "Undoubtedly, the challenge process will be awkward and may cause consternation on the part of the challenged voter as well as the judges." It advises, "If there is cause to make a challenge, you should not hesitate to do so merely because it upsets the challenged voter or the election judges."

It adds, "If the election judge should try to ignore your challenge, point out that they would be committing a criminal offense punishable by not less than 30 days in jail."

Jonah H. Goldman, director of the National Campaign for Fair Elections, said the program "raises serious concerns."

"When you have a political party telling people their Number 1 responsibility is to challenge voters, our ears certainly perk up," Goldman said. "This could either be intended to challenge voters in a discriminatory way or in a disruptive way. A lot of times, they just try to cause chaos and long lines."

The manual provides a range of scenarios in which the volunteer should phone complaints to the party's legal headquarters or fill out "incident reports." The scenarios include voters who can't readily supply their full name, address or date of birth -- or who are assisted by election judges.

"People raising questions about the poll-watcher program may be looking at it from the wrong perspective," said Dirk Haire, the legal counsel for the state GOP. "I wonder if they are concerned that efforts we take could uncover fraud."

Democratic National Committee counsel Joseph E. Sandler said he believes one goal is to create a record for the GOP to use to challenge a close election's outcome in court.

Kane disputed this: "I think what we're doing is protecting ourselves. The Democrats are going to have 500 roving lawyers out there looking for every possible legal challenge."

Sandler said the legal team organized by his party will "be there to help deter the Republicans from effectively carrying this out. So people's votes are safe and secure."

The poll-watcher programs also underscore how tense both parties are about turnout -- particularly among black voters -- in the final days of the contests for Maryland governor and a U.S. Senate seat.

Various polls have shown that the outcome changes dramatically depending on how many black voters cast ballots.

A recent Washington Post poll that measured black turnout at 25 percent showed Baltimore Mayor Martin O'Malley (D) with a lead of 10 percentage points over Gov. Robert L. Ehrlich Jr. (R). A poll published yesterday by the Baltimore Sun that assumed black turnout at 19 percent showed the race as a statistical dead heat.

Spencer A. Overton, the GWU professor, said a program designed to encourage Election Day challenges has the potential to disenfranchise black voters. "Parties target particular communities, and they don't apply the rules uniformly to all voters in all areas," Overton said.

Kane, however, said the program is in no way intended to bar black voters. Ehrlich said he would not tolerate such an effort, adding that his plan has been to woo black voters, not turn them away. "I think our message has really struck a chord."

False Voter Registrations Allegedly Submitted (KCS)

By Dave Helling

The Kansas City Star, November 2, 2006

A federal grand jury handed up indictments Wednesday against four people for allegedly submitting false voter registrations to the Kansas City election board.

The indictments — against Kwaim A. Stenson; Dale D. Franklin; Stephanie L. Davis, also known as Latisha Reed; and Brian Gardner — include two felony counts against each, the U.S. attorney's office said.

All four defendants worked this year as voter registration recruiters for the Association of Community Organizations for Reform Now, known as ACORN. They could not be reached for comment.

ACORN officials said they no longer work for the group. And, they emphasized, ACORN turned in the names of three of the defendants to authorities last month after learning of the problem.

"I think that our system is working because we caught these people," Andrew Gins-berg, head organizer for Kansas City ACORN, said in an interview. "Sometimes people cheat, whether they make eight dollars an hour or eight million an hour."

Each charge of "knowingly and willingly" filing the false information carries a potential penalty of five years in prison and a $250,000 fine.

"Those who commit fraud in the electoral process dilute the votes of their fellow citizens," U.S. Attorney Bradley Schlozman said in a statement.

The statement added: "This national investigation is very much ongoing."

Claudie Harris, board president for Kansas City ACORN, said the indictments do not taint the 35,000 other voter registrations submitted by ACORN in Kansas City this year. "I think we're doing a great job," she said.

Kansas City's Republican election director, Ray James, said the indictments could help maintain public trust in the election process.

"I hate for anyone to be prosecuted and suffer," James said. "But I've long been concerned about the rights of the general public to a fair election."

James and his Democratic counterpart, Sharon Turner Buie, have said that as many as 15,000 recently submitted voter registrations could be "questionable" — which they define as duplicates, unreadable applications, or containing information that doesn't match other existing records.

Last week the board chairwoman, Melodie Powell, said the board had turned over the investigation of the questionable cards to local and federal authorities.

ACORN has said that some of its applications may have contained honest mistakes. But it also says some of the problems may be political.

"I think if we had registered 35,000 Republicans, none of this would have been in the news," Ginsberg said.

Republicans were quick to respond. "This illegal assault on our election system should concern every voter in the state," party spokesman Paul Sloca said in a statement.

Democratic party spokesman Jack Cardetti said, "We absolutely support the prosecution of anyone who turns in fraudulent registration cards."

The Republican election director in St. Louis has criticized ACORN's voter registration process in that city. Its board sent letters to 5,000 voters asking them to re-verify their registrations, an action some critics called illegal.

Four ACORN Workers Indicted In Kansas City (SLPD)

By Jo Mannies

St. Louis Post-Dispatch, November 2, 2006

According to the Kansas City Star, the U.S. attorney's office over there has just announced it has indicted four workers with ACORN for "providing false information to the Kansas City Election Board, and…filing a false voter application with the board."

Each offense carries a penalty of up to five years in prison and a fine of $250,000; anyone found guilty also loses their right to vote.

ACORN, which stands for the Association of Community Organizations for Reform Now, has come under fire in a number of states — and the city of St. Louis — over allegedly fraudulent voter registrations.

ACORN national spokesman Kevin Whelan said the group actually had been responsible for three of the indictments. "We caught them; we turned them in," he said. "We're pleased that the FBI was able to bring these indictments and we provided them with information that helped with the investigation."

ACORN provided a copy of the letter it had sent to Kansas City authorities on Oct. 11.

ACORN officials have maintained that they welcome any arrests of workers found to have committed fraud, but that they don't want such problems to take away from the legitimate registrations honest workers have turned in.

ACORN sent out a release earlier Wednesday, saying that its workers in St. Louis plan on "knocking on 150,000 doors — three times on Election Day — to get out the vote!"

Meanwhile, the U.S. Attorney's office here Catherine Hanaway, U.S. attorney for Missouri's Eastern District, said Wednesday that her office has set up a hotline for people reporting possible election fraud or voter discrimination in connection with Tuesday's election. The number is 314-539-7733.

Assistant U.S. Attorney John Bodenhausen, an assistant U.S. attorney, will coordinate the office's efforts, which are part of the Justice Department's nationwide Election Day Program.

Complaints about ballot access problems or discrimination can also be made directly to the Civil Rights Division's Voting Section in Washington at 1-800-253-3931 or 202-307-2767.

Conference Looks At Human Trafficking Along Border (EPTIMES)

By Darren Meritz, El Paso Times

El Paso Times, November 2, 2006

Far West Texas and Southern New Mexico's proximity to the U.S.-Mexico border creates a unique environment in which immigrant-smuggling operations can easily change into abusive, exploitative human trafficking, experts said Wednesday at an El Paso conference.

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Victims of human trafficking -- who often are manipulated into forced labor, prostitution, sex tourism and pornography -- are typically reluctant to come forward for fear of deportation, recriminations from their trafficker or insecurity about admitting they are victims, experts said.

"The difficult aspect of this is actually identifying the victims," said Paul Piñon, coordinator of the El Paso Human Trafficking Task Force and an organizer of the two-day conference titled "Human Trafficking: Working Together to End Modern-Day Slavery." The conference continues today.

About 300 representatives of law enforcement agencies and social service organizations, such as the Salvation Army and the Diocesan Migrant and Refugee Services, attended the third annual conference.

Piñon detailed several cases in the El Paso area that illustrated crimes possibly related to human trafficking and indicative of the close association of human trafficking and immigrant smuggling.

In one case, police charged two men in October 2005 with unlawful transport for holding an 18-year-old man and an 18-year-old pregnant woman against their will after they had crossed the border into the United States near Fabens.

In another case, police in February this year recovered a 15-year-old Salvadoran girl during an undercover sting operation at the Downtown Greyhound bus station. Her alleged kidnapper tried to hold her in exchange for a $5,500 ransom, Piñon said.

Though local figures were unavailable, officials at the conference Wednesday conference speculated that trafficking in the region is rising and cited a Department of State estimate that about 18,000 people are trafficked annually in the United States. The FBI estimates that human trafficking generates about $9 billion in profit each year.

"During the past few years, we have seen an increase in trafficking in this area, but they're difficult to investigate because victims don't want to cooperate," said Michelle Arriaga, a graduate student who presented a report on local efforts to curb the crime. "If they're in constant fear of being deported, it's very difficult for them to be willing to participate or discuss what's happened to them."

Jennifer Romero, a victim specialist for the FBI in El Paso, said that victims often experience debilitating psychological abuse at the hands of the trafficker, who lures them with the promise of good jobs and assistance navigating through the U.S. immigration process, she said.

Human traffickers use coercion and control, sometimes depriving victims of basic necessities and using long-term manipulation to instill enough fear and doubt to prevent them from reporting to authorities, she said. Victims then can be forced into jobs that are illicit and illegal, such as prostitution and sex tourism.

"Screw with the mind, and the body will follow," she said.

Darren Meritz may be reached at dmeritz@elpasotimes.com; 546-6127.

Annexation Excludes Vote (BSH)

By Ryan Lafontaine

Biloxi Sun Herald, November 2, 2006

WAVELAND - Newly annexed residents here will not have a say in Tuesday's party primaries for mayor and aldermen, according to a letter Wednesday from the Justice Department.

However, voters who register to vote before 5 p.m. on Monday will be allowed to vote for mayor and aldermen in the Dec. 5 general election.

The city had been awaiting an official decision from the federal government for several weeks on whether nearly 1,000 residents would be included in next week's vote.

The residents officially became Waveland citizens in July when the city settled an annexation dispute with neighboring Bay St. Louis in a deal that gave Waveland a stretch of land along the western right of way of Mississippi 603.

According to federal legislation adopted in the 1960s, the Justice Department must review changes in ballot procedures, voting districts and other electoral rules in several states - mostly in the South - to ensure that minorities maintain influence in elections.

In the settlement, Bay St. Louis took a massive slice of land between the highway and the Jourdan River, stretching north to Interstate 10.

Many residents on both sides of the highway were anti-annexation, and some believe Waveland purposely delayed a federal decision to eliminate the disgruntled new voters from this year's election.

Earlier this year, Waveland attorney Zach Butterworth said the city was hoping to have a decision at least 30 days before the party primaries, which would have given the new residents time to become registered voters.

On Wednesday, Butterworth dismissed claims of malice and said federal approval simply took longer than the city first thought.

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GOP mayoral candidate Craig Cameron, who is looking to make history by becoming the city's first black mayor and just the second Republican ever to hold the city's top office, said a chunk of new votes made available days before the election could muddy the campaign for any candidate.

"I have no way of knowing whether anything was done to purposely exclude them," Cameron said. "Having new voters at the last minute could complicate things for all the candidates, but I am very sympathetic to (the new residents') concerns."

Mayor Tommy Longo said the court denied a request last year from Waveland, asking to postpone an annexation decision until the two cities could recover from Hurricane Katrina.

"There wasn't much we could do," Longo said. "The annexed land was handed to us, and we asked to get a decision on the new voters as quickly as we could, but we were at the mercy of the federal government."

Activist Calls For Cop Probe In DeKalb Rally Set For Friday Over 31 Shootings Since 2001 (AJC)

By David Simpson, Mae Gentry, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, November 2, 2006

A DeKalb County civil rights activist Wednesday called for an outside investigation of a string of shootings by police, and the sister of a slain suspect plans to organize a protest this week to demand that the department do a better job of training its officers.

"Bring in the FBI, the GBI and the Justice Department to investigate all of the shootings," said John Evans, former president of the DeKalb County chapter of the NAACP. "And then set up a civilian review board [to review future cases]."

An article in Wednesday's Atlanta Journal-Constitution prompted the call for the outside investigation, said Evans, who now heads up a local civil rights group based in Lithonia known as Operation LEAD.

The AJC examined internal reports of 31 shootings from 2001 to 2005 and found that officers had a pattern of violating department policy, such as forcing confrontations with armed suspects without backup, shooting into moving cars and neglecting safety rules for handling suspects once they were in custody.

Most of the officers involved were not disciplined, the newspaper found, and the department did not address the pattern of violations in its training programs.

Iffat Muhammad, whose brother was fatally shot by a DeKalb officer in August, said the newspaper's report confirmed her concerns about the recent string of shootings.

Her brother was shot by an officer checking on a trespassing complaint. He attacked the officer and tried to get her gun, police said.

"Basically, we were told this doesn't happen in DeKalb County," said Muhammad, the president of the DeKalb County chapter of the New Order Human Rights Organization. "Yes, it does, from 2001 to 2005 and into 2006."

Nick Marinelli, the county's interim police chief, and DeKalb Chief Executive Officer Vernon Jones did not respond to messages seeking comment on Evans' and Muhammad's statements, which were made late Wednesday afternoon.

The GBI can only enter a shooting case at the request of the law enforcement agency, said GBI spokesman John Bankhead. An FBI spokesman declined to comment.

In the meantime, the department is putting together a process to detect patterns of problems, Marinelli said earlier.

The department also is making changes to its training after a consultant found it hadn't paid enough attention to "de-escalation" of confrontations, Marinelli said.

So far this year, DeKalb County police officers have shot and killed 11 suspects — the highest number in metro Atlanta. One officer also has been killed.

The department hasn't finished its investigations of those cases, but Marinelli has said he is expediting the process and plans to release his findings soon.

In its examination of the 31 shootings, the AJC found that officers had violated department policy in nine of them. Two officers were fired, one was suspended and another was reprimanded.

In light of the findings, community leaders called on the department to place a greater emphasis on training.

"The message is train them properly, follow procedures," said Muhammad, whose group is planning a protest outside police headquarters at 2 p.m. Friday.

"We're not saying that the outcomes would be different, but who knows? They may have been," she said.

The newspaper's article comes at a time when the county is conducting a search for a new police chief. Marinelli is among the candidates being considered by Jones.

Civil rights activist Gerald Rose, the founder and CEO of the New Order organization, said Wednesday he hopes Jones "looks at the true facts" about the shootings and ensures that the next chief takes the issue seriously.

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Kristie Swink, a spokeswoman for Jones, said, "The next DeKalb County police chief will ensure that all officers are properly trained and well-equipped in order to protect the safety of every resident in DeKalb County."

In south DeKalb, constituents have been concerned about the shootings, said County Commissioner Lee May, who wants to hear more about Marinelli's training plans.

"That is definitely something that I'm going to ask to see," May said.

Staff writer Ty Tagami contributed to this article.

US State Attorney General Gets Patient Records From Abortion Clinics After 2-year Effort (FINDLAW/AP)

By John Hanna, Associated Press Writer

AP, November 2, 2006

(AP) - TOPEKA, Kansas-The state attorney general said that his office has received the records of 90 patients from two abortion clinics and is reviewing them for possible crimes, the culmination of an effort that prompted concerns over patient privacy.

Attorney General Phill Kline, one of the United States' foremost abortion opponents, said Tuesday the targets of his investigation are rapists, sex offenders with child victims - and doctors involved in abortions. Those doctors could include physicians performing abortions, providing a second opinion for late-term abortions or failing to report abuse of a child.

The clinics had argued that giving the attorney general access to the records would invade patients' privacy.

Shawnee County District Judge Richard Anderson subpoenaed the records at Kline's request in September 2004, concluding there was probable cause to believe they contained evidence of crimes.

While Anderson didn't give Kline unfettered access to the records, the state Supreme Court imposed new guidelines for having them reviewed and edited before they were given to the district court. Under that process, neither Kline nor the judge saw the names of the patients.

Kline's office received redacted copies of the records a week ago.

His disclosure came a week before the Nov. 7 general election, with Kline, a Republican, in a tight race with Johnson County prosecutor Paul Morrison, a Democrat. Morrison has made Kline's pursuit of the records a key issue in his campaign, even suggesting the efforts are an abuse of power.

Because the records are redacted, individual patients cannot be identified, Kline said. He could seek the names of any victims of child rape to build cases against the perpetrators, he said.

In addition to child rape, possible crimes include potentially illegal late-term abortions, incest, forcible rape and making a "false writing," he said.

The records came from a clinic in Overland Park, Kansas, and a clinic in Wichita, Kansas, operated by Dr. George Tiller.

Pedro Irigonegaray, an attorney for the clinic, said that the records don't show any wrongdoing by the clinics and that if the clinics had not fought back, the attorney general would have seen unedited files.

"Nothing whatsoever in those records supports the proposition that our clients have violated the law," Irigonegaray said.

Outside Money Fuels Battle On Abortion (NYT)

By Monica Davey

The New York Times, November 2, 2006

The fierce battle over abortion in South Dakota has cost some $4 million, much of that from places other than South Dakota.

That is what the two largest political groups campaigning on the issue say they have collected in the months leading up to next week, when voters there will decide whether to uphold a ban on nearly all abortions in what would become the most restrictive such law passed in the nation in at least 14 years.

Vote Yes for Life, a group that has pressed for approval of the law, said on Wednesday that it had received $2.15 million in cash, as well as contributions of $39,000 in goods and services. The South Dakota Campaign for Healthy Families, which has urged voters to reject the provision legislators adopted in February and the governor signed in March, said it had collected $1.8 million since late June, as well as in-kind contributions of less than $50,000.

All along, each side had said its efforts were being driven by South Dakota natives, but had complained that the other side was being pressed on and heavily financed by well organized national organizations from Washington and elsewhere.

As a deadline for filing financial data to state officials arrived this week, both sides issued news releases that show they have received money from outside South Dakota.

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The South Dakota Campaign for Healthy Families said that of the $1.8 million, less than $160,000 — about 9 percent — came from South Dakota; the campaign got 738 contributions from state residents, it said. The rest — more than 10,000 donations totaling more than $1.6 million — came from elsewhere. Vote Yes For Life, meanwhile, said that 65 percent of its money came from inside the state.

Military Pressed Over Expressions Of Faith (WP)

By Alan Cooperman

The Washington Post, November 2, 2006

The U.S. military is being buffeted by dueling legal claims over religion, with one set of plaintiffs contending that the Pentagon is suppressing evangelical Christianity and another set arguing just the opposite -- that the brass gives the most aggressive evangelicals free rein to proselytize in uniform.

Although Congress intervened this fall, directing the Air Force and Navy to rescind controversial new policies on religion, chaplains on both sides of the issue said the congressional action only muddied the waters.

"Congress took action, but who won? I'm not sure. The only thing I can safely predict is, get ready for new controversies over the place of evangelism in the armed forces," said retired Navy Capt. Gary R. Pollitt, executive director of the Military Chaplains Association, a private, nonprofit group representing chaplains in all the services.

In the latest lawsuit, an evangelical Christian chaplain is charging the Navy with violating his First Amendment rights by forbidding him to pray "in the name of Jesus" at public ceremonies.

Chaplain Gordon J. Klingenschmitt filed the lawsuit Oct. 25 in U.S. District Court for the District of Columbia with assistance from the Rutherford Institute, a Charlottesville-based public interest law firm that sued the Pentagon over its policy of requiring U.S. servicewomen stationed in Saudi Arabia to wear a Muslim head covering.

Klingenschmitt's suit alleges that the Navy has effectively established a "civic religion" and is "suppressing [his] Christian faith" by requiring him to offer nonsectarian prayers when speaking to diverse groups of sailors.

He also alleges that his objections to the Navy policy are the real reason that his commanders court-martialed him in September and are now in the process of kicking him out of the Navy. Klingenschmitt was found guilty of disobeying an order by wearing his uniform at a political protest in front of the White House.

"Can the Navy censor a chaplain's prayers, yes or no? That's what my suit is asking," Klingenschmitt said yesterday.

A spokesman for the Navy, Lt. j.g. Karl Lettow, said it does not comment on pending litigation. Navy officials have said that chaplains are free to pray however they wish in voluntary worship services but that the Navy encourages them to "respect the diversity of their audience" when addressing mandatory gatherings.

Meanwhile, a former White House counsel whose lawsuit against the Air Force was dismissed last week said he intends to refile a broader suit, or possibly multiple suits, accusing all the armed services of allowing evangelical Christians to pressure members of other faiths.

U.S. District Judge James A. Parker dismissed the initial suit by Michael L. "Mikey" Weinstein because it was based on alleged incidents of religious bias at the Air Force Academy, but neither Weinstein nor any of his five co-plaintiffs claimed to have suffered from those incidents.

Weinstein, who spent 10 years as an Air Force lawyer and worked in the Reagan White House, said he is now picking the best cases from "a veritable cornucopia of new plaintiffs and accusations."

Some evangelical groups and individuals "believe they have an illimitable right to push their biblical worldview in the military, 24 hours a day, seven days a week, up and down the chain of command," Weinstein said. "Our view is that you certainly have that right at certain times and places that are well established by the U.S. Constitution and our case law. . . . But you can't do it on the job when you're wearing the uniform during the workday."

Reports of aggressive evangelism at the Air Force Academy led the service to issue interim guidelines last year urging commanders to be "sensitive" about sharing their faith and called for a minute of silence or at most a "brief, non-sectarian" prayer at mandatory gatherings.

Evangelical groups complained about the Air Force guidelines and a similar Navy instruction, and House Republicans proposed legislation to guarantee that chaplains can always pray as they wish. In a compromise, that wording was dropped from a defense authorization bill, but a legislative report urged both the Air Force and the Navy to rescind their policies. Congress is expected to hold hearings on the issue next year.

Marriage Limits Set To Face Stiff Fight In 3 States (WT)

By Cheryl Wetzstein

The Washington Times, November 2, 2006

DOJ_NMG_0090108

Voters in eight states are expected Tuesday to pass constitutional amendments that define marriage as the union of one man and one woman. But in at least three states, the margin of victory -- if there is one -- may be razor-thin.

In Arizona, a recent Northern Arizona University (NAU) poll shows Proposition 107 squeaking by, 51 percent to 42 percent, which is "way too close for comfort," said Cathi Herrod of Protect Marriage Arizona Coalition.

The Arizona amendment has attracted huge public support -- more than 300,000 people signed petitions to get it on the ballot -- and survived a court challenge. But it also has been targeted for defeat by a well-organized coalition called Arizona Together, which says the amendment will hurt both heterosexual and homosexual couples.

Several polls, including one by Arizona State University (ASU) and KAET-TV, indicate the amendment will be soundly defeated. Recent ASU polling results, which show 30 percent of voters supporting the amendment, "reaffirm that Arizona voters do not want to take away health care from families," said state Rep. Kyrsten Sinema, a leader of Arizona Together.

Mrs. Herrod said NAU used the ballot language in its poll and is a more accurate reflection of voter intent. But she worries that the opponents' vigorous campaign and voter complacency will pose problems. "People think these marriage amendments pass easily. That's not true," she said.

In Wisconsin and South Dakota, polls have shown marriage amendments headed for defeat. Fair Wisconsin, which opposes the amendment, has promised to run "one of the biggest campaigns in the state in 2006." In South Dakota, a poll released in August showed the amendment losing, 49 percent to 41 percent, and South Dakotans Against Discrimination has initiated a radio and print campaign to educate voters about this "poorly worded" and "extreme" amendment, said spokesman Jon Hoadley.

But traditional-values groups in those states say they have no intention of losing. "There is just a groundswell of movement in support of this amendment," said Julaine Appling of Vote Yes for Marriage in Madison, Wis., noting that recent polls have consistently put them ahead by 51 percent to 53 percent.

Rob Regier of the South Dakota Family Policy Council said he can't explain polls showing a defeat for the marriage amendment, but he noted that at least one poll showed the amendment winning by a landslide. South Dakota voters are "still pretty conservative," he said. "I don't see South Dakota being the first and only state to lose a marriage amendment."

Polls in South Carolina, Tennessee and Virginia suggest those amendments will pass. In Idaho, citizens lobbied lawmakers for more than three years to pass an amendment, and at least one poll showed a 2-to-1 margin of support, "so I think it will pass," said Marriage Protection Alliance leader Julie Lynde.

Colorado has two marriage-related measures that are expected to pass: A new Denver Post poll of 625 voters indicated a marriage amendment would win, 51 percent to 43 percent, as would a domestic partnership law, 47 percent to 42 percent.

Female Voters Courted In Affirmative-Action Fight (WP)

By David S. Broder

The Washington Post, November 2, 2006

DETROIT -- The women are having their say in Michigan politics this year. With Democrats trying to reelect Gov. Jennifer M. Granholm and Sen. Debbie Stabenow over their male Republican challengers, no state has a more feminist cast to its ballot.

And, in a referendum fight over affirmative action, female voters will probably decide whether Michigan becomes the third state to outlaw preferential treatment for minorities and women in education, state employment and public contracting.

Ward Connerly, the Californian who sponsored successful anti-affirmative-action initiatives in California and Washington state during the 1990s, has brought an identical measure to Michigan.

His spokeswoman here is Jennifer Gratz, who was the plaintiff in a lawsuit accusing the University of Michigan of discriminating against her for being white when it did not admit her as a student a decade ago. The Supreme Court ultimately upheld the university's right to give preference to "under-represented groups" but barred it from artificially boosting their entrance qualification scores.

After her rejection, Gratz said in an interview, she contacted Connerly and asked him to bring the fight to end racial and gender preferences to Michigan. It has turned into an expensive and bitter battle -- with women's votes the main prize in what polls suggest is a tossup election.

Trisha Stein, campaign manager for One United Michigan, the broad coalition fighting the measure to ban affirmative action, said polling shows that "if this is a campaign about gender, the proposal will not pass, but if it's a campaign about race, it will likely pass."

The opposition to Connerly looks formidable. Stein counts more than 200 organizations on her side, including major Michigan businesses, labor unions, and religious and civic groups. One United Michigan has raised and spent more than $3.3 million.

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But Connerly faced equally formidable establishment opposition in California and Washington and prevailed. In an interview, he said Michigan has presented "more obstacles than I expected," but he still predicted victory. "People see simple fairness in what we're proposing," he said.

On Friday, his supporters in Michigan reported raising $1.3 million and spending slightly more than half, with the rest in reserve. More than $1 million came from Connerly's California organization and similar groups elsewhere.

The proposed amendment to the state constitution would "ban affirmative action programs that give preferential treatment to groups or individuals based on their race, gender, color, ethnicity or national origin for public employment, education or contracting purposes."

Debbie Dingell, a General Motors executive who is co-chairman of One United Michigan, said that if the initiative passed, it would jeopardize special treatment programs for breast and cervical cancer and end an effort to attract more women into science and mathematics careers.

Gratz says such fears are exaggerated. "I have a degree in math," she said, "and colleges are eager to have more women coming into the field. This is a distraction from the real issue: discrimination on the basis of race and gender."

Church groups and civil rights organizations in Detroit are trying to mobilize the African American community in opposition to the initiative. But at a rally of female activists in a local Teamsters hall, leaders complained that it is difficult to communicate the message that a vote in favor of affirmative action requires marking the ballot "no."

One United Michigan's radio and television ads are targeted at women, with one concluding that the measure "hurts Michigan's mothers and daughters, taking away opportunities, risking their future."

Connerly's side ran ads during the summer but has delayed going back on the airwaves until the final days. A tracking poll for One United Michigan conducted by Steve Mitchell, a veteran Michigan pollster, found a sharp gender split on the proposition.

In the first few days after the ads began in mid-October, opposition among women rose from 36 percent to 49 percent, and most recently it has leveled off at 47 percent, with 35 percent opposed. Men supported the measure, 49 percent to 40 percent. Mitchell said the outcome is too close to judge, especially because there is a history of white voters fudging their answers to pollsters on racial matters.

Mitchell also noted that on ballot issues, the undecided typically break to the "no" side, but he cautioned that the racial aspect of the measure might change the pattern.

There is also a partisan split in the polling. Although GOP gubernatorial candidate Dick DeVos and other prominent Republicans have urged a "no" vote, 63 percent of Republicans in the poll said yes, while 59 percent of Democrats said no. Independents were split.

ANTITRUST:

CVS Buying Caremark For About $21.2B (AP)

By LUCAS L. JOHNSON II

AP, November 2, 2006

NASHVILLE, Tenn. - Drugstore operator CVS Corp. announced Wednesday it is buying pharmacy benefits manager Caremark Rx Inc. for about $21.2 billion in stock, creating a company that will have formidable power in negotiating lower prices with drug companies.

The deal would create a $75 billion drug distribution powerhouse that could compete more effectively for customers as Wal-Mart Stores Inc. and other retailers introduce programs selling cheap generic drugs.

"This is all about giving the consumers unparalleled access and choice ... It will help providers deliver the right drugs at the right time," CVS CEO Tom Ryan said in a conference call.

But investors sent shares of both companies lower, and some analysts raised concerns about integrating the two businesses.

CVS shares tumbled $2.32, or 7.4 percent, to close at $29.06 on the New York Stock Exchange while Caremark lost $1.06, or 2.2 percent, to finish at $48.17. Caremark shareholders will be getting CVS stock in the deal.

SunTrust Robinson Humphrey analyst David Magee wrote in a note that the deal could be seen as too much risk for CVS which is still digesting acquisitions from the past couple of years, including purchasing the Sav-On drug store chain made earlier this year. He also wrote the deal could distract CVS from growing its existing business lines.

He said the he was optimistic about the long-term implications of the deal because of the size and buying power of the new company.

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Company officials said the deal would create significant benefits for employers and health plans through more effective cost management and new programs, and for consumers through expanded choice and more personalized services.

"Combining Caremark's expertise in serving employers and health plans with CVS's expertise in serving consumers will create a powerful force for change in pharmacy services," said Edwin "Mac" Crawford, Chairman, CEO and President of Caremark, which is based in Nashville.

The merger brings together companies from two industries that have had a sometimes bitter rivalry. PBMs offer customers the option of purchasing their drugs through the mail for reduced prices. Drug stores have argued such policies cut into their revenue and compromise patient safety because it deprives them of access to a pharmacist.

The growing mail order business has been hurting drug stores' market share, said Morgan Stanley analyst Mark Wiltamuth. CVS has its own mail order subsidy and analysts said buying Caremark would bolster that portion of its business, analysts said.

The companies called the deal a "merger of equals" and under the terms, Caremark shareholders will receive 1.67 shares of Woonsocket, R.I.-based CVS for each share of Caremark. CVS shareholders will own 54.5 percent of the combined company and Caremark shareholders will own 45.5 percent.

The new company will be called CVS/Caremark Corp. and will be headquartered in Woonsocket.

The pharmacy services business will remain based in Nashville. Combined 2006 revenue for the companies are expected total about $75 billion, a joint statement said.

Caremark's Crawford will become the chairman of the combined company and Ryan will become president and chief executive of the combined company.

After the markets closed Wednesday, CVS reported its third-quarter profit rose 13 percent on higher same-store sales.

Net income grew to $280.7 million, or 33 cents per share, from $249.2 million, or 30 cents per share, a year ago.

Revenue rose 25 percent to $11.21 billion.

Analysts surveyed by Thomson Financial expected earnings per share of 32 cents on revenue of $11.24 billion.

Caremark reported a 25 percent increase in third-quarter profit on strong sales in the company's mail-order and retail businesses.

Net income grew to $288.6 million, or 67 cents per share, from $231.4 million, or 51 cents per share, a year ago.

Revenue rose 13 percent to $9.14 billion.

Analysts expected earnings per share of 63 cents on revenue of $9.23 billion.

Glenn Garmont, an analyst with First Albany Corp., said before the announcement that the deal was likely spurred in part by the fear that Wal-Mart, "will emerge as a fierce new competitor following its introduction of selected $4 generic drugs."

Wal-Mart announced last week that it is extending its $4 for a one-month supply of 314 different generic prescriptions to make the program available at 1,008 stores in 27 states.

However, Ryan and Crawford said Wal-Mart's action didn't affect their decision to merge.

"We've been working on all this for some time," Crawford said. "This didn't have anything to do with Wal-Mart."

Garmont said such a deal between Caremark and CVS "would spawn others, and we view all PBMs ... as potential take-out targets."

Still, some analysts said the deal might face antitrust concerns. Barry Barnett, a health care consultant for PricewaterhouseCoopers, said regulators might be concerned that Caremark might unfairly funnel business to CVS pharmacies at the expense of other drug stores.

Caremark buys drugs from pharmaceutical companies directly and then distributes them through its national network of about 60,000 pharmacies and seven mail-order offices. It provides services for over 2,000 corporate, insurance, managed care, government, and union health plans.

Caremark posted 2005 net income of $932.4 million on sales of $32.99 billion.

CVS is the nation's largest pharmacy chain by prescriptions filled, and is second to Walgreen Co. in total sales. It operates more than 6,200 stores in 45 states and reported 2005 net income of $1.22 billion on sales of $37.01 billion.

The Securities and Exchange Commission has been investigating whether executive stock options were backdated at Caremark, company officials have acknowledged. In September, Caremark's Crawford said the company is in "good shape" regarding the investigation and doesn't expect to have to restate earnings.

Kazaa Said To Pay $10 Million In Settlement (NYT)

By Jeremy W. Peters

The New York Times, November 2, 2006

Kazaa, the file-sharing successor to Napster that record companies have been battling for years, has reached a tentative settlement in the last of three major lawsuits against it.

Under the agreement with the National Music Publishers' Association, Kazaa agreed to pay music publishers and songwriters a "substantial sum," the association said. Though it not disclose the figure, a person with knowledge of the terms of the deal said it was about $10 million.

Kazaa also agreed to continue using filtering software intended to prevent unauthorized exchange of copyrighted songs over its network.

The music and motion picture industries sued Kazaa, as well as the rival file-sharing networks Grokster and Morpheus, in 2001, claiming that they facilitated the illegal distribution of copyrighted material.

Kazaa, which is operated by Sharman Networks in Australia, settled separate lawsuits by recording artists and motion picture studios in July, agreeing to pay a total of $115 million. That left one major case from 2001 still unresolved, the one filed by the association, which represents songwriters and their publishers.

The association notified the United States District Court in Los Angeles on Monday that the two sides had reached an agreement in principle. The terms of that agreement are subject to final court approval, and also must be approved by the board of the publishers' association and the individual plaintiffs.

"The anticipated settlement represents an important victory for songwriters, music publishers and music fans alike," said David Israelite, the publishers' association president and chief executive, in a written statement today. "It will be another key milestone in the ongoing transformation of the digital music marketplace to one that will allow legal services to thrive."

A spokeswoman for Kazaa in the United States said the company had no comment on the settlement or its terms.

The settlement underscores how the tables have turned in recent years on file-sharing networks, whose days of operating freely outside the realm of copyright law appear to be ending. When Kazaa settled the two lawsuits earlier this year, it also struck licensing deals with major record labels — Universal Music Group, Sony BMG, Warner Music and the EMI Group — to distribute their copyrighted material over its network and pay them royalties. It also agreed to employ filtering technology.

Napster, the pioneering file-sharing network that became a scourge of the record industry, earlier reached a similar agreement with the music industry, but not before it was forced to shut down operations.

The record industry's success in fighting Napster led to the growth of networks like Kazaa, Grokster and Morpheus, which allowed users to do similar things. Though they hoped to escape Napster's fate by using somewhat different technology, those networks eventually ran into the same legal issues that Napster had.

Last year, in the case Metro-Goldwyn-Mayer Studios v. Grokster Ltd., the United States Supreme Court ruled that file-sharing services could be held liable for contributing to copyright infringement. That ruling gave the record companies and motion picture studios leverage to press the file-sharing services to reach settlements.

Grokster resolved all its suits with the industry and is no longer in operation. A federal court in Los Angeles last month found that Morpheus had assisted in copyright infringement; its operator, StreamCast, is in settlement talks with the movie and music industries.

LimeWire, another service that has been sued by the record industry, continues to allow users to download songs without the industry's permission, and Grokster, Kazaa or Morpheus, has indicated no willingness to settle. Instead, LimeWire has mounted an aggressive legal defense, and last month filed a counterclaim against the record industry.

Fate Of Canadian Steelmaker To Be Decided Soon (BSUN/BLOOM)

Bloomberg News

The Baltimore Sun, November 2, 2006

Mittal Steel Co., the world's largest steel producer, said the trust holding Canadian steelmaker Dofasco Inc. will likely make a decision by the end of this month on whether to sell the business to ThyssenKrupp AG.

The Netherlands trust, created by Arcelor SA in April to try to thwart Mittal's hostile takeover bid, will likely decide whether to allow the sale by Nov. 28 to comply with an antitrust agreement with the U.S. Justice Department, Carlos Hernandez, Mittal's U.S. legal counsel, said Oct. 30.

Mittal must sell either Dofasco or one of two tin mills in Weirton, W.Va., or Sparrows Point, after the Justice Department said in May the merger between Mittal and Arcelor would lead to less competition in tin mill products in the Eastern United States. Mittal is required by the department to use its "best efforts" to try to sell Dofasco.

"We think we've done everything possible to make the sale of Dofasco," Hernandez said. "We are now awaiting on the trustees to say what they are going to do. We are fairly confident it will be before the 28th."

Luxembourg-based Arcelor agreed to buy Dofasco for $4.95 billion in January, giving it 10 percent of the North American automotive steel market. Rotterdam-based Mittal in January agreed to sell Dofasco to ThyssenKrupp if its takeover of Arcelor was successful.

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The trustees are Allan Tuttle, a lawyer at Washington-based Patton Boggs LLP, former Arcelor board member Robert Hudry and Frederic van Bladel, who headed legal affairs at Arcelor.

"It still looks very difficult for them to sell Dofasco," Credit Suisse analyst Michael Shillaker wrote in an Oct. 18 note. "The ultimate legal decision is that of the Dutch stichting [trust], and why will the stichting agree as a value proposition to sell Dofasco at a lower price than Arcelor paid for it?"

No legal impediment prevents Arcelor Mittal from selling Dofasco to ThyssenKrupp if the directors of the trust agree, Hernandez said. ThyssenKrupp AG, Germany's largest steelmaker, expects to acquire Canadian steelmaker Dofasco from Arcelor Mittal "soon," Karl-Ulrich Koehler, the president of ThyssenKrupp's steel unit, said on Sept. 29.

Orthopedics Maker Is Said To Be In Talks To Buy A U.S. Rival (NYT)

By Andrew Ross Sorkin

The New York Times, November 2, 2006

Smith & Nephew, the British maker of orthopedic products, is in early talks to acquire an American rival, Biomet, the nation's largest manufacturer of artificial hips, knees and other orthopedic devices, for more than $9 billion, people briefed on the negotiations said yesterday.

The preliminary talks come more than six months after Biomet hired Morgan Stanley to help consider "strategic alternatives focused on enhancing shareholder value."

Other suitors, including several private equity firms, have also expressed interest in Biomet, these people said. Rivals like Zimmer Holdings; DePuy, a subsidiary of Johnson & Johnson; and the Stryker Corporation have not participated in the auction, these people said, because of potential antitrust concerns.

Speculation has been rife in recent weeks that Smith & Nephew, which is based in London, had approached Biomet, and its shares rose more than 16 percent in the last month. Biomet's stock fell 44 cents yesterday, to $37.40 a share. Smith & Nephew has long been viewed as the natural buyer for Biomet, analysts said.

Biomet, which is based in Warsaw, Ind., is expected to fetch at least $10 billion, analysts suggest, though the company still could decide against selling and call off the auction entirely.

The auction was a result, in part, of a sluggish financial performance and the abrupt and unexpected resignation of Dane A. Miller, Biomet's longtime president and chief executive, in March.

Biomet's board responded to Mr. Miller's resignation by skipping over the two operating executives under Mr. Miller and naming Daniel P. Hann, Biomet's general counsel, as the company's interim leader.

One cloud hanging over Biomet is a Department of Justice investigation that started in June over possible criminal violations of antitrust regulations in the manufacturing and sale of orthopedic implant devices among the top companies in the industry.

Tribune To Weigh Offers For Parts Of Its Holdings Decision Follows Tepid Bids For All Of Media Company; A Prod To Private Equity? By SARAH ELLISON (WSJ)

The Wall Street Journal, November 2, 2006

Tribune Co., the big media company whose properties include the flagship Chicago Tribune, the Los Angeles Times and the Chicago Cubs baseball team, has told prospective bidders it is prepared to consider offers to sell off parts of itself after receiving lower bids than expected for the entire company, said people familiar with the situation.

The move raises the prospect that Tribune Co., whose current market value is $8.4 billion, could become the second large U.S. newspaper chain this year to drastically remake itself under investor pressure. The changes signal tectonic shifts in newspaper ownership in an age when readership and advertising, threatened by the Internet and other new technologies, are under siege. It also marks an about-face for Tribune management, which earlier this year rebuffed calls from its biggest shareholder, the Chandler family, to consider a sale or a breakup.

For the newspaper industry, the postwar era has been dominated by giant newspaper chains like Tribune and Gannett Co. snapping up regional newspapers and creating broad, publicly traded companies generating large profits even as circulation slowly declined. But the surge in online news, a steep drop-off in younger readers and the migration of advertising to the Internet has hammered profits and stocks for many media companies, which have been slashing costs and seeking other new strategies.

A breakup of part or all of Tribune would follow the full breakup earlier this year of Knight-Ridder Inc., which sold all of its 32 newspapers -- a portfolio which included the Miami Herald and the Philadelphia Inquirer -- to McClatchy Co. It turned around and sold 12 Knight-Ridder papers, some to local business interests.

Indeed, a slew of local owners like the investor group that purchased the Philadelphia Inquirer and Daily News from Knight-Ridder could be lined up to take Wall Street's place in the industry. Among others, former General Electric Co. Chief Executive

Jack Welch has said he would be interested in buying the Boston Globe from the New York Times Co. with partners including Jack Connors, an advertising executive.

As Tribune's problems have deepened, a host of wealthy and well-connected prospective bidders have made public their desires to pick off a few of its 11 daily newspapers. Most coveted is the Los Angeles Times, for which at least three wealthy Los Angelenos have expressed interest: Entertainment mogul David Geffen, real-estate magnate Eli Broad and Ron Burkle, who made his fortune from supermarkets. The Times generates an estimated $250 million in annual earnings before interest, taxes, depreciation and amortization and could be valued at $2 billion or more.

Other groups have circled the Hartford (Conn.) Courant and Newsday on New York's Long Island.

Even while opening up the bidding, Tribune plans to continue discussions with private-equity groups that have expressed interest in the entire company, said people familiar with the matter. So far, four private-equity bidding teams have submitted nonbinding expressions of interest, putting a value on Tribune in the "low $30s," said a person familiar with the situation.

That's right around where Tribune stock has been trading. Shares yesterday closed down 71 cents at $32.62 in 4 p.m. trading on the New York Stock Exchange. Tribune declined to comment.

People familiar with the process said Tribune is unlikely to be disbanded into dozens of small pieces. If anything, these people said, shopping individual assets may be a way to flush out higher prices from the private-equity groups. As in any negotiation, these people said, each side is pushing for whatever advantages it can claim. Moreover, Tribune may resist offers for some properties, such as its flagship newspaper, and could ultimately decide to do nothing.

Still, it seems clear Tribune has been losing leverage in recent discussions with bidders. Earlier this week, the Audit Bureau of Circulations reported that nearly every major newspaper in the nation suffered a drop in circulation in the past six months. Tribune was among the worst hit.

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1

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Total average weekday paid circulation at the Los Angeles Times, its biggest newspaper, dropped 8% in the past six months, to 775,766 as of Sept. 30. The Chicago Tribune's circulation fell 1.7% to 576,132, while Newsday was down 5% to 410,579.

More broadly, Tribune has been disappointed by the overall tepid response of bidders so far. "I'm somewhat surprised," said John Miller, an analyst at Chicago-based Ariel Capital Management, one of the company's biggest holders with several million shares. Given recent sales prices for other newspapers, and valuable Tribune properties such as the Cubs and an interest in online jobs company CareerBuilder, he said, the prices being offered "seem too low."

That has forced Tribune to reconsider its reorganization plan, and could push the Chicago-based company to sell off assets it once considered untouchable. Such is the case with the Cubs, which the company acquired in 1981 for just $20 million. Today the Cubs are one of the most highly visible franchises in sports, despite their notorious losing ways. At least one analyst now estimates the team is valued at as much as $750 million.

Meanwhile, Tribune's TV stations as a group could sell for as much as $4 billion, according to industry estimates. Several recent television stations have sold for about 12 times cash flow, including WATL in Atlanta. Since the broadcast group raked in $436 million in operating profit in 2005, that would put their price tag at about $5.2 billion. But the price is likely to be lower than that because Tribune has sold three stations this year, and some stations -- such as two in New Orleans -- could be difficult to unload.

Almost all of Tribune's stations are affiliated with the upstart CW network, formed this fall by merging assets from the defunct WB and UPN networks. While audiences for the CW are slightly larger than those for the WB -- Tribune's CW stations were all former WB affiliates -- its future performance is unclear.

"Selling some of these stations is going to be a pretty steep hill for Tribune to climb because the CW is still an unproven asset," says Elliot Evers, managing director of San Francisco's Media Venture Partners.

Potential bidders for at least some stations include Belo Corp., Gannett, and CBS Corp., which already owns 11 stations that are CW affiliates. Although CBS's station portfolio reaches about 38% of the country -- 39% is the federal limit -- it could buy WPIX in New York and WGN in Chicago under rules allowing for one broadcaster to own two stations in a market under certain circumstances. CBS already owns a station in New York and one in Chicago.

A person familiar with the matter said CBS has looked at Tribune's New York and Chicago stations but cautioned that nothing is imminent and that the two sides were nowhere near agreement in valuation. A CBS spokesman declined to comment.

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E.W. Scripps Co., which owns 70% of the Food Network, is the obvious buyer for Tribune's 30% stake in that cable channel, but the two remain far apart on price. "We continue to have an interest in acquiring Tribune's minority stake in Food Network, but at a price that creates value for our shareholders," said Scripps spokesman Tim Stautberg.

A big problem in any breakup plan would be taxes. Unlike a full corporate sale -- which would create minimal taxes -- Tribune would have to pay a tax bill on each individual divestment. That means that buyers will have to make highly attractive offers for each individual asset, covering both the tax costs and the value offered by the private-equity consortiums.

The Tribune's newspapers have a very low tax basis of about $2 billion to $3 billion, estimates Lehman Bros. corporate tax expert Robert Willens, and could likely fetch high prices that would trigger a big tax bill. However, he said, it would be relatively easy to get around that tax bill by spinning off individual newspapers into publicly traded subsidiaries. A potential buyer could then buy a controlling stake in the new subsidiary.

That could figure into another big part of this process: How the Federal Communications Commission will treat special exemptions previously awarded to Tribune allowing it to operate newspapers and television stations in the same market. The exemption -- from FCC rules that limit cross-ownership -- disappears once the assets are sold.

Private-equity firms apparently are comfortable with the asset questions, said people familiar with the matter. But getting new waivers may be timely and complicated, and could get wrapped into an always unpredictable political and legal process.

Earlier this year, Tribune had pursued a different approach to deal with pressure from the Chandlers and other shareholders. CEO Dennis FitzSimons opted for a $2 billion stock buyback and undertaking $500 million of asset sales. But pressure for more decisive action grew as Tribune's stock price weakened after the buyback was completed.

Even when the company announced it would explore alternatives to maximize value, Mr. FitzSimons insisted that the Los Angeles Times was not for sale. And while the latest move may be designed to test the market for individual assets, it may be hard for the board to resist momentum toward a breakup once offers start coming in.

Besides reversing that approach, a breakup would seem to undercut the rationale behind the landmark $8 billion merger between Tribune and Times Mirror in 2000, which brought the Tribune and Times under one roof and established coast-to-coast marketplaces of newspaper and television stations.

At the time, John Madigan, then chairman and CEO of Tribune, said, "A major portion of the value creation opportunities from this combination will be derived from faster revenue growth in our media businesses."

But that growth never materialized. Times Mirror's biggest property, the Los Angeles Times, began to hemorrhage readers and advertisers, and the same thing happened to smaller Times Mirror papers. As the fortunes of those properties faded, tensions between Los Angles and Chicago grew, ultimately resulting in a rupture on Tribune's board.

The merger was announced six years ago at the height of the Internet boom, before the outlook on newspapers and broadcast stations had soured.

---- Brooks Barnes, Adam Thompson, Merissa Marr and Joseph T. Hallinan contributed to this article.

ENVIRONMENT/INDIAN AFFAIRS:

Justices Appear Divided In Case On Emission Rules (WSJ)

By Mark H. Anderson

The Wall Street Journal, November 2, 2006

WASHINGTON -- Several justices resisted pleas from environmental groups and the federal government for the Supreme Court to overturn a lower-court ruling that spared Duke Energy Corp. from having to install pollution controls on several power plants.

The outcome of the case wasn't clear, with the nine-member court appearing divided on how to rule.

Duke Energy and the Environmental Protection Agency have been fighting over whether the company was required to get federal permits before it modernized eight coal-fired power plants in North Carolina and South Carolina in a way that increased efficiency but let them run longer hours so as to emit more pollution. The utility has alleged the EPA, under the Clinton administration, wrongly altered longstanding emissions regulations allowing companies to skip permits for upgrades as long as the hourly rate of pollution doesn't increase.

The Fourth U.S. Circuit Court of Appeals in Richmond, Va., agreed and ordered changes to the EPA regulations. A similar lawsuit in the U.S. Court of Appeals for the District of Columbia came out the other way, upholding the EPA.

The electric-utility industry says it is on the line for billions of dollars in upgrades if the EPA's current rules are upheld. Environmental groups counter that a Duke Energy victory would frustrate the Clean Air Act's goal of imposing tougher pollution standards on newer facilities.

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But the case's impact may be limited because the Bush administration has proposed industry-friendly rule changes that would exempt power companies from new permits when retrofitting their plants as long as the hourly rate of emissions doesn't increase. After the EPA lost in the Fourth Circuit, the administration declined to appeal. The government appeared before the Supreme Court to defend the current regulation only after environmental groups, over the government's objection, persuaded the justices to hear the case.

At oral arguments yesterday, Chief Justice John Roberts and Justices Antonin Scalia and Samuel Alito expressed concerns the EPA altered its emissions regulatory scheme almost 20 years after implementing regulations mandated by Congress. "What I'm concerned about is companies can get whipsawed," Justice Scalia said. Chief Justice Roberts more than once cut off Sean Donahue, the attorney representing several environmental groups, questioning his arguments that the statutes support the EPA regulatory changes. "That's a tough sell, isn't it," he told Mr. Donahue.

At issue in the appeal is whether the EPA has regulatory leeway under the Clean Air Act to alter rules that apply when power plants make changes to existing facilities. Before the 1999 changes, some of the EPA's regulations required federal permits only if the hourly rate of emissions rose while other rules required a permit if total emissions would be raised.

Duke Energy has maintained that, while its plant upgrades will result in more pollution because the overhauled facilities will run longer, the hourly rate won't increase. A decision is expected by July 2007.

Justices Challenge EPA's Arguments In Clean Air Act Case (WP)

By Charles Lane

The Washington Post, November 2, 2006

Supreme Court justices took a skeptical view of an Environmental Protection Agency crackdown on air pollution from electric power plants yesterday as the court heard oral arguments in a major case on the authority of the federal government to punish violations of the Clean Air Act.

At issue is a wave of lawsuits begun by the EPA during the last two years of the Clinton administration in which the agency sought to force utilities to equip their refurbished older plants with state-of-the-art pollution control equipment. The EPA said it was enforcing its long-established view of the Clean Air Act's requirements. But companies objected, saying the EPA was unfairly imposing a new and stricter interpretation of ambiguous federal regulations.

At yesterday's argument, most of the justices who spoke up seemed to agree with industry's view.

"What I'm concerned about is that companies can get whipsawed," said Justice Antonin Scalia.

When Sean H. Donahue, a lawyer for Environmental Defense, a private organization defending the EPA enforcement actions, told the court that the agency's regulations were "clear on their face," Chief Justice John G. Roberts Jr. interjected, "That's an audacious statement."

At issue in the case, Environmental Defense v. Duke Energy , No. 05-848, is how to measure utilities' compliance with the Clean Air Act's "new source review" program, which governs emissions from plants that have been modernized or expanded.

Environmental Defense says that about 17,000 facilities are covered by the rules, and it cites studies that show 20,000 premature deaths per year traceable to pollution from coal-fired plants.

It says the EPA properly insisted that Duke Energy get a special permit and install new pollution-control equipment before reopening several coal-fired plants it had started renovating in 1988, because the plants' total emissions dramatically increased when they were brought back online.

But Duke, a North Carolina-based utility, countered that the proper standard was not the total amount of pollution its plants emitted, but the rate at which they emitted it. By that measure, the company said, its renovations had not changed the plants' capacity for pollution.

In June 2005, the U.S. Court of Appeals for the 4th Circuit, based in Richmond, ruled in Duke Energy's favor.

By that time, the Bush administration had promised to change EPA enforcement policy, announcing in 2002 that it would bring no new cases against utilities.

But the EPA continued cases that were pending when the administration took office in 2001, so the Bush EPA and Environmental Defense were on the same side in the 4th Circuit.

After that, the administration proposed new clean air regulations that echo the 4th Circuit's decision and would apply it nationwide. It then asked the Supreme Court not to accept Environmental Defense's request to intervene in the case.

The court's decision to take the case over the administration's objection was a surprise. Since the adoption of modern environmental legislation in 1970, the court had agreed to hear just two previous cases in which an environmental group was the petitioner.

Yesterday, the Bush administration was back on Environmental Defense's side of the case, defending the EPA's authority to press the last few cases against Duke and others.

Justice Ruth Bader Ginsburg asked Thomas G. Hungar, a deputy solicitor general, about the impact of the administration's shifting positions. "Since the government is now taking the position that another Duke could do just what was done here and there's an enforcement action pending, would you, if you prevailed in that enforcement action, nonetheless enforce, though it goes against the current government policy?"

"Your Honor, the 2005 proposal that you're referring to is only a proposal. . . . It has not been adopted," Hungar replied. "So the rules as they exist today are the same as the ones we're talking about, although there was a modification in 2002."

A decision in the case is expected by July.

Groups Want Forest Rules Overturned (AP)

By Terence Chea

AP, November 2, 2006

SAN FRANCISCO (AP) — Environmentalists asked a federal judge Wednesday to overturn the Bush administration's rules for managing the country's 155 national forests, arguing that the regulations illegally weaken protections for wilderness and wildlife.

Issued in December 2004, the rules represented a major shift in how the government balanced conservation and commercial interests in its 192 million acres of forest land. The management plan gave regional forest managers more discretion to approve logging, drilling and other projects without lengthy environmental studies.

Wednesday's hearing in federal court in San Francisco was the first since a coalition of environmental groups sued the Bush administration over the changes in February 2005, a month after they took effect.

Lawyers for the environmentalists told U.S. District Court Judge Phyllis Hamilton that the rules do not include the safeguards for endangered wildlife and forests that federal law requires. The rules allowed forest management plans to be revised without environmental studies and repealed a requirement for forests to maintain "viable" populations of native wildlife.

They also argued that the administration failed to study adequately the environmental impact of changing forest management practices and did not give the public enough opportunity to comment on the revisions.

"The government must involve the public when it radically changes the management standards of our forests," said Peter Frost, an attorney for the environmental groups, Defenders of Wildlife, Sierra Club, the Wilderness Society, and Vermont Natural Resources Council.

Administration officials said the rules allow forest managers to respond more quickly to wildfires, invasive species and other emerging threats. The change shortened the time to get revisions made from as many as nine years to as few as two or three.

In court Wednesday, Cynthia Huber, a Justice Department attorney, defended the Bush forest rules. She said the administration provided 90 days of public comment when it issued its draft proposal to overhaul forest management rules in December 2002.

Huber also argued that environmental studies should only be required for specific projects that could impact forests and wildlife, not when management plans are revised.

The plan "definitely does not undermine protections of the forests" and complies with federal environmental laws, Huber said.

Judge Hamilton did not indicate when she might rule.

The lawsuit is one of several ongoing legal challenges to Bush administration policies for overseeing national forests.

Twenty environmental groups and four states sued the U.S. Forest Service last October when it repealed the "Roadless Rule," a Clinton-era ban on road construction in nearly a third of the nation's forests. In September, a federal judge reinstated the ban, ruling the agency failed to conduct necessary environmental studies before making the change.

U.S. Agency To Review Oil Royalties (NYT)

By Edmund L. Andrews

The New York Times, November 2, 2006

WASHINGTON, Nov. 1 — The Government Accountability Office, the watchdog agency for Congress, is beginning a broad investigation into potential deficiencies in how the government collects billions of dollars in royalties from companies that produce oil and gas on federal territory. The inquiry is being done at the request of the Republican-led House Government Reform Committee.

In announcing the investigation, Republican lawmakers said they had worries about the management of the entire royalty program by the Interior Department, including its regulations and enforcement practices and the accuracy of basic information.

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"They don't know how much oil is coming out of the ground," said Representative Darrell E. Issa, Republican of California and chairman of the committee's subcommittee on energy. "If an oil company were to give them the right number, they would take it. If they were to give them the wrong number, they would take it."

The investigation reflects a growing anger in Congress about the Interior Department's vast oil and gas leasing program, under which the government collects as much as $10 billion a year on oil and gas produced on federal land and in federal waters.

The Minerals Management Service of the Interior Departmet, which oversees royalty collections, has come under growing criticism from lawmakers in both parties for losing track of billions of dollars in royalties.

The agency has been under fire since February for errors on offshore leases that could cost the government more than $7 billion over the next five years, as well as for its sluggish response.

Four auditors responsible for scrutinizing royalties recently contended that their superiors blocked them from challenging millions of dollars in deliberate underpayments.

In September, the inspector general of the Interior Department, Earl C. Devaney, told lawmakers that top Interior officials had encouraged a culture of cronyism, ethical lapses and poor management. "Short of crime, anything goes," he testified.

Mr. Issa said the agency's numbers do not add up, that its systems for reporting production and royalty payments appear to be overwhelmed and that midlevel officials had come forward confidentially to describe wide-ranging weaknesses throughout the program.

Mr. Issa and Representative Tom Davis, a Virginia Republican who is chairman of the Government Reform Committee, said their staff had been "contacted numerous times regarding alleged deficiencies in M.M.S. management" and reporting by oil and gas companies.

In a statement on Wednesday, the Minerals Management Service said it welcomed the review and had nothing to hide. "We are confident the review will show that M.M.S. is accurately and efficiently collecting the royalties due to the federal government per existing statutes and regulations," the agency said. "We also welcome any constructive suggestions that we can use to further strengthen our program."

In their letter to the Congressional investigative agency, the lawmakers demanded that the inquiry examine the complex regulations for calculating royalties, the adequacy of the agency's information systems and the pace of its enforcement efforts.

As part of that, investigators will scrutinize a recent decision by the agency to drop claims that the Chevron Corporation had systematically underpaid the government for natural gas by inflating its costs for processing.

Democratic lawmakers have argued for months that the Interior Department under President Bush has been devoted almost entirely to serving the oil and gas industry, at the expense of American taxpayers.

Mr. Issa and other Republicans have become sharply critical as well.

The agency set off an initial round of investigations in February when it admitted that energy companies were likely to escape billions of dollars in royalties over the next five years because of mistakes in leases the government signed in the 1990s. The mistakes were made during the Clinton administration, but were not disclosed for another six years.

In July, Mr. Issa and Mr. Davis publicly accused the department of stonewalling their inquiry. "We believe the department may have deliberately withheld crucial information," the lawmakers wrote in a letter to the department.

In September, the two lawmakers expressed anger that the Bush administration had decided it would not try to recover about $2 billion that had already been lost as a result of the flawed leases.

"This is absurd," they wrote in a letter to Dirk Kempthorne, the interior secretary. "That money belongs to the federal government."

The new investigation will come on top of others already under way. The Government Accountability Office is already digging into the agency's accounting systems. The inspector general of the Interior Department is reviewing the agency's auditing and enforcement efforts; that report is expected by the end of December.

California Can Lead The Way (USAT)

By Carl Pope

USA Today, November 2, 2006

Voters want change and leadership that will take America in a dramatically different direction. One way many candidates across the country are demonstrating their commitment to change is by calling for the development of renewable energy sources. And this Election Day, Californians can help put the USA on the path to a saner, cheaper, smarter, more secure energy future by voting "yes" on Proposition 87.

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To most Americans, investing in smart energy solutions such as renewable solar and wind and other alternate fuel sources is a no-brainer. It's obvious to them that our nation's dependence on oil ties our fate to the most unstable parts of the world, makes consumers vulnerable to high gas prices, and increases the threat of global warming.

A monumental investment in new energy technologies ought to be a top political priority. Instead, federal spending for energy research and development is half what it was 25 years ago. Congress has handed over billions in new subsidies to oil companies, despite the fact that oil industry profits have tripled in the past three years.

California citizens can help the entire nation free itself from the grip of Big Oil by approving Proposition 87. This initiative would fund a $4 billion effort to reduce dependence on gasoline by 25% over 10 years. It would provide incentives to make alternative-fuel vehicles and renewable fuels more widely available and affordable to consumers. And it would fund research to bring clean, renewable energy and energy efficiency technologies to the marketplace more quickly.

Prop 87 is not a tax on residents. It would impose a minor assessment on the excess profits of California oil producers, something other oil producing states such as Alaska, New Mexico, Texas and Louisiana already have in place.

California has long been a leader in technological innovation, and our national economy and way of life are better for it. By supporting Prop 87 on Tuesday, California citizens can be leaders once again and make an important investment that will pay dividends for current and future generations.

FBI/DEA/ATF/USMS:

Balco Grand Jury To Charge Graham (MERCN)

By Elliott Almond

The San Jose Mercury News, November 2, 2006

The track and field coach who ignited the Balco Laboratories drug scandal in 2003 is expected to be charged by the U.S. Attorney on Thursday with obstructing the investigation.

Trevor Graham, who has coached sprinters Marion Jones, Justin Gatlin, Tim Montgomery and other Olympic medal winners, will be indicted for making false statements to federal agents investigating the steroids case, the Associated Press reported Wednesday. AP cited two unidentified Justice Department sources.

In June, 2003, Graham sent the U.S. Anti-Doping Agency a syringe with traces of a steroid known as ``the clear'' and fingered Balco as the source.

The Mercury News previously reported one of Graham's former athletes told the San Francisco grand jury investigating Balco that the Raleigh, N.C., coach sold the sprinter illegal drugs. Graham, who runs the Sprint Capitol USA team, has repeatedly denied wrongdoing.

His attorney, Joseph Zeszotarski, declined to comment Wednesday evening. He previously said Graham told the truth when interviewed by authorities in 2004.

The charges come two weeks after Graham's long-time assistant testified in front of the current grand jury handling the case. Randall Evans, a former sprinter from St. Augustine College in Raleigh, told the Mercury News two weeks ago at the courthouse, ``Trevor is my best friend. I was there the whole time. I know what happened.''

He declined to say what he told the grand jury, or what prosecutors asked him. But Evans said, ``I had no choice. I wasn't going to take the rap. I told the grand jury the truth. I wasn't going to lie and then face perjury.''

Evans, who said he wasn't sure if he would coach again, added that he planned to ``tell all. Maybe I'll write a book.''

Evans, 36, might have provided damaging evidence against Graham because he is connected to Angel Guillermo Heredia, a former discus thrower from Laredo, Texas, and Mexico.

Heredia told the grand jury he supplied performance-enhancing drugs to Graham for his athletes, according to reports. Heredia's name surfaced in a letter written in 2003 by Balco founder Victor Conte Jr. about drug use by Sprint Capitol athletes. Conte never sent the letter to track officials but an Internal Revenue Service Agent leading the investigation of drugs and money laundering discovered it.

The charges against the coach likely stem from a 2004 interview with agents in which Graham denied knowledge of drug use among his athletes even though at least a half dozen had tested positive. His statement differed from one given about the same time by former shot putter C.J. Hunter, Jones' ex-husband.

Hunter told investigators that Graham introduced Jones to a drug regimen for the 400 meters, the Mercury News reported. It included the blood-boosting drug EPO. Hunter told authorities that Graham instructed Jones where to inject herself. Sources also told the Mercury News that Conte originally sent packages of drugs to Graham, according to Hunter's account.

The U.S. Olympic Committee banned Graham from its training centers in August because of the unusual number of his athletes convicted of drug violations. Last year, Montgomery was banned for two years based on evidence in the Balco case. Gatlin, the defending Olympic gold medalist in the 100 meters, tested positive for artificial testosterone in April.

Contact Elliott Almond at (408) 920-5865 or ealmond@mercurynews.com

BALCO Panel To Charge Track Coach (LAT/AP)

From The Associated Press

The Los Angeles Times, November 2, 2006

SAN FRANCISCO — Track coach Trevor Graham, who helped launch a three-year federal probe of steroid use by elite athletes, was expected to be charged by a grand jury as soon as today with obstructing the investigation, two Justice Department officials with knowledge of the investigation told the Associated Press.

Speaking on condition of anonymity because the charges had not been made public, the officials said Graham would be charged with making false statements to authorities investigating steroid use in sports.

Graham operates Raleigh, N.C.-based Sprint Capitol USA, a team of about 10 athletes that includes 100-meter co-world record holder Justin Gatlin, who tested positive for testosterone and other steroids in April.

Graham also coached sprinter Marion Jones, who won five medals at the 2000 Sydney Games, and her ex-boyfriend Tim Montgomery, suspended from competition for two years although he never tested positive for a banned substance.

Several of Graham's athletes, however, have tested positive for banned substances, and the coach is being investigated by a grand jury for lying to those looking into doping among elite athletes connected to the Bay Area Laboratory Co-Operative, the now-defunct Burlingame supplement company that served as a front for a steroids ring.

Graham helped launch the federal investigation three years ago by anonymously mailing a vial containing "the clear," a previously undetectable steroid to the U.S. Anti-Doping Agency.

Neither Graham nor his attorney returned telephone calls and e-mail inquiries from the Associated Press. Graham steadfastly has denied ever providing banned performance-enhancing drugs to his athletes.

2 Suspects In Arson Cases Arrested (USAT)

By Keith Matheny, Marie Mccain And Erica Solvig

USA Today, November 2, 2006

BEAUMONT, Calif. — An auto mechanic in jail Wednesday in connection with two June arson fires is a “person of interest” in last week's massive wind-whipped wildfire that killed five federal firefighters, the Riverside County Sheriff's Department said.

Raymond Lee Oyler, 36, was arrested Tuesday after his home was searched Monday, Sgt. Earl Quinata said.

Quinata issued a news release Tuesday night that said Oyler was not a suspect in the Esperanza fire. He has not been charged in that fire.

Oyler, who is being held in the Riverside County Jail in lieu of $25,000 bail, is accused of igniting the two earlier fires near this rural town 20 miles west of Palm Springs. He is being arraigned today on charges related to those fires, the sheriff's department said.

Jason Walden, general manager of the auto center where Oyler has worked for four months, described him as a real workhorse. “They're climbing up the wrong tree,” said Walden, a former firefighter with the U.S. Forest Service. “He's not someone who is into fire.”

Oyler uses blowtorches on the job, but “he doesn't get that gleam in his eye like a pyromaniac,” Walden said.

Whoever is ultimately charged with last week's wildfire arson also will face murder charges and, potentially, the death penalty, said Sara Danville, Riverside County chief deputy district attorney for the Major Crimes Unit.

Firefighters on Monday were able to surround the wildfire that blackened more than 40,200 mostly uninhabited acres, the California Department of Forestry and Fire Protection reported. Firefighting costs reached $9.9 million.

The fire, which was started last Thursday, burned 34 homes and killed five firefighters. The five — Capt. Mark Loutzenhiser, 43, of Idyllwild; Jason McKay, 27, of Phelan; Jess McLean, 27, of Beaumont; Daniel Hoover-Najera, 20, of San Jacinto; and Pablo Cerda, 23, of Fountain Valley — will be honored in a memorial service in a large arena near San Bernardino on Sunday.

Cerda, who suffered burns over 90% of his body, died Tuesday at a hospital near San Bernardino.

A preliminary report from the U.S. Forest Service released Tuesday said the firefighters had only one escape route from a house they were trying to save. Their engine faced toward that escape route, but the fire overwhelmed them, the report stated, and they were not able to get to shelter.

At least three federal departments will investigate the scene separately.

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"The objective of this safety investigation is to determine facts surrounding the incident, identify lessons learned, and develop recommendations for accident-prevention purposes," the preliminary report stated.

Local investigators Wednesday continued questioning people, including convicted arsonists, to try to determine who started the blaze.

The Riverside County sheriff announced shortly after the six-day blaze began that it was a case of arson. A reward leading to an arrest and conviction is $550,000 and growing. A fund for the firefighters' families also exceeds $500,000 and could eventually reach $1 million, Riverside County officials said.

Nationwide Dragnet Nabs Local Fugitive (TOLB)

Toledo Blade (OH), November 2, 2006

Ex-Toledoan accused of probation violation

A former Toledo man who was arrested last week on an 11-year-old outstanding warrant is among the fugitives nabbed in a nationwide law enforcement dragnet that will be the subject of a major announcement tomorrow by Attorney General Alberto Gonzales.

Russell Johnson, 49, was wanted for an alleged probation violation that stems from a 1991 conviction in Lucas County Common Pleas Court for sexually assaulting an 11-year-old girl.

A resident of Florida, Johnson was arrested by officers with Northern Ohio Violent Fugitive Task Force on Oct. 22 at a mobile home park at 3510 Consaul St. in East Toledo.

Mark Herr, a Lucas County assistant prosecutor, said Johnson's arrest was part of a dragnet involving federal, state, and local authorities to apprehend suspects wanted in homicides, sexual assaults, gang-related crimes, kidnappings, major drug offenses, and crimes against children and the elderly.

"He is a very high-profile figure," said Mr. Herr, who was informed of the arrest by U.S. Marshals involved in the operation.

The Justice Department is planning to announce the arrest of Johnson and others tomorrow in Washington as part of an effort to track down and arrest fugitives from justice, Mr. Herr said.

Johnson appeared yesterday before Judge Frederick McDonald on the probation violation charge. The hearing was continued to tomorrow to allow the defendant to consult with a court-appointed attorney.

He was indicted in 1990 on 20 counts of sexual battery and convicted in December, 1990 on one of those felony offenses.

Judge McDonald sentenced him to the maximum two-year prison term in January, 1991, and released him about three months later on shock probation. He was placed on probation.

The arrest warrant was issued in October, 1995 after he allegedly failed to report to the court's probation department.

Multi-agency Sweep Nets Murray Man (MURRLT)

Murray (KY) Ledger & Times, November 2, 2006

A 19-year-old Murray man was arrested in a multi-agency round up of people who committed sex crimes.

Brian Gryzmala, of Murray, was charged with distribution of matter portraying a sexual performance by a minor and possession of matter portraying a sexual performance by a minor, according to a release from the Kentucky State Police.

KSP and the Kentucky Internet Crimes Against Children Task Force announced Monday the results of Operation Harvest Moon. The effort aimed to arrest suspects involved in online child sexual exploitation crimes and non-compliant registered sexual offenders.

Operation Harvest Moon resulted in 11 federal indictments and three state arrests, including Gryzmala.

"The message is clear: Kentucky is and will continue to be a child-predator-free zone," U.S. Attorney for the Eastern Kentucky District said in the KSP release. "The message to child sexual predators should also be clear: Stay out of our state. These people are the lowest dregs of society and we will not allow them to harm our children."

Operation Harvest Moon began Oct. 23 and culminated months of investigations by KSP and other law enforcement agencies throughout the state.

The task force, which is located within the KSP Communications and Computer Technology Branch, and 14 other participating agencies spearheaded the online investigative component of Operation Harvest Moon.

The other agencies partnering with Kentucky ICAC include the FBI, U.S. Secret Service, U.S. Marshals Service, U.S. Attorney's Office, U.S. Postal Inspection Service, Louisville Metro Police Department, Lexington-Fayette Urban County Division of Police, Owensboro Police Department, Bowling Green Police Department, Morehead Police Department, Winchester Police Department, Franklin Police Department, Oldham County Police Department and Boone County Sheriff's Department.

"The Kentucky State Police led this effort to identify and round up those individuals engaged in criminal online activity and in non-compliance with House Bill 3," KSP Commissioner Jack Adams said in the release. "But the success of Operation Harvest

Moon rests with the cooperation among law enforcement agencies throughout the state. The resources, time and energy invested by these officers, and their family with their populations and locales, are responsible for the effectiveness of the operation."

In addition to the online investigations, the KSP and task force identified those registered sexual offenders violating new residency restrictions. As of Monday, KSP troopers have charged 37 people for residing within 1,000 feet of restricted areas and another 58 arrests are pending.

The registry notification requires sex offenders to report any address change to their local probation and parole office before actually moving. If offenders move without following procedure, they are considered non-compliant and can be charged with a Class D felony punishable by one to five years in prison. House Bill 3 enhanced those conditions by requiring offenders to live at least 1,000 feet from schools, licensed day care facilities and publicly owned playgrounds and by making possession of child pornography a felony.

Fugitive In Sexual Assault Case In Colorado Arrested (LVRJ)

Las Vegas Review-Journal, November 2, 2006

A fugitive strike team arrested a 43-year-old North Las Vegas man late Monday on a warrant charging him with multiple counts of sexually assaulting an 11-year-old girl in Littleton, Colo.

Michael Pope, who once worked as a dealer in Las Vegas casinos in the late 1980s and early 1990s, was taken into custody without incident while trying to hide in a vehicle, according to task force commander Patrick Sedoti.

Advertisement

Pope's arrest stems from incidents that authorities in Jefferson County, Colo., said occurred between December 2004 and June 2005 when he was renting a room in Littleton and occasionally was the baby sitter for the girl, who lived in the home.

Pope had moved to North Las Vegas, where he lived with his sister until moving out recently to live near Fort Apache Road and Charleston Boulevard, said Fidencio Rivera, chief deputy of the U.S. Marshals' office in Las Vegas.

"When the case came in, we tracked him down to a girlfriend in the valley," Rivera said, noting that the strike team worked in cooperation with North Las Vegas police.

He said law enforcement officials in the Las Vegas area have no knowledge of Pope molesting any children locally.

Tips Sought On Missing Explosives (MUCHRONICLE)

By Theresa D.McClellan, CHRONICLE NEWS SERVICE

Muskegon Chronicle (MI), November 1, 2006

Missing explosives from a Ferry Township asparagus field has sparked the interest of federal authorities.

The Bureau of Alcohol, Tobacco, Firearms and Explosives posted a $5,000 reward for information leading to an arrest and conviction in connection with whoever dug up and stole the materials buried about 3 feet deep on the 48-acre site.

The materials had been placed by Bay Geophysical Inc. of Traverse City. The company used them to create seismic charges while looking for gas and oil, having been doing gas and oil explorations "for a few years," Michigan State Police Trooper Stacy Baylis said.

The materials were eight 150-gram Pentalite seismic charges and nine electric cap detonators. When combined, each charger has the explosive power of a half stick of dynamite, police said.

"In a word, damage could be considerable. That could remove the front of a small building," said Sgt. Troy Fellows of Michigan State Police's Hart post.

The theft was discovered Monday. Company officials estimate it occurred between 6 p.m. Sunday and 11 a.m. Monday, police said.

While a security guard was posted on the wooded property off Baker Road, he did not see anything unusual, Baylis said.

"This is a federal case, the feds are investigating and we are making no other statement," said a company spokeswoman, who declined further comment.

The green explosives are about six inches long and four inches round with electric systematic detector caps.

"Theft of explosives is a top priority for ATF. The stolen charges and detonators are identified as high explosives and are dangerous," said ATF Special Agent Valerie J. Goddard.

"The public is cautioned not to handle or touch any of these explosives materials if they are located, and to immediately contact their local law enforcement agency or ATF for the safe removal of these items," Goddard said.

faxbox

Anyone with information about missing explosives from an Oceana County asparagus field taken sometime between 6 p.m. Sunday and 11 a.m. Monday is asked to call Michigan State Police's Hart post at (231) 873-2171; the federal Bureau of

Alcohol, Tobacco, Firearms and Explosive at (888) 283-2662 (ATF-BOMB); or Silent Observer at (888) 786-7271 (STOP-CRIME).

Drug Death Defendant Pleads Not Guilty (SLPD)

St. Louis Post-Dispatch, November 2, 2006

A St. Louis man pleaded not guilty Wednesday to charges connecting him with the "date rape drug" overdose death of a SIUE senior in 2002 — but he was unsuccessful getting a federal judge to issue a gag order in the case.

John F. Berger, 36, was arraigned Wednesday afternoon after being indicted on charges of possession with intent to distribute 1,4-butanediol (BD) with a resulting death; possession with intent to distribute BD for human consumption; cocaine distribution; and possession with intent to distribute BD for human consumption with death resulting. He surrendered Monday and has been released on $50,000 bond.

BD converts to Gamma-hydroxybutyric acid, or GHB, in the body. GHB is colorless, odorless and tasteless and depresses the central nervous system. It can cause drowsiness, nausea, loss of inhibition, amnesia and hallucinations and at higher does, it can cause unconsciousness, seizures, breathing trouble or death.

U.S. Attorney Catherine Hanaway said that investigators believe Berger supplied the drug that killed Tressa Gross on April 7, 2002. Hanaway announced the charges against Berger in a press conference Tuesday, complete with pictures of Berger and a plea for any potential victims or witnesses to come forward.

Berger's lawyer, John Rogers, cited Hanaway's press conference and the news reports that followed as reasons for a "gag order" on attorneys and staff on both sides and all parties involved in the case.

Rogers' filing called Hanaway's comments at the press conference "inappropriate" and "unfair" and said they could "poison" or manipulate jurors in a future trial.

U.S. Magistrate Judge Thomas Mummert III, however, turned down the gag order and got Assistant U.S. Attorney Jim Delworth to promise that his office and the Drug Enforcement Administration will make no more public statements without discussing the issue with him.

In other developments, Delworth said that he had provided Rogers with some of the evidence in the case before the hearing. He handed Rogers an audiotape and videotape after the hearing.

Heroin Kingpin Convicted, Could Get Life Sentence (AP)

AP, November 1, 2006

TRENTON, N.J. (AP) _ An Irvington man who authorities say was a major heroin kingpin faces up to life in prison after a jury convicted him Tuesday of conspiracy, racketeering, drug, gun and money laundering charges.

Authorities said Charles "Black" Hamilton was the head of an operation that moved huge amounts of heroin _ about 20,000 doses a week _ from northern New Jersey to the Trenton area.

At the time Hamilton was arrested in 2004, authorities believed his operation was responsible for three-fourths of the heroin in Trenton.

Hamilton, 36, also had ties to the Bloods street gang, the Attorney General's office said.

His conviction came after a three-week jury trial in Trenton. While the sentence could be as stiff as life in prison, it will be up to a judge to decide Hamilton's exact penalty.

Two other men in the operation already are serving prison terms.

FEDS FINISH GIVING 'ICEBOX' EVIDENCE (TMT)

Tyler Morning Telegraph, November 1, 2006

EDITOR'S NOTE: The names of undercover law enforcement officers and confidential informants in this article are withheld to protect their identities.

The U.S. government presented the rest of its evidence Wednesday in the trial of three men involved in a large methamphetamine-distribution ring that spanned three states.

A confidential informant and co-defendant testified in the "Operation Icebox" case in U.S. District Judge Leonard Davis' court, along with law enforcement officials and forensic chemists.

Simon "BJ" Balderas Jr., 29, the alleged ringleader in the case, and brothers Jose (Joe) Zavala, 27, and Rene Zavala, 31, are on trial in Tyler federal court for allegedly conspiring to distribute more than 10 kilograms of meth in Tyler, Shreveport and Miami. Nineteen people were charged in the conspiracy. The three men on trial are each charged in at least 23 counts of the 26-count indictment and face up to life in prison for the conspiracy.

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A confidential informant testified Wednesday that he bought "ice" meth from Jose Zavala, whom he called a "pretty large drug dealer in the Tyler area." He said Rene Zavala helped his brother distribute the meth and picked the drugs up in Dallas.

The CI said he and Jose Zavala went to Balderas' house a few times to buy meth. The jury saw video recordings of the CI buying meth from Jose Zavala and at Balderas' house. The jurors also heard an audio recording of a trip the CI took with Rene Zavala to Dallas to pick up 2 pounds of meth on Feb. 3.

He said 1 pound was given to Stanley "Drew" Burkhart and the other was given to Jose Zavala.

During one recording, Jose Zavala talked about a Dallas source he felt was "ripping them off" and said he had a "necklace full of teeth" for the man, which the CI said meant he would knock his teeth out.

One video showed the CI sitting with Balderas and Jose Zavala in the living room of Balderas' house. On the coffee table, Balderas weighed drugs and had a large bag of meth.

The CI had three felony charges against him in Rusk County dropped and was paid $2,100 for helping the government. He now has several felony cases pending in Smith County, including possessing 14 grams of meth, unlawfully carrying a pistol, burglary, failure to identify and theft charges, which he incurred after his work as a CI was completed, he said.

CO-DEFENDANT TESTIFIES

Stanley "Drew" Burkhart, 44, testified that he had been using meth for about 20 years when he met Balderas in 2004. Burkhart said he had been selling drugs since about 2003. He said he bought meth from Balderas, starting out at a couple of ounces and increasing to 1 pound per week. He said he estimated that he bought a total of about 10 pounds from Balderas.

After about four months, he said he began buying meth from Jose Zavala and he estimated he bought a total of 20 pounds from him. He said he also bought meth from Sam Leal, another co-defendant in the case.

He pleaded guilty to possessing with the intent to distribute more than 1 kilogram of meth. He was arrested Feb. 3 with the pound of meth he got from Rene Zavala. He said he paid him about $1,000 for the pound.

Smith County sheriff's Deputy Michael Strickland said he stopped Burkhart for a traffic violation on Feb. 3 and after found several small plastic bags of meth, as well as a large bag of meth, totaling 580 grams, and drug paraphernalia.

A Gregg County sheriff's deputy and DEA task force officer testified that he arrested co-defendants Gloria Medina and Manuel Escobar at a motel in Longview on Jan. 19. He said 10 ounces of meth were discovered there and drug paraphernalia and an assault rifle were found at Ms. Medina's Tyler residence.

An undercover Texas Department of Public Safety narcotics officer testified that a CI bought 2.7 grams of meth on Jan. 5 and 32 grams of meth on Feb. 15 from co-defendant Eduardo "Collette" Vasquez Jr.

He said another CI bought 28 grams of meth on Jan. 25 from co-defendant David Branch and introduced the officer to Branch. The officer said he developed a relationship with Branch about dealing Ecstasy and meth, and that his source was "BJ." On Feb. 8, Branch told the officer he sold more than 1,000 pills of Ecstasy in the last month and sold the officer 1 ounce of meth and 24 Ecstasy pills, he said.

SEARCHES, SEIZURES

A Smith County sheriff's deputy and DEA task force member testified that when officers searched Jose and Rene Zavala's residence on March 8, they found two handguns, ammunition, a container with suspected meth, two tubes with suspected steroids, two scales and more than $5,000 in cash.

A Palestine police officer and DEA task force officer testified that officials found two rifles, four pistols and $2,500 cash in a March 8 search of Simon Balderas Sr.'s home.

A DEA special agent testified that on March 8, law enforcement searched Vasquez's apartment and found marijuana in several small bags as well as six bricks, about 1 kilogram each. He said they also found 141 tablets of Ecstasy, three handguns, a fake shaving cream bottle with 2 ounces of meth and Ecstasy pills inside and a fake hairspray can with 1 ounce of meth inside.

He said officials searched the house of Zavala's parents and found scales and a collector's AR-15 assault rifle.

An ATF special agent testified that when searching a Tyler hotel room on March 8 where a woman and co-defendant Jacinto Martinez were located, officials found nearly $6,000 inside the woman's purse, $3,710 in Martinez's pocket and a safe with $200,000 cash and a drug ledger inside.

A DEA special agent testified that when officials searched Balderas Jr.'s house on March 8, they discovered digital scales, pictures of Balderas Jr. and others displaying guns and Nortenos signs, a safe containing pills and two pistols and another safe containing drug notes.

Two handguns were found in a garage behind Balderas Jr.'s and Balderas Sr.'s neighboring houses, he said.

DRUG TESTING

Two chemists testified about testing drugs in the case.

A chemist in the DPS' Tyler crime lab said he tested 14.1 grams of meth.

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A forensic chemist for the DEA lab in Dallas said she tested 29 items, which totaled 1,315.5 grams of meth, 749.2 grams of Ecstasy, steroids and 5.19 grams of prescription medication. She said 1,000 grams equals 1 kilogram.

Two Smith County probation officers testified to Jose Zavala's and Balderas' prior felony convictions.

Jose Zavala was convicted in 1999 of possession of marijuana. Balderas was convicted in 1993 of aggravated assault. They are each charged with being felons in possession of firearms.

Paul Fazande has testified he sold up to 6 pounds of meth per week in Shreveport for Balderas. He was arrested in Shreveport in October 2005 and has pleaded guilty to drug charges. He was not indicted in Icebox.

Samuel Leal Jr., 33, testified that he bought meth from Jose Zavala and Balderas. He said several sources in Dallas supplied Balderas with meth through the Zavala brothers but he met one man who claimed to be associated with a drug cartel who moved drugs to Dallas from Mexico. Leal said he began buying meth from the man and took the place of Joe Zavala with that drug source. Leal bought and supplied Balderas with the drugs, up to 10-15 kilograms per week, he said.

John Thomas Carroll, 24, testified earlier that he bought meth from Balderas Jr. and the Zavalas and sold it in Tyler. After he moved to Miami, Balderas' source had switched from the Zavalas to Leal and Jacinto Martinez, who began sending him shipments that increased from ounces to kilograms. He said at the peak of sales, he sold 5 kilograms per week in Miami.

Efrem Gonzalez Gamez was scheduled to go to trial with the others but pleaded guilty to the conspiracy charge.

Leal, Carroll, Gamez, Martinez, Balderas Sr., Escobar, Burkhart, Vasquez, Branch, Ms. Medina, Jeff Attaway, Mark Anthony Gomez, Tanya Smith, Joey Paup, and Brandy Rodgers, also known as Brandy McNinch, have all pleaded guilty to similar charges. Jamie Long was arrested in September and is set to go to trial in December.

Assistant U.S. attorneys Bill Baldwin and Mary Ann Cozby are prosecuting the case. Tonda Curry represents Balderas, Rex Thompson represents Jose Zavala and Jim Williams represents Rene Zavala.

The trial will resume with defense evidence on Thursday.

Border Guard Accused Of Accepting Bribes Released Pending Trial (AP)

AP, November 2, 2006

SEATTLE -- A U.S. border guard accused of accepting cash and sexual favors from a female drug smuggler was released Tuesday on a $20,000 bond, against the wishes of prosecutors.

Federal Magistrate Judge Mary Alice Theiler also agreed to let the guard, Desmone Bastian, continue living in Surrey, British Columbia, where he will be monitored pending trial, scheduled for Jan. 2. Bastian has pleaded not guilty to one count of accepting a bribe and another of importing controlled substances.

Bastian is accused of accepting an undisclosed amount of money as well as sexual favors from a female smuggler who told federal agents that she is also a madam. According to Assistant U.S. Attorney Susan Roe, the smuggler claimed that Bastian sometimes showed up at her house of prostitution wearing his U.S. Customs and Border Protection uniform.

In exchange for the money and favors, he would allow her to drive into the U.S. from British Columbia with OxyContin pills and marijuana, Roe said.

Bastian first raised suspicion last March, when he was seen leaving his post at the Blaine crossing to approach the smuggler's car, which contained 3,000 OxyContin pills, Roe said.

Investigators combed records and discovered that the woman had crossed the border numerous times in the past several years, often in Bastian's lane. He never referred her for a secondary inspection, Roe said.

Bastian's attorney, Michael Nance, argued against detaining him pending trial, noting that it was not a violent crime.

Ex-Mexican Drug Czar Faces More Charges (AP)

AP, November 1, 2006

MEXICO CITY — Mexico's former drug czar, already serving 71 years for drug trafficking and racketeering, has been ordered to stand trial on a new set of firearms and corruption charges, prosecutors announced Wednesday.

Jesus Gutierrez Rebollo is accused of handing out military weapons to corrupt government officials, the federal attorney general's office said.

The officials allegedly worked with a web of conspirators that protected and aided drug traffickers, the office said in a statement.

Gutierrez Rebollo, one of the highest-level Mexican officials to ever have been convicted, was expected to bring toughness and integrity to Mexico's war on drugs when he assumed the drug czar post in 1996.

But the next year, police arrested Gutierrez Rebollo after it was found he was staying in a luxury apartment owned by cocaine kingpin Amado Carrillo Fuentes.

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Informants later alleged that the general was asking Carrillo Fuentes' Juarez cartel for a $60 million in exchange for sending soldiers to protect and support its smuggling operations.

Gutierrez Rebollo was convicted of drug trafficking, racketeering and corruption and sentenced to 40 years in prison. He was later convicted of handing out military firearms to drug traffickers and sentenced to an additional 31 years and 10 months.

Ex-LCC Coach Given Probation In Drug Case (SDUT)

The San Diego Union-Tribune, November 1, 2006

SAN DIEGO – A former La Costa Canyon High School girls water polo coach who had cocaine and Ecstasy in his car when stopped in February was sentenced Wednesday to probation and ordered to register as a narcotics offender.

Steven Pierce Moyer, 43, pleaded guilty Sept. 11 to possession for sale and transportation of Ecstasy.

The married father of two also admitted an allegation that the drugs found in his car were not for personal use and that he intended to sell or distribute them.

The Carlsbad resident faced a maximum of four years in state prison under the plea bargain.

A U.S. Drug Enforcement Administration agent testified at Moyer's July 14 preliminary hearing that the defendant was overheard ordering cocaine and Ecstasy from a known drug dealer, Michael Cardosi.

Moyer left a voice mail message for Cardosi, indicating that he needed the drugs before a party he was hosting, according to court testimony.

On Feb. 23, Moyer was seen getting into the back seat of Cardosi's Mercedes-Benz in the parking lot of a Vons supermarket in Encinitas, but agents did not see any drugs change hands.

DEA agents tailing Moyer asked Carlsbad police to pull him over because they didn't want to jeopardize the larger investigation that had been going on since 2004, DEA Special Agent Helem Sosa testified.

Carlsbad police Sgt. Greg White testified that he stopped Moyer for speeding and was given permission to search his car, which yielded 10.2 grams of cocaine and 30 Ecstasy tablets.

Cardosi, 33, has been charged with evading a peace officer and drug offenses and will be back in court Dec. 12.

In sentencing Moyer, Judge David Danielsen agreed with prosecutor Cari Phillips that federal agents may have done Moyer a favor by arresting him and taking him out of his “party” lifestyle.

The judge suspended a one-year jail sentence so long as Moyer successfully completes three years on probation.

Danielsen told the defendant to put 100 percent of his effort into complying with all the terms of probation, because another judge might not react favorably to a violation considering the defendant's background.

Moyer, a walk-on, part-time coach at La Costa Canyon, resigned his position after he was charged in June.

He was the captain of Stanford's water polo team from 1982 to 1984 and played on the U.S. national team.

IMMIGRATION:

Federal Judge Blocks Town's Crackdown On Illegal Immigrants (FINDLAW/AP)

By Michael Rubinkam, Associated Press Writer

AP, November 2, 2006

(AP) - ALLENTOWN, Pennsylvania-A federal judge blocked the city of Hazleton from enforcing a pair of tough ordinances targeting illegal immigrants, just hours before the measures were to go into effect.

The measures, approved by City Council last month, would have imposed fines on landlords who rent to illegal immigrants and denied business permits to companies that give them jobs. They also would have required tenants to register with City Hall and pay for a rental permit.

U.S. District Judge James Munley ruled that landlords, tenants and businesses that cater to Hispanics faced "irreparable harm" from the laws and issued a temporary restraining order blocking their enforcement.

"We find it in the public interest to protect residents access to homes, education, jobs and businesses," he wrote in a 13-page opinion.

Hispanic groups and the ACLU sued Hazleton on Monday, contending the laws violate the Constitution because they trample on the federal government's exclusive power to regulate immigration.

Mayor Lou Barletta, who spearheaded the law, has argued that illegal immigrants have brought an increase in drugs, crime and gangs to the city. The city's lawyers on Tuesday cited a 10 percent increase in crime between 2004 and 2005 as a reason why the ordinances should be enforced.

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Munley, however, wrote that the city "offers only vague generalizations about the crime allegedly caused by illegal immigrants, but has nothing concrete to back up these claims."

Hazleton's crackdown, which was announced in June, has received national attention and spurred other towns to pass similar laws, saying that the federal government has not done enough about illegal immigration. Municipal officials view the Hazleton lawsuit and a similar one in Riverside, New Jersey, as test cases.

Witold J. Walczak, legal director of the ACLU of Pennsylvania, hailed Tuesday's decision as an important victory.

"I think what's important is the judge recognized that this ordinance has the potential to cause real harm by costing people their jobs, their houses and requiring children to leave schools," he said.

The judge's restraining order expires Nov. 14. He indicated that he will schedule a hearing on the ACLU's motion for a temporary injunction.

Barletta has said he is convinced the courts will ultimately uphold the law.

Bush May Find An Ally On Immigration (WT)

By Stephen Dinan

The Washington Times, November 2, 2006

The Next Congress

Fourth of five parts

Immigration is the one major issue on which President Bush is likely to fare better next year if Democrats win control of Congress.

The issue is unfinished business to which all sides promise to return, after House Republicans this year prevented Mr. Bush from winning both a guest-worker program and citizenship rights for most illegal aliens.

Instead, House Republican leaders forced through a bill to construct 698 miles of fencing along the U.S.-Mexico border. Funding for the fencing and other border security measures will be the first test of the new Congress on immigration policy.

Democrats have an outside chance of taking complete control of Capitol Hill, but a better chance of winning one chamber, and in this series, The Washington Times is examining how such a transfer of power will affect U.S. policy and politics.

Neither House Minority Leader Nancy Pelosi, likely to be the speaker of the House if Democrats win that chamber, nor Senate Minority Leader Harry Reid, the Democrats' Senate leader, would commit this week to funding the fencing if they gain control of Congress.

"What Leader Pelosi has said in the past is that we need to do comprehensive reform, and the fence could be part of that reform," said the California Democrat's spokeswoman, Jennifer Crider.

Jim Manley, spokesman for Mr. Reid, said the Nevada Democrat is working toward "solutions that are tough and smart, not political legislation designed to make for good election-year sound bites."

Republicans are questioning the Democrats' commitment. Last week, on the day Mr. Bush signed the fencing into law, House Speaker J. Dennis Hastert issued a statement asking, "Would a Democrat majority support construction of a border fence?"

But Mr. Hastert won't commit to spending for the entire fence, instead focusing on "operational control" that could include less fencing but other measures, such as more Border Patrol agents and vehicle barriers.

"He'll commit to funding necessary to get operational control of the border, which goes far beyond a single line of fencing," said Lisa C. Miller, spokeswoman for the Illinois Republican.

For his part, Senate Majority Whip Mitch McConnell, the Kentucky Republican likely to lead his party in the Senate with the retirement of Majority Leader Bill Frist, wants to see the funding through, his spokesman said.

"He sees border security as critical to our national and homeland security and believes the Congress should fund border security, including the border fence," spokesman Don Stewart said.

Unfinished business

Spending aside, Congress still faces the four major immigration questions that it punted on this year -- how to secure the border, how to boost workplace enforcement, whether to create a new program for future foreign workers in addition to the existing work programs that hundreds of thousands of people already use; and what to do about the estimated 12 million to 20 million illegal aliens now in the country.

Mr. Bush, joined by almost all Democrats and some Republicans, wants action on all of those issues, and the Senate passed such a bill this year.

But House Republicans insist that the government must prove it can control the borders and enforce the laws before considering a new worker program, and many Republicans oppose legalization of illegal aliens altogether, arguing that it is amnesty for lawbreakers.

If Republicans retain control of Congress, that impasse is likely to remain, said Frank Sharry, executive director of the National Immigration Forum, which supports a path to citizenship.

"It has stalemate written all over it -- stalemate plus [passage of] appropriations, which I don't think would satisfy either group of partisans," he said.

But if Democrats win the 15 seats they need to snatch control of the House, the odds for a deal improve somewhat.

"If the House stays Republican, chances of a comprehensive bill being enacted in the next Congress are less than 10 percent. And if the House is taken by the Democrats, chances of a comprehensive bill passing in the next Congress are about 50-50," Mr. Sharry said.

He figures there are probably 160 to 175 House Democrats willing to vote for comprehensive reform, meaning between 45 and 60 Republicans would have to join them to reach a comfortable margin for passage.

Less depends on which party controls the Senate, because a bipartisan consensus appears to exist for some sort of broad bill. Still, the Senate could improve prospects for a final compromise bill if it acts first, putting pressure on the House to follow through.

That would be different from this year, when the Senate Judiciary Committee got bogged down on judicial nominations, renewal of the USA Patriot Act and detainee treatment, allowing the House to drive the enforcement-first side.

People power

Much also will depend on the personalities in the debate.

The biggest change would be the difference between Mr. Hastert and Mrs. Pelosi. While the Republican has focused squarely on enforcement, boosted by voters in his district who have driven that message home to him, the Democrat has supported legalization.

She has opposed many of the security-only provisions Republicans have put forth, calling some "awful" and others "OK." But she said in September that "all of them are more acceptable in the context of comprehensive immigration reform."

If the Republicans maintain control in the House, the Republican chairman of the Judiciary Committee probably would be Rep. Lamar Smith, a Texan who is a strong advocate for enforcement and has argued that a guest-worker program hurts American workers. However, Rep. John Conyers Jr., the Michigan Democrat in line to become chairman if his party wins control, supports a broad legalization.

How much of a priority the issue is for Democrats remains to be seen. Although leaders say they want to find a solution, it has not played a major role as Democrats campaigned this year.

When House Democrats issued a 25-page position paper on their priorities for next year, immigration reform was not among them.

And in "The Plan," a manifesto-type book by Democratic Congressional Campaign Committee Chairman Rahm Emanuel and Democratic Leadership Council President Bruce Reed, immigration rated one brief mention -- an attack on Republicans for using the issue for political gain.

Money matters

But the opportunity to outspend Mr. Bush on homeland security might end up enticing Democrats to push for their own political gain on the issue, said Rikki Horton, government relations associate for the Federation for American Immigration Reform, which opposes amnesty and calls for a crackdown on illegal immigration.

"Since the president doesn't fully fund some of these in his budget, I actually believe the Democrats would want to go against the president," she said. "I don't believe that everything will be fully funded but I do believe, in a scenario where the Democrats take over, I can see them wanting to use this to put the president in a bad light."

That happened two years ago, when just months after promising to increase the U.S. Border Patrol by 2,000 agents a year for five years, Mr. Bush's first budget included just 210 agents. Lawmakers from both parties used that move to criticize the White House and insist on bigger increases.

One of those lawmakers, Sen. Robert C. Byrd, West Virginia Democrat, would have the chance to play a major role again should Democrats take control of the Senate.

He is in line to recapture the chairmanship of the Senate Appropriations Committee, and although he is not talking about specifics should Democrats win control, his record is clear.

"If we are truly serious about securing our borders -- and not just engaging in rhetoric and hot air -- then we will put real dollars where the rubber hits the road," he said earlier this year.

His spokesman, Tom Gavin, said Mr. Byrd supports the homeland security spending bill the president signed into law last month that included $1.2 billion for fencing, vehicle barriers, sensors, cameras and other infrastructure, and gives the Department of Homeland Security flexibility to decide what to spend where.

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"Senator Byrd is supportive of that funding and the secretary's authority. No matter which party is in power, Senator Byrd will continue to work to make the improvements to border security that are critical to the safety of the United States," Mr. Gavin said.

The major decisions for the appropriations committees will be how much to increase the Border Patrol and to determine how many workplace enforcement teams and additional detention beds are needed.

Chances for an immigration agreement also will become entwined with presidential personalities and politics.

The Hispanic vote might play a much larger role in the presidential election than it has in House races this year, which could influence the way both parties handle it.

And Sen. John McCain, Arizona Republican and a major backer of legalization, is a presidential contender on the Republican side, though other Republican candidates are likely to emerge taking a much stricter line on the issue. Just this week Rep. Duncan Hunter, California Republican and chairman of the House Armed Services Committee, who was the champion of the 700 miles of fencing, announced that he is exploring a run for president.

Part I

Democratic majority ready to go to war over Iraq

Part II

Democrats wait in the wings with subpoenas

Part III

Specter of tax man haunts Democrats

Lawsuit Says Latino Citizens Were Caught Up In Raids Seeking Illegal Immigrants (LAT)

By Jenny Jarvie

The Los Angeles Times, November 2, 2006

atlanta — A civil rights group sued the federal government Wednesday on behalf of five Latino U.S. citizens who say they were detained and harassed by agents carrying out raids targeting illegal immigrants in south Georgia.

The Southern Poverty Law Center said that U.S. Immigration and Customs Enforcement agents used "Gestapo-like" tactics as they fanned across three Georgia counties in September, breaking into homes and stopping people in their cars "because they looked 'Mexican.' "

The class-action suit seeks not only compensatory damages for the plaintiffs — who include a landlord whose property was damaged — but also a court order preventing the agency from conducting similar raids across the country.

"This was a widespread sweep, based largely on racial and ethnic profiling, in violation of the 4th and 5th Amendments to the United States Constitution," Mary Bauer, attorney for the plaintiffs, said at a news conference here. Those amendments pertain to the right to be free from unreasonable search and seizure and the right to due process.

"Agents saw brown skin," Bauer said, "and made a presumption of illegality."

Marc Raimondi, an ICE spokesman, said the raids were conducted legally. "We don't conduct random sweeps," he said, noting that the agency had spent a month investigating the area and had compiled a targeted list of illegal immigrants who had worked at a poultry plant using fraudulent documents. "Race or ethnicity played no role," he said.

Federal agents searching for undocumented immigrants who worked at the Crider Corp. poultry plant in Stillmore, Ga., arrested more than 125 people in September. No U.S. citizens were arrested, but the suit claims that agents "trampled on" the constitutional rights of "every person of Hispanic descent unfortunate enough to get in the way."

Marie Justeen Mancha — a 15-year-old who was born in Texas and lives in Reidsville, Ga. — says she was in her bedroom getting dressed for school when she heard men inside her home yelling "illegals" and "Mexicans." In the living room, she says, she saw five men, one with his hand on his gun holster.

"My heart just dropped," she said.

Nearly two dozen armed agents roamed her house and yard without presenting a search warrant, the lawsuit said. Mancha's mother, Maria Christina Martinez, is a U.S. citizen who previously worked at the chicken plant.

According to the suit filed in federal court in Atlanta, agents stopped one plaintiff, Maria Margarita Morales, as she was driving home, repeatedly called her "Mexican," grabbed her arm and ordered her to get out of her vehicle. Agents also surrounded another plaintiff, Ranulfo Perez, outside his home, the suit said, grabbing him by the shirt, pressing a gun into his side and throwing him against his truck. Another plaintiff, Gladis Alicia Espitia, says agents broke down her front door and threatened to throw gas into her home if her family did not come out of a bedroom.

Georgia has the nation's fastest-growing population of illegal immigrants. According to the federal government, the number of undocumented immigrants in the state more than doubled, to 470,000 from 220,000, in the last five years. ICE's Atlanta office

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— which covers Georgia, South Carolina and North Carolina — arrested 4,633 suspected illegal immigrants in 2006, more than any previous year.

Bauer said the Southern Poverty Law Center filed the suit — which lists Homeland Security Secretary Michael Chertoff, six ICE administrators and 30 unnamed ICE agents as defendants — to warn federal agents against conducting similar raids.

"If immigration is a problem, this isn't the solution," she said. "We want to send out a strong message that if they do this in other communities, they are going to be sued."

CONGRESS-ADMINISTRATION:

Bush Says Rumsfeld, Cheney Should Stay (AP-Y)

By Terence Hunt

AP, November 2, 2006

President Bush said Wednesday he wants Defense Secretary Donald Rumsfeld and Vice President Dick Cheney to remain with him until the end of his presidency, extending a job guarantee to two of the most-vilified members of his administration.

"Both those men are doing fantastic jobs and I strongly support them," Bush said in an interview with The Associated Press and others.

On the war in Iraq, Bush said the military has not asked for an increase in U.S. forces beyond the 144,000 already there. He said U.S. generals have told him "that the troop level they got right now is what they can live with."

On another international issue, Bush said he was determined that sanctions imposed against North Korea must be applied even though Pyongyang has agreed to return to six-nation nuclear disarmament talks.

The president spoke in the Oval Office, seated in a wing chair in front of a table with a bowl of roses. Six days before midterm elections, he steered away from political questions beyond saying he was confident that Republicans would defy the polls and hold control of the House and Senate. "I understand the pundits have got the race over. But I don't believe it's over until everybody votes," Bush said.

He refused to say whether he could work effectively with House Minority Leader Nancy Pelosi or Senate Minority Leader Harry Reid if Democrats won either the House or Senate, or both.

Bush did take the opportunity to take another poke at Sen. John Kerry, in political hot water for a remark that the White House has characterized as a slam on U.S. troops in Iraq. Kerry has said he was making a joke critical of Bush, not the troops.

"It didn't sound like a joke to me," the president said.

Democrats and Republicans alike have called for Rumsfeld's resignation, arguing he has mishandled the war in Iraq where more than 2,800 members of the U.S. military have died since the U.S.-led invasion in March 2003. Cheney has faced sharp criticism for his hardline views. In recent polling, less than 40 percent of respondents had a favorable view of Cheney and about a third had a favorable view of Rumsfeld.

Bush said he valued Cheney's advice and judgment.

"The good thing about Vice President Cheney's advice is, you don't read about it in the newspaper after he gives it," the president said. While Cheney was re-elected with Bush for four years, there has been recurring speculation that he might step down, perhaps for health reasons. As a practical matter, Bush could ask the vice president to leave if he wanted.

Bush credited Rumsfeld with overseeing wars in Iraq and Afghanistan while overhauling the military. "I'm pleased with the progress we're making," the president said. He replied in the affirmative when asked if he wanted Rumsfeld and Cheney to stay with him until the end.

Responding to Bush, Sen. Charles Schumer, D-N.Y., said, "With all due respect, the president just doesn't get it. We need a change in the Iraq strategy, but with Rumsfeld running the show we'll never get it."

Bush opened the interview by saying he was pleased that North Korea was returning to stalled nuclear talks. Although North Korea has a history of walking away from negotiations, Bush did not express doubts about the intentions of Kim Jong Il, North Korea's leader.

"It's his choice," Bush said. "I would hope he is sincere." He said that any deal with North Korea would have to be verifiable.

The president said he did not accept North Korea as a nuclear weapons state, even though it tested an atomic bomb three weeks ago. "Our objective is to see they're not a nuclear weapons state," the president said.

Bush said Robert Joseph, U.S. undersecretary of state for arms control and international security, and R. Nicholas Burns, undersecretary of state for political affairs, will travel through the region to talk with allies about how to make progress.

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"We're going to talk about making sure that the sanctions passed by the United Nations are effective," the president said. "Implementation of the sanctions will be on the table."

As for Iraq, the president expressed confidence in Prime Minister Nouri al-Maliki despite apparent strains between Washington and Baghdad.

"I appreciate he's making hard decisions that he thinks are necessary to keep his country united and moving forward," Bush said. "I didn't find many differences of opinion when I talked to him. We both want Iraq to be able to govern itself, sustain itself and defend itself. We both want there to be benchmarks — Iraqi developed and designed benchmarks — that show the Iraqi people and the American people that this young democracy is making progress."

Bush said that "there's no question that October was a tough month. We lost 103 soldiers. It was a tough month because we were on the offense, the enemy was on the offense — the enemy was trying to affect us. And it was a tough month because of Ramadan. ... Our troops and Iraqi troops killed or captured over 1,500 people during this period of time."

Bush refused to comment on Cheney's assertion that a "dunk in water" of terrorist suspects was a "no-brainer" if it would save American lives. "We don't discuss the techniques we use," Bush said.

On other questions, Bush said:

_He will send Treasury Secretary Henry Paulson to Capitol Hill after the election to determine what can be achieved in the way of overhauling Social Security and Medicare.

_He understands the anxieties of some Republicans who have distanced themselves from his Iraq policies. "People will run the race they need to run," he said. Bush said Democrats "don't have a plan for victory."

_"It's hard for me to tell" if U.S. troops will still be in Iraq when he leaves office in January 2009.

Kerry Offers Apology To Troops (WP)

By Peter Baker And Jim VandeHei

The Washington Post, November 2, 2006

Sen. John F. Kerry (D-Mass.) issued two apologies for remarks that seemed to impugn U.S. troops and abandoned his public schedule yesterday, but he denounced what he called the "campaign of smear and fear" against him as the surreal sequel to the 2004 presidential election echoed across the campaign trail.

The White House and Republican allies orchestrated a cascade of denunciations throughout the day to keep the once and possibly future presidential candidate on the defensive and force other Democrats to distance themselves. Kerry canceled plans to appear with several candidates and returned home to avoid becoming "a distraction to these campaigns."

Republican strategists appeared almost gleeful over the contretemps because it revived a favorite target at a time they need to motivate core supporters to vote in Tuesday's midterm elections. GOP officials have tried to make the elections not a referendum on President Bush but a choice between two parties with competing visions over taxes, terrorism and Iraq, but they have struggled to find a symbol for Democrats. Kerry's comments have allowed Republicans to make him again the face of his party and cast 2006 as a rerun of Bush vs. Kerry.

Democrats were irritated to lose two days in the homestretch that they would rather have devoted to Bush's troubled Iraq policy, and they pressed Kerry to apologize and get out of sight. Hoping to change the subject, Democrats seized on comments by Bush, who told reporters he wants Vice President Cheney and Defense Secretary Donald H. Rumsfeld to remain in their jobs for the final two years of his administration.

To reassert their main message, Democrats planned a blitz of final-weekend television advertising assailing Bush for his management of the war; Republicans, meanwhile, poured more money into once-safe districts in a sign that the field of competitive races may still be expanding. Polls and strategists in both parties indicate that the Democrats are in position to win the House and are running neck-and-neck to take the Senate.

Republicans decided to make a last-minute bid to help save two GOP senators who had been almost given up for lost. Sens. Conrad Burns (Mont.) and Lincoln D. Chafee (R.I.) trail Democratic challengers but appear within striking distance, according to GOP strategists. Democrats need to all but sweep the most competitive Senate races to win control.

But much of the day's political conversation centered on Kerry. His return to the national spotlight provided a new opening to Republicans, who have been battered through much of the fall by the political fallout from the escalating violence in Iraq, the House page scandal and new corruption probes.

Speaking to an audience in California on Monday, Kerry said: "Education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. And if you don't, you get stuck in Iraq."

Kerry said yesterday that he meant it as a dig at Bush, and his office released a copy of the prepared remarks he was supposed to deliver: "I can't overstress the importance of a great education. Do you know where you end up if you don't study, if you aren't smart, if you're intellectually lazy? You end up getting us stuck in a war in Iraq. Just ask President Bush."

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Rejecting the explanation, Republicans quickly developed a Web ad demanding that he apologize and issued statement after statement attacking and mocking him. One released by House Majority Leader John A. Boehner (Ohio) included a picture that appeared to show soldiers in the desert holding up a banner: "Halp Us Jon Carry -- We R Stuck Hear N Irak."

Bush for the second day took aim at his old foe as well. "It didn't sound like a joke to me," he said in an interview with news services. In a separate interview with radio host Rush Limbaugh, Bush said, "Anybody who is in a position to serve this country ought to understand the consequences of words, and our troops deserve the full support of people in government."

Cheney also jumped into the fray, his office so eager that in a rare move it sent out advance excerpts from a speech given later in the day. "Senator Kerry said he was just making a joke and he botched it up," Cheney said. "I guess we didn't get the nuance. Actually, he was for the joke before he was against it."

Around the country, Republicans pressed Democratic opponents to respond to Kerry's remarks. "Whatever the intent, Senator Kerry was wrong to say what he said," said Rep. Harold E. Ford Jr. (D), who is in a tight Senate race in Tennessee. "He needs to apologize to our troops."

Sen. Hillary Rodham Clinton (D-N.Y.) likewise condemned the remarks. "What Senator Kerry said was inappropriate," she said at a Veterans of Foreign Wars post. She added: "We don't need to be reciting the 2004 election, as much as President Bush would like that to happen. This election is about him and his policies."

Kerry tried twice to explain himself yesterday. After a Democratic candidate asked the senator not to campaign with him, Kerry canceled the rest of his schedule and called in to the Don Imus radio talk show, which is simulcast on MSNBC. Kerry said it is Bush who owes the nation an apology, for a botched war.

"They're trying to change the subject," Kerry said. "It's their campaign of smear and fear. . . . This is Swift boat stuff all over again."

Asked why not apologize for the misunderstanding, Kerry said: "Of course I'm sorry about a botched joke. You think I love botched jokes? I mean, it's pretty stupid."

Imus reflected Democratic anxieties by asking Kerry to stop talking publicly because it might "ruin" the party's election chances.

"I love you, but just stop it," Imus said. "I'm begging you."

"Well, I think it's important to talk about Iraq," Kerry said.

"I'm begging you," Imus said.

"I hear you," Kerry said. "You do not have to beg. You're my friend. I understand what you're saying. But I'm telling you, I'm not going to let these guys lie and smear."

"Stop now, stop now," Imus said again. "I'm begging you."

"You got it," Kerry said.

Kerry's apology did not satisfy critics, so by day's end, he issued a written apology: "I sincerely regret that my words were misinterpreted to wrongly imply anything negative about those in uniform and I personally apologize to any service member, family member or American who was offended."

Heading into the final days before the elections, the Democratic Congressional Campaign Committee plans to run an advertisement over the weekend that hits Republicans for not holding Bush accountable on the Iraq war, but the ad buy is small and is scheduled for CNN alone. More than half of Democratic candidates in close races for the House and the Senate are planning ads criticizing Bush for his management of the war.

Republicans, meanwhile, are spending a lot of money protecting GOP seats. The National Republican Congressional Committee launched a $200,000-plus ad to help Rep. Charles H. Taylor (N.C.), who trails Democrat Heath Shuler. As part of its effort to limit losses, the NRCC is spending heavily in Idaho to win an open seat in a conservative part of the country. Rep. Melissa Hart (Pa.), who was not considered in much trouble a few weeks ago, is also getting last-minute help from the NRCC.

Both sides are making last-ditch efforts at long-shot races as well. The Democratic Senatorial Campaign Committee plans to run $1 million in ads against Sen. Jon Kyl (R-Ariz.). Republicans are making a play for Michigan, where polls show Democratic Sen. Debbie Stabenow with a steady lead.

Bush Stands By Cheney, Rumsfeld (LAT)

By James Gerstenzang

The Los Angeles Times, November 2, 2006

washington — President Bush reached out Wednesday to conservative audiences, delivering pared-down versions of his campaign speech in interviews with radio talk show host Rush Limbaugh and Pat Robertson's Christian Broadcasting Network.

And, in a separate interview with news agencies, he gave a vow of support for Vice President Dick Cheney and Defense Secretary Donald H. Rumsfeld, two heroes to conservatives, and said he wanted them to remain in their posts.

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With control of the Senate and House at stake in Tuesday's election, the president has focused on delivering a sharp-edged message intended to draw contrasts between Republicans and Democrats and energize his most loyal conservative voters to get to the polls.

Rumsfeld and Cheney have become focal points for critics of the administration's policies in Iraq. Democrats, and some Republicans, have called in increasing numbers for Rumsfeld's removal as the death toll in Iraq has climbed.

Bush told news services Wednesday that "both those men are doing fantastic jobs, and I strongly support them," the Associated Press reported. When he was asked whether he wanted them to remain until the end of his term, he said yes.

The president also said he did not anticipate an increase in the approximately 140,000 U.S. troops in Iraq, saying that U.S. commanders there had assured him that "they've got what they can live with."

In the interview with Limbaugh, Bush said the fundamental issue in the campaign was whether voters would elect a Congress that supported him on national security issues.

"People come up to me all the time and say, 'Thank you for protecting us,' " Bush said. "And my answer in this campaign is, 'I'm going to continue to protect you, but I need a Congress that understands the stakes.' "

In its interview, the Christian Broadcasting Network asked Bush: "What's your prayer for the country?"

"My prayer is that this world be peaceful so that children can grow up understanding the benefits of freedom," the president said.

Bush Works To Solidify Base With A Defense Of Rumsfeld (NYT)

By John M. Broder

The New York Times, November 2, 2006

WASHINGTON, Nov. 1 — With less than a week before the election, President Bush sought to rally Republican voters on Wednesday with a vigorous defense of the war in Iraq and a vow to keep Defense Secretary Donald H. Rumsfeld in office until the end of Mr. Bush's term.

Mr. Bush appeared on Rush Limbaugh's radio program, whose audience is a reservoir of conservative voters, to criticize Democrats as lacking a plan for victory in Iraq.

Mr. Bush and Vice President Dick Cheney also spent another day going after Senator John Kerry, the Democratic presidential nominee two years ago, for remarks that Republicans say insulted the intelligence of American troops in Iraq.

"Anybody who is in a position to serve this country ought to understand the consequences of words," Mr. Bush said, "and our troops deserve the full support of people in government."

Mr. Kerry said in a statement issued on Wednesday by his office that his "poorly stated joke at a rally was not about and never intended to refer to any troop."

As Mr. Bush worked to solidify his base, Democratic and Republican Party committees were making some of their final moves on the electoral chessboard. The Republican Senate committee reported spending nearly $1 million on television advertisements in Maryland and more than $800,000 in Michigan. The Senate seats in those states are held by Democrats and have generally been considered safe, but the investments by Republicans suggested a hope of making them competitive.

Democrats sought to expand the contest for the Senate as well by buying air time in Arizona to rattle, if not defeat, Senator Jon Kyl, a Republican thought to be headed for relatively easy re-election. Democratic officials would not disclose how much they were spending.

Mr. Bush, in an interview with wire service reporters on Wednesday, said he intended to keep Mr. Rumsfeld at the Pentagon and Mr. Cheney in the vice presidency until he leaves office in 2009. Both are controversial figures, even among some Republicans, but they are also popular with conservatives who form the foundation of Mr. Bush's political and electoral strategy.

With polls showing a majority of Americans unhappy with the course of the war and many Republican candidates distancing themselves from Mr. Bush on it, the White House was taking a gamble on making Iraq the central subject of discussion in the final week of the campaign. His embrace of Mr. Rumsfeld carried particular risk, since some Republican candidates have joined nearly all Democrats in seeking his dismissal.

Democrats responded to the Republicans' efforts with new advertisements accusing Mr. Bush and Mr. Rumsfeld of botching the war and making the United States less safe. A television spot from the Democratic Congressional committee said, "The White House is in denial as top generals warn that Iraq may be sliding into full-scale civil war."

A veterans group released an advertisement on Wednesday in which Iraq war veterans and Gen. Wesley K. Clark, who is retired and who was a Democratic presidential candidate in 2004, criticize the war. "Because of Iraq, there are more terrorists in the world," one veteran says.

Democrats also criticized Representative John A. Boehner, the No. 2 Republican in the House, as seeming to shift responsibility for problems in Iraq from Secretary Rumsfeld to the uniformed military.

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"Let's not blame what's happening in Iraq on Rumsfeld," Mr. Boehner said in an interview on CNN on Wednesday afternoon. "But the fact is, the generals on the ground are in charge, and he works closely with them and the president."

Seeking to a draw a parallel to the flap over Mr. Kerry's comments, Senator Harry Reid of Nevada, the minority leader, demanded that Mr. Boehner apologize to the generals.

"John Boehner ought to be ashamed," Mr. Reid said in a statement. "He's blaming our troops for failures in Iraq."

Republican leaders hoped to buck up morale among conservative Christians, a normally reliable source of Republican votes. A sizeable number of such so-called values voters have told pollsters that they are unhappy with Mr. Bush and the Republican-led Congress and might stay home on Election Day or vote for Democrats.

James C. Dobson, founder of Focus on the Family and an influential voice among evangelical Christian voters, said on his radio program this week that Democrats and the news media were trying to suppress the conservative vote by reporting on unhappiness among evangelicals.

Mr. Dobson also warned that a Democratic takeover of Congress would bring "crippling setbacks in the battles against abortion and gay marriage."

In recent days, Mr. Bush and his surrogates have sought to rally Republicans by raising the specter of what they call unreconstructed liberal Democrats leading powerful committees if the Democrats regain control of Congress. Mr. Cheney took aim at one of them, Representative Charles B. Rangel of New York, who is in line to become chairman of the House Ways and Means Committee, which writes tax laws.

Mr. Cheney said late last week that Mr. Rangel knew nothing about the American economy and would raise taxes as soon as he took over the committee.

Mr. Rangel responded by using a profanity to question Mr. Cheney's parentage. He said in an interview Wednesday that he was sorry for his choice of words, but not for the thought. He said he hoped that if the Democrats won control of Congress the nasty language on both sides would cease.

"I can take a political shot," Mr. Rangel said. "But my family and friends and constituents deserve better from the vice president of the United States."

Bush Seeks To Minimize Burden Of Iraq On Republican Candidates (BLOOM)

By Richard Keil

Bloomberg, November 2, 2006

Nov. 2 (Bloomberg) -- President George W. Bush sought on several fronts yesterday to minimize what he acknowledged was the political burden of Iraq on Republicans in the Nov. 7 congressional elections.

The president, in an interview at the White House, reiterated his firm support for two of the officials most closely identified with U.S. policies there, Defense Secretary Donald Rumsfeld and Vice President Dick Cheney, and predicted his party would hang on to its majority in Congress.

Bush also took another jab at one of his chief critics, Democratic Senator John Kerry, for remarks that have been interpreted as a criticism of U.S. troops. Kerry last night apologized for what he said was a ``botched" attempt at a joke aimed at Bush.

``It didn't sound like a joke to me," Bush said before Kerry issued his apology. ``More importantly, it didn't sound like a joke to the troops."

With six days until the midterm election, Bush is attempting to rally core Republican voters to counter what polls show is widespread dissatisfaction with Congress and his handling of the presidency. He said he understood why some of his party's candidates are distancing themselves from his administration.

``People will run the race they need to run," Bush said. Still, he said he was confident Republicans would prevail.

``This is not my first campaign," Bush said. ``When people get in that booth, they'll ask two questions: Who best to protect us, and how best to keep the economy going."

In the final days before the election, Bush has been granting interviews with news organizations and stumping for candidates across the country.

Iraq

One of the biggest hurdles for Republicans is growing public sentiment that the war in Iraq was a mistake. A New York Times/CBS News poll released last night found 64 percent of Americans disapprove of the way Bush is handling the war. Other than Bush, Cheney and Rumsfeld are the two officials who draw the most criticism on the war.

Democrats and some Republicans have called for Rumsfeld to resign over the U.S. failure to head off an insurgency and sectarian strife that has increased the level of violence in Iraq. There were 99 U.S. military personnel killed in combat in Iraq

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during October, the biggest monthly toll since November 2004, when 126 were killed as U.S. forces were driving insurgents from the city of Fallujah. Another six died in accidents and from other causes last month, bringing the total death toll to 105.

`Fantastic Jobs'

Bush said he values Cheney's counsel and said Rumsfeld has steered the U.S. through wars in Iraq and Afghanistan while also undertaking an effort to transform the military's approach to warfare.

Both men ``are doing fantastic jobs," he said, adding that he wants them to remain in place for the rest of his presidency.

The president's comments about Rumsfeld were immediately seized on by Senator Charles Schumer of New York, who is heading Democratic Senate Campaign Committee.

``The president just doesn't get it," Schumer said in a statement. ``We need a change in the Iraq strategy, but with Rumsfeld running the show we'll never get it."

The furor over Kerry's remarks, made Oct. 30 during a campaign event in California, gave Republicans a rare opportunity to go on the offensive about Iraq. Kerry told his audience that those who fail to study hard ``could end up getting stuck in Iraq."

Regrets

Bush and other Republican demanded an apology for what they said was a slam against U.S. troops. Last night they got it.

``I sincerely regret that my words were misinterpreted to wrongly imply anything negative about those in uniform, and I personally apologize to any service member, family member, or American who was offended," Kerry said in a statement.

Some Republicans suggested Kerry's apology would lay the matter to rest. House Majority Leader John Boehner of Ohio said the apology was ``good enough." White House spokeswoman Dana Perino said ``it was the right thing to do."

Still, the Republican National Committee said the party would continue using Kerry's gaffe in campaign material.

``It is getting a significant amount of local coverage," said Danny Diaz, a spokesman for the Republican National Committee in Washington. ``Republicans are on the offensive. Democrats are defensive."

Minimal Effect

Steve Hess, a presidential scholar at the Washington-based Brookings Institution, said any effects weren't likely to carry over to Election Day. ``I can't really imagine anybody going into the voting booth on Tuesday who is going to change their mind or even be there because John Kerry said something stupid," he said.

Bush acknowledged that Iraq hangs over the political landscape and is impeding his efforts to tout the growth of the U.S. economy since he took office and lower income tax rates passed by the Republican-controlled Congress.

``No question about that," he said. ``People ask me, `If the economy is so good, why aren't people celebrating.'" The rising cost of health care and energy are among the reasons, he said. So is Iraq.

``The war has overshadowed a lot," Bush said.

Looking past the election, Bush said he would send Treasury Secretary Henry Paulson to Capitol Hill to solicit ideas from Democrats and Republicans on restructuring entitlement programs such as Medicare and Medicaid, which face funding shortfalls.

`Willing to Listen'

``I am willing to listen to anything," Bush said. ``But I recognize it's going to take a bipartisan approach."

Another initiative the Bush wants to revive is revamping the Social Security program. Bush said that must be done without increasing taxes. Some Democrats, including former Treasury Secretary Robert Rubin, have said taxes must be part of the equation in discussions about entitlement programs.

``Everyone knows my position: I believe we can solve this problem without raising taxes," Bush said. ``It's going to be important for people, if they are interested in going forward, not to put any preconditions on it."

Bush To Hit GOP Campaign Trail (CHIT)

By Mark Silva

Chicago Tribune, November 2, 2006

WASHINGTON -- On voters' minds though not on the ballot, President Bush is defiantly embracing the issue that has made him both unpopular and a possible liability for Republican congressional candidates this year: unyielding support for the war in Iraq.

As he heads out for a campaign-closing tour through the weekend—starting out West on Thursday and carrying him to Iowa and Missouri on Friday—the president is stumping with the fervor of someone whose own office is at stake. And in many ways it is, considering the impact on the remaining two years of his presidency if the Democrats take control of the House and possibly the Senate.

Insisting that this contest is "far from over," Bush has escalated his campaign-trail rhetoric about the war with a warning: "However they put it, the Democrats' approach in Iraq comes down to this: The terrorists win and America loses."

As Florida Gov. Jeb Bush put it, "My brother loves a fight. He enjoys to be underestimated. He has defied the pundits in the last three election cycles. He will take risks on behalf of his cause."

The risk of putting so much behind support for the war in Iraq in the face of so much distressing news from the battlefront is that public opposition to the war will take the same toll on some of his party's candidates that it has taken on Bush's own public approval ratings. They have been below 40 percent for months.

Yet analysts say the president's resolve for fighting the war against terrorism remains his strongest suit politically and represents his best chance for stirring conservative turnout Tuesday in taut races, such as Missouri's contest between Sen. Jim Talent (R-Mo.) and Democrat Claire McCaskill.

As unpopular as the war in Iraq has become, they say, the president cannot run from it—so he is running with it.

"All other issues are taking second fiddle to Iraq," said Philip Hughes, a communications consultant who served on the National Security Councils of the previous Bush and Reagan administrations. He said flatly that the current Bush administration "has really done a lousy job of communicating its policy" on Iraq.

"There is nothing that seems to be so quite in the minds of Americans—not gay marriage… not taxes. There is nothing that overshadows Iraq," Hughes said. "The president, it seems to me, has no choice but to defend his policy, to defend Iraq. It seems to me this is the only option, the only play."

Playing to the issue that has carried his party through the last two elections, the president is portraying the GOP as the party prepared to protect Americans from terrorism and Democrats as the party ready to "cut and run" from the fight in Iraq.

"You can't win a war unless you're willing to fight the war," Bush said as he campaigned for a Republican House candidate in Sugar Land, Texas, this week. "Retreat from Iraq before the job was done would embolden an enemy and make this country more vulnerable to attack."

Democrats complain that the president is tarring critics of the war in Iraq by waging a campaign of "fear."

The administration is "massively overstating" the threat that terrorism poses to the United States, according to John Mueller, a professor of political science at Ohio State University and author of a new book, "Overblown: How Politicians and the Terrorism Industry Inflate National Security Threats, and Why We Believe Them."

Yet for Bush, Mueller said, campaigning on a perceived threat of terrorism following any failure of the U.S. mission in Iraq remains "his strongest suit. … In politics, what you always do is play to your strong suit."

The Republicans also have found fresh fodder for their argument that Democrats don't understand the stakes in Iraq with Sen. John Kerry's "botched joke" this week. If "you study hard … you can do well," Kerry said. "If you don't, you get stuck in Iraq." Kerry said he botched a prepared line about Bush getting stuck in Iraq, but Bush and fellow Republican leaders accused Kerry of insulting the intelligence of American troops.

"Of course, now Sen. Kerry says he was just making a joke, and he botched it up," Vice President Dick Cheney said at a campaign rally in Montana on Wednesday. "I guess we didn't get the nuance. He was for the joke before he was against it."

Kerry apologized Wednesday to "any service member, family member or American" offended by his comment and said he regretted that his words were "misinterpreted to imply anything negative about those in uniform."

In another pointed effort to turn out conservatives, the president also is campaigning for passage of several state proposals to ban same-sex marriage.

Having failed to win congressional support for a constitutional amendment defining marriage as the union of a man and woman, Bush has raised the issue anew in recent days, since the New Jersey Supreme Court ruled that the state must give gay and lesbian couples the same legal rights as it affords married couples.

"For decades, activist judges have tried to redefine America by court order," Bush said, campaigning in Georgia this week. "Just this last week in New Jersey, another activist court issued a ruling that raises doubt about the institution of marriage."

Twenty states have enacted constitutional amendments banning gay marriage, and voters in another eight states face amendments on Tuesday—including Tennessee and Virginia where Republicans are fighting to turn out the vote in close races that could determine the balance of partisan power in the Senate.

"It's really a base-mobilization argument," said John Green, a political scientist at the University of Akron. "The issue had lost some of its immediacy.… What the New Jersey Supreme Court ruling did was make it possible to talk about the return of that urgency. It may indeed help mobilize conservative Christians."

Campaigning on the war, too, can help mobilize conservatives disenchanted with the president's stance on other issues, such as deficit spending, Green said. "These are people who nonetheless care a great deal about national security," he said.

Keeping the spotlight focused on Iraq is not without risk in elections where many Democrats are trying to frame them as a referendum on Bush in general, and the war in particular.

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This is the case, Green said, "because Iraq is becoming less and less popular—even within his own party. On the other hand, he doesn't have much alternative…. It's a variation on [Secretary of Defense Donald] Rumsfeld's comment that you go to war with the army that you have…. You go into the last week of a campaign with the policies that you have."

IGs Probe Allegations On Global Warming Data (WP)

By Juliet Eilperin

The Washington Post, November 2, 2006

Inspectors general at two agencies have begun an investigation into whether the Bush administration has suppressed government scientists' research on global warming, officials at NASA and the Commerce Department confirmed yesterday.

Prompted by a request this fall by 14 Democratic senators, the IGs are examining whether political appointees have prevented climate researchers at NASA and the National Oceanic and Atmospheric Administration from conveying their findings to the public.

The issue of global warming has emerged as one of the most contentious scientific debates within the administration. In the past year, several federal climate scientists, including James Hansen, director of NASA's Goddard Institute for Space Studies, have accused the administration of muzzling them, a charge the White House has denied.

Sen. Frank Lautenberg (D-N.J.), a member of the Environment and Public Works Committee and author of the Sept. 29 letter to the two inspectors general, said yesterday in an interview that he was pleased about the investigation. "It's extremely important, because the evidence is so obvious that they've tried to block the presentation of information on this in an unbiased fashion," Lautenberg said.

The probe's results should become public early next year, a Lautenberg aide said.

Officials at NASA and the Commerce Department, which oversees NOAA, pledged to cooperate with any inquiry but defended their media policies.

"We support and encourage a process of open, peer-reviewed science, and the role of our public affairs office, like any other organization, is to coordinate and ensure that media get timely, accurate and thorough information," said Richard Mills, spokesman for Commerce Secretary Carlos M. Gutierrez.

NASA spokesman Dean Acosta, whose agency came under intense media scrutiny once Hansen aired his allegations in January, noted that since then: "NASA clarified its policy ensuring free and open communications of scientific and engineering data with the public and across the agency. The revised policy was widely distributed and widely reported upon. It is working well."

Senate Environment and Public Works Committee Chairman James M. Inhofe (R-Okla.), who has called the idea of human-induced climate change a "hoax," questioned why government officials would be investigating the matter. "This is purely eleventh-hour election-year politics," he said.

Some federal scientists interviewed yesterday said they welcomed the probe because they had encountered problems in speaking to reporters about their work.

Tom Knutson, a climate research scientist at NOAA's Geophysical Fluid Dynamics Laboratory in Princeton, N.J., said he could not speak in his official capacity, "but as a private citizen, I think it's a good idea they're looking into that. There should be open lines of communication between scientists and the media, and some of what I experienced did not meet that standard."

A year ago, Knutson said, Bush administration officials twice blocked him from discussing with television reporters a possible connection between global warming and hurricanes.

An Oct. 19, 2005, e-mail exchange between Commerce Department spokesman Chuck Fuqua and NOAA spokesman Kent Laborde, concerning a possible CNBC interview with Knutson, details Fuqua's concern that Knutson is less willing to discount the connection than two other government researchers. "Why can't we have one of the other guys on then?" Fuqua asked Laborde. The exchange was posted on the Web site of Rep. Henry A. Waxman (D-Calif.).

Democrats Say Hunger Report Stalled (AP-Y)

By Libby Quaid, Ap Food And Farm Writer

AP, November 2, 2006

Democrats are accusing the Bush administration of holding up a report on the number of people going hungry in the United States.

Since 1999, the number of people struggling with hunger has risen from 31 million to 38 million in 2004. The Agriculture Department report has generally been released in October, a month after annual poverty figures are released by the Census Department.

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Democrats said the delay appears political. Competitive elections across the country will decide next Tuesday whether President Bush's party keeps control of Congress.

USDA officials said the report has long been set for a mid-November release and that the delay is not political.

Rep. Anthony Weiner, D-N.Y., compared the delay to a recent IRS decision to hold off collections of back taxes from last year's hurricane victims.

"It seems like a pattern is emerging where the administration simply tries to bury bad information the closer they get to the election," Weiner said.

"The professionals in these agencies who want to do their work in this administration are being thwarted, because it's all politics, all the time," he said.

Rep. Rosa DeLauro, D-Conn., said the administration "continues to put politics ahead of hunger in America." She is the top Democrat on the House Appropriations Committee's farm spending subcommittee.

Weiner sent a letter about the delay Wednesday to Karl Rove, the president's chief political strategist.

A department spokeswoman, Terri Teuber, said officials decided some time ago to issue the report in mid-November because analysts haven't always been able to finish it by October.

"There has been absolutely no political pressure to hold this report," Teuber said.

Done by the department's Economic Research Service, the report details the number of people with food insecurity, meaning they don't have enough money or resources to get food.

It is possible the report will show the number of hungry people has stopped climbing. That is what the Census Bureau reported on this year's poverty figures. Last year there were 37 million people still living below the poverty line, about the same as 2004.

Regardless of the reason for the delay, anti-hunger advocates just want to see the numbers.

"Our real concern is that so few people are talking about the problem and proposing ways to address that struggle with hunger that 38 million people constantly face," said Jim Weill, president of the Food Research and Action Center.

That goes for the administration, for both parties in Congress and for the private sector, Weill said.

"If we ought to be able to do anything as a country, it's that we ought to be able to get enough adequate, decent food to everybody," Weill said.

OTHER NEWS:

Economy Displays More Signs Of Slowing (USAT)

By Barbara Hagenbaugh

USA Today, November 2, 2006

WASHINGTON — There is little doubt the economy is slowing. What is unclear is how long the decline will last or how deep it will be.

The latest evidence of a slowing economy came Wednesday in reports showing a dip in the rate of growth in the manufacturing sector and a further decline in housing construction.

Also on Wednesday, Merrill Lynch warned clients that its “recession-risk indicator” is now pointing to a 51% chance of a recession in the next year, the highest such odds since the last recession in 2001.

The indicator has only twice hit the 51% line without being followed by a recession, Merrill Lynch chief North American economist David Rosenberg said in a report titled, “On a Knife's Edge.”

The question of whether there will be a recession is “still a tough call,” he says. But “what the indicator represents is, at a minimum, a significant slowing in growth.”

Joel Naroff of Naroff Economic Advisors says there are still enough factors in the economy's favor to keep it afloat. In particular, job growth is still solid, and wages are rising while interest rates are low, historically speaking. But that doesn't mean the economy is poised for a big takeoff.

“I'm not concerned about a recession at all, but I do think that we could be looking at (subpar) growth … this quarter and the first half of next year,” he says.

But Sue Burnett of Houston-based Burnett Staffing Specialists, says hiring in Texas is still strong, particularly for engineers, accountants and call-center operators.

“We think that the economy is doing fine,” she says. “We see that people are optimistic, that they are hiring people. We haven't seen any layoffs or any cutbacks.”

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Growth in the manufacturing sector in October eased to the slowest pace since June 2003, the Institute for Supply Management said. Measures of orders, production and order backlogs all declined, while employment grew.

Norbert Ore, who heads the ISM factory survey, says one of the “big worries” was that manufacturers on average said their clients' inventories were “too high” last month, the first time that has happened in more than five years. That's significant, because if firms have large inventories on hand, they will not need to order more goods, potentially leading to a drop in manufacturing activity.

AGCO, a farm equipment manufacturer and distributor, said Wednesday that net sales in 2006 are expected to be down 2% to 3% vs. 2005, “based on lower industry demand and planned dealer inventory reductions,” the Duluth, Ga.-based firm said in a statement accompanying its latest earnings report.

In another report, the Commerce Department said construction activity declined for the third-consecutive month in September to the lowest level since January. An increase in non-residential construction was more than offset by a decrease in home building.

Weak U.S. Manufacturing Data Signal Slowdown In Economy (WSJ)

By Mark Whitehouse

The Wall Street Journal, November 2, 2006

The latest data on manufacturing activity offered little support for the idea that the U.S. economy will rebound quickly from a slow third quarter.

The Institute for Supply Management, a purchasing managers' trade group, said its manufacturing index fell to 51.2 in October, from 52.9 a month earlier. The new-orders component of the index, which offers a glimpse of potential manufacturing activity, fell to 52.1 from 54.2. Any number above 50 suggests expansion, but the October readings indicate that the manufacturing sector, which makes up about a fifth of the economy, was losing momentum as it entered the current quarter.

"It's an indication that we've peaked and the rate of growth is slowing or will disappear for the short term," said Norbert Ore, who oversees the manufacturing survey and also serves as procurement director at Georgia-Pacific Corp. One bright spot, he said, was a sharp drop in the "prices paid" portion of the survey -- a sign that inflation pressures are easing along with energy prices.

Economists said the deceleration in manufacturing suggests that slowdowns in both the housing and automobile sectors are spreading to the broader economy, as a drop in home and auto construction translates into fewer orders for factories. Mr. Ore named wood products, appliances, plastics and fabricated metals among the sectors that had seen the sharpest declines in October.

"I think I hear the footsteps of housing construction going up the supply chain," said Jim Meil, chief economist at Eaton Corp. in Cleveland.

The ISM report added to investor concerns about the U.S. economy's ability to recover from a tepid third quarter, during which its annualized, inflation-adjusted growth rate fell to an estimated 1.6% -- the slowest pace since 2003.

Recent data have shown significant declines in housing and housing-related industries. Last week, the government estimated that residential investment fell at an annualized, inflation-adjusted rate of 17% in the third quarter -- the largest quarterly drop since 1991. Yesterday, the Commerce Department reported that overall construction spending fell 0.3% in September from a month earlier, and the National Association of Realtors said its index of pending home sales slipped 1.1% in September from August. Also in September, production in several housing-related sectors -- such as wood products and furniture -- dropped more than 1%, according to the Federal Reserve. All the data are seasonally adjusted.

WALL STREET JOURNAL VIDEO

1

WSJ's Jon Hilsenrath explains how today's economic indicators2 fit together to give a big picture of the economy's state, with more indications of a slowdown.

"We're going to be down compared to the recent cycle," said Richard Kelley, operations manager at Knoxville Drywall Inc., which does contracting mainly for residential housing projects in and around Knoxville, Tenn. "It's coming back to a more sustainable level." He said his orders for drywall were about flat in October compared with a year earlier, after rising more than 10% the year before.

Some economists argue that any downturn in manufacturing will be short-lived, because consumer demand remains healthy. Data on September personal income and consumption, for example, suggested people have money and are willing to spend. Drew Matus, an economist at Lehman Brothers in New York, says many company executives are probably holding back not because they can't find customers, but because they're wary of investing in production until they have a better idea of the depth of the downturn in housing.

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Write to Mark Whitehouse at mark.whitehouse@wsj.com3

Catching Breath: Dow Industrials Ease For 4th Day (WSJ)

By Peter A. Mckay

The Wall Street Journal, November 2, 2006

Reports showing surprisingly weak manufacturing and construction activity in the U.S. bumped the Dow Jones Industrial Average lower. The pullback extended the Dow's losing streak to four days, the longest since early August, immediately before the blue-chip indicator began a run to fresh records.

The Dow shed 49.71 points, or 0.4%, to end at 12031.02, up 12.3% on the year. Among the blue-chip indicator's weakest component companies were United Technologies, which fell 2.2%, and Alcoa, which fell 1.5%.

The Standard & Poor's 500-stock index fell 0.7%, or 10.13 points, to 1367.81, up 9.6% on the year. The tech-stock-focused Nasdaq Composite Index fell 1.4%, or 32.36 points, to 2334.35, up 5.9% on the year.

The Institute for Supply Management said its index of U.S. manufacturing activity for October fell 1.7 points to 51.2, the lowest level in more than three years and well below analysts' expectations for an October reading of 53.5.

Bond prices rose and the 10-year Treasury yield fell to its lowest level in a month, as traders interpreted the data as a signal inflation remains in check in the U.S. economy.

At the same time, the drop wasn't enough to rekindle investors' fading hopes that the Federal Reserve will cut its key interest-rate target this year to spur economic growth, said Conrad DeQuadros, senior economist at Bear Stearns.

He pointed out that any ISM reading above 50 signals growth, which means that even if the numbers released yesterday were below expectations, they still mean factory activity is rising. By contrast, when the Fed started its last cycle of rate cuts in 2001, the ISM index was below 44, Mr. DeQuadros said.

"The economy is still fairly solid," he said. "If anything, I think this is the type of report that the Fed might welcome."

Separately, the Commerce Department reported U.S. construction spending fell 0.3% in September, worse than the 0.1% decline Wall Street had expected.

Gold rose, as investors flocked to the yellow metal because of its historical role as a haven from economic difficulties. Futures rose $12.50, or 2.1%, to $616.60 a troy ounce, up 19.2% this year.

In major U.S. market action:

Stocks fell; bonds rose. The 10-year note gained 12/32 point, or $3.75 for each $1,000 invested, pushing the yield down to 4.565%.

The dollar strengthened. Against the Japanese currency, the dollar rose to 117.04 yen, compared with 116.96. The euro fell to $1.2755 from $1.2763.

Write to Peter A. McKay at peter.mckay@wsj.com1

Kerry Sorry For 'Stuck In Iraq' Remark (AP-Y)

By David Espo

AP, November 2, 2006

Fearful of damaging his own party in next week's elections, Sen. John Kerry apologized Wednesday to "any service member, family member or American" offended by remarks deemed by Republicans and Democrats to be insulting to U.S. forces in Iraq.

Six days before the election, the Democrats' 2004 presidential nominee said he wanted to avoid becoming a distraction in the final days of the battle for control of Congress. He added he sincerely regretted that his words were "misinterpreted to imply anything negative about those in uniform."

In a brief statement, Kerry attacked President Bush for a "failed security policy." Yet his apology, issued after prominent Democrats had urged him to cancel public appearances, was designed to quell a controversy that party leaders feared would stall their drive for big gains on Nov. 7.

With polls showing the public opposed to the war in Iraq, Democrats have expressed increasing optimism in recent days that they will gain the 15 seats they need to win control of the House. Democrats must pick up six seats to win the Senate, a taller challenge, and both parties made last-minute efforts to increase the number of competitive races.

For the Democratic senatorial committee, that meant pumping about $1 million into an Arizona race long thought out of reach. For the counterpart Republican committee, it meant a foray into Maryland, also viewed as an unlikely state to pick up a seat.

Kerry beat a grudging retreat in his return to the national campaign spotlight. Earlier, on the radio program "Imus in the Morning," the Massachusetts senator said he was "sorry about a botched joke" about Bush. He heaped praise on the troops,

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adamantly accused Republicans of twisting his words and said it was the commander in chief and his aides who "owe America an apology for this disaster in Iraq."

Democrats cringed, though, at the prospect of the Massachusetts senator becoming the face of the party for the second consecutive national campaign. "No one wants to have the 2004 election replayed," said Sen. Hillary Rodham Clinton, D-N.Y., like Kerry, a potential contender for the 2008 nomination.

Congressional candidates in Iowa and Minnesota swiftly made plain that Kerry was no longer welcome to appear at scheduled rallies, and the senator scrapped an appearance in Philadelphia.

"It was a real dumb thing to say. He should say sorry," said Democrat Claire McCaskill, running in a tight Senate campaign in Missouri.

The White House accepted Kerry's statement. "Senator Kerry's apology to the troops for his insulting comments came late but it was the right thing to do," said Dana Perino, deputy press secretary.

With Bush showing the way, Republicans had worked energetically to turn Kerry into an all-purpose target in a campaign that has long loomed as a loser for the GOP — much as they ridiculed him two years ago on their way to electoral gains.

"Anybody who is in a position to serve this country ought to understand the consequences of words. ... We've got incredible people in our military, and they deserve full praise and full support of this government," Bush said in an interview with conservative talk-radio personality Rush Limbaugh.

"Of course, now Senator Kerry says he was just making a joke, and he botched it up," Vice President Dick Cheney said in remarks prepared for a campaign appearance in Montana. "I guess we didn't get the nuance. He was for the joke before he was against it."

The jab was designed to recall Kerry's inartful comment from the last election that he had voted for $87 billion for the wars in Iraq and Afghanistan before he voted against it.

Two days ago, Kerry stirred controversy when he told a group of California students that individuals who don't study hard and do their homework would likely "get stuck in Iraq." Aides said the senator had mistakenly dropped one word from his prepared remarks, which was originally written to say "you end up getting us stuck in a war in Iraq." In that context, they said, it was clear Kerry was referring to Bush, not to the troops.

The speed with which party leaders and candidates shoved Kerry aside underscored the difficulty he will face running for the nomination after leading the party to defeat in 2004. He also had the misfortune of being disinvited from an appearance in Iowa — the state whose caucuses will begin the delegate selection process for the White House race.

Party leaders were far more focused on the election in six days time, rather than the one two years away.

Democratic officials said the leaders of the party's campaign committees had relayed word to Kerry for him to avoid becoming a distraction. Aides to Sen. Chuck Schumer, D-N.Y., and Rep. Rahm Emanuel, D-Ill., chairmen of the Senate and House campaign committees, said they would not comment on any possible telephone conversations that had occurred.

Democrats have privately told outsiders they have locked up 10 of the 15 GOP-held seats they need. Polls indicate several dozen additional races are competitive, far more than appeared possible at the outset of the campaign, and too many for Republican comfort at a time of opposition to the war and low presidential approval ratings at home.

In the Senate, Democrats claim they are on track to defeat four Republican incumbents, including Sens. Mike DeWine in Ohio, Rick Santorum in Pennsylvania, Lincoln Chafee in Rhode Island and Conrad Burns in Montana. Republicans tacitly concede DeWine and Santorum appear headed for defeat, but the party's senatorial committee has launched television commercials in the campaign's final week in an attempt to save Chafee and Burns.

Barring a dramatic shift in opinion in the campaign's final days, that leaves only a handful of races in significant doubt, principally three Republican-held seats in Tennessee, Missouri and Virginia.

Unlike 2004, when Bush rallied the country to his side by asking "who do you trust" in wartime, public opinion polls now show the conflict in Iraq is unpopular. Increasingly, Republican candidates have found it politically necessary to emphasize their differences with Bush on a struggle that has dragged on for nearly four years and cost more than 2,800 American lives.

The Democratic Congressional Campaign Committee unveiled a web video during the day, hoping to turn discontent with the war into opposition to Republican lawmakers who have backed the president. Bill Burton, a spokesman, said it would air on cable television nationally, although he provided no details.

The ad features scenes of carnage and an ominous soundtrack, while the announcer says, "With the White House in denial, while top generals warning that Iraq might be sliding into a full scale civil war, tell Congress it's long past time to put down their rubber stamp and ask the hard questions about Iraq."

Flubbed Joke Makes Kerry A Political Punching Bag, Again (NYT)

By Kate Zernike

The New York Times, November 2, 2006

WASHINGTON, Nov. 1 — He's back.

Senator John Kerry had been carefully and quietly building himself back up after his failed 2004 presidential run, campaigning for Democratic candidates in places where he could forget about his sometimes strained relationships with his peers back in Washington.

But with a single word — or a single word left out of what was supposed to be a laugh line directed at the president — Mr. Kerry has become a punching bag again, for Republicans and for his own party.

"Please stop it," Mr. Kerry's friend, Don Imus, the radio talk show host, urged him on his morning broadcast. "Stop talking. Go home."

But even as Mr. Kerry seemed to follow that advice, retreating to Washington, he was not going away.

For Republicans and the White House, Mr. Kerry's "botched joke" Monday was manna from Massachusetts, that reliable redoubt of liberal caricatures. The White House, which had been struggling for ways to make President Bush less of a liability in the election, seized on Mr. Kerry's comments, with the president, vice president and spokesmen blanketing radio and television to blast him for impugning the troops.

For Democrats, Mr. Kerry became a headache, as Republican candidates in tight races across the country demanded that Democrats return money they had taken from him or call on him to apologize.

Three Democratic challengers announced they had canceled plans to campaign with him — leaving one, Tim Walz in Minnesota, without a prominent surrogate while his opponent campaigned with Senator John McCain, Republican of Arizona, who called Mr. Kerry unsupportive of the troops.

National leaders calculated that the comments would probably not affect the elections. But Mr. Kerry's sudden center-stage appearance in the last days of the campaign revived grumblings about his putting his own political future ahead of the party's.

Mr. Kerry's advisers were trying to figure out the damage as he considers a 2008 run.

The long-term problem was not so much that he appeared to be insulting the troops — although that did not help, when his message rests so much on his military service and concern for veterans. It was more that his remarks left a segment of his own party, and perhaps the electorate, wondering if he has the agility and political skill to compete at the highest level.

"Do you need to go to joke school?" one reporter asked him.

"Sure," Mr. Kerry replied — a notably concise answer for a senator who typically speaks in paragraphs.

His advisers lamented the senator's inability to get out of his own way, as much as they attacked Mr. Bush and others for trying to raise doubts about Mr. Kerry's patriotism when they had never gone to war.

"It's the skill of the flak machine to make him the target of ridicule when on everything else he's been doing, he has been really tough, he's been really clear, he's been really on," said one of Mr. Kerry's advisers. "You can imagine how frustrating this thing is to all of us. And him in particular."

Mr. Kerry's camp took heart as some bloggers applauded his feisty rebuttal to the president and Mr. McCain on Tuesday night — in comparison to his sluggish response to the attacks by the Swift boat veterans that helped torpedo his 2004 campaign.

"Wow, much to my total shock, yes folks, there IS a live pulse in Senator Kerry's body," wrote Gun Toting Liberal, a blogger. "I think this may just be the first time I have ever listened to the elitist from Massachusetts and felt a compelling interest to lean forward and listen to what the man had to say."

Mr. Kerry's prepared remarks to California students on Monday called for him to say, "Do you know where you end up if you don't study, if you aren't smart, if you're intellectually lazy? You end up getting us stuck in a war in Iraq. Just ask President Bush." In his delivery, he dropped the word "us."

Democrats came out strongly against him. Representative Harold E. Ford Jr., who is running for an open Senate seat in Tennessee, said Mr. Kerry was "wrong to say what he did," and Senator Hillary Rodham Clinton of New York called Mr. Kerry's remarks inappropriate.

After canceling his appearances, Mr. Kerry called several fellow Democrats to tell them he would apologize, and by the end of the day he issued this statement:

"As a combat veteran, I want to make it clear to anyone in uniform and to their loved ones: my poorly stated joke at a rally was not about, and never intended to refer to any troops. I sincerely regret that my words were misinterpreted to wrongly imply anything negative about those in uniform, and I personally apologize to any service member, family member, or American who was offended."

He blamed Republicans for preferring to "talk about anything but their failed security policy."

"I don't want my verbal slip to be a diversion from the real issues. I will continue to fight for a change of course to provide real security for our country and a winning strategy for our troops."

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Representative Edward J. Markey of Massachusetts, one of the Democrats Mr. Kerry reached out to, said: "The country wants to hear what the president intends to do to correct this disastrous Iraq policy. If the president chooses instead to talk about misinterpreted jokes, shame on him."

Other Democrats insisted the episode revealed little.

"If the issue is whether or not John Kerry can tell a joke and tell it well," Gov. Tom Vilsack of Iowa, who campaigned for Mr. Kerry in 2004, said in an interview with Radio Iowa, "I could have told you the answer to that question was no a week ago."

Kerry Apologizes For Iraq Remark (USAT)

By David Jackson

USA Today, November 2, 2006

WASHINGTON — Sen. John Kerry apologized Wednesday for a "botched joke" that suggested U.S. troops in Iraq are uneducated, as Republicans continued to assail him and one Democrat returned a political contribution.

"I personally apologize to any servicemember, family member, or American who was offended," the Massachusetts Democrat said in a statement. Kerry, his party's 2004 presidential nominee, is a decorated Vietnam War veteran.

As the parties argued about Kerry's words, strategists debated how they might affect Tuesday's elections that will determine control of Congress. Republicans such as pollster Frank Luntz said the flap could increase GOP turnout on Nov. 7, while Democrats such as consultant Jenny Backus said any discussion of the Iraq war can only help them.

White House spokeswoman Dana Perino called Kerry's apology "late," but "the right thing to do."

Democrats such as Rep. Harold Ford, who is in a Senate race in Tennessee, had called on Kerry to apologize.

Former congressman Baron Hill, a Democrat trying to reclaim a U.S. House seat in Indiana, returned a $1,000 political contribution from Kerry, saying he was "disturbed and disappointed" by the Massachusetts senator's remarks.

The firestorm began Monday when Kerry told a college crowd that if they studied hard and made "an effort to be smart, you can do well. If you don't, you get stuck in Iraq."

Kerry said he meant to refer to President Bush and the administration's handling of the war. He accused the White House of deliberately distorting the statement to distract voters from failures in Iraq.

Kerry's office said he canceled campaign events in Pennsylvania, Minnesota and Iowa because he did not want candidates there to become "proxies" in a "distorted spin war."

In an interview Wednesday with wire service reporters, Bush said the comment "didn't sound like a joke to me. More importantly, it didn't sound like a joke to the troops."

Bush also criticized Kerry on Rush Limbaugh's radio program. The president is spending the last week of the campaign trying to rev up GOP turnout. Party officials said Kerry's joke should help with conservatives who are essential to their efforts to keep Congress.

Republican Party spokeswoman Tracey Schmitt said Kerry's comments should remind all voters that Democratic leaders have "a fundamentally flawed perspective about both the honor of our troops and the importance of their mission."

Luntz said the flap is "not a huge deal, but it does matter." He said it "sets a tone" for voters, including those who are undecided about whether to cast a ballot. "It could boost GOP turnout," he said. "That could make a difference in a tight race."

The flap may end Kerry's hopes for another White House bid in 2008, said New York political consultant Hank Sheinkopf. He added that Kerry may now be seen as someone "who lost once and couldn't control what he said the next time." Kerry has said he will disclose his plans after the Nov. 7 elections.

Sheinkopf said Kerry's comments could hurt Democrats' efforts to attract Americans who respect the military.

Backus said the Republicans may be overplaying their hand with voters worried more about the war than arguments between politicians. "Anytime the battle is fought on the issue of Iraq, the Republicans lose," she said.

Kerry Apologizes For Insulting Troops (WT)

By Charles Hurt

The Washington Times, November 2, 2006

Sen. John Kerry bowed to bipartisan pressure yesterday and apologized for insulting U.S. troops earlier this week when he suggested that a lack of wits and poor academic performance had landed them on the front lines of Iraq.

"I sincerely regret that my words were misinterpreted to wrongly imply anything negative about those in uniform, and I personally apologize to any service member, family member, or American who was offended," he said in a statement issued yesterday after both Democrats and Republicans rebuked him for the comments.

The apology came after Democratic campaign events with the 2004 presidential nominee were abruptly scrubbed in Philadelphia, Minnesota and Iowa. Democratic legislators Sens. Hillary Rodham Clinton of New York and Robert Menendez of

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New Jersey and Rep. Harold E. Ford Jr. of Tennessee also criticized Mr. Kerry. Even Democratic National Committee Chairman Howard Dean, no stranger to gaffes, criticized the remark.

"Senator Kerry's remarks were poorly worded and just plain stupid," said Jon Tester, a Democrat running in a tight race against incumbent Sen. Conrad Burns in Montana. "He owes our troops and their families an apology."

Mr. Kerry, who lost in 2004 to President Bush, says he's still considering another run for the White House in 2008 and had been campaigning heavily for Democrats across the country running for Congress. In one sentence, Mr. Kerry managed to change the national conversation from the Republican handling of the war in Iraq to demands that he apologize to the troops.

"You know," Mr. Kerry said Monday at Pasadena City College in California, "education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq."

Radio host Don Imus, who had Mr. Kerry on his program yesterday morning, implored him to sit out the rest of the election, which most observers predict will be a boon for Democrats.

"Please stop it, stop talking," he said after introducing the junior senator from Massachusetts. "Go home, get on the bike, go windsurfing, anything. Stop it. You're going to ruin this."

Mr. Kerry insisted that the campaign events were canceled at his urging, but at least one candidate -- Bruce Braley in Iowa -- said he asked Mr. Kerry to pull out.

"I'm coming back to Washington today so that I'm not a distraction," Mr. Kerry said. "I don't want to be a distraction to these campaigns.'

No matter whose idea it was for Mr. Kerry to retreat, said one delighted Republican on Capitol Hill, "He's cutting and running from the campaign trail, after learning he was for his comments before he was against them."

Mr. Kerry said the insult was the result of a "botched" joke.

"If that's joking, he needs to work on his punch line," said James H. Webb Jr., the Virginia Democrat running for the Senate.

White House spokesman Tony Snow also was skeptical.

"Senator Kerry's words were pretty straightforward," he said in response to repeated questions from reporters. "If you listen to the tone of voice in which he said them, it's hard to construe them as a joke. He didn't sound like he was trying to make funnies."

In yesterday's apology, Mr. Kerry said he intended to take a swipe at Mr. Bush for getting the U.S. "stuck in Iraq."

But Mr. Kerry's initial response was to attack his attackers as "right wing nut-jobs." At a press conference in Seattle, he angrily said, "I apologize to no one for my criticism of the president and of his broken policy."

When the "right wing nut-jobs" were joined by many Democrats out campaigning, Mr. Kerry switched tacks.

A Kerry spokeswoman said the senator's prepared remarks had called for him to say: "Do you know where you end up if you don't study, if you aren't smart, if you're intellectually lazy? You end up getting us stuck in a war in Iraq. Just ask President Bush."

That particular approach is one that he and other Democrats generously employed during the 2004 campaign, portraying Mr. Bush as an intellectual lightweight who didn't belong in the Oval Office.

But academic records obtained last year by the Boston Globe revealed that Mr. Bush actually had a higher grade point average than Mr. Kerry did during their time at Yale. In his freshman year, Mr. Kerry got four D's in the ten courses he took.

·Jerry Seper and Christina Bellantoni contributed to this article, which is based in part on wire service reports.

Analysis: Iraq War Dominates Campaign (AP-Y)

By Liz Sidoti

AP, November 2, 2006

Iraq has dominated the 2006 campaign — and could end up costing Republicans control of Congress.

The GOP once viewed the war as a political asset. Now, Republicans are hastily distancing themselves from President Bush as Democrats fiercely challenge the administration's policies amid signs that voters trust them more than the GOP on Iraq.

"People will run the race they need to run," the president said Wednesday, playing down Republican defections on Iraq. "My attitude is that the way you win is you say to the American people, we have a plan for victory, which we do. And the opponents don't have a plan for victory."

Days before Tuesday's election, however, polls show voters aren't inclined to buy that line.

So, in the final week of the campaign, the White House has sought traction on Iraq by seizing on a remark by Democrat John Kerry — the president's 2004 rival — in which the Massachusetts senator appeared to suggest that those who don't get an education "get stuck in Iraq."

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Under fire, the senator initially characterized the comment as "a botched joke" about Bush's Iraq policies and then eventually apologized to "any service member, family member or American who was offended" by the remark.

Fellow Democrats, meantime, fought to stay on message, with the Democratic Congressional Campaign Committee airing a television ad that lays out the party's closing argument of why voters should fire Republicans now in power: "Tell Congress it's long past time to put down their rubber stamp and ask the hard questions about Iraq."

With the campaign drawing to a close, the GOP faces the stark possibility of losing seats in the House and Senate — and, perhaps, control of Congress — as voters decide whether to send the president and his party a searing message about the conflict. It has cost nearly $380 billion and led to the deaths of more than 2,800 Americans in less than four years.

"Clearly it's a referendum on the president and the war," said Gary Jacobson, a congressional scholar at the University of California at San Diego, who called Iraq "the key problem" for the GOP in this election.

"It's very hard for Republican congressional candidates to say everything's just fine, we stay the course and it's going to work," he added.

How times have changed.

Just two years ago, the president and Republicans used the Iraq war to make their case that the GOP was the party that would best protect the country. Voters agreed, re-electing Bush over Kerry and giving Republicans two more years at the helm of the House and Senate.

At the time, Democrats maneuvered delicately around the war for fear of being called unpatriotic. Kerry and the minority party sought a balance between supporting the troops and assailing the administration's handling of the situation.

Over the past two years, public support for Iraq has slid steadily — and the political tables turned. The war became a liability for Republicans and a potential opportunity for Democrats.

The latest Associated Press-AOL News poll showed Democrats with a clear advantage on Iraq — a 15-percentage-point margin over Republicans — compared with the slight edge Bush had over Kerry at the same point two years ago. Since then, men, young people, those whose highest level of education is high school, and suburbanites have moved to Democrats.

Polls also show that more Americans — now a clear majority — have come to see the war as a mistake and far fewer support how the president has handled the war, shifts that took place all in two years' time.

"When the promises of accomplishment proved empty, than you really began to get a swing in sentiment," said Thomas Mann, a scholar at the Brookings Institution, a Washington-based think tank. "It really has been striking."

Democrats became more emboldened and Republicans more hesitant.

With public support on their side, Democrats have freely hammered Bush on Iraq and now are attacking Republicans with gusto in the campaign homestretch. They hope the intense frustration among voters will usher in an era of Democratic control of Congress.

"George Bush and Mike Fitzpatrick have no idea how to fix this mess," Democrat Patrick Murphy says in a television commercial airing against Fitzpatrick, a Republican congressman from a suburban Philadelphia district.

In a Tennessee Senate race, Democratic Rep. Harold Ford Jr. says in his own ad assailing his Republican opponent: "I support our troops and I voted for the war. But we shouldn't stay the course as Mr. (Bob) Corker wants."

As for Republicans, splinters in the GOP began to show earlier this year and only widened as 2006 dragged on and the election drew closer. Fearing the political consequences of standing with the president, Republicans gradually started backing away from him and many now are staking out their own stances on Iraq.

"President Bush isn't getting our frustrations. It's time to be decisive. Beat the terrorists. Partition the country if we have to, and get our troops home in victory," says Mike McGavick, the Republican trying to unseat Sen. Maria Cantwell in Washington, in a campaign ad.

Two-thirds of the way across the country, GOP Rep. John Hostettler reminds Indiana voters in a commercial that he was one of the few Republicans to vote against the war 2002.

"It wasn't a popular vote, especially with members of my own party," says Hostettler, who is locked in a tight race with Democrat Brad Ellsworth. "In fact, it can get lonely when you take a stand."

Democrats are banking on voters doing just that.

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EDITOR'S NOTE: Liz Sidoti covers politics for The Associated Press

Bush's Nostalgia (NSWK)

By Richard Wolffe And Holly Bailey

Newsweek, November 2, 2006

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Nov. 1, 2006 - There's no fight like an old fight. And this week's emotional exchanges between President George W. Bush and Sen. John Kerry were nothing if not old. Kerry screwed up what he called a "botched joke" about Bush's brainpower when it comes to Iraq; Bush pounced by challenging his ex-rival's commitment to the troops.

Memo to Bush and Kerry: neither of you are on the ballot next week. And while it may be satisfying to rehash the last election, you both run the risk of looking totally out of touch.

The risks for President Bush are greater than they are for Senator Kerry, who may have suffered the deep embarrassment of falling into a familiar self-made trap. But he leads nothing inside his party, sets no strategy and the Democrats can easily disown him—as several candidates have done by canceling events with him this week.

President Bush, on the other hand, enjoys no such luxuries. In fact, the concerted attack on Kerry—complete with White House and Republican National Committee press releases—threatens to undermine a central premise of the party's strategy. For months on the campaign trail, GOP candidates have insisted the election isn't a referendum on Bush or national politics; it's a choice between two local contenders. The president may have diverted attention back onto Democrats, but he also turned the focus back on himself and the war.

Neither subject is a winning issue for GOP candidates—and that is precisely why the Bush-Kerry fracas is so outdated. Bush's approval rating in the most recent NEWSWEEK poll stood at 37 percent—10 points lower than the last poll before the 2004 elections, and fully 33 points lower than 2002.

On the two big issues that Bush wants to debate, the political world looks nothing like 2004, as measured by NEWSWEEK polls. Two years ago, Bush held an 11-point lead over Kerry on Iraq, and an 18-point lead on terrorism. Today, the GOP is trailing the Democrats on Iraq by 12 points and is leading on terrorism by just 1 point.

Based on those numbers, it's easy to see why President Bush is vastly happier campaigning like it's still 2004. His rhetoric on the campaign trail reflects those relatively comfortable days much more than the somber statements he has recently issued from the White House.

Just last week, at his press conference in the East Room, the president told how the violence in Iraq started with a sophisticated insurgency, fueled in part by Al Qaeda. But more recently the killing turned into "sectarian reprisals" and what he called "the cycle of violence."

But on the campaign trail, there is no room for the insurgents or sectarian death squads. There are only terrorists, and their apparent friends, the Democrats. "However they put it, the Democrat approach comes down to this: the terrorists win and America loses," Bush told a rally in Perry, Ga., on Tuesday. "And that's what's at stake in this election. The Democrats want to get us out of Iraq, and the Republican goal is to win in Iraq."

In fact, given the choice between the Democratic and Republican strategies—as described by the president—voters seem to prefer his opponents' approach. According to the most recent NEWSWEEK poll, 61 percent want to see a timetable set for withdrawal from Iraq—and that includes 39 percent of Republicans.

That's not the only stark comparison with elections past. When President Bush goes to Missouri on Friday to stump for GOP Senate candidate Jim Talent, it will be four years—almost to the day—since he did the same thing.

On Nov. 4, 2002, in the final hours of the hotly contested midterm elections, Bush was the star attraction at a rally to drive up voter enthusiasm for Talent's first Senate campaign. The circumstances weren't much different back then: a dead-heat Senate race in an influential swing state and a president fighting to retain his party's majority in Congress.

Recently, Bush has explained his optimism for his party's political chances this year by reminding reporters how many people predicted the GOP's demise in 2002. "A lot of pundits didn't get the election right," Bush said in an interview with Fox News earlier this week. "In 2006, there is a lot of predictors saying that, you know, the Democrats will sweep the House and maybe take the Senate … I just don't see it that way."

Yet 2006 is not like 2002. Four years ago, Bush and the GOP were not weighed down by worries over Iraq or ethical scandals. The White House has worked hard to squelch talk that Bush's low poll numbers have made him politically radioactive on the campaign trail. But the numbers don't lie.

In 2002, Bush hit 17 cities in 15 states in the final five days of the campaign. This year, a tentative schedule released by the White House has Bush working at half that pace: eight cities in seven states between now and Election Day.

In 2002, Bush devoted the final days of the campaign to helping his party's most vulnerable candidates—a list that included four Senate candidates, nearly a dozen House races and a handful of Republican gubernatorial candidates. His itinerary included public rallies in states like Tennessee, Missouri, Minnesota, Illinois, Florida and Iowa.

Today most of those stops are scheduled in what has been traditionally regarded as Bush country, a list that includes Iowa, Kansas, Montana and Texas. This week alone, Bush held rallies in what should be friendly territory—including Tom DeLay's old congressional district in Texas and two straight days of campaigning in Georgia.

Administration officials have said they are keeping Bush's schedule flexible to aid any last-minute political maneuvering, so additions to his itinerary may yet come.

But Missouri is a case in point: a conservative state that has become ground zero in the fight to control the Senate. A series of polls puts Talent in a dead heat with Democrat Claire McCaskill. Yet Bush's visit is hardly a slam dunk for the GOP. Bush has visited the state twice this year to raise money for Talent's campaign, but the Republican candidate has not appeared publicly with the president. On Friday, that will change: Talent is scheduled to travel with Bush to rallies in Springfield and Joplin to, in his words, "get people enthusiastic in the last stretch."

On that basis, the GOP may be writing off independent voters who have fallen out of love with the president. That might also explain the curious decision to campaign back home in Texas the day before the election. On Monday, Bush is scheduled to headline a rally in Dallas for a roster of Lone Star Republicans, including Gov. Rick Perry—who looks safely on his way to a third term.

Two years ago, Bush wound up his re-election campaign with a last rally in Dallas, where thousands of people turned out to cheer the president onto a second term. This time around, the mood is different. Asked about the Perry rally during an interview with the Dallas Morning News last week, Bush seemed to have mixed feelings. "It'll be a nostalgic moment for me," Bush said. "It's the last time I will be at the head of the ticket, and I'm looking forward to it."

Bush may be feeling nostalgic about the campaign. But judging by the polls, voters are ready to move on.

First Lady: World Listening To Iraq Talk (AP-Y)

AP, November 2, 2006

First lady Laura Bush cautioned Wednesday that Americans discussing the war in Iraq — especially politicians — should be careful what they say because other countries are paying attention.

"The right to have these conversations is part of what makes our country great and our democracy strong. We must be mindful that people around the world are listening to these discussions," Laura Bush said at a suburban Columbus recreation center during a campaign appearance with Rep. Deborah Pryce.

"Responsible candidates understand that the men and women of our military are risking their lives for us, and that we must conduct our debate here at home in a way that does not jeopardize our troops in harm's way," she said, calling for "conversations conducted with civility and respect."

Bush did not mention her husband's 2004 election opponent, Sen. John Kerry, but her comments came on the day the Democrat apologized for telling a group of California students that individuals who don't study hard and do their homework would likely "get stuck in Iraq."

Aides said the senator had mistakenly dropped one word from his prepared remarks, which was originally written to say "you end up getting us stuck in a war in Iraq." In that context, they said, it was clear Kerry was referring to Bush, not to the troops.

Pryce is in a close fight for her Ohio seat against Democrat Mary Jo Kilroy.

Party Shuns Kerry After Iraq 'Joke' (FT)

By Caroline Danielin Washington

Financial Times, November 2, 2006

Democrats yesterday moved swiftly to distance themselves from John Kerry's "botched joke" that appeared to disparage US troops.

Three candidates have cancelled campaign events with the losing 2004 presidential candidate amid dismay that his verbal gaffe has handed Republicans a chance to paint the Democratic party as weak on national security.

In Iowa, Bruce Braley, a House candidate, cancelled a campaign event. Harold Ford, who faces a tight race for the Senate in Tennessee and has received $100,000 (£53,000, €78,000) from Mr Kerry's leadership political action committee, joined Republican calls for an -apology.

"Whatever the intent, Senator Kerry was wrong to say what he said. He needs to apologise to our troops," he said.

Just as Dennis Hastert's recent handling of a cyber-sex scandal involving Mark Foley, a Republican congressman, rendered the Speaker politically toxic on the campaign trail, Mr Kerry conceded he was becoming a distraction.

He cancelled appearances at rallies in Minnesota and Pennsylvania. "I'm not going to go to some place that a congressman's going to get embroiled in this, because I want them to win," he said.

The furore started on Monday when Mr Kerry told students in Los Angeles that if "you make an effort to be smart, you can do well. If you don't you get stuck in Iraq". Yesterday he defended his comment as a joke about President George W. Bush's lack of research. "Look, everybody knows I botched a joke," he said.

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Republicans have seized on the comments, calling the idea that US troops were uneducated "insulting and shameful", and linking it to the wider theme of Democratic spinelessness.

"He is a liberal, a leftist and this is the typical attitude they have toward our military," said John Boehner, House majority leader. "What they want to do in Iraq is they want to give up and pull our troops out."

Despite fears about the immediate electoral fallout, several Democratic strategists said the gaffe could be most damaging to Mr Kerry's ambition to put himself forward again to become the 2008 presidential democratic nominee.

Kerry Issues Apology After Iraq 'joke' (FT)

By Caroline Daniel In Washington

Financial Times, November 2, 2006

Senator John Kerry, the losing 2004 presidential candidate, on Wednesday issued a formal apology for what he called "a botched joke" that was mistaken as an attack on the intelligence of US troops.

"As a combat veteran, I want to make it clear to anyone in uniform and to their loved ones: my poorly stated joke at a rally was not about, and never intended to refer to any troop. I sincerely regret that my words were misinterpreted… and I personally apologise to any service member, family member, or American who was offended," he said.

Several Democrats moved swiftly to distance themselves from Mr Kerry after Republicans eagerly exploited his comments to galvanise voters in the last days of the congressional midterm elections.

Three Democratic candidates have cancelled cancel campaign events with Mr Kerry, including Bruce Braley, a House candidate, in Iowa. Harold Ford, who faces a tight race for the Senate in Tennessee and has received $100,000 from Mr Kerry's leadership PAC, had earlier in the day called on him to apologise.

"Whatever the intent, Senator Kerry was wrong to say what he said. He needs to apologise to our troops," Mr Ford said.

Just as Dennis Hastert's recent handling of a cyber-sex scandal involving Mark Foley, a Republican congressman, rendered the Speaker politically toxic on the campaign trail, Mr Kerry conceded he was becoming a distraction.

He cancelled appearances at rallies in Minnesota and Pennsylvania. "I'm not going to go to some place that a congressman's going to get embroiled in this, because I want them to win," he said.

The furore started on Monday when Mr Kerry told students in Los Angeles that if "you make an effort to be smart, you can do well. If you don't you get stuck in Iraq". On Wednesday he defended his comment as a joke about President George W. Bush's lack of research. "Look, everybody knows I botched a joke," he said.

Republicans have seized on the comments, calling the idea that US troops were uneducated "insulting and shameful", and linking it to the wider theme of Democratic spinelessness.

"He is a liberal, a leftist and this is the typical attitude they have toward our military," said John Boehner, House majority leader. "What they want to do in Iraq is they want to give up and pull our troops out."

Kerry's Remark Puts Presidential Bid At Risk (LAT)

By Peter Wallsten

The Los Angeles Times, November 2, 2006

WASHINGTON -- Ever since he came within 118,000 Ohio votes of winning the presidency, Sen. John F. Kerry of Massachusetts has refused to give up the idea that he could try again. He kept much of his 2004 finance team together and campaigned aggressively this year for dozens of fellow Democrats who could turn around and help Kerry make a comeback in 2008.

But with one botched joke this week in Pasadena, Calif., Kerry not only sapped some momentum from his party in the final week of a competitive election, he dealt a damaging blow to his own White House aspirations.

Under pressure from many Democrats, Kerry issued an apology late Wednesday, two days after appearing to tell college students that if they did not get an education, "you get stuck in Iraq." In a written statement, Kerry lamented that his words were "misinterpreted to wrongly imply anything negative about those in uniform, and I personally apologize to any service member, family member, or American who was offended."

Earlier in the day on the Don Imus radio show, Kerry said: "Everybody knows that I botched a joke," explaining that he was trying to say that President Bush did not do his homework and therefore, "got us stuck in Iraq." But for a politician striving to prove that he had become a better candidate than he was when GOP attacks derailed his White House campaign in 2004, the damage was done.

It could not have come at a worse time for Kerry, who has been rebuilding his national campaign structure and hoping to capitalize on the political goodwill he amassed by raising more than $12 million for 2006 candidates and campaigning in 35 states. With the recent decision by former Virginia Gov. Mark Warner not to run for president, Kerry was hoping to position

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himself as the top challenger to Sen. Hillary Rodham Clinton, D-N.Y., for the party's nomination, although early surveys suggested he faced an uphill struggle.

Fellow Democrats now worry that Kerry's words made their party's candidates vulnerable to accusations of insensitivity toward the troops in the final week of an election in which Democrats seemed to be benefiting from voters' distaste for the Iraq war.

Moreover, the flap allowed the GOP to remind voters why they chose Bush in 2004 over a Democrat who was portrayed as a flip-flopper. It was enough to make some wish that Kerry would just go away for a while.

"Nothing against John Kerry, but this election is not about John Kerry," said Gordon Fischer, chairman of the Democratic Party in Iowa, where one congressional candidate canceled a scheduled appearance this week with the Massachusetts senator.

Fischer, whose home state caucuses play a central role in choosing a presidential nominee, said Kerry's gaffe would "undoubtedly" hurt his chances in two years -- a sentiment echoed Wednesday by several other Democrats.

Burton Cohen, the former New Hampshire state Senate majority leader and a key Kerry backer in 2004, said the botched joke could rival former Vermont Gov. Howard Dean's famous Iowa scream in terms of media exposure and political damage.

"It's getting played over and over again," Cohen said. "You just need one instance that can define a campaign. This may be one of those things, and if that's the case, I hope John Kerry likes staying in the Senate."

Kerry canceled upcoming appearances in Minnesota and Pennsylvania, while his office confirmed that he called off an additional stop this weekend in New Hampshire, home of the first-in-the-nation presidential primary and a state that would be crucial for another run at the nomination.

"I don't want to be a distraction to these campaigns," Kerry told Imus Wednesday morning after calling the show to blast the White House for "disgraceful" tactics.

Republicans were delighted to make Kerry a central theme of the campaign's closing days. Conservatives moved quickly to elevate the controversy in order to further mobilize the core voters that White House strategists believe could help the GOP retain majorities in Congress.

The Drudge Report, the popular conservative Web site that first posted audio and video of Kerry's original comments, hyped the story all day Wednesday, listing Democrats who were disinviting Kerry and displaying a photograph depicting troops in Iraq hoisting a sign -- full of spelling errors -- that said they were stuck "hear in Irak."

The Republican National Committee helped fan the flames, distributing talking points to sympathetic radio hosts and bloggers; Bush, Vice President Dick Cheney and his wife, Lynn Cheney, and White House press secretary Tony Snow also addressed the senator's remarks.

Bush, who on Tuesday called Kerry's words "shameful," reiterated criticism Wednesday during interviews with conservative radio host Rush Limbaugh and The Associated Press.

Worse for Kerry, Democrats joined the GOP's demands that the Massachusetts senator apologize.

Clinton called his remarks "inappropriate," while Rep. Harold Ford, Jr., who is in a tight race for Senate in Tennessee, told MSNBC that the comment "offended some people" and that Kerry should apologize and let everyone "move on." Larry Grant, an Idaho congressional candidate, welcomed Kerry's apology but added: "He shouldn't have tried to make a joke about it in the first place."

Kerry's contrition followed two days in which he tried to fight back, ridiculing Snow at one point as a "stuffed suit" and noting that his White House critics had not served in the military. Kerry appeared to be exorcising the ghosts of 2004, when even he acknowledged he did not fight back in time against a group of pro-Bush veterans who accused Kerry of misrepresenting his record as a Vietnam War hero.

"This is swift boat stuff all over again," he told Imus. "The controversy is based on a lie."

But Democrats worried he was only making matters worse.

"He was applying the swift boat lessons of 2004 to the wrong set of facts in 2006," said party strategist Chris Lehane, who once worked for Kerry. "He's not on the ballot this time."

To Kerry supporters, the episode has been frustrating.

"There isn't a soul in America that is either being quoted or privately talking to the press that honestly believes that John Kerry was insulting the troops of this country," said Kirk Wagar, a Miami lawyer and top fundraiser for Kerry's 2004 campaign. "Anybody who questions that out loud is doing nothing but parroting a Republican talking-point lie that they're trying to use to change the subject."

There was some evidence of a possible silver lining for Kerry, with increasingly influential liberal bloggers defending him and bashing the media for enabling the GOP spin machine.

David Wade, a Kerry spokesman, predicted that Democrats would "respect someone who fights like hell against a broken policy in Iraq and has the guts to offer a real change in course that honors our troops."

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To find success in 2008, though, Kerry will need to overcome sentiments like those expressed by Imus, who echoed the feelings of many Democrats when he told the senator repeatedly on Wednesday: "Stop it. Stop talking. Go home . . . . You're going to ruin this."

Job From Hell Dept. (RC)

By Mary Ann Akers

Roll Call, November 2, 2006

With his "botched joke" about dumbos serving in Iraq, Sen. John Kerry (D-Mass.) may have joined Sen. George Allen (R-Va.) in becoming a (part-Jewish) former '08 presidential hopeful. As Republicans pummeled Kerry and Allen aides beat the daylights out of a heckling blogger, we wondered: Who had a worse day Tuesday, Kerry or Allen? And whose job sucked more: that of Allen's press staff, or Kerry's?

We took an informal poll and got some amusing answers, which, as you might have guessed, varied depending on party affiliation. Our survey showed a majority of Republicans staunchly defending Allen and his heavies, while Democrats were generally willing to sail their failed 2004 presidential nominee down the river.

"You expect Allen to surround himself with thugs, and you expect Kerry to trip over his own words," said one senior Senate Democratic aide who, rather than choosing who screwed up more, suggested it was just another day at the office.

Veteran GOP spinmeister Terry Holt, who now has his own public relations firm, said Kerry's flub was definitely more damaging than Allen's latest mishap. "Team Allen might not be able to block, but at least they didn't throw an interception for a touchdown," he said.

Another Senate Democratic leadership staffer who requested anonymity didn't hesitate to choose Allen as having the worst day, while still taking a jab at Kerry. "John Kerry's a moron, but he's not running for anything [in '06]. And there's no way he'd lose his Senate seat."

But as to the question of who had the tougher job, Kerry spokesman David Wade pulled nary a punch.

"Any day working for George Allen is worse because, um, you work for George Allen. Fortunately, no one will be working for him after Nov. 7. John Kerry is a tough son of a bitch and I'd follow him anywhere. He was right about Vietnam and he's right about Iraq. That's more honor than George Felix Allen will ever have."

Wow! Now we know why those other Democratic wusses were scared to go on the record.

Then again, Republican political consultant and blogger Rich Galen countered that Kerry definitely had a worse day because "like every day, he has to wake up and be John Kerry. The Allen campaign is like that old country song: If it weren't for bad news they'd have no news at all." Plus, he said, "Kerry has already lost. Allen will probably win."

The Allen camp was too busy (presumably roughing people up) to respond to our request for comment.

No matter whose day was worse, one Democratic consultant, noting the shared Jewish heritage of Allen and Kerry, noted, "If you put both screw-ups together, you'd have a day of real tsuris." That's Yiddish for "calamity."

Beat-up Blogger Goes On the Air.Speaking of the blocking and tackling display at the Allen event, blogger Mike Stark, the man Allen aides knocked down Tuesday, has been hired by Air America's "The Young Turks" show to be a reporter.

The show's co-host, Cenk Uygur, announced Wednesday afternoon in a posting on HuffingtonPost.com that Stark — who considers himself a "citizen journalist" — is joining the show.

"Mike is smart, tough, well-educated, dedicated and obviously courageous. This country needs more reporters like Mike Stark. ... If the mainstream press won't ask the questions, then we will," Uygur said.

Stark told HOH on Wednesday that he wasn't as black-and-blue as you might imagine considering three Allen aides essentially kicked his butt when he showed up at that Allen event asking the inflammatory question, "Why did you spit on your first wife?"

"Nah, I'm tough," the former Marine and first-year law student at the University of Virginia said. He said Tuesday was the third time he'd shown up at an Allen campaign event, but the first at which he was beaten up. (He filed charges afterward.)

Stark, whose Web site, CallingAll Wingnuts.com, details his many exploits as a heckler, confirmed he was the same guy who showed up at a taping of the Fox News show "Hannity & Colmes" and held up a sign behind host Sean Hannity that read "HANNITY SUCKS ASS."

He also made his start as an activist in politics by dialing into right-wing radio programs and heckling guests, including former Speaker Newt Gingrich (R-Ga.) and Rep. Tom Tancredo (R-Colo.).

Republicans Go GooGoo. Rep. Marsha Blackburn (R-Tenn.) showed some down-home Southern hospitality by shipping out about 300 packages of GooGoo Cluster candies across the country to Republican incumbents and candidates.

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The chocolate-marshmallow-caramel-peanut concoctions are a staple of Blackburn's home state, and like any proper Southern lady, Blackburn included an effusive note in her candy-grams saying how much she was looking forward to working with the recipients in the 110th Congress.

"For years, my campaign team and I have relied on a Tennessee treat to provide the energy boost we all need to complete those last days of phone banking, sign planting, and door knocking," she wrote. "Enjoy these Goo Goos, a Grand Ole Opry tradition, and best of luck for a well deserved victory."

Blackburn added, "Please do not hesitate to contact me or my campaign if we can be of any assistance to you."

It should be noted that the sweet little gesture comes as Blackburn is on the verge of announcing an expected bid for House Republican Conference chairwoman in the 110th Congress. Rep. Deborah Pryce (R-Ohio) currently has the job, and Blackburn will challenge Pryce, and possibly others, if the Ohio Republican manages to win her own tough re-election bid and return to the House next year.

And yes, Pryce's campaign also received the GooGoos. No word on whether they've asked Blackburn for campaign assistance.

The Great Divider (NYT)

The New York Times, November 2, 2006

As President Bush throws himself into the final days of a particularly nasty campaign season, he's settled into a familiar pattern of ugly behavior. Since he can't defend the real world created by his policies and his decisions, Mr. Bush is inventing a fantasy world in which to campaign on phony issues against fake enemies.

In Mr. Bush's world, America is making real progress in Iraq. In the real world, as Michael Gordon reported in yesterday's Times, the index that generals use to track developments shows an inexorable slide toward chaos. In Mr. Bush's world, his administration is marching arm in arm with Iraqi officials committed to democracy and to staving off civil war. In the real world, the prime minister of Iraq orders the removal of American checkpoints in Baghdad and abets the sectarian militias that are slicing and dicing their country.

In Mr. Bush's world, there are only two kinds of Americans: those who are against terrorism, and those who somehow are all right with it. Some Americans want to win in Iraq and some don't. There are Americans who support the troops and Americans who don't support the troops. And at the root of it all is the hideously damaging fantasy that there is a gulf between Americans who love their country and those who question his leadership.

Mr. Bush has been pushing these divisive themes all over the nation, offering up the ludicrous notion the other day that if Democrats manage to control even one house of Congress, America will lose and the terrorists will win. But he hit a particularly creepy low when he decided to distort a lame joke lamely delivered by Senator John Kerry of Massachusetts. Mr. Kerry warned college students that the punishment for not learning your lessons was to "get stuck in Iraq." In context, it was obviously an attempt to disparage Mr. Bush's intelligence. That's impolitic and impolite, but it's not as bad as Mr. Bush's response. Knowing full well what Mr. Kerry meant, the president and his team cried out that the senator was disparaging the troops. It was a depressing replay of the way the Bush campaign Swift-boated Americans in 2004 into believing that Mr. Kerry, who went to war, was a coward and Mr. Bush, who stayed home, was a hero.

It's not the least bit surprising or objectionable that Mr. Bush would hit the trail hard at this point, trying to salvage his party's control of Congress and, by extension, his last two years in office. And we're not naïve enough to believe that either party has been running a positive campaign that focuses on the issues.

But when candidates for lower office make their opponents out to be friends of Osama bin Laden, or try to turn a minor gaffe into a near felony, that's just depressing. When the president of the United States gleefully bathes in the muck to divide Americans into those who love their country and those who don't, it is destructive to the fabric of the nation he is supposed to be leading.

This is hardly the first time that Mr. Bush has played the politics of fear, anger and division; if he's ever missed a chance to wave the bloody flag of 9/11, we can't think of when. But Mr. Bush's latest outbursts go way beyond that. They leave us wondering whether this president will ever be willing or able to make room for bipartisanship, compromise and statesmanship in the two years he has left in office.

A Taxing Time For The GOP (WP)

By Lori Montgomery

The Washington Post, November 2, 2006

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NEW BRITAIN, Conn. -- In the waning days before Tuesday's election, Republican leaders are holding the issue of taxes out like a life raft to struggling congressional candidates. Few have grabbed it with greater enthusiasm than Rep. Nancy L. Johnson.

A 24-year incumbent from Connecticut who sits on the tax-writing House Ways and Means Committee, Johnson has run at least three television ads on fees and taxes, accusing her Democratic challenger, Chris Murphy, of raising "our taxes 27 times." She presses the point in speeches, telling voters that while Murphy was hiking taxes as a state lawmaker in Hartford, she was helping President Bush cut taxes on Capitol Hill.

But it's not clear the tax boat is going to float in this western Connecticut district, where Johnson, like Republicans nationally, is having trouble turning the economy into a winning issue. Murphy, 33, a lawyer and state senator, has opened a narrow margin in the polls by painting Johnson as a pawn of big business and attacking administration policies -- including the tax cuts -- as giveaways to millionaires.

Across the nation, taxes have become a battleground in competitive House races, as Republican candidates charge their Democratic opponents with voting for more taxes, voting against tax cuts or harboring plans to raise taxes. Political analysts say the tactic is designed to turn attention toward tax relief, which Republicans credit with spurring an economic recovery, and away from the Democrats' favorite topic, the unpopular war in Iraq..

President Bush talks about taxes nearly as much as terrorism these days, a message intended to rally the Republican faithful and assuage conservatives upset about the expanding cost of government. On Saturday, he devoted his weekly radio address to the topic. And at a fundraiser Tuesday in Georgia, Bush called taxes "a fundamental issue in this campaign," declaring that "if the Democrats take the House, your taxes are going up."

Ed Patru, a spokesman for the National Republican Congressional Committee, said Republicans are "pounding Democrats all across the country" on taxes because it is "always a winning issue."

"To the extent that there's a sour mood among the electorate because of issues like the war, that sour mood has dampened" the political value of a record Dow Jones industrial average, falling gas prices and low unemployment, Patru said. Focusing on taxes turns the tables and puts Democrats on the defensive, he said, adding, "People do appreciate the good economy, so they're upset when they hear Democrat proposals that threaten economic growth."

Democrats argue that economic growth is not benefiting many ordinary Americans, whose wages are barely keeping pace with the costs of fuel and health care. The Bush tax cuts haven't offered much relief, they contend. The richest 1 percent of Americans are assuming a slightly greater share of the overall tax burden thanks to cuts enacted from 2001 to 2005, but Democrats like to point out that the wealthy are doing far better in absolute dollars under Bush's tax policies than the working class.

A new analysis by the Tax Policy Center, a joint project of the Urban Institute and the Brookings Institution, shows that more than 60 percent of savings from the Bush tax cuts are going to families that earn more than $100,000 a year. Put another way, a working-class family earning between $30,000 and $40,000 will save an average of $747 this year thanks to the cuts, while a family earning between $200,000 and $500,000 will save an average of $7,609.

"Financial pressure on the middle class is a big issue," said Stanley Greenberg, a Democratic pollster who has encouraged Democratic candidates to run on the economy. "What you talk about is middle-class squeeze and the fact that Republicans have done nothing for the middle class."

Republicans note that middle-class families are getting more relief in percentage terms. According to the Tax Policy Center, that $747 represents a 12.8 percent tax cut for the working-class family, while $7,609 represents a 9.4 percent cut for the wealthier family. Still, some Republican strategists acknowledge that Democrats are gaining traction on the issue.

"We've been screaming for months that we need to talk about the economy and we need to make it meaningful to the guy who drives the F-150 pickup in Indiana," said Greg Casey, president and chief executive of the Business Industry Political Action Committee, which supports mainly Republican candidates. "Despite the good story Republicans have to tell about the economy, if you look at people's perceptions right now, the Democrats have the upper hand."

In Connecticut, a relatively affluent state where unemployment is running about even with the national average of 4.6 percent, three veteran Republican lawmakers are fighting for their seats. Polls show Rep. Christopher Shays and Rep. Rob Simmons tied with Democratic challengers. This week, a poll by the Hartford Courant and the University of Connecticut found Murphy with 46 percent support and Johnson with 42 percent among likely voters.

As Murphy knocked on doors last week in Cheshire, a prosperous town about 25 miles south of Hartford, no one asked about the 27 tax hikes, a figure Murphy contends is exaggerated. But voters did express frustration with Republicans in Washington, saying the positive economic indicators have meant little in their lives.

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"Good economy for whom? It's a good economy for people who already have a lot of money," said Kathleen Viereg, a family physician who was tending her lawn. Viereg said she has patients who postpone treatment because they can't afford rising deductibles and co-payments -- and those are the ones with insurance.

A political independent and undecided voter, Viereg said talk of tax relief leaves her cold when so many people are struggling financially. "The voodoo economics of these tax cuts doesn't add up," she said.

A block away, Joe Norcross, an assistant school principal, said Murphy has his vote because Republicans "want to take care of the wealthy." As for the tax cuts, Norcross remembered getting a check for $300 a few years ago, but "we sent it right into the credit card company."

Murphy attacks Johnson on a range of economic issues, from Social Security to a new drug benefit for Medicare recipients. If elected, Murphy says he will "absolutely" work to repeal cuts in the dividend and capital gains tax rates, calling them "tax breaks for the richest 1 or 2 percent of Americans."

Johnson seems to sense a shift in public sentiment. At a Rotary Club luncheon last week, she spent most of a 15-minute speech explaining how the tax cuts have created jobs and helped poor people.

"You can increase revenue by increasing taxes, and that gives you more money, at least for a while," she said. "Or you can increase revenue by growing the economy. That gives you more taxpayers."

Johnson said dozens of small businesses in her district hired extra workers thanks to a tax credit for equipment purchases. And she challenged the claim that the cuts benefit only the rich, noting that the rate for the lowest tax bracket was cut from 15 percent to 10 percent.

Many Rotarians said they planned to support Johnson. Several praised her long record of constituent service, saying she had increased government payments to their nursing homes and won money to redevelop New Britain's Polish business district. Rotary president Ken Slater, a Democrat, said he was voting for Johnson because "her heart's in the right place and she works very, very hard."

No one mentioned taxes.

Later, Johnson said there was "some truth" to the notion that she wins support from voters who like her personally, while Murphy wins among voters motivated by broad themes such as the economy.

"People know me, trust me and they're behind me," she said. "I feel very upbeat."

Is GOP Confidence For Real? (CSM)

By Linda Feldmann

The Christian Science Monitor, November 2, 2006

WASHINGTON

"We're going to win," President Bush asserted confidently in his latest press conference, when asked about the midterm elections.

Vice President Dick Cheney tells interviewers he is "optimistic" about the Republican Party's ability to hold on to control of both the House and the Senate.

But the voice that gives Democrats the biggest chills - days before an election that by most public indications favors the Democrats in their quest to win their first House majority in 12 years - is that of Karl Rove, the architect of GOP victories in the past three elections. Mr. Rove has seen the private polls from individual races, he tells interviewers, and the data point "strongly" in one direction: a Republican House and a Republican Senate.

Is this a classic bluff, designed to psych out the opposition and energize demoralized Republicans who might be tempted to sit out the Nov. 7 vote? Or do Rove and his bosses really know something that's not knowable by the rest of us?

"No matter what the polls say or the mood of the country, no president rolls over and plays dead in midterm elections and lays himself open to the charge of surrender to the opposition," says John Gizzi, political editor of the conservative weekly Human Events.

The rock-solid pronouncements of Rove, who cites not just internal polls but also the GOP's advantage in fund-raising and organization, buttress the predictable positive outlook from the president and vice president, and feed into a reputation for success running campaigns built over decades.

"Rove is relying on the Rove mystique," says John Pitney, a political scientist at Claremont-McKenna College in Claremont, Calif. "A lot of Democrats are paranoid about it. ... Conversely, Republicans also have the same belief, and that's what gives them hope and confidence and keeps them working. If they thought they were surely going to lose, they wouldn't work as hard."

The idea that there are polls suggesting an outcome wildly different from what most political analysts - including many Republican strategists - are saying may not be such a big stretch, Mr. Pitney says. The difference may be in interpretation: It's possible, he says, someone looking at the same numbers might come to a different conclusion.

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The answer on who was right, it can be argued, will be known only after the actual votes are cast - but even then, if the Democrats do manage to take over at least the House, Bush's advisers could still say that a week or two earlier, the data pointed in the Republicans' favor.

Among those who make a living looking at each race with as nonpartisan an eye as possible and predicting the outcome, the Democrats do appear on track to retake control of the House, maybe by just a few seats. In the 435-seat House, the Democrats need to make a net gain of just 15 seats. As of Oct. 30, one such prognosticator, Charlie Cook, sees "no ebb in the wave" favoring the Democrats and predicts that, barring a dramatic event, the GOP will lose at least 20 to 35 seats in the House and at least four in the Senate, with "five or six most likely." For the Democrats to retake the 100-seat Senate, a bigger leap than retaking the House, they need a net gain of six seats.

Stuart Rothenberg, another nonpartisan handicapper, projects Democratic gains in the House of 18 to 28 seats - or more. For the Senate, he projects Democratic gains of four to seven seats. Larry Sabato, political scientist at the University of Virginia, Charlottesville, says the Democrats will gain well more than the 15 seats needed for the House and is on the edge of taking over the Senate.

Still, no pundit makes predictions without a caveat. The latest bump for the Democrats came Monday with a comment by John Kerry, the Democrats' 2004 presidential nominee, that was interpreted as a slight against US troops in Iraq. Sen. Kerry said, "Education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. And if you don't, you get stuck in Iraq." Kerry called it a botched joke.

The controversy has put Kerry back in the middle of GOP campaign rhetoric at a time when Democrats would rather be focusing on Republicans vulnerabilities. But at least, some Democrats say, it keeps the focus on Iraq - the No. 1 issue for voters and a net negative for Republican candidates.

Ultimately, Republicans point to several factors that could make the difference on election day: The Democratic "wave" has been a long time in building, and no Republican incumbent can be caught off guard - unlike in 1994, when the Democrats were swept out of power in Congress in a wave they did not see coming. Republicans maintain a funding advantage. At the end of August, in 30 of the most competitive races, Republicans had $33 million cash on hand versus $14 million for the Democrats, says Rove. The Republicans also tout their so-called 72-hour turnout operation. There have been reports of greater early-voting turnout by Republicans than by Democrats.

"Those are all the strengths of a Republican team," says GOP pollster Whit Ayres. "They have not said the climate is favorable or that the odds favor them or that there's not a bigger challenge ahead." But, he adds, if the Democrats don't retake the House next Tuesday, "they should hang it up as a political party. If they can't win in this climate, when can they win?"

Democrats' Foreign Policy Pickle As Iraq And Terror Top Agenda (WSJ)

By Neil King Jr.

The Wall Street Journal, November 2, 2006

WASHINGTON -- Democrats, anticipating a possible victory in Congress, are brimming over with proposed cures in one of the Republicans' main areas of weakness: foreign policy.

But if they triumph Tuesday, Democrats will first have to figure out how to get their ranks to hew to a core foreign-policy theme that both helps the country and positions the party well for the 2008 presidential election.

Republicans have for decades painted the Democrats as soft on national security. That is an image that the Democrats are now eager to shed, especially as they look toward a presidential campaign that is sure to dwell largely on issues of terrorism and the Iraq war.

Democrats see this election -- and 2008, to an even greater degree -- as pivotal to their bid to take on a tougher, but also wiser, foreign-policy husk. Some propose implementing tougher port and border security. Some key voices are also promoting a softer line toward North Korea and Iran, including the need for one-on-one talks.

Yet the challenge the Democrats face is how to take on an image of steeliness while also pushing, as most in the party now are, to get out of Iraq as quickly as possible.

Wresting control of Congress would still leave the party with limited leverage to force change. Party leaders, fearing a potential backlash, may have to scramble to mute some of the party's harshest Bush critics, who could push for impeachment hearings or long investigations into the war. Massachusetts Sen. John Kerry's gaffe on uneducated troops getting "stuck in Iraq," for which he apologized yesterday in a statement, also shows how vulnerable Democrats remain on the issue.

Democrats had hoped to base their congressional campaign largely on deepening unease over the Iraq war but without offering many specifics. Now, they are pushing much more explicitly for a radical shift in Iraq policy.

"The principal argument that Democrats must make is that Bush policies have undermined U.S. national security [by inciting more hatred against America and increasing the terrorist threat], and that we are determined to fix that," said Zbigniew

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Brzezinski, a former national security adviser to President Carter. Mr. Brzezinski has proposed that the U.S. and Iraq jointly announce a date for a U.S. pullout of forces.

The Democrats have scurried in recent months to give cohesion to their many and sometimes contradictory critiques of the current Iraq policy. Last month, 12 top congressional Democrats, including Sen. Joseph Biden of Delaware, House Democratic leader Nancy Pelosi of California and Senate Democratic leader Harry Reid of Nevada, sent Mr. Bush a third letter in as many months calling on him "to change course" and "join with us to develop a policy that will work." A September version laid out a five-point plan for quitting Iraq, which included firing Defense Secretary Donald Rumsfeld.

"This is a very conscious and coordinated effort to come together on a message and stick to it," said John Podesta, President Clinton's former chief of staff and now president of the Center for American Progress, a liberal think tank.

New groups and initiatives are being launched almost monthly to give coherence to this push, among them the National Security Network, a brain-trust of Democratic foreign-policy officials and thinkers, and the just-launched "New Direction for Real Security," a package of ideas that Ms. Pelosi has portrayed as the Democrats' "tough and smart national security policy."

Even if most Democrats favor disengagement, plenty of divisions remain. Mr. Biden, who as ranking member of the Senate Foreign Relations Committee stands to become its chairman if the Democrats retake the Senate, is pushing for slicing Iraq into three "largely autonomous regions," followed by a pullout by 2008. Mr. Brzezinski calls that approach "suicidal," saying "if we do that, everyone will hate us." Sen. Hillary Clinton of New York has only recently endorsed the Democrats' "redeployment" push, after having taken a less-critical stance toward the war for much of the year.

Another possible hindrance to Democrats' ambitions for changing Iraq policy is President Bush, who so far has been firm that withdrawal from Iraq isn't an option that he would consider. And he told the Associated Press yesterday that he plans to keep on Mr. Rumsfeld until the end of his term. A Democratic majority in Congress would have limited authority on either issue.

Rep. Tom Lantos, a California Democrat who would chair the House International Relations Committee under a Democratic majority, said public opinion could force the president's hand. "If we take one or both houses, then the administration will have to take into account that the mainstream public view is that we are very off course in Iraq," he said.

Democrats may get significant help from congressional Republicans, whose mounting unease over the Iraq war could turn to more open rebellion during Mr. Bush's last two years in office as the party seeks to position itself for 2008.

A Democratic majority could also seek to put more attention back on Afghanistan, which many view as central to the battle against terrorism. They are likely to urge Mr. Bush to devote more effort and money to assuring that early gains there don't wither away.

On other issues, from China to Iran and including Iraq, the Democrats are likely to push for a more multilateral and cooperative approach on the international scene. But they are hardly united. Democrats have turned sharply protectionist in recent years, a stance that could color U.S. ties with China, although most prominent voices within the party don't want to ruffle relations with Beijing.

Mr. Lantos, for his part, said he would use his possible new perch to advocate policies that would be "dramatically more multilateral and dramatically more respectful of other countries' views."

He envisions a series of hearings in the spring that call to Capitol Hill all former secretaries of state and national security advisers to weigh in on "the U.S. national security predicament." He also hopes to travel to North Korea, Iran and Syria.

"I strongly believe in the need for dialogue with people that you strongly disagree with," he said, adding that the Democrats' first stop, postelection, should be the White House.

Cantor Pushes For Reforms (RC)

By Susan Davis

Roll Call, November 2, 2006

House Chief Deputy Majority Whip Eric Cantor (Va.) has no interest in discussing his own future ambitions, but he has begun outlining a framework for what he says is much-needed soul-searching on the future of the House Republican Conference and the party's agenda.

"I am committed to the House, and I want us to continue to build and strengthen our majority," Cantor said in an interview Tuesday with Roll Call reporters and editors when asked about his future plans.

Pressed on whether he would run for an elected leadership position if the field opens up after Election Day, he said, "I don't want to answer that."

Cantor maintains that Republicans will retain the House majority next Tuesday and that the current leadership slate will stay largely intact — although as a member of leadership he has little leeway to say otherwise — but he freely offers that Republicans need to start changing the way they do business.

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"We will hold the House, I think obviously it's going to be by a reduced margin," Cantor said. "At that point what I would like to see is for us to take a breather."

Cantor advocates postponing the scheduled Nov. 15 leadership elections for two reasons. First, he said Members need to know the outcome of the ongoing Committee on Standards of Official Conduct investigation into the activities of former Rep. Mark Foley (R-Fla.) because current leaders — including Speaker Dennis Hastert (Ill.), Majority Leader John Boehner (Ohio) and National Republican Congressional Committee Chairman Tom Reynolds (N.Y.) — as well as several senior leadership aides have been involved in the investigation.

"I don't think [Hastert] knew, I don't think anybody knew about the lewd e-mails," Cantor said. "So the real question is then, what did they know and what did his office know? The Speaker says he doesn't recall having any conversations about it, and I absolutely take that as his word and believe that."

Cantor said he was supportive of how leaders immediately handled the Foley situation when the story first broke Sept. 29 about his sexually explicit communications with minors, but he also noted his own role in calling for an investigation.

"I think I was probably the first Member to go and call for an FBI investigation," he said. "I did it unilaterally without talking to anybody because I think that's what needs to be done, and that's what happened."

But more broadly, Cantor said House Republicans need to meet and discuss the game plan for the 110th Congress.

"We really need to try and address things in a little different way. My desire would be for us to take a few days and meet as a Conference ... to take stock of where we are," he said. "I think at the end of the day the fact that we have not delivered on some of the things we set out to do [means] we need to come out of the gate in the next Congress with a recipe for success. There are plenty of times you can give excuses as to why we don't produce, but the electorate doesn't stand for it."

Cantor said the rash of ethical scandals that dogged Republicans in the 109th Congress is unacceptable and the House needs to take serious action to put mechanisms in place to try to prevent future scenarios.

"Good Lord, you can't just keep doing the things the way we've been doing them," he said. "We've got to have some accountability and we've got to put in place, if at all possible, mechanisms that will pre-empt that from happening."

Cantor cited as an example the use of information technology audits in the private sector and some local governments, in which employees are aware of periodic audits of communications sent from their offices. He said that kind of mechanism may have prevented Foley from using e-mail and Instant Messenger to inappropriately contact pages.

Cantor is mulling introducing his own legislative proposal, which has not been hashed out, that would include what he calls "internal control mechanisms." He said Republicans need to take serious reform actions to address how some Members abused the system for their own gain.

Citing the actions of incarcerated former Rep. Duke Cunningham (R-Calif.) and Rep. Bob Ney (R-Ohio), Cantor said more needs to be done to address earmark reform and oversight of federal dollars.

"We have some divide in our Conference over what the Appropriations Committee ought to be doing and ought to be transparent about," he said. "I fully support transparency on that, to me, that's a little step."

Cantor noted that the increased spotlight on the earmark process caused a 37 percent drop in earmark requests this fiscal year.

"The American public expects us and our base expects us to exercise oversight over how federal dollars are spent and to exercise oversight onto ourselves," he said. "To me, there has to be a way to ensure that we have in place" some new practices.

Echoing a message employed by Boehner in his successful campaign for Majority Leader earlier this year, Cantor said Republicans need to plot a solid legislative agenda for the upcoming Congress and move beyond scandals and internal disputes.

"We have to get off this distraction and get back to the vision," he said, adding that Republicans need to reinforce in the electorate's mind that the GOP is "the party of ideas" and that Republicans should do more to appeal to independent and suburban voters.

While Cantor acknowledges that the party needs some recovery time, he downplayed suggestions that the turmoil in the ranks is signaling the end of the 12-year Republican majority.

Cantor noted that the NRCC's Battleground fundraising program, which he chaired this cycle, is poised to break the $25 million mark and set a new record for the GOP. He said the majority of that money came from individual members opening up their campaign chests to help the party.

"If that isn't an expression of confidence that we are going to stand together and weather this storm, I don't know what is," he said.

Word To The Wise: Don't Ignore Independents This Year (RC)

By Stuart Rothenberg

Roll Call, November 2, 2006

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While all of us following this year's midterms are spending most of our time talking about the GOP's "base" problems and speculating about whether conservatives and evangelicals will stay home next month, we are missing a story that could turn out to be as big, or even bigger: independents.

Of course, fewer Americans vote in midterm elections than in presidential years, and much of the drop-off can be attributed to independents and weak partisans. Partisan voters historically make up the bulk of the midterm electorate, which is why we all pay so much attention to each party's base voters, whether they are African Americans, conservative evangelicals, liberals or opponents of legalizing abortion.

Obviously, if conservatives and Republicans stay home on Nov. 7, it will be a long, long night for the GOP. Republican candidates in all kinds of districts would be in trouble — even if those districts gave President Bush 65 percent of the vote two years ago.

But even if Republicans turn out, GOP candidates could find themselves in hot water in dozens of districts that they ordinarily should hold. That's because independent voters are not acting the way they normally do.

Independents may not turn out at the same rate as strong partisans in midterm elections, but for dozens of Republicans trying to hold their seats in a potentially strong Democratic wave — particularly those running in marginal districts — independents will be plentiful enough at the polls to separate winners from losers. In Connecticut, for example, independents (unaffiliated voters) constitute a plurality of all state voters.

Normally, independents break roughly evenly between the two parties. In the 2000 presidential election, independents went for then-Texas Gov. Bush over Al Gore, 47 percent to 45 percent. Four years later, Sen. John Kerry (D-Mass.) bested Bush 49 percent to 48 percent among independents.

This year, that's not close to being the case. "There just aren't any independents this year," joked one Republican strategist I talked with recently. "There are Republicans, Democrats and soft Democrats."

In poll after poll, independents are behaving like Democrats, whether it is in their distaste for Bush and the GOP-run Congress or in their vote choice in dozens of races around the country.

Nationally, a recent Cook Political Report/RT Strategies survey found a mere 33 percent of independents approving of the job Bush is doing. Those same independents favored Democrats, 49 percent to 30 percent, on the generic ballot. A Fox News/Opinion Dynamics poll found Democrats with a 9-point generic advantage among independents.

In a recent Mason-Dixon Polling & Research Inc. survey of Ohio's gubernatorial race, independent voters broke for Democrat Ted Strickland over Republican Ken Blackwell by an astonishing 22 points — 51 percent to 29 percent.

A recent series of Los Angeles Times/Bloomberg surveys in Senate races found the same thing. In the Virginia Senate race, Jim Webb (D) held a 9-point advantage among independents over incumbent Sen. George Allen (R). In Ohio, Rep. Sherrod Brown (D), the challenger, held a 12-point lead over incumbent Sen. Mike DeWine (R). And in Tennessee, Rep. Harold Ford Jr. (D) held a 10-point lead over Republican Bob Corker among independents.

A rare exception was in New Jersey, where Republican state Sen. Tom Kean Jr.'s anti-corruption, pro-change message was allowing him to split independents with Democratic Sen. Bob Menendez.

Taking Stock of This Year's Midterms

It's almost over. So it's time to see where we are, and finally to put to rest two of the questions that continue to be asked most often even though they were answered months ago, and a newer question.

Question 1. Have these midterms been nationalized, or are they about local issues?

It has been obvious for months that most voters see the upcoming elections as a referendum on Bush and on the Iraq War, which is why Democratic House candidates across the country are running as well as they are.

Does anyone really think that Democrats Nancy Boyda (Kansas' 2nd district), Paul Hodes (New Hampshire's 2nd) and Jerry McNerney (California's 11th), each of whom lost badly two years ago, suddenly are doing well because of local issues? Would they have any chance of winning were it not for the national mood this time?

Republicans still are trying to localize their races so that voters see those contests less as a referendum on the president and more as a choice between GOP incumbents and the Democratic challengers. But so far that hasn't happened to the extent that Republicans hope and need.

Question 2. Are this year's midterm elections a referendum on President Bush?

If you have to ask, you haven't been paying attention and probably don't even care. Of course they are about the president and his Iraq policy.

Question 3. Did the scandal surrounding former Rep. Mark Foley (R-Fla.) expand the field?

Yes, but not by a lot. Republican seats held by Foley and Reps. Tom Reynolds (N.Y.) and Deborah Pryce (Ohio) certainly were affected by the scandal, and the scandal undoubtedly aided the Democratic message about corruption and change. But the page scandal isn't the reason Republicans are likely to lose the House. It just added to the GOP's pre-existing woes.

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What It's Like Being Caught Up In A Wave: I've Been There (RC)

By Dan Glickman

Roll Call, November 2, 2006

The last time Congress flipped, I was flipped as well. It was 1994. I had been a House Member for 18 years. I thought I had done a good job.

In the year leading up to Election Day, I had been the key sponsor of legislation creating product liability protection for small plane manufacturers — no coincidence for a Member whose Wichita district is home to Beech, Cessna and Learjet. The bill had been passed. The bill had been signed into law.

My opponent was a relative unknown with a substantially smaller campaign war chest. I was 30 points ahead of my opponent on Labor Day. In short, I was in political hog heaven.

Yet in November 1994, I was beaten by Republican Todd Tiahrt.

It was a bellwether of the nation — and it reflected the national conversation and the influence it had on individual races. This year, there are similarities. Predictions and speculation about 2006 being another 1994 are on everyone's minds.

In fact, a few months ago, The Wichita Eagle wrote an article about my loss to Tiahrt, who has served the 4th district now for 12 years, and whether he could be unseated by a Democratic opponent — an underdog not unlike the one he was back in 1994.

As Margaret Thatcher once said, "The wisdom of hindsight, so useful to historians and indeed to authors of memoirs, is sadly denied to practicing politicians."

So I offer a couple of thoughts about what I didn't do in 1994, at the nexus of a national referendum.

For starters, Democrats in 1994 didn't see the wave coming. My loss was a surprise. I was not on any target list. I was not viewed as a Member in trouble.

This year, I think Republicans are more prepared financially and from an organizational standpoint. On the other hand, if the public is sufficiently disenchanted with policy and the times, it is hard for money or organization to fight that.

But there are things candidates can do to help themselves.

First, I didn't work hard enough. I realized too late that I had rested a little bit on my laurels. I was a nine-term Congressman with a long track record of success. I was chairman of the House subcommittee with jurisdiction over most federal farm programs — a huge issue in my state. I was chairman of the Intelligence Committee. I was the incumbent.

But I guessed that people knew about all the great things I'd done. I didn't do a good enough job telling people my story.

Second, I didn't understand until too late what issues were motivating voters and how they were energizing the base of the Republican Party. Politics is important, but you cannot forget the issues. Issues can galvanize and organize the public. They can create zealous constituencies. A financial advantage in politics is not as important as the intensity of how people feel about the issues, your opponent and you.

I will never forget the day when the issues were spelled out for me.

It was 6 a.m. about two weeks before the elections, and I was working the plant gate at Cessna. I was a prodigious worker of plant gates at airplane companies in Wichita.

I was standing outside (cold) with a cup of coffee (hot), when a guy walked straight over to me and said, "Good job on that product liability bill, Glickman. But I'm not voting for you this time."

"Why?" I asked, mildly taken aback.

And he said, "Three reasons: guns, abortion and NAFTA."

In the previous two years, I had voted for the crime bill with gun restrictions, against most restrictions on abortion and for the North American Free Trade Agreement. And because of health care reform and other issues, then-President Bill Clinton was not popular in my district.

My opponent did a good job tying me to him and exploiting my votes on the crime bill and NAFTA in particular. This jeopardized my relationship with my aircraft worker constituency.

It struck me, as my hot coffee turned cold: I didn't realize I had lost my base. He abandoned me because he felt I had abandoned him.

I don't regret my votes on those issues. But I do regret that I didn't work harder to explain them and to motivate my supporters.

Finally, as someone who in 1976 ran against the establishment, I realized I now was perceived as being with the establishment and no longer as someone railing against the system. And that was something the public was looking for.

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Hindsight is good for seeing where you've been, but it can't always tell you where you ought to go. However, take it from this 1994 roadkill: You can learn a lot of lessons from running a winning campaign, but you can learn a lot more from running a losing campaign.

Succeeding in local politics through the storm of a national referendum is possible, particularly if you can see a wave coming. Work hard. Operate as if you're going to lose. Understand what is motivating your constituents. In many cases you can fight the wave. But sometimes you can't, and you just have to accept the inevitable.

It helps to understand that there is always a bright lining. Life after losing a Congressional race can lead to other opportunities — in my case, a Cabinet post, or heading a leading trade organization.

I enjoyed Congress. It is still the greatest job in the world. But life after Congress is pretty good as well.

Dan Glickman, a former Democratic Member of Congress from Kansas, is chairman and CEO of the Motion Picture Association of America.

With Iraq Driving Election, Voters Want New Approach (NYT)

By Adam Nagourney And Megan Thee

The New York Times, November 2, 2006

WASHINGTON, Nov. 1 — A substantial majority of Americans expect Democrats to reduce or end American military involvement in Iraq if they win control of Congress next Tuesday and say Republicans will maintain or increase troop levels to try to win the war if they hold on to power on Capitol Hill, according to the final New York Times/CBS News poll before the midterm election.

The poll showed that 29 percent of Americans approve of the way President Bush is managing the war, matching the lowest mark of his presidency. Nearly 70 percent said Mr. Bush did not have a plan to end the war, and 80 percent said Mr. Bush's latest effort to rally public support for the conflict amounted to a change in language but not policy.

The poll underlined the extent to which the war has framed the midterm elections. Americans cited Iraq as the most important issue affecting their vote, and majorities of Republicans and Democrats said they wanted a change in approach. Twenty percent said they thought the United States was winning in Iraq, down from a high this year of 36 percent in January.

Even beyond the war, the Times/CBS News poll, like most other polls this fall, contained worrisome indicators for Republicans as they go into the final days of a campaign in which many are bracing for a loss of seats in both the House and the Senate.

In a year when there are many close races, Democrats were more enthusiastic than Republicans about voting and more likely to say they would support their party's candidates, although Republicans were slightly more likely to say they would actually vote.

Fifty percent of independent voters, a closely watched segment of the electorate in such polarized times, said they intended to vote for the Democratic candidate, versus 23 who said they would vote for a Republican.

Among registered voters, 33 percent said they planned to support Republicans, and 52 percent said they would vote for Democrats.

As a rule, generic questions like those, while providing broad insights into the national mood, are often imprecise as a predictor of the outcome of hundreds of Congressional races, where local issues and personalities can shape the result.

Voters said neither Democrats nor Republicans had offered a plan for governing should they win on Tuesday, the poll found.

Yet Americans have some clear notions of how government may change if Democrats win control of Congress.

Beyond a quicker exit from Iraq, respondents said they thought a Democratic-led Congress would be more likely to increase the minimum wage, hold down rapidly rising health and prescription drug costs, improve the economy and — as Republicans have said frequently in these closing days of the campaign — raise taxes.

By a slight margin, more respondents said the threat of terrorism would increase under Republicans than said it would increase under Democrats.

Notwithstanding the clear expectation among members of both parties that a Democratic-led Congress would produce a change in Iraq policy, it was not clear how much influence that might have on Mr. Bush, who as commander in chief would retain the final say.

In addition, while Democrats have coalesced around a general position of finding a way to reduce or end American involvement in Iraq, there is substantial disagreement among Democratic Congressional leaders and candidates about exactly how to accomplish that.

Nearly 75 percent of respondents, including 67 percent of Republicans and 92 percent of Democrats, said they expected that Americans troops would be taken out of Iraq more swiftly under a Democratic-led Congress.

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Forty-one percent of respondents said they expected that troop levels would decrease if Democrats won control, while 40 percent said the party would seek to remove all troops. Forty-one percent said they expected troop levels to remain the same if Republicans won, while 29 percent said they thought the United States would send more troops if the Republicans continued to control Congress.

Those findings cut across party lines, but the poll found that Democrats were more likely to say Republicans would increase American troop strength while Republicans were more likely to say Democrats would remove all troops.

Follow-up interviews found clear expectations about the policies each party would pursue in Iraq, even if there was disagreement about which course was correct.

"If the Republicans continue in power, they would probably just want to keep doing what we're doing and doing it longer and harder because the president is Republican and he's the one who sent the troops there in the first place," said Ashley Robertson, 20, a Democrat from Minnesota. "But right now I think it's a bad thing to bring them all home because it's like we went in there to try to help and we're leaving them high and dry and saying clean up our mess."

Pat Atley, 73, a Republican from Florida, said she expected Republicans to press for more troops in Iraq if they stayed in power, although she said she hoped they would not.

"I've always felt we were never going to do any good over there," Ms. Atley said, adding, "I don't think we should increase our troops because increased troops aren't going to do anything except put more of our men and women in jeopardy."

Mr. Bush's overall approval rating was 34 percent, unchanged from a poll three weeks ago, an anemic rating that explains why many Democrats are featuring him in their final advertisements, as well as why some Republican incumbents do not want him at their side.

That approval rating is 9 points below where former President Bill Clinton's was in October 1994 — the election in which Republicans surprised Democrats by taking control of the House — and 28 points below where Mr. Bush's approval rating was on the eve of the 2002 midterms.

In this latest poll, 56 percent of respondents said Mr. Bush's campaigning on behalf of candidates had generally hurt them, as compared with 26 percent who said a campaign visit by Mr. Bush helped.

There was a slight increase, to 38 percent from 34 percent three weeks ago, in respondents who said they approved of how Mr. Bush was managing the economy. Similarly, there was a slight increase, to 44 percent from 40 percent in July, in respondents who said they approved of how Mr. Bush had managed the situation with North Korea.

In a year marked by corruption scandals, 58 percent of voters said corruption was widespread in Washington; 35 percent said the Republican Party had the most corrupt politicians, compared with 15 percent who said the Democratic Party did.

The poll found that the intensity of Democratic support for Democratic candidates was slightly greater than Republican support for Republican candidates, which could give some solace to Democrats who have been concerned that the Republican Party's formidable get-out-the-vote operation would help them eke out victories in close Congressional races. Ninety percent of Democratic voters are planning to vote Democratic, while 83 percent of Republicans said they would support Republican candidates.

In addition, 50 percent of Democrats said they felt more enthusiastic about voting in this election than in previous ones, compared with 39 percent of Republicans.

But 93 percent of Republicans said they were definitely or probably going to vote next Tuesday, compared with 89 percent of Democrats.

Democratic Leader Put To Work As G.O.P. Campaign Star (NYT)

By Jennifer Steinhauer

The New York Times, November 2, 2006

LOS ANGELES, Nov. 1 — Representative Melissa Bean of Illinois, a Democrat, has a Republican opponent in next week's election, but he does not appear in the advertisement that skewers her. Instead, that role is being played by a fellow Democrat, Representative Nancy Pelosi of California, the minority leader.

Judging by some of the political name-calling in the final days before the elections, Ms. Pelosi seems to be in the thick of campaigns for Congress from Illinois to Georgia and several places in between. She is the unwitting star of at least a half-dozen television spots — and countless radio spots, direct-mail campaigns and candidate debates —warning voters that if they choose their local Democrat for Congress, they are also casting a vote for Ms. Pelosi.

The problem with the tactic, Democrats and some Republican strategists say, is that many voters have no idea who Ms. Pelosi is. That can make the advertisements sound more desperate than menacing, or at the least, confounding.

"It's awful hard to make a boogeyman out of someone no one knows," said Ed Rollins, a Republican political consultant. "The reality is, no one is going to vote for a Republican congressman because they are afraid of Nancy Pelosi."

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A spokeswoman for the Democratic Congressional Campaign Committee suggested that Ms. Pelosi fell into the same category of unknowns as Representative J. Dennis Hastert of Illinois, the Republican speaker.

"We don't run Denny Hastert ads because he is speaker of the House and no one knows who he is," said Sarah Feinberg, the spokeswoman. "People know who the president is, and that is why we have used him in more than 90 ads in 35 districts."

In a New York Times/CBS News poll conducted last week, 55 percent of those polled said they had not heard enough about Ms. Pelosi to form an opinion about her, compared with 10 percent who viewed her favorably and 17 percent who viewed her unfavorably. Other polls released in the last month have yielded similar results.

Still, many Republicans are betting that the prospect of Ms. Pelosi replacing Mr. Hastert as speaker should the Democrats take control of Congress will scare undecided voters into voting Republican.

"Nancy Pelosi is like kryptonite in Republican districts," said Ed Patru, a spokesman for the Republican National Campaign Committee, which is paying for some of the advertisements. "We'd be more than happy to fly Nancy Pelosi in to those districts."

Here she is in one of the group's advertisements against Ms. Bean: "Melissa Bean follows liberal Nancy Pelosi 83 percent of the time," growls the announcer, over images of the Golden Gate Bridge and some not-particularly-flattering snapshots of Ms. Pelosi, who represents San Francisco. "Melissa Bean. Just a Nancy Pelosi wannabe."

Mr. Patru said that the committee is encouraging candidates in "overwhelming red states" to invoke the specter of a Speaker Pelosi in their campaigns. The tactic mirrors one employed by Democrats in 1996, when the speaker, Newt Gingrich, became an antagonist in advertisements attacking Republican candidates.

"She'll reward illegal aliens with welfare, food stamps and free education," warns the announcer in an advertisement for Mac Collins, a Republican who is seeking to unseat Representative Jim Marshall in Georgia.

In one of the most fiercely contested races in Indiana, a Republican incumbent, Representative John Hostettler, has broadcast a commercial linking his Democratic challenger, Brad Ellsworth, to Ms. Pelosi. A radio spot went even further: "Pelosi will then put in motion her radical plan to advance the homosexual agenda, led by Barney Frank," the narrator says.

Representative Charles H. Taylor, the Republican incumbent in North Carolina's 11th District, goes for an even broader approach, linking his Democratic opponent, Heath Shuler, to Ms. Pelosi; Howard Dean, the chairman of the Democratic National Committee; and Senator Hillary Rodham Clinton.

The television advertisements tend to share three features: images of Ms. Pelosi looking angry, startled or slightly bug-eyed; the words "liberal" and "San Francisco"; and dire tones reminiscent of the films shown to seventh-graders, warning of the dangers of marijuana.

The Republican National Campaign Committee even has a quiz on the home page of its Web site: "Which Nancy Pelosi quote do you find most disturbing?"

Ms. Pelosi is also used as a bat with which to beat on Democrats in debates and interviews. In Indiana, for example, Chris Chocola, a Republican incumbent, repeated Ms. Pelosi's name throughout a debate with his Democratic challenger, Joe Donnelly. In Utah's Second Congressional District, the Republican challenger, LaVar Christensen, has brought up her name incessantly on the campaign trail.

Among the many issues that surface in the advertisements — abortion, taxes and national security — immigration appears to be the most potent in Republican districts.

For example, an announcer in one advertisement produced by the campaign for Van Taylor, who is challenging a Democratic incumbent in Texas, warns over the sounds of a pounding kettle drum that his opponent, if elected, would pair up with Ms. Pelosi to raise taxes and offer welfare to immigrants. Voters are encouraged to "stop them" by voting for Mr. Taylor, to "protect our conservative values."

Variations of the anti-Pelosi advertisements have appeared in past campaigns, but unlike in this case, the targets had already become speaker.

In addition to the Gingrich advertisements in 1996, the Republicans produced an advertisement in 1980 about Thomas P. O'Neill Jr., then the Democratic speaker, in which Mr. O'Neill refused to yield to warnings that his car was out of gas, intended as a metaphor for his party.

Mr. Gingrich's spokesman, Rick Tyler, answered an e-mail message requesting comments about the anti-Pelosi advertisements with his own e-mail message: "Sorry. No interest here on that topic."

In a recent interview, Ms. Pelosi said she was unconcerned about the advertisements because, she said, they had no traction with voters.

"The American people don't know me," she said.

But some Republicans running in close races are counting on her being wrong.

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"Nancy Pelosi does not represent the values of middle Georgia," said Ted Prill, the campaign manger for Mr. Collins, who is seeking a seat in the Third District. "There is a case to be made that a vote for a Democrat in Georgia is a vote for Nancy Pelosi."

Pelosi's War Blunder (WT)

By Jack Kingston

The Washington Times, November 2, 2006

In a stunning performance on "60 Minutes," House Minority Leader Nancy Pelosi proved again why she cannot be trusted to keep America safe from the threat of global terrorism and Islamic extremists.

Mrs. Pelosi demonstrated that she does not understand the global nature of the threat when she stated flatly "the war on terror is the war in Afghanistan." She may think the war is limited to Afghanistan, but where does al Qaeda believe the war is? Al Qaeda's No. 2 man, Ayman al-Zawahiri, in a letter to the leaders of al Qaeda in Iraq, was clear about the location of the global jihad and the importance of victory in Iraq:

"Victory of Islam will never take place until a Muslim state is established in the manner of the Prophet in the heart of the Islamic world ... As for the battles that are going on in the far flung regions of the Islamic world, such as Chechnya, Afghanistan, Kashmir, and Bosnia, they are just the groundwork and the vanguard for the major battles which have begun in the heart of the Islamic world."

Zawahiri reminds Iraqi terrorists, like Abu Musab Zarqawi, that God has blessed them "with the splendor of the spearhead of Jihad." Translation: Islamic fascists led by al Qaeda are fighting a global jihad to establish a Muslim caliphate from Egypt to Iraq. They will attack anyone, anywhere, with any means, that will further their violent cause.

Tourists in Indonesia, embassy workers in Africa, commuters in Spain and London, schoolchildren in Russia, office workers in New York and Washington, and 40 Americans on a plane over Pennsylvania could all tell Nancy Pelosi where the war on terror is, if their voices had not been silenced.

For Mrs. Pelosi, Iraq is not even part of the war on Islamic terrorism, while for our terrorist enemies Iraq is "the spearhead of jihad." Zawahiri's letter details a four-part strategy for global jihad starting with Iraq; "the first stage: expel the Americans from Iraq." In this first stage at least, Zawahiri seems to have found his "useful idiot" in Mrs. Pelosi.

She acknowledges that there are terrorists in Iraq, but naively submits that "they'll stay as long as we're there. They're there because we're there." What Mrs. Pelosi doesn't say is where she thinks the terrorists will go if we leave Iraq to fall into chaos. According to Mrs. Pelosi, our presence created the terrorists and when we leave they will put down their suicide belts and IEDs. She might want to read the rest of al Qaeda's plan before she is so sure:

"The second stage: Establish an Islamic authority ... over as much territory as you can to spread its power in Iraq ... in order to fill the void stemming from the departure of the Americans ... The third stage: Extend the jihad wave to the secular countries neighboring Iraq ... The fourth stage: It may coincide with what came before: the clash with Israel."

Our actions to liberate Iraq from the butcher of Baghdad did not cause Islamic terrorists, but our premature departure will surely embolden them. Zawahiri's letter exhorts his followers to learn the lessons of history as "things may develop faster than we imagine. The aftermath of the collapse of American power in Vietnam and how they ran and left their agents is noteworthy... we must take the initiative and impose a fait accompli upon our enemies."

While we may not have entered Iraq to defeat al Qaeda, there is no doubt that al Qaeda has entered Iraq to defeat us and begin the defeat of all nations in the region who do not share their extreme view of an Islamic caliphate, under strict Sunni rule, stretching across the entire Middle East. Like Osama bin Laden's fatwas declaring war on the United States and the civilized world, Zawahiri points to American retreat from Vietnam for inspiration. Maybe Mrs. Pelosi can answer how giving al Qaeda what they want in Iraq will keep Americans safe and secure from Islamic terrorism in the future.

Al Qaeda knows that they are in a war with many fronts. Zawahiri concludes that "more than half of this battle is taking place in the battlefield of the media ... we are in a media battle in a race for the hearts and minds of our umma (people)." Part of the battle against terrorism is taking place in our media as well. Last week, Mrs. Pelosi lost one battle for our side. America cannot take the risk that she will lose the war.

Rep. Jack Kingston, Georgia Republican, is vice chairman of of the House Republican Conference and a member of the Defense Appropriations Committee.

Scandals Alone Could Cost Republicans Their House Majority (WP)

By Jonathan Weisman And Jeffrey H. Birnbaum

The Washington Post, November 2, 2006

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Indictments, investigations and allegations of wrongdoing have helped put at least 15 Republican House seats in jeopardy, enough to swing control to the Democrats on Tuesday even before the larger issues of war, economic unease and President Bush are invoked.

With just five days left before Election Day, allegations are springing up like brushfires. Four GOP House seats have been tarred by lobbyist Jack Abramoff's influence-peddling scandal. Five have been adversely affected by then-Rep. Mark Foley's unseemly contacts with teenage male House pages. The remaining half a dozen or so could turn on controversies including offshore tax dodging, sexual misconduct and shady land deals.

Not since the House bank check-kiting scandal of the early 1990s have so many seats been affected by scandals, and not since the Abscam bribery cases of the 1970s have the charges been so serious. But this year's combination of breadth and severity may be unprecedented, suggested Julian E. Zelizer, a congressional historian at Boston University.

For more than a year, Democrats have tried to gain political advantage from what they called "a culture of corruption" in Republican-controlled Washington. Republican campaign officials insist the theme has not caught on with the public, but even they concede that many individual races have been hit hard.

"So many different kinds of scandals going on at the same time, that's pretty unique," Zelizer said. "There were scandals throughout the '70s, multiple scandals, but the number of stories now are almost overwhelming."

At least nine GOP seats have been affected by scandals and are highly vulnerable to Democratic takeover next week. Foley's abrupt resignation has jeopardized a Florida House district that had been on no one's radar screen. Under indictment and amid a swirl of ethics investigations, former House majority leader Tom DeLay (Tex.) resigned from Congress earlier this year, forcing Republicans to mount a long-shot write-in campaign for their chosen candidate. Rep. Robert W. Ney's guilty plea last month on corruption charges still hangs over the Ohio campaign of his would-be Republican successor, Joy Padgett, especially because Ney still has not resigned from Congress.

The GOP has all but abandoned longtime Rep. Curt Weldon (Pa.), as federal investigators examine charges that he steered lobbying contracts to his daughter. Weldon went on television yesterday with an ad featuring actors pleading, "Would you give a friend the benefit of the doubt? . . . Today, Curt Weldon needs our support."

Republican campaign strategists fear they have also lost the seat of Rep. Don Sherwood (Pa.), who has been dogged by the settlement of a lawsuit filed by a mistress who charged that Sherwood had throttled her.

Congress watchers once saw the swing seat of Rep. Rick Renzi (R-Ariz.) as a missed opportunity for Democrats. But now, as the U.S. attorney's office in Phoenix examines his role in a land deal for a business partner and political benefactor, Renzi's race with political neophyte Ellen Simon (D) has tightened.

Farther west, Rep. Jon Porter (R-Nev.) has had to contend with charges lodged last month by a longtime former aide, Jim Shepard, that the lawmaker made dozens of illegal fundraising calls from his congressional offices. And two reliably Republican districts in California are under assault by Democrats because Reps. Richard W. Pombo and John T. Doolittle have been linked to Abramoff, the lobbyist who pleaded guilty in January to fraud, tax evasion and conspiracy to bribe public officials.

Beyond those nine jeopardized GOP seats, four other Republicans have been tainted by the Foley page scandal. Rep. Thomas M. Reynolds (N.Y.) chose to issue a public apology after he admitted that he had known about inappropriate contact between Foley and a former page this spring. Democrats have repeatedly hit Rep. Deborah Pryce (Ohio), the House Republican Conference chairman, for inaction on the Foley matter. And Democrats have tried to hold two former members of the Page Board, Reps. Sue W. Kelly (N.Y.) and Heather A. Wilson (N.M.), accountable for Foley's actions.

Meanwhile, new allegations continue to spring up. Vern Buchanan, a Republican running for the Florida seat vacated by Rep. Katherine Harris (R), was the target of local media reports this week detailing his use of business entities in Caribbean tax havens to reduce levies on his auto dealerships. The Albany Times Union published an article yesterday charging that the wife of Rep. John E. Sweeney (R-N.Y.) called police late last year to report that her husband was "knocking her around" during a late-night argument.

And Rep. Christopher Shays (R-Conn.), who made his name pushing campaign finance changes and governance reforms, was confronted with media reports alleging that a 2003 trip to Qatar -- partly funded by a group loosely tied to Abramoff -- had not been properly disclosed.

"The corruption issue plays in two ways: It contributes to the sour mood of the country and to the low job approval of Congress, and it particularly plays in races directly touched by allegations of scandal," said Republican pollster Whit Ayers. "And in those races, it plays a significant role."

House Democrats have had to deal with investigations of their own, involving Reps. William J. Jefferson (La.), Alan B. Mollohan (W.Va.) and Jane Harman (Calif.), but none of those cases have put Democratic seats in jeopardy.

In the Senate, a federal inquiry into Sen. Robert Menendez (D-N.J.) and his ties to a nonprofit community agency that paid him more than $300,000 in rent while receiving millions of dollars in federal assistance has provided his Republican challenger

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with a strong issue and has kept that race close. But the seat of Sen. Conrad Burns (R-Mont.) may be in even more jeopardy, primarily because of Burns's ties to Abramoff.

Recent polling suggests that the issue of corruption is beginning to stick. A CNN poll last month found that "half of all Americans believe most members of Congress are corrupt" and that "more than a third think their own representative is crooked."

And where the issue has hit directly, Democrats and their allies have been playing up charges to the hilt. Just yesterday, Christine Jennings, the Florida Democrat running for Harris's House seat, held a news conference to attack Buchanan's alleged offshore tax dodges.

Even the most peripheral contact with a scandal has not gone unnoticed. "Those that knew got to go," Albuquerque's Democratic mayor, Martin J. Chavez, thundered at a rally last month against New Mexico's Wilson, citing her role on the Page Board during Foley's misconduct. "Those that didn't know need to explain why they didn't."

Picking Up The Pace (NYT)

By Jeff Zeleny

The New York Times, November 2, 2006

In the closing days of campaigns, itineraries can be telling barometers of political strategy. Ken Mehlman, chairman of the Republican National Committee, is making 12 stops in Missouri this week, hoping to increase Republican turnout in a too-close-to-call race between Senator Jim Talent, a Republican, and Claire McCaskill.

“We are literally hitting every media market of the state,” Mr. Mehlman said in a telephone interview from Sedalia before flying nearly 300 miles to Cape Girardeau. By week’s end, Mr. Mehlman is scheduled to hit top races in at least 10 states.

The Democratic outlook, however, cannot be as easily divined by studying the travel schedule of its party chairman, Howard Dean, who has been at odds with Congressional leaders throughout the midterm campaign. Mr. Dean held a news conference yesterday in Burlington, Vt., where he was governor, before flying to Chicago for a campus get-out-the-vote rally. Then, he was off to Pennsylvania, Ohio and Michigan.

“Governor Dean is crisscrossing the country raising money and rallying supporters,” a spokeswoman, Stacie Paxton, said.

Not included on his itinerary are many top Senate or House races that Democrats are concentrating on. JEFF ZELENY

Winning Small (NYT)

By Brian Mann

The New York Times, November 2, 2006

Saranac Lake, N.Y.

WITH the midterm election just a few days away, Republicans face a toxic political environment, fouled in large part by growing bitterness over the handling of the war in Iraq. By almost every measure, voter discontent is deeper than it was in 1994, when Democrats lost nine seats in the Senate and 54 in the House.

Surely, the Republican Party is facing an electoral drubbing. And yet, President Bush and Karl Rove baldly assert that Republicans will retain control of Congress. The rationale?

Majorities in Congress aren’t formed by the national zeitgeist, as Mr. Rove cheerfully points out. They are built one race at a time. And in dozens of close contests this fall, the outcome will be determined largely by one often-overlooked minority group: the mostly white and mostly conservative voters who live in America’s small towns.

Residents of rural areas make up only a fifth of the country’s population. That’s a little less than African-Americans and Hispanics combined. But unlike voters in those minority groups, small-town whites are often kingmakers in national politics.

In 2004, they voted for George W. Bush by nearly a 20-point margin. Newspapers ran headlines that baffled their urban readers: “Rural Values Proved Pivotal,” “Conservatives in Rural Ohio Big Key in Bush Victory,” and “G.O.P. Won With Accent on Rural and Traditional.”

This year, those same right-leaning small towns make up a major voting bloc in a half-dozen make-or-break Senate races, like those in Missouri, Montana, Tennessee and Virginia. They also dominate battleground House districts throughout the country, from Idaho to northern New York. If rural America embraces Republicans with the same fervor it did two years ago, Democrats will almost certainly be denied a majority in the Senate and may fall short in the House.

In part, the electoral importance of small towns reflects a profound rural bias hardwired into our political system. The Constitution grants two Senate seats to each state regardless of its population. As a consequence, a majority of senators are elected by voters in 26 sparsely settled states that together contain less than 18 percent of the country’s population.

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A few decades ago, this uneven distribution of power didn't matter, because rural states regularly divided their votes between the two major parties. But in recent years, low-population states like Alaska, Kansas and Wyoming have voted as a conservative bloc, favoring Republican candidates by overwhelming margins.

Today the Republican Party holds an 11-seat Senate majority, but Republican senators represent 4.5 million fewer people than their Democratic colleagues, who tend to come from urban states like California, Illinois and New York. In the 2004 elections, Democratic candidates for the Senate captured nearly 10 percent more votes than Republicans nationwide, thanks to landslide support among urbanites. Yet the Republicans still managed to gain four seats, due to victories in rural states like South Dakota and South Carolina.

A similarly skewed outcome is possible this year. Democrats are widely expected to gain seats in Ohio and Pennsylvania. If they do, Democratic senators will represent some 10 to 20 million more Americans nationwide than Republican senators. But if rural voters in Missouri, Tennessee and Virginia swing conservative, the Republicans will cling to the narrow majority Mr. Rove has promised.

In the House, Republican leaders, including Speaker Dennis Hastert and his former deputy, Tom DeLay, have worked to create a similar small-town bias. They redrew district lines to systematically fracture the voting power of urban and suburban neighborhoods in half a dozen states, including Florida, Ohio and Texas.

In 2003, The Washington Post published an analysis of this scheme by a Texas political operative, Joby Fortson: "This has a real national impact that should assure that Republicans keep the House no matter the national mood," Mr. Fortson wrote.

Naturally, the Republicans' rural strategy only works if small towns vote Republican by wide margins. This year, that might not happen. A bipartisan poll conducted last week for the Center for Rural Strategies found that the loyalty of rural voters has been deeply shaken by Iraq and the Mark Foley page scandal.

Since September, rural voters moved from a four-point advantage for Republicans to a four-point advantage for Democrats in Senate races, the Rural Strategies report concluded, and from evenly divided to a 13-point advantage for the Democrats in House races.

Worse yet for Republicans, a growing number of Democrats have awakened to the fact that small towns matter. In Missouri, Claire McCaskill's Senate campaign has focused so intently on small-town voters that The St. Louis Post-Dispatch described it as an "apparent obsession." And nationwide, Democrats are fielding centrist candidates who can compete in rural districts like Idaho's First, Indiana's Second, and New York's 24th.

If Democrats succeed in increasing their rural vote, they could decisively sweep Republicans from power. But as the Center for Rural Strategies has pointed out, most of these races will be decided by razor-thin margins. And the Republicans are working feverishly to mollify and re-energize their rural base with talk about same-sex marriage, abortion, gun rights, public Christianity, terrorism and immigration — all issues that play brilliantly in small towns. The Republican National Committee has cranked up its sophisticated get-out-the-vote machine, combining phone and mail prompts, pastor-and-pulpit networks, conservative talk radio and door-to-door canvassing.

On Election Day, millions of urban Democrats will go to the polls expecting victory and dramatic change in Washington. But beware: Mr. Rove's sunny forecast isn't just spin. He and his party are counting on small towns to send a very different message, and to give the Republicans two more years to get it right.

How Big Will The Democratic Wave Be? Use This Formula (RC)

By Louis Jacobson

Roll Call, November 2, 2006

How big might the Democratic wave on Nov. 7 be? In one sense, there's an easy answer: Just look at the Congressional results, and if there's a Speaker Nancy Pelosi (D-Calif.) and maybe a Senate Majority Leader Harry Reid (D-Nev.) on Nov. 8, that will be evidence enough.

However, to truly measure the intensity of a Democratic wave means probing a little deeper. Does the wave accelerate longer-term trends of geographic realignment? Does it carry Democrats to victory even in "red" areas? Is it strong enough to rescue weak Democratic incumbents? And does it reach down below the Congressional level to governors, legislatures and attorneys general?

Here are some questions that address these issues. We've provided a scoring system for each one that, when aggregated after Nov. 7, should suggest just how far-reaching the Democratic wave of 2006 was.

1. How many New England Republicans — Senators, House Members and governors — will be left standing after Election Day?

Currently, 14 Republicans hold one of these three offices in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. Of these, six are either not up for election this year or seem safe bets to win again.

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The races that are in play are the seats held by New Hampshire Reps. Charles Bass and Jeb Bradley; Connecticut Reps. Nancy Johnson, Christopher Shays and Rob Simmons; Rhode Island Sen. Lincoln Chafee; Rhode Island Gov. Don Carcieri and the seat being vacated by Massachusetts Gov. Mitt Romney.

Scoring:

Seven or fewer Republicans survive: 8 points

Eight or nine survive: 6 points

10 or 11: 3 points

12 to 14: 1 point

2. Is there a correlation between Democratic Senate candidates and Democratic gubernatorial candidates in the same state winning, or are voters willing to ticket-split?

This question only concerns states where both races are considered competitive: Ohio, Rhode Island, Maryland and Minnesota.

For any seat where Democrats win both contests: Add 2 points.

For any seat where each party wins one seat: Add zero points.

For any seat where Republicans win both: Subtract 2 points.

3. How many Democratic-held House seats can the GOP flip on Election Day?

No seats: 8 points

One or two seats: 6 points

Three or four seats: 3 points

Five or more seats: 0 points

4. How many Republican-held House districts that voted for Sen. John Kerry (D-Mass.) in the 2004 presidential race will still be held by Republicans after Election Day?

There are 18 such districts. Of those, four Republicans are likely to hold their seats — Reps. Mike Castle (Del.), Charlie Dent (Pa.), Mark Kirk (Ill.) and Jim Leach (Iowa).

The other 14 are considered competitive. The seats are held by Bass; Johnson; Simmons; Shays; Michael Fitzpatrick (Pa.); Jim Gerlach (Pa.); Anne Northup (Ky.); Dave Reichert (Wash.); Clay Shaw (Fla.); Jim Walsh (N.Y.); Curt Weldon (Pa.); Heather Wilson (N.M.); and the seats being vacated by Reps. Bob Beauprez (Colo.) and Jim Nussle (Iowa).

Four or fewer seats: 8 points

Five to eight seats: 6 points

Nine to 11 seats: 4 points

12 to 14 seats: 3 points

15 to 18 seats: 1 point

5. How far ahead of Bush's 2004 vote percentages will Republicans run in blue-state Senate races?

There are seven competitive races in this category. The Republicans running are Mike Bouchard in Michigan, where Bush won 48 percent; Chafee in Rhode Island, where Bush won 39 percent; Tom Kean Jr. in New Jersey, where Bush won 46 percent; Rep. Mark Kennedy in Minnesota, where Bush won 48 percent; Mike McGavick in Washington, where Bush won 46 percent; Sen. Rick Santorum in Pennsylvania, where Bush won 48 percent; and Michael Steele in Maryland, where Bush won 43 percent.

39 or more aggregate percentage points ahead of Bush: 0 points

30 to 38 aggregate points ahead: 2 points

20 to 29 points: 3 points

10 to 19 points: 5 points

1 to 9 points: 7 points

0 or fewer points: 8 points

6. How far ahead of Kerry's 2004 vote percentages will Democrats run in red-state Senate races?

There are six competitive races in this category. The Democrats running are Rep. Sherrod Brown in Ohio, where Kerry won 49 percent; Rep. Harold Ford Jr. in Tennessee, where Kerry won 43 percent; Claire McCaskill in Missouri, where Kerry won 46 percent; Jim Pederson in Arizona, where Kerry won 44 percent; Jon Tester in Montana, where Kerry won 39 percent; and Jim Webb in Virginia, where Kerry won 45 percent.

40 or more aggregate percentage points ahead of Kerry: 8 points

30 to 39 aggregate points ahead: 7 points

20 to 29 points: 5 points

10 to 19 points: 3 points

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1 to 9 points: 2 points
0 or fewer points: 0 points

7. Will voters in blue states elect weakened Democratic candidates who have relatively low approval ratings, just to prevent the GOP from gaining ground?

The candidates in this category are Maine Gov. John Baldacci, Illinois Gov. Rod Blagojevich, Wisconsin Gov. Jim Doyle, Michigan Gov. Jennifer Granholm, Rep. William Jefferson (La.), Oregon Gov. Ted Kulongoski; Sen. Bob Menendez (N.J.) and Rep. Alan Mollohan (W.Va.).

Seven or eight of these candidates win: 8 points
Five or six of them win: 6 points
Three or four win: 2 points
Two or fewer win: 0 points

8. Which ballot initiatives have better success, those that would raise the minimum wage or those that would ban same-sex marriage?

Minimum-wage hikes are on the ballot in Arizona, Colorado, Missouri, Montana, Nevada and Ohio. Same-sex marriage bans are on the ballot in Arizona, Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin. And one measure in Colorado would establish domestic partnerships.

Any same-sex marriage measure is defeated: 2 points per measure
Colorado's domestic partnership measure passes: 2 points
All minimum-wage measures pass: 2 points
Any minimum-wage measure loses: Subtract 2 points per measure.

9. How many in-play legislative chambers do the Democrats control after Election Day?

This year, 21 legislatures are rated as competitive by the Rothenberg Political Report. The 10 Democratic-held chambers that are in play are the Colorado House and Senate; the Maine House and Senate; the Montana Senate; the North Carolina House; the Oklahoma Senate; the Tennessee House; and the Washington House and Senate.

The nine Republican-held chambers that are in play are the Indiana House; the Iowa House; the Minnesota House; the Nevada Senate; the Ohio House; the Oregon House; the Pennsylvania House; the Tennessee Senate and the Wisconsin Senate. The two tied chambers are the Iowa Senate and the Montana House.

The Democrats end up controlling 18 to 20 of these competitive chambers: 8 points
The Democrats control 14 to 17: 6 points
Nine to 13: 4 points
Five to eight: 2 points
Four or fewer: 0 points

10. How many strong Republican candidates in competitive races for state attorney general win this year?

The candidates are: Chuck Poochigian in California; Ferris Wharton in Delaware; Bill McCollum in Florida; Phill Kline in Kansas; Scott Rolle in Maryland; Jeff Johnson in Minnesota; Jim Bibb in New Mexico; Jeanine Pirro in New York; Betty Montgomery in Ohio; and J.B. Van Hollen in Wisconsin.

No Republicans on this list win: 8 points
One to three win: 6 points
Four or five: 4 points
Six or seven: 2 points
Eight to 10: 0 points

Now, for the final ratings, add up the points from each question and use the scale below to gauge how strong the Democratic wave was.

70-80 points: Massive Democratic wave
55-69 points: Strong Democratic wave
45-54 points: It'll do
30-44 points: Underwhelming
11-29 points: Big disappointment
0-10 points: Democrats, find another line of work.

Behind The Gridlock (WP)

By David S. Broder
The Washington Post, November 2, 2006

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On the eve of another national election, the terms "gridlock" and "polarization" have become staples of the political vocabulary -- so much so that the reality behind them often goes unexamined.

Remedying that oversight is what motivates the unusual collaboration of two think tanks, the Hoover Institution at Stanford University and the Brookings Institution in Washington, in a forthcoming volume titled "Red and Blue Nation? Characteristics and Causes of America's Polarized Politics."

I have not read all the essays that more than 15 scholars have contributed to the volume, but the lead piece by William Galston and Pietro Nivola, both of Brookings, offers a modest bit of cheer to those who despair of our democracy in this season when we are swamped by nasty, negative campaign ads.

They acknowledge that polarization is real -- certainly in Congress and in some respects in the country as well. The parties are more sharply defined and constituencies are more distinct -- philosophically and to some extent geographically.

But when it comes to weighing the consequences of these divisions, Galston and Nivola offer some useful counters to the prevailing pessimism.

In one powerful paragraph they set forth their refutation of the notion that polarization produces gridlock. "Whatever else the overall legislative record of recent years may show, sclerosis has not been a distinguishing characteristic," they write.

"Reform of the welfare system, substantial tax reductions, big trade agreements, a great expansion of federal intervention in local public education, important course corrections in foreign policy, reorganization of the intelligence bureaus, a significant campaign finance law, new rules governing bankruptcy and class-action litigation, a huge new Cabinet department, massive enlargement of Medicare -- for better or worse, all these milestones, and others, were achieved despite polarized politics."

Beyond these specific measures, they find signs of convergence between the parties -- at least in some ways. Republicans, they note, have become far more comfortable with "big government" programs such as Medicare drug benefits. And Democrats have swallowed tax cuts and trade agreements they originally opposed -- and now make no noises about repealing them.

"There has been enough partisan convergence (albeit selective, tenuous, opportunistic or episodic) to secure pieces of legislation," they write. The implication I draw from this is that despite the failures on Social Security, immigration and other issues, the possibility exists that the new Congress can accomplish some things.

But even these relatively upbeat scholars acknowledge certain dangers in the degree of polarization we are seeing. First, it makes it far harder to address long-term challenges such as the underfinanced condition of our Social Security and Medicare systems and the needs of the retiring baby boomers.

Second, because the divisions no longer stop at the water's edge, it becomes far more difficult to maintain a steady course in foreign policy. The partisan nature of the Iraq debate underlines that risk.

Third, the polarization is particularly hard on the third branch of government, the judiciary. Hearings on judgeships -- especially the Supreme Court -- have become full-scale political campaigns, with all the nastiness we have come to expect in those races. And some Republicans have made whipping boys of sitting judges.

Finally, there is the damage that polarization does to the whole structure of trust on which any system of representative government must rest.

The authors write: "If polarized parties are what can get 120.3 million Americans to cast ballots -- the largest number in U.S. history -- why worry? Because a healthy civic culture ought to do more than bestir voters; it should build their trust in the nation's political institutions. It is in this respect that, alas, querulous partisanship can become corrosive."

As we come to the end of another down-and-dirty campaign, that is the damage we must contemplate. It matters little which party controls Congress if the people think Congress is made up of knaves and rascals, or even of well-intentioned men and women corrupted by special interests and the constant pursuit of campaign cash.

Nothing that comes out of such a Congress will be accepted as genuine or worthwhile by the citizenry. That is a lesson that campaign consultants and candidates who indulge in relentlessly negative campaigns forget.

In the end they not only demean their opponents, they also damage the very institution in which they hope to serve. What kind of victory is that?

Republican Seems To Rally In Run For Seat Foley Quit (NYT)

By Abby Goodnough

The New York Times, November 2, 2006

STUART, Fla., Nov. 1 — When Mark Foley resigned from Congress in disgrace five weeks ago, his Democratic challenger seemed headed for one of the easiest victories of the election season.

But in this least predictable of states, Joe Negron, the Republican choice to run as Mr. Foley's replacement, is getting powerful help as the clock runs down, and now appears to be running almost neck and neck with Tim Mahoney, the Democrat.

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With the National Republican Congressional Committee pouring nearly $2 million into the race and Gov. Jeb Bush campaigning at his side, Mr. Negron, a member of the Florida House, is hoping that even the misfortune of having Mr. Foley's name on the ballot instead of his own — a consequence of the last-minute nature of the change — can be turned to his advantage. Republicans are posting signs urging voters to "Punch Foley for Joe," a reminder that a vote in the Foley column is actually a vote for Mr. Negron.

"I know this district, and we are not going to allow ourselves to be defined by the disgraceful actions of our former congressman," Mr. Negron said in an interview Wednesday. "I feel this tremendous momentum and energy among Republicans and conservative Democrats to keep this district in the Republican column."

The numbers are on his side: 42 percent of voters here in the 16th Congressional District, which spans the state from Palm Beach to Charlotte County, are Republicans, and 36 percent Democrats. President Bush won here comfortably in 2000 and 2004, and most of the district (its boundaries were redrawn in 2002) has not sent a Democrat to Congress since the 1970's.

Nationally, the chief political benefit of the Foley furor to Democrats was that it knocked Republicans off their tax and terrorism message in the crucial weeks after Congress adjourned at the end of September. It also ensnared several leading Republicans associated with Mr. Foley, while limiting Speaker J. Dennis Hastert's political drawing power.

But in a reflection of the race in Mr. Foley's own district, his lewd e-mail messages to House pages seem to have had little lasting effect on Congressional races around the country. One Democratic strategist said the party had never expected more than a few races to be influenced significantly by Mr. Foley's conduct.

Yet Mr. Mahoney has made a strong showing, especially given that he is a newcomer to politics who was virtually unknown before the Foley scandal drew spotlights to the race. A financier recruited by the Democratic Congressional Campaign Committee to run against Mr. Foley, he is more conservative than many of his party's other newcomers, a self-described fundamentalist Christian who opposes same-sex marriage and tighter gun control. He has painted himself as an outsider who would act independently in Congress, and Mr. Negron, a state lawmaker since 2000, as an ineffective partisan.

"I find myself running against Dennis Hastert, Karl Rove and the Republican leadership in Washington," Mr. Mahoney said after rallying campaign volunteers here. "They picked somebody to run for this seat that is publicly on record as supporting the failed policy of this administration for the last six years."

A poll conducted in mid-October for The South Florida Sun-Sentinel showed Mr. Mahoney leading Mr. Negron by 48 percent to 41 percent, with 11 percent undecided. But this week two nonpartisan Congressional handicappers, Stuart Rothenberg and Charlie Cook, changed their assessments of the race from "leans Democrat" to "tossup."

Mr. Rothenberg said voters seemed to have gotten past any confusion about the ballot, perhaps because news organizations had closely covered the race since Mr. Foley quit on Sept. 29. He also noted that Mr. Mahoney had begun attacking Mr. Negron by name in television advertisements — a sign, he said, that Mr. Mahoney is worried.

Mr. Mahoney said a new internal poll showed not only that he was still ahead, but that the margin was widening.

"What's going to put me over the top," he said, "is I'm getting virtually all the Democrats, the vast majority of independents and about 20 percent of the Republicans to vote for me."

Mr. Mahoney entered the race about a year ago and says he has been traveling the vast district ever since. It includes a few wealthy Palm Beach County towns, the growing exurbs of Martin and St. Lucie Counties, rural interior regions of cattle and citrus farms, and Punta Gorda and Port Charlotte on the Gulf Coast. He owns a ranch in Highlands County, the backdrop for advertisements in which he shoots a gun, saddles a horse and barbecues slabs of meat.

Mr. Negron, a lawyer from Stuart, heads the powerful budget committee in the Florida House. He ran for attorney general this year, but was lagging and dropped out of the primary.

On Wednesday he issued a news release criticizing Mr. Mahoney for planning to attend a fund-raiser in New York with Senator Hillary Rodham Clinton, accusing him of taking his marching orders from her. Asked about the fund-raiser, Mr. Mahoney said he needed to "reach out to Democrats on a nationwide basis."

But his spokeswoman, Jessica Santillo, said later that he had never planned to attend. He will participate by teleconference from Florida, she said.

Luring Lapsed Democrats In Kentucky (NYT)

By Kate Zernike

The New York Times, November 2, 2006

BARDSTOWN, Ky., Oct. 27 — When Ron Lewis, a Republican, won an upset in a special election here in the spring of 1994, he replaced a Democrat who had represented the district in Congress for four decades before he died. Mr. Lewis's victory in an overwhelmingly Democratic area came to be seen as a harbinger of the Republican sweep that followed that fall.

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Now, Democrats are hoping that Mr. Lewis's first tight race in a decade could be a bellwether of a Democratic tide this year.

His opponent, Mike Weaver, has come increasingly close to Mr. Lewis in the polls by running as a conservative Democrat on a slogan of "Faith, Family, Freedom." He has emphasized his military background in signs urging people to vote for "Colonel Mike Weaver." And if the Democrats win a majority, he says he will not vote for Nancy Pelosi, the Democratic leader whom Republicans have caricatured as the symbol of all things California and liberal, for House speaker.

With widespread unease about the war in Iraq, even in a region that includes the Fort Knox Army base, many Democrats who have supported Mr. Lewis are now saying that Mr. Weaver seems like the kind of Democrat who could bring them back to the party.

"What I hear when I go out in the district is, 'Thank goodness we have a Democrat we can vote for,' " Mr. Weaver said.

The race here in the Second District is one of three Congressional contests in Kentucky that have become unexpectedly competitive in the last days of a campaign where Democrats are hoping to win the 15 seats they need to gain a majority in the House.

Signs here say, "Had enough? Vote Democratic!" and it seems many people are willing to do just that.

At a luncheon for retired teachers here, Mr. Weaver, a state legislator, fielded questions about taxes and Social Security. But most of the questions focused on abortion, stem cell research and religion. He reassured the audience, "I am pro-life." And he repeatedly mentioned his family, the lessons of his humble upbringing on a farm and what he calls moral values.

"The Mark Foley scandal just kind of shattered the attitude that in order to stand for faith and freedom and family that you had to be of one political party," he told the teachers. "My faith and family values are as strong as anyone's. They were taught and nurtured at home and in a school system, and earned in a foxhole. I think you elect people based on their own individual values, family values, moral values, not on their political party."

But, one woman pressed him nervously, wouldn't he have to vote with Ms. Pelosi?

"I don't think she has truly looked at the Democratic Party to see what the Democratic Party stands for," Mr. Weaver replied. He opened his arms wide to describe what he sees as the party's philosophy. "It incorporates all of the United States, all of Kentucky, all of the Second Congressional District," he said. "There's room for everybody there."

He told the crowd that he had already joined the Blue Dog Democrats, a group of about 40 conservatives in Congress, as well as the anti-abortion group Democrats for Life, with about 29 lawmakers.

"That's 69 of us who won't necessarily agree" with the liberal wing of the party, he said.

Mr. Lewis, a former Christian bookstore owner who has risen in Congress to become a member of the powerful Ways and Means Committee, was seen as a long shot when he won in 1994.

But in 12 years, the state and the district have increasingly leaned Republican, even if many people retain their registration as Democrats. And Mr. Lewis doubts that Mr. Weaver will be able to persuade enough voters to elect a Democrat.

"Voters are concerned, no matter if it is a conservative Democrat, what the party will look like in D.C., with Nancy Pelosi in charge," he said. "They see the Democrat Party as being controlled by very strong liberal leadership, and that makes people here in the Second District very nervous, no matter who is their nominee."

Still, he acknowledges that this will be much tighter race than his last, when he won by about 30 points. To prepare, he raised more money than he ever has before.

Mr. Lewis said he expected to win by 15 points. Republicans declined to release polling data, but Democratic surveys have shown the two pulling about even.

Mr. Lewis put up an advertisement this month attacking Mr. Weaver as displaying "disgraceful conduct" as a member of the state's National Guard Retention Board in the early 1990's, when the board fired 24 officers. Many of the officers later said they had been fired for refusing to contribute to the Democratic governor.

Investigations cleared Mr. Weaver of any wrongdoing. Factcheck.org, a nonpartisan organization that assesses political advertising, concluded, "The only 'disgraceful conduct' we see here is the ad itself."

Mr. Weaver called it the move of a "desperate individual." But Scott Lasley, an assistant professor of political science at Western Kentucky University, said it signaled the threat to Mr. Lewis, and a sharp departure from previous races, when he could not recall Mr. Lewis even putting up a Web site.

Mr. Lewis has declined to appear at several debates with Mr. Weaver, or to appear with him at any forum that might look like a debate. Some debate organizers left an empty chair to signify his absence.

"When you're the incumbent and you have a good lead, a lot of people don't debate," Mr. Lewis said, "because you're letting your opponent have some exposure on your time."

But the move has cost him some voters.

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"I think he is running scared," said Margaret Sims, who had organized the teachers' luncheon and said she was disappointed when Mr. Lewis's office declined several pleas for him to attend. "And he needs to. I think this is going to be the year of the Democrat."

Ms. Sims is a registered Democrat who has repeatedly supported Mr. Lewis, but says she will vote for Mr. Weaver. Peggy Horton, another retired teacher, was once a Democrat but is now a registered Republican.

"The Democrats left a lot of the values I put a lot of stock in," Ms. Horton said.

She is still undecided. But after asking Mr. Weaver questions about taxes and religion, she said this might be the year that she votes for a Democrat again.

Politics That Go Against The Grain (WP)

By Lynne Duke

The Washington Post, November 2, 2006

DUBUQUE, Iowa -- On Main Street in this Mississippi River town, the bar at Mario's Italian Restaurant is a hothouse of politics these days, a place where folks such as Cheryl Walser Kramer, a Republican, and Frank Frost, a Democrat, hurl sharp-tongued barbs across party lines.

"She's probably packing heat," Frost, 71, jokes when Kramer says she's a member of the National Rifle Association.

Kramer teases back, "I'm gonna get a bumper sticker: 'I only shoot Democrats.' "

Debbie Gau, the bartender, glides through the friendly fire, filling Frost's glass with whiskey, Kramer's with beer, and letting them carry on the rhetorical war here in Iowa's 1st Congressional District. It is one of the super-close races that could decide whether the Republicans lose control of the House of Representatives -- and Gau, it turns out, could be part of the reason why.

Though she keeps quiet about her politics when her regulars are revved up, she's got some distinct views of her own.

Gau, 52, a Democrat, supported the war. She thought Iraq had attacked the United States, and she thought it right that the United States should hit back. But then the war dragged on. The death toll rose. She's got a brother working as a civilian contractor over there and worries about him every day.

"I just don't think we should be over there," she says. "We should just leave."

The war looms large in this year's midterm elections, so the pollsters say, and sentiments such as Gau's are the reason why: the drift of support away from war, the struggle to find a rationale for continuing a war in which U.S. troop deaths mount and the chaos deepens.

In Iowa's 1st, which has sent only Republicans to the House since 1978, the open-seat race pits Democrat Bruce Braley against Republican Mike Whalen. But in several interviews on Main Streets around this district, it becomes clear that people are focused less on the candidates and far more on the big issues of the day: corruption, scandal and polarized politics; the cost of health care, the quality of education, the economy and the war above all.

People are cynical about politics, at least about the other party's politics, and so Democrats especially believe that things have gone off the rails in Washington.

Gau, for one, is not even sure she'll vote. She's disaffected from politics altogether.

"I just think politics is crooked," she says. "The rich pay to get what they want from the people in office. . . . It's like the Mafia, with laws. They get to run what they want, when they want. They don't mean nothing that they say."

* * *

Over in the tiny town of Anamosa, about 60 miles southwest of Dubuque, Sue Postel, 61, watches the comings and goings of Main Street from her perch at the cash register of the National Motorcycle Museum, which features bikes dating back to 1910. It's the main draw of an otherwise sleepy town.

Ask what's eating her these days about politics and Postel lets loose not about the war, but about her monthly health-care premium. It's risen from $25 a month to $394 a month in the five years since she retired.

She's a Bushie -- voted for him twice -- though she's a registered Democrat and also voted for Bill Clinton. A bona fide ticket-splitter, she is not sure which candidate will get her vote, though she definitely will vote, she says, because "that gives me my chance to bitch."

"This war is another thing," she says, shaking her head. "But there's nothing you can do about it. We're stuck, honey. How are we going to get our troops home?"

Her angst about the war is related to her distaste about politics and the direction of the country -- a solid mound of discontent with many component parts.

Politics, she says, "is dirty, it's nasty. I don't like to watch it. I switch [the TV] when ads come on. I can't take the slammin'."

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Of late, the ad that's had blood boiling among Democrats in the district was one in which the Whalen campaign tried to suggest that Braley would defund the troops in Iraq. The ad depicted a soldier removing his armor, helmet and weapon and standing defenseless in a T-shirt.

* * *

Down in Maquoketa, 35 miles south of Dubuque, cigarette smoke clouds the air as Peter Carlson talks politics in the Main Street Cafe, as he does most Saturday mornings in this spot-on-a-map town.

His muscular arms on the table, Carlson leans in close, lowers his voice and says matter-of-factly, "I hate Bush with a passion."

Carlson, 27, wears a Harley jacket and heavy boots. His fingernails are dirty, for he's a man who works with his hands on a machine shop floor, who lives on 28 acres of timberland with his wife and toddling son.

Carlson can cite chapter and verse of what's wrong with American politics. The war; the corruption of influence and power; the creation of wedge issues to polarize people, "making issues out of non-issues," such as stem cell research.

"I have no belief that that's important whatsoever," Carlson says of the stem cell debate.

He's sick of it. Sick of accusations that folks who criticize the war are undermining the troops.

"I do support soldiers," he says. "They're employees. They do their jobs. But it's obvious that Iraq was not the place we should have gone into. . . . They had nothing to do with 9/11."

So he'll vote for Braley. But really, Carlson will be voting against Bush, against the Republicans.

"Now is kind of the time to put all your cards in," he says. "I'd like to see us win back the House."

* * *

Sometimes it is something quite personal that sparks political activism. Something such as watching your father suffer with Parkinson's disease and then hearing a public figure mock the disease's symptoms.

And so it was, back in Dubuque, that Stratis Giannakouros was overheard at a Braley campaign office one night last week offering to volunteer.

Giannakouros, 27, says he was deeply offended when he heard Rush Limbaugh ridicule the actor Michael J. Fox, who has Parkinson's disease, for shaking so wildly in a campaign ad supporting federal funding for stem cell research. Seeing his father suffer in the same way, Giannakouros says, he was outraged at the mockery.

Though already a Democrat, he had not been active. Limbaugh was his spark. Giannakouros volunteered to canvass Democratic voters, "to make sure that this state doesn't go Republican," because he believes that Limbaugh wasn't just speaking for himself.

"He is the Republican mouthpiece," says Giannakouros. "He represents that party."

But it's more than Parkinson's. Something more, he says, is wrong. In politics, he hears the rhetoric of compassion, but he doesn't see it in policy, he says, citing cuts in education funding and the Mark Foley scandal.

He is reluctant to opine on the war, saying he doesn't feel he has enough facts.

"I'm against the misinformation" is all he'll say, adding that the misinformation comes from both sides in the political debate.

* * *

Back at Mario's, they're throwing down the spirits and talking terrorism and the war and politics.

"I think the president has his [eye] on the ball," says Kramer, the Republican, who works in health-care administration. "I think he totally understands that the people who came here on 9/11 plan to come back."

"There are evil people in the world," says James Darling, her companion, an optometrist and a Republican who describes himself as a libertarian.

He adds, "If you don't appear strong, you appear weak and people will take advantage of you."

Frost, the Democrat, agrees. Though he is against tax cuts for the rich and believes the country is better off with Democratic leadership, he offers, "I have a little more hawkish opinion than most Democrats."

In fact, he calls himself "a bit of a warmonger." Rather than pull troops out of Iraq, he'd like to see more troops sent in. He's a Korean War vet who sat on the demilitarized zone more than 50 years ago and is aghast that the United States still is dealing with the North Korean threat after all these years.

"If Truman had let MacArthur A-bomb Korea, we wouldn't be here," he says.

When it comes to enemies, his philosophy is: "We've got to stomp somebody's [butt]." He believes the Democrats know this, too -- that all the talk about pulling troops out of Iraq is just politics.

"I think the Democrats are trying to use it against [Bush] to get elected, but it don't mean nothing," says Frost, who will vote Democratic and who last voted Republican in 1968.

Frost describes himself as "very liberal."

"I don't think you're very liberal at all," Kramer interjects.

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There is a quiet confidence about her, some might call it smugness. All this talk in the media about Republicans being in trouble? On the way out of power? Reaping what they've sown? She's not so sure.

"No vote's been cast, and they're already predicting the demise of the Republican Party," she scoffs.

She nods her head crisply, warning, "Republicans will turn out."

Republicans In Uphill Slog In Colorado (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, November 2, 2006

WHEAT RIDGE, COLO.

In an unmarked suite around the corner from Rick O'Donnell's campaign headquarters here in suburban Denver, the Republican National Committee has had its get-out-the vote "victory office" in operation since March. Volunteers man phone banks. The foyer showcases a wall of unflattering photos of Democrats in line to head key congressional committees should that party take back the House. A banner reads: "In case you need another reason to volunteer!"

In a normal year, the fabled GOP operation might be enough to tip the balance in a congressional race that, until September, was billed as one of the nation's most competitive. But with an unpopular war, an unpopular president, and corruption scandals, the GOP has seen Mr. O'Donnell's Democratic opponent take a double-digit lead in the polls.

So last week, the national party confirmed that it had shifted resources from this race in Colorado's Seventh District to help shore up Republicans in two other districts once considered safe: incumbent Rep. Marilyn Musgrave in Colorado's Fourth and conservative Doug Lamborn in the Fifth, where Republicans have an advantage of up to 14 percentage points in voter registration. Cautiously optimistic, Democrats now aim to pick up in Colorado as many as three of the 15 seats they need to take back the House.

"Colorado is more Republican than the nation but tends to follow national politics closely," says Bob Loevy, a political scientist at Colorado College in Colorado Springs. "If the national Democratic tide continues to run right through Election Day, it will affect Colorado and should put both the Fourth and Fifth districts in play."

The shift of resources means more money for TV ad buys and a get-out-the-vote drive in a fast-breaking political environment.

"From the vantage point of today, it looks good for the Democrats, but the situation is very fluid," says pollster John Zogby.

Democrats, too, are shifting resources to take advantage of new opportunities. After a Denver Post poll showed Musgrave leading by 10 points last month, the Democratic Congressional Campaign Committee (DCCC) pulled some $630,000 it had reserved for her Democratic rival, Angie Paccione, although it still includes her in a program for its most competitive candidates. A political-issue group picked up the slack.

Both Republicans are getting high- profile help from the top. On Friday, Vice President Cheney flies into Colorado Springs to stump for state Senator Lamborn. On Saturday, President Bush will be in Greeley, Colo., with two-term Representative Musgrave as well as GOP gubernatorial candidate Bob Beauprez.

Best known nationally as the lead sponsor on the constitutional amendment to ban same-sex marriage in 2003, Musgrave faces strong competition from Democratic state Representative Paccione. A former professional basketball player and teacher, she says that Musgrave is out of the mainstream and too conservative for the district.

In a race driven by negative ads from both camps, Paccione got a recent boost from some $750,000 in issue ads by Coloradans for Life, a nonprofit political-issue group (known as a "527" because of its tax-code category). The group is funded largely by Fort Collins heiress and Democratic activist Pat Stryker. The Musgrave campaign calls the ads "malicious," and the National Republican Congressional Committee (NRCC) has already spent some $1.7 million to counter them.

"The liberal 527s went after Marilyn in 2004, and they're doing it again. When you have outside groups spending literally millions of dollars trying to knock out a Republican member, then the committee has to step in to level the playing field," says NRCC spokesman Jonathan Collegio.

Democrats are bringing in their own heavy hitters like former President Clinton and Sen. Barack Obama of Illinois.

It's time to "knock off bedroom slippers and put on marching shoes," the senator told a fist-pumping crowd in Aurora, Colo., last week. Not that Democrats need much firing up in the Seventh District.

Early on, this race in the inner Denver suburbs was considered wide open because the incumbent, Mr. Beauprez, opted to run for governor. Now, former state Sen. Ed Perlmutter (D) has built a strong lead in the polls. "Sometimes it's better to be lucky than to be smart, and we're at a time when people want a change," Mr. Perlmutter told the crowd in Aurora.

His GOP rival, O'Donnell, makes a similar point in an interview. "I picked a hell of a year to run as a Republican," says the former higher education commissioner.

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While it's rarely clear how much big names like Obama or Mr. Bush actually contribute to turnout, it is a sign that unlike most midterm elections, this one is being slugged out on national themes.

"The fact that these national figures are going around the country shows that it's a nationalized race," says Rhodes Cook, a political analyst in Annandale, Va. "There are some 80 [congressional] races still on the radar screen, that's double or triple the number we had two and four years ago, and races had to be nationalized to produce that great an expansion of the field."

O'Donnell says his biggest liability is the perception that he walks in lock step with Bush and the national Republican Party. "I made a strategic mistake: I flew back [to Denver] on Air Force One," he adds. That photo was Exhibit A for a flood of negative ads, "all of the president getting off the plane with me and waving." An ad sponsored by the DCCC uses that scene for an ad that ends with the line: "Rick O'Donnell: Radical ideas and another vote for George Bush's agenda." The DCCC has spent more than $1.3 million for Perlmutter in this race.

In fact, O'Donnell says there's a lot he doesn't like about Republican politics in Washington, such as big spending and all those pork projects added to bills in the dead of the night. A policy wonk who wrote his own platform, O'Donnell says that he also disagrees with the president on immigration and thinks the House GOP is "out to lunch" on healthcare. "It's not enough to beat up on trial lawyers or create new health savings accounts. That in itself doesn't tackle our problems," he says.

Mr. Collegio, the NRCC spokesman, says that the transfer of get-out-the-vote resources to other districts does not mean that the GOP has given up on the Seventh District. But analysts say that this fabled micro-targeting operation may be swamped by a national Democratic tide in this election. A recent Zogby poll gives the Democrat Perlmutter a 14-point lead. Another puts it at 6.

"In a year when you had a motivated base on each side and the race is one or two points either way, that [ground game] matters a lot. But that's not what the Colorado 7 race is about now," says Amy Walter, who handicaps House races for the Cook Political Report. "There's a less motivated Republican base, a more motivated Democratic base, and independents are increasingly negative [toward the GOP]," she adds.

Why Economy Is Key In Indiana Election (CSM)

By Mark Trumbull

The Christian Science Monitor, November 2, 2006

SOUTH BEND, IND.

Evelyn Salyer is the kind of voter Republicans desperately need to hang onto this fall.

In 2004, her vote helped push a Republican House member toward a narrow reelection win in this northern Indiana district. Now, with a new election just days away, she hasn't made up her mind.

The candidates are the same two men who ran last time. Their battle for blue-collar voters is lug-wrench tight. And Ms. Salyer cites economic concerns among the mix of issues that make her reluctant to commit her vote.

Although Iraq comes first, immigration and her own cost of living are close behind.

"We should be taking care of our people here" rather than spending abroad, says Salyer, who worked for years at a local bank and lives mostly on Social Security.

It's a refrain echoed by many voters in this region where bedrock jobs in heavy industry are being shaken anew by the current downsizing of US automakers.

"People who live in the Midwest are more negative about the economy" than voters in other regions are, says Scott Keeter, who directs voter surveys at the Pew Research Center for the People and the Press in Washington. Tight races in the region "could certainly be affected by this."

Nationwide, voters who are concerned about the economy are likely to vote Democratic in this election, says Mr. Keeter.

Their ranks are sizable. In a late-October Pew survey, 20 percent of registered voters said the economy is the most important issue in their vote for Congress, second only to the 27 percent who cited the situation in Iraq.

Indiana's Second Congressional District, anchored by the city of South Bend, exemplifies how economic concerns have emerged as significant in some races. It is among a relative handful of contests on which control of the House of Representatives could hinge. Democrats need a gain of 15 seats, out of 435 total, for control.

In the Second District, Democratic challenger Joe Donnelly is leading GOP Rep. Chris Chocola 48 percent to 45 percent, according to a poll from RT Strategies released last week.

"Bad and getting worse," is how Juli Tate, who works as an administrative assistant University of Notre Dame, describes the local economy. "We're losing jobs," she says. "Young people are dropping out of school."

As she walks near the campus's gold dome, she says she'll vote for Mr. Donnelly. Representative Chocola is "not doing anything for Indiana as far as I can see," she says.

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South Bend has more than its share of boarded-up storefronts, and the city's jobless rate is 5.1 percent, above the national rate of 4.6 percent. The city has been adapting to the loss of automotive jobs since the 1960s, when Studebaker closed an assembly line here.

But conditions aren't all bleak. Several medical centers, and Notre Dame just north of the city, have provided service sector jobs.

Indiana's automotive sector is doing better than Michigan's. The state has had success luring foreign manufacturers such as Honda. The AM General plant next door to South Bend, in Mishawaka, continues to crank out Humvees for the US military, even though $2-a-gallon gasoline has crimped demand for the civilian Hummer.

Still, this area feels the pressure of pocketbook issues. People complain about a spike in property taxes. And at a time of concern about global competition, they're angry that the state recently moved to lease a key toll road to a foreign consortium. Mr. Chocola had no direct say on either of those matters, but that doesn't mean he can escape voter frustration.

In the nearby city of Kokomo, at the southern edge of this district, auto-parts giant Delphi plans to shed hundreds of workers soon. To emerge from bankruptcy, the company says it will have to cut worker pay.

Such challenges make the economy a big issue for Dale Cooper, who retired from a union job at Bendix, a brake manufacturer, which was once one of South Bend's biggest employers.

"You have many people working, but they're making less money," he says. "It's almost a necessity for both [spouses] to work."

Similar worries are common in industrial centers throughout the Midwest. The economy isn't the only issue, or even the main issue but every bit of pessimism weighs against Republicans. "It's a sour mood that is driven in part by Iraq, that's driven in part by economic anxiety," says Robert Schmuhl, a political analyst at Notre Dame.

In Ohio, these concerns are helping Democrat Sherrod Brown in his challenge to Sen. Mike DeWine (R). In Michigan, Republican Dick DeVos has tried to use it in his bid to unseat Gov. Jennifer Granholm (D), but still trails in polls.

In this election, the economy provides fodder for both parties. The GOP record on tax cuts appeals to many here. "I'm a big anti-liberal.... I vote Chocola," says Travis Hessey, who runs his own plumbing business in town.

He says times are pretty tight. His gasoline bill has soared even as local customers can't afford to pay big fees. But to him, the best way to keep the economy going is to keep taxes low and for US workers to keep boosting their skills. "I don't look for ways that the government can help," he says.

Nationwide, many Republican candidates hope to reap some tailwind from a good job market, low taxes, and a recent dip in gasoline prices. But a housing slowdown and rising personal debt weigh against those positives.

"It's hard for voters to make sense of the economy," says Elizabeth Bennion, a political scientist at Indiana University's branch campus here.

Only 35 percent of Americans rate the current economy as "excellent" or "good," according to the Pew survey, and just 25 percent of Midwesterners feel that way.

Concentration Of Competitive Races Puts Ohio At Center Of Midterm Battle (NYT)

By David D. Kirkpatrick

The New York Times, November 2, 2006

COLUMBUS, Ohio, Oct. 31 — Mary Jo Kilroy is an awkward, stumbling speaker. John Cranley is a baby-faced 32-year-old whose campaign biography still highlights his election as student body president in college. Dr. Victoria Wulsin has never held elected office.

But, reflecting the political drift of this bellwether state a week before the midterm elections, all three of these Democrats are in competitive races to unseat once-safe Republican members of Congress. With polls showing Democrats running well ahead in Ohio races for senator and governor, the Democratic Congressional Campaign Committee has recently begun spending money to help Dr. Wulsin unseat her opponent, Representative Jean Schmidt, adding Ms. Schmidt to its list of three other Republican targets in the state.

Republicans, meanwhile, are scaling back their support for State Senator Joy Padgett in her fight against Zack Space, a Democrat who is the city attorney in Dover, for the Congressional seat being vacated by Representative Bob Ney, a Republican who pleaded guilty to corruption charges.

That puts four Republican seats in play. Strategists for both sides say Mr. Ney's seat is the Democrats' best chance while Ms. Schmidt is the least vulnerable of the four Republicans.

Ohio has been a central battleground of the midterm elections because of the unusual concentration of competitive races. The Senate seat, now held by Senator Mike DeWine, is one of a half-dozen or so that will determine control of the chamber. The

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4 House seats are among about 40 that will decide control of that body. And winning the governorship of Ohio can give a party a big assist in carrying the state in a presidential election.

Discontent with the war in Iraq, the limping regional economy and a corruption scandal in the Republican-controlled statehouse tilted the table in favor of the Democrats from the start of the campaign. But in the final days before the election, Republicans are fighting hard to hold on.

"It's not over yet — it's too early to wrap things up!" Representative Deborah Pryce said in a telephone interview Monday on her way back from an event in Maryville.

Ms. Pryce, the fourth-ranking member of the House Republican leadership and a moderate on many social issues, is facing her first competitive contest in a decade against Ms. Kilroy, a local county commissioner. Ms. Pryce is closing the race by reminding voters, in television commercials and campaign appearances, of the federally financed projects she has helped bring to the area.

"We have to do something pro-active and not just bad-mouth and be negative," Ms. Pryce said in an interview Tuesday on a Columbus public radio station, WOSU. "My solid record of bringing jobs to this community is exactly what we need to do."

Still, Ms. Pryce's anxiety is showing. In a reversal of the customary ritual between incumbent and challenger, Ms. Pryce recently stood with a bullhorn outside Ms. Kilroy's office demanding that Ms. Kilroy participate in another debate. Ms. Kilroy has refused.

"She has come up with any excuse not to," Ms. Pryce said in the interview.

"Every time she says the president's name she says mine too," she added with frustration, saying she believed voters would see through the efforts to tie her to President Bush.

Ms. Kilroy, in turn, is criticizing Ms. Pryce for describing the current national economy as "storybook," arguing that she is out of touch with Ohio voters affected by the region's doldrums.

"Two hundred and twenty thousand jobs were lost in a six-year period here in Ohio," Ms. Kilroy said Tuesday, also in an interview with WOSU. Like Republican candidates a decade ago, she called for reducing the federal deficit by requiring offsets for any new spending or tax cuts.

In Cincinnati, Representative Steve Chabot is a staunch conservative first elected in the Republican landslide of 1994. Mr. Chabot's campaign is running commercials stating: "Some people want you to think that I've changed. I've lived in the same house for 21 years, with my wife of 33 years. I still cut our grass, and drive the same old '93 Buick. More important, I've never wavered in our fight to cut spending, stand up to the special interests and protect Social Security."

The advertisement is a response to a refrain of his opponent, Mr. Cranley, that "Washington changed Steve Chabot." Mr. Cranley, a city councilman, is running as a fiscal conservative, pledging not to accept a raise until the federal budget is balanced. Accusing Mr. Chabot of having abandoned his commitments to a balanced budget, Mr. Cranley recently won the endorsement of The Cincinnati Enquirer, which picked Republicans for most other races.

Mr. Cranley is also attacking Mr. Chabot over his support for the Iraq war, reminding voters that Mr. Chabot recommended making Saddam Hussein "a principal target" shortly after the terrorist attacks of Sept. 11 and that he once praised Defense Secretary Donald Rumsfeld's job performance as "exemplary." (Mr. Chabot says he, too, has some criticisms of the conduct of the war.)

In the governor's race, polls show that Representative Ted Strickland, the Democratic candidate, has a commanding lead over J. Kenneth Blackwell, the Republican who is Ohio's secretary of state. Representative Sherrod Brown, the Democrat who is running for Senate, is also ahead of the Republican incumbent, Mr. DeWine, and the National Republican Senatorial Committee has stopped spending to support Mr. DeWine.

The Democrats received an additional boost this week when the actor Michael J. Fox, who has Parkinson's disease, campaigned with Mr. Brown to highlight Mr. DeWine's opposition to embryonic stem cell research. Mr. Fox became famous playing the conservative son of liberal parents in a television show set in Columbus, and his appearance dominated television news coverage around the state that day.

Reverse Swiftboating (WT)

By Brendan Conway

The Washington Times, November 2, 2006

MORGANTOWN, W.Va. -- Can you call what backers of West Virginia Democratic Rep. Alan Mollohan are doing to Republican challenger Chris Wakim "swiftboating?" Here's the evidence. The media, the ethics-challenged Mr. Mollohan and his supporters are questioning whether Mr. Wakim can justifiably call himself a Persian Gulf War veteran when he never served in that military theater. This Swiftee-reminiscent move knocked a previously surging Mr. Wakim off message, at which time deep-pocketed Swiftboat-funder Bob Perry intervened, this time on behalf of the targeted.

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At minimum, this is an echo of the scrutiny John Kerry's military service received in the last presidential election. Except now, Democrats are doing the scrutinizing. Merits aside, this should raise hope that Democrats now can agree that a candidate who claims military accomplishments on the stump should be challenged if the claims don't tell the whole story.

Whether you think a fact-check is warranted in this case depends on your definition of "Gulf War veteran." It all started earlier this year when Mr. Wakim -- a West Point graduate, 11-year Army officer and disabled vet -- characterized himself that way on the stump. His opponents pounced. Mr. Wakim, who sustained back, elbow and knee injuries while serving, spent the war on active duty at Ft. Devens, Mass., 35 miles outside Boston. This paralleled a controversy over whether Mr. Wakim had trumped up a Harvard master's degree by calling it a credential in "public policy" (It was actually in liberal arts).

It didn't take Mollohan backers long to start touting Swiftee-like local vets who accused Mr. Wakim of stretching his military resume. "He led soldiers to the bus, but never made it to the Gulf War," one anti-Wakim vet says in a particularly nasty commercial from a 527 group. (Last week the Wakim campaign filed a Federal Election Commission complaint against the group, West Virginia Values, alleging illegal coordination with Mr. Mollohan.)

No wonder Mr. Mollohan's supporters went negative: A strong-campaigning Mr. Wakim had been gaining quickly in a conservative-trending district and Mr. Mollohan's swirling ethics questions were threatening to make this year his last in the House. He is currently under investigation in connection with $202 million in earmarks to nonprofits he helped found which employ some of his campaign donors. Earlier this year he stepped down as ranking member of the House Ethics Committee.

The anti-Wakim line of attack literally boils down to which medals the Republican has -- and it infuriates him. "The crux of the issue is pretty simple," Mr. Wakim told me recently. "Alan Mollohan is trying to discredit the fact that I am a West Point graduate, that I am a Gulf War veteran, that I served in the infantry for over 11 years, that I am a disabled vet. He doesn't understand how the Army works...What happens in one end of the front is the same thing -- is all related to what happens on the other."

So, who's right? Technically speaking, the law is on Mr. Wakim's side. The U.S. Code defines a veteran of a given conflict as "any veteran who served in the active military, naval, or air service during a period of war." If you served, you helped the war effort, and according to 38 U.S.C. 101(12) you can call yourself a veteran of that conflict.

But perception is a different matter. The man on the street can be forgiven for thinking that a Gulf War vet -- just like a Vietnam vet in Vietnam -- would need to have spent time in Iraq or Kuwait or another Middle Eastern country to earn that designation. It's also true that the Veterans of Foreign Wars stipulates that members must hold one or more foreign-theater campaign medals or badges to join. That's more than enough ammunition for Mollohan backers.

Of course, the fact that the issue is even being discussed means that the Mollohan camp has used some variant of "swiftboating" to cut down a challenger. It was probably quite effective: Election handicappers have started calling the race a likely Democratic retention.

This should quiet some of the more histrionic Democratic indignation over the questioning of Mr. Kerry's military service. Last month at Washington's Phoenix Park Hotel, for instance, I listened to a visibly angry Paul Bucha, board chairman of the liberal veterans' group VETPAC, vow: "Let no person think that they have been anointed in such a way as to question the validity of service and patriotism of anybody who has had the courage to don the uniform of this great country." The context was the effort to question Mr. Kerry's Purple Hearts.

This gets things precisely backward. If a candidate wants to use his military biography to seek high office, why shouldn't people be allowed to corroborate his self-portrayal for the voting public? In a democracy, elections are one of the few things more hallowed than Mr. Kerry's or anyone else's service. There are no free passes.

Brendan Conway is an editorial writer at the Washington Times and a 2006 Phillips Foundation journalism fellow.

GOP Closing Gaps In A Couple Of Key Races (USAT)

USA Today, November 2, 2006

In a campaign in which they have often been on the defensive, Republicans got some good news in a pair of state polls Wednesday and learned that an effort to register Hispanic voters in Democratic-leaning districts fell well short of its goal.

The news comes as President Bush and first lady Laura Bush continued to push hard to help Republicans keep control of Congress in Tuesday's elections.

“We'll win this election,” President Bush said in a radio interview Wednesday.

Democrats have assailed Republicans for weeks for not doing enough to curb violence in Iraq or to investigate charges of improper contact between Republican Rep. Mark Foley and congressional pages.

House Democratic Whip Rep. Steny Hoyer of Maryland said Republican missteps will make his party a winner Tuesday.

“Democrats believe that we must take our nation in a new direction. And we believe that it is long past time that the United States Congress conduct meaningful, bipartisan oversight of the Bush administration rather than serve as a rubber stamp for it.”

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Bush's upbeat tone in an interview with conservative radio talk show host Rush Limbaugh coincided with polls showing gains for the GOP in Tennessee and Maryland.

In Tennessee, an Opinion Research Corp. survey found Republican Senate candidate Bob Corker, a former Chattanooga mayor, leading Democratic Rep. Harold Ford, 52%-44%. The margin of error was +/-4 percentage points. Earlier polls had found the race closer.

Tennessee is one of several states where Democrats hope to win seats in order to take the Senate from GOP control.

In Maryland, a poll by The (Baltimore) Sun found a virtual tie in the governor's race. Democrat Martin O'Malley, the mayor of Baltimore, leads Republican Gov. Robert Ehrlich 47%-46%. A Washington Post poll published three days earlier showed Ehrlich trailing by 10 percentage points.

Meanwhile, a drive to register Hispanic voters, who tend to vote Democratic, has fallen short of expectations. The campaign to register 1 million foreign-born voters signed up 146,000 people, said Germonique Jones of the Center for Community Change. The registration drive followed large protests by Latinos this summer angered by proposed House legislation to stem illegal immigration.

"People were waving signs, 'Today we march, tomorrow we vote,' but that may not be something that's literally tomorrow," said Lionel Sosa, a Republican political strategist who heads Mexicans & Americans Thinking Together, a Web-based group.

As first lady Laura Bush campaigned in Kentucky and Ohio for Republicans, President Bush voiced optimism about the elections in an interview with Limbaugh. Limbaugh asked about the consequences if Democrats win House or Senate majorities.

"I really don't think about the idea of having a Democrat-led House and Senate because I don't think it's going to happen," Bush said.

"I believe if our candidates continue to talk about the strong economy, based upon low taxes, and an administration and a Congress that was willing to give professionals the tools necessary to protect (citizens from terrorism), we'll win this election," he said.

When asked about Democratic critics of the Iraq war, Bush said: "My answer to them is listen to Osama bin Laden who says, 'Our objective is to defeat America,' which will embolden the terrorists, which will then enable (al-Qaeda) to have safe haven, just like they had in Afghanistan. And we're not going to let them do it."

Parochial Issues Come To The Fore In Tennessee Senate Race (MCT)

By Margaret Talev

McClatchy Newspapers, November 2, 2006

NASHVILLE, Tenn. - The Iraq war and racism form the raw bookends of the tight U.S. Senate race in Tennessee, which could be historically significant and could make or break the Democrats' campaign to take over the upper chamber of Congress.

Iraq is the dominant issue, voters told a recent McClatchy-MSNBC poll. And the Democratic candidate, Rep. Harold Ford Jr., 36, would be the first black U.S. senator from the South since Reconstruction. He says U.S. policy in Iraq isn't working and endorses splitting the nation into three semi-autonomous regions - for Sunni Muslim Arabs, Shiite Muslims and Sunni Kurds - with a weak central government.

Republican Bob Corker, 54, is a white businessman and former Chattanooga, Tenn., mayor. He favors staying the course in Iraq until the mission is complete.

Ford couldn't have gotten so close without a public backlash against the war and President Bush, political analysts here say. But if Corker wins, several voters said, they'll blame latent, if not overt, racism for Ford's defeat.

Still, it's not that simple. If the voting next Tuesday is as close as polls suggest, parochial issues below the headline topics of war and race could spell the difference. The candidates' personal weaknesses, their parties' records on gay rights, health care and taxes, and the changing makeup of voters in the state could tip the outcome.

Many voters said this week in interviews in and around Nashville that they were turned off by Ford's large and politically influential Memphis family, which has been dogged for years by corruption investigations. An uncle who was a state senator is awaiting trial on bribery charges even now.

"I just don't think the acorn falls far from the tree," said Mike Shackleford, 47, a businessman who voted early for Corker. Ford "may be a fine person, but I don't know enough about him."

Ford's more charismatic than Corker, but the congressman, who's single, has a reputation as a Casanova and somewhat of a policy lightweight. Flanked by screen actress Ashley Judd and Sen. Mary Landrieu, D-La., at a "Women for Ford" event this week, he meandered through several policy questions and frequently deferred to Landrieu.

When Judd championed monogamy, saying, "It's useless, by the way, if only one partner is being faithful," Ford perked up. "Let me write that down," he quipped. Asked about his faith, he said he renewed his commitment to prayer after his uncle's indictment.

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Both candidates tout their Christianity and applaud traditional family values.

The Republican Party has had a big statewide advantage in Tennessee since the 1990s, when white conservative Democrats switched parties. Retiring Sen. Bill Frist won his last election, in 2000, with 65 percent of the vote. And a proposed gay-marriage ban for the state on this year's ballot could help Corker by boosting Republican turnout.

If Ford wins, factors beyond Iraq that could help him include voters' desire for more affordable health care, on which Democrats are regarded as more sympathetic. Charlie Miller, 69, a retired salesman, said he prefers Corker on other issues, but that "it'll be close . . . everybody needs insurance."

Ford can appeal to moderates by citing his 2002 race against liberal Rep. Nancy Pelosi, D-Calif., to become House Democratic leader, his support for school prayer and his devotion to his faith. He's never positioned himself as a liberal.

His candidacy is likely to prompt high turnout among blacks, who compose 16 percent of the state's population. A McClatchy-MSNBC poll earlier this month showed that blacks split for Ford by 86-4 percent, but that whites tilt to Corker by 53-36 percent. Women split about evenly between Ford and Corker, while men tilted toward the Republican by a 5-point margin.

Although analysts here suggest that it may not be happening fast enough to help Ford, Tennessee's favorable business climate is gradually changing the population by bringing in voters from traditionally more liberal states. Nissan moved its California headquarters to a suburb south of Nashville last summer, for example.

Kristi Weiner, 40, a consultant whose husband works for Nissan, can't vote because she's still registered in Los Angeles. If she could, she said, "I'd probably vote for Ford."

Voters also debate the effect of a television ad that was paid for by the Republican National Committee and pulled down after cries of race-baiting. In it, a bare-shouldered white woman flirts, "Harold, call me."

Some black voters, such as Wanda Graham, 53, a retired Army lieutenant colonel and local Democratic activist, worry that the ad could hurt Ford by recalling traditional Southern cultural taboos against interracial sexuality. But some younger white voters who want to distance themselves from stereotypes said it could hurt Corker.

Rachel Deering, 28, said she and her husband usually voted Republican, but that this time - because of the ad - they planned to stay home in protest.

Clinton Campaigns For Ford In Memphis (USAT)

USA Today, November 2, 2006

Former president Bill Clinton told a Memphis church congregation Wednesday that if Democratic Rep. Harold Ford wins next week's Senate election, it will represent a “victory of going beyond race.” Clinton spoke in Ford's hometown at the predominantly black Temple of Deliverance Church of God in Christ. “You know what it will mean if Harold gets elected on Tuesday,” Clinton said at the 4,500-seat church. “It won't mean that it's a victory of race; it will be a victory of going beyond race.”

Ford, 36, hopes to become the first black senator elected from the South since Reconstruction. Ford, a five-term congressman, and Republican Bob Corker, a former Chattanooga mayor, are vying to replace Sen. Bill Frist, who is retiring.

McCaskill: Bush's Mo. visit won't help Talent

Democratic Senate challenger Claire McCaskill dismissed President Bush's visit to Missouri on Friday in support of GOP Sen. Jim Talent as an example of Talent's too-close ties to Washington. Bush and Talent will appear at stops in Springfield and Joplin.

Bush's appearance will mark his first public campaign event with Talent this year, although the president has helped raise money for Talent. Bush spokesman Tony Snow headlined a Talent fundraiser Monday, and Talent campaigned Tuesday with Senate Majority Leader Bill Frist. “The last week of Sen. Talent's campaign is about Washington, D.C.,” McCaskill said. “The last week of my campaign is about Missouri.”

Talent spokesman Rich Chrismer said, “We're doing what successful campaigns do in the final week, which is energize our supporters and get out the vote.”

Strayhorn: Gov. Perry's ad is sexist

Independent gubernatorial candidate Carole Keeton Strayhorn claimed Wednesday that Republican Texas Gov. Rick Perry's radio ad is sexist because it suggests a woman is incapable of holding the office. “The implication is certainly … that a woman is not tough enough to be governor,” Strayhorn, the state comptroller, told about 40 supporters in Waco. The ad, which began airing Tuesday, calls Strayhorn “Mrs. Corrupt Comptroller Politician Woman,” much like another Perry ad calls Democrat Chris Bell “Mr. Way Too Liberal For Texas Guy.” Strayhorn said the ad is “sad. I thought that was gone decades ago, and here he is talking ‘politician woman.' ” Perry campaign spokesman Ted Royer said he found it curious that Strayhorn was complaining about the word “woman” and not “corrupt.”

Settlement reached on Ohio voter-ID law

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Lawyers for the state and groups that opposed Ohio's voter identification rules reached a settlement that suspends the law for absentee voters and clarifies and expands it for voting in person. The plaintiffs had argued that county elections boards were disenfranchising voters by inconsistently applying the law.

The settlement stopped short of declaring any aspect of the law unconstitutional, preventing further court wrangling from disrupting the election, said Mark Anthony, spokesman for the state attorney general. The settlement allows voters without ID to use Social Security numbers, and it expands the definition of government documents that can be used as ID to include those from local and county governments, state universities and public community colleges.

Coulter may face charge of voter fraud

Conservative columnist Ann Coulter has refused to cooperate in an investigation into whether she voted in the wrong Florida precinct and may be prosecuted for voter fraud, Palm Beach County Elections Supervisor Arthur Anderson said. He said that his office has been looking into the matter since the Feb. 7 Palm Beach Town Council election and that he would turn over the case to the state attorney's office by Friday.

Knowingly voting in the wrong precinct is a felony. Anderson, a Democrat, said a letter was sent to Coulter on March 27 requesting that she clarify her address for the voting records "or face the possibility of her voter registration being rescinded." She and her lawyer have yet to respond to several inquiries, he said.

Beating Around The Bush (WSJ)

By Brendan Miniter

The Wall Street Journal, November 2, 2006

CLINTON, Mo. -- If Democrat Claire McCaskill wins her Senate race in Missouri next week, her victory won't rest, for the most part, on any policy proposal or characteristic particular to her -- precisely as she intended from the start of her campaign. Nor has she made the focus of the race Jim Talent, the incumbent Republican she is trying to unseat. Instead, she's running against George W. Bush.

Ms. McCaskill's strategy, like that of Democrats across the country, has been to "nationalize" the election by making it a referendum on the president. She spends a considerable amount of time blurring the boundaries between the unpopular Republican in the White House and a Republican-controlled Senate. Along the way she's even displayed a little wit: "Talent votes with President Bush more often than I agree with my husband," she quipped at a recent campaign rally in this small town, four hours west of St. Louis.

She's run a credible, competitive campaign, and is now deadlocked in a virtual tie -- all polling differences within the margin of error -- for a post that has changed party hands twice in the past six years. Give her credit, at least, for rallying the flagging morale of the state party and raising the hopes of Democrats nationwide. Depending on what happens in Ohio, Montana, Rhode Island, Tennessee and Virginia next week, she may hand her party the sixth seat it needs to take control of the Senate.

Sen. Talent, for his part, has not been caught up in scandal or made gaffes. He has been attentive to home-state voters. He has championed laws on apple-pie issues such as curbing the use of methamphetamines and supporting research into sickle-cell anemia, a disease that afflicts African-Americans acutely. He promotes breast cancer awareness by having St. Louis's 630-foot-tall Gateway Arch lit pink one night each year.

By taking care of smallish issues, and not screwing up, Mr. Talent has ensured that the race will focus on larger, more controversial topics. Thus the Missouri race is a relatively pure expression of the Democratic attempt to make the election a referendum on the Bush administration. And it may illustrate the flaws in the strategy of putting few substantive ideas on the table and instead counting on discontent with the Republican Party. Voters clearly aren't happy with the status quo, but neither do they seem convinced that the alternative is any better.

Here, Mr. Talent enjoys the advantage of clarity. On national security, he wants to isolate North Korea and preserve a "credible" deterrent to Iran's nuclear ambitions, which in his view includes the possibility of air strikes. Asked if he wants to "stay the course" in Iraq, the senator responded emphatically. "I don't want to stay anything," he told me on a recent blustery afternoon in St. Louis. "I want to win. And Missourians want to win."

Ms. McCaskill's positions are more carefully hedged. Currently the state auditor, she's a former prosecutor who promises to be tough on terrorists and voices unequivocal support for building missile defenses. "Absolutely," she told us before noting the weapon system her party has spent more than two decades deriding as a waste of money "will work." Yesterday, she called on Sen. John Kerry to apologize for disparaging those who serve in the military.

When it comes to elaboration, however, the positions she takes don't so much straddle the political divide on national security as occupy both sides of it. On Iraq, she doesn't support a timetable for withdrawal, but told us that the Bush administration should "privately" tell the Iraqi government the U.S. will pull out, eventually. On North Korea, she opposes rewarding Kim Jong Il with bilateral talks, but blasts the president for a general "aversion" to direct talks. On terrorist surveillance,

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she supports wiretapping international calls of suspected terrorists, just not the way President Bush has gone about it. And so on.

Keeping the focus off Ms. McCaskill, Missouri Democrats have also taken a page out of the conservative playbook to depend on two hot-button issues on the ballot increasing liberal turnout. The first would create a $6.50 state minimum wage, more than a dollar higher than the federal mandate. The second is a contentious amendment to the state constitution regarding embryonic stem-cell research, drafted as a rebuke of the president's federal funding policy. Ms. McCaskill supports the amendment, has run ads on it, and welcomed actor Michael J. Fox to the state to campaign for its passage.

The irony, though, is the amendment may also increase turnout for the Republicans. Sen. Talent, social conservatives and other opponents fear the 2,000-word document will legalize human cloning at taxpayer expense. To ensure that that doesn't happen, Marjorie Dannensfelser, head of the Susan B. Anthony List, a national right-to-life organization, has identified some 200,000 "casual voters" in the state and says she's working double time to convince as many of them as possible to vote.

Mr. Talent won his seat in 2002 in a special election by a razor-thin margin of just 21,000 votes, so just a fraction of Ms. Dannensfelser's list could tip the scales in his favor. Ms. McCaskill is likewise dependent on turnout. In the governor's race two years ago, she lost 90 out of 97 counties to now-Gov. Matt Blunt, but the outcome was quite close, 51% to 48%.

The partisan divide in Missouri, then, is close to even. The state has a nearly unblemished electoral history -- stretching back to Teddy Roosevelt -- of siding with winning presidential candidates, breaking in the last two elections for President Bush. The unknown aspect here is intellectual. Ms. McCaskill doesn't want this election to be about her ideas. But next week's outcome will depend on whether those who head to the polls will see her as running on almost the same campaign platform on which the Democrats lost in 2002 and 2004. Will voters make this election in part about Ms. McCaskill?

Virginia's Tight Senate Campaign Turns On Personal Attacks (MCT)

By Steven Thomma

McClatchy Newspapers, November 2, 2006

CHARLOTTESVILLE, Va. - In its final week, the U.S. Senate campaign in Virginia came down to this:

A liberal blogger tried to ask Republican Sen. George Allen about the most urgent issue he could think of - whether Allen had spit on his first wife. Then Allen's aides put the man in a chokehold and threw him on the floor.

That episode Tuesday, captured on video by a local news crew, summed up how one of the races that could determine which party controls the Senate has degenerated into bitter name-calling and personal attacks instead of a debate over the issues that matter most to voters.

It started very differently, as a clash over the Iraq war between Allen and Democrat James Webb, a former secretary of the Navy under Ronald Reagan. Allen supports the war; Webb's vehement opposition prompted him to switch parties from Republican to Democratic and to challenge Allen.

The campaign changed when Allen unleashed a firestorm over the summer by calling a dark-skinned Webb volunteer a "macaca," which Democrats labeled a racial slur. Allen soon was inundated with stories accusing him of using racial slurs as a college student.

He was losing support fast when he pleaded to change the subject.

"Virginians expect to hear us address the real issues you care about," the Virginia Republican said in a primetime TV appearance in early October. "Over the past several weeks, that hasn't been the case. Some of this I brought on myself. But the negative personal attacks and baseless allegations have also pulled us away from what you expect and deserve."

Yet Allen responded by launching counterattacks on Webb for including sex scenes in his best-selling war novels, attacks that have continued into the final week of the campaign. National Republicans also launched ads ripping Webb for criticizing women in the military 25 years ago and calling a 1991 investigation of Navy pilots for abusing women a "witch hunt."

On a recent campaign swing through Portsmouth, Va., Allen insisted that all the dirt has come from Webb and that his attacks on sex scenes in Webb's novels are the kind of serious issue he wanted the campaign to address.

"My opponent does say he's proud of being an author and a novelist. Those passages, people have found demeaning to women," Allen said during a stop at the Virginia Sports Hall of Fame, standing beside a display case featuring the short shorts and sequined halter top of a Washington Redskins cheerleader. Allen's father coached the Redskins in the 1970s.

Allen also brushed aside demands from Democrats that he explain why his name is listed without any detail in a 1974 Virginia court docket. Aides have said he was cited for unpaid parking tickets and for fishing without a license. National Democrats suggest that his name could be listed for anything ranging from parking tickets to assault, but they offer no evidence of any crime.

Webb, too, insisted that he's refused to participate in the name-calling and character attacks.

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"We haven't done that. . . I have declined to go after George Allen when he was in trouble," he told supporters at a University of Virginia rally.

"I don't think you'll find an attack ad with my name on it," he said afterward. "I've been talking about the issues every day."

In his rally, Webb did talk at length about the Iraq war, praising the soldiers fighting there and criticizing Allen for not asking hard questions before supporting the war.

But it was Webb's campaign that set off the "macaca" brouhaha by releasing the video of Allen and the Webb aide. And it's been liberals and national Democrats talking about Allen's divorce or his court record from 32 years ago.

Voters said they didn't like the nasty campaign and wished it would return to more substantive issues. But many saw that through partisan lenses: The attacks on their candidate are nasty and trivial; the attacks on the other side are deserved.

"All the negative ads turn me off," said Bev Graeber, a Republican who singled out anti-Republican ads from the liberal group Moveon.org as particularly offensive. "They make me sad. I wish it was back on the issues."

Barbara Barton, a Democrat, said the criticisms of Allen were justified. "The macaca stuff really irritated me," she said. "Allen picked on the only dark face in a crowd of white faces. That IS substantive."

Polls show the Allen-Webb race is a toss-up. Voters decide Tuesday.

For more on the campaigns, go to www.georgeallen.com and www.webbforsenate.com

Allen Suggests Webb Behind Heckler Incident (WT)

By Christina Bellantoni And Seth Mclaughlin

The Washington Times, November 2, 2006

Sen. George Allen yesterday suggested that his Democratic opponent, James H. Webb Jr., has a connection to a heckler who accosted him Tuesday, while Mr. Webb said the incident exemplifies what is wrong with politics.

Mr. Allen referenced the incident during which liberal blogger Mike Stark confronted him in Charlottesville, prompting the Republican's supporters to tackle him.

"What the people of Virginia deserve in the last few days of the campaign is my opponent to say to these allies and people associated with him that this is not appropriate," Mr. Allen said during a campaign stop at a business park in Fairfax.

The Webb campaign says it has no link to Mr. Stark.

Mr. Webb, who was campaigning in Richmond yesterday, said the incident shows that the two parties are at each other's throats because of the "emotional" election.

"It's one of the frustrations in dealing with the political process right now -- we've become so antagonistic," Mr. Webb said as he began a discussion with Virginia Commonwealth University (VCU) students in Richmond.

"For the good of the country, I don't think we should be engaging in that sort of conduct," he said. "We can have healthy debate and we can talk about differences without having to have the kind of confrontation that happened [Tuesday]. We don't need that."

Mr. Webb did not specify whether he was talking about Mr. Stark's behavior or the assault. Mr. Stark, a University of Virginia student, said Tuesday that he planned to file charges, although no charges were filed as of yesterday.

Mr. Stark told Washington Post Radio yesterday that he was "baiting" Mr. Allen, who has been known to lose his cool on the campaign trail.

In August, Mr. Allen singled out a Webb volunteer taping his campaign event in Southwest Virginia, calling the Indian-American man "macaca," a term considered derogatory in some cultures.

Since then, Mr. Allen has faced accusations that he used the "N-word" in the 1970s. He also has struggled through questions about his Jewish heritage.

Mr. Webb has said he could have used such incidents against Mr. Allen, but chose not to because they are "not relevant to what I'm trying to do."

Mr. Allen, standing beside Sen. John W. Warner, Virginia Republican, said the election on Tuesday should be focused on issues that affect voters "rather than encouraging this sort of disruptive, provocative behavior."

"This is typical of what my opponent has done, and his allies, trying to provoke incidents," Mr. Allen said. "I wish he would try to rein that in."

Both men have said the other is engaging in "vicious" personal attacks, while polls show that voters are irritated by negative campaigning.

Mr. Webb, who spent the day with Richmond Mayor L. Douglas Wilder, told VCU students that he "never really wanted to run for public office," but was forced to act out of frustration over the handling of the war in Iraq and Hurricane Katrina, among other issues.

"Looking at all those things, I just said, 'Well, I either have to shoot my TV or try to do something about this,' " he said.

In Northern Virginia, Mr. Allen discussed taxes. "I think we should give the death penalty to the death tax," he said.

On Tuesday, Mr. Stark loudly asked Mr. Allen whether he ever spit on his first wife, alluding to a rumor that has been floating on liberal blogs.

Mr. Allen, who was campaigning with Sen. Elizabeth Dole of North Carolina, who is serving as chairman of the National Republican Senatorial Campaign Committee, ignored Mr. Stark as an Allen campaign volunteer blocked him.

"You're going to need to leave now. Get out the door," the Allen volunteer said as another man held Mr. Stark in a headlock.

Other Allen supporters tackled Mr. Stark, saying: "Now you're getting personal."

Mrs. Dole called the incident disturbing and asked Mr. Webb to apologize. "An ally of James Webb's campaign shouted diatribes in a sleazy attempt to create a political incident," she said.

When told about Mrs. Dole's request yesterday, Mr. Webb said: "I don't even know what happened [Tuesday]. I certainly regret the conduct of certain people there."

Meanwhile, most jurisdictions in Virginia are reporting slight to sizable increases in the number of requests for absentee ballots. Most officials attribute the increase to an aggressive campaign to encourage voters to use such ballots.

James Alcorn, a policy adviser with the state elections board, said yesterday that 101,852 requests for absentee ballots had been made as of last week, slightly higher than normal during congressional election years. The number of requests is comparable to that of 1994, he said.

Some local elections officials attribute the increase to the Senate race and the constitutional marriage amendment proposal.

Steele Gains Key Support Beneath The Surface In PG (WT)

By Jon Ward

The Washington Times, November 2, 2006

Prince George's County Democrats say they expect Lt. Gov. Michael S. Steele, a Republican running for the U.S. Senate, to receive a surprising number of votes in the majority black, heavily Democratic county.

"A lot of people don't want to disclose who they're voting for," said state Sen. Leo E. Green, who is retiring in January. "A lot of my African-American friends are voting for Steele. I know that, but quietly, not publicly."

Mount Rainier Mayor Malinda Miles, a lifelong Democrat, said that many of her friends "are really supporting Steele, and it doesn't matter that they're Democrats."

"I'm not talking about what's in the newspapers. I'm talking about where people are at," Miss Miles said. "I think Prince George's is probably going to go Steele."

Anngelique Carroll, 27, a legal secretary from Upper Marlboro, said she and many of her friends are voting for Mr. Steele.

"He's for small business. He is for minorities," said Ms. Carroll, a black Democrat. "Throughout his political career with Governor [Robert L.] Ehrlich, his progress has been good."

Throughout the campaign season, most polls have shown Mr. Steele, the first black to win a statewide office in Maryland, trailing Rep. Benjamin L. Cardin, the Democratic nominee. But SurveyUSA and other recent polls have pegged the Senate contest a dead heat.

Prince George's County, which has the state's largest concentration of Democratic voters, has become a battleground.

Race has become a key issue. Black Democrats, especially in Prince George's, have complained that party leaders have been neglecting them for years.

On Monday, former Prince George's County Executive Wayne K. Curry, five fellow black Democrats on the County Council and several other black Democratic leaders endorsed Mr. Steele and criticized their party.

"I think it's a close race," said County Council member David Harrington, one of those who endorsed Mr. Steele. "Turnout is key. If it's low turnout, then he's not going to do well."

The election outcome is uncertain, especially in Prince George's, because of blacks' longtime loyalty to the Democratic Party.

"It's so close. So many people, among African-Americans, there's things they like about Steele, but there's some things where he agreed with President Bush," said J. Aaron Warren, 38, a county police officer and co-founder of Minority Building Industry Association Inc. in Upper Marlboro.

"But with Ben Cardin, the only really negative thing I hear is that people didn't really know him because he's from Baltimore," Officer Warren said.

Damiean Williams, 31, a technician, travel agent and real estate agent in Prince George's, said he has heard too many negative things about Mr. Steele to vote for him.

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"If I do vote, it would probably be for Cardin. ... I've heard [Mr. Steele is] a 'yes man,' " Mr. Williams said. "A lot of his ads look phony."

Cherelle Gray, 38, of Fort Washington, who works as a manager at Linens-n-Things, is undecided.

"I'm not getting [Mr. Steele's] explanations for anything. He hasn't convinced me yet. But I'm open," Mrs. Gray said.

Winning Prince George's is essential for Mr. Cardin. He has scheduled a press conference for today with Rep. Albert R. Wynn and County Executive Jack B. Johnson, black Democrats who are supporting his campaign.

Maryland has about 900,000 registered Republicans and 1.7 million registered Democrats, of which an estimated 700,000 are black. Blacks represent more than 65 percent of the population in Prince George's, which has more than 320,000 registered Democrats.

Although Mr. Cardin won the statewide primary, he was trounced in Prince George's by Kweisi Mfume, former president of the National Association for the Advancement of Colored People. Mr. Mfume received 74,637 votes to Mr. Cardin's 19,824 in the county.

The tight Steele-Cardin contest is no surprise to Delegate Marvin E. Holmes Jr., Prince George's Democrat.

On primary day in September, Mr. Holmes said that "if Ben Cardin wins [the primary], Steele wins [the general election]."

A black Democrat in the state Senate, who spoke on the condition of anonymity, said more recently: "It would have been probably better for the Democratic Party to come around Mfume. They would have had a better chance ... if they were serious about the black vote."

Arizona, Maryland Senate Races Targeted (AP-Y)

By Jim Kuhnhenn

AP, November 2, 2006

The national parties sought to shake up Senate races in two states Wednesday, with Democrats pumping about $1 million into Arizona and Republicans spending about the same in Maryland.

Less than a week before the election, the Democratic Senatorial Campaign Committee is spending money to help defeat Republican Sen. Jon Kyl, once considered a favorite to win re-election in Arizona, officials from both parties said.

The National Republican Senatorial Committee put its money on Maryland's Republican Lt. Gov. Michael Steele to win the Senate seat held by retiring Democrat Paul Sarbanes, the longest-serving senator in the history of the state.

Until this week, the parties had narrowed their primary battlegrounds, with both spending millions on ads in New Jersey, Tennessee, Missouri and Virginia. The DSCC already was spending money in Maryland, as well as Montana and Rhode Island. The NRSC this week also bought more than $880,000 in ads in Michigan in an effort to defeat incumbent Democrat Debbie Stabenow.

The moves and countermoves by the two party organizations reflect the fluid nature of the closing days of the midterm election campaign. Both parties have money to spend, but it was unclear Wednesday whether the commitments in Arizona and Maryland were based on perceived opportunities or a desire to force the opposition to spend money where it hadn't planned.

Kyl, a 12-year veteran of the Senate, is being challenged by millionaire Jim Pederson, a former state Democratic chairman who had spent millions of his own money on the campaign. The state has long leaned Republican, but in this election Democratic challengers are in close contests in three of the state's eight congressional districts.

"This contribution is a small return on the millions Pederson has contributed to the Democrat party," Kyl spokesman Andy Chasin said. "We're surprised they didn't pay him back earlier. Now they're doing it at a point when it won't do much good."

In Maryland, most polls show Steele behind Democratic Rep. Ben Cardin. But Steele, who is black, has been winning the support of some Democratic African-American elected officials in the state.

Meanwhile, in Tennessee, Republican Bob Corker gave his campaign $2 million of his own money for the final week of the race. It was the second time the millionaire and former construction company executive has put $2 million toward his election effort.

The loan would trigger the so-called "millionaire's amendment," and campaign finance law provision that allows his opponent, Democratic Rep. Harold Ford Jr., to raise more money from individual donors.

Ohio Voters Unmoved By Incumbent's Bipartisan Reputation (FT)

By Edward Luce In Toledo, Ohio

Financial Times, November 2, 2006

Mike DeWine, a Republican senator for Ohio, may be an unfortunate victim of what some pundits predict will be a "tsunami" against his party in the US mid-term congressional elections next Tuesday. Whether or not that wave of votes

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materialises at the national level for the Democrats (many Republicans remain confident their "get-out-the-vote" machine can reproduce past magic), Mr DeWine's prospects still look bleak.

A moderate Republican, Mr DeWine's breed of politics does not fit the bitterly partisan narrative of America's 2006 election campaign. But in Toledo, a small industrial town that borders the auto-state of Michigan, few voters are paying much attention to Mr DeWine's plea for the politics of the centre-ground.

Once a thriving hub of America's industrial mid-west, Toledo is now a symbol of the country's expanding rustbelt. "Every year my revenues fall by about 25 per cent," says Rida Hazimah, the Lebanon-born proprietor of Dennis Market, a blue collar café that serves beer and steak. "If you listen to the customers at lunch time all they talk about is job losses. I am not sure how much longer I can keep this place open. Maybe another year or two."

Opinion polls give Sherrod Brown, Mr DeWine's Democratic challenger, a lead of between 10 and 12 percentage points. Last month the Republican National Committee, which raised almost $200m (€157m, £105m) for the final weeks of the campaign, withdrew funds from Mr DeWine's race in order to target resources on closer senatorial races in Tennessee, Virginia and New -Jersey.

But Mr DeWine can still tap the loyalty of the few wealthy Republicans who live in Toledo as well as their more numerous counterparts in more conservative parts of the state. He can also draw on the star attraction of John McCain, his fellow Republican senator, whose probable presidential bid for 2008 would almost certainly be built on his own reputation for bipartisanship.

"I am here because Mr DeWine is a friend and also somebody for whom I have the greatest respect," said Mr McCain, having flown in on a private jet to Toledo's small airport. "It is no secret that the Republican party is facing a very tough election because of our record on spending [which has risen sharply] and on ethics [several Republican lawmakers are either on trial for corruption or facing investigation]. At times like this we should appreciate the value and public service of people like Mike DeWine."

Mr McCain's words clearly had an impact on the small group of donors that had gathered at the home of a wealthy Republican in Toledo. Altogether they donated enough for Mr DeWine to air another bout of state-wide television advertisements contrasting his bipartisan reputation with what he bills as the "far left" record of Mr Brown.

But even if Mr DeWine could afford to blitz all the channels in the few remaining days of campaigning, the state of Ohio seems almost certain to go Democrat by embracing Mr Brown as well as Ted Strickland, the Democratic candidate for governor. With an unemployment rate of 7 per cent - way above the national average of 4.6 per cent - and the certainty of more lay-offs in the pipeline, Ohio's voters are disaffected.

Even Republicans wonder what the future holds. "What Ohio needs is some kind of jump start to get the economy going again," said Stephen Taylor, general manager of the Kia showroom in Toledo's outskirts, whose business is booming partly because the South Korean vehicles are so much cheaper than their US counterparts. "Although I am a Republican, I can tell this isn't a very good year for my party."

Meanwhile, Mr McCain, whose senate seat is not up for contest in this election, is unlikely to be damaged by a poor Republican performance. Unlike George W. Bush, whose low approval ratings have largely meant he has had to stay away from the hustings during the campaign, Mr McCain's ability to appeal to middle ground might be in greater demand if one or both houses of Congress turn Democrat next week.

"If you look at the problems America faces - for example our system of Social Security, which is going bust - these problems can only be fixed if both parties work together," said Mr McCain. "It is that kind of co-operation that most Americans are looking for."

Clawing For Votes, Chafee Steers Race Toward Gutter (WP)

By Shailagh Murray

The Washington Post, November 2, 2006

CRANSTON, R.I. -- Sen. Lincoln D. Chafee (R-R.I.) always sounds so polite and sincere, even when he's wrapping his hands around his opponent's throat.

"Eight years as a top law enforcement official in Rhode Island and not a single successful conviction of a public official," Chafee said during a debate Monday night with his Democratic challenger, Sheldon Whitehouse. "He's always looking after the power brokers and his own political career."

The attack left the former state attorney general seething. Chafee is "just making this stuff up entirely out of whole cloth," Whitehouse shot back. A similar onslaught knocked Stephen Laffey off course in the final weeks before the GOP primary, forcing the Cranston mayor to deny that he had taunted firefighters and doctored his rÃ©sumÃ©. Robert A. Weygand got a dose of nice-

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guy negativism in 2000, when Chafee accused the Democratic former congressman of "embroidering the truth" about the age of his dog.

What happened to the affable fellow who drives a hybrid and studied classics at Brown University? Well, his political career is on the line, and the gutter seems the best hope for salvation. Chafee has slogged through two tough campaigns this year, against a conservative primary opponent and now in the general election against Whitehouse. He survived the first round. Next week, polls suggest, he may not be so lucky.

Whitehouse led Chafee in every poll published in October. Many political observers say that despite the vaunted Chafee name, the national climate has become too hostile for a Republican to survive in one of the most Democratic states. President Bush's approval rating here is 22 percent.

"He's very much the underdog and has been forced into an attack strategy," said Darrell West, a Brown political science professor and pollster. "I can't imagine he's happy about it, but he has to do it. He's being bogged down by Bush's high negatives, and unless he can raise the negatives of his opponent, then he loses."

The candidates agree on just about every major issue: expanded federal support for embryonic stem cell research, gun control, legalizing marijuana use for medical purposes. Both are well-born, with deep roots in this tiny state. Their children attend the same school. Their fathers were roommates at Yale. Without the trash talk, this race would be a snoozer, a battle of the bores.

Whitehouse's message is a simple one: Chafee may be the Senate's most moderate Republican, but he's still a Republican. "To change Washington, we have to change the Senate," reads the tagline of one Whitehouse ad. In another, an image of Chafee fades into a grainy photo of Bush, Vice President Cheney and House Speaker J. Dennis Hastert (R-Ill.). "Think about it," the announcer warns.

For a while this summer, it wasn't clear whether Chafee would survive the primary, and he needed extensive help from national Republicans. After seven years of bucking his party on major issues, Chafee drew close to the GOP at exactly the wrong time. Whitehouse, who faced a nominal primary challenge, was waiting in the wings, saving his money and savoring the political reverberations of Chafee's survival strategy.

Chafee was appointed to the Senate in 1999 upon the death of his father, the immensely popular senator John H. Chafee, and is known as a cautious and stubbornly independent lawmaker. Despite his pedigree, he is low-key. Barry O'Brien, a wastewater operator, has worked for every Chafee campaign since 1990, when Chafee lost his first run for Warwick mayor, and speaks of the senator as a family member. "He got elected because he was a good guy, an honest guy," O'Brien said. "That means something in Rhode Island."

Although Chafee rarely seeks out the spotlight, he doesn't mince words when it finds him. In 2004, he confessed that he had written in the name of George H.W. Bush as a protest vote against the former president's son. But when asked during the debate Monday whether he was proud of the current president, Chafee declined to say. "I'm opposed to much of his agenda," he responded carefully.

"All the time people tell me, 'Linc, I really like you, but I want to send Bush a message,' " Chafee says in his most recent ad. Seated in front of a model sailboat, he reminds viewers that he was the only Senate Republican to vote against the Iraq war. "I've always stood for principle," Chafee asserts, "even if it meant standing alone."

But to win, Chafee must woo Democrats and left-leaning independents away from Whitehouse. And if he has to bring the former attorney general down a notch, so be it.

Chafee's accusations against Whitehouse revolve around the Democrat's tenure as a crime fighter, a sensitive post in a state with a history of widespread institutional corruption. In one ad, Chafee accuses Whitehouse of failing to investigate corruption allegations at a Providence medical center because of possible ties to Democratic power brokers. Two hospital executives were later convicted in the case. "When corruption in Providence was out of control, Sheldon Whitehouse did nothing," the announcer rumbles. "He put his ambition over duty."

The attacks have infuriated Whitehouse, a 20-year public servant in Rhode Island who has been attorney general and a U.S. attorney. He noted in the debate that the Chafee family has been in Rhode Island public life for 30 years and "has never been involved in conduct like this." Whitehouse described Chafee's tactics as "straight out of the Karl Rove playbook. Pretty soon a candidate like me is playing follow the falsehood."

"I always look at my opponent's record," Chafee responded mildly. "When I see shortcomings, I bring them to the voters' attention."

Republican Is A Political Force, Despite Party Baggage (WP)

By Michael Grunwald

The Washington Post, November 2, 2006

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WINTER PARK, Fla. -- At a recent fundraiser in this ritzy Orlando suburb, Iowa Gov. Tom Vilsack (D) was handicapping governor's races with the air of a gambler who liked his odds: "No matter where you go, there's good news for Democrats."

Colorado, Maryland, Massachusetts, New York and Ohio all looked like pickups, with strong Democratic threats in Minnesota and even Arkansas.

And then there was Florida, where Vilsack had traveled to help Rep. Jim Davis, the Democratic nominee to succeed term-limited Gov. Jeb Bush (R). In a supposedly Democratic year, in a supposedly bellwether state, polls showed Davis 15 points behind his GOP opponent, Charlie Crist, the state attorney general.

"Well, Florida will get competitive," Vilsack said.

It has, but Crist is still the front-runner, with an 11-point lead in two statewide polls and single-digit leads in the others. Along with California Gov. Arnold Schwarzenegger, he is hoping to show Republicans across the country how to survive a Democratic wave.

Crist is an exuberant retail politician who puts the "glad" into glad-handing, a Reagan-style optimist with a made-for-TV tan, a made-for-TV shock of white hair and a made-for-radio baritone. He is a genial moderate who is nevertheless known as "Chain Gang Charlie" for his hard line on crime. He is a close ally of the governor, who is far more popular in Florida than President Bush, but he has shown an independent streak by supporting stem cell research and same-sex civil unions and by refusing to intervene in the Terri Schiavo case.

He is also a relentless fundraiser who has outdistanced Davis by more than $12 million, which seemed to discourage many of the Democrats at developer Jim Pugh's Winter Park estate. "Charlie's raising an ungodly amount of money, and he's a terrific campaigner," Pugh said. "It's going to be tough to overcome all that."

Crist has cut into the Democratic base by focusing on civil rights and the environment, choosing a trial lawyer as his running mate, and saturating the airwaves before Davis could respond.

Now that Davis is airing a few ads, some independents seem to be tilting his way. In recent weeks, Crist has changed his positions on property insurance, testing in schools and voting rights for felons, moving left every time, but his Republican label still seems to be a drag. Even though Republicans enjoy comfortable majorities in both houses of the state legislature, GOP leaders are nervous about losing three congressional seats here, including the one vacated by Mark Foley, and incumbent Bill Nelson (D) is dominating Rep. Katherine Harris (R) in the Senate race.

And Davis is happy to have a D after his name this year. "The Republican Party is a money machine in this state -- fueled by the insurance industry and the special interests -- but there's an awful lot of discontent out there," he said.

Ever since the 2000 recount, Florida has been known as the ultimate swing state, but it is really a unique mix of voting blocs, with a slightly Republican trend that swept President Bush to victory in 2004. North Florida is like a small Southern state, with fast-growing Republican exurbs. The southwest part of the state is booming with GOP-leaning snowbirds from Midwestern Kiwanis clubs. Southeast Florida is still jammed with Democratic-leaning retirees from Northeastern states, but many of its residents are dying or moving to the Carolinas to escape the crowds.

The Republican tilt also has a lot to do with the governor, who is almost universally admired for his leadership during hurricanes and is widely respected as a principled conservative -- even by many Floridians who have disagreed with his strong stands on testing schoolchildren, revamping Medicaid and having the government intervene in the Schiavo case. Crist has highlighted his alliance with him, while the Davis campaign has mostly attacked the president and spotlighted issues on which the governor has disagreed with Crist.

"I don't think Jeb's popularity rubs off on Charlie," said Van Church, a political coordinator for the Service Employees International Union. "He's just a politician."

To watch Crist on the campaign trail is to see that he is not just a politician; he's a natural politician. On a recent visit to a printing company in a Miami suburb, Crist bounded out of his car with the joy of a child who had just arrived at Disney World. He hugged his host, Manuel Fernandez, as if he were a long-lost brother: "It's so wonderful to see you!" The two men had never met.

Fernandez then told Crist his story: He arrived from Cuba in 1961 and started working at the company as a $2-an-hour janitor in 1965, when it had only six employees. Now he is the owner, and the firm has 50 employees, including his three children.

"That's America!" Crist shouted with delight. He told Fernandez about his grandfather, Adam Christodoulos, a Greek immigrant who shined shoes when he arrived in the United States and eventually opened his own shoeshine parlor: "It's the same story: the power of the American dream!"

Crist then introduced himself to Fernandez's 90-year-old mother: "Mamacita! You can't possibly be 90 years old!" Next, he kissed Fernandez's 7-month-old grandson: "You're Florida's future!" He praised the rest of the Fernandez clan with a playful slap

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at Davis, who missed a lot of congressional votes during the campaign: "Such a wonderful work ethic. You know, my opponent doesn't always show up to work."

"I thrive on this," Crist said in an interview. "I love people. And I love Florida. It's got such great weather, such tremendous diversity. Wonderful fishing. What's not to like?"

Florida has a history of boosterism -- not just shady speculators selling swampland, but visionary leaders seeking tourism, immigration and development. Crist fits into that tradition; when it comes to Florida real estate, for example, he sees nothing but smooth sailing ahead. "I'm telling you, it's not just going to be a boom -- it's going to be a sonic boom!" he said.

The Davis campaign has tried to portray Crist as a lightweight who floats with the political winds. But the charges seem not to have stuck. Crist may be swimming against a Democratic tide, but even his opponents think he is a powerful swimmer.

"I think Charlie's fabulous, just a great guy," said Jimmy Goff, a Democratic businessman at the Davis fundraiser. "I think this race will turn around, but it won't be easy."

On Election Night, Networks Plan To Proceed With Caution (WP)

By Howard Kurtz

The Washington Post, November 2, 2006

"Mathematically," CBS Senior Vice President Linda Mason says of the election coverage, "you could know by 10 for the House and 11 for the Senate." But, she says, "it could go on until all hours of the early morning."

"We have learned from past mistakes," says NBC anchor Brian Williams. "I start from the assumption I will wake up with a sore back on my couch" after an all-nighter.

"There's likely to be a lot of hedging," says ABC's George Stephanopoulos. "You may know it, but you can't say it."

If the Democrats capture the House, television anchors won't be able to project that until they are sure the party has locked in a 15-seat gain. Fortunately for them, 35 of the 53 closest races, as handicapped by analyst Charlie Cook, are in states where polls close by 8 p.m. Eastern time.

In the Senate, with fewer seats in play, the math is simpler. If one or two of the most vulnerable Republicans -- in Virginia, Pennsylvania, Rhode Island, Tennessee and Missouri -- win decisively, the networks will know fairly early that the Democrats won't be able to reach their magic number of six needed to take control. But even if the Democrats sweep those races -- and hold New Jersey, which is in doubt -- the networks still won't be able to forecast a Democratic takeover until enough votes are counted in Montana, where polls close at 10 p.m. Eastern. The Democrats would have to unseat Montana's embattled GOP senator, Conrad Burns, to gain control.

The biggest behind-the-scenes change in network coverage involves what has been dubbed the Quarantine Room. Determined to avoid a rerun of recent years, when its exit polls leaked out by early afternoon to the Drudge Report, Slate and other Web sites, a media consortium is allowing two people from each of the networks and the Associated Press entree to a windowless room in New York. All cellphones, laptops and BlackBerrys will be confiscated. The designated staffers will pore over the exit polls but will not be allowed to communicate with their offices until 5 p.m.

The consortium, called the National Election Pool, is conducting no surveys for House races. The exit polling will take place for Senate and gubernatorial contests in 32 states with competitive races.

The recent track record with such polling has been pockmarked with failure. There was, of course, the debacle of election night 2000, when the networks used polling data from Florida to prematurely award the presidency, twice, within hours. In 2002, the network consortium's predecessor, Voter News Service, suffered a computer meltdown and pulled the plug on its exit polls. Two years ago, its sample was so skewed that the group's surveys showed Sen. John Kerry beating President Bush well into the night.

Williams is acutely aware of that history. "I called Florida for Al Gore, too," he says, recalling his anchoring role on MSNBC. "It was a horrible moment." Now, he says, "we have all kinds of fail-safes built into the system."

All the networks are using what are called "precinct models" -- taking into account such factors as a district's voting history and level of absentee ballots -- in gauging whether it is safe to make projections based on partial vote counts.

Much of the action will be on cable news. The broadcast networks are limiting themselves to hour-long specials at 10 p.m. (plus ABC's "Nightline" at 11:30 p.m.), along with news cut-ins and updated specials (mainly for West Coast audiences) at 1 a.m. "It's going to be a long night," says Marty Ryan, executive producer at Fox News, which is doing some exit polling to supplement the network pool surveys. "House races are notoriously difficult to call. How do you call 50 House races? The fact of the matter is, you don't. You have to wait until a lot of returns are in."

"Frankly," says Sam Feist, CNN's political director, "we're not in any rush to call individual House races. Our mantra is simple: It's better to be right than to be first. We're going to be extremely cautious."

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As always, the networks will be looking for early bellwethers. Three Republican House members are considered in jeopardy in Indiana, where polls close at 7 p.m. If one or more go down, that will affect the tone of the coverage.

If the dominoes aren't falling the Republicans' way, there may be broad hints about how it's "shaping up to be a big Democratic night" well before any network makes an official projection.

But if the races are tight, network analysts say, the outcome in the House might not be known until Thursday -- or days after that if recounts are involved. Another complicating factor would be delayed counting in Oregon and Washington state, which rely almost entirely on mail ballots.

A big political wave can wash away much of the drama. During the Republican sweep of 1994, the networks began talking of a GOP takeover of the House as early as 8:45 but made no official predictions until hours later.

With the level of public interest -- and the volume of television coverage -- much greater than in a typical midterm election, the networks are turning to some of their veterans. At CBS, former anchor Bob Schieffer will join Katie Couric, who will be headlining election night for the first time. At NBC, longtime anchor Tom Brokaw will join Williams on the set.

"This won't have the moment of a presidential night," says Williams. "But it's a little more than Olympic trials."

Howard Kurtz hosts CNN's weekly media program, "Reliable Sources."

Elections Rake In Big Bucks For Media Outlets (USAT)

By David Lieberman

USA Today, November 2, 2006

NEW YORK — There's a bonanza for media companies in this year's unusually large array of hotly contested election campaigns: Candidates and activists will end up spending a record $3.1 billion getting their messages out, according to research firm PQ Media.

The total is 14.5% higher than 2004, even though that year included more than $1 billion for the presidential race.

“The presidential election was very focused in 17 battleground states, and there weren't that many contentious House and Senate races,” says PQ Media Vice President Leo Kivijarv.

But this year political spending is up in 90% of the USA's 210 media markets. Those seeing the biggest percentage increases are Cedar Rapids, Davenport, Ottumwa and Sioux City — Iowa communities with contentious House races — and Lansing, Mich.

About half of the total dollars go to broadcast TV, followed by direct mail, which accounts for 23%.

The most noticeable change is in gubernatorial races, where spending will exceed $1 billion for the first time. With 36 contests, many considered close, campaigns are on pace to spend $1.1 billion — up 757% vs. 2004, when there were just 11 races.

House candidates will spend $744 million, up 38%, while Senate contenders are spending $705 million, up 40%.

The Senate race in New Jersey, where Democrat Robert Menendez faces Republican Thomas Kean Jr., may end up being the most costly. To reach all of the state's voters, the candidates must buy airtime on TV stations in New York City as well as Philadelphia.

Yet the media seeing the biggest sales jumps from 2004 are radio stations, newspapers and billboards — all of which target local voters. That local focus kept Web services from growing as much as they did 2002 to 2004.

“You don't have local search, and online isn't known as a local medium,” Kivijarv says. He notes, though, that some of the dollars attributed to newspapers may be for ads on their websites.

There's also less targeting this year of specific groups, such as Hispanics. Only two states, Arizona and Colorado, have ballot initiatives about immigration.

PQ Media says the focus on local races should help companies such as CBS, Fox, MediaNews and Clear Channel.

The 2006 dollar record may not last long. “Somebody's got to replace President Bush in 2008, and if the Democrats take both houses of Congress, then the Republicans will put a lot of money in” to retake key seats, Kivijarv says. “It will probably break $3 billion again.”

Stem-cell Issue Gains Momentum In Homestretch (WT)

By Amy Fagan

The Washington Times, November 2, 2006

The debate over embryonic stem-cell research surged onto the scene in several political races in the final weeks before the election, spurred in part by actor Michael J. Fox's ads on behalf of some Democratic candidates.

But Democrats say they've been chipping away at the issue for more than a year, betting it will make a difference with voters in middle America.

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"Stem-cell research has been an issue that we have focused a lot of attention on -- ads, e-mails, mail, Web ads -- for a good 18 months. We have always believed this would be an important issue, particularly in suburban districts," said Sarah Feinberg, a spokeswoman for the Democratic Congressional Campaign Committee.

"Democrats see this as their 'marriage' issue, their wedge," said Tom McClusky, vice president for governmental affairs at the Family Research Council. The fight is on "to prove them wrong," he said.

In July, President Bush issued his first veto to block a bill, approved overwhelmingly by both chambers, that would have overturned his limits on federal support for embryonic stem-cell research. Democratic candidates subsequently have accused Republican opponents of standing in the way of life-saving cures from such research.

Mr. Fox, who has Parkinson's disease, recorded ads for Democratic Senate candidates Claire McCaskill in Missouri and Rep. Benjamin L. Cardin in Maryland, as well as Wisconsin Gov. James E. Doyle, who is running for re-election. The ads caused more ruckus when conservative talk-show host Rush Limbaugh said Mr. Fox had stopped taking medication to worsen his symptoms for the camera's benefit. Mr. Limbaugh has since apologized.

Republican candidates nationwide have said that their position is being distorted and that they support research that uses adult stem cells but does not require the destruction of embryos.

"The false impression that's trying to be made is that Republicans don't support stem-cell research or are looking to somehow outlaw it. It's simply not the case," said Dan Ronayne of the National Republican Senatorial Committee.

In a recent "Meet the Press" debate, Maryland Republican Senate candidate Lt. Gov. Michael S. Steele said Mr. Cardin's ad makes it seem that Mr. Steele doesn't support stem-cell research. "I do," he said. "Where I have drawn the line is federal funding for research that destroys an embryo."

Mr. Steele, like other Republicans, fought back with his own ad on the issue.

The issue likely will have the biggest effect in Missouri, which will vote on a ballot initiative to create a state constitutional right to engage in embryonic stem-cell research. Democrats also have raised the issue in House races in Illinois, Florida, Ohio, Colorado and Pennsylvania. It has emerged in the Maryland governor's race and New Jersey Senate race.

Democrat Patrick Murphy in Pennsylvania has accused Republican Rep. Michael G. Fitzpatrick of flip-flopping by backing Mr. Bush "in opposition to this life-saving research." Mr. Fitzpatrick's chief of staff said he has mailed explanations that he has strongly supported research on adult stem cells and cord blood.

Similar attacks have come from House Democratic candidates in Iowa and Illinois.

Maryland's Republican governor, Robert L. Ehrlich Jr., is running an ad saying that he has made the state a national leader in stem-cell research, though the ad did not specify which kind.

Republican pollster Whit Ayres said this "can be a very effective issue" for Democrats. A Republican operative said it "hasn't moved numbers" as Democrats had hoped.

But Sean Tipton, president of the Coalition for the Advancement of Medical Research, said it's clear that Republicans who side with Mr. Bush know they're in trouble because most Americans favor the bill he vetoed. "They know it's a political loser" to support Mr. Bush's policy, he said of Republicans. "I see no one running ads saying, 'I stood with Bush.' "

In a Newsweek poll last week by Princeton Survey Research Associates, 50 percent said they favor using tax dollars to fund research using stem cells obtained from human embryos and 37 percent said they oppose it. At the same time, the issue ranked low among voters' priorities, trailing matters such as Iraq, the economy, health care and terrorism.

Local Issues Mirror National Ones, But The Special Effects Occasionally Stand Alone (NYT)

By Pam Belluck

The New York Times, November 2, 2006

The election season is getting punchier in places far from the national political spotlight — even in Eden, N.C., where 16 candidates are slugging it out for the five available seats on the Rockingham County School Board.

One of them produced a television advertisement suggesting that the school system turned children into automatons. It is shot against a backdrop of a Pink Floyd video showing children coursing through an assembly line to the lyrics: “We don’t need no education. We don’t need no thought control.”

Another candidate shows himself brandishing a light saber as a “Star Wars” Death Star blows up a little red schoolhouse. The message: the federal government, a “cosmic bully,” meddles too much in education.

The advertisement of a third contender, riffing on a “new sheriff in town” theme, shows a sheriff being killed in “The Terror of Tiny Town,” the 1938 all-dwarf musical Western.

Not every local race is quite as entertaining, but the Rockingham County election shows how national issues like education, the economy, crime and ethics have been localized.

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And the effort invested in contests for school board, city council, sheriff and state legislatures is emblematic of how much stock voters, interest groups and political parties are placing on local elections.

"I sort of argue it's the hidden election," Tim Storey, an election analyst with the National Conference of State Legislatures, said of the local races. "It's very localized, but in a strange way it's more important. It's how good your school is, how good your road is, how good the hospitals are."

Some of the races, especially those for state legislatures, have attracted the national political parties. Partisan interest groups have also paid for advertisements in some races.

In Colorado, for example, immigration issues have been highlighted in advertisements in the State Senate contest in Jefferson County between Betty Boyd, the Democratic incumbent, and Matt Knoedler, a Republican state representative, and in the State House race between the incumbent, James L. Riesberg, a Democrat, and his challenger, David T. Owen, a Republican state senator.

"Special interests have discovered that if you want to get something done, you're going to have to work with legislatures and governors, because you're not going to get anything done in Congress," Mr. Storey said. "They are doing television, doing very targeted walk-the-precinct strategies. State legislative groups are able to raise more money than ever before."

Some issues mirror national ones writ smaller. Take ethics. Several races have local parallels with national scandals. In San Jose, Calif., the mayor's race is being run against the background of the indictment of the current mayor, Ron Gonzales, on corruption charges.

Mr. Gonzales is not seeking re-election, but the two candidates running to succeed him have cast aspersions about ethics against each other.

In Alaska, an F.B.I. investigation into ties between lawmakers and a major oil field services company could influence several legislative races. Only one of the six legislators whose offices were searched by federal investigators is running for re-election, but some polls suggest that the investigation has created a wave of n anti-incumbent sentiment.

In North Carolina, Speaker Jim Black, a Democrat, is seeking re-election amid a federal and state investigation of people connected with his office. Mr. Black has not been charged, but three people have been convicted, including Mr. Black's first appointee to the state lottery commission, his former political director, and a former state representative who said he took $50,000 from a Democrat to support Mr. Black.

The investigation is being used as political fodder, not only by Mr. Black's Republican opponent, Hal Jordan, but also by Republicans in other statehouse races who are trying to link their opponents to Mr. Black or to paint Democrats as ethically questionable.

In other elections, crime has taken local permutations. The mayor's race in Little Rock, Ark., is a four-way contest over ways to deal with a surge in violent crime and the overflowing Pulaski County Jail.

In South Carolina, Sheriff Steve McCaskill of Kershaw County, a Republican, has been criticized by his opponent, Sammie Tucker Jr., a Democrat and former highway patrolman, for not issuing an Amber Alert in the case of a 14-year-old girl who was kidnapped and held in an underground bunker for 10 days. Sheriff McCaskill has said the girl's case did not meet Amber Alert criteria because law enforcement officials did not have a suspect, a description of a car, or even a clear idea that the girl had been abducted.

In the Massachusetts governor's race, the Republican candidate, Lt. Gov. Kerry Healey, has made an issue of the fact that her Democratic opponent, Deval Patrick, had advocated the release of Benjamin LaGuer, who Mr. Patrick believed had been wrongly convicted of rape. Mr. Patrick withdrew his support of Mr. LaGuer when a DNA test linked Mr. LaGuer to the crime.

Ms. Healey has repeatedly raised the rape issue, producing an advertisement showing a woman walking in a dark parking garage and Mr. Patrick in a television interview describing Mr. LaGuer as "eloquent" and "thoughtful."

The advertisement says: "If anyone you knew actually praised a convicted rapist, what would you think?" and concludes, "Deval Patrick. He should be ashamed, not governor."

Polls, however, suggest that the advertisement has not drawn voters to Ms. Healey, and Mr. Patrick is considered comfortably ahead.

Not every state or local election is turning on a larger national issue. In Pennsylvania, voters are angry over a raise approved last year by state legislators. It was retracted, and 17 lawmakers were defeated in the May primary. But the issue could still reverberate.

Indiana has two issues found nowhere else. One is the decision to lease the Indiana Toll Road to a private Spanish-Australian group, and the other is daylight saving time, which the state imposed last year on Indiana's patchwork of time zones.

Both issues have resulted in anger at Gov. Mitch Daniels, a Republican, and the Republican-controlled legislature.

Although some Indianans welcome the money from the lease, others are rankled that a state highway is being controlled by foreign investors.

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And as Indianans turned their clocks back one hour on Sunday for the first time in 30 years, many business owners are grateful to be in step with other parts of the country, but some are angered by a new pattern of confusion.

A public employees union paid George Schricker $150 to write a song about the controversy:

I'm losing track of time.
Yes, I'm losing track of time.
I'm living in two time zones.
I think I've lost my mind.
I'm late for my appointments,
like a clock that's full of grime.
I come from Indiana, where we're losing track of time.

Voting For Judicial Independence (NYT)

The New York Times, November 2, 2006

Nearly obscured by the struggle for control of Congress, there is another important battle in a handful of states over measures aimed at punishing judges for their official rulings and making them more captive to prevailing political winds. These measures all hide behind the superficially appealing but profoundly misleading banner of judicial accountability. And, taken together, they add up to an assault on a fair and independent judiciary.

In Colorado, voters will decide the fate of a far-reaching state constitutional amendment designed to kick a huge percentage of top sitting judges off the bench by setting a term limit of 10 years and applying the cap retroactively. A measure on the ballot in Oregon would create new geographic districts from which appellate judges could run, as a backdoor way to oust judges from the Portland area.

In Montana, conservative groups tried to force voters to confront Constitutional Initiative 98, an attempt to "rein in" judges by establishing new recall elections and making it easier to remove judges for specific rulings. Fortunately, the state's high court ruled this misbegotten initiative invalid because of what it called "pervasive fraud" by out-of-state paid gatherers of signatures.

But the wackiest and potentially most far-reaching of the judge-bashing schemes is still on the ballot, South Dakota's Jail 4 Judges initiative. The brainchild of Ronald Branson, an antigovernment activist from California operating at the political fringe, this reckless exercise seeks to keep judges in line by amending the state Constitution to eliminate judicial immunity from lawsuits by disgruntled plaintiffs and others. Immunity is a time-honored way of preserving an independent judiciary.

This radical measure would create a special grand jury with a rotating membership and loose rules — in effect, a fourth branch of government. This new entity would be vested with the power to punish judges for their decisions, or, for that matter, school board members or any other local public official who had the bad luck to fit under the amendment's broad definition of judicial power. Writing in The Wall Street Journal, the former Supreme Court Justice Sandra Day O'Connor correctly blasted the initiative as a bald attempt at judicial intimidation.

By rejecting Jail 4 Judges, South Dakota voters can send a message of support for a strong and independent judicial system — without which democracy cannot function — that will resound nationwide.

Life, Liberty And Property Rights (USAT)

By Mary Zeiss Stange

USA Today, November 2, 2006

"They paved paradise, and put up a parking lot."

The refrain of Joni Mitchell's old hit might as well be the theme song of a steam-rolling property rights movement in the West. Initiatives have made their way onto this November's ballot in six Western states — Arizona, California, Idaho, Montana, Nevada and Washington — that would sharply limit the concept of eminent domain and bar government seizure of private property without just compensation. Until recently, these initiatives have drawn little attention, but planners and policymakers around the country are beginning to take note of them, and for good reason.

On the face of things, this "anti-takings" movement makes sense. Supporters cite last year's U.S. Supreme Court ruling in Kelo v. New London (Conn.), in which by a 5-4 vote the court upheld the seizure of a handful of private homes standing in the way of a large development project on the grounds that it would serve the larger "public purpose" of creating jobs and generating tax revenue.

In a vigorous dissent, then-justice Sandra Day O'Connor objected that "nothing is to prevent the State from replacing any Motel 6 with a Ritz-Carlton, any home with a shopping mall, or any farm with a factory." This argument strikes a chord with voters, especially when coupled with images of Susette Kelo displaced from the only home she had ever known. Surveys

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suggest that as many as 90% of Americans disapprove of the seizures allowed by the Kelo ruling. Polls also point toward substantial public support for the anti-takings initiatives.

With such strong public sentiment in favor of these measures, what is not to like about them?

Actually, a lot. The property-rights movement is just the latest incarnation of the "wise-use" movement of the 1990s — except without the pretense of being wise. On their face, these initiatives are about preventing government from the "physical takings" allowed by the Kelo ruling. Hence their innocuously worded titles: "Protect Our Homes," "The Home Owners Protection Effort," the "People's Initiative to Stop the Taking of Our Land," and so on. But they actually amount to "Kelo-plus."

Their goal is to block "regulatory takings," says Leonard Gilroy, a senior policy analyst at the public policy research group Reason Foundation, based in Los Angeles.

Translation: These initiatives would gut local and state abilities to enact or enforce virtually any regulations affecting private land use and development.

And more: They would require government to compensate property owners for the worth, in the form of lost property value and/or lost potential income, of any restrictions imposed upon them. The cost to municipalities of enforcing commercial and residential zoning regulations, environmental quality laws, and so on would be devastating. The Washington State Green Party rightly calls that state's anti-takings initiative a "Trojan horse" in terms both of its environmental and economic consequences.

Like the original Trojan horse, this one comes from outside. Despite a concerted effort to portray the property rights movement as a grassroots phenomenon, all six initiatives made it onto the ballot thanks to large infusions of out-of-state cash — lots of it from one man, New York real estate developer Howard Rich.

Rich's two advocacy groups, the Fund for Democracy and Americans for Limited Government, alone have funneled about $4 million into the petition process of getting these initiatives onto state ballots. Much of the money has gone to professional signature-gatherers, most of whom travel from state to state pushing innocuously worded petitions and are paid by the signature. Prices range from $1 a pop in California to $3 for every name collected in Arizona.

The High Country News, a non-profit news magazine covering issues in the West, quoted one such signature-gatherer, Eric Dondero: "This is a statewide petition to protect our property rights. To keep that new eminent domain law from coming to Montana and taking our homes away." Spoken by an itinerant professional petition-pusher from Texas, this hardly amounts to prairie populism. On the contrary, it represents a calculated effort to deceive voters about the likely consequences of property rights initiatives.

In Montana, the strategy might not have worked. In September, a Montana District Court judge invalidated the petitions gathered in support of Interstate 154, on the grounds that there was clear evidence of fraud in the way signatures were obtained. The state supreme court has upheld the ruling.

Voters in the other five states, however, will in a few days confront an issue of devastating simplicity. Vote "No" and you are, supposedly, giving up your rights to life, liberty and property. Vote "Yes" and the backyard in which the next "in-fill" housing development or Wal-Mart breaks ground could well be your own.

Mary Zeiss Stange teaches at Skidmore College and ranches in Montana. She is a member of USA TODAY's board of contributors.

Loose Change Lawmakers Tap PAC Money To Pay Wide Array Of Bills Funds For Candidates At Risk Also Cover Hotels, Meals And Gifts For Big Donors $5,000 For A Texas Funeral By BRODY MULLINS (WSJ)

The Wall Street Journal, November 2, 2006

Harry Reid, the Senate's top Democrat, makes frequent trips to his home state of Nevada. Over the past four years, his bills at Caesars Palace, Mandalay Bay and other Las Vegas establishments have totaled more than $125,000, according to PoliticalMoneyLine, a nonpartisan organization that tracks money in politics.

Mr. Reid charged these expenses to a special campaign account called a leadership political-action committee, or leadership PAC. The primary purpose of such accounts is to funnel money to other congressional candidates in need of campaign cash, especially those in close races.

But in recent years, leadership PACs on both sides of the political aisle have spent an increasing portion of their money for things other than contributions to candidates, the records show. Those expenses ranged from hotels and meals for the lawmakers who set up the PACs to flowers and jewelry for political supporters, the records indicate.

This shift in spending is notable in an election cycle that features so many closely contested races. With only a few days remaining before next week's elections, many candidates have run short of funding for all-important television advertising, and every additional dollar contributed by leadership PACs is important.

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On average, the leadership PACs of Republicans and Democrats in the House contribute 40 cents to candidates for every dollar they raise, an analysis of the spending data shows. In the Senate, Republicans contribute about 30 cents for every dollar they raise, and Democrats contribute about 20 cents.

Leadership PACs aren't subject to the same campaign-finance rules as the re-election accounts of individual congressmen. Election law, for example, bars politicians from using their own campaign funds to cover personal expenses. Those rules don't apply to leadership PACs, campaign-finance lawyers say.

Lawyers say there are few limits on what leadership PACs can pay for. "If a lawmaker wanted to pay his or her mortgage out of their PAC, they could do it," says Jan Baran, a campaign-finance lawyer with Wiley Rein & Fielding in Washington.

A spokesman for Mr. Reid says all expenses the senator charged to his leadership PAC were appropriate and were related to campaign or fund-raising business, including meals in Las Vegas with political supporters. Lawmakers with leadership PACs contend that, regulations aside, donors would never tolerate the use of money for personal expenses.

But critics say the rules that apply to PACs, which chiefly govern the size of contributions, aren't rigid enough, and give the lawmakers too much latitude over how money is spent.

"My impression is that a lot of people use leadership PACs as a slush fund," says Rep. Joel Hefley, a Colorado Republican and former chairman of the House Ethics Committee, who is retiring at year's end. Lawmakers use their accounts, he says, to pay for "all kinds of things that can be justified, but certainly are questionable." Mr. Hefley, who says he believes congressmen spend too much time raising money, introduced a bill this year to outlaw leadership PACs. So far, no other lawmakers have endorsed it.

Nearly half of the 535 members of Congress, in both parties, have leadership PACs. Through Aug. 30 of this election cycle, 260 leadership PACs have raised about $100 million and have disbursed about $33 million to colleagues' election campaigns, analysis of the PoliticalMoneyLine data shows.

Both the number of leadership PACs and the money they have contributed to candidates have increased by 20% since 2002. But their operational costs -- the money spent on staff salaries, fund raising, flights, meals, everything other than campaign contributions -- have doubled to $53.3 million over that period, analysis of the data shows.

Leadership PACs have been around for a couple of decades, but until recently, only a few congressional leaders operated them. In the mid-1990s, Rep. Tom DeLay of Texas, who left Congress this year, founded a leadership PAC and began encouraging other Republicans to do the same. He urged his colleagues to use the PACs to funnel political contributions into competitive elections their party needed to win to retain their congressional majority.

Lawmakers who want to give money to a vulnerable colleague are barred by law, under most circumstances, from sending more than $4,000 from their own re-election accounts per two-year election cycle. By setting up a leadership PAC, lawmakers can dole out as much as $10,000 per cycle to a candidate. Corporations can donate up to $10,000 per election to the PACs. Those limits are more than twice the legal limits for conventional re-election accounts.

GROWING EXPENSES

LPAC data show sharp rises in some expenses.

*Through Aug. 30, 2006

Note: Does not include PACs run by lawmakers who are considering running for president.

Source: PoliticalMoneyLine

Lawmakers in safe seats often direct money to colleagues who are struggling. In many cases, the grateful recipients support these donors in subsequent congressional votes on leadership posts.

For example, when House Republicans voted to replace Mr. DeLay as majority leader earlier this year, most backed the candidate who had given them the most leadership-PAC money, records indicate. Republican Rep. John Boehner of Ohio, who was voted the new majority leader, had donated more money to his Republican colleagues than did his opponent, Missouri Rep. Roy Blunt, according to a study by the Campaign for a Cleaner Congress, a congressional watchdog group.

This year, with only a few days remaining before the elections, some candidates on each side of the aisle don't have the money they need for the final push, and they aren't getting as much as hoped for from leadership PACs.

Rick Santorum of Pennsylvania, the Senate's third-ranking Republican, spent nearly $1,500 over the past six years at fast-food restaurants, according to PoliticalMoneyLine, which analyzes Federal Election Commission records. Records show his PAC paid $22 at a Burger King in Virginia, $6 at a Boston Chicken in West Chester, Pa., and $15 at a Subway in Pittsburgh. In addition, it paid for $600 of Starbucks coffee.

"I'll be on a trip for a candidate and I'll stop in to buy a cup of coffee or a sandwich," he said in an interview yesterday. "I don't eat at fancy restaurants, so when I'm traveling I just eat at cheap places. We don't have $500 restaurant bills at Charlie Palmer's.... That's not how you spend donors' money."

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Mr. Santorum has handed out to other candidates 20 cents of every dollar his leadership PAC has raised over the past four years. The account, called Fight PAC, raised $3.5 million and distributed $700,000 to Republican candidates and causes.

Records show that over the past six years, Mr. Santorum's PAC has paid $1,900 for limousines, $3,000 for flowers, $4,100 for art and framing.

Robert Traynham, the senator's spokesman, says the PAC's goal is to elect more Republicans to Congress, and that it is permissible for Mr. Santorum to bill the PAC for "reasonable administrative expenses."

Rep. Tom Reynolds, who is in charge of organizing the Republican party's effort to retain a House majority, has dipped into his leadership account to pay $650 for stationery design and $447 for a dinner meeting for his staff at an Irish bar on Capitol Hill.

Steny Hoyer of Maryland, the House Democratic whip, spent $2,315 on L.L. Bean shaving kits for political supporters, staff and other politicians, and $405 on flower arrangements for several funerals, according to PoliticalMoneyLine. A spokeswoman for Mr. Hoyer says his PAC is one of the most efficient, having given away $1.1 million of the $1.9 million it has raised so far this year.

Sen. Bob Menendez, the New Jersey Democrat facing a tough re-election battle, dined a dozen times over the past two years at Morton's. The bills, which totaled $3,197, were paid by his PAC. A spokesman for Mr. Menendez says the bills were either "fund-raisers for the PAC or donor prospecting."

The leadership PAC of Rep. Joe Barton, a Texas Republican, paid $5,000 to the Blessing Funeral Home in Mansfield, Texas, for a funeral in June 2004. Larry Neal, an aide to Mr. Barton, said the funeral expense was for "the burial of a young staff assistant in Texas who left behind a devastated widow and their one-year-old child after committing suicide at home one awful summer night."

Republican Rep. Mike Oxley of Ohio, who is retiring, paid for $30,000 worth of going-away parties for himself from his leadership PAC. His spokeswoman declines to comment.

Several lawmakers have family members on the payrolls of their leadership PACs. Mr. DeLay's wife, Christine, was paid more than $170,000 by his PAC over the last four years for fund raising and political consulting. His lawyer says the payments were appropriate. The wife of California Republican Rep. John Doolittle worked as a fund-raiser for his PAC, keeping 15% of the contributions she brought in as payment. And California Democratic Sen. Barbara Boxer's PAC is run by her son, a lawyer, who has been paid $80,000 so far this election cycle.

The PACs can remain in place even after lawmakers retire. In September 2004, New York Rep. Jack Quinn started a leadership PAC a few months before his planned retirement from the House. Mr. Quinn said the account would allow him to donate leftover campaign funds to other Republican candidates. Since then, he has donated about $100,000 to candidates and has used another $115,000 to pay for expenses ranging from liquor for a Christmas party with political allies to insurance on a 2004 Ford Taurus he once used as a campaign vehicle.

Mr. Reid, the Senate minority leader, travels frequently to Las Vegas to raise money and meet with political supporters. Many of his bills there are paid by his Searchlight Leadership PAC, named after his hometown in Nevada. In June, for example, his PAC paid $3,800 for hotels and fund-raisers at Caesars, Mandalay Bay and the MGM Grand. In August, it paid another $660 for meals and hotels during a pair of Las Vegas trips.

Jim Manley, a spokesman for Mr. Reid, says the expenditures are legal and appropriate. Some of them, he says, cover costs incurred by the minority leader's staffers, since Mr. Reid often stays at his home about 50 miles outside the city. "These expenditures are not especially large by Las Vegas standards," he says.

The Searchlight PAC was set up to support Democratic candidates, he says, and all its expenses "are directly related to fund raising, donor prospecting and donor maintenance, activities that are the core of the fund's permissible activities."

During the 2006 election cycle, Mr. Reid's PAC raised $2.2 million and distributed $447,000 to Democratic candidates and political parties, or about 21 cents of every $1 it raised, according to PoliticalMoneyLine. For the 2002 election, it raised $1.1 million and contributed $350,000 to candidates. During that election cycle, it spent about $14,000 on salaries, overhead and other expenses. Through Oct. 18 of this cycle, it has spent $1.2 million.

"There's no mystery about why the leadership fund is spending more money," Mr. Manley says. "It is the right way for a Senate leader to help elect other Democrats consistent with federal election law." He added that Mr. Reid also has contributed $845,000 to Democratic candidates and political parties from his separate re-election account.

Between December 2005 and March 2006, Mr. Reid's PAC paid $3,367 to cover stays by his guests at the Ritz-Carlton in Georgetown, where Mr. Reid has a condominium. Over the past two years, it paid another $3,000 for meals and to set up meetings at the hotel. Mr. Manley says the expenditures in Washington were for fund-raising events or for feeding and lodging "special guests" who attend them.

The PAC also spent $21,000 on gifts for political supporters, including $3,082 for bracelets and cuff links, $1,000 for art, $1,592 for chocolates, $803 for a pair of iPods, and hundreds of dollars for merchandise at Barnes & Noble and Amazon.com.

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"These types of expenses are a normal part of every fund-raising operation," says Mr. Manley. "They are designed to thank donors for their past efforts and to strengthen their future commitment to helping to elect Democrats."

Stinging From Scandal, Tribes Trim Donations (USAT)

By Thomas Frank

USA Today, November 2, 2006

WASHINGTON — Indian tribes have cut back this year on political contributions to congressional candidates after a lobbying scandal that ensnared some tribes.

Contributions from 216 tribes are nearly 30% lower so far in the 2005-06 election cycle than they were at this point in 2003-04, ending six years of sharp increases, according to PoliticalMoneyLine and the Center for Responsive Politics, non-partisan groups that track campaign money.

The decline reflects caution by tribes after the January guilty plea of Jack Abramoff, a lobbyist who admitted directing tribal clients to give lawmakers millions to sway legislation and policy. The tribes were not implicated in the criminal probe but were stung by the scrutiny of their politicking.

"Tribes are saying, 'We're going to stay away from this; everybody is focusing on how much we're contributing,' " said Ron Allen of the National Congress of American Indians, an advocacy group.

For example, the Grand Traverse Band of Ottawa and Chippewa Indians in Michigan ceased giving any money to federal candidates and political parties after Abramoff's plea, even though the tribe had no dealings with Abramoff.

"This election we're just sitting it out," said George Bennett, vice chairman of the tribe, which gave $108,000 in 2003-04. "The (tribal) council took a position that we're sick and tired of getting a black eye over that issue."

Several lawmakers, including Senate Majority Leader Bill Frist, R-Tenn., and Sen. Byron Dorgan, D-N.D., returned thousands in campaign contributions from six tribes. The business dealings of Abramoff, his associate Michael Scanlon and those six tribes were the subject of a Senate Indian Affairs Committee probe this year.

The returned political contributions — $159,000— account for part of the overall decline in tribal giving.

The six Abramoff clients had been leading Indian political donors. They gave $3.9 million from 2001 to 2004, or about 20% of all tribal donations, according to PoliticalMoneyLine. They've given nearly $900,000 for next week's elections.

"Members of Congress are less willing to accept contributions from tribes," said Scott Dacey, a Washington lobbyist who represents several tribes. Tribes, in turn, are more careful about making donations.

"Tribes have become smarter political givers, focusing on supporters of tribal issues and not simply candidates who happen to call or fax a request," said Wilson Pipestem, a lobbyist for 11 tribes.

Charles Bunnell, chief of staff of the Mohegan Tribe of Connecticut, said tribes have curtailed large donations to political party organizations. Instead, they are directing money to home-state lawmakers and those who oversee Indian-related issues. "Tribes are continuing to give, but it's far more targeted," Bunnell said.

Tribes gave little money — just $4,400 in 1989-90 — until the mid-1990s, when Indian gambling flourished, according to the Center for Responsive Politics. Abramoff admitted bilking tribes out of millions of dollars as he purported to be defending their gambling interests. Tribes also lobby for federal grants for education, bridges, housing and other things.

Abramoff was sentenced in March to five years and 10 months in prison for the fraud and conspiracy conviction, which stems from a deal to buy a fleet of casino ships in Florida.

He awaits sentencing on separate charges in a federal probe of corruption in Congress and federal agencies. Under a plea deal, Abramoff admitted giving lawmakers and government officials meals, trips and campaign donations in exchange for favors. He is cooperating in the investigation.

Tribal leaders said they don't expect to lose influence as their political contributions decline. "We're probably stronger than we've ever been because of the contact we keep with folks in both the House and the Senate," said Michell Hicks, principal chief of the Eastern Band of Cherokee Indians of North Carolina, whose contributions are down this year. "We have good relationships, and we try to maintain those."

PodestaMattoon Said To Be Ready To Split Up (RC)

By Tory Newmyer

Roll Call, November 2, 2006

PodestaMattoon, the bipartisan K Street powerhouse, is splitting up, according to several sources close to the firm.

The two name partners, Republican Dan Mattoon and Democrat Tony Podesta, have agreed to separate while retaining a strategic partnership, the sources said. The break is set to become effective by Jan. 1.

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Further details of the split were unavailable because principals at the firm did not answer several requests for comment. Several clients of the firm contacted for this article said they were unaware of the impending change.

At a time when the influence industry is bracing for the outcome of the midterm elections, the news adds another question mark to a pair of K Street's heaviest hitters.

Podesta, who's currently chairing the re-election campaign of Pennsylvania Gov. Ed Rendell (D), is widely regarded as one of the best-connected Democratic strategists inside the Beltway. Mattoon, likewise, is known for his reach in House Republican leadership circles, due in particular to his longtime friendship with Speaker Dennis Hastert (R-Ill.).

The firm has maintained healthy growth over the past few years, hovering around the 15th spot in Roll Call's semiannual rankings of top lobbying firms by revenue. For the first half of this year, PodestaMattoon brought in $6 million in revenues, an 11 percent bump, even as some other large firms struggled to sign up new business.

In addition to nonprofit and appropriations-related clients, the firm's roster includes corporate titans such as Google, BellSouth, Tyco and the National Association of Broadcasters.

Podesta founded Podesta Associates in 1988 with his brother John, who later became White House chief of staff for President Bill Clinton. Through the 1990s, Podesta operated under the tech-friendly banner of podesta.com. But the name changed in 2001, when Mattoon agreed to come aboard after 15 years of in-house work for BellSouth.

Both men have held key positions of power in the party. Podesta headed the Pennsylvania campaigns of both President Clinton in 1996 and Sen. John Kerry (D-Mass.) in 2004. At Hastert's request, Mattoon headed up the House Republican's campaign arm for the 2000 cycle, and he led the outside coalition whipping a major trade bill in 2001.

When Mattoon joined the firm, the move marked a union of two outsized personalities, and those close to the situation said it was not always a happy marriage.

"Personality issues were part of it," said one source with knowledge of the firm, with some observers pointing to Podesta's jet-setting and focus with his wife on collecting contemporary art as one clear point of contrast with the more low-key Mattoon.

But others said the two name partners maintained a solid professional front.

"Maybe over time it drove a wedge, but I just never saw it," said another source close to the firm. Nevertheless, several sources said at various times over the past two years, they heard rumors that a split was imminent.

The firm has had some success inking new contracts and most recently it signed up Alcatel North America and Novartis Vaccines and Diagnostics, as well as the Leadership Conference on Civil Rights, a group for whom PodestaMattoon already has done some work.

Besides the name partners, the firm has roughly a dozen lobbyists on staff, including Hastert's son, Josh, plus several more associates who work for its public affairs arm.

An Election On Drugs (WP)

The Washington Post, November 2, 2006

ONE OF the Democrats' election talking points is a promise to revamp the Medicare prescription drug benefit. They paint the 2003 legislation as a sellout to pharmaceutical firms: Rather than having Medicare officials use the government's bargaining power to keep drug prices down, the law left the job of negotiating prices to private insurers. The Medicare drug benefit has actually turned out to be cheaper than projected, and most beneficiaries say they are satisfied with it. But the House Democratic leader, Nancy Pelosi (Calif.), nonetheless accuses Republicans of "putting pharmaceutical companies and HMOs first at the expense of America's seniors."

The Democrats rightly point out that the federal health program for veterans uses its purchasing power to secure drugs at prices lower than the average obtained by the private insurers that administer the Medicare benefit. But this is not a fair comparison. The veterans program keeps prices down partly by maintaining a sparse network of pharmacies and delivering three-quarters of its prescriptions by mail, a policy that might not appeal to retirees who want a local pharmacist. Moreover, the program for veterans is in a position to negotiate hard with drugmakers because it can credibly threaten not to buy from them: Its plan excludes many new medicines. More than a third of retired veterans have signed up for Medicare drug coverage, suggesting that while the veterans program is cheaper, its restricted pharmacy network and formulary render it less attractive.

Setting the veterans comparison aside, could Medicare officials save money by negotiating directly with drug companies? In theory, yes: Once a drug has been invented, the cost of manufacturing pills is low, so a huge purchaser such as Medicare could demand large discounts and still find willing sellers. This is what governments do in most other rich countries. But lower prices might reduce drug companies' incentive to invest in research, and although it is infuriating that Canadians and Europeans get discounts while Americans finance pharmaceutical advances, slowing that advance may not make the world better. Moreover, having the government set drug prices is a sure way of flooding the political system with yet more pharmaceutical lobbyists and campaign spending.

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The best way to make the difficult trade-off between affordable drugs and incentives for new research is not to stage a showdown in Gucci Gulch but rather to heed signals from consumers. The existing Medicare drug benefit may ultimately generate such signals. Retirees have a choice of insurance plans with wildly varying costs, and some are faced with decisions on how much to spend out of pocket. If they choose to pay top dollar for branded medicines, the incentives to invent new medicines will rise; if they prefer to save money, incentives for innovation will decline a bit. Either way, a balance will be struck that reflects broad social preferences.

It's fair to object that consumers may not be equipped to make smart decisions; the market signals they send may reflect the success of gauzy drug commercials rather than clinical evidence. The attraction of the market-based model depends on consumers being guided more by science-based Web sites created by universities or other groups. It's an open question whether consumers, led perhaps by their insurers, will learn to make sophisticated drug choices, but the fact that Medicare patients already buy more generic medications than other Americans is an encouraging sign of the capacity for smart purchasing. A switch to government purchasing of Medicare drugs would choke off this experiment before it had a chance to play out, and it would usher in its own problems. For the moment, the Democrats would do better to invest their health-care energy elsewhere.

Wiring Development (NYT)

The New York Times, November 2, 2006

The Inter-American Development Bank announced last month that Latin American migrants working in the United States will send a record $45 billion to their families back home this year. At that level, remittances represent the largest and most direct poverty reduction program in the region, topping by far the amounts of foreign aid provided by the United States. Most of the cash arrives in monthly wire transfers of about $300 apiece, and is spent on basics like food, shelter and health care. But not all of it. Development bankers estimate that some $10 billion of remittances could be saved or invested — if people had access to banks and were encouraged to use them.

By banking part of their remittances, recipient families could earn interest, establish credit and provide money for local investment. The result would be more resources to help pay for schooling, starting small businesses or home ownership. Such saving and investment lead to economic growth. And growth at the bottom of the economic scale is the surest way to actually lift people out of poverty.

As it is now, most banks in Latin America that receive remittances simply dole out the sums to recipients, after collecting part of the fee paid by the sender. They make no attempt to turn the recipients into bank customers. Bank officials and the politicians that oversee them need to do more to educate the poor about banking and to offer them services. Banks need to be reminded that such lending can be profitable — and will further broader national goals for economic growth. To that end, remittances deserve a more prominent place on the agenda at the meetings of the World Bank, the International Monetary Fund and the Group of 8 leading industrialized nations. Unless those billions in remittances are banked, money that could fight poverty will be left on the table.

North Korea Wants Bank Accounts Unfrozen (AP)

By Burt Herman

AP, November 2, 2006

North Korea said Wednesday it would return to nuclear disarmament talks in an effort to get access to frozen overseas bank accounts, a vital source of hard currency for the impoverished and isolated communist nation.

The North's Foreign Ministry make only indirect mention of its headline-grabbing atomic test last month, saying in a statement that it hoped to resolve U.S. financial restrictions by going back to six-nation arms talks that it has boycotted for a year.

Confirming U.S. and Chinese reports of the agreement Tuesday, the North's Foreign Ministry said Pyongyang decided to return to the arms talks "on the premise that the issue of lifting financial sanctions will be discussed and settled between the (North) and the U.S. within the framework of the six-party talks."

Washington had banned transactions between American financial institutions and Banco Delta Asia SARL — a bank in the Chinese territory of Macau — saying it was being used by North Korea for money-laundering.

U.S. officials also sought to rally other countries to prevent the North from doing business abroad, saying all transactions involving Pyongyang were suspected of being involved in counterfeiting and money laundering.

The Macau ban is believed to have blocked the North's access to some US$24 million (euro18.9 million), and is thought to have hit the country's leadership in particular, who indulge in luxury goods like cognac and fine wines while the vast majority of North Koreans live in poverty.

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In Seoul, South Korean Vice Foreign Minister Yu Myung-hwan said Wednesday he expects leaders of the countries involved to discuss the issue when they gather in Vietnam for an Asia-Pacific summit in mid-November and that the six-party talks were expected to take place after that. He did not indicate when.

However, South Korea's Foreign Minister Ban Ki-moon was quoted as saying by Russia's ITAR-Tass news agency that the talks could resume as early as this month.

Ban, who will be the next U.N. secretary-general, also said sanctions against the North would remain in place until the six-nation talks make progress, and that Pyongyang must halt all nuclear testing activity and invite inspectors to examine its nuclear program, ITAR-Tass reported.

According to Interfax, Ban also said the international community should provide North Korea with security guarantees and economic aid.

The North barely alluded to its Oct. 9 nuclear test in the statement carried by the official Korean Central News Agency, and didn't say whether it remained committed to an earlier agreement to abandon its nuclear ambitions — a possible sign that negotiators could be facing another round of frustrating dialogue when the talks resume.

North Korea also emphasized that a direct meeting with the U.S. during previously unpublicized negotiations Tuesday in Beijing, had made the diplomatic breakthrough possible. U.S. President George W. Bush, who has long shunned direct talks with Pyongyang, credited China's mediation for the agreement.

"Bilateral and multilateral contacts took place in Beijing on Oct. 31 with (the) main emphasis on the contact between the DPRK (North Korea) and the U.S," it said.

The North only briefly noted that the country "recently took a self-defensive countermeasure against the U.S. daily increasing nuclear threat and financial sanctions against it."

The nuclear talks — which include China, Japan, Russia, the United States and the two Koreas — reached an agreement in September 2005 where the North pledged to abandon its nuclear program in exchange for aid and security guarantees, but there was little progress toward implementing the accord.

The U.S. had previously maintained that the financial issue was a matter of law enforcement separate from the nuclear talks. But in Beijing on Tuesday, the chief U.S. nuclear envoy, Assistant Secretary of State Christopher Hill, said Washington agreed to take up the matter in the revived arms negotiations.

However, there were conflicting signals from the United States. White House press secretary Tony Snow later insisted the United States made no promises to link the financial dispute to the nuclear one, but only agreed that "issues like that may be discussable at some future time."

Hill said Tuesday that the nuclear talks could resume as easy as November or December, but acknowledged the negotiations still had a long way to go.

In Washington, Bush cautiously welcomed Tuesday's deal and thanked the Chinese for brokering it. But he said the agreement would not sidetrack U.S. efforts to enforce sanctions adopted by the U.N. Security Council to punish Pyongyang for the nuclear test. Those measures ban the North's weapons trade and other items such as luxury goods.

In Tokyo, Chief Cabinet Secretary Yasuhisa Shiozaki said Japan will maintain sanctions on the North until it abandons its nuclear development.

South Korea's Yu also told lawmakers Wednesday in Seoul that "just coming to the talks itself won't affect the level of Security Council sanctions" against North Korea.

South Korean President Roh Moo-hyun announced a shake-up Wednesday of top Cabinet security positions, naming a new foreign minister, unification minister, defense minister and spy chief.

The reshuffle was triggered by the appointment of the current foreign minister, Ban Ki-moon, as the next U.N. Secretary-General and last week's resignation by the unification minister, who offered to step down to apologize for policy failures after the North's nuclear test. Two other top-level officials also handed in their resignations last week citing separate reasons.

N. Korea's Bank Accounts Targeted (LAT)

By Josh Meyer

The Los Angeles Times, November 2, 2006

WASHINGTON — For three years, the Bush administration has waged a campaign to choke off North Korea's access to the world's financial system, where U.S. officials say the nation launders money from criminal enterprises to fuel its trade in missile technology and its efforts to build a nuclear arsenal.

That effort has started to pay off.

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U.S. pressure forced Macao this year to freeze North Korean assets in one of its banks, then foiled North Korea's panicky attempts to find friendly bankers in Vietnam, Mongolia, Singapore and Europe. And after North Korea's Oct. 9 nuclear test, China ordered some of its major banks to cease financial transactions with the country.

The cash crunch appears to have played a key role in North Korea's decision Tuesday to return to six-nation talks over its nuclear ambitions. North Korean officials said that as part of the talks, they wanted to raise the issue of lifting financial sanctions.

"They're not coming back because they want to give up nuclear weapons," said David L. Asher, the U.S. State Department's point man on North Korea until last year. "They are feeling the financial pressure and the cutoff from the international financial system, so they are trying to make nice."

But the U.S. effort still faces two enormous obstacles: Russia and China.

North Korea continues to have access to banks in both countries, according to current and former U.S. officials who say that without those nations' cooperation, the U.S. effort will be largely ineffective.

Both major powers have historically been more concerned about protecting their strategic interests than in joining U.S. efforts to sanction their neighbor.

Stuart Levey, the U.S. Treasury undersecretary in charge of investigating terrorist financial webs, has traveled to Russia and China, including a trip to Moscow last week. Levey said he had "constructive discussions" with his Russian counterparts, but declined to say whether they would act. A Russian Foreign Ministry official said they had "agreed to further cooperation."

U.S. officials believe that both countries will continue to resist American appeals for a further crackdown in part because of their "historic ties to North Korea," said a senior counter-terrorism official, who spoke about the U.S. campaign on condition of anonymity.

Evidence gathered over the decades by Washington indicates that North Korea has become what some U.S. officials call a "Soprano state." The government in Pyongyang used its embassies to coordinate illegal activities, its ships to move heroin and other contraband, and its factories to make counterfeit $100 bills and bogus brand-name cigarettes, U.S. officials say.

Kim Jong Il, the North Korean leader, used the profits to fund his nuclear program, U.S. officials say, but also to import Mercedes-Benzes, pricey cognacs and other luxury items to buy loyalty.

Washington fears that North Korea could decide to use its well-worn trafficking networks to sell Iran or others the hardware or know-how to make weapons of mass destruction.

So administration officials decided in 2003 to attack by unconventional means. They created the Illicit Activities Initiative, a classified, multi-agency effort aimed at curbing North Korea's black-market networks.

A year ago, the United States moved on one of North Korea's bankers, officially designating the small Banco Delta Asia in Macao as a "primary money-laundering concern" under the Patriot Act.

Pyongyang, U.S. authorities found, banked much of its criminal proceeds in the former Portuguese colony, a freewheeling gambling haven, which became an autonomously governed Chinese territory in 1999.

"Banco Delta was just a thumbtack against their skin," said Asher, who headed the Illicit Activities Initiative. "We knew that behind the skin was a central artery. When we pricked it, blood was going to start coming out fast."

The Treasury action created a run on Banco Delta, which lost a third of its deposits in six days, and forced the government to seize control, sending an unmistakable message to bankers about the consequences of dealing with the North Koreans.

Assets frozen

In February, local officials froze at least $24.million in North Korean accounts at the bank. Pyongyang officials protested and have repeatedly cited the action as justification for abandoning the nuclear bargaining table for the last year.

But Treasury officials went further. Privately, they threatened to go after much larger banks in Macao, including the Bank of China, the second-largest Chinese bank, which eventually froze some North Korean accounts.

Pyongyang then looked elsewhere for a financial safe haven.

Using spies, cooperative bankers and law enforcement agents, Washington followed the North Korean money trail. Levey and other senior Treasury officials visited Vietnam, Hong Kong, Singapore and Mongolia this year. They say they persuaded government officials and bankers to shun financial relationships with North Korea.

"Because of the way North Korea operates, it's very difficult for financial institutions to differentiate between its licit and illicit activities. And so, a lot of banks have decided that as long as North Korea is engaged in illicit activity, they don't want to take any chances of being associated with it," Levey said. "As a result, the North Koreans have had a very difficult time."

Nonetheless, Russia and China have common reasons for treading softly with North Korea on the financial front. Both fear that a financial crackdown could destabilize or even bankrupt North Korea. And both are jockeying to someday collaborate with a friendlier North Korea on economic and military issues.

"They are willing to hold their nose and live with North Korea as it is in exchange for stability on the [Korean] peninsula," said Peter Brookes, the Bush administration's former deputy assistant secretary of Defense for Asian and Pacific affairs.

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Also, North Korea is able to continue to deal with Russia and China because both countries are riddled with political corruption and organized crime, and because it is willing to pay huge commissions to banks, U.S. and Asian authorities have found.

Officials in Russia and China would not talk about North Korea's use of their banks. North Korean officials also declined to comment, but have called on the U.S. to "immediately give up its anachronistic hostile policy."

In recent months, intelligence has pointed to Russia as the place where North Korea has turned to stash its cash and tap into international financial markets, according to U.S. officials and money-laundering experts.

South Korea's intelligence service recently identified Sberbank, the biggest bank in Russia, as one of the institutions doing business with North Korea, according to lawmakers in Seoul who have seen the report. Russian and Japanese media have reported that at least 10 North Korean accounts have been opened in Moscow, including at state-owned Vnesheconombank, to circumvent U.S. sanctions.

Several current and former U.S. law enforcement and banking officials confirmed the broad outlines of those reports. Neither bank responded to requests for comment.

The senior U.S. counter-terrorism official said Russia was not being cooperative because Treasury officials had spent little time lobbying Moscow. "Russia, I think, is still very much up in the air. I genuinely think the jury is still out," he said.

By contrast, U.S. officials have lobbied the Chinese government for years. Levey and Daniel Glaser, a senior Treasury official who oversees anti-money-laundering efforts, have each traveled to Beijing this year to press authorities to cut off North Korea.

Within the last year, Beijing has started to respond.

But current and former U.S. officials say China's recent moves are not enough to stop the illicit money flow between the countries. "Are they doing everything that we want them to be doing on the targeted financial sanctions? No," said the U.S. counter-terrorism official.

'Window dressing'

Raphael Perl, a Congressional Research Service analyst, agreed.

"The efforts by Chinese banks in this regard are often privately referred to within [Bush] administration circles as more 'window dressing' than substantive," he said.

Some former U.S. officials also worry that completely uprooting North Korea's illicit financial network might be unwise, forcing the secretive nation to resort to tactics that could hamper U.S. efforts to spy on it.

"If you crack down in certain areas, it is like squeezing the balloon. It may pop up in an area we can't monitor," said John Cassara, a former Treasury and CIA money-laundering specialist.

The financial crackdown already appears to be forcing North Korea into closer arrangements with organized-crime syndicates with ready access to the international financial system.

That is particularly worrisome, the officials said, because these criminal outfits have a well-entrenched presence in the United States and are better at clandestinely moving money, illicit goods -- and, potentially, weapons of mass destruction -- than terrorists.

"That's why it's absolutely critical for us to crack down much harder on North Korea's ties to organized crime globally," Asher said. "It's going to be a much bigger challenge in my mind than even tracking terrorist finances."

Money May Underlie North Korea's Return To Talks (WSJ)

By Evan Ramstad

The Wall Street Journal, November 2, 2006

SEOUL, South Korea -- North Korea's decision to reopen nuclear-disarmament talks may have simply come down to money.

During nearly seven hours of talks with U.S. and Chinese diplomats Tuesday, North Korean officials repeatedly asked that a restart of the six-nation talks include a discussion of the financial straitjacket imposed on the impoverished country and its dictatorial regime. It was the North's sole request, the U.S. envoy to the talks said, and an indicator of the pressure the country is facing after being practically cut off from the world's banking system.

Yesterday, the North Korean government raised the matter again in its own announcement about the talks, saying it decided to return to negotiations "on the premise that the issue of lifting financial sanctions will be discussed and settled." The statement, issued by North Korea's foreign ministry, characterized its Oct. 9 nuclear test as "a self-defensive countermeasure against the U.S. daily increasing nuclear threat and financial sanctions against it."

NUCLEAR AMBITION

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See continuing coverage1 of developments in the standoff with North Korea, including a Q&A with North Korea experts2 and an interactive look at who has nuclear power3. · Standoff With North Korea: Chronology of key events4

North Korea's banking woes are due not to direct financial sanctions but instead to decisions by foreign banks that feared continuing business with North Korea. The foreign banks suspended their ties with North Korea following the U.S.'s move to blacklist a Macau bank that did business with Pyongyang. It is unclear whether the U.S. can do something in the six-party talks to change North Korea's financial isolation.

U.S. diplomats are likely to create a special working group within the six-nation talks, which North Korea had been boycotting for a year, to discuss financial issues. "Of course, addressing it will require the cooperation" of North Korea, said Christopher Hill, the U.S. envoy to the talks. He noted North Korea is suspected of engaging in money laundering and counterfeiting of U.S. dollars. The other parties involved in the talks are Russia, China, Japan and South Korea.

North Korea's financial troubles have arisen in part because of steps it began taking in 2002 to introduce market changes to its centrally planned economy. These included greater use of international banks for borrowing, investing and trade. The isolated regime of dictator Kim Jong Il apparently didn't realize such steps would ultimately provide outsiders with another means to pressure the country.

"The alarming thing for North Korea was to find that any assets they held around the world were liable to be frozen" if it was accused of criminal activities, said Tony Michell, managing director of Korea Associates Business Consultancy in Seoul and co-founder of the first international business-consulting company in Pyongyang, North Korea's capital.

The inability to conduct international banking "has made it extremely difficult for ordinary businesses to send money to North Korea and to receive money from North Korea," Mr. Michell added.

The trouble began in September 2005 when the U.S. put Banco Delta Asia in Macau, China, on a blacklist -- which essentially banned U.S. financial institutions from doing transactions with the bank -- for allegedly assisting North Korea in money laundering. That action created a run on the bank, a criminal investigation by Macau and a freeze of 40 North Korea accounts with assets of about $24 million.

Banco Delta Asia, which has since folded, has called the U.S. allegations "totally unfounded," and bank executives say they alerted U.S. officials of one instance in which counterfeit U.S. currency was put into a North Korean account. Macau's policy and bank regulator have been investigating the case since then.

North Korea immediately called for its money to be unfrozen. Nine of the accounts belonged to individual North Koreans, including some people believed to be high-ranking officials in the Kim regime. The remaining accounts belonged to 20 North Korean banks and 11 trading companies.

A bigger problem soon developed, as other foreign banks that were North Korea's chief conduit to the global banking system cut the country off, worried that a mere threat of U.S. penalties would cripple them, too. Officials at four Chinese commercial banks stopped moving funds in or out of North Korea after last month's nuclear test. Those banks said yesterday they were continuing that restriction.

North Korean authorities have for months repeatedly called for an end to the virtual cutoff from global banking, but they have never described the financial effects of the freeze. The country's banks disclose no information, not even their size or asset base. The only foreign-owned bank in North Korea, Daedong Credit Bank, reported in April that its revenue had been cut in half as a result of the inability to transact with banks outside the country. A Hong Kong investment company owns 70% of the bank, while a North Korean bank owns the rest.

U.N. Creates N.Korea Sanctions List (AP)

AP, November 2, 2006

The U.N. Security Council agreed Wednesday on a list of banned items that could be used to make nuclear, chemical and biological weapons or ballistic missiles and ordered all countries to prevent North Korea from importing or exporting the items.

The Security Council resolution adopted on Oct. 14 to punish North Korea for conducting a nuclear test requires all countries to keep North Korea from selling or buying any material for weapons of mass destruction or ballistic missiles. It also orders nations to freeze assets of people or businesses connected to these programs, and ban the individuals from traveling.

The new council committee monitoring the sanctions drew up three separate lists of nuclear-related, chemical and biological-related, and missile-related material and equipment which the 15 council members approved.

Slovakia's U.N. Ambassador Peter Burian, the sanctions committee chairman, said he sent a note to all 192 U.N. member states on Wednesday informing them that the lists had been approved and reminding them to send a report to the committee on their compliance with the sanctions by Nov. 13.

He said the lists have hundreds of items "but if you are translating them into concrete products, it's really thousands."

Burian said the lists would likely be updated with additional items.

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At a meeting of the sanctions committee on Wednesday, he said, members would start discussing the individuals and entities that will face sanctions, and they would also start putting together a list of luxury items that North Korea will be banned from importing.

U.S. Debates Value Of North Korea Talks (NYT)

By Helene Cooper

The New York Times, November 2, 2006

WASHINGTON, Nov. 1 — Officially, the Bush administration is "pleased" — as President Bush put it on Wednesday — that North Korea has agreed to resume talks on nuclear disarmament. But behind closed doors at the White House and the State Department, some are less happy, saying the country's nuclear test should be answered with isolation.

When it comes to North Korea, the Bush administration has always found itself pulled in two directions — confrontation versus engagement — and has generally settled on a middle course that was neither. To persuade North Korea to return to the bargaining table, President Bush agreed last week to a slight softening of his stance against direct talks with North Korea, a concession that made clear that Secretary of State Condoleezza Rice was in charge of the policy, at least for now.

But Ms. Rice is coming under increased fire inside and outside the administration from officials and experts who are skeptical about what diplomacy can achieve in this case, and who argue that there is no chance a new round of nuclear talks with North Korea will succeed.

"What's a good description? Fantasy? Dreamworld?" said Nicholas Eberstadt, a North Korea expert with the American Enterprise Institute in Washington. "All we're doing with these hapless efforts at conference diplomacy is continuing to talk while North Korea continues to build nuclear weapons."

A senior Bush administration official was equally pointed in criticizing the new initiative. "In the past, the one thing we could never be criticized for was whether our tough talk meant something," said the official, who has participated in internal debates and would speak only on condition of anonymity about his dissenting views. "When we gave a stick, they knew we were serious. We've lost that credibility."

This is not a new debate by any stretch. Within the administration, a more hawkish wing that includes Vice President Dick Cheney, Defense Secretary Donald H. Rumsfeld and John R. Bolton, the ambassador to the United Nations, has chafed against talks with any American foe, be it North Korea or Iran. Meanwhile, advocates of diplomacy, including R. Nicholas Burns and Philip D. Zelikow, two of Ms. Rice's top lieutenants at the State Department, have sided with European allies in saying that the United States should engage its foes.

But the fact that the debate has resurfaced with such vigor suggests that even North Korea's decision to test a nuclear device on Oct. 9 in defiance of American warnings has not changed the old fault lines.

Ms. Rice has found herself in the middle of the tug-of-war as she seeks to mute international criticism of America's so-called cowboy diplomacy. On the two big nuclear proliferation issues, Iran and North Korea, Ms. Rice has helped to move the administration away from unilateralism, with President Bush offering in May to join European negotiations over Iran's nuclear ambitions.

Even after North Korea conducted a round of missile tests in July and three months later tested the nuclear device, the United States continued to call for it to return to six-nation disarmament talks.

"Pretty clearly, the president of the United States thinks we're doing the right thing," the State Department spokesman, Sean McCormack, said Wednesday. "This pathway is the best opportunity we have to achieve the objective we all share: a denuclearized Korean peninsula."

Ms. Rice argues that a new round of talks will be different and that the United States will wield more leverage because the negotiations will take place while North Korea is under United Nations sanctions for the nuclear test. But Kim Jong-il, the North Korean leader, has participated in multiple rounds of talks over the past several years while accelerating his pursuit of nuclear weapons.

North Korea boycotted the talks last year after the United States imposed financial penalties in September 2005 on Banco Delta Asia, a bank in Macao, accusing it of helping the North launder money and pass counterfeit $100 bills manufactured by the North Korean government.

For a year, North Korea refused to return to the talks, and the United States refused to lift the sanctions. The Bush administration balked at North Korean overtures for one-on-one talks, insisting that America would talk to North Korea only as part of the six-party negotiations. But last week, Chinese officials contacted the American Embassy in Beijing and proposed a three-way meeting involving the United States, North Korea and China. That step required a shift in the American line against direct talks, but in response to a request from Ms. Rice, Mr. Bush agreed.

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The chief American negotiator, Assistant Secretary of State Christopher R. Hill, worked out the deal in a seven-hour session on Tuesday with his Chinese and North Korean counterparts. As a concession to entice North Korea back to the talks, the United States agreed to discuss the financial restrictions arising from the counterfeiting issue, a gesture that has been criticized inside and outside the administration.

There is "zero chance" that the talks will persuade North Korea to dismantle its nuclear program, said John Tkacik, a senior research fellow at the Heritage Foundation and a former State Department diplomat. "My Machiavellian mind tells me that the Chinese have worked out a deal with the Russians and the North Koreans that if North Korea comes back to the six-party talks, the main issue will not be denuclearization, it will be counterfeiting."

American negotiators continue to maintain the financial restrictions will remain unless North Korea stops counterfeiting United States currency. "They have to get out of the illicit-activities business and get out of the counterfeiting business," Mr. Hill said in an interview Tuesday.

Russia Speaks Against Iran Draft Measure (AP)

By Steve Gutterman

AP, November 2, 2006

Russian Foreign Minister Sergey Lavrov said Wednesday that a draft U.N. Security Council resolution imposing sanctions on Tehran over its nuclear program would isolate Iran, suggesting that Moscow will not back the resolution in its current form, news agencies reported.

Russia has not ruled out sanctions against Iran but repeatedly has warned that harsh measures could harden Tehran's defiance and scuttle chances for a negotiated end to the prolonged standoff over its nuclear program.

"We cannot support measures that in essence are aimed at isolating Iran from the outside world, including isolating people who are called upon to conduct negotiations on the nuclear program," Interfax quoted Lavrov as saying.

The European resolution is meant to punish Iran for its refusal to halt uranium enrichment activities that have heightened fears it is seeking to develop nuclear weapons.

Lavrov reiterated his claim that the resolution would go beyond existing agreements among nations seeking to rein in Tehran's nuclear ambitions.

The draft orders all countries to prevent the sale and supply of material and technology that could contribute to Iran's nuclear and missile programs. It requires countries to freeze the assets of companies and organizations involved in those programs, and also imposes a travel ban and freezes the assets of people involved — a measure Lavrov appeared to be referring to in his remark suggesting it would hamper negotiators.

Interfax said Lavrov spoke in response to a question about whether Russia completely rejects the European draft or intends to seek changes.

"We will work on the text of the resolution," Lavrov said, adding that Russia would seek to focus the document on concrete aspects of Iran's program that the International Atomic Energy Agency has identified as possibly serious risks, including uranium enrichment and a heavy-water reactor, ITAR-Tass reported.

The text of the resolution drafted by Britain, France and Germany was expected to be discussed this week at the United Nations.

While the U.S. has indicated it considers the draft too weak, Lavrov has signaled Russia's opposition and suggested it is too strong.

Lavrov said Moscow will seek to foster negotiations between Iran and the international community.

Russia and China, both veto-wielding Security Council members, consistently have been reluctant to support sanctions. Comments Tuesday by Russia's Security Council chief Igor Ivanov hinted that Russia could support sanctions as a way to push Tehran into talks, but also left plenty of room for wrangling in the council.

Speaking Wednesday in Moscow, South Korean Foreign Minister Ban Ki-moon, who will take over as U.N. secretary-general on Jan. 1, urged Iran to halt uranium enrichment and accept an international offer of incentives in return, Interfax reported. Iran's rejection of the proposal prompted the moves toward punishment that could include sanctions.

Russia has strong commercial ties with Iran, and a Defense Ministry official told The Associated Press on Wednesday that Moscow would fulfill a contract to supply air defense missiles to Iran unless Moscow backs international sanctions that would make it illegal.

Defense Minister Sergei Ivanov defended the $700 million contract signed last December to sell 29 Tor-M1 air defense missile systems to Iran, saying they were purely defensive weapons with a limited range.

Incoming UN Chief Calls On Iran To Halt Enrichment (AFP)

DOJ_NMG_0090204

AFP, November 2, 2006

The newly-designated UN secretary general, Ban Ki-Moon, called on Iran to halt uranium enrichment and accept alternative incentives proposed by six world powers, Russian news agencies reported.

"Iran must halt enrichment of uranium and accept the proposal of the six" powers, the agencies quoted Ban as telling Russian journalists following a meeting with Russian President Vladimir Putin.

Ban, who is also currently the foreign minister of South Korea, afterwards held a meeting with Russian Foreign Minister Sergei Lavrov who repeated Moscow's reservations about a European draft UN resolution imposing sanctions on Tehran over its nuclear program.

"We cannot support measures that are essentially aimed at isolating Iran from the outside world, at isolating the very people who are called upon to conduct negotiations on the nuclear program," Lavrov told reporters after his meeting with Ban.

He said Russia, like the United States and Europe, had no interest in Iran acquiring sensitive nuclear technologies and wanted to ensure that UN nuclear inspectors got access to Iranian facilities to verify that this was not the case.

But he added that the European draft "goes far beyond the agreed framework" established by the five permanent UN Security Council members and Germany for alleviating international worry over Iran's nuclear intentions.

Lavrov's comments mirrored remarks he made on October 26, when he stated that the European draft resolution on Iran "clearly does not further the objectives that the six powers agreed on earlier".

The United States has accused Iran of seeking secretly to develop nuclear weapons under cover of its nuclear energy program, a charge Tehran has consistently denied. Washington has also led calls for tough sanctions on Iran.

Russia, which is helping Iran build its first nuclear reactor, has maintained that only IAEA inspections can determine independently what Iran's nuclear activities aims are and has insisted that negotiations are best way to ensure Tehran does not move to develop nuclear weapons.

Iran Announces Military Maneuvers (AP)

By Nasser Karimi

AP, November 2, 2006

Iran unexpectedly announced Wednesday that it would be holding military maneuvers in the Gulf this week, only days after U.S.-led navies held exercises in the same waterway.

Iranian state television quoted the head of the Revolutionary Guards, Gen. Yahya Rahim Safavi, as saying the 10-day maneuvers, named "Great Prophet," would take place in the Gulf and the Sea of Oman, beginning Thursday.

"The war games are aimed at demonstrating the deterrent power of the guards against possible threats," Safavi said.

Safavi stressed the drills were not a threat to neighboring countries, saying: "Our neighbors are our friends. The guards just want to prove that they ready to resist in any threatening situation."

His announcement came two days after U.S.-led warships finished a two-day maneuver in the Gulf — an exercise that Iran described as ""adventurist."

Iran said the six-nation drills would not improve security in the Gulf waters, through which about 20 percent of the world's oil passes. It also called on Gulf nations to set up their own regional security arrangements.

The U.S.-led maneuvers focused on surveillance, with warships tracking a ship suspected of carrying components of illegal weapons. The nations that took part were Australia, Bahrain, Britain, France, Italy and the United States.

Iran regularly holds large maneuvers, often using them to test weapons developed by its arms industry.

On Wednesday, Safavi told state TV: "The guard's air force will test fire the Shahab-3 (missile), equipped with cluster warhead, in the war game."

The Shahab-3 missile is capable of carrying a nuclear warhead and has a range of more than 2,000 kilometers (1,242.8 miles). It can reach Israel and U.S. forces in the Middle East.

Meanwhile, Russia on Wednesday defended Moscow's deal to supply air defense missiles to Iran, saying they were purely defensive weapons with a limited range.

"I wish to underline that these systems cannot be used in offensive operations," Defense Minister Sergei Ivanov told Russia Today television in an interview broadcast early Wednesday. "Secondly, they have a limited use as they are capable of protecting a small part of the Iranian territory."

Moscow has refused to bow to Western pressure and cancel its $700 million contract to sell 29 Tor-M1 air defense missile systems to Iran which was signed last December.

U.S. Faults Syria, Iran, Hezbollah On Lebanon (WP)

By Colum Lynch

DOJ_NMG_0090205

The Washington Post, November 2, 2006

UNITED NATIONS, Nov. 1 -- The White House on Wednesday accused Lebanon's Hezbollah militia and its Iranian and Syrian backers of seeking to topple the U.S.-backed government of Lebanese Prime Minister Fouad Siniora.

White House spokesman Tony Snow said the United States is "increasingly concerned by mounting evidence that the Syrian and Iranian governments, Hezbollah and their Lebanese allies are preparing plans to topple Lebanon's democratically elected government."

Snow warned that any attempt to destabilize Lebanon through "manufactured demonstrations" or "physically threatening its leaders" would constitute clear violations of U.N. resolutions. He singled out Syria, charging that it has devised a plan "to prevent" the Lebanese government from approving a U.N. tribunal to try the killers of former Lebanese prime minister Rafiq Hariri, who was assassinated in February 2005.

White House and State Department spokesmen declined to characterize the evidence used to support the claim, implying that it was based on classified information. And some U.S. intelligence officials and U.N. diplomats said privately that there was no sign that an armed overthrow of the government is in the works.

The announcement came just one day after Hezbollah's leader, Hasan Nasrallah, said in a television interview that he is prepared to organize protests if his movement is not given a larger say in Lebanon's affairs. It followed the report of a new diplomatic initiative by British Prime Minister Tony Blair, who sent a senior adviser, Nigel Sheinwald, to meet Syrian President Bashar al-Assad.

Next week, Lebanon's leading political figures will discuss a demand by a political alliance, headed by Hezbollah, that it be granted 30 percent of the Lebanese cabinet seats in a new national unity government, U.N. diplomats said. That would give them the power to veto any major decision by the government.

The demand represents an effort by the Islamic movement to parlay the political popularity it won by battling Israeli forces to a standstill over the summer. U.S. and U.N. officials fear that Hezbollah would use that authority to block any decision by the Lebanese government to approve a U.N.-backed tribunal to prosecute suspects in Hariri's death.

"It's pretty clear that in the aftermath of this summer's violence there is a broader political struggle going on over Lebanon's political future," said Flynt L. Leverett, a Middle East expert and senior fellow at the New America Foundation. "I think that Hezbollah and its allies have the natural advantage in that struggle, given Hezbollah's role in the conflict."

Intelligence officials said they think the White House statement was referring to Nasrallah's threat of widespread protests if Lebanese leaders fail to create a unity government. One official said that although U.S. intelligence officials think Nasrallah would like more power and Syria would like a friendlier Lebanese government, there are no signs of an impending coup.

U.N. Secretary General Kofi Annan convened a meeting with U.S., Russian, French, British and Chinese representatives to build support for a plan to establish a tribunal, probably based in Cyprus, to prosecute suspects in Hariri's death.

U.N. prosecutor Serge Brammertz is investigating whether top Syrian officials ordered the assassination of Hariri and other critics of the Syrian government. His predecessor, Detlev Mehlis, has implicated officials within Assad's inner circle.

Secretary of State Condoleezza Rice told the Lebanese Broadcasting Corp. last week that the United States has heard that "there are people who would like to destabilize the government of Prime Minister Siniora. We've heard that there are people who would like to intimidate or assassinate again."

Rice said "it's not any great secret" that the administration has concerns about Syria's sponsorship of violence in Lebanon, but she stopped short of accusing Syria of planning fresh attacks. "I just want to make very clear that the international community believes there should be no foreign intimidation of the Lebanese people," she said.

U.S. Reports Plot To Topple Beirut Leaders (NYT)

By David E. Sanger And Michael Slackman

The New York Times, November 2, 2006

WASHINGTON, Nov. 1 — The White House said Wednesday that there was “mounting evidence” that Iran and Syria were involved in a plot to bring down the government of Prime Minister Fouad Siniora of Lebanon, but senior officials refused to describe in any detail the intelligence they said they had collected.

In an unusual statement, the White House said it was “increasingly concerned by mounting evidence that the Syrian and Iranian governments, Hezbollah and their Lebanese allies are preparing plans to topple Lebanon’s democratically elected government.”

American officials said they had evidence that Syria and Iran were trying to engineer the creation of a new “unity” government that they could control, partly through Hezbollah, a Lebanese Shiite organization considered a terrorist group by the United States.

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One senior American official, who declined to be identified by name because he was discussing an intelligence issue, said there were also indications of "planning for a more violent" attack on the government, but he gave no details.

In the written statement, issued by the White House press secretary, Tony Snow, the administration also said there were "indications" that Syria was trying to block passage of a statute by the Lebanese Parliament that would require that Lebanon cooperate with an international tribunal that is to try those accused of involvement in the assassination of the former prime minister, Rafik Hariri, in February 2005. Syria has denied involvement, though Syrian intelligence officials, including close family members of President Bashar al-Assad, have been implicated.

In interviews in recent days, senior American officials have said the evidence is one reason that the United States cannot engage in negotiations with Syria or Iran, as several leading Republicans, including the former Secretary of State James A. Baker III, have urged.

"Talking isn't a strategy," the president's national security adviser, Stephen J. Hadley, said in an interview late last week before heading to Iraq. "The issue is how can we condition the environment so that Iran and Syria will make a 180 degree turn?" a reference to what he said were their efforts to undermine stability in the region.

Asked on Wednesday about the new warning from the White House, Sean McCormack, the State Department spokesman, said that "quite clearly, Hezbollah has its patrons in Damascus, and certainly in Tehran" who observe "very few boundaries concerning what it will do and what it won't do."

But administration officials said they had little evidence of an impending physical attack. Instead, they said they believed that Hezbollah might stage a political crisis to bring about the fall of the government. For the Bush administration, that possibility poses a vexing problem: if the Siniora government collapses because of domestic political infighting, any change of government may look more like parliamentary politics than a coup.

At the moment, Hezbollah, which is part of the current government, is seen to be in a stronger political position than the Washington-allied March 14 coalition, which controls the government and the largest bloc in Parliament.

Tension has been rising in Lebanon since the cease-fire that ended a 34-day war with Israel this summer that was directed against Hezbollah, which launched attacks on Israel from Lebanese territory.

Foreign pressures are only one of the many forces driving the political dynamics between competing factions. Lebanon's political factions are scheduled to begin talks on Monday to discuss Hezbollah's demand for a new national unity government, a proposal that two recent polls determined has the backing of about 70 percent of the population.

"Both camps are escalating to put their opponents in the corner in order to reach concessions," said Hilal Khashan, a political scientist at the American University of Beirut who said that Washington's charges do not warrant "any attention."

The White House clearly hopes that its public support will buttress the American-backed government, but some experts in Beirut warned that it may well have had the opposite effect. The government's chief critics, including the Hezbollah leader, Hassan Nasrallah, have charged that those who control the government are puppets of Washington.

"Love can be deadly," said the speaker of Parliament, Nabih Berri, after hearing Washington's charges on Wednesday. "Is it a defense for Lebanon? Or pushing it toward chaos? Is it a support for the government? Or incitement against it?"

While Iran and Syria have long maneuvered for position in Lebanon, there is also a local fight under way over who controls the reins of power. Hezbollah and its chief ally, the former general Michel Aoun, are pressing to extend their control. The March 14 coalition is struggling to hold them back.

With its announcement, Washington has adopted the political talking points of its closest ally in Beirut, the Druse leader Walid Jumblatt, who has repeatedly sought to undermine Hezbollah by charging it is nothing more than a puppet of Iran and Syria. Mr. Jumblatt was visiting Washington this week and met with Secretary of State Condoleezza Rice.

In an interview, a member of Mr. Jumblatt's party, the Progressive Socialist Party, said he agreed with Washington's characterization of how events may unfold.

"We have evidence of the Iranian-Syrian-Hezbollah plan," said Akram Chehayeb, a member of Parliament. His proof, he said, included statements by Syrian officials close to Iran who called for toppling the government, and a speech by the Syrian president in which he said "we have to translate our military victory into a political one."

It was unclear to what extent Washington may have relied on that information in making its assertions.

In a television interview on Tuesday, Mr. Nasrallah said that if his political opponents did not accept a national unity government, he would rally his supporters in the streets.

Mr. Nasrallah's influence is clear: when the fractious parties sit down to talk on Monday only Hezbollah's demands will be on the agenda. In addition to the unity government, which would bring Hezbollah's allies into power, the group wants to amend the election law and call early elections for Parliament.

Opponents of Hezbollah wanted to discuss disarming Hezbollah's militia, and replacing the pro-Syrian president, Émile Lahoud, whose term was extended by Damascus.

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"I don't buy it," said Jamil Mroueh, publisher of The Daily Star newspaper in Lebanon of Washington's statement. "This is a domestic issue, in terms of the wrestle for power."

Syria 'plotting To Destabilise' Lebanon (FT)

By Guy Dinmore And Daniel Dombey And Roula Khalaf

Financial Times, November 2, 2006

The US on Wednesday said it had mounting evidence that Syria, Iran and Hizbollah were planning to "topple" the elected Lebanese government and told them to keep their "hands off".

The US warning reflects growing concerns that Lebanon's Hizbollah, an armed faction and political party backed by Syria and Iran, is raising the pressure for a change of government, now dominated by pro-western forces.

The US statement came hours after Hassan Nasrallah, Hizbollah leader, vowed to stage peaceful protests demanding fresh elections unless his opponents agreed to the creation of a national unity government to replace that of Fouad Siniora, the prime minister, by mid-November.

The White House said: "We are increasingly concerned by mounting evidence that the Syrian and Iranian government, Hizbollah and their Lebanese allies are preparing plans to topple Lebanon's democratically elected government."

Later, Tony Snow, the White House spokesman, said the US was "making it clear to everybody in the region that we think that there ought to be hands off the Siniora government; let them go about and do their business."

Hizbollah, which has 14 of parliament's 128 seats, is represented in the government by two ministers but demands that its Christian allies, now in opposition, also be brought in. Mr Siniora has rejected demands for change but top political leaders are due to hold talks on the issue next week.

The warning – dismissed by Hizbollah as "just one more American interference in Lebanese affairs" – followed a diplomatic initiative by Tony Blair, the UK prime minister, who sent his top foreign policy adviser to meet Bashar al-Assad, the Syrian president, in Damascus on Monday.

Sir Nigel Sheinwald first visited Washington where he met senior US officials to discuss the situation in Iraq, the Israeli-Palestinian conflict as well as his planned mission to Syria.

But analysts said such consultations did not mean that the US and UK were in agreement over their policy towards Damascus, with the US seeking to isolate Mr Assad and the UK exploring ways to engage Syria and test its willingness to play a more constructive role in the peace process between Israel and the Palestinians.

"We went to [Damascus] express our concerns on these issues," said a Downing Street official on Wednesday night. "We want to see concrete action and we are now waiting to see what concrete reaction there might be from the -Syrians."

The UK is as concerned as the US about a potential fall of the Lebanese government, as pressure mounts from Hizbollah and its allies in Beirut. The anti-Syrian coalition that now controls the government believes that part of the Hizbollah attempt to widen the participation in the government or bring a new cabinet is to derail plans for an international tribunal to try the perpetrators of the killing of the former prime minister Rafiq Hariri.

Sean McCormack, the US state department spokesman, said Hizbollah which "started a war in the region" with Israel, would stop at nothing to achieve its ends.

In Damascus on Monday, Sir Nigel told Mr Assad there was a range of actions that Syria could take which would be in its own interest and that of the international community.

The UK is exploring whether Syria can move the Palestinian Hamas movement towards adopting the conditions set by western governments to move the peace process forward.

U.S. Sees Evidence Of Lebanon Coup Plot (LAT)

By Paul Richter

The Los Angeles Times, November 2, 2006

washington — In an unusual statement, the Bush administration charged Wednesday that there was "mounting evidence" that Iran, Syria and the militant group Hezbollah were trying to engineer the overthrow of the elected government of Lebanese Prime Minister Fouad Siniora.

American officials said they had evidence that the two countries were trying to help create a new "unity" government that would give greater influence to their Hezbollah allies.

They contended that Syria was also trying to block legislation that directed Lebanese cooperation with an international tribunal investigating the slaying of former Prime Minister Rafik Hariri. Syrian officials have been implicated in the February 2005 attack.

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But U.S. officials declined to provide details, saying they could not disclose information from intelligence sources. Sean McCormack, the chief State Department spokesman, said there were "strictures" on what he could say because "we collect a lot of information I can't talk about."

He said Hezbollah chief Sheik Hassan Nasrallah recently warned in a speech that "the Siniora government take certain steps or Nasrallah and his compatriots would see that it falls."

Hezbollah officials have been pressing for Shiite Muslim parties to be given control of eight Cabinet ministries, up from five, to better reflect their share of Lebanese support. Hezbollah has also called for mass demonstrations to press for a unity Cabinet that would give Islamic militants and their allies vetoes over key decisions.

McCormack also noted that Emile Lahoud, the pro-Syria president of Lebanon, had spoken about taking steps to block formation of the tribunal to bring Hariri's killers to justice.

McCormack said that the administration had put out its statement to show its support for the Siniora government and to make clear that "we, as well as others, are watching closely."

At the same time, he insisted that "we're not going to interfere in Lebanon's domestic politics."

In Beirut, Hezbollah spokesman Hussein Rahal said on Al Arabiya television that the U.S. statement was "just one more American interference in Lebanese affairs" designed to prop up the Siniora government.

Secretary of State Condoleezza Rice and U.S. Ambassador to the United Nations John R. Bolton have warned Syria and Iran in recent days not to interfere in Lebanese affairs. In an interview with the Lebanese Broadcasting Corp. on Oct. 26, Rice said that Lebanon had a history of intimidation and assassinations and "we've heard that there are people who'd like to intimidate or assassinate again." She offered no details.

The Siniora government has worked closely with Washington, which hopes Siniora's team can help limit Hezbollah's influence. The Shiite Muslim militant group waged war with Israel during the summer.

The Jerusalem Post speculated Wednesday that mock raids by Israeli fighter jets over Hezbollah strongholds Tuesday were "an unveiled warning to Nasrallah" not to restock the militant group's arsenal.

Israeli officials have said the military will conduct periodic flights over Lebanon until Hezbollah returns two Israeli troops captured during the summer and international forces take adequate steps to prevent Hezbollah from rearming.

The U.S. is providing political and economic support to the Lebanese government as well as aid to train the weak military.

Yet the popularity of the United States in Lebanon has diminished because of perceived U.S. support for Israel in the summer war, limiting the Bush administration's ability to influence events in the country.

David Schenker, a former Pentagon official now at the Washington Institute for Near East Policy, said the "trend in Lebanon is really troubling…. There's an overwhelming array of forces against the Siniora camp. It's going to be hard to beat them back."

Hezbollah Threatens Protests In Lebanon (AP)

By Sam F. Ghattas

AP, November 2, 2006

Hezbollah is threatening street protests to force early elections in Lebanon if its demands are not met for a "national unity" Cabinet that would give the Islamic militants and their allies veto power over key decisions.

The bold move reflects the Shiite group's push to consolidate the political power it gained following its self-proclaimed victory in its punishing summer war with Israel. The effort seems certain to further exacerbate an already tense political situation in Lebanon, where the Western-backed government of Prime Minister Fuad Saniora has refused earlier Hezbollah calls to step down and allow the formation of a new Cabinet.

It could also lead to violence, with pro-government groups warning of a confrontation with militants in the streets.

"Our concept of the national unity government is that all the basic forces in Lebanon be in it ... actual and serious participation, not an aesthetic participation," Sheik Hassan Nasrallah, Hezbollah's leader, said in a lengthy interview on Hezbollah's Al-Manar TV Tuesday night.

In the same interview, Nasrallah said that "serious negotiations" were taking place over the two Israeli soldiers whose July 12 capture by his militant group sparked the 34-day war.

He said a negotiator appointed by U.N. Secretary-General Kofi Annan has been meeting with Hezbollah and Israeli officials. He would not provide details about the negotiations, but told Al-Manar: "We have reached a stage of exchanging ideas, proposals or conditions."

The Israeli government declined to comment on the assertion.

"We don't comment about anything that has to do with the abducted soldiers. Israel will do all it takes to get their release without hurting Israel's security," spokeswoman Miri Eisin said.

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Nasrallah also warned that any attempts by the beefed-up U.N. peacekeeping force in southern Lebanon to disarm Hezbollah would transform the country into another Iraq or Afghanistan. He did not elaborate.

A U.N.-brokered cease-fire that ended the fighting on Aug. 14 does not give a direct mandate to the peacekeepers to take away Hezbollah's weapons by force, unless the guerrillas are caught in the buffer zone along the border with Israel.

On the domestic front, Nasrallah said Hezbollah and its allies should comprise one-third of the 24-member Cabinet. That effectively means the guerrilla group and allies could veto key decisions. A two-thirds vote in the Cabinet is needed to pass decisions that are not made by consensus. A resignation of one-third of the Cabinet automatically brings down the government.

The move, if successful, would significantly raise Hezbollah's standing in the Cabinet, where it and its Shiite ally, Amal, currently have five ministers. Such veto power and influence in decision-making would also bolster their standing in the 128-seat parliament, where the group and its allies hold less than half the seats, compared to 70 seats held by the anti-Syrian majority.

Nasrallah said he welcomed a call by parliament speaker Nabih Berri, a Hezbollah ally, to hold talks next week on forming a national unity government. However, should the talks fail, Nasrallah said Hezbollah would begin political and street actions against the government on Nov. 13. The guerrilla group is highly organized and politically disciplined, and its rallies frequently draw hundreds of thousands of supporters.

Saniora has repeatedly rejected the idea of a new government, contending that his Cabinet achieved much for the country and did its best to stop the war. His supporters say that Hezbollah and its backers, in pushing for greater political power, are doing Damascus' bidding and are trying to undermine the formation of an international tribunal to try suspects in the assassination of former Prime Minister Rafik Hariri in February 2005.

The assassination sparked massive street protests and prompted Syria to withdraw its forces from Lebanon under international pressure. The parliament, however, has lacked the strength to force pro-Syrian President Emile Lahoud out of office or to eliminate Syria's proxy influence through local allies like Hezbollah.

In the face of Nasrallah's ultimatum, government supporters have threatened popular counter-protests, raising fears of a repeat of the kind of sectarian clashes between Lebanon's Sunnis, Shiites, Druse and Christians that ravaged the country during its 15-year civil war.

Leaders of Anti-Syrian factions have repeatedly warned of violence if Hezbollah supporters pour into the streets.

Walid Jumblatt, a member of parliament, was quoted by Lebanese newspapers Wednesday as warning during a visit to Washington that "threats by some forces in Lebanon to resort to street (protests) in order to bring down the government" would "lead to anarchy."

Nasrallah has played down any fears of violence in the threatened street protests, saying his campaign would be peaceful.

Ethiopian PM: Islamic Militia A Threat (AP)

By Chris Tomlinson

AP, November 2, 2006

Ethiopia's prime minister, who has sent troops to bolster Somalia's interim government, said Wednesday the al-Qaida-linked militants controlling much of the neighboring nation are a threat to the Horn of Africa and the wider world.

Prime Minister Meles Zenawi said he held out little hope that the secular, U.N.-backed acting government in Somalia can reach a peace agreement with the Islamic militants.

"Apparently some people believe that the al-Qaida elements in Mogadishu ... are people one can talk to in a reasonable manner, that they can be convinced not to be extremists," Meles said in an exclusive interview with The Associated Press.

The extremists "represent a direct threat first to Somalia and the Somali people, second to the region and Ethiopia, and lastly to the international community," he said. "When they control the whole of Somalia it would be very naive to assume that they will mend their ways, cease to be terrorists and become very civilized and very tame pussycats."

Ethiopia, a largely Christian nation, backs Somalia's two-year-old acting government, which has failed to exert any influence outside its base in the western city of Baidoa. Eritrea, a nation that broke away from Ethiopia in a 1961-91 civil war and fought a 1998-2000 border war with its rival, supports the Islamic militia.

A confidential U.N. report obtained by the AP on Friday said 6,000 to 8,000 Ethiopian soldiers are in Somalia or along their border while 2,000 troops from Eritrea are inside Somalia. Eritrea denied having any troops in Somalia, and Ethiopia says it sent only a few hundred advisers.

Meles controls the Ethiopian armed forces as head of a coalition that has governed since 1991. He previously confirmed sending military advisers to Somalia; that prompted the Islamic militia to declare a holy war against Ethiopia.

"In effect they have declared war on us, they have massed their troops very close to our border, so they have publicly shown that they pose a direct security threat to us," Meles said Wednesday. "It would be a dereliction of duty for any Ethiopian government to ignore that and welcome the takeover of the whole of Somalia by jihadists."

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He declined to discuss what action he might take against the militants in Somalia.

The Arab League is sponsoring peace negotiations between the Somali government and the Islamic militia. But a third round in the effort, being held in Khartoum, Sudan, was suspended Wednesday after the two sides refused to sit down with each other.

Meanwhile, Islamic militants expanded their control by taking over an important Somali coastal town Tuesday night. The fighters peacefully seized Hobyo in the central Mudug region, according to an Islamic official.

The leaders of the Council of Islamic Courts have demanded that Ethiopian troops withdraw from Somalia before they will meet with the interim government. They have also called for Somalia's secular national charter to be replaced with Islamic law.

Meles said he has little faith that extremist elements within the Islamic group would ever honor an agreement with the transitional government.

"I think so far the talks have not been serious. I believe the (extremists) believe they have the military momentum and that they are using the talks in Khartoum as a cover for their military takeover," he said.

The prime minister said international diplomats do not take the threat posed by the militants seriously. The Islamic group appears to be split between a moderate wing which is ready to negotiate, and an extremist wing led by men the United States accuses of having ties to al-Qaida.

Meles insisted the Ethiopian soldiers in Somalia are there only to train a new Somali national army and protect the interim government. He said the training began about a month ago and the new army was not yet capable of protecting the transitional government.

Meles first warned about Somalia's Islamic militants during a May 2005 interview with the AP, but he said the world did little to build up the transitional government, allowing the Islamic militants to become the most powerful military force in the country.

"I believe the international community could have done more and should have done more," he said.

State Dept Vetted Speakers For Criticism Of Bush Adminstration (KCS)

By Jonathan S. Landay

The Kansas City Star, November 2, 2006

WASHINGTON - An internal State Department review has found that U.S. officials screened the public statements and writings of private citizens for criticism of the Bush administration before deciding whether to send them on foreign speaking assignments.

The screenings amounted to "virtual censorship" in the State Department's selection of speakers, said a report by the department's Inspector General's Office. McClatchy Newspapers obtained a copy of the 22-page report, which was completed in September.

The vetting practice appears to have been part of the Bush administration's efforts to control information, muffle dissenting views and promote positive assessments of its policies to foreign audiences.

It also appears to be contrary to the guidelines of the U.S. Speaker and Specialist Program, which taps U.S. experts to deliver lectures, serve as consultants and conduct seminars overseas or from the United States via teleconferences. The guidelines call for the State Department to provide speakers "who represent a broad range of responsible and informed opinion in the United States" and are "not limited to the expression of U.S. government policies."

Sen. Joe Biden of Delaware, the top Democrat on the Senate Foreign Relations Committee, requested a review of the program after a December 2005 story by Knight Ridder Newspapers (since acquired by the McClatchy Co.) quoted State Department officials who complained that political litmus tests were being used to weed out speakers critical of the Bush administration.

The Inspector General's Office recommended that the Bureau of International Information Programs, which runs the speakers program, adopt new regulations to ensure that speakers are chosen "regardless of their personal opinions on policy issues."

In one case cited in the December Knight Ridder story, a conflict resolution expert and author of a book critical of Iraqi reconstruction was told at the last minute that his participation in a videoconference in Jerusalem was no longer required.

Internal e-mails quoted in the report showed that IIP officials pressed to have the expert, David L. Phillips, replaced by other scholars.

The Inspector General's report found that the Bureau of International Information Programs (IIP) used "no expressed or established 'ideological litmus tests,' or 'black or white lists" of speakers. But it said that "past . . . leadership" in the State Department's Bureau of Public Diplomacy and Public Affairs, whom it didn't name, questioned the "ideological credentials" of some speakers and "this contributed to a series of internal IIP management reactions."

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"These reactions were manifested in some cases in poor management decisions that influenced the speaker selection process during a period of heightened national security concerns," said the report. "An atmosphere of extreme caution and self-censorship was created."

Unidentified former IIP managers "encouraged the speakers program to employ 'due diligence' in its selection of speakers. This meant vetting speaker candidates' public statements or publications that appeared to run counter to Administration policies," the State Department Inspector General's report continued. "Several speaker program officers and reference specialists did so regardless of whether the speaker candidates' personal opinions had a bearing on the topical issues for which they were being considered for recruitment."

"Others, in an effort to maintain 'balance' unrealistically, suggested recommending two ideologically different speakers for a program in which only one speaker was requested," said the report.

In another case cited in the Knight Ridder report, a request by the U.S. Embassy in Jakarta, Indonesia, for a visit by Sen. Barack Obama, D-Ill., who lived in Indonesia when he was young, was delayed for seven months while IIP political appointees argued that a Republican senator be sent with him.

The report found that while some IIP employees acted "on the margins" of the speaker program's guidelines, "there was no ideological motivation; rather, it was done in an attempt to 'maintain program balance.' Nevertheless, it resulted in virtual censorship in the speaker selection process."

The report didn't reveal the identities of anyone involved in the selection process or the private U.S. citizens whose statements and publications were vetted.

Big Israeli Strike With Tanks Kills 8 Palestinians In Gaza (NYT)

By Greg Myre

The New York Times, November 2, 2006

JERUSALEM, Nov. 1 — Israeli troops staged one of the largest raids into the Gaza Strip in recent months on Wednesday, killing eight Palestinians and wounding more than 40 in gun battles that began before dawn and lasted much of the day. One Israeli soldier was also killed.

The Israeli soldiers, in tanks, on foot and backed by helicopters, exchanged fire with Palestinian militants in the northern Gaza farming town of Beit Hanun, the launching ground for many of the Palestinian rockets fired into southern Israel.

As the two sides battled, Prime Minister Ehud Olmert's security cabinet met in Jerusalem and debated whether to step up the 4-month-old military operations in Gaza.

In recent weeks, some senior political and military officials have expressed support for expanded operations to halt Palestinian rocket fire in northern Gaza and rooting out weapons smuggling tunnels on Gaza's southern border with Egypt.

But the security cabinet chose not to escalate military actions, at least for now. In a statement, the security cabinet said the military would continue the "current security activity."

Avigdor Lieberman, the leader of Israel Beiteinu, a far-right party that just joined the governing coalition, said the military should take a much tougher approach, Israel radio reported.

However, Israel's defense minister, Amir Peretz, who leads the left-leaning Labor Party, opposed expanding the military operations, and his position carried the day.

"There is no intention to carry out operations for show, or operations to appease public opinion, but only defined operations whose goal is clear, whose purpose is not only deserving but necessary," Mr. Peretz said.

Still, the incursion on Wednesday was one of the most wide-ranging since the Israeli military re-entered Gaza at the end of June.

The Israeli military pulled out of Gaza in September 2005, but returned after an Israeli soldier, Cpl. Gilad Shalit, was captured and taken into the territory.

In a statement released by his office on Wednesday, the Palestinian Authority president, Mahmoud Abbas, demanded that Israel "cease immediately all hostile actions against our people."

Wednesday's operation, like many that have preceded it, involved dozens of Israeli tanks and other armored vehicles. In addition, hundreds of infantry soldiers walked into the territory, which is much less common.

Most of the fighting was on the outskirts of Beit Hanun, in the northeast corner of Gaza. The eight Palestinians killed are five militants, a member of the Palestinian security forces and two people whose identities could not be immediately determined. Most of the wounded also were militants, though some civilians were hurt, according to Palestinian security officials and medical workers.

The Israeli military said its forces had come under fire from Palestinians with automatic rifles and antitank missiles.

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Israeli troops took up positions atop Palestinian homes. Helicopters and drones flew overhead and carried out occasional strikes.

The Palestinians still managed to fire several rockets into southern Israel, lightly wounding one civilian, the military said.

Rami Hamad, a 24-year-old Hamas militant who was wounded, said he had been shot in the leg while trying to reach a fellow militant, Ahmad Saadat, who died.

“They have the sophisticated military power, but in our religion it says prepare whatever you have to confront the enemy,” Mr. Hamad said at Kamal Adwan Hospital in Gaza, where he was being treated. “Holy war is an obligation.”

At the hospital morgue, Yousef Saadat, 43, wept as he learned that his son had been killed. Mr. Saadat said he had urged his son to finish school and become a teacher, which he did. But Ahmad still insisted on becoming a militant. “He refused to get married,” Mr. Saadat said. “He spent his time preparing for martyrdom.”

The Israeli forces closed off the entrances and exits to Beit Hanun, and it was not clear how long they intended to remain. In recent months, the Israeli raids have typically lasted a day or two before the forces pulled back.

Since the Israeli troops returned to Gaza four months ago, more than 250 Palestinian militants and civilians have been killed, according to Palestinian and Israeli rights groups. Three soldiers have died.

Meanwhile, in the latest measure of the Palestinian economic crisis, Palestinian government revenue has fallen by 60 percent since Hamas, the radical Islamic group, came to power in March, the International Monetary Fund said in a new report.

Palestinian Authority revenue for the April-September period was $500 million in 2006, down from $1.2 billion during the same period a year earlier, the report said.

Israel, the European Union and the United States classify Hamas as a terrorist group and cut the flow of money to the government when it took over. As a result, the Palestinian Authority has paid salaries to government workers only partially and sporadically.

The sharp drop in government revenues was partly offset by increased international aid to nongovernmental groups. The aid for the April-September period was $420 million, up from $230 million a year earlier. Still, the overall economy has been contracting rapidly in recent months.

Israeli Troops Spark Clashes In Gaza Strip (WP)

By Scott Wilson

The Washington Post, November 2, 2006

GAZA CITY, Nov. 1 -- Israeli special forces backed by tanks and drone aircraft pushed into the northern Gaza Strip on Wednesday, setting off hours of fighting that killed at least seven Palestinians, most of them gunmen, and one Israeli soldier. More than 40 other Palestinians were wounded by shrapnel and Israeli gunfire, some from rooftop snipers.

The raid was designed to root out stockpiles of crude Palestinian rockets, known as Qassams, and the men who fire them into southern Israel. By twilight, at least eight rockets had landed in or around the Israeli city of Sderot, damaging cars and slightly injuring two women in the largest one-day barrage in weeks.

A few masked gunmen from the Izzedine al-Qassam Brigades, the military wing of the Palestinians' governing Hamas movement, held a street-corner news conference here, where a spokesman called on Sderot residents to leave the city "if they care about their lives."

Capt. Noa Meir, an Israeli military spokeswoman, said the Palestinian guerrillas "are going to try to prove they still have the ability to do this. Bringing rocket fire down to zero may be impossible."

Israeli forces, which pulled out of Gaza last year, have been entering the strip regularly since the June 25 cross-border raid in which gunmen killed two Israeli soldiers and captured Cpl. Gilad Shalit, a 20-year-old conscript now in the hands of Hamas's military wing. Operations have rarely lasted longer than a few days and have focused on reducing rocket fire and destroying tunnels used by Palestinians to smuggle weapons across Gaza's border with Egypt.

In recent days, senior Israeli military officers have argued for a broader assault on the strip, frustrated that the rocket attacks, while declining in intensity, have continued. Israel's security cabinet rejected the military's request Wednesday but voted to continue what Israeli officials describe as "pinpoint" operations.

The push Wednesday into Beit Hanoun brought Israeli troops as deep into Gaza as they have been in months, effectively sealing off the agricultural community of 28,000 people. Palestinian health officials said Israeli forces prevented ambulances from entering or exiting the small hospital in Beit Hanoun for hours. Israeli military officials said that the delay was the result of heavy fighting and that a humanitarian corridor into Beit Hanoun for Palestinian ambulances was opened after noon.

Prime Minister Ismail Haniyeh of Hamas called the operation a "massacre," adding that he hoped "the Israeli escalation in the Gaza Strip would not affect the ongoing negotiations" over Shalit's release. Israeli and Palestinian officials, working through Egyptian mediators, have been seeking a deal that would free roughly 1,000 Palestinian prisoners in exchange for Shalit.

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Hamas gunmen engaged Israeli troops as they crossed into Beit Hanoun around 1:30 a.m., firing rocket-propelled grenades and rifles with support fire from tanks and drones. An Israeli soldier identified as Staff Sgt. Kiril Golenshein, 21, was killed in the morning fighting.

Golenshein is the third Israeli soldier killed in Gaza since Shalit's capture. Over that time, more than 250 Palestinians in Gaza have been killed by Israeli military forces; most of them were gunmen.

"We were exchanging fire with the special forces," said Rami Ehkrawat, 24, a Hamas gunmen recovering from a bullet wound in his left leg at Kamal Adwan Hospital in Beit Lahiya. "Our men heard Israeli soldiers screaming for help."

Ahmad Saadat, a 23-year-old Hamas gunman, was killed next to Ehkrawat. The dead also included three other Hamas gunmen -- Tareq Naser, 23; Husam Abu Herbeed, 26; and Ahmad Odwan, 20. Mohammed al-Masri, 23, of the radical group Islamic Jihad, and Fayez al-Zuwaidy, 27, of the Palestinian National Forces, a government security branch, were also killed. The affiliation of the seventh man, Khalil Hamad, 28, was unclear. [A] news service reported two additional deaths, both civilians, citing hospital officials.

Maazoza Abu Amsha, 60, said she peered out her window during the fighting and watched four Hamas gunmen stop a Palestinian ambulance. The men, she said, waved the ambulance on after determining it was not being used by Israeli special forces.

Seconds later, Abu Amsha said, a missile slammed into the men from the sky. She said she was wounded when a second missile landed nearby as she and about a dozen relatives tried to help the wounded.

"As long as Israel continues to target us, we will target Israel," said Abu Obaida, a spokesman for Hamas's military wing.

Al-Jazeera Plans To Battle Western Media (AP)

By Jim Krane

AP, November 2, 2006

Al-Jazeera's taboo-smashing newscasts regularly vex politicians in Washington, but not nearly as much as they anger leaders in the Arab world, where the news channel has been banned from operating in 18 countries at one time or another.

Now, the network is launching its biggest gamble on its 10th anniversary — an English-language channel with an Arab perspective. Al-Jazeera International plans to hit the airwaves Nov. 15 and hopes to steal viewers from CNN and the BBC.

Feisty and sometimes graphic coverage of global carnage is an Al-Jazeera specialty, as is bracing commentary that has shaken up the Arab world and rattled the West.

"We have an edge over the other networks: We're already based in the Middle East. And we have a different perspective," director Wadah Khanfar told a news conference at the network's Doha headquarters Wednesday.

Al-Jazeera has been through a lot in 10 years, with three staffers killed in Iraq, another locked away without charge at the U.S. prison facility in Guantanamo Bay, Cuba, and a correspondent who interviewed Osama bin Laden convicted on terror charges in Spain.

Those it has covered have also suffered. The network is credited with waking up Arab TV viewers with brash discussions of banned topics. It questioned autocrats across the region and brought a large dollop of diplomatic clout to Qatar, a tiny sheikdom on the Persian Gulf. A frustrated President Bush even talked of bombing the channel's headquarters in 2004, according to a leaked British government memo.

"It made the airwaves uncontrollable," Amjad Nasser wrote Wednesday in the London-based pan-Arab daily Al-Quds Al-Arabi.

The fear Al-Jazeera inspires in the Arab world is best seen in Saudi Arabia, where the network has never been allowed to send a reporter — even those making personal pilgrimages to Mecca.

Worse, a Saudi boycott of the channel bars Al-Jazeera advertisers from doing business in the kingdom. The boycott has chased away almost all advertisers, leaving Al-Jazeera dependent on the deep pockets of Qatar's royal family.

"We are totally blocked from Saudi Arabia," Khanfar said. The station's employees are also banned from Iraq, Tunisia and Algeria, staffers said.

The network declines to say virtually anything about its finances, but it doesn't appear to be having money trouble. Al-Jazeera International has hired more than 500 staffers, poaching some of the world's best-known journalists from networks including the British Broadcasting Corp., CNN, CNBC and ABC. It will broadcast in ultra-expensive high-definition TV with four chief broadcast centers rather than CNN's two or BBC's one.

Although its one-time anchor, Riz Khan, is among those who departed for Al-Jazeera International, CNN International said it welcomed the new competition.

"We're not worried," spokeswoman Susanna Flood said. "News channels are judged by what they do and not what they say they'll do."

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Al-Jazeera says its goal is to reverse the information flow to the world's 1 billion English speakers who now have no choice but to watch Western-oriented broadcasters. Al-Jazeera International also appears to have natural audiences among the world's 1.2 billion Muslims, most of whom don't speak Arabic.

Before taking on the big networks, however, it first needs to be seen, which requires coaxing hundreds of global cable TV operators to carry its signal. This has been tough in many countries, the station's commercial director Lindsey Oliver said — not least the United States, where the Bush administration has accused Al-Jazeera of anti-American bias.

Some U.S. cable carriers are adopting a "show-me" policy, waiting to see what sort of opposition it generates before agreeing to carry it, said Michael Holtzman, a PR spokesman for the network.

"There's no better way to demystify Al-Jazeera than by putting it on the air," Holtzman said. "Most Americans don't speak Arabic, so they haven't had the opportunity to draw their own conclusions."

On Nov. 15, the new 24-hour network will be available to at least 40 million households worldwide via cable in Western Europe, the Middle East, Australia, Malaysia and a few other places, Oliver said.

In the United States, she said, at least one major cable provider and one major satellite provider will carry it, but she declined to identify them.

Comcast, the largest U.S. cable provider, does not plan to be one of them, spokeswoman Jenny Moyer said.

Cox Communications, the third-largest provider, has talked with Al-Jazeera but has not decided whether to carry it, Cox media relations director Stephanie Davis said.

Al-Jazeera has been trying to smooth its entry into the vital U.S. market by casting the channel as the ideal forum for the Bush administration to talk to the Muslim world. Al-Jazeera has had meetings in the White House, with members of Congress and at the State Department and Pentagon, Oliver said.

It has also met with American Jewish media leaders and interest groups to discuss its portrayal of Israel, Holtzman said.

Israel, one of the few countries in the Middle East that has never banned Al-Jazeera, is itself a lucrative target market. Oliver said she was in discussions with Israeli providers.

"There's huge interest for this channel in Israel," she said. "That wouldn't be the case if we were going to be unbalanced."

The network also said it was launching a pan-Arab newspaper, also called Al-Jazeera, to compete with other Arabic dailies.

Taiwan Set For New Clash With Beijing (FT)

By Kathrin Hille

Financial Times, November 2, 2006

Chen Shui-bian, Taiwan's president, has suggested his country could "freeze" its current constitution and adopt a new one, a move likely to re-ignite tensions with China.

Speaking to the Financial Times, Mr Chen said that defining the scope of Taiwan's sovereignty and territory was "extremely serious, complicated and sensitive, but also extremely important".

The remarks indicate that Mr Chen intends to challenge Beijing further before he steps down in May 2008.

China retains a threat of war against the self-ruled island in case it formalises its de-facto independence. Past moves by Taiwan to amend its constitution – in place since 1947 – have provoked stern warnings from Beijing.

Altering Taiwan's constitution would be difficult since any change would require a three-fourths majority in the opposition-dominated parliament. A change would also require approval by at least 50 per cent of the electorate in a referendum.

However, Mr Chen pledged to put constitutional change at the centre of the agenda for his remaining time in office. "I must pursue three big movements [including pushing for] a new constitution which truly fits Taiwan," he said.

Mr Chen's comments indicate he could adopt a more audacious course in strengthening Taiwan's separation from China before he steps down, an approach which would unsettle cross-Strait relations after more than two years of relative quiet.

Mr Chen triggered warnings from China and the US in late 2003 and again in early 2004 when he first proposed a new constitution and pushed for Taiwan's first island-wide referendum.

His remarks appear designed to regain support among Taiwanese nationalist voters, a group his ruling party badly needs to win over before a series of forthcoming elections.

Taiwan's current "Republic of China" constitution refers to the country's territory only as "existing national boundaries" rather than spelling out precisely what comprises the national territory. However, since it was written in China after the second world war for all of China, it is widely understood to refer to the then Chinese territory, which stretched as far as Mongolia.

Mr Chen said Taiwan should discuss the idea of a "Second Republic" – a concept raised by one of his former pro-independence advisers – to free the country of what he called an "absurd and unrealistic" definition of sovereignty, without openly provoking China.

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"[Under this concept] the current constitution would be frozen, and a new Taiwan constitution would be written," he said. "Freezing the [Republic of China] constitution also means keeping some kind of a link to the [old] ROC constitution and not cutting it off completely."

The preamble to a new constitution could address the territory of Taiwan, but the relevant sections of the old constitution defining the territory would not be touched, thus avoiding a change to the status quo, Mr Chen said.

The ideas discussed by Mr Chen represent ways technically to honour his previous commitments not to declare Taiwanese independence.

But the president made clear that he feels no more than formally bound by these commitments: "We are not breaking these commitments. But Taiwan still wants to continue to walk down our own path of democracy, of freedom, of human rights, and of peace."

African Leaders, China To Meet On Investment (WT)

By Nicholas Kralev

The Washington Times, November 2, 2006

BEIJING -- Forty-eight African leaders will convene in Beijing tomorrow, with Chinese officials unusually defensive about suggestions that they are exploiting Africa to satisfy their country's growing economic needs.

The heads of state are expected to participate in the unprecedented three-day gathering that many foreign diplomats and analysts describe as a "charm offensive." Chinese leaders reject that term.

Accusations of a Chinese threat to Africa are unfounded, state council member and former Foreign Minister Tang Jiaxuan said last week. He took pains to reassure Americans and others that China will not threaten their interests in the continent.

Chinese involvement "will not affect the cooperation of China or African countries with a third party, nor will it hurt the interests of any third party," Mr. Tang told the Xinhua news agency. "Quite on the contrary, strengthened China-Africa cooperation and common development will only bring good opportunities for the rest of the world."

A day before Mr. Tang spoke, World Bank President Paul Wolfowitz accused China and its banks of ignoring human rights and environmental standards when lending to certain African countries.

"I hope, in time, our viewpoints will converge," Mr. Wolfowitz told Les Echos, the French sister newspaper of the Financial Times.

In September, the Zambian opposition's presidential candidate, Michael Sata, called the Chinese in his country "exploitative investors" who "ill-treat our people."

"Foreign relations must benefit all concerned," he said. "It must not be a one-way street. Chinese investment has not added any value to the lives of the people of Zambia. We want investors ... who add value."

The China-Africa Cooperation Forum was established in 2000, but its highest-level sessions have been ministerial meetings. The summit that begins tomorrow will be the largest gathering of Chinese and African leaders in history.

China's investment in Africa has exceeded $6 billion, according to Ministry of Commerce statistics. More than 800 nonfinancial investment projects have been set up in 49 African countries, covering trade, manufacturing and processing, resource development, communications, agriculture and other areas.

Government figures show that by the end of last year, China had invested in 27 major oil and natural-gas projects in 14 African countries, including Sudan, Algeria, Angola and Nigeria. It imported more than 38 million tons of crude oil from Africa in 2005, or about 30 percent of its total oil imports.

In the first six months of this year, Sino-African trade totaled $25.6 billion, up 41 percent from the same period last year.

U.S. officials said they will scrutinize the summit, but that China's interest in Africa is not necessarily a negative development. If conducted properly, respecting international standards and following transparent practices, Chinese investment could help Africa and the world economy as a whole, they said.

"We welcome not only Chinese, but any country's efforts to bring about economic development and positive change in Africa," said a senior State Department official in Washington. "We hope the Chinese will engage with African regimes and emphasize the importance of democracy and human rights."

Jendayi Frazer, assistant secretary of state for African affairs, urged China earlier this year to invest in sectors other than oil, which would "contribute to Africa's growth and development" rather than just helping China's economic growth.

Mauro De Lorenzo, resident fellow at the American Enterprise Institute in Washington, said China also has "increased military cooperation and arms sales" to Africa. He added that, because of the lack of transparency, "nobody knows if the Chinese are making money in Africa."

"The Chinese interest has no doubt raised Africa's status," he said. "For the first time, we are talking about Africa in terms of what it has to offer, not what it needs."

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Mr. De Lorenzo noted that the Sept. 28 Zambian election marked the first time that China openly interfered in another country's affairs.

After Mr. Sata's anti-China comments, Beijing's ambassador to Zambia, Li Baodong, suggested that bilateral ties would suffer and Chinese investors might pull out if Mr. Sata won. He did not.

China's Great Haul: 15 Billionaires (USAT)

By Calum Macleod

USA Today, November 2, 2006

SHANGHAI — Forget Chairman Mao's workers' paradise. Communist China is taking a great leap toward huge private fortunes.

Forbes' annual list of the richest Chinese out today includes a record 15 billionaires, up from 10 last year and just three in 2004.

That's chump change in the USA, where all 400 on Forbes' list of richest Americans are billionaires. Still, a country that once persecuted disciples of free enterprise is now barreling down the capitalist road.

China's new billionaires have profited from enterprises ranging from selling TVs to recycling paper to building condos. “Chinese are born with entrepreneurialism in their genes,” says Russell Flannery, who compiled Forbes' list.

The combined worth of China's richest 40 jumped nearly 50% from last year to $38 billion. The minimum fortune to gain entry to the exclusive club: $514 million.

Topping the list is electrical appliance king Wong Kwong Yu, 37, whose worth is estimated at $2.3 billion. That's 4% of the value of the world's richest man, Microsoft co-founder Bill Gates.

China's recent surge in mega-wealth is “comparable to the U.S. at the end of the 19th century, when you had the Rockefellers and Carnegies,” says Rupert Hoogewerf, CEO of Hurun Report, a rival list of the rich.

The late Chinese leader Deng Xiaoping paved the way for today's billionaires in the 1980s, when he freed the economy from the straitjacket of central planning imposed by Mao Zedong, the revolutionary founder of the People's Republic of China.

The percent of households with large fortunes in a country of 1.3 billion is still tiny. Los Angeles County has 263,000 millionaire households, about the same number as all of China, according to an April 2006 survey by the research firm TNS Financial Services.

The prospect of many more millionaires in coming years has lured representatives of companies that peddle high-end goods to Shanghai this week for China's Luxury Summit. They are talking about how to cash in on China's burgeoning wealth.

Tom Murry, president of New York-based Calvin Klein, says on his first visit to China in 1974 that he saw “dirt roads and everybody wearing the same clothes.”

Today, Calvin Klein has 43 stores in China. In March, it plans to open its first Calvin Klein Collection luxury store in Beijing. China, Murry says, has undergone “a radical change, the biggest transformation in any country I've ever observed.”

Bill Hutchinson, general manager of Simpson Marine, a yacht dealer based in Hong Kong, agrees. “The wealth and speed of growth in China is staggering,” says Hutchinson, who predicts boat sales will soon rival those in the USA. “The lure of China's riches are profound for all the luxury goods purveyors. We're like chickens sitting on an egg. When it hatches, it's going to be a big chicken.”

Chinese Activist's Verdict Overturned (WP)

By Maureen Fan

The Washington Post, November 2, 2006

BEIJING, Nov. 1 -- Rights activists and lawyers on Wednesday hailed an overturned verdict in the case of a blind legal activist as a victory over corrupt officials in China.

"This is a success of the central party committee practicing rule of law," said Li Jinsong, lawyer for Chen Guangcheng, a self-taught legal activist blinded by a childhood illness. "This is a success of the Chinese people fighting against corrupt officials and safeguarding the dignity of law."

Chen and his supporters have been beaten, jailed and placed under house arrest since embarrassing local officials by exposing forced abortions and sterilizations in eastern Shandong province last year.

At his trial, conducted by Judge Wang Jun in Yinan County People's Court, Chen was deprived of his own legal counsel. He was sentenced in August to more than four years in prison for disrupting traffic and damaging property. Supporters said the charges were trumped up and noted that Chen was under guard or house arrest at the time of the incident in question.

Chen appealed his sentence to the Linyi City Intermediate Court, which decided Monday to overturn the verdict and send the case back to Yinan People's Court to be retried. That trial could come in about six weeks, lawyers said.

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Chen's wife, Yuan Weijing, said this week's decision "shows that there are some serious problems with the first trial" and said she believed authorities had been under great pressure to make concessions. Chen's case has garnered international attention. Diplomats have said the trial made a mockery of China's stated aim to improve the rule of law.

While Yuan said she was overjoyed by the developments, she also expressed caution about expectations for a second trial.

"It's really hard for me to predict the result of the retrial, because I'm still under house arrest," she said. "If I don't have freedom, villagers will still be under great pressure. If I don't have freedom, witnesses will not talk frankly in the court. If I don't have freedom, the case will not be judged justly."

Li, the lawyer, said he was optimistic.

"There is still hope for us," he said. "The current result shows that the first verdict was illegitimate, and the prosecution against Guangcheng has been effectively contaminated."

Bush Renews US Sanctions On Sudan (AFP-Y)

AFP, November 2, 2006

US President George W. Bush renewed US economic sanctions on Sudan for one year and left open the door to imposing new ones linked to the violence in Darfur, the White House said.

"I have determined that it is necessary to continue the national emergency and to maintain sanctions against Sudan," Bush said in a letter to the US Congress released by the White House.

The US president cited actions and policies that "are hostile to US interests and pose a continuing unusual and extraordinary threat to the national security and foreign policy of the United States."

The United States has a wide range of economic sanctions in force against Sudan, from bans on trade and all oil and petrochemical transactions to prohibitions on selling defense-relate goods to Khartoum.

In addition, "the United States has designated individuals at the United Nations under targeted sanctions, in the form of an assets freeze and travel ban," said White House national security spokesman Gordon Johndroe.

Washington "is prepared to pursue the designation of additional individuals that continue to commit violence and impede the peace process in Darfur," he said.

Turkey's EU Bid Quietly Loses Steam (WSJ)

By Philip Shishkin

The Wall Street Journal, November 2, 2006

Cengiz Candar has backed Turkey's bid to join the European Union for two decades.

These days, however, Mr. Candar, a former adviser to the Turkish leader who drafted the country's 1987 EU application, is having doubts. "It's not a sentiment of love," Mr. Candar says of Turkey's stance toward the European bloc. "It's a marriage of convenience."

Mr. Candar's skepticism is one measure of how Turkey-EU relations have deteriorated to the point where a total collapse of the membership bid is possible.

Next week, the European Commission is scheduled to issue a report card on Turkey's first year of membership talks, launched nearly two decades after the original application. The report is expected to be so poor that commission President José Manuel Barroso has warned that the talks could come to a "traumatic stop" if Turkey doesn't meet more requirements soon. With public support for the Turkish bid sliding well below 50% both across Europe and inside Turkey, the talks have come close to being suspended, with recriminations on both sides.

Cengiz Aktar, one of Turkey's foremost EU commentators, describes the dynamic between the two sides as "the coalition of the unwilling."

Successive U.S. administrations have backed the idea of Turkey's membership as a way to bind this Muslim democracy of 70 million into the Western fold. It would help bridge the growing divide between the West and the Islamic world, and show that there's nothing inherently incompatible between a secularly governed Muslim country and the West. At a time when much of the Middle East has embraced either political Islam or secular dictatorship as a model of governance, Turkey stands almost alone with its open political system.

Turkey's rejection by the EU would be seen by many Muslims as further evidence that the West is hostile to Muslims and seeks to subdue them. The West's regional image is already tarnished by the U.S.-led war in Iraq, the Israeli bombing of Lebanon and Pope Benedict XVI's recent critical comments about Islam, which inflamed anger that is likely to resurface when the pope visits Turkey this month.

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For Turkey, any breakdown of the talks could hurt its economy and slow down the process of domestic overhauls that have delivered more transparent governance and macroeconomic stability. It would also strengthen the hand of nationalist forces that have long believed that Turkey's alliances with the West aren't necessary.

"The most valuable part of the [EU] process is the realignment of [Turkish] institutions toward a liberal-democratic stance," says Serhan Cevik, a Turkish native who is a Turkey analyst at Morgan Stanley in London. "The EU also gives you the anchor effect, and that improves predictability, which is valuable for investors."

But European officials have warned that unless Turkey makes some steep concessions, negotiations could come to a halt when EU leaders meet in December. Diplomats say the odds favor a compromise that allows talks to continue. "If the European Commission were to freeze some negotiating chapters...it would be a joke. They're already frozen," says Volkan Bozkir, Turkey's ambassador to the EU, noting that after a year of talks, only one of the 35 chapters for negotiation has been opened. He blames obstructionist tactics by EU states opposed to Turkey's membership.

The EU blames Turkey's failure to meet commitments it made when negotiations began. Olli Rehn, the EU's official in charge of extending membership to new countries, has expressed frustration at Turkey's slow progress since the start of negotiations in implementing the legislative and other changes that it needs to go forward. "We should be both fair and firm" with Turkey, said Mr. Rehn, who has also criticized the European opposition to Turkish membership, chiefly from Austria, Germany and France.

Many Turks accuse Europe of looking for ways to derail the talks by coming up with new and ever-more-difficult-to-meet demands. "Even if you catch a bird with your mouth, they will invent another trick" for the Turks to perform, Mr. Candar says, quoting an old Turkish adage.

By the time the EU decided to open formal accession talks in December 2004, Turkey had adopted overhauls so far-reaching that some local commentators called them "a silent revolution." Turkey extended greater rights to its restive Kurdish minority, limited the role of the military in the state affairs, and perhaps most symbolically, the Turkish government showed new flexibility on settling the decades-long impasse on the island of Cyprus, which is divided into the Greek South and the Turkish North. But progress on Cyprus quickly fizzled out, through no fault of Turkey, and remains the subject of a continuing deadlock with the EU.

While Turkish Cypriots voted for reunification in a 2004 referendum, Greek Cypriots rejected it, then went on to join the EU where they've become among the toughest critics of Turkey. The EU is now demanding that Turkey end an embargo on the ports and airports of the Greek Cyprus, but Turkey says it will only do that if the EU lifts its blockade of Turkish Cyprus. The deadlock continues. After 2004, when the EU decided to open talks, the Turkish government slowed down the pace of change. "The calculation was: We have achieved great success and should take credit for it," says Mr. Aktar, the EU commentator.

Turkey has also been unfortunate in the timing of its bid. After admitting 10 mainly Eastern European countries in 2004, and with Romania and Bulgaria to come in January, there is a sense of enlargement fatigue within the EU. Also across Europe, there are growing suspicions of how well Europe's own Muslim communities can integrate into European secular culture, adding further strain to Turkey's bid.

Since 2004, when the EU decided to open talks, Austria threatened to veto their launch so it could add conditions; France said it would hold a referendum before admitting Turkey; and most recently, the French parliament passed a law making it a crime to deny that Turks committed genocide against ethnic Armenians early last century -- a genocide Turkey denies. The bill further convinced many Turks that Europe is simply seeking to humiliate them instead of holding constructive talks.

US Seeks Return Of Democracy Organization To Bahrain (AFP)

AFP, November 2, 2006

A US official said she had urged Bahraini officials to allow a US-funded organization that promotes democracy in developing nations to resume activities in the Gulf monarchy.

"I discussed the return of NDI to Bahrain," undersecretary for public diplomacy and public affairs Karen Hughes told reporters in reference to the National Democratic Institute, whose Bahrain representative was asked to leave the country last May.

"We are disappointed that NDI left Bahrain ... NDI played a positive role in Bahrain as well in other countries like Kuwait and Yemen," she said.

Hughes, whose visit to Bahrain came in the runup to parliamentary and municipal elections on November 25, met with Crown Prince Sheikh Salman bin Hamad al-Khalifa.

The NDI's representative in Bahrain, a close US ally that hosts the US Navy's Fifth Fleet, said in May he had been asked by authorities to leave the country. The representative, Fawzy Gouled, said he was not given an explanation.

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The NDI, loosely affiliated with the Democratic Party of the United States and funded in part by the US government, is a non-profit organization founded in 1983 to channel grants for promoting democratic institutions in the developing world.

Starting 2002, the Institute organized a series of democracy-building training courses in Bahrain, working with association leaders, municipal officials and parliamentarians.

Their activities have been sharply criticized by Islamist lawmakers, Shiite religious leaders and members of government, who accused the organization of interfering in Bahrain's internal affairs.

The NDI maintains field offices in some 50 nations in Africa, Asia, Latin America and the Middle East, and is currently chaired by former US secretary of state Madeleine Albright.

Rivals For U.N. Council Seat Reach Deal To Back Panama (WP/AP)

Associated Press

The Washington Post, November 2, 2006

UNITED NATIONS, Nov. 1 -- Guatemala and Venezuela agreed Wednesday to withdraw from the race for a seat on the U.N. Security Council and support Panama as a consensus candidate, Ecuador's U.N. ambassador said.

With the backing of the two countries, Panama's election to a two-year term on the Security Council is virtually certain.

The announcement by Ambassador Diego Cordovez, who hosted two meetings Wednesday between the foreign ministers of Guatemala and Venezuela, ends a deadlock between the two countries that dragged on through 47 votes.

The voting has become highly political because the United States is supporting Guatemala over leftist Venezuela, whose fiercely anti-American president, Hugo ChÃ¡vez, referred last month to President Bush as "the devil" in a speech to the U.N. General Assembly.

With pressure mounting from Latin American countries to break the deadlock, Guatemalan Foreign Minister Gert Rosenthal and Venezuelan Foreign Minister Nicolas Maduro met Wednesday morning, and again for two hours in the late afternoon, to discuss withdrawing from the race and supporting a third candidate.

Asked why Panama had been selected, Rosenthal said: "It's a country that unites South America and Central America. We're concerned about the idea of divisions between the north and the south of Latin America. We would like to put that idea to rest by seeking a country that is well received at both extremes of our continent."

Latin Fight For U.N. Security Council Seat Ends (NYT)

By Simon Romero

The New York Times, November 2, 2006

CARACAS, Venezuela, Nov. 1 — Venezuela and Guatemala agreed Wednesday to withdraw from their race for a seat on the United Nations Security Council and to support Panama as a candidate. Their agreement ended a drawn-out contest that had shown the limits of the efforts by the Venezuelan president, Hugo Chávez, to find a prominent platform for his views.

Diego Cordovez, Ecuador's ambassador to the United Nations, announced in New York the choice of Panama as a consensus candidate to represent the region, after weeks of voting that began Oct. 16. The compromise came after 47 rounds of voting in the United Nations in which neither Guatemala nor Venezuela attained the two-thirds majority of the 192-member General Assembly needed for the seat.

"This is moment of isolation for Venezuela on the world stage," said Milos Alcalay, a former Venezuelan ambassador to the United Nations under Mr. Chávez, who resigned in 2004, saying the government was violating democratic principles. "The democratic left in Latin America was becoming alienated by Venezuela's militaristic language."

Venezuelan diplomats had positioned the race largely as a contest between Mr. Chávez's foreign policy and that of the Bush administration, describing efforts by the United States to support Guatemala's candidacy as "gross blackmail." The presidents of Bolivia and the Dominican Republic said they had been approached by Venezuelan officials as possible alternatives.

Still, officials here have been describing the episode as a victory illustrating the capacity of a developing country to stand up to the "empire," as the United States is frequently called in Venezuelan government circles. "Chávez will try to find a way to use this to his favor," said Elsa Cardozo, a political analyst at the Central University of Venezuela. "This is not a government looking to become more moderate."

Venezuela agreed with Syria and Iran on Wednesday to build a $1.5 billion oil refinery in Syria. Venezuela has been strengthening ties with the two Middle Eastern countries, in addition to other nations on the fringe of American influence like Belarus and Cuba, in an effort to counter the power of the United States.

While Venezuela's effort to win the seat for a nonpermanent member of the United Nations Security Council illustrated the limits of Mr. Chávez's international ambitions, it also showed how Venezuela had been able to cement regional alliances. While

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the balloting was secret, news reports have said that South American countries like Argentina, Brazil and Uruguay, which have increasingly important commercial ties with Venezuela, supported Mr. Chávez.

Most Caribbean countries also reportedly voted in favor of Venezuela, following intensive efforts by Mr. Chávez's government to extend its exports of oil on favorable terms to countries in the region.

A turning point against Venezuela's effort to win the seat seemed to come during a speech by Mr. Chávez at the United Nations in September, when he ridiculed Mr. Bush as the devil. That comment appeared to influence some of the diplomats who decided to vote for Guatemala. Still, Mr. Chávez's description of Mr. Bush played well with many people in Venezuela, where wariness over the tacit approval by the United States of the brief coup that ousted Mr. Chávez in 2002 has pervaded relations between the two countries.

Sometimes relations tilt toward the surreal. The National Assembly, which is controlled by Mr. Chávez's supporters, recently called on the Bush administration to explain why it had carried out the attack on the World Trade Center.

Panama In Line For UN Security Council Seat (FT)

By Mark Turner

Financial Times, November 2, 2006

Venezuela and Guatemala agreed to abandon their competing bids to win a two-year seat on the UN Security Council, settling on Panama as a compromise candidate.

The race, which reached 47 rounds, had pitched supporters of Hugo Chavez, the populist Venezuelan president, against allies of the US, in an angry battle of competing visions for the future of the United Nations.

Guatemala held a consistent lead throughout the contest, but it never attained the two-thirds majority necessary for victory. Venezuela had been expected to win greater support, but nonetheless claimed success in staving off the US-backed candidate's ambitions.

Diego Cordovez, Ecuador's UN ambassador, yesterday said both countries had "agreed that Panama will be the country that will replace them as a candidate for the Security Council", paving the way for a quick resolution to the deadlock.

The 35-member Latin American and Caribbean group must still approve the choice, followed by a vote in the General Assembly, but the agreement is unlikely to face major opposition.

Venezuela had earlier backed Bolivia as the country to replace its bid, but that choice was equally unpalatable to the US. The choice of Panama, which is seen as closer to the US camp, came as something of a surprise, with many analysts expecting Dominican Republic instead.

Venezuela last week indicated it was ready to withdraw, but Guatemala had resisted a deal. Gert Rosenthal, its foreign minister, yesterday said his government had withdrawn reluctantly, even though it won 46 of the 47 rounds of voting.

Panama, assuming its candidacy is accepted, will join four other new members – South Africa, Indonesia, Italy and Belgium – on next year's council. Peru, the Republic of Congo, Ghana, Qatar and Slovakia will remain another year.

The five permanent members of the council are the US, UK, France, Britain and Russia. Some diplomats feared a Venezuelan victory would have significantly increased the difficulty of pushing through controversial resolutions in the council, such as current proposals for sanctions on Iran – leading to endless speeches.

But the presence of South Africa and Indonesia is still likely to make discussions more difficult next year, and the US and Europe are hoping to resolve the Iran issue before the changeover.

Venezuela To Sell D.C. Oil At Discount (WT)

By Nicholas Kralev

The Washington Times, November 2, 2006

Venezuela will provide heavily discounted heating oil to about 37,000 low-income families in Maryland, Virginia and the District this winter, Caracas' envoy to the United States said yesterday.

The local jurisdictions are beneficiaries of a greatly expanded program that this winter will assist more than 400,000 families in 16 U.S. states and the District, up from eight states and 180,000 families last year, said Ambassador Bernardo Alvarez Herrera.

Oil provided under the expanded program, first mentioned by President Hugo Chavez during a fiery speech to the United Nations in September, will be distributed through local governments, community centers and churches, and will be offered at 40 percent below the market price.

"This will give people a chance to have additional supply of heating oil," Mr. Alvarez told editors and reporters during a luncheon at The Washington Times. "We are not making as much money as we could be, but extraordinary times require extraordinary measures."

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This will be the first time that Washington-area families benefit from the program, which is still being negotiated by Citgo, the oil company controlled by the Venezuelan government, and the Citizens Energy Corp., a non-profit group founded by Joseph P. Kennedy II, said an aide to Mr. Alvarez.

Citizens Energy officials could not be reached for comment late yesterday. Mr. Kennedy is a former congressman from Massachusetts and the son of Robert F. Kennedy.

The heating-oil program, which started last year, again includes jurisdictions in Delaware, Pennsylvania, New York, Connecticut, Rhode Island, Massachusetts, Maine and Vermont. Other newcomers this year are Alaska, New Jersey, Michigan, Minnesota, Indiana and Wisconsin, Mr. Alvarez said.

Several communities that had been considering the Venezuelan offer rejected it after Mr. Chavez described President Bush as "the devil" in his speech to the U.N. General Assembly.

In Alaska, many Eskimo and Indian villages say they have no choice but to accept the oil, but others would rather suffer.

"As a citizen of this country, you can have your own opinion of our president and our country. But I don't want a foreigner coming in here and bashing us," Justine Gunderson, administrator for the tribal council in the Aleut village of Nelson Lagoon, told the Associated Press last month. "Even though we are in economically dire straits, it was the right choice to make."

Nelson Lagoon residents pay more than $5 for a gallon of oil -- or at least $300 a month per household -- to heat their homes along the wind-swept coast of the Bering Sea, where temperatures can dip to minus 15 degrees.

Asked why Mr. Chavez's government is worried about poor Americans while poverty in his own country remains a problem, the ambassador said the profit Venezuela is forfeiting from its discounted sales in the United States is not enough to make a difference for Venezuela's needy.

"The problem with poverty in our country is not money, it's management," he said.

The United States and Venezuela have had a tenuous relationship since Mr. Chavez came to power in 1999. Mr. Chavez has partnered with other U.S. adversaries, such as Cuba and Iran, to challenge the dominant role of the United States in world affairs.

Nevertheless, Venezuela wants American businesses to continue investing in the South American country, and Mr. Alvarez repeatedly urged the United States yesterday to import more oil from relatively nearby Venezuela, rather than the distant Middle East.

He said, however, that Caracas had decided to purchase future commercial aircraft from Airbus, the European company, instead of Boeing, for fear that U.S. sanctions would bar Venezuela from buying spare parts from the United States.

On another recent dispute that threatened to decrease the number of flights U.S. airlines are allowed to operate to Venezuela, the ambassador said his government will preserve the status quo, having won more flight licenses for Venezuelan carriers to the United States.

Mr. Alvarez, a 50-year-old political scientist, has been ambassador to Washington since 2003. He has held various positions in the Venezuelan government, rising to a vice minister of energy and mines.

'Yes, You Will Be Thoroughly Beaten' (WSJ)

By Arnold Tsunga

The Wall Street Journal, November 2, 2006

A tsunami has rolled through Zimbabwe, different from the tidal waves that hit Asia in 2004. Ours came last year, in the form of bulldozers and soldiers. Vibrant towns were reduced to flat and desolate grounds. More than 700,000 people lost their homes and livelihood. Why?

President Robert Mugabe thought that the poor people who lived in these urban areas represented a political threat. He feared that the citizens might mobilize against him. So he launched a pre-emptive strike against those already suffering under his policies. He called it "Operation Murambatsvina," literally "Operation Clear the Filth" -- the "filth" being hundreds of thousands of Zimbabwean men, women and children who were internally displaced, many of whom continue to live without access to humanitarian assistance today.

Zimbabwe was once a success story in Africa, but over his long rule Mr. Mugabe has dragged us all down. Under the pretext of pan-Africanism, he has created a system of terror for the majority and patronage for the elite few. Our inflation is estimated to be the highest rate in the world. According to the WHO, Zimbabweans have the shortest life expectancy world-wide -- the average life span has halved to only 35 years old today from 69 in 2000.

In the past six years, the government of Zimbabwe has increasingly turned to repressive and often violent means to suppress criticism from the opposition and civil society. Opposition political parties have been stifled. Police and other state-sponsored agents routinely intimidate, attack and torture government critics, including members of civil-society organizations, human-rights lawyers, journalists and trade unionists. At the same time, the police use repressive laws to silence critical voices in

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the remnants of civil society. Americans may take for granted the essential freedoms of speech and assembly. But in Zimbabwe, printing presses have been bombed and newspapers have been closed for criticizing Mr. Mugabe.

In reaction to recent waves of protests against deteriorating social and economic conditions, the Zimbabwean government this autumn intensified its campaign to suppress those of us who are peacefully dissenting. On Sept. 25, the government violently ended a peaceful march by some 500 activists from the National Constitutional Assembly in Harare. Riot police armed with batons blocked the march, ordered the activists to sit down, and proceeded to beat them one at a time with batons. During the beatings, people panicked, leading to a stampede that injured several dozen.

Mr. Mugabe has thrown himself into this campaign to stifle critics. Responding to the arrest and torture of 15 trade-union activists in September, he said "some are crying that they were beaten. Yes, you will be thoroughly beaten."

Today, Zimbabwe's man-made human-rights catastrophe is bleeding across the region, as Zimbabweans continue to stream into South Africa to escape the deteriorating political and economic conditions at home. An estimated 1.2 to 3 million Zimbabweans refugees now live in South Africa, and the stability of the Southern African region is increasingly at stake.

The effort to fight HIV/AIDS has also suffered serious setbacks. According to a report by Human Rights Watch, Mr. Mugabe's forced evictions have disrupted access to treatment and health care for thousands of Zimbabweans living with HIV. Today, more than a year after the evictions, many still live in appalling conditions, without shelter or in overcrowded houses. As a result they are left not only more prone to opportunistic infections such as pneumonia and tuberculosis, but also exposed to a more resistant strain of HIV with potentially catastrophic consequences for the whole region.

After working for many years as a commercial lawyer in Mutare, I was abducted, tortured and threatened for simply defending individuals who stood in the way of Mr. Mugabe. My co-workers and I have been arrested and dragged to the courts for trying to document and create an official record of government abuses. Some people ask me why I bother using the legal system when the deck is so stacked against us. I answer that there is still a semblance of a court system and some brave judges who will uphold the law. But they are operating in straitjackets and desperately need support to continue doing the right thing.

We in Zimbabwe will continue our long fight to restore civil society, the rule of law and basic human rights. But we need the support of the international community.

Human-rights defenders in Zimbabwe face enormous risks as they fight for reparations and resettlement of the hundreds of thousands made homeless by Mr. Mugabe's evictions. The U.S. can support these activists through the provision of technical assistance and other forms of targeted support. Greater humanitarian assistance is also required for the victims of the evictions who today remain in desperate need of housing, food and other forms of assistance.

The crisis in Zimbabwe does not just affect Zimbabwe. It destabilizes the entire region. It also tests the interests of Western society. For example, in the absence of concerted U.S. assistance and support, Beijing has seen a strategic opportunity to fill a vacuum: China is moving in to fill the gap in Zimbabwe and other developing countries -- without any concern for human rights or democracy.

Zimbabwe Lawyers for Human Rights stands for a Zimbabwe that adheres to constitutionalism, the independence of the judiciary and respect for basic human rights. Just as Mr. Mugabe has used law with tsunami-like force for his own political ends, our vision is to use it to rebuild a just, stable and democratic society that adheres to the rule of law.

Mr. Tsunga is the executive director of Zimbabwe Lawyers for Human Rights. He will be awarded Human Rights Watch's top honor at the organization's Voices for Justice dinner tonight in New York City.

Punished For Being Female (NYT)

By Bob Herbert

The New York Times, November 2, 2006

Bride burnings, honor killings, female infanticide, sex trafficking, mass rape as a weapon of war and many other hideous forms of violence against women are documented in a report released last month by the United Nations.

The report, a compilation of many studies from around the world, should have been seen as the latest dispatch from that permanent world war — the war against women all over the planet. Instead, the news media greeted its shocking contents with a collective yawn.

The war analogy is not an overstatement. In many parts of the world, men beat, torture, rape and kill women with impunity. In Ciudad Juárez, a Mexican city on the Texas border, 300 to 400 women have been murdered over the past several years. Many were raped and mutilated. The widespread belief that punishment for these crimes was unlikely was a “key factor” in their occurrence, the report said.

Each year thousands of wives in India are murdered and maimed — many of them doused with kerosene and set ablaze — by husbands dissatisfied by the size of their dowries or angry about their wives’ behavior. In Ethiopia, the abduction and rape

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of young girls is a commonplace way to obtain a bride. In many instances the parents agree to the marriage, believing that the raped child is no longer fit to marry anyone else.

In Pakistan, a woman cannot legally prove that she was raped unless four "virtuous" Muslim men testify that they witnessed the attack. Without those four witnesses, the woman herself is vulnerable to prosecution for fornication or adultery.

While it's undoubtedly true that men maim and kill other men in astonishing numbers, what I'm talking about here is the way that women, by the millions, are systematically targeted for attack because they are women.

In some cases the sexual violence comes in vast, sickening waves. Just think, for example, of Darfur, Congo, Sudan and the former Yugoslavia. As the report noted, "The incidence of violence against women in armed conflict, particularly sexual violence, including rape, has been increasingly acknowledged and documented."

More than 130 million girls and women are living with the consequences of genital mutilation, and many others have died from this barbaric practice. Jessica Neuwirth, the president of Equality Now, an international women's rights organization, said, "Everyone who's been cut knows someone who died from the cutting. They die from bleeding, or later from infection, or sometime later in life they have enormous health problems."

The litany of serious abuses against women and girls can seem endless: child marriages, forced marriages, kidnapping and forced prostitution, sex slavery. According to the U.N. report, "A study in India estimated that prenatal sex selection and infanticide have accounted for half a million missing girls per year for the past two decades."

The most common form of serious abuse against women and girls around the globe is violence by intimate partners. Huge percentages of female murder victims, even in such developed countries as Australia, Canada, Israel and the United States, are killed by current or former husbands or boyfriends.

A study of young, female murder victims in the U.S. found that homicide was the second leading cause of death for girls 15 to 18, and that 78 percent of all the homicide victims in the study had been killed by an acquaintance or intimate partner.

The U.N. report tells us what we should already have concluded: that this pervasive violence against women, "whether perpetrated by the state and its agents, or by family members or strangers, in the public or private sphere, in peacetime or in times of conflict," is unacceptable.

Not only are we not doing enough to counter this wholesale destruction of the lives of so many women and girls, we're not even paying close attention. There are women's movements in even the smallest countries fighting against the violence and other forms of abuse. But they are underfunded and get very little support from those in a position to help. (Even in Afghanistan under the Taliban there were women who ran underground schools, and girls who risked their lives to go to them.)

There was a time when activists cried out for our consciousness to be raised. It's not too late. We can start by recognizing that the systematic subordination and brutalization of women and girls around the world is, in fact, occurring — and that we need to do something about it.

Why Meddle In Nicaragua? (WP)

By Michael Shifter

The Washington Post, November 2, 2006

As Latin America's busy election cycle winds down, the Bush administration deserves a lot of credit. In election after election it has shown admirable restraint and has wisely avoided taking sides. Nicaragua, however, has been the exception. U.S. conduct in advance of Sunday's election has been anything but restrained. The Bush administration has blotted its otherwise exemplary record in a small and impoverished Central American country -- probably the one in which there is the least at stake for U.S. interests.

Washington has been in a dither about the prospect of former Sandinista president Daniel Ortega returning to power after 16 years. To be sure, an Ortega win would not be cause for celebration. He has essentially become a corrupt and cynical party boss, intent on amassing and maintaining power. His pact in 2000 with former president Arnoldo Aleman, who was later convicted of embezzlement, tightened his grip on key electoral and judicial institutions. Ortega has forged alliances with a number of former enemies, including contras -- members of the U.S.-supported rebel army that sought to topple the Soviet-backed Sandinistas in the 1980s. The chances that an Ortega presidency would usher in the kind of fundamental economic and social reforms that Nicaragua desperately needs are next to nil.

Yet Ortega's possible comeback would not have far-reaching repercussions in Latin America and surely would constitute no threat to the United States. Intervention in Nicaragua's internal affairs is unwarranted. Nevertheless, an alarmed Bush administration seems to be suffering from a Cold War flashback. U.S. officials have threatened dire consequences for Nicaragua should Ortega be elected. Both Commerce Secretary Carlos Gutierrez and the American ambassador in Managua, Paul Trivelli, have said that an Ortega presidency would scare off foreign investors and jeopardize Nicaragua's participation in the Central American Free Trade Agreement (CAFTA) with the United States. Nicaraguans have been given notice that U.S. aid would be

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cut under an Ortega administration. Most egregious, Reps. Dana Rohrabacher, Ed Royce and Pete Hoekstra sent letters to Secretary of State Condoleezza Rice and Homeland Security Secretary Michael Chertoff requesting that they block remittances sent by Nicaraguans living in the United States back to their families -- an important part of the Nicaraguan economy -- in the event of an Ortega win.

These tactics are clearly intended to prevent Ortega -- who, polls suggest, is hovering around the 35 percent he would need to win outright -- from returning to the presidency. The Bush administration has also tried without success to persuade a divided opposition to unite behind the candidacy of conservative Eduardo Montealegre, who recent polls show would be Ortega's strongest challenger.

Adding to the spectacle, Oliver North, who helped raise funds for the contras in the 1980s by selling arms to Iran, went to Nicaragua last week to throw his weight behind another candidate, Jose Rizo, who is aligned with Aleman.

U.S. interference in the Nicaraguan election -- criticized by the Organization of American States monitoring group -- has been motivated in part by a sense that under a Sandinista government Venezuela's Hugo ChÃ¡vez, an ally of Ortega and adversary of President Bush, would be able to cause further mischief and gain a foothold in Central America. But such fears are exaggerated. ChÃ¡vez's capacity to carry out his agenda has been limited. In fact, ChÃ¡vez's support for anti-U.S. candidates in various elections this year -- including those in Peru and Ecuador -- has largely backfired. At a minimum, any possible criticism of ChÃ¡vez for interfering in Nicaragua by giving oil and fertilizer to Sandinista-controlled municipalities is neutralized by Washington's own questionable role.

Before Nicaragua, the Bush administration could claim the moral high ground in dealing with Latin American elections this year. Even in the tight Mexican election -- where there is clearly more at stake than in Nicaragua -- U.S. officials were highly professional, winning praise even from advisers in the campaign of leftist AndrÃ©s Manuel LÃ³pez Obrador. In Peru, where a stridently anti-U.S. and pro-ChÃ¡vez candidate had a real chance of winning the presidency, the United States was properly discreet.

But it seems it couldn't resist the temptation to meddle in an election to thwart an old Cold War foe. Too bad. There was reason to believe Washington had finally learned its lesson.

The writer is vice president for policy at the Inter-American Dialogue and teaches Latin American politics at Georgetown University.

Ortega's Strange Allies (WSJ)

The Wall Street Journal, November 2, 2006

Hard to believe, but the candidate with the best shot of coming to power in Nicaragua's election on Sunday is none other than Daniel Ortega, the former Sandinista dictator. A change of heart by the people of Nicaragua? Not at all. Most Nicaraguans dread his return, after his decade of rule after 1979 destroyed the economy and drove inflation over 1,000% annually.

Up to now, Nicaraguans have never entertained the thought of Mr. Ortega returning to power. When the Sandinistas agreed to an election in 1990, they expected him to win hands down. But Mr. Ortega got only 41% of the vote to Violeta Chamorro's 55%. In the 16 years since, the Sandinistas have used their seats in congress to thwart and weaken Nicaragua's hard-won democracy. Persistent, if nothing else, the Sandinistas manufactured a political opening for the party in the late 1990s when a corrupt president needed a ruthless party to bail him out.

The president was Arnoldo Aleman (1997-2002), whose right-of-center Constitutional Liberal Party (PLC) was once the symbol of Contra resistance against Sandinista repression. But in 2003 Mr. Aleman was sentenced to 20 years in prison after being convicted of money laundering and fraud. In an attempt to minimize his legal troubles while still president, Mr. Aleman carved up Nicaraguan politics with Mr. Ortega in what is now infamously known as "the pact" or El Pacto.

Under this incredible deal, Mr. Aleman and the Sandinistas divided the seats on the electoral council, the Supreme Court and the government's fiscal oversight agency. And one more thing: Mr. Ortega got the PLC to agree to lower the threshold needed to win the presidency in the first voting round to 35%, provided the winner has a five percentage point spread over the next finisher. Mr. Aleman's past problems have made it difficult for the two anti-Sandinista parties to unite, so the old commandante's presidential dream is in reach.

Ironically, Mr. Ortega may be even less popular than he was when he lost to Mrs. Chamorro; he's polling just below the 35% he would need to avoid a second round, where he almost certainly would lose. But if he tops 35%, he'll need to ensure that Eduardo Montealegre, who has been making a credible run at Mr. Ortega, finishes well behind.

Mr. Montealegre broke with the PLC over its corrupt practices and now leads the Liberal Nicaraguan Alliance (ALN). He has had few resources in the campaign and no political machine, but he has held his own against Mr. Ortega. Yesterday the former Prime Minister of Spain, José Maria Aznar, released a letter supporting Mr. Montealegre.

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Why, you may wonder, hasn't the anti-Sandinista opposition joined behind Mr. Montealegre? The reason is that the PLC's Mr. Aleman, now living under house arrest, still needs Danny Ortega. Mr. Aleman remains party boss of the PLC, and he knows that his only hope to get out from under his long sentence is a President Ortega.

The PLC has its own candidate, José Rizo, and it has tried to drain votes from Mr. Montealegre by telling anti-Sandinista voters -- who tend to be pro-American -- that Mr. Rizo is backed by the U.S. and even by Oliver North, who is still widely regarded as a hero among anti-Sandinistas.

In early October Mr. North wrote a column arguing that the PLC is the only party that can beat Mr. Ortega. Last week he traveled to Managua and was photographed with Mr. Rizo. Mr. Montealegre dropped in a recent CID-Gallup poll, though without much gain for Mr. Rizo. Many voters remain undecided, seemingly confused over who has the better chance to defeat Mr. Ortega.

Florida Governor Jeb Bush has also had to dispel rumors that he would come to Nicaragua on behalf of the PLC and Mr. Rizo. Governor Bush told the Miami Herald on Friday: "The particular thing I wanted to make sure people understood is that I'm not supporting a candidate whose campaign says I was going to attend the last week of rallies for him. I wasn't, and I'm not."

If confusion still remains come election day, Messrs. Ortega and Aleman may be the beneficiaries. Nicaraguans will be the losers.

Stern Review (WSJ)

By Bjorn Lomborg

The Wall Street Journal, November 2, 2006

The report on climate change by Nicholas Stern and the U.K. government has sparked publicity and scary headlines around the world. Much attention has been devoted to Mr. Stern's core argument that the price of inaction would be extraordinary and the cost of action modest.

Unfortunately, this claim falls apart when one actually reads the 700-page tome. Despite using many good references, the Stern Review on the Economics of Climate Change is selective and its conclusion flawed. Its fear-mongering arguments have been sensationalized, which is ultimately only likely to make the world worse off. * * *

The review correctly points out that climate change is a real problem, and that it is caused by human greenhouse-gas emissions. Little else is right, however, and the report seems hastily put-together, with many sloppy errors. As an example, the cost of hurricanes in the U.S. is said to be both 0.13% of U.S. GDP and 10 times that figure.

The review is also one-sided, focusing almost exclusively on carbon-emission cuts as the solution to the problem of climate change. Mr. Stern sees increasing hurricane damage in the U.S. as a powerful argument for carbon controls. However, hurricane damage is increasing predominantly because there are more people with more goods to be damaged, settling in ever more risky habitats. Even if global warming does significantly increase the power of hurricanes, it is estimated that 95% to 98% of the increased damage will be due to demographics. The review acknowledges that simple initiatives like bracing and securing roof trusses and walls can cheaply reduce damage by more than 80%; yet its policy recommendations on expensive carbon reductions promise to cut the damages by 1% to 2% at best. That is a bad deal.

Mr. Stern is also selective, often seeming to cherry-pick statistics to fit an argument. This is demonstrated most clearly in the review's examination of the social damage costs of CO2 -- essentially the environmental cost of emitting each extra ton of CO2. The most well-recognized climate economist in the world is probably Yale University's William Nordhaus, whose "approach is perhaps closest in spirit to ours," according to the Stern review. Mr. Nordhaus finds that the social cost of CO2 is $2.50 per ton. Mr. Stern, however, uses a figure of $85 per ton. Picking a rate even higher than the official U.K. estimates -- that have themselves been criticized for being over the top -- speaks volumes.

Mr. Stern tells us that the cost of U.K. flooding will quadruple to 0.4% from 0.1% of GDP due to climate change. However, we are not told that these alarming figures only hold true if one assumes that the U.K. will take no additional measures -- essentially doing absolutely nothing and allowing itself to get flooded, perhaps time and again. In contrast, the U.K. government's own assumptions take into account a modest increase in flood prevention, finding that the cost will actually decline sharply to 0.04% of U.K. GDP, in spite of climate change. Why does Mr. Stern not share that information?

But nowhere is the imbalance clearer than in Mr. Stern's central argument about the costs and benefits of action on climate change. The review tells us that we should make significant cuts in carbon emissions to stabilize the concentration of atmospheric carbon dioxide at 550 ppm (parts per million). Yet such a stark recommendation is not matched by an explicit explanation of what this would mean in terms of temperature.

The U.N. Climate Panel estimates that stabilizing at 550 ppm would mean an increase in temperature of about 2.3 degrees Celsius in the year 2100. This might be several degrees below what would otherwise happen, but it might also be higher. Mr.

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Nordhaus estimates that the stabilization policy would reduce the rise in temperature from 2.53 degrees Celsius to just 2.42 degrees Celsius. One can understand the reluctance of the Stern review to advertise such a puny effect.

Most economists were surprised by Mr. Stern's large economic estimates of damage from global warming. Mr. Nordhaus's model, for example, anticipates 3% will be wiped off global GDP if nothing is done over the coming century, taking into account the risk for catastrophes. The Stern review purports to show that the cost is "larger than many earlier studies suggested."

On the face of it, Mr. Stern actually accepts Mr. Nordhaus's figure: Even including risks of catastrophe and non-market costs, he agrees that an increase of four degrees Celsius will cost about 3% of GDP. But he assumes that we will continue to pump out carbon far into the 22nd century -- a rather unlikely scenario given the falling cost of alternative fuels, and especially if some of his predictions become clear to us toward the end of this century. Thus he estimates that the higher temperatures of eight degrees Celsius in the 2180s will be very damaging, costing 11% to 14% of GDP.

The Stern review then analyzes what the cost would be if everyone in the present and the future paid equally. Suddenly the cost estimate is not 0% now and 3% in 2100 -- but 11% of GDP right now and forever. If this seems like a trick, it is certainly underscored by the fact that the Stern review picks an extremely low discount rate, which makes the cost look much more ominous now.

But even 11% is not the last word. Mr. Stern suggests that there is a risk that the cost of global warming will be higher than the top end of the U.N. climate panel's estimates, inventing, in effect, a "worst-case scenario" even worse than any others on the table. Therefore, the estimated damage to GDP jumps to 15% from 11%. Moreover, Mr. Stern admonishes that poor people count for less in the economic calculus, so he then inflates 15% to 20%.

This figure, 20%, was the number that rocketed around the world, although it is simply a much-massaged reworking of the standard 3% GDP cost in 2100 -- a figure accepted among most economists to be a reasonable estimate.

Likewise, Mr. Stern readjusts the cost of dealing with climate change. The U.N. found that the cost of 550 ppm stabilization would be somewhere around 0.2% to 3.2% of GDP today; he reports that costs could lie between -4% and 15% of GDP. The -4% is based on the suggestion that cutting carbon emissions could make us richer because revenue recycling could address inefficiencies in taxation -- but the alleged inefficiencies, if correct, should be addressed no matter what the policies about climate change. The reason Mr. Stern nevertheless finds a very low cost estimate is because he only considers models with so-called Induced Technological Change. These models are known to reduce costs by about two percentage points because carbon cuts lead to an increase in research and development, which again makes further cuts cheaper. Thus Mr. Stern concludes that the costs are on average 1% of GDP, and in the summary actually claims that this is a maximum cost. * * *

The Stern review's cornerstone argument for immediate and strong action now is based on the suggestion that doing nothing about climate change costs 20% of GDP now, and doing something only costs 1%. However, this argument hinges on three very problematic assumptions.

First, it assumes that if we act, we will not still have to pay. But this is not so -- Mr. Stern actually tells us that his solution is "already associated with significant risks." Second, it requires the cost of action to be as cheap as he tells us -- and on this front his numbers are at best overly optimistic. Third, and most importantly, it requires the cost of doing nothing to be a realistic assumption: But the 20% of GDP figure is inflated by an unrealistically pessimistic vision of the 22nd century, and by an extreme and unrealistically low discount rate. According to the background numbers in Mr. Stern's own report, climate change will cost us 0% now and 3% of GDP in 2100, a much more informative number than the 20% now and forever.

In other words: Given reasonable inputs, most cost-benefit models show that dramatic and early carbon reductions cost more than the good they do. Mr. Stern's attempt to challenge that understanding is based on a chain of unlikely assumptions.

Moreover, there is a fourth major problem in Mr. Stern's argument that has received very little attention. It seems naïve to believe that the world's 192 nations can flawlessly implement Mr. Stern's multitrillion-dollar, century-long policy proposal. Will nobody try to avoid its obligations? Why would China and India even participate? And even if China got on board, would it be able to implement the policies? In 2002, China decided to cut sulfur dioxide (SO2) emissions by 10% -- they are now 27% higher despite SO2 being nationally a much bigger health and environmental problem than climate change. * * *

Why does all this matter? It matters because, with clever marketing and sensationalist headlines, the Stern review is about to edge its way into our collective consciousness. The suggestion that flooding will overwhelm us has already been picked up by commentators, yet going back to the background reports properly shows declining costs from flooding and fewer people at risk. The media is now quoting Mr. Stern's suggestion that climate change will wreak financial devastation that will wipe 20% off GDP, explicitly evoking memories of past financial catastrophes such as the Great Depression or World War II; yet the review clearly tells us that costs will be 0% now and just 3% in 2100.

It matters because Gordon Brown, Tony Blair and Nicholas Stern all profess that one of the major reasons that they want to do something about climate change is because it will hit the world's poor the hardest. Using a worse-than-worst-case scenario,

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Mr. Stern warns that the wealth of South Asia and Sub-Saharan Africa will be reduced by 10% to 13% in 2100 and suggests that effect would lead to 145 million more poor people.

Faced with such alarmist suggestions, spending just 1% of GDP or $450 billion each year to cut carbon emissions seems on the surface like a sound investment. In fact, it is one of the least attractive options. Spending just a fraction of this figure -- $75 billion -- the U.N. estimates that we could solve all the world's major basic problems. We could give everyone clean drinking water, sanitation, basic health care and education right now. Is that not better?

We know from economic models that dealing just with malaria could provide economic boosts to the order of 1% extra GDP growth per capita per year. Even making a very conservative estimate that solving all the major basic issues would induce just 2% extra growth, 100 years from now each individual in the developing world would be more than 700% richer. That truly trivializes Mr. Stern's 10% to 13% estimates for South Asia and Sub-Saharan Africa.

Last weekend in New York, I asked 24 U.N. ambassadors -- from nations including China, India and the U.S. -- to prioritize the best solutions for the world's greatest challenges, in a project known as Copenhagen Consensus. They looked at what spending money to combat climate change and other major problems could achieve. They found that the world should prioritize the need for better health, nutrition, water, sanitation and education, long before we turn our attention to the costly mitigation of global warning.

We all want a better world. But we must not let ourselves be swept up in making a bad investment, simply because we have been scared by sensationalist headlines.

Mr. Lomborg, author of "The Skeptical Environmentalist" (Cambridge, 2001), teaches at the Copenhagen Business School and is director of the Copenhagen Consensus Center.

Climate Non-Conformity (WSJ)

The Wall Street Journal, November 2, 2006

Two scientific events of note occurred this week, but only one got any media coverage. Therein lies a story about modern politics and scientific priorities.

The report that received the headlines was Monday's 700-page jeremiad out of London on fighting climate change. Commissioned by the British government and overseen by former World Bank chief economist Nicholas Stern, the report made the intentionally shocking prediction that global warming could eliminate from 5% to 20% of world economic output "forever." Meanwhile, doing the supposedly virtuous thing and trying to forestall this catastrophe would cost merely an estimated 1% of world GDP. Thus we must act urgently and with new taxes and policies that go well beyond anything in the failed Kyoto Protocol.

The other event was a meeting at the United Nations organized by economist Bjørn Lomborg's Copenhagen Consensus Center. Ambassadors from 24 countries -- including Australia, China, India and the U.S. -- mulled which problems to address if the world suddenly found an extra $50 billion lying around. Mr. Lomborg's point is that, in a world with scarce resources, you need priorities. The consensus was that communicable diseases, sanitation and water, malnutrition and hunger, and education were all higher priorities than climate change.

We invited Mr. Lomborg to address the Stern report, and he takes apart its analysis brick-by-brick in the columns nearby. To our reading, there isn't much left of this politicized edifice. But we'd stress a couple of points ourselves.

The first is that the Stern review almost surely understates the real costs of combating climate change. The International Energy Agency has estimated that the world must spend $16 trillion on infrastructure from 2001 to 2030 just to meet growing energy demand. That by itself would be 1% of GDP over that period. And that doesn't include the cost of moving to carbon-free power from fossil fuels, or the financial "incentives" -- i.e., global subsidies from Western taxpayers -- that China and India would need if the Stern report's policies were to have any chance of being implemented. The Stern review also calls for substantially increasing taxes, which we know from experience would also reduce global GDP and thus leave fewer resources to fight the consequences of any warming.

The second point is that the Stern report barely mentions the potential benefits from warming in the world's cold-weather regions. Al Gore and others warn about the damage from coastal flooding and changing weather patterns, among other horror scenarios. But the world is large and its climate diverse, and a longer growing season in Siberia or Canada is at least one possible benefit of warming. The Stern report also dismisses any chance of moderate warming (meaning temperatures in 2100 only two to three degrees Celsius higher than in 1900), even though many climate models say this is in fact the most likely outcome.

Unlike the Stern report and its patrons, those of us who take a skeptical approach to these doomsday climate scenarios aren't trying to end the discussion. The Earth is warmer now than it was in the recent past, and this may be partly attributable to human behavior. But everything else -- from how much warmer, to the extent of mankind's contribution, to the cost of doing something about it -- remains very much in dispute.

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Some of the Stern review's recommendations, such as carbon trading rights, are also worth debating. But most of its proposals are merely openings for government to expand its role in allocating investment, raising taxes and otherwise controlling economic decisions. Socialism was supposed to have died with the Soviet Union, but it is making a comeback under the guise of coping with global warming.

Meanwhile, there are far more urgent, and far less speculative, problems that we know how to solve with the right policies. That message may not get scary headlines, but it would improve the lives of more human beings around the world.

Climate Threat Heats Up (LAT)

The Los Angeles Times, November 2, 2006

OVER THE LAST two years, the findings of studies on global warming have grown increasingly dire. The glaciers are melting, the polar bears are endangered. Climate change is linked to the catastrophic western wildfires, and warming oceans have been tied to Katrina-like hurricanes.

On Monday, the British government tried to translate it all into dollars and cents. A 700-page report written by former World Bank economist Nicholas Stern argued that global warming will eventually cost nations from 5% to 20% of their gross domestic product if strong action is not taken now. Flooding, crop failures, shortages of drinking water and higher rates of some diseases would bring about a depression equal to the worst the world has ever known, the report projects, while population migrations from the most affected nations would create global chaos.

The Stern report attempts to weave climate science with economics, but in truth it is at best guesstimating, down to its dubiously tidy bottom line, that if nations invested 1% of their GDP right now into reducing greenhouse gas emissions they could avoid much or all of this catastrophe. There's no doubt that human activity contributes heavily to climate change, but at this point we still don't know how much of the blame we deserve or the extent of the possible damage, let alone what the best spending formula is to prevent it.

Though the numbers are debatable, the essential message cannot be ignored: There will be irreversible long-term damage if emissions are not significantly reduced. The report repudiates President Bush's line that regulating greenhouse gases would endanger jobs. Under Stern's scenario, there would be a great loss of jobs if nothing is done.

Britain has championed the struggle against global warming, and Bush's intransigence is isolating him from the emerging global consensus. No wonder this nation's emissions are up almost 16% since 1990 and climbing every year, while Britain has reduced emissions during that time by 14% and Germany by 17%.

The U.S. is not only failing to be a leader on curbing one of the world's most serious threats, it's not even a decent follower.

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USDOJ- Office of Public Affairs

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Sent:	Thursday, November 2, 2006 9:31 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Thursday, November 02, 2006
Attachments:	agnb061102.pdf; agnb061102.doc

This morning's Attorney General's News Briefing is attached.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Detainees Ask Court To Allow Military Trial Challenges. The Washington Post (11/2, A7, Leonnig) reports, "Attorneys for captives in the Guantanamo Bay military prison asked a federal appeals court yesterday to reject a provision of the new military-commission law that strips hundreds of detainees of their right to challenge their detention in U.S. courts." The Post continues, "The lawyers, joined by a group of retired judges from both political parties, argued that the United States cannot indefinitely imprison foreign nationals in a military prison without charging them with crimes and deny them the chance to test the evidence against them in the U.S. justice system." The Post adds, "President Bush sought Congress's approval this fall for the Military Commissions Act, which also set new rules for military trials of the detainees, and signed it into law Oct. 17. Government lawyers quickly moved to throw out hundreds of pending challenges by the detainees, known as habeas corpus cases. The issue is pending before the U.S. Court of Appeals for the District of Columbia Circuit. … But attorneys for detainees argue that the law does not apply to detainees with ongoing cases, in part because the government can take that drastic step only when the country is in the middle of an active war. … Justice Department spokesman Charles Miller said yesterday that the government would not comment but would respond in a brief due to the appeals court Nov. 13."

The AP (11/2, Apuzzo) reports, "In written arguments, attorneys for more than 100 detainees who would be locked out of the regular judicial system asked the U.S. Court of Appeals for the District of Columbia Circuit to let the detainees keep their legal challenges going in civilian courts. … The framers of the Constitution never would have permitted the government to hold people indefinitely without charges, the lawyers wrote. … 'Persons imprisoned without charge must retain the right to obtain a court inquiry into the factual and legal bases for their imprisonment,' they wrote." The AP notes, "This argument echoes a Supreme Court ruling in June in which the justices ruled that the Bush administration's system for trying enemy combatants violated U.S. and international law. Within weeks, the president persuaded Congress to pass a law setting up military commissions and barring detainees from using the civilian court system. … Shortly after the law was signed, the Justice Department told hundreds of detainees that their cases in the U.S. courts had been rendered moot." The AP adds, "Even if the court decide not to declare the law unconstitutional, attorneys offered a creative way for the court to keep the case alive. They suggested the judges rule that the law doesn't mean what the Justice Department thinks it means - because if it did, it would be unconstitutional."

Padilla Says He Was Tortured, Asks Judge To Dismiss All Charges. The New York Times/AP (11/2) reports, "Jose Padilla is asserting that he was tortured during his three and a half years in American custody as an enemy combatant, including being threatened with execution and forced to stand for long periods." Padilla's lawyers "are asking a federal judge to dismiss the terror support charges against him because he suffered from 'outrageous government conduct' during more than 1,300 days in military custody." In the court papers, Padilla "asserted among other things that interrogators had threatened him with 'imminent execution' or with painful cuts; that he was forced to wear a hood and stand in 'stress positions' for long periods; that noxious fumes were sometimes introduced into his cell; that he was forced to endure extreme heat and cold, bright lights or total darkness, denied opportunities to shower for weeks and deprived of sleep; and that he was not provided with a copy of the Koran."

Seven Former Federal Judges Argue Detainees Law Is Unconstitutional. The AP (11/2, Apuzzo) reports, "Seven retired federal judges from both political parties have joined dozens of Guantanamo Bay detainees in urging an appeals court to declare key parts of President Bush's new anti-terrorism law unconstitutional." The AP continues, "The judges, in a rare court filing Wednesday, said stripping courts of the right to question how the military handles terrorism suspects 'challenges the integrity of our judicial system' and effectively sanctions the use of torture." The AP adds, "Bush signed a law this month allowing the military to arrest people overseas and detain them indefinitely without allowing them to use the U.S. courts to contest their detention. Bush hailed the law, which established a system of military trials, as a crucial tool in the war on terrorism and said it would allow prosecution of several high-level terror suspects. … For detainees challenging their imprisonment, the law locks them out of the

civilian court system. Dozens of detainees argued Wednesday that the law is unconstitutional, and the retired judges echoed that in their own papers filed with the U.S. Court of Appeals for the District of Columbia Circuit. … 'We believe that compelling this court to sanction executive detentions based on evidence that has been condemned in the American legal system since our nation's founding erodes the vital role of the judiciary in safeguarding the rule of law,' the judges wrote." The AP notes, "The brief was filed by retired Judges Shirley M. Hufstedler, Nathaniel R. Jones, George N. Leighton, Timothy K. Lewis, Frank J. McGarr, Abner J. Mikva and Patricia M. Wald. Three of the judges — Leighton, Lewis and McGarr — were appointed by Republican presidents."

Alleged Terror Plotter Abu Doha Languishes In British Legal Limbo. The AP (11/2, Lawless) reports, "He's an al-Qaida-linked terrorist who worked with Osama bin Laden and plotted to bomb Los Angeles airport at the turn of the millennium, according to U.S. authorities. … Yet for the past year, Abu Doha has been imprisoned in a British jail for nothing more serious than immigration violations: A U.S. attempt to extradite him collapsed, and Britain lacks the evidence to charge him with terrorism." The AP continues, "Abu Doha's legal limbo has both civil libertarians and counterterrorism officials concerned - and some experts questioning how big a terrorist player he really is. … 'I think if all that had been said about him was true, there would have been efforts to sustain the (extradition) request from the United States,' Paul Wilkinson of the Center for the Study of Terrorism and Political Violence at St. Andrews University in Scotland said Wednesday. … The British government, however, says Abu Doha is a threat to national security and wants to deport him to his native Algeria." The AP notes, "Abu Doha is appealing, and the case is due to be heard early next year. … In Washington, an official who spoke on condition of anonymity because of the sensitivity of the case, said the U.S. Justice Department was 'horrified' at the idea of Abu Doha being free. … Abu Doha, 40, also known as Dr. Haidar, Amar Makhlulif and 'The Doctor,' has been described by U.S. prosecutors as a key al-Qaida figure who oversaw a plot to blow up Los Angeles airport on New Year's Eve 1999. … The plan was foiled when another Algerian, Ahmed Ressam, was caught trying to enter Washington state from Canada in a car loaded with explosives. Ressam identified Abu Doha as ringleader of the plot."

Human Rights Watch Says UK Shows "Dangerous Ambivalence" About Torture. The Washington Post (11/2, A13, Sullivan, 748K) reports, "The British government has systematically attempted to water down laws banning the transfer of terror suspects to countries that practice torture, according to a report issued Thursday by Human Rights Watch. British officials strongly disputed the report's conclusions. The group concluded that the government of Prime Minister Tony Blair has adopted a 'dangerous ambivalence' toward torture of suspected terrorists abroad since the Sept. 11, 2001, attacks in the United States and the July 2005 bombings of the London public transit system."

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London Man Charged With Taking Terror-Related Materials On Flight. The New York Times (11/2, Lyall, 1.21M) reports, "A 29-year-old man from East London was charged Wednesday with trying to take terrorism-related materials, including a manual titled "The Mujahideen Poisons Handbook," on a Pakistan-bound flight from Heathrow Airport." The man, Sohail Anjum Qureshi, "was arrested by antiterror officers at the airport on Oct. 18 as he was waiting to board a flight to Islamabad, Pakistan. He was carrying about $17,000 in cash, a night-vision scope, two metal batons, two backpacks, two sleeping bags and a computer disk and hard drive containing a combat-training manual as well as the poison manual, the authorities said."

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Israeli Agent Denies Salah Tortured To Admit Supporting Hamas. The AP (11/2, Robinson) reports, "An Israeli security agent scoffed Wednesday at a Chicago grocer's claim that he was deprived of sleep, forced to wear a foul-smelling hood and otherwise tortured after his arrest on charges of bankrolling terrorists." Muhammad Salah, on trial in Chicago for conspiring to provide support for Hamas, "was arrested at an Israeli checkpoint in January 1993 and agents found $97,000 in his East Jerusalem hotel room. He served 4 1/2 years in an Israeli prison after signing statements that he met with Hamas leaders." The AP adds, "Nadav said he didn't attend the initial interrogation of Salah. But he said he knew the agents who took part refrained from using torture."

WTimes Assails FBI, Lawmakers Over Lack Of Knowledge About Islam. Under the headline "What They Don't Know Is Frightening," the Washington Times (11/2, 88K) editorializes, "How alarmed should Americans be upon learning that one of the nation's highest-ranking FBI counterterrorism policy-makers and two members of the House Permanent Select Committee on Intelligence, among numerous other unnamed officials, possess shallow knowledge about terrorist groups that have slaughtered Americans in the past, are killing our soldiers in the war on terror today and threaten to obliterate us in the future?" The Times recounts the details of the recent New York Times op-ed in which CQ's Jeff Stein questioned FBI Executive Assistant Director Willie Hulon and Reps. Terry Everett and Jo Ann Davis about the differences between Sunnis and Shiites. The Times concludes, "You could not make this stuff up. Given their governmental responsibilities, the ingrained incuriosity of these officials is as appalling as it is frightening."

FBI Subscribes To English, Arabic TV Broadcast Monitoring Service. Government Computer News (11/1, Dizard 5:31 p.m.) reported, "The FBI now has access to an online service that its employees can use to screen TV broadcasts and provide alerts when specified words are used, either on English-language networks or networks broadcasting in Arabic. Critical Mention Inc. of New York City provides the service, which it is furnishing to multiple users at the bureau under a recently concluded one-year contract with options for renewal." GCN added, "The bureau is using the service to monitor TV news mentions of the term 'FBI' on various news networks to track the public's perception of the law enforcement agency, sources said. In a similar vein, a user at the bureau could use the service to track the use of other words of interest that might be broadcast in Arabic," and "then a user could receive an English-text version of the Arabic broadcast as well as a video clip."

HOMELAND RESPONSE:

FBI Official Says UK Plotters Planned To Bomb Airliners Over US Cities. The Washington Post (11/2, A7, Eggen, 748K) reports, "A group of alleged terrorists arrested in London in August planned to blow up airliners over U.S. cities to maximize casualties, rather than over the Atlantic Ocean as many intelligence officials originally thought, according to recent remarks by a senior FBI official. The comments by Mark Mershon, head of the FBI's New York field office, indicate that U.S. and British intelligence officials now think that the airliner plot was aimed at maximizing the potential loss of life and economic impact. … Christine Monaco, a spokeswoman for the FBI in New York, declined to comment on Mershon's speech" at the Infosecurity 2006 conference last month. "Mershon told…attendees that representatives of MI5…briefed the FBI on the liquid explosives case in recent weeks." Georgetown terrorism expert Bruce Hoffman noted "the case indicates that Islamic extremists remain focused on attacking U.S. cities."

Explosion Shatters Window At PayPal Offices. In a widely-distributed story, the AP (11/2, Robertson) reports, "A Halloween night explosion shattered a window at a building housing offices for eBay's PayPal division, forcing the evacuation of dozens of employees. PayPal spokeswoman Amanda Pires said Wednesday that the company had not received any threats but declined to comment on the investigation." The AP adds, "No injuries

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were reported and no explosive device was found, but investigators determined the blast was deliberately set, Sgt. Nick Muyo said. Police had no suspects. Investigators from the San Jose police and fire departments, the FBI and the Bureau of Alcohol, Tobacco, Firearms and Explosives were investigating."

The San Jose Mercury News (11/2, Webby, McPherson, 242K) notes that "the corporate target was so sensitive, the explosion so powerful and the bombing so rare in Silicon Valley that law enforcement from San Jose, the federal Bureau of Alcohol Tobacco and Firearms and FBI converged on the campus. After more than 24 hours scouring for clues, investigators had few answers. Was it someone intentionally targeting the Internet corporate giant, a techno-terrorist? Or was it a dangerous prank on a night known for smashed pumpkins and toilet paper attacks?" CNET News.com (11/1, Sandoval) and the San Jose Business Journal (11/1) also reported on the blast, noting that the FBI is participating in the investigation.

Connecticut Man Convicted Of Lying To FBI About Chemical Hoax. The AP (11/2) reports Robert Robishaw of Uncasville, Conn., "was convicted Wednesday of lying to federal authorities about being the victim of a chemical attack." Robishaw "pleaded guilty to one count of making false statements to the Federal Bureau of Investigation, prosecutors said. He entered his plea…eight months after telling Groton fire authorities that an unknown substance fell out of a newspaper that he purchased at a Waterford convenience store. He told authorities the off-white, powdery substance caused his skin to turn red and tingle. … The substance turned out to be cigarette ash that prosecutors say Robishaw put in the newspaper." WVIT-TV Hartford (11/1) noted in its newscast yesterday, "The scare sent eight people to a hospital for decontamination." The Norwich Bulletin (11/2) also reports on Robishaw's conviction.

Redacted Information In Government Reports More Embarrassing Than "Truly Sensitive." Under the headline "There's Secrecy, and There's Expediency," the Washington Post (11/2, A15, Williamson, 748K) reports on the recent release of a "mostly uncut copy" of a Department of Homeland Security inspector general's office report "slamming the department's failure to consolidate a dozen government watch lists containing information about suspected terrorists." The new copy, released following a Freedom of Information Act request, came two years after the original report, in which "entire pages were blacked out, ostensibly for security reasons." However, the Post adds that such edits are often not "about national security…as much as they are about convenience. Although some of the redacted information is truly sensitive, some is merely embarrassing to the government." The problems described in the 2004 report, "by the way, persist."

TSA Struggling With High Screener Turnover Despite Bonus Program. USA Today (11/2, 1A, Frank, 2.27M) reports on its front page that the Transportation Security Administration's "ambitious program" to pay 36,000 of its 45,000 screeners $500 or $1,000 "retention bonuses" in May "did not reduce the turnover rate" at the agency, "which still has one of the highest attrition rates in the US government, according to agency data." The agency and the federal Office of Personnel Management say the turnover rate "over the summer was unchanged from the winter and spring months." The TSA is taking additional steps, including "a new pay grade that will raise salaries of high-quality veteran screeners by up to $5,300 and better position them to move into other government-security jobs such as the Secret Service or Border Patrol, according to TSA."

Former Assistant AG Criticized For Not Prosecuting Ruby Ridge Sniper. Under the headline "Ruby Ridge Revisited: Deval Let Sniper Off The The Hook," the Boston Herald (11/2, Atkins, 203K) castigates former Assistant Attorney General Deval Patrick, who is running for Massachusetts governor, over his decision not to prosecute FBI sniper Lon Horiuchi for the death of Vicki Weaver. "Patrick made the recommendation despite a report by a task force assembled by Patrick's boss, Attorney General Janet Reno, that found numerous problems with the FBI's handling of the standoff, and called the protocol used by the FBI's Hostage Rescue unconstitutional under the circumstances." In a statement to the Herald yesterday, former DOJ spokesman Myron Marlin said, "The Justice Department believed the critical element of willfulness necessary for a criminal civil rights prosecution could not be established beyond a reasonable doubt." The Herald adds, "In 1995, however, a Senate subcommittee headed by Sen. Arlen Specter…found 'simply no justification' for the

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shot…that killed Vicki Weaver and 'missed the 10-month-old baby in her arms by less than two feet.'"

WAR NEWS:

Bush Says "The Only Way We Can Lose" In Iraq "Is If We Leave." President Bush, during a taped interview on the Rush Limbaugh Show (11/1), said, "I am -- I guess amazed is the proper word -- at how courageous our troops are. And I am amazed at the fact that they are so capable and that they volunteer in the midst of this war to defend us. … We have taken a measured approach to talking about casualties, but I can assure your listeners our troops are on the offense and they're after an enemy and when they find the enemy and the enemy confronts them -- we win. They can't beat us on the battlefield. The only way we can lose this is if we leave."

Columnist Says Democratic Victories Could Leave Bush "Unbound" On Foreign Policy. In his monthly Washington Post (11/2, A17, 748K) column, Robert Kagan writes that Europeans "hopefully if a Democratic victory in the congressional elections will finally shift the direction of American foreign policy in a more benign direction. But congressional elections rarely affect the broad direction of American foreign policy. … The preferred European scenario -- 'Bush hobbled' -- is less likely than the alternative: 'Bush unbound.' Neither the president nor his vice president is running for office in 2008. That is what usually prevents high-stakes foreign policy moves in the last two years of a president's term. … Bush doesn't have to worry about getting anyone elected in 2008 and appears to be thinking only about his place in history."

Classified Chart Indicates US Command Believes Iraq Moving Toward Chaos. All three networks ran critical reports on the US Central Command chart assessing the ground situation in Iraq that was printed on the front page of Wednesday's New York Times. ABC World News (11/1, story 3, 1:35, Gibson, 8.78M) reported that a "classified document surfaced" in Iraq that is "providing a sobering look at the conditions there and the way the conditions are assessed by top military officials. … It's about as grim a portrayal of conditions in Iraq as anything we've seen in the military." ABC (Karl) added, "Military officials are furious that a classified document leaked. But they say it accurately reflects the increasingly dire situation in Iraq." The "classified chart represents the most pessimistic assessment yet by military commanders. It is called an index of civil conflict. On one side, peace; on the other side chaos. The current situation: a lot closer to chaos than peace."

The CBS Evening News (11/1, story 4, 0:30, Couric, 7.66M) reported, "Iraq edging ever closer to chaos. That assessment is from US Central Command in a classified briefing obtained by the New York Times." The chart "was prepared two weeks ago and CBS News has learned that the current assessment is much the same, Iraq still dangerously close to chaos." NBC Nightly News (11/1, story 3, Williams, 9.87M) reported, "With the American death toll in Iraq at 105 for this month of October, consider this: On page one of today's New York Times," the chart showing Iraq "creeping closer to chaos." CNN's The Situation Room (11/1, Verjee) reported, "'Inching toward chaos.' That's how US military commanders assessed Iraq two weeks ago."

"Ethnic Cleansing" Said To Be Latest Fear In Baghdad. CNN's Lou Dobbs Tonight (11/1, Roberts) reported, "Obviously another deadly day here in Baghdad. It's what we see every day, although the violence in the last 24 hours is not what it was last week, when we saw 80 people killed across Iraq in one day. And that total now for American deaths in the month of October, 105, just missing by two the third-highest monthly total. … A couple of words that you hear increasingly in private conversations with members of the US military -- this is not yet for public consumption, but privately they will say the words 'ethnic cleansing' is what's going on in the neighborhoods in Baghdad and increasingly in the towns and villages surrounding Baghdad."

Military Says Al Qaeda "Kingpin" Killed In Ramadi. AFP (11/2) reports this morning that the US military announced US forces in Ramadi killed "an Al-Qaeda chieftain" by destroying his car with a laser guided bomb. The military said, "Rafa Abdul Salam Hamud al-Ithawi, also known as Abu Taha, was the emir of Shamiyyah. He frequently harboured foreign fighters who entered Iraq illegally in order to assault innocent Iraqis and coalition forces."

Shiites Push For Changes To Iraq's Relationship With US Military. The New York Times (11/2, A12, Tavernise, 1.21M) reports Iraq's Shiites, in a "continued effort to demonstrate their independence from Washington," are "pressing a fresh set of conditions on their American supporters," asking for changes in their

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government's relationship with the US military. Iraq's leaders, in a "move that seemed designed more to placate" Shiites "than to influence the broader management of the war," have drawn up a list of changes to the UN agreement "that provides some of the legal basis for American troops here. The changes, if enacted, could give the Iraqi government more control over its own armed forces, something Iraqi leaders want, but were not likely to change fundamentally the way the war is directed."

Sadr City Shiites Celebrate Maliki's Removal Of Checkpoints. The Christian Science Monitor (11/2, Peterson, 58K) reports Sadr City Shiites "are reveling in what they deem their 'victory' over American forces" after Maliki "ordered the dismantling of US and Iraqi checkpoints surrounding the area." The removal of the checkpoints "provided Mr. Maliki with a chance to further assert his independence after weeks of friction between Washington and Baghdad." The Washington Post (11/2, A12, Anderson, 748K) says "life returned to normal" in Sadr City a day after the removal, though while "Shiites hailed Maliki for asserting his independence and authority, and for alleviating the hardships imposed by the cordon, some Sunni Arab leaders questioned the decision."

Maliki Blamed For Slow Start Of Real Iraqi Democracy. ABC World News (11/1, story 4, 2:10, Gibson, 8.78M) reported that "questions persist about whether the Iraqi government is up to the challenge of uniting the country and ending the violence." ABC (McCarthy) added, "Iraqi democracy in action: As bombs rock the country, Parliament could not convene because so few members turned up. … The entire effort of the US effort here depends on Iraqi groups coming together. At the moment, that process is going nowhere. Iraqis say the problem starts at the top, with Nouri al-Maliki, the Shiite Prime Minister. When Maliki came to power five months ago, he promised to bring Shiites and Sunnis together. National reconciliation is a wide-open door, he said. Today, he appears to be serving only Shiite interests. … With this record, it's not surprising that Sunnis see little future in negotiating with Maliki."

Murtha Defends Maliki's Efforts. Rep. John Murtha said on MSNBC (11/1, Carlson), "You see what Maliki is trying to do. The Prime Minister's trying to make himself more independent, have more confidence. The people right now in Iraq have more confidence -- and they say when we leave, the polls indicate there'll be less chaos. There's only 1,000 foreign fighters over there. It's a civil war, and that's what our troops are caught in between. We can't solve a civil war. We can't win this militarily. This has to be won by the Iraqis. They have to take the responsibility themselves."

Retired Army Officer Says Maliki Siding With Sadr Too Often. USA Today (11/2, 13A, 2.27M) contributor Ralph Peters, a retired Army officer, writes, "I supported this war, but the deteriorating situation is starting to convince me that we can't win. Those of us who hoped that the Iraqis could achieve democracy were wrong -- and their failure has implications for the entire region." Regarding Maliki's Sadr City actions, Peters says "it was the third time in less than a month that al-Maliki had sided with" Muqtada al-Sadr "against our forces. President Bush insists that we have no conflicts with the al-Maliki government. The president isn't telling the truth -- or he himself doesn't support our military's efforts."

US-Trained Iraqi Soldiers Rampage, Flee, Waste Ammunition, Army Publication Says. The AP (11/1, Milburn) reports Iraqi soldiers being trained by US military advisers "go on rampages, flee from dangerous situations and waste ammunition in undisciplined bursts of fire at any provocation," according to an article in the US Army publication Military Review. Lt. Col. Carl Grunow wrote that "in contrast to the iron discipline imposed during Saddam Hussein's regime, 'the new army serves the cause of freedom, and officers and soldiers alike are a bit confused about what this means.'"

Pentagon Launches Rapid-Response PR Effort. The Los Angeles Times (11/2, Barnes, 918K) reports, "As concern in the Defense Department mounts over eroding public support for the Iraq war, the Pentagon has launched a rapid-response public relations effort to rebut news stories that officials believe are inaccurate or misleading." While "all administrations have been critical of the media, most have avoided regular, ongoing public fights with journalists. But in recent weeks the Bush administration has shown a willingness to fight over facts and reporters' analysis of news events." The Pentagon's "rapid-response efforts echo an initiative called 'Setting the Record Straight,' in which the White House identifies what it says are news reports' inaccuracies or quotations out of context. Among the first results of the Pentagon response is a new 'For the Record' section of the Defense Department's website."

US Soldiers Prepare For Return Home. The Los Angeles Times (11/2, Daragahi, 918K) runs a feature on

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soldiers at Iraq's Camp Paliwoda getting ready for a return to the US after one-year tours of duty. But home "may be a fleeting respite. This was the battalion's second tour in Iraq, and most think they will be back for a third time, probably in another year."

Navy Trauma Medic Profiled. The New York Times (11/2, Chivers, 1.21M) runs a front-page profile on Navy trauma medic Petty Officer Third Class Dustin Kirby, who said of helping to save one friend, "I really thank God that he was breathing when I got to him, because it means that I can do something with him. It helps. People ask you, 'What are you doing? What are you doing?' It helps, because if he's breathing, you're doing something."

Brooks Says Partition Of Iraq May Be Inevitable. In his New York Times (11/2, A27, 1.21M) column, David Brooks writes that partitioning Iraq "would be traumatic, so after the election it probably makes sense to make one last effort to hold the place together. Fire Donald Rumsfeld to signal a break with the past. Alter troop rotations so that 30,000 more troops are policing Baghdad. But if that does not restore order, if Iraqi ministries remain dysfunctional and the national institutions remain sectarian institutions in disguise, then surely it will be time to accede to reality. It will be time to effectively end Iraq, with a remaining fig-leaf central government or not. It will be time to radically diffuse authority down to the only communities that are viable -- the clan, tribe or sect. … The boundaries may have to change. The war was an attempt to lift a unified Iraq out of its awful history, but history has proved stubborn. It's time to adjust the plans to reality."

NSA Hadley Arrives In Afghanistan. The AP (11/1) reports National Security Adviser Stephen Hadley arrived in Kabul, where he will meet with President Hamid Karzai and senior military leaders. Hadley has just completed "two days of meetings in Iraq aimed at soothing tension" with Prime Minister Nouri al-Maliki.

Scholar Calls For End To Use Of Term "War On Terror." In a Los Angeles Times (11/2, 918K) op-ed, Hoover Institution senior fellow Timothy Garton Ash writes, "For all their criticisms of the way President Bush has waged the wars in Iraq and Afghanistan, most Democrats don't challenge the central concept of the war on terror. They merely claim they could fight it better. Only a few intellectual Democrats, such as financier and philanthropist George Soros, insist that the very idea of the war on terror is, in his words, 'a false metaphor.' Most Europeans, by contrast, agree with Soros. I have argued the same point. … Apart from anything else, to use this language dignified the terrorists with the status of belligerents when they should have been treated as criminals. In a backhanded way, the coinage was itself a kind of glorification of terrorism."

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Gonzales' Surprise Lecture At George Washington Pleases Students. George Washington University's Hatchet (11/2, Butler) reports, "U.S. Attorney General Alberto Gonzales made a surprise visit to a Law School class Tuesday and spoke about U.S. policy in the war on terror." The Hatchet continues, "Students in the Law School's criminal procedure class were surprised to see the special guest speaker in Stockton Hall Tuesday. Associate professor of law Renee Lerner teaches the class and is an acquaintance of Gonzales'. The two worked together when she was at the Department of Justice and he served as White House counsel. … 'When he walked in there was a definitive gasp,' Lerner said. 'The students were happily surprised to see him.'" The Hatchet adds, "The attorney general spent about 15 minutes talking about issues such as the USA PATRIOT Act, wiretapping and military tribunals. Then, for about 35 minutes he answered questions from the 40 students in the class. … Lerner said Gonzales had a 'very warm and inviting manner' when speaking with the students, whom she said responded well to the visit. … 'Several students mentioned it was good to hear from someone who is directly involved in legal questions they study in an academic setting,' she said. 'Some also mentioned how fortunate we are to be in Washington D.C. where we have access to such high-ranking officials.' … Lerner said she arranged the visit a couple of months ago when Gonzales approached her because he wanted to guest lecture in a Law School class. She did not tell her students Gonzales would be joining the class, but assigned readings on the subjects he spoke about."

CORPORATE SCANDALS:

Former HP CEO Answers House Committee's Questions In Leak Probe. The

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Wall Street Journal (11/2, B4) reports, "There are a few lingering questions in the Hewlett-Packard Co. leak-investigation scandal. For the most part, Chief Executive Mark Hurd has answered them with a standard response: I don't remember. … Mr. Hurd yesterday submitted written answers to 16 questions that were put to him by a House subcommittee investigating the affair, following his Sept. 28 testimony before the subcommittee. The responses don't provide much new information." The Journal continues, "The investigation into media leaks of boardroom discussions, which began in early 2005 at the behest of former Chairman Patricia Dunn, included the examination of private phone records of directors, journalists and others. Private investigators, working on behalf of H-P, obtained records using a technique called pretexting, which involves pretending to be the user of a particular phone account. … One unanswered question is exactly when Mr. Hurd learned that phone records were being examined. He attended portions of a July 22, 2005, meeting that discussed the first phase of the leak investigation, called Kona I, but in response to questions from the House subcommittee, he said he can't recall much about it." The Journal adds, "Other evidence indicates Mr. Hurd was indeed focused on media leaks during this period. In two separate speeches to H-P employees within days of his July 22, 2005, briefing on the leaks investigation, Mr. Hurd upbraided H-P workers for leaking corporate information to the media before H-P had formally disclosed it. In one of those speeches, Mr. Hurd called media leaks 'reprehensible and unacceptable,' and promised to 'deal with [the leakers] appropriately.' He said, 'It is absolutely unacceptable that information does not stay in the company and that we have people that can't behave like adults.'"

Former Comverse GC To Plead Guilty In Options Backdating Case. The Wall Street Journal (11/2, A3) reports, "The former general counsel of Comverse Technology Inc. is expected to plead guilty today to one count of criminal conspiracy in connection with an options-backdating scheme, according to people familiar with the matter." The Journal continues, "William F. Sorin, a Harvard-educated lawyer who was at Comverse for more than two decades, would be the second former executive of the telecommunications-software firm to plead guilty. The company's former chief financial officer, David Kreinberg, entered a guilty plea last week." The Journal adds, "Mr. Sorin, 57 years old, is scheduled to have a hearing at 12:30 p.m. EST today before Judge Nicholas Garaufis in U.S. District Court in Brooklyn, N.Y. He was charged in August with conspiracy to commit mail fraud, securities fraud and wire fraud and is expected to plead to one conspiracy count. The maximum time in prison for that charge is five years. … The main target in the case, former Comverse Chief Executive Kobi Alexander, fled the country ahead of the charges and was arrested in September in Namibia after an international manhunt. An Israeli citizen and U.S. resident, Mr. Alexander is fighting extradition requests by the U.S. government, which has charged him in a 35-count indictment with securities fraud, bribery and other crimes. His attorneys have said he will contest the charges if and when he returns to the U.S." The Journal notes, "Mr. Kreinberg is cooperating with the government, and in pleading guilty last week he claimed Mr. Alexander was the mastermind of a stock-options backdating scheme at Comverse that secretly boosted pay for top executives and caused the company to inflate its net income. Mr. Sorin has been in plea discussions with prosecutors in the Eastern District of New York, who declined to comment on whether he also will cooperate against Mr. Alexander."

Five Stand Trial For Conspiracy, Securities Fraud. KCBS-TV, CBS 2, Los Angeles (11/2) reports, "Five men who worked for a San Diego brokerage took secret commissions for selling stocks their firm had bought cheaply and that their superiors wanted to run up in value, a prosecutor told a jury Wednesday." KCBS-TV continues, "The brokerage, Hampton Porter Investment Bankers, shut its doors abruptly in 2001, U.S. Justice Department attorney Kathleen McGovern told a federal jury in Los Angeles." KCBS-TV adds, "The five, Bryan Laurienti, Michael Losse, David Montesano, Curtiss Parker and Donald Samaria are charged with conspiracy and securities fraud in connection with the transactions, which typically involved thinly traded low-value stocks their firm had received at deep discounts, the prosecutor said. … The stocks were known as 'house stocks.' 'They carried out this scheme by pushing house stocks on their clients, many of whom had no business being in these stocks,' McGovern said her opening statement." KCBS-TV notes, "The owners of the brokerage, John Laurienti and Gregory Walker, have pleaded guilty and are cooperating with the prosecution of their former underlings, McGovern said. .. .Prosecutors allege that more than 100 of Hampton Porter's

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clients were bilked out of an estimated $5 million as the result of trades made between 1998 and 2000."

As Enron Task Force Disbands, Attorneys Leave For Private Practice. The Houston Chronicle (11/2, Hays) reports, "The Enron scandal led former CEO Jeff Skilling to a lengthy prison sentence. … But it also led to lucrative moves to law firms, promotions or academic careers for several of the federal prosecutors who dogged him and other corporate crooks." The Chronicle continues, "Two of the three prosecutors who headlined the trial of Skilling and former Enron Chairman Ken Lay have left government work for law firms with deep pockets. The third is considering options. … Several prosecutors have done the same, though others chose different paths after serving an Enron tour of duty." The Chronicle adds, "Upon Skilling's sentencing last week to 24 years and four months in prison for 19 criminal counts, the Justice Department said its Enron Task Force was disbanding after nearly five years, more than 30 indictments, 16 guilty pleas and five trials with a mixed record of success. … Their experience in chasing crimes made task force members hot commodities to law firms offering big money, said Adam Gershowitz, a professor at the South Texas College of Law in Houston. … 'They got a lot of recognition from it. That means the next time a major white-collar case comes along and people look down the Rolodex on who to hire, they may want one of these guys,' he said." The Chronicle notes, "Sean Berkowitz, the third director of the Justice Department's Enron Task Force since its inception in January 2002, left the government this week to switch sides. He cross-examined Skilling, challenging everything from the ex-CEO's truthfulness to whether he paid his taxes. … 'I'll be accepting with a major law firm in the Chicago area as soon as this week,' Berkowitz said Wednesday, declining to confirm the name. Several firms have reportedly pursued Berkowitz since the trial ended. … John Hueston, who brutally cross-examined Lay, will join Los Angeles firm Irell & Manella next week after wrapping up a two-week Enron speaking tour in China. … The third main prosecutor, task force deputy director Kathryn Ruemmler, confirmed Wednesday that she is exploring opportunities but hasn't decided what her next move will be."

Spitzer Presses Firms To Stop Paying Indicted Employees' Legal Tabs. Corporate Counsel (11/2, Hechler) reports, "Federal prosecutors aren't the only ones putting the squeeze on corporate defendants, it turns out. Like the U.S. Department of Justice, New York state Attorney General Eliot Spitzer has also pressured companies to stop paying the legal fees of employees who face criminal charges. Spitzer appears to be the only state AG who has raised fee payment as an issue." CC continues, "A handful of defense attorneys with clients indicted by Spitzer knew that he had demanded fee cutoffs. But the AG's tactics came as a surprise to several white-collar crime experts and leaders of the bar, including officials at the Association of Corporate Counsel, the National Association of Criminal Defense Lawyers and the American Bar Association." CC adds, "Most of Spitzer's targets are financial institutions swept up in his probe of mutual funds. According to a Corporate Counsel review of 17 agreements that Spitzer's office struck with companies accused of market timing, nine settlements included 'no indemnification' clauses. These provisions prohibit a business from paying the legal fees of indicted employees unless its bylaws require it. In one instance, Bank of America Corp. agreed to a no-indemnification clause even though its bylaws require it to pay fees. Moreover, the bank had already begun advancing expenses in at least one case." CC notes, "The fee issue first garnered public attention in the Justice Department's prosecution of 16 former employees of KPMG for allegedly promoting and selling illegal tax shelters. In June the federal district court judge hearing the case ruled that Justice lawyers had unconstitutionally pressured KPMG to stop paying the legal bills of its ex-employees. Judge Lewis Kaplan wrote in his decision that the right of employees to have their companies pay their legal expenses 'is as much a part of the bargain between employer and employee as salary or wages.'"

Halliburton Agrees To SEC Request For More Time In Bribery Probe. The AP (11/2, Gordon) reports, "Halliburton Co. has said it will agree to the Securities and Exchange Commission's request for more time to investigate possible bribery and corruption in connection with the company's natural gas operations in Nigeria." The AP continues, "The oilfield services conglomerate disclosed the SEC's recent request for a so-called tolling agreement in a regulatory filing on Tuesday. Such an accord will put off the time when the legal clock started running, or tolling, on the case under the statute of limitations - generally five years for such investigations." The AP adds, "The agreement also gives Houston-based

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Halliburton more time to make its case to the SEC against possible civil charges under the Foreign Corrupt Practices Act or to work out a settlement with the agency. The act makes it unlawful to bribe foreign government officials or company executives to obtain or retain business. .. . 'In September 2006, the SEC requested that we enter into a tolling agreement with respect to its investigation. We anticipate that we will enter into an appropriate tolling agreement with the SEC,' Halliburton said in its filing." The AP notes, "Both the SEC and the Justice Department have been investigating an alleged $180 million (â,¬141 million) bribery scheme in Nigeria involving the predecessor company of Halliburton engineering and construction subsidiary Kellogg, Brown & Root and three other companies - from France, Italy and Japan. The allegations center on a contract for a $4 billion (currently â,¬3.1 billion) Nigerian liquefied natural gas plant that was awarded in 1995 to a consortium of the four companies."

CRIMINAL LAW:

US Seeks Abramoff Incarceration In DC. The Miami Herald (11/2, Weaver) reports, "The imminent surrender of superlobbyist-turned-superinformant Jack Abramoff on a South Florida fraud conviction is eclipsing his starring role in a Washington corruption probe." The Herald continues, "Abramoff is set to turn himself in on Nov. 15 to serve about six years in prison for lying to obtain a $60 million bank loan to buy a fleet of South Florida gambling ships. … Now, Justice Department lawyers and Abramoff's attorneys are rushing to have the once-powerful Republican insider sentenced two days later on a separate corruption conviction. … That way, they say, he can be imprisoned near Washington to continue to inform the government on dozens of lawmakers under investigation. Abramoff faces between 9 and 11 years in prison." The Herald adds, "This week, U.S. District Judge Ellen S. Huvelle might consider their request for the Nov. 17 sentencing in Washington. … Justice Department prosecutors fear that if Abramoff ends up being incarcerated hundreds of miles from the nation's capital, their complex influence-peddling probe would be seriously hampered or indefinitely stalled. … The reason: Abramoff would not be as readily available to make sense of thousands of sensitive documents, e-mails, computer files and other potentially incriminating records for investigators. While he has been free on bond, he has been working around the clock as an informant for the Justice Department."

Investigators Found More LANL Classified Information At Trailer Than First Revealed. The Los Angeles Times (11/2, Vartabedian, 918K) reports, "A significantly larger amount of classified information from a nuclear weapons laboratory in New Mexico was discovered in a residential trailer during a police search on Oct. 17 than was disclosed by law enforcement officials, sources close to the investigation said Wednesday. … An FBI spokesman in New Mexico said the agency did not comment on ongoing investigations. But it was clear that federal officials had grown concerned about the security breach." The Times notes Nuclear Watch New Mexico "said it had obtained a detailed summary of a laboratory briefing. … The summary indicated that police had found 228 documents with information printed on both sides, including classified intelligence and weapons data. The computer thumb drives contained 408 separate classified documents. … The documents originated in a classified data vault in the lab's dynamic experiments division, which conducts tests on nuclear weapons components, the summary said."

State Department Cable Reveals Weldon's Daughter's Ties To Milosevic Ally. The Philadelphia Inquirer (11/2, Fazlollah, Shiffman, 399K) reports, "As her father the congressman publicly supported a Serbian family with close ties to war criminal Slobodan Milosevic, lobbyist Karen Weldon in 2003 won a $240,000 contract to help improve the family's image. Her relationship with the Karic family continued into late 2004, months after the House ethics committee began an investigation of her contracts and the role of her father, Rep. Curt Weldon." The Inquirer adds, "A newly obtained State Department cable shows that she tried to help the wife of Serbian tycoon Bogoljub Karic get a visa to visit Florida. The State Department -- noting the request came from a congressman's daughter -- opposed the visa, citing links to 'terrorist activities.'" Karic "has been on the lam since being charged in February with embezzling Serbian state funds." The Inquirer notes, "The FBI is now investigating Karen Weldon's work for the Karics and other clients, trying to determine whether Curt Weldon used his position to help her win contracts."

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Italian Defense Contractor Seen As Benefiting From Weldon Association. The Financial Times (11/2, Kirchgaessner) reports, "In an election year that has been tough for Republicans across the country because of the unpopularity of the war in Iraq and a host of corruption scandals in the capital," Rep. Curt Weldon's "campaign battle has been made more difficult by allegations that the lawmaker used his political weight to steer lobbying work to friends…and his own daughter." The Times notes Weldon "has defended his record and said he believed the FBI's investigation was politically motivated. Whatever the outcome of the probe, Mr Weldon's broad support for Finmeccanica," an Italian company which hired a Weldon friend as its lobbyist, "has undoubtedly helped the company make inroads in the lucrative market for US defence projects. The support also appears to have bolstered the congressman's hometown district, which was chosen by Oto Melara in 2004 as a site for a new plant."

Women Testify About Florida FCI Contraband-For-Sex Scheme. The Tallahassee Democrat (11/2, Subramanyam, 52K) reports, "One by one, women walked into a federal courtroom Wednesday to testify against two correctional officers charged in a sex-with-prisoners conspiracy on Day Three of their trial. Ten women, some in suits and others in chains and prison uniforms, described their encounters" with Tallahassee FCI officers Alan Moore and Gregory Dixon. "Some women told jurors they had sex with the officers in exchange for banned items. Others said they acted as lookouts or paid the officers to bring packages containing banned items into the prison. Defense attorneys tried to prove the witnesses were testifying in exchange for a reduced sentence."

Alabama Fire College Official Pleads Guilty To Misusing School Funds. The AP (11/2, Hunter) reports, "A former deputy director at the Alabama Fire College agreed to plead guilty to conspiracy and fraud charges Wednesday, the fifth person at the fire college in Tuscaloosa to be charged in the ongoing probe of corruption in the state's post-secondary system." Robert Nix "admitted to spending about $70,000 of foundation funds for home improvements such as a gazebo-covered Jacuzzi and various purchases including a large screen TV and two Harley Davidson motorcycles. He also admitted directing about $25,000 in fraudulent foundation scholarships to his son, granddaughter, grandson, sister and girlfriend's two daughters." The AP notes, "Former state Rep. Bryant Melton…was the first to be charged in the joint federal and state probe at the fire college, which is located at Shelton State. He entered an agreement similar to Nix's in June, admitting he funneled state legislative grants to the fire college foundation and then used the money to pay gambling debts."

Former Texas Police Officer Indicted On Bribery Charges. The AP (11/2) reports, "A former Elsa police officer is the second to be indicted recently for allegedly taking bribes to protect drug loads, federal prosecutors said Wednesday." Ismael Gomez "is accused in a one-count indictment of receiving about $2,500 to use his official position to protect a vehicle he believed was transporting 10 kilograms of cocaine. … Gomez surrendered to the FBI and was ordered held without bond pending a hearing Nov. 6. He faces up to 20 years in federal prison and $250,000 in fines if convicted."

Chicago Corruption Sentence Postponed By Defendant's Illness. The AP (11/2) reports, "The sentencing of a key figure in the federal investigation of Chicago's scandal-plagued Hired Truck Program was abruptly postponed Wednesday. Donald Tomczak, 70, the former deputy head of the city water department, was rescheduled to be sentenced next Monday. Attorneys said Tomczak was unable to come to court Wednesday because he had an unspecified medical condition." The AP notes Tomczak has "admitted taking payoffs from trucking companies in exchange for hauling work."

Commerce Bancorp No Longer Target In Philadelphia Corruption Probe. The Philadelphia Inquirer (11/2, DiStefano, Shiffman, 399K) reports, "One year after two of its former Pennsylvania executives were sentenced to prison, Commerce Bancorp Inc. says federal prosecutors in Philadelphia are no longer investigating the company. … Two federal law enforcement officials, speaking on condition of anonymity, confirmed that authorities had concluded their investigation." The Inquirer notes that in 2005, US Attorney Patrick Meehan "said the FBI had seized Commerce records to determine whether the bank had also given municipal officials in Philadelphia suburbs preferential treatment to win government business. But investigators found no wrongdoing by the bank."

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Florida Lawmaker Charged Over Threats To Colleague. The AP (11/2, Wides-Munoz) reports state Rep. Ralph Arza "resigned Wednesday from the Florida Legislature and was charged with two felonies in connection with leaving obscenity-filled messages and a racial slur on a colleague's voice mail." Arza "had been urged to resign by House Republicans and Gov. Jeb Bush after the messages left on Rep. Gus Barreiro's voice mail became public." Barreiro alleges "Arza used racial epithets when referring to a Miami-Dade County official. To thwart the investigation, Arza allegedly left threatening phone messages for Barreiro." State prosecutors charged Arza with "retaliating against and tampering with a witness."

Judge Denies Bail For Alleged Philadelphia Mob Enforcer. The Philadelphia Inquirer (11/2, Anastasia, 399K) reports alleged Philadelphia mob enforcer Vincent "Big Vince" Filipelli last may told a gambler he knew as "T.J." that "he bet. He lost. Now he had to pay. And if he didn't, Filipelli added, he would 'hunt him down and put him in the hospital.' … What Big Vince didn't know at the time was that T.J. was a New Jersey State Police trooper working undercover in an organized crime gambling investigation." The Inquirer adds, "After a protracted five-hour bail hearing yesterday, U.S. Magistrate Judge Ann Marie Donio pointed to that threat as the primary basis for granting the government's motion to have Filipelli, 53, held without bail. … FBI Agent James Titcombe, who was part of the joint federal-state probe, provided a detailed account of several meetings Filipelli had with the undercover investigators. Titcombe said Filipelli…boasted about his acts of violence and the fact that he was a 'made' member of the mob."

Western Pennsylvania Mob Boss Dies In Sleep At 87. KDKA-TV Pittsburgh (11/1) reported on its Web site, "Michael Genovese was one of the last links to a lost era -- an old-school mob boss who the law never caught up with. The head of the western Pennsylvania La Cosa Nostra is dead. By all accounts, mob informants, FBI agents and the now-defunct Pennsylvania Crime Commission, Genovese was the don of the Pittsburgh mob." KDKA noted, "Several of his underbosses -- including Chuckie Porter, Lou Ruicci and other mob lieutenants -- were all convicted in a federal trial in the 1990s. But they never brought charges against the reputed mob boss." Genovese "was 87 years old and died in his sleep."

Design Change Cited In Study Of "Big Dig" Tunnel Collapse. The New York Times (11/2, Wald) reports, "Engineers changed the design of the ceiling in Boston's Big Dig highway tunnel after they had already finished building the roof from which it would hang, and attached a new, heavier ceiling with hardware that had little margin of strength, the National Transportation Safety Board said on Wednesday." The Times continues, "Part of the ceiling collapsed on July 10, killing a woman as she rode in her car to Logan Airport and injuring her husband, who was driving. Details of the board's most recent discoveries were reported Wednesday in The Boston Globe. … According to the board, the original plan was for the ceiling in the area of the collapse to be made of metal coated with porcelain, but because of its high price, designers substituted pre-cast concrete panels, which are heavier. In some areas, they installed steel brackets in the roof for hanging the panels, but in the area of the collapse, in a connector tunnel that leads to Interstate 90, the roof was finished. So instead, they drilled holes in it and glued in anchors." The Times adds, "The board is an advisory agency that makes recommendations to government agencies and private parties after its investigations. The Massachusetts attorney general's office, the Justice Department and the Transportation Department's Office of Inspector General, whose investigations could lead to indictments, are also looking into the accident."

New York Businessman Charged With Stealing Employees' Identities. In a widely-distributed story, the AP (11/2) reports, "A prominent Westchester businessman has been charged with stealing his employees' identities to obtain more than $1 million in bank loans and credit card charges, prosecutors said." Compulinx Managed Services CEO Terrence Chalk "was indicted along with his nephew, Damon Chalk, by a federal grand jury on charges of conspiracy, credit card fraud, and making false statements to banks. Terrence Chalk pleaded not guilty in U.S. District Court on Tuesday, where U.S. Magistrate Judge George Yanthis ordered him held on $250,000 bond." The AP adds that Damon Chalk "was arrested by FBI agents Tuesday at La Guardia Airport. He was ordered held without bail."

Texas Newspaper Editor Sentenced To Prison For Child Porn Possession. The Texarkana Gazette (11/1, Milton) reported, "Former Cass

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County newspaper editor Charlie Harrist will spend 97 months in a federal prison for child pornography charges, a judge ruled Tuesday. … Harrist was convicted in June of two charges of federal child pornography, including possession of material involving sexual exploitation of minors and receiving material involving sexual exploitation of minors." The Gazette notes that when a repairman "found child pornography images on Harrist's computer and reported her findings to the Cass County Sheriff's Office. Harrist's computer was turned over to the sheriff's office, which was assisted in its investigation by the FBI."

High Court Mulls Retroactive Ruling In Bockting Case. The AP (11/2, Sherman) reports, "If Marvin Bockting were on trial today, his stepdaughter's accusations that he sexually abused her would not be allowed unless she testified about them in court." The AP continues, "The Supreme Court settled that issue in 2004 when it ruled that defendants have a constitutional right to cross-examine witnesses against them. … But Bockting was convicted in 1988 after 6-year-old Autumn Bockting's statements to Las Vegas police were presented to the jury even though the girl did not testify during the trial. He received a life sentence." The AP adds, "The question that reluctant justices confronted Wednesday was whether to apply the new rule to older cases, which the court has refused to do in a dozen cases over 17 years for matters of criminal procedure. However, an appeals court said the rule should apply retroactively and overturned Bockting's conviction as a result; other appellate courts have ruled differently. … Nevada Attorney General George Chanos and Justice Department lawyer Irving Gornstein argued that justices should not apply their 2004 ruling to older cases because, among other things, it would open the door to many defendants whose convictions depended on out of-court statements that were not subject to cross-examination."

Cable Fraud Probe Yields Second Guilty Plea. United Press International (11/2) reports, "A second Connecticut defense contractor has pleaded guilty to fabricating test data on fiber optic cables used on the Patriot missile system." UPI continues, "Patrick Hale was the operations manager for Ace & Co., Inc., in Naugatuck, Conn. Ace distributes electronic components through its Stran Technologies division, which makes fiber optic and electrical connectors. … The military bought hundreds of the electrical connectors, known as the Tactical Fiber Optic Cable Assembly. Some were used on the first generation of the Patriot missile launchers, among other military systems." UPI adds, "All the Stran cables have since passed the required tests, and there are no known safety or suitability issues, according to the Justice Department. … Hale faces a maximum term of imprisonment of five years and a fine of up to $250,000 on the fraud charge, and a maximum term of imprisonment of one year and a fine of up to $25,000 on a tax charge."

6th Circuit Upholds Kentucky Death Sentence Despite Flawed Defense. The New York Times (11/2, Liptak) reports, "Defense lawyers in capital cases are often criticized for conducting superficial investigations of their clients' backgrounds, but Ferdinand Radolovich's performance in a Kentucky case, one that ended in a death sentence, may have set a new standard. … 'Apparently,' a federal judge wrote in 2001, 'neither attorney Radolovich nor the prosecution knew of petitioner's actual identity until his case had been affirmed on appeal.'" The Times continues, "When he was later challenged about the quality of his work on the case, Mr. Radolovich testified that he was an accomplished death penalty lawyer at the time, having tried four capital cases. The real number was zero, the federal judge, Jennifer B. Coffman, found, and Mr. Radolovich has been indicted for perjury for his statement. … But none of this has helped the inmate in question, who was sent to death row as James Slaughter but whose real name is Jeffrey Leonard." The Times adds, "Yesterday in Cincinnati, splitting 7 to 7, the United States Court of Appeals for the Sixth Circuit declined to rehear the case. A dissenting judge, R. Guy Cole Jr., said the decision to allow Mr. Leonard to be executed even though the jury did not even know his real name, much less his background, opens a 'new chapter in our death penalty history.' … The case is not one of mistaken identity, and there is substantial evidence that Mr. Leonard is guilty of murder. But Mr. Leonard's current lawyers say a competent investigation of his background would have yielded a trove of evidence that might well have persuaded the jury to spare his life. He is, for instance, apparently brain damaged, and he endured a brutal childhood. … In June, the federal appeals court's three-judge panel agreed that Mr. Radolovich's performance was so bad that it violated the Constitution. But the two judges in the majority ruled against Mr. Leonard

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anyway, saying that better legal work would not have caused the jury to sentence him to life in prison instead of death."

CIVIL LAW:

FTC Asked To Probe Online Ad Profiling. The Washington Post (11/2, D02, Nakashima) reports, "Two consumer advocacy groups asked the Federal Trade Commission yesterday to investigate online advertising practices of Internet companies, asserting that the practices violate consumer privacy." The Post continues, "In a 50-page complaint, the D.C.-based Center for Digital Democracy and the U.S. Public Interest Research Group outlined online consumer tracking and profiling systems that they said are 'deceptive and unfair to millions of users.' … 'Our online travels are increasingly becoming part of vast databases that comprise the source material for sophisticated analytical engines designed solely to make us more susceptible to online marketing,' the complaint said." The Post adds, "The groups asked the FTC to investigate Microsoft Corp., Google Inc., Yahoo Inc. and other online companies and software firms, which they said were 'aggressively' building new tools to analyze and classify consumers' behavior across the Internet and other digital media -- computers, cellphones, video games and televisions. … They singled out a Microsoft service that allows advertisers to take information gleaned from watching the millions of people who use the company's MSN Internet network. The information is combined with demographic data from credit bureaus and other sources to tailor ads to people based on geographic location, sex, age group, lifestyle and time of day. Microsoft's ad system 'is deceptive and unfair,' the report said."

LATimes Urges Hugh Court To Reject Huge Payoff In Lung Cancer Case. The Los Angeles Times (11/2, 918K) editorializes, "When lawyers say, 'hard cases make bad law,' what they often mean is that a sympathetic plaintiff or an unattractive defendant can induce judges to depart from a general rule that makes sense. The U.S. Supreme Court should resist that temptation in ruling on an Oregon jury's decision to order a tobacco company to pay $79.5 million in punitive damages in a case involving a lifelong smoker who died of lung cancer. … Huge awards in individual lawsuits -- as opposed to sensible legislation -- are not the best way to curb smoking, obesity, gun violence and other threats to public health. The Supreme Court should see through the smoke screen of this 'hard' case and say that."

CIVIL RIGHTS:

As DOJ, FBI Launch Maryland Election Fraud Initiative, Poll Workers Get Misleading Calls. The Baltimore Sun (11/2, Harris, 262K) reports, "With Baltimore scrambling to make sure next week's voting goes smoothly, city elections officials expressed concern Wednesday at reports that a rogue caller was contacting poll workers and changing their Election Day assignments -- raising the prospect that some precincts might not have the staffing they need. State elections chief Linda H. Lamone contacted the FBI Wednesday after Baltimore officials reported that someone called at least 10 poll workers and falsely told them that their precinct assignments had been switched." The Sun notes, "Federal prosecutors and the FBI have established an election fraud initiative in Maryland, as they do every two years, and warned Wednesday that fraud is often subtle. 'It is a federal crime to seek out elderly or illiterate voters for the purpose of obtaining control of their ballots,' according to a press release from U.S. Attorney Rod J. Rosenstein. 'In addition, every voter has the right to mark his or her ballot in private.'"

Meanwhile, the Baltimore Business Journal (11/2, Terry) reported, "In a preemptive move that underscores the highly partisan and tightly contested races for public office that will be decided next week, the Maryland U.S. Attorney's office said Wednesday that federal prosecutors and FBI agents are prepared to review and investigate allegations of election fraud." The Journal noted, "Such a move isn't unprecedented; the U.S. Department of Justice has long mobilized its resources in election years to quell electoral corruption, said Marcy Murphy, public affairs specialist for the U.S. Attorney's Office. But Murphy also conceded 'a lot of people are talking' about voter fraud in Maryland, and Rosenstein and his top prosecutors want to get the word out: We're ready to investigate wrongdoing."

Election Judges Are "Human Safeguards" Of Voting Process. The Washington Post (11/2, Davenport, 748K) reports on its front page, "In the aftermath of glitches that marred primaries in Maryland and other states, a lot of attention has focused on electronic voting systems -- why they malfunctioned and how susceptible they are to attack. But

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the pillars of Election Day are" the poll workers or election judges, "the human safeguards" of the process. The Post then profiles election judges in suburban Maryland. The Washington Post (11/2, B6, Mosk, 748K) also reports that a "recently distributed guide for Republican poll watchers in Maryland spells out how to aggressively challenge the credentials of voters and urges these volunteers to tell election judges they could face jail time if a challenge is ignored." Democrats say they consider the handbook "evidence of a Republican effort to block people from voting Tuesday."

Four Indicted For Submitting False Voter Registrations In Missouri. The Kansas City Star (11/2, Helling) reports, "A federal grand jury handed up indictments Wednesday against four people for allegedly submitting false voter registrations to the Kansas City election board." The Star continues, "The indictments — against Kwaim A. Stenson; Dale D. Franklin; Stephanie L. Davis, also known as Latisha Reed; and Brian Gardner — include two felony counts against each, the U.S. attorney's office said. … All four defendants worked this year as voter registration recruiters for the Association of Community Organizations for Reform Now, known as ACORN." The Star adds, "ACORN officials said they no longer work for the group. And, they emphasized, ACORN turned in the names of three of the defendants to authorities last month after learning of the problem. … Each charge of "knowingly and willingly" filing the false information carries a potential penalty of five years in prison and a $250,000 fine. … 'Those who commit fraud in the electoral process dilute the votes of their fellow citizens,' U.S. Attorney Bradley Schlozman said in a statement. … The statement added: 'This national investigation is very much ongoing.'"

Election Fraud Hotline Created In Missouri. The St. Louis Post-Dispatch (11/2, Mannies) reports that "Catherine Hanaway, U.S. attorney for Missouri's Eastern District, said Wednesday that her office has set up a hotline for people reporting possible election fraud or voter discrimination in connection with Tuesday's election. The number is 314-539-7733. … Assistant U.S. Attorney John Bodenhausen, an assistant U.S. attorney, will coordinate the office's efforts, which are part of the Justice Department's nationwide Election Day Program."

Conference Discusses Human Trafficking Into West Texas. The El Paso Times (11/2, Meritz) reports, "Far West Texas and Southern New Mexico's proximity to the U.S.-Mexico border creates a unique environment in which immigrant-smuggling operations can easily change into abusive, exploitative human trafficking, experts said Wednesday at an El Paso conference. Victims of human trafficking -- who often are manipulated into forced labor, prostitution, sex tourism and pornography -- are typically reluctant to come forward for fear of deportation, recriminations from their trafficker or insecurity about admitting they are victims, experts said." The Times notes, "Jennifer Romero, a victim specialist for the FBI in El Paso, said that victims often experience debilitating psychological abuse at the hands of the trafficker, who lures them with the promise of good jobs and assistance navigating through the U.S. immigration process, she said. … Victims then can be forced into jobs that are illicit and illegal, such as prostitution and sex tourism. 'Screw with the mind, and the body will follow,' she said."

DOJ Excludes Mississippi Town's Newly Annexed Residents From Primary Vote. The Biloxi (MS) Sun Herald (11/2, LaFontaine) reports from Waveland, MS, "Newly annexed residents here will not have a say in Tuesday's party primaries for mayor and aldermen, according to a letter Wednesday from the Justice Department. … However, voters who register to vote before 5 p.m. on Monday will be allowed to vote for mayor and aldermen in the Dec. 5 general election." The Herald continues, "The city had been awaiting an official decision from the federal government for several weeks on whether nearly 1,000 residents would be included in next week's vote. … The residents officially became Waveland citizens in July when the city settled an annexation dispute with neighboring Bay St. Louis in a deal that gave Waveland a stretch of land along the western right of way of Mississippi 603. … According to federal legislation adopted in the 1960s, the Justice Department must review changes in ballot procedures, voting districts and other electoral rules in several states - mostly in the South - to ensure that minorities maintain influence in elections." The Herald adds, "In the settlement, Bay St. Louis took a massive slice of land between the highway and the Jourdan River, stretching north to Interstate 10. … Many residents on both sides of the highway were anti-annexation, and some believe Waveland purposely

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delayed a federal decision to eliminate the disgruntled new voters from this year's election. … Earlier this year, Waveland attorney Zach Butterworth said the city was hoping to have a decision at least 30 days before the party primaries, which would have given the new residents time to become registered voters. … On Wednesday, Butterworth dismissed claims of malice and said federal approval simply took longer than the city first thought."

Probe Of DeKalb County Police Shootings Urged. The Atlanta Journal-Constitution (11/2, Simpson, Gentry) reports, "A DeKalb County civil rights activist Wednesday called for an outside investigation of a string of shootings by police, and the sister of a slain suspect plans to organize a protest this week to demand that the department do a better job of training its officers. … 'Bring in the FBI, the GBI and the Justice Department to investigate all of the shootings,' said John Evans, former president of the DeKalb County chapter of the NAACP. 'And then set up a civilian review board [to review future cases].'" The AJC continues, "An article in Wednesday's Atlanta Journal-Constitution prompted the call for the outside investigation, said Evans, who now heads up a local civil rights group based in Lithonia known as Operation LEAD. … The AJC examined internal reports of 31 shootings from 2001 to 2005 and found that officers had a pattern of violating department policy, such as forcing confrontations with armed suspects without backup, shooting into moving cars and neglecting safety rules for handling suspects once they were in custody."

Kansas AG Receives Abortion Clinic Records In Criminal Probe. The AP (11/2, Hanna) reports, "The state attorney general said that his office has received the records of 90 patients from two abortion clinics and is reviewing them for possible crimes, the culmination of an effort that prompted concerns over patient privacy." The AP continues, "Attorney General Phill Kline, one of the United States' foremost abortion opponents, said Tuesday the targets of his investigation are rapists, sex offenders with child victims - and doctors involved in abortions. Those doctors could include physicians performing abortions, providing a second opinion for late-term abortions or failing to report abuse of a child. … The clinics had argued that giving the attorney general access to the records would invade patients' privacy." The AP adds, "Shawnee County District Judge Richard Anderson subpoenaed the records at Kline's request in September 2004, concluding there was probable cause to believe they contained evidence of crimes. … While Anderson didn't give Kline unfettered access to the records, the state Supreme Court imposed new guidelines for having them reviewed and edited before they were given to the district court. Under that process, neither Kline nor the judge saw the names of the patients. … Kline's office received redacted copies of the records a week ago."

South Dakota Abortion Referendum Could Have National Implications. ABC World News (11/1, story 6, 2:35, Gibson, 8.78M) ran an "A Closer Look" report on the South Dakota abortion ban referendum, saying "the outcome could influence the abortion battle around the country." ABC (Reynolds) added, "State Legislator Robert Hunt wrote the legislation. Was it drawn up…to give the Supreme Court food for thought?" Hunt: "Yes, it was." Reynolds: "There are plenty of signs of support. But recent polls say the law may well be voted down. In a conservative state, that's interesting enough. But what sets this debate apart is that there are many here who oppose both abortion and this law, believing it so restrictive it could actually hurt their cause."

The New York Times (11/2, A23, Davey, 1.21M) reports the "fierce battle" has cost "some $4 million, much of that from places other than South Dakota. That is what the two largest political groups campaigning on the issue say they have collected in the months leading up to next week."

Military Hit From Two Sides On Questions Of Religion. The Washington Post (11/2, A3, Cooperman, 748K) reports, "The U.S. military is being buffeted by dueling legal claims over religion, with one set of plaintiffs contending that the Pentagon is suppressing evangelical Christianity and another set arguing just the opposite -- that the brass gives the most aggressive evangelicals free rein to proselytize in uniform." Navy Chaplain Gordon Klingenschmitt is charging the Navy "with violating his First Amendment rights by forbidding him to pray 'in the name of Jesus' at public ceremonies," while at the same time, former Reagan Administration lawyer Mikey Weinstein accuses "all the armed services of allowing evangelical Christians to pressure members of other faiths."

Marriage Amendments Expected To Pass In All Eight States Where They Are On Ballot.

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The Washington Times (11/2, Wetzstein, 88K) reports, "Voters in eight states are expected Tuesday to pass constitutional amendments that define marriage as the union of one man and one woman. But in at least three states," Arizona, South Dakota, and Wisconsin, the "margin of victory -- if there is one -- may be razor-thin." The outcome seems more certain in the other five states: Colorado, Idaho, South Carolina, Tennessee, and Virginia.

Female Voters Likely To Decide Michigan Affirmative Action Question. The Washington Post (11/2, A6, Broder, 748K) reports on Michigan's referendum on affirmative action, saying that "female voters will probably decide" whether the state "becomes the third state to outlaw preferential treatment for minorities and women in education, state employment and public contracting."

ANTITRUST:

CVS To Buy Caremark For $21.2 Billion. The AP (11/2, Johnson) reports, "Drugstore operator CVS Corp. announced Wednesday it is buying pharmacy benefits manager Caremark Rx Inc. for about $21.2 billion in stock, creating a company that will have formidable power in negotiating lower prices with drug companies." The AP continues, "The deal would create a $75 billion drug distribution powerhouse that could compete more effectively for customers as Wal-Mart Stores Inc. and other retailers introduce programs selling cheap generic drugs. … 'This is all about giving the consumers unparalleled access and choice ... It will help providers deliver the right drugs at the right time,' CVS CEO Tom Ryan said in a conference call. … But investors sent shares of both companies lower, and some analysts raised concerns about integrating the two businesses." The AP adds, "SunTrust Robinson Humphrey analyst David Magee wrote in a note that the deal could be seen as too much risk for CVS which is still digesting acquisitions from the past couple of years, including purchasing the Sav-On drug store chain made earlier this year. He also wrote the deal could distract CVS from growing its existing business lines. … He said the he was optimistic about the long-term implications of the deal because of the size and buying power of the new company. … The merger brings together companies from two industries that have had a sometimes bitter rivalry. PBMs offer customers the option of purchasing their drugs through the mail for reduced prices. Drug stores have argued such policies cut into their revenue and compromise patient safety because it deprives them of access to a pharmacist."

Kazaa Reportedly To Pay $10 Million In Settlement With Music Industry. The New York Times (11/2, Peters) reports, "Kazaa, the file-sharing successor to Napster that record companies have been battling for years, has reached a tentative settlement in the last of three major lawsuits against it." The Times continues, "Under the agreement with the National Music Publishers' Association, Kazaa agreed to pay music publishers and songwriters a 'substantial sum,' the association said. Though it not disclose the figure, a person with knowledge of the terms of the deal said it was about $10 million. … Kazaa also agreed to continue using filtering software intended to prevent unauthorized exchange of copyrighted songs over its network." The Times adds, "The music and motion picture industries sued Kazaa, as well as the rival file-sharing networks Grokster and Morpheus, in 2001, claiming that they facilitated the illegal distribution of copyrighted material. … Kazaa, which is operated by Sharman Networks in Australia, settled separate lawsuits by recording artists and motion picture studios in July, agreeing to pay a total of $115 million. That left one major case from 2001 still unresolved, the one filed by the association, which represents songwriters and their publishers. … The association notified the United States District Court in Los Angeles on Monday that the two sides had reached an agreement in principle. The terms of that agreement are subject to final court approval, and also must be approved by the board of the publishers' association and the individual plaintiffs."

Mittal Steel's Fate Likely To Be Decided This Month. Bloomberg (11/2) reports, "Mittal Steel Co., the world's largest steel producer, said the trust holding Canadian steelmaker Dofasco Inc. will likely make a decision by the end of this month on whether to sell the business to ThyssenKrupp AG." Bloomberg continues, "The Netherlands trust, created by Arcelor SA in April to try to thwart Mittal's hostile takeover bid, will likely decide whether to allow the sale by Nov. 28 to comply with an antitrust agreement with the U.S. Justice Department, Carlos Hernandez, Mittal's U.S. legal counsel, said Oct. 30." Bloomberg adds, "Mittal must sell either Dofasco or one of two tin mills in Weirton, W.Va., or

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Sparrows Point, after the Justice Department said in May the merger between Mittal and Arcelor would lead to less competition in tin mill products in the Eastern United States. Mittal is required by the department to use its 'best efforts' to try to sell Dofasco." Bloomberg notes, "Luxembourg-based Arcelor agreed to buy Dofasco for $4.95 billion in January, giving it 10 percent of the North American automotive steel market. Rotterdam-based Mittal in January agreed to sell Dofasco to ThyssenKrupp if its takeover of Arcelor was successful."

Smith & Nephew In Talks To Acquire Biomet. The New York Times (11/2, Sorkin) reports, "Smith & Nephew, the British maker of orthopedic products, is in early talks to acquire an American rival, Biomet, the nation's largest manufacturer of artificial hips, knees and other orthopedic devices, for more than $9 billion, people briefed on the negotiations said yesterday." The Times continues, "The preliminary talks come more than six months after Biomet hired Morgan Stanley to help consider 'strategic alternatives focused on enhancing shareholder value.' … Other suitors, including several private equity firms, have also expressed interest in Biomet, these people said. Rivals like Zimmer Holdings; DePuy, a subsidiary of Johnson & Johnson; and the Stryker Corporation have not participated in the auction, these people said, because of potential antitrust concerns." The Times adds, "Speculation has been rife in recent weeks that Smith & Nephew, which is based in London, had approached Biomet, and its shares rose more than 16 percent in the last month. Biomet's stock fell 44 cents yesterday, to $37.40 a share. Smith & Nephew has long been viewed as the natural buyer for Biomet, analysts said. … Biomet, which is based in Warsaw, Ind., is expected to fetch at least $10 billion, analysts suggest, though the company still could decide against selling and call off the auction entirely." The Times notes, "One cloud hanging over Biomet is a Department of Justice investigation that started in June over possible criminal violations of antitrust regulations in the manufacturing and sale of orthopedic implant devices among the top companies in the industry."

Tribune Weighs Partial Sale Of Holdings. The Wall Street Journal (11/2, A1, Ellison) reports, "Tribune Co., the big media company whose properties include the flagship Chicago Tribune, the Los Angeles Times and the Chicago Cubs baseball team, has told prospective bidders it is prepared to consider offers to sell off parts of itself after receiving lower bids than expected for the entire company, said people familiar with the situation." The Journal continues, "The move raises the prospect that Tribune Co., whose current market value is $8.4 billion, could become the second large U.S. newspaper chain this year to drastically remake itself under investor pressure. The changes signal tectonic shifts in newspaper ownership in an age when readership and advertising, threatened by the Internet and other new technologies, are under siege. It also marks an about-face for Tribune management, which earlier this year rebuffed calls from its biggest shareholder, the Chandler family, to consider a sale or a breakup." The Journal adds, "For the newspaper industry, the postwar era has been dominated by giant newspaper chains like Tribune and Gannett Co. snapping up regional newspapers and creating broad, publicly traded companies generating large profits even as circulation slowly declined. But the surge in online news, a steep drop-off in younger readers and the migration of advertising to the Internet has hammered profits and stocks for many media companies, which have been slashing costs and seeking other new strategies. … A breakup of part or all of Tribune would follow the full breakup earlier this year of Knight-Ridder Inc., which sold all of its 32 newspapers -- a portfolio which included the Miami Herald and the Philadelphia Inquirer -- to McClatchy Co. It turned around and sold 12 Knight-Ridder papers, some to local business interests. … Indeed, a slew of local owners like the investor group that purchased the Philadelphia Inquirer and Daily News from Knight-Ridder could be lined up to take Wall Street's place in the industry."

ENVIRONMENT/INDIAN AFFAIRS:

High Court Hears Case Dealing With Clean Air Rules. The Wall Street Journal (11/2, A6, Anderson, 2.03M) reports, "Several justices resisted pleas from environmental groups and the federal government for the Supreme Court to overturn a lower-court ruling that spared Duke Energy Corp. from having to install pollution controls on several power plants. The outcome of the case wasn't clear, with the nine-member court appearing divided on how to rule." Duke Energy and the Environmental Protection Agency "have been fighting over whether the company was required to get federal permits before it modernized eight coal-fired power plants in North Carolina and South Carolina in a way that increased efficiency but let them run longer hours so as

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to emit more pollution." The case's impact "may be limited because the Bush administration has proposed industry-friendly rule changes that would exempt power companies from new permits when retrofitting their plants as long as the hourly rate of emissions doesn't increase."

The Washington Post (11/2, A10, Lane, 748K) says justices "took a skeptical view of an Environmental Protection Agency crackdown on air pollution from electric power plants yesterday as the court heard oral arguments in a major case on the authority of the federal government to punish violations of the Clean Air Act. … At yesterday's argument, most of the justices who spoke up seemed to agree with industry's view."

Groups Ask Judge To Overturn National Forest Rules. The AP (11/2, Chea) reports, "Environmentalists asked a federal judge Wednesday to overturn the Bush administration's rules for managing the country's 155 national forests, arguing that the regulations illegally weaken protections for wilderness and wildlife." The AP continues, "Issued in December 2004, the rules represented a major shift in how the government balanced conservation and commercial interests in its 192 million acres of forest land. The management plan gave regional forest managers more discretion to approve logging, drilling and other projects without lengthy environmental studies." The AP adds, "Wednesday's hearing in federal court in San Francisco was the first since a coalition of environmental groups sued the Bush administration over the changes in February 2005, a month after they took effect. … Lawyers for the environmentalists told U.S. District Court Judge Phyllis Hamilton that the rules do not include the safeguards for endangered wildlife and forests that federal law requires. The rules allowed forest management plans to be revised without environmental studies and repealed a requirement for forests to maintain 'viable' populations of native wildlife. … They also argued that the administration failed to study adequately the environmental impact of changing forest management practices and did not give the public enough opportunity to comment on the revisions. … Administration officials said the rules allow forest managers to respond more quickly to wildfires, invasive species and other emerging threats. The change shortened the time to get revisions made from as many as nine years to as few as two or three. … In court Wednesday, Cynthia Huber, a Justice Department attorney, defended the Bush forest rules. She said the administration provided 90 days of public comment when it issued its draft proposal to overhaul forest management rules in December 2002."

GAO Launches Investigation Of Interior Department's Oil And Gas Royalty Program. The New York Times (11/2, Andrews, 1.21M) reports the GAO "is beginning a broad investigation into potential deficiencies in how the government collects billions of dollars in royalties from companies that produce oil and gas on federal territory. The inquiry is being done at the request of the Republican-led House Government Reform Committee." The Times says, "In announcing the investigation, Republican lawmakers said they had worries about the management of the entire royalty program by the Interior Department, including its regulations and enforcement practices and the accuracy of basic information." The department's Minerals Management Service, "has come under growing criticism from lawmakers in both parties for losing track of billions of dollars in royalties."

Sierra Club Leader Says California Prop. 87 Would Help Free US From "Grip Of Big Oil." In a USA Today (11/2, 2.27M) op-ed, Carl Pope, executive director of the Sierra Club, writes, "Californians can help put the USA on the path to a saner, cheaper, smarter, more secure energy future by voting 'yes' on Proposition 87." He says, "A monumental investment in new energy technologies ought to be a top political priority. Instead, federal spending for energy research and development is half what it was 25 years ago. Congress has handed over billions in new subsidies to oil companies, despite the fact that oil industry profits have tripled in the past three years." Californians "can help the entire nation free itself from the grip of Big Oil by approving Proposition 87." Pope concludes, "By supporting Prop 87 on Tuesday, California citizens can be leaders once again and make an important investment that will pay dividends for current and future generations."

FBI/DEA/ATF/USMS:

Grand Jury Expected To Issue BALCO Indictments. The San Jose Mercury News (11/2, Almond) reports, "The track and field coach who ignited the Balco Laboratories drug scandal in 2003 is expected to be charged by the U.S. Attorney on Thursday with obstructing the investigation." The News continues, "Trevor Graham, who

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has coached sprinters Marion Jones, Justin Gatlin, Tim Montgomery and other Olympic medal winners, will be indicted for making false statements to federal agents investigating the steroids case, the Associated Press reported Wednesday. AP cited two unidentified Justice Department sources." The News adds, "In June, 2003, Graham sent the U.S. Anti-Doping Agency a syringe with traces of a steroid known as 'the clear' and fingered Balco as the source. … The Mercury News previously reported one of Graham's former athletes told the San Francisco grand jury investigating Balco that the Raleigh, N.C., coach sold the sprinter illegal drugs. Graham, who runs the Sprint Capitol USA team, has repeatedly denied wrongdoing. … His attorney, Joseph Zeszotarski, declined to comment Wednesday evening. He previously said Graham told the truth when interviewed by authorities in 2004."

The AP (11/2) reports, "Graham operates Raleigh, N.C.-based Sprint Capitol USA, a team of about 10 athletes that includes 100-meter co-world record holder Justin Gatlin, who tested positive for testosterone and other steroids in April. … Graham also coached sprinter Marion Jones, who won five medals at the 2000 Sydney Games, and her ex-boyfriend Tim Montgomery, suspended from competition for two years although he never tested positive for a banned substance. … Several of Graham's athletes, however, have tested positive for banned substances, and the coach is being investigated by a grand jury for lying to those looking into doping among elite athletes connected to the Bay Area Laboratory Co-Operative, the now-defunct Burlingame supplement company that served as a front for a steroids ring. "

Local Television. The impending indictment received moderate coverage by local California television newscasts. Some examples are: KGO-TV San Francisco, Oakland, San Jose, (11/01, 6:00 p.m.) broadcasted, "There is major development in the BALCO steroid scandal. Five men connected to the indictment have pleaded guilty to distributing steroids including BALCO's founder and now, the man to left here Trevor Graham who trained Marion Jones and Tim Montgomery is expected to be indicted for making false statements in that case. Though they were tainted by the scandal, neither has tested positive for steroids. And a track coach who tipped off feds about the BALCO steroid scandal may find himself on the other side of the law." KRON-TV San Francisco, Oakland, San Jose, (11/01, 6:00 p.m.) broadcasted, "New details had in the BALCO steroid scandal. Heather Donald is in the news room with the latest. Reporter: According to the Associated Press, track coach Trevor Graham could be indicted as soon as tomorrow in connection with the probe. Justice Department officials tell the AP that Graham will be charged with making false statements to investigators." KTVU-TV San Francisco, Oakland, San Jose, (11/01, 6:00 p.m.) broadcasted, "Investigators say Trevor Graham from BALCO withheld information from investigators. Two years ago, Graham sent a used syringe with trays of a steroid to doping officials that caught up dozen knows of athletes including track star Marion Jones and her ex-husband and others."

Two Suspects In California Wildfire Arson Case Arrested. USA Today (11/2) reports from Beaumont, CA, "An auto mechanic in jail Wednesday in connection with two June arson fires is a "person of interest" in last week's massive wind-whipped wildfire that killed five federal firefighters, the Riverside County Sheriff's Department said." USA continues, "Raymond Lee Oyler, 36, was arrested Tuesday after his home was searched Monday, Sgt. Earl Quinata said. .. Quinata issued a news release Tuesday night that said Oyler was not a suspect in the Esperanza fire. He has not been charged in that fire." USA adds, "Oyler, who is being held in the Riverside County Jail in lieu of $25,000 bail, is accused of igniting the two earlier fires near this rural town 20 miles west of Palm Springs. He is being arraigned today on charges related to those fires, the sheriff's department said. … Jason Walden, general manager of the auto center where Oyler has worked for four months, described him as a real workhorse. 'They're climbing up the wrong tree,' said Walden, a former firefighter with the U.S. Forest Service. 'He's not someone who is into fire.' … Oyler uses blowtorches on the job, but 'he doesn't get that gleam in his eye like a pyromaniac,' Walden said." USA notes, "Whoever is ultimately charged with last week's wildfire arson also will face murder charges and, potentially, the death penalty, said Sara Danville, Riverside County chief deputy district attorney for the Major Crimes Unit. … Firefighters on Monday were able to surround the wildfire that blackened more than 40,200 mostly uninhabited acres, the California Department of Forestry and Fire Protection reported. Firefighting costs reached $9.9 million."

Former Ohio Man Nabbed In Nationwide Fugitive Dragnet To Be Announced Today. The Toledo Blade (OH) (11/2) reports, "A former Toledo man

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who was arrested last week on an 11-year-old outstanding warrant is among the fugitives nabbed in a nationwide law enforcement dragnet that will be the subject of a major announcement (Thursday) by Attorney General Alberto Gonzales." The Blade continues, "Russell Johnson, 49, was wanted for an alleged probation violation that stems from a 1991 conviction in Lucas County Common Pleas Court for sexually assaulting an 11-year-old girl. … A resident of Florida, Johnson was arrested by officers with Northern Ohio Violent Fugitive Task Force on Oct. 22 at a mobile home park at 3510 Consaul St. in East Toledo." The Blade adds, "Mark Herr, a Lucas County assistant prosecutor, said Johnson's arrest was part of a dragnet involving federal, state, and local authorities to apprehend suspects wanted in homicides, sexual assaults, gang-related crimes, kidnappings, major drug offenses, and crimes against children and the elderly. … 'He is a very high-profile figure,'' said Mr. Herr, who was informed of the arrest by U.S. Marshals involved in the operation. … The Justice Department is planning to announce the arrest of Johnson and others tomorrow in Washington as part of an effort to track down and arrest fugitives from justice, Mr. Herr said."

Kentucky Man Arrested In Multi-Agency Sweep. The Murray (KY) Ledger & Times (11/2) reports, "A 19-year-old Murray man was arrested in a multi-agency round up of people who committed sex crimes." The Ledger & Times continues, "Brian Gryzmala, of Murray, was charged with distribution of matter portraying a sexual performance by a minor and possession of matter portraying a sexual performance by a minor, according to a release from the Kentucky State Police. … KSP and the Kentucky Internet Crimes Against Children Task Force announced Monday the results of Operation Harvest Moon. The effort aimed to arrest suspects involved in online child sexual exploitation crimes and non-compliant registered sexual offenders." The Ledger & Times adds, "Operation Harvest Moon resulted in 11 federal indictments and three state arrests, including Gryzmala. … 'The message is clear: Kentucky is and will continue to be a child-predator-free zone,' U.S. Attorney for the Eastern Kentucky District said in the KSP release. 'The message to child sexual predators should also be clear: Stay out of our state. These people are the lowest dregs of society and we will not allow them to harm our children.' … Operation Harvest Moon began Oct. 23 and culminated months of investigations by KSP and other law enforcement agencies throughout the state. … The other agencies partnering with Kentucky ICAC include the FBI, U.S. Secret Service, U.S. Marshals Service, U.S. Attorney's Office, U.S. Postal Inspection Service, Louisville Metro Police Department, Lexington-Fayette Urban County Division of Police, Owensboro Police Department, Bowling Green Police Department, Morehead Police Department, Winchester Police Department, Franklin Police Department, Oldham County Police Department and Boone County Sheriff's Department."

Man Wanted In Colorado Sexual Assault Case Arrested In Nevada. The Las Vegas Review-Journal (11/2) reports, "A fugitive strike team arrested a 43-year-old North Las Vegas man late Monday on a warrant charging him with multiple counts of sexually assaulting an 11-year-old girl in Littleton, Colo." The Review-Journal continues, "Michael Pope, who once worked as a dealer in Las Vegas casinos in the late 1980s and early 1990s, was taken into custody without incident while trying to hide in a vehicle, according to task force commander Patrick Sedoti. … Pope's arrest stems from incidents that authorities in Jefferson County, Colo., said occurred between December 2004 and June 2005 when he was renting a room in Littleton and occasionally was the baby sitter for the girl, who lived in the home." The Review-Journal notes, "Pope had moved to North Las Vegas, where he lived with his sister until moving out recently to live near Fort Apache Road and Charleston Boulevard, said Fidencio Rivera, chief deputy of the U.S. Marshals' office in Las Vegas."

ATF Probes Theft Of Explosives From Michigan Asparagus Field. The Muskegon Chronicle (MI) (11/1Theresa D., McClellan) reports, "Missing explosives from a Ferry Township asparagus field has sparked the interest of federal authorities." The Chronicle continues, "The Bureau of Alcohol, Tobacco, Firearms and Explosives posted a $5,000 reward for information leading to an arrest and conviction in connection with whoever dug up and stole the materials buried about 3 feet deep on the 48-acre site. … The materials had been placed by Bay Geophysical Inc. of Traverse City. The company used them to create seismic charges while looking for gas and oil, having been doing gas and oil explorations 'for a few years,' Michigan State Police Trooper Stacy Baylis said." The Chronicle adds, "The materials were eight 150-gram Pentalite seismic charges and nine electric cap detonators. When combined, each charger has the explosive power of a half stick of dynamite, police said. … 'In a word, damage

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could be considerable. That could remove the front of a small building,' said Sgt. Troy Fellows of Michigan State Police's Hart post. … The theft was discovered Monday. Company officials estimate it occurred between 6 p.m. Sunday and 11 a.m. Monday, police said. … 'This is a federal case, the feds are investigating and we are making no other statement,' said a company spokeswoman, who declined further comment. … 'Theft of explosives is a top priority for ATF. The stolen charges and detonators are identified as high explosives and are dangerous,' said ATF Special Agent Valerie J. Goddard."

St. Louis Man Pleads Not Guilty In Date Rape Drug Case. The St. Louis Post-Dispatch (11/2) reports a St. Louis man "pleaded not guilty Wednesday to charges connecting him with the 'date rape drug' overdose death of a SIUE senior in 2002 — but he was unsuccessful getting a federal judge to issue a gag order in the case. John F. Berger, 36, was arraigned Wednesday afternoon. … U.S. Attorney Catherine Hanaway said that investigators believe Berger supplied the drug that killed Tressa Gross on April 7, 2002." U.S. Magistrate Judge Thomas Mummert III "turned down the gag order and got Assistant U.S. Attorney Jim Delworth to promise that his office and the Drug Enforcement Administration will make no more public statements without discussing the issue with him."

New Jersey Heroin "Kingpin" Convicted. The AP (11/1) reports an Irvington man who authorities "say was a major heroin kingpin faces up to life in prison after a jury convicted him Tuesday of conspiracy, racketeering, drug, gun and money laundering charges. Authorities said Charles 'Black' Hamilton was the head of an operation that moved huge amounts of heroin _ about 20,000 doses a week _ from northern New Jersey to the Trenton area. At the time Hamilton was arrested in 2004, authorities believed his operation was responsible for three-fourths of the heroin in Trenton."

In Texas, Testimony Continues In "Operation Icebox" Case. The Tyler (TX) Morning Telegraph (11/2) reports the U.S. government "presented the rest of its evidence Wednesday in the trial of three men involved in a large methamphetamine-distribution ring that spanned three states. A confidential informant and co-defendant testified in the 'Operation Icebox' case in U.S. District Judge Leonard Davis' court, along with law enforcement officials and forensic chemists. … A confidential informant testified Wednesday that he bought 'ice' meth from Jose Zavala, whom he called a 'pretty large drug dealer in the Tyler area.' He said Rene Zavala helped his brother distribute the meth and picked the drugs up in Dallas."

Border Guard Accused Of Accepting Bribes From Drug Smuggler Released On Bond. In Seattle, the AP (11/1) reports a U.S. border guard "accused of accepting cash and sexual favors from a female drug smuggler was released Tuesday on a $20,000 bond, against the wishes of prosecutors. Federal Magistrate Judge Mary Alice Theiler also agreed to let the guard, Desmone Bastian, continue living in Surrey, British Columbia, where he will be monitored pending trial, scheduled for Jan. 2. Bastian has pleaded not guilty to one count of accepting a bribe and another of importing controlled substances."

Mexico's Former Drug Czar To Stand Trial On New Charges. In Mexico City, the AP (11/2) reports Mexico's former drug czar, "already serving 71 years for drug trafficking and racketeering, has been ordered to stand trial on a new set of firearms and corruption charges. Jesus Gutierrez Rebollo is accused of handing out military weapons to corrupt government officials, the federal attorney general's office said. … Gutierrez Rebollo was convicted of drug trafficking, racketeering and corruption and sentenced to 40 years in prison. He was later convicted of handing out military firearms to drug traffickers and sentenced to an additional 31 years and 10 months." There are more that 50 media references to the new charges Gutierrez Rebollo faces. News outlets that used the AP story include the New York Times, Washington Post, San Diego Union-Tribune, Newsday, Houston Chronicle, and Dallas Morning News.

Former California High School Coach Gets Probation In Drug Case. The San Diego Union-Tribune (11/1) reports, "A former La Costa Canyon High School girls water polo coach who had cocaine and Ecstasy in his car when stopped in February was sentenced Wednesday to probation and ordered to register as a narcotics offender. Steven Pierce Moyer, 43, pleaded guilty Sept. 11 to possession for sale and transportation of Ecstasy. … A U.S. Drug Enforcement Administration agent testified at Moyer's July 14 preliminary hearing that the defendant was

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overheard ordering cocaine and Ecstasy from a known drug dealer, Michael Cardosi."

IMMIGRATION:

Federal Judge Blocks Hazleton, PA, Crackdown On Illegal Immigrants. The AP (11/2, Rubinkam) reports, "A federal judge blocked the city of Hazleton from enforcing a pair of tough ordinances targeting illegal immigrants, just hours before the measures were to go into effect." The AP continues, "The measures, approved by City Council last month, would have imposed fines on landlords who rent to illegal immigrants and denied business permits to companies that give them jobs. They also would have required tenants to register with City Hall and pay for a rental permit." The AP adds, "U.S. District Judge James Munley ruled that landlords, tenants and businesses that cater to Hispanics faced 'irreparable harm' from the laws and issued a temporary restraining order blocking their enforcement. .. . 'We find it in the public interest to protect residents access to homes, education, jobs and businesses,' he wrote in a 13-page opinion." The AP notes, "Hispanic groups and the ACLU sued Hazleton on Monday, contending the laws violate the Constitution because they trample on the federal government's exclusive power to regulate immigration. … Mayor Lou Barletta, who spearheaded the law, has argued that illegal immigrants have brought an increase in drugs, crime and gangs to the city. The city's lawyers on Tuesday cited a 10 percent increase in crime between 2004 and 2005 as a reason why the ordinances should be enforced."

Democratic Congress Could Boost Bush Immigration Agenda. In the fourth installment of its five-part series on "The Next Congress," the Washington Times (11/2, Dinan, 88K) says immigration "is the one major issue on which President Bush is likely to fare better next year if Democrats win control of Congress. The issue is unfinished business to which all sides promise to return, after House Republicans this year prevented Mr. Bush from winning both a guest-worker program and citizenship rights for most illegal aliens." Congress "still faces the four major immigration questions that it punted on this year -- how to secure the border, how to boost workplace enforcement, whether to create a new program for future foreign workers in addition to the existing work programs that hundreds of thousands of people already use; and what to do about the estimated 12 million to 20 million illegal aliens now in the country." Bush, "joined by almost all Democrats and some Republicans, wants action on all of those issues."

Federal Government Sued Over Immigration Raids. The Los Angeles Times (11/2, Jarvie, 918K) reports the Southern Poverty Law Center "sued the federal government Wednesday on behalf of five Latino U.S. citizens who say they were detained and harassed by agents carrying out raids targeting illegal immigrants in south Georgia." The group said ICE agents "used 'Gestapo-like' tactics as they fanned across three Georgia counties in September, breaking into homes and stopping people in their cars 'because they looked 'Mexican.'"

CONGRESS-ADMINISTRATION:

Bush Expresses Support For Rumsfeld And Cheney. The AP (11/2, Hunt) reports President Bush said he "wants Defense Secretary Donald Rumsfeld and Vice President Dick Cheney to remain with him until the end of his presidency, extending a job guarantee to two of the most-vilified members of his administration. 'Both those men are doing fantastic jobs and I strongly support them,' Bush said in an interview with The Associated Press and others." On the war in Iraq, Bush "said the military has not asked for an increase in US forces beyond the 144,000 already there. He said US generals have told him 'that the troop level they got right now is what they can live with.'" The President "spoke in the Oval Office, seated in a wing chair in front of a table with a bowl of roses. Six days before midterm elections, he steered away from political questions beyond saying he was confident that Republicans would defy the polls and hold control of the House and Senate. … He refused to say whether he could work effectively with House Minority Leader Nancy Pelosi or Senate Minority Leader Harry Reid if Democrats won either the House or Senate, or both." Bush "did take the opportunity to take another poke at Sen. John Kerry, in political hot water for a remark that the White House has characterized as a slam on US troops in Iraq. Kerry has said he was making a joke critical of Bush, not the troops. 'It didn't sound like a joke to me,' the president said."

Network commentators portrayed Bush's comments on Rumsfeld as a "gift" for Democrats in the final week of the campaigns. ABC World News (11/01, story 2, 1:40,

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Stephanopoulos, 8.78M) ran a full report on Bush's interview. Democrats "are saying they have a big campaign gift from President Bush, that endorsement of Secretary Rumsfeld. And here's a number that shows the problem. Right now, there are six Republican Senate candidates in competitive races who have either called directly for Rumsfeld to go or for a radical change in course in Iraq. Now, you have the President sending a message that is directly opposite of the message of his most competitive Senate candidates. His one strategist told me, even if you drop the slogan, keeping Rumsfeld says stay the course."

Along similar lines, Tim Russert said on NBC Nightly News (11/1, story 2, 2:35, Williams, 9.87M) that "the Democrats have seized on those comments by the President. … Look for the Democrats to take those comments and put them into an ad saying to the country if you care about the war in Iraq, it's time for a change and this President will not make one. You must vote Democratic. Both parties replaying the presidential election in 2004 in 2006 and trying to capitalize on these kinds of comments."

NBC Nightly News (11/1, lead story, 3:40, Gregory, 9.87M) briefly noted that "the President said win or lose," referring to the midterm elections, "he expects Defense Secretary Rumsfeld and the Vice President to stay in their jobs for the remainder of his presidency."

The Washington Post (11/2, A1, Bekr, VandeHei, 748K) notes the issue at the tail end of a story about Sen. Kerry's controversial comments earlier this week, and says "hoping to change the subject," Democrats yesterday "seized" Bush's comments. The Post adds, "To reassert their main message, Democrats planned a blitz of final-weekend television advertising assailing Bush for his management of the war."

CNN's The Situation Room (11/1, Malveaux) said "this president strongly believes that if either one," Rumsfeld or Cheney, "were to step down before his term is over, that it would signal that somehow US policy is a failure, particularly the war in Iraq. So the President saying that is not going to happen."

Other analyses put Bush's words in the context of his recent campaign appearances, portraying them as an attempt to fire up his base. The Los Angeles Times (11/2, Gerstenzang, 918K) says Bush yesterday "reached out…to conservative audiences, delivering pared-down versions of his campaign speech in interviews with radio talk show host Rush Limbaugh and Pat Robertson's Christian Broadcasting Network." He also "gave a vow of support for…Cheney and….Rumsfeld, two heroes to conservatives." The Times adds, "With control of the Senate and House at stake in Tuesday's election, the president has focused on delivering a sharp-edged message intended to draw contrasts between Republicans and Democrats and energize his most loyal conservative voters to get to the polls."

A similar story in the New York Times (11/2, Broder, 1.21M), titled "Bush Works To Solidify Base With A Defense Of Rumsfeld," also reports the President "sought to rally Republican voters" with his remarks," and notes Cheney "spent another day going after Senator John Kerry, the Democratic presidential nominee two years ago, for remarks that Republicans say insulted the intelligence of American troops in Iraq."

Bloomberg (11/2, Keil) reports, "With six days until the midterm election, Bush is attempting to rally core Republican voters to counter what polls show is widespread dissatisfaction with Congress and his handling of the presidency." He "said he understood why some of his party's candidates are distancing themselves from his administration. 'People will run the race they need to run,' Bush said. Still, he said he was confident Republicans would prevail."

The Chicago Tribune (11/2, Silva, 623K) says the President "is defiantly embracing the issue that has made him both unpopular and a possible liability for Republican congressional candidates this year: unyielding support for the war in Iraq. As he heads out for a campaign-closing tour through the weekend --starting out West on Thursday and carrying him to Iowa and Missouri on Friday -- the president is stumping with the fervor of someone whose own office is at stake. And in many ways it is, considering the impact on the remaining two years of his presidency if the Democrats take control of the House and possibly the Senate." The Tribune adds, "As Florida Gov. Jeb Bush put it, 'My brother loves a fight. He enjoys to be underestimated. He has defied the pundits in the last three election cycles. He will take risks on behalf of his cause.'" Analysts "say the president's resolve for fighting the war against terrorism remains his strongest suit politically and represents his best chance for stirring conservative turnout Tuesday in taut races. … As unpopular as the war in Iraq has become, they say, the president cannot run from it -- so he is running with it."

At the start of CNN's Lou Dobbs Tonight (11/1), host Dobbs said, "Bush declaring that Defense Secretary Donald Rumsfeld should remain in his job, but US strategy in Iraq is

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on the verge of failure. American casualties are rising, and rising sharply."

House Majority Leader John Boehner, meanwhile, defended Rumsfeld's on CNN's The Situation Room (11/1, Blitzer), "There are a lot of people who want to blame what's happening in Iraq on Donald Rumsfeld, but when you look at the transformation that our military has been through, it's nothing short of remarkable. And I think there's only one person in America who could have brought about that transformation, and that's Donald Rumsfeld. He's smart, he's been through the Pentagon, knows how it works. And now we have a lighter, more flexible force, a quicker force."

NASA, Commerce IGs Probing Alleged Censorship In Global Warming Studies. The Washington Post (11/2, A15, Eilperin, 748K) reports, "Inspectors general at two agencies have begun an investigation into whether the Bush administration has suppressed government scientists' research on global warming, officials at NASA and the Commerce Department confirmed yesterday. Prompted by a request this fall by 14 Democratic senators, the IGs are examining whether political appointees have prevented climate researchers at NASA and the National Oceanic and Atmospheric Administration from conveying their findings to the public." According to the Post, "several client scientists, including James Hansen, director of NASA's Goddard Institute for Space Studies, have accused the administration of muzzling them" when reporting findings related to climate change, "a charge the White House has denied." Senator Frank Lautenberg was the author of the letter to the two IGs. An aide to the senator said the result of the probes should be disclosed next year. The Post adds, "Officials at NASA and the Commerce Department, which oversees NOAA, pledged to cooperate with any inquiry but defended their media policies."

Democrats Accuse Administration Of Stalling Hunger Report. The AP (11/2, Quaid) reports that Democrats are "accusing the Bush administration of holding up a report on the number of people going hungry in the United States." The Agriculture Department report has "generally been released in October, a month after annual poverty figures are released by the Census Department," and Democrats said the delay "appears political" with elections less than a week away. However, USDA officials "said the report has long been set for a mid-November release and that the delay is not political." Rep. Anthony Weiner (D-NY) said, "It seems like a pattern is emerging where the Administration simply tries to bury bad information the closer they get to the election."

OTHER NEWS:

New Reports Indicate Economy Slowing Down. USA Today (11/2, Hagenbaugh, 2.27M) reports, "There is little doubt the economy is slowing. What is unclear is how long the decline will last or how deep it will be. The latest evidence of a slowing economy came Wednesday in reports showing a dip in the rate of growth in the manufacturing sector and a further decline in housing construction." Also yesterday, "Merrill Lynch warned clients that its 'recession-risk indicator' is now pointing to a 51% chance of a recession in the next year, the highest such odds since the last recession in 2001."

The Wall Street Journal (11/2, A2, Whitehouse, 2.03M) reports, "Economists said the deceleration in manufacturing suggests that slowdowns in both the housing and automobile sectors are spreading to the broader economy, as a drop in home and auto construction translates into fewer orders for factories. Mr. Ore named wood products, appliances, plastics and fabricated metals among the sectors that had seen the sharpest declines in October."

Meanwhile, ABC World News (11/01, story 7, 0:20, Gibson, 8.78M) reported, "There is, tonight, for a change, some upbeat news from two of the three big automakers. As gas prices fell last month, sales went up. General Motors sales jumped almost 17% last month, compared to a year ago. While Ford gained almost 9%. Only Daimler Chrysler saw a dip in October sales."

Stocks Down. Under the headline "Catching Breath: Dow Industrials Ease For 4th Day," the Wall Street Journal (11/2, C1, McKay, 2.03M) reports, "Reports showing surprisingly weak manufacturing and construction activity in the US bumped the Dow Jones Industrial Average lower. The pullback extended the Dow's losing streak to four days, the longest since early August, immediately before the blue-chip indicator began a run to fresh records." The Dow "shed 49.71 points, or 0.4%, to end at 12031.02, up 12.3% on the year. … The Standard & Poor's 500-stock index fell 0.7%, or 10.13 points, to 1367.81, up 9.6% on the year. The tech-stock-focused Nasdaq Composite Index fell 1.4%, or 32.36 points, to 2334.35, up 5.9% on the year."

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Kerry Apologizes For Controversial Remarks. The AP (11/2, Espo) reports, "Fearful of damaging his own party in next week's elections, Sen. John Kerry apologized Wednesday to 'any service member, family member or American' offended by remarks deemed by Republicans and Democrats to be insulting to US forces in Iraq." Kerry "said he wanted to avoid becoming a distraction in the final days of the battle for control of Congress. He added he sincerely regretted that his words were 'misinterpreted to imply anything negative about those in uniform.'"

The story dominated media coverage of the campaign for the second straight day. All three networks led with the story. NBC Nightly News (11/1, lead story, 3:40, Williams) reported, "As one Republican political strategist put it today, John Kerry is the best thing that could have happened to the Republican Party. The fracas is over Kerry's comments that those who don't do well in school could end up being stuck in Iraq. He said he messed up his own joke about the President getting the US stuck in Iraq. His critics say the decorated Vietnam veteran was taking a kind of perverse crack at those serving in uniform. Many Republicans and some Democrats demanded an apology and late today they got it, but only after the damage was done." NBC (Gregoy) added, "Summing up the problem tonight, a top Democratic strategist said, any day the White House is not defending the war in Iraq, the Republican party is winning. That's the problem in party as well."

The CBS Evening News (11/1, lead story, 2:40, Couric) reported, "Kerry did today what he said he wouldn't do yesterday: He apologized for a joke he insists was aimed at President Bush, not at American soldiers. And the President's education, not theirs." CBS (Axelrod) added, "CBS news has learned it was senior Democrats who pressured Senator Kerry to drop the combative tone and apologize. They were very worried about the effect all of this was having on Democratic campaigns headed down the stretch." Bush commented on Kerry's comments on the Rush Limbaugh Show, though "he didn't even mention Kerry by name." Voice of President Bush (from Rush Limbaugh radio show): "Anybody who is sent to serve this country ought to understand the consequences of words and our troops deserve the full support of people in government." Democrats, added CBS, "were hitting Kerry almost as hard," which "may explain why Senator Kerry canceled campaign events in three states today and tomorrow. Or as a Republican campaign official told CBS News, quoting here: 'John Kerry has given us what Democrats have had for months, an evil boogeyman. We spent $200 million last time getting people to hate John Kerry, now we have to tap right back into that.'"

ABC World News (11/01, lead story, 2:50, Gibson) reported, "It is shaping up as the critical question of this year's election. What will voters be thinking about Iraq when they walk into the voting booth? Democrats continue to hammer the message that the course of the war needs to be changed. And Republicans won't do it. Republicans, using John Kerry's remarks of yesterday, portray Democrats as disloyal to our troops and unwilling to pursue victory. It is a very basic battle." ABC (Tapper) also ran an excerpt from Bush's interview with Limbaugh. Limbaugh: "That's his thinking, military members that they're uneducated rubes." Bush: "Yeah. Anybody who is in a position to serve this country ought to understand the consequences of words. And our troops deserve the full support of people in government." Democrats, said ABC, "spent the day distancing themselves from their former presidential nominee. Campaign events with Kerry and Democratic candidates in Iowa and Minnesota were cancelled. One candidate in Indiana returned a Kerry campaign contribution. And leaders of his own party criticized him." Howard Dean, Chairman, Democratic National Committee: "I disagree with Senator Kerry's remarks, of course. But that's not the issue. The issue is Senator Kerry is not on the ballot." Sen. Hillary Clinton: "What Senator Kerry said was inappropriate."

On NBC Nightly News (11/1, story 2, 2:35), Tim Russert said Democrats "are furious because this is the third news cycle that John Kerry is dominating political coverage of the midterm elections of 2006 and they want it on George W. Bush. One Republican said to me yesterday, 'Our worst nightmare is if John Kerry came out immediately to the cameras and said, I tried to crack a joke at the President's expense, it didn't work, joke is on me, I am terribly sorry, I offer a heartfelt apology so all the troops, and now that I've apologized, I hope the President will find it within himself to apologize to the country for all the misjudgments he's made about Iraq.' That did not happen. Instead, we had John Kerry delay a formal apology for 24 hours and now Democrats are saying, enough already." Republicans are "going on the air with a television ad from the National Republican Committee. … They hope they can say to the country, you see, you cannot trust the national security issue to the Democratic Party."

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Cable coverage was also extensive, with a number of Republicans taking to the airwaves to criticize Kerry. CNN's The Situation Room (11/1, Malveaux) reported, "What's really behind" the GOP offensive "is that…Republican strategists and the White House feel that as long as they can keep this controversy going, it really does move this argument forward, because they believe that John Kerry personifies what the Democrats are and their argument is that Democrats are weak when it comes to natural security." Asked on MSNBC (11/1, O'Donnell) if the White House believes Kerry "meant to insult the 140,000 troop serving in Iraq," White House Press Secretary Tony Snow said, "I don't know. He says he didn't, but the fact is he did. This is one of these interesting political situations where you do get held accountable for what you say. … I looked at the tape. I looked at the transcript. If you listen to what Sen. Kerry said, it didn't sound like a joke."

Second Lady Lynne Cheney said on MSNBC (11/1, Mitchell), "This is one of those comments that in my mind has grown worse the more I thought about it. When I first heard it, I thought, 'Well, this is a campaign meltdown.' And then you think what a deep and abiding insult it is to brave Americans who are fighting. … He recently said some insulting things about our troops in Iraq. In the last campaign, it was pointed out many times that he said insulting things about our troops in Vietnam. It fits into that pattern, which makes it worse."

Gov. Mitt Romney said of Kerry's apology on Fox News' The Big Story (11/1, Gibson), "It's awful late, to begin with. And, secondly, ask yourself: Why couldn't it just be a straightforward apology? I'm happy to get any apology. I think our men and women in uniform deserve an apology. But what came out seems like, kind of, an attack apology. He's attacking people for misinterpreting supposedly what he said, but what he said was as plain as plain could be."

On MSNBC's Hardball (11/1, Matthews), Russert said Democrats "are furious, because it's now dominated three news cycles and they want it over with."

Dick Morris said on Fox News' The Big Story (11/1, Gibson) that "here Kerry has come along and become an issue in the campaign and he's brought with him all of the baggage from 2004 and he exemplified it in the world's worst quote. It's not a blooper, it's what he obviously really thinks and really feels. and everybody knows that."

Democrats were also forced to react to the controversy. Rep. John Murtha said on MSNBC's Tucker (11/1, Carlson), "It's unfortunate. And it distracts from the real issues. That's the problem. There's no question in my mind he doesn't try to denigrate the troops, but how he said it certainly looks that way. He needs to explain what he was trying to do."

Rep. Marty Meehan, attacked said on CNN's The Situation Room (11/1, Blitzer), "I'm glad that he apologized. But that's the way the White House goes about their business. They want to get attention off of the war in Iraq. … Iraq is more dangerous than it's ever been. We are getting increasingly closer and closer to a civil war. We have an Administration that won't change course. So they look for candidates and people, maybe, that have a slip of the tongue or that mess up on the campaign trail and they try to divert attention to that."

Rep. Jim Moran said on MSNBC's Tucker (11/1, Carlson), "I do think there is a very deep-seated resentment on John's part toward George Bush, and his explanation this was directed at George Bush. Because there is some truth to the fact that knowing what we know of George Bush's youth, if it hadn't been for the accident of birth, the military would have represented one of the best opportunities to have straightened him out. … I think it was because of resentment of George Bush and not any kind of attitude that he feels towards America's military, who are well-educated and courageous people who deserve a lot of respect. And John gives them that."

The New York Times (11/2, Zernike), in a story titled "Flubbed Joke Makes Kerry A Political Punching Bag, Again," says for Republicans, the Kerry's controversial remark was "manna from Massachusetts, that reliable redoubt of liberal caricatures."

The Washington Post (11/2, A1, Baker, VandeHei) reports Republican "strategists appeared almost gleeful over the contretemps because it revived a favorite target at a time they need to motivate core supporters to vote in Tuesday's midterm elections. GOP officials have tried to make the elections not a referendum on President Bush but a choice between two parties with competing visions over taxes, terrorism and Iraq, but they have struggled to find a symbol for Democrats."

USA Today (11/2, Jackson) reports Republican Party spokeswoman Tracey Schmitt "said Kerry's comments should remind all voters that Democratic leaders have 'a fundamentally flawed perspective about both the honor of our troops and the importance of their mission.'"

The Washington Times (11/2, Hurt) reports, "In one sentence, Mr. Kerry managed to change the national

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conversation from the Republican handling of the war in Iraq to demands that he apologize to the troops."

The AP (11/2, Sidoti) quotes Bush saying, "People will run the race they need to run. … My attitude is that the way you win is you say to the American people, we have a plan for victory, which we do. And the opponents don't have a plan for victory." The AP adds, "Days before Tuesday's election, however, polls show voters aren't inclined to buy that line. So, in the final week of the campaign, the White House has sought traction on Iraq by seizing on a remark by Democrat John Kerry."

Boehner Says Kerry's Apology "Good Enough." House Majority Leader John Boehner said on CNN's The Situation Room (11/1, Blitzer), "I think he has apologized. It sounds good enough."

Controversy Said To Have Potential To Backfire On Bush, GOP. Newsweek (11/1, Wolffe, Bailey), in a web analysis, takes a path different from almost all media commentary this morning, "The risks for President Bush are greater than they are for Senator Kerry, who may have suffered the deep embarrassment of falling into a familiar self-made trap. But he leads nothing inside his party, sets no strategy and the Democrats can easily disown him." But Bush "enjoys no such luxuries. In fact, the concerted attack on Kerry…threatens to undermine a central premise of the party's strategy. For months on the campaign trail, GOP candidates have insisted the election isn't a referendum on Bush or national politics; it's a choice between two local contenders. The president may have diverted attention back onto Democrats, but he also turned the focus back on himself and the war. … Neither subject is a winning issue for GOP candidates -- and that is precisely why the Bush-Kerry fracas is so outdated."

On CNN's The Situation Room (11/1, Zahn), Christopher Hitchens also criticizes the White House, saying, "I don't remember anything being as shamelessly distorted as Kerry's hapless attempt to tell a feeble joke about Bush's I.Q. But it seems to be quite Nixonian what the White House and the Republican Party's been doing. It's self-evident that Kerry wouldn't have tried to equate stupidity with military service, and it's an attempt to change the subject in the crummiest way."

First Lady Says World Listening To US Debate On Iraq. The AP (11/2) reports, "First lady Laura Bush cautioned Wednesday that Americans discussing the war in Iraq -- especially politicians -- should be careful what they say because other countries are paying attention. 'The right to have these conversations is part of what makes our country great and our democracy strong. We must be mindful that people around the world are listening to these discussions,' Laura Bush said at a suburban Columbus recreation center during a campaign appearance with Rep. Deborah Pryce." Bush "did not mention her husband's 2004 election opponent, Sen. John Kerry, but her comments came on the day the Democrat apologized for telling a group of California students that individuals who don't study hard and do their homework would likely 'get stuck in Iraq.'"

Party Shuns Kerry; Controversy Seen As Hurting Presidential Ambitions. The Washington Post (11/2, A1, Baker, VandeHei) reports Democrats "pressed Kerry to apologize and get out of sight." However, "much of the day's political conversation centered on Kerry. His return to the national spotlight provided a new opening to Republicans, who have been battered through much of the fall by the political fallout from the escalating violence in Iraq, the House page scandal and new corruption probes."

The Financial Times (11/2, Washington) reports Democrats "moved swiftly to distance themselves from John Kerry's 'botched joke' that appeared to disparage US troops." A second Financial Times story (11/2, Daniel) notes "three Democratic candidates have cancelled cancel campaign events with Mr Kerry, including Bruce Braley, a House candidate, in Iowa. Harold Ford, who faces a tight race for the Senate in Tennessee and has received $100,000 from Mr Kerry's leadership PAC, had earlier in the day called on him to apologise." Jerry "cancelled appearances at rallies in Minnesota and Pennsylvania."

USA Today (11/2, Jackson) notes "former congressman Baron Hill, a Democrat trying to reclaim a US House seat in Indiana, returned a $1,000 political contribution from Kerry, saying he was 'disturbed and disappointed' by the Massachusetts senator's remarks."

In a story titled "Kerry's Remark Puts Presidential Bid At Risk," the Los Angeles Times (11/2, Wallsten) reports Gordon Fischer, chairman of the Democratic Party in Iowa, said "Kerry's gaffe would 'undoubtedly' hurt his chances in two years -- a sentiment echoed Wednesday by several other Democrats." Burton Cohen, "the former New Hampshire state Senate majority leader and a key Kerry backer in 2004, said the botched joke could rival former Vermont Gov. Howard Dean's famous Iowa scream in terms of media exposure and political damage." Roll Call (11/2, Akers) also

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says this morning, "With his 'botched joke' about dumbos serving in Iraq, Kerry "may have joined Sen. George Allen" in becoming a "former '08 presidential hopeful."

On CNN's The Situation Room (11/1, Blitzer), James Carville said of Kerry, "I'm sure he was thinking about running for president, but he was not the frontrunner Monday, and he's less a frontrunner today."

NYTimes Calls Bush's Response To Kerry Comments "A Particularly Creepy Low." In an editorial titled "The Great Divider," the New York Times (11/2) says Bush has "settled into a familiar pattern of ugly behavior. Since he can't defend the real world created by his policies and his decisions, Mr. Bush is inventing a fantasy world in which to campaign on phony issues against fake enemies." But "he hit a particularly creepy low when he decided to distort a lame joke lamely delivered by Senator John Kerry of Massachusetts. … Knowing full well what Mr. Kerry meant, the president and his team cried out that the senator was disparaging the troops. It was a depressing replay of the way the Bush campaign Swift-boated Americans in 2004 into believing that Mr. Kerry, who went to war, was a coward and Mr. Bush, who stayed home, was a hero. … This is hardly the first time that Mr. Bush has played the politics of fear, anger and division; if he's ever missed a chance to wave the bloody flag of 9/11, we can't think of when. But Mr. Bush's latest outbursts go way beyond that. They leave us wondering whether this president will ever be willing or able to make room for bipartisanship, compromise and statesmanship in the two years he has left in office."

Bush Says Democrats Opposed Key Anti-Terror Legislation, Tax Cuts. President Bush, in a taped interview with the Rush Limbaugh Show (11/1), said, "I really don't think about the idea of having a Democrat-led House and Senate, because I don't think it's going to happen. I do believe, though, that there is a big difference of opinion in the two -- between the two parties. Every tax cut we've passed, which has helped this economy grow, was opposed by the Democrat leadership. The people who would assume power are the very ones who opposed letting people keep more of their own money. And then when it came time to fighting this war on terror, we had votes on whether or not we should be able to listen to Al Qaeda or an Al Qaeda affiliate making a phone call in the United States -- and the overwhelming majority of House Democrats voted against that bill. Or when it come time to question detainees that we picked up on the battlefield, the overwhelming majority of House and Senate Democrats voted against that bill. So there's just a different mindset, Rush. There's a different attitude about how to protect the American people."

Bush, also on the Rush Limbaugh Show (11/1), said, "I fully understand that here in Washington, people are trying to proclaim the election over with. But I've had that experience before. That's what happened in 2004 and it's what happened in 2002. And so one reason I'm optimistic is I trust the will of the people and not the national punditry. Secondly, I know that we're right on the issues. And the issues -- two main issues are low taxes and winning the war on terror and protecting the American people. And do, I believe if our candidates continue to talk about the strong economy, based upon low taxes, and an administration and a Congress that was willing to give professionals the tools necessary to protect them, we'll win this election."

GOP May Not Get Much From Tax Issue. The Washington Post (11/2, D1, Montgomery, 748K) reports, "In the waning days before Tuesday's election, Republican leaders are holding the issue of taxes out like a life raft to struggling congressional candidates. Few have grabbed it with greater enthusiasm than Rep. Nancy L. Johnson." Johnson, "who sits on the tax-writing House Ways and Means Committee, Johnson has run at least three television ads on fees and taxes, accusing her Democratic challenger, Chris Murphy, of raising 'our taxes 27 times.'" But it's "not clear the tax boat is going to float in this western Connecticut district, where Johnson, like Republicans nationally, is having trouble turning the economy into a winning issue. Murphy, 33, a lawyer and state senator, has opened a narrow margin in the polls by painting Johnson as a pawn of big business and attacking administration policies -- including the tax cuts -- as giveaways to millionaires." Across the nation, "taxes have become a battleground in competitive House races, as Republican candidates charge their Democratic opponents with voting for more taxes, voting against tax cuts or harboring plans to raise taxes. Political analysts say the tactic is designed to turn attention toward tax relief, which Republicans credit with spurring an economic recovery, and away from the Democrats' favorite topic, the unpopular war in Iraq."

Rove's Prediction Of GOP Win Gives Democrats Pause. The Christian Science Monitor (11/1, Feldmann, 58K) reports that while President Bush and Vice President Cheney predict the Republican will emerge the victors from

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the midterm elections, the "voice that gives Democrats the biggest chills - days before an election that by most public indications favors the Democrats in their quest to win their first House majority in 12 years - is that of Karl Rove, the architect of GOP victories in the past three elections." Rove has seen the private polls from individual races, he tells interviewers, and the data point 'strongly' in one direction: a Republican House and a Republican Senate." The "rock-solid pronouncements of Rove, who cites not just internal polls but also the GOP's advantage in fund-raising and organization, buttress the predictable positive outlook from the president and vice president, and feed into a reputation for success running campaigns built over decades." The "answer on who was right, it can be argued, will be known only after the actual votes are cast - but even then, if the Democrats do manage to take over at least the House, Bush's advisers could still say that a week or two earlier, the data pointed in the Republicans' favor."

Vanity Fair's Todd Purdum, author of an article on Karl Rove's strategy for holding GOP congressional control, said on MSNBC's Hardball (11/1, Matthews), "He has certainly built the party's base at the expense of trying to go to the middle. Six years ago, he did try to run toward the middle. George Bush portrayed himself as a uniter, not a divider, a compassionate conservative . When they lost the popular vote in that election, they saw the way forward was to bull their own base." Rove "is a very competent, capable guy. But he has made his practice in dividing the electorate into smaller and smaller slices and the limits of that strategy may have now been reached."

Armey Says GOP Lost Perspective. Ex-House Majority Leader Dick Armey said on CNN's The Situation Room (11/1, Blitzer), "If you look back at how we took the majority unexpectedly after 40 years, it was because we nationalized the vision of our party. And we committed and told America we commit to doing big things about this country in the future. … What has happened over the course of the years ensuing is the Republicans in the majority…became more and more enamored of short-term political actions, oftentimes in terms of what do we put on the floor, and why do we do it."

Democrats Said To Face Difficult Balancing Act On Foreign Policy. The Wall Street Journal (11/2, A4, King) writes that Democrats, "anticipating a possible victory in Congress, are brimming over with proposed cures in one of the Republicans' main areas of weakness: foreign policy. But if they triumph Tuesday, Democrats will first have to figure out how to get their ranks to hew to a core foreign-policy theme that both helps the country and positions the party well for the 2008 presidential election." For decades, the GOP has "painted the Democrats as soft on national security. That is an image that the Democrats are now eager to shed, especially as they look toward a presidential campaign that is sure to dwell largely on issues of terrorism and the Iraq war." Democrats "see this election -- and 2008, to an even greater degree -- as pivotal to their bid to take on a tougher, but also wiser, foreign-policy husk. Some propose implementing tougher port and border security. Some key voices are also promoting a softer line toward North Korea and Iran, including the need for one-on-one talks. Yet the challenge the Democrats face is how to take on an image of steeliness while also pushing, as most in the party now are, to get out of Iraq as quickly as possible."

Cantor Mum On Possible Leadership Bid. Roll Call (11/2, Davis) reports House Chief Deputy Majority Whip Eric Cantor has "begun outlining a framework for what he says is much-needed soul-searching on the future of the House Republican Conference and the party's agenda." In an interview, he said, "I am committed to the House, and I want us to continue to build and strengthen our majority." But "pressed on whether he would run for an elected leadership position if the field opens up after Election Day, he said, 'I don't want to answer that.'"

Democrats Says They Have Locked Up 10 Of 15 Seats Needed To Win House. The AP (11/2, Espo) reports, "Democrats have privately told outsiders they have locked up 10 of the 15 GOP-held seats they need. Polls indicate several dozen additional races are competitive, far more than appeared possible at the outset of the campaign," and "too many for Republican comfort at a time of opposition to the war and low presidential approval ratings at home."

Rothenberg Says Independents May Give Democrats The Edge. In his Roll Call column (11/2), Stuart Rothenberg says, "While all of us following this year's midterms are spending most of our time talking about the GOP's "base" problems and speculating about whether conservatives and evangelicals will stay home next month, we are missing a story that could turn out to be as big, or even bigger: independents." Even if Republicans "turn out, GOP

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candidates could find themselves in hot water in dozens of districts that they ordinarily should hold. That's because independent voters are not acting the way they normally do." Independents "may not turn out at the same rate as strong partisans in midterm elections, but for dozens of Republicans trying to hold their seats in a potentially strong Democratic wave — particularly those running in marginal districts — independents will be plentiful enough at the polls to separate winners from losers. In Connecticut, for example, independents (unaffiliated voters) constitute a plurality of all state voters." Normally, independents "break roughly evenly between the two parties," but "this year, that's not close to being the case." In "poll after poll, independents are behaving like Democrats, whether it is in their distaste for Bush and the GOP-run Congress or in their vote choice in dozens of races around the country."

Glickman Sees Parallels Between '94, '06. In a Roll Call op-ed (11/2), former Rep. Dan Glickman says, "The last time Congress flipped, I was flipped as well. It was 1994. I had been a House Member for 18 years. I thought I had done a good job." But in "November 1994, I was beaten by Republican Todd Tiahrt. It was a bellwether of the nation — and it reflected the national conversation and the influence it had on individual races. This year, there are similarities. Predictions and speculation about 2006 being another 1994 are on everyone's minds." Glickman cites two ways candidates can "help themselves. First, I didn't work hard enough. I realized too late that I had rested a little bit on my laurels." Second, "I didn't understand until too late what issues were motivating voters and how they were energizing the base of the Republican Party. Politics is important, but you cannot forget the issues. Issues can galvanize and organize the public. They can create zealous constituencies. A financial advantage in politics is not as important as the intensity of how people feel about the issues, your opponent and you."

CBS/NYTimes Poll Shows Democrats With 18-Point Generic Poll Edge. The CBS Evening News (11/1, story 2, 2:25, Couric) reported "there's a new CBS News/'New York Times' poll out tonight and it's more bad news for the Republicans. Fifty two percent of likely voters told us they plan to vote for the Democratic candidate for the House, 34% the Republican. That 18% gap is the biggest since we started asking the question back in 1980. Keep in mind, though, this is not a district-by-district poll but a snapshot of the popularity of the parties nationwide." CBS (Schieffer) added that "as you look into the poll, it gets worse for Republicans than even the numbers that you just read into, Katie. When we asked voters why they were planning to vote the way they are, more than four out of ten said it was not to put Democrats or Republicans in power, but for something else. And 40% said it was to vote against President Bush. That is just extraordinary. But even worse for the Republicans is the next number. Close races are usually decided by which way the independent vote goes. Well, look at this. Only 23% of the independent voters say they're voting Republican. Half of them, 50%, say they are voting Democratic, all that at a time when nearly 60% of the people think the economy is in good shape."

The New York Times (11/2, Nagourney, Thee) reports, "The poll showed that 29 percent of Americans approve of the way President Bush is managing the war, matching the lowest mark of his presidency. Nearly 70 percent said Mr. Bush did not have a plan to end the war, and 80 percent said Mr. Bush's latest effort to rally public support for the conflict amounted to a change in language but not policy." The poll "underlined the extent to which the war has framed the midterm elections. Americans cited Iraq as the most important issue affecting their vote, and majorities of Republicans and Democrats said they wanted a change in approach. Twenty percent said they thought the United States was winning in Iraq, down from a high this year of 36 percent in January."

Republicans Use Pelosi In Ads Targeting Democratic House Candidates. The New York Times (11/1, Steinhauer, 1.21M) reports Democratic Rep. Melissa Bean of Illinois "has a Republican opponent in next week's election, but he does not appear in the advertisement that skewers her. Instead, that role is being played by a fellow Democrat," House Minority Leader Nancy Pelosi. Pelosi "seems to be in the thick of campaigns for Congress from Illinois to Georgia and several places in between. She is the unwitting star of at least a half-dozen television spots — and countless radio spots, direct-mail campaigns and candidate debates —warning voters that if they choose their local Democrat for Congress, they are also casting a vote for Ms. Pelosi." But the "problem with the tactic, Democrats and some Republican strategists say, is that many voters have no idea who Ms. Pelosi is. That can make the advertisements sound more desperate than menacing, or at the least,

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confounding." GOP consultant Ed Rollins said, "It's awful hard to make a boogeyman out of someone no one knows. The reality is, no one is going to vote for a Republican congressman because they are afraid of Nancy Pelosi." The Times adds many Republicans are still "betting that the prospect of Ms. Pelosi replacing Mr. Hastert as speaker should the Democrats take control of Congress will scare undecided voters into voting Republican." Ed Patru of the National Republican Congressional Committee said, "Nancy Pelosi is like kryptonite in Republican districts."

CNN's The Situation Room (11/1, Koppel) reported, "Republicans say they fully intend to hold on to their majority in Congress, but they warn what would happen if Democrats should take power. They're among the most liberal politicians in America: Nancy Pelosi, Alcee Hastings, John Conyers, Henry Waxman and Charlie Rangel. And if Democrats win back the House next week, they're set to rocket to the top positions in Congress. Republicans have seized on the prospect of liberal lawmakers running the House as a way to fire up their base on the campaign trail."

Kingston Says Pelosi Can't Be Trusted On War On Terrorism. In a Washington Times op-ed (11/2), Rep. Jack Kingston says, "In a stunning performance on '60 Minutes,' House Minority Leader Nancy Pelosi proved again why she cannot be trusted to keep America safe from the threat of global terrorism and Islamic extremists." Pelosi "demonstrated that she does not understand the global nature of the threat when she stated flatly 'the war on terror is the war in Afghanistan.' She may think the war is limited to Afghanistan, but where does al Qaeda believe the war is? Al Qaeda's No. 2 man, Ayman al-Zawahiri, in a letter to the leaders of al Qaeda in Iraq, was clear about the location of the global jihad and the importance of victory in Iraq: 'Victory of Islam will never take place until a Muslim state is established in the manner of the Prophet in the heart of the Islamic world ... As for the battles that are going on in the far flung regions of the Islamic world, such as Chechnya, Afghanistan, Kashmir, and Bosnia, they are just the groundwork and the vanguard for the major battles which have begun in the heart of the Islamic world.'"

GOP House Majority Said To Be At Risk Because Of Scandals. The Washington Post (11/2, A1, Weisman, Birnbaum, 748K), in a story headlined "Scandals Alone Could Cost Republicans Their House Majority," reports, "Indictments, investigations and allegations of wrongdoing have helped put at least 15 Republican House seats in jeopardy, enough to swing control to the Democrats on Tuesday even before the larger issues of war, economic unease and President Bush are invoked." Four GOP House seats "have been tarred by lobbyist Jack Abramoff's influence-peddling scandal. Five have been adversely affected by then-Rep. Mark Foley's unseemly contacts with teenage male House pages. The remaining half a dozen or so could turn on controversies including offshore tax dodging, sexual misconduct and shady land deals." Not since "the House bank check-kiting scandal of the early 1990s have so many seats been affected by scandals, and not since the Abscam bribery cases of the 1970s have the charges been so serious. But this year's combination of breadth and severity may be unprecedented, suggested Julian E. Zelizer, a congressional historian at Boston University." At least "nine GOP seats have been affected by scandals and are highly vulnerable to Democratic takeover next week." The seats listed by the Post include: FL16 (Foley), TX22 (DeLay), OH18 (Ney), PA7 (Weldon), PA10 (Sherwood), AZ1 (Renzi), NV3 (Porter), CA4 (Doolittle), CA11 (Pombo), NY26 (Reynolds), OH15 (Pryce), NY19 (Kelly), and NM1 (Wilson). The Post adds, "Meanwhile, new allegations continue to spring up. Vern Buchanan, a Republican running for the Florida seat vacated by Rep. Katherine Harris (R), was the target of local media reports this week detailing his use of business entities in Caribbean tax havens to reduce levies on his auto dealerships." The Albany Times Union "published an article yesterday charging that the wife of Rep. John E. Sweeney (R-N.Y.) called police late last year to report that her husband was 'knocking her around' during a late-night argument." And Rep. Christopher Shays (R-Conn.), "who made his name pushing campaign finance changes and governance reforms, was confronted with media reports alleging that a 2003 trip to Qatar -- partly funded by a group loosely tied to Abramoff -- had not been properly disclosed."

Mehlman, Emanuel Each Talk Up Their Parties' Prospects. NBC Nightly News (11/1, story 6, 3:40, 9.87M) ran an "In Depth" report with Tom Brokaw talking with RNC Chairman Ken Mehlman and DCCC Chairman Rep. Rahm Emanuel. Brokaw: "Mehlman, a driven, Harvard-educated lawyer who ran President Bush's 2004 campaign, is famous for getting out the GOP vote. Emanuel is the son of Israeli immigrants and a veteran of the Clinton White House. He's an aggressive fundraiser. They

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agree the war in Iraq is the big issue." Mehlman: "Iraq is a key front in the war on terror. I believe it's beneficial to Republicans. The reason is, I think most Americans who look are going to recognize we're in the middle of a very tough war, against a different kind of enemy." Emanuel: "All the Republicans are saying is, when you've got yourself in a hole, can we get a bigger shovel?" Brokaw: "For their part, Mehlman and Emanuel now are like football coaches in the locker room before a big game." Mehlman: "I think people predicting our death as they did in 2004 and 2002 and 2000 are going to be wrong once again." Emanuel: "I'm playing defense in about two races and playing offense in about 46 races. I like those numbers."

Mehlman Working Missouri Hard; Dean Focuses On Midwest. The New York Times (11/2, A22, Zeleny, 1.21M) writes that in the "closing days of campaigns, itineraries can be telling barometers of political strategy." Mehlman "is making 12 stops in Missouri this week." But the Democratic outlook "cannot be as easily divined by studying the travel schedule" of DNC Chairman Howard Dean, "who has been at odds with Congressional leaders throughout the midterm campaign." Dean is in Illinois, Michigan, Ohio, and Pennsylvania this week, but his itinerary does not include "many top Senate or House races that Democrats are concentrating on."

Small Towns Said To Offer GOP Hope. In a New York Times (11/2, A27, 1.21M) op-ed, North Country Public Radio reporter Brian Mann writes, "Surely, the Republican Party is facing an electoral drubbing. And yet, President Bush and Karl Rove baldly assert that Republicans will retain control of Congress. The rationale? Majorities in Congress aren't formed by the national zeitgeist, as Mr. Rove cheerfully points out. They are built one race at a time. And in dozens of close contests this fall, the outcome will be determined largely by one often-overlooked minority group: the mostly white and mostly conservative voters who live in America's small towns. … On Election Day, millions of urban Democrats will go to the polls expecting victory and dramatic change in Washington. But beware: Mr. Rove's sunny forecast isn't just spin. He and his party are counting on small towns to send a very different message, and to give the Republicans two more years to get it right."

Roll Call Looks At How To Gauge Potential "Democratic Wave." Roll Call (11/2, Jacobson) writes that "to truly measure the intensity of a Democratic wave" requires asking some questions: "Does the wave accelerate longer-term trends of geographic realignment? Does it carry Democrats to victory even in 'red' areas? Is it strong enough to rescue weak Democratic incumbents? And does it reach down below the Congressional level to governors, legislatures and attorneys general?"

Broder Decries "Relentlessly Negative Campaigns." In his Washington Post (11/2, A17, 748K) column, David Broder writes, "It matters little which party controls Congress if the people think Congress is made up of knaves and rascals, or even of well-intentioned men and women corrupted by special interests and the constant pursuit of campaign cash. Nothing that comes out of such a Congress will be accepted as genuine or worthwhile by the citizenry. That is a lesson that campaign consultants and candidates who indulge in relentlessly negative campaigns forget."

Foley Replacement Gaining Traction In GOP Bid To Keep FL16. The New York Times (11/2, Goodnough, 1.21M) reports in Florida's 16th CD, Republican replacement candidate Joe Negron is "getting powerful help as the clock runs down, and now appears to be running almost neck and neck with Tim Mahoney, the Democrat." With the National Republican Congressional Committee "pouring nearly $2 million into the race and Gov. Jeb Bush campaigning at his side, Mr. Negron, a member of the Florida House, is hoping that even the misfortune of having" former Rep. Mark Foley's "name on the ballot instead of his own — a consequence of the last-minute nature of the change — can be turned to his advantage. Republicans are posting signs urging voters to 'Punch Foley for Joe,' a reminder that a vote in the Foley column is actually a vote for Mr. Negron." Negron said, "I know this district, and we are not going to allow ourselves to be defined by the disgraceful actions of our former congressman. I feel this tremendous momentum and energy among Republicans and conservative Democrats to keep this district in the Republican column." The Times adds that in a "reflection of the race in Mr. Foley's own district, his lewd e-mail messages to House pages seem to have had little lasting effect on Congressional races around the country. One Democratic strategist said the party had never expected more than a few races to be influenced significantly by Mr. Foley's conduct."

Conservative Democrat Hopes To Win Back KY2. The New York Times (11/2, Zernike, 1.21M) reports

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that when Ron Lewis, "a Republican, won an upset in a special election" in Kentucky's 2nd CD "in the spring of 1994, he replaced a Democrat who had represented the district in Congress for four decades before he died. Mr. Lewis's victory in an overwhelmingly Democratic area came to be seen as a harbinger of the Republican sweep that followed that fall." Now, Democrats are "hoping that Mr. Lewis's first tight race in a decade could be a bellwether of a Democratic tide this year." Democrat Mike Weaver, "has come increasingly close to Mr. Lewis in the polls by running as a conservative Democrat on a slogan of 'Faith, Family, Freedom.' He has emphasized his military background in signs urging people to vote for 'Colonel Mike Weaver.' And if the Democrats win a majority, he says he will not vote for Nancy Pelosi, the Democratic leader whom Republicans have caricatured as the symbol of all things California and liberal, for House speaker." With "widespread unease about the war in Iraq, even in a region that includes the Fort Knox Army base, many Democrats who have supported Mr. Lewis are now saying that Mr. Weaver seems like the kind of Democrat who could bring them back to the party."

Voters Focused On Issues, Not Candidates, In IA1. The Washington Post (11/2, C1, Duke, 748K) reports that in Iowa's 1st CD, "which has sent only Republicans to the House since 1978, the open-seat race pits Democrat Bruce Braley against Republican Mike Whalen. But in several interviews on Main Streets around this district, it becomes clear that people are focused less on the candidates and far more on the big issues of the day: corruption, scandal and polarized politics; the cost of health care, the quality of education, the economy and the war above all." People are "cynical about politics, at least about the other party's politics, and so Democrats especially believe that things have gone off the rails in Washington."

Democrats Hope To Pick Up Three Seats In Colorado. The Christian Science Monitor (11/2, Chaddock, 58K) reports, "In a normal year, the fabled GOP" get out the vote operation "might be enough to tip the balance in a congressional race that, until September, was billed as one of the nation's most competitive. But with an unpopular war, an unpopular president, and corruption scandals, the GOP has seen" Rick O'Donnell's Democratic opponent "take a double-digit lead in the polls." So "last week, the national party confirmed that it had shifted resources from this race in Colorado's Seventh District to help shore up Republicans in two other districts once considered safe: incumbent Rep. Marilyn Musgrave in Colorado's Fourth and conservative Doug Lamborn in the Fifth, where Republicans have an advantage of up to 14 percentage points in voter registration. Cautiously optimistic, Democrats now aim to pick up in Colorado as many as three of the 15 seats they need to take back the House." Democrats, too, "are shifting resources to take advantage of new opportunities. After a Denver Post poll showed Musgrave leading by 10 points last month, the Democratic Congressional Campaign Committee (DCCC) pulled some $630,000 it had reserved for her Democratic rival, Angie Paccione, although it still includes her in a program for its most competitive candidates. A political-issue group picked up the slack."

Economic Worries Hurt Chocola In IN2. The Christian Science Monitor (11/2, Trumbull, 58K) reports economic anxiety is "a refrain echoed by many voters in this region where bedrock jobs in heavy industry are being shaken anew by the current downsizing of US automakers." Scott Keeter of the Pew Research Center said, "People who live in the Midwest are more negative about the economy [than voters in other regions are.]" He added that "tight races in the region 'could certainly be affected by this.'" The Monitor adds that Indiana's 2nd CD, "anchored by the city of South Bend, exemplifies how economic concerns have emerged as significant in some races." Democratic challenger Joe Donnelly "is leading GOP Rep. Chris Chocola 48 percent to 45 percent, according to a poll from RT Strategies released last week." The "area feels the pressure of pocketbook issues. People complain about a spike in property taxes. And at a time of concern about global competition, they're angry that the state recently moved to lease a key toll road to a foreign consortium. Mr. Chocola had no direct say on either of those matters, but that doesn't mean he can escape voter frustration."

Four Ohio Republican House Seats At Risk. The New York Times (11/2, Kirkpatrick, 1.21M) reports Democratic candidates Mary Jo Kilroy, John Cranley, and Dr. Victoria Wulsin "are in competitive races to unseat once-safe Republican members of Congress. With polls showing Democrats running well ahead in Ohio races for senator and governor, the Democratic Congressional Campaign Committee has recently begun spending money to help Dr. Wulsin unseat her opponent, Representative Jean Schmidt,

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adding Ms. Schmidt to its list of three other Republican targets in the state." Republicans, "meanwhile, are scaling back their support for State Senator Joy Padgett in her fight against Zack Space, a Democrat who is the city attorney in Dover, for the Congressional seat being vacated by Representative Bob Ney, a Republican who pleaded guilty to corruption charges." That "puts four Republican seats in play. Strategists for both sides say Mr. Ney's seat is the Democrats' best chance while Ms. Schmidt is the least vulnerable of the four Republicans."

"Swiftboating" Alleged In WV1 Race. In a Washington Times (11/2, 88K) column, Brendan Conway writes, "Can you call what backers of West Virginia Democratic Rep. Alan Mollohan are doing to Republican challenger Chris Wakim 'swiftboating?' … The media, the ethics-challenged Mr. Mollohan and his supporters are questioning whether Mr. Wakim can justifiably call himself a Persian Gulf War veteran when he never served in that military theater. This Swiftee-reminiscent move knocked a previously surging Mr. Wakim off message, at which time deep-pocketed Swiftboat-funder Bob Perry intervened, this time on behalf of the targeted. … If a candidate wants to use his military biography to seek high office, why shouldn't people be allowed to corroborate his self-portrayal for the voting public?"

Republicans' Numbers Improve In Tennessee Senate, Maryland Gubernatorial Races. USA Today (11/2, 2.27M) reports Republicans "got some good news in a pair of state polls Wednesday and learned that an effort to register Hispanic voters in Democratic-leaning districts fell well short of its goal." The news "comes as President Bush and first lady Laura Bush continued to push hard to help Republicans keep control of Congress in Tuesday's elections." In an interview with talk radio host Rush Limbaugh, Bush said, "We'll win this election." USA adds, "Bush's upbeat tone" in the interview "coincided with polls showing gains for the GOP in Tennessee and Maryland." In Tennessee, "an Opinion Research Corp. survey found Republican Senate candidate Bob Corker, a former Chattanooga mayor, leading Democratic Rep. Harold Ford, 52%-44%. The margin of error was +/-4 percentage points." In Maryland, "a poll by The (Baltimore) Sun found a virtual tie in the governor's race. Democrat Martin O'Malley, the mayor of Baltimore, leads Republican Gov. Robert Ehrlich 47%-46%."

Local Issues Weigh Heavily In Tennessee Senate Race. McClatchy (11/2, Talev) reports that in Tennessee's Senate race, Democrat Harold Ford "couldn't have gotten so close without a public backlash against the war and President Bush, political analysts here say." But if Republican Bob Corker "wins, several voters said, they'll blame latent, if not overt, racism for Ford's defeat." Still, it's "not that simple. If the voting next Tuesday is as close as polls suggest, parochial issues below the headline topics of war and race could spell the difference. The candidates' personal weaknesses, their parties' records on gay rights, health care and taxes, and the changing makeup of voters in the state could tip the outcome." Many voters "said this week in interviews in and around Nashville that they were turned off by Ford's large and politically influential Memphis family, which has been dogged for years by corruption investigations. An uncle who was a state senator is awaiting trial on bribery charges even now." Ford is "more charismatic than Corker, but the congressman, who's single, has a reputation as a Casanova and somewhat of a policy lightweight. Flanked by screen actress Ashley Judd and Sen. Mary Landrieu, D-La., at a 'Women for Ford' event this week, he meandered through several policy questions and frequently deferred to Landrieu." If Ford wins, "factors beyond Iraq that could help him include voters' desire for more affordable health care, on which Democrats are regarded as more sympathetic."

Clinton Says Ford Win Would Go "Beyond Race." USA Today (11/2, 2.27M) reports former president Bill Clinton "told a Memphis church congregation Wednesday that if Democratic Rep. Harold Ford wins next week's Senate election, it will represent a 'victory of going beyond race.' Clinton spoke in Ford's hometown "at the predominantly black Temple of Deliverance Church of God in Christ. 'You know what it will mean if Harold gets elected on Tuesday,' Clinton said at the 4,500-seat church. 'It won't mean that it's a victory of race; it will be a victory of going beyond race.'"

McCaskill Running Against Bush, Not Talent, In Missouri. The Wall Street Journal (11/2, A13, Miniter, 2.03M) profiles the Missouri Senate race, where Democrat Claire McCaskill is "running against George W. Bush" rather than incumbent Republican Sen. Jim Talent. McCaskill's strategy, "like that of Democrats across the country, has been to 'nationalize' the election by making it a referendum on the president." She has "run a credible, competitive campaign, and is now deadlocked in a virtual tie…for a post that has

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changed party hands twice in the past six years. Give her credit, at least, for rallying the flagging morale of the state party and raising the hopes of Democrats nationwide. Depending on what happens in Ohio, Montana, Rhode Island, Tennessee and Virginia next week, she may hand her party the sixth seat it needs to take control of the Senate."

Virginia Senate Race Ends In "Bitter Name Calling." McClatchy (11/2, Thomma) reports that in its "final week, the U.S. Senate campaign in Virginia came down to this: A liberal blogger tried to ask Republican Sen. George Allen about the most urgent issue he could think of - whether Allen had spit on his first wife. Then Allen's aides put the man in a chokehold and threw him on the floor." The episode "summed up how one of the races that could determine which party controls the Senate has degenerated into bitter name-calling and personal attacks instead of a debate over the issues that matter most to voters." The race "started very differently, as a clash over the Iraq war between Allen and Democrat James Webb, a former secretary of the Navy under Ronald Reagan. Allen supports the war; Webb's vehement opposition prompted him to switch parties from Republican to Democratic and to challenge Allen." The campaign 'changed when Allen unleashed a firestorm over the summer" in the "macaca" incident. Allen "responded by launching counterattacks on Webb for including sex scenes in his best-selling war novels, attacks that have continued into the final week of the campaign."

CNN (11/1, Bash) reported, "George Allen was preparing a 2008 run for the White House, thought his reelection to the Senate was in the bag. He doesn't anymore. … Most trace Allen's plummet in the polls to this August moment, what sounded like a racial slur aimed at a Webb aide. But Allen also suffers from more typical Republican troubles -- an unpopular war and disgust with Washington. He's trying to squeak out a victory by following a classic GOP playbook…rallying conservative voters with social issues like banning gay marriage, on the ballot in Virginia. … In this intensely anti-incumbent environment," Democrat Jim Webb's "outsider persona and military credentials have serious appeal here. So Allen is trying to make Webb unpalatable to so-called value voters and women."

Allen Says Webb Was Behind Heckler Incident. The Washington Times (11/2, Bellantoni, Mclaughlin, 88K) reports Sen. Allen "suggested that his Democratic opponent, James H. Webb Jr., has a connection to a heckler who accosted him Tuesday, while Mr. Webb said the incident exemplifies what is wrong with politics." Allen referred to the "incident during which liberal blogger Mike Stark confronted him in Charlottesville, prompting the Republican's supporters to tackle him." Allen said, "What the people of Virginia deserve in the last few days of the campaign is my opponent to say to these allies and people associated with him that this is not appropriate." The Times adds, "The Webb campaign says it has no link to Mr. Stark."

Steele Seen As Likely To Exceed Expectations In Prince George's County. The Washington Times (11/2, Ward, 88K) reports Prince George's County Democrats "say they expect Lt. Gov. Michael S. Steele, a Republican running for the U.S. Senate, to receive a surprising number of votes in the majority black, heavily Democratic county." Prince George's County, "which has the state's largest concentration of Democratic voters, has become a battleground." Race "has become a key issue. Black Democrats, especially in Prince George's, have complained that party leaders have been neglecting them for years."

Democrats Target Arizona Senate Race, Republican Increase Spending In Maryland. The AP (11/2, Kuhnhenn) reports the national parties "sought to shake up Senate races in two states Wednesday, with Democrats pumping about $1 million into Arizona and Republicans spending about the same in Maryland." Less than a week "before the election, the Democratic Senatorial Campaign Committee is spending money to help defeat Republican Sen. Jon Kyl, once considered a favorite to win re-election in Arizona, officials from both parties said." The National Republican Senatorial Committee "put its money on Maryland's Republican Lt. Gov. Michael Steele to win the Senate seat held by retiring Democrat Paul Sarbanes, the longest-serving senator in the history of the state." Until this week, "the parties had narrowed their primary battlegrounds, with both spending millions on ads in New Jersey, Tennessee, Missouri and Virginia. The DSCC already was spending money in Maryland, as well as Montana and Rhode Island. The NRSC this week also bought more than $880,000 in ads in Michigan in an effort to defeat incumbent Democrat Debbie Stabenow." The "moves and countermoves by the two party organizations reflect the fluid nature of the closing days of the midterm election campaign."

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DeWine May Be Victim Of Democratic Wave. The Financial Times (11/2, Luce, Ohio) reports Republican Sen. Mike DeWine "may be an unfortunate victim of what some pundits predict will be a 'tsunami' against his party in the US mid-term congressional elections next Tuesday. Whether or not that wave of votes materialises at the national level for the Democrats (many Republicans remain confident their 'get-out-the-vote' machine can reproduce past magic), Mr DeWine's prospects still look bleak." DeWine's moderate Republican "breed of politics does not fit the bitterly partisan narrative of America's 2006 election campaign. But in Toledo, a small industrial town that borders the auto-state of Michigan, few voters are paying much attention to Mr DeWine's plea for the politics of the centre-ground." Opinion polls "give Sherrod Brown, Mr DeWine's Democratic challenger, a lead of between 10 and 12 percentage points." But even "if Mr DeWine could afford to blitz all the channels in the few remaining days of campaigning, the state of Ohio seems almost certain to go Democrat by embracing Mr Brown as well as Ted Strickland, the Democratic candidate for governor. With an unemployment rate of 7 per cent - way above the national average of 4.6 per cent - and the certainty of more lay-offs in the pipeline, Ohio's voters are disaffected."

Harris' Debate Performance Seen As Unlikely To Improve Chances. CNN's The Situation Room (11/1, Zarrella) reported, "Florida Sen. Bill Nelson has good reason to be all smiles. … Nelson is cruising. A double digit lead over his Republican challenger: high-profile, highly controversial Congresswoman Katherine Harris. … Analysts say Harris held her own in the first debate with Nelson. There were no fireworks. Both candidates agreed on many issues. They disagreed on whether the US dependency on foreign oil could be muted by drilling in Anwar, the delicate Arctic National Wildlife Refuge. … Political experts say just holding her own in debates won't do it. The lack of party support and the stigma of 2000 may simply be too much for Katherine Harris to overcome."

Lynne Cheney Predicts Burns Win In Montana. Second Lady Lynne Cheney said on MSNBC (11/1, Mitchell), "I am personally convinced that the Republicans will prevail; that in the end, we will control both the House and the Senate, perhaps not by the margins that we'd like to." Asked about her campaigning for Sen. Conrad Burns, Mrs. Cheney said, "I think Conrad's going to win. … You've got such a different perspective on these races if you look at them from the East and from an Eastern perspective. You get out there, Conrad is much loved by the people of Montana. And he'll hold that Senate seat."

Chafee Said To Be Finishing Race In "Gutter." The Washington Post's "Political Dispatch" (11/2, A2, Murray), under the headline "Clawing for Votes, Chafee Steers Race Toward Gutter," reports Republican Sen. Lincoln D. Chafee "always sounds so polite and sincere, even when he's wrapping his hands around his opponent's throat." During a Monday night debate, Chafee said, "Eight years as a top law enforcement official in Rhode Island and not a single successful conviction of a public official. He's always looking after the power brokers and his own political career." The Post adds the "attack left the former state attorney general seething. Chafee is 'just making this stuff up entirely out of whole cloth,' Whitehouse shot back." The Post adds that a "similar onslaught knocked Stephen Laffey off course in the final The Post adds, "What happened to the affable fellow who drives a hybrid and studied classics at Brown University? Well, his political career is on the line, and the gutter seems the best hope for salvation. Chafee has slogged through two tough campaigns this year, against a conservative primary opponent and now in the general election against Whitehouse. He survived the first round. Next week, polls suggest, he may not be so lucky."

Romney Says He'd Run As Jeb Bush's Veep. Asked about the possibility of a Mitt Romney-Jeb Bush GOP ticket in 2008, Gov. Romney said on Fox News' Big Story (11/1, Gibson), "Gov. Jeb Bush, in my opinion, is the best governor in America. That includes all of us. He's a terrific person and, if he wants to run for president, I'd be happy to be his VP. But I don't think he's running and frankly, all of us are focused on '06. We've got a tough race this November."

Florida Gubernatorial Race A Bright Spot For GOP. Under the headline "Republican Is A Political Force, Despite Party Baggage," the Washington Post (11/2, A4, Grunwald, 748K) profiles Florida GOP gubernatorial nominee Charlie Crist, the state attorney general, who is maintaining a lead even as Republican gubernatorial hopes lag in GOP-held states like Colorado, Maryland, Massachusetts, New York, and Ohio. Crist, "an exuberant retail politician who puts the 'glad' into glad-handing, a Reagan-style optimist with a made-for-TV tan, a made-for-TV

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shock of white hair and a made-for-radio baritone," leads Democrat Jim Davis by 11 points in two recent statewide polls.

One In Three Polled Express Vote-Counting Concerns. The CBS Evening News (11/1, story 3, 2:50, Couric, 7.66M) reported a new CBS poll finds that "one-third of voters are worried their vote next week won't be counted, in spite of significant upgrades to the equipment. Four out of five voters will be using some kind of electronic machines. In 33 states, many voters will use touch screens to cast their ballots." CBS (Keteyian) added, "Even if your vote is saved in multiple places, some question the reliability of the machines because vendors choose and pay labs that test them. Critics say that's like trial lawyer being able to pick a judge. … And election officials admit system errors, computer or human, often go unreported by worried poll workers."

Election Judges Are "Human Safeguards" Of Voting Process. The Washington Post (11/2, Davenport, 748K) reports on its front page, "In the aftermath of glitches that marred primaries in Maryland and other states, a lot of attention has focused on electronic voting systems -- why they malfunctioned and how susceptible they are to attack. But the pillars of Election Day are" the poll workers or election judges, "the human safeguards" of the process. The Post then profiles some election judges in suburban Maryland. The Washington Post (11/2, B6, Mosk, 748K) also reports that a "recently distributed guide for Republican poll watchers in Maryland spells out how to aggressively challenge the credentials of voters and urges these volunteers to tell election judges they could face jail time if a challenge is ignored." Democrats say they consider the handbook "evidence of a Republican effort to block people from voting Tuesday."

Networks Expect "Long Night" Of Election Coverage Tuesday. The Washington Post (11/2, C1, Kurtz, 748K) writes, "The television networks could be in for a long night on Tuesday." While CBS Senior Vice President Linda Mason says "you could know by 10 for the House and 11 for the Senate" which party will win control, she cautions that "it could go on until all hours of the early morning." NBC's Brian Williams said, "We have learned from past mistakes," and ABC's George Stephanopoulos said, "There's likely to be a lot of hedging. You may know it, but you can't say it." However, 35 of the 53 most competitive House races on analyst Charlie Cook's list "are in states where polls close by 8 p.m. Eastern time."

Campaign Spending Likely To Hit Record $3.1 Billion. USA Today (11/2, 1B, Lieberman, 2.27M) reports research firm PQ Media projects total spending on campaigns this year, including spending by advocacy groups, will hit "a record $3.1 billion." The total "is 14.5% higher than 2004, even though that year included more than $1 billion for the presidential race." Gubernatorial races will cost about $1.1 billion, House races $744 million, and Senate races $705 million.

Stem-Cell Research Becomes Key Issue In Final Days. The Washington Times (11/2, Fagan, 88K) reports embryonic stem-cell research has become a key issue in the campaign "homestretch," spurred "in part by actor Michael J. Fox's ads on behalf of some Democratic candidates. But Democrats say they've been chipping away at the issue for more than a year, betting it will make a difference with voters in middle America."

Local Contests Seen As "Hidden Election" Of Cycle. The New York Times (11/2, A22, Belluck, 1.21M) examines races across the US for state legislatures, city council, sheriff, and school board. National Conference of State Legislatures election analyst Tim Storey said, "I sort of argue it's the hidden election. It's very localized, but in a strange way it's more important. It's how good your school is, how good your road is, how good the hospitals are."

NYTimes Warns Against Ballot Measures On Judiciary. The New York Times (11/2, A26, 1.21M) editorializes, "Nearly obscured by the struggle for control of Congress, there is another important battle in a handful of states over measures aimed at punishing judges for their official rulings and making them more captive to prevailing political winds. These measures all hide behind the superficially appealing but profoundly misleading banner of judicial accountability. And, taken together, they add up to an assault on a fair and independent judiciary."

Property-Rights Initiatives Criticized. USA Today (11/2, 13A, 2.27M) contributor Mary Zeiss Stange writes, "Six state initiatives in the West aim to ride the wave of public sentiment against government seizures of private property. Sounds like a winner? Well, better read the fine

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print. … The property-rights movement is just the latest incarnation of the 'wise-use' movement of the 1990s-- except without the pretense of being wise. … These initiatives would gut local and state abilities to enact or enforce virtually any regulations affecting private land use and development."

Leadership PACs Increasingly Used For Non-Campaign Spending. The Wall Street Journal (11/2, Mullins, 2.03M) runs a front-page report on the use of leadership PACs that deals primarily with Senate Minority Leader Harry Reid. Over the past four years, "his bills at Caesars Palace, Mandalay Bay and other Las Vegas establishments have totaled more than $125,000," and he has charged these expenses to his leadership PAC. The Journal says that while the "primary purpose of such accounts is to funnel money to other congressional candidates in need of campaign cash, especially those in close races," in recent years "leadership PACs on both sides of the political aisle have spent an increasing portion of their money for things other than contributions to candidates."

Tribes Cut Political Giving In Wake Of Abramoff Scandal. USA Today (11/2, 5A, Frank, 2.27M) reports American Indian tribes "have cut back this year on political contributions to congressional candidates" in the aftermath of the Jack Abramoff lobbying scandal. Contributions from 216 tribes "are nearly 30% lower so far in the 2005-06 election cycle than they were at this point in 2003-04, ending six years of sharp increases."

"K Street Powerhouse" PodestaMattoon Breaking Up. Roll Call (11/2, Newmyer) reports "bipartisan K Street powerhouse" PodestaMattoon "is splitting up, according to several sources close to the firm." Democrat Tony Podesta and Republican Dan Mattoon "have agreed to separate while retaining a strategic partnership, the sources said. The break is set to become effective by Jan. 1."

WPost Says Democrats Should Not Push For Switch To Government Drug Purchasing. The Washington Post (11/2, A16, 748K) editorializes, "One of the Democrats' election talking points is a promise to revamp the Medicare prescription drug benefit. … It's an open question whether consumers, led perhaps by their insurers, will learn to make sophisticated drug choices, but the fact that Medicare patients already buy more generic medications than other Americans is an encouraging sign of the capacity for smart purchasing. A switch to government purchasing of Medicare drugs would choke off this experiment before it had a chance to play out, and it would usher in its own problems. For the moment, the Democrats would do better to invest their health-care energy elsewhere."

NYTimes Urges More Oversight Of Bank Remittances. In an editorial, the New York Times (11/2, 1.21M) notes that the Inter-American Development Bank announced last month that Latin American migrants working in the United States "will send a record $45 billion to their families back home this year." The Times says that "as it is now, most banks in Latin America that receive remittances simply dole out the sums to recipients, after collecting part of the fee paid by the sender. They make no attempt to turn the recipients into bank customers." Therefore, the newspaper urges "bank officials and the politicians that oversee them…to do more to educate the poor about banking and to offer them services. Banks need to be reminded that such lending can be profitable—and will further broader national goals for economic growth. To that end, remittances deserve a more prominent place on the agenda at the meetings of the World Bank, the International Monetary Fund and the Group of 8 leading industrialized nations. Unless those billions in remittances are banked, money that could fight poverty will be left on the table."

Pyongyang Seeks To Have Accounts Unfrozen As UN Prepares Sanctions List. The AP (11/2, Herman) reports Pyongyang said Wednesday it would return to nuclear disarmament talks "in an effort to get access to frozen overseas bank accounts, a vital source of hard currency for the impoverished and isolated communist nation." Confirming US and Chinese reports of the agreement Tuesday, the DPRK's Foreign Ministry said Pyongyang decided to return to the arms talks "on the premise that the issue of lifting financial sanctions will be discussed and settled between the (North) and the US within the framework of the six-party talks." In Seoul, South Korean Vice Foreign Minister Yu Myung-hwan "said Wednesday he expects leaders of the countries involved to discuss the issue when they gather in Vietnam for an Asia-Pacific summit in mid-November and that the six-party talks were expected to take place after that." However, South Korea's Foreign Minister and incoming UN Secretary-General, Ban Ki-moon,

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"was quoted as saying by Russia's ITAR-Tass news agency that the talks could resume as early as this month."

The Los Angeles Times (10/2, Meyer, 918K) also says "the cash crunch appears to have played a key role in North Korea's decision Tuesday to return to six-nation talks over its nuclear ambitions. … 'They're not coming back because they want to give up nuclear weapons,' said David L. Asher, the US State Department's point man on North Korea until last year. 'They are feeling the financial pressure and the cutoff from the international financial system, so they are trying to make nice.'" The Wall Street Journal (11/2, A4, Ramstad, 2.03M) runs a similar story under the headline "Money May Underlie North Korea's Return To Talks."

Separately, the AP (11/2) reports the UN Security Council Wednesday agreed "on a list of banned items that could be used to make nuclear, chemical and biological weapons or ballistic missiles and ordered all countries to prevent North Korea from importing or exporting the items." A UNSC sanctions monitoring committee drew up three lists of "nuclear-related, chemical and biological-related, and missile-related material and equipment which the 15 council members approved."

Bush Explains His Rationale On North Korea. President Bush, during a taped interview on the Rush Limbaugh Show (11/1), said, "I want your listeners to understand this: that I made the calculation having watched what happened during the last attempt to have bilateral relations with North Korea, that if it didn't work then, it's not going to work now. The second part of my calculation was: It's better to have more than one voice saying to the North Koreans, there's a better way forward than you attempting to have a nuclear weapon. And some of those voices are the voices of the Chinese, for example, or the Japanese and it's -- and the South Koreans and Russians, obviously. And it's that combination of voices saying loud and clear to Kim Jong Il that there's a better way, it will make it more likely we can solve this issue peacefully and diplomatically."

Some In Administration Unhappy About New Talks. In an news analysis, the New York Times (11/2, A8, Cooper, 1.21M) says that although, "Officially, the Bush administration is 'pleased' -- as President Bush put it on Wednesday -- that North Korea has agreed to resume talks on nuclear disarmament…behind closed doors at the White House and the State Department, some are less happy, saying the country's nuclear test should be answered with isolation." The Times notes that in order "to persuade North Korea to return to the bargaining table, President Bush agreed last week to a slight softening of his stance against direct talks with North Korea, a concession that made clear that Secretary of State Condoleezza Rice was in charge of the policy, at least for now. But Ms. Rice is coming under increased fire inside and outside the administration from officials and experts who are skeptical about what diplomacy can achieve in this case, and who argue that there is no chance a new round of nuclear talks with North Korea will succeed." At the same time, the newspaper says, "This is not a new debate by any stretch. Within the administration, a more hawkish wing that includes Vice President Dick Cheney, Defense Secretary Donald H. Rumsfeld and [Ambassador] Bolton…has chafed against talks with any American foe, be it North Korea or Iran. Meanwhile, advocates of diplomacy, including R. Nicholas Burns and Philip D. Zelikow…have sided with European allies in saying that the United States should engage its foes." Rice "has found herself in the middle of the tug-of-war as she seeks to mute international criticism of America's so-called cowboy diplomacy. On the two big nuclear proliferation issues, Iran and North Korea, Ms. Rice has helped to move the administration away from unilateralism, with President Bush offering in May to join European negotiations over Iran's nuclear ambitions."

Russian FM Speaks Against UNSC Draft Measure On Iran. The AP (11/2, Gutterman) reports Russian Foreign Minister Sergey Lavrov said Wednesday that a draft UNSC resolution imposing sanctions on Tehran "would isolate Iran, suggesting that Moscow will not back the resolution in its current form," Russian news agencies reported. "We cannot support measures that in essence are aimed at isolating Iran from the outside world, including isolating people who are called upon to conduct negotiations on the nuclear program," Russia's Interfax quoted Lavrov as saying. Lavrov also "reiterated his claim that the resolution would go beyond existing agreements among nations seeking to rein in Tehran's nuclear ambitions."

Incoming UN Chief Calls On Iran To Halt Enrichment. AFP (11/2) reports incoming UN secretary general, Ban Ki-Moon, "called on Iran to halt uranium enrichment and accept alternative incentives proposed by six world powers," Russian news agencies reported. Following a meeting with Russian President Vladimir Puti, Moon said,

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"Iran must halt enrichment of uranium and accept the proposal of the six" powers.

Iran To Conduct Military Maneuvers In Gulf. The AP (11/2, Karimi) reports Iran "unexpectedly announced Wednesday that it would be holding military maneuvers in the Gulf this week, only days after US-led navies held exercises in the same waterway." Iranian state television quoted the head of the Revolutionary Guards, Gen. Yahya Rahim Safavi, as saying the 10-day maneuvers "would take place in the Gulf and the Sea of Oman, beginning Thursday." Safavi said the "war games are aimed at demonstrating the deterrent power of the guards against possible threats," stressed that the drills "were not a threat to neighboring countries."

US Says Syria, Iran Plotting To Destabilize Lebanon. The CBS Evening News (11/1, story 5, 0:10, Couric, 7.66M) reported, "The White House accuses Syria, Iran, and Hezbollah, of hatching a plan to overthrow the Lebanese government and has told them hands off. Syria denies any such plot."

The Washington Post (11/2, A13, Lynch, 748K) reports White House spokesman Tony Snow said the United States is "increasingly concerned by mounting evidence that the Syrian and Iranian governments, Hezbollah and their Lebanese allies are preparing plans to topple Lebanon's democratically elected government." Snow "warned that any attempt to destabilize Lebanon through 'manufactured demonstrations' or 'physically threatening its leaders' would constitute clear violations of UN resolutions." The Post notes that Secretary Rice told the Lebanese Broadcasting Corp. last week that the United States "has heard" that "there are people who would like to destabilize the government of Prime Minister Siniora. We've heard that there are people who would like to intimidate or assassinate again." Rice said "it's not any great secret" that the Administration has concerns about Syria's sponsorship of violence in Lebanon, but the Post said she "stopped short of accusing Syria of planning fresh attacks."

The New York Times (11/2, A5, Sanger, Slackman, 1.21M) calls the White House's disclosure "an unusual statement," noting that "in interviews in recent days, senior American officials have said the evidence is one reason that the United States cannot engage in negotiations with Syria or Iran, as several leading Republicans, including the former Secretary of State James A. Baker III, have urged." NSA Hadley was quoted as saying in an interview last week that "talking isn't a strategy. The issue is how can we condition the environment so that Iran and Syria will make a 180 degree turn?" a reference to what he said were their efforts "to undermine stability in the region." Asked to comment on the White House statement, Assistant Secretary McCormack said that "quite clearly, Hezbollah has its patrons in Damascus, and certainly in Tehran" who observe "very few boundaries concerning what it will do and what it won't do."

The Financial Times (11/2, Dinmore, Dombey, Khalaf) says the warning "reflects growing concerns that Lebanon's Hizbollah…is raising the pressure for a change of government." The US statement "came hours after Hassan Nasrallah, Hizbollah leader, vowed to stage peaceful protests demanding fresh elections unless his opponents agreed to the creation of a national unity government to replace" Siniora. The Los Angeles Times (11/2, Richter, 918K) also reports the story.

Hezbollah Threatens Protests In Lebanon. The AP (11/2, Ghattas) reports Hezbollah is "threatening street protests to force early elections in Lebanon if its demands are not met for a 'national unity' Cabinet that would give the Islamic militants and their allies veto power over key decisions." Calling it a "bold move," the AP says it "reflects the Shiite group's push to consolidate the political power it gained following its self-proclaimed victory in its punishing summer war with Israel. The effort seems certain to further exacerbate an already tense political situation in Lebanon" and "could also lead to violence."

Ethiopian PM Says Al Qaeda-Linked Fighters In Somalia A Threat To Region, World. The AP (11/2, Tomlinson) reports, "Ethiopia's prime minister, who has sent troops to bolster Somalia's interim government, said Wednesday the al-Qaida-linked militants controlling much of the neighboring nation are a threat to the Horn of Africa and the wider world." Prime Minister Meles Zenawi "said he held out little hope that the secular, UN-backed acting government in Somalia can reach a peace agreement with the Islamic militants." He also said "the extremists 'represent a direct threat first to Somalia and the Somali people, second to the region and Ethiopia, and lastly to the international community,' he said. 'When they control the whole of Somalia it would be very naive to assume that they will mend their ways, cease to be terrorists and become very civilized and very tame pussycats.'"

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State Department Screened Speakers For Criticism Of Administration. McClatchy (11/2, Landay) reports that an internal State Department review has found that US officials "screened the public statements and writings of private citizens for criticism of the Bush administration before deciding whether to send them on foreign speaking assignments." The screenings amounted to "virtual censorship" in the State Department's selection of speakers, said a report by the department's Inspector General's Office. McClatchy said it "obtained a copy of the 22-page report, which was completed in September." The "vetting practice appears to have been part of the Bush administration's efforts to control information, muffle dissenting views and promote positive assessments of its policies to foreign audiences," the news service writes. In addition, McClatchy says it "also appears to be contrary to the guidelines of the US Speaker and Specialist Program, which taps US experts to deliver lectures, serve as consultants and conduct seminars overseas or from the United States via teleconferences."

Israeli Airstrike Kills 8 Palestinians. The New York Times (11/2, A10, Myre, 1.21M) reports, "Israeli troops staged one of the largest raids into the Gaza Strip in recent months on Wednesday, killing eight Palestinians and wounding more than 40 in gun battles that began before dawn and lasted much of the day." Israeli soldiers "exchanged fire with Palestinian militants in the northern Gaza farming town of Beit Hanun, the launching ground for many of the Palestinian rockets fired into southern Israel." Also Wednesday, "Prime Minister Ehud Olmert's security cabinet met in Jerusalem and debated whether to step up the 4-month-old military operations in Gaza. In recent weeks, some senior political and military officials have expressed support for expanded operations" in Gaza. "But the security cabinet chose not to escalate military actions, at least for now. In a statement, the security cabinet said the military would continue the 'current security activity,'" the Times reports.

The Washington Post (11/2, A12, Wilson, 748K) reports, "Palestinian health officials said Israeli forces prevented ambulances from entering or exiting the small hospital in Beit Hanoun for hours. Israeli military officials said that the delay was the result of heavy fighting and that a humanitarian corridor into Beit Hanoun for Palestinian ambulances was opened after noon." Prime Minister Ismail Haniyeh of Hamas "called the operation a 'massacre.'"

Al-Jazeera Prepares For Launch Of English-Language Channel. The AP (11/1, Krane) profiles Al-Jazeera, where "taboo-smashing newscasts regularly vex politicians in Washington, but not nearly as much as they anger leaders in the Arab world, where the news channel has been banned from operating in 18 countries at one time or another." Now, Al-Jazeera "is launching its biggest gamble on its 10th anniversary -- an English-language channel with an Arab perspective. Al-Jazeera International plans to hit the airwaves Nov. 15 and hopes to steal viewers from CNN and the BBC."

Taiwanese Leader's Comment Could Reignite Tensions With China. The Financial Times (11/2, Hille) reports, "Chen Shui-bian, Taiwan's president, has suggested his country could 'freeze' its current constitution and adopt a new one, a move likely to re-ignite tensions with China." Speaking to the Financial Times, Chen "said that defining the scope of Taiwan's sovereignty and territory was 'extremely serious, complicated and sensitive, but also extremely important.'" The remarks "indicate that Mr Chen intends to challenge Beijing further before he steps down in May 2008." China "retains a threat of war against the self-ruled island in case it formalises its de-facto independence. Past moves by Taiwan to amend its constitution – in place since 1947 – have provoked stern warnings from Beijing."

African Leaders To Discuss Chinese Investment. The Washington Times (11/2, Kralev, 88K) reports, "Forty-eight African leaders will convene in Beijing tomorrow, with Chinese officials unusually defensive about suggestions that they are exploiting Africa to satisfy their country's growing economic needs." The heads of state "are expected to participate in the unprecedented three-day gathering that many foreign diplomats and analysts describe as a 'charm offensive.' Chinese leaders reject that term." The Times adds, "Accusations of a Chinese threat to Africa are unfounded, state council member and former Foreign Minister Tang Jiaxuan said last week. He took pains to reassure Americans and others that China will not threaten their interests in the continent."

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Forbes Lists 15 Chinese Billionaires. USA Today (11/2, Macleod, 2.27M) reports, "Forget Chairman Mao's workers' paradise. Communist China is taking a great leap toward huge private fortunes. Forbes' annual list of the richest Chinese out today includes a record 15 billionaires, up from 10 last year and just three in 2004." That is "chump change in the USA, where all 400 on Forbes' list of richest Americans are billionaires. Still, a country that once persecuted disciples of free enterprise is now barreling down the capitalist road."

Chinese Activist's Conviction Overturned. The Washington Post (11/2, A14, Fan, 748K) reports, "Rights activists and lawyers on Wednesday hailed an overturned verdict in the case of a blind legal activist as a victory over corrupt officials in China. 'This is a success of the central party committee practicing rule of law,' said Li Jinsong, lawyer for Chen Guangcheng, a self-taught legal activist blinded by a childhood illness. 'This is a success of the Chinese people fighting against corrupt officials and safeguarding the dignity of law.'"

Bush Renews Sudan Sanctions. AFP (11/2) reports, "US President George W. Bush renewed US economic sanctions on Sudan for one year and left open the door to imposing new ones linked to the violence in Darfur, the White House said." Said Bush, in a letter to Congress, "I have determined that it is necessary to continue the national emergency and to maintain sanctions against Sudan."

Turkey's Effort To Join EU Expected To Fail. The Wall Street Journal (11/2, A6, Shishkin, Champion, 2.03M) reports, "Next week, the European Commission is scheduled to issue a report card on Turkey's first year of membership talks, launched nearly two decades after the original application." The report "is expected to be so poor that commission President José Manuel Barroso has warned that the talks could come to a 'traumatic stop' if Turkey doesn't meet more requirements soon. With public support for the Turkish bid sliding well below 50% both across Europe and inside Turkey, the talks have come close to being suspended, with recriminations on both sides." The Journal adds, "Cengiz Aktar, one of Turkey's foremost EU commentators, describes the dynamic between the two sides as 'the coalition of the unwilling.'" US Administrations "have backed the idea of Turkey's membership as a way to bind this Muslim democracy of 70 million into the Western fold. … Turkey's rejection by the EU would be seen by many Muslims as further evidence that the West is hostile to Muslims and seeks to subdue them."

Hughes Urges Bahrain To Allow Return Of US-Funded Democracy Organization. AFP (11/2) reports Undersecretary Hughes said "she had urged Bahraini officials to allow a US-funded organization that promotes democracy in developing nations to resume activities in the Gulf monarchy." Speaking with reporters in Manama, Hughes said she "discussed the return of NDI to Bahrain," in reference to the National Democratic Institute, whose Bahrain representative was asked to leave the country last May. "We are disappointed that NDI left Bahrain...NDI played a positive role in Bahrain as well in other countries like Kuwait and Yemen,"" she said. AFP notes that Hughes, who is in Bahrain "in the runup to parliamentary and municipal elections on November 25, met with Crown Prince Sheikh Salman bin Hamad al-Khalifa."

Venezuela, Guatemala Reach Deal To Back Panama For UNSC Seat. The Washington Post/AP (11/2, A13) reports Guatemala and Venezuela "agreed Wednesday to withdraw from the race for a seat on the UN Security Council and support Panama as a consensus candidate," Ecuador's UN ambassador said. With the backing of the two countries, the AP says Panama's election is "virtually certain."

The New York Times (11/2, Romero, 1.21M) says that "while Venezuela's effort to win the seat for a nonpermanent member of the United Nations Security Council illustrated the limits of [President Hugo] Chávez's international ambitions, it also showed how Venezuela had been able to cement regional alliances."

The Financial Times (11/2, Turner) notes that Panama, "assuming its candidacy is accepted, will join four other new members—South Africa, Indonesia, Italy and Belgium—on next year's council. … But the presence of South Africa and Indonesia is still likely to make discussions more difficult next year, and the US and Europe are hoping to resolve the Iran issue before the changeover."

Venezuela Expands Discounted Heating Oil Program. The Washington Times (11/2, Kralev, 88K) reports, "Venezuela will provide heavily discounted heating oil to about 37,000 low-income families in Maryland, Virginia and the District this winter, Caracas' envoy to the United States said yesterday. The local jurisdictions are

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beneficiaries of a greatly expanded program that this winter will assist more than 400,000 families in 16 U.S. states and the District, up from eight states and 180,000 families last year, said Ambassador Bernardo Alvarez Herrera." Oil provided under the program "will be distributed through local governments, community centers and churches, and will be offered at 40 percent below the market price." The Times notes, "Several communities that had been considering the Venezuelan offer rejected it after Mr. Chavez described President Bush as 'the devil' in his speech to the U.N. General Assembly. In Alaska, many Eskimo and Indian villages say they have no choice but to accept the oil, but others would rather suffer."

Human Rights Activist Urges US Support In Zimbabwe. In a Wall Street Journal (11/2, A12, 2.03M) op-ed, Arnold Tsunga, executive director of Zimbabwe Lawyers for Human Rights, writes, "Zimbabwe was once a success story in Africa, but over his long rule [President Robert] Mugabe has dragged us all down. Under the pretext of pan-Africanism, he has created a system of terror for the majority and patronage for the elite few." According to Tsunga, "Human-rights defenders in Zimbabwe face enormous risks as they fight for reparations and resettlement of the hundreds of thousands made homeless by Mr. Mugabe's evictions." Therefore, he urges the US to "support these activists through the provision of technical assistance and other forms of targeted support." He says that "greater humanitarian assistance is also required for the victims of the evictions who today remain in desperate need of housing, food and other forms of assistance."

Herbert Condemns Lack Of Attention To Global Women's Issues. New York Times (11/2, 1.21M) columnist Bob Herbert writes, "Bride burnings, honor killings, female infanticide, sex trafficking, mass rape as a weapon of war and many other hideous forms of violence against women are documented in a report released last month by the United Nations." The report, he says, "should have been seen as the latest dispatch from that permanent world war—the war against women all over the planet. Instead, the news media greeted its shocking contents with a collective yawn." Herbert notes, "There are women's movements in even the smallest countries fighting against the violence and other forms of abuse. But they are underfunded and get very little support from those in a position to help. … There was a time when activists cried out for our consciousness to be raised . It's not too late. We can start by recognizing that the systematic subordination and brutalization of women and girls around the world is, in fact, occurring—and that we need to do something about it."

Professor Condemns US "Intervention" In Nicaraguan Election. Michael Shifter, vice president for policy at the Inter-American Dialogue and Georgetown University professor, opines in the Washington Post (11/2, A17, 748K) that "as Latin America's busy election cycle winds down, the Bush administration deserves a lot of credit. In election after election it has shown admirable restraint and has wisely avoided taking sides. Nicaragua, however, has been the exception. US conduct in advance of Sunday's election has been anything but restrained. The Bush administration has blotted its otherwise exemplary record in a small and impoverished Central American country—probably the one in which there is the least at stake for US interests." Shifter says Washington "has been in a dither about the prospect of former Sandinista president Daniel Ortega returning to power after 16 years." However, he argues that Ortega's "possible comeback would not have far-reaching repercussions in Latin America and surely would constitute no threat to the United States." Therefore, Shifter says the Administration's "intervention in Nicaragua's internal affairs is unwarranted."

Meanwhile, in an editorial the Wall Street Journal (11/2, A12, 2.03M) says, "Hard to believe, but the candidate with the best shot of coming to power in Nicaragua's election on Sunday is none other than Daniel Ortega, the former Sandinista dictator. A change of heart by the people of Nicaragua? Not at all. Most Nicaraguans dread his return." If Ortega wins Sunday's election, the Journal says "Nicaraguans will be the losers."

UK Report On Climate Change Sparks Commentary. In a Wall Street Journal (11/2, A12, 2.03M) op-ed, Bjørn Lomborg, author of "The Skeptical Environmentalist," writes that a recent report on climate change by Nicholas Stern and the UK government has "sparked publicity and scary headlines around the world," with "much attention…devoted to Mr. Stern's core argument that the price of inaction would be extraordinary and the cost of action modest." However, Lomborg says that Stern's claim "falls apart when one actually reads the 700-page tome.

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Despite using many good references, the Stern Review on the Economics of Climate Change is selective and its conclusion flawed. Its fear-mongering arguments have been sensationalized, which is ultimately only likely to make the world worse off."

In an editorial, the Wall Street Journal (11/2, A12, 2.03M) says the report "made the intentionally shocking prediction that global warming could eliminate from 5% to 20% of world economic output 'forever.' Meanwhile, doing the supposedly virtuous thing and trying to forestall this catastrophe would cost merely an estimated 1% of world GDP." The Journal says that "there are far more urgent, and far less speculative, problems that we know how to solve with the right policies. That message may not get scary headlines, but it would improve the lives of more human beings around the world."

However, the Los Angeles Times (11/2, 918K) takes a differing position on the issue, editorializing, "Over the last two years, the findings of studies on global warming have grown increasingly dire. … Though the numbers are debatable, the essential message cannot be ignored: There will be irreversible long-term damage if emissions are not significantly reduced." The Times says that while Britain has "championed the struggle against global warming," President Bush's "intransigence is isolating him from the emerging global consensus." The Times concludes, that the US is "not only failing to be a leader on curbing one of the world's most serious threats, it's not even a decent follower."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Squeeze On North Korea's Money Supply Yields Results."
"Success? That's Not An Elective."
"Novelist Plumbed The Soul's Depths."
"Epidemic Of Foot-In-Mouth Afflicts Candidates This Year."
"Large Bird, Small Boy, Big News."

USA Today:

"Wealth Scorecard."
"China's Great Haul: 15 Billionaires."
"Troubled Troops In No-Win Plight."
"Bonuses Don't Cut Turnover For TSA."

New York Times:

"With Iraq Driving Election, Voters Want New Approach."
"Medic Tends A Fallen Marine, With Skill, Prayer And Anger."
"As Investors Covet Ethanol Plant, Farmers Resist."
"Yes, Red Wine Holds Answer. Check Dosage.."
"Selling Literature To Go With Your Lifestyle."

Washington Post:

"N. Korea Agrees To Return To Nuclear Talks."
"Iraq Tells U.S. To Quit Sadr City Checkpoints."
"Va., Md. Senate Camps Dig Deep."
"Campaigner In Chief Has Limited Reach."
"Hubble Repair Mission Is A Go."
"Molded By Faith And Persistence."

Washington Times:

"Kerry Apologizes For Insulting Troops."
"Venezuela To Give DC Discounted Oil."
"Episcopalians To Consecrate female Leader."
"African Leaders, China To Meet On Investment."
"Maryland Balloting Beset With Doubts, Vulnerablility."
" Sweet Smell Of Success Sparks Star Scents."

Detroit Free Press:

"Trucks Tug Sales Higher."
"Grandholm Rolls With The Punches."
"Judge To Take New Look At Teacher's Sex Case."

Atlanta Journal-Constitution:

"Kerry Relents, Apologizes To Military."
"Activist Calls For Cop Probe In DeKalb."
"Transits Planners Look To The Sky For Solutions."
"After 40 Years Bobs Returns With Her Voice-And Politics."

Houston Chronicle:

"Gluttons, Lift Your Glasses…"
"Offer Of free Flu Shots Halted At Polling Places."
"Ex-HISD Worker In Dropout Scandal Cleared Before Trial."
"UT-Houston Official To Run A&M W System."
"More Students At HISD Taking, Passing AP Exams."

Story Lineup From Last Night's Network News:

ABC: Kerry's Statements Aftermath; Rumsfeld Controversy; Classified Document Surfaced; Iraq Not United; California Wildfires; Anti Abortion Bill; Sales Up; Functional Foods; Word Of The Year; Toys For Elderly-Japan.

CBS: Kerry's Statements Aftermath; Kerry Statements-Analysis; Voting Machines; Iraq-Classified Document; Lebanese Government Possible Overthrow; Fire In Reno Hotel; Housing Market; New Natural Menopause Treatment; House Calling Author.

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NBC: Kerry's Statements Aftermath; Kerry's Statements Analysis; Classified Documents Discovered; Medical Breakthrough; Runway Now Open; Campaign 2006; New Menopause Treatment; Obsessed With Flamingos.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — President and Mrs. Bush depart The White House via Marine One, South Lawn, The White House; attends Montana Victory 2006 Rally, Metrapark Expo and Convention Center, Billings, Mont.; attends Nevada Victory 2006 Rally, Elko Regional Airport, Elko, Nev.

VICE PRESIDENT CHENEY — Arrives at Coeur d'Alene Airport, Hayden, Idaho; speaks at an Idaho Victory Rally, at the airport.

LAURA BUSH — Speaks at a Michigan Victory 2006 Rally, College of Aviation, Western Michigan University, Battle Creek, Mich.; speaks at an Illinois Victory 2006 Rally, Renaissance Schaumberg Hotel and Convention Center, Schaumberg, Ill.; speaks at an Iowa Victory 2006 Rally, Five Sullivan Brothers Convention Center, Waterloo, Iowa; speaks at a California Victory 2006 Rally, William Jessup University, Rocklin, Calif.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: POSTSECONDARY EDUCATION _ The National Postsecondary Education Cooperative holds a symnposium on postsecondary student success. Highlights: 12 p.m. Education Secretary Spellings. Location: Capital Hilton, 16th and K Sts. NW.

WORLD HEALTH _ The World Healthcare Innovation and Technology Congress meets to discuss the use of technology to transform healthcare practice and enable better accerss to the delivery of healthcare. Highlights: 8 a.m. Session on balancing corporate objectives with funding demands, with David Dutler of Harvard University, Charles Kahn III of the Federation of American Hospitals, Herbert Padres of New York Presbyterian Hospital, others. Location: Omni Shoreham Hotel, 2500 Calvert St. NW.

ENERGY-JOURNALISM _ 9:30 a.m. - 3 p.m. The Foundation for American Communications, the American Press Institute and the Society of Professional Journalists hold a seminar for journalists on better understanding and reporting on the demand and costs of electricity and the reliability of the national power grid. Location: American Press Institute, 11690 Sunrise Valley Dr., Reston.

ARAB WORLD-REFORM _ 9 a.m. - 12:30 p.m. The American Enterprise Institute hosts ``Dissent and Reform in the Arab World: Empowering Democrats," the third installment in AEIs Dissent and Reform in the Arab World series, featuring participants from Bahrain, Egypt, Iraq, Jordan, and Lebanon who will discuss their documentation of impediments to democracy within their own countries and lay out their prescriptions for change. Highlights: Location: Wohlstetter Conference Center, 12th floor, AEI, 1150 17th St. NW.

IRAN _ 10 a.m. The Iran Policy Committee holds a news conference to release new research on Iranian intentions. Location: National Press Club.

CHINA FUTURE _ 10:30 a.m. The Heritage Foundation holds a program with author Willy Wo-Lap Lam on the politics of China's President Hu Jintao. Location: Lehrman Auditorium, Heritage Foundation, 214 Massachusetts Ave. NE.

CHAO _ 11 a.m. Labor Secretary Chao addresses the Department's Salute to Veterans. Location: Labor Department.

FUGITIVE ROUNDUP _ 11 a.m. Attorney General Alberto R. Gonzales and U.S. Marshals Service Director John Clark will deliver remarks at a press conference announcing the results of a law enforcement initiative. Location: Department of Justice, 7th Floor Conference Center, 950 Pennsylvania Ave. NW.

SENIORS-TAXES _ 11 a.m. The Seniors Coalition and the Maryland Taxpayers Association hold a telephone briefing to discuss the three biggest and least known tax rip-offs facing senior citizens in the U.S. Contacts: Ailis Aaron Wolf, 703-276-3265. Notes: Callin number: 800-860-2442; pascode: biggest senior tax rip-offs.

SEXUAL HEALTH _ 12 a.m. Two former U.S. Surgeons General, Dr. David Satcher and Dr. Joycelyn Elders partcipate in an audio press conference to call for concrete action in response to disparities in sexual health among African Americans and other minorities, and the need to view sexual health as not only the absence of disease but as a positive dimension of human development and well being. Contacts: Geoffrey Knox, 917-414-1749. Notes: Dial-in : 877-704-5380, Conference : 7116468.

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ABORTION-SUPREME COURT _ 12 p.m. The American Constitution Society hosts a discussion from both sides of two pending SCOTUS cases questioning whether women whose health is endangered by their pregnancies have a constitutional right to a safe abortion. Gonzales v. Carhart and Gonzales v. Planned Parenthood. With Helen M. Alvari, Catholic University of America; Benjamin W. Bull, Chief Counsel, Alliance Defense Fund; Nancy Northup, President, Center for Reproductive Rights; The Rev. Dr. Katherine Hancock Ragsdale, Former Chair of the National Board, Religious Coalition for Reproductive Choice; and David Masci, Senior Research Fellow, Pew Forum on Religion and Public Life. Location: National Press Club, 14th and F Sts. NW.

IRAQ-AFGHANISTAN _ 12 p.m. Cato Institute policy forum on ``The U.S. Military and Counterinsurgency: What We Have Learned in Iraq and Afghanistan." With Jeffrey Record, Air War College, Author of ``Beating Goliath: Why Insurgencies Win"; Thomas E. Ricks, Washington Post, Author of ``Fiasco: The American Military Adventure in Iraq"; Conrad Crane, U.S. Army Military History Institute, author of the ``Army/Marine Corps Counterinsurgency Manual"; others. Location: 1000 Massachusetts Ave. NW.

WENTZLER _ 12 p.m. The National Economists Club holds a luncheon with Nancy Wentzler, Chief Economist, Office of the Comptroller of the Currency, discussing U.S. bank performance in a global marketplace. Location: Chinatown Garden Restaurant, 618 H St. NW.

POLITICAL CHANGE-EUROPE _ 1:30 p.m. - 3 p.m. The Brookings Institution hosts a a forum on political changes in Europe and America and the impact on domestic and foreign policies. With Christoph Bertram, former director of the German Institute for International & Security Affairs; Charles Grant, director of the Centre for European Reform; Nicolas de Boisgrollier, visiting fellow, the Brookings Institution; Tom Mann, senior fellow, the Brookings Institution; and others. Location: Falk Auditorium, 1775 Massachusetts Ave. NW.

SCHUMER-SENATE RACES _ 1:45 p.m. Democratic Senatorial Campaign Committee (DSCC) Chairman Sen. Chuck Schumer, D-N.Y., will hold a pen and pad briefing to discuss developments in the Senate races. Location: Mott House, 122 Maryland Ave. NE.

COLOMBIA _ 2 p.m. The Center for Strategic and International Studies holds a discussion on justice and peace law in Colombia, with Vice Minister of Justice Guillermo Reyes and Deputy Attorney General Guillermo Mendoza Diago. Location: 5th floor conference room, 1800 K St. NW.

VOTING TECHNOLOGY _ 2 p.m. A team of professors and computer science students from University of Maryland-Baltimore County and George Washington University hold a news conference to announce a national competition for better electronic voting technology. Location: National Press Club.

MEDICARE-PAY FOR PERFOMANCE _ 4 p.m. Cato Institute forum on ``Improving Health Care Quality: Is Medicare a Good Candidate for Pay-for-Performance?" With David Cutler, Harvard University; Sandra Gadson, National Medical Association; Gail Wilensky, Institute of Medicine Pay-for-Performance Advisory Committee, others. Location: 1000 Massachusetts Ave. NW.

NORTH KOREA _ 5:30 p.m. Kenneth Quinones, former North Korea country director at the State Department, discusses U.S.-North Korean relations, sponsored by the School of Advanced International Studies. Location: Room 508, 1619 Massachusetts Ave. NW.

TERRORISM-FILM _ 6:15 p.m. Screening of a film by Rob McGann, American Zeitgeist: Crisis and Conscience in an Age of Terror. Location: National Press Club.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Detainees Ask Court To Allow Military Trial Challenges. The Washington Post (11/2, A7, Leonnig) reports, "Attorneys for captives in the Guantanamo Bay military prison asked a federal appeals court yesterday to reject a provision of the new military-commission law that strips hundreds of detainees of their right to challenge their detention in U.S. courts." The Post continues, "The lawyers, joined by a group of retired judges from both political parties, argued that the United States cannot indefinitely imprison foreign nationals in a military prison without charging them with crimes and deny them the chance to test the evidence against them in the U.S. justice system." The Post adds, "President Bush sought Congress's approval this fall for the Military Commissions Act, which also set new rules for military trials of the detainees, and signed it into law Oct. 17. Government lawyers quickly moved to throw out hundreds of pending challenges by the detainees, known as habeas corpus cases. The issue is pending before the U.S. Court of Appeals for the District of Columbia Circuit. … But attorneys for detainees argue that the law does not apply to detainees with ongoing cases, in part because the government can take that drastic step only when the country is in the middle of an active war. … Justice Department spokesman Charles Miller said yesterday that the government would not comment but would respond in a brief due to the appeals court Nov. 13."

The AP (11/2, Apuzzo) reports, "In written arguments, attorneys for more than 100 detainees who would be locked out of the regular judicial system asked the U.S. Court of Appeals for the District of Columbia Circuit to let the detainees keep their legal challenges going in civilian courts. … The framers of the Constitution never would have permitted the government to hold people indefinitely without charges, the lawyers wrote. … 'Persons imprisoned without charge must retain the right to obtain a court inquiry into the factual and legal bases for their imprisonment,' they wrote." The AP notes, "This argument echoes a Supreme Court ruling in June in which the justices ruled that the Bush administration's system for trying enemy combatants violated U.S. and international law. Within weeks, the president persuaded Congress to pass a law setting up military commissions and barring detainees from using the civilian court system. … Shortly after the law was signed, the Justice Department told hundreds of detainees that their cases in the U.S. courts had been rendered moot." The AP adds, "Even if the court decide not to declare the law unconstitutional, attorneys offered a creative way for the court to keep the case alive. They suggested the judges rule that the law

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doesn't mean what the Justice Department thinks it means - because if it did, it would be unconstitutional."

Padilla Says He Was Tortured, Asks Judge To Dismiss All Charges. The New York Times/AP (11/2) reports, "Jose Padilla is asserting that he was tortured during his three and a half years in American custody as an enemy combatant, including being threatened with execution and forced to stand for long periods." Padilla's lawyers "are asking a federal judge to dismiss the terror support charges against him because he suffered from 'outrageous government conduct' during more than 1,300 days in military custody." In the court papers, Padilla "asserted among other things that interrogators had threatened him with 'imminent execution' or with painful cuts; that he was forced to wear a hood and stand in 'stress positions' for long periods; that noxious fumes were sometimes introduced into his cell; that he was forced to endure extreme heat and cold, bright lights or total darkness, denied opportunities to shower for weeks and deprived of sleep; and that he was not provided with a copy of the Koran."

Seven Former Federal Judges Argue Detainees Law Is Unconstitutional. The AP (11/2, Apuzzo) reports, "Seven retired federal judges from both political parties have joined dozens of Guantanamo Bay detainees in urging an appeals court to declare key parts of President Bush's new anti-terrorism law unconstitutional." The AP continues, "The judges, in a rare court filing Wednesday, said stripping courts of the right to question how the military handles terrorism suspects 'challenges the integrity of our judicial system' and effectively sanctions the use of torture." The AP adds, "Bush signed a law this month allowing the military to arrest people overseas and detain them indefinitely without allowing them to use the U.S. courts to contest their detention. Bush hailed the law, which established a system of military trials, as a crucial tool in the war on terrorism and said it would allow prosecution of several high-level terror suspects. … For detainees challenging their imprisonment, the law locks them out of the civilian court system. Dozens of detainees argued Wednesday that the law is unconstitutional, and the retired judges echoed that in their own papers filed with the U.S. Court of Appeals for the District of Columbia Circuit. … 'We believe that compelling this court to sanction executive detentions based on evidence that has been condemned in the American legal system since our nation's founding erodes the vital role of the judiciary in safeguarding the rule of law,' the judges wrote." The AP notes, "The brief was filed by retired Judges Shirley M. Hufstedler, Nathaniel R. Jones, George N. Leighton, Timothy K. Lewis, Frank J. McGarr, Abner J. Mikva and Patricia M. Wald. Three of the judges — Leighton, Lewis and McGarr — were appointed by Republican presidents."

Alleged Terror Plotter Abu Doha Languishes In British Legal Limbo. The AP (11/2, Lawless) reports, "He's an al-Qaida-linked terrorist who worked with Osama bin Laden and plotted to bomb Los Angeles airport at the turn of the millennium, according to U.S. authorities. … Yet for the past year, Abu Doha has been imprisoned in a British jail for nothing more serious than immigration violations: A U.S. attempt to extradite him collapsed, and Britain lacks the evidence to charge him with terrorism." The AP continues, "Abu Doha's legal limbo has both civil libertarians and counterterrorism officials concerned - and some experts questioning how big a terrorist player he really is. … 'I think if all that had been said about him was true, there would have been efforts to sustain the (extradition) request from the United States,' Paul Wilkinson of the Center for the Study of Terrorism and Political Violence at St. Andrews University in Scotland said Wednesday. … The British government, however, says Abu Doha is a threat to national security and wants to deport him to his native Algeria." The AP notes, "Abu Doha is appealing, and the case is due to be heard early next year. … In Washington, an official who spoke on condition of anonymity because of the sensitivity of the case, said the U.S. Justice Department was 'horrified' at the idea of Abu Doha being free. … Abu Doha, 40, also known as Dr. Haidar, Amar Makhlulif and 'The Doctor,' has been described by U.S. prosecutors as a key al-Qaida figure who oversaw a plot to blow up Los Angeles airport on New Year's Eve 1999. … The plan was foiled when another Algerian, Ahmed Ressam, was caught trying to enter Washington state from Canada in a car loaded with explosives. Ressam identified Abu Doha as ringleader of the plot."

Human Rights Watch Says UK Shows "Dangerous Ambivalence" About Torture. The Washington Post (11/2, A13, Sullivan, 748K) reports, "The British government has systematically attempted to water down laws banning the transfer of terror suspects to countries that practice torture, according to a report issued Thursday by Human Rights Watch. British officials strongly disputed the report's conclusions. The group concluded that the government of Prime Minister Tony Blair has adopted a 'dangerous ambivalence' toward torture of suspected terrorists abroad since the Sept. 11, 2001, attacks in the United States and the July 2005 bombings of the London public transit system."

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London Man Charged With Taking Terror-Related Materials On Flight. The New York Times (11/2, Lyall, 1.21M) reports, "A 29-year-old man from East London was charged Wednesday with trying to take terrorism-related materials, including a manual titled "The Mujahideen Poisons Handbook," on a Pakistan-bound flight from Heathrow Airport." The man, Sohail Anjum Qureshi, "was arrested by antiterror officers at the airport on Oct. 18 as he was waiting to board a flight to Islamabad, Pakistan. He was carrying about $17,000 in cash, a night-vision scope, two metal batons, two backpacks, two sleeping bags and a computer disk and hard drive containing a combat-training manual as well as the poison manual, the authorities said."

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Israeli Agent Denies Salah Tortured To Admit Supporting Hamas. The AP (11/2, Robinson) reports, "An Israeli security agent scoffed Wednesday at a Chicago grocer's claim that he was deprived of sleep, forced to wear a foul-smelling hood and otherwise tortured after his arrest on charges of bankrolling terrorists." Muhammad Salah, on trial in Chicago for conspiring to provide support for Hamas, "was arrested at an Israeli checkpoint in January 1993 and agents found $97,000 in his East Jerusalem hotel room. He served 4 1/2 years in an Israeli prison after signing statements that he met with Hamas leaders." The AP adds, "Nadav said he didn't attend the initial interrogation of Salah. But he said he knew the agents who took part refrained from using torture."

WTimes Assails FBI, Lawmakers Over Lack Of Knowledge About Islam. Under the headline "What They Don't Know Is Frightening," the Washington Times (11/2, 88K) editorializes, "How alarmed should Americans be upon learning that one of the nation's highest-ranking FBI counterterrorism policy-makers and two members of the House Permanent Select Committee on Intelligence, among numerous other unnamed officials, possess shallow knowledge about terrorist groups that have slaughtered Americans in the past, are killing our soldiers in the war on terror today and threaten to obliterate us in the future?" The Times recounts the details of the recent New York Times op-ed in which CQ's Jeff Stein questioned FBI Executive Assistant Director Willie Hulon and Reps. Terry Everett and Jo Ann Davis about the differences between Sunnis and Shiites. The Times concludes, "You could not make this stuff up. Given their governmental responsibilities, the ingrained incuriosity of these officials is as appalling as it is frightening."

FBI Subscribes To English, Arabic TV Broadcast Monitoring Service. Government Computer News (11/1, Dizard 5:31 p.m.) reported, "The FBI now has access to an online service that its employees can use to screen TV broadcasts and provide alerts when specified words are used, either on English-language networks or networks broadcasting in Arabic. Critical Mention Inc. of New York City provides the service, which it is furnishing to multiple users at the bureau under a recently concluded one-year contract with options for renewal." GCN added, "The bureau is using the service to monitor TV news mentions of the term 'FBI' on various news networks to track the public's perception of the law enforcement agency, sources said. In a similar vein, a user at the bureau could use the service to track the use of other words of interest that might be broadcast in Arabic," and "then a user could receive an English-text version of the Arabic broadcast as well as a video clip."

HOMELAND RESPONSE:

FBI Official Says UK Plotters Planned To Bomb Airliners Over US Cities. The Washington Post (11/2, A7, Eggen, 748K) reports, "A group of alleged terrorists arrested in London in August planned to blow up airliners over U.S. cities to maximize casualties, rather than over the Atlantic Ocean as many intelligence officials originally thought, according to recent remarks by a senior FBI official. The comments by Mark Mershon, head of the FBI's New York field office, indicate that U.S. and British intelligence officials now think that the airliner plot was aimed at maximizing the potential loss of life and economic impact. …

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Christine Monaco, a spokeswoman for the FBI in New York, declined to comment on Mershon's speech" at the Infosecurity 2006 conference last month. "Mershon told…attendees that representatives of MI5…briefed the FBI on the liquid explosives case in recent weeks." Georgetown terrorism expert Bruce Hoffman noted "the case indicates that Islamic extremists remain focused on attacking U.S. cities."

Explosion Shatters Window At PayPal Offices. In a widely-distributed story, the AP (11/2, Robertson) reports, "A Halloween night explosion shattered a window at a building housing offices for eBay's PayPal division, forcing the evacuation of dozens of employees. PayPal spokeswoman Amanda Pires said Wednesday that the company had not received any threats but declined to comment on the investigation." The AP adds, "No injuries were reported and no explosive device was found, but investigators determined the blast was deliberately set, Sgt. Nick Muyo said. Police had no suspects. Investigators from the San Jose police and fire departments, the FBI and the Bureau of Alcohol, Tobacco, Firearms and Explosives were investigating."

The San Jose Mercury News (11/2, Webby, McPherson, 242K) notes that "the corporate target was so sensitive, the explosion so powerful and the bombing so rare in Silicon Valley that law enforcement from San Jose, the federal Bureau of Alcohol Tobacco and Firearms and FBI converged on the campus. After more than 24 hours scouring for clues, investigators had few answers. Was it someone intentionally targeting the Internet corporate giant, a techno-terrorist? Or was it a dangerous prank on a night known for smashed pumpkins and toilet paper attacks?" CNET News.com (11/1, Sandoval) and the San Jose Business Journal (11/1) also reported on the blast, noting that the FBI is participating in the investigation.

Connecticut Man Convicted Of Lying To FBI About Chemical Hoax. The AP (11/2) reports Robert Robishaw of Uncasville, Conn., "was convicted Wednesday of lying to federal authorities about being the victim of a chemical attack." Robishaw "pleaded guilty to one count of making false statements to the Federal Bureau of Investigation, prosecutors said. He entered his plea…eight months after telling Groton fire authorities that an unknown substance fell out of a newspaper that he purchased at a Waterford convenience store. He told authorities the off-white, powdery substance caused his skin to turn red and tingle. … The substance turned out to be cigarette ash that prosecutors say Robishaw put in the newspaper." WVIT-TV Hartford (11/1) noted in its newscast yesterday, "The scare sent eight people to a hospital for decontamination." The Norwich Bulletin (11/2) also reports on Robishaw's conviction.

Redacted Information In Government Reports More Embarrassing Than "Truly Sensitive." Under the headline "There's Secrecy, and There's Expediency," the Washington Post (11/2, A15, Williamson, 748K) reports on the recent release of a "mostly uncut copy" of a Department of Homeland Security inspector general's office report "slamming the department's failure to consolidate a dozen government watch lists containing information about suspected terrorists." The new copy, released following a Freedom of Information Act request, came two years after the original report, in which "entire pages were blacked out, ostensibly for security reasons." However, the Post adds that such edits are often not "about national security…as much as they are about convenience. Although some of the redacted information is truly sensitive, some is merely embarrassing to the government." The problems described in the 2004 report, "by the way, persist."

TSA Struggling With High Screener Turnover Despite Bonus Program. USA Today (11/2, 1A, Frank, 2.27M) reports on its front page that the Transportation Security Administration's "ambitious program" to pay 36,000 of its 45,000 screeners $500 or $1,000 "retention bonuses" in May "did not reduce the turnover rate" at the agency, "which still has one of the highest attrition rates in the US government, according to agency data." The agency and the federal Office of Personnel Management say the turnover rate "over the summer was unchanged from the winter and spring months." The TSA is taking additional steps, including "a new pay grade that will raise salaries of high-quality veteran screeners by up to $5,300 and better position them to move into other government-security jobs such as the Secret Service or Border Patrol, according to TSA."

Former Assistant AG Criticized For Not Prosecuting Ruby Ridge Sniper. Under the headline "Ruby Ridge Revisited: Deval Let Sniper Off The The Hook," the Boston Herald (11/2, Atkins, 203K) castigates former Assistant Attorney General Deval Patrick, who is running for Massachusetts governor, over his decision not to prosecute FBI sniper Lon Horiuchi for the death of Vicki Weaver. "Patrick made the recommendation despite a report by a task force assembled by Patrick's boss, Attorney General Janet Reno, that found numerous problems with the FBI's handling of the standoff, and called the protocol used by the FBI's Hostage Rescue unconstitutional under the circumstances." In a statement to the Herald yesterday, former DOJ spokesman Myron Marlin said, "The Justice Department believed the critical element of willfulness necessary for a criminal civil rights prosecution could not be established beyond a reasonable doubt." The Herald adds,

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"In 1995, however, a Senate subcommittee headed by Sen. Arlen Specter…found 'simply no justification' for the shot…that killed Vicki Weaver and 'missed the 10-month-old baby in her arms by less than two feet.'"

WAR NEWS:

Bush Says "The Only Way We Can Lose" In Iraq "Is If We Leave." President Bush, during a taped interview on the Rush Limbaugh Show (11/1), said, "I am -- I guess amazed is the proper word -- at how courageous our troops are. And I am amazed at the fact that they are so capable and that they volunteer in the midst of this war to defend us. … We have taken a measured approach to talking about casualties, but I can assure your listeners our troops are on the offense and they're after an enemy and when they find the enemy and the enemy confronts them -- we win. They can't beat us on the battlefield. The only way we can lose this is if we leave."

Columnist Says Democratic Victories Could Leave Bush "Unbound" On Foreign Policy. In his monthly Washington Post (11/2, A17, 748K) column, Robert Kagan writes that Europeans "hopefully if a Democratic victory in the congressional elections will finally shift the direction of American foreign policy in a more benign direction. But congressional elections rarely affect the broad direction of American foreign policy. … The preferred European scenario -- 'Bush hobbled' -- is less likely than the alternative: 'Bush unbound.' Neither the president nor his vice president is running for office in 2008. That is what usually prevents high-stakes foreign policy moves in the last two years of a president's term. … Bush doesn't have to worry about getting anyone elected in 2008 and appears to be thinking only about his place in history."

Classified Chart Indicates US Command Believes Iraq Moving Toward Chaos. All three networks ran critical reports on the US Central Command chart assessing the ground situation in Iraq that was printed on the front page of Wednesday's New York Times. ABC World News (11/1, story 3, 1:35, Gibson, 8.78M) reported that a "classified document surfaced" in Iraq that is "providing a sobering look at the conditions there and the way the conditions are assessed by top military officials. … It's about as grim a portrayal of conditions in Iraq as anything we've seen in the military." ABC (Karl) added, "Military officials are furious that a classified document leaked. But they say it accurately reflects the increasingly dire situation in Iraq." The "classified chart represents the most pessimistic assessment yet by military commanders. It is called an index of civil conflict. On one side, peace; on the other side chaos. The current situation: a lot closer to chaos than peace."

The CBS Evening News (11/1, story 4, 0:30, Couric, 7.66M) reported, "Iraq edging ever closer to chaos. That assessment is from US Central Command in a classified briefing obtained by the New York Times." The chart "was prepared two weeks ago and CBS News has learned that the current assessment is much the same, Iraq still dangerously close to chaos." NBC Nightly News (11/1, story 3, Williams, 9.87M) reported, "With the American death toll in Iraq at 105 for this month of October, consider this: On page one of today's New York Times," the chart showing Iraq "creeping closer to chaos." CNN's The Situation Room (11/1, Verjee) reported, "'Inching toward chaos.' That's how US military commanders assessed Iraq two weeks ago."

"Ethnic Cleansing" Said To Be Latest Fear In Baghdad. CNN's Lou Dobbs Tonight (11/1, Roberts) reported, "Obviously another deadly day here in Baghdad. It's what we see every day, although the violence in the last 24 hours is not what it was last week, when we saw 80 people killed across Iraq in one day. And that total now for American deaths in the month of October, 105, just missing by two the third-highest monthly total. … A couple of words that you hear increasingly in private conversations with members of the US military -- this is not yet for public consumption, but privately they will say the words 'ethnic cleansing' is what's going on in the neighborhoods in Baghdad and increasingly in the towns and villages surrounding Baghdad."

Military Says Al Qaeda "Kingpin" Killed In Ramadi. AFP (11/2) reports this morning that the US military announced US forces in Ramadi killed "an Al-Qaeda chieftain" by destroying his car with a laser guided bomb. The military said, "Rafa Abdul Salam Hamud al-Ithawi, also known as Abu Taha, was the emir of Shamiyyah. He frequently harboured foreign fighters who entered Iraq illegally in order to assault innocent Iraqis and coalition forces."

Shiites Push For Changes To Iraq's Relationship With US Military. The New York Times (11/2, A12, Tavernise, 1.21M) reports Iraq's Shiites, in a "continued effort to demonstrate their independence from Washington," are "pressing a fresh set of conditions on their American supporters," asking for changes in their government's relationship with the US military. Iraq's leaders, in a "move that seemed designed more to placate" Shiites "than to influence the broader management of the war," have drawn up a list of changes to the UN agreement "that provides some of the legal basis for American troops here. The changes, if enacted, could give the Iraqi government more control over its own armed forces, something Iraqi

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leaders want, but were not likely to change fundamentally the way the war is directed."

Sadr City Shiites Celebrate Maliki's Removal Of Checkpoints. The Christian Science Monitor (11/2, Peterson, 58K) reports Sadr City Shiites "are reveling in what they deem their 'victory' over American forces" after Maliki "ordered the dismantling of US and Iraqi checkpoints surrounding the area." The removal of the checkpoints "provided Mr. Maliki with a chance to further assert his independence after weeks of friction between Washington and Baghdad." The Washington Post (11/2, A12, Anderson, 748K) says "life returned to normal" in Sadr City a day after the removal, though while "Shiites hailed Maliki for asserting his independence and authority, and for alleviating the hardships imposed by the cordon, some Sunni Arab leaders questioned the decision."

Maliki Blamed For Slow Start Of Real Iraqi Democracy. ABC World News (11/1, story 4, 2:10, Gibson, 8.78M) reported that "questions persist about whether the Iraqi government is up to the challenge of uniting the country and ending the violence." ABC (McCarthy) added, "Iraqi democracy in action: As bombs rock the country, Parliament could not convene because so few members turned up. … The entire effort of the US effort here depends on Iraqi groups coming together. At the moment, that process is going nowhere. Iraqis say the problem starts at the top, with Nouri al-Maliki, the Shiite Prime Minister. When Maliki came to power five months ago, he promised to bring Shiites and Sunnis together. National reconciliation is a wide-open door, he said. Today, he appears to be serving only Shiite interests. … With this record, it's not surprising that Sunnis see little future in negotiating with Maliki."

Murtha Defends Maliki's Efforts. Rep. John Murtha said on MSNBC (11/1, Carlson), "You see what Maliki is trying to do. The Prime Minister's trying to make himself more independent, have more confidence. The people right now in Iraq have more confidence -- and they say when we leave, the polls indicate there'll be less chaos. There's only 1,000 foreign fighters over there. It's a civil war, and that's what our troops are caught in between. We can't solve a civil war. We can't win this militarily. This has to be won by the Iraqis. They have to take the responsibility themselves."

Retired Army Officer Says Maliki Siding With Sadr Too Often. USA Today (11/2, 13A, 2.27M) contributor Ralph Peters, a retired Army officer, writes, "I supported this war, but the deteriorating situation is starting to convince me that we can't win. Those of us who hoped that the Iraqis could achieve democracy were wrong -- and their failure has implications for the entire region." Regarding Maliki's Sadr City actions, Peters says "it was the third time in less than a month that al-Maliki had sided with" Muqtada al-Sadr "against our forces. President Bush insists that we have no conflicts with the al-Maliki government. The president isn't telling the truth -- or he himself doesn't support our military's efforts."

US-Trained Iraqi Soldiers Rampage, Flee, Waste Ammunition, Army Publication Says. The AP (11/1, Milburn) reports Iraqi soldiers being trained by US military advisers "go on rampages, flee from dangerous situations and waste ammunition in undisciplined bursts of fire at any provocation," according to an article in the US Army publication Military Review. Lt. Col. Carl Grunow wrote that "in contrast to the iron discipline imposed during Saddam Hussein's regime, 'the new army serves the cause of freedom, and officers and soldiers alike are a bit confused about what this means.'"

Pentagon Launches Rapid-Response PR Effort. The Los Angeles Times (11/2, Barnes, 918K) reports, "As concern in the Defense Department mounts over eroding public support for the Iraq war, the Pentagon has launched a rapid-response public relations effort to rebut news stories that officials believe are inaccurate or misleading." While "all administrations have been critical of the media, most have avoided regular, ongoing public fights with journalists. But in recent weeks the Bush administration has shown a willingness to fight over facts and reporters' analysis of news events." The Pentagon's "rapid-response efforts echo an initiative called 'Setting the Record Straight,' in which the White House identifies what it says are news reports' inaccuracies or quotations out of context. Among the first results of the Pentagon response is a new 'For the Record' section of the Defense Department's website."

US Soldiers Prepare For Return Home. The Los Angeles Times (11/2, Daragahi, 918K) runs a feature on soldiers at Iraq's Camp Paliwoda getting ready for a return to the US after one-year tours of duty. But home "may be a fleeting respite. This was the battalion's second tour in Iraq, and most think they will be back for a third time, probably in another year."

Navy Trauma Medic Profiled. The New York Times (11/2, Chivers, 1.21M) runs a front-page profile on Navy trauma medic Petty Officer Third Class Dustin Kirby, who said of helping to save one friend, "I really thank God that he was breathing when I got to him, because it means that I can do something with him. It helps. People ask you, 'What are you doing? What are you doing?' It helps, because if he's breathing, you're doing something."

Brooks Says Partition Of Iraq May Be Inevitable. In his New York Times (11/2, A27, 1.21M) column, David Brooks writes that partitioning Iraq "would be traumatic, so after the election it probably makes sense to

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make one last effort to hold the place together. Fire Donald Rumsfeld to signal a break with the past. Alter troop rotations so that 30,000 more troops are policing Baghdad. But if that does not restore order, if Iraqi ministries remain dysfunctional and the national institutions remain sectarian institutions in disguise, then surely it will be time to accede to reality. It will be time to effectively end Iraq, with a remaining fig-leaf central government or not. It will be time to radically diffuse authority down to the only communities that are viable -- the clan, tribe or sect. … The boundaries may have to change. The war was an attempt to lift a unified Iraq out of its awful history, but history has proved stubborn. It's time to adjust the plans to reality."

NSA Hadley Arrives In Afghanistan. The AP (11/1) reports National Security Adviser Stephen Hadley arrived in Kabul, where he will meet with President Hamid Karzai and senior military leaders. Hadley has just completed "two days of meetings in Iraq aimed at soothing tension" with Prime Minister Nouri al-Maliki.

Scholar Calls For End To Use Of Term "War On Terror." In a Los Angeles Times (11/2, 918K) op-ed, Hoover Institution senior fellow Timothy Garton Ash writes, "For all their criticisms of the way President Bush has waged the wars in Iraq and Afghanistan, most Democrats don't challenge the central concept of the war on terror. They merely claim they could fight it better. Only a few intellectual Democrats, such as financier and philanthropist George Soros, insist that the very idea of the war on terror is, in his words, 'a false metaphor.' Most Europeans, by contrast, agree with Soros. I have argued the same point. … Apart from anything else, to use this language dignified the terrorists with the status of belligerents when they should have been treated as criminals. In a backhanded way, the coinage was itself a kind of glorification of terrorism."

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Gonzales' Surprise Lecture At George Washington Pleases Students. George Washington University's Hatchet (11/2, Butler) reports, "U.S. Attorney General Alberto Gonzales made a surprise visit to a Law School class Tuesday and spoke about U.S. policy in the war on terror." The Hatchet continues, "Students in the Law School's criminal procedure class were surprised to see the special guest speaker in Stockton Hall Tuesday. Associate professor of law Renee Lerner teaches the class and is an acquaintance of Gonzales'. The two worked together when she was at the Department of Justice and he served as White House counsel. … 'When he walked in there was a definitive gasp,' Lerner said. 'The students were happily surprised to see him.'" The Hatchet adds, "The attorney general spent about 15 minutes talking about issues such as the USA PATRIOT Act, wiretapping and military tribunals. Then, for about 35 minutes he answered questions from the 40 students in the class. … Lerner said Gonzales had a 'very warm and inviting manner' when speaking with the students, whom she said responded well to the visit. … 'Several students mentioned it was good to hear from someone who is directly involved in legal questions they study in an academic setting,' she said. 'Some also mentioned how fortunate we are to be in Washington D.C. where we have access to such high-ranking officials.' … Lerner said she arranged the visit a couple of months ago when Gonzales approached her because he wanted to guest lecture in a Law School class. She did not tell her students Gonzales would be joining the class, but assigned readings on the subjects he spoke about."

CORPORATE SCANDALS:

Former HP CEO Answers House Committee's Questions In Leak Probe. The Wall Street Journal (11/2, B4) reports, "There are a few lingering questions in the Hewlett-Packard Co. leak-investigation scandal. For the most part, Chief Executive Mark Hurd has answered them with a standard response: I don't remember. … Mr. Hurd yesterday submitted written answers to 16 questions that were put to him by a House subcommittee investigating the affair, following his Sept. 28 testimony before the subcommittee. The responses don't provide much new information." The Journal continues, "The investigation into media leaks of boardroom discussions, which began in early 2005 at the behest of former Chairman Patricia Dunn, included the examination of private phone records of directors, journalists and others. Private investigators, working on behalf of H-P, obtained records using a technique called pretexting, which involves pretending to be the user of a particular phone account. … One unanswered question is exactly when Mr. Hurd learned that phone records were being examined. He attended portions of a July 22, 2005, meeting that discussed the first phase of the leak investigation, called Kona I, but in response to questions from the House subcommittee, he said he can't recall much about it." The Journal adds, "Other evidence indicates Mr. Hurd was indeed focused on media leaks during this period. In two separate speeches to H-P employees within days of his July 22, 2005, briefing on the leaks investigation, Mr. Hurd upbraided H-P workers for leaking corporate information to the media before H-P had formally disclosed it. In one of those speeches, Mr. Hurd called media leaks 'reprehensible and unacceptable,' and promised to 'deal with [the leakers] appropriately.' He said, 'It is absolutely unacceptable that information does not stay in

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the company and that we have people that can't behave like adults.'"

Former Comverse GC To Plead Guilty In Options Backdating Case. The Wall Street Journal (11/2, A3) reports, "The former general counsel of Comverse Technology Inc. is expected to plead guilty today to one count of criminal conspiracy in connection with an options-backdating scheme, according to people familiar with the matter." The Journal continues, "William F. Sorin, a Harvard-educated lawyer who was at Comverse for more than two decades, would be the second former executive of the telecommunications-software firm to plead guilty. The company's former chief financial officer, David Kreinberg, entered a guilty plea last week." The Journal adds, "Mr. Sorin, 57 years old, is scheduled to have a hearing at 12:30 p.m. EST today before Judge Nicholas Garaufis in U.S. District Court in Brooklyn, N.Y. He was charged in August with conspiracy to commit mail fraud, securities fraud and wire fraud and is expected to plead to one conspiracy count. The maximum time in prison for that charge is five years. … The main target in the case, former Comverse Chief Executive Kobi Alexander, fled the country ahead of the charges and was arrested in September in Namibia after an international manhunt. An Israeli citizen and U.S. resident, Mr. Alexander is fighting extradition requests by the U.S. government, which has charged him in a 35-count indictment with securities fraud, bribery and other crimes. His attorneys have said he will contest the charges if and when he returns to the U.S." The Journal notes, "Mr. Kreinberg is cooperating with the government, and in pleading guilty last week he claimed Mr. Alexander was the mastermind of a stock-options backdating scheme at Comverse that secretly boosted pay for top executives and caused the company to inflate its net income. Mr. Sorin has been in plea discussions with prosecutors in the Eastern District of New York, who declined to comment on whether he also will cooperate against Mr. Alexander."

Five Stand Trial For Conspiracy, Securities Fraud. KCBS-TV, CBS 2, Los Angeles (11/2) reports, "Five men who worked for a San Diego brokerage took secret commissions for selling stocks their firm had bought cheaply and that their superiors wanted to run up in value, a prosecutor told a jury Wednesday." KCBS-TV continues, "The brokerage, Hampton Porter Investment Bankers, shut its doors abruptly in 2001, U.S. Justice Department attorney Kathleen McGovern told a federal jury in Los Angeles." KCBS-TV adds, "The five, Bryan Laurienti, Michael Losse, David Montesano, Curtiss Parker and Donald Samaria are charged with conspiracy and securities fraud in connection with the transactions, which typically involved thinly traded low-value stocks their firm had received at deep discounts, the prosecutor said. … The stocks were known as 'house stocks.' 'They carried out this scheme by pushing house stocks on their clients, many of whom had no business being in these stocks,' McGovern said her opening statement." KCBS-TV notes, "The owners of the brokerage, John Laurienti and Gregory Walker, have pleaded guilty and are cooperating with the prosecution of their former underlings, McGovern said. .. .Prosecutors allege that more than 100 of Hampton Porter's clients were bilked out of an estimated $5 million as the result of trades made between 1998 and 2000."

As Enron Task Force Disbands, Attorneys Leave For Private Practice. The Houston Chronicle (11/2, Hays) reports, "The Enron scandal led former CEO Jeff Skilling to a lengthy prison sentence. … But it also led to lucrative moves to law firms, promotions or academic careers for several of the federal prosecutors who dogged him and other corporate crooks." The Chronicle continues, "Two of the three prosecutors who headlined the trial of Skilling and former Enron Chairman Ken Lay have left government work for law firms with deep pockets. The third is considering options. … Several prosecutors have done the same, though others chose different paths after serving an Enron tour of duty." The Chronicle adds, "Upon Skilling's sentencing last week to 24 years and four months in prison for 19 criminal counts, the Justice Department said its Enron Task Force was disbanding after nearly five years, more than 30 indictments, 16 guilty pleas and five trials with a mixed record of success. … Their experience in chasing crimes made task force members hot commodities to law firms offering big money, said Adam Gershowitz, a professor at the South Texas College of Law in Houston. … 'They got a lot of recognition from it. That means the next time a major white-collar case comes along and people look down the Rolodex on who to hire, they may want one of these guys,' he said." The Chronicle notes, "Sean Berkowitz, the third director of the Justice Department's Enron Task Force since its inception in January 2002, left the government this week to switch sides. He cross-examined Skilling, challenging everything from the ex-CEO's truthfulness to whether he paid his taxes. … 'I'll be accepting with a major law firm in the Chicago area as soon as this week,' Berkowitz said Wednesday, declining to confirm the name. Several firms have reportedly pursued Berkowitz since the trial ended. … John Hueston, who brutally cross-examined Lay, will join Los Angeles firm Irell & Manella next week after wrapping up a two-week Enron speaking tour in China. … The third main prosecutor, task force deputy director Kathryn Ruemmler, confirmed Wednesday that she is exploring opportunities but hasn't decided what her next move will be."

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Spitzer Presses Firms To Stop Paying Indicted Employees' Legal Tabs. Corporate Counsel (11/2, Hechler) reports, "Federal prosecutors aren't the only ones putting the squeeze on corporate defendants, it turns out. Like the U.S. Department of Justice, New York state Attorney General Eliot Spitzer has also pressured companies to stop paying the legal fees of employees who face criminal charges. Spitzer appears to be the only state AG who has raised fee payment as an issue." CC continues, "A handful of defense attorneys with clients indicted by Spitzer knew that he had demanded fee cutoffs. But the AG's tactics came as a surprise to several white-collar crime experts and leaders of the bar, including officials at the Association of Corporate Counsel, the National Association of Criminal Defense Lawyers and the American Bar Association." CC adds, "Most of Spitzer's targets are financial institutions swept up in his probe of mutual funds. According to a Corporate Counsel review of 17 agreements that Spitzer's office struck with companies accused of market timing, nine settlements included 'no indemnification' clauses. These provisions prohibit a business from paying the legal fees of indicted employees unless its bylaws require it. In one instance, Bank of America Corp. agreed to a no-indemnification clause even though its bylaws require it to pay fees. Moreover, the bank had already begun advancing expenses in at least one case." CC notes, "The fee issue first garnered public attention in the Justice Department's prosecution of 16 former employees of KPMG for allegedly promoting and selling illegal tax shelters. In June the federal district court judge hearing the case ruled that Justice lawyers had unconstitutionally pressured KPMG to stop paying the legal bills of its ex-employees. Judge Lewis Kaplan wrote in his decision that the right of employees to have their companies pay their legal expenses 'is as much a part of the bargain between employer and employee as salary or wages.'"

Halliburton Agrees To SEC Request For More Time In Bribery Probe. The AP (11/2, Gordon) reports, "Halliburton Co. has said it will agree to the Securities and Exchange Commission's request for more time to investigate possible bribery and corruption in connection with the company's natural gas operations in Nigeria." The AP continues, "The oilfield services conglomerate disclosed the SEC's recent request for a so-called tolling agreement in a regulatory filing on Tuesday. Such an accord will put off the time when the legal clock started running, or tolling, on the case under the statute of limitations - generally five years for such investigations." The AP adds, "The agreement also gives Houston-based Halliburton more time to make its case to the SEC against possible civil charges under the Foreign Corrupt Practices Act or to work out a settlement with the agency. The act makes it unlawful to bribe foreign government officials or company executives to obtain or retain business. .. . 'In September 2006, the SEC requested that we enter into a tolling agreement with respect to its investigation. We anticipate that we will enter into an appropriate tolling agreement with the SEC,' Halliburton said in its filing." The AP notes, "Both the SEC and the Justice Department have been investigating an alleged $180 million (â‚¬141 million) bribery scheme in Nigeria involving the predecessor company of Halliburton engineering and construction subsidiary Kellogg, Brown & Root and three other companies - from France, Italy and Japan. The allegations center on a contract for a $4 billion (currently â‚¬3.1 billion) Nigerian liquefied natural gas plant that was awarded in 1995 to a consortium of the four companies."

CRIMINAL LAW:

US Seeks Abramoff Incarceration In DC. The Miami Herald (11/2, Weaver) reports, "The imminent surrender of superlobbyist-turned-superinformant Jack Abramoff on a South Florida fraud conviction is eclipsing his starring role in a Washington corruption probe." The Herald continues, "Abramoff is set to turn himself in on Nov. 15 to serve about six years in prison for lying to obtain a $60 million bank loan to buy a fleet of South Florida gambling ships. … Now, Justice Department lawyers and Abramoff's attorneys are rushing to have the once-powerful Republican insider sentenced two days later on a separate corruption conviction. … That way, they say, he can be imprisoned near Washington to continue to inform the government on dozens of lawmakers under investigation. Abramoff faces between 9 and 11 years in prison." The Herald adds, "This week, U.S. District Judge Ellen S. Huvelle might consider their request for the Nov. 17 sentencing in Washington. … Justice Department prosecutors fear that if Abramoff ends up being incarcerated hundreds of miles from the nation's capital, their complex influence-peddling probe would be seriously hampered or indefinitely stalled. … The reason: Abramoff would not be as readily available to make sense of thousands of sensitive documents, e-mails, computer files and other potentially incriminating records for investigators. While he has been free on bond, he has been working around the clock as an informant for the Justice Department."

Investigators Found More LANL Classified Information At Trailer Than First Revealed. The Los Angeles Times (11/2, Vartabedian, 918K) reports, "A significantly larger amount of classified information from a nuclear weapons laboratory in New Mexico was discovered in a residential trailer during a police search on Oct. 17 than was disclosed by law enforcement officials, sources close to the investigation said Wednesday. … An FBI spokesman in

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New Mexico said the agency did not comment on ongoing investigations. But it was clear that federal officials had grown concerned about the security breach." The Times notes Nuclear Watch New Mexico "said it had obtained a detailed summary of a laboratory briefing. … The summary indicated that police had found 228 documents with information printed on both sides, including classified intelligence and weapons data. The computer thumb drives contained 408 separate classified documents. … The documents originated in a classified data vault in the lab's dynamic experiments division, which conducts tests on nuclear weapons components, the summary said."

State Department Cable Reveals Weldon's Daughter's Ties To Milosevic Ally. The Philadelphia Inquirer (11/2, Fazlollah, Shiffman, 399K) reports, "As her father the congressman publicly supported a Serbian family with close ties to war criminal Slobodan Milosevic, lobbyist Karen Weldon in 2003 won a $240,000 contract to help improve the family's image. Her relationship with the Karic family continued into late 2004, months after the House ethics committee began an investigation of her contracts and the role of her father, Rep. Curt Weldon." The Inquirer adds, "A newly obtained State Department cable shows that she tried to help the wife of Serbian tycoon Bogoljub Karic get a visa to visit Florida. The State Department -- noting the request came from a congressman's daughter -- opposed the visa, citing links to 'terrorist activities.'" Karic "has been on the lam since being charged in February with embezzling Serbian state funds." The Inquirer notes, "The FBI is now investigating Karen Weldon's work for the Karics and other clients, trying to determine whether Curt Weldon used his position to help her win contracts."

Italian Defense Contractor Seen As Benefiting From Weldon Association. The Financial Times (11/2, Kirchgaessner) reports, "In an election year that has been tough for Republicans across the country because of the unpopularity of the war in Iraq and a host of corruption scandals in the capital," Rep. Curt Weldon's "campaign battle has been made more difficult by allegations that the lawmaker used his political weight to steer lobbying work to friends…and his own daughter." The Times notes Weldon "has defended his record and said he believed the FBI's investigation was politically motivated. Whatever the outcome of the probe, Mr Weldon's broad support for Finmeccanica," an Italian company which hired a Weldon friend as its lobbyist, "has undoubtedly helped the company make inroads in the lucrative market for US defence projects. The support also appears to have bolstered the congressman's hometown district, which was chosen by Oto Melara in 2004 as a site for a new plant."

Women Testify About Florida FCI Contraband-For-Sex Scheme. The Tallahassee Democrat (11/2, Subramanyam, 52K) reports, "One by one, women walked into a federal courtroom Wednesday to testify against two correctional officers charged in a sex-with-prisoners conspiracy on Day Three of their trial. Ten women, some in suits and others in chains and prison uniforms, described their encounters" with Tallahassee FCI officers Alan Moore and Gregory Dixon. "Some women told jurors they had sex with the officers in exchange for banned items. Others said they acted as lookouts or paid the officers to bring packages containing banned items into the prison. Defense attorneys tried to prove the witnesses were testifying in exchange for a reduced sentence."

Alabama Fire College Official Pleads Guilty To Misusing School Funds. The AP (11/2, Hunter) reports, "A former deputy director at the Alabama Fire College agreed to plead guilty to conspiracy and fraud charges Wednesday, the fifth person at the fire college in Tuscaloosa to be charged in the ongoing probe of corruption in the state's post-secondary system." Robert Nix "admitted to spending about $70,000 of foundation funds for home improvements such as a gazebo-covered Jacuzzi and various purchases including a large screen TV and two Harley Davidson motorcycles. He also admitted directing about $25,000 in fraudulent foundation scholarships to his son, granddaughter, grandson, sister and girlfriend's two daughters." The AP notes, "Former state Rep. Bryant Melton…was the first to be charged in the joint federal and state probe at the fire college, which is located at Shelton State. He entered an agreement similar to Nix's in June, admitting he funneled state legislative grants to the fire college foundation and then used the money to pay gambling debts."

Former Texas Police Officer Indicted On Bribery Charges. The AP (11/2) reports, "A former Elsa police officer is the second to be indicted recently for allegedly taking bribes to protect drug loads, federal prosecutors said Wednesday." Ismael Gomez "is accused in a one-count indictment of receiving about $2,500 to use his official position to protect a vehicle he believed was transporting 10 kilograms of cocaine. … Gomez surrendered to the FBI and was ordered held without bond pending a hearing Nov. 6. He faces up to 20 years in federal prison and $250,000 in fines if convicted."

Chicago Corruption Sentence Postponed By Defendant's Illness. The AP (11/2) reports, "The sentencing of a key figure in the federal investigation of Chicago's scandal-plagued Hired Truck Program was

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abruptly postponed Wednesday. Donald Tomczak, 70, the former deputy head of the city water department, was rescheduled to be sentenced next Monday. Attorneys said Tomczak was unable to come to court Wednesday because he had an unspecified medical condition." The AP notes Tomczak has "admitted taking payoffs from trucking companies in exchange for hauling work."

Commerce Bancorp No Longer Target In Philadelphia Corruption Probe. The Philadelphia Inquirer (11/2, DiStefano, Shiffman, 399K) reports, "One year after two of its former Pennsylvania executives were sentenced to prison, Commerce Bancorp Inc. says federal prosecutors in Philadelphia are no longer investigating the company. … Two federal law enforcement officials, speaking on condition of anonymity, confirmed that authorities had concluded their investigation." The Inquirer notes that in 2005, US Attorney Patrick Meehan "said the FBI had seized Commerce records to determine whether the bank had also given municipal officials in Philadelphia suburbs preferential treatment to win government business. But investigators found no wrongdoing by the bank."

Florida Lawmaker Charged Over Threats To Colleague. The AP (11/2, Wides-Munoz) reports state Rep. Ralph Arza "resigned Wednesday from the Florida Legislature and was charged with two felonies in connection with leaving obscenity-filled messages and a racial slur on a colleague's voice mail." Arza "had been urged to resign by House Republicans and Gov. Jeb Bush after the messages left on Rep. Gus Barreiro's voice mail became public." Barreiro alleges "Arza used racial epithets when referring to a Miami-Dade County official. To thwart the investigation, Arza allegedly left threatening phone messages for Barreiro." State prosecutors charged Arza with "retaliating against and tampering with a witness."

Judge Denies Bail For Alleged Philadelphia Mob Enforcer. The Philadelphia Inquirer (11/2, Anastasia, 399K) reports alleged Philadelphia mob enforcer Vincent "Big Vince" Filipelli last may told a gambler he knew as "T.J." that "he bet. He lost. Now he had to pay. And if he didn't, Filipelli added, he would 'hunt him down and put him in the hospital.' … What Big Vince didn't know at the time was that T.J. was a New Jersey State Police trooper working undercover in an organized crime gambling investigation." The Inquirer adds, "After a protracted five-hour bail hearing yesterday, U.S. Magistrate Judge Ann Marie Donio pointed to that threat as the primary basis for granting the government's motion to have Filipelli, 53, held without bail. … FBI Agent James Titcombe, who was part of the joint federal-state probe, provided a detailed account of several meetings Filipelli had with the undercover investigators. Titcombe said Filipelli…boasted about his acts of violence and the fact that he was a 'made' member of the mob."

Western Pennsylvania Mob Boss Dies In Sleep At 87. KDKA-TV Pittsburgh (11/1) reported on its Web site, "Michael Genovese was one of the last links to a lost era -- an old-school mob boss who the law never caught up with. The head of the western Pennsylvania La Cosa Nostra is dead. By all accounts, mob informants, FBI agents and the now-defunct Pennsylvania Crime Commission, Genovese was the don of the Pittsburgh mob." KDKA noted, "Several of his underbosses -- including Chuckie Porter, Lou Ruicci and other mob lieutenants -- were all convicted in a federal trial in the 1990s. But they never brought charges against the reputed mob boss." Genovese "was 87 years old and died in his sleep."

Design Change Cited In Study Of "Big Dig" Tunnel Collapse. The New York Times (11/2, Wald) reports, "Engineers changed the design of the ceiling in Boston's Big Dig highway tunnel after they had already finished building the roof from which it would hang, and attached a new, heavier ceiling with hardware that had little margin of strength, the National Transportation Safety Board said on Wednesday." The Times continues, "Part of the ceiling collapsed on July 10, killing a woman as she rode in her car to Logan Airport and injuring her husband, who was driving. Details of the board's most recent discoveries were reported Wednesday in The Boston Globe. … According to the board, the original plan was for the ceiling in the area of the collapse to be made of metal coated with porcelain, but because of its high price, designers substituted pre-cast concrete panels, which are heavier. In some areas, they installed steel brackets in the roof for hanging the panels, but in the area of the collapse, in a connector tunnel that leads to Interstate 90, the roof was finished. So instead, they drilled holes in it and glued in anchors." The Times adds, "The board is an advisory agency that makes recommendations to government agencies and private parties after its investigations. The Massachusetts attorney general's office, the Justice Department and the Transportation Department's Office of Inspector General, whose investigations could lead to indictments, are also looking into the accident."

New York Businessman Charged With Stealing Employees' Identities. In a widely-distributed story, the AP (11/2) reports, "A prominent Westchester businessman has been charged with stealing his employees' identities to obtain more than $1 million in bank loans and credit card charges, prosecutors said." Compulinx Managed Services CEO Terrence Chalk "was indicted along with his nephew, Damon Chalk, by a federal grand jury on charges of

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conspiracy, credit card fraud, and making false statements to banks. Terrence Chalk pleaded not guilty in U.S. District Court on Tuesday, where U.S. Magistrate Judge George Yanthis ordered him held on $250,000 bond." The AP adds that Damon Chalk "was arrested by FBI agents Tuesday at La Guardia Airport. He was ordered held without bail."

Texas Newspaper Editor Sentenced To Prison For Child Porn Possession. The Texarkana Gazette (11/1, Milton) reported, "Former Cass County newspaper editor Charlie Harrist will spend 97 months in a federal prison for child pornography charges, a judge ruled Tuesday. … Harrist was convicted in June of two charges of federal child pornography, including possession of material involving sexual exploitation of minors and receiving material involving sexual exploitation of minors." The Gazette notes that when a repairman "found child pornography images on Harrist's computer and reported her findings to the Cass County Sheriff's Office. Harrist's computer was turned over to the sheriff's office, which was assisted in its investigation by the FBI."

High Court Mulls Retroactive Ruling In Bockting Case. The AP (11/2, Sherman) reports, "If Marvin Bockting were on trial today, his stepdaughter's accusations that he sexually abused her would not be allowed unless she testified about them in court." The AP continues, "The Supreme Court settled that issue in 2004 when it ruled that defendants have a constitutional right to cross-examine witnesses against them. … But Bockting was convicted in 1988 after 6-year-old Autumn Bockting's statements to Las Vegas police were presented to the jury even though the girl did not testify during the trial. He received a life sentence." The AP adds, "The question that reluctant justices confronted Wednesday was whether to apply the new rule to older cases, which the court has refused to do in a dozen cases over 17 years for matters of criminal procedure. However, an appeals court said the rule should apply retroactively and overturned Bockting's conviction as a result; other appellate courts have ruled differently. … Nevada Attorney General George Chanos and Justice Department lawyer Irving Gornstein argued that justices should not apply their 2004 ruling to older cases because, among other things, it would open the door to many defendants whose convictions depended on out of-court statements that were not subject to cross-examination."

Cable Fraud Probe Yields Second Guilty Plea. United Press International (11/2) reports, "A second Connecticut defense contractor has pleaded guilty to fabricating test data on fiber optic cables used on the Patriot missile system." UPI continues, "Patrick Hale was the operations manager for Ace & Co., Inc., in Naugatuck, Conn. Ace distributes electronic components through its Stran Technologies division, which makes fiber optic and electrical connectors. … The military bought hundreds of the electrical connectors, known as the Tactical Fiber Optic Cable Assembly. Some were used on the first generation of the Patriot missile launchers, among other military systems." UPI adds, "All the Stran cables have since passed the required tests, and there are no known safety or suitability issues, according to the Justice Department. … Hale faces a maximum term of imprisonment of five years and a fine of up to $250,000 on the fraud charge, and a maximum term of imprisonment of one year and a fine of up to $25,000 on a tax charge."

6th Circuit Upholds Kentucky Death Sentence Despite Flawed Defense. The New York Times (11/2, Liptak) reports, "Defense lawyers in capital cases are often criticized for conducting superficial investigations of their clients' backgrounds, but Ferdinand Radolovich's performance in a Kentucky case, one that ended in a death sentence, may have set a new standard. … 'Apparently,' a federal judge wrote in 2001, 'neither attorney Radolovich nor the prosecution knew of petitioner's actual identity until his case had been affirmed on appeal.'" The Times continues, "When he was later challenged about the quality of his work on the case, Mr. Radolovich testified that he was an accomplished death penalty lawyer at the time, having tried four capital cases. The real number was zero, the federal judge, Jennifer B. Coffman, found, and Mr. Radolovich has been indicted for perjury for his statement. … But none of this has helped the inmate in question, who was sent to death row as James Slaughter but whose real name is Jeffrey Leonard." The Times adds, "Yesterday in Cincinnati, splitting 7 to 7, the United States Court of Appeals for the Sixth Circuit declined to rehear the case. A dissenting judge, R. Guy Cole Jr., said the decision to allow Mr. Leonard to be executed even though the jury did not even know his real name, much less his background, opens a 'new chapter in our death penalty history.' … The case is not one of mistaken identity, and there is substantial evidence that Mr. Leonard is guilty of murder. But Mr. Leonard's current lawyers say a competent investigation of his background would have yielded a trove of evidence that might well have persuaded the jury to spare his life. He is, for instance, apparently brain damaged, and he endured a brutal childhood. … In June, the federal appeals court's three-judge panel agreed that Mr. Radolovich's performance was so bad that it violated the Constitution. But the two judges in the majority ruled against Mr. Leonard anyway, saying that better legal work would not have caused the jury to sentence him to life in prison instead of death."

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CIVIL LAW:

FTC Asked To Probe Online Ad Profiling. The Washington Post (11/2, D02, Nakashima) reports, "Two consumer advocacy groups asked the Federal Trade Commission yesterday to investigate online advertising practices of Internet companies, asserting that the practices violate consumer privacy." The Post continues, "In a 50-page complaint, the D.C.-based Center for Digital Democracy and the U.S. Public Interest Research Group outlined online consumer tracking and profiling systems that they said are 'deceptive and unfair to millions of users.' … 'Our online travels are increasingly becoming part of vast databases that comprise the source material for sophisticated analytical engines designed solely to make us more susceptible to online marketing,' the complaint said." The Post adds, "The groups asked the FTC to investigate Microsoft Corp., Google Inc., Yahoo Inc. and other online companies and software firms, which they said were 'aggressively' building new tools to analyze and classify consumers' behavior across the Internet and other digital media -- computers, cellphones, video games and televisions. … They singled out a Microsoft service that allows advertisers to take information gleaned from watching the millions of people who use the company's MSN Internet network. The information is combined with demographic data from credit bureaus and other sources to tailor ads to people based on geographic location, sex, age group, lifestyle and time of day. Microsoft's ad system 'is deceptive and unfair,' the report said."

LATimes Urges Hugh Court To Reject Huge Payoff In Lung Cancer Case. The Los Angeles Times (11/2, 918K) editorializes, "When lawyers say, 'hard cases make bad law,' what they often mean is that a sympathetic plaintiff or an unattractive defendant can induce judges to depart from a general rule that makes sense. The U.S. Supreme Court should resist that temptation in ruling on an Oregon jury's decision to order a tobacco company to pay $79.5 million in punitive damages in a case involving a lifelong smoker who died of lung cancer. … Huge awards in individual lawsuits -- as opposed to sensible legislation -- are not the best way to curb smoking, obesity, gun violence and other threats to public health. The Supreme Court should see through the smoke screen of this 'hard' case and say that."

CIVIL RIGHTS:

As DOJ, FBI Launch Maryland Election Fraud Initiative, Poll Workers Get Misleading Calls. The Baltimore Sun (11/2, Harris, 262K) reports, "With Baltimore scrambling to make sure next week's voting goes smoothly, city elections officials expressed concern Wednesday at reports that a rogue caller was contacting poll workers and changing their Election Day assignments -- raising the prospect that some precincts might not have the staffing they need. State elections chief Linda H. Lamone contacted the FBI Wednesday after Baltimore officials reported that someone called at least 10 poll workers and falsely told them that their precinct assignments had been switched." The Sun notes, "Federal prosecutors and the FBI have established an election fraud initiative in Maryland, as they do every two years, and warned Wednesday that fraud is often subtle. 'It is a federal crime to seek out elderly or illiterate voters for the purpose of obtaining control of their ballots,' according to a press release from U.S. Attorney Rod J. Rosenstein. 'In addition, every voter has the right to mark his or her ballot in private.'"

Meanwhile, the Baltimore Business Journal (11/2, Terry) reported, "In a preemptive move that underscores the highly partisan and tightly contested races for public office that will be decided next week, the Maryland U.S. Attorney's office said Wednesday that federal prosecutors and FBI agents are prepared to review and investigate allegations of election fraud." The Journal noted, "Such a move isn't unprecedented; the U.S. Department of Justice has long mobilized its resources in election years to quell electoral corruption, said Marcy Murphy, public affairs specialist for the U.S. Attorney's Office. But Murphy also conceded 'a lot of people are talking' about voter fraud in Maryland, and Rosenstein and his top prosecutors want to get the word out: We're ready to investigate wrongdoing."

Election Judges Are "Human Safeguards" Of Voting Process. The Washington Post (11/2, Davenport, 748K) reports on its front page, "In the aftermath of glitches that marred primaries in Maryland and other states, a lot of attention has focused on electronic voting systems -- why they malfunctioned and how susceptible they are to attack. But the pillars of Election Day are" the poll workers or election judges, "the human safeguards" of the process. The Post then profiles election judges in suburban Maryland. The Washington Post (11/2, B6, Mosk, 748K) also reports that a "recently distributed guide for Republican poll watchers in Maryland spells out how to aggressively challenge the credentials of voters and urges these volunteers to tell election judges they could face jail time if a challenge is ignored." Democrats say they consider the handbook "evidence of a Republican effort to block people from voting Tuesday."

Four Indicted For Submitting False Voter Registrations In Missouri. The Kansas City Star (11/2, Helling) reports, "A federal grand jury handed up indictments Wednesday against four people for allegedly

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submitting false voter registrations to the Kansas City election board." The Star continues, "The indictments — against Kwaim A. Stenson; Dale D. Franklin; Stephanie L. Davis, also known as Latisha Reed; and Brian Gardner — include two felony counts against each, the U.S. attorney's office said. … All four defendants worked this year as voter registration recruiters for the Association of Community Organizations for Reform Now, known as ACORN." The Star adds, "ACORN officials said they no longer work for the group. And, they emphasized, ACORN turned in the names of three of the defendants to authorities last month after learning of the problem. … Each charge of "knowingly and willingly" filing the false information carries a potential penalty of five years in prison and a $250,000 fine. … 'Those who commit fraud in the electoral process dilute the votes of their fellow citizens,' U.S. Attorney Bradley Schlozman said in a statement. … The statement added: 'This national investigation is very much ongoing.'"

Election Fraud Hotline Created In Missouri. The St. Louis Post-Dispatch (11/2, Mannies) reports that "Catherine Hanaway, U.S. attorney for Missouri's Eastern District, said Wednesday that her office has set up a hotline for people reporting possible election fraud or voter discrimination in connection with Tuesday's election. The number is 314-539-7733. … Assistant U.S. Attorney John Bodenhausen, an assistant U.S. attorney, will coordinate the office's efforts, which are part of the Justice Department's nationwide Election Day Program."

Conference Discusses Human Trafficking Into West Texas. The El Paso Times (11/2, Meritz) reports, "Far West Texas and Southern New Mexico's proximity to the U.S.-Mexico border creates a unique environment in which immigrant-smuggling operations can easily change into abusive, exploitative human trafficking, experts said Wednesday at an El Paso conference. Victims of human trafficking -- who often are manipulated into forced labor, prostitution, sex tourism and pornography -- are typically reluctant to come forward for fear of deportation, recriminations from their trafficker or insecurity about admitting they are victims, experts said." The Times notes, "Jennifer Romero, a victim specialist for the FBI in El Paso, said that victims often experience debilitating psychological abuse at the hands of the trafficker, who lures them with the promise of good jobs and assistance navigating through the U.S. immigration process, she said. … Victims then can be forced into jobs that are illicit and illegal, such as prostitution and sex tourism. 'Screw with the mind, and the body will follow,' she said."

DOJ Excludes Mississippi Town's Newly Annexed Residents From Primary Vote. The Biloxi (MS) Sun Herald (11/2, LaFontaine) reports from Waveland, MS, "Newly annexed residents here will not have a say in Tuesday's party primaries for mayor and aldermen, according to a letter Wednesday from the Justice Department. … However, voters who register to vote before 5 p.m. on Monday will be allowed to vote for mayor and aldermen in the Dec. 5 general election." The Herald continues, "The city had been awaiting an official decision from the federal government for several weeks on whether nearly 1,000 residents would be included in next week's vote. … The residents officially became Waveland citizens in July when the city settled an annexation dispute with neighboring Bay St. Louis in a deal that gave Waveland a stretch of land along the western right of way of Mississippi 603. … According to federal legislation adopted in the 1960s, the Justice Department must review changes in ballot procedures, voting districts and other electoral rules in several states - mostly in the South - to ensure that minorities maintain influence in elections." The Herald adds, "In the settlement, Bay St. Louis took a massive slice of land between the highway and the Jourdan River, stretching north to Interstate 10. … Many residents on both sides of the highway were anti-annexation, and some believe Waveland purposely delayed a federal decision to eliminate the disgruntled new voters from this year's election. … Earlier this year, Waveland attorney Zach Butterworth said the city was hoping to have a decision at least 30 days before the party primaries, which would have given the new residents time to become registered voters. … On Wednesday, Butterworth dismissed claims of malice and said federal approval simply took longer than the city first thought."

Probe Of DeKalb County Police Shootings Urged. The Atlanta Journal-Constitution (11/2, Simpson, Gentry) reports, "A DeKalb County civil rights activist Wednesday called for an outside investigation of a string of shootings by police, and the sister of a slain suspect plans to organize a protest this week to demand that the department do a better job of training its officers. … 'Bring in the FBI, the GBI and the Justice Department to investigate all of the shootings,' said John Evans, former president of the DeKalb County chapter of the NAACP. 'And then set up a civilian review board [to review future cases].'" The AJC continues, "An article in Wednesday's Atlanta Journal-Constitution prompted the call for the outside investigation, said Evans, who now heads up a local civil rights group based in Lithonia known as Operation LEAD. … The AJC examined internal reports of 31 shootings from 2001 to 2005 and found that officers had a pattern of violating department policy, such as forcing confrontations with armed suspects without backup, shooting into moving cars and neglecting safety rules for handling suspects once they were in custody."

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Kansas AG Receives Abortion Clinic Records In Criminal Probe. The AP (11/2, Hanna) reports, "The state attorney general said that his office has received the records of 90 patients from two abortion clinics and is reviewing them for possible crimes, the culmination of an effort that prompted concerns over patient privacy." The AP continues, "Attorney General Phill Kline, one of the United States' foremost abortion opponents, said Tuesday the targets of his investigation are rapists, sex offenders with child victims - and doctors involved in abortions. Those doctors could include physicians performing abortions, providing a second opinion for late-term abortions or failing to report abuse of a child. … The clinics had argued that giving the attorney general access to the records would invade patients' privacy." The AP adds, "Shawnee County District Judge Richard Anderson subpoenaed the records at Kline's request in September 2004, concluding there was probable cause to believe they contained evidence of crimes. … While Anderson didn't give Kline unfettered access to the records, the state Supreme Court imposed new guidelines for having them reviewed and edited before they were given to the district court. Under that process, neither Kline nor the judge saw the names of the patients. … Kline's office received redacted copies of the records a week ago."

South Dakota Abortion Referendum Could Have National Implications. ABC World News (11/1, story 6, 2:35, Gibson, 8.78M) ran an "A Closer Look" report on the South Dakota abortion ban referendum, saying "the outcome could influence the abortion battle around the country." ABC (Reynolds) added, "State Legislator Robert Hunt wrote the legislation. Was it drawn up…to give the Supreme Court food for thought?" Hunt: "Yes, it was." Reynolds: "There are plenty of signs of support. But recent polls say the law may well be voted down. In a conservative state, that's interesting enough. But what sets this debate apart is that there are many here who oppose both abortion and this law, believing it so restrictive it could actually hurt their cause."

The New York Times (11/2, A23, Davey, 1.21M) reports the "fierce battle" has cost "some $4 million, much of that from places other than South Dakota. That is what the two largest political groups campaigning on the issue say they have collected in the months leading up to next week."

Military Hit From Two Sides On Questions Of Religion. The Washington Post (11/2, A3, Cooperman, 748K) reports, "The U.S. military is being buffeted by dueling legal claims over religion, with one set of plaintiffs contending that the Pentagon is suppressing evangelical Christianity and another set arguing just the opposite -- that the brass gives the most aggressive evangelicals free rein to proselytize in uniform." Navy Chaplain Gordon Klingenschmitt is charging the Navy "with violating his First Amendment rights by forbidding him to pray 'in the name of Jesus' at public ceremonies," while at the same time, former Reagan Administration lawyer Mikey Weinstein accuses "all the armed services of allowing evangelical Christians to pressure members of other faiths."

Marriage Amendments Expected To Pass In All Eight States Where They Are On Ballot. The Washington Times (11/2, Wetzstein, 88K) reports, "Voters in eight states are expected Tuesday to pass constitutional amendments that define marriage as the union of one man and one woman. But in at least three states," Arizona, South Dakota, and Wisconsin, the "margin of victory -- if there is one -- may be razor-thin." The outcome seems more certain in the other five states: Colorado, Idaho, South Carolina, Tennessee, and Virginia.

Female Voters Likely To Decide Michigan Affirmative Action Question. The Washington Post (11/2, A6, Broder, 748K) reports on Michigan's referendum on affirmative action, saying that "female voters will probably decide" whether the state "becomes the third state to outlaw preferential treatment for minorities and women in education, state employment and public contracting."

ANTITRUST:

CVS To Buy Caremark For $21.2 Billion. The AP (11/2, Johnson) reports, "Drugstore operator CVS Corp. announced Wednesday it is buying pharmacy benefits manager Caremark Rx Inc. for about $21.2 billion in stock, creating a company that will have formidable power in negotiating lower prices with drug companies." The AP continues, "The deal would create a $75 billion drug distribution powerhouse that could compete more effectively for customers as Wal-Mart Stores Inc. and other retailers introduce programs selling cheap generic drugs. … 'This is all about giving the consumers unparalleled access and choice ... It will help providers deliver the right drugs at the right time,' CVS CEO Tom Ryan said in a conference call. … But investors sent shares of both companies lower, and some analysts raised concerns about integrating the two businesses." The AP adds, "SunTrust Robinson Humphrey analyst David Magee wrote in a note that the deal could be seen as too much risk for CVS which is still digesting acquisitions from the past couple of years, including purchasing the Sav-On drug store chain made earlier this year. He also wrote the deal could distract CVS from growing its existing business lines. … He said the he was optimistic about the long-term implications of the deal because of the

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size and buying power of the new company. … The merger brings together companies from two industries that have had a sometimes bitter rivalry. PBMs offer customers the option of purchasing their drugs through the mail for reduced prices. Drug stores have argued such policies cut into their revenue and compromise patient safety because it deprives them of access to a pharmacist."

Kazaa Reportedly To Pay $10 Million In Settlement With Music Industry. The New York Times (11/2, Peters) reports, "Kazaa, the file-sharing successor to Napster that record companies have been battling for years, has reached a tentative settlement in the last of three major lawsuits against it." The Times continues, "Under the agreement with the National Music Publishers' Association, Kazaa agreed to pay music publishers and songwriters a 'substantial sum,' the association said. Though it not disclose the figure, a person with knowledge of the terms of the deal said it was about $10 million. … Kazaa also agreed to continue using filtering software intended to prevent unauthorized exchange of copyrighted songs over its network." The Times adds, "The music and motion picture industries sued Kazaa, as well as the rival file-sharing networks Grokster and Morpheus, in 2001, claiming that they facilitated the illegal distribution of copyrighted material. … Kazaa, which is operated by Sharman Networks in Australia, settled separate lawsuits by recording artists and motion picture studios in July, agreeing to pay a total of $115 million. That left one major case from 2001 still unresolved, the one filed by the association, which represents songwriters and their publishers. … The association notified the United States District Court in Los Angeles on Monday that the two sides had reached an agreement in principle. The terms of that agreement are subject to final court approval, and also must be approved by the board of the publishers' association and the individual plaintiffs."

Mittal Steel's Fate Likely To Be Decided This Month. Bloomberg (11/2) reports, "Mittal Steel Co., the world's largest steel producer, said the trust holding Canadian steelmaker Dofasco Inc. will likely make a decision by the end of this month on whether to sell the business to ThyssenKrupp AG." Bloomberg continues, "The Netherlands trust, created by Arcelor SA in April to try to thwart Mittal's hostile takeover bid, will likely decide whether to allow the sale by Nov. 28 to comply with an antitrust agreement with the U.S. Justice Department, Carlos Hernandez, Mittal's U.S. legal counsel, said Oct. 30." Bloomberg adds, "Mittal must sell either Dofasco or one of two tin mills in Weirton, W.Va., or Sparrows Point, after the Justice Department said in May the merger between Mittal and Arcelor would lead to less competition in tin mill products in the Eastern United States. Mittal is required by the department to use its 'best efforts' to try to sell Dofasco." Bloomberg notes, "Luxembourg-based Arcelor agreed to buy Dofasco for $4.95 billion in January, giving it 10 percent of the North American automotive steel market. Rotterdam-based Mittal in January agreed to sell Dofasco to ThyssenKrupp if its takeover of Arcelor was successful."

Smith & Nephew In Talks To Acquire Biomet. The New York Times (11/2, Sorkin) reports, "Smith & Nephew, the British maker of orthopedic products, is in early talks to acquire an American rival, Biomet, the nation's largest manufacturer of artificial hips, knees and other orthopedic devices, for more than $9 billion, people briefed on the negotiations said yesterday." The Times continues, "The preliminary talks come more than six months after Biomet hired Morgan Stanley to help consider 'strategic alternatives focused on enhancing shareholder value.' … Other suitors, including several private equity firms, have also expressed interest in Biomet, these people said. Rivals like Zimmer Holdings; DePuy, a subsidiary of Johnson & Johnson; and the Stryker Corporation have not participated in the auction, these people said, because of potential antitrust concerns." The Times adds, "Speculation has been rife in recent weeks that Smith & Nephew, which is based in London, had approached Biomet, and its shares rose more than 16 percent in the last month. Biomet's stock fell 44 cents yesterday, to $37.40 a share. Smith & Nephew has long been viewed as the natural buyer for Biomet, analysts said. … Biomet, which is based in Warsaw, Ind., is expected to fetch at least $10 billion, analysts suggest, though the company still could decide against selling and call off the auction entirely." The Times notes, "One cloud hanging over Biomet is a Department of Justice investigation that started in June over possible criminal violations of antitrust regulations in the manufacturing and sale of orthopedic implant devices among the top companies in the industry."

Tribune Weighs Partial Sale Of Holdings. The Wall Street Journal (11/2, A1, Ellison) reports, "Tribune Co., the big media company whose properties include the flagship Chicago Tribune, the Los Angeles Times and the Chicago Cubs baseball team, has told prospective bidders it is prepared to consider offers to sell off parts of itself after receiving lower bids than expected for the entire company, said people familiar with the situation." The Journal continues, "The move raises the prospect that Tribune Co., whose current market value is $8.4 billion, could become the second large U.S. newspaper chain this year to drastically remake itself under investor pressure. The changes signal tectonic shifts in newspaper ownership in an age when readership and advertising, threatened by the Internet and other new technologies, are under siege. It also marks an about-face for

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Tribune management, which earlier this year rebuffed calls from its biggest shareholder, the Chandler family, to consider a sale or a breakup." The Journal adds, "For the newspaper industry, the postwar era has been dominated by giant newspaper chains like Tribune and Gannett Co. snapping up regional newspapers and creating broad, publicly traded companies generating large profits even as circulation slowly declined. But the surge in online news, a steep drop-off in younger readers and the migration of advertising to the Internet has hammered profits and stocks for many media companies, which have been slashing costs and seeking other new strategies. … A breakup of part or all of Tribune would follow the full breakup earlier this year of Knight-Ridder Inc., which sold all of its 32 newspapers -- a portfolio which included the Miami Herald and the Philadelphia Inquirer -- to McClatchy Co. It turned around and sold 12 Knight-Ridder papers, some to local business interests. … Indeed, a slew of local owners like the investor group that purchased the Philadelphia Inquirer and Daily News from Knight-Ridder could be lined up to take Wall Street's place in the industry."

ENVIRONMENT/INDIAN AFFAIRS:

High Court Hears Case Dealing With Clean Air Rules. The Wall Street Journal (11/2, A6, Anderson, 2.03M) reports, "Several justices resisted pleas from environmental groups and the federal government for the Supreme Court to overturn a lower-court ruling that spared Duke Energy Corp. from having to install pollution controls on several power plants. The outcome of the case wasn't clear, with the nine-member court appearing divided on how to rule." Duke Energy and the Environmental Protection Agency "have been fighting over whether the company was required to get federal permits before it modernized eight coal-fired power plants in North Carolina and South Carolina in a way that increased efficiency but let them run longer hours so as to emit more pollution." The case's impact "may be limited because the Bush administration has proposed industry-friendly rule changes that would exempt power companies from new permits when retrofitting their plants as long as the hourly rate of emissions doesn't increase."

The Washington Post (11/2, A10, Lane, 748K) says justices "took a skeptical view of an Environmental Protection Agency crackdown on air pollution from electric power plants yesterday as the court heard oral arguments in a major case on the authority of the federal government to punish violations of the Clean Air Act. … At yesterday's argument, most of the justices who spoke up seemed to agree with industry's view."

Groups Ask Judge To Overturn National Forest Rules. The AP (11/2, Chea) reports, "Environmentalists asked a federal judge Wednesday to overturn the Bush administration's rules for managing the country's 155 national forests, arguing that the regulations illegally weaken protections for wilderness and wildlife." The AP continues, "Issued in December 2004, the rules represented a major shift in how the government balanced conservation and commercial interests in its 192 million acres of forest land. The management plan gave regional forest managers more discretion to approve logging, drilling and other projects without lengthy environmental studies." The AP adds, "Wednesday's hearing in federal court in San Francisco was the first since a coalition of environmental groups sued the Bush administration over the changes in February 2005, a month after they took effect. … Lawyers for the environmentalists told U.S. District Court Judge Phyllis Hamilton that the rules do not include the safeguards for endangered wildlife and forests that federal law requires. The rules allowed forest management plans to be revised without environmental studies and repealed a requirement for forests to maintain 'viable' populations of native wildlife. … They also argued that the administration failed to study adequately the environmental impact of changing forest management practices and did not give the public enough opportunity to comment on the revisions. … Administration officials said the rules allow forest managers to respond more quickly to wildfires, invasive species and other emerging threats. The change shortened the time to get revisions made from as many as nine years to as few as two or three. … In court Wednesday, Cynthia Huber, a Justice Department attorney, defended the Bush forest rules. She said the administration provided 90 days of public comment when it issued its draft proposal to overhaul forest management rules in December 2002."

GAO Launches Investigation Of Interior Department's Oil And Gas Royalty Program. The New York Times (11/2, Andrews, 1.21M) reports the GAO "is beginning a broad investigation into potential deficiencies in how the government collects billions of dollars in royalties from companies that produce oil and gas on federal territory. The inquiry is being done at the request of the Republican-led House Government Reform Committee." The Times says, "In announcing the investigation, Republican lawmakers said they had worries about the management of the entire royalty program by the Interior Department, including its regulations and enforcement practices and the accuracy of basic information." The department's Minerals Management Service, "has come under growing criticism from lawmakers in both parties for losing track of billions of dollars in royalties."

Sierra Club Leader Says California Prop. 87 Would Help Free US From "Grip Of Big Oil." In a

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USA Today (11/2, 2.27M) op-ed, Carl Pope, executive director of the Sierra Club, writes, "Californians can help put the USA on the path to a saner, cheaper, smarter, more secure energy future by voting 'yes' on Proposition 87." He says, "A monumental investment in new energy technologies ought to be a top political priority. Instead, federal spending for energy research and development is half what it was 25 years ago. Congress has handed over billions in new subsidies to oil companies, despite the fact that oil industry profits have tripled in the past three years." Californians "can help the entire nation free itself from the grip of Big Oil by approving Proposition 87." Pope concludes, "By supporting Prop 87 on Tuesday, California citizens can be leaders once again and make an important investment that will pay dividends for current and future generations."

FBI/DEA/ATF/USMS:

Grand Jury Expected To Issue BALCO Indictments. The San Jose Mercury News (11/2, Almond) reports, "The track and field coach who ignited the Balco Laboratories drug scandal in 2003 is expected to be charged by the U.S. Attorney on Thursday with obstructing the investigation." The News continues, "Trevor Graham, who has coached sprinters Marion Jones, Justin Gatlin, Tim Montgomery and other Olympic medal winners, will be indicted for making false statements to federal agents investigating the steroids case, the Associated Press reported Wednesday. AP cited two unidentified Justice Department sources." The News adds, "In June, 2003, Graham sent the U.S. Anti-Doping Agency a syringe with traces of a steroid known as 'the clear' and fingered Balco as the source. … The Mercury News previously reported one of Graham's former athletes told the San Francisco grand jury investigating Balco that the Raleigh, N.C., coach sold the sprinter illegal drugs. Graham, who runs the Sprint Capitol USA team, has repeatedly denied wrongdoing. … His attorney, Joseph Zeszotarski, declined to comment Wednesday evening. He previously said Graham told the truth when interviewed by authorities in 2004."

The AP (11/2) reports, "Graham operates Raleigh, N.C.-based Sprint Capitol USA, a team of about 10 athletes that includes 100-meter co-world record holder Justin Gatlin, who tested positive for testosterone and other steroids in April. … Graham also coached sprinter Marion Jones, who won five medals at the 2000 Sydney Games, and her ex-boyfriend Tim Montgomery, suspended from competition for two years although he never tested positive for a banned substance. … Several of Graham's athletes, however, have tested positive for banned substances, and the coach is being investigated by a grand jury for lying to those looking into doping among elite athletes connected to the Bay Area Laboratory Co-Operative, the now-defunct Burlingame supplement company that served as a front for a steroids ring. "

Local Television. The impending indictment received moderate coverage by local California television newscasts. Some examples are: KGO-TV San Francisco, Oakland, San Jose, (11/01, 6:00 p.m.) broadcasted, "There is major development in the BALCO steroid scandal. Five men connected to the indictment have pleaded guilty to distributing steroids including BALCO's founder and now, the man to left here Trevor Graham who trained Marion Jones and Tim Montgomery is expected to be indicted for making false statements in that case. Though they were tainted by the scandal, neither has tested positive for steroids. And a track coach who tipped off feds about the BALCO steroid scandal may find himself on the other side of the law." KRON-TV San Francisco, Oakland, San Jose, (11/01, 6:00 p.m.) broadcasted, "New details had in the BALCO steroid scandal. Heather Donald is in the news room with the latest. Reporter: According to the Associated Press, track coach Trevor Graham could be indicted as soon as tomorrow in connection with the probe. Justice Department officials tell the AP that Graham will be charged with making false statements to investigators." KTVU-TV San Francisco, Oakland, San Jose, (11/01, 6:00 p.m.) broadcasted, "Investigators say Trevor Graham from BALCO withheld information from investigators. Two years ago, Graham sent a used syringe with trays of a steroid to doping officials that caught up dozen knows of athletes including track star Marion Jones and her ex-husband and others."

Two Suspects In California Wildfire Arson Case Arrested. USA Today (11/2) reports from Beaumont, CA, "An auto mechanic in jail Wednesday in connection with two June arson fires is a "person of interest" in last week's massive wind-whipped wildfire that killed five federal firefighters, the Riverside County Sheriff's Department said." USA continues, "Raymond Lee Oyler, 36, was arrested Tuesday after his home was searched Monday, Sgt. Earl Quinata said. .. Quinata issued a news release Tuesday night that said Oyler was not a suspect in the Esperanza fire. He has not been charged in that fire." USA adds, "Oyler, who is being held in the Riverside County Jail in lieu of $25,000 bail, is accused of igniting the two earlier fires near this rural town 20 miles west of Palm Springs. He is being arraigned today on charges related to those fires, the sheriff's department said. … Jason Walden, general manager of the auto center where Oyler has worked for four months, described him as a real workhorse. 'They're climbing up the wrong tree,' said Walden, a former firefighter with the U.S. Forest Service. 'He's not someone who is into fire.' … Oyler uses blowtorches on the job, but 'he doesn't get that gleam in his

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eye like a pyromaniac,' Walden said." USA notes, "Whoever is ultimately charged with last week's wildfire arson also will face murder charges and, potentially, the death penalty, said Sara Danville, Riverside County chief deputy district attorney for the Major Crimes Unit. … Firefighters on Monday were able to surround the wildfire that blackened more than 40,200 mostly uninhabited acres, the California Department of Forestry and Fire Protection reported. Firefighting costs reached $9.9 million."

Former Ohio Man Nabbed In Nationwide Fugitive Dragnet To Be Announced Today. The Toledo Blade (OH) (11/2) reports, "A former Toledo man who was arrested last week on an 11-year-old outstanding warrant is among the fugitives nabbed in a nationwide law enforcement dragnet that will be the subject of a major announcement (Thursday) by Attorney General Alberto Gonzales." The Blade continues, "Russell Johnson, 49, was wanted for an alleged probation violation that stems from a 1991 conviction in Lucas County Common Pleas Court for sexually assaulting an 11-year-old girl. … A resident of Florida, Johnson was arrested by officers with Northern Ohio Violent Fugitive Task Force on Oct. 22 at a mobile home park at 3510 Consaul St. in East Toledo." The Blade adds, "Mark Herr, a Lucas County assistant prosecutor, said Johnson's arrest was part of a dragnet involving federal, state, and local authorities to apprehend suspects wanted in homicides, sexual assaults, gang-related crimes, kidnappings, major drug offenses, and crimes against children and the elderly. … 'He is a very high-profile figure," said Mr. Herr, who was informed of the arrest by U.S. Marshals involved in the operation. … The Justice Department is planning to announce the arrest of Johnson and others tomorrow in Washington as part of an effort to track down and arrest fugitives from justice, Mr. Herr said."

Kentucky Man Arrested In Multi-Agency Sweep. The Murray (KY) Ledger & Times (11/2) reports, "A 19-year-old Murray man was arrested in a multi-agency round up of people who committed sex crimes." The Ledger & Times continues, "Brian Gryzmala, of Murray, was charged with distribution of matter portraying a sexual performance by a minor and possession of matter portraying a sexual performance by a minor, according to a release from the Kentucky State Police. … KSP and the Kentucky Internet Crimes Against Children Task Force announced Monday the results of Operation Harvest Moon. The effort aimed to arrest suspects involved in online child sexual exploitation crimes and non-compliant registered sexual offenders." The Ledger & Times adds, "Operation Harvest Moon resulted in 11 federal indictments and three state arrests, including Gryzmala. … 'The message is clear: Kentucky is and will continue to be a child-predator-free zone,' U.S. Attorney for the Eastern Kentucky District said in the KSP release. 'The message to child sexual predators should also be clear: Stay out of our state. These people are the lowest dregs of society and we will not allow them to harm our children.' … Operation Harvest Moon began Oct. 23 and culminated months of investigations by KSP and other law enforcement agencies throughout the state. … The other agencies partnering with Kentucky ICAC include the FBI, U.S. Secret Service, U.S. Marshals Service, U.S. Attorney's Office, U.S. Postal Inspection Service, Louisville Metro Police Department, Lexington-Fayette Urban County Division of Police, Owensboro Police Department, Bowling Green Police Department, Morehead Police Department, Winchester Police Department, Franklin Police Department, Oldham County Police Department and Boone County Sheriff's Department."

Man Wanted In Colorado Sexual Assault Case Arrested In Nevada. The Las Vegas Review-Journal (11/2) reports, "A fugitive strike team arrested a 43-year-old North Las Vegas man late Monday on a warrant charging him with multiple counts of sexually assaulting an 11-year-old girl in Littleton, Colo." The Review-Journal continues, "Michael Pope, who once worked as a dealer in Las Vegas casinos in the late 1980s and early 1990s, was taken into custody without incident while trying to hide in a vehicle, according to task force commander Patrick Sedoti. … Pope's arrest stems from incidents that authorities in Jefferson County, Colo., said occurred between December 2004 and June 2005 when he was renting a room in Littleton and occasionally was the baby sitter for the girl, who lived in the home." The Review-Journal notes, "Pope had moved to North Las Vegas, where he lived with his sister until moving out recently to live near Fort Apache Road and Charleston Boulevard, said Fidencio Rivera, chief deputy of the U.S. Marshals' office in Las Vegas."

ATF Probes Theft Of Explosives From Michigan Asparagus Field. The Muskegon Chronicle (MI) (11/1Theresa D., McClellan) reports, "Missing explosives from a Ferry Township asparagus field has sparked the interest of federal authorities." The Chronicle continues, "The Bureau of Alcohol, Tobacco, Firearms and Explosives posted a $5,000 reward for information leading to an arrest and conviction in connection with whoever dug up and stole the materials buried about 3 feet deep on the 48-acre site. … The materials had been placed by Bay Geophysical Inc. of Traverse City. The company used them to create seismic charges while looking for gas and oil, having been doing gas and oil explorations 'for a few years,' Michigan State Police Trooper Stacy Baylis said." The Chronicle adds, "The materials were eight 150-gram Pentalite seismic charges and nine electric cap detonators. When combined, each charger

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has the explosive power of a half stick of dynamite, police said. … 'In a word, damage could be considerable. That could remove the front of a small building,' said Sgt. Troy Fellows of Michigan State Police's Hart post. … The theft was discovered Monday. Company officials estimate it occurred between 6 p.m. Sunday and 11 a.m. Monday, police said. … 'This is a federal case, the feds are investigating and we are making no other statement,' said a company spokeswoman, who declined further comment. … 'Theft of explosives is a top priority for ATF. The stolen charges and detonators are identified as high explosives and are dangerous,' said ATF Special Agent Valerie J. Goddard."

St. Louis Man Pleads Not Guilty In Date Rape Drug Case. The St. Louis Post-Dispatch (11/2) reports a St. Louis man "pleaded not guilty Wednesday to charges connecting him with the 'date rape drug' overdose death of a SIUE senior in 2002 — but he was unsuccessful getting a federal judge to issue a gag order in the case. John F. Berger, 36, was arraigned Wednesday afternoon. … U.S. Attorney Catherine Hanaway said that investigators believe Berger supplied the drug that killed Tressa Gross on April 7, 2002." U.S. Magistrate Judge Thomas Mummert III "turned down the gag order and got Assistant U.S. Attorney Jim Delworth to promise that his office and the Drug Enforcement Administration will make no more public statements without discussing the issue with him."

New Jersey Heroin "Kingpin" Convicted. The AP (11/1) reports an Irvington man who authorities "say was a major heroin kingpin faces up to life in prison after a jury convicted him Tuesday of conspiracy, racketeering, drug, gun and money laundering charges. Authorities said Charles 'Black' Hamilton was the head of an operation that moved huge amounts of heroin _ about 20,000 doses a week _ from northern New Jersey to the Trenton area. At the time Hamilton was arrested in 2004, authorities believed his operation was responsible for three-fourths of the heroin in Trenton."

In Texas, Testimony Continues In "Operation Icebox" Case. The Tyler (TX) Morning Telegraph (11/2) reports the U.S. government "presented the rest of its evidence Wednesday in the trial of three men involved in a large methamphetamine-distribution ring that spanned three states. A confidential informant and co-defendant testified in the 'Operation Icebox' case in U.S. District Judge Leonard Davis' court, along with law enforcement officials and forensic chemists. … A confidential informant testified Wednesday that he bought 'ice' meth from Jose Zavala, whom he called a 'pretty large drug dealer in the Tyler area.' He said Rene Zavala helped his brother distribute the meth and picked the drugs up in Dallas."

Border Guard Accused Of Accepting Bribes From Drug Smuggler Released On Bond. In Seattle, the AP (11/1) reports a U.S. border guard "accused of accepting cash and sexual favors from a female drug smuggler was released Tuesday on a $20,000 bond, against the wishes of prosecutors. Federal Magistrate Judge Mary Alice Theiler also agreed to let the guard, Desmone Bastian, continue living in Surrey, British Columbia, where he will be monitored pending trial, scheduled for Jan. 2. Bastian has pleaded not guilty to one count of accepting a bribe and another of importing controlled substances."

Mexico's Former Drug Czar To Stand Trial On New Charges. In Mexico City, the AP (11/2) reports Mexico's former drug czar, "already serving 71 years for drug trafficking and racketeering, has been ordered to stand trial on a new set of firearms and corruption charges. Jesus Gutierrez Rebollo is accused of handing out military weapons to corrupt government officials, the federal attorney general's office said. … Gutierrez Rebollo was convicted of drug trafficking, racketeering and corruption and sentenced to 40 years in prison. He was later convicted of handing out military firearms to drug traffickers and sentenced to an additional 31 years and 10 months." There are more that 50 media references to the new charges Gutierrez Rebollo faces. News outlets that used the AP story include the New York Times, Washington Post, San Diego Union-Tribune, Newsday, Houston Chronicle, and Dallas Morning News.

Former California High School Coach Gets Probation In Drug Case. The San Diego Union-Tribune (11/1) reports, "A former La Costa Canyon High School girls water polo coach who had cocaine and Ecstasy in his car when stopped in February was sentenced Wednesday to probation and ordered to register as a narcotics offender. Steven Pierce Moyer, 43, pleaded guilty Sept. 11 to possession for sale and transportation of Ecstasy. … A U.S. Drug Enforcement Administration agent testified at Moyer's July 14 preliminary hearing that the defendant was overheard ordering cocaine and Ecstasy from a known drug dealer, Michael Cardosi."

IMMIGRATION:

Federal Judge Blocks Hazleton, PA, Crackdown On Illegal Immigrants. The AP (11/2, Rubinkam) reports, "A federal judge blocked the city of Hazleton from enforcing a pair of tough ordinances targeting illegal immigrants, just hours before the measures were to go into effect." The AP continues, "The measures, approved by City Council last month, would have imposed fines on landlords

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who rent to illegal immigrants and denied business permits to companies that give them jobs. They also would have required tenants to register with City Hall and pay for a rental permit." The AP adds, "U.S. District Judge James Munley ruled that landlords, tenants and businesses that cater to Hispanics faced 'irreparable harm' from the laws and issued a temporary restraining order blocking their enforcement. .. . 'We find it in the public interest to protect residents access to homes, education, jobs and businesses,' he wrote in a 13-page opinion." The AP notes, "Hispanic groups and the ACLU sued Hazleton on Monday, contending the laws violate the Constitution because they trample on the federal government's exclusive power to regulate immigration. … Mayor Lou Barletta, who spearheaded the law, has argued that illegal immigrants have brought an increase in drugs, crime and gangs to the city. The city's lawyers on Tuesday cited a 10 percent increase in crime between 2004 and 2005 as a reason why the ordinances should be enforced."

Democratic Congress Could Boost Bush Immigration Agenda. In the fourth installment of its five-part series on "The Next Congress," the Washington Times (11/2, Dinan, 88K) says immigration "is the one major issue on which President Bush is likely to fare better next year if Democrats win control of Congress. The issue is unfinished business to which all sides promise to return, after House Republicans this year prevented Mr. Bush from winning both a guest-worker program and citizenship rights for most illegal aliens." Congress "still faces the four major immigration questions that it punted on this year -- how to secure the border, how to boost workplace enforcement, whether to create a new program for future foreign workers in addition to the existing work programs that hundreds of thousands of people already use; and what to do about the estimated 12 million to 20 million illegal aliens now in the country." Bush, "joined by almost all Democrats and some Republicans, wants action on all of those issues."

Federal Government Sued Over Immigration Raids. The Los Angeles Times (11/2, Jarvie, 918K) reports the Southern Poverty Law Center "sued the federal government Wednesday on behalf of five Latino U.S. citizens who say they were detained and harassed by agents carrying out raids targeting illegal immigrants in south Georgia." The group said ICE agents "used 'Gestapo-like' tactics as they fanned across three Georgia counties in September, breaking into homes and stopping people in their cars 'because they looked 'Mexican.'"

CONGRESS-ADMINISTRATION:

Bush Expresses Support For Rumsfeld And Cheney. The AP (11/2, Hunt) reports President Bush said he "wants Defense Secretary Donald Rumsfeld and Vice President Dick Cheney to remain with him until the end of his presidency, extending a job guarantee to two of the most-vilified members of his administration. 'Both those men are doing fantastic jobs and I strongly support them,' Bush said in an interview with The Associated Press and others." On the war in Iraq, Bush "said the military has not asked for an increase in US forces beyond the 144,000 already there. He said US generals have told him 'that the troop level they got right now is what they can live with.'" The President "spoke in the Oval Office, seated in a wing chair in front of a table with a bowl of roses. Six days before midterm elections, he steered away from political questions beyond saying he was confident that Republicans would defy the polls and hold control of the House and Senate. … He refused to say whether he could work effectively with House Minority Leader Nancy Pelosi or Senate Minority Leader Harry Reid if Democrats won either the House or Senate, or both." Bush "did take the opportunity to take another poke at Sen. John Kerry, in political hot water for a remark that the White House has characterized as a slam on US troops in Iraq. Kerry has said he was making a joke critical of Bush, not the troops. 'It didn't sound like a joke to me,' the president said."

Network commentators portrayed Bush's comments on Rumsfeld as a "gift" for Democrats in the final week of the campaigns. ABC World News (11/01, story 2, 1:40, Stephanopoulos, 8.78M) ran a full report on Bush's interview. Democrats "are saying they have a big campaign gift from President Bush, that endorsement of Secretary Rumsfeld. And here's a number that shows the problem. Right now, there are six Republican Senate candidates in competitive races who have either called directly for Rumsfeld to go or for a radical change in course in Iraq. Now, you have the President sending a message that is directly opposite of the message of his most competitive Senate candidates. His one strategist told me, even if you drop the slogan, keeping Rumsfeld says stay the course."

Along similar lines, Tim Russert said on NBC Nightly News (11/1, story 2, 2:35, Williams, 9.87M) that "the Democrats have seized on those comments by the President. … Look for the Democrats to take those comments and put them into an ad saying to the country if you care about the war in Iraq, it's time for a change and this President will not make one. You must vote Democratic. Both parties replaying the presidential election in 2004 in 2006 and trying to capitalize on these kinds of comments."

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NBC Nightly News (11/1, lead story, 3:40, Gregory, 9.87M) briefly noted that "the President said win or lose," referring to the midterm elections, "he expects Defense Secretary Rumsfeld and the Vice President to stay in their jobs for the remainder of his presidency."

The Washington Post (11/2, A1, Bekr, VandeHei, 748K) notes the issue at the tail end of a story about Sen. Kerry's controversial comments earlier this week, and says "hoping to change the subject," Democrats yesterday "seized" Bush's comments. The Post adds, "To reassert their main message, Democrats planned a blitz of final-weekend television advertising assailing Bush for his management of the war."

CNN's The Situation Room (11/1, Malveaux) said "this president strongly believes that if either one," Rumsfeld or Cheney, "were to step down before his term is over, that it would signal that somehow US policy is a failure, particularly the war in Iraq. So the President saying that is not going to happen."

Other analyses put Bush's words in the context of his recent campaign appearances, portraying them as an attempt to fire up his base. The Los Angeles Times (11/2, Gerstenzang, 918K) says Bush yesterday "reached out…to conservative audiences, delivering pared-down versions of his campaign speech in interviews with radio talk show host Rush Limbaugh and Pat Robertson's Christian Broadcasting Network." He also "gave a vow of support for…Cheney and….Rumsfeld, two heroes to conservatives." The Times adds, "With control of the Senate and House at stake in Tuesday's election, the president has focused on delivering a sharp-edged message intended to draw contrasts between Republicans and Democrats and energize his most loyal conservative voters to get to the polls."

A similar story in the New York Times (11/2, Broder, 1.21M), titled "Bush Works To Solidify Base With A Defense Of Rumsfeld," also reports the President "sought to rally Republican voters" with his remarks," and notes Cheney "spent another day going after Senator John Kerry, the Democratic presidential nominee two years ago, for remarks that Republicans say insulted the intelligence of American troops in Iraq."

Bloomberg (11/2, Keil) reports, "With six days until the midterm election, Bush is attempting to rally core Republican voters to counter what polls show is widespread dissatisfaction with Congress and his handling of the presidency." He "said he understood why some of his party's candidates are distancing themselves from his administration. 'People will run the race they need to run,' Bush said. Still, he said he was confident Republicans would prevail."

The Chicago Tribune (11/2, Silva, 623K) says the President "is defiantly embracing the issue that has made him both unpopular and a possible liability for Republican congressional candidates this year: unyielding support for the war in Iraq. As he heads out for a campaign-closing tour through the weekend --starting out West on Thursday and carrying him to Iowa and Missouri on Friday -- the president is stumping with the fervor of someone whose own office is at stake. And in many ways it is, considering the impact on the remaining two years of his presidency if the Democrats take control of the House and possibly the Senate." The Tribune adds, "As Florida Gov. Jeb Bush put it, 'My brother loves a fight. He enjoys to be underestimated. He has defied the pundits in the last three election cycles. He will take risks on behalf of his cause.'" Analysts "say the president's resolve for fighting the war against terrorism remains his strongest suit politically and represents his best chance for stirring conservative turnout Tuesday in taut races. … As unpopular as the war in Iraq has become, they say, the president cannot run from it -- so he is running with it."

At the start of CNN's Lou Dobbs Tonight (11/1), host Dobbs said, "Bush declaring that Defense Secretary Donald Rumsfeld should remain in his job, but US strategy in Iraq is on the verge of failure. American casualties are rising, and rising sharply."

House Majority Leader John Boehner, meanwhile, defended Rumsfeld's on CNN's The Situation Room (11/1, Blitzer), "There are a lot of people who want to blame what's happening in Iraq on Donald Rumsfeld, but when you look at the transformation that our military has been through, it's nothing short of remarkable. And I think there's only one person in America who could have brought about that transformation, and that's Donald Rumsfeld. He's smart, he's been through the Pentagon, knows how it works. And now we have a lighter, more flexible force, a quicker force."

NASA, Commerce IGs Probing Alleged Censorship In Global Warming Studies. The Washington Post (11/2, A15, Eilperin, 748K) reports, "Inspectors general at two agencies have begun an investigation into whether the Bush administration has suppressed government scientists' research on global warming, officials at NASA and the Commerce Department confirmed yesterday. Prompted by a request this fall by 14 Democratic senators, the IGs are examining whether political appointees have prevented climate researchers at NASA and the National Oceanic and Atmospheric Administration from conveying their findings to the public." According to the Post, "several client scientists, including James Hansen, director of NASA's Goddard Institute for Space Studies, have accused the administration of muzzling them" when reporting findings related to climate change, "a charge the White House has denied." Senator Frank Lautenberg was the author of the letter to the two IGs. An aide to the senator said the result of the probes should be disclosed next year. The Post adds, "Officials at NASA and the Commerce Department, which

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oversees NOAA, pledged to cooperate with any inquiry but defended their media policies."

Democrats Accuse Administration Of Stalling Hunger Report. The AP (11/2, Quaid) reports that Democrats are "accusing the Bush administration of holding up a report on the number of people going hungry in the United States." The Agriculture Department report has "generally been released in October, a month after annual poverty figures are released by the Census Department," and Democrats said the delay "appears political" with elections less than a week away. However, USDA officials "said the report has long been set for a mid-November release and that the delay is not political." Rep. Anthony Weiner (D-NY) said, "It seems like a pattern is emerging where the Administration simply tries to bury bad information the closer they get to the election."

OTHER NEWS:

New Reports Indicate Economy Slowing Down. USA Today (11/2, Hagenbaugh, 2.27M) reports, "There is little doubt the economy is slowing. What is unclear is how long the decline will last or how deep it will be. The latest evidence of a slowing economy came Wednesday in reports showing a dip in the rate of growth in the manufacturing sector and a further decline in housing construction." Also yesterday, "Merrill Lynch warned clients that its 'recession-risk indicator' is now pointing to a 51% chance of a recession in the next year, the highest such odds since the last recession in 2001."

The Wall Street Journal (11/2, A2, Whitehouse, 2.03M) reports, "Economists said the deceleration in manufacturing suggests that slowdowns in both the housing and automobile sectors are spreading to the broader economy, as a drop in home and auto construction translates into fewer orders for factories. Mr. Ore named wood products, appliances, plastics and fabricated metals among the sectors that had seen the sharpest declines in October."

Meanwhile, ABC World News (11/01, story 7, 0:20, Gibson, 8.78M) reported, "There is, tonight, for a change, some upbeat news from two of the three big automakers. As gas prices fell last month, sales went up. General Motors sales jumped almost 17% last month, compared to a year ago. While Ford gained almost 9%. Only Daimler Chrysler saw a dip in October sales."

Stocks Down. Under the headline "Catching Breath: Dow Industrials Ease For 4th Day," the Wall Street Journal (11/2, C1, McKay, 2.03M) reports, "Reports showing surprisingly weak manufacturing and construction activity in the US bumped the Dow Jones Industrial Average lower. The pullback extended the Dow's losing streak to four days, the longest since early August, immediately before the blue-chip indicator began a run to fresh records." The Dow "shed 49.71 points, or 0.4%, to end at 12031.02, up 12.3% on the year. … The Standard & Poor's 500-stock index fell 0.7%, or 10.13 points, to 1367.81, up 9.6% on the year. The tech-stock-focused Nasdaq Composite Index fell 1.4%, or 32.36 points, to 2334.35, up 5.9% on the year."

Kerry Apologizes For Controversial Remarks. The AP (11/2, Espo) reports, "Fearful of damaging his own party in next week's elections, Sen. John Kerry apologized Wednesday to 'any service member, family member or American' offended by remarks deemed by Republicans and Democrats to be insulting to US forces in Iraq." Kerry "said he wanted to avoid becoming a distraction in the final days of the battle for control of Congress. He added he sincerely regretted that his words were 'misinterpreted to imply anything negative about those in uniform.'"

The story dominated media coverage of the campaign for the second straight day. All three networks led with the story. NBC Nightly News (11/1, lead story, 3:40, Williams) reported, "As one Republican political strategist put it today, John Kerry is the best thing that could have happened to the Republican Party. The fracas is over Kerry's comments that those who don't do well in school could end up being stuck in Iraq. He said he messed up his own joke about the President getting the US stuck in Iraq. His critics say the decorated Vietnam veteran was taking a kind of perverse crack at those serving in uniform. Many Republicans and some Democrats demanded an apology and late today they got it, but only after the damage was done." NBC (Gregoy) added, "Summing up the problem tonight, a top Democratic strategist said, any day the White House is not defending the war in Iraq, the Republican party is winning. That's the problem in party as well."

The CBS Evening News (11/1, lead story, 2:40, Couric) reported, "Kerry did today what he said he wouldn't do yesterday: He apologized for a joke he insists was aimed at President Bush, not at American soldiers. And the President's education, not theirs." CBS (Axelrod) added, "CBS news has learned it was senior Democrats who pressured Senator Kerry to drop the combative tone and apologize. They were very worried about the effect all of this was having on Democratic campaigns headed down the stretch." Bush commented on Kerry's comments on the Rush Limbaugh Show, though "he didn't even mention Kerry by name." Voice of President Bush (from Rush Limbaugh radio show): "Anybody who is sent to serve this country ought to understand the consequences of words and our troops deserve the full support of people in government." Democrats, added CBS, "were hitting Kerry almost as hard," which "may explain why Senator Kerry canceled campaign events in three states today and tomorrow. Or as a

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Republican campaign official told CBS News, quoting here: 'John Kerry has given us what Democrats have had for months, an evil boogeyman. We spent $200 million last time getting people to hate John Kerry, now we have to tap right back into that.'"

ABC World News (11/01, lead story, 2:50, Gibson) reported, "It is shaping up as the critical question of this year's election. What will voters be thinking about Iraq when they walk into the voting booth? Democrats continue to hammer the message that the course of the war needs to be changed. And Republicans won't do it. Republicans, using John Kerry's remarks of yesterday, portray Democrats as disloyal to our troops and unwilling to pursue victory. It is a very basic battle." ABC (Tapper) also ran an excerpt from Bush's interview with Limbaugh. Limbaugh: "That's his thinking, military members that they're uneducated rubes." Bush: "Yeah. Anybody who is in a position to serve this country ought to understand the consequences of words. And our troops deserve the full support of people in government." Democrats, said ABC, "spent the day distancing themselves from their former presidential nominee. Campaign events with Kerry and Democratic candidates in Iowa and Minnesota were cancelled. One candidate in Indiana returned a Kerry campaign contribution. And leaders of his own party criticized him." Howard Dean, Chairman, Democratic National Committee: "I disagree with Senator Kerry's remarks, of course. But that's not the issue. The issue is Senator Kerry is not on the ballot." Sen. Hillary Clinton: "What Senator Kerry said was inappropriate."

On NBC Nightly News (11/1, story 2, 2:35), Tim Russert said Democrats "are furious because this is the third news cycle that John Kerry is dominating political coverage of the midterm elections of 2006 and they want it on George W. Bush. One Republican said to me yesterday, 'Our worst nightmare is if John Kerry came out immediately to the cameras and said, I tried to crack a joke at the President's expense, it didn't work, joke is on me, I am terribly sorry, I offer a heartfelt apology so all the troops, and now that I've apologized, I hope the President will find it within himself to apologize to the country for all the misjudgments he's made about Iraq.' That did not happen. Instead, we had John Kerry delay a formal apology for 24 hours and now Democrats are saying, enough already." Republicans are "going on the air with a television ad from the National Republican Committee. … They hope they can say to the country, you see, you cannot trust the national security issue to the Democratic Party."

Cable coverage was also extensive, with a number of Republicans taking to the airwaves to criticize Kerry. CNN's The Situation Room (11/1, Malveaux) reported, "What's really behind" the GOP offensive "is that…Republican strategists and the White House feel that as long as they can keep this controversy going, it really does move this argument forward, because they believe that John Kerry personifies what the Democrats are and their argument is that Democrats are weak when it comes to natural security." Asked on MSNBC (11/1, O'Donnell) if the White House believes Kerry "meant to insult the 140,000 troop serving in Iraq," White House Press Secretary Tony Snow said, "I don't know. He says he didn't, but the fact is he did. This is one of these interesting political situations where you do get held accountable for what you say. … I looked at the tape. I looked at the transcript. If you listen to what Sen. Kerry said, it didn't sound like a joke."

Second Lady Lynne Cheney said on MSNBC (11/1, Mitchell), "This is one of those comments that in my mind has grown worse the more I thought about it. When I first heard it, I thought, 'Well, this is a campaign meltdown.' And then you think what a deep and abiding insult it is to brave Americans who are fighting. … He recently said some insulting things about our troops in Iraq. In the last campaign, it was pointed out many times that he said insulting things about our troops in Vietnam. It fits into that pattern, which makes it worse."

Gov. Mitt Romney said of Kerry's apology on Fox News' The Big Story (11/1, Gibson), "It's awful late, to begin with. And, secondly, ask yourself: Why couldn't it just be a straightforward apology? I'm happy to get any apology. I think our men and women in uniform deserve an apology. But what came out seems like, kind of, an attack apology. He's attacking people for misinterpreting supposedly what he said, but what he said was as plain as plain could be."

On MSNBC's Hardball (11/1, Matthews), Russert said Democrats "are furious, because it's now dominated three news cycles and they want it over with."

Dick Morris said on Fox News' The Big Story (11/1, Gibson) that "here Kerry has come along and become an issue in the campaign and he's brought with him all of the baggage from 2004 and he exemplified it in the world's worst quote. It's not a blooper, it's what he obviously really thinks and really feels. and everybody knows that."

Democrats were also forced to react to the controversy. Rep. John Murtha said on MSNBC's Tucker (11/1, Carlson), "It's unfortunate. And it distracts from the real issues. That's the problem. There's no question in my mind he doesn't try to denigrate the troops, but how he said it certainly looks that way. He needs to explain what he was trying to do."

Rep. Marty Meehan, attacked said on CNN's The Situation Room (11/1, Blitzer), "I'm glad that he apologized. But that's the way the White House goes about their business. They want to get attention off of the war in Iraq. … Iraq is more dangerous than it's ever been. We are getting increasingly closer and closer to a civil war. We have an Administration that won't change course. So they look for candidates and people, maybe, that have a slip of the tongue or that mess up on the campaign trail and they try to divert attention to that."

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Rep. Jim Moran said on MSNBC's Tucker (11/1, Carlson), "I do think there is a very deep-seated resentment on John's part toward George Bush, and his explanation this was directed at George Bush. Because there is some truth to the fact that knowing what we know of George Bush's youth, if it hadn't been for the accident of birth, the military would have represented one of the best opportunities to have straightened him out. … I think it was because of resentment of George Bush and not any kind of attitude that he feels towards America's military, who are well-educated and courageous people who deserve a lot of respect. And John gives them that."

The New York Times (11/2, Zernike), in a story titled "Flubbed Joke Makes Kerry A Political Punching Bag, Again," says for Republicans, the Kerry's controversial remark was "manna from Massachusetts, that reliable redoubt of liberal caricatures."

The Washington Post (11/2, A1, Baker, VandeHei) reports Republican "strategists appeared almost gleeful over the contretemps because it revived a favorite target at a time they need to motivate core supporters to vote in Tuesday's midterm elections. GOP officials have tried to make the elections not a referendum on President Bush but a choice between two parties with competing visions over taxes, terrorism and Iraq, but they have struggled to find a symbol for Democrats."

USA Today (11/2, Jackson) reports Republican Party spokeswoman Tracey Schmitt "said Kerry's comments should remind all voters that Democratic leaders have 'a fundamentally flawed perspective about both the honor of our troops and the importance of their mission.'"

The Washington Times (11/2, Hurt) reports, "In one sentence, Mr. Kerry managed to change the national conversation from the Republican handling of the war in Iraq to demands that he apologize to the troops."

The AP (11/2, Sidoti) quotes Bush saying, "People will run the race they need to run. … My attitude is that the way you win is you say to the American people, we have a plan for victory, which we do. And the opponents don't have a plan for victory." The AP adds, "Days before Tuesday's election, however, polls show voters aren't inclined to buy that line. So, in the final week of the campaign, the White House has sought traction on Iraq by seizing on a remark by Democrat John Kerry."

Boehner Says Kerry's Apology "Good Enough." House Majority Leader John Boehner said on CNN's The Situation Room (11/1, Blitzer), "I think he has apologized. It sounds good enough."

Controversy Said To Have Potential To Backfire On Bush, GOP. Newsweek (11/1, Wolffe, Bailey), in a web analysis, takes a path different from almost all media commentary this morning, "The risks for President Bush are greater than they are for Senator Kerry, who may have suffered the deep embarrassment of falling into a familiar self-made trap. But he leads nothing inside his party, sets no strategy and the Democrats can easily disown him." But Bush "enjoys no such luxuries. In fact, the concerted attack on Kerry…threatens to undermine a central premise of the party's strategy. For months on the campaign trail, GOP candidates have insisted the election isn't a referendum on Bush or national politics; it's a choice between two local contenders. The president may have diverted attention back onto Democrats, but he also turned the focus back on himself and the war. … Neither subject is a winning issue for GOP candidates -- and that is precisely why the Bush-Kerry fracas is so outdated."

On CNN's The Situation Room (11/1, Zahn), Christopher Hitchens also criticizes the White House, saying, "I don't remember anything being as shamelessly distorted as Kerry's hapless attempt to tell a feeble joke about Bush's I.Q. But it seems to be quite Nixonian what the White House and the Republican Party's been doing. It's self-evident that Kerry wouldn't have tried to equate stupidity with military service, and it's an attempt to change the subject in the crummiest way."

First Lady Says World Listening To US Debate On Iraq. The AP (11/2) reports, "First lady Laura Bush cautioned Wednesday that Americans discussing the war in Iraq -- especially politicians -- should be careful what they say because other countries are paying attention. 'The right to have these conversations is part of what makes our country great and our democracy strong. We must be mindful that people around the world are listening to these discussions,' Laura Bush said at a suburban Columbus recreation center during a campaign appearance with Rep. Deborah Pryce." Bush "did not mention her husband's 2004 election opponent, Sen. John Kerry, but her comments came on the day the Democrat apologized for telling a group of California students that individuals who don't study hard and do their homework would likely 'get stuck in Iraq.'"

Party Shuns Kerry; Controversy Seen As Hurting Presidential Ambitions. The Washington Post (11/2, A1, Baker, VandeHei) reports Democrats "pressed Kerry to apologize and get out of sight." However, "much of the day's political conversation centered on Kerry. His return to the national spotlight provided a new opening to Republicans, who have been battered through much of the fall by the political fallout from the escalating violence in Iraq, the House page scandal and new corruption probes."

The Financial Times (11/2, Washington) reports Democrats "moved swiftly to distance themselves from John Kerry's 'botched joke' that appeared to disparage US troops." A second Financial Times story (11/2, Daniel) notes "three Democratic candidates have cancelled cancel campaign events with Mr Kerry, including Bruce Braley, a House candidate, in Iowa. Harold Ford, who faces a tight race for the

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Senate in Tennessee and has received $100,000 from Mr Kerry's leadership PAC, had earlier in the day called on him to apologise." Jerry "cancelled appearances at rallies in Minnesota and Pennsylvania."

USA Today (11/2, Jackson) notes "former congressman Baron Hill, a Democrat trying to reclaim a US House seat in Indiana, returned a $1,000 political contribution from Kerry, saying he was 'disturbed and disappointed' by the Massachusetts senator's remarks."

In a story titled "Kerry's Remark Puts Presidential Bid At Risk," the Los Angeles Times (11/2, Wallsten) reports Gordon Fischer, chairman of the Democratic Party in Iowa, said "Kerry's gaffe would 'undoubtedly' hurt his chances in two years -- a sentiment echoed Wednesday by several other Democrats." Burton Cohen, "the former New Hampshire state Senate majority leader and a key Kerry backer in 2004, said the botched joke could rival former Vermont Gov. Howard Dean's famous Iowa scream in terms of media exposure and political damage." Roll Call (11/2, Akers) also says this morning, "With his 'botched joke' about dumbos serving in Iraq, Kerry "may have joined Sen. George Allen" in becoming a "former '08 presidential hopeful."

On CNN's The Situation Room (11/1, Blitzer), James Carville said of Kerry, "I'm sure he was thinking about running for president, but he was not the frontrunner Monday, and he's less a frontrunner today."

NYTimes Calls Bush's Response To Kerry Comments "A Particularly Creepy Low." In an editorial titled "The Great Divider," the New York Times (11/2) says Bush has "settled into a familiar pattern of ugly behavior. Since he can't defend the real world created by his policies and his decisions, Mr. Bush is inventing a fantasy world in which to campaign on phony issues against fake enemies." But "he hit a particularly creepy low when he decided to distort a lame joke lamely delivered by Senator John Kerry of Massachusetts. … Knowing full well what Mr. Kerry meant, the president and his team cried out that the senator was disparaging the troops. It was a depressing replay of the way the Bush campaign Swift-boated Americans in 2004 into believing that Mr. Kerry, who went to war, was a coward and Mr. Bush, who stayed home, was a hero. … This is hardly the first time that Mr. Bush has played the politics of fear, anger and division; if he's ever missed a chance to wave the bloody flag of 9/11, we can't think of when. But Mr. Bush's latest outbursts go way beyond that. They leave us wondering whether this president will ever be willing or able to make room for bipartisanship, compromise and statesmanship in the two years he has left in office."

Bush Says Democrats Opposed Key Anti-Terror Legislation, Tax Cuts. President Bush, in a taped interview with the Rush Limbaugh Show (11/1), said, "I really don't think about the idea of having a Democrat-led House and Senate, because I don't think it's going to happen. I do believe, though, that there is a big difference of opinion in the two -- between the two parties. Every tax cut we've passed, which has helped this economy grow, was opposed by the Democrat leadership. The people who would assume power are the very ones who opposed letting people keep more of their own money. And then when it came time to fighting this war on terror, we had votes on whether or not we should be able to listen to Al Qaeda or an Al Qaeda affiliate making a phone call in the United States -- and the overwhelming majority of House Democrats voted against that bill. Or when it come time to question detainees that we picked up on the battlefield, the overwhelming majority of House and Senate Democrats voted against that bill. So there's just a different mindset, Rush. There's a different attitude about how to protect the American people."

Bush, also on the Rush Limbaugh Show (11/1), said, "I fully understand that here in Washington, people are trying to proclaim the election over with. But I've had that experience before. That's what happened in 2004 and it's what happened in 2002. And so one reason I'm optimistic is I trust the will of the people and not the national punditry. Secondly, I know that we're right on the issues. And the issues -- two main issues are low taxes and winning the war on terror and protecting the American people. And do, I believe if our candidates continue to talk about the strong economy, based upon low taxes, and an administration and a Congress that was willing to give professionals the tools necessary to protect them, we'll win this election."

GOP May Not Get Much From Tax Issue. The Washington Post (11/2, D1, Montgomery, 748K) reports, "In the waning days before Tuesday's election, Republican leaders are holding the issue of taxes out like a life raft to struggling congressional candidates. Few have grabbed it with greater enthusiasm than Rep. Nancy L. Johnson." Johnson, "who sits on the tax-writing House Ways and Means Committee, Johnson has run at least three television ads on fees and taxes, accusing her Democratic challenger, Chris Murphy, of raising 'our taxes 27 times.'" But it's "not clear the tax boat is going to float in this western Connecticut district, where Johnson, like Republicans nationally, is having trouble turning the economy into a winning issue. Murphy, 33, a lawyer and state senator, has opened a narrow margin in the polls by painting Johnson as a pawn of big business and attacking administration policies -- including the tax cuts -- as giveaways to millionaires." Across the nation, "taxes have become a battleground in competitive House races, as Republican candidates charge their Democratic opponents with voting for more taxes, voting against tax cuts or harboring plans to raise taxes. Political analysts say the tactic is designed to turn attention toward tax relief, which Republicans credit with spurring an economic recovery, and

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away from the Democrats' favorite topic, the unpopular war in Iraq."

Rove's Prediction Of GOP Win Gives Democrats Pause. The Christian Science Monitor (11/1, Feldmann, 58K) reports that while President Bush and Vice President Cheney predict the Republican will emerge the victors from the midterm elections, the "voice that gives Democrats the biggest chills - days before an election that by most public indications favors the Democrats in their quest to win their first House majority in 12 years - is that of Karl Rove, the architect of GOP victories in the past three elections." Rove has seen the private polls from individual races, he tells interviewers, and the data point 'strongly' in one direction: a Republican House and a Republican Senate." The "rock-solid pronouncements of Rove, who cites not just internal polls but also the GOP's advantage in fund-raising and organization, buttress the predictable positive outlook from the president and vice president, and feed into a reputation for success running campaigns built over decades." The "answer on who was right, it can be argued, will be known only after the actual votes are cast - but even then, if the Democrats do manage to take over at least the House, Bush's advisers could still say that a week or two earlier, the data pointed in the Republicans' favor."

Vanity Fair's Todd Purdum, author of an article on Karl Rove's strategy for holding GOP congressional control, said on MSNBC's Hardball (11/1, Matthews), "He has certainly built the party's base at the expense of trying to go to the middle. Six years ago, he did try to run toward the middle. George Bush portrayed himself as a uniter, not a divider, a compassionate conservative . When they lost the popular vote in that election, they saw the way forward was to bull their own base." Rove "is a very competent, capable guy. But he has made his practice in dividing the electorate into smaller and smaller slices and the limits of that strategy may have now been reached."

Armey Says GOP Lost Perspective. Ex-House Majority Leader Dick Armey said on CNN's The Situation Room (11/1, Blitzer), "If you look back at how we took the majority unexpectedly after 40 years, it was because we nationalized the vision of our party. And we committed and told America we commit to doing big things about this country in the future. … What has happened over the course of the years ensuing is the Republicans in the majority…became more and more enamored of short-term political actions, oftentimes in terms of what do we put on the floor, and why do we do it."

Democrats Said To Face Difficult Balancing Act On Foreign Policy. The Wall Street Journal (11/2, A4, King) writes that Democrats, "anticipating a possible victory in Congress, are brimming over with proposed cures in one of the Republicans' main areas of weakness: foreign policy. But if they triumph Tuesday, Democrats will first have to figure out how to get their ranks to hew to a core foreign-policy theme that both helps the country and positions the party well for the 2008 presidential election." For decades, the GOP has "painted the Democrats as soft on national security. That is an image that the Democrats are now eager to shed, especially as they look toward a presidential campaign that is sure to dwell largely on issues of terrorism and the Iraq war." Democrats "see this election -- and 2008, to an even greater degree -- as pivotal to their bid to take on a tougher, but also wiser, foreign-policy husk. Some propose implementing tougher port and border security. Some key voices are also promoting a softer line toward North Korea and Iran, including the need for one-on-one talks. Yet the challenge the Democrats face is how to take on an image of steeliness while also pushing, as most in the party now are, to get out of Iraq as quickly as possible."

Cantor Mum On Possible Leadership Bid. Roll Call (11/2, Davis) reports House Chief Deputy Majority Whip Eric Cantor has "begun outlining a framework for what he says is much-needed soul-searching on the future of the House Republican Conference and the party's agenda." In an interview, he said, "I am committed to the House, and I want us to continue to build and strengthen our majority." But "pressed on whether he would run for an elected leadership position if the field opens up after Election Day, he said, 'I don't want to answer that.'"

Democrats Says They Have Locked Up 10 Of 15 Seats Needed To Win House. The AP (11/2, Espo) reports, "Democrats have privately told outsiders they have locked up 10 of the 15 GOP-held seats they need. Polls indicate several dozen additional races are competitive, far more than appeared possible at the outset of the campaign," and "too many for Republican comfort at a time of opposition to the war and low presidential approval ratings at home."

Rothenberg Says Independents May Give Democrats The Edge. In his Roll Call column (11/2), Stuart Rothenberg says, "While all of us following this year's midterms are spending most of our time talking about the GOP's "base" problems and speculating about whether conservatives and evangelicals will stay home next month, we are missing a story that could turn out to be as big, or even bigger: independents." Even if Republicans "turn out, GOP candidates could find themselves in hot water in dozens of districts that they ordinarily should hold. That's because independent voters are not acting the way they normally do." Independents "may not turn out at the same rate as strong partisans in midterm elections, but for dozens of Republicans trying to hold their seats in a potentially strong Democratic wave — particularly those running in marginal districts —

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independents will be plentiful enough at the polls to separate winners from losers. In Connecticut, for example, independents (unaffiliated voters) constitute a plurality of all state voters." Normally, independents "break roughly evenly between the two parties," but "this year, that's not close to being the case." In "poll after poll, independents are behaving like Democrats, whether it is in their distaste for Bush and the GOP-run Congress or in their vote choice in dozens of races around the country."

Glickman Sees Parallels Between '94, '06. In a Roll Call op-ed (11/2), former Rep. Dan Glickman says, "The last time Congress flipped, I was flipped as well. It was 1994. I had been a House Member for 18 years. I thought I had done a good job." But in "November 1994, I was beaten by Republican Todd Tiahrt. It was a bellwether of the nation — and it reflected the national conversation and the influence it had on individual races. This year, there are similarities. Predictions and speculation about 2006 being another 1994 are on everyone's minds." Glickman cites two ways candidates can "help themselves. First, I didn't work hard enough. I realized too late that I had rested a little bit on my laurels." Second, "I didn't understand until too late what issues were motivating voters and how they were energizing the base of the Republican Party. Politics is important, but you cannot forget the issues. Issues can galvanize and organize the public. They can create zealous constituencies. A financial advantage in politics is not as important as the intensity of how people feel about the issues, your opponent and you."

CBS/NYTimes Poll Shows Democrats With 18-Point Generic Poll Edge. The CBS Evening News (11/1, story 2, 2:25, Couric) reported "there's a new CBS News/'New York Times' poll out tonight and it's more bad news for the Republicans. Fifty two percent of likely voters told us they plan to vote for the Democratic candidate for the House, 34% the Republican. That 18% gap is the biggest since we started asking the question back in 1980. Keep in mind, though, this is not a district-by-district poll but a snapshot of the popularity of the parties nationwide." CBS (Schieffer) added that "as you look into the poll, it gets worse for Republicans than even the numbers that you just read into, Katie. When we asked voters why they were planning to vote the way they are, more than four out of ten said it was not to put Democrats or Republicans in power, but for something else. And 40% said it was to vote against President Bush. That is just extraordinary. But even worse for the Republicans is the next number. Close races are usually decided by which way the independent vote goes. Well, look at this. Only 23% of the independent voters say they're voting Republican. Half of them, 50%, say they are voting Democratic, all that at a time when nearly 60% of the people think the economy is in good shape."

The New York Times (11/2, Nagourney, Thee) reports, "The poll showed that 29 percent of Americans approve of the way President Bush is managing the war, matching the lowest mark of his presidency. Nearly 70 percent said Mr. Bush did not have a plan to end the war, and 80 percent said Mr. Bush's latest effort to rally public support for the conflict amounted to a change in language but not policy." The poll "underlined the extent to which the war has framed the midterm elections. Americans cited Iraq as the most important issue affecting their vote, and majorities of Republicans and Democrats said they wanted a change in approach. Twenty percent said they thought the United States was winning in Iraq, down from a high this year of 36 percent in January."

Republicans Use Pelosi In Ads Targeting Democratic House Candidates. The New York Times (11/1, Steinhauer, 1.21M) reports Democratic Rep. Melissa Bean of Illinois "has a Republican opponent in next week's election, but he does not appear in the advertisement that skewers her. Instead, that role is being played by a fellow Democrat," House Minority Leader Nancy Pelosi. Pelosi "seems to be in the thick of campaigns for Congress from Illinois to Georgia and several places in between. She is the unwitting star of at least a half-dozen television spots — and countless radio spots, direct-mail campaigns and candidate debates —warning voters that if they choose their local Democrat for Congress, they are also casting a vote for Ms. Pelosi." But the "problem with the tactic, Democrats and some Republican strategists say, is that many voters have no idea who Ms. Pelosi is. That can make the advertisements sound more desperate than menacing, or at the least, confounding." GOP consultant Ed Rollins said, "It's awful hard to make a boogeyman out of someone no one knows. The reality is, no one is going to vote for a Republican congressman because they are afraid of Nancy Pelosi." The Times adds many Republicans are still "betting that the prospect of Ms. Pelosi replacing Mr. Hastert as speaker should the Democrats take control of Congress will scare undecided voters into voting Republican." Ed Patru of the National Republican Congressional Committee said, "Nancy Pelosi is like kryptonite in Republican districts."

CNN's The Situation Room (11/1, Koppel) reported, "Republicans say they fully intend to hold on to their majority in Congress, but they warn what would happen if Democrats should take power. They're among the most liberal politicians in America: Nancy Pelosi, Alcee Hastings, John Conyers, Henry Waxman and Charlie Rangel. And if Democrats win back the House next week, they're set to rocket to the top positions in Congress. Republicans have seized on the

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prospect of liberal lawmakers running the House as a way to fire up their base on the campaign trail."

Kingston Says Pelosi Can't Be Trusted On War On Terrorism. In a Washington Times op-ed (11/2), Rep. Jack Kingston says, "In a stunning performance on '60 Minutes,' House Minority Leader Nancy Pelosi proved again why she cannot be trusted to keep America safe from the threat of global terrorism and Islamic extremists." Pelosi "demonstrated that she does not understand the global nature of the threat when she stated flatly 'the war on terror is the war in Afghanistan.' She may think the war is limited to Afghanistan, but where does al Qaeda believe the war is? Al Qaeda's No. 2 man, Ayman al-Zawahiri, in a letter to the leaders of al Qaeda in Iraq, was clear about the location of the global jihad and the importance of victory in Iraq: 'Victory of Islam will never take place until a Muslim state is established in the manner of the Prophet in the heart of the Islamic world ... As for the battles that are going on in the far flung regions of the Islamic world, such as Chechnya, Afghanistan, Kashmir, and Bosnia, they are just the groundwork and the vanguard for the major battles which have begun in the heart of the Islamic world.'"

GOP House Majority Said To Be At Risk Because Of Scandals. The Washington Post (11/2, A1, Weisman, Birnbaum, 748K), in a story headlined "Scandals Alone Could Cost Republicans Their House Majority," reports, "Indictments, investigations and allegations of wrongdoing have helped put at least 15 Republican House seats in jeopardy, enough to swing control to the Democrats on Tuesday even before the larger issues of war, economic unease and President Bush are invoked." Four GOP House seats "have been tarred by lobbyist Jack Abramoff's influence-peddling scandal. Five have been adversely affected by then-Rep. Mark Foley's unseemly contacts with teenage male House pages. The remaining half a dozen or so could turn on controversies including offshore tax dodging, sexual misconduct and shady land deals." Not since "the House bank check-kiting scandal of the early 1990s have so many seats been affected by scandals, and not since the Abscam bribery cases of the 1970s have the charges been so serious. But this year's combination of breadth and severity may be unprecedented, suggested Julian E. Zelizer, a congressional historian at Boston University." At least "nine GOP seats have been affected by scandals and are highly vulnerable to Democratic takeover next week." The seats listed by the Post include: FL16 (Foley), TX22 (DeLay), OH18 (Ney), PA7 (Weldon), PA10 (Sherwood), AZ1 (Renzi), NV3 (Porter), CA4 (Doolittle), CA11 (Pombo), NY26 (Reynolds), OH15 (Pryce), NY19 (Kelly), and NM1 (Wilson). The Post adds, "Meanwhile, new allegations continue to spring up. Vern Buchanan, a Republican running for the Florida seat vacated by Rep. Katherine Harris (R), was the target of local media reports this week detailing his use of business entities in Caribbean tax havens to reduce levies on his auto dealerships." The Albany Times Union "published an article yesterday charging that the wife of Rep. John E. Sweeney (R-N.Y.) called police late last year to report that her husband was 'knocking her around' during a late-night argument." And Rep. Christopher Shays (R-Conn.), "who made his name pushing campaign finance changes and governance reforms, was confronted with media reports alleging that a 2003 trip to Qatar -- partly funded by a group loosely tied to Abramoff -- had not been properly disclosed."

Mehlman, Emanuel Each Talk Up Their Parties' Prospects. NBC Nightly News (11/1, story 6, 3:40, 9.87M) ran an "In Depth" report with Tom Brokaw talking with RNC Chairman Ken Mehlman and DCCC Chairman Rep. Rahm Emanuel. Brokaw: "Mehlman, a driven, Harvard-educated lawyer who ran President Bush's 2004 campaign, is famous for getting out the GOP vote. Emanuel is the son of Israeli immigrants and a veteran of the Clinton White House. He's an aggressive fundraiser. They agree the war in Iraq is the big issue." Mehlman: "Iraq is a key front in the war on terror. I believe it's beneficial to Republicans. The reason is, I think most Americans who look are going to recognize we're in the middle of a very tough war, against a different kind of enemy." Emanuel: "All the Republicans are saying is, when you've got yourself in a hole, can we get a bigger shovel?" Brokaw: "For their part, Mehlman and Emanuel now are like football coaches in the locker room before a big game." Mehlman: "I think people predicting our death as they did in 2004 and 2002 and 2000 are going to be wrong once again." Emanuel: "I'm playing defense in about two races and playing offense in about 46 races. I like those numbers."

Mehlman Working Missouri Hard; Dean Focuses On Midwest. The New York Times (11/2, A22, Zeleny, 1.21M) writes that in the "closing days of campaigns, itineraries can be telling barometers of political strategy." Mehlman "is making 12 stops in Missouri this week." But the Democratic outlook "cannot be as easily divined by studying the travel schedule" of DNC Chairman Howard Dean, "who has been at odds with Congressional leaders throughout the midterm campaign." Dean is in Illinois, Michigan, Ohio, and Pennsylvania this week, but his itinerary does not include "many top Senate or House races that Democrats are concentrating on."

Small Towns Said To Offer GOP Hope. In a New York Times (11/2, A27, 1.21M) op-ed, North Country Public Radio reporter Brian Mann writes, "Surely, the Republican Party is facing an electoral drubbing. And yet, President Bush and Karl Rove baldly assert that Republicans will retain control of Congress. The rationale? Majorities in Congress

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aren't formed by the national zeitgeist, as Mr. Rove cheerfully points out. They are built one race at a time. And in dozens of close contests this fall, the outcome will be determined largely by one often-overlooked minority group: the mostly white and mostly conservative voters who live in America's small towns. … On Election Day, millions of urban Democrats will go to the polls expecting victory and dramatic change in Washington. But beware: Mr. Rove's sunny forecast isn't just spin. He and his party are counting on small towns to send a very different message, and to give the Republicans two more years to get it right."

Roll Call Looks At How To Gauge Potential "Democratic Wave." Roll Call (11/2, Jacobson) writes that "to truly measure the intensity of a Democratic wave" requires asking some questions: "Does the wave accelerate longer-term trends of geographic realignment? Does it carry Democrats to victory even in 'red' areas? Is it strong enough to rescue weak Democratic incumbents? And does it reach down below the Congressional level to governors, legislatures and attorneys general?"

Broder Decries "Relentlessly Negative Campaigns." In his Washington Post (11/2, A17, 748K) column, David Broder writes, "It matters little which party controls Congress if the people think Congress is made up of knaves and rascals, or even of well-intentioned men and women corrupted by special interests and the constant pursuit of campaign cash. Nothing that comes out of such a Congress will be accepted as genuine or worthwhile by the citizenry. That is a lesson that campaign consultants and candidates who indulge in relentlessly negative campaigns forget."

Foley Replacement Gaining Traction In GOP Bid To Keep FL16. The New York Times (11/2, Goodnough, 1.21M) reports in Florida's 16th CD, Republican replacement candidate Joe Negron is "getting powerful help as the clock runs down, and now appears to be running almost neck and neck with Tim Mahoney, the Democrat." With the National Republican Congressional Committee "pouring nearly $2 million into the race and Gov. Jeb Bush campaigning at his side, Mr. Negron, a member of the Florida House, is hoping that even the misfortune of having" former Rep. Mark Foley's "name on the ballot instead of his own — a consequence of the last-minute nature of the change — can be turned to his advantage. Republicans are posting signs urging voters to 'Punch Foley for Joe,' a reminder that a vote in the Foley column is actually a vote for Mr. Negron." Negron said, "I know this district, and we are not going to allow ourselves to be defined by the disgraceful actions of our former congressman. I feel this tremendous momentum and energy among Republicans and conservative Democrats to keep this district in the Republican column." The Times adds that in a "reflection of the race in Mr. Foley's own district, his lewd e-mail messages to House pages seem to have had little lasting effect on Congressional races around the country. One Democratic strategist said the party had never expected more than a few races to be influenced significantly by Mr. Foley's conduct."

Conservative Democrat Hopes To Win Back KY2. The New York Times (11/2, Zernike, 1.21M) reports that when Ron Lewis, "a Republican, won an upset in a special election" in Kentucky's 2nd CD "in the spring of 1994, he replaced a Democrat who had represented the district in Congress for four decades before he died. Mr. Lewis's victory in an overwhelmingly Democratic area came to be seen as a harbinger of the Republican sweep that followed that fall." Now, Democrats are "hoping that Mr. Lewis's first tight race in a decade could be a bellwether of a Democratic tide this year." Democrat Mike Weaver, "has come increasingly close to Mr. Lewis in the polls by running as a conservative Democrat on a slogan of 'Faith, Family, Freedom.' He has emphasized his military background in signs urging people to vote for 'Colonel Mike Weaver.' And if the Democrats win a majority, he says he will not vote for Nancy Pelosi, the Democratic leader whom Republicans have caricatured as the symbol of all things California and liberal, for House speaker." With "widespread unease about the war in Iraq, even in a region that includes the Fort Knox Army base, many Democrats who have supported Mr. Lewis are now saying that Mr. Weaver seems like the kind of Democrat who could bring them back to the party."

Voters Focused On Issues, Not Candidates, In IA1. The Washington Post (11/2, C1, Duke, 748K) reports that in Iowa's 1st CD, "which has sent only Republicans to the House since 1978, the open-seat race pits Democrat Bruce Braley against Republican Mike Whalen. But in several interviews on Main Streets around this district, it becomes clear that people are focused less on the candidates and far more on the big issues of the day: corruption, scandal and polarized politics; the cost of health care, the quality of education, the economy and the war above all." People are "cynical about politics, at least about the other party's politics, and so Democrats especially believe that things have gone off the rails in Washington."

Democrats Hope To Pick Up Three Seats In Colorado. The Christian Science Monitor (11/2, Chaddock, 58K) reports, "In a normal year, the fabled GOP" get out the vote operation "might be enough to tip the balance in a congressional race that, until September, was billed as one of the nation's most competitive. But with an unpopular war, an unpopular president, and corruption scandals, the GOP has seen" Rick O'Donnell's Democratic opponent "take a double-digit lead in the polls." So "last week, the national

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party confirmed that it had shifted resources from this race in Colorado's Seventh District to help shore up Republicans in two other districts once considered safe: incumbent Rep. Marilyn Musgrave in Colorado's Fourth and conservative Doug Lamborn in the Fifth, where Republicans have an advantage of up to 14 percentage points in voter registration. Cautiously optimistic, Democrats now aim to pick up in Colorado as many as three of the 15 seats they need to take back the House." Democrats, too, "are shifting resources to take advantage of new opportunities. After a Denver Post poll showed Musgrave leading by 10 points last month, the Democratic Congressional Campaign Committee (DCCC) pulled some $630,000 it had reserved for her Democratic rival, Angie Paccione, although it still includes her in a program for its most competitive candidates. A political-issue group picked up the slack."

Economic Worries Hurt Chocola In IN2. The Christian Science Monitor (11/2, Trumbull, 58K) reports economic anxiety is "a refrain echoed by many voters in this region where bedrock jobs in heavy industry are being shaken anew by the current downsizing of US automakers." Scott Keeter of the Pew Research Center said, "People who live in the Midwest are more negative about the economy [than voters in other regions are.]" He added that "tight races in the region 'could certainly be affected by this.'" The Monitor adds that Indiana's 2nd CD, "anchored by the city of South Bend, exemplifies how economic concerns have emerged as significant in some races." Democratic challenger Joe Donnelly "is leading GOP Rep. Chris Chocola 48 percent to 45 percent, according to a poll from RT Strategies released last week." The "area feels the pressure of pocketbook issues. People complain about a spike in property taxes. And at a time of concern about global competition, they're angry that the state recently moved to lease a key toll road to a foreign consortium. Mr. Chocola had no direct say on either of those matters, but that doesn't mean he can escape voter frustration."

Four Ohio Republican House Seats At Risk. The New York Times (11/2, Kirkpatrick, 1.21M) reports Democratic candidates Mary Jo Kilroy, John Cranley, and Dr. Victoria Wulsin "are in competitive races to unseat once-safe Republican members of Congress. With polls showing Democrats running well ahead in Ohio races for senator and governor, the Democratic Congressional Campaign Committee has recently begun spending money to help Dr. Wulsin unseat her opponent, Representative Jean Schmidt, adding Ms. Schmidt to its list of three other Republican targets in the state." Republicans, "meanwhile, are scaling back their support for State Senator Joy Padgett in her fight against Zack Space, a Democrat who is the city attorney in Dover, for the Congressional seat being vacated by Representative Bob Ney, a Republican who pleaded guilty to corruption charges." That "puts four Republican seats in play. Strategists for both sides say Mr. Ney's seat is the Democrats' best chance while Ms. Schmidt is the least vulnerable of the four Republicans."

"Swiftboating" Alleged In WV1 Race. In a Washington Times (11/2, 88K) column, Brendan Conway writes, "Can you call what backers of West Virginia Democratic Rep. Alan Mollohan are doing to Republican challenger Chris Wakim 'swiftboating?' … The media, the ethics-challenged Mr. Mollohan and his supporters are questioning whether Mr. Wakim can justifiably call himself a Persian Gulf War veteran when he never served in that military theater. This Swiftee-reminiscent move knocked a previously surging Mr. Wakim off message, at which time deep-pocketed Swiftboat-funder Bob Perry intervened, this time on behalf of the targeted. … If a candidate wants to use his military biography to seek high office, why shouldn't people be allowed to corroborate his self-portrayal for the voting public?"

Republicans' Numbers Improve In Tennessee Senate, Maryland Gubernatorial Races. USA Today (11/2, 2.27M) reports Republicans "got some good news in a pair of state polls Wednesday and learned that an effort to register Hispanic voters in Democratic-leaning districts fell well short of its goal." The news "comes as President Bush and first lady Laura Bush continued to push hard to help Republicans keep control of Congress in Tuesday's elections." In an interview with talk radio host Rush Limbaugh, Bush said, "We'll win this election." USA adds, "Bush's upbeat tone" in the interview "coincided with polls showing gains for the GOP in Tennessee and Maryland." In Tennessee, "an Opinion Research Corp. survey found Republican Senate candidate Bob Corker, a former Chattanooga mayor, leading Democratic Rep. Harold Ford, 52%-44%. The margin of error was +/-4 percentage points." In Maryland, "a poll by The (Baltimore) Sun found a virtual tie in the governor's race. Democrat Martin O'Malley, the mayor of Baltimore, leads Republican Gov. Robert Ehrlich 47%-46%."

Local Issues Weigh Heavily In Tennessee Senate Race. McClatchy (11/2, Talev) reports that in Tennessee's Senate race, Democrat Harold Ford "couldn't have gotten so close without a public backlash against the war and President Bush, political analysts here say." But if Republican Bob Corker "wins, several voters said, they'll blame latent, if not overt, racism for Ford's defeat." Still, it's "not that simple. If the voting next Tuesday is as close as polls suggest, parochial issues below the headline topics of war and race could spell the difference. The candidates'

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personal weaknesses, their parties' records on gay rights, health care and taxes, and the changing makeup of voters in the state could tip the outcome." Many voters "said this week in interviews in and around Nashville that they were turned off by Ford's large and politically influential Memphis family, which has been dogged for years by corruption investigations. An uncle who was a state senator is awaiting trial on bribery charges even now." Ford is "more charismatic than Corker, but the congressman, who's single, has a reputation as a Casanova and somewhat of a policy lightweight. Flanked by screen actress Ashley Judd and Sen. Mary Landrieu, D-La., at a 'Women for Ford' event this week, he meandered through several policy questions and frequently deferred to Landrieu." If Ford wins, "factors beyond Iraq that could help him include voters' desire for more affordable health care, on which Democrats are regarded as more sympathetic."

Clinton Says Ford Win Would Go "Beyond Race." USA Today (11/2, 2.27M) reports former president Bill Clinton "told a Memphis church congregation Wednesday that if Democratic Rep. Harold Ford wins next week's Senate election, it will represent a 'victory of going beyond race.' Clinton spoke in Ford's hometown "at the predominantly black Temple of Deliverance Church of God in Christ. 'You know what it will mean if Harold gets elected on Tuesday,' Clinton said at the 4,500-seat church. 'It won't mean that it's a victory of race; it will be a victory of going beyond race.'"

McCaskill Running Against Bush, Not Talent, In Missouri. The Wall Street Journal (11/2, A13, Miniter, 2.03M) profiles the Missouri Senate race, where Democrat Claire McCaskill is "running against George W. Bush" rather than incumbent Republican Sen. Jim Talent. McCaskill's strategy, "like that of Democrats across the country, has been to 'nationalize' the election by making it a referendum on the president." She has "run a credible, competitive campaign, and is now deadlocked in a virtual tie…for a post that has changed party hands twice in the past six years. Give her credit, at least, for rallying the flagging morale of the state party and raising the hopes of Democrats nationwide. Depending on what happens in Ohio, Montana, Rhode Island, Tennessee and Virginia next week, she may hand her party the sixth seat it needs to take control of the Senate."

Virginia Senate Race Ends In "Bitter Name Calling." McClatchy (11/2, Thomma) reports that in its "final week, the U.S. Senate campaign in Virginia came down to this: A liberal blogger tried to ask Republican Sen. George Allen about the most urgent issue he could think of - whether Allen had spit on his first wife. Then Allen's aides put the man in a chokehold and threw him on the floor." The episode "summed up how one of the races that could determine which party controls the Senate has degenerated into bitter name-calling and personal attacks instead of a debate over the issues that matter most to voters." The race "started very differently, as a clash over the Iraq war between Allen and Democrat James Webb, a former secretary of the Navy under Ronald Reagan. Allen supports the war; Webb's vehement opposition prompted him to switch parties from Republican to Democratic and to challenge Allen." The campaign 'changed when Allen unleashed a firestorm over the summer" in the "macaca" incident. Allen "responded by launching counterattacks on Webb for including sex scenes in his best-selling war novels, attacks that have continued into the final week of the campaign."

CNN (11/1, Bash) reported, "George Allen was preparing a 2008 run for the White House, thought his reelection to the Senate was in the bag. He doesn't anymore. … Most trace Allen's plummet in the polls to this August moment, what sounded like a racial slur aimed at a Webb aide. But Allen also suffers from more typical Republican troubles -- an unpopular war and disgust with Washington. He's trying to squeak out a victory by following a classic GOP playbook…rallying conservative voters with social issues like banning gay marriage, on the ballot in Virginia. … In this intensely anti-incumbent environment," Democrat Jim Webb's "outsider persona and military credentials have serious appeal here. So Allen is trying to make Webb unpalatable to so-called value voters and women."

Allen Says Webb Was Behind Heckler Incident. The Washington Times (11/2, Bellantoni, Mclaughlin, 88K) reports Sen. Allen "suggested that his Democratic opponent, James H. Webb Jr., has a connection to a heckler who accosted him Tuesday, while Mr. Webb said the incident exemplifies what is wrong with politics." Allen referred to the "incident during which liberal blogger Mike Stark confronted him in Charlottesville, prompting the Republican's supporters to tackle him." Allen said, "What the people of Virginia deserve in the last few days of the campaign is my opponent to say to these allies and people associated with him that this is not appropriate." The Times adds, "The Webb campaign says it has no link to Mr. Stark."

Steele Seen As Likely To Exceed Expectations In Prince George's County. The Washington Times (11/2, Ward, 88K) reports Prince George's County Democrats "say they expect Lt. Gov. Michael S. Steele, a Republican running for the U.S. Senate, to receive a surprising number of votes in the majority black, heavily Democratic county." Prince George's County, "which has the state's largest concentration of Democratic voters, has become a battleground." Race "has become a key issue. Black

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Democrats, especially in Prince George's, have complained that party leaders have been neglecting them for years."

Democrats Target Arizona Senate Race, Republican Increase Spending In Maryland. The AP (11/2, Kuhnhenn) reports the national parties "sought to shake up Senate races in two states Wednesday, with Democrats pumping about $1 million into Arizona and Republicans spending about the same in Maryland." Less than a week "before the election, the Democratic Senatorial Campaign Committee is spending money to help defeat Republican Sen. Jon Kyl, once considered a favorite to win re-election in Arizona, officials from both parties said." The National Republican Senatorial Committee "put its money on Maryland's Republican Lt. Gov. Michael Steele to win the Senate seat held by retiring Democrat Paul Sarbanes, the longest-serving senator in the history of the state." Until this week, "the parties had narrowed their primary battlegrounds, with both spending millions on ads in New Jersey, Tennessee, Missouri and Virginia. The DSCC already was spending money in Maryland, as well as Montana and Rhode Island. The NRSC this week also bought more than $880,000 in ads in Michigan in an effort to defeat incumbent Democrat Debbie Stabenow." The "moves and countermoves by the two party organizations reflect the fluid nature of the closing days of the midterm election campaign."

DeWine May Be Victim Of Democratic Wave. The Financial Times (11/2, Luce, Ohio) reports Republican Sen. Mike DeWine "may be an unfortunate victim of what some pundits predict will be a 'tsunami' against his party in the US mid-term congressional elections next Tuesday. Whether or not that wave of votes materialises at the national level for the Democrats (many Republicans remain confident their 'get-out-the-vote' machine can reproduce past magic), Mr DeWine's prospects still look bleak." DeWine's moderate Republican "breed of politics does not fit the bitterly partisan narrative of America's 2006 election campaign. But in Toledo, a small industrial town that borders the auto-state of Michigan, few voters are paying much attention to Mr DeWine's plea for the politics of the centre-ground." Opinion polls "give Sherrod Brown, Mr DeWine's Democratic challenger, a lead of between 10 and 12 percentage points." But even "if Mr DeWine could afford to blitz all the channels in the few remaining days of campaigning, the state of Ohio seems almost certain to go Democrat by embracing Mr Brown as well as Ted Strickland, the Democratic candidate for governor. With an unemployment rate of 7 per cent - way above the national average of 4.6 per cent - and the certainty of more lay-offs in the pipeline, Ohio's voters are disaffected."

Harris' Debate Performance Seen As Unlikely To Improve Chances. CNN's The Situation Room (11/1, Zarrella) reported, "Florida Sen. Bill Nelson has good reason to be all smiles. … Nelson is cruising. A double digit lead over his Republican challenger: high-profile, highly controversial Congresswoman Katherine Harris. … Analysts say Harris held her own in the first debate with Nelson. There were no fireworks. Both candidates agreed on many issues. They disagreed on whether the US dependency on foreign oil could be muted by drilling in Anwar, the delicate Arctic National Wildlife Refuge. … Political experts say just holding her own in debates won't do it. The lack of party support and the stigma of 2000 may simply be too much for Katherine Harris to overcome."

Lynne Cheney Predicts Burns Win In Montana. Second Lady Lynne Cheney said on MSNBC (11/1, Mitchell), "I am personally convinced that the Republicans will prevail; that in the end, we will control both the House and the Senate, perhaps not by the margins that we'd like to." Asked about her campaigning for Sen. Conrad Burns, Mrs. Cheney said, "I think Conrad's going to win. … You've got such a different perspective on these races if you look at them from the East and from an Eastern perspective. You get out there, Conrad is much loved by the people of Montana. And he'll hold that Senate seat."

Chafee Said To Be Finishing Race In "Gutter." The Washington Post's "Political Dispatch" (11/2, A2, Murray), under the headline "Clawing for Votes, Chafee Steers Race Toward Gutter," reports Republican Sen. Lincoln D. Chafee "always sounds so polite and sincere, even when he's wrapping his hands around his opponent's throat." During a Monday night debate, Chafee said, "Eight years as a top law enforcement official in Rhode Island and not a single successful conviction of a public official. He's always looking after the power brokers and his own political career." The Post adds the "attack left the former state attorney general seething. Chafee is 'just making this stuff up entirely out of whole cloth,' Whitehouse shot back." The Post adds that a "similar onslaught knocked Stephen Laffey off course in the final The Post adds, "What happened to the affable fellow who drives a hybrid and studied classics at Brown University? Well, his political career is on the line, and the gutter seems the best hope for salvation. Chafee has slogged through two tough campaigns this year, against a conservative primary opponent and now in the general election against Whitehouse. He survived the first round. Next week, polls suggest, he may not be so lucky."

Romney Says He'd Run As Jeb Bush's Veep. Asked about the possibility of a Mitt Romney-Jeb Bush GOP ticket in 2008, Gov. Romney said on Fox News' Big Story (11/1, Gibson), "Gov. Jeb Bush, in my opinion, is the best governor in America. That includes all of us. He's a terrific

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person and, if he wants to run for president, I'd be happy to be his VP. But I don't think he's running and frankly, all of us are focused on '06. We've got a tough race this November."

Florida Gubernatorial Race A Bright Spot For GOP. Under the headline "Republican Is A Political Force, Despite Party Baggage," the Washington Post (11/2, A4, Grunwald, 748K) profiles Florida GOP gubernatorial nominee Charlie Crist, the state attorney general, who is maintaining a lead even as Republican gubernatorial hopes lag in GOP-held states like Colorado, Maryland, Massachusetts, New York, and Ohio. Crist, "an exuberant retail politician who puts the 'glad' into glad-handing, a Reagan-style optimist with a made-for-TV tan, a made-for-TV shock of white hair and a made-for-radio baritone," leads Democrat Jim Davis by 11 points in two recent statewide polls.

One In Three Polled Express Vote-Counting Concerns. The CBS Evening News (11/1, story 3, 2:50, Couric, 7.66M) reported a new CBS poll finds that "one-third of voters are worried their vote next week won't be counted, in spite of significant upgrades to the equipment. Four out of five voters will be using some kind of electronic machines. In 33 states, many voters will use touch screens to cast their ballots." CBS (Keteyian) added, "Even if your vote is saved in multiple places, some question the reliability of the machines because vendors choose and pay labs that test them. Critics say that's like trial lawyer being able to pick a judge. … And election officials admit system errors, computer or human, often go unreported by worried poll workers."

Election Judges Are "Human Safeguards" Of Voting Process. The Washington Post (11/2, Davenport, 748K) reports on its front page, "In the aftermath of glitches that marred primaries in Maryland and other states, a lot of attention has focused on electronic voting systems -- why they malfunctioned and how susceptible they are to attack. But the pillars of Election Day are" the poll workers or election judges, "the human safeguards" of the process. The Post then profiles some election judges in suburban Maryland. The Washington Post (11/2, B6, Mosk, 748K) also reports that a "recently distributed guide for Republican poll watchers in Maryland spells out how to aggressively challenge the credentials of voters and urges these volunteers to tell election judges they could face jail time if a challenge is ignored." Democrats say they consider the handbook "evidence of a Republican effort to block people from voting Tuesday."

Networks Expect "Long Night" Of Election Coverage Tuesday. The Washington Post (11/2, C1, Kurtz, 748K) writes, "The television networks could be in for a long night on Tuesday." While CBS Senior Vice President Linda Mason says "you could know by 10 for the House and 11 for the Senate" which party will win control, she cautions that "it could go on until all hours of the early morning." NBC's Brian Williams said, "We have learned from past mistakes," and ABC's George Stephanopoulos said, "There's likely to be a lot of hedging. You may know it, but you can't say it." However, 35 of the 53 most competitive House races on analyst Charlie Cook's list "are in states where polls close by 8 p.m. Eastern time."

Campaign Spending Likely To Hit Record $3.1 Billion. USA Today (11/2, 1B, Lieberman, 2.27M) reports research firm PQ Media projects total spending on campaigns this year, including spending by advocacy groups, will hit "a record $3.1 billion." The total "is 14.5% higher than 2004, even though that year included more than $1 billion for the presidential race." Gubernatorial races will cost about $1.1 billion, House races $744 million, and Senate races $705 million.

Stem-Cell Research Becomes Key Issue In Final Days. The Washington Times (11/2, Fagan, 88K) reports embryonic stem-cell research has become a key issue in the campaign "homestretch," spurred "in part by actor Michael J. Fox's ads on behalf of some Democratic candidates. But Democrats say they've been chipping away at the issue for more than a year, betting it will make a difference with voters in middle America."

Local Contests Seen As "Hidden Election" Of Cycle. The New York Times (11/2, A22, Belluck, 1.21M) examines races across the US for state legislatures, city council, sheriff, and school board. National Conference of State Legislatures election analyst Tim Storey said, "I sort of argue it's the hidden election. It's very localized, but in a strange way it's more important. It's how good your school is, how good your road is, how good the hospitals are."

NYTimes Warns Against Ballot Measures On Judiciary. The New York Times (11/2, A26, 1.21M) editorializes, "Nearly obscured by the struggle for control of Congress, there is another important battle in a handful of states over measures aimed at punishing judges for their official rulings and making them more captive to prevailing political winds. These measures all hide behind the superficially appealing but profoundly misleading banner of judicial accountability. And, taken together, they add up to an assault on a fair and independent judiciary."

Property-Rights Initiatives Criticized. USA Today (11/2, 13A, 2.27M) contributor Mary Zeiss Stange writes, "Six state initiatives in the West aim to ride the wave of public sentiment against government seizures of private property. Sounds like a winner? Well, better read the fine print. … The

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property-rights movement is just the latest incarnation of the 'wise-use' movement of the 1990s-- except without the pretense of being wise. … These initiatives would gut local and state abilities to enact or enforce virtually any regulations affecting private land use and development."

Leadership PACs Increasingly Used For Non-Campaign Spending. The Wall Street Journal (11/2, Mullins, 2.03M) runs a front-page report on the use of leadership PACs that deals primarily with Senate Minority Leader Harry Reid. Over the past four years, "his bills at Caesars Palace, Mandalay Bay and other Las Vegas establishments have totaled more than $125,000," and he has charged these expenses to his leadership PAC. The Journal says that while the "primary purpose of such accounts is to funnel money to other congressional candidates in need of campaign cash, especially those in close races," in recent years "leadership PACs on both sides of the political aisle have spent an increasing portion of their money for things other than contributions to candidates."

Tribes Cut Political Giving In Wake Of Abramoff Scandal. USA Today (11/2, 5A, Frank, 2.27M) reports American Indian tribes "have cut back this year on political contributions to congressional candidates" in the aftermath of the Jack Abramoff lobbying scandal. Contributions from 216 tribes "are nearly 30% lower so far in the 2005-06 election cycle than they were at this point in 2003-04, ending six years of sharp increases."

"K Street Powerhouse" PodestaMattoon Breaking Up. Roll Call (11/2, Newmyer) reports "bipartisan K Street powerhouse" PodestaMattoon "is splitting up, according to several sources close to the firm." Democrat Tony Podesta and Republican Dan Mattoon "have agreed to separate while retaining a strategic partnership, the sources said. The break is set to become effective by Jan. 1."

WPost Says Democrats Should Not Push For Switch To Government Drug Purchasing. The Washington Post (11/2, A16, 748K) editorializes, "One of the Democrats' election talking points is a promise to revamp the Medicare prescription drug benefit. … It's an open question whether consumers, led perhaps by their insurers, will learn to make sophisticated drug choices, but the fact that Medicare patients already buy more generic medications than other Americans is an encouraging sign of the capacity for smart purchasing. A switch to government purchasing of Medicare drugs would choke off this experiment before it had a chance to play out, and it would usher in its own problems. For the moment, the Democrats would do better to invest their health-care energy elsewhere."

NYTimes Urges More Oversight Of Bank Remittances. In an editorial, the New York Times (11/2, 1.21M) notes that the Inter-American Development Bank announced last month that Latin American migrants working in the United States "will send a record $45 billion to their families back home this year." The Times says that "as it is now, most banks in Latin America that receive remittances simply dole out the sums to recipients, after collecting part of the fee paid by the sender. They make no attempt to turn the recipients into bank customers." Therefore, the newspaper urges "bank officials and the politicians that oversee them…to do more to educate the poor about banking and to offer them services. Banks need to be reminded that such lending can be profitable—and will further broader national goals for economic growth. To that end, remittances deserve a more prominent place on the agenda at the meetings of the World Bank, the International Monetary Fund and the Group of 8 leading industrialized nations. Unless those billions in remittances are banked, money that could fight poverty will be left on the table."

Pyongyang Seeks To Have Accounts Unfrozen As UN Prepares Sanctions List. The AP (11/2, Herman) reports Pyongyang said Wednesday it would return to nuclear disarmament talks "in an effort to get access to frozen overseas bank accounts, a vital source of hard currency for the impoverished and isolated communist nation." Confirming US and Chinese reports of the agreement Tuesday, the DPRK's Foreign Ministry said Pyongyang decided to return to the arms talks "on the premise that the issue of lifting financial sanctions will be discussed and settled between the (North) and the US within the framework of the six-party talks." In Seoul, South Korean Vice Foreign Minister Yu Myung-hwan "said Wednesday he expects leaders of the countries involved to discuss the issue when they gather in Vietnam for an Asia-Pacific summit in mid-November and that the six-party talks were expected to take place after that." However, South Korea's Foreign Minister and incoming UN Secretary-General, Ban Ki-moon, "was quoted as saying by Russia's ITAR-Tass news agency that the talks could resume as early as this month."

The Los Angeles Times (10/2, Meyer, 918K) also says "the cash crunch appears to have played a key role in North Korea's decision Tuesday to return to six-nation talks over its nuclear ambitions. … 'They're not coming back because they want to give up nuclear weapons,' said David L. Asher, the US State Department's point man on North Korea until last year. 'They are feeling the financial pressure and the cutoff from the international financial system, so they are trying to make nice.'" The Wall Street Journal (11/2, A4, Ramstad, 2.03M) runs a similar story under the headline "Money May Underlie North Korea's Return To Talks."

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Separately, the AP (11/2) reports the UN Security Council Wednesday agreed "on a list of banned items that could be used to make nuclear, chemical and biological weapons or ballistic missiles and ordered all countries to prevent North Korea from importing or exporting the items." A UNSC sanctions monitoring committee drew up three lists of "nuclear-related, chemical and biological-related, and missile-related material and equipment which the 15 council members approved."

Bush Explains His Rationale On North Korea. President Bush, during a taped interview on the Rush Limbaugh Show (11/1), said, "I want your listeners to understand this: that I made the calculation having watched what happened during the last attempt to have bilateral relations with North Korea, that if it didn't work then, it's not going to work now. The second part of my calculation was: It's better to have more than one voice saying to the North Koreans, there's a better way forward than you attempting to have a nuclear weapon. And some of those voices are the voices of the Chinese, for example, or the Japanese and it's -- and the South Koreans and Russians, obviously. And it's that combination of voices saying loud and clear to Kim Jong Il that there's a better way, it will make it more likely we can solve this issue peacefully and diplomatically."

Some In Administration Unhappy About New Talks. In an news analysis, the New York Times (11/2, A8, Cooper, 1.21M) says that although, "Officially, the Bush administration is 'pleased' -- as President Bush put it on Wednesday -- that North Korea has agreed to resume talks on nuclear disarmament…behind closed doors at the White House and the State Department, some are less happy, saying the country's nuclear test should be answered with isolation." The Times notes that in order "to persuade North Korea to return to the bargaining table, President Bush agreed last week to a slight softening of his stance against direct talks with North Korea, a concession that made clear that Secretary of State Condoleezza Rice was in charge of the policy, at least for now. But Ms. Rice is coming under increased fire inside and outside the administration from officials and experts who are skeptical about what diplomacy can achieve in this case, and who argue that there is no chance a new round of nuclear talks with North Korea will succeed." At the same time, the newspaper says, "This is not a new debate by any stretch. Within the administration, a more hawkish wing that includes Vice President Dick Cheney, Defense Secretary Donald H. Rumsfeld and [Ambassador] Bolton…has chafed against talks with any American foe, be it North Korea or Iran. Meanwhile, advocates of diplomacy, including R. Nicholas Burns and Philip D. Zelikow…have sided with European allies in saying that the United States should engage its foes." Rice "has found herself in the middle of the tug-of-war as she seeks to mute international criticism of America's so-called cowboy diplomacy. On the two big nuclear proliferation issues, Iran and North Korea, Ms. Rice has helped to move the administration away from unilateralism, with President Bush offering in May to join European negotiations over Iran's nuclear ambitions."

Russian FM Speaks Against UNSC Draft Measure On Iran. The AP (11/2, Gutterman) reports Russian Foreign Minister Sergey Lavrov said Wednesday that a draft UNSC resolution imposing sanctions on Tehran "would isolate Iran, suggesting that Moscow will not back the resolution in its current form," Russian news agencies reported. "We cannot support measures that in essence are aimed at isolating Iran from the outside world, including isolating people who are called upon to conduct negotiations on the nuclear program," Russia's Interfax quoted Lavrov as saying. Lavrov also "reiterated his claim that the resolution would go beyond existing agreements among nations seeking to rein in Tehran's nuclear ambitions."

Incoming UN Chief Calls On Iran To Halt Enrichment. AFP (11/2) reports incoming UN secretary general, Ban Ki-Moon, "called on Iran to halt uranium enrichment and accept alternative incentives proposed by six world powers," Russian news agencies reported. Following a meeting with Russian President Vladimir Puti, Moon said, "Iran must halt enrichment of uranium and accept the proposal of the six" powers.

Iran To Conduct Military Maneuvers In Gulf. The AP (11/2, Karimi) reports Iran "unexpectedly announced Wednesday that it would be holding military maneuvers in the Gulf this week, only days after US-led navies held exercises in the same waterway." Iranian state television quoted the head of the Revolutionary Guards, Gen. Yahya Rahim Safavi, as saying the 10-day maneuvers "would take place in the Gulf and the Sea of Oman, beginning Thursday." Safavi said the "war games are aimed at demonstrating the deterrent power of the guards against possible threats," stressed that the drills "were not a threat to neighboring countries."

US Says Syria, Iran Plotting To Destabilize Lebanon. The CBS Evening News (11/1, story 5, 0:10, Couric, 7.66M) reported, "The White House accuses Syria, Iran, and Hezbollah, of hatching a plan to overthrow the Lebanese government and has told them hands off. Syria denies any such plot."

The Washington Post (11/2, A13, Lynch, 748K) reports White House spokesman Tony Snow said the United States is "increasingly concerned by mounting evidence that the Syrian and Iranian governments, Hezbollah and their Lebanese allies are preparing plans to topple Lebanon's democratically elected government." Snow "warned that any attempt to destabilize Lebanon through 'manufactured

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demonstrations' or 'physically threatening its leaders' would constitute clear violations of UN resolutions." The Post notes that Secretary Rice told the Lebanese Broadcasting Corp. last week that the United States "has heard" that "there are people who would like to destabilize the government of Prime Minister Siniora. We've heard that there are people who would like to intimidate or assassinate again." Rice said "it's not any great secret" that the Administration has concerns about Syria's sponsorship of violence in Lebanon, but the Post said she "stopped short of accusing Syria of planning fresh attacks."

The New York Times (11/2, A5, Sanger, Slackman, 1.21M) calls the White House's disclosure "an unusual statement," noting that "in interviews in recent days, senior American officials have said the evidence is one reason that the United States cannot engage in negotiations with Syria or Iran, as several leading Republicans, including the former Secretary of State James A. Baker III, have urged." NSA Hadley was quoted as saying in an interview last week that "talking isn't a strategy. The issue is how can we condition the environment so that Iran and Syria will make a 180 degree turn?" a reference to what he said were their efforts "to undermine stability in the region." Asked to comment on the White House statement, Assistant Secretary McCormack said that "quite clearly, Hezbollah has its patrons in Damascus, and certainly in Tehran" who observe "very few boundaries concerning what it will do and what it won't do."

The Financial Times (11/2, Dinmore, Dombey, Khalaf) says the warning "reflects growing concerns that Lebanon's Hizbollah…is raising the pressure for a change of government." The US statement "came hours after Hassan Nasrallah, Hizbollah leader, vowed to stage peaceful protests demanding fresh elections unless his opponents agreed to the creation of a national unity government to replace" Siniora. The Los Angeles Times (11/2, Richter, 918K) also reports the story.

Hezbollah Threatens Protests In Lebanon. The AP (11/2, Ghattas) reports Hezbollah is "threatening street protests to force early elections in Lebanon if its demands are not met for a 'national unity' Cabinet that would give the Islamic militants and their allies veto power over key decisions." Calling it a "bold move," the AP says it "reflects the Shiite group's push to consolidate the political power it gained following its self-proclaimed victory in its punishing summer war with Israel. The effort seems certain to further exacerbate an already tense political situation in Lebanon" and "could also lead to violence."

Ethiopian PM Says Al Qaeda-Linked Fighters In Somalia A Threat To Region, World. The AP (11/2, Tomlinson) reports, "Ethiopia's prime minister, who has sent troops to bolster Somalia's interim government, said Wednesday the al-Qaida-linked militants controlling much of the neighboring nation are a threat to the Horn of Africa and the wider world." Prime Minister Meles Zenawi "said he held out little hope that the secular, UN-backed acting government in Somalia can reach a peace agreement with the Islamic militants." He also said "the extremists 'represent a direct threat first to Somalia and the Somali people, second to the region and Ethiopia, and lastly to the international community,' he said. 'When they control the whole of Somalia it would be very naive to assume that they will mend their ways, cease to be terrorists and become very civilized and very tame pussycats.'"

State Department Screened Speakers For Criticism Of Administration. McClatchy (11/2, Landay) reports that an internal State Department review has found that US officials "screened the public statements and writings of private citizens for criticism of the Bush administration before deciding whether to send them on foreign speaking assignments." The screenings amounted to "virtual censorship" in the State Department's selection of speakers, said a report by the department's Inspector General's Office. McClatchy said it "obtained a copy of the 22-page report, which was completed in September." The "vetting practice appears to have been part of the Bush administration's efforts to control information, muffle dissenting views and promote positive assessments of its policies to foreign audiences," the news service writes. In addition, McClatchy says it "also appears to be contrary to the guidelines of the US Speaker and Specialist Program, which taps US experts to deliver lectures, serve as consultants and conduct seminars overseas or from the United States via teleconferences."

Israeli Airstrike Kills 8 Palestinians. The New York Times (11/2, A10, Myre, 1.21M) reports, "Israeli troops staged one of the largest raids into the Gaza Strip in recent months on Wednesday, killing eight Palestinians and wounding more than 40 in gun battles that began before dawn and lasted much of the day." Israeli soldiers "exchanged fire with Palestinian militants in the northern Gaza farming town of Beit Hanun, the launching ground for many of the Palestinian rockets fired into southern Israel." Also Wednesday, "Prime Minister Ehud Olmert's security cabinet met in Jerusalem and debated whether to step up the 4-month-old military operations in Gaza. In recent weeks, some senior political and military officials have expressed support for expanded operations" in Gaza. "But the security cabinet chose not to escalate military actions, at least for now. In a statement, the security cabinet said the military would continue the 'current security activity,'" the Times reports.

The Washington Post (11/2, A12, Wilson, 748K) reports, "Palestinian health officials said Israeli forces

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prevented ambulances from entering or exiting the small hospital in Beit Hanoun for hours. Israeli military officials said that the delay was the result of heavy fighting and that a humanitarian corridor into Beit Hanoun for Palestinian ambulances was opened after noon." Prime Minister Ismail Haniyeh of Hamas "called the operation a 'massacre.'"

Al-Jazeera Prepares For Launch Of English-Language Channel. The AP (11/1, Krane) profiles Al-Jazeera, where "taboo-smashing newscasts regularly vex politicians in Washington, but not nearly as much as they anger leaders in the Arab world, where the news channel has been banned from operating in 18 countries at one time or another." Now, Al-Jazeera "is launching its biggest gamble on its 10th anniversary -- an English-language channel with an Arab perspective. Al-Jazeera International plans to hit the airwaves Nov. 15 and hopes to steal viewers from CNN and the BBC."

Taiwanese Leader's Comment Could Reignite Tensions With China. The Financial Times (11/2, Hille) reports, "Chen Shui-bian, Taiwan's president, has suggested his country could 'freeze' its current constitution and adopt a new one, a move likely to re-ignite tensions with China." Speaking to the Financial Times, Chen "said that defining the scope of Taiwan's sovereignty and territory was 'extremely serious, complicated and sensitive, but also extremely important.'" The remarks "indicate that Mr Chen intends to challenge Beijing further before he steps down in May 2008." China "retains a threat of war against the self-ruled island in case it formalises its de-facto independence. Past moves by Taiwan to amend its constitution – in place since 1947 – have provoked stern warnings from Beijing."

African Leaders To Discuss Chinese Investment. The Washington Times (11/2, Kralev, 88K) reports, "Forty-eight African leaders will convene in Beijing tomorrow, with Chinese officials unusually defensive about suggestions that they are exploiting Africa to satisfy their country's growing economic needs." The heads of state "are expected to participate in the unprecedented three-day gathering that many foreign diplomats and analysts describe as a 'charm offensive.' Chinese leaders reject that term." The Times adds, "Accusations of a Chinese threat to Africa are unfounded, state council member and former Foreign Minister Tang Jiaxuan said last week. He took pains to reassure Americans and others that China will not threaten their interests in the continent."

Forbes Lists 15 Chinese Billionaires. USA Today (11/2, Macleod, 2.27M) reports, "Forget Chairman Mao's workers' paradise. Communist China is taking a great leap toward huge private fortunes. Forbes' annual list of the richest Chinese out today includes a record 15 billionaires, up from 10 last year and just three in 2004." That is "chump change in the USA, where all 400 on Forbes' list of richest Americans are billionaires. Still, a country that once persecuted disciples of free enterprise is now barreling down the capitalist road."

Chinese Activist's Conviction Overturned. The Washington Post (11/2, A14, Fan, 748K) reports, "Rights activists and lawyers on Wednesday hailed an overturned verdict in the case of a blind legal activist as a victory over corrupt officials in China. 'This is a success of the central party committee practicing rule of law,' said Li Jinsong, lawyer for Chen Guangcheng, a self-taught legal activist blinded by a childhood illness. 'This is a success of the Chinese people fighting against corrupt officials and safeguarding the dignity of law.'"

Bush Renews Sudan Sanctions. AFP (11/2) reports, "US President George W. Bush renewed US economic sanctions on Sudan for one year and left open the door to imposing new ones linked to the violence in Darfur, the White House said." Said Bush, in a letter to Congress, "I have determined that it is necessary to continue the national emergency and to maintain sanctions against Sudan."

Turkey's Effort To Join EU Expected To Fail. The Wall Street Journal (11/2, A6, Shishkin, Champion, 2.03M) reports, "Next week, the European Commission is scheduled to issue a report card on Turkey's first year of membership talks, launched nearly two decades after the original application." The report "is expected to be so poor that commission President José Manuel Barroso has warned that the talks could come to a 'traumatic stop' if Turkey doesn't meet more requirements soon. With public support for the Turkish bid sliding well below 50% both across Europe and inside Turkey, the talks have come close to being suspended, with recriminations on both sides." The Journal adds, "Cengiz Aktar, one of Turkey's foremost EU commentators, describes the dynamic between the two sides as 'the coalition of the unwilling.'" US Administrations "have backed the idea of Turkey's membership as a way to bind this Muslim democracy of 70 million into the Western fold. … Turkey's rejection by the EU would be seen by many Muslims as further evidence that the West is hostile to Muslims and seeks to subdue them."

Hughes Urges Bahrain To Allow Return Of US-Funded Democracy Organization. AFP (11/2) reports Undersecretary Hughes said "she had urged Bahraini officials to allow a US-funded organization that promotes democracy in developing nations to resume activities in the Gulf monarchy." Speaking with reporters in Manama, Hughes said she "discussed the return of NDI to Bahrain," in

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reference to the National Democratic Institute, whose Bahrain representative was asked to leave the country last May. "We are disappointed that NDI left Bahrain...NDI played a positive role in Bahrain as well in other countries like Kuwait and Yemen,"" she said. AFP notes that Hughes, who is in Bahrain "in the runup to parliamentary and municipal elections on November 25, met with Crown Prince Sheikh Salman bin Hamad al-Khalifa."

Venezuela, Guatemala Reach Deal To Back Panama For UNSC Seat. The Washington Post/AP (11/2, A13) reports Guatemala and Venezuela "agreed Wednesday to withdraw from the race for a seat on the UN Security Council and support Panama as a consensus candidate," Ecuador's UN ambassador said. With the backing of the two countries, the AP says Panama's election is "virtually certain."

The New York Times (11/2, Romero, 1.21M) says that "while Venezuela's effort to win the seat for a nonpermanent member of the United Nations Security Council illustrated the limits of [President Hugo] Chávez's international ambitions, it also showed how Venezuela had been able to cement regional alliances."

The Financial Times (11/2, Turner) notes that Panama, "assuming its candidacy is accepted, will join four other new members—South Africa, Indonesia, Italy and Belgium—on next year's council. … But the presence of South Africa and Indonesia is still likely to make discussions more difficult next year, and the US and Europe are hoping to resolve the Iran issue before the changeover."

Venezuela Expands Discounted Heating Oil Program. The Washington Times (11/2, Kralev, 88K) reports, "Venezuela will provide heavily discounted heating oil to about 37,000 low-income families in Maryland, Virginia and the District this winter, Caracas' envoy to the United States said yesterday. The local jurisdictions are beneficiaries of a greatly expanded program that this winter will assist more than 400,000 families in 16 U.S. states and the District, up from eight states and 180,000 families last year, said Ambassador Bernardo Alvarez Herrera." Oil provided under the program "will be distributed through local governments, community centers and churches, and will be offered at 40 percent below the market price." The Times notes, "Several communities that had been considering the Venezuelan offer rejected it after Mr. Chavez described President Bush as 'the devil' in his speech to the U.N. General Assembly. In Alaska, many Eskimo and Indian villages say they have no choice but to accept the oil, but others would rather suffer."

Human Rights Activist Urges US Support In Zimbabwe. In a Wall Street Journal (11/2, A12, 2.03M) op-ed, Arnold Tsunga, executive director of Zimbabwe Lawyers for Human Rights, writes, "Zimbabwe was once a success story in Africa, but over his long rule [President Robert] Mugabe has dragged us all down. Under the pretext of pan-Africanism, he has created a system of terror for the majority and patronage for the elite few." According to Tsunga, "Human-rights defenders in Zimbabwe face enormous risks as they fight for reparations and resettlement of the hundreds of thousands made homeless by Mr. Mugabe's evictions." Therefore, he urges the US to "support these activists through the provision of technical assistance and other forms of targeted support." He says that "greater humanitarian assistance is also required for the victims of the evictions who today remain in desperate need of housing, food and other forms of assistance."

Herbert Condemns Lack Of Attention To Global Women's Issues. New York Times (11/2, 1.21M) columnist Bob Herbert writes, "Bride burnings, honor killings, female infanticide, sex trafficking, mass rape as a weapon of war and many other hideous forms of violence against women are documented in a report released last month by the United Nations." The report, he says, "should have been seen as the latest dispatch from that permanent world war—the war against women all over the planet. Instead, the news media greeted its shocking contents with a collective yawn." Herbert notes, "There are women's movements in even the smallest countries fighting against the violence and other forms of abuse. But they are underfunded and get very little support from those in a position to help. … There was a time when activists cried out for our consciousness to be raised . It's not too late. We can start by recognizing that the systematic subordination and brutalization of women and girls around the world is, in fact, occurring—and that we need to do something about it."

Professor Condemns US "Intervention" In Nicaraguan Election. Michael Shifter, vice president for policy at the Inter-American Dialogue and Georgetown University professor, opines in the Washington Post (11/2, A17, 748K) that "as Latin America's busy election cycle winds down, the Bush administration deserves a lot of credit. In election after election it has shown admirable restraint and has wisely avoided taking sides. Nicaragua, however, has been the exception. US conduct in advance of Sunday's election has been anything but restrained. The Bush administration has blotted its otherwise exemplary record in a small and impoverished Central American country—probably the one in which there is the least at stake for US interests." Shifter says Washington "has been in a dither about the prospect of former Sandinista president Daniel Ortega returning to power after 16 years." However, he argues that Ortega's "possible comeback would not have far-reaching

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repercussions in Latin America and surely would constitute no threat to the United States." Therefore, Shifter says the Administration's "intervention in Nicaragua's internal affairs is unwarranted."

Meanwhile, in an editorial the Wall Street Journal (11/2, A12, 2.03M) says, "Hard to believe, but the candidate with the best shot of coming to power in Nicaragua's election on Sunday is none other than Daniel Ortega, the former Sandinista dictator. A change of heart by the people of Nicaragua? Not at all. Most Nicaraguans dread his return." If Ortega wins Sunday's election, the Journal says "Nicaraguans will be the losers."

UK Report On Climate Change Sparks Commentary. In a Wall Street Journal (11/2, A12, 2.03M) op-ed, Bjørn Lomborg, author of "The Skeptical Environmentalist," writes that a recent report on climate change by Nicholas Stern and the UK government has "sparked publicity and scary headlines around the world," with "much attention…devoted to Mr. Stern's core argument that the price of inaction would be extraordinary and the cost of action modest." However, Lomborg says that Stern's claim "falls apart when one actually reads the 700-page tome. Despite using many good references, the Stern Review on the Economics of Climate Change is selective and its conclusion flawed. Its fear-mongering arguments have been sensationalized, which is ultimately only likely to make the world worse off."

In an editorial, the Wall Street Journal (11/2, A12, 2.03M) says the report "made the intentionally shocking prediction that global warming could eliminate from 5% to 20% of world economic output 'forever.' Meanwhile, doing the supposedly virtuous thing and trying to forestall this catastrophe would cost merely an estimated 1% of world GDP." The Journal says that "there are far more urgent, and far less speculative, problems that we know how to solve with the right policies. That message may not get scary headlines, but it would improve the lives of more human beings around the world."

However, the Los Angeles Times (11/2, 918K) takes a differing position on the issue, editorializing, "Over the last two years, the findings of studies on global warming have grown increasingly dire. … Though the numbers are debatable, the essential message cannot be ignored: There will be irreversible long-term damage if emissions are not significantly reduced." The Times says that while Britain has "championed the struggle against global warming," President Bush's "intransigence is isolating him from the emerging global consensus." The Times concludes, that the US is "not only failing to be a leader on curbing one of the world's most serious threats, it's not even a decent follower."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Squeeze On North Korea's Money Supply Yields Results."
"Success? That's Not An Elective."
"Novelist Plumbed The Soul's Depths."
"Epidemic Of Foot-In-Mouth Afflicts Candidates This Year."
"Large Bird, Small Boy, Big News."

USA Today:
"Wealth Scorecard."
"China's Great Haul: 15 Billionaires."
"Troubled Troops In No-Win Plight."
"Bonuses Don't Cut Turnover For TSA."

New York Times:
"With Iraq Driving Election, Voters Want New Approach."
"Medic Tends A Fallen Marine, With Skill, Prayer And Anger."
"As Investors Covet Ethanol Plant, Farmers Resist."
"Yes, Red Wine Holds Answer. Check Dosage.."
"Selling Literature To Go With Your Lifestyle."

Washington Post:
"N. Korea Agrees To Return To Nuclear Talks."
"Iraq Tells U.S. To Quit Sadr City Checkpoints."
"Va., Md. Senate Camps Dig Deep."
"Campaigner In Chief Has Limited Reach."
"Hubble Repair Mission Is A Go."
"Molded By Faith And Persistence."

Washington Times:
"Kerry Apologizes For Insulting Troops."
"Venezuela To Give DC Discounted Oil."
"Episcopalians To Consecrate female Leader."
"African Leaders, China To Meet On Investment."
"Maryland Balloting Beset With Doubts, Vulnerablility."
" Sweet Smell Of Success Sparks Star Scents."

Detroit Free Press:
"Trucks Tug Sales Higher."
"Grandholm Rolls With The Punches."
"Judge To Take New Look At Teacher's Sex Case."

Atlanta Journal-Constitution:
"Kerry Relents, Apologizes To Military."
"Activist Calls For Cop Probe In DeKalb."
"Transits Planners Look To The Sky For Solutions."
"After 40 Years Bobs Returns With Her Voice-And Politics."

Houston Chronicle:
"Gluttons, Lift Your Glasses…"
"Offer Of free Flu Shots Halted At Polling Places."
"Ex-HISD Worker In Dropout Scandal Cleared Before Trial."
"UT-Houston Official To Run A&M W System."
"More Students At HISD Taking, Passing AP Exams."

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Story Lineup From Last Night's Network News:
ABC: Kerry's Statements Aftermath; Rumsfeld Controversy; Classified Document Surfaced; Iraq Not United; California Wildfires; Anti Abortion Bill; Sales Up; Functional Foods; Word Of The Year; Toys For Elderly-Japan.
CBS: Kerry's Statements Aftermath; Kerry Statements-Analysis; Voting Machines; Iraq-Classified Document; Lebanese Government Possible Overthrow; Fire In Reno Hotel; Housing Market; New Natural Menopause Treatment; House Calling Author.
NBC: Kerry's Statements Aftermath; Kerry's Statements Analysis; Classified Documents Discovered; Medical Breakthrough; Runway Now Open; Campaign 2006; New Menopause Treatment; Obsessed With Flamingos.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — President and Mrs. Bush depart The White House via Marine One, South Lawn, The White House; attends Montana Victory 2006 Rally, Metrapark Expo and Convention Center, Billings, Mont.; attends Nevada Victory 2006 Rally, Elko Regional Airport, Elko, Nev.

VICE PRESIDENT CHENEY — Arrives at Coeur d'Alene Airport, Hayden, Idaho; speaks at an Idaho Victory Rally, at the airport.

LAURA BUSH — Speaks at a Michigan Victory 2006 Rally, College of Aviation, Western Michigan University, Battle Creek, Mich.; speaks at an Illinois Victory 2006 Rally, Renaissance Schaumberg Hotel and Convention Center, Schaumberg, Ill.; speaks at an Iowa Victory 2006 Rally, Five Sullivan Brothers Convention Center, Waterloo, Iowa; speaks at a California Victory 2006 Rally, William Jessup University, Rocklin, Calif.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: POSTSECONDARY EDUCATION _ The National Postsecondary Education Cooperative holds a symnposium on postsecondary student success. Highlights: 12 p.m. Education Secretary Spellings. Location: Capital Hilton, 16th and K Sts. NW.

WORLD HEALTH _ The World Healthcare Innovation and Technology Congress meets to discuss the use of technology to transform healthcare practice and enable better accerss to the delivery of healthcare. Highlights: 8 a.m. Session on balancing corporate objectives with funding demands, with David Dutler of Harvard University, Charles Kahn III of the Federation of American Hospitals, Herbert Padres of New York Presbyterian Hospital, others. Location: Omni Shoreham Hotel, 2500 Calvert St. NW.

ENERGY-JOURNALISM _ 9:30 a.m. - 3 p.m. The Foundation for American Communications, the American Press Institute and the Society of Professional Journalists hold a seminar for journalists on better understanding and reporting on the demand and costs of electricity and the reliability of the national power grid. Location: American Press Institute, 11690 Sunrise Valley Dr., Reston.

ARAB WORLD-REFORM _ 9 a.m. - 12:30 p.m. The American Enterprise Institute hosts ``Dissent and Reform in the Arab World: Empowering Democrats," the third installment in AEIs Dissent and Reform in the Arab World series, featuring participants from Bahrain, Egypt, Iraq, Jordan, and Lebanon who will discuss their documentation of impediments to democracy within their own countries and lay out their prescriptions for change. Highlights: Location: Wohlstetter Conference Center, 12th floor, AEI, 1150 17th St. NW.

IRAN _ 10 a.m. The Iran Policy Committee holds a news conference to release new research on Iranian intentions. Location: National Press Club.

CHINA FUTURE _ 10:30 a.m. The Heritage Foundation holds a program with author Willy Wo-Lap Lam on the politics of China's President Hu Jintao. Location: Lehrman Auditorium, Heritage Foundation, 214 Massachusetts Ave. NE.

CHAO _ 11 a.m. Labor Secretary Chao addresses the Department's Salute to Veterans. Location: Labor Department.

FUGITIVE ROUNDUP _ 11 a.m. Attorney General Alberto R. Gonzales and U.S. Marshals Service Director John Clark will deliver remarks at a press conference announcing the results of a law enforcement initiative. Location: Department of Justice, 7th Floor Conference Center, 950 Pennsylvania Ave. NW.

SENIORS-TAXES _ 11 a.m. The Seniors Coalition and the Maryland Taxpayers Association hold a telephone briefing to discuss the three biggest and least known tax rip-offs facing senior citizens in the U.S. Contacts: Ailis Aaron Wolf, 703-276-3265. Notes: Callin number: 800-860-2442; pascode: biggest senior tax rip-offs.

SEXUAL HEALTH _ 12 a.m. Two former U.S. Surgeons General, Dr. David Satcher and Dr. Joycelyn Elders partcipate in an audio press conference to call for concrete action in response to disparities in sexual health among African Americans and other minorities, and the need to view sexual health as not only the absence of disease but as a positive dimension of human development and well being. Contacts: Geoffrey Knox, 917-414-1749. Notes: Dial-in : 877-704-5380, Conference : 7116468.

ABORTION-SUPREME COURT _ 12 p.m. The American Constitution Society hosts a discussion from both sides of two pending SCOTUS cases questioning whether women whose health is endangered by their pregnancies

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have a constitutional right to a safe abortion. Gonzales v. Carhart and Gonzales v. Planned Parenthood. With Helen M. Alvari, Catholic University of America; Benjamin W. Bull, Chief Counsel, Alliance Defense Fund; Nancy Northup, President, Center for Reproductive Rights; The Rev. Dr. Katherine Hancock Ragsdale, Former Chair of the National Board, Religious Coalition for Reproductive Choice; and David Masci, Senior Research Fellow, Pew Forum on Religion and Public Life. Location: National Press Club, 14th and F Sts. NW.

IRAQ-AFGHANISTAN _ 12 p.m. Cato Institute policy forum on ``The U.S. Military and Counterinsurgency: What We Have Learned in Iraq and Afghanistan." With Jeffrey Record, Air War College, Author of ``Beating Goliath: Why Insurgencies Win"; Thomas E. Ricks, Washington Post, Author of ``Fiasco: The American Military Adventure in Iraq"; Conrad Crane, U.S. Army Military History Institute, author of the ``Army/Marine Corps Counterinsurgency Manual"; others. Location: 1000 Massachusetts Ave. NW.

WENTZLER _ 12 p.m. The National Economists Club holds a luncheon with Nancy Wentzler, Chief Economist, Office of the Comptroller of the Currency, discussing U.S. bank performance in a global marketplace. Location: Chinatown Garden Restaurant, 618 H St. NW.

POLITICAL CHANGE-EUROPE _ 1:30 p.m. - 3 p.m. The Brookings Institution hosts a a forum on political changes in Europe and America and the impact on domestic and foreign policies. With Christoph Bertram, former director of the German Institute for International & Security Affairs; Charles Grant, director of the Centre for European Reform; Nicolas de Boisgrollier, visiting fellow, the Brookings Institution; Tom Mann, senior fellow, the Brookings Institution; and others. Location: Falk Auditorium, 1775 Massachusetts Ave. NW.

SCHUMER-SENATE RACES _ 1:45 p.m. Democratic Senatorial Campaign Committee (DSCC) Chairman Sen. Chuck Schumer, D-N.Y., will hold a pen and pad briefing to discuss developments in the Senate races. Location: Mott House, 122 Maryland Ave. NE.

COLOMBIA _ 2 p.m. The Center for Strategic and International Studies holds a discussion on justice and peace law in Colombia, with Vice Minister of Justice Guillermo Reyes and Deputy Attorney General Guillermo Mendoza Diago. Location: 5th floor conference room, 1800 K St. NW.

VOTING TECHNOLOGY _ 2 p.m. A team of professors and computer science students from University of Maryland-Baltimore County and George Washington University hold a news conference to announce a national competition for better electronic voting technology. Location: National Press Club.

MEDICARE-PAY FOR PERFOMANCE _ 4 p.m. Cato Institute forum on ``Improving Health Care Quality: Is Medicare a Good Candidate for Pay-for-Performance?" With David Cutler, Harvard University; Sandra Gadson, National Medical Association; Gail Wilensky, Institute of Medicine Pay-for-Performance Advisory Committee, others. Location: 1000 Massachusetts Ave. NW.

NORTH KOREA _ 5:30 p.m. Kenneth Quinones, former North Korea country director at the State Department, discusses U.S.-North Korean relations, sponsored by the School of Advanced International Studies. Location: Room 508, 1619 Massachusetts Ave. NW.

TERRORISM-FILM _ 6:15 p.m. Screening of a film by Rob McGann, American Zeitgeist: Crisis and Conscience in an Age of Terror. Location: National Press Club.

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To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 11/2/06 Civil Division News

Ex-Judges: Detainee Law Unconstitutional

Court Blocks Order To Identify Cheney's Visitors

Military Pressed Over Expressions of Faith

Civil rights group sues immigration agency over raids

Erin Brockovich suits against hospitals dismissed

Press Release: Boies, Schiller & Flexner, LLP, and the U.S. Government Settle $155 Million False Claims Act Case Against Medco Health Solutions

AP

Nov 2, 2:39 AM EST

Ex-Judges: Detainee Law Unconstitutional

By MATT APUZZO

Associated Press Writer

WASHINGTON (AP) -- Seven retired federal judges from both political parties have joined dozens of Guantanamo Bay detainees in urging an appeals court to declare key parts of President Bush's new anti-terrorism law unconstitutional.

The judges, in a rare court filing Wednesday, said stripping courts of the right to question how the military handles terrorism suspects "challenges the integrity of our judicial system" and effectively sanctions the use of torture.

Bush signed a law this month allowing the military to arrest people overseas and detain them indefinitely without allowing them to use the U.S. courts to contest their detention. Bush hailed the law, which established a system of military trials, as a crucial tool in the war on terrorism and said it would allow prosecution of several high-level terror suspects.

For detainees challenging their imprisonment, the law locks them out of the civilian court system. Dozens of detainees argued Wednesday that the law is unconstitutional, and the retired judges echoed that in their own papers filed with the U.S. Court of Appeals for the District of Columbia Circuit.

"We believe that compelling this court to sanction executive detentions based on evidence that has been condemned in the American legal system since our nation's founding erodes the vital role of the judiciary in safeguarding the rule of law," the judges wrote.

The brief was filed by retired Judges Shirley M. Hufstedler, Nathaniel R. Jones, George N. Leighton, Timothy K. Lewis, Frank J. McGarr, Abner J. Mikva and Patricia M. Wald. Three of the judges - Leighton, Lewis and McGarr - were appointed by Republican presidents.

Though Congress banned the use of torture in the military commission law, the judges said military documents revealed evidence of torture that officials didn't properly address.

In one instance cited in court documents, a man who denied receiving artillery training said an interrogator beat him until he bled from his head.

"I was in a lot of pain, so I said I had the training," the man said, according to a transcript cited in court documents. "At that point, if he had asked me if I was Usama Bin Ladin, I would have said yes."

Without the court system, the judges said, there is no check on such behavior.

In their own court filings, lawyers for the detainees argued that the law is unconstitutional because it prevents people from challenging their detention in U.S. courts - a right that attorneys said the framers of the Constitution never would have allowed to be stripped.

"Persons imprisoned without charge must retain the right to obtain a court inquiry into the factual and legal bases for their imprisonment," attorneys wrote.

This argument echoes a Supreme Court ruling in June in which the justices ruled that the Bush administration's system for trying enemy combatants violated U.S. and international law.

Within weeks, the president persuaded Congress to pass a law setting up military commissions and barring detainees from using the civilian court system. Shortly after the law was signed, the Justice Department told hundreds of detainees that their cases in the U.S. courts had been rendered moot.

Supporters of the law compare military detainees to prisoners of war, who don't normally have access to civilian courts. They say wartime decisions should be left up to the president, who acts as commander in chief, not the courts.

The Justice Department had no comment on the briefs Wednesday and has until Nov. 13 to respond in court.

A Pentagon spokesman, Navy Cmdr. Jeffrey D. Gordon, defended the new law and said that terror suspects were being given their day in court.

"As a responsible democracy, we have an obligation to protect our citizens and those of our allies," Gordon said. "Holding unlawful enemy combatants captured during the war on terror is essential to preventing their return to the battlefield while collecting valuable intelligence in order to avert terror attacks like those seen on 9/11 and in cities around the world."

END

New York Sun

November 2, 2006

Court Blocks Order To Identify Cheney's Visitors

BY JOSH GERSTEIN - Staff Reporter of the Sun
November 2, 2006

A federal appeals court has blocked a district judge's ruling that could have led to the disclosure of the identities of visitors to Vice President Cheney's home and White House office.

Late yesterday afternoon, a three-judge panel of the U.S. Court of Appeals for the D.C. Circuit granted an emergency stay of the lower judge's order, which required the Secret Service to turn over two years of visitor logs to the Washington Post or offer a detailed legal justification for withholding the records.

The appeals judges, Karen Henderson, David Sentelle, and David Tatel, did not offer a detailed explanation for their decision. The government "satisfied the stringent standards required for a stay," the judges wrote.

The newspaper argued that the upcoming election lent urgency to its Freedom of Information Act request. The district judge, Ricardo Urbina, concurred.

END

Washington Post

November 2, 2006

Military Pressed Over Expressions of Faith

By Alan Cooperman
Washington Post Staff Writer

The U.S. military is being buffeted by dueling legal claims over religion, with one set of plaintiffs contending that the Pentagon is suppressing evangelical Christianity and another set arguing just the opposite -- that the brass gives the most aggressive evangelicals free rein to proselytize in uniform.

Although Congress intervened this fall, directing the Air Force and Navy to rescind controversial new policies on religion, chaplains on both sides of the issue said the congressional action only muddied the waters.

"Congress took action, but who won? I'm not sure. The only thing I can safely predict is, get ready for new controversies over the place of evangelism in the armed forces," said retired Navy Capt. Gary R. Pollitt, executive director of the Military Chaplains Association, a private, nonprofit group representing chaplains in all the services.

In the latest lawsuit, an evangelical Christian chaplain is charging the Navy with violating his First Amendment rights by forbidding him to pray "in the name of Jesus" at public ceremonies.

Chaplain Gordon J. Klingenschmitt filed the lawsuit Oct. 25 in U.S. District Court for the District of Columbia with assistance from the Rutherford Institute, a Charlottesville-based public interest law firm that sued the Pentagon over its policy of requiring U.S. servicewomen stationed in Saudi Arabia to wear a Muslim head covering.

Klingenschmitt's suit alleges that the Navy has effectively established a "civic religion" and is "suppressing [his] Christian faith" by requiring him to offer nonsectarian prayers when speaking to diverse groups of sailors.

He also alleges that his objections to the Navy policy are the real reason that his commanders court-martialed him in September and are now in the process of kicking him out of the Navy. Klingenschmitt was found guilty of disobeying an order by wearing his uniform at a political protest in front of the White House.

"Can the Navy censor a chaplain's prayers, yes or no? That's what my suit is asking," Klingenschmitt said yesterday.

A spokesman for the Navy, Lt. j.g. Karl Lettow, said it does not comment on pending litigation. Navy officials have said that chaplains are free to pray however they wish in voluntary worship services but that the Navy encourages them to "respect the diversity of their audience" when addressing mandatory gatherings.

Meanwhile, a former White House counsel whose lawsuit against the Air Force was dismissed last week said he intends to refile a broader suit, or possibly multiple suits, accusing all the armed services of allowing evangelical Christians to pressure members of other faiths.

U.S. District Judge James A. Parker dismissed the initial suit by Michael L. "Mikey" Weinstein because it was based on alleged incidents of religious bias at the Air Force Academy, but neither Weinstein nor any of his five co-plaintiffs claimed to have suffered from those incidents.

Weinstein, who spent 10 years as an Air Force lawyer and worked in the Reagan White House, said he is now picking the best cases from "a veritable cornucopia of new plaintiffs and accusations."

Some evangelical groups and individuals "believe they have an illimitable right to push their biblical worldview in the military, 24 hours a day, seven days a week, up and down the chain of command," Weinstein said. "Our view is that you certainly have that right at certain times and places that are well established by the U.S. Constitution and our case law. . . . But you can't do it on the job when you're wearing the uniform during the workday."

Reports of aggressive evangelism at the Air Force Academy led the service to issue interim guidelines last year urging commanders to be "sensitive" about sharing their faith and called for a minute of silence or at most a "brief, non-sectarian" prayer at mandatory gatherings.

Evangelical groups complained about the Air Force guidelines and a similar Navy instruction, and House Republicans proposed legislation to guarantee that chaplains can always pray as they wish. In a compromise, that wording was dropped from a defense authorization bill, but a legislative report urged both the Air Force and the Navy to rescind their policies. Congress is expected to hold hearings on the issue next year.

END

St. Louis Post-Dispatch (MO)

November 2, 2006

DOJ_NMG_0090327

Civil rights group sues immigration agency over raids

Giovanna Dell'orto The Associated Press

ATLANTA — A civil rights group sued the U.S . Immigration and Customs Enforcement agency Wednesday, claiming its agents had harassed five U.S . citizens of Mexican descent during raids targeting illegal immigrants in southeast Georgia.

The Southern Poverty Law Center said the agents were engaging in a "Gestapo-like" campaign to drive Hispanics out of the area. It claimed the agents entered houses without warrants, stopped cars on the street, terrified Hispanics and vandalized their property.

"They trampled on the constitutional rights of every person of Hispanic descent who was unfortunate to be in their way," said Mary Bauer, an attorney with the center who is representing the plaintiffs.

The center, based in Montgomery, Ala., wants an injunction preventing the agency from conducting similar raids, as well as unspecified compensation for the plaintiffs.

Agency spokesman Marc Raimondi called the accusations "patently false."

He said agents were looking only for immigrants who used fraudulent documents to work at a local poultry plant.

The complaint concerns a sweep in which more than 120 illegal immigrants were rounded up around Stillmore in rural southeastern Georgia.

The arrests started at the Crider Inc. poultry plant Sept. 1. Over the Labor Day weekend, agents converged on workers' homes after getting the addresses of suspected illegal immigrants from Crider's files.

Agents raided the house where Marie Justeen Mancha, 14, was alone getting ready for school, she said. She said she had unlocked the door thinking her mother was returning home and found instead several agents in her house, one of whom had his hand on a holstered gun.

"It scares me," Mancha said. "I thought me being born in the U.S., they couldn't do this."

Mancha said the agents asked her whether she or her mother, who had worked at the Crider poultry plant, were here illegally, then left after about five minutes. Her mother, Maria Christina Martinez, said she was born in Florida and was the only adult living in the house.

Another plaintiff alleges that agents stopped her as she was driving home, repeatedly called her a Mexican and pulled her out of her car. After she insisted she was born in Texas and had a valid Georgia drivers license, agents let her go, according to the lawsuit.

The agency, its heads, and the 30 agents involved in the raid are listed as defendants.

Raimondi declined to comment on the specifics of the accusations but said race and ethnicity play no role in the agency's work. The agency is reviewing the accusations but its enforcement work is continuing, he said.

A sixth plaintiff in the case is a trailer park landlord who claims his property was damaged when federal agents broke into numerous trailers.

The federal government has reported that Georgia had the fastest-growing illegal immigrant population in the country. The number more than doubled from an estimated 220,000 in 2000 to 470,000 last year. This year, state lawmakers passed some of the nation's toughest measures targeting illegal immigrants.

END

AP

Tue, Oct. 31, 2006

DOJ_NMG_0090328

Erin Brockovich suits against hospitals dismissed

LOS ANGELES - A judge has thrown out five federal lawsuits that celebrity legal crusader Erin Brockovich filed against hospital and nursing corporations she claimed overbilled Medicare.

Brockovich didn't have the legal standing to file the lawsuits, U.S. District Judge David O. Carter said in rulings last week that dismissed cases against HealthSouth Corp.; Vanguard Health Systems Inc.; Promise Healthcare Inc.; Kindred Healthcare Inc. and HCA Inc.

The cases were dismissed with prejudice, meaning Brockovich cannot refile them in federal court, although she can appeal.

A call left for Brockovich seeking comment was not immediately returned Tuesday.

Brockovich, who gained fame when Julia Roberts portrayed her in the 2000 movie "Erin Brockovich," sued more than 30 California hospitals and nursing homes or their corporate owners earlier this year.

The lawsuits say the facilities improperly billed Medicare millions of dollars to pay for follow-up treatment of patients who were the victims of neglect or medical mistakes.

However, they listed no actual cases of abuse. Her lawyers said they were hoping to find evidence of wrongdoing when attorneys began investigating before trial in the process known as discovery.

A hearing on motions to dismiss more than two-dozen other suits is scheduled for Nov. 7 in federal court in Santa Ana, while a federal judge in San Diego has taken two cases under submission there, attorney Mark Johnson, a San Diego attorney who represents some of the defendants, said Tuesday.

Brockovich "is not a Medicare patient ... and has no injury that she can allege," Johnson said. "We're hopeful that the cases will be dismissed across the board."

END

PRNewswire
Nov. 1, 2006

Press Release: Boies, Schiller & Flexner, LLP, and the U.S. Government Settle $155 Million False Claims Act Case Against Medco Health Solutions

WASHINGTON -- Boies, Schiller & Flexner, LLP, and the United States Government have announced a $155 million settlement of a False Claims Act case against Medco Health Solutions, Inc. ("Medco") of Franklin Lakes, New Jersey. Medco is the second largest pharmacy benefit management company in the U.S., and is responsible for managing the prescription drug benefits of over 60 million Americans, including millions of Medicare beneficiaries. The settlement is one of the largest False Claims Act settlements to date, and will have lasting impact on the way Medco and other pharmacy benefit managers conduct their business in the future.

David Boies, Chairman of Boies, Schiller & Flexner, LLP, said, "I am very happy that lawyers from Boies, Schiller & Flexner were able to contribute to the litigation and settlement of this qui tam case, which will result in important changes in the way pharmacy managers do business by increasing their level of accountability to their patients. We are also very happy we could help the government recover the money it was erroneously billed by Medco, and that Medco agreed to execute a Corporate Integrity Agreement which will govern their conduct in the future."

Relator Dr. Joseph Piacentile first filed a qui tam action pursuant to the False Claims Act against Medco in 2000. Dr. Piacentile subsequently retained the law firm of Boies, Schiller & Flexner to assist the United States Department of Justice and the United States Attorney's Office for the Eastern District of Pennsylvania in order to prosecute, mediate, and eventually settle the case.

The qui tam complaint filed by Dr. Piacentile alleged, among other things, that Medco systematically and intentionally switched patients' prescriptions in an effort to increase the market share for certain pharmaceutical manufacturers, and thereby increased hidden rebate payments it received from pharmaceutical manufacturers. Dr. Piacentile's complaint was consolidated with the complaint of two other Relators, Walter W. Gauger and George B. Hunt, and the United States Government intervened in both actions and subsequently filed an Amended Complaint against Medco.

The Boies, Schiller & Flexner team was led by litigator David Stone, head of the Firm's False Claims Act Practice Area. Stone has over a decade of experience in the False Claims Act area and is Administrative Partner of the Firm's New Jersey office. The Boies, Schiller & Flexner team, which included Robert Magnanini, William Hurlock, Richard Drubel and Tim Cornell, assisted the Government in reviewing over 9 million pages of documents, interviewing hundreds of

witnesses, taking and defending depositions and drafting numerous discovery requests and thousands of pages of motions and briefs.

In Mr. Stone's words, "The exploitation of private and public sources which provide prescription drugs to American citizens is a serious problem. With the passage of federal legislation requiring Medicare to provide wide coverage for most prescription drugs, the issue is of increasing importance. The Medco case was the first in a series of cases our Firm intends to bring to improve the quality of healthcare and prescription drugs provided to the Government and the public, and to ensure that the services and products are fairly priced."

END

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USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Friday, November 03, 2006 9:03 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Friday, November 03, 2006
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THE ATTORNEY GENERAL'S NEWS BRIEFING

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: FRIDAY, NOVEMBER 3, 2006 7:45 AM EST

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TERRORISM NEWS:

Top Al Qaeda Operatives Will Not Be Among First Tried At Guantanamo. The New York Times (11/3, A18, Lewis, 1.21M) reports the Pentagon "expects to begin conducting the first war crimes trials" at Guantanamo Bay under the new military commission law by summer. However, senior officials say the trials "will not involve any of 14 senior Qaeda operatives recently sent to Guantánamo from secret CIA custody." Instead, "military prosecutors are planning to roll out the new system by trying some of the 10 people previously charged with lesser crimes whose earlier trials were aborted when the Supreme Court struck down the previous system of military commissions as unlawful." DOD and DOJ officials speculated it could be "well into 2008, at the earliest, before the men believed to have been the high command structure of Al Qaeda sat in the dock at Guantanamo, where they will almost certainly face the death penalty."

The AP (11/2, Yen) says the trials of the "14 high-level terror suspects and other detainees could bog down over questions about the CIA's interrogation tactics" due to the "legal gray areas" of torture. Military judges "have wide freedom to define what is torture. And defense lawyers pledge to put on trial the government's treatment of detainees, particularly mock drownings and other practices banned by international treaties."

"Well-Behaved" Detainee Allowed To Call Wife. The AP (11/2, Melia) reports Jordanian Jamil el-Banna, "a well-behaved detainee at Guantanamo Bay," was" allowed to make a rare phone call to his wife in London recently," according to his lawyer.

LATimes Faults White House, Congress On Military Commissions Act. The Los Angeles Times (11/3, 918K) editorializes, "The Bush Administration has fared miserably with the U.S. Supreme Court when it comes to its more controversial post-Sept. 11 initiatives. That losing streak could be extended now that lawyers for detainees at Guantanamo Bay in Cuba have taken aim at the new Military Commissions Act, which purports to prevent their clients from filing habeas corpus petitions. If the high court again rules against the administration, President Bush will have himself to blame for obstinately refusing to afford detainees the protection of the Great Writ. But blame also will fall on members of Congress who knew better than to sign off on such flawed legislation."

US Government Web Site Made Nuclear Development "Guide" Public. The New York Times (11/3, Broad, 1.21M) reports on its front page that a government website set up in March "to make public a vast archive of Iraqi documents captured during the war" contain documents including "detailed accounts of Iraq's secret nuclear research before the 1991 Persian Gulf war," which, according to experts, "constitute a basic guide to building an atom bomb. Last night, the government shut down the Web site after The New York Times asked about complaints from weapons experts and arms-control officials."

The AP (11/2) says the office of Director of National Intelligence John Negroponte took down the Operation Iraqi Freedom Document Portal site due to the concerns. In a statement, Negroponte said his office "has suspended public access to the Web site 'pending a review to ensure its content is appropriate for public viewing.'" The Washington Post (11/3, A8, Linzer, 748K) reports Negroponte's office "began posting thousands of captured Iraqi documents earlier this year at the insistence of Republican lawmakers, who hoped the documents could shed light on Iraq's prewar arsenal."

Worldwide Nuclear Proliferation Growing After Post-Cold War Lull. The Washington Post (11/3, A23, Linzer, 748K) reports under the headline "Optimism Turns To Anxiety On Curbing Nuclear Arms" that as the last century closed, "nearly a dozen countries abandoned nuclear weapons programs, betting on the promised security of a post-Cold War world. But the trend toward disarmament seems to have tapered off almost as quickly as it began." Since 2000, "one country -- Libya -- agreed to give up the possibility of making a weapon. But North Korea accelerated its program, and many believe Iran is doing the same. More countries are exploring uranium enrichment and nuclear power programs that could be diverted to produce weapons."

Colorado Man Arrested On Terror Suspicion Freed, Will Be Deported. KMGH-TV Denver (11/1) reported on its Web site from a story broadcast yesterday, "He spent three years behind bars but on Thursday, the charges against him were dropped and he was set free." Haroon

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Rashid's "arrest was hailed by U.S. Attorney General John Ashcroft hailed his arrest as a big step in the fight against terrorism. But it's never been proven that he was a danger to the United States so he's being set free, but is still being deported to Pakistan. … He was never charged with any terrorism related crimes but held on a relatively minor immigration violation instead." Rima Barakat of the Muslim American Society said, "This is not right," but "U.S. attorneys maintain that Rashid is dangerous. 'Mr. Rachid had attempted to purchase weapons. He had made statements to the effect of his desire to engage U.S. forces,' said Troy Eid, U.S. attorney for Colorado."

The Rocky Mountain News (11/3, Burnett) reports Rashid "and several family members caught the attention of the FBI's Joint Terrorism Task Force shortly after 9/11, records show. … U.S. Attorney Troy Eid said Thursday his office chose to drop the charges of conspiracy and making false statements because Rashid already has served more time in jail than he would serve if he were convicted of those charges. Family members and friends insisted the charges were trumped up," and they "said Rashid traveled to the Pakistan-Afghanistan border to visit his family, not to train to be a terrorist. But Eid made no apologies. 'Our office will pursue terrorism investigations wherever they lead,' he said."

Albany Muslims Form "Defense Committee" In Wake Of Terror Convictions. WXXA-TV Albany (11/1) reported on its Web site, "A group of about 50-people have come together to form the Muslim Defense Committee. They claim that the government's actions during the investigation into Yassin Aref and Mohammad Hossain were an attack on the Bill of Rights and the civil liberties of Americans. They're asking that the judge give the two men a light sentence." WXXA note, "Hossain and Aref were convicted…of participating in a fake plot to launder money from the sale of a shoulder-fired missile to terrorists during an FBI sting operation."

UK To Ease Carry-On Liquids Ban. USA Today (11/3, 12A, Stinson, 2.27M) reports the UK has announced passengers flying out of the country "will be able to carry small amounts of liquids, gels and lotions, including toothpaste and medicine, through airport security checkpoints starting Monday. The British government said Thursday that it would ease a ban it imposed on carry-on liquids" in August.

HOMELAND RESPONSE:

FBI Anthrax Investigation Seen As Stalled. Under the headline, "Many Fear FBI's Anthrax Case Is Cold," the Los Angeles Times (11/3, Schmitt, Meyer, 918K) reports, "Five years after a series of deadly anthrax-laced letters rattled the nation, the FBI has offered no indication that it is any closer to solving the first major act of bioterrorism on U.S. soil, leading critics to speculate the probe has stalled and to question how well federal officials would handle future attacks. Members of Congress and targets of the attacks…increasingly are expressing concern that the FBI-led federal investigation…has been mismanaged. … The credentials of the latest chief may be telling: He has worked on complex international criminal cases that have run cold." However, "the FBI says its investigation remains highly active." The Times notes, "Some also have criticized the agency for not being more receptive to outside advice. Dr. Ken Alibek, a bio-weapons pioneer from the former Soviet Union, said he had written to Mueller to volunteer. … Alibek said he got a 'thanks, but no thanks' letter from a top aide to" Director Robert Mueller. "The bureau, he was told, already had 'a big group of people working on this issue.'"

New York City Expands Ground Zero Remains Search. The CBS Evening News (11/2, story 6, 0:35, Pitts, 7.66M) reported, "Authorities have identified the remains of an American Airlines flight attendant and a passenger killed when their jet crash into the World Trade Center on September 11. The remains have been in the hands of the medical officer's office for five years and were finally identified with the help of new DNA testing. This comes even as the families of 9/11 victims rallied today demanding a new search for human remains in and around Ground Zero. Last month, construction workers found human bones in a manhole and since then, more body parts have been found."

USA Today (11/3, 3A, Moore, 2.27M) says a "sad task thought to be long over is beginning again: the search for remains" at Ground Zero. New York City "quickly launched the new search after the discovery Oct. 19 of nearly 200 fragments of remains," and workers "now will sift gravel on rooftops, go down nearly 500 manholes, dig up roadways and explore underground vaults. The work could last up to a year."

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NYTimes Praises Bloomberg's Expansion Of Search. The New York Times (11/3, A26, 1.21M) editorializes, "Finding more human remains at ground zero -- five years after 9/11 -- is what no one wanted. And yet it was almost inevitable, given the scale of the devastation when the towers collapsed. … By expanding the area to be searched and promising to search more thoroughly," Mayor Michael Bloomberg "has satisfied the needs of a city to have building at ground zero continue while still giving hope to those families looking for some certainty about a loved one's death five years ago."

DHS Unveils Plans For Border Terror Screening Program. The Washington Post (11/3, A18, Nakashima, Hsu, 748K) reports the Department of Homeland Security disclosed details of the Automated Targeting System, a "border-security program to screen all people who enter and leave the United States, create a terrorism risk profile of each individual and retain that information for up to 40 years." The Post says the details "open a new window on the government's broad and often controversial data-collection effort directed at American and foreign travelers, which was implemented" after 9/11.

WAR NEWS:

Snow Says US Iraq Pullout Would Boost Bin Laden. White House Press Secretary Tony Snow, appearing on Fox News' The Big Story (11/2, Gibson), said, "Everybody in the Middle East is looking at this because they see this as a war of Islamist terror on one side and forces of democracy on other. If we leave without getting the job done, everybody is going to say bin Laden was right, the Americans aren't going to stick out the fight. And people in that region -- countries in that region -- are going to have to make calculations: Who do I side with? They're going to think: 'Well, wait a minute, looks like the bin Laden forces might be the guys to side with.'"

Abducted Iraqi-American US Soldier Believed To Be Alive. The CBS Evening News (11/2, story 4, 0:25, Logan, 7.66M) reported US officials in Baghdad "believe the American soldier kidnapped ten days ago is still alive. The top military spokesman here said intense political lobbying is under way to try to secure his release." Maj. Gen. William Casey: "At this time, we believe the ones who kidnapped him currently still have him."

The Los Angeles Times (11/3, Daragahi, 918K) reports Ahmad Qusai al-Taayie, "a 41-year-old American of Iraqi descent, was visiting his Iraqi wife and other relatives in central Baghdad on Oct. 23 when kidnappers stormed the home, handcuffed the soldier and forced him into a vehicle at gunpoint. The kidnappers called his family with his cell phone, and talks over his release began." USA Today (11/3, 8A, 2.27M) reports Latifah Isfieh Nasser, "who claimed to be al-Taayie's mother-in-law," said last week that Taayie's in-laws "tried to stop the abduction by men believed to be Mahdi Army militia fighters." The Washington Post (11/3, A25, Anderson, Al-Izzi, 748K) also has a straightforward report.

Iraq Reconstruction IG Office To Shut Down In October 2007. The New York Times (11/3, Glanz, 1.21M) reports on the planned termination of the Office of the Special Inspector General for Iraq Reconstruction in October 2007 in a negative tone, leading the front page report by saying "investigations led by a Republican lawyer named Stuart W. Bowen Jr. in Iraq have sent American occupation officials to jail on bribery and conspiracy charges, exposed disastrously poor construction work by well-connected companies like Halliburton and Parsons, and discovered that the military did not properly track hundreds of thousands of weapons it shipped to Iraqi security forces. And tucked away in a huge military authorization bill that President Bush signed two weeks ago is what some of Mr. Bowen's supporters believe is his reward for repeatedly embarrassing the administration: a pink slip" in the form of the agency's termination.

Bechtel Ending Rebuilding Work In Iraq. In a pessimistic voice, the Los Angeles Times (11/3, Streitfeld, 918K) writes that in Iraq, the Bechtel Corporation "met its match," and is now pulling out after more than three years of rebuilding. A "firm that prides itself on its safety record saw dozens of its workers killed. And a company that celebrates achievement won't know for a long time, if ever, exactly what it accomplished." While Bechtel says it "completed 97 of 99 projects for a total of $2.3 billion," this "isn't anything like the happy ending it once expected." Bechtel "went to Iraq with a good deal of well-earned swagger," which "receded with each suicide bombing."

Krugman Says US Has "Cut And Run" On Reconstruction. In his New York Times (11/3, A27, 1.21M)

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column, Paul Krugman writes that Bechtel's mission "wasn't accomplished: Baghdad received less than six hours a day of electricity last month, and much of Iraq's population lives with untreated sewage and without clean water. But Bechtel, having received $2.3 billion of taxpayers' money and having lost the lives of 52 employees, has come to the end of its last government contract. As Bechtel goes, so goes the whole reconstruction effort. Whatever our leaders may say about their determination to stay the course complete the mission, when it comes to rebuilding Iraq they've already cut and run."

Iraq Presses US For Changes In Military Relationship. The Financial Times (11/3, Negus) reports members of Iraq's parliament "are trying to change the guidelines that govern the US-led multinational force in Iraq" as friction between Washington and Baghdad rises to "new highs in the run-up to American elections next week." This "development comes after Nouri al-Maliki, Iraq's prime minister, succeeded in pushing the US military to lift blockades" surrounding Sadr City. The New York Times (11/3, A17, Semple, 1.21M) reports Maj. Gen. William B. Caldwell IV, the top US military spokesman in Iraq, "played down recent discord between the American and Iraqi governments, saying that while there had been 'disconnects,' the leaders of both countries were working closely to achieve political stability in Iraq." Caldwell said, "A transition is not always a pleasant thing to watch as it happens. We need to have more dialogue, as was clearly evidenced by the fact that there have been some disconnects that have occurred in this transition period."

Snow Lauds Maliki's Actions Thus Far. White House Press Secretary Tony Snow said on CNN's The Situation Room (11/2, Blitzer) that Iraqi PM Nouri al-Maliki has "been in business for five and a half months. What has he done? Number one, he has said, I need to have more control over the military. And he's talked about being nimble and going after forces, including in places like Sadr City. He was unhappy about not being informed of the precise time of a recent raid, but he had approved of the raid. Furthermore, he has met with Muqtada al-Sadr. He's also met with Ali al-Sistani, the top Shia leader. In addition, he's met with 100 top tribal leaders, Sunni leaders, and he's had a reconciliation conference in Saudi Arabia. He's been working on the economy. He's been working on reconciliation. He's been working on security. And for a guy who's been in for five and a half months, he's making decisions and he's being assertive."

Iraq Violence Continues As New Month Begins. The AP (11/2, Hurst) starkly reports that "a blood-drenched October has passed into a violent early November as a motorcycle rigged with explosives ripped through a crowded Shiite market in Sadr City on Thursday and suspected Sunni insurgent gunmen killed a Shiite dean of Baghdad University." The AP says the "attacks showed no signs of abating after at least 1,272 Iraqis were killed in the first full month of autumn and the 43rd month of the U.S. bid to quell violence and build democracy in Iraq." Another AP (11/2, Yacoub) report focuses on the assassination of the dean, "the 155th Iraqi academic slain in sectarian violence and revenge attacks since the 2003 U.S. invasion."

Hughes Backs Public Diplomacy Chief In Row Over Interview. The Washington Post (11/3, A19, Kamen, 748K) reports on the State Department's treatment of Alberto Fernandez, head of public diplomacy for the Mideast," who "said the administration had been arrogant and stupid in its Iraq foray," during an interview late last month with al-Jazeera television. The Post notes that he "apologized, saying he somehow misspoke. So was he fired? Transferred? Hardly. His boss, Undersecretary Karen Hughes is backing him all the way, according to an e-mail circulated by Hughes's assistant, Adele E. Ruppe."

US Forces In Iraq "Just Do Their Jobs." The networks relegated their Iraq reporting to midway through their broadcasts, with ABC and NBC both running features on US troops in the Baghdad area. ABC World News (11/2, story 5, 2:40, Gibson, 8.78M) "wanted to check in with the soldiers on the front lines" as US elections near. Members of the "172nd Stryker Brigade from Alaska…don't talk politics much. They just do their jobs, and hope for some small measure of appreciation from Americans in return." NBC Nightly News (11/2, story 5, 2:10, Engel, 9.87M) focused on the 615th MP company and its efforts to keep Baghdad's streets safe and train Iraqis to take over security jobs. At one police station, there were 120 police "three months ago. Now only 30 show up for work. The rest were killed, injured or quit. They tell me, they don't have enough bullets and have to pay for ones they can't account for."

Sanchez Says Abu Ghraib Ended His Military Career. USA Today (11/3, 8A, Kelley, 2.27M) reports former US Iraq commander Lt. Gen. Ricardo Sanchez, who

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retired from the Army this week, said in an interview with a Texas newspaper that the "Abu Ghraib prisoner-abuse scandal effectively ended his career." Sanchez "could not be reached for comment Thursday," but an Army spokesman "said only that he 'retired after a long, professional career of public service to the U.S. Army and our nation.'"

Pentagon Reorganizes Public Affairs Office. The New York Times (11/3, A17, Cloud, Shanker, 1.21M) reports the Pentagon "is reorganizing its public affairs operation in an attempt to influence news coverage, amid internal frustration at the tone and substance of reporting" on Iraq and on Secretary Donald Rumsfeld. The expanded office "features a 'rapid response unit' to react to news reports. It is also stepping up efforts to arrange appearances by department officials on talk radio and cable television, and to recruit 'surrogates' who are not on the department's payroll to defend its policies." Officials involved say the new effort, "which was conceived by Assistant Secretary of Defense Dorrance Smith, is not primarily a response to negative coverage but rather is aimed at more aggressively challenging articles and broadcasts deemed inaccurate and at making better use of podcasts, blogs and other new outlets."

Ignatius Says Bush To Face "Conflicting Recommendations" On Iraq. In his Washington Post (11/3, A21, 748K) column, David Ignatius writes, "Following Tuesday's elections, President Bush will face some of the most difficult decisions of his presidency as he struggles to craft a strategy for dealing with the ruinous mess in Iraq. He will have to do what he has sometimes found hardest: make a decisive choice among conflicting recommendations from his advisers. The coming policy debate will be shaped by the recommendations of the bipartisan Iraq Study Group" headed by James Baker and Lee Hamilton, but it "will also involve basic conflicts that have emerged in the past year over Middle East strategy -- for which the rough Beltway shorthand would be Condoleezza Rice's State Department vs. the office of Vice President Cheney."

Next Year's Afghan Poppy Crop Likely To Equal This Year's. The AP (11/2, Straziuso) reports opium poppy farmers in Afghanistan "will probably reap a harvest comparable to this year's record crop, in part because insurgents are preventing effective counter-narcotics work," according to officials who say that "despite anti-cultivation campaigns, they foresee little improvement by harvest time next spring."

IG Says US Warhead Testing Behind Schedule. The Washington Post (11/3, A9, Pincus, 748K) reports that the Energy Department's inspector general said Thursday that "significant backlogs" in surveillance testing "of several types of nuclear warheads in the aging US stockpile have created gaps in information needed to ensure that the weapons remain reliable." In a letter to Energy Secretary Samuel Bodman, Inspector General Gregory H. Friedman said, "The surveillance program's role in assessing and ensuring confidence in the reliability of the weapons stockpile is increasingly important as the nuclear weapons stockpile ages." But Friedman added: "As a result of the continuing backlog of surveillance tests, the department lacks vital information about the reliability of the stockpile...[and] as a result of testing delays, important operating anomalies or other defects could go undetected."

Some High School Students Opt Out Of Military Recruitment. USA Today (11/3, 3A, Keen, 2.27M) runs a feature on US high school students who are opting out of military recruitment by having their parents sign a form that prevents their schools from giving contact information to recruiters. A provision of the No Child Left Behind law "requires high schools to share students' names, phone numbers and addresses with military recruiters unless students or their parents choose to opt out." Pentagon officials "say recruiters just want the same information that goes to colleges and companies to make career pitches to students."

CORPORATE SCANDALS:

Former Computer Associates CEO Sentenced To 12 Years In Prison. In a widely-distributed story, the AP (11/3, Hays) reports former Computer Associates CEO Sanjay Kumar "was sentenced to 12 years in prison and fined $8 million on Thursday in an accounting fraud scandal estimated to have cost investors $400 million at one of the world's largest software companies. … Under federal sentencing guidelines, Kumar could have faced life in prison, but the judge called that punishment unreasonable." The AP notes, "According to a 2004 indictment, Kumar

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orchestrated a plot to report more than $2 billion in false revenue between 1999 and 2000. … After the FBI began investigating the company in 2002, Kumar orchestrated a cover-up that involved lying under oath about the '35-day month' and trying to buy the silence of a potential witness, authorities said."

Computerworld (11/2, Weiss) noted, "Assistant director-in-charge of the FBI's New York Field Office, which assisted in the CA accounting investigation, Mark J. Mershon, said in a statement that the sentence fit Kumar's crimes. 'Today, justice looked Mr. Kumar in the face and held him accountable for presiding over one of the largest accounting fraud schemes on record,' Mershon said. 'His deliberate misstatements of over $US2 billion of Computer Associates' revenue caused an elevation of the company's stock price, but when the scheme collapsed, no one fell harder than the investors who made good faith purchases of the company's stock.'"

The Financial Times (11/3, Taylor) reports, "The sentence was imposed after Assistant US Attorney Eric Komitee told Judge Leo Glasser that Kumar's actions represented 'the most brazen and comprehensive obstruction in the modern era of corporate crime.' Judge Glasser said though Kumar was not a violent criminal, he 'did violence to the legitimate expectations of shareholders.'" The FT also notes, "After the US Federal Bureau of Investigations began investigating the company in 2002, prosecutors said Kumar orchestrated a cover-up that involved lying under oath about the '35-day month' and other frauds and trying to buy the silence of a potential witness, authorities said."

USA Today (11/3, Farrell) calls Kumar's sentence "yet another sign that the court system has little mercy for executives who've done wrong," and the Wall Street Journal (11/3, A3, Bulkeley) similarly reports, "The sentencing is the latest in a string of lengthy prison terms for white-collar criminals partly spurred by a spate of accounting scandals that lost investors billions of dollars in stock-market value earlier in the decade. … Attorneys for Mr. Kumar didn't say whether they would try to appeal the sentence." The Journal notes, "Judge Glasser postponed sending Mr. Kumar to a minimum-security federal prison until the end of February. He said he wants to rule first on the amount of restitution shareholders and other victims should get from Mr. Kumar. Judge Glasser said he might change the fine depending on whether funds are needed for restitution."

The New York Times (11/3, de la Merced) reports that at yesterday's hearing, defense lawyer John P. Cooney Jr. "detailed Mr. Kumar's philanthropic efforts as he sought to win leniency for his client: donations to tsunami relief in Sri Lanka; girls' education programs in Kenya; emergency medical support to victims of the 1998 embassy bombings, also in Kenya; and programs to help scientists track elephant herds in Africa. But Judge Glasser said that federal sentencing guidelines did not permit him to consider charity work in determining punishment. The judge also questioned several statements by Mr. Kumar and his lawyer that suggested the former executive had fully accepted responsibility for his actions. The judge cited the timing of Mr. Kumar's guilty plea — two weeks before his trial was to have begun — as well as Mr. Kumar's continued denial that he erased potentially incriminating data from a laptop computer." Newsday (11/3, Kessler) also reported on the sentencing.

Senior UBS Bond Traders Negotiating Resignations Amid SEC Probe. The Wall Street Journal (11/3, C1, Zuckerman, Ng) reports senior bond traders Phillip B. Smith and Robert T. Fischetti "are negotiating the terms of their departures from the Wall Street arm of UBS AG amid an unfolding investigation by regulators into possible manipulation of Treasury-securities prices, according to people familiar with the matter. The UBS traders -- who focus on the so-called repurchase-agreement, or repo market, in which bonds are used as collateral for short-term loans -- are no longer working on the trading desk, according to a person close to the matter." The Journal notes, "The departures are related to a Securities and Exchange Commission investigation into possible improper trading in the Treasury markets at UBS. The investigators are focusing on trading that took place in February, according to a person close to the matter."

Former Comverse General Counsel Pleads Guilty To Options Backdating. The Wall Street Journal (11/3, A3, Davies) reports, "The former general counsel of Comverse Technology Inc. pleaded guilty in federal court to a criminal conspiracy charge in connection with backdating stock options, and implicated the former chief executive as the mastermind of the scheme." William F. Sorin "told Judge Nicholas Garaufis that former Comverse Chief Executive Kobi Alexander first informed him of the

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backdating plan sometime in the late 1990s. Mr. Sorin said Mr. Alexander told him that he retroactively selected a grant date for stock options by choosing the lowest price of the prior quarter. Mr. Sorin added that the backdating continued to 2002. 'I knew what [Mr. Alexander] was doing was wrong and did not challenge his conduct or share my knowledge with the board of directors and auditors of the company,' Mr. Sorin said in court. He said he went along with the scheme out of 'the respect I had felt for Mr. Alexander' and 'my belief in his importance to the success of the company.'"

Eight Former Spiegel Officers, Directors Settle SEC Charges. The Wall Street Journal (11/3, B4, Burns) reports, "Eight former officers and directors of Spiegel Inc. have settled Securities and Exchange Commission charges they helped the catalog retailer conceal deteriorating performance from investors and outside auditors. The SEC said the company's accounting problems occurred over a two-year period, starting in April 2001. … The former executives settled without admitting or denying the claims and will pay penalties ranging from $100,000 to $170,000 each. Spiegel itself won't be fined in the matter." The Journal notes, "The SEC said former Spiegel co-presidents Michael Moran and James Sievers, former Chief Executive Martin Zaepfel, former Chief Financial Officer James Cannataro and former Treasurer John Steele authorized higher fees paid from Spiegel retailing subsidiaries to the firm's banking unit, which the SEC said hid weaker performance in Spiegel's credit-card receivables."

SEC Enforcement Declines By 9 Percent. The Washington Post (11/3, D03, Johnson) reports, "The number of new enforcement cases brought by the Securities and Exchange Commission fell by 9 percent last year as the agency grappled with staffing cuts brought on by a recent budget crunch, according to figures released yesterday." The Post continues, "SEC Chairman Christopher Cox said in a statement that the agency's work in the fiscal year ended Sept. 30 had produced 'solid results for investors,' including settlements of $800 million with insurance firm American International Group Inc. and $400 million with District mortgage giant Fannie Mae. … The agency's reduced tally of 574 enforcement actions included 91 cases against shell companies that failed to file regular financial reports. That issue has become an SEC priority of late, but pursuing those cases takes less time and fewer resources than most other actions. Former agency lawyers said such cases amount to going after low-hanging fruit." The Post notes, "Cox attributed the decline to temporarily reduced staff levels. The SEC as a whole lost 155 employees last year -- including 43 in the enforcement unit -- compared with fiscal 2005. A total of 3,696 people worked at the agency in 2006, with 1,189 in the enforcement division. The agency is reviewing its staffing levels and plans to restore some of the unfilled positions, officials said. … In recent years, the SEC has faced criticism for failing to uncover widespread accounting fraud at such companies as Enron Corp. and WorldCom Inc. as well as trading abuses at mutual funds. Those scandals prompted Congress to pour hundreds of millions of dollars into the agency's coffers. .. .But more recent financial difficulties, including construction overruns on its new headquarters near Union Station, led to a budget shortfall last year and a hiring freeze that only recently has been lifted, officials said."

CRIMINAL LAW:

FBI Questions Former Harris Aides. The St Petersburg Times (11/3, Kumar) reports, "Federal investigators have interviewed at least two more former chiefs of staff to U.S. Rep. Katherine Harris as part of a federal inquiry into her relationship with a convicted defense contractor." The Times continues, "Dan Berger and Ben McKay, who both worked for Harris in her first term and are now lobbyists in Washington, confirmed the interviews this week and said it was their understanding all congressional staff would likely be questioned. The two spoke separately to three investigators from the FBI and the Defense Department in Washington several weeks ago." The Times adds, "The Justice and Defense departments are examining Harris' dealings with Mitchell Wade, who made illegal campaign contributions to Harris and paid for at least two dinners with her at a tony Georgetown restaurant that totaled about $6,000. Later Wade asked Harris to help secure $10-million in federal money for a company project in Sarasota. … Federal authorities have subpoenaed records from Harris' U.S. Senate campaign office and have interviewed several former staffers, including senior campaign consultant Ed Rollins, campaign manager Jim Dornan and Mona Tate Yost, a congressional aide who later went to work for Wade."

Former NC Federal Prosecutor Pleads Guilty To Conspiracy, Money Laundering. The AP

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(11/3) reports, "A former U.S. attorney, judge and state Republican chairman pleaded guilty Thursday to charges related to a tax fraud conspiracy." The AP continues, "Sam Currin could face 43 years in prison. He pleading guilty to conspiring to launder more than $1 million through his law firm's client trust account and to lying on his taxes by failing to report an offshore debit card account. … Currin, 57, also pleaded guilty in a related case to obstructing a grand jury investigation into securities fraud by conspiring to withhold documents and provide false testimony." The AP adds, "Prosecutors said Currin and his conspirators sent out fraudulent promotional materials on several publicly traded Nevada companies. When stock prices and trading volumes increased, those participating in the scheme profited on the sale of the securities. Prosecutors said Currin received more than $240,000."

The Raleigh (NC) News & Observer (11/3, Weigl) reports, "During the 40-minute hearing at Raleigh's federal courthouse, prosecutors did not reveal any new details about the case against Currin. … But in an unusual move last month, Currin filed a 16-page affidavit detailing his role in the crimes -- a filing which U.S. District Judge Earl Britt noted was the first he had ever seen as a judge." The N&O adds, "Currin admitted lying to a grand jury and laundering $1.3 million on behalf of a client, a prolific spammer who faced his own criminal charges. Currin admitted knowing his client's money was the proceeds of criminal activity, according to his affidavit. … Currin was a protege of former U.S. Senator Jesse Helms, who helped Currin be appointed as the top federal prosecutor in eastern North Carolina. Currin held that position from 1981 until 1987."

Former Soldier Indicted For Rape Of Iraqi Girl. The Louisville Courier-Journal (11/3, White) reports, "A former Fort Campbell soldier was indicted by a federal grand jury in Louisville on Thursday on charges that include the rape of an Iraqi girl and the deaths of the girl and members of her family in Iraq." The C-J continues, "Steven D. Green, 21, was charged with conduct that would constitute conspiracy to commit murder, conspiracy to commit aggravated sexual abuse, premeditated murder, murder in perpetration of aggravated sexual abuse, aggravated sexual abuse on a person less than 16 years of age, use of firearms during the commission of violent crimes and obstruction of justice. .. .The indictment charges Green with crimes from an incident that occurred on March 12 near Mahmoudiyah, Iraq." The C-J adds, "If convicted, he could receive the death sentence, according to a release from the Justice Department. … The indictment alleges that during the incident Green and others committed aggravated sexual abuse against a 14-year-old Iraqi girl, whose body was burned after the attack. .. The indictment also alleges that Green and others killed the girl, her father, mother, and 6-year-old sister."

California Police, FBI Raid Activists' Homes In ALF Investigation. The Los Angeles Times (11/3, Mozingo, 918K) reports, "Santa Monica police and FBI agents raided the homes of several controversial animal rights activists this week as part of an investigation into the underground Animal Liberation Front. Among the targets were Dr. Jerry Vlasak and his wife, Pamelyn Ferdin, two well-known activists who regularly protest against Los Angeles animal services officials. … Santa Monica Police Capt. Alex Padilla said officers served search warrants in Los Angeles, Ventura and Orange counties on Tuesday. He would not provide details of the probe beyond saying that it was 'an ongoing criminal stalking and conspiracy investigation involving members of the Animal Liberation Front.'" The Times notes, "The Animal Liberation Front is a shadowy network that has sabotaged animal research labs, vandalized homes of researchers, firebombed properties and made numerous death threats. … The FBI has called it a domestic terror threat."

House Ethics Panel Will Not Finish Foley Report By Election Day. The AP (11/2, Margasak) reports the House ethics committee "has been working hard to determine if Republicans covered up ex-Rep. Mark Foley's come-ons to former male pages, but even 12-hour work days won't bring conclusions by Election Day." The "lack of a report leaves voters to sort through conflicting Republican accounts in deciding whether GOP leaders failed to protect teenagers in their care." But it "won't be easy for voters to find answers without the ethics committee's help." Speaker Dennis Hastert's "staff could have learned of inappropriate e-mails as early as 2002 and as late as 2005, depending on whose statements voters believe." Also, "two House leaders said they told Hastert about Foley's questionable e-mails last spring, but the speaker said he didn't learn of them until late September." The four-member investigative subcommittee "interviewed some two dozen witnesses in closed sessions. Witnesses were still being questioned earlier this week,

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leaving no time for the panel to digest hours of interviews and write a report by Election Day."

Judge Blocks Memory Expert At Libby Trial. The AP (11/3, Apuzzo) reports, "Former White House aide I. Lewis 'Scooter' Libby will not be allowed to use a memory expert at his perjury and obstruction trial, a federal judge ruled Thursday, blocking a key tactic in Libby's defense strategy." The AP continues, "Libby, who is accused of lying to investigators in the CIA leak case, wanted an expert to testify that memory is unreliable, especially during times of stress. Libby says he had national security issues on his mind and any misstatements he made about the leak of Central Intelligence Agency officer Valerie Plame's name were mistakes, not lies." The AP adds, "U.S. District Judge Reggie B. Walton said allowing a memory expert would be a waste of time and would only confuse the jury. Walton said jurors, like everyone else, understand that memory sometimes falters and can judge for themselves whether witnesses are reliable. … The issue provided the case's first courtroom drama last week when Special Prosecutor Patrick Fitzgerald spent hours questioning the research of memory expert Elizabeth Loftus. Fitzgerald picked apart the psychologist's testimony until she acknowledged errors and misstatements in her findings. … The trial is set to begin in January. Libby's lawyers have said the former aide to Vice President Dick Cheney will testify."

"Person Of Interest" Charged With Setting California Wildfire. The Los Angeles Times (11/3, Reston, Abrams, Lin) reports, "A 36-year-old auto mechanic from Beaumont was charged Thursday with arson and five counts of murder for allegedly setting last week's Esperanza fire, which killed five U.S. Forest Service firefighters and destroyed 34 homes in a remote mountain area of Riverside County. Convicted felon Raymond Lee Oyler has been in custody since Tuesday, when authorities arrested him on suspicion of setting two smaller blazes in June and announced that he was a 'person of interest' in the fatal arson fire." Riverside County District Attorney-elect Rod Pacheco said, "We had 30-plus people in one room reviewing every bit of evidence. … We came to a unanimous conclusion." The Washington Post (11/3, A3, Geis) notes, "State and local officials had offered a $550,000 reward to find the person responsible and set up a tip line, which yielded hundreds of calls. Agents from the Bureau of Alcohol, Tobacco, Firearms and Explosives; the Federal Bureau of Investigation; and the U.S. attorney's office worked on the case with local investigators."

USA Today (11/3, 4A, Downs, Matheny, Solvig) reports Oyler "faces five counts of first-degree murder and 21 arson-related charges following the Esperanza fire, which investigators say was set Oct. 26. … The district attorney's office said in court documents that Oyler is suspected of having set as many as 10 additional fires in the area dating back to June. Mark McDonald, a San Bernardino attorney hired by Oyler's family to represent him, said he may ask that any trial be moved, citing the 'highly emotionally charged case.'" The New York Times (11/3, Archibold) adds that McDonald "said in an interview after the court hearing that the haste of Mr. Oyler's arrest 'raises eyebrows.' In two days, Mr. McDonald said, Mr. Oyler went from being arrested as a suspect in unrelated fires and a 'person of interest' in the deadly blaze to being accused of setting it. In the wake of the firefighters' deaths, Mr. McDonald said, 'emotion tends to drive everything, and they needed to find somebody.'" The AP (11/3, Flaccus) also reports on the charges against Oyler. The AP (11/3, Flaccus) also reports on the charges.

Oyler Maintains His Innocence. The Inland Southern California Press-Enterprise (11/3, Hill, Goad, Hartmann) reports that before he was charged Thursday, "an anxious and tearful Oyler…maintained from the Robert Presley Detention Center that he did not start those fires or last week's wildfire, which killed five U.S. Forest Service firefighters. He expressed sympathy for the loss of life. … 'I haven't done anything with any fires,' Oyler said," adding, "Fires hurt people." The Press-Enterprise notes that "Oyler said he did not know why detectives had zeroed in on him. … 'All I know is, I didn't do this and they're trying to pin this on me. They need to find the real person,' he said. 'Obviously they didn't mean for anybody to get killed,' Oyler said of whoever started the fire that burned 34 homes."

FBI Investigating Activities Of Two Foreign Lobbying Firms. In a front page article, the Washington Post (11/3, A1, Grimaldi, Schmidt, 748K) reports the Korea-US Exchange Council and the US-Malaysia Exchange Association, along with the Alexander Strategy Group, "the lobbying firm behind" the two groups, "have drawn the attention of the FBI." People associated with Alexander Strategy told the Post that "federal investigators have asked them whether the groups were conduits for a foreign government and a foreign corporation to finance

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congressional junkets." Meanwhile, "Records show that the Korea-US Exchange Council was funded by the Hanwha Group, a South Korean conglomerate," that sought "to enhance the influence of Hanwha's chairman, Seung Youn Kim, a controversial figure once jailed for violating Korean financial law." The Post notes Alexander Strategy Group "closed down early this year" after its owner, Edwin A. Buckham, came under investigation in the Jack Abramoff lobbying scandal. "Authorities are also reviewing Buckham's use in the 1990s of another nonprofit, the US Family Network," the sources said.

Illinois Police, FBI Bust Hotel Credit Card ID Theft Ring. The Chicago Tribune (11/3, Dardick) reports, "Police charged 10 owners, managers and employees of seven Joliet-area hotels Thursday with selling credit card numbers of guests in a scam that authorities said could be going on across the country. The arrests were made as about 50 officers, including FBI forensic computer experts, executed search warrants at the hotels, all part of national chains, though their corporate parents were not implicated." The Tribune notes, "The arrests were part of Operation Sleep Over, an ongoing investigation that began four months ago when police arrested a man involved in the scam who then became an informant for the Will County Sheriff's Department, officials said. … The state's attorney said he hoped the arrests would get the attention of consumers, credit card companies and the hospitality industry. He stressed those arrested were franchise owners and no one working for the corporations has been implicated."

Florida FCI Officer Denies Having Sex With Inmates. The Tallahassee Democrat (11/3, Subramanyam, 52K) reports, "One of two correctional officers charged in connection with a sex-with-prisoners conspiracy testified in federal court Thursday. He denied the allegations against him and said female inmates had lied about having sex with him. Federal Correctional Institution officer Alan Moore said, 'They are lying ... Didn't have sex with any of those inmates ... I never touched any of the inmates.'" Former FBI officer Alfred Barnes "also testified Thursday. He said he had sex with three inmates in 2004 and gave them banned items. … Later, responding to questions from Assistant U.S. Attorney Robert Davis, he said he knew the defendants were having sex with inmates but didn't report the matter." The Democrat notes, "Closing arguments are expected today."

California Police, FBI Arrest 16 Alleged Street Gang Members. The Los Angeles Times (11/3, 918K) reports, "Sixteen alleged members or associates of a Santa Ana street gang were arrested Thursday following a yearlong undercover investigation into drug sales in their neighborhood, police said." Suspects Juan Verdin, Adrian Nava and Jesus Vasquez "were charged with conspiracy to distribute cocaine and scheduled to appear in U.S. District Court in Santa Ana today, according to a statement by the FBI, which acted jointly with the Santa Ana Police Department. … 'They were intimidating local residents,' police spokesman Cmdr. Baltazar De La Riva said of the suspects."

New York MS-13 Member Convicted In Gang Murder. Newsday (11/1, Dowdy) reported New York MS-13 member Josue Otoniel Rubi-Gonzalez "was convicted Tuesday "of plotting and carrying out the murder of a man partly because the victim wore yellow, a color preferred by a rival street gang." He "was found guilty after a two-week trial in federal court in Central Islip of conspiracy and murder in aid of racketeering, more than three years after the June 2003 slaying of Jesus Valentin, 22, of Central Islip. Rubi-Gonzalez will receive a mandatory life sentence from U.S. District Judge Leonard D. Wexler. … 'This conviction marks the latest success in a series of prosecutions to dismantle street gangs on Long Island and free our communities from the indiscriminate violence they unleash,' said U.S. Attorney Roslynn R. Mauskopf. 'Gang members who attempt to treat our communities as war zones will continue to face the full force of federal prosecution.'"

The AP (11/1) noted, "Prosecutors said Rubi-Gonzalez and two other suspected MS-13 gang members met Valentin during a chance encounter more than three years ago. Valentin was suspected of being a member of the rival Latin Kings street gang, in part because he was wearing a yellow shirt, a color frequently worn by the Latin Kings, prosecutors said. He was lured into the woods, where he was brutally beaten with a fire extinguisher and a piece of lumber before Rubi-Gonzalez fatally stabbed him with a pocket knife, prosecutors said. The victim's body was hidden in a drain pipe, where it wasn't discovered until Nov. 15, 2003. It was not immediately clear what happened to the two accomplices."

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FBI Arrests 16 In US, Poland In Identity Theft Crackdown. USA Today (11/3, Swartz, 2.27M) reports, "In its latest crackdown on cybercrime, the FBI planned to announce Friday the arrests of 16 people in the USA and Poland suspected of participating in a website where stolen personal data were traded and phishing attacks were launched." USA notes, "The arrests are the latest indication that federal officials are serious about tamping down online credit card fraud and deterring 12 to 20 carding forums worldwide, says Dan Clements, CEO of CardCops, an identity-theft-prevention company. … 'Cybercriminals will no longer be able to hide behind borders to conduct their illicit business,' James Finch, assistant director of the FBI's Cyber Division, said in a statement. Still, unless U.S. officials have success extraditing suspects from such locales as Romania, Clements is unsure how effective the crackdowns will be."

The New York Times (11/3, Zeller, 1.21M) reports, "The three Americans have been identified as Dana Carlotta Warren, 29, of Atlanta and Zanadu Lyons, 24, and Frederick T. Hale, both of Columbus, Ohio. The charges included conspiracy to commit bank fraud, identification fraud, identity theft and other violations in what the F.B.I. described as a plot linking those arrested in the United States and those in Poland. … Warrants were also being served in Romania as part of a continuing investigation, an F.B.I. spokesman, Paul Bresson, said." The Times also notes Finch said in a statement, "We are sharing evidence and using sophisticated techniques like never before. Cybercriminals will no longer be able to hide behind borders to conduct their illicit business. There will be no safe haven for cybercrime." CNET News.com (11/2, Krazit) reported, "More than 20 FBI offices participated in the probe into a series of phishing attacks against a 'major financial institution' that occurred in 2004 between August and October, according to materials provided by the FBI ahead of the announcement." CNET also includes the "Cybercriminals will no longer…" comment from Finch and notes, "Several spin-off investigations have resulted from the initial inquiry, he said."

The Washington Post (11/3, D5, Krebs, 748K) reports, "Called Operation Cardkeeper, the investigation has brought about the arrests of more than a dozen people in the United States and other countries who are members of online communities that specialize in 'carding,' the trafficking of stolen identities and credit card and bank account information. 'We are sharing evidence and using sophisticated techniques like never before,' said…Finch." The Post notes, "The FBI said it had traced a series of phishing attacks from late 2004 back to members of the Polish ring. … In 2004, the FBI and U.S. Secret Service infiltrated and dismantled the Shadowcrew and Carderplanet fraud forums, arresting 28 individuals who collectively traded more than 1.7 million stolen credit card numbers."

DC Murder Defense Said To Use Private Eyes Posing As Victims Advocates. The Washington Times (11/3, Mcelhatton) reports, "Federal prosecutors have accused the defense team for a D.C. man in an upcoming death-penalty trial of using private investigators posing as government employees to interview a victim's family. 'The defense employed tactics clearly designed to deceive witnesses and victims into thinking that they were granting interviews to victim-witness advocates,' prosecutors wrote in an Oct. 31 memo filed in federal court in the District. Attorneys for Larry Gooch, charged with killing five persons as an enforcer for the so-called M Street Crew in Northeast, sharply disputed the memo. Defense attorney Jensen E. Barber II wrote in a memo filed yesterday that the government was making 'baseless claims' and a 'blatant misstatement.'" The Times notes, "Prosecutors became concerned about how the defense was trying to interview family members of victims after a phone call from Barbara Cooper, the mother of Calvin Cooper, whom authorities say was fatally shot by Mr. Gooch, according to court records."

Texas Man Pleads Guilty To Child Porn Possession. The San Antonio Express-News (11/3, Contreras) reports, "A San Antonio man pleaded guilty Thursday to a charge of possessing child pornography — movies a federal judge called 'trash.' George Herman 'Skip' Wenglein Jr. entered the plea as part of a pre-indictment deal in which prosecutors dropped another charge alleging Wenglein, 46, sent an undercover FBI agent in Buffalo, N.Y., computer videos of adults engaged in sexual acts with children. … The FBI arrested Wenglein in June after serving a search warrant at his home…in March 2005." The Express-News notes, "Wenglein's lawyers said the fallout from the criminal case caused Wenglein to try to take his own life by shooting himself in the head on June 16, 2005. He requires around the clock care, is in a wheelchair and may not be able to walk again, his attorneys said."

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Death Of DC Teen Leads Neighbors To Take Anti-Crime Measures. The Washington Post (11/3, A01, Pierre) reports on the effect of the death of "Lil Cindy" Gray, who was shot to death more than two months ago in Benning Terrace in Washington, DC. The Post reports, "It's difficult to find anyone in Benning Terrace, the public housing complex in Southeast Washington where mother ("Big Cindy" Gray) and daughter lived, who is untouched by homicide. A baby's father. A cousin. A husband. A son. In 17-year-old Lil Cindy, a daughter and a friend." The Post continues, "Nearly a decade ago, the District's resources were trained on the complex after a 12-year-old boy was kidnapped, shot and left dead in a frozen ravine. Crime was so bad then that the D.C. Housing Authority considered tearing down the 274-unit complex. Now, another jarring crime -- a teenager gunned down as she held a baby -- has Benning Terrace asking again: How can we save our children? … A small cadre of residents has begun searching for answers. They want to curb the senseless violence, instill hope in those who have grown up with none and convince their neighbors that at least part of the answer lies within." The Post notes, "Teenagers and adults have begun assembling action plans and dreaming of a new community center, a neighborhood go-cart track, a job training center. But their first step toward a new tomorrow started in the same place that residents began a decade ago: A neighborhood cleanup. Pick up the trash. Scrape away the rust. Put on a fresh coat of paint. Show the naysayers that something, anything, can happen."

Prison Business Program Helps Inmates Put Skills To Good Use. The Washington Post (11/3, A03, Moreno) reports from Bryan, TX, "His street name was 'T-Murder'; his turf, the Deadly Nickel, as Houston's Fifth Ward is known in the 'hood. His business put $25,000 in his pocket monthly. … Those were the days when Thomas Laqueá Harrell Sr. ran his own crack cocaine ring, a capital venture that landed him in the Texas prison system with a 25-year sentence. Seven years of incarceration later and a few weeks from being paroled, this entrepreneur is ready to go back to work. But he's going legit." The Post continues, "Harrell has a written business plan, a marketing strategy, a net profit/loss analysis, a projected income statement and a financial summary. All he needs, Harrell recently told a panel of business executives gathered inside the walls of the medium-security Hamilton Unit, is a start-up loan." Harrell's new business is "one of 60 similar plans presented by the graduates of an unusual Texas prison program designed to harness a convict's street smarts and funnel them into a legitimate venture upon release. … 'We are not so much in the business of creating entrepreneurs as leveraging their skills,' said Catherine Rohr, founder of the Prison Entrepreneurship Program, a nonprofit organization based in Houston. 'After all, it was their entrepreneurial skills that landed them in prison.' … Rohr, a one-time venture capitalist in California and New York, was inspired after visiting a prison ministry program in the spring of 2004 that was started by former Watergate conspirator Charles W. Colson. She heard a graduate say that he left prison after eight years and started a general contracting business that made $1.7 million in sales in 18 months."

Informant's Testimony Is Key In Maryland MS-13 Trial. The Washington Post (11/3, B01, Castaneda) reports, "Noe 'Shorty' Cruz knew that his fellow MS-13 gang members didn't care much for police informants. Members who turned on the gang to help the police were 'rats,' and the violent gang ethos called for them to have their tongues cut out. .. .So when a fellow gang member confronted him in a Riverdale parking lot with the words, 'Ordoño sends his greetings,' he knew he had to act quickly, Cruz said. 'Ordoño' was Felipe Ordoño, a Prince George's County anti-gang police detective -- and the investigator who directed Cruz as he worked undercover for nearly two years." The Post continues, "Cruz said the taunt didn't surprise him. 'I got angry,' he later testified. Cruz said he told his fellow gang members to 'stop talking such stupidity.' The gang member responded that he was only joking, Cruz testified." The Post adds, "Federal prosecutors hope that Cruz's account of the heart-stopping confrontation, and his description of a multitude of crimes his fellow gang members committed, will help convince jurors that MS-13 is not a garden-variety street gang but a violent and international criminal enterprise. … Cruz, 25, is a key prosecution witness in the federal racketeering trial that is nearing an end in U.S. District Court in Greenbelt. Attorneys gave their closing arguments yesterday. … Federal prosecutors have brought racketeering charges against 22 alleged members of MS-13, also known as Mara Salvatrucha. The indictment accuses the gang of six murders and four attempted murders between April 2003 and June 2005 in Prince George's and Montgomery counties. Cruz testified against the first two defendants to go on trial: Oscar Ramos Velasquez, 21, known

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as 'Casper,' and Edgar Alberto Ayala, 29, who goes by the nickname 'Pony.' … Gary A. Ticknor, Ayala's attorney, said yesterday in his closing statement that his client did not participate in any murders or robberies and did nothing to intimidate witnesses. Velasquez's attorney, Richard C. Bittner, said the government's case against his client amounted to 'guilt by association. He never committed a criminal wrong.'"

Shield Law For Reporters Seen As Unnecessary. Randall D. Eliason, a former federal prosecutor, writes in USA Today (11/3, 2.27M) reports, "Supporters of a federal shield law claim the proposed statute is necessary to encourage confidential sources to come forward and to ensure that reporters do not go to jail. They are wrong on both counts. … Journalists are free to promise sources that they will not identify them unless they are ordered to by a court. Cases where a court actually does that are extremely rare. Leakers are far more likely to be identified through an internal company investigation or by some other means.

CIVIL RIGHTS:

Voters Skeptical About New Electronic Voting Machines. ABC and NBC both ran skeptical and critical reports on electronic voting machines. ABC World News (11/2, story 4, 2:40, Gibson, 8.78M) said that "after the chaotic vote count in the 2000 presidential election, all those hanging chads, Congress set aside money to place mechanical lever and punch card voting machines with electronic systems. But many voters don't trust them. In fact, many public officials don't trust them, either." NBC Nightly News (11/2, story 6, 2:35, Williams, 9.87M) ran a similar report, also saying the "botched election in Florida forced officials across the country to take a good, hard look at the old voting technology that brought us the infamous hanging chad. But new electronic voting machines are causing just as much anxiety, if not more, in some places."

ID Laws, Provisional Ballots To Impact Next Week's Voting. On its front page, the Washington Post (11/3, Goldstein, 748K) reports on concerns about voter ID laws, which "are the most widespread, and most bitterly disputed, of several types of voting procedures that states have adopted after the chaotic 2000 presidential election. The procedures include statewide electronic databases of registered voters, which critics allege have in a few states improperly knocked out eligible people. In another procedure, Ohio and Florida -- battleground states that have produced recent contested elections -- have placed tighter reins on groups that work to register new voters." On a similar theme, a front-page USA Today (11/3, Wolf, 2.27M) story says that election experts "warn that the number of voters forced to cast provisional ballots Tuesday because of eligibility questions could delay some results in tight races for days or weeks."

DOJ To Monitor Denver Elections. The Rocky Mountain News (11/3, Frank) reports, "Officials with the U.S. Department of Justice will be among those monitoring elections in Denver Tuesday." The News continues, "The Justice Department is sending a record number of officials to monitor midterm elections across the country. Denver is one of 65 cities and counties nationwide where DOJ officials believe problems may be possible. … 'They'll be doing observations of elections,' said Alton Dillard, spokesman for the Denver Election Commission. He added that he was unaware of any specific reasons why Justice Department officials chose Denver." The News adds, "Wan Kim, assistant attorney general for the Justice Department's civil right division, told reporters this week that monitors would 'very discreetly' assist voters who encounter problems voting. The officials would be watching for violations of federal voting laws. The Justice Department could use that information in future lawsuits, he added."

WSJournal Pleased By ACORN Indictments. The Wall Street Journal (11/3, A10, 2.03M) editorializes, "So, less than a week before the midterm elections, four workers from Acorn, the liberal activist group that has registered millions of voters, have been indicted by a federal grand jury for submitting false voter registration forms to the Kansas City, Missouri, election board. But hey, who needs voter ID laws? We wish this were an aberration, but allegations of fraud have tainted Acorn voter drives across the country. Acorn workers have been convicted in Wisconsin and Colorado, and investigations are still under way in Ohio, Tennessee and Pennsylvania."

California Suit Targets Annexed Jurisdictions. The Fresno Bee (11/3, Ellis) reports, "Two Merced County residents have filed a lawsuit that claims multiple political jurisdictions in the county have undertaken more than 200 annexations and other related changes without federal approval, violating the Voting Rights Act." The Bee continues, "The federal lawsuit, filed in U.S.

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District Court in Fresno, names Merced County, the Local Agency Formation Commission, the cities of Atwater, Dos Palos, Gustine, Livingston and Los Banos, as well as 17 other irrigation, water, resource conservation and community service districts throughout the county. … 'This is the most massive example of noncompliance that I have ever seen,' said Joaquin Avila, an attorney and Seattle University law professor who filed the suit on behalf of Felix Lopez and Elizabeth Ruiz." The Bee adds, "The suit doesn't seek to stop next week's election in the affected jurisdictions, but instead asks that certification of the results be delayed until approval for the changes is given by federal authorities, Avila said. … It also seeks class-action status for U.S. citizens of Spanish heritage who are registered to vote and are affected by the changes. … A hearing has been scheduled Friday before U.S. District Judge Oliver W. Wanger in which the plaintiffs will seek a temporary restraining order that could delay certification of Tuesday's election in the affected Merced County jurisdictions."

ANTITRUST:

FCC Again Delays Vote On AT&T-BellSouth Merger. The AP (11/3, Dunbar) reports, "The Federal Communications Commission delayed for a third time its vote on whether to let AT&T Inc. acquire BellSouth Corp., because it can't decide what conditions should be placed on the deal." The AP continues, "The vote was scheduled for Friday, but the agency sent a notice Thursday night saying the item had been removed from the agenda. … 'We're always open to moving forward, but we weren't able to reach an agreement for tomorrow's meeting,' said agency spokeswoman Tamara Lipper." The AP adds, "The FCC was working with AT&T in an attempt to reach a compromise that would avoid a 2-2 deadlock. The apparent standoff raises the possibility that the fifth and newest commissioner -- Robert McDowell, a Republican appointee who until now has taken no part in the proceeding -- may be pulled in to cast a tie-breaking vote. .. .The Antitrust Division of the Justice Department on Oct. 11 cleared the deal, valued at $83.4 billion at the close of trading Thursday, declaring there were no competitive concerns and opting not to require the combined company to divest any assets or make any other concessions."

Market Watch (11/3, Campoy) reports, "Two of the three Republicans on the agency's five-member commission support the deal, but the panel's two Democrats insist on concessions by the phone companies, and the fifth member has excused himself from the vote because his previous employer has publicly commented on the merger, according to the report. … On Oct. 11, the Department of Justice approved the deal, saying that the merger is likely to benefit consumers. The regulators said the deal would not hurt competition 'substantially' in any part of the U.S. communications industry. The department did not require the companies to sell any assets or attach other conditions. See full story." Market Watch adds, "The two Republicans have supported the deal, but the panel's two Democrats insist on concessions by the phone companies. They have been critical of the Justice Department's decision to approve the merger without any strings attached."

Bloomberg (11/3, Peterson) reports that the announcement "indicates FCC Chairman Kevin Martin and Commissioner Deborah Taylor Tate, both Republicans, haven't satisfied the panel's two Democrats, who are demanding conditions such as price controls. The five-member FCC is the last regulatory hurdle for San Antonio-based AT&T, the biggest U.S. telephone company, to complete the deal, which would be the largest U.S. phone company combination." Bloomberg adds, "Martin, who initially proposed approving the deal without conditions, first scheduled a vote for Oct. 12. He moved that to Oct. 13 and then to Nov. 3 after Democrats Michael Copps and Jonathan Adelstein sought a public review of concessions offered by AT&T. The company's proposals included a price freeze on certain business services and $10-a-month high-speed Internet access for some BellSouth customers."

More Commentary. The Los Angeles Times (11/3) editorializes, "The Justice Department was right last month to approve the merger of two powerhouse telephone companies, AT&T Inc. and BellSouth Corp. Given the rapidly changing telecommunications landscape, the teaming up of so-called Baby Bells and long-distance carriers (don't forget that AT&T is also the former behemoth SBC Communications Inc.) is not as alarming a prospect as it would have been a decade ago. … But that is not to say that the brave new world of a fiercely competitive market of cable, wireless and power companies delivering services over high-speed data pipelines has put to rest all concerns about the potential for abuse on the part of still-dominant former monopolists. In this time of transition, federal regulators should still take steps to protect consumers and competitors."

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The Times adds, "The Federal Communications Commission, in its own review of the merger, is considering a number of sensible conditions. .. .One would bar the merged company from giving preferential treatment to selected Internet sites and applications, or imposing unreasonable costs on cable companies' phone services. … AT&T and BellSouth contend that these restrictions are solutions in search of a problem. The FCC should address the issues raised by the cable telephone issue promptly in a proceeding that will apply industrywide, not just to AT&T. … But the so-called net neutrality concern is valid. … That's why the FCC should approve the AT&T-BellSouth deal only with conditions that prohibit the merged company from imposing fees that discriminate unfairly against websites or services. These conditions should be lifted where new high-speed Internet services emerge to challenge the cable-telco duopoly. That day isn't here yet, and the FCC shouldn't pretend otherwise."

Microsoft, Novell Agree To Windows-Linux Compatibility. Bloomberg (11/3, Thaw, Bass) reports, "Microsoft Corp. and Novell Inc., rivals in the market for software that runs server computers, agreed to make their products work together, the companies said." Bloomberg continues, "The companies will jointly develop and market software that lets the Windows and Novell's Linux operating systems co-exist on the same machine, Microsoft Chief Executive Officer Steve Ballmer said at an event in San Francisco today." Bloomberg adds, "Novell shares rose the most in four years on optimism the agreement may entice more corporations to use its version of Linux software. By forging the accord, Microsoft is responding to pressure to make Windows more compatible with other software. The pact may also help Microsoft, the world's largest software maker, get more of its software into corporate data centers."

The Wall Street Journal (11/3, A3, Guth, Clark) reports, "The deal with Novell Inc. is designed to make it easier for customers to use both Linux and Microsoft's Windows software. It puts new pressure on Red Hat Inc., a Linux seller whose shares were recently roiled when Oracle Corp. announced plans to offer its own technical support for Red Hat's products. … The deal effectively makes Microsoft a reseller of Suse Linux, Novell's version of the operating system, and kicks off a broad technology collaboration between the two companies. At the heart of the deal is a 'patent covenant' under which Microsoft agreed not to file patent-infringement charges against users of Suse Linux, and Novell agreed not to sue users of Windows. Businesses that use Linux have long worried that Microsoft would one day file patent-infringement suits against them, thereby hindering their use of and investment in the rival software." The Journal notes, "The pact marks an unusual level of cooperation between two longtime rivals. Microsoft has been battling all versions of Linux but has faced pressure to assure customers can run both Windows and Linux without problems. Red Hat's Linux is the most popular commercial version of the product, followed by Suse Linux. The deal follows Oracle's announcement that it would start selling its own support for Red Hat's version of Linux, a plan that undercuts Red Hat's own business, which is based on providing support and maintenance."

Farm Group Seeks DOJ Probe Of CME-CBOT Merger. Market Watch (11/3) reports, "Anti-trust concerns are behind the National Farmers Union's request that the U.S. Justice Department investigate the proposed merger of the Chicago Mercantile Exchange Holdings Inc. (CME) and CBOT Holdings Inc. (BOT), the U.S. farm group's president said Thursday." Market Watch continues, "The NFU's Tom Buis, in a prepared statement, said: "I want to ensure that the department examines the proposed merger with an eye toward the impact that such a transaction would have on family farmers, ranchers and fishermen." … Justice Department spokespeople were not available for immediate comment." Market Watch adds, "On Oct. 17 Chicago Mercantile Exchange Holdings - the parent company of the Chicago Mercantile Exchange - announced it would buy the smaller CBOT Holdings - the parent company of the Chicago Board of Trade - for $8 billion. The merger, if approved by regulators and shareholders, would create the world's largest financial market. … The NFU said it is concerned the proposed merger could be detrimental to farmers and agriculture industry. It would be a good idea for hearings to be held so those affected could voice concerns, the farm group said."

MySpace Investor's Suit Claims Site Unfairly Blocked Links. The AP (11/3, Robertson) reports, "An early investor in MySpace sued the popular social networking Web site on Thursday, claiming the company violated antitrust laws by blocking links to his new online video-sharing venture." The AP continues, "Brad Greenspan, chief executive of Los Angeles-based LiveUniverse Inc., claims that

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last month MySpace began deleting references on user pages to his new Web site, vidiLife.com, and has dismantled video links and blocked users from mentioning the site. … Both sites allow users to post videos and create online profiles for swapping media and collecting Internet pen pals. … 'MySpace has no legitimate business justification for its actions,' read the suit, filed in a Los Angeles federal court. … Instead, MySpace's actions constitute 'an attempt to monopolize the market for Internet-based social networking services in the United States.'" The AP adds, "The lawsuit seeks unspecified damages and an order that MySpace restore all references to vidiLife. .. .MySpace, which is owned by Rupert Murdoch's News Corp., said in a statement that it routinely blocks links to Web sites for violating copyright protections, and that vidiLife.com had been identified by Universal Music Group as a 'primary source of infringing UMG content.'"

Judge Orders Release Of Recordings In Toys R Us Antitrust Case. The Legal Intelligencer (11/3, Duffy) reports, "The plaintiffs in an antitrust suit against Toys R Us may not delay turning over tapes of secretly recorded phone conversations that allegedly include smoking-gun proof of the antitrust conspiracy until after the speakers captured on the tapes have been deposed, a federal judge has ruled." The Intelligencer continues, "In her five-page opinion in BabyAge.com Inc. v. Toys R Us Inc., U.S. District Judge Anita B. Brody held that tape recordings are no different from documentary evidence and must be turned over promptly." The Intelligencer adds, "Brody rejected the plaintiffs' argument that they should be allowed to delay turning over the tapes because a witness with prior knowledge of the content of the recording might alter his or her deposition testimony in order to 'explain away' the allegedly inculpatory statements. … In his brief, plaintiff attorney Eugene A. Spector of Spector Roseman & Kodroff argued that a delay should be granted because a witness who merely knows that a recording exists, but who is unenlightened as to its content, will have every incentive to testify truthfully at the outset. … The tapes, Spector argued, reveal that the defendants have been caught 'red handed' in a price-fixing scheme that 'unambiguously' violates federal antitrust law."

Google Scrambles To Halt YouTube's Legal Problems. The Financial Times (11/3, Chaffin, Van Duyn, Waters) reports, "Google is engaged in a frantic round of negotiations aimed at persuading traditional media companies to supply their content to YouTube, the video website it bought last month for $1.65bn, and ward off a potentially crippling round of lawsuits." The Times continues, "Chief executive Eric Schmidt and other managers have met CBS, Viacom, Time Warner, NBC Universal, News Corp and others, say people familiar with the talks, offering tens of millions of dollars in upfront payments for the right to broadcast their video content legally on YouTube. … For Google the talks could determine whether its investment in YouTube gives it a leading position in the fast-growing online video market or results in a wave of lawsuits for copyright infringement." The Times adds, "YouTube, founded 18 months ago, serves 100m video clips a day, making it the most popular internet video site, and leading to predictions that it and similar websites could become the dominant means of distributing television, films and other video content to consumers. But much of the material available on the site belongs to the traditional media companies and has been posted without their permission. … Some media executives speculate that if Google fails in its effort YouTube could face the same fate as Napster, the file-sharing service that gained enormous popularity seven years ago before the music companies sued it for copyright infringement and put it out of business."

ENVIRONMENT/INDIAN AFFAIRS:

Study Asserts Ocean Life Could Be Largely Depleted Within 40 Years. ABC World News (11/2, story 7, 0:15, Gibson, 8.78M) reported, "A fish story that will worry seafood lovers and environmentalists. A story in the 'Journal of Science,' says every kind of ocean life could be so depleted in 40 years that we wouldn't be able to fish them. If the long term friend continues, all fish and seafood populations could collapse by 2048."

The Los Angeles Times (11/3, Cone, 918K) titles its story "Overfishing Threatens Catastrophe, Study Finds," and notes the report says that "already, 29% of species that are fished -- including bluefin tuna, Atlantic cod, Alaskan king crab, Pacific salmon and an array of California fisheries -- have collapsed and the pace is accelerating, the report says. If present trends persist, the study predicts that '100% of [fished] species will collapse by the year 2048 or around that.'"

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USA Today (11/3, Weise, 2.27M) reports Steve Murawski, "chief scientist for the National Marine Fisheries Service, which oversees fishing regions in US waters," said "the findings are too pessimistic and not true of the USA." Murawski "said 'aggressive fisheries management' is reducing the percentage of US overfished species, which he estimated is now 20%. US fishing regions represent about 10% of the world's catch." The New York Times (11/3, Dean, 1.21M) reports that the authors of the study "acknowledge that much of what they are reporting amounts to correlation, rather than proven cause and effect." The Washington Post (11/3, A1, Ellperin, 748K) runs a similar story on its front page.

Suit Seeks Resolution To Gettysburg, PA, Waste Clean-Up. The AP (11/3, Scolforo) reports, "The federal government has sued CBS Corp., a landowner and a pottery manufacturer, over the costs of cleaning up a 10-acre hazardous waste site north of Gettysburg, a step toward final resolution of a process that has taken decades." The AP continues, "The lawsuit filed in U.S. Middle District Court on Monday seeks a judgment that would require the defendants to pay the federal government's environmental response costs, including interest, at the Shriver's Corner Superfund Site." The AP adds, "The civil lawsuit will allow the parties to formalize a settlement that they have negotiated with the U.S. Environmental Protection Agency, said attorney Rick Friedman, who represents defendant Donald R. Wishard, executor of the estate of his grandmother, Sarah A. Culp. … 'Under the procedures that EPA uses in settlement of Superfund cases, once they reach a consent order they have to file a complaint so there's something to be resolved,' he said Thursday." The AP notes, "The defendants are broadcasting giant CBS Corp., because the site includes material from an elevator factory operated by its predecessor, Westinghouse Electric Corp.; SPC Residual LLC of York, a successor to Susquehanna Pfaltzgraff Co., which had its hazardous waste from two ceramics plants trucked to the site; and Wishard, whose grandmother owned eight acres of the site."

Abandoned Mine Causes River Pollution In Maryland. The Washington Post (11/3, B01, Fahrenthold) reports from Barton, MD, "Some of the most poisoned water in Maryland flows out of a hillside here, its color like Coca-Cola and its acidity in the same range as stomach juices. … The water runs through a culvert into Georges Creek, turning it the colors of the autumn leaves overhead. For four miles downstream, hardly anything is alive." The Post continues, "The source of the problem is an abandoned coal mine, one of more than 150 in Western Maryland that leak groundwater tainted with acid and dissolved metals. In August 2005, this particular trickle turned into a torrent stronger and far more caustic than it had been. … More than a year later, the state is still studying its options, and this stretch of Georges Creek is still dead. For frustrated residents, the situation is a reminder of coal mining's bleak environmental legacy: After more than two decades of cleanups here, the hills are still leaking pollution." The Post adds, "Among the things that Maryland's western panhandle has that the rest of the state doesn't -- bears, mountains and ski resorts -- there is coal. The area sits on the eastern fringe of the great Appalachian coal field, which starts in Alabama and stretches to Lake Erie. At their peak in the early 1900s, Maryland's mines produced more than 5 million tons of coal a year. … One of those mines was here in Barton, a small town in Allegany County. The McDonald mine, as it was known, eventually comprised about 100 acres underground, divided into 'rooms' that were only as high as the coal seam, about four feet, state officials say. … State records indicate that the mine probably closed in the 1940s, when a shift to strip mining on the surface shuttered deep mines across the state. … The mines were abandoned, but they were not empty. Over time, groundwater percolated through the rock and reacted with minerals in the mine walls and oxygen in trapped air. The water became saturated with metals such as iron and aluminum, and it became as much as 1,000 times as acidic -- 3.5 on the pH scale -- as a normal stream."

FBI/DEA/ATF/USMS:

Operation Falcon III Nabs 11,000 Fugitives In 24 States. USA Today (11/3, Johnson) reports, "Nearly 11,000 fugitives, including 1,659 sex offenders, were swept up in what Attorney General Alberto Gonzales described Thursday as a record-breaking law enforcement operation targeting some of the nation's 'worst' felons." USA continues, "Focused in 24 states east of the Mississippi, the week-long 'Operation Falcon III' roundup netted 100 murder suspects, one of whom died in a shootout with police near Atlanta. … 'America's neighborhoods are safer today,' Gonzales said." USA adds, "Gonzales has made the campaign against child sex abuse a major part of his administration at the Justice

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Department. The latest fugitive operation — the third in two years — reflected that focus."

The CBS Evening News (11/2, story 5, 0:35, Orr) reported that "the Justice Department is trumpeting the arrest of thousands of fugitives, including more than 1600 sex offenders. The wanted were rounded up in a week-long crackdown that saw 3,000 police officers break down doors and take down criminals in 24 states east of the Mississippi. The head of the US Marshal Service, John Clark, says gang bangers, murder suspects, and sexual predators were targeted." John Clark: "In all, we locked up 10,773 fugitives, making America a bit safer." Orr: "But the feds concede, one million fugitives remain on the loose."

The AP (11/3, Jordan) reports, "Two earlier stings - Falcons I and II - were held in April over the last two years. Gonzales and Clark denied that next week's elections played any part in scheduling the latest crackdown. … 'I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination,' Clark said, adding that he wanted to do the roundup in the fall - before the winter weather hit." The AP adds, "In all, Gonzales said officials caught 10,773 fugitives - including 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were seized. .. .Those totals represent a fraction of doors knocked on, liquor store drive-bys, construction site surveillances and tips chased down by agents during the weeklong sweep. Finding the fugitives - even at their homes in the early-morning hours - proved to be a hit-or-miss mission for the federal, state and local authorities."

Bloomberg (11/3, Schmidt) reports, "An average of 3,000 federal, state and local officers participated each day in the dragnet, said… Clark … More than 1 million fugitives are at large in the U.S., Clark said, adding that the Marshals Service apprehends about 1,000 during a typical week."

United Press International (11/3) reports, "Of the record 1,659 fugitive sex offenders apprehended, 971 were wanted for failing to register. Some 360 gang members also were nabbed and 230 weapons confiscated. Other priority targets were violent crime offenders and major narcotics distributors. … The area covered included 24 states east of the Mississippi River and in the District of Columbia and Puerto Rico."

The Washington Times (11/3, Seper) reports, "The Marshals Service has significantly increased its apprehension of fugitives over the past few years with the creation of five regional task forces to target violent offenders. … The regional task forces were created under the Presidential Threat Protection Act of 2000 to combine the efforts of federal, state and local law-enforcement agencies in locating and apprehending the most dangerous fugitives and assist in high-profile investigations. They are divided into five areas: New York/New Jersey, the Pacific Southwest, the Great Lakes, the Southeast and the Capital Area, which targets the District, Maryland and Virginia."

Bloomberg's After The Bell (11/2, 4:25 p.m.) broadcasted, "The Justice Department says it got, quoting here, 'the worst of the worst' when it rounded up nearly 11,000 fugitives in a 24 state operation. At a news conference today, the Justice Department Attorney general Alberto Gonzales said "America's neighborhoods are safer today because of Operation Falcon 3, which helped bring in sex offenders, gang members, and others who were on the run. Gonzales says among those captured was an un-registered sex offender in Tennessee who was babysitting several young children when he was arrested.

CNN Live Today (11/2, 11:18 p.m.) added, "The news conference in Washington, moments ago, Attorney general Alberto Gonzales announced a new federal crackdown on criminal fugitives, particularly those who commit sex crimes. So far, the Justice Department says it has nabbed almost 11,000 fugitives. Of those caught, 1,659 are sex offenders." CNN's Deborah Feyerick reported on duty to get a behind the scenes look at Operation Falcon, showing that teams of federal and local investigators led by US Marshals hunt down criminal fugitivies "one by one by one." At the top of their priority list are sexual predators. The story is reported for approximately four minutes.

CNN Your World Today (11/2, 12:23 p.m.) added, "The US Justice Department has announced the arrest of almost 11,000 criminal fugitives. Among those caught, 1,659 sex offenders. Attorney General Alberto Gonzales discussed details of Operation Falcon at a news conference in Washington. There was a particular focus on sex offenders and gang members. Gonzales said, "I'm pleased to announce that this operation has broken all U.S. Marshal records for the number of fugitives, and gang members arrested in one week." Attorney general Alberto Gonzales's news conference on Operation Falcon 3 received a lot of coverage by local television newscasts; scores of stories on it were run by scores of local stations. In general, the problem

was characterized as rapidly growing and a serious problem the government is dealing with. Some examples: WCAU-TV Philadelphia (11/2, 4:00 p.m.) broadcasted, "Police say they are targeting the worst of the worst felons. Alberto Gonzales made this announcement in Washington, DC. He said during the week of October 22-28 Deputy US marshals arrested 10,733 fugitives. That number includes 1,6759 sex offenders as well as 364 gang members."

Gonzales Says Politics Played No Part In Timing Of Sweep. The New York Times (11/3, Lichtblau) reports, "Mr. Gonzales said in response to a question at a news conference that there was no political motivation behind the arrests and that the Justice Department 'played no role in the timing of this program,' less than a week before the midterm elections." The Times adds, "John Clark, the director of the United States Marshals Service, which coordinated the operation, said that planning for the arrests began months ago 'without regard to any political elections coming up.' One factor in the timing, Mr. Clark said, was to move ahead before the 'harsh winter weather' hit because officials said that the wanted fugitives would be less likely to congregate outdoors."

State-By-State Round-Up. Operation Falcon III generated significant local newspaper and television coverage. The following is a sampling of the coverage by state.

Alabama. The Birmingham (AL) News (11/3, Walton) reports, "The arrest of Demetrius Avery Jackson Jr., 21, in the shooting of two Fairfield police officers was included in the roundup list. Jackson was caught Oct. 24 in Birmingham and charged with the capital murder of Officer Mary Smith and the attempted murder of Officer Erick Burpo." The News adds, "Also captured was Michael Owen DeVaughn, 48. He was arrested at a Birmingham motel Oct. 27 on a federal parole violation and on multiple counts stemming from a multimillion-dollar real-estate fraud case in three jurisdictions in California." The News notes, "Marty Keely, U.S. marshal in north Alabama, said members of the Gulf Coast Regional Fugitive Task Force relied on help from officers from Birmingham, Alabaster, Hoover, the Alabama Department of Corrections, the U.S. Drug Enforcement Administration and sheriff's deputies from Jefferson and Shelby counties to capture metro-area fugitives. … 'The press is on to the folks out there who want to continue to commit violent crimes in this community,' Keely said at a news conference in Birmingham. "

WVTM-TV, NBC 13, Birmingham, AL (11/3) reports, "When Fairfield police Officer Mary Smith was gunned down in the line of duty, Operation FALCON got the call and Smith became one of the operation's top priorities. … 'Some 25 hours later, Demitrius Avery Jackson Jr., Disciple gang member, was taken into custody,' said U.S. Marshal Martin Keely." WVTM-TV adds, "FALCON is made up of law enforcement from various agencies around the area, led by the U.S. Marshals. Out of the 90 local cases solved, 58 involved sexual predators. .. .'People that rape generally don't rape once, so the fact these rapists and sexual predators have been taken off the street make me confident some child is not going to be victimized tonight,' said U.S. Attorney Alice Martin."

The Mobile (AL) Press Register (11/3, Kirby) reports, "Locally, arrests nabbed 17 people accused of sex crimes and 17 drug suspects. Other charges included attempted murder, assault, robbery, weapons violations and burglary. … Many of the fugitive arrests had already been announced. … 'All of these offenders would be on the streets today if it were not for these efforts,' U.S. Attorney for the Southern District of Alabama Deborah Rhodes said at a news conference Thursday in downtown Mobile."

Connecticut. The Norwich (CT) Bulletin (11/3, Smith) reports, "A week-long initiative to round up fugitives has resulted in dozens of arrests in eastern Connecticut." The Bulletin continues, "In Connecticut, 181 warrants were served, including 56 for sex offenses. In Norwich, Thomas Heberding was arrested for felony violation of probation based on an original offense of first-degree sexual assault. His victims were allegedly three children." The Bulletin adds, "A mix of law enforcement officials had met each day last week in a different eastern Connecticut host town. Norwich, one of 428 police departments involved, hosted on Oct. 25, resulting in the arrest of 13 people on a variety of warrants, most violating probation and failing to appear in court. … The morning's activities in the Norwich area also illustrated the struggle city police face considering the fact there are more than 500 unserved warrants on the books. … Teams had worked for hours with the last known addresses of fugitives, but came up empty handed time and time again."

WTNH-TV, ABC 8, New Haven, CT (11/3) reports, "In Connecticut, police picked up 167 fugitives, 19 of them sex offenders, including Steven Ramos, who was convicted of sexually assaulting a young girl in New Jersey. … He took off before he was sentenced for the crime and police say he'd

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been living in New Haven with the victim and her mother. This is just the kind of guy authorities are glad to get back behind bars. … 'A lot of them are going to do the same kinds of crimes that they were wanted for in the first place,' Bardelli said." WTNH-TV adds, "Police in Connecticut also arrested a man in Norwich who'd sexually assaulted three children and is accused of violating his probation. They also picked up a man IN Bridgeport wanted for attempted murder who was found with an Uzi and a handgun in his possession."

WFSB-TV, News Channel 3, Hartford, CT (11/3) reports, "Channel 3 Eyewitness News reporter Susan Raff reported that the fugitives were found in towns and cities across the state. … Raff reported that one of the captured fugitives was Steven Ramos, who was arrested in connection with the sexual assault of an 8-year-old girl. A warrant was issued for Ramos' arrest when he failed to appear for sentencing. .. 'We found one person living in his car, a sex offender, entirely mobile, could have been anywhwere,' Bardelli said."

Delaware. The Wilmington (DE) News Journal (11/3, Williams) reports, "U.S. marshals teamed up with federal, state and local authorities last week to round up fugitive sex-offenders and other wanted felons across Delaware, part of a nationwide sweep called Operation FALCON III -- Federal And Local Cops Organized Nationally. … Locally, the U.S. Marshals First State Fugitive Task Force arrested 96 fugitives, including 17 for failure to register as a sex offender. … 'This operation, along with our past FALCON efforts, provides a clear indication of what law enforcement agencies can accomplish when there is cooperation on all levels -- federal, state and local,' said David W. Thomas, U.S. marshal for the district of Delaware." The Journal adds, "The arrest teams deployed with 250 active warrants, mostly for New Castle County residents, although some teams were sent to Kent County and Pennsylvania. … 'This operation shows that the federal government can play an important role in our efforts to curb violence on our streets here in Delaware,' said U.S. Attorney Colm F. Connolly." The Journal notes, "In Delaware, the agencies included the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives; U.S. Drug Enforcement Administration; Federal Bureau of Investigation; U.S. Department of Housing and Urban Development Office of Inspector General; U.S. Secret Service; Delaware State Police; Delaware Probation and Parole; Delaware River and Bay Authority; New Castle County police; Wilmington police; Newark police; New Castle city police; and Smyrna police."

District Of Columbia. The Washington Post (11/3, A09, Eggen) reports, "In the Washington region, 687 fugitives were arrested, including 102 alleged sex offenders and 23 alleged gang members, authorities said."

Florida. Scripps Howard (11/3, Margasak) reports, "The Port St. Lucie Police detective and the Deputy United States Marshal strapped on their guns and SWAT-style vests. … They hit the streets in an unmarked SUV in search of about 150 people with outstanding warrants on the Treasure Coast and surrounding areas — the focus was on sex offenders who failed to register and gang members." Scripps Howard adds, "They were one of several teams who arrested 93 people locally in weeklong sweep across 24 states called Operation Falcon III. The bust cleared 325 warrants and netted 66 sex offenders in South Florida alone, the U.S. Marshals Service announced Thursday. … The third installment of the national operation was deemed a highly successful partnership between the marshals, state agents and local police and sheriff's deputies, who were given federal powers to make arrests across county lines. The unique teamwork allowed for massive numbers of quick arrests not otherwise possible for each agency alone. … 'I thought it was extraordinary the Martin County sheriff and the Port St. Lucie police chief, and even the Palm Beach County Sheriff's Office, actually dedicated people for an entire week,' said Supervising Deputy U.S. Marshal Glen Wilner, who organized the local teams. 'We couldn't have done it without our partners at the local police departments and the sheriff's offices.'"

The Tampa Tribune (11/3, Kalfrin) reports, "Roy Brown said he felt a thrill pulling up at the Pinellas County home of a fugitive sexual predator with members of a U.S. Marshals Service operation. … 'We got him with cocaine and everything,' Brown, 54, of Tampa, said Thursday with a smile." The Tribune continues, "Brown, whose 7-year-old daughter was killed by a previously convicted pedophile, joined another grieving father, Mark Lunsford, in participating in a nationwide operation last week to round up fugitive sex offenders and gang members. … Called Operation FALCON for Federal and Local Cops Organized Nationally, the initiative netted arrests of 10,773 felony fugitives in the country and 431 in the Middle District of Florida, which includes Tampa." The Tribune notes, "Fourteen of those arrested in the Tampa Bay area were sex offenders who failed to register and traveled out of the state or country, which is a federal offense under the Adam Walsh Child Protection and Safety Act. … Unregistered sex offenders are fugitives who cause the

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Marshals Service particular concern, Assistant Chief Deputy U.S. Marshal Pete Cajigal said Thursday. He spoke at a news conference in Tampa with Brown, Lunsford and law enforcement officials."

The Bradenton (FL) Herald (11/3) reports, "Thirty-seven of Manatee County's worst felons were taken off the street and put into jail during a weeklong sting targeting some of the area's most wanted criminals, according to Sgt. Chris Atkinson of the sheriff's office warrant unit." The Herald continues, "In Manatee, murderers, sex offenders and probation violators who have absconded were the targeted fugitives. When the operation concluded, gang members made up 20 percent of the arrests and 30 percent were sexual offenders, according to Atkinson."

WFTV-TV, ABC 9, Orlando, FL (11/3) reports, "- A major roundup of gang members and sex offenders has led to thousands of arrests around the country and dozens in Central Florida. … 'So these are very significant players. They have preyed on children. They were at large and now they are not,' explained Deputy Eric Thompson, U.S. Marshals Service." WFTV-TV adds, "Local agencies gave feds a wish list and then helped marshals scour the nation for men and women who thought they'd hide states away. In Central Florida, 43 warrants were cleared on 38 fugitives. … 'We were able to take what the federal marshal has, what the federal government has, and direct them at specific people. We have very few absconders in Brevard County, so what we did is highlight four of them,' said Lt. Tod Goodyear, Brevard County Sheriff's Office."

The Gainesville (FL) Sun (11/3, Wallace) reports, "Locally, Operation FALCON III…resulted in the arrest of 61 fugitives in Alachua, Gilchrist and Levy counties - the majority from Alachua County. … Included in the sweep was the arrest of David Nieves, 38, who was found in Mexico on Oct. 25. Nieves was charged with armed robbery and attempted murder in connection with the beating and robbing of Chiefland resident John Edward Curtis at a Red Roof Inn in Gainesville earlier this year." The Sun adds, "The Marshals Service pooled the resources of the Bureau of Alcohol, Tobacco and Firearms, the Drug Enforcement Administration, local sheriff's offices and police departments, as well as other agencies in order to locate as many fugitives as possible during the weeklong effort. … 'This is what we can do when we all get together,' said John Blount, deputy U.S. Marshal, at a news conference Thursday."

Georgia. The Atlanta Journal-Constitution (11/3) reports, "Federal, state and local law enforcement agencies, in a coordinated sweep, arrested 520 fugitives in North Georgia as part of a sweep to find sex offenders, members of gangs and others accused of violent crimes." The AJC notes, "FALCON III was the third coordinated effort since last year. The first was a national sweep that saw 187 people arrested on outstanding warrants. The second time out, the operation focused on states west of the Mississippi River. The third one, in states in the eastern half of the country, resulted in 11,0000 arrests between Monday morning last week and noon last Saturday. … While 520 fugitives were caught in North Georgia, another 142 were picked up in central parts of the state and 352 were arrested in South Georgia."

The Macon Telegraph (11/3, Fabian) reports, "A Macon man accused of paying a 7-year-old for a sex act and an accused kidnapper arrested in Warner Robins are two of more than 10,000 fugitives caught last week in a nationwide round-up organized by U.S. Marshals." The Telegraph adds, "Through the Southeast Regional Fugitive Task Force office in Macon, officers from several local law enforcement agencies cleared 111 felony warrants by arresting 87 wanted fugitives in about four days. The task force normally arrests between 100 and 120 people per month, said Will Hawkins of the Southeast Regional Fugitive Task Force. … During Operation FALCON, which occured Oct. 22-Oct. 28, the Macon office focused on cases in Bibb, Jones, Houston and Peach counties, Hawkins said, with officers from the local sheriff's offices, Macon and Warner Robins police, the Georgia Department of Corrections, Pardons and Paroles, the Veterans Administration, the U.S. Department of Housing and Urban Development and the Bureau of Alcohol Tobacco and Firearms."

WALB-TV, NBC 10, Albany, GA (11/3) reports, "More than ten thousand of the nation's most violent criminals are now behind bars. Hundreds of those criminals are gang members, over a thousand are sex offenders and some of them were arrested right here in South Georgia. … Other South Georgia criminals, some gang members, are locked up for parole violations and drug activity. … 'he U.S. Marshal Service, the citizens, all the state and local officers out here everyday, they're not going to let these guys keep going around. There's over a million warrants in the U.S. And we're trying to get them down as quick as we can get them locked up,'says Deputy U.S. Marshal Jeff Crosby."

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WTOC-TV, CBS 11, Savannah, GA (11/3) reports, "The Savannah division of operation falcon caught 134 fugitives, including 19 wanted sex offenders. The resources available were much different from years past. … Marshal James Roberts says, 'n the old days, departments worked within their boundaries, and today we work across boundaries by giving them special status. They can go anywhere within the state and outside the state with us and that's a force multiplier.'"

Kentucky. WHAS-TV, News 11, Louisville, KY (11/3) reports, "The U.S. Marshall Service is calling it the biggest roundup ever of gang members, sex offenders and others roaming the streets with warrants. … Called Operation Falcon, it covered the eastern half of the U.S. including the Metro Louisville area and saw over 10-thousand fugitives captured." WHAS-TV adds, "Some had been on the run for more than a year. They had every reason to think cops had forgotten all about them, but all last week scores of them got a rude awakening. Gone does not mean forgotten. … Their targets, fugitives, sex offenders and gang members in the Louisville Metro area. The team included U.S. Marshals, Jefferson County Sheriff's Deputies, even a doctor. … The Marshals Service saying local round ups have netted at least 148 fugitives arrested, including 9 wanted on sex related charges. Including Brian Geary, nabbed in Muldraugh, Kentucky. Geary, authorities say, is wanted in Florida for allegedly raping two girls just six and seven years old."

The Louisville (KY) Courier-Journal (11/3, Halladay) reports, "Nearly 150 people were arrested and hundreds of warrants were cleared in Kentucky last week as local law-enforcement agencies participated in a nationwide push to locate fugitive sex offenders." The C-J continues, "During the seven-day effort, 18 agencies in the Western District of Kentucky provided about 75 officers and personnel to pick up people who have failed to register as sex offenders. … Rick McCubbin, U.S. marshal for the western district, said he hopes the weeklong blitz, especially the strong presence of officers, acts as a deterrent for those who don't comply with laws requiring sex offenders to register their locations."

Louisiana. The Shreveport Times (11/3, Wilson) reports, "The U.S. Marshals Service today announced today the arrests of 10,773 people --- including 135 in the Shreveport area – as part of the largest nationwide round-up of fugitives." The Times adds, "Deputy marshals and fellow task force members cleared 153 Shreveport police warrants last week during Operation FALCON III (Federal and Local Cops Organized Nationally), officials said. … Those arrested include Wilbert Smith, who was wanted for attempted murder in connection with an aggravated battery 10 years ago. Sex offenders and documented gang members also were rounded up, authorities said. Firearms, narcotics and cash also were seized during the seven-day sting. … 'The numbers mean safer streets for the citizens of communities all over this country,' said John Clark, U.S. Marshals Service director. 'We have not only brought those wanted fugitives to justice, but we have hopefully brought a bit of peace to their communities.'"

KPLC-TV, NBC 7, Lake Charles, LA (11/3) reports, "Between October 22nd and 28th, arrest scenes were taking place across half the country, including in Lake Charles. Deputy U.S. Marshals teamed up with state local and federal crime fighters in the largest roundup targeting unregistered sex offenders, sexual predators and violent offenders." KPLC-TV continues, "Surrounded by representatives from several local agencies, Deputy U.S. Marshal Beau Bartel announced the results of Operation Falcon III at a news conference in Lake Charles. Bartel says, 'Most fugitives that are out there on the run are repeat offenders and they're they ones that are committing crimes daily. Totally during this week, we had 10,773 fugitives arrested.'"

Maine. WCSH-TV, NBC 6, Portland, ME (11/3) reports, "In Maine, state troopers and local police teamed up with U.S Marshals to nab 187 wanted fugitives. … 'We had resources to track these people and we tried to target the most violent offenders out there. Did we get them all in one week, no we didn't. But we haven't given up on them,' said U.S. Marshal David D. Viles. … In all, Maine law enforcement officers cleared 267 outstanding warrants, including 21 arrests for sex related offenses and 48 drug offender arrests."

The Portland (ME) Press Herald (11/3) reports, "In Maine, authorities grabbed James Miller, a man convicted of gross sexual assault on a child under 13 and disseminating sexually explicit material. Miller, arrested at his Auburn apartment Oct. 22, was charged with failing to register as a sex offender and violating probation. Police say they found pornography links on a computer at his home, though it wasn't clear if that violated his probation conditions." The Herald adds, "Deputy U.S. marshals working with state and local police arrested 21 people on sex-related offenses and 48 on drug-related offenses in Maine, clearing 267 warrants, said a statement by U.S. Marshal David Viles."

Maryland. WHAG-TV, NBC 25, Hagerstown, MD (11/3) reports, "Nearly 11,000 fugitives have been arrested as part of

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a sting operation that stretched up and down the East Coast, and many of those fugitives were captured in the Four-State region." WHAG-TV continues, "Edward Bowman, 44, is behind bars after he was accused of sexually assaulting his 16-year-old niece. Last week other violent criminals, sexual offenders and gang members were also captured, thanks to a week-long U.S. sting operation called Operation Falcon 3. … Bowman was arrested on October 25th on Butts Mill Road. He was just one of many residents arrested during operation week." WHAG-TV notes, "U.S. marshals will not go into the specifics of the investigation, authorities say they plan to have more sting operations in the near future. … 'If you're wanted we're going to find you,' says Deputy U.S. Marshal Mike Ulrich. 'There's no where to run and no where to hide.'"

Massachusetts. The Boston Herald (11/3O', Johnson) reports, "Some of the state's worst gang bangers, pedophiles and suspects-in-hiding, were targeted in a nationwide sweep by federal marshals tagged Operation Falcon III." The Herald continues, "In Massachusetts, 433 fugitives were collared in raids carried out over the past week in which federal, state and local police used their combined resources to round up suspects wanted on warrants for multiple violent crimes or failure to register as a sex offender." The Herald adds, "The U.S. Attorney's Office in Boston said one of the seized men, Brian Berlo, plied a New Hampshire boy with drugs and sodomized him for a six-month period beginning in December 2005. Federal marshals caught up to Berlo in Easton, where he was arrested with a small amount of cocaine, authorities said. He was arraigned on charges of being a fugitive from justice in Taunton District Court and was ordered held on $500,000 bail."

The Boston Globe (11/2, Murphy) reports, "Those arrested in Massachusetts included 67 convicted sex offenders, including 30 who were not registered as required by law, and 73 reputed gang members. … 'We did try to target as many gang members and sex offenders as possible,' said Acting US Marshall William Fallon." The Globe notes, "All of those arrested face state charges, but federal prosecutors are currently reviewing the cases to determine whether any of them will be prosecuted in federal court under the recently enacted Adam Walsh Child Protection and Safety Act, which makes it a federal crime to fail to register as a sex offender and travel interstate. The law was named for Six-year-old Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981."

The Springfield (MA) Union-News and Sunday Republican (11/3, Barry) reports, "A total of 90 suspects in gang beatings, robberies, sexual crimes and assaults were rounded up last week in this region as part of a coordinated effort to rein in fugitives nationally, law enforcement officials announced yesterday." The Republican continues, "Nearly 11,000 fugitives were arrested nationally and 433 statewide, according to William Fallon, acting U.S. marshal. … 'What we wanted to do come Oct. 22 was hit the ground running. And that's what we did,' Fallon told reporters during a news conference at the federal building. … He was referring to the first day of the weeklong sweep and the months of research that preceded it." The Republican adds, "Locally, 72 arrests were made in Springfield, 14 in Chicopee, three in Holyoke and one in West Springfield. Eight others were arrested in other states for local crimes, officials said."

Michigan. The Detroit News (11/3) reports, "Nearly 500 fugitives were arrested in Michigan as part of a recent federal sweep in 24 states, officials at the U.S. Attorney's Office in Detroit said today." The News continues, "A news conference is scheduled for 2 p.m. to announce details of the Michigan operation, which was headed up by the U.S. Marshals Service. A total of 480 arrest warrants were cleared in Michigan between Oct. 22 and 28, many involving alleged sex offenders, officials said."

WOOD-TV, NBC 8, Grand Rapids, MI (11/3) reports, "Throughout West Michigan, FALCON - Federal And Local Cops Organized Nationally - arrested 108 people. Of those, 11 were wanted for sex offenses, four for gang-related activities, 17 for assault and 33 for drugs. … One of those sex fugitives arrested was 28-year-old James Leech, who was picked up while accessing the Internet at the Grand Rapids Public Library on October 24. He was arrested without incident and is now being held in the Kent County Jail. He is facing a first-degree criminal sexual conduct charge involving a minor. … Plus, for the first time, a national operation targeted fugitives in Battle Creek, with nearly half the arrests being made in that city."

The Detroit Free Press (11/3, Angel) reports, "In Michigan, 480 people were arrested. The multi-agency sweeps yielded 43 arrests for sex-related crimes, eight for homicides, 112 for assaults, 133 for narcotics charges, 42 for burglary/larceny, 32 for weapons, 37 for robbery, six for arson, one for kidnapping, 10 for stolen vehicles, 13 for fraud and 43 for other crimes. … 'I think the bottom line is that 10,773 people are off the street,'" said Robert Grubbs, US Marshal for

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the Eastern District of Michigan. "'Many, many communities can breathe a lot better, feel a lot safer that they're not going to become victims of these people.'"

Mississippi. The AP (11/3, Mohr) reports, "Authorities have arrested 164 sex offenders, gang members and other fugitives in Mississippi as part of a nationwide sting that nabbed some of the most dangerous criminals on the streets." The AP continues, "The roundup was headed by the U.S. Marshals Service with cooperation from hundreds of other agencies, and resulted in nearly 11,000 arrests nationwide, said Nehemiah Flowers, the U.S. marshal for the Southern District of Mississippi. … The arrests included Jonathan Putt, a reputed gang member wanted for the fatal beating of another man in New York, said Christopher Felix, a supervisory marshal in northern Mississippi."

WLBT-TV, NBC 3, Jackson, MS (11/3, Thompson) reports, "More than 164 dangerous felons are off the streets of Mississippi tonight. The U.S. Marshals Service says 41 were captured in Jackson. In all Operation Falcon III, netted nearly 11-thousand fugitives." WLBT-TV adds, "The long arm of the law reached out in communities east of the Mississippi River. U.S. Marshals and a task force of lawmen targeted sexual predators, unregistered sex offenders, suspected murderers and other criminals hiding out from New York to homes in Jackson."

New Hampshire. The Manchester (NH) Union Leader (11/3, Vincent) reports, "A joint effort by more than 45 federal, state and local law enforcement agencies resulted in the arrest of 83 people in New Hampshire as part of a weeklong national effort targeting fugitive sexual offenders and documented gang members. … 'The streets of New Hampshire are safer than they were last week,' U.S. Attorney Thomas Colantuono said." The Leader adds, "U.S. Marshal Stephen Monier yesterday said Operation FALCON III (Federal And Local Cops Organized Nationally) resulted in 10,733 felony fugitive arrests nationwide during the week of Oct. 22-28. The 83 New Hampshire arrests cleared 114 warrants. … Also in the New Hampshire total were 20 narcotics, seven assault, eight burglary, three robbery and four stolen vehicle warrant arrests."

New Jersey. The Newark Star-Ledger (NJ) (11/3, Martin) reports, "Federal and local officers rounded up 548 of New Jersey's most wanted criminals last week, specifically targeting suspected gang members and child predators as part of a national crackdown on fugitives." The Star-Ledger continues, "LThe suspects, nabbed in every New Jersey county, included 88 sex offenders, more than a third of whom who had not registered as required by law. Another 95 are gang members. Each faced a felony charge worth at least five years in prison. Six were wanted for murder. … 'We arrest bad guys every day, but this is a special mission for us in law enforcement -- to get the worst of the worst off the streets,' James Plousis, the U.S. Marshal for New Jersey, said at a news conference in Trenton."

1010, WINS-AM, NY (11/3) reports, "New Jersey is among the states where Operation Falcon III took place. An estimated 871 fugitives were nabbed in New York and New Jersey."

New York. Long Island Newsday (11/3, Destefano) reports, "When a squad of federal officials and police caught up with suspected fugitive Robert Shells in a Manhattan apartment, they not only caught him with his pants down, they found he wasn't wearing anything at all. … 'Put your pants on, please,' an officer said during the early morning raid." Newsday continues, "Shells, 29, wanted for sex crime charges involving minors in Virginia, was one of the nearly 11,000 people who officials said Thursday were nabbed in the latest federal nationwide effort to apprehend fugitives on a wide variety of offenses. Most, like Shells, whose arrest was captured on tape by WPIX/11, were taken by surprise between Oct. 22 and Oct. 28. They generally offered no resistance. … Out of the New York area total, 110 were grabbed on Long Island, said Michael Pagliughi of the U.S. Marshals Service. … 'Fugitives imperil our ability to prosecute them and hamper our ability to put them in jail,' said Brooklyn U.S. Attorney Roslynn Mauskopf. 'Fugitive defendants don't respect jurisdictional boundaries ... that is why it is critical that we band together.'"

The Troy (NY) Record (11/3, Charniga) reports, "Just before 5 p.m. Friday, one of the last local fugitives to be brought in under a federal dragnet was driven to the Troy Police Station. According to federal authorities this man, 31-year-old Alfred Morey, is one of 11,000 criminals to be caught up in 'Operation Falcon III.'" The Record continues, "Morey, whose last known address was 882 River St., is a Level 2 sex offender who was first arrested by city police eight years ago after sexually abusing a then 10-year-old girl. This time, his offense was failing to notify authorities he had moved, said Tim Orava, a criminal investigator with the U.S. Marshals Service. … He was caught in Colonie at his place of employment by the Capital District Fugitive Task Force and brought in by city police, a U.S. Marshal and a member of the

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Rensselaer County District Attorney's office. Authorities said he was one of 1,659 sex offenders caught up in this sweep. … 'The classic line is, "I called last week, and I'm coming in today, or tomorrow,"' Orava said. Authorities believe this was the second time Morey failed to notify them he was moving, and according to a female acquaintance who arrived at the police station soon after, the first time got him 90 days in jail." The Record notes, "His arrest was one of a multitude during the preceding week. Overall, the operation targeted fugitives believed to be present east of the Mississippi. At least one other Trojan, 30-year-old Robert S. Morrison, was arrested at his home earlier in the week after also allegedly failing to register as a sex offender. … Locally, at least one more of these offenders, gang members and a woman with a history of involvement with firearms and drugs were sought, according to federal authorities. … At Thursday's press conference at the federal courthouse in Albany, local, county state and federal authorities laid out what they had done during the last week of October - cleared 13,333 warrants during what U.S. Attorney's Office staffer Grant Jaquith called 'the largest and most successful law enforcement effort in U.S. history.'"

The Syracuse (NY) Post-Standard (11/3, Weibezahl) reports, "The long arm of the law caught up with 132 fugitives who had been hiding out in Central New York, officials said Thursday. … Operation FALCON Federal and Local Cops Organized Nationally used a $10,000 federal grant to pay overtime for troopers, deputies and officers who rounded up the suspects from Oct. 22 to 28, said Deputy Marshal Joseph Ciciarelli, of the U.S. Marshals Service." The Post-Standard continues, "More than 200 were on the list, and many were sex offenders, while others were violent felons and gang members, he said. Local suspects who were caught came from Cayuga, Cortland, Madison, Oneida, Onondaga and Oswego counties. … Representatives of the Syracuse Police Department, Onondaga County Sheriff's Office, state police, the Bureau of Alcohol, Tobacco, Firearms and Explosives, and Drug Enforcement Administration spent more than a week researching their targets before the sweep, Ciciarelli said."

The New York Daily News (11/3, Meek) reports, "In New York, marshals nabbed 85 convicted sex offenders who failed to register under Megan's Law. … On Oct. 23, they picked up accused rapist John Oakey, who was hiding in his family's Bay Ridge, Brooklyn, attic. He was wanted in Ohio on three felony counts for the rape and sodomy of two young girls. … Also arrested last month was Darnell Nisbett, wanted for a July 2006 revenge slaying in a Bedford-Stuyvesant, Brooklyn, playground that left two bystanders, including a 6-year-old girl, wounded by stray bullets."

The Rochester (NY) Democrat and Chronicle (11/3, Freile) reports, "U.S. Attorney Terrance P. Flynn and John Palillo, chief deputy marshal for the Western District of New York, announced the nationwide arrests of 10,773 felony fugitives — from sex offenders to drug dealers to gang members — at a news conference in the U.S. courthouse in Rochester on Thursday. … The arrests were made Oct. 22 to 28 as part of a roundup called Operation Falcon III." The D&C adds, "In the Rochester area, 44 people were arrested, including 20 sex offenders on charges they failed to register, Palillo said. In the Buffalo area, 35 felony fugitives were arrested. … Level 2 sex offender Timothy Grossman, 40, of Rochester — who was wanted by the Rochester Police Department for failing to register as a convicted sex offender — was one arrested as part of the roundup."

North Carolina. WRAL-TV, CBS 5, Raleigh, NC (11/3) reports, "More than 350 people were arrested last week in eastern North Carolina as part of a national roundup of fugitives, making it one of the most comprehensive operations of its kind in the state. … Personnel from 21 different law enforcement agencies in eastern North Carolina helped U.S. Marshals arrest 367 people, including 20 convicted sex offenders, and serve 415 warrants. … '(The) national average for a round up of this type is 13 percent,' said Tex Lindsey, U.S. Marshal Fugitive Task Force commander for Eastern North Carolina. 'And we far exceeded our expectations with an arrest average close to 40 percent.'"

The Charlotte (NC) Observer (11/3, Wright) reports, "Operation Falcon III netted 105 fugitives in Mecklenburg and the Western District of North Carolina, including 22 suspected sex offenders. … 'This is the largest fugitive apprehension effort in the history of the United States,' Patrick Smith, the U.S. marshal for the Western District of North Carolina, told reporters in Charlotte." The Observer adds, "The 105 apprehended in the Western District of North Carolina had been charged with everything from assault and fraud to narcotics and weapons violations. Most were captured in Mecklenburg, Gaston and Iredell counties."

The Greenville (NC) Reflector (11/3, Johnson) reports, "Local authorities working with a federal task force arrested 86 Pitt County fugitives as part of a nationwide effort to capture wanted sex offenders and gang members, officials said." The

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Reflector continues, "Local participation in the program featured officers with the Greenville Violent Fugitive Task Force working with law enforcement agencies in Pitt, Lenoir and Martin counties to track down tips and leads to pinpoint the location of felons, Detective T.S. O'Neil of the Pitt County Sheriff's Office said. … Greenville task force members gathered unserved warrants for the targeted offenders and fanned out across the state, knocking on doors and arresting those wanted, O'Neil said. … By the conclusion of the effort, the Greenville task force arrested 86 people, including one in Martin County and four in Lenoir County. They also served 159 warrants and cleared 266 outstanding charges, according to a Sheriff' Office news release."

The Durham (NC) Herald-Sun (11/3, Dopart) reports, "Durham was home to the lion's share of arrests in the Middle District of North Carolina during last week's Operation Falcon III, a seven-day sting led by the U.S. Marshals Service in conjunction with local law enforcement." The Herald-Sun continues, "In the Middle District, some 81 local members of law enforcement were involved, according to U.S. Marshal Richard Carleton Thursday. … The U.S. Marshals Service divides North Carolina into three enforcement districts, each running north to south -- the Eastern District based in Raleigh, the Middle District based in Greensboro and the Western District, based in Asheville. … In total, law enforcement made 71 arrests in the Middle District, and also cleared 152 warrants. The operation focused on sex offenders and gang members, but resulted in the arrests of several individuals not originally targeted by the operation, Carleton said."

WCNC-TV, NBC 6, Charlotte, NC (11/3, Counts) reports, "For the past couple of weeks US marshals have been targeting gang members and child sex offenders. Michael Goins from Gastonia and Sammie Lee Washington from Charlotte are just two of the more than 100 suspects that were rounded up from our area. They were arrested on numerous sex charges involving children. … For the past couple of weeks marshals and many other agencies fanned out across the area and the eastern seaboard looking for suspects. At an afternoon news conference Thursday, US Attorney Gretchen Shappert talked about Operation Falcon III and how it will make our streets safer. … 'Let me emphasize, this is not low hanging fruit. This is not people on speeding tickets or traffic tickets,' she said. 'These are serious federal and state criminals charged with major offenses. Murder, robberies, gang related offenses, particularly sex related offenses pertaining to children.'"

Ohio. The Columbus (OH) Dispatch (11/3, Futty) reports, "A 64-year-old man wanted for three counts of rape and various crimes against minors was among 77 fugitives from central Ohio arrested last week during a roundup by federal and local agents." The Dispatch continues, "Members of a task force dubbed Operation Falcon III found Clarence R. Harris in Martins Ferry. He was being held in Belmont County awaiting a transfer to Franklin County, where he was indicted. … Law-enforcement officials said Harris was an example of the fugitive sex offenders targeted in the sweep, which netted 10,773 felony arrests in the eastern half of the United States from Oct. 22 through Saturday. … 'The marshals office is relatively small,' said Thomas McCombs, chief deputy marshal for the Southern District of Ohio. 'We can't do it ourselves. If we combine in a task force operation, we can see the results.' … The 77 arrests of central Ohio fugitives included one for a sex-offender registration violation and at least three for sex offenses against children. Drug offenses were the most common charges."

The Akron Beacon Journal (11/3, Chancellor) reports, "News of the massive police action, code-named Operation Falcon III, was made public Thursday in coordinated news conferences held across the country and at the Oliver Ocasek government building in Akron. … 'We took some meat-eaters -- some real serious predators -- off the streets,' said Summit County Sheriff Drew Alexander, who was one of the 20 law enforcement officials representing as many departments." The Journal adds, "In Northeast Ohio, 584 arrests were made during a six-day period from Oct. 22 through Oct. 28. Included in that number were 59 sex offenders and 18 gang members. … Akron Police Chief Michael Matulavich said the Akron prong of Operation Falcon III, which focused on neighborhoods with recent incidents of gun violence, resulted in the arrest of nine wanted felons and the seizure of two semiautomatic handguns and one fully-loaded semiautomatic machine gun."

The Hamilton (OH) Journal-News (11/3, Lolli) reports, "One of Butler County (OH)'s 'Most Wanted' fugitives was among thousands nabbed by federal authorities during a weeklong dragnet that concluded Oct. 28." The Journal-News continues, "The U.S. Marshals' office on Thursday released details of the round-up that blanketed the eastern half of the country, but also resulted in the arrest of a local convicted child rapist in Texas. … Frederick Gholston, labeled a sexual predator in 1998 after his conviction on charges of forcible rape and gross sexual imposition involving

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a minor, was arrested at the Pilgrim's Pride Chicken Packaging Plant in Tyler, Texas, on an escape warrant issued by the Butler County Sheriff's Office in September after Gholston failed to register his address with authorities." The Journal-News adds, "Four deputies from the Butler County Sheriff's Office were assigned to special detail assisting in the round-up which resulted in the arrests of 20 fugitives found living within the county."

The Dayton (OH) Daily News (11/3, Modic) reports, "Deputy U.S. marshals led other law enforcement agencies across half the states in the country, all this side of the Mississippi, last week rounding up almost 11,000 fugitives including 108 in the Miami Valley region. … Among those was Robert Farris on Jasper Road in Greene County, where task force officers forced open a door and had to Taser an aggressive dog before they took Farris into custody for multiple counts of sex crimes against children, according to James M. Wahlrab, U.S. Marshal for the Southern District of Ohio." The News adds, "Marshals and other officers assigned by local jurisdictions were tasked in teams of seven or eight officers to seek out each fugitive, Wahlrab said. … Gregory G. Lockhart, U.S. Attorney for the Southern District of Ohio, said the operation was sending the message, 'We will find you; we will track you down.'"

The Canton (OH) Repository (11/3, Monsewicz) reports, "Federal, state and local officers arrested 25 people in Stark County on general felony warrants last week as part of Operation Falcon III, a national fugitive round-up. … 'This was a great cooperative effort ....more productive than such an operation in any other region in the country,' said Canton Police Chief Dean McKimm." The Repository adds, "McKimm was among the more than 50 police chiefs, sheriff's deputies, task force officers and other law enforcement officers who gathered for an afternoon press conference in Akron that was hosted by the U.S. Marshals Service, which spearheaded the cooperative effort. … Cathy Jones, assistant chief deputy marshal, said the most notable Stark County arrest last week was the arrest of double homicide suspect, Edward Lee Lang III. The 19-year-old was charged with two counts of aggravated murder in connection with the execution-style deaths of a couple in what police called 'a drug deal-robbery gone awry.'"

The Springfield (OH) News-Sun (11/3) reports, "They began at 6 a.m. Oct. 22 — 51 law enforcement officers ready to serve warrants as part of Operation Falcon. … By the time they were done, Clark County Sheriff Gene Kelly said, 34 people were arrested locally, one runaway child was found and stolen property was recovered." The News-Sun adds, "Local offenses ranged from criminal trespassing and soliciting to complicity to robbery and felony robbery."

The Cincinnati Enquirer (11/3, Horn) reports, "Dozens of accused sex offenders and gang members in Greater Cincinnati are in jail today after one of the largest nationwide roundups of fugitives in history." The Enquirer continues, "More than 50 local officers were temporarily deputized by the Marshals Service so they could cross jurisdictional boundaries to pursue fugitives, something they ordinarily cannot do. … 'The citizens of our community are safer at this point because of the number of people taken off the street,' said Chris Riley, supervising deputy of the Marshals Service in Cincinnati. … Riley said the focus on fugitives allows the officers to follow tips and other information that they otherwise might not pursue because of jurisdictional problems or other responsibilities."

WEWS-TV, IBS 5, Cleveland, OH (11/3) reports, "Many of those arrested are from northern Ohio, where authorities targeted 10 counties, reported NewsChannel5's Jonathan Costen. … In northern Ohio, authorities obtained 894 warrants in connection with sex and gang-related offenses, making 584 fugitive arrests and seizing nine firearms. … 'We continue to be one of the leading task forces in the nation our success is built on our local and federal partners,' said Ohio U.S. Marshal Peter Elliott. … But officials said there's no room for complacency, and there are plenty of suspects walking freely on the streets. … 'Yes, we have two individuals we want to have profiled: Bruce Klingsgale and Jack Manigold, two very dangerous individuals known to carry a lot of weapons, both are being sought in Mahoning County, Ohio,' said the task force's Dean Michael."

WHIO-TV, Channel 7, Dayton, OH (11/3) reports, "Authorities said more than 100 wanted, suspected criminals are off the streets of the Miami Valley." WHIO-TV adds, "A Springfield woman was one of the dozens of people arrested during the operation. … Armed officers surrounded homes and came out with people in handcuffs. That was a common site all across the Miami Valley last week. … U.S. marshals who work in the Dayton area teamed up with dozens of surrounding cities and counties to capture fugitives."

Pennsylvania. The Pittsburgh Post-Gazette (11/3, Ove) reports, "One hundred twenty fugitives were rounded up in Western Pennsylvania during the past week during a nationwide dragnet for sex offenders, gang members and

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others." The Post-Gazette continues, "State, local and federal officials announced today in Pittsburgh that 350 officers and federal marshals took part in the roundup in 14 counties. … Of the 140 arrests in the region, 120 were wanted on felony warrants, including 12 sex offenders such as Megan's Law violators."

The Philadelphia Daily News (11/3, Hinkelman) reports, "William Knight had been arrested in December 2000 on charges of sexual assault, corruption of minors and indecent exposure. … His trial was supposed to start in March 2002, but Knight, 24, skipped the proceeding. … Last month, the law caught up with him when he was arrested at a home on Melville Street near Walnut." The News adds, "He was one of 194 local fugitives snared in Operation Falcon III, a nationwide roundup of fugitives from Oct. 22-28 coordinated by the U.S. Marshals Service. … In addition to the fugitives arrested in the Philadelphia region, marshals also announced yesterday that 55 other cases had been closed. Philadelphia figured in more than 80 percent of all fugitives apprehended and cases closed in the region. … Among those apprehended were 101 sex offenders, 73 of whom were not registered with the appropriate authorities. .. .U.S. Marshal Gary Shovlin said 80 drug cases and two homicides in the region also were closed."

The Harrisburg Patriot-News (PA) (11/3, Cassidy) reports, "While children were slipping into Halloween costumes last week, convicted sex offender John R. Spangler was trying to find out various municipalities' trick-or-treat times, authorities said. … When the West Hanover Twp. man walked into a television news station asking about trick-or-treat times, it aroused the suspicion of some employees, who wrote down his vehicle's license plate number and called police." The Patriot-News adds, "Spangler, 75, turned out to be wanted for failure to register with police as required by Megan's Law, authorities said -- and he was one of 10,773 fugitives arrested in what federal authorities dubbed a 'historic' multistate sweep of criminals on the run. … In the U.S. Middle District, which covers the midstate, the arrests included 13 suspected sex offenders, three alleged gang members and dozens of people wanted on drug, assault and other charges."

Rhode Island. WJAR-TV, NBC 10, Providence, RI (11/3) reports, "NBC 10's Larry Estepa reported that last week's roundup, led by the U.S. Marshals Service, resulted in the capture of 81 fugitives in Rhode Island, including arrests in a first-degree sexual assault case and a sealed indictment in a murder case. … 'It's been extremely successful. They've arrested thousands of people and brought them to justice. It's had a huge impact because we knock down the barriers of turf wars and jurisdiction,' Col. Steven Pare of the Rhode Island State Police said."

South Carolina. WSPA-TV, News Channel 7, Spartanburg, SC (11/3) reports, "State and federal police announced Thursday that they've completed the largest roundup ever focused on violent sex offenders and gang members. It was called Operation FALCON III, and 10,773 fugitives were arrested nationwide." WSPA-TV adds, "Here in South Carolina, marshals and local police arrested 392 wanted felons, including 51 sex offenders. … U.S. Attorney for South Carolina Reginald Lloyd says the streets are safer tonight because of the roundup. 'They're not just bringing those individuals to justice. They are, in my opinion, absolutely preventing future crimes and future victims,' he says." WSPA-TV continues, "Johnny Mack Brown, U.S. Marshal for South Carolina, says fugitives are dangerous already because they've already eluded police, but there's more. 'I have found out that all these people who commit crimes and get out on bond or are fugitives, they don't quit just because they're a fugitive or they've got a warrant for them. They continue to do their trade, and that is sell drugs, buy guns, rob people and those kind of things,' he says."

Tennessee. The Knoxville News Sentinel (TN) (11/3, Satterfield) reports, "Sure, capturing those 284 fugitives was sweet, but rescuing a toddler? … For Chief Deputy U.S. Marshal Ron Gibbs, it doesn't get much sweeter than that. … 'His biological mother had abducted him and brought him to East Tennessee,' Gibbs said of the 19-month-old child rescued during what was a secret nationwide hunt for fugitives unveiled Thursday." The Sentinel continues, "Florida authorities had put out an alert for the child. Texas authorities got a tip that the child was in East Tennessee. The Smoky Mountains Federal Fugitive Task Force was asked to add the case to its Operation FALCON III list. On Oct. 24 - two days into the fugitive roundup - the task force agents found the child in Sneedville, Tenn. … The toddler's rescue was just one highlight of a fugitive hunt organized and led by the U.S. Marshals Service, involving cases in 25 states including Tennessee."

The Chattanooga (TN) Chattanoogan (11/3) reports, "There were 163 fugitives in Chattanooga and Hamilton County caught in the nationwide 'Operation Falcon' net, officials said at a Thursday afternoon press conference. …

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Those included Tommie 'Wild Thing' Loyons, identified as a member of the Vice Lords gang, and Donald Yardley, sought for failing to register as a sex offender."

The Memphis Commercial Appeal (11/3, Conley) reports, "Police hit the jackpot when they chased Roderick Thomas into his house to arrest him for violating probation. … They found evidence of identity theft, vehicle ID fraud and counterfeit money. Elsewhere on the Barnes Court property in South Memphis they found a chop shop with stolen vehicles and parts. Thomas now faces charges of altering vehicle ID numbers, theft over $10,000, identity theft and forgery." The Appeal adds, "Thomas was one of more than 350 people arrested last week in West Tennessee on warrants in a nationwide sweep under the auspices of the U.S. Marshal Service called Operation Falcon III. … More than 260 came in Shelby County. In West Tennessee, more than 100 suspected sex offenders were arrested. … 'Any time you can lock up 262 suspects -- sex offenders, gang members -- it's a good day,' Memphis Police Director Larry Godwin said during a news conference Thursday."

The Hendersonville (TN) Star News (11/3, Burke, Carey) reports from Rickman, TN, "Children's bicycles, balls and toys littered the yard of Allen Marksberry's home in this Overton County community." The News continues, "Marksberry, 38, a convicted sex offender, was cited Thursday by U.S. Attorney General Alberto Gonzales as one of the 'worst of the worst' fugitives caught in a sweep that spanned 24 states and captured more than 10,000 wanted felons. … Marksberry made national news when Gonzales used him as example of the most dangerous predators captured in the sweep last week, dubbed Operation Falcon III." The News adds, "Agents in Middle Tennessee captured more fugitives than any other federal district, including two of the 15 most significant arrests nationwide — Marksberry and a Nashville gang member wanted for murder."

The Johnson City (TN) Press (11/3, Swing) reports, "'Our primary target in this effort was sex predators, unregistered sex offenders and wanted gang members,' said W. Warren Mays Jr., supervisory deputy U.S. Marshal in East Tennessee. 'I think the statistics speak for themselves as far as the success of Operation Falcon III.' … In East Tennessee, 284 fugitive felons were arrested. Of those, 65 were sex offenders and seven were documented gang members. Along the way, authorities also arrested fugitives wanted on local, state or federal arrest warrants for murder, kidnapping and other serious offenses. … In Washington County alone, 20 fugitives were taken into custody during the operation. Those arrested throughout Washington County were wanted on warrants for a number of crimes including aggravated sexual battery, a parole violation for first-degree murder, aggravated robbery, arson and schedule II narcotics offenses."

The Dickson (TN) Herald (11/3, Burton) reports, "More than two dozen Dickson County fugitives from justice were among the nearly 11,000 suspects captured during last month's Operation FALCON III." The Herald continues, "Twenty-nine Dickson County fugitives were captured during the roundup as nine teams swept Dickson and surrounding counties during the weeklong operation, according to federal officials. … The effort involved more than 500 law enforcement personnel from 99 agencies, including the Dickson County Sheriff's Office and the Dickson Police Department. … 'It was the most successful operation that I've ever been a part of in arresting fugitives in my entire 33-plus years of service,' U.S. Marshal Denny King said yesterday. .. .Tommy Thompson, chief deputy marshal for Middle Tennessee, said during the sweep that the cooperation between federal, state and local law enforcement agencies was key to the success of the operation."

WATE-TV, ABC 6, Knoxville, TN (11/3, Estep) reports, "Hundreds of violent criminals are off East Tennessee streets and in jail thanks to a massive federal round-up." WATE-TV adds, "During the last week of October, local and state police were sworn in as U.S. Marshals for the operation. That means they could legally cross county, city and state lines to arrest fugitives, just like federal officers can. … Officers concentrated on 41 counties in East Tennessee, arresting fugitives in Knox, Anderson, Blount, Sevier, Cocke, Claiborne and Hamblen counties, just to name a few. … 'It was a seven-day, around-the-clock operation,' Chief Deputy U.S. Marshal Ron Gibbs explains. 'It's something you just cannot keep up day in and day out. But for a week's focus, I'm very proud of everyone. There were not any incidences in our arrests. Everyone stayed safe, including those who were arrested and we're very proud of that.'"

WSMV-TV, NBC 4, Nashville, TN (11/3) reports, "Tennessee led the country for capturing the most fugitives as part of this nationwide effort to crack down on accused criminals hiding from police." WSMV-TV adds, "Last week's roundup, led by the U.S. Marshals Service, included Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was baby-sitting several young children when he was

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arrested on Oct. 24. … Including in the roundup was 36 sex offenders who are accused of failing to register. … Also nabbed were Demetrius Avery Jackson, an accused cop killer in Birmingham, Ala., and Eric Dewayne Meneese, a Crips gang member, in Nashville, Tenn." WSMV-TV notes, "The 32 counties of Tennessee's middle district, where Marksberry and Meneese were captured, saw more arrests and warrants cleared than any other district in the 24 states east of Mississippi River where the roundup took place, authorities said. … U.S. Marshal Denny King said at a Nashville news conference that the arrest of sex offender Marksberry alone was worth 'every bit of effort' the operation required. … 'We rescued three kids. ... How many other kids did we save from Marksberry?' King said."

WMC-TV, Action News 5, Memphis, TN (11/3) reports, "Action News 5 went along for some of the local arrests, as teams led by U.S. Marshals swept the streets of Memphis. Arrests were made for a wide variety of crimes, but nowhere else were there as many convicted sex offenders wanted for not being registered: The Western District of Tennessee ranked number one. … 'We were very, very aggressive here in West Tennessee of going out and getting these guys,' said U.S. Marshal David Jolley at a press conference Thursday."

Vermont. The Rutland (VT) Herald (11/3, Keays) reports, "A weeklong fugitive sweep of the eastern and central United States has led to almost 11,000 wanted criminals taken into custody, including 83 from Vermont and eight from Rutland County." The Herald continues, L"In Vermont, the roundup was led by the U.S. Marshals Service and included several local and law enforcement agencies around the state. … National figures on fugitives captured were released Thursday in Washington, D.C, while the numbers from the Vermont operation were announced at a press conference in Burlington attended by federal, state and local law enforcement officials." The Herald adds, "In total, the operation in Vermont led to the capture of 83 people and cleared 110 arrest warrants for various offenses, ranging from failing to register as a sex offender to drug offenses, Bill Gerke of the U.S. Marshals Service in Vermont said after the press conference."

Virginia. The Richmond Times-Dispatch (11/3, Campbell) reports, "Freedom ended suddenly for 59 fugitives in the Richmond area during seven days in October as U.S. marshals led a law-enforcement sweep of alleged criminals from the streets." The Times-Dispatch continues, "The Henrico-to-Petersburg arrests were just a few of nearly 11,000 captures of suspects during Operation Falcon III, a weeklong Justice Department effort that concentrated on arresting documented gang members and convicted sex offenders in 24 states east of the Mississippi River. … Kevin Connolly, the U.S. marshal who leads the Regional Fugitive Task Force here, said no fugitive arrested in Richmond during Operation Falcon III resisted physically -- officers got 'just some nasty attitude from some of them,' he said. … About two-thirds of the Operation Falcon arrests here were of men, Connolly said."

The Norfolk Virginian-Pilot (11/3, Mcglone) reports, "Police and federal agents in Hampton Roads arrested 227 felony suspects as part of a nationwide operation called Falcon III that targeted sex offenders and gang members, the U.S. Marshals Service announced Thursday. … Among those arrested was Robert Shells, suspected of raping and sodomizing a 4-year-old girl in Norfolk. He was picked up in New York and will be extradited to face charges here."

WWBT-TV, NBC 12, Richmond, VA (11/3) reports, "Between Richmond, Petersburg, Henrico and Chesterfield, a total of 59 wanted people were arrested on some 82 outstanding warrants. Of the 59 arrested, U.S. Marshals say two are documented gang members and 17 others were wanted on sex-related offenses. … 'The investigators did the research and obtained the photos, so that when we hit that first door at five in the morning we had the best odds of catching that fugitive there,' says Kevin Connolly of the U.S. Marshal Service. Inspector Connolly is one of 30 law enforcement officers who formed a team that spent the week working 10-14 hour-days in our area."

WVEC-TV, ABC 13, Hampton Roads, VA (11/3) reports, "In Hampton Roads, what is being called 'Operation FALCON III' netted 227 felony arrests, including 5 gang members, 11 unregistered sex offenders, and 16 who were wanted on sex charges. … The roundup also resulted in the seizure of four handguns and 40 capsules of heroin, according to the United States Marshals Service."

West Virginia. The Huntington (WV) Herald-Dispatch (11/3, Johnson) reports, "A one-week focus on nabbing fugitives cleared more than 200 warrants across Southern West Virginia, part of a nationwide sweep that brought in nearly 11,000 fugitives." The Herald-Dispatch continues, "At least 77 of the area warrants were cleared from the books in Cabell and Wayne Counties, as authorities spent most of last week looking for sex offenders, drug traffickers and other fugitives. … Brad Sellers, a supervisory deputy working locally for the U.S. Marshals Service, explained most cases were

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cleared by way of police making an arrest or locating the fugitive at another correctional facility."

The Charleston Gazette (11/3, Gustafson) reports, "Law enforcement officers served 345 warrants, including 35 for sex offenses, across West Virginia as part of a recent national fugitive roundup headed by the U.S. Marshals Service." The Gazette continues, "In the state's Southern District, burglary or larceny, drugs and assault accounted for most of the 216 warrants served during the six-day operation in Kanawha, Fayette, Cabell, Raleigh and Wayne counties. … The warrants also included 22 for sex offenses, including 15 for failure to register as a sex offender. … 'The success of this operation could only have been accomplished through the determination and dedication of many federal, state and local officers that teamed up to make the communities of Southern West Virginia safe,' U.S. Marshal James Dawson said."

WOWK-TV, CBS 13, Huntington, WV (11/3) reports, "In West Virginia, Operation Falcon III, led to the arrest of 129 people. … With such a large operation the state was divided into two regions; north and south. … In the northern region the Bridgeport, Martinsburg and Morgantown Police Departments were among those taking part. … In the southern region the Charleston, Huntington and Beckely Police Departments joined a much larger group that included state agencies."

The Martinsburg (WV) Journal (11/3, Marshall) reports, "A total of 65 wanted fugitives were arrested in the Eastern Panhandle during a weeklong, nationwide roundup headed by the U.S. Marshals Service with the help of local, state and federal law enforcement." The Journal continues, "In the Eastern Panhandle, 65 people were arrested on outstanding warrants and 111 warrants were cleared, Assistant U.S. Attorney Paul T. Camilletti and Deputy U.S. Marshal Michael Ulrich announced Thursday at a news conference at Martinsburg's U.S. District Court. … In the Northern District of West Virginia as a whole, 129 people were arrested, and 299 outstanding warrants were cleared, Camilletti said. … 'Because of this effort, we have been very successful in apprehending our fugitives and getting them back into court and keeping the process going. We haven't had very many slip through the cracks. We've also been able with our task force to assist Maryland, Pennsylvania and Virginia in apprehending some of their fugitives,' Camilletti said. … 'Our office has always supported the task force concept, and Operation Falcon III is an excellent example of how well task forces can work to benefit our communities,' said Sharon L.Potter, U.S. attorney for the Northern District of West Virginia, during a separate press conference Thursday. 'By combining the resources and intelligence available to local, state and federal agencies, we greatly enhance our ability to apprehend fugitives. Successful task force approaches in the Northern District of West Virginia have included drug trafficking, cyber crimes, crimes against children and now Operation Falcon III.'"

Mueller Warns FBI Employees About Corruption Probe Leaks. The New York Times (11/3, Johnston, 1.21M) reports, "Director Robert S. Mueller III of the F.B.I. has issued a stern message to the bureau's nearly 30,000 employees warning them against leaks of confidential information after recent news articles disclosed criminal inquiries involving incumbent lawmakers, mainly House Republicans. 'There have been a number of recent stories in the press attributing sensitive law enforcement information to "federal law enforcement officials,"' Mr. Mueller said in an Oct. 26 e-mail message. 'While I cannot say they have come from F.B.I. employees, such disclosures do serious damage to our investigations and risk unfairly tarnishing the subjects of our investigations who enjoy the presumption of innocence.' In similar election season warnings," Assistant Attorney General Alice S. Fisher and Executive Office for United States Attorneys Director Michael A. Battle "sent messages on Wednesday to prosecutors reminding them of departmental rules against leaks." The Times notes, "Mr. Mueller has tried, during his five-year tenure, to keep a tight lid on the Federal Bureau of Investigation's activities in advance of elections, and is said by some associates to have been 'livid' at the recent disclosures. … 'He was angered by it because he understands how the leaks can damage investigations,' said John Miller, the F.B.I.'s spokesman."

Grand Jury Indicts Track Coach As BALCO Investigation Continues. There are more than 600 media references to the indictment of track coach Trevor Graham by the grand jury in San Francisco investigating doping in sports. For example, the New York Times (11/3, Schmidt) reports Graham, the track coach who "trained several elite Olympic athletes who have been linked to performance-enhancing drugs, was indicted yesterday in the investigation he helped begin three years ago. A federal grand jury in San Francisco returned a three-count

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indictment accusing Graham of making false statements to special agents in the investigation into performance-enhancing drugs and related money laundering. The charges arise from the Bay Area Laboratory Co-Operative scandal, a sweeping investigation of sports doping." The indictment "alleged that Graham obtained illegal performance-enhancing drugs from an unidentified source and gave them to athletes he coached. It also said that Graham referred athletes to an unnamed source so they could obtain performance-enhancing drugs directly."

The Los Angeles Times (11/3, Hersh) reports, "Now that the federal investigation of Graham has ended in the indictment, the U.S. Anti-Doping Agency is likely to charge the coach with a doping offense. 'No one has a license to break sports rules or federal laws just because they turn in a drug dealer to the authorities,' USADA general counsel Travis Tygart said Thursday."

The San Francisco Chronicle (11/2, Fainaru-wada, Williams) reports Thursday's indictment "alleged that Graham lied to special agents from the Internal Revenue Service's Criminal Investigations unit when he told them he had never set up any of his athletes with performance-enhancing drugs from an unidentified source."

The Washington Post (11/3) reports, "In the five-page indictment from U.S. District Court for the Northern District of California, the government alleged that Graham lied about his relationship with an unnamed source of performance-enhancing drugs. The indictment said Graham met the source in 1996 or 1997, sent athletes to him for drugs and relied upon him for illegal drugs 'for years.'"

The Chicago Tribune (11/2, Hersh) reports Graham "is the sixth person indicted in the BALCO investigation, a group that includes Barry Bonds' trainer, Greg Anderson. The other five have been convicted after making deals with prosecutors that kept any of the cases from going to trial. The question now becomes whether Graham cuts a deal that will prevent a trial in which many of his athletes and former athletes…could be called to testify."

Bloomberg (11/2, Gullo) writes, "Graham, coach to Olympic sprinters Marion Jones and Justin Gatlin, obtained illegal performance enhancing drugs from an unnamed source and lied about it to U.S. Internal Revenue Service agents who interviewed him in June 2004, according to a statement today by the U.S. Attorney's office in San Francisco. Graham also lied about never meeting the source in person, and about his last contacts with the unnamed supplier, the statement said."

The AP (11/3, Kravets, Elias) writes, "According to the indictment, Graham lied to federal investigators in 2004 when he told them he didn't provide his athletes with performance-enhancing drugs. It said he obtained those drugs from a person identified only as 'Source A' and that he 'provided them to athletes he was coaching and also referred athletes he was coaching to Source A to obtain illegal performance-enhancing drugs directly from Source A.'" News outlets that used the AP story include ABC News, USA Today, the Los Angeles Times, and Houston Chronicle.

Sports Network (11/2) reports Graham's arraignment "is set for November 16 before Magistrate Judge Edward M. Chen. He faces 15 years in prison and a fine of $750,000 if convicted on all three counts."

On its Web site, NPR's All Things Considered (11/2) reports the grand jury that "handed out the indictment against Graham is the same one that continues to investigate baseball star Barry Bonds. At least one sports analyst says that Graham's indictment is good news for Bonds, as it means that the grand jury is taking action against the coach -- but still apparently doesn't have enough evidence to issue charges against Bonds."

BBC Sports (11/3) reports Graham "could face up to 15 years in jail after being charged with hindering a US government investigation into steroids in sport."

Cable TV Coverage. ESPN (11/3, 1:30 a.m.) aired, "Trevor Graham, who has coached some of the world's fastest sprinters is charged with counts of hindering the investigation of federal agents. He touched off the steroid investigation three years ago when he anonymously mailed authorities a vile of a previously undetected steroid. He's coached…Marion Jones and Tim Montgomery."

Virginia Sheriff, Others Indicted In Federal Drug, Money-Laundering Investigation. The Washington Times (11/3, Seper) reports a federal grand jury "has indicted 20 persons, including Henry County, Va., Sheriff Harold Frank Cassell and 12 of his current or former deputies, in connection with a major drug, weapon and money-laundering conspiracy in southern Virginia. Fourteen persons were arrested yesterday as a result of a Drug Enforcement Administration investigation. The county law-enforcement officers are accused of stealing, selling and using cocaine, crack, marijuana, steroids and date-rape

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drugs and confiscating weapons being held as evidence. … 'As a public servant, I am deeply disturbed by the actions of these individuals, especially the law-enforcement officers arrested today,' said Shawn A. Johnson, special agent in charge of the DEA's Washington division. 'Those who betray the public trust insult the integrity and honor of all police officers who risk their lives upholding the law.'"

The Washington Post (11/3) reports DEA officials "said a major break came in March 2005 during a large investigation, dubbed Operation Cyber Chase, into illegal online prescription drug sales. While investigating more than 200 Web sites that illegally sold drugs around the world, DEA agents intercepted an express mail package containing 2 kilograms of ketamine, an animal tranquilizer known as Special K, that was shipped to a Henry residence, the indictment says. DEA agents set up a sting for its intended recipient, who told them he was working as a middleman for Sgt. James A. Vaught of the sheriff's office, the indictment says."

The AP (11/2, Lindsey) reports Sheriff Cassell "was charged with money laundering and impeding the investigation by the FBI and federal drug enforcement agents. … The indictment states that one of the residents, William R. Reed, told investigators that a house owned by one of the sheriff's officers was used for drug distribution. Mr. Reed cooperated in the investigation following his arrest last year on charges of possession of narcotics with intent to distribute." The AP story was used by the Winston-Salem Journal

The Roanoke (VA) Times (11/3) reports a 48-count indictment "brought down this week accuses sheriff's office employees of using and dealing drugs; stealing narcotics and guns from evidence and redistributing them in the community; and lying to federal investigators. Cassell himself is accused of trying to throw federal agents off the trail to protect officers he knew were involved in illegal activity. … The investigation began in March 2005 with a tip from the Philadelphia DEA office about a package containing the illegal drug ketamine, known as a date rape drug."

The Richmond (VA) Times-Dispatch (11/2) reports, "H.G. Vaughn, chairman of the Henry Board of Supervisors, said the board passed a resolution yesterday evening asking Cassell to resign immediately. He said the board had met with FBI, Drug Enforcement Administration and Virginia State Police officials in a closed-door meeting. The two-paragraph resolution said that while the supervisors did not intend to determine guilt or innocence, 'it is this board's firm belief that Sheriff H.F. Cassell's ability to manage his department is irreparably damaged in light of these events.'"

On its Web site, ABC News (11/2) reports the indictments "culminate a five-year Drug Enforcement Administration investigation into accusations of corruption. More than 20 individuals, including the 12 deputies, have been indicted in the drug distribution and money laundering ring. … In March 2005, the DEA became aware that members of the sheriff's office may be linked to the ketamine drug ring and sent a controlled delivery of the drug to a house that had been a key distribution point. That house was owned by James Vaught, a sergeant who worked for Cassell."

On its Web site, CNN (11/2) reports, "The investigation that exposed an allegedly corrupt Virginia sheriff's department began with a package containing vials of a date-rape drug. Although Drug Enforcement Administration agents didn't know it at the time, the package was shipped to a house that belonged to a sergeant with the Henry County Sheriff's Office. … The result was a 48-count indictment unsealed Thursday with the arrests of longtime Sheriff Harold Franklin Cassell and 17 others. A dozen of them wore or had worn the uniform of the Henry County Sheriff's Office."

WSLS-TV, Roanoke, Virginia (11/2) has posted a timeline for the indictment on its Web site.

WSLS-TV (11/2) also reports on its Web site that Cassell "is accused of helping members in his department with money laundering and distributing narcotics."

Marijuana Dispensary Raided In California. The Press-Enterprise (11/3) reports authorities on Thursday "raided a Palm Springs medical-marijuana dispensary for the second time in a month. An affidavit supporting the search warrant that authorized the raid accused Palm Springs Caregivers of illegally selling marijuana for profit, said Special Agent Sarah Pullen, of the federal Drug Enforcement Administration, which carried out the raid with officers from the Palm Springs Narcotics Task Force. The dispensary continued its illegal sales after a raid on Oct. 4, she said." However, "no one was arrested Thursday."

DEA Trains Afghan Police To Bolster Anti-Drug Efforts, Thwart Corruption. The AP (11/3) reports Afghan farmers "now planting opium poppies will probably reap a harvest comparable to this year's record crop, in part because insurgents are preventing effective counter-

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narcotics work, officials said Thursday. … Anti-drug officials say that despite anti-cultivation campaigns, they foresee little improvement by harvest time next spring. … Seeking to counter corruption that hinders anti-drug efforts, the U.S. Drug Enforcement Agency is training special units of Afghan policemen who must pass polygraph exams and investigations of their backgrounds, Karen P. Tandy…said during a visit Sunday. … 'DEA is very accustomed to working in countries where corruption is rampant,' she said. 'We have a method that has been extremely successful. … You have patriots in every country who care about the future of their country, and that is no less true here in Afghanistan.'" There are more than 100 media references to Afghanistan's opium poppy harvest and anti-drug efforts. The AP story was used by CBS News, FOX News, the Wall Street Journal, Washington Post, Forbes, Houston Chronicle, San Diego Union Tribune, Kansas City Star, and Minneapolis Star Tribune.

Michigan Man Gets Life Sentence In Drugs, Firearms Case. The Muskegon (MI) Chronicle (11/2, Hausman) reports a Muskegon man "has been sentenced to life in federal prison without chance of parole after a jury convicted him of large-scale drug trafficking and firearms offenses. U.S. District Judge Robert Holmes Bell on Wednesday ordered Lakento Brian Smith…to prison for life for conspiracy to distribute at least 500 grams of cocaine and at least 50 grams of 'crack' cocaine, and for possession with intent to distribute at least 50 grams of 'crack.'" Smith "was arrested Oct. 28, 2005, at his home after an extended investigation by the Grand Rapids and Detroit offices of the U.S. Drug Enforcement Administration, the West Michigan Enforcement Team, the Bureau of Alcohol, Tobacco, Firearms and Explosives and the Muskegon Police Department."

IMMIGRATION:

Washington Pastor Deported From South Korea To Face US Fraud Sentencing. The AP (11/3) reports from Tacoma, WA, "A pastor who fled to South Korea after he was convicted of helping Korean nationals file fraudulent visa applications has been returned to Washington state for sentencing." The AP continues, "Dong Wan Park, 53, was convicted of conspiracy, visa fraud and obstruction of justice in June. … Prosecutors said that Park, pastor of Hope Korean Church, advertised in a Korean language newspapers that immigration visas were available through his church. He charged as much as $30,000 to provide people with visa paperwork including phony transcripts from a Korean seminary and a certificate of ordination from a Korean bishop. .. .None of the applicants was ever employed at the church, and none had any religious training." The AP adds, "During his trial, Park claimed the money received from visa applicants was either a loan or a donation to the church. Authorities said Park, who was released on bond, fled the country less than three weeks after the verdict. … The Department of Justice on Wednesday announced that he was returned to the country after Park's native South Korea decided to deport him back to the United States. … The Justice Department said that Park had wired $290,000 to a bank in South Korea after he persuaded church elders to authorize the sale of the church, which netted him $350,000."

TAX:

Snipes Reportedly In Discussions With DOJ Over Tax Fraud Charges. E! Online (11/3, Grossberg) reports, "Is Wesley Snipes ready to pay the piper? … A Justice Department spokesman told E! Online Thursday that the government has been working with the Blade star's lawyers on a deal in the actor's multimillion-dollar tax fraud case. … 'We have been in contact with his representatives and are making progress as far as getting him to return to the U.S to face criminal charges,' said Steve Cole of the U.S. Attorney's Office in Tampa, where the indictment was filed. 'No timetable has been set.'" E! Online continues, "Snipes is currently in Namibia filming the horror flick Gallowwalker. Although there is a warrant out for his arrest, the African country does not have an extradition treaty with the United States. … Meanwhile, Cole said his office was 'not confirming or denying' a report in Thursday's Daily Variety that Snipes had reached a settlement with the Internal Revenue Service, which would keep him out of the big house and churning out B-grade action thrillers for years to come. .. .Per the trade paper, Snipes will supposedly surrender to authorities when he returns to the States in December but won't be locked up. The report claims the actor has agreed to make good on millions of dollars in back taxes; in exchange, federal prosecutors purportedly have agreed to allow him to continue working to erase his debt." E! Online notes, "The 44-year-old actor was indicted Oct. 17 for attempting to scam the IRS out of $12 million in fraudulent refunds from 1996 to 1997.

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Additionally, the actor was accused of not filing any returns from 1999 to 2004."

Grassley, Baucus Criticize IRS Online Filing Program. The AP (11/3, Abrams) reports, "Leaders of the Senate Finance Committee say a deal between the Internal Revenue Service and private tax preparers that allows people to submit returns by computer is too restrictive and discourages electronic filing." Sens. Charles Grassley and Max Baucus "said declines in participation in the Free File program show it is not working. 'If the tax preparation industry cannot provide free basic filing services without hidden costs and traps, perhaps it is time to consider having the IRS provide a direct filing portal to enable all taxpayers to file electronically without cost,' they wrote IRS Commissioner Mark Everson on Thursday."

CONGRESS-ADMINISTRATION:

Rangel Says Prospect Of Cheney Presidency Reason Not To Impeach Bush. Asked on MSNBC's Tucker (11/2, Carlson) why Democrats would not "begin impeachment proceedings the moment they take power," Rep. Charles Rangel said, "I can give you one good reason. If you know Dick Cheney, you wouldn't think about impeaching Mr. Bush."

Card Describes Bush's Morning Routine. Asked about President Bush's morning routine on MSNBC's Hardball (11/2, Matthews), former White House Chief of Staff Andrew Card said, "Before 9/11, he used to show up at 7:00 at the Oval Office. After 9/11, he showed up at 6:45. Now, 15 minutes may not sound like much to you, but when I was the chief of staff and I had so much reading to do in the morning and I would show up to the office at 5:30, that extra 15 minutes of time that I lost because I had to go down and greet the President when he walked into the Oval Office was pretty tough." Matthews: "Does he read the paper before he comes to work?" Card: "He skims the newspaper. Laura read it. And sometimes Laura would read it to him, or at least I could tell when she had. … The President did not dwell on the editorial page or the op-ed page of any of the newspapers. He did look at the sports page. He looked at the front page."

Democratic Congress Would Seek To Amend Drug Benefit Plan. The Washington Times (11/3, Lopes, 88K) reports, "Democrats would use a new majority in Congress next year to highlight contentious health care issues such as high prescription-drug prices and funding for stem-cell research. Republicans, meanwhile, would push for an expansion of consumer-driven health care to reduce US reliance on entitlement programs." The Times adds, "At the top of the Democrats' health care agenda is giving the federal government the ability to negotiate Medicare drug prices directly with the pharmaceutical companies. 'First, Democrats would repeal the ban on allowing Medicare to use the bargaining power of its 43 million beneficiaries to negotiate lower drug prices,' said Jim Manley, spokesman for Senate Minority Leader Harry Reid of Nevada." House Minority Leader Nancy Pelosi of California "has made it clear in recent weeks that the Democrats would make negotiating Medicare drug prices a high priority. Medicare is the federal health insurance program for seniors." A Democratic majority also "would focus on expanding health insurance for children and stem-cell research."

Top OMB Officials Outline Future Of Bush's Management Agenda. The Washington Post's (11/3, D4, Barr) "Federal Diary" column reports that several top "policymakers who oversee federal management issues" appeared together "to discuss internal workings of the government," the "urgency of reshaping the federal workforce, cleaning up the government's financial books and pulling the plug on duplicative technology systems." The Post adds that among other things, the officials were asked "what they hoped to accomplish in the last two years of the Bush administration and whether they thought President Bush's management agenda would survive in the next White House." Karen Evans, the OMB's technology chief, "acknowledged that in the next administration, 'you may see that [federal technology] investments will change ... to support different priorities.' Paul Dennett, in charge of federal procurement policy at OMB," said, "It is very important that we make competitive sourcing work," while Robert Shea, head of a "project to rate federal programs based on their performance, said he would urge the next White House to use a scorecard to track agencies' progress toward management goals."

Federal Government To Reopen Bidding On Contract For ID Cards. The Washington Post (11/2, D1, Kirkham, 748K) reports the Federal Government "has

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decided to reopen the bidding to produce hundreds of thousands of universal government identification cards, stripping the McLean consulting firm BearingPoint Inc. of a potential five-year contract." It is "an unusual move for the General Services Administration, coming just two months into the $104 million contract. BearingPoint will continue to develop ID cards for government employees and contractors through early January, after which the GSA will either ask for more bids or allow agencies to choose from an approved list of vendors."

Medicaid Shifts Policy To Require Citizenship Proof For Infant Care. The New York Times (11/3, Pear, 1.21M) reports, "Under a new federal policy, children born in the United States to illegal immigrants with low incomes will no longer be automatically entitled to health insurance through Medicaid, Bush administration officials said Thursday. Illegal immigrants are generally barred from Medicaid but can get coverage for treatment of emergency medical conditions, including labor and delivery." The documentation "requirements took effect in July, but some states have been slow to enforce them, and many doctors are only now becoming aware of the effects on newborns."

The AP (11/2, Freking) reported the American Academy of Pediatrics, the American Academy of Family Physicians and the March of Dimes health groups "are concerned" the new requirement could mean "that babies born to illegal immigrants could be denied essential medical care such as immunizations and physicals." In the past, "the government required states to provide the babies with a full year of eligibility for Medicaid." Now, "mothers of the newborns will have to apply for Medicaid on behalf of their newborns, which many will not want to risk." However, Medicaid officials "are skeptical about the groups' claims."

OTHER NEWS:

US Productivity Growing At Slower Pace; October Retail Sales Mixed. The Financial Times (11/3, Callan, Guha) reports, "US productivity growth stalled in the third quarter, while unit labour costs continued to rise at a strong clip, heightening the dilemma for the Federal Reserve as it seeks to balance the risks from a slowdown in growth and stubbornly high inflation. The slowdown in productivity, which was flat over the quarter and up only 1.3 per cent over the previous year, was largely the consequence of slowing growth." But "it could also signal that the underlying rate of productivity growth in the US is declining. Unit labour costs rose at an annualised rate of 3.8 per cent, considerably faster than the core rate of inflation as measured by the personal consumption expenditure deflator. But while the increase in unit labour costs is a potential source of concern on inflation, the rate of growth has slowed since the first half of this year."

USA Today (11/3, Kirchhoff, 2.27M) says "recent economic data, including Thursday's report that productivity growth sputtered this summer, while wages rose at the fastest pace in two decades, has the central bank caught between what economist Allen Sinai calls 'recessionlike' slow growth and 'sticky high' inflation. … If the Fed pushes rates higher to combat inflation, it could further hurt the interest-sensitive auto and housing sectors. A rate cut to combat slowing growth is dicey with inflation still so high." USA Today adds, "Economists will be watching October employment figures to be released today by the Labor Department."

The Wall Street Journal (11/3, A3, 2.03M) reports, "Including the likes of Nordstrom Inc. and Kohl's Corp., department stores rang up strong sales of fall fashions as cool temperatures stoked demand for coats, sweaters, leggings and other cold-weather gear, according to October sales results issued yesterday by most major chain stores. Many specialty retailers and discounters were disappointments. And the slower-than-expected pace of sales overall added to worries about whether middle-income consumers will continue spending amid a shaky housing market." The Journal adds, "As shoppers bundled up2 in new clothes in the autumn chill, some major retailers were celebrating but others were left out in the cold."

USA Today (11/3, Fetterman, 2.27M) headlines its report "Retail Sales Show Mostly Rich Shop Till They Drop," and says "in the retail world, the holidays are shaping up to be a case study in the haves and have-nots. Which side a retailer falls on depends on its customers: Do they have money? Or are times tight?"

Stocks Slip. NBC Nightly News (11/2, story 8, 0:10, Williams, 9.87M) reported, "Taking a look at Wall Street today the Dow was off twelve and half points [to close at 12,018.54]. NASDAQ was off just a fraction of a point [to close at 2,334.02] at the end of trading."

The Wall Street Journal (11/3, C1, McKay, 2.03M) reports, "The Dow Jones Industrial Average flirted with the 12000 level again, but this time on the downside, as the

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market fell because of weak economic data. Reports of surprisingly soft retail sales and productivity, coupled with a bigger increase in jobless claims than analysts anticipated, ratcheted up investors' worries that the current economic slowdown might be worse than expected. In recent months, many on Wall Street have been hoping for a gradual softening, which would shake out excess financial speculation but leave workers and consumers unscathed and keep corporate profits strong." The Journal also notes that "the Standard & Poor's 500-stock index finished down at 1367.34, off 0.47 point, but up 9.5% year to date."

The CBS Evening News (11/2, story 7, 3:05, Couric, 7.66M) reported, "The Dow was down for the fifth straight session. The longest losing streak of the year, and here are a couple of reasons for today's decline: The productivity of American workers showed zero growth in the third quarter, while the cost of their wages and benefits shot up at the fastest clip in more than two decades. That could add up to jobs in jeopardy."

Fed Official Says Rates Were Kept Low Because Of Faulty Data. The Wall Street Journal (11/3, A6, lp, 2.03M) reports, "In an apparent and rare in-house critique, the president of the Federal Reserve Bank of Dallas said that because of faulty inflation data, the Fed kept interest rates too low for too long earlier this decade, fueling speculative housing activity. A number of critics have said the Fed under former chairman Alan Greenspan kept monetary policy too easy from 2003 to 2004." But Richard Fisher's remarks "to the New York Association for Business Economics yesterday mark the first time some Fed watchers could recall a sitting Fed policy maker making such comments." Fisher "said from 2002 to early 2003, inflation, as measured by the price index of personal consumption expenditures (PCE) excluding food and energy, was running below 1%." Fisher "noted that subsequent revisions show PCE inflation was actually a half a percentage point higher than originally estimated."

Study Finds Rich Getting Richer At Faster Rate. McClatchy (11/3, Hall) reports, "Over the past quarter-century, and especially in the last 10 years, America's very rich have grown much richer. No one else fared as well. In 2004, the richest 1 percent of households -- 719,910 of them, with an average annual income of $326,720 -- had 19.8 percent of the entire nation's pretax income. That's up from 17.8 percent a year earlier, according to a study by University of California-Berkeley economist Emmanuel Saez." The study, titled "The Evolution of Top Incomes," also "found that the richest one-tenth of 1 percent of Americans - 129,584 households in 2004 - reported income equal to 9.5 percent of national pretax income." However, "median, or midpoint, family income rose only 1.6 percent between 2001 and 2004, when adjusted for inflation, according to the Federal Reserve."

Bush Suggests Democrats Soft On Terror In Campaign Trips To Nevada And Montana.

Almost universally, media commentators are portraying President Bush's campaign visits to Montana and Nevada, two "red states," as a sign the Republicans are in serious jeopardy this election cycle. Particularly on TV, the substance of Bush's remarks on the stump received almost no attention. The CBS Evening News (11/2, lead story, 2:40, Axelrod, 7.66M) said that "even most Republicans now concede the House is gone -- which is why President Bush is out working red state America hard to try to keep from losing the Senate as well." Bush "flew to Montana today to try to help Republican Senator Conrad Burns. … Just weeks ago Republicans were ready to write Burns off. Democrat Jon Tester had that much of a lead in the polls. But an infusion of Republican Party ads hitting Tester on taxes has helped narrow the race. The White House is pulling out all the stops. The President's visit follows Dick Cheney's yesterday." The Missoulian (11/3, Jamison) reports that at a Republican get-out-the-vote rally, Cheney "touted the national GOP agenda, saying the re-election of Conrad Burns was critical to continuing the Bush administration's efforts in Washington, D.C., and abroad."

ABC World News (11/2, story 3, 2:15, Gibson, 8.78M) reported Bush's "itinerary speaks volumes about the challenges Republicans face. He's visiting states where the GOP is normally rock-solid." ABC (Stephanopoulos) added, "Look at two states that the President is visiting, Nebraska and Kansas. Two of the most Republican congressional districts in the country. But the President has to go there. It's one more sign that the list of vulnerable Republican races is growing. Back on Labor Day, we counted only 36 competitive seats held by Republicans. Now that number has claimed to 53." ABC added, "Since 1860, there have been six congressional elections like this, during wartime. In every, single one of them, the President's party has taken a beating, losing on average, 35 House seats and 5 Senate seats."

NBC Nightly News (11/2, lead story, 3:20, Gregory, 9.87M) also called Bush's campaign swing "a sign of just

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how vulnerable Republicans are," and adds that "unlike many Republicans…Burns, still trailing his Democratic challenger, welcomes the President, hoping he will energize the base." Bush was shown saying, "It's good to be in a part of the world where the cowboy hats outnumber the ties. … If the people of Montana want good judges, judges who will not legislate from the bench, judges like John Roberts, you vote for Conrad Burns for the United States Senate."

CNN's The Situation Room (11/2, Malveaux) reported, that "it really doesn't matter where the President travels; there is always that elephant in the room. That is the Iraq War, the number one issue for voters. … The President's strategy…is to emphasize that, yes, he gets it, realizes it's a tough fight in Iraq, and secondly to convince Americans that he does have a plan, a strategy of his own that ultimately will mean that they win."

At the start of CNN's Lou Dobbs Tonight (11/2), host Dobbs said, "Bush today launched an all-out assault against his Democratic critics of the conduct of this war in Iraq. President Bush said harsh criticism, as he put it, is not a plan for victory." Bush's remarks are "the latest indication that the White House believes it can rally the Republican base with a strong defense of the war in Iraq. The Democrats appear to welcome this election battle over Iraq. The Democratic Party is expected to close its election campaign with a barrage of hard-hitting ads blasting the president's conduct."

USA Today (11/3, 2.27M) reports Bush "chided Democrats who he said voted against legislation to detain and interrogate suspected terrorists, the National Security Agency's eavesdropping program and the USA Patriot Act." He also "stressed that when voters cast their ballots, they will be deciding what kind of judges sit on federal courts."

The AP (11/3, Riechmann) quotes Bush saying, "When it comes to listening to the terrorists, what's the Democrat's answer? Just say no. … When it comes to detaining terrorists, what's the Democrats' answer? … So when the Democrats ask for your vote on Nov. 7, what's your answer?"

The Billings Gazette (11/3) reports on Bush's "an animated political stump speech," and notes the President appeared "with his shirtsleeves rolled up and no tie" as he urged Montanans to vote for d Burns and Rep. Denny Rehberg. The New York Times (11/3, Rutenberg, 1.21M) headlines its report "This Election, Modest Tour For President," and says, "If there is one thing the White House can usually count on when President Bush campaigns in small, Republican-leaning cities like this one, it is friendly wall-to-wall news coverage of his arrival. And his visit here on Thursday did make the front page of The Billings Gazette." But "news of his impending arrival took second billing in the paper. It ran below the fold and under a package of articles about the return of a local sailor's body from Iraq, accompanied by a photograph of the flag-draped coffin at Billings Logan International Airport." Bush's visit "certainly was the subject of local talk radio. But it was mixed with grim talk of newspaper endorsements for the Democratic candidate for Senate here, Jon Tester."

The AP (11/3, Espo) says Bush, "campaigner in chief for a party in peril, set out on a rescue mission for embattled candidates in the unlikeliest of places Thursday as Republicans struggled to minimize their losses in next week's elections." Democrats "expressed growing optimism that their long season out of power might soon end. … Five days before the election, Democratic strategists said none of their incumbents in either house of Congress was trailing -- and Republicans did not disagree."

The AP (11/3, Pickler) reports that in Nevada, the district where Bush stopped (NV2) "hasn't been won by a Democrat since its creation 25 years ago, and Bush's visit there was a sign of how much trouble Republicans face." Bush "appeared upbeat despite predictions that Democrats are poised to take control of at least one chamber of Congress in Tuesday's election."

The Washington Post (11/3, A6, Baker, 748K) also reports, "A Republican president normally would not need to come to a conservative bastion such as Montana this close to an election, nor to Nevada's 2nd District." Although "Bush's approval ratings remain mired in the high 30s, the White House believes he can still make a difference in traditionally Republican districts and states by energizing core supporters who otherwise might not be enthusiastic about voting. Many conservatives have been alienated because of concerns over rising federal spending, illegal immigration, the Iraq war, the House page scandal and other issues."

The Wall Street Journal (11/3, A4, 2.03M) reports, "Through Election Day, the president was set to appear only in states that voted for him in 2004: Montana and Nevada, yesterday; Missouri and Iowa today; Colorado tomorrow; Nebraska and Kansas Sunday; and Arkansas, Florida and Texas Monday." He "is avoiding most of the main battleground states where the House could be won or lost: Ohio, Pennsylvania, New York and Connecticut. 'The president is going to districts where we know that he can

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make a difference and where he knows that he can make a difference,' spokesman Tony Fratto said."

The Washington Times (11/3, Curl, 88K) says Bush continued to "hit conservative hot-button issues, such as tax cuts, the war on terror, judicial nominees and national security legislation Democrats opposed.

Former White House Chief of Staff Andrew Card, appearing on MSNBC's Hardball (11/2, Matthews), said, "Our party is in the midst of significant battle. This is a battle that will determine the control of the House and the Senate. And I think it's right that the President is out there as the leader of our party helping those candidates who are in need. And he's going to do it right up until the polls open."

Kerry Comments Appear To Mirror 1972 Answer In Campaign Questionnaire. After two days dominating news coverage of the midterm election, the Kerry controversy appears to have subsided. The AP (11/3, Solomon), in one of the few reports on the incident, reports this morning, "During a Vietnam-era run for Congress three decades ago, John Kerry said he opposed a volunteer Army because it would be dominated by the underprivileged, be less accountable and be more prone to 'the perpetuation of war crimes.' Kerry, a decorated Vietnam veteran who turned against the war, made the observations in answers to a 1972 candidate questionnaire from a Massachusetts peace group." The AP adds, "After Kerry caused a firestorm this week with what he termed a botched campaign joke that Republicans said insulted current soldiers, The Associated Press was alerted to the historical comments by a former law enforcement official who monitored 1970s anti-war activities" Kerry apologized "for the 2006 campaign trail gaffe," but "in 1972, as he ran for the House, he was less apologetic in his comments about the merits of a volunteer army. He declared in the questionnaire that he opposed the draft but considered a volunteer army 'a greater anathema.'"

The CBS Evening News (11/2, lead story, 2:40, Axelrod, 7.66M), meanwhile, noted that in a campaign visit to Montana, Vice President Cheney's took on Kerry "with a page from the old flip-flop playbook." Cheney was shown saying, "Of course, Senator Kerry said he was just making a joke and he botched it up. I guess, we didn't get that nuance. Actually, he was for the joke before he was against it."

Former White House Chief of Staff Andrew Card, appearing on Fox News' The Big Story (11/2, Gibson), said, "John Kerry, who carried the banner for the Democratic Party…put his foot in his mouth and took too long to take it out. And when he took it out, he didn't apologize. In fact, he said he wasn't going to apologize. And it took far too much time for him to apologize for the insensitive remark that me made about the troops. Whether it was a gaffe or not, it was insensitive and he knew it."

Democratic Rep. Charles Rangel, meanwhile, said on MSNBC's Tucker (11/2, Carlson), "When you do something stupid and you don't apologize for it, then people of the same party have to distance themselves."

Friedman Challenges Service Members To Show Bush And Cheney They Are Not "Stupid." Meanwhile, Thomas Friedman in a New York Times (11/3, 1.21M) column apparently addressed to US service members, writes, "George Bush, Dick Cheney and Don Rumsfeld think you're stupid. Yes, they do. They think they can take a mangled quip about President Bush and Iraq by John Kerry -- a man who is not even running for office but who, unlike Mr. Bush and Mr. Cheney, never ran away from combat service -- and get you to vote against all Democrats in this election. Every time you hear Mr. Bush or Mr. Cheney lash out against Mr. Kerry, I hope you will say to yourself, 'They must think I'm stupid.' Because they surely do." Karl Rove "has succeeded at that in the past because he was sure that he could sell just enough Bush cigarettes, even though people knew they caused cancer. Please, please, for our country's health, prove him wrong this time. … I, for one, don't think we're that stupid. Next Tuesday we'll see."

Sherwood Agreed To Pay Abuse Accuser $500,000 In Confidential Settlement. The AP (11/2, Rubinkam) reports Rep. Don Sherwood, who was "accused of abusing his ex-mistress," had "agreed to pay her about $500,000 in a settlement last year that contained a powerful incentive for her to keep quiet until after Election Day, a person familiar with the terms of the deal told The Associated Press." Sherwood "is locked in a tight re-election race" against Democrat Chris Carney, "who has seized on the four-term congressman's relationship with the woman. While Sherwood acknowledged the woman was his mistress, he denied abusing her and said that he had settled her $5.5 million lawsuit on confidential terms." The settlement, "reached in November 2005, called for Cynthia Ore to be paid in installments, according to a person who spoke on condition of anonymity because the deal is confidential. She has received less than half the money so far, and will not get

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the rest until after the Nov. 7 election, the person said Thursday." A "confidentiality clause requires Ore to forfeit some of the money if she talks publicly about the case, according to this person and two other people familiar with elements of the case." Sherwood "admitted no wrongdoing, a standard provision in such agreements, this person said."

Democrats Facing Less Fallout From Ethical, Legal Problems. The New York Times (11/3, Davey, 1.21M) reports that Democratic Gov. Rod Blagojevich is under fire for a Federal investigation of "endemic hiring fraud" in state agencies and the indictment of a top fundraiser in a kickback scam. It would be "a governor's bad dream, but particularly so in the case of Mr. Blagojevich, a Democrat who faces a re-election vote on Tuesday in a state still bruised from the corruption that left its last governor bound for prison." Yet Blagojevich "appears headed toward victory, leading his Republican opponent by double digits in one poll, by The Chicago Tribune and WGN-Channel 9, that was released on Tuesday." Democrats "nationally have worked hard to portray…a 'culture of corruption' in the Republican Party," but "there are Democrats like Mr. Blagojevich whose campaigns have also been marked by claims of ethical failings in widely varying degrees, from Representatives William J. Jefferson of Louisiana and Alan B. Mollohan of West Virginia to Senator Robert Menendez of New Jersey. In another governor's race in the Midwest, that of James E. Doyle of Wisconsin, scandal has emerged as a serious issue." But while the Democrats' "problems have certainly made these races tighter than they might otherwise be, they have for the most part not carried the lethal sting of the Republicans' missteps, independent political scientists and election analysts say." The analysts say "the Democratic effort nationally to paint a systematic and more deeply rooted corruption label on Republicans this year seems to be working, blunting individual controversies that might be devastating to the Democrats at some other moment."

The Washington Post (11/3, A2, Powell, 748K), in a report on New Jersey Sen. Bob Menendez's (D) bid to win election to the U.S. Senate, reports that "the notion…that he is a political boss as expert in the manipulation of political IOUs and shivs as he is in the intricacies of trade policy, has trailed like a mutt after Menendez throughout his Senate campaign." GOP challenger Tom Kean Jr. "cannot clear his throat without intoning that Menendez is 'under federal investigation.' There are, in Kean's telling, Menendez's questionable rental contract with a local not-for-profit, the pressure his advisers applied to get an ally hired at a local hospital, and so on and on. Even if these charges prove true, it's not clear such behavior is illegal or disabling. … Still, the charges -- repeated in countless commercials -- take a cumulative effect." The Post notes, "One public poll asked voters what jumps to their mind when they hear the candidates' names. Kean? He's the son of a former governor. As for Menendez? The greatest number of poll respondents -- 21 percent -- say the words that come to mind are 'corruption/crooked.'"

First Lady Boosts Illinois Candidates. The Chicago Tribune (11/3, Kuczka, Biemer, 623K) reports First Lady Laura Bush "tried to fire up Republican voters Thursday at a rally for candidates in two of the nation's hardest-fought and most expensive congressional races." Mrs. Bush "also pitched Judy Baar Topinka's run for governor at the Schaumburg rally." Bush and Topinka "shared the stage with Peter Roskam, the west suburban 6th Congressional District Republican candidate, and David McSweeney, the northwest suburban 8th Congressional District GOP nominee. Bush said the two men are key to helping the administration fight the war on terrorism." Roskam faces Democrat Tammy Duckworth "in the race to succeed retiring Republican Rep. Henry Hyde," while McSweeney "is challenging first-term Democratic Rep. Melissa Bean."

Evangelicals Seen As Divided, Wavering In Support For GOP. The Financial Times (11/3, Ward) reports on "growing divisions among evangelicals" that used to belong to the Christian Coalition but "broke away in protest at what they perceive to be a shift by the Christian Coalition away from core issues, such as abortion and gay marriage, towards a broader agenda." In "an attempt to revive its fortunes, the coalition is reaching out to moderate evangelicals and mainstream Christians by embracing a wider range of causes and softening its fire and brimstone rhetoric." The Times adds, "Many evangelicals believe their support has been taken for granted by the Republicans and complain that election promises, such as Mr Bush's pledge to push for a constitutional amendment banning same-sex marriage, have gone unfulfilled. A succession of Republican ethics scandals has deepened their disillusionment." The number of evangelicals "with a favourable opinion of the

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Republican party fell from 74 per cent in 2004 to 54 per cent last July, according to the Pew Research Center."

The Washington Post (11/3, A4, Cooperman, Eilperin, 748K), meanwhile, notes the war of words between Dick Armey and James Dobson, once "stalwart allies" who now "are going after each other tooth and claw." Armey "argued in the Outlook section of this past Sunday's Washington Post that Republicans face an 'electoral rout' because they stopped being the party of limited government, allowed spending to spin 'out of control,' and concentrated on such issues as flag burning, Terry Schiavo and same-sex marriage." On the Web site of FreedomWorks, "the organization he now heads, Armey pins much of the blame on Dobson, the founder and chairman of Focus on the Family, and other 'self-appointed Christian leaders.' Calling them 'thugs' and 'bullies' in recent interviews, Armey says that "Dobson and his gang' have split the conservative Christian movement." Dobson, in a commentary for the Web site of Fox News, "responded this week that Armey is a very bitter man' who is still smarting because 'I supported my close friend and hunting buddy,' Rep. Steve Largent (R-Okla.), over Armey for majority leader."

Head Of Largest Evangelical Group In US Resigns Over Allegation He Paid A Man For Sex. ABC World News (11/2, story 6, 0:20, Gibson, 8.78M) reported, "The president of the nation's largest evangelical group resigned late today, following allegations that he paid a man for sex. The Reverend Ted Haggard had been an influential voice in the 30 million member National Association of Evangelicals. A Denver man says he was paid regularly for sex for the last three years. Haggard, a married father of five, denies the allegations."

NBC Nightly News (11/2, story 4, 1:35, Williams, 9.87M) reported Haggard "has had access to the White House." NBC showed Haggard saying, "I've never had a gay relationship with anybody and I'm steady with my wife. I'm faithful to my wife."

The Washington Post (11/3, A16, Cooperman, 748K) describes the Reverend as "one of the nation's most influential conservative Christian leaders" and "an outspoken opponent of same-sex marriage." The Post also reports, "Although he has avoided endorsing political candidates, Haggard has been a staunch ally of the Bush administration. Some political observers said his resignation was more bad news for Republicans trying to rally their conservative Christian base to turn out for the midterm elections."

The AP (11/3, Tsai) reports, "Mike Jones, 49, of Denver told The Associated Press he decided to go public with his allegations…when he discovered Haggard and the New Life Church had publicly opposed same-sex marriage. 'It made me angry that here's someone preaching about gay marriage and going behind the scenes having gay sex,' said Jones, who added that he isn't working for any political group." Jones, whose allegations were first aired on KHOW-AM radio in Denver, "claimed Haggard paid him to have sex nearly every month over three years. Jones also said Haggard snorted methamphetamine before their sexual encounters to heighten his experience."

Three Connecticut Races Central To Battle For House Control. USA Today (11/3, 10A, Stone, 2.27M) focuses on three House races in Connecticut that could be the key to control. Rep. Christopher Shays, "a 10-term Republican incumbent, is under no illusions," and "12-term incumbent" Nancy Johnson and Rob Simmons, seeking a fourth term, are also in tight races. Simmons said of his fellow moderate Republicans, "We call ourselves the spotted owl caucus. We know we're endangered."

Reynolds Says Iraq "Central Theme" In Shays Race. NRCC Chairman Rep. Tom Reynolds said on CNN's The Situation Room (11/2, Blitzer), "I only see one race where Iraq is the central theme of a campaign and that's Chris Shays' campaign in Connecticut. And he has walked right in wanting to make Iraq the central issue of his campaign."

Reynolds Says His Own Race For Reelection Is Close. NRCC Chairman Rep. Tom Reynolds said on CNN's The Situation Room (11/2, Blitzer) that his own race is "a close race, probably a lot of variables. … We've got frustration on jobs, which is the number one issue in this district. And we also have my opponent, who's a self-made millionaire, who has spent millions on this race."

Democrats Seen As Having A Chance To Capture Senate. The CBS Evening News (11/2, story 2, 3:25, Borger, 7.66M) reported, "Just a month ago, nobody was giving the Democrats a shot at taking control of the Senate. … The Republicans have a five-seat majority. But then within the last couple of weeks, the polls have started to shift. Suddenly that looks like a real possibility, and…there are these four key states that are so close. Let's take a look. First of all, the stated of Montana, where Jim Axelrod was just with,

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with the President of the United States. Then very close raises in Missouri, Tennessee, and Virginia. I might add, Katie, thee are all red or Republican states. The Republicans need to win two of these four seats to keep control of the senate. In any other year, you might say gee, that's not going to be much of a problem, but this is not a normal year. Necessary a very tough environment." Couric: "And, Bob, all in all of those key states, the key is turnout, right?" CBS (Schieffer) added, "Especially in Missouri and Virginia, which we think are the closest of all. Now, the Republicans think they've done a really good job in Missouri. They have identified at this point twice as many prospective Republican voters as they had in 2000. That's very important. If they can get those people to the polls, then they think they can win. In Virginia, interestingly enough, it is just the opposite. It's the Democrats who believe they've done a better job of getting their voters to the polls." Couric: "But overall, the Republicans do have an edge when it comes to voter turnout. I mean, they've got a machine that really is unparalleled, Don't they?" Borger: "They do have astounding technology. They've been doing it for an awful lot of years, Katie. But the Democrats have one thing this year that they haven't had in years past, and that is they've got plenty of money."

On NBC Nightly News (11/2, story 3, 1:10, Williams, 9.87M), Washington bureau chief Tim Russert said, "These are the battleground nine. Those states in blue, Maryland and New Jersey, the Democrats must hold them. The states in red you see are the Republican seats. There's seven of them. The Democrats must gain six. They feel…that Ohio, Pennsylvania and Rhode Island are going to go Democrat. That's the way the Democrats feel. Your state of Tennessee, if the Democrats do not win that, that means they must win Missouri where the President is going tomorrow, Montana where the President was today, and Virginia. The Democrats need six of the seven states Republicans do not hold and hold their two states of Maryland and New Jersey, the equivalent of an inside straight. That's what they need on Tuesday night."

Ex-Sen. Al D'Amato, appearing on Fox News' Your World (11/2, Cavuto), said, "Here's the problem: The House leadership is old, antiquated, broken down. We looked ridiculous on the Foley situation. … And, unfortunately, I think the House is gone. The Senate comes down to the Republicans having to win one out of three states. The one they have the best likelihood of winning is Missouri. If they win that, we will have 50/50. Tennessee, they have won. … And I think Conrad Burns is the other one out of Montana. He's come up strong -- if we can win that. And the last one, the sleeper that no one saw taking place, but is unfolding, is Maryland."

Asked about Democratic Senate gains on MSNBC's Hardball (11/2, Matthews), Larry Sabato of the University of Virginia said, "If you force me to guess today, I would say six seats. I may be back to five by Monday."

Asked about Democratic Senate gains on MSNBC's Hardball (11/2, Matthews), political handicapper Charlie Cook said, "Everybody agrees on Santorum in Pennsylvania, DeWine in Ohio. Then you get into Chafee in Rhode Island, but there's some signs that that's closed up. Can't tell how much, but it's closed up. Same thing with Conrad Burns in Montana. But those aren't over. They are behind, but they're not over. Then you get to Virginia and where you see some conflicting polls, and in a lot of these races, they are tons of polls out there."

Both Parties Hoping For Senate Race Upsets. Time.com (11/3, Allen) reports in a Web exclusive both parties "have each picked a state where they're hoping for a November Surprise and have begun pouring buzzer-beating money into Senate contests that have not been on anyone's toss-up list." For Democrats, "the hope for an upset is Arizona, where incumbent Sen. Jon Kyl (R), has looked safe from the Democratic challenger, shopping mall developer Jim Pederson." For Republicans, "the long shot is Michigan, where the National Republican Senatorial Committee is throwing a $900,000 lifeline to Mike Bouchard, a sheriff challenging Sen. Debbie Stabenow (D)." In Arizona, Kyl "would only lose in a national typhoon. But Democrats are acting confident and Sen. Charles Schumer of New York, chairman of the Democratic Senatorial Campaign Committee, is touting an 'expanding Senate playing field.'" In Michigan, Stabenow "has led handily in polls and fundraising. Bouchard, with the slogan 'Results for a Change,' began running the nationally financed ads yesterday, and reaches out to younger voters tonight by appearing with Kid Rock. Democrats say it's too late, and that Stabenow has used her cash advantage to build a lead and define Bouchard." The GOP is "also making offensive moves in New Jersey, where Tom Kean Jr. is profiting from corruption charges against incumbent Robert Menendez, and Maryland, where Republican Lt. Gov. Michael Steele is running on change against Democrat Ben Cardin, a 10-termer in the U.S.

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House." Time also notes Republicans are hopeful for upsets in Washington, where Mike McGavick faces Democratic Sen. Maria Cantwell, and Minnesota, where Rep. Mark Kennedy faces Democrat Amy Klobuchar.

Schumer Says Internal Polls Show Pederson Leading Kyl. CNN's The Situation Room (11/2, Blitzer) reported DSCC Chairman Sen. Charles Schumer "says his party now has the advantage in Arizona and that is a sign of things to come on Election Day." Schumer "cites internal polling showing the Democratic candidate Jim Pederson four points ahead of the incumbent Republican Sen. Jon Kyl." Schumer says the DSCC "will spend $1 million on TV ads for Pederson. The National Republican Senatorial Committee begs to differ, telling CNN that John Kyl is, quote, 'on pace to win the election.' By the way, Bill Clinton is out there in Arizona today campaigning, campaigning for Pederson. I'm told by a source close to Bill Clinton that Clinton believes Peterson has a real shot of upsetting Jon Kyl."

Cook Says Kean Could Win New Jersey Senate Race. Political handicapper Charlie Cook said on MSNBC's Hardball (11/2, Matthews), "It's going to be fairly close and I don't know -- Tom Kean could win, he really could."

Obama, Fox Stump For Webb; Allen Picks Up Minutemen Endorsement. The Washington Post (11/3, B2, Shear, 748K) reports that U.S. Senate candidate James Webb (D) was joined by Illinois Sen. Barack Obama (D) on Thursday, "rallying with 700 supporters before heading to Northern Virginia for a similar event with actor Michael J. Fox. Obama told a cheering crowd at Virginia Union University that Webb is someone who 'has fought for this country, who has led this country." Fox, "who has Parkinson's disease and has been campaigning for candidates who support stem cell research, spoke to a crowd of about 1,000 at a ballroom in Clarendon. 'A vote for Jim Webb is a vote for hope and a better quality of life for Americans,' the actor said." In Roanoke yesterday, Virginia Sen. George Allen (R) accepted "the endorsement of the Minutemen, a national organization that fights illegal immigration." Allen "then went to the Philip Morris cigarette plant just south of Richmond to privately shake hands for an hour during a shift change." Expecting a close race, the candidates "have begun to prepare for the possibility of a recount." Allen's camp "is consulting former Virginia solicitor general William H. Hurd, who led the recount team for Republicans last year when Attorney General Robert F. McDonnell (R) won by just 360 votes. Webb aides said they also are preparing contingency plans for a recount."

The Washington Times (11/3, Bellantoni, McLaughlin, 88K) reports Webb is "sticking close to his Democratic friends and held rallies with political heavy hitters yesterday, while Republican Sen. George Allen is standing with local leaders at much smaller meet-and-greets as Virginia's U.S. Senate race enters its final days." Mr. Webb, "who holds a slight lead in most polls, joined Sen. Barack Obama and Virginia's top Democrats at an overflowing midday rally in Richmond before appearing at a sold-out fundraiser with actor Michael J. Fox and former presidential candidate Gen. Wesley Clark in Arlington last night." Webb will "hold an Election Eve rally with former President Bill Clinton, his second appearance in Virginia this year." Allen "nabbed the endorsement of the border-enforcement group the Minutemen and today plans to attend small events with local leaders in Hampton Roads, including an appearance at the Chesapeake Fire Academy graduation."

Rothenberg Says Webb Has The Edge. Roll Call's Stuart Rothenberg said on MSNBC's Hardball (11/2, Matthews) that Webb "has the edge."

Campaigns Focus On Ground Game, Recount Strategies. The Washington Times (11/3, Bellantoni, 88K) reports both Virginia Senate campaigns "are focusing on a crucial ground game to get voters to the polls." Both campaigns "would not outline their legal strategy if the victor's margin is razor-thin, if a recount is needed or if there are problems with voting machines, but each has lawyers in place just in case."

Women Voters May Be Key In Virginia Senate Race. The New York Times (11/3, Toner, 1.21M) reports the "real struggle" in the race between Republican Sen. George Allen and Democrat James Webb, "one of a handful that will determine control of the Senate, may be decided by how women vote." In the "final stretch before Election Day, both candidates have high-profile Virginia women campaigning on their behalf. Mary Matalin, the Republican strategist, is urging women to 'talk to your girlfriends' on Mr. Allen's behalf. Lynda Robb, the wife of former Senator Chuck Robb and a daughter of President Lyndon B. Johnson, is hailing Mr. Webb as 'understanding the needs of Virginia's families.'" The Allen and Webb campaigns "have attacked each other throughout the fall over their commitment (or lack thereof) to women's issues and concerns, and they are ending, to a large extent, with women's voices."

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Stem Cell Issue May Benefit Talent In Missouri. The Christian Science Monitor (11/3, Clayton, 58K) reports that in the Missouri Senate race between Republican Sen. James Talent and Democrat Claire McCaskill, there is "a wild card in the Senate contest - stem-cell research." The stem-cell ballot initiative there "could affect voter turnout enough to tip one of the country's closest Senate races. Trouble is, no one can predict with confidence which candidate would benefit most: the Republican incumbent, who opposes a state constitutional amendment to permit the use of embryonic stem cells for medical research, or the Democratic challenger, who supports it." About 51 percent of Missouri voters "favor Amendment 2 while 35 percent are against it, a Research 2000 poll reported last weekend. Support for the amendment has fallen in recent months with more voters now saying they are undecided about it." But the advantage "may in fact go to Sen. Jim Talent, running to serve a second term, because the stem-cell issue could bring to the polls the state's social conservatives who, while they are voting against Amendment 2, would also be likely to cast a vote for him." The "11th-hour, TV-ad slugfest" including one by actor Michael J. Fox "over the stem-cell measure may have served to stimulate voter interest."

On CNN's The Situation Room (11/2, Blitzer), Sen. Jim Talent was asked about ads in which actor Michael J. Fox criticizes Talent's stance on stem cell research. Talent said, "The allegations in the commercial are false. I'm not saying anything with regard to Mr. Fox's intent. No, I've supported that research over the years. I'm not comfortable crossing a line we've never crossed before and funding research -- funding research that involves the destruction of a human embryo."

Fox Brings Pro-Stem Cell Research Message To Key Senate Races. The Baltimore Sun (11/3, Skalka, 262K) reports actor Michael J. Fox "is bringing his Parkinson's disease, and a political message, to Maryland and other states where control of the U.S. Senate is in the balance: Virginia, Missouri, Ohio, Iowa and Wisconsin." While politicians "debate whether frozen embryos should be adopted, used for research or discarded, Fox wants to change people's minds. Federal money for embryonic stem cell research can improve life for the sick and the disabled, he told a couple of hundred people backing Democrat Benjamin L. Cardin's bid for U.S. Senate Thursday." Fox said he "will stump for candidates who support such funding and fight like crazy against those who don't." The Sun adds Fox "has become one of the most visible figures of the campaign season by thrusting himself into an emotional debate over emerging science and its moral implications."

Cardin, Steele Vie For Black Vote In Prince George's County. The Washington Times (11/3, Ward, Miller, 88K) reports, "Rep. Benjamin L. Cardin yesterday tried to rally support among black Democrats in Prince George's County, while Lt. Gov. Michael S. Steele campaigned with county Democratic leaders who broke ranks this week to endorse him." Cardin "appeared with Prince George's County Executive Jack B. Johnson and about 30 other lawmakers in Hyattsville, aiming to keep a diminishing lead in the polls." The rally "turned sour later. State Sen. Nathaniel Exum, Prince George's Democrat, berated Mr. Cardin for excluding him and other local delegates from speaking or being mentioned." Steele yesterday "received an endorsement from several religious leaders, including Harry Jackson a Democrat and bishop of the Hope Christian Church, a charismatic ministry in Lanham with about 2,000 members."

McCain Touts Steele As "Strong, Independent Voice." Sen. John McCain wrote in the Baltimore Sun (11/2, 262K) yesterday, "I strongly support Michael S. Steele's candidacy for one simple reason: We need to change Washington." Congress "doesn't need another career politician or political insider. We need someone who is a strong, independent voice for what is right, regardless of party politics. I know Michael Steele, and I know he will shake up Washington for all the right reasons. … By sending Michael Steele to the US Senate, Marylanders not only would be electing a public servant who knows and cares about the issues concerning the entire Old Line State, but they also would be delivering a clear message that it is time for change."

Tennessee Senate Race Turns Nastier. NBC Nightly News (11/2, story 2, 4:40, Williams, 9.87M) reported, "Now to the Senate race that brings us here to Tennessee tonight. It is such a crucial race and emotions are running so high that we must tell you, even our choice of cities for this broadcast tonight has become controversial because Memphis is the hometown base of the Democrat in this race. We have had several complaining emails but none of them more vehemently than this one. 'There is one reason and

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one reason only that Briansama is coming to Memphis...for this obvious attempt to promote Ford… This is the liberal media at its very lowest.' The truth is, nothing so sinister. We chose Memphis because it is the largest city of the state and happens to be home to a great NBC television station but that should give you an indication of how hot this race is right now and you're about to see how nasty it has become. The people of Tennessee have never shied away from a good fight. That's how it came to be the Volunteer State. But after this fight between these two men, the voters here would have every right to demand peace and quiet." There's "a difference in party but on policy it's pretty close in this part of the country, Democrats run on faith and Republicans often run away from their own President. Otis Sanford is the managing editor of the Memphis newspaper 'the Commercial Appeal.'" Otis Sanford: "Politically, they are both considered pretty moderate. Ford is a lot more moderate than people say he is and so is Corker. They meet in the middle quite a bit on a lot of issues. The state as a whole is a red state but where you're standing right now is blue country." Williams: "Sanford says this race is dirty because it's so close." Tennessee "could make history next Tuesday, having already made news some say for all the wrong reasons. Now, about the polls, two prominent polls this week put the Republican Corker up by eight and 10 points respectfully. But today, two hours before we went on the air, the Democrats released their own poll which they say shows their own man, Congressman Ford, in the lead."

Corruption Charges Dog Menendez. The Washington Post (11/3, A2, Powell, 748K) reports "the notion" that Democratic Sen. Robert Menendez "rolls in the gutter before lunch, that he is a political boss as expert in the manipulation of political IOUs and shivs as he is in the intricacies of trade policy, has trailed like a mutt after Menendez throughout his Senate campaign." Republican state Sen. Tom Kean, "a semi-obscure state senator and the trust-fund scion of a multigenerational political powerhouse, cannot clear his throat without intoning that Menendez is 'under federal investigation.' There are, in Kean's telling, Menendez's questionable rental contract with a local not-for-profit, the pressure his advisers applied to get an ally hired at a local hospital, and so on and on." But "even if these charges prove true, it's not clear such behavior is illegal or disabling. In New Jersey the operating political philosophy is described as 'pay to play,' and the occasional indictment might be viewed as part of the life cycle of politics." Still, "the charges -- repeated in countless commercials -- take a cumulative effect. New Jersey has trended Democratic for years. But Menendez, who was appointed in January to fill the Senate seat vacated by Gov. Jon S. Corzine (D), stands a bare notch ahead of Kean in polls."

Video Surveillance Tapes May Verify Gibbons Story, But Chain Of Custody Questioned. The Las Vegas Sun (11/3, German, Skolnik, 41K) reports that for "three days this week, the media were saturated with speculation from unnamed sources that just-discovered video surveillance tapes do not show Rep. Jim Gibbons and Chrissy Mazzeo inside a parking garage where she claims the Republican gubernatorial candidate assaulted her Oct. 13." Metro Police "stood silent on the speculation - orchestrated by the high-powered Gibbons camp - until 4:20 p.m. Tuesday, when they issued a surprising statement saying they had not yet concluded that Gibbons and Mazzeo weren't on the parking-garage video. Police hadn't even finished viewing the tapes." By "that time, however, a District Court judge who was appointed to the bench after lobbying by Gibbons campaign adviser Sig Rogich had granted a hurried request by the Gibbons camp to release the still-unauthenticated tapes. Gibbons understandably was trying to stop his slide in the polls a week before the election." But in the "process, however, the rights of the alleged victim, a 32-year-old single mother and cocktail waitress, were lost in the shuffle. Evidence in the criminal case was being turned over to the potential defendant before any decision had been made on the filing of charges." If the tapes "are to prove Gibbons' claims that he never entered the parking garage, thus destroying Mazzeo's account, authorities must find a way to verify the tapes as authentic and to demonstrate that the cameras unquestionably would have captured Mazzeo or Gibbons had they entered the garage." The problem "with that 11-day gap, security experts said, is that police cannot guarantee a 'chain of custody,' and that surveillance tapes can be fabricated fairly easily."

Gibbons Asks House Ethics Panel For Opinion On Failure To Report Caribbean Cruise. The Wall Street Journal (11/3, 2.03M) reports Republican Nevada gubernatorial candidate Rep. Jim Gibbons "asked the House Ethics Committee for an opinion on whether he failed to report a Caribbean cruise that was paid for by a military contractor who is also a major donor to the congressman's

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campaign." Gibbons "sought the panel's advice after a page-one article in The Wall Street Journal raised questions about his close ties to Warren Trepp, said Mr. Gibbons's campaign manager, Robert Uithoven." In a story Wednesday, the Journal reported Gibbons "opened doors in Washington for Mr. Trepp's eTreppid Technologies LLC, a software maker that won millions of dollars in classified contracts from the Air Force, Special Operations Command and the Central Intelligence Agency. It reported that Mr. Gibbons, who served on the Intelligence and Armed Services committees, helped the Reno, Nev., company secure federal contracts and in some cases helped direct federal money to the contracts." Trepp and "companies linked to him contributed nearly $100,000 to Mr. Gibbons's campaign for governor, and Mr. Trepp hosted the congressman, his wife and others on a week-long Caribbean cruise in March 2005, flying the group home on a private jet." A former eTreppid executive who is suing Mr. Trepp in federal court in Reno alleges that Mr. Gibbons also got unreported gifts of cash and casino chips from Mr. Trepp."

Maryland Police Union Criticizes O'Malley For Not Releasing Bar Application. The Baltimore Sun (11/3, Donovan, 262K) reports the state police union "demanded Thursday that Baltimore Mayor Martin O'Malley release his application to practice law to determine whether he properly disclosed a nearly 20-year-old drunken driving charge." Maryland Fraternal Order of Police President John "Rodney" Bartlett Jr. "said in a statement that O'Malley's refusal to release the document raises questions about the mayor's ethics and moral character." Bartlett said, "Although his arrest and acquittal 20 years ago on a driving under the influence charge may be irrelevant to his ability to serve as Governor, his ability to tell the truth completely and without qualification is extremely relevant." The Sun adds the "move by the Maryland Fraternal Order of Police was seen privately by the mayor's campaign as a political move by a union that supports O'Malley's Republican rival, Gov. Robert L. Ehrlich Jr. Publicly, however, campaign aides declined to discuss the matter."

Parties Ramp Up Get-Out-The-Vote Machinery. USA Today (11/3, 11A, Lawrence, 2.27M) reports both parties "are ramping up drives to get voters to the polls Tuesday" as "dozens of critical races remain too close to call." The get out the vote efforts include "a flock of political celebrities, tens of thousands of volunteers and millions of dollars, door-knocks and phone calls, all underlaid by new techniques to pinpoint likely supporters in unlikely neighborhoods. Republicans had a juggernaut turnout operation in 2004 and both sides say it has gotten better. There are indications, however, that the get-out-the-vote playing field is more level now." Both parties "say they will spend more than $30 million" on GOTV, and "Democrats are catching up, albeit in piecemeal fashion, to the sophisticated 'microtargeting' techniques that have enabled Republicans to find and motivate potential supporters across the country."

Dean Worried About GOP's 72-Hour Operation. The Washington Times (11/3, McCaslin, 88K) "Inside the Beltway" column writes that DNC Chairman Howard Dean "had this warning yesterday, which he sent to Inside the Beltway via e-mail: 'We must stay focused and ignore the polls or pundits who tell us we have the election locked up,' he said. 'This election is less than a week away, but there's plenty of time left for a Republican comeback." Dean continued, "Most worrisome: the Republican Party's 'infamous 72-hour' operation," which Dean said "will be 'cranking up' starting this weekend to get out the Republican vote."

Campaign Advertising Costly And Dirty In Final Stretch. The CBS Evening News (11/2, story 9, 2:55, Couric, 7.66M) ran a long feature on late-season political ads, saying "some are down and dirty, some downright funny, and they're all costing a bundle. This year's campaign spending is expected to go over the $2 billion Mark, up about 20% from the 2004 election -- and that was a Presidential year."

The Washington Post (11/3, Weisman, Cillizza, 748K) reports on its front page that campaigns "rushed out more than 600 new television ads ahead of network deadlines for the weekend, with many Republicans trying to shift attention from Iraq and President Bush to local issues such as the environment, taxes and immigration."

USA Today (11/3, 11A, Page, 2.27M) also features some of the negative ads, saying that an Internet ad says Oklahoma Gov. Brad Henry "is a lot like Adolf Hitler," a radio spot says Rep. Brad Miller "wants to make America 'one big fiesta for illegal aliens and homosexuals,'" and a TV ad says Rep. Chris Chocola "opposes medical care for wounded vets, a TV ad suggests. And Pennsylvania Senate candidate Bob Casey? Electing him apparently would risk nuclear annihilation."

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GOP's "Die-Hard Optimists" Hold Out Hope. The Los Angeles Times (11/3, Hook, 918K) reports on the "dual mood of Republicans in the final week before Election Day: While there is pervasive fear that the party will lose control of Congress, a cadre of die-hard optimists is refusing to wave the white flag. They point, like parched travelers spying water in the desert, to a few recent developments that could help the GOP in the waning days of the campaign. They delight in this week's gaffe" by Sen. John Kerry," and point out that "the GOP Senate candidate in Maryland is running a surprisingly strong campaign. Some of the party's most-endangered incumbents, such as Rep. Thomas Reynolds in New York and Sen. Conrad Burns in Montana, are battling back in the polls."

Several Members Of GOP Class Of '94 At Risk Of Being Swept In Democratic Wave. The Wall Street Journal (11/3, A1, Calmes, 2.03M) reports that in 1994, "J.D. Hayworth and 72 other Republicans rode into the U.S. House of Representatives on a wave that washed out Democrats after four decades in control, ushering in a 'Republican Revolution' to cleanse Washington." Now, Hayworth is "at risk of being swept out in much the same way. After six years in which Republicans controlled the White House as well as Capitol Hill, voters' revulsion with failed promises, dysfunction and scandals threatens big losses for the party on Tuesday." Hayworth, "once among the most recognizable revolutionaries in Congress's big, brash and combatively conservative 'Class of '94,' now stands as something of a symbol even for Republicans asking: What went wrong?" A "member of the powerful Ways and Means Committee, Mr. Hayworth has been on the defensive about both campaign contributions and his initially unreported use of sports skyboxes from disgraced Republican lobbyist Jack Abramoff and his Indian tribal clients. To blunt such bad news, Mr. Hayworth boasts of the government funds that he has brought home, from a pedestrian bridge in Tempe to defense contracts for Arizona firms. Such claims win over some locals, but offend many fiscal conservatives." The "widespread sense that Republicans in Congress have lost their way, drifting into the same abuses they had pledged to end, helps explain why many, like Mr. Hayworth, are in trouble."

Ranks Of Independent Voters Swell. The AP (11/3, Elliott) reports the "number of independent voters continues to rise, and that should give pause to Republicans trying to keep control of the House and Senate, an analysis of registration and turnout suggests." About "17 percent of voters registered for next week's election eschew major-party identification, according to a study released Thursday by American University's Center for the Study of the American Electorate." That figure is "up from about 14 percent in 2002, and the trend could help Democrats in their effort to gain 15 seats in the House and six in the Senate to achieve majorities, said the center's director, Curtis Gans." Gans said, "The people are turning against both political parties and the political process. My judgment is, the intensity factor of this unhappiness benefits the Democrats. ... Karl Rove may prove me wrong."

On the CBS Evening News (11/2, story 2, 3:25, Borger, 7.66M), chief Washington correspondent Bob Schieffer said, "We're seeing something we haven't seen in a long, long time. We have half the people who have identified themselves as independents saying they intend to vote for the Democrats. We haven't had independents break towards the Democrats since 1986. This is the first time since then that most of the independents look like that they're going to vote for the Democrats. But here's the thing, the one thing in all the polling lately that makes the Republicans happy and that is their people look like that are finally getting energized and excited. Look at this graph. This is from our poll of yesterday. It shows that Republicans who are enthusiastic have risen from 35% to 42% in the last two weeks. That means they're getting fired up, and that always helps."

Minor Party Candidates Expected To Draw Larger Percentage Of Midterm Votes. The Christian Science Monitor (11/3, Chaddock, 58K) reports, "Excluded from debates, left off the polls, ignored by the news media, or dismissed by the public as a 'wasted vote,' minor-party candidates could tip a few key races in next week's midterm elections - or win them outright." From "the Mountain States, where a virtual unknown is polling 10 percent and just snagged four newspaper endorsements for a US House race, to the coasts of New England, where two independents are poised to win bids to the US Senate, un-red and not-blue candidates are testing how deep the dissatisfaction with the two main parties is running." This year, "425 minor-party candidates are running for a US House, Senate, or governor's seat, according to Project Vote Smart. About 80 percent of voters will be able to vote for a Libertarian for statewide office, 60 percent for a Green Party candidate, and 30 percent for a Constitution Party candidate, says Richard Winger, who tracks minor-party candidates and issues for Ballot Access

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News." In 2002, "5.2 percent of all voters voted for some candidate other than a Republican or Democrat at the top of the ballot (usually governor or senator). That's the highest result for a midterm election since 1934." Winger said, "This year will be up. More and more high-quality people are willing to run as minor-party candidates for public office."

Neuharth Says Media Should Endorse Referenda, But Not Candidates. In his USA Today (11/3, 17A, 2.27M) column, Al Neuharth writes, "Between now and Tuesday, all across the USA, you're in for a media barrage of late pre-election news and views. Especially from many newspapers that offer traditional 'endorsements.' … On congressional, state or local office races, voters get such a heavy dose of news, views and propaganda from and about all candidates that they don't need any newspaper telling them for whom to vote. But on the ever-growing number of initiatives or referendums, many or most voters are uninformed and newspaper recommendations can be helpful."

More Commentary. In his Washington Post (11/3, A21, 748K) column, Charles Krauthammer writes, "According to the pollsters, pundits and pols -- Democratic and nervous Republican -- a great anti-Republican wave is a-coming. Well, let's assume major Democratic gains: 20 to 25 House seats and four to six Senate seats. The House goes Democratic for the first time in 12 years. The Senate probably stays Republican, but by such an excruciatingly small margin that there is no governing majority." The election "will be a referendum of sorts on Iraq. But it will be registering nothing more than uneasiness and discontent. Had the Democrats offered a coherent alternative to the current policy, one could draw lessons as to what course the country should take. But if either friends or enemies interpret the results as a mandate for giving up, they will be mistaken."

In his Wall Street Journal (11/3, A10, 2.03M) "Wonder Land" column, Daniel Henninger writes, "If the polls and punditry are correct, the Democrats are about to take control of the House and maybe the Senate. If so, then the American people are about to make one of the biggest rolls of the dice in the country's history. Congress's daily responsibilities lie largely with domestic affairs. By that measure, the Republicans hardly deserve re-election. They have been profligate, in several unattractive ways. The Democrats, alas, do not deserve the responsibility of congressional power at this moment of peril. They haven't justified it."

In his Washington Post (11/3, A21, 748K) column, Eugene Robinson writes, "If Democrats manage to take control of one or both houses of Congress on Tuesday, the reason will be that voters were not adequately roused into a state of heart-pounding, knee-knocking, teeth-chattering fear. Not that Republicans haven't been trying. … This administration has so lowered the bar on political discourse in this country that it's now more of a limbo stick: How low can you go?"

Hunter Discusses His Nascent Presidential Campaign. Rep. Duncan Hunter discussed his possible 2008 presidential run on both Fox News and MSNBC. On Fox News' Your World (11/2, Cavuto), he said, "I'm making preparations to run. We haven't made the formal announcement. That gives you a second press conference." He said his campaign would be focused on national defense and security. On MSNBC's Tucker (11/2, Carlson), Hunter said of his early announcement, "I could have held off until after the election, and I'm sure some people would have recommended that, but then you would have been criticized for not telling them. I just figure, I always lay my cards on the table a week or two before the election, and since I'm out doing that, I am preparing to run, although it's not a formal announcement yet, that I might as well tell them about it."

Midterm Elections Could Set New Benchmarks For Female Candidates. The Christian Science Monitor (11/3, Cook, 58K) reports on the Monitor breakfast featuring Deborah Walsh, director of the Center for American Women and Politics at Rutgers University and Ellen Malcolm of Emily's List. The Monitor reports that while "the 2006 election's outcome will not be known until next week, it is already clear that the contest will set new benchmarks for women candidates." Walsh said, "We are seeing record numbers of women running for the [US] Senate and ... at the state legislative level we have a new record for the first time in 14 years." Even without "a record number of women candidates running for the US House of Representatives, 'we think that for a number of reasons we are looking at a banner year for women, particularly at the federal level,' she said." While Malcolm "sees a strong tide running in favor of Democratic women candidates, the organization is taking nothing for granted and focusing on voter turnout." Malcolm "argues that the conservative social-issues platform that" Bush adviser Karl Rove "helped craft has lost its appeal to many voters. 'The Rove plan was to take political power by rewing up the right extreme-conservative

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base. And he did that by hammering away on their social agenda and turning out the vote. What he has lost is the majority of Americans and he has lost the middle in this process,' Malcolm says."

Hollywood PAC Contributions Favor GOP. The Los Angeles Times (11/3, Daunt, 918K) reports that as the "two main parties battle it out for control of the House and the Senate in next week's election, the entertainment industry's political action committees have been working behind the scenes for months in Washington, giving far heftier contributions to, yes, Republicans." According to "the latest campaign filings, 28 entertainment industry PACs — lobbying on behalf of corporations such as Sony, Time Warner, Disney and others — have donated nearly $4.8 million to candidates up for reelection this year. About 59% of the PAC money has gone to Republicans, including Sens. Arlen Specter and Rick Santorum of Pennsylvania, Orrin Hatch of Utah and Pat Roberts of Kansas, according to Federal Elections Commission records and the nonpartisan Center for Responsive Politics (Opensecrets.org)." Democrats — "who are often the beneficiaries of individual contributions from celebs — received 41% of the industry PAC money." Producer Norman Lear said, "Well, that should belie the right's belief that Hollywood is just a pack of liberals."

WPost Backs Three Maryland House Incumbents For Reelection. The Washington Post (11/3, A20, 748K) endorses three Maryland Democratic representatives for reelection: MD4's Albert Wynn, "journeyman who narrowly survived a hard-fought primary"; MD5's Steny Hoyer, "a seasoned veteran who may play a key leadership role if his party takes control"; and MD8's Chris Van Hollen, "an up-and-coming two-termer who's staked out a reputation for legislative know-how."

Outcome Of Oregon Minimum Wage Increase Examined. The Wall Street Journal (11/3, A4, Solomon, 2.03M) reports that if Democrats "succeed in retaking one or both houses of Congress next week, a top priority will be increasing the minimum wage for the first time since 1997. That raises a persistent question: Does lifting the minimum wage destroy so many jobs that it hurts more than it helps?" In 2002, Oregon voters "raised the state's minimum wage -- and mandated automatic annual increases to keep up with inflation. Oregon's 100,000 or so minimum-wage workers are paid at least $7.50 an hour, a rate that will increase to $7.80 in January, well above the federal $5.15 minimum." On Tuesday, voters "in six other states are considering raising the minimum wage, all of which would index minimum wage to inflation as do Oregon, Washington, Florida and, beginning in 2007, Vermont. Democrats see the minimum wage as a way to bolster their base, much as initiatives on gay marriage and other cultural issues boost Republican turnout." Four years after the Oregon initiative passed, "though it is impossible to say what would have happened had the minimum not been raised, Oregon's experience suggests the most strident doomsayers were wrong. Private, nonfarm payrolls are up 8% over the past four years, nearly twice the national increase." Oregon's "estimated 5.4% unemployment rate for 2006, though higher than the national average, is down from 7.6% in 2002, when the state was emerging from a recession." But some employers "are being squeezed, for sure, and their experiences will become ammunition for those who will fight any increase in the federal minimum wage."

Democratic Authors Back "Muscular" Foreign Policy. The Washington Post (11/3, A19, Baker, 748K) reports the "last-minute campaign furor over Sen. John F. Kerry's 'botched joke' about the uneducated becoming 'stuck in Iraq' was no joke for the Democratic Party. Once again, with an election looming, it found itself cast as the peacenik, antiwar, hostile-to-the-military, soft-on-defense, weak-on-terrorists party." Whether that "will stick won't be known until Tuesday. Polls have shown that voters for a change are more likely at the moment to trust Democrats on Iraq and terrorism than Republicans. But that support seems perishable, and even if Democrats win one or both houses of Congress, they face a long-term challenge of redefining their image when it comes to national security." That's "where Kurt Campbell and Michael O'Hanlon come in. Their provocative new book, 'Hard Power: The New Politics of National Security,' offers a manifesto of sorts for a party still struggling to find its voice in the post-Sept. 11 world." As a party, Democrats have "been torn between two poles as represented in the extreme by Joseph I. Lieberman, the hawkish Connecticut senator, and Ned Lamont, the antiwar liberal who beat him in a Democratic primary. Campbell and O'Hanlon come closer to Lieberman than to Lamont, offering a muscular vision for U.S. power in a dangerous world tempered by the sort of pragmatism they say the Bush administration has been missing." They "argue that President

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Bush has it right in some ways, praising his priorities in terms of promoting democracy and free trade, defeating terrorists, and opening a new relationship with India."

NBC's Wright Laments "Chill In The Airwaves" On Censorship. In a Wall Street Journal (11/3, A10, 2.03M) op-ed, NBC Universal CEO Bob Wright writes, "Two years ago, I warned in these pages of the danger that the government, in response to the infamous 'wardrobe malfunction' during January's televised Super Bowl, would use the threat of fines and license-revocation to create a climate of self-censorship among broadcasters. I take no pleasure in saying 'I told you so.' But the chill in the airwaves is unmistakable, and the viewing public is the biggest loser. … America long ago determined that government's role in shaping media should be extremely limited. This is true even in the case of broadcasters, who willingly assume public-service obligations in exchange for being licensed to transmit content over public airwaves. No one imagined these obligations to include accepting censorship."

WPost Says McCain-Feingold Hasn't Crippled Parties. In an editorial, the Washington Post (11/3, A20, 748K) says, "The McCain-Feingold campaign finance law was supposed to be -- or so its critics warned -- a body blow to political parties. Starved of the six- and seven-figure 'soft money' checks to which they had become addicted, opponents said, the parties would wither, their influence eclipsed by outside groups that remained free to accept unlimited sums. Democrats, who were especially dependent on soft money, would find themselves at a fatal disadvantage." But "none of that has happened. Not in 2004, when the parties raised a combined $1.5 billion ($785 million by Republicans, $684 million by Democrats) -- amazingly, more than their hard and soft money combined in any previous election. And not in 2006, the first midterm campaign conducted under the new rules, when the combined party fundraising was $768 million as of mid-October ($438 million by Republicans, $330 million by Democrats), according to a study by the Campaign Finance Institute. The parties, now limited to maximum annual contributions of $26,700 from individuals, haven't recouped all the soft money they once vacuumed up, but they have rebounded far more robustly than anyone had predicted."

US Envoys To Visit Asia To Prepare Six-Party Talks. AFP (11/3, Millikin) reports senior US diplomats will travel to Asia Sunday "to prepare for a resumption of six-way negotiations with Pyongyang, the State Department said Thursday. Assistant Secretary McCormack said the envoys "will press Japan, China and South Korea to maintain tough UN-mandated sanctions" against DPRK "in the run-up to the negotiations and to ensure a united front in insisting the talks lead to Pyongyang's full denuclearization." AFP says US officials "remain wary of Pyongyang's motives, fearing the unpredictable North Korean leadership could use its new nuclear status as leverage to seek an easing of the sanctions against it while stalling on demands it verifiably give up the arsenal." McCormack said, "We don't want this just to be about talk, we want it to be about getting some concrete, positive outcomes." The US team, which will be led by Undersecretary Burns and include Undersecretary Joseph, "will meet Sunday and Monday with Japanese leaders in Tokyo before heading to Beijing for two days of talks with both Chinese and Russian officials," McCormack said. The pair will visit Seoul November 8 and 9.

Rice Calls China Support "A Big Breakthrough." In an interview with WLW Radio's Bill Cunningham Show (11/2) in Cincinnati, Secretary Rice said, "It's a big breakthrough to finally get sanctions on North Korea that China supported. That's a major step for China." Asked whether Beijing has more influence over Pyongyang than the US, Rice said, "I think there's no doubt that China has probably greater leverage with the North Koreans than any other state. And that's why it's so important that we have the six-party framework. It's why it's so important that China was willing to use sanctions against North Korea."

In an interview with WCCO Radio's Jack Rice Show (11/2) in Minneapolis, Rice was asked about the "struggle going on in the US…that we should deal with confrontation and isolation on one side, or engagement on the other." Rice responded, "I don't see engagement as a policy. It is a method of dealing with a problem. And I don't see isolation as a policy. That's also a method of trying to get to an end. And so our view has been that you need to get an international coalition of states that are prepared to do what needs to be done. Sometimes that requires isolating a state, as North Korea is facing that isolation, as Iran will face that isolation if they continue down the path that they are going."

Pentagon Reportedly Stepping Up "Attack Plans" For North Korea. The Washington Times (11/3, Gertz, 88K)

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reports the Pentagon has "stepped up planning for attacks against North Korea's nuclear program and is bolstering nuclear forces in Asia," according to unnamed defense officials. The officials "said the accelerated military planning includes detailed programs for striking a [DPRK] plutonium-reprocessing facility at Yongbyon with special operations commando raids or strikes with Tomahawk cruise missiles or other precision-guided weapons." The plan, "which had been under way for several months, was given new impetus by Pyongyang's underground nuclear test Oct. 9 and growing opposition to the nuclear program of Kim Jong-il's communist regime, especially by China and South Korea," the Times reports. A Pentagon official said the Department of Defense is considering "various military options" to remove the program. "Other than nuclear strikes, which are considered excessive, there are several options now in place. Planning has been accelerated," the official said.

World Said To Be On Brink Of Global Nuclear Arms Race. In a news analysis, the Washington Post (11/3, A23, Linzer, 748K) reports, "Officials and nuclear experts who felt nothing but optimism in the early 1990s now see a world on the threshold of a dangerous arms race. Some fault the Bush administration for policies that rewarded nuclear-armed friends while denouncing foes accused of building the same weapons. Others say the current situation is a natural byproduct of a fragmented world in which countries no longer have to choose between the United States and the Soviet Union, but can go separate ways and build independent alliances."

WSJournal Urges Bush To Keep Pressure Up On North Korea. Under the headline "Six-Party Fever," the Wall Street Journal (11/3, A10, 2.03M) editorializes, "After launching long-range ballistic missiles and setting off a nuclear device, North Korea's Kim Jong Il suddenly announced this week that he is prepared to return to the six-party talks after nearly a year's absence. Something must have happened to inspire this abrupt display of totalitarian pliancy, and it wasn't the intercession of Jimmy Carter." The Bush Administration "is treating the decision as something of a vindication of its policy, and that's partly true," but it "won't mean much if the Administration agrees in the six-party talks to abandon the very tools that brought North Korea back to the table in the first place. On Tuesday, Christopher Hill, the State Department's emissary to the talks, agreed that the U.S. would discuss the financial measures it's imposed on Kim's regime; in return, the regime will 'discuss' denuclearization. … Barring outright regime change in Pyongyang, the goal of any American diplomatic initiative is to demonstrate to Kim, as the U.S. did to Libya's Moammar Gadhafi, that unless he disarms his regime will continue to be isolated and starved for cash and trade. His return to the table is probably a ploy, but at least it demonstrates that he is susceptible to financial and economic pressure. Keep that pressure up, and the six-party talks might actually succeed."

Iran Fires Missiles During War Games, Prompting Rebuke From Rice. The New York Times (11/3, Fathi, 1.21M) reports Iran Thursday "began another series of war games" during which "dozens of missiles were fired" only "days after a United States-led naval exercise began in the Persian Gulf." State-run television news "showed film of missiles fired from mobile launchers in the deserts near Qum," reporting that "Iranian experts have made some changes" to Shahab missiles, "installing cluster warheads in them with the capacity to carry 1,400 bomblets."

The AP (11/3, Karimi) reports asked about Thursday's maneuvers, Secretary Rice said she thought the Iranians "are trying to demonstrate that they are tough." During an interview with the Bill Cunningham radio show on WLW Cincinnati, Rice said, "The Iranians also…are not unaware that the security environment is one in which if they actually were to do something Iran would suffer greatly and so I think they probably understand that." She said she believes Iran is "trying to say to the world you are not going to keep us from getting a nuclear weapon."

AFP (11/3) reports, "Referring to Iran's refusal to comply with a [UNSC] resolution demanding it abandon suspect nuclear activities," Rice said: "I think the Iranians are a threat and that's why the international community's got to be strong in resisting their ambitions." The Financial Times (11/3, Bozorgmehr, Dinmore), among other sources, runs a similar report this morning.

UN Talks On Iran Sanctions To Resume Friday. Separately, AFP (11/3) reports that "six major UN powers are due to resume delicate negotiations Friday on a package of sanctions against Iran for its refusal to halt sensitive nuclear fuel work, UN diplomats said. The informal meeting will notably hear from Russian ambassador Vitaly Churkin, who traveled home this week to work out Moscow's response to a draft resolution drawn up by Britain, France and Germany, they said." AFP notes that Secretary Rice "called her five counterparts on Tuesday to urge speedy passage of the

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sanctions resolution and on Thursday warned that inaction was not an option."

Abbas To Consider Seeking New Elections. The AP (11/3, Laub) reports Palestinian President Mahmoud Abbas is "inclined to seek new elections if talks with Hamas militants on forming a moderate government don't produce results in about two weeks," a top aide to the president said Thursday. Legislator Mustafa Barghouti said Thursday, an agreement on a new government is "close," but he would not disclose details. "We have made good progress. We are almost there," Barghouti said after meeting with Prime Minister Ismail Haniyeh of Hamas.

Israeli Operations In Gaza Continue. In other developments Thursday, the New York Times (11/3, Myre, 1.21M) reports Israeli troops "rounded up Palestinian men and battled militants for a second straight day in the northeastern corner of the Gaza Strip, killing six Palestinians, including militants and civilians," Palestinian medical workers said. The Times says the Israeli operation is "one of the largest since Israeli forces entered Gaza four months ago."

Syria Denies Plan To Topple Lebanon Government. The AP (11/3, Kassabli) reports Syria Thursday "denied US accusations that it was seeking to topple" the Lebanese government "with the help of Iran and Hezbollah." The Syrian Foreign Ministry said, "The US administration's attempts to circulate that Syria, Iran and Hezbollah are seeking to destabilize Lebanon are not true. Since it withdrew its troops from Lebanon, Syria has voiced its support for anything that the Lebanese agree on through their national dialogue."

Separately, the AP (11/3, Ghattas) reports that Lebanon is "again on the edge of crisis—at the center of a power play involving the United States, Syria, Iran and Israel." The AP says that "at stake is the August cease-fire that halted the Israel-Hezbollah war, and Western efforts to bolster democracy in Lebanon. The crisis also could undermine US diplomatic overtures to Syria and Iran to help calm Iraq."

US Issues Warning Over Somali Extremists Bomb Threats. The AP (11/3, Kennedy) reports the US Embassy in Nairobi warned Thursday that Islamic extremists in Somalia "are threatening to stage suicide bombings in parts of East Africa." The embassy said it had received reports of "extremist elements" targeting Kenya, Ethiopia and other "surrounding countries," which it did not identify. "These threats specifically mention the execution of suicide explosions in prominent landmarks within Kenya and Ethiopia, "the statement said. The Washington Times (11/3, Kralev, 88K) also reports the story, noting the State Department "urged Somalia's neighbors to stay away from the struggle between the country's weak central government and the powerful Islamic courts that control the capital, Mogadishu, and much of the country."

EU Cancels Meeting Between Cyprus, Turkish Officials. The AP (11/3, Wielaard) reports, "The European Union on Thursday canceled a meeting bringing together the foreign ministers of Cyprus and Turkey, talks called to resolve a dispute threatening Turkey's already troubled drive to join the EU." Turkey "opened EU membership talks in October 2005 but opposition has since grown -- notably in France and Germany -- to bringing a large, poor, Muslim nation into the bloc, particularly one that is slow to embrace political reform and that effectively refuses to recognize EU member Cyprus."

Vietnam To Prosecute Three Americans, Accusing Them Of Terrorism. The Washington Post (11/3, A25, McCool, 748K) reports, "Seven people, including three Vietnamese-born U.S. citizens, will be prosecuted on charges of plotting violence against Vietnam's communist government, officials said Thursday." The prosecutor "included charges against a US citizen whose 13-month detention has drawn attention in the United States before a Nov. 17-20 visit to Vietnam by President Bush." Sen. Mel Martinez "has linked the detention of Orlando resident Thong Nguyen 'Cuc' Foshee to passage of a bill that would grant Vietnam permanent normal trade relations status."

US Ambassador's Comment Causes Stir In Nicaragua. In a front page article, the Wall Street Journal (11/3, A1, De Córdoba, 2.03M) reports, "When the US ambassador [in Managua] said of a presidential candidate that 'if it looks like a duck, walks like a duck, and swims like a duck, it probably is a duck,' he ruffled a lot of feathers. Since the comments earlier this year, the candidate, José Rizo…has been lampooned in the Nicaraguan media as a 'pato,' or duck, which is also Nicaraguan slang for homosexual. Ambassador Paul Trivelli's friends say the diplomat meant to imply only that Mr. Rizo…is a creature controlled by former Nicaraguan President Arnoldo Alemán.

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… But many here suspect the Spanish-speaking Mr. Trivelli knew the full meaning of the word." The Journal says the "duck flap is illustrative of what Nicaraguans consider US intrusion in this Sunday's presidential election."

Under the headline "Ortega Gives US The Jitters," the Financial Times (11/3, Thomson) reports, "Nicaragua's domestic affairs have always been an intense focus of US foreign policy, and its history is pockmarked by US interventions. But when [Daniel] Ortega swept to power in 1979 in an armed revolution during the cold war, the country—and Mr Ortega—became a virtual obsession in Washington. The US government has spent much of the last decade and a half trying to ensure that he does not return. His increasingly close relationship with Hugo Chávez, the rabidly anti-US Venezuelan president, has only made relations worse." USA Today (11/3, Llana, 2.27M) and the Washington Times (11/3, Gentile, 88K), among other newspapers, also report on the Nicaraguan election, predicting an Ortega win.

DOD Officials Have Discussed Defense Budgeting With Chinese Counterparts. The Washington Times (11/3, Gertz, Scarborough, 88K) "Inside the Ring" column reports the Pentagon "has had two rounds of discussions with the Chinese military on the defense budget process, with the United States explaining in detail how its military spending works and China revealing very little about its secret military budget." Chinese military officials met with DOD officials in June "and provided a very limited explanation of the process Beijing uses to support its weapons and forces." The Times says China "is engaged in a major military buildup but will not disclose the amounts or systems it is building."

Beijing Urges Sudan To Seek Solution Over Darfur. AFP (11/3) reports Chinese President Hu Jintao "praised the efforts of Sudan President Omar al-Beshir to bring peace to the troubled Darfur region and urged him to seek a proper solution to the humanitarian crisis." Meeting in Beijing, Hu told Beshir that China "admires and supports Sudan in the realization of north-south peace and is willing to participate in the rebuilding."

China Hosts African Nations For Discussions On Trade. The New York Times (11/3, Kahn, 1.21M) reports, "Beijing has put on its best face to court Africa, 'the land of myth and miracles,' as official posters call it. Political leaders of 48 of the 53 African countries, including 40 heads of state, are to arrive this weekend for a huge diplomatic event, the China-Africa forum." The "official purposes of the three-day event are to expand trade, to allow China to secure the oil and ore it needs for its booming economy and to offer aid to help African nations improve roads, railways and schools." But "the unofficial purpose is to redraw the world's strategic map by forming tighter political ties between China, which has the world's fastest-growing major economy, and Africa, a continent whose leaders often complain about being neglected by the United States and Europe." The Times adds, "China's enthusiasm for Africa has raised concerns among many in the West while the United States is distracted by its efforts to curb terrorism, and France, Britain and other former colonial powers exert less influence in Africa than they once did." USA Today (11/3, Lynch, 2.27M) runs a similar report under the headline "China Elevates Its Economic Profile In Africa," while the Christian Science Monitor (11/3, Ford, 58K) titles its story "China Woos African Trade."

Rice Says Putin Should Step Down At End Of Term. In an interview with WLW Radio's Bill Cunningham Show (11/2) in Cincinnati, Secretary Rice was asked if Russian President Vladimir Putin should step down at the end of his eight-year term," the secretary said, "I think that the Russians need to follow constitution and that means their President has two terms and that President Putin will allow elections and somebody to replace him." Rice noted that Putin "keeps saying not just to us, but to the Russian people, that he will not run again for President, because it would be against their constitution. It'd be a real step back if that were to happen, but he says he's not going to do it."

South Africa To Alter Strategy Against AIDS. The New York Times (11/3, Wines, 1.21M) reports, "Departing from years of indecision and, on occasion, denial, South Africa's government is considering a new and sweeping assault on an AIDS pandemic that already includes one in eight of the world's H.I.V. infections. Every day, 1,000 South Africans are infected with H.I.V., and 800 more are killed by AIDS, the government says." The Post adds, "With that backdrop, the deputy minister of health, Noziza Madlala-Routledge, said in an interview on Thursday that a new AIDS strategy to be announced in December might include

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proposals to broaden the distribution of life-saving antiretroviral drugs, remedy the shortage of health care workers and improve treatment of H.I.V.-positive pregnant women." The new strategy "will be overseen by a restructured national AIDS council charged with halving the number of new H.I.V. infections by 2011."

UN Official Accused Of Graft. The Washington Times (11/3, Pisik, 88K) reports, "A senior UN procurement officer was arraigned in federal court yesterday, accused of two counts of steering about $62 million worth of contracts to two companies in his native India." Sanjaya Bahe "was arrested in New York on Wednesday evening, and UN Secretary-General Kofi Annan lifted Mr. Bahel's diplomatic immunity at the request of federal prosecutors." Bahel "is accused by the US District Attorney's Office, Southern District of New York, of steering contracts to an associate at Thunderbird Industries and Telecommunications Consultants India Ltd. (TCIL), which is owned by the Indian government."

In an editorial titled "More UN Corruption," the Wall Street Journal (11/3, A10, 2.03M) says Annan "has famously described the United Nations as an institution of 'unique legitimacy.'" But "when he turns over the Secretary Generalship to South Korean Ban Ki Moon two months from now, he will be leaving behind an organization whose reputation for integrity and competence has never been lower." Annan's "promise of UN reform has also gone nowhere."

NYTimes Criticizes US Stance On Global Warming Debate. Under the headline "Avoiding Calamity On The Cheap," the New York Times (11/3, 1.21M) editorializes, "A much-anticipated study on climate change ordered up by Prime Minister Tony Blair of Britain has attempted to calculate the economic costs of global warming. Though necessarily conjectural, the study warns that if we continue on our current course, atmospheric temperatures could rise four degrees or so in this century, producing a hugely disruptive mix of rising sea levels and withering droughts. This in turn would drain the world economy of trillions of dollars." The Times adds that "developing and deploying the necessary technologies" to avoid this outcome "will require a collective global effort. But the world's leading producer of greenhouse gases, the United States, is doing scandalously little. … The administration claims that it is in fact doing more, especially if various tax incentives for cleaner fuels like ethanol are included in the mix." President "Bush and many in Congress remain…convinced, it appears, that calamity can be avoided on the cheap."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Case Against Arson-Murder Suspect Called 'Overwhelming'."
"Cruise In Deal To Revive UA."
"Case Against Arson-Murder Suspect Called 'Overwhelming'."
"Potential Ballot-Box Profits Raise Concern."
"We Think We Can, Say GO Optimists."
"Fisheries Face Collapse By 2048, Study Warns."

USA Today:

"Delays Loom In Counting Ballots."
"90% Of The Ocean's Edible Species May Be Gone By 2048, Study Finds."
"Blue-Collar Horse Now Takes On The Blue Bloods."

New York Times:

"U.S. Web Archive Is Said To Reveal A Nuclear Primer."
"Congress Tells Auditor In Iraq To Close Office."
"This Election, Modest Tour For President."
"In Virginia Race, Women May Be The Deciders."
"China Courts Africa, Angling For Strategic Gains."
"Medicaid Wants Citizenship Proof For Infant Care."

Washington Post:

"In SE, Residents Turn Grief Into Power."
"Democrats Predict Voter ID Problems."
"World's Fish Supply Running Out, Researchers Warn."
"Campaigns Set For TV Finale."
"Area's Exurbs Watched For Further Party Shifts."
"Foreign Lobbies Took the Guise Pf Nonprofits."

Washington Times:

"Special D.C. Tags Amass More Fines."
"U.S. Speeds Attack Plans For N. Korea."
"Cardin Rallies Blacks In PG."
"Democrats Write New Prescription."
"Webb Goes Gig As Allen Stays Local."
"Ortega poised To take Helm In Nicaragua."
"Communist Retro Sweeps East Europe."

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Detroit Free Press:
"Rift Over War tears Muslims, Jews Apart."
"Well-Grounded, DeVos Flies High."
"IPod Goes Digital In Miniature."

Atlanta Journal-Constitution:
"Airport Hits Bottom For Delays."
"Towers Add To S. Cobb Push To Be Metro Hub."
'Sen. Seless Killing' Puts Street races In Prison."
"Patriotism No Racist Match For Zoning Laws."

Houston Chronicle:
"Stalled Autism Bill Shows Funding Rift."
"No March To Register By Hispanics."
"Mexico Police Battle Violent Crowd."
"Fed's Site Said To Give Recipe For An A –Bomb."
"As His family Fled Rita, He Stayed To Save A Life."

Story Lineup From Last Night's Network News:
ABC: California Wildfire; Tracking Pedophiles; New Voting Machines; Campaign 2006; New Voting Machines; Soldiers In Iraq; Rev. Haggard's Resignation; Seafood Levels Dropping; Family Doctors Decreasing; William Styron Obit; Richest People.
CBS: Campaign 2006; Campaign 2006 Analysis; California Wildfire; Missing Soldier; Fugitives Arrested; 9/11 Victims Identified; Job Market; Tom Cruise's New Gig; Political Ads.
NBC: Bush Hits Campaign Trail; Tennessee Senate Race; Campaign 2006 Analysis; Rev Haggard's Resignation; On Patrol-Iraq; New Voting Machines; Chronic Fatigue Syndrome; Stock Market; Tom Cruise New Gig.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Evangelical Leader-Male Escort Allegations, Army Dog Handler Returned To Iraq; CA Wildfire Investigation-Arrest Made; National Intelligence Director-Website Removal; Senate Finance Committee-Electronic Tax Filing; Tom Cruise-United Artists Deal; Hasselhoff-Broadway Musical.
CBS: Evangelical Leader-Male Escort Allegations, US KIAs-Baghdad Roadside Bombing; Anbar-US Marine Killed; CA Wildfire Investigation-Arrest Made; Bush-Midterm Campaigning; Barack Obama Campaigning For Jim Webb; Shakira-Latin Grammy Wins.
NPR: US KIAs-Baghdad Roadside Bombing; Anbar-US Marine Killed; Iraqi Interior Ministry-49 Killed Across Iraq; CA Wildfire Investigation-Arrest Made; Evangelical Leader-Male Escort Allegations, State Department-Six-Nation Talks Envoys; Stock Markets; Oaxaca, Mexico Shooting-Suspects Detained; Brazilian Jetliner Crash Investigation.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — Remarks at a Missouri Victory 2006 Rally, Springfield Exposition Center, 635 E. St. Louis St., Springfield, Mo., open press; remarks at a Missouri Victory 2006 Rally, Missouri Southern State University, Leggett and Platt Athletic Center, 3950 East Newman Road, Joplin, Mo., open press; remarks at an Iowa Victory 2006 Rally. LeMars Community High School, 921 3rd Ave., SW, LeMars, Iowa.

VICE PRESIDENT CHENEY — Speaks at a welcome home rally with troops, Butts Army Airfield, Fort Carson, Colo.; speaks at a Colorado Victory Rally, Broadmoor Hotel, Colorado Springs, Colo.

LAURA BUSH — Speaks at a California Victory 2006 Rally, Goal Line Productions, Pleasanton, Calif.; speaks at a New Mexico 2006 Victory Rally. Journal Center II, Albuquerque, N.M.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: INTELLIGENCE OFFICERS _ The Association for Intelligence Officers holds its 31st National Symposium on ``Homeland, Port and Border Security." Highlights: 9:15 a.m. DHS Chief of Intelligence Charles Allen. 10:30 a.m. Michael Nostroang, Assistant Director of the ICE Office of Intelligence. 11:15 a.m. Maureen McCarthy, Senior Advisor for WMD Intelligence Programs. 1:15 p.m. Vice Adm. Roger Rufe, Director of DHS Operations. 2:05 p.m. Thomas Bortmes, CBP Director of Intelligence. 3:15 p.m. Vavl Oxford, Director of DNDO. 4:05 p.m. Capt. Patrick Nemeth, head of Coast Guard Office of Intelligence Plans and Policy. Location: Hyatt Regency-Reston, 1800 President St., Reston.

WAR ON TERROR _ 9:30 a.m. - 12 p.m. The Middle East Policy Copuncil hosts a conference, ``Are We Trapped in the War on Terror?" Participants are: Ian Lustick, Bess W. Heyman chair political science, University of Pennsylvania, author of ``Trapped in the war on Terror;" Ivan Eland, senior fellow, Independent Institute; Rand Beers, former member, National Security Council; and Edward Luttwak, senior fellow, CSIS. Moderator/discussant is Charles W. Freeman Jr., president, Middle East Policy Council. Location: Heldref

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Publications Building (office of the Independent Institute), 1319 18th St. NW.

TREASURY-STEIN _ 10 a.m. Robert Stein, acting Assistant Secretary for Economic Policy, gives an economic media briefing on economic indicators and the state of the economy. Location: Treasury Department.

PRAYER-CHANGE _ 10:30 a.m. Revs. K.A. Paul and Walter Fauntroy and Martin Luther King III and dozens of children march to the office of House Speaker Dennis Hastert to pay for change, followed by a news conference at 11 a.m. Location: Outside Room 235, Cannon.

EMPLOYMENT REPORT _ 11:45 a.m. Rob Portman, director of the OMB, and Edward Lazear, chairman of the Council of Economic Advisors, hold a joint teleconference to discuss the October 2006 employment report, economic growth, and the President's economic policies. Notes: Call 202-456-2580 for media information.

MIDEAST _ 12 p.m. The Middle East Institute, Foundation for Middle East Peace and Americans for Peace Now co-sponsor a panel discussion, ``Picking up the Pieces of Mideast Peace: Can Today's Opportunities be Seized?" with Akiva Eldar of the Israeli daily Ha'aretz, and Salameh Nematt of the Arab daily al-Hayat. Location: Carnegie Endowment for International Peace, 1779 Massachusetts Ave., NW.

US-INDIA _ 12 p.m. Indian Amb. Ronen Sen, speaks on U.S.-Indian relations, sponsored by the Potomac Institute for Policy Studies and the Inter-University Center for Terrorism Studies. Location: National Press Club.

KOHN _ 12:30 p.m. Federal Reserve Board Vice Chairman Donald Kohn addresses the Banking Law Committee of the American Bar Association on the changing structure of the FRB. Location: Ritz-Carlton Hotel, 1150 22nd St. NW.

SPELLINGS _ 6 p.m. Education Secretary Spellings speaks at the Myth Awards Ceremony and dinner. Location: Grand Hyatt Hotel, 1000 H St. NW.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Top Al Qaeda Operatives Will Not Be Among First Tried At Guantanamo. The New York Times (11/3, A18, Lewis, 1.21M) reports the Pentagon "expects to begin conducting the first war crimes trials" at Guantanamo Bay under the new military commission law by summer. However, senior officials say the trials "will not involve any of 14 senior Qaeda operatives recently sent to Guantánamo from secret CIA custody." Instead, "military prosecutors are planning to roll out the new system by trying some of the 10 people previously charged with lesser crimes whose earlier trials were aborted when the Supreme Court struck down the previous system of military commissions as unlawful." DOD and DOJ officials speculated it could be "well into 2008, at the earliest, before the men believed to have been the high command structure of Al Qaeda sat in the dock at Guantanamo, where they will almost certainly face the death penalty."

The AP (11/2, Yen) says the trials of the "14 high-level terror suspects and other detainees could bog down over questions about the CIA's interrogation tactics" due to the "legal gray areas" of torture. Military judges "have wide freedom to define what is torture. And defense lawyers pledge to put on trial the government's treatment of detainees, particularly mock drownings and other practices banned by international treaties."

"Well-Behaved" Detainee Allowed To Call Wife. The AP (11/2, Melia) reports Jordanian Jamil el-Banna, "a well-behaved detainee at Guantanamo Bay," was" allowed to make a rare phone call to his wife in London recently," according to his lawyer.

LATimes Faults White House, Congress On Military Commissions Act. The Los Angeles Times (11/3, 918K) editorializes, "The Bush Administration has fared miserably with the U.S. Supreme Court when it comes to its more controversial post-Sept. 11 initiatives. That losing streak could be extended now that lawyers for detainees at Guantanamo Bay in Cuba have taken aim at the new Military Commissions Act, which purports to prevent their clients from filing habeas corpus petitions. If the high court again rules against the administration, President Bush will have himself to blame for obstinately refusing to afford detainees the protection of the Great Writ. But blame also will fall on members of Congress who knew better than to sign off on such flawed legislation."

US Government Web Site Made Nuclear Development "Guide" Public. The New York Times (11/3, Broad, 1.21M) reports on its front page that a government website set up in March "to make public a vast archive of Iraqi documents captured during the war" contain documents including "detailed accounts of Iraq's secret nuclear research before the 1991 Persian Gulf war," which, according to experts, "constitute a basic guide to building an atom bomb. Last night, the government shut down the Web site after The New York Times asked about complaints from weapons experts and arms-control officials."

The AP (11/2) says the office of Director of National Intelligence John Negroponte took down the Operation Iraqi Freedom Document Portal site due to the concerns. In a statement, Negroponte said his office "has suspended public access to the Web site 'pending a review to ensure its content is appropriate for public viewing.'" The Washington Post (11/3, A8, Linzer, 748K) reports Negroponte's office "began posting thousands of captured Iraqi documents earlier this year at the insistence of Republican lawmakers, who hoped the documents could shed light on Iraq's prewar arsenal."

Worldwide Nuclear Proliferation Growing After Post-Cold War Lull. The Washington Post (11/3, A23, Linzer, 748K) reports under the headline "Optimism Turns To Anxiety On Curbing Nuclear Arms" that as the last century closed, "nearly a dozen countries abandoned nuclear weapons programs, betting on the promised security of a post-Cold War world. But the trend toward disarmament seems to have tapered off almost as quickly as it began." Since 2000, "one country -- Libya -- agreed to give up the possibility of making a weapon. But North Korea accelerated its program, and many believe Iran is doing the same. More countries are exploring uranium enrichment and nuclear power programs that could be diverted to produce weapons."

Colorado Man Arrested On Terror Suspicion Freed, Will Be Deported. KMGH-TV Denver (11/1) reported on its Web site from a story broadcast yesterday, "He spent three years behind bars but on Thursday, the charges against him were dropped and he was set free." Haroon Rashid's "arrest was hailed by U.S. Attorney General John Ashcroft hailed his arrest as a big step in the fight against terrorism. But it's never been proven that he was a danger to the United States so he's being set free, but is still being deported to Pakistan. … He was never charged with any terrorism related crimes but held on a relatively minor immigration violation instead." Rima Barakat of the Muslim American Society said, "This is not right," but "U.S. attorneys maintain that Rashid is dangerous. 'Mr. Rachid had attempted to purchase weapons. He had made statements to the effect of his desire to engage U.S. forces,' said Troy Eid, U.S. attorney for Colorado."

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The Rocky Mountain News (11/3, Burnett) reports Rashid "and several family members caught the attention of the FBI's Joint Terrorism Task Force shortly after 9/11, records show. … U.S. Attorney Troy Eid said Thursday his office chose to drop the charges of conspiracy and making false statements because Rashid already has served more time in jail than he would serve if he were convicted of those charges. Family members and friends insisted the charges were trumped up," and they "said Rashid traveled to the Pakistan-Afghanistan border to visit his family, not to train to be a terrorist. But Eid made no apologies. 'Our office will pursue terrorism investigations wherever they lead,' he said."

Albany Muslims Form "Defense Committee" In Wake Of Terror Convictions. WXXA-TV Albany (11/1) reported on its Web site, "A group of about 50-people have come together to form the Muslim Defense Committee. They claim that the government's actions during the investigation into Yassin Aref and Mohammad Hossain were an attack on the Bill of Rights and the civil liberties of Americans. They're asking that the judge give the two men a light sentence." WXXA note, "Hossain and Aref were convicted…of participating in a fake plot to launder money from the sale of a shoulder-fired missile to terrorists during an FBI sting operation."

UK To Ease Carry-On Liquids Ban. USA Today (11/3, 12A, Stinson, 2.27M) reports the UK has announced passengers flying out of the country "will be able to carry small amounts of liquids, gels and lotions, including toothpaste and medicine, through airport security checkpoints starting Monday. The British government said Thursday that it would ease a ban it imposed on carry-on liquids" in August.

HOMELAND RESPONSE:

FBI Anthrax Investigation Seen As Stalled. Under the headline, "Many Fear FBI's Anthrax Case Is Cold," the Los Angeles Times (11/3, Schmitt, Meyer, 918K) reports, "Five years after a series of deadly anthrax-laced letters rattled the nation, the FBI has offered no indication that it is any closer to solving the first major act of bioterrorism on U.S. soil, leading critics to speculate the probe has stalled and to question how well federal officials would handle future attacks. Members of Congress and targets of the attacks…increasingly are expressing concern that the FBI-led federal investigation…has been mismanaged. … The credentials of the latest chief may be telling: He has worked on complex international criminal cases that have run cold." However, "the FBI says its investigation remains highly active." The Times notes, "Some also have criticized the agency for not being more receptive to outside advice. Dr. Ken Alibek, a bio-weapons pioneer from the former Soviet Union, said he had written to Mueller to volunteer. … Alibek said he got a 'thanks, but no thanks' letter from a top aide to" Director Robert Mueller. "The bureau, he was told, already had 'a big group of people working on this issue.'"

New York City Expands Ground Zero Remains Search. The CBS Evening News (11/2, story 6, 0:35, Pitts, 7.66M) reported, "Authorities have identified the remains of an American Airlines flight attendant and a passenger killed when their jet crash into the World Trade Center on September 11. The remains have been in the hands of the medical officer's office for five years and were finally identified with the help of new DNA testing. This comes even as the families of 9/11 victims rallied today demanding a new search for human remains in and around Ground Zero. Last month, construction workers found human bones in a manhole and since then, more body parts have been found."

USA Today (11/3, 3A, Moore, 2.27M) says a "sad task thought to be long over is beginning again: the search for remains" at Ground Zero. New York City "quickly launched the new search after the discovery Oct. 19 of nearly 200 fragments of remains," and workers "now will sift gravel on rooftops, go down nearly 500 manholes, dig up roadways and explore underground vaults. The work could last up to a year."

NYTimes Praises Bloomberg's Expansion Of Search. The New York Times (11/3, A26, 1.21M) editorializes, "Finding more human remains at ground zero -- five years after 9/11 -- is what no one wanted. And yet it was almost inevitable, given the scale of the devastation when the towers collapsed. … By expanding the area to be searched and promising to search more thoroughly," Mayor Michael Bloomberg "has satisfied the needs of a city to have building at ground zero continue while still giving hope to those families looking for some certainty about a loved one's death five years ago."

DHS Unveils Plans For Border Terror Screening Program. The Washington Post (11/3, A18, Nakashima, Hsu, 748K) reports the Department of Homeland Security disclosed details of the Automated Targeting System, a "border-security program to screen all people who enter and leave the United States, create a terrorism risk profile of each individual and retain that information for up to 40 years." The Post says the details "open a new window on the government's broad and often controversial data-collection effort directed at American and foreign travelers, which was implemented" after 9/11.

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WAR NEWS:

Snow Says US Iraq Pullout Would Boost Bin Laden. White House Press Secretary Tony Snow, appearing on Fox News' The Big Story (11/2, Gibson), said, "Everybody in the Middle East is looking at this because they see this as a war of Islamist terror on one side and forces of democracy on other. If we leave without getting the job done, everybody is going to say bin Laden was right, the Americans aren't going to stick out the fight. And people in that region -- countries in that region -- are going to have to make calculations: Who do I side with? They're going to think: 'Well, wait a minute, looks like the bin Laden forces might be the guys to side with.'"

Abducted Iraqi-American US Soldier Believed To Be Alive. The CBS Evening News (11/2, story 4, 0:25, Logan, 7.66M) reported US officials in Baghdad "believe the American soldier kidnapped ten days ago is still alive. The top military spokesman here said intense political lobbying is under way to try to secure his release." Maj. Gen. William Casey: "At this time, we believe the ones who kidnapped him currently still have him."

The Los Angeles Times (11/3, Daragahi, 918K) reports Ahmad Qusai al-Taayie, "a 41-year-old American of Iraqi descent, was visiting his Iraqi wife and other relatives in central Baghdad on Oct. 23 when kidnappers stormed the home, handcuffed the soldier and forced him into a vehicle at gunpoint. The kidnappers called his family with his cell phone, and talks over his release began." USA Today (11/3, 8A, 2.27M) reports Latifah Isfieh Nasser, "who claimed to be al-Taayie's mother-in-law," said last week that Taayie's in-laws "tried to stop the abduction by men believed to be Mahdi Army militia fighters." The Washington Post (11/3, A25, Anderson, Al-Izzi, 748K) also has a straightforward report.

Iraq Reconstruction IG Office To Shut Down In October 2007. The New York Times (11/3, Glanz, 1.21M) reports on the planned termination of the Office of the Special Inspector General for Iraq Reconstruction in October 2007 in a negative tone, leading the front page report by saying "investigations led by a Republican lawyer named Stuart W. Bowen Jr. in Iraq have sent American occupation officials to jail on bribery and conspiracy charges, exposed disastrously poor construction work by well-connected companies like Halliburton and Parsons, and discovered that the military did not properly track hundreds of thousands of weapons it shipped to Iraqi security forces. And tucked away in a huge military authorization bill that President Bush signed two weeks ago is what some of Mr. Bowen's supporters believe is his reward for repeatedly embarrassing the administration: a pink slip" in the form of the agency's termination.

Bechtel Ending Rebuilding Work In Iraq. In a pessimistic voice, the Los Angeles Times (11/3, Streitfeld, 918K) writes that in Iraq, the Bechtel Corporation "met its match," and is now pulling out after more than three years of rebuilding. A "firm that prides itself on its safety record saw dozens of its workers killed. And a company that celebrates achievement won't know for a long time, if ever, exactly what it accomplished." While Bechtel says it "completed 97 of 99 projects for a total of $2.3 billion," this "isn't anything like the happy ending it once expected." Bechtel "went to Iraq with a good deal of well-earned swagger," which "receded with each suicide bombing."

Krugman Says US Has "Cut And Run" On Reconstruction. In his New York Times (11/3, A27, 1.21M) column, Paul Krugman writes that Bechtel's mission "wasn't accomplished: Baghdad received less than six hours a day of electricity last month, and much of Iraq's population lives with untreated sewage and without clean water. But Bechtel, having received $2.3 billion of taxpayers' money and having lost the lives of 52 employees, has come to the end of its last government contract. As Bechtel goes, so goes the whole reconstruction effort. Whatever our leaders may say about their determination to stay the course complete the mission, when it comes to rebuilding Iraq they've already cut and run."

Iraq Presses US For Changes In Military Relationship. The Financial Times (11/3, Negus) reports members of Iraq's parliament "are trying to change the guidelines that govern the US-led multinational force in Iraq" as friction between Washington and Baghdad rises to "new highs in the run-up to American elections next week." This "development comes after Nouri al-Maliki, Iraq's prime minister, succeeded in pushing the US military to lift blockades" surrounding Sadr City. The New York Times (11/3, A17, Semple, 1.21M) reports Maj. Gen. William B. Caldwell IV, the top US military spokesman in Iraq, "played down recent discord between the American and Iraqi governments, saying that while there had been 'disconnects,' the leaders of both countries were working closely to achieve political stability in Iraq." Caldwell said, "A transition is not always a pleasant thing to watch as it happens. We need to have more dialogue, as was clearly evidenced by the fact that there have been some disconnects that have occurred in this transition period."

Snow Lauds Maliki's Actions Thus Far. White House Press Secretary Tony Snow said on CNN's The Situation Room (11/2, Blitzer) that Iraqi PM Nouri al-Maliki has "been in business for five and a half months. What has he done? Number one, he has said, I need to have more control over the military. And he's talked about being nimble

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and going after forces, including in places like Sadr City. He was unhappy about not being informed of the precise time of a recent raid, but he had approved of the raid. Furthermore, he has met with Muqtada al-Sadr. He's also met with Ali al-Sistani, the top Shia leader. In addition, he's met with 100 top tribal leaders, Sunni leaders, and he's had a reconciliation conference in Saudi Arabia. He's been working on the economy. He's been working on reconciliation. He's been working on security. And for a guy who's been in for five and a half months, he's making decisions and he's being assertive."

Iraq Violence Continues As New Month Begins. The AP (11/2, Hurst) starkly reports that "a blood-drenched October has passed into a violent early November as a motorcycle rigged with explosives ripped through a crowded Shiite market in Sadr City on Thursday and suspected Sunni insurgent gunmen killed a Shiite dean of Baghdad University." The AP says the "attacks showed no signs of abating after at least 1,272 Iraqis were killed in the first full month of autumn and the 43rd month of the U.S. bid to quell violence and build democracy in Iraq." Another AP (11/2, Yacoub) report focuses on the assassination of the dean, "the 155th Iraqi academic slain in sectarian violence and revenge attacks since the 2003 U.S. invasion."

Hughes Backs Public Diplomacy Chief In Row Over Interview. The Washington Post (11/3, A19, Kamen, 748K) reports on the State Department's treatment of Alberto Fernandez, head of public diplomacy for the Mideast," who "said the administration had been arrogant and stupid in its Iraq foray," during an interview late last month with al-Jazeera television. The Post notes that he "apologized, saying he somehow misspoke. So was he fired? Transferred? Hardly. His boss, Undersecretary Karen Hughes is backing him all the way, according to an e-mail circulated by Hughes's assistant, Adele E. Ruppe."

US Forces In Iraq "Just Do Their Jobs." The networks relegated their Iraq reporting to midway through their broadcasts, with ABC and NBC both running features on US troops in the Baghdad area. ABC World News (11/2, story 5, 2:40, Gibson, 8.78M) "wanted to check in with the soldiers on the front lines" as US elections near. Members of the "172nd Stryker Brigade from Alaska…don't talk politics much. They just do their jobs, and hope for some small measure of appreciation from Americans in return." NBC Nightly News (11/2, story 5, 2:10, Engel, 9.87M) focused on the 615th MP company and its efforts to keep Baghdad's streets safe and train Iraqis to take over security jobs. At one police station, there were 120 police "three months ago. Now only 30 show up for work. The rest were killed, injured or quit. They tell me, they don't have enough bullets and have to pay for ones they can't account for."

Sanchez Says Abu Ghraib Ended His Military Career. USA Today (11/3, 8A, Kelley, 2.27M) reports former US Iraq commander Lt. Gen. Ricardo Sanchez, who retired from the Army this week, said in an interview with a Texas newspaper that the "Abu Ghraib prisoner-abuse scandal effectively ended his career." Sanchez "could not be reached for comment Thursday," but an Army spokesman "said only that he 'retired after a long, professional career of public service to the U.S. Army and our nation.'"

Pentagon Reorganizes Public Affairs Office. The New York Times (11/3, A17, Cloud, Shanker, 1.21M) reports the Pentagon "is reorganizing its public affairs operation in an attempt to influence news coverage, amid internal frustration at the tone and substance of reporting" on Iraq and on Secretary Donald Rumsfeld. The expanded office "features a 'rapid response unit' to react to news reports. It is also stepping up efforts to arrange appearances by department officials on talk radio and cable television, and to recruit 'surrogates' who are not on the department's payroll to defend its policies." Officials involved say the new effort, "which was conceived by Assistant Secretary of Defense Dorrance Smith, is not primarily a response to negative coverage but rather is aimed at more aggressively challenging articles and broadcasts deemed inaccurate and at making better use of podcasts, blogs and other new outlets."

Ignatius Says Bush To Face "Conflicting Recommendations" On Iraq. In his Washington Post (11/3, A21, 748K) column, David Ignatius writes, "Following Tuesday's elections, President Bush will face some of the most difficult decisions of his presidency as he struggles to craft a strategy for dealing with the ruinous mess in Iraq. He will have to do what he has sometimes found hardest: make a decisive choice among conflicting recommendations from his advisers. The coming policy debate will be shaped by the recommendations of the bipartisan Iraq Study Group" headed by James Baker and Lee Hamilton, but it "will also involve basic conflicts that have emerged in the past year over Middle East strategy -- for which the rough Beltway shorthand would be Condoleezza Rice's State Department vs. the office of Vice President Cheney."

Next Year's Afghan Poppy Crop Likely To Equal This Year's. The AP (11/2, Straziuso) reports opium poppy farmers in Afghanistan "will probably reap a harvest comparable to this year's record crop, in part because insurgents are preventing effective counter-narcotics work," according to officials who say that "despite anti-

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cultivation campaigns, they foresee little improvement by harvest time next spring."

IG Says US Warhead Testing Behind Schedule. The Washington Post (11/3, A9, Pincus, 748K) reports that the Energy Department's inspector general said Thursday that "significant backlogs" in surveillance testing "of several types of nuclear warheads in the aging US stockpile have created gaps in information needed to ensure that the weapons remain reliable." In a letter to Energy Secretary Samuel Bodman, Inspector General Gregory H. Friedman said, "The surveillance program's role in assessing and ensuring confidence in the reliability of the weapons stockpile is increasingly important as the nuclear weapons stockpile ages." But Friedman added: "As a result of the continuing backlog of surveillance tests, the department lacks vital information about the reliability of the stockpile...[and] as a result of testing delays, important operating anomalies or other defects could go undetected."

Some High School Students Opt Out Of Military Recruitment. USA Today (11/3, 3A, Keen, 2.27M) runs a feature on US high school students who are opting out of military recruitment by having their parents sign a form that prevents their schools from giving contact information to recruiters. A provision of the No Child Left Behind law "requires high schools to share students' names, phone numbers and addresses with military recruiters unless students or their parents choose to opt out." Pentagon officials "say recruiters just want the same information that goes to colleges and companies to make career pitches to students."

CORPORATE SCANDALS:

Former Computer Associates CEO Sentenced To 12 Years In Prison. In a widely-distributed story, the AP (11/3, Hays) reports former Computer Associates CEO Sanjay Kumar "was sentenced to 12 years in prison and fined $8 million on Thursday in an accounting fraud scandal estimated to have cost investors $400 million at one of the world's largest software companies. … Under federal sentencing guidelines, Kumar could have faced life in prison, but the judge called that punishment unreasonable." The AP notes, "According to a 2004 indictment, Kumar orchestrated a plot to report more than $2 billion in false revenue between 1999 and 2000. … After the FBI began investigating the company in 2002, Kumar orchestrated a cover-up that involved lying under oath about the '35-day month' and trying to buy the silence of a potential witness, authorities said."

Computerworld (11/2, Weiss) noted, "Assistant director-in-charge of the FBI's New York Field Office, which assisted in the CA accounting investigation, Mark J. Mershon, said in a statement that the sentence fit Kumar's crimes. 'Today, justice looked Mr. Kumar in the face and held him accountable for presiding over one of the largest accounting fraud schemes on record,' Mershon said. 'His deliberate misstatements of over $US2 billion of Computer Associates' revenue caused an elevation of the company's stock price, but when the scheme collapsed, no one fell harder than the investors who made good faith purchases of the company's stock.'"

The Financial Times (11/3, Taylor) reports, "The sentence was imposed after Assistant US Attorney Eric Komitee told Judge Leo Glasser that Kumar's actions represented 'the most brazen and comprehensive obstruction in the modern era of corporate crime.' Judge Glasser said though Kumar was not a violent criminal, he 'did violence to the legitimate expectations of shareholders.'" The FT also notes, "After the US Federal Bureau of Investigations began investigating the company in 2002, prosecutors said Kumar orchestrated a cover-up that involved lying under oath about the '35-day month' and other frauds and trying to buy the silence of a potential witness, authorities said."

USA Today (11/3, Farrell) calls Kumar's sentence "yet another sign that the court system has little mercy for executives who've done wrong," and the Wall Street Journal (11/3, A3, Bulkeley) similarly reports, "The sentencing is the latest in a string of lengthy prison terms for white-collar criminals partly spurred by a spate of accounting scandals that lost investors billions of dollars in stock-market value earlier in the decade. … Attorneys for Mr. Kumar didn't say whether they would try to appeal the sentence." The Journal notes, "Judge Glasser postponed sending Mr. Kumar to a minimum-security federal prison until the end of February. He said he wants to rule first on the amount of restitution shareholders and other victims should get from Mr. Kumar. Judge Glasser said he might change the fine depending on whether funds are needed for restitution."

The New York Times (11/3, de la Merced) reports that at yesterday's hearing, defense lawyer John P. Cooney Jr. "detailed Mr. Kumar's philanthropic efforts as he sought to win leniency for his client: donations to tsunami relief in Sri Lanka; girls' education programs in Kenya; emergency medical support to victims of the 1998 embassy bombings, also in Kenya; and programs to help scientists track elephant herds in Africa. But Judge Glasser said that federal sentencing guidelines did not permit him to consider charity work in determining punishment. The judge also questioned several statements by Mr. Kumar and his lawyer that suggested the former executive had fully accepted responsibility for his actions. The judge cited the timing of Mr. Kumar's guilty plea — two weeks before his trial was to have begun — as well as Mr. Kumar's continued denial that he

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erased potentially incriminating data from a laptop computer." Newsday (11/3, Kessler) also reported on the sentencing.

Senior UBS Bond Traders Negotiating Resignations Amid SEC Probe. The Wall Street Journal (11/3, C1, Zuckerman, Ng) reports senior bond traders Phillip B. Smith and Robert T. Fischetti "are negotiating the terms of their departures from the Wall Street arm of UBS AG amid an unfolding investigation by regulators into possible manipulation of Treasury-securities prices, according to people familiar with the matter. The UBS traders -- who focus on the so-called repurchase-agreement, or repo market, in which bonds are used as collateral for short-term loans -- are no longer working on the trading desk, according to a person close to the matter." The Journal notes, "The departures are related to a Securities and Exchange Commission investigation into possible improper trading in the Treasury markets at UBS. The investigators are focusing on trading that took place in February, according to a person close to the matter."

Former Comverse General Counsel Pleads Guilty To Options Backdating. The Wall Street Journal (11/3, A3, Davies) reports, "The former general counsel of Comverse Technology Inc. pleaded guilty in federal court to a criminal conspiracy charge in connection with backdating stock options, and implicated the former chief executive as the mastermind of the scheme." William F. Sorin "told Judge Nicholas Garaufis that former Comverse Chief Executive Kobi Alexander first informed him of the backdating plan sometime in the late 1990s. Mr. Sorin said Mr. Alexander told him that he retroactively selected a grant date for stock options by choosing the lowest price of the prior quarter. Mr. Sorin added that the backdating continued to 2002. 'I knew what [Mr. Alexander] was doing was wrong and did not challenge his conduct or share my knowledge with the board of directors and auditors of the company,' Mr. Sorin said in court. He said he went along with the scheme out of 'the respect I had felt for Mr. Alexander' and 'my belief in his importance to the success of the company.'"

Eight Former Spiegel Officers, Directors Settle SEC Charges. The Wall Street Journal (11/3, B4, Burns) reports, "Eight former officers and directors of Spiegel Inc. have settled Securities and Exchange Commission charges they helped the catalog retailer conceal deteriorating performance from investors and outside auditors. The SEC said the company's accounting problems occurred over a two-year period, starting in April 2001. … The former executives settled without admitting or denying the claims and will pay penalties ranging from $100,000 to $170,000 each. Spiegel itself won't be fined in the matter." The Journal notes, "The SEC said former Spiegel co-presidents Michael Moran and James Sievers, former Chief Executive Martin Zaepfel, former Chief Financial Officer James Cannataro and former Treasurer John Steele authorized higher fees paid from Spiegel retailing subsidiaries to the firm's banking unit, which the SEC said hid weaker performance in Spiegel's credit-card receivables."

SEC Enforcement Declines By 9 Percent. The Washington Post (11/3, D03, Johnson) reports, "The number of new enforcement cases brought by the Securities and Exchange Commission fell by 9 percent last year as the agency grappled with staffing cuts brought on by a recent budget crunch, according to figures released yesterday." The Post continues, "SEC Chairman Christopher Cox said in a statement that the agency's work in the fiscal year ended Sept. 30 had produced 'solid results for investors,' including settlements of $800 million with insurance firm American International Group Inc. and $400 million with District mortgage giant Fannie Mae. … The agency's reduced tally of 574 enforcement actions included 91 cases against shell companies that failed to file regular financial reports. That issue has become an SEC priority of late, but pursuing those cases takes less time and fewer resources than most other actions. Former agency lawyers said such cases amount to going after low-hanging fruit." The Post notes, "Cox attributed the decline to temporarily reduced staff levels. The SEC as a whole lost 155 employees last year -- including 43 in the enforcement unit -- compared with fiscal 2005. A total of 3,696 people worked at the agency in 2006, with 1,189 in the enforcement division. The agency is reviewing its staffing levels and plans to restore some of the unfilled positions, officials said. … In recent years, the SEC has faced criticism for failing to uncover widespread accounting fraud at such companies as Enron Corp. and WorldCom Inc. as well as trading abuses at mutual funds. Those scandals prompted Congress to pour hundreds of millions of dollars into the agency's coffers. .. .But more recent financial difficulties, including construction overruns on its new headquarters near Union Station, led to a budget shortfall last year and a hiring freeze that only recently has been lifted, officials said."

CRIMINAL LAW:

FBI Questions Former Harris Aides. The St Petersburg Times (11/3, Kumar) reports, "Federal investigators have interviewed at least two more former chiefs of staff to U.S. Rep. Katherine Harris as part of a federal inquiry into her relationship with a convicted defense contractor." The Times continues, "Dan Berger and Ben McKay, who both worked for Harris in her first term and are now lobbyists in Washington, confirmed the interviews this

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week and said it was their understanding all congressional staff would likely be questioned. The two spoke separately to three investigators from the FBI and the Defense Department in Washington several weeks ago." The Times adds, "The Justice and Defense departments are examining Harris' dealings with Mitchell Wade, who made illegal campaign contributions to Harris and paid for at least two dinners with her at a tony Georgetown restaurant that totaled about $6,000. Later Wade asked Harris to help secure $10-million in federal money for a company project in Sarasota. … Federal authorities have subpoenaed records from Harris' U.S. Senate campaign office and have interviewed several former staffers, including senior campaign consultant Ed Rollins, campaign manager Jim Dornan and Mona Tate Yost, a congressional aide who later went to work for Wade."

Former NC Federal Prosecutor Pleads Guilty To Conspiracy, Money Laundering. The AP (11/3) reports, "A former U.S. attorney, judge and state Republican chairman pleaded guilty Thursday to charges related to a tax fraud conspiracy." The AP continues, "Sam Currin could face 43 years in prison. He pleading guilty to conspiring to launder more than $1 million through his law firm's client trust account and to lying on his taxes by failing to report an offshore debit card account. … Currin, 57, also pleaded guilty in a related case to obstructing a grand jury investigation into securities fraud by conspiring to withhold documents and provide false testimony." The AP adds, "Prosecutors said Currin and his conspirators sent out fraudulent promotional materials on several publicly traded Nevada companies. When stock prices and trading volumes increased, those participating in the scheme profited on the sale of the securities. Prosecutors said Currin received more than $240,000."

The Raleigh (NC) News & Observer (11/3, Weigl) reports, "During the 40-minute hearing at Raleigh's federal courthouse, prosecutors did not reveal any new details about the case against Currin. … But in an unusual move last month, Currin filed a 16-page affidavit detailing his role in the crimes -- a filing which U.S. District Judge Earl Britt noted was the first he had ever seen as a judge." The N&O adds, "Currin admitted lying to a grand jury and laundering $1.3 million on behalf of a client, a prolific spammer who faced his own criminal charges. Currin admitted knowing his client's money was the proceeds of criminal activity, according to his affidavit. … Currin was a protege of former U.S. Senator Jesse Helms, who helped Currin be appointed as the top federal prosecutor in eastern North Carolina. Currin held that position from 1981 until 1987."

Former Soldier Indicted For Rape Of Iraqi Girl. The Louisville Courier-Journal (11/3, White) reports, "A former Fort Campbell soldier was indicted by a federal grand jury in Louisville on Thursday on charges that include the rape of an Iraqi girl and the deaths of the girl and members of her family in Iraq." The C-J continues, "Steven D. Green, 21, was charged with conduct that would constitute conspiracy to commit murder, conspiracy to commit aggravated sexual abuse, premeditated murder, murder in perpetration of aggravated sexual abuse, aggravated sexual abuse on a person less than 16 years of age, use of firearms during the commission of violent crimes and obstruction of justice. .. .The indictment charges Green with crimes from an incident that occurred on March 12 near Mahmoudiyah, Iraq." The C-J adds, "If convicted, he could receive the death sentence, according to a release from the Justice Department. … The indictment alleges that during the incident Green and others committed aggravated sexual abuse against a 14-year-old Iraqi girl, whose body was burned after the attack. .. The indictment also alleges that Green and others killed the girl, her father, mother, and 6-year-old sister."

California Police, FBI Raid Activists' Homes In ALF Investigation. The Los Angeles Times (11/3, Mozingo, 918K) reports, "Santa Monica police and FBI agents raided the homes of several controversial animal rights activists this week as part of an investigation into the underground Animal Liberation Front. Among the targets were Dr. Jerry Vlasak and his wife, Pamelyn Ferdin, two well-known activists who regularly protest against Los Angeles animal services officials. … Santa Monica Police Capt. Alex Padilla said officers served search warrants in Los Angeles, Ventura and Orange counties on Tuesday. He would not provide details of the probe beyond saying that it was 'an ongoing criminal stalking and conspiracy investigation involving members of the Animal Liberation Front.'" The Times notes, "The Animal Liberation Front is a shadowy network that has sabotaged animal research labs, vandalized homes of researchers, firebombed properties and made numerous death threats. … The FBI has called it a domestic terror threat."

House Ethics Panel Will Not Finish Foley Report By Election Day. The AP (11/2, Margasak) reports the House ethics committee "has been working hard to determine if Republicans covered up ex-Rep. Mark Foley's come-ons to former male pages, but even 12-hour work days won't bring conclusions by Election Day." The "lack of a report leaves voters to sort through conflicting Republican accounts in deciding whether GOP leaders failed to protect teenagers in their care." But it "won't be easy for voters to find answers without the ethics committee's help." Speaker Dennis Hastert's "staff could have learned of inappropriate e-mails as early as 2002 and as late as 2005, depending on whose statements voters believe." Also, "two House leaders said they told Hastert about Foley's questionable e-mails last

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spring, but the speaker said he didn't learn of them until late September." The four-member investigative subcommittee "interviewed some two dozen witnesses in closed sessions. Witnesses were still being questioned earlier this week, leaving no time for the panel to digest hours of interviews and write a report by Election Day."

Judge Blocks Memory Expert At Libby Trial. The AP (11/3, Apuzzo) reports, "Former White House aide I. Lewis 'Scooter' Libby will not be allowed to use a memory expert at his perjury and obstruction trial, a federal judge ruled Thursday, blocking a key tactic in Libby's defense strategy." The AP continues, "Libby, who is accused of lying to investigators in the CIA leak case, wanted an expert to testify that memory is unreliable, especially during times of stress. Libby says he had national security issues on his mind and any misstatements he made about the leak of Central Intelligence Agency officer Valerie Plame's name were mistakes, not lies." The AP adds, "U.S. District Judge Reggie B. Walton said allowing a memory expert would be a waste of time and would only confuse the jury. Walton said jurors, like everyone else, understand that memory sometimes falters and can judge for themselves whether witnesses are reliable. … The issue provided the case's first courtroom drama last week when Special Prosecutor Patrick Fitzgerald spent hours questioning the research of memory expert Elizabeth Loftus. Fitzgerald picked apart the psychologist's testimony until she acknowledged errors and misstatements in her findings. … The trial is set to begin in January. Libby's lawyers have said the former aide to Vice President Dick Cheney will testify."

"Person Of Interest" Charged With Setting California Wildfire. The Los Angeles Times (11/3, Reston, Abrams, Lin) reports, "A 36-year-old auto mechanic from Beaumont was charged Thursday with arson and five counts of murder for allegedly setting last week's Esperanza fire, which killed five U.S. Forest Service firefighters and destroyed 34 homes in a remote mountain area of Riverside County. Convicted felon Raymond Lee Oyler has been in custody since Tuesday, when authorities arrested him on suspicion of setting two smaller blazes in June and announced that he was a 'person of interest' in the fatal arson fire." Riverside County District Attorney-elect Rod Pacheco said, "We had 30-plus people in one room reviewing every bit of evidence. … We came to a unanimous conclusion." The Washington Post (11/3, A3, Geis) notes, "State and local officials had offered a $550,000 reward to find the person responsible and set up a tip line, which yielded hundreds of calls. Agents from the Bureau of Alcohol, Tobacco, Firearms and Explosives; the Federal Bureau of Investigation; and the U.S. attorney's office worked on the case with local investigators."

USA Today (11/3, 4A, Downs, Matheny, Solvig) reports Oyler "faces five counts of first-degree murder and 21 arson-related charges following the Esperanza fire, which investigators say was set Oct. 26. … The district attorney's office said in court documents that Oyler is suspected of having set as many as 10 additional fires in the area dating back to June. Mark McDonald, a San Bernardino attorney hired by Oyler's family to represent him, said he may ask that any trial be moved, citing the 'highly emotionally charged case.'" The New York Times (11/3, Archibold) adds that McDonald "said in an interview after the court hearing that the haste of Mr. Oyler's arrest 'raises eyebrows.' In two days, Mr. McDonald said, Mr. Oyler went from being arrested as a suspect in unrelated fires and a 'person of interest' in the deadly blaze to being accused of setting it. In the wake of the firefighters' deaths, Mr. McDonald said, 'emotion tends to drive everything, and they needed to find somebody.'" The AP (11/3, Flaccus) also reports on the charges against Oyler. The AP (11/3, Flaccus) also reports on the charges.

Oyler Maintains His Innocence. The Inland Southern California Press-Enterprise (11/3, Hill, Goad, Hartmann) reports that before he was charged Thursday, "an anxious and tearful Oyler…maintained from the Robert Presley Detention Center that he did not start those fires or last week's wildfire, which killed five U.S. Forest Service firefighters. He expressed sympathy for the loss of life. … 'I haven't done anything with any fires,' Oyler said," adding, "Fires hurt people." The Press-Enterprise notes that "Oyler said he did not know why detectives had zeroed in on him. … 'All I know is, I didn't do this and they're trying to pin this on me. They need to find the real person,' he said. 'Obviously they didn't mean for anybody to get killed,' Oyler said of whoever started the fire that burned 34 homes."

FBI Investigating Activities Of Two Foreign Lobbying Firms. In a front page article, the Washington Post (11/3, A1, Grimaldi, Schmidt, 748K) reports the Korea-US Exchange Council and the US-Malaysia Exchange Association, along with the Alexander Strategy Group, "the lobbying firm behind" the two groups, "have drawn the attention of the FBI." People associated with Alexander Strategy told the Post that "federal investigators have asked them whether the groups were conduits for a foreign government and a foreign corporation to finance congressional junkets." Meanwhile, "Records show that the Korea-US Exchange Council was funded by the Hanwha Group, a South Korean conglomerate," that sought "to enhance the influence of Hanwha's chairman, Seung Youn Kim, a controversial figure once jailed for violating Korean financial law." The Post notes Alexander Strategy Group "closed down early this year" after its owner, Edwin A. Buckham, came under investigation in the Jack Abramoff

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lobbying scandal. "Authorities are also reviewing Buckham's use in the 1990s of another nonprofit, the US Family Network," the sources said.

Illinois Police, FBI Bust Hotel Credit Card ID Theft Ring. The Chicago Tribune (11/3, Dardick) reports, "Police charged 10 owners, managers and employees of seven Joliet-area hotels Thursday with selling credit card numbers of guests in a scam that authorities said could be going on across the country. The arrests were made as about 50 officers, including FBI forensic computer experts, executed search warrants at the hotels, all part of national chains, though their corporate parents were not implicated." The Tribune notes, "The arrests were part of Operation Sleep Over, an ongoing investigation that began four months ago when police arrested a man involved in the scam who then became an informant for the Will County Sheriff's Department, officials said. … The state's attorney said he hoped the arrests would get the attention of consumers, credit card companies and the hospitality industry. He stressed those arrested were franchise owners and no one working for the corporations has been implicated."

Florida FCI Officer Denies Having Sex With Inmates. The Tallahassee Democrat (11/3, Subramanyam, 52K) reports, "One of two correctional officers charged in connection with a sex-with-prisoners conspiracy testified in federal court Thursday. He denied the allegations against him and said female inmates had lied about having sex with him. Federal Correctional Institution officer Alan Moore said, 'They are lying ... Didn't have sex with any of those inmates ... I never touched any of the inmates.'" Former FBI officer Alfred Barnes "also testified Thursday. He said he had sex with three inmates in 2004 and gave them banned items. … Later, responding to questions from Assistant U.S. Attorney Robert Davis, he said he knew the defendants were having sex with inmates but didn't report the matter." The Democrat notes, "Closing arguments are expected today."

California Police, FBI Arrest 16 Alleged Street Gang Members. The Los Angeles Times (11/3, 918K) reports, "Sixteen alleged members or associates of a Santa Ana street gang were arrested Thursday following a yearlong undercover investigation into drug sales in their neighborhood, police said." Suspects Juan Verdin, Adrian Nava and Jesus Vasquez "were charged with conspiracy to distribute cocaine and scheduled to appear in U.S. District Court in Santa Ana today, according to a statement by the FBI, which acted jointly with the Santa Ana Police Department. … 'They were intimidating local residents,' police spokesman Cmdr. Baltazar De La Riva said of the suspects."

New York MS-13 Member Convicted In Gang Murder. Newsday (11/1, Dowdy) reported New York MS-13 member Josue Otoniel Rubi-Gonzalez "was convicted Tuesday "of plotting and carrying out the murder of a man partly because the victim wore yellow, a color preferred by a rival street gang." He "was found guilty after a two-week trial in federal court in Central Islip of conspiracy and murder in aid of racketeering, more than three years after the June 2003 slaying of Jesus Valentin, 22, of Central Islip. Rubi-Gonzalez will receive a mandatory life sentence from U.S. District Judge Leonard D. Wexler. … 'This conviction marks the latest success in a series of prosecutions to dismantle street gangs on Long Island and free our communities from the indiscriminate violence they unleash,' said U.S. Attorney Roslynn R. Mauskopf. 'Gang members who attempt to treat our communities as war zones will continue to face the full force of federal prosecution.'"

The AP (11/1) noted, "Prosecutors said Rubi-Gonzalez and two other suspected MS-13 gang members met Valentin during a chance encounter more than three years ago. Valentin was suspected of being a member of the rival Latin Kings street gang, in part because he was wearing a yellow shirt, a color frequently worn by the Latin Kings, prosecutors said. He was lured into the woods, where he was brutally beaten with a fire extinguisher and a piece of lumber before Rubi-Gonzalez fatally stabbed him with a pocket knife, prosecutors said. The victim's body was hidden in a drain pipe, where it wasn't discovered until Nov. 15, 2003. It was not immediately clear what happened to the two accomplices."

FBI Arrests 16 In US, Poland In Identity Theft Crackdown. USA Today (11/3, Swartz, 2.27M) reports, "In its latest crackdown on cybercrime, the FBI planned to announce Friday the arrests of 16 people in the USA and Poland suspected of participating in a website where stolen personal data were traded and phishing attacks were launched." USA notes, "The arrests are the latest indication that federal officials are serious about tamping down online credit card fraud and deterring 12 to 20 carding forums worldwide, says Dan Clements, CEO of CardCops, an identity-theft-prevention company. … 'Cybercriminals will no longer be able to hide behind borders to conduct their illicit business,' James Finch, assistant director of the FBI's Cyber Division, said in a statement. Still, unless U.S. officials have success extraditing suspects from such locales as Romania, Clements is unsure how effective the crackdowns will be."

The New York Times (11/3, Zeller, 1.21M) reports, "The three Americans have been identified as Dana Carlotta

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Warren, 29, of Atlanta and Zanadu Lyons, 24, and Frederick T. Hale, both of Columbus, Ohio. The charges included conspiracy to commit bank fraud, identification fraud, identity theft and other violations in what the F.B.I. described as a plot linking those arrested in the United States and those in Poland. … Warrants were also being served in Romania as part of a continuing investigation, an F.B.I. spokesman, Paul Bresson, said." The Times also notes Finch said in a statement, "We are sharing evidence and using sophisticated techniques like never before. Cybercriminals will no longer be able to hide behind borders to conduct their illicit business. There will be no safe haven for cybercrime." CNET News.com (11/2, Krazit) reported, "More than 20 FBI offices participated in the probe into a series of phishing attacks against a 'major financial institution' that occurred in 2004 between August and October, according to materials provided by the FBI ahead of the announcement." CNET also includes the "Cybercriminals will no longer…" comment from Finch and notes, "Several spin-off investigations have resulted from the initial inquiry, he said."

The Washington Post (11/3, D5, Krebs, 748K) reports, "Called Operation Cardkeeper, the investigation has brought about the arrests of more than a dozen people in the United States and other countries who are members of online communities that specialize in 'carding,' the trafficking of stolen identities and credit card and bank account information. 'We are sharing evidence and using sophisticated techniques like never before,' said…Finch." The Post notes, "The FBI said it had traced a series of phishing attacks from late 2004 back to members of the Polish ring. … In 2004, the FBI and U.S. Secret Service infiltrated and dismantled the Shadowcrew and Carderplanet fraud forums, arresting 28 individuals who collectively traded more than 1.7 million stolen credit card numbers."

DC Murder Defense Said To Use Private Eyes Posing As Victims Advocates. The Washington Times (11/3, Mcelhatton) reports, "Federal prosecutors have accused the defense team for a D.C. man in an upcoming death-penalty trial of using private investigators posing as government employees to interview a victim's family. 'The defense employed tactics clearly designed to deceive witnesses and victims into thinking that they were granting interviews to victim-witness advocates,' prosecutors wrote in an Oct. 31 memo filed in federal court in the District. Attorneys for Larry Gooch, charged with killing five persons as an enforcer for the so-called M Street Crew in Northeast, sharply disputed the memo. Defense attorney Jensen E. Barber II wrote in a memo filed yesterday that the government was making 'baseless claims' and a 'blatant misstatement.'" The Times notes, "Prosecutors became concerned about how the defense was trying to interview family members of victims after a phone call from Barbara Cooper, the mother of Calvin Cooper, whom authorities say was fatally shot by Mr. Gooch, according to court records."

Texas Man Pleads Guilty To Child Porn Possession. The San Antonio Express-News (11/3, Contreras) reports, "A San Antonio man pleaded guilty Thursday to a charge of possessing child pornography — movies a federal judge called 'trash.' George Herman 'Skip' Wenglein Jr. entered the plea as part of a pre-indictment deal in which prosecutors dropped another charge alleging Wenglein, 46, sent an undercover FBI agent in Buffalo, N.Y., computer videos of adults engaged in sexual acts with children. … The FBI arrested Wenglein in June after serving a search warrant at his home…in March 2005." The Express-News notes, "Wenglein's lawyers said the fallout from the criminal case caused Wenglein to try to take his own life by shooting himself in the head on June 16, 2005. He requires around the clock care, is in a wheelchair and may not be able to walk again, his attorneys said."

Death Of DC Teen Leads Neighbors To Take Anti-Crime Measures. The Washington Post (11/3, A01, Pierre) reports on the effect of the death of "Lil Cindy" Gray, who was shot to death more than two months ago in Benning Terrace in Washington, DC. The Post reports, "It's difficult to find anyone in Benning Terrace, the public housing complex in Southeast Washington where mother ("Big Cindy" Gray) and daughter lived, who is untouched by homicide. A baby's father. A cousin. A husband. A son. In 17-year-old Lil Cindy, a daughter and a friend." The Post continues, "Nearly a decade ago, the District's resources were trained on the complex after a 12-year-old boy was kidnapped, shot and left dead in a frozen ravine. Crime was so bad then that the D.C. Housing Authority considered tearing down the 274-unit complex. Now, another jarring crime -- a teenager gunned down as she held a baby -- has Benning Terrace asking again: How can we save our children? … A small cadre of residents has begun searching for answers. They want to curb the senseless violence, instill hope in those who have grown up with none and convince their neighbors that at least part of the answer lies within." The Post notes, "Teenagers and adults have begun assembling action plans and dreaming of a new community center, a neighborhood go-cart track, a job training center. But their first step toward a new tomorrow started in the same place that residents began a decade ago: A neighborhood cleanup. Pick up the trash. Scrape away the rust. Put on a fresh coat of paint. Show the naysayers that something, anything, can happen."

Prison Business Program Helps Inmates Put Skills To Good Use. The Washington Post (11/3, A03,

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Moreno) reports from Bryan, TX, "His street name was 'T-Murder'; his turf, the Deadly Nickel, as Houston's Fifth Ward is known in the 'hood. His business put $25,000 in his pocket monthly. … Those were the days when Thomas Laqueá Harrell Sr. ran his own crack cocaine ring, a capital venture that landed him in the Texas prison system with a 25-year sentence. Seven years of incarceration later and a few weeks from being paroled, this entrepreneur is ready to go back to work. But he's going legit." The Post continues, "Harrell has a written business plan, a marketing strategy, a net profit/loss analysis, a projected income statement and a financial summary. All he needs, Harrell recently told a panel of business executives gathered inside the walls of the medium-security Hamilton Unit, is a start-up loan." Harrell's new business is "one of 60 similar plans presented by the graduates of an unusual Texas prison program designed to harness a convict's street smarts and funnel them into a legitimate venture upon release. … 'We are not so much in the business of creating entrepreneurs as leveraging their skills,' said Catherine Rohr, founder of the Prison Entrepreneurship Program, a nonprofit organization based in Houston. 'After all, it was their entrepreneurial skills that landed them in prison.' … Rohr, a one-time venture capitalist in California and New York, was inspired after visiting a prison ministry program in the spring of 2004 that was started by former Watergate conspirator Charles W. Colson. She heard a graduate say that he left prison after eight years and started a general contracting business that made $1.7 million in sales in 18 months."

Informant's Testimony Is Key In Maryland MS-13 Trial. The Washington Post (11/3, B01, Castaneda) reports, "Noe 'Shorty' Cruz knew that his fellow MS-13 gang members didn't care much for police informants. Members who turned on the gang to help the police were 'rats,' and the violent gang ethos called for them to have their tongues cut out. .. .So when a fellow gang member confronted him in a Riverdale parking lot with the words, 'Ordoño sends his greetings,' he knew he had to act quickly, Cruz said. 'Ordoño' was Felipe Ordoño, a Prince George's County anti-gang police detective -- and the investigator who directed Cruz as he worked undercover for nearly two years." The Post continues, "Cruz said the taunt didn't surprise him. 'I got angry,' he later testified. Cruz said he told his fellow gang members to 'stop talking such stupidity.' The gang member responded that he was only joking, Cruz testified." The Post adds, "Federal prosecutors hope that Cruz's account of the heart-stopping confrontation, and his description of a multitude of crimes his fellow gang members committed, will help convince jurors that MS-13 is not a garden-variety street gang but a violent and international criminal enterprise. … Cruz, 25, is a key prosecution witness in the federal racketeering trial that is nearing an end in U.S. District Court in Greenbelt. Attorneys gave their closing arguments yesterday. … Federal prosecutors have brought racketeering charges against 22 alleged members of MS-13, also known as Mara Salvatrucha. The indictment accuses the gang of six murders and four attempted murders between April 2003 and June 2005 in Prince George's and Montgomery counties. Cruz testified against the first two defendants to go on trial: Oscar Ramos Velasquez, 21, known as 'Casper,' and Edgar Alberto Ayala, 29, who goes by the nickname 'Pony.' … Gary A. Ticknor, Ayala's attorney, said yesterday in his closing statement that his client did not participate in any murders or robberies and did nothing to intimidate witnesses. Velasquez's attorney, Richard C. Bittner, said the government's case against his client amounted to 'guilt by association. He never committed a criminal wrong.'"

Shield Law For Reporters Seen As Unnecessary. Randall D. Eliason, a former federal prosecutor, writes in USA Today (11/3, 2.27M) reports, "Supporters of a federal shield law claim the proposed statute is necessary to encourage confidential sources to come forward and to ensure that reporters do not go to jail. They are wrong on both counts. … Journalists are free to promise sources that they will not identify them unless they are ordered to by a court. Cases where a court actually does that are extremely rare. Leakers are far more likely to be identified through an internal company investigation or by some other means.

CIVIL RIGHTS:

Voters Skeptical About New Electronic Voting Machines. ABC and NBC both ran skeptical and critical reports on electronic voting machines. ABC World News (11/2, story 4, 2:40, Gibson, 8.78M) said that "after the chaotic vote count in the 2000 presidential election, all those hanging chads, Congress set aside money to place mechanical lever and punch card voting machines with electronic systems. But many voters don't trust them. In fact, many public officials don't trust them, either." NBC Nightly News (11/2, story 6, 2:35, Williams, 9.87M) ran a similar report, also saying the "botched election in Florida forced officials across the country to take a good, hard look at the old voting technology that brought us the infamous hanging chad. But new electronic voting machines are causing just as much anxiety, if not more, in some places."

ID Laws, Provisional Ballots To Impact Next Week's Voting. On its front page, the Washington Post (11/3, Goldstein, 748K) reports on concerns about voter ID laws, which "are the most widespread, and most bitterly disputed, of several types of voting procedures that states have

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adopted after the chaotic 2000 presidential election. The procedures include statewide electronic databases of registered voters, which critics allege have in a few states improperly knocked out eligible people. In another procedure, Ohio and Florida -- battleground states that have produced recent contested elections -- have placed tighter reins on groups that work to register new voters." On a similar theme, a front-page USA Today (11/3, Wolf, 2.27M) story says that election experts "warn that the number of voters forced to cast provisional ballots Tuesday because of eligibility questions could delay some results in tight races for days or weeks."

DOJ To Monitor Denver Elections. The Rocky Mountain News (11/3, Frank) reports, "Officials with the U.S. Department of Justice will be among those monitoring elections in Denver Tuesday." The News continues, "The Justice Department is sending a record number of officials to monitor midterm elections across the country. Denver is one of 65 cities and counties nationwide where DOJ officials believe problems may be possible. … 'They'll be doing observations of elections,' said Alton Dillard, spokesman for the Denver Election Commission. He added that he was unaware of any specific reasons why Justice Department officials chose Denver." The News adds, "Wan Kim, assistant attorney general for the Justice Department's civil right division, told reporters this week that monitors would 'very discreetly' assist voters who encounter problems voting. The officials would be watching for violations of federal voting laws. The Justice Department could use that information in future lawsuits, he added."

WSJournal Pleased By ACORN Indictments. The Wall Street Journal (11/3, A10, 2.03M) editorializes, "So, less than a week before the midterm elections, four workers from Acorn, the liberal activist group that has registered millions of voters, have been indicted by a federal grand jury for submitting false voter registration forms to the Kansas City, Missouri, election board. But hey, who needs voter ID laws? We wish this were an aberration, but allegations of fraud have tainted Acorn voter drives across the country. Acorn workers have been convicted in Wisconsin and Colorado, and investigations are still under way in Ohio, Tennessee and Pennsylvania."

California Suit Targets Annexed Jurisdictions. The Fresno Bee (11/3, Ellis) reports, "Two Merced County residents have filed a lawsuit that claims multiple political jurisdictions in the county have undertaken more than 200 annexations and other related changes without federal approval, violating the Voting Rights Act." The Bee continues, "The federal lawsuit, filed in U.S. District Court in Fresno, names Merced County, the Local Agency Formation Commission, the cities of Atwater, Dos Palos, Gustine, Livingston and Los Banos, as well as 17 other irrigation, water, resource conservation and community service districts throughout the county. … 'This is the most massive example of noncompliance that I have ever seen,' said Joaquin Avila, an attorney and Seattle University law professor who filed the suit on behalf of Felix Lopez and Elizabeth Ruiz." The Bee adds, "The suit doesn't seek to stop next week's election in the affected jurisdictions, but instead asks that certification of the results be delayed until approval for the changes is given by federal authorities, Avila said. … It also seeks class-action status for U.S. citizens of Spanish heritage who are registered to vote and are affected by the changes. … A hearing has been scheduled Friday before U.S. District Judge Oliver W. Wanger in which the plaintiffs will seek a temporary restraining order that could delay certification of Tuesday's election in the affected Merced County jurisdictions."

ANTITRUST:

FCC Again Delays Vote On AT&T-BellSouth Merger. The AP (11/3, Dunbar) reports, "The Federal Communications Commission delayed for a third time its vote on whether to let AT&T Inc. acquire BellSouth Corp., because it can't decide what conditions should be placed on the deal." The AP continues, "The vote was scheduled for Friday, but the agency sent a notice Thursday night saying the item had been removed from the agenda. … 'We're always open to moving forward, but we weren't able to reach an agreement for tomorrow's meeting,' said agency spokeswoman Tamara Lipper." The AP adds, "The FCC was working with AT&T in an attempt to reach a compromise that would avoid a 2-2 deadlock. The apparent standoff raises the possibility that the fifth and newest commissioner -- Robert McDowell, a Republican appointee who until now has taken no part in the proceeding -- may be pulled in to cast a tie-breaking vote. .. .The Antitrust Division of the Justice Department on Oct. 11 cleared the deal, valued at $83.4 billion at the close of trading Thursday, declaring there were no competitive concerns and opting not to require the combined company to divest any assets or make any other concessions."

Market Watch (11/3, Campoy) reports, "Two of the three Republicans on the agency's five-member commission support the deal, but the panel's two Democrats insist on concessions by the phone companies, and the fifth member has excused himself from the vote because his previous employer has publicly commented on the merger, according to the report. … On Oct. 11, the Department of Justice approved the deal, saying that the merger is likely to benefit consumers. The regulators said the deal would not hurt competition 'substantially' in any part of the U.S. communications industry. The department did not require the companies to sell any assets or attach other conditions. See full story." Market Watch adds, "The two Republicans have

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supported the deal, but the panel's two Democrats insist on concessions by the phone companies. They have been critical of the Justice Department's decision to approve the merger without any strings attached."

Bloomberg (11/3, Peterson) reports that the announcement "indicates FCC Chairman Kevin Martin and Commissioner Deborah Taylor Tate, both Republicans, haven't satisfied the panel's two Democrats, who are demanding conditions such as price controls. The five-member FCC is the last regulatory hurdle for San Antonio-based AT&T, the biggest U.S. telephone company, to complete the deal, which would be the largest U.S. phone company combination." Bloomberg adds, "Martin, who initially proposed approving the deal without conditions, first scheduled a vote for Oct. 12. He moved that to Oct. 13 and then to Nov. 3 after Democrats Michael Copps and Jonathan Adelstein sought a public review of concessions offered by AT&T. The company's proposals included a price freeze on certain business services and $10-a-month high-speed Internet access for some BellSouth customers."

More Commentary. The Los Angeles Times (11/3) editorializes, "The Justice Department was right last month to approve the merger of two powerhouse telephone companies, AT&T Inc. and BellSouth Corp. Given the rapidly changing telecommunications landscape, the teaming up of so-called Baby Bells and long-distance carriers (don't forget that AT&T is also the former behemoth SBC Communications Inc.) is not as alarming a prospect as it would have been a decade ago. … But that is not to say that the brave new world of a fiercely competitive market of cable, wireless and power companies delivering services over high-speed data pipelines has put to rest all concerns about the potential for abuse on the part of still-dominant former monopolists. In this time of transition, federal regulators should still take steps to protect consumers and competitors." The Times adds, "The Federal Communications Commission, in its own review of the merger, is considering a number of sensible conditions. .. .One would bar the merged company from giving preferential treatment to selected Internet sites and applications, or imposing unreasonable costs on cable companies' phone services. … AT&T and BellSouth contend that these restrictions are solutions in search of a problem. The FCC should address the issues raised by the cable telephone issue promptly in a proceeding that will apply industrywide, not just to AT&T. … But the so-called net neutrality concern is valid. … That's why the FCC should approve the AT&T-BellSouth deal only with conditions that prohibit the merged company from imposing fees that discriminate unfairly against websites or services. These conditions should be lifted where new high-speed Internet services emerge to challenge the cable-telco duopoly. That day isn't here yet, and the FCC shouldn't pretend otherwise."

Microsoft, Novell Agree To Windows-Linux Compatibility. Bloomberg (11/3, Thaw, Bass) reports, "Microsoft Corp. and Novell Inc., rivals in the market for software that runs server computers, agreed to make their products work together, the companies said." Bloomberg continues, "The companies will jointly develop and market software that lets the Windows and Novell's Linux operating systems co-exist on the same machine, Microsoft Chief Executive Officer Steve Ballmer said at an event in San Francisco today." Bloomberg adds, "Novell shares rose the most in four years on optimism the agreement may entice more corporations to use its version of Linux software. By forging the accord, Microsoft is responding to pressure to make Windows more compatible with other software. The pact may also help Microsoft, the world's largest software maker, get more of its software into corporate data centers."

The Wall Street Journal (11/3, A3, Guth, Clark) reports, "The deal with Novell Inc. is designed to make it easier for customers to use both Linux and Microsoft's Windows software. It puts new pressure on Red Hat Inc., a Linux seller whose shares were recently roiled when Oracle Corp. announced plans to offer its own technical support for Red Hat's products. … The deal effectively makes Microsoft a reseller of Suse Linux, Novell's version of the operating system, and kicks off a broad technology collaboration between the two companies. At the heart of the deal is a 'patent covenant' under which Microsoft agreed not to file patent-infringement charges against users of Suse Linux, and Novell agreed not to sue users of Windows. Businesses that use Linux have long worried that Microsoft would one day file patent-infringement suits against them, thereby hindering their use of and investment in the rival software." The Journal notes, "The pact marks an unusual level of cooperation between two longtime rivals. Microsoft has been battling all versions of Linux but has faced pressure to assure customers can run both Windows and Linux without problems. Red Hat's Linux is the most popular commercial version of the product, followed by Suse Linux. The deal follows Oracle's announcement that it would start selling its own support for Red Hat's version of Linux, a plan that undercuts Red Hat's own business, which is based on providing support and maintenance."

Farm Group Seeks DOJ Probe Of CME-CBOT Merger. Market Watch (11/3) reports, "Anti-trust concerns are behind the National Farmers Union's request that the U.S. Justice Department investigate the proposed merger of the Chicago Mercantile Exchange Holdings Inc. (CME) and CBOT Holdings Inc. (BOT), the U.S. farm group's president said Thursday." Market Watch continues, "The NFU's Tom Buis, in a prepared statement, said: "I want to ensure that the department examines the proposed merger with an eye

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toward the impact that such a transaction would have on family farmers, ranchers and fishermen." … Justice Department spokespeople were not available for immediate comment." Market Watch adds, "On Oct. 17 Chicago Mercantile Exchange Holdings - the parent company of the Chicago Mercantile Exchange - announced it would buy the smaller CBOT Holdings - the parent company of the Chicago Board of Trade - for $8 billion. The merger, if approved by regulators and shareholders, would create the world's largest financial market. … The NFU said it is concerned the proposed merger could be detrimental to farmers and agriculture industry. It would be a good idea for hearings to be held so those affected could voice concerns, the farm group said."

MySpace Investor's Suit Claims Site Unfairly Blocked Links. The AP (11/3, Robertson) reports, "An early investor in MySpace sued the popular social networking Web site on Thursday, claiming the company violated antitrust laws by blocking links to his new online video-sharing venture." The AP continues, "Brad Greenspan, chief executive of Los Angeles-based LiveUniverse Inc., claims that last month MySpace began deleting references on user pages to his new Web site, vidiLife.com, and has dismantled video links and blocked users from mentioning the site. … Both sites allow users to post videos and create online profiles for swapping media and collecting Internet pen pals. … 'MySpace has no legitimate business justification for its actions,' read the suit, filed in a Los Angeles federal court. … Instead, MySpace's actions constitute 'an attempt to monopolize the market for Internet-based social networking services in the United States.'" The AP adds, "The lawsuit seeks unspecified damages and an order that MySpace restore all references to vidiLife. .. .MySpace, which is owned by Rupert Murdoch's News Corp., said in a statement that it routinely blocks links to Web sites for violating copyright protections, and that vidiLife.com had been identified by Universal Music Group as a 'primary source of infringing UMG content.'"

Judge Orders Release Of Recordings In Toys R Us Antitrust Case. The Legal Intelligencer (11/3, Duffy) reports, "The plaintiffs in an antitrust suit against Toys R Us may not delay turning over tapes of secretly recorded phone conversations that allegedly include smoking-gun proof of the antitrust conspiracy until after the speakers captured on the tapes have been deposed, a federal judge has ruled." The Intelligencer continues, "In her five-page opinion in BabyAge.com Inc. v. Toys R Us Inc., U.S. District Judge Anita B. Brody held that tape recordings are no different from documentary evidence and must be turned over promptly." The Intelligencer adds, "Brody rejected the plaintiffs' argument that they should be allowed to delay turning over the tapes because a witness with prior knowledge of the content of the recording might alter his or her deposition testimony in order to 'explain away' the allegedly inculpatory statements. … In his brief, plaintiff attorney Eugene A. Spector of Spector Roseman & Kodroff argued that a delay should be granted because a witness who merely knows that a recording exists, but who is unenlightened as to its content, will have every incentive to testify truthfully at the outset. … The tapes, Spector argued, reveal that the defendants have been caught 'red handed' in a price-fixing scheme that 'unambiguously' violates federal antitrust law."

Google Scrambles To Halt YouTube's Legal Problems. The Financial Times (11/3, Chaffin, Van Duyn, Waters) reports, "Google is engaged in a frantic round of negotiations aimed at persuading traditional media companies to supply their content to YouTube, the video website it bought last month for $1.65bn, and ward off a potentially crippling round of lawsuits." The Times continues, "Chief executive Eric Schmidt and other managers have met CBS, Viacom, Time Warner, NBC Universal, News Corp and others, say people familiar with the talks, offering tens of millions of dollars in upfront payments for the right to broadcast their video content legally on YouTube. … For Google the talks could determine whether its investment in YouTube gives it a leading position in the fast-growing online video market or results in a wave of lawsuits for copyright infringement." The Times adds, "YouTube, founded 18 months ago, serves 100m video clips a day, making it the most popular internet video site, and leading to predictions that it and similar websites could become the dominant means of distributing television, films and other video content to consumers. But much of the material available on the site belongs to the traditional media companies and has been posted without their permission. … Some media executives speculate that if Google fails in its effort YouTube could face the same fate as Napster, the file-sharing service that gained enormous popularity seven years ago before the music companies sued it for copyright infringement and put it out of business."

ENVIRONMENT/INDIAN AFFAIRS:

Study Asserts Ocean Life Could Be Largely Depleted Within 40 Years. ABC World News (11/2, story 7, 0:15, Gibson, 8.78M) reported, "A fish story that will worry seafood lovers and environmentalists. A story in the 'Journal of Science,' says every kind of ocean life could be so depleted in 40 years that we wouldn't be able to fish them. If the long term friend continues, all fish and seafood populations could collapse by 2048."

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The Los Angeles Times (11/3, Cone, 918K) titles its story "Overfishing Threatens Catastrophe, Study Finds," and notes the report says that "already, 29% of species that are fished -- including bluefin tuna, Atlantic cod, Alaskan king crab, Pacific salmon and an array of California fisheries -- have collapsed and the pace is accelerating, the report says. If present trends persist, the study predicts that '100% of [fished] species will collapse by the year 2048 or around that.'"

USA Today (11/3, Weise, 2.27M) reports Steve Murawski, "chief scientist for the National Marine Fisheries Service, which oversees fishing regions in US waters," said "the findings are too pessimistic and not true of the USA." Murawski "said 'aggressive fisheries management' is reducing the percentage of US overfished species, which he estimated is now 20%. US fishing regions represent about 10% of the world's catch." The New York Times (11/3, Dean, 1.21M) reports that the authors of the study "acknowledge that much of what they are reporting amounts to correlation, rather than proven cause and effect." The Washington Post (11/3, A1, Ellperin, 748K) runs a similar story on its front page.

Suit Seeks Resolution To Gettysburg, PA, Waste Clean-Up. The AP (11/3, Scolforo) reports, "The federal government has sued CBS Corp., a landowner and a pottery manufacturer, over the costs of cleaning up a 10-acre hazardous waste site north of Gettysburg, a step toward final resolution of a process that has taken decades." The AP continues, "The lawsuit filed in U.S. Middle District Court on Monday seeks a judgment that would require the defendants to pay the federal government's environmental response costs, including interest, at the Shriver's Corner Superfund Site." The AP adds, "The civil lawsuit will allow the parties to formalize a settlement that they have negotiated with the U.S. Environmental Protection Agency, said attorney Rick Friedman, who represents defendant Donald R. Wishard, executor of the estate of his grandmother, Sarah A. Culp. … 'Under the procedures that EPA uses in settlement of Superfund cases, once they reach a consent order they have to file a complaint so there's something to be resolved,' he said Thursday." The AP notes, "The defendants are broadcasting giant CBS Corp., because the site includes material from an elevator factory operated by its predecessor, Westinghouse Electric Corp.; SPC Residual LLC of York, a successor to Susquehanna Pfaltzgraff Co., which had its hazardous waste from two ceramics plants trucked to the site; and Wishard, whose grandmother owned eight acres of the site."

Abandoned Mine Causes River Pollution In Maryland. The Washington Post (11/3, B01, Fahrenthold) reports from Barton, MD, "Some of the most poisoned water in Maryland flows out of a hillside here, its color like Coca-Cola and its acidity in the same range as stomach juices. … The water runs through a culvert into Georges Creek, turning it the colors of the autumn leaves overhead. For four miles downstream, hardly anything is alive." The Post continues, "The source of the problem is an abandoned coal mine, one of more than 150 in Western Maryland that leak groundwater tainted with acid and dissolved metals. In August 2005, this particular trickle turned into a torrent stronger and far more caustic than it had been. … More than a year later, the state is still studying its options, and this stretch of Georges Creek is still dead. For frustrated residents, the situation is a reminder of coal mining's bleak environmental legacy: After more than two decades of cleanups here, the hills are still leaking pollution." The Post adds, "Among the things that Maryland's western panhandle has that the rest of the state doesn't -- bears, mountains and ski resorts -- there is coal. The area sits on the eastern fringe of the great Appalachian coal field, which starts in Alabama and stretches to Lake Erie. At their peak in the early 1900s, Maryland's mines produced more than 5 million tons of coal a year. … One of those mines was here in Barton, a small town in Allegany County. The McDonald mine, as it was known, eventually comprised about 100 acres underground, divided into 'rooms' that were only as high as the coal seam, about four feet, state officials say. … State records indicate that the mine probably closed in the 1940s, when a shift to strip mining on the surface shuttered deep mines across the state. … The mines were abandoned, but they were not empty. Over time, groundwater percolated through the rock and reacted with minerals in the mine walls and oxygen in trapped air. The water became saturated with metals such as iron and aluminum, and it became as much as 1,000 times as acidic -- 3.5 on the pH scale -- as a normal stream."

FBI/DEA/ATF/USMS:

Operation Falcon III Nabs 11,000 Fugitives In 24 States. USA Today (11/3, Johnson) reports, "Nearly 11,000 fugitives, including 1,659 sex offenders, were swept up in what Attorney General Alberto Gonzales described Thursday as a record-breaking law enforcement operation targeting some of the nation's 'worst' felons." USA continues, "Focused in 24 states east of the Mississippi, the week-long 'Operation Falcon III' roundup netted 100 murder suspects, one of whom died in a shootout with police near Atlanta. … 'America's neighborhoods are safer today,' Gonzales said." USA adds, "Gonzales has made the campaign against child sex abuse a major part of his administration at the Justice Department. The latest fugitive operation — the third in two years — reflected that focus."

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The CBS Evening News (11/2, story 5, 0:35, Orr) reported that "the Justice Department is trumpeting the arrest of thousands of fugitives, including more than 1600 sex offenders. The wanted were rounded up in a week-long crackdown that saw 3,000 police officers break down doors and take down criminals in 24 states east of the Mississippi. The head of the US Marshal Service, John Clark, says gang bangers, murder suspects, and sexual predators were targeted." John Clark: "In all, we locked up 10,773 fugitives, making America a bit safer." Orr: "But the feds concede, one million fugitives remain on the loose."

The AP (11/3, Jordan) reports, "Two earlier stings - Falcons I and II - were held in April over the last two years. Gonzales and Clark denied that next week's elections played any part in scheduling the latest crackdown. … 'I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination,' Clark said, adding that he wanted to do the roundup in the fall - before the winter weather hit." The AP adds, "In all, Gonzales said officials caught 10,773 fugitives - including 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were seized. .. .Those totals represent a fraction of doors knocked on, liquor store drive-bys, construction site surveillances and tips chased down by agents during the weeklong sweep. Finding the fugitives - even at their homes in the early-morning hours - proved to be a hit-or-miss mission for the federal, state and local authorities."

Bloomberg (11/3, Schmidt) reports, "An average of 3,000 federal, state and local officers participated each day in the dragnet, said… Clark … More than 1 million fugitives are at large in the U.S., Clark said, adding that the Marshals Service apprehends about 1,000 during a typical week."

United Press International (11/3) reports, "Of the record 1,659 fugitive sex offenders apprehended, 971 were wanted for failing to register. Some 360 gang members also were nabbed and 230 weapons confiscated. Other priority targets were violent crime offenders and major narcotics distributors. … The area covered included 24 states east of the Mississippi River and in the District of Columbia and Puerto Rico."

The Washington Times (11/3, Seper) reports, "The Marshals Service has significantly increased its apprehension of fugitives over the past few years with the creation of five regional task forces to target violent offenders. … The regional task forces were created under the Presidential Threat Protection Act of 2000 to combine the efforts of federal, state and local law-enforcement agencies in locating and apprehending the most dangerous fugitives and assist in high-profile investigations. They are divided into five areas: New York/New Jersey, the Pacific Southwest, the Great Lakes, the Southeast and the Capital Area, which targets the District, Maryland and Virginia."

Bloomberg's After The Bell (11/2, 4:25 p.m.) broadcasted, "The Justice Department says it got, quoting here, 'the worst of the worst' when it rounded up nearly 11,000 fugitives in a 24 state operation. At a news conference today, the Justice Department Attorney general Alberto Gonzales said "America's neighborhoods are safer today because of Operation Falcon 3, which helped bring in sex offenders, gang members, and others who were on the run. Gonzales says among those captured was an un-registered sex offender in Tennessee who was babysitting several young children when he was arrested.

CNN Live Today (11/2, 11:18 p.m.) added, "The news conference in Washington, moments ago, Attorney general Alberto Gonzales announced a new federal crackdown on criminal fugitives, particularly those who commit sex crimes. So far, the Justice Department says it has nabbed almost 11,000 fugitives. Of those caught, 1,659 are sex offenders." CNN's Deborah Feyerick reported on duty to get a behind the scenes look at Operation Falcon, showing that teams of federal and local investigators led by US Marshals hunt down criminal fugitivies "one by one by one." At the top of their priority list are sexual predators. The story is reported for approximately four minutes.

CNN Your World Today (11/2, 12:23 p.m.) added, "The US Justice Department has announced the arrest of almost 11,000 criminal fugitives. Among those caught, 1,659 sex offenders. Attorney General Alberto Gonzales discussed details of Operation Falcon at a news conference in Washington. There was a particular focus on sex offenders and gang members. Gonzales said, "I'm pleased to announce that this operation has broken all U.S. Marshal records for the number of fugitives, and gang members arrested in one week." Attorney general Alberto Gonzales's news conference on Operation Falcon 3 received a lot of coverage by local television newscasts; scores of stories on it were run by scores of local stations. In general, the problem was characterized as rapidly growing and a serious problem the government is dealing with. Some examples: WCAU- TV Philadelphia (11/2, 4:00 p.m.) broadcasted, "Police say they are targeting the worst of the worst felons. Alberto Gonzales made this announcement in Washington, DC. He said during the week of October 22-28 Deputy US marshals arrested 10,733 fugitives. That number includes 1,6759 sex offenders as well as 364 gang members."

Gonzales Says Politics Played No Part In Timing Of Sweep. The New York Times (11/3, Lichtblau) reports, "Mr. Gonzales said in response to a question at a news conference that there was no political motivation behind the arrests and that the Justice Department 'played no role in the timing of this program,' less than a week before the midterm elections." The Times adds, "John Clark, the director of the

United States Marshals Service, which coordinated the operation, said that planning for the arrests began months ago 'without regard to any political elections coming up.' One factor in the timing, Mr. Clark said, was to move ahead before the 'harsh winter weather' hit because officials said that the wanted fugitives would be less likely to congregate outdoors."

State-By-State Round-Up. Operation Falcon III generated significant local newspaper and television coverage. The following is a sampling of the coverage by state.

Alabama. The Birmingham (AL) News (11/3, Walton) reports, "The arrest of Demetrius Avery Jackson Jr., 21, in the shooting of two Fairfield police officers was included in the roundup list. Jackson was caught Oct. 24 in Birmingham and charged with the capital murder of Officer Mary Smith and the attempted murder of Officer Erick Burpo." The News adds, "Also captured was Michael Owen DeVaughn, 48. He was arrested at a Birmingham motel Oct. 27 on a federal parole violation and on multiple counts stemming from a multimillion-dollar real-estate fraud case in three jurisdictions in California." The News notes, "Marty Keely, U.S. marshal in north Alabama, said members of the Gulf Coast Regional Fugitive Task Force relied on help from officers from Birmingham, Alabaster, Hoover, the Alabama Department of Corrections, the U.S. Drug Enforcement Administration and sheriff's deputies from Jefferson and Shelby counties to capture metro-area fugitives. … 'The press is on to the folks out there who want to continue to commit violent crimes in this community,' Keely said at a news conference in Birmingham. "

WVTM-TV, NBC 13, Birmingham, AL (11/3) reports, "When Fairfield police Officer Mary Smith was gunned down in the line of duty, Operation FALCON got the call and Smith became one of the operation's top priorities. … 'Some 25 hours later, Demitrius Avery Jackson Jr., Disciple gang member, was taken into custody,' said U.S. Marshal Martin Keely." WVTM-TV adds, "FALCON is made up of law enforcement from various agencies around the area, led by the U.S. Marshals. Out of the 90 local cases solved, 58 involved sexual predators. .. .'People that rape generally don't rape once, so the fact these rapists and sexual predators have been taken off the street make me confident some child is not going to be victimized tonight,' said U.S. Attorney Alice Martin."

The Mobile (AL) Press Register (11/3, Kirby) reports, "Locally, arrests nabbed 17 people accused of sex crimes and 17 drug suspects. Other charges included attempted murder, assault, robbery, weapons violations and burglary. … Many of the fugitive arrests had already been announced. … 'All of these offenders would be on the streets today if it were not for these efforts,' U.S. Attorney for the Southern District of Alabama Deborah Rhodes said at a news conference Thursday in downtown Mobile."

Connecticut. The Norwich (CT) Bulletin (11/3, Smith) reports, "A week-long initiative to round up fugitives has resulted in dozens of arrests in eastern Connecticut." The Bulletin continues, "In Connecticut, 181 warrants were served, including 56 for sex offenses. In Norwich, Thomas Heberding was arrested for felony violation of probation based on an original offense of first-degree sexual assault. His victims were allegedly three children." The Bulletin adds, "A mix of law enforcement officials had met each day last week in a different eastern Connecticut host town. Norwich, one of 428 police departments involved, hosted on Oct. 25, resulting in the arrest of 13 people on a variety of warrants, most violating probation and failing to appear in court. … The morning's activities in the Norwich area also illustrated the struggle city police face considering the fact there are more than 500 unserved warrants on the books. … Teams had worked for hours with the last known addresses of fugitives, but came up empty handed time and time again."

WTNH-TV, ABC 8, New Haven, CT (11/3) reports, "In Connecticut, police picked up 167 fugitives, 19 of them sex offenders, including Steven Ramos, who was convicted of sexually assaulting a young girl in New Jersey. … He took off before he was sentenced for the crime and police say he'd been living in New Haven with the victim and her mother. This is just the kind of guy authorities are glad to get back behind bars. … 'A lot of them are going to do the same kinds of crimes that they were wanted for in the first place,' Bardelli said." WTNH-TV adds, "Police in Connecticut also arrested a man in Norwich who'd sexually assaulted three children and is accused of violating his probation. They also picked up a man IN Bridgeport wanted for attempted murder who was found with an Uzi and a handgun in his possession."

WFSB-TV, News Channel 3, Hartford, CT (11/3) reports, "Channel 3 Eyewitness News reporter Susan Raff reported that the fugitives were found in towns and cities across the state. … Raff reported that one of the captured fugitives was Steven Ramos, who was arrested in connection with the sexual assault of an 8-year-old girl. A warrant was issued for Ramos' arrest when he failed to appear for sentencing. .. 'We found one person living in his car, a sex offender, entirely mobile, could have been anywhwere,' Bardelli said."

Delaware. The Wilmington (DE) News Journal (11/3, Williams) reports, "U.S. marshals teamed up with federal, state and local authorities last week to round up fugitive sex-offenders and other wanted felons across Delaware, part of a nationwide sweep called Operation FALCON III -- Federal And Local Cops Organized Nationally. … Locally, the U.S. Marshals First State Fugitive Task Force arrested 96 fugitives, including 17 for failure to register as a sex offender. … 'This operation, along with our past FALCON efforts, provides a clear indication of what law enforcement agencies can accomplish when there is cooperation on all levels --

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federal, state and local,' said David W. Thomas, U.S. marshal for the district of Delaware." The Journal adds, "The arrest teams deployed with 250 active warrants, mostly for New Castle County residents, although some teams were sent to Kent County and Pennsylvania. … 'This operation shows that the federal government can play an important role in our efforts to curb violence on our streets here in Delaware,' said U.S. Attorney Colm F. Connolly." The Journal notes, "In Delaware, the agencies included the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives; U.S. Drug Enforcement Administration; Federal Bureau of Investigation; U.S. Department of Housing and Urban Development Office of Inspector General; U.S. Secret Service; Delaware State Police; Delaware Probation and Parole; Delaware River and Bay Authority; New Castle County police; Wilmington police; Newark police; New Castle city police; and Smyrna police."

District Of Columbia. The Washington Post (11/3, A09, Eggen) reports, "In the Washington region, 687 fugitives were arrested, including 102 alleged sex offenders and 23 alleged gang members, authorities said."

Florida. Scripps Howard (11/3, Margasak) reports, "The Port St. Lucie Police detective and the Deputy United States Marshal strapped on their guns and SWAT-style vests. … They hit the streets in an unmarked SUV in search of about 150 people with outstanding warrants on the Treasure Coast and surrounding areas — the focus was on sex offenders who failed to register and gang members." Scripps Howard adds, "They were one of several teams who arrested 93 people locally in weeklong sweep across 24 states called Operation Falcon III. The bust cleared 325 warrants and netted 66 sex offenders in South Florida alone, the U.S. Marshals Service announced Thursday. … The third installment of the national operation was deemed a highly successful partnership between the marshals, state agents and local police and sheriff's deputies, who were given federal powers to make arrests across county lines. The unique teamwork allowed for massive numbers of quick arrests not otherwise possible for each agency alone. … 'I thought it was extraordinary the Martin County sheriff and the Port St. Lucie police chief, and even the Palm Beach County Sheriff's Office, actually dedicated people for an entire week,' said Supervising Deputy U.S. Marshal Glen Wilner, who organized the local teams. 'We couldn't have done it without our partners at the local police departments and the sheriff's offices.'"

The Tampa Tribune (11/3, Kalfrin) reports, "Roy Brown said he felt a thrill pulling up at the Pinellas County home of a fugitive sexual predator with members of a U.S. Marshals Service operation. … 'We got him with cocaine and everything,' Brown, 54, of Tampa, said Thursday with a smile." The Tribune continues, "Brown, whose 7-year-old daughter was killed by a previously convicted pedophile, joined another grieving father, Mark Lunsford, in participating in a nationwide operation last week to round up fugitive sex offenders and gang members. … Called Operation FALCON for Federal and Local Cops Organized Nationally, the initiative netted arrests of 10,773 felony fugitives in the country and 431 in the Middle District of Florida, which includes Tampa." The Tribune notes, "Fourteen of those arrested in the Tampa Bay area were sex offenders who failed to register and traveled out of the state or country, which is a federal offense under the Adam Walsh Child Protection and Safety Act. … Unregistered sex offenders are fugitives who cause the Marshals Service particular concern, Assistant Chief Deputy U.S. Marshal Pete Cajigal said Thursday. He spoke at a news conference in Tampa with Brown, Lunsford and law enforcement officials."

The Bradenton (FL) Herald (11/3) reports, "Thirty-seven of Manatee County's worst felons were taken off the street and put into jail during a weeklong sting targeting some of the area's most wanted criminals, according to Sgt. Chris Atkinson of the sheriff's office warrant unit." The Herald continues, "In Manatee, murderers, sex offenders and probation violators who have absconded were the targeted fugitives. When the operation concluded, gang members made up 20 percent of the arrests and 30 percent were sexual offenders, according to Atkinson."

WFTV-TV, ABC 9, Orlando, FL (11/3) reports, "- A major roundup of gang members and sex offenders has led to thousands of arrests around the country and dozens in Central Florida. … 'So these are very significant players. They have preyed on children. They were at large and now they are not,' explained Deputy Eric Thompson, U.S. Marshals Service." WFTV-TV adds, "Local agencies gave feds a wish list and then helped marshals scour the nation for men and women who thought they'd hide states away. In Central Florida, 43 warrants were cleared on 38 fugitives. … 'We were able to take what the federal marshal has, what the federal government has, and direct them at specific people. We have very few absconders in Brevard County, so what we did is highlight four of them,' said Lt. Tod Goodyear, Brevard County Sheriff's Office."

The Gainesville (FL) Sun (11/3, Wallace) reports, "Locally, Operation FALCON III…resulted in the arrest of 61 fugitives in Alachua, Gilchrist and Levy counties - the majority from Alachua County. … Included in the sweep was the arrest of David Nieves, 38, who was found in Mexico on Oct. 25. Nieves was charged with armed robbery and attempted murder in connection with the beating and robbing of Chiefland resident John Edward Curtis at a Red Roof Inn in Gainesville earlier this year." The Sun adds, "The Marshals Service pooled the resources of the Bureau of Alcohol, Tobacco and Firearms, the Drug Enforcement Administration, local sheriff's offices and police departments, as well as other agencies in order to locate as many fugitives as possible during the weeklong effort. … 'This is what we can do when

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we all get together,' said John Blount, deputy U.S. Marshal, at a news conference Thursday."

Georgia. The Atlanta Journal-Constitution (11/3) reports, "Federal, state and local law enforcement agencies, in a coordinated sweep, arrested 520 fugitives in North Georgia as part of a sweep to find sex offenders, members of gangs and others accused of violent crimes." The AJC notes, "FALCON III was the third coordinated effort since last year. The first was a national sweep that saw 187 people arrested on outstanding warrants. The second time out, the operation focused on states west of the Mississippi River. The third one, in states in the eastern half of the country, resulted in 11,0000 arrests between Monday morning last week and noon last Saturday. … While 520 fugitives were caught in North Georgia, another 142 were picked up in central parts of the state and 352 were arrested in South Georgia."

The Macon Telegraph (11/3, Fabian) reports, "A Macon man accused of paying a 7-year-old for a sex act and an accused kidnapper arrested in Warner Robins are two of more than 10,000 fugitives caught last week in a nationwide round-up organized by U.S. Marshals." The Telegraph adds, "Through the Southeast Regional Fugitive Task Force office in Macon, officers from several local law enforcement agencies cleared 111 felony warrants by arresting 87 wanted fugitives in about four days. The task force normally arrests between 100 and 120 people per month, said Will Hawkins of the Southeast Regional Fugitive Task Force. … During Operation FALCON, which occured Oct. 22-Oct. 28, the Macon office focused on cases in Bibb, Jones, Houston and Peach counties, Hawkins said, with officers from the local sheriff's offices, Macon and Warner Robins police, the Georgia Department of Corrections, Pardons and Paroles, the Veterans Administration, the U.S. Department of Housing and Urban Development and the Bureau of Alcohol Tobacco and Firearms."

WALB-TV, NBC 10, Albany, GA (11/3) reports, "More than ten thousand of the nation's most violent criminals are now behind bars. Hundreds of those criminals are gang members, over a thousand are sex offenders and some of them were arrested right here in South Georgia. … Other South Georgia criminals, some gang members, are locked up for parole violations and drug activity. … 'he U.S. Marshal Service, the citizens, all the state and local officers out here everyday, they're not going to let these guys keep going around. There's over a million warrants in the U.S. And we're trying to get them down as quick as we can get them locked up,'says Deputy U.S. Marshal Jeff Crosby."

WTOC-TV, CBS 11, Savannah, GA (11/3) reports, "The Savannah division of operation falcon caught 134 fugitives, including 19 wanted sex offenders. The resources available were much different from years past. … Marshal James Roberts says, 'n the old days, departments worked within their boundaries, and today we work across boundaries by giving them special status. They can go anywhere within the state and outside the state with us and that's a force multiplier.'"

Kentucky. WHAS-TV, News 11, Louisville, KY (11/3) reports, "The U.S. Marshall Service is calling it the biggest roundup ever of gang members, sex offenders and others roaming the streets with warrants. … Called Operation Falcon, it covered the eastern half of the U.S. including the Metro Louisville area and saw over 10-thousand fugitives captured." WHAS-TV adds, "Some had been on the run for more than a year. They had every reason to think cops had forgotten all about them, but all last week scores of them got a rude awakening. Gone does not mean forgotten. … Their targets, fugitives, sex offenders and gang members in the Louisville Metro area. The team included U.S. Marshals, Jefferson County Sheriff's Deputies, even a doctor. … The Marshals Service saying local round ups have netted at least 148 fugitives arrested, including 9 wanted on sex related charges. Including Brian Geary, nabbed in Muldraugh, Kentucky. Geary, authorities say, is wanted in Florida for allegedly raping two girls just six and seven years old."

The Louisville (KY) Courier-Journal (11/3, Halladay) reports, "Nearly 150 people were arrested and hundreds of warrants were cleared in Kentucky last week as local law-enforcement agencies participated in a nationwide push to locate fugitive sex offenders." The C-J continues, "During the seven-day effort, 18 agencies in the Western District of Kentucky provided about 75 officers and personnel to pick up people who have failed to register as sex offenders. … Rick McCubbin, U.S. marshal for the western district, said he hopes the weeklong blitz, especially the strong presence of officers, acts as a deterrent for those who don't comply with laws requiring sex offenders to register their locations."

Louisiana. The Shreveport Times (11/3, Wilson) reports, "The U.S. Marshals Service today announced today the arrests of 10,773 people --- including 135 in the Shreveport area – as part of the largest nationwide round-up of fugitives." The Times adds, "Deputy marshals and fellow task force members cleared 153 Shreveport police warrants last week during Operation FALCON III (Federal and Local Cops Organized Nationally), officials said. … Those arrested include Wilbert Smith, who was wanted for attempted murder in connection with an aggravated battery 10 years ago. Sex offenders and documented gang members also were rounded up, authorities said. Firearms, narcotics and cash also were seized during the seven-day sting. … 'The numbers mean safer streets for the citizens of communities all over this country,' said John Clark, U.S. Marshals Service director. 'We have not only brought those wanted fugitives to justice, but we have hopefully brought a bit of peace to their communities.'"

KPLC-TV, NBC 7, Lake Charles, LA (11/3) reports, "Between October 22nd and 28th, arrest scenes were taking

place across half the country, including in Lake Charles. Deputy U.S. Marshals teamed up with state local and federal crime fighters in the largest roundup targeting unregistered sex offenders, sexual predators and violent offenders." KPLC-TV continues, "Surrounded by representatives from several local agencies, Deputy U.S. Marshal Beau Bartel announced the results of Operation Falcon III at a news conference in Lake Charles. Bartel says, 'Most fugitives that are out there on the run are repeat offenders and they're they ones that are committing crimes daily. Totally during this week, we had 10,773 fugitives arrested.'"

Maine. WCSH-TV, NBC 6, Portland, ME (11/3) reports, "In Maine, state troopers and local police teamed up with U.S Marshals to nab 187 wanted fugitives. … 'We had resources to track these people and we tried to target the most violent offenders out there. Did we get them all in one week, no we didn't. But we haven't given up on them,' said U.S. Marshal David D. Viles. … In all, Maine law enforcement officers cleared 267 outstanding warrants, including 21 arrests for sex related offenses and 48 drug offender arrests."

The Portland (ME) Press Herald (11/3) reports, "In Maine, authorities grabbed James Miller, a man convicted of gross sexual assault on a child under 13 and disseminating sexually explicit material. Miller, arrested at his Auburn apartment Oct. 22, was charged with failing to register as a sex offender and violating probation. Police say they found pornography links on a computer at his home, though it wasn't clear if that violated his probation conditions." The Herald adds, "Deputy U.S. marshals working with state and local police arrested 21 people on sex-related offenses and 48 on drug-related offenses in Maine, clearing 267 warrants, said a statement by U.S. Marshal David Viles."

Maryland. WHAG-TV, NBC 25, Hagerstown, MD (11/3) reports, "Nearly 11,000 fugitives have been arrested as part of a sting operation that stretched up and down the East Coast, and many of those fugitives were captured in the Four-State region." WHAG-TV continues, "Edward Bowman, 44, is behind bars after he was accused of sexually assaulting his 16-year-old niece. Last week other violent criminals, sexual offenders and gang members were also captured, thanks to a week-long U.S. sting operation called Operation Falcon 3. … Bowman was arrested on October 25th on Butts Mill Road. He was just one of many residents arrested during operation week." WHAG-TV notes, "U.S. marshals will not go into the specifics of the investigation, authorities say they plan to have more sting operations in the near future. … 'If you're wanted we're going to find you,' says Deputy U.S. Marshal Mike Ulrich. 'There's no where to run and no where to hide.'"

Massachusetts. The Boston Herald (11/3O', Johnson) reports, "Some of the state's worst gang bangers, pedophiles and suspects-in-hiding, were targeted in a nationwide sweep by federal marshals tagged Operation Falcon III." The Herald continues, "In Massachusetts, 433 fugitives were collared in raids carried out over the past week in which federal, state and local police used their combined resources to round up suspects wanted on warrants for multiple violent crimes or failure to register as a sex offender." The Herald adds, "The U.S. Attorney's Office in Boston said one of the seized men, Brian Berlo, plied a New Hampshire boy with drugs and sodomized him for a six-month period beginning in December 2005. Federal marshals caught up to Berlo in Easton, where he was arrested with a small amount of cocaine, authorities said. He was arraigned on charges of being a fugitive from justice in Taunton District Court and was ordered held on $500,000 bail."

The Boston Globe (11/2, Murphy) reports, "Those arrested in Massachusetts included 67 convicted sex offenders, including 30 who were not registered as required by law, and 73 reputed gang members. … 'We did try to target as many gang members and sex offenders as possible,' said Acting US Marshall William Fallon." The Globe notes, "All of those arrested face state charges, but federal prosecutors are currently reviewing the cases to determine whether any of them will be prosecuted in federal court under the recently enacted Adam Walsh Child Protection and Safety Act, which makes it a federal crime to fail to register as a sex offender and travel interstate. The law was named for Six-year-old Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981."

The Springfield (MA) Union-News and Sunday Republican (11/3, Barry) reports, "A total of 90 suspects in gang beatings, robberies, sexual crimes and assaults were rounded up last week in this region as part of a coordinated effort to rein in fugitives nationally, law enforcement officials announced yesterday." The Republican continues, "Nearly 11,000 fugitives were arrested nationally and 433 statewide, according to William Fallon, acting U.S. marshal. … 'What we wanted to do come Oct. 22 was hit the ground running. And that's what we did,' Fallon told reporters during a news conference at the federal building. … He was referring to the first day of the weeklong sweep and the months of research that preceded it." The Republican adds, "Locally, 72 arrests were made in Springfield, 14 in Chicopee, three in Holyoke and one in West Springfield. Eight others were arrested in other states for local crimes, officials said."

Michigan. The Detroit News (11/3) reports, "Nearly 500 fugitives were arrested in Michigan as part of a recent federal sweep in 24 states, officials at the U.S. Attorney's Office in Detroit said today." The News continues, "A news conference is scheduled for 2 p.m. to announce details of the Michigan operation, which was headed up by the U.S. Marshals Service. A total of 480 arrest warrants were cleared in Michigan between Oct. 22 and 28, many involving alleged sex offenders, officials said."

WOOD-TV, NBC 8, Grand Rapids, MI (11/3) reports, "Throughout West Michigan, FALCON - Federal And Local

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Cops Organized Nationally - arrested 108 people. Of those, 11 were wanted for sex offenses, four for gang-related activities, 17 for assault and 33 for drugs. … One of those sex fugitives arrested was 28-year-old James Leech, who was picked up while accessing the Internet at the Grand Rapids Public Library on October 24. He was arrested without incident and is now being held in the Kent County Jail. He is facing a first-degree criminal sexual conduct charge involving a minor. … Plus, for the first time, a national operation targeted fugitives in Battle Creek, with nearly half the arrests being made in that city."

The Detroit Free Press (11/3, Angel) reports, "In Michigan, 480 people were arrested. The multi-agency sweeps yielded 43 arrests for sex-related crimes, eight for homicides, 112 for assaults, 133 for narcotics charges, 42 for burglary/larceny, 32 for weapons, 37 for robbery, six for arson, one for kidnapping, 10 for stolen vehicles, 13 for fraud and 43 for other crimes. … 'I think the bottom line is that 10,773 people are off the street,'" said Robert Grubbs, US Marshal for the Eastern District of Michigan. "'Many, many communities can breathe a lot better, feel a lot safer that they're not going to become victims of these people.'"

Mississippi. The AP (11/3, Mohr) reports, "Authorities have arrested 164 sex offenders, gang members and other fugitives in Mississippi as part of a nationwide sting that nabbed some of the most dangerous criminals on the streets." The AP continues, "The roundup was headed by the U.S. Marshals Service with cooperation from hundreds of other agencies, and resulted in nearly 11,000 arrests nationwide, said Nehemiah Flowers, the U.S. marshal for the Southern District of Mississippi. … The arrests included Jonathan Putt, a reputed gang member wanted for the fatal beating of another man in New York, said Christopher Felix, a supervisory marshal in northern Mississippi."

WLBT-TV, NBC 3, Jackson, MS (11/3, Thompson) reports, "More than 164 dangerous felons are off the streets of Mississippi tonight. The U.S. Marshals Service says 41 were captured in Jackson. In all Operation Falcon III, netted nearly 11-thousand fugitives." WLBT-TV adds, "The long arm of the law reached out in communities east of the Mississippi River. U.S. Marshals and a task force of lawmen targeted sexual predators, unregistered sex offenders, suspected murderers and other criminals hiding out from New York to homes in Jackson."

New Hampshire. The Manchester (NH) Union Leader (11/3, Vincent) reports, "A joint effort by more than 45 federal, state and local law enforcement agencies resulted in the arrest of 83 people in New Hampshire as part of a weeklong national effort targeting fugitive sexual offenders and documented gang members. … 'The streets of New Hampshire are safer than they were last week,' U.S. Attorney Thomas Colantuono said." The Leader adds, "U.S. Marshal Stephen Monier yesterday said Operation FALCON III (Federal And Local Cops Organized Nationally) resulted in 10,733 felony fugitive arrests nationwide during the week of Oct. 22-28. The 83 New Hampshire arrests cleared 114 warrants. … Also in the New Hampshire total were 20 narcotics, seven assault, eight burglary, three robbery and four stolen vehicle warrant arrests."

New Jersey. The Newark Star-Ledger (NJ) (11/3, Martin) reports, "Federal and local officers rounded up 548 of New Jersey's most wanted criminals last week, specifically targeting suspected gang members and child predators as part of a national crackdown on fugitives." The Star-Ledger continues, "LThe suspects, nabbed in every New Jersey county, included 88 sex offenders, more than a third of whom who had not registered as required by law. Another 95 are gang members. Each faced a felony charge worth at least five years in prison. Six were wanted for murder. … 'We arrest bad guys every day, but this is a special mission for us in law enforcement -- to get the worst of the worst off the streets,' James Plousis, the U.S. Marshal for New Jersey, said at a news conference in Trenton."

1010, WINS-AM, NY (11/3) reports, "New Jersey is among the states where Operation Falcon III took place. An estimated 871 fugitives were nabbed in New York and New Jersey."

New York. Long Island Newsday (11/3, Destefano) reports, "When a squad of federal officials and police caught up with suspected fugitive Robert Shells in a Manhattan apartment, they not only caught him with his pants down, they found he wasn't wearing anything at all. … 'Put your pants on, please,' an officer said during the early morning raid." Newsday continues, "Shells, 29, wanted for sex crime charges involving minors in Virginia, was one of the nearly 11,000 people who officials said Thursday were nabbed in the latest federal nationwide effort to apprehend fugitives on a wide variety of offenses. Most, like Shells, whose arrest was captured on tape by WPIX/11, were taken by surprise between Oct. 22 and Oct. 28. They generally offered no resistance. … Out of the New York area total, 110 were grabbed on Long Island, said Michael Pagliughi of the U.S. Marshals Service. … 'Fugitives imperil our ability to prosecute them and hamper our ability to put them in jail,' said Brooklyn U.S. Attorney Roslynn Mauskopf. 'Fugitive defendants don't respect jurisdictional boundaries ... that is why it is critical that we band together.'"

The Troy (NY) Record (11/3, Charniga) reports, "Just before 5 p.m. Friday, one of the last local fugitives to be brought in under a federal dragnet was driven to the Troy Police Station. According to federal authorities this man, 31-year-old Alfred Morey, is one of 11,000 criminals to be caught up in 'Operation Falcon III.'" The Record continues, "Morey, whose last known address was 882 River St., is a Level 2 sex offender who was first arrested by city police eight years ago after sexually abusing a then 10-year-old girl. This time, his

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offense was failing to notify authorities he had moved, said Tim Orava, a criminal investigator with the U.S. Marshals Service. … He was caught in Colonie at his place of employment by the Capital District Fugitive Task Force and brought in by city police, a U.S. Marshal and a member of the Rensselaer County District Attorney's office. Authorities said he was one of 1,659 sex offenders caught up in this sweep. … 'The classic line is, "I called last week, and I'm coming in today, or tomorrow,"' Orava said. Authorities believe this was the second time Morey failed to notify them he was moving, and according to a female acquaintance who arrived at the police station soon after, the first time got him 90 days in jail." The Record notes, "His arrest was one of a multitude during the preceding week. Overall, the operation targeted fugitives believed to be present east of the Mississippi. At least one other Trojan, 30-year-old Robert S. Morrison, was arrested at his home earlier in the week after also allegedly failing to register as a sex offender. … Locally, at least one more of these offenders, gang members and a woman with a history of involvement with firearms and drugs were sought, according to federal authorities. … At Thursday's press conference at the federal courthouse in Albany, local, county state and federal authorities laid out what they had done during the last week of October - cleared 13,333 warrants during what U.S. Attorney's Office staffer Grant Jaquith called 'the largest and most successful law enforcement effort in U.S. history.'"

The Syracuse (NY) Post-Standard (11/3, Weibezahl) reports, "The long arm of the law caught up with 132 fugitives who had been hiding out in Central New York, officials said Thursday. … Operation FALCON Federal and Local Cops Organized Nationally used a $10,000 federal grant to pay overtime for troopers, deputies and officers who rounded up the suspects from Oct. 22 to 28, said Deputy Marshal Joseph Ciciarelli, of the U.S. Marshals Service." The Post-Standard continues, "More than 200 were on the list, and many were sex offenders, while others were violent felons and gang members, he said. Local suspects who were caught came from Cayuga, Cortland, Madison, Oneida, Onondaga and Oswego counties. … Representatives of the Syracuse Police Department, Onondaga County Sheriff's Office, state police, the Bureau of Alcohol, Tobacco, Firearms and Explosives, and Drug Enforcement Administration spent more than a week researching their targets before the sweep, Ciciarelli said."

The New York Daily News (11/3, Meek) reports, "In New York, marshals nabbed 85 convicted sex offenders who failed to register under Megan's Law. … On Oct. 23, they picked up accused rapist John Oakey, who was hiding in his family's Bay Ridge, Brooklyn, attic. He was wanted in Ohio on three felony counts for the rape and sodomy of two young girls. … Also arrested last month was Darnell Nisbett, wanted for a July 2006 revenge slaying in a Bedford-Stuyvesant, Brooklyn, playground that left two bystanders, including a 6-year-old girl, wounded by stray bullets."

The Rochester (NY) Democrat and Chronicle (11/3, Freile) reports, "U.S. Attorney Terrance P. Flynn and John Palillo, chief deputy marshal for the Western District of New York, announced the nationwide arrests of 10,773 felony fugitives — from sex offenders to drug dealers to gang members — at a news conference in the U.S. courthouse in Rochester on Thursday. … The arrests were made Oct. 22 to 28 as part of a roundup called Operation Falcon III." The D&C adds, "In the Rochester area, 44 people were arrested, including 20 sex offenders on charges they failed to register, Palillo said. In the Buffalo area, 35 felony fugitives were arrested. … Level 2 sex offender Timothy Grossman, 40, of Rochester — who was wanted by the Rochester Police Department for failing to register as a convicted sex offender — was one arrested as part of the roundup."

North Carolina. WRAL-TV, CBS 5, Raleigh, NC (11/3) reports, "More than 350 people were arrested last week in eastern North Carolina as part of a national roundup of fugitives, making it one of the most comprehensive operations of its kind in the state. … Personnel from 21 different law enforcement agencies in eastern North Carolina helped U.S. Marshals arrest 367 people, including 20 convicted sex offenders, and serve 415 warrants. … '(The) national average for a round up of this type is 13 percent,' said Tex Lindsey, U.S. Marshal Fugitive Task Force commander for Eastern North Carolina. 'And we far exceeded our expectations with an arrest average close to 40 percent.'"

The Charlotte (NC) Observer (11/3, Wright) reports, "Operation Falcon III netted 105 fugitives in Mecklenburg and the Western District of North Carolina, including 22 suspected sex offenders. … 'This is the largest fugitive apprehension effort in the history of the United States,' Patrick Smith, the U.S. marshal for the Western District of North Carolina, told reporters in Charlotte." The Observer adds, "The 105 apprehended in the Western District of North Carolina had been charged with everything from assault and fraud to narcotics and weapons violations. Most were captured in Mecklenburg, Gaston and Iredell counties."

The Greenville (NC) Reflector (11/3, Johnson) reports, "Local authorities working with a federal task force arrested 86 Pitt County fugitives as part of a nationwide effort to capture wanted sex offenders and gang members, officials said." The Reflector continues, "Local participation in the program featured officers with the Greenville Violent Fugitive Task Force working with law enforcement agencies in Pitt, Lenoir and Martin counties to track down tips and leads to pinpoint the location of felons, Detective T.S. O'Neil of the Pitt County Sheriff's Office said. … Greenville task force members gathered unserved warrants for the targeted offenders and fanned out across the state, knocking on doors

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and arresting those wanted, O'Neil said. … By the conclusion of the effort, the Greenville task force arrested 86 people, including one in Martin County and four in Lenoir County. They also served 159 warrants and cleared 266 outstanding charges, according to a Sheriff' Office news release."

The Durham (NC) Herald-Sun (11/3, Dopart) reports, "Durham was home to the lion's share of arrests in the Middle District of North Carolina during last week's Operation Falcon III, a seven-day sting led by the U.S. Marshals Service in conjunction with local law enforcement." The Herald-Sun continues, "In the Middle District, some 81 local members of law enforcement were involved, according to U.S. Marshal Richard Carleton Thursday. … The U.S. Marshals Service divides North Carolina into three enforcement districts, each running north to south -- the Eastern District based in Raleigh, the Middle District based in Greensboro and the Western District, based in Asheville. … In total, law enforcement made 71 arrests in the Middle District, and also cleared 152 warrants. The operation focused on sex offenders and gang members, but resulted in the arrests of several individuals not originally targeted by the operation, Carleton said."

WCNC-TV, NBC 6, Charlotte, NC (11/3, Counts) reports, "For the past couple of weeks US marshals have been targeting gang members and child sex offenders. Michael Goins from Gastonia and Sammie Lee Washington from Charlotte are just two of the more than 100 suspects that were rounded up from our area. They were arrested on numerous sex charges involving children. … For the past couple of weeks marshals and many other agencies fanned out across the area and the eastern seaboard looking for suspects. At an afternoon news conference Thursday, US Attorney Gretchen Shappert talked about Operation Falcon III and how it will make our streets safer. … 'Let me emphasize, this is not low hanging fruit. This is not people on speeding tickets or traffic tickets,' she said. 'These are serious federal and state criminals charged with major offenses. Murder, robberies, gang related offenses, particularly sex related offenses pertaining to children.'"

Ohio. The Columbus (OH) Dispatch (11/3, Futty) reports, "A 64-year-old man wanted for three counts of rape and various crimes against minors was among 77 fugitives from central Ohio arrested last week during a roundup by federal and local agents." The Dispatch continues, "Members of a task force dubbed Operation Falcon III found Clarence R. Harris in Martins Ferry. He was being held in Belmont County awaiting a transfer to Franklin County, where he was indicted. … Law-enforcement officials said Harris was an example of the fugitive sex offenders targeted in the sweep, which netted 10,773 felony arrests in the eastern half of the United States from Oct. 22 through Saturday. … 'The marshals office is relatively small,' said Thomas McCombs, chief deputy marshal for the Southern District of Ohio. 'We can't do it ourselves. If we combine in a task force operation, we can see the results.' … The 77 arrests of central Ohio fugitives included one for a sex-offender registration violation and at least three for sex offenses against children. Drug offenses were the most common charges."

The Akron Beacon Journal (11/3, Chancellor) reports, "News of the massive police action, code-named Operation Falcon III, was made public Thursday in coordinated news conferences held across the country and at the Oliver Ocasek government building in Akron. … 'We took some meat-eaters -- some real serious predators -- off the streets,' said Summit County Sheriff Drew Alexander, who was one of the 20 law enforcement officials representing as many departments." The Journal adds, "In Northeast Ohio, 584 arrests were made during a six-day period from Oct. 22 through Oct. 28. Included in that number were 59 sex offenders and 18 gang members. … Akron Police Chief Michael Matulavich said the Akron prong of Operation Falcon III, which focused on neighborhoods with recent incidents of gun violence, resulted in the arrest of nine wanted felons and the seizure of two semiautomatic handguns and one fully-loaded semiautomatic machine gun."

The Hamilton (OH) Journal-News (11/3, Lolli) reports, "One of Butler County (OH)'s 'Most Wanted' fugitives was among thousands nabbed by federal authorities during a weeklong dragnet that concluded Oct. 28." The Journal-News continues, "The U.S. Marshals' office on Thursday released details of the round-up that blanketed the eastern half of the country, but also resulted in the arrest of a local convicted child rapist in Texas. … Frederick Gholston, labeled a sexual predator in 1998 after his conviction on charges of forcible rape and gross sexual imposition involving a minor, was arrested at the Pilgrim's Pride Chicken Packaging Plant in Tyler, Texas, on an escape warrant issued by the Butler County Sheriff's Office in September after Gholston failed to register his address with authorities." The Journal-News adds, "Four deputies from the Butler County Sheriff's Office were assigned to special detail assisting in the round-up which resulted in the arrests of 20 fugitives found living within the county."

The Dayton (OH) Daily News (11/3, Modic) reports, "Deputy U.S. marshals led other law enforcement agencies across half the states in the country, all this side of the Mississippi, last week rounding up almost 11,000 fugitives including 108 in the Miami Valley region. … Among those was Robert Farris on Jasper Road in Greene County, where task force officers forced open a door and had to Taser an aggressive dog before they took Farris into custody for multiple counts of sex crimes against children, according to James M. Wahlrab, U.S. Marshal for the Southern District of Ohio." The News adds, "Marshals and other officers assigned by local jurisdictions were tasked in teams of seven or eight officers to seek out each fugitive, Wahlrab said. … Gregory

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G. Lockhart, U.S. Attorney for the Southern District of Ohio, said the operation was sending the message, 'We will find you; we will track you down.'"

The Canton (OH) Repository (11/3, Monsewicz) reports, "Federal, state and local officers arrested 25 people in Stark County on general felony warrants last week as part of Operation Falcon III, a national fugitive round-up. … 'This was a great cooperative effort ....more productive than such an operation in any other region in the country,' said Canton Police Chief Dean McKimm." The Repository adds, "McKimm was among the more than 50 police chiefs, sheriff's deputies, task force officers and other law enforcement officers who gathered for an afternoon press conference in Akron that was hosted by the U.S. Marshals Service, which spearheaded the cooperative effort. … Cathy Jones, assistant chief deputy marshal, said the most notable Stark County arrest last week was the arrest of double homicide suspect, Edward Lee Lang III. The 19-year-old was charged with two counts of aggravated murder in connection with the execution-style deaths of a couple in what police called 'a drug deal-robbery gone awry.'"

The Springfield (OH) News-Sun (11/3) reports, "They began at 6 a.m. Oct. 22 — 51 law enforcement officers ready to serve warrants as part of Operation Falcon. … By the time they were done, Clark County Sheriff Gene Kelly said, 34 people were arrested locally, one runaway child was found and stolen property was recovered." The News-Sun adds, "Local offenses ranged from criminal trespassing and soliciting to complicity to robbery and felony robbery."

The Cincinnati Enquirer (11/3, Horn) reports, "Dozens of accused sex offenders and gang members in Greater Cincinnati are in jail today after one of the largest nationwide roundups of fugitives in history." The Enquirer continues, "More than 50 local officers were temporarily deputized by the Marshals Service so they could cross jurisdictional boundaries to pursue fugitives, something they ordinarily cannot do. … 'The citizens of our community are safer at this point because of the number of people taken off the street,' said Chris Riley, supervising deputy of the Marshals Service in Cincinnati. … Riley said the focus on fugitives allows the officers to follow tips and other information that they otherwise might not pursue because of jurisdictional problems or other responsibilities."

WEWS-TV, IBS 5, Cleveland, OH (11/3) reports, "Many of those arrested are from northern Ohio, where authorities targeted 10 counties, reported NewsChannel5's Jonathan Costen. … In northern Ohio, authorities obtained 894 warrants in connection with sex and gang-related offenses, making 584 fugitive arrests and seizing nine firearms. … 'We continue to be one of the leading task forces in the nation our success is built on our local and federal partners,' said Ohio U.S. Marshal Peter Elliott. … But officials said there's no room for complacency, and there are plenty of suspects walking freely on the streets. … 'Yes, we have two individuals we want to have profiled: Bruce Klingsgale and Jack Manigold, two very dangerous individuals known to carry a lot of weapons, both are being sought in Mahoning County, Ohio,' said the task force's Dean Michael."

WHIO-TV, Channel 7, Dayton, OH (11/3) reports, "Authorities said more than 100 wanted, suspected criminals are off the streets of the Miami Valley." WHIO-TV adds, "A Springfield woman was one of the dozens of people arrested during the operation. … Armed officers surrounded homes and came out with people in handcuffs. That was a common site all across the Miami Valley last week. … U.S. marshals who work in the Dayton area teamed up with dozens of surrounding cities and counties to capture fugitives."

Pennsylvania. The Pittsburgh Post-Gazette (11/3, Ove) reports, "One hundred twenty fugitives were rounded up in Western Pennsylvania during the past week during a nationwide dragnet for sex offenders, gang members and others." The Post-Gazette continues, "State, local and federal officials announced today in Pittsburgh that 350 officers and federal marshals took part in the roundup in 14 counties. … Of the 140 arrests in the region, 120 were wanted on felony warrants, including 12 sex offenders such as Megan's Law violators."

The Philadelphia Daily News (11/3, Hinkelman) reports, "William Knight had been arrested in December 2000 on charges of sexual assault, corruption of minors and indecent exposure. … His trial was supposed to start in March 2002, but Knight, 24, skipped the proceeding. … Last month, the law caught up with him when he was arrested at a home on Melville Street near Walnut." The News adds, "He was one of 194 local fugitives snared in Operation Falcon III, a nationwide roundup of fugitives from Oct. 22-28 coordinated by the U.S. Marshals Service. … In addition to the fugitives arrested in the Philadelphia region, marshals also announced yesterday that 55 other cases had been closed. Philadelphia figured in more than 80 percent of all fugitives apprehended and cases closed in the region. … Among those apprehended were 101 sex offenders, 73 of whom were not registered with the appropriate authorities. .. .U.S. Marshal Gary Shovlin said 80 drug cases and two homicides in the region also were closed."

The Harrisburg Patriot-News (PA) (11/3, Cassidy) reports, "While children were slipping into Halloween costumes last week, convicted sex offender John R. Spangler was trying to find out various municipalities' trick-or-treat times, authorities said. … When the West Hanover Twp. man walked into a television news station asking about trick-or-treat times, it aroused the suspicion of some employees, who wrote down his vehicle's license plate number and called police." The Patriot-News adds, "Spangler, 75, turned out to be wanted for failure to register with police as required by Megan's Law, authorities said -- and he was one of 10,773

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fugitives arrested in what federal authorities dubbed a 'historic' multistate sweep of criminals on the run. … In the U.S. Middle District, which covers the midstate, the arrests included 13 suspected sex offenders, three alleged gang members and dozens of people wanted on drug, assault and other charges."

Rhode Island. WJAR-TV, NBC 10, Providence, RI (11/3) reports, "NBC 10's Larry Estepa reported that last week's roundup, led by the U.S. Marshals Service, resulted in the capture of 81 fugitives in Rhode Island, including arrests in a first-degree sexual assault case and a sealed indictment in a murder case. … 'It's been extremely successful. They've arrested thousands of people and brought them to justice. It's had a huge impact because we knock down the barriers of turf wars and jurisdiction,' Col. Steven Pare of the Rhode Island State Police said."

South Carolina. WSPA-TV, News Channel 7, Spartanburg, SC (11/3) reports, "State and federal police announced Thursday that they've completed the largest roundup ever focused on violent sex offenders and gang members. It was called Operation FALCON III, and 10,773 fugitives were arrested nationwide." WSPA-TV adds, "Here in South Carolina, marshals and local police arrested 392 wanted felons, including 51 sex offenders. … U.S. Attorney for South Carolina Reginald Lloyd says the streets are safer tonight because of the roundup. 'They're not just bringing those individuals to justice. They are, in my opinion, absolutely preventing future crimes and future victims,' he says." WSPA-TV continues, "Johnny Mack Brown, U.S. Marshal for South Carolina, says fugitives are dangerous already because they've already eluded police, but there's more. 'I have found out that all these people who commit crimes and get out on bond or are fugitives, they don't quit just because they're a fugitive or they've got a warrant for them. They continue to do their trade, and that is sell drugs, buy guns, rob people and those kind of things,' he says."

Tennessee. The Knoxville News Sentinel (TN) (11/3, Satterfield) reports, "Sure, capturing those 284 fugitives was sweet, but rescuing a toddler? … For Chief Deputy U.S. Marshal Ron Gibbs, it doesn't get much sweeter than that. … 'His biological mother had abducted him and brought him to East Tennessee,' Gibbs said of the 19-month-old child rescued during what was a secret nationwide hunt for fugitives unveiled Thursday." The Sentinel continues, "Florida authorities had put out an alert for the child. Texas authorities got a tip that the child was in East Tennessee. The Smoky Mountains Federal Fugitive Task Force was asked to add the case to its Operation FALCON III list. On Oct. 24 - two days into the fugitive roundup - the task force agents found the child in Sneedville, Tenn. … The toddler's rescue was just one highlight of a fugitive hunt organized and led by the U.S. Marshals Service, involving cases in 25 states including Tennessee."

The Chattanooga (TN) Chattanoogan (11/3) reports, "There were 163 fugitives in Chattanooga and Hamilton County caught in the nationwide 'Operation Falcon' net, officials said at a Thursday afternoon press conference. … Those included Tommie 'Wild Thing' Loyons, identified as a member of the Vice Lords gang, and Donald Yardley, sought for failing to register as a sex offender."

The Memphis Commercial Appeal (11/3, Conley) reports, "Police hit the jackpot when they chased Roderick Thomas into his house to arrest him for violating probation. … They found evidence of identity theft, vehicle ID fraud and counterfeit money. Elsewhere on the Barnes Court property in South Memphis they found a chop shop with stolen vehicles and parts. Thomas now faces charges of altering vehicle ID numbers, theft over $10,000, identity theft and forgery." The Appeal adds, "Thomas was one of more than 350 people arrested last week in West Tennessee on warrants in a nationwide sweep under the auspices of the U.S. Marshal Service called Operation Falcon III. … More than 260 came in Shelby County. In West Tennessee, more than 100 suspected sex offenders were arrested. … 'Any time you can lock up 262 suspects -- sex offenders, gang members -- it's a good day,' Memphis Police Director Larry Godwin said during a news conference Thursday."

The Hendersonville (TN) Star News (11/3, Burke, Carey) reports from Rickman, TN, "Children's bicycles, balls and toys littered the yard of Allen Marksberry's home in this Overton County community." The News continues, "Marksberry, 38, a convicted sex offender, was cited Thursday by U.S. Attorney General Alberto Gonzales as one of the 'worst of the worst' fugitives caught in a sweep that spanned 24 states and captured more than 10,000 wanted felons. … Marksberry made national news when Gonzales used him as example of the most dangerous predators captured in the sweep last week, dubbed Operation Falcon III." The News adds, "Agents in Middle Tennessee captured more fugitives than any other federal district, including two of the 15 most significant arrests nationwide — Marksberry and a Nashville gang member wanted for murder."

The Johnson City (TN) Press (11/3, Swing) reports, "'Our primary target in this effort was sex predators, unregistered sex offenders and wanted gang members,' said W. Warren Mays Jr., supervisory deputy U.S. Marshal in East Tennessee. 'I think the statistics speak for themselves as far as the success of Operation Falcon III.' … In East Tennessee, 284 fugitive felons were arrested. Of those, 65 were sex offenders and seven were documented gang members. Along the way, authorities also arrested fugitives wanted on local, state or federal arrest warrants for murder, kidnapping and other serious offenses. … In Washington County alone, 20 fugitives were taken into custody during the operation. Those arrested throughout Washington County were wanted on warrants for a number of crimes including

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aggravated sexual battery, a parole violation for first-degree murder, aggravated robbery, arson and schedule II narcotics offenses."

The Dickson (TN) Herald (11/3, Burton) reports, "More than two dozen Dickson County fugitives from justice were among the nearly 11,000 suspects captured during last month's Operation FALCON III." The Herald continues, "Twenty-nine Dickson County fugitives were captured during the roundup as nine teams swept Dickson and surrounding counties during the weeklong operation, according to federal officials. … The effort involved more than 500 law enforcement personnel from 99 agencies, including the Dickson County Sheriff's Office and the Dickson Police Department. … 'It was the most successful operation that I've ever been a part of in arresting fugitives in my entire 33-plus years of service,' U.S. Marshal Denny King said yesterday. .. .Tommy Thompson, chief deputy marshal for Middle Tennessee, said during the sweep that the cooperation between federal, state and local law enforcement agencies was key to the success of the operation."

WATE-TV, ABC 6, Knoxville, TN (11/3, Estep) reports, "Hundreds of violent criminals are off East Tennessee streets and in jail thanks to a massive federal round-up." WATE-TV adds, "During the last week of October, local and state police were sworn in as U.S. Marshals for the operation. That means they could legally cross county, city and state lines to arrest fugitives, just like federal officers can. … Officers concentrated on 41 counties in East Tennessee, arresting fugitives in Knox, Anderson, Blount, Sevier, Cocke, Claiborne and Hamblen counties, just to name a few. … 'It was a seven-day, around-the-clock operation,' Chief Deputy U.S. Marshal Ron Gibbs explains. 'It's something you just cannot keep up day in and day out. But for a week's focus, I'm very proud of everyone. There were not any incidences in our arrests. Everyone stayed safe, including those who were arrested and we're very proud of that.'"

WSMV-TV, NBC 4, Nashville, TN (11/3) reports, "Tennessee led the country for capturing the most fugitives as part of this nationwide effort to crack down on accused criminals hiding from police." WSMV-TV adds, "Last week's roundup, led by the U.S. Marshals Service, included Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was baby-sitting several young children when he was arrested on Oct. 24. … Including in the roundup was 36 sex offenders who are accused of failing to register. … Also nabbed were Demetrius Avery Jackson, an accused cop killer in Birmingham, Ala., and Eric Dewayne Meneese, a Crips gang member, in Nashville, Tenn." WSMV-TV notes, "The 32 counties of Tennessee's middle district, where Marksberry and Meneese were captured, saw more arrests and warrants cleared than any other district in the 24 states east of Mississippi River where the roundup took place, authorities said. … U.S. Marshal Denny King said at a Nashville news conference that the arrest of sex offender Marksberry alone was worth 'every bit of effort' the operation required. … 'We rescued three kids. ... How many other kids did we save from Marksberry?' King said."

WMC-TV, Action News 5, Memphis, TN (11/3) reports, "Action News 5 went along for some of the local arrests, as teams led by U.S. Marshals swept the streets of Memphis. Arrests were made for a wide variety of crimes, but nowhere else were there as many convicted sex offenders wanted for not being registered: The Western District of Tennessee ranked number one. … 'We were very, very aggressive here in West Tennessee of going out and getting these guys,' said U.S. Marshal David Jolley at a press conference Thursday."

Vermont. The Rutland (VT) Herald (11/3, Keays) reports, "A weeklong fugitive sweep of the eastern and central United States has led to almost 11,000 wanted criminals taken into custody, including 83 from Vermont and eight from Rutland County." The Herald continues, L"In Vermont, the roundup was led by the U.S. Marshals Service and included several local and law enforcement agencies around the state. … National figures on fugitives captured were released Thursday in Washington, D.C, while the numbers from the Vermont operation were announced at a press conference in Burlington attended by federal, state and local law enforcement officials." The Herald adds, "In total, the operation in Vermont led to the capture of 83 people and cleared 110 arrest warrants for various offenses, ranging from failing to register as a sex offender to drug offenses, Bill Gerke of the U.S. Marshals Service in Vermont said after the press conference."

Virginia. The Richmond Times-Dispatch (11/3, Campbell) reports, "Freedom ended suddenly for 59 fugitives in the Richmond area during seven days in October as U.S. marshals led a law-enforcement sweep of alleged criminals from the streets." The Times-Dispatch continues, "The Henrico-to-Petersburg arrests were just a few of nearly 11,000 captures of suspects during Operation Falcon III, a weeklong Justice Department effort that concentrated on arresting documented gang members and convicted sex offenders in 24 states east of the Mississippi River. … Kevin Connolly, the U.S. marshal who leads the Regional Fugitive Task Force here, said no fugitive arrested in Richmond during Operation Falcon III resisted physically -- officers got 'just some nasty attitude from some of them,' he said. … About two-thirds of the Operation Falcon arrests here were of men, Connolly said."

The Norfolk Virginian-Pilot (11/3, Mcglone) reports, "Police and federal agents in Hampton Roads arrested 227 felony suspects as part of a nationwide operation called Falcon III that targeted sex offenders and gang members, the U.S. Marshals Service announced Thursday. … Among those arrested was Robert Shells, suspected of raping and

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sodomizing a 4-year-old girl in Norfolk. He was picked up in New York and will be extradited to face charges here."

WWBT-TV, NBC 12, Richmond, VA (11/3) reports, "Between Richmond, Petersburg, Henrico and Chesterfield, a total of 59 wanted people were arrested on some 82 outstanding warrants. Of the 59 arrested, U.S. Marshals say two are documented gang members and 17 others were wanted on sex-related offenses. … 'The investigators did the research and obtained the photos, so that when we hit that first door at five in the morning we had the best odds of catching that fugitive there,' says Kevin Connolly of the U.S. Marshal Service. Inspector Connolly is one of 30 law enforcement officers who formed a team that spent the week working 10-14 hour-days in our area."

WVEC-TV, ABC 13, Hampton Roads, VA (11/3) reports, "In Hampton Roads, what is being called 'Operation FALCON III' netted 227 felony arrests, including 5 gang members, 11 unregistered sex offenders, and 16 who were wanted on sex charges. … The roundup also resulted in the seizure of four handguns and 40 capsules of heroin, according to the United States Marshals Service."

West Virginia. The Huntington (WV) Herald-Dispatch (11/3, Johnson) reports, "A one-week focus on nabbing fugitives cleared more than 200 warrants across Southern West Virginia, part of a nationwide sweep that brought in nearly 11,000 fugitives." The Herald-Dispatch continues, "At least 77 of the area warrants were cleared from the books in Cabell and Wayne Counties, as authorities spent most of last week looking for sex offenders, drug traffickers and other fugitives. … Brad Sellers, a supervisory deputy working locally for the U.S. Marshals Service, explained most cases were cleared by way of police making an arrest or locating the fugitive at another correctional facility."

The Charleston Gazette (11/3, Gustafson) reports, "Law enforcement officers served 345 warrants, including 35 for sex offenses, across West Virginia as part of a recent national fugitive roundup headed by the U.S. Marshals Service." The Gazette continues, "In the state's Southern District, burglary or larceny, drugs and assault accounted for most of the 216 warrants served during the six-day operation in Kanawha, Fayette, Cabell, Raleigh and Wayne counties. … The warrants also included 22 for sex offenses, including 15 for failure to register as a sex offender. … 'The success of this operation could only have been accomplished through the determination and dedication of many federal, state and local officers that teamed up to make the communities of Southern West Virginia safe,' U.S. Marshal James Dawson said."

WOWK-TV, CBS 13, Huntington, WV (11/3) reports, "In West Virginia, Operation Falcon III, led to the arrest of 129 people. … With such a large operation the state was divided into two regions; north and south. … In the northern region the Bridgeport, Martinsburg and Morgantown Police Departments were among those taking part. … In the southern region the Charleston, Huntington and Beckely Police Departments joined a much larger group that included state agencies."

The Martinsburg (WV) Journal (11/3, Marshall) reports, "A total of 65 wanted fugitives were arrested in the Eastern Panhandle during a weeklong, nationwide roundup headed by the U.S. Marshals Service with the help of local, state and federal law enforcement." The Journal continues, "In the Eastern Panhandle, 65 people were arrested on outstanding warrants and 111 warrants were cleared, Assistant U.S. Attorney Paul T. Camilletti and Deputy U.S. Marshal Michael Ulrich announced Thursday at a news conference at Martinsburg's U.S. District Court. … In the Northern District of West Virginia as a whole, 129 people were arrested, and 299 outstanding warrants were cleared, Camilletti said. … 'Because of this effort, we have been very successful in apprehending our fugitives and getting them back into court and keeping the process going. We haven't had very many slip through the cracks. We've also been able with our task force to assist Maryland, Pennsylvania and Virginia in apprehending some of their fugitives,' Camilletti said. … 'Our office has always supported the task force concept, and Operation Falcon III is an excellent example of how well task forces can work to benefit our communities,' said Sharon L.Potter, U.S. attorney for the Northern District of West Virginia, during a separate press conference Thursday. 'By combining the resources and intelligence available to local, state and federal agencies, we greatly enhance our ability to apprehend fugitives. Successful task force approaches in the Northern District of West Virginia have included drug trafficking, cyber crimes, crimes against children and now Operation Falcon III.'"

Mueller Warns FBI Employees About Corruption Probe Leaks. The New York Times (11/3, Johnston, 1.21M) reports, "Director Robert S. Mueller III of the F.B.I. has issued a stern message to the bureau's nearly 30,000 employees warning them against leaks of confidential information after recent news articles disclosed criminal inquiries involving incumbent lawmakers, mainly House Republicans. 'There have been a number of recent stories in the press attributing sensitive law enforcement information to "federal law enforcement officials,"' Mr. Mueller said in an Oct. 26 e-mail message. 'While I cannot say they have come from F.B.I. employees, such disclosures do serious damage to our investigations and risk unfairly tarnishing the subjects of our investigations who enjoy the presumption of innocence.' In similar election season warnings," Assistant Attorney General Alice S. Fisher and Executive Office for United States Attorneys Director Michael A. Battle "sent messages on Wednesday to prosecutors reminding them of departmental

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rules against leaks." The Times notes, "Mr. Mueller has tried, during his five-year tenure, to keep a tight lid on the Federal Bureau of Investigation's activities in advance of elections, and is said by some associates to have been 'livid' at the recent disclosures. … 'He was angered by it because he understands how the leaks can damage investigations,' said John Miller, the F.B.I.'s spokesman."

Grand Jury Indicts Track Coach As BALCO Investigation Continues. There are more than 600 media references to the indictment of track coach Trevor Graham by the grand jury in San Francisco investigating doping in sports. For example, the New York Times (11/3, Schmidt) reports Graham, the track coach who "trained several elite Olympic athletes who have been linked to performance-enhancing drugs, was indicted yesterday in the investigation he helped begin three years ago. A federal grand jury in San Francisco returned a three-count indictment accusing Graham of making false statements to special agents in the investigation into performance-enhancing drugs and related money laundering. The charges arise from the Bay Area Laboratory Co-Operative scandal, a sweeping investigation of sports doping." The indictment "alleged that Graham obtained illegal performance-enhancing drugs from an unidentified source and gave them to athletes he coached. It also said that Graham referred athletes to an unnamed source so they could obtain performance-enhancing drugs directly."

The Los Angeles Times (11/3, Hersh) reports, "Now that the federal investigation of Graham has ended in the indictment, the U.S. Anti-Doping Agency is likely to charge the coach with a doping offense. 'No one has a license to break sports rules or federal laws just because they turn in a drug dealer to the authorities,' USADA general counsel Travis Tygart said Thursday."

The San Francisco Chronicle (11/2, Fainaru-wada, Williams) reports Thursday's indictment "alleged that Graham lied to special agents from the Internal Revenue Service's Criminal Investigations unit when he told them he had never set up any of his athletes with performance-enhancing drugs from an unidentified source."

The Washington Post (11/3) reports, "In the five-page indictment from U.S. District Court for the Northern District of California, the government alleged that Graham lied about his relationship with an unnamed source of performance-enhancing drugs. The indictment said Graham met the source in 1996 or 1997, sent athletes to him for drugs and relied upon him for illegal drugs 'for years.'"

The Chicago Tribune (11/2, Hersh) reports Graham "is the sixth person indicted in the BALCO investigation, a group that includes Barry Bonds' trainer, Greg Anderson. The other five have been convicted after making deals with prosecutors that kept any of the cases from going to trial. The question now becomes whether Graham cuts a deal that will prevent a trial in which many of his athletes and former athletes…could be called to testify."

Bloomberg (11/2, Gullo) writes, "Graham, coach to Olympic sprinters Marion Jones and Justin Gatlin, obtained illegal performance enhancing drugs from an unnamed source and lied about it to U.S. Internal Revenue Service agents who interviewed him in June 2004, according to a statement today by the U.S. Attorney's office in San Francisco. Graham also lied about never meeting the source in person, and about his last contacts with the unnamed supplier, the statement said."

The AP (11/3, Kravets, Elias) writes, "According to the indictment, Graham lied to federal investigators in 2004 when he told them he didn't provide his athletes with performance-enhancing drugs. It said he obtained those drugs from a person identified only as 'Source A' and that he 'provided them to athletes he was coaching and also referred athletes he was coaching to Source A to obtain illegal performance-enhancing drugs directly from Source A.'" News outlets that used the AP story include ABC News, USA Today, the Los Angeles Times, and Houston Chronicle.

Sports Network (11/2) reports Graham's arraignment "is set for November 16 before Magistrate Judge Edward M. Chen. He faces 15 years in prison and a fine of $750,000 if convicted on all three counts."

On its Web site, NPR's All Things Considered (11/2) reports the grand jury that "handed out the indictment against Graham is the same one that continues to investigate baseball star Barry Bonds. At least one sports analyst says that Graham's indictment is good news for Bonds, as it means that the grand jury is taking action against the coach -- but still apparently doesn't have enough evidence to issue charges against Bonds."

BBC Sports (11/3) reports Graham "could face up to 15 years in jail after being charged with hindering a US government investigation into steroids in sport."

Cable TV Coverage. ESPN (11/3, 1:30 a.m.) aired, "Trevor Graham, who has coached some of the world's fastest sprinters is charged with counts of hindering the investigation of federal agents. He touched off the steroid investigation three years ago when he anonymously mailed authorities a vile of a previously undetected steroid. He's coached…Marion Jones and Tim Montgomery."

Virginia Sheriff, Others Indicted In Federal Drug, Money-Laundering Investigation. The Washington Times (11/3, Seper) reports a federal grand jury "has indicted 20 persons, including Henry County, Va., Sheriff Harold Frank Cassell and 12 of his current or former deputies, in connection with a major drug, weapon and

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money-laundering conspiracy in southern Virginia. Fourteen persons were arrested yesterday as a result of a Drug Enforcement Administration investigation. The county law-enforcement officers are accused of stealing, selling and using cocaine, crack, marijuana, steroids and date-rape drugs and confiscating weapons being held as evidence. … 'As a public servant, I am deeply disturbed by the actions of these individuals, especially the law-enforcement officers arrested today,' said Shawn A. Johnson, special agent in charge of the DEA's Washington division. 'Those who betray the public trust insult the integrity and honor of all police officers who risk their lives upholding the law.'"

The Washington Post (11/3) reports DEA officials "said a major break came in March 2005 during a large investigation, dubbed Operation Cyber Chase, into illegal online prescription drug sales. While investigating more than 200 Web sites that illegally sold drugs around the world, DEA agents intercepted an express mail package containing 2 kilograms of ketamine, an animal tranquilizer known as Special K, that was shipped to a Henry residence, the indictment says. DEA agents set up a sting for its intended recipient, who told them he was working as a middleman for Sgt. James A. Vaught of the sheriff's office, the indictment says."

The AP (11/2, Lindsey) reports Sheriff Cassell "was charged with money laundering and impeding the investigation by the FBI and federal drug enforcement agents. … The indictment states that one of the residents, William R. Reed, told investigators that a house owned by one of the sheriff's officers was used for drug distribution. Mr. Reed cooperated in the investigation following his arrest last year on charges of possession of narcotics with intent to distribute." The AP story was used by the Winston-Salem Journal

The Roanoke (VA) Times (11/3) reports a 48-count indictment "brought down this week accuses sheriff's office employees of using and dealing drugs; stealing narcotics and guns from evidence and redistributing them in the community; and lying to federal investigators. Cassell himself is accused of trying to throw federal agents off the trail to protect officers he knew were involved in illegal activity. … The investigation began in March 2005 with a tip from the Philadelphia DEA office about a package containing the illegal drug ketamine, known as a date rape drug."

The Richmond (VA) Times-Dispatch (11/2) reports, "H.G. Vaughn, chairman of the Henry Board of Supervisors, said the board passed a resolution yesterday evening asking Cassell to resign immediately. He said the board had met with FBI, Drug Enforcement Administration and Virginia State Police officials in a closed-door meeting. The two-paragraph resolution said that while the supervisors did not intend to determine guilt or innocence, 'it is this board's firm belief that Sheriff H.F. Cassell's ability to manage his department is irreparably damaged in light of these events.'"

On its Web site, ABC News (11/2) reports the indictments "culminate a five-year Drug Enforcement Administration investigation into accusations of corruption. More than 20 individuals, including the 12 deputies, have been indicted in the drug distribution and money laundering ring. … In March 2005, the DEA became aware that members of the sheriff's office may be linked to the ketamine drug ring and sent a controlled delivery of the drug to a house that had been a key distribution point. That house was owned by James Vaught, a sergeant who worked for Cassell."

On its Web site, CNN (11/2) reports, "The investigation that exposed an allegedly corrupt Virginia sheriff's department began with a package containing vials of a date-rape drug. Although Drug Enforcement Administration agents didn't know it at the time, the package was shipped to a house that belonged to a sergeant with the Henry County Sheriff's Office. … The result was a 48-count indictment unsealed Thursday with the arrests of longtime Sheriff Harold Franklin Cassell and 17 others. A dozen of them wore or had worn the uniform of the Henry County Sheriff's Office."

WSLS-TV, Roanoke, Virginia (11/2) has posted a timeline for the indictment on its Web site.

WSLS-TV (11/2) also reports on its Web site that Cassell "is accused of helping members in his department with money laundering and distributing narcotics."

Marijuana Dispensary Raided In California. The Press-Enterprise (11/3) reports authorities on Thursday "raided a Palm Springs medical-marijuana dispensary for the second time in a month. An affidavit supporting the search warrant that authorized the raid accused Palm Springs Caregivers of illegally selling marijuana for profit, said Special Agent Sarah Pullen, of the federal Drug Enforcement Administration, which carried out the raid with officers from the Palm Springs Narcotics Task Force. The dispensary continued its illegal sales after a raid on Oct. 4, she said." However, "no one was arrested Thursday."

DEA Trains Afghan Police To Bolster Anti-Drug Efforts, Thwart Corruption. The AP (11/3) reports Afghan farmers "now planting opium poppies will probably reap a harvest comparable to this year's record crop, in part because insurgents are preventing effective counter-narcotics work, officials said Thursday. … Anti-drug officials say that despite anti-cultivation campaigns, they foresee little improvement by harvest time next spring. … Seeking to counter corruption that hinders anti-drug efforts, the U.S. Drug Enforcement Agency is training special units of Afghan policemen who must pass polygraph exams and investigations of their backgrounds, Karen P. Tandy…said

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during a visit Sunday. … 'DEA is very accustomed to working in countries where corruption is rampant,' she said. 'We have a method that has been extremely successful. … You have patriots in every country who care about the future of their country, and that is no less true here in Afghanistan.'" There are more than 100 media references to Afghanistan's opium poppy harvest and anti-drug efforts. The AP story was used by CBS News, FOX News, the Wall Street Journal, Washington Post, Forbes, Houston Chronicle, San Diego Union Tribune, Kansas City Star, and Minneapolis Star Tribune.

Michigan Man Gets Life Sentence In Drugs, Firearms Case. The Muskegon (MI) Chronicle (11/2, Hausman) reports a Muskegon man "has been sentenced to life in federal prison without chance of parole after a jury convicted him of large-scale drug trafficking and firearms offenses. U.S. District Judge Robert Holmes Bell on Wednesday ordered Lakento Brian Smith…to prison for life for conspiracy to distribute at least 500 grams of cocaine and at least 50 grams of 'crack' cocaine, and for possession with intent to distribute at least 50 grams of 'crack.'" Smith "was arrested Oct. 28, 2005, at his home after an extended investigation by the Grand Rapids and Detroit offices of the U.S. Drug Enforcement Administration, the West Michigan Enforcement Team, the Bureau of Alcohol, Tobacco, Firearms and Explosives and the Muskegon Police Department."

IMMIGRATION:

Washington Pastor Deported From South Korea To Face US Fraud Sentencing. The AP (11/3) reports from Tacoma, WA, "A pastor who fled to South Korea after he was convicted of helping Korean nationals file fraudulent visa applications has been returned to Washington state for sentencing." The AP continues, "Dong Wan Park, 53, was convicted of conspiracy, visa fraud and obstruction of justice in June. … Prosecutors said that Park, pastor of Hope Korean Church, advertised in a Korean language newspapers that immigration visas were available through his church. He charged as much as $30,000 to provide people with visa paperwork including phony transcripts from a Korean seminary and a certificate of ordination from a Korean bishop. .. .None of the applicants was ever employed at the church, and none had any religious training." The AP adds, "During his trial, Park claimed the money received from visa applicants was either a loan or a donation to the church. Authorities said Park, who was released on bond, fled the country less than three weeks after the verdict. … The Department of Justice on Wednesday announced that he was returned to the country after Park's native South Korea decided to deport him back to the United States. … The Justice Department said that Park had wired $290,000 to a bank in South Korea after he persuaded church elders to authorize the sale of the church, which netted him $350,000."

TAX:

Snipes Reportedly In Discussions With DOJ Over Tax Fraud Charges. E! Online (11/3, Grossberg) reports, "Is Wesley Snipes ready to pay the piper? … A Justice Department spokesman told E! Online Thursday that the government has been working with the Blade star's lawyers on a deal in the actor's multimillion-dollar tax fraud case. … 'We have been in contact with his representatives and are making progress as far as getting him to return to the U.S to face criminal charges,' said Steve Cole of the U.S. Attorney's Office in Tampa, where the indictment was filed. 'No timetable has been set.'" E! Online continues, "Snipes is currently in Namibia filming the horror flick Gallowwalker. Although there is a warrant out for his arrest, the African country does not have an extradition treaty with the United States. … Meanwhile, Cole said his office was 'not confirming or denying' a report in Thursday's Daily Variety that Snipes had reached a settlement with the Internal Revenue Service, which would keep him out of the big house and churning out B-grade action thrillers for years to come. .. .Per the trade paper, Snipes will supposedly surrender to authorities when he returns to the States in December but won't be locked up. The report claims the actor has agreed to make good on millions of dollars in back taxes; in exchange, federal prosecutors purportedly have agreed to allow him to continue working to erase his debt." E! Online notes, "The 44-year-old actor was indicted Oct. 17 for attempting to scam the IRS out of $12 million in fraudulent refunds from 1996 to 1997. Additionally, the actor was accused of not filing any returns from 1999 to 2004."

Grassley, Baucus Criticize IRS Online Filing Program. The AP (11/3, Abrams) reports, "Leaders of the Senate Finance Committee say a deal between the Internal Revenue Service and private tax preparers that allows people to submit returns by computer is too restrictive and discourages electronic filing." Sens. Charles Grassley and Max Baucus "said declines in participation in the Free File program show it is not working. 'If the tax preparation industry cannot provide free basic filing services without hidden costs and traps, perhaps it is time to consider having the IRS provide a direct filing portal to enable all taxpayers to file electronically without cost,' they wrote IRS Commissioner Mark Everson on Thursday."

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CONGRESS-ADMINISTRATION:

Rangel Says Prospect Of Cheney Presidency Reason Not To Impeach Bush. Asked on MSNBC's Tucker (11/2, Carlson) why Democrats would not "begin impeachment proceedings the moment they take power," Rep. Charles Rangel said, "I can give you one good reason. If you know Dick Cheney, you wouldn't think about impeaching Mr. Bush."

Card Describes Bush's Morning Routine. Asked about President Bush's morning routine on MSNBC's Hardball (11/2, Matthews), former White House Chief of Staff Andrew Card said, "Before 9/11, he used to show up at 7:00 at the Oval Office. After 9/11, he showed up at 6:45. Now, 15 minutes may not sound like much to you, but when I was the chief of staff and I had so much reading to do in the morning and I would show up to the office at 5:30, that extra 15 minutes of time that I lost because I had to go down and greet the President when he walked into the Oval Office was pretty tough." Matthews: "Does he read the paper before he comes to work?" Card: "He skims the newspaper. Laura read it. And sometimes Laura would read it to him, or at least I could tell when she had. … The President did not dwell on the editorial page or the op-ed page of any of the newspapers. He did look at the sports page. He looked at the front page."

Democratic Congress Would Seek To Amend Drug Benefit Plan. The Washington Times (11/3, Lopes, 88K) reports, "Democrats would use a new majority in Congress next year to highlight contentious health care issues such as high prescription-drug prices and funding for stem-cell research. Republicans, meanwhile, would push for an expansion of consumer-driven health care to reduce US reliance on entitlement programs." The Times adds, "At the top of the Democrats' health care agenda is giving the federal government the ability to negotiate Medicare drug prices directly with the pharmaceutical companies. 'First, Democrats would repeal the ban on allowing Medicare to use the bargaining power of its 43 million beneficiaries to negotiate lower drug prices,' said Jim Manley, spokesman for Senate Minority Leader Harry Reid of Nevada." House Minority Leader Nancy Pelosi of California "has made it clear in recent weeks that the Democrats would make negotiating Medicare drug prices a high priority. Medicare is the federal health insurance program for seniors." A Democratic majority also "would focus on expanding health insurance for children and stem-cell research."

Top OMB Officials Outline Future Of Bush's Management Agenda. The Washington Post's (11/3, D4, Barr) "Federal Diary" column reports that several top "policymakers who oversee federal management issues" appeared together "to discuss internal workings of the government," the "urgency of reshaping the federal workforce, cleaning up the government's financial books and pulling the plug on duplicative technology systems." The Post adds that among other things, the officials were asked "what they hoped to accomplish in the last two years of the Bush administration and whether they thought President Bush's management agenda would survive in the next White House." Karen Evans, the OMB's technology chief, "acknowledged that in the next administration, 'you may see that [federal technology] investments will change ... to support different priorities.' Paul Dennett, in charge of federal procurement policy at OMB," said, "It is very important that we make competitive sourcing work," while Robert Shea, head of a "project to rate federal programs based on their performance, said he would urge the next White House to use a scorecard to track agencies' progress toward management goals."

Federal Government To Reopen Bidding On Contract For ID Cards. The Washington Post (11/2, D1, Kirkham, 748K) reports the Federal Government "has decided to reopen the bidding to produce hundreds of thousands of universal government identification cards, stripping the McLean consulting firm BearingPoint Inc. of a potential five-year contract." It is "an unusual move for the General Services Administration, coming just two months into the $104 million contract. BearingPoint will continue to develop ID cards for government employees and contractors through early January, after which the GSA will either ask for more bids or allow agencies to choose from an approved list of vendors."

Medicaid Shifts Policy To Require Citizenship Proof For Infant Care. The New York Times (11/3, Pear, 1.21M) reports, "Under a new federal policy, children born in the United States to illegal immigrants with low incomes will no longer be automatically entitled to health insurance through Medicaid, Bush administration officials said Thursday. Illegal immigrants are generally barred from Medicaid but can get coverage for treatment of emergency medical conditions, including labor and delivery." The documentation "requirements took effect in July, but some states have been slow to enforce them, and many doctors are only now becoming aware of the effects on newborns."

The AP (11/2, Freking) reported the American Academy of Pediatrics, the American Academy of Family Physicians and the March of Dimes health groups "are concerned" the

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new requirement could mean "that babies born to illegal immigrants could be denied essential medical care such as immunizations and physicals." In the past, "the government required states to provide the babies with a full year of eligibility for Medicaid." Now, "mothers of the newborns will have to apply for Medicaid on behalf of their newborns, which many will not want to risk." However, Medicaid officials "are skeptical about the groups' claims."

OTHER NEWS:

US Productivity Growing At Slower Pace; October Retail Sales Mixed. The Financial Times (11/3, Callan, Guha) reports, "US productivity growth stalled in the third quarter, while unit labour costs continued to rise at a strong clip, heightening the dilemma for the Federal Reserve as it seeks to balance the risks from a slowdown in growth and stubbornly high inflation. The slowdown in productivity, which was flat over the quarter and up only 1.3 per cent over the previous year, was largely the consequence of slowing growth." But "it could also signal that the underlying rate of productivity growth in the US is declining. Unit labour costs rose at an annualised rate of 3.8 per cent, considerably faster than the core rate of inflation as measured by the personal consumption expenditure deflator. But while the increase in unit labour costs is a potential source of concern on inflation, the rate of growth has slowed since the first half of this year."

USA Today (11/3, Kirchhoff, 2.27M) says "recent economic data, including Thursday's report that productivity growth sputtered this summer, while wages rose at the fastest pace in two decades, has the central bank caught between what economist Allen Sinai calls 'recessionlike' slow growth and 'sticky high' inflation. … If the Fed pushes rates higher to combat inflation, it could further hurt the interest-sensitive auto and housing sectors. A rate cut to combat slowing growth is dicey with inflation still so high." USA Today adds, "Economists will be watching October employment figures to be released today by the Labor Department."

The Wall Street Journal (11/3, A3, 2.03M) reports, "Including the likes of Nordstrom Inc. and Kohl's Corp., department stores rang up strong sales of fall fashions as cool temperatures stoked demand for coats, sweaters, leggings and other cold-weather gear, according to October sales results issued yesterday by most major chain stores. Many specialty retailers and discounters were disappointments. And the slower-than-expected pace of sales overall added to worries about whether middle-income consumers will continue spending amid a shaky housing market." The Journal adds, "As shoppers bundled up2 in new clothes in the autumn chill, some major retailers were celebrating but others were left out in the cold."

USA Today (11/3, Fetterman, 2.27M) headlines its report "Retail Sales Show Mostly Rich Shop Till They Drop," and says "in the retail world, the holidays are shaping up to be a case study in the haves and have-nots. Which side a retailer falls on depends on its customers: Do they have money? Or are times tight?"

Stocks Slip. NBC Nightly News (11/2, story 8, 0:10, Williams, 9.87M) reported, "Taking a look at Wall Street today the Dow was off twelve and half points [to close at 12,018.54]. NASDAQ was off just a fraction of a point [to close at 2,334.02] at the end of trading."

The Wall Street Journal (11/3, C1, McKay, 2.03M) reports, "The Dow Jones Industrial Average flirted with the 12000 level again, but this time on the downside, as the market fell because of weak economic data. Reports of surprisingly soft retail sales and productivity, coupled with a bigger increase in jobless claims than analysts anticipated, ratcheted up investors' worries that the current economic slowdown might be worse than expected. In recent months, many on Wall Street have been hoping for a gradual softening, which would shake out excess financial speculation but leave workers and consumers unscathed and keep corporate profits strong." The Journal also notes that "the Standard & Poor's 500-stock index finished down at 1367.34, off 0.47 point, but up 9.5% year to date."

The CBS Evening News (11/2, story 7, 3:05, Couric, 7.66M) reported, "The Dow was down for the fifth straight session. The longest losing streak of the year, and here are a couple of reasons for today's decline: The productivity of American workers showed zero growth in the third quarter, while the cost of their wages and benefits shot up at the fastest clip in more than two decades. That could add up to jobs in jeopardy."

Fed Official Says Rates Were Kept Low Because Of Faulty Data. The Wall Street Journal (11/3, A6, lp, 2.03M) reports, "In an apparent and rare in-house critique, the president of the Federal Reserve Bank of Dallas said that because of faulty inflation data, the Fed kept interest rates too low for too long earlier this decade, fueling speculative housing activity. A number of critics have said the Fed under former chairman Alan Greenspan kept monetary policy too easy from 2003 to 2004." But Richard Fisher's remarks "to the New York Association for Business Economics yesterday mark the first time some Fed watchers could recall a sitting Fed policy maker making such comments." Fisher "said from 2002 to early 2003, inflation, as measured by the price index of personal consumption expenditures (PCE) excluding food and energy, was running below 1%." Fisher "noted that subsequent revisions show PCE inflation was actually a half a percentage point higher than originally estimated."

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Study Finds Rich Getting Richer At Faster Rate. McClatchy (11/3, Hall) reports, "Over the past quarter-century, and especially in the last 10 years, America's very rich have grown much richer. No one else fared as well. In 2004, the richest 1 percent of households -- 719,910 of them, with an average annual income of $326,720 -- had 19.8 percent of the entire nation's pretax income. That's up from 17.8 percent a year earlier, according to a study by University of California-Berkeley economist Emmanuel Saez." The study, titled "The Evolution of Top Incomes," also "found that the richest one-tenth of 1 percent of Americans - 129,584 households in 2004 - reported income equal to 9.5 percent of national pretax income." However, "median, or midpoint, family income rose only 1.6 percent between 2001 and 2004, when adjusted for inflation, according to the Federal Reserve."

Bush Suggests Democrats Soft On Terror In Campaign Trips To Nevada And Montana. Almost universally, media commentators are portraying President Bush's campaign visits to Montana and Nevada, two "red states," as a sign the Republicans are in serious jeopardy this election cycle. Particularly on TV, the substance of Bush's remarks on the stump received almost no attention. The CBS Evening News (11/2, lead story, 2:40, Axelrod, 7.66M) said that "even most Republicans now concede the House is gone -- which is why President Bush is out working red state America hard to try to keep from losing the Senate as well." Bush "flew to Montana today to try to help Republican Senator Conrad Burns. … Just weeks ago Republicans were ready to write Burns off. Democrat Jon Tester had that much of a lead in the polls. But an infusion of Republican Party ads hitting Tester on taxes has helped narrow the race. The White House is pulling out all the stops. The President's visit follows Dick Cheney's yesterday." The Missoulian (11/3, Jamison) reports that at a Republican get-out-the-vote rally, Cheney "touted the national GOP agenda, saying the re-election of Conrad Burns was critical to continuing the Bush administration's efforts in Washington, D.C., and abroad."

ABC World News (11/2, story 3, 2:15, Gibson, 8.78M) reported Bush's "itinerary speaks volumes about the challenges Republicans face. He's visiting states where the GOP is normally rock-solid." ABC (Stephanopoulos) added, "Look at two states that the President is visiting, Nebraska and Kansas. Two of the most Republican congressional districts in the country. But the President has to go there. It's one more sign that the list of vulnerable Republican races is growing. Back on Labor Day, we counted only 36 competitive seats held by Republicans. Now that number has claimed to 53." ABC added, "Since 1860, there have been six congressional elections like this, during wartime. In every, single one of them, the President's party has taken a beating, losing on average, 35 House seats and 5 Senate seats."

NBC Nightly News (11/2, lead story, 3:20, Gregory, 9.87M) also called Bush's campaign swing "a sign of just how vulnerable Republicans are," and adds that "unlike many Republicans…Burns, still trailing his Democratic challenger, welcomes the President, hoping he will energize the base." Bush was shown saying, "It's good to be in a part of the world where the cowboy hats outnumber the ties. … If the people of Montana want good judges, judges who will not legislate from the bench, judges like John Roberts, you vote for Conrad Burns for the United States Senate."

CNN's The Situation Room (11/2, Malveaux) reported, that "it really doesn't matter where the President travels; there is always that elephant in the room. That is the Iraq War, the number one issue for voters. … The President's strategy…is to emphasize that, yes, he gets it, realizes it's a tough fight in Iraq, and secondly to convince Americans that he does have a plan, a strategy of his own that ultimately will mean that they win."

At the start of CNN's Lou Dobbs Tonight (11/2), host Dobbs said, "Bush today launched an all-out assault against his Democratic critics of the conduct of this war in Iraq. President Bush said harsh criticism, as he put it, is not a plan for victory." Bush's remarks are "the latest indication that the White House believes it can rally the Republican base with a strong defense of the war in Iraq. The Democrats appear to welcome this election battle over Iraq. The Democratic Party is expected to close its election campaign with a barrage of hard-hitting ads blasting the president's conduct."

USA Today (11/3, 2.27M) reports Bush "chided Democrats who he said voted against legislation to detain and interrogate suspected terrorists, the National Security Agency's eavesdropping program and the USA Patriot Act." He also "stressed that when voters cast their ballots, they will be deciding what kind of judges sit on federal courts."

The AP (11/3, Riechmann) quotes Bush saying, "When it comes to listening to the terrorists, what's the Democrat's answer? Just say no. … When it comes to detaining terrorists, what's the Democrats' answer? … So when the Democrats ask for your vote on Nov. 7, what's your answer?"

The Billings Gazette (11/3) reports on Bush's "an animated political stump speech," and notes the President appeared "with his shirtsleeves rolled up and no tie" as he urged Montanans to vote for d Burns and Rep. Denny Rehberg. The New York Times (11/3, Rutenberg, 1.21M) headlines its report "This Election, Modest Tour For President," and says, "If there is one thing the White House can usually count on when President Bush campaigns in small, Republican-leaning cities like this one, it is friendly wall-to-wall news coverage of his arrival. And his visit here on Thursday did make the front page of The Billings Gazette."

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But "news of his impending arrival took second billing in the paper. It ran below the fold and under a package of articles about the return of a local sailor's body from Iraq, accompanied by a photograph of the flag-draped coffin at Billings Logan International Airport." Bush's visit "certainly was the subject of local talk radio. But it was mixed with grim talk of newspaper endorsements for the Democratic candidate for Senate here, Jon Tester."

The AP (11/3, Espo) says Bush, "campaigner in chief for a party in peril, set out on a rescue mission for embattled candidates in the unlikeliest of places Thursday as Republicans struggled to minimize their losses in next week's elections." Democrats "expressed growing optimism that their long season out of power might soon end. … Five days before the election, Democratic strategists said none of their incumbents in either house of Congress was trailing -- and Republicans did not disagree."

The AP (11/3, Pickler) reports that in Nevada, the district where Bush stopped (NV2) "hasn't been won by a Democrat since its creation 25 years ago, and Bush's visit there was a sign of how much trouble Republicans face." Bush "appeared upbeat despite predictions that Democrats are poised to take control of at least one chamber of Congress in Tuesday's election."

The Washington Post (11/3, A6, Baker, 748K) also reports, "A Republican president normally would not need to come to a conservative bastion such as Montana this close to an election, nor to Nevada's 2nd District." Although "Bush's approval ratings remain mired in the high 30s, the White House believes he can still make a difference in traditionally Republican districts and states by energizing core supporters who otherwise might not be enthusiastic about voting. Many conservatives have been alienated because of concerns over rising federal spending, illegal immigration, the Iraq war, the House page scandal and other issues."

The Wall Street Journal (11/3, A4, 2.03M) reports, "Through Election Day, the president was set to appear only in states that voted for him in 2004: Montana and Nevada, yesterday; Missouri and Iowa today; Colorado tomorrow; Nebraska and Kansas Sunday; and Arkansas, Florida and Texas Monday." He "is avoiding most of the main battleground states where the House could be won or lost: Ohio, Pennsylvania, New York and Connecticut. 'The president is going to districts where we know that he can make a difference and where he knows that he can make a difference,' spokesman Tony Fratto said."

The Washington Times (11/3, Curl, 88K) says Bush continued to "hit conservative hot-button issues, such as tax cuts, the war on terror, judicial nominees and national security legislation Democrats opposed.

Former White House Chief of Staff Andrew Card, appearing on MSNBC's Hardball (11/2, Matthews), said, "Our party is in the midst of significant battle. This is a battle that will determine the control of the House and the Senate. And I think it's right that the President is out there as the leader of our party helping those candidates who are in need. And he's going to do it right up until the polls open."

Kerry Comments Appear To Mirror 1972 Answer In Campaign Questionnaire. After two days dominating news coverage of the midterm election, the Kerry controversy appears to have subsided. The AP (11/3, Solomon), in one of the few reports on the incident, reports this morning, "During a Vietnam-era run for Congress three decades ago, John Kerry said he opposed a volunteer Army because it would be dominated by the underprivileged, be less accountable and be more prone to 'the perpetuation of war crimes.' Kerry, a decorated Vietnam veteran who turned against the war, made the observations in answers to a 1972 candidate questionnaire from a Massachusetts peace group." The AP adds, "After Kerry caused a firestorm this week with what he termed a botched campaign joke that Republicans said insulted current soldiers, The Associated Press was alerted to the historical comments by a former law enforcement official who monitored 1970s anti-war activities" Kerry apologized "for the 2006 campaign trail gaffe," but "in 1972, as he ran for the House, he was less apologetic in his comments about the merits of a volunteer army. He declared in the questionnaire that he opposed the draft but considered a volunteer army 'a greater anathema.'"

The CBS Evening News (11/2, lead story, 2:40, Axelrod, 7.66M), meanwhile, noted that in a campaign visit to Montana, Vice President Cheney's took on Kerry "with a page from the old flip-flop playbook." Cheney was shown saying, "Of course, Senator Kerry said he was just making a joke and he botched it up. I guess, we didn't get that nuance. Actually, he was for the joke before he was against it."

Former White House Chief of Staff Andrew Card, appearing on Fox News' The Big Story (11/2, Gibson), said, "John Kerry, who carried the banner for the Democratic Party…put his foot in his mouth and took too long to take it out. And when he took it out, he didn't apologize. In fact, he said he wasn't going to apologize. And it took far too much time for him to apologize for the insensitive remark that me made about the troops. Whether it was a gaffe or not, it was insensitive and he knew it."

Democratic Rep. Charles Rangel, meanwhile, said on MSNBC's Tucker (11/2, Carlson), "When you do something stupid and you don't apologize for it, then people of the same party have to distance themselves."

Friedman Challenges Service Members To Show Bush And Cheney They Are Not "Stupid." Meanwhile, Thomas Friedman in a New York Times (11/3, 1.21M) column apparently addressed to US service members, writes, "George Bush, Dick Cheney and Don Rumsfeld think you're

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stupid. Yes, they do. They think they can take a mangled quip about President Bush and Iraq by John Kerry -- a man who is not even running for office but who, unlike Mr. Bush and Mr. Cheney, never ran away from combat service -- and get you to vote against all Democrats in this election. Every time you hear Mr. Bush or Mr. Cheney lash out against Mr. Kerry, I hope you will say to yourself, 'They must think I'm stupid.' Because they surely do." Karl Rove "has succeeded at that in the past because he was sure that he could sell just enough Bush cigarettes, even though people knew they caused cancer. Please, please, for our country's health, prove him wrong this time. … I, for one, don't think we're that stupid. Next Tuesday we'll see."

Sherwood Agreed To Pay Abuse Accuser $500,000 In Confidential Settlement. The AP (11/2, Rubinkam) reports Rep. Don Sherwood, who was "accused of abusing his ex-mistress," had "agreed to pay her about $500,000 in a settlement last year that contained a powerful incentive for her to keep quiet until after Election Day, a person familiar with the terms of the deal told The Associated Press." Sherwood "is locked in a tight re-election race" against Democrat Chris Carney, "who has seized on the four-term congressman's relationship with the woman. While Sherwood acknowledged the woman was his mistress, he denied abusing her and said that he had settled her $5.5 million lawsuit on confidential terms." The settlement, "reached in November 2005, called for Cynthia Ore to be paid in installments, according to a person who spoke on condition of anonymity because the deal is confidential. She has received less than half the money so far, and will not get the rest until after the Nov. 7 election, the person said Thursday." A "confidentiality clause requires Ore to forfeit some of the money if she talks publicly about the case, according to this person and two other people familiar with elements of the case." Sherwood "admitted no wrongdoing, a standard provision in such agreements, this person said."

Democrats Facing Less Fallout From Ethical, Legal Problems. The New York Times (11/3, Davey, 1.21M) reports that Democratic Gov. Rod Blagojevich is under fire for a Federal investigation of "endemic hiring fraud" in state agencies and the indictment of a top fundraiser in a kickback scam. It would be "a governor's bad dream, but particularly so in the case of Mr. Blagojevich, a Democrat who faces a re-election vote on Tuesday in a state still bruised from the corruption that left its last governor bound for prison." Yet Blagojevich "appears headed toward victory, leading his Republican opponent by double digits in one poll, by The Chicago Tribune and WGN-Channel 9, that was released on Tuesday." Democrats "nationally have worked hard to portray…a 'culture of corruption' in the Republican Party," but "there are Democrats like Mr. Blagojevich whose campaigns have also been marked by claims of ethical failings in widely varying degrees, from Representatives William J. Jefferson of Louisiana and Alan B. Mollohan of West Virginia to Senator Robert Menendez of New Jersey. In another governor's race in the Midwest, that of James E. Doyle of Wisconsin, scandal has emerged as a serious issue." But while the Democrats' "problems have certainly made these races tighter than they might otherwise be, they have for the most part not carried the lethal sting of the Republicans' missteps, independent political scientists and election analysts say." The analysts say "the Democratic effort nationally to paint a systematic and more deeply rooted corruption label on Republicans this year seems to be working, blunting individual controversies that might be devastating to the Democrats at some other moment."

The Washington Post (11/3, A2, Powell, 748K), in a report on New Jersey Sen. Bob Menendez's (D) bid to win election to the U.S. Senate, reports that "the notion…that he is a political boss as expert in the manipulation of political IOUs and shivs as he is in the intricacies of trade policy, has trailed like a mutt after Menendez throughout his Senate campaign." GOP challenger Tom Kean Jr. "cannot clear his throat without intoning that Menendez is 'under federal investigation.' There are, in Kean's telling, Menendez's questionable rental contract with a local not-for-profit, the pressure his advisers applied to get an ally hired at a local hospital, and so on and on. Even if these charges prove true, it's not clear such behavior is illegal or disabling. … Still, the charges -- repeated in countless commercials -- take a cumulative effect." The Post notes, "One public poll asked voters what jumps to their mind when they hear the candidates' names. Kean? He's the son of a former governor. As for Menendez? The greatest number of poll respondents -- 21 percent -- say the words that come to mind are 'corruption/crooked.'"

First Lady Boosts Illinois Candidates. The Chicago Tribune (11/3, Kuczka, Biemer, 623K) reports First Lady Laura Bush "tried to fire up Republican voters Thursday at a rally for candidates in two of the nation's hardest-fought and most expensive congressional races." Mrs. Bush "also pitched Judy Baar Topinka's run for governor at the Schaumburg rally." Bush and Topinka "shared the stage with Peter Roskam, the west suburban 6th Congressional District Republican candidate, and David McSweeney, the northwest suburban 8th Congressional District GOP nominee. Bush said the two men are key to helping the administration fight the war on terrorism." Roskam faces Democrat Tammy Duckworth "in the race to succeed retiring Republican Rep. Henry Hyde," while McSweeney "is challenging first-term Democratic Rep. Melissa Bean."

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Evangelicals Seen As Divided, Wavering In Support For GOP. The Financial Times (11/3, Ward) reports on "growing divisions among evangelicals" that used to belong to the Christian Coalition but "broke away in protest at what they perceive to be a shift by the Christian Coalition away from core issues, such as abortion and gay marriage, towards a broader agenda." In "an attempt to revive its fortunes, the coalition is reaching out to moderate evangelicals and mainstream Christians by embracing a wider range of causes and softening its fire and brimstone rhetoric." The Times adds, "Many evangelicals believe their support has been taken for granted by the Republicans and complain that election promises, such as Mr Bush's pledge to push for a constitutional amendment banning same-sex marriage, have gone unfulfilled. A succession of Republican ethics scandals has deepened their disillusionment." The number of evangelicals "with a favourable opinion of the Republican party fell from 74 per cent in 2004 to 54 per cent last July, according to the Pew Research Center."

The Washington Post (11/3, A4, Cooperman, Eilperin, 748K), meanwhile, notes the war of words between Dick Armey and James Dobson, once "stalwart allies" who now "are going after each other tooth and claw." Armey "argued in the Outlook section of this past Sunday's Washington Post that Republicans face an 'electoral rout' because they stopped being the party of limited government, allowed spending to spin 'out of control,' and concentrated on such issues as flag burning, Terry Schiavo and same-sex marriage." On the Web site of FreedomWorks, "the organization he now heads, Armey pins much of the blame on Dobson, the founder and chairman of Focus on the Family, and other 'self-appointed Christian leaders.' Calling them 'thugs' and 'bullies' in recent interviews, Armey says that "Dobson and his gang' have split the conservative Christian movement." Dobson, in a commentary for the Web site of Fox News, "responded this week that Armey is a very bitter man' who is still smarting because 'I supported my close friend and hunting buddy,' Rep. Steve Largent (R-Okla.), over Armey for majority leader."

Head Of Largest Evangelical Group In US Resigns Over Allegation He Paid A Man For Sex. ABC World News (11/2, story 6, 0:20, Gibson, 8.78M) reported, "The president of the nation's largest evangelical group resigned late today, following allegations that he paid a man for sex. The Reverend Ted Haggard had been an influential voice in the 30 million member National Association of Evangelicals. A Denver man says he was paid regularly for sex for the last three years. Haggard, a married father of five, denies the allegations."

NBC Nightly News (11/2, story 4, 1:35, Williams, 9.87M) reported Haggard "has had access to the White House." NBC showed Haggard saying, "I've never had a gay relationship with anybody and I'm steady with my wife. I'm faithful to my wife."

The Washington Post (11/3, A16, Cooperman, 748K) describes the Reverend as "one of the nation's most influential conservative Christian leaders" and "an outspoken opponent of same-sex marriage." The Post also reports, "Although he has avoided endorsing political candidates, Haggard has been a staunch ally of the Bush administration. Some political observers said his resignation was more bad news for Republicans trying to rally their conservative Christian base to turn out for the midterm elections."

The AP (11/3, Tsai) reports, "Mike Jones, 49, of Denver told The Associated Press he decided to go public with his allegations…when he discovered Haggard and the New Life Church had publicly opposed same-sex marriage. 'It made me angry that here's someone preaching about gay marriage and going behind the scenes having gay sex,' said Jones, who added that he isn't working for any political group." Jones, whose allegations were first aired on KHOW-AM radio in Denver, "claimed Haggard paid him to have sex nearly every month over three years. Jones also said Haggard snorted methamphetamine before their sexual encounters to heighten his experience."

Three Connecticut Races Central To Battle For House Control. USA Today (11/3, 10A, Stone, 2.27M) focuses on three House races in Connecticut that could be the key to control. Rep. Christopher Shays, "a 10-term Republican incumbent, is under no illusions," and "12-term incumbent" Nancy Johnson and Rob Simmons, seeking a fourth term, are also in tight races. Simmons said of his fellow moderate Republicans, "We call ourselves the spotted owl caucus. We know we're endangered."

Reynolds Says Iraq "Central Theme" In Shays Race. NRCC Chairman Rep. Tom Reynolds said on CNN's The Situation Room (11/2, Blitzer), "I only see one race where Iraq is the central theme of a campaign and that's Chris Shays' campaign in Connecticut. And he has walked right in wanting to make Iraq the central issue of his campaign."

Reynolds Says His Own Race For Reelection Is Close. NRCC Chairman Rep. Tom Reynolds said on CNN's The Situation Room (11/2, Blitzer) that his own race is "a close race, probably a lot of variables. … We've got frustration on jobs, which is the number one issue in this district. And we also have my opponent, who's a self-made millionaire, who has spent millions on this race."

Democrats Seen As Having A Chance To Capture Senate. The CBS Evening News (11/2, story 2, 3:25, Borger, 7.66M) reported, "Just a month ago, nobody

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was giving the Democrats a shot at taking control of the Senate. … The Republicans have a five-seat majority. But then within the last couple of weeks, the polls have started to shift. Suddenly that looks like a real possibility, and…there are these four key states that are so close. Let's take a look. First of all, the stated of Montana, where Jim Axelrod was just with, with the President of the United States. Then very close raises in Missouri, Tennessee, and Virginia. I might add, Katie, thee are all red or Republican states. The Republicans need to win two of these four seats to keep control of the senate. In any other year, you might say gee, that's not going to be much of a problem, but this is not a normal year. Necessary a very tough environment." Couric: "And, Bob, all in all of those key states, the key is turnout, right?" CBS (Schieffer) added, "Especially in Missouri and Virginia, which we think are the closest of all. Now, the Republicans think they've done a really good job in Missouri. They have identified at this point twice as many prospective Republican voters as they had in 2000. That's very important. If they can get those people to the polls, then they think they can win. In Virginia, interestingly enough, it is just the opposite. It's the Democrats who believe they've done a better job of getting their voters to the polls." Couric: "But overall, the Republicans do have an edge when it comes to voter turnout. I mean, they've got a machine that really is unparalleled, Don't they?" Borger: "They do have astounding technology. They've been doing it for an awful lot of years, Katie. But the Democrats have one thing this year that they haven't had in years past, and that is they've got plenty of money."

On NBC Nightly News (11/2, story 3, 1:10, Williams, 9.87M), Washington bureau chief Tim Russert said, "These are the battleground nine. Those states in blue, Maryland and New Jersey, the Democrats must hold them. The states in red you see are the Republican seats. There's seven of them. The Democrats must gain six. They feel…that Ohio, Pennsylvania and Rhode Island are going to go Democrat. That's the way the Democrats feel. Your state of Tennessee, if the Democrats do not win that, that means they must win Missouri where the President is going tomorrow, Montana where the President was today, and Virginia. The Democrats need six of the seven states Republicans do not hold and hold their two states of Maryland and New Jersey, the equivalent of an inside straight. That's what they need on Tuesday night."

Ex-Sen. Al D'Amato, appearing on Fox News' Your World (11/2, Cavuto), said, "Here's the problem: The House leadership is old, antiquated, broken down. We looked ridiculous on the Foley situation. … And, unfortunately, I think the House is gone. The Senate comes down to the Republicans having to win one out of three states. The one they have the best likelihood of winning is Missouri. If they win that, we will have 50/50. Tennessee, they have won. … And I think Conrad Burns is the other one out of Montana. He's come up strong -- if we can win that. And the last one, the sleeper that no one saw taking place, but is unfolding, is Maryland."

Asked about Democratic Senate gains on MSNBC's Hardball (11/2, Matthews), Larry Sabato of the University of Virginia said, "If you force me to guess today, I would say six seats. I may be back to five by Monday."

Asked about Democratic Senate gains on MSNBC's Hardball (11/2, Matthews), political handicapper Charlie Cook said, "Everybody agrees on Santorum in Pennsylvania, DeWine in Ohio. Then you get into Chafee in Rhode Island, but there's some signs that that's closed up. Can't tell how much, but it's closed up. Same thing with Conrad Burns in Montana. But those aren't over. They are behind, but they're not over. Then you get to Virginia and where you see some conflicting polls, and in a lot of these races, they are tons of polls out there."

Both Parties Hoping For Senate Race Upsets. Time.com (11/3, Allen) reports in a Web exclusive both parties "have each picked a state where they're hoping for a November Surprise and have begun pouring buzzer-beating money into Senate contests that have not been on anyone's toss-up list." For Democrats, "the hope for an upset is Arizona, where incumbent Sen. Jon Kyl (R), has looked safe from the Democratic challenger, shopping mall developer Jim Pederson." For Republicans, "the long shot is Michigan, where the National Republican Senatorial Committee is throwing a $900,000 lifeline to Mike Bouchard, a sheriff challenging Sen. Debbie Stabenow (D)." In Arizona, Kyl "would only lose in a national typhoon. But Democrats are acting confident and Sen. Charles Schumer of New York, chairman of the Democratic Senatorial Campaign Committee, is touting an 'expanding Senate playing field.'" In Michigan, Stabenow "has led handily in polls and fundraising. Bouchard, with the slogan 'Results for a Change,' began running the nationally financed ads yesterday, and reaches out to younger voters tonight by appearing with Kid Rock. Democrats say it's too late, and that Stabenow has used her cash advantage to build a lead and define Bouchard." The GOP is "also making offensive moves in New Jersey, where Tom Kean Jr. is profiting from corruption charges against incumbent Robert Menendez, and Maryland, where Republican Lt. Gov. Michael Steele is running on change against Democrat Ben Cardin, a 10-termer in the U.S. House." Time also notes Republicans are hopeful for upsets in Washington, where Mike McGavick faces Democratic Sen. Maria Cantwell, and Minnesota, where Rep. Mark Kennedy faces Democrat Amy Klobuchar.

Schumer Says Internal Polls Show Pederson Leading Kyl. CNN's The Situation Room (11/2, Blitzer) reported DSCC Chairman Sen. Charles Schumer "says his party now has the advantage in Arizona and that is a sign of things to come on Election Day." Schumer "cites internal

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polling showing the Democratic candidate Jim Pederson four points ahead of the incumbent Republican Sen. Jon Kyl." Schumer says the DSCC "will spend $1 million on TV ads for Pederson. The National Republican Senatorial Committee begs to differ, telling CNN that John Kyl is, quote, 'on pace to win the election.' By the way, Bill Clinton is out there in Arizona today campaigning, campaigning for Pederson. I'm told by a source close to Bill Clinton that Clinton believes Peterson has a real shot of upsetting Jon Kyl."

Cook Says Kean Could Win New Jersey Senate Race. Political handicapper Charlie Cook said on MSNBC's Hardball (11/2, Matthews), "It's going to be fairly close and I don't know -- Tom Kean could win, he really could."

Obama, Fox Stump For Webb; Allen Picks Up Minutemen Endorsement. The Washington Post (11/3, B2, Shear, 748K) reports that U.S. Senate candidate James Webb (D) was joined by Illinois Sen. Barack Obama (D) on Thursday, "rallying with 700 supporters before heading to Northern Virginia for a similar event with actor Michael J. Fox. Obama told a cheering crowd at Virginia Union University that Webb is someone who 'has fought for this country, who has led this country." Fox, "who has Parkinson's disease and has been campaigning for candidates who support stem cell research, spoke to a crowd of about 1,000 at a ballroom in Clarendon. 'A vote for Jim Webb is a vote for hope and a better quality of life for Americans,' the actor said." In Roanoke yesterday, Virginia Sen. George Allen (R) accepted "the endorsement of the Minutemen, a national organization that fights illegal immigration." Allen "then went to the Philip Morris cigarette plant just south of Richmond to privately shake hands for an hour during a shift change." Expecting a close race, the candidates "have begun to prepare for the possibility of a recount." Allen's camp "is consulting former Virginia solicitor general William H. Hurd, who led the recount team for Republicans last year when Attorney General Robert F. McDonnell (R) won by just 360 votes. Webb aides said they also are preparing contingency plans for a recount."

The Washington Times (11/3, Bellantoni, McLaughlin, 88K) reports Webb is "sticking close to his Democratic friends and held rallies with political heavy hitters yesterday, while Republican Sen. George Allen is standing with local leaders at much smaller meet-and-greets as Virginia's U.S. Senate race enters its final days." Mr. Webb, "who holds a slight lead in most polls, joined Sen. Barack Obama and Virginia's top Democrats at an overflowing midday rally in Richmond before appearing at a sold-out fundraiser with actor Michael J. Fox and former presidential candidate Gen. Wesley Clark in Arlington last night." Webb will "hold an Election Eve rally with former President Bill Clinton, his second appearance in Virginia this year." Allen "nabbed the endorsement of the border-enforcement group the Minutemen and today plans to attend small events with local leaders in Hampton Roads, including an appearance at the Chesapeake Fire Academy graduation."

Rothenberg Says Webb Has The Edge. Roll Call's Stuart Rothenberg said on MSNBC's Hardball (11/2, Matthews) that Webb "has the edge."

Campaigns Focus On Ground Game, Recount Strategies. The Washington Times (11/3, Bellantoni, 88K) reports both Virginia Senate campaigns "are focusing on a crucial ground game to get voters to the polls." Both campaigns "would not outline their legal strategy if the victor's margin is razor-thin, if a recount is needed or if there are problems with voting machines, but each has lawyers in place just in case."

Women Voters May Be Key In Virginia Senate Race. The New York Times (11/3, Toner, 1.21M) reports the "real struggle" in the race between Republican Sen. George Allen and Democrat James Webb, "one of a handful that will determine control of the Senate, may be decided by how women vote." In the "final stretch before Election Day, both candidates have high-profile Virginia women campaigning on their behalf. Mary Matalin, the Republican strategist, is urging women to 'talk to your girlfriends' on Mr. Allen's behalf. Lynda Robb, the wife of former Senator Chuck Robb and a daughter of President Lyndon B. Johnson, is hailing Mr. Webb as 'understanding the needs of Virginia's families.'" The Allen and Webb campaigns "have attacked each other throughout the fall over their commitment (or lack thereof) to women's issues and concerns, and they are ending, to a large extent, with women's voices."

Stem Cell Issue May Benefit Talent In Missouri. The Christian Science Monitor (11/3, Clayton, 58K) reports that in the Missouri Senate race between Republican Sen. James Talent and Democrat Claire McCaskill, there is "a wild card in the Senate contest - stem-cell research." The stem-cell ballot initiative there "could affect voter turnout enough to tip one of the country's closest Senate races. Trouble is, no one can predict with confidence which candidate would benefit most: the Republican incumbent, who opposes a state constitutional amendment to permit the use of embryonic stem cells for medical research, or the Democratic challenger, who supports it." About 51 percent of Missouri voters "favor Amendment 2 while 35 percent are against it, a Research 2000 poll reported last weekend. Support for the amendment has fallen in recent months with more voters now saying they are undecided about it." But the advantage "may in fact go to Sen. Jim Talent, running to serve a second term, because the stem-cell issue could bring to the polls the state's social conservatives who, while they are voting against Amendment 2, would also be likely to cast a vote for him." The "11th-hour, TV-ad slugfest" including one by actor

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Michael J. Fox "over the stem-cell measure may have served to stimulate voter interest."

On CNN's The Situation Room (11/2, Blitzer), Sen. Jim Talent was asked about ads in which actor Michael J. Fox criticizes Talent's stance on stem cell research. Talent said, "The allegations in the commercial are false. I'm not saying anything with regard to Mr. Fox's intent. No, I've supported that research over the years. I'm not comfortable crossing a line we've never crossed before and funding research -- funding research that involves the destruction of a human embryo."

Fox Brings Pro-Stem Cell Research Message To Key Senate Races. The Baltimore Sun (11/3, Skalka, 262K) reports actor Michael J. Fox "is bringing his Parkinson's disease, and a political message, to Maryland and other states where control of the U.S. Senate is in the balance: Virginia, Missouri, Ohio, Iowa and Wisconsin." While politicians "debate whether frozen embryos should be adopted, used for research or discarded, Fox wants to change people's minds. Federal money for embryonic stem cell research can improve life for the sick and the disabled, he told a couple of hundred people backing Democrat Benjamin L. Cardin's bid for U.S. Senate Thursday." Fox said he "will stump for candidates who support such funding and fight like crazy against those who don't." The Sun adds Fox "has become one of the most visible figures of the campaign season by thrusting himself into an emotional debate over emerging science and its moral implications."

Cardin, Steele Vie For Black Vote In Prince George's County. The Washington Times (11/3, Ward, Miller, 88K) reports, "Rep. Benjamin L. Cardin yesterday tried to rally support among black Democrats in Prince George's County, while Lt. Gov. Michael S. Steele campaigned with county Democratic leaders who broke ranks this week to endorse him." Cardin "appeared with Prince George's County Executive Jack B. Johnson and about 30 other lawmakers in Hyattsville, aiming to keep a diminishing lead in the polls." The rally "turned sour later. State Sen. Nathaniel Exum, Prince George's Democrat, berated Mr. Cardin for excluding him and other local delegates from speaking or being mentioned." Steele yesterday "received an endorsement from several religious leaders, including Harry Jackson a Democrat and bishop of the Hope Christian Church, a charismatic ministry in Lanham with about 2,000 members."

McCain Touts Steele As "Strong, Independent Voice." Sen. John McCain wrote in the Baltimore Sun (11/2, 262K) yesterday, "I strongly support Michael S. Steele's candidacy for one simple reason: We need to change Washington." Congress "doesn't need another career politician or political insider. We need someone who is a strong, independent voice for what is right, regardless of party politics. I know Michael Steele, and I know he will shake up Washington for all the right reasons. … By sending Michael Steele to the US Senate, Marylanders not only would be electing a public servant who knows and cares about the issues concerning the entire Old Line State, but they also would be delivering a clear message that it is time for change."

Tennessee Senate Race Turns Nastier. NBC Nightly News (11/2, story 2, 4:40, Williams, 9.87M) reported, "Now to the Senate race that brings us here to Tennessee tonight. It is such a crucial race and emotions are running so high that we must tell you, even our choice of cities for this broadcast tonight has become controversial because Memphis is the hometown base of the Democrat in this race. We have had several complaining emails but none of them more vehemently than this one. 'There is one reason and one reason only that Briansama is coming to Memphis...for this obvious attempt to promote Ford… This is the liberal media at its very lowest.' The truth is, nothing so sinister. We chose Memphis because it is the largest city of the state and happens to be home to a great NBC television station but that should give you an indication of how hot this race is right now and you're about to see how nasty it has become. The people of Tennessee have never shied away from a good fight. That's how it came to be the Volunteer State. But after this fight between these two men, the voters here would have every right to demand peace and quiet." There's "a difference in party but on policy it's pretty close in this part of the country, Democrats run on faith and Republicans often run away from their own President. Otis Sanford is the managing editor of the Memphis newspaper 'the Commercial Appeal.'" Otis Sanford: "Politically, they are both considered pretty moderate. Ford is a lot more moderate than people say he is and so is Corker. They meet in the middle quite a bit on a lot of issues. The state as a whole is a red state but where you're standing right now is blue country." Williams: "Sanford says this race is dirty because it's so close." Tennessee "could make history next Tuesday, having already made news some say for all the wrong reasons. Now, about the polls, two prominent polls this week put the Republican Corker up by eight and 10 points respectfully. But today, two hours before we went on the air, the Democrats released their own poll which they say shows their own man, Congressman Ford, in the lead."

Corruption Charges Dog Menendez. The Washington Post (11/3, A2, Powell, 748K) reports "the notion" that Democratic Sen. Robert Menendez "rolls in the gutter before lunch, that he is a political boss as expert in the manipulation of political IOUs and shivs as he is in the intricacies of trade policy, has trailed like a mutt after Menendez throughout his Senate campaign." Republican

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state Sen. Tom Kean, "a semi-obscure state senator and the trust-fund scion of a multigenerational political powerhouse, cannot clear his throat without intoning that Menendez is 'under federal investigation.' There are, in Kean's telling, Menendez's questionable rental contract with a local not-for-profit, the pressure his advisers applied to get an ally hired at a local hospital, and so on and on." But "even if these charges prove true, it's not clear such behavior is illegal or disabling. In New Jersey the operating political philosophy is described as 'pay to play,' and the occasional indictment might be viewed as part of the life cycle of politics." Still, "the charges -- repeated in countless commercials -- take a cumulative effect. New Jersey has trended Democratic for years. But Menendez, who was appointed in January to fill the Senate seat vacated by Gov. Jon S. Corzine (D), stands a bare notch ahead of Kean in polls."

Video Surveillance Tapes May Verify Gibbons Story, But Chain Of Custody Questioned. The Las Vegas Sun (11/3, German, Skolnik, 41K) reports that for "three days this week, the media were saturated with speculation from unnamed sources that just-discovered video surveillance tapes do not show Rep. Jim Gibbons and Chrissy Mazzeo inside a parking garage where she claims the Republican gubernatorial candidate assaulted her Oct. 13." Metro Police "stood silent on the speculation - orchestrated by the high-powered Gibbons camp - until 4:20 p.m. Tuesday, when they issued a surprising statement saying they had not yet concluded that Gibbons and Mazzeo weren't on the parking-garage video. Police hadn't even finished viewing the tapes." By "that time, however, a District Court judge who was appointed to the bench after lobbying by Gibbons campaign adviser Sig Rogich had granted a hurried request by the Gibbons camp to release the still-unauthenticated tapes. Gibbons understandably was trying to stop his slide in the polls a week before the election." But in the "process, however, the rights of the alleged victim, a 32-year-old single mother and cocktail waitress, were lost in the shuffle. Evidence in the criminal case was being turned over to the potential defendant before any decision had been made on the filing of charges." If the tapes "are to prove Gibbons' claims that he never entered the parking garage, thus destroying Mazzeo's account, authorities must find a way to verify the tapes as authentic and to demonstrate that the cameras unquestionably would have captured Mazzeo or Gibbons had they entered the garage." The problem "with that 11-day gap, security experts said, is that police cannot guarantee a 'chain of custody,' and that surveillance tapes can be fabricated fairly easily."

Gibbons Asks House Ethics Panel For Opinion On Failure To Report Caribbean Cruise. The Wall Street Journal (11/3, 2.03M) reports Republican Nevada gubernatorial candidate Rep. Jim Gibbons "asked the House Ethics Committee for an opinion on whether he failed to report a Caribbean cruise that was paid for by a military contractor who is also a major donor to the congressman's campaign." Gibbons "sought the panel's advice after a page-one article in The Wall Street Journal raised questions about his close ties to Warren Trepp, said Mr. Gibbons's campaign manager, Robert Uithoven." In a story Wednesday, the Journal reported Gibbons "opened doors in Washington for Mr. Trepp's eTreppid Technologies LLC, a software maker that won millions of dollars in classified contracts from the Air Force, Special Operations Command and the Central Intelligence Agency. It reported that Mr. Gibbons, who served on the Intelligence and Armed Services committees, helped the Reno, Nev., company secure federal contracts and in some cases helped direct federal money to the contracts." Trepp and "companies linked to him contributed nearly $100,000 to Mr. Gibbons's campaign for governor, and Mr. Trepp hosted the congressman, his wife and others on a week-long Caribbean cruise in March 2005, flying the group home on a private jet." A former eTreppid executive who is suing Mr. Trepp in federal court in Reno alleges that Mr. Gibbons also got unreported gifts of cash and casino chips from Mr. Trepp."

Maryland Police Union Criticizes O'Malley For Not Releasing Bar Application. The Baltimore Sun (11/3, Donovan, 262K) reports the state police union "demanded Thursday that Baltimore Mayor Martin O'Malley release his application to practice law to determine whether he properly disclosed a nearly 20-year-old drunken driving charge." Maryland Fraternal Order of Police President John "Rodney" Bartlett Jr. "said in a statement that O'Malley's refusal to release the document raises questions about the mayor's ethics and moral character." Bartlett said, "Although his arrest and acquittal 20 years ago on a driving under the influence charge may be irrelevant to his ability to serve as Governor, his ability to tell the truth completely and without qualification is extremely relevant." The Sun adds the "move by the Maryland Fraternal Order of Police was seen privately by the mayor's campaign as a political move by a union that supports O'Malley's Republican rival, Gov. Robert L. Ehrlich Jr. Publicly, however, campaign aides declined to discuss the matter."

Parties Ramp Up Get-Out-The-Vote Machinery. USA Today (11/3, 11A, Lawrence, 2.27M) reports both parties "are ramping up drives to get voters to the polls Tuesday" as "dozens of critical races remain too close to call." The get out the vote efforts include "a flock of political celebrities, tens of thousands of volunteers and millions of dollars, door-knocks and phone calls, all underlaid by new techniques to pinpoint likely supporters in unlikely

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neighborhoods. Republicans had a juggernaut turnout operation in 2004 and both sides say it has gotten better. There are indications, however, that the get-out-the-vote playing field is more level now." Both parties "say they will spend more than $30 million" on GOTV, and "Democrats are catching up, albeit in piecemeal fashion, to the sophisticated 'microtargeting' techniques that have enabled Republicans to find and motivate potential supporters across the country."

Dean Worried About GOP's 72-Hour Operation. The Washington Times (11/3, McCaslin, 88K) "Inside the Beltway" column writes that DNC Chairman Howard Dean "had this warning yesterday, which he sent to Inside the Beltway via e-mail: 'We must stay focused and ignore the polls or pundits who tell us we have the election locked up,' he said. 'This election is less than a week away, but there's plenty of time left for a Republican comeback." Dean continued, "Most worrisome: the Republican Party's 'infamous 72-hour' operation," which Dean said "will be 'cranking up' starting this weekend to get out the Republican vote."

Campaign Advertising Costly And Dirty In Final Stretch. The CBS Evening News (11/2, story 9, 2:55, Couric, 7.66M) ran a long feature on late-season political ads, saying "some are down and dirty, some downright funny, and they're all costing a bundle. This year's campaign spending is expected to go over the $2 billion Mark, up about 20% from the 2004 election -- and that was a Presidential year."

The Washington Post (11/3, Weisman, Cillizza, 748K) reports on its front page that campaigns "rushed out more than 600 new television ads ahead of network deadlines for the weekend, with many Republicans trying to shift attention from Iraq and President Bush to local issues such as the environment, taxes and immigration."

USA Today (11/3, 11A, Page, 2.27M) also features some of the negative ads, saying that an Internet ad says Oklahoma Gov. Brad Henry "is a lot like Adolf Hitler," a radio spot says Rep. Brad Miller "wants to make America 'one big fiesta for illegal aliens and homosexuals,'" and a TV ad says Rep. Chris Chocola "opposes medical care for wounded vets, a TV ad suggests. And Pennsylvania Senate candidate Bob Casey? Electing him apparently would risk nuclear annihilation."

GOP's "Die-Hard Optimists" Hold Out Hope. The Los Angeles Times (11/3, Hook, 918K) reports on the "dual mood of Republicans in the final week before Election Day: While there is pervasive fear that the party will lose control of Congress, a cadre of die-hard optimists is refusing to wave the white flag. They point, like parched travelers spying water in the desert, to a few recent developments that could help the GOP in the waning days of the campaign. They delight in this week's gaffe" by Sen. John Kerry," and point out that "the GOP Senate candidate in Maryland is running a surprisingly strong campaign. Some of the party's most-endangered incumbents, such as Rep. Thomas Reynolds in New York and Sen. Conrad Burns in Montana, are battling back in the polls."

Several Members Of GOP Class Of '94 At Risk Of Being Swept In Democratic Wave. The Wall Street Journal (11/3, A1, Calmes, 2.03M) reports that in 1994, "J.D. Hayworth and 72 other Republicans rode into the U.S. House of Representatives on a wave that washed out Democrats after four decades in control, ushering in a 'Republican Revolution' to cleanse Washington." Now, Hayworth is "at risk of being swept out in much the same way. After six years in which Republicans controlled the White House as well as Capitol Hill, voters' revulsion with failed promises, dysfunction and scandals threatens big losses for the party on Tuesday." Hayworth, "once among the most recognizable revolutionaries in Congress's big, brash and combatively conservative 'Class of '94,' now stands as something of a symbol even for Republicans asking: What went wrong?" A "member of the powerful Ways and Means Committee, Mr. Hayworth has been on the defensive about both campaign contributions and his initially unreported use of sports skyboxes from disgraced Republican lobbyist Jack Abramoff and his Indian tribal clients. To blunt such bad news, Mr. Hayworth boasts of the government funds that he has brought home, from a pedestrian bridge in Tempe to defense contracts for Arizona firms. Such claims win over some locals, but offend many fiscal conservatives." The "widespread sense that Republicans in Congress have lost their way, drifting into the same abuses they had pledged to end, helps explain why many, like Mr. Hayworth, are in trouble."

Ranks Of Independent Voters Swell. The AP (11/3, Elliott) reports the "number of independent voters continues to rise, and that should give pause to Republicans trying to keep control of the House and Senate, an analysis of registration and turnout suggests." About "17 percent of voters registered for next week's election eschew major-party identification, according to a study released Thursday by American University's Center for the Study of the American Electorate." That figure is "up from about 14 percent in 2002, and the trend could help Democrats in their effort to gain 15 seats in the House and six in the Senate to achieve majorities, said the center's director, Curtis Gans." Gans said, "The people are turning against both political parties and the political process. My judgment is, the intensity factor of this unhappiness benefits the Democrats. ... Karl Rove may prove me wrong."

On the CBS Evening News (11/2, story 2, 3:25, Borger, 7.66M), chief Washington correspondent Bob Schieffer said, "We're seeing something we haven't seen in a long, long time. We have half the people who have identified themselves as independents saying they intend to vote for the Democrats. We haven't had independents break towards the Democrats since 1986. This is the first time since then

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that most of the independents look like that they're going to vote for the Democrats. But here's the thing, the one thing in all the polling lately that makes the Republicans happy and that is their people look like that are finally getting energized and excited. Look at this graph. This is from our poll of yesterday. It shows that Republicans who are enthusiastic have risen from 35% to 42% in the last two weeks. That means they're getting fired up, and that always helps."

Minor Party Candidates Expected To Draw Larger Percentage Of Midterm Votes. The Christian Science Monitor (11/3, Chaddock, 58K) reports, "Excluded from debates, left off the polls, ignored by the news media, or dismissed by the public as a 'wasted vote,' minor-party candidates could tip a few key races in next week's midterm elections - or win them outright." From "the Mountain States, where a virtual unknown is polling 10 percent and just snagged four newspaper endorsements for a US House race, to the coasts of New England, where two independents are poised to win bids to the US Senate, un-red and not-blue candidates are testing how deep the dissatisfaction with the two main parties is running." This year, "425 minor-party candidates are running for a US House, Senate, or governor's seat, according to Project Vote Smart. About 80 percent of voters will be able to vote for a Libertarian for statewide office, 60 percent for a Green Party candidate, and 30 percent for a Constitution Party candidate, says Richard Winger, who tracks minor-party candidates and issues for Ballot Access News." In 2002, "5.2 percent of all voters voted for some candidate other than a Republican or Democrat at the top of the ballot (usually governor or senator). That's the highest result for a midterm election since 1934." Winger said, "This year will be up. More and more high-quality people are willing to run as minor-party candidates for public office."

Neuharth Says Media Should Endorse Referenda, But Not Candidates. In his USA Today (11/3, 17A, 2.27M) column, Al Neuharth writes, "Between now and Tuesday, all across the USA, you're in for a media barrage of late pre-election news and views. Especially from many newspapers that offer traditional 'endorsements.' … On congressional, state or local office races, voters get such a heavy dose of news, views and propaganda from and about all candidates that they don't need any newspaper telling them for whom to vote. But on the ever-growing number of initiatives or referendums, many or most voters are uninformed and newspaper recommendations can be helpful."

More Commentary. In his Washington Post (11/3, A21, 748K) column, Charles Krauthammer writes, "According to the pollsters, pundits and pols -- Democratic and nervous Republican -- a great anti-Republican wave is a-coming. Well, let's assume major Democratic gains: 20 to 25 House seats and four to six Senate seats. The House goes Democratic for the first time in 12 years. The Senate probably stays Republican, but by such an excruciatingly small margin that there is no governing majority." The election "will be a referendum of sorts on Iraq. But it will be registering nothing more than uneasiness and discontent. Had the Democrats offered a coherent alternative to the current policy, one could draw lessons as to what course the country should take. But if either friends or enemies interpret the results as a mandate for giving up, they will be mistaken."

In his Wall Street Journal (11/3, A10, 2.03M) "Wonder Land" column, Daniel Henninger writes, "If the polls and punditry are correct, the Democrats are about to take control of the House and maybe the Senate. If so, then the American people are about to make one of the biggest rolls of the dice in the country's history. Congress's daily responsibilities lie largely with domestic affairs. By that measure, the Republicans hardly deserve re-election. They have been profligate, in several unattractive ways. The Democrats, alas, do not deserve the responsibility of congressional power at this moment of peril. They haven't justified it."

In his Washington Post (11/3, A21, 748K) column, Eugene Robinson writes, "If Democrats manage to take control of one or both houses of Congress on Tuesday, the reason will be that voters were not adequately roused into a state of heart-pounding, knee-knocking, teeth-chattering fear. Not that Republicans haven't been trying. … This administration has so lowered the bar on political discourse in this country that it's now more of a limbo stick: How low can you go?"

Hunter Discusses His Nascent Presidential Campaign. Rep. Duncan Hunter discussed his possible 2008 presidential run on both Fox News and MSNBC. On Fox News' Your World (11/2, Cavuto), he said, "I'm making preparations to run. We haven't made the formal announcement. That gives you a second press conference." He said his campaign would be focused on national defense and security. On MSNBC's Tucker (11/2, Carlson), Hunter said of his early announcement, "I could have held off until after the election, and I'm sure some people would have recommended that, but then you would have been criticized for not telling them. I just figure, I always lay my cards on the table a week or two before the election, and since I'm out doing that, I am preparing to run, although it's not a formal announcement yet, that I might as well tell them about it."

Midterm Elections Could Set New Benchmarks For Female Candidates. The Christian Science Monitor (11/3, Cook, 58K) reports on the Monitor breakfast featuring Deborah Walsh, director of the Center for American Women and Politics at Rutgers University and Ellen Malcolm of Emily's List. The Monitor reports that while "the 2006 election's outcome will not be known until next week, it is

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already clear that the contest will set new benchmarks for women candidates." Walsh said, "We are seeing record numbers of women running for the [US] Senate and ... at the state legislative level we have a new record for the first time in 14 years." Even without "a record number of women candidates running for the US House of Representatives, 'we think that for a number of reasons we are looking at a banner year for women, particularly at the federal level,' she said." While Malcolm "sees a strong tide running in favor of Democratic women candidates, the organization is taking nothing for granted and focusing on voter turnout." Malcolm "argues that the conservative social-issues platform that" Bush adviser Karl Rove "helped craft has lost its appeal to many voters. 'The Rove plan was to take political power by revving up the right extreme-conservative base. And he did that by hammering away on their social agenda and turning out the vote. What he has lost is the majority of Americans and he has lost the middle in this process,' Malcolm says."

Hollywood PAC Contributions Favor GOP. The Los Angeles Times (11/3, Daunt, 918K) reports that as the "two main parties battle it out for control of the House and the Senate in next week's election, the entertainment industry's political action committees have been working behind the scenes for months in Washington, giving far heftier contributions to, yes, Republicans." According to "the latest campaign filings, 28 entertainment industry PACs — lobbying on behalf of corporations such as Sony, Time Warner, Disney and others — have donated nearly $4.8 million to candidates up for reelection this year. About 59% of the PAC money has gone to Republicans, including Sens. Arlen Specter and Rick Santorum of Pennsylvania, Orrin Hatch of Utah and Pat Roberts of Kansas, according to Federal Elections Commission records and the nonpartisan Center for Responsive Politics (Opensecrets.org)." Democrats — "who are often the beneficiaries of individual contributions from celebs — received 41% of the industry PAC money." Producer Norman Lear said, "Well, that should belie the right's belief that Hollywood is just a pack of liberals."

WPost Backs Three Maryland House Incumbents For Reelection. The Washington Post (11/3, A20, 748K) endorses three Maryland Democratic representatives for reelection: MD4's Albert Wynn, "journeyman who narrowly survived a hard-fought primary"; MD5's Steny Hoyer, "a seasoned veteran who may play a key leadership role if his party takes control"; and MD8's Chris Van Hollen, "an up-and-coming two-termer who's staked out a reputation for legislative know-how."

Outcome Of Oregon Minimum Wage Increase Examined. The Wall Street Journal (11/3, A4, Solomon, 2.03M) reports that if Democrats "succeed in retaking one or both houses of Congress next week, a top priority will be increasing the minimum wage for the first time since 1997. That raises a persistent question: Does lifting the minimum wage destroy so many jobs that it hurts more than it helps?" In 2002, Oregon voters "raised the state's minimum wage -- and mandated automatic annual increases to keep up with inflation. Oregon's 100,000 or so minimum-wage workers are paid at least $7.50 an hour, a rate that will increase to $7.80 in January, well above the federal $5.15 minimum." On Tuesday, voters "in six other states are considering raising the minimum wage, all of which would index minimum wage to inflation as do Oregon, Washington, Florida and, beginning in 2007, Vermont. Democrats see the minimum wage as a way to bolster their base, much as initiatives on gay marriage and other cultural issues boost Republican turnout." Four years after the Oregon initiative passed, "though it is impossible to say what would have happened had the minimum not been raised, Oregon's experience suggests the most strident doomsayers were wrong. Private, nonfarm payrolls are up 8% over the past four years, nearly twice the national increase." Oregon's "estimated 5.4% unemployment rate for 2006, though higher than the national average, is down from 7.6% in 2002, when the state was emerging from a recession." But some employers "are being squeezed, for sure, and their experiences will become ammunition for those who will fight any increase in the federal minimum wage."

Democratic Authors Back "Muscular" Foreign Policy. The Washington Post (11/3, A19, Baker, 748K) reports the "last-minute campaign furor over Sen. John F. Kerry's 'botched joke' about the uneducated becoming 'stuck in Iraq' was no joke for the Democratic Party. Once again, with an election looming, it found itself cast as the peacenik, antiwar, hostile-to-the-military, soft-on-defense, weak-on-terrorists party." Whether that "will stick won't be known until Tuesday. Polls have shown that voters for a change are more likely at the moment to trust Democrats on Iraq and terrorism than Republicans. But that support seems perishable, and even if Democrats win one or both houses of Congress, they face a long-term challenge of redefining their image when it comes to national security." That's "where Kurt Campbell and Michael O'Hanlon come in. Their provocative new book, 'Hard Power: The New Politics of National Security,' offers a manifesto of sorts for a party still struggling to find its voice in the post-Sept. 11 world." As a party, Democrats have "been torn between two poles as represented in the extreme by Joseph I. Lieberman, the hawkish Connecticut senator, and Ned Lamont, the antiwar liberal who beat him in a Democratic primary. Campbell and O'Hanlon come closer to Lieberman than to Lamont, offering a muscular vision for U.S. power in a dangerous world tempered by the sort of pragmatism they say the Bush

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administration has been missing." They "argue that President Bush has it right in some ways, praising his priorities in terms of promoting democracy and free trade, defeating terrorists, and opening a new relationship with India."

NBC's Wright Laments "Chill In The Airwaves" On Censorship. In a Wall Street Journal (11/3, A10, 2.03M) op-ed, NBC Universal CEO Bob Wright writes, "Two years ago, I warned in these pages of the danger that the government, in response to the infamous 'wardrobe malfunction' during January's televised Super Bowl, would use the threat of fines and license-revocation to create a climate of self-censorship among broadcasters. I take no pleasure in saying 'I told you so.' But the chill in the airwaves is unmistakable, and the viewing public is the biggest loser. … America long ago determined that government's role in shaping media should be extremely limited. This is true even in the case of broadcasters, who willingly assume public-service obligations in exchange for being licensed to transmit content over public airwaves. No one imagined these obligations to include accepting censorship."

WPost Says McCain-Feingold Hasn't Crippled Parties. In an editorial, the Washington Post (11/3, A20, 748K) says, "The McCain-Feingold campaign finance law was supposed to be -- or so its critics warned -- a body blow to political parties. Starved of the six- and seven-figure 'soft money' checks to which they had become addicted, opponents said, the parties would wither, their influence eclipsed by outside groups that remained free to accept unlimited sums. Democrats, who were especially dependent on soft money, would find themselves at a fatal disadvantage." But "none of that has happened. Not in 2004, when the parties raised a combined $1.5 billion ($785 million by Republicans, $684 million by Democrats) -- amazingly, more than their hard and soft money combined in any previous election. And not in 2006, the first midterm campaign conducted under the new rules, when the combined party fundraising was $768 million as of mid-October ($438 million by Republicans, $330 million by Democrats), according to a study by the Campaign Finance Institute. The parties, now limited to maximum annual contributions of $26,700 from individuals, haven't recouped all the soft money they once vacuumed up, but they have rebounded far more robustly than anyone had predicted."

US Envoys To Visit Asia To Prepare Six-Party Talks. AFP (11/3, Millikin) reports senior US diplomats will travel to Asia Sunday "to prepare for a resumption of six-way negotiations with Pyongyang, the State Department said Thursday. Assistant Secretary McCormack said the envoys "will press Japan, China and South Korea to maintain tough UN-mandated sanctions" against DPRK "in the run-up to the negotiations and to ensure a united front in insisting the talks lead to Pyongyang's full denuclearization." AFP says US officials "remain wary of Pyongyang's motives, fearing the unpredictable North Korean leadership could use its new nuclear status as leverage to seek an easing of the sanctions against it while stalling on demands it verifiably give up the arsenal." McCormack said, "We don't want this just to be about talk, we want it to be about getting some concrete, positive outcomes." The US team, which will be led by Undersecretary Burns and include Undersecretary Joseph, "will meet Sunday and Monday with Japanese leaders in Tokyo before heading to Beijing for two days of talks with both Chinese and Russian officials," McCormack said. The pair will visit Seoul November 8 and 9.

Rice Calls China Support "A Big Breakthrough." In an interview with WLW Radio's Bill Cunningham Show (11/2) in Cincinnati, Secretary Rice said, "It's a big breakthrough to finally get sanctions on North Korea that China supported. That's a major step for China." Asked whether Beijing has more influence over Pyongyang than the US, Rice said, "I think there's no doubt that China has probably greater leverage with the North Koreans than any other state. And that's why it's so important that we have the six-party framework. It's why it's so important that China was willing to use sanctions against North Korea."

In an interview with WCCO Radio's Jack Rice Show (11/2) in Minneapolis, Rice was asked about the "struggle going on in the US…that we should deal with confrontation and isolation on one side, or engagement on the other." Rice responded, "I don't see engagement as a policy. It is a method of dealing with a problem. And I don't see isolation as a policy. That's also a method of trying to get to an end. And so our view has been that you need to get an international coalition of states that are prepared to do what needs to be done. Sometimes that requires isolating a state, as North Korea is facing that isolation, as Iran will face that isolation if they continue down the path that they are going."

Pentagon Reportedly Stepping Up "Attack Plans" For North Korea. The Washington Times (11/3, Gertz, 88K) reports the Pentagon has "stepped up planning for attacks against North Korea's nuclear program and is bolstering nuclear forces in Asia," according to unnamed defense officials. The officials "said the accelerated military planning includes detailed programs for striking a [DPRK] plutonium-reprocessing facility at Yongbyon with special operations commando raids or strikes with Tomahawk cruise missiles or other precision-guided weapons." The plan, "which had been under way for several months, was given new impetus by Pyongyang's underground nuclear test Oct. 9 and growing opposition to the nuclear program of Kim Jong-il's communist regime, especially by China and South Korea," the Times reports. A Pentagon official said the Department of Defense

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is considering "various military options" to remove the program. "Other than nuclear strikes, which are considered excessive, there are several options now in place. Planning has been accelerated," the official said.

World Said To Be On Brink Of Global Nuclear Arms Race. In a news analysis, the Washington Post (11/3, A23, Linzer, 748K) reports, "Officials and nuclear experts who felt nothing but optimism in the early 1990s now see a world on the threshold of a dangerous arms race. Some fault the Bush administration for policies that rewarded nuclear-armed friends while denouncing foes accused of building the same weapons. Others say the current situation is a natural byproduct of a fragmented world in which countries no longer have to choose between the United States and the Soviet Union, but can go separate ways and build independent alliances."

WSJournal Urges Bush To Keep Pressure Up On North Korea. Under the headline "Six-Party Fever," the Wall Street Journal (11/3, A10, 2.03M) editorializes, "After launching long-range ballistic missiles and setting off a nuclear device, North Korea's Kim Jong Il suddenly announced this week that he is prepared to return to the six-party talks after nearly a year's absence. Something must have happened to inspire this abrupt display of totalitarian pliancy, and it wasn't the intercession of Jimmy Carter." The Bush Administration "is treating the decision as something of a vindication of its policy, and that's partly true," but it "won't mean much if the Administration agrees in the six-party talks to abandon the very tools that brought North Korea back to the table in the first place. On Tuesday, Christopher Hill, the State Department's emissary to the talks, agreed that the U.S. would discuss the financial measures it's imposed on Kim's regime; in return, the regime will 'discuss' denuclearization. … Barring outright regime change in Pyongyang, the goal of any American diplomatic initiative is to demonstrate to Kim, as the U.S. did to Libya's Moammar Gadhafi, that unless he disarms his regime will continue to be isolated and starved for cash and trade. His return to the table is probably a ploy, but at least it demonstrates that he is susceptible to financial and economic pressure. Keep that pressure up, and the six-party talks might actually succeed."

Iran Fires Missiles During War Games, Prompting Rebuke From Rice. The New York Times (11/3, Fathi, 1.21M) reports Iran Thursday "began another series of war games" during which "dozens of missiles were fired" only "days after a United States-led naval exercise began in the Persian Gulf." State-run television news "showed film of missiles fired from mobile launchers in the deserts near Qum," reporting that "Iranian experts have made some changes" to Shahab missiles, "installing cluster warheads in them with the capacity to carry 1,400 bomblets."

The AP (11/3, Karimi) reports asked about Thursday's maneuvers, Secretary Rice said she thought the Iranians "are trying to demonstrate that they are tough." During an interview with the Bill Cunningham radio show on WLW Cincinnati, Rice said, "The Iranians also…are not unaware that the security environment is one in which if they actually were to do something Iran would suffer greatly and so I think they probably understand that." She said she believes Iran is "trying to say to the world you are not going to keep us from getting a nuclear weapon."

AFP (11/3) reports, "Referring to Iran's refusal to comply with a [UNSC] resolution demanding it abandon suspect nuclear activities," Rice said: "I think the Iranians are a threat and that's why the international community's got to be strong in resisting their ambitions." The Financial Times (11/3, Bozorgmehr, Dinmore), among other sources, runs a similar report this morning.

UN Talks On Iran Sanctions To Resume Friday. Separately, AFP (11/3) reports that "six major UN powers are due to resume delicate negotiations Friday on a package of sanctions against Iran for its refusal to halt sensitive nuclear fuel work, UN diplomats said. The informal meeting will notably hear from Russian ambassador Vitaly Churkin, who traveled home this week to work out Moscow's response to a draft resolution drawn up by Britain, France and Germany, they said." AFP notes that Secretary Rice "called her five counterparts on Tuesday to urge speedy passage of the sanctions resolution and on Thursday warned that inaction was not an option."

Abbas To Consider Seeking New Elections. The AP (11/3, Laub) reports Palestinian President Mahmoud Abbas is "inclined to seek new elections if talks with Hamas militants on forming a moderate government don't produce results in about two weeks," a top aide to the president said Thursday. Legislator Mustafa Barghouti said Thursday, an agreement on a new government is "close," but he would not disclose details. "We have made good progress. We are almost there," Barghouti said after meeting with Prime Minister Ismail Haniyeh of Hamas.

Israeli Operations In Gaza Continue. In other developments Thursday, the New York Times (11/3, Myre, 1.21M) reports Israeli troops "rounded up Palestinian men and battled militants for a second straight day in the northeastern corner of the Gaza Strip, killing six Palestinians, including militants and civilians," Palestinian medical workers said. The Times says the Israeli operation is "one of the largest since Israeli forces entered Gaza four months ago."

Syria Denies Plan To Topple Lebanon Government. The AP (11/3, Kassabli) reports Syria Thursday "denied US accusations that it was seeking to topple" the Lebanese government "with the help of Iran and

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Hezbollah." The Syrian Foreign Ministry said, "The US administration's attempts to circulate that Syria, Iran and Hezbollah are seeking to destabilize Lebanon are not true. Since it withdrew its troops from Lebanon, Syria has voiced its support for anything that the Lebanese agree on through their national dialogue."

Separately, the AP (11/3, Ghattas) reports that Lebanon is "again on the edge of crisis—at the center of a power play involving the United States, Syria, Iran and Israel." The AP says that "at stake is the August cease-fire that halted the Israel-Hezbollah war, and Western efforts to bolster democracy in Lebanon. The crisis also could undermine US diplomatic overtures to Syria and Iran to help calm Iraq."

US Issues Warning Over Somali Extremists Bomb Threats. The AP (11/3, Kennedy) reports the US Embassy in Nairobi warned Thursday that Islamic extremists in Somalia "are threatening to stage suicide bombings in parts of East Africa." The embassy said it had received reports of "extremist elements" targeting Kenya, Ethiopia and other "surrounding countries," which it did not identify. "These threats specifically mention the execution of suicide explosions in prominent landmarks within Kenya and Ethiopia, "the statement said. The Washington Times (11/3, Kralev, 88K) also reports the story, noting the State Department "urged Somalia's neighbors to stay away from the struggle between the country's weak central government and the powerful Islamic courts that control the capital, Mogadishu, and much of the country."

EU Cancels Meeting Between Cyprus, Turkish Officials. The AP (11/3, Wielaard) reports, "The European Union on Thursday canceled a meeting bringing together the foreign ministers of Cyprus and Turkey, talks called to resolve a dispute threatening Turkey's already troubled drive to join the EU." Turkey "opened EU membership talks in October 2005 but opposition has since grown -- notably in France and Germany -- to bringing a large, poor, Muslim nation into the bloc, particularly one that is slow to embrace political reform and that effectively refuses to recognize EU member Cyprus."

Vietnam To Prosecute Three Americans, Accusing Them Of Terrorism. The Washington Post (11/3, A25, McCool, 748K) reports, "Seven people, including three Vietnamese-born U.S. citizens, will be prosecuted on charges of plotting violence against Vietnam's communist government, officials said Thursday." The prosecutor "included charges against a US citizen whose 13-month detention has drawn attention in the United States before a Nov. 17-20 visit to Vietnam by President Bush." Sen. Mel Martinez "has linked the detention of Orlando resident Thong Nguyen 'Cuc' Foshee to passage of a bill that would grant Vietnam permanent normal trade relations status."

US Ambassador's Comment Causes Stir In Nicaragua. In a front page article, the Wall Street Journal (11/3, A1, De Córdoba, 2.03M) reports, "When the US ambassador [in Managua] said of a presidential candidate that 'if it looks like a duck, walks like a duck, and swims like a duck, it probably is a duck,' he ruffled a lot of feathers. Since the comments earlier this year, the candidate, José Rizo…has been lampooned in the Nicaraguan media as a 'pato,' or duck, which is also Nicaraguan slang for homosexual. Ambassador Paul Trivelli's friends say the diplomat meant to imply only that Mr. Rizo…is a creature controlled by former Nicaraguan President Arnoldo Alemán. … But many here suspect the Spanish-speaking Mr. Trivelli knew the full meaning of the word." The Journal says the "duck flap is illustrative of what Nicaraguans consider US intrusion in this Sunday's presidential election."

Under the headline "Ortega Gives US The Jitters," the Financial Times (11/3, Thomson) reports, "Nicaragua's domestic affairs have always been an intense focus of US foreign policy, and its history is pockmarked by US interventions. But when [Daniel] Ortega swept to power in 1979 in an armed revolution during the cold war, the country—and Mr Ortega—became a virtual obsession in Washington. The US government has spent much of the last decade and a half trying to ensure that he does not return. His increasingly close relationship with Hugo Chávez, the rabidly anti-US Venezuelan president, has only made relations worse." USA Today (11/3, Llana, 2.27M) and the Washington Times (11/3, Gentile, 88K), among other newspapers, also report on the Nicaraguan election, predicting an Ortega win.

DOD Officials Have Discussed Defense Budgeting With Chinese Counterparts. The Washington Times (11/3, Gertz, Scarborough, 88K) "Inside the Ring" column reports the Pentagon "has had two rounds of discussions with the Chinese military on the defense budget process, with the United States explaining in detail how its military spending works and China revealing very little about its secret military budget." Chinese military officials met with DOD officials in June "and provided a very limited explanation of the process Beijing uses to support its weapons and forces." The Times says China "is engaged in a major military buildup but will not disclose the amounts or systems it is building."

Beijing Urges Sudan To Seek Solution Over Darfur. AFP (11/3) reports Chinese President Hu Jintao "praised the efforts of Sudan President Omar al-Beshir to

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bring peace to the troubled Darfur region and urged him to seek a proper solution to the humanitarian crisis." Meeting in Beijing, Hu told Beshir that China "admires and supports Sudan in the realization of north-south peace and is willing to participate in the rebuilding."

China Hosts African Nations For Discussions On Trade. The New York Times (11/3, Kahn, 1.21M) reports, "Beijing has put on its best face to court Africa, 'the land of myth and miracles,' as official posters call it. Political leaders of 48 of the 53 African countries, including 40 heads of state, are to arrive this weekend for a huge diplomatic event, the China-Africa forum." The "official purposes of the three-day event are to expand trade, to allow China to secure the oil and ore it needs for its booming economy and to offer aid to help African nations improve roads, railways and schools." But "the unofficial purpose is to redraw the world's strategic map by forming tighter political ties between China, which has the world's fastest-growing major economy, and Africa, a continent whose leaders often complain about being neglected by the United States and Europe." The Times adds, "China's enthusiasm for Africa has raised concerns among many in the West while the United States is distracted by its efforts to curb terrorism, and France, Britain and other former colonial powers exert less influence in Africa than they once did." USA Today (11/3, Lynch, 2.27M) runs a similar report under the headline "China Elevates Its Economic Profile In Africa," while the Christian Science Monitor (11/3, Ford, 58K) titles its story "China Woos African Trade."

Rice Says Putin Should Step Down At End Of Term. In an interview with WLW Radio's Bill Cunningham Show (11/2) in Cincinnati, Secretary Rice was asked if Russian President Vladimir Putin should step down at the end of his eight-year term," the secretary said, "I think that the Russians need to follow constitution and that means their President has two terms and that President Putin will allow elections and somebody to replace him." Rice noted that Putin "keeps saying not just to us, but to the Russian people, that he will not run again for President, because it would be against their constitution. It'd be a real step back if that were to happen, but he says he's not going to do it."

South Africa To Alter Strategy Against AIDS. The New York Times (11/3, Wines, 1.21M) reports, "Departing from years of indecision and, on occasion, denial, South Africa's government is considering a new and sweeping assault on an AIDS pandemic that already includes one in eight of the world's H.I.V. infections. Every day, 1,000 South Africans are infected with H.I.V., and 800 more are killed by AIDS, the government says." The Post adds, "With that backdrop, the deputy minister of health, Noziza Madlala-Routledge, said in an interview on Thursday that a new AIDS strategy to be announced in December might include proposals to broaden the distribution of life-saving antiretroviral drugs, remedy the shortage of health care workers and improve treatment of H.I.V.-positive pregnant women." The new strategy "will be overseen by a restructured national AIDS council charged with halving the number of new H.I.V. infections by 2011."

UN Official Accused Of Graft. The Washington Times (11/3, Pisik, 88K) reports, "A senior UN procurement officer was arraigned in federal court yesterday, accused of two counts of steering about $62 million worth of contracts to two companies in his native India." Sanjaya Bahe "was arrested in New York on Wednesday evening, and UN Secretary-General Kofi Annan lifted Mr. Bahel's diplomatic immunity at the request of federal prosecutors." Bahel "is accused by the US District Attorney's Office, Southern District of New York, of steering contracts to an associate at Thunderbird Industries and Telecommunications Consultants India Ltd. (TCIL), which is owned by the Indian government."

In an editorial titled "More UN Corruption," the Wall Street Journal (11/3, A10, 2.03M) says Annan "has famously described the United Nations as an institution of 'unique legitimacy.'" But "when he turns over the Secretary Generalship to South Korean Ban Ki Moon two months from now, he will be leaving behind an organization whose reputation for integrity and competence has never been lower." Annan's "promise of UN reform has also gone nowhere."

NYTimes Criticizes US Stance On Global Warming Debate. Under the headline "Avoiding Calamity On The Cheap," the New York Times (11/3, 1.21M) editorializes, "A much-anticipated study on climate change ordered up by Prime Minister Tony Blair of Britain has attempted to calculate the economic costs of global warming. Though necessarily conjectural, the study warns that if we continue on our current course, atmospheric temperatures could rise four degrees or so in this century, producing a hugely disruptive mix of rising sea levels and withering droughts. This in turn would drain the world economy of trillions of dollars." The Times adds that "developing and deploying the necessary technologies" to avoid this outcome "will require a collective global effort. But the world's leading producer of greenhouse gases, the United States, is doing scandalously little. … The administration claims that it is in fact doing more, especially if various tax incentives for cleaner fuels like ethanol are included in the mix." President "Bush and many in Congress remain…convinced, it appears, that calamity can be avoided on the cheap."

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THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Case Against Arson-Murder Suspect Called 'Overwhelming'."
"Cruise In Deal To Revive UA."
"Case Against Arson-Murder Suspect Called 'Overwhelming'."
"Potential Ballot-Box Profits Raise Concern."
"We Think We Can, Say GO Optimists."
"Fisheries Face Collapse By 2048, Study Warns."

USA Today:
"Delays Loom In Counting Ballots."
"90% Of The Ocean's Edible Species May Be Gone By 2048, Study Finds."
"Blue-Collar Horse Now Takes On The Blue Bloods."

New York Times:
"U.S. Web Archive Is Said To Reveal A Nuclear Primer."
"Congress Tells Auditor In Iraq To Close Office."
"This Election, Modest Tour For President."
"In Virginia Race, Women May Be The Deciders."
"China Courts Africa, Angling For Strategic Gains."
"Medicaid Wants Citizenship Proof For Infant Care."

Washington Post:
"In SE, Residents Turn Grief Into Power."
"Democrats Predict Voter ID Problems."
"World's Fish Supply Running Out, Researchers Warn."
"Campaigns Set For TV Finale."
"Area's Exurbs Watched For Further Party Shifts."
"Foreign Lobbies Took the Guise Pf Nonprofits."

Washington Times:
"Special D.C. Tags Amass More Fines."
"U.S. Speeds Attack Plans For N. Korea."
"Cardin Rallies Blacks In PG."
"Democrats Write New Prescription."
"Webb Goes Gig As Allen Stays Local."
"Ortega poised To take Helm In Nicaragua."
"Communist Retro Sweeps East Europe."

Detroit Free Press:
"Rift Over War tears Muslims, Jews Apart."
"Well-Grounded, DeVos Flies High."
"IPod Goes Digital In Miniature."

Atlanta Journal-Constitution:
"Airport Hits Bottom For Delays."
"Towers Add To S. Cobb Push To Be Metro Hub."
'Sen. Seless Killing' Puts Street races In Prison."
"Patriotism No Racist Match For Zoning Laws."

Houston Chronicle:
"Stalled Autism Bill Shows Funding Rift."
"No March To Register By Hispanics."
"Mexico Police Battle Violent Crowd."
"Fed's Site Said To Give Recipe For An A –Bomb."
"As His family Fled Rita, He Stayed To Save A Life."

Story Lineup From Last Night's Network News:
ABC: California Wildfire; Tracking Pedophiles; New Voting Machines; Campaign 2006; New Voting Machines; Soldiers In Iraq; Rev. Haggard's Resignation; Seafood Levels Dropping; Family Doctors Decreasing; William Styron Obit; Richest People.
CBS: Campaign 2006; Campaign 2006 Analysis; California Wildfire; Missing Soldier; Fugitives Arrested; 9/11 Victims Identified; Job Market; Tom Cruise's New Gig; Political Ads.
NBC: Bush Hits Campaign Trail; Tennessee Senate Race; Campaign 2006 Analysis; Rev Haggard's Resignation; On Patrol-Iraq; New Voting Machines; Chronic Fatigue Syndrome; Stock Market; Tom Cruise New Gig.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Evangelical Leader-Male Escort Allegations, Army Dog Handler Returned To Iraq; CA Wildfire Investigation-Arrest Made; National Intelligence Director-Website Removal; Senate Finance Committee-Electronic Tax Filing; Tom Cruise-United Artists Deal; Hasselhoff-Broadway Musical.
CBS: Evangelical Leader-Male Escort Allegations, US KIAs-Baghdad Roadside Bombing; Anbar-US Marine Killed; CA Wildfire Investigation-Arrest Made; Bush-Midterm Campaigning; Barack Obama Campaigning For Jim Webb; Shakira-Latin Grammy Wins.
NPR: US KIAs-Baghdad Roadside Bombing; Anbar-US Marine Killed; Iraqi Interior Ministry-49 Killed Across Iraq; CA Wildfire Investigation-Arrest Made; Evangelical Leader-Male Escort Allegations, State Department-Six-Nation Talks Envoys; Stock Markets; Oaxaca, Mexico Shooting-Suspects Detained; Brazilian Jetliner Crash Investigation.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Remarks at a Missouri Victory 2006 Rally, Springfield Exposition Center, 635 E. St. Louis St., Springfield, Mo., open press; remarks at a Missouri Victory 2006 Rally, Missouri Southern State University, Leggett and Platt Athletic Center, 3950 East Newman Road, Joplin, Mo., open press; remarks at an Iowa Victory 2006 Rally. LeMars Community High School, 921 3rd Ave., SW, LeMars, Iowa.

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VICE PRESIDENT CHENEY — Speaks at a welcome home rally with troops, Butts Army Airfield, Fort Carson, Colo.; speaks at a Colorado Victory Rally, Broadmoor Hotel, Colorado Springs, Colo.

LAURA BUSH — Speaks at a California Victory 2006 Rally, Goal Line Productions, Pleasanton, Calif.; speaks at a New Mexico 2006 Victory Rally. Journal Center II, Albuquerque, N.M.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: INTELLIGENCE OFFICERS _ The Association for Intelligence Officers holds its 31st National Symposium on ``Homeland, Port and Border Security." Highlights: 9:15 a.m. DHS Chief of Intelligence Charles Allen. 10:30 a.m. Michael Nostroang, Assistant Director of the ICE Office of Intelligence. 11:15 a.m. Maureen McCarthy, Senior Advisor for WMD Intelligence Programs. 1:15 p.m. Vice Adm. Roger Rufe, Director of DHS Operations. 2:05 p.m. Thomas Bortmes, CBP Director of Intelligence. 3:15 p.m. Vavl Oxford, Director of DNDO. 4:05 p.m. Capt. Patrick Nemeth, head of Coast Guard Office of Intelligence Plans and Policy. Location: Hyatt Regency-Reston, 1800 President St., Reston.

WAR ON TERROR _ 9:30 a.m. - 12 p.m. The Middle East Policy Copuncil hosts a conference, ``Are We Trapped in the War on Terror?" Participants are: Ian Lustick, Bess W. Heyman chair political science, University of Pennsylvania, author of ``Trapped in the war on Terror;" Ivan Eland, senior fellow, Independent Institute; Rand Beers, former member, National Security Council; and Edward Luttwak, senior fellow, CSIS. Moderator/discussant is Charles W. Freeman Jr., president, Middle East Policy Council. Location: Heldref Publications Building (office of the Independent Institute), 1319 18th St. NW.

TREASURY-STEIN _ 10 a.m. Robert Stein, acting Assistant Secretary for Economic Policy, gives an economic media briefing on economic indicators and the state of the economy. Location: Treasury Department.

PRAYER-CHANGE _ 10:30 a.m. Revs. K.A. Paul and Walter Fauntroy and Martin Luther King III and dozens of children march to the office of House Speaker Dennis Hastert to pay for change, followed by a news conference at 11 a.m. Location: Outside Room 235, Cannon.

EMPLOYMENT REPORT _ 11:45 a.m. Rob Portman, director of the OMB, and Edward Lazear, chairman of the Council of Economic Advisors, hold a joint teleconference to discuss the October 2006 employment report, economic growth, and the President's economic policies. Notes: Call 202-456-2580 for media information.

MIDEAST _ 12 p.m. The Middle East Institute, Foundation for Middle East Peace and Americans for Peace Now co-sponsor a panel discussion, ``Picking up the Pieces of Mideast Peace: Can Today's Opportunities be Seized?" with Akiva Eldar of the Israeli daily Ha'aretz, and Salameh Nematt of the Arab daily al-Hayat. Location: Carnegie Endowment for International Peace, 1779 Massachusetts Ave., NW.

US-INDIA _ 12 p.m. Indian Amb. Ronen Sen, speaks on U.S.-Indian relations, sponsored by the Potomac Institute for Policy Studies and the Inter-University Center for Terrorism Studies. Location: National Press Club.

KOHN _ 12:30 p.m. Federal Reserve Board Vice Chairman Donald Kohn addresses the Banking Law Committee of the American Bar Association on the changing structure of the FRB. Location: Ritz-Carlton Hotel, 1150 22nd St. NW.

SPELLINGS _ 6 p.m. Education Secretary Spellings speaks at the Myth Awards Ceremony and dinner. Location: Grand Hyatt Hotel, 1000 H St. NW.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Officials See Qaeda Trials Using New Law In 2007 (NYT)

By Neil A. Lewis

The New York Times, November 3, 2006

WASHINGTON, Nov. 2 — The Pentagon expects to begin conducting the first war crimes trials at Guantánamo Bay, Cuba, under the new military commission law by summer, senior military officials have said.

But the trials will not involve any of 14 senior Qaeda operatives recently sent to Guantánamo from secret C.I.A. custody, the officials added. Instead, military prosecutors are planning to roll out the new system by trying some of the 10 people previously charged with lesser crimes whose earlier trials were aborted when the Supreme Court struck down the previous system of military commissions as unlawful.

Prosecutors have recently begun reviewing the records in the cases of the more important prisoners, including Khalid Shaikh Mohammed, said to have been the chief planner of the Sept. 11, 2001, attacks.

The chief prosecutor, Col. Morris D. Davis of the Air Force, said in an interview that those cases would be "huge and complex" and would involve a team of Justice Department lawyers as well as F.B.I. agents.

Colonel Davis would not speculate on when those cases would be ready for trial.

Other Pentagon and Justice Department officials said it could be well into 2008, at the earliest, before the men believed to have been the high command structure of Al Qaeda sat in the dock at Guantánamo, where they will almost certainly face the death penalty.

The anticipated dates for the resumption of the trials at Guantánamo, the first war crimes trials conducted by the United States since the end of World War II, is far slower than the pace suggested by President Bush and many who supported the measure that Congress approved to authorize the new proceedings.

Officials say no trials can proceed — indeed, no charges will be issued — until the Office of Military Commissions in the Pentagon produces a new operations manual for war crimes trials.

The manual will list the elements the government needs to prove to convict a detainee for each of the possible crimes to be charged. The trials of the senior Qaeda figures may evoke images similar to those depicted in the photographs of the Nuremberg tribunals, with defendants arrayed alongside one another in the courtroom wearing headphones for the translation of the proceedings.

Officials said some Guantánamo defendants would be tried as a group facing the same wide-ranging conspiracy charges.

Pentagon planners have been discussing building a larger courthouse at Guantánamo with a new courtroom large enough for a trial with multiple defendants. The new building would replace the current courtroom, a converted dental clinic.

Brig. Gen. Thomas L. Hemingway, the Air Force officer who is legal adviser for the commissions, said recently that he expected the new operations manual to be completed by Dec. 31.

At a recent conference on military commissions at the George Washington University Law School, General Hemingway said it seemed more sensible to begin using the manual and the new law first for some cases in the pipeline.

The Pentagon had been criticized for the first round of hearings in which many of the procedures appeared to be made up by military judges as they went along. The new manual of procedures is aimed at eliminating the problem.

Colonel Davis, the chief prosecutor, said although his office would be required to draft a new set of charges for defendants whose trials had started, their cases would be the easiest.

"Even though we'll be starting over," he said, "we won't be starting over from scratch."

As for the high-level prisoners, the colonel said, "We will be starting just about from scratch."

He added that some preliminary work had been conducted and that some teams had been assigned to individual defendants.

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Outside the military, a considerable debate is occurring on any decision to proceed slowly with prisoners like Mr. Mohammed.

Mary Jo White, the former United States attorney in Manhattan who has successfully prosecuted terrorism cases in civilian courts, said she hoped that the government was aware of how much the nation's reputation was at stake and how much it suffered from the flawed first attempt at military tribunals. "The presumption is against it being a fair process, in part because of what went on before," Ms. White said in an interview. "You can get justice out of these commissions, but now we've got a lot to prove."

She said that the best way would be to "finally bring the heavy-duty players to justice, those responsible for 9/11," and that Mr. Mohammed "should be at the top of the list."

Senator Lindsey R. Graham, the South Carolina Republican who is an expert on military law and was a pivotal player in reaching a compromise on the law, said in an interview this week that he understood why the military might start with lower-level prosecutions.

But Mr. Graham warned that because the trials were explicitly for war crimes, "we should be sparing in who we call a war criminal." He said the defendants tried under the law should be those "engaged in command and control," or the category of war criminal would be watered down.

Of the 10 previously charged defendants, none are capital cases, and the most famous, Salim Ahmed Hamdan, is generally known as Osama bin Laden's driver, although the military points out that he is charged with having a more active role.

Seven of the 10 are charged with conspiracy counts. Just Omar Khadr is charged with murder, accused of killing two American soldiers with a hand grenade. Because Mr. Khadr was 15 at the time, prosecutors are not seeking the death penalty.

In contrast, Colonel Davis said, Mr. Mohammed could, in theory, be charged with the murders of more than 2,700 people on Sept. 11.

"He is liable for the actions he set in motion," Colonel Davis said.

One of the most vexing issues in the new procedures involves rules for evidence obtained through coercion or torture. The law prohibits evidence obtained from torture, but generally allows the trial judge to decide in other cases if it is useful.

Col. Dwight H. Sullivan of the Marines, the chief defense lawyer for the commissions, said that those provisions might be well intentioned but that enforcing them was almost certain to be impossible.

"If you don't have any meaningful prohibition against the admission of hearsay evidence," Colonel Sullivan said, "then evidence obtained by torture can be laundered."

"You need to peel back the layers," he added, but that effort will surely run up against the difficulties of dealing with classified information.

The defendants will not meet Colonel Sullivan or his assistant prosecutors until after they have been charged, which might not be until late next year.

Questions About Torture May Slow Trials (AP)

By Hope Yen

AP, November 2, 2006

Riddled with legal gray areas, U.S. military trials for 14 high-level terror suspects and other detainees could bog down over questions about the CIA's interrogation tactics.

Military judges have wide freedom to define what is torture. And defense lawyers pledge to put on trial the government's treatment of detainees, particularly mock drownings and other practices banned by international treaties.

This week, attorneys for dozens of the detainees asked a federal appeals court to strike down key portions of the new military trials law, arguing the prisoners otherwise would be locked out of the regular judicial system.

"These prosecutions will be a nightmare of procedural issues and disagreements," said Stephen Saltzburg, a law professor at George Washington University who specializes in military justice. "I think military judges are going to be surprised by how many issues come up."

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The Defense Department is moving to prosecute more than 70 of the estimated 435 prisoners at Guantanamo Bay, Cuba, in trials beginning as early as next spring. Officials have already selected 10 detainees for prosecution, and expect to charge another 14 high-level suspects recently transferred by President Bush from CIA custody.

The group includes Abu Zubaydah, believed to be a link between Osama bin Laden and many al-Qaida cells, and Khalid Sheik Mohammed, the suspected mastermind of the Sept. 11, 2001, attacks. Both have revealed information in CIA interrogations that reportedly involve forced nudity, stress positions and mock drowning known as waterboarding.

Under the law signed by Bush last month, the government is barred in tribunals from using any evidence stemming from torture. The law also prohibits evidence from "cruel and inhuman treatment" if it was obtained on or after Dec. 30, 2005, when Congress enacted the Detainee Treatment Act.

But coercive evidence obtained before that date could be admitted if a military judge deems it reliable and relevant. Legal experts say that gives the judges broad discretion since the law doesn't define torture and almost all the evidence predates December 2005.

"Notwithstanding what Sens. Lindsey Graham and John McCain say about waterboarding being clearly prohibited, the devil is in the details," said Duke law professor Scott Silliman. He noted that Vice President Dick Cheney recently argued that tactics involving a "dunk in water" weren't torture.

Silliman, a former military lawyer, said he expects almost all the evidence obtained before Dec. 30, 2005, to be admitted under the new law. While this might boost chances for successful prosecutions of suspected terrorists, it could expose unseemly details of shadowy interrogation practices conducted by the CIA.

"Public opinion, particularly international opinion, will play a factor in whom they choose to prosecute," he said.

Among those the Pentagon has declined to say would be tried is Mohammed al-Qahtani, the suspected "20th hijacker" in the Sept. 11 attacks. Captured in December 2001 along the Afghanistan-Pakistan border, the Saudi wouldn't crack under normal questioning, so Defense Secretary Donald H. Rumsfeld approved harsher methods.

After FBI agents raised concerns, military investigators began reviewing the case and in July 2005 said they confirmed abusive and degrading treatment that included forcing al-Qahtani to wear a bra, dance with another man, stand naked in front of women and behave like a dog.

While the Pentagon determined "no torture occurred," the findings were aired in high-profile congressional hearings in 2005 that drew intense scrutiny from human rights groups. A new U.S. Army manual released in September — which doesn't apply to the CIA — now bans torture and degrading treatment, for the first time specifically mentioning forced nakedness, waterboarding and other tactics.

"Al-Qahtani is one who would cause us embarrassment if he is tried," Silliman said.

A Pentagon spokesman, Navy Cmdr. Jeffrey D. Gordon, said he could not comment on specific cases such as al-Qahtani's unless they are formally charged. He said prosecutions will be made "based on the facts and the law."

"We are giving the most egregious terror suspects, those accused of law of war violations, their day in court," he said.

Wells Dixon, an attorney for the Center for Constitutional Rights, isn't so sure. His group represents many of the Guantanamo prisoners, and they are trying to stop the military trials immediately by getting the new law thrown out as unconstitutional.

One of the law's most controversial provisions bars Guantanamo prisoners from challenging in federal court their indefinite detentions as "enemy combatants." The law instead authorizes three-officer military panels to review whether there is sufficient evidence to justify the detention.

The Center for Constitutional Rights successfully sued twice before over the right of habeas corpus, a basic tenet of the Constitution protecting detainees from unlawful imprisonment. Their efforts prompted Supreme Court rulings in 2004 that said foreign-born terror suspects at Guantanamo could have access to U.S. courts.

The rulings left open the possibility that "a properly constituted military tribunal" might suffice as a substitute. But several legal experts and Senate Judiciary Committee Chairman Arlen Specter, R-Pa., who voted for the new law, say the three-member panels rest on shaky legal ground.

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In a filing Wednesday, retired judges from both political parties joined attorneys for the detainees in saying the new law "raises grave constitutional concerns" because it would let authorities use evidence that was gleaned from torturing prisoners.

The Justice Department has until Nov. 13 to respond in the case, which is pending before the U.S. Court of Appeals for the District of Columbia Circuit.

"One of the issues litigated will be whether certain techniques constitute torture," Dixon said. "I fully expect we will learn that many of the detainees who are held in secret prisons are subjected to waterboarding, prolonged isolation and perhaps forced medication."

"We will put the United States on trial for this," he said.

In a sign of that emerging strategy, lawyers for alleged al-Qaida suspect Jose Padilla asked a federal judge in Miami last month to dismiss his terrorism case in criminal court, arguing that he was tortured and force-fed psychedelic drugs at a U.S. military brig for more than three years.

"The torture took myriad forms, each designed to cause pain, anguish, depression and ultimately, the loss of will to live," Padilla's attorneys said in their motion, citing prolonged sleep deprivation, exposure to extremely hot and cold temperatures and shackling in stress positions.

Michael Greenberger, a former Justice Department attorney who is now a law professor at the University of Maryland, said he believes public sentiment may prove to be the deciding factor as judges sort out the legal gray areas.

"People are going to be all over these proceedings," he said. "The human rights groups are upset. Civil libertarians are upset. You've got the worldwide community looking at this as something coming from outer space. This will not be done under cover of darkness."

Well-behaved Gitmo Detainee Makes Call (AP)

By Michael Melia

AP, November 2, 2006

A well-behaved detainee at Guantanamo Bay was allowed to make a rare phone call to his wife in London recently, his lawyer said Thursday.

Jamil el-Banna, a 38-year-old Jordanian with British residency, had a tearful conversation with his wife Sabah el-Banna for an hour on Oct. 19, his attorney Brent Mickum told The Associated Press. She went to the U.S. Embassy in London to receive the call, authorities said.

"When I heard his voice, I started crying, he cried too," she told a British newspaper, the Willesden & Brent Times.

"He told me that when the prison guards led him away from his camp, he thought he was going to be interrogated again," she added. "He didn't even know he was going to speak to me, so hearing my voice was a complete shock to him."

Hundreds of detainees at the isolated prison camp have been imprisoned for years without ever speaking with their families.

But Mickum told the AP the military allowed el-Banna to make the long-distance phone call on humanitarian grounds because his mother recently died. El-Banna has one of the best behavior records among the detainees at the Guantanamo Bay Naval Base in Cuba, the attorney said.

Because of security concerns, detainees are rarely permitted telephone contacts with family members, Navy Cmdr. Robert Durand, a Guantanamo spokesman, told the AP. He said he did know how many other calls have been permitted.

"The calls are coordinated with the U.S. Embassy, which verifies the identity of the caller," he said.

The detainee's wife declined to speak with an AP reporter about the call.

Mickum said the government initially told him two people would be allowed to speak with el-Banna from the U.S. Embassy in London. But when the attorney pressed to allow all five of the detainee's children to attend, the government said only his wife was invited.

El-Banna, who was arrested in Gambia in November 2002, has been held at Guantanamo since March 2003 on suspicion of associating with an al-Qaida operative. Mickum maintains his client is innocent.

DOJ_NMG_0090453

About 435 detainees are held at Guantanamo, most suspected of links to al-Qaida or the Taliban. About 120 have been approved for transfer to either their home countries or another nation that was willing to accept them.

Last month, a British court upheld the British government's refusal to seek the release of el-Banna and two other British residents held at Guantanamo. The government argued that it had no duty to defend the interests of residents who were not British citizens.

A total of six former British residents remain in Guantanamo. Nine British citizens were released in March 2004 and January 2005 after the Foreign Office made formal requests to the United States.

Punting Habeas (LAT)

The Los Angeles Times, November 3, 2006

THE BUSH administration has fared miserably with the U.S. Supreme Court when it comes to its more controversial post-Sept. 11 initiatives. That losing streak could be extended now that lawyers for detainees at Guantanamo Bay in Cuba have taken aim at the new Military Commissions Act, which purports to prevent their clients from filing habeas corpus petitions.

If the high court again rules against the administration, President Bush will have himself to blame for obstinately refusing to afford detainees the protection of the Great Writ. But blame also will fall on members of Congress who knew better than to sign off on such flawed legislation. Among them is Sen. Arlen Specter (R-Pa.), the Senate's purported constitutional conscience.

Congress rushed through the Military Commissions Act before its election break in response to the Supreme Court's June ruling that Bush exceeded his authority by establishing military tribunals without congressional authorization. The court also rejected the administration's argument that it lacked jurisdiction to decide that issue.

In separate 2004 cases, the justices held that both U.S. citizens and foreigners detained at Guantanamo could challenge their confinement. Given that history, Specter warned that another judicial rebuke was coming if the Senate barred habeas corpus appeals.

"Surely as we are standing here, if this bill is passed and habeas corpus is stricken, we'll be back on this floor again," Specter said.

Yet after his habeas corpus amendment was shot down, Specter and 13 other supporters voted for the flawed Military Commissions Act. Specter implied that it was all right for Congress to ignore the Constitution because the high court would "clean it up" on appeal.

On Wednesday, that clean-up process began when lawyers for some of the hundreds of Guantanamo detainees with pending habeas complaints asked a U.S. court of appeals to allow their clients to continue challenging their imprisonment, despite the Military Commissions Act.

Echoing one of Specter's arguments, the lawyers noted that the Constitution allows Congress to suspend habeas corpus only in "cases of rebellion or invasion." Serious as the terrorism threat may be, it is neither an invasion nor a rebellion.

The appeals court has a choice: either declare the Military Commissions Act unconstitutional or interpret it in a way that doesn't jeopardize pending habeas actions. Either way, the Supreme Court likely will be asked to resolve the issue.

Even if Specter and other supporters of the Great Writ had voted against the Military Commissions Act, it probably would have passed. But the margin would have been narrower if they had been less willing to punt the question of whether the legislation violates the Constitution.

During John G. Roberts Jr.'s confirmation hearings, Specter complained that the high court had appointed itself Congress' "taskmaster." Roberts replied: "I don't think the court should be a taskmaster for Congress. The Constitution is the court's taskmaster, and Congress' as well."

If Congress took its responsibilities to uphold the Constitution more seriously, there would be fewer problems for Chief Justice Roberts and his colleagues to "clean up."

U.S. Web Archive Is Said To Reveal A Nuclear Guide (NYT)

By William J. Broad

The New York Times, November 3, 2006

DOJ_NMG_0090454

Last March, the federal government set up a Web site to make public a vast archive of Iraqi documents captured during the war. The Bush administration did so under pressure from Congressional Republicans who said they hoped to "leverage the Internet" to find new evidence of the prewar dangers posed by Saddam Hussein.

But in recent weeks, the site has posted some documents that weapons experts say are a danger themselves: detailed accounts of Iraq's secret nuclear research before the 1991 Persian Gulf war. The documents, the experts say, constitute a basic guide to building an atom bomb.

Last night, the government shut down the Web site after The New York Times asked about complaints from weapons experts and arms-control officials. A spokesman for the director of national intelligence said access to the site had been suspended "pending a review to ensure its content is appropriate for public viewing."

Officials of the International Atomic Energy Agency, fearing that the information could help states like Iran develop nuclear arms, had privately protested last week to the American ambassador to the agency, according to European diplomats who spoke on condition of anonymity because of the issue's sensitivity. One diplomat said the agency's technical experts "were shocked" at the public disclosures.

The documents, roughly a dozen in number, contain charts, diagrams, equations and lengthy narratives about bomb building that nuclear experts who have viewed them say go beyond what is available elsewhere on the Internet and in other public forums. For instance, the papers give detailed information on how to build nuclear firing circuits and triggering explosives, as well as the radioactive cores of atom bombs.

"For the U.S. to toss a match into this flammable area is very irresponsible," said A. Bryan Siebert, a former director of classification at the federal Department of Energy, which runs the nation's nuclear arms program. "There's a lot of things about nuclear weapons that are secret and should remain so."

The government had received earlier warnings about the contents of the Web site. Last spring, after the site began posting old Iraqi documents about chemical weapons, United Nations arms-control officials in New York won the withdrawal of a report that gave information on how to make tabun and sarin, nerve agents that kill by causing respiratory failure.

The campaign for the online archive was mounted by conservative publications and politicians, who said that the nation's spy agencies had failed adequately to analyze the 48,000 boxes of documents seized since the March 2003 invasion. With the public increasingly skeptical about the rationale and conduct of the war, the chairmen of the House and Senate intelligence committees argued that wide analysis and translation of the documents — most of them in Arabic — would reinvigorate the search for clues that Mr. Hussein had resumed his unconventional arms programs in the years before the invasion. American search teams never found such evidence.

The director of national intelligence, John D. Negroponte, had resisted setting up the Web site, which some intelligence officials felt implicitly raised questions about the competence and judgment of government analysts. But President Bush approved the site's creation after Congressional Republicans proposed legislation to force the documents' release.

In his statement last night, Mr. Negroponte's spokesman, Chad Kolton, said, "While strict criteria had already been established to govern posted documents, the material currently on the Web site, as well as the procedures used to post new documents, will be carefully reviewed before the site becomes available again."

A spokesman for the National Security Council, Gordon D. Johndroe, said, "We're confident the D.N.I. is taking the appropriate steps to maintain the balance between public information and national security."

The Web site, "Operation Iraqi Freedom Document Portal," was a constantly expanding portrait of prewar Iraq. Its many thousands of documents included everything from a collection of religious and nationalistic poetry to instructions for the repair of parachutes to handwritten notes from Mr. Hussein's intelligence service. It became a popular quarry for a legion of bloggers, translators and amateur historians.

Among the dozens of documents in English were Iraqi reports written in the 1990s and in 2002 for United Nations inspectors in charge of making sure Iraq had abandoned its unconventional arms programs after the Persian Gulf war. Experts say that at the time, Mr. Hussein's scientists were on the verge of building an atom bomb, as little as a year away.

European diplomats said this week that some of those nuclear documents on the Web site were identical to the ones presented to the United Nations Security Council in late 2002, as America got ready to invade Iraq. But unlike those on the Web

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site, the papers given to the Security Council had been extensively edited, to remove sensitive information on unconventional arms.

The deletions, the diplomats said, had been done in consultation with the United States and other nuclear-weapons nations. Mohamed ElBaradei, the director of the International Atomic Energy Agency, which ran the nuclear part of the inspections, told the Security Council in late 2002 that the deletions were "consistent with the principle that proliferation-sensitive information should not be released."

In Europe, a senior diplomat said atomic experts there had studied the nuclear documents on the Web site and judged their public release as potentially dangerous. "It's a cookbook," said the diplomat, who spoke on condition of anonymity because of his agency's rules. "If you had this, it would short-circuit a lot of things."

The New York Times had examined dozens of the documents and asked a half dozen nuclear experts to evaluate some of them.

Peter D. Zimmerman, a physicist and former United States government arms scientist now at the war studies department of King's College, London, called the posted material "very sensitive, much of it undoubtedly secret restricted data."

Ray E. Kidder, a senior nuclear physicist at the Lawrence Livermore National Laboratory in California, an arms design center, said "some things in these documents would be helpful" to nations aspiring to develop nuclear weapons and should have remained secret.

A senior American intelligence official who deals routinely with atomic issues said the documents showed "where the Iraqis failed and how to get around the failures." The documents, he added, could perhaps help Iran or other nations making a serious effort to develop nuclear arms, but probably not terrorists or poorly equipped states. The official, who requested anonymity because of his agency's rules against public comment, called the papers "a road map that helps you get from point A to point B, but only if you already have a car."

Thomas S. Blanton, director of the National Security Archive, a private group at George Washington University that tracks federal secrecy decisions, said the impetus for the Web site's creation came from an array of sources — private conservative groups, Congressional Republicans and some figures in the Bush administration — who clung to the belief that close examination of the captured documents would show that Mr. Hussein's government had clandestinely reconstituted an unconventional arms programs.

"There were hundreds of people who said, 'There's got to be gold in them thar hills,' " Mr. Blanton said.

The campaign for the Web site was led by the chairman of the House Intelligence Committee, Representative Peter Hoekstra of Michigan. Last November, he and his Senate counterpart, Pat Roberts of Kansas, wrote to Mr. Negroponte, asking him to post the Iraqi material. The sheer volume of the documents, they argued, had overwhelmed the intelligence community.

Some intelligence officials feared that individual documents, translated and interpreted by amateurs, would be used out of context to second-guess the intelligence agencies' view that Mr. Hussein did not have unconventional weapons or substantive ties to Al Qaeda. Reviewing the documents for release would add an unnecessary burden on busy intelligence analysts, they argued.

On March 16, after the documents' release was approved, Mr. Negroponte's office issued a terse public announcement including a disclaimer that remained on the Web site: "The U.S. government has made no determination regarding the authenticity of the documents, validity or factual accuracy of the information contained therein, or the quality of any translations, when available."

On April 18, about a month after the first documents were made public, Mr. Hoekstra issued a news release acknowledging "minimal risks," but saying the site "will enable us to better understand information such as Saddam's links to terrorism, weapons of mass destruction and violence against the Iraqi people." He added: "It will allow us to leverage the Internet to enable a mass examination as opposed to limiting it to a few exclusive elites."

Yesterday, before the site was shut down, Jamal Ware, a spokesman for Mr. Hoekstra, said the government had "developed a sound process to review the documents to ensure sensitive or dangerous information is not posted." Later, he said the complaints about the site "didn't sound like a big deal," adding, "We were a little surprised when they pulled the plug."

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The precise review process that led to the posting of the nuclear and chemical-weapons documents is unclear. But in testimony before Congress last spring, a senior official from Mr. Negroponte's office, Daniel Butler, described a "triage" system used to sort out material that should remain classified. Even so, he said, the policy was to "be biased towards release if at all possible." Government officials say all the documents in Arabic have received at least a quick review by Arabic linguists.

Some of the first posted documents dealt with Iraq's program to make germ weapons, followed by a wave of papers on chemical arms.

At the United Nations in New York, the chemical papers raised alarms at the Monitoring, Verification and Inspection Commission, which had been in charge of searching Iraq for all unconventional arms, save the nuclear ones.

In April, diplomats said, the commission's acting chief weapons inspector, Demetrius Perricos, lodged an objection with the United States mission to the United Nations over the document that dealt with the nerve agents tabun and sarin.

Soon, the document vanished from the Web site. On June 8, diplomats said, Mr. Perricos told the Security Council of how risky arms information had shown up on a public Web site and how his agency appreciated the American cooperation in resolving the matter.

In September, the Web site began posting the nuclear documents, and some soon raised concerns. On Sept. 12, it posted a document it called "Progress of Iraqi nuclear program circa 1995." That description is potentially misleading since the research occurred years earlier.

The Iraqi document is marked "Draft FFCD Version 3 (20.12.95)," meaning it was preparatory for the "Full, Final, Complete Disclosure" that Iraq made to United Nations inspectors in March 1996. The document carries three diagrams showing cross sections of bomb cores, and their diameters.

On Sept. 20, the site posted a much larger document, "Summary of technical achievements of Iraq's former nuclear program." It runs to 51 pages, 18 focusing on the development of Iraq's bomb design. Topics included physical theory, the atomic core and high-explosive experiments. By early October, diplomats and officials said, United Nations arms inspectors in New York and their counterparts in Vienna were alarmed and discussing what to do.

Last week in Vienna, Olli J. Heinonen, head of safeguards at the international atomic agency, expressed concern about the documents to the American ambassador, Gregory L. Schulte, diplomats said.

Calls to Mr. Schulte's spokesman yesterday were not returned.

U.S. Pulls Web Site Said To Reveal Nuclear Guide (AP)

AP, November 3, 2006

WASHINGTON - The nation's top intelligence official took down a government Web site with captured Saddam Hussein-era Iraqi documents, after questions were raised whether it provided too much information about making atomic bombs.

In a statement Thursday night, a spokesman for National Intelligence Director John Negroponte said his office has suspended public access to the Web site "pending a review to ensure its content is appropriate for public viewing."

The action came after The New York Times raised questions about the contents of the government site, called the "Operation Iraqi Freedom Document Portal." The Times' Web site reported Thursday night that weapons experts say documents posted on the government site in recent weeks provide dangerous detail about Iraq's covert nuclear research before the 1991 Persian Gulf war.

Story continues below ? advertisement

"While strict criteria had already been established to govern posted documents, the material currently on the Web site, as well as the procedures used to post new documents, will be carefully reviewed before the site becomes available again," said Negroponte's spokesman, Chad Kolton.

Pressed by Republican members of Congress, Negroponte's office last March ordered the unprecedented release of millions of pages of Iraqi documents, most of them in Arabic, collected by the U.S. government over more than a decade.

U.S. Shuts Web Site That Contained Nuclear Details (WP)

By Dafna Linzer

Washington Post, November 3, 2006

The Office of the Director of National Intelligence said yesterday that it shut down a public Web site after complaints from U.N. weapons inspectors that the site included sensitive details about constructing nuclear and chemical weapons. The documents were collected in Iraq after the March 2003 invasion but predate the 1991 Persian Gulf War.

Intelligence officials said the documents do not indicate that Iraq had weapons of mass destruction when President Bush ordered U.S. troops to take over the country and depose Saddam Hussein.

Chad Kolton, spokesman for John D. Negroponte, the director of national intelligence, said the office had "suspended access" to the site pending a review of the documents. "The material currently on the Web site as well as the procedures used to post new documents will be carefully reviewed before the site becomes available again," Kolton said.

The New York Times reported on its Web site last night, and in today's print edition, that the site had been shut down in response to concerns by the inspectors and other nuclear experts. Many of the documents were copies of information Iraq had repeatedly handed over to the United States and other U.N. Security Council members over more than a decade between the two wars.

Negroponte's office began posting thousands of captured Iraqi documents earlier this year at the insistence of Republican lawmakers, who hoped the documents could shed light on Iraq's prewar arsenal.

The documents were posted on a Web site administered by the Pentagon's Defense Intelligence Agency. Kolton said his office will go over the documents with the DIA to determine what can be reposted on the site. U.N. weapons inspectors in New York and Vienna, Kolton said, had complained that some documents could reveal weapons secrets.

"We are confident the DNI is taking the appropriate steps to maintain the balance between public information and national strategy," said Gordon Johndroe, spokesman for the National Security Council.

Optimism Turns To Anxiety On Curbing Nuclear Arms (WP)

By Dafna Linzer

The Washington Post, November 3, 2006

In the waning days of the 20th century, nearly a dozen countries abandoned nuclear weapons programs, betting on the promised security of a post-Cold War world.

But the trend toward disarmament seems to have tapered off almost as quickly as it began.

In the first six years of the 21st century, one country -- Libya -- agreed to give up the possibility of making a weapon. But North Korea accelerated its program, and many believe Iran is doing the same. More countries are exploring uranium enrichment and nuclear power programs that could be diverted to produce weapons.

Officials and nuclear experts who felt nothing but optimism in the early 1990s now see a world on the threshold of a dangerous arms race. Some fault the Bush administration for policies that rewarded nuclear-armed friends while denouncing foes accused of building the same weapons. Others say the current situation is a natural byproduct of a fragmented world in which countries no longer have to choose between the United States and the Soviet Union, but can go separate ways and build independent alliances.

"I think we are at a dangerous tipping point," said Sam Nunn, the former Democratic senator from Georgia who has devoted years of public service to stemming nuclear proliferation and is co-chairman of the Nuclear Threat Initiative. "One of the reasons we're in this predicament is that the United States government, which had been the main proponent of nonproliferation, appears not to have the clout to build the kind of broad international coalition that dissuades countries from going nuclear."

Since President Dwight D. Eisenhower began Atoms for Peace in 1953, the United States has been at the forefront of nonproliferation strategies, talking friend and adversary alike out of weapons that bring great power but carry the risk of deep isolation. "In the last two decades, the U.S. has successfully turned around a host of states -- Argentina, Brazil, Ukraine, Kazakhstan, Belarus, South Africa, Taiwan and South Korea," said Ashton B. Carter, who was assistant secretary of defense for international security policy from 1993 to 1996. "But in the last few years," Carter said, Iran and North Korea "have been allowed to lurch forward."

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President Bush in 2002 named Iran, North Korea and Iraq under Saddam Hussein as members of an "axis of evil" pursuing weapons of mass destruction that could be given to terrorists. The prospect of the most dangerous weapons getting into the hands of the most dangerous people led Bush to war in Iraq against a suspected arsenal he did not find.

Meanwhile, Iran and North Korea expanded their nuclear capabilities. Last month, North Korea officially became a nuclear weapons state when it detonated a small plutonium bomb during an underground test. It is Iran, however, that the Bush administration named earlier this year as posing the greatest challenge to the United States. It is a worry shared by many policymakers and politicians outside the government, but it is not the only nuclear concern.

In the 1960s, nonproliferation was one of the few areas on which there was agreement between the United States and what was then the Soviet Union. France, Britain, China and, experts believe, Israel had joined the nuclear club, and while the Cold War rivals were in the midst of their own arms race, they were also eager to prevent more states from acquiring nuclear weapons.

President John F. Kennedy worried in 1963 that if U.S. efforts were unsuccessful, there could be as many as 10 nuclear weapons states within a decade and the number could double after that. Today there are nine such states. But there would have been more had South Africa, Kazakhstan, Ukraine and Belarus not been among the countries that gave up nuclear weapons after the breakup in 1991 of the Soviet Union.

Michael Levi, a nuclear scholar at the Council on Foreign Relations, said that the collapse of the Soviet Union was a unique moment for nonproliferation, but that "the Cold War isn't going to end every 10 years."

"If you focus on nuclear testing as a benchmark, then you've got three nuclear states in the last eight years -- India, Pakistan and North Korea. But if you go by acquiring nuclear weapons, it would be one a decade," Levi said, referring to North Korea.

North Korea's test has deepened worries of an Asian arms race, with Japan and South Korea among dozens of countries with the technical ability -- known as "breakout" capacity -- to quickly divert materials from their energy programs for bomb-making. Mohamed ElBaradei, the director of the International Atomic Energy Agency, calls those countries "virtual" weapons states and noted during a recent talk in Washington that those with the know-how, including Japan and South Korea, could make nuclear devices "overnight" if they wanted to.

"When the Japanese, South Koreans and Taiwanese see North Korea go nuclear and nothing done, they will reconsider their decisions not to go nuclear," said Carter, now a Harvard University professor. Noting that Egypt and Saudi Arabia may change their postures too, Carter said the recent turn toward nuclear weapons presented "the biggest setback to American security in a decade. It doesn't get any bigger than this."

Jon Wolfsthal, a fellow at the International Security Program of the Center for Strategic and International Studies, said that in the 1990s, "the pessimists used to be in the minority on nuclear issues, and now theirs is the dominant view."

"The long-term pessimists will tell you the good old days were never that good," he said. "North Korea's program was up and running in the '80s, Iran's program was up and running in the '80s, India's was up in the '60s and people didn't see it because the relative dangers had diminished. We went from a Cold War world where life could end in 30 minutes to one where we had serious but isolated challenges. But now that the dangers of the Cold War really are in the history books, isolated dangers seem much more acute."

Today, Argentina, Australia, Brazil, Canada and South Africa have begun or have expressed interest in enriching uranium to sell on the world market as nuclear power becomes more attractive to Third World countries. Iran has said repeatedly that its large-scale enrichment plans are designed solely for power generation. Uranium enriched to low levels, as the Iranians have done so far, can be used for fueling nuclear power plants, not for weapons. But the same process, if done at higher speeds for longer periods, can produce bomb-grade uranium. Egypt, Turkey and Algeria are all exploring nuclear power capabilities.

"In a way, it's a very bad time," said David Albright, president of the Institute for Science and International Security.

"Egypt and Turkey are already pushing for nuclear power while thinking in the back of their minds they may want the option of a nuclear capability, and all the weapons states seem to be retrenching with their nuclear weapons. But I think it can be reversed. Nuclear weapons are a deterrence but also a bargaining chip."

George Perkovich, a vice president at the Carnegie Endowment for International Peace, said the rise in proliferation threats can only be turned back once the United States, Russia and China figure out a power balance that makes room for each country's interests.

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"The one thing we agreed on once with the Russians was that we didn't want any other countries getting nuclear weapons," Perkovich said. "But once you have a unipolar system, does Russia really have the same incentive when countries that are interested in getting nuclear weapons are also interested in limiting U.S. power? Russia and China feel wary of U.S. intentions now, in China's neighborhood and Russia's, so they aren't going to help us on nonproliferation just because it's the right thing to do."

Man Jailed For 3 Years Cleared, Set Free Haroon (KMGH)

KMGH-TV, November 3, 2006

Rashid's Attorney Claims He's Victim Of Ethnic Profiling

DENVER -- He spent three years behind bars but on Thursday, the charges against him were dropped and he was set free.

The question is Haroon Rashid a potential terrorist or was he the victim of ethnic profiling?

In 2003, Rashid's arrest was hailed by U.S. Attorney General John Ashcroft hailed his arrest as a big step in the fight against terrorism.

But it's never been proven that he was a danger to the United States so he's being set free, but is still being deported to Pakistan. His young children are glad that they'll be out of jail, but to see him they'll have to travel to Pakistan.

"It's a happy day and a sad day at the same time," said Rima Barakat with the Muslim American Society.

The family maintains that Rashid, a U.S. citizen, was caught up in the post Sept. 11, 2001 fear about terrorism and targeted because of his name.

He was never charged with any terrorism related crimes but held on a relatively minor immigration violation instead.

"This is not right," said Barakat.

U.S. attorneys maintain that Rashid is dangerous.

"Mr. Rachid had attempted to purchase weapons. He had made statements to the effect of his desire to engage U.S. forces," said Troy Eid, U.S. attorney for Colorado.

Their is also a Haroon Rashid Aswat who was arrested last summer in South Africa. He is believed to be an Al-Quaida member responsible for the London bombings last summer. The family of the man in Denver believes the terrorism task force confused the two men and won't admit it.

"There was never any case of mistaken identity and the reports that you saw about that are absolutely false," Eid said.

The U.S. attorneys office said some of the records remain sealed so it's a matter of who you believed.

Haroon Rashid is actually being deported because of a low-level assault conviction when he said he was protecting his children. His deportation case is now being appealed to the U.S. Supreme Court.

The Haroon Rashid Aswat who is tied to the London bombings des have ties to the western united states. In 1999 he lived for a time in Seattle. Prosecutors also said he tried to set up a terrorist training camp in Oregon. The London bombing attack killed 56 people.

Terror Probe Target Set For Deportation (RMN)

By Sara Burnett, Rocky Mountain News

Rocky Mountain News, November 3, 2006

A U.S. District Court judge dismissed charges Thursday against a Lakewood man once targeted in a federal terrorism investigation, clearing the way for him to be deported.

Haroon Rashid, a native of Pakistan who has been a legal resident of the United States since 1995, was transferred to the custody of U.S. Immigration and Customs Enforcement immediately after Judge Lewis Babcock dismissed charges of conspiracy and making false statements to government officials.

Outside the courthouse, family and friends decried the government investigation, saying Rashid was arrested in 2003 because of anti-Muslim sentiment fueled by the Sept. 11, 2001, terrorist attacks.

Rashid, 35, and several family members caught the attention of the FBI's Joint Terrorism Task Force shortly after 9/11, records show.

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After a period of surveillance, a Denver grand jury in March 2003 indicted Rashid and five other family members on charges of conspiracy to defraud the U.S. and making false statements in an immigration case.

The government alleged that the family lied to get another relative into the United States without a visa, then lied about his relationship to the family so he could remain here.

During a detention hearing, federal investigators revealed they had reason to think Rashid and other family members were a danger to the public.

Among their reasons was that Rashid traveled to the Pakistan-Afghanistan border shortly after the 9/11 attacks and may have participated in a terrorist training camp.

Rashid never was charged with anything terrorism-related, however, because doing so would have tipped the government's hand in other cases, authorities have said.

Shortly after his arrest, Rashid was released on bond. While out of jail, he was arrested again, this time for assaulting a 16-year-old boy in Arapahoe County.

A jury convicted Rashid of that crime in 2004 and an immigration judge later ruled that Rashid should be deported.

U.S. Attorney Troy Eid said Thursday his office chose to drop the charges of conspiracy and making false statements because Rashid already has served more time in jail than he would serve if he were convicted of those charges.

Family members and friends insisted the charges were trumped up and that the assault occurred because Rashid was protecting his children from gang members. They also said Rashid traveled to the Pakistan-Afghanistan border to visit his family, not to train to be a terrorist.

But Eid made no apologies. "Our office will pursue terrorism investigations wherever they lead," he said.

Muslim Defense Committee (WXXA)

WXXA-TV, November 3, 2006

A group of about 50-people have come together to form the Muslim Defense Committee.

They claim that the government's actions during the investigation into Yassin Aref and Mohammad Hossain were an attack on the Bill of Rights and the civil liberties of Americans. They're asking that the judge give the two men a light sentence.

Hossain and Aref were convicted last month of participating in a fake plot to launder money from the sale of a shoulder-fired missile to terrorists during an FBI sting operation.

Britain Eases Carry-on Rules (USAT)

By Jeffrey Stinson

USA Today, November 3, 2006

LONDON — Passengers flying out of Britain will be able to carry small amounts of liquids, gels and lotions, including toothpaste and medicine, through airport security checkpoints starting Monday.

The British government said Thursday that it would ease a ban it imposed on carry-on liquids Aug. 10 after the discovery of an alleged terrorist plot to use liquid explosives to blow up airliners headed for the USA.

Starting Monday, each air passenger can carry on liquids in individual containers of up to 100 milliliters, about 3 ounces. All of a passenger's containers must be placed in a single, clear resealable bag no larger than a liter — just less than a quart — in capacity.

Britain's new rule covers products such as hair gel, sun cream, non-solid deodorant, toothpaste, Vaseline, shaving cream, lip gloss, mascara, nail polish and remover, and other items.

Limits on the size of carry-on bags remain in place, the Department for Transport said.

Passengers can continue to board planes with drinks and other liquids they buy after they've cleared security checks.

The change in Britain brings its rules in line with those at airports in 24 other European Union countries — and at airports in the USA. All 25 EU members have agreed to use a standard set of security rules starting Monday.

Carry-on baggage rules have varied from country to country in Europe. Britain's restrictions were the tightest.

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The restrictions put in place after Aug. 10 snarled airports throughout Europe. Additional security measures and passenger confusion caused the cancellation of more than 2,000 flights, hundreds of flight delays and long security lines at British airports in the three weeks after Aug. 10.

British Airways said it lost about $75 million because of the disruptions. Discount airline Ryanair has sued the British government for $6.2 million in damages.

In the months since the alleged plot was foiled, Britain has gradually eased requirements, which prevented passengers from boarding planes carrying anything more than travel documents.

"The security measures introduced at (British) airports in August were in response to a very real and serious threat," the Transport Department said Thursday. "We have always said that we would keep these measures under review."

In September, Britain allowed passengers to board with larger carry-on bags and musical instruments. Each passenger flying out of Britain and Europe now can carry one bag no larger than: 22 inches long, 17.7 inches wide and 9.8 inches deep.

HOMELAND RESPONSE:

Many Fear FBI's Anthrax Case Is Cold (LAT)

By Richard B. Schmitt And Josh Meyer

The Los Angeles Times, November 3, 2006

WASHINGTON — Five years after a series of deadly anthrax-laced letters rattled the nation, the FBI has offered no indication that it is any closer to solving the first major act of bioterrorism on U.S. soil, leading critics to speculate the probe has stalled and to question how well federal officials would handle future attacks.

Members of Congress and targets of the attacks — which killed five people between Oct. 5 and Nov. 21, 2001, sickened 17 and exposed thousands of others — increasingly are expressing concern that the FBI-led federal investigation, code-named Amerithrax, has been mismanaged.

FBI officials have stopped providing regular briefings to victims and lawmakers about the investigation. The federal task force leading the investigation has shrunk in half. And it is now on its third leader.

The credentials of the latest chief may be telling: He has worked on complex international criminal cases that have run cold.

The reticence of the FBI is in sharp contrast to bold predictions the agency made about the investigation in its early days.

"Their public pronouncements about their confidence levels were obviously way off the mark all the way along," said Tom Daschle, the former Democratic senator from South Dakota whose Capitol Hill office was one of the targets of the attacks. "It has sort of been the domestic version of Iraq. They made a lot of assumptions that turned out not to be accurate."

Daschle, now a senior fellow at the Center for American Progress, said he asked the FBI about a month ago for an update but was rebuffed.

"Clearly, this whole investigation has gone very cold," he said. "Because it has become so cold, they are all the more apprehensive about acknowledging that they do not have any real good evidence or leads."

A leading Republican, Sen. Charles E. Grassley of Iowa, also complained about the lack of new information on the investigation in a letter last month to Atty. Gen. Alberto R. Gonzales. Grassley is threatening to subpoena FBI officials to testify before Congress or to hold up Justice Department nominations if the agency does not divulge more information soon.

The FBI says its investigation remains highly active. It has told lawmakers that it would not provide any more briefings on the case in part out of fear that sensitive information would be leaked to the media.

"We have a substantial number of agents continuing to work on that case, and my expectation is that it will be solved and that the person or persons responsible will be brought to justice," FBI Director Robert S. Mueller III said in an interview in September. "Some cases take longer than others."

The unsolved mystery comes amid growing concern about federal efforts to detect and prevent even more catastrophic bioterrorist attacks. The government has set aside an estimated $18 billion for bio-defense research over the last five years, although it is far from clear what the nation has gotten for its money.

DOJ_NMG_0090462

This week, citing the five-year anniversary of the anthrax attacks, a bipartisan group of senators asked the Government Accountability Office to conduct a wide-ranging assessment of the bio-defense program.

Huge investigation

The anthrax attacks triggered one of the costliest federal manhunts ever — starting a week after the Sept. 11 attacks, when letters containing anthrax began coursing through the mail, targeting members of the media and the Capitol Hill offices of Daschle and Sen. Patrick J. Leahy (D-Vt.).

The FBI said it had conducted 9,100 interviews and obtained 6,000 subpoenas. It has hired psychologists, handwriting analysts and forensic analysts. It has spent millions on scientific studies to determine such information as the strain of the bacteria and the water used to prepare the lethal spores. And it has tracked a spate of anthrax "hoax" letters; one such letter was received last week by The Times.

Much of the initial public focus was on a medical doctor and virologist, Stephen J. Hatfill, who had worked for two years at an Army lab in Maryland, where the strain of anthrax used in the attacks was once studied.

FBI agents searched his home, took samples of his blood and put him on 24-hour surveillance. Then-Atty. Gen. John Ashcroft publicly declared him a "person of interest."

But Hatfill was never charged and says he is not responsible for the letters. Now he's fighting the Justice Department and FBI in a lawsuit claiming that they destroyed his reputation.

His lawyers have taken the sworn testimony of more than 30 journalists and investigators in an attempt to prove the FBI illegally leaked damaging information about him. Hatfill declined comment through his lawyer.

The public fingering of Hatfill was the first of many missteps that experts said had afflicted the probe.

"In how many investigations does the attorney general personally go out there and start talking about persons of interest? It should never happen," said Stephen Freccero, a former federal prosecutor. "That was a huge mistake. It was appalling. All the basic rules of a covert investigation were violated."

Freccero, who prosecuted Unabomber Theodore Kaczynski, said that centering the anthrax probe in Washington politicized the case, making it difficult for investigators to independently pursue leads.

The case also has been slowed by the bureau's changing understanding of the quality of the anthrax used. Investigators originally believed the powder was highly refined and could only have been produced by experts with state-of-the-art technology. But the FBI eventually abandoned that idea.

In the recent interview, Mueller said, "From the outset, we have been open to any and all theories, and the investigation continues on any and all theories." But some observers said that the incorrect assumptions about the anthrax may have led the FBI to adopt an unduly narrow focus on potential suspects. According to one former federal law enforcement official, no other clear suspects have emerged in recent years.

"The way they were thinking was that it had to be a scientist at one of these … laboratories," said the former official, who spoke on the condition of anonymity because he still works for the federal government and the investigation is ongoing. "Now, all of a sudden, you have people who may be hobbyists or … chemists who think they can do this stuff and might have done this stuff."

Some also have criticized the agency for not being more receptive to outside advice. Dr. Ken Alibek, a bio-weapons pioneer from the former Soviet Union, said he had written to Mueller to volunteer. "I said, 'Please keep in mind, I have expertise and I would like to help you resolve this case,' " he said. Alibek said he got a "thanks, but no thanks" letter from a top aide to Mueller. The bureau, he was told, already had "a big group of people working on this issue."

Leadership change

The new leader of that group, Edward Montooth, is the third to oversee the investigation. He declined to comment through an FBI spokesman.

People who have worked with Montooth said he had specialized in cases where Americans were killed overseas, trying to solve crimes in such places as Rwanda and Indonesia. He was on an FBI team that searched for mass graves in Kosovo and also helped investigate war crimes in the Balkans.

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"Those cases get cold fast," said a law enforcement official who knows Montooth. "A lot of terror cases overseas can be 10 to 15 years before the case develops to the point where we can get the defendants."

Montooth replaced Richard Lambert, who headed the investigation from August 2002 through September 2006. Lambert said he decided to leave and called it a natural career progression. He now heads the FBI office in Knoxville, Tenn.

Lambert said he was "very confident" the case would be solved.

As the probe enters its sixth year, the FBI is urging patience, and notes that complex investigations often take years to resolve. It has compared the case to the Unabomber investigation, which took 17 years to solve, until the assailant renewed his campaign of terror and a relative turned him in.

On the anthrax section of its website, the FBI promises that its agents "continue to pursue each and every lead aggressively."

Search Begins Again At Trade Center (USAT)

By Martha T. Moore

USA Today, November 3, 2006

NEW YORK — A sad task thought to be long over is beginning again: the search for remains of those killed in the Sept. 11, 2001, terrorist attacks.

The city quickly launched the new search after the discovery Oct. 19 of nearly 200 fragments of remains, including a 12-inch bone, in a buried manhole at the edge of the World Trade Center site.

City workers now will sift gravel on rooftops, go down nearly 500 manholes, dig up roadways and explore underground vaults. The work could last up to a year.

The effort comes as remains of three people were identified this week from the initial search. They included flight attendant Karen Martin, who was on the jet that hijackers crashed into the north tower.

The recent discovery — the second time this year that remains were found — has shocked and angered families. More than 40% of the families of the 2,749 people who died have recovered nothing of the relative they lost.

“If this job was done correctly the first time, we'd have more than 2% of my brother,” said Jeanne Evans, sister of firefighter Robert Evans.

She joined about 100 people at a protest Thursday demanding the city turn over the search to the Joint POW/MIA Accounting Command, a military group that searches for remains of Americans overseas. Mayor Michael Bloomberg has said he will not do that.

Evans said the recent discovery brings hope that more of Robert might be identified. “It's almost an exciting anticipation, that you're going to get part of your murdered brother back.”

Marilyn Rocha, whose husband, Antonio, died in the attack, said she had received two sets of remains and had asked not to be notified of further identifications. “We were told this is it, there's nothing left. And now this comes up,” she said in a phone interview.

The initial search, run by the Fire Department, ended in May 2002. Deputy Mayor Ed Skyler, in charge of the new search, said the original effort will prove to have discovered “99.9% or 99.8%” of all remains. “Let's not forget how much was done right in that trying period. What we've done is to think about any other site we could have overlooked,” Skyler said. The city medical examiner told families in February 2005 that no more identifications could be made using existing DNA technology. In September, the city alerted families that a new technique would be tried.

Jeanne Evans said her family has held a burial service for her brother but is waiting to bury the second set of remains and any others found.

“So the next time we do it will be the last time we do it,'" she said. “We don't want to keep digging.”

Fresh Sorrows At Ground Zero (opinion) (NYT)

The New York Times, November 3, 2006

Finding more human remains at ground zero — five years after 9/11 — is what no one wanted. And yet it was almost inevitable, given the scale of the devastation when the towers collapsed. The grim discovery in recent days of human bones and

bone fragments in an abandoned manhole at the edge of the disaster site does more than cause pain to the families who have never recovered a trace of their dead. It raises the very real and difficult question of how to proceed with the work under way at the site.

Some of the families have called for a complete halt to construction and a renewed search for remains, including federal assistance in the form of the Joint P.O.W.-M.I.A. Accounting Command, whose mission is to recover and identify the remains of American soldiers. Mayor Michael Bloomberg believes the city has already located the proper forensic experts. They are now being asked to start sifting, or resifting, any of the new material that could possibly contain DNA from victims.

The mayor has also found what appears to be the proper balance between pressing ahead with construction on the site itself and conducting renewed searches in those areas around the perimeter of ground zero where any further remains are most likely to be found.

There must be an accurate, detailed and comprehensive search. But there is no reason that construction and a renewed search cannot proceed together.

From the very first there were signs that the force of the World Trade Center's collapse had scattered body parts over a wider area than expected, well beyond the central core of the twin towers. By expanding the area to be searched and promising to search more thoroughly, Mr. Bloomberg has satisfied the needs of a city to have building at ground zero continue while still giving hope to those families looking for some certainty about a loved one's death five years ago.

U.S. Plans To Screen All Who Enter, Leave Country (WP)

By Ellen Nakashima, Spencer S. Hsu

The Washington Post, November 3, 2006

The federal government disclosed details yesterday of a border-security program to screen all people who enter and leave the United States, create a terrorism risk profile of each individual and retain that information for up to 40 years.

The details, released in a notice published yesterday in the Federal Register, open a new window on the government's broad and often controversial data-collection effort directed at American and foreign travelers, which was implemented after the Sept. 11, 2001, attacks.

While long known to scrutinize air travelers, the Department of Homeland Security is seeking to apply new technology to perform similar checks on people who enter or leave the country "by automobile or on foot," the notice said.

The department intends to use a program called the Automated Targeting System, originally designed to screen shipping cargo, to store and analyze the data.

"We have been doing risk assessments of cargo and passengers coming into and out of the U.S.," DHS spokesman Jarrod Agen said. "We have the authority and the ability to do it for passengers coming by land and sea."

In practice, he said, the government has not conducted risk assessments on travelers at land crossings for logistical reasons.

"We gather, collect information that is needed to protect the borders," Agen said. "We store the information we see as pertinent to keeping Americans safe."

Civil libertarians expressed concern that risk profiling on such a scale would be intrusive and would not adequately protect citizens' privacy rights, issues similar to those that have surrounded systems profiling air passengers.

"They are assigning a suspicion level to millions of law-abiding citizens," said David Sobel, senior counsel of the Electronic Frontier Foundation. "This is about as Kafkaesque as you can get."

DHS officials said that by publishing the notice, they are simply providing "expanded notice and transparency" about an existing program disclosed in October 2001, the Treasury Enforcement Communications System.

But others said Congress has been unaware of the potential of the Automated Targeting System to assess non-aviation travelers.

"ATS started as a tool to prevent the entry of drugs with cargo into the U.S.," said one aide, who spoke on the condition of anonymity because of the sensitivity of the subject. "We are not aware of Congress specifically legislating to make this expansion possible."

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The Senate Homeland Security and Governmental Affairs Committee, chaired by Sen. Susan Collins (R-Maine), yesterday asked Homeland Security to brief staff members on the program, Collins's spokeswoman, Jen Burita, said.

The notice comes as the department is tightening its ability to identify people at the borders. At the end of the year, for example, Homeland Security is expanding its Visitor and Immigrant Status Indicator Technology program, under which 32 million noncitizens entering the country annually are fingerprinted and photographed at 115 airports, 15 seaports and 154 land ports.

Stephen E. Flynn, senior fellow for national security studies at the Council on Foreign Relations, expressed doubts about the department's ability to conduct risk assessments of individuals on a wide scale.

He said customs investigators are so focused on finding drugs and weapons of mass destruction that it would be difficult to screen all individual border crossers, other than cargo-truck drivers and shipping crews.

"There is an ability in theory for government to cast a wider net," he said. "The reality of it is customs is barely able to manage the data they have."

The data-mining program stemmed from an effort in the early 1990s by customs officials to begin assessing the risk of cargo originating in certain countries and from certain shippers. Risk assessment turned more heavily to automated, computer-driven systems after the 2001 attacks.

The risk assessment is created by analysts at the National Targeting Center, a high-tech facility opened in November 2001 and now run by Customs and Border Protection.

In a round-the-clock operation, targeters match names against terrorist watch lists and a host of other data to determine whether a person's background or behavior indicates a terrorist threat, a risk to border security or the potential for illegal activity. They also assess cargo.

Each traveler assessed by the center is assigned a numeric score: The higher the score, the higher the risk. A certain number of points send the traveler back for a full interview.

The Automated Targeting System relies on government databases that include law enforcement data, shipping manifests, travel itineraries and airline passenger data, such as names, addresses, credit card details and phone numbers.

The parent program, Treasury Enforcement Communications System, houses "every possible type of information from a variety of federal, state and local sources," according to a 2001 Federal Register notice.

It includes arrest records, physical descriptions and "wanted" notices. The 5.3 billion-record database was accessed 766 million times a day to process 475 million travelers, according to a 2003 Transportation Research Board study.

In yesterday's Federal Register notice, Homeland Security said it will keep people's risk profiles for up to 40 years "to cover the potentially active lifespan of individuals associated with terrorism or other criminal activities," and because "the risk assessment for individuals who are deemed low risk will be relevant if their risk profile changes in the future, for example, if terrorist associations are identified."

DHS will keep a "pointer or reference" to the underlying records that resulted in the profile.

The DHS notice specified that the Automated Targeting System does not call for any new means of collecting information but rather for the use of existing systems. The notice did not spell out what will determine whether someone is high risk.

But documents and former officials say the system relies on hundreds of "rules" to factor a score for each individual, vehicle or piece of cargo.

According to yesterday's notice, the program is exempt from certain requirements of the Privacy Act of 1974 that allow, for instance, people to access records to determine "if the system contains a record pertaining to a particular individual" and "for the purpose of contesting the content of the record."

WAR NEWS:

Talks Underway For Release Of American Soldier (LAT)

By Borzou Daragahi

The Los Angeles Times, November 3, 2006

DOJ_NMG_0090466

BAGHDAD — The American soldier captured by gunmen in the Iraqi capital last week remains alive as family members and others try to negotiate his release, a U.S. military official said today.

Ahmad Qusai Tai, a 41-year-old American of Iraqi descent, was visiting his Iraqi wife and other relatives in central Baghdad on Oct. 23 when kidnappers stormed the home, handcuffed the soldier and forced him into a vehicle at gunpoint.

The kidnappers called his family with his cell phone, and talks over his release began.

"There is ongoing dialogue being done at different levels at this time," Maj. Gen. William B. Caldwell IV, spokesman for U.S. forces in Iraq, told reporters in Baghdad.

The kidnapping sparked a military crackdown involving 2,000 U.S. and 1,000 Iraqi forces on Shiite Muslim areas of Baghdad where they suspect he was being held. U.S.-led forces launched 37 missions to locate Tai, which led to the death of one U.S. soldier, the wounding of eight and the capture of 32 suspects.

"We do have credible intelligence that indicates who may have been responsible for his kidnapping," said Caldwell, declining to disclose further details. "We are using all of our assets to find him."

Tai, who moved to the United States as a teenager, joined the Army Reserves in December 2004 and was deployed to Iraq in November 2005. He married his wife in February 2005, Caldwell said.

The crackdown on Shiite neighborhoods proved unpopular with supporters of Prime Minister Nouri Maliki, who asked U.S. forces to remove checkpoints on key Shiite neighborhoods. But the crackdown, coming at the end of the Muslim holy month of Ramadan, also coincided with a precipitous decline in insurgent attacks. Between Oct. 23 and Oct. 30, casualties among U.S.-led forces dropped 23% and the number of deadly roadside bombs fell to a seven-month low, Caldwell said.

The end of Ramadan usually heralds a drop in attacks, but Caldwell suggested that increased calls for calm by Iraqi religious and political leaders may have led to the drop. He also warned that the latest numbers may not yield any substantive lessons. "One week does not constitute a trend," he said.

Indeed, the number and ferocity of attacks in the days following the last week's Eid al-Fitr feast, which ends the annual month of fasting during Ramadan, appear to have increased in the past few days. At least a dozen explosions rocked Baghdad today, with gunfire rattling neighborhoods as the country's war raged unabated.

A motorcycle packed with explosives blew up in a busy Sadr City market, killing at least four people and injured 43. Another bomb in the Baghdad's Jadida neighborhood killed two and injured 25. A car bomb at a bus terminal in Mahmoudiya, a town south of Baghdad, injured four people.

Among those assassinated today were the dean of the University of Baghdad's College of Administration and Economy; a former member of Saddam Hussein's Baath Party; a spare car parts dealer; a bus driver; a Sunni cleric in the southern city of Basra; and a lawyer advising the Sunni religious endowment as well as his two daughters.

Three masked gunmen opened fire on a primary school in southern Baghdad, wounding the school's principal and three students, police and hospital officials said. Gunmen attacked a bakery in west Baghdad killing two people and injuring two.

Mortar rounds hit residential neighborhoods in south Baghdad and the southern city of Hillah, injuring 14. Mortars also struck central Basra, where British and Danish officials are about to evacuate to a better protected airbase on the city's outskirts.

The bodies of 11 Iraqi men were found in Baghdad this morning. Each had been bound, beaten, burned and shot at in the head at point blank range. More bodies generally show up as the day progresses.

Military: Talks Underway To Win Release Of Soldier (USAT/AP)

USA Today, November 3, 2006

BAGHDAD — The U.S. military said Thursday that there is “an ongoing dialogue” to win the release of a kidnapped American soldier and that the captive is an Iraqi-American who married an Iraqi woman early last year.

Maj. Gen. William Caldwell, the military spokesman, would not say with whom or at what level the dialogue was taking place. He said the United States believes the soldier is still in the custody of his abductors.

The military identified the servicemember as Ahmed Qusai al-Taayie, a 41-year-old reserve soldier from Ann Arbor, Mich. He was visiting his Iraqi wife Oct. 23 when he was kidnapped during a visit to the woman's family, Caldwell said.

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Caldwell said the soldier and his wife were married in February 2005 and he didn't arrive in Iraq until November 2005. It could have been a violation of military rules if al-Taayie had married his wife while serving in the Army in Iraq.

A woman who claimed to be al-Taayie's mother-in-law, Latifah Isfieh Nasser, said last week that the soldier's in-laws tried to stop the abduction by men believed to be Mahdi Army militia fighters.

The Mahdi Army is a Shiite militia loyal to anti-American cleric Muqtada al-Sadr. The soldier's religious affiliation was unknown; his wife's family is Shiite Muslim.

Meanwhile, aides to Prime Minister Nouri al-Maliki say he plans to reshuffle his Cabinet as early as this month. The decision comes after the United States recently demanded that al-Maliki set benchmarks to end violence and achieve reconciliation between the country's various religious and ethnic groups.

Aides said the move is an attempt to improve the performance of some ministries, especially the Shiite-dominated Interior Ministry that oversees the police.

"It will cover about a third of the serving ministers, including one with a security brief," Ali al-Adeeb, a lawmaker of al-Maliki's Dawa Party, told the Associated Press

The Iraqi parliament has been critical of al-Maliki's 5-month-old government for failure to crush a Sunni-led insurgency and disband Shiite militias. Al-Maliki has also been under fire for doing too little to improve services and create jobs. Aides say several ministers were given Cabinet posts without sufficient screening.

"We did not know their qualifications, and their performance in the past five months was modest," said Hassan al-Suneid, a Dawa lawmaker and a close al-Maliki aide.

In other Iraq news:

•Forty-nine people were killed or found dead in Iraq on Thursday, including seven killed when a motorcycle blew up in a crowded market in Baghdad's Sadr City district.

It was the first bombing in Sadr City since al-Maliki ordered the lifting Tuesday of a week-old U.S.-Iraqi army security blockade on the Shiite section of 2.5 million people.

•A former soldier in the 101st Airborne Division was indicted Thursday in Kentucky in the rape and death of a 14-year-old Iraqi girl and the slayings of three of her relatives in March. Former Army private Steven Green, 21, was charged with murder, aggravated sexual assault and conspiracy, among other offenses in the federal indictment. His attorney, Patrick Bouldin, said Green intends to plead not guilty.

Missing Soldier Believed Alive, U.S. Says (WP)

By John Ward Anderson, Saad Al-Izzi

The Washington Post, November 3, 2006

Iraqi American's In-Laws Describe His Abduction

BAGHDAD, Nov. 2 -- A senior U.S. military spokesman said Thursday that an Iraqi American soldier kidnapped in Baghdad 10 days ago was believed to be alive and in the hands of his original captors.

Army Maj. Gen. William B. Caldwell identified the soldier as 41-year-old reservist Ahmed Qusai al-Taayie and said that Taayie was visiting his in-laws and his wife on Oct. 23, the Muslim holiday of Eid al-Fitr, when he was abducted by three carloads of armed men. Since then, the military has conducted intensive searches for the soldier, who moved to the United States as a teenager and returned to Iraq as a translator in the U.S. Army Reserve in November 2005, Caldwell said.

Members of Taayie's family said in interviews this week that they had warned him they were being watched and to be careful on his visits. They said his wife, Israa Abdul Satar, 26, a local science student whom Taayie married in February 2005, and two of her siblings had tried to fight off the abductors when they came to grab him.

"I told him that he should be careful and to watch out, because all eyes are on us," said Abdul Satar, Taayie's father-in-law, as he sat in the family's one-bedroom, second-floor apartment in the middle-class neighborhood of Karrada in central Baghdad.

Shaimaa Abdul Satar, Israa's younger sister, said she was walking with the couple and her brother Omar to Taayie's motorcycle a block from her parents' house at about 4:30 p.m. on Eid when two armed men pulled up and tried to force Taayie

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into a white Mercedes. They fought the men off and took shelter in an uncle's nearby apartment, Shaimaa said, but about five minutes later three cars with no license plates arrived, and armed men stormed the building and abducted Taayie.

Omar knew the leader of the group and initially went with them, she said. But after pleading with the men to release Taayie, she said, Omar was warned to get out of the car or they would kidnap him, too. He was released as the vehicle appeared to be heading to the Shiite slum of Sadr City in east Baghdad, Shaimaa said.

Shaimaa and others in her family identified the leader of the group that kidnapped Taayie as local gangster Abu Rami, whose real name, they said, is Majid al-Qaissy. They said he is a Sunni Arab, as is their family and Taayie's.

Caldwell, in a weekly press briefing, said that more than 2,000 U.S. troops and 1,000 Iraqi soldiers have conducted 37 missions in the capital searching for Taayie. He said one U.S. soldier has been killed and eight U.S. and two Iraqi soldiers wounded in the operations.

Most of the raids have been in the eastern parts of the capital, including Sadr City, where U.S. forces recently enforced a six-day closure that was lifted two days ago. At the time, the U.S. military said its mission was twofold: find the missing soldier, and capture a man named Abu Deraa, who is considered Iraq's most notorious Shiite death squad leader. U.S. officials have not said whether the two operations were related or if they believed Abu Deraa had custody of Taayie.

"At this point, we believe the ones who kidnapped Ahmed currently still have him," Caldwell said, but he would not identify who the U.S. military believes abducted the soldier.

Asked if the U.S. military had been in direct or indirect contact with the kidnappers, Caldwell said, "There is ongoing dialogue that is being done at different levels at this time, but it would be inappropriate for me to state with whom or at what level.

"But there's also a tremendous amount of political activity ongoing to help secure the release of our soldier," he said. "We will never stop looking for our service members."

Caldwell said that casualties across Iraq declined by 23 percent last week, led by a 41 percent drop in sectarian killings in Baghdad, and that roadside bombings were at their lowest level in seven months. However, October was still a bloody month, he said, with casualty rates "higher than the levels seen in the months of August and September," which according to the Iraqi Health Ministry were the deadliest months of the 3 1/2 -year conflict.

October was also the fourth-deadliest month for U.S. troops. The U.S. military reported the noncombat death of a Marine that occurred on Tuesday, raising the number of U.S. fatalities in October to 105, the most since January 2005, when 106 U.S. troops were killed.

Nonetheless, Caldwell said that statistics from the last week were "promising, but as I've said before, one week does not constitute a trend."

Many Sunni leaders have credited the U.S. security cordon around Sadr City with helping to reduce violence by containing Shiite death squads blamed for kidnapping, torturing and killing thousands of Sunni Arabs around the capital.

Caldwell would not rule that out, but he also cited other causes: a traditional dip in violence following the Muslim holy month of Ramadan, which ended about 10 days ago; "the increased calls for peace and reconciliation by Iraqi political leaders, clerics and sheiks"; and continuing U.S. and Iraqi military operations.

In a rare note of praise for someone often considered a U.S. enemy, Caldwell said that even anti-U.S. Shiite cleric Moqtada al-Sadr seemed to be pitching in. "From the comments he's made recently, he wants to see violence reduced, he wants to see greater peace and security for Iraqis," and he put out a statement saying "openly that he wants to see greater reconciliation and dialogue, and he is a part of the political process here," Caldwell said.

In violence Thursday, at least seven people were killed and 45 injured when a bomb rigged to a motorcycle exploded in a crowded market in Sadr City, local authorities said. A car bomb in south Baghdad killed 12 and wounded 23, and a roadside bomb in eastern Baghdad killed four people and injured 23, an Interior Ministry official said.

Congress Tells Auditor In Iraq To Close Office (NYT)

By James Glanz

The New York Times, November 3, 2006

DOJ_NMG_0090469

Investigations led by a Republican lawyer named Stuart W. Bowen Jr. in Iraq have sent American occupation officials to jail on bribery and conspiracy charges, exposed disastrously poor construction work by well-connected companies like Halliburton and Parsons, and discovered that the military did not properly track hundreds of thousands of weapons it shipped to Iraqi security forces.

And tucked away in a huge military authorization bill that President Bush signed two weeks ago is what some of Mr. Bowen's supporters believe is his reward for repeatedly embarrassing the administration: a pink slip.

The order comes in the form of an obscure provision that terminates his federal oversight agency, the Office of the Special Inspector General for Iraq Reconstruction, on Oct. 1, 2007. The clause was inserted by the Republican side of the House Armed Services Committee over the objections of Democratic counterparts during a closed-door conference, and it has generated surprise and some outrage among lawmakers who say they had no idea it was in the final legislation.

Mr. Bowen's office, which began operation in January 2004 to examine reconstruction money spent in Iraq, was always envisioned as a temporary organization, permitted to continue its work only as long as Congress saw fit. Some advocates for the office, in fact, have regarded its lack of a permanent bureaucracy as the key to its aggressiveness and independence.

But as the implications of the provision in the new bill have become clear, opposition has been building on both sides of the political aisle. One point of contention is exactly when the office would have naturally run its course without a hard end date.

The bipartisan opposition may not be unexpected given Mr. Bowen's Republican credentials — he served under George W. Bush both in Texas and in the White House — and deep public skepticism on the Bush administration's conduct of the war.

Susan Collins, a Maine Republican who followed the bill closely as chairwoman of the Senate Committee on Homeland Security and Government Affairs, says that she still does not know how the provision made its way into what is called the conference report, which reconciles differences between House and Senate versions of a bill.

Neither the House nor the Senate version contained such a termination clause before the conference, all involved agree.

"It's truly a mystery to me," Ms. Collins said. "I looked at what I thought was the final version of the conference report and that provision was not in at that time."

"The one thing I can confirm is that this was a last-minute insertion," she said.

A Republican spokesman for the committee, Josh Holly, said lawmakers should not have been surprised by the provision closing the inspector general's office because it "was discussed very early in the conference process."

But like several other members of the House and Senate who were contacted on the bill, Ms. Collins said that she feared the loss of oversight that could occur if the inspector general's office went out of business, adding that she was already working on legislation with several Democratic and Republican senators to reverse the termination.

One of those, John W. Warner, the Virginia Republican who is chairman of the powerful Senate Armed Services Committee, said in a statement that Mr. Bowen was "making a valuable contribution to the Congressional and public understanding of this very complex and ever-changing situation in Iraq."

"Given that his office has performed important work and that much remains to be done," Mr. Warner added, "I intend to join Senator Collins in consulting with our colleagues to extend his charter."

While Senators Collins and Warner said they had nothing more than hunches on where the impetus for setting a termination date had originated, Congressional Democrats were less reserved.

"It appears to me that the administration wants to silence the messenger that is giving us information about waste and fraud in Iraq," said Representative Henry A. Waxman, a California Democrat who is the ranking minority member of the House Committee on Government Reform.

"I just can't see how one can look at this change without believing it's political," he said.

The termination language was inserted into the bill by Congressional staff members working for Duncan Hunter, the California Republican who is the chairman of the House Armed Services Committee and who declared on Monday that he plans to run for president in 2008.

Mr. Holly, who is the House Armed Services spokesman as well as a member of Mr. Hunter's staff, said that politics played no role and that there had been no direction from the administration or lobbying from the companies whose work in Iraq Mr.

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Bowen's office has severely critiqued. Three of the companies that have been a particular focus of Mr. Bowen's investigations, Halliburton, Parsons and Bechtel, said that they had made no effort to lobby against his office.

The idea, Mr. Holly said, was simply to return to a non-wartime footing in which inspectors general in the State Department, the Pentagon and elsewhere would investigate American programs overseas. The definite termination date was also seen as helpful for planning future oversight efforts from Bush administration agencies, he said.

But in Congress, particularly on the Democratic side of the aisle, there have long been accusations that agencies controlled by the Bush administration are not inclined to unearth their own shortcomings in the first place.

The criticism came to a head in a hearing a year ago, when Representative Dennis J. Kucinich, an Ohio Democrat, induced the Pentagon's acting inspector general, Thomas Gimble, to concede that he had no agents deployed in Iraq, more than two years after the invasion.

A spokesman for the Pentagon inspector general said Thursday that Mr. Gimble had worked to improve that situation, and currently had seven auditors in Baghdad and others working on Iraq-related issues in the United States and elsewhere. Mr. Gimble was in Iraq on Thursday, the spokesman said.

Mr. Bowen's office has 55 auditors and inspectors in Iraq and about 300 reports and investigations already to its credit, far outstripping any other oversight agency in the country.

But Howard Krongard, the State Department inspector general, said that the comparison was misleading, because many of those resources would probably flow to State and the Pentagon if Congress shuts Mr. Bowen's office down.

"I think we are competitive to do what they ask us to do," Mr. Krongard said, referring to Congress.

Mr. Kucinich and other lawmakers said that Iraq oversight could also be hurt by the loss of Mr. Bowen's mandate, which allows him to cross institutional boundaries, while the other inspectors general have jurisdictions only within their own agencies. Mr. Krongard said that issue could be handled by cooperation among the inspectors general.

Officials at the State Department and the Pentagon made it clear that in general terms they supported Mr. Bowen's work and would abide by the wishes of Congress.

While the quality of Mr. Bowen's work is seldom questioned, he is sometimes accused of being a grandstander who is too friendly with the news media. Mr. Bowen has responded that it is standard procedure to publicize successful investigations as a way of discouraging other potential wrongdoers.

Among the disagreements on the termination language in the defense authorization bill was exactly how much it would have shortened Mr. Bowen's tenure. An amendment in the Senate version of the bill actually expanded the pot of reconstruction money his agents could examine.

Because the tenure of his office is calculated through a formula involving the amount of reconstruction money in that pot, the crafters of that amendment figured that it would have extended Mr. Bowen's work until well into 2008 — or longer if Congress granted further extensions.

Mr. Holly agrees that the Senate language would have expanded that pot of money, but he says that in the Republican staff's interpretation of the formula, Mr. Bowen's tenure would have run out sometime in 2007 whether the money was added or not.

In any case, as the bill came out of conference, the termination date of Oct. 1, 2007, was inserted, effectively meaning that Mr. Bowen would have to start working on passing his responsibilities to other agencies by early next year.

Capitol Hill staff members said that after House Democratic objections were overridden, Senate conferees agreed to the provision in a bit of horse-trading: the amount of money Mr. Bowen could look at would be expanded, but only with the hard termination date.

Mr. Bowen himself declined to comment on the controversy surrounding his office, saying only that he was already working with the other inspectors general to develop a transition plan in accordance with the defense authorization act. "We will do what the Congress desires," Mr. Bowen said.

Bechtel Calls It Quits After More Than 3 Years In Iraq (LAT)

By David Streitfeld

DOJ_NMG_0090471

The Los Angeles Times, November 3, 2006

SAN FRANCISCO — Bechtel Corp. helped build the Bay Area subway system, Hoover Dam and a city for 200,000 in the desert of Saudi Arabia. It likes to boast that it can go anywhere, under any conditions, and build anything.

In Iraq, Bechtel met its match.

A firm that prides itself on its safety record saw dozens of its workers killed. And a company that celebrates achievement won't know for a long time, if ever, exactly what it accomplished.

The assignment Bechtel won from the U.S. government in early 2003 was unique: Apply the brick and mortar needed to restart the long-starved and war-damaged Iraqi economy, allowing the country to blossom into a modern and free industrial state. Rarely had a single corporation been given so much power to affect so many so quickly.

More than three years later, Bechtel says its work on Iraq's water and electrical plants, its bridges, schools and port, is done.

The company said this week at its headquarters here that it had completed 97 of 99 projects for a total of $2.3 billion, a sum that included its undisclosed fee. Only two Bechtel employees are left in the country. At its peak, there were 200 people from Bechtel supervising tens of thousands of Iraqis.

If the story for Bechtel is drawing to a close, this isn't anything like the happy ending it once expected.

The company went to Iraq with a good deal of well-earned swagger. Chairman Riley Bechtel told the firm's employees in April 2003 that Bechtel's record was one "that few, if any, companies in the world can match." The tasks it would undertake in Iraq, he added, were "the kind of work we do best."

The company expected Iraq to develop from an aid recipient to a customer. The biggest U.S. engineering firm would help one of the world's most distressed countries into the 21st century.

That hope receded with each suicide bombing.

"We were told it would be a permissive environment. But to the horror of everyone, it never stabilized. It just went down, down, down, and to this day it continues to go down," said Cliff Mumm, who ran Bechtel's Iraq operation. "I'm proud of what we did, but had law and order prevailed, it would be a different situation."

At one Bechtel project, in the southern city of Basra, the company recorded this toll: the site security manager was murdered; the site manager resigned after receiving death threats; a senior engineer resigned after his daughter was kidnapped; 12 employees of the electrical-plumbing subcontractor were assassinated in their offices; and 11 employees of the concrete supplier were murdered.

All told, 52 workers associated with Bechtel projects were killed, most of them Iraqi. Forty-nine others were wounded.

Bechtel says it completed nearly all its assigned projects, but that doesn't mean they are necessarily operating as planned.

"Once projects were complete, the plant operating crews we trained often lacked the leadership, resources or motivation needed to run and maintain their facilities," Mumm noted in September testimony to the House committee on government reform.

If Bechtel gives itself high grades under the circumstances, others aren't so generous.

"They thought, 'We're the world's best, and we can go in and make this happen,' " said Rick Barton, a reconstruction specialist at the Center for Strategic and International Studies, a Washington think tank.

"After all the money that's been invested, the Iraqi people should be able to make it on their own. But we're nowhere near that, let alone creating a shining city on a hill," Barton added.

The looting and vandalism outpaced the rebuilding from the beginning.

In May 2003, the supposed end of open warfare, a survey of Iraq's dilapidated electrical system showed 13 downed transmission towers. Four months later, the total had grown to 623.

"We were trying to hold the infrastructure together, and at the same time build a platform to go forward, and at the same time, cope with a deteriorating security situation," said Mumm, who recently returned to the U.S. "There were a lot of moving parts."

The company's critics give it points for remaining free of corruption, unlike some Iraq contractors. But they say it was too slow in restoring the power grid.

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"In the critical years of 2003 and 2004, part of the growing sense in the Iraqi population that Americans were incompetent occupiers rather than effective liberators came because Bechtel hadn't gotten the power grid on in the scorching hot summers," said Charles Tiefer, a professor at the University of Baltimore School of Law and an expert on government contracting.

"American corporate reconstruction efforts like Bechtel's failed worse in Iraq than American arms," Tiefer said.

The lack of an infrastructure fed the insurgency, which made its goal to destroy the infrastructure. As time went on, Bechtel spent increasing amounts not on rebuilding but on protecting its workers.

Now that the reconstruction funds are running out, the fate of the Iraq infrastructure, like so much else in the country, is uncertain.

"Bechtel is putting a 'Mission Accomplished' banner over their work in Iraq and then coming home," said Steve Ellis of Taxpayers for Common Sense, a watchdog group. "But the mission has not been accomplished. Iraq still doesn't have enough power, hospitals, clean water."

Most of the bridges and roads and other projects built by Bechtel in the last century are still in use. Mumm hopes that the work the company did in Iraq will survive.

"All that stuff is there, and available, should the Iraqis find themselves in a stable enough position to use them and take advantage of them," he said. "I believe eventually that will happen."

As Bechtel Goes (NYT)

By Paul Krugman

The New York Times, November 3, 2006

Bechtel, the giant engineering company, is leaving Iraq. Its mission — to rebuild power, water and sewage plants — wasn't accomplished: Baghdad received less than six hours a day of electricity last month, and much of Iraq's population lives with untreated sewage and without clean water. But Bechtel, having received $2.3 billion of taxpayers' money and having lost the lives of 52 employees, has come to the end of its last government contract.

As Bechtel goes, so goes the whole reconstruction effort. Whatever our leaders may say about their determination to stay the course complete the mission, when it comes to rebuilding Iraq they've already cut and run. The $21 billion allocated for reconstruction over the last three years has been spent, much of it on security rather than its intended purpose, and there's no more money in the pipeline.

The failure of reconstruction in Iraq raises three questions. First, how much did that failure contribute to the overall failure of the war? Second, how was it that America, the great can-do nation, in this case couldn't and didn't? Finally, if we've given up on rebuilding Iraq, what are our troops dying for?

There's no definitive way to answer the first question. You can make a good case that the invasion of Iraq was doomed no matter what, because we never had enough military manpower to provide security. But the lack of electricity and clean water did a lot to dissipate any initial good will the Iraqis may have felt toward the occupation. And Iraqis are well aware that the billions squandered by American contractors included a lot of Iraqi oil revenue as well as U.S. taxpayers' dollars.

Consider the symbolism of Iraq's new police academy, which Stuart Bowen, the special inspector general for Iraq reconstruction, has called "the most essential civil security project in the country." It was built at a cost of $75 million by Parsons Corporation, which received a total of about $1 billion for Iraq reconstruction projects. But the academy was so badly built that feces and urine leak from the ceilings in the student barracks.

Think about it. We want the Iraqis to stand up so we can stand down. But if they do stand up, we'll dump excrement on their heads.

As for how this could have happened, that's easy: major contractors believed, correctly, that their political connections insulated them from accountability. Halliburton and other companies with huge Iraq contracts were basically in the same position as Donald Rumsfeld: they were so closely identified with President Bush and, especially, Vice President Cheney that firing or even disciplining them would have been seen as an admission of personal failure on the part of top elected officials.

As a result, the administration and its allies in Congress fought accountability all the way. Administration officials have made repeated backdoor efforts to close the office of Mr. Bowen, whose job is to oversee the use of reconstruction money. Just this past

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May, with the failed reconstruction already winding down, the White House arranged for the last $1.5 billion of reconstruction money to be placed outside Mr. Bowen's jurisdiction. And now, finally, Congress has passed a bill whose provisions include the complete elimination of his agency next October.

The bottom line is that those charged with rebuilding Iraq had no incentive to do the job right, so they didn't.

You can see, by the way, why a Democratic takeover of the House, if it happens next week, would be such a pivotal event: suddenly, committee chairmen with subpoena power would be in a position to investigate where all the Iraq money went.

But that's all in the past. What about the future?

Back in June, after a photo-op trip to Iraq, Mr. Bush said something I agree with. "You can measure progress in megawatts of electricity delivered," he declared. "You can measure progress in terms of oil sold on the market on behalf of the Iraqi people." But what those measures actually show is the absence of progress. By any material measure, Iraqis are worse off than they were under Saddam.

And we're not planning to do anything about it: the U.S.-led reconstruction effort in Iraq is basically over. I don't know whether the administration is afraid to ask U.S. voters for more money, or simply considers the situation hopeless. Either way, the United States has accepted defeat on reconstruction.

Yet Americans are still fighting and dying in Iraq. For what?

Iraqi Leaders Try To Keep US At Arm's Length (FT)

By Steve Negus

Financial Times, November 3, 2006

With friction between the US and Iraq's Shia-led government rising to new highs in the run-up to American elections next week, leaders in Baghdad are moving to extract concessions from Washington on the status of US forces in the country.

Iraqi parliamentarians are trying to change the guidelines that govern the US-led multinational force in Iraq – including lifting the immunity from prosecution in Iraq enjoyed by troops – when the United Nations resolution authorising its presence there comes up for renewal at the end of the year.

This development comes after Nouri al-Maliki, Iraq's prime minister, succeeded in pushing the US military to lift blockades surrounding the huge Shia slum of Sadr City on Tuesday. The clampdown had been imposed in an attempt to find a US soldier reported to be held hostage there. But it brought gridlock to several parts of the city, angered Sadr City residents and triggered criticism from members of the government.

The moves by Mr Maliki seem intended, at least in part, to show the Iraqi public that the government is not under American control. Mr Maliki is reported to have told Zalmay Khalilzad, US ambassador, on Friday that, while he was Washington's "friend", he was not "America's man in Iraq".

The tougher stance taken by Mr Maliki comes after a sustained period of US pressure to clamp down on sectarian violence blamed largely on Shia militia.

Haydar al-Ibadi, a lawmaker from Mr Maliki's Dawa party, said Iraqi politicians had in recent days made three main proposals to parliament: to pass primary responsibility for security issues in Iraq from the US-led multinational force to the Iraqi government, to allow the Iraqi government to make decisions regarding the training and arming of security forces, and to regulate the presence of the multinational force inside Iraqi cities.

He also said lawmakers wanted to make members of the multinational forces, who currently enjoy legal immunity in Iraq, "accountable for any breaking of the law, any killings of Iraqis".

However, he added that parliamentarians were not sure how to go about negotiating the issue, as they realised that the US would strongly resist such a proposal. The intention would be to have the force "backing up the Iraqi government when the Iraqi government wanted", said Mr Ibadi.

US military officers currently say they do await a green light from the Iraqi government before any major operations, but Iraqis including Mr Maliki have said that in practice Americans take key decisions without consulting them.

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The move by parliamentarians follows the lifting of the blockade of Sadr City – an apparent capitulation by the US military. The crisis has been a particularly tense test of US-Iraqi relations, as the US military places heavy emphasis on doing whatever is necessary to recover missing personnel.

To the Iraqis it is equally sensitive, as the vast suburb is the support base of the radical Shia cleric Moqtada al-Sadr, whose Sadrist movement is perhaps the most important backer of Mr Maliki's parliamentary coalition while simultaneously one of the strongest critics of its policies.

Shortly after Mr Maliki called for the blockade to be lifted by the US, it was. Residents report that the popularity of Mr Maliki, who was previously seen as having sold out Shia interests to the Americans, has since surged.

General Plays Down Discord Between U.S. And Iraqis (NYT)

By Kirk Semple

The New York Times, November 3, 2006

BAGHDAD, Nov. 2 — The top American military spokesman here on Thursday played down recent discord between the American and Iraqi governments, saying that while there had been "disconnects," the leaders of both countries were working closely to achieve political stability in Iraq.

"A transition is not always a pleasant thing to watch as it happens," the spokesman, Maj. Gen. William B. Caldwell IV, said during a news briefing in Baghdad. "We need to have more dialogue, as was clearly evidenced by the fact that there have been some disconnects that have occurred in this transition period."

On Tuesday, in the latest public flare-up of tension, Prime Minister Nuri Kamal al-Maliki, under pressure from Shiite political leaders and outraged Baghdad residents, demanded that American troops remove a week-old cordon that had been set up around the Shiite district of Sadr City as part of the search for a missing American soldier.

General Caldwell said Thursday that a "tremendous amount of political activity" was under way to secure the release of the soldier, who was reported taken on Oct. 23 after he left the fortified Green Zone, without permission, to visit relatives in central Baghdad.

"There is ongoing dialogue that is being done at different levels at this time," the general said, though he refused to provide any details of those conversations.

General Caldwell confirmed that the soldier was Specialist Ahmed Qusai al-Taie, a 41-year-old Iraqi-American reservist, and that he was married to an Iraqi woman. His wife was among the relatives Specialist Taie was visiting when he was abducted, the general said, adding that officials believed that the soldier was still alive and being held by his original captors.

The American command has dedicated more than 2,000 American troops and more than 1,000 members of Iraqi security forces to the search operation, which has focused on Sadr City and the central Baghdad neighborhood of Karrada, where Specialist Taie was taken. The authorities suspect involvement by the Mahdi Army, a large Shiite militia that controls Sadr City and is loyal to the Shiite cleric Moktada al-Sadr.

The manhunt has angered some American troops in Iraq, who have privately complained that the military should not expend any additional resources, or put any troops at further risk, to search for a soldier who had violated military rules and exposed himself to danger by leaving his post without military protection.

But on Thursday, perhaps addressing those complaints, General Caldwell said, "We never stop looking for our service members."

Prime Minister Maliki's demand to end the search cordon put additional strain on an increasingly fractious relationship between him and President Bush.

The Iraqi leader has wrestled for more independence from his American protectors, including greater control of Iraq's security, which is dominated by the Americans. According to General Caldwell, the prime minister announced an initiative this week to expand the Iraqi military by about 18,700 troops.

The top American military commander in Iraq, Gen. George W. Casey Jr., said last week that Iraqi security forces still needed 12 to 18 months before they would be ready to take full control of the country's security. But Iraq's president, Jalal

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Talabani, offered a more conservative prediction, saying during a speech in Paris on Thursday that Iraq's security forces would be ready to assume full responsibility in two to three years.

"Two to three years are needed to build our security forces and say goodbye to our friends," said Mr. Talabani, who is on a six-day visit to France.

General Caldwell said some measurements of violence in Iraq had indicated a decrease since the holy month of Ramadan ended early last week, including a 23 percent drop in casualties across the country from the week before.

"Those statistics are promising, but as I've said before, one week does not constitute a trend," he cautioned.

Indeed, a wide range of attacks on Thursday drew from the entire repertoire of tactics used by the country's death squads and criminal groups: vehicle bombs, mortar bomb attacks, bombs concealed along urban and rural roadways, ambushes, assassinations, drive-by shootings and kidnappings.

At least 37 people were killed, including civilians and security forces, and 97 wounded in more than two dozen incidents reported by the authorities in Baghdad, Baquba and Kirkuk, three of the country's largest cities.

In Baghdad at least five people were killed and 53 were wounded when a bomb hidden on a motorcycle exploded in a crowded marketplace in Sadr City.

Separately, attackers shot and killed the dean of Baghdad University's economics and management college, his wife and their son at the college's front gate, an Interior Ministry official said.

An American military patrol opened fire on guards working at a building associated with the Supreme Judiciary Council, killing four and wounding one, the ministry official said. The circumstances of the shooting remained unclear. A bomb exploded in a crowded market in the New Baghdad neighborhood, killing one and wounding 22, the official said.

In Diyala Province, gunmen opened fire on two oil tanker trucks, igniting the trucks and killing five people inside, a provincial police official reported. Other gunmen killed a judge and his son in the provincial capital of Baquba, the police official said.

An American soldier died in what was called "a noncombat-related incident" north of Baghdad on Thursday, the American military said.

It said in another statement that Iraqi security forces operating about three miles from the Iranian border had "intercepted six heavily loaded donkeys." The donkeys were hauling 53 Soviet- and Italian-made antitank landmines and one antitank projectile, which the troops confiscated and destroyed. No humans were captured, the statement said, and the donkeys were set free.

November Off To Bloody Start In Iraq (AP)

By Steven R. Hurst

AP, November 2, 2006

A blood-drenched October has passed into a violent early November as a motorcycle rigged with explosives ripped through a crowded Shiite market in Sadr City on Thursday and suspected Sunni insurgent gunmen killed a Shiite dean of Baghdad University.

The attacks showed no signs of abating after at least 1,272 Iraqis were killed in the first full month of autumn and the 43rd month of the U.S. bid to quell violence and build democracy in Iraq, according to an Associated Press count. The figure is a minimum since many deaths go unreported, but the total is higher than any other month since the AP began keeping track in May 2005.

AP statistics also showed nearly twice as many Iraqi security forces died last month as U.S. forces — 194 versus 106. The Interior Ministry said at least 119 Iraqi policemen were killed.

With shootings, bombings and abductions tearing apart Iraq three years after the U.S.-led invasion, the war in Iraq is the top issue for voters before next week's U.S. congressional elections.

The Iraqi president, visiting Paris, said Thursday all American forces could be gone from Iraq within three years.

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"Two to three years are needed to build our security forces and say bye-bye to our friends," Jalal Talabani said. The president, a Kurd whose ethnic group owes its relative prosperity and independence in northern Iraq to the U.S. invasion, has repeatedly predicted an earlier departure for American forces than U.S. generals have.

Asked about Talabani's remarks, Pentagon spokesman, Lt. Col. Todd Vician, said: "All parties agree on the desire to hand over control for security to the Iraqis as soon as possible."

Democratic Sens. Carl Levin and Jack Reed said their party will attempt to pass legislation to begin bringing some troops home immediately.

"We want to end the open-ended commitment of our troops, and we want to begin, at least by the end of the year, the reduction of American forces," Levin said.

At least 49 people were killed or found dead throughout Iraq on Thursday, including the seven killed when the motorcycle blew up in a crowded market in Baghdad's Sadr City district. At least 45 people were wounded in that attack, many of them seriously, police said.

It was the first bombing in Sadr City since Prime Minister Nouri al-Maliki ordered the lifting Tuesday of the week-old U.S.-Iraqi army security blockade on the sprawling Shiite slum of 2.5 million people.

Police Lt. Thaer Mahmoud said the explosives went off at 4 p.m., usually the busiest time at Mereidi market, one of the neighborhood's most popular commercial centers.

The rigged motorcycle was left in a section of the market that specialized in the sales of secondhand motorbikes and spare parts. Videotape by Associated Press Television News in the aftermath of the bombing showed the mangled skeletons of scores of motorbikes and large pools of blood on the ground.

Gheith Jassim al-Saadi, a 36-year-old laborer, arrived at the scene shortly after the blast. He had planned to go to the market earlier to have two friends repair his motorbike.

"Motorcycles were scattered everywhere, blood was on the ground and crowds of people were looking for their relatives in panic," he said. "I do not know what happened to my two friends."

Mahdi Army militiamen, who control the district, arrived quickly to disperse a crowd of onlookers, fearing a second blast targeting rescuers and police as has repeatedly been the case in past bombings.

The slain university dean, Jassim al-Asadi, a Shiite, was returning home after picking up his son from school and his wife from her teaching job, when gunmen drove alongside and sprayed his car with automatic weapons, police Lt. Ahmed Ibrahim said. Al-Asadi's wife and son also were killed, Ibrahim said.

With his death, at least 155 educators have perished since the war began. The academics apparently were singled out for their relatively high public stature, vulnerability and known views on controversial issues in a climate of deepening Islamic fundamentalism.

The savagery against professionals is robbing Iraq of much of its brain trust. The Health Ministry says at least 250 physicians and health workers have been killed since March 2003 and more than 6,000 doctors have fled the country.

As with most murders in Iraq, al-Asadi's killers were unlikely to be captured, leaving their motive a mystery. But he was slain four days after the assassination of a prominent Sunni academic, matching the pattern of tit-for-tat sectarian revenge killings that have shredded Iraqi society.

Geologist Essam al-Rawi, head of the University Professor's Union and a senior member of the Sunni Association of Muslim Scholars, was gunned down as he left his Baghdad home Monday. The scholars association has links to the Sunni insurgency.

Two Iraqi lawmakers, meanwhile, said the prime minister planned to reshuffle his 39-member Cabinet in a bid to salvage the government's faltering image and deflect criticism that it is ineffective in stopping the sectarian killing, providing services and creating jobs.

"It will cover about a third of the serving ministers, including one with a security brief," Ali al-Adeeb, a lawmaker of al-Maliki's Dawa Party and a close aide to the prime minister, told the AP.

Hassan al-Suneid, another Dawa lawmaker and al-Maliki confidant, said he expects the Cabinet changes within a month. "It will take place after consultations with the political blocs in parliament," he said.

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The U.S. military said a Baghdad-based soldier was killed Wednesday in a roadside bombing, a second died Monday in a firefight in the capital and a third died Thursday from an unspecified non-combat incident north of the capital, raising to 2,820 the number of U.S. forces who have died in the war.

Also Thursday, the U.S. military identified a kidnapped soldier as Ahmed Qusai al-Taayie, 41, of Ann Arbor, Mich. His identity had been widely published after an Iraqi woman, who said she was his mother-in-law, provided the name and said he was married three months ago to her daughter, a Baghdad college student.

Maj. Gen. William B. Caldwell confirmed widely published reports that the reserve soldier was handcuffed and taken away by gunmen during a visit to his wife's family Oct. 23.

But Caldwell said that the soldier and his wife were "married in February 2005 and he didn't arrive in theater until November 2005. So he has every right, of course, as an American soldier to marry whomever he wants. ... At the time he was abducted his wife was in country here, in Baghdad."

The spokesman said the United States believed the soldier was still in the custody of his abductors and there was "an ongoing dialogue" to win the his release. He did not say with whom or at what level.

Baghdad University Shi'ite Dean Slain (AP)

By Sameer N. Yacoub

AP, November 2, 2006

BAGHDAD -- Gunmen yesterday killed the Shi'ite dean of Baghdad University's school of administration and economics, the 155th Iraqi academic slain in sectarian violence and revenge attacks since the 2003 U.S. invasion.

In another attack against majority Shi'ites, a motorcycle bomb struck a crowded market in Sadr City, killing seven persons and wounding 45, police said, two days after the U.S. lifted a military blockade of the Baghdad district on the orders of Prime Minister Nouri al-Maliki.

The rigged motorcycle was left in a section of the Mereidi market that specialized in the sales of secondhand motorbikes and spare parts. The attack raised the total number of people killed or found dead across Iraq yesterday to 49.

Sadr City is a stronghold of militia loyal to radical anti-U.S. cleric Muqtada al-Sadr.

The U.S. military also confirmed yesterday that a kidnapped soldier was an Iraqi-American man who was married to an Iraqi woman. Maj. Gen. William B. Caldwell identified him as Ahmed Qusai al-Taayie, a 41-year-old reserve soldier.

The military spokesman said there was "an ongoing dialogue" in a bid to win the soldier's release, but he would not say with whom or at what level.

The statements coincided with sharp criticism of Mr. al-Maliki's five-month-old government for its perceived failure to make progress toward crushing the Sunni-led insurgency and disband Shi'ite militias blamed for much of the violence. Mr. al-Maliki also is under fire for doing too little to improve services and create jobs.

The government's main backer, the United States, has added to the pressure, presenting Mr. al-Maliki last week with a timeline to end the violence and achieve reconciliation among the country's various religious and ethnic groups.

Iraqi President Jalal Talabani said yesterday that his country could send U.S.-led troops home in two to three years, once Iraq has set up its own domestic security forces.

"Two to three years are needed to build our security forces and say bye-bye to our friends," Mr. Talabani said at a conference during a visit to Paris.

The Shi'ite university dean, Jassim al-Asadi, was driving home after picking up his son from school and his wife from her teaching job when a group of armed men pulled alongside and sprayed his car with bullets, police Lt. Ahmed Ibrahim said. Mr. al-Asadi's wife and son also were killed in the attack.

Iraqi academics, along with doctors and other professionals, have become frequent targets of threats, kidnappings and slayings. At least 155 have been killed since April 9, 2003, when Saddam Hussein was ousted, according to Education Ministry statistics.

Thousands of others have fled the country, starving Iraq's education, legal and health care systems of much-needed expertise and deepening a pervasive sense of hopelessness.

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A prominent Sunni academic was killed Monday as part of a pattern of tit-for-tat sectarian attacks since the Feb. 22 bombing of a Shi'ite shrine in Samarra.

Hughes Stands By State's Man In The Mideast (WP)

By Al Kamen

The Washington Post, November 3, 2006

If you make a serious blunder, seems it's much better to be a Republican than a Democrat.

Take, for example, Sen. John F. Kerry (D-Mass.), the former -- and surely never again -- Democratic nominee for president. He botched a joke or insulted the troops, or both, and the Democrats cut and ran faster than an Olympic sprinter.

Sen. Hillary Rodham Clinton (N.Y.) promptly condemned the remarks as "inappropriate." Rep. Harold E. Ford Jr. (Tenn.) defected to the Republicans, saying Kerry "needs to apologize to our troops."

Compare that with the State Department's treatment of Alberto Fernandez, head of public diplomacy for the Mideast. Fernandez said the administration had been arrogant and stupid in its Iraq foray. He said this, in Arabic, in an Oct. 21 interview with al-Jazeera television. Then he apologized, saying he somehow misspoke.

So was he fired? Transferred? Hardly. His boss, Undersecretary Karen Hughes is backing him all the way, according to an e-mail circulated by Hughes's assistant, Adele E. Ruppe.

"We've received a number of calls and e-mails from people" asking about what's going to happen to Fernandez, Ruppe wrote. "I want to assure everyone" Hughes supports Fernandez, she added.

Hughes "called a public diplomacy staff meeting first thing Monday morning" two days after the al-Jazeera interview, "to express her strong support," said Ruppe's e-mail. "We have to back our people," Hughes said, according to the e-mail, "even if they occasionally make a mistake in their choice of words." Hughes "noted that Alberto is out there . . . every day, doing television, on some of the toughest media shows -- frequently in Arabic. . . . No one is perfect and all of us will occasionally make mistakes."

Hughes, according to Ruppe's meeting notes, said that "using the words 'arrogant' and 'stupid' was a mistake for which Alberto has apologized and it's important to remember those two words were in the midst of a lengthy television interview in Arabic."

So Hughes is staying the course with Fernandez. Probably helps that he's one of the few Arabic speakers she's got.Chertoff Honored and Dishonored

And now, a new feature, Loop Fan Forum.

This e-mail arrived Wednesday from Miles Swanson regarding an item about Homeland Security chief Michael Chertoff's selection as recipient of the Henry E. Petersen Award, usually given to a career member of the Justice Department's criminal division for his longtime achievements and contributions.

"My grandfather was Henry Petersen," Swanson writes. "I was horrified when I spoke to my mother this morning" and learned that Chertoff will be getting the award.

"I am an attorney working in the disaster area that is post-Katrina New Orleans," Swanson wrote. "I staff a free legal clinic in the 9th Ward. . . . As you can imagine, I am at a loss for words because every day I have to deal with the effects of his 'leadership.' Thank you."

Swanson sent us a forceful letter he'd written to Chertoff, whose agency oversees FEMA. It was "sad for the people of New Orleans and of all the Gulf Coast" that Chertoff is getting the award. "In closing," he said, "I want you to remember every single time your eyes peer at the Henry Petersen Award in whatever job you happen to be mucking up, that you do not deserve it."A Block of Endangered Incumbents

Sign of the times? A "For Sale" sign went up yesterday on D Street SE at a house that belonged to a former Florida GOP representative, and more recently to former CIA director Porter Goss. There's been some renovating -- perhaps folks removing the spook gear -- and an open house is set for Sunday.

But you might want to wait to buy until after the election, when the selling could be more competitive. Loop Fans will recall that this Capitol Hill block is an enclave of several endangered Republicans. Also along the street we find Rep. Nancy L. Johnson (Conn.). Next door is the house of Rep. E. Clay Shaw Jr. (Fla.), and two doors down from there the townhouse of Rep. Chris

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Chocola (Ind.). He lives next door to former representative Mark Foley (Fla.), and across the street there's Rep. Jim Ryun (Kan.) .The Price of Silencing a Mistress? $500,000

An update on another beleaguered Republican: Rep. Don Sherwood (Pa.) agreed last year to pay his former mistress about $500,000 to settle her $5.5 million lawsuit alleging he had abused her, the Associated Press reported yesterday.

The AP, citing a "person familiar with the terms of the deal," reported that the settlement called for her to be paid in installments. She's gotten less than half the money and will not get the rest until after the election. Sherwood has acknowledged that the woman was his mistress but denied abusing her. A clause in the settlement requires her to forfeit some of the money if she talks publicly about the case.

Abu Ghraib Ended Career, A Top General Says (USAT)

By Matt Kelley

USA Today, November 3, 2006

WASHINGTON — A former commander of U.S. troops in Iraq retired from the Army this week and said the Abu Ghraib prisoner-abuse scandal effectively ended his career.

Lt. Gen. Ricardo Sanchez called the scandal "the sole reason I was forced to retire" in an interview published Thursday in The Monitor newspaper in McAllen, Texas. Sanchez commanded U.S. ground forces in Iraq during the months in 2003 when American troops at Abu Ghraib prison near Baghdad beat, humiliated and sexually assaulted prisoners.

Sanchez, who retired Wednesday, is the third and highest-ranking general to have a career ended by the outcry over the mistreatment of Iraqi prisoners. Eleven enlisted soldiers have been found guilty of crimes in connection with the abuse at Abu Ghraib, which burst into public view in April 2004.

Sanchez could not be reached for comment Thursday.

Critics of the Pentagon's handling of the case, such as Sen. Carl Levin, D-Mich., say more senior officers and civilian leaders need to be punished. Levin, the top Democrat on the Senate Armed Services Committee, says forced retirement is "not much in the way of accountability."

In response to questions Thursday about Sanchez, Army spokesman Paul Boyce said only that he "retired after a long, professional career of public service to the U.S. Army and our nation." In May 2004, shortly before Sanchez turned his Iraq command over to Gen. George Casey, President Bush said, "Rick Sanchez has done a fabulous job."

Sanchez approved some harsh interrogation tactics for use at Abu Ghraib in fall 2003, when he and other military commanders were concerned about rising violence. Those tactics included using military dogs to frighten detainees, although the orders required Sanchez's approval in each instance.

An Army report released in 2004 faulted Sanchez for failing to properly oversee prison operations and said he indirectly contributed to some of the abuses. But the Army said in April 2005 that an inspector general's investigation cleared Sanchez of accusations of dereliction of duty in his oversight of prison operations in Iraq.

During a retirement ceremony at Fort Sam Houston in Texas on Wednesday, Sanchez's colleagues praised his tenure. Gen. John Abizaid, head of U.S. Central Command, said, "I've never stood by a better soldier in tougher times."

Sanchez's former commander in Europe, retired general Wesley Clark, told the San Antonio Express-News that Sanchez was "a fine officer." Clark sought the 2004 Democratic presidential nomination.

The taint of Abu Ghraib would have made it difficult for Sanchez to win the necessary Senate approval for a promotion, said Lawrence Korb, an assistant Defense secretary in the Reagan administration.

"The (Bush) administration didn't want to send his name to Congress because they were afraid he would be asked embarrassing questions about Abu Ghraib," Korb said. He said that while in Iraq, Sanchez had been under pressure from Washington to get better information from prisoners.

Pentagon Widens Its Battle To Shape News Of Iraq War (NYT)

By David S. Cloud, Thom Shanker

The New York Times, November 3, 2006

DOJ_NMG_0090480

WASHINGTON, Nov. 2 — The Pentagon is reorganizing its public affairs operation in an attempt to influence news coverage, amid internal frustration at the tone and substance of reporting on Iraq and on Defense Secretary Donald H. Rumsfeld.

The expanded office, which was first described by department officials in an informal press briefing on Monday, features a "rapid response unit" to react to news reports. It is also stepping up efforts to arrange appearances by department officials on talk radio and cable television, and to recruit "surrogates" who are not on the department's payroll to defend its policies.

A dozen new staff members have started to work behind a newly installed wall in the Pentagon's press office.

Officials involved say the new effort, which was conceived by Assistant Secretary of Defense Dorrance Smith, is not primarily a response to negative coverage but rather is aimed at more aggressively challenging articles and broadcasts deemed inaccurate and at making better use of podcasts, blogs and other new outlets.

"This is about the Department of Defense keeping the American people better informed about the nature of its operations, its activities, and its policies," said Bryan Whitman, a Pentagon spokesman. "We would have to do this even if we were not nation at war."

But officials also concede that much of the effort so far has focused on disputing stories about the war in Iraq and about Mr. Rumsfeld that they deem to be inaccurate. Pentagon officials in recent months have issued a flood of letters to the editor taking issue with accounts of Mr. Rumsfeld's role in setting Iraq strategy, the content of his speeches and other matters of fact and interpretation in newspapers and magazine articles.

They have also begun responding within minutes to live television reports, calling reporters and producers to challenge their accuracy.

The overhaul of the public affairs operation, has received a mixed response among some senior military officials at the department, who say it reflects frustration at coverage of the Iraq war.

"They are completely consumed with trying to control the message on Iraq," said a senior military officer. "This is an attempt to communicate directly with the American people without having to go through the traditional media. I don't know if that's possible."

Though some of the techniques have been employed at the Pentagon for years, the new plan expands and formalizes their use.

In so doing, the Pentagon is adopting tactics more often associated with a political campaign, rather than the military, according to current and former officials familiar with the plan.

Among those hired recently is Erin Healy, a former White House press spokeswoman, who has been brought on as a consultant to improve the department's booking of radio and television appearances, according to Ms. Healy and Mr. Whitman. She began working for President Bush during his first campaign, in 2000, she said.

Mr. Smith is a former ABC News television producer who also worked in Baghdad as a media adviser to the Coalition Provisional Authority.

Barbara Starr, a veteran Pentagon correspondent for CNN, said she was surprised last month to be challenged by press officers within minutes after completing a report on a Baghdad briefing where the military's top spokesman called the results of recent security operations "disheartening." Ms. Starr said she had called it a "stunning development" on the air.

"They objected to the tone during my live shot," she said. "My view is that if a general says things are disheartening, that is news."

Mr. Whitman said he was not aware of the incident but said that he had challenged the content of television broadcasts before and that it had nothing to do with the reorganization of the press office.

Initial plans and goals for the new public affairs organizations were spelled out in documents dated in August, including a set of slides for Mr. Smith to use in briefing Mr. Rumsfeld on the proposed operation.

As described by a Defense Department official who had access to the briefing slides, four new public affairs groups were to be organized, with a roster of about 27 people, including political appointees and contractors.

Senator Carl Levin of Michigan, the ranking Democrat on the Armed Services Committee, said Thursday that he was not familiar with specifics of the Pentagon public affairs reorganization. But Mr. Levin said he was not surprised by what he termed "an effort to turn around their message delivery."

"I don't think anything is going to work except changing the facts," he said.

Mr. Rumsfeld has long been critical of the government's efforts to respond to information disseminated by people sympathetic to Al Qaeda and other terrorist groups, who make use of the Internet and other technology networks and, as Mr. Rumsfeld often says, are not bound by rules of accuracy.

Some elements of the operation, like letter-writing campaigns and demands for corrections, are increasingly commonplace in organized efforts to sway the press.

The Pentagon operation would go a step further, sometimes posting the correspondence on Defense Department Web sites.

In a sign that the department is having at least some success at bypassing traditional news media, Mr. Whitman said more people every month were downloading podcasts produced by the department about military affairs. Last month, the number of downloads was 219,000, up from 103,000 in April.

Seeking Options On Iraq (WP)

By David Ignatius

The Washington Post, November 3, 2006

Following Tuesday's elections, President Bush will face some of the most difficult decisions of his presidency as he struggles to craft a strategy for dealing with the ruinous mess in Iraq. He will have to do what he has sometimes found hardest: make a decisive choice among conflicting recommendations from his advisers.

The coming policy debate will be shaped by the recommendations of the bipartisan Iraq Study Group headed by former secretary of state James A. Baker III and former representative Lee Hamilton. But it will also involve basic conflicts that have emerged in the past year over Middle East strategy -- for which the rough Beltway shorthand would be Condoleezza Rice's State Department vs. the office of Vice President Cheney.

The central question for Bush is the one that's likely to be at the center of the Baker-Hamilton recommendations: Is America's best hope for stabilizing Iraq a broad effort to resolve tensions in the Middle East, including the Arab-Israeli dispute? This comprehensive regional approach to Iraq is controversial for two reasons: The United States would have to engage Iraq's troublesome neighbors, Iran and Syria; and it would have to push Israel to make concessions to the Palestinians as part of a broader peace deal.

A hint that the administration (or at least a faction of it) is considering such an approach came in a Sept. 15 speech by Philip Zelikow, counselor to Rice, at a gathering of the Washington Institute for Near East Policy. He talked about the need to maintain a coalition of Europeans and moderate Arabs to solve problems such as Iraq and Iran, and then argued: "What would bind that coalition and help keep them together is a sense that the Arab-Israeli issues are being addressed." His speech led Shmuel Rosner, the chief U.S. correspondent for the Israeli daily Haaretz, to wonder in his blog: "Does it really mean a major shift in U.S. policy on the Arab-Israeli conflict?"

Baker would be an ideal catalyst for such a regional approach, in part because he traveled that road once before with the 1991 Madrid peace conference. That meeting brought together all the major global and regional powers to support a round of peacemaking that led to a treaty between Israel and Jordan, negotiations between Israel and the Syrians, and, eventually, the Oslo accords between Israel and the Palestine Liberation Organization. To begin exploring the possibility of a new regional dialogue, Baker has already met privately with Iranian and Syrian diplomats.

Some hard-liners are nervous about Baker. A National Security Council staffer commented tartly a few weeks ago that Baker isn't secretary of state and doesn't speak for Bush. And the president himself, though he admires Baker's negotiating skills, worries that an overeager former secretary of state might hop on a plane for Tehran tomorrow if he had his way.

Britain has been testing the waters for a regional approach. Sir Nigel Sheinwald, the top foreign policy adviser to Prime Minister Tony Blair, visited Damascus this week for talks with Syrian President Bashar al-Assad and his intelligence chiefs. Sheinwald had visited Washington a week before to plan the trip with senior administration officials who, though skeptical about whether the mission would accomplish much, gave it their blessing.

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Sheinwald presented a series of British-U.S. concerns, including Syria's role in providing a base for Iraqi insurgents and recent Syrian threats to destabilize the Lebanese government of Prime Minister Fouad Siniora. Though the meeting didn't produce any breakthroughs, the atmospherics were said to have been better than expected, and there are hopes for further discussions about security issues.

Administration officials are mum about plans for contacts with Iran. But it's clear they are looking for ways to engage the Iranian regime and explore issues of mutual concern, starting with the deteriorating situation in Baghdad.

The hornet's nest at the center of the Middle East is Iraq. On this core issue, the administration is exploring a wide range of options, from changes in basic military strategy to whom to pick as the next Centcom commander. The administration had hoped to persuade Marine Gen. James Jones, the retiring NATO commander, to take the job. He would be a popular choice inside and outside the military, but he is said to be wary.

Israelis are watching the Washington policy debate carefully. There is concern that the administration might try to make Israel the "fall guy" for America's problems with Iraq and Iran. But several of the Israelis who are closest to Prime Minister Ehud Olmert say privately that the current power vacuum in the region hurts Israel most of all and that America must regain the strategic momentum, even if that means talking to its adversaries. Stay tuned to see if Bush opts for a "November surprise."

Afghan Farmers Likely To Match Harvest (AP)

By Jason Straziuso

AP, November 2, 2006

Afghan farmers now planting opium poppies will probably reap a harvest comparable to this year's record crop, in part because insurgents are preventing effective counter-narcotics work, officials said Thursday.

Planting is under way in southern regions responsible for the bulk of the estimated 6,100 tons of Afghan opium produced in the 2005-06 growing season. Anti-drug officials say that despite anti-cultivation campaigns, they foresee little improvement by harvest time next spring.

Drug production has skyrocketed since a U.S.-led offensive toppled the Taliban regime five years ago for giving refuge to Osama bin Laden and al-Qaida camps. Last spring's poppy harvest accounted for 92 percent of the global opium supply and was enough to make 610 tons of heroin — more than all the world's addicts consume in a year.

Police and government officials are deeply implicated in the trade, which adds to the corruption and lawlessness threatening Afghanistan's fledgling democracy. Taliban militiamen had all but eradicated opium cultivation by 2000 but now profit from it, protecting poppy farmers.

Deteriorating security in the countryside makes it difficult to monitor how much poppy has been planted, a senior U.S. official said. Taliban-led militants have increased attacks this year, particularly in Afghanistan's southern opium heartland.

Gen. Khodaidad, a deputy minister in Afghanistan's Ministry of Counter-Narcotics, said some provincial governors and police chiefs have been doing effective anti-drug work.

"But unfortunately, in some provinces, especially in the south and southwest, we haven't been doing as well," said Khodaidad, who like many Afghans uses one name. "The reason is very clear — fighting. Some of the districts are under the influence of the Taliban or al-Qaida."

Khodaidad said he hoped for a successful anti-cultivation campaign this fall followed by an eradication campaign in the new year, but he said he couldn't promise a reduction in the harvest. "I can tell you there will be no increase," he said.

However, the senior U.S. official said the new poppy crop probably will be similar to the one planted a year ago, "maybe a little under — we were so high last year." He spoke on condition of anonymity because he is not authorized to speak on the record.

The United Nations' anti-drug chief said recently that proceeds from Afghan opium production are being used to finance terrorist groups. The U.S. official said the country's drug trade was a $3.1 billion business this year and it doesn't "take much of that to fund terrorism."

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Seeking to counter corruption that hinders anti-drug efforts, the U.S. Drug Enforcement Agency is training special units of Afghan policemen who must pass polygraph exams and investigations of their backgrounds, Karen P. Tandy, the DEA administrator, said during a visit Sunday.

"DEA is very accustomed to working in countries where corruption is rampant," she said. "We have a method that has been extremely successful. ... You have patriots in every country who care about the future of their country, and that is no less true here in Afghanistan."

Khodaidad said President Hamid Karzai has warned government officials they will be removed if they help drug trafficking. He said a district chief and an administrator from the same district in Badakhshan, a remote and rugged northern province favored by drug producers, were recently fired.

The U.S. official said if there is no reduction in the opium harvest this year, Afghanistan would come under strong U.S. pressure to start spraying poppy fields with herbicide, an idea that Afghans, including Karzai, deeply oppose because of fears the chemicals could harm people.

U.S. Warhead Testing Behind Schedule, IG Says (WP)

By Walter Pincus

The Washington Post, November 3, 2006

"Significant backlogs" in surveillance testing of several types of nuclear warheads in the aging U.S. stockpile have created gaps in information needed to ensure that the weapons remain reliable, a report released yesterday by the Energy Department's inspector general said.

Every year, a small number of missile warheads and bombs from the nine U.S. nuclear weapons systems are dismantled. Parts are subjected to laboratory and flight tests to verify they are safe, secure and reliable.

"The surveillance program's role in assessing and ensuring confidence in the reliability of the weapons stockpile is increasingly important as the nuclear weapons stockpile ages," Inspector General Gregory H. Friedman wrote to Energy Secretary Samuel W. Bodman.

But Friedman added: "As a result of the continuing backlog of surveillance tests, the department lacks vital information about the reliability of the stockpile . . . [and] as a result of testing delays, important operating anomalies or other defects could go undetected."

Friedman said the department is "committed" to eliminating most of the testing backlog by September 2007, in part by upgrading facilities, updating safety studies and perhaps eliminating some test requirements. In one case, surveillance activities were delayed for six to seven months in 2004 because operations were halted over the loss of a computer disk containing classified materials.

Last year, the report said, laboratory tests were behind schedule for seven of the nine weapons systems and flight tests for six. Charts contained in the report show the greatest laboratory backlog was in the oldest warhead, the W-62, which was used on the Minuteman III intercontinental ballistic missile and is due for retirement. Of 36 lab tests planned, 13 had been completed by Sept. 30, 2005, the report said.

Of the more modern warheads, the W-88, the newest U.S. warhead found on the Trident submarine-launched ICBM, was scheduled for 29 lab tests -- of which 23 were completed on schedule. The largest gap in flight tests was for the W-87, the warhead that is to replace the W-62 and the Minuteman III. Of eight tests planned for fiscal 2005, three had been completed.

Some Opt Out Of Military Options (USAT)

By Judy Keen

USA Today, November 3, 2006

LINCOLNSHIRE, Ill. — Brian Berman, a senior at Stevenson High School, doesn't want to join the military, doesn't want calls from recruiters, doesn't want them at his door.

So his parents signed a form that prevents the school from giving his contact information to recruiters. A provision of the No Child Left Behind law requires high schools to share students' names, phone numbers and addresses with military recruiters unless students or their parents choose to opt out.

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Recruiters still come to school, he says, and "try to act all friendly." Berman, 18, doesn't buy their pitches about career and educational opportunities. "It's ridiculous," he says. "They're trying to bribe you to enlist."

Pentagon officials say recruiters just want the same information that goes to colleges and companies to make career pitches to students.

If Berman's parents had not signed the form, the school would be required to share his contact information with military recruiters under the 2001 law.

More than half of the nearly 4,500 students at Stevenson in this north Chicago suburb have submitted the forms. Schools that don't comply risk losing federal funds. None have so far.

The Pentagon and the Education Department don't track how many students ask not to be contacted by military recruiters. Opponents of the practice are spreading the word that parents must take action if they object:

•A conference called "Education Not Militarization!" will be held Saturday in Los Angeles. Arlene Inouye, a high-school teacher and founder of the Coalition Against Militarism in Our Schools, says the group has members in 50 schools who make sure parents and students know their rights.

Lupe Lujan of San Gabriel, Calif., got involved in the group after her son Samuel, then 17, showed up at home a couple years ago with a military recruiter to get Samuel's Social Security card, needed to take a military aptitude test. "I was very happy to tell the recruiter, 'You're not taking my son,' " Lujan says.

California Gov. Arnold Schwarzenegger vetoed a bill this fall that would have required schools to include an opt-out box to check on student emergency-contact cards. Some schools mail notices about opting out to parents, others send them home with students.

•Parents and peace activists in Montgomery County, Md., distributed opt-out forms to parents at back-to-school nights this fall.

•In Duluth, Minn., the Parent Teacher Student Association Council persuaded high schools to push back the deadline to turn in the forms from Oct. 1 to Nov. 1 and stepped up efforts to make parents aware of the requirement.

•The National PTA supports changing the federal law so recruiters could not approach students unless their parents "opt in" and request such contact.

Marine Maj. Stewart Upton, a Pentagon spokesman, says the law doesn't give the military an edge over other institutions interested in giving students career choices. It requires schools to "provide military recruiters the same access that's provided to colleges and other prospective employers," he says.

Douglas Smith, a spokesman for the Army Recruiting Command at Fort Knox in Kentucky, says recruiters want to work with the schools. "The idea is to have a strong personal and professional relationship with your schools," he says.

Students who submit the opt-out forms, Smith says, aren't necessarily precluding all contact. "It means that the school isn't going to give us that student contact information," he says. "It doesn't mean the recruiter might not contact the student anyway."

Recruiters can get students' names from other sources, such as career days at schools. If a student calls a military branch's toll-free number, responds to a letter or asks for information online, recruiters can make contact, Smith says.

Juniors and seniors are the focus of recruiters from all military branches. At Stevenson, recruiters organize exercise competitions and give prizes such as key chains and T-shirts.

That doesn't bother Kris Ozga, 17, a senior. His parents didn't sign the opt-out form, and he gets calls from recruiters, even on his cellphone. "They're like, 'Oh, have you even thought about enlisting?' " he says. He did think about it, but he's pursuing a college baseball scholarship.

He didn't like some recruiters' style. "Sometimes they don't back off," he says.

Kareem Miller, 17, didn't opt out and sometimes gets three or four calls a month. "It doesn't really bother anybody," he says. "It might make people worry, though, if there's a draft."

Recruiting high school students isn't new. Pam Polakow, whose son attended Stevenson before the law took effect in 2002, says military recruiters were "extremely persistent" when he was in school, calling at least once a week. "I was very uncomfortable," she says.

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Daniel Mater, 17, a Stevenson senior, says his parents signed the form. “They made the decision, but I never had any interest in the military,” he says. “It saves me time.”

Senior Gino Ciarroni, 18, has been talking to recruiters from the Army, Marines and Navy. “I'm interested in serving my country,” he says, “and getting help with college.” He's had trouble, though, getting answers about what military job he would qualify for and how much money he'd get for college.

Recruiters gave him their cellphone numbers and seem to be “there to help,” he says. He's considering joining the Reserve Officers' Training Corps.

Senior Robert Warren, 17, doesn't mind the calls. “They're very respectful,” he says. “When I told them I'm not interested, they stopped calling.”

CORPORATE SCANDALS:

Ex-CEO Gets 12 Years (AP)

By Tom Hays, Associated Press

AP, November 3, 2006

Judge Also Fines Former Computer Associates Leader $8 Million In Fraud Scandal

NEW YORK -- The former chief executive of Computer Associates International Inc. was sentenced to 12 years in prison and fined $8 million on Thursday in an accounting fraud scandal estimated to have cost investors $400 million at one of the world's largest software companies.

Sanjay Kumar, 44, had pleaded guilty in April to obstruction of justice and securities fraud charges at the company, which since has been renamed CA Inc.

"I know that I was wrong and there was no excuse for my conduct," Kumar told the judge while reading impassively from a statement at his sentencing at federal court in Brooklyn. "I do apologize for my mistakes and ask for forgiveness from all involved."

Under federal sentencing guidelines, Kumar could have faced life in prison, but the judge called that punishment unreasonable.

Prosecutor Eric Komitee argued that Kumar should be severely punished as the architect of an elaborate cover-up that was "the most brazen in the modern era of corporate crime."

The defense sought leniency by detailing Kumar's "meteoric" rise from Sri Lankan immigrant to one of the "great minds" of the software industry, and by emphasizing his philanthropic efforts, including a "Save the Elephants" campaign in Kenya.

U.S. District Judge Leo Glasser scolded the defendant for not fully acknowledging that the conspiracy cost shareholders an estimated $400 million. Though not a violent criminal, Kumar "did violence to the legitimate expectations of shareholders," the judge said.

Kumar was ordered to surrender on Feb. 27. He left the courthouse without speaking to reporters.

According to a 2004 indictment, Kumar orchestrated a plot to report more than $2 billion in false revenue between 1999 and 2000.

Prosecutors said he was so involved in the scheme, he once flew on a corporate jet to Paris in July 1999 to finalize a $19 million deal and signed a contract that had been backdated.

The indictment also charged that Kumar and other executives instructed salespeople to complete deals after the quarter had closed - a practice known within the company as the "35-day month" - and "cleaned up" contracts by removing time stamps from faxes.

After the FBI began investigating the company in 2002, Kumar orchestrated a cover-up that involved lying under oath about the "35-day month" and trying to buy the silence of a potential witness, authorities said.

With 15,000 employees worldwide, CA Inc. is now the world's fifth-largest software provider.

"The sentencing of Sanjay Kumar today is another step in putting the past of Computer Associates further behind the new CA," company spokeswoman Jennifer Hallahan said.

"We are a dramatically different organization than we were more than two years ago, when Mr. Kumar left the company."

DOJ_NMG_0090486

Former CA CEO Sanjay Kumar Gets 12 Years In Prison (COMPW)

Computerworld, November 3, 2006

Sanjay Kumar, the former CEO of CA, has been sentenced to 12 years in federal prison for his role in a financial scandal at the company that prematurely reported $US2.2 billion in software licensing revenue between 1999 to 2000.

Kumar, who resigned from CA in June 2004 after the scandal unfolded, was also hit with an $US8 million fine by Judge I. Leo Grasser in US District Court in Brooklyn, NY, at his sentencing.

Kumar would remain free on bond until Grasser decides the issue of restitution to the victims of the accounting scandal, a spokesperson in the US Attorney's Office in Brooklyn said.

The prison where Kumar will serve his sentence has not yet been announced. A recommendation will be made by the court and a final decision will be made by the US Bureau of Prisons.

"The integrity of US financial markets depends on corporate executives accurately reporting their companies' performance to the investing public," US Attorney, Roslynn R. Mauskopf, said in a statement. "In violation of the shareholders' trust and the federal securities laws, [Kumar] persistently misrepresented the company's financial position and orchestrated a pervasive cover-up scheme. The sentence imposed today sends the message that accounting fraud is a serious crime and that obstructing justice will inevitably make things worse, not better, for defendants under investigation."

Assistant director-in-charge of the FBI's New York Field Office, which assisted in the CA accounting investigation, Mark J. Mershon, said in a statement that the sentence fit Kumar's crimes.

"Today, justice looked Mr. Kumar in the face and held him accountable for presiding over one of the largest accounting fraud schemes on record," Mershon said. "His deliberate misstatements of over $US2 billion of Computer Associates' revenue caused an elevation of the company's stock price, but when the scheme collapsed, no one fell harder than the investors who made good faith purchases of the company's stock."

The losses to CA's shareholders from the illegal accounting actions amounted to more than $US400 million, according to the government. The defendants admitted that they inflated the quarterly revenue and earnings of the company by keeping its books open past their normal quarterly ending dates. That made it look like the company had met or exceeded its quarterly revenue projections, when in fact the revenue had actually fallen short of those targets. Kumar pleaded guilty in April to all eight federal charges against him, including securities fraud, obstruction of justice and perjury.

He could have received a maximum of 90 years in prison based on the statutory maximums under the law, the US Attorney's Office spokesperson said. CA's former worldwide sales chief, Stephen Richards, also pleaded guilty to identical charges in April and is still awaiting sentencing. His sentence date had yet to be set, the spokesperson said.

Kumar and Richards were charged with prematurely reporting $US2.2 billion in revenue for licensing agreements during fiscal quarters in which the deals had not yet been finalised, according to the government. The government's indictment asserted that the two men knowingly distorted CA's accounting and took steps to hide their actions.

In early 2000, for instance, CA signed a $US44.5 million license deal with a "nearly insolvent" customer in which it also had an ownership stake. It then back-dated the contract so it could be recorded in the prior quarter, according to the indictment. In the next quarter, expecting that it would not be able to collect on the contract, CA reversed the revenue in its internal records but did not publicly restate its results.

Kumar was also accused of authorising a $US3.7 million consulting contract in early 2003 that essentially amounted to hush money for an unnamed executive at a CA customer company who knew of CA's accounting improprieties. According to the indictment, this executive had arranged a $US27 million license contract with CA in March 2000, but as part of the deal, CA spent a similar amount on software from the executive's company. Neither software package was ever used, making the deal a "revenue swap" that can't legally be treated as a sale.

When the unidentified executive threatened to alert government investigators to the arrangement, Kumar conspired with CA's general counsel to arrange the consulting payoff, the indictment said.

Former CA Chief Gets 12 Years In Jail (FT)

By Paul Taylor In New York

DOJ_NMG_0090487

Financial Times, November 3, 2006

Sanjay Kumar, the former chief executive of Computer Associates, was sentenced to 12 years in federal prison and fined $8m on Thursday for his role in a $2.2bn accounting fraud at the New York-based business software firm.

Kumar, aged 44, had faced up to life in prison after pleading guilty in April to charges including conspiracy, securities fraud and obstruction of justice at the company, which since has been renamed CA.

The sentence was imposed after Assistant US Attorney Eric Komitee told Judge Leo Glasser that Kumar's actions represented "the most brazen and comprehensive obstruction in the modern era of corporate crime."

Judge Glasser said though Kumar was not a violent criminal, he "did violence to the legitimate expectations of shareholders."

As part of the accounting scheme, Kumar improperly booked software license revenue from 1999 to 2000 in order to meet Wall Street analysts' profit expectations and then lied to investigators about it, investigators said.

According to the indictment, the former CA chief executive was so involved with adding false revenue to a financial quarter after it closed that he flew on a corporate jet to Paris in July 1999 to finalize a $19 million deal and signed a contract that had been backdated.

The indictment also charged that Kumar and other executives instructed salespeople to complete deals after the quarter had closed - a practice known within the company as the '35-day month' – and then 'cleaned up' contracts by removing time stamps from faxes.

After the US Federal Bureau of Investigations began investigating the company in 2002, prosecutors said Kumar orchestrated a cover-up that involved lying under oath about the '35-day month' and other frauds and trying to buy the silence of a potential witness, authorities said.

Kumar, who stepped down as chairman and chief executive of Computer Associates in April 2004 after the full scale of the fraud became apparent, told the judge at his sentencing, "I know that I was wrong and there was no excuse for my conduct." He was ordered to surrender on February 27.

After the fraud was discovered Computer Associates restated its results for fiscal 2001 through 2004, agreed to pay $225m in shareholder restitution and continues to cooperate with the government as part of a deferred prosecution agreement.

Lawyers for Kumar, who is also a former co-owner of the New York Islanders hockey team, described him as one of the "great minds" of the software industry who turned Computer Associates into a thriving enterprise. "I hope the court will not lose sight of the good he did for that company," said attorney John Cooney.

¦William Sorin, the former general counsel of Comverse, the voicemail software group, yesterday became the company's second top executive to plead guilty to charges stemming from options backdating, Kevin Allison reports from San Francisco.

He faces up to five years in jail. Last week, Daniel Kreinberg, Comverse's former chief financial officer, pleaded guilty to backdating charges as part of a plea deal. Authorities are seeking custody of Jacob "Kobi" Alexander, Comverse's founder and former chief executive, who is also facing fraud charges.

Mr Sorin will be sentenced in February.

Former Tech Exec To Serve 12 Years (USAT)

By Greg Farrell

USA Today, November 3, 2006

In yet another sign that the court system has little mercy for executives who've done wrong, a federal judge imposed a 12-year prison sentence on Sanjay Kumar, the former CEO of Computer Associates, who pleaded guilty in April to manipulating CA's earnings.

In addition to the prison sentence, U.S. District Judge I. Leo Glasser ordered Kumar to pay an $8 million fine.

While Kumar's sentence is less than half of the terms doled out to former WorldCom CEO Bernie Ebbers (25 years) and former Enron CEO Jeff Skilling (24 years, 4 months), it struck some observers as harsh because:

•Kumar pleaded guilty without putting the government through a trial, which was not the case with Ebbers and Skilling.

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•CA executives padded the company's quarterly earnings by tapping into future earnings but never fabricated income out of whole cloth.

"That's a huge sentence," says David Gourevitch, a Manhattan attorney. "A few short years ago, conduct like this might barely have merited a regulatory sanction, if that. It's a reflection of how far the pendulum has swung against corporate executives."

Even though Kumar pleaded guilty, he fought the government for years and obstructed a criminal investigation into accounting practices at CA. He pleaded guilty only two weeks before his trial was scheduled to begin. If he'd been convicted at trial, Kumar easily could have faced more than 20 years in prison.

"If you don't cooperate with the government, the government will be punitive," says Jack Coffee, an expert in securities law at Columbia University. "If you take the court's time, the court will take your time."

Kumar, an immigrant from Sri Lanka, joined CA in 1987 and rose to CEO in 2000. Prosecutors from the U.S. Attorney's office in Brooklyn accused him of ordering his subordinates to keep the company's quarterly books open even after the particular quarter had closed. Prosecutors said the bogus accounting cost investors more than $3 billion.

Former CA Chief Is Sentenced To 12-Year Prison Term, Fined (WSJ)

By William M. Bulkeley

The Wall Street Journal, November 3, 2006

Former Computer Associates International Chief Executive Sanjay Kumar, who helped build a software powerhouse only to embroil it in one of the biggest accounting scandals of the decade, was sentenced to 12 years in prison and fined $8 million for securities fraud and obstruction of justice.

The sentencing is the latest in a string of lengthy prison terms for white-collar criminals partly spurred by a spate of accounting scandals that lost investors billions of dollars in stock-market value earlier in the decade. Last month, former Enron Corp. President Jeffrey Skilling was sentenced to 24 years and four months in prison, while former WorldCom Inc. chief Bernard Ebbers is serving 25 years in prison.

Still, the judge overseeing the case in a Brooklyn, N.Y., court had the option of sentencing him to up to a lifetime in prison. Attorneys for Mr. Kumar didn't say whether they would try to appeal the sentence.

Mr. Kumar's former company, now known as CA Inc., continues to grapple with the fallout from the accounting scandal. Late yesterday afternoon, CA said it expects earnings per share to be below its original outlook as a result of restructuring costs. CA shares fell 7.4% in after-hours trading.

Mr. Kumar pleaded guilty in April to charges that he created what prosecutors called "35-day months" to book extra revenue after a quarter ended and a subsequent cover-up that included offering a no-work contract to a potential witness to keep him quiet. Under the fraud, the company misreported some $2.2 billion in revenue, according to federal securities officials.

"I stand before your honor today to take full responsibility for my actions," Mr. Kumar, who is 44 years old, told U.S. District Court Judge I. Leo Glasser. "I know that I was wrong and there's no excuse for my conduct." Mr. Kumar declined to comment after the sentencing, except to say he was "ready to move on."

COURT DOCUMENTS

1

Read Sanjay Kumar's original indictment (pdf file)2, by arrangement with FindLaw3.

Born in poverty in Sri Lanka, Mr. Kumar emigrated to the U.S. with his family and by the age of 38 rose to chief executive of the world's second-biggest maker of mainframe-computer software, getting stock awards that were worth hundreds of millions of dollars at one time.

Judge Glasser said that under federal sentencing guidelines he could have given Mr. Kumar a lifetime sentence. But he said such a long sentence would "shock the conscience of this court." Sentencing factors included the eight-count indictment to which he pleaded guilty and the economic harm of his actions, which Judge Glasser said exceeded $400 million.

Mr. Kumar will be eligible for time off for good behavior that could reduce his sentence by 15%, meaning that he will serve a minimum of just over 10 years. Parole isn't a part of the federal penal system.

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EXECUTIVES ON TRIAL

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Judge Glasser postponed sending Mr. Kumar to a minimum-security federal prison until the end of February. He said he wants to rule first on the amount of restitution shareholders and other victims should get from Mr. Kumar. Judge Glasser said he might change the fine depending on whether funds are needed for restitution. It isn't clear what Mr. Kumar's current financial situation is.

Mr. Kumar's attorneys had argued for a more lenient sentence on the grounds that CA, based in Islandia, N.Y., is still in business, unlike Enron and WorldCom, which filed for bankruptcy protection. CA agreed in 2004 to pay $225 million in restitution and operate under a special examiner's supervision to avoid prosecution

The defense said that almost all the revenue that CA booked early was real revenue that should have been accounted for a few weeks later. They noted that Mr. Kumar had shown contrition by pleading guilty before a trial started.

U.S. prosecutor Eric Komitee said CA represented the "most blatant example" among recent corporate scandals of "a sitting CEO directing a comprehensive scheme" to obstruct justice.

Judge Glasser said "securities fraud...did violence to the legitimate expectation of investors." He said it was clear that Mr. Kumar had falsified results to fulfill Wall Street expectations for earnings and that the stock would have plunged if the bookings had been delayed to the next quarter.

Several other executives, who pleaded guilty and cooperated with prosecutors, await sentencing. Among them are CA's former general counsel and its former chief financial officer.

CA Inc. said net income for its second quarter ended Sept. 30 rose to $53 million, or nine cents a share, from $46 million, or eight cents a share, from a year earlier. The company said its earnings excluding restructuring costs remained flat at 25 cents a share.

CA said revenue rose to $996 million from $950 million.

CA sees total restructuring charges of $150 million, most of which are to be recognized in fiscal 2007, and a reduction in work force of 1,400 positions, including 300 related to divestiture of a joint venture. The company also expects to eliminate an additional 300 positions through attrition.

Ex-Leader Of Computer Associates Gets 12-Year Sentence And Fine (NYT)

By Michael J. De La Merced

The New York Times, November 3, 2006

The former chief executive of Computer Associates International, Sanjay Kumar, was sentenced yesterday to 12 years in prison for orchestrating a $2.2 billion accounting fraud at the software company. He was also fined $8 million.

Because he pleaded guilty in April to securities fraud and obstruction of justice charges, Mr. Kumar, 44, had faced a maximum sentence of life imprisonment.

The judge, I. Leo Glasser, of the Federal District Court in Brooklyn, described such a punishment as excessive. But he repeatedly rebuked Mr. Kumar for helping inflate the company's sales figures in 1999 and 2000, as well as lying to federal investigators and authorizing a bribe to a potential witness.

"This shocked the conscience of this court, and I dare believe it shocked the conscience of any reasonable person," Judge Glasser said.

The sentence came down after a nearly two-hour hearing in which Mr. Kumar again apologized to the court.

"I stand before the court today to accept full responsibility for my actions," said Mr. Kumar, wearing a tie and charcoal gray suit. "I deeply regret the actions I took."

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Joining Mr. Kumar in the courtroom were his wife, father and two sisters, as well as a phalanx of lawyers. His two daughters stayed home. Upon hearing the verdict, neither Mr. Kumar nor his family betrayed any emotion.

Kirby D. Behre, a partner at the law firm of Paul, Hastings, Janofsky & Walker and a former federal prosecutor, said he considered Mr. Kumar's sentence stiff but just. "It's a far cry from a life sentence, but it's still a decade behind bars," Mr. Behre said.

Mr. Kumar is the latest convicted chief executive to receive a lengthy prison sentence in recent years.

Jeffrey K. Skilling, the former chief executive of Enron, was sentenced last week to 24 years and four months in prison, while Bernard J. Ebbers last year received 25 years in prison.

Mr. Kumar's fine, the judge said, has been deferred until restitution is determined next year. Mr. Kumar is scheduled to report to prison on Feb. 27.

At the hearing, his main lawyer, John P. Cooney Jr., requested that Mr. Kumar serve his prison term at the Federal Correctional Institution in Fairton, N.J., a medium- and minimum-security prison 40 miles west of Atlantic City. After the hearing, Mr. Cooney said his client had not yet decided whether to appeal the sentence.

The four-year investigation of Computer Associates, now CA, centered on backdated contracts that artificially inflated profits. Computer Associates, based in Islandia, N.Y., entered into a deferred prosecution agreement to avoid indictment in 2004; in it, the company agreed to pay $225 million to a shareholder restitution fund and agreed to government monitoring for two years.

Seven other Computer Associates executives have pleaded guilty to fraud charges. Stephen Richards, the company's former top salesman, pleaded guilty in April alongside Mr. Kumar; he is to be sentenced on Nov. 14.

The second-largest provider of software for mainframe computers, Computer Associates had tremendous success during the 1990s, largely under the leadership of Mr. Kumar and the company's founder, Charles B. Wang.

Mr. Kumar was compensated handsomely in return: in 1998, he netted a $330 million bonus, one of the largest paydays of any American executive.

Once hailed as a Horatio Alger success story, Mr. Kumar arrived in the United States at the age of 14 after his family fled Sri Lanka. Joining Computer Associates in 1987 at the age of 25, Mr. Kumar earned promotions quickly: he became president and chief operating officer in 1994, and in 2000 he assumed the role of chief executive. Two years later, he added the title of chairman after Mr. Wang resigned.

But as the government's investigation stepped up, Mr. Kumar came under scrutiny. He stepped down as chairman in April 2004, taking the title of chief software architect, until he finally severed all ties to the company two months later.

Details have since emerged of the dubious accounting practices that helped fuel Computer Associates' once-soaring stock price. For instance, the company rolled sales figures from new quarters into previous earnings figures, a practice employees called the 35-day month. Prosecutors also said that Mr. Kumar repeatedly lied to the Federal Bureau of Investigation and his own lawyers, and that he approved a $3.7 million payment to silence a potential witness.

"This was the most brazen and comprehensive obstruction in the modern era of corporate crime," said Eric Komitee, the assistant United States attorney in charge of the case.

At the sentencing, Mr. Cooney detailed Mr. Kumar's philanthropic efforts as he sought to win leniency for his client: donations to tsunami relief in Sri Lanka; girls' education programs in Kenya; emergency medical support to victims of the 1998 embassy bombings, also in Kenya; and programs to help scientists track elephant herds in Africa.

But Judge Glasser said that federal sentencing guidelines did not permit him to consider charity work in determining punishment.

The judge also questioned several statements by Mr. Kumar and his lawyer that suggested the former executive had fully accepted responsibility for his actions. The judge cited the timing of Mr. Kumar's guilty plea — two weeks before his trial was to have begun — as well as Mr. Kumar's continued denial that he erased potentially incriminating data from a laptop computer.

Jennifer Hallahan, a spokeswoman for Computer Associates, said the company sought to move beyond the Kumar era.

"We are a dramatically different organization than we were more than two years ago, when Mr. Kumar left the company," she said.

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She added that the company was still seeking to obtain any "ill-gotten gains" from former executives.

Kumar Gets 12 Years In CA Fraud Case (NSDY)

By Bob Kessler, Newsday Staff Writers

Long Island Newsday, November 3, 2006

Saying that Sanjay Kumar's initial rise to prominence because of his talent had been "the embodiment of the American dream," a judge Thursday sentenced the former Computer Associates chairman and chief executive to 12 years in prison for then allowing his "cupidity" to lead him to mastermind and then cover up a massive accounting fraud.

Kumar, 44, who pleaded guilty in April to conspiracy, fraud, obstruction of justice, lying in filings with the Securities and Exchange Commission, and lying to FBI agents, also was ordered by U.S. District Judge I. Leo Glasser in the U.S. District Court in Brooklyn to pay an $8 million fine and pay restitution to be determined later that could run into the hundreds of millions of dollars. Federal prosecutors say the fraud cost stockholders over $3 billion.

Before he was sentenced, Kumar told the judge, "I stand before you today to take full responsibility for my actions. I know that I was wrong."

Kumar had asked for a lenient sentence because, he has claimed, the fraud amounted essentially to moving around legitimate sales, and that he had a long history of philanthropies on Long Island, and in Africa, India, and his native Sri Lanka.

But the lead federal prosecutor in the case, Assistant U.S. Attorney Eric Komitee, called Kumar's attempt to cover up his actions by lying, getting other employees to lie and bribing one possible witness "the most brazen and comprehensive obstruction of justice in the modern era of corporate crime."

Glasser noted the recommended federal sentencing guidelines called for a sentence of life in prison, because of the nature of the scheme, the extent of the attempt to cover it up, and the amount of the losses.

Glasser approvingly outlined Kumar's rise from being a poor Sri Lankan immigrant to the head of Islandia-based Computer Associates, one of the Fortune 500 companies, by the age of 40. But in the end, Glasser said that Kumar only had his greed to blame for his crimes.

Glasser disputed Kumar's claim that the loss at the company, now known as CA, was negligible, saying he found "persuasively cogent" a government economist's testimony that the loss was at least in "the hundreds of millions of dollars." The judge also said that he found convincing a government expert's testimony that part of the cover-up involved Kumar deleting files in his own computer and then denying he had done so.

But in the end Glasser said that although he could theoretically impose a life sentence, he found it too harsh and "would shock the conscience of this court and shock the conscience ... of a reasonable person." He did not further explain the precise reason for the actual jail time imposed.

But the 12-year sentence was in the range that a number of lawyers who had followed the case had predicted.

George Stamboulidis, one former federal prosecutor, who is now a prominent defense lawyer, called the sentence "just right." Stamboulidis noted that executives of Enron, WorldCom and Tyco who had been sentenced recently for similar white-collar crimes got what he termed "barbaric sentences" of more than 20 years.

Kumar has until Feb. 27 to surrender to begin serving his sentence. It is unclear where he will be incarcerated.

Two Bond Traders To Leave UBS Amid SEC Probe (WSJ)

By Gregory Zuckerman And Serena Ng

The Wall Street Journal, November 3, 2006

Two senior bond traders are negotiating the terms of their departures from the Wall Street arm of UBS AG amid an unfolding investigation by regulators into possible manipulation of Treasury-securities prices, according to people familiar with the matter.

The UBS traders -- who focus on the so-called repurchase-agreement, or repo market, in which bonds are used as collateral for short-term loans -- are no longer working on the trading desk, according to a person close to the matter. They worked in a Stamford, Conn., office of the U.S. securities arm of the Swiss bank.

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The departures are related to a Securities and Exchange Commission investigation into possible improper trading in the Treasury markets at UBS. The investigators are focusing on trading that took place in February, according to a person close to the matter.

One of the traders, Phillip B. Smith, a managing director, has been at UBS for nine years. The other trader, Robert T. Fischetti, an executive director, has been at the bank for six years. It isn't clear precisely what events led to their expected departures. Calls to the residences of each individual weren't returned.

No regulator has alleged wrongdoing by any individual or at any specific bank.

UBS wouldn't comment "on the details of personnel matters at the bank," said a spokesman. The firm declined to provide contact information for the traders or the names of their attorneys.

Investment banks, hedge funds, mutual funds and other investors use the repo market to borrow large sums of cash, sometimes at low rates, and the Federal Reserve uses the market to help manage short-term interest rates.

Regulators are concerned that Treasury-securities prices were possibly being manipulated. The activity allegedly involved traders controlling the supply of certain Treasury issues, making it hard for others to obtain them, and then profiting by lending out those securities in the repo market at favorable interest rates.

In September, a Treasury Department official publicly warned dealers about market manipulation. On Monday, officials from the Federal Reserve Bank of New York will meet with 22 bond dealers to discuss their concerns about activity in this market.

The focus by regulators has already had an impact on the bond market. For the first time in many months, very few bonds are hard to locate, or trade "special."

That means that those interested in lending out bonds through the repo market can no longer do so and receive cash at super-slim interest rates.

"The scrutiny has had a chilling effect on the repo specials market," said David Boberski, an analyst at Bear Stearns, in a report Tuesday.

Write to Gregory Zuckerman at gregory.zuckerman@wsj.com1 and Serena Ng at serena.ng@wsj.com2

A Second Comverse Ex-Executive Pleads Guilty (WSJ)

By Paul Davies

The Wall Street Journal, November 3, 2006

The former general counsel of Comverse Technology Inc. pleaded guilty in federal court to a criminal conspiracy charge in connection with backdating stock options, and implicated the former chief executive as the mastermind of the scheme.

William F. Sorin, a Harvard Law School graduate, is the second former executive at the New York telecommunications-software firm to plead guilty. The company's former chief financial officer, David Kreinberg, 41 years old, pleaded guilty to securities fraud and conspiracy last week in U.S. District Court.

Messrs. Kreinberg and Sorin are the first two executives to plead guilty in the stock-options backdating scandal that has ensnared more than 130 companies in federal probes. Dozens of executives have lost their jobs.

Mr. Sorin, who turns 58 tomorrow, told Judge Nicholas Garaufis that former Comverse Chief Executive Kobi Alexander first informed him of the backdating plan sometime in the late 1990s. Mr. Sorin said Mr. Alexander told him that he retroactively selected a grant date for stock options by choosing the lowest price of the prior quarter. Mr. Sorin added that the backdating continued to 2002.

"I knew what [Mr. Alexander] was doing was wrong and did not challenge his conduct or share my knowledge with the board of directors and auditors of the company," Mr. Sorin said in court. He said he went along with the scheme out of "the respect I had felt for Mr. Alexander" and "my belief in his importance to the success of the company."

Federal prosecutors in Brooklyn claimed that Mr. Sorin helped with the scheme by, in effect, tricking Comverse board members into approving the backdated grants, by getting them to sign documents with the bogus grant dates already filled in.

Mr. Sorin said that he had earned a reputation for integrity in more than 30 years of legal practice, but in this case "I failed as a lawyer and disserved our shareholders." Mr. Sorin also told the judge that he was seeing a psychiatrist and was taking sleep and anti-anxiety drugs.

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Mr. Sorin pleaded guilty to conspiracy to commit mail fraud, securities fraud and wire fraud. He is scheduled to be sentenced Feb. 9 and faces up to five years in prison and a fine of up to $250,000. Prosecutors are also seeking $51 million in restitution.

In pleading guilty last week, Mr. Kreinberg also pointed the finger at Mr. Alexander, who fled the country ahead of the charges and was arrested in September in Namibia after an international manhunt. Now out on bail, Mr. Alexander is facing an extradition request by the U.S., which has charged him in a 35-count indictment with securities fraud, bribery and other crimes. Mr. Alexander's attorneys have said he will contest the charges if and when he returns to the U.S. An attorney for Mr. Alexander declined to comment regarding the claim that the former chief executive orchestrated the scheme.

Options allow recipients to buy stock at a preset exercise price, generally set at the market price on the day they were granted. Backdating involves pretending that an option was granted on an earlier date when the market price was lower.

Spiegel Ex-Officers Settle SEC Charges In Accounting Case (WSJ)

By Judith Burns

The Wall Street Journal, November 3, 2006

WASHINGTON -- Eight former officers and directors of Spiegel Inc. have settled Securities and Exchange Commission charges they helped the catalog retailer conceal deteriorating performance from investors and outside auditors.

The SEC said the company's accounting problems occurred over a two-year period, starting in April 2001. At the time, Spiegel owned retail outlets including Eddie Bauer and Newport News. The former executives settled without admitting or denying the claims and will pay penalties ranging from $100,000 to $170,000 each.

Spiegel itself won't be fined in the matter. The company filed for Chapter 11 bankruptcy-court protection in March 2003, soon after the SEC charged it with delaying financial results for nearly a year to conceal financial problems. A partial settlement had left open the question of fines. Spiegel emerged from bankruptcy reorganized around its Eddie Bauer division and is now known as Eddie Bauer Holdings Inc.

"The Spiegel that existed then no longer exists," so the SEC has decided not to pursue claims against the company now, said Peter Chan, assistant regional director in the SEC's office in Chicago.

The SEC said former Spiegel co-presidents Michael Moran and James Sievers, former Chief Executive Martin Zaepfel, former Chief Financial Officer James Cannataro and former Treasurer John Steele authorized higher fees paid from Spiegel retailing subsidiaries to the firm's banking unit, which the SEC said hid weaker performance in Spiegel's credit-card receivables.

Mr. Zaepfel "is pleased to resolve the matter," said his attorney, Robert Knuts. An attorney for Mr. Cannataro declined to comment. Attorneys for Messrs. Moran, Sievers and Steele couldn't be reached for comment.

SEC Enforcement Cases Decline 9% (WP)

By Carrie Johnson, Washington Post Staff Writer

The Washington Post, November 3, 2006

Staff Reduced Because of Budget Crunch

The number of new enforcement cases brought by the Securities and Exchange Commission fell by 9 percent last year as the agency grappled with staffing cuts brought on by a recent budget crunch, according to figures released yesterday.

SEC Chairman Christopher Cox said in a statement that the agency's work in the fiscal year ended Sept. 30 had produced "solid results for investors," including settlements of $800 million with insurance firm American International Group Inc. and $400 million with District mortgage giant Fannie Mae.

The agency's reduced tally of 574 enforcement actions included 91 cases against shell companies that failed to file regular financial reports. That issue has become an SEC priority of late, but pursuing those cases takes less time and fewer resources than most other actions. Former agency lawyers said such cases amount to going after low-hanging fruit.

Cox attributed the decline to temporarily reduced staff levels. The SEC as a whole lost 155 employees last year -- including 43 in the enforcement unit -- compared with fiscal 2005. A total of 3,696 people worked at the agency in 2006, with 1,189 in the enforcement division. The agency is reviewing its staffing levels and plans to restore some of the unfilled positions, officials said.

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In recent years, the SEC has faced criticism for failing to uncover widespread accounting fraud at such companies as Enron Corp. and WorldCom Inc. as well as trading abuses at mutual funds. Those scandals prompted Congress to pour hundreds of millions of dollars into the agency's coffers.

But more recent financial difficulties, including construction overruns on its new headquarters near Union Station, led to a budget shortfall last year and a hiring freeze that only recently has been lifted, officials said.

Law professors and former agency officials who follow the SEC's work said they are closely watching the agency's budget, which held relatively steady at $888 million last year. They said they are hoping it does not suffer further cuts and would prefer to see it grow modestly to accommodate merit raises for current staff members.

Cox told the Senate Banking Committee last summer that the agency did not need more resources to handle the 130 stock option backdating cases it is investigating, a stance that some analysts have questioned.

"Given the budget cutbacks in the number of people in the SEC's enforcement arm, and the ongoing corporate scandals, all investors should be worried," said Lynn E. Turner, a former chief accountant at the agency who is now director of research at the proxy advisory firm Glass, Lewis & Co. "It will put much of the enforcement burden on the shoulders of investors, just as existed before Enron was exposed, contributing to investors losing tens of billions of dollars."

Duke University law professor James D. Cox, who is no relation to the SEC leader, said: "You get what you pay for. It's been clear in the history of the SEC that as the budget goes, so goes enforcement."

Starving the agency throughout the 1990s meant that SEC officials did not have enough people to review the financial reports of the nation's largest companies every three years, an issue that came to light only after Enron collapsed into bankruptcy in December 2001 and investors learned that its books had not been examined by regulators.

Joel Seligman, author of a history of the SEC and the president of the University of Rochester, said he is not surprised that the enforcement figures have leveled off given the burst of activity following accounting frauds and mutual fund trading scandals in the past few years.

"I do not have the sense that the SEC is pulling its punches," Seligman said.

CRIMINAL LAW:

FBI Questions Two More Former Aides To Harris (SPT)

By Anita Kumar, Times Staff Writer

St Petersburg Times, November 3, 2006

WASHINGTON - Federal investigators have interviewed at least two more former chiefs of staff to U.S. Rep. Katherine Harris as part of a federal inquiry into her relationship with a convicted defense contractor.

Dan Berger and Ben McKay, who both worked for Harris in her first term and are now lobbyists in Washington, confirmed the interviews this week and said it was their understanding all congressional staff would likely be questioned. The two spoke separately to three investigators from the FBI and the Defense Department in Washington several weeks ago.

The Justice and Defense departments are examining Harris' dealings with Mitchell Wade, who made illegal campaign contributions to Harris and paid for at least two dinners with her at a tony Georgetown restaurant that totaled about $6,000. Later Wade asked Harris to help secure $10-million in federal money for a company project in Sarasota.

Federal authorities have subpoenaed records from Harris' U.S. Senate campaign office and have interviewed several former staffers, including senior campaign consultant Ed Rollins, campaign manager Jim Dornan and Mona Tate Yost, a congressional aide who later went to work for Wade.

Harris, a two-term Republican from Longboat Key who has served in Congress since 2002, is running an uphill battle to unseat Democratic Sen. Bill Nelson in Tuesday's election.

Justice Department spokesman Bryan Sierra declined to comment this week.

Fred Asbell, who was chief of staff for Harris for about 10 months before leaving in June, was interviewed. Dan Horowitz, who held that position for four months at the end of 2004, said he has not been contacted and does not expect to be.

Horowitz works for the House Small Business Committee.

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Calls to Christopher Battle, who worked for Harris for about six months until this spring, were not returned.

Harris' staff did not return messages this week.

Times researcher Angie Drobnic Holan contributed to this report. Anita Kumar can be reached at akumar@sptimes.com or 202 463-0576.

Former Federal Prosecutor Pleads Guilty To Money Laundering, Conspiracy (FINDLAW/AP)

AP, November 3, 2006

(AP) - RALEIGH, North Carolina-A former U.S. attorney, judge and state Republican chairman pleaded guilty Thursday to charges related to a tax fraud conspiracy.

Sam Currin could face 43 years in prison. He pleading guilty to conspiring to launder more than $1 million (â,¬780,000) through his law firm's client trust account and to lying on his taxes by failing to report an offshore debit card account.

Currin, 57, also pleaded guilty in a related case to obstructing a grand jury investigation into securities fraud by conspiring to withhold documents and provide false testimony.

Prosecutors said Currin and his conspirators sent out fraudulent promotional materials on several publicly traded Nevada companies. When stock prices and trading volumes increased, those participating in the scheme profited on the sale of the securities. Prosecutors said Currin received more than $240,000 (â,¬187,985).

Currin was an aide to U.S. Sen. Jesse Helms; U.S. attorney for eastern North Carolina from 1981-87; state Republican Party chairman from 1996-99; and a Superior Court judge until 1990.

Also charged in the case were tax attorney Ricky Graves; Howell Way Woltz, president of Sterling Trust in the Bahamas; and his wife, Vernice Woltz, a director of Sterling Trust.

Currin Pleads Guilty To Federal Charges (RN&O)

By Andrea Weigl, Staff Writer

Raleigh (NC) News & Observer, November 3, 2006

Former U.S. Attorney Sam Currin pleaded guilty today to three federal charges ranging from conspiracy to commit money laundering to obstruction of justice.

During the 40-minute hearing at Raleigh's federal courthouse, prosecutors did not reveal any new details about the case against Currin.

But in an unusual move last month, Currin filed a 16-page affidavit detailing his role in the crimes -- a filing which U.S. District Judge Earl Britt noted was the first he had ever seen as a judge.

Currin admitted lying to a grand jury and laundering $1.3 million on behalf of a client, a prolific spammer who faced his own criminal charges. Currin admitted knowing his client's money was the proceeds of criminal activity, according to his affidavit.

After Currin pleaded guilty, his wife, Margaret Currin, a law professor at Campbell University's law school, wiped away tears. Her son put his arm around her.

Currin was a protege of former U.S. Senator Jesse Helms, who helped Currin be appointed as the top federal prosecutor in eastern North Carolina. Currin held that position from 1981 until 1987.

Staff writer Andrea Weigl can be reached at (919)829-4848 or aweigl@newsobserver.com.

Ex-Fort Campbell Soldier Indicted (LCJ)

By Charlie White

Louisville Courier-Journal, November 3, 2006

A former Fort Campbell soldier was indicted by a federal grand jury in Louisville on Thursday on charges that include the rape of an Iraqi girl and the deaths of the girl and members of her family in Iraq.

Steven D. Green, 21, was charged with conduct that would constitute conspiracy to commit murder, conspiracy to commit aggravated sexual abuse, premeditated murder, murder in perpetration of aggravated sexual abuse, aggravated sexual abuse on a person less than 16 years of age, use of firearms during the commission of violent crimes and obstruction of justice.

The indictment charges Green with crimes from an incident that occurred on March 12 near Mahmoudiyah, Iraq.

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If convicted, he could receive the death sentence, according to a release from the Justice Department.

The indictment alleges that during the incident Green and others committed aggravated sexual abuse against a 14-year-old Iraqi girl, whose body was burned after the attack.

The indictment also alleges that Green and others killed the girl, her father, mother, and 6-year-old sister.

Green, a member of the 101st Airborne, was discharged from the U.S. Army in May 2006 and is being prosecuted in U.S. District Court under the Military Extraterritorial Jurisdiction Act, a statute that gives U.S. courts jurisdiction to prosecute crimes committed outside the United States by persons who served with the Armed Forces but are no longer subject to military prosecution.

The Army has charged other soldiers who have not been discharged with taking part in the incident.

Santa Monica Police, FBI Raid Homes In Probe Of Animal Liberation Front (LAT)

By Joe Mozingo, Times Staff Writer

The Los Angeles Times, November 3, 2006

Santa Monica police and FBI agents raided the homes of several controversial animal rights activists this week as part of an investigation into the underground Animal Liberation Front.

Among the targets were Dr. Jerry Vlasak and his wife, Pamelyn Ferdin, two well-known activists who regularly protest against Los Angeles animal services officials. They were not at their Agoura Hills home when police conducted the search. Vlasak said an officer had to enter through a pet door to get inside.

Santa Monica Police Capt. Alex Padilla said officers served search warrants in Los Angeles, Ventura and Orange counties on Tuesday. He would not provide details of the probe beyond saying that it was "an ongoing criminal stalking and conspiracy investigation involving members of the Animal Liberation Front."

An activist involved in protesting animal testing by the Santa Monica-based POM Wonderful company, the world's largest producer of pomegranate juice, said his home and those of others involved in the animal rights cause were raided.

The activists say the company has funded cruel experiments on mice and rabbits to prove the health benefits of the juice. They have said they have no affiliation with Vlasak and are in no way terrorists.

The search warrant for Vlasak's home authorized the seizure of any evidence of affiliation with the Animal Liberation Front, as well as evidence pertaining to POM Wonderful.

According to the search warrant, police seized computer equipment, animal rights books, pamphlets, T-shirts, fliers, a stuffed animal and "duffel bags w/ wrist rocket, 3/8" shot," an apparent reference to a type of slingshot. The FBI would not comment on the case.

The Animal Liberation Front is a shadowy network that has sabotaged animal research labs, vandalized homes of researchers, firebombed properties and made numerous death threats. Because it has no known leadership structure or membership, anyone can strike under the group's name. The FBI has called it a domestic terror threat.

Vlasak, a trauma surgeon, runs a website called the Animal Liberation Press Office that publishes "communiques" from people claiming to have committed sabotage or other acts on behalf of the Animal Liberation Front and other underground groups. He says he does not know who any members of the front are, but simply receives their messages anonymously and publishes them.

"I don't do anything illegal," he said. "We're just press officers. It seems like this is just an attack on above-ground people because they don't know who the underground people are."

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No Ethics Panel Report Before Election (AP-Y)

By Larry Margasak

AP, November 3, 2006

The House ethics committee has been working hard to determine if Republicans covered up ex-Rep. Mark Foley's come-ons to former male pages, but even 12-hour work days won't bring conclusions by Election Day.

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The lack of a report leaves voters to sort through conflicting Republican accounts in deciding whether GOP leaders failed to protect teenagers in their care.

Foley became overly friendly with male pages when they served as errand-runners for lawmakers and — after they left Congress — sent some of them inappropriate e-mails and lurid instant messages.

It won't be easy for voters to find answers without the ethics committee's help.

Speaker Dennis Hastert's staff could have learned of inappropriate e-mails as early as 2002 and as late as 2005, depending on whose statements voters believe. The salacious instant messages didn't surface until a month ago.

Also, two House leaders said they told Hastert about Foley's questionable e-mails last spring, but the speaker said he didn't learn of them until late September.

A four-member investigative subcommittee interviewed some two dozen witnesses in closed sessions. Witnesses were still being questioned earlier this week, leaving no time for the panel to digest hours of interviews and write a report by Election Day.

Foley, R-Fla., who is in an alcohol treatment program, resigned in late September after he was confronted with some of his lurid messages.

While the Iraq war has dominated newscasts, headlines and talk shows, recent polls indicate that many voters also consider the Foley issue important. A majority say they believe Republican leaders were involved in a cover-up.

For instance, more than half, 55 percent, in a CNN poll taken last month said the Foley scandal would be very or extremely important in their vote. And about the same number in that poll, 57 percent, said they thought Republican leaders covered up Foley's behavior.

Academic experts said the Foley scandal was never a more important issue than the Iraq war — even when it momentarily dominated the headlines as September ended. Nonetheless, they said there was an adverse effect on Republican campaigns.

"It demoralized Republicans and threw them off message," said John Pitney, Jr., a professor of politics at Claremont McKenna College in California.

"They wanted desperately to talk about Osama Bin Laden and had to talk about Mark Foley. It may add to the sense that Republicans aren't managing the House very well."

But Pitney predicted that most voters concerned about Foley already "made up their minds that Republicans messed up. I'm not sure a report might make much difference. The damage has been done."

Larry Sabato, director of the Center for Politics at the University of Virginia, said the timing of the scandal — becoming public about five weeks before the election — may have lessened the impact for Republicans.

"The hypocrisy is obvious. The family values party always is vulnerable to any kind of scandal involving sexual issues. There has been some hangover. But, as expected, a month later it wasn't going to be that dominant," Sabato said.

"It's juicy, but not that juicy."

Ross Baker, a political science professor at Rutgers University, said the Foley matter is much worse for Republicans as part of the overall corruption issue.

Republicans have had to cope with corruption cases against Rep. Bob Ney of Ohio and imprisoned former Rep. Randy "Duke" Cunningham of California.

In addition, Rep. Don Sherwood, R-Pa., admitted to an extramarital affair with a woman 35 years his junior and settled a lawsuit she brought that claimed he had choked her. He has denied abuse.

More recently, Rep. Curt Weldon, R-Pa., a 10-term lawmaker, is being investigated by the FBI over allegations that he used his influence to help his daughter's lobbying firm get $1 million in contracts from foreign clients.

Other ethics probes are dogging Reps. Jerry Lewis and John Doolittle, both R-Calif. and Sen. Conrad Burns, R-Mont.

Far fewer investigations involve Democrats. Authorities are conducting a bribery probe of Rep. William Jefferson, D-La. Authorities also are investigating Rep. Alan Mollohan, D-W.Va., who steered federal money to nonprofit groups that contributed to his campaigns.

Baker, the Rutgers professor, said the Democratic cases will have less of an impact on Tuesday than the large number of probes focused on Republicans — including the Foley case.

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The Foley case and the other investigations, he said, "tells people there's insincerity and that family values issues are a lot of puffery on the part of Republicans. Republicans are no better in protecting family values than the Democrats."

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On the Net:

House Committee on Standards of Official Conduct: http://www.house.gov/ethics/

No Memory Expert For Former White House Aide In CIA Leak Case (FINDLAW/AP)

By Matt Apuzzo, Associated Press Writer

AP, November 3, 2006

(AP) - WASHINGTON-Former White House aide I. Lewis "Scooter" Libby will not be allowed to use a memory expert at his perjury and obstruction trial, a federal judge ruled Thursday, blocking a key tactic in Libby's defense strategy.

Libby, who is accused of lying to investigators in the CIA leak case, wanted an expert to testify that memory is unreliable, especially during times of stress. Libby says he had national security issues on his mind and any misstatements he made about the leak of Central Intelligence Agency officer Valerie Plame's name were mistakes, not lies.

U.S. District Judge Reggie B. Walton said allowing a memory expert would be a waste of time and would only confuse the jury. Walton said jurors, like everyone else, understand that memory sometimes falters and can judge for themselves whether witnesses are reliable.

The issue provided the case's first courtroom drama last week when Special Prosecutor Patrick Fitzgerald spent hours questioning the research of memory expert Elizabeth Loftus. Fitzgerald picked apart the psychologist's testimony until she acknowledged errors and misstatements in her findings.

The trial is set to begin in January. Libby's lawyers have said the former aide to Vice President Dick Cheney will testify.

Plame's CIA status was leaked in 2003 as her husband, former ambassador Joseph Wilson, criticized the Bush administration's prewar intelligence on Iraq. Plame believes she was outed as retribution, a claim Fitzgerald spent three years investigating. Nobody has been charged with violating a law by discussing Plame.

Case Against Arson-murder Suspect Called 'Overwhelming' (LAT)

By Maeve Reston, Jonathan Abrams And Sara Lin, Times Staff Writers

The Los Angeles Times, November 3, 2006

A 'consistency' in a string of fires persuaded prosecutors to charge Raymond Lee Oyler in the Esperanza blaze that killed five firefighters.

A 36-year-old auto mechanic from Beaumont was charged Thursday with arson and five counts of murder for allegedly setting last week's Esperanza fire, which killed five U.S. Forest Service firefighters and destroyed 34 homes in a remote mountain area of Riverside County.

Convicted felon Raymond Lee Oyler has been in custody since Tuesday, when authorities arrested him on suspicion of setting two smaller blazes in June and announced that he was a "person of interest" in the fatal arson fire. If convicted, Oyler could face the death penalty.

Authorities provided little information about what led them to Oyler. Prosecutors said they found "a consistency" to the string of fires set in the San Gorgonio Pass from early June through October.

"We had 30-plus people in one room reviewing every bit of evidence. It becomes a cross-examination by the most experienced prosecutors in the state of California," said Riverside County Dist. Atty.-elect Rod Pacheco, an assistant district attorney who takes over the top office in January. "We came to a unanimous conclusion."

Along with murder, Oyler was charged with 11 counts of arson and 10 counts of possession of materials to commit arson.

Oyler's attorney, Mark R. McDonald, said his client "adamantly denies" any involvement in the deadly Esperanza fire or the other fires he is accused of setting.

At his arraignment in Riverside County Superior Court on Thursday afternoon, a heavily tattooed Oyler stood handcuffed in an orange jumpsuit, staring at the floor. He entered a plea of not guilty on all 26 counts.

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Asked about Pacheco's characterization of the evidence against Oyler as "overwhelming," McDonald expressed skepticism.

"If it was overwhelming," Oyler would have been charged with the crimes much sooner, McDonald said.

U.S. Forest Service spokesman John Miller, who has spent the last week shuttling between the dead firefighters' families and the hospital where one firefighter lost a six-day fight to survive, had tears in his eyes Thursday as law enforcement officials announced the charges against Oyler.

"Are things OK? No, things are not OK. It will not bring them back," Miller said of Oyler's arrest. "We appreciate everything our friends in the Forest Service community have done for us, and the county of Riverside. But the emotions aren't over yet."

Authorities would not comment on whether they believe Oyler acted alone.

Edith Bowers, who lives in the Cabazon neighborhood near where the Esperanza fire started, told The Times that when she saw Oyler's face on a news website, she recognized him as one of two men she saw at the scene shortly after the blaze began.

"As soon as I saw his picture, it blew me away," said Bowers, adding that she was interviewed by sheriff's detectives last week. "Put a hat on him and stick him in a lineup and I'll pick him out." She said she had not talked with authorities since Oyler's arrest.

Oyler had previous run-ins with the law, court documents show. In 1995, he pleaded guilty to auto theft in San Bernardino County. Six years later, he pleaded guilty to possession of a controlled substance there.

A mixed reputation

Oyler's former father-in-law, Kenneth Bond, described Oyler as a "lowlife." Bond's daughter, Christy, married Oyler in the Bond family's backyard in Chino Hills in 1997. They moved to Joplin, Mo., and separated in 1999, shortly after she obtained a restraining order against him, saying he was a violent man who sold drugs.

"[He] verbally harassed me, there is so much drug trafficking going on, I said I will not tolerate it in my home because of me and my child," she stated in the March 30, 1999, petition in the circuit court of Jasper County, Mo. "I do not want that. He is so paranoid, it scares me. He is very unpredictable and hits walls."

The couple divorced in 2001, and she was killed in a traffic accident last year.

"Maybe he's changed since then, but I doubt it," Bond said from his home in Rogers, Ark. "Ray was pretty worthless. That's as nice as I can be about him."

Riverside County birth records also show that Oyler fathered a daughter in 1987, when he was 16. The mother was 15 when the baby was born at Riverside Community Hospital.

Oyler's co-workers at Highland Springs Automotive in Beaumont, where Oyler has worked for the last few months, had a much more favorable impression of the man and said they believed authorities had the wrong person.

Mechanic Jason King, 23, said Oyler kept pictures of his girlfriend and their 7-month-old daughter in his toolbox, which was confiscated by authorities.

"It was obvious that they were what he was living for," King said. "This guy, he wanted to change his life. He didn't do something like this."

General manager Jason Walden described Oyler as "a very good guy" who let homeless people sleep in his cars and would rush home to care for his daughter when his girlfriend, a waitress, worked the night shift.

"If Ray's guilty, he should be punished," Walden said. "But we work with fire torches, and it's not like he stands there and glares at it."

Walden added that Oyler had told him Monday that investigators wanted him to take a polygraph test, and when he refused, "detectives told him they were going to make his life a living hell."

Authorities refused to comment on their contacts with Oyler.

As news spread, neighbors of Oyler's parents in Banning expressed disbelief. Neighbor Eddie Lyon said Oyler, known for working on his cars at odd hours of the night, helped him work on one of his trucks.

"If he did do it, I guarantee it was an accident," he said. "He probably dropped a cigarette or something. He's a chain smoker."

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Most of Oyler's family declined to talk about Thursday's charges. His uncle Charles Oyler of Banning said he was stunned by the news.

"I'm just as shocked as anyone," he said. "He was a pretty nice guy, from what I saw."

William "Billy" Hutson, who said sheriff's officials had accused him of being the arsonist when he was questioned Monday, said Thursday evening that he was relieved he was no longer under scrutiny.

"They already had tried, convicted and sentenced me," said Hutson, who was convicted of an arson in Texas 10 years ago and, after the Esperanza fire, had his home searched by sheriff's officials. "I knew I was innocent and the truth would eventually come out."

Weekend surveillance

Authorities questioned Oyler on Friday and put him under surveillance throughout the weekend, arresting him at 3 p.m. Tuesday during a traffic stop in Beaumont.

Authorities charged him with five counts of first-degree murder with special circumstances. The Riverside County district attorney's office will decide in the next 60 days whether to pursue the death penalty.

The firefighters killed in the Oct. 26 blaze were Mark Loutzenhiser, 43, of Idyllwild; Jason McKay, 27, of Phelan; Jess McLean, 27, of Beaumont; Daniel Hoover-Najera, 20, of San Jacinto; and Pablo Cerda, 23, of Fountain Valley, who succumbed to his injuries Tuesday.

The men were overrun by flames while defending a home. The blaze was the deadliest in the nation for firefighters since July 1994, when 14 were killed in Colorado.

McDonald, Oyler's attorney, said he had not seen police reports and had "no idea what the allegations are and their truth." He said he worried that his client would not get a fair trial in Riverside because of "the emotionally charged nature of the case," adding that he may seek to shift the court case elsewhere.

Oyler is being held without bail in a seventh-floor jail ward at the Robert Presley Detention Center in Riverside, McDonald said, where he is isolated from the general population because of the publicity surrounding the case.

McDonald said he found his client "almost catatonic" and "scared to death" when he visited him in jail for 20 minutes Wednesday. His parents and girlfriend, meanwhile, remained "in shock."

"They all say he could never have done it," McDonald said. "They're completely in the dark right now."

Oyler's next court hearing is scheduled for Dec. 15.

At the news conference in Riverside when Oyler's arrest was announced, Riverside County Supervisor Jeff Stone called Oyler a "pyromaniacal murderer."

"The perpetrator believes that he has seen the fire of all fires. I disagree with his fantasy," Stone said. "As a person of strong faith, I believe that this perpetrator will see a firestorm bigger than he's ever imagined when he meets his ultimate fate at the conclusion of his shameful life."

Firefighters said they got some measure of closure from the charges against Oyler.

"I would say it is excellent work by the teams put together to investigate this tragedy, and we expect that justice will be done," said Pat Boss, a U.S. Forest Service spokesman and longtime friend of Loutzenhiser.

Boss and his family have been helping Loutzenhiser's wife, Maria, and her five children since his death last week. She declined to comment Thursday.

"It's rough for her," Boss said. "And it's getting rougher as we get closer to the memorial this Sunday. She is getting her thoughts together for the service."

The public memorial for the firefighters will be held at 1 p.m. Sunday at the Hyundai Pavilion in Devore.

Efren Ayala, stepfather of deceased firefighter Daniel Hoover-Najera of San Jacinto, likewise declined to comment except to say he was glad an arrest had been made.

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Times staff writers Christopher Goffard and David Kelly contributed to this report.

Suspect Charged In California Wildfire Deaths (WP)

By Sonya Geis

The Washington Post, November 3, 2006

LOS ANGELES, Nov. 2 -- A man already in jail on suspicion of starting several small wildfires was charged Thursday with multiple counts of first-degree murder and arson for setting a blaze that killed five firefighters in Southern California.

Police and fire investigators have been working for months to find those responsible for starting at least 40 small fires this year in the Banning Pass area 90 miles east of Los Angeles, in the desert and mountains west of Palm Springs. They arrested a local man Tuesday on suspicion of starting two of those fires. Thursday, authorities said that same man will face five murder counts, 11 counts of arson and 10 counts of use of an incendiary device for setting the deadly Esperanza fire last week as well as 11 fires this summer. The charges could carry the death penalty.

Riverside County District Attorney-elect Rod Pacheco said his office has not decided whether to seek capital punishment for Raymond Lee Oyler, 36. "The lives and tragic deaths of the five-man fire crew, Engine 57, will be considered" in that decision, Pacheco said at a news conference, "and the impact of their deaths on their families, friends, loved ones and their children."

At his arraignment Thursday in Riverside County Superior Court, Oyler pleaded not guilty to all charges. He was jailed without bond.

Oyler, a car mechanic, was arrested at his mother's house in the small town of Beaumont, Calif., a day after police searched the home. In an interview with a local newspaper Thursday, he declared his innocence.

The firefighters' deaths horrified residents of Riverside County, where blazes fed by hot Santa Ana winds burn through wild desert scrub every year, but fatalities are rare. All five members of a U.S. Forest Service crew -- one of them with more than 20 years of experience -- were suddenly caught in a wall of flames as they tried to protect a remote canyon home. They were running for their engine when the fire overtook them.

The fire scorched more than 60 square miles and destroyed 34 houses before it was put out Monday. State and local officials had offered a $550,000 reward to find the person responsible and set up a tip line, which yielded hundreds of calls. Agents from the Bureau of Alcohol, Tobacco, Firearms and Explosives; the Federal Bureau of Investigation; and the U.S. attorney's office worked on the case with local investigators.

A public memorial service for the firefighters is scheduled for Monday at a 65,000-seat arena.

"The days have been consumed with grieving," said Jeanne Wade Evans, the San Bernardino National Forest supervisor, where the fallen firefighters were based. "This arrest really does help with some of the closure, the healing, that some of us in the Forest Service and their families need."

Suspect Pleads Not Guilty In Calif. Blaze That Killed 5 (USAT)

By Maggie Downs, Keith Matheny And Erica Solvig

USA Today, November 3, 2006

RIVERSIDE, Calif. — As firefighters prepared to remember five of their own in a memorial service Sunday, an auto mechanic pleaded not guilty Thursday to setting the blaze that killed the men.

“The evidence is overwhelming” against Raymond Oyler, a resident of nearby Beaumont, Riverside County District Attorney-elect Rod Pacheco told reporters Thursday.

Oyler, 36, faces five counts of first-degree murder and 21 arson-related charges following the Esperanza fire, which investigators say was set Oct. 26. The wind-whipped fire blackened 40,200 acres and destroyed 34 homes in five days in dry, mountainous terrain about 20 miles west of Palm Springs.

The five U.S. Forest Service firefighters died from injuries suffered on the day the fire started. They were trying to protect a mountain home surrounded by steep gullies, the Forest Service says.

The five — Capt. Mark Loutzenhiser, 43, of Idyllwild; Jason McKay, 27, of Phelan; Jess McLean, 27, of Beaumont; Daniel Hoover-Najera, 20, of San Jacinto; and Pablo Cerda, 23, of Fountain Valley — will be honored in a public memorial service at 1 p.m. Sunday at the Hyundai Pavilion in San Bernardino.

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Oyler stood slumped over and appeared reserved in handcuffs and an orange jumpsuit before Judge Janice McIntyre in Riverside County Superior Court on Thursday as he was formally charged. He is being held without bail at a county jail in Riverside. If convicted, he could face the death penalty.

The district attorney's office said in court documents that Oyler is suspected of having set as many as 10 additional fires in the area dating back to June.

Mark McDonald, a San Bernardino attorney hired by Oyler's family to represent him, said he may ask that any trial be moved, citing the "highly emotionally charged case."

Oyler "adamantly denies any involvement" in the Esperanza or other fires, McDonald said.

"He is distraught, scared … almost catatonic," McDonald said after the hearing.

Authorities would not discuss what evidence they have against Oyler, who was identified as a "person of interest" in the Esperanza fire when apprehended Tuesday.

Staci Burger, 23, whose fiancé, McKay, was among the five firefighters who died, selected photographs of him to run in a slide show at Sunday's service.

"To be honest, I don't know how I'm going to make it through the day," Burger said.

Burger had had her mind on different plans before the fire — wedding plans.

She said that she had the ring picked out and that McKay had wanted to wait until Christmas to propose properly, after asking for her father's permission.

Now she pores through photos. She wants McKay's favorite song, Alan Jackson's Like Red on a Rose, to accompany them.

She wants her boyfriend to be remembered as someone who loved the people he worked with as much as he loved his job. "That crew was a family. They adored each other," she said. "And I've discovered a brotherhood of firefighters I never knew existed before."

Tomas Patlan, a U.S. Forest Service spokesman, said fire departments from all over the country have expressed interest in participating in the service.

"A lot of fire service agencies will send equipment to represent their departments," he said. "A procession like that can go on for miles — and this one probably will."

As planning for the memorial service continues, details about it will be added to an Internet site: www.engine57memorial.org.

The five deaths are the greatest loss of firefighters in a single wildfire since 14 were killed in the Storm King Mountain fire near Glenwood Springs, Colo., in 1994, according to statistics from the National Interagency Fire Center.

Man Is Charged With Murder In Wildfire (NYT)

By Randal C. Archibold

The New York Times, November 3, 2006

LOS ANGELES, Nov. 2 —A Californian already accused in two brush fires was charged on Thursday with murder and other crimes in connection with a wildfire last week that killed five United States Forest Service firefighters.

The man, Raymond L. Oyler, who lives in Beaumont near the origin of the fatal fire, pleaded not guilty to multiple counts of murder, arson and related charges a week after the wildfire started, on Oct. 26.

The five-day fire, called the Esperanza fire, blackened 40,200 acres and destroyed 34 houses.

Because of the deaths and their stemming from arson, Mr. Oyler, who is being held without bail, is eligible for the death penalty. The Riverside County district attorney-elect, Rod Pacheco, said he would decide within 60 days whether to pursue it.

Mr. Oyler's lawyer, Mark R. McDonald, said in an interview after the court hearing that the haste of Mr. Oyler's arrest "raises eyebrows." In two days, Mr. McDonald said, Mr. Oyler went from being arrested as a suspect in unrelated fires and a "person of interest" in the deadly blaze to being accused of setting it.

In the wake of the firefighters' deaths, Mr. McDonald said, "emotion tends to drive everything, and they needed to find somebody."

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Mr. Oyler, he said, is terrified, adding: “He really just looks like he is in a fog. He is in shock. He has no clue why they picked him.”

Mr. Oyler has worked in an automotive oil-change store and has a girlfriend and a baby daughter who appears to be younger than 6 months old, the lawyer said.

The criminal complaint charges Mr. Oyler with setting unrelated brush fires in the summer and fall.

The police said they found evidence linking him to the Esperanza fire but declined to give details. He used an unspecified incendiary device, the complaint says.

In an interview on KCAL-TV, Neil Lingle, the Riverside County under sheriff, said that “tips and outstanding police work” led to the arrest but that it had not been determined whether anyone would claim the $500,000 reward offered for information leading to an arrest.

The five firefighters died when a burst of fire, fed by fierce winds, blasted up a hill and overwhelmed them and the house they were trying to save, the authorities said. Three died at the scene, and two died later in a hospital.

Janis Oyler, an aunt of Mr. Oyler, said in a brief telephone interview that the news of the arrest “shocked me as a relative of his.”

“I never knew him to be like that, in fires or anything,” Ms. Oyler said, adding that she had lost touch with his side of the family in recent years.

Jean Wade Evans, supervisor of the San Bernardino National Forest, where the firefighters worked, said in a statement that the Forest Service continued to grieve but that “this arrest helps with some of the closure, the healing, we need in the Forest Service community and in the families.”

Charges Filed In Deadly Calif. Wildfire (AP)

By Gillian Flaccus

AP, November 3, 2006

RIVERSIDE, Calif. (AP) — As families planned funerals for five firefighters killed by a wind-swept wildfire a week ago, authorities marched a suspect into a courtroom to charge him with murder and arson — crimes that carry a possible death sentence.

Friends and family of the fallen firefighters said news of the arrest brought some relief.

"This arrest really does help with some of the closure, the healing that we in the Forest Service community, and in the families, need," said Jeanne Wade Evans, the San Bernardino National Forest supervisor.

The first in a series of funerals was planned for Friday.

Raymond Lee Oyler was charged Thursday with five counts of murder, 11 counts of arson and 10 counts of use of an incendiary device. The charges include seven fires in June, one in July, one in September and two in October.

Last week's blaze was the deadliest for firefighters since July 1994, when 14 were killed near Glenwood Springs, Colo., according to the National Interagency Fire Center.

In a jailhouse interview, Oyler told The Press-Enterprise of Riverside he had "no idea why they came to me."

"All I know is I didn't do this and they're trying to pin this on me," Oyler said, adding that he was home with his baby girl when the fire broke out. "They need to find the real person."

District Attorney-elect Rod Pacheco said the evidence against Oyler was "overwhelming," but he did not disclose a motive and would not say what led investigators to Oyler.

The 36-year-old auto mechanic with tattoos on his neck and forearms appeared in court in handcuffs and a jail jumpsuit as his attorney entered a not guilty plea on his behalf.

Oyler "adamantly denies involvement in this fire and in any of these fires," attorney Mark McDonald said outside court. "He's very distraught and scared ... The finger is pointing at him."

Oyler, who said nothing during the brief hearing, was held without bail.

Authorities were trying to determine whether Oyler has any links to at least 40 fires in the area since May, according to an official involved in the investigation who spoke on condition of anonymity because the case is continuing.

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Investigators were also looking at a 1998 fire in which the pilot of a firefighting aircraft died in a crash. That blaze burned more than 24,000 acres in the San Jacinto Mountains and had a burn pattern similar to last week's fire, the official said.

The charges are punishable by life in prison without parole or the death penalty. Prosecutors will decide in the next 60 days which sentence to seek.

"The feelings of the surviving family members of the victims will be consulted and be given great weight by our office in what is always a difficult decision," Pacheco said.

A woman who answered the phone at the home of Oyler's mother said she had no comment.

Last week's fire was stoked by Santa Ana winds as it swept southwest through the San Jacinto Mountains about 90 miles east of Los Angeles. The flames overran the fire crew, destroyed 34 homes and charred more than 60 square miles before being contained Monday.

Three firefighters died at the scene, and a fourth died soon after at a hospital. A fifth was taken off life support and died this week.

A funeral service was planned Friday for Jason McKay, 27, of Apple Valley.

McKay, whose family moved to the Victorville area from Minnesota when he was a boy, worked for the U.S. Forest Service for five years and was the assistant engine operator on the Engine 57 crew.

"He loved being a firefighter," Staci Burger, McKay's fiance, told the Riverside Press Enterprise. "It was what he wanted to do since he was born."

Funeral services were also scheduled over the next several days for firefighters Jess McLean, 27, of Beaumont; Daniel Hoover-Najera, 20, of San Jacinto; Mark Loutzenhiser, 43, of Idyllwild; and Pablo Cerda, 23, of Fountain Valley.

A public memorial service was planned for Sunday.

Associated Press Writer Andrew Glazer contributed to this report.

Charges Filed In Deadly Calif. Wildfire (FINDLAW/AP)

By Gillian Flaccus, Associated Press Writer

AP, November 3, 2006

(AP) - RIVERSIDE, Calif.-Authorities on Thursday filed murder and arson charges carrying the death penalty against a man suspected of setting a Southern California wildfire last week that killed five firefighters.

The suspect, Raymond Lee Oyler, 36, was already under arrest on suspicion of setting two other wildfires over the summer.

The blaze was the deadliest for firefighters since July 1994, when 14 were killed near Glenwood Springs, Colo., according to the National Interagency Fire Center statistics.

Prosecutors charged Oyler with five counts of murder, 11 counts of arson and 10 counts of use of an incendiary device.

District Attorney-elect Rod Pacheco said Oyler will also face two so-called special circumstances, one alleging murders committed during arson and another alleging multiple murders.

A court appearance was set for later Thursday.

The charges are punishable by life in prison without parole or the death penalty. Authorities will decide in the next 60 days which sentence to seek, Pacheco said.

"The feelings of the surviving family members of the victims will be consulted and be given great weight by our office in what is always a difficult decision," he said.

A woman who answered the phone at the home of Oyler's mother said she had no comment.

The fire was stoked by Santa Ana winds as it swept southwest through the San Jacinto Mountains west of Palm Springs. The flames overran the fire crew, destroyed 34 homes and charred more than 60 square miles before being contained Monday.

Three firefighters died at the scene, and a fourth died soon after at a hospital. A fifth was taken off life support and died this week.

Investigators interviewed Oyler on Oct. 27, served a search warrant on his residence Monday, then arrested him Tuesday. Authorities did not immediately identify the other fires Oyler was suspected of starting.

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"This arrest really does help with some of the closure, the healing that we in the Forest Service community, and in the families, need," said Jeanne Wade Evans, the San Bernardino National Forest supervisor.

In Joplin, Mo., police and court records show Oyler had mostly minor run-ins with the law from 1997 through 1999. The most severe was a 1999 misdemeanor charge of violating a protection order by entering his wife's apartment while she was out. The couple divorced in 2001.

'They Need To Find The Real Person' (RPE)

By LISA O'NEILL HILL, BEN GOAD And ADAM HARTMANN

Riverside (CA) Press-Enterprise, November 3, 2006

JAIL INTERVIEW: Suspect Raymond Lee Oyler denies any role in the fire that claimed five lives.

Raymond Lee Oyler once tried to volunteer with a local fire department. He's a mechanic and a father, with tattoos of flames and skulls on his arms and braces on his teeth.

On Thursday morning, an anxious and tearful Oyler -- jailed as a suspect in two arson fires -- maintained from the Robert Presley Detention Center that he did not start those fires or last week's wildfire, which killed five U.S. Forest Service firefighters. He expressed sympathy for the loss of life.

Two hours later, Riverside County authorities charged Oyler, 36, with five counts of murder and alleged that he had set the Esperanza Fire.

"I haven't done anything with any fires," Oyler said, talking from a visiting area of the seventh floor of the jail in downtown Riverside. He spoke slowly into a telephone, staring intently at a visitor from behind thick glass. "Fires hurt people."

In a 20-minute interview -- his first public comments since his arrest Tuesday night -- Oyler said he did not know why detectives had zeroed in on him.

He said detectives have trailed him at home and at work, taken a swab of DNA from his cheek and asked him to take a polygraph exam, which he refused. They asked whether he had lent his Ford Taurus to anyone and, while serving a search warrant, took boots and other items from his home, Oyler said.

"All I know is, I didn't do this and they're trying to pin this on me. They need to find the real person," he said.

"Obviously they didn't mean for anybody to get killed," Oyler said of whoever started the fire that burned 34 homes.

Home With His Baby

Oyler said he had been at home with his baby when the fire broke out at 1:12 a.m. Oct. 26.

"I really feel bad for those people who lost their lives up there on that hill," said Oyler, who has had run-ins with the law in California and Missouri and has served time in prison.

Authorities dismissed Oyler's assertion that he is innocent, saying that more than 30 representatives of multiple law enforcement agencies who reviewed the case at the district attorney's office Wednesday afternoon were unanimous: Oyler was responsible for the crimes.

Riverside County Supervisor Jeff Stone lashed out at Oyler during a televised news conference Thursday calling him a "sick individual" and "pyro-maniacal murderer."

A more complete picture of Oyler -- that of a nice, hard-working kid who gradually fell into a life of drugs and crime -- emerges in court documents and interviews with some of those who have known him through the years.

At the home of Oyler's parents on Banning's Eighth Street on Thursday, people hunkered down inside, watching a televised news conference announcing the murder charges. No one came to the door.

Later, sheriff's homicide investigators arrived at the home, where pit bulls have roamed the yard.

Neighbors said they were amazed that someone from their area had been charged, and they expressed sympathy for Oyler's parents.

"It's extremely horrible," said neighbor Arlene Wade. "Basically, they're going to lose a son."

Oyler, who said he smokes cigarettes, said he had not talked to his family since his arrest Tuesday night.

He said he has been with his girlfriend for the past two years, and he shares an apartment in Beaumont with her and their daughter, Diamond. Oyler's girlfriend declined to comment when she was reached Thursday.

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"It just tears me apart inside," Oyler said of being away from home. "I'm hurt in the fact that I'm not with my family."

At times, Oyler appeared stunned that he was in jail at all. The mechanic's brown hair was closely cropped, and what appeared to be oil or grease was underneath his short fingernails.

'Wrong Dog'

For four or five months, Oyler had been working at Highland Springs Automotive, a few hundred yards from a Beaumont fire station. Jason Walden, the general manager, called him "one of the nicest guys you'd ever want to meet" and said Oyler still has a job, pending the outcome of the case.

"They're hunting the wrong dog," Walden said of Oyler, who he said would let homeless people sleep in one of his cars and who would come in on his days off to service cars for free.

Walden portrayed Oyler as a homebody who watched his daughter while his girlfriend worked nights.

He said Oyler told him Monday that authorities had impounded his cars and ransacked his apartment.

Told Thursday that authorities had filed murder and arson charges against Oyler, Walden sighed and said he didn't know what to say.

"You can never tell, but I still believe in him," Walden said. "I don't have all the evidence in front of me to check it myself ... just wait and see what really happens."

"If it (turns) out that he's guilty, he'll have to pay his dues," he said. "Even nice guys do bad things."

Not everyone who has employed Oyler recalls him fondly.

Charley Price, owner of Price's Auto Parts in Banning, said Oyler had a three- to four- month stint as a part-time auto repairman at his business about a year ago. He said Oyler had worked for him previously several years earlier and called him looking for work last year after getting out of jail. Oyler told him his girlfriend was pregnant and he needed "a car, a job and some help," Price said.

"I felt sorry for him," said Price, who sold Oyler a Ford Taurus for $100. "For the first month, he worked out pretty good," he said, but after that, his workmanship went downhill.

Price never saw Oyler outside of work, he said, adding, "It's a shame I even saw him at work."

Moreno Valley Childhood

Oyler was born in El Monte and attended Moreno Valley's Edgemont Elementary School and Canyon Springs High School, according to a job application he filled out in 1998. School officials said they had no record of his graduating. He wrote on the application that he liked football and was proud of his ability as a house painter.

In 1992, he began a three-year stint painting houses for a company in Rosemead. In the mid-'90s, he went to work for Rex Taylor Painting in Ontario.

On Thursday, Taylor said he was shocked to learn of Oyler's arrest.

"I'm floored," he said, adding that Oyler had been a good painter and expressing hope that he had not been involved.

Taylor recalled Oyler as the the kind of guy who would walk away from a fight.

"He isn't the vindictive type," Taylor said.

Inland Arrests

In the past decade, Oyler has racked up multiple convictions in Riverside and San Bernardino counties.

He was arrested in April 1995 for taking a vehicle without the owner's consent in the Redlands area, San Bernardino County records show.

He pleaded guilty in August of that year but failed to appear for sentencing the next month, records show. An arrest warrant was issued.

Oyler moved to Joplin, Mo., in the late 1990s, where he again sought work as a house painter. Several outfits hired him for short stints, said one-time boss Marty Coss.

"He had a little old patch of hair on his bottom lip," Coss said by telephone from Joplin. "He seemed like a good kid. Wasn't an ornery kid."

Oyler said he moved briefly to Missouri "for a change" and worked in a machine shop.

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He married a woman named Christy, but he is no longer with her, he said. She could not be reached. Oyler said he has children other than the baby but declined to elaborate.

Between May 1997 and April 1999, he was arrested several times in Missouri in cases involving stolen cars, a hit-and-run and domestic-violence calls.

His wife called Joplin police in January 1999, saying that she believed Oyler was using methamphetamine and possibly cooking it in their home.

A few months later, she accused him of entering the home in violation of a court order and taking several items, including a pit bull puppy and, possibly, a sawed-off shotgun.

Later that year, Oyler was back in California and back in jail. He got probation for the 1995 auto-theft conviction. But a conviction two years later for drug possession constituted a violation of the probation, and he was sentenced in 2001 to a year and four months in state prison, court records show.

In January of this year, he was cited for having three dogs off leashes. Records show that Oyler was ordered in June to begin paying $683 in fines stemming from traffic violations. In August, a failure-to-pay warrant was issued.

Back at the Presley Detention Center, Oyler expressed nervousness about his future.

"I think that's terrible that life was lost," he said. "I think it's terrible that the fire was started. I just want you to know that they have the wrong guy. I really didn't do it."

He wiped tears from his eyes with his sleeve and hung his head. "I probably should go now," he said before hanging up the phone.

He got up and lumbered back to his cell.

Staff writers Sean Nealon, Kimberly Trone, Sarah Burge, John Asbury, Lora Hines and Melissa Eiselein contributed to this report.

Foreign Lobbies Took The Guise Of Nonprofits (WP)

By James V. Grimaldi And Susan Schmidt

The Washington Post, November 3, 2006

Early last year, two little-known nonprofit groups paid for Rep. John T. Doolittle (R-Calif.) and his 12-year-old daughter to travel to South Korea and Malaysia. Their last stop was the Berjaya Beach & Spa Resort on the Malaysian island of Langkawi, where they bunked at an oceanfront chalet staffed with a personal butler, got massages and rode water scooters on Burau Bay.

Doolittle's junket, which cost $29,400, was among the most expensive privately sponsored trips by members of Congress in recent years. The two groups that split the bills were not ordinary nonprofits. They were fronts for vigorous lobbying campaigns bankrolled by foreign entities and were operated by a Washington lobbying firm, Alexander Strategy Group, according to public records and people who worked with the firm.

For five years beginning in 2001, the Korea-U.S. Exchange Council and the U.S.-Malaysia Exchange Association treated 12 members of Congress and 31 Capitol Hill staffers and their relatives to nearly $500,000 in trips that included stops at U.S. and overseas resorts, records show.

The two nonprofits and the lobbying firm behind them have drawn the attention of the FBI. People associated with Alexander Strategy, who spoke on the condition of anonymity, said federal investigators have asked them whether the groups were conduits for a foreign government and a foreign corporation to finance congressional junkets.

Records show that the Korea-U.S. Exchange Council was funded by the Hanwha Group, a South Korean conglomerate. The stated goal was to enhance the influence of Hanwha's chairman, Seung Youn Kim, a controversial figure once jailed for violating Korean financial law in his purchase of Sylvester Stallone's Hollywood mansion. Lobbyists for the U.S.-Malaysia Exchange Association filed reports stating that their funds came from a Malaysian energy firm and that the work was "on behalf of the government of Malaysia."

Federal law prohibits members of Congress from knowingly accepting overseas travel from foreign governments except as part of a cultural interchange program approved by the State Department. The travel in this case was not part of such a program,

government officials said. House rules ban members from taking trips paid for by lobbyists or foreign agents. Nonprofits and their officers are prohibited under federal tax law from using a charitable organization for private commercial gain.

Once a major lobbying firm, Alexander Strategy Group closed down early this year. Its owner, Edwin A. Buckham, former chief of staff to now-departed House majority leader Tom DeLay, is under investigation in the Jack Abramoff lobbying scandal, according to lawyers and witnesses with knowledge of the probe. Authorities are also reviewing Buckham's use in the 1990s of another nonprofit, the U.S. Family Network, the sources said.

The Korean and Malaysian nonprofits were created in 2001. Their combined budgets of more than $2.5 million, as well as their checkbooks and operations, were controlled by Alexander Strategy, according to people affiliated with the firm at the time. Records show that Alexander Strategy took in $620,000 in fees for its work on the Malaysia account. A Hanwha subsidiary in the United States, Universal Bearings Inc., paid the lobbyists $940,000 for the Korea work.

The nonprofit groups, on the strength of Buckham's GOP connections, sponsored trips for Republican House members DeLay; Doolittle; Ileana Ros-Lehtinen, Ander Crenshaw and Tom Feeney of Florida; John Carter of Texas; Scott Garrett of New Jersey; and Roger Wicker of Mississippi.

Buckham had a strategic alliance with a Democratic lobbying firm, the Harbour Group, located in the same building on K Street. Harbour received about $500,000 in fees from the two nonprofits, according to tax and lobbying disclosure records. The firm arranged for trips taken by Democrats including Rep. Earl Pomeroy of North Dakota, Rep. Jim McDermott of Washington, Rep. Mike Honda of California and Del. Eni F. H. Faleomavaega of American Samoa. Harbour also arranged for former president Bill Clinton, who was on his own Asian trip, to meet with Hanwha officials in Seoul and Beijing.

Some of the lawmakers on the trips were in positions to help other Alexander Strategy clients. Doolittle, who serves on the House Appropriations Committee, told The Washington Post this year that from 2002 to 2005 he sponsored $37 million in spending-bill earmarks that went to a firm controlled by a key Alexander Strategy client. The client, Brent R. Wilkes, is a target of the federal investigation stemming from the bribery case and guilty plea of former representative Randy "Duke" Cunningham (R-Calif.). Doolittle's wife, Julie Doolittle, was hired by Alexander Strategy to help keep the books for the Korean nonprofit.

Buckham and Edward Stewart, who had been his top associate at Alexander Strategy, declined to be interviewed for this article.

Joel Johnson, a former senior adviser in the Clinton White House who ran Harbour Group at the time, said he was a subcontractor to Buckham's firm and thought of the work as lobbying for business interests behind the nonprofits.

Johnson said he relied on Buckham's assurance that the groups were proper. "This did not look like a fly-by-night operation, because it had very respected, prominent people on board," he said.

Doolittle spokeswoman Laura Blackann said last week that the congressman believed that his trip to Asia, in February 2005, was proper and that it had nothing to do with the earmarks. He said he paid out of his own pocket for some of the activities on Langkawi, such as the massages and watercraft rentals.

Other members of Congress said they did not know the source of funding for the nonprofits. Said Mike DeCesare, spokesman for McDermott, "Obviously if Congressman McDermott knew, he wouldn't have taken the trip."Helping Chairman Kim

During its five years of existence, the Korea-U.S. Exchange Council described itself in its tax returns as an educational group that spent nothing on lobbying.

But its filings with the Justice Department contradicted those returns. The council registered with Justice as a foreign agent, saying that it was financed by Hanwha Group and that Kim chaired its board of directors. It filed a plan detailing Alexander Strategy's lobbying campaign for Kim, which promised him extensive contacts with Washington lawmakers and policymakers.

The plan stated that the purpose was "to define Chairman Kim of the Hanwha Group as the leading Korean business statesman in U.S.-Korea relations" and to strengthen "Hanwha's global position." A 2002 audit of the nonprofit by the accounting firm Gelman, Rosenberg and Freedman said "approximately 99.9 percent" of its revenue came from one organization.

While the Korea council was filing as a foreign agent with the Justice Department, its lobbyists were declaring in their filings to Congress that the nonprofit had no significant foreign ownership.

"What they were telling the Department of Justice and what they were telling the IRS suggests you can't trust either set of documents," said Marcus Owens, a Washington tax lawyer and former Internal Revenue Service nonprofit chief who reviewed

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hundreds of the group's records compiled by The Post. "The reality is the organization was designed to provide a conduit for influence."

Alexander Strategy and Harbour lobbyists directed a steady stream of U.S. lawmakers and staffers of both parties to Seoul, where Kim squired them to meetings with top government officials. Kim traveled several times to Washington, where, according to the reports to the Justice Department, he met with prominent politicians and lawmakers.

Former president Clinton traveled to Beijing and Seoul at the invitation of the Korea council in November 2003. He appeared with Kim at the opening of the Beijing office of Korea Life Insurance Co., a Hanwha subsidiary, then traveled to Seoul for golf with Kim and meetings with political leaders.

Clinton's representatives did not respond to requests for comment on the visit.

The publicity provided a counterweight to Kim's troubles at home. He and other executives at Hanwha were under criminal investigation for allegedly bribing politicians in the company's 2002 takeover of state-controlled Korea Life. Within weeks of Clinton's visit, Kim and other Hanwha executives were barred from leaving Korea. One was later convicted in a bribery scheme. In February 2005, Kim was questioned by prosecutors but not charged.

The fact that the Korea council was a registered foreign agent was revealed in a March 2005 Post article. Some Congress members and aides who went on the trips said they had not known about the registration.

Former secretary of state Henry A. Kissinger, the best-known member of the Korea council's board, resigned, telling aides he had not known it was a lobbying operation.A Scant Paper Trail

Like the Korea council, the U.S.-Malaysia Exchange Association sponsored trips by members of Congress and staffers. Some began with a meeting with Kim in Korea and finished with beach time in Langkawi courtesy of the Malaysia association.

The lawmakers and aides said they believed their travel was a legitimate function of a nonprofit group. In fact, the group's work was carried out on behalf of the Malaysian government and was funded by Malaysian business interests, both of which sought to improve the Islamic nation's image with U.S. politicians, according to public records and people familiar with the operation of the lobbying firms.

Much remains unknown about the U.S.-Malaysia Exchange Association because the only public documents are its incorporation papers and the biannual reports it filed with the District. On its board of directors were two Malaysian ruling-party officials, Jamaludin Jarjis and Megat Junid; former Wyoming senator Malcolm Wallop (R); and Stewart of Alexander Strategy.

According to the IRS, the group never filed a tax return. The IRS said the association was granted nonprofit status, but the agency could not locate the application.

The congressional trips were organized by and billed to Alexander Strategy, according to people familiar with the operation of the lobbying firm. Alexander Strategy received $620,000 in fees that originated with Malaysian business interests and was routed through a Hong Kong firm called Belle Haven Consultants, according to documents filed by Alexander Strategy with the Justice Department. Belle Haven also paid the Harbour Group $240,000, records show.

Wallop, who was hired to lobby for Belle Haven, said in an interview this summer that the Hong Kong firm got its money from P.K. Baru Energy in Malaysia. That company, he said, was one of the businesses that wanted to improve the nation's image in the United States after a disastrous 1998 visit by Vice President Al Gore, who walked out of a banquet to protest alleged human rights violations and anti-Semitic comments by Prime Minister Mahathir Mohamad.

"They wanted to make it known that it was a more civilized and courtly place than that," Wallop said. "A way to achieve that was to meet members of Congress." Some lawmakers who went on the trips received briefings from Belle Haven executives about Malaysia's strategic importance.

In their last two years of filings, Belle Haven's U.S. lobbyists reported that the Hong Kong firm was doing its work on behalf of the Malaysian government.

In 2002, the lobbyists took large delegations to Malaysia and Langkawi, including staffers to Rep. J. Dennis Hastert (R-Ill.), Sen. Harry M. Reid (D-Nev.), Rep. Richard K. Armey (R-Tex.) and Rep. Gregory Meeks (D-N.Y.). Meeks himself and Rep. Pete Sessions (R-Tex.), both on the House Financial Services Committee, went on one of the trips and met with officials of Malaysia's Islamic banks; the lawmakers' expenses were paid by a Malaysian think tank.

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When Mahathir arrived that spring for a visit with President Bush, he was welcomed on Capitol Hill. The prime minister met with then-Senate Majority Leader Thomas A. Daschle (D-S.D.), DeLay and Hastert, among others. And Meeks and Sessions announced the creation of a congressional caucus on Malaysia Trade, Security and Economic Cooperation.Amid Scandal, One Last Trip

By the beginning of 2006, Alexander Strategy Group had shut down the Korea and Malaysia nonprofits -- just before the lobbying firm itself went out of business because of its links to the Abramoff scandal. Buckham is referenced in the plea agreement of his former colleague, Tony Rudy, who admitted to corruption charges stemming from his work as a lobbyist and as deputy chief of staff to DeLay.

The FBI has questioned witnesses in recent months about Alexander Strategy's use of nonprofits and its hiring of congressional spouses, including Julie Doolittle and Christine DeLay, wife of the former House majority leader.

Alexander Strategy paid Julie Doolittle about $30,000 to do bookkeeping for the Korea nonprofit. Other contracting work by Julie Doolittle, for one of Abramoff's charities, has led investigators in the Abramoff probe to scrutinize John Doolittle's activities, sources have told The Post.

Blackann, John Doolittle's spokeswoman, did not respond to a question about whether the congressman knew that the Korea nonprofit, which helped pay for his February 2005 trip to Asia, was funded by a foreign corporation.

The Doolittle trip was the last one sponsored by the nonprofits as a wave of controversy about overseas junkets and lobbying abuses swept the Capitol. Also on the trip, which cost more than $80,000, were congressmen Wicker and Pomeroy, Wicker's wife, and a Wicker aide.

The contingent spent four days in Korea before flying to Kuala Lumpur for two days, where they met the Malaysian prime minister. Pomeroy flew home, and Doolittle and his daughter, Wicker and his wife, and the aide spent three days at a resort hotel in Langkawi, an island whose beaches are rated among the world's 10 best by a National Geographic Society publication.

Accompanying the congressmen were three Belle Haven representatives, Malaysia politician Jarjis and three lobbyists -- Wallop, Alexander Strategy's Stewart and Johnson, who by then had moved from the Harbour Group to the Glover Park Group.

Doolittle, Wicker and Pomeroy said the trip had been approved in advance by the ethics committee. But House ethics rules leave it up to individual members to determine whether a trip meets the standard of official duties.

"I was disappointed to learn -- upon returning -- that the groups in question had failed to properly file their status," Pomeroy said in a statement. "Knowing what I know now, I would not have gone on these trips."

Doolittle spokeswoman Blackann said that the first six days involved official meetings and briefings and that Doolittle paid for the recreational activities, which took place on the weekend. Doolittle declined to make available the receipts, kept in Washington, because he was campaigning in California.

Blackann also said Doolittle returned gifts received on the trip, which people familiar with the details of the trip said included a hand-tailored Korean suit for the congressman and a stylish equestrian outfit for his daughter from the Royal Polo Club in Kuala Lampur.

The spokeswoman said the congressmen also took a boat ride "to visit areas that had been ravaged by the tsunami" that had hit the South Pacific two months earlier.

A news report days after the tidal wave said Langkawi received comparatively minimal damage and "remained normal with hordes of tourists going about their holiday without any worry."

Wicker, in an interview, acknowledged that the island visit was meant for relaxation. He said he and his wife also got massages.

The itinerary for Langkawi was to look at tsunami damage and "to have a little downtime," Wicker said. "But the logistics of getting to the tsunami became a problem. It did become a couple of days of downtime."

Credit Card Scam Alleged At Joliet-area Hotels (CHIT)

By Hal Dardick, Tribune Staff Reporter

Chicago Tribune, November 3, 2006

DOJ_NMG_0090511

Police charged 10 owners, managers and employees of seven Joliet-area hotels Thursday with selling credit card numbers of guests in a scam that authorities said could be going on across the country.

The arrests were made as about 50 officers, including FBI forensic computer experts, executed search warrants at the hotels, all part of national chains, though their corporate parents were not implicated.

In some cases, the forensic experts copied hard drives. In others, they took the computers.

The arrests were part of Operation Sleep Over, an ongoing investigation that began four months ago when police arrested a man involved in the scam who then became an informant for the Will County Sheriff's Department, officials said.

"Anyone who stayed there was a potential victim," State's Atty. James Glasgow said of the seven hotels. "And it looks like it was open season."

The informant, who has a gambling problem, bought about 10,000 credit card numbers from one Joliet-area hotel and thousands from others in the six years before his arrest, Sheriff Paul Kaupas said.

After his arrest, he went to work for detectives, buying about 150 credit card numbers while wearing a wire, Kaupas said.

"It is stunning how easily this informant was able to steal the financial identities of consumers from across the country simply by cultivating relationships in the hospitality industry," Glasgow said. "From what we have learned here, this criminal scheme can easily be repeated anywhere in the country."

The informant knew of similar scams in other cities and states and learned the theft technique from someone outside the area, Kaupas said.

Authorities declined to describe it as a ring. The hotel owners "didn't necessarily know what the others were doing," Glasgow said.

The state's attorney said he hoped the arrests would get the attention of consumers, credit card companies and the hospitality industry. He stressed those arrested were franchise owners and no one working for the corporations has been implicated. "I have not heard of hotels selling credit card numbers," said Assistant Illinois Atty. Gen. Deborah Hagan, who heads the Consumer Protection Division but was not involved in Thursday's operation. She found the arrests of hotel owners particularly troubling. "If the owner is in on it, there's no safeguarding in the world that is going to work," she said.

In 2005, nearly 256,000 Americans reported being the victims of identity theft, according to the Federal Trade Commission. Of those, 26 percent were the victims of credit card fraud, either because their accounts were "taken over" or, more frequently, because personal information was used to open a new account.

In Illinois, there were 11,137 identity theft victims. At a rate of 87.3 victims per 100,000 people, Illinois ranked 10th in the nation.

As identity theft has grown in recent years, legislators have passed laws at the state and federal levels that call for more time behind bars for offenders.

In Will County, the credit card numbers—along with names and toll-free numbers used to determine how much credit was left on each card—were sold in batches of 10 for between $1,000 and $5,000, officials said.

In some cases, the sellers gave the buyers extra credit card numbers in exchange for plasma TVs for hotel rooms, bought on credit through fraud, officials said.

Buying from stores, via telephone and through the Internet, the informant purchased items valued at between $500 and $15,000 on each card, Kaupas said. He sometimes used credit to buy the numbers, the sheriff said.

Typically, he would sell items he purchased at steep discounts to finance his gambling, authorities said.

"He couldn't make enough money or get enough money because of his gambling," said Sheriff's Detective Edward Hayes, who helped lead the investigation.

Those who sold the numbers relied on "time lapse and geographic distance" to avoid detection, Glasgow said.

The numbers they sold often belonged to people who lived in another state, and the numbers were sold as long as a year after they were used at the hotels. "To track them became next to impossible," he said.

Among the hotels searched was a Holiday Inn Express, 411 S. Larkin Ave., Joliet, where two owners and two employees were arrested.

Owners John Rhee, 62, of the 8600 block of Timber Ridge Drive, Burr Ridge, and John Seo, 54, of the 500 block of Sheridan Road, Glencoe, were each charged with multiple counts of identity theft, unlawful use of an account number with intent to defraud and computer fraud.

Rhee denied the charges against him.

"I did my best with my work," he said. "I'm not sure what happened here."

Police were armed with 12 arrest warrants and executed 10. An 11th defendant was expected to turn herself in Thursday night, and the 12th remained at large. All face the same charges and, if convicted, could be sentenced to 7 years in prison.

Police arrested the owners of two Super 8 hotels. Suresh Shah, 54, of the 100 block of Pelican Bay, Roselle, owns the Super 8 at 3401 Mall Loop Drive, Joliet; and Virendra Patel, 55, apparently lived at his Super 8 at 1730 McDonough St., Joliet.

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Officer Denies Having Sex With Inmates (TALLDEM)

By Chitra Subramanyam, DEMOCRAT STAFF WRITER

Tallahassee Democrat, November 3, 2006

One of two correctional officers charged in connection with a sex-with-prisoners conspiracy testified in federal court Thursday.

He denied the allegations against him and said female inmates had lied about having sex with him. Federal Correctional Institution officer Alan Moore said, "They are lying ... Didn't have sex with any of those inmates ... I never touched any of the inmates."

Moore and Gregory Dixon are two of five FCI officers arrested June 21. A sixth officer, Ralph Hill, was killed in a shootout at FCI Tallahassee after he opened fire on federal agents. The other officers, Alfred Barnes, Vincent Johnson and E. Lavon Spence, have pleaded guilty to mail fraud.

Moore's attorney, Robert Harper, asked his client if he had sex with an inmate in her room while her roommate was sleeping. Moore replied, "It doesn't make any sense ... Why would I have sex with an inmate while there was another inmate in that room?"

There were other places to have sex, he said. Assistant U.S. Attorney Alan Sprowls asked him for examples of those places. Moore told jurors the encounters could have taken place in the TV room, on the stairs, in the bathrooms and in closets.

Moore also refuted statements a former inmate made Tuesday. She said Moore let her go to a different housing unit several times to have sex with Barnes. Moore said he never let her out, "not one time, not any time, never."

Barnes also testified Thursday. He said he had sex with three inmates in 2004 and gave them banned items.

"I would watch them," he said, responding to a question from prosecutors about how he would choose the inmates. He said he would "watch their demeanor" and how "individuals handled themselves" before approaching or propositioning them.

Responding to questions from defense attorneys, Barnes said that there was no agreement between the officers to have sex with, intimidate or sell contraband to inmates. Later, responding to questions from Assistant U.S. Attorney Robert Davis, he said he knew the defendants were having sex with inmates but didn't report the matter.

"What was the point of reporting it when I was doing wrong myself?" he said.

Closing arguments are expected today.

Contact reporter Chitra Subramanyam at (850) 599-2304 or csubramanyam@tallahassee.com."I never touched any of the inmates."

16 Arrested In Sweep Of Townsend Street (LAT)

From Times Staff And Wire Reports

The Los Angeles Times, November 3, 2006

Sixteen alleged members or associates of a Santa Ana street gang were arrested Thursday following a yearlong undercover investigation into drug sales in their neighborhood, police said.

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Three of them — Juan Verdin, 28, Adrian Nava, 24, and Jesus Vasquez, 41 — were charged with conspiracy to distribute cocaine and scheduled to appear in U.S. District Court in Santa Ana today, according to a statement by the FBI, which acted jointly with the Santa Ana Police Department.

Those arrested are believed to be associated with the Townsend Street gang operating roughly in the 800 and 900 blocks of South Townsend Street, authorities said.

"They were intimidating local residents," police spokesman Cmdr. Baltazar De La Riva said of the suspects.

LI Gang Member Guilty Of Murder (NSDY)

By Zachary R. Dowdy, Newsday Staff Writer

Long Island Newsday, November 3, 2006

Federal jurors convicted a Central Islip gang member yesterday of plotting and carrying out the murder of a man partly because the victim wore yellow, a color preferred by a rival street gang.

Josue Otoniel Rubi-Gonzalez, 26, of Central Islip, who federal prosecutors say is a member of La Mara Salvatrucha or MS-13, was found guilty after a two-week trial in federal court in Central Islip of conspiracy and murder in aid of racketeering, more than three years after the June 2003 slaying of Jesus Valentin, 22, of Central Islip.

Rubi-Gonzalez will receive a mandatory life sentence from U.S. District Judge Leonard D. Wexler.

Valentin met Rubi-Gonzalez and two other men by chance on Lowell Avenue in Central Islip when the three began to suspect Valentin was a member of the Latin Kings gang because he was wearing a yellow shirt, prosecutors said.

They lured Valentin into a nearby patch of woods on the grounds of the former Central Islip Psychiatric Center with the ruse of offering him marijuana.

They then beat him with a fire extinguisher and a piece of lumber. Rubi-Gonzalez delivered a fatal stab wound with a pocketknife, prosecutors said.

The two stuffed Valentin's body into a drainpipe where it lay until Nov. 15, 2003.

"This conviction marks the latest success in a series of prosecutions to dismantle street gangs on Long Island and free our communities from the indiscriminate violence they unleash," said U.S. Attorney Roslynn R. Mauskopf. "Gang members who attempt to treat our communities as war zones will continue to face the full force of federal prosecution."

Rubi-Gonzalez' attorney could not be reached for comment yesterday. The case was prosecuted by Assistant U.S. Attorneys Richard P. Donoghue and James McGovern.

Information about the status of the cases against the two alleged accomplices in the killing was not available yesterday.

LI Gang Member Convicted Of Murdering Suspected Rival (AP)

AP, November 3, 2006

CENTRAL ISLIP, N.Y. (AP) — A man identified as a member of the Mara Salvatrucha, or MS-13, street gang was convicted Tuesday of conspiracy and murder in aid of racketeering following a two-week trial in federal court on Long Island.

Josue Otoniel Rubi-Gonzalez, 21, faces up to life in prison when he is sentenced for the killing of Jesus Valentin in Central Islip on June 30, 2003. A sentencing date was not immediately announced.

Prosecutors said Rubi-Gonzalez and two other suspected MS-13 gang members met Valentin during a chance encounter more than three years ago. Valentin was suspected of being a member of the rival Latin Kings street gang, in part because he was wearing a yellow shirt, a color frequently worn by the Latin Kings, prosecutors said.

He was lured into the woods, where he was brutally beaten with a fire extinguisher and a piece of lumber before Rubi-Gonzalez fatally stabbed him with a pocket knife, prosecutors said. The victim's body was hidden in a drain pipe, where it wasn't discovered until Nov. 15, 2003. It was not immediately clear what happened to the two accomplices.

Rubi-Gonzalez and 29 other suspected members of three gangs — MS-13, the Bloods, and Murder Unit — were named in a Feb. 4, 2004, indictment, charging them with five murders, a firebombing, multiple assaults, robbery and drug distribution across Long Island. Since then more than 20 members of the MS-13 gang have either pleaded guilty or been convicted at trial.

"This conviction marks the latest success in a series of prosecutions to dismantle street gangs on Long Island and free our communities from the indiscriminate violence they unleash," U.S. Attorney Roslynn Mauskopf said in a statement.

FBI Cyber Crackdown Leads To 16 Arrests (USAT)

By Jon Swartz

USA Today, November 3, 2006

SAN FRANCISCO — In its latest crackdown on cybercrime, the FBI planned to announce Friday the arrests of 16 people in the USA and Poland suspected of participating in a website where stolen personal data were traded and phishing attacks were launched.

Individuals were arrested in Atlanta and Columbus, Ohio. Raids were conducted in New York, Texas, Tennessee, Nebraska, Georgia and Ohio, the FBI said.

Search warrants on three individuals in Romania also were performed this week as part of the ongoing investigation.

The actions against the Cardkeeper forum are the highest-profile since the Richmond, Va., division of the bureau started investigating the phishing attack on a bank in mid-2004. More than 100,000 credit and debit cards from more than 1,000 individuals were compromised.

It is the federal government's latest salvo in a battle against online crooks dealing in stolen credit and debit cards and online bank accounts. In 2004, the FBI and Secret Service briefly disrupted growth of such forums with the bust-up of Shadowcrew, a forum of more than 4,000 members. Since then, other forums have formed or resurfaced with new security measures to avoid detection, security experts and law enforcement officials say.

The arrests are the latest indication that federal officials are serious about tamping down online credit card fraud and deterring 12 to 20 carding forums worldwide, says Dan Clements, CEO of CardCops, an identity-theft-prevention company.

The FBI says it is working with local law enforcement officials in the USA and Eastern Europe.

"Cybercriminals will no longer be able to hide behind borders to conduct their illicit business," James Finch, assistant director of the FBI's Cyber Division, said in a statement.

Still, unless U.S. officials have success extraditing suspects from such locales as Romania, Clements is unsure how effective the crackdowns will be: "This is a small dent in the problem, if (computer) servers continue to run in Romania."

3 Americans Arrested By F.B.I. In Identity Thefts (NYT)

By Tom Zeller Jr.

The New York Times, November 3, 2006

At least three Americans and 11 Polish nationals have been arrested in the last month in a crackdown on an online black market in which users buy and sell credit card numbers, bank account log-ins and other personal information, federal investigators say.

The three Americans have been identified as Dana Carlotta Warren, 29, of Atlanta and Zanadu Lyons, 24, and Frederick T. Hale, both of Columbus, Ohio. The charges included conspiracy to commit bank fraud, identification fraud, identity theft and other violations in what the F.B.I. described as a plot linking those arrested in the United States and those in Poland.

The F.B.I. and federal prosecutors are expected to announce the arrests of two more Americans today.

The arrests follow a two-year operation in which the F.B.I. worked with Polish investigators to identify suspects trading in or enabling the use of stolen consumer information.

Warrants were also being served in Romania as part of a continuing investigation, an F.B.I. spokesman, Paul Bresson, said.

The proliferation and sale of stolen consumer data on the international black market, particularly through online forums, has been a nagging problem for law enforcement, given the restrictions in national legal systems.

But the assistant director of the F.B.I.'s Cyber Division, James Finch, suggested that this was slowly changing.

"We are sharing evidence and using sophisticated techniques like never before," Mr. Finch said in a statement. "Cybercriminals will no longer be able to hide behind borders to conduct their illicit business. There will be no safe haven for cybercrime."

FBI Nabs Phishers In U.S., Eastern Europe (CNET)

By Tom Krazit, Staff Writer, CNET News.com

DOJ_NMG_0090515

CNET News.com, November 3, 2006

With help from local authorities, the agency has arrested more than a dozen individuals connected with a global scam. Details due Friday.

The FBI plans on Friday to announce the arrest of at least 16 individuals in connection with a global cybercrime investigation.

More than 20 FBI offices participated in the probe into a series of phishing attacks against a "major financial institution" that occurred in 2004 between August and October, according to materials provided by the FBI ahead of the announcement. Agents conducted investigations inside the U.S. and other countries to identify a ring of identity thieves who were acquiring and trading stolen credit and debit card numbers through an online forum.

The investigation targeted both hackers, who compromised about 50 servers in order to launch the phishing attacks, and those who sought to acquire stolen financial data. Phishing is an online scam in which individuals are tricked into providing personal information in response to e-mails that appear to be coming from legitimate sources.

Three arrests have been made inside the U.S., and 11 were made in Poland. Additional arrests are expected to come out of an investigation in Romania, where FBI agents are still monitoring suspects.

"Cybercriminals will no longer be able to hide behind borders to conduct their illicit business. There will be no safe haven for cybercrime," James Finch, assistant director of the FBI's Cyber Division, said in a statement. Several spin-off investigations have resulted from the initial inquiry, he said.

FBI Tightens Net Around Identity Theft Operations (WP)

By Brian Krebs

The Washington Post, November 3, 2006

The FBI is cracking down on an international identity theft operation that involves the trading of social security numbers; the sale of stolen credit card account information; and phishing, the practice of using e-mail to trick consumers into handing over personal information, authorities said yesterday.

Called Operation Cardkeeper, the investigation has brought about the arrests of more than a dozen people in the United States and other countries who are members of online communities that specialize in "carding," the trafficking of stolen identities and credit card and bank account information.

"We are sharing evidence and using sophisticated techniques like never before," said James E. Finch, assistant director of the FBI's Cyber Division. "Cyber criminals will no longer be able to hide behind borders to conduct their illicit business."

Investigators said some members of the criminal rings purchased data that was electronically copied from the magnetic strip on the back of credit or debit cards and used the information to create counterfeit cards for cash withdrawals and retail purchases. Others sold Social Security numbers and other personal data through online carder forums. That data was later used to obtain credit cards in the victims' names, investigators said.

Facing charges in the United States are Frederick T. Hale, 27, and Zanadu Lyons, 24, both of Columbus, Ohio, and Dana Carlotta Warren, 29, of Ellenwood, Ga. Authorities have also served search warrants in Albany, N.Y.; Atlanta; Dallas; Knoxville, Tenn.; Memphis; and Omaha.

Working with international authorities, the FBI also assisted in the arrests of 11 people in Poland believed to be connected to a network of online fraud forums. The FBI said it had traced a series of phishing attacks from late 2004 back to members of the Polish ring.

Phishing involves the use of e-mail messages that impersonate those from a financial institution and urge recipients to update their account information. Recipients who comply typically are directed to bogus look-alike bank sites designed to steal customer information.

The Anti-Phishing Working Group, an industry consortium, said more than 10,000 phishing Web sites were active on the Internet in August, about double the number of sites in January.

In 2004, the FBI and U.S. Secret Service infiltrated and dismantled the Shadowcrew and Carderplanet fraud forums, arresting 28 individuals who collectively traded more than 1.7 million stolen credit card numbers.

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Deception Charge Leveled On Defense (WT)

By Jim Mcelhatton

The Washington Times, November 3, 2006

Federal prosecutors have accused the defense team for a D.C. man in an upcoming death-penalty trial of using private investigators posing as government employees to interview a victim's family.

"The defense employed tactics clearly designed to deceive witnesses and victims into thinking that they were granting interviews to victim-witness advocates," prosecutors wrote in an Oct. 31 memo filed in federal court in the District.

Attorneys for Larry Gooch, charged with killing five persons as an enforcer for the so-called M Street Crew in Northeast, sharply disputed the memo.

Defense attorney Jensen E. Barber II wrote in a memo filed yesterday that the government was making "baseless claims" and a "blatant misstatement." Mr. Barber could not be reached by deadline, but has previously declined to comment on the case.

Last year, prosecutors filed a notice of intent to seek the death penalty if Mr. Gooch is convicted. Family members of victim s likely would be called to testify during the sentencing phase in the case of a guilty verdict.

Prosecutors became concerned about how the defense was trying to interview family members of victims after a phone call from Barbara Cooper, the mother of Calvin Cooper, whom authorities say was fatally shot by Mr. Gooch, according to court records.

Mrs. Cooper told prosecutors she consented to an interview last week after two persons she thought were victim-witness advocates working for the prosecution visited her home.

"During the interview, they began asking questions about the murder of her son in ways that made her suspicious of their motives," the government memo states. "She asked them to restate their purpose and their affiliation.

"They admitted they were from the law firm that represented Larry Gooch," the memo continues. "She said, 'Isn't that the man who killed my son?' She terminated the interview and called the prosecutors."

Prosecutors said they don't object to witnesses speaking with the defense team, but want a court order to bar "using misrepresentation to obtain consent for these interviews," the Oct. 31 memo states.

But Mr. Barber stated "nothing could be less true" than the suggestion defense team members interviewed Mrs. Cooper on false pretenses.

He said the two defense team members who visited Mrs. Cooper left her a card with his law office's name and phone number displayed.

Mr. Barber also has said Mr. Gooch wants to "develop compassionate relationships with the survivors of our client's alleged crimes."

"Simple human decency calls for defense attorneys to relate to victims with respect and compassion," Mr. Barber said. "Mrs. Cooper was treated with respect and compassion and given the opportunity to call upon our victim-liaison specialist ...."

He also said defense-victim liaisons have been authorized increasingly in federal capital cases, including the trial of convicted Oklahoma City bomber Timothy McVeigh.

"When we develop relationships between survivors and defense teams and/or clients, survivors' concern about the form of punishment -- death or something else -- often recedes into the background," Mr. Barber wrote.

S.A. Man Pleads Guilty To Child Porn Possession (SAEN)

By Guillermo Contreras, Express-News Staff Writer

San Antonio Express-News, November 3, 2006

A San Antonio man pleaded guilty Thursday to a charge of possessing child pornography — movies a federal judge called "trash."

George Herman "Skip" Wenglein Jr. entered the plea as part of a pre-indictment deal in which prosecutors dropped another charge alleging Wenglein, 46, sent an undercover FBI agent in Buffalo, N.Y., computer videos of adults engaged in sexual acts with children.

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Wenglein, who is out on bond and in a physical rehabilitation facility, faces up to 10 years in prison and a lifetime of federal supervision when U.S. District Judge Fred Biery sentences him in February.

The FBI arrested Wenglein in June after serving a search warrant at his home in gated Oakwell Farms in March 2005.

The allegations of his federal criminal case have stunned those closest to him. Wenglein's wife filed for divorce in June and obtained restraining orders against him.

Wenglein's lawyers said the fallout from the criminal case caused Wenglein to try to take his own life by shooting himself in the head on June 16, 2005. He requires around the clock care, is in a wheelchair and may not be able to walk again, his attorneys said.

"I think any grown person that finds it necessary to view child pornography has a problem," Alan Brown, one of his lawyers, said, adding that Wenglein is undergoing therapy.

Wenglein is the son of the late George Herman Wenglein Sr., one of the founders of the Luby's cafeteria chain. The younger Wenglein had worked for the company until it moved its headquarters from San Antonio to Houston in 2004, Luby's officials said.

The search warrant affidavit — kept secret for a year and a half — was recently unsealed, revealing details of his crime that are more explicit than in previous court pleadings.

The affidavit also contains allegations that Wenglein, an ex-band teacher in Lubbock, harassed two former teen female students by calling them repeatedly with sexual intentions. Wenglein was charged in one of those cases in 1990 and pleaded guilty to a harassment charge. He was sentenced to 180 days of deferred adjudication and was fined $300, according to court records and Brown.

Brown told the judge that he plans to argue for leniency for Wenglein partly based on his condition. The judge said that could backfire for Wenglein should Assistant U.S. Attorney Mary Nelda Valadez counter Brown's arguments by asking the judge to look at the videos himself.

"So far I haven't had to look at this trash," Biery said. "The descriptions are bad enough. ... These were toddlers. These weren't even teenagers. I'm just giving you fair warning."

Out Of Grief, A New Search For Hope In SE (WP)

By Robert E. Pierre

The Washington Post, November 3, 2006

The handwritten message, "RIP Lil Cindy. We love you always," vanished from the wall with a squirt of household cleaner and a scouring pad.

The hand doing the scrubbing belonged to Cynthia "Big Cindy" Gray, who cries often since her daughter and namesake was shot to death more than two months ago. She had gotten fresh angel wings tattooed on her neck, ordered T-shirts bearing Lil Cindy's image and turned her apartment into a shrine. But the message on the wall outside her door had to go.

Graffiti, profane or benign, symbolized the neglect and disorder that Big Cindy and her neighbors in Benning Terrace say they want to leave behind. So there she was, on one of her brighter days since her child was killed, wiping away a condolence note that had touched her heart.

"You have to use the Brillo pad," Big Cindy told a helper matter-of-factly.

It's difficult to find anyone in Benning Terrace, the public housing complex in Southeast Washington where mother and daughter lived, who is untouched by homicide. A baby's father. A cousin. A husband. A son. In 17-year-old Lil Cindy, a daughter and a friend.

Nearly a decade ago, the District's resources were trained on the complex after a 12-year-old boy was kidnapped, shot and left dead in a frozen ravine. Crime was so bad then that the D.C. Housing Authority considered tearing down the 274-unit complex. Now, another jarring crime -- a teenager gunned down as she held a baby -- has Benning Terrace asking again: How can we save our children?

A small cadre of residents has begun searching for answers. They want to curb the senseless violence, instill hope in those who have grown up with none and convince their neighbors that at least part of the answer lies within.

Teenagers and adults have begun assembling action plans and dreaming of a new community center, a neighborhood go-cart track, a job training center. But their first step toward a new tomorrow started in the same place that residents began a decade ago: A neighborhood cleanup. Pick up the trash. Scrape away the rust. Put on a fresh coat of paint. Show the naysayers that something, anything, can happen.

For Big Cindy, a part of her healing was wiping down a wall.A Recurring Message

In early September, nervous energy rippled through First Rock Baptist Church in Southeast as D.C. Council member Marion Barry (D-Ward 8), trailed by colleague Adrian M. Fenty (D-Ward 4), walked up the center aisle. Young girls with puffy eyes and boys with hardened stares filled the balcony and many floor-level pews. Up front, Big Cindy shook hands with dignitaries and friends but stared ahead at her daughter, lying in a coffin.

Politicians and preachers lectured: Stop the violence. Don't retaliate. Change your wicked ways -- words that have echoed through many funerals for the young.

In 1997, the neighborhood gathered at First Rock to remember Darryl D. Hall, the scrawny 12-year-old who had fired a gun at some older rivals. He paid for it with his life. In the aftermath, young men in warring neighborhood crews were hired to clean up their community. Homicides declined dramatically. For a while, residents marveled at the welcome sound of shrieking children playing in the courtyards.

The truce brokered by the Alliance for Concerned Men had stopped the bloodshed, and young men who once had sworn to kill each other began breaking bread together. Some still work for the D.C. Department of Housing, helping to maintain the property and keep youngsters off the streets.

But residents had a recurring message: People need jobs to feed their families. Children need activities to keep them occupied.

During Lil Cindy's funeral, Barry urged mourners to demand more from their leaders. "Benning Terrace isn't fit for a dog to live there," he said.

Ronald Moten, co-founder of Peaceoholics, a grass-roots outreach group, told residents to focus first on what they could do for themselves, and then he issued a challenge. If you're serious about change, he told them, take a trip with me . . . to a city-owned campground in Southern Maryland.Respite From Violence

At the campsite, Tony Gray, Big Cindy's younger brother, was in his element. He had come to support his sister and to further his goal of finding a way to keep youths away from violence. An avid fisherman, he happily taught novices how to push bloodworms onto hooks, wait patiently for a fish to bite and then to reel it in purposefully while keeping control. It was nearing midnight, and the youngsters weren't nearly ready for bed. As the night deepened, more migrated to the water's edge, eager for a chance to cast out and reel one in.

This was Camp Riverview, a 200-acre Department of Recreation retreat where hundreds of teenagers go for a week at a time and which the city government offers, on special occasions, to other groups. This was one of them.

Moten suggested the retreat to the Rev. Anthony Minter at First Rock and organized support from such groups as East Capitol Center for Change, East River Family Strengthening Collaborative, the D.C. Department of Recreation, Washington Interfaith Network and the D.C. police department.

So it was that nearly 90 residents loaded blankets, pillows and bags of snacks onto tour buses for the trip to Scotland, Md. About two of three participants were children, most ages 6 to 16. Young men were scarce.

Big Cindy joined her neighbors at meals, strategy sessions and walks, sticking close to her brother and mother, Ernestine Randolph.

More than anyone else, Randolph understood her daughter's grief.

Two of her 13 children have also been shot to death. Juan Randolph, 14, was killed while walking near his mother's home in Northwest Washington in July 1993. A year later, his older brother Alfred McCrae, 22, was fatally shot.

One night during the retreat, Randolph sat with dozens of others watching "Tale of the Tape," a documentary about life and death on D.C. streets. In the film by Curtis Mozie, boys are seen alive, then lying in a casket. "This violence is ridiculous," said Randolph, 60, watching stoically throughout even as a teenage girl sobbed uncontrollably.

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For many, the 77-mile journey was their first experience camping, sleeping in cabins, walking in the woods. There were no sirens, no police jumping out at boys standing on corners, no worries about making it home safely. A slight chill in the air and waves crashing against the shore made a perfect backdrop for children to laugh, toss rocks into a moonlit Potomac River and begin to grapple with all that was wrong back home in Benning.

Most important, during the planning sessions, residents drew up their own plans of action: Urge management to repair apartments. Start a community cleanup drive. Keep in touch with neighbors. Know where your children are. Be an example.'You Can't Reach Them All'

Tomorrow marks the fourth weekend in a row on which kids, and a few parents, begin to arrive at the community recreation center shortly after 8 a.m., waiting for directions. At the first cleanup, the supply closet was locked, and Tony Gray was trying to get keys. They arrived an hour later.

Out came yellow buckets, heavy-duty bags, gloves and spray bottles of cleaner. Big Cindy ordered the kids one way, then the next.

Gray, 39, is a maintenance supervisor of an apartment complex in Prince George's County. Since his niece was killed, he has moved to Benning Terrace to be with Big Cindy. He is lobbying housing officials to move her to another home. In the meantime, he's trying to make Benning Terrace better. One recent Sunday afternoon, he watched as a youth threw a wrapper on the ground.

"The little kids have spent the weekend cleaning up," he told the boy. "Could you pick that up?" The youngster -- who looked to be 12 or 13 -- rolled his eyes and walked away.

"You can't reach them all," Gray shrugged. His 15-year-old son is locked up until he is 21 for trying to stab someone. "He thought he knew it all," said Gray, a father of six. "I'd rather he be there than to be out in the street."

He banters with the neighborhood kids, who call him Hercules after the patch on his blue work shirt. Some have already tired of hearing his catchphrase: "Don't talk about it. Be about it."

His efforts, such as selecting new paint colors -- green and tan -- for buildings, drew praise at the recent resident council meeting. But the tasks ahead are daunting.

Some residents chuck trash bags out the window and leave them lying on the ground below. Litter is so prevalent that some areas need repeat cleanings. And some forces in the neighborhood are intent on thwarting progress.

One recent Saturday night, even as residents were lobbying city officials for better recreation facilities, someone set a fire on the playground. The slide melted.

"That made me want to cry," Gray said. "But we can't let that stop us."

Last weekend, the buckets and paint brushes were out again. A deejay played music as children painted. Big Cindy was given a plaque honoring her dead daughter. An idea from the retreat, a state-of-the-art community center, received a major boost.

Fenty, the likely next mayor, stopped by and promised that seed money for the project would be included in his first budget. The children who came up with the idea applauded.

Gray and others smiled. Something had just happened.

As Release Nears, These Inmates Are All Business (WP)

By Sylvia Moreno

The Washington Post, November 3, 2006

BRYAN, Tex. -- His street name was "T-Murder"; his turf, the Deadly Nickel, as Houston's Fifth Ward is known in the 'hood. His business put $25,000 in his pocket monthly.

Those were the days when Thomas Laqueá Harrell Sr. ran his own crack cocaine ring, a capital venture that landed him in the Texas prison system with a 25-year sentence. Seven years of incarceration later and a few weeks from being paroled, this entrepreneur is ready to go back to work. But he's going legit.

Thomas Laqueá Harrell Sr., who graduated from the Prison Entrepreneurship Program, wants to start a mobile food business when he is released in a few weeks after serving seven years of a 25-year sentence for running a drug ring. (By Sylvia Moreno -- The Washington Post)

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Harrell has a written business plan, a marketing strategy, a net profit/loss analysis, a projected income statement and a financial summary. All he needs, Harrell recently told a panel of business executives gathered inside the walls of the medium-security Hamilton Unit, is a start-up loan.

"Hello, my name is Thomas Harrell Sr., the founder and owner of Yum Yum's Mobile Catering Service," the animated 31-year-old inmate announced. "We make hot, on-the-spot barbecue meals."

This was Harrell's pitch for his new business, one of 60 similar plans presented by the graduates of an unusual Texas prison program designed to harness a convict's street smarts and funnel them into a legitimate venture upon release.

"We are not so much in the business of creating entrepreneurs as leveraging their skills," said Catherine Rohr, founder of the Prison Entrepreneurship Program, a nonprofit organization based in Houston. "After all, it was their entrepreneurial skills that landed them in prison."

Rohr, a one-time venture capitalist in California and New York, was inspired after visiting a prison ministry program in the spring of 2004 that was started by former Watergate conspirator Charles W. Colson. She heard a graduate say that he left prison after eight years and started a general contracting business that made $1.7 million in sales in 18 months.

"I thought I was going on a zoo tour of caged-up animals," recalled Rohr, 29, of that first visit to a prison in Sugar Land, Tex. "Instead, I saw human beings who are just as much in need of grace as I am, and I saw all this untapped potential, good sales skills and decent business sense."

Rohr created a graduate school-style business plan competition there and, within months, quit her job in Manhattan, incorporated her program and moved to Texas. She obtained permission from the state Department of Criminal Justice to locate her program in the Hamilton Unit. The pre-release facility, 100 miles northwest of Houston, houses 1,200 inmates who participate in a special therapeutic program for six to eight months before their discharge.

Rohr has instituted a rigorous business curriculum: more than 350 hours of class time, taught by 100 business executives whom she recruits; exams; extensive writing assignments; and tough homework penalties for inmates who do anything from utter a curse word to fail a test. Prisoners are paired with Harvard and Texas A&M University students, online or in person, who help edit their business plans. The executives then judge the plans.

First, though, inmates must qualify for PEP, as the program is known. They must have renounced any prison gang affiliation and must fill out a 23-page questionnaire, learn 10 pages of financial terminology, take four tests and be interviewed by almost a dozen corporate executives and PEP graduates. Important as the tests and interviews are, Rohr said, "the number one thing we look for in inmates is change."

This summer, 150 prisoners applied for PEP's fourth class; 84 were selected, and 60 completed the four-month course. On a recent cool evening, the graduates marched single file in their blue caps and gowns into the basketball court in the middle of the

"Pomp and Circumstance" played over a makeshift sound system operated by a white-uniformed inmate. The graduates' relatives and the corporate executives who earlier judged the business plans gave the men a standing ovation.

For about half the graduates -- ranging in age from 20 years old to over 60, serving time for crimes from burglary to murder -- this was their first formal cap and gown ceremony.

Thomas Laqueá Harrell Sr., who graduated from the Prison Entrepreneurship Program, wants to start a mobile food business when he is released in a few weeks after serving seven years of a 25-year sentence for running a drug ring. (By Sylvia Moreno -- The Washington Post)

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"Families -- your sons, your husbands, your boyfriends, your brothers here tonight have probably robbed you and probably lied to you," Rohr said as the graduation began. "I stand here before you to vouch for these men. . . . They are capable of going out and being productive members of society."

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Including this class, PEP has graduated 220 participants, and 175 have been released from prison. Rohr said 21 former inmates have started or operate small businesses. Almost 40 have completed PEP's post-prison executive course offered in Houston and Dallas and are being mentored by corporate executives. The employment rate among PEP graduates is over 93 percent, she said, and the recidivism rate has been less than 5 percent.

During the graduation ceremony and throughout the day, inmates often thanked the executives for volunteering as teachers and as judges for the two-day business plan competition.

"They could be anywhere in the world but chose to be here with me, and I can't even get a letter from my dad," said inmate Cory Seago, 27, breaking into tears as he spoke from the graduation podium. "I've been in prison two times. I lost everything: my hope, my dreams, my confidence. PEP's been more than a business class for me. I learned about love."

For many executives, the experience was transformative as well. Geoff Jones, chief financial officer of Trico Marine Services of Houston, conceded he was apprehensive when he first entered the prison. "You think you're going to go in there and feel unsafe and be surrounded by undesirables," he said.

Instead, Jones said, he was impressed by the quality of the business plans and the presentations. "They believed in what they were telling you, and it meant a lot to them. It was their chance to impress somebody in the free world," he said.

prison yard, the concrete slab fenced off by a tall chain-link fence topped with concertina wire.

Gang Trial Hangs On Informant's Testimony (WP)

By Ruben Castaneda

The Washington Post, November 3, 2006

Noe "Shorty" Cruz knew that his fellow MS-13 gang members didn't care much for police informants. Members who turned on the gang to help the police were "rats," and the violent gang ethos called for them to have their tongues cut out.

So when a fellow gang member confronted him in a Riverdale parking lot with the words, "OrdoÃ±o sends his greetings," he knew he had to act quickly, Cruz said. "OrdoÃ±o" was Felipe OrdoÃ±o, a Prince George's County anti-gang police detective -- and the investigator who directed Cruz as he worked undercover for nearly two years.

Cruz said the taunt didn't surprise him. "I got angry," he later testified. Cruz said he told his fellow gang members to "stop talking such stupidity." The gang member responded that he was only joking, Cruz testified.

Federal prosecutors hope that Cruz's account of the heart-stopping confrontation, and his description of a multitude of crimes his fellow gang members committed, will help convince jurors that MS-13 is not a garden-variety street gang but a violent and international criminal enterprise.

Cruz, 25, is a key prosecution witness in the federal racketeering trial that is nearing an end in U.S. District Court in Greenbelt. Attorneys gave their closing arguments yesterday.

Federal prosecutors have brought racketeering charges against 22 alleged members of MS-13, also known as Mara Salvatrucha. The indictment accuses the gang of six murders and four attempted murders between April 2003 and June 2005 in Prince George's and Montgomery counties. Cruz testified against the first two defendants to go on trial: Oscar Ramos Velasquez, 21, known as "Casper," and Edgar Alberto Ayala, 29, who goes by the nickname "Pony."

Gary A. Ticknor, Ayala's attorney, said yesterday in his closing statement that his client did not participate in any murders or robberies and did nothing to intimidate witnesses. Velasquez's attorney, Richard C. Bittner, said the government's case against his client amounted to "guilt by association. He never committed a criminal wrong."

During nearly four days on the witness stand, Cruz described an array of criminal activities carried out by MS-13.

He testified that the gang robbed prostitution houses, videotaped two Prince George's County police officers and a federal agent and spoke of killing an officer, and that an MS-13 leader bemoaned OrdoÃ±o's "busting everybody."

Most of the activities Cruz described occurred in neighborhoods hugging the Prince George's and Montgomery borders, where many MS-13 members live.

According to the testimony of Cruz and OrdoÃ±o, this is how Cruz became a key informant:

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Prince George's police had scores of photographs of MS-13 gang members but didn't know who they were. In December 2003, OrdoÃ±o visited Cruz in the county jail, hoping that Cruz would put names to some of the photos. Cruz was locked up for allegedly assaulting a girlfriend.

Cruz told OrdoÃ±o that he was angry with the gang. Fellow gang members had murdered one of his friends, another MS-13 member. Also, a fellow MS-13 member had pushed him while he was holding his infant son, almost causing him to drop the boy. That member warned Cruz that he needed to attend more gang meetings, Cruz testified.

OrdoÃ±o testified that Cruz was nervous during the initial encounter. The two later met away from the detention center.

The assault charges against Cruz were dropped. OrdoÃ±o said he had nothing to do with that. Outside the jail, Cruz agreed to be an informant and wore a wire to several gang meetings.

Cruz is in the federal witness protection program. He testified that federal authorities have moved him three times and have paid for him to have some of his gang tattoos removed or altered.

The first time he was moved, Cruz said, he returned to his old neighborhood to see a girlfriend. He said that federal officials then moved him to another community.

In his new home, Cruz said, he worked at a construction job with two other MS-13 gang members who became suspicious of him.

One day after work, someone shot at him near his home, Cruz testified. After that, Cruz said, he was moved to another location. Federal officials also paid for his girlfriend and their young child to be moved.

According to trial testimony, Cruz entered the United States with fraudulent documents provided by an aunt. Cruz testified that he believed federal officials would help him with documentation to remain legally in the United States once the case was over.

To buttress Cruz's testimony, a Salvadoran police officer testified last week on behalf of the government that MS-13 leaders in El Salvador told Maryland gang leaders how the organization should be run and even sent two leaders to Maryland to provide advice. Killing witnesses against the gang was one of the tenets the Salvadoran gang leaders imparted, the officer testified.

The Salvadoran officer testified under a pseudonym after prosecutors convinced U.S. District Judge Deborah K. Chasanow that his life would be in jeopardy if gang members in El Salvador learned of his identity.

Threat Is Exaggerated (USAT)

By Randall D. Eliason

USA Today, November 3, 2006

Supporters of a federal shield law claim the proposed statute is necessary to encourage confidential sources to come forward and to ensure that reporters do not go to jail. They are wrong on both counts.

"Leaks" to the press are a pervasive part of our culture. Scandals such as Watergate and Iran-Contra were exposed despite the lack of a federal shield law. More recently, sources have leaked information about secret CIA prisons, Iraq's Abu Ghraib and domestic surveillance. Investigative journalism is thriving, and there is no evidence that leaks are drying up for want of a shield law.

Journalists are free to promise sources that they will not identify them unless they are ordered to by a court. Cases where a court actually does that are extremely rare. Leakers are far more likely to be identified through an internal company investigation or by some other means.

Sources willing to face these more substantial risks of exposure are unlikely to change their minds because of the remote chance that a court might someday force a reporter to identify them. And sources who are really worried can always provide information to the press anonymously, not even revealing their identity to a reporter.

Nor would a shield law keep reporters from going to jail. Most shield laws, including the proposed federal statute, are not absolute. For example, under the proposed federal law, the San Francisco reporters would still be ordered to testify because they have information critical to a criminal investigation. Presumably, they would still refuse and would still face jail for contempt.

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Those reporters are facing jail not for what they wrote, but for defying a lawful court order. Their source is suspected of perjury and obstruction of justice. By refusing to testify, the reporters are placing themselves above the law and are shielding the true potential criminal. That's not conduct that should be encouraged by a federal statute.

Randall D. Eliason, a former federal prosecutor, teaches law in Washington, D.C.

CIVIL RIGHTS:

Democrats Predict Voter ID Problems (WP)

By Amy Goldstein

The Washington Post, November 3, 2006

On Indiana's primary day, Rep. Julia Carson shoved her congressional identification card in a pocket, ran out of her house and raced down the street to be at her polling site when it opened at 6 a.m. The Democrat, seeking to represent Indianapolis for a sixth term, showed the card to a poll worker, who told her it was unacceptable under a new state law that requires every voter to show proof of identity.

The law compels voters to show an ID, issued by Indiana or the federal government, with a photograph and an expiration date. Carson's card was for the 109th Congress, but did not say when the session ends. "I just thought I was carrying the right thing -- if you have a card that has a picture and shows it is current," she said.

In the end, the poll worker telephoned a boss, and Carson was allowed to vote for herself in the five-way primary. But her close call in the light turnout of the May primary, she and other Democrats say, foreshadows turmoil and votes that are not counted when the nation goes to the polls for Tuesday's midterm elections.

Indiana will have the country's strictest voter identification law in effect on Election Day. The 2005 picture ID law, however, puts it among a dozen states that have tightened requirements lately that voters display some form of identification at the polls. The laws have spawned partisan warring, lawsuits and confusion that election experts predict could influence the outcome of some close elections.

In the Washington area, Virginia requires all voters to show identification, although it does not need to have a picture. Maryland and the District require first-time voters who registered by mail to bring identification, such as a driver's license or utility bill, to the polls.

While the local laws have not been challenged, new voter ID laws nationally are the most widespread, and most bitterly disputed, of several types of voting procedures that states have adopted after the chaotic 2000 presidential election. The procedures include statewide electronic databases of registered voters, which critics allege have in a few states improperly knocked out eligible people. In another procedure, Ohio and Florida -- battleground states that have produced recent contested elections -- have placed tighter reins on groups that work to register new voters.

Such rules, together with updated voting-machine technology, were touted as means to modernize and bolster public confidence in the election system. They have quickly led to new struggles over voting rights. Republicans and their allies assert that the identification requirements and other rules will lessen voting fraud. Democrats and their supporters contend the changes are ploys to suppress voting among poor, elderly, minority and disabled citizens, who are prone to support Democratic candidates.

"We believe photo ID is the kind of confidence-building measure that is warranted in light of past fraud," said Mark "Thor" Hearne, the chief election lawyer for the 2004 Bush campaign and now counsel to the American Center for Voting Rights, a conservative advocacy group. He predicted the identification laws will prompt higher turnout.

Mary G. Wilson, national president of the League of Women Voters, said identification laws, particularly ones requiring photo IDs, are "odious" and added: "There is very little evidence there's been any kind of voting by people who are ineligible to vote. We view this as basically another unnecessary hurdle voters are being put through."

Tuesday's election will be "a laboratory of democracy," providing the first major test of which view is right, said Doug Chapin, director of Electionline.org, a nonpartisan project that tracks election reform.

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In 2002, as Congress debated how to respond to the disputed presidential election two years earlier, lawmakers disagreed over how much to make voters prove who they are. In the end, the Help America Vote Act requires first-time voters who register by mail without an ID to bring identification to the polls. Nearly half the states have tougher laws.

Missouri and Georgia have adopted photo identification laws similar to Indiana's, although Missouri's has been struck down as unconstitutional and a federal court has halted the Georgia requirements while a lawsuit is underway.

In Arizona, voters are required to bring some form of ID and proof of citizenship. The requirement is being challenged in federal courts, but the Supreme Court stepped in two weeks ago to say that IDs could be required in Tuesday's election before the lawsuits are resolved. The situation has been in even greater flux in Ohio, where opponents of a new ID law sued last week over whether voters using absentee ballots must supply an identification number. Ohio courts flip-flopped on the question before the parties reached a settlement late Wednesday that exempts absentee ballots from the state's ID law for Tuesday's election only.

Indiana's law is also being challenged, by the Indiana Democratic Party and the state chapter of the American Civil Liberties Union; the U.S. Court of Appeals for the 7th Circuit has indicated it will not decide before Election Day whether to uphold a lower-court ruling that it is constitutional.

Indiana's secretary of state, Todd Rokita, a Republican who made photo IDs part of his platform when he ran for the office, said photo IDs give "a measure of integrity" to an election system that had been continually expanding access to voting since the mid-1960s.

He said that, based on the primary in which Carson's congressional ID card was challenged and a few local special elections, the law "is going very, very well." His office is spending $2 million in federal and state money on advertising about the requirements, including ads targeting bus passengers who do not have cars or driver's licenses.

The law enables people without a driver's license to get a free state ID at Bureau of Motor Vehicle branches. But first they need an official birth certificate and other documents, and some Hoosiers are discovering it is difficult to get one in time.

Jowana Peterson, 51, of Indianapolis lost her wallet with her license inside a few weeks ago. When she went to replace it, she brought a copy of her birth certificate from Chicago, her Social Security card, her ID card from her job as a financial planner and four utility bills. "They turned me out cold," she said, telling her she needed a new birth certificate from Cook County. She has applied, but it has not yet arrived. Because she had signed up to work at the polls on Election Day, she was eligible to get an absentee ballot, but she worries about other would-be voters who cannot get one -- or do not know to ask.

Even so, she says, "I feel pretty cheated. I am an American citizen. I've paid my taxes. I feel the system kind of let me down. It shouldn't be that hard."

Delays Loom In Counting Ballots (USAT)

By Richard Wolf

USA Today, November 3, 2006

WASHINGTON — As the battle for control of Congress enters its final weekend, election experts warn that the number of voters forced to cast provisional ballots Tuesday because of eligibility questions could delay some results in tight races for days or weeks.

New statewide voter databases, strict ID requirements and other factors may increase the percentage of voters whose paper ballots must be reviewed by local officials.

Provisional ballots are often used when a voter is not listed as registered, shows up at the wrong precinct, lacks required identification, has moved recently but returns to his or her old polling place, or is listed by a slightly different name in state databases.

The ballots are delivered in envelopes to elections officials, who must rule after Election Day on the voters' eligibility before counting or discarding them. “I think we're going to see a lot more provisionals than we've seen before,” says Kimball Brace, president of Election Data Services. “For a poll worker, a provisional is the easy way out.”

Poll workers are encouraged to use provisional ballots if they're not sure what to do. “This is really a good tool for election officials and for voters,” says Paul DeGregorio, chairman of the U.S. Election Assistance Commission.

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In 2004, the first year provisional ballots were used nationwide, about 1.9 million people cast them. About 1.23 million of those, or nearly 65%, were ruled to be in order. The number of provisional votes counted was about 1% of the 122 million votes cast for president.

Eighteen states allow late counting of absentee ballots postmarked by Election Day. The combination of absentee and provisional ballots could leave close races undecided Tuesday. State officials might not even know how many provisional ballots were cast.

Some states allow extended periods for determining the eligibility of provisional voters — up to 28 days in California. In Washington state in 2004, provisional ballots played a role in delaying Gov. Christine Gregoire's victory for more than eight weeks.

"With so much attention focused on pre-election barriers, we've almost forgotten about things that could cause problems on and after Election Day," says Dan Tokaji, a professor at Ohio State's Moritz College of Law. "Provisional ballots are at the top of that list."

States with strict new ID requirements, such as Florida and Indiana, are likely to see increased use of provisional ballots. Six states — Idaho, Maine, Minnesota, New Hampshire, Wisconsin and Wyoming — should have very few because they allow voters to register on Election Day. North Dakota has no voter registration.

States, and even counties within a state, handle provisional ballots differently. Some polling places in Pennsylvania ran out of provisional ballots in 2004. In other states, the ballots became fodder for lawsuits because of variations in the way they were counted.

Most elections officials say provisional ballots are an improvement from the past, when voters were denied the right to vote. "This becomes a safety net for the voter," says R. Doug Lewis of the Election Center, which represents state and local elections officials.

Denver To Get Voting Oversight (RMN)

By Laura Frank, Rocky Mountain News

Rocky Mountain News, November 3, 2006

Officials with the U.S. Department of Justice will be among those monitoring elections in Denver Tuesday.

The Justice Department is sending a record number of officials to monitor midterm elections across the country. Denver is one of 65 cities and counties nationwide where DOJ officials believe problems may be possible.

"They'll be doing observations of elections," said Alton Dillard, spokesman for the Denver Election Commission. He added that he was unaware of any specific reasons why Justice Department officials chose Denver.

Wan Kim, assistant attorney general for the Justice Department's civil right division, told reporters this week that monitors would "very discreetly" assist voters who encounter problems voting. The officials would be watching for violations of federal voting laws. The Justice Department could use that information in future lawsuits, he added.

Voters can notify the Justice Department of voting problems directly by calling the voter hotline at 1-800-253-3931 or visiting its Web site at www.usdoj.gov/crt/voting/index.htm.

The Acorn Indictments (WSJ)

The Wall Street Journal, November 3, 2006

So, less than a week before the midterm elections, four workers from Acorn, the liberal activist group that has registered millions of voters, have been indicted by a federal grand jury for submitting false voter registration forms to the Kansas City, Missouri, election board. But hey, who needs voter ID laws?

We wish this were an aberration, but allegations of fraud have tainted Acorn voter drives across the country. Acorn workers have been convicted in Wisconsin and Colorado, and investigations are still under way in Ohio, Tennessee and Pennsylvania.

The good news for anyone who cares about voter integrity is that the Justice Department finally seems poised to connect these dots instead of dismissing such revelations as the work of a few yahoos. After the federal indictments were handed up in Kansas City this week, the U.S. Attorney's office said in a statement that "This national investigation is very much ongoing."

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Let's hope so. Acorn officials bill themselves as nonpartisan community organizers merely interested in giving a voice to minorities and the poor. In reality, Acorn is a union-backed, multimillion-dollar outfit that uses intimidation and other tactics to push for higher minimum wage mandates and to trash Wal-Mart and other non-union companies.

Operating in at least 38 states (as well as Canada and Mexico), Acorn pushes a highly partisan agenda, and its organizers are best understood as shock troops for the AFL-CIO and even the Democratic Party. As part of the Fannie Mae reform bill, House Democrats pushed an "affordable housing trust fund" designed to use Fannie Mae and Freddie Mac profits to subsidize Acorn, among other groups. A version of this trust fund actually passed the Republican House and will surely be on the agenda again next year.

Acorn and its affiliates have pulled some real stunts in recent years. In Ohio in 2004, a worker for one affiliate was given crack cocaine in exchange for fraudulent registrations that included underage voters, dead voters and pillars of the community named Mary Poppins, Dick Tracy and Jive Turkey. During a Congressional hearing in Ohio in the aftermath of the 2004 election, officials from several counties in the state explained Acorn's practice of dumping thousands of registration forms in their lap on the submission deadline, even though the forms had been collected months earlier.

"You have to wonder what's the point of that, if not to overwhelm the system and get phony registrations on the voter rolls," says Thor Hearne of the American Center for Voting Rights, who also testified at the hearing. "These were Democratic officials saying that they felt their election system in Ohio was under assault by these kinds of efforts to game the system."

Given this history, it's not surprising that Acorn is so hostile to voter identification laws and other efforts to ensure fairness and accuracy at the polls. In Missouri last month, the state Supreme Court held that a photo ID requirement to vote was overly burdensome and a violation of the state constitution. Acorn was behind the original suit challenging the statute, and it has brought similar challenges in several other states, including Ohio.

A recent Pew Research Center survey found that blacks today are almost twice as likely as they were in 2004 to say they have little or no confidence in the voting system. Such a finding would seem like a powerful argument for voter ID laws, which consistently poll well among people of all races and incomes and would increase confidence in the voting process. Of course, voter ID laws would also cut down on fraud, which, judging from the latest indictments, would put a real crimp in Acorn's style.

Lawsuit Targets Political Jurisdictions (FRESBEE)

By John Ellis

Fresno Bee, November 3, 2006

Merced Co. entities accused of not getting approval for changes.

Two Merced County residents have filed a lawsuit that claims multiple political jurisdictions in the county have undertaken more than 200 annexations and other related changes without federal approval, violating the Voting Rights Act.

The federal lawsuit, filed in U.S. District Court in Fresno, names Merced County, the Local Agency Formation Commission, the cities of Atwater, Dos Palos, Gustine, Livingston and Los Banos, as well as 17 other irrigation, water, resource conservation and community service districts throughout the county.

"This is the most massive example of noncompliance that I have ever seen," said Joaquin Avila, an attorney and Seattle University law professor who filed the suit on behalf of Felix Lopez and Elizabeth Ruiz.

The suit doesn't seek to stop next week's election in the affected jurisdictions, but instead asks that certification of the results be delayed until approval for the changes is given by federal authorities, Avila said.

It also seeks class-action status for U.S. citizens of Spanish heritage who are registered to vote and are affected by the changes.

A hearing has been scheduled Friday before U.S. District Judge Oliver W. Wanger in which the plaintiffs will seek a temporary restraining order that could delay certification of Tuesday's election in the affected Merced County jurisdictions.

James Fincher, county counsel designee in Merced, was still trying to digest the lawsuit late Wednesday, but he said a vast majority of the jurisdictions in the lawsuit — including all of the irrigation, water, resource conservation and community service districts — will not have elections Tuesday.

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On Friday, he will ask Wanger to limit any arguments on a temporary restraining order to cities holding elections Tuesday. As for those cities, he said, they have submitted the needed paperwork to the Justice Department and are just waiting to hear back on approval of the annexations.

"This is not a case where there's something to be corrected," he said. "It's in the process."

One example is Gustine, where two candidates are running for mayor, and two people are unopposed for City Council seats in Tuesday's election.

Normally, obtaining Justice Department approval — known as a "preclearance" — is a formality. It happens more than 99% of the time, said Loyola Law School professor Richard L. Hasen, an expert in election law.

Still, Hasen said, "the failure to get preclearance is a problem in a lot of jurisdictions that are subject to the federal rules."

According to the lawsuit, either the U.S. attorney general or the U.S. District Court for the District of Columbia must determine that any changes that affect voting "do not have the purpose and will not have the effect of denying or abridging the right to vote on account of race, color or membership in a language minority group."

First approved in 1965, the Voting Rights Act targeted Southern states that had long used poll taxes and literacy tests to impede minority voting.

In the 1970s, four California counties — Kings, Merced, Monterey and Yuba — were added.

Under the act, the California counties must get federal permission for every change that affects voting. Examples include changes as small as moving a polling location or redrawing voting precincts, or as large as altering county supervisorial districts.

Annexations or consolidations also have an impact on voting, Avila said.

A similar Monterey County case made news a month before the state's 2003 gubernatorial recall election, where voters removed Gov. Gray Davis from office and replaced him with then-actor Arnold Schwarzenegger.

In that case, the Mexican American Legal Defense and Educational Fund and the Lawyers' Committee for Civil Rights Under Law filed a suit claiming Monterey County's election plan had not been approved by federal authorities.

The Justice Department quickly authorized the county's proposal, which among other things consolidated some precincts in Hispanic neighborhoods and proposed hiring fewer bilingual poll workers.

The latest Merced County lawsuit claims its Local Agency Formation Commission and the named jurisdictions have approved 172 annexations, 35 detachments, four formations and one consolidation without federal approval since Nov. 1, 1972, when Merced became a Voting Rights Act county.

For instance, the lawsuit claims Merced County's LAFCO has approved 10 Gustine annexations since November 1972 without getting the required federal approval.

Gustine City Manager Roger Wong said he hasn't seen the lawsuit but was surprised by his city's inclusion.

"We're not exactly a growth city," he said. "We have not grown like everybody else has grown."

In other examples, the lawsuit claims 21 LAFCO-approved annexations for the Hilmar County Water District, 26 annexations for Los Banos and 39 annexations for Atwater — all lacking federal approval under the Voting Rights Act.

Dale Wickstrom, district manager for the Hilmar County Water District, said he was just served Wednesday with the lawsuit and had not had time to read it. Officials in several other jurisdictions said the same thing.

Others, such as Dos Palos and Atwater, had not been served but had been alerted to the lawsuit via e-mail.

Avila said the matter is of paramount importance because it ensures fair elections and voting rights for all.

"The key issue is not whether they submit. The issue is whether they have secured approval," Avila said. "As far as we can tell, these voting changes in the complaint have not received … approval."

The reporter can be reached at jellis@fresnobee.com or (559) 441-6320.

ANTITRUST:

AT&T-BellSouth Vote Delayed By FCC (AP)

By John Dunbar, Associated Press Writer

AP, November 3, 2006

DOJ_NMG_0090528

FCC Delays AT&T-BellSouth Vote for a Third Time Because It Can't Decide on Conditions for Deal

WASHINGTON (AP) -- The Federal Communications Commission delayed for a third time its vote on whether to let AT&T Inc. acquire BellSouth Corp., because it can't decide what conditions should be placed on the deal.

The vote was scheduled for Friday, but the agency sent a notice Thursday night saying the item had been removed from the agenda.

"We're always open to moving forward, but we weren't able to reach an agreement for tomorrow's meeting," said agency spokeswoman Tamara Lipper.

The FCC was working with AT&T in an attempt to reach a compromise that would avoid a 2-2 deadlock. The apparent standoff raises the possibility that the fifth and newest commissioner -- Robert McDowell, a Republican appointee who until now has taken no part in the proceeding -- may be pulled in to cast a tie-breaking vote.

The Antitrust Division of the Justice Department on Oct. 11 cleared the deal, valued at $83.4 billion at the close of trading Thursday, declaring there were no competitive concerns and opting not to require the combined company to divest any assets or make any other concessions.

The failure to attach conditions sparked a sharp response from the two Democratic commissioners, Michael Copps and Jonathan Adelstein, who accused the Justice Department of failing to protect consumers.

FCC Chairman Kevin Martin had scheduled the Friday vote after twice delaying the decision. The issue was pulled from the Oct. 12 agenda, and a special meeting to consider the acquisition on the 13th never convened when Copps and Adelstein asked for more time to consider last-minute concessions offered by AT&T.

Those concessions included $10-per-month Internet access in its service area, free modems, promises to temporarily freeze prices for competitors that use the company's networks and even a pledge to bring back some BellSouth jobs that were shipped overseas.

A consortium of consumer groups criticized the concessions as "short-term candy for a few instead of long-term lower prices and better choices for all consumers."

In a statement Thursday night, AT&T said it had offered "unprecedented conditions unrivaled by any other communications provider in a merger proceeding." The company blamed the delay on "self interest of commercial entities and their litany of unreasonable demands."

AT&T's acquisition of BellSouth is being called the largest telecommunications merger ever. The combined company would generate $117 billion in revenue, operate 68.7 million local phone lines across 22 states stretching coast to coast across the southern United States and up through the Midwest. The merged company would employ 309,000 people, though AT&T said it plans to eliminate up to 10,000 jobs over three years.

Consumer groups are asking for promises that AT&T not discriminate against certain kinds of Internet traffic, offer reasonably priced digital subscriber line service without requiring customers to buy a bundle of services and other concessions.

Consumer groups and competitors also want the FCC to force AT&T to divest unused wireless spectrum unless it plans to use it.

McDowell is a former lobbyist for COMPTEL, a trade association that opposes the merger.

Federal ethics regulations permit the agency's general counsel to clear McDowell to vote as long as the "interest of the government in the employee's participation" outweighs any concerns about the how the vote may affect the agency's integrity.

The rules also say that once cleared by the general counsel, an employee "may not thereafter disqualify himself from participation." However, nothing would prevent him from abstaining.

Blair Levin, who was chief of staff for former FCC Chairman Reed Hundt and now a telecommunications industry analyst for Stifel, Nicolaus & Company, Inc., predicted McDowell will be called on to vote if the stalemate continues.

"At some point in time -- and I think that time is quickly approaching -- the general counsel is entitled to declare a deadlock," he said.

Levin predicted that McDowell, despite the difficult position he is in, would not abstain.

FCC Delays Vote Again On AT&T, BellSouth Merger (MRKTWTCH)

By Ana Campoy

Market Watch, November 3, 2006

SAN FRANCISCO (MarketWatch) -- The Federal Communications Commission has delayed its vote again on the proposed $80 billion merger between AT&T Inc. and BellSouth Corp.

The vote, which had been scheduled for Friday, has been deleted from the agency's agenda for that day, the FCC said in a statement Thursday.

The delay is the third time in less than a month that a vote has been postponed because Republican and Democratic commissioners have failed to agree on possible concessions, according to a Dow Jones Newswires report. See full story.

Two of the three Republicans on the agency's five-member commission support the deal, but the panel's two Democrats insist on concessions by the phone companies, and the fifth member has excused himself from the vote because his previous employer has publicly commented on the merger, according to the report.

On Oct. 11, the Department of Justice approved the deal, saying that the merger is likely to benefit consumers. The regulators said the deal would not hurt competition "substantially" in any part of the U.S. communications industry. The department did not require the companies to sell any assets or attach other conditions. See full story.

The two Republicans have supported the deal, but the panel's two Democrats insist on concessions by the phone companies. They have been critical of the Justice Department's decision to approve the merger without any strings attached. See full story.

The merger would create the largest U.S. telecommunications provider, with more than 300,000 employees, annual revenue of $120 billion and a market value of more than $200 billion. AT&T (T

FCC Postpones Vote On AT&T's Purchase Of BellSouth (Update2) (BLOOM)

By Molly Peterson

Bloomberg, November 3, 2006

Nov. 2 (Bloomberg) -- The U.S. Federal Communications Commission postponed a vote on AT&T Inc.'s $82 billion purchase of BellSouth Corp. for a third time, signaling members are still deadlocked on approval terms.

The delay means the commission probably won't rule until after the Nov. 7 election, said telecommunications attorney Andrew Lipman of Bingham McCutchen LLP in Washington. His firm represents competitors of AT&T and BellSouth.

Today's announcement indicates FCC Chairman Kevin Martin and Commissioner Deborah Taylor Tate, both Republicans, haven't satisfied the panel's two Democrats, who are demanding conditions such as price controls. The five-member FCC is the last regulatory hurdle for San Antonio-based AT&T, the biggest U.S. telephone company, to complete the deal, which would be the largest U.S. phone company combination.

``It may be that after the election there will be different conversations than are happening today," said Lipman. ``It doesn't look like there's been progress this week."

The panel's fifth member, Republican Commissioner Robert McDowell, has said he expects to be barred from voting because of his previous work as a lobbyist.

Martin, who initially proposed approving the deal without conditions, first scheduled a vote for Oct. 12. He moved that to Oct. 13 and then to Nov. 3 after Democrats Michael Copps and Jonathan Adelstein sought a public review of concessions offered by AT&T. The company's proposals included a price freeze on certain business services and $10-a-month high-speed Internet access for some BellSouth customers.

Rivals' Demands

Rivals and consumer advocates said AT&T's concessions won't protect competition. They want to force the combined company to divest some airwaves and bar it from charging Web companies premium fees for faster network access.

``While we regret that the merger has been delayed by the self interest of commercial entities and their litany of unreasonable demands, we look forward to the FCC's approval, so that we can get about the business of providing the overwhelming benefits the merger represents to consumers, to the economy and to the public interest," AT&T spokesman Michael Balmoris said today in an e-mailed statement.

Washington-based Comptel, which represents carriers that compete with AT&T and BellSouth, questioned whether AT&T ``ever engaged in any meaningful attempt'' to address concerns raised by the group and consumer advocates.

``Comptel is heartened that the commission did not bend to AT&T's pressure tactics,'' President Earl Comstock said today in an e-mailed statement.

Fifth Commissioner

The commission probably will approve the transaction with conditions this month or early next month, said Stifel Nicolaus & Co. analyst Blair Levin. If Republicans and Democrats can't agree, Martin could press McDowell to break a tie, Levin said.

``I think at the end of the day, if he has to vote to break a deadlock, he'll do it,'' Levin, a former FCC chief of staff, said of McDowell. ``But I'm sure he would do everything he can to urge the other four commissioners to keep him out of it.''

Shares of AT&T rose 26 cents to $34.02 in New York Stock Exchange composite trading. They have gained 39 percent this year. Atlanta-based BellSouth added 45 cents to $44.65.

Commissioners Copps and Adelstein signaled their tough stance last month when they denounced the Justice Department's decision to clear the deal without conditions.

The department's antitrust unit said the deal was unlikely to ``substantially'' reduce competition. Eighteen states also approved the deal without conditions.

AT&T is expanding to meet competition for phone customers from cable-television providers such as Comcast Corp. and Internet-based companies including Vonage Holdings Inc.

The BellSouth acquisition will increase AT&T's local service area to 22 states. BellSouth, the third-biggest U.S. phone company, sells local service in nine southeastern states.

The deal also would give AT&T full ownership of Cingular Wireless LLC. Atlanta-based Cingular, the largest U.S. mobile-phone carrier, is jointly owned by AT&T and BellSouth.

Watch Those Data Pipelines (LAT)

The Los Angeles Times, November 3, 2006

Federal regulators should add some conditions to the AT&T-BellSouth merger to prevent the abuse of Internet-access monopolies.

THE JUSTICE DEPARTMENT was right last month to approve the merger of two powerhouse telephone companies, AT&T Inc. and BellSouth Corp. Given the rapidly changing telecommunications landscape, the teaming up of so-called Baby Bells and long-distance carriers (don't forget that AT&T is also the former behemoth SBC Communications Inc.) is not as alarming a prospect as it would have been a decade ago.

But that is not to say that the brave new world of a fiercely competitive market of cable, wireless and power companies delivering services over high-speed data pipelines has put to rest all concerns about the potential for abuse on the part of still-dominant former monopolists. In this time of transition, federal regulators should still take steps to protect consumers and competitors.

The Federal Communications Commission, in its own review of the merger, is considering a number of sensible conditions.

One would bar the merged company from giving preferential treatment to selected Internet sites and applications, or imposing unreasonable costs on cable companies' phone services.

AT&T and BellSouth contend that these restrictions are solutions in search of a problem. The FCC should address the issues raised by the cable telephone issue promptly in a proceeding that will apply industrywide, not just to AT&T.

But the so-called net neutrality concern is valid. There's a chokepoint on the emerging stream of competition: the companies that provide high-speed connections to the Internet. More than 99% of high-speed homes get their connection from the local phone company (DSL lines) or cable TV operator (cable modems). In many areas, there's only one of those options. It may take years before wireless companies, electric utilities and satellite firms can field a competitive offer. Top executives from AT&T and BellSouth have been quoted as saying they expect popular websites such as Google and Yahoo to pay more "to use my pipes," as AT&T Chief Executive Ed Whitacre told Business Week last year.

That's why the FCC should approve the AT&T-BellSouth deal only with conditions that prohibit the merged company from imposing fees that discriminate unfairly against websites or services. These conditions should be lifted where new high-speed Internet services emerge to challenge the cable-telco duopoly. That day isn't here yet, and the FCC shouldn't pretend otherwise.

Microsoft And Novell Agree To Make Windows, Linux Compatible (BLOOM)

By Jonathan Thaw And Dina Bass

Bloomberg, November 3, 2006

Nov. 2 (Bloomberg) -- Microsoft Corp. and Novell Inc., rivals in the market for software that runs server computers, agreed to make their products work together, the companies said.

The companies will jointly develop and market software that lets the Windows and Novell's Linux operating systems co-exist on the same machine, Microsoft Chief Executive Officer Steve Ballmer said at an event in San Francisco today.

Novell shares rose the most in four years on optimism the agreement may entice more corporations to use its version of Linux software. By forging the accord, Microsoft is responding to pressure to make Windows more compatible with other software. The pact may also help Microsoft, the world's largest software maker, get more of its software into corporate data centers.

``Microsoft can bring to the table an easier sales process and, to the benefit of Novell, potentially greater sales down the road," Mark Mowrey, an analyst with Al Frank Asset Management in Laguna Beach, California, said in an interview.

Novell shares, down 23 percent this year, jumped 92 cents to $6.79 at 4 p.m. New York time in Nasdaq Stock Market composite trading. Microsoft fell 4 cents to $28.77.

Under today's agreement, Redmond, Washington-based Microsoft and Novell also won't sue each other's customers if their software encroaches on their patents. Microsoft will recommend Novell's Suse Linux Enterprise for customers who want to run computers with both Windows and Linux and will distribute coupons for maintenance and support.

The two companies will establish a joint research facility to make sure customers can consolidate multiple Linux and Windows systems on a single server machine. The facility will also work to improve interoperability between documents created with Microsoft's Office and its open-source rival OpenOffice.

Rivalry Dulled

The agreement dulls a longstanding rivalry between Microsoft and Linux software makers. Linux had become the biggest threat to Microsoft's Windows Server, taking more than 11 percent of overall server sales in 2005 and growing faster than Windows for the past several years, according to Framingham, Massachusetts-based IDC. Windows accounted for 35 percent of server revenue in 2005.

Novell packages software and offers support services so companies can use Linux, a freely available source code.

``I was actually shocked," said Eugene Munster, an analyst at Piper Jaffray in Minneapolis. ``This is like the sign of the apocalypse here that Microsoft is actually endorsing the Linux platform. Things are changing in the world of software."

Munster said in the future some Microsoft programs will probably run on Linux, which ``in the past would have been absurd."

In response to the threat from Linux, Microsoft boosted customer service, spent more on research to improve its products and offered price cuts in some cases. In the second quarter, Linux revenue rose less than 10 percent for the first time in almost four years, according to IDC.

Court Battle

Microsoft and Novell have also done battle in the courts. In 2004, Microsoft paid Novell $536 million to settle an antitrust lawsuit. Novell is still pursuing claims that Microsoft tried to shut out sales of WordPerfect, which was owned by Novell from 1994 to 1996.

Novell bought WordPerfect for $1 billion in 1994 and was forced to sell it two years later for $181.5 million after Microsoft's rival Word became the dominant program for word-processing software.

Microsoft's Windows Server also crippled Novell's NetWare operating system, pushing Novell to buy Suse Linux AG in 2004 to get into the growing market for Linux products.

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Red Hat

The agreement between Microsoft and Novell may be a blow to Red Hat Inc., the largest seller of Linux software and services. Oracle Corp. last week said it would offer cheaper services based on Red Hat's Linux products.

Oracle's entry into the Linux market signaled more competition for Windows, a threat that may be dulled by Microsoft's agreement with Novell. The Novell deal also ensures that Red Hat's products won't become the default standard to Linux.

Microsoft, Novell Reach Accord On Linux (WSJ)

By Robert A. Guth And Don Clark

The Wall Street Journal, November 3, 2006

Microsoft Corp. reached a rapprochement with a major seller of the Linux operating system, a deal that makes a kind of peace between two opposing camps in the software industry.

The deal with Novell Inc. is designed to make it easier for customers to use both Linux and Microsoft's Windows software. It puts new pressure on Red Hat Inc., a Linux seller whose shares were recently roiled when Oracle Corp. announced plans to offer its own technical support for Red Hat's products.

The deal effectively makes Microsoft a reseller of Suse Linux, Novell's version of the operating system, and kicks off a broad technology collaboration between the two companies. At the heart of the deal is a "patent covenant" under which Microsoft agreed not to file patent-infringement charges against users of Suse Linux, and Novell agreed not to sue users of Windows. Businesses that use Linux have long worried that Microsoft would one day file patent-infringement suits against them, thereby hindering their use of and investment in the rival software.

Steve Ballmer, Microsoft's chief executive, acknowledged at a news conference in San Francisco that Linux now plays an "important role" at many companies, along with the software titan's own products. The new deal "bridges the divide between open-source and proprietary software," he said.

The term open source refers to the ability of users to examine and modify the underlying instructions, known as source code, used to make a program. Microsoft and many other vendors typically keep such code private. Linux has been the most widely adopted open-source program, a potent competitor to Windows on server systems used to run application programs such as managing Web sites.

The Wall Street Journal broke news of the accord online yesterday. Novell shares were up 16%, or 92 cents, to $6.79 at 4 p.m. in Nasdaq Stock Market composite trading. Also on the Nasdaq, which traded broadly lower, shares of Red Hat fell 33 cents, or 2%, to $16.10; and Microsoft shares fell four cents to $28.77.

Financial terms weren't disclosed, but involve various payments between the two companies, including Microsoft's paying Novell for a minimum of roughly 70,000 "coupons" that Microsoft corporate customers can convert into annual subscriptions to receive support for Suse Linux. The value of each of those coupons varies between roughly $400 and $1,500 a year, Novell Chief Executive Ron Hovsepian said. Other payments include a "running royalty" stemming from the patent covenant that Novell will pay to Microsoft, executives at the companies said.

The companies said the set of agreements, expected to be in force until at least 2012, will include a joint research facility at which Microsoft and Novell will design and test software combinations, and work with customers and software developers to build and support those technologies. Microsoft also will recommend Novell's Suse Linux Enterprise for customers that want Windows and Linux. "We definitely want customers who chose to run both Windows and Linux to choose Novell," Mr. Ballmer said.

WALL STREET JOURNAL VIDEO

• A partnership between1 Microsoft and Novell is like the Hatfields teaming with the McCoys, as Rob Guth of the Wall Street Journal explains.

• Microsoft CEO Steve Ballmer2 and Novell CEO Ron Hovsepian discuss the unusual partnership between the companies.

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The pact marks an unusual level of cooperation between two longtime rivals. Microsoft has been battling all versions of Linux but has faced pressure to assure customers can run both Windows and Linux without problems. Red Hat's Linux is the most popular commercial version of the product, followed by Suse Linux. The deal follows Oracle's announcement that it would start selling its own support for Red Hat's version of Linux, a plan that undercuts Red Hat's own business, which is based on providing support and maintenance.

Backing by Oracle, the world's second-largest software maker behind Microsoft, coupled with the Microsoft-Novell pact, could instill more confidence in businesses that have held back investment in open source, some industry experts said. Concerns over patents and general competition with Oracle and Microsoft hampered some potential users of the software, the executives say. "There were always customers that were concerned about whether there would be a backlash with Microsoft," said Stuart Cohen, chief executive of the Open Source Development Laboratory, an open-source promotion group. "They just took that off the table."

Microsoft has at times spooked the Linux community with statements that stressed it indemnifies Windows customers against claims of patent infringement. Some people in the open-source community regarded those statements as thinly veiled threats that it would eventually file patent-infringement suits against Linux users.

Microsoft's move to embrace only Novell's software could be seen by skeptics as a move to divide the Linux community. "There is bound to be some animus, just because of who Microsoft is," said Daniel Ravicher, legal director of the Software Freedom Law Center, a public-service law firm that represents open-source developers.

Farm Group Asks Justice Department To Investigate CME, CBOT Merger (MRKTWTCH)

Market Watch, November 3, 2006

WASHINGTON (MarketWatch) -- Anti-trust concerns are behind the National Farmers Union's request that the U.S. Justice Department investigate the proposed merger of the Chicago Mercantile Exchange Holdings Inc. (CME) and CBOT Holdings Inc. (BOT), the U.S. farm group's president said Thursday.

The NFU's Tom Buis, in a prepared statement, said: "I want to ensure that the department examines the proposed merger with an eye toward the impact that such a transaction would have on family farmers, ranchers and fishermen."

Justice Department spokespeople were not available for immediate comment.

On Oct. 17 Chicago Mercantile Exchange Holdings - the parent company of the Chicago Mercantile Exchange - announced it would buy the smaller CBOT Holdings - the parent company of the Chicago Board of Trade - for $8 billion. The merger, if approved by regulators and shareholders, would create the world's largest financial market.

The NFU said it is concerned the proposed merger could be detrimental to farmers and agriculture industry. It would be a good idea for hearings to be held so those affected could voice concerns, the farm group said.

"NFU is concerned about the anti-trust issues that would arise from the proposed merger, as well as potentially overlapping contracts, specifically within the ethanol industry," the farm group said.

Bart Chilton, an NFU vice president, said the group wants to make sure consolidation will not result in the closing of contracts that farmers rely on.

"We're not saying don't do the deal," Chilton said. "We're saying examine it thoroughly."

The CME's main agricultural contracts are livestock futures, and the CBOT's main agricultural contracts are grain and oilseeds futures. However, both exchanges have an ethanol futures contract, although neither is heavily traded.

"The organization is urging the department hold hearings across the countryside, so producers who may be impacted by the merger can make their voices heard," the NFU said.

MySpace Investor Sues, Claims Site Unfairly Blocked Links (AP)

By Jordan Robertson, Ap Business Writer

AP, November 3, 2006

(11-02) 16:55 PST San Jose, Calif. (AP) --

An early investor in MySpace sued the popular social networking Web site on Thursday, claiming the company violated antitrust laws by blocking links to his new online video-sharing venture.

Brad Greenspan, chief executive of Los Angeles-based LiveUniverse Inc., claims that last month MySpace began deleting references on user pages to his new Web site, vidiLife.com, and has dismantled video links and blocked users from mentioning the site.

Both sites allow users to post videos and create online profiles for swapping media and collecting Internet pen pals.

"MySpace has no legitimate business justification for its actions," read the suit, filed in a Los Angeles federal court.

Instead, MySpace's actions constitute "an attempt to monopolize the market for Internet-based social networking services in the United States."

The lawsuit seeks unspecified damages and an order that MySpace restore all references to vidiLife.

MySpace, which is owned by Rupert Murdoch's News Corp., said in a statement that it routinely blocks links to Web sites for violating copyright protections, and that vidiLife.com had been identified by Universal Music Group as a "primary source of infringing UMG content."

It declined to comment further because it had not yet reviewed the complaint.

Greenspan formerly was chief executive of Los Angeles-based Intermix Media Inc., which owned MySpace and was sold last year for $580 million to News Corp.

An outspoken opponent of the sale, Greenspan submitted his own bid for the company but was denied by Intermix's board. Last month, a state court judge in Los Angeles rejected his lawsuit challenging the sale. Greenspan vowed to appeal.

Greenspan left Intermix in 2003 amid an informal regulatory inquiry into accounting restatements.

The New York Attorney General's office then began looking into allegations the company secretly installed adware and spyware on millions of home computers, and Greenspan agreed to a pay $750,000 in a settlement that did not include an admission of guilt.

Federal Judge Orders Recordings Turned Over In Toys R Us Antitrust Case (LAW)

By Shannon P. Duffy, The Legal Intelligencer

Legal Intelligencer, November 3, 2006

The plaintiffs in an antitrust suit against Toys R Us may not delay turning over tapes of secretly recorded phone conversations that allegedly include smoking-gun proof of the antitrust conspiracy until after the speakers captured on the tapes have been deposed, a federal judge has ruled.

In her five-page opinion in BabyAge.com Inc. v. Toys R Us Inc., U.S. District Judge Anita B. Brody held that tape recordings are no different from documentary evidence and must be turned over promptly.

Brody rejected the plaintiffs' argument that they should be allowed to delay turning over the tapes because a witness with prior knowledge of the content of the recording might alter his or her deposition testimony in order to "explain away" the allegedly inculpatory statements.

In his brief, plaintiff attorney Eugene A. Spector of Spector Roseman & Kodroff argued that a delay should be granted because a witness who merely knows that a recording exists, but who is unenlightened as to its content, will have every incentive to testify truthfully at the outset.

The tapes, Spector argued, reveal that the defendants have been caught "red handed" in a price-fixing scheme that "unambiguously" violates federal antitrust law.

Without a delay, Spector argued, the "impeachment value" of the recorded statements will go unrealized.

Brody disagreed, saying "impeachment value alone does not justify a delay where, as here, the disputed statements constitute substantive evidence relevant to the parties' claims and defenses."

Under the Federal Rules of Civil Procedure, Brody said, "statements constituting substantive evidence are discoverable by the persons or parties who made the statements prior to their depositions."

The plaintiffs in the suit -- BabyAge.com and The Baby Club of America Inc. -- are Internet retailers.

The suit alleges that Babies R Us, a subsidiary of Toys R Us, coerced several manufacturers of "high-end" baby products to establish minimum retail prices so that the Internet retailers would be unable to discount the goods.

The purpose of such minimum price agreements, the suit says, was to protect Babies R Us from price competition, and included threats of termination of contracts if violated.

The suit says such agreements are per se illegal under the Sherman Act, and that they allowed Babies R Us to maintain and enhance its monopoly power.

The dispute over the secret recordings erupted in September when defense attorney Jeffrey I. Zuckerman of Curtis Mallet-Prevost Colt & Mosle in Washington, D.C., filed a motion to compel production of the tapes.

In the motion, Zuckerman said that the existence of the tapes was revealed during a July 2006 deposition when plaintiff attorney Kendall Scott Zylstra of Schiffin & Barroway in Radnor, Pa., referred to statements made during recorded phone calls.

Zuckerman said the plaintiff lawyers promised to turn over the tapes on the date their discovery was due, but later refused.

Spector, in his response brief, said the tapes were made by the plaintiffs before they hired lawyers to file suit.

In his brief, Spector quoted extensively from the tapes and said the excerpts showed that the Internet retailers had "caught some of the defendants 'red-handed' and have compelling evidence to demonstrate just that."

Both Zuckerman's and Spector's briefs were initially sent as "attorneys' eyes only" letters to Brody and were not publicly available, But, at the request of The Legal Intelligencer, Brody ordered that redacted versions of the briefs be filed of record. The redacted versions do not include any of the excerpts from the tapes.

Now Brody has sided with the defense and ordered that the tapes and transcripts must be produced to the defense immediately.

"I find that the retailer plaintiffs' request to conceal the contents of recording from a deponent until after the deposition is unwarranted," Brody wrote.

Brody said the plaintiffs "have offered no rationale consistent with the underlying objectives of the civil discovery rules as to why surreptitious recordings should be singled out from any other document, written or electronic."

All such documents "have the potential for impeachment," Brody said, and "there is no reason to believe that a party that would alter testimony to match it to recorded statements would not do the same with regard to e-mails or other such records."

Brody said she found it "most unlikely" that the plaintiffs would ask her to delay the production of a document that might impeach the testimony of a witness, or an e-mail from a witness with the potential for impeachment.

"That the 'documents' are audio recordings instead of written or electronic documents has no bearing on the analysis of the retailer plaintiffs' obligation to produce them immediately."

In so ruling, Brody refused to follow a 1973 decision by Senior U.S. District Judge J. William Ditter Jr.

In Snead v. American Export-Isbrandtsen Lines, Ditter resolved a discovery dispute regarding a secret surveillance videotape of a plaintiff who had claimed personal injuries.

Ditter permitted the defendants to delay producing the tape or answering interrogatories about it until after they had deposed the plaintiff, in order to induce the plaintiff to testify truthfully at his deposition.

"In discussing personal injury cases, most defense lawyers contend that if a plaintiff knows surveillance films exist, he will tailor what he has to say accordingly," Ditter wrote.

Instead, Brody adopted the reasoning of the late Judge Raymond J. Broderick in his 1998 decision in Superior Beverage Co. v. Schweppes that ordered immediate production of secret recordings because the statements constituted evidence relevant to claims and defenses.

Spector argued that Schweppes was distinguishable because, in that case, the impeachment value of the statements had already been realized since one of the defendants had filed an answer denying the plaintiffs' allegations. Broderick, he noted, found the impeachment rationale "not applicable" to that case.

Brody disagreed, saying "nonetheless, Schweppes still stands for the proposition that secret recordings are generally discoverable without delay."

Google In Bid To Halt YouTube Legal Threat (FT)

By Joshua Chaffin And Aline Van Duyn In New York And Richard Waters In San Francisco

Financial Times, November 3, 2006

Google is engaged in a frantic round of negotiations aimed at persuading traditional media companies to supply their content to YouTube, the video website it bought last month for $1.65bn, and ward off a potentially crippling round of lawsuits.

Chief executive Eric Schmidt and other managers have met CBS, Viacom, Time Warner, NBC Universal, News Corp and others, say people familiar with the talks, offering tens of millions of dollars in upfront payments for the right to broadcast their video content legally on YouTube.

For Google the talks could determine whether its investment in YouTube gives it a leading position in the fast-growing online video market or results in a wave of lawsuits for copyright infringement.

YouTube, founded 18 months ago, serves 100m video clips a day, making it the most popular internet video site, and leading to predictions that it and similar websites could become the dominant means of distributing television, films and other video content to consumers. But much of the material available on the site belongs to the traditional media companies and has been posted without their permission.

Some media executives speculate that if Google fails in its effort YouTube could face the same fate as Napster, the file-sharing service that gained enormous popularity seven years ago before the music companies sued it for copyright infringement and put it out of business.

Recently Mr Schmidt told the Financial Times he wanted media companies to be partners and wanted them to combine Google's advertising platform with their content to reach a larger audience. "So far people like that message; they are now trying to figure out what to do about it – should they, should they not, under what terms, and those sort of things."

Traditional media companies must balance the promotional and advertising potential of YouTube, which allows them to reach vast new audiences, against the need to protect material on which they have spent millions of dollars creating.

Many are also wary of helping Google achieve the dominance in distributing video on the internet that it already enjoys in the search advertising market.

"The fact is that in three to six months every media company's going to decide that their stuff gets taken down or that they get paid for it," a media executive said, likening the negotiations to "a big chessboard".

So far Warner Music, Universal Music and Sony BMG have signed agreements with YouTube to supply some of their content in exchange for licensing fees and a share of associated advertising revenue.

In lieu of upfront payments the music companies received equity stakes in YouTube worth tens of millions of dollars.

Google, having averted that threat, has turned its attention to the film and television companies, offering one $100m to license its content over a two-year period, according to a person familiar with the matter.

ENVIRONMENT/INDIAN AFFAIRS:

Overfishing Threatens Catastrophe, Study Finds (LAT)

By Marla Cone

The Los Angeles Times, November 3, 2006

All of the world's fishing stocks will collapse before mid-century, devastating food supplies, if overfishing and other human impacts continue at their current pace, according to a global study to be published Friday by a team of scientists from 12 academic institutions in five countries.

Already, 29% of species that are fished — including bluefin tuna, Atlantic cod, Alaskan king crab, Pacific salmon and an array of California fisheries -- have collapsed and the pace is accelerating, the report says.

If present trends persist, the study predicts that "100% of [fished] species will collapse by the year 2048 or around that," said marine conservation biologist Boris Worm at a press conference today. A fishery is considered collapsed if catches fall to 10 % of historic highs. Worm, an assistant professor at Dalhousie University in Halifax, Canada, led the team of researchers responsible for the report.

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In addition, ocean ecosystems will be unable to recover from shrinking populations of so many species of fish and other sea creatures, the scientists reported in the journal Science.

The report is the first comprehensive assessment of the potential consequences of ongoing declines in the diversity of life in the world's oceans. In recent years, marine scientists have warned about the extreme toll of overfishing in many regions, but the new report offers one of the most dismal predictions for the future of the world's fisheries.

Yet, there is still hope, the scientists concluded.

If more protections are put into place, such as new marine reserves and commercial fishery closures, the volumes available for food will surge and the oceans can recover, they said.

"The good news is that it is not too late to turn things around," Worm said. "It can be done, but it must be done soon."

Delving into recent catch data from around the world as well as a thousand years of archives in regions such as San Francisco Bay, the researchers concluded that estuaries, coral reefs, wetlands and oceanic fish are all "rapidly losing populations, species or entire functional groups."

The scarcity of a highly nutritious food supply for the world's growing human population is the most visible effect of declining ocean species. But the scientists said other disruptions also are occurring as ocean ecosystems unravel species by species.

The loss of diversity "sabotages the stability" of marine environments and their ability to recover from stresses, the report says.

Water quality is worsening and fish kills, toxic algal blooms, dead zones, invasive exotic species, beach closures and coastal floods are increasing, as wetlands, reefs and the animals and plants that filter pollutants and protect shorelines disappear. Climate change also is altering marine ecosystems.

"Our data highlight the societal consequences of an ongoing erosion of diversity that appears to be accelerating on a global scale," the scientists reported. "Our analyses suggest that business as usual would foreshadow serious threats to global food security, coastal water quality and ecosystem stability, affecting current and future generations."

The authors of the report are 14 marine biologists and economists, eight from California institutions: Scripps Institution of Oceanography, Stanford University's Hopkins Marine Station, Santa Barbara's National Center for Ecological Analysis and Synthesis and UC Davis' Section of Evolution and Ecology. The study was funded by the National Science Foundation, the University of California and UC Santa Barbara.

Andrew Sugden, Science's international managing editor, said the strength of the new report "lies in the breadth of the array of information the authors used for their analysis."

The researchers combined information from a variety of sources, from small-scale local experiments to United Nations fisheries databases.

Worm and his colleagues said the similarities surprised and disturbed them. Even the smallest experiments -- measuring biodiversity in a few square meters -- mirrored the declines seen in entire ocean basins.

"Kinds of seafood that were very common and quite abundant in past decades are not there now," said co-author Stephen Palumbi of Stanford University.

Palumbi warned that "unless we fundamentally change the way we manage all the oceans species together, as working ecosystems, then this century is the last century of wild seafood."

The National Fisheries Institute, a U.S. fishing industry group, questioned the findings, saying that federal statistics "show more than 80% of fish stocks are sustainable and will provide seafood now and for future generations."

The group said that for the past quarter-century, wild fisheries worldwide have provided between 85 and 100 million metric tons of seafood annually, and that aquaculture, also known as fish farming, is filling the growing demand.

90% Of The Ocean's Edible Species May Be Gone By 2048, Study Finds (USAT)

By Elizabeth Weise

USA Today, November 3, 2006

Oversight of commercial fishing must be strengthened or there may eventually be no more seafood.

DOJ_NMG_0090538

That's the conclusion of a report in today's Science journal that predicts 90% of the fish and shellfish species that are hauled from the ocean to feed people worldwide may be gone by 2048.

Even now, 29% of those species have "collapsed," meaning a 90% decline in the amount being fished from the sea, said Boris Worm, lead author and a professor of marine conservation biology at Dalhousie University in Halifax, Canada.

"It is a very clear trend, and it is accelerating," Worm said. The paper represents four years of work by an international team of researchers at various universities who analyzed ocean species diversity over the past 1,000 years.

The team concludes that this trend can be reversed. "We need to implement sustainable fishing methods, create marine sanctuaries where species can replenish themselves and limit pollution from coastal areas," said Heike Lotze, a marine ecologist at Dalhousie University.

"If the habitat is gone or the water's destroyed," the fish populations can't bounce back, she said.

"We know how to do this. But it must be done soon," Worm said. "With each species that is lost, the opportunity for the system to repair itself is diminished."

The findings are too pessimistic and not true of the USA, said Steve Murawski, chief scientist for the National Marine Fisheries Service, which oversees fishing regions in U.S. waters.

Murawski said "aggressive fisheries management" is reducing the percentage of U.S. overfished species, which he estimated is now 20%. U.S. fishing regions represent about 10% of the world's catch.

Worldwide, overfishing is a big part of the problem, the researchers said. "Every year it's estimated that human beings remove 150 million metric tons of life from the seas," said Joshua Reichert, environment-program director at Pew Charitable Trusts in Philadelphia.

But fishing isn't the only problem, the report states. The destruction of coastal areas, estuaries and reefs by dredging, building and pollution destroys nursery habitats for young fish.

As marine species disappear, the ability of others to survive is further harmed by the drop in the ocean's overall productivity and stability, the researchers found.

Fish and seafood are key protein sources for a world that's expected to add another 3 billion people by 2050. But it's also a problem for people who don't eat fish. Sixty percent of Americans live within 60 miles of a coast. Declines in marine biodiversity can:

•Increase coastal flooding because of the loss of floodplains and erosion control provided by the wetlands, reefs and underwater vegetation that are a cornerstone of marine life.

•Reduce water quality by destroying the plants, shellfish and fish that are the ocean's biological filtering apparatus.

•Increase beach closure because of harmful algae blooms, such as red tide, facilitated by diminished filtering.

Study Sees 'Global Collapse' Of Fish Species (NYT)

By Cornelia Dean

The New York Times, November 3, 2006

If fishing around the world continues at its present pace, more and more species will vanish, marine ecosystems will unravel and there will be "global collapse" of all species currently fished, possibly as soon as midcentury, fisheries experts and ecologists are predicting.

The scientists, who report their findings today in the journal Science, say it is not too late to turn the situation around. As long as marine ecosystems are still biologically diverse, they can recover quickly once overfishing and other threats are reduced, the researchers say.

But improvements must come quickly, said Boris Worm of Dalhousie University in Nova Scotia, who led the work. Otherwise, he said, "we are seeing the bottom of the barrel."

"When humans get into trouble they are quick to change their ways," he continued. "We still have rhinos and tigers and elephants because we saw a clear trend that was going down and we changed it. We have to do the same in the oceans."

The report is one of many in recent years to identify severe environmental degradation in the world's oceans and to predict catastrophic loss of fish species. But experts said it was unusual in its vision of widespread fishery collapse so close at hand.

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The researchers drew their conclusion after analyzing dozens of studies, along with fishing data collected by the United Nations Food and Agricultural Organization and other sources. They acknowledge that much of what they are reporting amounts to correlation, rather than proven cause and effect. And the F.A.O. data have come under criticism from researchers who doubt the reliability of some nations' reporting practices, Dr. Worm said.

Still, he said in an interview, "there is not a piece of evidence" that contradicts the dire conclusions.

Jane Lubchenco, a fisheries expert at Oregon State University who had no connection with the work, called the report "compelling."

"It's a meta analysis and there are challenges in interpreting those," she said in an interview, referring to the technique of collective analysis of disparate studies. "But when you get the same patterns over and over and over, that tells you something."

But Steve Murawski, chief scientist of the Fisheries Service of the National Oceanographic and Atmospheric Administration, said the researchers' prediction of a major global collapse "doesn't gibe with trends that we see, especially in the United States."

He said the Fisheries Service considered about 20 percent of the stocks it monitors to be overfished. "But 80 percent are not, and that trend has not changed substantially," he said, adding that if anything, the fish situation in American waters was improving. But he conceded that the same cannot necessarily be said for stocks elsewhere, particularly in the developing world.

Mr. Murawski said the Bush administration was seeking to encourage international fishery groups to consider adopting measures that have been effective in American waters.

Twelve scientists from the United States, Canada, Sweden and Panama contributed to the work reported in Science today.

"We extracted all data on fish and invertebrate catches from 1950 to 2003 within all 64 large marine ecosystems worldwide," they wrote. "Collectively, these areas produced 83 percent of global fisheries yields over the past 50 years."

In an interview, Dr. Worm said, "We looked at absolutely everything — all the fish, shellfish, invertebrates, everything that people consume that comes from the ocean, all of it, globally."

The researchers found that 29 percent of species had been fished so heavily or were so affected by pollution or habitat loss that they were down to 10 percent of previous levels, their definition of "collapse."

This loss of biodiversity seems to leave marine ecosystems as a whole more vulnerable to overfishing and less able to recover from its effects, Dr. Worm said. It results in an acceleration of environmental decay, and further loss of fish.

Dr. Worm said he analyzed the data for the first time on his laptop while he was overseeing a roomful of students taking an exam. What he saw, he said, was "just a smooth line going down." And when he extrapolated the data into the future "to see where it ends at 100 percent collapse, you arrive at 2048."

"The hair stood up on the back of my neck and I said, 'This cannot be true,' " he recalled. He said he ran the data through his computer again, then did the calculations by hand. The results were the same.

"I don't have a crystal ball and I don't know what the future will bring, but this is a clear trend," he said. "There is an end in sight, and it is within our lifetimes."

Dr. Worm said a number of steps could help turn things around.

Even something as simple as reducing the number of unwanted fish caught in nets set for other species would help, he said. Marine reserves would also help, he said, as would "doing away with horrendous overfishing where everyone agrees it's a bad thing; or if we banned destructive fishing in the most sensitive habitats."

Josh Reichert, who directs the environmental division of the Pew Charitable Trusts, called the report "a kind of warning bell" for people and economies that depend on fish.

But predicting a global fisheries collapse by 2048 "assumes we do nothing to fix this," he said, "and shame on us if that were to be the case."

World's Fish Supply Running Out, Researchers Warn (WP)

By Juliet Eilperin

The Washington Post, November 3, 2006

DOJ_NMG_0090540

An international group of ecologists and economists warned yesterday that the world will run out of seafood by 2048 if steep declines in marine species continue at current rates, based on a four-year study of catch data and the effects of fisheries collapses.

The paper, published in the journal Science, concludes that overfishing, pollution and other environmental factors are wiping out important species around the globe, hampering the ocean's ability to produce seafood, filter nutrients and resist the spread of disease.

"We really see the end of the line now," said lead author Boris Worm, a marine biologist at Canada's Dalhousie University. "It's within our lifetime. Our children will see a world without seafood if we don't change things."

The 14 researchers from Canada, Panama, Sweden, Britain and the United States spent four years analyzing fish populations, catch records and ocean ecosystems to reach their conclusion. They found that by 2003 -- the last year for which data on global commercial fish catches are available -- 29 percent of all fished species had collapsed, meaning they are now at least 90 percent below their historic maximum catch levels.

The rate of population collapses has accelerated in recent years. As of 1980, just 13.5 percent of fished species had collapsed, even though fishing vessels were pursuing 1,736 fewer species then. Today, the fishing industry harvests 7,784 species commercially.

"It's like hitting the gas pedal and holding it down at a constant level," Worm said in a telephone interview. "The rate accelerates over time."

Some American fishery management officials, industry representatives and academics questioned the team's dire predictions, however, saying countries such as the United States and New Zealand have taken steps in recent years to halt the depletion of their commercial fisheries.

"The projection is way too pessimistic, at least for the United States," said Steven Murawski, chief scientist for the National Marine Fisheries Service, which is part of the National Oceanic and Atmospheric Administration. "We've got the message. We will continue to reverse this trend."

The National Fisheries Institute, a trade group representing seafood producers as well as suppliers, restaurants and grocery chains, said in a statement that most wild marine stocks remain sustainable.

The group's spokeswoman, Stacey Viera, added that because the global demand for seafood has already outstripped the amount of wild fish available in the sea, her group's members are meeting the need in part by relying on farmed fish. "To meet the gap between what wild capture can provide sustainably and the growing demand for seafood, aquaculture is filling that need," she said.

But several scientists challenged that prediction and questioned why humanity should pay for a resource that the ocean had long provided for free. "It's like turning on the air conditioning rather than opening the window," said Stanford University marine sciences professor Stephen R. Palumbi, one of the paper's authors.

Oregon State University marine biologist Jane Lubchenco said the study makes clear that fish stocks are in trouble, even though consumers appear to have a cornucopia of seafood choices.

"I think people don't get it," Lubchenco said. "They think, 'If there is a problem with the oceans, how come the case in my grocery store is so full?' There is a disconnect."

The possible collapse of commercial fisheries could have a serious on the global economy, said Gerald Leape, vice president for the advocacy group National Environmental Trust. The industry generates $80 billion a year, Leape said, and more than 200 million people depend directly or indirectly on fishing for their main source of income. Worldwide, a billion people eat seafood as their main source of animal protein.

"This should be a wake-up call to our leaders, both internationally and domestically, that they need to protect our fish stocks. Otherwise they will go away," Leape said.

In order to reach their conclusions, the paper's authors looked at nearly three dozen controlled experiments and crunched the U.N. Food and Agriculture Organization's worldwide catch data going back to 1950. In some cases, they also surveyed ecosystem records -- including sediment cores and archival data -- going back a thousand years.

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The researchers said the loss of so many species is eroding the viability of marine ecosystems and their ability to resist environmental stresses. In 12 marine ecosystems surveyed, they found that a decline in biodiversity of 50 percent or more cut the number of viable fisheries by 33 percent, reduced nursery habitats by 69 percent and cut the ocean's capacity to filter and detoxify contaminants by 63 percent.

This phenomenon is apparent in the Chesapeake Bay, where the collapse of the oyster fishery has reverberated across the ecosystem. In 1880, there were enough oysters to filter all the water in the bay in three days; by 1988, it took more than a year for the remaining oysters to accomplish the same task.

Hunter Lenihan, a marine ecology professor at the University of California at Santa Barbara, said the mass dredging of oysters from the bay over the past century has transformed its ecosystem.

As the oysters declined, the water became more cloudy, and sea grass beds, which are dependent on light, died off and were replaced by phytoplankton that does not support the same range of species.

"When you removed the oysters through overfishing, that's when you begin to see a rapid decline in water quality," Lenihan said. "What it's done is change the entire production of the bay."

But University of Washington fisheries professor Ray Hilborn said ascribing a decline in fisheries production to loss of biodiversity was a bit like deciding which came first, the chicken or the egg.

"Do more productive systems lead to more diversity, or is it more diversity leads to more productivity?" Hilborn asked.

Yesterday's report suggests it is possible to resolve this puzzle. The researchers analyzed nearly 50 areas where restrictions had been imposed to stop overfishing and found that, on average, the range of species in the water increased by 23 percent within five years. That provides reason for optimism, Worm said, because it means sound management can halt the decline of fish stocks worldwide.

"It's not too late to turn this around," he said. "It can be done, but it has to be done soon."

Marine advocates, such as chief scientist Michael Hirschfield of Oceana, said they hope the report would spur countries to reassess their practice of providing roughly $20 billion a year in subsidies for harmful fishing practices.

"The single biggest thing we can do to address this is to eliminate subsidies," said Hirschfield, adding that European Union countries alone account for 10 percent of these subsidies.

Federal Lawsuit Aims To Resolve Gettysburg Waste Clean-up (AP)

By Mark Scolforo

AP, November 3, 2006

HARRISBURG, Pa. - The federal government has sued CBS Corp., a landowner and a pottery manufacturer, over the costs of cleaning up a 10-acre hazardous waste site north of Gettysburg, a step toward final resolution of a process that has taken decades.

The lawsuit filed in U.S. Middle District Court on Monday seeks a judgment that would require the defendants to pay the federal government's environmental response costs, including interest, at the Shriver's Corner Superfund Site.

The civil lawsuit will allow the parties to formalize a settlement that they have negotiated with the U.S. Environmental Protection Agency, said attorney Rick Friedman, who represents defendant Donald R. Wishard, executor of the estate of his grandmother, Sarah A. Culp.

"Under the procedures that EPA uses in settlement of Superfund cases, once they reach a consent order they have to file a complaint so there's something to be resolved," he said Thursday.

The defendants are broadcasting giant CBS Corp., because the site includes material from an elevator factory operated by its predecessor, Westinghouse Electric Corp.; SPC Residual LLC of York, a successor to Susquehanna Pfaltzgraff Co., which had its hazardous waste from two ceramics plants trucked to the site; and Wishard, whose grandmother owned eight acres of the site.

According to the lawsuit, industrial waste was dumped on the property as early as 1969, and in January 1984 state and federal officials inspecting the site found numerous deteriorating drums that contained hazardous materials.

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Substances discovered at the site, which is located in a rural area, include paint, solvents, toluene, lead, cadmium, mercury and others, according to the lawsuit. The EPA's Web site indicates that groundwater cleanup at Shriver's Corner began in 2002 and will take more than 30 years.

The consent decree calls for CBS and SPC to pay the EPA $659,000 within 30 days and the Culp estate to pay the EPA $98,000. It also requires the federal government to pay CBS $182,000 related to future response costs and to pay the Superfund $372,000.

Andrew Ames, a Justice Department spokesman, said Thursday the settlement resolves liability for the payment of clean up costs for the industrial waste that was dumped at the site.

A CBS spokeswoman, Shannon Jacobs, and a lawyer for SPC Residual, Kathleen K. Kerns, both declined immediate comment Thursday.

A Mine's Still-Toxic Legacy (WP)

By David A. Fahrenthold, Washington Post Staff Writer

The Washington Post, November 3, 2006

Surge in Polluted Water Sets Back Creek Cleanup In Maryland Coal Country

BARTON, Md -- Some of the most poisoned water in Maryland flows out of a hillside here, its color like Coca-Cola and its acidity in the same range as stomach juices.

The water runs through a culvert into Georges Creek, turning it the colors of the autumn leaves overhead. For four miles downstream, hardly anything is alive.

"Everything died. Everything died here in this stream," fishing guide Ken Pavol said one recent morning.

The source of the problem is an abandoned coal mine, one of more than 150 in Western Maryland that leak groundwater tainted with acid and dissolved metals. In August 2005, this particular trickle turned into a torrent stronger and far more caustic than it had been.

More than a year later, the state is still studying its options, and this stretch of Georges Creek is still dead. For frustrated residents, the situation is a reminder of coal mining's bleak environmental legacy: After more than two decades of cleanups here, the hills are still leaking pollution.

"This area was blessed with coal. I mean, what a blessing!" Pavol said sardonically.

Now, he said, the deep mines are mostly closed, and the mining jobs are mostly gone. "This is what's left."

Among the things that Maryland's western panhandle has that the rest of the state doesn't -- bears, mountains and ski resorts -- there is coal. The area sits on the eastern fringe of the great Appalachian coal field, which starts in Alabama and stretches to Lake Erie. At their peak in the early 1900s, Maryland's mines produced more than 5 million tons of coal a year.

One of those mines was here in Barton, a small town in Allegany County. The McDonald mine, as it was known, eventually comprised about 100 acres underground, divided into "rooms" that were only as high as the coal seam, about four feet, state officials say.

State records indicate that the mine probably closed in the 1940s, when a shift to strip mining on the surface shuttered deep mines across the state.

The mines were abandoned, but they were not empty. Over time, groundwater percolated through the rock and reacted with minerals in the mine walls and oxygen in trapped air. The water became saturated with metals such as iron and aluminum, and it became as much as 1,000 times as acidic -- 3.5 on the pH scale -- as a normal stream.

As the mines filled, the nasty liquid started to leak out. In Maryland alone, officials have counted 342 "seeps" of escaping mine water, sometimes more than one seep per mine.

The situation is worse elsewhere. In West Virginia, for instance, the mining industry left more than 2,800 drainage sites. But Maryland was left with a serious environmental problem: By 1980, mine water had polluted 450 miles of streams, according to state figures.

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In places, "it was essentially a biological desert," said Raymond P. Morgan II, a professor who has studied mine drainage at the University of Maryland Center for Environmental Science. He said the drainage is harmful in two major ways: The acid kills fish and other things in the water, and a metallic sludge called "yellow boy" keeps insects from living on the bottom.

"It's probably the most insidious pollutant that we have in the United States, because it's the two whammies there," Morgan said.

Since the mid-1980s, government projects have improved some streams in Western Maryland, using machines to discharge limestone compounds -- "River Rolaids" -- that neutralize the acid. In Maryland, 81.5 miles of streams have been restored enough to support life, officials said.

That approach worked at the McDonald mine, which has always had the worst acid drainage in the state. A lime machine was put here in 2002, and by 2005, people were fishing for trout in the formerly dead creek.

Then, last August, something happened. The best guess is that a section of the mine collapsed, releasing a pocket of toxic water. Suddenly, the volume of drainage was seven times what it had been, and the pH was less than 2.5 -- normal for a digestive system but terrible for a creek.

"It went from the worst water in the state to the worst water on steroids," said Joe Mills, an official with the Maryland Bureau of Mines.

As the mine water flowed to the North Branch of the Potomac River, even the mayflies in Georges Creek died.

"It looked like tomato soup, basically," turned red by a high iron content, said Alan Klotz, who oversees fisheries in the area for the Maryland Department of Natural Resources. "As soon as I walked down there, I just saw thousands of dead fish."

Scientists say the mine water should not concern operators of Washington area drinking water plants because the pollutants are diluted by the Potomac as they travel downstream. In Barton, though, the creek's dismal state is a constant worry.

Fourteen months after the surge in volume from the McDonald mine, officials say the acidity and amount of discharge have weakened a bit.

But the river does not look right. As the iron- and acid-laced water hits the clear flow of Georges Creek, it produces a range of colors, from reddish-brown to orange to yellow, an almost cartoonish image of pollution.

Department of the Environment officials said they are waiting to see if the seep gets better or worse in the next few months before taking action. They worry about money. Federal funding for cleanup projects comes from a fee on coal mining operations, but Maryland has only a few left, so it gets the minimum amount of aid, about $1.5 million a year.

"We're waiting for the situation to stabilize," said department official Richard A. Eskin. "Do we want to spend a half a million dollars or a million dollars, if it's going to go away [by] itself?"

In the meantime, residents are wondering what's taking so long.

If you're not going to fix the worst mine water in Maryland, "what are you going to fix?" asked Bob Miller, who heads the George's Creek Watershed Association. (Locally, the creek's name is often spelled "George's," with an apostrophe.)

And even if the mine's drainage is rendered less toxic, a fundamental problem remains. For all the government's success in treating what comes out of mines, it has made little headway in cleaning up what's inside them: hidden, toxic lakes that are replenished every time it rains.

"We don't have the technology to cure the ill now," said James Cummins, a scientist with the Interstate Commission on the Potomac River Basin.

For the time being, he said, the only thing preventing a McDonald-style collapse at other area mines might be the system of wooden timbers set up by miners decades ago.

"How long does wood last?" he asked.

FBI/DEA/ATF/USMS:

Operation Nabs 11,000 Fugitives In Eastern States (USAT)

By Kevin Johnson, Usa Today

USA Today, November 3, 2006

WASHINGTON — Nearly 11,000 fugitives, including 1,659 sex offenders, were swept up in what Attorney General Alberto Gonzales described Thursday as a record-breaking law enforcement operation targeting some of the nation's "worst" felons.

Focused in 24 states east of the Mississippi, the week-long "Operation Falcon III" roundup netted 100 murder suspects, one of whom died in a shootout with police near Atlanta.

"America's neighborhoods are safer today," Gonzales said.

Gonzales has made the campaign against child sex abuse a major part of his administration at the Justice Department. The latest fugitive operation — the third in two years — reflected that focus.

Among the hundreds of sex offenders arrested, Gonzales singled out last week's capture of Allen Marksberry, who was wanted on charges of failing to register as a sex offender.

When officers arrested Marksberry in Rickman, Tenn., he was babysitting three young children. Investigators recovered a handgun, marijuana, police scanners and pornography.

"He is exactly the type of offender that Operation Falcon intended to take off the streets," Gonzales said.

Of the 1,659 fugitive sex offenders arrested, nearly 1,000 were wanted on charges of failing to register as a sex offender.

Sex offenders who fail to register face felony charges under the recently passed Adam Walsh Act.

It is believed that between 100,000 and 150,000 sex offenders have failed to register or have not updated their whereabouts following a move, said Ernie Allen, president and chief executive officer of the National Center for Missing & Exploited Children.

"Compliance is the focus of this," Allen said. "Two-thirds of convicted sex offenders are child sex offenders. That's why this is so important."

More Than 10,700 Snared In Fugitive Roundup (AP)

By Lara Jakes Jordan

AP, November 3, 2006

WASHINGTON - Nearly 11,000 sex offenders, gang members and other fugitives were swept up in what the Justice Department on Thursday called a sting targeting the "worst of the worst" criminals on the run.

Last week's roundup, led by the U.S. Marshals Service, included Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was baby-sitting several young children when he was arrested on Oct. 24.

Also nabbed were Demetrius Avery Jackson, an accused cop killer in Birmingham, Ala., and Eric Dewayne Meneese, a Crips gang member, in Nashville, Tenn.

The weeklong sting, code-named Operation Falcon III, also led to the shooting death of a Georgia fugitive who was killed by authorities as he came out of his house, officials said. Additionally, the neighbor of a fugitive in Florida fired - but missed - police approaching her home. Both incidents are under investigation, said John F. Clark, director of the Marshals Service.

The roundup, in 24 states east of the Mississippi River, targeted "the worst of the worst fugitive felons in the country," Attorney General Albert Gonzales said at a Washington news conference.

"America's neighborhoods are safer today, thanks to Operation Falcon III," Gonzales said.

Two earlier stings - Falcons I and II - were held in April over the last two years. Gonzales and Clark denied that next week's elections played any part in scheduling the latest crackdown.

"I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," Clark said, adding that he wanted to do the roundup in the fall - before the winter weather hit.

In all, Gonzales said officials caught 10,773 fugitives - including 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were seized.

Those totals represent a fraction of doors knocked on, liquor store drive-bys, construction site surveillances and tips chased down by agents during the weeklong sweep. Finding the fugitives - even at their homes in the early-morning hours - proved to be a hit-or-miss mission for the federal, state and local authorities.

A six-hour sting in Washington, D.C., last Thursday morning, for example, netted none of the accused drug dealers sought by a team of seven agents from the U.S. Marshals, Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Immigration and Customs Enforcement, State Department and the city's Metropolitan Police Department.

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"He was there a week or so ago," muttered Marshals Inspector Robert Hoffmaster, after a pre-daybreak search of a house for an accused drug dealer.

In upstate New York, some fugitives tried to hide in unusual places.

"We grabbed one guy out of the shower," said Joe Ciccarelli, supervisor of the U.S. Marshals fugitive task force in New York's northern district. "We found people hiding in between insulation, rolled up in rugs, inside of cabinets, inside of closets that a person shouldn't be able to fit in, but they end up fitting in and we have had to call the fire department to get them out."

Of the sex offenders nabbed, 971 had failed to register with authorities as required by law - what Gonzales called the largest number ever captured in a single law enforcement effort.

Gonzales said prosecutors likely would seek to charge some of them under the 2006 Adam Walsh Act. That law, approved by Congress last summer, created federal penalties for sex offenders who fail register with communities.

The law was named for six-year-old Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981.

Falcon III showed the Marshals "have proven their extraordinary ability to quickly capture thousands of sexual predators," said Ernie Allen, president of the National Center for Missing & Exploited Children.

Normally, the Marshals regional task forces round up about 1,000 fugitives each week, officials said. An estimated 1 million fugitives are on the loose nationwide.

Associated Press Writer William Kates in Syracuse, N.Y., contributed to this report.

More Than 10,000 Fugitives Arrested In Eastern U.S. Roundup (BLOOM)

By Robert Schmidt

Bloomberg, November 3, 2006

Nov. 2 (Bloomberg) -- Law enforcement authorities arrested 10,773 fugitives in a 24-state roundup in the eastern U.S., Attorney General Alberto Gonzales said.

The arrests included 1,659 suspected sex offenders, the largest number ever captured in a single law enforcement effort, Gonzales said today at a news conference in Washington. The operation, dubbed FALCON III, was conducted from Oct. 22 to 28 in states east of the Mississippi River, as well as the District of Columbia and Puerto Rico.

Law enforcement officers led by the U.S. Marshals Service were ``targeting the worst of the worst fugitive felons" in that part of the country, Gonzales said.

An average of 3,000 federal, state and local officers participated each day in the dragnet, said John Clark, director of the Marshals Service. In addition to suspected sex offenders, those arrested were wanted on charges including kidnapping, burglary, carjacking, weapons offenses and drug distribution. Officials arrested 364 gang members and 107 people wanted for murder. They seized 232 guns.

One suspect was killed in the Atlanta area, and no law enforcement officers were hurt during the operation, Clark said.

More than 1 million fugitives are at large in the U.S., Clark said, adding that the Marshals Service apprehends about 1,000 during a typical week.

FALCON stands for Federal and Local Cops Organized Nationally. This is the third roundup conducted under the program. In April, the government focused on the Western U.S. and arrested 9,037 fugitives.

Massive Roundup Nabs Record Offender Toll (UPI)

United Press International, November 3, 2006

WASHINGTON, Nov. 2 (UPI) -- The arrests of 10,733 fugitives, including 1,659 sex offenders, in a coordinated 7-day roundup were announced Thursday by U.S. authorities in Washington.

The results of the operation known as Falcon III, which involved thousands of national, state and local law officers, were announced jointly by U.S. Attorney General Alberto Gonzales and U.S. Marshals Service Director John F. Clark.

Of the record 1,659 fugitive sex offenders apprehended, 971 were wanted for failing to register. Some 360 gang members also were nabbed and 230 weapons confiscated. Other priority targets were violent crime offenders and major narcotics distributors.

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"This operation has made our nation's neighborhoods and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members," Gonzales said.

The area covered included 24 states east of the Mississippi River and in the District of Columbia and Puerto Rico.

11,000 Fugitives Caught In 24 States (WT)

By Jerry Seper, The Washington Times

The Washington Times, November 3, 2006

Nearly 11,000 "worst of the worst fugitives in the country" were arrested this week in raids in 24 states as part of a law-enforcement initiative to apprehend violent criminals, Attorney General Alberto R. Gonzales said yesterday.

Deputy U.S. marshals, assisted by state and local police, arrested 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges.

"I am confident in saying that America's neighborhoods are safer today thanks to ... the devoted individuals who carried out its work," Mr. Gonzales said at a Justice Department press conference.

The third phase of the initiative, known as "Operation FALCON" (Federal And Local Cops Organized Nationally), focused on sex offenders and gang members in jurisdictions east of the Mississippi River, including Virginia, Maryland and the District.

Mr. Gonzales said convicted sex offender Allen Marksberry was taken into custody in Rickman, Tenn., for violating his probation. At the time of his arrest, he said investigators discovered Marksberry -- who failed to register in Tennessee as a sex offender -- had been babysitting three young children.

A search of his home, the attorney general said, resulted in the seizure of a loaded handgun, quantities of marijuana and veterinarian narcotics, police scanners and pornographic photographs, including a picture of Marksberry holding a partially nude young girl.

He said investigators also found a travel trailer behind the home, which provided its occupant with a clear view of a local playground. Inside the trailer, he said, investigators found a pair of binoculars.

Also arrested were Demetrius A. Jackson, accused of killing a police officer in Birmingham, Ala., and Eric D. Meneese, a Crips gang member, in Nashville, Tenn. The operation also led to the shooting death of a Georgia fugitive, killed by authorities as he came out of his house.

The Marshals Service has significantly increased its apprehension of fugitives over the past few years with the creation of five regional task forces to target violent offenders.

Mr. Gonzales and Marshals Service Director John F. Clark said the raids were not designed to coincide with next week's midterm elections.

"I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," Mr. Clark said, adding that he wanted to carry out the raids before winter weather arrived.

The regional task forces were created under the Presidential Threat Protection Act of 2000 to combine the efforts of federal, state and local law-enforcement agencies in locating and apprehending the most dangerous fugitives and assist in high-profile investigations. They are divided into five areas: New York/New Jersey, the Pacific Southwest, the Great Lakes, the Southeast and the Capital Area, which targets the District, Maryland and Virginia.

Operation FALCON I was conducted in April 2005 and netted more than 10,300 fugitives. Operation FALCON II went into action this year, also in April, targeting much of the western half of the country. Nearly 9,100 fugitives were arrested.

Over 1,600 Arrested In Sex Offender Roundup (NYT)

By Eric Lichtblau

The New York Times, November 3, 2006

WASHINGTON, Nov. 2 — The Justice Department on Thursday announced the arrests of more than 1,600 fugitive sex offenders as part of a weeklong roundup, the largest number ever arrested in a single operation.

In all, federal, state and local authorities in 24 states east of the Mississippi arrested more than 10,700 fugitives last week, including 140 people wanted on murder warrants, 232 for firearms violations, and 3,600 on drug charges. Attorney General

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Alberto R. Gonzales called the group "the worst of the worst," with particular priority given to capturing unregistered and wanted sex offenders who he said posed a "serious threat to our children."

Mr. Gonzales said in response to a question at a news conference that there was no political motivation behind the arrests and that the Justice Department "played no role in the timing of this program," less than a week before the midterm elections.

John Clark, the director of the United States Marshals Service, which coordinated the operation, said that planning for the arrests began months ago "without regard to any political elections coming up." One factor in the timing, Mr. Clark said, was to move ahead before the "harsh winter weather" hit because officials said that the wanted fugitives would be less likely to congregate outdoors.

Last week's coordinated arrests, involving an average of 3,000 investigators a day in the 24 states, were the third in a series of fugitive roundups called Operation Falcon, which began last year.

Local and federal authorities routinely execute arrest warrants on fugitives on a daily and weekly basis, but those operations generally occur in much smaller numbers and without a coordinated, nationwide push. The Marshals Service, for instance, arrests about a thousand fugitives in a normal week.

"The truth of the matter is," Mr. Gonzales said, "we don't have the level of resources available either at the federal or state/local level to have this kind of committed push all the time."

The most recent arrests focused in large part on wanted sex offenders, many of whom had failed to comply with the terms of state sex offender registrations. Officials said more than 970 of the 1,659 sex offenders arrested last week had failed to properly register in their states, which is a federal crime under a law enacted this year. Mr. Gonzales has put a premium at the Justice Department on prosecuting child sex offender cases, and he pointed with some satisfaction Thursday to the arrest last week of an unregistered sex offender in Tennessee, Allen Marksberry, who was convicted in 1996 in a sodomy case involving a 7-year-old girl.

Investigators, executing a warrant for a probation violation against Mr. Marksberry, found that he had been babysitting three children, and a search of his home produced a loaded handgun, drugs and child pornography, Mr. Gonzales said. They also found a pair of binoculars in a backyard trailer with "a clear view of a local playground," he said.

Mr. Marksberry was arrested after a short standoff, Mr. Gonzales said. Several arrests elsewhere produced altercations, including a shootout that led to the killing of a man in Atlanta who was wanted in a drug case, as well as an arrest in northern Florida in which the arresting officers were fired on, officials said. No one was injured in that case.

200 Fugitives Captured In Alabama (BN)

By Val Walton, News Staff Writer

The Birmingham News (AL), November 3, 2006

Charges include homicide, rape, sexual crimes against children

A multistate roundup has led to the capture of at least 200 people in Alabama, including some wanted on charges homicide, rape, incest and sex crimes against children.

The arrests came in a seven-day sting named Operation Falcon III, which was led by the U.S. Marshals Service in partnership with local and state law enforcement.

The arrest of Demetrius Avery Jackson Jr., 21, in the shooting of two Fairfield police officers was included in the roundup list. Jackson was caught Oct. 24 in Birmingham and charged with the capital murder of Officer Mary Smith and the attempted murder of Officer Erick Burpo.

Also captured was Michael Owen DeVaughn, 48. He was arrested at a Birmingham motel Oct. 27 on a federal parole violation and on multiple counts stemming from a multimillion-dollar real-estate fraud case in three jurisdictions in California.

U.S. Attorney General Alberto Gonzales, who announced the results of the operation Thursday, said the roundup was aimed at the "worst of the worst fugitive felons in the country." Two earlier stings, Falcon I and II, were held in April over the past two years.

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More than 10,700 fugitives were arrested during the operation that was conducted in 24 states east of the Mississippi River and in the District of Columbia and Puerto Rico. Task force members also arrested 971 unregistered sex offenders and 364 documented gang members.

Marty Keely, U.S. marshal in north Alabama, said members of the Gulf Coast Regional Fugitive Task Force relied on help from officers from Birmingham, Alabaster, Hoover, the Alabama Department of Corrections, the U.S. Drug Enforcement Administration and sheriff's deputies from Jefferson and Shelby counties to capture metro-area fugitives.

"The press is on to the folks out there who want to continue to commit violent crimes in this community," Keely said at a news conference in Birmingham.

U.S. Attorney Alice Martin said the arrests resulting from Operation Falcon III were part of 91 cases in Alabama's northern district. Included in those were:

One case of incest involving an adult.

Two cases of cruelty toward a child.

Two sex offenses against a child.

17 failures to register as a sex offender.

29 sex offenses.

Two sexual assaults.

One case of statutory rape.

Seven rape cases.

At least 53 fugitives were arrested in south Alabama and 101 in the Montgomery federal district.

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National Crime Sweep Results In 90 Local Criminal Charges (WVTM)

WVTM-TV, NBC 13, Birmingham, AL, November 3, 2006

BIRMINGHAM, Ala. -- A seven-day crime sweep resulted in 90 criminal charges locally and more than 10,000 nationally.

Operation FALCON was a seven-day crime-fighting spree that made gang-related violent crimes and sex crimes a top priority.

When Fairfield police Officer Mary Smith was gunned down in the line of duty, Operation FALCON got the call and Smith became one of the operation's top priorities.

"Some 25 hours later, Demitrius Avery Jackson Jr., Disciple gang member, was taken into custody," said U.S. Marshal Martin Keely.

FALCON is made up of law enforcement from various agencies around the area, led by the U.S. Marshals. Out of the 90 local cases solved, 58 involved sexual predators.

"People that rape generally don't rape once, so the fact these rapists and sexual predators have been taken off the street make me confident some child is not going to be victimized tonight," said U.S. Attorney Alice Martin.

Operation FALCON works in 24 states, where deputy marshals team up with thousands of law enforcers for the major sweeps and to fight crime daily.

"In times of limited resources, these type of partnerships become more and more important, and you see why it's important to participate," said Birmingham Police Chief Annetta Nunn.

The crime-fighting operation arrested 971 unregistered sex offenders over the weeklong sweep.

'Worst' Fugitives Captured In Sweep (MR)

By Brendan Kirby, Staff Reporter

Mobile Press-Register (AL), November 3, 2006

Nationwide Operation FALCON III makes 53 arrests in southwest Alabama

A team of federal, state and local law enforcement officers last week arrested 53 fugitives in southwest Alabama, including an accused rapist identified as one of the 15 "worst of the worst" by the U.S. Marshals Service.

DOJ_NMG_0090549

It was all part of a national effort, dubbed Operation FALCON III, which resulted in the arrest of 10,773 felony fugitives in 24 states and two foreign countries over a seven-day period.

Locally, arrests nabbed 17 people accused of sex crimes and 17 drug suspects. Other charges included attempted murder, assault, robbery, weapons violations and burglary.

Many of the fugitive arrests had already been announced.

"All of these offenders would be on the streets today if it were not for these efforts," U.S. Attorney for the Southern District of Alabama Deborah Rhodes said at a news conference Thursday in downtown Mobile.

Operation FALCON -- an acronym for Federal And Local Cops Organized Nationally -- linked the Marshals Service with 13 participating law enforcement agencies in Southwest Alabama.

This year's operation, the third of its kind, placed a special emphasis on gang members and sex offenders.

One of the fugitives captured was Inigo V. Felix, 32, a Mexican national accused of sexually assaulting a 5-year-old boy. He faces three counts of first-degree sodomy and two counts of sexual abuse of a child under the age of 12.

Members of the Gulf Coast Regional Fugitive Task Force took him into custody on Oct. 26 in Orange Beach.

The U.S. Justice Department had dubbed Felix one of the "FALCON 15," the worst offenders of the nearly 11,000 arrested during the operation.

"Any crime against a child is horrible," said David Rahbany, the supervisory agent of the task force.

Rahbany said Felix was the boyfriend of the child's aunt. He said the suspect came into the United States illegally at least 10 years ago. Felix confessed to the abuse, telling authorities he had been molesting the boy for about a year, Rahbany said.

Authorities said the alleged abuse came to light when the boy participated in a school lesson on "good touches and bad touches," authorities said.

A search of the man's home yielded items that officials said corroborated the boy's account. Rahbany said one of the agents on the task force speaks Spanish, which aided in the interrogation of Felix.

Local law enforcement officials praised the cooperation with federal agencies.

"Certainly, when we can take 53 people off the streets, it makes a real impact," Mobile Police Chief Phillip Garrett said.

Another previously reported arrest authorities highlighted Thursday was Willie Alexander Washington, 31, who is accused of failing to register as a sex offender. An investigation revealed that he has previous sex offense convictions in Alabama and Georgia.

Rahbany said authorities staked out Ella Grand Elementary School in Prichard -- where Washington was known to frequent on his bicycle -- and spotted him Oct. 26. Agents captured him down after a brief chase.

Rahbany said Operation FALCON III was something of a coming-out event for the task force, which opened its Mobile office this summer.

A recent federal law authorized the Marshals Service to create regional task forces.

The Gulf Force unit is the newest one, made up of representatives from the Marshals Service, the state Department of Corrections, the Mobile Police Department and the Mobile Sheriff's Office.

"The Gulf Coast Regional Fugitive Task Force is here to stay," Rahbany said. "This operation did not end Friday."

Rahbany said Operation FALCON beefs up manpower for the targeted program. Five teams consisting of eight to 10 officers each worked from sun-up to past sundown, he said.

"I don't think you could keep up the pace that we maintained this week," he said. "It made me proud to watch those guys."

Dozens Arrested Locally In 24-state Fugitive Sweep (NORBULL)

By Greg Smith, Norwich Bulletin

Norwich (CT) Bulletin, November 3, 2006

NORWICH — A week-long initiative to round up fugitives has resulted in dozens of arrests in eastern Connecticut.

Headed by the U.S. Marshals Service and code-named Operation FALCON III, Attorney General Alberto R. Gonzales announced today a total of nearly 11,000 arrests made in the 24-state effort running from Oct. 22-28.

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In Connecticut, 181 warrants were served, including 56 for sex offenses. In Norwich, Thomas Heberding was arrested for felony violation of probation based on an original offense of first-degree sexual assault. His victims were allegedly three children.

Deputy US Marshals teamed up with state, local, and federal officials in the largest fugitive sweep to ever focus on violent sex offenders.

FALCON III resulted in the arrest of 10,773 fugitives and the clearance of 13,333 warrants. Of the fugitives arrested, 1,659 were wanted for sexual offenses, 971 for not registering as sex offenders.

Falcon III was the third effort to combine law enforcement agencies in an effort to chip away at thousands of outstanding warrants.

"Operation FALCON has once again proven how much we can accomplish with our network of federal, state, and local law enforcement," Gonzales said in a prepared statement. "This operation has made our nation's neighborhoods and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members."

A mix of law enforcement officials had met each day last week in a different eastern Connecticut host town. Norwich, one of 428 police departments involved, hosted on Oct. 25, resulting in the arrest of 13 people on a variety of warrants, most violating probation and failing to appear in court.

The morning's activities in the Norwich area also illustrated the struggle city police face considering the fact there are more than 500 unserved warrants on the books.

Teams had worked for hours with the last known addresses of fugitives, but came up empty handed time and time again.

"It's something we face all the time," said Norwich Police Det. Ed Peckham. "We don't have the manpower or budget to do this every day. You could end up at ten different addresses trying to find one person. It's time consuming."

The problems are similar in New London, where Police Sgt. Michael Strecker said his department dedicates one day a week working with probation officers and the U.S. Marshals Service. The group serves four or five warrants on a good day. But considering that the number of warrants is in the 1,300 to 1,500 range, "it's a finger in the dike," Strecker said.

"We get the dangerous ones, and that's who we usually target," Strecker said.

With 12 different police barracks spread across the state, Connecticut state police face similar issues, likely with thousands of warrants waiting to be served.

State police spokesman Lt. J. Paul Vance, who did not provide numbers of outstanding warrants, said it is the responsibility of the trooper who investigated the case to follow up. But when the subjects move away, sometimes out of state, it becomes more difficult to track them.

Many agencies, especially when the criminals face misdemeanor charges, will learn of the warrants during routine motor vehicle stops or when the person is arrested for another crime.

"There is only so much (local police departments) can do, and I think they do their best," Chief State's Attorney Kevin T. Kane said. "It's a problem that strains the resources of the police departments and the state."

Fugitives Nabbed In Operation Falcon III (WTNH)

WTNH-TV, ABC 8, New Haven, CT, November 3, 2006

(New Haven-WTNH, Nov. 2, 2006 7:30 PM) _ It's called Operation Falcon III and it landed nearly eleven thousand fugitives behind bars. These are bad guys -- accused drug dealers, sex offenders and gang bangers, and 167 of them have been hiding out here in Connecticut.

by News Channel 8's Chris Velardi

These are fugitives who've skipped bail, criminals who've violated their probation and sex offenders who haven't registered. They're fugitives the Justice Department calls the worst of the worst. Police have had the warrants and last week they got the bad guys.

From Vermont to Florida in 24 states east of the Mississippi River, local police, state police and federal agents teamed up for one week with one goal -- to round up fugitives who'd been running from the law.

"It was a cooperative effort, lot of different agencies involved and that fact that we all worked together makes it a success," U.S. Marshal John Bardelli said.

The numbers also make it a success. Authorities made 10,773 arrests in 24 states, including almost 1,700 sex offenders.

In Connecticut, police picked up 167 fugitives, 19 of them sex offenders, including Steven Ramos, who was convicted of sexually assaulting a young girl in New Jersey.

He took off before he was sentenced for the crime and police say he'd been living in New Haven with the victim and her mother. This is just the kind of guy authorities are glad to get back behind bars.

"A lot of them are going to do the same kinds of crimes that they were wanted for in the first place," Bardelli said.

Police in Connecticut also arrested a man in Norwich who'd sexually assaulted three children and is accused of violating his probation. They also picked up a man IN Bridgeport wanted for attempted murder who was found with an Uzi and a handgun in his possession.

"They're the kind of people that you don't want running around, committing additional crimes," Bardelli said.

Bardelli says there are still plenty of fugitives out there and close to a million unserved warrants across the country, but raids like this go a long way towards getting criminals off the streets.

Most of the fugitives rounded up during Operation Falcon did not fight back. A murder suspect was killed by police in Atlanta and a suspect's mother fired shots at authorities in Florida, but no law enforcement agents were hurt. In Connecticut all 167 arrests were made without incident.

Roundup Nabs 167 Fugitives In Conn.Police Call Fugitives 'Worst Of Worst' (WFSB)

WFSB-TV, News Channel 3, Hartford, CT, November 3, 2006

HARTFORD, Conn. -- Dozens of Connecticut police departments joined departments from 23 other states in rounding up fugitives who were on the run in Connecticut.

Police described the 167 fugitives who were rounded up in Operation Falcon III the "worst of the worst."

U.S. Marshal John Bardelli said Connecticut has been working with 24 other states in a massive task force to find dangerous men and women. Channel 3 Eyewitness News reporter Susan Raff reported that the fugitives were found in towns and cities across the state.

Operation Falcon III involved 33 different agencies.

Police said the roundup was the largest ever of fugitive sex offenders and wanted gang members.

"On a nationwide basis, yes, we found some of the worst offenders. We did not get them all," Bardelli said.

Raff reported that one of the captured fugitives was Steven Ramos, who was arrested in connection with the sexual assault of an 8-year-old girl. A warrant was issued for Ramos' arrest when he failed to appear for sentencing.

"We found one person living in his car, a sex offender, entirely mobile, could have been anywhwere," Bardelli said.

U.S. marshals said they received a tip that Ramos was living in New Haven with his girlfriend. They went to the girlfriend's home at 6 a.m. and found Ramos sitting in his car, marshals said.

Police said another fugitive, Teric Clark, was wanted in connection with attempted murder. Police said when they found Clark, they found an automatic weapon as well as a handgun on him.

Raff reported that federal law requires all states to register sex offenders, but police departments said they are having a difficult time finding sex offenders who fail to register.

Joint Manhunt Nabs 96 Fugitives In Delaware (WILNJ)

By Lee Williams, The News Journal

Wilmington (DE) News Journal, November 3, 2006

U.S. marshals teamed up with federal, state and local authorities last week to round up fugitive sex-offenders and other wanted felons across Delaware, part of a nationwide sweep called Operation FALCON III -- Federal And Local Cops Organized Nationally.

Locally, the U.S. Marshals First State Fugitive Task Force arrested 96 fugitives, including 17 for failure to register as a sex offender.

Nationally, officers arrested 10,773 felony fugitives, including 1,659 sex offenders and 364 gang members.

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"This operation, along with our past FALCON efforts, provides a clear indication of what law enforcement agencies can accomplish when there is cooperation on all levels -- federal, state and local," said David W. Thomas, U.S. marshal for the district of Delaware.

Most of the raids occurred in the early morning hours, the "best time and the safest time to apprehend fugitives," Thomas said Thursday.

The arrest teams deployed with 250 active warrants, mostly for New Castle County residents, although some teams were sent to Kent County and Pennsylvania.

"This operation shows that the federal government can play an important role in our efforts to curb violence on our streets here in Delaware," said U.S. Attorney Colm F. Connolly.

In Delaware, the agencies included the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives; U.S. Drug Enforcement Administration; Federal Bureau of Investigation; U.S. Department of Housing and Urban Development Office of Inspector General; U.S. Secret Service; Delaware State Police; Delaware Probation and Parole; Delaware River and Bay Authority; New Castle County police; Wilmington police; Newark police; New Castle city police; and Smyrna police. Contact investigative reporter Lee Williams at 324-2362 or lwilliams@delawareonline.com.

Nearly 11,000 Fugitives Arrested In Sweep (WP)

By Dan Eggen

The Washington Post, November 3, 2006

Nearly 11,000 fugitives were arrested last week as part of an organized effort by the U.S. Marshals Service and state and local law enforcement agencies east of the Mississippi River, including an accused cop killer in Alabama and a Tennessee sex offender who was babysitting young children when arrested, authorities said yesterday.

It was the third in a series of sweeps since last year aimed at catching "the worst of the worst fugitive felons in the country," Attorney General Alberto R. Gonzales said at a Washington news conference.

More than 10,700 fugitives were arrested during the latest push, which also included the shooting death of one suspect in Georgia that is under investigation, authorities said. More than 30,000 fugitives have been arrested as part of the "Operation Falcon" initiative overall.

Previous sweeps were held in April 2005 and April 2006. Gonzales and Marshals Service Director John F. Clark said next week's midterm elections played no role in the decision to hold another sweep now.

In the Washington region, 687 fugitives were arrested, including 102 alleged sex offenders and 23 alleged gang members, authorities said.

Local, Federal Law Enforcement Officers Sweep 3 Counties For Offenders (SCRIPPS)

By Gabriel Margasak

Scripps Howard, November 3, 2006

November 3, 2006 PORT ST. LUCIE — The Port St. Lucie Police detective and the Deputy United States Marshal strapped on their guns and SWAT-style vests.

They hit the streets in an unmarked SUV in search of about 150 people with outstanding warrants on the Treasure Coast and surrounding areas — the focus was on sex offenders who failed to register and gang members.

Advertisement

They were one of several teams who arrested 93 people locally in weeklong sweep across 24 states called Operation Falcon III. The bust cleared 325 warrants and netted 66 sex offenders in South Florida alone, the U.S. Marshals Service announced Thursday. The national arrest tally included 1,659 fugitive sex offenders, which officials called "the largest number ever captured in a single law enforcement effort."

The third installment of the national operation was deemed a highly successful partnership between the marshals, state agents and local police and sheriff's deputies, who were given federal powers to make arrests across county lines. The unique teamwork allowed for massive numbers of quick arrests not otherwise possible for each agency alone.

DOJ_NMG_0090553

"I thought it was extraordinary the Martin County sheriff and the Port St. Lucie police chief, and even the Palm Beach County Sheriff's Office, actually dedicated people for an entire week," said Supervising Deputy U.S. Marshal Glen Wilner, who organized the local teams. "We couldn't have done it without our partners at the local police departments and the sheriff's offices."

WHO THEY BUSTED

Brian Geary allegedly raped two children, ages 6 and 7, in Okeechobee County.

"This is as bad as it gets," Wilner said, "raping two young children."

The Marshals and their local partners investigated in the area and uncovered the tip they needed: Geary had fled to Kentucky.

The team worked with counterparts in Kentucky to set up surveillance in the city of Muldraugh. Agents saw Geary enter an apartment, moved in and made the arrest.

"This is what law enforcement is all about," Wilner said.

The Geary bust was just one of the marquee cases the task force featured.

There also was the case of Port St. Lucie resident Bernard N. Arison, 43, who allegedly hit his 79-year-old mother in the leg with a Bible during a fight. She was treated at the scene by medical personnel for a cut.

Arison was picked up in Port St. Lucie by a Falcon team.

PARTNERS AGAINST CRIME

The teams gathered for a roll call last week at the Port St. Lucie Police Department's new western city annex.

Their badges represented the Port St. Lucie Police Department, Martin County Sheriff's Office, Florida Department of Law Enforcement and Palm Beach County Sheriff's Office. But here, they were part of one efficient team of cops, which also included the Fort Pierce Police Department and Indian River County Sheriff's Office.

Many of them had worked together before.

The Marshals and local cops set up a unique partnership in 2004 called the South Florida Fugitive Apprehension Strike team. The Marshals federally deputized several local cops from Martin, St. Lucie and Palm Beach counties and the state FDLE.

Their mission was to catch the most violent fugitives.

"It eliminated any jurisdictional boundaries," Wilner said. "It gave them the resources to follow their own case along with us ... Instead of sending a lead to another police department somewhere where a road patrol unit is just going to go knock on a door, you're sending it to a team of investigators who will be as either aggressive or discrete as need be."

Falcon operated much the same but on a more grand scale.

This time, the Marshals temporarily federalized local cops to join the strike team, increasing their numbers and ability to make arrests.

"They were cherry picking," Wilner said, as he handed out stacks of paper warrants with address and pictures during one roll call. "The people who have work addresses, lets pull those out. That's an easy grab."

ON THE STREETS

Detective Daniel Herrington had plenty of local street knowledge. Deputy U.S. Marshal Lynn Navitsky possessed the classified tools of the federal government.

They had a stack of names and addresses.

"It's really nice to work with the locals," Navitsky said. "It's a tremendous tool."

For nearly five hours, they knocked on door after door without much luck. One fugitive had gone to Baltimore. Another was likely in Colorado.

They found the family of another wanted woman. They promised to call in five minutes when they located her. That call, of course, never came.

The team had much better luck during several other days of the operation.

"(Later) that night we actually ended up picking up two of the people we were trying to pick up earlier," Herrington said. "It ended up being very successful overall."

WHAT'S NEXT

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The heat won't end with the national operation — especially for the sex offenders who didn't register. There were about 57 more warrants still to serve.

The Adam Walsh law, signed in July, allows the Marshals Service to take over cases where sex offenders cross state lines.

That means a federal charge upon arrest.

"There's a whole bunch of people we didn't find throughout the week," Wilner said. "We're not going to just let that go."

Police Sweep Up Felony Fugitives (TAMPTRIB)

By Valerie Kalfrin

Tampa Tribune, November 3, 2006

TAMPA - Roy Brown said he felt a thrill pulling up at the Pinellas County home of a fugitive sexual predator with members of a U.S. Marshals Service operation.

"We got him with cocaine and everything," Brown, 54, of Tampa, said Thursday with a smile.

Brown, whose 7-year-old daughter was killed by a previously convicted pedophile, joined another grieving father, Mark Lunsford, in participating in a nationwide operation last week to round up fugitive sex offenders and gang members.

Called Operation FALCON for Federal and Local Cops Organized Nationally, the initiative netted arrests of 10,773 felony fugitives in the country and 431 in the Middle District of Florida, which includes Tampa.

Fourteen of those arrested in the Tampa Bay area were sex offenders who failed to register and traveled out of the state or country, which is a federal offense under the Adam Walsh Child Protection and Safety Act.

Unregistered sex offenders are fugitives who cause the Marshals Service particular concern, Assistant Chief Deputy U.S. Marshal Pete Cajigal said Thursday. He spoke at a news conference in Tampa with Brown, Lunsford and law enforcement officials.

When offenders move where people don't know them, "they have a much larger rein to do the things that they do," Cajigal said.

He estimated the operation, which focused on the eastern half of the United States, cost a little less than $750,000. Most of the money was used for travel expenses and to pay confidential informants.

Investigators from 19 local, state and federal agencies in the Bay area participated in the operation, including Tampa and St. Petersburg police and sheriff's offices from Hillsborough, Pasco, Pinellas, Polk, Hernando, Sarasota and Manatee counties.

The most significant gang member arrested locally was a Jamaican citizen, Chan Tesha Miller, allegedly a high-ranking member of the Clansman gang arrested Oct. 24 in Riverview on an immigration hold, officials said. Miller, 27, is accused of multiple homicides in St. Catherine, Jamaica, officials said.

Investigators invited Brown and Lunsford to ride with them when they went to arrest several offenders.

"I've always said we should turn the tables: Instead of them stalking our kids, we'll stalk them," said Lunsford of Homosassa, whose 9-year-old daughter, Jessica, was killed in 2005.

A convicted sex offender living near the family's home, John Evander Couey, is accused of kidnapping and raping the child and burying her alive. He is awaiting trial.

"It just makes me happy to know I'm making their lives miserable," Lunsford said.

Brown's only daughter, Amanda, was abducted in 1998. In 1999, Willie Crain, a commercial crab fisherman who had prior molestation convictions, was sentenced to death in her disappearance and murder. Her body has never been found.

Roy Brown said the 14 offenders arrested locally during the operation are "14 we don't have to worry about for a while."

Brown now has a granddaughter named Amanda. He said he tried to move away from Tampa to escape memories but felt compelled to return.

"Because Amanda's missing, I couldn't stay away," he said. "She could've been a marshal. She could've been a ballet dancer. I'll never know."

Reporter Valerie Kalfrin can be reached at (813) 259-7800 or vkalfrin@tampatrib.com.

Manatee Rounds Up 37 Felons As Part Of Nationwide Sweep (BRAH)

The Bradenton Herald, November 3, 2006

MANATEE - Thirty-seven of Manatee County's worst felons were taken off the street and put into jail during a weeklong sting targeting some of the area's most wanted criminals, according to Sgt. Chris Atkinson of the sheriff's office warrant unit.

The county joined federal authorities in the code-named Operation Falcon III, which took place Oct. 22-28.

Nearly 11,000 sex offenders, gang members and other fugitives were swept up in what the Justice Department on Thursday called a sting targeting the "worst of the worst" criminals on the run in the eastern United States.

The operation was led by the U.S. Marshals Service.

In Manatee, murderers, sex offenders and probation violators who have absconded were the targeted fugitives. When the operation concluded, gang members made up 20 percent of the arrests and 30 percent were sexual offenders, according to Atkinson.

In all, Gonzales said officials caught 10,773 fugitives - including 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were seized.

Those totals represent a fraction of doors knocked on, liquor store drive-bys, construction site surveillances and tips chased down by agents during the weeklong sweep. Finding the fugitives - even at their homes in the early-morning hours - proved to be a hit-or-miss mission for the federal, state and local authorities.

The Manatee County Sheriff's Office warrant unit, which consists of one sergeant, one lieutenant and six deputies, prepared for the operation by pulling their resources together with other agencies, gathering intelligence and researching several databases to have as much information as possible. Informants also assisted, Atkinson said.

Two of their highest priority arrests included a man charged with aggravated battery with a firearm, and a gang member who was found to have a "bunch of guns" inside the residence where he was apprehended, Atkinson said.

Arrests made during Operation Street Sweep, conducted Oct. 27 by the sheriff's office, also contributed to a portion of the arrests recorded in the county during Operation Falcon III.

"Every year we do this operation with the federal marshals office," Atkinson said. "We round up our targets and get them off the streets."

Allen Marksberry, an unregistered sex offender in Rickman, Tenn., was baby-sitting several young children when he was arrested Oct. 24.

Also nabbed were Demetrius Avery Jackson, an accused cop killer in Birmingham, Ala., and Eric Dewayne Meneese, a Crips gang member, in Nashville, Tenn.

The operation also led to the shooting death of a Georgia fugitive who was killed by authorities as he came out of his house, officials said. Additionally, the neighbor of a fugitive in Florida fired at - but missed - police approaching her home. Both incidents are under investigation, said John F. Clark, director of the Marshals Service.

The roundup, in 24 states east of the Mississippi River, targeted "the worst of the worst fugitive felons in the country," Gonzales said at a Washington news conference.

"America's neighborhoods are safer today, thanks to Operation Falcon III," Gonzales said.

Two earlier stings - Falcons I and II - were held in April during the last two years. Gonzales and Clark denied that next week's elections played any part in scheduling the latest crackdown.

"I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," Clark said, adding that he wanted to do the roundup in the fall - before the winter weather hit.

A six-hour sting in Washington, D.C., on Oct. 26, for example, netted none of the accused drug dealers sought by a team of seven agents from the U.S. Marshals; Bureau of Alcohol, Tobacco, Firearms and Explosives; U.S. Immigration and Customs Enforcement; State Department; and the city's Metropolitan Police Department.

"He was there a week or so ago," muttered Marshals Inspector Robert Hoffmaster, after a pre-daybreak search of a house for an accused drug dealer.

In upstate New York, some fugitives tried to hide in unusual places.

"We grabbed one guy out of the shower," said Joe Ciccarelli, supervisor of the U.S. Marshals fugitive task force in New York's northern district. "We found people hiding in between insulation, rolled up in rugs, inside of cabinets, inside of closets that a person shouldn't be able to fit in, but they end up fitting in and we have had to call the fire department to get them out."

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Of the sex offenders nabbed, 971 had failed to register with authorities as required by law - what Gonzales called the largest number ever captured in a single law enforcement effort.

Gonzales said prosecutors likely would seek to charge some of them under the 2006 Adam Walsh Act. That law, approved by Congress last summer, created federal penalties for sex offenders who fail to register with communities.

The law was named for 6-year-old Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981.

Falcon III showed the Marshals "have proven their extraordinary ability to quickly capture thousands of sexual predators," said Ernie Allen, president of the National Center for Missing & Exploited Children.

Normally, the Marshals regional task forces round up about 1,000 fugitives each week, officials said. An estimated 1 million fugitives are on the loose nationwide.

• 10,773 fugitives
• 1,659 sex offenders
• 364 gang members
• More than 230 weapons
• 37 felons in Manatee, including some gang members and sex offenders

National Criminal Crackdown Nabs Central Florida Fugitives (WFTV)

WFTV-TV, ABC 9, Orlando, FL, November 3, 2006

ORLANDO, Fla. -- A major roundup of gang members and sex offenders has led to thousands of arrests around the country and dozens in Central Florida. The Justice Department said it rounded up more than 11,000 criminals in crackdown called Operation Falcon III.

The sweep allowed local agencies to give the U.S. Marshals' Office a list of top sex offenders on the loose. It was the first sweep that used the new Adam Walsh Act to make federal arrests. In fact, the first arrest under the Adam Walsh Act happened in Orange County.

Federal agents hope sex offenders hear one thing from Operation Falcon III, that absconding is now a federal offense. Agents said they busted more than 10,000 fugitives in a week, mostly offenders and predators and even gang members and murder suspects.

"So these are very significant players. They have preyed on children. They were at large and now they are not," explained Deputy Eric Thompson, U.S. Marshals Service.

Local agencies gave feds a wish list and then helped marshals scour the nation for men and women who thought they'd hide states away. In Central Florida, 43 warrants were cleared on 38 fugitives.

"We were able to take what the federal marshal has, what the federal government has, and direct them at specific people. We have very few absconders in Brevard County, so what we did is highlight four of them," said Lt. Tod Goodyear, Brevard County Sheriff's Office.

Wilfredo Madera was the first offender arrested under the Adam Walsh Act. The law makes it a federal offense to "not register and regularly report to authorities" as a sex offender.

"If you're registered in one state and you move to any other state, it's now a federal crime. We can prosecute federally. We can extradite the individual," explained Deputy Laura Sophia, U.S. Marshals Service,

One local man told marshals, when he was arrested, that he was just tired of being on the FDLE site and reregistering ever six months. He got part of what he wanted; he's not required to register because he's in jail.

'Falcon' Joint Crime Sweep Arrests 61 Area Fugitives (GAINS)

By Alice Wallace, Sun staff writer

Gainesville (FL) Sun, November 3, 2006

National and local law enforcement teamed up for a fugitive sweep this past week, and in total, 10,773 fugitives, all of whom were felons including sex offenders and gang members, were arrested across the country.

Locally, Operation FALCON III (Federal and Local Cops Organized Nationally) resulted in the arrest of 61 fugitives in Alachua, Gilchrist and Levy counties - the majority from Alachua County.

Included in the sweep was the arrest of David Nieves, 38, who was found in Mexico on Oct. 25. Nieves was charged with armed robbery and attempted murder in connection with the beating and robbing of Chiefland resident John Edward Curtis at a Red Roof Inn in Gainesville earlier this year.

Organized by the U.S. Marshals Service, Operation FALCON III lasted from Oct. 22 - Oct. 28. The Marshals Service pooled the resources of the Bureau of Alcohol, Tobacco and Firearms, the Drug Enforcement Administration, local sheriff's offices and police departments, as well as other agencies in order to locate as many fugitives as possible during the weeklong effort.

"This is what we can do when we all get together," said John Blount, deputy U.S. Marshal, at a news conference Thursday.

Nationally, the 10,773 fugitives arrested included 1,659 sex offenders and 364 documented gang members. Many of the sex offender arrests were fueled by the Adam Walsh Child Protection and Safety Act, which was signed into law by President Bush in July. The act allows law enforcement to charge sex offenders with a felony punishable by up to 10 years in prison if they fail to register and also travel in interstate or foreign commerce.

This is the third Operation FALCON since April 2005, Blount said.

Hundreds Of Fugitives Arrested In Georgia (AJC)

The Atlanta Journal-Constitution, November 3, 2006

Federal, state and local law enforcement agencies, in a coordinated sweep, arrested 520 fugitives in North Georgia as part of a sweep to find sex offenders, members of gangs and others accused of violent crimes.

At a news conference today, the U.S. Marshals Service said the week-long operation had locked up some of the â€œworst of the worst.â€•

FALCON III was the third coordinated effort since last year. The first was a national sweep that saw 187 people arrested on outstanding warrants. The second time out, the operation focused on states west of the Mississippi River. The third one, in states in the eastern half of the country, resulted in 11,0000 arrests between Monday morning last week and noon last Saturday.

While 520 fugitives were caught in North Georgia, another 142 were picked up in central parts of the state and 352 were arrested in South Georgia.

Midstate Authorities Arrest 87 People Through 'Operation FALCON III' (MACT)

By Liz Fabian

The Macon Telegraph, November 3, 2006

A Macon man accused of paying a 7-year-old for a sex act and an accused kidnapper arrested in Warner Robins are two of more than 10,000 fugitives caught last week in a nationwide round-up organized by U.S. Marshals.

"Operation FALCON III," or Federal And Local Cops Organized Nationally, targeted sex offenders and wanted gang members. Of the 10,773 arrests across the country - 1,659 were accused sex offenders and 364 were documented gang members, according to a news release from the U.S. Marshals Service.

Through the Southeast Regional Fugitive Task Force office in Macon, officers from several local law enforcement agencies cleared 111 felony warrants by arresting 87 wanted fugitives in about four days. The task force normally arrests between 100 and 120 people per month, said Will Hawkins of the Southeast Regional Fugitive Task Force.

During Operation FALCON, which occured Oct. 22-Oct. 28, the Macon office focused on cases in Bibb, Jones, Houston and Peach counties, Hawkins said, with officers from the local sheriff's offices, Macon and Warner Robins police, the Georgia Department of Corrections, Pardons and Paroles, the Veterans Administration, the U.S. Department of Housing and Urban Development and the Bureau of Alcohol Tobacco and Firearms.

At about 3:45 p.m. on Oct. 24, officers arrested Michael Scott, 37, on Dexter Avenue in Macon where he lives, Hawkins said.

Scott, who the release states is accused of performing a sex act with 7-year-old and then giving the child money, was being held today in the Bibb County Law Enforcment Center on a charge of child molestation.

In Houston County, investigators were tracking 43-year-old Samuel Easley, of Philadelphia who was wanted by the state of Pennsylvania for kidnapping a minor, the release stated.

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After days of interviewing and surveillance, officers arrested Easley on Oct. 26th at about 9:30 p.m. at a motel on Woodcrest Blvd. in Warner Robins, the release stated.

Easley is charged with kidnapping, interference with a child, endangering the welfare of a child and concealing the whereabouts of a child, Hawkins said.

The child was placed in temporary state custody before a reunion with family members.

This morning at the Atlanta office of the Southeast Regional Fugitive Task Force, U.S. Marshal Theresa Rodgers announced the results of the operation during a news conference.

"When we share information and pool our resources towards a common goal, the results are safer communities for our children and a more secure homeland," Rodgers stated in the release.

To contact Liz Fabian, call 744-4303 or e-mail lfabian@macontel.com.

National Marshal Operation Has Local Results (WALB)

WALB-TV, NBC 10, Albany, GA, November 3, 2006

Albany - - More than ten thousand of the nation's most violent criminals are now behind bars. Hundreds of those criminals are gang members, over a thousand are sex offenders and some of them were arrested right here in South Georgia.

They were America's most wanted. Now they're serving time.

"I have four grand kids and I want them to be safe to walk around here and not be afraid to walk in the yard," says Vandolyn Hunt who has lived in one of Albany's high crime public housing complexes for four years. She says criminals aren't kicking her out.

"It's a serious problem yes it is," says Dougherty County Sheriff Jamil Saba. He says cracking cold cases and finding fugitives are the department's top priorities.

Marked territory and graffiti are some of the tell-tell signs of gang activity, but one group of criminals whose signs are not as apparent is sexual predators.

"It could be your uncle. It could be anybody you never know you have to be careful," Hunt says.

So the U.S. Marshal's Office teamed with area Sheriff's Offices around the country. In Albany, officers arrested 22 fugitives in just two weeks.

One of them is Demetri Davis who failed to register as a Sex Offender, and hid from police for three years.

Robert Jackson moved to Tift County from South Carolina, lived there for 8 years but never registered as a sex offender.

Other South Georgia criminals, some gang members, are locked up for parole violations and drug activity.

"The U.S. Marshal Service, the citizens, all the state and local officers out here everyday, they're not going to let these guys keep going around. There's over a million warrants in the U.S. And we're trying to get them down as quick as we can get them locked up," says Deputy U.S. Marshal Jeff Crosby.

Added relief for people fed up with crime. Earlier this year, President Bush signed the Adam Walsh Act making it a federal felony for convicted sex offenders who fail to register. You may remember he's the little boy from Florida who was kidnapped, assaulted and beheaded.

His father is John Walsh of American's Most Wanted. Those offenders can face up to ten years in prison.

These agencies from the Middle District of Georgia participated in Operation FALCON-

Housing and Urban Development - OIG

U.S. Marshals Service

U.S. Veterans Administration - OIG

Operation Falcon Puts Thousands Behind Bars (WTOC)

WTOC-TV, CBS 11, Savannah, GA, November 3, 2006

Nearly 11,000 fugitives are now facing charges after a 24 state undercover operation, including almost 50 divisions in South Georgia alone.

The U.S. Marshals operation, Operation falcon III, targeted sex offenders, gang members, kidnappers, and other fugitives. It's the largest round up ever of fugitive sex offenders, with more than 1,600 behind bars.

The Savannah division of operation falcon caught 134 fugitives, including 19 wanted sex offenders. The resources available were much different from years past.

Marshal James Roberts says, "In the old days, departments worked within their boundaries, and today we work across boundaries by giving them special status. They can go anywhere within the state and outside the state with us and that's a force multiplier."

Operation Falcon is a joint effort by federal, state, and foreign law enforcement agencies, as well as local police and county sheriff's departments.

Operation Falcon Swoops Into Louisville (WHAS)

WHAS-TV, News 11, Louisville, KY, November 3, 2006

The U.S. Marshall Service is calling it the biggest roundup ever of gang members, sex offenders and others roaming the streets with warrants.

Called Operation Falcon, it covered the eastern half of the U.S. including the Metro Louisville area and saw over 10-thousand fugitives captured.

Some had been on the run for more than a year. They had every reason to think cops had forgotten all about them, but all last week scores of them got a rude awakening. Gone does not mean forgotten.

Their targets, fugitives, sex offenders and gang members in the Louisville Metro area. The team included U.S. Marshals, Jefferson County Sheriff's Deputies, even a doctor.

The woman inside a house with outstanding warrants figured maybe they'll give up and they'll go away, but no dice.

The Marshals Service saying local round ups have netted at least 148 fugitives arrested, including 9 wanted on sex related charges. Including Brian Geary, nabbed in Muldraugh, Kentucky. Geary, authorities say, is wanted in Florida for allegedly raping two girls just six and seven years old.

Authorities say the operation got some of the nation's most dangerous criminals off the streets.

Kentucky was one of 24 states that took part in Operation Falcon. Attorney General Alberto Gonzales announced today that the weeklong crackdown helped catch almost

11-thousand fugitives, sex offenders and gang members. Gonzalez says more than 16-hundred of those arrested are sex offender.

Nearly 150 Arrested As Sweep Nets Fugitive Sex Offenders (LCJ)

By Jessie Halladay

Louisville (KY) Courier-Journal, November 3, 2006

Nearly 150 people were arrested and hundreds of warrants were cleared in Kentucky last week as local law-enforcement agencies participated in a nationwide push to locate fugitive sex offenders.

During the seven-day effort, 18 agencies in the Western District of Kentucky provided about 75 officers and personnel to pick up people who have failed to register as sex offenders.

Rick McCubbin, U.S. marshal for the western district, said he hopes the weeklong blitz, especially the strong presence of officers, acts as a deterrent for those who don't comply with laws requiring sex offenders to register their locations.

Agencies in several states participated in the national program, dubbed Operation FALCON, which stands for Federal And Local Cops Organized Nationally.

In all, officers arrested 10,773 felony fugitives during the operation.

This is the third such effort run by the marshals. The focus on sexual predators comes after passage of the Adam Walsh Child Protection and Safety Act, which became law in July. The law makes it a federal felony for convicted sex offenders to fail to register or to travel in interstate or foreign commerce.

As part of the local effort, medical personnel trained in high-risk police operations accompanied officers -- something not done by any other team running a similar operation, said McCubbin.

Reporter Jessie Halladay can be reached at (502) 582-4081.

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135 Arrested Locally As Part Of Nationwide Roundup (SHREVET)

By Loresha Wilson

Shreveport Times, November 3, 2006

The U.S. Marshals Service today announced today the arrests of 10,773 people --- including 135 in the Shreveport area – as part of the largest nationwide round-up of fugitives.

Deputy marshals and fellow task force members cleared 153 Shreveport police warrants last week during Operation FALCON III (Federal and Local Cops Organized Nationally), officials said.

Those arrested include Wilbert Smith, who was wanted for attempted murder in connection with an aggravated battery 10 years ago. Sex offenders and documented gang members also were rounded up, authorities said. Firearms, narcotics and cash also were seized during the seven-day sting.

"The numbers mean safer streets for the citizens of communities all over this country," said John Clark, U.S. Marshals Service director. "We have not only brought those wanted fugitives to justice, but we have hopefully brought a bit of peace to their communities."

FALCON III is the third such operation in less than 18 months dedicated to victims of crime and to ensure greater safety in the community, officials said. It ran Oct. 22-28 and included law enforcement agencies of 48 districts and in 24 states.

Alexandria reported 107 arrests, Lafayette 41, Lake Charles 43 and Monroe 54.

Fugitive Sex Offender Round Up (KPLC)

KPLC-TV, NBC 7, Lake Charles, LA, November 3, 2006

Between October 22nd and 28th, arrest scenes were taking place across half the country, including in Lake Charles. Deputy U.S. Marshals teamed up with state local and federal crime fighters in the largest roundup targeting unregistered sex offenders, sexual predators and violent offenders.

Surrounded by representatives from several local agencies, Deputy U.S. Marshal Beau Bartel announced the results of Operation Falcon III at a news conference in Lake Charles. Bartel says, "Most fugitives that are out there on the run are repeat offenders and they're they ones that are committing crimes daily. Totally during this week, we had 10,773 fugitives arrested."

Lake Charles Police Chief Don Dixon says a new federal law is making it harder for unregistered sex offenders to hide across state lines. Dixon says, "Every state has a different bill and each state has different penalties and a lot of states have loopholes. I'm glad to see that President Bush has enacted federal legislation that gives consistency and continuity in every state." Stitch Guillory, chief deputy with the Calcasieu Parish Sheriff's Office says, "By doing it at the federal level, it just lets us put a little more teeth into it."

In addition to fugitive sex offenders, other fugitives wanted for gang activity, drugs and firearms violations were also apprehended. The roundup netted 43 arrests in Lake Charles, 41 in Lafayette and nearly 300 more in Alexandria , Shreveport and Monroe. "

Operation Falcon III covered 25 states in the eastern half of the country. The entire one week operation resulted in more than ten thousand arrests, and involved more than one thousand police, sheriff's and other agencies.

187 Maine Fugitives Nabbed In Roundup (WCSH)

WCSH-TV, NBC 6, Portland, ME, November 3, 2006

A major fugitive roundup in 24 states has netted nearly 11,000 wanted felons. In Maine, state troopers and local police teamed up with U.S Marshals to nab 187 wanted fugitives.

The seven day sweep code-named "Operation Falcon-3", was conducted in states east of the Mississippi. The search focused on unregistered sex offenders and gang members. Officials say the sting was designed to get the "worst of the worst" criminals off the street.

"We had resources to track these people and we tried to target the most violent offenders out there. Did we get them all in one week, no we didn't. But we haven't given up on them," said U.S. Marshal David D. Viles.

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In all, Maine law enforcement officers cleared 267 outstanding warrants, including 21 arrests for sex related offenses and 48 drug offender arrests.

This is the third Operation Falcon sweep. The first occured nationwide in 2005. The second rounded up criminals west of the mississippi this past April.

Roundup Snares More Than 10,000 Fugitives (PPH)

By From Staff And News Services

Portland (ME) Press Herald, November 3, 2006

WASHINGTON - A Department of Justice sweep aimed at nabbing thousands of sex offenders, drug dealers and other fugitives across the country also netted scores of suspects in Maine, federal officials announced Thursday.

Nearly 11,000 fugitives were caught in what the Justice Department called a sting targeting the "worst of the worst" criminals on the run.

Last week's roundup, led by the U.S. Marshals Service, included Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was baby-sitting several young children when he was arrested Oct. 24.

Also nabbed were Demetrius Avery Jackson, accused of killing a police oficer, in Birmingham, Ala., and Eric Dewayne Meneese, a Crips gang member, in Nashville, Tenn.

The weeklong sting, code-named Operation Falcon III, also led to the shooting death of a Georgia fugitive who was killed by authorities as he came out of his house, officials said. Also, the mother of a fugitive in Florida fired -- but missed -- police approaching her home. Both incidents are under investigation, said John F. Clark, director of the Marshals Service.

In Maine, authorities grabbed James Miller, a man convicted of gross sexual assault on a child under 13 and disseminating sexually explicit material. Miller, arrested at his Auburn apartment Oct. 22, was charged with failing to register as a sex offender and violating probation. Police say they found pornography links on a computer at his home, though it wasn't clear if that violated his probation conditions.

Deputy U.S. marshals working with state and local police arrested 21 people on sex-related offenses and 48 on drug-related offenses in Maine, clearing 267 warrants, said a statement by U.S. Marshal David Viles.

The roundup, in 24 states east of the Mississippi River, targeted "the worst of the worst fugitive felons in the country," Attorney General Albert Gonzales said at a Washington news conference.

Two earlier stings were held in April over the last two years. Gonzales and Clark said coming elections played no part in planning the latest crackdown.

"I can assure you the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," Clark said, noting he wanted to do the roundup before winter hit.

In all, Gonzales said, officials caught 10,733 fugitives -- 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges.

Operation Falcon Nabs 65 Area Fugitives (WHAG)

WHAG-TV, NBC 25, Hagerstown, MD, November 3, 2006

NBC25 News - Nearly 11,000 fugitives have been arrested as part of a sting operation that stretched up and down the East Coast, and many of those fugitives were captured in the Four-State region.

Edward Bowman, 44, is behind bars after he was accused of sexually assaulting his 16-year-old niece. Last week other violent criminals, sexual offenders and gang members were also captured, thanks to a week-long

U.S. sting operation called Operation Falcon 3.

Bowman was arrested on October 25th on Butts Mill Road. He was just one of many residents arrested during operation week.

Nearly 11,000 criminals in 24 states across the country were arrested in the operation, including 65 in the Eastern Panhandle.

Although

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U.S. marshals will not go into the specifics of the investigation, authorities say they plan to have more sting operations in the near future.

"If you're wanted we're going to find you," says Deputy U.S. Marshal Mike Ulrich. "There's no where to run and no where to hide."

Operation Falcon is the third sting operation targeting criminals across the

Nationwide Fugitive Sweep Nets 433 Felons In Massachusetts (BOSH)

By O'Ryan Johnson

Boston Herald, November 3, 2006

Some of the state's worst gang bangers, pedophiles and suspects-in-hiding, were targeted in a nationwide sweep by federal marshals tagged Operation Falcon III.

In Massachusetts, 433 fugitives were collared in raids carried out over the past week in which federal, state and local police used their combined resources to round up suspects wanted on warrants for multiple violent crimes or failure to register as a sex offender.

The U.S. Attorney's Office in Boston said one of the seized men, Brian Berlo, plied a New Hampshire boy with drugs and sodomized him for a six-month period beginning in December 2005. Federal marshals caught up to Berlo in Easton, where he was arrested with a small amount of cocaine, authorities said. He was arraigned on charges of being a fugitive from justice in Taunton District Court and was ordered held on $500,000 bail.

Here in the Bay State, Falcon III plucked 67 sex offenders off the street, with nearly half of those cases involving offenders who failed to register. The Massachusetts portion of the operation also swooped down on 73 alleged gang members, resulting in the seizure of 11 firearms and $9,000 in cash.

Nationwide, Falcon III netted 10,773 fugitives, including 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. Some 230 weapons were seized. The roundup, in 24 states east of the Mississippi River, targeted "the worst of the worst fugitive felons in the country," Attorney General Alberto Gonzales said.

"America's neighborhoods are safer today, thanks to Operation Falcon III," Gonzales said.

Dragnet Captures Almost 11,000 Fugitives, Including 433 In Mass. (BOS)

By Shelley Murphy

The Boston Globe, November 2, 2006

A week-long sweep targeting unregistered sex offenders, gang members and other violent criminals has led to the arrest of 433 fugitives in Massachusetts and 10,773 nationwide, according the US Marshal Service.

In the third and largest dragnet of its kind, dubbed Operation Falcon III, deputy US Marshals teamed with 46 state, federal and local law enforcement agencies in Massachusetts to hunt for some of the region's most wanted fugitives between Oct. 22 and 28.

Those arrested in Massachusetts included 67 convicted sex offenders, including 30 who were not registered as required by law, and 73 reputed gang members.

"We did try to target as many gang members and sex offenders as possible," said Acting US Marshall William Fallon.

All of those arrested face state charges, but federal prosecutors are currently reviewing the cases to determine whether any of them will be prosecuted in federal court under the recently enacted Adam Walsh Child Protection and Safety Act, which makes it a federal crime to fail to register as a sex offender and travel interstate. The law was named for Six-year-old Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981.

Nationwide the 24-state sweep netted 1,659 sex offenders -- including 971 who failed to register with authorities as required by law -- in what the government called the largest number ever captured in a single law enforcement effort.

The sweep "has made our nation's neighborhoods and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members," Attorney General Alberto Gonzales said in a prepared statement.

DOJ_NMG_0090563

Hundreds of state and local law enforcement authorities and more than a half-dozen federal agencies -- including the U.S. Marshals, the Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Immigration and Customs Enforcement, and the State Department -- helped in the roundup.

The nearly 11,000 fugitives arrested across the country included 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were collected.

Those totals represent a fraction of doors knocked on, liquor store drive-bys, construction site surveillances and tips chased down by agents during the weeklong sweep.

90 Nabbed In WMass Fugitive Hunt (RMA)

By Stephanie Barry, Sbarry@repub.com

The Republican (MA), November 3, 2006

SPRINGFIELD - A total of 90 suspects in gang beatings, robberies, sexual crimes and assaults were rounded up last week in this region as part of a coordinated effort to rein in fugitives nationally, law enforcement officials announced yesterday.

A parade of federal and local crime fighters lauded results of "Operation Falcon III," touting 98 arrests of suspects wanted in connection with local crimes.

Nearly 11,000 fugitives were arrested nationally and 433 statewide, according to William Fallon, acting U.S. marshal.

"What we wanted to do come Oct. 22 was hit the ground running. And that's what we did," Fallon told reporters during a news conference at the federal building.

He was referring to the first day of the weeklong sweep and the months of research that preceded it.

Locally, 72 arrests were made in Springfield, 14 in Chicopee, three in Holyoke and one in West Springfield. Eight others were arrested in other states for local crimes, officials said.

Local chiefs of police, Hampden County District Attorney William M. Bennett; Kevin O'Regan of the local U.S. Attorney's Office; and representatives of the Drug Enforcement Administration and the Division of Fisheries and Wildlife joined U.S. marshals at the news conference.

The code name for the operation, falcon, is an acronym for "Federal and Local Cops Organized Nationally." The last such sweep took place in spring 2005. Arrests in Springfield tripled during this round, Fallon said.

A national focus was placed on sexual predators, O'Regan said.

"Protecting our children from sexual predators is one of the most important things we all do in law enforcement," he said, adding that criminal suspects who remain at large erode the public's trust in the criminal justice system.

Deputy U.S. Marshal Daniel Spellacy said the initiative yielded the arrest of a New York City man wanted in connection with the 2004 rape of a 7-year-old boy in Chicopee. That investigation is ongoing.

Jerry Washington Jr., 45, of Springfield, was arrested in Springfield for failing to register as a sex offender, Spellacy said. Court records show Washington was convicted in 1979 of 11 counts of rape.

Mark S. Bryant, 28, of Chicopee, was tackled on a sidewalk in Chicopee last week while trying to evade marshals and local police, according to the deputy U.S. marshal. Bryant never answered 2003 charges that he kidnapped, assaulted and intimidated an ex-girlfriend, records show.

Spellacy said local marshals and police conducted hundreds of hours of research in preparation for last week's sweep.

"We worked up 400 cases," Spellacy said, adding that he expects to keep looking for the many they were unable to arrest.

The announcement followed this week's ranking by a private research company of Springfield as the state's most dangerous city.

Springfield Police Commissioner Edward A. Flynn yesterday said the timing was pure coincidence.

"This was in the pipeline for some time," said Flynn, who has denounced the ranking.

Close To 500 Fugitives Arrested In Michigan As Part Of A Federal Sweep (DEN)

Detroit News, November 3, 2006

Nearly 500 fugitives were arrested in Michigan as part of a recent federal sweep in 24 states, officials at the U.S. Attorney's Office in Detroit said today.

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A news conference is scheduled for 2 p.m. to announce details of the Michigan operation, which was headed up by the U.S. Marshals Service. A total of 480 arrest warrants were cleared in Michigan between Oct. 22 and 28, many involving alleged sex offenders, officials said.

In all, nearly 11,000 fugitives, including sex offenders, gang members and others wanted on a variety of charges from kidnapping to weapons offenses, were swept up last week in a 24-state operation called Operation Falcon III, the Justice Department was to announce today.

Among the fugitives caught were 1,659 sex offenders - including 971 who failed to register with authorities as required by law - in what the government called the largest number ever captured in a single law enforcement effort.

The sweep, the third and largest such operation since April 2005, "has made our nation's neighborhoods and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members," Attorney General Alberto Gonzalez said in a prepared statement.

Some of those arrested in Michigan were already in custody on other charges.

The Associated Press contributed to this report You can reach Paul Egan at (313) 222-2069 or pegan@detnews.com.

Marshals Nab 1600 Sex Offenders (WOOD)

WOOD-TV, NBC 8, Grand Rapids, MI, November 3, 2006

GRAND RAPIDS -- More than 1,600 fugitive sex offenders and gang members were rounded up nationwide, including some in West Michigan, in a coordinated effort between U.S. Marshals and other law enforcement agencies.

Overall, Operation FALCON III arrested nearly 11,000 fugitives between October 22 and 28, including 107 murder suspects.

Throughout West Michigan, FALCON - Federal And Local Cops Organized Nationally - arrested 108 people. Of those, 11 were wanted for sex offenses, four for gang-related activities, 17 for assault and 33 for drugs.

One of those sex fugitives arrested was 28-year-old James Leech, who was picked up while accessing the Internet at the Grand Rapids Public Library on October 24. He was arrested without incident and is now being held in the Kent County Jail. He is facing a first-degree criminal sexual conduct charge involving a minor.

Plus, for the first time, a national operation targeted fugitives in Battle Creek, with nearly half the arrests being made in that city.

U.S. Attorney General Alberto Gonzales made the national announcement about this operation that included federal, state and local agencies.

The push for Operation FALCON III came in July.

"Earlier this summer, the President signed the Adam Walsh Act, which named the Marshal Service the primary federal agency for the apprehension of unregistered sex offenders. Off of that, Operation FALCON was born," says Bruce Nordin, Chief Deputy of the U.S. Marshals Office.

John Clark, the director of the U.S. Marshal Service, said, "When we fail to catch those who commit (these crimes, we) may also harm an innocent person."

The new law makes it a federal felony, punishable by up to 10 years in prison, for any convicted sex offender who fails to register in their area.

Operation Nets Thousands Of Criminals (FREEP)

By Cecil Angel, Free Press Staff Writer

Detroit Free Press, November 3, 2006

A nationwide fugitive apprehension campaign dubbed Operation FALCON III ended with the arrest of more than 10,700 fugitives, including sex offenders and gang members, the U. S. Department of Justice announced Thursday.

"We tried to target the worst of the worst," said Robert Grubbs, U. S. Marshal for the Eastern District of Michigan, at a news conference in Detroit.

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Operation FALCON III -- the acronym stands for Federal and Local Cops Organized Nationally -- ran sweeps from Oct. 22 to 28. The campaign was a collaboration involving federal, state, county and municipal law enforcement agencies, predominantly in states east of the Mississippi River.

Nationwide, the campaign ended with the arrest of more than 10,773 fugitives. Of those were 1,659 fugitive sex offenders and 364 gang members. Authorities seized more than 230 firearms

In Michigan, 480 people were arrested. The multi-agency sweeps yielded 43 arrests for sex-related crimes, eight for homicides, 112 for assaults, 133 for narcotics charges, 42 for burglary/larceny, 32 for weapons, 37 for robbery, six for arson, one for kidnapping, 10 for stolen vehicles, 13 for fraud and 43 for other crimes.

"I think the bottom line is that 10,773 people are off the street," Grubbs said. "Many, many communities can breathe a lot better, feel a lot safer that they're not going to become victims of these people."

164 Arrested In Mississippi In Fugitive Roundup (AP)

By Holbrook Mohr

AP, November 3, 2006

JACKSON, Miss. - Authorities have arrested 164 sex offenders, gang members and other fugitives in Mississippi as part of a nationwide sting that nabbed some of the most dangerous criminals on the streets.

The roundup was headed by the U.S. Marshals Service with cooperation from hundreds of other agencies, and resulted in nearly 11,000 arrests nationwide, said Nehemiah Flowers, the U.S. marshal for the Southern District of Mississippi.

The arrests included Jonathan Putt, a reputed gang member wanted for the fatal beating of another man in New York, said Christopher Felix, a supervisory marshal in northern Mississippi.

Putt was grabbed after two days of police work in Corinth. He had family ties to the area and came to the Magnolia state to escape authorities, Felix said.

Most of those arrested, however, were sexual offenders whom Flowers said were some of the most dangerous fugitives in Mississippi.

"Anytime you have grandfathers raping grandchildren, you can call that the worst of the worst," he said without elaborating.

Forty-one of the arrests were made in the Jackson area, including two for kidnapping and one for bank robbery, Flowers said. Antwon Townsend was arrested for the Oct. 11 robbery of an AmSouth bank.

At least 81 fugitives were arrested in northern Mississippi.

The sting was known as Operation Falcon III, and followed similar sweeps over the last two years. Flowers said no officers in Mississippi were injured during the weeklong roundup.

At least one suspect here had failed to register as a sex offender and could face charges under the 2006 Adam Walsh Act, which charges sex offenders who fail to register with a federal crime.

Major arrests elsewhere included an unregistered sex offender in Tennessee who was baby-sitting young children when he was picked up and an accused cop killer in Alabama.

164 Wanted Felons Busted In Mississippi (WLBT)

By By: Marsha Thompson

WLBT-TV, NBC 3, Jackson, MS, November 3, 2006

More than 164 dangerous felons are off the streets of Mississippi tonight. The U.S. Marshals Service says 41 were captured in Jackson. In all Operation Falcon III, netted nearly 11-thousand fugitives.

The long arm of the law reached out in communities east of the Mississippi River. U.S. Marshals and a task force of lawmen targeted sexual predators, unregistered sex offenders, suspected murderers and other criminals hiding out from New York to homes in Jackson.

This is video from the Operation Falcon bust in late October. The roundup netted 164 felony fugitives in Mississippi, 41 in Jackson, 81 in north Mississippi: many with violent criminal histories. Mississippi lawmen worked long days and well into the night. They tagged felons on- the -run. Their work paid off. A reputed New York gang member implicated in a murder was

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captured hiding out in Corinth, a Jackson bank robbery suspect is also hauled in, so are two people suspected of kidnapping a Jackson man.

The 24 -state operation combined the largest fugitive- hunting law enforcement mobilization unit in history. Hundreds of local, state and federal agents working in tandem. Authorities concede there are thousands of other fugitives eluding justice. According to Southern District U.S. Marshal Nehemiah Flowers, " Our work is not done."

Our investigation found several awol sex offenders, like Susan Landry Boudreaux. Her last known residence was Hinds county. But the woman's address has not been verified. Now Boudreaux is on the wanted list. At least 10 others on Mississippi's Sex Offender Registry list from Hinds County had not verified thier current addresses.

The sweep lead by U.S. Marshals Service was considered a boots- on -the- ground operation. We are told it took surveillance and tips to chase down violent felons statewide. A successful but dangerous operation according to Flowers.

Authorities say Mississippi's neighborhoods are safer as a result. An estimated 1- million fugitives are on the loose nationwide.

'FALCON III' Crackdown Nets 83 In NH (MANUL)

By Dale Vincent, Union Leader Staff

Manchester (NH) Union Leader, November 3, 2006

Concord – A joint effort by more than 45 federal, state and local law enforcement agencies resulted in the arrest of 83 people in New Hampshire as part of a weeklong national effort targeting fugitive sexual offenders and documented gang members.

"The streets of New Hampshire are safer than they were last week," U.S. Attorney Thomas Colantuono said.

U.S. Marshal Stephen Monier yesterday said Operation FALCON III (Federal And Local Cops Organized Nationally) resulted in 10,733 felony fugitive arrests nationwide during the week of Oct. 22-28. The 83 New Hampshire arrests cleared 114 warrants.

Of the nationwide total in the third FALCON sweep, there were 1,659 fugitive sex offenders and 364 documented gang members arrested. The corresponding state figures were 13 sex offenders, eight of them convicted offenders who failed to register, and no documented gang members, although one man self-reported gang affiliation with Folk Nation, which is affiliated with the Crips, and one had tattoos linking him to Aryan Nation, an anti-Semitic white supremacy group.

Also in the New Hampshire total were 20 narcotics, seven assault, eight burglary, three robbery and four stolen vehicle warrant arrests.

The roundup, led by the U.S. Marshals Service, also included Brian Berlo, who was booked in the town of Easton, Mass. Berlo had been wanted by police in Meredith, N.H., on multiple sex-related counts, including an indictment handed down in July alleging he repeatedly sodomized a 14-year-old boy after providing him with alcohol and marijuana, according to authorities in Boston.

Of the arrests made nationwide, Colantuono said, 140 were homicide warrants and there were 230 weapons seized.

Attorney General Kelly Ayotte said the success of the operation highlights the strong collaborative network of federal, state and local law enforcement agencies and sends a strong message to offenders that they will be found and brought to justice.

Manchester Police Chief John Jaskolka said the city had 33 outstanding warrants and there were 12 arrests, clearing 14 warrants.

Two of the people Manchester sought during FALCON III, Ronald Shotts, 52, a convicted child molester who had failed to register, and Albert Lancey, 44, convicted of aggravated felonious sexual assault and wanted on two counts of failing to register, were arrested in Manchester during the FALCON operation. Lancey had been sought since 2003.

Two other men sought by Manchester for failure to register, Thomas Goines, 50, and Calvin Woodburn, 49, were arrested in Maine.

Saying Manchester, like the rest of the state, will continue to arrest fugitive felons, Jaskolka said the FALCON operation was different from the intensified state and local law enforcement effort in Manchester in the wake of Police Officer Michael Briggs' murder.

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The Manchester operation is much broader than FALCON's one-week intensive targeting of fugitive felons.

Jaskolka said the Manchester task force will focus on problem areas and activities, bolster neighborhood watch operations and work on preventive measures. While there's been much publicity around the multi-agency law enforcement in the near term, Jaskolka said the long-term activity of neighborhood watch organizations will be key to making the city a safe place.

While the Briggs shooting has energized local groups, Jaskolka said it's essential to keep those groups active and cooperating with police.

"They know who doesn't belong (in a neighborhood)," he said, and residents need to report suspicious activity or people.

Operation Falcon Seizes Hundreds Of Jersey's Most Wanted (NSL)

By John P. Martin, Star-ledger Staff

Newark Star-Ledger (NJ), November 3, 2006

Federal and local officers rounded up 548 of New Jersey's most wanted criminals last week, specifically targeting suspected gang members and child predators as part of a national crackdown on fugitives.

The suspects, nabbed in every New Jersey county, included 88 sex offenders, more than a third of whom who had not registered as required by law. Another 95 are gang members. Each faced a felony charge worth at least five years in prison. Six were wanted for murder.

"We arrest bad guys every day, but this is a special mission for us in law enforcement -- to get the worst of the worst off the streets," James Plousis, the U.S. Marshal for New Jersey, said at a news conference in Trenton.

The sweeps, which involved hundreds of state and federal officers, were part of Operation Falcon, an ongoing national effort to locate, prosecute or jail fugitives. More than 10,000 suspects wanted in 24 states were caught last week, including 1,600 sex offenders, Attorney General Alberto Gonzales announced.

But the arrests also highlighted what has been the stark, hamster-wheel reality here and elsewhere: The jails are often revolving doors. Last week's roundup, the second in 18 months, only cut the New Jersey's fugitive rolls to 21,000, and officials acknowledged that some of the newly caught suspects are likely to post bail and be free again.

Their hope is that a new federal law, enacted this summer, will make a difference. The so-called Adam Walsh Child Protection and Safety Act exposes sex offenders who cross state lines to as many as 10 years in prison for failing to register their whereabouts. "That's going to make a big difference," said Donald Rackley, chief of the marshals service in New Jersey.

None of the suspects has yet been charged under the new law. Deputy U.S. Attorney William Fitzpatrick said his office planned to review the new fugitive cases to see if any could be prosecuted under the new law.

Plousis said the marshals teamed with agencies statewide, including the New Jersey State Police.

Among the New Jersey cases he highlighted yesterday was the capture of Steven Ramos, who fled after being arrested near Atlantic City in April 2005 for allegedly sexually assaulting his stepdaughter. Marshals found him living with his wife and stepdaughter last week in New Haven, Conn.

Another suspect was Damielle Tondee, 23, a reputed Bloods gang member from Jersey City wanted for a fatal shooting on Aug. 6. Officers staked out a Trenton neighborhood for more than 24 hours before nabbing Tondee on the street.

Authorities also pointed to the arrest of Armando Vasquez, a 41-year-old Trentonian they said had been a fugitive since 2002, when he was charged with sexually assaulting a child. He was found in Trenton.

But Superior Court records listed his case as "non-active" and his attorney, Charles Casale, was shocked to hear his client had become a poster child for dangerous predators on the lam.

"What a bunch of baloney," Casale said yesterday.

He said Vasquez was never on the run and had offered to surrender weeks ago when he was notified that "an old claim" was being reinstated. "The guy has been living here for something like 20 years," Casale said.

Deputy U.S. Marshal Michael Schroeder, a spokesman for the agency, disputed that Vasquez offered to surrender; he said officers had to forcibly arrest him when he refused to open his door.

Either way, Vasquez is likely to soon be out.

A judge set bail at $25,000. Vasquez expects to soon be released, his attorney said.

John P. Martin covers federal courts and law enforcement. He can be reached at (973) 622-3405 or jmartin@starledger.com.

NJ Among States Targeted In Massive Fugitive Roundup (WINS)

1010, WINS-AM, NY, November 3, 2006

WASHINGTON (AP) -- Nearly 11,000 fugitives, including sex offenders, gang members and others wanted on a variety of charges from kidnapping to weapons offenses, were swept up last week in a 24-state operation, the Justice Department announced Thursday.

New Jersey is among the states where Operation Falcon III took place. An estimated 871 fugitives were nabbed in New York and New Jersey.

Among the fugitives in the 24 states were more than 1,600 sex offenders, including 971 who failed to register with authorities as is required by law. The government called the results the largest number ever captured in a single law enforcement effort.

In one case, authorities said they tracked down Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was convicted in 1996 of sexually assaulting an 8-year-old child. At the time of his Oct. 24 arrest, officials said, Marksberry was baby-sitting several children all of whom were under 11 years old.

Agents also found pornography and drugs inside Marksberry's home, authorities said, and were led to a separate trailer that had a clear view of a playground and a pair of binoculars inside.

The sweep, led by the U.S. Marshals Service, "has made our nation's neighborhoods and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members," Attorney General Alberto Gonzales said in a prepared statement.

The Oct. 22-28 roundup snared more fugitives than similar operations in April 2005 and April 2006, the Justice Department said.

The most recent dragnet, targeting 24 states east of the Mississippi River, was boosted by the 2006 Adam Walsh Act, approved by Congress last summer, which created stricter requirements for sex offenders to register with communities. Six-year-old Adam Walsh was abducted from a Florida shopping mall and murdered in 1981.

Hundreds of state and local law enforcement authorities and more than a half-dozen federal agencies - including the U.S. Marshals, the Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Immigration and Customs Enforcement, and the State Department - helped in the roundup.

In all, officials said they caught 10,733 fugitives. Among them were 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were collected.

Those totals represent a fraction of doors knocked on, liquor store drive-bys, construction site surveillances and tips chased down by agents during the weeklong sweep.

870 Suspects Arrested In New York Area Raids (NEWSDAY)

By ANTHONY M. DESTEFANO, Newsday Staff Writer

Long Island Newsday, November 3, 2006

When a squad of federal officials and police caught up with suspected fugitive Robert Shells in a Manhattan apartment, they not only caught him with his pants down, they found he wasn't wearing anything at all.

"Put your pants on, please," an officer said during the early morning raid.

Shells, 29, wanted for sex crime charges involving minors in Virginia, was one of the nearly 11,000 people who officials said Thursday were nabbed in the latest federal nationwide effort to apprehend fugitives on a wide variety of offenses. Most, like Shells, whose arrest was captured on tape by WPIX/11, were taken by surprise between Oct. 22 and Oct. 28. They generally offered no resistance.

Dubbed "Operation Falcon III," the dragnet was the latest in a series of sweeps that since 2005 have netted more than 41,000 suspects, including 3,144 sex offenders and 681 gang members, said Eugene Corcoran, the head U.S. marshal for the Brooklyn federal court region, which includes Long Island.

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Teams coordinated by U.S. marshals and composed of NYPD, other federal agencies and local police corralled 870 fugitives, said Corcoran at a Manhattan news conference announcing the operation here. U.S. Attorney General Alberto Gonzales first disclosed the busts at a Washington, D.C., conference earlier Thursday.

The total arrested nationwide and locally included those who were convicted sex offenders but hadn't registered as required by law or were facing arrest warrants for sex crimes, gang violence and other charges. A small number of the fugitives arrested included people wanted by other countries for a variety of charges, including murder, child rape and fraud, officials said.

Out of the New York area total, 110 were grabbed on Long Island, said Michael Pagliughi of the U.S. Marshals Service.

"Fugitives imperil our ability to prosecute them and hamper our ability to put them in jail," said Brooklyn U.S. Attorney Roslynn Mauskopf. "Fugitive defendants don't respect jurisdictional boundaries ... that is why it is critical that we band together."

As described by federal officials, Operation Falcon III involved a total of 1,063 law enforcement agencies. During the week in which the agents and police carried out the raids, more than 3,000 law enforcement officers worked on any given day.

Locally, a number of arrests were highlighted by officials. They included the case of Lateaf Johnson, whom officials labeled a "documented member" of the Bloods street gang and who was wanted by Suffolk police on robbery charges. Johnson, whose age wasn't given, was found in Wyandanch and arrested Oct. 27, officials said. Investigators said he admitted being a gang member and was found with gang paraphernalia.

In Brooklyn on Oct. 26, task force members arrested John Oakley, wanted by Ohio authorities on charges he raped and sodomized two young girls.

Shells was traced by a task force team to an Upper West Side apartment the morning of Oct. 24. He was wanted by officials in Norfolk, Va., on charges he raped two girls, one of whom was 4 years old, officials said.

Shells, along with Johnson and Oakley, remain in custody.

Federal Sweep Snares Fugitives (TROYREC)

By Shawn Charniga

Troy (NY) Record, November 3, 2006

TROY - Just before 5 p.m. Friday, one of the last local fugitives to be brought in under a federal dragnet was driven to the Troy Police Station. According to federal authorities this man, 31-year-old Alfred Morey, is one of 11,000 criminals to be caught up in "Operation Falcon III."

Federal authorities said Thursday this law enforcement effort led to the arrests of fugitives, including 99 from this area plus others from 24 states. The last dragnet under this name collared 718 unregistered sex offenders, nearly 2,000 persons sought on sexual assault charges and more than 1,200 sought on other charges.

Morey, whose last known address was 882 River St., is a Level 2 sex offender who was first arrested by city police eight years ago after sexually abusing a then 10-year-old girl. This time, his offense was failing to notify authorities he had moved, said Tim Orava, a criminal investigator with the U.S. Marshals Service.

He was caught in Colonie at his place of employment by the Capital District Fugitive Task Force and brought in by city police, a U.S. Marshal and a member of the Rensselaer County District Attorney's office. Authorities said he was one of 1,659 sex offenders caught up in this sweep.

"The classic line is, 'I called last week, and I'm coming in today, or tomorrow,'" Orava said. Authorities believe this was the second time Morey failed to notify them he was moving, and according to a female acquaintance who arrived at the police station soon after, the first time got him 90 days in jail.

Orava said Morey would be brought in front of a Police Court judge who would decide his punishment. State records show he was released in 2001 after serving a sentence of 18 months to three years for the initial crime; he is required to keep law enforcement informed of his whereabouts for the rest of his life.

His arrest was one of a multitude during the preceding week. Overall, the operation targeted fugitives believed to be present east of the Mississippi. At least one other Trojan, 30-year-old Robert S. Morrison, was arrested at his home earlier in the week after also allegedly failing to register as a sex offender.

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Locally, at least one more of these offenders, gang members and a woman with a history of involvement with firearms and drugs were sought, according to federal authorities.

At Thursday's press conference at the federal courthouse in Albany, local, county state and federal authorities laid out what they had done during the last week of October - cleared 13,333 warrants during what U.S. Attorney's Office staffer Grant Jaquith called "the largest and most successful law enforcement effort in U.S. history."

FALCON is an acronym for Federal And Local Cops Organized Nationally, authorities said. Law enforcement agencies from the Justice Department to the Troy Police Department worked in concert to take criminals, most of whom were wanted on felony charges, off the streets.

Authorities who spoke Thursday said the only misdemeanor charges filed against persons arrested during Falcon III was that of failing to register as a sex offender, which becomes a felony on the second offense and thereafter.

Rensselaer County District Attorney Patricia DeAngelis said, "34 of these offenders are from Rensselaer County - these were some very dangerous criminals we we are apprehending. These guys (the Marshals) are the best of the best. If I need to track someone down, these guys are the bloodhounds."

Marshals said three teams of 10 officers each worked the streets for 12 hours or more every day in search of fugitives, and between 30 and 35 were caught in each of Albany, Schenectady and Rensselaer counties.

Albany Police Department Deputy Chief S.M. Reilly said 30 arrests were made in his city alone. One of these suspects, who was not identified, was arrested in Arbor Hill on an unspecified date on the strength of seven felony warrants, Reilly said.

Locally, all of these arrests were made without incident, according to the Marshals, but at least two incidents of violent resistance reportedly took place - a suspect found in Georgia was killed during a shootout, while another in an unspecified area fired at authorities but surrendered without causing or sustaining injury.

Marshals said at least one similar sweep will take place each year.

CNY Sweep Nabs 132 Fugitives (SYPS)

By Sue Weibezahl, Staff writer

The Syracuse Post-Standard, November 3, 2006

Federal and local police find suspects in Cayuga, Cortland and four other counties.

The long arm of the law caught up with 132 fugitives who had been hiding out in Central New York, officials said Thursday.

Operation FALCON Federal and Local Cops Organized Nationally used a $10,000 federal grant to pay overtime for troopers, deputies and officers who rounded up the suspects from Oct. 22 to 28, said Deputy Marshal Joseph Ciciarelli, of the U.S. Marshals Service.

More than 200 were on the list, and many were sex offenders, while others were violent felons and gang members, he said. Local suspects who were caught came from Cayuga, Cortland, Madison, Oneida, Onondaga and Oswego counties.

Advertisement

It's hard to breathe a sigh of relief, Ciciarelli said.

"As we get rid of one or two, there's always three or four more 10,733

coming in," he said. "We're always behind the eight ball."

Representatives of the Syracuse Police Department, Onondaga County Sheriff's Office, state police, the Bureau of Alcohol, Tobacco, Firearms and Explosives, and Drug Enforcement Administration spent more than a week researching their targets before the sweep, Ciciarelli said.

"Sometimes, it just comes down to good old-fashioned police work, knocking on doors, talking to people, checking in basements," he said.

U.S. marshals have found fugitives hiding in insulation, rolled up in rugs and inside cabinets, Ciciarelli said. "One of them was taking a shower when we got there," he said.

"These folks can literally find a needle in a haystack," said Syracuse Deputy Police Chief Michael Kerwin.

Charges for those rounded up include rape, robbery and murder and burglary, menacing and drug possession.

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The local sweep was part of a seven-day campaign across the country that led to the arrests of 10,733 fugitives, said Glenn Suddaby, U.S. attorney for New York's Northern District.

Ciciarelli said he believes the sweep made an impact.

"At least it made people aware that we're going out there, going after them," he said. "Now that they know it will be harder and harder for them to just disappear, they may think twice."

The first FALCON sweep was in 2005 and resulted in 75 arrests locally. One in April led to the arrests of 123 suspects.

Dragnet Nabs 11,000 (NYDN)

By James Gordon Meek, Daily News Washington Bureau

New York Daily News, November 3, 2006

WASHINGTON - Attorney General Alberto Gonzales yesterday announced a record sweep that netted nearly 11,000 fugitives nationwide - raising eyebrows five days before the election.

Among those rolled up in the past week by federal agents and 1,000 state and local police agencies were 1,659 sex offenders, Gonzales said.

The raids were part of Operation Falcon in 24 states east of the Mississippi River, including 2006 election battlegrounds.

Gonzales said the point was to get "the worst of the worst fugitive felons" and make "America's neighborhoods safer."

There was no political calculation involved, he said.

"You're questioning the timing," Gonzales told reporters. "The Department of Justice played no role in the timing of this program."

In New York, marshals nabbed 85 convicted sex offenders who failed to register under Megan's Law.

On Oct. 23, they picked up accused rapist John Oakey, who was hiding in his family's Bay Ridge, Brooklyn, attic. He was wanted in Ohio on three felony counts for the rape and sodomy of two young girls.

Also arrested last month was Darnell Nisbett, wanted for a July 2006 revenge slaying in a Bedford-Stuyvesant, Brooklyn, playground that left two bystanders, including a 6-year-old girl, wounded by stray bullets.

Marshals Service Director John Clark said the weather was the main reason for rounding up the fugitives now.

"We wanted to conduct something in the fall, which would be outside the realm of the harsh winter weather," Clark said.

But Democrats and some cops were skeptical, citing security issues dominating the campaigns.

"It seems very suspicious," said Jennifer Palmieri, spokeswoman for the liberal think tank Center for American Progress.

Gonzales, a close friend of President Bush and his ex-White House counsel, has made a point of doing anti-crime events in the battleground states of Pennsylvania, Ohio, Missouri and Virginia since May. He has appeared with endangered Republicans Sen. Rick Santorum (R-Pa.) and Rep. Steve Chabot (R-Ohio) - though he also appeared with New Mexico Gov. Bill Richardson, a Democrat.

With Thomas Zambito in New York

20 Sex Offenders Arrested In Area (Rochester Democrat &)

By Victoria E. Freile

Rochester Democrat & Chronicle, November 3, 2006

Total of 44 held here in national roundup of fugitives

Federal and local police officers arrested thousands of fugitives — including 44 people in the Rochester area — last week in a 24-state operation, according to the U.S. Justice Department.

U.S. Attorney Terrance P. Flynn and John Palillo, chief deputy marshal for the Western District of New York, announced the nationwide arrests of 10,773 felony fugitives — from sex offenders to drug dealers to gang members — at a news conference in the U.S. courthouse in Rochester on Thursday.

The arrests were made Oct. 22 to 28 as part of a roundup called Operation Falcon III.

In the Rochester area, 44 people were arrested, including 20 sex offenders on charges they failed to register, Palillo said. In the Buffalo area, 35 felony fugitives were arrested.

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Level 2 sex offender Timothy Grossman, 40, of Rochester — who was wanted by the Rochester Police Department for failing to register as a convicted sex offender — was one arrested as part of the roundup.

Grossman was located in the attic of a duplex on Electric Avenue on Oct. 22.

Authorities said he crawled from his own attic to his neighbor's attic, where officers found him.

He was taken into custody without incident and remained at Monroe County Jail on Thursday in lieu of $7,500 bail.

The effort, led by the U.S. Marshal's Service, "has made our nation's neighborhoods and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members," Attorney General Alberto Gonzales said in a prepared statement.

Rochester Police Officer Robert Jobe said the increased enforcement led to more arrests than he typically would make as the department's sole officer tasked with tracking sex offenders.

"There's no comparison," he said. "I might make one arrest a week."

Of the sex offender arrests in the Rochester area, five were felony arrests and the rest were misdemeanor arrests, Jobe said.

A sex offender who fails to properly register is hit with a misdemeanor for a first offense and a felony for the second.

The arrests were made through use of the Adam Walsh Child Protection and Safety Act passed in July, which makes nonregistration a felony and a federal crime punishable by a prison term of up to 10 years for convicted sex offenders.

Six-year-old Adam Walsh was abducted from a Florida shopping mall and murdered in 1981.

At the same time as the crackdown, local probation and state parole officers also worked to keep a close eye on registered sex offenders on Halloween.

According to state Parole Division spokesman Scott Steinhardt, parole officers conducted 159 home visits of registered sex offenders and there were no curfew violations.

"We're pleased with the fact the (sex offenders) were home," Steinhardt said.

367 People Arrested In N.C. Fugitive Roundup (WRAL)

WRAL-TV, CBS 5, Raleigh, NC, November 3, 2006

RALEIGH, N.C. -- More than 350 people were arrested last week in eastern North Carolina as part of a national roundup of fugitives, making it one of the most comprehensive operations of its kind in the state.

Operation FALCON III, conducted Oct. 22 to Oct. 28, focused heavily on gang-related crime, major felony warrants and unregistered sex offenders.

Personnel from 21 different law enforcement agencies in eastern North Carolina helped U.S. Marshals arrest 367 people, including 20 convicted sex offenders, and serve 415 warrants.

"(The) national average for a round up of this type is 13 percent," said Tex Lindsey, U.S. Marshal Fugitive Task Force commander for Eastern North Carolina. "And we far exceeded our expectations with an arrest average close to 40 percent."

Nationally, 10,773 fugitives were arrested and 13,333 felony warrants were cleared, including 365 documented gang members and 1,659 sexual offenders, of which 971 were unregistered sex offenders.

Drive Nabs Fugitives In Carolinas (CO)

By Gary L. Wright

The Charlotte Observer, November 3, 2006

Nearly 11,000 fugitives, including 935 in the Carolinas, have been arrested in what federal authorities on Thursday called the nation's largest-ever roundup of sex offenders and gang members.

Operation Falcon III netted 105 fugitives in Mecklenburg and the Western District of North Carolina, including 22 suspected sex offenders.

"This is the largest fugitive apprehension effort in the history of the United States," Patrick Smith, the U.S. marshal for the Western District of North Carolina, told reporters in Charlotte.

U.S. deputy marshals teamed with federal, state and local law enforcement agencies in the Carolinas and 22 other Eastern states from Florida to Maine.

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Attorney General Alberto Gonzales called the more than 1,500 sex offenders nabbed the most ever captured in a single law enforcement effort. More than 950 of the sex offenders had failed to register with authorities.

Wilton Richard Bethel, described as one of Mecklenburg's most wanted sex offenders, was arrested in Tennessee, authorities said. They said Bethel had been wanted since June 2005 for failing to register.

Among other fugitives captured were Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was baby-sitting young children when he was arrested, and Demetrius Avery Jackson, accused of killing an Alabama police officer.

The 105 apprehended in the Western District of North Carolina had been charged with everything from assault and fraud to narcotics and weapons violations. Most were captured in Mecklenburg, Gaston and Iredell counties.

Among the Charlotte-area arrests:

• Sammie Lee Washington, who authorities say was arrested in Charlotte on five counts of first-degree sex offense with a victim under 13 and five counts of indecent liberties with a child.

• Michael Ray Goins of Gastonia, who authorities say had been charged with 23 counts of child pornography.

• Bobby Lamar Reep, who authorities said had been wanted since 2002 in Florida for failure to register as a sex offender. Officers captured Reep last week after determining that he was living in Morganton.

Smith praised the weeklong operation's success and what can happen when law enforcement agencies work together.

"When we share information and pool our resources towards a common goal, the results are safer communities," Smith said. "We in law enforcement find it particularly rewarding to arrest and isolate sexual offenders, especially those which target our children."

Two earlier stings -- Falcons I and II -- were held in April over the last two years. In Washington, Gonzales and Marshals Service Director John Clark denied that next week's elections played any part in scheduling the latest crackdown.

"Getting 3,000-plus officers and agents and everybody together to do this just takes a lot of coordination," Clark said, adding he wanted to do the roundup before winter weather hit.

Authorities said some of the fugitives might be charged under the Adam Walsh Child Protection Act, signed by President Bush in July. The law makes it a felony, punishable by up to 10 years in prison, for convicted sex offenders to fail to register.

The law was named for 6-year-old Adam Walsh, who was abducted from a Florida mall and murdered in 1981.

In upstate New York, some fugitives hid in unusual places.

"We grabbed one guy out of the shower," said Joe Ciccarelli, supervisor of the U.S. Marshals fugitive task force in New York's northern district, according to The Associated Press. "We found people hiding in between insulation, rolled up in rugs, inside of cabinets, inside of closets."

Among local law enforcement agencies that participated were the FBI, the Mecklenburg, Gaston and Iredell sheriff's offices, the Charlotte-Mecklenburg, Gastonia and Statesville police departments and the federal Bureau of Alcohol, Tobacco, Firearms and Explosives.

"There are over 10,700 people in jail tonight because of the efforts of the U.S. Marshals Service and about 3,000 law enforcement officers," U.S. Attorney Gretchen Shappert said. "These are dangerous federal and state felons."

How Many Arrests?

N.C.: 543,

including 61 sex offenders.

S.C.: 392,

including 55 sex offenders.

24-state total: 10,773,

including 1,659 sex offenders.

86 Nabbed In Fugitive Manhunt (GREENREF)

By Corey G. Johnson, The Daily Reflector

Greenville (NC) Reflector, November 3, 2006

DOJ_NMG_0090574

Local authorities working with a federal task force arrested 86 Pitt County fugitives as part of a nationwide effort to capture wanted sex offenders and gang members, officials said.

The manhunt, code named Operation Falcon III for Federal And Local Cops Organized Nationally, occurred Oct. 22-28 in 24 states east of the Mississippi River, The Associated Press reported.

The roundup, led by the U.S. Marshals Service, ensnared nearly 11,000 and targeted "the worst of the worst fugitive felons in the country," Attorney General Albert Gonzales said Thursday. Falcons I and II were held in April 2004 and 2005, respectively.

Local participation in the program featured officers with the Greenville Violent Fugitive Task Force working with law enforcement agencies in Pitt, Lenoir and Martin counties to track down tips and leads to pinpoint the location of felons, Detective T.S. O'Neil of the Pitt County Sheriff's Office said.

The task force was organized in July by the U.S. Marshals to lend federal resources to local law enforcement in order to catch fleeing persons accused of murder, kidnapping and other violent crimes.

Since its creation, the group has arrested approximately 40 to 50 violent offenders, said O'Neil.

During Operation Falcon III, 1,000 fugitives were identified within the eastern portion of the state, a U.S. Marshals' news release stated.

Greenville task force members gathered unserved warrants for the targeted offenders and fanned out across the state, knocking on doors and arresting those wanted, O'Neil said.

By the conclusion of the effort, the Greenville task force arrested 86 people, including one in Martin County and four in Lenoir County. They also served 159 warrants and cleared 266 outstanding charges, according to a Sheriff' Office news release.

From Oct. 22-25, the task force booked 37 of those arrested into the Pitt County Detention Center. Booking logs show:

-five were held on theft charges

-four were held on sex charges

-three were held on assault charges

-two were held on weapons charges

-one was held on a traffic violation

-one was held for breaking and entering and animal cruelty

The remaining 49 fugitives were jailed in other counties.

Similar fugitive task force teams in Wilmington, Fayetteville, Raleigh, Greensboro and Asheville arrested 378 people across the state, O'Neil said.

Corey G. Johnson can be reached at cjohnson@coxnc.com or 329-9565.

Massive Sting Targets 'worst Of The Worst' (DURHS)

By Brianne Dopart

Durham (NC) Herald-Sun, November 3, 2006

DURHAM -- Durham was home to the lion's share of arrests in the Middle District of North Carolina during last week's Operation Falcon III, a seven-day sting led by the U.S. Marshals Service in conjunction with local law enforcement.

In the Middle District, some 81 local members of law enforcement were involved, according to U.S. Marshal Richard Carleton Thursday.

The U.S. Marshals Service divides North Carolina into three enforcement districts, each running north to south -- the Eastern District based in Raleigh, the Middle District based in Greensboro and the Western District, based in Asheville.

Operation Falcon III -- Falcon is an acronym for "Federal and Local Cops Organized Nationally" -- was the third stage of a three-year roundup U.S. Attorney General Alberto Gonzales said targeted "the worst of the worst fugitive felons in the country."

Falcon III took place in 47 districts across 24 states east of the Mississippi River.

In total, law enforcement made 71 arrests in the Middle District, and also cleared 152 warrants. The operation focused on sex offenders and gang members, but resulted in the arrests of several individuals not originally targeted by the operation, Carleton said.

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Some 20 local law enforcement officers worked with about eight U.S. marshals in the Middle District and focused on Durham County, Carleton said.

Cpl. Raheem Aleem of the Durham Sheriff's Office Narcotics Unit said U.S. marshals helped Durham law enforcement to find more "elusive" fugitives, including Zacchaeus Keewon Ormond, a Durham teen wanted on a murder charge in High Point.

"They have a means to track these people down that we don't have access to," Aleem said.

Of the 47 districts targeted nationally, the Middle District saw the sixth-highest number of gang arrests -- 11, Carleton said.

Aleem said the gang arrests are part of a trend being observed by the Sheriff's Office which shows a direct parallel between violent crime and gang activity, that is "rapidly changing America's heartland."

Eight members of the Durham Sheriff's Office participated in the roundup, working in collaboration with several more Durham police officers, he added.

The Durham Police Department, an active member of the Middle District's Violent Fugitive Task Force according to Carleton, was responsible for 36 of the arrests made last week, combining for a total of 82 criminal charges.

Across the eastern U.S., nearly 11,000 sex offenders, gang members and other fugitives were arrested. One of those arrested was Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was babysitting several young children when arrested on Oct. 24.

Also nabbed were Demetrius Avery Jackson, an accused cop killer in Birmingham, Ala., and Eric Dewayne Meneese, a Crips gang member, in Nashville, Tenn.

The weeklong sting led to the shooting death of a Georgia fugitive who was killed by authorities as he came out of his house, officials said. Additionally, the neighbor of a fugitive in Florida fired at -- but missed -- police approaching her home. Both incidents are under investigation, said John F. Clark, U.S. Marshals director.

"America's neighborhoods are safer today, thanks to Operation Falcon III," Attorney General Gonzales said Thursday.

Two earlier stages of the sting -- Falcons I and II -- were held in April over the last two years. Gonzales and Clark denied that next week's elections played any part in scheduling the latest crackdown.

"I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," Clark said, adding that he wanted to do the roundup in the fall -- before the winter weather hit.

In all, Gonzales said officials caught 10,773 fugitives -- including 1,659 sex offenders, 364 gang members and thousands of others on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were seized.

Those totals represent a fraction of doors knocked on, liquor store drive-bys, construction site surveillances and tips chased down by agents during the weeklong sweep. Finding the fugitives -- even at their homes in the early-morning hours -- proved to be a hit-or-miss mission for the federal, state and local authorities.

A six-hour sting in Washington, D.C., just over a week ago, for example, netted none of the accused drug dealers sought by a team of seven agents from the U.S. Marshals, Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Immigration and Customs Enforcement, State Department and the city's Metropolitan Police Department.

"He was there a week or so ago," muttered Marshals Inspector Robert Hoffmaster, after a pre-daybreak search of a house for an accused drug dealer.

In upstate New York, some fugitives tried to hide in unusual places.

"We grabbed one guy out of the shower," said Joe Ciccarelli, supervisor of the U.S. Marshals fugitive task force in New York's northern district. "We found people hiding in between insulation, rolled up in rugs, inside of cabinets, inside of closets that a person shouldn't be able to fit in, but they end up fitting in and we have had to call the fire department to get them out."

Of the sex offenders nabbed, 971 had failed to register with authorities as required by law -- what Gonzales called the largest number ever captured in a single law enforcement effort.

Gonzales said prosecutors likely would seek to charge some of them under the 2006 Adam Walsh Act. That law, approved by Congress last summer, created federal penalties for sex offenders who fail register with communities.

The law was named for 6-year-old Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981.

Falcon III showed the marshals "have proven their extraordinary ability to quickly capture thousands of sexual predators," said Ernie Allen, president of the National Center for Missing & Exploited Children.

DOJ_NMG_0090576

Normally, the marshals regional task forces round up about 1,000 fugitives each week, officials said. An estimated 1 million fugitives are on the loose nationwide.

-- The Associated Press contributed to this report.

Dozens Of Accused Sex Offenders Arrested (WCNC)

By Glenn Counts

WCNC-TV, NBC 6, Charlotte, NC, November 3, 2006

A mission called "Operation Falcon" involved the arrest of dozens of alleged sex offenders, and some of the suspects live in Charlotte.

For the past couple of weeks US marshals have been targeting gang members and child sex offenders. Michael Goins from Gastonia and Sammie Lee Washington from Charlotte are just two of the more than 100 suspects that were rounded up from our area. They were arrested on numerous sex charges involving children.

For the past couple of weeks marshals and many other agencies fanned out across the area and the eastern seaboard looking for suspects. At an afternoon news conference Thursday, US Attorney Gretchen Shappert talked about Operation Falcon III and how it will make our streets safer.

“Let me emphasize, this is not low hanging fruit. This is not people on speeding tickets or traffic tickets,” she said. “These are serious federal and state criminals charged with major offenses. Murder, robberies, gang related offenses, particularly sex related offenses pertaining to children.”

Nationally more than 10,000 fugitives were arrested including 400 from north Carolina. Some of them could be punished under the Adam Walsh child protection act, which makes it a felony for sex offenders who fail to register and travel across state lines. It carries a maximum 10 year sentence in a federal prison.

77 Central Ohio Fugitives Pulled In (COLDIS)

By John Futty, The Columbus Dispatch

Columbus (OH) Dispatch, November 3, 2006

U.S. Marshals Service, local authorities sweep up 10,773 ‘worst of the worst’

A 64-year-old man wanted for three counts of rape and various crimes against minors was among 77 fugitives from central Ohio arrested last week during a roundup by federal and local agents.

Members of a task force dubbed Operation Falcon III found Clarence R. Harris in Martins Ferry. He was being held in Belmont County awaiting a transfer to Franklin County, where he was indicted.

Law-enforcement officials said Harris was an example of the fugitive sex offenders targeted in the sweep, which netted 10,773 felony arrests in the eastern half of the United States from Oct. 22 through Saturday.

It was the third time since April 2005 that the U.S. Marshals Service has teamed with local law-enforcement agencies under the Operation Falcon banner to target what agents call "the worst of the worst" fugitives.

"The marshals office is relatively small," said Thomas McCombs, chief deputy marshal for the Southern District of Ohio. "We can't do it ourselves. If we combine in a task force operation, we can see the results."

Nationally, the fugitives rounded up included 1,659 sex offenders and 364 documented gang members, the Justice Department reported.

For the first time, the task force sought those in violation of the Adam Walsh Child Protection Act, signed by President Bush in July. The act makes it a federal crime, punishable by up to 10 years in prison, for convicted sex offenders to fail to register or update their registration.

The 77 arrests of central Ohio fugitives included one for a sex-offender registration violation and at least three for sex offenses against children. Drug offenses were the most common charges.

In addition to rape charges, Clarence Harris was wanted for one count of gross sexual imposition of a minor, one count of distributing harmful materials to a minor and one count of pandering obscenity to a minor.

DOJ_NMG_0090577

State Highway Patrol troopers and deputy sheriffs assisted in the arrest of William Anderson Maley in Peebles, Ohio, on 20 felony charges out of Franklin County for pandering obscenity involving a minor. Troopers said Maley threatened to kill himself with a shotgun when approached by officers, but he was persuaded to put the gun down.

The Franklin County sheriff's office has a 16-member warrants and extradition unit, but Chief Deputy Steve Martin said smaller agencies have limited resources for pursuing fugitives.

"We can combine all our resources for a week and really hit it hard," he said. "Cooperation among agencies is becoming more and more common. That's the way it should be. It's what taxpayers expect. We're all working toward the same goal."

Sweep Nabs 584 In Region (ABJ)

By Carl Chancellor

Akron Beacon Journal, November 3, 2006

During the last week of October, U.S. Marshals worked with federal, state and local police agencies in a multistate effort to round up thousands of felony fugitives resulting in nearly 11,000 arrests.

News of the massive police action, code-named Operation Falcon III, was made public Thursday in coordinated news conferences held across the country and at the Oliver Ocasek government building in Akron.

``We took some meat-eaters -- some real serious predators -- off the streets," said Summit County Sheriff Drew Alexander, who was one of the 20 law enforcement officials representing as many departments.

In Northeast Ohio, 584 arrests were made during a six-day period from Oct. 22 through Oct. 28. Included in that number were 59 sex offenders and 18 gang members.

Akron Police Chief Michael Matulavich said the Akron prong of Operation Falcon III, which focused on neighborhoods with recent incidents of gun violence, resulted in the arrest of nine wanted felons and the seizure of two semiautomatic handguns and one fully-loaded semiautomatic machine gun.

``You have to wonder what he was going to do with that," Matulavich said of the machine gun.

Alexander credited the joint task force operation for the apprehension of ``one of Summit County's most-wanted sex offenders."

The sheriff said John R. Coffe,

64, who has an extensive arrest record that includes a conviction for sexual battery, was wanted most recently for failing to register as a sex offender.

``These types of joint efforts bring more resources to bear on getting known criminals off the street," Alexander said.

Apprehending violent sexual offenders and gang members was the focus of Operation Falcon III, U.S. Attorney General Alberto Gonzales said at a news conference Thursday in Washington, D.C.

Gonzales said the roundup was carried out in 24 states east of the Mississippi River.

Two earlier stings -- Falcons I and II -- were held in April this year and last.

Gonzales and U.S. Marshals Service Director John Clark said the elections next week played no part in scheduling the latest crackdown.

``I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," said Clark, adding that he wanted to do the roundup in the fall -- before the winter weather hit.

In all, Gonzales said officials caught 10,733 fugitives -- including 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were seized.

Those totals represent a fraction of doors knocked on, liquor store and construction site surveillances and tips chased down by agents during the weeklong sweep. Finding the fugitives -- even at their homes in the early morning hours -- proved to be a hit-or-miss matter.

A six-hour sting in Washington a week earlier, for example, netted none of the accused drug dealers sought by a team of seven agents.

Of the sex offenders nabbed, 971 had failed to register with authorities as required by law -- what Gonzales called the largest number ever captured in a single law enforcement effort.

DOJ_NMG_0090578

Gonzales said prosecutors likely would seek to charge some of them under the 2006 Adam Walsh Act. That law, approved by Congress this summer, created federal penalties for sex offenders who fail to register with communities.

The law was named for 6-year-old Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981.

Normally, the Marshals' regional task forces round up about 1,000 fugitives each week, officials said. An estimated 1 million fugitives are on the loose nationwide.

Butler Fugitive Caught In Sweep (HAMJN)

By Mary Lolli, Staff Writer

Hamilton (OH) Journal-News, November 3, 2006

HAMILTON — One of Butler County's "Most Wanted" fugitives was among thousands nabbed by federal authorities during a weeklong dragnet that concluded Oct. 28.

The U.S. Marshals' office on Thursday released details of the round-up that blanketed the eastern half of the country, but also resulted in the arrest of a local convicted child rapist in Texas.

Frederick Gholston, labeled a sexual predator in 1998 after his conviction on charges of forcible rape and gross sexual imposition involving a minor, was arrested at the Pilgrim's Pride Chicken Packaging Plant in Tyler, Texas, on an escape warrant issued by the Butler County Sheriff's Office in September after Gholston failed to register his address with authorities.

Sheriff's Sgt. Monte Mayer said Gholston had been on the sheriff's "Most Wanted" list.

Federal officials said Gholston is being held in Texas and awaiting extradition to Ohio where he may be facing additional federal charges.

Gholston was one of nearly 11,000 fugitives arrested during Operation FALCON III — Federal And Local Cops Organized Nationally.

In the operation, deputy U.S. Marshals teamed up with state local and other federal agents in what officials said was the largest fugitive sweep ever focusing on violent sex offenders.

The sweep resulted in 10,773 arrests — including 1,659 sex offenders and 364 documented gang members. In addition, the sweep cleared 13,333 outstanding warrants, including 140 homicide warrants and 3,609 narcotices/organized crime warrants, according to James. M. Wahlrab, U.S. Marshal for the Southern District of Ohio.

Four deputies from the Butler County Sheriff's Office were assigned to special detail assisting in the round-up which resulted in the arrests of 20 fugitives found living within the county.

Dragnet Snares 108 Fugitives In Valley (DAYDN)

By Rob Modic, Staff Writer

Dayton (OH) Daily News, November 3, 2006

Area child-sex fugitive caught in federal dragnet

DAYTON — Deputy U.S. marshals led other law enforcement agencies across half the states in the country, all this side of the Mississippi, last week rounding up almost 11,000 fugitives including 108 in the Miami Valley region.

Among those was Robert Farris on Jasper Road in Greene County, where task force officers forced open a door and had to Taser an aggressive dog before they took Farris into custody for multiple counts of sex crimes against children, according to James M. Wahlrab, U.S. Marshal for the Southern District of Ohio.

Farris lives next door to a day care center, according to the U.S. Marshals Service.

Marshals and other officers assigned by local jurisdictions were tasked in teams of seven or eight officers to seek out each fugitive, Wahlrab said.

Code-named Operation FALCON III (Federal and Local Cops Organized Nationally), the organized effort this time targeted sex offenders and gang members in 24 states and netted 1,659 sex offenders and 364 gang members.

Gregory G. Lockhart, U.S. Attorney for the Southern District of Ohio, said the operation was sending the message, "We will find you; we will track you down."

Attorney General Alberto Gonzales said in a prepared statement that the sweep "has made our nation's neighborhood and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members."

In the Miami Valley, about 40 to 50 law enforcement officers each day were assigned to hunt fugitives, Wahlrab said.

The Oct. 22-28 roundup snared more fugitives than similar operations in April 2005 and April 2006, the Justice Department said.

The most recent dragnet was boosted by the 2006 Adam Walsh Act, approved by Congress last summer, which created stricter requirements for sex offenders to register with communities. Six-year-old Adam Walsh was abducted from a Florida shopping mall and murdered in 1981.

More Than 25 Arrested In Stark In A Nationwide Fugitive Round-up (CANTREP)

By Lori Monsewicz, REPOSITORY STAFF WRITER

Canton (OH) Repository, November 3, 2006

AKRON Federal, state and local officers arrested 25 people in Stark County on general felony warrants last week as part of Operation Falcon III, a national fugitive round-up.

"This was a great cooperative effort ....more productive than such an operation in any other region in the country," said Canton Police Chief Dean McKimm.

McKimm was among the more than 50 police chiefs, sheriff's deputies, task force officers and other law enforcement officers who gathered for an afternoon press conference in Akron that was hosted by the U.S. Marshals Service, which spearheaded the cooperative effort.

Cathy Jones, assistant chief deputy marshal, said the most notable Stark County arrest last week was the arrest of double homicide suspect, Edward Lee Lang III. The 19-year-old was charged with two counts of aggravated murder in connection with the execution-style deaths of a couple in what police called "a drug deal-robbery gone awry."

Lang's arrest was among the 10,773 felony fugitive arrests nationwide resulting from Operation Falcon, Jones said.

Reach Repository writer Lori Monsewicz at (330) 580-8309 or e-mail: lori.monsewicz@cantonrep.com

Operation Falcon Snares Felons In Sweep (SPRINGNS)

Springfield (OH) News-Sun, November 3, 2006

Local officers arrest 34 of the nearly 11,000 fugitives arrested in the 24-state operation.

They began at 6 a.m. Oct. 22 — 51 law enforcement officers ready to serve warrants as part of Operation Falcon.

By the time they were done, Clark County Sheriff Gene Kelly said, 34 people were arrested locally, one runaway child was found and stolen property was recovered.

The locals were part of a 24-state operation last week that netted almost 11,000 fugitives, the Justice Department announced Thursday. That included about 260 in Ohio.

One fugitive was hiding in the attic of a Springfield home and another near Dayton was found in a closet with a handgun and a pit bull.

Among the fugitives caught nationally were 1,659 sex offenders — including 971 who failed to register with authorities as required by law — in what the government called the largest number ever captured in a single law enforcement effort.

Local offenses ranged from criminal trespassing and soliciting to complicity to robbery and felony robbery.

The sweep, led by the U.S. Marshals Service, "has made our nation's neighborhoods and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members," Attorney General Alberto Gonzales said in a prepared statement.

The Oct. 22-28 roundup was code-named Operation Falcon III. It snared more fugitives than similar operations in April 2005 and April 2006, the Justice Department said.

Two earlier stings — Falcons I and II — were held in April over the last two years. Gonzales and Clark denied that next week's elections played any part in scheduling the latest crackdown.

"I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," Clark said, adding that he wanted to do the roundup in the fall — before the winter weather hit.

Fugitive Roundup Nets 83 (CINE)

DOJ_NMG_0090580

By Dan Horn, Enquirer Staff Writer

The Cincinnati Enquirer, November 3, 2006

U.S. marshals enlist local officers in sweep

Dozens of accused sex offenders and gang members in Greater Cincinnati are in jail today after one of the largest nationwide roundups of fugitives in history.

Law enforcement officers from across the region announced the arrests Thursday as part of a U.S. Marshals Service operation that caught 10,773 felony fugitives in at least 26 states.

The operation, which took place Oct. 22-28, resulted in the arrest of 83 fugitives in Greater Cincinnati.

The Marshals Service has conducted similar operations in the past - most recently last year - as a way to focus local and federal law enforcement agencies on tracking down fugitives.

More than 50 local officers were temporarily deputized by the Marshals Service so they could cross jurisdictional boundaries to pursue fugitives, something they ordinarily cannot do.

"The citizens of our community are safer at this point because of the number of people taken off the street," said Chris Riley, supervising deputy of the Marshals Service in Cincinnati.

Riley said the focus on fugitives allows the officers to follow tips and other information that they otherwise might not pursue because of jurisdictional problems or other responsibilities.

"Criminals are becoming more and more mobile," said Major Dale Menkhaus of the Hamilton County Sheriff's Office. "Everyone is frustrated by jurisdictional boundaries."

The Marshals Service focused on violent gang members and sex offenders. Sheriffs' departments, Cincinnati police and other local and federal agencies participated in the sweep.

Many of the fugitives are charged with violating a new federal law, the Adam Walsh Act, which makes it a felony for paroled sex offenders to flee states that require them to register their names with authorities.

Fourteen accused sex offenders were arrested in Greater Cincinnati.

Those arrested last week include Rayshane Fears, who was wanted by Springfield Township police. He is accused of shooting a man while attempting to rob him in July. He was arrested in Newport.

Another, Fredrick Gholston, has been wanted for a parole violation in Butler County since 2002. Authorities say he is a sexual predator who abused a child in 1998. Police tracked him down last week in Texas.

Hundreds Of Area Fugitives Arrested In Nationwide Bust (WEWS)

WEWS-TV, IBS 5, Cleveland, OH, November 3, 2006

Authorities Round Up 584 Fugitives In Sex, Gang-Related Offenses

AKRON, Ohio -- A nationwide sting operation involving several law enforcement agencies yielded the largest fugitive sex offender bust ever.

Almost 11,000 were arrested, including more than 1,600 unregistered sex offenders and 360 gang members.

Many of those arrested are from northern Ohio, where authorities targeted 10 counties, reported NewsChannel5's Jonathan Costen.

The fugitive roundup was conducted by deputy U.S. marshals along with other federal, state and local law enforcement agents. The program is named Operation FALCON III, an acronym for Federal and Local Cops Organized Nationally.

In northern Ohio, authorities obtained 894 warrants in connection with sex and gang-related offenses, making 584 fugitive arrests and seizing nine firearms.

Akron Detective Bertina King assisted In FALCON III, helping police in Shreve catch alleged sexual predators over the Internet.

She said working on Akron's task force for the past two years has been challenging.

"It's very intense because when you go to the house, you never know who's inside, how cooperative they're going to be," she said.

In a Thursday news conference, the organizers of the operation talked about the success of FALCON III.

"We continue to be one of the leading task forces in the nation our success is built on our local and federal partners," said Ohio U.S. Marshal Peter Elliott.

But officials said there's no room for complacency, and there are plenty of suspects walking freely on the streets.

"Yes, we have two individuals we want to have profiled: Bruce Klingsgale and Jack Manigold, two very dangerous individuals known to carry a lot of weapons, both are being sought in Mahoning County, Ohio," said the task force's Dean Michael.

More Than 100 Rounded Up In Federal Operation (WHIO)

WHIO-TV, Channel 7, Dayton, OH, November 3, 2006

DAYTON, Ohio -- Authorities said more than 100 wanted, suspected criminals are off the streets of the Miami Valley.

Investigators said they were arrested during the U.S. Marshals' Operation FALCON 3. For one week, law enforcement agencies teamed up to track down the area's most wanted suspects.

On Thursday, they held a news conference about the operation's success.

A Springfield woman was one of the dozens of people arrested during the operation.

Armed officers surrounded homes and came out with people in handcuffs. That was a common site all across the Miami Valley last week.

Federal authorities said a total of 107 people were arrested, while 174 active warrants were cleared.

U.S. marshals who work in the Dayton area teamed up with dozens of surrounding cities and counties to capture fugitives.

Authorities targeted sex offenders and gang members during the operation. They took into custody anyone they considered to be a most wanted suspect by local police agencies.

This was the third year in a row that all of the agencies joined forces.

120 Fugitives Rounded Up In Region (PPG)

By Torsten Ove, Pittsburgh Post-Gazette

Pittsburgh Post-Gazette, November 3, 2006

One hundred twenty fugitives were rounded up in Western Pennsylvania during the past week during a nationwide dragnet for sex offenders, gang members and others.

State, local and federal officials announced today in Pittsburgh that 350 officers and federal marshals took part in the roundup in 14 counties.

Of the 140 arrests in the region, 120 were wanted on felony warrants, including 12 sex offenders such as Megan's Law violators.

A gang member from New Jersey wanted for homicide was also snared.

Nationwide, nearly 11,000 were apprehended in what the Justice Department called an effort against the "worst of the worst."

Among those arrested was Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was baby-sitting several young children when he was arrested.

Also nabbed were Demetrius Avery Jackson, an accused cop killer in Birmingham, Ala.

Fugitives Flagged Here (PHI)

By Michael Hinkelman

The Philadelphia Inquirer, November 3, 2006

William Knight had been arrested in December 2000 on charges of sexual assault, corruption of minors and indecent exposure.

His trial was supposed to start in March 2002, but Knight, 24, skipped the proceeding.

Last month, the law caught up with him when he was arrested at a home on Melville Street near Walnut.

He was one of 194 local fugitives snared in Operation Falcon III, a nationwide roundup of fugitives from Oct. 22-28 coordinated by the U.S. Marshals Service.

DOJ_NMG_0090582

In addition to the fugitives arrested in the Philadelphia region, marshals also announced yesterday that 55 other cases had been closed. Philadelphia figured in more than 80 percent of all fugitives apprehended and cases closed in the region.

Among those apprehended were 101 sex offenders, 73 of whom were not registered with the appropriate authorities.

U.S. Marshal Gary Shovlin said 80 drug cases and two homicides in the region also were closed.

Overall, the number of unregistered sex offenders rounded up here represented the second-highest total in the country, he said.

In addition to Philadelphia, fugitive roundups occurred in Allentown, Reading and Lancaster.

Authorities said communities were safer as a result of Operation Falcon III.

"Taking these people off the street has made our city safer for children and some of our most vulnerable citizens," said James Carpenter, assistant chief of the Family Violence and Sexual Assault unit of the Philadelphia district attorney's offic e.

The roundup was a continuation of "Operation Falcon," which began last year. That nationwide effort targeted mainly violent fugitives.

This year, the marshals did two roundups, one in the western states in June and the other last month in the 49 judicial districts east of the Mississippi River, targeting sex offenders and gang members.

U.S. Attorney General Alberto R. Gonzales said yesterday the latest roundup resulted in the arrests nationwide of 10,733 fugitives, 1,600 sex offenders, most unregistered, and 360 gang members.

Nobody was hurt during the roundup here, he said.

The task force typically has 10-12 officers on the streets every day looking for fugitives.

Authorities said the fugitive roundup here also netted 1,775 grams of pot, an ounce of cocaine, 119 ecstasy pills, three assault rifles, six semiautomatic handguns and $42,000 in cash.

Sweep Rounds Up Crime Suspects In Area (PAPN)

By Carrie Cassidy, Of The Patriot-news

Harrisburg Patriot-News (PA), November 3, 2006

Eastern U.S. operation focused on sex offenses

While children were slipping into Halloween costumes last week, convicted sex offender John R. Spangler was trying to find out various municipalities' trick-or-treat times, authorities said.

When the West Hanover Twp. man walked into a television news station asking about trick-or-treat times, it aroused the suspicion of some employees, who wrote down his vehicle's license plate number and called police.

Spangler, 75, turned out to be wanted for failure to register with police as required by Megan's Law, authorities said -- and he was one of 10,773 fugitives arrested in what federal authorities dubbed a "historic" multistate sweep of criminals on the run.

Operation Falcon III involved 3,000 federal, state and local authorities. Among people rounded up in the weeklong sting were 1,659 sex offenders, 364 alleged gang members and thousands of others wanted on burglary, carjacking, kidnapping, robbery and weapons charges. More than 230 weapons were seized.

In the U.S. Middle District, which covers the midstate, the arrests included 13 suspected sex offenders, three alleged gang members and dozens of people wanted on drug, assault and other charges.

The roundup in Pennsylvania and 23 other states east of the Mississippi River targeted "the worst of the worst fugitive felons in the country," Attorney General Alberto Gonzales said yesterday at a Washington news conference. "America's neighborhoods are safer today thanks to Operation Falcon III."

Operations Falcon I and II were held in April in other parts of the country during the past two years. This year's operation focused on child molesters, said Michael Regan, marshal for the Middle District.

Regan said it comes on the heels of the 2006 Adam Walsh Act, which was approved by U.S. Congress this summer. The law created federal penalties for sex offenders who fail to register with communities. It was named for Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981 when he was 6.

While sex-offender suspects were the main focus, Dauphin County Sheriff Deputy Kevin Martin said they took a few other bad guys off the streets, including some they weren't looking for.

DOJ_NMG_0090583

While searching for a man wanted for robbery, officers found a member of the Latin Kings gang, Angel Morales, 32, Martin said.

Martin said Morales was found in a Market Street boarding house with 42 bundles of suspected heroin marked "Bee Happy," along with scales, a rifle, a pistol and an ounce of cocaine.

Getting criminals off the streets is the reason he volunteered for the operation, Martin said.

"I like the work. It's interesting. It takes you all over the place," Martin said. "But the best part is getting these guys off the streets, keeping our communities safe."

The Associated Press contributed to this report. CARRIE CASSIDY: 255-8244 or ccassidy@patriot-news.com

Hundreds Of Fugitives Rounded Up In R.I., Mass. (WJAR)

WJAR-TV, NBC 10, Providence, RI, November 3, 2006

Marshals Service Announces Results Of Sting Operation

PROVIDENCE -- Nearly 11,000 sex offenders, gang members and other fugitives were swept up in what the U.S. Justice Department on Thursday called a sting targeting the "worst of the worst" criminals on the run.

NBC 10's Larry Estepa reported that last week's roundup, led by the U.S. Marshals Service, resulted in the capture of 81 fugitives in Rhode Island, including arrests in a first-degree sexual assault case and a sealed indictment in a murder case.

In Massachusetts, agents made 433 arrests, which included 67 sex offenders.

The weeklong sting in 24 states east of the Mississippi River, code-named Operation Falcon III, targeted "the worst of the worst fugitive felons in the country," Attorney General Alberto Gonzales said at a Washington news conference.

"America's neighborhoods are safer today, thanks to Operation Falcon III," Gonzales said.

Falcon stands for Federal And Local Cops Organized Nationally. Officials said cooperation, not competition, among law enforcement agencies made it work.

"It's been extremely successful. They've arrested thousands of people and brought them to justice. It's had a huge impact because we knock down the barriers of turf wars and jurisdiction," Col. Steven Pare of the Rhode Island State Police said.

Two earlier stings -- Falcons I and II -- were held in April over the last two years. Gonzales and Clark denied that next week's elections played any part in scheduling the latest crackdown.

"I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," Clark said, adding that he wanted to do the roundup in the fall, before the winter weather hit.

In all, Gonzales said officials caught 10,733 fugitives -- including 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were seized.

Those totals represent a fraction of doors knocked on, liquor store drive-bys, construction site surveillances and tips chased down by agents during the weeklong sweep. Finding the fugitives -- even at their homes in the early-morning hours -- proved to be a hit-or-miss mission for the federal, state and local authorities.

A six-hour sting in Washington, D.C., last Thursday morning, for example, netted none of the accused drug dealers sought by a team of seven agents from the U.S. Marshals, Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Immigration and Customs Enforcement, State Department and the city's Metropolitan Police Department.

"He was there a week or so ago," muttered Marshals Inspector Robert Hoffmaster, after a pre-daybreak search of a house for an accused drug dealer.

In upstate New York, some fugitives tried to hide in unusual places.

"We grabbed one guy out of the shower," said Joe Ciccarelli, supervisor of the U.S. Marshals fugitive task force in New York's northern district. "We found people hiding in between insulation, rolled up in rugs, inside of cabinets, inside of closets that a person shouldn't be able to fit in, but they end up fitting in and we have had to call the fire department to get them out."

Of the sex offenders nabbed, 971 had failed to register with authorities as required by law -- what Gonzales called the largest number ever captured in a single law enforcement effort.

Gonzales said prosecutors likely would seek to charge some of them under the 2006 Adam Walsh Act. That law, approved by Congress last summer, created federal penalties for sex offenders who fail register with communities.

DOJ_NMG_0090584

The law was named for six-year-old Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981.

Falcon III showed the Marshals "have proven their extraordinary ability to quickly capture thousands of sexual predators," said Ernie Allen, president of the National Center for Missing & Exploited Children.

Normally, the Marshals regional task forces round up about 1,000 fugitives each week, officials said. An estimated 1 million fugitives are on the loose nationwide.

Nationwide Sweep Nabs Nearly 400 SC Fugitives (WSPA)

WSPA-TV, News Channel 7, Spartanburg, SC, November 3, 2006

State and federal police announced Thursday that they've completed the largest roundup ever focused on violent sex offenders and gang members. It was called Operation FALCON III, and 10,773 fugitives were arrested nationwide.

FALCON is short for Federal And Local Cops Organized Nationally. This particular operation covered the eastern half of the country from October 22 through the 28th.

Here in South Carolina, marshals and local police arrested 392 wanted felons, including 51 sex offenders.

U.S. Attorney for South Carolina Reginald Lloyd says the streets are safer tonight because of the roundup. "They're not just bringing those individuals to justice. They are, in my opinion, absolutely preventing future crimes and future victims," he says.

Johnny Mack Brown, U.S. Marshal for South Carolina, says fugitives are dangerous already because they've already eluded police, but there's more. "I have found out that all these people who commit crimes and get out on bond or are fugitives, they don't quit just because they're a fugitive or they've got a warrant for them. They continue to do their trade, and that is sell drugs, buy guns, rob people and those kind of things," he says.

--971 Unregistered sex offenders arrested

--364 Documented gang members arrested

--140 Homicide warrants cleared

--3,609 Narcotics warrants cleared

--292 Firearms seized

The focus of this operation was on sex offenders after President Bush in July signed the Adam Walsh Child Protection and Safety Act. It makes it a federal felony, punishable by up to ten years in prison, for convicted sex offenders to fail to register and then travel in interstate or foreign commerce.

Mark Lunsford, who's daughter Jessica was kidnapped and murdered last year by a sex offender, says, "The message being sent to the sex offenders is, we've had enough. We're not taking no more from you. We're looking for you. We're turning the tables. Instead of you stalking our kids, we're stalking you. We're going to be a predator's worst nightmare instead of them being a parent's worst nightmare."

Operation FALCON Sweeps ET Snatching 284 Fugitives In Net (KNOXNS)

By Jamie Satterfield

Knoxville News Sentinel (TN), November 3, 2006

Mission has moments of drama, ironic twists

Sure, capturing those 284 fugitives was sweet, but rescuing a toddler?

For Chief Deputy U.S. Marshal Ron Gibbs, it doesn't get much sweeter than that.

"His biological mother had abducted him and brought him to East Tennessee," Gibbs said of the 19-month-old child rescued during what was a secret nationwide hunt for fugitives unveiled Thursday.

Florida authorities had put out an alert for the child. Texas authorities got a tip that the child was in East Tennessee. The Smoky Mountains Federal Fugitive Task Force was asked to add the case to its Operation FALCON III list. On Oct. 24 - two days into the fugitive roundup - the task force agents found the child in Sneedville, Tenn.

The toddler's rescue was just one highlight of a fugitive hunt organized and led by the U.S. Marshals Service, involving cases in 25 states including Tennessee. Nationally, the six-day operation netted the arrest of 10,773 felony fugitives.

Locally, Gibbs said the task force, made up of deputy U.S. Marshals and local law enforcement partners, nabbed 284 fugitives in 41 counties in its East Tennessee district.

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Operation FALCON, an acronym for Federal and Local Cops Organized Nationally, involves a periodic sweep of the wanted by the U.S. Marshals Service in partnership with other federal, state and local law enforcement officers.

The Marshals Service itself has long been recognized as the nation's most elite fugitive hunting force.

Gibbs said that the recent fugitive sweep specifically targeted sex offenders who had failed to register with the appropriate authorities and came on the heels of the enactment of the Adam Walsh Child Protection Act.

Named for the slain son of "America's Most Wanted" television program founder John Walsh, the law has several provisions designed to protect children. Chief among those provisions is a section that makes it a federal crime for a sex offender who travels from one state or country to another to fail to register as required by law.

The Marshals Service has been tasked with hunting down violators of the law, passed in July.

"We have been tasked as the agency to track down fugitives who have failed to register," Gibbs said. "I know our headquarters is working on getting more staffing to enforce the act and track down these fugitives."

Of the 284 fugitives nabbed by the Smoky Mountains task force during Operation FALCON III, 65 were sex offenders and 47 of those were specifically accused of failing to properly register.

The task force also nabbed fugitives wanted in violent crime cases ranging from assault to murder, drug suspects and gang members.

Tough offenders, tough arrests, to be sure, but not every hunt was serious. Just ask Deputy U.S. Marshal Richie Bradley, who recounted the nabbing of a fugitive at a Knoxville bowling alley.

As the task force walked in - decked out in full fugitive-finding gear - a bowling tournament was about to begin and the "Star Spangled Banner" was played.

The task force agents removed their hats, put their hands over their hearts and sang.

"Then we arrested the guy," Bradley said.

Jamie Satterfield may be reached at 865-342-6308.

163 Fugitives Here Caught In Operation Falcon (CHATT)

Chattanooga (TN) Chattanoogan, November 3, 2006

There were 163 fugitives in Chattanooga and Hamilton County caught in the nationwide "Operation Falcon" net, officials said at a Thursday afternoon press conference.

Those included Tommie "Wild Thing" Loyons, identified as a member of the Vice Lords gang, and Donald Yardley, sought for failing to register as a sex offender.

The campaign was mainly against sex offenders and gang members, but spread to include other wanted criminals, Federal Marshals Service Director John Clark said.

A number of local law enforcement agencies took part.

Lyons was wanted for firing at a car occupied by four people on Sept. 30. He was also wanted for failing to appear to answer a vandalism charge.

Yardley was convicted in Kansas in 1986 of sodomy against a child, communicating threats to a witness, and assault and battery.

A warrant for his arrest for failing to register as a sex offender was issued in early October.

Officials said, "The arrest of this sexual predator makes Chattanooga a safer place to live."

U.S. Attorney General Alberto Gonzales and U.S. Marshals Service (USMS) Director John F. Clark said the operation nationwide led to the arrest of 1,659 sex offenders.

Senate Majority Leader Bill Frist said, “I applaud the U.S. Marshals Service and all federal, state, and local law enforcement agencies that contributed to capturing these dangerous criminals. Sexual predators are an insidious threat to our nation’s children, and thanks to this historic effort thousands of them will be taken off the streets. Creating a national sex offender registry and focusing federal resources toward capturing sexual predators sends a clear message to these criminals that you can run but you can’t hide.”

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Officials said Operation FALCON III produced the largest number of captured offenders ever in a single law enforcement effort. The operation was conducted in 24 states east of the Mississippi River, in the District of Columbia and in Puerto Rico and led to the arrests of 10,733 fugitives.

Deputy Marshals joined thousands of officers, deputies, troopers, agents and investigators from other federal, state and local agencies to conduct the operation which ran all last week.

Those targeted for arrest included fugitives wanted for committing sexual offenses, homicide, kidnapping, robbery, burglary, carjacking, weapons offenses and major narcotics distribution.

The operation received support from the Adam Walsh Child Protection and Safety Act, sponsored by Sen. Frist and named after the murdered son of "America's Most Wanted" host John Walsh. The new law creates a national sex offender registry and directs federal resources to rounding up sexual predators, helping state and local governments catch convicted individuals who failed to register in communities where they live.

Of the 1,659 fugitive sex offenders apprehended, 971 were wanted on charges of failing to register as a sex offender. One such arrest took place on Oct. 24, 2006, when investigators arrested Allen Marksberry in Rickman, Tn. Marksberry was an unregistered sex offender, stemming from a 1996 conviction of sexual assault of a child who was under eight years old. Marksberry is now in custody facing additional charges.

260-plus Nabbed In Shelby County (MCA)

By Chris Conley

Memphis Commercial Appeal, November 3, 2006

Police hit the jackpot when they chased Roderick Thomas into his house to arrest him for violating probation.

They found evidence of identity theft, vehicle ID fraud and counterfeit money. Elsewhere on the Barnes Court property in South Memphis they found a chop shop with stolen vehicles and parts. Thomas now faces charges of altering vehicle ID numbers, theft over $10,000, identity theft and forgery.

Thomas was one of more than 350 people arrested last week in West Tennessee on warrants in a nationwide sweep under the auspices of the U.S. Marshal Service called Operation Falcon III.

More than 260 came in Shelby County. In West Tennessee, more than 100 suspected sex offenders were arrested.

"Any time you can lock up 262 suspects -- sex offenders, gang members -- it's a good day," Memphis Police Director Larry Godwin said during a news conference Thursday.

"We always have room for one more," joked Shelby County Sheriff Mark Luttrell.

Nationally, 10,773 people were arrested, including 1,659 sex offenders and 364 documented gang members.

Included was Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was baby-sitting several young children when he was arrested.

Of the sex offenders, 971 failed to register with authorities as required by law -- what U.S. Atty. Gen. Alberto Gonzales called the largest number ever captured in a single law enforcement effort.

West Tennessee led the nation in arrests for sex offender registration violations: 103.

Six were arrested in Tipton County: Randy Johnson, 39, of Mason; Gary Blankenship, 47, of Covington; Ottway Burnett, 49, of Memphis; Robert Maclin, 26, and Chauncey Ruble, 28, both of Millington; and Elvis Warren, 33, of Brighton.

Arrested in Memphis on a 33-year-old homicide warrant from Milwaukee was Ray Curtis Hudson. Local authorities got a tip from Wisconsin that Hudson was here under an assumed name, and they found him at a house on Chelsea.

Police here were able to get a current picture of Hudson from the state of Tennessee. He had gotten a driver's license under the assumed name.

The fugitive team waited for Hudson to show up on Chelsea and arrested him, according to Memphis officer Chris Wages, who is assigned to the marshals' fugitive task force. Hudson sits in Shelby County Jail waiting to be extradited to Milwaukee.

"We saw him coming home," said Wages. "And he was surprised." The gray-haired Hudson is now in his 60s.

Another team was sorting paperwork in a gas station lot in Whitehaven when a citizen tipped them that suspicious men were sitting in a car next to an ATM, Deputy Marshal Brian Monson said.

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The team found a sawed-off shotgun and a mask in their car, charging four people with possession of an illegal shotgun.

"This operation, along with our past Falcon efforts, provides a clear indication of what law enforcement agencies can accomplish when there is cooperation at all levels ... ," U.S. Marshal David Jolley said.

Sweep Nets 'worst Of The Worst' (HENSN)

By SHEILA BURKE And CLAY CAREY, Staff Writers

Hendersonville (TN) Star News, November 3, 2006

National effort leads to arrest of 862 fugitives in Midstate

RICKMAN, Tenn — Children's bicycles, balls and toys littered the yard of Allen Marksberry's home in this Overton County community.

Marksberry, 38, a convicted sex offender, was cited Thursday by U.S. Attorney General Alberto Gonzales as one of the "worst of the worst" fugitives caught in a sweep that spanned 24 states and captured more than 10,000 wanted felons.

A neighbor said he saw Marksberry around children often.

"There's been half a dozen or more all during the week … pretty much all the time," said Jerry Peek, who lives in the house directly behind Marksberry.

Marksberry made national news when Gonzales used him as example of the most dangerous predators captured in the sweep last week, dubbed Operation Falcon III.

Agents in Middle Tennessee captured more fugitives than any other federal district, including two of the 15 most significant arrests nationwide — Marksberry and a Nashville gang member wanted for murder.

News of Marksberry's arrest swept through this town just south of Livingston, Tenn., and shocked those around him.

"I had no idea there was a child sex offender this close," said Anna Randles, who has lived on Circle Lane since 1984. "I'd never expect anything like that to happen in this neighborhood."

Randles and her husband have teenage children.

Marksberry was baby-sitting three children, ages 3, 5 and 10, when law enforcement agents went to his 140 Circle Lane home on Oct. 24.

Police found pornographic videos and pictures in his home, along with two police scanners, narcotics, a .25-caliber semi-automatic pistol and scales used to weigh marijuana, law enforcement officials said.

They also found a pair of binoculars in a trailer behind the house that is less than a mile away from the Rickman School, a pre-kindergarten through 8th-grade school.

Just across the street from the home are a baseball field and an old playground, where neighbors said children play.

"This one case, this Marksberry case, was worth every bit of effort that we put into it," said Denny King, the U.S. Marshal for the Middle District of Tennessee, at a news conference at TBI headquarters Thursday.

King said he believes that agents rescued the three children with Marksberry.

"Did we get to them quick enough? I don't know."

The Tennessee Department of Children's Services took the children into custody. The mothers of two of the children arrived immediately after Marksberry was arrested.

Marksberry was charged with violation of probation, failure to appear in court and violation of the sex offender registry. He registered when he moved to Tennessee but stopped reporting his address and moved to different counties in the northern area of Middle Tennessee, the Marshals Service said.

He was one of 862 fugitives captured in the Middle District of Tennessee, more than any other federal judicial district involved and more than in the entire state of New York.

The large number of arrests was due to the sheer amount of manpower involved in the operation, King said in an interview. More than 90 Midstate law enforcement agencies and 500 officers were involved.

More than 300 of the officers were deputized as special U.S. Marshals so they could cross jurisdiction lines.

"I think without a doubt, it was the largest delegation that's ever been put together in recent history," King said.

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Police agencies from all over the district sent officers, he said. Metro sent twice as many officers as were used on the last fugitive sweep.

One of the fugitives caught was Eric Dewayne Meneese, wanted in an Oct. 10 slaying police say was a botched robbery involving two gang members. Meneese, 18, is a member of the "Crips" gang and has a long criminal record in Nashville, police said.

He was arrested Oct. 26 after three Falcon III teams working with the Metro SWAT team converged on three Nashville addresses at night. They found him hiding in the attic of his sister's Hermitage home.

Another Nashville man, Eric Turner, was wanted on an outstanding charge of rape of a child. He was taken into custody on Oct. 23 and is being held in the Metro Jail.

There were 332 fugitives from Davidson County arrested, though some may have been captured in another county, the Marshals Service said.

Arrests like that in Nashville didn't surprise some residents of Rickman, but they never dreamed that a man with Marksberry's past would be living in their rural area.

"It scares me, the fact that someone that close could attack kids like that," said Teresa Clark, a mother of four children, ages 4 to 7, at the Rickman School.

"That's something like you would hear in Nashville or Knoxville, not in our small town." •

Fugitives Seized (JCP)

By Kristen Swing, Press Staff Writer

Johnson City (TN) Press, November 3, 2006

Massive effort on national, state, local levels brings arrests of sex offenders, gang members

Nearly 11,000 wanted felons were put behind bars recently in what is being called the single largest roundup of fugitive sex offenders and gang members in the nation's history.

Operation FALCON III, headed up by the U.S. Marshals Service, was a weeklong collaborative effort between the Marshals Service and more than 1,000 different law enforcement agencies. The effort took place between Oct. 22 and 28 and culminated with the arrest of 10,773 felons, according to USMS officials.

"Our primary target in this effort was sex predators, unregistered sex offenders and wanted gang members," said W. Warren Mays Jr., supervisory deputy U.S. Marshal in East Tennessee. "I think the statistics speak for themselves as far as the success of Operation Falcon III."

In East Tennessee, 284 fugitive felons were arrested. Of those, 65 were sex offenders and seven were documented gang members. Along the way, authorities also arrested fugitives wanted on local, state or federal arrest warrants for murder, kidnapping and other serious offenses.

In Washington County alone, 20 fugitives were taken into custody during the operation. Those arrested throughout Washington County were wanted on warrants for a number of crimes including aggravated sexual battery, a parole violation for first-degree murder, aggravated robbery, arson and schedule II narcotics offenses.

"The resources that the federal government gives us with this kind of thing and us being able to partner up with other law enforcement agencies in our area, definitely is a good thing for us," said Washington County Sheriff's Office Chief Deputy Patrick Littleton. "Without their resources, it would take much longer to get these guys."

Operation FALCON III comes on the heels of the Adam Walsh Child Protection Safety Act, which was signed into law in late July. The act makes it a federal felony, punishable by up to 10 years imprisonment, for convicted sex offenders who fail to register and then travel in interstate or foreign commerce. The Marshals Services was designated by the act as the agency to lead the national effort to track down and arrest these fugitives.

"There is no question the collective criminal investigative resources of the marshals and our federal, state and local partners made a major contribution to this important crime initiative," said Arthur D. Roderick, Marshals Service assistant director for investigative services.

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Nearly 1,700 sex offenders were arrested within the 25 Eastern states participating in Operation Falcon III, along with 364 documented gang members and several other wanted felons.

"These numbers mean safer streets for the citizens of communities all over this country," Marshals Service Director John Clark said. "We have not only brought those wanted fugitives to justice, but we have hopefully brought a bit of peace to their communities."

Authorities at a news conference held Thursday at the James H. Quillen U.S. Courthouse in Greeneville noted that the cooperative effort among law enforcement agencies is what made the operation a success.

"We had eight different police departments, 18 sheriff's departments, five state agencies and six federal agencies participating (in East Tennessee)," Mays said. "It is necessary for partnership and cooperation in 21st century law enforcement. Without it, this bird would have never flown."

For more information regarding the accomplishments of Operation Falcon III or to see which law enforcement agencies were involved in the effort, visit www.usmarshals.gov/falcon3/.

Law Enforcement Pools Resources To Round Up Fugitives (DICKSH)

By Teri Burton, The Dickson Herald

Dickson (TN) Herald, November 3, 2006

Operation nets 29 wanted in Dickson County

More than two dozen Dickson County fugitives from justice were among the nearly 11,000 suspects captured during last month's Operation FALCON III.

The U.S. Marshals Service went after people wanted on warrants ranging from theft to failure to register as a sex offender to statutory rape and gang-related crimes.

Results of the roundup were kept under wraps until yesterday when federal officials announced in Washington, D.C. that 10,733 fugitives were arrested during the FALCON III sweep across 24 states and 49 federal districts east of the Mississippi River simultaneously Oct. 22 through Oct. 28.

FALCON, an acronym for Federal And Local Cops Organized Nationally, was the third in a series of roundups across the nation since 2005.

Twenty-nine Dickson County fugitives were captured during the roundup as nine teams swept Dickson and surrounding counties during the weeklong operation, according to federal officials.

The effort involved more than 500 law enforcement personnel from 99 agencies, including the Dickson County Sheriff's Office and the Dickson Police Department.

"It was the most successful operation that I've ever been a part of in arresting fugitives in my entire 33-plus years of service," U.S. Marshal Denny King said yesterday.

Tommy Thompson, chief deputy marshal for Middle Tennessee, said during the sweep that the cooperation between federal, state and local law enforcement agencies was key to the success of the operation.

"Most of the (Dickson County) fugitives were arrested in other counties," Thompson said. "We had very good cooperation. Each unit was composed of people from several different agencies and they jelled together, went out and did a great job.

"The sheriff (Dickson County Sheriff Tom Wall) was very accommodating and made it easy for the officers when they took them (fugitives) in to be processed so our guys and ladies could get back out and look for somebody else," Thompson said. "We just appreciate the effort of the Dickson Police Department and all the law enforcement agencies. They have given us officers and we were out serving each others' warrants, not worrying about who gets the credit or the fact that a Dickson County officer is serving a Montgomery County warrant. The object was to make these people come to justice."

Wall said he thought FALCON III was very effective because of the combined forces.

"The marshal's task force has been one of the best bargains I've seen since the 25 years I've been in law enforcement," the sheriff said. "It's a good thing to see all of the local, state and federal agencies working together to get these people off the streets. Together, you can do a lot versus everybody trying to do their own thing. It's really good to see that kind of cooperation."

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Dickson Public Safety Director Rick Chandler, who serves both as police chief and fire chief, said the Dickson police officers assigned to the operation "found it enjoyable and it gave them a little different perspective on things."

Chandler said that by combining forces more fugitives were brought in and booked.

"I think the advantage of something like that is that you've got a lot of resources in from different areas and you can actually do some things," Chandler said. "It's difficult sometimes to track people down with all the other stuff going on. When you put a task force together like that you can center on some of the people and take some time and effort to locate them."

The previous FALCON operations, conducted in April 2005 and in April of this year resulted in the capture of more than 19,000 dangerous fugitives in less than two full weeks, according to information provided by the United States Marshals Service.

The U.S. Marshals Service has designated the FALCON series as the single most successful fugitive interdiction effort in U.S. law enforcement history.

Hundreds Of Local Fugitives Arrested In Round-up Led By U.S. Marshals (WATE)

By Erica Estep

WATE-TV, ABC 6, Knoxville, TN, November 3, 2006

KNOXVILLE (WATE) -- Hundreds of violent criminals are off East Tennessee streets and in jail thanks to a massive federal round-up.

During Operation Falcon III, U.S. Marshals, state and local police arrested more than 10,000 fugitives nationwide. Nearly 300 were arrested in East Tennessee.

During the last week of October, local and state police were sworn in as U.S. Marshals for the operation. That means they could legally cross county, city and state lines to arrest fugitives, just like federal officers can.

Officers concentrated on 41 counties in East Tennessee, arresting fugitives in Knox, Anderson, Blount, Sevier, Cocke, Claiborne and Hamblen counties, just to name a few.

Thursday, U.S. marshals released details of the operation, saying it was a huge success in East Tennessee with 284 criminals arrested.

This fugitive sweep concentrated on sex offenders and gang members, but murderers, thieves and arsonists were also taken off the streets during the round up.

It was a seven-day, around-the-clock operation," Chief Deputy U.S. Marshal Ron Gibbs explains. "It's something you just cannot keep up day in and day out. But for a week's focus, I'm very proud of everyone. There were not any incidences in our arrests. Everyone stayed safe, including those who were arrested and we're very proud of that."

6 News got exclusive behind the scenes access during Operation Falcon III. We spent about 12 hours with U.S. Marshals, TBI agents and local law enforcement officers rounding up sex offenders and violent criminals.

We expected a lot of running, doors broken down and criminals fighting. But that's not what we found. Before sunrise, officers tested tasers, checked weapons and suited up in bullet proof vests.

They are prepared to fight if necessary, but admit they spend most of their time planning and investigating. That includes studying mug shots, tracking down addresses and making contacts before ever hitting the streets.

The first stop of the day is the home of a convicted drug dealer in Knoxville. Officers surrounded the home with their guns drawn.

Deputy U.S. Marshal Becky Gambill knocked on the door, "Police, police, open the door!" The door opened, police went in and minutes later, Sherise Sloan was brought out in handcuffs. Marshals say she sold drugs in a school zone.

Gambill adds, "She didn't put up a fight, was very cooperative, admitted that's who she was and it went on without a hitch."

Between each arrest, the marshals meet briefly to talk about their next target and plan the take down.

It's the element of surprise that works in their favor. One Knoxville man wanted for a seven-year-old aggravated burglary charge never expected U.S. Marshals at his door.

The biggest catch of the day was a convicted sex offender from North Carolina hiding out in Morristown. Officers say Wilton Bethel violated a child. Now he's back behind bars for not registering as a sex offender.

Nationwide, agents hauled in 10,773 fugitives. Of those caught in East Tennessee, 65 are sex offenders.

862 Fugitives Captured In Middle Tennessee (WSMV)

WSMV-TV, NBC 4, Nashville, TN, November 3, 2006

WASHINGTON -- Nearly 11,000 sex offenders, gang members and other fugitives were swept up in what the Justice Department on Thursday called a sting targeting the "worst of the worst" criminals on the run.

Across Tennessee, 1,372 fugitives were arrested and 1,686 warrants were cleared. 862 fugitives were taken into custody in middle Tennessee alone.

Tennessee led the country for capturing the most fugitives as part of this nationwide effort to crack down on accused criminals hiding from police.

Last week's roundup, led by the U.S. Marshals Service, included Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was baby-sitting several young children when he was arrested on Oct. 24.

Including in the roundup was 36 sex offenders who are accused of failing to register.

Also nabbed were Demetrius Avery Jackson, an accused cop killer in Birmingham, Ala., and Eric Dewayne Meneese, a Crips gang member, in Nashville, Tenn.

The weeklong sting, code-named Operation Falcon III, also led to the shooting death of a Georgia fugitive who was killed by authorities as he came out of his house, officials said. Additionally, the neighbor of a fugitive in Florida fired -- but missed -- police approaching her home. Both incidents are under investigation, said John F. Clark, director of the Marshals Service.

The 32 counties of Tennessee's middle district, where Marksberry and Meneese were captured, saw more arrests and warrants cleared than any other district in the 24 states east of Mississippi River where the roundup took place, authorities said.

U.S. Marshal Denny King said at a Nashville news conference that the arrest of sex offender Marksberry alone was worth "every bit of effort" the operation required.

"We rescued three kids. ... How many other kids did we save from Marksberry?" King said.

Marksberry was convicted in 1996 of sexually assaulting an 8-year-old child. When he was arrested this time, agents found pornography and drugs inside his home and were led to a separate trailer that had a clear view of a playground and a pair of binoculars inside.

Over 500 officers from 90 law enforcement agencies in the district participated in the middle Tennessee sting, which King said was the largest operation he had ever heard of in his 34 years in law enforcement.

The roundup targeted "the worst of the worst fugitive felons in the country," Attorney General Albert Gonzales said at a Washington news conference.

"America's neighborhoods are safer today, thanks to Operation Falcon III," Gonzales said.

Two earlier stings -- Falcons I and II -- were held in April over the last two years. Gonzales and Clark denied that next week's elections played any part in scheduling the latest crackdown.

"I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," Clark said, adding that he wanted to do the roundup in the fall -- before the winter weather hit.

In all, Gonzales said officials caught 10,733 fugitives -- including 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were seized.

Those totals represent a fraction of doors knocked on, liquor store drive-bys, construction site surveillances and tips chased down by agents during the weeklong sweep. Finding the fugitives -- even at their homes in the early-morning hours -- proved to be a hit-or-miss mission for the federal, state and local authorities.

A six-hour sting in Washington, D.C., last Thursday morning, for example, netted none of the accused drug dealers sought by a team of seven agents from the U.S. Marshals, Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Immigration and Customs Enforcement, State Department and the city's Metropolitan Police Department.

"He was there a week or so ago," muttered Marshals Inspector Robert Hoffmaster, after a pre-daybreak search of a house for an accused drug dealer.

In upstate New York, some fugitives tried to hide in unusual places.

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"We grabbed one guy out of the shower," said Joe Ciccarelli, supervisor of the U.S. Marshals fugitive task force in New York's northern district. "We found people hiding in between insulation, rolled up in rugs, inside of cabinets, inside of closets that a person shouldn't be able to fit in, but they end up fitting in and we have had to call the fire department to get them out."

Of the sex offenders nabbed, 971 had failed to register with authorities as required by law -- what Gonzales called the largest number ever captured in a single law enforcement effort.

Gonzales said prosecutors likely would seek to charge some of them under the 2006 Adam Walsh Act. That law, approved by Congress last summer, created federal penalties for sex offenders who fail register with communities.

The law was named for six-year-old Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981.

Falcon III showed the Marshals "have proven their extraordinary ability to quickly capture thousands of sexual predators," said Ernie Allen, president of the National Center for Missing & Exploited Children.

Normally, the Marshals regional task forces round up about 1,000 fugitives each week, officials said. An estimated 1 million fugitives are on the loose nationwide.

'Operation FALCON III' Takes Down Local Sex Offenders (WMC)

WMC-TV, Action News 5, Memphis, TN, November 3, 2006

More than 10,000 fugitives found themselves in custody Thursday after a nationwide round-up code-named 'Operation FALCON III.' Many of the suspects were from the Mid-South.

Action News 5 went along for some of the local arrests, as teams led by U.S. Marshals swept the streets of Memphis. Arrests were made for a wide variety of crimes, but nowhere else were there as many convicted sex offenders wanted for not being registered: The Western District of Tennessee ranked number one.

"We were very, very aggressive here in West Tennessee of going out and getting these guys," said U.S. Marshal David Jolley at a press conference Thursday.

Many of the sex offenders arrested were supposed to check in with local authorities on a regular basis, but didn't.

"The public needs to always be sensitive to the fact that this problem exists," said Shelby County Sheriff Mark Luttrell. "That we do have sex offenders that are out there."

Luttrell has a full-time officer assigned to sex offenders, and said there is always a red flag when one fails to register. Deputy Marshals who participated in this latest sweep said they got a sense of satisfaction by taking potential child predators off the streets.

"I'm a father of three myself, so it's kind of close and dear to my heart as well," said Shelby County Sheriff's Deputy Chris Crozier.

Most of the sex offenders that were arrested will be in more trouble if they fail to check-in again. Officials said they hope Operation Falcon taught them a lesson.

In addition to unregistered sex offenders, a number of people wanted on murder charges were also arrested locally.

Nationwide, the 'Operation FALCON III' round-up encompassed 24 states, mostly in the eastern United States. 10,773 fugitives were arrested during the six day sting, and more than 13,000 warrants were cleared. Most of the fugitives were wanted for sexual offenses.

Roundup Captures 11,000 Fugitives (RUTHER)

By Alan J. Keays, Herald Staff

Rutland (VT) Herald, November 3, 2006

A weeklong fugitive sweep of the eastern and central United States has led to almost 11,000 wanted criminals taken into custody, including 83 from Vermont and eight from Rutland County.

In Vermont, the roundup was led by the U.S. Marshals Service and included several local and law enforcement agencies around the state. The sting was codenamed "Operation FALCON III."

National figures on fugitives captured were released Thursday in Washington, D.C, while the numbers from the Vermont operation were announced at a press conference in Burlington attended by federal, state and local law enforcement officials.

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"When we share information and pool our resources toward a common goal, the results are safer communities for our children and a more secure homeland," Vermont U.S. Marshal John Edwards said in a written statement released Thursday.

In total, the operation in Vermont led to the capture of 83 people and cleared 110 arrest warrants for various offenses, ranging from failing to register as a sex offender to drug offenses, Bill Gerke of the U.S. Marshals Service in Vermont said after the press conference.

Several teams of local, state and federal law enforcement officials worked each day in different parts of the state searching for fugitives. An average of 32 officers worked daily during the weeklong operation that ran from Oct. 22 to 28.

In Vermont, there are 8,400 outstanding arrest warrants. Prior to the sweep, Vermont officials worked to prioritize the list down to 300 of the most wanted individuals, and of those, 83 were located, Gerke said. In addition, authorities discovered that six of the wanted people in Vermont have died.

Gerke said the top priority of the warrant roundup in Vermont involved sex offenders and sex registry violators.

Twenty-eight sex offenders were captured in the roundup in Vermont, including 22 sex registry violators. Eighteen people were taken into custody wanted on assault charges, 15 wanted for drug offenses, two for burglary and one for robbery.

"There was a very active effort in the southern part of the state," Gerke said of the warrant sweep.

In Rutland County, authorities last week rounded up eight fugitives, including four wanted for failing to properly register as sex offender, Rutland City Police Sgt. Kevin Stevens said Thursday.

City police as well as the Rutland County Sheriff's Department, Vermont State Police and federal authorities took part in the operation in Rutland County.

"Too bad we couldn't do it more, but with budgets, we just don't have the resources," Stevens said of the fugitive roundup.

In Washington D.C., authorities highlighted the arrest of Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was babysitting several young children when he was arrested on Oct. 24.

Also nabbed were Demetrius Avery Jackson, an accused cop killer in Birmingham, Ala., and Eric Dewayne Meneese, a Crips gang member, in Nashville, Tenn.

The roundup, in 24 states east of the Mississippi River, targeted "the worst of the worst fugitive felons in the country," Attorney General Albert Gonzales said at a Washington news conference.

Two earlier stings — Falcons I and II — were held in April during the last two years.

In the latest operation, Gonzales said officials caught 10,733 fugitives — including 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were seized.

Of the sex offenders nabbed, 971 had failed to register with authorities as required by law — what Gonzales called the largest number ever captured in a single law enforcement effort.

Normally, the Marshals regional task forces round up about 1,000 fugitives each week, officials said. An estimated 1 million fugitives are on the loose nationwide.

Sweep Nabs 59 Fugitives Locally (RTD)

By Tom Campbell, TIMES-DISPATCH STAFF WRITER

Richmond Times-Dispatch, November 3, 2006

Arrests, from Petersburg to Henrico, are part of annual Justice Department effort

Freedom ended suddenly for 59 fugitives in the Richmond area during seven days in October as U.S. marshals led a law-enforcement sweep of alleged criminals from the streets.

The Henrico-to-Petersburg arrests were just a few of nearly 11,000 captures of suspects during Operation Falcon III, a weeklong Justice Department effort that concentrated on arresting documented gang members and convicted sex offenders in 24 states east of the Mississippi River.

"These numbers mean safer streets for the citizens of communities all over this country," said John F. Clark, director of the U.S. Marshals Service.

This was the third annual Operation Falcon and involved more than 3,000 officers and agents.

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This year's Operation Falcon follows up on the Adam Walsh Child Protection and Safety Act, signed by President Bush in July. The new law makes it a felony, punishable by up to 10 years in prison, for sex offenders to fail to register and then travel out of state or outside the U.S.

Stings and coordinated arrest operations picked up 10,773 fugitives on outstanding warrants. Of those, 1,659 were sex offenders -- many wanted for alleged failure to register -- and 364 were documented gang members.

One Georgia fugitive was killed by authorities as he came out of his house, The Associated Press reported.

Kevin Connolly, the U.S. marshal who leads the Regional Fugitive Task Force here, said no fugitive arrested in Richmond during Operation Falcon III resisted physically -- officers got "just some nasty attitude from some of them," he said.

About two-thirds of the Operation Falcon arrests here were of men, Connolly said.

Three teams of 10 marshals, agents and officers worked each of the seven days, starting with some early-morning pounding on doors at the homes of fugitives thought likely to be there and proceeding with arrests at workplaces and other locations.

Connolly said Operation Falcon was preceded here by weeks of research and investigation to determine which defendants would be on the list for arrest and "to come up with the best address to hit at 5 or 6 in the morning."

The 59 people were arrested on 82 outstanding warrants, nearly all of them issued by state courts, Connolly said. The alleged crimes include one murder, four attempted murders, two armed robberies and four assaults or aggravated assaults.

Besides the marshals service, the criminal investigators who took part came from three other federal agencies; the Virginia State Police; the Virginia Department of Corrections; the Richmond Police Department, sheriff's office and Redevelopment and Housing Authority; and from the Henrico County, Chesterfield County and Petersburg police forces.

Connolly said one of those arrested here was Wayne Jerome Thomas, 36.

On the second day of Operation Falcon III, Richmond police charged Thomas with abducting and raping a 17-year-old female the previous day. Operation Falcon team members located Thomas working on a city trash truck and took him into custody.

Contact staff writer Tom Campbell at tcampbell@timesdispatch.com or (804) 649-6416.

227 Felony Suspects Rounded Up In Hampton Roads (V-P)

By Tim Mcglone, The Virginian-Pilot

Norfolk Virginian-Pilot, November 3, 2006

NORFOLK - Police and federal agents in Hampton Roads arrested 227 felony suspects as part of a nationwide operation called Falcon III that targeted sex offenders and gang members, the U.S. Marshals Service announced Thursday.

Among those arrested was Robert Shells, suspected of raping and sodomizing a 4-year-old girl in Norfolk. He was picked up in New York and will be extradited to face charges here.

Thousands of federal, state and local law enforcement officials in 24 states east of the Mississippi spent last week rounding up 10,773 fugitives, including the 227 arrested in Hampton Roads.

Those arrested here include 16 sex-offense suspects, 11 unregistered sex offenders and five gang members, the marshals service said.

This is the third Falcon operation in two years. Authorities captured more than 19,000 fugitives in previous round-ups.

Law Enforcement Sting Nabs Dozens Of Dangerous Fugitives (WWBT)

WWBT-TV, NBC 12, Richmond, VA, November 3, 2006

Federal, state and local law enforcement are working together to nab dangerous fugitives. The week long sting, called Operation Falcon, covered 24 states including Virginia. U.S. Attorney General Alberto Gonzales says the operation targeted the "worst of the worst fugitive felons in the country."

Among those caught were more than 1,600 sex offenders, including nearly 1,000 who failed to register with authorities as required by law.

"Arresting over 1,600 sex offenders and 360 gang members has to make a difference and sends a strong message that we will bring them to justice," says John Clark, Director of the U.S. Marshal Service.

Among the thousands arrested were dozens of wanted fugitives right here in the Richmond area.

Between Richmond, Petersburg, Henrico and Chesterfield, a total of 59 wanted people were arrested on some 82 outstanding warrants. Of the 59 arrested, U.S. Marshals say two are documented gang members and 17 others were wanted on sex-related offenses.

Up and down the east coast between October 22nd and 28th, hand cuffs being tightened onto the wrists of wanted fugitives.

"The investigators did the research and obtained the photos, so that when we hit that first door at five in the morning we had the best odds of catching that fugitive there," says Kevin Connolly of the U.S. Marshal Service. Inspector Connolly is one of 30 law enforcement officers who formed a team that spent the week working 10-14 hour-days in our area.

The entire team of federal, state, and local officers was deputized by the U.S. Marshal Service for the operation. The goal, Connolly says, was to help Richmond-area police go after wanted suspects -- especially sex offenders. "For this operation, we sat down and targeted their worst sex offenders and went after them and picked them up one-by-one."

Among those arrested in our area was Wayne Jerome Thomas, 36. He was picked up while working on the back of a Richmond city garbage truck. U.S. Marshals say Thomas is a convicted sex offender who not only failed to register with the sex offender registry when he got out of prison, but he's now facing new charges of raping and abducting a 17-year-old girl.

At a home in Chesterfield, the team says it picked up items, including a sawed off shotgun, when marshals say they arrested Esteban Pittman. Marshals say Pittman is a gang member who belongs to part of the national MS-13 gang.

Tonight, the U.S. Marshal Service is hoping the results of this operation will send a message -- especially to sex offenders who are not registered with law enforcement.

'Operation FALCON III' Nets 227 Felony Arrests Locally (WVEC)

WVEC-TV, ABC 13, Hampton Roads, VA, November 3, 2006

A nationwide round-up fugitives has resulted in the nets hundreds of local fugitivesroundup of fugitives has resulted in the arrest of thousands of people wanted by the law.

Operation FALCON III helped round up over 200 fugitives in Hampton Roads.

In Hampton Roads, what is being called "Operation FALCON III" netted 227 felony arrests, including 5 gang members, 11 unregistered sex offenders, and 16 who were wanted on sex charges.

The roundup also resulted in the seizure of four handguns and 40 capsules of heroin, according to the United States Marshals Service.

Authorities say federal and local authorities teamed up on the operation, which was the largest ever fugitive round-up of its kind. FALCON stands for Federal And Local Cops Organized Nationally.

Nationwide, task force members arrested 10,773 felony fugitives, including 1,659 sex offenders and 364 gang members.

National Fugitive Sweep Includes Many Local Arrests (HHD)

By Curtis Johnson, The Herald-Dispatch

Huntington (WV) Herald-Dispatch, November 3, 2006

CHARLESTON — A one-week focus on nabbing fugitives cleared more than 200 warrants across Southern West Virginia, part of a nationwide sweep that brought in nearly 11,000 fugitives.

At least 77 of the area warrants were cleared from the books in Cabell and Wayne Counties, as authorities spent most of last week looking for sex offenders, drug traffickers and other fugitives.

Brad Sellers, a supervisory deputy working locally for the U.S. Marshals Service, explained most cases were cleared by way of police making an arrest or locating the fugitive at another correctional facility.

The local activity was part of the much larger, nationwide effort dubbed "Operation Falcon III". The roundup was organized by the U.S. Marshals Service, but enlisted help from other federal, state and local agencies. Federal authorities touted the clearing more than 13,000 warrants nationwide.

About 170 of those arrests were made in Cabell, Wayne, Kanawha, Fayette and Raleigh Counties, but authorities did not provide a list of those arrested on Thursday.

"It's my opinion that everyone that is a fugitive may not be actively avoiding apprehension, but they are definitely not taking the initiative to turn themselves in," Sellers said. "The longer they stay out there and can avoid apprehension, the more brazen they become that they're not going to be arrested."

Sellers hopes a one-week effort such as "Operation Falcon III" will help local agencies allocate the resources needed to dedicate officers to hunting fugitives.

The roster of participating agencies included the Marshals Service, FBI, Drug Enforcement Administration and the Bureau of Alcohol, Tobacco and Firearms.

On a state level, the West Virginia State Police and Department of Corrections participated.

Local participants included Cabell and Wayne County Sheriff's Departments, the Huntington and Milton Police Departments, along with the Marshall University Police Department.

345 Warrants Issued Across State (CHASGAZ)

By Dave Gustafson, Staff writer

Charleston Gazette, November 3, 2006

Nationwide, more than 10,000 arrested

Law enforcement officers served 345 warrants, including 35 for sex offenses, across West Virginia as part of a recent national fugitive roundup headed by the U.S. Marshals Service.

In the state's Southern District, burglary or larceny, drugs and assault accounted for most of the 216 warrants served during the six-day operation in Kanawha, Fayette, Cabell, Raleigh and Wayne counties.

The warrants also included 22 for sex offenses, including 15 for failure to register as a sex offender.

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"The success of this operation could only have been accomplished through the determination and dedication of many federal, state and local officers that teamed up to make the communities of Southern West Virginia safe," U.S. Marshal James Dawson said.

The roundup was dubbed "Operation Falcon III," with Falcon standing for "Federal and Local Cops Organized Nationally." Two earlier efforts — Falcons I and II — were held in April over the last two years.

Nationally, deputy U.S. marshals worked with local and state police in what is being called the biggest roundup of fugitive sex offenders and gang members ever.

The roundup targeted "the worst of the worst fugitive felons in the country,'' Attorney General Alberto Gonzales said at a Washington news conference.

"America's neighborhoods are safer today, thanks to Operation Falcon III,'' Gonzales said. He denied that next week's elections played any part in scheduling the latest crackdown.

Among those captured in last week's roundup in 24 eastern states was Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was baby-sitting several children when arrested Oct. 24.

Across the country, 10,773 felony fugitives were arrested including 1,659 sex offenders and 364 documented gang members, according to a U.S. Marshals Service report.

Fugitive Task Force Teams Arrest 129 In West Virginia (WOWK)

WOWK-TV, CBS 13, Huntington, WV, November 3, 2006

WASHINGTON, D.C. - A seven-day nationally coordinated fugitive roundup led by the U.S. Marshals and hundreds of partners from state, local and other federal agencies has led to the arrests of almost 11,000 fugitives.

In West Virginia, Operation Falcon III, led to the arrest of 129 people.

With such a large operation the state was divided into two regions; north and south.

In the northern region the Bridgeport, Martinsburg and Morgantown Police Departments were among those taking part.

In the southern region the Charleston, Huntington and Beckely Police Departments joined a much larger group that included state agencies.

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Among those arrested nationwide during Operation FALCON III were 1,659 fugitive sex offenders, the largest number ever captured in a single law enforcement effort.

High-priority targets for arrest were fugitives wanted for committing sexual offenses, including unregistered convicted sex offenders.

Of the 1,659 fugitive sex offenders apprehended, 971 were wanted on charges of failing to register as a sex offender. Other priority targets were fugitive gang members and violent offenders wanted for homicide, kidnapping, robbery, burglary, carjacking, weapons offenses and major narcotics distribution.

During FALCON III, agents apprehended 364 gang members, cleared 140 open homicide cases and arrested thousands of fugitives sought on kidnapping, robbery, burglary, carjacking, weapons offenses and other violent charges. Additionally, more than 230 weapons were also taken off the streets.

Sweep Nets 65 Area Fugitives (MARTJ)

By Edward Marshall, Journal Staff Writer

Martinsburg (WV) Journal, November 3, 2006

MARTINSBURG — A total of 65 wanted fugitives were arrested in the Eastern Panhandle during a weeklong, nationwide roundup headed by the U.S. Marshals Service with the help of local, state and federal law enforcement.

News conferences were held across the country Thursday to announce the success of Operation Falcon III, an acronym standing for "federal and local cops organized nationally."

Nationally, deputy U.S. marshals and their law enforcement partners arrested a total of 10,773 fugitives and cleared 13,333 felony warrants during the seven-day operation, including 3,609 for narcotics violations and 140 homicide warrants. Also arrested nationally were 1,659 fugitive sex offenders, 971 unregistered sex offenders and 364 documented gang members.

In the Eastern Panhandle, 65 people were arrested on outstanding warrants and 111 warrants were cleared, Assistant U.S. Attorney Paul T. Camilletti and Deputy U.S. Marshal Michael Ulrich announced Thursday at a news conference at Martinsburg's U.S. District Court.

In the Northern District of West Virginia as a whole, 129 people were arrested, and 299 outstanding warrants were cleared, Camilletti said.

"Because of this effort, we have been very successful in apprehending our fugitives and getting them back into court and keeping the process going. We haven't had very many slip through the cracks. We've also been able with our task force to assist Maryland, Pennsylvania and Virginia in apprehending some of their fugitives," Camilletti said.

There are two ad hoc task forces currently, the Eastern Panhandle Fugitive Task Force and the Clarksburg Fugitive Task Force, operating in the district under the auspices of the U.S. Attorney and the U.S. Marshals Service.

"Our office has always supported the task force concept, and Operation Falcon III is an excellent example of how well task forces can work to benefit our communities," said Sharon L.Potter, U.S. attorney for the Northern District of West Virginia, during a separate press conference Thursday. "By combining the resources and intelligence available to local, state and federal agencies, we greatly enhance our ability to apprehend fugitives. Successful task force approaches in the Northern District of West Virginia have included drug trafficking, cyber crimes, crimes against children and now Operation Falcon III."

The Eastern Panhandle Fugitive Task Force consists of representatives from the Berkeley County Sheriff's Department, the Charles Town Police Department, Harpers Ferry Police Department, the Jefferson County Sheriff's Department, the Martinsburg Police Department, the Ranson Police Department, the Shepherdstown Police Department, the West Virginia State Police, the Bureau of Alcohol Tobacco, Firearms & Explosives, the U.S. Attorney's Office, the U.S. Department of State's Diplomatic Security Service and the U.S. Marshals Service.

"This year since January here in the Eastern Panhandle ... we've made an additional 107 arrests and cleared 152 warrants. Now that's a combined effort federal, state and locally. ... It's the local task force, it's the local officers that are really doing this work," Camilletti said.

Among the 129 total arrests in the Northern District of West Virginia, two were wanted for sex offenses, eight were wanted for sexual assault, three were wanted for being unregistered sex offenders, 28 were arrested for assault, 27 were arrested for

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burglary or larceny, 28 were arrested for financial fraud, one was arrested for homicide, nine were arrested for narcotics, four were arrested for robbery, three were arrested for weapons violations and seven were wanted on other charges.

"This effort certainly couldn't have been accomplished without state and local agencies. They all worked together," Ulrich said.

The number of arrests during the operation highlighted the manpower burden currently faced by local law enforcement.

It's like trying to put a forest fire out with a garden hose, said Berkeley County Sheriff Randy Smith, who was also at the press conference.

Camilletti also noted how growth is affecting the area.

"Our population is growing, and along with those populations, what we've seen in the counties to the east of us will occur here or it's already occurring. Our local officials here are addressing that problem every day," Camilletti said.

The roundup was conducted in 24 states east of the Mississippi River as well as Washington, D.C., and Puerto Rico. Deputy Marshals teamed up with thousands of officers, deputies, troopers, agents and investigators from other federal, state and local agencies to conduct the operation.

The operation received a major boost from the Adam Walsh Act, named after the murdered son of America's Most Wanted host John Walsh. The law directs federal resources to tasks of rounding up sexual predators and helping state and local governments catch convicted individuals who failed to register in communities where they live.

"Operation Falcon has once again proven how much we can accomplish with our network of federal, state and local law enforcement," U.S. Attorney Roberto Gonzales said at another press conference in Washington. "This operation has made our nation's neighborhoods and children safer by taking off the streets some of the works sex offenders, violent felons and gang members."

— Staff writer Edward Marshall can be reached at 263-8931, ext. 215, or emarshall@journal-news.net. The Associated Press contributed to this report.

Leaks About Lawmakers Prompt Warnings (NYT)

By David Johnston

The New York Times, November 3, 2006

WASHINGTON, Nov. 2 — Director Robert S. Mueller III of the F.B.I. has issued a stern message to the bureau's nearly 30,000 employees warning them against leaks of confidential information after recent news articles disclosed criminal inquiries involving incumbent lawmakers, mainly House Republicans.

"There have been a number of recent stories in the press attributing sensitive law enforcement information to 'federal law enforcement officials,' " Mr. Mueller said in an Oct. 26 e-mail message. "While I cannot say they have come from F.B.I. employees, such disclosures do serious damage to our investigations and risk unfairly tarnishing the subjects of our investigations who enjoy the presumption of innocence."

In similar election season warnings, senior Justice Department officials sent messages on Wednesday to prosecutors reminding them of departmental rules against leaks. One was sent by Alice S. Fisher, assistant attorney general in charge of the department's criminal division, to prosecutors in her unit. Another was issued by Michael A. Battle, director of the Justice Department office that coordinates with federal prosecutors throughout the country.

Mr. Mueller has tried, during his five-year tenure, to keep a tight lid on the Federal Bureau of Investigation's activities in advance of elections, and is said by some associates to have been "livid" at the recent disclosures. In some cases, the F.B.I. investigations have been made into campaign issues that have threatened the re-election prospects of incumbents.

"He was angered by it because he understands how the leaks can damage investigations," said John Miller, the F.B.I.'s spokesman.

Aides said Mr. Mueller, a former United States attorney and longtime courtroom prosecutor known for his strict adherence to secrecy rules, had written the e-mail message to communicate his strong views on the topic, although F.B.I. officials deny that agents were sources for the articles. The contents of Mr. Mueller's message have not been previously reported.

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Other administration officials said Mr. Mueller had initially contemplated sending an even sharper message after getting complaints from Justice Department officials about the unauthorized disclosures. They said the grousing seemed to have intensified as it appeared that control of the House could be decided by a handful of bruising contests in which accusations of ethical impropriety have become pivotal.

In a larger sense, the complaints underscore the tension inherent in Mr. Mueller's roles as the F.B.I. director. On counterterrorism issues, he is an important White House team player responsible for deterring threats. At the same time, he is the country's chief law enforcement official — managing public corruption investigations, including those that have centered on Republicans.

The sequence of events that irked Mr. Mueller began on Oct. 1 with the F.B.I.'s confirmation that the bureau had opened a preliminary inquiry into sexually explicit computer messages sent by Mark Foley, the Republican former representative from Florida, to under-age Congressional pages.

Some of the disclosures have thrown the F.B.I. off balance, among them an Oct. 14 report by McClatchy Newspapers that said federal agents had opened a criminal inquiry into whether Representative Curt Weldon, Republican of Pennsylvania, had obtained jobs and other favors for his daughter in exchange for helping overseas firms expand their business in the United States. On Oct. 16, F.B.I. agents raided six sites in Pennsylvania and Florida in the inquiry. Investigators were forced to conduct the searches much sooner than they had planned, fearing evidence might be destroyed after publication of the article, officials said.

Not all of the leaks involving incumbent lawmakers have been about Republicans. On Oct. 20, Time magazine reported on its Web site that Representative Jane Harman, Democrat of California, had been the subject of an investigation, which is no longer active, into her dealings with the American Israel Public Affairs Committee, or Aipac, a pro-Israel lobbying group.

The inquiry examined whether she had improperly sought to assist Aipac in return for the group's help in trying to persuade Representative Nancy Pelosi of California, the Democratic leader, to appoint Ms. Harman to lead the Intelligence Committee if the Democrats win control of the House.

The latest leak came on Oct. 24, when news organizations reported that Representative Rick Renzi, Republican of Arizona, was under investigation by the United States attorney's office in Phoenix over land deals.

Coach Is Charged In Balco Case (NYT)

By Michael S. Schmidt

The New York Times, November 3, 2006

Trevor Graham, the track coach who trained several elite Olympic athletes who have been linked to performance-enhancing drugs, was indicted yesterday in the investigation he helped begin three years ago.

A federal grand jury in San Francisco returned a three-count indictment accusing Graham of making false statements to special agents in the investigation into performance-enhancing drugs and related money laundering. The charges arise from the Bay Area Laboratory Co-Operative scandal, a sweeping investigation of sports doping.

The indictment alleged that Graham obtained illegal performance-enhancing drugs from an unidentified source and gave them to athletes he coached. It also said that Graham referred athletes to an unnamed source so they could obtain performance-enhancing drugs directly.

San Francisco Giants outfielder Barry Bonds, who holds the single-season home run record, remains under investigation by the same grand jury. Investigators are trying to determine if Bonds lied when he testified before an earlier grand jury that he had not knowingly used steroids and are also seeking to determine whether he paid taxes on cash sales of memorabilia.

Bonds's lawyer, Michael L. Rains, said by phone yesterday that the implications of Graham's indictment on Bonds in the continuing investigation are unclear.

Graham led prosecutors to begin the investigation into performance-enhancing drugs when he anonymously mailed a syringe to the United States Anti-Doping Agency in June 2003. When the contents of the syringe were analyzed, chemists found a previously undetectable steroid, "the clear."

Graham said he mailed the syringe because he wanted to clean up the sport, but witnesses brought before the grand jury have said that Graham did it in an effort to implicate athletes and coaches that his athletes competed against.

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Kevin V. Ryan, the United States attorney for the Northern District of California, said in a statement that Graham had lied to agents "who were pursuing the original source of the illegal performance-enhancing drugs taken by many of the athletes tied to Balco."

The United States attorney's office said that although Graham had spoken with investigators, he had not been granted immunity from prosecution for making false statements.

Graham was issued a summons to appear for arraignment on Nov. 16. If convicted, he could face 15 years in prison and $750,000 in fines.

Graham's lawyer, Joseph Zeszotarski, said in a statement that Graham looked forward to clearing his name in court.

"We are confident that when all of the evidence is revealed, not just the selected snippets leaked to the press, it will show the truth, and the truth is that Trevor has not made any false statement to the government," Zeszotarski said.

He said the allegations were even more troublesome because "it was Trevor who had the integrity and courage to turn in the sample that led to the Balco investigation in the first place."

Graham operates the North Carolina-based Sprint Capitol USA, a training center for elite track-and-field athletes. While several athletes trained by Graham have received suspensions for drug use, he has always denied direct knowledge or involvement.

One of Graham's top athletes was Justin Gatlin, who claimed a share of the world record in the 100-meter dash in April only to have it taken away after he tested positive for elevated levels of testosterone. Graham has also coached and trained the Olympic athletes Marion Jones, Tim Montgomery and C. J. Hunter.

Jones failed a preliminary drug test but was cleared by a second sample, and she has maintained that she has not used performance-enhancing substances. Hunter tested positive for a steroid. Montgomery has been suspended from competition until June 2007 for using a steroid, and his world record in the 100 meters has been taken away.

In a lengthy statement to federal investigators in 2004, Graham denied providing any of his athletes with illegal performance-enhancing drugs.

In July, The New York Times reported that a man who worked with Graham told the grand jury and federal investigators that he was the main supplier of performance-enhancing drugs to Graham and many of his athletes, including Jones and Montgomery.

The Balco investigation has led to five convictions — of Balco's founder, Victor Conte Jr.; its former vice president, James Valente; Greg Anderson, Bonds's trainer; Patrick Arnold, a chemist; and Remi Korchemny, a track coach.

Graham Indicted In BALCO Scandal (LAT)

By Philip Hersh, Special To The Times

The Los Angeles Times, November 3, 2006

Track coach who turned in the syringe that led to the doping case is accused of lying to federal agents, becoming the sixth indictment.

U.S. sprinter Justin Gatlin had just finished the news conference after winning the 100 meters at the 2004 Olympics when his coach, Trevor Graham, added a surreal dimension to the celebratory moment.

With Gatlin standing a few feet away in the basement of the Athens Olympic Stadium, Graham told a group of reporters he was the coach who turned in the syringe that triggered the BALCO doping scandal.

An ironic dimension was added Thursday, when a federal grand jury in San Francisco indicted Graham on charges of lying to federal agents investigating the BALCO affair. He faces up to 15 years in prison if convicted.

Gatlin, meanwhile, faces a possible eight-year ban after testing positive for the anabolic steroid testosterone April 22. He is among 10 athletes suspended for doping violations that occurred while Graham was their coach. In addition, Olympic champion Marion Jones has been under suspicion for doping that allegedly occurred while she trained with Graham.

Now that the federal investigation of Graham has ended in the indictment, the U.S. Anti-Doping Agency is likely to charge the coach with a doping offense.

"No one has a license to break sports rules or federal laws just because they turn in a drug dealer to the authorities," USADA general counsel Travis Tygart said Thursday.

Following USADA policy, Tygart said his comments were not related to a specific case.

In 2003, Graham sent USADA a syringe containing traces of a then-undetectable drug the coach said athletes were getting from BALCO founder Victor Conte. Analysis by the anti-doping lab at UCLA showed the substance was the steroid THG, a drug Illinois chemist Patrick Arnold created for Conte's clients.

Graham is the sixth person indicted in the BALCO investigation. The other five have been convicted after making deals with prosecutors that kept any of the cases from going to trial.

The question now becomes whether Graham cuts a deal that will prevent a trial in which many of his athletes and former athletes, including Jones and Gatlin, could be called to testify.

Because federal prosecutors had granted Graham immunity in return for his cooperation in the investigation, any deal the government makes now probably will hinge on that cooperation. The indictment specifies Graham was not given immunity from prosecution for making false statements.

Graham's attorney, Joseph Zeszotarski of Raleigh, N.C., said his client is not guilty and has not made any false statement.

"It is particularly troublesome the government has chosen to take this course when it was Trevor who had the integrity and courage to turn in the sample that led to the BALCO investigation. ... Yet this is how he is rewarded," Zeszotarski said in a statement.

When he publicly acknowledged having turned in the syringe, Graham said, "I was just a coach doing the right thing at the time. I have no regrets."

Skeptics contended Graham acted because he was concerned rival athletes were reaping benefits from THG while it was undetectable. He denies giving drugs to his athletes.

The indictment alleges Graham gave illegal performance-enhancing drugs to his athletes after obtaining them from "Source A," whom published reports have identified as Angel Guillermo Heredia, a shot putter from Laredo, Texas. The indictment says Graham also referred athletes to "Source A" to get the drugs directly from the source.

U.S. Olympic Committee spokesman Darryl Seibel declined comment on the indictment but said, "We've already made our position on Mr. Graham clear."

In August, the USOC banned Graham from using any of its training facilities.

Philip Hersh covers the Olympics for The Times and the Chicago Tribune.

Track Coach Trevor Graham Indicted (SFC)

By Mark Fainaru-wada And Lance Williams, Chronicle Staff Writer

San Francisco Chronicle, November 3, 2006

(11-02) 16:03 PST -- A track coach whose clients have included some of the world's greatest sprinters -- such as U.S. Olympic champions Marion Jones and Justin Gatlin -- was indicted Thursday for lying to federal agents when he told them he had never provided his athletes with performance-enhancing drugs in connection with the BALCO steroids case.

Trevor Graham, who has portrayed himself as a whistle blower for giving authorities the steroid-laced syringe that helped propel the BALCO probe in 2003, was indicted by a federal grand jury in San Francisco on three counts of making false statements to government agents.

Graham's indictment was another blow to American track and field, which has labored unsuccessfully to put the BALCO steroids scandal behind it. In the past two years, 14 track and field stars with ties to BALCO -- including Tim Montgomery, former world record holder in the 100 meters and a former Graham client -- have been disciplined for doping offenses. In July, Gatlin, a Graham protege, was suspended after testing positive for steroids.

Neither Graham nor his attorney, Joseph Zeszotarski, could be reached for comment.

The grand jury that indicted Graham for his statements in a 2004 interview with federal agents is also investigating whether Giants slugger Barry Bonds committed perjury for denying under oath that he knowingly used banned drugs from BALCO. There was no indication Thursday when or whether the grand jury might complete its probe of Bonds.

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Graham is the coach of the elite Sprint Capitol organization in North Carolina. Several of his athletes have tested positive for steroids, but he has repeatedly denied distributing the drugs.

However, at least three people connected with BALCO have told the government that Graham was a steroid dealer. Both BALCO ringleader Victor Conte and shot-putter C.J. Hunter told federal agents the coach distributed the drugs to his athletes, and Montgomery testified before a grand jury that Graham provided his athletes with steroids he had received through a "connection" in Mexico.

Thursday's indictment alleged that Graham lied to special agents from the Internal Revenue Service's Criminal Investigations unit when he told them he had never set up any of his athletes with performance-enhancing drugs from an unidentified source.

The indictment also alleged that Graham lied when he said he had never met the unidentified source, referred to as "Source A," in person. The third count against the coach claimed that he lied when stating his last contact with "Source A" had been a phone conversation in 1997.

Based on a reading of Graham's statement -- which was obtained and previously reported on by The Chronicle -- the unidentified source is Angel Guillermo Heredia, known throughout the BALCO case as "Memo." In his 2004 interview, Graham said Memo was a shot-putter from Laredo, Texas. According to the statement, Graham said he was not aware of any of his athletes obtaining drugs from Mexico; he had no connections with a Mexican lab; he only had spoken with Memo by phone, and hadn't talked with him since 1997.

The New York Times previously reported that Heredia told the grand jury in San Francisco that he provided steroids, human growth hormone and other performance enhancing drugs to Graham and his athletes between 1996 and 2000.

The indictment alleges that Graham met Source A in person for the first time in 1996 or 1997 and thereafter referred "numerous athletes coached by Graham to Source A to obtain illegal performance-enhancing drugs from Source A." The indictment also charged that Source A provided performance-enhancers to Graham and his athletes between the time of their first meeting and the 2004 interview with agents. Some of the athletes, the indictment, alleged, were associated with BALCO.

"Today's charges demonstrate this office's ongoing commitment to investigate and prosecute not only those involved in the illegal doping of our nation's athletes, but also those who lie to federal agents involved in a criminal investigation," said U.S. Attorney Kevin Ryan.

In June 2004, four months after four men were indicted in what the government termed a conspiracy to distribute performance-enhancing drugs to elite athletes, investigators interviewed Graham for nearly three-and-a-half hours with his lawyer present in Raleigh, N.C.

During the interview, Graham acknowledged he was the man who sent the now-famous, steroid-laced syringe to the U.S. Anti-Doping Agency in the summer of 2003 to expose Conte and BALCO. Graham also admitted he attended a meeting at BALCO in late 2003, where Conte hatched what became known as "Project World Record," a plan devised to turn Montgomery into the world's fastest man. Also at the meeting were sprint coach Charlie Francis -- the man who coached steroid cheat Ben Johnson -- and Milos Sarcev -- a bodybuilder and self-described anabolic expert.

Graham, however, insisted to the agents that he had never provided any illegal or banned performance-enhancing drugs to his athletes. For example, he stated the only things he had ever given Marion Jones were "Gatorade, protein and potassium for cramps," according to a copy of his statement. Graham told the investigators that as a coach he believed he had always "done the right things."

However, Hunter, the shot-putter and ex-husband of Jones, told agents Graham had provided Jones with the endurance-boosting drug EPO in the lead-up to the 2000 Sydney Games, where she won five medals, three of them gold.

At the Summer Olympics in Athens in 2004, Graham said he was the person who had sent the needle-less syringe with traces of a steroid in it to the U.S. Anti-Doping Agency in Colorado Springs. He said he was "just a coach doing the right thing."

However, many others connected to the BALCO probe have characterized Graham's action much more a result of a turf war between his athletes and those aligned with Conte, who he named as the originator of the steroid in the syringe.

The same day Graham sent the syringe to USADA, Conte drafted a letter to the anti-doping group and to the international governing body for track and field detailing allegations of Graham doping his athletes with "oral testosterone undeconate." Conte

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offered details about how Graham's athletes were avoiding being Conte, and, at the end of the letter, he named four sprinters he said were cheating. Among those was Gatlin, who currently shares the 100-meter world record. Conte ultimately didn't send the letter, but it was found in his trash by the lead BALCO investigator.

After Gatlin was caught cheating this summer -- adding to a list of nearly a dozen of Graham's current or former clients who either tested positive or were implicated for doping -- the coach lost his contract with Nike and was banned from U.S. Olympic Committee training centers.

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Graham Indicted For Role In Probe (WP)

By Amy Shipley, Washington Post Staff Writer

The Washington Post, November 3, 2006

Trevor Graham, the former coach of Marion Jones and other track and field stars, was indicted yesterday on federal charges of lying to investigators involved in the steroid probe that already has ensnared dozens of high-profile athletes.

In the five-page indictment from U.S. District Court for the Northern District of California, the government alleged that Graham lied about his relationship with an unnamed source of performance-enhancing drugs. The indictment said Graham met the source in 1996 or 1997, sent athletes to him for drugs and relied upon him for illegal drugs "for years."

The source is believed to be former athlete and nutritionist Angel Guillermo Heredia of Mexico and Laredo, Tex., who testified that he provided steroids, human growth hormone and the performance-enhancing drug EPO under Graham's direction from about 1996 through 2000, according to the New York Times.

A public records search showed that Graham's assistant coach, Randall Evans, shared an address in Laredo with Heredia in 1999.

Graham did not return a call seeking comment.

Graham's Raleigh, N.C.-based attorney, Joe Zeszotarski, said in a statement his client is the victim of false accusers possibly motivated to retaliate for Graham's role in kicking off what has been a historic crackdown on drugs in sports in the United States.

In the summer of 2003, Graham anonymously sent in a syringe that led the U.S. Anti-Doping Agency to uncover the designer steroid THG, which led to drug bans for more than a dozen athletes.

"Trevor's response is that he is not guilty, and he looks forward to clearing his name at trial," Zeszotarski said in the statement. "Given the money, reputation and freedom lost by many as a result of Trevor's integrity in turning in the sample, it is not at all surprising that people are now trying to say otherwise in an effort to harm Trevor."

Graham, who competed for Jamaica as a sprinter in the 1988 Summer Games, faces a maximum of five years in prison and a $250,000 fine for each of the three counts of making false statements. The indictment said investigators asked Graham about the source during a meeting in his attorney's office in Raleigh on June 8, 2004.

Graham has coached more than a half-dozen athletes who have been charged with doping violations, including Olympic champion Justin Gatlin and sprinter Latasha Jenkins, both of whom failed tests this summer.

Graham, who said Gatlin was the victim of a vengeful massage therapist, was fired from his contract at Nike and barred from the U.S. Olympic Committee's training centers. The USADA and world track and field governing body (IAAF) began a joint investigation of Graham in connection with doping allegations.

Graham was issued a summons to appear for arraignment Nov. 16 before Magistrate Judge Edward M. Chen.

"Today's charges demonstrate this office's ongoing commitment to investigate and prosecute not only those involved in the illegal doping of our nation's athletes, but also those who lie to federal agents involved in a criminal investigation," U.S. attorney Kevin V. Ryan said in a statement.

Sprinter's Coach Indicted For Lying To Feds (CHIT)

By Philip Hersh, Tribune Olympic Sports Reporter

Chicago Tribune, November 3, 2006

DOJ_NMG_0090604

U.S. sprinter Justin Gatlin had just finished the news conference after winning the 100 meters at the 2004 Olympics when his coach, Trevor Graham, added a surreal dimension to the celebratory moment.

With Gatlin standing a few feet away in the basement of the Athens Olympic Stadium, Graham told a small group of reporters he was the coach who turned in the syringe that triggered the BALCO doping scandal.

An ironic dimension was added Thursday when a federal grand jury in San Francisco indicted Graham on charges of lying to federal agents investigating the BALCO affair. He faces up to 15 years in prison if convicted.

Gatlin, meanwhile, faces a possible eight-year ban after testing positive for the anabolic steroid testosterone April 22. He is among 10 athletes suspended for doping violations that occurred while Graham was their coach. In addition, Olympic champion Marion Jones has been under suspicion of doping that allegedly occurred while she trained with Graham.

Now that the federal investigation of Graham has resulted in the indictment, the U.S. Anti-Doping Agency is likely to charge the coach with a doping offense.

"No one has a license to break sports rules or federal laws just because they turn in a drug dealer to the authorities," USADA general counsel Travis Tygart said Thursday.

Following USADA policy, Tygart said his comments were not related to a specific case.

"We know athletes rarely dope on their own," Tygart said.

In 2003, Graham sent USADA a syringe containing traces of a then-undetectable drug the coach said athletes were getting from BALCO founder Victor Conte. Analysis by the anti-doping lab at UCLA showed the substance was the steroid THG, a drug Illinois chemist Patrick Arnold created for Conte's clients.

Graham is the sixth person indicted in the BALCO investigation, a group that includes Barry Bonds' trainer, Greg Anderson. The other five have been convicted after making deals with prosecutors that kept any of the cases from going to trial.

The question now becomes whether Graham cuts a deal that will prevent a trial in which many of his athletes and former athletes, including Jones and Gatlin, could be called to testify.

Because federal prosecutors had granted Graham immunity in return for his cooperation in the investigation, any deal the government makes now probably will hinge on that cooperation. The indictment specifies Graham was not given immunity from prosecution for making false statements.

Graham's attorney, Joseph Zeszotarski of Raleigh, N.C., said his client is not guilty and has not made any false statement.

"It is particularly troublesome the government has chosen to take this course when it was Trevor who had the integrity and courage to turn in the sample that led to the BALCO investigation. … Yet this is how he is rewarded," Zeszotarski said in a statement.

When he publicly acknowledged having turned in the syringe, Graham said, "I was just a coach doing the right thing at the time. I have no regrets."

Skeptics contended Graham acted because he was concerned rivals were reaping benefits from THG while it was undetectable. He denies giving drugs to the athletes he has coached on a Raleigh-based team called Sprint Capitol, USA.

The indictment alleges Graham gave illegal performance-enhancing drugs to his athletes after obtaining them from "Source A," whom published reports have identified as Angel Guillermo Heredia, a shot putter from Laredo, Texas or referred them to "Source A" to get the drugs directly from him.

U.S. Olympic Committee spokesman Darryl Seibel declined comment on the indictment but said, "We've already made our position on Mr. Graham clear."

In August, the USOC banned Graham from using any of its training facilities.

phersh@tribune.com

Graham Charged With False Statements In Steroid Probe (Update1) (BLOOM)

By Karen Gullo

Bloomberg, November 3, 2006

Nov. 2 (Bloomberg) -- Track coach Trevor Graham, who helped spark a federal inquiry into steroid use by athletes, was charged with making false statements to federal agents about getting steroids for his athletes.

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Graham, coach to Olympic sprinters Marion Jones and Justin Gatlin, obtained illegal performance enhancing drugs from an unnamed source and lied about it to U.S. Internal Revenue Service agents who interviewed him in June 2004, according to a statement today by the U.S. Attorney's office in San Francisco. Graham also lied about never meeting the source in person, and about his last contacts with the unnamed supplier, the statement said.

The defendant said ``he never set up any of his athletes with drugs" when ``in fact Graham obtained illegal performance-enhancing drugs from Source A and thereafter provided them to athletes he was coaching and also referred athletes he was coaching to Source A," said the statement.

Graham was a witness in a federal investigation into Bay Area Laboratory Co-Operative, a Burlingame, California, lab known as Balco, the U.S. Attorney said. The lab's founder and four others, including Greg Anderson, trainer to baseball player Barry Bonds, have pleaded guilty to distributing steroids. No athletes have been charged. Joseph Zeszotarski, Graham's attorney in Raleigh, North Carolina, didn't return a message left on voicemail after hours. Bonds has denied using steroids.

False Statements

Graham made the false statements while being interviewed about his relationship with ``Source A," who provided Graham and his athletes, some of whom were associated with Balco, with illegal drugs, prosecutors said. He was indicted on three counts of making false statements, each carrying a maximum penalty of five years in prison and a $250,000 fine. Graham wasn't charged with distributing steroids.

The U.S. Olympic Committee banned Graham from its training centers Aug. 3, the first time the organization has levied such a penalty, after Olympic 100-meters champion Gatlin tested positive for testosterone at a meet in April.

Graham, who is based in North Carolina, is the coach of sprinters Jones and Gatlin. Gatlin faces an eight-year ban after failing a second drug test in August, and Jones was cleared of using banned substances.

Graham is also being investigated by the International Association of Athletics Federations after Gatlin failed a doping test, the group said in August. Graham is fighting the Olympic ban and Gatlin has denied wrongdoing.

Trained

Graham has also trained twins Alvin and Calvin Harrison, Jerome Young, Michelle Collins and Tim Montgomery, who have all received doping suspensions.

The San Francisco U.S. Attorney's Office launched an investigation three years ago into steroid use by athletes, including baseball player Barry Bonds. The probe was sparked in part by Graham, who anonymously mailed a syringe containing a sample of tetrahydrogestrinone, known as THG or the Clear, a synthetic ``designer steroid" that was once undetectable and is banned in baseball.

``I was just a coach doing the right ting at the time," Graham said in a 2004 interview with the Associated Press at the Athens Olympics.

The case is U.S. v Trevor Graham, U.S. District Court, San Francisco.

Graham Charged With Hindering Probe (SFC/AP)

By David Kravets And Paul Elias, Associated Press Writers

San Francisco Chronicle, November 3, 2006

(11-02) 22:34 PST San Francisco (AP) --

The elite track coach who trained Justin Gatlin, Marion Jones and Tim Montgomery was charged Thursday with hindering the federal steroids probe he helped launch three years ago when he mailed a syringe of a designer drug to anti-doping agents.

Trevor Graham was charged with three counts of making false statements to federal agents in an indictment issued by the grand jury investigating performance-enhancing drugs in professional sports.

If convicted, Graham faces a maximum penalty of 15 years in prison and a $750,000 fine. He was summoned to appear for arraignment Nov. 16 in U.S. District Court.

Graham operates Raleigh, N.C.-based Sprint Capitol USA, a team of about 10 athletes that includes Gatlin, the 100-meter co-world record holder who tested positive for testosterone and other steroids in April.

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He also coached sprinters Jones, who won five medals at the 2000 Sydney Games, and her ex-boyfriend, Montgomery, formerly the world's fastest man. He was suspended from competition for two years, although he never has tested positive for a banned substance.

Three years ago, Graham anonymously mailed a syringe containing "the clear," a previously undetectable steroid to the U.S. Anti-Doping Agency. At the 2004 Athens Olympics, Graham acknowledged mailing the drug, saying: "I was just a coach doing the right thing at the time." He did not say why he turned in the syringe or how he got the material.

According to the indictment, Graham lied to federal investigators in 2004 when he told them he didn't provide his athletes with performance-enhancing drugs.

It said he obtained those drugs from a person identified only as "Source A" and that he "provided them to athletes he was coaching and also referred athletes he was coaching to Source A to obtain illegal performance-enhancing drugs directly from Source A."

Graham was granted immunity for his cooperation but not from prosecution for making false statements, prosecutors said.

"Today's charges demonstrate this office's ongoing commitment to investigate and prosecute not only those involved in the illegal doping of our nation's athletes, but also those who lie to federal agents involved in a criminal investigation," San Francisco U.S. Attorney Kevin Ryan said.

Graham's Raleigh-based attorney Joseph Zeszotarski said his client was innocent and has cooperated with federal authorities.

"It is particularly troublesome that the government has chosen to take this course, when it was Trevor, who had the integrity, and courage, to turn in the sample that led to the BALCO investigation in the first place," he said. "Yet this is how he is rewarded."

The move touched off the Bay Area Laboratory Co-Operative investigation. It since has netted five convictions, including that of Patrick Arnold, the Illinois chemist who produced the clear for the now-defunct Burlingame supplement company that served as a front for a steroids ring.

"We know athletes rarely dope on their own," said Travis Tygart, general counsel for the USADA. "I can't comment on any active USADA case but to the extent that criminal laws and sport rules can be harnessed together to eradicate the root of the problem by stopping coaches and others who prey on our athletes, it's a great day for all of us who are interested in clean sport."

In August, the U.S. Olympic Committee banned Graham from its training centers, because many of his athletes have been suspended for doping offenses.

USOC spokesman Darryl Seibel declined comment on the indictment.

Jill Geer, spokeswoman for USA Track & Field, said the sport's governing body "has always believed that anyone involved in doping, whether an athlete, coach, support staff or other person, should be held accountable.

"We are not familiar with the investigation or the particular evidence in Mr. Graham's case," she said, "so we will wait for the justice system to run its course."

Barry Bonds' trainer, Greg Anderson, also was convicted in the BALCO investigation. The grand jury also is examining whether the slugger committed perjury when he told a grand jury in 2003 that he never knowingly used steroids. He told the panel he believed Anderson had supplied him with flaxseed oil and arthritis balm.

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Associated Press sports writer Bob Baum in Phoenix contributed to this report.

Track And Field Coach Graham Indicted (SN)

Sports Network, November 2, 2006

San Francisco, CA (Sports Network) - Trevor Graham, a track and field coach of Olympic athletes, was indicted Thursday by a federal grand jury for his role in the Bay Area Laboratory Co-operative (BALCO) steroid distribution case.

Graham was charged with three counts of making false statements to special agents of IRS-Criminal Investigation (IRS-CI). According to United States Attorney Kevin Ryan, during the criminal investigation, Graham was a witness in determining the ultimate source for illegal performance-enhancing drugs taken by many athletes who were connected with BALCO.

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The indictment states that on June 8, 2004, Graham was interviewed by federal agents about his relationship with a source, who provided Graham and the athletes he was coaching, some of whom were associated with BALCO, with illegal performance-enhancing drugs.

The indictment alleges Graham lied to special agents by saying he never arranged for any of his athletes to obtain drugs from the source. The indictment also alleges that Graham got illegal performance-enhancing drugs from the said source and then provided them directly to athletes he was coaching. Graham also allegedly lied that he never met the source in person and, according to the indictment, falsified that he last spoke with the source in 1997.

"The charges allege that Graham intentionally lied to IRS-CI agents who were pursuing the original source of the illegal performance-enhancing drugs taken by many of the athletes tied to BALCO," Ryan said. "Today's charges demonstrate this office's ongoing commitment to investigate and prosecute not only those involved in the illegal doping of our nation's athletes, but also those who lie to federal agents involved in a criminal investigation. As made clear today, intentionally making false statements to federal agents in the course of a criminal investigation is a serious federal felony."

Graham's arraignment is set for November 16 before Magistrate Judge Edward M. Chen. He faces 15 years in prison and a fine of $750,000 if convicted on all three counts.

"We can't turn a blind eye to the use of performance enhancing drugs and the money laundering associated with it," said Diane Carter, IRS-CI assistant special agent in charge. "When you lie or mislead investigators regarding the use or distribution of illegal steroids, those actions will be aggressively pursued by the IRS as well other law enforcement organizations and the U.S. Attorney's Office."

Graham operates Sprint Capitol USA, which was formed in 1993, and is based in Raleigh, North Carolina. Athletes such as Marion Jones and former 100-meter world record holder Tim Montgomery have all trained under Graham.

Montgomery was charged with using illegal performance-enhancing drugs, by the United States Anti-Doping Agency (USADA), even though he did not return a positive drug test. Montgomery was banned for two years. Although Jones had reportedly received banned drugs from BALCO, she was cleared of a separate doping allegation this past summer after reportedly failing one drug test for Erythropoietin (EPO), a banned performance-enhancer.

Graham has also worked with sprinter Justin Gatlin, who in August received an eight-year suspension for testing positive for a prohibited anabolic agent. Gatlin won the gold medal in the 100 meters at the 2004 Olympics.

Several other athletes who have worked with Graham have been banned for illegal substances.

Sports Track Coach Charged With Obstruction In Balco Case (NPR)

NPR/ATC, November 2, 2006

All Things Considered, November 2, 2006 · Track and field coach Trevor Graham has been charged with impeding the Balco investigation of drug use by some of the world's best athletes. Graham, one of the highest-profile track coaches in the world, has coached stars such as Marion Jones, Justin Gatlin and Tim Montgomery.

The indictment alleges that Graham lied to agents in 2004 by stating that he never supplied any of his athletes with drugs. The indictment says that, in fact, Graham obtained illegal performance-enhancing drugs and provided them to athletes he was coaching. And, it alleges, Graham also referred athletes he was coaching to an unnamed source to obtain illegal performance-enhancing drugs directly.

An odd fact of his case is that it was Graham who tipped off anti-doping authorities about the Balco lab three years ago, by anonymously sending them a syringe with an undetectable steroid.

Graham's prize pupil Justin Gatlin, admitted this past summer that he'd tested positive for testosterone. Gatlin, the co-world record holder in 100 meters and the reigning Olympic and world champion, was banned from the sport by U.S. Ant-Doping Agency for up to 8 years.

The grand jury that handed out the indictment against Graham is the same one that continues to investigate baseball star Barry Bonds.

At least one sports analyst says that Graham's indictment is good news for Bonds, as it means that the grand jury is taking action against the coach -- but still apparently doesn't have enough evidence to issue charges against Bonds.

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Bonds, the record-setting outfielder, is being investigated for possible perjury and tax evasion.

Graham Indicted In Steroids Probe (BBC)

BBC Sports, November 2, 2006

Sprint coach Trevor Graham has been charged with hindering a US government investigation into steroids in sport.

Graham, whose stars included disgraced Olympic 100m champion Justin Gatlin, was indicted on three counts of making false statements to federal agents.

The North Carolina-based coach was summoned to appear for arraignment on 16 November in a US District Court.

If convicted of all three counts, he faces a maximum penalty of 15 years in prison and $750,000.

Sheriff, Aides Indicted In Federal Drug Investigation (WT)

By Jerry Seper

The Washington Times, November 3, 2006

A federal grand jury has indicted 20 persons, including Henry County, Va., Sheriff Harold Frank Cassell and 12 of his current or former deputies, in connection with a major drug, weapon and money-laundering conspiracy in southern Virginia.

Fourteen persons were arrested yesterday as a result of a Drug Enforcement Administration investigation. The county law-enforcement officers are accused of stealing, selling and using cocaine, crack, marijuana, steroids and date-rape drugs and confiscating weapons being held as evidence.

Several also are accused of using a drug drop house for extramarital sex.

Police had been in contact with the rest of those indicted except for one, U.S. Attorney John L. Brownlee said.

At a bail hearing yesterday afternoon, U.S. Magistrate Judge Michael F. Urbanski released Sheriff Cassell on $25,000 bail and ordered that he have no contact with the other defendants.

At the prosecution's request, Judge Urbanski also told Sheriff Cassell, 68, not to discuss the case with any county employee because an investigation of corruption in Henry County's government is ongoing.

Former county administrator Sid Clower went to prison for embezzling more than $818,000 from 1993 to 2002 as the county sank into economic despair. He used the money for gifts, trips and to support an out-of-wedlock child.

State police and officers from Martinsville, Va., are helping run the Henry County department in the meantime.

According to a 48-count indictment filed in U.S. District Court in Abingdon, Va., at least four law-enforcement officers stole firearms, money, electronic equipment, illegal drugs and other items held by the department as evidence and that at least 10 others sought to impede and obstruct a federal investigation into the suspected conspiracy.

Hundreds of pounds of cocaine, crack and marijuana are thought to have been seized and later sold.

Sheriff Cassell was quoted by investigators as saying that the only way to acquire wealth is to be "a little crooked and not get caught."

He owns large tracts of land and a trucking company and has reported more than $20,000 in dividends yearly, the government said.

"As a public servant, I am deeply disturbed by the actions of these individuals, especially the law-enforcement officers arrested today," said Shawn A. Johnson, special agent in charge of the DEA's Washington division. "Those who betray the public trust insult the integrity and honor of all police officers who risk their lives upholding the law."

A U.S. Postal Service employee and a county probation officer were among those charged in the case.

The indictment, which was made public yesterday, states that the conspiracy began in 1998 when sworn officers, employees and associates of the sheriff's office took part in a "continuous scheme" to distribute the date-rape drug Ketamine, cocaine, crack and marijuana.

The indictment states that members of the conspiracy used their connections with the sheriff's office to obtain drugs and avoid arrest. It also states that they took seized firearms for their own use.

Sheriff Cassell, according to the indictment, was advised by authorities of drug deals going on in his department but chose not to take any action. It states that he covered up several illegal activities by making false statements to federal investigators and by aiding and abetting the money-laundering aspect of the operation.

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Sheriff Cassell was with the state police before being elected sheriff in 1992. He earned a salary of about $90,000, according to state figures The county of about 58,000 residents is best known for the Martinsville Speedway, where NASCAR races are run twice a year.

The sheriff has 122 employees, including 96 sworn officers.

The county supervisors last night asked Sheriff Cassell to resign, saying they thought his ability to manage his department had been "irreparably damaged."

John Lichtenstein, Sheriff Cassell's attorney, said his client would assess the issues and "make a decision that he believes reflects the best interests of the people."

Mr. Brownlee said a major break in the investigation came as a result of Operation Cyber Chase. In March 2005, DEA agents in the Philadelphia field office notified agents in Roanoke that they made a controlled delivery of two kilograms of Ketamine -- a sedative -- to a residence in Martinsville, Va.

Agents arrested William Reed, who rented the residence from a sergeant with the county sheriff's office. Mr. Reed was charged with possession with intent to distribute Ketamine. Facing criminal charges and a lengthy sentence, Mr. Reed agreed to cooperate in the DEA probe, Mr. Brownlee said. The sergeant has been indicted in the case.

Sheriff And Several Deputies Charged In Drug Trafficking (WP)

By Fredrick Kunkle, Washington Post Staff Writer

The Washington Post, November 3, 2006

The longtime sheriff of Henry County, Va., and 12 former and current deputies have been charged with participating in a drug-trafficking ring in the rural county on the North Carolina border, Drug Enforcement Agency officials said yesterday.

Harold F. Cassell, 68, who has been sheriff since 1992, was alerted to the illegal activity but did nothing to stop it, instead making false statements and aiding in money laundering to cover it up, federal officials said.

Twenty people, including sworn officers, employees and associates of officers, dealt in illegal drugs, including cocaine, crack, steroids, ketamine and hundreds of pounds of marijuana, over a five-year period beginning in 1998, federal officials said. Participants in the conspiracy also trafficked in seized weapons, including a machine gun, according to a 48-count indictment returned Wednesday in Abingdon and unsealed yesterday.

"The accusations are very serious, and we're taking them seriously. He's presumed innocent," said Cassell's attorney, John E. Lichtenstein. "He has a great deal of faith, both personal and religious."

Cassell, who goes by Frank, patrolled Henry County for years as a state trooper before becoming sheriff. He has been married for 44 years and has two daughters and several grandchildren, Lichtenstein said.

The mayor of Martinsville, which has about 15,500 residents and is the county seat, said people were distressed by the allegations. The sheriff's office, with 122 employees, including 96 sworn officers, is the primary law enforcement agency in Henry, which has no county police department.

"Without question, there is a lot of talking, and more than a little disbelief, and I think there's a lot of disappointment," said Mayor Kimble Reynolds Jr. The mayor, who is a defense lawyer, said he had heard courthouse whispers about "strong-willed personalities bumping heads" inside Cassell's department but never any word that deputies might be engaged in illicit activity.

DEA officials said a major break came in March 2005 during a large investigation, dubbed Operation Cyber Chase, into illegal online prescription drug sales.

While investigating more than 200 Web sites that illegally sold drugs around the world, DEA agents intercepted an express mail package containing 2 kilograms of ketamine, an animal tranquilizer known as Special K, that was shipped to a Henry residence, the indictment says.

DEA agents set up a sting for its intended recipient, who told them he was working as a middleman for Sgt. James A. Vaught of the sheriff's office, the indictment says. The middleman said the residence was used for drug deals and extramarital affairs, the indictment says. From there, federal agents built a case against 20 people, including the former head of the vice unit in the sheriff's office.

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Cassell, who lives in Axton, allegedly agreed not to pursue investigations and to pass on tips of outside law enforcement activity to the conspirators. He also cosigned a loan for Vaught to help launder $10,000 in drug proceeds that Vaught received, federal officials said.

Vaught, 33, of Ridgway, resigned from the sheriff's office in March 2005 and agreed to cooperate with state and federal investigators, the indictment says.

Cassell has a reputation as a seasoned sheriff who runs his office in a blunt-talking, no-nonsense fashion.

The news comes as the region struggles with the loss of textile and furniture-making jobs and with recent attention from the national news media over a massive mortgage fraud case involving a Martinsville native. The nation's largest home lender recently filed suit, saying that Robert Penn, a Martinsville native who now lives in Indianapolis, tricked dozens of Virginia residents into purchasing Indiana homes at inflated prices.

"We're trying to battle back against the current," Reynolds said.

Staff researcher Meg Smith contributed to this report.

Virginia Sheriff Indicted In Gun, Drug Case (AP)

By Sue Lindsey, Associated Press

AP, November 3, 2006

ROANOKE -- Henry County Sheriff H. Franklin Cassell and 12 of his uniformed employees have been indicted in a federal investigation into drug and gun dealing.

A U.S. Postal Service employee, a probation officer and five residents also were charged in the 34-count indictment, which was issued Tuesday and unsealed today.

Charges include a racketeering conspiracy, narcotics distribution, obstruction of justice and perjury plus firearms charges.

The indictment states that drugs and guns seized by the sheriff's office were sold to residents for distribution. The conspiracy began in 1998, the indictment reads.

"It is disgraceful corruption," John Brownlee, U.S. attorney for western Virginia, said at a press conference.

Sheriff Cassell was charged with money laundering and impeding the investigation by the FBI and federal drug enforcement agents. He was in custody and faced an afternoon bond hearing today.

Fourteen others also were in custody, and police had been in contact with the rest of those indicted except for one defendant who was at large, Mr. Brownlee said.

The indictment states that one of the residents, William R. Reed, told investigators that a house owned by one of the sheriff's officers was used for drug distribution. Mr. Reed cooperated in the investigation following his arrest last year on charges of possession of narcotics with intent to distribute.

Mr. Reed said he was a middleman in the distribution ring and paid James A. Vaught, a sergeant with the sheriff's office, to use the house he owned for drug distribution.

According to the indictment, drugs involved in the conspiracy were narcotics, cocaine, steroids and marijuana.

The Henry County Sheriff's Office declined to comment.

A county sheriff's dispatcher referred questions to the state police office in Salem. An officer who answered the phone there referred calls to the U.S. attorney.

Sheriff Cassell has been sheriff since 1992 in the rural county of about 58,000 residents along the North Carolina line. The area is a former textile and furniture region that has fallen on hard times with the closing of many factories.

The sheriff's department has about 122 employees, including 96 law enforcement officers, according to the indictment. State police and officers from the neighboring city of Martinsville are helping the county, a state police official said.

'Disgraceful' Suspects Rounded Up By Federal Agents In Pre-dawn Raid. (ROT)

By Lindsey Nair

Roanoke Times, November 3, 2006

One year into a corruption investigation targeting his department, Henry County Sheriff Frank Cassell reportedly told a federal agent:

"If you think I'm crooked or if I got a bunch of crooked people, by God you investigate it and put me in court."

Seven months later, Cassell was shuffling into a federal courtroom in ankle chains.

A 48-count indictment brought down this week accuses sheriff's office employees of using and dealing drugs; stealing narcotics and guns from evidence and redistributing them in the community; and lying to federal investigators.

Cassell himself is accused of trying to throw federal agents off the trail to protect officers he knew were involved in illegal activity.

Most of the 20 defendants in the case, seven of whom are civilians, were rounded up from their homes before dawn Thursday by agents with the Federal Bureau of Investigation and the Drug Enforcement Administration.

The investigation began in March 2005 with a tip from the Philadelphia DEA office about a package containing the illegal drug ketamine, known as a date rape drug. Undercover agents brought the package to a house in Martinsville, where it was accepted by William Randall Reed of Fieldale.

Reed later told agents he rented the house from James Alden Vaught, then a sergeant with the Henry County Sheriff's Office, and paid Vaught in cash and ketamine to use the house as a drug drop, the document states. He added that he had helped Vaught sell 2 kilograms of cocaine the sergeant had seized from a drug dealer as part of an investigation.

According to the indictment, Reed also told agents that he and Henry County Deputy Bradley Scott Martin had jointly used and sold ketamine and steroids for about eight years.

Vaught resigned from the sheriff's office soon after and began cooperating with authorities in July 2005, records show. He shared mountains of evidence about corruption at the department and wore a wire during conversations with Cassell.

Here are some of the allegations in the indictment:

n School resource officer and vice officer David Allan King stole seized drugs, falsified destruction orders for them and then sold them through Vaught and civilian associates. Estimates are that multiple kilograms of cocaine, ounces of crack and hundreds of pounds of marijuana were stolen.

n Canine officer Walter R. Hairston on 10 occasions illegally took seized drugs that he was supposed to use for dog training purposes and gave them to others for sale.

n A deputy got steroids and prescription pills from Mexico for his own use and for sale to users at local gyms.

n Vaught's house was used as a spot for fellow officers to conduct extramarital affairs.

n Deputies stole guns, money and other evidence from the property room. Others were caught in possession of unregistered guns with obliterated serial numbers.

n At least 10 defendants, including the sheriff, lied to federal agents and to the grand jury and passed sensitive information on to co-defendants to help them avoid apprehension.

"It is disgraceful corruption," U.S. Attorney John Brownlee said.

Prosecutors believe Cassell knew about Vaught's distribution of cocaine and embezzlement of money and was aware of the use of steroids by members of his staff but failed to pursue investigations. In a covertly recorded conversation, Vaught told Cassell about the cocaine and Cassell said, "that's not particularly shocking" and "that's water over the dam" and nobody else needed to know about it, court records claim.

In a later conversation, according to the documents, Vaught and Cassell met in an isolated spot behind the sheriff's house. There, Vaught reported to Cassell that he thought one deputy was a "stooge" and Cassell replied that he should have fired that deputy a long time ago because he knew he used steroids.

"I said you come in here looking like King Kong. I said I'm, I'm stupid but I ain't plum foolish. I said don't insult my intelligence by denying it, it's over with," Cassell reportedly said.

When Vaught told the sheriff about the shipments of ketamine to his rental house and drug money he had earned, then told him he "lied through his teeth" to the DEA, the sheriff allegedly responded:

"See I had no damn idea or I'd of stonewalled ... at least to give you a chance to get your act together."

Prosecutors say Cassell also helped Vaught figure out a way to hide thousands of dollars in drug money.

Brownlee declined to say how much money may have been made through the alleged corruption.

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On Thursday, U.S. Magistrate Judge Michael Urbanski released all but two of the 16 defendants who appeared before him, including Cassell, on bond. Brown and Trantham were detained temporarily until they can get attorneys for a bond hearing.

Some of the defendants resigned from the sheriff's office during the investigation. Unlike the other current sheriff's office employees, Cassell was allowed to return to work under stringent conditions.

Among others, he may not carry a firearm or talk with any co-defendants or possible witnesses.

Cassell had no comment as he left the federal courthouse, but one of his attorneys, John Lichtenstein, said he expected his client to return to work today.

Although the Henry County Board of Supervisors asked for Cassell's resignation Thursday, Lichtenstein said, "All those decisions are under way."

State law allows a circuit court judge to remove an elected official such as a sheriff if the judge receives a petition from voters who live in the official's district. The petition must be signed by enough people to equal 10 percent of the votes cast for the office in the last election.

Even with a petition, the decision is up to the judge's discretion, said Salem attorney and state House Majority Leader Morgan Griffith. He said that's unlikely without a criminal conviction or absolutely clear evidence of misconduct.

The arrest of 13 out of 94 sworn officers, including two of the top-ranking ones, put a significant dent in the department's ranks. Additionally, just this fall, Lt. Kimmy Nester was demoted from major for unknown reasons. He was not named in the indictment.

Virginia State Police Superintendent Steven Flaherty said additional troopers have been assigned to Henry County.

"I want to reassure the people of Henry County that their law enforcement response is in sound hands," he said.

Gov. Tim Kaine said he approved the decision.

"We're not going to leave the people of Henry County shorthanded at a time which will be a real challenging time for their community," he said.

Deputy County Administrator Tim Hall said Capt. Lane Perry was running the sheriff's office on Thursday and he believed everyone else scheduled to work who had not been arrested had reported.

Although County Administrator Benny Summerlin said he had been aware of the federal investigation for "some time" and his office had cooperated, it came as a shock to Hall.

He said he found out only after driving to work and seeing the sheriff's office surrounded by a swarm of law enforcement vehicles and a helicopter.

Only a few citizens had called the administration office Thursday morning, Hall said, but many may have questions in the coming days.

"Anybody that's elected, by definition people have given you their faith," Hall said, "and I'm sure there are some people who feel like they've been wronged."

The Associated Press and staff writers Mike Allen, Michael Sluss and Mason Adams contributed to this report.

Henry Co. Sheriff Arrested On Federal Charges (RTD)

Richmond (VA) Times-Dispatch, November 2, 2006

ROANOKE -- Henry County officials are asking for the resignation of Sheriff H. Franklin Cassell, who was indicted along with 12 of his current and former employees on charges in a drug-related racketeering case.

Cassell is among 20 people who have been indicted, federal authorities announced yesterday.

The indictment alleges that since 1998, sheriff's office employees took drugs and firearms that had been seized and sold them back to the community or kept contraband for themselves. Multiple kilograms of cocaine and hundreds of pounds of marijuana were taken and resold, according to the indictment.

"The members of this conspiracy took advantage of the trust placed in them as law-enforcement officers," U.S. Attorney John Brownlee said in a statement.

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The current and former employees of the sheriff's office who were charged include two sergeants, one from the vice unit; a major who was a captain at the time of the alleged offenses; a probation officer; two deputies; and a vice officer. A U.S. Postal Service employee, a probation officer and five other people were also charged in the indictment, which was unsealed yesterday.

Charges include a racketeering con- spiracy, theft of firearms, drug distribution, money laundering, obstruction of justice and perjury.

Cassell, who has been sheriff since 1992, was charged with impeding the investigation by the FBI and federal drug-enforcement agents. He was released on $25,000 unsecured bond and told not to discuss the case with any county employees and not to have contact with other people named in the indictment or potential government witnesses.

H.G. Vaughn, chairman of the Henry Board of Supervisors, said the board passed a resolution yesterday evening asking Cassell to resign immediately. He said the board had met with FBI, Drug Enforcement Administration and Virginia State Police officials in a closed-door meeting.

The two-paragraph resolution said that while the supervisors did not intend to determine guilt or innocence, "it is this board's firm belief that Sheriff H.F. Cassell's ability to manage his department is irreparably damaged in light of these events."

As Cassell walked out of U.S. District Court with his lawyer, John Lichtenstein, reporters asked whether the sheriff plans to resign. "All those decisions are under way," Lichtenstein said.

Vaughn said that if the sheriff resigns, a circuit court judge would appoint someone to act as sheriff until the next general election. A sheriff's captain, Lane Perry, was running the department yesterday.

Vaughn said he learned about the indictments just after 8 a.m. when he received a call from the county administrator's office.

"We're trying to do a lot of things to promote a good, positive image and promote quality of life -- and something like this happens," Vaughn said. "It's devastating."

"It's just an awful day," echoed Del. Ward L. Armstrong, D-Henry, who represented one of the indicted officers at a bond hearing yesterday.

Armstrong said the indictments are bad for community morale and a distraction from economic-development efforts, given recent losses in area manufacturing jobs. He also mentioned former county administrator Sidney Clower's conviction on embezzlement and tax-evasion charges in 2002 and 2004.

"You don't want to be repeatedly in the national news for something like this," Armstrong said, adding that the community will weather this storm as it has others.

Deputy County Administrator Tim Hall said of the indicted employees, "People put their faith in them. I guess there'll be some people who feel like they've been done wrong."

Vaughn said the supervisors are emphasizing to county residents that the sheriff's office employees who are indicted make up a small part of the department, which has a staff of more than 120.

It's not the first time Henry County has made headlines for its drug woes.

"We feel like we're sticking our thumb in a dike -- we're not stopping it, but we're slowing it down," Cassell told The Associated Press in 1992 after dozens of area residents were indicted on charges related to a wide-ranging drug investigation for the third time in less than two years. "We've got a serious drug problem in this area."

In 1996, U.S. News & World Report chronicled the Sandy Level community's crack-cocaine fever, driven by heavily armed 13- to 17-year-old dealers selling to Virginians and North Carolinians in the border community. That remote section of the county long had a tough, blue-collar reputation for bootlegging and nip joints.

A series of sweeps and undercover operations followed the "Crack Invades A Small Town" magazine article. In 2001, Cassell reflected on the impact of the 1996 article, which "got us the help we were asking for. People were throwing money and manpower at us for two or three years."

The county's continuing drug problems led to two long-term investigations that ended in March 2001 by Henry County deputies, state police and the FBI that brought nearly 100 indictments in the county's Bassett, Oak Level, King's Village, Axton and Horespasture areas.

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During the summer of 2001, Cassell announced another successful raid based on a yearlong investigation in Sandy Level, Piedmont Estates and Ridgeway neighborhoods. A half-kilo of cocaine was seized along with numerous vehicles during that raid.

Some area residents were stunned by news of the indictments yesterday.

"I just think it's a damn shame," said Jessie Knight, a 25-year-old employee at the Fasmart in Collinsville, just down Kings Mountain Road from the sheriff's office. "They can't say anything about [criminals] because the cops are doing it, too."

Knight said she was "very, very surprised, especially knowing that it was somebody who was supposed to serve and protect the citizens."

Ebar Hopkins, a 23-year-old who identified himself as a music producer was shopping at the Fasmart. He said he moved to Henry County from Atlanta two months ago.

"You'd expect we'd have good sheriffs," he said. "It's a trip. You never know what to expect out of people."

Hopkins' mother, Anna Schoefield, said people at the call center where she works had been talking about the announcement. "I'm really shocked," she said.

'Corrupt To The Core' Virginia Sheriff Indicted On Drug And Racketeering Charges (ABC)

ABC News, November 2, 2006

The federal government has declared a Virginia sheriff and his deputies corrupt to the core.

Today Henry County Sheriff Harold Cassell and 12 of his deputies were charged with dealing crack-cocaine, marijuana and ketamine, which is commonly called the "date rape drug."

Cassell has been the sheriff of Henry County since 1992 . The indictments culminate a five-year Drug Enforcement Administration investigation into accusations of corruption. More than 20 individuals, including the 12 deputies, have been indicted in the drug distribution and money laundering ring.

A key allegation is that officers took confiscated drugs, issued fake destruction orders and then sold the stolen contraband.

Officials said this is one of the more disturbing, systemic cases of police corruption they have ever seen. According to an indictment unsealed today, the group allegedly sold multiple kilograms of cocaine and hundreds of pounds of marijuana. "As a public servant, I am deeply disturbed by the actions of these individuals, especially [those of] the law enforcement officers arrested today," said Shawn A. Johnson, special agent in charge of the DEA's Washington division.

"Those who betray the public trust insult the integrity and honor of all police officers who risk their lives upholding the law. The DEA joins with the Virginia State Police, the Federal Bureau of Investigation, and the United States Postal Inspection Service to send a clear message that their disgraceful acts will never be tolerated," Johnson added. Henry County is in south-central Virginia, near the Carolina border. It is best known for the Martinsville Speedway. In March 2005, the DEA became aware that members of the sheriff's office may be linked to the ketamine drug ring and sent a controlled delivery of the drug to a house that had been a key distribution point. That house was owned by James Vaught, a sergeant who worked for Cassell.

Vaught's house was rented by William Reed, a drug dealer who helped Vaught sell 2 kilograms of cocaine confiscated from a drug dealer while Vaught had been on duty.

Vaught resigned from the police force that month and began to cooperate with federal investigators after federal agents arrested Reed.

Drug Bust Leads To Huge Police Corruption Probe (CNN)

By Ann O'Neill

CNN.com, November 3, 2006

(CNN) -- The investigation that exposed an allegedly corrupt Virginia sheriff's department began with a package containing vials of a date-rape drug.

Although Drug Enforcement Administration agents didn't know it at the time, the package was shipped to a house that belonged to a sergeant with the Henry County Sheriff's Office.

According to a grand jury indictment, the DEA intercepted the package, delivered it undercover and arrested self-described middleman William Randall Reed in March 2005. Reed agreed to cooperate and quickly pointed the finger at Sgt. James Allen Vaught.

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Reed said he paid Vaught with cash and Ketamine, the so-called date rape drug, to use the house as a drug drop. The house also was used by other members of the sheriff's office for parties and extramarital trysts, the federal indictment states.

Reed also told authorities that he had helped Vaught sell cocaine the deputy had seized from a suspect.

Vaught resigned from the department soon after Reed's arrest and, a few months later, agreed to cooperate with investigators. He admitted to Reed's allegations and agreed to wear a wire to record conversations with his former colleagues.

The result was a 48-count indictment unsealed Thursday with the arrests of longtime Sheriff Harold Franklin Cassell and 17 others. A dozen of them wore or had worn the uniform of the Henry County Sheriff's Office. (Watch a prosecutor describe 'disgraceful' corruption -- 2:13)

Some of them are accused of stealing cocaine, marijuana and weapons from suspects and the sheriff's evidence property room and selling the contraband to criminals, who put it back on the street.

Others are accused of distributing steroids and weapons, including a machine gun with an obliterated serial number.

"These were drugs and guns that were seized as part of their law enforcement duties that were then stolen from the property room and put back out on the streets," U.S. Attorney John L. Brownlee said.

"You have law enforcement [officers] risking their lives to take these guns off the streets and then a very few members of law enforcement putting them right back out there."

Cassell was elected sheriff of county, population 58,000, in 1992. His department employs 122 people, 96 of them sworn law enforcement officers.

Today, in the wake of the indictment, the sheriff's office is being run by the Virginia State police.

Besides the sheriff, those named in the indictment include a captain, three sergeants, eight deputies -- including two vice officers -- a former employee of the U.S. postal service and a former probation officer.

One deputy, Walter R. Hairston, allegedly gave Vaught marijuana and cocaine he used to train the department's drug-sniffing dogs. The contraband was then sold, the indictment says.

According to the indictment, the DEA called to report a drug shipment to a "Brad Martin's house" in 2001. The call was taken by Martin, a sheriff's deputy.

Martin, Hairston and four other deputies, along with alleged drug dealer Wilbert Herman Brown, are accused in the indictment of racketeering. They allegedly made up a corrupt organization that stole and distributed drugs, including crack cocaine, and obstructed justice.

Cassell was told by authorities about the shipment to Martin's house, as well as other allegations of illegal activity in the department, and did nothing, the indictment alleges.

Instead, according to the indictment, Cassell tipped off targets of the investigation, lied to investigators and helped Vaught launder drug profits.

Henry County, hard against the North Carolina line in Virginia's southern Piedmont region, is perhaps best known for the Martinsville Speedway, where NASCAR races are held twice a year. It used to boast it was the "sweatshirt capital of the world," according to The Associated Press.

The county's textile and furniture industries have seen better times, and its unemployment rate is higher than the state average.

Timeline From The Indictment (WSLS)

WSLS-TV, November 2, 2006

Today's 50-page indictment alleges the following events:

In or about 1998: earliest known date drug ring is in operation

August 12, 1999: dealing of anabolic steroids and ketamine begins

Mid-1990s to October 5, 2006: James Keaton owned and hid a stolen gun, shipped across state lines.

Late 1990s to April 6, 2006: Patrick Martin and Cornelia Cox have two stolen guns together. Martin has two other of his own stolen guns. Cox has one of her own stolen guns. Five guns total.

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2001: DEA agent from TX calls Henry CO Sheriff's Office, says drug package intercepted from Mexico, on it's way to "Brad Martin's" house in Martinsville. Brad Martin, Deputy with Henry Co, happened to take call at Sheriff's office. DEA didn't make connection. Martin tells David King and James Vaught about call. Sheriff Harold Franklin Cassell told about drug activity, did nothing.

The indictment also alleges Cassell knew about other illegal activities, including, Vaught selling cocaine, Vaught stealing money, and use of steroids by several members of Henry Co. Sheriff's office. He lied to federal investigators and VA state police, and tried to help Vaught in a money laundering scheme to hide source of money made from selling cocaine.

Jason Burton, Jonathan Roberson and Travis Wilkins, all employees of Henry Co. Sheriff's Officer, along with Mark Roberson, possessed, hid and transferred an unregistered short barrel machine gun with an obliterated serial number, according to the indictment.

February 13. 2002: Kandy Deshazo and William Reed lie in order to get a PO Box, used a fake name and wanted to get box for illegal activities. Got P.O. Box

November 1, 2002: Kandy Deshazo and William Reed, lied again to get a PO BOX, used a different fake name. Got P.O. Box.

October 20, 2003: Deshazo and Reed lie, use a 3rd fake name to get a P.O. box. Got P.O. Box.

December 16, 2003: Reed tries to get 100 vials of a mixture containing ketamine in order to sell. Also, Martin and Preston tell Reed they had gotten call to Sheriff's Office that USPS intercepted package with 100 vials of ketamine mixture, planned to have agents deliver package to Reed and arrest Reed. As a result, Reed refused to accept package.

December 1, 2004: Mark Roberson owns stolen gun, that had been shipped in interstate or foreign commerce, serial number on gun fake or removed

January 1, 2005: Travis Wilkins gets short barrel machine gun and doesn't register it. Serial number on gun obliterated.

March 4, 2005: DEA agents tell Roanoke DEA agents that express mail package containing 2 kg of ketamine being delivered to home in Martinsville. Ketamine is sedative/date rape schedule 3 controlled substance

-DEA agents intercepted package of ketamine and conducted undercover controlled delivery to Martinsville home

-Arrested William Randall Reed

After Reed's arrest, he provides the following information

-Says he received drugs at Martinsville home and $ from outside VA, took his cut, then shipped remaining drugs outside VA (explained in more detail above)

-Martinsville home owned by James Alden Vaught, a Henry co sergeant

-Reed says he paid Vaught in cash and drugs to use home

-Reed says he helped Vaught sell 2 kg of cocaine that Vaught had seized as part of a drug investigation with Henry Co.

-Reed says Bradley Scott Martin, a Henry Co deputy, has been using and selling ketamine and steroids for 8 yrs

-Vaught resigns from Henry Co in march 2005

-Agrees to work with federal investigators in July 2005, agrees to secretly record conversations

-Says Martinsville home also used as a place for officers to cheat on their spouses

-Says he, Martin and David Allen King, vice officer and SRO with Henry Co involved in selling cocaine, cocaine base, pot, steroids

August 2005 - June 2006: Deputies encourage possible witness to lie

King made agreements with potential witnesses to lie in the investigation, made false statements about his own drug activity to agents. Trantham told potential witnesses how to avoid detection, threatened to shoot one if that person talked to investigators, and lied himself. Brown told witness to lie and lied himself to agents. Hairston tells witnesses to lie and lies to agents himself. Martin agrees with witnesses to withhold evidence, tells possible witnesses to lie, and lies to agents himself.

November 2005- April 2006: Keaton did not investigate criminal conduct in his department, violating duties as law enforcement officer. Keaton gave advice on how to hide stolen money and make it look legitimate, lied to FBI agent and grand jury. False statements are in a written report.

October 2005 - April 2006: Sheriff Cassell tried to help a Sheriff's Office employee hide drug money, lied about helping to federal agents. False statements from Cassell in a written report.

December 1, 2005: Jason Burton has illegal machine gun, not registered

February 24, 2006: The indictment alleges Sheriff Cassell did"knowingly and willfully" tried to cosign a loan for a person with $10,000 from selling drugs, then would help that person deposit small amounts of money into a checking account to pay off loan -- tried to help hide drug money

March 22, 2006: According to the indictment, Cassell made a false material statement and representation to an FBI special agent - says he has no knowledge of money laundering or drug activity in his department

March 23, 2006: King says he knows nothing about drug activity in Henry Co.

March 24, 2006: Robert Adams lies to FBI: says doesn't know why James Vaught wanted to find Wilbert Brown. Indictment also claims Adams knew Vaught wanted to sell half kg of cocaine to Brown.

March 30, 2006: Hairston says he knows nothing about illegal activity

April 4, 2006: The indictment says Keaton lies under oath to a Federal Grand Jury during an investigation into the Henry Co. Sheriff's Office. Grand Jury looking into a conversation between Keaton and Vaught about hiding stolen money.

April 25, 2006: Carlton Riley tries to get one kg of cocaine substance in order to sell it.

May 2, 2006: Cornelia Cox tells agents she did not steal money that had been seized as evidence by Henry Co. Indictment says she took $500.

May 30, 2006: Martin says he knows nothing about illegal activity, and is not personally involved in selling 2 kgs of cocaine with an employee of the Sheriff's Office

May 31, 2006: Trantham says he knows nothing about illegal activity at Henry Co. Sheriff's office

July 11, 2006, Brown says he knows nothing about illegal activity

Details From Henry Co. Press Conference (WSLS)

WSLS-TV, November 2, 2006

In a news conference this morning U.S Attorney John Brownlee addressed the indictments and recent arrests of more than a dozen Henry County Deputies including Sheriff Frank Cassell.

In the indictments, Cassell is accused of helping members in his department with money laundering and distributing narcotics. Brownlee says several members of Henry County Sheriff's office stole narcotics, contraband and firearms that had been seized and then sold the items back into the community. John Brownlee responded, "It is disgraceful corruption that they would take narcotics from the community and that members of law enforcement would put it back out there."

The drugs taken include multiple kilos of cocaine, multiple ounces of crack cocaine and hundreds of pounds of marijuana, also steroids and the drug ketamine known as a date rape drug. Brownlee also stated several deputies used the steroids.

The arrests were made this morning by Virginia State Police, the DEA office and federal agents.

Feds Raid Pot Dispensary Second Time In A Month (RPE)

By David Olson, The Press-Enterprise

Riverside Press Enterprise, November 3, 2006

Authorities on Thursday raided a Palm Springs medical-marijuana dispensary for the second time in a month.

An affidavit supporting the search warrant that authorized the raid accused Palm Springs Caregivers of illegally selling marijuana for profit, said Special Agent Sarah Pullen, of the federal Drug Enforcement Administration, which carried out the raid with officers from the Palm Springs Narcotics Task Force. The dispensary continued its illegal sales after a raid on Oct. 4, she said.

State law allows it to provide marijuana only to those who need it for medical reasons.

No one was arrested Thursday.

Employees at the dispensary could not be reached for comment Thursday night. After the Oct. 4 raid, the dispensary's office manager, Tanya Garcia, denied the allegations of illegal sales.

Authorities hauled away hundreds of bags and pill containers that contained marijuana, along with baked goods and liquids that contained the drug, Pullen said. She said the DEA did not have the authority to shut down the dispensary in the 2100 block of North Palm Canyon Drive, but its entire inventory of marijuana was seized Thursday.

The investigation into Palm Springs Caregivers began in September, after a man who police say "has a working relationship" with the dispensary left a bag of "marijuana edibles" as a tip for an employee of the Spa Resort Casino in Palm Springs.

California voters legalized marijuana for medical use in 1996. It is one of 11 states where medical-marijuana initiatives have passed.

But the U.S. Supreme Court ruled last year that medical-marijuana users can be prosecuted under federal law.

Riverside County supervisors entered the debate over medical marijuana in September, when they voted to join a lawsuit with San Bernardino, San Diego and Merced counties challenging a 2003 state law that requires counties to issue identification cards to medical-marijuana patients who have a doctor's recommendation.

Reach David Olson at 760-837-4411 or dolson@PE.com

Afghan Farmers Likely To Match Harvest (AP)

AP, November 2, 2006

(AP) Afghan farmers now planting opium poppies will probably reap a harvest comparable to this year's record crop, in part because insurgents are preventing effective counter-narcotics work, officials said Thursday.

Planting is under way in southern regions responsible for the bulk of the estimated 6,100 tons of Afghan opium produced in the 2005-06 growing season. Anti-drug officials say that despite anti-cultivation campaigns, they foresee little improvement by harvest time next spring.

Drug production has skyrocketed since a U.S.-led offensive toppled the Taliban regime five years ago for giving refuge to Osama bin Laden and al-Qaida camps. Last spring's poppy harvest accounted for 92 percent of the global opium supply and was enough to make 610 tons of heroin _ more than all the world's addicts consume in a year.

Police and government officials are deeply implicated in the trade, which adds to the corruption and lawlessness threatening Afghanistan's fledgling democracy. Taliban militiamen had all but eradicated opium cultivation by 2000 but now profit from it, protecting poppy farmers.

Deteriorating security in the countryside makes it difficult to monitor how much poppy has been planted, a senior U.S. official said. Taliban-led militants have increased attacks this year, particularly in Afghanistan's southern opium heartland.

Gen. Khodaidad, a deputy minister in Afghanistan's Ministry of Counter-Narcotics, said some provincial governors and police chiefs have been doing effective anti-drug work.

"But unfortunately, in some provinces, especially in the south and southwest, we haven't been doing as well," said Khodaidad, who like many Afghans uses one name. "The reason is very clear _ fighting. Some of the districts are under the influence of the Taliban or al-Qaida."

Khodaidad said he hoped for a successful anti-cultivation campaign this fall followed by an eradication campaign in the new year, but he said he couldn't promise a reduction in the harvest. "I can tell you there will be no increase," he said.

However, the senior U.S. official said the new poppy crop probably will be similar to the one planted a year ago, "maybe a little under _ we were so high last year." He spoke on condition of anonymity because he is not authorized to speak on the record.

The United Nations' anti-drug chief said recently that proceeds from Afghan opium production are being used to finance terrorist groups. The U.S. official said the country's drug trade was a $3.1 billion business this year and it doesn't "take much of that to fund terrorism."

Seeking to counter corruption that hinders anti-drug efforts, the U.S. Drug Enforcement Agency is training special units of Afghan policemen who must pass polygraph exams and investigations of their backgrounds, Karen P. Tandy, the DEA administrator, said during a visit Sunday.

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"DEA is very accustomed to working in countries where corruption is rampant," she said. "We have a method that has been extremely successful. ... You have patriots in every country who care about the future of their country, and that is no less true here in Afghanistan."

Khodaidad said President Hamid Karzai has warned government officials they will be removed if they help drug trafficking. He said a district chief and an administrator from the same district in Badakhshan, a remote and rugged northern province favored by drug producers, were recently fired.

The U.S. official said if there is no reduction in the opium harvest this year, Afghanistan would come under strong U.S. pressure to start spraying poppy fields with herbicide, an idea that Afghans, including Karzai, deeply oppose because of fears the chemicals could harm people.

Man Gets Life Sentence On Drug Charges (MUCHRONICLE)

By John S. Hausman, Chronicle Staff Writer

Muskegon Chronicle (MI), November 3, 2006

A 35-year-old Muskegon man has been sentenced to life in federal prison without chance of parole after a jury convicted him of large-scale drug trafficking and firearms offenses.

U.S. District Judge Robert Holmes Bell on Wednesday ordered Lakento Brian Smith of 1484 Albert to prison for life for conspiracy to distribute at least 500 grams of cocaine and at least 50 grams of "crack" cocaine, and for possession with intent to distribute at least 50 grams of "crack." Smith also was sentenced to 30 years in prison for possession with intent to distribute at least 500 grams of cocaine and 10 years for being a felon in possession of firearms -- three semi-automatic pistols.

A federal jury convicted Smith of all four counts June 29 after a three-day trial in Grand Rapids.

Smith was arrested Oct. 28, 2005, at his home after an extended investigation by the Grand Rapids and Detroit offices of the U.S. Drug Enforcement Administration, the West Michigan Enforcement Team, the Bureau of Alcohol, Tobacco, Firearms and Explosives and the Muskegon Police Department.

During a search of Smith's home on that date based on a search warrant, officers found the three loaded pistols and more than $17,000 in cash, suspected to be the proceeds of drug sales.

In a subsequent search of the trunk of Smith's Pontiac Grand Am, officers found approximately 1,500 grams of powder cocaine, approximately 300 grams of "crack," a hand mixer and a digital scale bearing Smith's thumbprints, according to a DEA agent's sworn affidavit in Smith's court file.

In an interview after his arrest, Smith waived his Miranda rights and told officers he had been "waiting on this day," referring to the search warrant, because word on the street was that he was being investigated, and several of his acquaintances had been arrested.

Smith's no-parole life sentences were mandatory because he had two prior state of Michigan convictions for drug trafficking, both in Muskegon County's 14th Circuit Court: a 1993 conviction for cocaine delivery and a 1996 conviction for possession with intent to deliver cocaine, second offense.

"This is not a low-level dealer," said Assistant U.S. Attorney Phil Green. "This is a major bust."

Green said two independent investigations, each spanning many months, came together in the Smith bust.

One was an investigation of Smith by Muskegon police in cooperation with the West Michigan Enforcement Team, a multiagency drug-fighting police unit; the other was a Detroit-based federal drug investigation that uncovered West Michigan ties.

"Muskegon had some of the pieces, the DEA had some of the pieces," Green said. "It's a testament to the good cooperative relationship between the federal and the state and local law enforcement agencies."

That cooperation extended to the decision to prosecute Smith in federal court, with its potential of the stiffest possible prison sentence -- not an option under state law.

IMMIGRATION:

Tacoma Pastor Deported From South Korea To Face Fraud Sentence (AP)

DOJ_NMG_0090620

AP, November 3, 2006

TACOMA, Wash. - A pastor who fled to South Korea after he was convicted of helping Korean nationals file fraudulent visa applications has been returned to Washington state for sentencing.

Dong Wan Park, 53, was convicted of conspiracy, visa fraud and obstruction of justice in June.

Prosecutors said that Park, pastor of Hope Korean Church, advertised in a Korean language newspapers that immigration visas were available through his church. He charged as much as $30,000 to provide people with visa paperwork including phony transcripts from a Korean seminary and a certificate of ordination from a Korean bishop.

None of the applicants was ever employed at the church, and none had any religious training.

During his trial, Park claimed the money received from visa applicants was either a loan or a donation to the church. Authorities said Park, who was released on bond, fled the country less than three weeks after the verdict.

The Department of Justice on Wednesday announced that he was returned to the country after Park's native South Korea decided to deport him back to the United States.

The Justice Department said that Park had wired $290,000 to a bank in South Korea after he persuaded church elders to authorize the sale of the church, which netted him $350,000.

Park, who faces up to 10 years in prison, is scheduled to be sentenced on Dec. 15 by U.S. District Judge Ronald Leighton.

TAX:

Snipes To Feds: Let's Make A Deal (EONLINE)

By Josh Grossberg

E! Online, November 3, 2006

Is Wesley Snipes ready to pay the piper?

A Justice Department spokesman told E! Online Thursday that the government has been working with the Blade star's lawyers on a deal in the actor's multimillion-dollar tax fraud case.

"We have been in contact with his representatives and are making progress as far as getting him to return to the U.S to face criminal charges," said Steve Cole of the U.S. Attorney's Office in Tampa, where the indictment was filed. "No timetable has been set."

Snipes is currently in Namibia filming the horror flick Gallowwalker. Although there is a warrant out for his arrest, the African country does not have an extradition treaty with the United States.

Meanwhile, Cole said his office was "not confirming or denying" a report in Thursday's Daily Variety that Snipes had reached a settlement with the Internal Revenue Service, which would keep him out of the big house and churning out B-grade action thrillers for years to come.

Per the trade paper, Snipes will supposedly surrender to authorities when he returns to the States in December but won't be locked up. The report claims the actor has agreed to make good on millions of dollars in back taxes; in exchange, federal prosecutors purportedly have agreed to allow him to continue working to erase his debt.

Snipes' manager, David Schiff, declined to comment on the report.

The 44-year-old actor was indicted Oct. 17 for attempting to scam the IRS out of $12 million in fraudulent refunds from 1996 to 1997. Additionally, the actor was accused of not filing any returns from 1999 to 2004.

Prosecutors say Snipes conspired with two men, Eddie Ray Kahn and Douglas Rosile, to swindle the government using a discredited scheme known as the 861 Argument.

Kahn is the founder of two defunct organizations, the Florida-based American Rights Litigators and Guiding Light of God Ministries, which the indictment claims "promoted and sold fraudulent tax schemes." He had hightailed it to Panama following the indictment but was tracked down earlier this week and appeared at a bond hearing in a Florida federal court on Wednesday.

Rosile, an accountant for Kahn, turned himself in Oct. 17 and was released by a federal judge in Ocala. Prosecutors say Rosile and Kahn have a history of filing false tax returns to obtain huge windfalls for their clients, of which they'd collect upwards of 20 percent.

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All told, Snipes faces charges of conspiracy to defraud the IRS, presenting a fraudulent claim for payment to the IRS, as well as six counts of failing to file income tax returns—and a warrant was issued for his arrest. If convicted on all charges, the actor could receive up to 16 years in prison.

Following the indictment, the feds immediately obtained a warrant, claiming they didn't know the actor's whereabouts. Days later, as Snipes was spotted working in Namibia, his lawyers reportedly began talks with prosecutors to try and resolve the case by suggesting a repayment plan. (For those playing the home game, it's the same strategy used by Willie Nelson to get him out of tax trouble several years ago.)

Senators Criticize IRS Filing Program (AP-Y)

By Jim Abrams

AP, November 3, 2006

Leaders of the Senate Finance Committee say a deal between the Internal Revenue Service and private tax preparers that allows people to submit returns by computer is too restrictive and discourages electronic filing.

Sens. Charles Grassley, R-Iowa, and Max Baucus, D-Mont., said declines in participation in the Free File program show it is not working.

"If the tax preparation industry cannot provide free basic filing services without hidden costs and traps, perhaps it is time to consider having the IRS provide a direct filing portal to enable all taxpayers to file electronically without cost," they wrote IRS Commissioner Mark Everson on Thursday.

A recent report by an internal watchdog at the Treasury Department noted that fewer people were using the program after renegotiating of the contract between the IRS and the private industry that went into effect in January.

The IRS contends that report misstated the intent of Free File, which was to help a limited number of people with the most simple tax returns. The agency said a survey in June showed "an overwhelming level of taxpayer satisfaction with this program."

A record 70 million taxpayer transmitted returns through a computer this year, but only 3.8 million used the Free File program. That compared with about 5 million the previous year, when some private software companies offered their programs to everyone.

The new contract limited eligibility for free tax preparation software to 70 percent of taxpayers, which covers people not earning more than $50,000.

Grassley, the committee chairman, and Baucus, the top Democrat, said participating companies have used the Free File Web sites to market an array of other products with little oversight from the IRS. They said one site contained a link for taxpayers to purchase a tax preparation franchise for $15,500.

The senators noted that the Treasury inspector general praised the new contract for extending the program to allow Free File users to file for extensions. But they said companies are not obligated to provide the extension form on their Web sites until April 1. But under a now-disbanded program, taxpayers had the option of filing that form electronically to the IRS by telephone starting in early February.

Congress has been ambivalent about direct electronic filing. Grassley's committee last June backed legislation making it possible for individuals to file returns by computer without buying commercial software or paying a professional preparer.

But the House objected to the IRS competing with private tax preparation software companies. The House this year voted to prohibit the IRS from developing or providing free electronic tax preparation outside the Free File program.

CONGRESS-ADMINISTRATION:

Democrats Write New Prescription (WT)

By Gregory Lopes

The Washington Times, November 3, 2006

The Next Congress

Fifth of five parts

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Democrats would use a new majority in Congress next year to highlight contentious health care issues such as high prescription-drug prices and funding for stem-cell research. Republicans, meanwhile, would push for an expansion of consumer-driven health care to reduce U.S. reliance on entitlement programs.

Democrats would face stiff opposition from the Bush administration on their health care agenda, which is why many specialists predict that even if the party wins the majority in Congress in next week's midterm elections, it will use its newfound control to define a health care agenda for the 2008 presidential election.

Gaining a majority would offer Democrats a chance to push their health care priorities at a level they haven't been able to since President Clinton occupied the White House.

"If the Democrats take one or both houses of Congress, the prospects of significant policy changes seem fairly remote," said Scott Lilly, senior fellow at the Center for American Progress, a Democrat-oriented research organization. "That does not mean the next two years will not be an important period. There is the possibility of a rich debate over policy options that the country has not had in more than half a decade -- in particular on health care."

Democrats have an outside chance of taking complete control of Congress, but a better chance of winning one chamber, and in this series, The Washington Times has looked at how such a transfer of power will affect U.S. policy and politics.

Big plans

At the top of the Democrats' health care agenda is giving the federal government the ability to negotiate Medicare drug prices directly with the pharmaceutical companies.

"First, Democrats would repeal the ban on allowing Medicare to use the bargaining power of its 43 million beneficiaries to negotiate lower drug prices," said Jim Manley, spokesman for Senate Minority Leader Harry Reid of Nevada.

House Minority Leader Nancy Pelosi of California has made it clear in recent weeks that the Democrats would make negotiating Medicare drug prices a high priority. Medicare is the federal health insurance program for seniors.

A Democratic majority also would focus on expanding health insurance for children and stem-cell research.

If Republicans retain their majority in Congress, they would push to improve the private health care system through an expansion of health savings accounts and tax deductions for people in private health plans.

"Republicans will continue to encourage the kinds of reforms that use public money to expand private health insurance," said John Goodman, president for the National Center for Policy Analysis, a Republican strategy firm. "The Democrats are going in the opposite direction."

Specialists agree that moving health care legislation — never an easy task — would be more difficult in a tightly divided Congress. And Democrats are aware that efforts to turn any of their health care priorities into law probably would be blocked by President Bush.

"I think the president's veto pen would certainly get a workout," said Joe Antos, health care policy specialist at the American Enterprise Institute. "But they know that and are looking to 2008."

Democrats are welcoming the opportunity to showcase health care issues that they say have not been given sufficient attention by the current Republican Congress.

"We are not going to blow in and push an overly aggressive agenda that has dim prospects because of the president's veto," said a House Democrat aide, who, citing office policy, spoke on the condition of anonymity. "We will, however, make it clear that we have been locked out for the last six years and we have an agenda."

A new prescription

The most visible confrontation between the parties is forming around the Democrats' push to require the government to use its negotiating power to lower prescription-drug costs for Medicare patients.

The 2003 Medicare law prohibits the government from negotiating with companies to lower the price of drugs for beneficiaries. The drug program has been criticized by Democrats, who say pharmaceutical companies are profiting at the expense of America's seniors.

Separate deals with every private plan in the drug benefit is highly unlikely. Instead, Democrats hope to set up a single drug plan under Medicare that allows the government to negotiate prices.

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"That's how you get at negotiations. Not with the private plans but with a Medicare plan option," the Democratic aide said. "We have a plan to do that."

Democrats would use the savings from lowered prices to close the coverage gap in the drug benefit. Sometimes referred to as the doughnut hole, annual coverage stops once drug costs reach $2,250. Coverage resumes when costs hit $5,100.

Republicans argue that prescription-drug plans are competing with each other to serve Medicare beneficiaries and thereby are lowering drug costs.

"We already have negotiations and drug prices are lower," said Sen. Charles E. Grassley, Iowa Republican and chairman of the Finance Committee, which has oversight over the Medicare program.

Rep. Jim McCrery, a long-standing member of the Ways and Means Committee, which oversees Medicare policy in the House, says price negotiations will not solve Medicare's financial problems.

"There would still be a massive deficit even if we had negotiations," said Mr. McCrery, Louisiana Republican.

Democrats also are eyeing reimportation of low-cost drugs through countries such as Canada.

In the Senate, many Republicans, including Mr. Grassley, have supported reimporting drugs to lower prices. And an amendment to an appropriations bill that would loosen the restrictions was approved in the Senate.

"It is more likely the next Congress will pass a reimportation bill than a negotiation bill," Mr. Antos said. "Passing a negotiations bill would be admitting defeat for the Republicans on the Medicare drug benefit."

Giving insurance

Reaching America's growing number of uninsured residents will be a top priority for both parties next year.

Small employers are increasingly dropping employee health benefits as premiums rise. Thus, the number of uninsured people has risen steadily, reaching a record high 46 million in 2004.

"Our primary challenge next year will be the uninsured," said Rep. Nancy L. Johnson, Connecticut Republican and chairman of the House Ways and Means health subcommittee.

Republicans are pushing the expansion of consumer-driven programs such as health savings accounts, which were introduced in 2003 and allow workers to put their own money into tax-deferred savings accounts.

They want to allow workers to contribute more pre-tax money to the savings accounts to shift the burden off employers.

"Solving the problem of the uninsured should be done in the context of the private health care system, not by expanding Medicare. Health care savings accounts represent the best example of moving toward a better, more efficient health care system," Mr. McCrery said. "If we maintain control, we are going to enhance that product in the market."

Mr. Grassley agreed, saying an expansion of health savings accounts could pass in the Senate.

But Democrats remain opposed to relying on the accounts, which often come with high deductibles.

"There will be a huge fight from us on expanding health savings accounts," a House Democrat aide said.

Instead, Democrats would build on Medicare and Medicaid, the federal health program for the poor, and favor lowering the age for Medicare eligibility.

Protecting the children

The State Children's Health Insurance Program must be re-authorized in the next Congress. Both parties say the program is essential to reducing the number of uninsured.

The program, which covers about 6.1 million children, has reduced the number of uninsured children from nearly 11 million in 1997, when the program was created, to 8.3 million last year. Children up to the age of 19 in families that earn less than $36,200 a year are generally eligible for the program.

"This will be the most important battleground next year because the poster child on this issue is actually a child," Mr. Antos said.

Democrats are likely to push for increased funding and making the program a full-scale entitlement.

"Democrats see a real opportunity to take the next step toward covering all kids," Mr. Manley said.

Republicans, on the other hand, want to ensure that states are using the money on children rather adults, who should be covered through Medicaid, while giving states more freedom to use the federal money to get families into private health care.

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"I think Republicans will want to keep the intent of the program intact, and that is covering children," a House Republican aide said. "We have wandered away from that."

A new debate

With additional seats in Congress, Democrats will try to capitalize on the stem-cell debate. Once an issue that Republicans relied on, Democrats are painting opposition to stem-cell research funding as out of the mainstream.

Democrats are using the issue against Republicans in 20 House, Senate and gubernatorial races across the country.

"Our goal would be to enact the stem-cell bill strongly supported by the American public," said Brendan Daly, a spokesman for Mrs. Pelosi. "It is crucial that America keeps its No. 1 place in the world in the development of medical cures."

Mr. Bush vetoed a bill that would have permitted federal funding for experimentation with stem cells from donated embryos created for fertility treatments.

In the Senate, where there is strong support for stem-cell research, the Democrats would bring up the same bill that passed Congress last year, Mr. Manley said. Adding a Democrat-controlled House would give the bill a potential majority to override a veto.

"The president has drawn a moral line that said that taxpayer dollars should not support research that destroys human embryos. He will continue to strongly support policies that help us achieve scientific progress while also living up to our ethical responsibilities," said Emily Lawrimore, a White House spokeswoman.

Adding to the Democrats' momentum on stem-cell research is the Republican split on the issue. Prominent Republicans such as Sen. Orrin G. Hatch of Utah and California Gov. Arnold Schwarzenegger support such research.

Republicans opposed to stem-cell research are targets for Democrats in the midterm elections. The issue has become a central focus in the Maryland Senate race between Democratic Rep. Benjamin L. Cardin Jr. and Republican Lt. Gov. Michael S. Steele. Sen. Jim Talent, Missouri Republican, is taking heavy criticism for his opposition to a state ballot initiative that would allow such research.

"It is a high-profile issue that could be turned against Republicans in the midterm elections, and if the Democrats get Congress, it will be an issue the president will once again have to deal with," Mr. Goodman said.

Lessons learned

Regardless of the result of the midterm elections, Republicans and Democrats will take away lessons that will help shape their ideologies.

For Republicans, the near certainty of losing seats in both the Senate and House could force the party to look to the past for answers.

"There will be a growing number of Republicans that will argue in the postelection debate that walking away from the principles that defined the party for so many years will hurt them more in these elections than any scandal," said Michael Franc, vice president of government relations at the conservative-oriented Heritage Foundation.

High federal spending under the Republican-controlled Congress has led Americans to question whether the party is the standard-bearer for limited government, Mr. Franc said.

The Democrats, who are likely to fare better in this year's races than they have in more than a decade, could lead to a more moderate than liberal Democratic Party.

"If the lesson learned by the Democrats is don't be afraid of the big tent and they bring in more moderates, it could be a changed party," Mr. Franc said. "They could get a numerical majority rather than an ideological majority."

Part I

Democratic majority ready to go to war over Iraq

Part II

Democrats wait in the wings with subpoenas

Part III

Specter of tax man haunts Democrats

Part III

Bush may find an ally on immigration

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From The Top Echelons, A Look Beyond The Elections (WP)

By Stephen Barr

The Washington Post, November 3, 2006

Top policymakers who oversee federal management issues talk all the time in the privacy of their offices and are rarely seen in public together. But yesterday, five officials appeared together in public to discuss internal workings of the government.

They shared no secrets, talking in general terms about the urgency of reshaping the federal workforce, cleaning up the government's financial books and pulling the plug on duplicative technology systems.

It was, for the most part, a comfortable venue for the five -- four from the Office of Management and Budget and one from the Office of Personnel Management. They took questions from a lunchtime audience of about 200 current and former federal officials, scholars and public administration experts.

Unmentioned were next week's congressional elections and poll-fed speculation that Democrats could take control of one or both houses of Congress. A Democratic Party victory, of course, would probably push the president's management agenda to the sidelines.

Still, a couple of the questioners had an eye to the future, asking the officials what they hoped to accomplish in the last two years of the Bush administration and whether they thought President Bush's management agenda would survive in the next White House.

Karen Evans , the OMB's technology chief, said she would find it hard to believe that the next president wouldn't care about privacy and cybersecurity issues. She promised to keep pushing agencies to shut down overlapping computer networks and produce long-term savings.

But she acknowledged that in the next administration, "you may see that [federal technology] investments will change . . . to support different priorities."

Paul Dennett , in charge of federal procurement policy at OMB, pledged to continue efforts aimed at putting federal work up for private-sector competition to see whether in-house teams or contractors can perform commercial activities at less cost. "It is very important that we make competitive sourcing work," he said.

The contracting initiative has been one of the most controversial workforce efforts undertaken by the administration, prompting union protests and some congressional restrictions.

Robert Shea , who has headed up a project to rate federal programs based on their performance, said he would urge the next White House to use a scorecard to track agencies' progress toward management goals.

Joining Shea, Evans and Dennett were Linda Combs , who handles financial management policy at the OMB, and Solly Thomas , the acting associate director at the OPM who oversees efforts to hold agencies accountable for managing their workforces.

The forum was sponsored by the IBM Center for the Business of Government, which sponsors research on how to improve the effectiveness of federal, state and local governments.Blair Named to Postal Commission

Dan G. Blair , deputy director at the OPM, will be nominated by the president to serve on the Postal Rate Commission and, upon confirmation, would be named as the panel's chairman, the White House announced yesterday.

Before joining the OPM in 2002, Blair was senior counsel for the old Senate Committee on Governmental Affairs. He earlier served as staff director of the House government reform subcommittee on the Postal Service. At the OPM, he did a stint as acting director and has overseen efforts to streamline the federal hiring process and to improve recruitment of college graduates in to the federal service.

The Postal Rate Commission is an independent agency that reviews Postal Service requests to increase the price of stamps and adjust domestic mail rates. The commission's recommendations are sent to the board of governors for the Postal Service.New Management Chief for DHS

Paul A. Schneider , a defense and aerospace consultant, has been named by the president to serve as undersecretary for management in the Department of Homeland Security, the White House said.

Schneider began his career in 1965 as a project engineer at a naval shipyard and has held several executive positions in the Navy. He also has served as the senior acquisition executive of the National Security Agency.

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As management chief for Homeland Security, Schneider will oversee procurement, personnel, technology and budget policies affecting the 22 agencies that merged to become the department.Talk Shows

Robyn Kehoe , Washington representative for the Federal Employee Education & Assistance Fund, will be the guest on "FedTalk" at 11 a.m. today on http://federalnewsradio.com and WFED radio (1050 AM).

R. David Paulison , director of the Federal Emergency Management Agency, will be the guest on "The IBM Business of Government Hour" at 9 a.m. Saturday on WJFK radio (106.7 FM).

BearingPoint Could Lose Federal ID Card Contract (WP)

By Chris Kirkham

The Washington Post, November 3, 2006

The federal government has decided to reopen the bidding to produce hundreds of thousands of universal government identification cards, stripping the McLean consulting firm BearingPoint Inc. of a potential five-year contract.

It is an unusual move for the General Services Administration, coming just two months into the $104 million contract. BearingPoint will continue to develop ID cards for government employees and contractors through early January, after which the GSA will either ask for more bids or allow agencies to choose from an approved list of vendors.

GSA officials said the decision had nothing to do with BearingPoint's performance but rather that the agency felt there were more companies that could develop the appropriate technology. The cards make use of biometric data such as fingerprints and retinal scans and contain computer chips that can store more personal information. GSA officials say that with more options, they can command lower prices.

"I wouldn't say this is a dropping of anybody but an evolution that is underway," said John C. Johnson, assistant commissioner for integrated technology services at the GSA's Federal Acquisition Service. "This is not a judgment on BearingPoint or anyone else."

BearingPoint spokesman Steve Lunceford said the company has been "privileged" to work on the contract and is determined to compete after it expires. The firm has issued about 100 ID cards in Washington, New York, Atlanta and Seattle, according to the GSA.

"We feel we've got the leading solution, and we look forward to welcoming further competition," Lunceford said.

The GSA's announcement is the latest hurdle facing the company. BearingPoint has not filed timely financial statements in more than two years after inheriting accounting and other problems from its days as part of KPMG. More recently, it has been wrangling with its lenders over the terms of bonds worth $200 million.

As part of the White House mandate for universal ID cards across the government, all federal agencies are up against an October 2008 deadline to issue the cards to an estimated 8 million employees and contractors. Each agency may hire its own contractor, but the GSA's smart-card program is meant to be an alternative for agencies that prefer not to. BearingPoint was developing cards for 38 agencies.

Since BearingPoint was awarded the contract in mid-August, competing firms, including Lockheed Martin Corp. and Electronic Data Systems Corp., objected to the selection, forcing BearingPoint to stop work for about 10 days. Some industry experts suspect that the GSA might have feared further protests and decided to move to a different purchasing system.

Under this system, government agencies would buy products from an approved list of vendors under terms already negotiated by the GSA. The alternative purchasing system also would allow state and local governments to buy any ID services offered.

BearingPoint, Lockheed Martin and Electronic Data Systems are among the 10 companies on the approved list, and the GSA said it expects more to qualify in upcoming months.

Thomas Greco, a vice president at Herndon-based Cybertrust Inc., which is working with BearingPoint to develop the ID technology, said more companies have adjusted in recent months to the stringent government requirements on the IDs.

"Some of the thinking within the GSA may be there's more people on the list, so there's more chance to get better pricing," Greco said. "I think this is truly GSA just taking another bite at the apple."

Staff writer Stephen Barr contributed to this report.

DOJ_NMG_0090627

Infant-Care Rule Cites Immigrants In U.S. Illegally (NYT)

By Robert Pear

The New York Times, November 3, 2006

WASHINGTON, Nov. 2 — Under a new federal policy, children born in the United States to illegal immigrants with low incomes will no longer be automatically entitled to health insurance through Medicaid, Bush administration officials said Thursday.

Doctors and hospitals said the policy change would make it more difficult for such infants, who are United States citizens, to obtain health care needed in the first year of life.

Illegal immigrants are generally barred from Medicaid but can get coverage for treatment of emergency medical conditions, including labor and delivery.

In the past, once a woman received emergency care under Medicaid for the birth of a baby, the child was deemed eligible for coverage as well, and states had to cover the children for one year from the date of birth.

Under the new policy, an application must be filed for the child, and the parents must provide documents to prove the child's citizenship.

The documentation requirements took effect in July, but some states have been slow to enforce them, and many doctors are only now becoming aware of the effects on newborns.

Obtaining a birth certificate can take weeks in some states, doctors said. Moreover, they said, illegal immigrant parents may be reluctant to go to a state welfare office to file applications because they fear contact with government agencies that could report their presence to immigration authorities.

Administration officials said the change was necessary under their reading of a new law, the Deficit Reduction Act, signed by President Bush in February. The law did not mention newborns, but generally tightened documentation requirements because some lawmakers were concerned that immigrants were fraudulently claiming United States citizenship to get Medicaid.

Marilyn E. Wilson, a spokeswoman for the Tennessee Medicaid program, said: "The federal government told us we have no latitude. All states must change their policies and practices. We will not be able to cover any services for the newborn until a Medicaid application is filed. That could be days, weeks or months after the child is born."

About four million babies are born in the United States each year, and Medicaid pays for more than one-third of all births. The number involving illegal immigrant parents is unknown but is likely to be in the tens of thousands, health experts said.

Doctors and hospitals denounced the policy change and denied that it was required by the new law. Dr. Jay E. Berkelhamer, president of the American Academy of Pediatrics, said the policy "punishes babies who, according to the Constitution, are citizens because they were born here."

Dr. Martin C. Michaels, a pediatrician in Dalton, Ga., said that continuous coverage in the first year of life was important because "newborns need care right from the start."

"Some Americans may want to grant amnesty to undocumented immigrants, and others may want to send them home," Dr. Michaels said. "But the children who are born here had no say in that debate."

Under a 1984 law, infants born to pregnant women on Medicaid are in most cases deemed eligible for Medicaid for one year.

In an interview on Thursday, Leslie V. Norwalk, acting administrator of the Centers for Medicare and Medicaid Services, said the new policy "reflects what the new law says in terms of eligibility."

"When emergency Medicaid pays for a birth," Ms. Norwalk said, "the child is not automatically deemed eligible. But the child could apply and could qualify for Medicaid because of the family's poverty status. If anyone knows about a child being denied care, we want to know about it. Please step up and tell us."

Under federal law, hospitals generally have to examine and treat patients who need emergency care, regardless of their ability to pay. So the new policy is most likely to affect access to other types of care, including preventive services and treatment for infections and chronic conditions, doctors said.

Representative Charlie Norwood, Republican of Georgia, was a principal architect of the new law.

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"Charlie's intent was that every person receiving Medicaid needs to provide documentation," said John E. Stone, a spokesman for Mr. Norwood, who is a dentist and has been active on health care issues. "With newborns, there should be no problem. All you have to do is provide a birth certificate or hospital records verifying birth."

But Dr. Berkelhamer disagreed. Even when the children are eligible for Medicaid, he said, illegal immigrants may be afraid to apply because of "the threat of deportation."

The new policy "will cost the health care system more in the long run," Dr. Berkelhamer added, because children of illegal immigrants may go without immunizations, preventive care and treatments needed in the first year of life.

Doctors, children's hospitals and advocacy groups have been urging states to preserve the old policy on Medicaid eligibility for children born to illegal immigrants.

Sara Rosenbaum, a professor of health law at George Washington University, said: "The new policy reflects a tortured reading of the new law and is contrary to the language of the 1984 statute, which Congress did not change. The whole purpose of the earlier law, passed with bipartisan support, was to make sure that a baby would not have a single day's break in coverage from the date of birth through the first year of life."

California has objected to the new policy. S. Kimberly Belshé, secretary of the California Health and Human Services Agency, said: "By virtue of being born in the United States, a child is a U.S. citizen. What more proof does the federal government need?"

Health Groups Raise Child Care Fears (WP/AP)

By Kevin Freking, The Associated Press

The Washington Post, November 3, 2006

WASHINGTON -- Several health groups are concerned that babies born to illegal immigrants could be denied essential medical care such as immunizations and physicals because of recent changes to Medicaid.

The babies automatically are U.S. citizens because they were born in U.S. hospitals. Under past policy, the groups said, the government required states to provide the babies with a full year of eligibility for Medicaid, the health insurance program for the poor.

Now, mothers of the newborns will have to apply for Medicaid on behalf of their newborns, which many will not want to risk, say groups such as the American Academy of Pediatrics, the American Academy of Family Physicians and the March of Dimes.

Medicaid officials are skeptical about the groups' claims.

Leslie V. Norwalk, acting administrator for the Centers for Medicare and Medicaid Services, said in an interview Thursday that her agency investigated and found no case where a baby was denied care under Medicaid.

"If people know of an instance where a state has denied eligibility because someone couldn't produce evidence of citizenship in particular among the most vulnerable, we would be interested in knowing about that," she said.

New federal rules say a child born in the United States to "an illegal alien mother is not a deemed newborn" _ and therefore not automatically eligible for Medicaid. States may make exceptions on the basis of income.

The rules were in response to a new law designed to ensure that only citizens or qualified legal immigrants gain access to Medicaid.

The medical groups said denying newborns access to Medicaid would cost the health care system more in the long run.

"Preventive care saves money for states that provide Medicaid coverage and the federal government that helps pay for it," the groups wrote the Medicaid agency. "Some infants require immediate post-delivery care for conditions or illnesses detected immediately after birth."

The organizations said some doctors, already facing reduced Medicaid reimbursements, would be reluctant to care for these children.

The letter did not cite any specific cases where care had been denied. But the American Academy of Pediatrics had singled out four states _ Georgia, Kentucky, Tennessee and Virginia _ as denying health care coverage to babies born to illegal immigrants.

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Asked Thursday for specifics, the pediatric group could not provide statistics. Instead, the organization cited the potential for care being withheld.

Norwalk said her agency contacted each of the four states. Medicaid directors there knew of no cases where access to the program had been denied to babies of illegal immigrants, she said.

Dr. Martin Michaels, president of the academy's Georgia chapter, said documenting a baby's eligibility for Medicaid is as simple as submitting a page from the child's medical record showing the child was born in Georgia. But the question is whether families will be willing to do that.

"Some families will be afraid they could get deported and separated from the child," he said.

OTHER NEWS:

US Productivity Growth Stalls (FT)

By Eoin Callan And Krishna Guha In Washington

Financial Times, November 3, 2006

US productivity growth stalled in the third quarter, while unit labour costs continued to rise at a strong clip, heightening the dilemma for the Federal Reserve as it seeks to balance the risks from a slowdown in growth and stubbornly high inflation.

The slowdown in productivity, which was flat over the quarter and up only 1.3 per cent over the previous year, was largely the consequence of slowing growth.

But it could also signal that the underlying rate of productivity growth in the US is declining. Unit labour costs rose at an annualised rate of 3.8 per cent, considerably faster than the core rate of inflation as measured by the personal consumption expenditure deflator. But while the increase in unit labour costs is a potential source of concern on inflation, the rate of growth has slowed since the first half of this year.

The latest data on productivity and costs underscores why the Fed is unlikely to cut rates imminently, in spite of continued economic fragility. Further evidence of this came this week with a fall in the ISM manufacturing index, a gauge of manufacturing activity. The ISM index declined for the third consecutive month to 51.2 points. Most regional manufacturing surveys have also come in weak.

Figures released last week showed US third-quarter gross domestic product growth fell to 1.6 per cent. Most analysts expect growth will rebound in the current fourth quarter, as lower oil prices depress imports, though it will probably remain below trend. Some analysts fear an inventory correction could hold back any rebound. There was a further suggestion of the fragility of the economy yesterday as initial jobless claims increased by 18,000 to 327,000 last week, above a consensus forecast of 310,000.

Gary Bigg, an economist at Bank of America Securities, said the rise in new jobless claims was a sign of weakness in demand.

However, Jan Hatzius, an economist at Goldman Sachs, said that the new claims were offset by the drop in continuing claims, which fell 27,000 to 2.4m last week, suggesting “decent hiring continues”.

Mr Hatzius said the data likely to be of more concern to the Fed were those showing that “labour costs continue to grow at a fairly high rate”.

However, while unit labour costs have been rising over the last two years, partly due to slipping productivity, profit margins remain high by historic standards.

Economic Reports Likely To Complicate Fed's Decision-making (USAT)

By Sue Kirchhoff

USA Today, November 3, 2006

WASHINGTON — The Federal Reserve's job isn't getting easier.

DOJ_NMG_0090630

Recent economic data, including Thursday's report that productivity growth sputtered this summer, while wages rose at the fastest pace in two decades, has the central bank caught between what economist Allen Sinai calls "recessionlike" slow growth and "sticky high" inflation.

"Nobody … can be sure how this is all going to end up. Are we going to bounce back … or is the housing and auto (industry) softness going to spread?" asks Sinai, head of Decision Economics.

The Labor Department said Thursday that productivity, or output per worker, stalled from July to September, as labor costs jumped at an annual rate of 3.8%. Business labor costs spiked 5.3% in the past 12 months, a pace last exceeded in the early 1980s.

While accelerating wages are good for workers, whose compensation has been lagging behind inflation, they can breed inflation.

Other recent data show retail sales lagging. Manufacturing is being slowed by weakness in the auto industry. The housing market, after a record five-year run, is in a rout, with construction off nearly 20% from a year ago. After growing at a 5.6% annual rate in the first quarter, the economy expanded at a lackluster 1.6% pace in the third.

The Fed had predicted a slowdown, expecting more muted growth to gradually cut inflation. Core inflation, which doesn't include food and energy prices because of their volatility, has been 2.9% in the past year, above the Fed's informal 1% to 2% comfort range. After raising short-term interest rates 17 times from mid-2004 to mid-2006 to control inflation, the Fed has held steady at 5.25% since August.

Dallas Fed President Richard Fisher in a Thursday speech said inflation seems to be peaking but remains too high. He added that the Fed contributed to the current housing slump by keeping rates at a low 1% too long after the 2001 recession. The Fed's decision was based on data that later turned out to understate inflation.

"Poor data led to a policy action that amplified speculative activity," Fisher said, adding that the slumping housing market is complicating Fed efforts to create "sustainable non-inflationary growth."

If the Fed pushes rates higher to combat inflation, it could further hurt the interest-sensitive auto and housing sectors. A rate cut to combat slowing growth is dicey with inflation still so high.

Economists will be watching October employment figures to be released today by the Labor Department. Because the slowdown is centered in housing and autos while other sectors are growing, unemployment could stay low longer than expected, Sinai says, adding that slower growth so far "isn't showing any obvious effect on inflation other than perhaps to limit its rise."

Sales Cool For Most Retailers Ahead Of Holidays Department Stores Continue To Ring Up Solid Increases (WSJ)

By James Covert

The Wall Street Journal, November 3, 2006

Department stores kept their momentum heading into the critical holiday season, but many other retailers are finding the going tougher.

Including the likes of Nordstrom Inc. and Kohl's Corp., department stores rang up strong sales of fall fashions as cool temperatures stoked demand for coats, sweaters, leggings and other cold-weather gear, according to October sales results issued yesterday by most major chain stores.

Many specialty retailers and discounters were disappointments. And the slower-than-expected pace of sales overall added to worries about whether middle-income consumers will continue spending amid a shaky housing market.

As shoppers bundled up2 in new clothes in the autumn chill, some major retailers were celebrating but others were left out in the cold. Chart data for a dozen major retailers and see highlights and lowlights from the past year.

Wal-Mart Stores Inc. said it had its worst showing since December 2000, with only a 0.5% gain in same-store sales, confirming a preview it had given Saturday. Moreover, Wal-Mart said November same-store sales would be flat with a year earlier. The forecast raised concerns that the world's largest retailer would begin discounting heavily, putting pressure on competitors to cut prices.

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"Put it all together and you have a decent picture," said Michael Niemira, chief economist at the International Council of Shopping Centers, a trade group based in New York. "But it's a tale of two consumers: the department-store shopper is buying like there's no tomorrow, but then you have everybody else."

Wal-Mart's showing dragged down the overall monthly tally for the industry. According to an index of 46 major chains compiled by Lazard Capital Markets, sales at stores open at least a year, known as same-store sales, rose 2.3%. That was short of the investment firm's 2.8% estimate, as well as the index's 3.8% gain in September.

SALES CALL

3

See a transcript4 of Wal-Mart's pre-recorded sale call, provided by Thomson StreetEvents (www.streetevents.com5). Adobe Acrobat required6

A number of chains reported that profit margins were healthy, as a shopping frenzy in September left less inventory on their sales floors. J.C. Penney Co. and American Eagle Outfitters Inc. raised their forecasts for third-quarter earnings and Limited Brands Inc. said results would be better than Wall Street's estimates.

Same-store sales are considered key indicators of both the industry's health and trends in U.S. consumer spending. But the figures don't provide a complete picture. They don't include many online purchases, and some large retailers, such as Home Depot Inc. and Sears Holdings Corp., don't report monthly sales.

Wal-Mart blamed its poor showing on a store-remodeling program that disrupted traffic and sluggish demand for fall apparel, including its trendy new Metro 7 line. The retailer said its fashion woes will continue to hurt results through the holiday season.

The chain's flat forecast for November was "a big disappointment," said Arun Daniel, an analyst at ING Investment Management Inc., which owns about four million Wal-Mart shares. Investors were hoping that Wal-Mart's lower-income customers would ramp up spending following a drop in gasoline prices.

"It's taking longer than anybody anticipated -- including me," Mr. Daniel said. He added that he expects Wal-Mart to get more aggressive on pricing this month.

Costco Wholesale Corp. reported a 4% gain in same-store sales. Still, that gain fell short of the 4.6% increase analysts had expected, according to Thomson Financial. Target Corp. posted a 3.9% rise that was in line with its forecast for growth of 3% to 5%, but the gain was below the 4.2% increase expected by analysts, according to Thomson.

Gap Inc. continued to struggle despite its recent "skinny black pants" theme and the launch of "Project Red," a clothing line tied to a campaign against AIDS in Africa. Same-store sales fell 7% in October, steeper than the 2.7% drop analysts had expected.

Teen retailers Pacific Sunwear of California Inc. and Hot Topic Inc. each posted same-store sales declines of more than 7%, while sales at Abercrombie & Fitch Co. fell 3%.

It also was a bumpy month for women's clothiers. AnnTaylor Stores Corp. reported a 0.5% decline amid weakness at its lower-priced Loft chain. Chico's FAS Inc. posted a 4.1% decrease and said third-quarter earnings will fall short of analysts' expectations. Talbots Inc., which doesn't report monthly sales, said same-store sales for the third quarter rose 2.3%, but sales slowed in late October. The company didn't change its third-quarter profit outlook, but its shares fell more than 3%.

Federated Department Stores Inc., parent of Macy's and Bloomingdale's, said same-store sales rose a healthy 7.7%. That figure excludes results from more than 400 stores Federated acquired last year from May Department Stores Co. Those stores, which were converted to Macy's in September and nearly doubled the size of the chain, "continued to lag," Federated said.

The former May stores are likely giving up customers to other chains as Federated takes them more upscale under the Macy's brand, said Stephen Hoch, a marketing professor at the University of Pennsylvania's Wharton School. Midprice department stores, Kohl's and J.C. Penney among them, also continue to benefit from 78 store closings since the Federated-May merger, he said, adding: "That left a bunch of money on the table."

Retail Sales Show Mostly Rich Shop Till They Drop (USAT)

By Mindy Fetterman

DOJ_NMG_0090632

USA Today, November 3, 2006

In the retail world, the holidays are shaping up to be a case study in the haves and have-nots.

Which side a retailer falls on depends on its customers: Do they have money? Or are times tight?

If the customers are "upmarket," where their incomes are rising and their personal economy is good, retailers are doing well. Such as Saks and Nordstrom.

If customers are "downmarket," where the cost of gasoline is hurting and raises are few, they aren't doing as well. Such as Wal-Mart and Target.

On Thursday, that divide became clearer as retailers reported sales for October.

Wal-Mart said U.S. sales at stores open at least a year were basically flat compared with a year ago, while Target's same-store sales rose 3.9%. But Saks' same-store sales were up 9.2% and Nordstrom's 10.7%

"There's a huge split in the consumer base that's really creating a polarization in the market," says Sheila McCusker, editor of Information Resources' Times & Trends, which studies consumer shopping trends.

Higher gas prices have cut sharply into the spending power of lower-income Americans, while job and income growth have been enjoyed mainly by higher-income Americans.

"They're polar opposites in terms of how the economy is affecting them," says Frank Badillo, senior economist at Retail Forward, which studies retail trends.

Looking ahead to the holidays, the majority of shoppers surveyed by Retail Trends said they will spend about the same this year as last. But many more lower-income shoppers than affluent shoppers said they plan to spend much less.

Higher gas prices are fueling a trend that had already begun among all shoppers no matter their income: fewer trips but more spending per trip.

When gas prices hit an average of $2.75 a gallon in the spring, "Shoppers started consolidating trips, trying to do more in any given trip," says McCusker.

Information Resources found that the average number of trips taken fell 4.6% in the spring and 3.9% in the summer, when gasoline was at $2.95 a gallon.

The pain has been felt most by mass retailers such as Wal-Mart and Target. Wal-Mart acknowledges that customers are making fewer trips but says its sales per trip are rising.

The biggest beneficiary of higher gas prices have been drugstores, where hurried consumers can dash in and out quickly for a couple of items, McCusker says. The average number of trips to drugstores rose 1.9% in the summer.

"Supercenters are farther out," says McCusker. "… As consumers start weighing what to do, they've chosen (a closer) location."

Dow Slips Again On Retail, Productivity Data (WSJ)

By Peter A. Mckay

The Wall Street Journal, November 3, 2006

The Dow Jones Industrial Average flirted with the 12000 level again, but this time on the downside, as the market fell because of weak economic data.

Reports of surprisingly soft retail sales and productivity, coupled with a bigger increase in jobless claims than analysts anticipated, ratcheted up investors' worries that the current economic slowdown might be worse than expected. In recent months, many on Wall Street have been hoping for a gradual softening, which would shake out excess financial speculation but leave workers and consumers unscathed and keep corporate profits strong.

The part about strong profits has held up so far. Investors are increasingly worried about the rest of the formula.

"Sometimes you get what you want and you realize that maybe you didn't want it," said Michael Cuggino, president and portfolio manager for the Permanent Portfolio Family of Funds. He said he believes the economy "is stronger than a lot of people give it credit for," but he understands why this week's string of tepid data has worried some investors.

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At its low yesterday, the Dow was off more than 52 points, below the 12000 level that it closed above for the first time Oct. 19. The blue-chip average trimmed its losses but finished down for the fifth straight day, off 12.48 points, or 0.1%, at 12018.54, up 12.1% on the year.

The Standard & Poor's 500-stock index finished down at 1367.34, off 0.47 point, but up 9.5% year to date. The Nasdaq Composite Index slipped 0.33 point to 2334.02, up 5.8% year to date.

Wal-Mart Stores, a Dow component, reported that U.S. same-store sales rose 0.5% in October, the slowest growth in nearly six years, and predicted November's sales would be the same as a year earlier. Rivals Costco Wholesale and Target reported disappointing same-store sales, in part blaming difficult comparisons with the year-earlier period, when their stores were bustling amid the Gulf Coast's recovery from Hurricane Katrina.

A decline in crude-oil prices eased the stock market's losses. Crude futures for December delivery slid 83 cents, or 1.4%, to a two-week low of $57.88 a barrel, off 5.2% on the year at the New York Mercantile Exchange.

In major U.S. market action:

Stocks fell, and bond prices fell. The 10-year note fell 10/32 point, or $3.125 for each $1,000 invested, pushing the yield up to 4.602%.

The dollar was mixed. Against the Japanese currency, the dollar rose to 117.11 yen from 117.04. The euro rose to $1.2777, compared with $1.2755.

Fed Official Says Bad Data Helped Fuel Rate Cuts, Housing Speculation (WSJ)

By Greg Ip

The Wall Street Journal, November 3, 2006

In an apparent and rare in-house critique, the president of the Federal Reserve Bank of Dallas said that because of faulty inflation data, the Fed kept interest rates too low for too long earlier this decade, fueling speculative housing activity.

A number of critics have said the Fed under former chairman Alan Greenspan kept monetary policy too easy from 2003 to 2004. But Richard Fisher's remarks to the New York Association for Business Economics yesterday mark the first time some Fed watchers could recall a sitting Fed policy maker making such comments.

Mr. Fisher said from 2002 to early 2003, inflation, as measured by the price index of personal consumption expenditures (PCE) excluding food and energy, was running below 1%. That suggested that a serious shock to the economy could turn inflation to deflation, or generally falling prices. Deflation makes it much harder for the Fed to boost growth by engineering deeply negative real, that is inflation-adjusted, interest rates.

To reduce the risk of deflation, the Fed lowered its target for the Fed funds rate -- charged on overnight loans between banks -- to 1% in June 2003 and held it there until mid-2004. It has since raised it to 5.25%.

Mr. Fisher noted that subsequent revisions show PCE inflation was actually a half a percentage point higher than originally estimated. "In retrospect, the real Fed funds rate turned out to be lower than what was deemed appropriate at the time and was held lower longer than it should have been," Mr. Fisher said.

"In this case, poor data led to a policy action that amplified speculative activity in the housing and other markets. Today...the housing market is undergoing a substantial correction and inflicting real costs to millions of homeowners across the country. It is complicating the [Fed's] task of achieving...sustainable noninflationary growth."

Mr. Fisher, who took office in April last year, said in an interview that his speech wasn't meant to be a criticism of the decisions Mr. Greenspan and the FOMC made then. He said: "I wasn't at the table at the time -- it's easy to look at things with 20-20 hindsight. The point is we need to continue to improve our ability to develop and work with better data."

Jan Hatzius, chief U.S. economist at Goldman Sachs, called Mr. Fisher's remarks "pretty striking," while noting it is Mr. Fisher's style to be opinionated. He added that while he agrees the Fed's policy from 2002 to 2004 fueled speculative housing-bubble activity, it was still reasonable "knowing what you knew at the time. You take out some insurance against a really bad, low-probability outcome, and after the fact you regret having paid the insurance premium."

Mr. Fisher said inflation, at about 2.5% now, is still higher than his "comfort zone," but it is possible it "has peaked and is finally heading lower."

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Fed governor Susan Bies echoed that sentiment in a speech to Drake University in Des Moines, Iowa, saying, "inflation appears poised to decelerate in coming months... but the risks to that outlook seem tilted toward the upside."

The Rich Are Getting Much Richer, Much Faster Than Everyone Else (MCT)

By Kevin G. Hall

McClatchy Newspapers, November 3, 2006

WASHINGTON - Over the past quarter-century, and especially in the last 10 years, America's very rich have grown much richer. No one else fared as well.

In 2004, the richest 1 percent of households - 719,910 of them, with an average annual income of $326,720 - had 19.8 percent of the entire nation's pretax income. That's up from 17.8 percent a year earlier, according to a study by University of California-Berkeley economist Emmanuel Saez.

The study, titled "The Evolution of Top Incomes," also found that the richest one-tenth of 1 percent of Americans - 129,584 households in 2004 - reported income equal to 9.5 percent of national pretax income.

However, median, or midpoint, family income rose only 1.6 percent between 2001 and 2004, when adjusted for inflation, according to the Federal Reserve. Median family real net worth - a family's gross assets minus liabilities - rose only 1.5 percent during those four years.

Those are very sluggish income-growth rates compared with the four years between 1998 and 2001, when median family income grew by 9.5 percent and median family real net worth grew by 10.3 percent.

Experts disagree on the causes, but they're in near agreement that this trend threatens to erode a fundamental American belief about fairness.

"It's not the actual getting ahead in America that's so important - it's been Americans' deep belief that they have the opportunity to get ahead. And if you lose that, there's damage to our society," said Douglas Holtz-Eakin, who until last year was the director of the nonpartisan Congressional Budget Office and before that was chief economist for President Bush.

In coming years, income inequality is sure to be a rallying cry in political debates over everything from raising the minimum wage to federal spending on education to overhauling the tax code.

Most theories on why the rich are getting richer focus on why everyone else isn't. Some explanations include the declining power of labor, the influx of illegal immigrants, the offshoring of jobs and global competition that holds down wage growth.

Education has widened income inequality, too. Americans with college degrees earn nearly twice as much as those without them.

But education hasn't been a ticket to income growth lately.

Between 2000 and 2005, workers with four-year college degrees saw their wages fall 3.1 percent, adjusted for inflation. Only two groups, who together make up just 3.4 percent of the workforce, saw inflation-adjusted wages rise. They were workers with doctoral degrees or specialty degrees, such as medicine or law, according to the U.S. Census Bureau.

The soaring pay enjoyed by top CEOs, athletes and entertainers also has added to the widening income divide.

"I'm thinking Tiger Woods causes some income inequality," said Holtz-Eakin. "All of that seems to be part of this, but it still leaves you with a sense of not knowing exactly what it is."

There's a simpler explanation. The very wealthy simply own more assets than the rest of us. That means they benefit more from the booming stock market, which is reaching record highs.

Since 1926, stocks have given investors an average annual return of about 10 percent (with large fluctuations, depending on the years). In 2004, the wealthiest 10 percent of Americans were almost three times more likely to own stock than the broad universe of U.S. families, according to the Federal Reserve.

The median value of stock holdings for the wealthiest 10 percent of Americans was $110,000 per household in 2004, according to Morgan Stanley, the banking giant. The value of stocks held by the other 90 percent of Americans averaged $8,350.

Those numbers lead some to question the fairness of Bush's 2003 tax cuts, which lowered the top rate at which capital gains and dividends are taxed. Individual income tax rates in the top four income brackets were also lowered to 25, 28, 33 and 35 percent.

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"We've had a 30-year trend of income inequality. What's new in the last five years is the degree to which tax policy has made that worse, rather than leaned against that trend," said Jason Furman, a senior fellow for the liberal Center for Budget and Policy Priorities and an economist at New York University.

If Democrats capture the House of Representatives on Tuesday, they won't immediately set about trying to reverse the Bush-era tax cuts. Rep. Charles Rangel of New York would head the tax-writing Ways and Means Committee, and he's said he won't seek a rollback but will vigorously oppose extending the cuts beyond 2010, the year they're set to expire.

Some conservatives fear that Democrats will seek to redistribute wealth by revamping the tax code to address income inequality. They defend the status quo by pointing to tax data showing that the rich contribute the greatest share of taxes.

In 2003, the wealthiest 10 percent held 37.2 percent of national income, a 50.2 percent share of all federal tax liabilities and a 69.6 percent share of individual income tax liabilities, according to a Congressional Budget Office tax study.

"We've redistributed income about as much as we can," said James Glassman, a scholar at the American Enterprise Institute, a conservative think tank in Washington.

Cheney Tries To Get GOP Base Energized (MN)

By Michael Jamison

Missoulian (Montana), November 3, 2006

KALISPELL - At a rally intended to get out the Republican vote, Vice President Dick Cheney touted the national GOP agenda, saying the re-election of Conrad Burns was critical to continuing the Bush administration's efforts in Washington, D.C., and abroad.

"I look forward to swearing him in for another term in the United States Senate come January," Cheney said.

Burns, a three-term senator from Montana, was first elected to the U.S. Senate in 1988. This year, the incumbent is considered one of the most vulnerable GOP candidates, locked in a tight race with Democratic challenger Jon Tester.

The narrow margins indicated by repeated polls have brought political heavyweights to Montana, hoping to tip the scales in favor of Burns. This was Cheney's second visit to the Flathead Valley in three months, an effort, said Brock Lowrance, to "get out the message that it's important to come out and vote."

Lowrance is communication director for the Republican Party in Montana, and he predicted Cheney's visit would help Republicans "all the way down the ticket." In fact, most of the Flathead's GOP political hopefuls were on hand Wednesday, hoping the vice presidential visit would, in fact, float all boats.

"This is a way to rally the GOP base to the polls," Lowrance said of Cheney's visit. "There's a lot of support for our candidates in the Flathead, and at this point, it's a turnout game."

But getting the turnout is hard work, Burns said, noting that his party is contacting 11,000 Montana voters every day in this last push to Nov. 7.

"Don't go vote alone," Burns told the crowd, "take someone with you."

Cheney visited the Flathead again because it has proved strong Republican territory, Lowrance said, which is the same reason President Bush has planned a Burns campaign stop in Billings on Thursday.

Tester, likewise, is playing to his base in this last week of the election season, with stops scheduled in Bozeman, Missoula and Butte.

"All we're focused on for the next six days is turning out supporters on Election Day," Lowrance said.

And according to Cheney, it will be a very important Election Day. At shortly after 5 p.m., Cheney and wife Lynn walked into the Majestic Valley Arena north of Kalispell - a place better known for rodeo, monster trucks and amateur boxing - and was met by rowdy applause from more than 1,000 GOP stalwarts. His podium was flanked by hay bales, saddles and flags draped across straw.

"It's great to be with you," Cheney said, "back in Big Sky country."

Cheney called on the party activists to "do everything we can to make sure that we get that Republican ticket elected six days from now."

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At stake, he said, is control of Congress. Should power shift to the Democrats, Cheney warned, taxes will go up, security will go down and the economy will stagnate.

Cheney predicted Bush administration tax cuts would disappear under Democratic control, and warned that both the war in Iraq and the broader war on terror would be compromised should Republicans fail to retain power in the capital.

He praised Burns and Rep. Denny Rehberg, R-Mont., saying the politicians were "superb public servants." The U.S. Senate, he said, is a "mixed bag" of personalities, but added that "one of the senators I like and respect the most is Conrad Burns."

Cheney called Burns a leader in agricultural issues, in energy and military security and public land use, saying the incumbent is known for "clear thinking and common sense."

That the praise was unequivocal came as no surprise, and campaigners said they had no concerns that widespread voter frustration with White House policy might make such high-profile endorsements a liability.

"The president and vice president are always welcome in Montana," Lowrance said. "It creates a real energy."

Some of that energy was seen protesting along U.S. Highway 93, as Democratic activists bundled against the cold and carried signs that condemned the "borrow-and-spend conservatives," asking "who's paying for these visits?"

But inside the arena, the crowd remained solidly Republican, loudly booing any mention of Democrats.

Cheney keyed hard on the need for continued military might around the world, noting that "to win this war, America needs the Patriot Act."

Burns, he said, "voted for the Patriot Act, and he's the only Senate candidate in Montana who wants to keep it. That alone is a great reason to vote for him next Tuesday."

Bush Blasts Dems As He Stumps For Burns (USAT)

USA Today, November 3, 2006

President Bush took his "Democrats are soft on terror and oppose conservative judges" campaign theme to Montana on Thursday, trying to rally support of endangered GOP Sen. Conrad Burns. Burns is locked in a tight battle against state Senate President Jon Tester.

Tester was campaigning with Gov. Brian Schweitzer and Sen. Max Baucus, both Democrats.

Bush chided Democrats who he said voted against legislation to detain and interrogate suspected terrorists, the National Security Agency's eavesdropping program and the USA Patriot Act. He stressed that when voters cast their ballots, they will be deciding what kind of judges sit on federal courts.

Bush also predicted that Republicans will retain control of Congress, just as they retained control of the White House in 2004 when Democrats, he said, were measuring the West Wing for their furniture.

"The movers never got the call," Bush said. "The same thing is going to happen on Nov. 7. We will win the Senate and we will win the House."

Pentagon defends military voting system

The Defense Department defended a new military voting program that lets servicemembers request and submit ballots by fax or e-mail. Rep. Rush Holt, D-N.J., in a letter to Defense Secretary Donald Rumsfeld, said the electronic registration and voting service is well-intentioned but could expose troops to identity theft or allow hackers to tamper with ballots.

The Defense Department said the system is as secure as possible and that risks are detailed for military members when they access the e-mail system. "We have taken every precaution to limit those risks," Pentagon spokeswoman Cynthia Smith said.

Dems accuse GOP of intimidation in Md.

Maryland Democrats accused Republicans of launching a "conscious, premeditated" campaign of voter intimidation after a report described a handbook advising Republican poll watchers to challenge the credentials of any voters they suspect are fraudulent. The handbook urges poll watchers to warn election judges that they could face jail time if they fail to act.

Rep. Elijah Cummings, D-Md., accused the GOP of "a conscious, premeditated plan of voter intimidation and voter suppression." State Republican Party Chairman John Kane denied any intimidation, saying the goal was to ensure that no fraud takes place.

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Houston mayor halts free flu shots at polls

Houston stopped offering free flu shots at early-voting sites after Republicans alleged it was a ploy by Mayor Bill White to lure more Democrats to the polls. The vaccinations, for people ages 50 and older, had been offered at early voting sites in predominantly black and Hispanic neighborhoods. Health officials said they were targeting medically underserved areas, not Democratic neighborhoods. "There was no political motive whatsoever" behind the shots, White said. Harris County Republican Chairman Jared Woodfill said he doubted that and said the offer violated a state law that bars accepting freebies in exchange for votes.

Ethanol gaffe encourages GOP in Minn.

Minnesota lieutenant governor candidate Judi Dutcher apologized and blamed a long, hard campaign for her response to a question this week about E85. "It's like you've asked me the college quiz bowl question," the Democrat had said. "What is E85?"

E85 is a blend of 85% ethanol and 15% gasoline. Demand for petroleum alternatives would be a boost for Minnesota farmers because corn is the top source of ethanol. Dutcher is the running mate of Mike Hatch, who is in a tight race against GOP Gov. Tim Pawlenty. Dutcher, appearing with Hatch, blamed "one of those times when your brain doesn't kick it into gear." Pawlenty, who promotes ethanol, questioned Dutcher's qualifications. Hatch's response: "He's not running against Judi Dutcher, he's running against me. I know a hell of a lot more about ethanol than Gov. Pawlenty."

Wash. school bus driver 'not a fan' of Bush

A Seattle school bus driver, fired after she reportedly made an obscene gesture at President Bush, has filed a union grievance in an attempt to get her job back. School District spokeswoman Sara Niegowski said the firing was not politically motivated: "The bus driver was terminated for making an obscene gesture in view of the students." The driver, whose name was not released, was driving middle school children back to school after a zoo visit June 16 when Bush and Republican Rep. Dave Reichert drove by in a motorcade. The driver gave the president the finger, according to Reichert and Issaquah School District Superintendent Janet Barry. "The congressman hadn't seen it, but the president turned to him and said, 'That one's not a fan,'" Reichert spokeswoman Kimberly Cadena said.

Bush Chides Democrats As Soft On Terror (AP-Y)

By Deb Riechmann

AP, November 3, 2006

President Bush, campaigning in a Republican stronghold for an endangered GOP senator, tried to rally his supporters Thursday by portraying Democrats as soft on terrorists and opposed to conservative judges.

Bush chided Democrats who voted against legislation to detain and interrogate suspected terrorists, the National Security Agency's eavesdropping program and the U.S.A. Patriot Act.

"When it comes to listening to the terrorists, what's the Democrat's answer? Just say no,'" Bush said, urging the audience to play along.

"When it comes to detaining terrorists, what's the Democrats' answer?"

"Just say no!" the audience retorted.

"So when the Democrats ask for your vote on Nov. 7, what's your answer?" Bush asked.

"Just say no!" the crowd screamed.

Bush campaigned here for Sen. Conrad Burns, a vulnerable incumbent in a tough campaign battle against Democratic challenger Jon Tester, the president of the Montana Senate. Tester was holding rallies of his own on the other side of the state Thursday and Friday with fellow Democrats Gov. Brian Schweitzer and Sen. Max Baucus.

With polls showing the public opposed to the war in Iraq, Democrats have expressed increasing optimism in recent days that they will gain the 15 seats they need to win control of the House. Democrats must pick up six seats to win the Senate, a taller challenge, and both parties made last-minute efforts to increase the number of competitive races.

Montana was Bush's first stop on his final push to Election Day that includes stops in Nevada, Missouri, Iowa, Colorado, Texas, Nebraska, Kansas, Arkansas and Florida.

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The rally had the flavor of Bush's 2004 re-election campaign. Speakers blared Bush's campaign theme song, "Only in America," and the president opened his remarks with a comment he used in 2004:"It's good to be in a part of the world where the cowboy hats outnumber the ties."

Bush, invigorated by the rally, gleefully predicted that Republicans will retain control of Congress, just as they retained control of the White House in 2004 when Democrats, he said, were measuring the West Wing.

"The movers never got the call," Bush said. "The same thing is going to happen on Nov. 7. We will win the Senate and we will win the House."

Bush also said veteran Republican senators like Burns are needed to help the Senate confirm judicial conservatives to the federal bench. When Montana voters cast their ballots, they're not only deciding who will represent them in Washington, they will be deciding what kind of judges sit on federal courts across the nation, Bush said.

"We believe that judges ought to strictly interpret the law and not legislate from the bench," Bush said.

Bush Touts Republicans In Billings (BG)

Billings Gazette, November 3, 2006

The Gazette Staff In an animated political stump speech for Montana Republicans that covered taxes, judicial nominations and the war in Iraq, President Bush spoke for about 45 minutes to supporters at MetraPark Arena on Thursday morning.

With his shirtsleeves rolled up and no tie, Bush urged Montanans to vote for Sen. Conrad Burns and Rep. Denny Rehberg to make the country a safer and better place to live.

“I’m proud to be here in Big Sky Country with this fine U.S. senator, Conrad Burns,” Bush said. “You might call him a plain-speaking fellow. I’ve heard some say he’s a little rough on the English language. Where have I heard that before? Conrad, I’m keeping good company.”

After speaking for some time about the importance of judicial nominations, Bush said the two most important issues this election season are taxes and terrorism.

Voting Republican will ensure the country takes the right track on both counts, Bush said.

Democrats will raise taxes, while Republicans will cut them, he said.

“Conrad, Denny and I have a philosophy,” Bush said. “We believe you know how to spend your money better than the federal government does. The Democrats want to take more of your money because they think they can spend it better.”

Republicans are responsible for tax cuts that bolstered the U.S. economy and helped reduce Montana’s unemployment rate, he said. But, if Democrats take control of Congress, taxes will go up despite that party’s professed love for lowering them.

“They voted against every single tax cut,” Bush said. “Time and time again, every opportunity that they had a chance to show their love of tax cuts, they voted no. If that’s their idea of love, I’d had to see what hate looks like.”

Bush also said Democrats want to withdraw troops from Iraq too soon, leaving the United States vulnerable to terrorists. He said the military’s presence in Iraq does not encourage more terrorist groups to form and defended his decision to oust Iraqi dictator Saddam Hussein.

“When you see a threat, you can no longer hope the oceans will protect us,” Bush said. “You can no longer hope for the best.”

“I saw a threat in Saddam Hussein. Members of both parties saw a threat in Saddam Hussein. The United Nations saw a threat in Saddam Hussein,” he said. “I made the right decision to take Saddam Hussein from power. Now, Iraq is the central front in the war on terror.”

Democrats don’t have any idea how to fix the situation in Iraq, but Republicans have a plan for victory, Bush said. That plan includes helping the Iraqi government become independent and self-sustaining.

The only way the United States can fail in Iraq is to leave before the job is done, he said.

“That’s exactly what Democrats want to do,” Bush said.

Bush ended his speech by comparing the Sept. 11, 2001, attacks on the United States to the attack on Pearl Harbor.

During World War II, Japan was America’s enemy, but today the two countries are allies, said Bush, who recently met with the Japanese prime minister. The two leaders visited Graceland together earlier this year.

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"I found it interesting on the way down to Elvis's place, I was talking about keeping the peace with the prime minister of our former enemy," Bush said.

"The lesson of history is liberty has got the capacity to convert an enemy into an ally," he said. "Liberty has got the capacity to turn a region of despair into a region of hope."

Earlier in his speech, Bush talked about the importance of maintaining Republican control of Congress so that his judicial nominees can be confirmed to the federal court system.

"Your vote determines more than who represents you in the Senate," he said. "It will also determine what kind of judges sit on federal benches all across the U.S."

Bush credited Republicans for confirming John Roberts and Samuel Alito to the U.S. Supreme Court, appointments Democrats tried to block, he said.

"America is better off with John Roberts and Samuel Alito on the Supreme Court of the United States," he said.

Bush also said Montana could help lessen the country's dependence on foreign oil by producing alternative forms of energy.

The president was introduced by Burns, who said Bush is not afraid to stand by his beliefs.

"He's the man who doesn't take a poll before making a decision," Burns said.

"Even though he's from Texas, he understands Montana values and cares about the principles that make our two states great."

Rehberg introduced Burns.

Bush landed at Billings Logan International Airport aboard Air Force One a few minutes early Thursday morning at 10:59 a.m. He departed on the plane around 12:35 p.m.

Bush exited the plane a few minutes after it landed, waving, and shook hands with a group of people waiting on the tarmac. Black-clad snipers were on rooftops of buildings at the airport, and a Black Hawk helicopter flew in the area. Two gray C-17 military cargo planes were on the tarmac nearby.

Among the greeters were John Bennett of Cascade, a retired staff sergeant in the Montana National Guard who was injured by a sniper in Iraq and was in a wheelchair when he shook hands with the president; Peter Ankney of Colstrip, a first lieutenant on active duty in the U.S. Marine Corps; and Mark Polakoff of Red Lodge, who operates Absaroka Search Dogs and was scheduled to receive a volunteer award from the president. Polakoff was accompanied by his German shepherd, Winda.

Jack and Pat Rehberg, parents of Rep. Denny Rehberg, R-Montana, were also there.

Bush then made the short road trip to MetraPark in a fast-moving motorcade that traveled on Airport Road accompanied by patrol cars from the Billings Police Department and Montana Highway Patrol. A small group of people gathered near the intersection of Airport Road and Main Street, where the motorcade passed at about 11:17 a.m. Bush could be seen waving to the small crowd from a black limousine.

The motorcade sped through the intersection again returning to the airport at about 12:20 p.m.

Ticket holders began lining up as early as 6 this morning to see Bush. The "Montana Victory Rally" is the start of a final campaign push before the national midterm election on Tuesday.

In the past three weeks, he has made campaign appearances on behalf of Republicans in tight races for seats in the U.S. Congress.

More than 5,000 tickets had been distributed for the president's short visit to Montana to bolster Montana Republicans, especially Burns, who is in a tight race with Democratic opponent Jon Tester, a state senator from Big Sandy. Burns is running for his fourth six-year term in the Senate.

By 8 a.m. Metra's lower parking lot was full. Volunteers were placing leaflets supporting Burns beneath windshield wipers.

A line of people that stretched from the MetraPark Arena doors, around the side of the building and to the MetraPark Pavilion began moving at about 8:10 a.m.

People were cheerful but cold. Some stomped their feet and brought blankets to fend off the cold. A group of children in snowsuits and mittens played on a strip of ice near the Metra doors.

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Alan Hooker, a rancher from Luther, was among the first in line. Hooker rose at 4 a.m. and got to Metra by about 6:15. There were already 15 people ahead of him, he said.

Hooker said his son's teacher at Luther School asked him to save 17 seats for the school's seventh- and eighth-graders. He planned to place sheets of notebook paper on the seats to reserve them.

"The cell phone is going to be our connection, hopefully," he said.

Cheryl Heins and her 14-year-old daughter, Holly, of Laurel, were in line by 6:30 a.m. Heins took both her daughters to see Bush in 2001, when they got to shake his hand. Today, they were hoping to hear the president talk about family values.

"This is the world's leader," Heins said. "He's nowhere else in the world today than in Billings."

Dorothy Krnabek, a Republican campaign volunteer, was stationed at the Metra will-call ticket booth.

"Every seat in Metra is a good seat when the president comes," Krnabek said.

Another Burns campaign volunteer, Wilma Moses, brought a mystery novel and the comics section of the newspaper to keep her busy while she waited to listen to the president.

Moses wore a red plaid jacket and a red hat with three elephant pins fixed to it. She said she puzzled over which of the pieces of jewelry to wear this morning before deciding to wear them all.

One of the pins belonged to her mother. It was made of silver and rhinestones and spelled the word "GOP." Moses said her grandfather was a socialist in North Dakota in the early 1900s.

"I've been working so hard to overcome," she said.

She wanted to hear Bush talk about Iraq.

"I hope that he will talk about winning the war and a plan to end it and have success there, something to give us all hope," Moses said. "I agree that we can't just leave. But I feel for the families."

Joining Bush and Burns this morning were Rep. Denny Rehberg, R-Mont., and other Republicans.

Bush's itinerary through Saturday includes stops in Elko, Nev., this afternoon; Springfield and Joplin, Mo., on Friday; and Greeley, Colo., Saturday morning. On Tuesday, the president and first lady Laura Bush will vote in Crawford, Texas, where they have a ranch.

Tickets to today's event were free, but had to be obtained from the Billings Republican campaign office by 7 p.m. Wednesday. Only those with tickets were admitted.

Black Otter Trail and all parking areas for trails atop the Rims were closed to the public for the visit until 3 p.m. today, according to the Billings Police Department.

On his arrival at Billings Logan International Airport, Bush presented the President's Volunteer Service Award to Mark Polakoff of Red Lodge, who trains rescue dogs for the Absaroka Search Dogs, a volunteer organization that has worked in Montana, Wyoming and Idaho searching for lost and missing persons.

Polakoff is also a member of the 1st Special Response Group, which responds internationally to search for lost or missing Americans. He has been a volunteer pre-hospital nurse with the Red Lodge Emergency Medical Services for 18 years and is an emergency room nurse at St. Vincent Healthcare.

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Not very interesting (1)

Slightly interesting (2)

Somewhat interesting (3)

Quite interesting (4)

Extremely interesting (5)

Talk Back! Post your comments, opinion or feedback about this story.

Name:

Comments:

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Obscene, explicit, or racist language.

Personal attacks, insults, threats, harassment or inciting violence.

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The comments below are from readers of billingsgazette.com and in no way represent the views of The Billings Gazette or Lee Enterprises.

Hugo wrote on November 02, 2006 9:36 AM

I can already smell the sulfur.

Welcome "W" wrote on November 02, 2006 9:37 AM

Welcome to Billings, glad we have the METRA, we have the world's spotlight today on our beautiful City with such a great Future!

I'm shocked! wrote on November 02, 2006 9:38 AM

I am surprised. This article has been posted for 15 minutes now and nobody has commented about how much they dislike our President. I, for one am very pleased with President Bush and have nothing against him coming here. To those who think he's wasting time: how much time/money has our own Govenor spent doing commercial ads with candidate John Tester and photo shoots showing his support. Shouldn't he be busy serving the people of Montana, or at least claiming everyone else's work as his own?

Amazed wrote on November 02, 2006 9:39 AM

Lemmings

CJJE wrote on November 02, 2006 9:53 AM

Who's picking up the tab?!! Should be the Burns supporters since this is a political move to increase votes!! It's rediculous that this is going to cost us this amount of money!! I would stand in line that long to greet our service men and women coming home, for they are the heros. Not this president.

Welcome President Bush wrote on November 02, 2006 10:45 AM

Whether we agree with the statutes of the president or not, the very presence of this honorable figure deserves respect. We can disagree respectfully if we are so inclined. Please Billings show your high standards of respect.

Just Me wrote on November 02, 2006 10:47 AM

IWOULDN'T WALK ACROSS THE STREET!!!

Thanks for Visiting "W" wrote on November 02, 2006 11:23 AM

Thanks for Visiting "W"

all of em.... wrote on November 02, 2006 11:24 AM

all politicians are crooks, especially the president.

HA! wrote on November 02, 2006 11:24 AM

You said it, Hugo!!

I feel lucky wrote on November 02, 2006 11:26 AM

Mrs Bush was the republican who visited our neighbirhood. Very nice lady and much better received than her husband. Didn't go cause I'm true Blue, but heard she was very nice. I don't think there is much hope for good ole Conrad and after the fires this summer there shouldn't be.

John wrote on November 02, 2006 11:28 AM

Way to go W!! I voted the straight Republican ticket this morning!!

celeste wrote on November 02, 2006 11:39 AM

wank wank!

Welcome President George W wrote on November 02, 2006 11:40 AM

Weclcome to the "big city' of Montana, Wyoming home of Cattle, Ag, Oil, tourism. Prospertiy and Purpose! Thanks for Visiting

V says wrote on November 02, 2006 11:43 AM

....."Vi Veri Veniversum Vivus Vici"..... Ladies and Gentlemen - Let's sing an old favorite melody I've brought up to date while. we await the apperition of His Maleviolence. Just follow the bouncing ball..... The skyline of New York ..... East Side, West Side, all around the town.... To heck with three thousand people, Time to bring three Towers down.... Let's have a war on terror, Let's go pop ol' Saddam's cork!.... To consolidate all the power, a Reichstag fire in New York. ..... East Side, West Side, all around the town,... The streets are full of asbestos from the buildings on the ground.... George is in Sarasota, A goat tale reading World Class Dork.... The Secret Service ain't worried 'cause the target was New York ..... East Side, West Side, all around the town.... Silverstein planted the charges, Dov's remote planes flew around... Cheney stopped the Air Force to get Halliburton their pork... We know your plan worked fantastic on the skyline of New York. ..... "Remember, Remember the Fifth of November"

bo wrote on November 02, 2006 11:44 AM

All this less than a week before the election? Grasping at straws?? You're doing a heck of a job, Burnsy!

To Hugo wrote on November 02, 2006 11:44 AM

It's because it coming from under your feet!!!

Not one in the sheep herd wrote on November 02, 2006 11:47 AM

Don't worry, I made sure to hold my hand up and tell him he was "number one" when his plane came in.

Hugo & Sulpher wrote on November 02, 2006 11:50 AM

Hugo Its probably coming out of your A$$.

me wrote on November 02, 2006 11:55 AM

okay i just have to ask this if bush arrived just arfter 11 today why are ppl writing about this at 9 if they wrote it at 9 he was still in the plane coming over here

Lori wrote on November 02, 2006 11:56 AM

Welcome W! We're hoping you can help boost Conrad over the top on Tuesday! Thanks for coming to MT!

Red,White and Blue wrote on November 02, 2006 11:58 AM

To I'm Shocked,Right On My Friend though One Of (Them)Did Say He Could Smell The Sulphur,More Than Likely That Guy On His Shoulder,Welcome Mr President To The Big Sky,God Bless And Semper-Fi

Spike wrote on November 02, 2006 11:59 AM

Are Amazed and Hugo dining with the Axis powers in North Korea tomorrow night? I think they would fit right in!

Richard Miller wrote on November 02, 2006 12:01 PM

For "I'm schocked": I don't mind having Air Force One land here. I just wish that they hadn't got the door opened and had to take off without depositing several tons of B.S. on the people of Billings. I for one do not care to have the biggest cut and run artist in my city. Nor, do I care for lies that he has given us since he got in office. A pox on the arrogant bastard!

i am picking up the tab wrote on November 02, 2006 12:03 PM

i am picking up the tab, mr. big oil and hally-burton.

Rancher2 wrote on November 02, 2006 12:14 PM

I respect the office of president but not the man in office or his policies. As a fourth generation Montanan I am tired of being represented by an unintelligent crook who is an embarrassment, Conman has got to go!

ndngrl wrote on November 02, 2006 12:16 PM

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He could be anywhere in the world but he is here in our beautiful state of Montana. I'm glad he came to support Burns. I love the President and the GOP. More power to them.

Boring wrote on November 02, 2006 12:20 PM

Bush said that the Democrats don't have a plan for Iraq. What is his plan? It changes frequently. He says we have to stay until we win the war. What will we win? How will we know when we have won? Who will pay for the damages? I watched the President's talk on TV and I have never seen more bored people in one place in my life. I laughed out loud when the commentator described an "excited" crowd and the video showed just the opposite.

Retired Firefighter wrote on November 02, 2006 12:34 PM

This President promised to restore "Honor and dignity" to the White House. I don't know what is honorable about bolstering a corrupt politician because they both share the same ideology and political party.

jon wrote on November 02, 2006 12:50 PM

I'm a church-going, gun-owning fiscal and mostly social conservative and I'm sick of the direction our country has taken. I pray that all of you will have a change of heart and vote Conrad Burns out of office. Americans used to be proud to stand on their own feet and now it's all about "What's in it for me?"

TRH wrote on November 02, 2006 12:52 PM

Mr. Bush may be a well meaning guy who cleans brush at his ranch and make good jokes about how he and burns "butcher the english language" but it is unbelievable how bad a situation he was created in Iraq and how much federal debt he has created in the process. I have two committed nephews in Iraq at the moment and I sure hope they don't become more needless victims of this flawed war. Boot Bush's cronies on Nov 2!

Proud to wrote on November 02, 2006 12:52 PM

be an American! It's a historic day, Montana loves President Bush!!

Huero wrote on November 02, 2006 12:53 PM

Thanks for visiting, Mr. President! I hope this puts Burns over the top. Governer Schweitzer is dangerous enough by himself. The last thing we need to do is give him another friend in Washington. I'd vote against Conrad if there was a sensible alternative, but JON TESTER IS NOT THE ANSWER!!!

Burns must go wrote on November 02, 2006 12:58 PM

I support President Bush and Rehberg, but not Conrad. Burns is corrupt and will lose next Tuesday. He brought defeat on himself by continually serving the selfish interests of his lobbyist friends, many of them Montana grown and still exploiting the office.

ohhhhhhhhh! From Pure breed Montana'n wrote on November 02, 2006 12:59 PM

Did you just see on Q2 that Tester sent a settement that said Bush was not here to see the normal peolpe in Montana. He better stop listen to Kerry. If Tester thinks he is normal He sure isn't from Montana. Hey! Cheney is so close to Missoula today maybe he could see if Tester whats to go hunting. It is hunting season.

Billy Bob wrote on November 02, 2006 1:11 PM

How silly can we be to buy patriotism from a guy who shirked his duty? Burns should lose to show Bush we're not idiots and cannot be lied to about how he got us into Iraq.

local wrote on November 02, 2006 1:14 PM

I was just stuck on Main street for near an hour. Thank you George Bush.

Show some respect... wrote on November 02, 2006 1:15 PM

To those of you dis-respecting the president with words... I say this.... If we all showed disrespect to those we dislike this world would be in even worse shape than it is now. Grow up and get a set!

NOMoreCONMAN wrote on November 02, 2006 1:22 PM

Do you think Bush and Conman talked about their secert Iqaq polciy today? I am sure they have big plans on how to win this war. It is a disgrace to have a sitting President stump for a crook. It is saying to every politican "go ahead eat the free Sushi" as long as you are in our party we will still support you. I am a Rep., but I will vote for Tester. Sometimes what is best for your party is not best for your country.

nh wrote on November 02, 2006 1:24 PM

To CJJE: It is funny you most likely don't say that when a Democratic President Bill Clinton comes and campaigns for his candidate. It is how it works. Quit complaining. All you protesters outside of the Metra get job! People like that are one of the many reasons why I rarely support a Democratic candidate.

ack wrote on November 02, 2006 1:27 PM

Some of you comment like you actually believe the President is going to read your remarks - In case you are sitting in Air Force One right now Mr. President and reading these comments, STOP THE MADNESS IN IRAQ!!!!

Republicans wrote on November 02, 2006 1:28 PM

Any group who thinks selling your vote to the highest bitter is okay deserves nothing better than Bush and Burns. I hope you get your wish. Then when the jeck gets indicted you'll be the laughing stock of the US, which you already are. Jon Stewart is having a field day with your stupid Senator.

Amazed wrote on November 02, 2006 1:36 PM

What's to respect about a man who is clearly incompetent? And what's to respect people who blindly follow him? It sickens me that people call themselves Americans and patriotic that will support a man who fights a war based on nothing that had to do with anything, rip apart the Constitution for his own benefit and then watch America's finest die day after day with no plan other than to jump and and down shouting "Terror!"

I don't care wrote on November 02, 2006 1:41 PM

Bush has done nothing to impress me. The sooner he is out of office the better of we will be. He started something his dad did'nt finish and it's just gotten worse he needs to go!!!!!!!

Tony wrote on November 02, 2006 1:42 PM

What a disgrace this guy is...people dying everyday for a war that he lied to go into and then he is here in my homestate campaigning for a corrupt politician...Just unbelievable

Thanks for Visiting President Bush #2 wrote on November 02, 2006 1:44 PM

Any dolphin can eat the spider around the tornado, but it takes a real mating ritual to barely play pinochle with an alleged grand piano.

Could Care Less wrote on November 02, 2006 1:52 PM

Don't let the door hit you on the !$$ on your way out.

blindman wrote on November 02, 2006 1:58 PM

If most of you were deaf instead of blind I could understand your blind allegiance to somebody who cares less wether or not you can pay your bills or put food on your table or if your sons and daughters die in a war for elitist interests, but you fools can see and hear and you still cheer on nero. You deserve neither freedom or security.

Stillonmt wrote on November 02, 2006 1:58 PM

Just more tired rhetoric from the President. He attacks strawmen rather than deal with issues head on. The last thing that is needed by our country is a Republican congress that just enables his lack of leadership.

TOO LATE FOR BURNS wrote on November 02, 2006 2:07 PM

Nice try Burns, your time is up! If you stil talk to Jack, let him know I could use some money as well! Or better yet, use that money to pay for the shameless attempt to save your campaign with Georgie's vist today! SEE YA BURNS!!!!

John wrote on November 02, 2006 2:10 PM

I would not even consider or have the desire to see President Bush. Does he even have a college education? I am sure his parents had him at least finish High School.He doesnt seem to be very bright. I understand Sen. Kerry's comments on who does end up fighting the wars in this country. It is mostly low income and people of color. Their hope is that it will open the doors to attend college, get GI loans for housing. I think they should make it mandatory that one child from every family enlist in the service during war time-even the rich kids.Even if their in one the most prestigous colleges in this country. The only thing I agree with president bush on -is the comment he made. That is that both him and Conrad Burns both can make some very stupid comments. I would never support Conrad Burns or President Bush!

cc#1 wrote on November 02, 2006 2:11 PM

DOJ_NMG_0090645

I didn't attend the rally, but I was fortunate enough to catch it live on KTVQ. It was awesome! Here was a mere mortal man speaking God's truths. I literally could see the Rod of Jesse alligning the President's back. God was smiling down on Billings, Montana, today! Thank you for sticking to your convictions, Mr. President George W. Bush! Thank you for taking the time to grace us with your presence, as well! God speed to you and yours. Peace.

CDN wrote on November 02, 2006 2:12 PM

Some of you need to stop and take a deep breath. The hate on this blog is incredible. It comes from a party that says those that are in the military because they are stupid, a party that will raise Taxes if they win, a party that gives aid and comfort daily to our enemies, a party that supports gun control and gay marriage, a party that is for open borders and against judges that not make laws, a party that will grow the size of government, a party that is against energy exploration and therefore for more foreign oil, a party that believes man is so powerful, he can change the weather. It is the party that defended Bill Clinton, and attacks those that believe in GOD. Gore, Pelosi, Reid, Hillorat, Kerry, Kennedy, bi-coastal liberals control it. Even when one of their former VP candidates supports the Presidents fight against those that want to kill us, this party tosses him out. But the one thing that is apparent, the Democrat Party was no ideas to campaign on, only hate. You should be so proud.

Go Ahead..Make his day. wrote on November 02, 2006 2:12 PM

FYI-Every country, everywhere is vunerable. We live in a country where borders are a joke and immigration has exceeded native born residency. By giving the American public a false sense of security-shame on him. I wonder how many more lives would have been sacrificed if good ol W would have been at the helm of Vietnam. Did it really make a difference to them that we left? Only to the ones who survived. Our foreign relations are so strained it will take years to repair. He talks about democrats raising taxes-but the republicans have managed to increase the unemployment rate, and have promoted our oil companies to the highest food chain. Metal, plastics, wood products have all doubled in cost since the start of this administration. Taxes, taxes, taxes, but what about the cost of everything from chapstick to bailer twine. Titles do not warrant respect. When you have lives in your hands and you conduct yourself in the narcissistic mode you normally operate in, with no thought of those you hurt, you get the respect you deserve. Did he mention U.S. Navy Petty Officer 2nd Class Charles "Chuck" Komppa- you know the one they took home in a casket last night? Shame, shame, shame. Must have been too busy petting the search dog for PR. Vote another one in with the same mentality. You get what you deserve. Sadly so does everyone else.

To Cheryl Heins wrote on November 02, 2006 2:13 PM

â€œThis is the worldâ€™s leader,â€ Heins said. â€œHeâ€™s nowhere else in the world today than in Billings.â€ George W. Bush is NOT the world's leader. People who believe things like you do are what cause Bush to think he is the leader of the whole world and all countries should do what he says. How sad you're teaching your children such false detrimental beliefs.

how many people actually showed up wrote on November 02, 2006 2:16 PM

they had 5,000 tickets...how many people actually showed up? thank you protestors for standing up against corruption and being the true American voice

Can W read? wrote on November 02, 2006 2:19 PM

Just wondering if W. even mentioned the soldier's casket being taken off the plane or his family shown in the gazette today.

...etc... wrote on November 02, 2006 2:32 PM

George is a great guy, i know we can all "arm chair" his job....but when it gets right down to it, he responded the way an American President should respond to terrorism. I really dont care if there are people being held without any rights.....the people working in the trade center on 9/11 had no choice....if we can make a few of them talk and get the "bad guys" so be it. I am tired of useless negotiations that the other side thinks are weak and cowardly. George has some "b_lls" and has all of the information so he can act accordingly. Keep up the good work and God Bless!

W is the World Leader wrote on November 02, 2006 2:36 PM

W is the World Leader its sure not any wimp from the UN, why is he the leader, not just all of our weapons and nukes, its our beliefs in freedom, we stand up for freedom, against genocide in Africa, against all violence, and against the fools who believe in global warming which is actually caused by Sun Spots! Read the bible every body. Rev. Smalam

jess a guy wrote on November 02, 2006 2:36 PM

DOJ_NMG_0090646

It was a fantastic production. Martina was better but this one cost one hell of a lot more. This was purely a photo and press opportunity. Sad that the leader of the #2 world power needs to do so much work on the elections but at the same time takes more vacation from his post than any other president in US history.

Borrow and Spend wrote on November 02, 2006 2:42 PM

Burns and Bush.....equally inarticulate, dishonest and truly not Conservatives. True Conservatives know a little about responsible spending. I am one of many Conservatives who are voting for Tester!

Los Cangrejos wrote on November 02, 2006 2:52 PM

I just don't understand the hate and vitriol being spewed here. Disagree all you like with Bush, but understand that he IS the president of the United States of America and is due respect if only for only that reason. You people disgust me as much as those who do not rise and doff their hats when the flag comes by in the parade. Dissent all you want, but please be respectful.

SjonesSR wrote on November 02, 2006 2:53 PM

He is a very good speaker in person. I was amazed at how much energy and charisma he had and how clearly he stated his message. Somehow we never see that on the news. It must be a sport for the media to find that one clip each night that makes our president look bad.

milkseat wrote on November 02, 2006 2:53 PM

For every vote Bush might have gotten Conrad today he lost Burns two-coming from all the people in 4th Ave and Main St. traffic jams!

Jim wrote on November 02, 2006 2:53 PM

We have a wonderful President and what an honor to have him in the Big Sky country. We are so fortunate to have him as President instead of John Kerry. John Kerry is a liberal, unpatriotic man.

was conrad sober wrote on November 02, 2006 2:55 PM

did connie stay away from the bottle today

A Real Patriot wrote on November 02, 2006 2:55 PM

Patriot - a person who regards himself or herself as a defender, esp. of individual rights, against presumed interference by the federal government.

Not my leader wrote on November 02, 2006 3:12 PM

Impeach!

SHIRT AND NO TIE wrote on November 02, 2006 3:19 PM

Dear Gazette Liberal Writer: So what if the President showed up in casual attire.....that is what Montana is all about! Try attending a function at Alberta Bair Theater or go listen to the Billings Symphony....a lot of Montanans wear blue jeans and cowboy boots. Mr. President, you fit right in Billings! We are proud of you and thank you for paying us a visit!

Tammy wrote on November 02, 2006 3:20 PM

Hey Hugo~~~You must've been at the wrong place this morning-Demo hell- I was inside the Metra-Cheering on our Wonderful President George W. and what a pleasure that was-All I could smell was the sweet scent of Republican victory--God Bless America and George W.....

DUMB AND DUMBER! wrote on November 02, 2006 3:23 PM

Corndog and the Presidunce! Hey, funny movies about two really dumb friends are outta style now. Didn't anyone tell the Repubies??? Bwaaaaaaaaaaaa! Ho ho hey hey, how many troops did you kill today, georgie? Last month only 101, and SEVEN HUNDRED WOUNDED! But tell us, Dumbya, just why the twins aren't in Eyerak? Are they AWOL, like YOU were?????? What a joke.

Desperate measures CONman Burns wrote on November 02, 2006 3:24 PM

CONman is like the bully kid on the block who's getting beat up (by a younger fresher Jon Tester in this case) - bring in your older brother. Bring in Bush, bring in Cheney, bring them ALL in - you still will lose ConMAN

TO CDN wrote on November 02, 2006 3:26 PM

Sounds like you might need to take a big breath. You sound very one sided and very hateful. Don't forget that the majority of us are probably in the middle. Not with you and not with the protesters. You sound hateful to me!

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Baffled wrote on November 02, 2006 3:29 PM

Number 2 world power?

Patriot wrote on November 02, 2006 3:34 PM

Burns and Bush. Get out, and stay out of our State!

Native Hunter wrote on November 02, 2006 3:36 PM

Just goes to show Conrad can't stand on his own two feet in Montana but has to "go Washington" by bringing in the worst president in US history. I wonder if Bush could point out Billings on a map? Funny Bush talked about taxes and Iraq. We've been in Iraq six years and it keeps getting worse and the Repubplicans have run up the national debt to insane levels.

Bigsky wrote on November 02, 2006 3:39 PM

The only gutsy thing Bush has EVER done is being in the same state as Cheney during hunting season.

NE Mt wrote on November 02, 2006 3:43 PM

My question that would be posed to the President and to Cheney as well.... How come they are so vehemently supporting Conrad Burns-someone that is being investigated in scandal after scandal. Is this the political version of the good ol' boys club? Get Burns in office no matter what... Because they might also have something to hide?

Poor Dems wrote on November 02, 2006 3:53 PM

We have President Bush and you Jon Carry!

a sad time for america wrote on November 02, 2006 4:12 PM

He makes me want to throw up.

WOW!! GO W wrote on November 02, 2006 4:25 PM

I'm a decomcrat voting for Republicans. They have the plans and ideas. It was nice to see our president in Billings.

what wrote on November 02, 2006 4:28 PM

Keep supporting Bush. He could care less if you loose a child in Iraq or have to work two or three jobs to make ends meet. What a bunch of suckers. Bush has you right where he wants you come election day.

poor rancher wrote on November 02, 2006 4:30 PM

Is that AF One I smell, or is it just the Laurel refinery?

Rygel wrote on November 02, 2006 4:34 PM

I love him.

former forest service wrote on November 02, 2006 4:36 PM

Remember Forest Service Firefighters.

Brian Casteel wrote on November 02, 2006 4:39 PM

I thought President Bush was awesome today. My overall opinion of him hasn't been very good, but he earned a great deal of respect from me today with the intensity and strength of his speech. It was an awesome experience that you cannot get by watching it on TV or hearing a speech on the radio.

To Retired Firefighter wrote on November 02, 2006 4:41 PM

It means doing what's right and what needs to be done without checking the polls first. Oh yeah, also means, keeping your pants up in the Oval Office.

The Borders are open to Canada.... wrote on November 02, 2006 4:41 PM

If you don't like our country and it's leaders do something.....it's your choice to stay here (majority rules in elections) or go. Don't let the door hit your butt on the way out!

Kennyg wrote on November 02, 2006 4:42 PM

What a waste of money. This country is trillions in debt, and in a war for big oil. So what does W do but come to Billings to preach to the people who voted to let him get us into this mess. Also why should the taxpayers pick up the overtime for the police and Sheriffs deputies, the Republicans should cover that too!

Evangelist Ted Haggard out of closet wrote on November 02, 2006 4:47 PM

I don't understand why you Republicans hate homosexuals so much. Another of yours just came out of the closet, Reverand Ted Haggard, leader of the National Association Of Evangelicals just admitted to a three year affair with a man. He's one of yours,

you judgmental neocons. Why are you always saying your platform is about what you call family values and you hate homosexuals and say that democrats promote it, but you sure have had a lot of your own come out of the closet this year. maybe you should try to be less judgmental.

Please Tester supporters wrote on November 02, 2006 4:51 PM

I'm begging you. It's one thing to show your ignorance in supporting Tester - please, please try to spell properly, or at least put together a coherent sentence. And yes, I'm aware of a few typos in responses from Bush/Burns supporters, but it only takes a glance through here to see which side has more of those remotely intelligent enough to cast a knowledgeable vote.

Nutcracker wrote on November 02, 2006 5:00 PM

Party loyalists are nuts best poured into a bowl and served before Christmas dinner. This is especially true of Republican loyalists this election cycle and the next. Bush's stupidity is killing your sons and daughters in an unnecessary and poorly executed war in Iraq and he is making you pay for it. If Clinton had done this, your panties would be in a wad so deeply embedded we could see your pant size every time you opened your mouth. Yet Republican loyalists rally around the Bush dressed up like Howdy Doody, or should I say Howdy Dude-y, because he claims he won't raise your taxes. This war is costing a fortune. Where is the money going to come from? You! Bush is borrowing all this money so he doesn't have to face the responsibility of being the bad guy who forces you to pay back his debts. It is called passing the buck. It pleases old Conrad no end to help Bush take your money and put your kids' lives in danger for no good reason. So although you may put a higher priority on your money than your children's lives, Conrad will cost you both. Tester will at least try to spare your kids.

Stillonmt wrote on November 02, 2006 5:00 PM

Bush was ignoring the proper way to measure taxes. As V.V. Chari of the University of Minnesota explained at a conference for journalists on Oct. 17, The true burden of government is what it spends today and in the future." When a politician brags, I cut your taxes," that's not what really matters.... When a government spends money, it commands resources that are no longer available for use by the private sector. If it chooses to borrow the money rather than levying taxes to finance transfer payments and the purchase of goods and services, the government is only postponing the inevitable taxes, Chari said. HT to Brad DeLong.

Andy from Big Sandy wrote on November 02, 2006 5:00 PM

Conrad Burns took dirty Abramhoff money. Bush has direct connections to Abramhoff. Simply follow the money. Burns & Bush are crooked peas in a pod. It is also very telling that Burns needs the star power of the President to get people to vote for him. That should say it all right there, time to take out the crooked trash, bye bye Burnsey. Ps, who paid for the Presidents trip, including massive security costs, to our great state? I suspect taxpayers, since Bush did issue one medal to the dog handler. Presidential duties right?

SBrown wrote on November 02, 2006 5:01 PM

To all of you riding George's a$$ for spending money to come support Burns, why aren't you voicing your opinion when your own Schweitzer takes time from his position to "waste" all the money on his stumps for Testor...Typical Democratic behavior...a lot of talk and no action...thank god Bush has the balls to stand up for what he believes in and follows through with actions to support his words...God Bless the GOP!!!

Gary wrote on November 02, 2006 5:03 PM

With two thirds of the country ready to throw Bush out with the wash water, at least he provides us Montanans with a few laughs if nothing else!

Ikin wrote on November 02, 2006 5:03 PM

To the one who said President Bush doesn't care if the troops die. Do You mean the stupid uneducated troops Mr Karry was talking about the other day? Batched joke or not it was pretty tasteless. Did he care about the troops he spit in the face of after Viet Nam. Go play in Lewistown with your little pal Jane Fonda and ask her how she feels about Troops oh I forgot Ted got rid of her. My father was a Viet Nam vet and an American Hero who was drafted by a democratic president. I think our President has the utmost respect for our troops and is genuinly saddened as am I when one of our troops die.

SBrown wrote on November 02, 2006 5:06 PM

kudos to "shirt and no tie"

NOPE! wrote on November 02, 2006 5:10 PM

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Nope! None there! No WMDs in there either! Gee, I can't seem to find any WMDs! aha,ah,aha,ha,ha,ha,ha,ha! That Dumbya Bush. What a funny guy! While slaughtering over SIX HUNDRED THOUSAND innocent Iraqis, he's crackin' jokes! What a cutup! What a retard! What an evil, evil little man! He truly IS a son of a bush! Remember, granddaddy Prescott Bush was one of the biggest financiers of the Hitler! Like granddaddy like retarded grandson! This moron is NOT welcome in Montana! And take the Missery moron with you!

GEORGE BUSH=TOUGH DUDE wrote on November 02, 2006 5:18 PM

While Bush is fighting terrorists the American Left is doing all it can to defeat Bush's efforts. The NEW YORK TIMES gave our enemies a heads up when they published America's top secrets telling terrorists how the U.S. was tracking their blood money (SWIFT). CNN airs enemy propaganda snuff films and TESTER plus the other LEFT-WING kooks want to abolish the Patriot Act and take away our tools to find and combat terrorists. THANK YOU GEORGE BUSH FOR YOUR TOUGHNESS DESPITE THE AMERICAN LEFT and their allies in the LIBERAL PRESS CORP going to war against YOU!

To CC #1 wrote on November 02, 2006 5:25 PM

What the heck is a Rod of Jesse? I ran it on the Internet and all I got back were a bunch of porn sites. Surely THAT wasn't what you saw aligning with the president's back?!?

I'm mad wrote on November 02, 2006 5:28 PM

Are you people for real? You're upset because you had to wait in traffic for a few minutes while the motorcade safely passed through Airport & Main? What did you expect to do - cruise by with the Presidential Limo and escort them? What idiots!

Democrat Here wrote on November 02, 2006 5:33 PM

And I have to say - after hearing the President's speech and hearing what Tester has been saying lately, I am going to be voting for Burns this time around. Tester is just not what this state needs and he is definitely not being honest with Montanans saying that he has never voted for taxe increases. I'm pretty upset with my own party because it is the extreme left that is driving us JFK democrats over the line to the Republicans because they represent us better.

silent bob wrote on November 02, 2006 5:39 PM

bush is not a Texan, he just plays one on T.V.

to Please Tester supporter wrote on November 02, 2006 5:43 PM

We're talking about the future of the FREE WORLD and you're worried about typos? Take off the blinders. Yes, I support Buch but Burms has to go.

dlm wrote on November 02, 2006 5:45 PM

what conrad burns said about the firefighters is truth. This comes from my experience fighting the yellowstone fires of 1988 and watching them fight the derby fires and lighting backfires 10 miles away from the fire. Furthermore he wasn't talking about all firefighters he was talking about federal firefighters.

billingsguy wrote on November 02, 2006 5:46 PM

Sure wish I could have personally thanked him for tying up traffic for so long. Oh yeah to personally thank him for spending around 7000 dollars for a 3 hour stop.

dumb and dumber wrote on November 02, 2006 5:52 PM

My nephew died in Iraq. I don't know what to say to his son when he gets older. This war is useless and immoral. Bush knew it and continues to lie. I will never forgive him.

RCM wrote on November 02, 2006 5:52 PM

I watched the President's speech on TV. Some of his statements were simply illogical. He said he does not believe we create more terrorists by fighting them? That's not what his own intelligence agencies are telling him in the National Intelligence Estimate he released to the public. Then he stated the fact that 9/11 happened when we didn't have troops in Iraq, as though if we had started the war earlier, 9/11 wouldn't have happened. Apparently we will need troops in every country on Earth that could possible harbor terrorists (including this one? Can you say police state?). Just how far are we supposed to let this contagious form of paranoia lead us?

disgusted with demos wrote on November 02, 2006 6:06 PM

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what an awesome time to see Mr Bush the President of the USA. I think I sense the same hatred after losing in 04. Get ready again and dammit get over it sooner.We won you lost. Get it in your head. The majority rules quit whining and go do something constructive with your lives. Go Bush Burns Denny And the Grand Old Party

Carlos Phears wrote on November 02, 2006 6:16 PM

More rhetoric and fearmonging!! Has been anybody ever become financially better off because their taxes were cut? What a contradiction to talk about liberty abroad while being destroyed at home!

Please Tester Supporters wrote on November 02, 2006 6:23 PM

Not worried about typos darlin', just somewhat annoyed by those too lazy or ignorant to make the effort to appear literate. I am pretty sure the FREE WORLD will be fine long after we're gone, too. Untwist your knickers

A real military veteran wrote on November 02, 2006 6:46 PM

I'm curious just how deep it would get in the Metra if you stacked all the corpses that are the result of GWB's war in there. I'm sure there's a special place in Hell for those who consider torture and murder the "moral" thing to do.

ExFed wrote on November 02, 2006 6:53 PM

Lori.....in case you haven't noticed....Burns is already way over the top...but ...never mind.

jill wrote on November 02, 2006 6:59 PM

So is Bush saying he's such a weak president that he can't veto any tax increase bill the new demo majority congress will try to pass?

cc#1 wrote on November 02, 2006 7:04 PM

To whomever posted on 11/2/06 @ 5:25 p.m., to "CC#1," if you read the bible, go to Isaiah 11:1,2. Also, you may Google, "The Rod of Jesse." I hope this helps. I'm sorry you got porn. Peace.

Thank You wrote on November 02, 2006 7:34 PM

Mr. President: Thank you for coming to Billings. It is a great honor for us to have you here. We hope that you will come visit us again.

I expected more protesters! wrote on November 02, 2006 7:35 PM

As many angry people who sound off on these message boards I thought I'd see lots more protesters out. Onlt 70 and most of them from out of town. I think it means many of you are double posting, or your chicken to go out in public with a sign. I also get a kick out of the posts from people of claim to be conservative voting for Tester. John Kerry stated what democrats think about our soldiers. I will not help send another democrat to join the ranks of John Kerry.

Native Son wrote on November 02, 2006 7:57 PM

I am pleased that the President of the United States was able to make it to the Magic City today. What an incredible experience for young, old & those in between to see our President speak. It doesn't change the fact that Conrad Burns is a LIAR. Conrad lied when he pledged to serve only two terms. Conrad has lied repeatedly about the Abramhoff affair. Heck, Conrad lied intially about the interaction with the firefighters at the Billings Airport. As a member of conservative fourth generation Montana family I am urging others out there to forego the route of FEAR and vote in a native Montanan, Jon Tester, to serve as OUR representative in D.C. If he doesn't perform we'll put him back on the farm, but it's time for a change from Conrad. As for President Bush he has managed to oversee 2,815 of our best & brightest KIA and 12,000+ wounded. All this half a world away, while EVERY SINGLE DAY illegal immigrants come across our border(s) by the hundreds. Why? President Bush has failed to secure and protect our borders and NOBODY can deny that.

Wow!!! wrote on November 02, 2006 8:07 PM

A Con backing a Con. Now that's a story the Republicans are use to.

Rick wrote on November 02, 2006 8:17 PM

Bush in all his glory. Why does he not take a few moments to pay respect to one of the troops Bush sent to his death, Petty Officer Komppa and attend the funeral?

Explain it to me again... wrote on November 02, 2006 8:23 PM

Why is it that so many want Burns out but these same characters don't really seem to want Tester in? This has turned into a referendum on Burns and not a nod toward Tester. A silly way to vote. Anger that is...I support Burns!

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Jane wrote on November 02, 2006 8:24 PM

Corruption loves company?

Bryon wrote on November 02, 2006 8:24 PM

I had to work today, so I couldn't go. However, after reading most of the posts on the several articles dealing with good 'ol Georgie and his little visit, it is plain to see he is up to his usual tactics. To try to associate terrorist with voting anything other than Republicans is just obsurd. Scare tactics and smoke screens are all he utilized today. Him showing up is just proof that Burns is on his way out. Of course Democrats have to raise taxes. Republicans spend all the money and just print more. We can't do that in our households so what makes this president or the rest of the Republicans think that they can just spend and not ever have to pay anything back? The money has to come from somewhere. The dollar isn't worth anything anymore. Thanks Georgie. You took a surplus created during the Clinton administration and totally wiped your hind end with that continue to waste more money. One thing is for sure when a Republican gets into office: We are going to fight somebody and the defecit will increase. Thanks Georgie.

johnnie bee rotten wrote on November 02, 2006 8:43 PM

did luv ya w tour pays with pass me another scotch connie? and did the eat at tomain tommies eatery aka the milky way??? rehbergs old joint on poly drive

sam wrote on November 02, 2006 8:47 PM

It is simple. GOP means less taxes for all income levels. The dems mean more taxes for all income levels PERIOD.

Poncho wrote on November 02, 2006 9:00 PM

For all you uninformed Republicans, your President thinks it is funny to pass gas when he is in the company of White House staff or news reporters. He is just a laugh a minute. The smell never emited from Hugo as you people assert. It comes from the top-the Commander in Chief.

What a Great Story (Draft Dodger arrives in Air Force 1 wrote on November 02, 2006 9:05 PM

The sneakiest Draft Dodging Fool our country has ever seen, and mainly because the Far Right just ignores it and who W really is. Do any of you truly realize what a sneak this man was, and has not been held accountable for anything because your party just let's it go. Hello, is anyone home? How can any rational American endorse this clown and then the other Bozo by the name of The CON man. Your party is at the bitter depths of despair, and you backing this class of Morons shows your true character. You guys are Incredible and should be embarrassed to be in the same building as W. & Con Man at the same time. Disgusting time for your party and all the Morons that follow in your footsteps. Hopefully, someday the Right Wing will be a thing of the past.

Al V. wrote on November 02, 2006 9:13 PM

I ate lunch today at Pug Mahones. The place was packed during Bush's speech. Food was great. I bet the Metra wasn't. It looked like carefully choreographed camera work to me.

2 JUST ME wrote on November 02, 2006 9:20 PM

Well you would have had to walk across the street, because that is where the protesters were directed to go.

Click to enlarge

Click to enlarge

Transcript of Bush speech

Read the entire transcript of President's Bush's remarks at MetraPark Arena on Thursday, November 2, 2006.

President Bush at MetraPark

President Bush addressed large crowd at MetraPark Arena on behalf of Montana GOP candidates. November 2, 2006

President’s visit draws protesters

(169 today, 169 total)

Bush touts Republicans in Billings

(133 today, 133 total)

Gazette Opinion: Tester would bring welcome change in U.S. Senate

(70 today, 177 total)

Letter: CNN irresponsible to show soldiers being shot
(47 today, 74 total)
Burns, Tester tax positions put in perspective
(46 today, 46 total)
Stories that have received the most comments in the last 24 hours.
Football lights autistic boy's athletic fire
(62 ratings)
Letter: Which president is coming to Billings?
(71 ratings)
Letter: Why would anybody back Bush and Burns?
(138 ratings)
Letter: CNN irresponsible to show soldiers being shot
(416 ratings)
Gazette Opinion: Tester would bring welcome change in U.S. Senate
(823 ratings)
Stories that have received the most high ratings in the last 48 hours
Bush touts Republicans in Billings
President's visit draws protesters
Sailor's body taken to Columbus
GOP putting on its best face for presidential visit
'Brothers' in Iraq grieve over reservist
1,000s get tickets to see Bush as president begins 3-day blitz
Michigan executive new director of ABT
Lawyer seeks long-time justice's job
Crows returning in force, leave big mess downtown
Tickets available for wine class
Counselor to speak to support group
Women of the Moose host bazaar Saturday
Lockwood flu clinic is Tuesday
Angela's Piazza receives grant
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This Election, Modest Tour For President (NYT)

By Jim Rutenberg
The New York Times, November 3, 2006

BILLINGS, Mont., Nov. 2 — If there is one thing the White House can usually count on when President Bush campaigns in small, Republican-leaning cities like this one, it is friendly wall-to-wall news coverage of his arrival. And his visit here on Thursday did make the front page of The Billings Gazette.

But news of his impending arrival took second billing in the paper. It ran below the fold and under a package of articles about the return of a local sailor's body from Iraq, accompanied by a photograph of the flag-draped coffin at Billings Logan International Airport.

Mr. Bush's visit certainly was the subject of local talk radio. But it was mixed with grim talk of newspaper endorsements for the Democratic candidate for Senate here, Jon Tester, leading a local conservative radio host to tell a dejected caller he

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doubted endorsements were any more influential than "visits of luminaries or stars or political mucky-mucks coming in from the national scene."

During the last two elections, the fumes of Air Force One worked like political magic dust for the candidates lucky enough to score visits from Mr. Bush.

Candidates flew to Washington just to be seen arriving back home on his 747. Local newspapers doubled as welcome mats, and television reporters and radio hosts excitedly echoed his verbal jabs at Democrats long after he had left.

But 2006 is not 2004 or, for that matter, 2002, when Mr. Bush's last minute, 17-city tour won credit for helping his party buck history by gaining seats in a midterm election cycle in which it also held the presidency.

This time around, Mr. Bush is a less popular president and is on a more modest tour. He is visiting carefully chosen districts and states like this one, where he won handily in 2004 and where his aides believe he can provide pivotal help in the tight election battle between Senator Conrad Burns and Mr. Tester, whose lead over Mr. Burns has shrunk in recent weeks. Mr. Burns's seat is one of six that could determine which party controls the Senate.

Mr. Bush is more popular here than he is elsewhere in the country, with an approval rating of 45 percent, according to the Montana State University-Billings poll. But that is considerably lower than it was two years ago, and his visit showed the new political reality that confronts him wherever he goes this election season, even in usually solid patches of Bush Country like this one: With those low poll ratings and bad news out of Iraq inescapable, his visits are as likely to galvanize the other side as they are to buck up local Republicans.

That new dynamic, helped along by new technology, played out on the local political blog featured on the Gazette's Web edition. There were plenty of excited posts like this one, from "JJ," "I'm anxiously waiting to see the president of this beautiful country! I am a Republican and proud to be!!! I admire Bush and agree with what he stands for as a human being and our President!"

But there were angry rejoinders, such as this dispatch from "NOT my president": "Never, in the history of our 'compassionate' country, have I been as ashamed of a person as I am with the man who currently lives in the White House."

In a state where Mr. Bush beat Senator John Kerry by 20 percentage points two years ago, it was all too much for "SHOCKED," who wrote: "I am just shocked at the hatred that has been shown in these blogs toward our president. You should all be ashamed of yourselves for acting like children rather then rational grownups. What is happening to America??"

Similar scenes have played out across the country as Mr. Bush has begun stumping more vigorously for candidates. In the Republican stronghold of LaPlume, Pa., when Mr. Bush went to raise money for Representative Don Sherwood, an embattled Republican incumbent, a local radio host lamented news that students would protest the president, saying, "It's not cool to like President Bush these days."

In an article about Mr. Bush's planned visit on Friday to the conservative enclave of Le Mars, Iowa, The Des Moines Register quoted Steve Scheffler, president of the Iowa Christian Alliance, as saying the president's visit could be "a marginal plus" when local conservatives are so deflated.

But here in Billings it was a plus that Mr. Burns's campaign was eager to have, giving the president full coverage on local television.

Republican strategists say Mr. Bush is not going to have the same influence he had in 2002 — the first elections after the Sept. 11 attacks, when his approval ratings were exceptionally high — or in 2004, when he was a candidate with tens of millions of dollars of advertising promoting him. But party officials say he is still the name-brand Republican for base voters.

"Despite a challenging election cycle, he's a singular force," said Brian Jones, a spokesman for the Republican National Committee.

And aboard Air Force One, a senior White House official said Montana was one of two Senate contests where Mr. Bush's top strategists believe he can have the most impact. "In a smaller community," he said, "you get so much more buzz."

And buzz Mr. Bush did get. The two major local news stations broke into regular programming to show Air Force One landing, though neither Mr. Burns, nor the other candidate for whom Mr. Bush was stumping, Representative Denny Rehberg, went to meet the plane.

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"It's an amazing experience," said Jodi Hathaway, the correspondent on KULR, the local NBC affiliate. "It's just really amazing to see this very famous, famous piece of aircraft."

On KTVQ, the local CBS affiliate, the anchor Alex Tyson said in hushed tones as the camera focused on the aircraft, "Again we are awaiting the president of the United States to get off of Air Force One."

But Ms. Tyson added that the latest New York Times/CBS poll showed some of "the lowest ratings of Mr. Bush's presidency," and only "29 percent approve of his handling of Iraq, so it will be interesting to see what he says in his speech this hour with regard to the war."

Her viewers did not have to wait to find out, as KTVQ and KULR ran the speech live, in its entirety, over roughly 40 minutes, without interruption. Mr. Bush addressed Iraq head-on before 5,000 cheering supporters, saying: "The only way we can fail is if we leave before the job is done. And that's exactly what the Democrats want to do."

That charge, as well as his assertion that Democrats would raise taxes, led the local newscasts, with the anchor Emily Nantz relaying his statement that voters should make their choices based on two issues: "who will tax people less," she said, "and which party will keep Americans safe." That segment was soon followed, however, by a report on the few dozen protesters calling for an end to the war.

Matt McKenna, a spokesman for Mr. Tester, said Mr. Bush's visit would serve to "fire up" Democrats because local voters had a problem with "not just the president, but anybody who comes from out of state who tries to push us around and tell us how to vote."

But Mr. Burns's spokesman, Jason Klindt, said he was not worried about that. "How could the other side get more riled up?" Mr. Klindt said. "They already are."

He said Mr. Bush had provided a crucial spark for local Republicans.

Kristi Angel, managing editor of the Gazette, said the visit would get plenty more coverage in Friday's newspaper, and said it would have gotten better play on Thursday had it not been for the arrival of the body of the dead sailor, Petty Officer Second Class Chuck Komppa of the Navy.

"That is our first really local soldier that's been killed in combat," Ms. Angel said.

Bush Hits GOP Outposts, Dems Optimistic (AP-Y)

By David Espo

AP, November 3, 2006

President Bush, campaigner in chief for a party in peril, set out on a rescue mission for embattled candidates in the unlikeliest of places Thursday as Republicans struggled to minimize their losses in next week's elections.

Democrats expressed growing optimism that their long season out of power might soon end. Sen. Chuck Schumer, chairman of the Democratic Senate campaign organization, claimed strong early voting in a long-shot race in Arizona and said it was "harbinger of a wave" that would benefit his party.

Five days before the election, Democratic strategists said none of their incumbents in either house of Congress was trailing — and Republicans did not disagree.

Republicans disputed Schumer's claim about Arizona, but even so, the GOP side of the political ledger was far less positive. Strategists already have written off the re-election prospects of incumbent Sens. Rick Santorum in Pennsylvania and Mike DeWine in Ohio, as well as six or more seats in GOP hands in the House. Dozens more Republican lawmakers — powerbrokers and backbenchers, conservatives and moderates — struggled to survive in a campaign shadowed by the war in Iraq and scandal at home.

"We've been through this before," Bush said in Billings, Mont., projecting confidence as he embarked on his save-the-majority tour. "We will win the Senate and we will win the House."

His itinerary showed it would be a struggle. The pre-election flight plan for Air Force One consisted of areas of the country where Republicans have unexpectedly run into trouble — House seats in Colorado, rural Nevada and Kansas, and gubernatorial races in Arkansas, Iowa and Nevada, as well as Sen. Conrad Burns' bid for a fourth term in Montana.

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Western Nebraska, too, was ticketed for a presidential visit, Bush's presence deemed needed to save a House seat that Democrats last held 50 years ago.

Democrats must pick up 15 seats to gain control of the House. Their magic number is six in the Senate.

Candidates everywhere were launching the final television appeals of a long and costly campaign. Actor Paul Newman starred in one, a solo performance in which he called on Connecticut voters to turn three-term Sen. Joe Lieberman out of office and install Democratic contender Ned Lamont. "It's tough times out there, and Connecticut needs someone who is young, fresh and spunky," the 81-year-old Newman said of Lamont, 52.

Democrats said they were winning because of the public's growing dissatisfaction with the war in Iraq.

Polls show more Americans — now a clear majority — see the war as a mistake and far fewer support how the president has handled the conflict.

Bush showed no signs of flinching as he spoke to a crowd in Billings.

"Imagine this: We're in the midst of a war on terror, and one of the most fundamental fights is in Iraq, and yet the Democrats have no plan for victory. They have no idea how to win. Harsh criticism is not a plan for victory."

Democrats were undeterred.

"The White House seems to be playing into our hands," Schumer, D-N.Y., told reporters as part of a bullish preview of the Democrats' prospects for Senate races.

"In an effort to strengthen their base, they keep reminding the public that there's not going to be any change in Iraq," he said, referring to Bush's statement on Wednesday that he wants Defense Secretary Donald H. Rumsfeld to remain in office through the end of his term.

Despite the undeniable trouble they confronted, some Republicans said they had made gains in recent days in at least some races that had earlier looked lost.

Burns' race was one. Once far behind Democratic challenger Jon Tester in public and private polls, he appeared to have closed the gap in the campaign's closing days. Democrats said they were not worried, but Bush's visit, combined with a late infusion of cash by the GOP senatorial committee, suggested Republicans had not given up hope.

GOP strategists also said their prospects appeared relatively bright for a seat in Texas that former House Majority Leader Tom DeLay once held, and expressed hope they could yet win the battle to replace disgraced former GOP Rep. Mark Foley in Florida.

The Republican candidate in Texas, Shelley Sekula-Gibbs, is running as a write-in contender after the party lost a court fight to replace DeLay's name on the ballot.

In Florida, Foley's name is on the ballot, even though he quit Sept. 29 after being confronted with sexually inappropriate computer messages he had sent to teenage congressional pages. The replacement candidate is state Rep. Joe Negron, and under state law, votes cast for Foley will count for him.

The district is strongly Republican, and the GOP House campaign committee has spent more than $1.6 million in the past month trying to save the seat.

At the same time, House Democrats have expanded their advertising efforts into numerous races once thought safe for Republicans. Strategists in both parties said nearly 20 Republican-held seats could tip either way in a belt of states stretching from Connecticut through New York, Pennsylvania, Ohio and Indiana.

One of the most endangered is Rep. Don Sherwood of Pennsylvania, accused of abusing his ex-mistress. According to one person familiar with the case, he agreed to pay her about $500,000 in a settlement last year that contained a powerful incentive for her to keep quiet until after Election Day. Cynthia Ore has received part of the money, and will lose some of the rest if she talks publicly about the issue before then, this source said.

Bush Cites Chief Justice In Vote Rally (AP-Y)

By Nedra Pickler

AP, November 3, 2006

DOJ_NMG_0090656

Searching for new arguments to mobilize conservative voters, President Bush said Thursday that Chief Justice John Roberts would not be on the Supreme Court if Democrats controlled the Senate.

Bush told voters at rallies in the red states of Montana and Nevada that if Democrats take control of the Senate, they could affect what kind of judges sit on federal courts.

Roberts' earlier nominations to a lower federal appeals court were blocked by the Senate when it was under Democratic control, Bush said. The Senate approved Bush's nomination of Roberts to head the Supreme Court last year with 22 Democrats voting for him and 22 Democrats voting against him.

"I want you to hear this loud and clear: If the Democrats controlled the Senate, John Roberts would not be the Chief Justice today," Bush said at a rally in Billings, Mont., where incumbent Republican Sen. Conrad Burns is locked in a tough race with challenger John Tester.

Bush then flew to Nevada to boost congressional candidate Dean Heller, using the John Roberts argument again to whip up conservative voters. A recent poll showed the incumbent Republican senator, John Ensign, with a wide lead over his Democratic opponent, Jack Carter, son of former President Jimmy Carter.

"If you want good, sound, conservative judges who will not legislate from the bench, you send Republicans back to the United States Senate," Bush said.

Bush was on the first day of a final six-day campaign swing before Election Day. His schedule has him appearing only in states he won in the 2004 presidential race and away from swing states where he is a more polarizing figure who might hurt GOP candidates.

The 2nd District of Nevada where Bush stopped hasn't been won by a Democrat since its creation 25 years ago, and Bush's visit there was a sign of how much trouble Republicans face. Bush became the first sitting president to visit Elko since Herbert Hoover campaigned there in 1932 on the eve of his loss to Franklin D. Roosevelt.

Bush appeared upbeat despite predictions that Democrats are poised to take control of at least one chamber of Congress in Tuesday's election. He said those forecasts are premature and smiled broadly as he appeared before cheering crowds, shaking all the hands he could reach and telling jokes. "It is nice to be in a part of the country where the cowboy hats outnumbered the ties," he said to loud cheers.

But he made one gaffe in Montana that may be a sign of the toll of frequent campaign trips. He spoke of the lives lost on Sept. 11, 2001, at the World Trade Center, the Pentagon and Lancaster, Pa. Lancaster is 165 miles east of where United Flight 93 crashed into a field in Shanksville, killing everyone on board.

On Final Campaign Swing, Bush Visits Deep Red Territory (WP)

By Peter Baker

The Washington Post, November 3, 2006

BILLINGS, Mont., Nov. 2 -- President Bush warned Thursday that a Democratic Senate would block many of his judicial nominees and never allow justices such as John G. Roberts Jr. and Samuel A. Alito Jr. onto the Supreme Court, a message intended to win back his restive conservative base.

Bush flew here to help Sen. Conrad Burns stage a comeback after trailing Democratic challenger Jon Tester for months. Republicans in Washington had given up on Burns, but as his poll numbers began ticking back up, the White House saw an opportunity to reverse the odds, a move that if successful would make it difficult for Democrats to recapture the Senate.

The visit to Montana opened a six-day, 10-state final campaign swing for the president as he left Washington for the last time until Tuesday's elections. From here, he headed to Elko, Nev., and planned to campaign Friday in Missouri for Sen. James M. Talent, who is locked in the nation's tightest Senate race. Bush also plans to hit friendly areas in Iowa, Colorado, Nebraska, Kansas, Florida, Arkansas and Texas, where he will vote before returning to the White House to watch returns Tuesday.

A Republican president normally would not need to come to a conservative bastion such as Montana this close to an election, nor to Nevada's 2nd District, which has never voted for a Democrat since it was created in 1982. But Bush is playing defense in red-state territory and sticking to states that voted for him two years ago.

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Although Bush's approval ratings remain mired in the high 30s, the White House believes he can still make a difference in traditionally Republican districts and states by energizing core supporters who otherwise might not be enthusiastic about voting. Many conservatives have been alienated because of concerns over rising federal spending, illegal immigration, the Iraq war, the House page scandal and other issues.

In two rallies Thursday, Bush used his appointment of judges to remind such voters that it makes a difference who controls the Senate. "If the people of Montana want good judges, judges who will not legislate from the bench, judges like John Roberts and Sam Alito, you vote for Conrad Burns for the United States Senate," Bush told an exuberant crowd of several thousand supporters in MetraPark Arena here.

At both stops, Bush said Democrats would raise taxes, weaken the battle against terrorists and surrender in Iraq. "We will never run from thugs and assassins," he told a smaller crowd gathered on an airport tarmac in Elko. Noting that Democrats have not produced a consensus position on Iraq, Bush added: "Harsh criticism and second guessing is not a plan."

Sen. Carl M. Levin (Mich.), the ranking Democrat on the Armed Services and intelligence committees, called Bush "out of touch with Iraqi reality," citing an interview the president gave news services Wednesday in which he said he was "pleased with the progress we are making" and would keep Defense Secretary Donald H. Rumsfeld for two more years.

"The president ought to take off those rose-colored glasses," Levin said in a conference call with reporters Thursday. "The president is ignoring reality on the ground."

At his stops in Montana and Nevada, Bush avoided any discussion of scandals that have ensnared local candidates. Burns has endured criticism of his ties to convicted lobbyist Jack Abramoff. Rep. Jim Gibbons, the Republican gubernatorial candidate in Nevada, was recently accused by a cocktail waitress of inappropriately touching her; he has said he grabbed her only to stop her from falling.

Even before that incident became public, Nevada Secretary of State Dean Heller, the GOP candidate to replace Gibbons in the House, had faced a tough road in a district where Republicans outnumber Democrats 3 to 2. This was the second time Bush has come to campaign with Heller in the past month.

Bush Speaks To Core Voters' Fears In Bid To Ignite Conservative Base By JOHN D. MCKINNON (WSJ)

The Wall Street Journal, November 3, 2006

BILLINGS, Mont. -- President Bush took a new tack against Democrats over their resistance to his judicial nominees as he sought to light a fire under his party's conservative Christian base before Tuesday's elections.

The twist in his stump speech came as polls suggested several endangered Republican Senate candidates -- including Sens. Conrad Burns of Montana and Jim Talent of Missouri -- were within striking distance, and that last-minute get-out-the-vote efforts among social conservatives could make a difference.

ELECTION 2006

Predict how the House and Senate votes will go in our Washington Wire reader contest1. Plus, take a closer look at issues and candidates2 in about 20 House races, review polls3 in close House contests and see complete coverage4.

As Mr. Bush began his final six-day swing of the 2006 campaign, he also continued to rely on the themes of terrorism and taxes to drive up voters' fears of a Democratic takeover in Congress. At a rally for Sen. Burns in Montana, for example, the president singled out Democratic opposition to the recent renewal of the Patriot Act and terrorist surveillance and interrogation programs.

Still, the president's schedule for the rest of the campaign reflected his diminished range, and Republicans' generally.

Through Election Day, the president was set to appear only in states that voted for him in 2004: Montana and Nevada, yesterday; Missouri and Iowa today; Colorado tomorrow; Nebraska and Kansas Sunday; and Arkansas, Florida and Texas Monday. He is avoiding most of the main battleground states where the House could be won or lost: Ohio, Pennsylvania, New York and Connecticut. "The president is going to districts where we know that he can make a difference and where he knows that he can make a difference," spokesman Tony Fratto said.

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Republicans are looking for turnout among their base to be particularly important in a midterm election, where overall turnout tends to be low. A senior administration official added that "this is about Republican turnout, and these are all close races where he can turn up the vote." One risk for Mr. Bush and Vice President Cheney -- who have increasingly depicted a Democratic victory as a loss for U.S. interests, especially in the war on terrorism -- is that firing up their Republican base will motivate more Democrats and independents to turn out, too.

Several planned stops -- including in northwestern Iowa and the Florida Panhandle -- were largely to increase turnout in rural areas, without stirring opposition in urban ones. Traditionally strong support for Republicans among rural voters has softened, because of the unpopularity of the Iraq war and the spike in gasoline prices earlier in the year. These appearances also are intended to help gubernatorial candidates -- such as Iowa's Jim Nussle and Florida's Charlie Crist -- who might have been hurt by the diminished popularity of the party's leaders in Washington. On the campaign's final weekend, Mr. Bush also finds himself shoring up House candidates in districts like Nebraska's rural Third, which hasn't elected a Democrat in almost 50 years.

White House strategists contend that the administration hasn't been ignoring the moderate battleground areas back East, relying on other administration figures believed to be of more help there, such as first lady Laura Bush, whose campaign schedule this week has been even busier than her husband's.

Here, Mr. Bush is likely to keep sounding themes important to social conservatives, especially in appearances for Senate candidates such as Mr. Talent, who is regarded as one of the better hopes for Republicans in seven closely contested Senate races this year. Republicans also are worried that a variety of factors, including the Mark Foley scandal, could diminish Christian conservatives' support at the polls.

Mr. Bush got a raucous reception at yesterday's rally in Billings, as he has elsewhere in recent days. He told the crowd that confirmation of his judicial appointments is "one of the most important issues...in this election."

Republican-friendly States Get Bit Of Bush Before Vote (WT)

By Joseph Curl

The Washington Times, November 3, 2006

BILLINGS, Mont. -- President Bush yesterday kicked off the last swing of his final political campaign, a five-day blitz in 10 states considered pivotal in Tuesday's congressional midterm elections.

Bent on whipping up the Republican base, the president, visiting only states he won in 2004, is putting his power into play -- showing he is neither abandoning close races nor giving up on embattled candidates.

"These are all races that are close," a senior administration official said aboard Air Force One. "This is about Republican turnout, and these are all close races where he can turn up the vote."

The president's first stop yesterday was Montana, where incumbent Republican Sen. Conrad Burns is in a statistical polling tie with Democrat Jon Tester. Mr. Burns has made a move in the past week, after trailing by as many as 10 points a couple of months ago.

Mr. Bush played up his Texas rancher status as he addressed a packed arena in a state that gave him 59 percent of the vote in 2004.

"It's good to be in a part of the world where the cowboy hats outnumber the ties," said the tieless Mr. Bush to laughter and applause. He used the same line hours later in Elko, Nev. In 2004, that state's rural voters strongly backed Mr. Bush, helping him carry Nevada by three percentage points.

"We don't need a lot of doublespeak in Washington. I think somebody who speaks plainly for the values of Montana is somebody you need to send back as your United States senator," he said in Billings.

The toss-up race is one of three, with Virginia and Missouri, that political strategists say Democrats must win to get the six seats they need to take control of the Senate.

At his two stops yesterday, the president hit conservative hot-button issues, such as tax cuts, the war on terror, judicial nominees and national security legislation Democrats opposed.

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"The Democrat attempt to filibuster the Patriot Act follows an approach that might sound familiar. They voted for it, right before they voted against it," Mr. Bush said in Billings, reprising a line from his 2004 run against Sen. John Kerry, who has been in the news again this week over a botched campaign-trail joke.

Although many pre-election polls show Democrats poised to take over the House and possibly the Senate, Mr. Bush insisted that those political pundits will be proved wrong.

"You might remember 2004. [Democrats] were already picking out their offices in the West Wing. Except things turned a little differently, and they didn't need the movers. ... When you turn out the vote, we're going to hold the House and hold the Senate, and America is going to be better off for it," he said to cheers in Elko.

In a last-ditch effort to hold Republican power in Congress, Mr. Bush will attend two rallies today in Missouri and one in Iowa. Tomorrow, he will attend two rallies in Colorado; Sunday, he will hit rallies in Nebraska and Kansas; on Monday, he finishes up his blitz with stops in Florida, Arkansas and Texas.

Today, the president stumps for candidates in Missouri, where Republican incumbent Sen. Jim Talent is tied in polls with his Democratic challenger Claire McCaskill.

Kerry's '72 Army Comments Mirror Latest (AP-Y)

By John Solomon

AP, November 3, 2006

During a Vietnam-era run for Congress three decades ago, John Kerry said he opposed a volunteer Army because it would be dominated by the underprivileged, be less accountable and be more prone to "the perpetuation of war crimes."

Kerry, a decorated Vietnam veteran who turned against the war, made the observations in answers to a 1972 candidate questionnaire from a Massachusetts peace group.

After Kerry caused a firestorm this week with what he termed a botched campaign joke that Republicans said insulted current soldiers, The Associated Press was alerted to the historical comments by a former law enforcement official who monitored 1970s anti-war activities

Kerry apologized Wednesday for the 2006 campaign trail gaffe that some took as suggesting U.S. soldiers fighting in Iraq were undereducated. He contended the remark was aimed at Bush, not the soldiers.

In 1972, as he ran for the House, he was less apologetic in his comments about the merits of a volunteer army. He declared in the questionnaire that he opposed the draft but considered a volunteer army "a greater anathema."

"I am convinced a volunteer army would be an army of the poor and the black and the brown," Kerry wrote. "We must not repeat the travesty of the inequities present during Vietnam. I also fear having a professional army that views the perpetuation of war crimes as simply 'doing its job.'

"Equally as important, a volunteer army with our present constitutional crisis takes accountability away from the president and put the people further from control over military activities," he wrote.

Kerry's spokesman, David Wade, said Wednesday the historical document needed to be viewed in the era in which it was written but that it nonetheless raised a "bedrock question in a time of war when sacrifice should be shared by all Americans."

"These are the words 34 years ago of a 28-year-old veteran home from a war gone wrong, wondering who in America will bear the cost of battle and shoulder the responsibility of military service," Wade said.

Kerry filled out the candidate questionnaire at the request of Massachusetts Political Action for Peace, an anti-war group that decades later turned over its historical documents to university researchers.

AP obtained the document from someone who gathered it from archives during Kerry's unsuccessful 2004 presidential campaign against President Bush. Republicans in that election relentlessly assailed Kerry's role in the anti-war movement decades earlier.

Kerry and Bush renewed their rivalry again this week, with the president accusing Kerry of offending troops. Kerry said he botched the text of a joke and didn't mean to insult troops.

On Wednesday, Kerry canceled campaign appearance on behalf of Democratic congressional candidates and issued an apology.

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Insulting Our Troops, And Our Intelligence (NYT)

By Thomas L. Friedman

The New York Times, November 3, 2006

George Bush, Dick Cheney and Don Rumsfeld think you're stupid. Yes, they do.

They think they can take a mangled quip about President Bush and Iraq by John Kerry — a man who is not even running for office but who, unlike Mr. Bush and Mr. Cheney, never ran away from combat service — and get you to vote against all Democrats in this election.

Every time you hear Mr. Bush or Mr. Cheney lash out against Mr. Kerry, I hope you will say to yourself, "They must think I'm stupid." Because they surely do.

They think that they can get you to overlook all of the Bush team's real and deadly insults to the U.S. military over the past six years by hyping and exaggerating Mr. Kerry's mangled gibe at the president.

What could possibly be more injurious and insulting to the U.S. military than to send it into combat in Iraq without enough men — to launch an invasion of a foreign country not by the Powell Doctrine of overwhelming force, but by the Rumsfeld Doctrine of just enough troops to lose? What could be a bigger insult than that?

What could possibly be more injurious and insulting to our men and women in uniform than sending them off to war without the proper equipment, so that some soldiers in the field were left to buy their own body armor and to retrofit their own jeeps with scrap metal so that roadside bombs in Iraq would only maim them for life and not kill them? And what could be more injurious and insulting than Don Rumsfeld's response to criticism that he sent our troops off in haste and unprepared: Hey, you go to war with the army you've got — get over it.

What could possibly be more injurious and insulting to our men and women in uniform than to send them off to war in Iraq without any coherent postwar plan for political reconstruction there, so that the U.S. military has had to assume not only security responsibilities for all of Iraq but the political rebuilding as well? The Bush team has created a veritable library of military histories — from "Cobra II" to "Fiasco" to "State of Denial" — all of which contain the same damning conclusion offered by the very soldiers and officers who fought this war: This administration never had a plan for the morning after, and we've been making it up — and paying the price — ever since.

And what could possibly be more injurious and insulting to our men and women in Iraq than to send them off to war and then go out and finance the very people they're fighting against with our gluttonous consumption of oil? Sure, George Bush told us we're addicted to oil, but he has not done one single significant thing — demanded higher mileage standards from Detroit, imposed a gasoline tax or even used the bully pulpit of the White House to drive conservation — to end that addiction. So we continue to finance the U.S. military with our tax dollars, while we finance Iran, Syria, Wahhabi mosques and Al Qaeda madrassas with our energy purchases.

Everyone says that Karl Rove is a genius. Yeah, right. So are cigarette companies. They get you to buy cigarettes even though we know they cause cancer. That is the kind of genius Karl Rove is. He is not a man who has designed a strategy to reunite our country around an agenda of renewal for the 21st century — to bring out the best in us. His "genius" is taking some irrelevant aside by John Kerry and twisting it to bring out the worst in us, so you will ignore the mess that the Bush team has visited on this country.

And Karl Rove has succeeded at that in the past because he was sure that he could sell just enough Bush cigarettes, even though people knew they caused cancer. Please, please, for our country's health, prove him wrong this time.

Let Karl know that you're not stupid. Let him know that you know that the most patriotic thing to do in this election is to vote against an administration that has — through sheer incompetence — brought us to a point in Iraq that was not inevitable but is now unwinnable.

Let Karl know that you think this is a critical election, because you know as a citizen that if the Bush team can behave with the level of deadly incompetence it has exhibited in Iraq — and then get away with it by holding on to the House and the Senate — it means our country has become a banana republic. It means our democracy is in tatters because it is so gerrymandered, so polluted by money, and so divided by professional political hacks that we can no longer hold the ruling party to account.

It means we're as stupid as Karl thinks we are.

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I, for one, don't think we're that stupid. Next Tuesday we'll see.

Rep. Paying Ex-mistress About $500K (AP-Y)

By Michael Rubinkam

AP, November 3, 2006

A Republican congressman accused of abusing his ex-mistress agreed to pay her about $500,000 in a settlement last year that contained a powerful incentive for her to keep quiet until after Election Day, a person familiar with the terms of the deal told The Associated Press.

Rep. Don Sherwood is locked in a tight re-election race against a Democratic opponent who has seized on the four-term congressman's relationship with the woman. While Sherwood acknowledged the woman was his mistress, he denied abusing her and said that he had settled her $5.5 million lawsuit on confidential terms.

The settlement, reached in November 2005, called for Cynthia Ore to be paid in installments, according to a person who spoke on condition of anonymity because the deal is confidential. She has received less than half the money so far, and will not get the rest until after the Nov. 7 election, the person said Thursday.

A confidentiality clause requires Ore to forfeit some of the money if she talks publicly about the case, according to this person and two other people familiar with elements of the case.

It is common in settlements for payments to be made in installments and for the parties to be held to confidentiality.

Sherwood admitted no wrongdoing, a standard provision in such agreements, this person said.

Sherwood, a 65-year-old married father of three who is considered a family-values conservative, had one of the safest seats in Congress until Ore sued him in June 2005, alleging he physically abused her throughout their five-year affair.

Reached by telephone Wednesday, the congressman and successful car dealer said: "I can neither confirm nor deny because this was a private settlement. If I'd like to talk to you about it, I can't."

The Associated Press has been trying for months to find out the terms of the settlement.

According to a police report, Ore called 911 on her cell phone from the bathroom of Sherwood's Capitol Hill apartment in 2004 and reported that Sherwood had choked her while giving her a back rub. Sherwood admitted having an affair with the woman, but vehemently denied ever hurting her, and criminal charges were never filed. But Ore, now 30, sued for damages.

Sherwood's challenger, Chris Carney, has hammered the congressman over the affair in TV ads, calling Sherwood a hypocrite who brought "Washington values" to his rural northeastern Pennsylvania district.

Sherwood responded with his own ad, in which he looked directly into the camera and apologized for his conduct. Last month, his wife mailed a letter to voters that accused Carney of "needlessly cruel" campaign tactics.

Although GOP voters greatly outnumber Democrats in his conservative district, many people have said they would not vote for him again because of the affair.

Even before Ore settled, the congressman tried to keep a tight lid on the case. His lawyer asked a judge to prohibit disclosure of materials from the case, warning that Sherwood's opponents might try to use the information to harm him politically.

The lawyer, Bobby Burchfield, was especially adamant that any videotaped deposition of Sherwood not be released, saying the footage could be used against him in negative political ads.

Ore's attorney, Ning Ye of New York, declined to say where she is living now or how she can be reached.

Ethics Questions Haunting Races Of Democrats, Too (NYT)

By Monica Davey

The New York Times, November 3, 2006

CHICAGO, Nov. 2 — First came a letter in June, in which federal prosecutors here revealed that they are investigating claims of "endemic hiring fraud" in agencies and departments that fall under the purview of Rod R. Blagojevich, the governor of Illinois.

Then, last month, one of Mr. Blagojevich's top fund-raisers was indicted on accusations that he sought millions in kickbacks from investment companies seeking the state's pension business.

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Any of it would be a governor's bad dream, but particularly so in the case of Mr. Blagojevich, a Democrat who faces a re-election vote on Tuesday in a state still bruised from the corruption that left its last governor bound for prison.

Yet Mr. Blagojevich appears headed toward victory, leading his Republican opponent by double digits in one poll, by The Chicago Tribune and WGN-Channel 9, that was released on Tuesday.

In what Democrats nationally have worked hard to portray as a "culture of corruption" in the Republican Party, more than a dozen Republicans in House races have wrestled with the taint of a Congressional page scandal; links to Jack Abramoff, the convicted lobbyist; and a smattering of individual woes from claims of financial shenanigans to sexual wrongdoing.

Still, there are Democrats like Mr. Blagojevich whose campaigns have also been marked by claims of ethical failings in widely varying degrees, from Representatives William J. Jefferson of Louisiana and Alan B. Mollohan of West Virginia to Senator Robert Menendez of New Jersey. In another governor's race in the Midwest, that of James E. Doyle of Wisconsin, scandal has emerged as a serious issue.

But while the Democrats' problems have certainly made these races tighter than they might otherwise be, they have for the most part not carried the lethal sting of the Republicans' missteps, independent political scientists and election analysts say.

In broad terms, the analysts say, the Democratic effort nationally to paint a systematic and more deeply rooted corruption label on Republicans this year seems to be working, blunting individual controversies that might be devastating to the Democrats at some other moment. Some polls back up that point. Thirty-five percent of the voters surveyed for a New York Times/CBS News poll completed this week said the Republican Party had the most corrupt politicians, while 15 percent said the Democratic Party did.

"It's just not the year for Republicans to be lobbing corruption charges," said Thomas M. Holbrook, a political scientist at the University of Wisconsin-Milwaukee who studies elections. "It's a real uphill battle for them in that regard, and this is a pretty good year, then, even for Democrats who aren't terribly popular like Governor Doyle."

In some cases, like the Illinois and Wisconsin campaigns for governor, Democrats have managed to turn the tables on their accusers, raising ethical questions about the Republicans in the races while also denying any wrongdoing on their own parts and, along the way, leaving many voters throwing up their hands and concluding that both sides have problems.

In a telephone interview, Mr. Doyle was quick to point to the Washington connections of his opponent, Representative Mark Green, as he also described what he was hearing from constituents.

"People are really fed up with how Congress has behaved and how the president has behaved," Mr. Doyle said.

He added, "The Republicans, facing sort of a desperate situation, are trying to throw anything up."

Mr. Green seemed to acknowledge the forces beyond him and beyond any taint of scandal in Wisconsin.

"There is no huge advantage to my being a Republican who has served in Congress," Mr. Green said. "It's clearly not a wind at my back."

The authorities in Wisconsin have said they were looking into claims that workers under the Doyle administration made state decisions favorable to those who contributed to his campaign. This fall, in a move that drew a flood of attention in the political race, a federal judge sentenced a former state employee to prison on charges she directed a state contract to a company that donated thousands to Mr. Doyle.

Mr. Green said voters there were extremely focused on the "whole issue of corruption, ethics, about whether or not the state is moving in the right direction" under Mr. Doyle's administration, adding quickly, "Remember, someone in the Doyle administration is going to federal prison."

Mr. Doyle, finishing his first term as governor, has denied any wrongdoing and emphasized in the interview that he had never met the convicted state employee. The latest polls show Mr. Doyle and Mr. Green locked in a tight race that has grown increasingly nasty.

Mr. Doyle, who served as attorney general of Wisconsin for three terms, has raised questions about nearly $468,000 in out-of-state campaign contributions that Mr. Green moved from his federal campaign to his state campaign last year. The state elections board ordered Mr. Green not to use the money, saying transfers from political action committees not registered in the state were not legal. Mr. Green said he has set aside the money in question while he awaits an appeal.

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In Illinois, Mr. Blagojevich, who portrayed himself as a reformer when he won the governorship four years ago, campaigned this fall even as a federal investigation swirled on into accusations of rigged political hiring by state officials.

In a letter in June, Patrick J. Fitzgerald, the United States attorney, said the investigation "has now implicated multiple state agencies and departments" with help from "a number of credible witnesses."

Mr. Blagojevich has denied any wrongdoing, pointed to ethics reforms that he said his administration has put in place, and distanced himself from the indictment of his former fund-raiser.

"What you'll see is that a lot of these activities center around the Republicans — the continuation of a scheme that occurred long before I was governor," Mr. Blagojevich said on Thursday.

The previous governor, George Ryan, a Republican, was sentenced in September to six and a half years in federal prison for racketeering and fraud. Mr. Blagojevich has made certain to remind voters that his Republican opponent, Judy Baar Topinka, served as treasurer during Mr. Ryan's long tenure as a Republican leader in this state. "She was there, hand in hand with George Ryan, part of creating the mess that we've been fixing," Mr. Blagojevich said.

Ms. Topinka, meanwhile, described Mr. Blagojevich's situation as "scandal on top of scandal on top of scandal." Voters, she said, have noted that, and they care. Still, Ms. Topinka said, it is not an easy time to be a Republican candidate — here or elsewhere.

The Chicago Tribune/WGN-Channel 9 poll shows Mr. Blagojevich leading with 44 percent of those surveyed, compared with 29 percent for Ms. Topinka, 13 percent for a Green Party candidate, and 13 percent who were undecided.

"It's difficult to run after Ryan," Ms. Topinka said. "And it's difficult to run after the scandals in Washington."

The Tribune poll shows Ms. Topinka may be right. Those surveyed gave Mr. Blagojevich a slight edge when asked who would do a better job of cleaning up corruption and which candidate they found more honest.

Menendez Seeks To Bury Image Of A Shady Dealer (WP)

By Michael Powell

The Washington Post, November 3, 2006

ATLANTIC CITY -- A balding labor chieftain explains why his hard-hats should vote for the plump candidate who stands here in a muddy construction site dressed in a white knit cotton shirt, a pinstriped suit, loafers and a perfectly knotted tie.

"Bobby Menendez is a fighter !" Billy Mullen bellows at his guys on this balmy autumnal day. "He's been in the gutter , he's rolled around down there his whole life . . ." The hard-hats do much appreciative thumping of hands and waving of fists.

Sen. Robert Menendez, a Democrat, gives a pained smile suggestive of intestinal discomfort. He rarely answers to "Bobby." And there's a very good likelihood -- no, let's make it a certainty -- that he is not enamored of this particular compliment.

The notion that Menendez, 52, rolls in the gutter before lunch, that he is a political boss as expert in the manipulation of political IOUs and shivs as he is in the intricacies of trade policy, has trailed like a mutt after Menendez throughout his Senate campaign.

His opponent, Republican Tom Kean Jr., a semi-obscure state senator and the trust-fund scion of a multigenerational political powerhouse, cannot clear his throat without intoning that Menendez is "under federal investigation." There are, in Kean's telling, Menendez's questionable rental contract with a local not-for-profit, the pressure his advisers applied to get an ally hired at a local hospital, and so on and on.

Even if these charges prove true, it's not clear such behavior is illegal or disabling. In New Jersey the operating political philosophy is described as "pay to play," and the occasional indictment might be viewed as part of the life cycle of politics.

"We are a very, very nonjudgmental state," noted Clifford Zukin, a professor of public policy at Rutgers University. "Unless you are rich and can buy in from the outside, it takes a great deal of skill and toughness to rise up."

Still, the charges -- repeated in countless commercials -- take a cumulative effect. New Jersey has trended Democratic for years. But Menendez, who was appointed in January to fill the Senate seat vacated by Gov. Jon S. Corzine (D), stands a bare notch ahead of Kean in polls.

One public poll asked voters what jumps to their mind when they hear the candidates' names. Kean? He's the son of a former governor.

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As for Menendez? The greatest number of poll respondents -- 21 percent -- say the words that come to mind are "corruption/crooked."

Menendez sits in the back of a coffee shop at the Borgata casino after his Atlantic City labor rally and wags his head. It's Halloween, and a waitress dressed as a giant Hershey's Kiss has just served coffee.

"In the end of the day, have all the negative ads taken effect? It's hurt." Menendez favors a softly wounded tone. "I didn't expect this."

The word "complicated" hangs over Menendez's head like a thought balloon.

One on one, he's neatly coifed and studiously bland, a pug-nosed lawyer at ease with the arcana of trade policy and Iraq. He's the immigrant's son -- his parents grew up in Havana and fled the dictator Fulgencio Batista -- and a skilled infighter for a higher minimum wage and low-cost student loans, and a determined opponent of the war in Iraq.

On the stump, he's curiously diffident. He attended a Veterans Day breakfast in Cherry Hill, a hall thick with old vets speaking in the emphatic manner of the hard of hearing. Max Cleland, the former Georgia senator and Vietnam amputee, had flown to campaign for him. The old Georgia pol coached the candidate.

"Go ahead, Bobby," Cleland whispers. "Push my wheelchair out there."

Menendez tends to step on his own applause lines. One vet after another ambles up to shake Menendez's hand but the candidate's handshake is as fleeting as his attention.

You might not guess that politics has been Menendez's chosen -- and highly successful -- calling since he ran for school board at the age of 19. He grew up in a tenement in Union City, a working-class immigrant city that hangs like a vine to the cliffs of the Palisades overlooking the Hudson River. The city sits in Hudson County, which for more than a century has exemplified a style of politics known as Early Feudal.

As Rep. Rodney P. Frelinghuysen (R-N.J.) recently explained to the Record of Hackensack: "You don't take prisoners in Hudson County, you shoot them."

Another piece of the county's political DNA was laid down by Frank Hague, mayor of Jersey City from 1917 to 1947. He had a desk constructed with a lap drawer so visitors might deposit charitable envelopes of cash. Hague's salary never exceeded $8,000; his net worth at the time of his death was $10 million.

Menendez' first job came with William V. Musto, the intermittently reformist mayor of Union City. Later Menendez, who wore a bulletproof vest during this time, testified that Musto took bribes. Musto was convicted, and then he was reelected the day after he was sentenced.

Menendez has put in place mayors of Jersey City and Union City -- and upended the same men. But he recoils at any notion he's a boss. "Tom Kean rises to the top of his county machine with no experience and it's 'leadership,' " Menendez says in that professorial manner. "But we pick a candidate here in Hudson County and it's bossism. That's very outdated."

It must be said, however, that Hudson County politics retain a high entertainment value. Robert Janiszewski, the former county executive of Hudson County was forced to go into the witness protection program in 2001 after it was revealed he had worn an FBI wire. Janiszewski was sentenced to 41 months but in prison he's resurfaced as a pen-pal adviser to Kean's campaign.

Menendez frowns.

" In that case , the history of Frank Hague lives. But that history is not reality for the rest of us."

First Lady Pitches For Roskam, McSweeney, Topinka (CHIT)

By Susan Kuczka And John Biemer

Chicago Tribune, November 3, 2006

First Lady Laura Bush tried to fire up Republican voters Thursday at a rally for candidates in two of the nation's hardest-fought and most expensive congressional races.

Bush also pitched Judy Baar Topinka's run for governor at the Schaumburg rally.

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Bush and Topinka shared the stage with Peter Roskam, the west suburban 6th Congressional District Republican candidate, and David McSweeney, the northwest suburban 8th Congressional District GOP nominee. Bush said the two men are key to helping the administration fight the war on terrorism.

"We all know ... that the well being of young people in Illinois and across our country ultimately depends on our government's ability to protect them, by defeating terrorism and increasing liberty abroad," Bush said during a 13-minute address before about 1,000 supporters.

"In Congress, Dave McSweeney and Peter Roskam will be champions of the men and women of the United States military. They understand that this election is critical to the future of our country, and they know that America faces challenges too important to be reduced to just politics."

Roskam, a state senator from Wheaton, is facing Democrat Tammy Duckworth in the race to succeed retiring Republican Rep. Henry Hyde. McSweeney, a Barrington businessman, is challenging first-term Democratic Rep. Melissa Bean.

Bush also used her address to promote Topinka, who is challenging Democratic Gov. Rod Blagojevich.

"Judy Baar Topinka is dedicated to bringing jobs to the state of Illinois," she said. "And as Gov. Topinka, Judy will make sure everyone in Illinois benefits from our nation's growing economy."

Blagojevich, appearing at a pipefitters union-led rally in Mokena, began outlining priorities for a second term as governor. Appearing before several hundred union members, Blagojevich promised to spend $100 million on stem cell research over the next four years and to provide health care for all military veterans.

The governor has come under fire from some Republicans and conservative Democrats in the legislature for using budgetary maneuvers to provide state funding for embryonic stem cell research without specific legislative approval.

Blagojevich did not specifically say how much the veterans health care initiative would cost or how he would pay for the proposals he outlined.

Meanwhile, Democrats were preparing a series of rallies Monday featuring Illinois Sens. Barack Obama and Dick Durbin to promote Duckworth, Bean, 10th Congressional District candidate Dan Seals and Todd Stroger, the candidate for Cook County Board president. Seals is challenging North Shore Republican Rep. Mark Kirk, and Stroger faces Republican rival Tony Peraica.

Obama will return to Chicago after three days series of campaign appearances for Senate and governor candidates in Maryland, Massachusetts, Pennsylvania, Ohio, Missouri and Iowa, home of the nation's first presidential caucus. Obama has said he is studying a 2008 presidential bid.

On Thursday, Duckworth countered Bush's appearance with a gathering in a Mt. Prospect home of about three dozen people who said they were switching their Republican allegiance to support her candidacy. Duckworth pledged to stand up for mainstream values and work in a bipartisan manner in Washington, though she warned that they wouldn't agree with her votes every time.

"If you're looking for someone who's going to be a straight party-line vote, I am not your candidate," Duckworth said.

She also promoted support from former Defense Secretary Bill Cohen, a Republican who served in President Bill Clinton's Cabinet. Cohen, in a statement, said Duckworth would be "a strong voice for our military personnel and veterans."

In Washington, federal election officials released a report showing congressional candidates nationally had spent nearly $966 million during the two-year campaign cycle, with the 6th and 8th District races among the those with the heaviest spending and most furious fundraising.

Among House races nationally through Oct. 18, the Federal Election Commission said McSweeney was the fourth-biggest money raiser at $4.2 million and the fourth-biggest spender at $3.8 million. He also was second among candidates who gave their own campaigns money at $2.2 million. Bean was 10th in money raised at $3.7 million and seventh in money spent at $3.6 million, the FEC said.

Duckworth ranked 18th in terms of money raised at $3.3 million and 17th for money spent at $2.8 million, the FEC said. Roskam was 29th in raising money at $2.9 million and ranked 32nd in money spent at $2.4 million.

Those figures don't include another $7 million being spent on the two races by the national party campaign committees.

Evangelicals' Faith In Republicans Wavers (FT)

DOJ_NMG_0090666

By Andrew Ward In Atlanta

Financial Times, November 3, 2006

This week has been the busiest of John Giles's year. He is responsible for the distribution of 1.7m "voter guides" that will be offered to worshippers at churches across Alabama this Sunday, two days before the mid-term elections.

Mr Giles is careful to make sure his pamphlets do not violate laws that bar churches from making political endorsements. But by detailing candidates' views on issues such as abortion, gay marriage and stem cell research, the guides leave little room for doubt about how God-fearing Christians should cast their votes.

Before previous elections the guides were produced by the Alabama chapter of the Christian Coalition, the grassroots organisation credited with turning US evangelical Christians into a political force. This year, however, churchgoers will find a new name on hand-outs following Mr Giles's decision to create a breakaway organisation called Christian Action Alabama.

Three other state chapters – Georgia, Iowa and Ohio – have also left the coalition, reflecting growing divisions among evangelicals. They broke away in protest at what they perceive to be a shift by the Christian Coalition away from core issues, such as abortion and gay marriage, towards a broader agenda.

"There were various reasons why we left but the main one was this drift to the left," says Mr Giles, previously chairman of the Alabama chapter. "The direction they are taking is going to divide Christians. They are walking into a trap set by our opponents."

The Christian Coalition was set up in 1988 by Pat Robertson, the evangelical preacher, and turned into a political powerhouse by Ralph Reed, the Republican strategist. It reached its peak during Bill Clinton's presidency in the 1990s, when evangelical voters, who represent about a quarter of the US electorate, helped break the Democrats' 40-year stranglehold over the House of Representatives.

But the coalition's influence has waned over recent years following the departure of Mr Robertson and Mr Reed and the emergence of rival Christian conservative groups, such as Focus on the Family and the Family Research Council. Its annual budget has shrunk from $26m to about $1m (€787,000, £526,000).

In an attempt to revive its fortunes, the coalition is reaching out to moderate evangelicals and mainstream Christians by embracing a wider range of causes and softening its fire and brimstone rhetoric.

Joel Hunter, the charismatic pastor of a Florida megachurch, who was appointed coalition president in July, has vowed to "rebuild and rebrand" the coalition and make it less fixated on "below the belt" issues related to sexuality.

Mr Hunter is among a growing number of evangelical leaders willing to break out of traditional conservative territory to tackle issues more commonly associated with the left.

Last month he joined more than 20 other prominent evangelists to issue an appeal for President George W. Bush to push for UN intervention in Darfur, Sudan. Another group of church leaders, including Mr Hunter, has launched an advertising campaign on Christian radio stations calling for action against global warming.

"The armlock of the religious right over evangelicals is beginning to loosen," says Randall Balmer, professor of American religion at Columbia University.

Roberta Combs, chairwoman of the Christian Coalition, insists there has been no departure from conservative values and says not all Mr Hunter's personal views represent official policy.

But Ms Combs, who recruited Mr Hunter, supports his efforts to broaden the coalition's appeal. "Family values are about more than one or two issues," she says. "We must keep an open mind and an open heart."

Back in Alabama, Mr Giles fears a conspiracy is under way to lure evangelicals towards liberal causes with the aim of weakening the religious right. "We can all unite around a few core issues, such as abortion, pornography and gambling," he says. "But when you start talking about global warming, the minimum wage or the death penalty, the consensus breaks down."

Scott Keeter of the Pew Research Center says white evangelicals remain among the strongest sources of Republican support, representing more than a third of all people who identify with the party. But he warns that their enthusiasm has "significantly diminished" since the 2004 presidential election, when 78 per cent of white evangelicals voted for Mr Bush.

Many evangelicals believe their support has been taken for granted by the Republicans and complain that election promises, such as Mr Bush's pledge to push for a constitutional amendment banning same-sex marriage, have gone unfulfilled. A succession of Republican ethics scandals has deepened their disillusionment.

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The number of evangelicals with a favourable opinion of the Republican party fell from 74 per cent in 2004 to 54 per cent last July, according to the Pew Research Center.

But John Green, senior fellow at the Pew Forum on Religion and Public Life, warns against writing off evangelicals as an electoral force. “The religious right is not as well organised or as energised as in 2004,” he says. “But whatever their problems with the Republicans, they prefer them to the Democrats. The threat of Democrats taking control of Congress provides a strong motivation to vote.”

On The Religious Right, An Alliance Torn Asunder (WP)

By Alan Cooperman And Juliet Eilperin

The Washington Post, November 3, 2006

Both are Christian conservatives, and they were once stalwart allies, but Dick Armey and James Dobson are going after each other tooth and claw.

Armey, the former Texas congressman and House majority leader, argued in the Outlook section of this past Sunday's Washington Post that Republicans face an "electoral rout" because they stopped being the party of limited government, allowed spending to spin "out of control," and concentrated on such issues as flag burning, Terry Schiavo and same-sex marriage.

On the Web site of FreedomWorks, the organization he now heads, Armey pins much of the blame on Dobson, the founder and chairman of Focus on the Family, and other "self-appointed Christian leaders."

Calling them "thugs" and "bullies" in recent interviews, Armey says that "Dobson and his gang" have split the conservative Christian movement into two camps: those who want to "practice their faith independent of heavy-handed government" and "big government sympathizers who want to impose their version of 'righteousness' on others."

Dobson, in a commentary for the Web site of Fox News, responded this week that Armey is "a very bitter man" who is still smarting because "I supported my close friend and hunting buddy," Rep. Steve Largent (R-Okla.), over Armey for majority leader. Dobson denied that he supports big government and cited news media reports that Armey has been consulting for the American Civil Liberties Union.

Calling the accusations "a shocker" that "came straight out of the blue," Dobson concluded with this hypothesis about Armey: "He could be trying to reposition himself as an erstwhile Republican leader by discrediting the Religious Right, hoping to step into the vacuum after the upcoming election."

A Dobson ally, the Rev. Richard Land of the Southern Baptist Convention, said in an interview that evangelicals are irate over Armey's suggestion that issues such as same-sex marriage have distracted the Republicans. In 2004, he said, a referendum to ban same-sex marriage got more votes than President Bush did in Ohio.

"If it weren't for the marriage amendment in Ohio, John Kerry would be president. So shut up, Dick," Land said.Tilting Toward Windmills

There's a new star in this season's campaign commercials: windmills.

While tall, spindly wind turbines might not be popular among Cape Cod residents right now, politicians from Montana to New York are using them to show voters they're committed to a clean energy future. At least 17 political ads feature windmills this year, according to the advocacy group League of Conservation Voters, a phenomenon that the group's president, Gene Karpinski, said shows that his group's message has finally acquired political resonance.

"Nobody's ever said, 'We're coming to Congress to change environmental policy.' That's never happened before," Karpinski said. "This election is about change, and a big part of that change is about energy security."

Of course, doing a stand-up in front of a massive windmill carries risks, as well. Sen. Maria Cantwell (D-Wash.) is shown with her hair flying about as she declares, "This windmill farm will make America less dependent on foreign oil." And Democratic Senate hopeful Jon Tester (Mont.) just looks small compared with the wind turbines standing behind him on an open plain. But Karpinski remains undaunted.

"Candidate after candidate after candidate, they're talking about it," he said.

Church Leader Resigns After Gay Sex Claim (WP)

By Alan Cooperman

DOJ_NMG_0090668

The Washington Post, November 3, 2006

One of the nation's most influential conservative Christian leaders, the Rev. Ted Haggard, resigned yesterday as president of the National Association of Evangelicals and temporarily stepped aside as pastor of a Colorado mega-church after a self-described male escort accused him of paying for gay sex.

Haggard, an outspoken opponent of same-sex marriage, vigorously denied the allegation. "Never had a gay relationship with anybody, and I'm steady with my wife. I'm faithful to my wife," he told a Colorado television station, KUSA.

But in a statement issued by New Life Church, his 14,000-member congregation in Colorado Springs, Haggard said he could "not continue to minister under the cloud created by the accusations," which were first made public on a Denver talk-radio station yesterday morning.

Although he has avoided endorsing political candidates, Haggard has been a staunch ally of the Bush administration. Some political observers said his resignation was more bad news for Republicans trying to rally their conservative Christian base to turn out for the midterm elections.

"This is one more factor that could increase the disillusionment of evangelicals with prominent leaders on the Christian right and with the political process as a whole, and some may conclude that perhaps their forebears were wise to be wary about politics," said William Martin, a professor of religion and public policy at Rice University and a biographer of the Rev. Billy Graham.

Conservative Christian leaders rallied around Haggard. "I've always admired Ted's Christian character and his ministry, and I find these accusations incredible, frankly," said the Rev. L. Roy Taylor, chairman of the National Association of Evangelicals, which has about 45,000 constituent churches across the country.

Taylor said that the NAE's executive committee will hold a teleconference today to decide how to proceed. He said he may serve temporarily as president of the organization, in addition to his regular duties as the stated clerk, or administrative leader, of the conservative Presbyterian Church in America.

"I'm a minister not a political scientist, so I couldn't predict" what political impact Haggard's resignation might have, Taylor said. "Evangelicals have a serious understanding of the power of sin and human evil, and realize that every person, whether Christian or not, struggles with the dark side," he added.

In his written statement, Haggard said he was "voluntarily stepping aside from leadership" of New Life Church so that its four-member board of overseers could conduct an investigation. An associate pastor, the Rev. Ross Parsley, will take over as the church's acting leader, and "in the interim, I will seek both spiritual advice and guidance," Haggard said.

Haggard declined further comment, but a close colleague at New Life Church said that although he is stepping down as pastor temporarily, his resignation as president of the NAE is permanent.

"Ted realizes this is a pretty consuming situation in terms of media, and in order to make sure the good work of the NAE goes forward without distraction, that is a decision he voluntarily made," the colleague said, speaking anonymously because the church was limiting its comments to the written statement.

Haggard's accuser identified himself as Mike Jones, 49. Jones said in radio and television interviews that he had a three-year sexual relationship with the pastor, who he said came to Denver and paid him for sex about once a month.

Jones told Peter Boyles, host of a talk-radio show on KHOW-AM station, that he has recorded voice-mail messages and a letter from Haggard, and that he witnessed the pastor using methamphetamine. But he did not immediately produce the alleged voice-mails or letter.

Jones indicated that he is going public with the accusations at least in part because Colorado has two questions related to same-sex marriage on Tuesday's ballot. One is Amendment 43, which would define marriage as between one man and one woman, and which Haggard has supported. The other is Referendum 1, which would give same-sex couples more legal rights and benefits.

"Being a gay man all my life . . . I felt it was my responsibility to my fellow brothers and sisters, that I had to take a stand, and I cannot sit back anymore and hear [what] to me is an anti-gay message," Jones said.

John Green, an expert on religion and politics at the Pew Forum on Religion and Public Life in Washington, said Haggard's resignation is likely to reverberate more loudly in Colorado than nationally.

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"Haggard is a very important political figure in Colorado, and there are tight races there as well as ballot questions that could be affected," he said, citing in particular the embattled reelection efforts of Reps. Marilyn Musgrave and Tom Tancredo, both Republicans. "I think there's less of an implication for what evangelicals might do nationwide, because outside of Colorado he's not directly involved in voter turnout efforts and is seen as more of a religious leader than a political one."

Green also noted that under Haggard's leadership, the NAE has sought to widen the evangelical agenda to include global warming, international human rights and poverty issues. Although non-evangelicals may view Haggard as a diehard conservative, within the evangelical movement he is seen as a moderate, Green said.

"If the allegations are proven true, it could discredit a prominent moderate figure in the evangelical community," he said.

Church Leader Resigns Amid Gay Sex Claim (CHIT/AP)

By Catherine Tsai

Chicago Tribune, November 3, 2006

COLORADO SPRINGS, Colo. -- The president of the National Association of Evangelicals, an outspoken opponent of gay marriage, has given up his post while a church panel investigates allegations he paid a man for sex.

The Rev. Ted Haggard resigned as president of the 30 million-member association Thursday after being accused of paying the man for monthly trysts over the past three years.

Haggard, a married father of five, denied the allegations, but also stepped aside as head of his 14,000-member New Life Church pending an investigation.

"I am voluntarily stepping aside from leadership so that the overseer process can be allowed to proceed with integrity," he said in a statement. "I hope to be able to discuss this matter in more detail at a later date. In the interim, I will seek both spiritual advice and guidance."

Carolyn Haggard, spokeswoman for the New Life Church and the pastor's niece, said a four-member church panel will investigate the allegations. The board has the authority to discipline Haggard, including removing him from ministry work.

The acting senior pastor at New Life, Ross Parsley, told KKTV-TV of Colorado Springs that Haggard admitted that some of the accusations were true.

"I just know that there has been some admission of indiscretion, not admission to all of the material that has been discussed but there is an admission of some guilt," Parsley told the station.

He did not elaborate, and a telephone number for Parsley could not be found late Thursday.

The allegations come as voters in Colorado and seven other states get ready to decide Tuesday on amendments banning gay marriage. Besides the proposed ban on the Colorado ballot, a separate measure would establish the legality of domestic partnerships providing same-sex couples with many of the rights of married couples.

The allegations stunned church members.

"It's political, right before the elections," said Brian Boals, a New Life member for 17 years.

Church member E.J. Cox, 25, called the claims "ridiculous."

"People are always saying stuff about Pastor Ted," she said. "You just sort of blow it off. He's just like anyone else in the public eye."

The accusations were made by Mike Jones, 49, of Denver, who said he decided to go public because of the political fight over the amendments.

"I just want people to step back and take a look and say, 'Look, we're all sinners, we all have faults, but if two people want to get married, just let them, and let them have a happy life,'" said Jones, who added that he isn't working for any political group.

Jones, who said he is gay, said he was also upset when he discovered Haggard and the New Life Church had publicly opposed same-sex marriage.

"It made me angry that here's someone preaching about gay marriage and going behind the scenes having gay sex," he said.

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Jones claimed Haggard paid him to have sex nearly every month over three years. He said he advertised himself as an escort on the Internet and was contacted by a man who called himself Art, who snorted methamphetamine before their sexual encounters to heighten his experience.

Jones said he later saw the man on television identified as Haggard and that the two last had sex in August.

He said he has voice mail messages from Haggard, as well as an envelope he said Haggard used to mail him cash. He declined to make the voice mails available to the AP, but KUSA-TV reported what it said were excerpts late Thursday that referred to methamphetamine.

"Hi Mike, this is Art," one call began, according to the station. "Hey, I was just calling to see if we could get any more. Either $100 or $200 supply."

A second message, left a few hours later, began: "Hi Mike, this is Art, I am here in Denver and sorry that I missed you. But as I said, if you want to go ahead and get the stuff, then that would be great. And I'll get it sometime next week or the week after or whenever."

Haggard, 50, was appointed president of the evangelicals association in March 2003. He has participated in conservative Christian leaders' conference calls with White House staffers and lobbied members of Congress last year on U.S. Supreme Court appointees after Sandra Day O'Connor announced her retirement.

After Massachusetts legalized gay marriage in 2004, Haggard and others began organizing state-by-state opposition. Last year, Haggard and officials from the nearby Christian ministry Focus on the Family announced plans to push Colorado's gay marriage ban for the 2006 ballot.

At the time, Haggard said that he believed marriage is a union between a man and woman rooted in centuries of tradition, and that research shows it's the best family unit for children.

Connecticut Seats May Be Key To Control (USAT)

By Andrea Stone

USA Today, November 3, 2006

FAIRFIELD, Conn. — Three moderate House Republicans and a conservative Senate Democrat are downplaying party labels in the final days of the campaign here in hopes the state's independent voters will send them back to Washington.

Nearly half of Connecticut voters are unaffiliated, with 30% of registered voters Democrats and 20% Republican. Nationally, about one-third of people who have responded to Gallup Polls in 2006 identify themselves as independent.

Connecticut elected former Republican-turned-independent Lowell Weicker as governor in 1990. The man who ousted Weicker from the Senate two years before that, Joe Lieberman, now appears poised for re-election as an independent after losing the Democratic ballot line to businessman Ned Lamont.

And come Tuesday, the state's independents could determine which political party controls the House of Representatives. That's because three of the seats Democrats could gain for a majority are here. They need 15.

“It's an independent state that's more subject to trends,” says University of Connecticut political scientist Kenneth Dautrich, “like the need for change.”

Rep. Christopher Shays, a 10-term Republican incumbent, is under no illusions. “This may be the last time I have to speak before the Rotary as a member of Congress,” he recently told the group here. A Zogby poll released Wednesday showed Democratic challenger Diane Farrell, a former Westport first selectwoman, ahead 51%-43.5%.

Now, wherever Shays goes, he brings along a 54-page booklet full of reasons to re-elect him. There's his seat on a key financial committee (page 1), the federal money he's brought home (p. 4), his 54% liberal rating from Congressional Quarterly (p. 40).

At the Rotary, Shays even mentioned his work for pet victims of Hurricane Katrina. “I'm not one-dimensional.”

In an interview at his waterfront Bridgeport home, Shays pinpointed his problem: “Iraq. And people don't like George Bush.

In a year when polls show that sentiment pervasive nationwide, it is significant that political luminaries from Laura Bush to Sen. Hillary Rodham Clinton are flocking to the state. And the airwaves are blanketed with negative ads.

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"This is a flyover state in presidential years," says Farrell, who got 48% of the vote against Shays in 2004. "Connecticut voters now know what it's like to live in (battleground) Ohio or Pennsylvania."

"If the Democrats run the table in Connecticut, that would be a national message that the war in Iraq will have some national resonance," says Fairfield University political analyst John Orman.

Besides Shays, who represents one of the country's wealthiest congressional districts, two other moderate Republicans are in close races:

•Nancy Johnson, a 12-term incumbent who helped author the Medicare prescription-drug program, is opposed by Democratic state Sen. Chris Murphy.

•Rob Simmons is seeking a fourth term in the country's most Democratic district held by a Republican. He is in a rematch against former state legislator Joe Courtney, who got 46% of the vote in 2002.

"We call ourselves the spotted owl caucus," jokes Simmons of moderate Republicans. "We know we're endangered."

Shays is a member. He has won widespread support in this moderate district that stretches from the affluent New York City suburb of Greenwich, where the first President Bush grew up, to gritty industrial Bridgeport.

But attitudes may be shifting.

"I still think he's a good man," said Democrat Ted Shiffman, a Stamford lawyer and former Shays supporter. "But every few years, it's important to have a change in control so that one party doesn't become entrenched."

Farrell has depicted Shays as an enabler for Bush's unpopular Iraq policies and the priorities of the conservative-led Congress. During one of 11 debates, Farrell, 51, framed the choice: "With Chris, you get the status quo. With me, you get a new direction."

Shays, 61, disputes that. "I'm probably the biggest change agent in Washington" he says, because as a centrist, "I make things happen."

Steve Goodman, 35, an independent voter, agrees. "I like people who work with both parties," he said as he waited in Stamford for a commuter train. "I like the fact that he votes the issue."

For Stamford lawyer Jim Hughes, an undecided voter, the election is "a coin toss" between good candidates. Yet he gets "weak knees over the war" and an open-ended commitment in Iraq. "That might have something to do with" whom he chooses, he says.

Unlike some Republicans who try to avoid talking about the war, Shays has taken it head-on. "I know more than any other member of Congress about what's going on in Iraq," he says.

"I'm not afraid to lose this election over the war," says Shays, who has visited Iraq 14 times, more than any other lawmaker.

It is clear the conflict has taken a toll. His eyes turn watery when he speaks of Iraqis and U.S. military families who have lost loved ones. He uses words like "tormented" and "wrestle" when talking about how his warnings as far back as April 2004 of mistakes went unheeded. And he calls "offensive" Farrell's charge of an "election year conversion" when, after the anti-war candidate Lamont's primary trouncing of Lieberman, Shays called for a timeline to get out.

Yet as political pressure has mounted, Shays has had some self-inflicted problems. Last month, he said abuses at Iraq's Abu Ghraib's prison involved a "sex ring" and not torture. He later backtracked.

Two days earlier, he defended taking money from embattled House Speaker Dennis Hastert by saying of Sen. Edward Kennedy, D-Mass., a Farrell supporter, that, "I know the speaker didn't go over a bridge and leave a young person in the water and then have a press conference the next day. Dennis Hastert didn't kill anybody." The reference was to the 1969 car crash in Chappaquiddick that left a woman dead.

"Those were out of character," Orman says, "but it showed how intense the race has gotten."

Campaign '06: In Final Days, Parties Dream Of Senate Upsets (TIME)

By Mike Allen

Time, November 3, 2006

Democrats and Republicans have each picked a state where they're hoping for a November Surprise and have begun pouring buzzer-beating money into Senate contests that have not been on anyone's toss-up list.

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For Democrats, the hope for an upset is Arizona, where incumbent Sen. Jon Kyl (R), has looked safe from the Democratic challenger, shopping mall developer Jim Pederson.

For Republicans, the long shot is Michigan, where the National Republican Senatorial Committee is throwing a $900,000 lifeline to Mike Bouchard, a sheriff challenging Sen. Debbie Stabenow (D).

In Arizona, Kyl would only lose in a national typhoon. But Democrats are acting confident and Sen. Charles Schumer of New York, chairman of the Democratic Senatorial Campaign Committee, is touting an "expanding Senate playing field." Pederson, the Democrat, has mounted an attack focusing on Iraq and special interests. The conservative Kyl has focused on "Arizona accomplishments" and expertise on terrorism.

In Michigan, Stabenow has led handily in polls and fundraising. Bouchard, with the slogan "Results for a Change," began running the nationally financed ads yesterday, and reaches out to younger voters tonight by appearing with Kid Rock. Democrats say it's too late, and that Stabenow has used her cash advantage to build a lead and define Bouchard.

Republicans hope for an upset in Michigan because an anti-incumbent tide could benefit the GOP in a state where both U.S. Senators and the Governor are Democrats. That is one of the races that will help illuminate whether any wave this year is anti-incumbent, or just anti-Republican. The GOP is also making offensive moves in New Jersey, where Tom Kean Jr. is profiting from corruption charges against incumbent Robert Menendez, and Maryland, where Republican Lt. Gov. Michael Steele is running on change against Democrat Ben Cardin, a 10-termer in the U.S. House.

In other Senate races, two struggling Republicans are both running ads acknowledging public frustration with Iraq. In Washington state, Republican Mike McGavick, former chief executive of an insurance giant, is using the tag line "Real. Change" to challenge freshman Sen. Maria Cantwell (D), who has supported the war. A new McGavick ad uses the President's former "stay the course" mantra as a slur against Cantwell and says: "President Bush doesn't understand our frustrations." In Minnesota, three-term Rep. Mark Kennedy (R) is gaining on prosecutor Amy Klobuchar (D) with an ad that tries to level with voters. "None of us like war. And we've made some mistakes in Iraq," the ad says. "Leaving Iraq now will create a breeding ground for new attacks on America." His close is one of the year's most memorable: "I'm Mark Kennedy. ... I approve this message even though I know it may not be what you want to hear."

Vitriol Fills The Air And Airwaves As Allen And Webb Battle On (WP)

By Michael D. Shear

The Washington Post, November 3, 2006

RICHMOND, Nov. 2 -- Democratic Senate hopeful James Webb today tapped the star appeal of Illinois Sen. Barack Obama to stir the passions of his party's base, rallying with 700 supporters before heading to Northern Virginia for a similar event with actor Michael J. Fox.

Obama told a cheering crowd at Virginia Union University that Webb is someone who "has fought for this country, who has led this country," and he urged supporters to drag "those uncles and cousins who don't vote to the polls" on Tuesday to help elect Webb.

Webb's opponent, incumbent Republican Sen. George Allen, had a more low-key day, accepting the endorsement of the Minutemen, a national organization that fights illegal immigration, at a news conference in Roanoke. He then went to the Philip Morris cigarette plant just south of Richmond to privately shake hands for an hour during a shift change.

Allen plans to fly across the state this weekend, stopping in Hampton Roads, Winchester, Southside Virginia, Roanoke and Norfolk. He plans to spend Sunday in Northern Virginia. Aides declined to give details of the events or say who will be campaigning with the senator.

"I knew I had a target on my back," Allen told reporters at Philip Morris. "The national liberal Democrats have no love for me. I knew they'd be gunning for me."

Fox, who has Parkinson's disease and has been campaigning for candidates who support stem cell research, spoke to a crowd of about 1,000 at a ballroom in Clarendon. "A vote for Jim Webb is a vote for hope and a better quality of life for Americans," the actor said.

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The attention from Fox and Obama, who have been crossing the country to stump for candidates, marks the beginning of a statewide tour for Webb that will include stops with Gov. Timothy M. Kaine, former governor Mark R. Warner and former U.S. senator Bob Kerrey of Nebraska. The five-day trip will end with former president Bill Clinton at an election-eve rally in Alexandria.

"If we prevail here -- and we are going to prevail," Webb told the enthusiastic crowd at Virginia Union, "we are going to bring a different kind of attitude to the United States government."

Both candidates expect a close race and have begun to prepare for the possibility of a recount. Allen's campaign team held an hours-long meeting Wednesday to plot legal strategy in the event that a recount is necessary. Allen is consulting former Virginia solicitor general William H. Hurd, who led the recount team for Republicans last year when Attorney General Robert F. McDonnell (R) won by just 360 votes.

Webb aides said they also are preparing contingency plans for a recount, although they said they are confident they will not be needed. A drawn-out legal battle in Virginia could leave the state's residents in limbo and the balance of power in the Senate unclear.

"The last thing we need is another recount," said state Sen. Creigh Deeds (D-Bath), who lost to McDonnell. "Nov. 8 was like Groundhog Day for six . . . weeks. I've moved on. But it was very tough. We don't need that."

Allen started his day in Roanoke, where he focused on illegal immigration. He picked up the endorsement of Chris Simcox, founder and chairman of the Minuteman Civil Defense Corps, which is battling illegal immigration along the U.S. border with Mexico and elsewhere. Minutemen have been in Herndon videotaping day laborers and would-be employers after the Town Council there approved setting up a controversial center to host day laborers seeking work.

Later, Allen talked to reporters in front of the Philip Morris plant, where the company produces about 240 billion cigarettes a year. Allen condemned Webb and Democrats as having run "the most negative, smearing campaign that Virginia has ever seen."

Even as he said that, the National Republican Senatorial Committee began running an attack ad on his behalf, saying Webb has written books that stereotype women as promiscuous objects. "His novels? Some are graphic, even deviant," a female announcer says in the commercial.

Allen also began running an ad accusing Webb of wanting to give Social Security benefits to illegal immigrants.

Webb advisers condemned the ads, saying they are "full of lies." At the Obama rally, Webb again accused Allen of waging a "classic Karl Rove campaign, designed to divide people, to go after their emotions, to assassinate people's character. This has been an incredibly negative campaign."

The Democratic Senatorial Campaign Committee began airing a television commercial attacking Allen by citing negative comments from Virginia newspapers. "Allen is a mediocre senator. He is in lockstep with Bush. An administration parrot," the ad says.

At the Virginia Union rally, Obama called on Virginians to send President Bush and Republicans a clear message by voting Allen out of office. Of the voters across the country, he said, "When they start paying attention, the folks in power right now are in trouble."

Warner and Kaine also helped to whip up the crowd. Kaine called Webb "a spectacular, spectacular candidate." Warner mocked Allen, saying the "cakewalk" that pundits had predicted for the incumbent was turning into a victory for Webb.

"It's five days before, again in Virginia, we make history," Warner roared.

Staff writers Tim Craig and Bill Turque in Washington contributed to this report.

Webb Goes Big As Allen Stays Local (WT)

By Christina Bellantoni And Seth Mclaughlin

The Washington Times, November 3, 2006

James H. Webb Jr. is sticking close to his Democratic friends and held rallies with political heavy hitters yesterday, while Republican Sen. George Allen is standing with local leaders at much smaller meet-and-greets as Virginia's U.S. Senate race enters its final days.

Mr. Webb, who holds a slight lead in most polls, joined Sen. Barack Obama and Virginia's top Democrats at an overflowing midday rally in Richmond before appearing at a sold-out fundraiser with actor Michael J. Fox and former presidential candidate

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Gen. Wesley Clark in Arlington last night. Mr. Webb will hold an Election Eve rally with former President Bill Clinton, his second appearance in Virginia this year.

Mr. Webb said the energy at the Clarendon Ballroom last night is "what carried us from a deficit of 33 points at one point to a lead" in the polls.

Mr. Allen, meanwhile, nabbed the endorsement of the border-enforcement group the Minutemen and today plans to attend small events with local leaders in Hampton Roads, including an appearance at the Chesapeake Fire Academy graduation.

"I shook hands with well over a thousand folks in there," Mr. Allen said yesterday after greeting the 2,500 workers at the Philip Morris cigarette-manufacturing plant in Richmond.

His advisers have not outlined their strategy for planning low-turnout events nor have they released a formal schedule for the campaign's final weekend, but Mr. Allen yesterday said he was glad to meet with tax-paying "working people."

Gov. Timothy M. Kaine and former Govs. Mark Warner and L. Douglas Wilder revved up the more than 700 attendees at the Obama rally at Virginia Union University yesterday. They said Mr. Webb has priceless momentum heading into Tuesday's election.

The national names guarantee Mr. Webb good television coverage, but the current and former governors are key local boosters.

"This is like the Dream Team and 'American Idol' and all that all rolled up into one," Mr. Kaine said. "I can feel the energy all across this commonwealth."

Although Mr. Webb has been attached at the hip to Mr. Kaine, Mr. Warner and Mr. Wilder and has brought in the Democratic party's top fundraisers and cheerleaders in recent weeks, Mr. Allen has not announced plans to bring any Republican stars to Virginia for the final days of campaigning.

President Bush appeared at a Richmond fundraiser for Mr. Allen last month, and first lady Laura Bush also raised money for the Republican.

Mr. Allen has been on the campaign trail with respected Sen. John W. Warner, Virginia Republican and chairman of the Armed Services Committee, and will be joined by members of the state's Republican congressional delegation in coming days.

Senate Majority Leader Bill Frist of Tennessee implored his supporters in a recent e-mail: "The President and I have relied upon George Allen over the last years to cast critical votes on legislation important to our efforts to move America forward."

Mr. Allen recently has brought in lesser-known Republican senators including Elizabeth Dole and Richard M. Burr of North Carolina, David Vitter of Louisiana and Mitch McConnell of Kentucky.

Sen. John McCain of Arizona is the biggest name who could feasibly come to Virginia, but his staffers did not return calls asking whether he will.

Mr. McCain has starred in television ads and raised money for Mr. Allen.

The endorsement from the Minutemen political action committee will help Mr. Allen with his conservative base. Mr. Allen opposed the Senate's "comprehensive" immigration plan and favors strong border enforcement instead of a "path to citizenship" for illegals.

Mr. Allen is running ads saying that if Mr. Webb is elected, he would reward illegal aliens with amnesty.

Through Monday, both candidates will touch down in all the state's regions, but none of Mr. Allen's upcoming events are expected to generate the type of excitement seen by the screaming Obama fans yesterday.

Rally attendees shoved themselves at the Illinois Democrat to ask for autographs and screamed until they were hoarse when Mr. Webb alluded to Mr. Obama's presidential ambitions.

"He needs your help, he needs people to volunteer, he needs people to make phone calls, he needs people to do whatever it takes," Mr. Obama said, adding he is "absolutely confident" that work will lead to a Webb victory.

Mr. Allen would be wise to avoid another Bush visit, even though he is a major crowd draw.

Last fall, Republican gubernatorial candidate Jerry W. Kilgore was hurt by an election-eve rally with the president, whose popularity at the time was sinking but higher than it stands today.

In Arlington last night, a crowd of about 900 gathered at the sold-out event at the Clarendon Ballroom, while people outside sported anti-Bush-Cheney signs and sold stickers saying: "Bill Clinton lied about sex -- George Bush lies about everything."

Mr. Fox and Gen. Clark said they support the Vietnam War veteran because he's a "man of integrity."

"Senator Allen needs to hear from you, a vote for Jim Webb is a vote for the hope of a better quality of life for millions of Americans," said Mr. Fox, who has Parkinson's disease and has become a national symbol for the debate over stem-cell research.

"We owe it to our families, we owe it to our neighbors, and we owe it to future generations," Mr. Fox said. "We are not unrealistic. We realize it may take years before the promise of stem-cell research is realized, but we need scientists and researchers to start now with the full support of the federal government."

Mr. Webb said he relies on scientists who say research could hold the key to breakthrough cures for Alzheimer's disease, spinal-cord injuries and Parkinson's.

In July, Mr. Allen supported Mr. Bush's veto of a bill allowing federal funding for embryonic-stem-cell research.

"I am for stem-cell research but not the kind that would destroy human embryos," Mr. Allen said yesterday.

Allen, Webb Turn Focus To Ground Game (WT)

By Christina Bellantoni

The Washington Times, November 3, 2006

RICHMOND -- In the final days before the U.S. Senate election in Virginia, both campaigns are focusing on a crucial ground game to get voters to the polls.

Sen. George Allen, a Republican, and former Navy Secretary James H. Webb Jr., a Democrat, are prepared for a long night Tuesday in case the result is too close to call.

Both men, who have spent months slinging political mud back and forth, will spend the remainder of the campaign trying to energize their supporters.

"Thunder's impressive, but it's lightning that does the work," Mr. Allen said yesterday, quoting Mark Twain. "Susan and I may be the thunder, the lightning is all our grass-roots supporters all over Virginia."

Mr. Webb said yesterday the folks on the ground are the reason he went from having no money and being more than 30 points behind in polls to leading Mr. Allen in the most recent polls.

"We're going to go 24 hours a day until Tuesday morning," Mr. Webb told supporters in Richmond yesterday.

Both campaigns would not outline their legal strategy if the victor's margin is razor-thin, if a recount is needed or if there are problems with voting machines, but each has lawyers in place just in case.

"We are ready for that scenario if it were to occur," said Webb spokeswoman Kristian Denny Todd. "We are covering all our bases."

"It's going to be a close election -- we want to win by enough so we don't have to worry about lawyers," Mr. Allen said. "We need less litigation in our country."

A recount certainly is possible, as Mr. Allen and Mr. Webb are locked in a tight battle, and last fall, the attorney general's race in Virginia was decided by fewer than 400 votes following a long recount process and several court hearings.

Mr. Allen's campaign Web site (www.georgeallen.com) encourages Virginians to "Vote early, vote Allen," and asks for volunteers for the "72-hour get-out-the-vote team."

Mr. Webb's Web site (www.webbforsenate.com) asks voters to join "Jim's Brigade" and to request absentee ballots so they are free to help on Election Day. "We need YOU!" it states.

Virginians also will see a barrage of political ads on television through Tuesday -- ranging from attacks on character to upbeat, positive messages from each candidate asking humbly for their vote.

Both Mr. Allen and Mr. Webb will be aided by outside groups -- including conservative and liberal bloggers -- hoping to influence the election outcome.

The League of Conservation Voters is going door to door for Mr. Webb to educate voters on what they say is Mr. Allen's worst-in-the-Senate environmental record and is encouraging Virginians to vote absentee.

The National Rifle Association is telling its 100,000 Virginia members that it has strongly endorsed Mr. Allen with an "A-plus" rating, though Mr. Webb has been given an "A" rating by the gun rights group.

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State Republicans are putting their all into Mr. Allen's turnout operation, especially in Northern Virginia where the party has suffered in back-to-back elections.

"It is time for all conservatives in Virginia to mount up and win the ground game for Senator Allen," reads a post on the Allen-friendly "A-Team" blog (www.allens-a-team.com).

The blogger encouraged volunteers to drop literature and put up yard signs.

Mr. Webb has been getting advice from the last two statewide Democratic winners -- Gov. Timothy M. Kaine and former Gov. Mark Warner.

"I think Jim Webb's got all the momentum, and I see nothing that's going to change that in the next few days," Mr. Warner said.

Yesterday, Webb volunteers handed out fliers asking for more help to make phone calls and talk to voters after they leave the polls on Election Day.

"We're doing it out of zeal for the candidate," said Hank Alden, a Henrico County resident and "sign captain" of the Webb volunteers.

As of Wednesday, there were nearly 4.6 million registered voters in Virginia.

Voters, who are not required to register by party, have been asking for more absentee ballots to vote early than in previous years.

State elections officials said more than 100,000 requests for absentee ballots were made as of last week.

In Virginia Race, Women May Be The Decider (NYT)

By Robin Toner

The New York Times, November 3, 2006

FAIRFAX, Va., Nov. 1 — There is, unquestionably, a striking amount of testosterone in the Virginia Senate race between Senator George Allen, football-tossing Republican conservative, and Jim Webb, Democrat, Vietnam veteran and chronicler of the warrior tradition.

But the real struggle in this exceedingly tight contest, one of a handful that will determine control of the Senate, may be decided by how women vote.

In the final stretch before Election Day, both candidates have high-profile Virginia women campaigning on their behalf. Mary Matalin, the Republican strategist, is urging women to “talk to your girlfriends” on Mr. Allen’s behalf. Lynda Robb, the wife of former Senator Chuck Robb and a daughter of President Lyndon B. Johnson, is hailing Mr. Webb as “understanding the needs of Virginia’s families.”

The Allen and Webb campaigns have attacked each other throughout the fall over their commitment (or lack thereof) to women’s issues and concerns, and they are ending, to a large extent, with women’s voices. In one Webb commercial being broadcast this week, a woman named April Cain looks into the camera and declares, “I have two boys, one is 9 and one is 12.”

“George Allen hasn’t done anything to help my family,” Ms. Cain adds.

In a new commercial for Mr. Allen, put up by the National Republican Senatorial Committee, the female announcer intones that Mr. Webb’s writings “routinely stereotype women as promiscuous objects.”

“Arrogantly and outrageously,” the voice continues, “Webb refuses to be ashamed of what he’s written.”

The battle for the female vote began in earnest earlier this fall, when the Allen campaign, struggling to regain control of the race after several missteps, took aim at Mr. Webb’s argument 30 years ago against women in combat and the admission of women to the Naval Academy.

For much of the fall, commercials have featured retired military women arguing for — and against — Mr. Webb, who has said that he has changed over the years and that he should be judged by his record of advancing women when he was secretary of the Navy during the Reagan administration.

Last week, when polls showed the race a dead heat, the Allen campaign introduced a new issue seemingly tailored for women: saying Mr. Webb’s novels included sexually explicit scenes and “chauvinistic attitudes.”

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Mr. Webb's allies noted that his novels, mostly about men at war, were, first of all, fiction, and, second, had been widely acclaimed by a spectrum of prominent people like Senator John McCain, Republican of Arizona and a fellow Vietnam veteran.

Those attacks, some analysts say, help explain why some recent polls show Mr. Webb and Mr. Allen running close among women.

"We don't have a gender gap," said Harry L. Wilson, director of a new Roanoke College Poll, alluding to the Democrats' traditional advantage among women, although other polls have indicated the Democratic edge remains.

Equally striking is that Mr. Webb is neck and neck with Mr. Allen among men, which is unusual for a Democrat.

Mr. Webb's strategists acknowledge that he has room to increase his support among women, but say he will realize that potential in the final days.

"Sure, they did break through with this stuff that happened 30 years ago," said Kristian Denny Todd, Mr. Webb's press secretary. "But at the end of the day, a lot of these women have small children, they care about education, they care about the war.

"They'll say, this stuff happened 30 years ago. But he's with me on things I care about today."

That case is made, in part, by the commercial featuring Ms. Cain, who argues that while Mr. Allen has been in the Senate, health care costs have continued to rise, "college tuition is out of control" and Mr. Allen gave himself a raise. Another Webb ad asserted that Mr. Allen "voted against family and medical leave three times."

Steve Jarding, an adviser to the Webb campaign, said, "The dilemma for Allen is he's not a moderate on women's issues."

The Allen campaign has relied heavily on Susan Allen, the candidate's wife, to make its case to women. In an interview, Ms. Allen denounced the negative tone of the Senate campaign, but defended the Allen campaign's highlighting of Mr. Webb's novels.

"The fact is, my husband's life has been an open book in this campaign — all his speeches, votes, his record has been an open book for everyone to examine," she said.

The demographics in this race revolve around more than sex. The populous suburbs of Northern Virginia are becoming an increasing source of strength for Democrats; the strategic imperative for Mr. Webb is to exploit that advantage fully to offset any losses in less friendly areas.

The Senate campaign over the past four months has taken striking turns. Mr. Allen, long considered a potential 2008 contender for the White House, saw his lead melt away after making what was perceived as a demeaning racial reference to a Webb volunteer of Indian descent. This week, a scuffle broke out at an Allen campaign event after a liberal blogger aggressively tried to question Mr. Allen about his treatment of his first wife, Anne Waddell. Ms. Waddell issued a statement on the Allen campaign Web site this week saying that Mr. Allen "was, and is, a wonderful person," and that if she lived in Virginia she would vote for him.

The anger between the two campaigns over tactics and strategy is palpable.

Adding to it are stark differences between the two candidates on issues, beginning with the war in Iraq. Mr. Webb, a first-time candidate for elective office, said he entered the race largely because of the Bush administration's handling of Iraq, which he had sharply criticized even before the invasion; Mr. Allen has supported the president's policies.

Mr. Webb is closing out his campaign with a new, upbeat spot in which he declares, to the camera: "Those in power haven't served us. They've failed to protect our working people, they failed us on ethics and they're failing in Iraq. Bottom line: they're not fighting for you. I will."

Mr. Allen, in one of his closing commercials, declares, "I want to continue fighting for our shared values: lower taxes, a better education for our children, and a safer, stronger America."

At a campaign event in Fairfax on Wednesday, Mr. Allen, seeking his second term after serving as governor of Virginia, said his campaign was "going really well."

But the Webb campaign was claiming momentum, and independent analysts said the race remained too close to call.

Stem Cells A Wild Card In Missouri Senate Contest (CSM)

By Mark Clayton

DOJ_NMG_0090678

The Christian Science Monitor, November 3, 2006

ST. LOUIS

Candidates for US Senate have all been dealt similar hands for this midterm election: a president with low job approval, rising voter uneasiness about the Iraq war, and flat wages. But here in Missouri, there's a wild card in the Senate contest - stem-cell research.

It's possible that a stem-cell ballot initiative here could affect voter turnout enough to tip one of the country's closest Senate races. Trouble is, no one can predict with confidence which candidate would benefit most: the Republican incumbent, who opposes a state constitutional amendment to permit the use of embryonic stem cells for medical research, or the Democratic challenger, who supports it.

About 51 percent of Missouri voters favor Amendment 2 while 35 percent are against it, a Research 2000 poll reported last weekend. Support for the amendment has fallen in recent months with more voters now saying they are undecided about it. The amendment would permit the use in Missouri of any federally allowed stem-cell research and treatments, including work involving human embryos.

But the advantage may in fact go to Sen. Jim Talent, running to serve a second term, because the stem-cell issue could bring to the polls the state's social conservatives who, while they are voting against Amendment 2, would also be likely to cast a vote for him.

The team behind challenger Claire McCaskill (D) "is banking on voter support for stem cell [research] to translate into support for her," says David Kimball, a political scientist at the University of Missouri here. "But it may actually energize conservative voters. If that issue were not on the ballot, they might not have as much reason to come out and vote."

An 11th-hour, TV-ad slugfest over the stem-cell measure may have served to stimulate voter interest. In an ad that debuted Oct. 21 during the first game of the World Series, actor Michael J. Fox touted Ms. McCaskill and attacked Senator Talent for failing to support the amendment. Talent supports stem-cell research that doesn't involve cloning or destroying a human embryo, but has said he opposes the amendment because it would "make cloning human life at the earliest state a constitutional right." Conservative talk-show host Rush Limbaugh subsequently leapt on Mr. Fox, and a group opposing the initiative rebutted the Fox ad.

The video by Missourians Against Human Cloning features World Series hero-pitcher Jeff Suppan, former St. Louis Rams quarterback Kurt Warner, and James Caviezel, the actor who portrayed Jesus in Mel Gibson's movie, "The Passion of the Christ." Mr. Caviezel begins the ad speaking in Aramaic and concludes with the warning: "You know now. Don't do it," referring to voting for the amendment.

Such ads could resonate with Roman Catholic voters, who make up about 16 percent of Missouri's 5.8 million residents. Many priests in the state have taken a strong stance against the stem-cell measure, some even handing out antiamendment yard signs after Sunday Mass, according to a parishioner who saw it happening at his church.

"We're strong Catholics," he says, asking that his name not be used. "But we're not happy about the church's big push on this. They're going all out."

A CNN/Opinion Research poll on Monday showed the Senate race to be "a tossup," with Talent and McCaskill each garnering 49 percent support from likely voters.

The stakes are high. "This Missouri race could be the difference between keeping a [Republican] majority in the Senate and not keeping it," says Brooke Buchanan, a Republican National Committee spokeswoman. "We're prepared to do anything it takes to make sure Senator Talent continues to be the senator from Missouri."

The tight race has drawn the national parties and their fellow travelers, who have poured manpower and money into the state. The result: Missourians have been lashed by a maelstrom of conflicting, often negative ads on TV and in print. The Talent camp has slammed McCaskill with charges that she misused her post as state auditor. Groups supporting McCaskill are publicizing Talent's votes against raising the minimum wage - and berating him for taking $165,000 in annual pay as a senator.

Of course, many factors go into most voters' calculus about whom to vote for, and stem-cell research is just one. The Iraq war is the biggest concern here, reflected in President Bush's 37 percent popularity rating with Missourians. McCaskill's team

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has been bent on linking Mr. Bush and Talent, saying the senator doesn't represent "Missouri values" but is simply a rubber stamp for failed Bush policies, most notably Iraq.

That message resonates even among some Republicans.

"Jim's position is basically that, whatever Bush wants, he gets. His percentage of voting with the president is abnormally high, and it's hurt him," says a state Republican Party activist who asked not to be named because he is upset with Talent and might vote against him. "Talent will depend upon the get-out-the-vote machinery. We can get the people out all right, but can we get them to cast [their votes] the way we want [them] to?"

On a recent Sunday, Franklin and Tresa McCallie went door-to-door in Kirkwood - a conservative, upper-middle-class St. Louis suburb - to campaign for Democratic candidates. They say they found an unusual responsiveness.

"I'm a yellow-dog Democrat who was raised a conservative in Chattanooga, Tennessee," Mr. McCallie says in a pronounced drawl. "Kirkwood typically goes Republican. But the problem for Mr. Talent is that all the issues are running against him. You have people in Kirkwood who are not all wealthy or rich, and they're questioning the status quo."

The old calculus for winning in Missouri was to carry the big cities and suburbs in five counties, where about 52 percent of the voters live. But in recent elections, that equation was upended by turnout surges in the state's 109 rural counties. Rural Missouri, with its strong contingent of Christian conservatives, has gone strongly for Bush and Republicans.

But fewer rural conservatives may be with Talent this year, thanks to the Iraq war, analysts say. As a result, McCaskill is pursuing what some see as a risky strategy of spending the end of the campaign shuttling between St. Louis and rural towns like Kirksville and Sikeston - where she and Talent recently appeared in a parade, riding just floats apart - to try to make inroads into Republican territory.

Talent, meanwhile, has been stumping in rural sections of the state, shoring up his base in towns such as Mexico, Mo., and Rogersville. The big question is whether the stem-cell turnout will be enough to reelect Talent.

"Voters are predisposed to be upset with the governing party, and that's the Republicans," says Dr. Kimball. "All the big issues are running up against the powerful Republican turnout machine. So I just don't know what to expect, honestly. This is not a typical election."

Actor Tackles Emotional Political Role (BSUN)

By Jennifer Skalka

The Baltimore Sun, November 3, 2006

CHEVY CHASE -- Michael J. Fox sits in a chair in a hotel room, in constant motion. Legs are crossed and uncrossed. Socks are repeatedly pulled up underneath trousers. His head moves side to side with reliable irregularity.

The movements would be arresting if not for the man behind them. He is focused. So determined to tell what he has to say.

Fox is bringing his Parkinson's disease, and a political message, to Maryland and other states where control of the U.S. Senate is in the balance: Virginia, Missouri, Ohio, Iowa and Wisconsin.

While politicians debate whether frozen embryos should be adopted, used for research or discarded, Fox wants to change people's minds.

Federal money for embryonic stem cell research can improve life for the sick and the disabled, he told a couple of hundred people backing Democrat Benjamin L. Cardin's bid for U.S. Senate Thursday. Fox said he will stump for candidates who support such funding and fight like crazy against those who don't.

"We are who are," Fox, 45, said in a Holiday Inn ballroom with Cardin by his side. "We have what we have. We want what we want, and we have a right to seek the representation that will get it for us."

The actor has become one of the most visible figures of the campaign season by thrusting himself into an emotional debate over emerging science and its moral implications.

Fox, the former star of the Back to the Future movies and the situation comedies Family Ties and Spin City, is commanding a bigger stage these days as an advocate for embryonic stem cell research, targeting states that could elect senators favorable to science.

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Lt. Gov. Michael S. Steele, the GOP's Senate nominee in Maryland, opposes embryonic stem cell research. He and Cardin are airing television ads on the subject. Fox is featured in Cardin's. In Steele's, his sister, Monica Turner, calls the Fox ad "deceptive, tasteless" and reveals that she has multiple sclerosis.

During an interview at the hotel before the Cardin event, Fox took the high road when asked about the Steele ad. He said he had not seen it in full.

"I don't want to get involved with any conflict with another patient," Fox said. "It just is what it is. I respect everyone's point of view. And I respect her right to express it. I really do. And more power to her. And I'm sure she's thought about it and prayed about it and done whatever process she has to do to reach the conclusion she's reached, and I fully respect that."

He had harsher words for a Steele campaign spokesman who, Fox said, called his ad in extremely poor taste.

"As far as the other goes -- the campaign itself calling my ad in extremely poor taste -- that leads you to conclusions about attitudes toward sick people and their symptomatology and their right to be involved in the process and their franchise to help shape government policy and the future of health and science in the country," he said. "That's strange to me. And certainly to millions of Americans."

Fox, whose Parkinson's foundation has raised about $70 million over the past five years, said he does not care about political labels. He said he would back, and has supported, members of both parties who favor embryonic stem cell research.

In Maryland Thursday, with Fox by his side, Cardin promised that if he is elected Tuesday, he will promote the research, which is opposed by some conservatives and anti-abortion candidates because it involves the destruction of a human embryo.

"I am going to be pushing that bill with all the energy I have," Cardin said to applause.

On NBC's Meet the Press, Steele said he views the destruction of an embryo as the taking of a life and that, in keeping with his anti- abortion views, can't condone it. He suggested adoption for the 400,000 or more embryos in fertility clinics across the country.

Fox said Thursday that adoption could be a fine use for some of the embryos but that tens of thousands, if not hundreds of thousands, of others would remain. And embryonic stem cells can do something their adult stem cell counterparts cannot, Fox said, because they're more flexible.

Adult stem cells, research on which Steele and Bush support, are "cranky cells," Fox said.

"They already are what they are, they don't want to be anything else," he said. "When you try to get them to be something else, they don't like doing it. And when you get them to be something else, they don't want to stay that way."

Embryonic stem cells, in contrast, can become various cells in the human body. That is how the healing could start for the paralyzed, the Alzheimer's patient or the actor turned advocate who is trying to make Washington stand up and listen.

"To limit it to [adult stem cells] is like saying you can have a seat belt, but you can't have an air bag," Fox said. "We have the technology to have air bags. I'd like both. If that's OK."

Then he pauses, a wry smile spreading across his face. "Tasteless idea," he says.

Cardin Rallies Blacks In PG (WT)

By Jon Ward And S.a. Miller

The Washington Times, November 3, 2006

Rep. Benjamin L. Cardin yesterday tried to rally support among black Democrats in Prince George's County, while Lt. Gov. Michael S. Steele campaigned with county Democratic leaders who broke ranks this week to endorse him.

Mr. Cardin appeared with Prince George's County Executive Jack B. Johnson and about 30 other lawmakers in Hyattsville, aiming to keep a diminishing lead in the polls.

Mr. Johnson noted that he supported Mr. Cardin's opponent in the primary -- Kweisi Mfume, past president of the National Association for the Advancement of Colored People.

"Unfortunately, as Democrats, we know we can only have one winner," Mr. Johnson said.

Mr. Mfume narrowly lost the nomination and trounced Mr. Cardin in Prince George's, with 74,637 votes to Mr. Cardin's 19,824.

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In his first public show of support for Mr. Cardin, Mr. Johnson said the 10-term congressman is "one fantastic individual that will represent us in the United States Senate."

"I am proud and a strong supporter of Ben Cardin for the United States Senate," Mr. Johnson said.

But the rally turned sour later. State Sen. Nathaniel Exum, Prince George's Democrat, berated Mr. Cardin for excluding him and other local delegates from speaking or being mentioned.

"You do the same [stuff] over and over again, just ignore us," Mr. Exum yelled at Mr. Cardin after the rally, which was held in Mr. Exum's district.

Mr. Cardin shrugged off the incident.

"I think he's upset that we didn't go over the names, but I'm not too concerned about it," Mr. Cardin said. "He's supporting us."

Today, Mr. Cardin will appear with Sen. Barack Obama, Illinois Democrat, for the second time in this campaign, which has become one of the country's most closely watched races.

Mr. Cardin's rally was designed to respond to Mr. Steele's endorsement from prominent Prince George's Democrats earlier this week. Former County Executive Wayne K. Curry and all five black members of the County Council endorsed Mr. Steele, saying the Democratic Party has taken black voters for granted.

Mr. Cardin attacked Maryland Republicans, saying their plans to question voters whom they think committed fraud is an attempt at voter intimidation and suppression.

The Maryland Republican Party said the plans were copied from Democratic plans and are allowed under law. They also released a document from the 2004 presidential election in which Colorado Democrats were advised to make up claims of voter intimidation against minority voters if none could be found.

The election could hinge on how Prince George's 320,000 registered Democrats vote Tuesday. The county, which is more than 65 percent black, accounts for a large part the Democratic Party's overwhelming advantage in voter registration.

Mr. Steele yesterday received an endorsement from several religious leaders, including Harry Jackson a Democrat and bishop of the Hope Christian Church, a charismatic ministry in Lanham with about 2,000 members.

In Annapolis, Mr. Steele announced a 10-point election promise that included pledges to improve health care among minorities, introduce legislation to stop disparities in criminal-sentencing guidelines for blacks and to support increased aid to African and Caribbean countries.

Mr. Steele ended his day by campaigning with Mr. Curry in Greenbelt.

Mr. Cardin attended an afternoon rally in Bethesda with TV star Michael J. Fox to call for embryonic stem-cell research, then one in Baltimore with former Sen. John Edwards of North Carolina, the 2004 Democratic vice-presidential nominee.

Baltimore Mayor Martin O'Malley, the Democratic nominee for governor, also attended the Edwards rally, during the second day of his six-day, statewide bus tour.

Gov. Robert L. Ehrlich Jr., a Republican running for re-election, voted by absentee ballot in Glen Burnie, Md., and will today campaign at several stops, all in Baltimore County.

Mr. Ehrlich has cut Mr. O'Malley's double-digit lead to one point, according to poll released this week that was conducted for the Baltimore Sun. The poll, by Potomac Inc., showed Mr. O'Malley leading Mr. Ehrlich 47 percent to 46 percent with five percent undecided.

Steele Would Help Change Capital's Culture (BSUN)

By John Mccain

The Baltimore Sun, November 3, 2006

I strongly support Michael S. Steele's candidacy for one simple reason: We need to change Washington.

Congress doesn't need another career politician or political insider. We need someone who is a strong, independent voice for what is right, regardless of party politics. I know Michael Steele, and I know he will shake up Washington for all the right reasons.

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We see it almost every day: runaway spending, scandal, legislation written by and for special interests. Washington has become a culture unto itself where special interests reign supreme, where partisanship precedes statesmanship, and where the ambitions of politicians come before the interests of the people.

It doesn't need to be this way. You can change the way Washington works. But to do so, you must elect candidates such as Michael Steele who have the courage to do the right thing, regardless of their party.

By sending Michael Steele to the U.S. Senate, Marylanders not only would be electing a public servant who knows and cares about the issues concerning the entire Old Line State, but they also would be delivering a clear message that it is time for change.

This summer, I came to Baltimore to campaign for Michael Steele because he has the courage to do something simple: represent Maryland, not special interests.

In the four years he spent as your lieutenant governor, Michael Steele single-handedly broke the mold of his predecessors, using his position as a vehicle for change. He has visited schools, community centers, housing projects and businesses forgotten by others. He has done so not to score political points, but to find solutions to problems that directly affect Baltimore. As he has traveled to every corner of the state, his campaign echoes this solutions-driven policy throughout Maryland.

Michael Steele has successfully built bridges across racial, economic and partisan lines. He has worked to fix Maryland's pension system for teachers and to improve school systems that have given up on kids, and empowered small businesses throughout the state to foster access and opportunity for minority business owners - increasing minority business within the state by one-third. The Sun named Michael Steele one of the 2003 legislative session's "winners" for his efforts on both sides of the aisle.

It is time for someone fully committed to changing the way Washington operates. It is time for someone who is not afraid to criticize what's wrong - with either party. It is time for someone who knows that getting things done and creating positive change is more effective than a "go along to get along" attitude.

It is time for Michael Steele.

Little Seems Secure About Security Tapes (LVS)

By Jeff German

Las Vegas Sun, November 3, 2006

· For three days this week, the media were saturated with speculation from unnamed sources that just-discovered video surveillance tapes do not show Rep. Jim Gibbons and Chrissy Mazzeo inside a parking garage where she claims the Republican gubernatorial candidate assaulted her Oct. 13.

Metro Police stood silent on the speculation - orchestrated by the high-powered Gibbons camp - until 4:20 p.m. Tuesday, when they issued a surprising statement saying they had not yet concluded that Gibbons and Mazzeo weren't on the parking-garage video. Police hadn't even finished viewing the tapes.

By that time, however, a District Court judge who was appointed to the bench after lobbying by Gibbons campaign adviser Sig Rogich had granted a hurried request by the Gibbons camp to release the still-unauthenticated tapes. Gibbons understandably was trying to stop his slide in the polls a week before the election.

In the process, however, the rights of the alleged victim, a 32-year-old single mother and cocktail waitress, were lost in the shuffle. Evidence in the criminal case was being turned over to the potential defendant before any decision had been made on the filing of charges.

Yet as odd as that was, it is just one of many strange twists in the nearly three-week saga of how tapes that purportedly didn't exist ended up existing, after all.

From the beginning:

Mazzeo was under the impression the tapes existed when she called 911 three times between 10:23 p.m. and 11:14 p.m. on Oct. 13 to report that Gibbons had accosted her inside a Hughes Center parking garage. The structure was across from McCormick & Schmick's restaurant, where she, Gibbons, Rogich and three other women had been drinking earlier in the evening.

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"And all that stuff will be on tape if there is a camera there, which I'm assuming there is," she told a police dispatcher in her third 911 call.

Mazzeo told police that Gibbons grabbed her arms, threw her up against a wall in the parking garage and tried to coerce her into having sex. Gibbons said he merely was helping Mazzeo find her truck when she stumbled just before they entered the garage and he grabbed her arms to break her fall.

Officers who interviewed Mazzeo assured her that they would obtain videotapes of the incident. But when they contacted a Hughes Center security officer that night, identified in police reports only as "Aaron," they were told the cameras in the garage weren't recording.

The next day, after officers told Mazzeo there was no video after all, she decided to drop the case. She told them she didn't want to press charges against a powerful political figure such as Gibbons.

Police closed out the investigation without checking any further for recordings of the incident.

In the meantime, the media picked up on the story. The Gibbons camp hired attorney Don Campbell and private investigator David Groover to help the congressman with his defense, which included an Oct. 19 news conference in which Gibbons strongly denied the allegations.

Still missing were any videotapes that might possibly contain the truth. Despite repeated inquiries by the Sun for over a week, officials with Crescent Real Estate Equities, which owns and manages Hughes Center, refused to shed any light on the mystery.

Mazzeo hired attorney Richard Wright to represent her interests, and on Oct. 25 she held a news conference to stand by her story and level new allegations that the Gibbons camp had harassed and pressured her into dropping the charges. The Gibbons camp strongly denied those accusations, too.

But Mazzeo forged ahead. She said she would be willing to cooperate with police once more if the case was reopened.

Again, at this point, there were no tapes to support either side.

But not for long.

After hearing that Mazzeo was willing to press charges again, police decided to "tie up some loose ends" from the previous short-lived probe, Deputy Chief Greg McCurdy said Wednesday.

Although there was no formal investigation (Metro officially still was waiting for Mazzeo to come forward), McCurdy said, detectives paid a visit to Hughes Center security offices in an attempt to find a last name for Aaron, the security officer who told police the night of the Oct. 13 incident that there were no recordings. They anticipated that they would have to interview him again once the probe started up again, McCurdy said.

During that visit, detectives learned much more than Aaron's last name. Robert Clavier, director of security for Hughes Center, showed up to say that videotapes indeed existed from Oct. 13.

"He said, 'We had the tapes and didn't know what to do because it was a closed case,' " McCurdy explained. "He said he had (them) locked up in his possession."

Detectives, McCurdy said, took possession of the tapes and took a voluntary statement from Hughes Center officials.

Sources said Hughes Center security officials viewed relevant portions of the tapes before turning them over to Metro and did not see Gibbons and Mazzeo on the recordings.

For a while, the tapes remained a secret at Metro. Indeed, at a press conference last Thursday, the day after police acquired the tapes, Sheriff Bill Young was asked several questions about possible tapes. Young did not disclose their existence.

The recordings stayed secret until Saturday, when Campbell said he learned about them from Kirk Lenhard, a lawyer then representing Crescent. It is unlikely that their conversation occurred by chance, for there are numerous connections between the Gibbons camp and the company that now says it had the tapes all along.

Lenhard is with the politically connected Jones Vargas firm, which has Republican National committeeman Joe Brown as one of its leading partners. Brown was with Gibbons at his Oct. 19 news conference denouncing Mazzeo's allegations.

Brown's firm held a fundraiser for Gibbons the day before the Oct. 13 incident, according to the candidate's latest campaign report. And on Oct. 17, Brown and Lenhard each gave $1,000 to Gibbons' campaign, the report shows.

In court papers filed this week, Campbell said Lenhard told him the tapes had been turned over to Metro Police.

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Soon, another of Campbell's clients, the Las Vegas Review-Journal, was onto a story about the newly discovered tapes - and coverage by that newspaper and other media contained Campbell's spin: The tapes absolve Gibbons of wrongdoing.

Nobody from Metro was willing to confirm that statement on record, but Gibbons and his team spent the next several days saying the candidate had been vindicated. That position stood until Metro issued its surprise disclaimer on Tuesday. They hadn't finished reviewing the tapes.

On Wednesday, police finished copying the videos and issued a news release saying they were providing copies to Campbell, Wright and the district attorney's office.

McCurdy said police now believe that Aaron, the Hughes Center security officer, did not knowingly mislead officers into believing there were no tapes on the night of the incident.

"He may have been given wrong information," McCurdy said.

McCurdy would not say what police have done in the last week to try to authenticate the tapes.

But he added: "At this time, I have no information that leads me to believe that there has been any alterations made to the tapes."

Security experts have told the Sun and Las Vegas television news organizations that the tapes are likely to be inconclusive.

If the tapes are to prove Gibbons' claims that he never entered the parking garage, thus destroying Mazzeo's account, authorities must find a way to verify the tapes as authentic and to demonstrate that the cameras unquestionably would have captured Mazzeo or Gibbons had they entered the garage.

That is a tall order, especially in the view of security experts who say the biggest hurdle to verifying the tapes is the 11 days between the night police said they were obtaining the tapes and the day Crescent handed them over to police.

In between, the tapes reportedly were locked up in the Crescent offices. The problem with that 11-day gap, security experts said, is that police cannot guarantee a "chain of custody," and that surveillance tapes can be fabricated fairly easily.

Campbell scheduled a news conference for 10 a.m. today to discuss the release of the tapes. Jeff German is the Sun's senior investigative reporter. He can be reached at 259-4067 or at german@lasvegassun.com. Sam Skolnik can be reached at 474-

Gibbons Asks Ethics Panel's Opinion On Cruise Gift By A WALL STREET JOURNAL Staff Reporter (WSJ)

The Wall Street Journal, November 3, 2006

WASHINGTON -- Nevada gubernatorial candidate Rep. Jim Gibbons asked the House Ethics Committee for an opinion on whether he failed to report a Caribbean cruise that was paid for by a military contractor who is also a major donor to the congressman's campaign.

Mr. Gibbons sought the panel's advice after a page-one article in The Wall Street Journal raised questions about his close ties to Warren Trepp, said Mr. Gibbons's campaign manager, Robert Uithoven.

The Journal reported Wednesday that the Nevada Republican opened doors in Washington for Mr. Trepp's eTreppid Technologies LLC, a software maker that won millions of dollars in classified contracts from the Air Force, Special Operations Command and the Central Intelligence Agency. It reported that Mr. Gibbons, who served on the Intelligence and Armed Services committees, helped the Reno, Nev., company secure federal contracts and in some cases helped direct federal money to the contracts.

Mr. Trepp and companies linked to him contributed nearly $100,000 to Mr. Gibbons's campaign for governor, and Mr. Trepp hosted the congressman, his wife and others on a week-long Caribbean cruise in March 2005, flying the group home on a private jet.

A former eTreppid executive who is suing Mr. Trepp in federal court in Reno alleges that Mr. Gibbons also got unreported gifts of cash and casino chips from Mr. Trepp.

Messrs. Gibbons and Trepp deny unreported payments and said there was nothing improper about the Caribbean trip, Mr. Trepp's campaign contributions or Mr. Gibbons's efforts to arrange meetings in Washington for eTreppid. Mr. Gibbons insisted that eTreppid won business on its merits and that he had nothing to do with any classified contracts.

Also yesterday, U.S. District Judge Brian Sandoval, who has been hearing the case brought by the former eTreppid executive, recused himself from the case. The judge, a former Nevada attorney general, was appointed to the bench by President Bush last year.

Police Union Demands Mayor's Records (BSUN)

By Doug Donovan

The Baltimore Sun, November 3, 2006

The state police union demanded Thursday that Baltimore Mayor Martin O'Malley release his application to practice law to determine whether he properly disclosed a nearly 20-year-old drunken driving charge.

Maryland Fraternal Order of Police President John "Rodney" Bartlett Jr. said in a statement that O'Malley's refusal to release the document raises questions about the mayor's ethics and moral character.

"Mr. O'Malley refuses to release a copy of his bar application, leading to the inevitable conclusion that he failed to complete it honestly and properly," the statement said. "Although his arrest and acquittal 20 years ago on a driving under the influence charge may be irrelevant to his ability to serve as Governor, his ability to tell the truth completely and without qualification is extremely relevant."

The move by the Maryland Fraternal Order of Police was seen privately by the mayor's campaign as a political move by a union that supports O'Malley's Republican rival, Gov. Robert L. Ehrlich Jr. Publicly, however, campaign aides declined to discuss the matter.

"We said all we're going to say about this a week ago when it first came out," said O'Malley spokesman Steve Kearney.

In 1987, O'Malley was charged with driving or attempting to drive a vehicle while under the influence of alcohol. A law student at the time, O'Malley was acquitted of the charge.

Since news of the incident arose last week, the mayor has refused to release his application to become a lawyer, a form that requires the disclosure of all criminal proceedings [em dash] including traffic citations. O'Malley has said that he does not remember if he disclosed the charge.

Ehrlich's chief of staff, James C. "Chip" DiPaula Jr., and a spokesman, Henry Fawell, were copied on the e-mail release of the union's statement.

Ehrlich released his bar application last week, and it showed that he answered "no" to the questions about whether he had been a party to any criminal proceeding or whether there had been any "unfavorable incidents" in his life that would bear on his character or fitness to practice law.

Ehrlich has said O'Malley's charge should not play out in the election.

The governor has previously been quoted as saying he had his own brush with the law as a young man when he and a friend scalped tickets to Princeton University sporting events to make extra money during college. Ehrlich has said the matter was handled by Princeton University officials, not the police, as he said in an interview four years ago. So the matter did not warrant reporting on his application to the Maryland bar.

Parties Start Frantic Final Push For Voters (USAT)

By Jill Lawrence

USA Today, November 3, 2006

As dozens of critical races remain too close to call four days before Election Day, Democrats and Republicans are ramping up drives to get voters to the polls Tuesday.

The mix includes a flock of political celebrities, tens of thousands of volunteers and millions of dollars, door-knocks and phone calls, all underlaid by new techniques to pinpoint likely supporters in unlikely neighborhoods.

Republicans had a juggernaut turnout operation in 2004 and both sides say it has gotten better. There are indications, however, that the get-out-the-vote playing field is more level now. Among them:

•Both parties say they will spend more than $30 million.

•Democrats are catching up, albeit in piecemeal fashion, to the sophisticated “microtargeting” techniques that have enabled Republicans to find and motivate potential supporters across the country.

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•Ballot initiatives are spurring turnout drives on both sides. Conservatives are mobilizing voters against gay marriage and research using embryonic stem cells; liberals are mobilizing them to support the research and a minimum-wage increase.

•The Republican National Committee runs a centralized get-out-the-vote operation. Democrats are typically splintered but more efficient than usual, because 32 liberal interest groups are sharing information and coordinating their turnout drives in a coalition called America Votes.

There are more than 50 House and Senate races both parties view as competitive this year. Democrats say their turnout effort is equal to the Republican Party's in most of them. "I think they did have a better operation in 2004," New York Sen. Charles Schumer, head of the Democratic Senatorial Campaign Committee, says of Republicans. "We learned that lesson."

Democrats, relying heavily on union muscle, used to have the edge in getting out the vote. "We've been very fortunate we've been able to match them and in some instances outdo them," says Michael DuHaime, political director of the Republican National Committee.

VIPs rallying voters this weekend include former New York City mayor Rudy Giuliani and actor Michael J. Fox, who has Parkinson's disease and is helping Democrats who support federal funding for embryonic stem cell research. The usual powerhouses, among them the AFL-CIO and the National Rifle Association, will be out in force. Some of the most intense activity: e-mails flying across the Internet, a technique especially popular with business groups partial to Republicans.

The most coveted voters in congressional elections are people who typically vote only in presidential years. They are followed closely by swing voters who aren't loyal to one party or the other. Over the past six years, Republicans have become expert at finding them and anyone else with potential GOP leanings, even in states where voters don't register by party.

In a process called microtargeting, they collect as much information as possible about voters from public records, Census data and marketing research firms. That's used to create profiles including everything from voting history, job and marital status to where people live, what they drive, what they read and whether they fish.

The end product is a score indicating someone's likelihood of voting, of supporting one party or the other and of being interested in certain issues. Advocates then use that information to determine whom to contact and what kind of pitch to use.

"We no longer look at the world geographically," DuHaime says. "We believe there are voters everywhere that should be our voters." Before, he says, the party would skip a city or precinct where only 10% voted Republican — but now it will try to raise that 10% to 14%. "There's no area anywhere we ever write off."

Democrats are scurrying to make up for lost time. While they continue to press turnout in heavily Democratic cities and inner suburbs, they are using microtargeting to find voters in areas where only three or four in 10 people vote Democratic.

The application is spottier than the GOP's national reach and the voter descriptions less detailed. Even so, in the places Democrats most need it, some form of the technique is in use by someone.

America Votes is microtargeting in six states — Ohio, Pennsylvania, Minnesota, Michigan, Colorado and Wisconsin — for its 32 member organizations. Emily's List, which helps female Democratic candidates, is microtargeting women in Michigan, Minnesota, Missouri and Washington, and in 18 House districts. Some unions are microtargeting their members to decide which doors to knock on. The two Democratic congressional campaign committees are microtargeting in most of their hot races. The Democratic National Committee is running pilot programs in six states.

"They are very hierarchical and we're not, and that's just the way it is. It's never going to change," Karin Johanson, executive director of the Democratic Congressional Campaign Committee, says of Republicans. "They're good. We're good, too."

Inside The Beltway (WT)

By John McCaslin

The Washington Times, November 3, 2006

The world's a stage

No plans for election eve?

Let's all join Al and Tipper Gore on Monday evening at the Kennedy Center Concert Hall "for an intimate conversation on the state of our environment, our global situation, our families and how we can all work together to make our future world a better place for everyone."

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Show time is 8 p.m. (tickets range from $60 to $100) for what will be a 90-minute chat titled: "Blueprint for Personal Action with Al and Tipper Gore."

72-hour campaign

Nobody laid the groundwork more for a successful midterm Election Day than Democratic National Committee Chairman Howard Dean. Placing the Democrats in the majority of Congress this month has been his No. 1 priority, and beyond that winning the White House in 2008.

So there's good reason for Mr. Dean to be concerned these final days of campaigning, given sensational predictions from pundits and pollsters alike of an easy Democratic sweep on Tuesday.

Mr. Dean had this warning yesterday, which he sent to Inside the Beltway via e-mail: "We must stay focused and ignore the polls or pundits who tell us we have the election locked up," he said. "This election is less than a week away, but there's plenty of time left for a Republican comeback.

"Most worrisome," he said: "the Republican Party's 'infamous 72-hour' operation," which he said will be "cranking up" starting this weekend to get out the Republican vote.

Tuesday fades

Everybody is waiting for Election Day, but the truth is that nearly a quarter of American voters will have cast ballots before Tuesday, either by absentee means or by visiting an early voting place.

"America is undergoing a revolution in voting. 'Election Day' is quickly becoming a thing of the past as we move towards a system of many mini-election days leading up to the main event," notes John C. Fortier in his new book, "Absentee and Early Voting: Trends, Promises, and Perils."

A research fellow at the American Enterprise Institute for Public Policy Research, Mr. Fortier calls the rise in early voting "meteoric." He writes that absentee voting originated during the Civil War for soldiers away from home, but today more and more states, including California, are promoting its use.

The book states that just 25 years ago, about 5 percent of Americans voted before Election Day. That number grew to 15 percent by 2004.

Pint of Adams

We had to laugh at part of a letter sent by "The Spirit of George Washington," professional impersonator James Renwick Manship Sr., to a fellow Virginian christened with a pair of historical names.

"Dear Mason Adams," Mr. Manship writes. "As I said when I met you a week ago at the church pastored by George Mark Washington, you have a great name of two great patriots.

"I was thinking of 'my' promoter for commander in chief, and 'my' Vice President John Adams. But you mentioned Sam Adams, who due to the lager brewed in his name, is likely better known, and more sought for 'counsel' than John in these current times."

Sipping moxie

Calvin Coolidge's "civility and high ethical stature were a strong tonic" in his day, and today's leaders should "study his history and take a sip from his favorite drink, moxie."

So Cyndy Bittinger, executive director of the Calvin Coolidge Memorial Foundation in Plymouth, Vt., tells Inside the Beltway, after we had written about columnist Cal Thomas' efforts (he's related to Coolidge) to build the nation's 30th president a presidential library.

"Yes, up here in Vermont we think highly of Calvin Coolidge, a man from a farming community who made a difference in people's lives," Ms. Bittinger writes, adding that after World War I he "restored the nation to normalcy and peace."

She also cites Coolidge's "warm relationship" with the press. He met with reporters twice every week and, therefore, had no need for a press secretary.

Quote of the week

"Why are 30,000 U.S. troops tied down on that peninsula half a century after the Chinese left North Korea and 15 years after the Soviet Union expired? If the 60 million Koreans, North and South, were raptured up to heaven, how would America be imperiled?"

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— Patrick J. Buchanan, arguing this week against both conservatives and liberals who are calling for an expansion of the U.S. military to respond to hot spots around the world. Instead, the commentator says obsolete alliances should be dissolved where there are no vital American interests.

Campaigns Set For TV Finale (WP)

By Jonathan Weisman, Chris Cillizza

The Washington Post, November 3, 2006

The Republican and Democratic parties dumped tens of millions of dollars this week on dozens of congressional races, locking up broadcast time yesterday for a blizzard of new advertising that will saturate the airwaves over the final weekend of the midterm campaign season.

Candidates rushed out more than 600 new television ads ahead of network deadlines for the weekend, with many Republicans trying to shift attention from Iraq and President Bush to local issues such as the environment, taxes and immigration. This final thrust will boost spending on political and issue advertising past $2 billion in this campaign, or $400 million more than in the 2004 presidential campaign, according to Evan Tracey of the Campaign Media Analysis Group.

"Politics is probably the only business in the world where they spend the most money when they have the least number of available customers to pitch to," Tracey said.

Meanwhile, in Billings, Mont., President Bush kicked off a final six-day campaign swing through heavily Republican states in hopes of rallying disaffected supporters in time to save the endangered GOP majorities in Congress.

Bush opened his tour in this conservative state in a bid to rescue Sen. Conrad Burns, who has battled back from a big deficit against Democratic challenger Jon Tester, and then headed to Nevada, where the president appeared beside a House Republican candidate fighting to hold on to a once-safe seat.

Bush's itinerary and message underscored the depth of the Republican troubles this year -- particularly the president's low approval rating and the strong opposition to the Iraq war -- and the last-minute White House strategy for countering them. The 10 states the president plans to visit before Tuesday's elections all voted for Bush in 2004; he is staying away from battleground states such as Ohio, Pennsylvania, Tennessee and Virginia, where many Republican candidates would rather not campaign with him at this late hour.

In the final ad rush, it has grown difficult to tell which candidates are Republicans and which are Democrats. Burns posted a new ad touting the record of Montana's Democratic senator, Max Baucus, and saying he has stood with Baucus while his opponent, Tester, would oppose him. Rep. Sue W. Kelly, one of several Upstate New York Republicans in trouble, boasts in her new ads of her record on clean air and water -- and her opposition to Bush's energy plan.

"I'm not always the most popular person with party leaders in Congress," she says.

Rep. Michael E. Sodrel (Ind.), one of three highly endangered Hoosier Republicans, treats his Democratic opponent, former congressman Baron Hill, as the incumbent, striking a popular Democratic theme when he charges that Hill voted for policies that send Indiana jobs to China.

Some Democrats are taking a similar tack. Idaho Democrat Larry Grant accuses his Republican opponent, state Rep. William T. Sali, of raising taxes, while Rep. Stephanie Herseth (D-S.D.) features fresh-faced Dakotans beaming, "Mostly we want to thank Stephanie Herseth for voting to strengthen national security."

But the candidates in the most jeopardy have come out swinging. Sen. Rick Santorum (R-Pa.), who continues to trail his opponent badly in the polls, released an ad featuring a young Iraq war veteran who accuses Pennsylvania state Treasurer Robert P. Casey Jr. (D) of investing billions of the state's dollars in companies that support terrorists.

Democrat Francine Busby, in her third try for the San Diego area seat once held by imprisoned former GOP congressman Randy "Duke" Cunningham, lumped her opponent, Rep. Brian Bilbray (R), with Cunningham, convicted lobbyist Jack Abramoff, indicted former House majority leader Tom DeLay (R-Tex.) and disgraced former representative Mark Foley (R-Fla.).

"We don't need another congressman in jail," the ad warns.

Campaign strategists rushed to book a final wave of TV ads before the weekend. A look at financial reports filed yesterday with the Federal Election Commission showed that, on Wednesday alone, the Democratic Congressional Campaign Committee

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spent $12.4 million on advertising in 36 districts; the National Republican Congressional Committee spent $5.9 million on commercials in 17 districts.

The expenditures by the two committees are reflective of their overall strategies. Republicans are largely focusing their resources on the campaigns of incumbents facing surprisingly tough reelection races, in hopes of building a wall against a massive wave that could see Democrats pick up 25 or more House seats.

The Democrats must pick up at least 15 seats to win control of the House and six to win control of the Senate.

On Wednesday, the NRCC spent more than $2 million on ads for three endangered Republicans in the Philadelphia media market. The committee spent nearly $750,000 on behalf of Rep. David G. Reichert in Washington's 8th District and an additional $445,000 in Sodrel's Indiana district.

The DCCC, by contrast, is spending the bulk of its money on offensive opportunities. Its largest expenditure -- $1.3 million -- was made on behalf of Iraq war veteran Tammy Duckworth, who is running against state Sen. Peter J. Roskam (R) for Illinois' open 6th Congressional District seat. The district is covered by the Chicago media market -- one of the most expensive in the country.

The Democratic committee plunked down $718,000 on behalf of former congressman Ken Lucas, who is trying to unseat Rep. Geoff Davis (R) in northern Kentucky's 4th District, and $673,000 in Arizona's 5th District, where Rep. J.D. Hayworth (R) is trying to fend off a tougher-than-expected challenge from former Tempe mayor Harry Mitchell (D). Mitchell recently won the endorsement of the Arizona Republic newspaper, which had endorsed Hayworth in each of his past six runs for Congress but this time referred to him as a "bully."

Republican Party committees appear to have depleted much of their cash advantage, making it likely they will face tough decisions in the campaign's final days, according to the Campaign Finance Institute, a nonpartisan research group.

Between Oct. 19 and Nov. 1, national Republican committees reported spending $50 million to support House and Senate candidates, compared with $38 million spent by Democratic Party committees over the same 14 days.

Usually, the number of competitive districts goes down during a campaign's final weeks. This year, the number of competitive House seats went up. "As a result," the institute said, "the parties either have to give up on some races to concentrate their resources, or spread their resources more thinly than they had planned. This is a problem for both parties, but particularly for the Republicans, who are playing defense to save embattled incumbents."

With resources thinning, control of the Senate continues to teeter on the outcome of races in three states: Missouri, Tennessee and Virginia.

Missouri continues to be the truest of tossups, with internal tracking polls for both parties showing the race between Sen. James M. Talent (R) and state Auditor Claire McCaskill (D) within a percentage point or two. Democrats are feeling increasingly optimistic about Virginia as they believe former Navy secretary James Webb (D) is overtaking Sen. George Allen (R).

The biggest disagreement between the two sides comes in Tennessee, where Republicans spent the day touting a poll by Zogby International that showed former Chattanooga mayor Bob Corker (R) opening a substantial lead over Rep. Harold E. Ford Jr. (D), 53 percent to 43 percent. Later, the Democratic Senatorial Campaign Committee released a poll of its own that showed Ford in the lead, 46 percent to 40 percent.

Nasty Ads Close Out A Mud-caked Campaign (USAT)

By Susan Page

USA Today, November 3, 2006

WASHINGTON — It's a dangerous world.

To be a political candidate, that is.

Oklahoma Gov. Brad Henry is a lot like Adolf Hitler, an ad on the Internet warns. North Carolina Rep. Brad Miller wants to make America “one big fiesta for illegal aliens and homosexuals,” a radio spot featuring cheerful mariachi music claims. Indiana Rep. Chris Chocola opposes medical care for wounded vets, a TV ad suggests.

And Pennsylvania Senate candidate Bob Casey? Electing him apparently would risk nuclear annihilation.

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A record $2 billion is being spent on candidate and independent "issue" TV ads during this campaign, estimates Evan Tracey of TNSMI/Campaign Media Analysis Group, a firm that tracks political ads. In the past 60 days, he says, an unprecedented 90% of the ads have been negative.

Some attack ads accurately criticize candidates for votes they've cast and positions they've taken, an analysis by the University of Pennsylvania's Annenberg Political Fact Check found, but many of the ads amount to what the report called "political mudslinging." Spots by both parties distort the truth or leave a misimpression in an effort to make a candidate seem unacceptable and his election foolhardy, even dangerous.

Political forces have combined this year in "a perfect recipe for attack advertising," says John Geer, a Vanderbilt University political scientist and author of In Defense of Negativity: Attack Ads in Presidential Campaigns. "The parties are continuing to polarize, and the stakes are high because who controls Congress is in play."

What's more, neither side has much of a positive agenda to spotlight, he says, particularly on the issue foremost on many voters' minds: the war in Iraq.

Voters routinely decry negative ads and insist they ignore them.

In a USA TODAY/Gallup Poll last month, seven in 10 said they believed "not much" or "nothing at all" of what they heard in political advertisements. By more than 2-to-1, they said most of the television advertisements they have seen this year have been negative.

Twenty-eight percent said most ads have been "very" or "extremely" negative, compared with just 4% who said most have been "very" or "extremely" positive.

The survey of 1,007 adults Oct. 6-8 had a margin of error of +/-3 percentage points.

The "toxicity" of the political environment may discourage some people from bothering to go to the polls, says Page Gardner of Women's Voices, Women Vote, a group that encourages political participation by single women.

Nevertheless, campaigns deploy negative ads because they work.

A Notre Dame study of advertising in the 2004 presidential campaign concluded that negative ads were much more likely than positive ones to weaken support for a candidate. Five percent of voters said their support for their favored candidate was weakened after viewing a positive ad for the opposition, while 14% said their support was weakened after seeing a negative ad targeting their side.

"They hated the negative ads, they saw positive ads as being more persuasive and influential, and yet that was not the effect," says Joan Phillips, a marketing professor who helped lead the study.

The non-partisan Fact Check analysis, released last Friday, concluded that the National Republican Congressional Committee had spent $41.9 million attacking Democratic opponents and $5 million supporting its own candidates. The Democratic Congressional Campaign Committee had spent $18 million attacking Republican opponents and $3.1 million supporting its own candidates.

The proportion of negative ads was much higher than in 2004, when Federal Election Commission records show that the political parties spent about $6 on ads in favor of congressional candidates for every $5 spent opposing candidates.

Some negative ads, including tough ones, tap humor. Over the past few days, Republican gubernatorial candidates in Minnesota, Texas and Wisconsin began airing 60-second radio ads that mimic Anheuser-Busch's sarcastic "Real Men of Genius" spots for Bud Light.

In Texas, as a singer croons in the background, a mock-serious announcer "salutes" Democrat Chris Bell as "Mr. Way-Too-Liberal-For-Texas Guy."

In Wisconsin, a similar ad dubs Democratic Gov. Jim Doyle "Mr. Tax-Hiking-Politician Man."

The tone isn't likely to lift as the campaign heads into its final weekend, Tracey says, especially in competitive contests. He likens political advertising to a jury trial: "Opening arguments" in which a candidate introduces himself or herself — and, often, the spouse, kids and dog — followed by a period of attack and counterattack. Then there are "closing arguments."

A candidate who's safely ahead may turn to "a warm-and-fuzzy" appeal at the end, Tracey says. "But if you're losing, that's when you start to throw your haymaker."

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Recent Gains In Shaky Races Have Heartened GOP (LAT)

By Janet Hook

The Los Angeles Times, November 3, 2006

Washington — President Bush was hosting lawmakers in the Oval Office last week when he asked House Majority Leader John Boehner, R-Ohio, to size up GOP prospects in the midterm elections.

When Boehner acknowledged that he had already written off some Republican House seats, naming one in the South, Bush protested loudly and called in his chief political adviser. Karl Rove entered on cue with an armful of charts to prove the seat was still in play and the party could hold onto its House majority.

"Thanks for the information," Boehner responded.

The exchange illustrates the dual mood of Republicans in the final week before Election Day: While there is pervasive fear that the party will lose control of Congress, a cadre of die-hard optimists is refusing to wave the white flag.

They point, like parched travelers spying water in the desert, to a few recent developments that could help the GOP in the waning days of the campaign. They delight in this week's gaffe by Sen. John F. Kerry, D-Mass., who made a joke that seemed to insult U.S. troops in Iraq. The GOP Senate candidate in Maryland is running a surprisingly strong campaign. Some of the party's most-endangered incumbents, such as Rep. Thomas Reynolds in New York and Sen. Conrad Burns in Montana, are battling back in the polls. Some analysts are no longer writing off GOP chances of holding onto seats in Texas and Florida that were vacated when scandal-scarred Republicans Tom DeLay and Mark Foley quit the House.

Senior party officials, including Rove and Bush, insist that Republican fundraising and voter-mobilization advantages -- or some 11th-hour surprise -- will preserve their Senate majority and keep GOP losses below the 15 seats that would give Democrats control of the House.

"The Republicans are going to make a great goal-line stand," GOP pollster Whit Ayres said.

Many strategists in both parties dismiss such talk as a Pollyana-ish ploy to keep GOP voters from staying home on Election Day. That Republicans are fighting so hard in some of the country's most conservative regions is a measure of how tough a road they face. For every seat that comes within reach, strategists are identifying once-safe incumbents who suddenly are in trouble.

Amy Walter, an analyst for the nonpartisan Cook Political Report, says Republicans are like boatmen bailing water in a storm.

"You have a bucket, and your ship is filling up," Walter said. "But for every bucket you bail, another wave is coming in."

Even former House Speaker Newt Gingrich, R-Ga. -- who in a recent memo claims momentum has shifted to the GOP and predicts the party will keep control of the Senate -- gives Republicans a 50-50 chance of keeping a House majority.

In the Senate, Republicans have a clear, if uncertain, path to victory: To keep Democrats from winning the six seats they need to gain the majority, the GOP is pouring resources into three key races that are too close to call. Those are in Tennessee, Missouri and Virginia.

Elsewhere, Republicans are cheered by recent signs that their standing has improved in races that had been considered lost causes. In Montana, polls show Burns closing in on his Democratic opponent. The national GOP this week announced a new round of television ads for Burns, and Bush campaigned for him Thursday.

In Maryland, a Democratic-dominated state, some polls show that Republican Michael Steele has narrowed the gap in the Senate race. The Cook Political Report now calls it a tossup.

In the more difficult battle for the House, a senior GOP strategist says there is still a road to victory -- even if it runs steeply uphill and ends in a wafer-thin majority.

This strategist conceded that at least seven GOP-held seats were lost causes: open seats in Arizona, Colorado, Iowa and Ohio; and seats held by two incumbents in Indiana (Reps. Chris Chocola and John Hostettler) and one in Pennsylvania (Curt Weldon). But the strategist claimed the party could hold the line elsewhere, identifying 24 GOP seats and four Democratic-held seats for which polls indicate the races are too close to call.

"No one can predict how those seats go," said the strategist, who requested anonymity. "This is where race-by-race dynamics kick in."

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Even accepting those assumptions -- which many other Republicans regard as too optimistic -- the GOP would have to win three-quarters of those close races to retain its House majority. That might have been plausible in years when incumbents had an edge. But this year, with anti-Republican winds blowing at gale force, that may be a longshot.

Republicans are betting that the advantages traditionally enjoyed by GOP incumbents -- their fundraising edge, their record of bringing home federal money for local projects and the party's vaunted get-out-the-vote machinery -- remain formidable and will tilt close races their way.

Indeed, Reynolds' money advantage may have helped him bounce back from a steep drop in polls after the Foley sex scandal.

The lawmaker, from upstate New York, immediately bought television time for an ad in which he apologized for not responding more aggressively to early warnings that Foley had sent salacious e-mails to male congressional pages. Reynolds also was helped by a huge blizzard in his district that eclipsed the Foley scandal and gave him a chance to showcase his political clout by securing federal disaster aid for the community.

In many places, however, incumbency is as much a liability as it is an asset.

In the battle for open seats, the GOP endgame includes a determined effort to hold onto the Foley and DeLay districts. Many strategists regarded those seats as slam-dunks for Democrats, because the GOP was unable to Foley's and DeLay's names on ballots. But both districts are heavily Republican, and party officials are laboring to educate voters on how to cast ballots for the GOP's chosen replacement candidates.

In Texas, Republicans are running a write-in campaign for Shelley Sekula-Gibbs. The party is sending people door to door to explain how to cast a write-in ballot. The Cook Political Report, which long rated the race as likely to go Democratic, now calls it a tossup.

In Florida, Foley's name will be on the ballot, but any vote cast for him will count as a vote for GOP candidate Joe Negron. The GOP won a court ruling last week that allowed signs making that point to be posted in polling places.

On another front, Republicans hope to cut their losses by defeating at least one of the handful of House Democrats considered vulnerable. In Illinois, where Democratic Rep. Melissa Bean serves a GOP-dominated district, Republicans hope a third-party candidate will siphon away enough votes to give the GOP candidate an edge. In Georgia, Republicans are targeting two House Democrats whose hold on their seats has been weakened by redistricting.

Faded Contract Republican Rebels Of '94 Now Face Their Own Revolt Promises To Balance Budget And Shrink Government Lost Steam In Congress Assailing 'Influences Of Power' (WSJ)

By Jackie Calmes

The Wall Street Journal, November 3, 2006

FOUNTAIN HILLS, Ariz. -- Twelve years ago, J.D. Hayworth and 72 other Republicans rode into the U.S. House of Representatives on a wave that washed out Democrats after four decades in control, ushering in a "Republican Revolution" to cleanse Washington.

Now Mr. Hayworth is at risk of being swept out in much the same way. After six years in which Republicans controlled the White House as well as Capitol Hill, voters' revulsion with failed promises, dysfunction and scandals threatens big losses for the party on Tuesday.

So Mr. Hayworth, once among the most recognizable revolutionaries in Congress's big, brash and combatively conservative "Class of '94," now stands as something of a symbol even for Republicans asking: What went wrong?

A member of the powerful Ways and Means Committee, Mr. Hayworth has been on the defensive about both campaign contributions and his initially unreported use of sports skyboxes from disgraced Republican lobbyist Jack Abramoff and his Indian tribal clients. To blunt such bad news, Mr. Hayworth boasts of the government funds that he has brought home, from a pedestrian bridge in Tempe to defense contracts for Arizona firms. Such claims win over some locals, but offend many fiscal conservatives.

The widespread sense that Republicans in Congress have lost their way, drifting into the same abuses they had pledged to end, helps explain why many, like Mr. Hayworth, are in trouble. The Republicans' 1994 "Contract with America" vowed to shrink

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government, balance the budget and limit members' terms. The Republicans said they would end Congress's "cycle of scandal and disgrace."

That contract is now broken, conservatives say, as the former rebels have morphed into an establishment clinging to power.

The national debt now nears $9 trillion. Rather than curb entitlement programs' growth, Republicans created a new one -- Medicare's prescription-drug benefit -- and rejected President Bush's call to overhaul Social Security. Their original vow to kick the pork barrel has given way to gorging on "earmarks" -- funds lawmakers specifically set aside for special projects -- in the annual appropriations bills. There have been a number of corruption probes.

"You saw the idealism, and then you saw people lose a little focus, and you saw the corrupt influences of power affect Republicans," says Rep. John Shadegg, a congressman from Phoenix and member of the Republican class of 1994.

ELECTION 2006

Predict how the House and Senate votes will go in our Washington Wire reader contest1. Plus, take a closer look at issues and candidates2 in about 20 House races, review polls3 in close House contests and see complete coverage4.

Among those who lament that the movement has gone astray is Newt Gingrich, the general behind the 1994 revolution, who became House speaker but was forced out four years later. "This is a center-right country with a willingness to tolerate a little bit of incompetence. But it's certainly getting more than it needs," said Mr. Gingrich, in an interview this summer. "The Republican Party drifted away from reform and changed back to a standard political party."

He and other Republicans cite achievements as well. They credit a series of tax cuts that climaxed under President Bush for recent economic growth as well as the mildness of past downturns. With President Clinton, Republicans rewrote welfare policy. They toughened criminal-sentencing laws and minimized workplace and environmental regulations. They would have done more, some say, but for the resistance of less conservative Senate Republicans and the obstruction of Democrats.

As he campaigns, Mr. Hayworth says, "What I'm hearing is we have to work harder, but that the spirit of '94 in many ways has been realized ... in terms of pro-growth economic policies, in terms of rebuilding our national defense."

Some Republican lawmakers, including more recent arrivals, still try to hew to the revolution's principles. Among them are three of Mr. Hayworth's fellow Arizona Republicans -- Reps. Shadegg and Jeff Flake, elected in 2000, as well as Sen. John McCain. They have led a mostly losing fight against the explosion in earmarks.

For many congressional Republicans, the shift from reform to self-preservation was most evident at the start of the current Congress last year. Former House Majority Leader Tom DeLay, anticipating his indictment on corruption charges, pushed a change in House rules so he could remain as leader. After a public furor, Republicans reversed it. Mr. DeLay resigned last June.

Of the Republicans who entered the House after 1994, just under half remain. Several have moved on to be governors or senators. Ohio's Rep. Bob Ney faces prison after pleading guilty in the influence-peddling Abramoff scandal. Florida's Rep. Mark Foley resigned after disclosures of lewd computer messages he had sent teenage House pages.

While term limits were a big issue in 1994, only a few of the members elected that year voluntarily left after three terms -- the length most espoused. Those who remain now seek their seventh term. As Election Day nears, a number are in trouble with a mutinous electorate. This week, independent analyst Charlie Cook moved Mr. Hayworth's race to the "toss-up" category, from "leaning Republican."

At 6-foot-5-inches and 220 pounds, Mr. Hayworth, a former college football player, is in fighting trim, down from 340 pounds in 1996, when he first struggled for re-election. He predicts both he and the Republicans' majorities will survive next week's election, and afterward, the party "can reassert the principles that brought us to power."

He retains the partisan bombast that made him stand out a dozen years ago. Yet just as voters nationally have tired of Washington's un-civil wars, his personality is an issue here. For the first time in his seven races, the state's largest newspaper, the Arizona Republic, didn't endorse Mr. Hayworth. It recently recommended his 66-year-old Democratic rival, Harry Mitchell, a longtime local officeholder, in an editorial headlined "Mitchell over the bully."

After Mr. Hayworth gave a recent speech to a Kiwanis Club here in Fountain Hills, an affluent suburb of Phoenix, the reaction was mixed. As about 50 Kiwanians departed after lunch, Bill Eckhardt, a 75-year-old Republican, said he'll vote for Mr.

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Hayworth given his prize seat on the Ways and Means panel. But the club vice president, Republican Bill Schmitt, 67, says he won't.

"I can't stand to be in the same room with him," Mr. Schmitt says. He's fed up with the war, and with Mr. Hayworth, who he says personifies "the slam and bash and tear and disgrace" partisanship of his party. Mr. Schmitt estimates about 20 club members, half of them Republicans, stayed away when they heard the congressman would be speaking.

Afterward, Mr. Schmitt buttonholed Mr. Hayworth. "I said, 'You know, you guys ought to get together as a group and figure out how you're going to clean up your act.'"

In the past year, four Republican House members have been forced from office by scandal. Besides Reps. DeLay, Ney and Foley, Randy "Duke" Cunningham of California is now in prison after pleading guilty to bribery and other charges for essentially selling defense earmarks. Ongoing investigations are looking at several others.

The spending earmarks at the center of some of those investigations reflect the drift since Republicans ascended.

In 1992, still in the minority, then-Rep. Gingrich taunted Democrats, "I am committed to hunting down every appropriation ... that is some politician taking care of himself." But in 1995, the new Republican-led Congress approved a record 1,430 projects worth $10 billion in the year's appropriations bills, according to the conservative group Citizens Against Government Waste. The totals escalated annually -- to 9,963 projects valued at $29 billion for fiscal 2006.

Scott Lilly, a former House Democratic staffer and now senior fellow at the Center for American Progress, a Democratic think tank, has documented a proliferation of earmarks in highway bills. For 30 years after a transportation trust fund was created in 1956, highway bills, which are passed every few years specified 14 projects at most; spending decisions were left to the states. Then, in 1987, Democrats salted that year's package with 155 earmarks. The next, in 1991, had 538. "I have never seen anything as outrageous," Ohio's Rep. John Boehner -- now the Republican majority leader -- said back then.

But the Republicans' first highway bill, in 1998, more than tripled the previous 1991 bill's total. Last year's highway bill had 6,371 special projects worth $23 billion.

Earmarks have gone from perks for the powerful to goodies spread all around -- as incumbent protection, grease to get votes for hard-to-pass bills and, as Mr. Cunningham's conviction attests, payback for benefactors. Democrats get a smaller piece of the pie. A Republican database tracks tens of thousands of member requests for new projects. At orientations to Congress, Republican leaders instruct new members how to get projects, Mr. Flake says. "You're told you have to do that to be re-elected."

When House leaders last year strained to pass the Central American Free Trade Agreement, Mr. Flake recalls, "you actually had the Appropriations staffers on the floor of the House taking orders" for highway projects "to secure the last couple of votes." That trade agreement was approved after midnight by two votes.

Similarly, earmarks were currency to get votes for the Medicare prescription-drug bill in 2003. Republican leaders rejected compromise with Democrats, but were faced with conservatives' revolt over their measure. When it appeared to have lost the House tally, the leaders extended the traditional 15-minute limit for voting for nearly three hours, until 6 a.m., openly bargaining with members on the floor until several changed their votes. "One of the most breathtaking breaches of the legislative process in the modern history of the House," write congressional scholars Thomas Mann and Norman Ornstein in their new book, "The Broken Branch."

That episode, many Republicans say now, captured how far they had moved from the heady "First 100 Days" of 1995. Then, their initial act was to change House rules to end abuses.

Looking back, a turning point was House Republicans' unpopular 1998 impeachment of Mr. Clinton. They lost seats in that year's midterm elections and Republicans forced Mr. Gingrich's departure. Power shifted from him and House Majority Leader Dick Armey of Texas, the revolution's philosophical architects, to Mr. DeLay and his former deputy Dennis Hastert of Illinois, who became Speaker. Both are seen as more pragmatic political gamesmen. Mr. DeLay, a former appropriator, expanded the use of earmarks as part of his plan for a permanent Republican majority.

After Mr. Bush's 2000 election, with all power in Republicans' hands, many conservatives had expected to realize their dreams. Instead, says Joe Scarborough, a '94 classmate who now hosts MSNBC's "Scarborough Country," that's when the revolution really ended: "Power corrupts, and absolute power corrupts absolutely.'"

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Certainly conservatives who were elected with Mr. Bush have been disappointed, except on tax cuts. They cite the "No Child Left Behind" law, which expanded the federal role over education, the Medicare drug benefit, restored farm subsidies, and nondefense spending increases. Also, they lament, Republicans let Mr. Bush set the agenda, abandoned their own search for conservative ideas and acquiesced as he centralized power in the executive branch. "We're thinking, we've finally made it to Congress and the Revolution is over," Mr. Flake says.

He and other Republicans look to jumpstart the movement once the election is over -- and Congress comes back for a lame-duck session to finish appropriations bills and elect new leaders.

Mr. Hayworth, who unlike his Arizona colleagues has been a leadership loyalist, told the Kiwanis Club, "I was pleased to work with my colleague Jeff Flake on earmark reform so that spending does not come in the dead of night or in a conference room far from the scrutiny of people."

In an interview afterward, he took credit for leading the successful mutiny against last year's House rules change for Mr. DeLay. But Democrat Mitchell, among others, recall Mr. Hayworth's televised defenses of Mr. DeLay at the time. Mr. Mitchell has seized on that to underscore what he says is Mr. Hayworth's complicity in the worst of the Republican leadership's excesses. Amid supporters at the "Cookies From Home" store in Tempe, he said, "If you like the way things are in Washington, J.D. will give you more of the same."

Mr. Hayworth calls the punishing midterm campaigns "a wake-up call to return to those common-sense conservative principles."

"I don't think we've lost our philosophical moorings," he says. "But always in an imperfect world, there will be missteps."

Ranks Of Independent Voters Rising (AP-Y)

By Philip Elliott

AP, November 3, 2006

The number of independent voters continues to rise, and that should give pause to Republicans trying to keep control of the House and Senate, an analysis of registration and turnout suggests.

About 17 percent of voters registered for next week's election eschew major-party identification, according to a study released Thursday by American University's Center for the Study of the American Electorate.

That's up from about 14 percent in 2002, and the trend could help Democrats in their effort to gain 15 seats in the House and six in the Senate to achieve majorities, said the center's director, Curtis Gans.

"The people are turning against both political parties and the political process," Gans said. "My judgment is, the intensity factor of this unhappiness benefits the Democrats. ... Karl Rove may prove me wrong."

Gans said the numbers evoke statistical comparisons to 1962, 1982 and 1994, when voters turned against the incumbent parties out of "one form or another of unhappiness or fear."

According to the study, 31 percent of registered voters identify themselves as Republicans, and 37 percent say they are Democrats. The sampling is based on 13 of the 28 states that require partisan registration, plus the District of Columbia. The figures don't add up to 100 percent in part because voter rolls include many people who have died.

"If the political backdrop doesn't radically change between now and next Tuesday, it is also likely that the Democratic midterm vote will exceed the Republican vote for the first time since 1990," Gans wrote in the report.

Of the United States' 138.8 million eligible voters, an estimated 42 to 47 percent are expected to vote. The most recent high in a midterm election was 42 percent in 1982.

Turnout during 2002, the latest midterm election, was 40 percent.

Election '06 Wild Card: 'Indies' (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, November 3, 2006

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FORT COLLINS, COLO.

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Excluded from debates, left off the polls, ignored by the news media, or dismissed by the public as a "wasted vote," minor-party candidates could tip a few key races in next week's midterm elections - or win them outright.

From the Mountain States, where a virtual unknown is polling 10 percent and just snagged four newspaper endorsements for a US House race, to the coasts of New England, where two independents are poised to win bids to the US Senate, un-red and not-blue candidates are testing how deep the dissatisfaction with the two main parties is running.

"We're really not used to thinking about third parties in midterm elections, but there is a lot of push away from the major parties," says political scientist Ron Rapoport, coauthor of "Three's a Crowd: The Dynamic of Third Parties, Ross Perot, and Republican Resurgence."

This year, 425 minor-party candidates are running for a US House, Senate, or governor's seat, according to Project Vote Smart. About 80 percent of voters will be able to vote for a Libertarian for statewide office, 60 percent for a Green Party candidate, and 30 percent for a Constitution Party candidate, says Richard Winger, who tracks minor-party candidates and issues for Ballot Access News. Reform Party candidates are on statewide ballots in Florida and Colorado.

In 2002, 5.2 percent of all voters voted for some candidate other than a Republican or Democrat at the top of the ballot (usually governor or senator). That's the highest result for a midterm election since 1934. "This year will be up," Mr. Winger predicts. "More and more high-quality people are willing to run as minor-party candidates for public office."

Some are already big names. Running as an independent, Sen. Joseph Lieberman (D) of Connecticut is expected to hold his Senate seat after losing the Democratic primary by staking out middle ground between the two main parties. Independent Rep. Bernard Sanders of Vermont is also expected to win his bid for the Senate - the first time since the mid-1970s that the Senate would have two independents concurrently.

"It's rare for there to be more than one independent in the US Senate," says Betty Koed, assistant historian of the Senate Historical Office. The last time the Senate had more than two independents was in the late 1890s, when five Populists, five Silver Republicans, and two members of the Silver Party served.

Independent candidates could tip the outcome in at least three close House races next week. In Indiana's Ninth District, Libertarian Eric Schansberg's candidacy is expected to help the Democrat, former Rep. Baron Hill, in his bid to oust GOP Rep. Mike Sodrel. And Independent John Binkowski could tip the race between Patty Wetterling and state Sen. Michele Bachmann in Minnesota's Sixth District. In an unexpectedly close race in Arizona's Fifth District, Libertarian Warren Severin could sway the race between Democratic challenger Harry Mitchell and embattled incumbent Rep. J.D. Hayworth.

"There's a lot of dissatisfaction, obviously, among Libertarian voters among the Republicans, but not much enthusiasm for Democrats," says David Boaz, executive vice president of the Cato Institute, a libertarian think tank in Washington. In races such as Arizona's Fifth, "it makes it hard to figure out who [the Libertarian candidate] is hurting."

Third-party candidates polling in single digits could also tip close US Senate races in Maryland, Missouri, New Jersey, and Tennessee.

Running colorful gubernatorial campaigns in Texas, independents Kinky Friedman and Carole Keeton Strayhorn have held onto double-digit ratings throughout their campaign to challenge the front-runner, GOP Gov. Rick Perry.

For Colorado Reform Party candidate Eric Eidsness, a high point of his US House race came last month. He was the target of an attack ad, with incumbent Rep. Marilyn Musgrave (R). "It showed I was beginning to count," he says.

A former Reagan administration official, he got into the race because he says he was tired of how Republicans used "the fear factor" to win elections. "People are smart. People know the truth when they hear it. If we agree on a problem, we can fix it," he says.

Victory is a long shot. But four local newspapers have endorsed his candidacy and Mr. Eidsness is polling about 10 percent of likely voters.

Newspapers: Election Advice Or Kingmaking? (USAT)

By Al Neuharth

USA Today, November 3, 2006

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EUREKA, S.D. — Between now and Tuesday, all across the USA, you're in for a media barrage of late pre-election news and views. Especially from many newspapers that offer traditional "endorsements."

Before the 2004 elections, I strongly suggested in this column that newspapers should stop all endorsements and "debate, but not dictate." My slightly modified 2006 stance:

•On congressional, state or local office races, voters get such a heavy dose of news, views and propaganda from and about all candidates that they don't need any newspaper telling them for whom to vote.

•But on the ever-growing number of initiatives or referendums, many or most voters are uninformed and newspaper recommendations can be helpful.

That distinction or change of heart came on a visit here to my birthplace. South Dakota has 11 measures on the ballot. The only one most people understand is a referendum that would reverse an almost total abortion ban passed by the Legislature. That's getting heavy local and national media attention because it's a frontal attack on Roe v. Wade, the 1973 U.S. Supreme Court decision that made abortion legal.

The other 10 issues get little media attention. Gov. Mike Rounds told me his advice has been "if in doubt, vote no." This state's newspapers, from the largest Sioux Falls Argus Leader to one of the smallest weeklies, the local Northwest Blade, could be more helpful than that.

Newspapers could play a similar role of informing and advising readers and voters in other states with a heavy issue ballot. Arizona has 19. Colorado, 14. California, 13.

Advice and recommendations by newspapers on issues are helpful and appreciated by readers. Newspaper endorsements of candidates are viewed as kingmaking and resented by readers.

A Duel, But Not Decisive (WP)

By Charles Krauthammer

The Washington Post, November 3, 2006

According to the pollsters, pundits and pols -- Democratic and nervous Republican -- a great anti-Republican wave is a-coming. Well, let's assume major Democratic gains: 20 to 25 House seats and four to six Senate seats. The House goes Democratic for the first time in 12 years. The Senate probably stays Republican, but by such an excruciatingly small margin that there is no governing majority.

What to say about such a victory? Substantial, yes. Historic, no. Before proclaiming a landslide, one has to ask Henny Youngman's question: "Compared to what?" (His answer to: "How's your wife?") Since the end of World War II, the average loss for a second-term presidency in its sixth year has been 29 House seats and six Senate seats. If you go back to Franklin Roosevelt's second term, the House loss average jumps to 35. Thus a 25/6 House and Senate loss would be about (and slightly below) the historical average.

True, today there is far more -- and more effective -- gerrymandering as computer power and shamelessness both have grown exponentially. So fewer seats are competitive. But that is true only for the House. You cannot gerrymander the Senate. (Of course, the Democrats are trying even that, with their perennial push for two Senate seats for the 9 to 1 Democratic District of Columbia, which should instead exercise voting rights in the state of Maryland, to which it is geographically, economically and culturally contiguous.) In his sixth year, the now-sainted Ronald Reagan lost eight Senate seats that gave the chamber back to Democratic control. That election was swayed by no wars, no weekly casualty figures, no major scandals. The first inkling of the Iran-contra scandal broke on the morning after the election.

Nonetheless, even if just one chamber falls to the Democrats this time, it will be interpreted as a repudiation of two things: President Bush and Iraq. The Democrats have certainly nationalized the election by focusing on Bush and the war -- with an overwhelming number of Democratic campaign ads doing little else than showing their Republican opponent hugging or praising or merely shaking hands with the president.

Indeed, the anti-Bush feeling is so strong that Democrats -- ignoring the niceties of federalism and enjoying the benefits of guilt by association -- have been running ads linking Bush with Bob Ehrlich, the popular Republican incumbent in the Maryland gubernatorial race.

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Yes, the campaign has been nationalized. But will the results be? In the House, a good five seats (Bob Ney, Tom DeLay, Don Sherwood, Mark Foley, Curt Weldon) are likely to be lost to scandals having nothing to do with Bush or Iraq. Of the losing Senate races, only Lincoln Chafee of Rhode Island and Rick Santorum of Pennsylvania can be said to be dying for the sins of their party.

The other races, if lost, will be lost largely for local reasons. In Ohio, the state is rocked by an enormous Republican scandal at the gubernatorial level that is taking the whole party down with it, Sen. Mike DeWine included. In Montana, Conrad Burns is in trouble because of his association with Jack Abramoff, not George Bush.

In Virginia, a state that should not even be in play, George Allen has run the worst campaign in living memory, stumbling onto one ethnic land mine after another -- "macaca," the Yiddish mama, N-word allegations. And in New Jersey, the one Democratic seat that could conceivably go the other way and save Senate control for the Republicans, the drag on Sen. Bob Menendez is the very nonnational issue of official corruption.

So when the results come in and the Democrats begin to crow, remember this: By historical standards, this is the American people's usual response to entrenched power -- a bracing and chastening contempt. Sixth-year presidents nearly always bring their parties down. (Republican overreaching on the Monica Lewinsky scandal made Bill Clinton's sixth year an exception.) Moreover, this year, the out-of-the-blue Foley scandal interrupted whatever national momentum the Republicans had gained after successfully passing legislation on terrorist interrogation and detention, and thus refocusing attention on their strongest suit, the war on terrorism.

The election will be a referendum of sorts on Iraq. But it will be registering nothing more than uneasiness and discontent. Had the Democrats offered a coherent alternative to the current policy, one could draw lessons as to what course the country should take. But if either friends or enemies interpret the results as a mandate for giving up, they will be mistaken.

Blues Project: Depressed Voters Roll The Dice (WSJ)

By Daniel Henninger

The Wall Street Journal, November 3, 2006

If the polls and punditry are correct, the Democrats are about to take control of the House and maybe the Senate. If so, then the American people are about to make one of the biggest rolls of the dice in the country's history.

Congress's daily responsibilities lie largely with domestic affairs. By that measure, the Republicans hardly deserve re-election. They have been profligate, in several unattractive ways. The Democrats, alas, do not deserve the responsibility of congressional power at this moment of peril. They haven't justified it.

Iraq is far and away the most important issue on voters' minds. In this week's Wall Street Journal/NBC News poll, 36% said Iraq was the top voting issue followed by 22% for job creation. Sitting at 15% was something called "the war on terror." More starkly, a just-released New York Times/CBS News poll said the issue voters most want Congress to deal with is the war in Iraq at 38%; terrorism is a mere 4%.

The demotion of the war on terror is disturbing but understandable. The Iraq war, though terrible, is overweighted in the public mind. U.S. casualties are low relative to other wars. The pace of Iraq's political formation is not worse than was Russia's after the fall of the Communist Party, or China's will be. What's left is the past year's violence around Baghdad. The nature of that violence -- nearly daily, incomparably awful murders of innocent civilians -- brutalizes and shocks those of us who absorb it through daily media reports. It is a violence beyond the consciousness of a civilized people.

That a foreign war transmitted in the information age in this way can have such a deeply depressive effect on the American psyche is troubling for our role in the world and a fit subject for the 2008 election. But this is the reality the American public absorbs every day now, and if it votes for the other party on Tuesday I think that most of all it will be an attempt at catharsis. What people want most from Iraq is surcease.

As would any party hungry for a much-needed win, the Democrats' campaign ads have boiled down this angst to a simple storyline: "George Bush's failed war in Iraq." Across the country, it's been all-Iraq and all-Bush all the time.

Washington state's Eighth Congressional District is typical. Democratic challenger Darcy Burner, a Microsoft executive, is running in a close race against GOP incumbent Dave Reichert with this: "He supported Bush's plan to invade Iraq. Supported

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Bush, Cheney and Rumsfeld even when they weren't telling us the truth with a failed strategy and no plan to finish the mission . . . If we stay the course, won't we get more of the same?"

Being the off-year default option may not matter much when the subject is health care or immigration. A party's seriousness of purpose matters a lot, though, when the task is the accumulating terrorist threat described in detail in the 9/11 Commission Report, proven by the London airliner plot and made imminent by the arriving nuclear capability of two rogue states, Iran and North Korea.

What have the Democrats done to prove their seriousness or credibility in addressing such a world? One may ask whether invading Iraq made the threat of terror worse, but the programs the Bush administration put in place to fight the broader war after Sept. 11 were, on balance, good -- aggressive electronic and financial surveillance, the Patriot Act, the pursuit, capture and interrogation of terrorists. Progressive Democrats and press exposés opposed all of this, and when the political going got tough for the administration, senior Democrats piled on, went silent and let the president's authority go into a free-fall merely to achieve the result hoped for this Tuesday.

Potential House committee chairmen such as Henry Waxman and John Conyers -- whose tenure and political formation date to the war years of the 1970s -- promise Iraq-related investigations, which likely will cause our front-line troops and agents in the war on terror to throttle back.

If the Democrats win the House by a large margin, media commentary will call it a "repudiation" of the administration's policies in Iraq. This sort of zero-sum analysis may be the norm now, but it's not at all clear this is the message voters want to send.

A closer look at the Times Oct. 27-31 poll is revealing on this count: 55% favor sending more troops to Iraq; 51% say the U.S. "will have lost" if it pulls out now; 62% think the U.S. will have to remain in Iraq beyond two years; 59% say neither side is winning; a majority, 52%, think the U.S. is likely to succeed there.

On whether the U.S. "did the right thing" with military action against Iraq, it is 44% yes to 51% no. Some 59% say congressional investigations of the administration are "not necessary." On whether invading Iraq has increased the terror threat against the U.S., 46% say it's about the same. George Bush's approval rating on Iraq is 29%, but his approval rating for the war on terror is 44% (with 48% disapproving).

There is more ambiguity -- and common sense -- out there than imagined. Enough ambiguity that come the moment of choosing a course Tuesday, voters may give the Democrats less than they expect.

I think the Joe Lieberman race remains a bellwether. Sen. Lieberman's politics represented a Democratic bridge to the president's war on terror. Stampeded by their party's Web-based left, the Democratic Party elders went to Connecticut and blew up the Lieberman bridge. My reading of the electorate is that it wants that bridge rebuilt and it wants both the Democrats and George Bush on it.

Most people don't vote for parties; they vote their own perceived interests. The American people know they're at risk, and they know the U.S. won't succeed in Iraq or protect them against Islamic terror if their Washington leadership is in a state of unending political war. What voters have gotten the past two years is petulance from embittered Democrats and petulance from a stubborn presidential clique. The stakes have become too high for more of the same. The American people will roll the dice Tuesday to shake up the odds in their favor. God's mercy on the gamblers.

How Low Will Bush Go? (WP)

By Eugene Robinson

The Washington Post, November 3, 2006

If Democrats manage to take control of one or both houses of Congress on Tuesday, the reason will be that voters were not adequately roused into a state of heart-pounding, knee-knocking, teeth-chattering fear.

Not that Republicans haven't been trying. George W. Bush used to claim he was "a uniter, not a divider," but that was a long time ago. These days, he'd probably try to deny the quote the same way he tried to disown "stay the course." The Karl Rove formula for political victory has been to draw a bright line between "us" and "them" and then paint those on the other side not as opponents but as monsters.

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Thus Bush openly accused those who disagree with his policy in Iraq of giving aid and comfort to the enemy. "The Democrat approach in Iraq comes down to this: The terrorists win and America loses," he said the other day.

Call me naive, but I never thought a president of the United States would stoop so low as to accuse current and prospective members of Congress -- a number of whom, by the way, are decorated war veterans, unlike Bush or anyone in his inner circle -- of being pro-terrorist. But this administration has so lowered the bar on political discourse in this country that it's now more of a limbo stick: How low can you go?

I've pointed out in earlier columns the difference between a leader who faces troubled times with a message of bravery and optimism -- Franklin D. Roosevelt's stirring words about the Great Depression, "The only thing we have to fear is fear itself," constitute perhaps the best example -- and a leader such as Bush who encourages people to be afraid because their fear is advantageous to him politically.

This goes beyond other scare tactics that have become standard practice. Republican candidates throughout the land are telling people that the Democrats "want to raise your taxes." The truth of the matter is that many Democrats question some of the Bush administration tax cuts because the benefits have gone so disproportionately to the very rich and because continuing to cut taxes when you're also throwing hundreds of billions of dollars at a long-running war is pure fiscal insanity. But in the context of today's political culture, this kind of distortion doesn't even warrant a raised eyebrow.

Republicans are also trying to demonize individuals, warning that if Democrats take control of the House, Nancy Pelosi (gasp!), who represents San Francisco (shudder!), will become speaker. Never mind that she is actually an effective and pragmatic politician, as evidenced by the fact that, days before the election, she has the Republicans playing defense.

"Wedge" issues are designed to invoke fear. As one would expect, Republicans have tried to portray the New Jersey Supreme Court decision on gay marriage -- which did not, by the way, endorse, mandate or even legalize gay marriage -- as some sort of mortal threat to family values from coast to coast. This effort has been oddly halfhearted, though. Maybe GOP strategists worry that stigmatizing homosexuality won't work so well in the wake of the Mark Foley scandal, which laid bare the party's essential hypocrisy. It's hard to portray the Democrats as the party of Sodom and Gomorrah now that everyone knows there are many powerful gay Republicans working on Capitol Hill.

None of this is pretty, and all of it demeans American politics. But claiming that "the terrorists win" if Democrats are elected to Congress -- a statement whose only conceivable purpose is to make Americans afraid -- is something entirely different. The president knows, and at times has acknowledged, that there are people of good will in both parties who differ with him on Iraq. He also knows, or should know, that fear diminishes us as a nation -- that fear appeals to our baser instincts, not our best ideals; that it makes us smaller, meaner, less noble.

He should know all this, but he uses fear anyway, because fear is effective. John Kerry may have chosen an inopportune time (or just the right moment, from the Republicans' perspective) to demonstrate his inestimable comedic timing and his finely tuned political ear. But while Kerry's recent gaffe produced some last-minute outrage, mere outrage probably isn't enough this time. The only thing that might work is fear, and so far not enough Americans have been made to quake in their boots.

I take that back: The president did say that Dick Cheney and Donald Rumsfeld will serve out the remainder of his term. Run for your lives!

Deborah Walsh And Ellen Malcolm (CSM)

By David Cook

The Christian Science Monitor, November 3, 2006

Posted November 03, 2006 - http://www.csmonitor.com/2006/1103/p25s01-usmb.html Deborah Walsh and Ellen Malcolm By David Cook

While the 2006 election's outcome will not be known until next week, it is already clear that the contest will set new benchmarks for women candidates.

"We are seeing record numbers of women running for the [US] Senate and ... at the state legislative level we have a new record for the first time in 14 years," says Deborah Walsh, director of the Center for American Women and Politics at Rutgers

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University. Even without a record number of women candidates running for the US House of Representatives, "we think that for a number of reasons we are looking at a banner year for women, particularly at the federal level," she said.

Ms. Walsh joined Ellen Malcom, president of Emily's List as the speaker at Thursday's Monitor breakfast. Emily's List is the nation's largest political action committee and plans to spend $45 million this year helping elect women candidates who hold a pro-choice position on abortion.

The current political climate favors women, Walsh says. "People are looking for change, voters are looking for change." She adds that, "There is a sense of 'let's throw the scoundrels out' and when those kinds of voters come along, women are seen as the change, they are agents of change and voters look to them...."

While Emily's List founder Ms. Malcolm sees a strong tide running in favor of Democratic women candidates, the organization is taking nothing for granted and focusing on voter turnout. "One of the things Emily's List has been doing is targeting Democratic women who don't vote in non-presidential elections and communicating with them through the mail, through the phones, on the radio, to some extent door to door," Malcolm says. The goal is "to make sure that we get our people to come out and vote in this election. The Republicans have an advantage on this...."

Many political professionals agree with Malcolm that President Bush's top political advisor, Karl Rove, and the head of the Republican National Committee, Ken Mehlman, have assembled a first-rate voter turnout operation.

But Malcolm argues that the conservative social-issues platform that Rove helped craft has lost its appeal to many voters. "The Rove plan was to take political power by revving up the right extreme-conservative base. And he did that by hammering away on their social agenda and turning out the vote. What he has lost is the majority of Americans and he has lost the middle in this process," Malcolm says.

She argues that Rove's strategy "worked for a period of time. It is clearly not working now. What we see and why we are competitive in these heavily Republican districts is because the middle is moving so strongly to the Democrats ... the Rove plan has run out its string."

If Democrats win the House and San Francisco's Nancy Pelosi becomes speaker, Malcom sees that victory helping move women toward the ultimate prize of the presidency.

"I think having Nancy Pelosi as Speaker of the House is going to send a very wonderful lesson to the American public that women can be strong, they can be tough, they can be effective, and they can lead this country as political leaders. That lesson is not only going to make a tremendous difference, I think, in how the House of Representatives operates, and our ability to try to accomplish something, finally, in Congress," Malcolm says. "But I think it also sets the stage in a very significant way for electing the first woman president."

Hollywood Leans Right, Too (LAT)

By Tina Daunt

The Los Angeles Times, November 3, 2006

Who says Hollywood only supports Democrats?

As the two main parties battle it out for control of the House and the Senate in next week's election, the entertainment industry's political action committees have been working behind the scenes for months in Washington, giving far heftier contributions to, yes, Republicans.

According to the latest campaign filings, 28 entertainment industry PACs — lobbying on behalf of corporations such as Sony, Time Warner, Disney and others — have donated nearly $4.8 million to candidates up for reelection this year.

About 59% of the PAC money has gone to Republicans, including Sens. Arlen Specter and Rick Santorum of Pennsylvania, Orrin Hatch of Utah and Pat Roberts of Kansas, according to Federal Elections Commission records and the nonpartisan Center for Responsive Politics (Opensecrets.org).

The Democrats — who are often the beneficiaries of individual contributions from celebs — received 41% of the industry PAC money.

"Well, that should belie the right's belief that Hollywood is just a pack of liberals," said producer Norman Lear, a longtime contributor to Democrats.

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In the early 1990s, Hollywood's lobbying organizations contributed equally — and heavily — to both parties. But as the power started to shift in favor of the GOP, the corporate PACs followed suit, giving more money to conservatives — especially those who serve on committees that deal with issues vital to the entertainment industry.

In 1996, 57% of Time Warner's PAC contributions went to the Democrats. This year, Republicans received 59% of the company's PAC money.

"It's important that we keep ties with the Republicans," said John Feehery, vice president of external affairs for the Motion Picture Assn. of America and former aide to House Speaker Dennis Hastert (R-Ill.). "We need to have credibility when we walk into their offices."

The entertainment industry's individual contributions have topped $12 million this election cycle, according to information released Oct. 10 by the Federal Elections Commission. Donations tilt heavily in favor of the Democrats, according to data compiled by the Center for Responsive Politics. The PAC donations offer balance.

The reason is simple, Hollywood political strategists say: While individuals contribute according to their own ideologies, corporations look at a range of issues important to their businesses. The entertainment industry, like others, tends to give to leaders whose positions it supports, regardless of party affiliation.

The MPAA — which depends on studio heads (most of them Democrats) for donations — gave $41,000 to Republicans. By comparison, the Democratic candidates — including Sens. Edward Kennedy of Massachusetts, Hillary Rodham Clinton of New York and Dianne Feinstein of California — received $26,584.

Both Specter and Hatch often turn up on the industry PAC contribution lists because they serve on the Senate Judiciary Committee, which oversees issues such as intellectual property rights.

What's more, Feehery pointed out, Hatch is also a musician, and so can appreciate the challenges facing artists.

"We try to focus on supporting the people who support the industry," Feehery said. "The fact of the matter is Republicans have been very good on copyright issues."

Santorum receives donations, Feehery said, because "he has expressed a lot of interest in our industry and has been helpful on some content issues, like PauseParentPlay, which helps parents make decisions on what their children watch in a way that doesn't involve government control."

As for Roberts, Feehery said: "He has a good relationship with [MPAA top executive] Dan Glickman."

But sometimes, in retrospect, Hollywood bosses wonder about the wisdom of PAC donations.

For example, the Universal Music Group PAC gave $2,500 to Florida Rep. Mark Foley before the controversy erupted over his explicit messages to a congressional page. The group gave $2,000 to Sen. George Allen, (R-Va.), before he came under criticism for using the word "macaca," considered a racial slur, at a rally.

"George 'Macaca' Allen?" Lear said when told of the contribution. "Oh, good God, I couldn't be more embarrassed."

Generally, however, the fact that the PACs favor the Republicans does not come as a surprise to industry insiders.

When told about the contributions, celebrity political consultant Andy Spahn was matter-of-fact. "They've been the party in power."

Longtime Hollywood publicist and activist Howard Bragman added. "As lefty as I am, I do understand bipartisanship.

"You can't leave the Republicans on the cutting room floor."

Three For Maryland (WP)

The Washington Post, November 3, 2006

THE THREE Maryland congressmen representing suburban districts near Washington face only token opposition in the general election. All are Democrats -- one a seasoned veteran who may play a key leadership role if his party takes control of Congress; one an up-and-coming two-termer who's staked out a reputation for legislative know-how; and one a journeyman who narrowly survived a hard-fought primary. We endorse them all.

The veteran is Rep. Steny H. Hoyer of the 5th District, which includes Southern Maryland and parts of Prince George's and Anne Arundel counties. Mr. Hoyer, currently the Democratic whip, is an effective 13-term House member who knows the folkways of Capitol Hill as well as anyone and exercises power as a member of the House Appropriations Committee. He has been a key

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member of this region's congressional delegation, working to secure funding to replace the Woodrow Wilson Bridge, among other priorities. The Republicans, whose candidates have rarely attracted even a third of the vote against Mr. Hoyer, have given up for the time being; his only opponent, Steve Warner of the Green Party, is a developer who is a political novice.

The up-and-comer is Rep. Chris Van Hollen of the 8th District, which includes parts of Montgomery and Prince George's counties. Mr. Van Hollen, having weighed and rejected a race for Maryland's open U.S. Senate seat, is an astute lawmaker who's managed to be effective on education and issues affecting federal workers and contracting despite his status as a junior member of the minority party. His Republican opponent, Jeffrey M. Stein, is a lawyer whose race seems more a personal journey than a political one; he has not campaigned actively and believes Mr. Van Hollen is doing a fine job.

The journeyman is Rep. Albert R. Wynn , who for 14 years has represented Maryland's 4th District, which includes parts of Prince George's and Montgomery counties. We endorsed Mr. Wynn's opponent in the Democratic primary, Donna Edwards, and criticized him for casting votes that seemed at odds with the district's interests while meddling in local politics in Prince George's. We assume that Mr. Wynn, having eked out a primary win by fewer than 3,000 votes, has gotten the voters' message. If he sticks to his job in Congress and listens more closely to his constituents, he can be an able lawmaker. His Republican opponent, software developer Michael Moshe Starkman, moonlights as campaign manager for Mr. Stein. And like Mr. Stein, he is running what amounts to a vanity race.

Weighing Minimum Wage Hikes (WSJ)

By Deborah Solomon

The Wall Street Journal, November 3, 2006

PORTLAND, Ore. -- If Democrats succeed in retaking one or both houses of Congress next week, a top priority will be increasing the minimum wage for the first time since 1997. That raises a persistent question: Does lifting the minimum wage destroy so many jobs that it hurts more than it helps?

In 2002, voters here raised the state's minimum wage -- and mandated automatic annual increases to keep up with inflation. Oregon's 100,000 or so minimum-wage workers are paid at least $7.50 an hour, a rate that will increase to $7.80 in January, well above the federal $5.15 minimum.

On Tuesday, voters in six other states are considering raising the minimum wage, all of which would index minimum wage to inflation as do Oregon, Washington, Florida and, beginning in 2007, Vermont. Democrats see the minimum wage as a way to bolster their base, much as initiatives on gay marriage and other cultural issues boost Republican turnout.

STATE WAGES

• U.S. Department of Labor: Minimum Wage Laws1

During the 2002 debate in Oregon, foes of a minimum-wage increase argued that it would chase away business and cripple an economy that traditionally had higher unemployment than the national average. "With so many Oregonians already unemployed, raising the minimum wage and then increasing it annually would devastate our economic recovery," Bill Perry, head of the Oregon Restaurant Association, wrote at the time.

Four years later, though it is impossible to say what would have happened had the minimum not been raised, Oregon's experience suggests the most strident doomsayers were wrong. Private, nonfarm payrolls are up 8% over the past four years, nearly twice the national increase. Wages are up, too. Job growth is strong in industries employing many minimum-wage workers, such as restaurants and hotels. Oregon's estimated 5.4% unemployment rate for 2006, though higher than the national average, is down from 7.6% in 2002, when the state was emerging from a recession.

Some employers are being squeezed, for sure, and their experiences will become ammunition for those who will fight any increase in the federal minimum wage. Agriculture is pinched because sellers can't raise prices, set on global markets, when labor costs go up. Some businesses say they have avoided expanding in Oregon because labor costs have risen, the sort of change in behavior at the margin that foes of a minimum wage worry about.

At Petite Provence eatery in Portland, co-owner Didier Blanc says the minimum wage, while paid only to servers, has had an "aftershock effect," forcing him to raise wages for all employees. While servers earn the minimum, bakers and cooks earn between $9 and $12 an hour. The costs are passed on to customers.

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"After it goes up, everybody at $9 an hour and above will want some kind of raise," says Mr. Blanc. "We have to pass it on in our prices because it goes straight to our bottom line."

So far, though, customers have been willing to pay. Mr. Blanc and his partner have two successful shops and are talking of opening a third. "I don't worry about it," he says of the higher wages, "because if I have to raise prices, next door will have to do the same thing, too."

Chris Dussin, owner of Old Spaghetti Factory, a Portland-based chain with 38 restaurants in 16 states, sees it differently. "You can only raise prices so much before you're going to chase the customer away," he says. Costs at his three Oregon restaurants have gone up $300,000 since the minimum-wage increase -- more than revenues. Mr. Dussin says his bottom line "is eroding" and his profit margin has fallen to 2% or 3%. He raised prices on some items, cut the number of hostesses and has increased the number of tables for each server.

"It's important to take care of people in minimum-wage jobs, but what's missed is the impact on the economy and job creation," he says. "It's not feasible to hire 10 people, so I'm just going to hire seven." He says labor costs scotched plans to open a restaurant in Bend, Ore., a tourist hotspot. The next Old Spaghetti Factory will be in Boise, Idaho, which has a minimum wage of $5.15 and -- unlike Oregon -- allows employers to pay less to workers who collect tips.

Oregon's increase has continued to be a political issue. The Republican candidate for governor, former Portland school-board member Ron Saxton, has argued that indexing depresses employment and particularly hurts agriculture, an important employer here. The incumbent governor, Democrat Ted Kulongoski, counters that repealing indexing would amount to a wage cut.

The legislature last year passed a tax credit to help farming operations pinched by the minimum wage. Gov. Kulongoski refused to sign it after state analysts determined it was so broadly written that it could apply to all wages paid and would cost the state too much.

Now restaurant and agriculture industries are lobbying for repeal of the automatic cost-of-living increase, which has raised the minimum wage 8.7% since 2003. "The question is: How many businesses are going to go down until we decide this is unsustainable?" says Tim Bernasek, general counsel of the Oregon Farm Bureau.

Academic economists traditionally have argued that raising the minimum wage inevitably leads employers to hire fewer workers. The experience of the late 1990s and a landmark study of employment in the fast-food industry by economists David Card and Alan Krueger in New Jersey (which raised its wage) and Pennsylvania (which didn't), has undermined that view.

But they haven't won over everyone. In a new report, economists David Neumark of the University of California at Irvine and William Wascher of the Federal Reserve Board say a review of more than 90 studies in more than 15 countries since the early 1990s shows nearly two-thirds of the studies find a "consistent" though not always statistically significant negative impact on employment. Fewer than 10 found a consistently positive impact. While there's "no consensus," they say, "the weight of empirical evidence" supports the traditional view.

Art Ayre, Oregon's employment economist, says the effect of the minimum wage varies by region and industry. Amy's Kitchen, a California organic-food producer, opened a 250-employee production facility in Medford, about 270 miles south of Portland, where wages for workers producing frozen pizzas will start at about $8 an hour. Among other things, higher wages were offset by electric and workers' compensation insurance rates, which are lower than in California.

Demand for workers is so strong in some areas that businesses already pay more than the minimum. A 7-11 store in Wilsonville, about 25 miles south of Portland, offers $8 an hour and up for an employee to handle the register and stock coolers.

Supporters of the wage increase say it has been a boon to the state's economy. "Minimum-wage workers are the only class of workers you can give a raise to and guarantee that they're going to spend the money and spend it in the local economy," says Dan Gardner, state labor commissioner. "They're not saving for a Hawaiian vacation."

Foes say Oregon has hurt its ability to attract and retain business, and warn that the effects will be long-term. Restaurant and farm industries argue that voters didn't understand that indexing meant businesses would have to keep raising wages.

The Oregon Restaurant Association is lobbying to freeze indexing and implement a tip credit, which would allow employers to pay tipped workers $7.50 an hour but not be subject to the automatic increases. Still, the number of employees working in the industry has jumped 15% since 2002. Mr. Perry, the head of the restaurant association, says as Oregon's

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population grows, so does its desire to eat out. But he says the wage increase will force many restaurants to raise prices and scale back on service.

The biggest yelps have come from Oregon's $4 billion farm industry. The 2002 minimum-wage law applies to all workers, even seasonal fruit pickers. So while a competing blueberry farm in New Jersey can pay $6.15 an hour and one in Chile may pay even less, Oregon farmers pay $7.50.

Since 2002, employment in the agriculture industry has grown about 7% to 58,600 workers. But state officials say much of the growth is attributable to the state's booming nursery industry, which is more able to pass on increased costs to customers.

Barb Iverson and her brother say higher wages prompted them to stop cultivating daffodils and potatoes at their Willamette Valley farm. "Why grow a potato here when you can do it in Idaho for $5.15 an hour?" asks Ms. Iverson.

As for the workers, those in low-wage jobs say they're grateful for the state's automatic inflation increase. Pumping gas at a Conoco gas station in Woodburn, Matthew Holt, 25, says the $7.50 an hour he earns is barely enough to make ends meet. "The increase each year does help a little, but when inflation goes up, then everything goes up," he says.

The 25-year-old has two children. His wife works nights at Wal-Mart for $9.80 an hour. Mr. Holt, who completed high school but couldn't afford college, works 40 hours a week at the gas station and plans to get another minimum-wage job at Pizza Hut.

While he says he'd like to have a better paying job, he says there's nothing available for someone without a college degree or training. "You've got to have a skill or a trade," he says. "If you don't, there's no chance of finding a job making more than minimum wage."

The Democrats And Defense (WP)

By Kurt Campbell And Michael O'Hanlon

The Washington Post, November 3, 2006

The last-minute campaign furor over Sen. John F. Kerry's "botched joke" about the uneducated becoming "stuck in Iraq" was no joke for the Democratic Party. Once again, with an election looming, it found itself cast as the peacenik, antiwar, hostile-to-the-military, soft-on-defense, weak-on-terrorists party.

Whether that will stick won't be known until Tuesday. Polls have shown that voters for a change are more likely at the moment to trust Democrats on Iraq and terrorism than Republicans. But that support seems perishable, and even if Democrats win one or both houses of Congress, they face a long-term challenge of redefining their image when it comes to national security.

That's where Kurt Campbell and Michael O'Hanlon come in. Their provocative new book, "Hard Power: The New Politics of National Security," offers a manifesto of sorts for a party still struggling to find its voice in the post-Sept. 11 world. As a party, Democrats have been torn between two poles as represented in the extreme by Joseph I. Lieberman, the hawkish Connecticut senator, and Ned Lamont, the antiwar liberal who beat him in a Democratic primary.

Campbell and O'Hanlon come closer to Lieberman than to Lamont, offering a muscular vision for U.S. power in a dangerous world tempered by the sort of pragmatism they say the Bush administration has been missing. "Democrats must make clear that they, like Republicans, understand that effective diplomacy must often be backed by the credible threat and sometimes use of military force," they write.

In fact, they argue that President Bush has it right in some ways, praising his priorities in terms of promoting democracy and free trade, defeating terrorists, and opening a new relationship with India. "Hard-power Democrats, independents, and moderate Republicans should therefore not run against the Bush legacy on matters of ideas so much as of seriousness, competence, and execution."

This may be a hard sell even within their own party, where the loudest voices these days argue for a radical departure from Bush's policies. A succession of think tanks and foreign policy elites have been trying to counter the angry blogosphere with a more nuanced position for the party, with limited success. If Democrats win on Tuesday, the internal fight over national security will grow even more pronounced. Democrats have prospered this year mainly by being against Bush without coming up with a genuine alternative. If they find themselves in charge on Capitol Hill, they will face pressure to develop a common posture.

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Campbell and O'Hanlon bring years of experience and study to the debate. Campbell served as a Pentagon official under George H.W. Bush and Bill Clinton and now works as senior vice president at the Center for Strategic and International Studies. O'Hanlon is a senior fellow at the Brookings Institution and a frequent commentator on foreign policy.

As they note, Democrats have been hobbled for decades by the public perception of weakness. The party of Franklin D. Roosevelt, Harry S. Truman and John F. Kennedy was transformed by the Vietnam War and has wrestled with national security ever since.

Clinton's discomfort with the military -- his awkward initial salute to Marines standing guard at his helicopter, his fight over gays in uniform, his tentative response to Bosnia -- exemplified the problem to many. But during eight years in office, he grew more accustomed to his role as commander in chief, responding more confidently to the Kosovo crisis.

Bush, though, has used the issue against Democrats as a cudgel for years, managing to paint Kerry, a combat veteran decorated for service in Vietnam, as weak on security. This year, Bush has cited votes against his counterterrorism legislation to assert that Democrats do not even want to spy on, detain or try terrorists; he went so far this week as to declare that if Democrats win, so will terrorists.

The authors argue that it is not enough to simply shout back; Democrats, they say, "sometimes try too hard to sound like anti-Republicans -- and wind up weakening themselves more than their political opponents in the process."

Instead, they propose a detailed agenda dealing with homeland security, the military, Iraq, terrorism, nonproliferation, energy and China. They propose increasing active-duty armed forces by 50,000, creating State Department rapid-response teams for post-conflict situations and setting up regional National Guard planning centers to better respond to crises such as Hurricane Katrina or a terrorist attack. They would continue missile-defense development but at a lower level, cut the F/A-22 program in half, revamp the Joint Strike Fighter program, retire more Minuteman missiles and Trident submarines, and cut back the V-22 Osprey tilt-rotor aircraft.

On Iraq, they heartily agree with fellow Democrats that Bush "bungled" the war and "dispelled any notion of innate Republican superiority in matters of international hard power." But they criticize their party's rush for the door. "Democrats have focused mostly on missteps in Iraq. But there has been a less vibrant debate about the potential downsides of a precipitous American military withdrawal and how the dangerously eroding U.S. position in Iraq might somehow be made more promising."

It's a debate Campbell and O'Hanlon want to make more vibrant. If Democrats find the right course, the authors argue, the party has a chance to make a historic shift in the party's political perception. If not, they say, "Democrats are apt to remain on the political sidelines, left to contemplate what went so terribly wrong."

Federal Censorship Commission? (WSJ)

By Bob Wright

The Wall Street Journal, November 3, 2006

Two years ago, I warned in these pages of the danger that the government, in response to the infamous "wardrobe malfunction" during January's televised Super Bowl, would use the threat of fines and license-revocation to create a climate of self-censorship among broadcasters. I take no pleasure in saying "I told you so." But the chill in the airwaves is unmistakable, and the viewing public is the biggest loser. The most recent example involves dozens of CBS affiliates who refused to rebroadcast the documentary "9/11" for fear they would be fined for the coarse words uttered by rescuers. This is one of many instances of broadcast licensees altering or canceling worthwhile programming out of concern about finding themselves in the Federal Communications Commission's crosshairs.

The FCC doesn't operate in a vacuum. It is responding to a degree of public unease with the content available in homes. And it is sensitive to campaigns orchestrated by interest groups with cultural and political agendas. But America long ago determined that government's role in shaping media should be extremely limited. This is true even in the case of broadcasters, who willingly assume public-service obligations in exchange for being licensed to transmit content over public airwaves. No one imagined these obligations to include accepting censorship.

Some FCC officials have said publicly that they would welcome the return of the family viewing hour -- a voluntary agreement first made 30 years ago among the three broadcast networks to offer family-friendly programming during the 8 o'clock

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hour. But with cable and satellite, access to VOD services, DVD players and digital recording devices, the vast majority of Americans have programming at their fingertips that will meet any conceivable interest at any time of the day or night. That's great news for parents. But it also highlights the flaw in the notion that, in 2006, the government should mandate that a specific hour be set aside for a certain type of programming on broadcast TV, or indeed that the FCC should attempt to regulate all of broadcast network primetime TV based on standards to protect kids.

For starters, two-thirds of households do not have children under 18. One could reasonably suggest that government policy should not try to force all of broadcast TV to disregard the programming tastes and desires of two-thirds of all households. But FCC regulators do more than just ignore these households. They are blind to the reality of today's media environment. With more than 50% of homes having Internet access and 85% subscribing to cable and satellite services, the media choice is staggering. The average home receives 100 TV channels. Broadcast channels sit side-by-side with cable; and the under-18 cohort that the FCC focuses on so intently no longer knows the difference. Indeed, kids watch cable significantly more than broadcast and spend time on the Internet with unlimited access to material of every description.

So an FCC policy intent on ensuring that there will be nothing on broadcast TV that is inappropriate for kids during certain hours is doomed to failure. Do the math: 85% of households have cable and satellite, leaving 15% receiving broadcast TV only. Two-thirds of those households do not have kids under 18. Thus, the FCC appears to be basing its actions on a policy that is relevant to 5% of households. Moreover, government efforts to regulate content are invariably riddled with unfortunate consequences.

For example, breaking with established precedent, the FCC recently found a live network news program to be "indecent" because a single expletive was unexpectedly uttered by someone being interviewed by a reporter. What public interest is served when news organizations, unwilling to take the risk of incurring a fine, stop interviewing individuals live on camera -- or air all newscasts only after being cleared by a language censor? This ruling also jeopardizes the live sports broadcasts. What if a microphone accidentally picks up a fan yelling something on the FCC's list of bad words? A sports broadcast becomes a multimillion dollar gamble.

So what is the answer? It is certainly not that government should regulate content on cable TV and the Internet. But there is a reasonable solution. Just as parents use technology on the Internet, ratings information and blocking technology are available for TV. Broadcast and cable networks have a ratings and parental-advisory system, and today's TV sets are equipped with V-chips that block specified programming from entering a home. The entire TV industry is striving to provide parents with help to guide them through today's thicket of offerings. To make sure parents are aware of the control they have over programming, the TV industry and Ad Council are collaborating on a $300 million educational campaign.

No one suggests broadcast networks adopt an "anything goes" approach. All broadcast networks employ standards experts who vet thousands of hours of programming to make sure it doesn't violate sensibilities. Of course they make mistakes, and neither audiences nor government officials have been shy in voicing concerns -- to which the networks respond. Over-the-air broadcasters -- who are the most responsible, community-focused providers of programming in the business -- do an excellent job. Indeed, the vast majority of complaints about specific shows filed with the FCC (99% in 2004) came from organized interest groups who regularly trawl for complaints from individuals who never saw the show in question.

The FCC should formulate policies that take advantage of advanced technology, rather than hark back to solutions developed in -- and for -- a bygone era. An appropriate FCC policy would recognize that our TV audience is quite varied; that some programs at all hours should appropriately serve the two-thirds of households that do not have children; and that blocking technology is a 21st-century solution that is consistent with the Supreme Court's admonition that the government is constrained by the First Amendment to use the least restrictive means to address "indecent" programming content.

Mr. Wright is vice chairman of GE and chairman and CEO of NBC Universal.

The Second Election Without Soft Money Suggests That 2004 Was Not A Fluke (WP)

The Washington Post, November 3, 2006

THE MCCAIN-FEINGOLD campaign finance law was supposed to be -- or so its critics warned -- a body blow to political parties. Starved of the six- and seven-figure "soft money" checks to which they had become addicted, opponents said, the parties

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would wither, their influence eclipsed by outside groups that remained free to accept unlimited sums. Democrats, who were especially dependent on soft money, would find themselves at a fatal disadvantage.

None of that has happened. Not in 2004, when the parties raised a combined $1.5 billion ($785 million by Republicans, $684 million by Democrats) -- amazingly, more than their hard and soft money combined in any previous election. And not in 2006, the first midterm campaign conducted under the new rules, when the combined party fundraising was $768 million as of mid-October ($438 million by Republicans, $330 million by Democrats), according to a study by the Campaign Finance Institute. The parties, now limited to maximum annual contributions of $26,700 from individuals, haven't recouped all the soft money they once vacuumed up, but they have rebounded far more robustly than anyone had predicted.

Instead of being hobbled by the abolition of soft money, Democrats are actually more financially competitive with Republicans than before. At this point in the 2002 election cycle, their total fundraising was $185 million behind the Republicans' figure; this year, that gap has shrunk to $108 million. The Democrats' House and Senate campaign arms have more than doubled their hard-money fundraising from four years ago.

All of this is welcome news. Unlimited soft-money checks were a corrupting influence; they needed to be done away with no matter the impact on the political parties. That soft money could be abolished and the parties remain a vibrant political force is a double benefit. Indeed, as a financial matter, the biggest difference between the 2004 and 2006 elections is the relatively more muted role of the outside groups known as 527s.

This remains a flawed system; it looks good only by comparison to the even more flawed previous regime. And the 2006 campaign has pointed up one particularly ridiculous aspect of campaign finance law that ought to be fixed before 2008: The rules limit how much political parties can spend on candidates in consultation with them but allow parties to spend unlimited amounts on behalf of candidates so long as they act "independently." Thus there is the spectacle of a Republican National Committee ad attacking Tennessee Democratic Senate candidate Harold E. Ford Jr. that the chairman of the RNC says he can't control -- because it was produced by an "independent" arm of the RNC. There's no good reason to force the political parties to engage in this charade of setting up independent groups. In fact, as the Ford ad shows, there's every reason to set up a system that requires those who underwrite ads to take responsibility for them.

US Envoys To Visit Asia To Prepare North Korea Nuclear Talks (AFP)

By David Millikin

AFP, November 3, 2006

Senior US diplomats will travel to Asia Sunday to prepare for a resumption of six-way negotiations with North Korea aimed at ending Pyongyang's newly proven nuclear weapons program, the State Department said.

The envoys will press Japan, China and South Korea to maintain tough UN-mandated sanctions against North Korea in the run-up to the negotiations and to ensure a united front in insisting the talks lead to Pyongyang's full denuclearization, department spokesman Sean McCormack said.

Under pressure from the sanctions imposed after North Korea carried out its first nuclear test explosion on October 9, the Stalinist regime agreed earlier this week to return to the multilateral disarmament negotiations it had been boycotting for nearly a year.

But US officials remain wary of Pyongyang's motives, fearing the unpredictable North Korean leadership could use its new nuclear status as leverage to seek an easing of the sanctions against it while stalling on demands it verifiably give up the arsenal.

"We don't want this just to be about talk, we want it to be about getting some concrete, positive outcomes," McCormack said.

The US team will be led by Nicholas Burns, Secretary of State Condoleezza Rice's senior deputy, and include Robert Joseph, the hawkish head of the State Department's non-proliferation initiative who has been charged with overseeing implementation of the sanctions against North Korea.

They will meet Sunday and Monday with Japanese leaders in Tokyo before heading to Beijing for two days of talks with both Chinese and Russian officials, McCormack said. The pair will visit Seoul November 8 and 9.

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China, Japan, Russia, South Korea and the United States are the five parties which have been trying for the past three years to convince North Korea to abandon its nuclear weapons program in exchange for economic incentives and security guarantees.

The two sides reached a framework agreement in September 2005 under which North Korea agreed to give up its nuclear weapons, though the sequencing of the process was left for further negotiations.

Pyongyang walked away from those talks two months later after Washington slapped sanctions on a Macau-based bank accused of laundering money and passing counterfeit US currency on behalf of the North Koreans.

The US action led the bank, Banco Delta Asia, to freeze some 24 million dollars in North Korean assets, believed to include personal funds belonging to North Korean leader Kim Jong-Il and his entourage.

There were also reports at the time that Washington had angered Pyongyang by backing away from a promise to provide North Korea with a light-water nuclear reactor for its civilian energy program as part of the deal.

As part of this week's deal to resume negotiations, Washington told North Korea it was willing to discuss the Banco Delta Asia sanctions as part of the talks.

McCormack reaffirmed Thursday that the six-party talks were expected to resume before the end of the year and that Washington wanted the starting point to be the September 2005 framework agreement.

The mission for Burns and Joseph, he said, was to "create the right conditions, the best atmosphere" for the negotiations.

McCormack said there were no plans for the US envoys to meet with the North Koreans during next week's trip.

"I don't see that happening", he said.

U.S. Speeds Attack Plans For North Korea (WT)

By Bill Gertz

The Washington Times, November 3, 2006

The Pentagon has stepped up planning for attacks against North Korea's nuclear program and is bolstering nuclear forces in Asia, said defense officials familiar with the highly secret process.

The officials, speaking on the condition of anonymity, said the accelerated military planning includes detailed programs for striking a North Korean plutonium-reprocessing facility at Yongbyon with special operations commando raids or strikes with Tomahawk cruise missiles or other precision-guided weapons.

The effort, which had been under way for several months, was given new impetus by Pyongyang's underground nuclear test Oct. 9 and growing opposition to the nuclear program of Kim Jong-il's communist regime, especially by China and South Korea.

A Pentagon official said the Department of Defense is considering "various military options" to remove the program.

"Other than nuclear strikes, which are considered excessive, there are several options now in place. Planning has been accelerated," the official said.

A second, senior defense official privy to the effort said the Bush administration recently affirmed its commitment to both South Korea and Japan that it would use U.S. nuclear weapons to deter North Korea, now considered an unofficial nuclear weapon state.

"We will resort to whatever force levels we need to have, to defend the Republic of Korea. That nuclear deterrence is in place," said the senior official, who declined to reveal what nuclear forces are deployed in Asia.

Other officials said the forces include bombs and air-launched missiles stored at Guam, a U.S. island in the western Pacific, that could be delivered by B-52 or B-2 bombers. Nine U.S. nuclear-missile submarines regularly deploy to Asian waters from Washington state.

The officials said one military option calls for teams of Navy SEALs or other special operations commandos to conduct covert raids on Yongbyon's plutonium-reprocessing facility.

The commandos would blow up the facility to prevent further reprocessing of the spent fuel rods, which provides the material for developing nuclear weapons.

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A second option calls for strikes by precision-guided Tomahawk missiles on the reprocessing plant from submarines or ships. The plan calls for simultaneous strikes from various sides to minimize any radioactive particles being carried away in the air.

Planners estimate that six Tomahawks could destroy the reprocessing plant and that it would take five to 10 years to rebuild.

Asked about the strike planning, Pentagon spokesman Bryan Whitman said the U.S. government is seeking a "peaceful, diplomatic solution" to the threat posed by North Korea.

Regarding any military options, Mr. Whitman said, "The U.S. military is prepared and capable of carrying out all of its assigned missions."

The planning does not mean that the United States will attack, only that military forces are ready to do so if President Bush orders strikes. Concerned about threats from rogue states such as North Korea, Mr. Bush called for a ballistic missile defense system, parts of which are operational.

Defense officials said a key factor in the ramped-up planning effort is China's new attitude toward North Korea. Beijing's leaders, upset that North Korea conducted the test, supported a U.S.-led United Nations' resolution.

Chinese opposition to military action had limited defense planning, the officials said. In the past, U.S. military plans required warning Beijing, a move considered likely to compromise any planned action because of the close military ties between China and North Korea.

The Bush administration regards the new level of Chinese support as a "green light" for more aggressive military planning.

U.S. officials think North Korea will conduct another underground test soon because Pyongyang is demanding to be recognized as a declared nuclear power. Both China and the U.S. gauged the test as only partially successful.

The Yongbyon plant, 32 miles from the coast and a half-mile from a river, is considered a key target because U.S. intelligence agencies suspect that it is where the plutonium fuel used in the Oct. 9 test was produced.

Defense planners also said equipment destroyed at Yongbyon would be difficult to replace once newly approved U.N. sanctions are in place.

Another set of targets could be the nuclear test site near Kilchu, in northeastern North Korea. That site includes several research and testing-control facilities in the mountains -- and possibly one more tunnel where a nuclear device could be set off, the officials said.

Recent intelligence reports also provided new information about Pyongyang's uranium-enrichment program, which remains hidden in underground facilities in northern North Korea, the officials said.

The U.S. Special Operations Command has been planning raids against North Korean nuclear facilities for some time. It has conducted training for joint operations with South Korean special forces as well as unilateral U.S. operations.

U.S. Pacific Command spokesman Capt. Jeff Alderson declined to comment on military planning but said the command is continuing to shift forces to the Pacific and has four missile-defense ships deployed in Japan.

Mr. Bush said recently that any transfer of nuclear weapons by North Korea would be a "grave threat," phrasing viewed as diplomatic code for a military response. Defense officials said the military option will be used if North Korea is caught transferring nuclear arms to other states or terrorist groups.

Six-Party Fever (WSJ)

The Wall Street Journal, November 3, 2006

After launching long-range ballistic missiles and setting off a nuclear device, North Korea's Kim Jong Il suddenly announced this week that he is prepared to return to the six-party talks after nearly a year's absence. Something must have happened to inspire this abrupt display of totalitarian pliancy, and it wasn't the intercession of Jimmy Carter.

The Bush Administration is treating the decision as something of a vindication of its policy, and that's partly true. At the U.N., Ambassador John Bolton answered Kim's fireworks displays by engineering unanimous Security Council resolutions 1695 and 1718, the second of which includes sanctions.

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At the Treasury Department, meanwhile, Undersecretary for Terrorism and Financial Intelligence Stuart Levey aggressively cracked down on North Korea's money-laundering and counterfeiting schemes in places like Macau's Banco Delta Asia. Now Kim can no longer easily access his overseas slush funds to grease the spokes of his military machine.

Most important, Beijing finally decided to lean on its truculent neighbor, with some Chinese banks cutting off remittances to North Korea and, according to one report, the Chinese government briefly turning off the oil spigot without which Kim's regime would quickly collapse. China's helpfulness may owe less to any innate sense of good global citizenship than to its fear that a nuclear North Korea will eventually inspire a nuclear Japan. But whatever the case, the Chinese moves vindicate the Administration's long-held view that only regional pressure can sway Pyongyang, and that there's little to gain from direct bilateral talks.

Yet these small victories won't mean much if the Administration agrees in the six-party talks to abandon the very tools that brought North Korea back to the table in the first place. On Tuesday, Christopher Hill, the State Department's emissary to the talks, agreed that the U.S. would discuss the financial measures it's imposed on Kim's regime; in return, the regime will "discuss" denuclearization.

Problem is, however, that while the U.S. can be counted on to honor its diplomatic promises, the North Koreans cannot. Does anyone today remember North Korea's pledge last year to abandon its nuclear programs? At the time, Mr. Hill described the supposed breakthrough as "one of the best examples of multilateral diplomacy in this part of the world." Kim walked away from his pledges within a week, complaining that he wouldn't return until the U.S. stopped leaning on his finances.

There is also something troubling about an American initiative that's willing to be flexible, even if only in theory, about enforcing American law. Kim's forays into nuclear physics are dangerous and destabilizing, but they are not, strictly speaking, criminal. But his country's counterfeiting of American currency is criminal, as is its involvement in the heroin trade, and the idea that the U.S. might ease the pressure on North Korea's underworld activities as a diplomatic gambit takes realpolitik too far.

Barring outright regime change in Pyongyang, the goal of any American diplomatic initiative is to demonstrate to Kim, as the U.S. did to Libya's Moammar Gadhafi, that unless he disarms his regime will continue to be isolated and starved for cash and trade. His return to the table is probably a ploy, but at least it demonstrates that he is susceptible to financial and economic pressure. Keep that pressure up, and the six-party talks might actually succeed.

Iran Revolutionary Guards Hold War Games After U.S. Exercise (NYT)

By Nazila Fathi

The New York Times, November 3, 2006

TEHRAN, Nov. 2 — Iran's hard-line Revolutionary Guards began another series of war games on Thursday days after a United States-led naval exercise began in the Persian Gulf.

During the Iranian exercise, called Great Prophet 2, dozens of missiles were fired, state-run television news reported.

It showed film of missiles fired from mobile launchers in the deserts near Qum, a religious city south of Tehran, the capital.

"Iranian experts have made some changes" to Shahab missiles, the news report said, "installing cluster warheads in them with the capacity to carry 1,400 bomblets."

"The first and main goal of this exercise is to demonstrate power and national determination to defend the country against any possible threat," it added.

Iran also conducted war games in August and April.

Heliport operations in the Strait of Hormuz are expected to follow the latest games.

The maneuvers appeared to be a response to the United States-led naval exercise in the Persian Gulf that began Monday, involving 25 nations, some of them neighbors of Iran. The exercise is aimed at enhancing security in the Persian Gulf and blocking the transportation of unconventional weapons.

A spokesman for the Iranian Foreign Ministry condemned the exercise on Sunday and urged neighboring countries to set up their own security arrangements. "We do not consider this exercise appropriate," said Muhammad Ali Husseini, the spokesman.

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Gen. Yahya Rahim Safavi, leader of the Revolutionary Guards, said on television that Iran's war games were "no threat for the region or neighboring countries."

General Safavi said the games would last 10 days and would take place in the Persian Gulf, the Sea of Oman and several Iranian provinces.

Iran Test-fires Longer Range Missile (AP)

By Nasser Karimi

AP, November 3, 2006

Iran test-fired dozens of missiles, including the Shahab-3 that can reach Israel, in military maneuvers Thursday that it said were aimed at putting a stop to the role of world powers in the Persian Gulf region.

The show of strength came three days after U.S.-led warships finished naval exercises in the Gulf that Iran branded as "adventurist." Iran remains locked in dispute with the West over its nuclear program, which Washington says is geared to producing atomic weapons but Tehran says is only for generating electricity.

Asked about Thursday's maneuvers, Secretary of State Condoleezza Rice said she thought the Iranians "are trying to demonstrate that they are tough."

"The Iranians also I think are not unaware that the security environment is one in which if they actually were to do something Iran would suffer greatly and so I think they probably understand that," Rice said on the Bill Cunningham radio show on WLW Cincinnati.

"They are trying to say to the world you are not going to keep us from getting a nuclear weapon," she said. "The world has to say to them, yes, we will."

Iranian state television reported that several kinds of missiles were tested, and broadcast footage of them being fired from mobile launchers.

"We want to show our deterrent and defensive power to trans-regional enemies, and we hope they will understand the message," the head of the Revolutionary Guards, Gen. Yahya Rahim Safavi, said in a clear reference to the United States, Britain and France, who were among the six nations that took part in the Gulf maneuvers this week.

Iranian state radio said: "The maneuver is aimed at providing security in the region without the intervention of trans-regional powers, which are trying to justify their presence by portraying the region as convulsive."

In Israel, Infrastructure Minister Binyamin Ben-Eliezer said he was not surprised by the missile tests, and warned that to leave Iran unchecked would pose a risk to the world.

"Iran is following a direct line after North Korea. Therefore this problem is not Israel's but that of the entire world," Ben-Eliezer said, referring to North Korea's recent nuclear test and its frequent launches of long-range missiles.

Iran's Shahab-3 missile, which can carrying a nuclear warhead and is believed to have a range of more than 1,240 miles, is believed to be based on North Korea's Nodong missile. Iran is said to have funded the Nodong's development.

Iran, which denies obtaining missile technology from North Korea, has been testing the Shahab-3, which means "shooting star" in Farsi, since the late 1990s and publicly paraded the rocket for the first time in 2003.

The Iranian missile tests "should bother not only Israel. It should bother the Arab countries, Islamic countries, the Gulf region, North Africa and Europe. We are always warning the world about this phenomenon called Iran," Ben-Eliezer said.

Iran already has held three large-scale military exercises this year. It often uses maneuvers to test weapons developed by its arms industry.

Safavi, whose elite Revolutionary Guards conducted the missile tests, said the maneuvers that began Thursday, named "Great Prophet," would take place in the Gulf, the Sea of Oman and several provinces of Iran. He did not say how many troops were involved.

State radio quoted the air force chief of the Revolutionary Guards, Gen. Hossein Salami, as saying: "A large number of advanced missiles, different in range, warhead and kind, were successfully test fired at the same time."

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State TV reported that among the rockets fired was the Shahab-2, which has a warhead that can distribute 1,400 bomblets at the same time. It also said the troops launched solid-fuel Zalzal missiles, guided missiles as well as Scud-B, Zolfaghar-73 and Z-3 rockets.

Iran has already held three large-scale military exercises this year. In its April exercises, Iran tested what it called an "ultra-horizon" missile, which is fired from helicopters and jet fighters, and the Fajr-3 missile, which can reportedly evade radar and use multiple warheads to hit several targets simultaneously.

While U.S. officials have suggested that Iran is exaggerating the capabilities of its newly developed weapons, Washington and its allies have been watching the country's progress in missile technology with concern. Last December, Israel successfully tested its Arrow missile defense system against a rocket similar to Iran's Shahab-3. The Arrow was developed jointly with the United States.

The U.S.-led maneuvers that finished Monday focused on surveillance, with warships tracking a ship suspected of carrying components of illegal weapons. The nations that took part were Australia, Bahrain, Britain, France, Italy and the United States.

The U.N. Security Council is considered imposing sanctions on Iran, which has ignored demands that it cease uranium enrichment, a process that can produce the fuel for nuclear reactors or material for bombs.

Iran Fires Longer-range Missiles, To West's Dismay (AFP)

AFP, November 3, 2006

Iran fired its longer-range Shahab-3 ballistic missile for the first time, official media said, kicking off 10 days of war games and renewed warnings from the West over its nuclear program.

"Shahab missiles, carrying cluster warheads, with a range of 2,000 kilometers (1,200 miles), were fired from the desert near (Iran's clerical capital) Qom," state television reported.

That range is sufficient to threaten US bases in the Gulf.

The war games came amid US-led efforts to impose UN-mandated sanctions on Iran over its nuclear program.

They also came a day after a US-led naval force launched maneuvers for the first time in the Gulf near Iran in a test of capabilities to halt trafficking in weapons of mass destruction -- an initiative seen as a clear message to the Islamic republic.

US Secretary of State Condoleezza Rice chided Iran: "I think they're trying to demonstrate that they're tough."

The hardline Revolutionary Guards fired the missile during the first phase of military maneuvers in the central desert.

"Dozens of Shahab-2 and -3, Zolfaghar-73, Scud B, Fath-110 and Zelzal have been launched in the presence of (Guards chief) General Yahya Rahim Safavi and other high-ranking commanders," the television report said.

"The cluster head of the Shahab-2 has the capability to disperse 1,400 bomblets with great destructive power."

It was the first time that Iran had fired the longer-range Shahab-3 and commanders said they would also be employing other "new equipment" during the war games.

Russia said it would monitor Iran's military moves after the reports of the missile-firing but ruled out the possibility that the Islamic republic had the technological means to create even longer-range missiles.

"If we are talking about intercontinental ballistic missiles, according to our information, Iran does not possess the technological capability" to create missiles with a 5,000-kilometer (3,100-mile) range, the head of Russian military's general staff Yury Baluyevsky told ITAR-TASS news agency.

Dubbed "Great Prophet 2," the air, land and sea maneuvers are to extend across 14 provinces with the focus on the Gulf and the Sea of Oman.

"The first and main goal of this exercise is to demonstrate power and national determination to defend the country against any possible threat," Safavi said.

"Heliport operations will be carried out in the Hormozgan region (on the Strait of Hormuz) and some of the Persian Gulf islands."

The strategic Strait of Hormuz is the obligatory passage for tankers exiting the Gulf that carry much of the world's oil supply.

The Iranian maneuvers come on the heels of naval exercises launched in the Gulf on Monday by a US-led flotilla including warships from Australia, Bahrain, France, Italy and Britain.

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"That is a propaganda and political maneuver without military value," Safavi said then.

"If forces from out of the region want to jeopardize Iran's security and interests, the Revolutionary Guards and the Basij (volunteer militia) will use all their capabilities to strike their enemies and their interests," he warned.

But the Guards commander insisted Iran's exercises were no threat to its neighbors.

"This maneuver is no threat for the region or neighboring countries," he said, adding: "Our neighbors are our friends and we consider our neighbors' enemies our enemies."

The aim of the exercises was the "defense of sensitive centers, strategic bottlenecks and confrontation of possible troubles," he said.

It is Iran's third round of war games this year. In August, the armed forces held country-wide maneuvers dubbed Zolfaghar Blow. Iran also staged Great Prophet 1 exercises in April.

Rice said Thursday's missile test was Iran's way of telling the world "you're not going to keep us from getting a nuclear weapon".

"The world has to say to them, yes, we will," she said.

The United States and its big power partners are negotiating among themselves a package of sanctions designed to persuade Iran to give up its uranium enrichment program.

Iran insists the program is aimed at providing fuel for nuclear power plants while Washington and others suspect the ultimate aim is to develop atomic weapons.

Referring to Iran's refusal to comply with a UN Security Council resolution demanding it abandon suspect nuclear activities, Rice said: "I think the Iranians are a threat and that's why the international community's got to be strong in resisting their ambitions."

Iran Fires Missiles In War Games (FT)

By Najmeh Bozorgmehr In Tehran And Guy Dinmore In Washington

Financial Times, November 3, 2006

Iran was reported on Wednesday to be accelerating its uranium enrichment process even as Europe took the first steps at the United Nations Security Council towards obtaining a resolution that would impose sanctions on Iran for refusing to suspend its nuclear fuel programme.

Iran's semi-official student news agency, ISNA, quoted an unnamed Iranian official who said a second network, or cascade, of centrifuges used to produce enriched uranium was installed last week, and that injection of the gas feed would take place this week.

"The product of the second cascade will be achieved soon after gas injection," the official said.

Iran began running one cascade of 164 centrifuges at its Natanz facility under UN inspection in January. It denies it has a weapons programme and says the uranium will only be enriched to the low level needed to fuel a civilian nuclear reactor.

Experts in Tehran believe Iran's installation of the second cascade is intended to signal its defiance of sanctions that have been threatened following the Islamic republic's refusal to heed a UN security council demand to suspend the programme that set an August 31 deadline.

"It's a significant part of Iran's policy… to show 'stick policy' will lead only to escalation of [the] crisis and won't hurt Iran's irreversible path," commented Aftab website which is close to Hassan Rowhani, the former nuclear negotiator.

Regime insiders say Iran's top leadership is not particularly worried about nuclear-related sanctions.

On Wednesday France, Germany and the UK – the so-called EU3 that had been negotiating with Iran – presented a draft sanctions resolution to the US, Russia and China for discussion.

Diplomats said one issue at dispute between the EU3 and the US was the future of the Bushehr reactor under construction by Russia in southern Iran. The draft says the "construction" of Bushehr is exempt from the sanctions, but the US has sought to block Russia's planned supply of nuclear fuel next year.

Nicholas Burns, US under secretary of state, said he did not think the Bushehr issue would be a major stumbling block.

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The European proposal would seek to prohibit nuclear and ballistic missile cooperation with Iran - unless exempted - by taking "necessary measures" to prevent the supply, sale or transfer of materials and technology. It would also halt related financial transactions, block international travel for Iranians connected to those activities and freeze their overseas assets.

A list is to be drawn up of individuals subject to the travel ban and asset freeze. It is not clear how far up the political hierarchy such a list might go.

Discussions among the five permanent members of the Security Souncil and Germany are to start on Thursday.

Tony Blair, the UK prime minister, told parliament that the UK was working closely with other veto-wielding Security Council members to get a "proper, binding resolution".

The US and Europe say the proposed resolution is intended as a first step, and would be followed by steadily escalating measures if Iran did not comply.

At the same time, diplomats are worried that the process could end up replicating the crisis with North Korea whereby Iran would respond to threats by expelling UN inspectors and quitting the nuclear Non Proliferation Treaty. For this reason Europe – including the Russians who have a $1bn contract – are insisting that the Bushehr project should be allowed to continue.

European officials hope negotiations will resume with Iran but on the precondition that it first suspend its enrichment programme.

President George W. Bush reiterated yesterday that the US would be ready to join Europe in negotiations following verifiable suspension.

"We've got a lot of issues with Iran," Mr Bush told a news conference. "The first is whether or not they will help this young democracy succeed," he said, referring to Iraq. He said the "second issue" was whether Iran would help the Lebanese government, and that the "big issue" was "whether or not Iran will end up with a nuclear weapon".

Six Major Powers To Resume Talks On Iran Sanctions Friday (AFP)

AFP, November 3, 2006

Six major UN powers are due to resume delicate negotiations Friday on a package of sanctions against Iran for its refusal to halt sensitive nuclear fuel work, UN diplomats said.

The informal meeting will notably hear from Russian ambassador Vitaly Churkin, who travelled home this week to work out Moscow's response to a draft resolution drawn up by Britain, France and Germany, they said.

The negotiations were suspended a week ago with Russia and China still deeply reluctant to agree to tough sanctions and Washington feeling the proposals from its European allies did not go far enough.

The draft calls for a series of nuclear- and ballistic missile-related trade sanctions, a freeze of assets related to Iran's nuclear and missile programs and travel bans on scientists involved in those programs.

But it would allow Russia to continue building a billion-dollar nuclear power plant in the Iranian city of Bushehr -- an exemption crucial to gaining Moscow's approval for any resolution, diplomats said.

Iran faces sanctions after rejecting an earlier Security Council resolution requiring it to suspend a long-secret program to enrich uranium -- a process that can eventually provide fissile material for nuclear weapons.

Tehran insists the program is only to provide fuel for civilian nuclear power stations.

The six powers -- the five permanent Security Council members plus Germany, which has close ties to Iran -- have offered Tehran a package of economic and diplomatic incentives if it gives up the enrichment program.

US Secretary of State Condoleezza Rice called her five counterparts on Tuesday to urge speedy passage of the sanctions resolution and on Thursday warned that inaction was not an option.

"I think the Iranians are a threat and that's why the international community's got to be strong in resisting their ambitions," she said.

Rice also responded to the first launch by Iran earlier in the day of a new long-range ballistic missile, the Shahab-3, during war games seen as a warning to the West over the nuclear showdown.

"They're trying to say to the world, 'You're not going to keep us from getting a nuclear weapon.' The world has to say to them, yes, we will," Rice said in a radio interview.

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"But the Iranians also I think are not unaware that the security environment is one in which if they actually were to do something, Iran would suffer greatly and so I think they probably understand that," she added.

But diplomats said there was still protracted and tough haggling to come as Russia and China remain reluctant to accept biting sanctions against a country with which they have close energy and trade ties.

The head of Russia's national security council, Igor Ivanov, reaffirmed Russia's reticence on the issue Thursday, warning that any Security Council decision "should be aimed not at punishing Iran but at continuing to resolve the problem through political means."

US officials have refused to elaborate publicly on their objections to the European draft, though the fact that Washington has so far not agreed to co-sponsor the measure is a clear sign that differences remain.

State Department spokesman Sean McCormack did say earlier in the week that Washington wanted firm guarantees that construction of the Bushehr power plant would not provide Iran with access to sensitive fuel-cycle technology.

But McCormack expressed confidence that the issues could be resolved and that the Bushehr project was not a deal-breaker.

"The bottom line is, at the end of these negotiations on a resolution, we believe we are going to get a good, strong resolution that sends a message to Iran that it must come into line with what the international community has demanded that they do," he said.

Abbas To Consider Seeking New Elections (AP)

By Karin Laub

AP, November 3, 2006

Mahmoud Abbas is inclined to seek new elections if talks with Hamas militants on forming a moderate government don't produce results in about two weeks, a top aide to the moderate Palestinian president said Thursday.

Abbas has been trying to end a punishing aid cutoff by setting up a government acceptable to the West, either in a power-sharing arrangement between Hamas and his Fatah movement, or by appointing independent technocrats. However, Hamas has balked at demands that it recognize Israel, and no solution to the deadlock has emerged.

In other developments Thursday, Israeli attack helicopters, tanks and ground troops tightened their grip on the northern Gaza town of Beit Hanoun, killing an elderly civilian, two militants and a police officer on the second day of Israel's biggest push in months to stop Palestinian rocket fire.

Palestinian hospital officials said another five militants were killed and several wounded in airstrikes during the early hours Friday. The military said aircraft targeted rocket launch sites in the area.

In a separate operation, an airstrike on a car in Gaza City killed three Hamas members travelling inside, one of them a local militant commander, witnesses said. An army spokeswoman said a vehicle carrying "terror activists" was hit.

Independent legislator Mustafa Barghouti, who has been shuttling between the two sides, said Thursday that an agreement on a new government is close, but he would not disclose details. "We have made good progress. We are almost there," Barghouti said after meeting with Prime Minister Ismail Haniyeh of Hamas.

Barghouti later met Abbas to brief him on his five hours of talks with Haniyeh and told reporters the two men had also spoken directly by phone.

He said tentative agreement has been reached on a political program acceptable to the West. However, negotiations have broken down in the past, despite upbeat forecasts.

The head of Abbas' office, Rafiq Husseini, said the Palestinian leader still hopes to reach a solution. But if negotiations fail, Abbas "feels instinctively that the best thing for him to do is to go back to his people," meaning a new election, Husseini said in an interview at the presidential headquarters in the West Bank city of Ramallah.

Under the Palestinians' Basic Law, Abbas cannot call an early election. However, he could try to get around that by holding a referendum on early elections.

Hamas was elected in parliament elections in January, and the next vote is not due for another three years. Abbas was elected separately in 2005.

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Abbas aides, speaking privately, have said the Palestinian leader has set a two-week deadline for wrapping up negotiations with Hamas. Husseini confirmed that Abbas has given a time frame.

"The president does not like lengthy negotiations, lengthy discussions ... and therefore he has to put deadlines," Husseini said. "I think everybody is talking about a deadline of a couple of weeks ... and I think this must be true."

Still, Abbas' low-key leadership style makes it unlikely he will seek a showdown with Hamas. In the past, he has repeatedly backed down from such confrontations.

Violence in and around the northern Gaza town of Beit Hanoun has increased since Wednesday with a total of 20 Palestinians killed, including the four new deaths early Friday. Israeli attack helicopters, tanks and ground troops on Wednesday launched the military's biggest push in months to stop Palestinian rocket fire.

The Israeli army said more than one-third of the 800 rockets fired at Israel in recent months were launched from Beit Hanoun.

At a Hamas rally after nightfall Thursday in Gaza City, Haniyeh called the Israeli offensive "terrorism."

Despite the offensive, militants fired six rockets at Israel from northern Gaza on Thursday, the military said. Two Israelis were slightly wounded and a house was damaged.

A Western diplomat, meanwhile, said he expected new security arrangements to be in place at the Karni cargo crossing between Gaza and Israel, the coastal strip's main lifeline, before the end of the year.

The U.S.-backed arrangements, including new scanners, European monitors and deployment of elite Palestinian forces, are to prevent closures of Karni over security threats. In recent months, Karni has been closed down repeatedly by Israel amid warnings of possible attacks by Palestinian militants.

Last week militants smuggled high explosives through the crossing. They were intercepted on the Israeli side, the military said.

Israeli Troops Kill 6 Palestinians In Second Straight Day Of Fighting In Gaza Farming Town (NYT)

By Greg Myre

The New York Times, November 3, 2006

JERUSALEM, Nov. 2 — Israeli troops on Thursday rounded up Palestinian men and battled militants for a second straight day in the northeastern corner of the Gaza Strip, killing six Palestinians, including militants and civilians, Palestinian medical workers said.

The Israeli operation in Beit Hanun, a farming community that has been the scene of frequent fighting, is one of the largest since Israeli forces entered Gaza four months ago. It is intended to stop, or at least limit, the persistent Palestinian rocket fire from the area into Israel, the Israeli military says.

Despite the large Israeli presence, Palestinians still managed to launch several more rockets Thursday from nearby areas in northern Gaza. One hit a house in the Israeli town of Sderot, which is just beyond Gaza's perimeter fence, and two Israeli civilians were wounded, Israeli officials said.

The Palestinian prime minister, Ismail Haniya, speaking in Gaza City, just a few miles from the fighting, said the Israeli action would not succeed. "We are completely sure this will fail, as all previous campaigns failed," he said.

In Beit Hanun, the streets were largely deserted except for Israeli tanks and other armored vehicles that kicked up clouds of dust as they patrolled the town. Most of the town's 30,000 residents remain holed up in their homes. The Israeli military interrupted Palestinian radio broadcasts, telling women, children and older men to stay inside for their safety.

However, in a separate announcement on loudspeakers, the Israeli forces ordered all males ages 16 to 45 to gather at a square in the town. Many were put onto trucks and driven outside the town for questioning. Most were later released, but about 15 were held for further questioning, the Israeli military said. While the fighting was less intense than on Wednesday, when the Israeli incursion began, there was sporadic gunfire throughout the day.

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On Thursday night, Israel carried out airstrikes against Palestinians responsible for firing rockets, the Israeli military said. Two Palestinians were killed, according to Palestinian medical workers. There were conflicting reports about whether they were militants or civilians.

Earlier in the day, two Palestinian militants and two civilians were killed, said officials at Kamal Adwan Hospital. One of the civilians, Diab al-Bassioni, was in his 70s. Mr. Bassioni was hit by a bullet when he stepped outside to get water, his neighbors told Agence France-Presse. More than a dozen Palestinians were wounded, hospital officials said.

In two days of fighting, at least 14 Palestinians have been killed and more than 60 wounded, according to Palestinian hospitals. Most of the dead and wounded have been militants, though a number of women and children have also been hurt, according to the hospitals. One Israeli soldier was killed Wednesday, and two were lightly wounded on Thursday, the Israeli military said.

For the past five years, Beit Hanun has been one of the Palestinian militants' favorite places from which to launch rockets toward Israel. Beit Hanun is only about two miles from Sderot, but the rockets have a limited range and are wildly inaccurate.

The Gaza militants have fired about 300 of their 800 rockets so far this year from Beit Hanun, according to the Israeli military. Most of the other 500 have been launched from elsewhere in northern Gaza.

The militants frequently fire from the orange and lemon groves on the outskirts of Beit Hanun, but Israel has bulldozed many of those orchards, removing the cover for the militants, as well as the livelihood of many residents.

Many militants come from Gaza City, or other parts of Gaza, and not Beit Hanun. Some local residents oppose the Palestinian rocket fire because the town bears the brunt of the Israeli military response, but others support the Palestinian attacks.

Israel has staged repeated raids into northern Gaza over the past five years in an effort to halt the rockets. While the incursions have reduced the rocket fire in some instances, it has never stopped it completely.

Syria Denies Plan To Topple Lebanon Govt. (AP)

By Samar Kassabli

AP, November 3, 2006

Syria on Thursday denied U.S. accusations that it was seeking to topple Lebanon's Western-backed government with the help of Iran and Hezbollah.

The Foreign Ministry said Syria has stayed out of its neighbor's affairs since pulling its troops out of Lebanon last year.

"The U.S. administration's attempts to circulate that Syria, Iran and Hezbollah are seeking to destabilize Lebanon are not true," the Foreign Ministry said. "Since it withdrew its troops from Lebanon, Syria has voiced its support for anything that the Lebanese agree on through their national dialogue."

White House spokesman Tony Snow said Wednesday there was "mounting evidence that the Syrian and Iranian governments, Hezbollah, and their Lebanese allies are preparing plans to topple Lebanon's democratically elected government."

A strongly worded statement from the White House did not detail that evidence. It did single out Syria for an alleged plan to derail possible prosecutions for the assassination of Rafik Hariri, a former Lebanese prime minister who had tried to draw his country away from Syrian domination.

Lebanese and international pressure following Hariri's February 2005 assassination forced Syrian troops to end their 29-year presence in Lebanon.

The U.S. ambassador to the United Nations, John Bolton, accused Syria and Iran on Monday of violating a U.N. embargo meant to keep Hezbollah from rearming after the Lebanese guerrillas' 34-day war with Israel last summer. He said Tuesday that violations of that embargo are part of the "evidence base" the White House used.

Syria denies it is violating the embargo.

Terje Roed-Larsen, the top U.N. envoy for Syria-Lebanon issues, said representatives of the Lebanese government "have stated publicly and also in conversations with us that there has been arms coming across the border into Lebanon."

The Lebanese government denied having shared such allegations.

"Neither the government, nor I told anybody about this," Lebanese Prime Minister Fuad Saniora reporters Wednesday.

Lebanese Defense Minister Elias Murr said Roed-Larsen's comments were "inaccurate."

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Israel has said weapons smuggling for the Iranian- and Syrian-backed Hezbollah was continuing despite the U.N. embargo. Israel has said its military overflights of Lebanon are necessary to monitor the situation.

The Lebanese government has deployed thousands of soldiers on the border with Syria to stop smuggling. A U.N. maritime force led by Germany is patrolling the Mediterranean off Lebanon to enforce the embargo.

Hezbollah leader Sheik Hassan Nasrallah gave Saniora's government an ultimatum on Tuesday: establish a Cabinet of "national unity" by Nov. 13 or face street protests. Such a Cabinet would give the Islamic militants and their allies veto power over key decisions.

U.S. officials said they consider Nasrallah's threat serious.

Threat Deepens Lebanon Political Crisis (AP)

By Sam F. Ghattas

AP, November 3, 2006

Two months after its devastating war, Lebanon is again on the edge of crisis — at the center of a power play involving the United States, Syria, Iran and Israel.

Neighboring Syria on Thursday denied accusations it wants to topple the Lebanese government, but an ultimatum earlier in the week from the Syrian-allied Hezbollah to stage mass protests to force early elections has alarmed Washington and Europe.

At stake is the August cease-fire that halted the Israel-Hezbollah war, and Western efforts to bolster democracy in Lebanon. The crisis also could undermine U.S. diplomatic overtures to Syria and Iran to help calm Iraq, where both countries have influence among armed groups.

Politics in this ethnically diverse nation have boiled over in recent weeks, washing away a brief period of unity during the war, when Lebanon suffered a pounding from Israel's military after Hezbollah guerrillas crossed the border and captured two Israeli soldiers.

Hezbollah, an armed Shiite group that has often fought Israel, also has 11 legislators in Parliament and has been increasingly aggressive in its political plays. The threat Tuesday from its leader, Hassan Nasrallah, racheted up tensions between pro-Syrian and pro-Western groups.

Nasrallah warned of street protests if Prime Minister Fuad Saniora did not accept his group's demands for a "national unity" Cabinet, in which Hezbollah and its allies would have a veto on key decisions. Nasrallah set a deadline of Nov. 13.

Hezbollah now has two ministers on the 24-member Cabinet and can count on support from three more, but eight votes are needed to veto key decisions.

Nasrallah's threat, as well as five grenade attacks in Beirut in recent weeks, have stoked tensions and raised fears of more violence, particularly after a pro-government Christian group said Thursday that it was ready to take to the streets "to defend the Lebanese republic."

At the same time, Israel has been flying warplanes over Lebanon to pressure the international community into curbing an alleged flow of weapons from Syria to Hezbollah's fighters.

Saniora has dismissed Israeli claims of weapons smuggling and denied his government told the United Nations of such actions. But U.N. envoy Terje Roed-Larsen said he was told by Lebanese officials that arms were still flowing from Syria to Lebanon in violation of a U.N. embargo.

On Wednesday, White House spokesman Tony Snow said there was "mounting evidence" that Syria, Iran and Hezbollah "are preparing plans to topple Lebanon's democratically elected government."

Snow said any attempt to stir up demonstrations, threaten or use violence against Lebanon's U.S.-backed leadership would be a clear violation of the country's sovereignty and of three U.N. Security Council resolutions.

His comments drew a quick denial from Syria.

"The U.S. administration's attempts to circulate that Syria, Iran and Hezbollah are seeking to destabilize Lebanon are not true," the Syrian Foreign Ministry said Thursday in a statement.

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The statement noted Syria withdrew its troops from Lebanon last year under international pressure to end a nearly 30-year occupation. Since then, it said, "Syria has voiced its support for anything that the Lebanese agree on through their national dialogue."

Washington isn't alone in its concerns, however. The European Union, which provided the bulk of troops monitoring the August cease-fire, also has expressed worries about challenges to Saniora's government.

"The EU will be with you. You can be sure of that," EU foreign policy chief Javier Solana told Saniora at a news conference in Beirut last weekend.

While Hezbollah threatened street action, its leader said demonstrations would be peaceful and stressed that the Lebanese people have a democratic right to demonstrate — something the United States has not in the past opposed.

But Washington considers Hezbollah a terrorist organization and the group's push for a confrontation with Washington's Lebanese allies appeared to persuade the White House to take a public stand behind Saniora, who has strengthened ties with the United States.

In a statement Thursday, Hezbollah said the U.S. is trying to draw Lebanon into its dispute with Iran and Syria and enlist the country in the "Bush administration's war against those it considers enemies."

Despite the sharpening rhetoric, Nasrallah left open the possibility of compromise, perhaps by expanding the number of Cabinet portfolios.

The Arabic newspaper As-Safir said Thursday that officials in Saudi Arabia were discussing a formula to add more representation to the Cabinet.

Nasrallah, who met with the Saudi ambassador last week, said in the Tuesday interview that he would not object to Saniora staying on as prime minister as long as the Cabinet was reshuffled and expanded.

Somali Extremists Threaten Bombings (AP)

By Elizabeth A. Kennedy

AP, November 3, 2006

Islamic extremists in Somalia are threatening to stage suicide bombings in parts of East Africa, the U.S. Embassy said Thursday in the latest warning that conflict in Somalia could spread in this volatile region.

The embassy, in a warning to Americans living or traveling in Kenya, said it had received reports of "extremist elements" targeting Kenya, Ethiopia and other "surrounding countries," which it did not identify.

"These threats specifically mention the execution of suicide explosions in prominent landmarks within Kenya and Ethiopia. American citizens are advised to remain vigilant and to use extreme caution when frequenting prominent public places," the statement said.

Somalia has not had an effective government since 1991, when warlords overthrew a dictator and then turned on one another. But an increasingly powerful group, the Council of Islamic Courts, seized control of the capital, Mogadishu, in June and now controls much of Somalia's south.

The embassy's warning came one day after talks collapsed between the militants and Somalia's U.N.-backed interim government, which controls only the western city of Baidoa.

A leading member of the Islamic militia, Abdirahman Janaqow, told The Associated Press he didn't believe his group had prompted the embassy's warning. He charged that the statement was "designed to create problems."

Officials of the acting Somali government did not immediately return a call seeking comment.

The U.S. government has charged that some in the Somali militant group have tied to al-Qaida.

Experts warn that Somalia could become a proxy battleground for neighboring Eritrea and Ethiopia. Eritrea, which broke away from Ethiopia in a 1961-91 civil war and fought a 1998-2000 border war with its rival, supports the Islamic militia. Ethiopia backs the interim government.

A confidential U.N. report obtained by AP last week said 6,000 to 8,000 Ethiopian troops are in Somalia or along the border. It also said 2,000 soldiers from Eritrea are inside Somalia. Eritrea denies having any troops there, while Ethiopia insists it sent only a few hundred advisers.

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Kenya, and Tanzania just to its south, have already been victims of al-Qaida terrorism, with the bombings at the U.S. embassies in Nairobi and Dar es Salaam in 1998 and attacks on a hotel and an Israeli airliner in Kenya in 2002.

The attacks emanated from Somalia, where the growing militant movement has prompted concerns that the chaotic nation could become fertile ground for Osama bin Laden's terror organization. Two leaders of the Islamic courts appear on U.S. and U.N. lists of people known to have ties to al-Qaida, although both men have repeatedly denied the allegations.

U.S. Urges Caution In Kenya, Ethiopia (WT)

By Nicholas Kralev

The Washington Times, November 3, 2006

The United States warned its citizens in Kenya and Ethiopia yesterday about the possibility of suicide attacks by "extremist elements" from Somalia amid rising fears of a regional war in the Horn of Africa.

The State Department urged Somalia's neighbors to stay away from the struggle between the country's weak central government and the powerful Islamic courts that control the capital, Mogadishu, and much of the country.

The U.S. Embassies in Nairobi and Addis Ababa cited reports of "terrorist threats emanating from extremist elements within Somalia which target Kenya, Ethiopia and other surrounding countries." The threats "specifically mention the execution of suicide explosions in prominent landmarks within Kenya and Ethiopia," the embassies warned.

The messages called on Americans to be vigilant and to use extreme caution in public places.

Intelligence officials and nongovernmental organizations in the region are warning of an escalation of the Somali conflict, with Ethiopia supporting the interim government and Eritrea backing the Islamists. Kenya is home to many Somali expatriates.

Recent troop movements and artillery fire have added to the anxiety. "Given the situation on the ground, the proximity of the forces and the artillery duels of the last few days, an escalation is likely," regional analyst Matt Bryden told [a] news agency. "It could be hours, it could be days, it could be weeks."

The United States has accused the Islamists of harboring al Qaeda operatives.

"There are concerns that the ... current situation in Somalia might lend itself to wider violence in the region, and we are doing everything we can to see that does not happen," said State Department spokesman Sean McCormack.

"We believe the most hopeful course forward begins with transitional federal institutions and the Islamic courts coming together," he said.

Bomb attacks on the U.S. Embassies in Kenya and Tanzania in August 1998 killed 224 persons, including 12 Americans.

Somalia's government yesterday rebuffed efforts to reorganize peace talks after they failed this week in the Sudanese capital, Khartoum.

Diplomats said mediators were trying to persuade the two sides to return to the table in the middle of the month, and the Islamists said they were "always ready and prepared" for negotiations." But government delegate Ahmed Omar Gagale told [a news service]: "The government delegation has refused to set a date and a place."

In Addis Ababa, the Ethiopian Foreign Ministry issued a blunt assessment of the deteriorating situation, blaming "extremist" Islamists for the failure of the talks and the looming war.

EU Cancels Talks Between Turkey, Cyprus (AP)

By Robert Wielaard

AP, November 3, 2006

The European Union on Thursday canceled a meeting bringing together the foreign ministers of Cyprus and Turkey, talks called to resolve a dispute threatening Turkey's already troubled drive to join the EU.

Turkey opened EU membership talks in October 2005 but opposition has since grown — notably in France and Germany — to bringing a large, poor, Muslim nation into the bloc, particularly one that is slow to embrace political reform and that effectively refuses to recognize EU member Cyprus.

Failing to overcome hurdles, the EU canceled a two-day meeting aimed at mediating in the Turkey-Cyprus feud, said Finnish Foreign Minister Erkki Tuomioja, whose country holds the rotating EU leadership. The talks had been scheduled for Sunday and Monday in Helsinki, the Finnish capital.

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"We have been prepared to arrange a round of talks (with) all parties in Finland. Unfortunately, this has not been possible," said Finnish Foreign Minister Erkki Tuomioja.

The EU wants Ankara to drop its refusal to open Turkish ports to Cypriot planes and ships — a key condition for the entry talks to continue. Ankara wants the EU to do more to end the isolation of Turkish Cypriots, whose government only Turkey recognizes.

Tuomioja said in a statement that the stumbling blocks were "questions related to direct trade between the EU and the northern part of Cyprus" and "the uninterrupted continuation of Turkey's accession negotiations."

The Mediterranean island of Cyprus has been divided into a Greek-Cypriot south and a breakaway Turkish-Cypriot north since Turkey invaded in 1974 after a failed Athens-backed coup by supporters of union with Greece. Cyprus entered the 25-member EU in May 2004.

Turkey has no diplomatic relations with the island's internationally recognized Greek Cypriot government, and backs the breakaway Turkish Cypriot state in the north.

In Cyprus, government spokesman Christodoulos Pashiardis blamed the cancellation on Turkey. "We understand that this development is due to the positions and terms put forward by the Turkish side," Pashiardis said.

"The Cypriot government will continue to consult with the Finnish presidency, maintaining the same constructive stance and behavior as it had done up until now."

Under pressure from Greece and Cyprus, the EU may abandon the membership talks if Ankara does not live up to an agreement extending its customs union with the EU to the Greek Cypriot part of Cyprus.

In 2004, Greek Cypriots rejected a United Nations-backed plan to reunite the country on the eve of its entry into the EU, essentially excluding the Turkish-speaking north from receiving EU benefits even though Turkish Cypriots endorsed reunification in a separate referendum.

Greek and Cypriot media reports have said Finland is proposing to reduce restrictions on the Turkish-speaking part of Cyprus if Turkey opens its ports to the Greek Cypriots.

The Finnish government had no comment on the reported proposals.

Earlier this month, Greece and Cyprus forced the EU to postpone the opening of a new chapter of Turkey's EU membership talks — on industrial policy — until a solution to the customs dispute was found.

In Greece, Prime Minister Costas Karamanlis said Turkey had failed to implement basic reforms needed before it joins the European Union.

He called on the European Commission to clearly state Turkey's shortcomings in a forthcoming progress report on the country's membership prospects.

"The truth is that, so far, Turkey has not taken basic and necessary steps on ... its obligations regarding the European Union," Karamanlis said.

Uneasy NATO allies Greece and Turkey have long-running disputes over airspace and undersea exploitation rights in the Aegean Sea, and have come close to war three times since 1974.

Karamanlis said a standing Turkish threat to declare war if Greece extends its territorial waters is an "unacceptable anachronism."

Vietnam To Prosecute Three U.S. Citizens In Terrorism Case (WP)

By Grant McCool

The Washington Post, November 3, 2006

HANOI, Nov. 2 -- Seven people, including three Vietnamese-born U.S. citizens, will be prosecuted on charges of plotting violence against Vietnam's communist government, officials said Thursday.

The prosecutor included charges against a U.S. citizen whose 13-month detention has drawn attention in the United States before a Nov. 17-20 visit to Vietnam by President Bush.

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Sen. Mel Martinez (R-Fla.) has linked the detention of Orlando resident Thong Nguyen "Cuc" Foshee to passage of a bill that would grant Vietnam permanent normal trade relations status. "Senator Martinez is doing everything in his power as a U.S. senator to get Mrs. Foshee back to Florida," said his spokeswoman, Kerry Feehery.

Washington and Hanoi signed a trade deal May 31 that helped usher Vietnam toward its expected accession next week to the World Trade Organization. The White House hopes to win approval of permanent normal trade relations with Vietnam before Bush's visit.

On Thursday, prosecutors in Vietnam "asked the Ho Chi Minh City People's Court to bring to court seven defendants involved in a terrorism case," according to a statement carried by the official Vietnam News Agency.

A Cold War Ghost Haunts Elections In Nicaragua (WSJ)

By José De Córdoba

The Wall Street Journal, November 3, 2006

MANAGUA, Nicaragua -- When the U.S. ambassador here said of a presidential candidate that "if it looks like a duck, walks like a duck, and swims like a duck, it probably is a duck," he ruffled a lot of feathers.

Since the comments earlier this year, the candidate, José Rizo, a white-haired coffee farmer, has been lampooned in the Nicaraguan media as a "pato," or duck, which is also Nicaraguan slang for homosexual. Ambassador Paul Trivelli's friends say the diplomat meant to imply only that Mr. Rizo, 62 years old, is a creature controlled by former Nicaraguan President Arnoldo Alemán, who is under house arrest for embezzlement. But many here suspect the Spanish-speaking Mr. Trivelli knew the full meaning of the word.

"He called me a duck, and that means homosexual," says Mr. Rizo, who says he isn't gay -- and is angry he has to defend himself. Mr. Trivelli declined to be interviewed for this article, as did other U.S. Embassy officials.

The duck flap is illustrative of what Nicaraguans consider U.S. intrusion in this Sunday's presidential election, where former Sandinista comandante and president, Daniel Ortega, 61, whom Washington despises, is running well ahead of banker Eduardo Montealegre, 51, whom Washington favors. Mr. Rizo is running a distant third, but he is attracting U.S. attention in part because support for him would split the anti-Ortega vote -- and keeping Mr. Ortega out of office is extremely important to U.S. officials.

The current controversy carries echoes of the 1980s, when the U.S. sought to overthrow Mr. Ortega's Sandinista government, which had allied itself with the Soviet Union. The current Ortega campaign evokes strong emotions in the State Department as a reminder of that time. Even retired Lt. Col. Oliver North, a prominent figure in the Cold War battle against the Sandinistas, has become involved, criticizing the U.S. for shunning Mr. Rizo, who Col. North believes has the best chance of defeating Mr. Ortega.

Since arriving in Managua last year, Mr. Trivelli, 52, has become a familiar figure in the Nicaraguan media, where he often slams what he calls the country's antidemocratic forces -- Mr. Ortega's Sandinistas and Mr. Rizo's Liberal Constitutional Party, or PLC. The U.S. is battling corruption, he says, which is a threat to Nicaragua's democracy and especially virulent in the PLC. "We will never approve of a candidate, or a party that has as a candidate Arnoldo Alemán, his family, his cronies or someone designated by him," Mr. Trivelli said earlier this year on Nicaraguan television.

Last month, the Organization of American States, which is monitoring elections here, issued a statement that "lamented" outside interference in the election and criticized Ambassador Trivelli by name.

Even some of America's friends here think Mr. Trivelli has been heavy-handed. Carlos Briceño, a U.S. citizen who heads a television station in Managua, says he was telephoned by a deputy of Mr. Trivelli who said the election was a matter of U.S. national interest and suggested his news coverage should reflect that concern. "The U.S. has lost the parameters of what is permissible and what is totally unacceptable," Mr. Briceño says.

In response to such criticisms, a State Department spokesman said in a briefing yesterday, "We're not trying to shade opinion or to try to take a position. This is a democratic election."

Mr. Trivelli, a career foreign-service officer, headed the Central America desk at the State Department before being appointed ambassador last year. One European diplomat says the tall and bearded Mr. Trivelli is known for being withdrawn and somewhat brusque. While of Italian descent, says the diplomat, Mr. Trivelli "obviously didn't learn anything from Machiavelli."

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The Americans aren't the only ones throwing their weight around. Venezuela's populist president, Hugo Chávez, has been supplying Sandinista mayors with cut-rate oil for public transportation and fertilizer to be sold to local farmers.

Mr. Rizo, who like many affluent Nicaraguans travels frequently to the U.S. for family and business matters, said recently that he has encountered visa problems at Mr. Trivelli's embassy. When his 10-year U.S. visa expired this summer, Mr. Rizo says he got only a three-month visa, after a tough grilling at the embassy. That visa has already expired and he must apply for a new one.

The U.S. Embassy also has lifted the visas of more than two dozen prominent figures in Mr. Rizo's PLC party, most of them judges, alleging in most cases that they are corrupt. The visa issue has been decried by the PLC as politically motivated. In Managua circles and the press, the visaless officials are called "los desvisados" -- the ones whose visas were lifted.

A State Department spokesman says the government is barred by law from commenting on individual cases, but that the U.S. doesn't revoke visas for political reasons.

The U.S. has opposed the PLC since Mr. Alemán, a 300-pound political boss known as "El Gordo," or "the Fat Man," cut a deal in 1999 with Mr. Ortega, the head of the Sandinista opposition. As part of the "pacto," the two parties rewrote election laws so that a presidential candidate could avoid a run-off and win with just 35% of the vote, rather than 45% as before. That was a boon for Mr. Ortega, who is anathema to a large part of the electorate in this dirt-poor country of 5.5 million.

In the most recent polls, Mr. Ortega has about 33% of the vote, compared with 25% for Mr. Montealegre and 17% for Mr. Rizo.

The U.S. has a turbulent history with Nicaragua, which it has treated as a kind of protectorate. In 1909, the U.S. sent gunboats to Nicaragua, forcing the resignation of President José Santos Zelaya, who had executed two Americans. U.S. Marines occupied the country for most of the next 24 years. But the Marines were unable to quell a revolt by nationalist Gen. Augusto Sandino and left the country in 1933. The U.S. turned power over to an ally, Gen. Anastasio Somoza, whose family ruled until the Sandinista triumph in 1979 put Mr. Ortega in power.

Nicaragua became a Cold War battleground when the Sandinistas allied themselves with the Soviet Union. The U.S. engaged in a proxy war, backing Contra rebels in the 1980s. Mr. Ortega left power peacefully in 1990 when he lost an election, but Cold War ghosts continue to haunt Managua and Washington. Some Bush national security officials got their start during the Contra wars, which may help explain why the U.S. is determined to stop their nemesis, Mr. Ortega. "Daniel Ortega sets them off," says Michael Shifter, an analyst at the Inter-American Dialogue, a Washington, D.C., think tank. "He sets the reptilian part of their brains to work."

Mr. Ortega has run for president three times since his 1990 loss, but this is the first election in which he has a real chance to win, thanks to the new 35% rule. These days, Mr. Ortega runs as the candidate of reconciliation. He picked as a running mate a former Contra leader, Jaime Morales, whose mansion Mr. Ortega had once confiscated, and chose as a campaign song John Lennon's "Give Peace a Chance."

One of Mr. Rizo's few prominent U.S. allies is Col. North, who as a Reagan White House official sold arms to Iran and used the proceeds to fund the Contras -- which provoked a scandal in Washington. In his syndicated column, Col. North, who is also a television host for Fox News, last month slammed the U.S. for distancing itself from Mr. Rizo. He later flew to Managua, where he made an appearance with Mr. Rizo at a breakfast. Mr. Rizo's campaign also ran a television spot using a still shot of Mr. North, with the White House in the background.

Mr. Trivelli wasn't amused, saying the ad wrongly suggested the U.S. was backing Mr. Rizo. Such propaganda by the PLC is "paja," he told reporters, using a word that means "bogus," but has a second slang meaning of "masturbation." The ensuing controversy over yet another linguistic faux pas was the talk of Managua.

The city's mayor Dionisio Marenco, a top aide to Mr. Ortega, jokes that Mr. Trivelli is acting as Mr. Ortega's campaign manager. "I hope he keeps saying stuff," says Mr. Marenco.

Ortega Gives US The Jitters (FT)

By Adam Thomson

Financial Times, November 3, 2006

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On a steamy night in Managua, a young man with a gaunt face and wispy moustache walks over to a car at a traffic light, draws back his rain-soaked sleeve and, with slow and awkward strokes, draws the letters FSLN on one of the passenger windows. Then he clenches his fist as if victory for his beloved Sandinista party were already assured.

The scene only lasts a few seconds. But as Nicaragua prepares for presidential elections on Sunday, it speaks volumes about the growing feeling that Daniel Ortega, the former leftwing guerrilla leader, and his FSLN Sandinista movement have a real chance of returning to power after an absence of 16 years.

Opinion polls, though inaccurate in other recent elections in Central America, show that Mr Ortega has about 33 per cent of the vote and a lead of at least eight points over his nearest rival. If he could increase that to 35 per cent on Sunday, and maintain at least a five-point lead over the second-place candidate, he would win.

With Nicaragua's population of just 5.2m and gross domestic product of less than $5bn (€4bn, £2.6bn), one obvious question is why any of this matters. The main reason is that the US cares – a lot.

Nicaragua's domestic affairs have always been an intense focus of US foreign policy, and its history is pockmarked by US interventions. But when Mr Ortega swept to power in 1979 in an armed revolution during the cold war, the country – and Mr Ortega – became a virtual obsession in Washington. The US government has spent much of the last decade and a half trying to ensure that he does not return.

His increasingly close relationship with Hugo Chávez, the rabidly anti-US Venezuelan president, has only made relations worse.

The 60-year-old veteran revolutionary has run in – and lost – the last three presidential elections. Little seems to have changed on the campaign trail either: the jingles set to John Lennon's "Give Peace a Chance" may be new but he still turns up hours late and then makes speeches that last longer than most people would like.

However, there is a widespread perception that years of democratic government have failed to alleviate the country's extreme poverty. Enrique Bolaños, the centre-right outgoing president, is set to leave office with modest growth, declining inflation and strong gross central bank reserves. But even that relative stability has failed to affect ordinary people.

On the streets of Managua, beggars abound and barefoot children splash around in rubbish-filled gutters instead of going to class. A recent report by the education ministry pointed out that this year's budget only provided about $40 in maintenance allowance per school.

Mr Ortega may also benefit from the deep rifts that have divided Nicaragua's parties. The right has split, thanks in large part to the corruption scandals surrounding Ricardo Alemán, the former centre-right president under house arrest for corruption.

Indeed, Eduardo Montealege of the Nicaraguan Liberal Alliance (ALN), Washington's preferred candidate, and José Rizo of Mr Alemán's Liberal party (PLC) have spent the campaign fighting each other rather than doing battle with Mr Ortega.

The left has also split – although not as drastically as the right. The breakaway Sandinista Renovation Movement (MRS) led by Edmundo Jarquín, a former official at the Inter-American Development Bank, could get at least 10 per cent of the vote.

Mr Ortega has tried to widen his support by bringing in faces traditionally associated with the opposition and moving to the right on many issues. Jaime Morales, his vice-presidential candidate, was a member of the so-called Contra rebels, who fought a long and bloody war against Mr Ortega in the 1980s and were illegally bankrolled by Washington.

Mr Ortega has campaigned with a substantial dose of anti-US rhetoric, and has even mentioned renegotiating aspects of Cafta, the trade agreement that came into force this year between Central America, the Dominican Republic and the US.

But he has also been quick to distance himself from the radical Sandinista policies of the past, such as confiscation of private property and obligatory military service. In a move that shocked many people, he recently even helped approve a law that makes it illegal for pregnant women facing life-threatening complications or victims of rape to have an abortion.

The US is in no doubt that outright victory for Mr Ortega on Sunday would be disastrous for Nicaragua, and has warned that it would also give Mr Chávez a foothold in the region.

But Carlos Fernando Chamorro, editor of the weekly Confidencial newspaper and son of Violeta de Chamorro, the former centre-right president who beat Mr Ortega in 1990, is less concerned. He argues Mr Ortega is a pragmatist and that means not doing anything too radical to upset the US. He also says that Mr Ortega would face a deeply divided National Assembly.

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Nicaraguan Vote Links Past, Present U.S. Foes (USAT)

By Sara Miller Llana

USA Today, November 3, 2006

MANAGUA, Nicaragua — Daniel Ortega, the former Marxist leader of Nicaragua, could join a wave of leftists coming to power in Latin America if he wins his country's presidential election Sunday.

A victory by Ortega would be the second this year for a leftist in Latin America. Brazilian President Luiz Inacio Lula da Silva won a second term last month. Other leftist leaders: Venezuelan President Hugo Chávez and Evo Morales of Bolivia.

Ortega's history of confrontation with the United States and support from Chávez have turned a national election into an international confrontation. Chávez is a fierce critic of President Bush who says the United States is interfering in the region.

Though Ortega, 61, leads in pre-election polls, he might not get enough votes Sunday to win outright. To win, a candidate must get 35% the vote and have a 5-percentage-point advantage over the closest runner-up. Otherwise, the top two candidates advance to a runoff election in mid-December.

A poll by M&R Consultores published Oct. 27 showed Ortega and his Sandinista National Liberation Front with 33% support. The U.S.-favored candidate, Harvard-educated banker Eduardo Montealegre of the Nicaraguan Liberal Alliance, had 25%. The poll of 4,501 potential voters had a margin of error of +/-1.5 percentage points.

Ortega is positioning himself as a reformed revolutionary. Wednesday, he pledged to promote the private sector and build on free-trade agreements. To support his theme of unity, he has enlisted a former archrival as his running mate.

Montealegre and fellow conservative Jose Rizo of the Constitutionalist Liberal Party, in third place in polls, have made the need to defeat Ortega a key message of their campaigns. The candidates are trying to woo voters still waiting for market reforms to improve conditions for Nicaragua's 5.14 million people. According to the CIA, Nicaragua is one of the Western Hemisphere's poorest nations and has one of the world's most unequal distributions of income.

Ortega's candidacy has not only raised the hackles of the United States, but it also elicited memories of Nicaragua's civil war of the 1980s, which pitted Ortega's Soviet-backed Sandinista government against U.S.-backed contra rebels.

The Reagan administration's effort to topple the Sandinistas became part of the Iran-contra scandal: The administration secretly sold arms to Iran and used the proceeds to fund and arm the contras.

The civil war killed about 50,000 people. It ended in 1990, when a U.S.-backed candidate, Violeta Chamorro, was elected president.

The United States has been outspoken in its desire to see Ortega lose. U.S. Ambassador Paul Trivelli has questioned Ortega's commitment to democracy.

On a visit here last month, Oliver North, the former White House aide at the heart of the Iran-contra controversy, warned that a vote for the Sandinista leader would mean a return to conflict.

"If (someone else) were running for president of Nicaragua and said, 'I am a friend of Fidel Castro and Hugo Chávez, and I oppose U.S. policy,' that would be enough to create some friction, to put it mildly," says Otto Reich, a senior official in the Reagan administration. "The fact of history compounds the problem."

Sitting in his office next to Ortega's home, Bayardo Arce, a top Sandinista party member, says the United States will continue to be the country's principal market if his party wins. But he adds that Nicaragua also will reach out to the rest of Latin America.

That interest in inter-Latin American relations has been highlighted by a deal struck by the Sandinistas with Venezuela to provide discounted oil to alleviate Nicaragua's energy crisis. For the past year, Nicaraguans have suffered regular blackouts, in part because of the high cost of oil. The Venezuelan deal has been criticized by opponent Montealegre and outgoing President Enrique Bolaños as a vote-getting ploy.

Dionisio Marenco, mayor of the capital, Managua, an Ortega ally and a leader of the fuel program, denies a political motive. "If the same offer were given on these terms by Bush, or by (Mexican President Vicente) Fox, or anyone in Saudi Arabia or the Sultan of Brunei, I'd take it," he says.

Nicaraguan voters, meanwhile, are divided. Some former contras are siding with Ortega. His running mate is his former contra archrival, Jaime Morales.

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Mario Romero, 38, a taxi driver, has Montealegre bumper stickers all over his car. He fought in the Sandinista army, and his brother was killed in the war. “Ortega?” Romero says. “Never again.”

Ortega Poised To Take Helm In Nicaragua (WT)

By Carmen Gentile

The Washington Times, November 3, 2006

MANAGUA, Nicaragua -- Months of campaigning for Nicaragua's presidency has ended in a flurry of fireworks and flowery rhetoric from supporters of Daniel Ortega, the one-time Sandinista leader and Washington headache who appears poised for a comeback on Sunday.

Thousands of Ortega supporters paraded through the streets of Managua this week, waving banners for his Sandinista National Liberation Front (FSLN) and sporting his "pink tide" hats espousing a return to the party's leftist ideals.

But the modern-day Mr. Ortega -- a balding, pudgier version of the young firebrand who led the overthrow of the Somoza family dictatorship in 1979 -- appears to have mellowed a bit, and in doing so, has garnered just about enough support to win Sunday's election without a runoff.

Aged 60, the FSLN leader who during the 1980s presided over the Sandinista fight against the U.S.-funded Contra rebels now preaches "unity for a triumphant Nicaragua" and has embraced his one-time rivals.

His running mate is none other than Jaime Morales Carazo, a former top Contra political negotiator, nicknamed "the godfather," whose home was seized by the Sandinistas. Mr. Ortega lives there to this day.

Mr. Ortega has also promised to honor the basic principles of the country's free market approach to economic development. In a ceremony Wednesday -- the last day of official campaigning -- he signed an agreement with officials at the Ministry of Commerce pledging to respect its 10-point approach to rectifying the financial woes of the region's poorest countries.

Along with embracing his political adversaries and cozying up to economic officials, the media-savvy Mr. Ortega knows the importance of playing to the country's poor, telling Nicaraguans they have been reduced to "beggars" during the last 16 years of democratic rule.

All that has pushed Mr. Ortega to the top of a crowded field. Recent polls show him just shy of securing enough votes to win outright on Sunday.

To avoid a second election, a candidate must garner 35 percent of the vote and be at least five percentage points ahead of the next leading candidate.

Some analysts are predicting a first-round win for Mr. Ortega, while others think he will fall short, forcing a runoff between the two top vote-getters in December.

"Polling in Nicaragua is rarely accurate and always a 'work in progress,' " noted Manuel Orozco, an analyst with the Washington-based Inter-American Dialogue.

If he can't secure a victory in the first round, then Mr. Ortega would face a tough battle against either Harvard-educated banker Eduardo Montealegre, who split from the ranks of the ruling Liberal Constitutional Party (PLC) to form his own party, or former vice president and PLC candidate Jose Rizo. Mr. Montealegre has the support of the United States.

Edmundo Jarquin, a former economist with the Inter-American Development Bank who heads a dissident social democratic campaign that rivals the FSLN on the left, poses little threat to the FSLN leader, but he could siphon off just enough votes to deny Mr. Ortega a first-round victory.

But Mr. Ortega's opponents aren't ready to concede defeat.

"It's going to be a very close race," said Terencio Garcia, a lawyer in Managua who is an adviser to the Rizo campaign. He predicted that the PLC candidate would emerge from the first round and contest Mr. Ortega for the presidency next month, provided the Sandinista doesn't resort to "dirty tricks" on election day.

Mr. Rizo has the added burden of the U.S. support for Mr. Montealegre.

Thousands of electoral officials from Nicaragua, the Carter Center, headed by former President Jimmy Carter, and the European Union, will be on hand to monitor every polling station. A national fraud, said one electoral observer, would be "highly unlikely with the number of people that will be watching the ballot boxes."

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"Ortega was ripe for being denied [the presidency]," said Larry Birns, director of the Council on Hemispheric Affairs, noting the former leader has already lost the last two presidential elections. "Now, if he wins, there's no telling what he's going to do."

Inside The Ring (WT)

By Bill Gertz, Rowan Scarborough

The Washington Times, November 3, 2006

China defense budget

The Pentagon has had two rounds of discussions with the Chinese military on the defense budget process, with the United States explaining in detail how its military spending works and China revealing very little about its secret military budget.

Chinese military officials met Pentagon officials in June and provided a very limited explanation of the process Beijing uses to support its weapons and forces.

"We're trying very hard to get an exchange of experts on the budgeting process so that we can understand how they create their budgets, since this is an area where we have a very large disagreement with them," a senior defense official said.

China is engaged in a major military buildup but will not disclose the amounts or systems it is building. The budget secrecy, among other factors, has prompted the Pentagon to start a major force buildup in the Pacific as a "hedge" against China emerging as a threat.

U.S. officials traveled to China in December to explain how U.S. budgets are created, including details such as line items for life-cycle costs of weapons systems or costs for bases.

The Chinese did not reciprocate and in June provided "a lesser level of detail" on its budget, the official said. "But at least it was the beginning of a discussion about how the two budget processes are fundamentally different," the official said.

The Chinese did not explain how much it costs them to build a Russian-designed Su-27 bomber and limited the briefing to principles they use to guide budgeting, a second official said.

China does not include its foreign arms purchases, which in recent years have included billions worth of Russian, European and Israeli weapons. It also does not include budget costs for its space program, which the military runs, or funding for numerous research institutes that make military satellites, another costly procurement item, the senior official said.

"We are right now at that very process level with them," the official said. "We don't know if they're going to be willing to engage us at the next level but we're going to try."

Chinese officials complained last year that the Pentagon exaggerated Beijing's military spending in the annual report to Congress.

The latest report states that Chinese military spending is so secret that Pentagon estimates are off by 20 percent to 180 percent of what the Chinese are actually spending.

China claims its latest annual defense budget, which has been growing by double-digit percentages over the past decade, is about $35 billion. The Pentagon estimates it is $105 billion or more.

Chinese officials insist the Pentagon is overestimating defense costs. But some Pentagon officials said the Chinese budget talks are part of a Beijing deception program aimed at minimizing the aggressive arms buildup.

Somalia war clouds

A former military specialist with close ties to the Horn of Africa tells us the situation in Somalia is getting worse after the rise of the terrorist-linked Islamic Courts Union (ICU). The ICU earlier this year took over major portions of the country and is seeking to impose Islamist rule.

The opposition Somali government in Baidoa is said to be in danger of being defeated in the next few weeks.

The U.S. Central Command and the Special Operations Command are closely watching the country but so far have not been taking major action to prevent the creation of a new terrorist base in Somalia.

According to the former military official, there are six senior al Qaeda operatives in Somalia working with the ICU. Additionally, Iranian-backed Hezbollah terrorists are in the country, also backing the ICU. Iranians are said to be in Somalia as well, eyeing a large uranium ore deposit in the south.

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The government in Baidoa is being backed by thousands of Ethiopian troops now in Somalia. U.S. support should be provided, including weapons, advice and "a bit of intelligence," thesource says.

Global Strategies Group, a private security firm, this week sent a warning notice to nongovernment organizations that opposing forces in Somalia are getting ready for conflict and that "the situation is very tense."

Talks in Khartoum between faction representatives broke down yesterday, and the ICU is demanding that all Ethiopian troops leave Somalia.

"It is assessed that if conflict does erupt, it will be with little or no notice and will quickly spread to other areas," acc ording to the notice.

Abizaid's assessment

Army Gen. John Abizaid, the man in charge of the bulk of fighting in the war on Islamic extremists, sat down with defense reporters recently to size up the conflict. A few salient points:

•"I believe that our strategy for the area can't be to control it. No nation on Earth has ever controlled the Middle East. As a matter of fact if you try to control the Middle East, you'll rapidly find out that the Middle East is going to control you."

•"We need to build capacity, local capacity, to do the institution building to make societies that are going to be more resilient against the broader extremist trends in the area. The extremism is not mainstream. In many ways we're kind of at a point where we could have been if we decided to resist Fascism in the '20s or Bolshevism in the 1900s."

•"The problem is, you know, a lot of [people] have a hard time understanding why it's to our advantage to be out there in the middle of this. And it's to our advantage so that these terrible ideological movements do not become mainstream and start moving us in a direction that can move toward World War III."

Guidebook

The Army's Combined Arms Center at Fort Leavenworth, Kan., is putting the finishing brush work on a new counterinsurgency manual. But there is no time for rest.

It is beginning work on a more far-reaching field guide that will describe how to conduct full-spectrum operations. One change:Post-war stability operations will be woven into war plans. It's a lessons-learned from Afghanistan and Iraq, where the importance of rebuilding was driven home. A new Pentagon directive puts the chore on a par with the fighting itself.

As the Army sees it, a brigade combat team can be fighting to secure a town in one sector while other brigade soldiers are starting stability operations in a nearby town.

The doctrine is known as FM-3-0, or field manual-3, last updated in June 2001, a few months before the September 11 attacks. Chapters include "the Army and the Role of Land Power" and "Conducting Full Spectrum Operations."

China's Hu Urges Sudan To Seek Solution Over Darfur (AFP)

AFP, November 3, 2006

Chinese President Hu Jintao has praised the efforts of Sudan President Omar al-Beshir to bring peace to the troubled Darfur region and urged him to seek a proper solution to the humanitarian crisis.

"The Chinese side admires and supports Sudan in the realization of north-south peace and is willing to participate in the rebuilding," China Central Television quoted Hu as telling Beshir.

"China understands the concerns of the Sudan government on this issue, and hopes that Sudan can maintain dialogue with all sides, adjust its position and strengthen efforts to reach a proper resolution to maintain a stable situation in Darfur and continue to improve the humanitarian situation."

During the bilateral meeting at the Great Hall of the People, Beshir said the situation in Darfur was improving and that his government was seeking the help of the African Union to push forward the peace process, it said.

Beshir is one of nearly 40 African leaders visiting Beijing for a three-day China-African forum starting Friday aimed at strengthening political and economic relations between the two regions.

Darfur is a region the size of France where at least 200,000 people have died and 2.5 million been left homeless since a rebellion against the Khartoum government broke out in early 2003.

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The fighting pits the regime in Khartoum and allied Arab militia against Darfur's mostly black African population, which is seeking autonomy for the region.

Beshir's government has been widely held responsible for most of the violence, while fighting between rebel and government forces in the region has intensified, cutting off humanitarian aid to hundreds of thousands of displaced civilians.

Hu's statements come as the United States looked set to pull back from its muscular approach to ending what it calls genocide in Darfur.

President George W. Bush announced a policy review this week after repeatedly failing to obtain Sudanese government compliance with a US-sponsored UN resolution demanding the deployment of UN peacekeepers in Darfur.

"The United States is going to work with the international community to come up with a single plan on how to address this issue and save lives," Bush said Tuesday.

Beijing has abstained from votes on sending in peacekeepers to Darfur and voiced opposition to UN sanctions on Sudan, which is a key supplier of oil to China.

"We hold that the United Nations should and can play an active role in the settlement of this (Darfur) issue," China's foreign ministry spokesman Liu Jianchao told journalists Thursday.

"But we believe that on the specific measures, the international community needs to respect the rational concerns of the Sudanese government and get the consent of the Sudanese government."

The New York-based Human Rights Watch also Thursday urged China to pressure Sudan into accepting UN peacekeepers, while criticizing Beijing for engaging African nations who are accused of gross rights violations.

"China's policies have not only propped up some of the continent's worst human rights abusers, but also weakened the leverage of others trying to promote greater respect for human rights," the group said in a statement.

China Courts Africa, Angling For Strategic Gains (NYT)

By Joseph Kahn

The New York Times, November 3, 2006

BEIJING, Nov. 2 — Billboards here show elephants and giraffes roaming the savanna. Traffic has been curtailed, construction sites shut down and even the sky has been tantalizingly, if temporarily, blue.

Beijing has put on its best face to court Africa, “the land of myth and miracles,” as official posters call it. Political leaders of 48 of the 53 African countries, including 40 heads of state, are to arrive this weekend for a huge diplomatic event, the China-Africa forum.

The official purposes of the three-day event are to expand trade, to allow China to secure the oil and ore it needs for its booming economy and to offer aid to help African nations improve roads, railways and schools.

The unofficial purpose is to redraw the world’s strategic map by forming tighter political ties between China, which has the world’s fastest-growing major economy, and Africa, a continent whose leaders often complain about being neglected by the United States and Europe.

“African leaders see China as a new kind of global partner that has lots of money but treats them as equals,” said Wenran Jiang, a political scientist at the University of Alberta who has studied Chinese-African ties. “Chinese leaders see Africa, in a strategic sense, as up for grabs.”

China’s enthusiasm for Africa has raised concerns among many in the West while the United States is distracted by its efforts to curb terrorism, and France, Britain and other former colonial powers exert less influence in Africa than they once did.

China does not follow the international lending standards intended to fight corruption in the region. It has embraced the leaders of Sudan and Zimbabwe, two countries that are under heavy pressure to improve their poor human rights records. Major oil companies have complained that China uses its influence to secure business opportunities for its state-owned companies.

Chinese officials say those concerns are overblown or hypocritical, and they deny that they have a grand scheme to create an exclusive sphere of influence in Africa. But China has nearly $1 trillion in foreign currency reserves, boundless entrepreneurial energy and a strong drive to compete there on its own terms.

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"The Western approach of imposing its values and political system on other countries is not acceptable to China," said Wang Hongyi, a leading specialist on Africa at the China Institute of International Studies. "We focus on mutual development, not promoting one country at the expense of another."

China's economic goal is to secure Africa's abundant supplies of oil, iron ore, copper and cotton at the lowest possible prices, analysts say. Chinese companies view Africa as an open market, neglected by Western multinationals, that they can cultivate with their trademark low-priced goods.

But if the goal is mostly mercenary, not unlike European objectives in Africa 150 years ago, the method is avowedly anti-imperialist.

The forum's slogan — "Peace, Friendship, Cooperation, Development" — underscores China's pledge not to discriminate or intervene. It even invited the five African countries — Burkina Faso, Malawi, Gambia, Swaziland and São Tomé and Príncipe — that still extend diplomatic recognition to its rival Taiwan, though none agreed to attend.

In the long term, Chinese officials say they hope not only that the overture will give their companies an edge in the competition for resources, but also that it will give their diplomats an advantage at the United Nations and other international organizations, where African countries can constitute a powerful voting bloc.

Unlike China's initial push into Africa under Mao, which aimed to support the Socialist governments of postcolonial Africa, the focus is now on commerce.

"China has offered Africa a new model that focuses on straight commercial relations and fair market prices without the ideological agenda," said Moeletsi Mbeki, a South African businessman and political analyst.

"They are not the first big foreign power to come to Africa, but they may be the first not to act as though they are some kind of patron or teacher or conqueror," he added. "In that sense, there is a meeting of the minds."

The event in Beijing, like most big political affairs in China, promises to be long on ceremony and propaganda and short on substance. President Hu Jintao is meeting a procession of heads of state.

The state media have promoted the "three 50s": 50 years of Chinese-African cooperation, 53 African countries, $50 billion in two-way trade (a projected figure for 2006). China Central Television is conducting a nationwide survey to select 10 outstanding African icons. Contenders include Cleopatra, South African diamonds and the Sahara.

Chinese diplomats hint that by the end of the meeting they will unveil a variety of trade and aid concessions. These may include a list of African goods that can enter China tariff-free, increases in aid and technical cooperation and debt forgiveness.

China's trade with Africa is growing faster than with any other region except the Middle East, increasing tenfold in the past decade, to just shy of $40 billion last year. China buys timber from the Congo Republic, iron ore from South Africa and cobalt and copper from Zambia. An estimated 80,000 Chinese expatriates live in Africa, selling shoes, televisions and everything else the world's factory produces.

More vitally, Africa has helped quench China's growing thirst for oil. Angola, which China cultivated assiduously in recent years, has edged out Saudi Arabia as China's largest foreign source of oil.

Sudan, shunned by the West for its genocidal civil war in Darfur, was a net oil importer before China arrived there in 1995. China has since invested heavily in oil extraction, helping Sudan export about $2 billion worth of crude annually, half of that to China.

Beijing's aggressive pursuit of commodities has often been accompanied by generous aid programs, low-interest loans and other gifts that some Western interests say undermine efforts to foster good governing in Africa. The World Bank and the International Monetary Fund have expressed their concerns that China's unrestricted lending, including a $2 billion credit line for corruption-plagued Angola, has undermined years of painstaking efforts to arrange conditional debt relief.

Some African economists complain, too, that China wants to extract raw materials for industry and then sell manufactured goods back to Africa, a mercantilist pattern that failed to bring sustained growth in the past.

China has also prompted concerns among human rights groups by using the threat of its veto in the United Nations Security Council to protect Sudan and Zimbabwe against international sanctions. The rights groups say China's arms exports to Sudan fuel the conflict in Darfur, which has claimed at least 200,000 lives and has forced more than two million people from their homes.

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"China insists that it will not interfere in other countries' domestic affairs, but it also claims to be a great friend of the African people," said Sophie Richardson of Human Rights Watch. "But that doesn't square with staying silent while mass killings go on in Darfur."

For years, Chinese officials insisted that such concerns were the internal affairs of the countries involved, but they have recently changed their stance somewhat.

Zhai Jun, an assistant foreign minister responsible for African affairs, said last week that the Africa forum would address human rights and good government, and he specifically mentioned Sudan.

"The humanitarian situation in Darfur should be improved," Mr. Zhai said. "We will adopt our own method and use the upcoming summit to do our part."

Even if China does speak out on some rights issues, its basic strategy of engaging African countries on their own terms remains the core of its foreign policy.

Mr. Jiang, of the University of Alberta, said that unlike in the cold war, when China's foreign involvement was motivated by ideology, Beijing now had a commercial strategy as the developing world's biggest beneficiary of globalization to unite with the region most conspicuously left behind.

It will be up to each country's leaders, and ultimately each country's people, to decide how to use the wealth, he said. "From China's perspective the Western powers and Western companies have had their chance in Africa and really nothing has happened," he said.

"China is trying a different approach," he added. "It is saying, 'Let us have a chance.' "

China Elevates Its Economic Profile In Africa (USAT)

By David J. Lynch

USA Today, November 3, 2006

China's thirst for oil and raw materials is leading to a major expansion of its involvement in Africa. From Sudan to South Africa, Chinese officials and merchants are building roads, handing out generous aid packages and negotiating lucrative business deals.

This weekend, 48 African leaders are expected in Beijing for a China-Africa summit that will underscore the growing links between the world's fastest-growing economy and a continent that has been a globalization backwater.

What's happening in oil fields, copper mines and retail markets across Africa illustrates that China's galloping economy is spurring Beijing to adopt a higher global profile. That means new customers and aid donors for Africa's 54 nations. But it also threatens to saddle already struggling nations with the poor working conditions, fouled environment and rampant corruption that characterize China's anything-goes economy.

"China is taking a realpolitik point of view, trying to secure natural resources to continue fueling its high rates of economic growth. … For Africa, it's a mixed bag," says Todd Moss, senior fellow at the Center for Global Development in Washington.

Last year, trade between China and Africa totaled $39.8 billion, up more than one-third from the year before. Unlike the West, China applies no import fees on products from 28 African countries.

But China's rise has not been without controversy. African shop owners complain that matching the price of their new Chinese competitors is almost impossible.

In July, Zambian workers at a Chinese-owned mine rioted over arduous working conditions. Five were shot and wounded by police in the melee. Michael Sata, the opposition party candidate for president, vowed to expel Chinese traders from Zambia in the run-up to the Sept 28 balloting, which he lost.

China's involvement in Africa is driven by both oil and diplomacy. Today, imports account for 40% of China's oil consumption and are expected to reach 60% by 2020. In response, Chinese oil companies have embarked upon a global search for new supplies. In Africa, they've found them in such nations as Angola, Chad, Congo, Libya and the Central African Republic.

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But the oil fields haven't come cheap, according to Zhongxiang Zhang, a senior fellow at the East-West Center in Honolulu. In January, China National Offshore Oil paid $2.27 billion for a 45% stake in a Nigerian field — $270 million more than a rival Indian bidder offered.

China regards its foreign oil deals as national security investments, so it hasn't shied from paying top dollar. Additional deals are expected. "The Chinese approach is governed by a significant amount of fear and desperation," says Joshua Kurlantzick of the Carnegie Endowment for International Peace, who estimates China's African oil industry investment to date at $15 billion.

On the diplomatic front, China considers African support at the United Nations vital on issues such as the status of Taiwan and human rights.

China's expansion in Africa also is complicating U.S. efforts to manage African debt relief and punish with international sanctions nations such as the Sudan, where government-backed militias are engaged in what President Bush has labeled genocide.

In 1996, state-owned China National Petroleum acquired its first stake in a Sudanese oil producer. Today, China buys about two-thirds of Sudan's oil exports and is the pariah state's major arms supplier and investor.

China, a permanent member of the U.N. Security Council, also has resisted proposed sanctions on Sudan.

For African nations, China offers a commercial partner and aid donor that lacks the West's scruples on human rights or government corruption. China has granted preferential loans to 26 African countries, including countries such as Ghana and the Republic of the Congo that have been granted debt relief by the World Bank and IMF.

World Bank President Paul Wolfowitz last week criticized China's lending practices, including the fact that Chinese banks do not comply with a set of social and environmental standards endorsed by 80% of the world's commercial banks.

China isn't backing down. "The World Bank has its own ideology under Wolfowitz's leadership of emphasizing human rights (and) democracy," says Chu Shulong, a foreign policy expert at Tsinghua University in Beijing. "China does not have these conditions."

The Asian giant also is keen to promote its state-led economy as a model for African nations that bridle at the free market gospel of the International Monetary Fund and U.S. Treasury Department.

China's unabashed commercial orientation, however, is ironic considered against its promotion of leftist revolutions in Africa during the 1960s and 1970s. Under Mao Zedong, Chinese officials also promoted socialist solidarity with the continent's post-colonial nations by dispatching doctors and engineers to work on behalf of the poor.

Today, Beijing is festooned with red banners, a major highway is being restricted for summit-goers' private use, and officials talk of a major new aid package to be unveiled this weekend.

But analysts cautioned against exaggerating China's growing role. Moss says many announcements of new deals are never implemented, adding: "There is a lot of hype around the 'Chinese invasion.' "

China Woos African Trade (CSM)

By Peter Ford

The Christian Science Monitor, November 3, 2006

BEIJING

For Chinese officials, this weekend's summit here of more than 40 African leaders is a chance to celebrate Beijing's booming economic ties with the continent.

For Western governments, though, the jamboree highlights a new and troubling source of friction with China: the Asian giant's readiness to bail out African regimes that the US and Europe are trying to pressure into improving their human rights and good governance records.

Behind the handshakes, and the giant billboards from which elephants look down on Beijing's expressways, the summit raises vexing ethical questions about China's role in the world.

In its drive to feed the booming Chinese economy's voracious appetite for oil and other raw materials, the Chinese government has not always been choosy about the African friends it has made - such as pariah regimes in Sudan and Zimbabwe.

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Its indiscriminate glad-handing, though, is frustrating recent Western efforts to use trade, aid, and investment to compel certain African regimes to clean up corruption and dubious ethics.

For their part, Chinese officials say that business is business, and that it is not their job to tell others how to run their countries.

"It is never our view that a country should interfere in another country's internal affairs," Deputy Foreign Minister Zhai Jun said last week. "We've never imposed on other countries our values ... and we do not accept other countries imposing their values on us either."

That principle has guided China's dealings with the world for 50 years, points out He Wenping, head of African studies at the Chinese Academy of Social Sciences. "It has played a very positive role in developing Chinese influence," she says. "Developing countries appreciate it very much. It won't change in the near future."

China's business with Africa is exploding; trade has increased tenfold over the past decade to nearly $40 billion a year, making Beijing the continent's third largest trading partner, just behind the US and France. Chinese investment now tops $6.4 billion, largely in oil installations but also in prestige projects such as railroads in Angola and Nigeria, sports stadiums in Mali and the Central African Republic, and Africa's largest dam in Ethiopia, according to Deputy Trade Minister Wei Jianguo. China's president, prime minister and foreign minister have all visited the continent this year.

Alongside Chinese rhetoric about cooperation among developing countries sits the Asian giant's insatiable need for oil and raw materials. Angola and Sudan are China's biggest African trading partners, selling Beijing 25 percent of its oil imports. Within five years, officials here say, that share will rise to 33 percent.

Beijing secured its position in Angola with a $2 billion loan. That windfall came just in time for Angola, which is ranked 151 out of 158 nations in Transparency International's 2005 corruption ratings. Thanks to Chinese generosity, Angola managed to avoid submitting to good governance conditions that the International Monetary Fund was attaching to its financial assistance.

China's investments in Sudan's oil industry, and its payments for Sudanese oil, have also emboldened Khartoum to rebuff United Nations efforts to send an international force to Darfur, where some 200,000 people have been killed since 2003.

"Khartoum can tell the rest of the world" where to go, complains Peter Takirambudde, head of the Africa division of Human Rights Watch. "They've got the cash. China gets a nice deal and in return it undertakes to see no evil and speak no evil about human rights. That's the most dangerous trend."

Beijing insists that it has used its influence with the Khartoum government to try to convince the authorities to accept a UN force. "We are using our own channels to try to bring the parties to a more sensible position" Mr. Zhai told reporters.

Chinese analysts also say that as latecomers to international investment, Chinese state-owned and private firms have been forced to explore markets that Western firms have not already snapped up, sometimes for political reasons.

International aid donors, though, worry that China's scruple-free approach undermines their efforts to improve African governance. World Bank President Paul Wolfowitz complained last week that Chinese lenders "do not respect" a set of internationally agreed principles to ensure that loans to African countries fund projects that meet high social and environmental standards, and hoped that Beijing would not follow past Western practices of propping up corrupt African dictators.

Africans themselves are beginning to complain - especially businessmen and trade unionists in countries such as South Africa, where cheap Chinese imports are undercutting local manufactured goods and threatening local firms. In Zambia, anger over poor conditions at a Chinese-owned copper mine - where a Chinese security guard shot three workers in July - colored last month's presidential election campaign.

That incident should serve as "an early warning bell for the Chinese government and companies," says Dr. He. "These economic frictions can become a political issue."

One problem, says Wang Hongyi, an analyst with the China Institute of International Studies - a think tank linked to the foreign ministry - is that "even at home it is hard to supervise private companies." Another is that Chinese companies unaccustomed to strong trade unions or environmental laws at home find them difficult to deal with abroad.

Chinese firms, however, "are judged by the same standards as other international companies that operate in Africa," says Chris Alden, an expert in African politics at the London School of Economics.

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In the long term, he predicts, Chinese investors - both state and private - "will conform to the same positions as other international players because governance issues will be as much a problem for them as they are for other multinationals.

"As China becomes a card-carrying member of the group of leading states, it will move away from its policy of not attaching conditions" to its loans and investment, Dr. Alden suggests. And with Beijing's activities in Africa under increasing international scrutiny, it will be obliged to "untangle and normalize relations" as it settles down to deal with classic donor problems such as debt management and trade disputes.

As it does so, says Mr. Takirambudde, "China will have to develop relations with Africans at large, not just with the top dogs.

"In the short term they can disregard" the behavior of their African partners, he adds. "But in the long term that is not sustainable. Eventually they will be forced to take account of these issues."

Under Fire, South Africa Shakes Up Its Strategy Against AIDS (NYT)

By Michael Wines

The New York Times, November 3, 2006

JOHANNESBURG, Nov. 2 — Departing from years of indecision and, on occasion, denial, South Africa's government is considering a new and sweeping assault on an AIDS pandemic that already includes one in eight of the world's H.I.V. infections.

Every day, 1,000 South Africans are infected with H.I.V., and 800 more are killed by AIDS, the government says. With that backdrop, the deputy minister of health, Noziza Madlala-Routledge, said in an interview on Thursday that a new AIDS strategy to be announced in December might include proposals to broaden the distribution of life-saving antiretroviral drugs, remedy the shortage of health care workers and improve treatment of H.I.V.-positive pregnant women.

The new strategy will be overseen by a restructured national AIDS council charged with halving the number of new H.I.V. infections by 2011.

The issues top a list of what AIDS activists and nongovernmental experts have long called serious shortcomings in the government's AIDS program. In a striking departure from the past, government officials are drafting the plan in close consultation with those same critics, who have long been all but excluded from past considerations.

Ms. Madlala-Routledge said critics "have identified blind spots" that the government, preoccupied with building a new nation, had missed.

"We've definitely reached a turning point in our country, with civil society and government working in concert," Ms. Madlala-Routledge said. "We recognize that the campaign against AIDS needs all of us."

Experts and activists outside the government said they were heartened by the government's new approach, but would wait to see what new programs were announced and how vigorously they would be carried out.

"I don't think we're popping the Champagne corks quite yet," Jonathan Berger, who directs the AIDS Law Project at the University of the Witwatersrand, said this week. "There are still going to be, on certain key issues, quite significant differences of opinion."

The most important change, he said, may be that the two sides are now talking seriously about how to resolve those differences.

Practically, the signal change may be that the government's lightning-rod health minister, Dr. Manto Tshabalala-Msimang, has been sidelined from day-to-day control of AIDS policy.

President Thabo Mbeki ordered the current deputy president, Phumzile Mlambo-Ngcuka, to oversee a cabinet-level review of AIDS policies in September, saying the AIDS crisis "is bigger than any individual, minister or department."

Soon afterward, Dr. Tshabalala-Msimang entered a hospital for a respiratory infection, and little has been heard from her since. Her deputy, Ms. Madlala-Routledge, has taken over AIDS issues for the ministry.

To many here, Dr. Tshabalala-Msimang's fall from grace is proof of democratic pressures at work. Mr. Mbeki, who once questioned the scientific link between H.I.V. and AIDS, fell silent on the issue years ago after being internationally criticized. Until now, Dr. Tshabalala-Msimang was the public face of his government's AIDS policies.

An unrelenting advocate of vitamin and nutritional defenses against H.I.V., the virus that causes AIDS, she has been widely derided for calling antiretrovirals "poison" and for advocating a diet heavy in garlic, beetroot and other traditional remedies to

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forestall AIDS. Under her tenure, the government resisted giving pregnant women drugs to reduce the transmission of H.I.V. to fetuses until it was forced by a court order.

The government has since begun mass distribution of anti-AIDS drugs at major hospitals. But the slow pace of that rollout and Dr. Tshabalala-Msimang's resistance to drug therapies have ballooned into political issues here, where one in nine South Africans — and one in four adults — is infected with H.I.V.

The discontent became evident this year within the African National Congress, the dominant political party, when Parliament's chief whip urged Mr. Mbeki to work "intimately" with AIDS activists in the interest of millions of H.I.V.-positive citizens. And it bubbled over last August at an international AIDS conference in Toronto, where South Africa's national exhibit, featuring baskets of garlic and beetroot, shocked many.

The United Nations' special envoy to Africa on AIDS, Stephen Lewis, denounced the country's AIDS policies as "worthy of a lunatic fringe" before 20,000 delegates at the conference. At the same time, 81 international scientists sent Mr. Mbeki a petition urging him to dismiss Dr. Tshabalala-Msimang.

Since the Toronto conference, AIDS activists and experts say, the government's position has undergone a sea change. Last weekend, the deputy president and the deputy health minister were the marquee speakers at a Johannesburg conference of AIDS activists and public interest groups; both called for a united assault on AIDS.

South Africa's Treatment Action Campaign, an organization of 20,000 mostly H.I.V.-positive AIDS activists, has been by far the most vocal critic of the government's programs. In an interview from Cape Town on Thursday, the group's general secretary, Sipho Mthathi, said there was now "a growing enthusiasm, across the board, around the possibility of what we can do as a country in a united fashion" to combat the pandemic.

U.N. Official Held, Accused Of Graft (WT)

By Betsy Pisik

The Washington Times, November 3, 2006

NEW YORK -- A senior U.N. procurement officer was arraigned in federal court yesterday, accused of two counts of steering about $62 million worth of contracts to two companies in his native India.

Sanjaya Bahel, 55, was arrested in New York on Wednesday evening, and U.N. Secretary-General Kofi Annan lifted Mr. Bahel's diplomatic immunity at the request of federal prosecutors.

Mr. Bahel is accused by the U.S. District Attorney's Office, Southern District of New York, of steering contracts to an associate at Thunderbird Industries and Telecommunications Consultants India Ltd. (TCIL), which is owned by the Indian government.

In exchange, the associate, Miami businessman Nishan Kohli, sublet to Mr. Bahel an East Side apartment at a reduced rate, prosecutors said, later selling him the condominium for so little that the transaction raised red flags in the building's board.

According to the indictment, Mr. Bahel "granted exceptional access to Kohli, providing Kohli with a line of communication and source for information within the U.N. that exceeded what U.N. vendors could typically expect to receive."

In addition, the procurement official "even canceled bids by competing companies and re-bid contracts in order to give a competitive advantage to Kohli's business interests."

Mr. Kohli was arrested Wednesday night, charged with trying to bribe or wrongly influence the U.N. official.

TCIL secured contracts worth about $50 million to sell the United Nations radio communications equipment, desktop computers, laptop computers and other items, according to the U.S. attorney's office.

Thunderbird won a three-year contract worth more than $12 million to provide engineering manpower to U.N. missions, although the contract was never executed, according to the indictment.

The United Nations suspended Mr. Bahel without pay in August amid an investigation of the procurement office by U.N. auditors and an outside company, Deloitte & Touche.

In January, eight U.N. staff members were suspended in connection with the inquiry, some with pay, pending the outcome of an audit by the U.N. Office of Internal Oversight Services (OIOS).

Of these, four have returned to work, and two, including procurement chief Andrew Toh, are awaiting a resolution.

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Mr. Bahel, who has worked with the United Nations since 2000, has drawn no pay since Aug. 31, when he was charged by the organization with misconduct.

As the chief of the commercial activities service in the U.N. Postal Administration, his most recent position, Mr. Bahel received a salary of $104,000 to $132,000 a year.

Irregularities in his contracting activities were first discovered by an independent committee looking into corruption related to the Iraq oil-for-food program. None of the contracts Mr. Bahel handled was related to the Iraq effort.

After an OIOS inquiry turned up nothing amiss, the U.N. Department of Administration and Management sought an audit by Deloitte & Touche.

That audit, which cost $3 million, relied on OIOS findings but went further to uncover irregularities in scores of contracts.

An even more detailed audit by Deloitte & Touche, which would have looked for additional irregularities or wrongdoing, was canceled after resistance from member states and some U.N. officials.

If convicted, Mr. Bahel and Mr. Kohli face up to 10 years in prison.

More U.N. Corruption (WSJ)

The Wall Street Journal, November 3, 2006

Kofi Annan has famously described the United Nations as an institution of "unique legitimacy." But when he turns over the Secretary Generalship to South Korean Ban Ki Moon two months from now, he will be leaving behind an organization whose reputation for integrity and competence has never been lower.

The latest scandal is the arrest and indictment this week of U.N. procurement official Sanjaya Bahel on bribery charges. He's accused by federal prosecutors of steering more than $50 million worth of contracts to bidders in exchange for such considerations as a cheap Manhattan apartment. And his alleged misdeeds may have compromised U.N. peacekeeping missions in places like Liberia, Congo and Kosovo, where a U.N. internal investigation says favored contractors were allowed to skimp on employee salaries and pocket the money for themselves.

Last year, Russian Alexander Yakovlev pled guilty in a case involving $1 million in bribes on $79 million in contracts. And earlier this year a U.N. internal probe concluded that more than $300 million worth of contracts may have been improperly handled, either through mismanagement or outright criminality. One person who had a cozy relationship with the U.N. procurement office, by the way, was none other than Mr. Annan's son Kojo, whose role in a firm that benefited from Iraqi Oil for Food contracts has never been fully clarified.

Which reminds us that Mr. Annan's promise of U.N. reform has also gone nowhere. Christopher Burnham, the talented American brought to the U.N. Secretariat to promote reform, is quietly returning to private life. His attempts were mostly stymied by the U.N. bureaucracy and General Assembly, not that Mr. Annan tried all that hard to move its members.

It would be nice to think we can expect better from Mr. Ban. But it is telling that the South Korean Foreign Minister helped secure his new post with blandishments and pledges of aid to some of the Security Council countries that voted on him. Judging from the record of U.N. scandal, he's right to conclude that what really talks at Turtle Bay is money.

Avoiding Calamity On The Cheap (NYT)

The New York Times, November 3, 2006

A much-anticipated study on climate change ordered up by Prime Minister Tony Blair of Britain has attempted to calculate the economic costs of global warming. Though necessarily conjectural, the study warns that if we continue on our current course, atmospheric temperatures could rise four degrees or so in this century, producing a hugely disruptive mix of rising sea levels and withering droughts.

This in turn would drain the world economy of trillions of dollars, with social and economic costs on a scale “similar to those associated with the great wars and the economic depression of the first half of the 20th century.”

The study, led by Sir Nicholas Stern, former chief economist of the World Bank, says that the only way to avoid that dismal outcome is to slash worldwide emissions of carbon dioxide by investing hundreds of billions of dollars in cleaner technologies. The report has been criticized for overestimating the consequences of warming and underestimating the costs of mitigation. Still, its basic point seems unassailable: failure to act now will exact much greater penalties later on.

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Developing and deploying the necessary technologies will require a collective global effort. But the world's leading producer of greenhouse gases, the United States, is doing scandalously little. A detailed examination by The Times's Andrew Revkin pointed out that Washington spends only $3 billion a year for all energy research and development. Of this, only a fraction — $416 million, according to the Energy Department — was spent last year on climate-friendly, renewable technologies like wind, solar power, cellulosic ethanol and hydrogen. By contrast, Washington spends $28 billion on medical research and $75 billion on military research.

The administration claims that it is in fact doing more, especially if various tax incentives for cleaner fuels like ethanol are included in the mix. Even so, in an age when people are worried not only about warming but also about the country's growing dependence on imported oil, the federal effort on alternative energy sources is pathetically small.

The Bush administration's lack of commitment to research might not be quite so lamentable if it had been prodding the private sector into investing in cleaner energy. Private capital is not likely to emerge in big enough quantities unless a significant cost is attached to carbon emissions — either in the form of a carbon tax or a mandatory cap on emissions. But the administration has refused to ask Congress to impose either.

Since the dawn of the industrial revolution, the atmosphere has served as a free dumping ground for carbon gases. If people and industries are made to pay heavily for the privilege, they will inevitably be driven to develop cleaner fuels, cars and factories. Most of the industrialized world has accepted the need for either carbon taxes or strict regulation, and Europe has already imposed a cap on emissions from its cars and factories.

Mr. Bush and many in Congress remain steadfastly opposed — still convinced, it appears, that calamity can be avoided on the cheap.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Officials See Qaeda Trials Using New Law In 2007 (NYT)

By Neil A. Lewis

The New York Times, November 3, 2006

WASHINGTON, Nov. 2 — The Pentagon expects to begin conducting the first war crimes trials at Guantánamo Bay, Cuba, under the new military commission law by summer, senior military officials have said.

But the trials will not involve any of 14 senior Qaeda operatives recently sent to Guantánamo from secret C.I.A. custody, the officials added. Instead, military prosecutors are planning to roll out the new system by trying some of the 10 people previously charged with lesser crimes whose earlier trials were aborted when the Supreme Court struck down the previous system of military commissions as unlawful.

Prosecutors have recently begun reviewing the records in the cases of the more important prisoners, including Khalid Shaikh Mohammed, said to have been the chief planner of the Sept. 11, 2001, attacks.

The chief prosecutor, Col. Morris D. Davis of the Air Force, said in an interview that those cases would be "huge and complex" and would involve a team of Justice Department lawyers as well as F.B.I. agents.

Colonel Davis would not speculate on when those cases would be ready for trial.

Other Pentagon and Justice Department officials said it could be well into 2008, at the earliest, before the men believed to have been the high command structure of Al Qaeda sat in the dock at Guantánamo, where they will almost certainly face the death penalty.

The anticipated dates for the resumption of the trials at Guantánamo, the first war crimes trials conducted by the United States since the end of World War II, is far slower than the pace suggested by President Bush and many who supported the measure that Congress approved to authorize the new proceedings.

Officials say no trials can proceed — indeed, no charges will be issued — until the Office of Military Commissions in the Pentagon produces a new operations manual for war crimes trials.

The manual will list the elements the government needs to prove to convict a detainee for each of the possible crimes to be charged. The trials of the senior Qaeda figures may evoke images similar to those depicted in the photographs of the Nuremberg tribunals, with defendants arrayed alongside one another in the courtroom wearing headphones for the translation of the proceedings.

Officials said some Guantánamo defendants would be tried as a group facing the same wide-ranging conspiracy charges.

Pentagon planners have been discussing building a larger courthouse at Guantánamo with a new courtroom large enough for a trial with multiple defendants. The new building would replace the current courtroom, a converted dental clinic.

Brig. Gen. Thomas L. Hemingway, the Air Force officer who is legal adviser for the commissions, said recently that he expected the new operations manual to be completed by Dec. 31.

At a recent conference on military commissions at the George Washington University Law School, General Hemingway said it seemed more sensible to begin using the manual and the new law first for some cases in the pipeline.

The Pentagon had been criticized for the first round of hearings in which many of the procedures appeared to be made up by military judges as they went along. The new manual of procedures is aimed at eliminating the problem.

Colonel Davis, the chief prosecutor, said although his office would be required to draft a new set of charges for defendants whose trials had started, their cases would be the easiest.

"Even though we'll be starting over," he said, "we won't be starting over from scratch."

As for the high-level prisoners, the colonel said, "We will be starting just about from scratch."

He added that some preliminary work had been conducted and that some teams had been assigned to individual defendants.

Outside the military, a considerable debate is occurring on any decision to proceed slowly with prisoners like Mr. Mohammed.

Mary Jo White, the former United States attorney in Manhattan who has successfully prosecuted terrorism cases in civilian courts, said she hoped that the government was aware of how much the nation's reputation was at stake and how much it suffered from the flawed first attempt at military tribunals. "The presumption is against it being a fair process, in part because of

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what went on before," Ms. White said in an interview. "You can get justice out of these commissions, but now we've got a lot to prove."

She said that the best way would be to "finally bring the heavy-duty players to justice, those responsible for 9/11," and that Mr. Mohammed "should be at the top of the list."

Senator Lindsey R. Graham, the South Carolina Republican who is an expert on military law and was a pivotal player in reaching a compromise on the law, said in an interview this week that he understood why the military might start with lower-level prosecutions.

But Mr. Graham warned that because the trials were explicitly for war crimes, "we should be sparing in who we call a war criminal." He said the defendants tried under the law should be those "engaged in command and control," or the category of war criminal would be watered down.

Of the 10 previously charged defendants, none are capital cases, and the most famous, Salim Ahmed Hamdan, is generally known as Osama bin Laden's driver, although the military points out that he is charged with having a more active role.

Seven of the 10 are charged with conspiracy counts. Just Omar Khadr is charged with murder, accused of killing two American soldiers with a hand grenade. Because Mr. Khadr was 15 at the time, prosecutors are not seeking the death penalty.

In contrast, Colonel Davis said, Mr. Mohammed could, in theory, be charged with the murders of more than 2,700 people on Sept. 11.

"He is liable for the actions he set in motion," Colonel Davis said.

One of the most vexing issues in the new procedures involves rules for evidence obtained through coercion or torture. The law prohibits evidence obtained from torture, but generally allows the trial judge to decide in other cases if it is useful.

Col. Dwight H. Sullivan of the Marines, the chief defense lawyer for the commissions, said that those provisions might be well intentioned but that enforcing them was almost certain to be impossible.

"If you don't have any meaningful prohibition against the admission of hearsay evidence," Colonel Sullivan said, "then evidence obtained by torture can be laundered."

"You need to peel back the layers," he added, but that effort will surely run up against the difficulties of dealing with classified information.

The defendants will not meet Colonel Sullivan or his assistant prosecutors until after they have been charged, which might not be until late next year.

Questions About Torture May Slow Trials (AP)

By Hope Yen

AP, November 2, 2006

Riddled with legal gray areas, U.S. military trials for 14 high-level terror suspects and other detainees could bog down over questions about the CIA's interrogation tactics.

Military judges have wide freedom to define what is torture. And defense lawyers pledge to put on trial the government's treatment of detainees, particularly mock drownings and other practices banned by international treaties.

This week, attorneys for dozens of the detainees asked a federal appeals court to strike down key portions of the new military trials law, arguing the prisoners otherwise would be locked out of the regular judicial system.

"These prosecutions will be a nightmare of procedural issues and disagreements," said Stephen Saltzburg, a law professor at George Washington University who specializes in military justice. "I think military judges are going to be surprised by how many issues come up."

The Defense Department is moving to prosecute more than 70 of the estimated 435 prisoners at Guantanamo Bay, Cuba, in trials beginning as early as next spring. Officials have already selected 10 detainees for prosecution, and expect to charge another 14 high-level suspects recently transferred by President Bush from CIA custody.

The group includes Abu Zubaydah, believed to be a link between Osama bin Laden and many al-Qaida cells, and Khalid Sheik Mohammed, the suspected mastermind of the Sept. 11, 2001, attacks. Both have revealed information in CIA interrogations that reportedly involve forced nudity, stress positions and mock drowning known as waterboarding.

Under the law signed by Bush last month, the government is barred in tribunals from using any evidence stemming from torture. The law also prohibits evidence from "cruel and inhuman treatment" if it was obtained on or after Dec. 30, 2005, when Congress enacted the Detainee Treatment Act.

But coercive evidence obtained before that date could be admitted if a military judge deems it reliable and relevant. Legal experts say that gives the judges broad discretion since the law doesn't define torture and almost all the evidence predates December 2005.

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"Notwithstanding what Sens. Lindsey Graham and John McCain say about waterboarding being clearly prohibited, the devil is in the details," said Duke law professor Scott Silliman. He noted that Vice President Dick Cheney recently argued that tactics involving a "dunk in water" weren't torture.

Silliman, a former military lawyer, said he expects almost all the evidence obtained before Dec. 30, 2005, to be admitted under the new law. While this might boost chances for successful prosecutions of suspected terrorists, it could expose unseemly details of shadowy interrogation practices conducted by the CIA.

"Public opinion, particularly international opinion, will play a factor in whom they choose to prosecute," he said.

Among those the Pentagon has declined to say would be tried is Mohammed al-Qahtani, the suspected "20th hijacker" in the Sept. 11 attacks. Captured in December 2001 along the Afghanistan-Pakistan border, the Saudi wouldn't crack under normal questioning, so Defense Secretary Donald H. Rumsfeld approved harsher methods.

After FBI agents raised concerns, military investigators began reviewing the case and in July 2005 said they confirmed abusive and degrading treatment that included forcing al-Qahtani to wear a bra, dance with another man, stand naked in front of women and behave like a dog.

While the Pentagon determined "no torture occurred," the findings were aired in high-profile congressional hearings in 2005 that drew intense scrutiny from human rights groups. A new U.S. Army manual released in September — which doesn't apply to the CIA — now bans torture and degrading treatment, for the first time specifically mentioning forced nakedness, waterboarding and other tactics.

"Al-Qahtani is one who would cause us embarrassment if he is tried," Silliman said.

A Pentagon spokesman, Navy Cmdr. Jeffrey D. Gordon, said he could not comment on specific cases such as al-Qahtani's unless they are formally charged. He said prosecutions will be made "based on the facts and the law."

"We are giving the most egregious terror suspects, those accused of law of war violations, their day in court," he said.

Wells Dixon, an attorney for the Center for Constitutional Rights, isn't so sure. His group represents many of the Guantanamo prisoners, and they are trying to stop the military trials immediately by getting the new law thrown out as unconstitutional.

One of the law's most controversial provisions bars Guantanamo prisoners from challenging in federal court their indefinite detentions as "enemy combatants." The law instead authorizes three-officer military panels to review whether there is sufficient evidence to justify the detention.

The Center for Constitutional Rights successfully sued twice before over the right of habeas corpus, a basic tenet of the Constitution protecting detainees from unlawful imprisonment. Their efforts prompted Supreme Court rulings in 2004 that said foreign-born terror suspects at Guantanamo could have access to U.S. courts.

The rulings left open the possibility that "a properly constituted military tribunal" might suffice as a substitute. But several legal experts and Senate Judiciary Committee Chairman Arlen Specter, R-Pa., who voted for the new law, say the three-member panels rest on shaky legal ground.

In a filing Wednesday, retired judges from both political parties joined attorneys for the detainees in saying the new law "raises grave constitutional concerns" because it would let authorities use evidence that was gleaned from torturing prisoners.

The Justice Department has until Nov. 13 to respond in the case, which is pending before the U.S. Court of Appeals for the District of Columbia Circuit.

"One of the issues litigated will be whether certain techniques constitute torture," Dixon said. "I fully expect we will learn that many of the detainees who are held in secret prisons are subjected to waterboarding, prolonged isolation and perhaps forced medication."

"We will put the United States on trial for this," he said.

In a sign of that emerging strategy, lawyers for alleged al-Qaida suspect Jose Padilla asked a federal judge in Miami last month to dismiss his terrorism case in criminal court, arguing that he was tortured and force-fed psychedelic drugs at a U.S. military brig for more than three years.

"The torture took myriad forms, each designed to cause pain, anguish, depression and ultimately, the loss of will to live," Padilla's attorneys said in their motion, citing prolonged sleep deprivation, exposure to extremely hot and cold temperatures and shackling in stress positions.

Michael Greenberger, a former Justice Department attorney who is now a law professor at the University of Maryland, said he believes public sentiment may prove to be the deciding factor as judges sort out the legal gray areas.

"People are going to be all over these proceedings," he said. "The human rights groups are upset. Civil libertarians are upset. You've got the worldwide community looking at this as something coming from outer space. This will not be done under cover of darkness."

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Well-behaved Gitmo Detainee Makes Call (AP)

By Michael Melia

AP, November 2, 2006

A well-behaved detainee at Guantanamo Bay was allowed to make a rare phone call to his wife in London recently, his lawyer said Thursday.

Jamil el-Banna, a 38-year-old Jordanian with British residency, had a tearful conversation with his wife Sabah el-Banna for an hour on Oct. 19, his attorney Brent Mickum told The Associated Press. She went to the U.S. Embassy in London to receive the call, authorities said.

"When I heard his voice, I started crying, he cried too," she told a British newspaper, the Willesden & Brent Times.

"He told me that when the prison guards led him away from his camp, he thought he was going to be interrogated again," she added. "He didn't even know he was going to speak to me, so hearing my voice was a complete shock to him."

Hundreds of detainees at the isolated prison camp have been imprisoned for years without ever speaking with their families.

But Mickum told the AP the military allowed el-Banna to make the long-distance phone call on humanitarian grounds because his mother recently died. El-Banna has one of the best behavior records among the detainees at the Guantanamo Bay Naval Base in Cuba, the attorney said.

Because of security concerns, detainees are rarely permitted telephone contacts with family members, Navy Cmdr. Robert Durand, a Guantanamo spokesman, told the AP. He said he did know how many other calls have been permitted.

"The calls are coordinated with the U.S. Embassy, which verifies the identity of the caller," he said.

The detainee's wife declined to speak with an AP reporter about the call.

Mickum said the government initially told him two people would be allowed to speak with el-Banna from the U.S. Embassy in London. But when the attorney pressed to allow all five of the detainee's children to attend, the government said only his wife was invited.

El-Banna, who was arrested in Gambia in November 2002, has been held at Guantanamo since March 2003 on suspicion of associating with an al-Qaida operative. Mickum maintains his client is innocent.

About 435 detainees are held at Guantanamo, most suspected of links to al-Qaida or the Taliban. About 120 have been approved for transfer to either their home countries or another nation that was willing to accept them.

Last month, a British court upheld the British government's refusal to seek the release of el-Banna and two other British residents held at Guantanamo. The government argued that it had no duty to defend the interests of residents who were not British citizens.

A total of six former British residents remain in Guantanamo. Nine British citizens were released in March 2004 and January 2005 after the Foreign Office made formal requests to the United States.

Punting Habeas (LAT)

The Los Angeles Times, November 3, 2006

THE BUSH administration has fared miserably with the U.S. Supreme Court when it comes to its more controversial post-Sept. 11 initiatives. That losing streak could be extended now that lawyers for detainees at Guantanamo Bay in Cuba have taken aim at the new Military Commissions Act, which purports to prevent their clients from filing habeas corpus petitions.

If the high court again rules against the administration, President Bush will have himself to blame for obstinately refusing to afford detainees the protection of the Great Writ. But blame also will fall on members of Congress who knew better than to sign off on such flawed legislation. Among them is Sen. Arlen Specter (R-Pa.), the Senate's purported constitutional conscience.

Congress rushed through the Military Commissions Act before its election break in response to the Supreme Court's June ruling that Bush exceeded his authority by establishing military tribunals without congressional authorization. The court also rejected the administration's argument that it lacked jurisdiction to decide that issue.

In separate 2004 cases, the justices held that both U.S. citizens and foreigners detained at Guantanamo could challenge their confinement. Given that history, Specter warned that another judicial rebuke was coming if the Senate barred habeas corpus appeals.

"Surely as we are standing here, if this bill is passed and habeas corpus is stricken, we'll be back on this floor again," Specter said.

Yet after his habeas corpus amendment was shot down, Specter and 13 other supporters voted for the flawed Military Commissions Act. Specter implied that it was all right for Congress to ignore the Constitution because the high court would "clean it up" on appeal.

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On Wednesday, that clean-up process began when lawyers for some of the hundreds of Guantanamo detainees with pending habeas complaints asked a U.S. court of appeals to allow their clients to continue challenging their imprisonment, despite the Military Commissions Act.

Echoing one of Specter's arguments, the lawyers noted that the Constitution allows Congress to suspend habeas corpus only in "cases of rebellion or invasion." Serious as the terrorism threat may be, it is neither an invasion nor a rebellion.

The appeals court has a choice: either declare the Military Commissions Act unconstitutional or interpret it in a way that doesn't jeopardize pending habeas actions. Either way, the Supreme Court likely will be asked to resolve the issue.

Even if Specter and other supporters of the Great Writ had voted against the Military Commissions Act, it probably would have passed. But the margin would have been narrower if they had been less willing to punt the question of whether the legislation violates the Constitution.

During John G. Roberts Jr.'s confirmation hearings, Specter complained that the high court had appointed itself Congress' "taskmaster." Roberts replied: "I don't think the court should be a taskmaster for Congress. The Constitution is the court's taskmaster, and Congress' as well."

If Congress took its responsibilities to uphold the Constitution more seriously, there would be fewer problems for Chief Justice Roberts and his colleagues to "clean up."

U.S. Web Archive Is Said To Reveal A Nuclear Guide (NYT)

By William J. Broad

The New York Times, November 3, 2006

Last March, the federal government set up a Web site to make public a vast archive of Iraqi documents captured during the war. The Bush administration did so under pressure from Congressional Republicans who said they hoped to “leverage the Internet” to find new evidence of the prewar dangers posed by Saddam Hussein.

But in recent weeks, the site has posted some documents that weapons experts say are a danger themselves: detailed accounts of Iraq’s secret nuclear research before the 1991 Persian Gulf war. The documents, the experts say, constitute a basic guide to building an atom bomb.

Last night, the government shut down the Web site after The New York Times asked about complaints from weapons experts and arms-control officials. A spokesman for the director of national intelligence said access to the site had been suspended “pending a review to ensure its content is appropriate for public viewing.”

Officials of the International Atomic Energy Agency, fearing that the information could help states like Iran develop nuclear arms, had privately protested last week to the American ambassador to the agency, according to European diplomats who spoke on condition of anonymity because of the issue’s sensitivity. One diplomat said the agency’s technical experts “were shocked” at the public disclosures.

The documents, roughly a dozen in number, contain charts, diagrams, equations and lengthy narratives about bomb building that nuclear experts who have viewed them say go beyond what is available elsewhere on the Internet and in other public forums. For instance, the papers give detailed information on how to build nuclear firing circuits and triggering explosives, as well as the radioactive cores of atom bombs.

“For the U.S. to toss a match into this flammable area is very irresponsible,” said A. Bryan Siebert, a former director of classification at the federal Department of Energy, which runs the nation’s nuclear arms program. “There’s a lot of things about nuclear weapons that are secret and should remain so.”

The government had received earlier warnings about the contents of the Web site. Last spring, after the site began posting old Iraqi documents about chemical weapons, United Nations arms-control officials in New York won the withdrawal of a report that gave information on how to make tabun and sarin, nerve agents that kill by causing respiratory failure.

The campaign for the online archive was mounted by conservative publications and politicians, who said that the nation’s spy agencies had failed adequately to analyze the 48,000 boxes of documents seized since the March 2003 invasion. With the public increasingly skeptical about the rationale and conduct of the war, the chairmen of the House and Senate intelligence committees argued that wide analysis and translation of the documents — most of them in Arabic — would reinvigorate the search for clues that Mr. Hussein had resumed his unconventional arms programs in the years before the invasion. American search teams never found such evidence.

The director of national intelligence, John D. Negroponte, had resisted setting up the Web site, which some intelligence officials felt implicitly raised questions about the competence and judgment of government analysts. But President Bush approved the site’s creation after Congressional Republicans proposed legislation to force the documents’ release.

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In his statement last night, Mr. Negroponte's spokesman, Chad Kolton, said, "While strict criteria had already been established to govern posted documents, the material currently on the Web site, as well as the procedures used to post new documents, will be carefully reviewed before the site becomes available again."

A spokesman for the National Security Council, Gordon D. Johndroe, said, "We're confident the D.N.I. is taking the appropriate steps to maintain the balance between public information and national security."

The Web site, "Operation Iraqi Freedom Document Portal," was a constantly expanding portrait of prewar Iraq. Its many thousands of documents included everything from a collection of religious and nationalistic poetry to instructions for the repair of parachutes to handwritten notes from Mr. Hussein's intelligence service. It became a popular quarry for a legion of bloggers, translators and amateur historians.

Among the dozens of documents in English were Iraqi reports written in the 1990s and in 2002 for United Nations inspectors in charge of making sure Iraq had abandoned its unconventional arms programs after the Persian Gulf war. Experts say that at the time, Mr. Hussein's scientists were on the verge of building an atom bomb, as little as a year away.

European diplomats said this week that some of those nuclear documents on the Web site were identical to the ones presented to the United Nations Security Council in late 2002, as America got ready to invade Iraq. But unlike those on the Web site, the papers given to the Security Council had been extensively edited, to remove sensitive information on unconventional arms.

The deletions, the diplomats said, had been done in consultation with the United States and other nuclear-weapons nations. Mohamed ElBaradei, the director of the International Atomic Energy Agency, which ran the nuclear part of the inspections, told the Security Council in late 2002 that the deletions were "consistent with the principle that proliferation-sensitive information should not be released."

In Europe, a senior diplomat said atomic experts there had studied the nuclear documents on the Web site and judged their public release as potentially dangerous. "It's a cookbook," said the diplomat, who spoke on condition of anonymity because of his agency's rules. "If you had this, it would short-circuit a lot of things."

The New York Times had examined dozens of the documents and asked a half dozen nuclear experts to evaluate some of them.

Peter D. Zimmerman, a physicist and former United States government arms scientist now at the war studies department of King's College, London, called the posted material "very sensitive, much of it undoubtedly secret restricted data."

Ray E. Kidder, a senior nuclear physicist at the Lawrence Livermore National Laboratory in California, an arms design center, said "some things in these documents would be helpful" to nations aspiring to develop nuclear weapons and should have remained secret.

A senior American intelligence official who deals routinely with atomic issues said the documents showed "where the Iraqis failed and how to get around the failures." The documents, he added, could perhaps help Iran or other nations making a serious effort to develop nuclear arms, but probably not terrorists or poorly equipped states. The official, who requested anonymity because of his agency's rules against public comment, called the papers "a road map that helps you get from point A to point B, but only if you already have a car."

Thomas S. Blanton, director of the National Security Archive, a private group at George Washington University that tracks federal secrecy decisions, said the impetus for the Web site's creation came from an array of sources — private conservative groups, Congressional Republicans and some figures in the Bush administration — who clung to the belief that close examination of the captured documents would show that Mr. Hussein's government had clandestinely reconstituted an unconventional arms programs.

"There were hundreds of people who said, 'There's got to be gold in them thar hills,' " Mr. Blanton said.

The campaign for the Web site was led by the chairman of the House Intelligence Committee, Representative Peter Hoekstra of Michigan. Last November, he and his Senate counterpart, Pat Roberts of Kansas, wrote to Mr. Negroponte, asking him to post the Iraqi material. The sheer volume of the documents, they argued, had overwhelmed the intelligence community.

Some intelligence officials feared that individual documents, translated and interpreted by amateurs, would be used out of context to second-guess the intelligence agencies' view that Mr. Hussein did not have unconventional weapons or substantive ties to Al Qaeda. Reviewing the documents for release would add an unnecessary burden on busy intelligence analysts, they argued.

On March 16, after the documents' release was approved, Mr. Negroponte's office issued a terse public announcement including a disclaimer that remained on the Web site: "The U.S. government has made no determination regarding the authenticity of the documents, validity or factual accuracy of the information contained therein, or the quality of any translations, when available."

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On April 18, about a month after the first documents were made public, Mr. Hoekstra issued a news release acknowledging "minimal risks," but saying the site "will enable us to better understand information such as Saddam's links to terrorism, weapons of mass destruction and violence against the Iraqi people." He added: "It will allow us to leverage the Internet to enable a mass examination as opposed to limiting it to a few exclusive elites."

Yesterday, before the site was shut down, Jamal Ware, a spokesman for Mr. Hoekstra, said the government had "developed a sound process to review the documents to ensure sensitive or dangerous information is not posted." Later, he said the complaints about the site "didn't sound like a big deal," adding, "We were a little surprised when they pulled the plug."

The precise review process that led to the posting of the nuclear and chemical-weapons documents is unclear. But in testimony before Congress last spring, a senior official from Mr. Negroponte's office, Daniel Butler, described a "triage" system used to sort out material that should remain classified. Even so, he said, the policy was to "be biased towards release if at all possible." Government officials say all the documents in Arabic have received at least a quick review by Arabic linguists.

Some of the first posted documents dealt with Iraq's program to make germ weapons, followed by a wave of papers on chemical arms.

At the United Nations in New York, the chemical papers raised alarms at the Monitoring, Verification and Inspection Commission, which had been in charge of searching Iraq for all unconventional arms, save the nuclear ones.

In April, diplomats said, the commission's acting chief weapons inspector, Demetrius Perricos, lodged an objection with the United States mission to the United Nations over the document that dealt with the nerve agents tabun and sarin.

Soon, the document vanished from the Web site. On June 8, diplomats said, Mr. Perricos told the Security Council of how risky arms information had shown up on a public Web site and how his agency appreciated the American cooperation in resolving the matter.

In September, the Web site began posting the nuclear documents, and some soon raised concerns. On Sept. 12, it posted a document it called "Progress of Iraqi nuclear program circa 1995." That description is potentially misleading since the research occurred years earlier.

The Iraqi document is marked "Draft FFCD Version 3 (20.12.95)," meaning it was preparatory for the "Full, Final, Complete Disclosure" that Iraq made to United Nations inspectors in March 1996. The document carries three diagrams showing cross sections of bomb cores, and their diameters.

On Sept. 20, the site posted a much larger document, "Summary of technical achievements of Iraq's former nuclear program." It runs to 51 pages, 18 focusing on the development of Iraq's bomb design. Topics included physical theory, the atomic core and high-explosive experiments. By early October, diplomats and officials said, United Nations arms inspectors in New York and their counterparts in Vienna were alarmed and discussing what to do.

Last week in Vienna, Olli J. Heinonen, head of safeguards at the international atomic agency, expressed concern about the documents to the American ambassador, Gregory L. Schulte, diplomats said.

Calls to Mr. Schulte's spokesman yesterday were not returned.

U.S. Pulls Web Site Said To Reveal Nuclear Guide (AP)

AP, November 3, 2006

WASHINGTON - The nation's top intelligence official took down a government Web site with captured Saddam Hussein-era Iraqi documents, after questions were raised whether it provided too much information about making atomic bombs.

In a statement Thursday night, a spokesman for National Intelligence Director John Negroponte said his office has suspended public access to the Web site "pending a review to ensure its content is appropriate for public viewing."

The action came after The New York Times raised questions about the contents of the government site, called the "Operation Iraqi Freedom Document Portal." The Times' Web site reported Thursday night that weapons experts say documents posted on the government site in recent weeks provide dangerous detail about Iraq's covert nuclear research before the 1991 Persian Gulf war.

Story continues below ? advertisement

"While strict criteria had already been established to govern posted documents, the material currently on the Web site, as well as the procedures used to post new documents, will be carefully reviewed before the site becomes available again," said Negroponte's spokesman, Chad Kolton.

Pressed by Republican members of Congress, Negroponte's office last March ordered the unprecedented release of millions of pages of Iraqi documents, most of them in Arabic, collected by the U.S. government over more than a decade.

U.S. Shuts Web Site That Contained Nuclear Details (WP)

By Dafna Linzer

Washington Post, November 3, 2006

The Office of the Director of National Intelligence said yesterday that it shut down a public Web site after complaints from U.N. weapons inspectors that the site included sensitive details about constructing nuclear and chemical weapons. The documents were collected in Iraq after the March 2003 invasion but predate the 1991 Persian Gulf War.

Intelligence officials said the documents do not indicate that Iraq had weapons of mass destruction when President Bush ordered U.S. troops to take over the country and depose Saddam Hussein.

Chad Kolton, spokesman for John D. Negroponte, the director of national intelligence, said the office had "suspended access" to the site pending a review of the documents. "The material currently on the Web site as well as the procedures used to post new documents will be carefully reviewed before the site becomes available again," Kolton said.

The New York Times reported on its Web site last night, and in today's print edition, that the site had been shut down in response to concerns by the inspectors and other nuclear experts. Many of the documents were copies of information Iraq had repeatedly handed over to the United States and other U.N. Security Council members over more than a decade between the two wars.

Negroponte's office began posting thousands of captured Iraqi documents earlier this year at the insistence of Republican lawmakers, who hoped the documents could shed light on Iraq's prewar arsenal.

The documents were posted on a Web site administered by the Pentagon's Defense Intelligence Agency. Kolton said his office will go over the documents with the DIA to determine what can be reposted on the site. U.N. weapons inspectors in New York and Vienna, Kolton said, had complained that some documents could reveal weapons secrets.

"We are confident the DNI is taking the appropriate steps to maintain the balance between public information and national strategy," said Gordon Johndroe, spokesman for the National Security Council.

Optimism Turns To Anxiety On Curbing Nuclear Arms (WP)

By Dafna Linzer

The Washington Post, November 3, 2006

In the waning days of the 20th century, nearly a dozen countries abandoned nuclear weapons programs, betting on the promised security of a post-Cold War world.

But the trend toward disarmament seems to have tapered off almost as quickly as it began.

In the first six years of the 21st century, one country -- Libya -- agreed to give up the possibility of making a weapon. But North Korea accelerated its program, and many believe Iran is doing the same. More countries are exploring uranium enrichment and nuclear power programs that could be diverted to produce weapons.

Officials and nuclear experts who felt nothing but optimism in the early 1990s now see a world on the threshold of a dangerous arms race. Some fault the Bush administration for policies that rewarded nuclear-armed friends while denouncing foes accused of building the same weapons. Others say the current situation is a natural byproduct of a fragmented world in which countries no longer have to choose between the United States and the Soviet Union, but can go separate ways and build independent alliances.

"I think we are at a dangerous tipping point," said Sam Nunn, the former Democratic senator from Georgia who has devoted years of public service to stemming nuclear proliferation and is co-chairman of the Nuclear Threat Initiative. "One of the reasons we're in this predicament is that the United States government, which had been the main proponent of nonproliferation, appears not to have the clout to build the kind of broad international coalition that dissuades countries from going nuclear."

Since President Dwight D. Eisenhower began Atoms for Peace in 1953, the United States has been at the forefront of nonproliferation strategies, talking friend and adversary alike out of weapons that bring great power but carry the risk of deep isolation. "In the last two decades, the U.S. has successfully turned around a host of states -- Argentina, Brazil, Ukraine, Kazakhstan, Belarus, South Africa, Taiwan and South Korea," said Ashton B. Carter, who was assistant secretary of defense for international security policy from 1993 to 1996. "But in the last few years," Carter said, Iran and North Korea "have been allowed to lurch forward."

President Bush in 2002 named Iran, North Korea and Iraq under Saddam Hussein as members of an "axis of evil" pursuing weapons of mass destruction that could be given to terrorists. The prospect of the most dangerous weapons getting into the hands of the most dangerous people led Bush to war in Iraq against a suspected arsenal he did not find.

Meanwhile, Iran and North Korea expanded their nuclear capabilities. Last month, North Korea officially became a nuclear weapons state when it detonated a small plutonium bomb during an underground test. It is Iran, however, that the Bush administration named earlier this year as posing the greatest challenge to the United States. It is a worry shared by many policymakers and politicians outside the government, but it is not the only nuclear concern.

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In the 1960s, nonproliferation was one of the few areas on which there was agreement between the United States and what was then the Soviet Union. France, Britain, China and, experts believe, Israel had joined the nuclear club, and while the Cold War rivals were in the midst of their own arms race, they were also eager to prevent more states from acquiring nuclear weapons.

President John F. Kennedy worried in 1963 that if U.S. efforts were unsuccessful, there could be as many as 10 nuclear weapons states within a decade and the number could double after that. Today there are nine such states. But there would have been more had South Africa, Kazakhstan, Ukraine and Belarus not been among the countries that gave up nuclear weapons after the breakup in 1991 of the Soviet Union.

Michael Levi, a nuclear scholar at the Council on Foreign Relations, said that the collapse of the Soviet Union was a unique moment for nonproliferation, but that "the Cold War isn't going to end every 10 years."

"If you focus on nuclear testing as a benchmark, then you've got three nuclear states in the last eight years -- India, Pakistan and North Korea. But if you go by acquiring nuclear weapons, it would be one a decade," Levi said, referring to North Korea.

North Korea's test has deepened worries of an Asian arms race, with Japan and South Korea among dozens of countries with the technical ability -- known as "breakout" capacity -- to quickly divert materials from their energy programs for bomb-making. Mohamed ElBaradei, the director of the International Atomic Energy Agency, calls those countries "virtual" weapons states and noted during a recent talk in Washington that those with the know-how, including Japan and South Korea, could make nuclear devices "overnight" if they wanted to.

"When the Japanese, South Koreans and Taiwanese see North Korea go nuclear and nothing done, they will reconsider their decisions not to go nuclear," said Carter, now a Harvard University professor. Noting that Egypt and Saudi Arabia may change their postures too, Carter said the recent turn toward nuclear weapons presented "the biggest setback to American security in a decade. It doesn't get any bigger than this."

Jon Wolfsthal, a fellow at the International Security Program of the Center for Strategic and International Studies, said that in the 1990s, "the pessimists used to be in the minority on nuclear issues, and now theirs is the dominant view."

"The long-term pessimists will tell you the good old days were never that good," he said. "North Korea's program was up and running in the '80s, Iran's program was up and running in the '80s, India's was up in the '60s and people didn't see it because the relative dangers had diminished. We went from a Cold War world where life could end in 30 minutes to one where we had serious but isolated challenges. But now that the dangers of the Cold War really are in the history books, isolated dangers seem much more acute."

Today, Argentina, Australia, Brazil, Canada and South Africa have begun or have expressed interest in enriching uranium to sell on the world market as nuclear power becomes more attractive to Third World countries. Iran has said repeatedly that its large-scale enrichment plans are designed solely for power generation. Uranium enriched to low levels, as the Iranians have done so far, can be used for fueling nuclear power plants, not for weapons. But the same process, if done at higher speeds for longer periods, can produce bomb-grade uranium. Egypt, Turkey and Algeria are all exploring nuclear power capabilities.

"In a way, it's a very bad time," said David Albright, president of the Institute for Science and International Security.

"Egypt and Turkey are already pushing for nuclear power while thinking in the back of their minds they may want the option of a nuclear capability, and all the weapons states seem to be retrenching with their nuclear weapons. But I think it can be reversed. Nuclear weapons are a deterrence but also a bargaining chip."

George Perkovich, a vice president at the Carnegie Endowment for International Peace, said the rise in proliferation threats can only be turned back once the United States, Russia and China figure out a power balance that makes room for each country's interests.

"The one thing we agreed on once with the Russians was that we didn't want any other countries getting nuclear weapons," Perkovich said. "But once you have a unipolar system, does Russia really have the same incentive when countries that are interested in getting nuclear weapons are also interested in limiting U.S. power? Russia and China feel wary of U.S. intentions now, in China's neighborhood and Russia's, so they aren't going to help us on nonproliferation just because it's the right thing to do."

Man Jailed For 3 Years Cleared, Set Free Haroon (KMGH)

KMGH-TV, November 3, 2006

Rashid's Attorney Claims He's Victim Of Ethnic Profiling

DENVER -- He spent three years behind bars but on Thursday, the charges against him were dropped and he was set free.

The question is Haroon Rashid a potential terrorist or was he the victim of ethnic profiling?

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In 2003, Rashid's arrest was hailed by U.S. Attorney General John Ashcroft hailed his arrest as a big step in the fight against terrorism.

But it's never been proven that he was a danger to the United States so he's being set free, but is still being deported to Pakistan. His young children are glad that they'll be out of jail, but to see him they'll have to travel to Pakistan.

"It's a happy day and a sad day at the same time," said Rima Barakat with the Muslim American Society.

The family maintains that Rashid, a U.S. citizen, was caught up in the post Sept. 11, 2001 fear about terrorism and targeted because of his name.

He was never charged with any terrorism related crimes but held on a relatively minor immigration violation instead.

"This is not right," said Barakat.

U.S. attorneys maintain that Rashid is dangerous.

"Mr. Rachid had attempted to purchase weapons. He had made statements to the effect of his desire to engage U.S. forces," said Troy Eid, U.S. attorney for Colorado.

Their is also a Haroon Rashid Aswat who was arrested last summer in South Africa. He is believed to be an Al -Quaida member responsible for the London bombings last summer. The family of the man in Denver believes the terrorism task force confused the two men and won't admit it.

"There was never any case of mistaken identity and the reports that you saw about that are absolutely false," Eid said.

The U.S. attorneys office said some of the records remain sealed so it's a matter of who you believed.

Haroon Rashid is actually being deported because of a low-level assault conviction when he said he was protecting his children. His deportation case is now being appealed to the U.S. Supreme Court.

The Haroon Rashid Aswat who is tied to the London bombings des have ties to the western united states. In 1999 he lived for a time in Seattle. Prosecutors also said he tried to set up a terrorist training camp in Oregon. The London bombing attack killed 56 people.

Terror Probe Target Set For Deportation (RMN)

By Sara Burnett, Rocky Mountain News

Rocky Mountain News, November 3, 2006

A U.S. District Court judge dismissed charges Thursday against a Lakewood man once targeted in a federal terrorism investigation, clearing the way for him to be deported.

Haroon Rashid, a native of Pakistan who has been a legal resident of the United States since 1995, was transferred to the custody of U.S. Immigration and Customs Enforcement immediately after Judge Lewis Babcock dismissed charges of conspiracy and making false statements to government officials.

Outside the courthouse, family and friends decried the government investigation, saying Rashid was arrested in 2003 because of anti-Muslim sentiment fueled by the Sept. 11, 2001, terrorist attacks.

Rashid, 35, and several family members caught the attention of the FBI's Joint Terrorism Task Force shortly after 9/11, records show.

After a period of surveillance, a Denver grand jury in March 2003 indicted Rashid and five other family members on charges of conspiracy to defraud the U.S. and making false statements in an immigration case.

The government alleged that the family lied to get another relative into the United States without a visa, then lied about his relationship to the family so he could remain here.

During a detention hearing, federal investigators revealed they had reason to think Rashid and other family members were a danger to the public.

Among their reasons was that Rashid traveled to the Pakistan-Afghanistan border shortly after the 9/11 attacks and may have participated in a terrorist training camp.

Rashid never was charged with anything terrorism-related, however, because doing so would have tipped the government's hand in other cases, authorities have said.

Shortly after his arrest, Rashid was released on bond. While out of jail, he was arrested again, this time for assaulting a 16-year-old boy in Arapahoe County.

A jury convicted Rashid of that crime in 2004 and an immigration judge later ruled that Rashid should be deported.

U.S. Attorney Troy Eid said Thursday his office chose to drop the charges of conspiracy and making false statements because Rashid already has served more time in jail than he would serve if he were convicted of those charges.

Family members and friends insisted the charges were trumped up and that the assault occurred because Rashid was protecting his children from gang members. They also said Rashid traveled to the Pakistan-Afghanistan border to visit his family, not to train to be a terrorist.

But Eid made no apologies. "Our office will pursue terrorism investigations wherever they lead," he said.

Muslim Defense Committee (WXXA)

WXXA-TV, November 3, 2006

A group of about 50-people have come together to form the Muslim Defense Committee.

They claim that the government's actions during the investigation into Yassin Aref and Mohammad Hossain were an attack on the Bill of Rights and the civil liberties of Americans. They're asking that the judge give the two men a light sentence.

Hossain and Aref were convicted last month of participating in a fake plot to launder money from the sale of a shoulder-fired missile to terrorists during an FBI sting operation.

Britain Eases Carry-on Rules (USAT)

By Jeffrey Stinson

USA Today, November 3, 2006

LONDON — Passengers flying out of Britain will be able to carry small amounts of liquids, gels and lotions, including toothpaste and medicine, through airport security checkpoints starting Monday.

The British government said Thursday that it would ease a ban it imposed on carry-on liquids Aug. 10 after the discovery of an alleged terrorist plot to use liquid explosives to blow up airliners headed for the USA.

Starting Monday, each air passenger can carry on liquids in individual containers of up to 100 milliliters, about 3 ounces. All of a passenger's containers must be placed in a single, clear resealable bag no larger than a liter — just less than a quart — in capacity.

Britain's new rule covers products such as hair gel, sun cream, non-solid deodorant, toothpaste, Vaseline, shaving cream, lip gloss, mascara, nail polish and remover, and other items.

Limits on the size of carry-on bags remain in place, the Department for Transport said.

Passengers can continue to board planes with drinks and other liquids they buy after they've cleared security checks.

The change in Britain brings its rules in line with those at airports in 24 other European Union countries — and at airports in the USA. All 25 EU members have agreed to use a standard set of security rules starting Monday.

Carry-on baggage rules have varied from country to country in Europe. Britain's restrictions were the tightest.

The restrictions put in place after Aug. 10 snarled airports throughout Europe. Additional security measures and passenger confusion caused the cancellation of more than 2,000 flights, hundreds of flight delays and long security lines at British airports in the three weeks after Aug. 10.

British Airways said it lost about $75 million because of the disruptions. Discount airline Ryanair has sued the British government for $6.2 million in damages.

In the months since the alleged plot was foiled, Britain has gradually eased requirements, which prevented passengers from boarding planes carrying anything more than travel documents.

“The security measures introduced at (British) airports in August were in response to a very real and serious threat,” the Transport Department said Thursday. “We have always said that we would keep these measures under review.”

In September, Britain allowed passengers to board with larger carry-on bags and musical instruments. Each passenger flying out of Britain and Europe now can carry one bag no larger than: 22 inches long, 17.7 inches wide and 9.8 inches deep.

HOMELAND RESPONSE:

Many Fear FBI's Anthrax Case Is Cold (LAT)

By Richard B. Schmitt And Josh Meyer

The Los Angeles Times, November 3, 2006

WASHINGTON — Five years after a series of deadly anthrax-laced letters rattled the nation, the FBI has offered no indication that it is any closer to solving the first major act of bioterrorism on U.S. soil, leading critics to speculate the probe has stalled and to question how well federal officials would handle future attacks.

Members of Congress and targets of the attacks — which killed five people between Oct. 5 and Nov. 21, 2001, sickened 17 and exposed thousands of others — increasingly are expressing concern that the FBI-led federal investigation, code-named Amerithrax, has been mismanaged.

FBI officials have stopped providing regular briefings to victims and lawmakers about the investigation. The federal task force leading the investigation has shrunk in half. And it is now on its third leader.

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The credentials of the latest chief may be telling: He has worked on complex international criminal cases that have run cold.

The reticence of the FBI is in sharp contrast to bold predictions the agency made about the investigation in its early days.

"Their public pronouncements about their confidence levels were obviously way off the mark all the way along," said Tom Daschle, the former Democratic senator from South Dakota whose Capitol Hill office was one of the targets of the attacks. "It has sort of been the domestic version of Iraq. They made a lot of assumptions that turned out not to be accurate."

Daschle, now a senior fellow at the Center for American Progress, said he asked the FBI about a month ago for an update but was rebuffed.

"Clearly, this whole investigation has gone very cold," he said. "Because it has become so cold, they are all the more apprehensive about acknowledging that they do not have any real good evidence or leads."

A leading Republican, Sen. Charles E. Grassley of Iowa, also complained about the lack of new information on the investigation in a letter last month to Atty. Gen. Alberto R. Gonzales. Grassley is threatening to subpoena FBI officials to testify before Congress or to hold up Justice Department nominations if the agency does not divulge more information soon.

The FBI says its investigation remains highly active. It has told lawmakers that it would not provide any more briefings on the case in part out of fear that sensitive information would be leaked to the media.

"We have a substantial number of agents continuing to work on that case, and my expectation is that it will be solved and that the person or persons responsible will be brought to justice," FBI Director Robert S. Mueller III said in an interview in September. "Some cases take longer than others."

The unsolved mystery comes amid growing concern about federal efforts to detect and prevent even more catastrophic bioterrorist attacks. The government has set aside an estimated $18 billion for bio-defense research over the last five years, although it is far from clear what the nation has gotten for its money.

This week, citing the five-year anniversary of the anthrax attacks, a bipartisan group of senators asked the Government Accountability Office to conduct a wide-ranging assessment of the bio-defense program.

Huge investigation

The anthrax attacks triggered one of the costliest federal manhunts ever — starting a week after the Sept. 11 attacks, when letters containing anthrax began coursing through the mail, targeting members of the media and the Capitol Hill offices of Daschle and Sen. Patrick J. Leahy (D-Vt.).

The FBI said it had conducted 9,100 interviews and obtained 6,000 subpoenas. It has hired psychologists, handwriting analysts and forensic analysts. It has spent millions on scientific studies to determine such information as the strain of the bacteria and the water used to prepare the lethal spores. And it has tracked a spate of anthrax "hoax" letters; one such letter was received last week by The Times.

Much of the initial public focus was on a medical doctor and virologist, Stephen J. Hatfill, who had worked for two years at an Army lab in Maryland, where the strain of anthrax used in the attacks was once studied.

FBI agents searched his home, took samples of his blood and put him on 24-hour surveillance. Then-Atty. Gen. John Ashcroft publicly declared him a "person of interest."

But Hatfill was never charged and says he is not responsible for the letters. Now he's fighting the Justice Department and FBI in a lawsuit claiming that they destroyed his reputation.

His lawyers have taken the sworn testimony of more than 30 journalists and investigators in an attempt to prove the FBI illegally leaked damaging information about him. Hatfill declined comment through his lawyer.

The public fingering of Hatfill was the first of many missteps that experts said had afflicted the probe.

"In how many investigations does the attorney general personally go out there and start talking about persons of interest? It should never happen," said Stephen Freccero, a former federal prosecutor. "That was a huge mistake. It was appalling. All the basic rules of a covert investigation were violated."

Freccero, who prosecuted Unabomber Theodore Kaczynski, said that centering the anthrax probe in Washington politicized the case, making it difficult for investigators to independently pursue leads.

The case also has been slowed by the bureau's changing understanding of the quality of the anthrax used. Investigators originally believed the powder was highly refined and could only have been produced by experts with state-of-the-art technology. But the FBI eventually abandoned that idea.

In the recent interview, Mueller said, "From the outset, we have been open to any and all theories, and the investigation continues on any and all theories." But some observers said that the incorrect assumptions about the anthrax may have led the FBI to adopt an unduly narrow focus on potential suspects. According to one former federal law enforcement official, no other clear suspects have emerged in recent years.

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"The way they were thinking was that it had to be a scientist at one of these … laboratories," said the former official, who spoke on the condition of anonymity because he still works for the federal government and the investigation is ongoing. "Now, all of a sudden, you have people who may be hobbyists or … chemists who think they can do this stuff and might have done this stuff."

Some also have criticized the agency for not being more receptive to outside advice. Dr. Ken Alibek, a bio-weapons pioneer from the former Soviet Union, said he had written to Mueller to volunteer. "I said, 'Please keep in mind, I have expertise and I would like to help you resolve this case,' " he said. Alibek said he got a "thanks, but no thanks" letter from a top aide to Mueller. The bureau, he was told, already had "a big group of people working on this issue."

Leadership change

The new leader of that group, Edward Montooth, is the third to oversee the investigation. He declined to comment through an FBI spokesman.

People who have worked with Montooth said he had specialized in cases where Americans were killed overseas, trying to solve crimes in such places as Rwanda and Indonesia. He was on an FBI team that searched for mass graves in Kosovo and also helped investigate war crimes in the Balkans.

"Those cases get cold fast," said a law enforcement official who knows Montooth. "A lot of terror cases overseas can be 10 to 15 years before the case develops to the point where we can get the defendants."

Montooth replaced Richard Lambert, who headed the investigation from August 2002 through September 2006. Lambert said he decided to leave and called it a natural career progression. He now heads the FBI office in Knoxville, Tenn.

Lambert said he was "very confident" the case would be solved.

As the probe enters its sixth year, the FBI is urging patience, and notes that complex investigations often take years to resolve. It has compared the case to the Unabomber investigation, which took 17 years to solve, until the assailant renewed his campaign of terror and a relative turned him in.

On the anthrax section of its website, the FBI promises that its agents "continue to pursue each and every lead aggressively."

Search Begins Again At Trade Center (USAT)

By Martha T. Moore

USA Today, November 3, 2006

NEW YORK — A sad task thought to be long over is beginning again: the search for remains of those killed in the Sept. 11, 2001, terrorist attacks.

The city quickly launched the new search after the discovery Oct. 19 of nearly 200 fragments of remains, including a 12-inch bone, in a buried manhole at the edge of the World Trade Center site.

City workers now will sift gravel on rooftops, go down nearly 500 manholes, dig up roadways and explore underground vaults. The work could last up to a year.

The effort comes as remains of three people were identified this week from the initial search. They included flight attendant Karen Martin, who was on the jet that hijackers crashed into the north tower.

The recent discovery — the second time this year that remains were found — has shocked and angered families. More than 40% of the families of the 2,749 people who died have recovered nothing of the relative they lost.

“If this job was done correctly the first time, we'd have more than 2% of my brother,” said Jeanne Evans, sister of firefighter Robert Evans.

She joined about 100 people at a protest Thursday demanding the city turn over the search to the Joint POW/MIA Accounting Command, a military group that searches for remains of Americans overseas. Mayor Michael Bloomberg has said he will not do that.

Evans said the recent discovery brings hope that more of Robert might be identified. “It's almost an exciting anticipation, that you're going to get part of your murdered brother back.”

Marilyn Rocha, whose husband, Antonio, died in the attack, said she had received two sets of remains and had asked not to be notified of further identifications. “We were told this is it, there's nothing left. And now this comes up,” she said in a phone interview.

The initial search, run by the Fire Department, ended in May 2002. Deputy Mayor Ed Skyler, in charge of the new search, said the original effort will prove to have discovered “99.9% or 99.8%” of all remains. “Let's not forget how much was done right in that trying period. What we've done is to think about any other site we could have overlooked,” Skyler said. The city medical examiner told families in February 2005 that no more identifications could be made using existing DNA technology. In September, the city alerted families that a new technique would be tried.

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Jeanne Evans said her family has held a burial service for her brother but is waiting to bury the second set of remains and any others found.

"So the next time we do it will be the last time we do it,"' she said. "We don't want to keep digging."

Fresh Sorrows At Ground Zero (opinion) (NYT)

The New York Times, November 3, 2006

Finding more human remains at ground zero — five years after 9/11 — is what no one wanted. And yet it was almost inevitable, given the scale of the devastation when the towers collapsed. The grim discovery in recent days of human bones and bone fragments in an abandoned manhole at the edge of the disaster site does more than cause pain to the families who have never recovered a trace of their dead. It raises the very real and difficult question of how to proceed with the work under way at the site.

Some of the families have called for a complete halt to construction and a renewed search for remains, including federal assistance in the form of the Joint P.O.W.-M.I.A. Accounting Command, whose mission is to recover and identify the remains of American soldiers. Mayor Michael Bloomberg believes the city has already located the proper forensic experts. They are now being asked to start sifting, or resifting, any of the new material that could possibly contain DNA from victims.

The mayor has also found what appears to be the proper balance between pressing ahead with construction on the site itself and conducting renewed searches in those areas around the perimeter of ground zero where any further remains are most likely to be found.

There must be an accurate, detailed and comprehensive search. But there is no reason that construction and a renewed search cannot proceed together.

From the very first there were signs that the force of the World Trade Center's collapse had scattered body parts over a wider area than expected, well beyond the central core of the twin towers. By expanding the area to be searched and promising to search more thoroughly, Mr. Bloomberg has satisfied the needs of a city to have building at ground zero continue while still giving hope to those families looking for some certainty about a loved one's death five years ago.

U.S. Plans To Screen All Who Enter, Leave Country (WP)

By Ellen Nakashima, Spencer S. Hsu

The Washington Post, November 3, 2006

The federal government disclosed details yesterday of a border-security program to screen all people who enter and leave the United States, create a terrorism risk profile of each individual and retain that information for up to 40 years.

The details, released in a notice published yesterday in the Federal Register, open a new window on the government's broad and often controversial data-collection effort directed at American and foreign travelers, which was implemented after the Sept. 11, 2001, attacks.

While long known to scrutinize air travelers, the Department of Homeland Security is seeking to apply new technology to perform similar checks on people who enter or leave the country "by automobile or on foot," the notice said.

The department intends to use a program called the Automated Targeting System, originally designed to screen shipping cargo, to store and analyze the data.

"We have been doing risk assessments of cargo and passengers coming into and out of the U.S.," DHS spokesman Jarrod Agen said. "We have the authority and the ability to do it for passengers coming by land and sea."

In practice, he said, the government has not conducted risk assessments on travelers at land crossings for logistical reasons.

"We gather, collect information that is needed to protect the borders," Agen said. "We store the information we see as pertinent to keeping Americans safe."

Civil libertarians expressed concern that risk profiling on such a scale would be intrusive and would not adequately protect citizens' privacy rights, issues similar to those that have surrounded systems profiling air passengers.

"They are assigning a suspicion level to millions of law-abiding citizens," said David Sobel, senior counsel of the Electronic Frontier Foundation. "This is about as Kafkaesque as you can get."

DHS officials said that by publishing the notice, they are simply providing "expanded notice and transparency" about an existing program disclosed in October 2001, the Treasury Enforcement Communications System.

But others said Congress has been unaware of the potential of the Automated Targeting System to assess non-aviation travelers.

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"ATS started as a tool to prevent the entry of drugs with cargo into the U.S.," said one aide, who spoke on the condition of anonymity because of the sensitivity of the subject. "We are not aware of Congress specifically legislating to make this expansion possible."

The Senate Homeland Security and Governmental Affairs Committee, chaired by Sen. Susan Collins (R-Maine), yesterday asked Homeland Security to brief staff members on the program, Collins's spokeswoman, Jen Burita, said.

The notice comes as the department is tightening its ability to identify people at the borders. At the end of the year, for example, Homeland Security is expanding its Visitor and Immigrant Status Indicator Technology program, under which 32 million noncitizens entering the country annually are fingerprinted and photographed at 115 airports, 15 seaports and 154 land ports.

Stephen E. Flynn, senior fellow for national security studies at the Council on Foreign Relations, expressed doubts about the department's ability to conduct risk assessments of individuals on a wide scale.

He said customs investigators are so focused on finding drugs and weapons of mass destruction that it would be difficult to screen all individual border crossers, other than cargo-truck drivers and shipping crews.

"There is an ability in theory for government to cast a wider net," he said. "The reality of it is customs is barely able to manage the data they have."

The data-mining program stemmed from an effort in the early 1990s by customs officials to begin assessing the risk of cargo originating in certain countries and from certain shippers. Risk assessment turned more heavily to automated, computer-driven systems after the 2001 attacks.

The risk assessment is created by analysts at the National Targeting Center, a high-tech facility opened in November 2001 and now run by Customs and Border Protection.

In a round-the-clock operation, targeters match names against terrorist watch lists and a host of other data to determine whether a person's background or behavior indicates a terrorist threat, a risk to border security or the potential for illegal activity. They also assess cargo.

Each traveler assessed by the center is assigned a numeric score: The higher the score, the higher the risk. A certain number of points send the traveler back for a full interview.

The Automated Targeting System relies on government databases that include law enforcement data, shipping manifests, travel itineraries and airline passenger data, such as names, addresses, credit card details and phone numbers.

The parent program, Treasury Enforcement Communications System, houses "every possible type of information from a variety of federal, state and local sources," according to a 2001 Federal Register notice.

It includes arrest records, physical descriptions and "wanted" notices. The 5.3 billion-record database was accessed 766 million times a day to process 475 million travelers, according to a 2003 Transportation Research Board study.

In yesterday's Federal Register notice, Homeland Security said it will keep people's risk profiles for up to 40 years "to cover the potentially active lifespan of individuals associated with terrorism or other criminal activities," and because "the risk assessment for individuals who are deemed low risk will be relevant if their risk profile changes in the future, for example, if terrorist associations are identified."

DHS will keep a "pointer or reference" to the underlying records that resulted in the profile.

The DHS notice specified that the Automated Targeting System does not call for any new means of collecting information but rather for the use of existing systems. The notice did not spell out what will determine whether someone is high risk.

But documents and former officials say the system relies on hundreds of "rules" to factor a score for each individual, vehicle or piece of cargo.

According to yesterday's notice, the program is exempt from certain requirements of the Privacy Act of 1974 that allow, for instance, people to access records to determine "if the system contains a record pertaining to a particular individual" and "for the purpose of contesting the content of the record."

WAR NEWS:

Talks Underway For Release Of American Soldier (LAT)

By Borzou Daragahi

The Los Angeles Times, November 3, 2006

BAGHDAD — The American soldier captured by gunmen in the Iraqi capital last week remains alive as family members and others try to negotiate his release, a U.S. military official said today.

Ahmad Qusai Tai, a 41-year-old American of Iraqi descent, was visiting his Iraqi wife and other relatives in central Baghdad on Oct. 23 when kidnappers stormed the home, handcuffed the soldier and forced him into a vehicle at gunpoint.

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The kidnappers called his family with his cell phone, and talks over his release began.

"There is ongoing dialogue being done at different levels at this time," Maj. Gen. William B. Caldwell IV, spokesman for U.S. forces in Iraq, told reporters in Baghdad.

The kidnapping sparked a military crackdown involving 2,000 U.S. and 1,000 Iraqi forces on Shiite Muslim areas of Baghdad where they suspect he was being held. U.S.-led forces launched 37 missions to locate Tai, which led to the death of one U.S. soldier, the wounding of eight and the capture of 32 suspects.

"We do have credible intelligence that indicates who may have been responsible for his kidnapping," said Caldwell, declining to disclose further details. "We are using all of our assets to find him."

Tai, who moved to the United States as a teenager, joined the Army Reserves in December 2004 and was deployed to Iraq in November 2005. He married his wife in February 2005, Caldwell said.

The crackdown on Shiite neighborhoods proved unpopular with supporters of Prime Minister Nouri Maliki, who asked U.S. forces to remove checkpoints on key Shiite neighborhoods. But the crackdown, coming at the end of the Muslim holy month of Ramadan, also coincided with a precipitous decline in insurgent attacks. Between Oct. 23 and Oct. 30, casualties among U.S.-led forces dropped 23% and the number of deadly roadside bombs fell to a seven-month low, Caldwell said.

The end of Ramadan usually heralds a drop in attacks, but Caldwell suggested that increased calls for calm by Iraqi religious and political leaders may have led to the drop. He also warned that the latest numbers may not yield any substantive lessons. "One week does not constitute a trend," he said.

Indeed, the number and ferocity of attacks in the days following the last week's Eid al-Fitr feast, which ends the annual month of fasting during Ramadan, appear to have increased in the past few days. At least a dozen explosions rocked Baghdad today, with gunfire rattling neighborhoods as the country's war raged unabated.

A motorcycle packed with explosives blew up in a busy Sadr City market, killing at least four people and injured 43. Another bomb in the Baghdad's Jadida neighborhood killed two and injured 25. A car bomb at a bus terminal in Mahmoudiya, a town south of Baghdad, injured four people.

Among those assassinated today were the dean of the University of Baghdad's College of Administration and Economy; a former member of Saddam Hussein's Baath Party; a spare car parts dealer; a bus driver; a Sunni cleric in the southern city of Basra; and a lawyer advising the Sunni religious endowment as well as his two daughters.

Three masked gunmen opened fire on a primary school in southern Baghdad, wounding the school's principal and three students, police and hospital officials said. Gunmen attacked a bakery in west Baghdad killing two people and injuring two.

Mortar rounds hit residential neighborhoods in south Baghdad and the southern city of Hillah, injuring 14. Mortars also struck central Basra, where British and Danish officials are about to evacuate to a better protected airbase on the city's outskirts.

The bodies of 11 Iraqi men were found in Baghdad this morning. Each had been bound, beaten, burned and shot at in the head at point blank range. More bodies generally show up as the day progresses.

Military: Talks Underway To Win Release Of Soldier (USAT/AP)

USA Today, November 3, 2006

BAGHDAD — The U.S. military said Thursday that there is “an ongoing dialogue” to win the release of a kidnapped American soldier and that the captive is an Iraqi-American who married an Iraqi woman early last year.

Maj. Gen. William Caldwell, the military spokesman, would not say with whom or at what level the dialogue was taking place. He said the United States believes the soldier is still in the custody of his abductors.

The military identified the servicemember as Ahmed Qusai al-Taayie, a 41-year-old reserve soldier from Ann Arbor, Mich. He was visiting his Iraqi wife Oct. 23 when he was kidnapped during a visit to the woman's family, Caldwell said.

Caldwell said the soldier and his wife were married in February 2005 and he didn't arrive in Iraq until November 2005. It could have been a violation of military rules if al-Taayie had married his wife while serving in the Army in Iraq.

A woman who claimed to be al-Taayie's mother-in-law, Latifah Isfieh Nasser, said last week that the soldier's in-laws tried to stop the abduction by men believed to be Mahdi Army militia fighters.

The Mahdi Army is a Shiite militia loyal to anti-American cleric Muqtada al-Sadr. The soldier's religious affiliation was unknown; his wife's family is Shiite Muslim.

Meanwhile, aides to Prime Minister Nouri al-Maliki say he plans to reshuffle his Cabinet as early as this month. The decision comes after the United States recently demanded that al-Maliki set benchmarks to end violence and achieve reconciliation between the country's various religious and ethnic groups.

Aides said the move is an attempt to improve the performance of some ministries, especially the Shiite-dominated Interior Ministry that oversees the police.

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"It will cover about a third of the serving ministers, including one with a security brief," Ali al-Adeeb, a lawmaker of al-Maliki's Dawa Party, told the Associated Press

The Iraqi parliament has been critical of al-Maliki's 5-month-old government for failure to crush a Sunni-led insurgency and disband Shiite militias. Al-Maliki has also been under fire for doing too little to improve services and create jobs. Aides say several ministers were given Cabinet posts without sufficient screening.

"We did not know their qualifications, and their performance in the past five months was modest," said Hassan al-Suneid, a Dawa lawmaker and a close al-Maliki aide.

In other Iraq news:

·Forty-nine people were killed or found dead in Iraq on Thursday, including seven killed when a motorcycle blew up in a crowded market in Baghdad's Sadr City district.

It was the first bombing in Sadr City since al-Maliki ordered the lifting Tuesday of a week-old U.S.-Iraqi army security blockade on the Shiite section of 2.5 million people.

·A former soldier in the 101st Airborne Division was indicted Thursday in Kentucky in the rape and death of a 14-year-old Iraqi girl and the slayings of three of her relatives in March. Former Army private Steven Green, 21, was charged with murder, aggravated sexual assault and conspiracy, among other offenses in the federal indictment. His attorney, Patrick Bouldin, said Green intends to plead not guilty.

Missing Soldier Believed Alive, U.S. Says (WP)

By John Ward Anderson, Saad Al-Izzi

The Washington Post, November 3, 2006

Iraqi American's In-Laws Describe His Abduction

BAGHDAD, Nov. 2 -- A senior U.S. military spokesman said Thursday that an Iraqi American soldier kidnapped in Baghdad 10 days ago was believed to be alive and in the hands of his original captors.

Army Maj. Gen. William B. Caldwell identified the soldier as 41-year-old reservist Ahmed Qusai al-Taayie and said that Taayie was visiting his in-laws and his wife on Oct. 23, the Muslim holiday of Eid al-Fitr, when he was abducted by three carloads of armed men. Since then, the military has conducted intensive searches for the soldier, who moved to the United States as a teenager and returned to Iraq as a translator in the U.S. Army Reserve in November 2005, Caldwell said.

Members of Taayie's family said in interviews this week that they had warned him they were being watched and to be careful on his visits. They said his wife, Israa Abdul Satar, 26, a local science student whom Taayie married in February 2005, and two of her siblings had tried to fight off the abductors when they came to grab him.

"I told him that he should be careful and to watch out, because all eyes are on us," said Abdul Satar, Taayie's father-in-law, as he sat in the family's one-bedroom, second-floor apartment in the middle-class neighborhood of Karrada in central Baghdad.

Shaimaa Abdul Satar, Israa's younger sister, said she was walking with the couple and her brother Omar to Taayie's motorcycle a block from her parents' house at about 4:30 p.m. on Eid when two armed men pulled up and tried to force Taayie into a white Mercedes. They fought the men off and took shelter in an uncle's nearby apartment, Shaimaa said, but about five minutes later three cars with no license plates arrived, and armed men stormed the building and abducted Taayie.

Omar knew the leader of the group and initially went with them, she said. But after pleading with the men to release Taayie, she said, Omar was warned to get out of the car or they would kidnap him, too. He was released as the vehicle appeared to be heading to the Shiite slum of Sadr City in east Baghdad, Shaimaa said.

Shaimaa and others in her family identified the leader of the group that kidnapped Taayie as local gangster Abu Rami, whose real name, they said, is Majid al-Qaissy. They said he is a Sunni Arab, as is their family and Taayie's.

Caldwell, in a weekly press briefing, said that more than 2,000 U.S. troops and 1,000 Iraqi soldiers have conducted 37 missions in the capital searching for Taayie. He said one U.S. soldier has been killed and eight U.S. and two Iraqi soldiers wounded in the operations.

Most of the raids have been in the eastern parts of the capital, including Sadr City, where U.S. forces recently enforced a six-day closure that was lifted two days ago. At the time, the U.S. military said its mission was twofold: find the missing soldier, and capture a man named Abu Deraa, who is considered Iraq's most notorious Shiite death squad leader. U.S. officials have not said whether the two operations were related or if they believed Abu Deraa had custody of Taayie.

"At this point, we believe the ones who kidnapped Ahmed currently still have him," Caldwell said, but he would not identify who the U.S. military believes abducted the soldier.

Asked if the U.S. military had been in direct or indirect contact with the kidnappers, Caldwell said, "There is ongoing dialogue that is being done at different levels at this time, but it would be inappropriate for me to state with whom or at what level.

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"But there's also a tremendous amount of political activity ongoing to help secure the release of our soldier," he said. "We will never stop looking for our service members."

Caldwell said that casualties across Iraq declined by 23 percent last week, led by a 41 percent drop in sectarian killings in Baghdad, and that roadside bombings were at their lowest level in seven months. However, October was still a bloody month, he said, with casualty rates "higher than the levels seen in the months of August and September," which according to the Iraqi Health Ministry were the deadliest months of the 3 1/2 -year conflict.

October was also the fourth-deadliest month for U.S. troops. The U.S. military reported the noncombat death of a Marine that occurred on Tuesday, raising the number of U.S. fatalities in October to 105, the most since January 2005, when 106 U.S. troops were killed.

Nonetheless, Caldwell said that statistics from the last week were "promising, but as I've said before, one week does not constitute a trend."

Many Sunni leaders have credited the U.S. security cordon around Sadr City with helping to reduce violence by containing Shiite death squads blamed for kidnapping, torturing and killing thousands of Sunni Arabs around the capital.

Caldwell would not rule that out, but he also cited other causes: a traditional dip in violence following the Muslim holy month of Ramadan, which ended about 10 days ago; "the increased calls for peace and reconciliation by Iraqi political leaders, clerics and sheiks"; and continuing U.S. and Iraqi military operations.

In a rare note of praise for someone often considered a U.S. enemy, Caldwell said that even anti-U.S. Shiite cleric Moqtada al-Sadr seemed to be pitching in. "From the comments he's made recently, he wants to see violence reduced, he wants to see greater peace and security for Iraqis," and he put out a statement saying "openly that he wants to see greater reconciliation and dialogue, and he is a part of the political process here," Caldwell said.

In violence Thursday, at least seven people were killed and 45 injured when a bomb rigged to a motorcycle exploded in a crowded market in Sadr City, local authorities said. A car bomb in south Baghdad killed 12 and wounded 23, and a roadside bomb in eastern Baghdad killed four people and injured 23, an Interior Ministry official said.

Congress Tells Auditor In Iraq To Close Office (NYT)

By James Glanz

The New York Times, November 3, 2006

Investigations led by a Republican lawyer named Stuart W. Bowen Jr. in Iraq have sent American occupation officials to jail on bribery and conspiracy charges, exposed disastrously poor construction work by well-connected companies like Halliburton and Parsons, and discovered that the military did not properly track hundreds of thousands of weapons it shipped to Iraqi security forces.

And tucked away in a huge military authorization bill that President Bush signed two weeks ago is what some of Mr. Bowen's supporters believe is his reward for repeatedly embarrassing the administration: a pink slip.

The order comes in the form of an obscure provision that terminates his federal oversight agency, the Office of the Special Inspector General for Iraq Reconstruction, on Oct. 1, 2007. The clause was inserted by the Republican side of the House Armed Services Committee over the objections of Democratic counterparts during a closed-door conference, and it has generated surprise and some outrage among lawmakers who say they had no idea it was in the final legislation.

Mr. Bowen's office, which began operation in January 2004 to examine reconstruction money spent in Iraq, was always envisioned as a temporary organization, permitted to continue its work only as long as Congress saw fit. Some advocates for the office, in fact, have regarded its lack of a permanent bureaucracy as the key to its aggressiveness and independence.

But as the implications of the provision in the new bill have become clear, opposition has been building on both sides of the political aisle. One point of contention is exactly when the office would have naturally run its course without a hard end date.

The bipartisan opposition may not be unexpected given Mr. Bowen's Republican credentials — he served under George W. Bush both in Texas and in the White House — and deep public skepticism on the Bush administration's conduct of the war.

Susan Collins, a Maine Republican who followed the bill closely as chairwoman of the Senate Committee on Homeland Security and Government Affairs, says that she still does not know how the provision made its way into what is called the conference report, which reconciles differences between House and Senate versions of a bill.

Neither the House nor the Senate version contained such a termination clause before the conference, all involved agree.

"It's truly a mystery to me," Ms. Collins said. "I looked at what I thought was the final version of the conference report and that provision was not in at that time."

"The one thing I can confirm is that this was a last-minute insertion," she said.

A Republican spokesman for the committee, Josh Holly, said lawmakers should not have been surprised by the provision closing the inspector general's office because it "was discussed very early in the conference process."

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But like several other members of the House and Senate who were contacted on the bill, Ms. Collins said that she feared the loss of oversight that could occur if the inspector general's office went out of business, adding that she was already working on legislation with several Democratic and Republican senators to reverse the termination.

One of those, John W. Warner, the Virginia Republican who is chairman of the powerful Senate Armed Services Committee, said in a statement that Mr. Bowen was "making a valuable contribution to the Congressional and public understanding of this very complex and ever-changing situation in Iraq."

"Given that his office has performed important work and that much remains to be done," Mr. Warner added, "I intend to join Senator Collins in consulting with our colleagues to extend his charter."

While Senators Collins and Warner said they had nothing more than hunches on where the impetus for setting a termination date had originated, Congressional Democrats were less reserved.

"It appears to me that the administration wants to silence the messenger that is giving us information about waste and fraud in Iraq," said Representative Henry A. Waxman, a California Democrat who is the ranking minority member of the House Committee on Government Reform.

"I just can't see how one can look at this change without believing it's political," he said.

The termination language was inserted into the bill by Congressional staff members working for Duncan Hunter, the California Republican who is the chairman of the House Armed Services Committee and who declared on Monday that he plans to run for president in 2008.

Mr. Holly, who is the House Armed Services spokesman as well as a member of Mr. Hunter's staff, said that politics played no role and that there had been no direction from the administration or lobbying from the companies whose work in Iraq Mr. Bowen's office has severely critiqued. Three of the companies that have been a particular focus of Mr. Bowen's investigations, Halliburton, Parsons and Bechtel, said that they had made no effort to lobby against his office.

The idea, Mr. Holly said, was simply to return to a non-wartime footing in which inspectors general in the State Department, the Pentagon and elsewhere would investigate American programs overseas. The definite termination date was also seen as helpful for planning future oversight efforts from Bush administration agencies, he said.

But in Congress, particularly on the Democratic side of the aisle, there have long been accusations that agencies controlled by the Bush administration are not inclined to unearth their own shortcomings in the first place.

The criticism came to a head in a hearing a year ago, when Representative Dennis J. Kucinich, an Ohio Democrat, induced the Pentagon's acting inspector general, Thomas Gimble, to concede that he had no agents deployed in Iraq, more than two years after the invasion.

A spokesman for the Pentagon inspector general said Thursday that Mr. Gimble had worked to improve that situation, and currently had seven auditors in Baghdad and others working on Iraq-related issues in the United States and elsewhere. Mr. Gimble was in Iraq on Thursday, the spokesman said.

Mr. Bowen's office has 55 auditors and inspectors in Iraq and about 300 reports and investigations already to its credit, far outstripping any other oversight agency in the country.

But Howard Krongard, the State Department inspector general, said that the comparison was misleading, because many of those resources would probably flow to State and the Pentagon if Congress shuts Mr. Bowen's office down.

"I think we are competitive to do what they ask us to do," Mr. Krongard said, referring to Congress.

Mr. Kucinich and other lawmakers said that Iraq oversight could also be hurt by the loss of Mr. Bowen's mandate, which allows him to cross institutional boundaries, while the other inspectors general have jurisdictions only within their own agencies. Mr. Krongard said that issue could be handled by cooperation among the inspectors general.

Officials at the State Department and the Pentagon made it clear that in general terms they supported Mr. Bowen's work and would abide by the wishes of Congress.

While the quality of Mr. Bowen's work is seldom questioned, he is sometimes accused of being a grandstander who is too friendly with the news media. Mr. Bowen has responded that it is standard procedure to publicize successful investigations as a way of discouraging other potential wrongdoers.

Among the disagreements on the termination language in the defense authorization bill was exactly how much it would have shortened Mr. Bowen's tenure. An amendment in the Senate version of the bill actually expanded the pot of reconstruction money his agents could examine.

Because the tenure of his office is calculated through a formula involving the amount of reconstruction money in that pot, the crafters of that amendment figured that it would have extended Mr. Bowen's work until well into 2008 — or longer if Congress granted further extensions.

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Mr. Holly agrees that the Senate language would have expanded that pot of money, but he says that in the Republican staff's interpretation of the formula, Mr. Bowen's tenure would have run out sometime in 2007 whether the money was added or not.

In any case, as the bill came out of conference, the termination date of Oct. 1, 2007, was inserted, effectively meaning that Mr. Bowen would have to start working on passing his responsibilities to other agencies by early next year.

Capitol Hill staff members said that after House Democratic objections were overridden, Senate conferees agreed to the provision in a bit of horse-trading: the amount of money Mr. Bowen could look at would be expanded, but only with the hard termination date.

Mr. Bowen himself declined to comment on the controversy surrounding his office, saying only that he was already working with the other inspectors general to develop a transition plan in accordance with the defense authorization act. "We will do what the Congress desires," Mr. Bowen said.

Bechtel Calls It Quits After More Than 3 Years In Iraq (LAT)

By David Streitfeld

The Los Angeles Times, November 3, 2006

SAN FRANCISCO — Bechtel Corp. helped build the Bay Area subway system, Hoover Dam and a city for 200,000 in the desert of Saudi Arabia. It likes to boast that it can go anywhere, under any conditions, and build anything.

In Iraq, Bechtel met its match.

A firm that prides itself on its safety record saw dozens of its workers killed. And a company that celebrates achievement won't know for a long time, if ever, exactly what it accomplished.

The assignment Bechtel won from the U.S. government in early 2003 was unique: Apply the brick and mortar needed to restart the long-starved and war-damaged Iraqi economy, allowing the country to blossom into a modern and free industrial state. Rarely had a single corporation been given so much power to affect so many so quickly.

More than three years later, Bechtel says its work on Iraq's water and electrical plants, its bridges, schools and port, is done.

The company said this week at its headquarters here that it had completed 97 of 99 projects for a total of $2.3 billion, a sum that included its undisclosed fee. Only two Bechtel employees are left in the country. At its peak, there were 200 people from Bechtel supervising tens of thousands of Iraqis.

If the story for Bechtel is drawing to a close, this isn't anything like the happy ending it once expected.

The company went to Iraq with a good deal of well-earned swagger. Chairman Riley Bechtel told the firm's employees in April 2003 that Bechtel's record was one "that few, if any, companies in the world can match." The tasks it would undertake in Iraq, he added, were "the kind of work we do best."

The company expected Iraq to develop from an aid recipient to a customer. The biggest U.S. engineering firm would help one of the world's most distressed countries into the 21st century.

That hope receded with each suicide bombing.

"We were told it would be a permissive environment. But to the horror of everyone, it never stabilized. It just went down, down, down, and to this day it continues to go down," said Cliff Mumm, who ran Bechtel's Iraq operation. "I'm proud of what we did, but had law and order prevailed, it would be a different situation."

At one Bechtel project, in the southern city of Basra, the company recorded this toll: the site security manager was murdered; the site manager resigned after receiving death threats; a senior engineer resigned after his daughter was kidnapped; 12 employees of the electrical-plumbing subcontractor were assassinated in their offices; and 11 employees of the concrete supplier were murdered.

All told, 52 workers associated with Bechtel projects were killed, most of them Iraqi. Forty-nine others were wounded.

Bechtel says it completed nearly all its assigned projects, but that doesn't mean they are necessarily operating as planned.

"Once projects were complete, the plant operating crews we trained often lacked the leadership, resources or motivation needed to run and maintain their facilities," Mumm noted in September testimony to the House committee on government reform.

If Bechtel gives itself high grades under the circumstances, others aren't so generous.

"They thought, 'We're the world's best, and we can go in and make this happen,' " said Rick Barton, a reconstruction specialist at the Center for Strategic and International Studies, a Washington think tank.

"After all the money that's been invested, the Iraqi people should be able to make it on their own. But we're nowhere near that, let alone creating a shining city on a hill," Barton added.

The looting and vandalism outpaced the rebuilding from the beginning.

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In May 2003, the supposed end of open warfare, a survey of Iraq's dilapidated electrical system showed 13 downed transmission towers. Four months later, the total had grown to 623.

"We were trying to hold the infrastructure together, and at the same time build a platform to go forward, and at the same time, cope with a deteriorating security situation," said Mumm, who recently returned to the U.S. "There were a lot of moving parts."

The company's critics give it points for remaining free of corruption, unlike some Iraq contractors. But they say it was too slow in restoring the power grid.

"In the critical years of 2003 and 2004, part of the growing sense in the Iraqi population that Americans were incompetent occupiers rather than effective liberators came because Bechtel hadn't gotten the power grid on in the scorching hot summers," said Charles Tiefer, a professor at the University of Baltimore School of Law and an expert on government contracting.

"American corporate reconstruction efforts like Bechtel's failed worse in Iraq than American arms," Tiefer said.

The lack of an infrastructure fed the insurgency, which made its goal to destroy the infrastructure. As time went on, Bechtel spent increasing amounts not on rebuilding but on protecting its workers.

Now that the reconstruction funds are running out, the fate of the Iraq infrastructure, like so much else in the country, is uncertain.

"Bechtel is putting a 'Mission Accomplished' banner over their work in Iraq and then coming home," said Steve Ellis of Taxpayers for Common Sense, a watchdog group. "But the mission has not been accomplished. Iraq still doesn't have enough power, hospitals, clean water."

Most of the bridges and roads and other projects built by Bechtel in the last century are still in use. Mumm hopes that the work the company did in Iraq will survive.

"All that stuff is there, and available, should the Iraqis find themselves in a stable enough position to use them and take advantage of them," he said. "I believe eventually that will happen."

As Bechtel Goes (NYT)

By Paul Krugman

The New York Times, November 3, 2006

Bechtel, the giant engineering company, is leaving Iraq. Its mission — to rebuild power, water and sewage plants — wasn't accomplished: Baghdad received less than six hours a day of electricity last month, and much of Iraq's population lives with untreated sewage and without clean water. But Bechtel, having received $2.3 billion of taxpayers' money and having lost the lives of 52 employees, has come to the end of its last government contract.

As Bechtel goes, so goes the whole reconstruction effort. Whatever our leaders may say about their determination to stay the course complete the mission, when it comes to rebuilding Iraq they've already cut and run. The $21 billion allocated for reconstruction over the last three years has been spent, much of it on security rather than its intended purpose, and there's no more money in the pipeline.

The failure of reconstruction in Iraq raises three questions. First, how much did that failure contribute to the overall failure of the war? Second, how was it that America, the great can-do nation, in this case couldn't and didn't? Finally, if we've given up on rebuilding Iraq, what are our troops dying for?

There's no definitive way to answer the first question. You can make a good case that the invasion of Iraq was doomed no matter what, because we never had enough military manpower to provide security. But the lack of electricity and clean water did a lot to dissipate any initial good will the Iraqis may have felt toward the occupation. And Iraqis are well aware that the billions squandered by American contractors included a lot of Iraqi oil revenue as well as U.S. taxpayers' dollars.

Consider the symbolism of Iraq's new police academy, which Stuart Bowen, the special inspector general for Iraq reconstruction, has called "the most essential civil security project in the country." It was built at a cost of $75 million by Parsons Corporation, which received a total of about $1 billion for Iraq reconstruction projects. But the academy was so badly built that feces and urine leak from the ceilings in the student barracks.

Think about it. We want the Iraqis to stand up so we can stand down. But if they do stand up, we'll dump excrement on their heads.

As for how this could have happened, that's easy: major contractors believed, correctly, that their political connections insulated them from accountability. Halliburton and other companies with huge Iraq contracts were basically in the same position as Donald Rumsfeld: they were so closely identified with President Bush and, especially, Vice President Cheney that firing or even disciplining them would have been seen as an admission of personal failure on the part of top elected officials.

As a result, the administration and its allies in Congress fought accountability all the way. Administration officials have made repeated backdoor efforts to close the office of Mr. Bowen, whose job is to oversee the use of reconstruction money. Just

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this past May, with the failed reconstruction already winding down, the White House arranged for the last $1.5 billion of reconstruction money to be placed outside Mr. Bowen's jurisdiction. And now, finally, Congress has passed a bill whose provisions include the complete elimination of his agency next October.

The bottom line is that those charged with rebuilding Iraq had no incentive to do the job right, so they didn't.

You can see, by the way, why a Democratic takeover of the House, if it happens next week, would be such a pivotal event: suddenly, committee chairmen with subpoena power would be in a position to investigate where all the Iraq money went.

But that's all in the past. What about the future?

Back in June, after a photo-op trip to Iraq, Mr. Bush said something I agree with. "You can measure progress in megawatts of electricity delivered," he declared. "You can measure progress in terms of oil sold on the market on behalf of the Iraqi people." But what those measures actually show is the absence of progress. By any material measure, Iraqis are worse off than they were under Saddam.

And we're not planning to do anything about it: the U.S.-led reconstruction effort in Iraq is basically over. I don't know whether the administration is afraid to ask U.S. voters for more money, or simply considers the situation hopeless. Either way, the United States has accepted defeat on reconstruction.

Yet Americans are still fighting and dying in Iraq. For what?

Iraqi Leaders Try To Keep US At Arm's Length (FT)

By Steve Negus

Financial Times, November 3, 2006

With friction between the US and Iraq's Shia-led government rising to new highs in the run-up to American elections next week, leaders in Baghdad are moving to extract concessions from Washington on the status of US forces in the country.

Iraqi parliamentarians are trying to change the guidelines that govern the US-led multinational force in Iraq – including lifting the immunity from prosecution in Iraq enjoyed by troops – when the United Nations resolution authorising its presence there comes up for renewal at the end of the year.

This development comes after Nouri al-Maliki, Iraq's prime minister, succeeded in pushing the US military to lift blockades surrounding the huge Shia slum of Sadr City on Tuesday. The clampdown had been imposed in an attempt to find a US soldier reported to be held hostage there. But it brought gridlock to several parts of the city, angered Sadr City residents and triggered criticism from members of the government.

The moves by Mr Maliki seem intended, at least in part, to show the Iraqi public that the government is not under American control. Mr Maliki is reported to have told Zalmay Khalilzad, US ambassador, on Friday that, while he was Washington's "friend", he was not "America's man in Iraq".

The tougher stance taken by Mr Maliki comes after a sustained period of US pressure to clamp down on sectarian violence blamed largely on Shia militia.

Haydar al-Ibadi, a lawmaker from Mr Maliki's Dawa party, said Iraqi politicians had in recent days made three main proposals to parliament: to pass primary responsibility for security issues in Iraq from the US-led multinational force to the Iraqi government, to allow the Iraqi government to make decisions regarding the training and arming of security forces, and to regulate the presence of the multinational force inside Iraqi cities.

He also said lawmakers wanted to make members of the multinational forces, who currently enjoy legal immunity in Iraq, "accountable for any breaking of the law, any killings of Iraqis".

However, he added that parliamentarians were not sure how to go about negotiating the issue, as they realised that the US would strongly resist such a proposal. The intention would be to have the force "backing up the Iraqi government when the Iraqi government wanted", said Mr Ibadi.

US military officers currently say they do await a green light from the Iraqi government before any major operations, but Iraqis including Mr Maliki have said that in practice Americans take key decisions without consulting them.

The move by parliamentarians follows the lifting of the blockade of Sadr City – an apparent capitulation by the US military. The crisis has been a particularly tense test of US-Iraqi relations, as the US military places heavy emphasis on doing whatever is necessary to recover missing personnel.

To the Iraqis it is equally sensitive, as the vast suburb is the support base of the radical Shia cleric Moqtada al-Sadr, whose Sadrist movement is perhaps the most important backer of Mr Maliki's parliamentary coalition while simultaneously one of the strongest critics of its policies.

Shortly after Mr Maliki called for the blockade to be lifted by the US, it was. Residents report that the popularity of Mr Maliki, who was previously seen as having sold out Shia interests to the Americans, has since surged.

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General Plays Down Discord Between U.S. And Iraqis (NYT)

By Kirk Semple

The New York Times, November 3, 2006

BAGHDAD, Nov. 2 — The top American military spokesman here on Thursday played down recent discord between the American and Iraqi governments, saying that while there had been "disconnects," the leaders of both countries were working closely to achieve political stability in Iraq.

"A transition is not always a pleasant thing to watch as it happens," the spokesman, Maj. Gen. William B. Caldwell IV, said during a news briefing in Baghdad. "We need to have more dialogue, as was clearly evidenced by the fact that there have been some disconnects that have occurred in this transition period."

On Tuesday, in the latest public flare-up of tension, Prime Minister Nuri Kamal al-Maliki, under pressure from Shiite political leaders and outraged Baghdad residents, demanded that American troops remove a week-old cordon that had been set up around the Shiite district of Sadr City as part of the search for a missing American soldier.

General Caldwell said Thursday that a "tremendous amount of political activity" was under way to secure the release of the soldier, who was reported taken on Oct. 23 after he left the fortified Green Zone, without permission, to visit relatives in central Baghdad.

"There is ongoing dialogue that is being done at different levels at this time," the general said, though he refused to provide any details of those conversations.

General Caldwell confirmed that the soldier was Specialist Ahmed Qusai al-Taie, a 41-year-old Iraqi-American reservist, and that he was married to an Iraqi woman. His wife was among the relatives Specialist Taie was visiting when he was abducted, the general said, adding that officials believed that the soldier was still alive and being held by his original captors.

The American command has dedicated more than 2,000 American troops and more than 1,000 members of Iraqi security forces to the search operation, which has focused on Sadr City and the central Baghdad neighborhood of Karrada, where Specialist Taie was taken. The authorities suspect involvement by the Mahdi Army, a large Shiite militia that controls Sadr City and is loyal to the Shiite cleric Moktada al-Sadr.

The manhunt has angered some American troops in Iraq, who have privately complained that the military should not expend any additional resources, or put any troops at further risk, to search for a soldier who had violated military rules and exposed himself to danger by leaving his post without military protection.

But on Thursday, perhaps addressing those complaints, General Caldwell said, "We never stop looking for our service members."

Prime Minister Maliki's demand to end the search cordon put additional strain on an increasingly fractious relationship between him and President Bush.

The Iraqi leader has wrestled for more independence from his American protectors, including greater control of Iraq's security, which is dominated by the Americans. According to General Caldwell, the prime minister announced an initiative this week to expand the Iraqi military by about 18,700 troops.

The top American military commander in Iraq, Gen. George W. Casey Jr., said last week that Iraqi security forces still needed 12 to 18 months before they would be ready to take full control of the country's security. But Iraq's president, Jalal Talabani, offered a more conservative prediction, saying during a speech in Paris on Thursday that Iraq's security forces would be ready to assume full responsibility in two to three years.

"Two to three years are needed to build our security forces and say goodbye to our friends," said Mr. Talabani, who is on a six-day visit to France.

General Caldwell said some measurements of violence in Iraq had indicated a decrease since the holy month of Ramadan ended early last week, including a 23 percent drop in casualties across the country from the week before.

"Those statistics are promising, but as I've said before, one week does not constitute a trend," he cautioned.

Indeed, a wide range of attacks on Thursday drew from the entire repertoire of tactics used by the country's death squads and criminal groups: vehicle bombs, mortar bomb attacks, bombs concealed along urban and rural roadways, ambushes, assassinations, drive-by shootings and kidnappings.

At least 37 people were killed, including civilians and security forces, and 97 wounded in more than two dozen incidents reported by the authorities in Baghdad, Baquba and Kirkuk, three of the country's largest cities.

In Baghdad at least five people were killed and 53 were wounded when a bomb hidden on a motorcycle exploded in a crowded marketplace in Sadr City.

Separately, attackers shot and killed the dean of Baghdad University's economics and management college, his wife and their son at the college's front gate, an Interior Ministry official said.

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An American military patrol opened fire on guards working at a building associated with the Supreme Judiciary Council, killing four and wounding one, the ministry official said. The circumstances of the shooting remained unclear. A bomb exploded in a crowded market in the New Baghdad neighborhood, killing one and wounding 22, the official said.

In Diyala Province, gunmen opened fire on two oil tanker trucks, igniting the trucks and killing five people inside, a provincial police official reported. Other gunmen killed a judge and his son in the provincial capital of Baquba, the police official said.

An American soldier died in what was called “a noncombat-related incident” north of Baghdad on Thursday, the American military said.

It said in another statement that Iraqi security forces operating about three miles from the Iranian border had “intercepted six heavily loaded donkeys.” The donkeys were hauling 53 Soviet- and Italian-made antitank landmines and one antitank projectile, which the troops confiscated and destroyed. No humans were captured, the statement said, and the donkeys were set free.

November Off To Bloody Start In Iraq (AP)

By Steven R. Hurst

AP, November 2, 2006

A blood-drenched October has passed into a violent early November as a motorcycle rigged with explosives ripped through a crowded Shiite market in Sadr City on Thursday and suspected Sunni insurgent gunmen killed a Shiite dean of Baghdad University.

The attacks showed no signs of abating after at least 1,272 Iraqis were killed in the first full month of autumn and the 43rd month of the U.S. bid to quell violence and build democracy in Iraq, according to an Associated Press count. The figure is a minimum since many deaths go unreported, but the total is higher than any other month since the AP began keeping track in May 2005.

AP statistics also showed nearly twice as many Iraqi security forces died last month as U.S. forces — 194 versus 106. The Interior Ministry said at least 119 Iraqi policemen were killed.

With shootings, bombings and abductions tearing apart Iraq three years after the U.S.-led invasion, the war in Iraq is the top issue for voters before next week's U.S. congressional elections.

The Iraqi president, visiting Paris, said Thursday all American forces could be gone from Iraq within three years.

"Two to three years are needed to build our security forces and say bye-bye to our friends," Jalal Talabani said. The president, a Kurd whose ethnic group owes its relative prosperity and independence in northern Iraq to the U.S. invasion, has repeatedly predicted an earlier departure for American forces than U.S. generals have.

Asked about Talabani's remarks, Pentagon spokesman, Lt. Col. Todd Vician, said: "All parties agree on the desire to hand over control for security to the Iraqis as soon as possible."

Democratic Sens. Carl Levin and Jack Reed said their party will attempt to pass legislation to begin bringing some troops home immediately.

"We want to end the open-ended commitment of our troops, and we want to begin, at least by the end of the year, the reduction of American forces," Levin said.

At least 49 people were killed or found dead throughout Iraq on Thursday, including the seven killed when the motorcycle blew up in a crowded market in Baghdad's Sadr City district. At least 45 people were wounded in that attack, many of them seriously, police said.

It was the first bombing in Sadr City since Prime Minister Nouri al-Maliki ordered the lifting Tuesday of the week-old U.S.-Iraqi army security blockade on the sprawling Shiite slum of 2.5 million people.

Police Lt. Thaer Mahmoud said the explosives went off at 4 p.m., usually the busiest time at Mereidi market, one of the neighborhood's most popular commercial centers.

The rigged motorcycle was left in a section of the market that specialized in the sales of secondhand motorbikes and spare parts. Videotape by Associated Press Television News in the aftermath of the bombing showed the mangled skeletons of scores of motorbikes and large pools of blood on the ground.

Gheith Jassim al-Saadi, a 36-year-old laborer, arrived at the scene shortly after the blast. He had planned to go to the market earlier to have two friends repair his motorbike.

"Motorcycles were scattered everywhere, blood was on the ground and crowds of people were looking for their relatives in panic," he said. "I do not know what happened to my two friends."

Mahdi Army militiamen, who control the district, arrived quickly to disperse a crowd of onlookers, fearing a second blast targeting rescuers and police as has repeatedly been the case in past bombings.

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The slain university dean, Jassim al-Asadi, a Shiite, was returning home after picking up his son from school and his wife from her teaching job, when gunmen drove alongside and sprayed his car with automatic weapons, police Lt. Ahmed Ibrahim said. Al-Asadi's wife and son also were killed, Ibrahim said.

With his death, at least 155 educators have perished since the war began. The academics apparently were singled out for their relatively high public stature, vulnerability and known views on controversial issues in a climate of deepening Islamic fundamentalism.

The savagery against professionals is robbing Iraq of much of its brain trust. The Health Ministry says at least 250 physicians and health workers have been killed since March 2003 and more than 6,000 doctors have fled the country.

As with most murders in Iraq, al-Asadi's killers were unlikely to be captured, leaving their motive a mystery. But he was slain four days after the assassination of a prominent Sunni academic, matching the pattern of tit-for-tat sectarian revenge killings that have shredded Iraqi society.

Geologist Essam al-Rawi, head of the University Professor's Union and a senior member of the Sunni Association of Muslim Scholars, was gunned down as he left his Baghdad home Monday. The scholars association has links to the Sunni insurgency.

Two Iraqi lawmakers, meanwhile, said the prime minister planned to reshuffle his 39-member Cabinet in a bid to salvage the government's faltering image and deflect criticism that it is ineffective in stopping the sectarian killing, providing services and creating jobs.

"It will cover about a third of the serving ministers, including one with a security brief," Ali al-Adeeb, a lawmaker of al-Maliki's Dawa Party and a close aide to the prime minister, told the AP.

Hassan al-Suneid, another Dawa lawmaker and al-Maliki confidant, said he expects the Cabinet changes within a month. "It will take place after consultations with the political blocs in parliament," he said.

The U.S. military said a Baghdad-based soldier was killed Wednesday in a roadside bombing, a second died Monday in a firefight in the capital and a third died Thursday from an unspecified non-combat incident north of the capital, raising to 2,820 the number of U.S. forces who have died in the war.

Also Thursday, the U.S. military identified a kidnapped soldier as Ahmed Qusai al-Taayie, 41, of Ann Arbor, Mich. His identity had been widely published after an Iraqi woman, who said she was his mother-in-law, provided the name and said he was married three months ago to her daughter, a Baghdad college student.

Maj. Gen. William B. Caldwell confirmed widely published reports that the reserve soldier was handcuffed and taken away by gunmen during a visit to his wife's family Oct. 23.

But Caldwell said that the soldier and his wife were "married in February 2005 and he didn't arrive in theater until November 2005. So he has every right, of course, as an American soldier to marry whomever he wants. ... At the time he was abducted his wife was in country here, in Baghdad."

The spokesman said the United States believed the soldier was still in the custody of his abductors and there was "an ongoing dialogue" to win the his release. He did not say with whom or at what level.

Baghdad University Shi'ite Dean Slain (AP)

By Sameer N. Yacoub

AP, November 2, 2006

BAGHDAD -- Gunmen yesterday killed the Shi'ite dean of Baghdad University's school of administration and economics, the 155th Iraqi academic slain in sectarian violence and revenge attacks since the 2003 U.S. invasion.

In another attack against majority Shi'ites, a motorcycle bomb struck a crowded market in Sadr City, killing seven persons and wounding 45, police said, two days after the U.S. lifted a military blockade of the Baghdad district on the orders of Prime Minister Nouri al-Maliki.

The rigged motorcycle was left in a section of the Mereidi market that specialized in the sales of secondhand motorbikes and spare parts. The attack raised the total number of people killed or found dead across Iraq yesterday to 49.

Sadr City is a stronghold of militia loyal to radical anti-U.S. cleric Muqtada al-Sadr.

The U.S. military also confirmed yesterday that a kidnapped soldier was an Iraqi-American man who was married to an Iraqi woman. Maj. Gen. William B. Caldwell identified him as Ahmed Qusai al-Taayie, a 41-year-old reserve soldier.

The military spokesman said there was "an ongoing dialogue" in a bid to win the soldier's release, but he would not say with whom or at what level.

The statements coincided with sharp criticism of Mr. al-Maliki's five-month-old government for its perceived failure to make progress toward crushing the Sunni-led insurgency and disband Shi'ite militias blamed for much of the violence. Mr. al-Maliki also is under fire for doing too little to improve services and create jobs.

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The government's main backer, the United States, has added to the pressure, presenting Mr. al-Maliki last week with a timeline to end the violence and achieve reconciliation among the country's various religious and ethnic groups.

Iraqi President Jalal Talabani said yesterday that his country could send U.S.-led troops home in two to three years, once Iraq has set up its own domestic security forces.

"Two to three years are needed to build our security forces and say bye-bye to our friends," Mr. Talabani said at a conference during a visit to Paris.

The Shi'ite university dean, Jassim al-Asadi, was driving home after picking up his son from school and his wife from her teaching job when a group of armed men pulled alongside and sprayed his car with bullets, police Lt. Ahmed Ibrahim said. Mr. al-Asadi's wife and son also were killed in the attack.

Iraqi academics, along with doctors and other professionals, have become frequent targets of threats, kidnappings and slayings. At least 155 have been killed since April 9, 2003, when Saddam Hussein was ousted, according to Education Ministry statistics.

Thousands of others have fled the country, starving Iraq's education, legal and health care systems of much-needed expertise and deepening a pervasive sense of hopelessness.

A prominent Sunni academic was killed Monday as part of a pattern of tit-for-tat sectarian attacks since the Feb. 22 bombing of a Shi'ite shrine in Samarra.

Hughes Stands By State's Man In The Mideast (WP)

By Al Kamen

The Washington Post, November 3, 2006

If you make a serious blunder, seems it's much better to be a Republican than a Democrat.

Take, for example, Sen. John F. Kerry (D-Mass.), the former -- and surely never again -- Democratic nominee for president. He botched a joke or insulted the troops, or both, and the Democrats cut and ran faster than an Olympic sprinter.

Sen. Hillary Rodham Clinton (N.Y.) promptly condemned the remarks as "inappropriate." Rep. Harold E. Ford Jr . (Tenn.) defected to the Republicans, saying Kerry "needs to apologize to our troops."

Compare that with the State Department's treatment of Alberto Fernandez , head of public diplomacy for the Mideast. Fernandez said the administration had been arrogant and stupid in its Iraq foray. He said this, in Arabic, in an Oct. 21 interview with al-Jazeera television. Then he apologized, saying he somehow misspoke.

So was he fired? Transferred? Hardly. His boss, Undersecretary Karen Hughes is backing him all the way, according to an e-mail circulated by Hughes's assistant, Adele E. Ruppe .

"We've received a number of calls and e-mails from people" asking about what's going to happen to Fernandez, Ruppe wrote. "I want to assure everyone" Hughes supports Fernandez, she added.

Hughes "called a public diplomacy staff meeting first thing Monday morning" two days after the al-Jazeera interview, "to express her strong support," said Ruppe's e-mail. "We have to back our people," Hughes said, according to the e-mail, "even if they occasionally make a mistake in their choice of words." Hughes "noted that Alberto is out there . . . every day, doing television, on some of the toughest media shows -- frequently in Arabic. . . . No one is perfect and all of us will occasionally make mistakes."

Hughes, according to Ruppe's meeting notes, said that "using the words 'arrogant' and 'stupid' was a mistake for which Alberto has apologized and it's important to remember those two words were in the midst of a lengthy television interview in Arabic."

So Hughes is staying the course with Fernandez. Probably helps that he's one of the few Arabic speakers she's got.Chertoff Honored and Dishonored

And now, a new feature, Loop Fan Forum.

This e-mail arrived Wednesday from Miles Swanson regarding an item about Homeland Security chief Michael Chertoff 's selection as recipient of the Henry E. Petersen Award, usually given to a career member of the Justice Department's criminal division for his longtime achievements and contributions.

"My grandfather was Henry Petersen," Swanson writes. "I was horrified when I spoke to my mother this morning" and learned that Chertoff will be getting the award.

"I am an attorney working in the disaster area that is post-Katrina New Orleans," Swanson wrote. "I staff a free legal clinic in the 9th Ward. . . . As you can imagine, I am at a loss for words because every day I have to deal with the effects of his 'leadership.' Thank you."

Swanson sent us a forceful letter he'd written to Chertoff, whose agency oversees FEMA. It was "sad for the people of New Orleans and of all the Gulf Coast" that Chertoff is getting the award. "In closing," he said, "I want you to remember every single

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time your eyes peer at the Henry Petersen Award in whatever job you happen to be mucking up, that you do not deserve it."A Block of Endangered Incumbents

Sign of the times? A "For Sale" sign went up yesterday on D Street SE at a house that belonged to a former Florida GOP representative, and more recently to former CIA director Porter Goss . There's been some renovating -- perhaps folks removing the spook gear -- and an open house is set for Sunday.

But you might want to wait to buy until after the election, when the selling could be more competitive. Loop Fans will recall that this Capitol Hill block is an enclave of several endangered Republicans. Also along the street we find Rep. Nancy L. Johnson (Conn.). Next door is the house of Rep. E. Clay Shaw Jr . (Fla.), and two doors down from there the townhouse of Rep. Chris Chocola (Ind.). He lives next door to former representative Mark Foley (Fla.), and across the street there's Rep. Jim Ryun (Kan.) .The Price of Silencing a Mistress? $500,000

An update on another beleaguered Republican: Rep. Don Sherwood (Pa.) agreed last year to pay his former mistress about $500,000 to settle her $5.5 million lawsuit alleging he had abused her, the Associated Press reported yesterday.

The AP, citing a "person familiar with the terms of the deal," reported that the settlement called for her to be paid in installments. She's gotten less than half the money and will not get the rest until after the election. Sherwood has acknowledged that the woman was his mistress but denied abusing her. A clause in the settlement requires her to forfeit some of the money if she talks publicly about the case.

Abu Ghraib Ended Career, A Top General Says (USAT)

By Matt Kelley

USA Today, November 3, 2006

WASHINGTON — A former commander of U.S. troops in Iraq retired from the Army this week and said the Abu Ghraib prisoner-abuse scandal effectively ended his career.

Lt. Gen. Ricardo Sanchez called the scandal “the sole reason I was forced to retire” in an interview published Thursday in The Monitor newspaper in McAllen, Texas. Sanchez commanded U.S. ground forces in Iraq during the months in 2003 when American troops at Abu Ghraib prison near Baghdad beat, humiliated and sexually assaulted prisoners.

Sanchez, who retired Wednesday, is the third and highest-ranking general to have a career ended by the outcry over the mistreatment of Iraqi prisoners. Eleven enlisted soldiers have been found guilty of crimes in connection with the abuse at Abu Ghraib, which burst into public view in April 2004.

Sanchez could not be reached for comment Thursday.

Critics of the Pentagon's handling of the case, such as Sen. Carl Levin, D-Mich., say more senior officers and civilian leaders need to be punished. Levin, the top Democrat on the Senate Armed Services Committee, says forced retirement is “not much in the way of accountability.”

In response to questions Thursday about Sanchez, Army spokesman Paul Boyce said only that he “retired after a long, professional career of public service to the U.S. Army and our nation.” In May 2004, shortly before Sanchez turned his Iraq command over to Gen. George Casey, President Bush said, “Rick Sanchez has done a fabulous job.”

Sanchez approved some harsh interrogation tactics for use at Abu Ghraib in fall 2003, when he and other military commanders were concerned about rising violence. Those tactics included using military dogs to frighten detainees, although the orders required Sanchez's approval in each instance.

An Army report released in 2004 faulted Sanchez for failing to properly oversee prison operations and said he indirectly contributed to some of the abuses. But the Army said in April 2005 that an inspector general's investigation cleared Sanchez of accusations of dereliction of duty in his oversight of prison operations in Iraq.

During a retirement ceremony at Fort Sam Houston in Texas on Wednesday, Sanchez's colleagues praised his tenure. Gen. John Abizaid, head of U.S. Central Command, said, “I've never stood by a better soldier in tougher times.”

Sanchez's former commander in Europe, retired general Wesley Clark, told the San Antonio Express- News that Sanchez was “a fine officer.” Clark sought the 2004 Democratic presidential nomination.

The taint of Abu Ghraib would have made it difficult for Sanchez to win the necessary Senate approval for a promotion, said Lawrence Korb, an assistant Defense secretary in the Reagan administration.

“The (Bush) administration didn't want to send his name to Congress because they were afraid he would be asked embarrassing questions about Abu Ghraib,” Korb said. He said that while in Iraq, Sanchez had been under pressure from Washington to get better information from prisoners.

Pentagon Widens Its Battle To Shape News Of Iraq War (NYT)

By David S. Cloud, Thom Shanker

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The New York Times, November 3, 2006

WASHINGTON, Nov. 2 — The Pentagon is reorganizing its public affairs operation in an attempt to influence news coverage, amid internal frustration at the tone and substance of reporting on Iraq and on Defense Secretary Donald H. Rumsfeld.

The expanded office, which was first described by department officials in an informal press briefing on Monday, features a "rapid response unit" to react to news reports. It is also stepping up efforts to arrange appearances by department officials on talk radio and cable television, and to recruit "surrogates" who are not on the department's payroll to defend its policies.

A dozen new staff members have started to work behind a newly installed wall in the Pentagon's press office.

Officials involved say the new effort, which was conceived by Assistant Secretary of Defense Dorrance Smith, is not primarily a response to negative coverage but rather is aimed at more aggressively challenging articles and broadcasts deemed inaccurate and at making better use of podcasts, blogs and other new outlets.

"This is about the Department of Defense keeping the American people better informed about the nature of its operations, its activities, and its policies," said Bryan Whitman, a Pentagon spokesman. "We would have to do this even if we were not nation at war."

But officials also concede that much of the effort so far has focused on disputing stories about the war in Iraq and about Mr. Rumsfeld that they deem to be inaccurate. Pentagon officials in recent months have issued a flood of letters to the editor taking issue with accounts of Mr. Rumsfeld's role in setting Iraq strategy, the content of his speeches and other matters of fact and interpretation in newspapers and magazine articles.

They have also begun responding within minutes to live television reports, calling reporters and producers to challenge their accuracy.

The overhaul of the public affairs operation, has received a mixed response among some senior military officials at the department, who say it reflects frustration at coverage of the Iraq war.

"They are completely consumed with trying to control the message on Iraq," said a senior military officer. "This is an attempt to communicate directly with the American people without having to go through the traditional media. I don't know if that's possible."

Though some of the techniques have been employed at the Pentagon for years, the new plan expands and formalizes their use.

In so doing, the Pentagon is adopting tactics more often associated with a political campaign, rather than the military, according to current and former officials familiar with the plan.

Among those hired recently is Erin Healy, a former White House press spokeswoman, who has been brought on as a consultant to improve the department's booking of radio and television appearances, according to Ms. Healy and Mr. Whitman. She began working for President Bush during his first campaign, in 2000, she said.

Mr. Smith is a former ABC News television producer who also worked in Baghdad as a media adviser to the Coalition Provisional Authority.

Barbara Starr, a veteran Pentagon correspondent for CNN, said she was surprised last month to be challenged by press officers within minutes after completing a report on a Baghdad briefing where the military's top spokesman called the results of recent security operations "disheartening." Ms. Starr said she had called it a "stunning development" on the air.

"They objected to the tone during my live shot," she said. "My view is that if a general says things are disheartening, that is news."

Mr. Whitman said he was not aware of the incident but said that he had challenged the content of television broadcasts before and that it had nothing to do with the reorganization of the press office.

Initial plans and goals for the new public affairs organizations were spelled out in documents dated in August, including a set of slides for Mr. Smith to use in briefing Mr. Rumsfeld on the proposed operation.

As described by a Defense Department official who had access to the briefing slides, four new public affairs groups were to be organized, with a roster of about 27 people, including political appointees and contractors.

Senator Carl Levin of Michigan, the ranking Democrat on the Armed Services Committee, said Thursday that he was not familiar with specifics of the Pentagon public affairs reorganization. But Mr. Levin said he was not surprised by what he termed "an effort to turn around their message delivery."

"I don't think anything is going to work except changing the facts," he said.

Mr. Rumsfeld has long been critical of the government's efforts to respond to information disseminated by people sympathetic to Al Qaeda and other terrorist groups, who make use of the Internet and other technology networks and, as Mr. Rumsfeld often says, are not bound by rules of accuracy.

Some elements of the operation, like letter-writing campaigns and demands for corrections, are increasingly commonplace in organized efforts to sway the press.

The Pentagon operation would go a step further, sometimes posting the correspondence on Defense Department Web sites.

In a sign that the department is having at least some success at bypassing traditional news media, Mr. Whitman said more people every month were downloading podcasts produced by the department about military affairs. Last month, the number of downloads was 219,000, up from 103,000 in April.

Seeking Options On Iraq (WP)

By David Ignatius

The Washington Post, November 3, 2006

Following Tuesday's elections, President Bush will face some of the most difficult decisions of his presidency as he struggles to craft a strategy for dealing with the ruinous mess in Iraq. He will have to do what he has sometimes found hardest: make a decisive choice among conflicting recommendations from his advisers.

The coming policy debate will be shaped by the recommendations of the bipartisan Iraq Study Group headed by former secretary of state James A. Baker III and former representative Lee Hamilton. But it will also involve basic conflicts that have emerged in the past year over Middle East strategy -- for which the rough Beltway shorthand would be Condoleezza Rice's State Department vs. the office of Vice President Cheney.

The central question for Bush is the one that's likely to be at the center of the Baker-Hamilton recommendations: Is America's best hope for stabilizing Iraq a broad effort to resolve tensions in the Middle East, including the Arab-Israeli dispute? This comprehensive regional approach to Iraq is controversial for two reasons: The United States would have to engage Iraq's troublesome neighbors, Iran and Syria; and it would have to push Israel to make concessions to the Palestinians as part of a broader peace deal.

A hint that the administration (or at least a faction of it) is considering such an approach came in a Sept. 15 speech by Philip Zelikow, counselor to Rice, at a gathering of the Washington Institute for Near East Policy. He talked about the need to maintain a coalition of Europeans and moderate Arabs to solve problems such as Iraq and Iran, and then argued: "What would bind that coalition and help keep them together is a sense that the Arab-Israeli issues are being addressed." His speech led Shmuel Rosner, the chief U.S. correspondent for the Israeli daily Haaretz, to wonder in his blog: "Does it really mean a major shift in U.S. policy on the Arab-Israeli conflict?"

Baker would be an ideal catalyst for such a regional approach, in part because he traveled that road once before with the 1991 Madrid peace conference. That meeting brought together all the major global and regional powers to support a round of peacemaking that led to a treaty between Israel and Jordan, negotiations between Israel and the Syrians, and, eventually, the Oslo accords between Israel and the Palestine Liberation Organization. To begin exploring the possibility of a new regional dialogue, Baker has already met privately with Iranian and Syrian diplomats.

Some hard-liners are nervous about Baker. A National Security Council staffer commented tartly a few weeks ago that Baker isn't secretary of state and doesn't speak for Bush. And the president himself, though he admires Baker's negotiating skills, worries that an overeager former secretary of state might hop on a plane for Tehran tomorrow if he had his way.

Britain has been testing the waters for a regional approach. Sir Nigel Sheinwald, the top foreign policy adviser to Prime Minister Tony Blair, visited Damascus this week for talks with Syrian President Bashar al-Assad and his intelligence chiefs. Sheinwald had visited Washington a week before to plan the trip with senior administration officials who, though skeptical about whether the mission would accomplish much, gave it their blessing.

Sheinwald presented a series of British-U.S. concerns, including Syria's role in providing a base for Iraqi insurgents and recent Syrian threats to destabilize the Lebanese government of Prime Minister Fouad Siniora. Though the meeting didn't produce any breakthroughs, the atmospherics were said to have been better than expected, and there are hopes for further discussions about security issues.

Administration officials are mum about plans for contacts with Iran. But it's clear they are looking for ways to engage the Iranian regime and explore issues of mutual concern, starting with the deteriorating situation in Baghdad.

The hornet's nest at the center of the Middle East is Iraq. On this core issue, the administration is exploring a wide range of options, from changes in basic military strategy to whom to pick as the next Centcom commander. The administration had hoped to persuade Marine Gen. James Jones, the retiring NATO commander, to take the job. He would be a popular choice inside and outside the military, but he is said to be wary.

Israelis are watching the Washington policy debate carefully. There is concern that the administration might try to make Israel the "fall guy" for America's problems with Iraq and Iran. But several of the Israelis who are closest to Prime Minister Ehud Olmert say privately that the current power vacuum in the region hurts Israel most of all and that America must regain the strategic momentum, even if that means talking to its adversaries. Stay tuned to see if Bush opts for a "November surprise."

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Afghan Farmers Likely To Match Harvest (AP)

By Jason Straziuso

AP, November 2, 2006

Afghan farmers now planting opium poppies will probably reap a harvest comparable to this year's record crop, in part because insurgents are preventing effective counter-narcotics work, officials said Thursday.

Planting is under way in southern regions responsible for the bulk of the estimated 6,100 tons of Afghan opium produced in the 2005-06 growing season. Anti-drug officials say that despite anti-cultivation campaigns, they foresee little improvement by harvest time next spring.

Drug production has skyrocketed since a U.S.-led offensive toppled the Taliban regime five years ago for giving refuge to Osama bin Laden and al-Qaida camps. Last spring's poppy harvest accounted for 92 percent of the global opium supply and was enough to make 610 tons of heroin — more than all the world's addicts consume in a year.

Police and government officials are deeply implicated in the trade, which adds to the corruption and lawlessness threatening Afghanistan's fledgling democracy. Taliban militiamen had all but eradicated opium cultivation by 2000 but now profit from it, protecting poppy farmers.

Deteriorating security in the countryside makes it difficult to monitor how much poppy has been planted, a senior U.S. official said. Taliban-led militants have increased attacks this year, particularly in Afghanistan's southern opium heartland.

Gen. Khodaidad, a deputy minister in Afghanistan's Ministry of Counter-Narcotics, said some provincial governors and police chiefs have been doing effective anti-drug work.

"But unfortunately, in some provinces, especially in the south and southwest, we haven't been doing as well," said Khodaidad, who like many Afghans uses one name. "The reason is very clear — fighting. Some of the districts are under the influence of the Taliban or al-Qaida."

Khodaidad said he hoped for a successful anti-cultivation campaign this fall followed by an eradication campaign in the new year, but he said he couldn't promise a reduction in the harvest. "I can tell you there will be no increase," he said.

However, the senior U.S. official said the new poppy crop probably will be similar to the one planted a year ago, "maybe a little under — we were so high last year." He spoke on condition of anonymity because he is not authorized to speak on the record.

The United Nations' anti-drug chief said recently that proceeds from Afghan opium production are being used to finance terrorist groups. The U.S. official said the country's drug trade was a $3.1 billion business this year and it doesn't "take much of that to fund terrorism."

Seeking to counter corruption that hinders anti-drug efforts, the U.S. Drug Enforcement Agency is training special units of Afghan policemen who must pass polygraph exams and investigations of their backgrounds, Karen P. Tandy, the DEA administrator, said during a visit Sunday.

"DEA is very accustomed to working in countries where corruption is rampant," she said. "We have a method that has been extremely successful. ... You have patriots in every country who care about the future of their country, and that is no less true here in Afghanistan."

Khodaidad said President Hamid Karzai has warned government officials they will be removed if they help drug trafficking. He said a district chief and an administrator from the same district in Badakhshan, a remote and rugged northern province favored by drug producers, were recently fired.

The U.S. official said if there is no reduction in the opium harvest this year, Afghanistan would come under strong U.S. pressure to start spraying poppy fields with herbicide, an idea that Afghans, including Karzai, deeply oppose because of fears the chemicals could harm people.

U.S. Warhead Testing Behind Schedule, IG Says (WP)

By Walter Pincus

The Washington Post, November 3, 2006

"Significant backlogs" in surveillance testing of several types of nuclear warheads in the aging U.S. stockpile have created gaps in information needed to ensure that the weapons remain reliable, a report released yesterday by the Energy Department's inspector general said.

Every year, a small number of missile warheads and bombs from the nine U.S. nuclear weapons systems are dismantled. Parts are subjected to laboratory and flight tests to verify they are safe, secure and reliable.

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"The surveillance program's role in assessing and ensuring confidence in the reliability of the weapons stockpile is increasingly important as the nuclear weapons stockpile ages," Inspector General Gregory H. Friedman wrote to Energy Secretary Samuel W. Bodman.

But Friedman added: "As a result of the continuing backlog of surveillance tests, the department lacks vital information about the reliability of the stockpile . . . [and] as a result of testing delays, important operating anomalies or other defects could go undetected."

Friedman said the department is "committed" to eliminating most of the testing backlog by September 2007, in part by upgrading facilities, updating safety studies and perhaps eliminating some test requirements. In one case, surveillance activities were delayed for six to seven months in 2004 because operations were halted over the loss of a computer disk containing classified materials.

Last year, the report said, laboratory tests were behind schedule for seven of the nine weapons systems and flight tests for six. Charts contained in the report show the greatest laboratory backlog was in the oldest warhead, the W-62, which was used on the Minuteman III intercontinental ballistic missile and is due for retirement. Of 36 lab tests planned, 13 had been completed by Sept. 30, 2005, the report said.

Of the more modern warheads, the W-88, the newest U.S. warhead found on the Trident submarine-launched ICBM, was scheduled for 29 lab tests -- of which 23 were completed on schedule. The largest gap in flight tests was for the W-87, the warhead that is to replace the W-62 and the Minuteman III. Of eight tests planned for fiscal 2005, three had been completed.

Some Opt Out Of Military Options (USAT)

By Judy Keen

USA Today, November 3, 2006

LINCOLNSHIRE, Ill. — Brian Berman, a senior at Stevenson High School, doesn't want to join the military, doesn't want calls from recruiters, doesn't want them at his door.

So his parents signed a form that prevents the school from giving his contact information to recruiters. A provision of the No Child Left Behind law requires high schools to share students' names, phone numbers and addresses with military recruiters unless students or their parents choose to opt out.

Recruiters still come to school, he says, and “try to act all friendly.” Berman, 18, doesn't buy their pitches about career and educational opportunities. “It's ridiculous,” he says. “They're trying to bribe you to enlist.”

Pentagon officials say recruiters just want the same information that goes to colleges and companies to make career pitches to students.

If Berman's parents had not signed the form, the school would be required to share his contact information with military recruiters under the 2001 law.

More than half of the nearly 4,500 students at Stevenson in this north Chicago suburb have submitted the forms. Schools that don't comply risk losing federal funds. None have so far.

The Pentagon and the Education Department don't track how many students ask not to be contacted by military recruiters. Opponents of the practice are spreading the word that parents must take action if they object:

·A conference called “Education Not Militarization!” will be held Saturday in Los Angeles. Arlene Inouye, a high-school teacher and founder of the Coalition Against Militarism in Our Schools, says the group has members in 50 schools who make sure parents and students know their rights.

Lupe Lujan of San Gabriel, Calif., got involved in the group after her son Samuel, then 17, showed up at home a couple years ago with a military recruiter to get Samuel's Social Security card, needed to take a military aptitude test. “I was very happy to tell the recruiter, ‘You're not taking my son,' ” Lujan says.

California Gov. Arnold Schwarzenegger vetoed a bill this fall that would have required schools to include an opt-out box to check on student emergency-contact cards. Some schools mail notices about opting out to parents, others send them home with students.

·Parents and peace activists in Montgomery County, Md., distributed opt-out forms to parents at back-to-school nights this fall.

·In Duluth, Minn., the Parent Teacher Student Association Council persuaded high schools to push back the deadline to turn in the forms from Oct. 1 to Nov. 1 and stepped up efforts to make parents aware of the requirement.

·The National PTA supports changing the federal law so recruiters could not approach students unless their parents “opt in” and request such contact.

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Marine Maj. Stewart Upton, a Pentagon spokesman, says the law doesn't give the military an edge over other institutions interested in giving students career choices. It requires schools to "provide military recruiters the same access that's provided to colleges and other prospective employers," he says.

Douglas Smith, a spokesman for the Army Recruiting Command at Fort Knox in Kentucky, says recruiters want to work with the schools. "The idea is to have a strong personal and professional relationship with your schools," he says.

Students who submit the opt-out forms, Smith says, aren't necessarily precluding all contact. "It means that the school isn't going to give us that student contact information," he says. "It doesn't mean the recruiter might not contact the student anyway."

Recruiters can get students' names from other sources, such as career days at schools. If a student calls a military branch's toll-free number, responds to a letter or asks for information online, recruiters can make contact, Smith says.

Juniors and seniors are the focus of recruiters from all military branches. At Stevenson, recruiters organize exercise competitions and give prizes such as key chains and T-shirts.

That doesn't bother Kris Ozga, 17, a senior. His parents didn't sign the opt-out form, and he gets calls from recruiters, even on his cellphone. "They're like, 'Oh, have you even thought about enlisting?' " he says. He did think about it, but he's pursuing a college baseball scholarship.

He didn't like some recruiters' style. "Sometimes they don't back off," he says.

Kareem Miller, 17, didn't opt out and sometimes gets three or four calls a month. "It doesn't really bother anybody," he says. "It might make people worry, though, if there's a draft."

Recruiting high school students isn't new. Pam Polakow, whose son attended Stevenson before the law took effect in 2002, says military recruiters were "extremely persistent" when he was in school, calling at least once a week. "I was very uncomfortable," she says.

Daniel Mater, 17, a Stevenson senior, says his parents signed the form. "They made the decision, but I never had any interest in the military," he says. "It saves me time."

Senior Gino Ciarroni, 18, has been talking to recruiters from the Army, Marines and Navy. "I'm interested in serving my country," he says, "and getting help with college." He's had trouble, though, getting answers about what military job he would qualify for and how much money he'd get for college.

Recruiters gave him their cellphone numbers and seem to be "there to help," he says. He's considering joining the Reserve Officers' Training Corps.

Senior Robert Warren, 17, doesn't mind the calls. "They're very respectful," he says. "When I told them I'm not interested, they stopped calling."

CORPORATE SCANDALS:

Ex-CEO Gets 12 Years (AP)

By Tom Hays, Associated Press

AP, November 3, 2006

Judge Also Fines Former Computer Associates Leader $8 Million In Fraud Scandal

NEW YORK -- The former chief executive of Computer Associates International Inc. was sentenced to 12 years in prison and fined $8 million on Thursday in an accounting fraud scandal estimated to have cost investors $400 million at one of the world's largest software companies.

Sanjay Kumar, 44, had pleaded guilty in April to obstruction of justice and securities fraud charges at the company, which since has been renamed CA Inc.

"I know that I was wrong and there was no excuse for my conduct," Kumar told the judge while reading impassively from a statement at his sentencing at federal court in Brooklyn. "I do apologize for my mistakes and ask for forgiveness from all involved."

Under federal sentencing guidelines, Kumar could have faced life in prison, but the judge called that punishment unreasonable.

Prosecutor Eric Komitee argued that Kumar should be severely punished as the architect of an elaborate cover-up that was "the most brazen in the modern era of corporate crime."

The defense sought leniency by detailing Kumar's "meteoric" rise from Sri Lankan immigrant to one of the "great minds" of the software industry, and by emphasizing his philanthropic efforts, including a "Save the Elephants" campaign in Kenya.

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U.S. District Judge Leo Glasser scolded the defendant for not fully acknowledging that the conspiracy cost shareholders an estimated $400 million. Though not a violent criminal, Kumar "did violence to the legitimate expectations of shareholders," the judge said.

Kumar was ordered to surrender on Feb. 27. He left the courthouse without speaking to reporters.

According to a 2004 indictment, Kumar orchestrated a plot to report more than $2 billion in false revenue between 1999 and 2000.

Prosecutors said he was so involved in the scheme, he once flew on a corporate jet to Paris in July 1999 to finalize a $19 million deal and signed a contract that had been backdated.

The indictment also charged that Kumar and other executives instructed salespeople to complete deals after the quarter had closed - a practice known within the company as the "35-day month" - and "cleaned up" contracts by removing time stamps from faxes.

After the FBI began investigating the company in 2002, Kumar orchestrated a cover-up that involved lying under oath about the "35-day month" and trying to buy the silence of a potential witness, authorities said.

With 15,000 employees worldwide, CA Inc. is now the world's fifth-largest software provider.

"The sentencing of Sanjay Kumar today is another step in putting the past of Computer Associates further behind the new CA," company spokeswoman Jennifer Hallahan said.

"We are a dramatically different organization than we were more than two years ago, when Mr. Kumar left the company."

Former CA CEO Sanjay Kumar Gets 12 Years In Prison (COMPW)

Computerworld, November 3, 2006

Sanjay Kumar, the former CEO of CA, has been sentenced to 12 years in federal prison for his role in a financial scandal at the company that prematurely reported $US2.2 billion in software licensing revenue between 1999 to 2000.

Kumar, who resigned from CA in June 2004 after the scandal unfolded, was also hit with an $US8 million fine by Judge I. Leo Grasser in US District Court in Brooklyn, NY, at his sentencing.

Kumar would remain free on bond until Grasser decides the issue of restitution to the victims of the accounting scandal, a spokesperson in the US Attorney's Office in Brooklyn said.

The prison where Kumar will serve his sentence has not yet been announced. A recommendation will be made by the court and a final decision will be made by the US Bureau of Prisons.

"The integrity of US financial markets depends on corporate executives accurately reporting their companies' performance to the investing public," US Attorney, Roslynn R. Mauskopf, said in a statement. "In violation of the shareholders' trust and the federal securities laws, [Kumar] persistently misrepresented the company's financial position and orchestrated a pervasive cover-up scheme. The sentence imposed today sends the message that accounting fraud is a serious crime and that obstructing justice will inevitably make things worse, not better, for defendants under investigation."

Assistant director-in-charge of the FBI's New York Field Office, which assisted in the CA accounting investigation, Mark J. Mershon, said in a statement that the sentence fit Kumar's crimes.

"Today, justice looked Mr. Kumar in the face and held him accountable for presiding over one of the largest accounting fraud schemes on record," Mershon said. "His deliberate misstatements of over $US2 billion of Computer Associates' revenue caused an elevation of the company's stock price, but when the scheme collapsed, no one fell harder than the investors who made good faith purchases of the company's stock."

The losses to CA's shareholders from the illegal accounting actions amounted to more than $US400 million, according to the government. The defendants admitted that they inflated the quarterly revenue and earnings of the company by keeping its books open past their normal quarterly ending dates. That made it look like the company had met or exceeded its quarterly revenue projections, when in fact the revenue had actually fallen short of those targets. Kumar pleaded guilty in April to all eight federal charges against him, including securities fraud, obstruction of justice and perjury.

He could have received a maximum of 90 years in prison based on the statutory maximums under the law, the US Attorney's Office spokesperson said. CA's former worldwide sales chief, Stephen Richards, also pleaded guilty to identical charges in April and is still awaiting sentencing. His sentence date had yet to be set, the spokesperson said.

Kumar and Richards were charged with prematurely reporting $US2.2 billion in revenue for licensing agreements during fiscal quarters in which the deals had not yet been finalised, according to the government. The government's indictment asserted that the two men knowingly distorted CA's accounting and took steps to hide their actions.

In early 2000, for instance, CA signed a $US44.5 million license deal with a "nearly insolvent" customer in which it also had an ownership stake. It then back-dated the contract so it could be recorded in the prior quarter, according to the indictment. In the

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next quarter, expecting that it would not be able to collect on the contract, CA reversed the revenue in its internal records but did not publicly restate its results.

Kumar was also accused of authorising a $US3.7 million consulting contract in early 2003 that essentially amounted to hush money for an unnamed executive at a CA customer company who knew of CA's accounting improprieties. According to the indictment, this executive had arranged a $US27 million license contract with CA in March 2000, but as part of the deal, CA spent a similar amount on software from the executive's company. Neither software package was ever used, making the deal a "revenue swap" that can't legally be treated as a sale.

When the unidentified executive threatened to alert government investigators to the arrangement, Kumar conspired with CA's general counsel to arrange the consulting payoff, the indictment said.

Former CA Chief Gets 12 Years In Jail (FT)

By Paul Taylor In New York

Financial Times, November 3, 2006

Sanjay Kumar, the former chief executive of Computer Associates, was sentenced to 12 years in federal prison and fined $8m on Thursday for his role in a $2.2bn accounting fraud at the New York-based business software firm.

Kumar, aged 44, had faced up to life in prison after pleading guilty in April to charges including conspiracy, securities fraud and obstruction of justice at the company, which since has been renamed CA.

The sentence was imposed after Assistant US Attorney Eric Komitee told Judge Leo Glasser that Kumar's actions represented "the most brazen and comprehensive obstruction in the modern era of corporate crime."

Judge Glasser said though Kumar was not a violent criminal, he "did violence to the legitimate expectations of shareholders."

As part of the accounting scheme, Kumar improperly booked software license revenue from 1999 to 2000 in order to meet Wall Street analysts' profit expectations and then lied to investigators about it, investigators said.

According to the indictment, the former CA chief executive was so involved with adding false revenue to a financial quarter after it closed that he flew on a corporate jet to Paris in July 1999 to finalize a $19 million deal and signed a contract that had been backdated.

The indictment also charged that Kumar and other executives instructed salespeople to complete deals after the quarter had closed - a practice known within the company as the '35-day month' – and then 'cleaned up' contracts by removing time stamps from faxes.

After the US Federal Bureau of Investigations began investigating the company in 2002, prosecutors said Kumar orchestrated a cover-up that involved lying under oath about the '35-day month' and other frauds and trying to buy the silence of a potential witness, authorities said.

Kumar, who stepped down as chairman and chief executive of Computer Associates in April 2004 after the full scale of the fraud became apparent, told the judge at his sentencing, "I know that I was wrong and there was no excuse for my conduct." He was ordered to surrender on February 27.

After the fraud was discovered Computer Associates restated its results for fiscal 2001 through 2004, agreed to pay $225m in shareholder restitution and continues to cooperate with the government as part of a deferred prosecution agreement.

Lawyers for Kumar, who is also a former co-owner of the New York Islanders hockey team, described him as one of the "great minds" of the software industry who turned Computer Associates into a thriving enterprise. "I hope the court will not lose sight of the good he did for that company," said attorney John Cooney.

¦William Sorin, the former general counsel of Comverse, the voicemail software group, yesterday became the company's second top executive to plead guilty to charges stemming from options backdating, Kevin Allison reports from San Francisco.

He faces up to five years in jail. Last week, Daniel Kreinberg, Comverse's former chief financial officer, pleaded guilty to backdating charges as part of a plea deal. Authorities are seeking custody of Jacob "Kobi" Alexander, Comverse's founder and former chief executive, who is also facing fraud charges.

Mr Sorin will be sentenced in February.

Former Tech Exec To Serve 12 Years (USAT)

By Greg Farrell

USA Today, November 3, 2006

In yet another sign that the court system has little mercy for executives who've done wrong, a federal judge imposed a 12-year prison sentence on Sanjay Kumar, the former CEO of Computer Associates, who pleaded guilty in April to manipulating CA's earnings.

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In addition to the prison sentence, U.S. District Judge I. Leo Glasser ordered Kumar to pay an $8 million fine.

While Kumar's sentence is less than half of the terms doled out to former WorldCom CEO Bernie Ebbers (25 years) and former Enron CEO Jeff Skilling (24 years, 4 months), it struck some observers as harsh because:

·Kumar pleaded guilty without putting the government through a trial, which was not the case with Ebbers and Skilling.

·CA executives padded the company's quarterly earnings by tapping into future earnings but never fabricated income out of whole cloth.

"That's a huge sentence," says David Gourevitch, a Manhattan attorney. "A few short years ago, conduct like this might barely have merited a regulatory sanction, if that. It's a reflection of how far the pendulum has swung against corporate executives."

Even though Kumar pleaded guilty, he fought the government for years and obstructed a criminal investigation into accounting practices at CA. He pleaded guilty only two weeks before his trial was scheduled to begin. If he'd been convicted at trial, Kumar easily could have faced more than 20 years in prison.

"If you don't cooperate with the government, the government will be punitive," says Jack Coffee, an expert in securities law at Columbia University. "If you take the court's time, the court will take your time."

Kumar, an immigrant from Sri Lanka, joined CA in 1987 and rose to CEO in 2000. Prosecutors from the U.S. Attorney's office in Brooklyn accused him of ordering his subordinates to keep the company's quarterly books open even after the particular quarter had closed. Prosecutors said the bogus accounting cost investors more than $3 billion.

Former CA Chief Is Sentenced To 12-Year Prison Term, Fined (WSJ)

By William M. Bulkeley

The Wall Street Journal, November 3, 2006

Former Computer Associates International Chief Executive Sanjay Kumar, who helped build a software powerhouse only to embroil it in one of the biggest accounting scandals of the decade, was sentenced to 12 years in prison and fined $8 million for securities fraud and obstruction of justice.

The sentencing is the latest in a string of lengthy prison terms for white-collar criminals partly spurred by a spate of accounting scandals that lost investors billions of dollars in stock-market value earlier in the decade. Last month, former Enron Corp. President Jeffrey Skilling was sentenced to 24 years and four months in prison, while former WorldCom Inc. chief Bernard Ebbers is serving 25 years in prison.

Still, the judge overseeing the case in a Brooklyn, N.Y., court had the option of sentencing him to up to a lifetime in prison. Attorneys for Mr. Kumar didn't say whether they would try to appeal the sentence.

Mr. Kumar's former company, now known as CA Inc., continues to grapple with the fallout from the accounting scandal. Late yesterday afternoon, CA said it expects earnings per share to be below its original outlook as a result of restructuring costs. CA shares fell 7.4% in after-hours trading.

Mr. Kumar pleaded guilty in April to charges that he created what prosecutors called "35-day months" to book extra revenue after a quarter ended and a subsequent cover-up that included offering a no-work contract to a potential witness to keep him quiet. Under the fraud, the company misreported some $2.2 billion in revenue, according to federal securities officials.

"I stand before your honor today to take full responsibility for my actions," Mr. Kumar, who is 44 years old, told U.S. District Court Judge I. Leo Glasser. "I know that I was wrong and there's no excuse for my conduct." Mr. Kumar declined to comment after the sentencing, except to say he was "ready to move on."

COURT DOCUMENTS

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Read Sanjay Kumar's original indictment (pdf file)2, by arrangement with FindLaw3.

Born in poverty in Sri Lanka, Mr. Kumar emigrated to the U.S. with his family and by the age of 38 rose to chief executive of the world's second-biggest maker of mainframe-computer software, getting stock awards that were worth hundreds of millions of dollars at one time.

Judge Glasser said that under federal sentencing guidelines he could have given Mr. Kumar a lifetime sentence. But he said such a long sentence would "shock the conscience of this court." Sentencing factors included the eight-count indictment to which he pleaded guilty and the economic harm of his actions, which Judge Glasser said exceeded $400 million.

Mr. Kumar will be eligible for time off for good behavior that could reduce his sentence by 15%, meaning that he will serve a minimum of just over 10 years. Parole isn't a part of the federal penal system.

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Judge Glasser postponed sending Mr. Kumar to a minimum-security federal prison until the end of February. He said he wants to rule first on the amount of restitution shareholders and other victims should get from Mr. Kumar. Judge Glasser said he might change the fine depending on whether funds are needed for restitution. It isn't clear what Mr. Kumar's current financial situation is.

Mr. Kumar's attorneys had argued for a more lenient sentence on the grounds that CA, based in Islandia, N.Y., is still in business, unlike Enron and WorldCom, which filed for bankruptcy protection. CA agreed in 2004 to pay $225 million in restitution and operate under a special examiner's supervision to avoid prosecution

The defense said that almost all the revenue that CA booked early was real revenue that should have been accounted for a few weeks later. They noted that Mr. Kumar had shown contrition by pleading guilty before a trial started.

U.S. prosecutor Eric Komitee said CA represented the "most blatant example" among recent corporate scandals of "a sitting CEO directing a comprehensive scheme" to obstruct justice.

Judge Glasser said "securities fraud...did violence to the legitimate expectation of investors." He said it was clear that Mr. Kumar had falsified results to fulfill Wall Street expectations for earnings and that the stock would have plunged if the bookings had been delayed to the next quarter.

Several other executives, who pleaded guilty and cooperated with prosecutors, await sentencing. Among them are CA's former general counsel and its former chief financial officer.

CA Inc. said net income for its second quarter ended Sept. 30 rose to $53 million, or nine cents a share, from $46 million, or eight cents a share, from a year earlier. The company said its earnings excluding restructuring costs remained flat at 25 cents a share.

CA said revenue rose to $996 million from $950 million.

CA sees total restructuring charges of $150 million, most of which are to be recognized in fiscal 2007, and a reduction in work force of 1,400 positions, including 300 related to divestiture of a joint venture. The company also expects to eliminate an additional 300 positions through attrition.

Ex-Leader Of Computer Associates Gets 12-Year Sentence And Fine (NYT)

By Michael J. De La Merced
The New York Times, November 3, 2006

The former chief executive of Computer Associates International, Sanjay Kumar, was sentenced yesterday to 12 years in prison for orchestrating a $2.2 billion accounting fraud at the software company. He was also fined $8 million.

Because he pleaded guilty in April to securities fraud and obstruction of justice charges, Mr. Kumar, 44, had faced a maximum sentence of life imprisonment.

The judge, I. Leo Glasser, of the Federal District Court in Brooklyn, described such a punishment as excessive. But he repeatedly rebuked Mr. Kumar for helping inflate the company's sales figures in 1999 and 2000, as well as lying to federal investigators and authorizing a bribe to a potential witness.

"This shocked the conscience of this court, and I dare believe it shocked the conscience of any reasonable person," Judge Glasser said.

The sentence came down after a nearly two-hour hearing in which Mr. Kumar again apologized to the court.

"I stand before the court today to accept full responsibility for my actions," said Mr. Kumar, wearing a tie and charcoal gray suit. "I deeply regret the actions I took."

Joining Mr. Kumar in the courtroom were his wife, father and two sisters, as well as a phalanx of lawyers. His two daughters stayed home. Upon hearing the verdict, neither Mr. Kumar nor his family betrayed any emotion.

Kirby D. Behre, a partner at the law firm of Paul, Hastings, Janofsky & Walker and a former federal prosecutor, said he considered Mr. Kumar's sentence stiff but just. "It's a far cry from a life sentence, but it's still a decade behind bars," Mr. Behre said.

Mr. Kumar is the latest convicted chief executive to receive a lengthy prison sentence in recent years.

Jeffrey K. Skilling, the former chief executive of Enron, was sentenced last week to 24 years and four months in prison, while Bernard J. Ebbers last year received 25 years in prison.

Mr. Kumar's fine, the judge said, has been deferred until restitution is determined next year. Mr. Kumar is scheduled to report to prison on Feb. 27.

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At the hearing, his main lawyer, John P. Cooney Jr., requested that Mr. Kumar serve his prison term at the Federal Correctional Institution in Fairton, N.J., a medium- and minimum-security prison 40 miles west of Atlantic City. After the hearing, Mr. Cooney said his client had not yet decided whether to appeal the sentence.

The four-year investigation of Computer Associates, now CA, centered on backdated contracts that artificially inflated profits. Computer Associates, based in Islandia, N.Y., entered into a deferred prosecution agreement to avoid indictment in 2004; in it, the company agreed to pay $225 million to a shareholder restitution fund and agreed to government monitoring for two years.

Seven other Computer Associates executives have pleaded guilty to fraud charges. Stephen Richards, the company's former top salesman, pleaded guilty in April alongside Mr. Kumar; he is to be sentenced on Nov. 14.

The second-largest provider of software for mainframe computers, Computer Associates had tremendous success during the 1990s, largely under the leadership of Mr. Kumar and the company's founder, Charles B. Wang.

Mr. Kumar was compensated handsomely in return: in 1998, he netted a $330 million bonus, one of the largest paydays of any American executive.

Once hailed as a Horatio Alger success story, Mr. Kumar arrived in the United States at the age of 14 after his family fled Sri Lanka. Joining Computer Associates in 1987 at the age of 25, Mr. Kumar earned promotions quickly: he became president and chief operating officer in 1994, and in 2000 he assumed the role of chief executive. Two years later, he added the title of chairman after Mr. Wang resigned.

But as the government's investigation stepped up, Mr. Kumar came under scrutiny. He stepped down as chairman in April 2004, taking the title of chief software architect, until he finally severed all ties to the company two months later.

Details have since emerged of the dubious accounting practices that helped fuel Computer Associates' once-soaring stock price. For instance, the company rolled sales figures from new quarters into previous earnings figures, a practice employees called the 35-day month. Prosecutors also said that Mr. Kumar repeatedly lied to the Federal Bureau of Investigation and his own lawyers, and that he approved a $3.7 million payment to silence a potential witness.

"This was the most brazen and comprehensive obstruction in the modern era of corporate crime," said Eric Komitee, the assistant United States attorney in charge of the case.

At the sentencing, Mr. Cooney detailed Mr. Kumar's philanthropic efforts as he sought to win leniency for his client: donations to tsunami relief in Sri Lanka; girls' education programs in Kenya; emergency medical support to victims of the 1998 embassy bombings, also in Kenya; and programs to help scientists track elephant herds in Africa.

But Judge Glasser said that federal sentencing guidelines did not permit him to consider charity work in determining punishment.

The judge also questioned several statements by Mr. Kumar and his lawyer that suggested the former executive had fully accepted responsibility for his actions. The judge cited the timing of Mr. Kumar's guilty plea — two weeks before his trial was to have begun — as well as Mr. Kumar's continued denial that he erased potentially incriminating data from a laptop computer.

Jennifer Hallahan, a spokeswoman for Computer Associates, said the company sought to move beyond the Kumar era.

"We are a dramatically different organization than we were more than two years ago, when Mr. Kumar left the company," she said.

She added that the company was still seeking to obtain any "ill-gotten gains" from former executives.

Kumar Gets 12 Years In CA Fraud Case (NSDY)

By Bob Kessler, Newsday Staff Writers

Long Island Newsday, November 3, 2006

Saying that Sanjay Kumar's initial rise to prominence because of his talent had been "the embodiment of the American dream," a judge Thursday sentenced the former Computer Associates chairman and chief executive to 12 years in prison for then allowing his "cupidity" to lead him to mastermind and then cover up a massive accounting fraud.

Kumar, 44, who pleaded guilty in April to conspiracy, fraud, obstruction of justice, lying in filings with the Securities and Exchange Commission, and lying to FBI agents, also was ordered by U.S. District Judge I. Leo Glasser in the U.S. District Court in Brooklyn to pay an $8 million fine and pay restitution to be determined later that could run into the hundreds of millions of dollars. Federal prosecutors say the fraud cost stockholders over $3 billion.

Before he was sentenced, Kumar told the judge, "I stand before you today to take full responsibility for my actions. I know that I was wrong."

Kumar had asked for a lenient sentence because, he has claimed, the fraud amounted essentially to moving around legitimate sales, and that he had a long history of philanthropies on Long Island, and in Africa, India, and his native Sri Lanka.

But the lead federal prosecutor in the case, Assistant U.S. Attorney Eric Komitee, called Kumar's attempt to cover up his actions by lying, getting other employees to lie and bribing one possible witness "the most brazen and comprehensive obstruction of justice in the modern era of corporate crime."

Glasser noted the recommended federal sentencing guidelines called for a sentence of life in prison, because of the nature of the scheme, the extent of the attempt to cover it up, and the amount of the losses.

Glasser approvingly outlined Kumar's rise from being a poor Sri Lankan immigrant to the head of Islandia-based Computer Associates, one of the Fortune 500 companies, by the age of 40. But in the end, Glasser said that Kumar only had his greed to blame for his crimes.

Glasser disputed Kumar's claim that the loss at the company, now known as CA, was negligible, saying he found "persuasively cogent" a government economist's testimony that the loss was at least in "the hundreds of millions of dollars." The judge also said that he found convincing a government expert's testimony that part of the cover-up involved Kumar deleting files in his own computer and then denying he had done so.

But in the end Glasser said that although he could theoretically impose a life sentence, he found it too harsh and "would shock the conscience of this court and shock the conscience ... of a reasonable person." He did not further explain the precise reason for the actual jail time imposed.

But the 12-year sentence was in the range that a number of lawyers who had followed the case had predicted.

George Stamboulidis, one former federal prosecutor, who is now a prominent defense lawyer, called the sentence "just right." Stamboulidis noted that executives of Enron, WorldCom and Tyco who had been sentenced recently for similar white-collar crimes got what he termed "barbaric sentences" of more than 20 years.

Kumar has until Feb. 27 to surrender to begin serving his sentence. It is unclear where he will be incarcerated.

Two Bond Traders To Leave UBS Amid SEC Probe (WSJ)

By Gregory Zuckerman And Serena Ng

The Wall Street Journal, November 3, 2006

Two senior bond traders are negotiating the terms of their departures from the Wall Street arm of UBS AG amid an unfolding investigation by regulators into possible manipulation of Treasury-securities prices, according to people familiar with the matter.

The UBS traders -- who focus on the so-called repurchase-agreement, or repo market, in which bonds are used as collateral for short-term loans -- are no longer working on the trading desk, according to a person close to the matter. They worked in a Stamford, Conn., office of the U.S. securities arm of the Swiss bank.

The departures are related to a Securities and Exchange Commission investigation into possible improper trading in the Treasury markets at UBS. The investigators are focusing on trading that took place in February, according to a person close to the matter.

One of the traders, Phillip B. Smith, a managing director, has been at UBS for nine years. The other trader, Robert T. Fischetti, an executive director, has been at the bank for six years. It isn't clear precisely what events led to their expected departures. Calls to the residences of each individual weren't returned.

No regulator has alleged wrongdoing by any individual or at any specific bank.

UBS wouldn't comment "on the details of personnel matters at the bank," said a spokesman. The firm declined to provide contact information for the traders or the names of their attorneys.

Investment banks, hedge funds, mutual funds and other investors use the repo market to borrow large sums of cash, sometimes at low rates, and the Federal Reserve uses the market to help manage short-term interest rates.

Regulators are concerned that Treasury-securities prices were possibly being manipulated. The activity allegedly involved traders controlling the supply of certain Treasury issues, making it hard for others to obtain them, and then profiting by lending out those securities in the repo market at favorable interest rates.

In September, a Treasury Department official publicly warned dealers about market manipulation. On Monday, officials from the Federal Reserve Bank of New York will meet with 22 bond dealers to discuss their concerns about activity in this market.

The focus by regulators has already had an impact on the bond market. For the first time in many months, very few bonds are hard to locate, or trade "special."

That means that those interested in lending out bonds through the repo market can no longer do so and receive cash at super-slim interest rates.

"The scrutiny has had a chilling effect on the repo specials market," said David Boberski, an analyst at Bear Stearns, in a report Tuesday.

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Write to Gregory Zuckerman at gregory.zuckerman@wsj.com1 and Serena Ng at serena.ng@wsj.com2

A Second Comverse Ex-Executive Pleads Guilty (WSJ)

By Paul Davies

The Wall Street Journal, November 3, 2006

The former general counsel of Comverse Technology Inc. pleaded guilty in federal court to a criminal conspiracy charge in connection with backdating stock options, and implicated the former chief executive as the mastermind of the scheme.

William F. Sorin, a Harvard Law School graduate, is the second former executive at the New York telecommunications-software firm to plead guilty. The company's former chief financial officer, David Kreinberg, 41 years old, pleaded guilty to securities fraud and conspiracy last week in U.S. District Court.

Messrs. Kreinberg and Sorin are the first two executives to plead guilty in the stock-options backdating scandal that has ensnared more than 130 companies in federal probes. Dozens of executives have lost their jobs.

Mr. Sorin, who turns 58 tomorrow, told Judge Nicholas Garaufis that former Comverse Chief Executive Kobi Alexander first informed him of the backdating plan sometime in the late 1990s. Mr. Sorin said Mr. Alexander told him that he retroactively selected a grant date for stock options by choosing the lowest price of the prior quarter. Mr. Sorin added that the backdating continued to 2002.

"I knew what [Mr. Alexander] was doing was wrong and did not challenge his conduct or share my knowledge with the board of directors and auditors of the company," Mr. Sorin said in court. He said he went along with the scheme out of "the respect I had felt for Mr. Alexander" and "my belief in his importance to the success of the company."

Federal prosecutors in Brooklyn claimed that Mr. Sorin helped with the scheme by, in effect, tricking Comverse board members into approving the backdated grants, by getting them to sign documents with the bogus grant dates already filled in.

Mr. Sorin said that he had earned a reputation for integrity in more than 30 years of legal practice, but in this case "I failed as a lawyer and disserved our shareholders." Mr. Sorin also told the judge that he was seeing a psychiatrist and was taking sleep and anti-anxiety drugs.

Mr. Sorin pleaded guilty to conspiracy to commit mail fraud, securities fraud and wire fraud. He is scheduled to be sentenced Feb. 9 and faces up to five years in prison and a fine of up to $250,000. Prosecutors are also seeking $51 million in restitution.

In pleading guilty last week, Mr. Kreinberg also pointed the finger at Mr. Alexander, who fled the country ahead of the charges and was arrested in September in Namibia after an international manhunt. Now out on bail, Mr. Alexander is facing an extradition request by the U.S., which has charged him in a 35-count indictment with securities fraud, bribery and other crimes. Mr. Alexander's attorneys have said he will contest the charges if and when he returns to the U.S. An attorney for Mr. Alexander declined to comment regarding the claim that the former chief executive orchestrated the scheme.

Options allow recipients to buy stock at a preset exercise price, generally set at the market price on the day they were granted. Backdating involves pretending that an option was granted on an earlier date when the market price was lower.

Spiegel Ex-Officers Settle SEC Charges In Accounting Case (WSJ)

By Judith Burns

The Wall Street Journal, November 3, 2006

WASHINGTON -- Eight former officers and directors of Spiegel Inc. have settled Securities and Exchange Commission charges they helped the catalog retailer conceal deteriorating performance from investors and outside auditors.

The SEC said the company's accounting problems occurred over a two-year period, starting in April 2001. At the time, Spiegel owned retail outlets including Eddie Bauer and Newport News. The former executives settled without admitting or denying the claims and will pay penalties ranging from $100,000 to $170,000 each.

Spiegel itself won't be fined in the matter. The company filed for Chapter 11 bankruptcy-court protection in March 2003, soon after the SEC charged it with delaying financial results for nearly a year to conceal financial problems. A partial settlement had left open the question of fines. Spiegel emerged from bankruptcy reorganized around its Eddie Bauer division and is now known as Eddie Bauer Holdings Inc.

"The Spiegel that existed then no longer exists," so the SEC has decided not to pursue claims against the company now, said Peter Chan, assistant regional director in the SEC's office in Chicago.

The SEC said former Spiegel co-presidents Michael Moran and James Sievers, former Chief Executive Martin Zaepfel, former Chief Financial Officer James Cannataro and former Treasurer John Steele authorized higher fees paid from Spiegel retailing subsidiaries to the firm's banking unit, which the SEC said hid weaker performance in Spiegel's credit-card receivables.

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Mr. Zaepfel "is pleased to resolve the matter," said his attorney, Robert Knuts. An attorney for Mr. Cannataro declined to comment. Attorneys for Messrs. Moran, Sievers and Steele couldn't be reached for comment.

SEC Enforcement Cases Decline 9% (WP)

By Carrie Johnson, Washington Post Staff Writer

The Washington Post, November 3, 2006

Staff Reduced Because of Budget Crunch

The number of new enforcement cases brought by the Securities and Exchange Commission fell by 9 percent last year as the agency grappled with staffing cuts brought on by a recent budget crunch, according to figures released yesterday.

SEC Chairman Christopher Cox said in a statement that the agency's work in the fiscal year ended Sept. 30 had produced "solid results for investors," including settlements of $800 million with insurance firm American International Group Inc. and $400 million with District mortgage giant Fannie Mae.

The agency's reduced tally of 574 enforcement actions included 91 cases against shell companies that failed to file regular financial reports. That issue has become an SEC priority of late, but pursuing those cases takes less time and fewer resources than most other actions. Former agency lawyers said such cases amount to going after low-hanging fruit.

Cox attributed the decline to temporarily reduced staff levels. The SEC as a whole lost 155 employees last year -- including 43 in the enforcement unit -- compared with fiscal 2005. A total of 3,696 people worked at the agency in 2006, with 1,189 in the enforcement division. The agency is reviewing its staffing levels and plans to restore some of the unfilled positions, officials said.

In recent years, the SEC has faced criticism for failing to uncover widespread accounting fraud at such companies as Enron Corp. and WorldCom Inc. as well as trading abuses at mutual funds. Those scandals prompted Congress to pour hundreds of millions of dollars into the agency's coffers.

But more recent financial difficulties, including construction overruns on its new headquarters near Union Station, led to a budget shortfall last year and a hiring freeze that only recently has been lifted, officials said.

Law professors and former agency officials who follow the SEC's work said they are closely watching the agency's budget, which held relatively steady at $888 million last year. They said they are hoping it does not suffer further cuts and would prefer to see it grow modestly to accommodate merit raises for current staff members.

Cox told the Senate Banking Committee last summer that the agency did not need more resources to handle the 130 stock option backdating cases it is investigating, a stance that some analysts have questioned.

"Given the budget cutbacks in the number of people in the SEC's enforcement arm, and the ongoing corporate scandals, all investors should be worried," said Lynn E. Turner, a former chief accountant at the agency who is now director of research at the proxy advisory firm Glass, Lewis & Co. "It will put much of the enforcement burden on the shoulders of investors, just as existed before Enron was exposed, contributing to investors losing tens of billions of dollars."

Duke University law professor James D. Cox, who is no relation to the SEC leader, said: "You get what you pay for. It's been clear in the history of the SEC that as the budget goes, so goes enforcement."

Starving the agency throughout the 1990s meant that SEC officials did not have enough people to review the financial reports of the nation's largest companies every three years, an issue that came to light only after Enron collapsed into bankruptcy in December 2001 and investors learned that its books had not been examined by regulators.

Joel Seligman, author of a history of the SEC and the president of the University of Rochester, said he is not surprised that the enforcement figures have leveled off given the burst of activity following accounting frauds and mutual fund trading scandals in the past few years.

"I do not have the sense that the SEC is pulling its punches," Seligman said.

CRIMINAL LAW:

FBI Questions Two More Former Aides To Harris (SPT)

By Anita Kumar, Times Staff Writer

St Petersburg Times, November 3, 2006

WASHINGTON - Federal investigators have interviewed at least two more former chiefs of staff to U.S. Rep. Katherine Harris as part of a federal inquiry into her relationship with a convicted defense contractor.

Dan Berger and Ben McKay, who both worked for Harris in her first term and are now lobbyists in Washington, confirmed the interviews this week and said it was their understanding all congressional staff would likely be questioned. The two spoke separately to three investigators from the FBI and the Defense Department in Washington several weeks ago.

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The Justice and Defense departments are examining Harris' dealings with Mitchell Wade, who made illegal campaign contributions to Harris and paid for at least two dinners with her at a tony Georgetown restaurant that totaled about $6,000. Later Wade asked Harris to help secure $10-million in federal money for a company project in Sarasota.

Federal authorities have subpoenaed records from Harris' U.S. Senate campaign office and have interviewed several former staffers, including senior campaign consultant Ed Rollins, campaign manager Jim Dornan and Mona Tate Yost, a congressional aide who later went to work for Wade.

Harris, a two-term Republican from Longboat Key who has served in Congress since 2002, is running an uphill battle to unseat Democratic Sen. Bill Nelson in Tuesday's election.

Justice Department spokesman Bryan Sierra declined to comment this week.

Fred Asbell, who was chief of staff for Harris for about 10 months before leaving in June, was interviewed. Dan Horowitz, who held that position for four months at the end of 2004, said he has not been contacted and does not expect to be.

Horowitz works for the House Small Business Committee.

Calls to Christopher Battle, who worked for Harris for about six months until this spring, were not returned.

Harris' staff did not return messages this week.

Times researcher Angie Drobnic Holan contributed to this report. Anita Kumar can be reached at akumar@sptimes.com or 202 463-0576.

Former Federal Prosecutor Pleads Guilty To Money Laundering, Conspiracy (FINDLAW/AP)

AP, November 3, 2006

(AP) - RALEIGH, North Carolina-A former U.S. attorney, judge and state Republican chairman pleaded guilty Thursday to charges related to a tax fraud conspiracy.

Sam Currin could face 43 years in prison. He pleading guilty to conspiring to launder more than $1 million (â,¬780,000) through his law firm's client trust account and to lying on his taxes by failing to report an offshore debit card account.

Currin, 57, also pleaded guilty in a related case to obstructing a grand jury investigation into securities fraud by conspiring to withhold documents and provide false testimony.

Prosecutors said Currin and his conspirators sent out fraudulent promotional materials on several publicly traded Nevada companies. When stock prices and trading volumes increased, those participating in the scheme profited on the sale of the securities. Prosecutors said Currin received more than $240,000 (â,¬187,985).

Currin was an aide to U.S. Sen. Jesse Helms; U.S. attorney for eastern North Carolina from 1981-87; state Republican Party chairman from 1996-99; and a Superior Court judge until 1990.

Also charged in the case were tax attorney Ricky Graves; Howell Way Woltz, president of Sterling Trust in the Bahamas; and his wife, Vernice Woltz, a director of Sterling Trust.

Currin Pleads Guilty To Federal Charges (RN&O)

By Andrea Weigl, Staff Writer

Raleigh (NC) News & Observer, November 3, 2006

Former U.S. Attorney Sam Currin pleaded guilty today to three federal charges ranging from conspiracy to commit money laundering to obstruction of justice.

During the 40-minute hearing at Raleigh's federal courthouse, prosecutors did not reveal any new details about the case against Currin.

But in an unusual move last month, Currin filed a 16-page affidavit detailing his role in the crimes -- a filing which U.S. District Judge Earl Britt noted was the first he had ever seen as a judge.

Currin admitted lying to a grand jury and laundering $1.3 million on behalf of a client, a prolific spammer who faced his own criminal charges. Currin admitted knowing his client's money was the proceeds of criminal activity, according to his affidavit.

After Currin pleaded guilty, his wife, Margaret Currin, a law professor at Campbell University's law school, wiped away tears. Her son put his arm around her.

Currin was a protege of former U.S. Senator Jesse Helms, who helped Currin be appointed as the top federal prosecutor in eastern North Carolina. Currin held that position from 1981 until 1987.

Staff writer Andrea Weigl can be reached at (919)829-4848 or aweigl@newsobserver.com.

Ex-Fort Campbell Soldier Indicted (LCJ)

By Charlie White

Louisville Courier-Journal, November 3, 2006

DOJ_NMG_0090784

A former Fort Campbell soldier was indicted by a federal grand jury in Louisville on Thursday on charges that include the rape of an Iraqi girl and the deaths of the girl and members of her family in Iraq.

Steven D. Green, 21, was charged with conduct that would constitute conspiracy to commit murder, conspiracy to commit aggravated sexual abuse, premeditated murder, murder in perpetration of aggravated sexual abuse, aggravated sexual abuse on a person less than 16 years of age, use of firearms during the commission of violent crimes and obstruction of justice.

The indictment charges Green with crimes from an incident that occurred on March 12 near Mahmoudiyah, Iraq.

If convicted, he could receive the death sentence, according to a release from the Justice Department.

The indictment alleges that during the incident Green and others committed aggravated sexual abuse against a 14-year-old Iraqi girl, whose body was burned after the attack.

The indictment also alleges that Green and others killed the girl, her father, mother, and 6-year-old sister.

Green, a member of the 101st Airborne, was discharged from the U.S. Army in May 2006 and is being prosecuted in U.S. District Court under the Military Extraterritorial Jurisdiction Act, a statute that gives U.S. courts jurisdiction to prosecute crimes committed outside the United States by persons who served with the Armed Forces but are no longer subject to military prosecution.

The Army has charged other soldiers who have not been discharged with taking part in the incident.

Santa Monica Police, FBI Raid Homes In Probe Of Animal Liberation Front (LAT)

By Joe Mozingo, Times Staff Writer

The Los Angeles Times, November 3, 2006

Santa Monica police and FBI agents raided the homes of several controversial animal rights activists this week as part of an investigation into the underground Animal Liberation Front.

Among the targets were Dr. Jerry Vlasak and his wife, Pamelyn Ferdin, two well-known activists who regularly protest against Los Angeles animal services officials. They were not at their Agoura Hills home when police conducted the search. Vlasak said an officer had to enter through a pet door to get inside.

Santa Monica Police Capt. Alex Padilla said officers served search warrants in Los Angeles, Ventura and Orange counties on Tuesday. He would not provide details of the probe beyond saying that it was "an ongoing criminal stalking and conspiracy investigation involving members of the Animal Liberation Front."

An activist involved in protesting animal testing by the Santa Monica-based POM Wonderful company, the world's largest producer of pomegranate juice, said his home and those of others involved in the animal rights cause were raided.

The activists say the company has funded cruel experiments on mice and rabbits to prove the health benefits of the juice. They have said they have no affiliation with Vlasak and are in no way terrorists.

The search warrant for Vlasak's home authorized the seizure of any evidence of affiliation with the Animal Liberation Front, as well as evidence pertaining to POM Wonderful.

According to the search warrant, police seized computer equipment, animal rights books, pamphlets, T-shirts, fliers, a stuffed animal and "duffel bags w/ wrist rocket, 3/8" shot," an apparent reference to a type of slingshot. The FBI would not comment on the case.

The Animal Liberation Front is a shadowy network that has sabotaged animal research labs, vandalized homes of researchers, firebombed properties and made numerous death threats. Because it has no known leadership structure or membership, anyone can strike under the group's name. The FBI has called it a domestic terror threat.

Vlasak, a trauma surgeon, runs a website called the Animal Liberation Press Office that publishes "communiques" from people claiming to have committed sabotage or other acts on behalf of the Animal Liberation Front and other underground groups. He says he does not know who any members of the front are, but simply receives their messages anonymously and publishes them.

"I don't do anything illegal," he said. "We're just press officers. It seems like this is just an attack on above-ground people because they don't know who the underground people are."

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No Ethics Panel Report Before Election (AP-Y)

By Larry Margasak

AP, November 3, 2006

The House ethics committee has been working hard to determine if Republicans covered up ex-Rep. Mark Foley's come-ons to former male pages, but even 12-hour work days won't bring conclusions by Election Day.

The lack of a report leaves voters to sort through conflicting Republican accounts in deciding whether GOP leaders failed to protect teenagers in their care.

Foley became overly friendly with male pages when they served as errand-runners for lawmakers and — after they left Congress — sent some of them inappropriate e-mails and lurid instant messages.

It won't be easy for voters to find answers without the ethics committee's help.

Speaker Dennis Hastert's staff could have learned of inappropriate e-mails as early as 2002 and as late as 2005, depending on whose statements voters believe. The salacious instant messages didn't surface until a month ago.

Also, two House leaders said they told Hastert about Foley's questionable e-mails last spring, but the speaker said he didn't learn of them until late September.

A four-member investigative subcommittee interviewed some two dozen witnesses in closed sessions. Witnesses were still being questioned earlier this week, leaving no time for the panel to digest hours of interviews and write a report by Election Day.

Foley, R-Fla., who is in an alcohol treatment program, resigned in late September after he was confronted with some of his lurid messages.

While the Iraq war has dominated newscasts, headlines and talk shows, recent polls indicate that many voters also consider the Foley issue important. A majority say they believe Republican leaders were involved in a cover-up.

For instance, more than half, 55 percent, in a CNN poll taken last month said the Foley scandal would be very or extremely important in their vote. And about the same number in that poll, 57 percent, said they thought Republican leaders covered up Foley's behavior.

Academic experts said the Foley scandal was never a more important issue than the Iraq war — even when it momentarily dominated the headlines as September ended. Nonetheless, they said there was an adverse effect on Republican campaigns.

"It demoralized Republicans and threw them off message," said John Pitney, Jr., a professor of politics at Claremont McKenna College in California.

"They wanted desperately to talk about Osama Bin Laden and had to talk about Mark Foley. It may add to the sense that Republicans aren't managing the House very well."

But Pitney predicted that most voters concerned about Foley already "made up their minds that Republicans messed up. I'm not sure a report might make much difference. The damage has been done."

Larry Sabato, director of the Center for Politics at the University of Virginia, said the timing of the scandal — becoming public about five weeks before the election — may have lessened the impact for Republicans.

"The hypocrisy is obvious. The family values party always is vulnerable to any kind of scandal involving sexual issues. There has been some hangover. But, as expected, a month later it wasn't going to be that dominant," Sabato said.

"It's juicy, but not that juicy."

Ross Baker, a political science professor at Rutgers University, said the Foley matter is much worse for Republicans as part of the overall corruption issue.

Republicans have had to cope with corruption cases against Rep. Bob Ney of Ohio and imprisoned former Rep. Randy "Duke" Cunningham of California.

In addition, Rep. Don Sherwood, R-Pa., admitted to an extramarital affair with a woman 35 years his junior and settled a lawsuit she brought that claimed he had choked her. He has denied abuse.

More recently, Rep. Curt Weldon, R-Pa., a 10-term lawmaker, is being investigated by the FBI over allegations that he used his influence to help his daughter's lobbying firm get $1 million in contracts from foreign clients.

Other ethics probes are dogging Reps. Jerry Lewis and John Doolittle, both R-Calif. and Sen. Conrad Burns, R-Mont.

Far fewer investigations involve Democrats. Authorities are conducting a bribery probe of Rep. William Jefferson, D-La. Authorities also are investigating Rep. Alan Mollohan, D-W.Va., who steered federal money to nonprofit groups that contributed to his campaigns.

Baker, the Rutgers professor, said the Democratic cases will have less of an impact on Tuesday than the large number of probes focused on Republicans — including the Foley case.

The Foley case and the other investigations, he said, "tells people there's insincerity and that family values issues are a lot of puffery on the part of Republicans. Republicans are no better in protecting family values than the Democrats."

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On the Net:

House Committee on Standards of Official Conduct: http://www.house.gov/ethics/

No Memory Expert For Former White House Aide In CIA Leak Case (FINDLAW/AP)

By Matt Apuzzo, Associated Press Writer

DOJ_NMG_0090786

AP, November 3, 2006

(AP) - WASHINGTON-Former White House aide I. Lewis "Scooter" Libby will not be allowed to use a memory expert at his perjury and obstruction trial, a federal judge ruled Thursday, blocking a key tactic in Libby's defense strategy.

Libby, who is accused of lying to investigators in the CIA leak case, wanted an expert to testify that memory is unreliable, especially during times of stress. Libby says he had national security issues on his mind and any misstatements he made about the leak of Central Intelligence Agency officer Valerie Plame's name were mistakes, not lies.

U.S. District Judge Reggie B. Walton said allowing a memory expert would be a waste of time and would only confuse the jury. Walton said jurors, like everyone else, understand that memory sometimes falters and can judge for themselves whether witnesses are reliable.

The issue provided the case's first courtroom drama last week when Special Prosecutor Patrick Fitzgerald spent hours questioning the research of memory expert Elizabeth Loftus. Fitzgerald picked apart the psychologist's testimony until she acknowledged errors and misstatements in her findings.

The trial is set to begin in January. Libby's lawyers have said the former aide to Vice President Dick Cheney will testify.

Plame's CIA status was leaked in 2003 as her husband, former ambassador Joseph Wilson, criticized the Bush administration's prewar intelligence on Iraq. Plame believes she was outed as retribution, a claim Fitzgerald spent three years investigating. Nobody has been charged with violating a law by discussing Plame.

Case Against Arson-murder Suspect Called 'Overwhelming' (LAT)

By Maeve Reston, Jonathan Abrams And Sara Lin, Times Staff Writers

The Los Angeles Times, November 3, 2006

A 'consistency' in a string of fires persuaded prosecutors to charge Raymond Lee Oyler in the Esperanza blaze that killed five firefighters.

A 36-year-old auto mechanic from Beaumont was charged Thursday with arson and five counts of murder for allegedly setting last week's Esperanza fire, which killed five U.S. Forest Service firefighters and destroyed 34 homes in a remote mountain area of Riverside County.

Convicted felon Raymond Lee Oyler has been in custody since Tuesday, when authorities arrested him on suspicion of setting two smaller blazes in June and announced that he was a "person of interest" in the fatal arson fire. If convicted, Oyler could face the death penalty.

Authorities provided little information about what led them to Oyler. Prosecutors said they found "a consistency" to the string of fires set in the San Gorgonio Pass from early June through October.

"We had 30-plus people in one room reviewing every bit of evidence. It becomes a cross-examination by the most experienced prosecutors in the state of California," said Riverside County Dist. Atty.-elect Rod Pacheco, an assistant district attorney who takes over the top office in January. "We came to a unanimous conclusion."

Along with murder, Oyler was charged with 11 counts of arson and 10 counts of possession of materials to commit arson.

Oyler's attorney, Mark R. McDonald, said his client "adamantly denies" any involvement in the deadly Esperanza fire or the other fires he is accused of setting.

At his arraignment in Riverside County Superior Court on Thursday afternoon, a heavily tattooed Oyler stood handcuffed in an orange jumpsuit, staring at the floor. He entered a plea of not guilty on all 26 counts.

Asked about Pacheco's characterization of the evidence against Oyler as "overwhelming," McDonald expressed skepticism.

"If it was overwhelming," Oyler would have been charged with the crimes much sooner, McDonald said.

U.S. Forest Service spokesman John Miller, who has spent the last week shuttling between the dead firefighters' families and the hospital where one firefighter lost a six-day fight to survive, had tears in his eyes Thursday as law enforcement officials announced the charges against Oyler.

"Are things OK? No, things are not OK. It will not bring them back," Miller said of Oyler's arrest. "We appreciate everything our friends in the Forest Service community have done for us, and the county of Riverside. But the emotions aren't over yet."

Authorities would not comment on whether they believe Oyler acted alone.

Edith Bowers, who lives in the Cabazon neighborhood near where the Esperanza fire started, told The Times that when she saw Oyler's face on a news website, she recognized him as one of two men she saw at the scene shortly after the blaze began.

"As soon as I saw his picture, it blew me away," said Bowers, adding that she was interviewed by sheriff's detectives last week. "Put a hat on him and stick him in a lineup and I'll pick him out." She said she had not talked with authorities since Oyler's arrest.

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Oyler had previous run-ins with the law, court documents show. In 1995, he pleaded guilty to auto theft in San Bernardino County. Six years later, he pleaded guilty to possession of a controlled substance there.

A mixed reputation

Oyler's former father-in-law, Kenneth Bond, described Oyler as a "lowlife." Bond's daughter, Christy, married Oyler in the Bond family's backyard in Chino Hills in 1997. They moved to Joplin, Mo., and separated in 1999, shortly after she obtained a restraining order against him, saying he was a violent man who sold drugs.

"[He] verbally harassed me, there is so much drug trafficking going on, I said I will not tolerate it in my home because of me and my child," she stated in the March 30, 1999, petition in the circuit court of Jasper County, Mo. "I do not want that. He is so paranoid, it scares me. He is very unpredictable and hits walls."

The couple divorced in 2001, and she was killed in a traffic accident last year.

"Maybe he's changed since then, but I doubt it," Bond said from his home in Rogers, Ark. "Ray was pretty worthless. That's as nice as I can be about him."

Riverside County birth records also show that Oyler fathered a daughter in 1987, when he was 16. The mother was 15 when the baby was born at Riverside Community Hospital.

Oyler's co-workers at Highland Springs Automotive in Beaumont, where Oyler has worked for the last few months, had a much more favorable impression of the man and said they believed authorities had the wrong person.

Mechanic Jason King, 23, said Oyler kept pictures of his girlfriend and their 7-month-old daughter in his toolbox, which was confiscated by authorities.

"It was obvious that they were what he was living for," King said. "This guy, he wanted to change his life. He didn't do something like this."

General manager Jason Walden described Oyler as "a very good guy" who let homeless people sleep in his cars and would rush home to care for his daughter when his girlfriend, a waitress, worked the night shift.

"If Ray's guilty, he should be punished," Walden said. "But we work with fire torches, and it's not like he stands there and glares at it."

Walden added that Oyler had told him Monday that investigators wanted him to take a polygraph test, and when he refused, "detectives told him they were going to make his life a living hell."

Authorities refused to comment on their contacts with Oyler.

As news spread, neighbors of Oyler's parents in Banning expressed disbelief. Neighbor Eddie Lyon said Oyler, known for working on his cars at odd hours of the night, helped him work on one of his trucks.

"If he did do it, I guarantee it was an accident," he said. "He probably dropped a cigarette or something. He's a chain smoker."

Most of Oyler's family declined to talk about Thursday's charges. His uncle Charles Oyler of Banning said he was stunned by the news.

"I'm just as shocked as anyone," he said. "He was a pretty nice guy, from what I saw."

William "Billy" Hutson, who said sheriff's officials had accused him of being the arsonist when he was questioned Monday, said Thursday evening that he was relieved he was no longer under scrutiny.

"They already had tried, convicted and sentenced me," said Hutson, who was convicted of an arson in Texas 10 years ago and, after the Esperanza fire, had his home searched by sheriff's officials. "I knew I was innocent and the truth would eventually come out."

Weekend surveillance

Authorities questioned Oyler on Friday and put him under surveillance throughout the weekend, arresting him at 3 p.m. Tuesday during a traffic stop in Beaumont.

Authorities charged him with five counts of first-degree murder with special circumstances. The Riverside County district attorney's office will decide in the next 60 days whether to pursue the death penalty.

The firefighters killed in the Oct. 26 blaze were Mark Loutzenhiser, 43, of Idyllwild; Jason McKay, 27, of Phelan; Jess McLean, 27, of Beaumont; Daniel Hoover-Najera, 20, of San Jacinto; and Pablo Cerda, 23, of Fountain Valley, who succumbed to his injuries Tuesday.

The men were overrun by flames while defending a home. The blaze was the deadliest in the nation for firefighters since July 1994, when 14 were killed in Colorado.

McDonald, Oyler's attorney, said he had not seen police reports and had "no idea what the allegations are and their truth." He said he worried that his client would not get a fair trial in Riverside because of "the emotionally charged nature of the case," adding that he may seek to shift the court case elsewhere.

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Oyler is being held without bail in a seventh-floor jail ward at the Robert Presley Detention Center in Riverside, McDonald said, where he is isolated from the general population because of the publicity surrounding the case.

McDonald said he found his client "almost catatonic" and "scared to death" when he visited him in jail for 20 minutes Wednesday. His parents and girlfriend, meanwhile, remained "in shock."

"They all say he could never have done it," McDonald said. "They're completely in the dark right now."

Oyler's next court hearing is scheduled for Dec. 15.

At the news conference in Riverside when Oyler's arrest was announced, Riverside County Supervisor Jeff Stone called Oyler a "pyromaniacal murderer."

"The perpetrator believes that he has seen the fire of all fires. I disagree with his fantasy," Stone said. "As a person of strong faith, I believe that this perpetrator will see a firestorm bigger than he's ever imagined when he meets his ultimate fate at the conclusion of his shameful life."

Firefighters said they got some measure of closure from the charges against Oyler.

"I would say it is excellent work by the teams put together to investigate this tragedy, and we expect that justice will be done," said Pat Boss, a U.S. Forest Service spokesman and longtime friend of Loutzenhiser.

Boss and his family have been helping Loutzenhiser's wife, Maria, and her five children since his death last week. She declined to comment Thursday.

"It's rough for her," Boss said. "And it's getting rougher as we get closer to the memorial this Sunday. She is getting her thoughts together for the service."

The public memorial for the firefighters will be held at 1 p.m. Sunday at the Hyundai Pavilion in Devore.

Efren Ayala, stepfather of deceased firefighter Daniel Hoover-Najera of San Jacinto, likewise declined to comment except to say he was glad an arrest had been made.

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Times staff writers Christopher Goffard and David Kelly contributed to this report.

Suspect Charged In California Wildfire Deaths (WP)

By Sonya Geis

The Washington Post, November 3, 2006

LOS ANGELES, Nov. 2 -- A man already in jail on suspicion of starting several small wildfires was charged Thursday with multiple counts of first-degree murder and arson for setting a blaze that killed five firefighters in Southern California.

Police and fire investigators have been working for months to find those responsible for starting at least 40 small fires this year in the Banning Pass area 90 miles east of Los Angeles, in the desert and mountains west of Palm Springs. They arrested a local man Tuesday on suspicion of starting two of those fires. Thursday, authorities said that same man will face five murder counts, 11 counts of arson and 10 counts of use of an incendiary device for setting the deadly Esperanza fire last week as well as 11 fires this summer. The charges could carry the death penalty.

Riverside County District Attorney-elect Rod Pacheco said his office has not decided whether to seek capital punishment for Raymond Lee Oyler, 36. "The lives and tragic deaths of the five-man fire crew, Engine 57, will be considered" in that decision, Pacheco said at a news conference, "and the impact of their deaths on their families, friends, loved ones and their children."

At his arraignment Thursday in Riverside County Superior Court, Oyler pleaded not guilty to all charges. He was jailed without bond.

Oyler, a car mechanic, was arrested at his mother's house in the small town of Beaumont, Calif., a day after police searched the home. In an interview with a local newspaper Thursday, he declared his innocence.

The firefighters' deaths horrified residents of Riverside County, where blazes fed by hot Santa Ana winds burn through wild desert scrub every year, but fatalities are rare. All five members of a U.S. Forest Service crew -- one of them with more than 20 years of experience -- were suddenly caught in a wall of flames as they tried to protect a remote canyon home. They were running for their engine when the fire overtook them.

The fire scorched more than 60 square miles and destroyed 34 houses before it was put out Monday. State and local officials had offered a $550,000 reward to find the person responsible and set up a tip line, which yielded hundreds of calls. Agents from the Bureau of Alcohol, Tobacco, Firearms and Explosives; the Federal Bureau of Investigation; and the U.S. attorney's office worked on the case with local investigators.

A public memorial service for the firefighters is scheduled for Monday at a 65,000-seat arena.

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"The days have been consumed with grieving," said Jeanne Wade Evans, the San Bernardino National Forest supervisor, where the fallen firefighters were based. "This arrest really does help with some of the closure, the healing, that some of us in the Forest Service and their families need."

Suspect Pleads Not Guilty In Calif. Blaze That Killed 5 (USAT)

By Maggie Downs, Keith Matheny And Erica Solvig

USA Today, November 3, 2006

RIVERSIDE, Calif. — As firefighters prepared to remember five of their own in a memorial service Sunday, an auto mechanic pleaded not guilty Thursday to setting the blaze that killed the men.

"The evidence is overwhelming" against Raymond Oyler, a resident of nearby Beaumont, Riverside County District Attorney-elect Rod Pacheco told reporters Thursday.

Oyler, 36, faces five counts of first-degree murder and 21 arson-related charges following the Esperanza fire, which investigators say was set Oct. 26. The wind-whipped fire blackened 40,200 acres and destroyed 34 homes in five days in dry, mountainous terrain about 20 miles west of Palm Springs.

The five U.S. Forest Service firefighters died from injuries suffered on the day the fire started. They were trying to protect a mountain home surrounded by steep gullies, the Forest Service says.

The five — Capt. Mark Loutzenhiser, 43, of Idyllwild; Jason McKay, 27, of Phelan; Jess McLean, 27, of Beaumont; Daniel Hoover-Najera, 20, of San Jacinto; and Pablo Cerda, 23, of Fountain Valley — will be honored in a public memorial service at 1 p.m. Sunday at the Hyundai Pavilion in San Bernardino.

Oyler stood slumped over and appeared reserved in handcuffs and an orange jumpsuit before Judge Janice McIntyre in Riverside County Superior Court on Thursday as he was formally charged. He is being held without bail at a county jail in Riverside. If convicted, he could face the death penalty.

The district attorney's office said in court documents that Oyler is suspected of having set as many as 10 additional fires in the area dating back to June.

Mark McDonald, a San Bernardino attorney hired by Oyler's family to represent him, said he may ask that any trial be moved, citing the "highly emotionally charged case."

Oyler "adamantly denies any involvement" in the Esperanza or other fires, McDonald said.

"He is distraught, scared … almost catatonic," McDonald said after the hearing.

Authorities would not discuss what evidence they have against Oyler, who was identified as a "person of interest" in the Esperanza fire when apprehended Tuesday.

Staci Burger, 23, whose fiancé, McKay, was among the five firefighters who died, selected photographs of him to run in a slide show at Sunday's service.

"To be honest, I don't know how I'm going to make it through the day," Burger said.

Burger had had her mind on different plans before the fire — wedding plans.

She said that she had the ring picked out and that McKay had wanted to wait until Christmas to propose properly, after asking for her father's permission.

Now she pores through photos. She wants McKay's favorite song, Alan Jackson's Like Red on a Rose, to accompany them.

She wants her boyfriend to be remembered as someone who loved the people he worked with as much as he loved his job. "That crew was a family. They adored each other," she said. "And I've discovered a brotherhood of firefighters I never knew existed before."

Tomas Patlan, a U.S. Forest Service spokesman, said fire departments from all over the country have expressed interest in participating in the service.

"A lot of fire service agencies will send equipment to represent their departments," he said. "A procession like that can go on for miles — and this one probably will."

As planning for the memorial service continues, details about it will be added to an Internet site: www.engine57memorial.org.

The five deaths are the greatest loss of firefighters in a single wildfire since 14 were killed in the Storm King Mountain fire near Glenwood Springs, Colo., in 1994, according to statistics from the National Interagency Fire Center.

Man Is Charged With Murder In Wildfire (NYT)

By Randal C. Archibold

The New York Times, November 3, 2006

DOJ_NMG_0090790

LOS ANGELES, Nov. 2 —A Californian already accused in two brush fires was charged on Thursday with murder and other crimes in connection with a wildfire last week that killed five United States Forest Service firefighters.

The man, Raymond L. Oyler, who lives in Beaumont near the origin of the fatal fire, pleaded not guilty to multiple counts of murder, arson and related charges a week after the wildfire started, on Oct. 26.

The five-day fire, called the Esperanza fire, blackened 40,200 acres and destroyed 34 houses.

Because of the deaths and their stemming from arson, Mr. Oyler, who is being held without bail, is eligible for the death penalty. The Riverside County district attorney-elect, Rod Pacheco, said he would decide within 60 days whether to pursue it.

Mr. Oyler's lawyer, Mark R. McDonald, said in an interview after the court hearing that the haste of Mr. Oyler's arrest "raises eyebrows." In two days, Mr. McDonald said, Mr. Oyler went from being arrested as a suspect in unrelated fires and a "person of interest" in the deadly blaze to being accused of setting it.

In the wake of the firefighters' deaths, Mr. McDonald said, "emotion tends to drive everything, and they needed to find somebody."

Mr. Oyler, he said, is terrified, adding: "He really just looks like he is in a fog. He is in shock. He has no clue why they picked him."

Mr. Oyler has worked in an automotive oil-change store and has a girlfriend and a baby daughter who appears to be younger than 6 months old, the lawyer said.

The criminal complaint charges Mr. Oyler with setting unrelated brush fires in the summer and fall.

The police said they found evidence linking him to the Esperanza fire but declined to give details. He used an unspecified incendiary device, the complaint says.

In an interview on KCAL-TV, Neil Lingle, the Riverside County under sheriff, said that "tips and outstanding police work" led to the arrest but that it had not been determined whether anyone would claim the $500,000 reward offered for information leading to an arrest.

The five firefighters died when a burst of fire, fed by fierce winds, blasted up a hill and overwhelmed them and the house they were trying to save, the authorities said. Three died at the scene, and two died later in a hospital.

Janis Oyler, an aunt of Mr. Oyler, said in a brief telephone interview that the news of the arrest "shocked me as a relative of his."

"I never knew him to be like that, in fires or anything," Ms. Oyler said, adding that she had lost touch with his side of the family in recent years.

Jean Wade Evans, supervisor of the San Bernardino National Forest, where the firefighters worked, said in a statement that the Forest Service continued to grieve but that "this arrest helps with some of the closure, the healing, we need in the Forest Service community and in the families."

Charges Filed In Deadly Calif. Wildfire (AP)

By Gillian Flaccus

AP, November 3, 2006

RIVERSIDE, Calif. (AP) — As families planned funerals for five firefighters killed by a wind-swept wildfire a week ago, authorities marched a suspect into a courtroom to charge him with murder and arson — crimes that carry a possible death sentence.

Friends and family of the fallen firefighters said news of the arrest brought some relief.

"This arrest really does help with some of the closure, the healing that we in the Forest Service community, and in the families, need," said Jeanne Wade Evans, the San Bernardino National Forest supervisor.

The first in a series of funerals was planned for Friday.

Raymond Lee Oyler was charged Thursday with five counts of murder, 11 counts of arson and 10 counts of use of an incendiary device. The charges include seven fires in June, one in July, one in September and two in October.

Last week's blaze was the deadliest for firefighters since July 1994, when 14 were killed near Glenwood Springs, Colo., according to the National Interagency Fire Center.

In a jailhouse interview, Oyler told The Press-Enterprise of Riverside he had "no idea why they came to me."

"All I know is I didn't do this and they're trying to pin this on me," Oyler said, adding that he was home with his baby girl when the fire broke out. "They need to find the real person."

District Attorney-elect Rod Pacheco said the evidence against Oyler was "overwhelming," but he did not disclose a motive and would not say what led investigators to Oyler.

The 36-year-old auto mechanic with tattoos on his neck and forearms appeared in court in handcuffs and a jail jumpsuit as his attorney entered a not guilty plea on his behalf.

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Oyler "adamantly denies involvement in this fire and in any of these fires," attorney Mark McDonald said outside court. "He's very distraught and scared ... The finger is pointing at him."

Oyler, who said nothing during the brief hearing, was held without bail.

Authorities were trying to determine whether Oyler has any links to at least 40 fires in the area since May, according to an official involved in the investigation who spoke on condition of anonymity because the case is continuing.

Investigators were also looking at a 1998 fire in which the pilot of a firefighting aircraft died in a crash. That blaze burned more than 24,000 acres in the San Jacinto Mountains and had a burn pattern similar to last week's fire, the official said.

The charges are punishable by life in prison without parole or the death penalty. Prosecutors will decide in the next 60 days which sentence to seek.

"The feelings of the surviving family members of the victims will be consulted and be given great weight by our office in what is always a difficult decision," Pacheco said.

A woman who answered the phone at the home of Oyler's mother said she had no comment.

Last week's fire was stoked by Santa Ana winds as it swept southwest through the San Jacinto Mountains about 90 miles east of Los Angeles. The flames overran the fire crew, destroyed 34 homes and charred more than 60 square miles before being contained Monday.

Three firefighters died at the scene, and a fourth died soon after at a hospital. A fifth was taken off life support and died this week.

A funeral service was planned Friday for Jason McKay, 27, of Apple Valley.

McKay, whose family moved to the Victorville area from Minnesota when he was a boy, worked for the U.S. Forest Service for five years and was the assistant engine operator on the Engine 57 crew.

"He loved being a firefighter," Staci Burger, McKay's fiance, told the Riverside Press Enterprise. "It was what he wanted to do since he was born."

Funeral services were also scheduled over the next several days for firefighters Jess McLean, 27, of Beaumont; Daniel Hoover-Najera, 20, of San Jacinto; Mark Loutzenhiser, 43, of Idyllwild; and Pablo Cerda, 23, of Fountain Valley.

A public memorial service was planned for Sunday.

Associated Press Writer Andrew Glazer contributed to this report.

Charges Filed In Deadly Calif. Wildfire (FINDLAW/AP)

By Gillian Flaccus, Associated Press Writer

AP, November 3, 2006

(AP) - RIVERSIDE, Calif.-Authorities on Thursday filed murder and arson charges carrying the death penalty against a man suspected of setting a Southern California wildfire last week that killed five firefighters.

The suspect, Raymond Lee Oyler, 36, was already under arrest on suspicion of setting two other wildfires over the summer.

The blaze was the deadliest for firefighters since July 1994, when 14 were killed near Glenwood Springs, Colo., according to the National Interagency Fire Center statistics.

Prosecutors charged Oyler with five counts of murder, 11 counts of arson and 10 counts of use of an incendiary device.

District Attorney-elect Rod Pacheco said Oyler will also face two so-called special circumstances, one alleging murders committed during arson and another alleging multiple murders.

A court appearance was set for later Thursday.

The charges are punishable by life in prison without parole or the death penalty. Authorities will decide in the next 60 days which sentence to seek, Pacheco said.

"The feelings of the surviving family members of the victims will be consulted and be given great weight by our office in what is always a difficult decision," he said.

A woman who answered the phone at the home of Oyler's mother said she had no comment.

The fire was stoked by Santa Ana winds as it swept southwest through the San Jacinto Mountains west of Palm Springs. The flames overran the fire crew, destroyed 34 homes and charred more than 60 square miles before being contained Monday.

Three firefighters died at the scene, and a fourth died soon after at a hospital. A fifth was taken off life support and died this week.

Investigators interviewed Oyler on Oct. 27, served a search warrant on his residence Monday, then arrested him Tuesday. Authorities did not immediately identify the other fires Oyler was suspected of starting.

"This arrest really does help with some of the closure, the healing that we in the Forest Service community, and in the families, need," said Jeanne Wade Evans, the San Bernardino National Forest supervisor.

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In Joplin, Mo., police and court records show Oyler had mostly minor run-ins with the law from 1997 through 1999. The most severe was a 1999 misdemeanor charge of violating a protection order by entering his wife's apartment while she was out. The couple divorced in 2001.

'They Need To Find The Real Person' (RPE)

By LISA O'NEILL HILL, BEN GOAD And ADAM HARTMANN

Riverside (CA) Press-Enterprise, November 3, 2006

JAIL INTERVIEW: Suspect Raymond Lee Oyler denies any role in the fire that claimed five lives.

Raymond Lee Oyler once tried to volunteer with a local fire department. He's a mechanic and a father, with tattoos of flames and skulls on his arms and braces on his teeth.

On Thursday morning, an anxious and tearful Oyler -- jailed as a suspect in two arson fires -- maintained from the Robert Presley Detention Center that he did not start those fires or last week's wildfire, which killed five U.S. Forest Service firefighters. He expressed sympathy for the loss of life.

Two hours later, Riverside County authorities charged Oyler, 36, with five counts of murder and alleged that he had set the Esperanza Fire.

"I haven't done anything with any fires," Oyler said, talking from a visiting area of the seventh floor of the jail in downtown Riverside. He spoke slowly into a telephone, staring intently at a visitor from behind thick glass. "Fires hurt people."

In a 20-minute interview -- his first public comments since his arrest Tuesday night -- Oyler said he did not know why detectives had zeroed in on him.

He said detectives have trailed him at home and at work, taken a swab of DNA from his cheek and asked him to take a polygraph exam, which he refused. They asked whether he had lent his Ford Taurus to anyone and, while serving a search warrant, took boots and other items from his home, Oyler said.

"All I know is, I didn't do this and they're trying to pin this on me. They need to find the real person," he said.

"Obviously they didn't mean for anybody to get killed," Oyler said of whoever started the fire that burned 34 homes.

Home With His Baby

Oyler said he had been at home with his baby when the fire broke out at 1:12 a.m. Oct. 26.

"I really feel bad for those people who lost their lives up there on that hill," said Oyler, who has had run-ins with the law in California and Missouri and has served time in prison.

Authorities dismissed Oyler's assertion that he is innocent, saying that more than 30 representatives of multiple law enforcement agencies who reviewed the case at the district attorney's office Wednesday afternoon were unanimous: Oyler was responsible for the crimes.

Riverside County Supervisor Jeff Stone lashed out at Oyler during a televised news conference Thursday calling him a "sick individual" and "pyro-maniacal murderer."

A more complete picture of Oyler -- that of a nice, hard-working kid who gradually fell into a life of drugs and crime -- emerges in court documents and interviews with some of those who have known him through the years.

At the home of Oyler's parents on Banning's Eighth Street on Thursday, people hunkered down inside, watching a televised news conference announcing the murder charges. No one came to the door.

Later, sheriff's homicide investigators arrived at the home, where pit bulls have roamed the yard.

Neighbors said they were amazed that someone from their area had been charged, and they expressed sympathy for Oyler's parents.

"It's extremely horrible," said neighbor Arlene Wade. "Basically, they're going to lose a son."

Oyler, who said he smokes cigarettes, said he had not talked to his family since his arrest Tuesday night.

He said he has been with his girlfriend for the past two years, and he shares an apartment in Beaumont with her and their daughter, Diamond. Oyler's girlfriend declined to comment when she was reached Thursday.

"It just tears me apart inside," Oyler said of being away from home. "I'm hurt in the fact that I'm not with my family."

At times, Oyler appeared stunned that he was in jail at all. The mechanic's brown hair was closely cropped, and what appeared to be oil or grease was underneath his short fingernails.

'Wrong Dog'

For four or five months, Oyler had been working at Highland Springs Automotive, a few hundred yards from a Beaumont fire station. Jason Walden, the general manager, called him "one of the nicest guys you'd ever want to meet" and said Oyler still has a job, pending the outcome of the case.

"They're hunting the wrong dog," Walden said of Oyler, who he said would let homeless people sleep in one of his cars and who would come in on his days off to service cars for free.

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Walden portrayed Oyler as a homebody who watched his daughter while his girlfriend worked nights.

He said Oyler told him Monday that authorities had impounded his cars and ransacked his apartment.

Told Thursday that authorities had filed murder and arson charges against Oyler, Walden sighed and said he didn't know what to say.

"You can never tell, but I still believe in him," Walden said. "I don't have all the evidence in front of me to check it myself ... just wait and see what really happens."

"If it (turns) out that he's guilty, he'll have to pay his dues," he said. "Even nice guys do bad things."

Not everyone who has employed Oyler recalls him fondly.

Charley Price, owner of Price's Auto Parts in Banning, said Oyler had a three- to four- month stint as a part-time auto repairman at his business about a year ago. He said Oyler had worked for him previously several years earlier and called him looking for work last year after getting out of jail. Oyler told him his girlfriend was pregnant and he needed "a car, a job and some help," Price said.

"I felt sorry for him," said Price, who sold Oyler a Ford Taurus for $100. "For the first month, he worked out pretty good," he said, but after that, his workmanship went downhill.

Price never saw Oyler outside of work, he said, adding, "It's a shame I even saw him at work."

Moreno Valley Childhood

Oyler was born in El Monte and attended Moreno Valley's Edgemont Elementary School and Canyon Springs High School, according to a job application he filled out in 1998. School officials said they had no record of his graduating. He wrote on the application that he liked football and was proud of his ability as a house painter.

In 1992, he began a three-year stint painting houses for a company in Rosemead. In the mid-'90s, he went to work for Rex Taylor Painting in Ontario.

On Thursday, Taylor said he was shocked to learn of Oyler's arrest.

"I'm floored," he said, adding that Oyler had been a good painter and expressing hope that he had not been involved.

Taylor recalled Oyler as the the kind of guy who would walk away from a fight.

"He isn't the vindictive type," Taylor said.

Inland Arrests

In the past decade, Oyler has racked up multiple convictions in Riverside and San Bernardino counties.

He was arrested in April 1995 for taking a vehicle without the owner's consent in the Redlands area, San Bernardino County records show.

He pleaded guilty in August of that year but failed to appear for sentencing the next month, records show. An arrest warrant was issued.

Oyler moved to Joplin, Mo., in the late 1990s, where he again sought work as a house painter. Several outfits hired him for short stints, said one-time boss Marty Coss.

"He had a little old patch of hair on his bottom lip," Coss said by telephone from Joplin. "He seemed like a good kid. Wasn't an ornery kid."

Oyler said he moved briefly to Missouri "for a change" and worked in a machine shop.

He married a woman named Christy, but he is no longer with her, he said. She could not be reached. Oyler said he has children other than the baby but declined to elaborate.

Between May 1997 and April 1999, he was arrested several times in Missouri in cases involving stolen cars, a hit-and-run and domestic-violence calls.

His wife called Joplin police in January 1999, saying that she believed Oyler was using methamphetamine and possibly cooking it in their home.

A few months later, she accused him of entering the home in violation of a court order and taking several items, including a pit bull puppy and, possibly, a sawed-off shotgun.

Later that year, Oyler was back in California and back in jail. He got probation for the 1995 auto-theft conviction. But a conviction two years later for drug possession constituted a violation of the probation, and he was sentenced in 2001 to a year and four months in state prison, court records show.

In January of this year, he was cited for having three dogs off leashes. Records show that Oyler was ordered in June to begin paying $683 in fines stemming from traffic violations. In August, a failure-to-pay warrant was issued.

Back at the Presley Detention Center, Oyler expressed nervousness about his future.

"I think that's terrible that life was lost," he said. "I think it's terrible that the fire was started. I just want you to know that they have the wrong guy. I really didn't do it."

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He wiped tears from his eyes with his sleeve and hung his head. "I probably should go now," he said before hanging up the phone.

He got up and lumbered back to his cell.

Staff writers Sean Nealon, Kimberly Trone, Sarah Burge, John Asbury, Lora Hines and Melissa Eiselein contributed to this report.

Foreign Lobbies Took The Guise Of Nonprofits (WP)

By James V. Grimaldi And Susan Schmidt

The Washington Post, November 3, 2006

Early last year, two little-known nonprofit groups paid for Rep. John T. Doolittle (R-Calif.) and his 12-year-old daughter to travel to South Korea and Malaysia. Their last stop was the Berjaya Beach & Spa Resort on the Malaysian island of Langkawi, where they bunked at an oceanfront chalet staffed with a personal butler, got massages and rode water scooters on Burau Bay.

Doolittle's junket, which cost $29,400, was among the most expensive privately sponsored trips by members of Congress in recent years. The two groups that split the bills were not ordinary nonprofits. They were fronts for vigorous lobbying campaigns bankrolled by foreign entities and were operated by a Washington lobbying firm, Alexander Strategy Group, according to public records and people who worked with the firm.

For five years beginning in 2001, the Korea-U.S. Exchange Council and the U.S.-Malaysia Exchange Association treated 12 members of Congress and 31 Capitol Hill staffers and their relatives to nearly $500,000 in trips that included stops at U.S. and overseas resorts, records show.

The two nonprofits and the lobbying firm behind them have drawn the attention of the FBI. People associated with Alexander Strategy, who spoke on the condition of anonymity, said federal investigators have asked them whether the groups were conduits for a foreign government and a foreign corporation to finance congressional junkets.

Records show that the Korea-U.S. Exchange Council was funded by the Hanwha Group, a South Korean conglomerate. The stated goal was to enhance the influence of Hanwha's chairman, Seung Youn Kim, a controversial figure once jailed for violating Korean financial law in his purchase of Sylvester Stallone's Hollywood mansion. Lobbyists for the U.S.-Malaysia Exchange Association filed reports stating that their funds came from a Malaysian energy firm and that the work was "on behalf of the government of Malaysia."

Federal law prohibits members of Congress from knowingly accepting overseas travel from foreign governments except as part of a cultural interchange program approved by the State Department. The travel in this case was not part of such a program, government officials said. House rules ban members from taking trips paid for by lobbyists or foreign agents. Nonprofits and their officers are prohibited under federal tax law from using a charitable organization for private commercial gain.

Once a major lobbying firm, Alexander Strategy Group closed down early this year. Its owner, Edwin A. Buckham, former chief of staff to now-departed House majority leader Tom DeLay, is under investigation in the Jack Abramoff lobbying scandal, according to lawyers and witnesses with knowledge of the probe. Authorities are also reviewing Buckham's use in the 1990s of another nonprofit, the U.S. Family Network, the sources said.

The Korean and Malaysian nonprofits were created in 2001. Their combined budgets of more than $2.5 million, as well as their checkbooks and operations, were controlled by Alexander Strategy, according to people affiliated with the firm at the time. Records show that Alexander Strategy took in $620,000 in fees for its work on the Malaysia account. A Hanwha subsidiary in the United States, Universal Bearings Inc., paid the lobbyists $940,000 for the Korea work.

The nonprofit groups, on the strength of Buckham's GOP connections, sponsored trips for Republican House members DeLay; Doolittle; Ileana Ros-Lehtinen, Ander Crenshaw and Tom Feeney of Florida; John Carter of Texas; Scott Garrett of New Jersey; and Roger Wicker of Mississippi.

Buckham had a strategic alliance with a Democratic lobbying firm, the Harbour Group, located in the same building on K Street. Harbour received about $500,000 in fees from the two nonprofits, according to tax and lobbying disclosure records. The firm arranged for trips taken by Democrats including Rep. Earl Pomeroy of North Dakota, Rep. Jim McDermott of Washington, Rep. Mike Honda of California and Del. Eni F. H. Faleomavaega of American Samoa. Harbour also arranged for former president Bill Clinton, who was on his own Asian trip, to meet with Hanwha officials in Seoul and Beijing.

Some of the lawmakers on the trips were in positions to help other Alexander Strategy clients. Doolittle, who serves on the House Appropriations Committee, told The Washington Post this year that from 2002 to 2005 he sponsored $37 million in spending-bill earmarks that went to a firm controlled by a key Alexander Strategy client. The client, Brent R. Wilkes, is a target of the federal investigation stemming from the bribery case and guilty plea of former representative Randy "Duke" Cunningham (R-Calif.). Doolittle's wife, Julie Doolittle, was hired by Alexander Strategy to help keep the books for the Korean nonprofit.

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Buckham and Edward Stewart, who had been his top associate at Alexander Strategy, declined to be interviewed for this article.

Joel Johnson, a former senior adviser in the Clinton White House who ran Harbour Group at the time, said he was a subcontractor to Buckham's firm and thought of the work as lobbying for business interests behind the nonprofits.

Johnson said he relied on Buckham's assurance that the groups were proper. "This did not look like a fly-by-night operation, because it had very respected, prominent people on board," he said.

Doolittle spokeswoman Laura Blackann said last week that the congressman believed that his trip to Asia, in February 2005, was proper and that it had nothing to do with the earmarks. He said he paid out of his own pocket for some of the activities on Langkawi, such as the massages and watercraft rentals.

Other members of Congress said they did not know the source of funding for the nonprofits. Said Mike DeCesare, spokesman for McDermott, "Obviously if Congressman McDermott knew, he wouldn't have taken the trip."Helping Chairman Kim

During its five years of existence, the Korea-U.S. Exchange Council described itself in its tax returns as an educational group that spent nothing on lobbying.

But its filings with the Justice Department contradicted those returns. The council registered with Justice as a foreign agent, saying that it was financed by Hanwha Group and that Kim chaired its board of directors. It filed a plan detailing Alexander Strategy's lobbying campaign for Kim, which promised him extensive contacts with Washington lawmakers and policymakers.

The plan stated that the purpose was "to define Chairman Kim of the Hanwha Group as the leading Korean business statesman in U.S.-Korea relations" and to strengthen "Hanwha's global position." A 2002 audit of the nonprofit by the accounting firm Gelman, Rosenberg and Freedman said "approximately 99.9 percent" of its revenue came from one organization.

While the Korea council was filing as a foreign agent with the Justice Department, its lobbyists were declaring in their filings to Congress that the nonprofit had no significant foreign ownership.

"What they were telling the Department of Justice and what they were telling the IRS suggests you can't trust either set of documents," said Marcus Owens, a Washington tax lawyer and former Internal Revenue Service nonprofit chief who reviewed hundreds of the group's records compiled by The Post. "The reality is the organization was designed to provide a conduit for influence."

Alexander Strategy and Harbour lobbyists directed a steady stream of U.S. lawmakers and staffers of both parties to Seoul, where Kim squired them to meetings with top government officials. Kim traveled several times to Washington, where, according to the reports to the Justice Department, he met with prominent politicians and lawmakers.

Former president Clinton traveled to Beijing and Seoul at the invitation of the Korea council in November 2003. He appeared with Kim at the opening of the Beijing office of Korea Life Insurance Co., a Hanwha subsidiary, then traveled to Seoul for golf with Kim and meetings with political leaders.

Clinton's representatives did not respond to requests for comment on the visit.

The publicity provided a counterweight to Kim's troubles at home. He and other executives at Hanwha were under criminal investigation for allegedly bribing politicians in the company's 2002 takeover of state-controlled Korea Life. Within weeks of Clinton's visit, Kim and other Hanwha executives were barred from leaving Korea. One was later convicted in a bribery scheme. In February 2005, Kim was questioned by prosecutors but not charged.

The fact that the Korea council was a registered foreign agent was revealed in a March 2005 Post article. Some Congress members and aides who went on the trips said they had not known about the registration.

Former secretary of state Henry A. Kissinger, the best-known member of the Korea council's board, resigned, telling aides he had not known it was a lobbying operation.A Scant Paper Trail

Like the Korea council, the U.S.-Malaysia Exchange Association sponsored trips by members of Congress and staffers. Some began with a meeting with Kim in Korea and finished with beach time in Langkawi courtesy of the Malaysia association.

The lawmakers and aides said they believed their travel was a legitimate function of a nonprofit group. In fact, the group's work was carried out on behalf of the Malaysian government and was funded by Malaysian business interests, both of which sought to improve the Islamic nation's image with U.S. politicians, according to public records and people familiar with the operation of the lobbying firms.

Much remains unknown about the U.S.-Malaysia Exchange Association because the only public documents are its incorporation papers and the biannual reports it filed with the District. On its board of directors were two Malaysian ruling-party officials, Jamaludin Jarjis and Megat Junid; former Wyoming senator Malcolm Wallop (R); and Stewart of Alexander Strategy.

According to the IRS, the group never filed a tax return. The IRS said the association was granted nonprofit status, but the agency could not locate the application.

The congressional trips were organized by and billed to Alexander Strategy, according to people familiar with the operation of the lobbying firm. Alexander Strategy received $620,000 in fees that originated with Malaysian business interests and was

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routed through a Hong Kong firm called Belle Haven Consultants, according to documents filed by Alexander Strategy with the Justice Department. Belle Haven also paid the Harbour Group $240,000, records show.

Wallop, who was hired to lobby for Belle Haven, said in an interview this summer that the Hong Kong firm got its money from P.K. Baru Energy in Malaysia. That company, he said, was one of the businesses that wanted to improve the nation's image in the United States after a disastrous 1998 visit by Vice President Al Gore, who walked out of a banquet to protest alleged human rights violations and anti-Semitic comments by Prime Minister Mahathir Mohamad.

"They wanted to make it known that it was a more civilized and courtly place than that," Wallop said. "A way to achieve that was to meet members of Congress." Some lawmakers who went on the trips received briefings from Belle Haven executives about Malaysia's strategic importance.

In their last two years of filings, Belle Haven's U.S. lobbyists reported that the Hong Kong firm was doing its work on behalf of the Malaysian government.

In 2002, the lobbyists took large delegations to Malaysia and Langkawi, including staffers to Rep. J. Dennis Hastert (R-Ill.), Sen. Harry M. Reid (D-Nev.), Rep. Richard K. Armey (R-Tex.) and Rep. Gregory Meeks (D-N.Y.). Meeks himself and Rep. Pete Sessions (R-Tex.), both on the House Financial Services Committee, went on one of the trips and met with officials of Malaysia's Islamic banks; the lawmakers' expenses were paid by a Malaysian think tank.

When Mahathir arrived that spring for a visit with President Bush, he was welcomed on Capitol Hill. The prime minister met with then-Senate Majority Leader Thomas A. Daschle (D-S.D.), DeLay and Hastert, among others. And Meeks and Sessions announced the creation of a congressional caucus on Malaysia Trade, Security and Economic Cooperation.Amid Scandal, One Last Trip

By the beginning of 2006, Alexander Strategy Group had shut down the Korea and Malaysia nonprofits -- just before the lobbying firm itself went out of business because of its links to the Abramoff scandal. Buckham is referenced in the plea agreement of his former colleague, Tony Rudy, who admitted to corruption charges stemming from his work as a lobbyist and as deputy chief of staff to DeLay.

The FBI has questioned witnesses in recent months about Alexander Strategy's use of nonprofits and its hiring of congressional spouses, including Julie Doolittle and Christine DeLay, wife of the former House majority leader.

Alexander Strategy paid Julie Doolittle about $30,000 to do bookkeeping for the Korea nonprofit. Other contracting work by Julie Doolittle, for one of Abramoff's charities, has led investigators in the Abramoff probe to scrutinize John Doolittle's activities, sources have told The Post.

Blackann, John Doolittle's spokeswoman, did not respond to a question about whether the congressman knew that the Korea nonprofit, which helped pay for his February 2005 trip to Asia, was funded by a foreign corporation.

The Doolittle trip was the last one sponsored by the nonprofits as a wave of controversy about overseas junkets and lobbying abuses swept the Capitol. Also on the trip, which cost more than $80,000, were congressmen Wicker and Pomeroy, Wicker's wife, and a Wicker aide.

The contingent spent four days in Korea before flying to Kuala Lumpur for two days, where they met the Malaysian prime minister. Pomeroy flew home, and Doolittle and his daughter, Wicker and his wife, and the aide spent three days at a resort hotel in Langkawi, an island whose beaches are rated among the world's 10 best by a National Geographic Society publication.

Accompanying the congressmen were three Belle Haven representatives, Malaysia politician Jarjis and three lobbyists -- Wallop, Alexander Strategy's Stewart and Johnson, who by then had moved from the Harbour Group to the Glover Park Group.

Doolittle, Wicker and Pomeroy said the trip had been approved in advance by the ethics committee. But House ethics rules leave it up to individual members to determine whether a trip meets the standard of official duties.

"I was disappointed to learn -- upon returning -- that the groups in question had failed to properly file their status," Pomeroy said in a statement. "Knowing what I know now, I would not have gone on these trips."

Doolittle spokeswoman Blackann said that the first six days involved official meetings and briefings and that Doolittle paid for the recreational activities, which took place on the weekend. Doolittle declined to make available the receipts, kept in Washington, because he was campaigning in California.

Blackann also said Doolittle returned gifts received on the trip, which people familiar with the details of the trip said included a hand-tailored Korean suit for the congressman and a stylish equestrian outfit for his daughter from the Royal Polo Club in Kuala Lampur.

The spokeswoman said the congressmen also took a boat ride "to visit areas that had been ravaged by the tsunami" that had hit the South Pacific two months earlier.

A news report days after the tidal wave said Langkawi received comparatively minimal damage and "remained normal with hordes of tourists going about their holiday without any worry."

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Wicker, in an interview, acknowledged that the island visit was meant for relaxation. He said he and his wife also got massages.

The itinerary for Langkawi was to look at tsunami damage and "to have a little downtime," Wicker said. "But the logistics of getting to the tsunami became a problem. It did become a couple of days of downtime."

Credit Card Scam Alleged At Joliet-area Hotels (CHIT)

By Hal Dardick, Tribune Staff Reporter

Chicago Tribune, November 3, 2006

Police charged 10 owners, managers and employees of seven Joliet-area hotels Thursday with selling credit card numbers of guests in a scam that authorities said could be going on across the country.

The arrests were made as about 50 officers, including FBI forensic computer experts, executed search warrants at the hotels, all part of national chains, though their corporate parents were not implicated.

In some cases, the forensic experts copied hard drives. In others, they took the computers.

The arrests were part of Operation Sleep Over, an ongoing investigation that began four months ago when police arrested a man involved in the scam who then became an informant for the Will County Sheriff's Department, officials said.

"Anyone who stayed there was a potential victim," State's Atty. James Glasgow said of the seven hotels. "And it looks like it was open season."

The informant, who has a gambling problem, bought about 10,000 credit card numbers from one Joliet-area hotel and thousands from others in the six years before his arrest, Sheriff Paul Kaupas said.

After his arrest, he went to work for detectives, buying about 150 credit card numbers while wearing a wire, Kaupas said.

"It is stunning how easily this informant was able to steal the financial identities of consumers from across the country simply by cultivating relationships in the hospitality industry," Glasgow said. "From what we have learned here, this criminal scheme can easily be repeated anywhere in the country."

The informant knew of similar scams in other cities and states and learned the theft technique from someone outside the area, Kaupas said.

Authorities declined to describe it as a ring. The hotel owners "didn't necessarily know what the others were doing," Glasgow said.

The state's attorney said he hoped the arrests would get the attention of consumers, credit card companies and the hospitality industry. He stressed those arrested were franchise owners and no one working for the corporations has been implicated. "I have not heard of hotels selling credit card numbers," said Assistant Illinois Atty. Gen. Deborah Hagan, who heads the Consumer Protection Division but was not involved in Thursday's operation. She found the arrests of hotel owners particularly troubling. "If the owner is in on it, there's no safeguarding in the world that is going to work," she said.

In 2005, nearly 256,000 Americans reported being the victims of identity theft, according to the Federal Trade Commission. Of those, 26 percent were the victims of credit card fraud, either because their accounts were "taken over" or, more frequently, because personal information was used to open a new account.

In Illinois, there were 11,137 identity theft victims. At a rate of 87.3 victims per 100,000 people, Illinois ranked 10th in the nation.

As identity theft has grown in recent years, legislators have passed laws at the state and federal levels that call for more time behind bars for offenders.

In Will County, the credit card numbers—along with names and toll-free numbers used to determine how much credit was left on each card—were sold in batches of 10 for between $1,000 and $5,000, officials said.

In some cases, the sellers gave the buyers extra credit card numbers in exchange for plasma TVs for hotel rooms, bought on credit through fraud, officials said.

Buying from stores, via telephone and through the Internet, the informant purchased items valued at between $500 and $15,000 on each card, Kaupas said. He sometimes used credit to buy the numbers, the sheriff said.

Typically, he would sell items he purchased at steep discounts to finance his gambling, authorities said.

"He couldn't make enough money or get enough money because of his gambling," said Sheriff's Detective Edward Hayes, who helped lead the investigation.

Those who sold the numbers relied on "time lapse and geographic distance" to avoid detection, Glasgow said.

The numbers they sold often belonged to people who lived in another state, and the numbers were sold as long as a year after they were used at the hotels. "To track them became next to impossible," he said.

Among the hotels searched was a Holiday Inn Express, 411 S. Larkin Ave., Joliet, where two owners and two employees were arrested.

Owners John Rhee, 62, of the 8600 block of Timber Ridge Drive, Burr Ridge, and John Seo, 54, of the 500 block of Sheridan Road, Glencoe, were each charged with multiple counts of identity theft, unlawful use of an account number with intent to defraud and computer fraud.

Rhee denied the charges against him.

"I did my best with my work," he said. "I'm not sure what happened here."

Police were armed with 12 arrest warrants and executed 10. An 11th defendant was expected to turn herself in Thursday night, and the 12th remained at large. All face the same charges and, if convicted, could be sentenced to 7 years in prison.

Police arrested the owners of two Super 8 hotels. Suresh Shah, 54, of the 100 block of Pelican Bay, Roselle, owns the Super 8 at 3401 Mall Loop Drive, Joliet; and Virendra Patel, 55, apparently lived at his Super 8 at 1730 McDonough St., Joliet.

hdardick@tribune.com

Officer Denies Having Sex With Inmates (TALLDEM)

By Chitra Subramanyam, DEMOCRAT STAFF WRITER

Tallahassee Democrat, November 3, 2006

One of two correctional officers charged in connection with a sex-with-prisoners conspiracy testified in federal court Thursday.

He denied the allegations against him and said female inmates had lied about having sex with him. Federal Correctional Institution officer Alan Moore said, "They are lying ... Didn't have sex with any of those inmates ... I never touched any of the inmates."

Moore and Gregory Dixon are two of five FCI officers arrested June 21. A sixth officer, Ralph Hill, was killed in a shootout at FCI Tallahassee after he opened fire on federal agents. The other officers, Alfred Barnes, Vincent Johnson and E. Lavon Spence, have pleaded guilty to mail fraud.

Moore's attorney, Robert Harper, asked his client if he had sex with an inmate in her room while her roommate was sleeping. Moore replied, "It doesn't make any sense ... Why would I have sex with an inmate while there was another inmate in that room?"

There were other places to have sex, he said. Assistant U.S. Attorney Alan Sprowls asked him for examples of those places. Moore told jurors the encounters could have taken place in the TV room, on the stairs, in the bathrooms and in closets.

Moore also refuted statements a former inmate made Tuesday. She said Moore let her go to a different housing unit several times to have sex with Barnes. Moore said he never let her out, "not one time, not any time, never."

Barnes also testified Thursday. He said he had sex with three inmates in 2004 and gave them banned items.

"I would watch them," he said, responding to a question from prosecutors about how he would choose the inmates. He said he would "watch their demeanor" and how "individuals handled themselves" before approaching or propositioning them.

Responding to questions from defense attorneys, Barnes said that there was no agreement between the officers to have sex with, intimidate or sell contraband to inmates. Later, responding to questions from Assistant U.S. Attorney Robert Davis, he said he knew the defendants were having sex with inmates but didn't report the matter.

"What was the point of reporting it when I was doing wrong myself?" he said.

Closing arguments are expected today.

Contact reporter Chitra Subramanyam at (850) 599-2304 or csubramanyam@tallahassee.com."I never touched any of the inmates."

16 Arrested In Sweep Of Townsend Street (LAT)

From Times Staff And Wire Reports

The Los Angeles Times, November 3, 2006

Sixteen alleged members or associates of a Santa Ana street gang were arrested Thursday following a yearlong undercover investigation into drug sales in their neighborhood, police said.

Three of them — Juan Verdin, 28, Adrian Nava, 24, and Jesus Vasquez, 41 — were charged with conspiracy to distribute cocaine and scheduled to appear in U.S. District Court in Santa Ana today, according to a statement by the FBI, which acted jointly with the Santa Ana Police Department.

Those arrested are believed to be associated with the Townsend Street gang operating roughly in the 800 and 900 blocks of South Townsend Street, authorities said.

"They were intimidating local residents," police spokesman Cmdr. Baltazar De La Riva said of the suspects.

LI Gang Member Guilty Of Murder (NSDY)

DOJ_NMG_0090799

By Zachary R. Dowdy, Newsday Staff Writer

Long Island Newsday, November 3, 2006

Federal jurors convicted a Central Islip gang member yesterday of plotting and carrying out the murder of a man partly because the victim wore yellow, a color preferred by a rival street gang.

Josue Otoniel Rubi-Gonzalez, 26, of Central Islip, who federal prosecutors say is a member of La Mara Salvatrucha or MS-13, was found guilty after a two-week trial in federal court in Central Islip of conspiracy and murder in aid of racketeering, more than three years after the June 2003 slaying of Jesus Valentin, 22, of Central Islip.

Rubi-Gonzalez will receive a mandatory life sentence from U.S. District Judge Leonard D. Wexler.

Valentin met Rubi-Gonzalez and two other men by chance on Lowell Avenue in Central Islip when the three began to suspect Valentin was a member of the Latin Kings gang because he was wearing a yellow shirt, prosecutors said.

They lured Valentin into a nearby patch of woods on the grounds of the former Central Islip Psychiatric Center with the ruse of offering him marijuana.

They then beat him with a fire extinguisher and a piece of lumber. Rubi-Gonzalez delivered a fatal stab wound with a pocketknife, prosecutors said.

The two stuffed Valentin's body into a drainpipe where it lay until Nov. 15, 2003.

"This conviction marks the latest success in a series of prosecutions to dismantle street gangs on Long Island and free our communities from the indiscriminate violence they unleash," said U.S. Attorney Roslynn R. Mauskopf. "Gang members who attempt to treat our communities as war zones will continue to face the full force of federal prosecution."

Rubi-Gonzalez' attorney could not be reached for comment yesterday. The case was prosecuted by Assistant U.S. Attorneys Richard P. Donoghue and James McGovern.

Information about the status of the cases against the two alleged accomplices in the killing was not available yesterday.

LI Gang Member Convicted Of Murdering Suspected Rival (AP)

AP, November 3, 2006

CENTRAL ISLIP, N.Y. (AP) — A man identified as a member of the Mara Salvatrucha, or MS-13, street gang was convicted Tuesday of conspiracy and murder in aid of racketeering following a two-week trial in federal court on Long Island.

Josue Otoniel Rubi-Gonzalez, 21, faces up to life in prison when he is sentenced for the killing of Jesus Valentin in Central Islip on June 30, 2003. A sentencing date was not immediately announced.

Prosecutors said Rubi-Gonzalez and two other suspected MS-13 gang members met Valentin during a chance encounter more than three years ago. Valentin was suspected of being a member of the rival Latin Kings street gang, in part because he was wearing a yellow shirt, a color frequently worn by the Latin Kings, prosecutors said.

He was lured into the woods, where he was brutally beaten with a fire extinguisher and a piece of lumber before Rubi-Gonzalez fatally stabbed him with a pocket knife, prosecutors said. The victim's body was hidden in a drain pipe, where it wasn't discovered until Nov. 15, 2003. It was not immediately clear what happened to the two accomplices.

Rubi-Gonzalez and 29 other suspected members of three gangs — MS-13, the Bloods, and Murder Unit — were named in a Feb. 4, 2004, indictment, charging them with five murders, a firebombing, multiple assaults, robbery and drug distribution across Long Island. Since then more than 20 members of the MS-13 gang have either pleaded guilty or been convicted at trial.

"This conviction marks the latest success in a series of prosecutions to dismantle street gangs on Long Island and free our communities from the indiscriminate violence they unleash," U.S. Attorney Roslynn Mauskopf said in a statement.

FBI Cyber Crackdown Leads To 16 Arrests (USAT)

By Jon Swartz

USA Today, November 3, 2006

SAN FRANCISCO — In its latest crackdown on cybercrime, the FBI planned to announce Friday the arrests of 16 people in the USA and Poland suspected of participating in a website where stolen personal data were traded and phishing attacks were launched.

Individuals were arrested in Atlanta and Columbus, Ohio. Raids were conducted in New York, Texas, Tennessee, Nebraska, Georgia and Ohio, the FBI said.

Search warrants on three individuals in Romania also were performed this week as part of the ongoing investigation.

The actions against the Cardkeeper forum are the highest-profile since the Richmond, Va., division of the bureau started investigating the phishing attack on a bank in mid-2004. More than 100,000 credit and debit cards from more than 1,000 individuals were compromised.

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It is the federal government's latest salvo in a battle against online crooks dealing in stolen credit and debit cards and online bank accounts. In 2004, the FBI and Secret Service briefly disrupted growth of such forums with the bust-up of Shadowcrew, a forum of more than 4,000 members. Since then, other forums have formed or resurfaced with new security measures to avoid detection, security experts and law enforcement officials say.

The arrests are the latest indication that federal officials are serious about tamping down online credit card fraud and deterring 12 to 20 carding forums worldwide, says Dan Clements, CEO of CardCops, an identity-theft-prevention company.

The FBI says it is working with local law enforcement officials in the USA and Eastern Europe.

"Cybercriminals will no longer be able to hide behind borders to conduct their illicit business," James Finch, assistant director of the FBI's Cyber Division, said in a statement.

Still, unless U.S. officials have success extraditing suspects from such locales as Romania, Clements is unsure how effective the crackdowns will be: "This is a small dent in the problem, if (computer) servers continue to run in Romania."

3 Americans Arrested By F.B.I. In Identity Thefts (NYT)

By Tom Zeller Jr.

The New York Times, November 3, 2006

At least three Americans and 11 Polish nationals have been arrested in the last month in a crackdown on an online black market in which users buy and sell credit card numbers, bank account log-ins and other personal information, federal investigators say.

The three Americans have been identified as Dana Carlotta Warren, 29, of Atlanta and Zanadu Lyons, 24, and Frederick T. Hale, both of Columbus, Ohio. The charges included conspiracy to commit bank fraud, identification fraud, identity theft and other violations in what the F.B.I. described as a plot linking those arrested in the United States and those in Poland.

The F.B.I. and federal prosecutors are expected to announce the arrests of two more Americans today.

The arrests follow a two-year operation in which the F.B.I. worked with Polish investigators to identify suspects trading in or enabling the use of stolen consumer information.

Warrants were also being served in Romania as part of a continuing investigation, an F.B.I. spokesman, Paul Bresson, said.

The proliferation and sale of stolen consumer data on the international black market, particularly through online forums, has been a nagging problem for law enforcement, given the restrictions in national legal systems.

But the assistant director of the F.B.I.'s Cyber Division, James Finch, suggested that this was slowly changing.

"We are sharing evidence and using sophisticated techniques like never before," Mr. Finch said in a statement. "Cybercriminals will no longer be able to hide behind borders to conduct their illicit business. There will be no safe haven for cybercrime."

FBI Nabs Phishers In U.S., Eastern Europe (CNET)

By Tom Krazit, Staff Writer, CNET News.com

CNET News.com, November 3, 2006

With help from local authorities, the agency has arrested more than a dozen individuals connected with a global scam. Details due Friday.

The FBI plans on Friday to announce the arrest of at least 16 individuals in connection with a global cybercrime investigation.

More than 20 FBI offices participated in the probe into a series of phishing attacks against a "major financial institution" that occurred in 2004 between August and October, according to materials provided by the FBI ahead of the announcement. Agents conducted investigations inside the U.S. and other countries to identify a ring of identity thieves who were acquiring and trading stolen credit and debit card numbers through an online forum.

The investigation targeted both hackers, who compromised about 50 servers in order to launch the phishing attacks, and those who sought to acquire stolen financial data. Phishing is an online scam in which individuals are tricked into providing personal information in response to e-mails that appear to be coming from legitimate sources.

Three arrests have been made inside the U.S., and 11 were made in Poland. Additional arrests are expected to come out of an investigation in Romania, where FBI agents are still monitoring suspects.

"Cybercriminals will no longer be able to hide behind borders to conduct their illicit business. There will be no safe haven for cybercrime," James Finch, assistant director of the FBI's Cyber Division, said in a statement. Several spin-off investigations have resulted from the initial inquiry, he said.

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FBI Tightens Net Around Identity Theft Operations (WP)

By Brian Krebs

The Washington Post, November 3, 2006

The FBI is cracking down on an international identity theft operation that involves the trading of social security numbers; the sale of stolen credit card account information; and phishing, the practice of using e-mail to trick consumers into handing over personal information, authorities said yesterday.

Called Operation Cardkeeper, the investigation has brought about the arrests of more than a dozen people in the United States and other countries who are members of online communities that specialize in "carding," the trafficking of stolen identities and credit card and bank account information.

"We are sharing evidence and using sophisticated techniques like never before," said James E. Finch, assistant director of the FBI's Cyber Division. "Cyber criminals will no longer be able to hide behind borders to conduct their illicit business."

Investigators said some members of the criminal rings purchased data that was electronically copied from the magnetic strip on the back of credit or debit cards and used the information to create counterfeit cards for cash withdrawals and retail purchases. Others sold Social Security numbers and other personal data through online carder forums. That data was later used to obtain credit cards in the victims' names, investigators said.

Facing charges in the United States are Frederick T. Hale, 27, and Zanadu Lyons, 24, both of Columbus, Ohio, and Dana Carlotta Warren, 29, of Ellenwood, Ga. Authorities have also served search warrants in Albany, N.Y.; Atlanta; Dallas; Knoxville, Tenn.; Memphis; and Omaha.

Working with international authorities, the FBI also assisted in the arrests of 11 people in Poland believed to be connected to a network of online fraud forums. The FBI said it had traced a series of phishing attacks from late 2004 back to members of the Polish ring.

Phishing involves the use of e-mail messages that impersonate those from a financial institution and urge recipients to update their account information. Recipients who comply typically are directed to bogus look-alike bank sites designed to steal customer information.

The Anti-Phishing Working Group, an industry consortium, said more than 10,000 phishing Web sites were active on the Internet in August, about double the number of sites in January.

In 2004, the FBI and U.S. Secret Service infiltrated and dismantled the Shadowcrew and Carderplanet fraud forums, arresting 28 individuals who collectively traded more than 1.7 million stolen credit card numbers.

Deception Charge Leveled On Defense (WT)

By Jim Mcelhatton

The Washington Times, November 3, 2006

Federal prosecutors have accused the defense team for a D.C. man in an upcoming death-penalty trial of using private investigators posing as government employees to interview a victim's family.

"The defense employed tactics clearly designed to deceive witnesses and victims into thinking that they were granting interviews to victim-witness advocates," prosecutors wrote in an Oct. 31 memo filed in federal court in the District.

Attorneys for Larry Gooch, charged with killing five persons as an enforcer for the so-called M Street Crew in Northeast, sharply disputed the memo.

Defense attorney Jensen E. Barber II wrote in a memo filed yesterday that the government was making "baseless claims" and a "blatant misstatement." Mr. Barber could not be reached by deadline, but has previously declined to comment on the case.

Last year, prosecutors filed a notice of intent to seek the death penalty if Mr. Gooch is convicted. Family members of victims likely would be called to testify during the sentencing phase in the case of a guilty verdict.

Prosecutors became concerned about how the defense was trying to interview family members of victims after a phone call from Barbara Cooper, the mother of Calvin Cooper, whom authorities say was fatally shot by Mr. Gooch, according to court records.

Mrs. Cooper told prosecutors she consented to an interview last week after two persons she thought were victim-witness advocates working for the prosecution visited her home.

"During the interview, they began asking questions about the murder of her son in ways that made her suspicious of their motives," the government memo states. "She asked them to restate their purpose and their affiliation.

"They admitted they were from the law firm that represented Larry Gooch," the memo continues. "She said, 'Isn't that the man who killed my son?' She terminated the interview and called the prosecutors."

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Prosecutors said they don't object to witnesses speaking with the defense team, but want a court order to bar "using misrepresentation to obtain consent for these interviews," the Oct. 31 memo states.

But Mr. Barber stated "nothing could be less true" than the suggestion defense team members interviewed Mrs. Cooper on false pretenses.

He said the two defense team members who visited Mrs. Cooper left her a card with his law office's name and phone number displayed.

Mr. Barber also has said Mr. Gooch wants to "develop compassionate relationships with the survivors of our client's alleged crimes."

"Simple human decency calls for defense attorneys to relate to victims with respect and compassion," Mr. Barber said. "Mrs. Cooper was treated with respect and compassion and given the opportunity to call upon our victim-liaison specialist ...."

He also said defense-victim liaisons have been authorized increasingly in federal capital cases, including the trial of convicted Oklahoma City bomber Timothy McVeigh.

"When we develop relationships between survivors and defense teams and/or clients, survivors' concern about the form of punishment -- death or something else -- often recedes into the background," Mr. Barber wrote.

S.A. Man Pleads Guilty To Child Porn Possession (SAEN)

By Guillermo Contreras, Express-News Staff Writer

San Antonio Express-News, November 3, 2006

A San Antonio man pleaded guilty Thursday to a charge of possessing child pornography — movies a federal judge called "trash."

George Herman "Skip" Wenglein Jr. entered the plea as part of a pre-indictment deal in which prosecutors dropped another charge alleging Wenglein, 46, sent an undercover FBI agent in Buffalo, N.Y., computer videos of adults engaged in sexual acts with children.

Wenglein, who is out on bond and in a physical rehabilitation facility, faces up to 10 years in prison and a lifetime of federal supervision when U.S. District Judge Fred Biery sentences him in February.

The FBI arrested Wenglein in June after serving a search warrant at his home in gated Oakwell Farms in March 2005.

The allegations of his federal criminal case have stunned those closest to him. Wenglein's wife filed for divorce in June and obtained restraining orders against him.

Wenglein's lawyers said the fallout from the criminal case caused Wenglein to try to take his own life by shooting himself in the head on June 16, 2005. He requires around the clock care, is in a wheelchair and may not be able to walk again, his attorneys said.

"I think any grown person that finds it necessary to view child pornography has a problem," Alan Brown, one of his lawyers, said, adding that Wenglein is undergoing therapy.

Wenglein is the son of the late George Herman Wenglein Sr., one of the founders of the Luby's cafeteria chain. The younger Wenglein had worked for the company until it moved its headquarters from San Antonio to Houston in 2004, Luby's officials said.

The search warrant affidavit — kept secret for a year and a half — was recently unsealed, revealing details of his crime that are more explicit than in previous court pleadings.

The affidavit also contains allegations that Wenglein, an ex-band teacher in Lubbock, harassed two former teen female students by calling them repeatedly with sexual intentions. Wenglein was charged in one of those cases in 1990 and pleaded guilty to a harassment charge. He was sentenced to 180 days of deferred adjudication and was fined $300, according to court records and Brown.

Brown told the judge that he plans to argue for leniency for Wenglein partly based on his condition. The judge said that could backfire for Wenglein should Assistant U.S. Attorney Mary Nelda Valadez counter Brown's arguments by asking the judge to look at the videos himself.

"So far I haven't had to look at this trash," Biery said. "The descriptions are bad enough. ... These were toddlers. These weren't even teenagers. I'm just giving you fair warning."

Out Of Grief, A New Search For Hope In SE (WP)

By Robert E. Pierre

The Washington Post, November 3, 2006

The handwritten message, "RIP Lil Cindy. We love you always," vanished from the wall with a squirt of household cleaner and a scouring pad.

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The hand doing the scrubbing belonged to Cynthia "Big Cindy" Gray, who cries often since her daughter and namesake was shot to death more than two months ago. She had gotten fresh angel wings tattooed on her neck, ordered T-shirts bearing Lil Cindy's image and turned her apartment into a shrine. But the message on the wall outside her door had to go.

Graffiti, profane or benign, symbolized the neglect and disorder that Big Cindy and her neighbors in Benning Terrace say they want to leave behind. So there she was, on one of her brighter days since her child was killed, wiping away a condolence note that had touched her heart.

"You have to use the Brillo pad," Big Cindy told a helper matter-of-factly.

It's difficult to find anyone in Benning Terrace, the public housing complex in Southeast Washington where mother and daughter lived, who is untouched by homicide. A baby's father. A cousin. A husband. A son. In 17-year-old Lil Cindy, a daughter and a friend.

Nearly a decade ago, the District's resources were trained on the complex after a 12-year-old boy was kidnapped, shot and left dead in a frozen ravine. Crime was so bad then that the D.C. Housing Authority considered tearing down the 274-unit complex. Now, another jarring crime -- a teenager gunned down as she held a baby -- has Benning Terrace asking again: How can we save our children?

A small cadre of residents has begun searching for answers. They want to curb the senseless violence, instill hope in those who have grown up with none and convince their neighbors that at least part of the answer lies within.

Teenagers and adults have begun assembling action plans and dreaming of a new community center, a neighborhood go-cart track, a job training center. But their first step toward a new tomorrow started in the same place that residents began a decade ago: A neighborhood cleanup. Pick up the trash. Scrape away the rust. Put on a fresh coat of paint. Show the naysayers that something, anything, can happen.

For Big Cindy, a part of her healing was wiping down a wall.A Recurring Message

In early September, nervous energy rippled through First Rock Baptist Church in Southeast as D.C. Council member Marion Barry (D-Ward 8), trailed by colleague Adrian M. Fenty (D-Ward 4), walked up the center aisle. Young girls with puffy eyes and boys with hardened stares filled the balcony and many floor-level pews. Up front, Big Cindy shook hands with dignitaries and friends but stared ahead at her daughter, lying in a coffin.

Politicians and preachers lectured: Stop the violence. Don't retaliate. Change your wicked ways -- words that have echoed through many funerals for the young.

In 1997, the neighborhood gathered at First Rock to remember Darryl D. Hall, the scrawny 12-year-old who had fired a gun at some older rivals. He paid for it with his life. In the aftermath, young men in warring neighborhood crews were hired to clean up their community. Homicides declined dramatically. For a while, residents marveled at the welcome sound of shrieking children playing in the courtyards.

The truce brokered by the Alliance for Concerned Men had stopped the bloodshed, and young men who once had sworn to kill each other began breaking bread together. Some still work for the D.C. Department of Housing, helping to maintain the property and keep youngsters off the streets.

But residents had a recurring message: People need jobs to feed their families. Children need activities to keep them occupied.

During Lil Cindy's funeral, Barry urged mourners to demand more from their leaders. "Benning Terrace isn't fit for a dog to live there," he said.

Ronald Moten, co-founder of Peaceoholics, a grass-roots outreach group, told residents to focus first on what they could do for themselves, and then he issued a challenge. If you're serious about change, he told them, take a trip with me . . . to a city-owned campground in Southern Maryland.Respite From Violence

At the campsite, Tony Gray, Big Cindy's younger brother, was in his element. He had come to support his sister and to further his goal of finding a way to keep youths away from violence. An avid fisherman, he happily taught novices how to push bloodworms onto hooks, wait patiently for a fish to bite and then to reel it in purposefully while keeping control. It was nearing midnight, and the youngsters weren't nearly ready for bed. As the night deepened, more migrated to the water's edge, eager for a chance to cast out and reel one in.

This was Camp Riverview, a 200-acre Department of Recreation retreat where hundreds of teenagers go for a week at a time and which the city government offers, on special occasions, to other groups. This was one of them.

Moten suggested the retreat to the Rev. Anthony Minter at First Rock and organized support from such groups as East Capitol Center for Change, East River Family Strengthening Collaborative, the D.C. Department of Recreation, Washington Interfaith Network and the D.C. police department.

So it was that nearly 90 residents loaded blankets, pillows and bags of snacks onto tour buses for the trip to Scotland, Md. About two of three participants were children, most ages 6 to 16. Young men were scarce.

DOJ_NMG_0090804

Big Cindy joined her neighbors at meals, strategy sessions and walks, sticking close to her brother and mother, Ernestine Randolph.

More than anyone else, Randolph understood her daughter's grief.

Two of her 13 children have also been shot to death. Juan Randolph, 14, was killed while walking near his mother's home in Northwest Washington in July 1993. A year later, his older brother Alfred McCrae, 22, was fatally shot.

One night during the retreat, Randolph sat with dozens of others watching "Tale of the Tape," a documentary about life and death on D.C. streets. In the film by Curtis Mozie, boys are seen alive, then lying in a casket. "This violence is ridiculous," said Randolph, 60, watching stoically throughout even as a teenage girl sobbed uncontrollably.

For many, the 77-mile journey was their first experience camping, sleeping in cabins, walking in the woods. There were no sirens, no police jumping out at boys standing on corners, no worries about making it home safely. A slight chill in the air and waves crashing against the shore made a perfect backdrop for children to laugh, toss rocks into a moonlit Potomac River and begin to grapple with all that was wrong back home in Benning.

Most important, during the planning sessions, residents drew up their own plans of action: Urge management to repair apartments. Start a community cleanup drive. Keep in touch with neighbors. Know where your children are. Be an example.'You Can't Reach Them All'

Tomorrow marks the fourth weekend in a row on which kids, and a few parents, begin to arrive at the community recreation center shortly after 8 a.m., waiting for directions. At the first cleanup, the supply closet was locked, and Tony Gray was trying to get keys. They arrived an hour later.

Out came yellow buckets, heavy-duty bags, gloves and spray bottles of cleaner. Big Cindy ordered the kids one way, then the next.

Gray, 39, is a maintenance supervisor of an apartment complex in Prince George's County. Since his niece was killed, he has moved to Benning Terrace to be with Big Cindy. He is lobbying housing officials to move her to another home. In the meantime, he's trying to make Benning Terrace better. One recent Sunday afternoon, he watched as a youth threw a wrapper on the ground.

"The little kids have spent the weekend cleaning up," he told the boy. "Could you pick that up?" The youngster -- who looked to be 12 or 13 -- rolled his eyes and walked away.

"You can't reach them all," Gray shrugged. His 15-year-old son is locked up until he is 21 for trying to stab someone. "He thought he knew it all," said Gray, a father of six. "I'd rather he be there than to be out in the street."

He banters with the neighborhood kids, who call him Hercules after the patch on his blue work shirt. Some have already tired of hearing his catchphrase: "Don't talk about it. Be about it."

His efforts, such as selecting new paint colors -- green and tan -- for buildings, drew praise at the recent resident council meeting. But the tasks ahead are daunting.

Some residents chuck trash bags out the window and leave them lying on the ground below. Litter is so prevalent that some areas need repeat cleanings. And some forces in the neighborhood are intent on thwarting progress.

One recent Saturday night, even as residents were lobbying city officials for better recreation facilities, someone set a fire on the playground. The slide melted.

"That made me want to cry," Gray said. "But we can't let that stop us."

Last weekend, the buckets and paint brushes were out again. A deejay played music as children painted. Big Cindy was given a plaque honoring her dead daughter. An idea from the retreat, a state-of-the-art community center, received a major boost.

Fenty, the likely next mayor, stopped by and promised that seed money for the project would be included in his first budget. The children who came up with the idea applauded.

Gray and others smiled. Something had just happened.

As Release Nears, These Inmates Are All Business (WP)

By Sylvia Moreno

The Washington Post, November 3, 2006

BRYAN, Tex. -- His street name was "T-Murder"; his turf, the Deadly Nickel, as Houston's Fifth Ward is known in the 'hood. His business put $25,000 in his pocket monthly.

Those were the days when Thomas Laqueá Harrell Sr. ran his own crack cocaine ring, a capital venture that landed him in the Texas prison system with a 25-year sentence. Seven years of incarceration later and a few weeks from being paroled, this entrepreneur is ready to go back to work. But he's going legit.

DOJ_NMG_0090805

Thomas Laqueá Harrell Sr., who graduated from the Prison Entrepreneurship Program, wants to start a mobile food business when he is released in a few weeks after serving seven years of a 25-year sentence for running a drug ring. (By Sylvia Moreno -- The Washington Post)

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Harrell has a written business plan, a marketing strategy, a net profit/loss analysis, a projected income statement and a financial summary. All he needs, Harrell recently told a panel of business executives gathered inside the walls of the medium-security Hamilton Unit, is a start-up loan.

"Hello, my name is Thomas Harrell Sr., the founder and owner of Yum Yum's Mobile Catering Service," the animated 31-year-old inmate announced. "We make hot, on-the-spot barbecue meals."

This was Harrell's pitch for his new business, one of 60 similar plans presented by the graduates of an unusual Texas prison program designed to harness a convict's street smarts and funnel them into a legitimate venture upon release.

"We are not so much in the business of creating entrepreneurs as leveraging their skills," said Catherine Rohr, founder of the Prison Entrepreneurship Program, a nonprofit organization based in Houston. "After all, it was their entrepreneurial skills that landed them in prison."

Rohr, a one-time venture capitalist in California and New York, was inspired after visiting a prison ministry program in the spring of 2004 that was started by former Watergate conspirator Charles W. Colson. She heard a graduate say that he left prison after eight years and started a general contracting business that made $1.7 million in sales in 18 months.

"I thought I was going on a zoo tour of caged-up animals," recalled Rohr, 29, of that first visit to a prison in Sugar Land, Tex. "Instead, I saw human beings who are just as much in need of grace as I am, and I saw all this untapped potential, good sales skills and decent business sense."

Rohr created a graduate school-style business plan competition there and, within months, quit her job in Manhattan, incorporated her program and moved to Texas. She obtained permission from the state Department of Criminal Justice to locate her program in the Hamilton Unit. The pre-release facility, 100 miles northwest of Houston, houses 1,200 inmates who participate in a special therapeutic program for six to eight months before their discharge.

Rohr has instituted a rigorous business curriculum: more than 350 hours of class time, taught by 100 business executives whom she recruits; exams; extensive writing assignments; and tough homework penalties for inmates who do anything from utter a curse word to fail a test. Prisoners are paired with Harvard and Texas A&M University students, online or in person, who help edit their business plans. The executives then judge the plans.

First, though, inmates must qualify for PEP, as the program is known. They must have renounced any prison gang affiliation and must fill out a 23-page questionnaire, learn 10 pages of financial terminology, take four tests and be interviewed by almost a dozen corporate executives and PEP graduates. Important as the tests and interviews are, Rohr said, "the number one thing we look for in inmates is change."

This summer, 150 prisoners applied for PEP's fourth class; 84 were selected, and 60 completed the four-month course. On a recent cool evening, the graduates marched single file in their blue caps and gowns into the basketball court in the middle of the

"Pomp and Circumstance" played over a makeshift sound system operated by a white-uniformed inmate. The graduates' relatives and the corporate executives who earlier judged the business plans gave the men a standing ovation.

For about half the graduates -- ranging in age from 20 years old to over 60, serving time for crimes from burglary to murder -- this was their first formal cap and gown ceremony.

Thomas Laqueá Harrell Sr., who graduated from the Prison Entrepreneurship Program, wants to start a mobile food business when he is released in a few weeks after serving seven years of a 25-year sentence for running a drug ring. (By Sylvia Moreno -- The Washington Post)

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"Families -- your sons, your husbands, your boyfriends, your brothers here tonight have probably robbed you and probably lied to you," Rohr said as the graduation began. "I stand here before you to vouch for these men. . . . They are capable of going out and being productive members of society."

Including this class, PEP has graduated 220 participants, and 175 have been released from prison. Rohr said 21 former inmates have started or operate small businesses. Almost 40 have completed PEP's post-prison executive course offered in Houston and Dallas and are being mentored by corporate executives. The employment rate among PEP graduates is over 93 percent, she said, and the recidivism rate has been less than 5 percent.

During the graduation ceremony and throughout the day, inmates often thanked the executives for volunteering as teachers and as judges for the two-day business plan competition.

"They could be anywhere in the world but chose to be here with me, and I can't even get a letter from my dad," said inmate Cory Seago, 27, breaking into tears as he spoke from the graduation podium. "I've been in prison two times. I lost everything: my hope, my dreams, my confidence. PEP's been more than a business class for me. I learned about love."

For many executives, the experience was transformative as well. Geoff Jones, chief financial officer of Trico Marine Services of Houston, conceded he was apprehensive when he first entered the prison. "You think you're going to go in there and feel unsafe and be surrounded by undesirables," he said.

Instead, Jones said, he was impressed by the quality of the business plans and the presentations. "They believed in what they were telling you, and it meant a lot to them. It was their chance to impress somebody in the free world," he said.

prison yard, the concrete slab fenced off by a tall chain-link fence topped with concertina wire.

Gang Trial Hangs On Informant's Testimony (WP)

By Ruben Castaneda

The Washington Post, November 3, 2006

Noe "Shorty" Cruz knew that his fellow MS-13 gang members didn't care much for police informants. Members who turned on the gang to help the police were "rats," and the violent gang ethos called for them to have their tongues cut out.

So when a fellow gang member confronted him in a Riverdale parking lot with the words, "OrdoÃ±o sends his greetings," he knew he had to act quickly, Cruz said. "OrdoÃ±o" was Felipe OrdoÃ±o, a Prince George's County anti-gang police detective -- and the investigator who directed Cruz as he worked undercover for nearly two years.

Cruz said the taunt didn't surprise him. "I got angry," he later testified. Cruz said he told his fellow gang members to "stop talking such stupidity." The gang member responded that he was only joking, Cruz testified.

Federal prosecutors hope that Cruz's account of the heart-stopping confrontation, and his description of a multitude of crimes his fellow gang members committed, will help convince jurors that MS-13 is not a garden-variety street gang but a violent and international criminal enterprise.

Cruz, 25, is a key prosecution witness in the federal racketeering trial that is nearing an end in U.S. District Court in Greenbelt. Attorneys gave their closing arguments yesterday.

Federal prosecutors have brought racketeering charges against 22 alleged members of MS-13, also known as Mara Salvatrucha. The indictment accuses the gang of six murders and four attempted murders between April 2003 and June 2005 in Prince George's and Montgomery counties. Cruz testified against the first two defendants to go on trial: Oscar Ramos Velasquez, 21, known as "Casper," and Edgar Alberto Ayala, 29, who goes by the nickname "Pony."

Gary A. Ticknor, Ayala's attorney, said yesterday in his closing statement that his client did not participate in any murders or robberies and did nothing to intimidate witnesses. Velasquez's attorney, Richard C. Bittner, said the government's case against his client amounted to "guilt by association. He never committed a criminal wrong."

During nearly four days on the witness stand, Cruz described an array of criminal activities carried out by MS-13.

He testified that the gang robbed prostitution houses, videotaped two Prince George's County police officers and a federal agent and spoke of killing an officer, and that an MS-13 leader bemoaned OrdoÃ±o's "busting everybody."

Most of the activities Cruz described occurred in neighborhoods hugging the Prince George's and Montgomery borders, where many MS-13 members live.

According to the testimony of Cruz and OrdoÃ±o, this is how Cruz became a key informant:

Prince George's police had scores of photographs of MS-13 gang members but didn't know who they were. In December 2003, OrdoÃ±o visited Cruz in the county jail, hoping that Cruz would put names to some of the photos. Cruz was locked up for allegedly assaulting a girlfriend.

Cruz told OrdoÃ±o that he was angry with the gang. Fellow gang members had murdered one of his friends, another MS-13 member. Also, a fellow MS-13 member had pushed him while he was holding his infant son, almost causing him to drop the boy. That member warned Cruz that he needed to attend more gang meetings, Cruz testified.

OrdoÃ±o testified that Cruz was nervous during the initial encounter. The two later met away from the detention center.

The assault charges against Cruz were dropped. OrdoÃ±o said he had nothing to do with that. Outside the jail, Cruz agreed to be an informant and wore a wire to several gang meetings.

Cruz is in the federal witness protection program. He testified that federal authorities have moved him three times and have paid for him to have some of his gang tattoos removed or altered.

The first time he was moved, Cruz said, he returned to his old neighborhood to see a girlfriend. He said that federal officials then moved him to another community.

In his new home, Cruz said, he worked at a construction job with two other MS-13 gang members who became suspicious of him.

One day after work, someone shot at him near his home, Cruz testified. After that, Cruz said, he was moved to another location. Federal officials also paid for his girlfriend and their young child to be moved.

According to trial testimony, Cruz entered the United States with fraudulent documents provided by an aunt. Cruz testified that he believed federal officials would help him with documentation to remain legally in the United States once the case was over.

To buttress Cruz's testimony, a Salvadoran police officer testified last week on behalf of the government that MS-13 leaders in El Salvador told Maryland gang leaders how the organization should be run and even sent two leaders to Maryland to provide advice. Killing witnesses against the gang was one of the tenets the Salvadoran gang leaders imparted, the officer testified.

The Salvadoran officer testified under a pseudonym after prosecutors convinced U.S. District Judge Deborah K. Chasanow that his life would be in jeopardy if gang members in El Salvador learned of his identity.

Threat Is Exaggerated (USAT)

By Randall D. Eliason

USA Today, November 3, 2006

Supporters of a federal shield law claim the proposed statute is necessary to encourage confidential sources to come forward and to ensure that reporters do not go to jail. They are wrong on both counts.

"Leaks" to the press are a pervasive part of our culture. Scandals such as Watergate and Iran-Contra were exposed despite the lack of a federal shield law. More recently, sources have leaked information about secret CIA prisons, Iraq's Abu Ghraib and domestic surveillance. Investigative journalism is thriving, and there is no evidence that leaks are drying up for want of a shield law.

Journalists are free to promise sources that they will not identify them unless they are ordered to by a court. Cases where a court actually does that are extremely rare. Leakers are far more likely to be identified through an internal company investigation or by some other means.

Sources willing to face these more substantial risks of exposure are unlikely to change their minds because of the remote chance that a court might someday force a reporter to identify them. And sources who are really worried can always provide information to the press anonymously, not even revealing their identity to a reporter.

Nor would a shield law keep reporters from going to jail. Most shield laws, including the proposed federal statute, are not absolute. For example, under the proposed federal law, the San Francisco reporters would still be ordered to testify because they have information critical to a criminal investigation. Presumably, they would still refuse and would still face jail for contempt.

Those reporters are facing jail not for what they wrote, but for defying a lawful court order. Their source is suspected of perjury and obstruction of justice. By refusing to testify, the reporters are placing themselves above the law and are shielding the true potential criminal. That's not conduct that should be encouraged by a federal statute.

Randall D. Eliason, a former federal prosecutor, teaches law in Washington, D.C.

CIVIL RIGHTS:

Democrats Predict Voter ID Problems (WP)

By Amy Goldstein

The Washington Post, November 3, 2006

On Indiana's primary day, Rep. Julia Carson shoved her congressional identification card in a pocket, ran out of her house and raced down the street to be at her polling site when it opened at 6 a.m. The Democrat, seeking to represent Indianapolis for a sixth term, showed the card to a poll worker, who told her it was unacceptable under a new state law that requires every voter to show proof of identity.

The law compels voters to show an ID, issued by Indiana or the federal government, with a photograph and an expiration date. Carson's card was for the 109th Congress, but did not say when the session ends. "I just thought I was carrying the right thing -- if you have a card that has a picture and shows it is current," she said.

In the end, the poll worker telephoned a boss, and Carson was allowed to vote for herself in the five-way primary. But her close call in the light turnout of the May primary, she and other Democrats say, foreshadows turmoil and votes that are not counted when the nation goes to the polls for Tuesday's midterm elections.

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Indiana will have the country's strictest voter identification law in effect on Election Day. The 2005 picture ID law, however, puts it among a dozen states that have tightened requirements lately that voters display some form of identification at the polls. The laws have spawned partisan warring, lawsuits and confusion that election experts predict could influence the outcome of some close elections.

In the Washington area, Virginia requires all voters to show identification, although it does not need to have a picture. Maryland and the District require first-time voters who registered by mail to bring identification, such as a driver's license or utility bill, to the polls.

While the local laws have not been challenged, new voter ID laws nationally are the most widespread, and most bitterly disputed, of several types of voting procedures that states have adopted after the chaotic 2000 presidential election. The procedures include statewide electronic databases of registered voters, which critics allege have in a few states improperly knocked out eligible people. In another procedure, Ohio and Florida -- battleground states that have produced recent contested elections -- have placed tighter reins on groups that work to register new voters.

Such rules, together with updated voting-machine technology, were touted as means to modernize and bolster public confidence in the election system. They have quickly led to new struggles over voting rights. Republicans and their allies assert that the identification requirements and other rules will lessen voting fraud. Democrats and their supporters contend the changes are ploys to suppress voting among poor, elderly, minority and disabled citizens, who are prone to support Democratic candidates.

"We believe photo ID is the kind of confidence-building measure that is warranted in light of past fraud," said Mark "Thor" Hearne, the chief election lawyer for the 2004 Bush campaign and now counsel to the American Center for Voting Rights, a conservative advocacy group. He predicted the identification laws will prompt higher turnout.

Mary G. Wilson, national president of the League of Women Voters, said identification laws, particularly ones requiring photo IDs, are "odious" and added: "There is very little evidence there's been any kind of voting by people who are ineligible to vote. We view this as basically another unnecessary hurdle voters are being put through."

Tuesday's election will be "a laboratory of democracy," providing the first major test of which view is right, said Doug Chapin, director of Electionline.org, a nonpartisan project that tracks election reform.

In 2002, as Congress debated how to respond to the disputed presidential election two years earlier, lawmakers disagreed over how much to make voters prove who they are. In the end, the Help America Vote Act requires first-time voters who register by mail without an ID to bring identification to the polls. Nearly half the states have tougher laws.

Missouri and Georgia have adopted photo identification laws similar to Indiana's, although Missouri's has been struck down as unconstitutional and a federal court has halted the Georgia requirements while a lawsuit is underway.

In Arizona, voters are required to bring some form of ID and proof of citizenship. The requirement is being challenged in federal courts, but the Supreme Court stepped in two weeks ago to say that IDs could be required in Tuesday's election before the lawsuits are resolved. The situation has been in even greater flux in Ohio, where opponents of a new ID law sued last week over whether voters using absentee ballots must supply an identification number. Ohio courts flip-flopped on the question before the parties reached a settlement late Wednesday that exempts absentee ballots from the state's ID law for Tuesday's election only.

Indiana's law is also being challenged, by the Indiana Democratic Party and the state chapter of the American Civil Liberties Union; the U.S. Court of Appeals for the 7th Circuit has indicated it will not decide before Election Day whether to uphold a lower-court ruling that it is constitutional.

Indiana's secretary of state, Todd Rokita, a Republican who made photo IDs part of his platform when he ran for the office, said photo IDs give "a measure of integrity" to an election system that had been continually expanding access to voting since the mid-1960s.

He said that, based on the primary in which Carson's congressional ID card was challenged and a few local special elections, the law "is going very, very well." His office is spending $2 million in federal and state money on advertising about the requirements, including ads targeting bus passengers who do not have cars or driver's licenses.

The law enables people without a driver's license to get a free state ID at Bureau of Motor Vehicle branches. But first they need an official birth certificate and other documents, and some Hoosiers are discovering it is difficult to get one in time.

Jowana Peterson, 51, of Indianapolis lost her wallet with her license inside a few weeks ago. When she went to replace it, she brought a copy of her birth certificate from Chicago, her Social Security card, her ID card from her job as a financial planner and four utility bills. "They turned me out cold," she said, telling her she needed a new birth certificate from Cook County. She has applied, but it has not yet arrived. Because she had signed up to work at the polls on Election Day, she was eligible to get an absentee ballot, but she worries about other would-be voters who cannot get one -- or do not know to ask.

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Even so, she says, "I feel pretty cheated. I am an American citizen. I've paid my taxes. I feel the system kind of let me down. It shouldn't be that hard."

Delays Loom In Counting Ballots (USAT)

By Richard Wolf

USA Today, November 3, 2006

WASHINGTON — As the battle for control of Congress enters its final weekend, election experts warn that the number of voters forced to cast provisional ballots Tuesday because of eligibility questions could delay some results in tight races for days or weeks.

New statewide voter databases, strict ID requirements and other factors may increase the percentage of voters whose paper ballots must be reviewed by local officials.

Provisional ballots are often used when a voter is not listed as registered, shows up at the wrong precinct, lacks required identification, has moved recently but returns to his or her old polling place, or is listed by a slightly different name in state databases.

The ballots are delivered in envelopes to elections officials, who must rule after Election Day on the voters' eligibility before counting or discarding them. “I think we're going to see a lot more provisionals than we've seen before,” says Kimball Brace, president of Election Data Services. “For a poll worker, a provisional is the easy way out.”

Poll workers are encouraged to use provisional ballots if they're not sure what to do. “This is really a good tool for election officials and for voters,” says Paul DeGregorio, chairman of the U.S. Election Assistance Commission.

In 2004, the first year provisional ballots were used nationwide, about 1.9 million people cast them. About 1.23 million of those, or nearly 65%, were ruled to be in order. The number of provisional votes counted was about 1% of the 122 million votes cast for president.

Eighteen states allow late counting of absentee ballots postmarked by Election Day. The combination of absentee and provisional ballots could leave close races undecided Tuesday. State officials might not even know how many provisional ballots were cast.

Some states allow extended periods for determining the eligibility of provisional voters — up to 28 days in California. In Washington state in 2004, provisional ballots played a role in delaying Gov. Christine Gregoire's victory for more than eight weeks.

“With so much attention focused on pre-election barriers, we've almost forgotten about things that could cause problems on and after Election Day,” says Dan Tokaji, a professor at Ohio State's Moritz College of Law. “Provisional ballots are at the top of that list.”

States with strict new ID requirements, such as Florida and Indiana, are likely to see increased use of provisional ballots. Six states — Idaho, Maine, Minnesota, New Hampshire, Wisconsin and Wyoming — should have very few because they allow voters to register on Election Day. North Dakota has no voter registration.

States, and even counties within a state, handle provisional ballots differently. Some polling places in Pennsylvania ran out of provisional ballots in 2004. In other states, the ballots became fodder for lawsuits because of variations in the way they were counted.

Most elections officials say provisional ballots are an improvement from the past, when voters were denied the right to vote. “This becomes a safety net for the voter,” says R. Doug Lewis of the Election Center, which represents state and local elections officials.

Denver To Get Voting Oversight (RMN)

By Laura Frank, Rocky Mountain News

Rocky Mountain News, November 3, 2006

Officials with the U.S. Department of Justice will be among those monitoring elections in Denver Tuesday.

The Justice Department is sending a record number of officials to monitor midterm elections across the country. Denver is one of 65 cities and counties nationwide where DOJ officials believe problems may be possible.

"They'll be doing observations of elections," said Alton Dillard, spokesman for the Denver Election Commission. He added that he was unaware of any specific reasons why Justice Department officials chose Denver.

Wan Kim, assistant attorney general for the Justice Department's civil right division, told reporters this week that monitors would "very discreetly" assist voters who encounter problems voting. The officials would be watching for violations of federal voting laws. The Justice Department could use that information in future lawsuits, he added.

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Voters can notify the Justice Department of voting problems directly by calling the voter hotline at 1-800-253-3931 or visiting its Web site at www.usdoj.gov/crt/voting/index.htm.

The Acorn Indictments (WSJ)

The Wall Street Journal, November 3, 2006

So, less than a week before the midterm elections, four workers from Acorn, the liberal activist group that has registered millions of voters, have been indicted by a federal grand jury for submitting false voter registration forms to the Kansas City, Missouri, election board. But hey, who needs voter ID laws?

We wish this were an aberration, but allegations of fraud have tainted Acorn voter drives across the country. Acorn workers have been convicted in Wisconsin and Colorado, and investigations are still under way in Ohio, Tennessee and Pennsylvania.

The good news for anyone who cares about voter integrity is that the Justice Department finally seems poised to connect these dots instead of dismissing such revelations as the work of a few yahoos. After the federal indictments were handed up in Kansas City this week, the U.S. Attorney's office said in a statement that "This national investigation is very much ongoing."

Let's hope so. Acorn officials bill themselves as nonpartisan community organizers merely interested in giving a voice to minorities and the poor. In reality, Acorn is a union-backed, multimillion-dollar outfit that uses intimidation and other tactics to push for higher minimum wage mandates and to trash Wal-Mart and other non-union companies.

Operating in at least 38 states (as well as Canada and Mexico), Acorn pushes a highly partisan agenda, and its organizers are best understood as shock troops for the AFL-CIO and even the Democratic Party. As part of the Fannie Mae reform bill, House Democrats pushed an "affordable housing trust fund" designed to use Fannie Mae and Freddie Mac profits to subsidize Acorn, among other groups. A version of this trust fund actually passed the Republican House and will surely be on the agenda again next year.

Acorn and its affiliates have pulled some real stunts in recent years. In Ohio in 2004, a worker for one affiliate was given crack cocaine in exchange for fraudulent registrations that included underage voters, dead voters and pillars of the community named Mary Poppins, Dick Tracy and Jive Turkey. During a Congressional hearing in Ohio in the aftermath of the 2004 election, officials from several counties in the state explained Acorn's practice of dumping thousands of registration forms in their lap on the submission deadline, even though the forms had been collected months earlier.

"You have to wonder what's the point of that, if not to overwhelm the system and get phony registrations on the voter rolls," says Thor Hearne of the American Center for Voting Rights, who also testified at the hearing. "These were Democratic officials saying that they felt their election system in Ohio was under assault by these kinds of efforts to game the system."

Given this history, it's not surprising that Acorn is so hostile to voter identification laws and other efforts to ensure fairness and accuracy at the polls. In Missouri last month, the state Supreme Court held that a photo ID requirement to vote was overly burdensome and a violation of the state constitution. Acorn was behind the original suit challenging the statute, and it has brought similar challenges in several other states, including Ohio.

A recent Pew Research Center survey found that blacks today are almost twice as likely as they were in 2004 to say they have little or no confidence in the voting system. Such a finding would seem like a powerful argument for voter ID laws, which consistently poll well among people of all races and incomes and would increase confidence in the voting process. Of course, voter ID laws would also cut down on fraud, which, judging from the latest indictments, would put a real crimp in Acorn's style.

Lawsuit Targets Political Jurisdictions (FRESBEE)

By John Ellis

Fresno Bee, November 3, 2006

Merced Co. entities accused of not getting approval for changes.

Two Merced County residents have filed a lawsuit that claims multiple political jurisdictions in the county have undertaken more than 200 annexations and other related changes without federal approval, violating the Voting Rights Act.

The federal lawsuit, filed in U.S. District Court in Fresno, names Merced County, the Local Agency Formation Commission, the cities of Atwater, Dos Palos, Gustine, Livingston and Los Banos, as well as 17 other irrigation, water, resource conservation and community service districts throughout the county.

"This is the most massive example of noncompliance that I have ever seen," said Joaquin Avila, an attorney and Seattle University law professor who filed the suit on behalf of Felix Lopez and Elizabeth Ruiz.

The suit doesn't seek to stop next week's election in the affected jurisdictions, but instead asks that certification of the results be delayed until approval for the changes is given by federal authorities, Avila said.

It also seeks class-action status for U.S. citizens of Spanish heritage who are registered to vote and are affected by the changes.

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A hearing has been scheduled Friday before U.S. District Judge Oliver W. Wanger in which the plaintiffs will seek a temporary restraining order that could delay certification of Tuesday's election in the affected Merced County jurisdictions.

James Fincher, county counsel designee in Merced, was still trying to digest the lawsuit late Wednesday, but he said a vast majority of the jurisdictions in the lawsuit — including all of the irrigation, water, resource conservation and community service districts — will not have elections Tuesday.

On Friday, he will ask Wanger to limit any arguments on a temporary restraining order to cities holding elections Tuesday. As for those cities, he said, they have submitted the needed paperwork to the Justice Department and are just waiting to hear back on approval of the annexations.

"This is not a case where there's something to be corrected," he said. "It's in the process."

One example is Gustine, where two candidates are running for mayor, and two people are unopposed for City Council seats in Tuesday's election.

Normally, obtaining Justice Department approval — known as a "preclearance" — is a formality. It happens more than 99% of the time, said Loyola Law School professor Richard L. Hasen, an expert in election law.

Still, Hasen said, "the failure to get preclearance is a problem in a lot of jurisdictions that are subject to the federal rules."

According to the lawsuit, either the U.S. attorney general or the U.S. District Court for the District of Columbia must determine that any changes that affect voting "do not have the purpose and will not have the effect of denying or abridging the right to vote on account of race, color or membership in a language minority group."

First approved in 1965, the Voting Rights Act targeted Southern states that had long used poll taxes and literacy tests to impede minority voting.

In the 1970s, four California counties — Kings, Merced, Monterey and Yuba — were added.

Under the act, the California counties must get federal permission for every change that affects voting. Examples include changes as small as moving a polling location or redrawing voting precincts, or as large as altering county supervisorial districts.

Annexations or consolidations also have an impact on voting, Avila said.

A similar Monterey County case made news a month before the state's 2003 gubernatorial recall election, where voters removed Gov. Gray Davis from office and replaced him with then-actor Arnold Schwarzenegger.

In that case, the Mexican American Legal Defense and Educational Fund and the Lawyers' Committee for Civil Rights Under Law filed a suit claiming Monterey County's election plan had not been approved by federal authorities.

The Justice Department quickly authorized the county's proposal, which among other things consolidated some precincts in Hispanic neighborhoods and proposed hiring fewer bilingual poll workers.

The latest Merced County lawsuit claims its Local Agency Formation Commission and the named jurisdictions have approved 172 annexations, 35 detachments, four formations and one consolidation without federal approval since Nov. 1, 1972, when Merced became a Voting Rights Act county.

For instance, the lawsuit claims Merced County's LAFCO has approved 10 Gustine annexations since November 1972 without getting the required federal approval.

Gustine City Manager Roger Wong said he hasn't seen the lawsuit but was surprised by his city's inclusion.

"We're not exactly a growth city," he said. "We have not grown like everybody else has grown."

In other examples, the lawsuit claims 21 LAFCO-approved annexations for the Hilmar County Water District, 26 annexations for Los Banos and 39 annexations for Atwater — all lacking federal approval under the Voting Rights Act.

Dale Wickstrom, district manager for the Hilmar County Water District, said he was just served Wednesday with the lawsuit and had not had time to read it. Officials in several other jurisdictions said the same thing.

Others, such as Dos Palos and Atwater, had not been served but had been alerted to the lawsuit via e-mail.

Avila said the matter is of paramount importance because it ensures fair elections and voting rights for all.

"The key issue is not whether they submit. The issue is whether they have secured approval," Avila said. "As far as we can tell, these voting changes in the complaint have not received … approval."

The reporter can be reached at jellis@fresnobee.com or (559) 441-6320.

ANTITRUST:

AT&T-BellSouth Vote Delayed By FCC (AP)

By John Dunbar, Associated Press Writer

AP, November 3, 2006

FCC Delays AT&T-BellSouth Vote for a Third Time Because It Can't Decide on Conditions for Deal

WASHINGTON (AP) -- The Federal Communications Commission delayed for a third time its vote on whether to let AT&T Inc. acquire BellSouth Corp., because it can't decide what conditions should be placed on the deal.

The vote was scheduled for Friday, but the agency sent a notice Thursday night saying the item had been removed from the agenda.

"We're always open to moving forward, but we weren't able to reach an agreement for tomorrow's meeting," said agency spokeswoman Tamara Lipper.

The FCC was working with AT&T in an attempt to reach a compromise that would avoid a 2-2 deadlock. The apparent standoff raises the possibility that the fifth and newest commissioner -- Robert McDowell, a Republican appointee who until now has taken no part in the proceeding -- may be pulled in to cast a tie-breaking vote.

The Antitrust Division of the Justice Department on Oct. 11 cleared the deal, valued at $83.4 billion at the close of trading Thursday, declaring there were no competitive concerns and opting not to require the combined company to divest any assets or make any other concessions.

The failure to attach conditions sparked a sharp response from the two Democratic commissioners, Michael Copps and Jonathan Adelstein, who accused the Justice Department of failing to protect consumers.

FCC Chairman Kevin Martin had scheduled the Friday vote after twice delaying the decision. The issue was pulled from the Oct. 12 agenda, and a special meeting to consider the acquisition on the 13th never convened when Copps and Adelstein asked for more time to consider last-minute concessions offered by AT&T.

Those concessions included $10-per-month Internet access in its service area, free modems, promises to temporarily freeze prices for competitors that use the company's networks and even a pledge to bring back some BellSouth jobs that were shipped overseas.

A consortium of consumer groups criticized the concessions as "short-term candy for a few instead of long-term lower prices and better choices for all consumers."

In a statement Thursday night, AT&T said it had offered "unprecedented conditions unrivaled by any other communications provider in a merger proceeding." The company blamed the delay on "self interest of commercial entities and their litany of unreasonable demands."

AT&T's acquisition of BellSouth is being called the largest telecommunications merger ever. The combined company would generate $117 billion in revenue, operate 68.7 million local phone lines across 22 states stretching coast to coast across the southern United States and up through the Midwest. The merged company would employ 309,000 people, though AT&T said it plans to eliminate up to 10,000 jobs over three years.

Consumer groups are asking for promises that AT&T not discriminate against certain kinds of Internet traffic, offer reasonably priced digital subscriber line service without requiring customers to buy a bundle of services and other concessions.

Consumer groups and competitors also want the FCC to force AT&T to divest unused wireless spectrum unless it plans to use it.

McDowell is a former lobbyist for COMPTEL, a trade association that opposes the merger.

Federal ethics regulations permit the agency's general counsel to clear McDowell to vote as long as the "interest of the government in the employee's participation" outweighs any concerns about the how the vote may affect the agency's integrity.

The rules also say that once cleared by the general counsel, an employee "may not thereafter disqualify himself from participation." However, nothing would prevent him from abstaining.

Blair Levin, who was chief of staff for former FCC Chairman Reed Hundt and now a telecommunications industry analyst for Stifel, Nicolaus & Company, Inc., predicted McDowell will be called on to vote if the stalemate continues.

"At some point in time -- and I think that time is quickly approaching -- the general counsel is entitled to declare a deadlock," he said.

Levin predicted that McDowell, despite the difficult position he is in, would not abstain.

FCC Delays Vote Again On AT&T, BellSouth Merger (MRKTWTCH)

By Ana Campoy

Market Watch, November 3, 2006

SAN FRANCISCO (MarketWatch) -- The Federal Communications Commission has delayed its vote again on the proposed $80 billion merger between AT&T Inc. and BellSouth Corp.

The vote, which had been scheduled for Friday, has been deleted from the agency's agenda for that day, the FCC said in a statement Thursday.

The delay is the third time in less than a month that a vote has been postponed because Republican and Democratic commissioners have failed to agree on possible concessions, according to a Dow Jones Newswires report. See full story.

Two of the three Republicans on the agency's five-member commission support the deal, but the panel's two Democrats insist on concessions by the phone companies, and the fifth member has excused himself from the vote because his previous employer has publicly commented on the merger, according to the report.

On Oct. 11, the Department of Justice approved the deal, saying that the merger is likely to benefit consumers. The regulators said the deal would not hurt competition "substantially" in any part of the U.S. communications industry. The department did not require the companies to sell any assets or attach other conditions. See full story.

The two Republicans have supported the deal, but the panel's two Democrats insist on concessions by the phone companies. They have been critical of the Justice Department's decision to approve the merger without any strings attached. See full story.

The merger would create the largest U.S. telecommunications provider, with more than 300,000 employees, annual revenue of $120 billion and a market value of more than $200 billion. AT&T (T

FCC Postpones Vote On AT&T's Purchase Of BellSouth (Update2) (BLOOM)

By Molly Peterson

Bloomberg, November 3, 2006

Nov. 2 (Bloomberg) -- The U.S. Federal Communications Commission postponed a vote on AT&T Inc.'s $82 billion purchase of BellSouth Corp. for a third time, signaling members are still deadlocked on approval terms.

The delay means the commission probably won't rule until after the Nov. 7 election, said telecommunications attorney Andrew Lipman of Bingham McCutchen LLP in Washington. His firm represents competitors of AT&T and BellSouth.

Today's announcement indicates FCC Chairman Kevin Martin and Commissioner Deborah Taylor Tate, both Republicans, haven't satisfied the panel's two Democrats, who are demanding conditions such as price controls. The five-member FCC is the last regulatory hurdle for San Antonio-based AT&T, the biggest U.S. telephone company, to complete the deal, which would be the largest U.S. phone company combination.

``It may be that after the election there will be different conversations than are happening today," said Lipman. ``It doesn't look like there's been progress this week."

The panel's fifth member, Republican Commissioner Robert McDowell, has said he expects to be barred from voting because of his previous work as a lobbyist.

Martin, who initially proposed approving the deal without conditions, first scheduled a vote for Oct. 12. He moved that to Oct. 13 and then to Nov. 3 after Democrats Michael Copps and Jonathan Adelstein sought a public review of concessions offered by AT&T. The company's proposals included a price freeze on certain business services and $10-a-month high-speed Internet access for some BellSouth customers.

Rivals' Demands

Rivals and consumer advocates said AT&T's concessions won't protect competition. They want to force the combined company to divest some airwaves and bar it from charging Web companies premium fees for faster network access.

``While we regret that the merger has been delayed by the self interest of commercial entities and their litany of unreasonable demands, we look forward to the FCC's approval, so that we can get about the business of providing the overwhelming benefits the merger represents to consumers, to the economy and to the public interest," AT&T spokesman Michael Balmoris said today in an e-mailed statement.

Washington-based Comptel, which represents carriers that compete with AT&T and BellSouth, questioned whether AT&T ``ever engaged in any meaningful attempt" to address concerns raised by the group and consumer advocates.

``Comptel is heartened that the commission did not bend to AT&T's pressure tactics," President Earl Comstock said today in an e-mailed statement.

Fifth Commissioner

The commission probably will approve the transaction with conditions this month or early next month, said Stifel Nicolaus & Co. analyst Blair Levin. If Republicans and Democrats can't agree, Martin could press McDowell to break a tie, Levin said.

``I think at the end of the day, if he has to vote to break a deadlock, he'll do it," Levin, a former FCC chief of staff, said of McDowell. ``But I'm sure he would do everything he can to urge the other four commissioners to keep him out of it."

Shares of AT&T rose 26 cents to $34.02 in New York Stock Exchange composite trading. They have gained 39 percent this year. Atlanta-based BellSouth added 45 cents to $44.65.

Commissioners Copps and Adelstein signaled their tough stance last month when they denounced the Justice Department's decision to clear the deal without conditions.

The department's antitrust unit said the deal was unlikely to ``substantially" reduce competition. Eighteen states also approved the deal without conditions.

AT&T is expanding to meet competition for phone customers from cable-television providers such as Comcast Corp. and Internet-based companies including Vonage Holdings Inc.

The BellSouth acquisition will increase AT&T's local service area to 22 states. BellSouth, the third-biggest U.S. phone company, sells local service in nine southeastern states.

The deal also would give AT&T full ownership of Cingular Wireless LLC. Atlanta-based Cingular, the largest U.S. mobile-phone carrier, is jointly owned by AT&T and BellSouth.

Watch Those Data Pipelines (LAT)

The Los Angeles Times, November 3, 2006

Federal regulators should add some conditions to the AT&T-BellSouth merger to prevent the abuse of Internet-access monopolies.

THE JUSTICE DEPARTMENT was right last month to approve the merger of two powerhouse telephone companies, AT&T Inc. and BellSouth Corp. Given the rapidly changing telecommunications landscape, the teaming up of so-called Baby Bells and long-distance carriers (don't forget that AT&T is also the former behemoth SBC Communications Inc.) is not as alarming a prospect as it would have been a decade ago.

But that is not to say that the brave new world of a fiercely competitive market of cable, wireless and power companies delivering services over high-speed data pipelines has put to rest all concerns about the potential for abuse on the part of still-dominant former monopolists. In this time of transition, federal regulators should still take steps to protect consumers and competitors.

The Federal Communications Commission, in its own review of the merger, is considering a number of sensible conditions.

One would bar the merged company from giving preferential treatment to selected Internet sites and applications, or imposing unreasonable costs on cable companies' phone services.

AT&T and BellSouth contend that these restrictions are solutions in search of a problem. The FCC should address the issues raised by the cable telephone issue promptly in a proceeding that will apply industrywide, not just to AT&T.

But the so-called net neutrality concern is valid. There's a chokepoint on the emerging stream of competition: the companies that provide high-speed connections to the Internet. More than 99% of high-speed homes get their connection from the local phone company (DSL lines) or cable TV operator (cable modems). In many areas, there's only one of those options. It may take years before wireless companies, electric utilities and satellite firms can field a competitive offer. Top executives from AT&T and BellSouth have been quoted as saying they expect popular websites such as Google and Yahoo to pay more "to use my pipes," as AT&T Chief Executive Ed Whitacre told Business Week last year.

That's why the FCC should approve the AT&T-BellSouth deal only with conditions that prohibit the merged company from imposing fees that discriminate unfairly against websites or services. These conditions should be lifted where new high-speed Internet services emerge to challenge the cable-telco duopoly. That day isn't here yet, and the FCC shouldn't pretend otherwise.

Microsoft And Novell Agree To Make Windows, Linux Compatible (BLOOM)

By Jonathan Thaw And Dina Bass

Bloomberg, November 3, 2006

Nov. 2 (Bloomberg) -- Microsoft Corp. and Novell Inc., rivals in the market for software that runs server computers, agreed to make their products work together, the companies said.

The companies will jointly develop and market software that lets the Windows and Novell's Linux operating systems co-exist on the same machine, Microsoft Chief Executive Officer Steve Ballmer said at an event in San Francisco today.

Novell shares rose the most in four years on optimism the agreement may entice more corporations to use its version of Linux software. By forging the accord, Microsoft is responding to pressure to make Windows more compatible with other software. The pact may also help Microsoft, the world's largest software maker, get more of its software into corporate data centers.

``Microsoft can bring to the table an easier sales process and, to the benefit of Novell, potentially greater sales down the road," Mark Mowrey, an analyst with Al Frank Asset Management in Laguna Beach, California, said in an interview.

Novell shares, down 23 percent this year, jumped 92 cents to $6.79 at 4 p.m. New York time in Nasdaq Stock Market composite trading. Microsoft fell 4 cents to $28.77.

Under today's agreement, Redmond, Washington-based Microsoft and Novell also won't sue each other's customers if their software encroaches on their patents. Microsoft will recommend Novell's Suse Linux Enterprise for customers who want to run computers with both Windows and Linux and will distribute coupons for maintenance and support.

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The two companies will establish a joint research facility to make sure customers can consolidate multiple Linux and Windows systems on a single server machine. The facility will also work to improve interoperability between documents created with Microsoft's Office and its open-source rival OpenOffice.

Rivalry Dulled

The agreement dulls a longstanding rivalry between Microsoft and Linux software makers. Linux had become the biggest threat to Microsoft's Windows Server, taking more than 11 percent of overall server sales in 2005 and growing faster than Windows for the past several years, according to Framingham, Massachusetts- based IDC. Windows accounted for 35 percent of server revenue in 2005.

Novell packages software and offers support services so companies can use Linux, a freely available source code.

``I was actually shocked," said Eugene Munster, an analyst at Piper Jaffray in Minneapolis. ``This is like the sign of the apocalypse here that Microsoft is actually endorsing the Linux platform. Things are changing in the world of software."

Munster said in the future some Microsoft programs will probably run on Linux, which ``in the past would have been absurd."

In response to the threat from Linux, Microsoft boosted customer service, spent more on research to improve its products and offered price cuts in some cases. In the second quarter, Linux revenue rose less than 10 percent for the first time in almost four years, according to IDC.

Court Battle

Microsoft and Novell have also done battle in the courts. In 2004, Microsoft paid Novell $536 million to settle an antitrust lawsuit. Novell is still pursuing claims that Microsoft tried to shut out sales of WordPerfect, which was owned by Novell from 1994 to 1996.

Novell bought WordPerfect for $1 billion in 1994 and was forced to sell it two years later for $181.5 million after Microsoft's rival Word became the dominant program for word- processing software.

Microsoft's Windows Server also crippled Novell's NetWare operating system, pushing Novell to buy Suse Linux AG in 2004 to get into the growing market for Linux products.

Red Hat

The agreement between Microsoft and Novell may be a blow to Red Hat Inc., the largest seller of Linux software and services. Oracle Corp. last week said it would offer cheaper services based on Red Hat's Linux products.

Oracle's entry into the Linux market signaled more competition for Windows, a threat that may be dulled by Microsoft's agreement with Novell. The Novell deal also ensures that Red Hat's products won't become the default standard to Linux.

Microsoft, Novell Reach Accord On Linux (WSJ)

By Robert A. Guth And Don Clark

The Wall Street Journal, November 3, 2006

Microsoft Corp. reached a rapprochement with a major seller of the Linux operating system, a deal that makes a kind of peace between two opposing camps in the software industry.

The deal with Novell Inc. is designed to make it easier for customers to use both Linux and Microsoft's Windows software. It puts new pressure on Red Hat Inc., a Linux seller whose shares were recently roiled when Oracle Corp. announced plans to offer its own technical support for Red Hat's products.

The deal effectively makes Microsoft a reseller of Suse Linux, Novell's version of the operating system, and kicks off a broad technology collaboration between the two companies. At the heart of the deal is a "patent covenant" under which Microsoft agreed not to file patent-infringement charges against users of Suse Linux, and Novell agreed not to sue users of Windows. Businesses that use Linux have long worried that Microsoft would one day file patent-infringement suits against them, thereby hindering their use of and investment in the rival software.

Steve Ballmer, Microsoft's chief executive, acknowledged at a news conference in San Francisco that Linux now plays an "important role" at many companies, along with the software titan's own products. The new deal "bridges the divide between open-source and proprietary software," he said.

The term open source refers to the ability of users to examine and modify the underlying instructions, known as source code, used to make a program. Microsoft and many other vendors typically keep such code private. Linux has been the most widely adopted open-source program, a potent competitor to Windows on server systems used to run application programs such as managing Web sites.

The Wall Street Journal broke news of the accord online yesterday. Novell shares were up 16%, or 92 cents, to $6.79 at 4 p.m. in Nasdaq Stock Market composite trading. Also on the Nasdaq, which traded broadly lower, shares of Red Hat fell 33 cents, or 2%, to $16.10; and Microsoft shares fell four cents to $28.77.

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Financial terms weren't disclosed, but involve various payments between the two companies, including Microsoft's paying Novell for a minimum of roughly 70,000 "coupons" that Microsoft corporate customers can convert into annual subscriptions to receive support for Suse Linux. The value of each of those coupons varies between roughly $400 and $1,500 a year, Novell Chief Executive Ron Hovsepian said. Other payments include a "running royalty" stemming from the patent covenant that Novell will pay to Microsoft, executives at the companies said.

The companies said the set of agreements, expected to be in force until at least 2012, will include a joint research facility at which Microsoft and Novell will design and test software combinations, and work with customers and software developers to build and support those technologies. Microsoft also will recommend Novell's Suse Linux Enterprise for customers that want Windows and Linux. "We definitely want customers who chose to run both Windows and Linux to choose Novell," Mr. Ballmer said.

WALL STREET JOURNAL VIDEO

· A partnership between1 Microsoft and Novell is like the Hatfields teaming with the McCoys, as Rob Guth of the Wall Street Journal explains.

· Microsoft CEO Steve Ballmer2 and Novell CEO Ron Hovsepian discuss the unusual partnership between the companies.

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The pact marks an unusual level of cooperation between two longtime rivals. Microsoft has been battling all versions of Linux but has faced pressure to assure customers can run both Windows and Linux without problems. Red Hat's Linux is the most popular commercial version of the product, followed by Suse Linux. The deal follows Oracle's announcement that it would start selling its own support for Red Hat's version of Linux, a plan that undercuts Red Hat's own business, which is based on providing support and maintenance.

Backing by Oracle, the world's second-largest software maker behind Microsoft, coupled with the Microsoft-Novell pact, could instill more confidence in businesses that have held back investment in open source, some industry experts said. Concerns over patents and general competition with Oracle and Microsoft hampered some potential users of the software, the executives say. "There were always customers that were concerned about whether there would be a backlash with Microsoft," said Stuart Cohen, chief executive of the Open Source Development Laboratory, an open-source promotion group. "They just took that off the table."

Microsoft has at times spooked the Linux community with statements that stressed it indemnifies Windows customers against claims of patent infringement. Some people in the open-source community regarded those statements as thinly veiled threats that it would eventually file patent-infringement suits against Linux users.

Microsoft's move to embrace only Novell's software could be seen by skeptics as a move to divide the Linux community. "There is bound to be some animus, just because of who Microsoft is," said Daniel Ravicher, legal director of the Software Freedom Law Center, a public-service law firm that represents open-source developers.

Farm Group Asks Justice Department To Investigate CME, CBOT Merger (MRKTWTCH)

Market Watch, November 3, 2006

WASHINGTON (MarketWatch) -- Anti-trust concerns are behind the National Farmers Union's request that the U.S. Justice Department investigate the proposed merger of the Chicago Mercantile Exchange Holdings Inc. (CME) and CBOT Holdings Inc. (BOT), the U.S. farm group's president said Thursday.

The NFU's Tom Buis, in a prepared statement, said: "I want to ensure that the department examines the proposed merger with an eye toward the impact that such a transaction would have on family farmers, ranchers and fishermen."

Justice Department spokespeople were not available for immediate comment.

On Oct. 17 Chicago Mercantile Exchange Holdings - the parent company of the Chicago Mercantile Exchange - announced it would buy the smaller CBOT Holdings - the parent company of the Chicago Board of Trade - for $8 billion. The merger, if approved by regulators and shareholders, would create the world's largest financial market.

The NFU said it is concerned the proposed merger could be detrimental to farmers and agriculture industry. It would be a good idea for hearings to be held so those affected could voice concerns, the farm group said.

"NFU is concerned about the anti-trust issues that would arise from the proposed merger, as well as potentially overlapping contracts, specifically within the ethanol industry," the farm group said.

Bart Chilton, an NFU vice president, said the group wants to make sure consolidation will not result in the closing of contracts that farmers rely on.

"We're not saying don't do the deal," Chilton said. "We're saying examine it thoroughly."

The CME's main agricultural contracts are livestock futures, and the CBOT's main agricultural contracts are grain and oilseeds futures. However, both exchanges have an ethanol futures contract, although neither is heavily traded.

"The organization is urging the department hold hearings across the countryside, so producers who may be impacted by the merger can make their voices heard," the NFU said.

MySpace Investor Sues, Claims Site Unfairly Blocked Links (AP)

By Jordan Robertson, Ap Business Writer

AP, November 3, 2006

(11-02) 16:55 PST San Jose, Calif. (AP) --

An early investor in MySpace sued the popular social networking Web site on Thursday, claiming the company violated antitrust laws by blocking links to his new online video-sharing venture.

Brad Greenspan, chief executive of Los Angeles-based LiveUniverse Inc., claims that last month MySpace began deleting references on user pages to his new Web site, vidiLife.com, and has dismantled video links and blocked users from mentioning the site.

Both sites allow users to post videos and create online profiles for swapping media and collecting Internet pen pals.

"MySpace has no legitimate business justification for its actions," read the suit, filed in a Los Angeles federal court.

Instead, MySpace's actions constitute "an attempt to monopolize the market for Internet-based social networking services in the United States."

The lawsuit seeks unspecified damages and an order that MySpace restore all references to vidiLife.

MySpace, which is owned by Rupert Murdoch's News Corp., said in a statement that it routinely blocks links to Web sites for violating copyright protections, and that vidiLife.com had been identified by Universal Music Group as a "primary source of infringing UMG content."

It declined to comment further because it had not yet reviewed the complaint.

Greenspan formerly was chief executive of Los Angeles-based Intermix Media Inc., which owned MySpace and was sold last year for $580 million to News Corp.

An outspoken opponent of the sale, Greenspan submitted his own bid for the company but was denied by Intermix's board. Last month, a state court judge in Los Angeles rejected his lawsuit challenging the sale. Greenspan vowed to appeal.

Greenspan left Intermix in 2003 amid an informal regulatory inquiry into accounting restatements.

The New York Attorney General's office then began looking into allegations the company secretly installed adware and spyware on millions of home computers, and Greenspan agreed to a pay $750,000 in a settlement that did not include an admission of guilt.

Federal Judge Orders Recordings Turned Over In Toys R Us Antitrust Case (LAW)

By Shannon P. Duffy, The Legal Intelligencer

Legal Intelligencer, November 3, 2006

The plaintiffs in an antitrust suit against Toys R Us may not delay turning over tapes of secretly recorded phone conversations that allegedly include smoking-gun proof of the antitrust conspiracy until after the speakers captured on the tapes have been deposed, a federal judge has ruled.

In her five-page opinion in BabyAge.com Inc. v. Toys R Us Inc., U.S. District Judge Anita B. Brody held that tape recordings are no different from documentary evidence and must be turned over promptly.

Brody rejected the plaintiffs' argument that they should be allowed to delay turning over the tapes because a witness with prior knowledge of the content of the recording might alter his or her deposition testimony in order to "explain away" the allegedly inculpatory statements.

In his brief, plaintiff attorney Eugene A. Spector of Spector Roseman & Kodroff argued that a delay should be granted because a witness who merely knows that a recording exists, but who is unenlightened as to its content, will have every incentive to testify truthfully at the outset.

The tapes, Spector argued, reveal that the defendants have been caught "red handed" in a price-fixing scheme that "unambiguously" violates federal antitrust law.

Without a delay, Spector argued, the "impeachment value" of the recorded statements will go unrealized.

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Brody disagreed, saying "impeachment value alone does not justify a delay where, as here, the disputed statements constitute substantive evidence relevant to the parties' claims and defenses."

Under the Federal Rules of Civil Procedure, Brody said, "statements constituting substantive evidence are discoverable by the persons or parties who made the statements prior to their depositions."

The plaintiffs in the suit -- BabyAge.com and The Baby Club of America Inc. -- are Internet retailers.

The suit alleges that Babies R Us, a subsidiary of Toys R Us, coerced several manufacturers of "high-end" baby products to establish minimum retail prices so that the Internet retailers would be unable to discount the goods.

The purpose of such minimum price agreements, the suit says, was to protect Babies R Us from price competition, and included threats of termination of contracts if violated.

The suit says such agreements are per se illegal under the Sherman Act, and that they allowed Babies R Us to maintain and enhance its monopoly power.

The dispute over the secret recordings erupted in September when defense attorney Jeffrey I. Zuckerman of Curtis Mallet-Prevost Colt & Mosle in Washington, D.C., filed a motion to compel production of the tapes.

In the motion, Zuckerman said that the existence of the tapes was revealed during a July 2006 deposition when plaintiff attorney Kendall Scott Zylstra of Schiffin & Barroway in Radnor, Pa., referred to statements made during recorded phone calls.

Zuckerman said the plaintiff lawyers promised to turn over the tapes on the date their discovery was due, but later refused.

Spector, in his response brief, said the tapes were made by the plaintiffs before they hired lawyers to file suit.

In his brief, Spector quoted extensively from the tapes and said the excerpts showed that the Internet retailers had "caught some of the defendants 'red-handed' and have compelling evidence to demonstrate just that."

Both Zuckerman's and Spector's briefs were initially sent as "attorneys' eyes only" letters to Brody and were not publicly available, But, at the request of The Legal Intelligencer, Brody ordered that redacted versions of the briefs be filed of record. The redacted versions do not include any of the excerpts from the tapes.

Now Brody has sided with the defense and ordered that the tapes and transcripts must be produced to the defense immediately.

"I find that the retailer plaintiffs' request to conceal the contents of recording from a deponent until after the deposition is unwarranted," Brody wrote.

Brody said the plaintiffs "have offered no rationale consistent with the underlying objectives of the civil discovery rules as to why surreptitious recordings should be singled out from any other document, written or electronic."

All such documents "have the potential for impeachment," Brody said, and "there is no reason to believe that a party that would alter testimony to match it to recorded statements would not do the same with regard to e-mails or other such records."

Brody said she found it "most unlikely" that the plaintiffs would ask her to delay the production of a document that might impeach the testimony of a witness, or an e-mail from a witness with the potential for impeachment.

"That the 'documents' are audio recordings instead of written or electronic documents has no bearing on the analysis of the retailer plaintiffs' obligation to produce them immediately."

In so ruling, Brody refused to follow a 1973 decision by Senior U.S. District Judge J. William Ditter Jr.

In Snead v. American Export-Isbrandtsen Lines, Ditter resolved a discovery dispute regarding a secret surveillance videotape of a plaintiff who had claimed personal injuries.

Ditter permitted the defendants to delay producing the tape or answering interrogatories about it until after they had deposed the plaintiff, in order to induce the plaintiff to testify truthfully at his deposition.

"In discussing personal injury cases, most defense lawyers contend that if a plaintiff knows surveillance films exist, he will tailor what he has to say accordingly," Ditter wrote.

Instead, Brody adopted the reasoning of the late Judge Raymond J. Broderick in his 1998 decision in Superior Beverage Co. v. Schweppes that ordered immediate production of secret recordings because the statements constituted evidence relevant to claims and defenses.

Spector argued that Schweppes was distinguishable because, in that case, the impeachment value of the statements had already been realized since one of the defendants had filed an answer denying the plaintiffs' allegations. Broderick, he noted, found the impeachment rationale "not applicable" to that case.

Brody disagreed, saying "nonetheless, Schweppes still stands for the proposition that secret recordings are generally discoverable without delay."

Google In Bid To Halt YouTube Legal Threat (FT)

By Joshua Chaffin And Aline Van Duyn In New York And Richard Waters In San Francisco

Financial Times, November 3, 2006

Google is engaged in a frantic round of negotiations aimed at persuading traditional media companies to supply their content to YouTube, the video website it bought last month for $1.65bn, and ward off a potentially crippling round of lawsuits.

Chief executive Eric Schmidt and other managers have met CBS, Viacom, Time Warner, NBC Universal, News Corp and others, say people familiar with the talks, offering tens of millions of dollars in upfront payments for the right to broadcast their video content legally on YouTube.

For Google the talks could determine whether its investment in YouTube gives it a leading position in the fast-growing online video market or results in a wave of lawsuits for copyright infringement.

YouTube, founded 18 months ago, serves 100m video clips a day, making it the most popular internet video site, and leading to predictions that it and similar websites could become the dominant means of distributing television, films and other video content to consumers. But much of the material available on the site belongs to the traditional media companies and has been posted without their permission.

Some media executives speculate that if Google fails in its effort YouTube could face the same fate as Napster, the file-sharing service that gained enormous popularity seven years ago before the music companies sued it for copyright infringement and put it out of business.

Recently Mr Schmidt told the Financial Times he wanted media companies to be partners and wanted them to combine Google's advertising platform with their content to reach a larger audience. "So far people like that message; they are now trying to figure out what to do about it – should they, should they not, under what terms, and those sort of things."

Traditional media companies must balance the promotional and advertising potential of YouTube, which allows them to reach vast new audiences, against the need to protect material on which they have spent millions of dollars creating.

Many are also wary of helping Google achieve the dominance in distributing video on the internet that it already enjoys in the search advertising market.

"The fact is that in three to six months every media company's going to decide that their stuff gets taken down or that they get paid for it," a media executive said, likening the negotiations to "a big chessboard".

So far Warner Music, Universal Music and Sony BMG have signed agreements with YouTube to supply some of their content in exchange for licensing fees and a share of associated advertising revenue.

In lieu of upfront payments the music companies received equity stakes in YouTube worth tens of millions of dollars.

Google, having averted that threat, has turned its attention to the film and television companies, offering one $100m to license its content over a two-year period, according to a person familiar with the matter.

ENVIRONMENT/INDIAN AFFAIRS:

Overfishing Threatens Catastrophe, Study Finds (LAT)

By Marla Cone

The Los Angeles Times, November 3, 2006

All of the world's fishing stocks will collapse before mid-century, devastating food supplies, if overfishing and other human impacts continue at their current pace, according to a global study to be published Friday by a team of scientists from 12 academic institutions in five countries.

Already, 29% of species that are fished — including bluefin tuna, Atlantic cod, Alaskan king crab, Pacific salmon and an array of California fisheries -- have collapsed and the pace is accelerating, the report says.

If present trends persist, the study predicts that "100% of [fished] species will collapse by the year 2048 or around that," said marine conservation biologist Boris Worm at a press conference today. A fishery is considered collapsed if catches fall to 10% of historic highs. Worm, an assistant professor at Dalhousie University in Halifax, Canada, led the team of researchers responsible for the report.

In addition, ocean ecosystems will be unable to recover from shrinking populations of so many species of fish and other sea creatures, the scientists reported in the journal Science.

The report is the first comprehensive assessment of the potential consequences of ongoing declines in the diversity of life in the world's oceans. In recent years, marine scientists have warned about the extreme toll of overfishing in many regions, but the new report offers one of the most dismal predictions for the future of the world's fisheries.

Yet, there is still hope, the scientists concluded.

If more protections are put into place, such as new marine reserves and commercial fishery closures, the volumes available for food will surge and the oceans can recover, they said.

"The good news is that it is not too late to turn things around," Worm said. "It can be done, but it must be done soon."

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Delving into recent catch data from around the world as well as a thousand years of archives in regions such as San Francisco Bay, the researchers concluded that estuaries, coral reefs, wetlands and oceanic fish are all "rapidly losing populations, species or entire functional groups."

The scarcity of a highly nutritious food supply for the world's growing human population is the most visible effect of declining ocean species. But the scientists said other disruptions also are occurring as ocean ecosystems unravel species by species.

The loss of diversity "sabotages the stability" of marine environments and their ability to recover from stresses, the report says.

Water quality is worsening and fish kills, toxic algal blooms, dead zones, invasive exotic species, beach closures and coastal floods are increasing, as wetlands, reefs and the animals and plants that filter pollutants and protect shorelines disappear. Climate change also is altering marine ecosystems.

"Our data highlight the societal consequences of an ongoing erosion of diversity that appears to be accelerating on a global scale," the scientists reported. "Our analyses suggest that business as usual would foreshadow serious threats to global food security, coastal water quality and ecosystem stability, affecting current and future generations."

The authors of the report are 14 marine biologists and economists, eight from California institutions: Scripps Institution of Oceanography, Stanford University's Hopkins Marine Station, Santa Barbara's National Center for Ecological Analysis and Synthesis and UC Davis' Section of Evolution and Ecology. The study was funded by the National Science Foundation, the University of California and UC Santa Barbara.

Andrew Sugden, Science's international managing editor, said the strength of the new report "lies in the breadth of the array of information the authors used for their analysis."

The researchers combined information from a variety of sources, from small-scale local experiments to United Nations fisheries databases.

Worm and his colleagues said the similarities surprised and disturbed them. Even the smallest experiments -- measuring biodiversity in a few square meters -- mirrored the declines seen in entire ocean basins.

"Kinds of seafood that were very common and quite abundant in past decades are not there now," said co-author Stephen Palumbi of Stanford University.

Palumbi warned that "unless we fundamentally change the way we manage all the oceans species together, as working ecosystems, then this century is the last century of wild seafood."

The National Fisheries Institute, a U.S. fishing industry group, questioned the findings, saying that federal statistics "show more than 80% of fish stocks are sustainable and will provide seafood now and for future generations."

The group said that for the past quarter-century, wild fisheries worldwide have provided between 85 and 100 million metric tons of seafood annually, and that aquaculture, also known as fish farming, is filling the growing demand.

90% Of The Ocean's Edible Species May Be Gone By 2048, Study Finds (USAT)

By Elizabeth Weise

USA Today, November 3, 2006

Oversight of commercial fishing must be strengthened or there may eventually be no more seafood.

That's the conclusion of a report in today's Science journal that predicts 90% of the fish and shellfish species that are hauled from the ocean to feed people worldwide may be gone by 2048.

Even now, 29% of those species have “collapsed,” meaning a 90% decline in the amount being fished from the sea, said Boris Worm, lead author and a professor of marine conservation biology at Dalhousie University in Halifax, Canada.

“It is a very clear trend, and it is accelerating,” Worm said. The paper represents four years of work by an international team of researchers at various universities who analyzed ocean species diversity over the past 1,000 years.

The team concludes that this trend can be reversed. “We need to implement sustainable fishing methods, create marine sanctuaries where species can replenish themselves and limit pollution from coastal areas,” said Heike Lotze, a marine ecologist at Dalhousie University.

“If the habitat is gone or the water's destroyed,” the fish populations can't bounce back, she said.

“We know how to do this. But it must be done soon,” Worm said. “With each species that is lost, the opportunity for the system to repair itself is diminished.”

The findings are too pessimistic and not true of the USA, said Steve Murawski, chief scientist for the National Marine Fisheries Service, which oversees fishing regions in U.S. waters.

Murawski said “aggressive fisheries management” is reducing the percentage of U.S. overfished species, which he estimated is now 20%. U.S. fishing regions represent about 10% of the world's catch.

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Worldwide, overfishing is a big part of the problem, the researchers said. "Every year it's estimated that human beings remove 150 million metric tons of life from the seas," said Joshua Reichert, environment-program director at Pew Charitable Trusts in Philadelphia.

But fishing isn't the only problem, the report states. The destruction of coastal areas, estuaries and reefs by dredging, building and pollution destroys nursery habitats for young fish.

As marine species disappear, the ability of others to survive is further harmed by the drop in the ocean's overall productivity and stability, the researchers found.

Fish and seafood are key protein sources for a world that's expected to add another 3 billion people by 2050. But it's also a problem for people who don't eat fish. Sixty percent of Americans live within 60 miles of a coast. Declines in marine biodiversity can:

·Increase coastal flooding because of the loss of floodplains and erosion control provided by the wetlands, reefs and underwater vegetation that are a cornerstone of marine life.

·Reduce water quality by destroying the plants, shellfish and fish that are the ocean's biological filtering apparatus.

·Increase beach closure because of harmful algae blooms, such as red tide, facilitated by diminished filtering.

Study Sees 'Global Collapse' Of Fish Species (NYT)

By Cornelia Dean

The New York Times, November 3, 2006

If fishing around the world continues at its present pace, more and more species will vanish, marine ecosystems will unravel and there will be "global collapse" of all species currently fished, possibly as soon as midcentury, fisheries experts and ecologists are predicting.

The scientists, who report their findings today in the journal Science, say it is not too late to turn the situation around. As long as marine ecosystems are still biologically diverse, they can recover quickly once overfishing and other threats are reduced, the researchers say.

But improvements must come quickly, said Boris Worm of Dalhousie University in Nova Scotia, who led the work. Otherwise, he said, "we are seeing the bottom of the barrel."

"When humans get into trouble they are quick to change their ways," he continued. "We still have rhinos and tigers and elephants because we saw a clear trend that was going down and we changed it. We have to do the same in the oceans."

The report is one of many in recent years to identify severe environmental degradation in the world's oceans and to predict catastrophic loss of fish species. But experts said it was unusual in its vision of widespread fishery collapse so close at hand.

The researchers drew their conclusion after analyzing dozens of studies, along with fishing data collected by the United Nations Food and Agricultural Organization and other sources. They acknowledge that much of what they are reporting amounts to correlation, rather than proven cause and effect. And the F.A.O. data have come under criticism from researchers who doubt the reliability of some nations' reporting practices, Dr. Worm said.

Still, he said in an interview, "there is not a piece of evidence" that contradicts the dire conclusions.

Jane Lubchenco, a fisheries expert at Oregon State University who had no connection with the work, called the report "compelling."

"It's a meta analysis and there are challenges in interpreting those," she said in an interview, referring to the technique of collective analysis of disparate studies. "But when you get the same patterns over and over and over, that tells you something."

But Steve Murawski, chief scientist of the Fisheries Service of the National Oceanographic and Atmospheric Administration, said the researchers' prediction of a major global collapse "doesn't gibe with trends that we see, especially in the United States."

He said the Fisheries Service considered about 20 percent of the stocks it monitors to be overfished. "But 80 percent are not, and that trend has not changed substantially," he said, adding that if anything, the fish situation in American waters was improving. But he conceded that the same cannot necessarily be said for stocks elsewhere, particularly in the developing world.

Mr. Murawski said the Bush administration was seeking to encourage international fishery groups to consider adopting measures that have been effective in American waters.

Twelve scientists from the United States, Canada, Sweden and Panama contributed to the work reported in Science today.

"We extracted all data on fish and invertebrate catches from 1950 to 2003 within all 64 large marine ecosystems worldwide," they wrote. "Collectively, these areas produced 83 percent of global fisheries yields over the past 50 years."

In an interview, Dr. Worm said, "We looked at absolutely everything — all the fish, shellfish, invertebrates, everything that people consume that comes from the ocean, all of it, globally."

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The researchers found that 29 percent of species had been fished so heavily or were so affected by pollution or habitat loss that they were down to 10 percent of previous levels, their definition of "collapse."

This loss of biodiversity seems to leave marine ecosystems as a whole more vulnerable to overfishing and less able to recover from its effects, Dr. Worm said. It results in an acceleration of environmental decay, and further loss of fish.

Dr. Worm said he analyzed the data for the first time on his laptop while he was overseeing a roomful of students taking an exam. What he saw, he said, was "just a smooth line going down." And when he extrapolated the data into the future "to see where it ends at 100 percent collapse, you arrive at 2048."

"The hair stood up on the back of my neck and I said, 'This cannot be true,' " he recalled. He said he ran the data through his computer again, then did the calculations by hand. The results were the same.

"I don't have a crystal ball and I don't know what the future will bring, but this is a clear trend," he said. "There is an end in sight, and it is within our lifetimes."

Dr. Worm said a number of steps could help turn things around.

Even something as simple as reducing the number of unwanted fish caught in nets set for other species would help, he said. Marine reserves would also help, he said, as would "doing away with horrendous overfishing where everyone agrees it's a bad thing; or if we banned destructive fishing in the most sensitive habitats."

Josh Reichert, who directs the environmental division of the Pew Charitable Trusts, called the report "a kind of warning bell" for people and economies that depend on fish.

But predicting a global fisheries collapse by 2048 "assumes we do nothing to fix this," he said, "and shame on us if that were to be the case."

World's Fish Supply Running Out, Researchers Warn (WP)

By Juliet Eilperin

The Washington Post, November 3, 2006

An international group of ecologists and economists warned yesterday that the world will run out of seafood by 2048 if steep declines in marine species continue at current rates, based on a four-year study of catch data and the effects of fisheries collapses.

The paper, published in the journal Science, concludes that overfishing, pollution and other environmental factors are wiping out important species around the globe, hampering the ocean's ability to produce seafood, filter nutrients and resist the spread of disease.

"We really see the end of the line now," said lead author Boris Worm, a marine biologist at Canada's Dalhousie University. "It's within our lifetime. Our children will see a world without seafood if we don't change things."

The 14 researchers from Canada, Panama, Sweden, Britain and the United States spent four years analyzing fish populations, catch records and ocean ecosystems to reach their conclusion. They found that by 2003 -- the last year for which data on global commercial fish catches are available -- 29 percent of all fished species had collapsed, meaning they are now at least 90 percent below their historic maximum catch levels.

The rate of population collapses has accelerated in recent years. As of 1980, just 13.5 percent of fished species had collapsed, even though fishing vessels were pursuing 1,736 fewer species then. Today, the fishing industry harvests 7,784 species commercially.

"It's like hitting the gas pedal and holding it down at a constant level," Worm said in a telephone interview. "The rate accelerates over time."

Some American fishery management officials, industry representatives and academics questioned the team's dire predictions, however, saying countries such as the United States and New Zealand have taken steps in recent years to halt the depletion of their commercial fisheries.

"The projection is way too pessimistic, at least for the United States," said Steven Murawski, chief scientist for the National Marine Fisheries Service, which is part of the National Oceanic and Atmospheric Administration. "We've got the message. We will continue to reverse this trend."

The National Fisheries Institute, a trade group representing seafood producers as well as suppliers, restaurants and grocery chains, said in a statement that most wild marine stocks remain sustainable.

The group's spokeswoman, Stacey Viera, added that because the global demand for seafood has already outstripped the amount of wild fish available in the sea, her group's members are meeting the need in part by relying on farmed fish. "To meet the gap between what wild capture can provide sustainably and the growing demand for seafood, aquaculture is filling that need," she said.

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But several scientists challenged that prediction and questioned why humanity should pay for a resource that the ocean had long provided for free. "It's like turning on the air conditioning rather than opening the window," said Stanford University marine sciences professor Stephen R. Palumbi, one of the paper's authors.

Oregon State University marine biologist Jane Lubchenco said the study makes clear that fish stocks are in trouble, even though consumers appear to have a cornucopia of seafood choices.

"I think people don't get it," Lubchenco said. "They think, 'If there is a problem with the oceans, how come the case in my grocery store is so full?' There is a disconnect."

The possible collapse of commercial fisheries could have a serious on the global economy, said Gerald Leape, vice president for the advocacy group National Environmental Trust. The industry generates $80 billion a year, Leape said, and more than 200 million people depend directly or indirectly on fishing for their main source of income. Worldwide, a billion people eat seafood as their main source of animal protein.

"This should be a wake-up call to our leaders, both internationally and domestically, that they need to protect our fish stocks. Otherwise they will go away," Leape said.

In order to reach their conclusions, the paper's authors looked at nearly three dozen controlled experiments and crunched the U.N. Food and Agriculture Organization's worldwide catch data going back to 1950. In some cases, they also surveyed ecosystem records -- including sediment cores and archival data -- going back a thousand years.

The researchers said the loss of so many species is eroding the viability of marine ecosystems and their ability to resist environmental stresses. In 12 marine ecosystems surveyed, they found that a decline in biodiversity of 50 percent or more cut the number of viable fisheries by 33 percent, reduced nursery habitats by 69 percent and cut the ocean's capacity to filter and detoxify contaminants by 63 percent.

This phenomenon is apparent in the Chesapeake Bay, where the collapse of the oyster fishery has reverberated across the ecosystem. In 1880, there were enough oysters to filter all the water in the bay in three days; by 1988, it took more than a year for the remaining oysters to accomplish the same task.

Hunter Lenihan, a marine ecology professor at the University of California at Santa Barbara, said the mass dredging of oysters from the bay over the past century has transformed its ecosystem.

As the oysters declined, the water became more cloudy, and sea grass beds, which are dependent on light, died off and were replaced by phytoplankton that does not support the same range of species.

"When you removed the oysters through overfishing, that's when you begin to see a rapid decline in water quality," Lenihan said. "What it's done is change the entire production of the bay."

But University of Washington fisheries professor Ray Hilborn said ascribing a decline in fisheries production to loss of biodiversity was a bit like deciding which came first, the chicken or the egg.

"Do more productive systems lead to more diversity, or is it more diversity leads to more productivity?" Hilborn asked.

Yesterday's report suggests it is possible to resolve this puzzle. The researchers analyzed nearly 50 areas where restrictions had been imposed to stop overfishing and found that, on average, the range of species in the water increased by 23 percent within five years. That provides reason for optimism, Worm said, because it means sound management can halt the decline of fish stocks worldwide.

"It's not too late to turn this around," he said. "It can be done, but it has to be done soon."

Marine advocates, such as chief scientist Michael Hirschfield of Oceana, said they hope the report would spur countries to reassess their practice of providing roughly $20 billion a year in subsidies for harmful fishing practices.

"The single biggest thing we can do to address this is to eliminate subsidies," said Hirschfield, adding that European Union countries alone account for 10 percent of these subsidies.

Federal Lawsuit Aims To Resolve Gettysburg Waste Clean-up (AP)

By Mark Scolforo

AP, November 3, 2006

HARRISBURG, Pa. - The federal government has sued CBS Corp., a landowner and a pottery manufacturer, over the costs of cleaning up a 10-acre hazardous waste site north of Gettysburg, a step toward final resolution of a process that has taken decades.

The lawsuit filed in U.S. Middle District Court on Monday seeks a judgment that would require the defendants to pay the federal government's environmental response costs, including interest, at the Shriver's Corner Superfund Site.

The civil lawsuit will allow the parties to formalize a settlement that they have negotiated with the U.S. Environmental Protection Agency, said attorney Rick Friedman, who represents defendant Donald R. Wishard, executor of the estate of his grandmother, Sarah A. Culp.

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"Under the procedures that EPA uses in settlement of Superfund cases, once they reach a consent order they have to file a complaint so there's something to be resolved," he said Thursday.

The defendants are broadcasting giant CBS Corp., because the site includes material from an elevator factory operated by its predecessor, Westinghouse Electric Corp.; SPC Residual LLC of York, a successor to Susquehanna Pfaltzgraff Co., which had its hazardous waste from two ceramics plants trucked to the site; and Wishard, whose grandmother owned eight acres of the site.

According to the lawsuit, industrial waste was dumped on the property as early as 1969, and in January 1984 state and federal officials inspecting the site found numerous deteriorating drums that contained hazardous materials.

Substances discovered at the site, which is located in a rural area, include paint, solvents, toluene, lead, cadmium, mercury and others, according to the lawsuit. The EPA's Web site indicates that groundwater cleanup at Shriver's Corner began in 2002 and will take more than 30 years.

The consent decree calls for CBS and SPC to pay the EPA $659,000 within 30 days and the Culp estate to pay the EPA $98,000. It also requires the federal government to pay CBS $182,000 related to future response costs and to pay the Superfund $372,000.

Andrew Ames, a Justice Department spokesman, said Thursday the settlement resolves liability for the payment of cleanup costs for the industrial waste that was dumped at the site.

A CBS spokeswoman, Shannon Jacobs, and a lawyer for SPC Residual, Kathleen K. Kerns, both declined immediate comment Thursday.

A Mine's Still-Toxic Legacy (WP)

By David A. Fahrenthold, Washington Post Staff Writer

The Washington Post, November 3, 2006

Surge in Polluted Water Sets Back Creek Cleanup In Maryland Coal Country

BARTON, Md -- Some of the most poisoned water in Maryland flows out of a hillside here, its color like Coca-Cola and its acidity in the same range as stomach juices.

The water runs through a culvert into Georges Creek, turning it the colors of the autumn leaves overhead. For four miles downstream, hardly anything is alive.

"Everything died. Everything died here in this stream," fishing guide Ken Pavol said one recent morning.

The source of the problem is an abandoned coal mine, one of more than 150 in Western Maryland that leak groundwater tainted with acid and dissolved metals. In August 2005, this particular trickle turned into a torrent stronger and far more caustic than it had been.

More than a year later, the state is still studying its options, and this stretch of Georges Creek is still dead. For frustrated residents, the situation is a reminder of coal mining's bleak environmental legacy: After more than two decades of cleanups here, the hills are still leaking pollution.

"This area was blessed with coal. I mean, what a blessing!" Pavol said sardonically.

Now, he said, the deep mines are mostly closed, and the mining jobs are mostly gone. "This is what's left."

Among the things that Maryland's western panhandle has that the rest of the state doesn't -- bears, mountains and ski resorts -- there is coal. The area sits on the eastern fringe of the great Appalachian coal field, which starts in Alabama and stretches to Lake Erie. At their peak in the early 1900s, Maryland's mines produced more than 5 million tons of coal a year.

One of those mines was here in Barton, a small town in Allegany County. The McDonald mine, as it was known, eventually comprised about 100 acres underground, divided into "rooms" that were only as high as the coal seam, about four feet, state officials say.

State records indicate that the mine probably closed in the 1940s, when a shift to strip mining on the surface shuttered deep mines across the state.

The mines were abandoned, but they were not empty. Over time, groundwater percolated through the rock and reacted with minerals in the mine walls and oxygen in trapped air. The water became saturated with metals such as iron and aluminum, and it became as much as 1,000 times as acidic -- 3.5 on the pH scale -- as a normal stream.

As the mines filled, the nasty liquid started to leak out. In Maryland alone, officials have counted 342 "seeps" of escaping mine water, sometimes more than one seep per mine.

The situation is worse elsewhere. In West Virginia, for instance, the mining industry left more than 2,800 drainage sites. But Maryland was left with a serious environmental problem: By 1980, mine water had polluted 450 miles of streams, according to state figures.

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In places, "it was essentially a biological desert," said Raymond P. Morgan II, a professor who has studied mine drainage at the University of Maryland Center for Environmental Science. He said the drainage is harmful in two major ways: The acid kills fish and other things in the water, and a metallic sludge called "yellow boy" keeps insects from living on the bottom.

"It's probably the most insidious pollutant that we have in the United States, because it's the two whammies there," Morgan said.

Since the mid-1980s, government projects have improved some streams in Western Maryland, using machines to discharge limestone compounds -- "River Rolaids" -- that neutralize the acid. In Maryland, 81.5 miles of streams have been restored enough to support life, officials said.

That approach worked at the McDonald mine, which has always had the worst acid drainage in the state. A lime machine was put here in 2002, and by 2005, people were fishing for trout in the formerly dead creek.

Then, last August, something happened. The best guess is that a section of the mine collapsed, releasing a pocket of toxic water. Suddenly, the volume of drainage was seven times what it had been, and the pH was less than 2.5 -- normal for a digestive system but terrible for a creek.

"It went from the worst water in the state to the worst water on steroids," said Joe Mills, an official with the Maryland Bureau of Mines.

As the mine water flowed to the North Branch of the Potomac River, even the mayflies in Georges Creek died.

"It looked like tomato soup, basically," turned red by a high iron content, said Alan Klotz, who oversees fisheries in the area for the Maryland Department of Natural Resources. "As soon as I walked down there, I just saw thousands of dead fish."

Scientists say the mine water should not concern operators of Washington area drinking water plants because the pollutants are diluted by the Potomac as they travel downstream. In Barton, though, the creek's dismal state is a constant worry.

Fourteen months after the surge in volume from the McDonald mine, officials say the acidity and amount of discharge have weakened a bit.

But the river does not look right. As the iron- and acid-laced water hits the clear flow of Georges Creek, it produces a range of colors, from reddish-brown to orange to yellow, an almost cartoonish image of pollution.

Department of the Environment officials said they are waiting to see if the seep gets better or worse in the next few months before taking action. They worry about money. Federal funding for cleanup projects comes from a fee on coal mining operations, but Maryland has only a few left, so it gets the minimum amount of aid, about $1.5 million a year.

"We're waiting for the situation to stabilize," said department official Richard A. Eskin. "Do we want to spend a half a million dollars or a million dollars, if it's going to go away [by] itself?"

In the meantime, residents are wondering what's taking so long.

If you're not going to fix the worst mine water in Maryland, "what are you going to fix?" asked Bob Miller, who heads the George's Creek Watershed Association. (Locally, the creek's name is often spelled "George's," with an apostrophe.)

And even if the mine's drainage is rendered less toxic, a fundamental problem remains. For all the government's success in treating what comes out of mines, it has made little headway in cleaning up what's inside them: hidden, toxic lakes that are replenished every time it rains.

"We don't have the technology to cure the ill now," said James Cummins, a scientist with the Interstate Commission on the Potomac River Basin.

For the time being, he said, the only thing preventing a McDonald-style collapse at other area mines might be the system of wooden timbers set up by miners decades ago.

"How long does wood last?" he asked.

FBI/DEA/ATF/USMS:

Operation Nabs 11,000 Fugitives In Eastern States (USAT)

By Kevin Johnson, Usa Today

USA Today, November 3, 2006

WASHINGTON — Nearly 11,000 fugitives, including 1,659 sex offenders, were swept up in what Attorney General Alberto Gonzales described Thursday as a record-breaking law enforcement operation targeting some of the nation's "worst" felons.

Focused in 24 states east of the Mississippi, the week-long "Operation Falcon III" roundup netted 100 murder suspects, one of whom died in a shootout with police near Atlanta.

"America's neighborhoods are safer today," Gonzales said.

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Gonzales has made the campaign against child sex abuse a major part of his administration at the Justice Department. The latest fugitive operation — the third in two years — reflected that focus.

Among the hundreds of sex offenders arrested, Gonzales singled out last week's capture of Allen Marksberry, who was wanted on charges of failing to register as a sex offender.

When officers arrested Marksberry in Rickman, Tenn., he was babysitting three young children. Investigators recovered a handgun, marijuana, police scanners and pornography.

"He is exactly the type of offender that Operation Falcon intended to take off the streets," Gonzales said.

Of the 1,659 fugitive sex offenders arrested, nearly 1,000 were wanted on charges of failing to register as a sex offender.

Sex offenders who fail to register face felony charges under the recently passed Adam Walsh Act.

It is believed that between 100,000 and 150,000 sex offenders have failed to register or have not updated their whereabouts following a move, said Ernie Allen, president and chief executive officer of the National Center for Missing & Exploited Children.

"Compliance is the focus of this," Allen said. "Two-thirds of convicted sex offenders are child sex offenders. That's why this is so important."

More Than 10,700 Snared In Fugitive Roundup (AP)

By Lara Jakes Jordan

AP, November 3, 2006

WASHINGTON - Nearly 11,000 sex offenders, gang members and other fugitives were swept up in what the Justice Department on Thursday called a sting targeting the "worst of the worst" criminals on the run.

Last week's roundup, led by the U.S. Marshals Service, included Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was baby-sitting several young children when he was arrested on Oct. 24.

Also nabbed were Demetrius Avery Jackson, an accused cop killer in Birmingham, Ala., and Eric Dewayne Meneese, a Crips gang member, in Nashville, Tenn.

The weeklong sting, code-named Operation Falcon III, also led to the shooting death of a Georgia fugitive who was killed by authorities as he came out of his house, officials said. Additionally, the neighbor of a fugitive in Florida fired - but missed - police approaching her home. Both incidents are under investigation, said John F. Clark, director of the Marshals Service.

The roundup, in 24 states east of the Mississippi River, targeted "the worst of the worst fugitive felons in the country," Attorney General Albert Gonzales said at a Washington news conference.

"America's neighborhoods are safer today, thanks to Operation Falcon III," Gonzales said.

Two earlier stings - Falcons I and II - were held in April over the last two years. Gonzales and Clark denied that next week's elections played any part in scheduling the latest crackdown.

"I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," Clark said, adding that he wanted to do the roundup in the fall - before the winter weather hit.

In all, Gonzales said officials caught 10,773 fugitives - including 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were seized.

Those totals represent a fraction of doors knocked on, liquor store drive-bys, construction site surveillances and tips chased down by agents during the weeklong sweep. Finding the fugitives - even at their homes in the early-morning hours - proved to be a hit-or-miss mission for the federal, state and local authorities.

A six-hour sting in Washington, D.C., last Thursday morning, for example, netted none of the accused drug dealers sought by a team of seven agents from the U.S. Marshals, Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Immigration and Customs Enforcement, State Department and the city's Metropolitan Police Department.

"He was there a week or so ago," muttered Marshals Inspector Robert Hoffmaster, after a pre-daybreak search of a house for an accused drug dealer.

In upstate New York, some fugitives tried to hide in unusual places.

"We grabbed one guy out of the shower," said Joe Ciccarelli, supervisor of the U.S. Marshals fugitive task force in New York's northern district. "We found people hiding in between insulation, rolled up in rugs, inside of cabinets, inside of closets that a person shouldn't be able to fit in, but they end up fitting in and we have had to call the fire department to get them out."

Of the sex offenders nabbed, 971 had failed to register with authorities as required by law - what Gonzales called the largest number ever captured in a single law enforcement effort.

Gonzales said prosecutors likely would seek to charge some of them under the 2006 Adam Walsh Act. That law, approved by Congress last summer, created federal penalties for sex offenders who fail register with communities.

The law was named for six-year-old Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981.

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Falcon III showed the Marshals "have proven their extraordinary ability to quickly capture thousands of sexual predators," said Ernie Allen, president of the National Center for Missing & Exploited Children.

Normally, the Marshals regional task forces round up about 1,000 fugitives each week, officials said. An estimated 1 million fugitives are on the loose nationwide.

Associated Press Writer William Kates in Syracuse, N.Y., contributed to this report.

More Than 10,000 Fugitives Arrested In Eastern U.S. Roundup (BLOOM)

By Robert Schmidt

Bloomberg, November 3, 2006

Nov. 2 (Bloomberg) -- Law enforcement authorities arrested 10,773 fugitives in a 24-state roundup in the eastern U.S., Attorney General Alberto Gonzales said.

The arrests included 1,659 suspected sex offenders, the largest number ever captured in a single law enforcement effort, Gonzales said today at a news conference in Washington. The operation, dubbed FALCON III, was conducted from Oct. 22 to 28 in states east of the Mississippi River, as well as the District of Columbia and Puerto Rico.

Law enforcement officers led by the U.S. Marshals Service were ``targeting the worst of the worst fugitive felons" in that part of the country, Gonzales said.

An average of 3,000 federal, state and local officers participated each day in the dragnet, said John Clark, director of the Marshals Service. In addition to suspected sex offenders, those arrested were wanted on charges including kidnapping, burglary, carjacking, weapons offenses and drug distribution. Officials arrested 364 gang members and 107 people wanted for murder. They seized 232 guns.

One suspect was killed in the Atlanta area, and no law enforcement officers were hurt during the operation, Clark said.

More than 1 million fugitives are at large in the U.S., Clark said, adding that the Marshals Service apprehends about 1,000 during a typical week.

FALCON stands for Federal and Local Cops Organized Nationally. This is the third roundup conducted under the program. In April, the government focused on the Western U.S. and arrested 9,037 fugitives.

Massive Roundup Nabs Record Offender Toll (UPI)

United Press International, November 3, 2006

WASHINGTON, Nov. 2 (UPI) -- The arrests of 10,733 fugitives, including 1,659 sex offenders, in a coordinated 7-day roundup were announced Thursday by U.S. authorities in Washington.

The results of the operation known as Falcon III, which involved thousands of national, state and local law officers, were announced jointly by U.S. Attorney General Alberto Gonzales and U.S. Marshals Service Director John F. Clark.

Of the record 1,659 fugitive sex offenders apprehended, 971 were wanted for failing to register. Some 360 gang members also were nabbed and 230 weapons confiscated. Other priority targets were violent crime offenders and major narcotics distributors.

"This operation has made our nation's neighborhoods and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members," Gonzales said.

The area covered included 24 states east of the Mississippi River and in the District of Columbia and Puerto Rico.

11,000 Fugitives Caught In 24 States (WT)

By Jerry Seper, The Washington Times

The Washington Times, November 3, 2006

Nearly 11,000 "worst of the worst fugitives in the country" were arrested this week in raids in 24 states as part of a law-enforcement initiative to apprehend violent criminals, Attorney General Alberto R. Gonzales said yesterday.

Deputy U.S. marshals, assisted by state and local police, arrested 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges.

"I am confident in saying that America's neighborhoods are safer today thanks to ... the devoted individuals who carried out its work," Mr. Gonzales said at a Justice Department press conference.

The third phase of the initiative, known as "Operation FALCON" (Federal And Local Cops Organized Nationally), focused on sex offenders and gang members in jurisdictions east of the Mississippi River, including Virginia, Maryland and the District.

Mr. Gonzales said convicted sex offender Allen Marksberry was taken into custody in Rickman, Tenn., for violating his probation. At the time of his arrest, he said investigators discovered Marksberry -- who failed to register in Tennessee as a sex offender -- had been babysitting three young children.

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A search of his home, the attorney general said, resulted in the seizure of a loaded handgun, quantities of marijuana and veterinarian narcotics, police scanners and pornographic photographs, including a picture of Marksberry holding a partially nude young girl.

He said investigators also found a travel trailer behind the home, which provided its occupant with a clear view of a local playground. Inside the trailer, he said, investigators found a pair of binoculars.

Also arrested were Demetrius A. Jackson, accused of killing a police officer in Birmingham, Ala., and Eric D. Meneese, a Crips gang member, in Nashville, Tenn. The operation also led to the shooting death of a Georgia fugitive, killed by authorities as he came out of his house.

The Marshals Service has significantly increased its apprehension of fugitives over the past few years with the creation of five regional task forces to target violent offenders.

Mr. Gonzales and Marshals Service Director John F. Clark said the raids were not designed to coincide with next week's midterm elections.

"I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," Mr. Clark said, adding that he wanted to carry out the raids before winter weather arrived.

The regional task forces were created under the Presidential Threat Protection Act of 2000 to combine the efforts of federal, state and local law-enforcement agencies in locating and apprehending the most dangerous fugitives and assist in high-profile investigations. They are divided into five areas: New York/New Jersey, the Pacific Southwest, the Great Lakes, the Southeast and the Capital Area, which targets the District, Maryland and Virginia.

Operation FALCON I was conducted in April 2005 and netted more than 10,300 fugitives. Operation FALCON II went into action this year, also in April, targeting much of the western half of the country. Nearly 9,100 fugitives were arrested.

Over 1,600 Arrested In Sex Offender Roundup (NYT)

By Eric Lichtblau

The New York Times, November 3, 2006

WASHINGTON, Nov. 2 — The Justice Department on Thursday announced the arrests of more than 1,600 fugitive sex offenders as part of a weeklong roundup, the largest number ever arrested in a single operation.

In all, federal, state and local authorities in 24 states east of the Mississippi arrested more than 10,700 fugitives last week, including 140 people wanted on murder warrants, 232 for firearms violations, and 3,600 on drug charges. Attorney General Alberto R. Gonzales called the group “the worst of the worst,” with particular priority given to capturing unregistered and wanted sex offenders who he said posed a “serious threat to our children.”

Mr. Gonzales said in response to a question at a news conference that there was no political motivation behind the arrests and that the Justice Department “played no role in the timing of this program,” less than a week before the midterm elections.

John Clark, the director of the United States Marshals Service, which coordinated the operation, said that planning for the arrests began months ago “without regard to any political elections coming up.” One factor in the timing, Mr. Clark said, was to move ahead before the “harsh winter weather” hit because officials said that the wanted fugitives would be less likely to congregate outdoors.

Last week’s coordinated arrests, involving an average of 3,000 investigators a day in the 24 states, were the third in a series of fugitive roundups called Operation Falcon, which began last year.

Local and federal authorities routinely execute arrest warrants on fugitives on a daily and weekly basis, but those operations generally occur in much smaller numbers and without a coordinated, nationwide push. The Marshals Service, for instance, arrests about a thousand fugitives in a normal week.

“The truth of the matter is,” Mr. Gonzales said, “we don’t have the level of resources available either at the federal or state/local level to have this kind of committed push all the time.”

The most recent arrests focused in large part on wanted sex offenders, many of whom had failed to comply with the terms of state sex offender registrations. Officials said more than 970 of the 1,659 sex offenders arrested last week had failed to properly register in their states, which is a federal crime under a law enacted this year. Mr. Gonzales has put a premium at the Justice Department on prosecuting child sex offender cases, and he pointed with some satisfaction Thursday to the arrest last week of an unregistered sex offender in Tennessee, Allen Marksberry, who was convicted in 1996 in a sodomy case involving a 7-year-old girl.

Investigators, executing a warrant for a probation violation against Mr. Marksberry, found that he had been babysitting three children, and a search of his home produced a loaded handgun, drugs and child pornography, Mr. Gonzales said. They also found a pair of binoculars in a backyard trailer with “a clear view of a local playground,” he said.

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Mr. Marksberry was arrested after a short standoff, Mr. Gonzales said. Several arrests elsewhere produced altercations, including a shootout that led to the killing of a man in Atlanta who was wanted in a drug case, as well as an arrest in northern Florida in which the arresting officers were fired on, officials said. No one was injured in that case.

200 Fugitives Captured In Alabama (BN)

By Val Walton, News Staff Writer

The Birmingham News (AL), November 3, 2006

Charges include homicide, rape, sexual crimes against children

A multistate roundup has led to the capture of at least 200 people in Alabama, including some wanted on charges homicide, rape, incest and sex crimes against children.

The arrests came in a seven-day sting named Operation Falcon III, which was led by the U.S. Marshals Service in partnership with local and state law enforcement.

The arrest of Demetrius Avery Jackson Jr., 21, in the shooting of two Fairfield police officers was included in the roundup list. Jackson was caught Oct. 24 in Birmingham and charged with the capital murder of Officer Mary Smith and the attempted murder of Officer Erick Burpo.

Also captured was Michael Owen DeVaughn, 48. He was arrested at a Birmingham motel Oct. 27 on a federal parole violation and on multiple counts stemming from a multimillion-dollar real-estate fraud case in three jurisdictions in California.

U.S. Attorney General Alberto Gonzales, who announced the results of the operation Thursday, said the roundup was aimed at the "worst of the worst fugitive felons in the country." Two earlier stings, Falcon I and II, were held in April over the past two years.

More than 10,700 fugitives were arrested during the operation that was conducted in 24 states east of the Mississippi River and in the District of Columbia and Puerto Rico. Task force members also arrested 971 unregistered sex offenders and 364 documented gang members.

Marty Keely, U.S. marshal in north Alabama, said members of the Gulf Coast Regional Fugitive Task Force relied on help from officers from Birmingham, Alabaster, Hoover, the Alabama Department of Corrections, the U.S. Drug Enforcement Administration and sheriff's deputies from Jefferson and Shelby counties to capture metro-area fugitives.

"The press is on to the folks out there who want to continue to commit violent crimes in this community," Keely said at a news conference in Birmingham.

U.S. Attorney Alice Martin said the arrests resulting from Operation Falcon III were part of 91 cases in Alabama's northern district. Included in those were:

One case of incest involving an adult.

Two cases of cruelty toward a child.

Two sex offenses against a child.

17 failures to register as a sex offender.

29 sex offenses.

Two sexual assaults.

One case of statutory rape.

Seven rape cases.

At least 53 fugitives were arrested in south Alabama and 101 in the Montgomery federal district.

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National Crime Sweep Results In 90 Local Criminal Charges (WVTM)

WVTM-TV, NBC 13, Birmingham, AL, November 3, 2006

BIRMINGHAM, Ala. -- A seven-day crime sweep resulted in 90 criminal charges locally and more than 10,000 nationally.

Operation FALCON was a seven-day crime-fighting spree that made gang-related violent crimes and sex crimes a top priority.

When Fairfield police Officer Mary Smith was gunned down in the line of duty, Operation FALCON got the call and Smith became one of the operation's top priorities.

"Some 25 hours later, Demitrius Avery Jackson Jr., Disciple gang member, was taken into custody," said U.S. Marshal Martin Keely.

FALCON is made up of law enforcement from various agencies around the area, led by the U.S. Marshals. Out of the 90 local cases solved, 58 involved sexual predators.

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“People that rape generally don’t rape once, so the fact these rapists and sexual predators have been taken off the street make me confident some child is not going to be victimized tonight,” said U.S. Attorney Alice Martin.

Operation FALCON works in 24 states, where deputy marshals team up with thousands of law enforcers for the major sweeps and to fight crime daily.

“In times of limited resources, these type of partnerships become more and more important, and you see why it’s important to participate,” said Birmingham Police Chief Annetta Nunn.

The crime-fighting operation arrested 971 unregistered sex offenders over the weeklong sweep.

'Worst' Fugitives Captured In Sweep (MR)

By Brendan Kirby, Staff Reporter

Mobile Press-Register (AL), November 3, 2006

Nationwide Operation FALCON III makes 53 arrests in southwest Alabama

A team of federal, state and local law enforcement officers last week arrested 53 fugitives in southwest Alabama, including an accused rapist identified as one of the 15 "worst of the worst" by the U.S. Marshals Service.

It was all part of a national effort, dubbed Operation FALCON III, which resulted in the arrest of 10,773 felony fugitives in 24 states and two foreign countries over a seven-day period.

Locally, arrests nabbed 17 people accused of sex crimes and 17 drug suspects. Other charges included attempted murder, assault, robbery, weapons violations and burglary.

Many of the fugitive arrests had already been announced.

"All of these offenders would be on the streets today if it were not for these efforts," U.S. Attorney for the Southern District of Alabama Deborah Rhodes said at a news conference Thursday in downtown Mobile.

Operation FALCON -- an acronym for Federal And Local Cops Organized Nationally -- linked the Marshals Service with 13 participating law enforcement agencies in Southwest Alabama.

This year's operation, the third of its kind, placed a special emphasis on gang members and sex offenders.

One of the fugitives captured was Inigo V. Felix, 32, a Mexican national accused of sexually assaulting a 5-year-old boy. He faces three counts of first-degree sodomy and two counts of sexual abuse of a child under the age of 12.

Members of the Gulf Coast Regional Fugitive Task Force took him into custody on Oct. 26 in Orange Beach.

The U.S. Justice Department had dubbed Felix one of the "FALCON 15," the worst offenders of the nearly 11,000 arrested during the operation.

"Any crime against a child is horrible," said David Rahbany, the supervisory agent of the task force.

Rahbany said Felix was the boyfriend of the child's aunt. He said the suspect came into the United States illegally at least 10 years ago. Felix confessed to the abuse, telling authorities he had been molesting the boy for about a year, Rahbany said.

Authorities said the alleged abuse came to light when the boy participated in a school lesson on "good touches and bad touches," authorities said.

A search of the man's home yielded items that officials said corroborated the boy's account. Rahbany said one of the agents on the task force speaks Spanish, which aided in the interrogation of Felix.

Local law enforcement officials praised the cooperation with federal agencies.

"Certainly, when we can take 53 people off the streets, it makes a real impact," Mobile Police Chief Phillip Garrett said.

Another previously reported arrest authorities highlighted Thursday was Willie Alexander Washington, 31, who is accused of failing to register as a sex offender. An investigation revealed that he has previous sex offense convictions in Alabama and Georgia.

Rahbany said authorities staked out Ella Grand Elementary School in Prichard -- where Washington was known to frequent on his bicycle -- and spotted him Oct. 26. Agents captured him down after a brief chase.

Rahbany said Operation FALCON III was something of a coming-out event for the task force, which opened its Mobile office this summer.

A recent federal law authorized the Marshals Service to create regional task forces.

The Gulf Force unit is the newest one, made up of representatives from the Marshals Service, the state Department of Corrections, the Mobile Police Department and the Mobile Sheriff's Office.

"The Gulf Coast Regional Fugitive Task Force is here to stay," Rahbany said. "This operation did not end Friday."

Rahbany said Operation FALCON beefs up manpower for the targeted program. Five teams consisting of eight to 10 officers each worked from sun-up to past sundown, he said.

"I don't think you could keep up the pace that we maintained this week," he said. "It made me proud to watch those guys."

Dozens Arrested Locally In 24-state Fugitive Sweep (NORBULL)

By Greg Smith, Norwich Bulletin

Norwich (CT) Bulletin, November 3, 2006

NORWICH — A week-long initiative to round up fugitives has resulted in dozens of arrests in eastern Connecticut.

Headed by the U.S. Marshals Service and code-named Operation FALCON III, Attorney General Alberto R. Gonzales announced today a total of nearly 11,000 arrests made in the 24-state effort running from Oct. 22-28.

In Connecticut, 181 warrants were served, including 56 for sex offenses. In Norwich, Thomas Heberding was arrested for felony violation of probation based on an original offense of first-degree sexual assault. His victims were allegedly three children.

Deputy US Marshals teamed up with state, local, and federal officials in the largest fugitive sweep to ever focus on violent sex offenders.

FALCON III resulted in the arrest of 10,773 fugitives and the clearance of 13,333 warrants. Of the fugitives arrested, 1,659 were wanted for sexual offenses, 971 for not registering as sex offenders.

Falcon III was the third effort to combine law enforcement agencies in an effort to chip away at thousands of outstanding warrants.

"Operation FALCON has once again proven how much we can accomplish with our network of federal, state, and local law enforcement," Gonzales said in a prepared statement. "This operation has made our nation's neighborhoods and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members."

A mix of law enforcement officials had met each day last week in a different eastern Connecticut host town. Norwich, one of 428 police departments involved, hosted on Oct. 25, resulting in the arrest of 13 people on a variety of warrants, most violating probation and failing to appear in court.

The morning's activities in the Norwich area also illustrated the struggle city police face considering the fact there are more than 500 unserved warrants on the books.

Teams had worked for hours with the last known addresses of fugitives, but came up empty handed time and time again.

"It's something we face all the time," said Norwich Police Det. Ed Peckham. "We don't have the manpower or budget to do this every day. You could end up at ten different addresses trying to find one person. It's time consuming."

The problems are similar in New London, where Police Sgt. Michael Strecker said his department dedicates one day a week working with probation officers and the U.S. Marshals Service. The group serves four or five warrants on a good day. But considering that the number of warrants is in the 1,300 to 1,500 range, "it's a finger in the dike," Strecker said.

"We get the dangerous ones, and that's who we usually target," Strecker said.

With 12 different police barracks spread across the state, Connecticut state police face similar issues, likely with thousands of warrants waiting to be served.

State police spokesman Lt. J. Paul Vance, who did not provide numbers of outstanding warrants, said it is the responsibility of the trooper who investigated the case to follow up. But when the subjects move away, sometimes out of state, it becomes more difficult to track them.

Many agencies, especially when the criminals face misdemeanor charges, will learn of the warrants during routine motor vehicle stops or when the person is arrested for another crime.

"There is only so much (local police departments) can do, and I think they do their best," Chief State's Attorney Kevin T. Kane said. "It's a problem that strains the resources of the police departments and the state."

Fugitives Nabbed In Operation Falcon III (WTNH)

WTNH-TV, ABC 8, New Haven, CT, November 3, 2006

(New Haven-WTNH, Nov. 2, 2006 7:30 PM) _ It's called Operation Falcon III and it landed nearly eleven thousand fugitives behind bars. These are bad guys -- accused drug dealers, sex offenders and gang bangers, and 167 of them have been hiding out here in Connecticut.

by News Channel 8's Chris Velardi

These are fugitives who've skipped bail, criminals who've violated their probation and sex offenders who haven't registered. They're fugitives the Justice Department calls the worst of the worst. Police have had the warrants and last week they got the bad guys.

From Vermont to Florida in 24 states east of the Mississippi River, local police, state police and federal agents teamed up for one week with one goal -- to round up fugitives who'd been running from the law.

"It was a cooperative effort, lot of different agencies involved and that fact that we all worked together makes it a success," U.S. Marshal John Bardelli said.

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The numbers also make it a success. Authorities made 10,773 arrests in 24 states, including almost 1,700 sex offenders.

In Connecticut, police picked up 167 fugitives, 19 of them sex offenders, including Steven Ramos, who was convicted of sexually assaulting a young girl in New Jersey.

He took off before he was sentenced for the crime and police say he'd been living in New Haven with the victim and her mother. This is just the kind of guy authorities are glad to get back behind bars.

"A lot of them are going to do the same kinds of crimes that they were wanted for in the first place," Bardelli said.

Police in Connecticut also arrested a man in Norwich who'd sexually assaulted three children and is accused of violating his probation. They also picked up a man IN Bridgeport wanted for attempted murder who was found with an Uzi and a handgun in his possession.

"They're the kind of people that you don't want running around, committing additional crimes," Bardelli said.

Bardelli says there are still plenty of fugitives out there and close to a million unserved warrants across the country, but raids like this go a long way towards getting criminals off the streets.

Most of the fugitives rounded up during Operation Falcon did not fight back. A murder suspect was killed by police in Atlanta and a suspect's mother fired shots at authorities in Florida, but no law enforcement agents were hurt. In Connecticut all 167 arrests were made without incident.

Roundup Nabs 167 Fugitives In Conn.Police Call Fugitives 'Worst Of Worst' (WFSB)

WFSB-TV, News Channel 3, Hartford, CT, November 3, 2006

HARTFORD, Conn. -- Dozens of Connecticut police departments joined departments from 23 other states in rounding up fugitives who were on the run in Connecticut.

Police described the 167 fugitives who were rounded up in Operation Falcon III the "worst of the worst."

U.S. Marshal John Bardelli said Connecticut has been working with 24 other states in a massive task force to find dangerous men and women. Channel 3 Eyewitness News reporter Susan Raff reported that the fugitives were found in towns and cities across the state.

Operation Falcon III involved 33 different agencies.

Police said the roundup was the largest ever of fugitive sex offenders and wanted gang members.

"On a nationwide basis, yes, we found some of the worst offenders. We did not get them all," Bardelli said.

Raff reported that one of the captured fugitives was Steven Ramos, who was arrested in connection with the sexual assault of an 8-year-old girl. A warrant was issued for Ramos' arrest when he failed to appear for sentencing.

"We found one person living in his car, a sex offender, entirely mobile, could have been anywhwere," Bardelli said.

U.S. marshals said they received a tip that Ramos was living in New Haven with his girlfriend. They went to the girlfriend's home at 6 a.m. and found Ramos sitting in his car, marshals said.

Police said another fugitive, Teric Clark, was wanted in connection with attempted murder. Police said when they found Clark, they found an automatic weapon as well as a handgun on him.

Raff reported that federal law requires all states to register sex offenders, but police departments said they are having a difficult time finding sex offenders who fail to register.

Joint Manhunt Nabs 96 Fugitives In Delaware (WILNJ)

By Lee Williams, The News Journal

Wilmington (DE) News Journal, November 3, 2006

U.S. marshals teamed up with federal, state and local authorities last week to round up fugitive sex-offenders and other wanted felons across Delaware, part of a nationwide sweep called Operation FALCON III -- Federal And Local Cops Organized Nationally.

Locally, the U.S. Marshals First State Fugitive Task Force arrested 96 fugitives, including 17 for failure to register as a sex offender.

Nationally, officers arrested 10,773 felony fugitives, including 1,659 sex offenders and 364 gang members.

"This operation, along with our past FALCON efforts, provides a clear indication of what law enforcement agencies can accomplish when there is cooperation on all levels -- federal, state and local," said David W. Thomas, U.S. marshal for the district of Delaware.

Most of the raids occurred in the early morning hours, the "best time and the safest time to apprehend fugitives," Thomas said Thursday.

The arrest teams deployed with 250 active warrants, mostly for New Castle County residents, although some teams were sent to Kent County and Pennsylvania.

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"This operation shows that the federal government can play an important role in our efforts to curb violence on our streets here in Delaware," said U.S. Attorney Colm F. Connolly.

In Delaware, the agencies included the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives; U.S. Drug Enforcement Administration; Federal Bureau of Investigation; U.S. Department of Housing and Urban Development Office of Inspector General; U.S. Secret Service; Delaware State Police; Delaware Probation and Parole; Delaware River and Bay Authority; New Castle County police; Wilmington police; Newark police; New Castle city police; and Smyrna police. Contact investigative reporter Lee Williams at 324-2362 or lwilliams@delawareonline.com.

Nearly 11,000 Fugitives Arrested In Sweep (WP)

By Dan Eggen

The Washington Post, November 3, 2006

Nearly 11,000 fugitives were arrested last week as part of an organized effort by the U.S. Marshals Service and state and local law enforcement agencies east of the Mississippi River, including an accused cop killer in Alabama and a Tennessee sex offender who was babysitting young children when arrested, authorities said yesterday.

It was the third in a series of sweeps since last year aimed at catching "the worst of the worst fugitive felons in the country," Attorney General Alberto R. Gonzales said at a Washington news conference.

More than 10,700 fugitives were arrested during the latest push, which also included the shooting death of one suspect in Georgia that is under investigation, authorities said. More than 30,000 fugitives have been arrested as part of the "Operation Falcon" initiative overall.

Previous sweeps were held in April 2005 and April 2006. Gonzales and Marshals Service Director John F. Clark said next week's midterm elections played no role in the decision to hold another sweep now.

In the Washington region, 687 fugitives were arrested, including 102 alleged sex offenders and 23 alleged gang members, authorities said.

Local, Federal Law Enforcement Officers Sweep 3 Counties For Offenders (SCRIPPS)

By Gabriel Margasak

Scripps Howard, November 3, 2006

November 3, 2006 PORT ST. LUCIE — The Port St. Lucie Police detective and the Deputy United States Marshal strapped on their guns and SWAT-style vests.

They hit the streets in an unmarked SUV in search of about 150 people with outstanding warrants on the Treasure Coast and surrounding areas — the focus was on sex offenders who failed to register and gang members.

Advertisement

They were one of several teams who arrested 93 people locally in weeklong sweep across 24 states called Operation Falcon III. The bust cleared 325 warrants and netted 66 sex offenders in South Florida alone, the U.S. Marshals Service announced Thursday. The national arrest tally included 1,659 fugitive sex offenders, which officials called "the largest number ever captured in a single law enforcement effort."

The third installment of the national operation was deemed a highly successful partnership between the marshals, state agents and local police and sheriff's deputies, who were given federal powers to make arrests across county lines. The unique teamwork allowed for massive numbers of quick arrests not otherwise possible for each agency alone.

"I thought it was extraordinary the Martin County sheriff and the Port St. Lucie police chief, and even the Palm Beach County Sheriff's Office, actually dedicated people for an entire week," said Supervising Deputy U.S. Marshal Glen Wilner, who organized the local teams. "We couldn't have done it without our partners at the local police departments and the sheriff's offices."

WHO THEY BUSTED

Brian Geary allegedly raped two children, ages 6 and 7, in Okeechobee County.

"This is as bad as it gets," Wilner said, "raping two young children."

The Marshals and their local partners investigated in the area and uncovered the tip they needed: Geary had fled to Kentucky.

The team worked with counterparts in Kentucky to set up surveillance in the city of Muldraugh. Agents saw Geary enter an apartment, moved in and made the arrest.

"This is what law enforcement is all about," Wilner said.

The Geary bust was just one of the marquee cases the task force featured.

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There also was the case of Port St. Lucie resident Bernard N. Arison, 43, who allegedly hit his 79-year-old mother in the leg with a Bible during a fight. She was treated at the scene by medical personnel for a cut.

Arison was picked up in Port St. Lucie by a Falcon team.

PARTNERS AGAINST CRIME

The teams gathered for a roll call last week at the Port St. Lucie Police Department's new western city annex.

Their badges represented the Port St. Lucie Police Department, Martin County Sheriff's Office, Florida Department of Law Enforcement and Palm Beach County Sheriff's Office. But here, they were part of one efficient team of cops, which also included the Fort Pierce Police Department and Indian River County Sheriff's Office.

Many of them had worked together before.

The Marshals and local cops set up a unique partnership in 2004 called the South Florida Fugitive Apprehension Strike team. The Marshals federally deputized several local cops from Martin, St. Lucie and Palm Beach counties and the state FDLE.

Their mission was to catch the most violent fugitives.

"It eliminated any jurisdictional boundaries," Wilner said. "It gave them the resources to follow their own case along with us ... Instead of sending a lead to another police department somewhere where a road patrol unit is just going to go knock on a door, you're sending it to a team of investigators who will be as either aggressive or discrete as need be."

Falcon operated much the same but on a more grand scale.

This time, the Marshals temporarily federalized local cops to join the strike team, increasing their numbers and ability to make arrests.

"They were cherry picking," Wilner said, as he handed out stacks of paper warrants with address and pictures during one roll call. "The people who have work addresses, lets pull those out. That's an easy grab."

ON THE STREETS

Detective Daniel Herrington had plenty of local street knowledge. Deputy U.S. Marshal Lynn Navitsky possessed the classified tools of the federal government.

They had a stack of names and addresses.

"It's really nice to work with the locals," Navitsky said. "It's a tremendous tool."

For nearly five hours, they knocked on door after door without much luck. One fugitive had gone to Baltimore. Another was likely in Colorado.

They found the family of another wanted woman. They promised to call in five minutes when they located her. That call, of course, never came.

The team had much better luck during several other days of the operation.

"(Later) that night we actually ended up picking up two of the people we were trying to pick up earlier," Herrington said. "It ended up being very successful overall."

WHAT'S NEXT

The heat won't end with the national operation — especially for the sex offenders who didn't register. There were about 57 more warrants still to serve.

The Adam Walsh law, signed in July, allows the Marshals Service to take over cases where sex offenders cross state lines.

That means a federal charge upon arrest.

"There's a whole bunch of people we didn't find throughout the week," Wilner said. "We're not going to just let that go."

Police Sweep Up Felony Fugitives (TAMPTRIB)

By Valerie Kalfrin

Tampa Tribune, November 3, 2006

TAMPA - Roy Brown said he felt a thrill pulling up at the Pinellas County home of a fugitive sexual predator with members of a U.S. Marshals Service operation.

"We got him with cocaine and everything," Brown, 54, of Tampa, said Thursday with a smile.

Brown, whose 7-year-old daughter was killed by a previously convicted pedophile, joined another grieving father, Mark Lunsford, in participating in a nationwide operation last week to round up fugitive sex offenders and gang members.

Called Operation FALCON for Federal and Local Cops Organized Nationally, the initiative netted arrests of 10,773 felony fugitives in the country and 431 in the Middle District of Florida, which includes Tampa.

Fourteen of those arrested in the Tampa Bay area were sex offenders who failed to register and traveled out of the state or country, which is a federal offense under the Adam Walsh Child Protection and Safety Act.

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Unregistered sex offenders are fugitives who cause the Marshals Service particular concern, Assistant Chief Deputy U.S. Marshal Pete Cajigal said Thursday. He spoke at a news conference in Tampa with Brown, Lunsford and law enforcement officials.

When offenders move where people don't know them, "they have a much larger rein to do the things that they do," Cajigal said.

He estimated the operation, which focused on the eastern half of the United States, cost a little less than $750,000. Most of the money was used for travel expenses and to pay confidential informants.

Investigators from 19 local, state and federal agencies in the Bay area participated in the operation, including Tampa and St. Petersburg police and sheriff's offices from Hillsborough, Pasco, Pinellas, Polk, Hernando, Sarasota and Manatee counties.

The most significant gang member arrested locally was a Jamaican citizen, Chan Tesha Miller, allegedly a high-ranking member of the Clansman gang arrested Oct. 24 in Riverview on an immigration hold, officials said. Miller, 27, is accused of multiple homicides in St. Catherine, Jamaica, officials said.

Investigators invited Brown and Lunsford to ride with them when they went to arrest several offenders.

"I've always said we should turn the tables: Instead of them stalking our kids, we'll stalk them," said Lunsford of Homosassa, whose 9-year-old daughter, Jessica, was killed in 2005.

A convicted sex offender living near the family's home, John Evander Couey, is accused of kidnapping and raping the child and burying her alive. He is awaiting trial.

"It just makes me happy to know I'm making their lives miserable," Lunsford said.

Brown's only daughter, Amanda, was abducted in 1998. In 1999, Willie Crain, a commercial crab fisherman who had prior molestation convictions, was sentenced to death in her disappearance and murder. Her body has never been found.

Roy Brown said the 14 offenders arrested locally during the operation are "14 we don't have to worry about for a while."

Brown now has a granddaughter named Amanda. He said he tried to move away from Tampa to escape memories but felt compelled to return.

"Because Amanda's missing, I couldn't stay away," he said. "She could've been a marshal. She could've been a ballet dancer. I'll never know."

Reporter Valerie Kalfrin can be reached at (813) 259-7800 or vkalfrin@tampatrib.com.

Manatee Rounds Up 37 Felons As Part Of Nationwide Sweep (BRAH)

The Bradenton Herald, November 3, 2006

MANATEE - Thirty-seven of Manatee County's worst felons were taken off the street and put into jail during a weeklong sting targeting some of the area's most wanted criminals, according to Sgt. Chris Atkinson of the sheriff's office warrant unit.

The county joined federal authorities in the code-named Operation Falcon III, which took place Oct. 22-28.

Nearly 11,000 sex offenders, gang members and other fugitives were swept up in what the Justice Department on Thursday called a sting targeting the "worst of the worst" criminals on the run in the eastern United States.

The operation was led by the U.S. Marshals Service.

In Manatee, murderers, sex offenders and probation violators who have absconded were the targeted fugitives. When the operation concluded, gang members made up 20 percent of the arrests and 30 percent were sexual offenders, according to Atkinson.

In all, Gonzales said officials caught 10,773 fugitives - including 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were seized.

Those totals represent a fraction of doors knocked on, liquor store drive-bys, construction site surveillances and tips chased down by agents during the weeklong sweep. Finding the fugitives - even at their homes in the early-morning hours - proved to be a hit-or-miss mission for the federal, state and local authorities.

The Manatee County Sheriff's Office warrant unit, which consists of one sergeant, one lieutenant and six deputies, prepared for the operation by pulling their resources together with other agencies, gathering intelligence and researching several databases to have as much information as possible. Informants also assisted, Atkinson said.

Two of their highest priority arrests included a man charged with aggravated battery with a firearm, and a gang member who was found to have a "bunch of guns" inside the residence where he was apprehended, Atkinson said.

Arrests made during Operation Street Sweep, conducted Oct. 27 by the sheriff's office, also contributed to a portion of the arrests recorded in the county during Operation Falcon III.

"Every year we do this operation with the federal marshals office," Atkinson said. "We round up our targets and get them off the streets."

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Allen Marksberry, an unregistered sex offender in Rickman, Tenn., was baby-sitting several young children when he was arrested Oct. 24.

Also nabbed were Demetrius Avery Jackson, an accused cop killer in Birmingham, Ala., and Eric Dewayne Meneese, a Crips gang member, in Nashville, Tenn.

The operation also led to the shooting death of a Georgia fugitive who was killed by authorities as he came out of his house, officials said. Additionally, the neighbor of a fugitive in Florida fired at - but missed - police approaching her home. Both incidents are under investigation, said John F. Clark, director of the Marshals Service.

The roundup, in 24 states east of the Mississippi River, targeted "the worst of the worst fugitive felons in the country," Gonzales said at a Washington news conference.

"America's neighborhoods are safer today, thanks to Operation Falcon III," Gonzales said.

Two earlier stings - Falcons I and II - were held in April during the last two years. Gonzales and Clark denied that next week's elections played any part in scheduling the latest crackdown.

"I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," Clark said, adding that he wanted to do the roundup in the fall - before the winter weather hit.

A six-hour sting in Washington, D.C., on Oct. 26, for example, netted none of the accused drug dealers sought by a team of seven agents from the U.S. Marshals; Bureau of Alcohol, Tobacco, Firearms and Explosives; U.S. Immigration and Customs Enforcement; State Department; and the city's Metropolitan Police Department.

"He was there a week or so ago," muttered Marshals Inspector Robert Hoffmaster, after a pre-daybreak search of a house for an accused drug dealer.

In upstate New York, some fugitives tried to hide in unusual places.

"We grabbed one guy out of the shower," said Joe Ciccarelli, supervisor of the U.S. Marshals fugitive task force in New York's northern district. "We found people hiding in between insulation, rolled up in rugs, inside of cabinets, inside of closets that a person shouldn't be able to fit in, but they end up fitting in and we have had to call the fire department to get them out."

Of the sex offenders nabbed, 971 had failed to register with authorities as required by law - what Gonzales called the largest number ever captured in a single law enforcement effort.

Gonzales said prosecutors likely would seek to charge some of them under the 2006 Adam Walsh Act. That law, approved by Congress last summer, created federal penalties for sex offenders who fail to register with communities.

The law was named for 6-year-old Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981.

Falcon III showed the Marshals "have proven their extraordinary ability to quickly capture thousands of sexual predators," said Ernie Allen, president of the National Center for Missing & Exploited Children.

Normally, the Marshals regional task forces round up about 1,000 fugitives each week, officials said. An estimated 1 million fugitives are on the loose nationwide.

· 10,773 fugitives
· 1,659 sex offenders
· 364 gang members
· More than 230 weapons
· 37 felons in Manatee, including some gang members and sex offenders

National Criminal Crackdown Nabs Central Florida Fugitives (WFTV)

WFTV-TV, ABC 9, Orlando, FL, November 3, 2006

ORLANDO, Fla. -- A major roundup of gang members and sex offenders has led to thousands of arrests around the country and dozens in Central Florida. The Justice Department said it rounded up more than 11,000 criminals in crackdown called Operation Falcon III.

The sweep allowed local agencies to give the U.S. Marshals' Office a list of top sex offenders on the loose. It was the first sweep that used the new Adam Walsh Act to make federal arrests. In fact, the first arrest under the Adam Walsh Act happened in Orange County.

Federal agents hope sex offenders hear one thing from Operation Falcon III, that absconding is now a federal offense. Agents said they busted more than 10,000 fugitives in a week, mostly offenders and predators and even gang members and murder suspects.

"So these are very significant players. They have preyed on children. They were at large and now they are not," explained Deputy Eric Thompson, U.S. Marshals Service.

Local agencies gave feds a wish list and then helped marshals scour the nation for men and women who thought they'd hide states away. In Central Florida, 43 warrants were cleared on 38 fugitives.

"We were able to take what the federal marshal has, what the federal government has, and direct them at specific people. We have very few absconders in Brevard County, so what we did is highlight four of them," said Lt. Tod Goodyear, Brevard County Sheriff's Office.

Wilfredo Madera was the first offender arrested under the Adam Walsh Act. The law makes it a federal offense to "not register and regularly report to authorities" as a sex offender.

"If you're registered in one state and you move to any other state, it's now a federal crime. We can prosecute federally. We can extradite the individual," explained Deputy Laura Sophia, U.S. Marshals Service,

One local man told marshals, when he was arrested, that he was just tired of being on the FDLE site and reregistering ever six months. He got part of what he wanted; he's not required to register because he's in jail.

'Falcon' Joint Crime Sweep Arrests 61 Area Fugitives (GAINS)

By Alice Wallace, Sun staff writer

Gainesville (FL) Sun, November 3, 2006

National and local law enforcement teamed up for a fugitive sweep this past week, and in total, 10,773 fugitives, all of whom were felons including sex offenders and gang members, were arrested across the country.

Locally, Operation FALCON III (Federal and Local Cops Organized Nationally) resulted in the arrest of 61 fugitives in Alachua, Gilchrist and Levy counties - the majority from Alachua County.

Included in the sweep was the arrest of David Nieves, 38, who was found in Mexico on Oct. 25. Nieves was charged with armed robbery and attempted murder in connection with the beating and robbing of Chiefland resident John Edward Curtis at a Red Roof Inn in Gainesville earlier this year.

Organized by the U.S. Marshals Service, Operation FALCON III lasted from Oct. 22 - Oct. 28. The Marshals Service pooled the resources of the Bureau of Alcohol, Tobacco and Firearms, the Drug Enforcement Administration, local sheriff's offices and police departments, as well as other agencies in order to locate as many fugitives as possible during the weeklong effort.

"This is what we can do when we all get together," said John Blount, deputy U.S. Marshal, at a news conference Thursday.

Nationally, the 10,773 fugitives arrested included 1,659 sex offenders and 364 documented gang members. Many of the sex offender arrests were fueled by the Adam Walsh Child Protection and Safety Act, which was signed into law by President Bush in July. The act allows law enforcement to charge sex offenders with a felony punishable by up to 10 years in prison if they fail to register and also travel in interstate or foreign commerce.

This is the third Operation FALCON since April 2005, Blount said.

Hundreds Of Fugitives Arrested In Georgia (AJC)

The Atlanta Journal-Constitution, November 3, 2006

Federal, state and local law enforcement agencies, in a coordinated sweep, arrested 520 fugitives in North Georgia as part of a sweep to find sex offenders, members of gangs and others accused of violent crimes.

At a news conference today, the U.S. Marshals Service said the week-long operation had locked up some of the â€œworst of the worst.â€

FALCON III was the third coordinated effort since last year. The first was a national sweep that saw 187 people arrested on outstanding warrants. The second time out, the operation focused on states west of the Mississippi River. The third one, in states in the eastern half of the country, resulted in 11,0000 arrests between Monday morning last week and noon last Saturday.

While 520 fugitives were caught in North Georgia, another 142 were picked up in central parts of the state and 352 were arrested in South Georgia.

Midstate Authorities Arrest 87 People Through 'Operation FALCON III' (MACT)

By Liz Fabian

The Macon Telegraph, November 3, 2006

A Macon man accused of paying a 7-year-old for a sex act and an accused kidnapper arrested in Warner Robins are two of more than 10,000 fugitives caught last week in a nationwide round-up organized by U.S. Marshals.

"Operation FALCON III," or Federal And Local Cops Organized Nationally, targeted sex offenders and wanted gang members. Of the 10,773 arrests across the country - 1,659 were accused sex offenders and 364 were documented gang members, according to a news release from the U.S. Marshals Service.

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Through the Southeast Regional Fugitive Task Force office in Macon, officers from several local law enforcement agencies cleared 111 felony warrants by arresting 87 wanted fugitives in about four days. The task force normally arrests between 100 and 120 people per month, said Will Hawkins of the Southeast Regional Fugitive Task Force.

During Operation FALCON, which occured Oct. 22-Oct. 28, the Macon office focused on cases in Bibb, Jones, Houston and Peach counties, Hawkins said, with officers from the local sheriff's offices, Macon and Warner Robins police, the Georgia Department of Corrections, Pardons and Paroles, the Veterans Administration, the U.S. Department of Housing and Urban Development and the Bureau of Alcohol Tobacco and Firearms.

At about 3:45 p.m. on Oct. 24, officers arrested Michael Scott, 37, on Dexter Avenue in Macon where he lives, Hawkins said.

Scott, who the release states is accused of performing a sex act with 7-year-old and then giving the child money, was being held today in the Bibb County Law Enforcment Center on a charge of child molestation.

In Houston County, investigators were tracking 43-year-old Samuel Easley, of Philadelphia who was wanted by the state of Pennsylvania for kidnapping a minor, the release stated.

After days of interviewing and surveillance, officers arrested Easley on Oct. 26th at about 9:30 p.m. at a motel on Woodcrest Blvd. in Warner Robins, the release stated.

Easley is charged with kidnapping, interference with a child, endangering the welfare of a child and concealing the whereabouts of a child, Hawkins said.

The child was placed in temporary state custody before a reunion with family members.

This morning at the Atlanta office of the Southeast Regional Fugitive Task Force, U.S. Marshal Theresa Rodgers announced the results of the operation during a news conference.

"When we share information and pool our resources towards a common goal, the results are safer communities for our children and a more secure homeland," Rodgers stated in the release.

To contact Liz Fabian, call 744-4303 or e-mail lfabian@macontel.com.

National Marshal Operation Has Local Results (WALB)

WALB-TV, NBC 10, Albany, GA, November 3, 2006

Albany - - More than ten thousand of the nation's most violent criminals are now behind bars. Hundreds of those criminals are gang members, over a thousand are sex offenders and some of them were arrested right here in South Georgia.

They were America's most wanted. Now they're serving time.

"I have four grand kids and I want them to be safe to walk around here and not be afraid to walk in the yard," says Vandolyn Hunt who has lived in one of Albany's high crime public housing complexes for four years. She says criminals aren't kicking her out.

"It's a serious problem yes it is," says Dougherty County Sheriff Jamil Saba. He says cracking cold cases and finding fugitives are the department's top priorities.

Marked territory and graffiti are some of the tell-tell signs of gang activity, but one group of criminals whose signs are not as apparent is sexual predators.

"It could be your uncle. It could be anybody you never know you have to be careful," Hunt says.

So the U.S. Marshal's Office teamed with area Sheriff's Offices around the country. In Albany, officers arrested 22 fugitives in just two weeks.

One of them is Demetri Davis who failed to register as a Sex Offender, and hid from police for three years.

Robert Jackson moved to Tift County from South Carolina, lived there for 8 years but never registered as a sex offender.

Other South Georgia criminals, some gang members, are locked up for parole violations and drug activity.

"The U.S. Marshal Service, the citizens, all the state and local officers out here everyday, they're not going to let these guys keep going around. There's over a million warrants in the U.S. And we're trying to get them down as quick as we can get them locked up," says Deputy U.S. Marshal Jeff Crosby.

Added relief for people fed up with crime. Earlier this year, President Bush signed the Adam Walsh Act making it a federal felony for convicted sex offenders who fail to register. You may remember he's the little boy from Florida who was kidnapped, assaulted and beheaded.

His father is John Walsh of American's Most Wanted. Those offenders can face up to ten years in prison.

These agencies from the Middle District of Georgia participated in Operation FALCON-

Housing and Urban Development - OIG

U.S. Marshals Service

U.S. Veterans Administration - OIG

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Operation Falcon Puts Thousands Behind Bars (WTOC)

WTOC-TV, CBS 11, Savannah, GA, November 3, 2006

Nearly 11,000 fugitives are now facing charges after a 24 state undercover operation, including almost 50 divisions in South Georgia alone.

The U.S. Marshals operation, Operation falcon III, targeted sex offenders, gang members, kidnappers, and other fugitives. It's the largest round up ever of fugitive sex offenders, with more than 1,600 behind bars.

The Savannah division of operation falcon caught 134 fugitives, including 19 wanted sex offenders. The resources available were much different from years past.

Marshal James Roberts says, "In the old days, departments worked within their boundaries, and today we work across boundaries by giving them special status. They can go anywhere within the state and outside the state with us and that's a force multiplier."

Operation Falcon is a joint effort by federal, state, and foreign law enforcement agencies, as well as local police and county sheriff's departments.

Operation Falcon Swoops Into Louisville (WHAS)

WHAS-TV, News 11, Louisville, KY, November 3, 2006

The U.S. Marshall Service is calling it the biggest roundup ever of gang members, sex offenders and others roaming the streets with warrants.

Called Operation Falcon, it covered the eastern half of the U.S. including the Metro Louisville area and saw over 10-thousand fugitives captured.

Some had been on the run for more than a year. They had every reason to think cops had forgotten all about them, but all last week scores of them got a rude awakening. Gone does not mean forgotten.

Their targets, fugitives, sex offenders and gang members in the Louisville Metro area. The team included U.S. Marshals, Jefferson County Sheriff's Deputies, even a doctor.

The woman inside a house with outstanding warrants figured maybe they'll give up and they'll go away, but no dice.

The Marshals Service saying local round ups have netted at least 148 fugitives arrested, including 9 wanted on sex related charges. Including Brian Geary, nabbed in Muldraugh, Kentucky. Geary, authorities say, is wanted in Florida for allegedly raping two girls just six and seven years old.

Authorities say the operation got some of the nation's most dangerous criminals off the streets.

Kentucky was one of 24 states that took part in Operation Falcon. Attorney General Alberto Gonzales announced today that the weeklong crackdown helped catch almost

11-thousand fugitives, sex offenders and gang members. Gonzalez says more than 16-hundred of those arrested are sex offender.

Nearly 150 Arrested As Sweep Nets Fugitive Sex Offenders (LCJ)

By Jessie Halladay

Louisville (KY) Courier-Journal, November 3, 2006

Nearly 150 people were arrested and hundreds of warrants were cleared in Kentucky last week as local law-enforcement agencies participated in a nationwide push to locate fugitive sex offenders.

During the seven-day effort, 18 agencies in the Western District of Kentucky provided about 75 officers and personnel to pick up people who have failed to register as sex offenders.

Rick McCubbin, U.S. marshal for the western district, said he hopes the weeklong blitz, especially the strong presence of officers, acts as a deterrent for those who don't comply with laws requiring sex offenders to register their locations.

Agencies in several states participated in the national program, dubbed Operation FALCON, which stands for Federal And Local Cops Organized Nationally.

In all, officers arrested 10,773 felony fugitives during the operation.

This is the third such effort run by the marshals. The focus on sexual predators comes after passage of the Adam Walsh Child Protection and Safety Act, which became law in July. The law makes it a federal felony for convicted sex offenders to fail to register or to travel in interstate or foreign commerce.

As part of the local effort, medical personnel trained in high-risk police operations accompanied officers -- something not done by any other team running a similar operation, said McCubbin.

Reporter Jessie Halladay can be reached at (502) 582-4081.

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135 Arrested Locally As Part Of Nationwide Roundup (SHREVET)

By Loresha Wilson

Shreveport Times, November 3, 2006

The U.S. Marshals Service today announced today the arrests of 10,773 people --- including 135 in the Shreveport area – as part of the largest nationwide round-up of fugitives.

Deputy marshals and fellow task force members cleared 153 Shreveport police warrants last week during Operation FALCON III (Federal and Local Cops Organized Nationally), officials said.

Those arrested include Wilbert Smith, who was wanted for attempted murder in connection with an aggravated battery 10 years ago. Sex offenders and documented gang members also were rounded up, authorities said. Firearms, narcotics and cash also were seized during the seven-day sting.

"The numbers mean safer streets for the citizens of communities all over this country," said John Clark, U.S. Marshals Service director. "We have not only brought those wanted fugitives to justice, but we have hopefully brought a bit of peace to their communities."

FALCON III is the third such operation in less than 18 months dedicated to victims of crime and to ensure greater safety in the community, officials said. It ran Oct. 22-28 and included law enforcement agencies of 48 districts and in 24 states.

Alexandria reported 107 arrests, Lafayette 41, Lake Charles 43 and Monroe 54.

Fugitive Sex Offender Round Up (KPLC)

KPLC-TV, NBC 7, Lake Charles, LA, November 3, 2006

Between October 22nd and 28th, arrest scenes were taking place across half the country, including in Lake Charles. Deputy U.S. Marshals teamed up with state local and federal crime fighters in the largest roundup targeting unregistered sex offenders, sexual predators and violent offenders.

Surrounded by representatives from several local agencies, Deputy U.S. Marshal Beau Bartel announced the results of Operation Falcon III at a news conference in Lake Charles. Bartel says, "Most fugitives that are out there on the run are repeat offenders and they're they ones that are committing crimes daily. Totally during this week, we had 10,773 fugitives arrested."

Lake Charles Police Chief Don Dixon says a new federal law is making it harder for unregistered sex offenders to hide across state lines. Dixon says, "Every state has a different bill and each state has different penalties and a lot of states have loopholes. I'm glad to see that President Bush has enacted federal legislation that gives consistency and continuity in every state." Stitch Guillory, chief deputy with the Calcasieu Parish Sheriff's Office says, "By doing it at the federal level, it just lets us put a little more teeth into it."

In addition to fugitive sex offenders, other fugitives wanted for gang activity, drugs and firearms violations were also apprehended. The roundup netted 43 arrests in Lake Charles, 41 in Lafayette and nearly 300 more in Alexandria , Shreveport and Monroe. "

Operation Falcon III covered 25 states in the eastern half of the country. The entire one week operation resulted in more than ten thousand arrests, and involved more than one thousand police, sheriff's and other agencies.

187 Maine Fugitives Nabbed In Roundup (WCSH)

WCSH-TV, NBC 6, Portland, ME, November 3, 2006

A major fugitive roundup in 24 states has netted nearly 11,000 wanted felons. In Maine, state troopers and local police teamed up with U.S Marshals to nab 187 wanted fugitives.

The seven day sweep code-named "Operation Falcon-3", was conducted in states east of the Mississippi. The search focused on unregistered sex offenders and gang members. Officials say the sting was designed to get the "worst of the worst" criminals off the street.

"We had resources to track these people and we tried to target the most violent offenders out there. Did we get them all in one week, no we didn't. But we haven't given up on them," said U.S. Marshal David D. Viles.

In all, Maine law enforcement officers cleared 267 outstanding warrants, including 21 arrests for sex related offenses and 48 drug offender arrests.

This is the third Operation Falcon sweep. The first occured nationwide in 2005. The second rounded up criminals west of the mississippi this past April.

Roundup Snares More Than 10,000 Fugitives (PPH)

By From Staff And News Services

Portland (ME) Press Herald, November 3, 2006

DOJ_NMG_0090841

WASHINGTON - A Department of Justice sweep aimed at nabbing thousands of sex offenders, drug dealers and other fugitives across the country also netted scores of suspects in Maine, federal officials announced Thursday.

Nearly 11,000 fugitives were caught in what the Justice Department called a sting targeting the "worst of the worst" criminals on the run.

Last week's roundup, led by the U.S. Marshals Service, included Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was baby-sitting several young children when he was arrested Oct. 24.

Also nabbed were Demetrius Avery Jackson, accused of killing a police oficer, in Birmingham, Ala., and Eric Dewayne Meneese, a Crips gang member, in Nashville, Tenn.

The weeklong sting, code-named Operation Falcon III, also led to the shooting death of a Georgia fugitive who was killed by authorities as he came out of his house, officials said. Also, the mother of a fugitive in Florida fired -- but missed -- police approaching her home. Both incidents are under investigation, said John F. Clark, director of the Marshals Service.

In Maine, authorities grabbed James Miller, a man convicted of gross sexual assault on a child under 13 and disseminating sexually explicit material. Miller, arrested at his Auburn apartment Oct. 22, was charged with failing to register as a sex offender and violating probation. Police say they found pornography links on a computer at his home, though it wasn't clear if that violated his probation conditions.

Deputy U.S. marshals working with state and local police arrested 21 people on sex-related offenses and 48 on drug-related offenses in Maine, clearing 267 warrants, said a statement by U.S. Marshal David Viles.

The roundup, in 24 states east of the Mississippi River, targeted "the worst of the worst fugitive felons in the country," Attorney General Albert Gonzales said at a Washington news conference.

Two earlier stings were held in April over the last two years. Gonzales and Clark said coming elections played no part in planning the latest crackdown.

"I can assure you the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," Clark said, noting he wanted to do the roundup before winter hit.

In all, Gonzales said, officials caught 10,733 fugitives -- 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges.

Operation Falcon Nabs 65 Area Fugitives (WHAG)

WHAG-TV, NBC 25, Hagerstown, MD, November 3, 2006

NBC25 News - Nearly 11,000 fugitives have been arrested as part of a sting operation that stretched up and down the East Coast, and many of those fugitives were captured in the Four-State region.

Edward Bowman, 44, is behind bars after he was accused of sexually assaulting his 16-year-old niece. Last week other violent criminals, sexual offenders and gang members were also captured, thanks to a week-long

U.S. sting operation called Operation Falcon 3.

Bowman was arrested on October 25th on Butts Mill Road. He was just one of many residents arrested during operation week.

Nearly 11,000 criminals in 24 states across the country were arrested in the operation, including 65 in the Eastern Panhandle.

Although

U.S. marshals will not go into the specifics of the investigation, authorities say they plan to have more sting operations in the near future.

“If you're wanted we're going to find you,” says Deputy U.S. Marshal Mike Ulrich. “There's no where to run and no where to hide.”

Operation Falcon is the third sting operation targeting criminals across the

Nationwide Fugitive Sweep Nets 433 Felons In Massachusetts (BOSH)

By O’Ryan Johnson

Boston Herald, November 3, 2006

Some of the state’s worst gang bangers, pedophiles and suspects-in-hiding, were targeted in a nationwide sweep by federal marshals tagged Operation Falcon III.

In Massachusetts, 433 fugitives were collared in raids carried out over the past week in which federal, state and local police used their combined resources to round up suspects wanted on warrants for multiple violent crimes or failure to register as a sex offender.

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The U.S. Attorney's Office in Boston said one of the seized men, Brian Berlo, plied a New Hampshire boy with drugs and sodomized him for a six-month period beginning in December 2005. Federal marshals caught up to Berlo in Easton, where he was arrested with a small amount of cocaine, authorities said. He was arraigned on charges of being a fugitive from justice in Taunton District Court and was ordered held on $500,000 bail.

Here in the Bay State, Falcon III plucked 67 sex offenders off the street, with nearly half of those cases involving offenders who failed to register. The Massachusetts portion of the operation also swooped down on 73 alleged gang members, resulting in the seizure of 11 firearms and $9,000 in cash.

Nationwide, Falcon III netted 10,773 fugitives, including 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. Some 230 weapons were seized. The roundup, in 24 states east of the Mississippi River, targeted "the worst of the worst fugitive felons in the country," Attorney General Alberto Gonzales said.

"America's neighborhoods are safer today, thanks to Operation Falcon III," Gonzales said.

Dragnet Captures Almost 11,000 Fugitives, Including 433 In Mass. (BOS)

By Shelley Murphy

The Boston Globe, November 2, 2006

A week-long sweep targeting unregistered sex offenders, gang members and other violent criminals has led to the arrest of 433 fugitives in Massachusetts and 10,773 nationwide, according the US Marshal Service.

In the third and largest dragnet of its kind, dubbed Operation Falcon III, deputy US Marshals teamed with 46 state, federal and local law enforcement agencies in Massachusetts to hunt for some of the region's most wanted fugitives between Oct. 22 and 28.

Those arrested in Massachusetts included 67 convicted sex offenders, including 30 who were not registered as required by law, and 73 reputed gang members.

"We did try to target as many gang members and sex offenders as possible," said Acting US Marshall William Fallon.

All of those arrested face state charges, but federal prosecutors are currently reviewing the cases to determine whether any of them will be prosecuted in federal court under the recently enacted Adam Walsh Child Protection and Safety Act, which makes it a federal crime to fail to register as a sex offender and travel interstate. The law was named for Six-year-old Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981.

Nationwide the 24-state sweep netted 1,659 sex offenders -- including 971 who failed to register with authorities as required by law -- in what the government called the largest number ever captured in a single law enforcement effort.

The sweep "has made our nation's neighborhoods and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members," Attorney General Alberto Gonzales said in a prepared statement.

Hundreds of state and local law enforcement authorities and more than a half-dozen federal agencies -- including the U.S. Marshals, the Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Immigration and Customs Enforcement, and the State Department -- helped in the roundup.

The nearly 11,000 fugitives arrested across the country included 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were collected.

Those totals represent a fraction of doors knocked on, liquor store drive-bys, construction site surveillances and tips chased down by agents during the weeklong sweep.

90 Nabbed In WMass Fugitive Hunt (RMA)

By Stephanie Barry, Sbarry@repub.com

The Republican (MA), November 3, 2006

SPRINGFIELD - A total of 90 suspects in gang beatings, robberies, sexual crimes and assaults were rounded up last week in this region as part of a coordinated effort to rein in fugitives nationally, law enforcement officials announced yesterday.

A parade of federal and local crime fighters lauded results of "Operation Falcon III," touting 98 arrests of suspects wanted in connection with local crimes.

Nearly 11,000 fugitives were arrested nationally and 433 statewide, according to William Fallon, acting U.S. marshal.

"What we wanted to do come Oct. 22 was hit the ground running. And that's what we did," Fallon told reporters during a news conference at the federal building.

He was referring to the first day of the weeklong sweep and the months of research that preceded it.

Locally, 72 arrests were made in Springfield, 14 in Chicopee, three in Holyoke and one in West Springfield. Eight others were arrested in other states for local crimes, officials said.

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Local chiefs of police, Hampden County District Attorney William M. Bennett; Kevin O'Regan of the local U.S. Attorney's Office; and representatives of the Drug Enforcement Administration and the Division of Fisheries and Wildlife joined U.S. marshals at the news conference.

The code name for the operation, falcon, is an acronym for "Federal and Local Cops Organized Nationally." The last such sweep took place in spring 2005. Arrests in Springfield tripled during this round, Fallon said.

A national focus was placed on sexual predators, O'Regan said.

"Protecting our children from sexual predators is one of the most important things we all do in law enforcement," he said, adding that criminal suspects who remain at large erode the public's trust in the criminal justice system.

Deputy U.S. Marshal Daniel Spellacy said the initiative yielded the arrest of a New York City man wanted in connection with the 2004 rape of a 7-year-old boy in Chicopee. That investigation is ongoing.

Jerry Washington Jr., 45, of Springfield, was arrested in Springfield for failing to register as a sex offender, Spellacy said. Court records show Washington was convicted in 1979 of 11 counts of rape.

Mark S. Bryant, 28, of Chicopee, was tackled on a sidewalk in Chicopee last week while trying to evade marshals and local police, according to the deputy U.S. marshal. Bryant never answered 2003 charges that he kidnapped, assaulted and intimidated an ex-girlfriend, records show.

Spellacy said local marshals and police conducted hundreds of hours of research in preparation for last week's sweep.

"We worked up 400 cases," Spellacy said, adding that he expects to keep looking for the many they were unable to arrest.

The announcement followed this week's ranking by a private research company of Springfield as the state's most dangerous city.

Springfield Police Commissioner Edward A. Flynn yesterday said the timing was pure coincidence.

"This was in the pipeline for some time," said Flynn, who has denounced the ranking.

Close To 500 Fugitives Arrested In Michigan As Part Of A Federal Sweep (DEN)

Detroit News, November 3, 2006

Nearly 500 fugitives were arrested in Michigan as part of a recent federal sweep in 24 states, officials at the U.S. Attorney's Office in Detroit said today.

A news conference is scheduled for 2 p.m. to announce details of the Michigan operation, which was headed up by the U.S. Marshals Service. A total of 480 arrest warrants were cleared in Michigan between Oct. 22 and 28, many involving alleged sex offenders, officials said.

In all, nearly 11,000 fugitives, including sex offenders, gang members and others wanted on a variety of charges from kidnapping to weapons offenses, were swept up last week in a 24-state operation called Operation Falcon III, the Justice Department was to announce today.

Among the fugitives caught were 1,659 sex offenders - including 971 who failed to register with authorities as required by law - in what the government called the largest number ever captured in a single law enforcement effort.

The sweep, the third and largest such operation since April 2005, "has made our nation's neighborhoods and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members," Attorney General Alberto Gonzalez said in a prepared statement.

Some of those arrested in Michigan were already in custody on other charges.

The Associated Press contributed to this report You can reach Paul Egan at (313) 222-2069 or pegan@detnews.com.

Marshals Nab 1600 Sex Offenders (WOOD)

WOOD-TV, NBC 8, Grand Rapids, MI, November 3, 2006

GRAND RAPIDS -- More than 1,600 fugitive sex offenders and gang members were rounded up nationwide, including some in West Michigan, in a coordinated effort between U.S. Marshals and other law enforcement agencies.

Overall, Operation FALCON III arrested nearly 11,000 fugitives between October 22 and 28, including 107 murder suspects.

Throughout West Michigan, FALCON - Federal And Local Cops Organized Nationally - arrested 108 people. Of those, 11 were wanted for sex offenses, four for gang-related activities, 17 for assault and 33 for drugs.

One of those sex fugitives arrested was 28-year-old James Leech, who was picked up while accessing the Internet at the Grand Rapids Public Library on October 24. He was arrested without incident and is now being held in the Kent County Jail. He is facing a first-degree criminal sexual conduct charge involving a minor.

Plus, for the first time, a national operation targeted fugitives in Battle Creek, with nearly half the arrests being made in that city.

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U.S. Attorney General Alberto Gonzales made the national announcement about this operation that included federal, state and local agencies.

The push for Operation FALCON III came in July.

"Earlier this summer, the President signed the Adam Walsh Act, which named the Marshal Service the primary federal agency for the apprehension of unregistered sex offenders. Off of that, Operation FALCON was born," says Bruce Nordin, Chief Deputy of the U.S. Marshals Office.

John Clark, the director of the U.S. Marshal Service, said, "When we fail to catch those who commit (these crimes, we) may also harm an innocent person."

The new law makes it a federal felony, punishable by up to 10 years in prison, for any convicted sex offender who fails to register in their area.

Operation Nets Thousands Of Criminals (FREEP)

By Cecil Angel, Free Press Staff Writer

Detroit Free Press, November 3, 2006

A nationwide fugitive apprehension campaign dubbed Operation FALCON III ended with the arrest of more than 10,700 fugitives, including sex offenders and gang members, the U. S. Department of Justice announced Thursday.

"We tried to target the worst of the worst," said Robert Grubbs, U. S. Marshal for the Eastern District of Michigan, at a news conference in Detroit.

Operation FALCON III -- the acronym stands for Federal and Local Cops Organized Nationally -- ran sweeps from Oct. 22 to 28. The campaign was a collaboration involving federal, state, county and municipal law enforcement agencies, predominantly in states east of the Mississippi River.

Nationwide, the campaign ended with the arrest of more than 10,773 fugitives. Of those were 1,659 fugitive sex offenders and 364 gang members. Authorities seized more than 230 firearms

In Michigan, 480 people were arrested. The multi-agency sweeps yielded 43 arrests for sex-related crimes, eight for homicides, 112 for assaults, 133 for narcotics charges, 42 for burglary/larceny, 32 for weapons, 37 for robbery, six for arson, one for kidnapping, 10 for stolen vehicles, 13 for fraud and 43 for other crimes.

"I think the bottom line is that 10,773 people are off the street," Grubbs said. "Many, many communities can breathe a lot better, feel a lot safer that they're not going to become victims of these people."

164 Arrested In Mississippi In Fugitive Roundup (AP)

By Holbrook Mohr

AP, November 3, 2006

JACKSON, Miss. - Authorities have arrested 164 sex offenders, gang members and other fugitives in Mississippi as part of a nationwide sting that nabbed some of the most dangerous criminals on the streets.

The roundup was headed by the U.S. Marshals Service with cooperation from hundreds of other agencies, and resulted in nearly 11,000 arrests nationwide, said Nehemiah Flowers, the U.S. marshal for the Southern District of Mississippi.

The arrests included Jonathan Putt, a reputed gang member wanted for the fatal beating of another man in New York, said Christopher Felix, a supervisory marshal in northern Mississippi.

Putt was grabbed after two days of police work in Corinth. He had family ties to the area and came to the Magnolia state to escape authorities, Felix said.

Most of those arrested, however, were sexual offenders whom Flowers said were some of the most dangerous fugitives in Mississippi.

"Anytime you have grandfathers raping grandchildren, you can call that the worst of the worst," he said without elaborating.

Forty-one of the arrests were made in the Jackson area, including two for kidnapping and one for bank robbery, Flowers said. Antwon Townsend was arrested for the Oct. 11 robbery of an AmSouth bank.

At least 81 fugitives were arrested in northern Mississippi.

The sting was known as Operation Falcon III, and followed similar sweeps over the last two years. Flowers said no officers in Mississippi were injured during the weeklong roundup.

At least one suspect here had failed to register as a sex offender and could face charges under the 2006 Adam Walsh Act, which charges sex offenders who fail to register with a federal crime.

Major arrests elsewhere included an unregistered sex offender in Tennessee who was baby-sitting young children when he was picked up and an accused cop killer in Alabama.

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164 Wanted Felons Busted In Mississippi (WLBT)

By By: Marsha Thompson

WLBT-TV, NBC 3, Jackson, MS, November 3, 2006

More than 164 dangerous felons are off the streets of Mississippi tonight. The U.S. Marshals Service says 41 were captured in Jackson. In all Operation Falcon III, netted nearly 11-thousand fugitives.

The long arm of the law reached out in communities east of the Mississippi River. U.S. Marshals and a task force of lawmen targeted sexual predators, unregistered sex offenders, suspected murderers and other criminals hiding out from New York to homes in Jackson.

This is video from the Operation Falcon bust in late October. The roundup netted 164 felony fugitives in Mississippi, 41 in Jackson, 81 in north Mississippi: many with violent criminal histories. Mississippi lawmen worked long days and well into the night. They tagged felons on- the -run. Their work paid off. A reputed New York gang member implicated in a murder was captured hiding out in Corinth, a Jackson bank robbery suspect is also hauled in, so are two people suspected of kidnapping a Jackson man.

The 24 -state operation combined the largest fugitive- hunting law enforcement mobilization unit in history. Hundreds of local, state and federal agents working in tandem. Authorities concede there are thousands of other fugitives eluding justice. According to Southern District U.S. Marshal Nehemiah Flowers, " Our work is not done."

Our investigation found several awol sex offenders, like Susan Landry Boudreaux. Her last known residence was Hinds county. But the woman's address has not been verified. Now Boudreaux is on the wanted list. At least 10 others on Mississippi's Sex Offender Registry list from Hinds County had not verified thier current addresses.

The sweep lead by U.S. Marshals Service was considered a boots- on -the- ground operation. We are told it took surveillance and tips to chase down violent felons statewide. A successful but dangerous operation according to Flowers.

Authorities say Mississippi's neighborhoods are safer as a result. An estimated 1- million fugitives are on the loose nationwide.

'FALCON III' Crackdown Nets 83 In NH (MANUL)

By Dale Vincent, Union Leader Staff

Manchester (NH) Union Leader, November 3, 2006

Concord – A joint effort by more than 45 federal, state and local law enforcement agencies resulted in the arrest of 83 people in New Hampshire as part of a weeklong national effort targeting fugitive sexual offenders and documented gang members.

"The streets of New Hampshire are safer than they were last week," U.S. Attorney Thomas Colantuono said.

U.S. Marshal Stephen Monier yesterday said Operation FALCON III (Federal And Local Cops Organized Nationally) resulted in 10,733 felony fugitive arrests nationwide during the week of Oct. 22-28. The 83 New Hampshire arrests cleared 114 warrants.

Of the nationwide total in the third FALCON sweep, there were 1,659 fugitive sex offenders and 364 documented gang members arrested. The corresponding state figures were 13 sex offenders, eight of them convicted offenders who failed to register, and no documented gang members, although one man self-reported gang affiliation with Folk Nation, which is affiliated with the Crips, and one had tattoos linking him to Aryan Nation, an anti-Semitic white supremacy group.

Also in the New Hampshire total were 20 narcotics, seven assault, eight burglary, three robbery and four stolen vehicle warrant arrests.

The roundup, led by the U.S. Marshals Service, also included Brian Berlo, who was booked in the town of Easton, Mass. Berlo had been wanted by police in Meredith, N.H., on multiple sex-related counts, including an indictment handed down in July alleging he repeatedly sodomized a 14-year-old boy after providing him with alcohol and marijuana, according to authorities in Boston.

Of the arrests made nationwide, Colantuono said, 140 were homicide warrants and there were 230 weapons seized.

Attorney General Kelly Ayotte said the success of the operation highlights the strong collaborative network of federal, state and local law enforcement agencies and sends a strong message to offenders that they will be found and brought to justice.

Manchester Police Chief John Jaskolka said the city had 33 outstanding warrants and there were 12 arrests, clearing 14 warrants.

Two of the people Manchester sought during FALCON III, Ronald Shotts, 52, a convicted child molester who had failed to register, and Albert Lancey, 44, convicted of aggravated felonious sexual assault and wanted on two counts of failing to register, were arrested in Manchester during the FALCON operation. Lancey had been sought since 2003.

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Two other men sought by Manchester for failure to register, Thomas Goines, 50, and Calvin Woodburn, 49, were arrested in Maine.

Saying Manchester, like the rest of the state, will continue to arrest fugitive felons, Jaskolka said the FALCON operation was different from the intensified state and local law enforcement effort in Manchester in the wake of Police Officer Michael Briggs' murder.

The Manchester operation is much broader than FALCON's one-week intensive targeting of fugitive felons.

Jaskolka said the Manchester task force will focus on problem areas and activities, bolster neighborhood watch operations and work on preventive measures. While there's been much publicity around the multi-agency law enforcement in the near term, Jaskolka said the long-term activity of neighborhood watch organizations will be key to making the city a safe place.

While the Briggs shooting has energized local groups, Jaskolka said it's essential to keep those groups active and cooperating with police.

"They know who doesn't belong (in a neighborhood)," he said, and residents need to report suspicious activity or people.

Operation Falcon Seizes Hundreds Of Jersey's Most Wanted (NSL)

By John P. Martin, Star-ledger Staff

Newark Star-Ledger (NJ), November 3, 2006

Federal and local officers rounded up 548 of New Jersey's most wanted criminals last week, specifically targeting suspected gang members and child predators as part of a national crackdown on fugitives.

The suspects, nabbed in every New Jersey county, included 88 sex offenders, more than a third of whom who had not registered as required by law. Another 95 are gang members. Each faced a felony charge worth at least five years in prison. Six were wanted for murder.

"We arrest bad guys every day, but this is a special mission for us in law enforcement -- to get the worst of the worst off the streets," James Plousis, the U.S. Marshal for New Jersey, said at a news conference in Trenton.

The sweeps, which involved hundreds of state and federal officers, were part of Operation Falcon, an ongoing national effort to locate, prosecute or jail fugitives. More than 10,000 suspects wanted in 24 states were caught last week, including 1,600 sex offenders, Attorney General Alberto Gonzales announced.

But the arrests also highlighted what has been the stark, hamster-wheel reality here and elsewhere: The jails are often revolving doors. Last week's roundup, the second in 18 months, only cut the New Jersey's fugitive rolls to 21,000, and officials acknowledged that some of the newly caught suspects are likely to post bail and be free again.

Their hope is that a new federal law, enacted this summer, will make a difference. The so-called Adam Walsh Child Protection and Safety Act exposes sex offenders who cross state lines to as many as 10 years in prison for failing to register their whereabouts. "That's going to make a big difference," said Donald Rackley, chief of the marshals service in New Jersey.

None of the suspects has yet been charged under the new law. Deputy U.S. Attorney William Fitzpatrick said his office planned to review the new fugitive cases to see if any could be prosecuted under the new law.

Plousis said the marshals teamed with agencies statewide, including the New Jersey State Police.

Among the New Jersey cases he highlighted yesterday was the capture of Steven Ramos, who fled after being arrested near Atlantic City in April 2005 for allegedly sexually assaulting his stepdaughter. Marshals found him living with his wife and stepdaughter last week in New Haven, Conn.

Another suspect was Damielle Tondee, 23, a reputed Bloods gang member from Jersey City wanted for a fatal shooting on Aug. 6. Officers staked out a Trenton neighborhood for more than 24 hours before nabbing Tondee on the street.

Authorities also pointed to the arrest of Armando Vasquez, a 41-year-old Trentonian they said had been a fugitive since 2002, when he was charged with sexually assaulting a child. He was found in Trenton.

But Superior Court records listed his case as "non-active" and his attorney, Charles Casale, was shocked to hear his client had become a poster child for dangerous predators on the lam.

"What a bunch of baloney," Casale said yesterday.

He said Vasquez was never on the run and had offered to surrender weeks ago when he was notified that "an old claim" was being reinstated. "The guy has been living here for something like 20 years," Casale said.

Deputy U.S. Marshal Michael Schroeder, a spokesman for the agency, disputed that Vasquez offered to surrender; he said officers had to forcibly arrest him when he refused to open his door.

Either way, Vasquez is likely to soon be out.

A judge set bail at $25,000. Vasquez expects to soon be released, his attorney said.

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NJ Among States Targeted In Massive Fugitive Roundup (WINS)

1010, WINS-AM, NY, November 3, 2006

WASHINGTON (AP) -- Nearly 11,000 fugitives, including sex offenders, gang members and others wanted on a variety of charges from kidnapping to weapons offenses, were swept up last week in a 24-state operation, the Justice Department announced Thursday.

New Jersey is among the states where Operation Falcon III took place. An estimated 871 fugitives were nabbed in New York and New Jersey.

Among the fugitives in the 24 states were more than 1,600 sex offenders, including 971 who failed to register with authorities as is required by law. The government called the results the largest number ever captured in a single law enforcement effort.

In one case, authorities said they tracked down Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was convicted in 1996 of sexually assaulting an 8-year-old child. At the time of his Oct. 24 arrest, officials said, Marksberry was baby-sitting several children all of whom were under 11 years old.

Agents also found pornography and drugs inside Marksberry's home, authorities said, and were led to a separate trailer that had a clear view of a playground and a pair of binoculars inside.

The sweep, led by the U.S. Marshals Service, "has made our nation's neighborhoods and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members," Attorney General Alberto Gonzales said in a prepared statement.

The Oct. 22-28 roundup snared more fugitives than similar operations in April 2005 and April 2006, the Justice Department said.

The most recent dragnet, targeting 24 states east of the Mississippi River, was boosted by the 2006 Adam Walsh Act, approved by Congress last summer, which created stricter requirements for sex offenders to register with communities. Six-year-old Adam Walsh was abducted from a Florida shopping mall and murdered in 1981.

Hundreds of state and local law enforcement authorities and more than a half-dozen federal agencies - including the U.S. Marshals, the Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Immigration and Customs Enforcement, and the State Department - helped in the roundup.

In all, officials said they caught 10,733 fugitives. Among them were 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were collected.

Those totals represent a fraction of doors knocked on, liquor store drive-bys, construction site surveillances and tips chased down by agents during the weeklong sweep.

870 Suspects Arrested In New York Area Raids (NEWSDAY)

By ANTHONY M. DESTEFANO, Newsday Staff Writer

Long Island Newsday, November 3, 2006

When a squad of federal officials and police caught up with suspected fugitive Robert Shells in a Manhattan apartment, they not only caught him with his pants down, they found he wasn't wearing anything at all.

"Put your pants on, please," an officer said during the early morning raid.

Shells, 29, wanted for sex crime charges involving minors in Virginia, was one of the nearly 11,000 people who officials said Thursday were nabbed in the latest federal nationwide effort to apprehend fugitives on a wide variety of offenses. Most, like Shells, whose arrest was captured on tape by WPIX/11, were taken by surprise between Oct. 22 and Oct. 28. They generally offered no resistance.

Dubbed "Operation Falcon III," the dragnet was the latest in a series of sweeps that since 2005 have netted more than 41,000 suspects, including 3,144 sex offenders and 681 gang members, said Eugene Corcoran, the head U.S. marshal for the Brooklyn federal court region, which includes Long Island.

Teams coordinated by U.S. marshals and composed of NYPD, other federal agencies and local police corralled 870 fugitives, said Corcoran at a Manhattan news conference announcing the operation here. U.S. Attorney General Alberto Gonzales first disclosed the busts at a Washington, D.C., conference earlier Thursday.

The total arrested nationwide and locally included those who were convicted sex offenders but hadn't registered as required by law or were facing arrest warrants for sex crimes, gang violence and other charges. A small number of the fugitives arrested included people wanted by other countries for a variety of charges, including murder, child rape and fraud, officials said.

Out of the New York area total, 110 were grabbed on Long Island, said Michael Pagliughi of the U.S. Marshals Service.

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"Fugitives imperil our ability to prosecute them and hamper our ability to put them in jail," said Brooklyn U.S. Attorney Roslynn Mauskopf. "Fugitive defendants don't respect jurisdictional boundaries ... that is why it is critical that we band together."

As described by federal officials, Operation Falcon III involved a total of 1,063 law enforcement agencies. During the week in which the agents and police carried out the raids, more than 3,000 law enforcement officers worked on any given day.

Locally, a number of arrests were highlighted by officials. They included the case of Lateaf Johnson, whom officials labeled a "documented member" of the Bloods street gang and who was wanted by Suffolk police on robbery charges. Johnson, whose age wasn't given, was found in Wyandanch and arrested Oct. 27, officials said. Investigators said he admitted being a gang member and was found with gang paraphernalia.

In Brooklyn on Oct. 26, task force members arrested John Oakley, wanted by Ohio authorities on charges he raped and sodomized two young girls.

Shells was traced by a task force team to an Upper West Side apartment the morning of Oct. 24. He was wanted by officials in Norfolk, Va., on charges he raped two girls, one of whom was 4 years old, officials said.

Shells, along with Johnson and Oakley, remain in custody.

Federal Sweep Snares Fugitives (TROYREC)

By Shawn Charniga

Troy (NY) Record, November 3, 2006

TROY - Just before 5 p.m. Friday, one of the last local fugitives to be brought in under a federal dragnet was driven to the Troy Police Station. According to federal authorities this man, 31-year-old Alfred Morey, is one of 11,000 criminals to be caught up in "Operation Falcon III."

Federal authorities said Thursday this law enforcement effort led to the arrests of fugitives, including 99 from this area plus others from 24 states. The last dragnet under this name collared 718 unregistered sex offenders, nearly 2,000 persons sought on sexual assault charges and more than 1,200 sought on other charges.

Morey, whose last known address was 882 River St., is a Level 2 sex offender who was first arrested by city police eight years ago after sexually abusing a then 10-year-old girl. This time, his offense was failing to notify authorities he had moved, said Tim Orava, a criminal investigator with the U.S. Marshals Service.

He was caught in Colonie at his place of employment by the Capital District Fugitive Task Force and brought in by city police, a U.S. Marshal and a member of the Rensselaer County District Attorney's office. Authorities said he was one of 1,659 sex offenders caught up in this sweep.

"The classic line is, 'I called last week, and I'm coming in today, or tomorrow,'" Orava said. Authorities believe this was the second time Morey failed to notify them he was moving, and according to a female acquaintance who arrived at the police station soon after, the first time got him 90 days in jail.

Orava said Morey would be brought in front of a Police Court judge who would decide his punishment. State records show he was released in 2001 after serving a sentence of 18 months to three years for the initial crime; he is required to keep law enforcement informed of his whereabouts for the rest of his life.

His arrest was one of a multitude during the preceding week. Overall, the operation targeted fugitives believed to be present east of the Mississippi. At least one other Trojan, 30-year-old Robert S. Morrison, was arrested at his home earlier in the week after also allegedly failing to register as a sex offender.

Locally, at least one more of these offenders, gang members and a woman with a history of involvement with firearms and drugs were sought, according to federal authorities.

At Thursday's press conference at the federal courthouse in Albany, local, county state and federal authorities laid out what they had done during the last week of October - cleared 13,333 warrants during what U.S. Attorney's Office staffer Grant Jaquith called "the largest and most successful law enforcement effort in U.S. history."

FALCON is an acronym for Federal And Local Cops Organized Nationally, authorities said. Law enforcement agencies from the Justice Department to the Troy Police Department worked in concert to take criminals, most of whom were wanted on felony charges, off the streets.

Authorities who spoke Thursday said the only misdemeanor charges filed against persons arrested during Falcon III was that of failing to register as a sex offender, which becomes a felony on the second offense and thereafter.

Rensselaer County District Attorney Patricia DeAngelis said, "34 of these offenders are from Rensselaer County - these were some very dangerous criminals we we are apprehending. These guys (the Marshals) are the best of the best. If I need to track someone down, these guys are the bloodhounds."

Marshals said three teams of 10 officers each worked the streets for 12 hours or more every day in search of fugitives, and between 30 and 35 were caught in each of Albany, Schenectady and Rensselaer counties.

Albany Police Department Deputy Chief S.M. Reilly said 30 arrests were made in his city alone. One of these suspects, who was not identified, was arrested in Arbor Hill on an unspecified date on the strength of seven felony warrants, Reilly said.

Locally, all of these arrests were made without incident, according to the Marshals, but at least two incidents of violent resistance reportedly took place - a suspect found in Georgia was killed during a shootout, while another in an unspecified area fired at authorities but surrendered without causing or sustaining injury.

Marshals said at least one similar sweep will take place each year.

CNY Sweep Nabs 132 Fugitives (SYPS)

By Sue Weibezahl, Staff writer

The Syracuse Post-Standard, November 3, 2006

Federal and local police find suspects in Cayuga, Cortland and four other counties.

The long arm of the law caught up with 132 fugitives who had been hiding out in Central New York, officials said Thursday.

Operation FALCON Federal and Local Cops Organized Nationally used a $10,000 federal grant to pay overtime for troopers, deputies and officers who rounded up the suspects from Oct. 22 to 28, said Deputy Marshal Joseph Ciciarelli, of the U.S. Marshals Service.

More than 200 were on the list, and many were sex offenders, while others were violent felons and gang members, he said. Local suspects who were caught came from Cayuga, Cortland, Madison, Oneida, Onondaga and Oswego counties.

Advertisement

It's hard to breathe a sigh of relief, Ciciarelli said.

"As we get rid of one or two, there's always three or four more 10,733

coming in," he said. "We're always behind the eight ball."

Representatives of the Syracuse Police Department, Onondaga County Sheriff's Office, state police, the Bureau of Alcohol, Tobacco, Firearms and Explosives, and Drug Enforcement Administration spent more than a week researching their targets before the sweep, Ciciarelli said.

"Sometimes, it just comes down to good old-fashioned police work, knocking on doors, talking to people, checking in basements," he said.

U.S. marshals have found fugitives hiding in insulation, rolled up in rugs and inside cabinets, Ciciarelli said. "One of them was taking a shower when we got there," he said.

"These folks can literally find a needle in a haystack," said Syracuse Deputy Police Chief Michael Kerwin.

Charges for those rounded up include rape, robbery and murder and burglary, menacing and drug possession.

The local sweep was part of a seven-day campaign across the country that led to the arrests of 10,733 fugitives, said Glenn Suddaby, U.S. attorney for New York's Northern District.

Ciciarelli said he believes the sweep made an impact.

"At least it made people aware that we're going out there, going after them," he said. "Now that they know it will be harder and harder for them to just disappear, they may think twice."

The first FALCON sweep was in 2005 and resulted in 75 arrests locally. One in April led to the arrests of 123 suspects.

Dragnet Nabs 11,000 (NYDN)

By James Gordon Meek, Daily News Washington Bureau

New York Daily News, November 3, 2006

WASHINGTON - Attorney General Alberto Gonzales yesterday announced a record sweep that netted nearly 11,000 fugitives nationwide - raising eyebrows five days before the election.

Among those rolled up in the past week by federal agents and 1,000 state and local police agencies were 1,659 sex offenders, Gonzales said.

The raids were part of Operation Falcon in 24 states east of the Mississippi River, including 2006 election battlegrounds.

Gonzales said the point was to get "the worst of the worst fugitive felons" and make "America's neighborhoods safer."

There was no political calculation involved, he said.

"You're questioning the timing," Gonzales told reporters. "The Department of Justice played no role in the timing of this program."

In New York, marshals nabbed 85 convicted sex offenders who failed to register under Megan's Law.

On Oct. 23, they picked up accused rapist John Oakey, who was hiding in his family's Bay Ridge, Brooklyn, attic. He was wanted in Ohio on three felony counts for the rape and sodomy of two young girls.

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Also arrested last month was Darnell Nisbett, wanted for a July 2006 revenge slaying in a Bedford-Stuyvesant, Brooklyn, playground that left two bystanders, including a 6-year-old girl, wounded by stray bullets.

Marshals Service Director John Clark said the weather was the main reason for rounding up the fugitives now.

"We wanted to conduct something in the fall, which would be outside the realm of the harsh winter weather," Clark said.

But Democrats and some cops were skeptical, citing security issues dominating the campaigns.

"It seems very suspicious," said Jennifer Palmieri, spokeswoman for the liberal think tank Center for American Progress.

Gonzales, a close friend of President Bush and his ex-White House counsel, has made a point of doing anti-crime events in the battleground states of Pennsylvania, Ohio, Missouri and Virginia since May. He has appeared with endangered Republicans Sen. Rick Santorum (R-Pa.) and Rep. Steve Chabot (R-Ohio) - though he also appeared with New Mexico Gov. Bill Richardson, a Democrat.

With Thomas Zambito in New York

20 Sex Offenders Arrested In Area (Rochester Democrat &)

By Victoria E. Freile

Rochester Democrat & Chronicle, November 3, 2006

Total of 44 held here in national roundup of fugitives

Federal and local police officers arrested thousands of fugitives — including 44 people in the Rochester area — last week in a 24-state operation, according to the U.S. Justice Department.

U.S. Attorney Terrance P. Flynn and John Palillo, chief deputy marshal for the Western District of New York, announced the nationwide arrests of 10,773 felony fugitives — from sex offenders to drug dealers to gang members — at a news conference in the U.S. courthouse in Rochester on Thursday.

The arrests were made Oct. 22 to 28 as part of a roundup called Operation Falcon III.

In the Rochester area, 44 people were arrested, including 20 sex offenders on charges they failed to register, Palillo said. In the Buffalo area, 35 felony fugitives were arrested.

Level 2 sex offender Timothy Grossman, 40, of Rochester — who was wanted by the Rochester Police Department for failing to register as a convicted sex offender — was one arrested as part of the roundup.

Grossman was located in the attic of a duplex on Electric Avenue on Oct. 22.

Authorities said he crawled from his own attic to his neighbor's attic, where officers found him.

He was taken into custody without incident and remained at Monroe County Jail on Thursday in lieu of $7,500 bail.

The effort, led by the U.S. Marshal's Service, "has made our nation's neighborhoods and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members," Attorney General Alberto Gonzales said in a prepared statement.

Rochester Police Officer Robert Jobe said the increased enforcement led to more arrests than he typically would make as the department's sole officer tasked with tracking sex offenders.

"There's no comparison," he said. "I might make one arrest a week."

Of the sex offender arrests in the Rochester area, five were felony arrests and the rest were misdemeanor arrests, Jobe said.

A sex offender who fails to properly register is hit with a misdemeanor for a first offense and a felony for the second.

The arrests were made through use of the Adam Walsh Child Protection and Safety Act passed in July, which makes nonregistration a felony and a federal crime punishable by a prison term of up to 10 years for convicted sex offenders.

Six-year-old Adam Walsh was abducted from a Florida shopping mall and murdered in 1981.

At the same time as the crackdown, local probation and state parole officers also worked to keep a close eye on registered sex offenders on Halloween.

According to state Parole Division spokesman Scott Steinhardt, parole officers conducted 159 home visits of registered sex offenders and there were no curfew violations.

"We're pleased with the fact the (sex offenders) were home," Steinhardt said.

367 People Arrested In N.C. Fugitive Roundup (WRAL)

WRAL-TV, CBS 5, Raleigh, NC, November 3, 2006

RALEIGH, N.C. -- More than 350 people were arrested last week in eastern North Carolina as part of a national roundup of fugitives, making it one of the most comprehensive operations of its kind in the state.

Operation FALCON III, conducted Oct. 22 to Oct. 28, focused heavily on gang-related crime, major felony warrants and unregistered sex offenders.

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Personnel from 21 different law enforcement agencies in eastern North Carolina helped U.S. Marshals arrest 367 people, including 20 convicted sex offenders, and serve 415 warrants.

"(The) national average for a round up of this type is 13 percent," said Tex Lindsey, U.S. Marshal Fugitive Task Force commander for Eastern North Carolina. "And we far exceeded our expectations with an arrest average close to 40 percent."

Nationally, 10,773 fugitives were arrested and 13,333 felony warrants were cleared, including 365 documented gang members and 1,659 sexual offenders, of which 971 were unregistered sex offenders.

Drive Nabs Fugitives In Carolinas (CO)

By Gary L. Wright

The Charlotte Observer, November 3, 2006

Nearly 11,000 fugitives, including 935 in the Carolinas, have been arrested in what federal authorities on Thursday called the nation's largest-ever roundup of sex offenders and gang members.

Operation Falcon III netted 105 fugitives in Mecklenburg and the Western District of North Carolina, including 22 suspected sex offenders.

"This is the largest fugitive apprehension effort in the history of the United States," Patrick Smith, the U.S. marshal for the Western District of North Carolina, told reporters in Charlotte.

U.S. deputy marshals teamed with federal, state and local law enforcement agencies in the Carolinas and 22 other Eastern states from Florida to Maine.

Attorney General Alberto Gonzales called the more than 1,500 sex offenders nabbed the most ever captured in a single law enforcement effort. More than 950 of the sex offenders had failed to register with authorities.

Wilton Richard Bethel, described as one of Mecklenburg's most wanted sex offenders, was arrested in Tennessee, authorities said. They said Bethel had been wanted since June 2005 for failing to register.

Among other fugitives captured were Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was baby-sitting young children when he was arrested, and Demetrius Avery Jackson, accused of killing an Alabama police officer.

The 105 apprehended in the Western District of North Carolina had been charged with everything from assault and fraud to narcotics and weapons violations. Most were captured in Mecklenburg, Gaston and Iredell counties.

Among the Charlotte-area arrests:

· Sammie Lee Washington, who authorities say was arrested in Charlotte on five counts of first-degree sex offense with a victim under 13 and five counts of indecent liberties with a child.

· Michael Ray Goins of Gastonia, who authorities say had been charged with 23 counts of child pornography.

· Bobby Lamar Reep, who authorities said had been wanted since 2002 in Florida for failure to register as a sex offender. Officers captured Reep last week after determining that he was living in Morganton.

Smith praised the weeklong operation's success and what can happen when law enforcement agencies work together.

"When we share information and pool our resources towards a common goal, the results are safer communities," Smith said. "We in law enforcement find it particularly rewarding to arrest and isolate sexual offenders, especially those which target our children."

Two earlier stings -- Falcons I and II -- were held in April over the last two years. In Washington, Gonzales and Marshals Service Director John Clark denied that next week's elections played any part in scheduling the latest crackdown.

"Getting 3,000-plus officers and agents and everybody together to do this just takes a lot of coordination," Clark said, adding he wanted to do the roundup before winter weather hit.

Authorities said some of the fugitives might be charged under the Adam Walsh Child Protection Act, signed by President Bush in July. The law makes it a felony, punishable by up to 10 years in prison, for convicted sex offenders to fail to register.

The law was named for 6-year-old Adam Walsh, who was abducted from a Florida mall and murdered in 1981.

In upstate New York, some fugitives hid in unusual places.

"We grabbed one guy out of the shower," said Joe Ciccarelli, supervisor of the U.S. Marshals fugitive task force in New York's northern district, according to The Associated Press. "We found people hiding in between insulation, rolled up in rugs, inside of cabinets, inside of closets."

Among local law enforcement agencies that participated were the FBI, the Mecklenburg, Gaston and Iredell sheriff's offices, the Charlotte-Mecklenburg, Gastonia and Statesville police departments and the federal Bureau of Alcohol, Tobacco, Firearms and Explosives.

"There are over 10,700 people in jail tonight because of the efforts of the U.S. Marshals Service and about 3,000 law enforcement officers," U.S. Attorney Gretchen Shappert said. "These are dangerous federal and state felons."

How Many Arrests?

DOJ_NMG_0090852

N.C.: 543,
including 61 sex offenders.
S.C.: 392,
including 55 sex offenders.
24-state total: 10,773,
including 1,659 sex offenders.

86 Nabbed In Fugitive Manhunt (GREENREF)

By Corey G. Johnson, The Daily Reflector
Greenville (NC) Reflector, November 3, 2006

Local authorities working with a federal task force arrested 86 Pitt County fugitives as part of a nationwide effort to capture wanted sex offenders and gang members, officials said.

The manhunt, code named Operation Falcon III for Federal And Local Cops Organized Nationally, occurred Oct. 22-28 in 24 states east of the Mississippi River, The Associated Press reported.

The roundup, led by the U.S. Marshals Service, ensnared nearly 11,000 and targeted "the worst of the worst fugitive felons in the country," Attorney General Albert Gonzales said Thursday. Falcons I and II were held in April 2004 and 2005, respectively.

Local participation in the program featured officers with the Greenville Violent Fugitive Task Force working with law enforcement agencies in Pitt, Lenoir and Martin counties to track down tips and leads to pinpoint the location of felons, Detective T.S. O'Neil of the Pitt County Sheriff's Office said.

The task force was organized in July by the U.S. Marshals to lend federal resources to local law enforcement in order to catch fleeing persons accused of murder, kidnapping and other violent crimes.

Since its creation, the group has arrested approximately 40 to 50 violent offenders, said O'Neil.

During Operation Falcon III, 1,000 fugitives were identified within the eastern portion of the state, a U.S. Marshals' news release stated.

Greenville task force members gathered unserved warrants for the targeted offenders and fanned out across the state, knocking on doors and arresting those wanted, O'Neil said.

By the conclusion of the effort, the Greenville task force arrested 86 people, including one in Martin County and four in Lenoir County. They also served 159 warrants and cleared 266 outstanding charges, according to a Sheriff' Office news release.

From Oct. 22-25, the task force booked 37 of those arrested into the Pitt County Detention Center. Booking logs show:

-five were held on theft charges
-four were held on sex charges
-three were held on assault charges
-two were held on weapons charges
-one was held on a traffic violation
-one was held for breaking and entering and animal cruelty

The remaining 49 fugitives were jailed in other counties.

Similar fugitive task force teams in Wilmington, Fayetteville, Raleigh, Greensboro and Asheville arrested 378 people across the state, O'Neil said.

Corey G. Johnson can be reached at cjohnson@coxnc.com or 329-9565.

Massive Sting Targets 'worst Of The Worst' (DURHS)

By Brianne Dopart
Durham (NC) Herald-Sun, November 3, 2006

DURHAM -- Durham was home to the lion's share of arrests in the Middle District of North Carolina during last week's Operation Falcon III, a seven-day sting led by the U.S. Marshals Service in conjunction with local law enforcement.

In the Middle District, some 81 local members of law enforcement were involved, according to U.S. Marshal Richard Carleton Thursday.

The U.S. Marshals Service divides North Carolina into three enforcement districts, each running north to south -- the Eastern District based in Raleigh, the Middle District based in Greensboro and the Western District, based in Asheville.

Operation Falcon III -- Falcon is an acronym for "Federal and Local Cops Organized Nationally" -- was the third stage of a three-year roundup U.S. Attorney General Alberto Gonzales said targeted "the worst of the worst fugitive felons in the country."

Falcon III took place in 47 districts across 24 states east of the Mississippi River.

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In total, law enforcement made 71 arrests in the Middle District, and also cleared 152 warrants. The operation focused on sex offenders and gang members, but resulted in the arrests of several individuals not originally targeted by the operation, Carleton said.

Some 20 local law enforcement officers worked with about eight U.S. marshals in the Middle District and focused on Durham County, Carleton said.

Cpl. Raheem Aleem of the Durham Sheriff's Office Narcotics Unit said U.S. marshals helped Durham law enforcement to find more "elusive" fugitives, including Zacchaeus Keewon Ormond, a Durham teen wanted on a murder charge in High Point.

"They have a means to track these people down that we don't have access to," Aleem said.

Of the 47 districts targeted nationally, the Middle District saw the sixth-highest number of gang arrests -- 11, Carleton said.

Aleem said the gang arrests are part of a trend being observed by the Sheriff's Office which shows a direct parallel between violent crime and gang activity, that is "rapidly changing America's heartland."

Eight members of the Durham Sheriff's Office participated in the roundup, working in collaboration with several more Durham police officers, he added.

The Durham Police Department, an active member of the Middle District's Violent Fugitive Task Force according to Carleton, was responsible for 36 of the arrests made last week, combining for a total of 82 criminal charges.

Across the eastern U.S., nearly 11,000 sex offenders, gang members and other fugitives were arrested. One of those arrested was Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was babysitting several young children when arrested on Oct. 24.

Also nabbed were Demetrius Avery Jackson, an accused cop killer in Birmingham, Ala., and Eric Dewayne Meneese, a Crips gang member, in Nashville, Tenn.

The weeklong sting led to the shooting death of a Georgia fugitive who was killed by authorities as he came out of his house, officials said. Additionally, the neighbor of a fugitive in Florida fired at -- but missed -- police approaching her home. Both incidents are under investigation, said John F. Clark, U.S. Marshals director.

"America's neighborhoods are safer today, thanks to Operation Falcon III," Attorney General Gonzales said Thursday.

Two earlier stages of the sting -- Falcons I and II -- were held in April over the last two years. Gonzales and Clark denied that next week's elections played any part in scheduling the latest crackdown.

"I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," Clark said, adding that he wanted to do the roundup in the fall -- before the winter weather hit.

In all, Gonzales said officials caught 10,773 fugitives -- including 1,659 sex offenders, 364 gang members and thousands of others on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were seized.

Those totals represent a fraction of doors knocked on, liquor store drive-bys, construction site surveillances and tips chased down by agents during the weeklong sweep. Finding the fugitives -- even at their homes in the early-morning hours -- proved to be a hit-or-miss mission for the federal, state and local authorities.

A six-hour sting in Washington, D.C., just over a week ago, for example, netted none of the accused drug dealers sought by a team of seven agents from the U.S. Marshals, Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Immigration and Customs Enforcement, State Department and the city's Metropolitan Police Department.

"He was there a week or so ago," muttered Marshals Inspector Robert Hoffmaster, after a pre-daybreak search of a house for an accused drug dealer.

In upstate New York, some fugitives tried to hide in unusual places.

"We grabbed one guy out of the shower," said Joe Ciccarelli, supervisor of the U.S. Marshals fugitive task force in New York's northern district. "We found people hiding in between insulation, rolled up in rugs, inside of cabinets, inside of closets that a person shouldn't be able to fit in, but they end up fitting in and we have had to call the fire department to get them out."

Of the sex offenders nabbed, 971 had failed to register with authorities as required by law -- what Gonzales called the largest number ever captured in a single law enforcement effort.

Gonzales said prosecutors likely would seek to charge some of them under the 2006 Adam Walsh Act. That law, approved by Congress last summer, created federal penalties for sex offenders who fail register with communities.

The law was named for 6-year-old Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981.

Falcon III showed the marshals "have proven their extraordinary ability to quickly capture thousands of sexual predators," said Ernie Allen, president of the National Center for Missing & Exploited Children.

Normally, the marshals regional task forces round up about 1,000 fugitives each week, officials said. An estimated 1 million fugitives are on the loose nationwide.

-- The Associated Press contributed to this report.

DOJ_NMG_0090854

Dozens Of Accused Sex Offenders Arrested (WCNC)

By Glenn Counts

WCNC-TV, NBC 6, Charlotte, NC, November 3, 2006

A mission called "Operation Falcon" involved the arrest of dozens of alleged sex offenders, and some of the suspects live in Charlotte.

For the past couple of weeks US marshals have been targeting gang members and child sex offenders. Michael Goins from Gastonia and Sammie Lee Washington from Charlotte are just two of the more than 100 suspects that were rounded up from our area. They were arrested on numerous sex charges involving children.

For the past couple of weeks marshals and many other agencies fanned out across the area and the eastern seaboard looking for suspects. At an afternoon news conference Thursday, US Attorney Gretchen Shappert talked about Operation Falcon III and how it will make our streets safer.

“Let me emphasize, this is not low hanging fruit. This is not people on speeding tickets or traffic tickets,” she said. “These are serious federal and state criminals charged with major offenses. Murder, robberies, gang related offenses, particularly sex related offenses pertaining to children.”

Nationally more than 10,000 fugitives were arrested including 400 from north Carolina. Some of them could be punished under the Adam Walsh child protection act, which makes it a felony for sex offenders who fail to register and travel across state lines. It carries a maximum 10 year sentence in a federal prison.

77 Central Ohio Fugitives Pulled In (COLDIS)

By John Futty, The Columbus Dispatch

Columbus (OH) Dispatch, November 3, 2006

U.S. Marshals Service, local authorities sweep up 10,773 ‘worst of the worst’

A 64-year-old man wanted for three counts of rape and various crimes against minors was among 77 fugitives from central Ohio arrested last week during a roundup by federal and local agents.

Members of a task force dubbed Operation Falcon III found Clarence R. Harris in Martins Ferry. He was being held in Belmont County awaiting a transfer to Franklin County, where he was indicted.

Law-enforcement officials said Harris was an example of the fugitive sex offenders targeted in the sweep, which netted 10,773 felony arrests in the eastern half of the United States from Oct. 22 through Saturday.

It was the third time since April 2005 that the U.S. Marshals Service has teamed with local law-enforcement agencies under the Operation Falcon banner to target what agents call "the worst of the worst" fugitives.

"The marshals office is relatively small," said Thomas McCombs, chief deputy marshal for the Southern District of Ohio. "We can't do it ourselves. If we combine in a task force operation, we can see the results."

Nationally, the fugitives rounded up included 1,659 sex offenders and 364 documented gang members, the Justice Department reported.

For the first time, the task force sought those in violation of the Adam Walsh Child Protection Act, signed by President Bush in July. The act makes it a federal crime, punishable by up to 10 years in prison, for convicted sex offenders to fail to register or update their registration.

The 77 arrests of central Ohio fugitives included one for a sex-offender registration violation and at least three for sex offenses against children. Drug offenses were the most common charges.

In addition to rape charges, Clarence Harris was wanted for one count of gross sexual imposition of a minor, one count of distributing harmful materials to a minor and one count of pandering obscenity to a minor.

State Highway Patrol troopers and deputy sheriffs assisted in the arrest of William Anderson Maley in Peebles, Ohio, on 20 felony charges out of Franklin County for pandering obscenity involving a minor. Troopers said Maley threatened to kill himself with a shotgun when approached by officers, but he was persuaded to put the gun down.

The Franklin County sheriff's office has a 16-member warrants and extradition unit, but Chief Deputy Steve Martin said smaller agencies have limited resources for pursuing fugitives.

"We can combine all our resources for a week and really hit it hard," he said. "Cooperation among agencies is becoming more and more common. That's the way it should be. It's what taxpayers expect. We're all working toward the same goal."

Sweep Nabs 584 In Region (ABJ)

By Carl Chancellor

Akron Beacon Journal, November 3, 2006

DOJ_NMG_0090855

During the last week of October, U.S. Marshals worked with federal, state and local police agencies in a multistate effort to round up thousands of felony fugitives resulting in nearly 11,000 arrests.

News of the massive police action, code-named Operation Falcon III, was made public Thursday in coordinated news conferences held across the country and at the Oliver Ocasek government building in Akron.

``We took some meat-eaters -- some real serious predators -- off the streets," said Summit County Sheriff Drew Alexander, who was one of the 20 law enforcement officials representing as many departments.

In Northeast Ohio, 584 arrests were made during a six-day period from Oct. 22 through Oct. 28. Included in that number were 59 sex offenders and 18 gang members.

Akron Police Chief Michael Matulavich said the Akron prong of Operation Falcon III, which focused on neighborhoods with recent incidents of gun violence, resulted in the arrest of nine wanted felons and the seizure of two semiautomatic handguns and one fully-loaded semiautomatic machine gun.

``You have to wonder what he was going to do with that," Matulavich said of the machine gun.

Alexander credited the joint task force operation for the apprehension of ``one of Summit County's most-wanted sex offenders."

The sheriff said John R. Coffe,

64, who has an extensive arrest record that includes a conviction for sexual battery, was wanted most recently for failing to register as a sex offender.

``These types of joint efforts bring more resources to bear on getting known criminals off the street," Alexander said.

Apprehending violent sexual offenders and gang members was the focus of Operation Falcon III, U.S. Attorney General Alberto Gonzales said at a news conference Thursday in Washington, D.C.

Gonzales said the roundup was carried out in 24 states east of the Mississippi River.

Two earlier stings -- Falcons I and II -- were held in April this year and last.

Gonzales and U.S. Marshals Service Director John Clark said the elections next week played no part in scheduling the latest crackdown.

``I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," said Clark, adding that he wanted to do the roundup in the fall -- before the winter weather hit.

In all, Gonzales said officials caught 10,733 fugitives -- including 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were seized.

Those totals represent a fraction of doors knocked on, liquor store and construction site surveillances and tips chased down by agents during the weeklong sweep. Finding the fugitives -- even at their homes in the early morning hours -- proved to be a hit-or-miss matter.

A six-hour sting in Washington a week earlier, for example, netted none of the accused drug dealers sought by a team of seven agents.

Of the sex offenders nabbed, 971 had failed to register with authorities as required by law -- what Gonzales called the largest number ever captured in a single law enforcement effort.

Gonzales said prosecutors likely would seek to charge some of them under the 2006 Adam Walsh Act. That law, approved by Congress this summer, created federal penalties for sex offenders who fail to register with communities.

The law was named for 6-year-old Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981.

Normally, the Marshals' regional task forces round up about 1,000 fugitives each week, officials said. An estimated 1 million fugitives are on the loose nationwide.

Butler Fugitive Caught In Sweep (HAMJN)

By Mary Lolli, Staff Writer

Hamilton (OH) Journal-News, November 3, 2006

HAMILTON — One of Butler County's "Most Wanted" fugitives was among thousands nabbed by federal authorities during a weeklong dragnet that concluded Oct. 28.

The U.S. Marshals' office on Thursday released details of the round-up that blanketed the eastern half of the country, but also resulted in the arrest of a local convicted child rapist in Texas.

Frederick Gholston, labeled a sexual predator in 1998 after his conviction on charges of forcible rape and gross sexual imposition involving a minor, was arrested at the Pilgrim's Pride Chicken Packaging Plant in Tyler, Texas, on an escape warrant issued by the Butler County Sheriff's Office in September after Gholston failed to register his address with authorities.

Sheriff's Sgt. Monte Mayer said Gholston had been on the sheriff's "Most Wanted" list.

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Federal officials said Gholston is being held in Texas and awaiting extradition to Ohio where he may be facing additional federal charges.

Gholston was one of nearly 11,000 fugitives arrested during Operation FALCON III — Federal And Local Cops Organized Nationally.

In the operation, deputy U.S. Marshals teamed up with state local and other federal agents in what officials said was the largest fugitive sweep ever focusing on violent sex offenders.

The sweep resulted in 10,773 arrests — including 1,659 sex offenders and 364 documented gang members. In addition, the sweep cleared 13,333 outstanding warrants, including 140 homicide warrants and 3,609 narcotices/organized crime warrants, according to James. M. Wahlrab, U.S. Marshal for the Southern District of Ohio.

Four deputies from the Butler County Sheriff's Office were assigned to special detail assisting in the round-up which resulted in the arrests of 20 fugitives found living within the county.

Dragnet Snares 108 Fugitives In Valley (DAYDN)

By Rob Modic, Staff Writer

Dayton (OH) Daily News, November 3, 2006

Area child-sex fugitive caught in federal dragnet

DAYTON — Deputy U.S. marshals led other law enforcement agencies across half the states in the country, all this side of the Mississippi, last week rounding up almost 11,000 fugitives including 108 in the Miami Valley region.

Among those was Robert Farris on Jasper Road in Greene County, where task force officers forced open a door and had to Taser an aggressive dog before they took Farris into custody for multiple counts of sex crimes against children, according to James M. Wahlrab, U.S. Marshal for the Southern District of Ohio.

Farris lives next door to a day care center, according to the U.S. Marshals Service.

Marshals and other officers assigned by local jurisdictions were tasked in teams of seven or eight officers to seek out each fugitive, Wahlrab said.

Code-named Operation FALCON III (Federal and Local Cops Organized Nationally), the organized effort this time targeted sex offenders and gang members in 24 states and netted 1,659 sex offenders and 364 gang members.

Gregory G. Lockhart, U.S. Attorney for the Southern District of Ohio, said the operation was sending the message, "We will find you; we will track you down."

Attorney General Alberto Gonzales said in a prepared statement that the sweep "has made our nation's neighborhood and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members."

In the Miami Valley, about 40 to 50 law enforcement officers each day were assigned to hunt fugitives, Wahlrab said.

The Oct. 22-28 roundup snared more fugitives than similar operations in April 2005 and April 2006, the Justice Department said.

The most recent dragnet was boosted by the 2006 Adam Walsh Act, approved by Congress last summer, which created stricter requirements for sex offenders to register with communities. Six-year-old Adam Walsh was abducted from a Florida shopping mall and murdered in 1981.

More Than 25 Arrested In Stark In A Nationwide Fugitive Round-up (CANTREP)

By Lori Monsewicz, REPOSITORY STAFF WRITER

Canton (OH) Repository, November 3, 2006

AKRON Federal, state and local officers arrested 25 people in Stark County on general felony warrants last week as part of Operation Falcon III, a national fugitive round-up.

“This was a great cooperative effort ....more productive than such an operation in any other region in the country,” said Canton Police Chief Dean McKimm.

McKimm was among the more than 50 police chiefs, sheriff’s deputies, task force officers and other law enforcement officers who gathered for an afternoon press conference in Akron that was hosted by the U.S. Marshals Service, which spearheaded the cooperative effort.

Cathy Jones, assistant chief deputy marshal, said the most notable Stark County arrest last week was the arrest of double homicide suspect, Edward Lee Lang III. The 19-year-old was charged with two counts of aggravated murder in connection with the execution-style deaths of a couple in what police called “a drug deal-robbery gone awry.”

Lang’s arrest was among the 10,773 felony fugitive arrests nationwide resulting from Operation Falcon, Jones said.

Reach Repository writer Lori Monsewicz at (330) 580-8309 or e-mail: lori.monsewicz@cantonrep.com

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Operation Falcon Snares Felons In Sweep (SPRINGNS)

Springfield (OH) News-Sun, November 3, 2006

Local officers arrest 34 of the nearly 11,000 fugitives arrested in the 24-state operation.

They began at 6 a.m. Oct. 22 — 51 law enforcement officers ready to serve warrants as part of Operation Falcon.

By the time they were done, Clark County Sheriff Gene Kelly said, 34 people were arrested locally, one runaway child was found and stolen property was recovered.

The locals were part of a 24-state operation last week that netted almost 11,000 fugitives, the Justice Department announced Thursday. That included about 260 in Ohio.

One fugitive was hiding in the attic of a Springfield home and another near Dayton was found in a closet with a handgun and a pit bull.

Among the fugitives caught nationally were 1,659 sex offenders — including 971 who failed to register with authorities as required by law — in what the government called the largest number ever captured in a single law enforcement effort.

Local offenses ranged from criminal trespassing and soliciting to complicity to robbery and felony robbery.

The sweep, led by the U.S. Marshals Service, "has made our nation's neighborhoods and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members," Attorney General Alberto Gonzales said in a prepared statement.

The Oct. 22-28 roundup was code-named Operation Falcon III. It snared more fugitives than similar operations in April 2005 and April 2006, the Justice Department said.

Two earlier stings — Falcons I and II — were held in April over the last two years. Gonzales and Clark denied that next week's elections played any part in scheduling the latest crackdown.

"I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," Clark said, adding that he wanted to do the roundup in the fall — before the winter weather hit.

Fugitive Roundup Nets 83 (CINE)

By Dan Horn, Enquirer Staff Writer

The Cincinnati Enquirer, November 3, 2006

U.S. marshals enlist local officers in sweep

Dozens of accused sex offenders and gang members in Greater Cincinnati are in jail today after one of the largest nationwide roundups of fugitives in history.

Law enforcement officers from across the region announced the arrests Thursday as part of a U.S. Marshals Service operation that caught 10,773 felony fugitives in at least 26 states.

The operation, which took place Oct. 22-28, resulted in the arrest of 83 fugitives in Greater Cincinnati.

The Marshals Service has conducted similar operations in the past - most recently last year - as a way to focus local and federal law enforcement agencies on tracking down fugitives.

More than 50 local officers were temporarily deputized by the Marshals Service so they could cross jurisdictional boundaries to pursue fugitives, something they ordinarily cannot do.

"The citizens of our community are safer at this point because of the number of people taken off the street," said Chris Riley, supervising deputy of the Marshals Service in Cincinnati.

Riley said the focus on fugitives allows the officers to follow tips and other information that they otherwise might not pursue because of jurisdictional problems or other responsibilities.

"Criminals are becoming more and more mobile," said Major Dale Menkhaus of the Hamilton County Sheriff's Office. "Everyone is frustrated by jurisdictional boundaries."

The Marshals Service focused on violent gang members and sex offenders. Sheriffs' departments, Cincinnati police and other local and federal agencies participated in the sweep.

Many of the fugitives are charged with violating a new federal law, the Adam Walsh Act, which makes it a felony for paroled sex offenders to flee states that require them to register their names with authorities.

Fourteen accused sex offenders were arrested in Greater Cincinnati.

Those arrested last week include Rayshane Fears, who was wanted by Springfield Township police. He is accused of shooting a man while attempting to rob him in July. He was arrested in Newport.

Another, Fredrick Gholston, has been wanted for a parole violation in Butler County since 2002. Authorities say he is a sexual predator who abused a child in 1998. Police tracked him down last week in Texas.

Hundreds Of Area Fugitives Arrested In Nationwide Bust (WEWS)

DOJ_NMG_0090858

WEWS-TV, IBS 5, Cleveland, OH, November 3, 2006

Authorities Round Up 584 Fugitives In Sex, Gang-Related Offenses

AKRON, Ohio -- A nationwide sting operation involving several law enforcement agencies yielded the largest fugitive sex offender bust ever.

Almost 11,000 were arrested, including more than 1,600 unregistered sex offenders and 360 gang members.

Many of those arrested are from northern Ohio, where authorities targeted 10 counties, reported NewsChannel5's Jonathan Costen.

The fugitive roundup was conducted by deputy U.S. marshals along with other federal, state and local law enforcement agents. The program is named Operation FALCON III, an acronym for Federal and Local Cops Organized Nationally.

In northern Ohio, authorities obtained 894 warrants in connection with sex and gang-related offenses, making 584 fugitive arrests and seizing nine firearms.

Akron Detective Bertina King assisted In FALCON III, helping police in Shreve catch alleged sexual predators over the Internet.

She said working on Akron's task force for the past two years has been challenging.

"It's very intense because when you go to the house, you never know who's inside, how cooperative they're going to be," she said.

In a Thursday news conference, the organizers of the operation talked about the success of FALCON III.

"We continue to be one of the leading task forces in the nation our success is built on our local and federal partners," said Ohio U.S. Marshal Peter Elliott.

But officials said there's no room for complacency, and there are plenty of suspects walking freely on the streets.

"Yes, we have two individuals we want to have profiled: Bruce Klingsgale and Jack Manigold, two very dangerous individuals known to carry a lot of weapons, both are being sought in Mahoning County, Ohio," said the task force's Dean Michael.

More Than 100 Rounded Up In Federal Operation (WHIO)

WHIO-TV, Channel 7, Dayton, OH, November 3, 2006

DAYTON, Ohio -- Authorities said more than 100 wanted, suspected criminals are off the streets of the Miami Valley.

Investigators said they were arrested during the U.S. Marshals' Operation FALCON 3. For one week, law enforcement agencies teamed up to track down the area's most wanted suspects.

On Thursday, they held a news conference about the operation's success.

A Springfield woman was one of the dozens of people arrested during the operation.

Armed officers surrounded homes and came out with people in handcuffs. That was a common site all across the Miami Valley last week.

Federal authorities said a total of 107 people were arrested, while 174 active warrants were cleared.

U.S. marshals who work in the Dayton area teamed up with dozens of surrounding cities and counties to capture fugitives.

Authorities targeted sex offenders and gang members during the operation. They took into custody anyone they considered to be a most wanted suspect by local police agencies.

This was the third year in a row that all of the agencies joined forces.

120 Fugitives Rounded Up In Region (PPG)

By Torsten Ove, Pittsburgh Post-Gazette

Pittsburgh Post-Gazette, November 3, 2006

One hundred twenty fugitives were rounded up in Western Pennsylvania during the past week during a nationwide dragnet for sex offenders, gang members and others.

State, local and federal officials announced today in Pittsburgh that 350 officers and federal marshals took part in the roundup in 14 counties.

Of the 140 arrests in the region, 120 were wanted on felony warrants, including 12 sex offenders such as Megan's Law violators.

A gang member from New Jersey wanted for homicide was also snared.

Nationwide, nearly 11,000 were apprehended in what the Justice Department called an effort against the "worst of the worst."

Among those arrested was Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was baby-sitting several young children when he was arrested.

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Also nabbed were Demetrius Avery Jackson, an accused cop killer in Birmingham, Ala.

Fugitives Flagged Here (PHI)

By Michael Hinkelman

The Philadelphia Inquirer, November 3, 2006

William Knight had been arrested in December 2000 on charges of sexual assault, corruption of minors and indecent exposure.

His trial was supposed to start in March 2002, but Knight, 24, skipped the proceeding.

Last month, the law caught up with him when he was arrested at a home on Melville Street near Walnut.

He was one of 194 local fugitives snared in Operation Falcon III, a nationwide roundup of fugitives from Oct. 22-28 coordinated by the U.S. Marshals Service.

In addition to the fugitives arrested in the Philadelphia region, marshals also announced yesterday that 55 other cases had been closed. Philadelphia figured in more than 80 percent of all fugitives apprehended and cases closed in the region.

Among those apprehended were 101 sex offenders, 73 of whom were not registered with the appropriate authorities.

U.S. Marshal Gary Shovlin said 80 drug cases and two homicides in the region also were closed.

Overall, the number of unregistered sex offenders rounded up here represented the second-highest total in the country, he said.

In addition to Philadelphia, fugitive roundups occurred in Allentown, Reading and Lancaster.

Authorities said communities were safer as a result of Operation Falcon III.

"Taking these people off the street has made our city safer for children and some of our most vulnerable citizens," said James Carpenter, assistant chief of the Family Violence and Sexual Assault unit of the Philadelphia district attorney's office.

The roundup was a continuation of "Operation Falcon," which began last year. That nationwide effort targeted mainly violent fugitives.

This year, the marshals did two roundups, one in the western states in June and the other last month in the 49 judicial districts east of the Mississippi River, targeting sex offenders and gang members.

U.S. Attorney General Alberto R. Gonzales said yesterday the latest roundup resulted in the arrests nationwide of 10,733 fugitives, 1,600 sex offenders, most unregistered, and 360 gang members.

Nobody was hurt during the roundup here, he said.

The task force typically has 10-12 officers on the streets every day looking for fugitives.

Authorities said the fugitive roundup here also netted 1,775 grams of pot, an ounce of cocaine, 119 ecstasy pills, three assault rifles, six semiautomatic handguns and $42,000 in cash.

Sweep Rounds Up Crime Suspects In Area (PAPN)

By Carrie Cassidy, Of The Patriot-news

Harrisburg Patriot-News (PA), November 3, 2006

Eastern U.S. operation focused on sex offenses

While children were slipping into Halloween costumes last week, convicted sex offender John R. Spangler was trying to find out various municipalities' trick-or-treat times, authorities said.

When the West Hanover Twp. man walked into a television news station asking about trick-or-treat times, it aroused the suspicion of some employees, who wrote down his vehicle's license plate number and called police.

Spangler, 75, turned out to be wanted for failure to register with police as required by Megan's Law, authorities said -- and he was one of 10,773 fugitives arrested in what federal authorities dubbed a "historic" multistate sweep of criminals on the run.

Operation Falcon III involved 3,000 federal, state and local authorities. Among people rounded up in the weeklong sting were 1,659 sex offenders, 364 alleged gang members and thousands of others wanted on burglary, carjacking, kidnapping, robbery and weapons charges. More than 230 weapons were seized.

In the U.S. Middle District, which covers the midstate, the arrests included 13 suspected sex offenders, three alleged gang members and dozens of people wanted on drug, assault and other charges.

The roundup in Pennsylvania and 23 other states east of the Mississippi River targeted "the worst of the worst fugitive felons in the country," Attorney General Alberto Gonzales said yesterday at a Washington news conference. "America's neighborhoods are safer today thanks to Operation Falcon III."

Operations Falcon I and II were held in April in other parts of the country during the past two years. This year's operation focused on child molesters, said Michael Regan, marshal for the Middle District.

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Regan said it comes on the heels of the 2006 Adam Walsh Act, which was approved by U.S. Congress this summer. The law created federal penalties for sex offenders who fail to register with communities. It was named for Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981 when he was 6.

While sex-offender suspects were the main focus, Dauphin County Sheriff Deputy Kevin Martin said they took a few other bad guys off the streets, including some they weren't looking for.

While searching for a man wanted for robbery, officers found a member of the Latin Kings gang, Angel Morales, 32, Martin said.

Martin said Morales was found in a Market Street boarding house with 42 bundles of suspected heroin marked "Bee Happy," along with scales, a rifle, a pistol and an ounce of cocaine.

Getting criminals off the streets is the reason he volunteered for the operation, Martin said.

"I like the work. It's interesting. It takes you all over the place," Martin said. "But the best part is getting these guys off the streets, keeping our communities safe."

The Associated Press contributed to this report. CARRIE CASSIDY: 255-8244 or ccassidy@patriot-news.com

Hundreds Of Fugitives Rounded Up In R.I., Mass. (WJAR)

WJAR-TV, NBC 10, Providence, RI, November 3, 2006

Marshals Service Announces Results Of Sting Operation

PROVIDENCE -- Nearly 11,000 sex offenders, gang members and other fugitives were swept up in what the U.S. Justice Department on Thursday called a sting targeting the "worst of the worst" criminals on the run.

NBC 10's Larry Estepa reported that last week's roundup, led by the U.S. Marshals Service, resulted in the capture of 81 fugitives in Rhode Island, including arrests in a first-degree sexual assault case and a sealed indictment in a murder case.

In Massachusetts, agents made 433 arrests, which included 67 sex offenders.

The weeklong sting in 24 states east of the Mississippi River, code-named Operation Falcon III, targeted "the worst of the worst fugitive felons in the country," Attorney General Alberto Gonzales said at a Washington news conference.

"America's neighborhoods are safer today, thanks to Operation Falcon III," Gonzales said.

Falcon stands for Federal And Local Cops Organized Nationally. Officials said cooperation, not competition, among law enforcement agencies made it work.

"It's been extremely successful. They've arrested thousands of people and brought them to justice. It's had a huge impact because we knock down the barriers of turf wars and jurisdiction," Col. Steven Pare of the Rhode Island State Police said.

Two earlier stings -- Falcons I and II -- were held in April over the last two years. Gonzales and Clark denied that next week's elections played any part in scheduling the latest crackdown.

"I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," Clark said, adding that he wanted to do the roundup in the fall, before the winter weather hit.

In all, Gonzales said officials caught 10,733 fugitives -- including 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were seized.

Those totals represent a fraction of doors knocked on, liquor store drive-bys, construction site surveillances and tips chased down by agents during the weeklong sweep. Finding the fugitives -- even at their homes in the early-morning hours -- proved to be a hit-or-miss mission for the federal, state and local authorities.

A six-hour sting in Washington, D.C., last Thursday morning, for example, netted none of the accused drug dealers sought by a team of seven agents from the U.S. Marshals, Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Immigration and Customs Enforcement, State Department and the city's Metropolitan Police Department.

"He was there a week or so ago," muttered Marshals Inspector Robert Hoffmaster, after a pre-daybreak search of a house for an accused drug dealer.

In upstate New York, some fugitives tried to hide in unusual places.

"We grabbed one guy out of the shower," said Joe Ciccarelli, supervisor of the U.S. Marshals fugitive task force in New York's northern district. "We found people hiding in between insulation, rolled up in rugs, inside of cabinets, inside of closets that a person shouldn't be able to fit in, but they end up fitting in and we have had to call the fire department to get them out."

Of the sex offenders nabbed, 971 had failed to register with authorities as required by law -- what Gonzales called the largest number ever captured in a single law enforcement effort.

Gonzales said prosecutors likely would seek to charge some of them under the 2006 Adam Walsh Act. That law, approved by Congress last summer, created federal penalties for sex offenders who fail register with communities.

The law was named for six-year-old Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981.

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Falcon III showed the Marshals "have proven their extraordinary ability to quickly capture thousands of sexual predators," said Ernie Allen, president of the National Center for Missing & Exploited Children.

Normally, the Marshals regional task forces round up about 1,000 fugitives each week, officials said. An estimated 1 million fugitives are on the loose nationwide.

Nationwide Sweep Nabs Nearly 400 SC Fugitives (WSPA)

WSPA-TV, News Channel 7, Spartanburg, SC, November 3, 2006

State and federal police announced Thursday that they've completed the largest roundup ever focused on violent sex offenders and gang members. It was called Operation FALCON III, and 10,773 fugitives were arrested nationwide.

FALCON is short for Federal And Local Cops Organized Nationally. This particular operation covered the eastern half of the country from October 22 through the 28th.

Here in South Carolina, marshals and local police arrested 392 wanted felons, including 51 sex offenders.

U.S. Attorney for South Carolina Reginald Lloyd says the streets are safer tonight because of the roundup. "They're not just bringing those individuals to justice. They are, in my opinion, absolutely preventing future crimes and future victims," he says.

Johnny Mack Brown, U.S. Marshal for South Carolina, says fugitives are dangerous already because they've already eluded police, but there's more. "I have found out that all these people who commit crimes and get out on bond or are fugitives, they don't quit just because they're a fugitive or they've got a warrant for them. They continue to do their trade, and that is sell drugs, buy guns, rob people and those kind of things," he says.

--971 Unregistered sex offenders arrested
--364 Documented gang members arrested
--140 Homicide warrants cleared
--3,609 Narcotics warrants cleared
--292 Firearms seized

The focus of this operation was on sex offenders after President Bush in July signed the Adam Walsh Child Protection and Safety Act. It makes it a federal felony, punishable by up to ten years in prison, for convicted sex offenders to fail to register and then travel in interstate or foreign commerce.

Mark Lunsford, who's daughter Jessica was kidnapped and murdered last year by a sex offender, says, "The message being sent to the sex offenders is, we've had enough. We're not taking no more from you. We're looking for you. We're turning the tables. Instead of you stalking our kids, we're stalking you. We're going to be a predator's worst nightmare instead of them being a parent's worst nightmare."

Operation FALCON Sweeps ET Snatching 284 Fugitives In Net (KNOXNS)

By Jamie Satterfield

Knoxville News Sentinel (TN), November 3, 2006

Mission has moments of drama, ironic twists

Sure, capturing those 284 fugitives was sweet, but rescuing a toddler?

For Chief Deputy U.S. Marshal Ron Gibbs, it doesn't get much sweeter than that.

"His biological mother had abducted him and brought him to East Tennessee," Gibbs said of the 19-month-old child rescued during what was a secret nationwide hunt for fugitives unveiled Thursday.

Florida authorities had put out an alert for the child. Texas authorities got a tip that the child was in East Tennessee. The Smoky Mountains Federal Fugitive Task Force was asked to add the case to its Operation FALCON III list. On Oct. 24 - two days into the fugitive roundup - the task force agents found the child in Sneedville, Tenn.

The toddler's rescue was just one highlight of a fugitive hunt organized and led by the U.S. Marshals Service, involving cases in 25 states including Tennessee. Nationally, the six-day operation netted the arrest of 10,773 felony fugitives.

Locally, Gibbs said the task force, made up of deputy U.S. Marshals and local law enforcement partners, nabbed 284 fugitives in 41 counties in its East Tennessee district.

Operation FALCON, an acronym for Federal and Local Cops Organized Nationally, involves a periodic sweep of the wanted by the U.S. Marshals Service in partnership with other federal, state and local law enforcement officers.

The Marshals Service itself has long been recognized as the nation's most elite fugitive hunting force.

Gibbs said that the recent fugitive sweep specifically targeted sex offenders who had failed to register with the appropriate authorities and came on the heels of the enactment of the Adam Walsh Child Protection Act.

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Named for the slain son of "America's Most Wanted" television program founder John Walsh, the law has several provisions designed to protect children. Chief among those provisions is a section that makes it a federal crime for a sex offender who travels from one state or country to another to fail to register as required by law.

The Marshals Service has been tasked with hunting down violators of the law, passed in July.

"We have been tasked as the agency to track down fugitives who have failed to register," Gibbs said. "I know our headquarters is working on getting more staffing to enforce the act and track down these fugitives."

Of the 284 fugitives nabbed by the Smoky Mountains task force during Operation FALCON III, 65 were sex offenders and 47 of those were specifically accused of failing to properly register.

The task force also nabbed fugitives wanted in violent crime cases ranging from assault to murder, drug suspects and gang members.

Tough offenders, tough arrests, to be sure, but not every hunt was serious. Just ask Deputy U.S. Marshal Richie Bradley, who recounted the nabbing of a fugitive at a Knoxville bowling alley.

As the task force walked in - decked out in full fugitive-finding gear - a bowling tournament was about to begin and the "Star Spangled Banner" was played.

The task force agents removed their hats, put their hands over their hearts and sang.

"Then we arrested the guy," Bradley said.

Jamie Satterfield may be reached at 865-342-6308.

163 Fugitives Here Caught In Operation Falcon (CHATT)

Chattanooga (TN) Chattanoogan, November 3, 2006

There were 163 fugitives in Chattanooga and Hamilton County caught in the nationwide "Operation Falcon" net, officials said at a Thursday afternoon press conference.

Those included Tommie "Wild Thing" Loyons, identified as a member of the Vice Lords gang, and Donald Yardley, sought for failing to register as a sex offender.

The campaign was mainly against sex offenders and gang members, but spread to include other wanted criminals, Federal Marshals Service Director John Clark said.

A number of local law enforcement agencies took part.

Lyons was wanted for firing at a car occupied by four people on Sept. 30. He was also wanted for failing to appear to answer a vandalism charge.

Yardley was convicted in Kansas in 1986 of sodomy against a child, communicating threats to a witness, and assault and battery.

A warrant for his arrest for failing to register as a sex offender was issued in early October.

Officials said, "The arrest of this sexual predator makes Chattanooga a safer place to live."

U.S. Attorney General Alberto Gonzales and U.S. Marshals Service (USMS) Director John F. Clark said the operation nationwide led to the arrest of 1,659 sex offenders.

Senate Majority Leader Bill Frist said, “I applaud the U.S. Marshals Service and all federal, state, and local law enforcement agencies that contributed to capturing these dangerous criminals. Sexual predators are an insidious threat to our nation’s children, and thanks to this historic effort thousands of them will be taken off the streets. Creating a national sex offender registry and focusing federal resources toward capturing sexual predators sends a clear message to these criminals that you can run but you can’t hide.”

Officials said Operation FALCON III produced the largest number of captured offenders ever in a single law enforcement effort. The operation was conducted in 24 states east of the Mississippi River, in the District of Columbia and in Puerto Rico and led to the arrests of 10,733 fugitives.

Deputy Marshals joined thousands of officers, deputies, troopers, agents and investigators from other federal, state and local agencies to conduct the operation which ran all last week.

Those targeted for arrest included fugitives wanted for committing sexual offenses, homicide, kidnapping, robbery, burglary, carjacking, weapons offenses and major narcotics distribution.

The operation received support from the Adam Walsh Child Protection and Safety Act, sponsored by Sen. Frist and named after the murdered son of “America’s Most Wanted” host John Walsh. The new law creates a national sex offender registry and directs federal resources to rounding up sexual predators, helping state and local governments catch convicted individuals who failed to register in communities where they live.

Of the 1,659 fugitive sex offenders apprehended, 971 were wanted on charges of failing to register as a sex offender. One such arrest took place on Oct. 24, 2006, when investigators arrested Allen Marksberry in Rickman, Tn. Marksberry was an

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unregistered sex offender, stemming from a 1996 conviction of sexual assault of a child who was under eight years old. Marksberry is now in custody facing additional charges.

260-plus Nabbed In Shelby County (MCA)

By Chris Conley

Memphis Commercial Appeal, November 3, 2006

Police hit the jackpot when they chased Roderick Thomas into his house to arrest him for violating probation.

They found evidence of identity theft, vehicle ID fraud and counterfeit money. Elsewhere on the Barnes Court property in South Memphis they found a chop shop with stolen vehicles and parts. Thomas now faces charges of altering vehicle ID numbers, theft over $10,000, identity theft and forgery.

Thomas was one of more than 350 people arrested last week in West Tennessee on warrants in a nationwide sweep under the auspices of the U.S. Marshal Service called Operation Falcon III.

More than 260 came in Shelby County. In West Tennessee, more than 100 suspected sex offenders were arrested.

"Any time you can lock up 262 suspects -- sex offenders, gang members -- it's a good day," Memphis Police Director Larry Godwin said during a news conference Thursday.

"We always have room for one more," joked Shelby County Sheriff Mark Luttrell.

Nationally, 10,773 people were arrested, including 1,659 sex offenders and 364 documented gang members.

Included was Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was baby-sitting several young children when he was arrested.

Of the sex offenders, 971 failed to register with authorities as required by law -- what U.S. Atty. Gen. Alberto Gonzales called the largest number ever captured in a single law enforcement effort.

West Tennessee led the nation in arrests for sex offender registration violations: 103.

Six were arrested in Tipton County: Randy Johnson, 39, of Mason; Gary Blankenship, 47, of Covington; Ottway Burnett, 49, of Memphis; Robert Maclin, 26, and Chauncey Ruble, 28, both of Millington; and Elvis Warren, 33, of Brighton.

Arrested in Memphis on a 33-year-old homicide warrant from Milwaukee was Ray Curtis Hudson. Local authorities got a tip from Wisconsin that Hudson was here under an assumed name, and they found him at a house on Chelsea.

Police here were able to get a current picture of Hudson from the state of Tennessee. He had gotten a driver's license under the assumed name.

The fugitive team waited for Hudson to show up on Chelsea and arrested him, according to Memphis officer Chris Wages, who is assigned to the marshals' fugitive task force. Hudson sits in Shelby County Jail waiting to be extradited to Milwaukee.

"We saw him coming home," said Wages. "And he was surprised." The gray-haired Hudson is now in his 60s.

Another team was sorting paperwork in a gas station lot in Whitehaven when a citizen tipped them that suspicious men were sitting in a car next to an ATM, Deputy Marshal Brian Monson said.

The team found a sawed-off shotgun and a mask in their car, charging four people with possession of an illegal shotgun.

"This operation, along with our past Falcon efforts, provides a clear indication of what law enforcement agencies can accomplish when there is cooperation at all levels ... ," U.S. Marshal David Jolley said.

Sweep Nets 'worst Of The Worst' (HENSN)

By SHEILA BURKE And CLAY CAREY, Staff Writers

Hendersonville (TN) Star News, November 3, 2006

National effort leads to arrest of 862 fugitives in Midstate

RICKMAN, Tenn — Children's bicycles, balls and toys littered the yard of Allen Marksberry's home in this Overton County community.

Marksberry, 38, a convicted sex offender, was cited Thursday by U.S. Attorney General Alberto Gonzales as one of the "worst of the worst" fugitives caught in a sweep that spanned 24 states and captured more than 10,000 wanted felons.

A neighbor said he saw Marksberry around children often.

"There's been half a dozen or more all during the week … pretty much all the time," said Jerry Peek, who lives in the house directly behind Marksberry.

Marksberry made national news when Gonzales used him as example of the most dangerous predators captured in the sweep last week, dubbed Operation Falcon III.

Agents in Middle Tennessee captured more fugitives than any other federal district, including two of the 15 most significant arrests nationwide — Marksberry and a Nashville gang member wanted for murder.

News of Marksberry's arrest swept through this town just south of Livingston, Tenn., and shocked those around him.

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"I had no idea there was a child sex offender this close," said Anna Randles, who has lived on Circle Lane since 1984. "I'd never expect anything like that to happen in this neighborhood."

Randles and her husband have teenage children.

Marksberry was baby-sitting three children, ages 3, 5 and 10, when law enforcement agents went to his 140 Circle Lane home on Oct. 24.

Police found pornographic videos and pictures in his home, along with two police scanners, narcotics, a .25-caliber semi-automatic pistol and scales used to weigh marijuana, law enforcement officials said.

They also found a pair of binoculars in a trailer behind the house that is less than a mile away from the Rickman School, a pre-kindergarten through 8th-grade school.

Just across the street from the home are a baseball field and an old playground, where neighbors said children play.

"This one case, this Marksberry case, was worth every bit of effort that we put into it," said Denny King, the U.S. Marshal for the Middle District of Tennessee, at a news conference at TBI headquarters Thursday.

King said he believes that agents rescued the three children with Marksberry.

"Did we get to them quick enough? I don't know."

The Tennessee Department of Children's Services took the children into custody. The mothers of two of the children arrived immediately after Marksberry was arrested.

Marksberry was charged with violation of probation, failure to appear in court and violation of the sex offender registry. He registered when he moved to Tennessee but stopped reporting his address and moved to different counties in the northern area of Middle Tennessee, the Marshals Service said.

He was one of 862 fugitives captured in the Middle District of Tennessee, more than any other federal judicial district involved and more than in the entire state of New York.

The large number of arrests was due to the sheer amount of manpower involved in the operation, King said in an interview. More than 90 Midstate law enforcement agencies and 500 officers were involved.

More than 300 of the officers were deputized as special U.S. Marshals so they could cross jurisdiction lines.

"I think without a doubt, it was the largest delegation that's ever been put together in recent history," King said.

Police agencies from all over the district sent officers, he said. Metro sent twice as many officers as were used on the last fugitive sweep.

One of the fugitives caught was Eric Dewayne Meneese, wanted in an Oct. 10 slaying police say was a botched robbery involving two gang members. Meneese, 18, is a member of the "Crips" gang and has a long criminal record in Nashville, police said.

He was arrested Oct. 26 after three Falcon III teams working with the Metro SWAT team converged on three Nashville addresses at night. They found him hiding in the attic of his sister's Hermitage home.

Another Nashville man, Eric Turner, was wanted on an outstanding charge of rape of a child. He was taken into custody on Oct. 23 and is being held in the Metro Jail.

There were 332 fugitives from Davidson County arrested, though some may have been captured in another county, the Marshals Service said.

Arrests like that in Nashville didn't surprise some residents of Rickman, but they never dreamed that a man with Marksberry's past would be living in their rural area.

"It scares me, the fact that someone that close could attack kids like that," said Teresa Clark, a mother of four children, ages 4 to 7, at the Rickman School.

"That's something like you would hear in Nashville or Knoxville, not in our small town." ·

Fugitives Seized (JCP)

By Kristen Swing, Press Staff Writer

Johnson City (TN) Press, November 3, 2006

Massive effort on national, state, local levels brings arrests of sex offenders, gang members

Nearly 11,000 wanted felons were put behind bars recently in what is being called the single largest roundup of fugitive sex offenders and gang members in the nation's history.

Operation FALCON III, headed up by the U.S. Marshals Service, was a weeklong collaborative effort between the Marshals Service and more than 1,000 different law enforcement agencies. The effort took place between Oct. 22 and 28 and culminated with the arrest of 10,773 felons, according to USMS officials.

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"Our primary target in this effort was sex predators, unregistered sex offenders and wanted gang members," said W. Warren Mays Jr., supervisory deputy U.S. Marshal in East Tennessee. "I think the statistics speak for themselves as far as the success of Operation Falcon III."

In East Tennessee, 284 fugitive felons were arrested. Of those, 65 were sex offenders and seven were documented gang members. Along the way, authorities also arrested fugitives wanted on local, state or federal arrest warrants for murder, kidnapping and other serious offenses.

In Washington County alone, 20 fugitives were taken into custody during the operation. Those arrested throughout Washington County were wanted on warrants for a number of crimes including aggravated sexual battery, a parole violation for first-degree murder, aggravated robbery, arson and schedule II narcotics offenses.

"The resources that the federal government gives us with this kind of thing and us being able to partner up with other law enforcement agencies in our area, definitely is a good thing for us," said Washington County Sheriff's Office Chief Deputy Patrick Littleton. "Without their resources, it would take much longer to get these guys."

Operation FALCON III comes on the heels of the Adam Walsh Child Protection Safety Act, which was signed into law in late July. The act makes it a federal felony, punishable by up to 10 years imprisonment, for convicted sex offenders who fail to register and then travel in interstate or foreign commerce. The Marshals Services was designated by the act as the agency to lead the national effort to track down and arrest these fugitives.

"There is no question the collective criminal investigative resources of the marshals and our federal, state and local partners made a major contribution to this important crime initiative," said Arthur D. Roderick, Marshals Service assistant director for investigative services.

Nearly 1,700 sex offenders were arrested within the 25 Eastern states participating in Operation Falcon III, along with 364 documented gang members and several other wanted felons.

"These numbers mean safer streets for the citizens of communities all over this country," Marshals Service Director John Clark said. "We have not only brought those wanted fugitives to justice, but we have hopefully brought a bit of peace to their communities."

Authorities at a news conference held Thursday at the James H. Quillen U.S. Courthouse in Greeneville noted that the cooperative effort among law enforcement agencies is what made the operation a success.

"We had eight different police departments, 18 sheriff's departments, five state agencies and six federal agencies participating (in East Tennessee)," Mays said. "It is necessary for partnership and cooperation in 21st century law enforcement. Without it, this bird would have never flown."

For more information regarding the accomplishments of Operation Falcon III or to see which law enforcement agencies were involved in the effort, visit www.usmarshals.gov/falcon3/.

Law Enforcement Pools Resources To Round Up Fugitives (DICKSH)

By Teri Burton, The Dickson Herald

Dickson (TN) Herald, November 3, 2006

Operation nets 29 wanted in Dickson County

More than two dozen Dickson County fugitives from justice were among the nearly 11,000 suspects captured during last month's Operation FALCON III.

The U.S. Marshals Service went after people wanted on warrants ranging from theft to failure to register as a sex offender to statutory rape and gang-related crimes.

Results of the roundup were kept under wraps until yesterday when federal officials announced in Washington, D.C. that 10,733 fugitives were arrested during the FALCON III sweep across 24 states and 49 federal districts east of the Mississippi River simultaneously Oct. 22 through Oct. 28.

FALCON, an acronym for Federal And Local Cops Organized Nationally, was the third in a series of roundups across the nation since 2005.

Twenty-nine Dickson County fugitives were captured during the roundup as nine teams swept Dickson and surrounding counties during the weeklong operation, according to federal officials.

The effort involved more than 500 law enforcement personnel from 99 agencies, including the Dickson County Sheriff's Office and the Dickson Police Department.

"It was the most successful operation that I've ever been a part of in arresting fugitives in my entire 33-plus years of service," U.S. Marshal Denny King said yesterday.

Tommy Thompson, chief deputy marshal for Middle Tennessee, said during the sweep that the cooperation between federal, state and local law enforcement agencies was key to the success of the operation.

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"Most of the (Dickson County) fugitives were arrested in other counties," Thompson said. "We had very good cooperation. Each unit was composed of people from several different agencies and they jelled together, went out and did a great job.

"The sheriff (Dickson County Sheriff Tom Wall) was very accommodating and made it easy for the officers when they took them (fugitives) in to be processed so our guys and ladies could get back out and look for somebody else," Thompson said. "We just appreciate the effort of the Dickson Police Department and all the law enforcement agencies. They have given us officers and we were out serving each others' warrants, not worrying about who gets the credit or the fact that a Dickson County officer is serving a Montgomery County warrant. The object was to make these people come to justice."

Wall said he thought FALCON III was very effective because of the combined forces.

"The marshal's task force has been one of the best bargains I've seen since the 25 years I've been in law enforcement," the sheriff said. "It's a good thing to see all of the local, state and federal agencies working together to get these people off the streets. Together, you can do a lot versus everybody trying to do their own thing. It's really good to see that kind of cooperation."

Dickson Public Safety Director Rick Chandler, who serves both as police chief and fire chief, said the Dickson police officers assigned to the operation "found it enjoyable and it gave them a little different perspective on things."

Chandler said that by combining forces more fugitives were brought in and booked.

"I think the advantage of something like that is that you've got a lot of resources in from different areas and you can actually do some things," Chandler said. "It's difficult sometimes to track people down with all the other stuff going on. When you put a task force together like that you can center on some of the people and take some time and effort to locate them."

The previous FALCON operations, conducted in April 2005 and in April of this year resulted in the capture of more than 19,000 dangerous fugitives in less than two full weeks, according to information provided by the United States Marshals Service.

The U.S. Marshals Service has designated the FALCON series as the single most successful fugitive interdiction effort in U.S. law enforcement history.

Hundreds Of Local Fugitives Arrested In Round-up Led By U.S. Marshals (WATE)

By Erica Estep

WATE-TV, ABC 6, Knoxville, TN, November 3, 2006

KNOXVILLE (WATE) -- Hundreds of violent criminals are off East Tennessee streets and in jail thanks to a massive federal round-up.

During Operation Falcon III, U.S. Marshals, state and local police arrested more than 10,000 fugitives nationwide. Nearly 300 were arrested in East Tennessee.

During the last week of October, local and state police were sworn in as U.S. Marshals for the operation. That means they could legally cross county, city and state lines to arrest fugitives, just like federal officers can.

Officers concentrated on 41 counties in East Tennessee, arresting fugitives in Knox, Anderson, Blount, Sevier, Cocke, Claiborne and Hamblen counties, just to name a few.

Thursday, U.S. marshals released details of the operation, saying it was a huge success in East Tennessee with 284 criminals arrested.

This fugitive sweep concentrated on sex offenders and gang members, but murderers, thieves and arsonists were also taken off the streets during the round up.

It was a seven-day, around-the-clock operation," Chief Deputy U.S. Marshal Ron Gibbs explains. "It's something you just cannot keep up day in and day out. But for a week's focus, I'm very proud of everyone. There were not any incidences in our arrests. Everyone stayed safe, including those who were arrested and we're very proud of that."

6 News got exclusive behind the scenes access during Operation Falcon III. We spent about 12 hours with U.S. Marshals, TBI agents and local law enforcement officers rounding up sex offenders and violent criminals.

We expected a lot of running, doors broken down and criminals fighting. But that's not what we found. Before sunrise, officers tested tasers, checked weapons and suited up in bullet proof vests.

They are prepared to fight if necessary, but admit they spend most of their time planning and investigating. That includes studying mug shots, tracking down addresses and making contacts before ever hitting the streets.

The first stop of the day is the home of a convicted drug dealer in Knoxville. Officers surrounded the home with their guns drawn.

Deputy U.S. Marshal Becky Gambill knocked on the door, "Police, police, open the door!" The door opened, police went in and minutes later, Sherise Sloan was brought out in handcuffs. Marshals say she sold drugs in a school zone.

Gambill adds, "She didn't put up a fight, was very cooperative, admitted that's who she was and it went on without a hitch."

Between each arrest, the marshals meet briefly to talk about their next target and plan the take down.

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It's the element of surprise that works in their favor. One Knoxville man wanted for a seven-year-old aggravated burglary charge never expected U.S. Marshals at his door.

The biggest catch of the day was a convicted sex offender from North Carolina hiding out in Morristown. Officers say Wilton Bethel violated a child. Now he's back behind bars for not registering as a sex offender.

Nationwide, agents hauled in 10,773 fugitives. Of those caught in East Tennessee, 65 are sex offenders.

862 Fugitives Captured In Middle Tennessee (WSMV)

WSMV-TV, NBC 4, Nashville, TN, November 3, 2006

WASHINGTON -- Nearly 11,000 sex offenders, gang members and other fugitives were swept up in what the Justice Department on Thursday called a sting targeting the "worst of the worst" criminals on the run.

Across Tennessee, 1,372 fugitives were arrested and 1,686 warrants were cleared. 862 fugitives were taken into custody in middle Tennessee alone.

Tennessee led the country for capturing the most fugitives as part of this nationwide effort to crack down on accused criminals hiding from police.

Last week's roundup, led by the U.S. Marshals Service, included Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was baby-sitting several young children when he was arrested on Oct. 24.

Including in the roundup was 36 sex offenders who are accused of failing to register.

Also nabbed were Demetrius Avery Jackson, an accused cop killer in Birmingham, Ala., and Eric Dewayne Meneese, a Crips gang member, in Nashville, Tenn.

The weeklong sting, code-named Operation Falcon III, also led to the shooting death of a Georgia fugitive who was killed by authorities as he came out of his house, officials said. Additionally, the neighbor of a fugitive in Florida fired -- but missed -- police approaching her home. Both incidents are under investigation, said John F. Clark, director of the Marshals Service.

The 32 counties of Tennessee's middle district, where Marksberry and Meneese were captured, saw more arrests and warrants cleared than any other district in the 24 states east of Mississippi River where the roundup took place, authorities said.

U.S. Marshal Denny King said at a Nashville news conference that the arrest of sex offender Marksberry alone was worth "every bit of effort" the operation required.

"We rescued three kids. ... How many other kids did we save from Marksberry?" King said.

Marksberry was convicted in 1996 of sexually assaulting an 8-year-old child. When he was arrested this time, agents found pornography and drugs inside his home and were led to a separate trailer that had a clear view of a playground and a pair of binoculars inside.

Over 500 officers from 90 law enforcement agencies in the district participated in the middle Tennessee sting, which King said was the largest operation he had ever heard of in his 34 years in law enforcement.

The roundup targeted "the worst of the worst fugitive felons in the country," Attorney General Albert Gonzales said at a Washington news conference.

"America's neighborhoods are safer today, thanks to Operation Falcon III," Gonzales said.

Two earlier stings -- Falcons I and II -- were held in April over the last two years. Gonzales and Clark denied that next week's elections played any part in scheduling the latest crackdown.

"I can assure you that the coordination of getting 3,000-plus officers and agents, and everybody together to do this, just takes a lot of coordination," Clark said, adding that he wanted to do the roundup in the fall -- before the winter weather hit.

In all, Gonzales said officials caught 10,733 fugitives -- including 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were seized.

Those totals represent a fraction of doors knocked on, liquor store drive-bys, construction site surveillances and tips chased down by agents during the weeklong sweep. Finding the fugitives -- even at their homes in the early-morning hours -- proved to be a hit-or-miss mission for the federal, state and local authorities.

A six-hour sting in Washington, D.C., last Thursday morning, for example, netted none of the accused drug dealers sought by a team of seven agents from the U.S. Marshals, Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Immigration and Customs Enforcement, State Department and the city's Metropolitan Police Department.

"He was there a week or so ago," muttered Marshals Inspector Robert Hoffmaster, after a pre-daybreak search of a house for an accused drug dealer.

In upstate New York, some fugitives tried to hide in unusual places.

"We grabbed one guy out of the shower," said Joe Ciccarelli, supervisor of the U.S. Marshals fugitive task force in New York's northern district. "We found people hiding in between insulation, rolled up in rugs, inside of cabinets, inside of closets that a person shouldn't be able to fit in, but they end up fitting in and we have had to call the fire department to get them out."

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Of the sex offenders nabbed, 971 had failed to register with authorities as required by law -- what Gonzales called the largest number ever captured in a single law enforcement effort.

Gonzales said prosecutors likely would seek to charge some of them under the 2006 Adam Walsh Act. That law, approved by Congress last summer, created federal penalties for sex offenders who fail register with communities.

The law was named for six-year-old Adam Walsh, who was abducted from a Florida shopping mall and murdered in 1981.

Falcon III showed the Marshals "have proven their extraordinary ability to quickly capture thousands of sexual predators," said Ernie Allen, president of the National Center for Missing & Exploited Children.

Normally, the Marshals regional task forces round up about 1,000 fugitives each week, officials said. An estimated 1 million fugitives are on the loose nationwide.

'Operation FALCON III' Takes Down Local Sex Offenders (WMC)

WMC-TV, Action News 5, Memphis, TN, November 3, 2006

More than 10,000 fugitives found themselves in custody Thursday after a nationwide round-up code-named 'Operation FALCON III.' Many of the suspects were from the Mid-South.

Action News 5 went along for some of the local arrests, as teams led by U.S. Marshals swept the streets of Memphis. Arrests were made for a wide variety of crimes, but nowhere else were there as many convicted sex offenders wanted for not being registered: The Western District of Tennessee ranked number one.

"We were very, very aggressive here in West Tennessee of going out and getting these guys," said U.S. Marshal David Jolley at a press conference Thursday.

Many of the sex offenders arrested were supposed to check in with local authorities on a regular basis, but didn't.

"The public needs to always be sensitive to the fact that this problem exists," said Shelby County Sheriff Mark Luttrell. "That we do have sex offenders that are out there."

Luttrell has a full-time officer assigned to sex offenders, and said there is always a red flag when one fails to register. Deputy Marshals who participated in this latest sweep said they got a sense of satisfaction by taking potential child predators off the streets.

"I'm a father of three myself, so it's kind of close and dear to my heart as well," said Shelby County Sheriff's Deputy Chris Crozier.

Most of the sex offenders that were arrested will be in more trouble if they fail to check-in again. Officials said they hope Operation Falcon taught them a lesson.

In addition to unregistered sex offenders, a number of people wanted on murder charges were also arrested locally.

Nationwide, the 'Operation FALCON III' round-up encompassed 24 states, mostly in the eastern United States. 10,773 fugitives were arrested during the six day sting, and more than 13,000 warrants were cleared. Most of the fugitives were wanted for sexual offenses.

Roundup Captures 11,000 Fugitives (RUTHER)

By Alan J. Keays, Herald Staff

Rutland (VT) Herald, November 3, 2006

A weeklong fugitive sweep of the eastern and central United States has led to almost 11,000 wanted criminals taken into custody, including 83 from Vermont and eight from Rutland County.

In Vermont, the roundup was led by the U.S. Marshals Service and included several local and law enforcement agencies around the state. The sting was codenamed "Operation FALCON III."

National figures on fugitives captured were released Thursday in Washington, D.C, while the numbers from the Vermont operation were announced at a press conference in Burlington attended by federal, state and local law enforcement officials.

"When we share information and pool our resources toward a common goal, the results are safer communities for our children and a more secure homeland," Vermont U.S. Marshal John Edwards said in a written statement released Thursday.

In total, the operation in Vermont led to the capture of 83 people and cleared 110 arrest warrants for various offenses, ranging from failing to register as a sex offender to drug offenses, Bill Gerke of the U.S. Marshals Service in Vermont said after the press conference.

Several teams of local, state and federal law enforcement officials worked each day in different parts of the state searching for fugitives. An average of 32 officers worked daily during the weeklong operation that ran from Oct. 22 to 28.

In Vermont, there are 8,400 outstanding arrest warrants. Prior to the sweep, Vermont officials worked to prioritize the list down to 300 of the most wanted individuals, and of those, 83 were located, Gerke said. In addition, authorities discovered that six of the wanted people in Vermont have died.

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Gerke said the top priority of the warrant roundup in Vermont involved sex offenders and sex registry violators.

Twenty-eight sex offenders were captured in the roundup in Vermont, including 22 sex registry violators. Eighteen people were taken into custody wanted on assault charges, 15 wanted for drug offenses, two for burglary and one for robbery.

"There was a very active effort in the southern part of the state," Gerke said of the warrant sweep.

In Rutland County, authorities last week rounded up eight fugitives, including four wanted for failing to properly register as sex offender, Rutland City Police Sgt. Kevin Stevens said Thursday.

City police as well as the Rutland County Sheriff's Department, Vermont State Police and federal authorities took part in the operation in Rutland County.

"Too bad we couldn't do it more, but with budgets, we just don't have the resources," Stevens said of the fugitive roundup.

In Washington D.C., authorities highlighted the arrest of Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was babysitting several young children when he was arrested on Oct. 24.

Also nabbed were Demetrius Avery Jackson, an accused cop killer in Birmingham, Ala., and Eric Dewayne Meneese, a Crips gang member, in Nashville, Tenn.

The roundup, in 24 states east of the Mississippi River, targeted "the worst of the worst fugitive felons in the country," Attorney General Albert Gonzales said at a Washington news conference.

Two earlier stings — Falcons I and II — were held in April during the last two years.

In the latest operation, Gonzales said officials caught 10,733 fugitives — including 1,659 sex offenders, 364 gang members and thousands of others sought on kidnapping, robbery, burglary, carjacking and weapons charges. More than 230 weapons were seized.

Of the sex offenders nabbed, 971 had failed to register with authorities as required by law — what Gonzales called the largest number ever captured in a single law enforcement effort.

Normally, the Marshals regional task forces round up about 1,000 fugitives each week, officials said. An estimated 1 million fugitives are on the loose nationwide.

Sweep Nabs 59 Fugitives Locally (RTD)

By Tom Campbell, TIMES-DISPATCH STAFF WRITER

Richmond Times-Dispatch, November 3, 2006

Arrests, from Petersburg to Henrico, are part of annual Justice Department effort

Freedom ended suddenly for 59 fugitives in the Richmond area during seven days in October as U.S. marshals led a law-enforcement sweep of alleged criminals from the streets.

The Henrico-to-Petersburg arrests were just a few of nearly 11,000 captures of suspects during Operation Falcon III, a weeklong Justice Department effort that concentrated on arresting documented gang members and convicted sex offenders in 24 states east of the Mississippi River.

"These numbers mean safer streets for the citizens of communities all over this country," said John F. Clark, director of the U.S. Marshals Service.

This was the third annual Operation Falcon and involved more than 3,000 officers and agents.

This year's Operation Falcon follows up on the Adam Walsh Child Protection and Safety Act, signed by President Bush in July. The new law makes it a felony, punishable by up to 10 years in prison, for sex offenders to fail to register and then travel out of state or outside the U.S.

Stings and coordinated arrest operations picked up 10,773 fugitives on outstanding warrants. Of those, 1,659 were sex offenders -- many wanted for alleged failure to register -- and 364 were documented gang members.

One Georgia fugitive was killed by authorities as he came out of his house, The Associated Press reported.

Kevin Connolly, the U.S. marshal who leads the Regional Fugitive Task Force here, said no fugitive arrested in Richmond during Operation Falcon III resisted physically -- officers got "just some nasty attitude from some of them," he said.

About two-thirds of the Operation Falcon arrests here were of men, Connolly said.

Three teams of 10 marshals, agents and officers worked each of the seven days, starting with some early-morning pounding on doors at the homes of fugitives thought likely to be there and proceeding with arrests at workplaces and other locations.

Connolly said Operation Falcon was preceded here by weeks of research and investigation to determine which defendants would be on the list for arrest and "to come up with the best address to hit at 5 or 6 in the morning."

The 59 people were arrested on 82 outstanding warrants, nearly all of them issued by state courts, Connolly said. The alleged crimes include one murder, four attempted murders, two armed robberies and four assaults or aggravated assaults.

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Besides the marshals service, the criminal investigators who took part came from three other federal agencies; the Virginia State Police; the Virginia Department of Corrections; the Richmond Police Department, sheriff's office and Redevelopment and Housing Authority; and from the Henrico County, Chesterfield County and Petersburg police forces.

Connolly said one of those arrested here was Wayne Jerome Thomas, 36.

On the second day of Operation Falcon III, Richmond police charged Thomas with abducting and raping a 17-year-old female the previous day. Operation Falcon team members located Thomas working on a city trash truck and took him into custody.

Contact staff writer Tom Campbell at tcampbell@timesdispatch.com or (804) 649-6416.

227 Felony Suspects Rounded Up In Hampton Roads (V-P)

By Tim Mcglone, The Virginian-Pilot

Norfolk Virginian-Pilot, November 3, 2006

NORFOLK - Police and federal agents in Hampton Roads arrested 227 felony suspects as part of a nationwide operation called Falcon III that targeted sex offenders and gang members, the U.S. Marshals Service announced Thursday.

Among those arrested was Robert Shells, suspected of raping and sodomizing a 4-year-old girl in Norfolk. He was picked up in New York and will be extradited to face charges here.

Thousands of federal, state and local law enforcement officials in 24 states east of the Mississippi spent last week rounding up 10,773 fugitives, including the 227 arrested in Hampton Roads.

Those arrested here include 16 sex-offense suspects, 11 unregistered sex offenders and five gang members, the marshals service said.

This is the third Falcon operation in two years. Authorities captured more than 19,000 fugitives in previous round-ups.

Law Enforcement Sting Nabs Dozens Of Dangerous Fugitives (WWBT)

WWBT-TV, NBC 12, Richmond, VA, November 3, 2006

Federal, state and local law enforcement are working together to nab dangerous fugitives. The week long sting, called Operation Falcon, covered 24 states including Virginia. U.S. Attorney General Alberto Gonzales says the operation targeted the "worst of the worst fugitive felons in the country."

Among those caught were more than 1,600 sex offenders, including nearly 1,000 who failed to register with authorities as required by law.

"Arresting over 1,600 sex offenders and 360 gang members has to make a difference and sends a strong message that we will bring them to justice," says John Clark, Director of the U.S. Marshal Service.

Among the thousands arrested were dozens of wanted fugitives right here in the Richmond area.

Between Richmond, Petersburg, Henrico and Chesterfield, a total of 59 wanted people were arrested on some 82 outstanding warrants. Of the 59 arrested, U.S. Marshals say two are documented gang members and 17 others were wanted on sex-related offenses.

Up and down the east coast between October 22nd and 28th, hand cuffs being tightened onto the wrists of wanted fugitives.

“The investigators did the research and obtained the photos, so that when we hit that first door at five in the morning we had the best odds of catching that fugitive there,” says Kevin Connolly of the U.S. Marshal Service. Inspector Connolly is one of 30 law enforcement officers who formed a team that spent the week working 10-14 hour-days in our area.

The entire team of federal, state, and local officers was deputized by the U.S. Marshal Service for the operation. The goal, Connolly says, was to help Richmond-area police go after wanted suspects -- especially sex offenders. "For this operation, we sat down and targeted their worst sex offenders and went after them and picked them up one-by-one."

Among those arrested in our area was Wayne Jerome Thomas, 36. He was picked up while working on the back of a Richmond city garbage truck. U.S. Marshals say Thomas is a convicted sex offender who not only failed to register with the sex offender registry when he got out of prison, but he's now facing new charges of raping and abducting a 17-year-old girl.

At a home in Chesterfield, the team says it picked up items, including a sawed off shotgun, when marshals say they arrested Esteban Pittman. Marshals say Pittman is a gang member who belongs to part of the national MS-13 gang.

Tonight, the U.S. Marshal Service is hoping the results of this operation will send a message -- especially to sex offenders who are not registered with law enforcement.

'Operation FALCON III' Nets 227 Felony Arrests Locally (WVEC)

WVEC-TV, ABC 13, Hampton Roads, VA, November 3, 2006

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A nationwide round-up fugitives has resulted in the nets hundreds of local fugitivesroundup of fugitives has resulted in the arrest of thousands of people wanted by the law.

Operation FALCON III helped round up over 200 fugitives in Hampton Roads.

In Hampton Roads, what is being called "Operation FALCON III" netted 227 felony arrests, including 5 gang members, 11 unregistered sex offenders, and 16 who were wanted on sex charges.

The roundup also resulted in the seizure of four handguns and 40 capsules of heroin, according to the United States Marshals Service.

Authorities say federal and local authorities teamed up on the operation, which was the largest ever fugitive round-up of its kind. FALCON stands for Federal And Local Cops Organized Nationally.

Nationwide, task force members arrested 10,773 felony fugitives, including 1,659 sex offenders and 364 gang members.

National Fugitive Sweep Includes Many Local Arrests (HHD)

By Curtis Johnson, The Herald-Dispatch

Huntington (WV) Herald-Dispatch, November 3, 2006

CHARLESTON — A one-week focus on nabbing fugitives cleared more than 200 warrants across Southern West Virginia, part of a nationwide sweep that brought in nearly 11,000 fugitives.

At least 77 of the area warrants were cleared from the books in Cabell and Wayne Counties, as authorities spent most of last week looking for sex offenders, drug traffickers and other fugitives.

Brad Sellers, a supervisory deputy working locally for the U.S. Marshals Service, explained most cases were cleared by way of police making an arrest or locating the fugitive at another correctional facility.

The local activity was part of the much larger, nationwide effort dubbed "Operation Falcon III". The roundup was organized by the U.S. Marshals Service, but enlisted help from other federal, state and local agencies. Federal authorities touted the clearing more than 13,000 warrants nationwide.

About 170 of those arrests were made in Cabell, Wayne, Kanawha, Fayette and Raleigh Counties, but authorities did not provide a list of those arrested on Thursday.

"It's my opinion that everyone that is a fugitive may not be actively avoiding apprehension, but they are definitely not taking the initiative to turn themselves in," Sellers said. "The longer they stay out there and can avoid apprehension, the more brazen they become that they're not going to be arrested."

Sellers hopes a one-week effort such as "Operation Falcon III" will help local agencies allocate the resources needed to dedicate officers to hunting fugitives.

The roster of participating agencies included the Marshals Service, FBI, Drug Enforcement Administration and the Bureau of Alcohol, Tobacco and Firearms.

On a state level, the West Virginia State Police and Department of Corrections participated.

Local participants included Cabell and Wayne County Sheriff's Departments, the Huntington and Milton Police Departments, along with the Marshall University Police Department.

345 Warrants Issued Across State (CHASGAZ)

By Dave Gustafson, Staff writer

Charleston Gazette, November 3, 2006

Nationwide, more than 10,000 arrested

Law enforcement officers served 345 warrants, including 35 for sex offenses, across West Virginia as part of a recent national fugitive roundup headed by the U.S. Marshals Service.

In the state's Southern District, burglary or larceny, drugs and assault accounted for most of the 216 warrants served during the six-day operation in Kanawha, Fayette, Cabell, Raleigh and Wayne counties.

The warrants also included 22 for sex offenses, including 15 for failure to register as a sex offender.

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"The success of this operation could only have been accomplished through the determination and dedication of many federal, state and local officers that teamed up to make the communities of Southern West Virginia safe," U.S. Marshal James Dawson said.

The roundup was dubbed "Operation Falcon III," with Falcon standing for "Federal and Local Cops Organized Nationally." Two earlier efforts — Falcons I and II — were held in April over the last two years.

Nationally, deputy U.S. marshals worked with local and state police in what is being called the biggest roundup of fugitive sex offenders and gang members ever.

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The roundup targeted "the worst of the worst fugitive felons in the country," Attorney General Alberto Gonzales said at a Washington news conference.

"America's neighborhoods are safer today, thanks to Operation Falcon III," Gonzales said. He denied that next week's elections played any part in scheduling the latest crackdown.

Among those captured in last week's roundup in 24 eastern states was Allen Marksberry, an unregistered sex offender in Rickman, Tenn., who was baby-sitting several children when arrested Oct. 24.

Across the country, 10,773 felony fugitives were arrested including 1,659 sex offenders and 364 documented gang members, according to a U.S. Marshals Service report.

Fugitive Task Force Teams Arrest 129 In West Virginia (WOWK)

WOWK-TV, CBS 13, Huntington, WV, November 3, 2006

WASHINGTON, D.C. - A seven-day nationally coordinated fugitive roundup led by the U.S. Marshals and hundreds of partners from state, local and other federal agencies has led to the arrests of almost 11,000 fugitives.

In West Virginia, Operation Falcon III, led to the arrest of 129 people.

With such a large operation the state was divided into two regions; north and south.

In the northern region the Bridgeport, Martinsburg and Morgantown Police Departments were among those taking part.

In the southern region the Charleston, Huntington and Beckely Police Departments joined a much larger group that included state agencies.

Among those arrested nationwide during Operation FALCON III were 1,659 fugitive sex offenders, the largest number ever captured in a single law enforcement effort.

High-priority targets for arrest were fugitives wanted for committing sexual offenses, including unregistered convicted sex offenders.

Of the 1,659 fugitive sex offenders apprehended, 971 were wanted on charges of failing to register as a sex offender. Other priority targets were fugitive gang members and violent offenders wanted for homicide, kidnapping, robbery, burglary, carjacking, weapons offenses and major narcotics distribution.

During FALCON III, agents apprehended 364 gang members, cleared 140 open homicide cases and arrested thousands of fugitives sought on kidnapping, robbery, burglary, carjacking, weapons offenses and other violent charges. Additionally, more than 230 weapons were also taken off the streets.

Sweep Nets 65 Area Fugitives (MARTJ)

By Edward Marshall, Journal Staff Writer

Martinsburg (WV) Journal, November 3, 2006

MARTINSBURG — A total of 65 wanted fugitives were arrested in the Eastern Panhandle during a weeklong, nationwide roundup headed by the U.S. Marshals Service with the help of local, state and federal law enforcement.

News conferences were held across the country Thursday to announce the success of Operation Falcon III, an acronym standing for "federal and local cops organized nationally."

Nationally, deputy U.S. marshals and their law enforcement partners arrested a total of 10,773 fugitives and cleared 13,333 felony warrants during the seven-day operation, including 3,609 for narcotics violations and 140 homicide warrants. Also arrested nationally were 1,659 fugitive sex offenders, 971 unregistered sex offenders and 364 documented gang members.

In the Eastern Panhandle, 65 people were arrested on outstanding warrants and 111 warrants were cleared, Assistant U.S. Attorney Paul T. Camilletti and Deputy U.S. Marshal Michael Ulrich announced Thursday at a news conference at Martinsburg's U.S. District Court.

In the Northern District of West Virginia as a whole, 129 people were arrested, and 299 outstanding warrants were cleared, Camilletti said.

"Because of this effort, we have been very successful in apprehending our fugitives and getting them back into court and keeping the process going. We haven't had very many slip through the cracks. We've also been able with our task force to assist Maryland, Pennsylvania and Virginia in apprehending some of their fugitives," Camilletti said.

There are two ad hoc task forces currently, the Eastern Panhandle Fugitive Task Force and the Clarksburg Fugitive Task Force, operating in the district under the auspices of the U.S. Attorney and the U.S. Marshals Service.

"Our office has always supported the task force concept, and Operation Falcon III is an excellent example of how well task forces can work to benefit our communities," said Sharon L.Potter, U.S. attorney for the Northern District of West Virginia, during a separate press conference Thursday. "By combining the resources and intelligence available to local, state and federal

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agencies, we greatly enhance our ability to apprehend fugitives. Successful task force approaches in the Northern District of West Virginia have included drug trafficking, cyber crimes, crimes against children and now Operation Falcon III."

The Eastern Panhandle Fugitive Task Force consists of representatives from the Berkeley County Sheriff's Department, the Charles Town Police Department, Harpers Ferry Police Department, the Jefferson County Sheriff's Department, the Martinsburg Police Department, the Ranson Police Department, the Shepherdstown Police Department, the West Virginia State Police, the Bureau of Alcohol Tobacco, Firearms & Explosives, the U.S. Attorney's Office, the U.S. Department of State's Diplomatic Security Service and the U.S. Marshals Service.

"This year since January here in the Eastern Panhandle ... we've made an additional 107 arrests and cleared 152 warrants. Now that's a combined effort federal, state and locally. ... It's the local task force, it's the local officers that are really doing this work," Camilletti said.

Among the 129 total arrests in the Northern District of West Virginia, two were wanted for sex offenses, eight were wanted for sexual assault, three were wanted for being unregistered sex offenders, 28 were arrested for assault, 27 were arrested for burglary or larceny, 28 were arrested for financial fraud, one was arrested for homicide, nine were arrested for narcotics, four were arrested for robbery, three were arrested for weapons violations and seven were wanted on other charges.

"This effort certainly couldn't have been accomplished without state and local agencies. They all worked together," Ulrich said.

The number of arrests during the operation highlighted the manpower burden currently faced by local law enforcement.

It's like trying to put a forest fire out with a garden hose, said Berkeley County Sheriff Randy Smith, who was also at the press conference.

Camilletti also noted how growth is affecting the area.

"Our population is growing, and along with those populations, what we've seen in the counties to the east of us will occur here or it's already occurring. Our local officials here are addressing that problem every day," Camilletti said.

The roundup was conducted in 24 states east of the Mississippi River as well as Washington, D.C., and Puerto Rico. Deputy Marshals teamed up with thousands of officers, deputies, troopers, agents and investigators from other federal, state and local agencies to conduct the operation.

The operation received a major boost from the Adam Walsh Act, named after the murdered son of America's Most Wanted host John Walsh. The law directs federal resources to tasks of rounding up sexual predators and helping state and local governments catch convicted individuals who failed to register in communities where they live.

"Operation Falcon has once again proven how much we can accomplish with our network of federal, state and local law enforcement," U.S. Attorney Roberto Gonzales said at another press conference in Washington. "This operation has made our nation's neighborhoods and children safer by taking off the streets some of the works sex offenders, violent felons and gang members."

— Staff writer Edward Marshall can be reached at 263-8931, ext. 215, or emarshall@journal-news.net. The Associated Press contributed to this report.

Leaks About Lawmakers Prompt Warnings (NYT)

By David Johnston

The New York Times, November 3, 2006

WASHINGTON, Nov. 2 — Director Robert S. Mueller III of the F.B.I. has issued a stern message to the bureau's nearly 30,000 employees warning them against leaks of confidential information after recent news articles disclosed criminal inquiries involving incumbent lawmakers, mainly House Republicans.

"There have been a number of recent stories in the press attributing sensitive law enforcement information to 'federal law enforcement officials,' " Mr. Mueller said in an Oct. 26 e-mail message. "While I cannot say they have come from F.B.I. employees, such disclosures do serious damage to our investigations and risk unfairly tarnishing the subjects of our investigations who enjoy the presumption of innocence."

In similar election season warnings, senior Justice Department officials sent messages on Wednesday to prosecutors reminding them of departmental rules against leaks. One was sent by Alice S. Fisher, assistant attorney general in charge of the department's criminal division, to prosecutors in her unit. Another was issued by Michael A. Battle, director of the Justice Department office that coordinates with federal prosecutors throughout the country.

Mr. Mueller has tried, during his five-year tenure, to keep a tight lid on the Federal Bureau of Investigation's activities in advance of elections, and is said by some associates to have been "livid" at the recent disclosures. In some cases, the F.B.I. investigations have been made into campaign issues that have threatened the re-election prospects of incumbents.

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"He was angered by it because he understands how the leaks can damage investigations," said John Miller, the F.B.I.'s spokesman.

Aides said Mr. Mueller, a former United States attorney and longtime courtroom prosecutor known for his strict adherence to secrecy rules, had written the e-mail message to communicate his strong views on the topic, although F.B.I. officials deny that agents were sources for the articles. The contents of Mr. Mueller's message have not been previously reported.

Other administration officials said Mr. Mueller had initially contemplated sending an even sharper message after getting complaints from Justice Department officials about the unauthorized disclosures. They said the grousing seemed to have intensified as it appeared that control of the House could be decided by a handful of bruising contests in which accusations of ethical impropriety have become pivotal.

In a larger sense, the complaints underscore the tension inherent in Mr. Mueller's roles as the F.B.I. director. On counterterrorism issues, he is an important White House team player responsible for deterring threats. At the same time, he is the country's chief law enforcement official — managing public corruption investigations, including those that have centered on Republicans.

The sequence of events that irked Mr. Mueller began on Oct. 1 with the F.B.I.'s confirmation that the bureau had opened a preliminary inquiry into sexually explicit computer messages sent by Mark Foley, the Republican former representative from Florida, to under-age Congressional pages.

Some of the disclosures have thrown the F.B.I. off balance, among them an Oct. 14 report by McClatchy Newspapers that said federal agents had opened a criminal inquiry into whether Representative Curt Weldon, Republican of Pennsylvania, had obtained jobs and other favors for his daughter in exchange for helping overseas firms expand their business in the United States. On Oct. 16, F.B.I. agents raided six sites in Pennsylvania and Florida in the inquiry. Investigators were forced to conduct the searches much sooner than they had planned, fearing evidence might be destroyed after publication of the article, officials said.

Not all of the leaks involving incumbent lawmakers have been about Republicans. On Oct. 20, Time magazine reported on its Web site that Representative Jane Harman, Democrat of California, had been the subject of an investigation, which is no longer active, into her dealings with the American Israel Public Affairs Committee, or Aipac, a pro-Israel lobbying group.

The inquiry examined whether she had improperly sought to assist Aipac in return for the group's help in trying to persuade Representative Nancy Pelosi of California, the Democratic leader, to appoint Ms. Harman to lead the Intelligence Committee if the Democrats win control of the House.

The latest leak came on Oct. 24, when news organizations reported that Representative Rick Renzi, Republican of Arizona, was under investigation by the United States attorney's office in Phoenix over land deals.

Coach Is Charged In Balco Case (NYT)

By Michael S. Schmidt

The New York Times, November 3, 2006

Trevor Graham, the track coach who trained several elite Olympic athletes who have been linked to performance-enhancing drugs, was indicted yesterday in the investigation he helped begin three years ago.

A federal grand jury in San Francisco returned a three-count indictment accusing Graham of making false statements to special agents in the investigation into performance-enhancing drugs and related money laundering. The charges arise from the Bay Area Laboratory Co-Operative scandal, a sweeping investigation of sports doping.

The indictment alleged that Graham obtained illegal performance-enhancing drugs from an unidentified source and gave them to athletes he coached. It also said that Graham referred athletes to an unnamed source so they could obtain performance-enhancing drugs directly.

San Francisco Giants outfielder Barry Bonds, who holds the single-season home run record, remains under investigation by the same grand jury. Investigators are trying to determine if Bonds lied when he testified before an earlier grand jury that he had not knowingly used steroids and are also seeking to determine whether he paid taxes on cash sales of memorabilia.

Bonds's lawyer, Michael L. Rains, said by phone yesterday that the implications of Graham's indictment on Bonds in the continuing investigation are unclear.

Graham led prosecutors to begin the investigation into performance-enhancing drugs when he anonymously mailed a syringe to the United States Anti-Doping Agency in June 2003. When the contents of the syringe were analyzed, chemists found a previously undetectable steroid, "the clear."

Graham said he mailed the syringe because he wanted to clean up the sport, but witnesses brought before the grand jury have said that Graham did it in an effort to implicate athletes and coaches that his athletes competed against.

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Kevin V. Ryan, the United States attorney for the Northern District of California, said in a statement that Graham had lied to agents "who were pursuing the original source of the illegal performance-enhancing drugs taken by many of the athletes tied to Balco."

The United States attorney's office said that although Graham had spoken with investigators, he had not been granted immunity from prosecution for making false statements.

Graham was issued a summons to appear for arraignment on Nov. 16. If convicted, he could face 15 years in prison and $750,000 in fines.

Graham's lawyer, Joseph Zeszotarski, said in a statement that Graham looked forward to clearing his name in court.

"We are confident that when all of the evidence is revealed, not just the selected snippets leaked to the press, it will show the truth, and the truth is that Trevor has not made any false statement to the government," Zeszotarski said.

He said the allegations were even more troublesome because "it was Trevor who had the integrity and courage to turn in the sample that led to the Balco investigation in the first place."

Graham operates the North Carolina-based Sprint Capitol USA, a training center for elite track-and-field athletes. While several athletes trained by Graham have received suspensions for drug use, he has always denied direct knowledge or involvement.

One of Graham's top athletes was Justin Gatlin, who claimed a share of the world record in the 100-meter dash in April only to have it taken away after he tested positive for elevated levels of testosterone. Graham has also coached and trained the Olympic athletes Marion Jones, Tim Montgomery and C. J. Hunter.

Jones failed a preliminary drug test but was cleared by a second sample, and she has maintained that she has not used performance-enhancing substances. Hunter tested positive for a steroid. Montgomery has been suspended from competition until June 2007 for using a steroid, and his world record in the 100 meters has been taken away.

In a lengthy statement to federal investigators in 2004, Graham denied providing any of his athletes with illegal performance-enhancing drugs.

In July, The New York Times reported that a man who worked with Graham told the grand jury and federal investigators that he was the main supplier of performance-enhancing drugs to Graham and many of his athletes, including Jones and Montgomery.

The Balco investigation has led to five convictions — of Balco's founder, Victor Conte Jr.; its former vice president, James Valente; Greg Anderson, Bonds's trainer; Patrick Arnold, a chemist; and Remi Korchemny, a track coach.

Graham Indicted In BALCO Scandal (LAT)

By Philip Hersh, Special To The Times

The Los Angeles Times, November 3, 2006

Track coach who turned in the syringe that led to the doping case is accused of lying to federal agents, becoming the sixth indictment.

U.S. sprinter Justin Gatlin had just finished the news conference after winning the 100 meters at the 2004 Olympics when his coach, Trevor Graham, added a surreal dimension to the celebratory moment.

With Gatlin standing a few feet away in the basement of the Athens Olympic Stadium, Graham told a group of reporters he was the coach who turned in the syringe that triggered the BALCO doping scandal.

An ironic dimension was added Thursday, when a federal grand jury in San Francisco indicted Graham on charges of lying to federal agents investigating the BALCO affair. He faces up to 15 years in prison if convicted.

Gatlin, meanwhile, faces a possible eight-year ban after testing positive for the anabolic steroid testosterone April 22. He is among 10 athletes suspended for doping violations that occurred while Graham was their coach. In addition, Olympic champion Marion Jones has been under suspicion for doping that allegedly occurred while she trained with Graham.

Now that the federal investigation of Graham has ended in the indictment, the U.S. Anti-Doping Agency is likely to charge the coach with a doping offense.

"No one has a license to break sports rules or federal laws just because they turn in a drug dealer to the authorities," USADA general counsel Travis Tygart said Thursday.

Following USADA policy, Tygart said his comments were not related to a specific case.

In 2003, Graham sent USADA a syringe containing traces of a then-undetectable drug the coach said athletes were getting from BALCO founder Victor Conte. Analysis by the anti-doping lab at UCLA showed the substance was the steroid THG, a drug Illinois chemist Patrick Arnold created for Conte's clients.

Graham is the sixth person indicted in the BALCO investigation. The other five have been convicted after making deals with prosecutors that kept any of the cases from going to trial.

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The question now becomes whether Graham cuts a deal that will prevent a trial in which many of his athletes and former athletes, including Jones and Gatlin, could be called to testify.

Because federal prosecutors had granted Graham immunity in return for his cooperation in the investigation, any deal the government makes now probably will hinge on that cooperation. The indictment specifies Graham was not given immunity from prosecution for making false statements.

Graham's attorney, Joseph Zeszotarski of Raleigh, N.C., said his client is not guilty and has not made any false statement.

"It is particularly troublesome the government has chosen to take this course when it was Trevor who had the integrity and courage to turn in the sample that led to the BALCO investigation. ... Yet this is how he is rewarded," Zeszotarski said in a statement.

When he publicly acknowledged having turned in the syringe, Graham said, "I was just a coach doing the right thing at the time. I have no regrets."

Skeptics contended Graham acted because he was concerned rival athletes were reaping benefits from THG while it was undetectable. He denies giving drugs to his athletes.

The indictment alleges Graham gave illegal performance-enhancing drugs to his athletes after obtaining them from "Source A," whom published reports have identified as Angel Guillermo Heredia, a shot putter from Laredo, Texas. The indictment says Graham also referred athletes to "Source A" to get the drugs directly from the source.

U.S. Olympic Committee spokesman Darryl Seibel declined comment on the indictment but said, "We've already made our position on Mr. Graham clear."

In August, the USOC banned Graham from using any of its training facilities.

Philip Hersh covers the Olympics for The Times and the Chicago Tribune.

Track Coach Trevor Graham Indicted (SFC)

By Mark Fainaru-wada And Lance Williams, Chronicle Staff Writer

San Francisco Chronicle, November 3, 2006

(11-02) 16:03 PST -- A track coach whose clients have included some of the world's greatest sprinters -- such as U.S. Olympic champions Marion Jones and Justin Gatlin -- was indicted Thursday for lying to federal agents when he told them he had never provided his athletes with performance-enhancing drugs in connection with the BALCO steroids case.

Trevor Graham, who has portrayed himself as a whistle blower for giving authorities the steroid-laced syringe that helped propel the BALCO probe in 2003, was indicted by a federal grand jury in San Francisco on three counts of making false statements to government agents.

Graham's indictment was another blow to American track and field, which has labored unsuccessfully to put the BALCO steroids scandal behind it. In the past two years, 14 track and field stars with ties to BALCO -- including Tim Montgomery, former world record holder in the 100 meters and a former Graham client -- have been disciplined for doping offenses. In July, Gatlin, a Graham protege, was suspended after testing positive for steroids.

Neither Graham nor his attorney, Joseph Zeszotarski, could be reached for comment.

The grand jury that indicted Graham for his statements in a 2004 interview with federal agents is also investigating whether Giants slugger Barry Bonds committed perjury for denying under oath that he knowingly used banned drugs from BALCO. There was no indication Thursday when or whether the grand jury might complete its probe of Bonds.

Graham is the coach of the elite Sprint Capitol organization in North Carolina. Several of his athletes have tested positive for steroids, but he has repeatedly denied distributing the drugs.

However, at least three people connected with BALCO have told the government that Graham was a steroid dealer. Both BALCO ringleader Victor Conte and shot-putter C.J. Hunter told federal agents the coach distributed the drugs to his athletes, and Montgomery testified before a grand jury that Graham provided his athletes with steroids he had received through a "connection" in Mexico.

Thursday's indictment alleged that Graham lied to special agents from the Internal Revenue Service's Criminal Investigations unit when he told them he had never set up any of his athletes with performance-enhancing drugs from an unidentified source.

The indictment also alleged that Graham lied when he said he had never met the unidentified source, referred to as "Source A," in person. The third count against the coach claimed that he lied when stating his last contact with "Source A" had been a phone conversation in 1997.

Based on a reading of Graham's statement -- which was obtained and previously reported on by The Chronicle -- the unidentified source is Angel Guillermo Heredia, known throughout the BALCO case as "Memo." In his 2004 interview, Graham said Memo was a shot-putter from Laredo, Texas. According to the statement, Graham said he was not aware of any of his

athletes obtaining drugs from Mexico; he had no connections with a Mexican lab; he only had spoken with Memo by phone, and hadn't talked with him since 1997.

The New York Times previously reported that Heredia told the grand jury in San Francisco that he provided steroids, human growth hormone and other performance enhancing drugs to Graham and his athletes between 1996 and 2000.

The indictment alleges that Graham met Source A in person for the first time in 1996 or 1997 and thereafter referred "numerous athletes coached by Graham to Source A to obtain illegal performance-enhancing drugs from Source A." The indictment also charged that Source A provided performance-enhancers to Graham and his athletes between the time of their first meeting and the 2004 interview with agents. Some of the athletes, the indictment, alleged, were associated with BALCO.

"Today's charges demonstrate this office's ongoing commitment to investigate and prosecute not only those involved in the illegal doping of our nation's athletes, but also those who lie to federal agents involved in a criminal investigation," said U.S. Attorney Kevin Ryan.

In June 2004, four months after four men were indicted in what the government termed a conspiracy to distribute performance-enhancing drugs to elite athletes, investigators interviewed Graham for nearly three-and-a-half hours with his lawyer present in Raleigh, N.C.

During the interview, Graham acknowledged he was the man who sent the now-famous, steroid-laced syringe to the U.S. Anti-Doping Agency in the summer of 2003 to expose Conte and BALCO. Graham also admitted he attended a meeting at BALCO in late 2003, where Conte hatched what became known as "Project World Record," a plan devised to turn Montgomery into the world's fastest man. Also at the meeting were sprint coach Charlie Francis -- the man who coached steroid cheat Ben Johnson -- and Milos Sarcev -- a bodybuilder and self-described anabolic expert.

Graham, however, insisted to the agents that he had never provided any illegal or banned performance-enhancing drugs to his athletes. For example, he stated the only things he had ever given Marion Jones were "Gatorade, protein and potassium for cramps," according to a copy of his statement. Graham told the investigators that as a coach he believed he had always "done the right things."

However, Hunter, the shot-putter and ex-husband of Jones, told agents Graham had provided Jones with the endurance-boosting drug EPO in the lead-up to the 2000 Sydney Games, where she won five medals, three of them gold.

At the Summer Olympics in Athens in 2004, Graham said he was the person who had sent the needle-less syringe with traces of a steroid in it to the U.S. Anti-Doping Agency in Colorado Springs. He said he was "just a coach doing the right thing."

However, many others connected to the BALCO probe have characterized Graham's action much more a result of a turf war between his athletes and those aligned with Conte, who he named as the originator of the steroid in the syringe.

The same day Graham sent the syringe to USADA, Conte drafted a letter to the anti-doping group and to the international governing body for track and field detailing allegations of Graham doping his athletes with "oral testosterone undeconate." Conte offered details about how Graham's athletes were avoiding being Conte, and, at the end of the letter, he named four sprinters he said were cheating. Among those was Gatlin, who currently shares the 100-meter world record. Conte ultimately didn't send the letter, but it was found in his trash by the lead BALCO investigator.

After Gatlin was caught cheating this summer -- adding to a list of nearly a dozen of Graham's current or former clients who either tested positive or were implicated for doping -- the coach lost his contract with Nike and was banned from U.S. Olympic Committee training centers.

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Graham Indicted For Role In Probe (WP)

By Amy Shipley, Washington Post Staff Writer

The Washington Post, November 3, 2006

Trevor Graham, the former coach of Marion Jones and other track and field stars, was indicted yesterday on federal charges of lying to investigators involved in the steroid probe that already has ensnared dozens of high-profile athletes.

In the five-page indictment from U.S. District Court for the Northern District of California, the government alleged that Graham lied about his relationship with an unnamed source of performance-enhancing drugs. The indictment said Graham met the source in 1996 or 1997, sent athletes to him for drugs and relied upon him for illegal drugs "for years."

The source is believed to be former athlete and nutritionist Angel Guillermo Heredia of Mexico and Laredo, Tex., who testified that he provided steroids, human growth hormone and the performance-enhancing drug EPO under Graham's direction from about 1996 through 2000, according to the New York Times.

A public records search showed that Graham's assistant coach, Randall Evans, shared an address in Laredo with Heredia in 1999.

Graham did not return a call seeking comment.

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Graham's Raleigh, N.C.-based attorney, Joe Zeszotarski, said in a statement his client is the victim of false accusers possibly motivated to retaliate for Graham's role in kicking off what has been a historic crackdown on drugs in sports in the United States.

In the summer of 2003, Graham anonymously sent in a syringe that led the U.S. Anti-Doping Agency to uncover the designer steroid THG, which led to drug bans for more than a dozen athletes.

"Trevor's response is that he is not guilty, and he looks forward to clearing his name at trial," Zeszotarski said in the statement. "Given the money, reputation and freedom lost by many as a result of Trevor's integrity in turning in the sample, it is not at all surprising that people are now trying to say otherwise in an effort to harm Trevor."

Graham, who competed for Jamaica as a sprinter in the 1988 Summer Games, faces a maximum of five years in prison and a $250,000 fine for each of the three counts of making false statements. The indictment said investigators asked Graham about the source during a meeting in his attorney's office in Raleigh on June 8, 2004.

Graham has coached more than a half-dozen athletes who have been charged with doping violations, including Olympic champion Justin Gatlin and sprinter Latasha Jenkins, both of whom failed tests this summer.

Graham, who said Gatlin was the victim of a vengeful massage therapist, was fired from his contract at Nike and barred from the U.S. Olympic Committee's training centers. The USADA and world track and field governing body (IAAF) began a joint investigation of Graham in connection with doping allegations.

Graham was issued a summons to appear for arraignment Nov. 16 before Magistrate Judge Edward M. Chen.

"Today's charges demonstrate this office's ongoing commitment to investigate and prosecute not only those involved in the illegal doping of our nation's athletes, but also those who lie to federal agents involved in a criminal investigation," U.S. attorney Kevin V. Ryan said in a statement.

Sprinter's Coach Indicted For Lying To Feds (CHIT)

By Philip Hersh, Tribune Olympic Sports Reporter

Chicago Tribune, November 3, 2006

U.S. sprinter Justin Gatlin had just finished the news conference after winning the 100 meters at the 2004 Olympics when his coach, Trevor Graham, added a surreal dimension to the celebratory moment.

With Gatlin standing a few feet away in the basement of the Athens Olympic Stadium, Graham told a small group of reporters he was the coach who turned in the syringe that triggered the BALCO doping scandal.

An ironic dimension was added Thursday when a federal grand jury in San Francisco indicted Graham on charges of lying to federal agents investigating the BALCO affair. He faces up to 15 years in prison if convicted.

Gatlin, meanwhile, faces a possible eight-year ban after testing positive for the anabolic steroid testosterone April 22. He is among 10 athletes suspended for doping violations that occurred while Graham was their coach. In addition, Olympic champion Marion Jones has been under suspicion of doping that allegedly occurred while she trained with Graham.

Now that the federal investigation of Graham has resulted in the indictment, the U.S. Anti-Doping Agency is likely to charge the coach with a doping offense.

"No one has a license to break sports rules or federal laws just because they turn in a drug dealer to the authorities," USADA general counsel Travis Tygart said Thursday.

Following USADA policy, Tygart said his comments were not related to a specific case.

"We know athletes rarely dope on their own," Tygart said.

In 2003, Graham sent USADA a syringe containing traces of a then-undetectable drug the coach said athletes were getting from BALCO founder Victor Conte. Analysis by the anti-doping lab at UCLA showed the substance was the steroid THG, a drug Illinois chemist Patrick Arnold created for Conte's clients.

Graham is the sixth person indicted in the BALCO investigation, a group that includes Barry Bonds' trainer, Greg Anderson. The other five have been convicted after making deals with prosecutors that kept any of the cases from going to trial.

The question now becomes whether Graham cuts a deal that will prevent a trial in which many of his athletes and former athletes, including Jones and Gatlin, could be called to testify.

Because federal prosecutors had granted Graham immunity in return for his cooperation in the investigation, any deal the government makes now probably will hinge on that cooperation. The indictment specifies Graham was not given immunity from prosecution for making false statements.

Graham's attorney, Joseph Zeszotarski of Raleigh, N.C., said his client is not guilty and has not made any false statement.

"It is particularly troublesome the government has chosen to take this course when it was Trevor who had the integrity and courage to turn in the sample that led to the BALCO investigation. … Yet this is how he is rewarded," Zeszotarski said in a statement.

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When he publicly acknowledged having turned in the syringe, Graham said, "I was just a coach doing the right thing at the time. I have no regrets."

Skeptics contended Graham acted because he was concerned rivals were reaping benefits from THG while it was undetectable. He denies giving drugs to the athletes he has coached on a Raleigh-based team called Sprint Capitol, USA.

The indictment alleges Graham gave illegal performance-enhancing drugs to his athletes after obtaining them from "Source A," whom published reports have identified as Angel Guillermo Heredia, a shot putter from Laredo, Texas or referred them to "Source A" to get the drugs directly from him.

U.S. Olympic Committee spokesman Darryl Seibel declined comment on the indictment but said, "We've already made our position on Mr. Graham clear."

In August, the USOC banned Graham from using any of its training facilities.

phersh@tribune.com

Graham Charged With False Statements In Steroid Probe (Update1) (BLOOM)

By Karen Gullo

Bloomberg, November 3, 2006

Nov. 2 (Bloomberg) -- Track coach Trevor Graham, who helped spark a federal inquiry into steroid use by athletes, was charged with making false statements to federal agents about getting steroids for his athletes.

Graham, coach to Olympic sprinters Marion Jones and Justin Gatlin, obtained illegal performance enhancing drugs from an unnamed source and lied about it to U.S. Internal Revenue Service agents who interviewed him in June 2004, according to a statement today by the U.S. Attorney's office in San Francisco. Graham also lied about never meeting the source in person, and about his last contacts with the unnamed supplier, the statement said.

The defendant said ``he never set up any of his athletes with drugs" when ``in fact Graham obtained illegal performance-enhancing drugs from Source A and thereafter provided them to athletes he was coaching and also referred athletes he was coaching to Source A," said the statement.

Graham was a witness in a federal investigation into Bay Area Laboratory Co-Operative, a Burlingame, California, lab known as Balco, the U.S. Attorney said. The lab's founder and four others, including Greg Anderson, trainer to baseball player Barry Bonds, have pleaded guilty to distributing steroids. No athletes have been charged. Joseph Zeszotarski, Graham's attorney in Raleigh, North Carolina, didn't return a message left on voicemail after hours. Bonds has denied using steroids.

False Statements

Graham made the false statements while being interviewed about his relationship with ``Source A," who provided Graham and his athletes, some of whom were associated with Balco, with illegal drugs, prosecutors said. He was indicted on three counts of making false statements, each carrying a maximum penalty of five years in prison and a $250,000 fine. Graham wasn't charged with distributing steroids.

The U.S. Olympic Committee banned Graham from its training centers Aug. 3, the first time the organization has levied such a penalty, after Olympic 100-meters champion Gatlin tested positive for testosterone at a meet in April.

Graham, who is based in North Carolina, is the coach of sprinters Jones and Gatlin. Gatlin faces an eight-year ban after failing a second drug test in August, and Jones was cleared of using banned substances.

Graham is also being investigated by the International Association of Athletics Federations after Gatlin failed a doping test, the group said in August. Graham is fighting the Olympic ban and Gatlin has denied wrongdoing.

Trained

Graham has also trained twins Alvin and Calvin Harrison, Jerome Young, Michelle Collins and Tim Montgomery, who have all received doping suspensions.

The San Francisco U.S. Attorney's Office launched an investigation three years ago into steroid use by athletes, including baseball player Barry Bonds. The probe was sparked in part by Graham, who anonymously mailed a syringe containing a sample of tetrahydrogestrinone, known as THG or the Clear, a synthetic ``designer steroid" that was once undetectable and is banned in baseball.

``I was just a coach doing the right ting at the time," Graham said in a 2004 interview with the Associated Press at the Athens Olympics.

The case is U.S. v Trevor Graham, U.S. District Court, San Francisco.

Graham Charged With Hindering Probe (SFC/AP)

By David Kravets And Paul Elias, Associated Press Writers

San Francisco Chronicle, November 3, 2006

DOJ_NMG_0090880

(11-02) 22:34 PST San Francisco (AP) --

The elite track coach who trained Justin Gatlin, Marion Jones and Tim Montgomery was charged Thursday with hindering the federal steroids probe he helped launch three years ago when he mailed a syringe of a designer drug to anti-doping agents.

Trevor Graham was charged with three counts of making false statements to federal agents in an indictment issued by the grand jury investigating performance-enhancing drugs in professional sports.

If convicted, Graham faces a maximum penalty of 15 years in prison and a $750,000 fine. He was summoned to appear for arraignment Nov. 16 in U.S. District Court.

Graham operates Raleigh, N.C.-based Sprint Capitol USA, a team of about 10 athletes that includes Gatlin, the 100-meter co-world record holder who tested positive for testosterone and other steroids in April.

He also coached sprinters Jones, who won five medals at the 2000 Sydney Games, and her ex-boyfriend, Montgomery, formerly the world's fastest man. He was suspended from competition for two years, although he never has tested positive for a banned substance.

Three years ago, Graham anonymously mailed a syringe containing "the clear," a previously undetectable steroid to the U.S. Anti-Doping Agency. At the 2004 Athens Olympics, Graham acknowledged mailing the drug, saying: "I was just a coach doing the right thing at the time." He did not say why he turned in the syringe or how he got the material.

According to the indictment, Graham lied to federal investigators in 2004 when he told them he didn't provide his athletes with performance-enhancing drugs.

It said he obtained those drugs from a person identified only as "Source A" and that he "provided them to athletes he was coaching and also referred athletes he was coaching to Source A to obtain illegal performance-enhancing drugs directly from Source A."

Graham was granted immunity for his cooperation but not from prosecution for making false statements, prosecutors said.

"Today's charges demonstrate this office's ongoing commitment to investigate and prosecute not only those involved in the illegal doping of our nation's athletes, but also those who lie to federal agents involved in a criminal investigation," San Francisco U.S. Attorney Kevin Ryan said.

Graham's Raleigh-based attorney Joseph Zeszotarski said his client was innocent and has cooperated with federal authorities.

"It is particularly troublesome that the government has chosen to take this course, when it was Trevor, who had the integrity, and courage, to turn in the sample that led to the BALCO investigation in the first place," he said. "Yet this is how he is rewarded."

The move touched off the Bay Area Laboratory Co-Operative investigation. It since has netted five convictions, including that of Patrick Arnold, the Illinois chemist who produced the clear for the now-defunct Burlingame supplement company that served as a front for a steroids ring.

"We know athletes rarely dope on their own," said Travis Tygart, general counsel for the USADA. "I can't comment on any active USADA case but to the extent that criminal laws and sport rules can be harnessed together to eradicate the root of the problem by stopping coaches and others who prey on our athletes, it's a great day for all of us who are interested in clean sport."

In August, the U.S. Olympic Committee banned Graham from its training centers, because many of his athletes have been suspended for doping offenses.

USOC spokesman Darryl Seibel declined comment on the indictment.

Jill Geer, spokeswoman for USA Track & Field, said the sport's governing body "has always believed that anyone involved in doping, whether an athlete, coach, support staff or other person, should be held accountable.

"We are not familiar with the investigation or the particular evidence in Mr. Graham's case," she said, "so we will wait for the justice system to run its course."

Barry Bonds' trainer, Greg Anderson, also was convicted in the BALCO investigation. The grand jury also is examining whether the slugger committed perjury when he told a grand jury in 2003 that he never knowingly used steroids. He told the panel he believed Anderson had supplied him with flaxseed oil and arthritis balm.

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Associated Press sports writer Bob Baum in Phoenix contributed to this report.

Track And Field Coach Graham Indicted (SN)

Sports Network, November 2, 2006

San Francisco, CA (Sports Network) - Trevor Graham, a track and field coach of Olympic athletes, was indicted Thursday by a federal grand jury for his role in the Bay Area Laboratory Co-operative (BALCO) steroid distribution case.

DOJ_NMG_0090881

Graham was charged with three counts of making false statements to special agents of IRS-Criminal Investigation (IRS-CI). According to United States Attorney Kevin Ryan, during the criminal investigation, Graham was a witness in determining the ultimate source for illegal performance-enhancing drugs taken by many athletes who were connected with BALCO.

The indictment states that on June 8, 2004, Graham was interviewed by federal agents about his relationship with a source, who provided Graham and the athletes he was coaching, some of whom were associated with BALCO, with illegal performance-enhancing drugs.

The indictment alleges Graham lied to special agents by saying he never arranged for any of his athletes to obtain drugs from the source. The indictment also alleges that Graham got illegal performance-enhancing drugs from the said source and then provided them directly to athletes he was coaching. Graham also allegedly lied that he never met the source in person and, according to the indictment, falsified that he last spoke with the source in 1997.

"The charges allege that Graham intentionally lied to IRS-CI agents who were pursuing the original source of the illegal performance-enhancing drugs taken by many of the athletes tied to BALCO," Ryan said. "Today's charges demonstrate this office's ongoing commitment to investigate and prosecute not only those involved in the illegal doping of our nation's athletes, but also those who lie to federal agents involved in a criminal investigation. As made clear today, intentionally making false statements to federal agents in the course of a criminal investigation is a serious federal felony."

Graham's arraignment is set for November 16 before Magistrate Judge Edward M. Chen. He faces 15 years in prison and a fine of $750,000 if convicted on all three counts.

"We can't turn a blind eye to the use of performance enhancing drugs and the money laundering associated with it," said Diane Carter, IRS-CI assistant special agent in charge. "When you lie or mislead investigators regarding the use or distribution of illegal steroids, those actions will be aggressively pursued by the IRS as well other law enforcement organizations and the U.S. Attorney's Office."

Graham operates Sprint Capitol USA, which was formed in 1993, and is based in Raleigh, North Carolina. Athletes such as Marion Jones and former 100-meter world record holder Tim Montgomery have all trained under Graham.

Montgomery was charged with using illegal performance-enhancing drugs, by the United States Anti-Doping Agency (USADA), even though he did not return a positive drug test. Montgomery was banned for two years. Although Jones had reportedly received banned drugs from BALCO, she was cleared of a separate doping allegation this past summer after reportedly failing one drug test for Erythropoietin (EPO), a banned performance-enhancer.

Graham has also worked with sprinter Justin Gatlin, who in August received an eight-year suspension for testing positive for a prohibited anabolic agent. Gatlin won the gold medal in the 100 meters at the 2004 Olympics.

Several other athletes who have worked with Graham have been banned for illegal substances.

Sports Track Coach Charged With Obstruction In Balco Case (NPR)

NPR/ATC, November 2, 2006

All Things Considered, November 2, 2006 · Track and field coach Trevor Graham has been charged with impeding the Balco investigation of drug use by some of the world's best athletes. Graham, one of the highest-profile track coaches in the world, has coached stars such as Marion Jones, Justin Gatlin and Tim Montgomery.

The indictment alleges that Graham lied to agents in 2004 by stating that he never supplied any of his athletes with drugs. The indictment says that, in fact, Graham obtained illegal performance-enhancing drugs and provided them to athletes he was coaching. And, it alleges, Graham also referred athletes he was coaching to an unnamed source to obtain illegal performance-enhancing drugs directly.

An odd fact of his case is that it was Graham who tipped off anti-doping authorities about the Balco lab three years ago, by anonymously sending them a syringe with an undetectable steroid.

Graham's prize pupil Justin Gatlin, admitted this past summer that he'd tested positive for testosterone. Gatlin, the co-world record holder in 100 meters and the reigning Olympic and world champion, was banned from the sport by U.S. Ant-Doping Agency for up to 8 years.

The grand jury that handed out the indictment against Graham is the same one that continues to investigate baseball star Barry Bonds.

At least one sports analyst says that Graham's indictment is good news for Bonds, as it means that the grand jury is taking action against the coach -- but still apparently doesn't have enough evidence to issue charges against Bonds.

Bonds, the record-setting outfielder, is being investigated for possible perjury and tax evasion.

Graham Indicted In Steroids Probe (BBC)

BBC Sports, November 2, 2006

DOJ_NMG_0090882

Sprint coach Trevor Graham has been charged with hindering a US government investigation into steroids in sport.

Graham, whose stars included disgraced Olympic 100m champion Justin Gatlin, was indicted on three counts of making false statements to federal agents.

The North Carolina-based coach was summoned to appear for arraignment on 16 November in a US District Court.

If convicted of all three counts, he faces a maximum penalty of 15 years in prison and $750,000.

Sheriff, Aides Indicted In Federal Drug Investigation (WT)

By Jerry Seper

The Washington Times, November 3, 2006

A federal grand jury has indicted 20 persons, including Henry County, Va., Sheriff Harold Frank Cassell and 12 of his current or former deputies, in connection with a major drug, weapon and money-laundering conspiracy in southern Virginia.

Fourteen persons were arrested yesterday as a result of a Drug Enforcement Administration investigation. The county law-enforcement officers are accused of stealing, selling and using cocaine, crack, marijuana, steroids and date-rape drugs and confiscating weapons being held as evidence.

Several also are accused of using a drug drop house for extramarital sex.

Police had been in contact with the rest of those indicted except for one, U.S. Attorney John L. Brownlee said.

At a bail hearing yesterday afternoon, U.S. Magistrate Judge Michael F. Urbanski released Sheriff Cassell on $25,000 bail and ordered that he have no contact with the other defendants.

At the prosecution's request, Judge Urbanski also told Sheriff Cassell, 68, not to discuss the case with any county employee because an investigation of corruption in Henry County's government is ongoing.

Former county administrator Sid Clower went to prison for embezzling more than $818,000 from 1993 to 2002 as the county sank into economic despair. He used the money for gifts, trips and to support an out-of-wedlock child.

State police and officers from Martinsville, Va., are helping run the Henry County department in the meantime.

According to a 48-count indictment filed in U.S. District Court in Abingdon, Va., at least four law-enforcement officers stole firearms, money, electronic equipment, illegal drugs and other items held by the department as evidence and that at least 10 others sought to impede and obstruct a federal investigation into the suspected conspiracy.

Hundreds of pounds of cocaine, crack and marijuana are thought to have been seized and later sold.

Sheriff Cassell was quoted by investigators as saying that the only way to acquire wealth is to be "a little crooked and not get caught."

He owns large tracts of land and a trucking company and has reported more than $20,000 in dividends yearly, the government said.

"As a public servant, I am deeply disturbed by the actions of these individuals, especially the law-enforcement officers arrested today," said Shawn A. Johnson, special agent in charge of the DEA's Washington division. "Those who betray the public trust insult the integrity and honor of all police officers who risk their lives upholding the law."

A U.S. Postal Service employee and a county probation officer were among those charged in the case.

The indictment, which was made public yesterday, states that the conspiracy began in 1998 when sworn officers, employees and associates of the sheriff's office took part in a "continuous scheme" to distribute the date-rape drug Ketamine, cocaine, crack and marijuana.

The indictment states that members of the conspiracy used their connections with the sheriff's office to obtain drugs and avoid arrest. It also states that they took seized firearms for their own use.

Sheriff Cassell, according to the indictment, was advised by authorities of drug deals going on in his department but chose not to take any action. It states that he covered up several illegal activities by making false statements to federal investigators and by aiding and abetting the money-laundering aspect of the operation.

Sheriff Cassell was with the state police before being elected sheriff in 1992. He earned a salary of about $90,000, according to state figures The county of about 58,000 residents is best known for the Martinsville Speedway, where NASCAR races are run twice a year.

The sheriff has 122 employees, including 96 sworn officers.

The county supervisors last night asked Sheriff Cassell to resign, saying they thought his ability to manage his department had been "irreparably damaged."

John Lichtenstein, Sheriff Cassell's attorney, said his client would assess the issues and "make a decision that he believes reflects the best interests of the people."

DOJ_NMG_0090883

Mr. Brownlee said a major break in the investigation came as a result of Operation Cyber Chase. In March 2005, DEA agents in the Philadelphia field office notified agents in Roanoke that they made a controlled delivery of two kilograms of Ketamine -- a sedative -- to a residence in Martinsville, Va.

Agents arrested William Reed, who rented the residence from a sergeant with the county sheriff's office. Mr. Reed was charged with possession with intent to distribute Ketamine. Facing criminal charges and a lengthy sentence, Mr. Reed agreed to cooperate in the DEA probe, Mr. Brownlee said. The sergeant has been indicted in the case.

Sheriff And Several Deputies Charged In Drug Trafficking (WP)

By Fredrick Kunkle, Washington Post Staff Writer

The Washington Post, November 3, 2006

The longtime sheriff of Henry County, Va., and 12 former and current deputies have been charged with participating in a drug-trafficking ring in the rural county on the North Carolina border, Drug Enforcement Agency officials said yesterday.

Harold F. Cassell, 68, who has been sheriff since 1992, was alerted to the illegal activity but did nothing to stop it, instead making false statements and aiding in money laundering to cover it up, federal officials said.

Twenty people, including sworn officers, employees and associates of officers, dealt in illegal drugs, including cocaine, crack, steroids, ketamine and hundreds of pounds of marijuana, over a five-year period beginning in 1998, federal officials said. Participants in the conspiracy also trafficked in seized weapons, including a machine gun, according to a 48-count indictment returned Wednesday in Abingdon and unsealed yesterday.

"The accusations are very serious, and we're taking them seriously. He's presumed innocent," said Cassell's attorney, John E. Lichtenstein. "He has a great deal of faith, both personal and religious."

Cassell, who goes by Frank, patrolled Henry County for years as a state trooper before becoming sheriff. He has been married for 44 years and has two daughters and several grandchildren, Lichtenstein said.

The mayor of Martinsville, which has about 15,500 residents and is the county seat, said people were distressed by the allegations. The sheriff's office, with 122 employees, including 96 sworn officers, is the primary law enforcement agency in Henry, which has no county police department.

"Without question, there is a lot of talking, and more than a little disbelief, and I think there's a lot of disappointment," said Mayor Kimble Reynolds Jr. The mayor, who is a defense lawyer, said he had heard courthouse whispers about "strong-willed personalities bumping heads" inside Cassell's department but never any word that deputies might be engaged in illicit activity.

DEA officials said a major break came in March 2005 during a large investigation, dubbed Operation Cyber Chase, into illegal online prescription drug sales.

While investigating more than 200 Web sites that illegally sold drugs around the world, DEA agents intercepted an express mail package containing 2 kilograms of ketamine, an animal tranquilizer known as Special K, that was shipped to a Henry residence, the indictment says.

DEA agents set up a sting for its intended recipient, who told them he was working as a middleman for Sgt. James A. Vaught of the sheriff's office, the indictment says. The middleman said the residence was used for drug deals and extramarital affairs, the indictment says. From there, federal agents built a case against 20 people, including the former head of the vice unit in the sheriff's office.

Cassell, who lives in Axton, allegedly agreed not to pursue investigations and to pass on tips of outside law enforcement activity to the conspirators. He also cosigned a loan for Vaught to help launder $10,000 in drug proceeds that Vaught received, federal officials said.

Vaught, 33, of Ridgway, resigned from the sheriff's office in March 2005 and agreed to cooperate with state and federal investigators, the indictment says.

Cassell has a reputation as a seasoned sheriff who runs his office in a blunt-talking, no-nonsense fashion.

The news comes as the region struggles with the loss of textile and furniture-making jobs and with recent attention from the national news media over a massive mortgage fraud case involving a Martinsville native. The nation's largest home lender recently filed suit, saying that Robert Penn, a Martinsville native who now lives in Indianapolis, tricked dozens of Virginia residents into purchasing Indiana homes at inflated prices.

"We're trying to battle back against the current," Reynolds said.

Staff researcher Meg Smith contributed to this report.

Virginia Sheriff Indicted In Gun, Drug Case (AP)

By Sue Lindsey, Associated Press

AP, November 3, 2006

DOJ_NMG_0090884

ROANOKE -- Henry County Sheriff H. Franklin Cassell and 12 of his uniformed employees have been indicted in a federal investigation into drug and gun dealing.

A U.S. Postal Service employee, a probation officer and five residents also were charged in the 34-count indictment, which was issued Tuesday and unsealed today.

Charges include a racketeering conspiracy, narcotics distribution, obstruction of justice and perjury plus firearms charges.

The indictment states that drugs and guns seized by the sheriff's office were sold to residents for distribution. The conspiracy began in 1998, the indictment reads.

"It is disgraceful corruption," John Brownlee, U.S. attorney for western Virginia, said at a press conference.

Sheriff Cassell was charged with money laundering and impeding the investigation by the FBI and federal drug enforcement agents. He was in custody and faced an afternoon bond hearing today.

Fourteen others also were in custody, and police had been in contact with the rest of those indicted except for one defendant who was at large, Mr. Brownlee said.

The indictment states that one of the residents, William R. Reed, told investigators that a house owned by one of the sheriff's officers was used for drug distribution. Mr. Reed cooperated in the investigation following his arrest last year on charges of possession of narcotics with intent to distribute.

Mr. Reed said he was a middleman in the distribution ring and paid James A. Vaught, a sergeant with the sheriff's office, to use the house he owned for drug distribution.

According to the indictment, drugs involved in the conspiracy were narcotics, cocaine, steroids and marijuana.

The Henry County Sheriff's Office declined to comment.

A county sheriff's dispatcher referred questions to the state police office in Salem. An officer who answered the phone there referred calls to the U.S. attorney.

Sheriff Cassell has been sheriff since 1992 in the rural county of about 58,000 residents along the North Carolina line. The area is a former textile and furniture region that has fallen on hard times with the closing of many factories.

The sheriff's department has about 122 employees, including 96 law enforcement officers, according to the indictment. State police and officers from the neighboring city of Martinsville are helping the county, a state police official said.

'Disgraceful' Suspects Rounded Up By Federal Agents In Pre-dawn Raid. (ROT)

By Lindsey Nair

Roanoke Times, November 3, 2006

One year into a corruption investigation targeting his department, Henry County Sheriff Frank Cassell reportedly told a federal agent:

"If you think I'm crooked or if I got a bunch of crooked people, by God you investigate it and put me in court."

Seven months later, Cassell was shuffling into a federal courtroom in ankle chains.

A 48-count indictment brought down this week accuses sheriff's office employees of using and dealing drugs; stealing narcotics and guns from evidence and redistributing them in the community; and lying to federal investigators.

Cassell himself is accused of trying to throw federal agents off the trail to protect officers he knew were involved in illegal activity.

Most of the 20 defendants in the case, seven of whom are civilians, were rounded up from their homes before dawn Thursday by agents with the Federal Bureau of Investigation and the Drug Enforcement Administration.

The investigation began in March 2005 with a tip from the Philadelphia DEA office about a package containing the illegal drug ketamine, known as a date rape drug. Undercover agents brought the package to a house in Martinsville, where it was accepted by William Randall Reed of Fieldale.

Reed later told agents he rented the house from James Alden Vaught, then a sergeant with the Henry County Sheriff's Office, and paid Vaught in cash and ketamine to use the house as a drug drop, the document states. He added that he had helped Vaught sell 2 kilograms of cocaine the sergeant had seized from a drug dealer as part of an investigation.

According to the indictment, Reed also told agents that he and Henry County Deputy Bradley Scott Martin had jointly used and sold ketamine and steroids for about eight years.

Vaught resigned from the sheriff's office soon after and began cooperating with authorities in July 2005, records show. He shared mountains of evidence about corruption at the department and wore a wire during conversations with Cassell.

Here are some of the allegations in the indictment:

n School resource officer and vice officer David Allan King stole seized drugs, falsified destruction orders for them and then sold them through Vaught and civilian associates. Estimates are that multiple kilograms of cocaine, ounces of crack and hundreds of pounds of marijuana were stolen.

n Canine officer Walter R. Hairston on 10 occasions illegally took seized drugs that he was supposed to use for dog training purposes and gave them to others for sale.

n A deputy got steroids and prescription pills from Mexico for his own use and for sale to users at local gyms.

n Vaught's house was used as a spot for fellow officers to conduct extramarital affairs.

n Deputies stole guns, money and other evidence from the property room. Others were caught in possession of unregistered guns with obliterated serial numbers.

n At least 10 defendants, including the sheriff, lied to federal agents and to the grand jury and passed sensitive information on to co-defendants to help them avoid apprehension.

"It is disgraceful corruption," U.S. Attorney John Brownlee said.

Prosecutors believe Cassell knew about Vaught's distribution of cocaine and embezzlement of money and was aware of the use of steroids by members of his staff but failed to pursue investigations. In a covertly recorded conversation, Vaught told Cassell about the cocaine and Cassell said, "that's not particularly shocking" and "that's water over the dam" and nobody else needed to know about it, court records claim.

In a later conversation, according to the documents, Vaught and Cassell met in an isolated spot behind the sheriff's house. There, Vaught reported to Cassell that he thought one deputy was a "stooge" and Cassell replied that he should have fired that deputy a long time ago because he knew he used steroids.

"I said you come in here looking like King Kong. I said I'm, I'm stupid but I ain't plum foolish. I said don't insult my intelligence by denying it, it's over with," Cassell reportedly said.

When Vaught told the sheriff about the shipments of ketamine to his rental house and drug money he had earned, then told him he "lied through his teeth" to the DEA, the sheriff allegedly responded:

"See I had no damn idea or I'd of stonewalled ... at least to give you a chance to get your act together."

Prosecutors say Cassell also helped Vaught figure out a way to hide thousands of dollars in drug money.

Brownlee declined to say how much money may have been made through the alleged corruption.

On Thursday, U.S. Magistrate Judge Michael Urbanski released all but two of the 16 defendants who appeared before him, including Cassell, on bond. Brown and Trantham were detained temporarily until they can get attorneys for a bond hearing.

Some of the defendants resigned from the sheriff's office during the investigation. Unlike the other current sheriff's office employees, Cassell was allowed to return to work under stringent conditions.

Among others, he may not carry a firearm or talk with any co-defendants or possible witnesses.

Cassell had no comment as he left the federal courthouse, but one of his attorneys, John Lichtenstein, said he expected his client to return to work today.

Although the Henry County Board of Supervisors asked for Cassell's resignation Thursday, Lichtenstein said, "All those decisions are under way."

State law allows a circuit court judge to remove an elected official such as a sheriff if the judge receives a petition from voters who live in the official's district. The petition must be signed by enough people to equal 10 percent of the votes cast for the office in the last election.

Even with a petition, the decision is up to the judge's discretion, said Salem attorney and state House Majority Leader Morgan Griffith. He said that's unlikely without a criminal conviction or absolutely clear evidence of misconduct.

The arrest of 13 out of 94 sworn officers, including two of the top-ranking ones, put a significant dent in the department's ranks. Additionally, just this fall, Lt. Kimmy Nester was demoted from major for unknown reasons. He was not named in the indictment.

Virginia State Police Superintendent Steven Flaherty said additional troopers have been assigned to Henry County.

"I want to reassure the people of Henry County that their law enforcement response is in sound hands," he said.

Gov. Tim Kaine said he approved the decision.

"We're not going to leave the people of Henry County shorthanded at a time which will be a real challenging time for their community," he said.

Deputy County Administrator Tim Hall said Capt. Lane Perry was running the sheriff's office on Thursday and he believed everyone else scheduled to work who had not been arrested had reported.

Although County Administrator Benny Summerlin said he had been aware of the federal investigation for "some time" and his office had cooperated, it came as a shock to Hall.

He said he found out only after driving to work and seeing the sheriff's office surrounded by a swarm of law enforcement vehicles and a helicopter.

Only a few citizens had called the administration office Thursday morning, Hall said, but many may have questions in the coming days.

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"Anybody that's elected, by definition people have given you their faith," Hall said, "and I'm sure there are some people who feel like they've been wronged."

The Associated Press and staff writers Mike Allen, Michael Sluss and Mason Adams contributed to this report.

Henry Co. Sheriff Arrested On Federal Charges (RTD)

Richmond (VA) Times-Dispatch, November 2, 2006

ROANOKE -- Henry County officials are asking for the resignation of Sheriff H. Franklin Cassell, who was indicted along with 12 of his current and former employees on charges in a drug-related racketeering case.

Cassell is among 20 people who have been indicted, federal authorities announced yesterday.

The indictment alleges that since 1998, sheriff's office employees took drugs and firearms that had been seized and sold them back to the community or kept contraband for themselves. Multiple kilograms of cocaine and hundreds of pounds of marijuana were taken and resold, according to the indictment.

"The members of this conspiracy took advantage of the trust placed in them as law-enforcement officers," U.S. Attorney John Brownlee said in a statement.

The current and former employees of the sheriff's office who were charged include two sergeants, one from the vice unit; a major who was a captain at the time of the alleged offenses; a probation officer; two deputies; and a vice officer. A U.S. Postal Service employee, a probation officer and five other people were also charged in the indictment, which was unsealed yesterday.

Charges include a racketeering con- spiracy, theft of firearms, drug distribution, money laundering, obstruction of justice and perjury.

Cassell, who has been sheriff since 1992, was charged with impeding the investigation by the FBI and federal drug-enforcement agents. He was released on $25,000 unsecured bond and told not to discuss the case with any county employees and not to have contact with other people named in the indictment or potential government witnesses.

H.G. Vaughn, chairman of the Henry Board of Supervisors, said the board passed a resolution yesterday evening asking Cassell to resign immediately. He said the board had met with FBI, Drug Enforcement Administration and Virginia State Police officials in a closed-door meeting.

The two-paragraph resolution said that while the supervisors did not intend to determine guilt or innocence, "it is this board's firm belief that Sheriff H.F. Cassell's ability to manage his department is irreparably damaged in light of these events."

As Cassell walked out of U.S. District Court with his lawyer, John Lichtenstein, reporters asked whether the sheriff plans to resign. "All those decisions are under way," Lichtenstein said.

Vaughn said that if the sheriff resigns, a circuit court judge would appoint someone to act as sheriff until the next general election. A sheriff's captain, Lane Perry, was running the department yesterday.

Vaughn said he learned about the indictments just after 8 a.m. when he received a call from the county administrator's office.

"We're trying to do a lot of things to promote a good, positive image and promote quality of life -- and something like this happens," Vaughn said. "It's devastating."

"It's just an awful day," echoed Del. Ward L. Armstrong, D-Henry, who represented one of the indicted officers at a bond hearing yesterday.

Armstrong said the indictments are bad for community morale and a distraction from economic-development efforts, given recent losses in area manufacturing jobs. He also mentioned former county administrator Sidney Clower's conviction on embezzlement and tax-evasion charges in 2002 and 2004.

"You don't want to be repeatedly in the national news for something like this," Armstrong said, adding that the community will weather this storm as it has others.

Deputy County Administrator Tim Hall said of the indicted employees, "People put their faith in them. I guess there'll be some people who feel like they've been done wrong."

Vaughn said the supervisors are emphasizing to county residents that the sheriff's office employees who are indicted make up a small part of the department, which has a staff of more than 120.

It's not the first time Henry County has made headlines for its drug woes.

"We feel like we're sticking our thumb in a dike -- we're not stopping it, but we're slowing it down," Cassell told The Associated Press in 1992 after dozens of area residents were indicted on charges related to a wide-ranging drug investigation for the third time in less than two years. "We've got a serious drug problem in this area."

In 1996, U.S. News & World Report chronicled the Sandy Level community's crack-cocaine fever, driven by heavily armed 13- to 17-year-old dealers selling to Virginians and North Carolinians in the border community. That remote section of the county long had a tough, blue-collar reputation for bootlegging and nip joints.

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A series of sweeps and undercover operations followed the "Crack Invades A Small Town" magazine article. In 2001, Cassell reflected on the impact of the 1996 article, which "got us the help we were asking for. People were throwing money and manpower at us for two or three years."

The county's continuing drug problems led to two long-term investigations that ended in March 2001 by Henry County deputies, state police and the FBI that brought nearly 100 indictments in the county's Bassett, Oak Level, King's Village, Axton and Horespasture areas.

During the summer of 2001, Cassell announced another successful raid based on a yearlong investigation in Sandy Level, Piedmont Estates and Ridgeway neighborhoods. A half-kilo of cocaine was seized along with numerous vehicles during that raid.

Some area residents were stunned by news of the indictments yesterday.

"I just think it's a damn shame," said Jessie Knight, a 25-year-old employee at the Fasmart in Collinsville, just down Kings Mountain Road from the sheriff's office. "They can't say anything about [criminals] because the cops are doing it, too."

Knight said she was "very, very surprised, especially knowing that it was somebody who was supposed to serve and protect the citizens."

Ebar Hopkins, a 23-year-old who identified himself as a music producer was shopping at the Fasmart. He said he moved to Henry County from Atlanta two months ago.

"You'd expect we'd have good sheriffs," he said. "It's a trip. You never know what to expect out of people."

Hopkins' mother, Anna Schoefield, said people at the call center where she works had been talking about the announcement. "I'm really shocked," she said.

'Corrupt To The Core' Virginia Sheriff Indicted On Drug And Racketeering Charges (ABC)

ABC News, November 2, 2006

The federal government has declared a Virginia sheriff and his deputies corrupt to the core.

Today Henry County Sheriff Harold Cassell and 12 of his deputies were charged with dealing crack-cocaine, marijuana and ketamine, which is commonly called the "date rape drug."

Cassell has been the sheriff of Henry County since 1992 . The indictments culminate a five-year Drug Enforcement Administration investigation into accusations of corruption. More than 20 individuals, including the 12 deputies, have been indicted in the drug distribution and money laundering ring.

A key allegation is that officers took confiscated drugs, issued fake destruction orders and then sold the stolen contraband.

Officials said this is one of the more disturbing, systemic cases of police corruption they have ever seen. According to an indictment unsealed today, the group allegedly sold multiple kilograms of cocaine and hundreds of pounds of marijuana. "As a public servant, I am deeply disturbed by the actions of these individuals, especially [those of] the law enforcement officers arrested today," said Shawn A. Johnson, special agent in charge of the DEA's Washington division.

"Those who betray the public trust insult the integrity and honor of all police officers who risk their lives upholding the law. The DEA joins with the Virginia State Police, the Federal Bureau of Investigation, and the United States Postal Inspection Service to send a clear message that their disgraceful acts will never be tolerated," Johnson added. Henry County is in south-central Virginia, near the Carolina border. It is best known for the Martinsville Speedway. In March 2005, the DEA became aware that members of the sheriff's office may be linked to the ketamine drug ring and sent a controlled delivery of the drug to a house that had been a key distribution point. That house was owned by James Vaught, a sergeant who worked for Cassell.

Vaught's house was rented by William Reed, a drug dealer who helped Vaught sell 2 kilograms of cocaine confiscated from a drug dealer while Vaught had been on duty.

Vaught resigned from the police force that month and began to cooperate with federal investigators after federal agents arrested Reed.

Drug Bust Leads To Huge Police Corruption Probe (CNN)

By Ann O'Neill

CNN.com, November 3, 2006

(CNN) -- The investigation that exposed an allegedly corrupt Virginia sheriff's department began with a package containing vials of a date-rape drug.

Although Drug Enforcement Administration agents didn't know it at the time, the package was shipped to a house that belonged to a sergeant with the Henry County Sheriff's Office.

According to a grand jury indictment, the DEA intercepted the package, delivered it undercover and arrested self-described middleman William Randall Reed in March 2005. Reed agreed to cooperate and quickly pointed the finger at Sgt. James Allen Vaught.

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Reed said he paid Vaught with cash and Ketamine, the so-called date rape drug, to use the house as a drug drop. The house also was used by other members of the sheriff's office for parties and extramarital trysts, the federal indictment states.

Reed also told authorities that he had helped Vaught sell cocaine the deputy had seized from a suspect.

Vaught resigned from the department soon after Reed's arrest and, a few months later, agreed to cooperate with investigators. He admitted to Reed's allegations and agreed to wear a wire to record conversations with his former colleagues.

The result was a 48-count indictment unsealed Thursday with the arrests of longtime Sheriff Harold Franklin Cassell and 17 others. A dozen of them wore or had worn the uniform of the Henry County Sheriff's Office. (Watch a prosecutor describe 'disgraceful' corruption -- 2:13)

Some of them are accused of stealing cocaine, marijuana and weapons from suspects and the sheriff's evidence property room and selling the contraband to criminals, who put it back on the street.

Others are accused of distributing steroids and weapons, including a machine gun with an obliterated serial number.

"These were drugs and guns that were seized as part of their law enforcement duties that were then stolen from the property room and put back out on the streets," U.S. Attorney John L. Brownlee said.

"You have law enforcement [officers] risking their lives to take these guns off the streets and then a very few members of law enforcement putting them right back out there."

Cassell was elected sheriff of county, population 58,000, in 1992. His department employs 122 people, 96 of them sworn law enforcement officers.

Today, in the wake of the indictment, the sheriff's office is being run by the Virginia State police.

Besides the sheriff, those named in the indictment include a captain, three sergeants, eight deputies -- including two vice officers -- a former employee of the U.S. postal service and a former probation officer.

One deputy, Walter R. Hairston, allegedly gave Vaught marijuana and cocaine he used to train the department's drug-sniffing dogs. The contraband was then sold, the indictment says.

According to the indictment, the DEA called to report a drug shipment to a "Brad Martin's house" in 2001. The call was taken by Martin, a sheriff's deputy.

Martin, Hairston and four other deputies, along with alleged drug dealer Wilbert Herman Brown, are accused in the indictment of racketeering. They allegedly made up a corrupt organization that stole and distributed drugs, including crack cocaine, and obstructed justice.

Cassell was told by authorities about the shipment to Martin's house, as well as other allegations of illegal activity in the department, and did nothing, the indictment alleges.

Instead, according to the indictment, Cassell tipped off targets of the investigation, lied to investigators and helped Vaught launder drug profits.

Henry County, hard against the North Carolina line in Virginia's southern Piedmont region, is perhaps best known for the Martinsville Speedway, where NASCAR races are held twice a year. It used to boast it was the "sweatshirt capital of the world," according to The Associated Press.

The county's textile and furniture industries have seen better times, and its unemployment rate is higher than the state average.

Timeline From The Indictment (WSLS)

WSLS-TV, November 2, 2006

Today's 50-page indictment alleges the following events:

In or about 1998: earliest known date drug ring is in operation

August 12, 1999: dealing of anabolic steroids and ketamine begins

Mid-1990s to October 5, 2006: James Keaton owned and hid a stolen gun, shipped across state lines.

Late 1990s to April 6, 2006: Patrick Martin and Cornelia Cox have two stolen guns together. Martin has two other of his own stolen guns. Cox has one of her own stolen guns. Five guns total.

2001: DEA agent from TX calls Henry CO Sheriff's Office, says drug package intercepted from Mexico, on it's way to "Brad Martin's" house in Martinsville. Brad Martin, Deputy with Henry Co, happened to take call at Sheriff's office. DEA didn't make connection. Martin tells David King and James Vaught about call. Sheriff Harold Franklin Cassell told about drug activity, did nothing.

The indictment also alleges Cassell knew about other illegal activities, including, Vaught selling cocaine, Vaught stealing money, and use of steroids by several members of Henry Co. Sheriff's office. He lied to federal investigators and VA state police, and tried to help Vaught in a money laundering scheme to hide source of money made from selling cocaine.

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Jason Burton, Jonathan Roberson and Travis Wilkins, all employees of Henry Co. Sheriff's Officer, along with Mark Roberson, possessed, hid and transferred an unregistered short barrel machine gun with an obliterated serial number, according to the indictment.

February 13. 2002: Kandy Deshazo and William Reed lie in order to get a PO Box, used a fake name and wanted to get box for illegal activities. Got P.O. Box

November 1, 2002: Kandy Deshazo and William Reed, lied again to get a PO BOX, used a different fake name. Got P.O. Box.

October 20, 2003: Deshazo and Reed lie, use a 3rd fake name to get a P.O. box. Got P.O. Box.

December 16, 2003: Reed tries to get 100 vials of a mixture containing ketamine in order to sell. Also, Martin and Preston tell Reed they had gotten call to Sheriff's Office that USPS intercepted package with 100 vials of ketamine mixture, planned to have agents deliver package to Reed and arrest Reed. As a result, Reed refused to accept package.

December 1, 2004: Mark Roberson owns stolen gun, that had been shipped in interstate or foreign commerce, serial number on gun fake or removed

January 1, 2005: Travis Wilkins gets short barrel machine gun and doesn't register it. Serial number on gun obliterated.

March 4, 2005: DEA agents tell Roanoke DEA agents that express mail package containing 2 kg of ketamine being delivered to home in Martinsville. Ketamine is sedative/date rape schedule 3 controlled substance

-DEA agents intercepted package of ketamine and conducted undercover controlled delivery to Martinsville home

-Arrested William Randall Reed

After Reed's arrest, he provides the following information

-Says he received drugs at Martinsville home and $ from outside VA, took his cut, then shipped remaining drugs outside VA (explained in more detail above)

-Martinsville home owned by James Alden Vaught, a Henry co sergeant

-Reed says he paid Vaught in cash and drugs to use home

-Reed says he helped Vaught sell 2 kg of cocaine that Vaught had seized as part of a drug investigation with Henry Co.

-Reed says Bradley Scott Martin, a Henry Co deputy, has been using and selling ketamine and steroids for 8 yrs

-Vaught resigns from Henry Co in march 2005

-Agrees to work with federal investigators in July 2005, agrees to secretly record conversations

-Says Martinsville home also used as a place for officers to cheat on their spouses

-Says he, Martin and David Allen King, vice officer and SRO with Henry Co involved in selling cocaine, cocaine base, pot, steroids

August 2005 - June 2006: Deputies encourage possible witness to lie

King made agreements with potential witnesses to lie in the investigation, made false statements about his own drug activity to agents. Trantham told potential witnesses how to avoid detection, threatened to shoot one if that person talked to investigators, and lied himself. Brown told witness to lie and lied himself to agents. Hairston tells witnesses to lie and lies to agents himself. Martin agrees with witnesses to withhold evidence, tells possible witnesses to lie, and lies to agents himself.

November 2005- April 2006: Keaton did not investigate criminal conduct in his department, violating duties as law enforcement officer. Keaton gave advice on how to hide stolen money and make it look legitimate, lied to FBI agent and grand jury. False statements are in a written report.

October 2005 - April 2006: Sheriff Cassell tried to help a Sheriff's Office employee hide drug money, lied about helping to federal agents. False statements from Cassell in a written report.

December 1, 2005: Jason Burton has illegal machine gun, not registered

February 24, 2006: The indictment alleges Sheriff Cassell did"knowingly and willfully" tried to cosign a loan for a person with $10,000 from selling drugs, then would help that person deposit small amounts of money into a checking account to pay off loan -- tried to help hide drug money

March 22, 2006: According to the indictment, Cassell made a false material statement and representation to an FBI special agent - says he has no knowledge of money laundering or drug activity in his department

March 23, 2006: King says he knows nothing about drug activity in Henry Co.

March 24, 2006: Robert Adams lies to FBI: says doesn't know why James Vaught wanted to find Wilbert Brown. Indictment also claims Adams knew Vaught wanted to sell half kg of cocaine to Brown.

March 30, 2006: Hairston says he knows nothing about illegal activity

April 4, 2006: The indictment says Keaton lies under oath to a Federal Grand Jury during an investigation into the Henry Co. Sheriff's Office. Grand Jury looking into a conversation between Keaton and Vaught about hiding stolen money.

April 25, 2006: Carlton Riley tries to get one kg of cocaine substance in order to sell it.

May 2, 2006: Cornelia Cox tells agents she did not steal money that had been seized as evidence by Henry Co. Indictment says she took $500.

May 30, 2006: Martin says he knows nothing about illegal activity, and is not personally involved in selling 2 kgs of cocaine with an employee of the Sheriff's Office

May 31, 2006: Trantham says he knows nothing about illegal activity at Henry Co. Sheriff's office

July 11, 2006, Brown says he knows nothing about illegal activity

Details From Henry Co. Press Conference (WSLS)

WSLS-TV, November 2, 2006

In a news conference this morning U.S Attorney John Brownlee addressed the indictments and recent arrests of more than a dozen Henry County Deputies including Sheriff Frank Cassell.

In the indictments, Cassell is accused of helping members in his department with money laundering and distributing narcotics. Brownlee says several members of Henry County Sheriff's office stole narcotics, contraband and firearms that had been seized and then sold the items back into the community. John Brownlee responded, "It is disgraceful corruption that they would take narcotics from the community and that members of law enforcement would put it back out there."

The drugs taken include multiple kilos of cocaine, multiple ounces of crack cocaine and hundreds of pounds of marijuana, also steroids and the drug ketamine known as a date rape drug. Brownlee also stated several deputies used the steroids.

The arrests were made this morning by Virginia State Police, the DEA office and federal agents.

Feds Raid Pot Dispensary Second Time In A Month (RPE)

By David Olson, The Press-Enterprise

Riverside Press Enterprise, November 3, 2006

Authorities on Thursday raided a Palm Springs medical-marijuana dispensary for the second time in a month.

An affidavit supporting the search warrant that authorized the raid accused Palm Springs Caregivers of illegally selling marijuana for profit, said Special Agent Sarah Pullen, of the federal Drug Enforcement Administration, which carried out the raid with officers from the Palm Springs Narcotics Task Force. The dispensary continued its illegal sales after a raid on Oct. 4, she said.

State law allows it to provide marijuana only to those who need it for medical reasons.

No one was arrested Thursday.

Employees at the dispensary could not be reached for comment Thursday night. After the Oct. 4 raid, the dispensary's office manager, Tanya Garcia, denied the allegations of illegal sales.

Authorities hauled away hundreds of bags and pill containers that contained marijuana, along with baked goods and liquids that contained the drug, Pullen said. She said the DEA did not have the authority to shut down the dispensary in the 2100 block of North Palm Canyon Drive, but its entire inventory of marijuana was seized Thursday.

The investigation into Palm Springs Caregivers began in September, after a man who police say "has a working relationship" with the dispensary left a bag of "marijuana edibles" as a tip for an employee of the Spa Resort Casino in Palm Springs.

California voters legalized marijuana for medical use in 1996. It is one of 11 states where medical-marijuana initiatives have passed.

But the U.S. Supreme Court ruled last year that medical-marijuana users can be prosecuted under federal law.

Riverside County supervisors entered the debate over medical marijuana in September, when they voted to join a lawsuit with San Bernardino, San Diego and Merced counties challenging a 2003 state law that requires counties to issue identification cards to medical-marijuana patients who have a doctor's recommendation.

Reach David Olson at 760-837-4411 or dolson@PE.com

Afghan Farmers Likely To Match Harvest (AP)

AP, November 2, 2006

(AP) Afghan farmers now planting opium poppies will probably reap a harvest comparable to this year's record crop, in part because insurgents are preventing effective counter-narcotics work, officials said Thursday.

Planting is under way in southern regions responsible for the bulk of the estimated 6,100 tons of Afghan opium produced in the 2005-06 growing season. Anti-drug officials say that despite anti-cultivation campaigns, they foresee little improvement by harvest time next spring.

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Drug production has skyrocketed since a U.S.-led offensive toppled the Taliban regime five years ago for giving refuge to Osama bin Laden and al-Qaida camps. Last spring's poppy harvest accounted for 92 percent of the global opium supply and was enough to make 610 tons of heroin _ more than all the world's addicts consume in a year.

Police and government officials are deeply implicated in the trade, which adds to the corruption and lawlessness threatening Afghanistan's fledgling democracy. Taliban militiamen had all but eradicated opium cultivation by 2000 but now profit from it, protecting poppy farmers.

Deteriorating security in the countryside makes it difficult to monitor how much poppy has been planted, a senior U.S. official said. Taliban-led militants have increased attacks this year, particularly in Afghanistan's southern opium heartland.

Gen. Khodaidad, a deputy minister in Afghanistan's Ministry of Counter-Narcotics, said some provincial governors and police chiefs have been doing effective anti-drug work.

"But unfortunately, in some provinces, especially in the south and southwest, we haven't been doing as well," said Khodaidad, who like many Afghans uses one name. "The reason is very clear _ fighting. Some of the districts are under the influence of the Taliban or al-Qaida."

Khodaidad said he hoped for a successful anti-cultivation campaign this fall followed by an eradication campaign in the new year, but he said he couldn't promise a reduction in the harvest. "I can tell you there will be no increase," he said.

However, the senior U.S. official said the new poppy crop probably will be similar to the one planted a year ago, "maybe a little under _ we were so high last year." He spoke on condition of anonymity because he is not authorized to speak on the record.

The United Nations' anti-drug chief said recently that proceeds from Afghan opium production are being used to finance terrorist groups. The U.S. official said the country's drug trade was a $3.1 billion business this year and it doesn't "take much of that to fund terrorism."

Seeking to counter corruption that hinders anti-drug efforts, the U.S. Drug Enforcement Agency is training special units of Afghan policemen who must pass polygraph exams and investigations of their backgrounds, Karen P. Tandy, the DEA administrator, said during a visit Sunday.

"DEA is very accustomed to working in countries where corruption is rampant," she said. "We have a method that has been extremely successful. ... You have patriots in every country who care about the future of their country, and that is no less true here in Afghanistan."

Khodaidad said President Hamid Karzai has warned government officials they will be removed if they help drug trafficking. He said a district chief and an administrator from the same district in Badakhshan, a remote and rugged northern province favored by drug producers, were recently fired.

The U.S. official said if there is no reduction in the opium harvest this year, Afghanistan would come under strong U.S. pressure to start spraying poppy fields with herbicide, an idea that Afghans, including Karzai, deeply oppose because of fears the chemicals could harm people.

Man Gets Life Sentence On Drug Charges (MUCHRONICLE)

By John S. Hausman, Chronicle Staff Writer

Muskegon Chronicle (MI), November 3, 2006

A 35-year-old Muskegon man has been sentenced to life in federal prison without chance of parole after a jury convicted him of large-scale drug trafficking and firearms offenses.

U.S. District Judge Robert Holmes Bell on Wednesday ordered Lakento Brian Smith of 1484 Albert to prison for life for conspiracy to distribute at least 500 grams of cocaine and at least 50 grams of "crack" cocaine, and for possession with intent to distribute at least 50 grams of "crack." Smith also was sentenced to 30 years in prison for possession with intent to distribute at least 500 grams of cocaine and 10 years for being a felon in possession of firearms -- three semi-automatic pistols.

A federal jury convicted Smith of all four counts June 29 after a three-day trial in Grand Rapids.

Smith was arrested Oct. 28, 2005, at his home after an extended investigation by the Grand Rapids and Detroit offices of the U.S. Drug Enforcement Administration, the West Michigan Enforcement Team, the Bureau of Alcohol, Tobacco, Firearms and Explosives and the Muskegon Police Department.

During a search of Smith's home on that date based on a search warrant, officers found the three loaded pistols and more than $17,000 in cash, suspected to be the proceeds of drug sales.

In a subsequent search of the trunk of Smith's Pontiac Grand Am, officers found approximately 1,500 grams of powder cocaine, approximately 300 grams of "crack," a hand mixer and a digital scale bearing Smith's thumbprints, according to a DEA agent's sworn affidavit in Smith's court file.

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In an interview after his arrest, Smith waived his Miranda rights and told officers he had been "waiting on this day," referring to the search warrant, because word on the street was that he was being investigated, and several of his acquaintances had been arrested.

Smith's no-parole life sentences were mandatory because he had two prior state of Michigan convictions for drug trafficking, both in Muskegon County's 14th Circuit Court: a 1993 conviction for cocaine delivery and a 1996 conviction for possession with intent to deliver cocaine, second offense.

"This is not a low-level dealer," said Assistant U.S. Attorney Phil Green. "This is a major bust."

Green said two independent investigations, each spanning many months, came together in the Smith bust.

One was an investigation of Smith by Muskegon police in cooperation with the West Michigan Enforcement Team, a multiagency drug-fighting police unit; the other was a Detroit-based federal drug investigation that uncovered West Michigan ties.

"Muskegon had some of the pieces, the DEA had some of the pieces," Green said. "It's a testament to the good cooperative relationship between the federal and the state and local law enforcement agencies."

That cooperation extended to the decision to prosecute Smith in federal court, with its potential of the stiffest possible prison sentence -- not an option under state law.

IMMIGRATION:

Tacoma Pastor Deported From South Korea To Face Fraud Sentence (AP)

AP, November 3, 2006

TACOMA, Wash. - A pastor who fled to South Korea after he was convicted of helping Korean nationals file fraudulent visa applications has been returned to Washington state for sentencing.

Dong Wan Park, 53, was convicted of conspiracy, visa fraud and obstruction of justice in June.

Prosecutors said that Park, pastor of Hope Korean Church, advertised in a Korean language newspapers that immigration visas were available through his church. He charged as much as $30,000 to provide people with visa paperwork including phony transcripts from a Korean seminary and a certificate of ordination from a Korean bishop.

None of the applicants was ever employed at the church, and none had any religious training.

During his trial, Park claimed the money received from visa applicants was either a loan or a donation to the church. Authorities said Park, who was released on bond, fled the country less than three weeks after the verdict.

The Department of Justice on Wednesday announced that he was returned to the country after Park's native South Korea decided to deport him back to the United States.

The Justice Department said that Park had wired $290,000 to a bank in South Korea after he persuaded church elders to authorize the sale of the church, which netted him $350,000.

Park, who faces up to 10 years in prison, is scheduled to be sentenced on Dec. 15 by U.S. District Judge Ronald Leighton.

TAX:

Snipes To Feds: Let's Make A Deal (EONLINE)

By Josh Grossberg

E! Online, November 3, 2006

Is Wesley Snipes ready to pay the piper?

A Justice Department spokesman told E! Online Thursday that the government has been working with the Blade star's lawyers on a deal in the actor's multimillion-dollar tax fraud case.

"We have been in contact with his representatives and are making progress as far as getting him to return to the U.S to face criminal charges," said Steve Cole of the U.S. Attorney's Office in Tampa, where the indictment was filed. "No timetable has been set."

Snipes is currently in Namibia filming the horror flick Gallowwalker. Although there is a warrant out for his arrest, the African country does not have an extradition treaty with the United States.

Meanwhile, Cole said his office was "not confirming or denying" a report in Thursday's Daily Variety that Snipes had reached a settlement with the Internal Revenue Service, which would keep him out of the big house and churning out B-grade action thrillers for years to come.

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Per the trade paper, Snipes will supposedly surrender to authorities when he returns to the States in December but won't be locked up. The report claims the actor has agreed to make good on millions of dollars in back taxes; in exchange, federal prosecutors purportedly have agreed to allow him to continue working to erase his debt.

Snipes' manager, David Schiff, declined to comment on the report.

The 44-year-old actor was indicted Oct. 17 for attempting to scam the IRS out of $12 million in fraudulent refunds from 1996 to 1997. Additionally, the actor was accused of not filing any returns from 1999 to 2004.

Prosecutors say Snipes conspired with two men, Eddie Ray Kahn and Douglas Rosile, to swindle the government using a discredited scheme known as the 861 Argument.

Kahn is the founder of two defunct organizations, the Florida-based American Rights Litigators and Guiding Light of God Ministries, which the indictment claims "promoted and sold fraudulent tax schemes." He had hightailed it to Panama following the indictment but was tracked down earlier this week and appeared at a bond hearing in a Florida federal court on Wednesday.

Rosile, an accountant for Kahn, turned himself in Oct. 17 and was released by a federal judge in Ocala. Prosecutors say Rosile and Kahn have a history of filing false tax returns to obtain huge windfalls for their clients, of which they'd collect upwards of 20 percent.

All told, Snipes faces charges of conspiracy to defraud the IRS, presenting a fraudulent claim for payment to the IRS, as well as six counts of failing to file income tax returns—and a warrant was issued for his arrest. If convicted on all charges, the actor could receive up to 16 years in prison.

Following the indictment, the feds immediately obtained a warrant, claiming they didn't know the actor's whereabouts. Days later, as Snipes was spotted working in Namibia, his lawyers reportedly began talks with prosecutors to try and resolve the case by suggesting a repayment plan. (For those playing the home game, it's the same strategy used by Willie Nelson to get him out of tax trouble several years ago.)

Senators Criticize IRS Filing Program (AP-Y)

By Jim Abrams

AP, November 3, 2006

Leaders of the Senate Finance Committee say a deal between the Internal Revenue Service and private tax preparers that allows people to submit returns by computer is too restrictive and discourages electronic filing.

Sens. Charles Grassley, R-Iowa, and Max Baucus, D-Mont., said declines in participation in the Free File program show it is not working.

"If the tax preparation industry cannot provide free basic filing services without hidden costs and traps, perhaps it is time to consider having the IRS provide a direct filing portal to enable all taxpayers to file electronically without cost," they wrote IRS Commissioner Mark Everson on Thursday.

A recent report by an internal watchdog at the Treasury Department noted that fewer people were using the program after renegotiating of the contract between the IRS and the private industry that went into effect in January.

The IRS contends that report misstated the intent of Free File, which was to help a limited number of people with the most simple tax returns. The agency said a survey in June showed "an overwhelming level of taxpayer satisfaction with this program."

A record 70 million taxpayer transmitted returns through a computer this year, but only 3.8 million used the Free File program. That compared with about 5 million the previous year, when some private software companies offered their programs to everyone.

The new contract limited eligibility for free tax preparation software to 70 percent of taxpayers, which covers people not earning more than $50,000.

Grassley, the committee chairman, and Baucus, the top Democrat, said participating companies have used the Free File Web sites to market an array of other products with little oversight from the IRS. They said one site contained a link for taxpayers to purchase a tax preparation franchise for $15,500.

The senators noted that the Treasury inspector general praised the new contract for extending the program to allow Free File users to file for extensions. But they said companies are not obligated to provide the extension form on their Web sites until April 1. But under a now-disbanded program, taxpayers had the option of filing that form electronically to the IRS by telephone starting in early February.

Congress has been ambivalent about direct electronic filing. Grassley's committee last June backed legislation making it possible for individuals to file returns by computer without buying commercial software or paying a professional preparer.

But the House objected to the IRS competing with private tax preparation software companies. The House this year voted to prohibit the IRS from developing or providing free electronic tax preparation outside the Free File program.

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CONGRESS-ADMINISTRATION:

Democrats Write New Prescription (WT)

By Gregory Lopes

The Washington Times, November 3, 2006

The Next Congress

Fifth of five parts

Democrats would use a new majority in Congress next year to highlight contentious health care issues such as high prescription-drug prices and funding for stem-cell research. Republicans, meanwhile, would push for an expansion of consumer-driven health care to reduce U.S. reliance on entitlement programs.

Democrats would face stiff opposition from the Bush administration on their health care agenda, which is why many specialists predict that even if the party wins the majority in Congress in next week's midterm elections, it will use its newfound control to define a health care agenda for the 2008 presidential election.

Gaining a majority would offer Democrats a chance to push their health care priorities at a level they haven't been able to since President Clinton occupied the White House.

"If the Democrats take one or both houses of Congress, the prospects of significant policy changes seem fairly remote," said Scott Lilly, senior fellow at the Center for American Progress, a Democrat-oriented research organization. "That does not mean the next two years will not be an important period. There is the possibility of a rich debate over policy options that the country has not had in more than half a decade -- in particular on health care."

Democrats have an outside chance of taking complete control of Congress, but a better chance of winning one chamber, and in this series, The Washington Times has looked at how such a transfer of power will affect U.S. policy and politics.

Big plans

At the top of the Democrats' health care agenda is giving the federal government the ability to negotiate Medicare drug prices directly with the pharmaceutical companies.

"First, Democrats would repeal the ban on allowing Medicare to use the bargaining power of its 43 million beneficiaries to negotiate lower drug prices," said Jim Manley, spokesman for Senate Minority Leader Harry Reid of Nevada.

House Minority Leader Nancy Pelosi of California has made it clear in recent weeks that the Democrats would make negotiating Medicare drug prices a high priority. Medicare is the federal health insurance program for seniors.

A Democratic majority also would focus on expanding health insurance for children and stem-cell research.

If Republicans retain their majority in Congress, they would push to improve the private health care system through an expansion of health savings accounts and tax deductions for people in private health plans.

"Republicans will continue to encourage the kinds of reforms that use public money to expand private health insurance," said John Goodman, president for the National Center for Policy Analysis, a Republican strategy firm. "The Democrats are going in the opposite direction."

Specialists agree that moving health care legislation — never an easy task — would be more difficult in a tightly divided Congress. And Democrats are aware that efforts to turn any of their health care priorities into law probably would be blocked by President Bush.

"I think the president's veto pen would certainly get a workout," said Joe Antos, health care policy specialist at the American Enterprise Institute. "But they know that and are looking to 2008."

Democrats are welcoming the opportunity to showcase health care issues that they say have not been given sufficient attention by the current Republican Congress.

"We are not going to blow in and push an overly aggressive agenda that has dim prospects because of the president's veto," said a House Democrat aide, who, citing office policy, spoke on the condition of anonymity. "We will, however, make it clear that we have been locked out for the last six years and we have an agenda."

A new prescription

The most visible confrontation between the parties is forming around the Democrats' push to require the government to use its negotiating power to lower prescription-drug costs for Medicare patients.

The 2003 Medicare law prohibits the government from negotiating with companies to lower the price of drugs for beneficiaries. The drug program has been criticized by Democrats, who say pharmaceutical companies are profiting at the expense of America's seniors.

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Separate deals with every private plan in the drug benefit is highly unlikely. Instead, Democrats hope to set up a single drug plan under Medicare that allows the government to negotiate prices.

"That's how you get at negotiations. Not with the private plans but with a Medicare plan option," the Democratic aide said. "We have a plan to do that."

Democrats would use the savings from lowered prices to close the coverage gap in the drug benefit. Sometimes referred to as the doughnut hole, annual coverage stops once drug costs reach $2,250. Coverage resumes when costs hit $5,100.

Republicans argue that prescription-drug plans are competing with each other to serve Medicare beneficiaries and thereby are lowering drug costs.

"We already have negotiations and drug prices are lower," said Sen. Charles E. Grassley, Iowa Republican and chairman of the Finance Committee, which has oversight over the Medicare program.

Rep. Jim McCrery, a long-standing member of the Ways and Means Committee, which oversees Medicare policy in the House, says price negotiations will not solve Medicare's financial problems.

"There would still be a massive deficit even if we had negotiations," said Mr. McCrery, Louisiana Republican.

Democrats also are eyeing reimportation of low-cost drugs through countries such as Canada.

In the Senate, many Republicans, including Mr. Grassley, have supported reimporting drugs to lower prices. And an amendment to an appropriations bill that would loosen the restrictions was approved in the Senate.

"It is more likely the next Congress will pass a reimportation bill than a negotiation bill," Mr. Antos said. "Passing a negotiations bill would be admitting defeat for the Republicans on the Medicare drug benefit."

Giving insurance

Reaching America's growing number of uninsured residents will be a top priority for both parties next year.

Small employers are increasingly dropping employee health benefits as premiums rise. Thus, the number of uninsured people has risen steadily, reaching a record high 46 million in 2004.

"Our primary challenge next year will be the uninsured," said Rep. Nancy L. Johnson, Connecticut Republican and chairman of the House Ways and Means health subcommittee.

Republicans are pushing the expansion of consumer-driven programs such as health savings accounts, which were introduced in 2003 and allow workers to put their own money into tax-deferred savings accounts.

They want to allow workers to contribute more pre-tax money to the savings accounts to shift the burden off employers.

"Solving the problem of the uninsured should be done in the context of the private health care system, not by expanding Medicare. Health care savings accounts represent the best example of moving toward a better, more efficient health care system," Mr. McCrery said. "If we maintain control, we are going to enhance that product in the market."

Mr. Grassley agreed, saying an expansion of health savings accounts could pass in the Senate.

But Democrats remain opposed to relying on the accounts, which often come with high deductibles.

"There will be a huge fight from us on expanding health savings accounts," a House Democrat aide said.

Instead, Democrats would build on Medicare and Medicaid, the federal health program for the poor, and favor lowering the age for Medicare eligibility.

Protecting the children

The State Children's Health Insurance Program must be re-authorized in the next Congress. Both parties say the program is essential to reducing the number of uninsured.

The program, which covers about 6.1 million children, has reduced the number of uninsured children from nearly 11 million in 1997, when the program was created, to 8.3 million last year. Children up to the age of 19 in families that earn less than $36,200 a year are generally eligible for the program.

"This will be the most important battleground next year because the poster child on this issue is actually a child," Mr. Antos said.

Democrats are likely to push for increased funding and making the program a full-scale entitlement.

"Democrats see a real opportunity to take the next step toward covering all kids," Mr. Manley said.

Republicans, on the other hand, want to ensure that states are using the money on children rather adults, who should be covered through Medicaid, while giving states more freedom to use the federal money to get families into private health care.

"I think Republicans will want to keep the intent of the program intact, and that is covering children," a House Republican aide said. "We have wandered away from that."

A new debate

With additional seats in Congress, Democrats will try to capitalize on the stem-cell debate. Once an issue that Republicans relied on, Democrats are painting opposition to stem-cell research funding as out of the mainstream.

Democrats are using the issue against Republicans in 20 House, Senate and gubernatorial races across the country.

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"Our goal would be to enact the stem-cell bill strongly supported by the American public," said Brendan Daly, a spokesman for Mrs. Pelosi. "It is crucial that America keeps its No. 1 place in the world in the development of medical cures."

Mr. Bush vetoed a bill that would have permitted federal funding for experimentation with stem cells from donated embryos created for fertility treatments.

In the Senate, where there is strong support for stem-cell research, the Democrats would bring up the same bill that passed Congress last year, Mr. Manley said. Adding a Democrat-controlled House would give the bill a potential majority to override a veto.

"The president has drawn a moral line that said that taxpayer dollars should not support research that destroys human embryos. He will continue to strongly support policies that help us achieve scientific progress while also living up to our ethical responsibilities," said Emily Lawrimore, a White House spokeswoman.

Adding to the Democrats' momentum on stem-cell research is the Republican split on the issue. Prominent Republicans such as Sen. Orrin G. Hatch of Utah and California Gov. Arnold Schwarzenegger support such research.

Republicans opposed to stem-cell research are targets for Democrats in the midterm elections. The issue has become a central focus in the Maryland Senate race between Democratic Rep. Benjamin L. Cardin Jr. and Republican Lt. Gov. Michael S. Steele. Sen. Jim Talent, Missouri Republican, is taking heavy criticism for his opposition to a state ballot initiative that would allow such research.

"It is a high-profile issue that could be turned against Republicans in the midterm elections, and if the Democrats get Congress, it will be an issue the president will once again have to deal with," Mr. Goodman said.

Lessons learned

Regardless of the result of the midterm elections, Republicans and Democrats will take away lessons that will help shape their ideologies.

For Republicans, the near certainty of losing seats in both the Senate and House could force the party to look to the past for answers.

"There will be a growing number of Republicans that will argue in the postelection debate that walking away from the principles that defined the party for so many years will hurt them more in these elections than any scandal," said Michael Franc, vice president of government relations at the conservative-oriented Heritage Foundation.

High federal spending under the Republican-controlled Congress has led Americans to question whether the party is the standard-bearer for limited government, Mr. Franc said.

The Democrats, who are likely to fare better in this year's races than they have in more than a decade, could lead to a more moderate than liberal Democratic Party.

"If the lesson learned by the Democrats is don't be afraid of the big tent and they bring in more moderates, it could be a changed party," Mr. Franc said. "They could get a numerical majority rather than an ideological majority."

Part I

Democratic majority ready to go to war over Iraq

Part II

Democrats wait in the wings with subpoenas

Part III

Specter of tax man haunts Democrats

Part III

Bush may find an ally on immigration

From The Top Echelons, A Look Beyond The Elections (WP)

By Stephen Barr

The Washington Post, November 3, 2006

Top policymakers who oversee federal management issues talk all the time in the privacy of their offices and are rarely seen in public together. But yesterday, five officials appeared together in public to discuss internal workings of the government.

They shared no secrets, talking in general terms about the urgency of reshaping the federal workforce, cleaning up the government's financial books and pulling the plug on duplicative technology systems.

It was, for the most part, a comfortable venue for the five -- four from the Office of Management and Budget and one from the Office of Personnel Management. They took questions from a lunchtime audience of about 200 current and former federal officials, scholars and public administration experts.

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Unmentioned were next week's congressional elections and poll-fed speculation that Democrats could take control of one or both houses of Congress. A Democratic Party victory, of course, would probably push the president's management agenda to the sidelines.

Still, a couple of the questioners had an eye to the future, asking the officials what they hoped to accomplish in the last two years of the Bush administration and whether they thought President Bush's management agenda would survive in the next White House.

Karen Evans , the OMB's technology chief, said she would find it hard to believe that the next president wouldn't care about privacy and cybersecurity issues. She promised to keep pushing agencies to shut down overlapping computer networks and produce long-term savings.

But she acknowledged that in the next administration, "you may see that [federal technology] investments will change . . . to support different priorities."

Paul Dennett , in charge of federal procurement policy at OMB, pledged to continue efforts aimed at putting federal work up for private-sector competition to see whether in-house teams or contractors can perform commercial activities at less cost. "It is very important that we make competitive sourcing work," he said.

The contracting initiative has been one of the most controversial workforce efforts undertaken by the administration, prompting union protests and some congressional restrictions.

Robert Shea , who has headed up a project to rate federal programs based on their performance, said he would urge the next White House to use a scorecard to track agencies' progress toward management goals.

Joining Shea, Evans and Dennett were Linda Combs , who handles financial management policy at the OMB, and Solly Thomas , the acting associate director at the OPM who oversees efforts to hold agencies accountable for managing their workforces.

The forum was sponsored by the IBM Center for the Business of Government, which sponsors research on how to improve the effectiveness of federal, state and local governments.Blair Named to Postal Commission

Dan G. Blair , deputy director at the OPM, will be nominated by the president to serve on the Postal Rate Commission and, upon confirmation, would be named as the panel's chairman, the White House announced yesterday.

Before joining the OPM in 2002, Blair was senior counsel for the old Senate Committee on Governmental Affairs. He earlier served as staff director of the House government reform subcommittee on the Postal Service. At the OPM, he did a stint as acting director and has overseen efforts to streamline the federal hiring process and to improve recruitment of college graduates into the federal service.

The Postal Rate Commission is an independent agency that reviews Postal Service requests to increase the price of stamps and adjust domestic mail rates. The commission's recommendations are sent to the board of governors for the Postal Service.New Management Chief for DHS

Paul A. Schneider , a defense and aerospace consultant, has been named by the president to serve as undersecretary for management in the Department of Homeland Security, the White House said.

Schneider began his career in 1965 as a project engineer at a naval shipyard and has held several executive positions in the Navy. He also has served as the senior acquisition executive of the National Security Agency.

As management chief for Homeland Security, Schneider will oversee procurement, personnel, technology and budget policies affecting the 22 agencies that merged to become the department.Talk Shows

Robyn Kehoe , Washington representative for the Federal Employee Education & Assistance Fund, will be the guest on "FedTalk" at 11 a.m. today on http://federalnewsradio.com and WFED radio (1050 AM).

R. David Paulison , director of the Federal Emergency Management Agency, will be the guest on "The IBM Business of Government Hour" at 9 a.m. Saturday on WJFK radio (106.7 FM).

BearingPoint Could Lose Federal ID Card Contract (WP)

By Chris Kirkham

The Washington Post, November 3, 2006

The federal government has decided to reopen the bidding to produce hundreds of thousands of universal government identification cards, stripping the McLean consulting firm BearingPoint Inc. of a potential five-year contract.

It is an unusual move for the General Services Administration, coming just two months into the $104 million contract. BearingPoint will continue to develop ID cards for government employees and contractors through early January, after which the GSA will either ask for more bids or allow agencies to choose from an approved list of vendors.

GSA officials said the decision had nothing to do with BearingPoint's performance but rather that the agency felt there were more companies that could develop the appropriate technology. The cards make use of biometric data such as fingerprints and

retinal scans and contain computer chips that can store more personal information. GSA officials say that with more options, they can command lower prices.

"I wouldn't say this is a dropping of anybody but an evolution that is underway," said John C. Johnson, assistant commissioner for integrated technology services at the GSA's Federal Acquisition Service. "This is not a judgment on BearingPoint or anyone else."

BearingPoint spokesman Steve Lunceford said the company has been "privileged" to work on the contract and is determined to compete after it expires. The firm has issued about 100 ID cards in Washington, New York, Atlanta and Seattle, according to the GSA.

"We feel we've got the leading solution, and we look forward to welcoming further competition," Lunceford said.

The GSA's announcement is the latest hurdle facing the company. BearingPoint has not filed timely financial statements in more than two years after inheriting accounting and other problems from its days as part of KPMG. More recently, it has been wrangling with its lenders over the terms of bonds worth $200 million.

As part of the White House mandate for universal ID cards across the government, all federal agencies are up against an October 2008 deadline to issue the cards to an estimated 8 million employees and contractors. Each agency may hire its own contractor, but the GSA's smart-card program is meant to be an alternative for agencies that prefer not to. BearingPoint was developing cards for 38 agencies.

Since BearingPoint was awarded the contract in mid-August, competing firms, including Lockheed Martin Corp. and Electronic Data Systems Corp., objected to the selection, forcing BearingPoint to stop work for about 10 days. Some industry experts suspect that the GSA might have feared further protests and decided to move to a different purchasing system.

Under this system, government agencies would buy products from an approved list of vendors under terms already negotiated by the GSA. The alternative purchasing system also would allow state and local governments to buy any ID services offered.

BearingPoint, Lockheed Martin and Electronic Data Systems are among the 10 companies on the approved list, and the GSA said it expects more to qualify in upcoming months.

Thomas Greco, a vice president at Herndon-based Cybertrust Inc., which is working with BearingPoint to develop the ID technology, said more companies have adjusted in recent months to the stringent government requirements on the IDs.

"Some of the thinking within the GSA may be there's more people on the list, so there's more chance to get better pricing," Greco said. "I think this is truly GSA just taking another bite at the apple."

Staff writer Stephen Barr contributed to this report.

Infant-Care Rule Cites Immigrants In U.S. Illegally (NYT)

By Robert Pear

The New York Times, November 3, 2006

WASHINGTON, Nov. 2 — Under a new federal policy, children born in the United States to illegal immigrants with low incomes will no longer be automatically entitled to health insurance through Medicaid, Bush administration officials said Thursday.

Doctors and hospitals said the policy change would make it more difficult for such infants, who are United States citizens, to obtain health care needed in the first year of life.

Illegal immigrants are generally barred from Medicaid but can get coverage for treatment of emergency medical conditions, including labor and delivery.

In the past, once a woman received emergency care under Medicaid for the birth of a baby, the child was deemed eligible for coverage as well, and states had to cover the children for one year from the date of birth.

Under the new policy, an application must be filed for the child, and the parents must provide documents to prove the child's citizenship.

The documentation requirements took effect in July, but some states have been slow to enforce them, and many doctors are only now becoming aware of the effects on newborns.

Obtaining a birth certificate can take weeks in some states, doctors said. Moreover, they said, illegal immigrant parents may be reluctant to go to a state welfare office to file applications because they fear contact with government agencies that could report their presence to immigration authorities.

Administration officials said the change was necessary under their reading of a new law, the Deficit Reduction Act, signed by President Bush in February. The law did not mention newborns, but generally tightened documentation requirements because some lawmakers were concerned that immigrants were fraudulently claiming United States citizenship to get Medicaid.

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Marilyn E. Wilson, a spokeswoman for the Tennessee Medicaid program, said: "The federal government told us we have no latitude. All states must change their policies and practices. We will not be able to cover any services for the newborn until a Medicaid application is filed. That could be days, weeks or months after the child is born."

About four million babies are born in the United States each year, and Medicaid pays for more than one-third of all births. The number involving illegal immigrant parents is unknown but is likely to be in the tens of thousands, health experts said.

Doctors and hospitals denounced the policy change and denied that it was required by the new law. Dr. Jay E. Berkelhamer, president of the American Academy of Pediatrics, said the policy "punishes babies who, according to the Constitution, are citizens because they were born here."

Dr. Martin C. Michaels, a pediatrician in Dalton, Ga., said that continuous coverage in the first year of life was important because "newborns need care right from the start."

"Some Americans may want to grant amnesty to undocumented immigrants, and others may want to send them home," Dr. Michaels said. "But the children who are born here had no say in that debate."

Under a 1984 law, infants born to pregnant women on Medicaid are in most cases deemed eligible for Medicaid for one year.

In an interview on Thursday, Leslie V. Norwalk, acting administrator of the Centers for Medicare and Medicaid Services, said the new policy "reflects what the new law says in terms of eligibility."

"When emergency Medicaid pays for a birth," Ms. Norwalk said, "the child is not automatically deemed eligible. But the child could apply and could qualify for Medicaid because of the family's poverty status. If anyone knows about a child being denied care, we want to know about it. Please step up and tell us."

Under federal law, hospitals generally have to examine and treat patients who need emergency care, regardless of their ability to pay. So the new policy is most likely to affect access to other types of care, including preventive services and treatment for infections and chronic conditions, doctors said.

Representative Charlie Norwood, Republican of Georgia, was a principal architect of the new law.

"Charlie's intent was that every person receiving Medicaid needs to provide documentation," said John E. Stone, a spokesman for Mr. Norwood, who is a dentist and has been active on health care issues. "With newborns, there should be no problem. All you have to do is provide a birth certificate or hospital records verifying birth."

But Dr. Berkelhamer disagreed. Even when the children are eligible for Medicaid, he said, illegal immigrants may be afraid to apply because of "the threat of deportation."

The new policy "will cost the health care system more in the long run," Dr. Berkelhamer added, because children of illegal immigrants may go without immunizations, preventive care and treatments needed in the first year of life.

Doctors, children's hospitals and advocacy groups have been urging states to preserve the old policy on Medicaid eligibility for children born to illegal immigrants.

Sara Rosenbaum, a professor of health law at George Washington University, said: "The new policy reflects a tortured reading of the new law and is contrary to the language of the 1984 statute, which Congress did not change. The whole purpose of the earlier law, passed with bipartisan support, was to make sure that a baby would not have a single day's break in coverage from the date of birth through the first year of life."

California has objected to the new policy. S. Kimberly Belshé, secretary of the California Health and Human Services Agency, said: "By virtue of being born in the United States, a child is a U.S. citizen. What more proof does the federal government need?"

Health Groups Raise Child Care Fears (WP/AP)

By Kevin Freking, The Associated Press

The Washington Post, November 3, 2006

WASHINGTON -- Several health groups are concerned that babies born to illegal immigrants could be denied essential medical care such as immunizations and physicals because of recent changes to Medicaid.

The babies automatically are U.S. citizens because they were born in U.S. hospitals. Under past policy, the groups said, the government required states to provide the babies with a full year of eligibility for Medicaid, the health insurance program for the poor.

Now, mothers of the newborns will have to apply for Medicaid on behalf of their newborns, which many will not want to risk, say groups such as the American Academy of Pediatrics, the American Academy of Family Physicians and the March of Dimes.

Medicaid officials are skeptical about the groups' claims.

Leslie V. Norwalk, acting administrator for the Centers for Medicare and Medicaid Services, said in an interview Thursday that her agency investigated and found no case where a baby was denied care under Medicaid.

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"If people know of an instance where a state has denied eligibility because someone couldn't produce evidence of citizenship in particular among the most vulnerable, we would be interested in knowing about that," she said.

New federal rules say a child born in the United States to "an illegal alien mother is not a deemed newborn" _ and therefore not automatically eligible for Medicaid. States may make exceptions on the basis of income.

The rules were in response to a new law designed to ensure that only citizens or qualified legal immigrants gain access to Medicaid.

The medical groups said denying newborns access to Medicaid would cost the health care system more in the long run.

"Preventive care saves money for states that provide Medicaid coverage and the federal government that helps pay for it," the groups wrote the Medicaid agency. "Some infants require immediate post-delivery care for conditions or illnesses detected immediately after birth."

The organizations said some doctors, already facing reduced Medicaid reimbursements, would be reluctant to care for these children.

The letter did not cite any specific cases where care had been denied. But the American Academy of Pediatrics had singled out four states _ Georgia, Kentucky, Tennessee and Virginia _ as denying health care coverage to babies born to illegal immigrants.

Asked Thursday for specifics, the pediatric group could not provide statistics. Instead, the organization cited the potential for care being withheld.

Norwalk said her agency contacted each of the four states. Medicaid directors there knew of no cases where access to the program had been denied to babies of illegal immigrants, she said.

Dr. Martin Michaels, president of the academy's Georgia chapter, said documenting a baby's eligibility for Medicaid is as simple as submitting a page from the child's medical record showing the child was born in Georgia. But the question is whether families will be willing to do that.

"Some families will be afraid they could get deported and separated from the child," he said.

OTHER NEWS:

US Productivity Growth Stalls (FT)

By Eoin Callan And Krishna Guha In Washington

Financial Times, November 3, 2006

US productivity growth stalled in the third quarter, while unit labour costs continued to rise at a strong clip, heightening the dilemma for the Federal Reserve as it seeks to balance the risks from a slowdown in growth and stubbornly high inflation.

The slowdown in productivity, which was flat over the quarter and up only 1.3 per cent over the previous year, was largely the consequence of slowing growth.

But it could also signal that the underlying rate of productivity growth in the US is declining. Unit labour costs rose at an annualised rate of 3.8 per cent, considerably faster than the core rate of inflation as measured by the personal consumption expenditure deflator. But while the increase in unit labour costs is a potential source of concern on inflation, the rate of growth has slowed since the first half of this year.

The latest data on productivity and costs underscores why the Fed is unlikely to cut rates imminently, in spite of continued economic fragility. Further evidence of this came this week with a fall in the ISM manufacturing index, a gauge of manufacturing activity. The ISM index declined for the third consecutive month to 51.2 points. Most regional manufacturing surveys have also come in weak.

Figures released last week showed US third-quarter gross domestic product growth fell to 1.6 per cent. Most analysts expect growth will rebound in the current fourth quarter, as lower oil prices depress imports, though it will probably remain below trend. Some analysts fear an inventory correction could hold back any rebound. There was a further suggestion of the fragility of the economy yesterday as initial jobless claims increased by 18,000 to 327,000 last week, above a consensus forecast of 310,000.

Gary Bigg, an economist at Bank of America Securities, said the rise in new jobless claims was a sign of weakness in demand.

However, Jan Hatzius, an economist at Goldman Sachs, said that the new claims were offset by the drop in continuing claims, which fell 27,000 to 2.4m last week, suggesting “decent hiring continues”.

Mr Hatzius said the data likely to be of more concern to the Fed were those showing that “labour costs continue to grow at a fairly high rate”.

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However, while unit labour costs have been rising over the last two years, partly due to slipping productivity, profit margins remain high by historic standards.

Economic Reports Likely To Complicate Fed's Decision-making (USAT)

By Sue Kirchhoff

USA Today, November 3, 2006

WASHINGTON — The Federal Reserve's job isn't getting easier.

Recent economic data, including Thursday's report that productivity growth sputtered this summer, while wages rose at the fastest pace in two decades, has the central bank caught between what economist Allen Sinai calls "recessionlike" slow growth and "sticky high" inflation.

"Nobody … can be sure how this is all going to end up. Are we going to bounce back … or is the housing and auto (industry) softness going to spread?" asks Sinai, head of Decision Economics.

The Labor Department said Thursday that productivity, or output per worker, stalled from July to September, as labor costs jumped at an annual rate of 3.8%. Business labor costs spiked 5.3% in the past 12 months, a pace last exceeded in the early 1980s.

While accelerating wages are good for workers, whose compensation has been lagging behind inflation, they can breed inflation.

Other recent data show retail sales lagging. Manufacturing is being slowed by weakness in the auto industry. The housing market, after a record five-year run, is in a rout, with construction off nearly 20% from a year ago. After growing at a 5.6% annual rate in the first quarter, the economy expanded at a lackluster 1.6% pace in the third.

The Fed had predicted a slowdown, expecting more muted growth to gradually cut inflation. Core inflation, which doesn't include food and energy prices because of their volatility, has been 2.9% in the past year, above the Fed's informal 1% to 2% comfort range. After raising short-term interest rates 17 times from mid-2004 to mid-2006 to control inflation, the Fed has held steady at 5.25% since August.

Dallas Fed President Richard Fisher in a Thursday speech said inflation seems to be peaking but remains too high. He added that the Fed contributed to the current housing slump by keeping rates at a low 1% too long after the 2001 recession. The Fed's decision was based on data that later turned out to understate inflation.

"Poor data led to a policy action that amplified speculative activity," Fisher said, adding that the slumping housing market is complicating Fed efforts to create "sustainable non-inflationary growth."

If the Fed pushes rates higher to combat inflation, it could further hurt the interest-sensitive auto and housing sectors. A rate cut to combat slowing growth is dicey with inflation still so high.

Economists will be watching October employment figures to be released today by the Labor Department. Because the slowdown is centered in housing and autos while other sectors are growing, unemployment could stay low longer than expected, Sinai says, adding that slower growth so far "isn't showing any obvious effect on inflation other than perhaps to limit its rise."

Sales Cool For Most Retailers Ahead Of Holidays Department Stores Continue To Ring Up Solid Increases (WSJ)

By James Covert

The Wall Street Journal, November 3, 2006

Department stores kept their momentum heading into the critical holiday season, but many other retailers are finding the going tougher.

Including the likes of Nordstrom Inc. and Kohl's Corp., department stores rang up strong sales of fall fashions as cool temperatures stoked demand for coats, sweaters, leggings and other cold-weather gear, according to October sales results issued yesterday by most major chain stores.

Many specialty retailers and discounters were disappointments. And the slower-than-expected pace of sales overall added to worries about whether middle-income consumers will continue spending amid a shaky housing market.

As shoppers bundled up2 in new clothes in the autumn chill, some major retailers were celebrating but others were left out in the cold. Chart data for a dozen major retailers and see highlights and lowlights from the past year.

Wal-Mart Stores Inc. said it had its worst showing since December 2000, with only a 0.5% gain in same-store sales, confirming a preview it had given Saturday. Moreover, Wal-Mart said November same-store sales would be flat with a year earlier. The forecast raised concerns that the world's largest retailer would begin discounting heavily, putting pressure on competitors to cut prices.

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"Put it all together and you have a decent picture," said Michael Niemira, chief economist at the International Council of Shopping Centers, a trade group based in New York. "But it's a tale of two consumers: the department-store shopper is buying like there's no tomorrow, but then you have everybody else."

Wal-Mart's showing dragged down the overall monthly tally for the industry. According to an index of 46 major chains compiled by Lazard Capital Markets, sales at stores open at least a year, known as same-store sales, rose 2.3%. That was short of the investment firm's 2.8% estimate, as well as the index's 3.8% gain in September.

SALES CALL

3

See a transcript4 of Wal-Mart's pre-recorded sale call, provided by Thomson StreetEvents (www.streetevents.com5). Adobe Acrobat required6

A number of chains reported that profit margins were healthy, as a shopping frenzy in September left less inventory on their sales floors. J.C. Penney Co. and American Eagle Outfitters Inc. raised their forecasts for third-quarter earnings and Limited Brands Inc. said results would be better than Wall Street's estimates.

Same-store sales are considered key indicators of both the industry's health and trends in U.S. consumer spending. But the figures don't provide a complete picture. They don't include many online purchases, and some large retailers, such as Home Depot Inc. and Sears Holdings Corp., don't report monthly sales.

Wal-Mart blamed its poor showing on a store-remodeling program that disrupted traffic and sluggish demand for fall apparel, including its trendy new Metro 7 line. The retailer said its fashion woes will continue to hurt results through the holiday season.

The chain's flat forecast for November was "a big disappointment," said Arun Daniel, an analyst at ING Investment Management Inc., which owns about four million Wal-Mart shares. Investors were hoping that Wal-Mart's lower-income customers would ramp up spending following a drop in gasoline prices.

"It's taking longer than anybody anticipated -- including me," Mr. Daniel said. He added that he expects Wal-Mart to get more aggressive on pricing this month.

Costco Wholesale Corp. reported a 4% gain in same-store sales. Still, that gain fell short of the 4.6% increase analysts had expected, according to Thomson Financial. Target Corp. posted a 3.9% rise that was in line with its forecast for growth of 3% to 5%, but the gain was below the 4.2% increase expected by analysts, according to Thomson.

Gap Inc. continued to struggle despite its recent "skinny black pants" theme and the launch of "Project Red," a clothing line tied to a campaign against AIDS in Africa. Same-store sales fell 7% in October, steeper than the 2.7% drop analysts had expected.

Teen retailers Pacific Sunwear of California Inc. and Hot Topic Inc. each posted same-store sales declines of more than 7%, while sales at Abercrombie & Fitch Co. fell 3%.

It also was a bumpy month for women's clothiers. AnnTaylor Stores Corp. reported a 0.5% decline amid weakness at its lower-priced Loft chain. Chico's FAS Inc. posted a 4.1% decrease and said third-quarter earnings will fall short of analysts' expectations. Talbots Inc., which doesn't report monthly sales, said same-store sales for the third quarter rose 2.3%, but sales slowed in late October. The company didn't change its third-quarter profit outlook, but its shares fell more than 3%.

Federated Department Stores Inc., parent of Macy's and Bloomingdale's, said same-store sales rose a healthy 7.7%. That figure excludes results from more than 400 stores Federated acquired last year from May Department Stores Co. Those stores, which were converted to Macy's in September and nearly doubled the size of the chain, "continued to lag," Federated said.

The former May stores are likely giving up customers to other chains as Federated takes them more upscale under the Macy's brand, said Stephen Hoch, a marketing professor at the University of Pennsylvania's Wharton School. Midprice department stores, Kohl's and J.C. Penney among them, also continue to benefit from 78 store closings since the Federated-May merger, he said, adding: "That left a bunch of money on the table."

Retail Sales Show Mostly Rich Shop Till They Drop (USAT)

By Mindy Fetterman

USA Today, November 3, 2006

In the retail world, the holidays are shaping up to be a case study in the haves and have-nots.

Which side a retailer falls on depends on its customers: Do they have money? Or are times tight?

If the customers are “upmarket,” where their incomes are rising and their personal economy is good, retailers are doing well. Such as Saks and Nordstrom.

If customers are “downmarket,” where the cost of gasoline is hurting and raises are few, they aren't doing as well. Such as Wal-Mart and Target.

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On Thursday, that divide became clearer as retailers reported sales for October.

Wal-Mart said U.S. sales at stores open at least a year were basically flat compared with a year ago, while Target's same-store sales rose 3.9%. But Saks' same-store sales were up 9.2% and Nordstrom's 10.7%

"There's a huge split in the consumer base that's really creating a polarization in the market," says Sheila McCusker, editor of Information Resources' Times & Trends, which studies consumer shopping trends.

Higher gas prices have cut sharply into the spending power of lower-income Americans, while job and income growth have been enjoyed mainly by higher-income Americans.

"They're polar opposites in terms of how the economy is affecting them," says Frank Badillo, senior economist at Retail Forward, which studies retail trends.

Looking ahead to the holidays, the majority of shoppers surveyed by Retail Trends said they will spend about the same this year as last. But many more lower-income shoppers than affluent shoppers said they plan to spend much less.

Higher gas prices are fueling a trend that had already begun among all shoppers no matter their income: fewer trips but more spending per trip.

When gas prices hit an average of $2.75 a gallon in the spring, "Shoppers started consolidating trips, trying to do more in any given trip," says McCusker.

Information Resources found that the average number of trips taken fell 4.6% in the spring and 3.9% in the summer, when gasoline was at $2.95 a gallon.

The pain has been felt most by mass retailers such as Wal-Mart and Target. Wal-Mart acknowledges that customers are making fewer trips but says its sales per trip are rising.

The biggest beneficiary of higher gas prices have been drugstores, where hurried consumers can dash in and out quickly for a couple of items, McCusker says. The average number of trips to drugstores rose 1.9% in the summer.

"Supercenters are farther out," says McCusker. "… As consumers start weighing what to do, they've chosen (a closer) location."

Dow Slips Again On Retail, Productivity Data (WSJ)

By Peter A. Mckay

The Wall Street Journal, November 3, 2006

The Dow Jones Industrial Average flirted with the 12000 level again, but this time on the downside, as the market fell because of weak economic data.

Reports of surprisingly soft retail sales and productivity, coupled with a bigger increase in jobless claims than analysts anticipated, ratcheted up investors' worries that the current economic slowdown might be worse than expected. In recent months, many on Wall Street have been hoping for a gradual softening, which would shake out excess financial speculation but leave workers and consumers unscathed and keep corporate profits strong.

The part about strong profits has held up so far. Investors are increasingly worried about the rest of the formula.

"Sometimes you get what you want and you realize that maybe you didn't want it," said Michael Cuggino, president and portfolio manager for the Permanent Portfolio Family of Funds. He said he believes the economy "is stronger than a lot of people give it credit for," but he understands why this week's string of tepid data has worried some investors.

At its low yesterday, the Dow was off more than 52 points, below the 12000 level that it closed above for the first time Oct. 19. The blue-chip average trimmed its losses but finished down for the fifth straight day, off 12.48 points, or 0.1%, at 12018.54, up 12.1% on the year.

The Standard & Poor's 500-stock index finished down at 1367.34, off 0.47 point, but up 9.5% year to date. The Nasdaq Composite Index slipped 0.33 point to 2334.02, up 5.8% year to date.

Wal-Mart Stores, a Dow component, reported that U.S. same-store sales rose 0.5% in October, the slowest growth in nearly six years, and predicted November's sales would be the same as a year earlier. Rivals Costco Wholesale and Target reported disappointing same-store sales, in part blaming difficult comparisons with the year-earlier period, when their stores were bustling amid the Gulf Coast's recovery from Hurricane Katrina.

A decline in crude-oil prices eased the stock market's losses. Crude futures for December delivery slid 83 cents, or 1.4%, to a two-week low of $57.88 a barrel, off 5.2% on the year at the New York Mercantile Exchange.

In major U.S. market action:

Stocks fell, and bond prices fell. The 10-year note fell 10/32 point, or $3.125 for each $1,000 invested, pushing the yield up to 4.602%.

The dollar was mixed. Against the Japanese currency, the dollar rose to 117.11 yen from 117.04. The euro rose to $1.2777, compared with $1.2755.

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Fed Official Says Bad Data Helped Fuel Rate Cuts, Housing Speculation (WSJ)

By Greg Ip

The Wall Street Journal, November 3, 2006

In an apparent and rare in-house critique, the president of the Federal Reserve Bank of Dallas said that because of faulty inflation data, the Fed kept interest rates too low for too long earlier this decade, fueling speculative housing activity.

A number of critics have said the Fed under former chairman Alan Greenspan kept monetary policy too easy from 2003 to 2004. But Richard Fisher's remarks to the New York Association for Business Economics yesterday mark the first time some Fed watchers could recall a sitting Fed policy maker making such comments.

Mr. Fisher said from 2002 to early 2003, inflation, as measured by the price index of personal consumption expenditures (PCE) excluding food and energy, was running below 1%. That suggested that a serious shock to the economy could turn inflation to deflation, or generally falling prices. Deflation makes it much harder for the Fed to boost growth by engineering deeply negative real, that is inflation-adjusted, interest rates.

To reduce the risk of deflation, the Fed lowered its target for the Fed funds rate -- charged on overnight loans between banks -- to 1% in June 2003 and held it there until mid-2004. It has since raised it to 5.25%.

Mr. Fisher noted that subsequent revisions show PCE inflation was actually a half a percentage point higher than originally estimated. "In retrospect, the real Fed funds rate turned out to be lower than what was deemed appropriate at the time and was held lower longer than it should have been," Mr. Fisher said.

"In this case, poor data led to a policy action that amplified speculative activity in the housing and other markets. Today...the housing market is undergoing a substantial correction and inflicting real costs to millions of homeowners across the country. It is complicating the [Fed's] task of achieving...sustainable noninflationary growth."

Mr. Fisher, who took office in April last year, said in an interview that his speech wasn't meant to be a criticism of the decisions Mr. Greenspan and the FOMC made then. He said: "I wasn't at the table at the time -- it's easy to look at things with 20-20 hindsight. The point is we need to continue to improve our ability to develop and work with better data."

Jan Hatzius, chief U.S. economist at Goldman Sachs, called Mr. Fisher's remarks "pretty striking," while noting it is Mr. Fisher's style to be opinionated. He added that while he agrees the Fed's policy from 2002 to 2004 fueled speculative housing-bubble activity, it was still reasonable "knowing what you knew at the time. You take out some insurance against a really bad, low-probability outcome, and after the fact you regret having paid the insurance premium."

Mr. Fisher said inflation, at about 2.5% now, is still higher than his "comfort zone," but it is possible it "has peaked and is finally heading lower."

Fed governor Susan Bies echoed that sentiment in a speech to Drake University in Des Moines, Iowa, saying, "inflation appears poised to decelerate in coming months... but the risks to that outlook seem tilted toward the upside."

The Rich Are Getting Much Richer, Much Faster Than Everyone Else (MCT)

By Kevin G. Hall

McClatchy Newspapers, November 3, 2006

WASHINGTON - Over the past quarter-century, and especially in the last 10 years, America's very rich have grown much richer. No one else fared as well.

In 2004, the richest 1 percent of households - 719,910 of them, with an average annual income of $326,720 - had 19.8 percent of the entire nation's pretax income. That's up from 17.8 percent a year earlier, according to a study by University of California-Berkeley economist Emmanuel Saez.

The study, titled "The Evolution of Top Incomes," also found that the richest one-tenth of 1 percent of Americans - 129,584 households in 2004 - reported income equal to 9.5 percent of national pretax income.

However, median, or midpoint, family income rose only 1.6 percent between 2001 and 2004, when adjusted for inflation, according to the Federal Reserve. Median family real net worth - a family's gross assets minus liabilities - rose only 1.5 percent during those four years.

Those are very sluggish income-growth rates compared with the four years between 1998 and 2001, when median family income grew by 9.5 percent and median family real net worth grew by 10.3 percent.

Experts disagree on the causes, but they're in near agreement that this trend threatens to erode a fundamental American belief about fairness.

"It's not the actual getting ahead in America that's so important - it's been Americans' deep belief that they have the opportunity to get ahead. And if you lose that, there's damage to our society," said Douglas Holtz-Eakin, who until last year was the director of the nonpartisan Congressional Budget Office and before that was chief economist for President Bush.

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In coming years, income inequality is sure to be a rallying cry in political debates over everything from raising the minimum wage to federal spending on education to overhauling the tax code.

Most theories on why the rich are getting richer focus on why everyone else isn't. Some explanations include the declining power of labor, the influx of illegal immigrants, the offshoring of jobs and global competition that holds down wage growth.

Education has widened income inequality, too. Americans with college degrees earn nearly twice as much as those without them.

But education hasn't been a ticket to income growth lately.

Between 2000 and 2005, workers with four-year college degrees saw their wages fall 3.1 percent, adjusted for inflation. Only two groups, who together make up just 3.4 percent of the workforce, saw inflation-adjusted wages rise. They were workers with doctoral degrees or specialty degrees, such as medicine or law, according to the U.S. Census Bureau.

The soaring pay enjoyed by top CEOs, athletes and entertainers also has added to the widening income divide.

"I'm thinking Tiger Woods causes some income inequality," said Holtz-Eakin. "All of that seems to be part of this, but it still leaves you with a sense of not knowing exactly what it is."

There's a simpler explanation. The very wealthy simply own more assets than the rest of us. That means they benefit more from the booming stock market, which is reaching record highs.

Since 1926, stocks have given investors an average annual return of about 10 percent (with large fluctuations, depending on the years). In 2004, the wealthiest 10 percent of Americans were almost three times more likely to own stock than the broad universe of U.S. families, according to the Federal Reserve.

The median value of stock holdings for the wealthiest 10 percent of Americans was $110,000 per household in 2004, according to Morgan Stanley, the banking giant. The value of stocks held by the other 90 percent of Americans averaged $8,350.

Those numbers lead some to question the fairness of Bush's 2003 tax cuts, which lowered the top rate at which capital gains and dividends are taxed. Individual income tax rates in the top four income brackets were also lowered to 25, 28, 33 and 35 percent.

"We've had a 30-year trend of income inequality. What's new in the last five years is the degree to which tax policy has made that worse, rather than leaned against that trend," said Jason Furman, a senior fellow for the liberal Center for Budget and Policy Priorities and an economist at New York University.

If Democrats capture the House of Representatives on Tuesday, they won't immediately set about trying to reverse the Bush-era tax cuts. Rep. Charles Rangel of New York would head the tax-writing Ways and Means Committee, and he's said he won't seek a rollback but will vigorously oppose extending the cuts beyond 2010, the year they're set to expire.

Some conservatives fear that Democrats will seek to redistribute wealth by revamping the tax code to address income inequality. They defend the status quo by pointing to tax data showing that the rich contribute the greatest share of taxes.

In 2003, the wealthiest 10 percent held 37.2 percent of national income, a 50.2 percent share of all federal tax liabilities and a 69.6 percent share of individual income tax liabilities, according to a Congressional Budget Office tax study.

"We've redistributed income about as much as we can," said James Glassman, a scholar at the American Enterprise Institute, a conservative think tank in Washington.

Cheney Tries To Get GOP Base Energized (MN)

By Michael Jamison

Missoulian (Montana), November 3, 2006

KALISPELL - At a rally intended to get out the Republican vote, Vice President Dick Cheney touted the national GOP agenda, saying the re-election of Conrad Burns was critical to continuing the Bush administration's efforts in Washington, D.C., and abroad.

“I look forward to swearing him in for another term in the United States Senate come January,” Cheney said.

Burns, a three-term senator from Montana, was first elected to the U.S. Senate in 1988. This year, the incumbent is considered one of the most vulnerable GOP candidates, locked in a tight race with Democratic challenger Jon Tester.

The narrow margins indicated by repeated polls have brought political heavyweights to Montana, hoping to tip the scales in favor of Burns. This was Cheney's second visit to the Flathead Valley in three months, an effort, said Brock Lowrance, to “get out the message that it's important to come out and vote.”

Lowrance is communication director for the Republican Party in Montana, and he predicted Cheney's visit would help Republicans “all the way down the ticket.” In fact, most of the Flathead's GOP political hopefuls were on hand Wednesday, hoping the vice presidential visit would, in fact, float all boats.

“This is a way to rally the GOP base to the polls,” Lowrance said of Cheney's visit. “There's a lot of support for our candidates in the Flathead, and at this point, it's a turnout game.”

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But getting the turnout is hard work, Burns said, noting that his party is contacting 11,000 Montana voters every day in this last push to Nov. 7.

"Don't go vote alone," Burns told the crowd, "take someone with you."

Cheney visited the Flathead again because it has proved strong Republican territory, Lowrance said, which is the same reason President Bush has planned a Burns campaign stop in Billings on Thursday.

Tester, likewise, is playing to his base in this last week of the election season, with stops scheduled in Bozeman, Missoula and Butte.

"All we're focused on for the next six days is turning out supporters on Election Day," Lowrance said.

And according to Cheney, it will be a very important Election Day. At shortly after 5 p.m., Cheney and wife Lynn walked into the Majestic Valley Arena north of Kalispell - a place better known for rodeo, monster trucks and amateur boxing - and was met by rowdy applause from more than 1,000 GOP stalwarts. His podium was flanked by hay bales, saddles and flags draped across straw.

"It's great to be with you," Cheney said, "back in Big Sky country."

Cheney called on the party activists to "do everything we can to make sure that we get that Republican ticket elected six days from now."

At stake, he said, is control of Congress. Should power shift to the Democrats, Cheney warned, taxes will go up, security will go down and the economy will stagnate.

Cheney predicted Bush administration tax cuts would disappear under Democratic control, and warned that both the war in Iraq and the broader war on terror would be compromised should Republicans fail to retain power in the capital.

He praised Burns and Rep. Denny Rehberg, R-Mont., saying the politicians were "superb public servants." The U.S. Senate, he said, is a "mixed bag" of personalities, but added that "one of the senators I like and respect the most is Conrad Burns."

Cheney called Burns a leader in agricultural issues, in energy and military security and public land use, saying the incumbent is known for "clear thinking and common sense."

That the praise was unequivocal came as no surprise, and campaigners said they had no concerns that widespread voter frustration with White House policy might make such high-profile endorsements a liability.

"The president and vice president are always welcome in Montana," Lowrance said. "It creates a real energy."

Some of that energy was seen protesting along U.S. Highway 93, as Democratic activists bundled against the cold and carried signs that condemned the "borrow-and-spend conservatives," asking "who's paying for these visits?"

But inside the arena, the crowd remained solidly Republican, loudly booing any mention of Democrats.

Cheney keyed hard on the need for continued military might around the world, noting that "to win this war, America needs the Patriot Act."

Burns, he said, "voted for the Patriot Act, and he's the only Senate candidate in Montana who wants to keep it. That alone is a great reason to vote for him next Tuesday."

Bush Blasts Dems As He Stumps For Burns (USAT)

USA Today, November 3, 2006

President Bush took his "Democrats are soft on terror and oppose conservative judges" campaign theme to Montana on Thursday, trying to rally support of endangered GOP Sen. Conrad Burns. Burns is locked in a tight battle against state Senate President Jon Tester.

Tester was campaigning with Gov. Brian Schweitzer and Sen. Max Baucus, both Democrats.

Bush chided Democrats who he said voted against legislation to detain and interrogate suspected terrorists, the National Security Agency's eavesdropping program and the USA Patriot Act. He stressed that when voters cast their ballots, they will be deciding what kind of judges sit on federal courts.

Bush also predicted that Republicans will retain control of Congress, just as they retained control of the White House in 2004 when Democrats, he said, were measuring the West Wing for their furniture.

"The movers never got the call," Bush said. "The same thing is going to happen on Nov. 7. We will win the Senate and we will win the House."

Pentagon defends military voting system

The Defense Department defended a new military voting program that lets servicemembers request and submit ballots by fax or e-mail. Rep. Rush Holt, D-N.J., in a letter to Defense Secretary Donald Rumsfeld, said the electronic registration and voting service is well-intentioned but could expose troops to identity theft or allow hackers to tamper with ballots.

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The Defense Department said the system is as secure as possible and that risks are detailed for military members when they access the e-mail system. “We have taken every precaution to limit those risks,” Pentagon spokeswoman Cynthia Smith said.

Dems accuse GOP of intimidation in Md.

Maryland Democrats accused Republicans of launching a “conscious, premeditated” campaign of voter intimidation after a report described a handbook advising Republican poll watchers to challenge the credentials of any voters they suspect are fraudulent. The handbook urges poll watchers to warn election judges that they could face jail time if they fail to act.

Rep. Elijah Cummings, D-Md., accused the GOP of “a conscious, premeditated plan of voter intimidation and voter suppression.” State Republican Party Chairman John Kane denied any intimidation, saying the goal was to ensure that no fraud takes place.

Houston mayor halts free flu shots at polls

Houston stopped offering free flu shots at early-voting sites after Republicans alleged it was a ploy by Mayor Bill White to lure more Democrats to the polls. The vaccinations, for people ages 50 and older, had been offered at early voting sites in predominantly black and Hispanic neighborhoods. Health officials said they were targeting medically underserved areas, not Democratic neighborhoods. “There was no political motive whatsoever” behind the shots, White said. Harris County Republican Chairman Jared Woodfill said he doubted that and said the offer violated a state law that bars accepting freebies in exchange for votes.

Ethanol gaffe encourages GOP in Minn.

Minnesota lieutenant governor candidate Judi Dutcher apologized and blamed a long, hard campaign for her response to a question this week about E85. “It's like you've asked me the college quiz bowl question,” the Democrat had said. “What is E85?”

E85 is a blend of 85% ethanol and 15% gasoline. Demand for petroleum alternatives would be a boost for Minnesota farmers because corn is the top source of ethanol. Dutcher is the running mate of Mike Hatch, who is in a tight race against GOP Gov. Tim Pawlenty. Dutcher, appearing with Hatch, blamed “one of those times when your brain doesn't kick it into gear.” Pawlenty, who promotes ethanol, questioned Dutcher's qualifications. Hatch's response: “He's not running against Judi Dutcher, he's running against me. I know a hell of a lot more about ethanol than Gov. Pawlenty.”

Wash. school bus driver ‘not a fan' of Bush

A Seattle school bus driver, fired after she reportedly made an obscene gesture at President Bush, has filed a union grievance in an attempt to get her job back. School District spokeswoman Sara Niegowski said the firing was not politically motivated: “The bus driver was terminated for making an obscene gesture in view of the students.” The driver, whose name was not released, was driving middle school children back to school after a zoo visit June 16 when Bush and Republican Rep. Dave Reichert drove by in a motorcade. The driver gave the president the finger, according to Reichert and Issaquah School District Superintendent Janet Barry. “The congressman hadn't seen it, but the president turned to him and said, ‘That one's not a fan,' ” Reichert spokeswoman Kimberly Cadena said.

Bush Chides Democrats As Soft On Terror (AP-Y)

By Deb Riechmann

AP, November 3, 2006

President Bush, campaigning in a Republican stronghold for an endangered GOP senator, tried to rally his supporters Thursday by portraying Democrats as soft on terrorists and opposed to conservative judges.

Bush chided Democrats who voted against legislation to detain and interrogate suspected terrorists, the National Security Agency's eavesdropping program and the U.S.A. Patriot Act.

"When it comes to listening to the terrorists, what's the Democrat's answer? Just say no,'" Bush said, urging the audience to play along.

"When it comes to detaining terrorists, what's the Democrats' answer?"

"Just say no!" the audience retorted.

"So when the Democrats ask for your vote on Nov. 7, what's your answer?" Bush asked.

"Just say no!" the crowd screamed.

Bush campaigned here for Sen. Conrad Burns, a vulnerable incumbent in a tough campaign battle against Democratic challenger Jon Tester, the president of the Montana Senate. Tester was holding rallies of his own on the other side of the state Thursday and Friday with fellow Democrats Gov. Brian Schweitzer and Sen. Max Baucus.

With polls showing the public opposed to the war in Iraq, Democrats have expressed increasing optimism in recent days that they will gain the 15 seats they need to win control of the House. Democrats must pick up six seats to win the Senate, a taller challenge, and both parties made last-minute efforts to increase the number of competitive races.

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Montana was Bush's first stop on his final push to Election Day that includes stops in Nevada, Missouri, Iowa, Colorado, Texas, Nebraska, Kansas, Arkansas and Florida.

The rally had the flavor of Bush's 2004 re-election campaign. Speakers blared Bush's campaign theme song, "Only in America," and the president opened his remarks with a comment he used in 2004:"It's good to be in a part of the world where the cowboy hats outnumber the ties."

Bush, invigorated by the rally, gleefully predicted that Republicans will retain control of Congress, just as they retained control of the White House in 2004 when Democrats, he said, were measuring the West Wing.

"The movers never got the call," Bush said. "The same thing is going to happen on Nov. 7. We will win the Senate and we will win the House."

Bush also said veteran Republican senators like Burns are needed to help the Senate confirm judicial conservatives to the federal bench. When Montana voters cast their ballots, they're not only deciding who will represent them in Washington, they will be deciding what kind of judges sit on federal courts across the nation, Bush said.

"We believe that judges ought to strictly interpret the law and not legislate from the bench," Bush said.

Bush Touts Republicans In Billings (BG)

Billings Gazette, November 3, 2006

The Gazette Staff In an animated political stump speech for Montana Republicans that covered taxes, judicial nominations and the war in Iraq, President Bush spoke for about 45 minutes to supporters at MetraPark Arena on Thursday morning.

With his shirtsleeves rolled up and no tie, Bush urged Montanans to vote for Sen. Conrad Burns and Rep. Denny Rehberg to make the country a safer and better place to live.

“I’m proud to be here in Big Sky Country with this fine U.S. senator, Conrad Burns,” Bush said. “You might call him a plain-speaking fellow. I’ve heard some say he’s a little rough on the English language. Where have I heard that before? Conrad, I’m keeping good company.”

After speaking for some time about the importance of judicial nominations, Bush said the two most important issues this election season are taxes and terrorism.

Voting Republican will ensure the country takes the right track on both counts, Bush said.

Democrats will raise taxes, while Republicans will cut them, he said.

“Conrad, Denny and I have a philosophy,” Bush said. “We believe you know how to spend your money better than the federal government does. The Democrats want to take more of your money because they think they can spend it better.”

Republicans are responsible for tax cuts that bolstered the U.S. economy and helped reduce Montana’s unemployment rate, he said. But, if Democrats take control of Congress, taxes will go up despite that party’s professed love for lowering them.

“They voted against every single tax cut,” Bush said. “Time and time again, every opportunity that they had a chance to show their love of tax cuts, they voted no. If that’s their idea of love, I’d had to see what hate looks like.”

Bush also said Democrats want to withdraw troops from Iraq too soon, leaving the United States vulnerable to terrorists. He said the military’s presence in Iraq does not encourage more terrorist groups to form and defended his decision to oust Iraqi dictator Saddam Hussein.

“When you see a threat, you can no longer hope the oceans will protect us,” Bush said. “You can no longer hope for the best.”

“I saw a threat in Saddam Hussein. Members of both parties saw a threat in Saddam Hussein. The United Nations saw a threat in Saddam Hussein,” he said. “I made the right decision to take Saddam Hussein from power. Now, Iraq is the central front in the war on terror.”

Democrats don’t have any idea how to fix the situation in Iraq, but Republicans have a plan for victory, Bush said. That plan includes helping the Iraqi government become independent and self-sustaining.

The only way the United States can fail in Iraq is to leave before the job is done, he said.

“That’s exactly what Democrats want to do,” Bush said.

Bush ended his speech by comparing the Sept. 11, 2001, attacks on the United States to the attack on Pearl Harbor.

During World War II, Japan was America’s enemy, but today the two countries are allies, said Bush, who recently met with the Japanese prime minister. The two leaders visited Graceland together earlier this year.

“I found it interesting on the way down to Elvis’s place, I was talking about keeping the peace with the prime minister of our former enemy,” Bush said.

“The lesson of history is liberty has got the capacity to convert an enemy into an ally,” he said. “Liberty has got the capacity to turn a region of despair into a region of hope.”

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Earlier in his speech, Bush talked about the importance of maintaining Republican control of Congress so that his judicial nominees can be confirmed to the federal court system.

"Your vote determines more than who represents you in the Senate," he said. "It will also determine what kind of judges sit on federal benches all across the U.S."

Bush credited Republicans for confirming John Roberts and Samuel Alito to the U.S. Supreme Court, appointments Democrats tried to block, he said.

"America is better off with John Roberts and Samuel Alito on the Supreme Court of the United States," he said.

Bush also said Montana could help lessen the country's dependence on foreign oil by producing alternative forms of energy.

The president was introduced by Burns, who said Bush is not afraid to stand by his beliefs.

"He's the man who doesn't take a poll before making a decision," Burns said.

"Even though he's from Texas, he understands Montana values and cares about the principles that make our two states great."

Rehberg introduced Burns.

Bush landed at Billings Logan International Airport aboard Air Force One a few minutes early Thursday morning at 10:59 a.m. He departed on the plane around 12:35 p.m.

Bush exited the plane a few minutes after it landed, waving, and shook hands with a group of people waiting on the tarmac. Black-clad snipers were on rooftops of buildings at the airport, and a Black Hawk helicopter flew in the area. Two gray C-17 military cargo planes were on the tarmac nearby.

Among the greeters were John Bennett of Cascade, a retired staff sergeant in the Montana National Guard who was injured by a sniper in Iraq and was in a wheelchair when he shook hands with the president; Peter Ankney of Colstrip, a first lieutenant on active duty in the U.S. Marine Corps; and Mark Polakoff of Red Lodge, who operates Absaroka Search Dogs and was scheduled to receive a volunteer award from the president. Polakoff was accompanied by his German shepherd, Winda.

Jack and Pat Rehberg, parents of Rep. Denny Rehberg, R-Montana, were also there.

Bush then made the short road trip to MetraPark in a fast-moving motorcade that traveled on Airport Road accompanied by patrol cars from the Billings Police Department and Montana Highway Patrol. A small group of people gathered near the intersection of Airport Road and Main Street, where the motorcade passed at about 11:17 a.m. Bush could be seen waving to the small crowd from a black limousine.

The motorcade sped through the intersection again returning to the airport at about 12:20 p.m.

Ticket holders began lining up as early as 6 this morning to see Bush. The "Montana Victory Rally" is the start of a final campaign push before the national midterm election on Tuesday.

In the past three weeks, he has made campaign appearances on behalf of Republicans in tight races for seats in the U.S. Congress.

More than 5,000 tickets had been distributed for the president's short visit to Montana to bolster Montana Republicans, especially Burns, who is in a tight race with Democratic opponent Jon Tester, a state senator from Big Sandy. Burns is running for his fourth six-year term in the Senate.

By 8 a.m. Metra's lower parking lot was full. Volunteers were placing leaflets supporting Burns beneath windshield wipers.

A line of people that stretched from the MetraPark Arena doors, around the side of the building and to the MetraPark Pavilion began moving at about 8:10 a.m.

People were cheerful but cold. Some stomped their feet and brought blankets to fend off the cold. A group of children in snowsuits and mittens played on a strip of ice near the Metra doors.

Alan Hooker, a rancher from Luther, was among the first in line. Hooker rose at 4 a.m. and got to Metra by about 6:15. There were already 15 people ahead of him, he said.

Hooker said his son's teacher at Luther School asked him to save 17 seats for the school's seventh- and eighth-graders. He planned to place sheets of notebook paper on the seats to reserve them.

"The cell phone is going to be our connection, hopefully," he said.

Cheryl Heins and her 14-year-old daughter, Holly, of Laurel, were in line by 6:30 a.m. Heins took both her daughters to see Bush in 2001, when they got to shake his hand. Today, they were hoping to hear the president talk about family values.

"This is the world's leader," Heins said. "He's nowhere else in the world today than in Billings."

Dorothy Krnabek, a Republican campaign volunteer, was stationed at the Metra will-call ticket booth.

"Every seat in Metra is a good seat when the president comes," Krnabek said.

Another Burns campaign volunteer, Wilma Moses, brought a mystery novel and the comics section of the newspaper to keep her busy while she waited to listen to the president.

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Moses wore a red plaid jacket and a red hat with three elephant pins fixed to it. She said she puzzled over which of the pieces of jewelry to wear this morning before deciding to wear them all.

One of the pins belonged to her mother. It was made of silver and rhinestones and spelled the word “GOP.” Moses said her grandfather was a socialist in North Dakota in the early 1900s.

“I’ve been working so hard to overcome,” she said.

She wanted to hear Bush talk about Iraq.

“I hope that he will talk about winning the war and a plan to end it and have success there, something to give us all hope,” Moses said. “I agree that we can’t just leave. But I feel for the families.”

Joining Bush and Burns this morning were Rep. Denny Rehberg, R-Mont., and other Republicans.

Bush’s itinerary through Saturday includes stops in Elko, Nev., this afternoon; Springfield and Joplin, Mo., on Friday; and Greeley, Colo., Saturday morning. On Tuesday, the president and first lady Laura Bush will vote in Crawford, Texas, where they have a ranch.

Tickets to today’s event were free, but had to be obtained from the Billings Republican campaign office by 7 p.m. Wednesday. Only those with tickets were admitted.

Black Otter Trail and all parking areas for trails atop the Rims were closed to the public for the visit until 3 p.m. today, according to the Billings Police Department.

On his arrival at Billings Logan International Airport, Bush presented the President’s Volunteer Service Award to Mark Polakoff of Red Lodge, who trains rescue dogs for the Absaroka Search Dogs, a volunteer organization that has worked in Montana, Wyoming and Idaho searching for lost and missing persons.

Polakoff is also a member of the 1st Special Response Group, which responds internationally to search for lost or missing Americans. He has been a volunteer pre-hospital nurse with the Red Lodge Emergency Medical Services for 18 years and is an emergency room nurse at St. Vincent Healthcare.

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Not very interesting (1)

Slightly interesting (2)

Somewhat interesting (3)

Quite interesting (4)

Extremely interesting (5)

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Obscene, explicit, or racist language.

Personal attacks, insults, threats, harassment or inciting violence.

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If you have any questions, please contact our moderator.

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The comments below are from readers of billingsgazette.com and in no way represent the views of The Billings Gazette or Lee Enterprises.

Hugo wrote on November 02, 2006 9:36 AM

I can already smell the sulfur.

Welcome "W" wrote on November 02, 2006 9:37 AM

Welcome to Billings, glad we have the METRA, we have the world's spotlight today on our beautiful City with such a great Future!

I'm shocked! wrote on November 02, 2006 9:38 AM

I am surprised. This article has been posted for 15 minutes now and nobody has commented about how much they dislike our President. I, for one am very pleased with President Bush and have nothing against him coming here. To those who think he's wasting time: how much time/money has our own Govenor spent doing commercial ads with candidate John Tester and photo shoots showing his support. Shouldn't he be busy serving the people of Montana, or at least claiming everyone else's work as his own?

Amazed wrote on November 02, 2006 9:39 AM

Lemmings

CJJE wrote on November 02, 2006 9:53 AM

Who's picking up the tab?!! Should be the Burns supporters since this is a political move to increase votes!! It's rediculous that this is going to cost us this amount of money!! I would stand in line that long to greet our service men and women coming home, for they are the heros. Not this president.

Welcome President Bush wrote on November 02, 2006 10:45 AM

Whether we agree with the statutes of the president or not, the very presence of this honorable figure deserves respect. We can disagree respectfully if we are so inclined. Please Billings show your high standards of respect.

Just Me wrote on November 02, 2006 10:47 AM

IWOULDN'T WALK ACROSS THE STREET!!!

Thanks for Visiting "W" wrote on November 02, 2006 11:23 AM

Thanks for Visiting "W"

all of em.... wrote on November 02, 2006 11:24 AM

all politicians are crooks, especially the president.

HA! wrote on November 02, 2006 11:24 AM

You said it, Hugo!!

I feel lucky wrote on November 02, 2006 11:26 AM

Mrs Bush was the republican who visited our neighbirhood. Very nice lady and much better received than her husband. Didn't go cause I'm true Blue, but heard she was very nice. I don't think there is much hope for good ole Conrad and after the fires this summer there shouldn't be.

John wrote on November 02, 2006 11:28 AM

Way to go W!! I voted the straight Republican ticket this morning!!

celeste wrote on November 02, 2006 11:39 AM

wank wank!

Welcome President George W wrote on November 02, 2006 11:40 AM

Weclcome to the "big city' of Montana, Wyoming home of Cattle, Ag, Oil, tourism. Prospertiy and Purpose! Thanks for Visiting

V says wrote on November 02, 2006 11:43 AM

....."Vi Veri Veniversum Vivus Vici"..... Ladies and Gentlemen - Let's sing an old favorite melody I've brought up to date while. we await the apperition of His Maleviolence. Just follow the bouncing ball..... The skyline of New York ..... East Side, West Side, all around the town.... To heck with three thousand people, Time to bring three Towers down.... Let's have a war on terror, Let's go pop ol' Saddam's cork!.... To consolidate all the power, a Reichstag fire in New York. ..... East Side, West Side, all around the town,... The streets are full of asbestos from the buildings on the ground.... George is in Sarasota, A goat tale reading World Class Dork.... The Secret Service ain't worried 'cause the target was New York ..... East Side, West Side, all around the town.... Silverstein planted the charges, Dov's remote planes flew around... Cheney stopped the Air Force to get Halliburton their pork... We know your plan worked fantastic on the skyline of New York. ..... "Remember, Remember the Fifth of November"

bo wrote on November 02, 2006 11:44 AM

All this less than a week before the election? Grasping at straws?? You're doing a heck of a job, Burnsy!

To Hugo wrote on November 02, 2006 11:44 AM

It's because it coming from under your feet!!!

Not one in the sheep herd wrote on November 02, 2006 11:47 AM

Don't worry, I made sure to hold my hand up and tell him he was "number one" when his plane came in.

Hugo & Sulpher wrote on November 02, 2006 11:50 AM

Hugo Its probably coming out of your A$$.

me wrote on November 02, 2006 11:55 AM

okay i just have to ask this if bush arrived just arfter 11 today why are ppl writing about this at 9 if they wrote it at 9 he was still in the plane coming over here

Lori wrote on November 02, 2006 11:56 AM

Welcome W! We're hoping you can help boost Conrad over the top on Tuesday! Thanks for coming to MT!

Red,White and Blue wrote on November 02, 2006 11:58 AM

To I'm Shocked,Right On My Friend though One Of (Them)Did Say He Could Smell The Sulphur,More Than Likely That Guy On His Shoulder,Welcome Mr President To The Big Sky,God Bless And Semper-Fi

Spike wrote on November 02, 2006 11:59 AM

Are Amazed and Hugo dining with the Axis powers in North Korea tomorrow night? I think they would fit right in!

Richard Miller wrote on November 02, 2006 12:01 PM

For "I'm schocked": I don't mind having Air Force One land here. I just wish that they hadn't got the door opened and had to take off without depositing several tons of B.S. on the people of Billings. I for one do not care to have the biggest cut and run artist in my city. Nor, do I care for lies that he has given us since he got in office. A pox on the arrogant bastard!

i am picking up the tab wrote on November 02, 2006 12:03 PM

i am picking up the tab, mr. big oil and hally-burton.

Rancher2 wrote on November 02, 2006 12:14 PM

I respect the office of president but not the man in office or his policies. As a fourth generation Montanan I am tired of being represented by an unintelligent crook who is an embarrassment, Conman has got to go!

ndngrl wrote on November 02, 2006 12:16 PM

He could be anywhere in the world but he is here in our beautiful state of Montana. I'm glad he came to support Burns. I love the President and the GOP. More power to them.

Boring wrote on November 02, 2006 12:20 PM

Bush said that the Democrats don't have a plan for Iraq. What is his plan? It changes frequently. He says we have to stay until we win the war. What will we win? How will we know when we have won? Who will pay for the damages? I watched the President's talk on TV and I have never seen more bored people in one place in my life. I laughed out loud when the commentator described an "excited" crowd and the video showed just the opposite.

Retired Firefighter wrote on November 02, 2006 12:34 PM

This President promised to restore "Honor and dignity" to the White House. I don't know what is honorable about bolstering a corrupt politician because they both share the same ideology and political party.

jon wrote on November 02, 2006 12:50 PM

I'm a church-going, gun-owning fiscal and mostly social conservative and I'm sick of the direction our country has taken. I pray that all of you will have a change of heart and vote Conrad Burns out of office. Americans used to be proud to stand on their own feet and now it's all about "What's in it for me?"

TRH wrote on November 02, 2006 12:52 PM

Mr. Bush may be a well meaning guy who cleans brush at his ranch and make good jokes about how he and burns "butcher the english language" but it is unbelievable how bad a situation he was created in Iraq and how much federal debt he has created in the process. I have two committed nephews in Iraq at the moment and I sure hope they don't become more needless victims of this flawed war. Boot Bush's cronies on Nov 2!

Proud to wrote on November 02, 2006 12:52 PM

be an American! It's a historic day, Montana loves President Bush!!

Huero wrote on November 02, 2006 12:53 PM

Thanks for visiting, Mr. President! I hope this puts Burns over the top. Governer Schweitzer is dangerous enough by himself. The last thing we need to do is give him another friend in Washington. I'd vote against Conrad if there was a sensible alternative, but JON TESTER IS NOT THE ANSWER!!!

Burns must go wrote on November 02, 2006 12:58 PM

I support President Bush and Rehberg, but not Conrad. Burns is corrupt and will lose next Tuesday. He brought defeat on himself by continually serving the selfish interests of his lobbyist friends, many of them Montana grown and still exploiting the office.

ohhhhhhhhh! From Pure breed Montana'n wrote on November 02, 2006 12:59 PM

Did you just see on Q2 that Tester sent a settement that said Bush was not here to see the normal peolpe in Montana. He better stop listen to Kerry. If Tester thinks he is normal He sure isn't from Montana. Hey! Cheney is so close to Missoula today maybe he could see if Tester whats to go hunting. It is hunting season.

Billy Bob wrote on November 02, 2006 1:11 PM

How silly can we be to buy patriotism from a guy who shirked his duty? Burns should lose to show Bush we're not idiots and cannot be lied to about how he got us into Iraq.

local wrote on November 02, 2006 1:14 PM

I was just stuck on Main street for near an hour. Thank you George Bush.

Show some respect... wrote on November 02, 2006 1:15 PM

To those of you dis-respecting the president with words... I say this.... If we all showed disrespect to those we dislike this world would be in even worse shape than it is now. Grow up and get a set!

NOMoreCONMAN wrote on November 02, 2006 1:22 PM

Do you think Bush and Conman talked about their secert Iqaq polciy today? I am sure they have big plans on how to win this war. It is a disgrace to have a sitting President stump for a crook. It is saying to every politican "go ahead eat the free Sushi" as long as you are in our party we will still support you. I am a Rep., but I will vote for Tester. Sometimes what is best for your party is not best for your country.

nh wrote on November 02, 2006 1:24 PM

To CJJE: It is funny you most likely don't say that when a Democratic President Bill Clinton comes and campaigns for his candidate. It is how it works. Quit complaining. All you protesters outside of the Metra get job! People like that are one of the many reasons why I rarely support a Democratic candidate.

ack wrote on November 02, 2006 1:27 PM

Some of you comment like you actually believe the President is going to read your remarks - In case you are sitting in Air Force One right now Mr. President and reading these comments, STOP THE MADNESS IN IRAQ!!!!

Republicans wrote on November 02, 2006 1:28 PM

Any group who thinks selling your vote to the highest bitter is okay deserves nothing better than Bush and Burns. I hope you get your wish. Then when the jeck gets indicted you'll be the laughing stock of the US, which you already are. Jon Stewart is having a field day with your stupid Senator.

Amazed wrote on November 02, 2006 1:36 PM

What's to respect about a man who is clearly incompetent? And what's to respect people who blindly follow him? It sickens me that people call themselves Americans and patriotic that will support a man who fights a war based on nothing that had to do with anything, rip apart the Constitution for his own benefit and then watch America's finest die day after day with no plan other than to jump and and down shouting "Terror!"

I don't care wrote on November 02, 2006 1:41 PM

Bush has done nothing to impress me. The sooner he is out of office the better of we will be. He started something his dad did'nt finish and it's just gotten worse he needs to go!!!!!!!

Tony wrote on November 02, 2006 1:42 PM

What a disgrace this guy is...people dying everyday for a war that he lied to go into and then he is here in my homestate campaigning for a corrupt politician...Just unbelievable

Thanks for Visiting President Bush #2 wrote on November 02, 2006 1:44 PM

Any dolphin can eat the spider around the tornado, but it takes a real mating ritual to barely play pinochle with an alleged grand piano.

Could Care Less wrote on November 02, 2006 1:52 PM

Don't let the door hit you on the !$$ on your way out.

blindman wrote on November 02, 2006 1:58 PM

If most of you were deaf instead of blind I could understand your blind allegiance to somebody who cares less wether or not you can pay your bills or put food on your table or if your sons and daughters die in a war for elitist interests, but you fools can see and hear and you still cheer on nero. You deserve neither freedom or security.

Stillonmt wrote on November 02, 2006 1:58 PM

Just more tired rhetoric from the President. He attacks strawmen rather than deal with issues head on. The last thing that is needed by our country is a Republican congress that just enables his lack of leadership.

TOO LATE FOR BURNS wrote on November 02, 2006 2:07 PM

Nice try Burns, your time is up! If you stil talk to Jack, let him know I could use some money as well! Or better yet, use that money to pay for the shameless attempt to save your campaign with Georgie's vist today! SEE YA BURNS!!!!

John wrote on November 02, 2006 2:10 PM

I would not even consider or have the desire to see President Bush. Does he even have a college education? I am sure his parents had him at least finish High School.He doesnt seem to be very bright. I understand Sen. Kerry's comments on who does end up fighting the wars in this country. It is mostly low income and people of color. Their hope is that it will open the doors to

attend college, get GI loans for housing. I think they should make it mandatory that one child from every family enlist in the service during war time-even the rich kids.Even if their in one the most prestigous colleges in this country. The only thing I agree with president bush on -is the comment he made. That is that both him and Conrad Burns both can make some very stupid comments. I would never support Conrad Burns or President Bush!

cc#1 wrote on November 02, 2006 2:11 PM

I didn't attend the rally, but I was fortunate enough to catch it live on KTVQ. It was awesome! Here was a mere mortal man speaking God's truths. I literally could see the Rod of Jesse alligning the President's back. God was smiling down on Billings, Montana, today! Thank you for sticking to your convictions, Mr. President George W. Bush! Thank you for taking the time to grace us with your presence, as well! God speed to you and yours. Peace.

CDN wrote on November 02, 2006 2:12 PM

Some of you need to stop and take a deep breath. The hate on this blog is incredible. It comes from a party that says those that are in the military because they are stupid, a party that will raise Taxes if they win, a party that gives aid and comfort daily to our enemies, a party that supports gun control and gay marriage, a party that is for open borders and against judges that not make laws, a party that will grow the size of government, a party that is against energy exploration and therefore for more foreign oil, a party that believes man is so powerful, he can change the weather. It is the party that defended Bill Clinton, and attacks those that believe in GOD. Gore, Pelosi, Reid, Hillorat, Kerry, Kennedy, bi-coastal liberals control it. Even when one of their former VP candidates supports the Presidents fight against those that want to kill us, this party tosses him out. But the one thing that is apparent, the Democrat Party was no ideas to campaign on, only hate. You should be so proud.

Go Ahead..Make his day. wrote on November 02, 2006 2:12 PM

FYI-Every country, everywhere is vunerable. We live in a country where borders are a joke and immigration has exceeded native born residency. By giving the American public a false sense of security-shame on him. I wonder how many more lives would have been sacrificed if good ol W would have been at the helm of Vietnam. Did it really make a difference to them that we left? Only to the ones who survived. Our foreign relations are so strained it will take years to repair. He talks about democrats raising taxes-but the republicans have managed to increase the unemployment rate, and have promoted our oil companies to the highest food chain. Metal, plastics, wood products have all doubled in cost since the start of this administration. Taxes, taxes, taxes, but what about the cost of everything from chapstick to bailer twine. Titles do not warrant respect. When you have lives in your hands and you conduct yourself in the narcissistic mode you normally operate in, with no thought of those you hurt, you get the respect you deserve. Did he mention U.S. Navy Petty Officer 2nd Class Charles "Chuck" Komppa- you know the one they took home in a casket last night? Shame, shame, shame. Must have been too busy petting the search dog for PR. Vote another one in with the same mentality. You get what you deserve. Sadly so does everyone else.

To Cheryl Heins wrote on November 02, 2006 2:13 PM

â€œThis is the worldâ€™s leader,â€ Heins said. â€œHeâ€™s nowhere else in the world today than in Billings.â€ George W. Bush is NOT the world's leader. People who believe things like you do are what cause Bush to think he is the leader of the whole world and all countries should do what he says. How sad you're teaching your children such false detrimental beliefs.

how many people actually showed up wrote on November 02, 2006 2:16 PM

they had 5,000 tickets...how many people actually showed up? thank you protestors for standing up against corruption and being the true American voice

Can W read? wrote on November 02, 2006 2:19 PM

Just wondering if W. even mentioned the soldier's casket being taken off the plane or his family shown in the gazette today.

...etc... wrote on November 02, 2006 2:32 PM

George is a great guy, i know we can all "arm chair" his job....but when it gets right down to it, he responded the way an American President should respond to terrorism. I really dont care if there are people being held without any rights.....the people working in the trade center on 9/11 had no choice....if we can make a few of them talk and get the "bad guys" so be it. I am tired of useless negotiations that the other side thinks are weak and cowardly. George has some "b_lls" and has all of the information so he can act accordingly. Keep up the good work and God Bless!

W is the World Leader wrote on November 02, 2006 2:36 PM

W is the World Leader its sure not any wimp from the UN, why is he the leader, not just all of our weapons and nukes, its our beliefs in freedom, we stand up for freedom, against genocide in Africa, against all violence, and against the fools who believe in global warming which is actually caused by Sun Spots! Read the bible every body. Rev. Sma Iam

jess a guy wrote on November 02, 2006 2:36 PM

DOJ_NMG_0090915

It was a fantastic production. Martina was better but this one cost one hell of a lot more. This was purely a photo and press opportunity. Sad that the leader of the #2 world power needs to do so much work on the elections but at the same time takes more vacation from his post than any other president in US history.

Borrow and Spend wrote on November 02, 2006 2:42 PM

Burns and Bush.....equally inarticulate, dishonest and truly not Conservatives. True Conservatives know a little about responsible spending. I am one of many Conservatives who are voting for Tester!

Los Cangrejos wrote on November 02, 2006 2:52 PM

I just don't understand the hate and vitriol being spewed here. Disagree all you like with Bush, but understand that he IS the president of the United States of America and is due respect if only for only that reason. You people disgust me as much as those who do not rise and doff their hats when the flag comes by in the parade. Dissent all you want, but please be respectful.

SjonesSR wrote on November 02, 2006 2:53 PM

He is a very good speaker in person. I was amazed at how much energy and charisma he had and how clearly he stated his message. Somehow we never see that on the news. It must be a sport for the media to find that one clip each night that makes our president look bad.

milkseat wrote on November 02, 2006 2:53 PM

For every vote Bush might have gotten Conrad today he lost Burns two-coming from all the people in 4th Ave and Main St. traffic jams!

Jim wrote on November 02, 2006 2:53 PM

We have a wonderful President and what an honor to have him in the Big Sky country. We are so fortunate to have him as President instead of John Kerry. John Kerry is a liberal, unpatriotic man.

was conrad sober wrote on November 02, 2006 2:55 PM

did connie stay away from the bottle today

A Real Patriot wrote on November 02, 2006 2:55 PM

Patriot - a person who regards himself or herself as a defender, esp. of individual rights, against presumed interference by the federal government.

Not my leader wrote on November 02, 2006 3:12 PM

Impeach!

SHIRT AND NO TIE wrote on November 02, 2006 3:19 PM

Dear Gazette Liberal Writer: So what if the President showed up in casual attire.....that is what Montana is all about! Try attending a function at Alberta Bair Theater or go listen to the Billings Symphony....a lot of Montanans wear blue jeans and cowboy boots. Mr. President, you fit right in Billings! We are proud of you and thank you for paying us a visit!

Tammy wrote on November 02, 2006 3:20 PM

Hey Hugo~~~You must've been at the wrong place this morning-Demo hell- I was inside the Metra-Cheering on our Wonderful President George W. and what a pleasure that was-All I could smell was the sweet scent of Republican victory--God Bless America and George W.....

DUMB AND DUMBER! wrote on November 02, 2006 3:23 PM

Corndog and the Presidunce! Hey, funny movies about two really dumb friends are outta style now. Didn't anyone tell the Repubies??? Bwaaaaaaaaaaaa! Ho ho hey hey, how many troops did you kill today, georgie? Last month only 101, and SEVEN HUNDRED WOUNDED! But tell us, Dumbya, just why the twins aren't in Eyerak? Are they AWOL, like YOU were?????? What a joke.

Desperate measures CONman Burns wrote on November 02, 2006 3:24 PM

CONman is like the bully kid on the block who's getting beat up (by a younger fresher Jon Tester in this case) - bring in your older brother. Bring in Bush, bring in Cheney, bring them ALL in - you still will lose ConMAN

TO CDN wrote on November 02, 2006 3:26 PM

Sounds like you might need to take a big breath. You sound very one sided and very hateful. Don't forget that the majority of us are probably in the middle. Not with you and not with the protesters. You sound hateful to me!

Baffled wrote on November 02, 2006 3:29 PM

Number 2 world power?

Patriot wrote on November 02, 2006 3:34 PM

Burns and Bush. Get out, and stay out of our State!

Native Hunter wrote on November 02, 2006 3:36 PM

Just goes to show Conrad can't stand on his own two feet in Montana but has to "go Washington" by bringing in the worst president in US history. I wonder if Bush could point out Billings on a map? Funny Bush talked about taxes and Iraq. We've been in Iraq six years and it keeps getting worse and the Repubplicans have run up the national debt to insane levels.

Bigsky wrote on November 02, 2006 3:39 PM

The only gutsy thing Bush has EVER done is being in the same state as Cheney during hunting season.

NE Mt wrote on November 02, 2006 3:43 PM

My question that would be posed to the President and to Cheney as well.... How come they are so vehemently supporting Conrad Burns-someone that is being investigated in scandal after scandal. Is this the political version of the good ol' boys club? Get Burns in office no matter what... Because they might also have something to hide?

Poor Dems wrote on November 02, 2006 3:53 PM

We have President Bush and you Jon Carry!

a sad time for america wrote on November 02, 2006 4:12 PM

He makes me want to throw up.

WOW!! GO W wrote on November 02, 2006 4:25 PM

I'm a decomcrat voting for Republicans. They have the plans and ideas. It was nice to see our president in Billings.

what wrote on November 02, 2006 4:28 PM

Keep supporting Bush. He could care less if you loose a child in Iraq or have to work two or three jobs to make ends meet. What a bunch of suckers. Bush has you right where he wants you come election day.

poor rancher wrote on November 02, 2006 4:30 PM

Is that AF One I smell, or is it just the Laurel refinery?

Rygel wrote on November 02, 2006 4:34 PM

I love him.

former forest service wrote on November 02, 2006 4:36 PM

Remember Forest Service Firefighters.

Brian Casteel wrote on November 02, 2006 4:39 PM

I thought President Bush was awesome today. My overall opinion of him hasn't been very good, but he earned a great deal of respect from me today with the intensity and strength of his speech. It was an awesome experience that you cannot get by watching it on TV or hearing a speech on the radio.

To Retired Firefighter wrote on November 02, 2006 4:41 PM

It means doing what's right and what needs to be done without checking the polls first. Oh yeah, also means, keeping your pants up in the Oval Office.

The Borders are open to Canada.... wrote on November 02, 2006 4:41 PM

If you don't like our country and it's leaders do something.....it's your choice to stay here (majority rules in elections) or go. Don't let the door hit your butt on the way out!

Kennyg wrote on November 02, 2006 4:42 PM

What a waste of money. This country is trillions in debt, and in a war for big oil. So what does W do but come to Billings to preach to the people who voted to let him get us into this mess. Also why should the taxpayers pick up the overtime for the police and Sheriffs deputies, the Republicans should cover that too!

Evangelist Ted Haggard out of closet wrote on November 02, 2006 4:47 PM

I don't understand why you Republicans hate homosexuals so much. Another of yours just came out of the closet, Reverand Ted Haggard, leader of the National Association Of Evangelicals just admitted to a three year affair with a man. He's one of yours, you judgmental neocons. Why are you always saying your platform is about what you call family values and you hate homosexuals and say that democrats promote it, but you sure have had a lot of your own come out of the closet this year. maybe you should try to be less judgmental.

Please Tester supporters wrote on November 02, 2006 4:51 PM

I'm begging you. It's one thing to show your ignorance in supporting Tester - please, please try to spell properly, or at least put together a coherent sentence. And yes, I'm aware of a few typos in responses from Bush/Burns supporters, but it only takes a glance through here to see which side has more of those remotely intelligent enough to cast a knowledgeable vote.

Nutcracker wrote on November 02, 2006 5:00 PM

Party loyalists are nuts best poured into a bowl and served before Christmas dinner. This is especially true of Republican loyalists this election cycle and the next. Bush's stupidity is killing your sons and daughters in an unnecessary and poorly executed war in Iraq and he is making you pay for it. If Clinton had done this, your panties would be in a wad so deeply embedded we could see your pant size every time you opened your mouth. Yet Republican loyalists rally around the Bush

dressed up like Howdy Doody, or should I say Howdy Dude-y, because he claims he won't raise your taxes. This war is costing a fortune. Where is the money going to come from? You! Bush is borrowing all this money so he doesn't have to face the responsibility of being the bad guy who forces you to pay back his debts. It is called passing the buck. It pleases old Conrad no end to help Bush take your money and put your kids' lives in danger for no good reason. So although you may put a higher priority on your money than your children's lives, Conrad will cost you both. Tester will at least try to spare your kids.

Stillonmt wrote on November 02, 2006 5:00 PM

Bush was ignoring the proper way to measure taxes. As V.V. Chari of the University of Minnesota explained at a conference for journalists on Oct. 17, The true burden of government is what it spends today and in the future." When a politician brags, I cut your taxes," that's not what really matters.... When a government spends money, it commands resources that are no longer available for use by the private sector. If it chooses to borrow the money rather than levying taxes to finance transfer payments and the purchase of goods and services, the government is only postponing the inevitable taxes, Chari said. HT to Brad DeLong.

Andy from Big Sandy wrote on November 02, 2006 5:00 PM

Conrad Burns took dirty Abramhoff money. Bush has direct connections to Abramhoff. Simply follow the money. Burns & Bush are crooked peas in a pod. It is also very telling that Burns needs the star power of the President to get people to vote for him. That should say it all right there, time to take out the crooked trash, bye bye Burnsey. Ps, who paid for the Presidents trip, including massive security costs, to our great state? I suspect taxpayers, since Bush did issue one medal to the dog handler. Presidential duties right?

SBrown wrote on November 02, 2006 5:01 PM

To all of you riding George's a$$ for spending money to come support Burns, why aren't you voicing your opinion when your own Schweitzer takes time from his position to "waste" all the money on his stumps for Testor...Typical Democratic behavior...a lot of talk and no action...thank god Bush has the balls to stand up for what he believes in and follows through with actions to support his words...God Bless the GOP!!!

Gary wrote on November 02, 2006 5:03 PM

With two thirds of the country ready to throw Bush out with the wash water, at least he provides us Montanans with a few laughs if nothing else!

Ikin wrote on November 02, 2006 5:03 PM

To the one who said President Bush doesn't care if the troops die. Do You mean the stupid uneducated troops Mr Karry was talking about the other day? Batched joke or not it was pretty tasteless. Did he care about the troops he spit in the face of after Viet Nam. Go play in Lewistown with your little pal Jane Fonda and ask her how she feels about Troops oh I forgot Ted got rid of her. My father was a Viet Nam vet and an American Hero who was drafted by a democratic president. I think our President has the utmost respect for our troops and is genuinly saddened as am I when one of our troops die.

SBrown wrote on November 02, 2006 5:06 PM

kudos to "shirt and no tie"

NOPE! wrote on November 02, 2006 5:10 PM

Nope! None there! No WMDs in there either! Gee, I can't seem to find any WMDs! aha,ah,aha,ha,ha,ha,ha,ha! That Dumbya Bush. What a funny guy! While slaughtering over SIX HUNDRED THOUSAND innocent Iraqis, he's crackin' jokes! What a cutup! What a retard! What an evil, evil little man! He truly IS a son of a bush! Remember, granddaddy Prescott Bush was one of the biggest financiers of the Hitler! Like granddaddy like retarded grandson! This moron is NOT welcome in Montana! And take the Missery moron with you!

GEORGE BUSH=TOUGH DUDE wrote on November 02, 2006 5:18 PM

While Bush is fighting terrorists the American Left is doing all it can to defeat Bush's efforts. The NEW YORK TIMES gave our enemies a heads up when they published America's top secrets telling terrorists how the U.S. was tracking their blood money (SWIFT). CNN airs enemy propaganda snuff films and TESTER plus the other LEFT-WING kooks want to abolish the Patriot Act and take away our tools to find and combat terrorists. THANK YOU GEORGE BUSH FOR YOUR TOUGHNESS DESPITE THE AMERICAN LEFT and their allies in the LIBERAL PRESS CORP going to war against YOU!

To CC #1 wrote on November 02, 2006 5:25 PM

What the heck is a Rod of Jesse? I ran it on the Internet and all I got back were a bunch of porn sites. Surely THAT wasn't what you saw aligning with the president's back?!?

I'm mad wrote on November 02, 2006 5:28 PM

Are you people for real? You're upset because you had to wait in traffic for a few minutes while the motorcade safely passed through Airport & Main? What did you expect to do - cruise by with the Presidential Limo and escort them? What idiots!

Democrat Here wrote on November 02, 2006 5:33 PM

And I have to say - after hearing the President's speech and hearing what Tester has been saying lately, I am going to be voting for Burns this time around. Tester is just not what this state needs and he is definitely not being honest with Montanans saying that he has never voted for taxe increases. I'm pretty upset with my own party because it is the extreme left that is driving us JFK democrats over the line to the Republicans because they represent us better.

silent bob wrote on November 02, 2006 5:39 PM

bush is not a Texan, he just plays one on T.V.

to Please Tester supporter wrote on November 02, 2006 5:43 PM

We're talking about the future of the FREE WORLD and you're worried about typos? Take off the blinders. Yes, I support Buch but Burms has to go.

dlm wrote on November 02, 2006 5:45 PM

what conrad burns said about the firefighters is truth. This comes from my experience fighting the yellowstone fires of 1988 and watching them fight the derby fires and lighting backfires 10 miles away from the fire. Furthermore he wasn't talking about all firefighters he was talking about federal firefighters.

billingsguy wrote on November 02, 2006 5:46 PM

Sure wish I could have personally thanked him for tying up traffic for so long. Oh yeah to personally thank him for spending around 7000 dollars for a 3 hour stop.

dumb and dumber wrote on November 02, 2006 5:52 PM

My nephew died in Iraq. I don't know what to say to his son when he gets older. This war is useless and immoral. Bush knew it and continues to lie. I will never forgive him.

RCM wrote on November 02, 2006 5:52 PM

I watched the President's speech on TV. Some of his statements were simply illogical. He said he does not believe we create more terrorists by fighting them? That's not what his own intelligence agencies are telling him in the National Intelligence Estimate he released to the public. Then he stated the fact that 9/11 happened when we didn't have troops in Iraq, as though if we had started the war earlier, 9/11 wouldn't have happened. Apparently we will need troops in every country on Earth that could possible harbor terrorists (including this one? Can you say police state?). Just how far are we supposed to let this contagious form of paranoia lead us?

disgusted with demos wrote on November 02, 2006 6:06 PM

what an awesome time to see Mr Bush the President of the USA. I think I sense the same hatred after losing in 04. Get ready again and dammit get over it sooner.We won you lost. Get it in your head. The majority rules quit whining and go do something constructive with your lives. Go Bush Burns Denny And the Grand Old Party

Carlos Phears wrote on November 02, 2006 6:16 PM

More rhetoric and fearmonging!! Has been anybody ever become financially better off because their taxes were cut? What a contradiction to talk about liberty abroad while being destroyed at home!

Please Tester Supporters wrote on November 02, 2006 6:23 PM

Not worried about typos darlin', just somewhat annoyed by those too lazy or ignorant to make the effort to appear literate. I am pretty sure the FREE WORLD will be fine long after we're gone, too. Untwist your knickers

A real military veteran wrote on November 02, 2006 6:46 PM

I'm curious just how deep it would get in the Metra if you stacked all the corpses that are the result of GWB's war in there. I'm sure there's a special place in Hell for those who consider torture and murder the "moral" thing to do.

ExFed wrote on November 02, 2006 6:53 PM

Lori.....in case you haven't noticed....Burns is already way over the top...but ...never mind.

jill wrote on November 02, 2006 6:59 PM

So is Bush saying he's such a weak president that he can't veto any tax increase bill the new demo majority congress will try to pass?

cc#1 wrote on November 02, 2006 7:04 PM

To whomever posted on 11/2/06 @ 5:25 p.m., to "CC#1," if you read the bible, go to Isaiah 11:1,2. Also, you may Google, "The Rod of Jesse." I hope this helps. I'm sorry you got porn. Peace.

Thank You wrote on November 02, 2006 7:34 PM

Mr. President: Thank you for coming to Billings. It is a great honor for us to have you here. We hope that you will come visit us again.

I expected more protesters! wrote on November 02, 2006 7:35 PM

As many angry people who sound off on these message boards I thought I'd see lots more protesters out. Onlt 70 and most of them from out of town. I think it means many of you are double posting, or your chicken to go out in public with a sign. I

also get a kick out of the posts from people of claim to be conservative voting for Tester. John Kerry stated what democrats think about our soldiers. I will not help send another democrat to join the ranks of John Kerry.

Native Son wrote on November 02, 2006 7:57 PM

I am pleased that the President of the United States was able to make it to the Magic City today. What an incredible experience for young, old & those in between to see our President speak. It doesn't change the fact that Conrad Burns is a LIAR. Conrad lied when he pledged to serve only two terms. Conrad has lied repeatedly about the Abramhoff affair. Heck, Conrad lied intially about the interaction with the firefighters at the Billings Airport. As a member of conservative fourth generation Montana family I am urging others out there to forego the route of FEAR and vote in a native Montanan, Jon Tester, to serve as OUR representative in D.C. If he doesn't perform we'll put him back on the farm, but it's time for a change from Conrad. As for President Bush he has managed to oversee 2,815 of our best & brightest KIA and 12,000+ wounded. All this half a world away, while EVERY SINGLE DAY illegal immigrants come across our border(s) by the hundreds. Why? President Bush has failed to secure and protect our borders and NOBODY can deny that.

Wow!!! wrote on November 02, 2006 8:07 PM

A Con backing a Con. Now that's a story the Republicans are use to.

Rick wrote on November 02, 2006 8:17 PM

Bush in all his glory. Why does he not take a few moments to pay respect to one of the troops Bush sent to his death, Petty Officer Komppa and attend the funeral?

Explain it to me again... wrote on November 02, 2006 8:23 PM

Why is it that so many want Burns out but these same characters don't really seem to want Tester in? This has turned into a referendum on Burns and not a nod toward Tester. A silly way to vote. Anger that is...I support Burns!

Jane wrote on November 02, 2006 8:24 PM

Corruption loves company?

Bryon wrote on November 02, 2006 8:24 PM

I had to work today, so I couldn't go. However, after reading most of the posts on the several articles dealing with good 'ol Georgie and his little visit, it is plain to see he is up to his usual tactics. To try to associate terrorist with voting anything other than Republicans is just obsurd. Scare tacticts and smoke screens are all he utilized today. Him showing up is just proof that Burns is on his way out. Of course Democrats have to raise taxes. Republicans spend all the money and just print more. We can't do that in our households so what makes this president or the rest of the Republicans think that they can just spend and not ever have to pay anything back? The money has to come from somewhere. The dollar isn't worth anything anymore. Thanks Georgie. You took a surplus created during the Clinton administration and totally wiped your hind end with that continue to waste more money. One thing is for sure when a Republican gets into office: We are going to fight somebody and the defecit will increase. Thanks Georgie.

johnnie bee rotten wrote on November 02, 2006 8:43 PM

did luv ya w tour pays with pass me another scotch connie? and did the eat at tomain tommies eatery aka the milky way??? rehbergs old joint on poly drive

sam wrote on November 02, 2006 8:47 PM

It is simple. GOP means less taxes for all income levels. The dems mean more taxes for all income levels PERIOD.

Poncho wrote on November 02, 2006 9:00 PM

For all you uninformed Republicans, your President thinks it is funny to pass gas when he is in the company of White House staff or news reporters. He is just a laugh a minute. The smell never emited from Hugo as you people assert. It comes from the top-the Commander in Chief.

What a Great Story (Draft Dodger arrives in Air Force 1 wrote on November 02, 2006 9:05 PM

The sneakiest Draft Dodging Fool our country has ever seen, and mainly because the Far Right just ignores it and who W really is. Do any of you truly realize what a sneak this man was, and has not been held accountable for anything because your party just let's it go. Hello, is anyone home? How can any rational American endorse this clown and then the other Bozo by the name of The CON man. Your party is at the bitter depths of despair, and you backing this class of Morons shows your true character. You guys are Incredible and should be embarrassed to be in the same building as W. & Con Man at the same time. Disgusting time for your party and all the Morons that follow in your footsteps. Hopefully, someday the Right Wing will be a thing of the past.

Al V. wrote on November 02, 2006 9:13 PM

I ate lunch today at Pug Mahones. The place was packed during Bush's speech. Food was great. I bet the Metra wasn't. It looked like carefully choreographed camera work to me.

2 JUST ME wrote on November 02, 2006 9:20 PM

Well you would have had to walk across the street, because that is where the protesters were directed to go.
Click to enlarge
Click to enlarge
Transcript of Bush speech
Read the entire transcript of President's Bush's remarks at MetraPark Arena on Thursday, November 2, 2006.
President Bush at MetraPark
President Bush addressed large crowd at MetraPark Arena on behalf of Montana GOP candidates. November 2, 2006
President's visit draws protesters
(169 today, 169 total)
Bush touts Republicans in Billings
(133 today, 133 total)
Gazette Opinion: Tester would bring welcome change in U.S. Senate
(70 today, 177 total)
Letter: CNN irresponsible to show soldiers being shot
(47 today, 74 total)
Burns, Tester tax positions put in perspective
(46 today, 46 total)
Stories that have received the most comments in the last 24 hours.
Football lights autistic boy's athletic fire
(62 ratings)
Letter: Which president is coming to Billings?
(71 ratings)
Letter: Why would anybody back Bush and Burns?
(138 ratings)
Letter: CNN irresponsible to show soldiers being shot
(416 ratings)
Gazette Opinion: Tester would bring welcome change in U.S. Senate
(823 ratings)
Stories that have received the most high ratings in the last 48 hours
Bush touts Republicans in Billings
President's visit draws protesters
Sailor's body taken to Columbus
GOP putting on its best face for presidential visit
'Brothers' in Iraq grieve over reservist
1,000s get tickets to see Bush as president begins 3-day blitz
Michigan executive new director of ABT
Lawyer seeks long-time justice's job
Crows returning in force, leave big mess downtown
Tickets available for wine class
Counselor to speak to support group
Women of the Moose host bazaar Saturday
Lockwood flu clinic is Tuesday
Angela's Piazza receives grant
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This Election, Modest Tour For President (NYT)

By Jim Rutenberg
The New York Times, November 3, 2006
BILLINGS, Mont., Nov. 2 — If there is one thing the White House can usually count on when President Bush campaigns in small, Republican-leaning cities like this one, it is friendly wall-to-wall news coverage of his arrival. And his visit here on Thursday did make the front page of The Billings Gazette.

But news of his impending arrival took second billing in the paper. It ran below the fold and under a package of articles about the return of a local sailor's body from Iraq, accompanied by a photograph of the flag-draped coffin at Billings Logan International Airport.

Mr. Bush's visit certainly was the subject of local talk radio. But it was mixed with grim talk of newspaper endorsements for the Democratic candidate for Senate here, Jon Tester, leading a local conservative radio host to tell a dejected caller he doubted endorsements were any more influential than "visits of luminaries or stars or political mucky-mucks coming in from the national scene."

During the last two elections, the fumes of Air Force One worked like political magic dust for the candidates lucky enough to score visits from Mr. Bush.

Candidates flew to Washington just to be seen arriving back home on his 747. Local newspapers doubled as welcome mats, and television reporters and radio hosts excitedly echoed his verbal jabs at Democrats long after he had left.

But 2006 is not 2004 or, for that matter, 2002, when Mr. Bush's last minute, 17-city tour won credit for helping his party buck history by gaining seats in a midterm election cycle in which it also held the presidency.

This time around, Mr. Bush is a less popular president and is on a more modest tour. He is visiting carefully chosen districts and states like this one, where he won handily in 2004 and where his aides believe he can provide pivotal help in the tight election battle between Senator Conrad Burns and Mr. Tester, whose lead over Mr. Burns has shrunk in recent weeks. Mr. Burns's seat is one of six that could determine which party controls the Senate.

Mr. Bush is more popular here than he is elsewhere in the country, with an approval rating of 45 percent, according to the Montana State University-Billings poll. But that is considerably lower than it was two years ago, and his visit showed the new political reality that confronts him wherever he goes this election season, even in usually solid patches of Bush Country like this one: With those low poll ratings and bad news out of Iraq inescapable, his visits are as likely to galvanize the other side as they are to buck up local Republicans.

That new dynamic, helped along by new technology, played out on the local political blog featured on the Gazette's Web edition. There were plenty of excited posts like this one, from "JJ," "I'm anxiously waiting to see the president of this beautiful country! I am a Republican and proud to be!!! I admire Bush and agree with what he stands for as a human being and our President!"

But there were angry rejoinders, such as this dispatch from "NOT my president": "Never, in the history of our 'compassionate' country, have I been as ashamed of a person as I am with the man who currently lives in the White House."

In a state where Mr. Bush beat Senator John Kerry by 20 percentage points two years ago, it was all too much for "SHOCKED," who wrote: "I am just shocked at the hatred that has been shown in these blogs toward our president. You should all be ashamed of yourselves for acting like children rather then rational grownups. What is happening to America??"

Similar scenes have played out across the country as Mr. Bush has begun stumping more vigorously for candidates. In the Republican stronghold of LaPlume, Pa., when Mr. Bush went to raise money for Representative Don Sherwood, an embattled Republican incumbent, a local radio host lamented news that students would protest the president, saying, "It's not cool to like President Bush these days."

In an article about Mr. Bush's planned visit on Friday to the conservative enclave of Le Mars, Iowa, The Des Moines Register quoted Steve Scheffler, president of the Iowa Christian Alliance, as saying the president's visit could be "a marginal plus" when local conservatives are so deflated.

But here in Billings it was a plus that Mr. Burns's campaign was eager to have, giving the president full coverage on local television.

Republican strategists say Mr. Bush is not going to have the same influence he had in 2002 — the first elections after the Sept. 11 attacks, when his approval ratings were exceptionally high — or in 2004, when he was a candidate with tens of millions of dollars of advertising promoting him. But party officials say he is still the name-brand Republican for base voters.

"Despite a challenging election cycle, he's a singular force," said Brian Jones, a spokesman for the Republican National Committee.

And aboard Air Force One, a senior White House official said Montana was one of two Senate contests where Mr. Bush's top strategists believe he can have the most impact. "In a smaller community," he said, "you get so much more buzz."

And buzz Mr. Bush did get. The two major local news stations broke into regular programming to show Air Force One landing, though neither Mr. Burns, nor the other candidate for whom Mr. Bush was stumping, Representative Denny Rehberg, went to meet the plane.

"It's an amazing experience," said Jodi Hathaway, the correspondent on KULR, the local NBC affiliate. "It's just really amazing to see this very famous, famous piece of aircraft."

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On KTVQ, the local CBS affiliate, the anchor Alex Tyson said in hushed tones as the camera focused on the aircraft, “Again we are awaiting the president of the United States to get off of Air Force One.”

But Ms. Tyson added that the latest New York Times/CBS poll showed some of “the lowest ratings of Mr. Bush’s presidency,” and only “29 percent approve of his handling of Iraq, so it will be interesting to see what he says in his speech this hour with regard to the war.”

Her viewers did not have to wait to find out, as KTVQ and KULR ran the speech live, in its entirety, over roughly 40 minutes, without interruption. Mr. Bush addressed Iraq head-on before 5,000 cheering supporters, saying: “The only way we can fail is if we leave before the job is done. And that’s exactly what the Democrats want to do.”

That charge, as well as his assertion that Democrats would raise taxes, led the local newscasts, with the anchor Emily Nantz relaying his statement that voters should make their choices based on two issues: “who will tax people less,” she said, “and which party will keep Americans safe.” That segment was soon followed, however, by a report on the few dozen protesters calling for an end to the war.

Matt McKenna, a spokesman for Mr. Tester, said Mr. Bush’s visit would serve to “fire up” Democrats because local voters had a problem with “not just the president, but anybody who comes from out of state who tries to push us around and tell us how to vote.”

But Mr. Burns’s spokesman, Jason Klindt, said he was not worried about that. “How could the other side get more riled up?” Mr. Klindt said. “They already are.”

He said Mr. Bush had provided a crucial spark for local Republicans.

Kristi Angel, managing editor of the Gazette, said the visit would get plenty more coverage in Friday’s newspaper, and said it would have gotten better play on Thursday had it not been for the arrival of the body of the dead sailor, Petty Officer Second Class Chuck Komppa of the Navy.

“That is our first really local soldier that’s been killed in combat,” Ms. Angel said.

Bush Hits GOP Outposts, Dems Optimistic (AP-Y)

By David Espo

AP, November 3, 2006

President Bush, campaigner in chief for a party in peril, set out on a rescue mission for embattled candidates in the unlikeliest of places Thursday as Republicans struggled to minimize their losses in next week's elections.

Democrats expressed growing optimism that their long season out of power might soon end. Sen. Chuck Schumer, chairman of the Democratic Senate campaign organization, claimed strong early voting in a long-shot race in Arizona and said it was "harbinger of a wave" that would benefit his party.

Five days before the election, Democratic strategists said none of their incumbents in either house of Congress was trailing — and Republicans did not disagree.

Republicans disputed Schumer's claim about Arizona, but even so, the GOP side of the political ledger was far less positive. Strategists already have written off the re-election prospects of incumbent Sens. Rick Santorum in Pennsylvania and Mike DeWine in Ohio, as well as six or more seats in GOP hands in the House. Dozens more Republican lawmakers — powerbrokers and backbenchers, conservatives and moderates — struggled to survive in a campaign shadowed by the war in Iraq and scandal at home.

"We've been through this before," Bush said in Billings, Mont., projecting confidence as he embarked on his save-the-majority tour. "We will win the Senate and we will win the House."

His itinerary showed it would be a struggle. The pre-election flight plan for Air Force One consisted of areas of the country where Republicans have unexpectedly run into trouble — House seats in Colorado, rural Nevada and Kansas, and gubernatorial races in Arkansas, Iowa and Nevada, as well as Sen. Conrad Burns' bid for a fourth term in Montana.

Western Nebraska, too, was ticketed for a presidential visit, Bush's presence deemed needed to save a House seat that Democrats last held 50 years ago.

Democrats must pick up 15 seats to gain control of the House. Their magic number is six in the Senate.

Candidates everywhere were launching the final television appeals of a long and costly campaign. Actor Paul Newman starred in one, a solo performance in which he called on Connecticut voters to turn three-term Sen. Joe Lieberman out of office and install Democratic contender Ned Lamont. "It's tough times out there, and Connecticut needs someone who is young, fresh and spunky," the 81-year-old Newman said of Lamont, 52.

Democrats said they were winning because of the public's growing dissatisfaction with the war in Iraq.

Polls show more Americans — now a clear majority — see the war as a mistake and far fewer support how the president has handled the conflict.

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Bush showed no signs of flinching as he spoke to a crowd in Billings.

"Imagine this: We're in the midst of a war on terror, and one of the most fundamental fights is in Iraq, and yet the Democrats have no plan for victory. They have no idea how to win. Harsh criticism is not a plan for victory."

Democrats were undeterred.

"The White House seems to be playing into our hands," Schumer, D-N.Y., told reporters as part of a bullish preview of the Democrats' prospects for Senate races.

"In an effort to strengthen their base, they keep reminding the public that there's not going to be any change in Iraq," he said, referring to Bush's statement on Wednesday that he wants Defense Secretary Donald H. Rumsfeld to remain in office through the end of his term.

Despite the undeniable trouble they confronted, some Republicans said they had made gains in recent days in at least some races that had earlier looked lost.

Burns' race was one. Once far behind Democratic challenger Jon Tester in public and private polls, he appeared to have closed the gap in the campaign's closing days. Democrats said they were not worried, but Bush's visit, combined with a late infusion of cash by the GOP senatorial committee, suggested Republicans had not given up hope.

GOP strategists also said their prospects appeared relatively bright for a seat in Texas that former House Majority Leader Tom DeLay once held, and expressed hope they could yet win the battle to replace disgraced former GOP Rep. Mark Foley in Florida.

The Republican candidate in Texas, Shelley Sekula-Gibbs, is running as a write-in contender after the party lost a court fight to replace DeLay's name on the ballot.

In Florida, Foley's name is on the ballot, even though he quit Sept. 29 after being confronted with sexually inappropriate computer messages he had sent to teenage congressional pages. The replacement candidate is state Rep. Joe Negron, and under state law, votes cast for Foley will count for him.

The district is strongly Republican, and the GOP House campaign committee has spent more than $1.6 million in the past month trying to save the seat.

At the same time, House Democrats have expanded their advertising efforts into numerous races once thought safe for Republicans. Strategists in both parties said nearly 20 Republican-held seats could tip either way in a belt of states stretching from Connecticut through New York, Pennsylvania, Ohio and Indiana.

One of the most endangered is Rep. Don Sherwood of Pennsylvania, accused of abusing his ex-mistress. According to one person familiar with the case, he agreed to pay her about $500,000 in a settlement last year that contained a powerful incentive for her to keep quiet until after Election Day. Cynthia Ore has received part of the money, and will lose some of the rest if she talks publicly about the issue before then, this source said.

Bush Cites Chief Justice In Vote Rally (AP-Y)

By Nedra Pickler

AP, November 3, 2006

Searching for new arguments to mobilize conservative voters, President Bush said Thursday that Chief Justice John Roberts would not be on the Supreme Court if Democrats controlled the Senate.

Bush told voters at rallies in the red states of Montana and Nevada that if Democrats take control of the Senate, they could affect what kind of judges sit on federal courts.

Roberts' earlier nominations to a lower federal appeals court were blocked by the Senate when it was under Democratic control, Bush said. The Senate approved Bush's nomination of Roberts to head the Supreme Court last year with 22 Democrats voting for him and 22 Democrats voting against him.

"I want you to hear this loud and clear: If the Democrats controlled the Senate, John Roberts would not be the Chief Justice today," Bush said at a rally in Billings, Mont., where incumbent Republican Sen. Conrad Burns is locked in a tough race with challenger John Tester.

Bush then flew to Nevada to boost congressional candidate Dean Heller, using the John Roberts argument again to whip up conservative voters. A recent poll showed the incumbent Republican senator, John Ensign, with a wide lead over his Democratic opponent, Jack Carter, son of former President Jimmy Carter.

"If you want good, sound, conservative judges who will not legislate from the bench, you send Republicans back to the United States Senate," Bush said.

Bush was on the first day of a final six-day campaign swing before Election Day. His schedule has him appearing only in states he won in the 2004 presidential race and away from swing states where he is a more polarizing figure who might hurt GOP candidates.

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The 2nd District of Nevada where Bush stopped hasn't been won by a Democrat since its creation 25 years ago, and Bush's visit there was a sign of how much trouble Republicans face. Bush became the first sitting president to visit Elko since Herbert Hoover campaigned there in 1932 on the eve of his loss to Franklin D. Roosevelt.

Bush appeared upbeat despite predictions that Democrats are poised to take control of at least one chamber of Congress in Tuesday's election. He said those forecasts are premature and smiled broadly as he appeared before cheering crowds, shaking all the hands he could reach and telling jokes. "It is nice to be in a part of the country where the cowboy hats outnumbered the ties," he said to loud cheers.

But he made one gaffe in Montana that may be a sign of the toll of frequent campaign trips. He spoke of the lives lost on Sept. 11, 2001, at the World Trade Center, the Pentagon and Lancaster, Pa. Lancaster is 165 miles east of where United Flight 93 crashed into a field in Shanksville, killing everyone on board.

On Final Campaign Swing, Bush Visits Deep Red Territory (WP)

By Peter Baker

The Washington Post, November 3, 2006

BILLINGS, Mont., Nov. 2 -- President Bush warned Thursday that a Democratic Senate would block many of his judicial nominees and never allow justices such as John G. Roberts Jr. and Samuel A. Alito Jr. onto the Supreme Court, a message intended to win back his restive conservative base.

Bush flew here to help Sen. Conrad Burns stage a comeback after trailing Democratic challenger Jon Tester for months. Republicans in Washington had given up on Burns, but as his poll numbers began ticking back up, the White House saw an opportunity to reverse the odds, a move that if successful would make it difficult for Democrats to recapture the Senate.

The visit to Montana opened a six-day, 10-state final campaign swing for the president as he left Washington for the last time until Tuesday's elections. From here, he headed to Elko, Nev., and planned to campaign Friday in Missouri for Sen. James M. Talent, who is locked in the nation's tightest Senate race. Bush also plans to hit friendly areas in Iowa, Colorado, Nebraska, Kansas, Florida, Arkansas and Texas, where he will vote before returning to the White House to watch returns Tuesday.

A Republican president normally would not need to come to a conservative bastion such as Montana this close to an election, nor to Nevada's 2nd District, which has never voted for a Democrat since it was created in 1982. But Bush is playing defense in red-state territory and sticking to states that voted for him two years ago.

Although Bush's approval ratings remain mired in the high 30s, the White House believes he can still make a difference in traditionally Republican districts and states by energizing core supporters who otherwise might not be enthusiastic about voting. Many conservatives have been alienated because of concerns over rising federal spending, illegal immigration, the Iraq war, the House page scandal and other issues.

In two rallies Thursday, Bush used his appointment of judges to remind such voters that it makes a difference who controls the Senate. "If the people of Montana want good judges, judges who will not legislate from the bench, judges like John Roberts and Sam Alito, you vote for Conrad Burns for the United States Senate," Bush told an exuberant crowd of several thousand supporters in MetraPark Arena here.

At both stops, Bush said Democrats would raise taxes, weaken the battle against terrorists and surrender in Iraq. "We will never run from thugs and assassins," he told a smaller crowd gathered on an airport tarmac in Elko. Noting that Democrats have not produced a consensus position on Iraq, Bush added: "Harsh criticism and second guessing is not a plan."

Sen. Carl M. Levin (Mich.), the ranking Democrat on the Armed Services and intelligence committees, called Bush "out of touch with Iraqi reality," citing an interview the president gave news services Wednesday in which he said he was "pleased with the progress we are making" and would keep Defense Secretary Donald H. Rumsfeld for two more years.

"The president ought to take off those rose-colored glasses," Levin said in a conference call with reporters Thursday. "The president is ignoring reality on the ground."

At his stops in Montana and Nevada, Bush avoided any discussion of scandals that have ensnared local candidates. Burns has endured criticism of his ties to convicted lobbyist Jack Abramoff. Rep. Jim Gibbons, the Republican gubernatorial candidate in Nevada, was recently accused by a cocktail waitress of inappropriately touching her; he has said he grabbed her only to stop her from falling.

Even before that incident became public, Nevada Secretary of State Dean Heller, the GOP candidate to replace Gibbons in the House, had faced a tough road in a district where Republicans outnumber Democrats 3 to 2. This was the second time Bush has come to campaign with Heller in the past month.

Bush Speaks To Core Voters' Fears In Bid To Ignite Conservative Base By JOHN D. MCKINNON (WSJ)

DOJ_NMG_0090925

The Wall Street Journal, November 3, 2006

BILLINGS, Mont. -- President Bush took a new tack against Democrats over their resistance to his judicial nominees as he sought to light a fire under his party's conservative Christian base before Tuesday's elections.

The twist in his stump speech came as polls suggested several endangered Republican Senate candidates -- including Sens. Conrad Burns of Montana and Jim Talent of Missouri -- were within striking distance, and that last-minute get-out-the-vote efforts among social conservatives could make a difference.

ELECTION 2006

Predict how the House and Senate votes will go in our Washington Wire reader contest1. Plus, take a closer look at issues and candidates2 in about 20 House races, review polls3 in close House contests and see complete coverage4.

As Mr. Bush began his final six-day swing of the 2006 campaign, he also continued to rely on the themes of terrorism and taxes to drive up voters' fears of a Democratic takeover in Congress. At a rally for Sen. Burns in Montana, for example, the president singled out Democratic opposition to the recent renewal of the Patriot Act and terrorist surveillance and interrogation programs.

Still, the president's schedule for the rest of the campaign reflected his diminished range, and Republicans' generally.

Through Election Day, the president was set to appear only in states that voted for him in 2004: Montana and Nevada, yesterday; Missouri and Iowa today; Colorado tomorrow; Nebraska and Kansas Sunday; and Arkansas, Florida and Texas Monday. He is avoiding most of the main battleground states where the House could be won or lost: Ohio, Pennsylvania, New York and Connecticut. "The president is going to districts where we know that he can make a difference and where he knows that he can make a difference," spokesman Tony Fratto said.

Republicans are looking for turnout among their base to be particularly important in a midterm election, where overall turnout tends to be low. A senior administration official added that "this is about Republican turnout, and these are all close races where he can turn up the vote." One risk for Mr. Bush and Vice President Cheney -- who have increasingly depicted a Democratic victory as a loss for U.S. interests, especially in the war on terrorism -- is that firing up their Republican base will motivate more Democrats and independents to turn out, too.

Several planned stops -- including in northwestern Iowa and the Florida Panhandle -- were largely to increase turnout in rural areas, without stirring opposition in urban ones. Traditionally strong support for Republicans among rural voters has softened, because of the unpopularity of the Iraq war and the spike in gasoline prices earlier in the year. These appearances also are intended to help gubernatorial candidates -- such as Iowa's Jim Nussle and Florida's Charlie Crist -- who might have been hurt by the diminished popularity of the party's leaders in Washington. On the campaign's final weekend, Mr. Bush also finds himself shoring up House candidates in districts like Nebraska's rural Third, which hasn't elected a Democrat in almost 50 years.

White House strategists contend that the administration hasn't been ignoring the moderate battleground areas back East, relying on other administration figures believed to be of more help there, such as first lady Laura Bush, whose campaign schedule this week has been even busier than her husband's.

Here, Mr. Bush is likely to keep sounding themes important to social conservatives, especially in appearances for Senate candidates such as Mr. Talent, who is regarded as one of the better hopes for Republicans in seven closely contested Senate races this year. Republicans also are worried that a variety of factors, including the Mark Foley scandal, could diminish Christian conservatives' support at the polls.

Mr. Bush got a raucous reception at yesterday's rally in Billings, as he has elsewhere in recent days. He told the crowd that confirmation of his judicial appointments is "one of the most important issues...in this election."

Republican-friendly States Get Bit Of Bush Before Vote (WT)

By Joseph Curl

The Washington Times, November 3, 2006

BILLINGS, Mont. -- President Bush yesterday kicked off the last swing of his final political campaign, a five-day blitz in 10 states considered pivotal in Tuesday's congressional midterm elections.

Bent on whipping up the Republican base, the president, visiting only states he won in 2004, is putting his power into play -- showing he is neither abandoning close races nor giving up on embattled candidates.

"These are all races that are close," a senior administration official said aboard Air Force One. "This is about Republican turnout, and these are all close races where he can turn up the vote."

The president's first stop yesterday was Montana, where incumbent Republican Sen. Conrad Burns is in a statistical polling tie with Democrat Jon Tester. Mr. Burns has made a move in the past week, after trailing by as many as 10 points a couple of months ago.

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Mr. Bush played up his Texas rancher status as he addressed a packed arena in a state that gave him 59 percent of the vote in 2004.

"It's good to be in a part of the world where the cowboy hats outnumber the ties," said the tieless Mr. Bush to laughter and applause. He used the same line hours later in Elko, Nev. In 2004, that state's rural voters strongly backed Mr. Bush, helping him carry Nevada by three percentage points.

"We don't need a lot of doublespeak in Washington. I think somebody who speaks plainly for the values of Montana is somebody you need to send back as your United States senator," he said in Billings.

The toss-up race is one of three, with Virginia and Missouri, that political strategists say Democrats must win to get the six seats they need to take control of the Senate.

At his two stops yesterday, the president hit conservative hot-button issues, such as tax cuts, the war on terror, judicial nominees and national security legislation Democrats opposed.

"The Democrat attempt to filibuster the Patriot Act follows an approach that might sound familiar. They voted for it, right before they voted against it," Mr. Bush said in Billings, reprising a line from his 2004 run against Sen. John Kerry, who has been in the news again this week over a botched campaign-trail joke.

Although many pre-election polls show Democrats poised to take over the House and possibly the Senate, Mr. Bush insisted that those political pundits will be proved wrong.

"You might remember 2004. [Democrats] were already picking out their offices in the West Wing. Except things turned a little differently, and they didn't need the movers. ... When you turn out the vote, we're going to hold the House and hold the Senate, and America is going to be better off for it," he said to cheers in Elko.

In a last-ditch effort to hold Republican power in Congress, Mr. Bush will attend two rallies today in Missouri and one in Iowa. Tomorrow, he will attend two rallies in Colorado; Sunday, he will hit rallies in Nebraska and Kansas; on Monday, he finishes up his blitz with stops in Florida, Arkansas and Texas.

Today, the president stumps for candidates in Missouri, where Republican incumbent Sen. Jim Talent is tied in polls with his Democratic challenger Claire McCaskill.

Kerry's '72 Army Comments Mirror Latest (AP-Y)

By John Solomon

AP, November 3, 2006

During a Vietnam-era run for Congress three decades ago, John Kerry said he opposed a volunteer Army because it would be dominated by the underprivileged, be less accountable and be more prone to "the perpetuation of war crimes."

Kerry, a decorated Vietnam veteran who turned against the war, made the observations in answers to a 1972 candidate questionnaire from a Massachusetts peace group.

After Kerry caused a firestorm this week with what he termed a botched campaign joke that Republicans said insulted current soldiers, The Associated Press was alerted to the historical comments by a former law enforcement official who monitored 1970s anti-war activities

Kerry apologized Wednesday for the 2006 campaign trail gaffe that some took as suggesting U.S. soldiers fighting in Iraq were undereducated. He contended the remark was aimed at Bush, not the soldiers.

In 1972, as he ran for the House, he was less apologetic in his comments about the merits of a volunteer army. He declared in the questionnaire that he opposed the draft but considered a volunteer army "a greater anathema."

"I am convinced a volunteer army would be an army of the poor and the black and the brown," Kerry wrote. "We must not repeat the travesty of the inequities present during Vietnam. I also fear having a professional army that views the perpetuation of war crimes as simply 'doing its job.'

"Equally as important, a volunteer army with our present constitutional crisis takes accountability away from the president and put the people further from control over military activities," he wrote.

Kerry's spokesman, David Wade, said Wednesday the historical document needed to be viewed in the era in which it was written but that it nonetheless raised a "bedrock question in a time of war when sacrifice should be shared by all Americans."

"These are the words 34 years ago of a 28-year-old veteran home from a war gone wrong, wondering who in America will bear the cost of battle and shoulder the responsibility of military service," Wade said.

Kerry filled out the candidate questionnaire at the request of Massachusetts Political Action for Peace, an anti-war group that decades later turned over its historical documents to university researchers.

AP obtained the document from someone who gathered it from archives during Kerry's unsuccessful 2004 presidential campaign against President Bush. Republicans in that election relentlessly assailed Kerry's role in the anti-war movement decades earlier.

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Kerry and Bush renewed their rivalry again this week, with the president accusing Kerry of offending troops. Kerry said he botched the text of a joke and didn't mean to insult troops.

On Wednesday, Kerry canceled campaign appearance on behalf of Democratic congressional candidates and issued an apology.

Insulting Our Troops, And Our Intelligence (NYT)

By Thomas L. Friedman

The New York Times, November 3, 2006

George Bush, Dick Cheney and Don Rumsfeld think you're stupid. Yes, they do.

They think they can take a mangled quip about President Bush and Iraq by John Kerry — a man who is not even running for office but who, unlike Mr. Bush and Mr. Cheney, never ran away from combat service — and get you to vote against all Democrats in this election.

Every time you hear Mr. Bush or Mr. Cheney lash out against Mr. Kerry, I hope you will say to yourself, "They must think I'm stupid." Because they surely do.

They think that they can get you to overlook all of the Bush team's real and deadly insults to the U.S. military over the past six years by hyping and exaggerating Mr. Kerry's mangled gibe at the president.

What could possibly be more injurious and insulting to the U.S. military than to send it into combat in Iraq without enough men — to launch an invasion of a foreign country not by the Powell Doctrine of overwhelming force, but by the Rumsfeld Doctrine of just enough troops to lose? What could be a bigger insult than that?

What could possibly be more injurious and insulting to our men and women in uniform than sending them off to war without the proper equipment, so that some soldiers in the field were left to buy their own body armor and to retrofit their own jeeps with scrap metal so that roadside bombs in Iraq would only maim them for life and not kill them? And what could be more injurious and insulting than Don Rumsfeld's response to criticism that he sent our troops off in haste and unprepared: Hey, you go to war with the army you've got — get over it.

What could possibly be more injurious and insulting to our men and women in uniform than to send them off to war in Iraq without any coherent postwar plan for political reconstruction there, so that the U.S. military has had to assume not only security responsibilities for all of Iraq but the political rebuilding as well? The Bush team has created a veritable library of military histories — from "Cobra II" to "Fiasco" to "State of Denial" — all of which contain the same damning conclusion offered by the very soldiers and officers who fought this war: This administration never had a plan for the morning after, and we've been making it up — and paying the price — ever since.

And what could possibly be more injurious and insulting to our men and women in Iraq than to send them off to war and then go out and finance the very people they're fighting against with our gluttonous consumption of oil? Sure, George Bush told us we're addicted to oil, but he has not done one single significant thing — demanded higher mileage standards from Detroit, imposed a gasoline tax or even used the bully pulpit of the White House to drive conservation — to end that addiction. So we continue to finance the U.S. military with our tax dollars, while we finance Iran, Syria, Wahhabi mosques and Al Qaeda madrassas with our energy purchases.

Everyone says that Karl Rove is a genius. Yeah, right. So are cigarette companies. They get you to buy cigarettes even though we know they cause cancer. That is the kind of genius Karl Rove is. He is not a man who has designed a strategy to reunite our country around an agenda of renewal for the 21st century — to bring out the best in us. His "genius" is taking some irrelevant aside by John Kerry and twisting it to bring out the worst in us, so you will ignore the mess that the Bush team has visited on this country.

And Karl Rove has succeeded at that in the past because he was sure that he could sell just enough Bush cigarettes, even though people knew they caused cancer. Please, please, for our country's health, prove him wrong this time.

Let Karl know that you're not stupid. Let him know that you know that the most patriotic thing to do in this election is to vote against an administration that has — through sheer incompetence — brought us to a point in Iraq that was not inevitable but is now unwinnable.

Let Karl know that you think this is a critical election, because you know as a citizen that if the Bush team can behave with the level of deadly incompetence it has exhibited in Iraq — and then get away with it by holding on to the House and the Senate — it means our country has become a banana republic. It means our democracy is in tatters because it is so gerrymandered, so polluted by money, and so divided by professional political hacks that we can no longer hold the ruling party to account.

It means we're as stupid as Karl thinks we are.

I, for one, don't think we're that stupid. Next Tuesday we'll see.

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Rep. Paying Ex-mistress About $500K (AP-Y)

By Michael Rubinkam

AP, November 3, 2006

A Republican congressman accused of abusing his ex-mistress agreed to pay her about $500,000 in a settlement last year that contained a powerful incentive for her to keep quiet until after Election Day, a person familiar with the terms of the deal told The Associated Press.

Rep. Don Sherwood is locked in a tight re-election race against a Democratic opponent who has seized on the four-term congressman's relationship with the woman. While Sherwood acknowledged the woman was his mistress, he denied abusing her and said that he had settled her $5.5 million lawsuit on confidential terms.

The settlement, reached in November 2005, called for Cynthia Ore to be paid in installments, according to a person who spoke on condition of anonymity because the deal is confidential. She has received less than half the money so far, and will not get the rest until after the Nov. 7 election, the person said Thursday.

A confidentiality clause requires Ore to forfeit some of the money if she talks publicly about the case, according to this person and two other people familiar with elements of the case.

It is common in settlements for payments to be made in installments and for the parties to be held to confidentiality.

Sherwood admitted no wrongdoing, a standard provision in such agreements, this person said.

Sherwood, a 65-year-old married father of three who is considered a family-values conservative, had one of the safest seats in Congress until Ore sued him in June 2005, alleging he physically abused her throughout their five-year affair.

Reached by telephone Wednesday, the congressman and successful car dealer said: "I can neither confirm nor deny because this was a private settlement. If I'd like to talk to you about it, I can't."

The Associated Press has been trying for months to find out the terms of the settlement.

According to a police report, Ore called 911 on her cell phone from the bathroom of Sherwood's Capitol Hill apartment in 2004 and reported that Sherwood had choked her while giving her a back rub. Sherwood admitted having an affair with the woman, but vehemently denied ever hurting her, and criminal charges were never filed. But Ore, now 30, sued for damages.

Sherwood's challenger, Chris Carney, has hammered the congressman over the affair in TV ads, calling Sherwood a hypocrite who brought "Washington values" to his rural northeastern Pennsylvania district.

Sherwood responded with his own ad, in which he looked directly into the camera and apologized for his conduct. Last month, his wife mailed a letter to voters that accused Carney of "needlessly cruel" campaign tactics.

Although GOP voters greatly outnumber Democrats in his conservative district, many people have said they would not vote for him again because of the affair.

Even before Ore settled, the congressman tried to keep a tight lid on the case. His lawyer asked a judge to prohibit disclosure of materials from the case, warning that Sherwood's opponents might try to use the information to harm him politically.

The lawyer, Bobby Burchfield, was especially adamant that any videotaped deposition of Sherwood not be released, saying the footage could be used against him in negative political ads.

Ore's attorney, Ning Ye of New York, declined to say where she is living now or how she can be reached.

Ethics Questions Haunting Races Of Democrats, Too (NYT)

By Monica Davey

The New York Times, November 3, 2006

CHICAGO, Nov. 2 — First came a letter in June, in which federal prosecutors here revealed that they are investigating claims of “endemic hiring fraud” in agencies and departments that fall under the purview of Rod R. Blagojevich, the governor of Illinois.

Then, last month, one of Mr. Blagojevich’s top fund-raisers was indicted on accusations that he sought millions in kickbacks from investment companies seeking the state’s pension business.

Any of it would be a governor’s bad dream, but particularly so in the case of Mr. Blagojevich, a Democrat who faces a re-election vote on Tuesday in a state still bruised from the corruption that left its last governor bound for prison.

Yet Mr. Blagojevich appears headed toward victory, leading his Republican opponent by double digits in one poll, by The Chicago Tribune and WGN-Channel 9, that was released on Tuesday.

In what Democrats nationally have worked hard to portray as a “culture of corruption” in the Republican Party, more than a dozen Republicans in House races have wrestled with the taint of a Congressional page scandal; links to Jack Abramoff, the convicted lobbyist; and a smattering of individual woes from claims of financial shenanigans to sexual wrongdoing.

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Still, there are Democrats like Mr. Blagojevich whose campaigns have also been marked by claims of ethical failings in widely varying degrees, from Representatives William J. Jefferson of Louisiana and Alan B. Mollohan of West Virginia to Senator Robert Menendez of New Jersey. In another governor's race in the Midwest, that of James E. Doyle of Wisconsin, scandal has emerged as a serious issue.

But while the Democrats' problems have certainly made these races tighter than they might otherwise be, they have for the most part not carried the lethal sting of the Republicans' missteps, independent political scientists and election analysts say.

In broad terms, the analysts say, the Democratic effort nationally to paint a systematic and more deeply rooted corruption label on Republicans this year seems to be working, blunting individual controversies that might be devastating to the Democrats at some other moment. Some polls back up that point. Thirty-five percent of the voters surveyed for a New York Times/CBS News poll completed this week said the Republican Party had the most corrupt politicians, while 15 percent said the Democratic Party did.

"It's just not the year for Republicans to be lobbing corruption charges," said Thomas M. Holbrook, a political scientist at the University of Wisconsin-Milwaukee who studies elections. "It's a real uphill battle for them in that regard, and this is a pretty good year, then, even for Democrats who aren't terribly popular like Governor Doyle."

In some cases, like the Illinois and Wisconsin campaigns for governor, Democrats have managed to turn the tables on their accusers, raising ethical questions about the Republicans in the races while also denying any wrongdoing on their own parts and, along the way, leaving many voters throwing up their hands and concluding that both sides have problems.

In a telephone interview, Mr. Doyle was quick to point to the Washington connections of his opponent, Representative Mark Green, as he also described what he was hearing from constituents.

"People are really fed up with how Congress has behaved and how the president has behaved," Mr. Doyle said.

He added, "The Republicans, facing sort of a desperate situation, are trying to throw anything up."

Mr. Green seemed to acknowledge the forces beyond him and beyond any taint of scandal in Wisconsin.

"There is no huge advantage to my being a Republican who has served in Congress," Mr. Green said. "It's clearly not a wind at my back."

The authorities in Wisconsin have said they were looking into claims that workers under the Doyle administration made state decisions favorable to those who contributed to his campaign. This fall, in a move that drew a flood of attention in the political race, a federal judge sentenced a former state employee to prison on charges she directed a state contract to a company that donated thousands to Mr. Doyle.

Mr. Green said voters there were extremely focused on the "whole issue of corruption, ethics, about whether or not the state is moving in the right direction" under Mr. Doyle's administration, adding quickly, "Remember, someone in the Doyle administration is going to federal prison."

Mr. Doyle, finishing his first term as governor, has denied any wrongdoing and emphasized in the interview that he had never met the convicted state employee. The latest polls show Mr. Doyle and Mr. Green locked in a tight race that has grown increasingly nasty.

Mr. Doyle, who served as attorney general of Wisconsin for three terms, has raised questions about nearly $468,000 in out-of-state campaign contributions that Mr. Green moved from his federal campaign to his state campaign last year. The state elections board ordered Mr. Green not to use the money, saying transfers from political action committees not registered in the state were not legal. Mr. Green said he has set aside the money in question while he awaits an appeal.

In Illinois, Mr. Blagojevich, who portrayed himself as a reformer when he won the governorship four years ago, campaigned this fall even as a federal investigation swirled on into accusations of rigged political hiring by state officials.

In a letter in June, Patrick J. Fitzgerald, the United States attorney, said the investigation "has now implicated multiple state agencies and departments" with help from "a number of credible witnesses."

Mr. Blagojevich has denied any wrongdoing, pointed to ethics reforms that he said his administration has put in place, and distanced himself from the indictment of his former fund-raiser.

"What you'll see is that a lot of these activities center around the Republicans — the continuation of a scheme that occurred long before I was governor," Mr. Blagojevich said on Thursday.

The previous governor, George Ryan, a Republican, was sentenced in September to six and a half years in federal prison for racketeering and fraud. Mr. Blagojevich has made certain to remind voters that his Republican opponent, Judy Baar Topinka, served as treasurer during Mr. Ryan's long tenure as a Republican leader in this state. "She was there, hand in hand with George Ryan, part of creating the mess that we've been fixing," Mr. Blagojevich said.

Ms. Topinka, meanwhile, described Mr. Blagojevich's situation as "scandal on top of scandal on top of scandal." Voters, she said, have noted that, and they care. Still, Ms. Topinka said, it is not an easy time to be a Republican candidate — here or elsewhere.

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The Chicago Tribune/WGN-Channel 9 poll shows Mr. Blagojevich leading with 44 percent of those surveyed, compared with 29 percent for Ms. Topinka, 13 percent for a Green Party candidate, and 13 percent who were undecided.

"It's difficult to run after Ryan," Ms. Topinka said. "And it's difficult to run after the scandals in Washington."

The Tribune poll shows Ms. Topinka may be right. Those surveyed gave Mr. Blagojevich a slight edge when asked who would do a better job of cleaning up corruption and which candidate they found more honest.

Menendez Seeks To Bury Image Of A Shady Dealer (WP)

By Michael Powell

The Washington Post, November 3, 2006

ATLANTIC CITY -- A balding labor chieftain explains why his hard-hats should vote for the plump candidate who stands here in a muddy construction site dressed in a white knit cotton shirt, a pinstriped suit, loafers and a perfectly knotted tie.

"Bobby Menendez is a fighter !" Billy Mullen bellows at his guys on this balmy autumnal day. "He's been in the gutter , he's rolled around down there his whole life . . ." The hard-hats do much appreciative thumping of hands and waving of fists.

Sen. Robert Menendez, a Democrat, gives a pained smile suggestive of intestinal discomfort. He rarely answers to "Bobby." And there's a very good likelihood -- no, let's make it a certainty -- that he is not enamored of this particular compliment.

The notion that Menendez, 52, rolls in the gutter before lunch, that he is a political boss as expert in the manipulation of political IOUs and shivs as he is in the intricacies of trade policy, has trailed like a mutt after Menendez throughout his Senate campaign.

His opponent, Republican Tom Kean Jr., a semi-obscure state senator and the trust-fund scion of a multigenerational political powerhouse, cannot clear his throat without intoning that Menendez is "under federal investigation." There are, in Kean's telling, Menendez's questionable rental contract with a local not-for-profit, the pressure his advisers applied to get an ally hired at a local hospital, and so on and on.

Even if these charges prove true, it's not clear such behavior is illegal or disabling. In New Jersey the operating political philosophy is described as "pay to play," and the occasional indictment might be viewed as part of the life cycle of politics.

"We are a very, very nonjudgmental state," noted Clifford Zukin, a professor of public policy at Rutgers University. "Unless you are rich and can buy in from the outside, it takes a great deal of skill and toughness to rise up."

Still, the charges -- repeated in countless commercials -- take a cumulative effect. New Jersey has trended Democratic for years. But Menendez, who was appointed in January to fill the Senate seat vacated by Gov. Jon S. Corzine (D), stands a bare notch ahead of Kean in polls.

One public poll asked voters what jumps to their mind when they hear the candidates' names. Kean? He's the son of a former governor.

As for Menendez? The greatest number of poll respondents -- 21 percent -- say the words that come to mind are "corruption/crooked."

Menendez sits in the back of a coffee shop at the Borgata casino after his Atlantic City labor rally and wags his head. It's Halloween, and a waitress dressed as a giant Hershey's Kiss has just served coffee.

"In the end of the day, have all the negative ads taken effect? It's hurt." Menendez favors a softly wounded tone. "I didn't expect this."

The word "complicated" hangs over Menendez's head like a thought balloon.

One on one, he's neatly coifed and studiously bland, a pug-nosed lawyer at ease with the arcana of trade policy and Iraq. He's the immigrant's son -- his parents grew up in Havana and fled the dictator Fulgencio Batista -- and a skilled infighter for a higher minimum wage and low-cost student loans, and a determined opponent of the war in Iraq.

On the stump, he's curiously diffident. He attended a Veterans Day breakfast in Cherry Hill, a hall thick with old vets speaking in the emphatic manner of the hard of hearing. Max Cleland, the former Georgia senator and Vietnam amputee, had flown to campaign for him. The old Georgia pol coached the candidate.

"Go ahead, Bobby," Cleland whispers. "Push my wheelchair out there."

Menendez tends to step on his own applause lines. One vet after another ambles up to shake Menendez's hand but the candidate's handshake is as fleeting as his attention.

You might not guess that politics has been Menendez's chosen -- and highly successful -- calling since he ran for school board at the age of 19. He grew up in a tenement in Union City, a working-class immigrant city that hangs like a vine to the cliffs of the Palisades overlooking the Hudson River. The city sits in Hudson County, which for more than a century has exemplified a style of politics known as Early Feudal.

As Rep. Rodney P. Frelinghuysen (R-N.J.) recently explained to the Record of Hackensack: "You don't take prisoners in Hudson County, you shoot them."

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Another piece of the county's political DNA was laid down by Frank Hague, mayor of Jersey City from 1917 to 1947. He had a desk constructed with a lap drawer so visitors might deposit charitable envelopes of cash. Hague's salary never exceeded $8,000; his net worth at the time of his death was $10 million.

Menendez' first job came with William V. Musto, the intermittently reformist mayor of Union City. Later Menendez, who wore a bulletproof vest during this time, testified that Musto took bribes. Musto was convicted, and then he was reelected the day after he was sentenced.

Menendez has put in place mayors of Jersey City and Union City -- and upended the same men. But he recoils at any notion he's a boss. "Tom Kean rises to the top of his county machine with no experience and it's 'leadership,' " Menendez says in that professorial manner. "But we pick a candidate here in Hudson County and it's bossism. That's very outdated."

It must be said, however, that Hudson County politics retain a high entertainment value. Robert Janiszewski, the former county executive of Hudson County was forced to go into the witness protection program in 2001 after it was revealed he had worn an FBI wire. Janiszewski was sentenced to 41 months but in prison he's resurfaced as a pen-pal adviser to Kean's campaign.

Menendez frowns.

" In that case , the history of Frank Hague lives. But that history is not reality for the rest of us."

First Lady Pitches For Roskam, McSweeney, Topinka (CHIT)

By Susan Kuczka And John Biemer

Chicago Tribune, November 3, 2006

First Lady Laura Bush tried to fire up Republican voters Thursday at a rally for candidates in two of the nation's hardest-fought and most expensive congressional races.

Bush also pitched Judy Baar Topinka's run for governor at the Schaumburg rally.

Bush and Topinka shared the stage with Peter Roskam, the west suburban 6th Congressional District Republican candidate, and David McSweeney, the northwest suburban 8th Congressional District GOP nominee. Bush said the two men are key to helping the administration fight the war on terrorism.

"We all know ... that the well being of young people in Illinois and across our country ultimately depends on our government's ability to protect them, by defeating terrorism and increasing liberty abroad," Bush said during a 13-minute address before about 1,000 supporters.

"In Congress, Dave McSweeney and Peter Roskam will be champions of the men and women of the United States military. They understand that this election is critical to the future of our country, and they know that America faces challenges too important to be reduced to just politics."

Roskam, a state senator from Wheaton, is facing Democrat Tammy Duckworth in the race to succeed retiring Republican Rep. Henry Hyde. McSweeney, a Barrington businessman, is challenging first-term Democratic Rep. Melissa Bean.

Bush also used her address to promote Topinka, who is challenging Democratic Gov. Rod Blagojevich.

"Judy Baar Topinka is dedicated to bringing jobs to the state of Illinois," she said. "And as Gov. Topinka, Judy will make sure everyone in Illinois benefits from our nation's growing economy."

Blagojevich, appearing at a pipefitters union-led rally in Mokena, began outlining priorities for a second term as governor. Appearing before several hundred union members, Blagojevich promised to spend $100 million on stem cell research over the next four years and to provide health care for all military veterans.

The governor has come under fire from some Republicans and conservative Democrats in the legislature for using budgetary maneuvers to provide state funding for embryonic stem cell research without specific legislative approval.

Blagojevich did not specifically say how much the veterans health care initiative would cost or how he would pay for the proposals he outlined.

Meanwhile, Democrats were preparing a series of rallies Monday featuring Illinois Sens. Barack Obama and Dick Durbin to promote Duckworth, Bean, 10th Congressional District candidate Dan Seals and Todd Stroger, the candidate for Cook County Board president. Seals is challenging North Shore Republican Rep. Mark Kirk, and Stroger faces Republican rival Tony Peraica.

Obama will return to Chicago after three days series of campaign appearances for Senate and governor candidates in Maryland, Massachusetts, Pennsylvania, Ohio, Missouri and Iowa, home of the nation's first presidential caucus. Obama has said he is studying a 2008 presidential bid.

On Thursday, Duckworth countered Bush's appearance with a gathering in a Mt. Prospect home of about three dozen people who said they were switching their Republican allegiance to support her candidacy. Duckworth pledged to stand up for mainstream values and work in a bipartisan manner in Washington, though she warned that they wouldn't agree with her votes every time.

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"If you're looking for someone who's going to be a straight party-line vote, I am not your candidate," Duckworth said.

She also promoted support from former Defense Secretary Bill Cohen, a Republican who served in President Bill Clinton's Cabinet. Cohen, in a statement, said Duckworth would be "a strong voice for our military personnel and veterans."

In Washington, federal election officials released a report showing congressional candidates nationally had spent nearly $966 million during the two-year campaign cycle, with the 6th and 8th District races among the those with the heaviest spending and most furious fundraising.

Among House races nationally through Oct. 18, the Federal Election Commission said McSweeney was the fourth-biggest money raiser at $4.2 million and the fourth-biggest spender at $3.8 million. He also was second among candidates who gave their own campaigns money at $2.2 million. Bean was 10th in money raised at $3.7 million and seventh in money spent at $3.6 million, the FEC said.

Duckworth ranked 18th in terms of money raised at $3.3 million and 17th for money spent at $2.8 million, the FEC said. Roskam was 29th in raising money at $2.9 million and ranked 32nd in money spent at $2.4 million.

Those figures don't include another $7 million being spent on the two races by the national party campaign committees.

Evangelicals' Faith In Republicans Wavers (FT)

By Andrew Ward In Atlanta

Financial Times, November 3, 2006

This week has been the busiest of John Giles's year. He is responsible for the distribution of 1.7m "voter guides" that will be offered to worshippers at churches across Alabama this Sunday, two days before the mid-term elections.

Mr Giles is careful to make sure his pamphlets do not violate laws that bar churches from making political endorsements. But by detailing candidates' views on issues such as abortion, gay marriage and stem cell research, the guides leave little room for doubt about how God-fearing Christians should cast their votes.

Before previous elections the guides were produced by the Alabama chapter of the Christian Coalition, the grassroots organisation credited with turning US evangelical Christians into a political force. This year, however, churchgoers will find a new name on hand-outs following Mr Giles's decision to create a breakaway organisation called Christian Action Alabama.

Three other state chapters – Georgia, Iowa and Ohio – have also left the coalition, reflecting growing divisions among evangelicals. They broke away in protest at what they perceive to be a shift by the Christian Coalition away from core issues, such as abortion and gay marriage, towards a broader agenda.

"There were various reasons why we left but the main one was this drift to the left," says Mr Giles, previously chairman of the Alabama chapter. "The direction they are taking is going to divide Christians. They are walking into a trap set by our opponents."

The Christian Coalition was set up in 1988 by Pat Robertson, the evangelical preacher, and turned into a political powerhouse by Ralph Reed, the Republican strategist. It reached its peak during Bill Clinton's presidency in the 1990s, when evangelical voters, who represent about a quarter of the US electorate, helped break the Democrats' 40-year stranglehold over the House of Representatives.

But the coalition's influence has waned over recent years following the departure of Mr Robertson and Mr Reed and the emergence of rival Christian conservative groups, such as Focus on the Family and the Family Research Council. Its annual budget has shrunk from $26m to about $1m (€787,000, £526,000).

In an attempt to revive its fortunes, the coalition is reaching out to moderate evangelicals and mainstream Christians by embracing a wider range of causes and softening its fire and brimstone rhetoric.

Joel Hunter, the charismatic pastor of a Florida megachurch, who was appointed coalition president in July, has vowed to "rebuild and rebrand" the coalition and make it less fixated on "below the belt" issues related to sexuality.

Mr Hunter is among a growing number of evangelical leaders willing to break out of traditional conservative territory to tackle issues more commonly associated with the left.

Last month he joined more than 20 other prominent evangelists to issue an appeal for President George W. Bush to push for UN intervention in Darfur, Sudan. Another group of church leaders, including Mr Hunter, has launched an advertising campaign on Christian radio stations calling for action against global warming.

"The armlock of the religious right over evangelicals is beginning to loosen," says Randall Balmer, professor of American religion at Columbia University.

Roberta Combs, chairwoman of the Christian Coalition, insists there has been no departure from conservative values and says not all Mr Hunter's personal views represent official policy.

But Ms Combs, who recruited Mr Hunter, supports his efforts to broaden the coalition's appeal. "Family values are about more than one or two issues," she says. "We must keep an open mind and an open heart."

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Back in Alabama, Mr Giles fears a conspiracy is under way to lure evangelicals towards liberal causes with the aim of weakening the religious right. “We can all unite around a few core issues, such as abortion, pornography and gambling,” he says. “But when you start talking about global warming, the minimum wage or the death penalty, the consensus breaks down.”

Scott Keeter of the Pew Research Center says white evangelicals remain among the strongest sources of Republican support, representing more than a third of all people who identify with the party. But he warns that their enthusiasm has “significantly diminished” since the 2004 presidential election, when 78 per cent of white evangelicals voted for Mr Bush.

Many evangelicals believe their support has been taken for granted by the Republicans and complain that election promises, such as Mr Bush’s pledge to push for a constitutional amendment banning same-sex marriage, have gone unfulfilled. A succession of Republican ethics scandals has deepened their disillusionment.

The number of evangelicals with a favourable opinion of the Republican party fell from 74 per cent in 2004 to 54 per cent last July, according to the Pew Research Center.

But John Green, senior fellow at the Pew Forum on Religion and Public Life, warns against writing off evangelicals as an electoral force. “The religious right is not as well organised or as energised as in 2004,” he says. “But whatever their problems with the Republicans, they prefer them to the Democrats. The threat of Democrats taking control of Congress provides a strong motivation to vote.”

On The Religious Right, An Alliance Torn Asunder (WP)

By Alan Cooperman And Juliet Eilperin

The Washington Post, November 3, 2006

Both are Christian conservatives, and they were once stalwart allies, but Dick Armey and James Dobson are going after each other tooth and claw.

Armey, the former Texas congressman and House majority leader, argued in the Outlook section of this past Sunday's Washington Post that Republicans face an "electoral rout" because they stopped being the party of limited government, allowed spending to spin "out of control," and concentrated on such issues as flag burning, Terry Schiavo and same-sex marriage.

On the Web site of FreedomWorks, the organization he now heads, Armey pins much of the blame on Dobson, the founder and chairman of Focus on the Family, and other "self-appointed Christian leaders."

Calling them "thugs" and "bullies" in recent interviews, Armey says that "Dobson and his gang" have split the conservative Christian movement into two camps: those who want to "practice their faith independent of heavy-handed government" and "big government sympathizers who want to impose their version of 'righteousness' on others."

Dobson, in a commentary for the Web site of Fox News, responded this week that Armey is "a very bitter man" who is still smarting because "I supported my close friend and hunting buddy," Rep. Steve Largent (R-Okla.), over Armey for majority leader. Dobson denied that he supports big government and cited news media reports that Armey has been consulting for the American Civil Liberties Union.

Calling the accusations "a shocker" that "came straight out of the blue," Dobson concluded with this hypothesis about Armey: "He could be trying to reposition himself as an erstwhile Republican leader by discrediting the Religious Right, hoping to step into the vacuum after the upcoming election."

A Dobson ally, the Rev. Richard Land of the Southern Baptist Convention, said in an interview that evangelicals are irate over Armey's suggestion that issues such as same-sex marriage have distracted the Republicans. In 2004, he said, a referendum to ban same-sex marriage got more votes than President Bush did in Ohio.

"If it weren't for the marriage amendment in Ohio, John Kerry would be president. So shut up, Dick," Land said.Tilting Toward Windmills

There's a new star in this season's campaign commercials: windmills.

While tall, spindly wind turbines might not be popular among Cape Cod residents right now, politicians from Montana to New York are using them to show voters they're committed to a clean energy future. At least 17 political ads feature windmills this year, according to the advocacy group League of Conservation Voters, a phenomenon that the group's president, Gene Karpinski, said shows that his group's message has finally acquired political resonance.

"Nobody's ever said, 'We're coming to Congress to change environmental policy.' That's never happened before," Karpinski said. "This election is about change, and a big part of that change is about energy security."

Of course, doing a stand-up in front of a massive windmill carries risks, as well. Sen. Maria Cantwell (D-Wash.) is shown with her hair flying about as she declares, "This windmill farm will make America less dependent on foreign oil." And Democratic Senate hopeful Jon Tester (Mont.) just looks small compared with the wind turbines standing behind him on an open plain. But Karpinski remains undaunted.

"Candidate after candidate after candidate, they're talking about it," he said.

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Church Leader Resigns After Gay Sex Claim (WP)

By Alan Cooperman

The Washington Post, November 3, 2006

One of the nation's most influential conservative Christian leaders, the Rev. Ted Haggard, resigned yesterday as president of the National Association of Evangelicals and temporarily stepped aside as pastor of a Colorado mega-church after a self-described male escort accused him of paying for gay sex.

Haggard, an outspoken opponent of same-sex marriage, vigorously denied the allegation. "Never had a gay relationship with anybody, and I'm steady with my wife. I'm faithful to my wife," he told a Colorado television station, KUSA.

But in a statement issued by New Life Church, his 14,000-member congregation in Colorado Springs, Haggard said he could "not continue to minister under the cloud created by the accusations," which were first made public on a Denver talk-radio station yesterday morning.

Although he has avoided endorsing political candidates, Haggard has been a staunch ally of the Bush administration. Some political observers said his resignation was more bad news for Republicans trying to rally their conservative Christian base to turn out for the midterm elections.

"This is one more factor that could increase the disillusionment of evangelicals with prominent leaders on the Christian right and with the political process as a whole, and some may conclude that perhaps their forebears were wise to be wary about politics," said William Martin, a professor of religion and public policy at Rice University and a biographer of the Rev. Billy Graham.

Conservative Christian leaders rallied around Haggard. "I've always admired Ted's Christian character and his ministry, and I find these accusations incredible, frankly," said the Rev. L. Roy Taylor, chairman of the National Association of Evangelicals, which has about 45,000 constituent churches across the country.

Taylor said that the NAE's executive committee will hold a teleconference today to decide how to proceed. He said he may serve temporarily as president of the organization, in addition to his regular duties as the stated clerk, or administrative leader, of the conservative Presbyterian Church in America.

"I'm a minister not a political scientist, so I couldn't predict" what political impact Haggard's resignation might have, Taylor said. "Evangelicals have a serious understanding of the power of sin and human evil, and realize that every person, whether Christian or not, struggles with the dark side," he added.

In his written statement, Haggard said he was "voluntarily stepping aside from leadership" of New Life Church so that its four-member board of overseers could conduct an investigation. An associate pastor, the Rev. Ross Parsley, will take over as the church's acting leader, and "in the interim, I will seek both spiritual advice and guidance," Haggard said.

Haggard declined further comment, but a close colleague at New Life Church said that although he is stepping down as pastor temporarily, his resignation as president of the NAE is permanent.

"Ted realizes this is a pretty consuming situation in terms of media, and in order to make sure the good work of the NAE goes forward without distraction, that is a decision he voluntarily made," the colleague said, speaking anonymously because the church was limiting its comments to the written statement.

Haggard's accuser identified himself as Mike Jones, 49. Jones said in radio and television interviews that he had a three-year sexual relationship with the pastor, who he said came to Denver and paid him for sex about once a month.

Jones told Peter Boyles, host of a talk-radio show on KHOW-AM station, that he has recorded voice-mail messages and a letter from Haggard, and that he witnessed the pastor using methamphetamine. But he did not immediately produce the alleged voice-mails or letter.

Jones indicated that he is going public with the accusations at least in part because Colorado has two questions related to same-sex marriage on Tuesday's ballot. One is Amendment 43, which would define marriage as between one man and one woman, and which Haggard has supported. The other is Referendum 1, which would give same-sex couples more legal rights and benefits.

"Being a gay man all my life . . . I felt it was my responsibility to my fellow brothers and sisters, that I had to take a stand, and I cannot sit back anymore and hear [what] to me is an anti-gay message," Jones said.

John Green, an expert on religion and politics at the Pew Forum on Religion and Public Life in Washington, said Haggard's resignation is likely to reverberate more loudly in Colorado than nationally.

"Haggard is a very important political figure in Colorado, and there are tight races there as well as ballot questions that could be affected," he said, citing in particular the embattled reelection efforts of Reps. Marilyn Musgrave and Tom Tancredo, both Republicans. "I think there's less of an implication for what evangelicals might do nationwide, because outside of Colorado he's not directly involved in voter turnout efforts and is seen as more of a religious leader than a political one."

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Green also noted that under Haggard's leadership, the NAE has sought to widen the evangelical agenda to include global warming, international human rights and poverty issues. Although non-evangelicals may view Haggard as a diehard conservative, within the evangelical movement he is seen as a moderate, Green said.

"If the allegations are proven true, it could discredit a prominent moderate figure in the evangelical community," he said.

Church Leader Resigns Amid Gay Sex Claim (CHIT/AP)

By Catherine Tsai

Chicago Tribune, November 3, 2006

COLORADO SPRINGS, Colo. -- The president of the National Association of Evangelicals, an outspoken opponent of gay marriage, has given up his post while a church panel investigates allegations he paid a man for sex.

The Rev. Ted Haggard resigned as president of the 30 million-member association Thursday after being accused of paying the man for monthly trysts over the past three years.

Haggard, a married father of five, denied the allegations, but also stepped aside as head of his 14,000-member New Life Church pending an investigation.

"I am voluntarily stepping aside from leadership so that the overseer process can be allowed to proceed with integrity," he said in a statement. "I hope to be able to discuss this matter in more detail at a later date. In the interim, I will seek both spiritual advice and guidance."

Carolyn Haggard, spokeswoman for the New Life Church and the pastor's niece, said a four-member church panel will investigate the allegations. The board has the authority to discipline Haggard, including removing him from ministry work.

The acting senior pastor at New Life, Ross Parsley, told KKTV-TV of Colorado Springs that Haggard admitted that some of the accusations were true.

"I just know that there has been some admission of indiscretion, not admission to all of the material that has been discussed but there is an admission of some guilt," Parsley told the station.

He did not elaborate, and a telephone number for Parsley could not be found late Thursday.

The allegations come as voters in Colorado and seven other states get ready to decide Tuesday on amendments banning gay marriage. Besides the proposed ban on the Colorado ballot, a separate measure would establish the legality of domestic partnerships providing same-sex couples with many of the rights of married couples.

The allegations stunned church members.

"It's political, right before the elections," said Brian Boals, a New Life member for 17 years.

Church member E.J. Cox, 25, called the claims "ridiculous."

"People are always saying stuff about Pastor Ted," she said. "You just sort of blow it off. He's just like anyone else in the public eye."

The accusations were made by Mike Jones, 49, of Denver, who said he decided to go public because of the political fight over the amendments.

"I just want people to step back and take a look and say, 'Look, we're all sinners, we all have faults, but if two people want to get married, just let them, and let them have a happy life,'" said Jones, who added that he isn't working for any political group.

Jones, who said he is gay, said he was also upset when he discovered Haggard and the New Life Church had publicly opposed same-sex marriage.

"It made me angry that here's someone preaching about gay marriage and going behind the scenes having gay sex," he said.

Jones claimed Haggard paid him to have sex nearly every month over three years. He said he advertised himself as an escort on the Internet and was contacted by a man who called himself Art, who snorted methamphetamine before their sexual encounters to heighten his experience.

Jones said he later saw the man on television identified as Haggard and that the two last had sex in August.

He said he has voice mail messages from Haggard, as well as an envelope he said Haggard used to mail him cash. He declined to make the voice mails available to the AP, but KUSA-TV reported what it said were excerpts late Thursday that referred to methamphetamine.

"Hi Mike, this is Art," one call began, according to the station. "Hey, I was just calling to see if we could get any more. Either $100 or $200 supply."

A second message, left a few hours later, began: "Hi Mike, this is Art, I am here in Denver and sorry that I missed you. But as I said, if you want to go ahead and get the stuff, then that would be great. And I'll get it sometime next week or the week after or whenever."

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Haggard, 50, was appointed president of the evangelicals association in March 2003. He has participated in conservative Christian leaders' conference calls with White House staffers and lobbied members of Congress last year on U.S. Supreme Court appointees after Sandra Day O'Connor announced her retirement.

After Massachusetts legalized gay marriage in 2004, Haggard and others began organizing state-by-state opposition. Last year, Haggard and officials from the nearby Christian ministry Focus on the Family announced plans to push Colorado's gay marriage ban for the 2006 ballot.

At the time, Haggard said that he believed marriage is a union between a man and woman rooted in centuries of tradition, and that research shows it's the best family unit for children.

Connecticut Seats May Be Key To Control (USAT)

By Andrea Stone

USA Today, November 3, 2006

FAIRFIELD, Conn. — Three moderate House Republicans and a conservative Senate Democrat are downplaying party labels in the final days of the campaign here in hopes the state's independent voters will send them back to Washington.

Nearly half of Connecticut voters are unaffiliated, with 30% of registered voters Democrats and 20% Republican. Nationally, about one-third of people who have responded to Gallup Polls in 2006 identify themselves as independent.

Connecticut elected former Republican-turned-independent Lowell Weicker as governor in 1990. The man who ousted Weicker from the Senate two years before that, Joe Lieberman, now appears poised for re-election as an independent after losing the Democratic ballot line to businessman Ned Lamont.

And come Tuesday, the state's independents could determine which political party controls the House of Representatives. That's because three of the seats Democrats could gain for a majority are here. They need 15.

"It's an independent state that's more subject to trends," says University of Connecticut political scientist Kenneth Dautrich, "like the need for change."

Rep. Christopher Shays, a 10-term Republican incumbent, is under no illusions. "This may be the last time I have to speak before the Rotary as a member of Congress," he recently told the group here. A Zogby poll released Wednesday showed Democratic challenger Diane Farrell, a former Westport first selectwoman, ahead 51%-43.5%.

Now, wherever Shays goes, he brings along a 54-page booklet full of reasons to re-elect him. There's his seat on a key financial committee (page 1), the federal money he's brought home (p. 4), his 54% liberal rating from Congressional Quarterly (p. 40).

At the Rotary, Shays even mentioned his work for pet victims of Hurricane Katrina. "I'm not one-dimensional."

In an interview at his waterfront Bridgeport home, Shays pinpointed his problem: "Iraq. And people don't like George Bush.

In a year when polls show that sentiment pervasive nationwide, it is significant that political luminaries from Laura Bush to Sen. Hillary Rodham Clinton are flocking to the state. And the airwaves are blanketed with negative ads.

"This is a flyover state in presidential years," says Farrell, who got 48% of the vote against Shays in 2004. "Connecticut voters now know what it's like to live in (battleground) Ohio or Pennsylvania."

"If the Democrats run the table in Connecticut, that would be a national message that the war in Iraq will have some national resonance," says Fairfield University political analyst John Orman.

Besides Shays, who represents one of the country's wealthiest congressional districts, two other moderate Republicans are in close races:

·Nancy Johnson, a 12-term incumbent who helped author the Medicare prescription-drug program, is opposed by Democratic state Sen. Chris Murphy.

·Rob Simmons is seeking a fourth term in the country's most Democratic district held by a Republican. He is in a rematch against former state legislator Joe Courtney, who got 46% of the vote in 2002.

"We call ourselves the spotted owl caucus," jokes Simmons of moderate Republicans. "We know we're endangered."

Shays is a member. He has won widespread support in this moderate district that stretches from the affluent New York City suburb of Greenwich, where the first President Bush grew up, to gritty industrial Bridgeport.

But attitudes may be shifting.

"I still think he's a good man," said Democrat Ted Shiffman, a Stamford lawyer and former Shays supporter. "But every few years, it's important to have a change in control so that one party doesn't become entrenched."

Farrell has depicted Shays as an enabler for Bush's unpopular Iraq policies and the priorities of the conservative-led Congress. During one of 11 debates, Farrell, 51, framed the choice: "With Chris, you get the status quo. With me, you get a new direction."

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Shays, 61, disputes that. “I'm probably the biggest change agent in Washington” he says, because as a centrist, “I make things happen.”

Steve Goodman, 35, an independent voter, agrees. “I like people who work with both parties,” he said as he waited in Stamford for a commuter train. “I like the fact that he votes the issue.”

For Stamford lawyer Jim Hughes, an undecided voter, the election is “a coin toss” between good candidates. Yet he gets “weak knees over the war” and an open-ended commitment in Iraq. “That might have something to do with” whom he chooses, he says.

Unlike some Republicans who try to avoid talking about the war, Shays has taken it head-on. “I know more than any other member of Congress about what's going on in Iraq,” he says.

“I'm not afraid to lose this election over the war,” says Shays, who has visited Iraq 14 times, more than any other lawmaker.

It is clear the conflict has taken a toll. His eyes turn watery when he speaks of Iraqis and U.S. military families who have lost loved ones. He uses words like “tormented” and “wrestle” when talking about how his warnings as far back as April 2004 of mistakes went unheeded. And he calls “offensive” Farrell's charge of an “election year conversion” when, after the anti-war candidate Lamont's primary trouncing of Lieberman, Shays called for a timeline to get out.

Yet as political pressure has mounted, Shays has had some self-inflicted problems. Last month, he said abuses at Iraq's Abu Ghraib's prison involved a “sex ring” and not torture. He later backtracked.

Two days earlier, he defended taking money from embattled House Speaker Dennis Hastert by saying of Sen. Edward Kennedy, D-Mass., a Farrell supporter, that, “I know the speaker didn't go over a bridge and leave a young person in the water and then have a press conference the next day. Dennis Hastert didn't kill anybody.” The reference was to the 1969 car crash in Chappaquiddick that left a woman dead.

“Those were out of character,” Orman says, “but it showed how intense the race has gotten.”

Campaign '06: In Final Days, Parties Dream Of Senate Upsets (TIME)

By Mike Allen

Time, November 3, 2006

Democrats and Republicans have each picked a state where they're hoping for a November Surprise and have begun pouring buzzer-beating money into Senate contests that have not been on anyone's toss-up list.

For Democrats, the hope for an upset is Arizona, where incumbent Sen. Jon Kyl (R), has looked safe from the Democratic challenger, shopping mall developer Jim Pederson.

For Republicans, the long shot is Michigan, where the National Republican Senatorial Committee is throwing a $900,000 lifeline to Mike Bouchard, a sheriff challenging Sen. Debbie Stabenow (D).

In Arizona, Kyl would only lose in a national typhoon. But Democrats are acting confident and Sen. Charles Schumer of New York, chairman of the Democratic Senatorial Campaign Committee, is touting an "expanding Senate playing field." Pederson, the Democrat, has mounted an attack focusing on Iraq and special interests. The conservative Kyl has focused on "Arizona accomplishments" and expertise on terrorism.

In Michigan, Stabenow has led handily in polls and fundraising. Bouchard, with the slogan "Results for a Change," began running the nationally financed ads yesterday, and reaches out to younger voters tonight by appearing with Kid Rock. Democrats say it's too late, and that Stabenow has used her cash advantage to build a lead and define Bouchard.

Republicans hope for an upset in Michigan because an anti-incumbent tide could benefit the GOP in a state where both U.S. Senators and the Governor are Democrats. That is one of the races that will help illuminate whether any wave this year is anti-incumbent, or just anti-Republican. The GOP is also making offensive moves in New Jersey, where Tom Kean Jr. is profiting from corruption charges against incumbent Robert Menendez, and Maryland, where Republican Lt. Gov. Michael Steele is running on change against Democrat Ben Cardin, a 10-termer in the U.S. House.

In other Senate races, two struggling Republicans are both running ads acknowledging public frustration with Iraq. In Washington state, Republican Mike McGavick, former chief executive of an insurance giant, is using the tag line "Real. Change" to challenge freshman Sen. Maria Cantwell (D), who has supported the war. A new McGavick ad uses the President's former "stay the course" mantra as a slur against Cantwell and says: "President Bush doesn't understand our frustrations." In Minnesota, three-term Rep. Mark Kennedy (R) is gaining on prosecutor Amy Klobuchar (D) with an ad that tries to level with voters. "None of us like war. And we've made some mistakes in Iraq," the ad says. "Leaving Iraq now will create a breeding ground for new attacks on America." His close is one of the year's most memorable: "I'm Mark Kennedy. ... I approve this message even though I know it may not be what you want to hear."

Vitriol Fills The Air And Airwaves As Allen And Webb Battle On (WP)

DOJ_NMG_0090938

By Michael D. Shear

The Washington Post, November 3, 2006

RICHMOND, Nov. 2 -- Democratic Senate hopeful James Webb today tapped the star appeal of Illinois Sen. Barack Obama to stir the passions of his party's base, rallying with 700 supporters before heading to Northern Virginia for a similar event with actor Michael J. Fox.

Obama told a cheering crowd at Virginia Union University that Webb is someone who "has fought for this country, who has led this country," and he urged supporters to drag "those uncles and cousins who don't vote to the polls" on Tuesday to help elect Webb.

Webb's opponent, incumbent Republican Sen. George Allen, had a more low-key day, accepting the endorsement of the Minutemen, a national organization that fights illegal immigration, at a news conference in Roanoke. He then went to the Philip Morris cigarette plant just south of Richmond to privately shake hands for an hour during a shift change.

Allen plans to fly across the state this weekend, stopping in Hampton Roads, Winchester, Southside Virginia, Roanoke and Norfolk. He plans to spend Sunday in Northern Virginia. Aides declined to give details of the events or say who will be campaigning with the senator.

"I knew I had a target on my back," Allen told reporters at Philip Morris. "The national liberal Democrats have no love for me. I knew they'd be gunning for me."

Fox, who has Parkinson's disease and has been campaigning for candidates who support stem cell research, spoke to a crowd of about 1,000 at a ballroom in Clarendon. "A vote for Jim Webb is a vote for hope and a better quality of life for Americans," the actor said.

The attention from Fox and Obama, who have been crossing the country to stump for candidates, marks the beginning of a statewide tour for Webb that will include stops with Gov. Timothy M. Kaine, former governor Mark R. Warner and former U.S. senator Bob Kerrey of Nebraska. The five-day trip will end with former president Bill Clinton at an election-eve rally in Alexandria.

"If we prevail here -- and we are going to prevail," Webb told the enthusiastic crowd at Virginia Union, "we are going to bring a different kind of attitude to the United States government."

Both candidates expect a close race and have begun to prepare for the possibility of a recount. Allen's campaign team held an hours-long meeting Wednesday to plot legal strategy in the event that a recount is necessary. Allen is consulting former Virginia solicitor general William H. Hurd, who led the recount team for Republicans last year when Attorney General Robert F. McDonnell (R) won by just 360 votes.

Webb aides said they also are preparing contingency plans for a recount, although they said they are confident they will not be needed. A drawn-out legal battle in Virginia could leave the state's residents in limbo and the balance of power in the Senate unclear.

"The last thing we need is another recount," said state Sen. Creigh Deeds (D-Bath), who lost to McDonnell. "Nov. 8 was like Groundhog Day for six . . . weeks. I've moved on. But it was very tough. We don't need that."

Allen started his day in Roanoke, where he focused on illegal immigration. He picked up the endorsement of Chris Simcox, founder and chairman of the Minuteman Civil Defense Corps, which is battling illegal immigration along the U.S. border with Mexico and elsewhere. Minutemen have been in Herndon videotaping day laborers and would-be employers after the Town Council there approved setting up a controversial center to host day laborers seeking work.

Later, Allen talked to reporters in front of the Philip Morris plant, where the company produces about 240 billion cigarettes a year. Allen condemned Webb and Democrats as having run "the most negative, smearing campaign that Virginia has ever seen."

Even as he said that, the National Republican Senatorial Committee began running an attack ad on his behalf, saying Webb has written books that stereotype women as promiscuous objects. "His novels? Some are graphic, even deviant," a female announcer says in the commercial.

Allen also began running an ad accusing Webb of wanting to give Social Security benefits to illegal immigrants.

Webb advisers condemned the ads, saying they are "full of lies." At the Obama rally, Webb again accused Allen of waging a "classic Karl Rove campaign, designed to divide people, to go after their emotions, to assassinate people's character. This has been an incredibly negative campaign."

The Democratic Senatorial Campaign Committee began airing a television commercial attacking Allen by citing negative comments from Virginia newspapers. "Allen is a mediocre senator. He is in lockstep with Bush. An administration parrot," the ad says.

At the Virginia Union rally, Obama called on Virginians to send President Bush and Republicans a clear message by voting Allen out of office. Of the voters across the country, he said, "When they start paying attention, the folks in power right now are in trouble."

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Warner and Kaine also helped to whip up the crowd. Kaine called Webb "a spectacular, spectacular candidate." Warner mocked Allen, saying the "cakewalk" that pundits had predicted for the incumbent was turning into a victory for Webb.

"It's five days before, again in Virginia, we make history," Warner roared.

Staff writers Tim Craig and Bill Turque in Washington contributed to this report.

Webb Goes Big As Allen Stays Local (WT)

By Christina Bellantoni And Seth Mclaughlin

The Washington Times, November 3, 2006

James H. Webb Jr. is sticking close to his Democratic friends and held rallies with political heavy hitters yesterday, while Republican Sen. George Allen is standing with local leaders at much smaller meet-and-greets as Virginia's U.S. Senate race enters its final days.

Mr. Webb, who holds a slight lead in most polls, joined Sen. Barack Obama and Virginia's top Democrats at an overflowing midday rally in Richmond before appearing at a sold-out fundraiser with actor Michael J. Fox and former presidential candidate Gen. Wesley Clark in Arlington last night. Mr. Webb will hold an Election Eve rally with former President Bill Clinton, his second appearance in Virginia this year.

Mr. Webb said the energy at the Clarendon Ballroom last night is "what carried us from a deficit of 33 points at one point to a lead" in the polls.

Mr. Allen, meanwhile, nabbed the endorsement of the border-enforcement group the Minutemen and today plans to attend small events with local leaders in Hampton Roads, including an appearance at the Chesapeake Fire Academy graduation.

"I shook hands with well over a thousand folks in there," Mr. Allen said yesterday after greeting the 2,500 workers at the Philip Morris cigarette-manufacturing plant in Richmond.

His advisers have not outlined their strategy for planning low-turnout events nor have they released a formal schedule for the campaign's final weekend, but Mr. Allen yesterday said he was glad to meet with tax-paying "working people."

Gov. Timothy M. Kaine and former Govs. Mark Warner and L. Douglas Wilder revved up the more than 700 attendees at the Obama rally at Virginia Union University yesterday. They said Mr. Webb has priceless momentum heading into Tuesday's election.

The national names guarantee Mr. Webb good television coverage, but the current and former governors are key local boosters.

"This is like the Dream Team and 'American Idol' and all that all rolled up into one," Mr. Kaine said. "I can feel the energy all across this commonwealth."

Although Mr. Webb has been attached at the hip to Mr. Kaine, Mr. Warner and Mr. Wilder and has brought in the Democratic party's top fundraisers and cheerleaders in recent weeks, Mr. Allen has not announced plans to bring any Republican stars to Virginia for the final days of campaigning.

President Bush appeared at a Richmond fundraiser for Mr. Allen last month, and first lady Laura Bush also raised money for the Republican.

Mr. Allen has been on the campaign trail with respected Sen. John W. Warner, Virginia Republican and chairman of the Armed Services Committee, and will be joined by members of the state's Republican congressional delegation in coming days.

Senate Majority Leader Bill Frist of Tennessee implored his supporters in a recent e-mail: "The President and I have relied upon George Allen over the last years to cast critical votes on legislation important to our efforts to move America forward."

Mr. Allen recently has brought in lesser-known Republican senators including Elizabeth Dole and Richard M. Burr of North Carolina, David Vitter of Louisiana and Mitch McConnell of Kentucky.

Sen. John McCain of Arizona is the biggest name who could feasibly come to Virginia, but his staffers did not return calls asking whether he will.

Mr. McCain has starred in television ads and raised money for Mr. Allen.

The endorsement from the Minutemen political action committee will help Mr. Allen with his conservative base. Mr. Allen opposed the Senate's "comprehensive" immigration plan and favors strong border enforcement instead of a "path to citizenship" for illegals.

Mr. Allen is running ads saying that if Mr. Webb is elected, he would reward illegal aliens with amnesty.

Through Monday, both candidates will touch down in all the state's regions, but none of Mr. Allen's upcoming events are expected to generate the type of excitement seen by the screaming Obama fans yesterday.

Rally attendees shoved themselves at the Illinois Democrat to ask for autographs and screamed until they were hoarse when Mr. Webb alluded to Mr. Obama's presidential ambitions.

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"He needs your help, he needs people to volunteer, he needs people to make phone calls, he needs people to do whatever it takes," Mr. Obama said, adding he is "absolutely confident" that work will lead to a Webb victory.

Mr. Allen would be wise to avoid another Bush visit, even though he is a major crowd draw.

Last fall, Republican gubernatorial candidate Jerry W. Kilgore was hurt by an election-eve rally with the president, whose popularity at the time was sinking but higher than it stands today.

In Arlington last night, a crowd of about 900 gathered at the sold-out event at the Clarendon Ballroom, while people outside sported anti-Bush-Cheney signs and sold stickers saying: "Bill Clinton lied about sex -- George Bush lies about everything."

Mr. Fox and Gen. Clark said they support the Vietnam War veteran because he's a "man of integrity."

"Senator Allen needs to hear from you, a vote for Jim Webb is a vote for the hope of a better quality of life for millions of Americans," said Mr. Fox, who has Parkinson's disease and has become a national symbol for the debate over stem-cell research.

"We owe it to our families, we owe it to our neighbors, and we owe it to future generations," Mr. Fox said. "We are not unrealistic. We realize it may take years before the promise of stem-cell research is realized, but we need scientists and researchers to start now with the full support of the federal government."

Mr. Webb said he relies on scientists who say research could hold the key to breakthrough cures for Alzheimer's disease, spinal-cord injuries and Parkinson's.

In July, Mr. Allen supported Mr. Bush's veto of a bill allowing federal funding for embryonic-stem-cell research.

"I am for stem-cell research but not the kind that would destroy human embryos," Mr. Allen said yesterday.

Allen, Webb Turn Focus To Ground Game (WT)

By Christina Bellantoni

The Washington Times, November 3, 2006

RICHMOND -- In the final days before the U.S. Senate election in Virginia, both campaigns are focusing on a crucial ground game to get voters to the polls.

Sen. George Allen, a Republican, and former Navy Secretary James H. Webb Jr., a Democrat, are prepared for a long night Tuesday in case the result is too close to call.

Both men, who have spent months slinging political mud back and forth, will spend the remainder of the campaign trying to energize their supporters.

"Thunder's impressive, but it's lightning that does the work," Mr. Allen said yesterday, quoting Mark Twain. "Susan and I may be the thunder, the lightning is all our grass-roots supporters all over Virginia."

Mr. Webb said yesterday the folks on the ground are the reason he went from having no money and being more than 30 points behind in polls to leading Mr. Allen in the most recent polls.

"We're going to go 24 hours a day until Tuesday morning," Mr. Webb told supporters in Richmond yesterday.

Both campaigns would not outline their legal strategy if the victor's margin is razor-thin, if a recount is needed or if there are problems with voting machines, but each has lawyers in place just in case.

"We are ready for that scenario if it were to occur," said Webb spokeswoman Kristian Denny Todd. "We are covering all our bases."

"It's going to be a close election -- we want to win by enough so we don't have to worry about lawyers," Mr. Allen said. "We need less litigation in our country."

A recount certainly is possible, as Mr. Allen and Mr. Webb are locked in a tight battle, and last fall, the attorney general's race in Virginia was decided by fewer than 400 votes following a long recount process and several court hearings.

Mr. Allen's campaign Web site (www.georgeallen.com) encourages Virginians to "Vote early, vote Allen," and asks for volunteers for the "72-hour get-out-the-vote team."

Mr. Webb's Web site (www.webbforsenate.com) asks voters to join "Jim's Brigade" and to request absentee ballots so they are free to help on Election Day. "We need YOU!" it states.

Virginians also will see a barrage of political ads on television through Tuesday -- ranging from attacks on character to upbeat, positive messages from each candidate asking humbly for their vote.

Both Mr. Allen and Mr. Webb will be aided by outside groups -- including conservative and liberal bloggers -- hoping to influence the election outcome.

The League of Conservation Voters is going door to door for Mr. Webb to educate voters on what they say is Mr. Allen's worst-in-the-Senate environmental record and is encouraging Virginians to vote absentee.

The National Rifle Association is telling its 100,000 Virginia members that it has strongly endorsed Mr. Allen with an "A-plus" rating, though Mr. Webb has been given an "A" rating by the gun rights group.

State Republicans are putting their all into Mr. Allen's turnout operation, especially in Northern Virginia where the party has suffered in back-to-back elections.

"It is time for all conservatives in Virginia to mount up and win the ground game for Senator Allen," reads a post on the Allen-friendly "A-Team" blog (www.allens-a-team.com).

The blogger encouraged volunteers to drop literature and put up yard signs.

Mr. Webb has been getting advice from the last two statewide Democratic winners -- Gov. Timothy M. Kaine and former Gov. Mark Warner.

"I think Jim Webb's got all the momentum, and I see nothing that's going to change that in the next few days," Mr. Warner said.

Yesterday, Webb volunteers handed out fliers asking for more help to make phone calls and talk to voters after they leave the polls on Election Day.

"We're doing it out of zeal for the candidate," said Hank Alden, a Henrico County resident and "sign captain" of the Webb volunteers.

As of Wednesday, there were nearly 4.6 million registered voters in Virginia.

Voters, who are not required to register by party, have been asking for more absentee ballots to vote early than in previous years.

State elections officials said more than 100,000 requests for absentee ballots were made as of last week.

In Virginia Race, Women May Be The Decider (NYT)

By Robin Toner

The New York Times, November 3, 2006

FAIRFAX, Va., Nov. 1 — There is, unquestionably, a striking amount of testosterone in the Virginia Senate race between Senator George Allen, football-tossing Republican conservative, and Jim Webb, Democrat, Vietnam veteran and chronicler of the warrior tradition.

But the real struggle in this exceedingly tight contest, one of a handful that will determine control of the Senate, may be decided by how women vote.

In the final stretch before Election Day, both candidates have high-profile Virginia women campaigning on their behalf. Mary Matalin, the Republican strategist, is urging women to “talk to your girlfriends” on Mr. Allen’s behalf. Lynda Robb, the wife of former Senator Chuck Robb and a daughter of President Lyndon B. Johnson, is hailing Mr. Webb as “understanding the needs of Virginia’s families.”

The Allen and Webb campaigns have attacked each other throughout the fall over their commitment (or lack thereof) to women’s issues and concerns, and they are ending, to a large extent, with women’s voices. In one Webb commercial being broadcast this week, a woman named April Cain looks into the camera and declares, “I have two boys, one is 9 and one is 12.”

“George Allen hasn’t done anything to help my family,” Ms. Cain adds.

In a new commercial for Mr. Allen, put up by the National Republican Senatorial Committee, the female announcer intones that Mr. Webb’s writings “routinely stereotype women as promiscuous objects.”

“Arrogantly and outrageously,” the voice continues, “Webb refuses to be ashamed of what he’s written.”

The battle for the female vote began in earnest earlier this fall, when the Allen campaign, struggling to regain control of the race after several missteps, took aim at Mr. Webb’s argument 30 years ago against women in combat and the admission of women to the Naval Academy.

For much of the fall, commercials have featured retired military women arguing for — and against — Mr. Webb, who has said that he has changed over the years and that he should be judged by his record of advancing women when he was secretary of the Navy during the Reagan administration.

Last week, when polls showed the race a dead heat, the Allen campaign introduced a new issue seemingly tailored for women: saying Mr. Webb’s novels included sexually explicit scenes and “chauvinistic attitudes.”

Mr. Webb’s allies noted that his novels, mostly about men at war, were, first of all, fiction, and, second, had been widely acclaimed by a spectrum of prominent people like Senator John McCain, Republican of Arizona and a fellow Vietnam veteran.

Those attacks, some analysts say, help explain why some recent polls show Mr. Webb and Mr. Allen running close among women.

“We don’t have a gender gap,” said Harry L. Wilson, director of a new Roanoke College Poll, alluding to the Democrats’ traditional advantage among women, although other polls have indicated the Democratic edge remains.

Equally striking is that Mr. Webb is neck and neck with Mr. Allen among men, which is unusual for a Democrat.

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Mr. Webb's strategists acknowledge that he has room to increase his support among women, but say he will realize that potential in the final days.

"Sure, they did break through with this stuff that happened 30 years ago," said Kristian Denny Todd, Mr. Webb's press secretary. "But at the end of the day, a lot of these women have small children, they care about education, they care about the war.

"They'll say, this stuff happened 30 years ago. But he's with me on things I care about today."

That case is made, in part, by the commercial featuring Ms. Cain, who argues that while Mr. Allen has been in the Senate, health care costs have continued to rise, "college tuition is out of control" and Mr. Allen gave himself a raise. Another Webb ad asserted that Mr. Allen "voted against family and medical leave three times."

Steve Jarding, an adviser to the Webb campaign, said, "The dilemma for Allen is he's not a moderate on women's issues."

The Allen campaign has relied heavily on Susan Allen, the candidate's wife, to make its case to women. In an interview, Ms. Allen denounced the negative tone of the Senate campaign, but defended the Allen campaign's highlighting of Mr. Webb's novels.

"The fact is, my husband's life has been an open book in this campaign — all his speeches, votes, his record has been an open book for everyone to examine," she said.

The demographics in this race revolve around more than sex. The populous suburbs of Northern Virginia are becoming an increasing source of strength for Democrats; the strategic imperative for Mr. Webb is to exploit that advantage fully to offset any losses in less friendly areas.

The Senate campaign over the past four months has taken striking turns. Mr. Allen, long considered a potential 2008 contender for the White House, saw his lead melt away after making what was perceived as a demeaning racial reference to a Webb volunteer of Indian descent. This week, a scuffle broke out at an Allen campaign event after a liberal blogger aggressively tried to question Mr. Allen about his treatment of his first wife, Anne Waddell. Ms. Waddell issued a statement on the Allen campaign Web site this week saying that Mr. Allen "was, and is, a wonderful person," and that if she lived in Virginia she would vote for him.

The anger between the two campaigns over tactics and strategy is palpable.

Adding to it are stark differences between the two candidates on issues, beginning with the war in Iraq. Mr. Webb, a first-time candidate for elective office, said he entered the race largely because of the Bush administration's handling of Iraq, which he had sharply criticized even before the invasion; Mr. Allen has supported the president's policies.

Mr. Webb is closing out his campaign with a new, upbeat spot in which he declares, to the camera: "Those in power haven't served us. They've failed to protect our working people, they failed us on ethics and they're failing in Iraq. Bottom line: they're not fighting for you. I will."

Mr. Allen, in one of his closing commercials, declares, "I want to continue fighting for our shared values: lower taxes, a better education for our children, and a safer, stronger America."

At a campaign event in Fairfax on Wednesday, Mr. Allen, seeking his second term after serving as governor of Virginia, said his campaign was "going really well."

But the Webb campaign was claiming momentum, and independent analysts said the race remained too close to call.

Stem Cells A Wild Card In Missouri Senate Contest (CSM)

By Mark Clayton

The Christian Science Monitor, November 3, 2006

ST. LOUIS

Candidates for US Senate have all been dealt similar hands for this midterm election: a president with low job approval, rising voter uneasiness about the Iraq war, and flat wages. But here in Missouri, there's a wild card in the Senate contest - stem-cell research.

It's possible that a stem-cell ballot initiative here could affect voter turnout enough to tip one of the country's closest Senate races. Trouble is, no one can predict with confidence which candidate would benefit most: the Republican incumbent, who opposes a state constitutional amendment to permit the use of embryonic stem cells for medical research, or the Democratic challenger, who supports it.

About 51 percent of Missouri voters favor Amendment 2 while 35 percent are against it, a Research 2000 poll reported last weekend. Support for the amendment has fallen in recent months with more voters now saying they are undecided about it. The amendment would permit the use in Missouri of any federally allowed stem-cell research and treatments, including work involving human embryos.

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But the advantage may in fact go to Sen. Jim Talent, running to serve a second term, because the stem-cell issue could bring to the polls the state's social conservatives who, while they are voting against Amendment 2, would also be likely to cast a vote for him.

The team behind challenger Claire McCaskill (D) "is banking on voter support for stem cell [research] to translate into support for her," says David Kimball, a political scientist at the University of Missouri here. "But it may actually energize conservative voters. If that issue were not on the ballot, they might not have as much reason to come out and vote."

An 11th-hour, TV-ad slugfest over the stem-cell measure may have served to stimulate voter interest. In an ad that debuted Oct. 21 during the first game of the World Series, actor Michael J. Fox touted Ms. McCaskill and attacked Senator Talent for failing to support the amendment. Talent supports stem-cell research that doesn't involve cloning or destroying a human embryo, but has said he opposes the amendment because it would "make cloning human life at the earliest state a constitutional right." Conservative talk-show host Rush Limbaugh subsequently leapt on Mr. Fox, and a group opposing the initiative rebutted the Fox ad.

The video by Missourians Against Human Cloning features World Series hero-pitcher Jeff Suppan, former St. Louis Rams quarterback Kurt Warner, and James Caviezel, the actor who portrayed Jesus in Mel Gibson's movie, "The Passion of the Christ." Mr. Caviezel begins the ad speaking in Aramaic and concludes with the warning: "You know now. Don't do it," referring to voting for the amendment.

Such ads could resonate with Roman Catholic voters, who make up about 16 percent of Missouri's 5.8 million residents. Many priests in the state have taken a strong stance against the stem-cell measure, some even handing out antiamendment yard signs after Sunday Mass, according to a parishioner who saw it happening at his church.

"We're strong Catholics," he says, asking that his name not be used. "But we're not happy about the church's big push on this. They're going all out."

A CNN/Opinion Research poll on Monday showed the Senate race to be "a tossup," with Talent and McCaskill each garnering 49 percent support from likely voters.

The stakes are high. "This Missouri race could be the difference between keeping a [Republican] majority in the Senate and not keeping it," says Brooke Buchanan, a Republican National Committee spokeswoman. "We're prepared to do anything it takes to make sure Senator Talent continues to be the senator from Missouri."

The tight race has drawn the national parties and their fellow travelers, who have poured manpower and money into the state. The result: Missourians have been lashed by a maelstrom of conflicting, often negative ads on TV and in print. The Talent camp has slammed McCaskill with charges that she misused her post as state auditor. Groups supporting McCaskill are publicizing Talent's votes against raising the minimum wage - and berating him for taking $165,000 in annual pay as a senator.

Of course, many factors go into most voters' calculus about whom to vote for, and stem-cell research is just one. The Iraq war is the biggest concern here, reflected in President Bush's 37 percent popularity rating with Missourians. McCaskill's team has been bent on linking Mr. Bush and Talent, saying the senator doesn't represent "Missouri values" but is simply a rubber stamp for failed Bush policies, most notably Iraq.

That message resonates even among some Republicans.

"Jim's position is basically that, whatever Bush wants, he gets. His percentage of voting with the president is abnormally high, and it's hurt him," says a state Republican Party activist who asked not to be named because he is upset with Talent and might vote against him. "Talent will depend upon the get-out-the-vote machinery. We can get the people out all right, but can we get them to cast [their votes] the way we want [them] to?"

On a recent Sunday, Franklin and Tresa McCallie went door-to-door in Kirkwood - a conservative, upper-middle-class St. Louis suburb - to campaign for Democratic candidates. They say they found an unusual responsiveness.

"I'm a yellow-dog Democrat who was raised a conservative in Chattanooga, Tennessee," Mr. McCallie says in a pronounced drawl. "Kirkwood typically goes Republican. But the problem for Mr. Talent is that all the issues are running against him. You have people in Kirkwood who are not all wealthy or rich, and they're questioning the status quo."

The old calculus for winning in Missouri was to carry the big cities and suburbs in five counties, where about 52 percent of the voters live. But in recent elections, that equation was upended by turnout surges in the state's 109 rural counties. Rural Missouri, with its strong contingent of Christian conservatives, has gone strongly for Bush and Republicans.

But fewer rural conservatives may be with Talent this year, thanks to the Iraq war, analysts say. As a result, McCaskill is pursuing what some see as a risky strategy of spending the end of the campaign shuttling between St. Louis and rural towns like Kirksville and Sikeston - where she and Talent recently appeared in a parade, riding just floats apart - to try to make inroads into Republican territory.

Talent, meanwhile, has been stumping in rural sections of the state, shoring up his base in towns such as Mexico, Mo., and Rogersville. The big question is whether the stem-cell turnout will be enough to reelect Talent.

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"Voters are predisposed to be upset with the governing party, and that's the Republicans," says Dr. Kimball. "All the big issues are running up against the powerful Republican turnout machine. So I just don't know what to expect, honestly. This is not a typical election."

Actor Tackles Emotional Political Role (BSUN)

By Jennifer Skalka

The Baltimore Sun, November 3, 2006

CHEVY CHASE -- Michael J. Fox sits in a chair in a hotel room, in constant motion. Legs are crossed and uncrossed. Socks are repeatedly pulled up underneath trousers. His head moves side to side with reliable irregularity.

The movements would be arresting if not for the man behind them. He is focused. So determined to tell what he has to say.

Fox is bringing his Parkinson's disease, and a political message, to Maryland and other states where control of the U.S. Senate is in the balance: Virginia, Missouri, Ohio, Iowa and Wisconsin.

While politicians debate whether frozen embryos should be adopted, used for research or discarded, Fox wants to change people's minds.

Federal money for embryonic stem cell research can improve life for the sick and the disabled, he told a couple of hundred people backing Democrat Benjamin L. Cardin's bid for U.S. Senate Thursday. Fox said he will stump for candidates who support such funding and fight like crazy against those who don't.

"We are who are," Fox, 45, said in a Holiday Inn ballroom with Cardin by his side. "We have what we have. We want what we want, and we have a right to seek the representation that will get it for us."

The actor has become one of the most visible figures of the campaign season by thrusting himself into an emotional debate over emerging science and its moral implications.

Fox, the former star of the Back to the Future movies and the situation comedies Family Ties and Spin City, is commanding a bigger stage these days as an advocate for embryonic stem cell research, targeting states that could elect senators favorable to science.

Lt. Gov. Michael S. Steele, the GOP's Senate nominee in Maryland, opposes embryonic stem cell research. He and Cardin are airing television ads on the subject. Fox is featured in Cardin's. In Steele's, his sister, Monica Turner, calls the Fox ad "deceptive, tasteless" and reveals that she has multiple sclerosis.

During an interview at the hotel before the Cardin event, Fox took the high road when asked about the Steele ad. He said he had not seen it in full.

"I don't want to get involved with any conflict with another patient," Fox said. "It just is what it is. I respect everyone's point of view. And I respect her right to express it. I really do. And more power to her. And I'm sure she's thought about it and prayed about it and done whatever process she has to do to reach the conclusion she's reached, and I fully respect that."

He had harsher words for a Steele campaign spokesman who, Fox said, called his ad in extremely poor taste.

"As far as the other goes -- the campaign itself calling my ad in extremely poor taste -- that leads you to conclusions about attitudes toward sick people and their symptomatology and their right to be involved in the process and their franchise to help shape government policy and the future of health and science in the country," he said. "That's strange to me. And certainly to millions of Americans."

Fox, whose Parkinson's foundation has raised about $70 million over the past five years, said he does not care about political labels. He said he would back, and has supported, members of both parties who favor embryonic stem cell research.

In Maryland Thursday, with Fox by his side, Cardin promised that if he is elected Tuesday, he will promote the research, which is opposed by some conservatives and anti-abortion candidates because it involves the destruction of a human embryo.

"I am going to be pushing that bill with all the energy I have," Cardin said to applause.

On NBC's Meet the Press, Steele said he views the destruction of an embryo as the taking of a life and that, in keeping with his anti- abortion views, can't condone it. He suggested adoption for the 400,000 or more embryos in fertility clinics across the country.

Fox said Thursday that adoption could be a fine use for some of the embryos but that tens of thousands, if not hundreds of thousands, of others would remain. And embryonic stem cells can do something their adult stem cell counterparts cannot, Fox said, because they're more flexible.

Adult stem cells, research on which Steele and Bush support, are "cranky cells," Fox said.

"They already are what they are, they don't want to be anything else," he said. "When you try to get them to be something else, they don't like doing it. And when you get them to be something else, they don't want to stay that way."

Embryonic stem cells, in contrast, can become various cells in the human body. That is how the healing could start for the paralyzed, the Alzheimer's patient or the actor turned advocate who is trying to make Washington stand up and listen.

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"To limit it to [adult stem cells] is like saying you can have a seat belt, but you can't have an air bag," Fox said. "We have the technology to have air bags. I'd like both. If that's OK."

Then he pauses, a wry smile spreading across his face. "Tasteless idea," he says.

Cardin Rallies Blacks In PG (WT)

By Jon Ward And S.a. Miller

The Washington Times, November 3, 2006

Rep. Benjamin L. Cardin yesterday tried to rally support among black Democrats in Prince George's County, while Lt. Gov. Michael S. Steele campaigned with county Democratic leaders who broke ranks this week to endorse him.

Mr. Cardin appeared with Prince George's County Executive Jack B. Johnson and about 30 other lawmakers in Hyattsville, aiming to keep a diminishing lead in the polls.

Mr. Johnson noted that he supported Mr. Cardin's opponent in the primary -- Kweisi Mfume, past president of the National Association for the Advancement of Colored People.

"Unfortunately, as Democrats, we know we can only have one winner," Mr. Johnson said.

Mr. Mfume narrowly lost the nomination and trounced Mr. Cardin in Prince George's, with 74,637 votes to Mr. Cardin's 19,824.

In his first public show of support for Mr. Cardin, Mr. Johnson said the 10-term congressman is "one fantastic individual that will represent us in the United States Senate."

"I am proud and a strong supporter of Ben Cardin for the United States Senate," Mr. Johnson said.

But the rally turned sour later. State Sen. Nathaniel Exum, Prince George's Democrat, berated Mr. Cardin for excluding him and other local delegates from speaking or being mentioned.

"You do the same [stuff] over and over again, just ignore us," Mr. Exum yelled at Mr. Cardin after the rally, which was held in Mr. Exum's district.

Mr. Cardin shrugged off the incident.

"I think he's upset that we didn't go over the names, but I'm not too concerned about it," Mr. Cardin said. "He's supporting us."

Today, Mr. Cardin will appear with Sen. Barack Obama, Illinois Democrat, for the second time in this campaign, which has become one of the country's most closely watched races.

Mr. Cardin's rally was designed to respond to Mr. Steele's endorsement from prominent Prince George's Democrats earlier this week. Former County Executive Wayne K. Curry and all five black members of the County Council endorsed Mr. Steele, saying the Democratic Party has taken black voters for granted.

Mr. Cardin attacked Maryland Republicans, saying their plans to question voters whom they think committed fraud is an attempt at voter intimidation and suppression.

The Maryland Republican Party said the plans were copied from Democratic plans and are allowed under law. They also released a document from the 2004 presidential election in which Colorado Democrats were advised to make up claims of voter intimidation against minority voters if none could be found.

The election could hinge on how Prince George's 320,000 registered Democrats vote Tuesday. The county, which is more than 65 percent black, accounts for a large part the Democratic Party's overwhelming advantage in voter registration.

Mr. Steele yesterday received an endorsement from several religious leaders, including Harry Jackson a Democrat and bishop of the Hope Christian Church, a charismatic ministry in Lanham with about 2,000 members.

In Annapolis, Mr. Steele announced a 10-point election promise that included pledges to improve health care among minorities, introduce legislation to stop disparities in criminal-sentencing guidelines for blacks and to support increased aid to African and Caribbean countries.

Mr. Steele ended his day by campaigning with Mr. Curry in Greenbelt.

Mr. Cardin attended an afternoon rally in Bethesda with TV star Michael J. Fox to call for embryonic stem-cell research, then one in Baltimore with former Sen. John Edwards of North Carolina, the 2004 Democratic vice-presidential nominee.

Baltimore Mayor Martin O'Malley, the Democratic nominee for governor, also attended the Edwards rally, during the second day of his six-day, statewide bus tour.

Gov. Robert L. Ehrlich Jr., a Republican running for re-election, voted by absentee ballot in Glen Burnie, Md., and will today campaign at several stops, all in Baltimore County.

Mr. Ehrlich has cut Mr. O'Malley's double-digit lead to one point, according to poll released this week that was conducted for the Baltimore Sun. The poll, by Potomac Inc., showed Mr. O'Malley leading Mr. Ehrlich 47 percent to 46 percent with five percent undecided.

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Steele Would Help Change Capital's Culture (BSUN)

By John Mccain

The Baltimore Sun, November 3, 2006

I strongly support Michael S. Steele's candidacy for one simple reason: We need to change Washington.

Congress doesn't need another career politician or political insider. We need someone who is a strong, independent voice for what is right, regardless of party politics. I know Michael Steele, and I know he will shake up Washington for all the right reasons.

We see it almost every day: runaway spending, scandal, legislation written by and for special interests. Washington has become a culture unto itself where special interests reign supreme, where partisanship precedes statesmanship, and where the ambitions of politicians come before the interests of the people.

It doesn't need to be this way. You can change the way Washington works. But to do so, you must elect candidates such as Michael Steele who have the courage to do the right thing, regardless of their party.

By sending Michael Steele to the U.S. Senate, Marylanders not only would be electing a public servant who knows and cares about the issues concerning the entire Old Line State, but they also would be delivering a clear message that it is time for change.

This summer, I came to Baltimore to campaign for Michael Steele because he has the courage to do something simple: represent Maryland, not special interests.

In the four years he spent as your lieutenant governor, Michael Steele single-handedly broke the mold of his predecessors, using his position as a vehicle for change. He has visited schools, community centers, housing projects and businesses forgotten by others. He has done so not to score political points, but to find solutions to problems that directly affect Baltimore. As he has traveled to every corner of the state, his campaign echoes this solutions-driven policy throughout Maryland.

Michael Steele has successfully built bridges across racial, economic and partisan lines. He has worked to fix Maryland's pension system for teachers and to improve school systems that have given up on kids, and empowered small businesses throughout the state to foster access and opportunity for minority business owners - increasing minority business within the state by one-third. The Sun named Michael Steele one of the 2003 legislative session's "winners" for his efforts on both sides of the aisle.

It is time for someone fully committed to changing the way Washington operates. It is time for someone who is not afraid to criticize what's wrong - with either party. It is time for someone who knows that getting things done and creating positive change is more effective than a "go along to get along" attitude.

It is time for Michael Steele.

Little Seems Secure About Security Tapes (LVS)

By Jeff German

Las Vegas Sun, November 3, 2006

· For three days this week, the media were saturated with speculation from unnamed sources that just-discovered video surveillance tapes do not show Rep. Jim Gibbons and Chrissy Mazzeo inside a parking garage where she claims the Republican gubernatorial candidate assaulted her Oct. 13.

Metro Police stood silent on the speculation - orchestrated by the high-powered Gibbons camp - until 4:20 p.m. Tuesday, when they issued a surprising statement saying they had not yet concluded that Gibbons and Mazzeo weren't on the parking-garage video. Police hadn't even finished viewing the tapes.

By that time, however, a District Court judge who was appointed to the bench after lobbying by Gibbons campaign adviser Sig Rogich had granted a hurried request by the Gibbons camp to release the still-unauthenticated tapes. Gibbons understandably was trying to stop his slide in the polls a week before the election.

In the process, however, the rights of the alleged victim, a 32-year-old single mother and cocktail waitress, were lost in the shuffle. Evidence in the criminal case was being turned over to the potential defendant before any decision had been made on the filing of charges.

Yet as odd as that was, it is just one of many strange twists in the nearly three-week saga of how tapes that purportedly didn't exist ended up existing, after all.

From the beginning:

Mazzeo was under the impression the tapes existed when she called 911 three times between 10:23 p.m. and 11:14 p.m. on Oct. 13 to report that Gibbons had accosted her inside a Hughes Center parking garage. The structure was across from

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McCormick & Schmick's restaurant, where she, Gibbons, Rogich and three other women had been drinking earlier in the evening.

"And all that stuff will be on tape if there is a camera there, which I'm assuming there is," she told a police dispatcher in her third 911 call.

Mazzeo told police that Gibbons grabbed her arms, threw her up against a wall in the parking garage and tried to coerce her into having sex. Gibbons said he merely was helping Mazzeo find her truck when she stumbled just before they entered the garage and he grabbed her arms to break her fall.

Officers who interviewed Mazzeo assured her that they would obtain videotapes of the incident. But when they contacted a Hughes Center security officer that night, identified in police reports only as "Aaron," they were told the cameras in the garage weren't recording.

The next day, after officers told Mazzeo there was no video after all, she decided to drop the case. She told them she didn't want to press charges against a powerful political figure such as Gibbons.

Police closed out the investigation without checking any further for recordings of the incident.

In the meantime, the media picked up on the story. The Gibbons camp hired attorney Don Campbell and private investigator David Groover to help the congressman with his defense, which included an Oct. 19 news conference in which Gibbons strongly denied the allegations.

Still missing were any videotapes that might possibly contain the truth. Despite repeated inquiries by the Sun for over a week, officials with Crescent Real Estate Equities, which owns and manages Hughes Center, refused to shed any light on the mystery.

Mazzeo hired attorney Richard Wright to represent her interests, and on Oct. 25 she held a news conference to stand by her story and level new allegations that the Gibbons camp had harassed and pressured her into dropping the charges. The Gibbons camp strongly denied those accusations, too.

But Mazzeo forged ahead. She said she would be willing to cooperate with police once more if the case was reopened.

Again, at this point, there were no tapes to support either side.

But not for long.

After hearing that Mazzeo was willing to press charges again, police decided to "tie up some loose ends" from the previous short-lived probe, Deputy Chief Greg McCurdy said Wednesday.

Although there was no formal investigation (Metro officially still was waiting for Mazzeo to come forward), McCurdy said, detectives paid a visit to Hughes Center security offices in an attempt to find a last name for Aaron, the security officer who told police the night of the Oct. 13 incident that there were no recordings. They anticipated that they would have to interview him again once the probe started up again, McCurdy said.

During that visit, detectives learned much more than Aaron's last name. Robert Clavier, director of security for Hughes Center, showed up to say that videotapes indeed existed from Oct. 13.

"He said, 'We had the tapes and didn't know what to do because it was a closed case,' " McCurdy explained. "He said he had (them) locked up in his possession."

Detectives, McCurdy said, took possession of the tapes and took a voluntary statement from Hughes Center officials.

Sources said Hughes Center security officials viewed relevant portions of the tapes before turning them over to Metro and did not see Gibbons and Mazzeo on the recordings.

For a while, the tapes remained a secret at Metro. Indeed, at a press conference last Thursday, the day after police acquired the tapes, Sheriff Bill Young was asked several questions about possible tapes. Young did not disclose their existence.

The recordings stayed secret until Saturday, when Campbell said he learned about them from Kirk Lenhard, a lawyer then representing Crescent. It is unlikely that their conversation occurred by chance, for there are numerous connections between the Gibbons camp and the company that now says it had the tapes all along.

Lenhard is with the politically connected Jones Vargas firm, which has Republican National committeeman Joe Brown as one of its leading partners. Brown was with Gibbons at his Oct. 19 news conference denouncing Mazzeo's allegations.

Brown's firm held a fundraiser for Gibbons the day before the Oct. 13 incident, according to the candidate's latest campaign report. And on Oct. 17, Brown and Lenhard each gave $1,000 to Gibbons' campaign, the report shows.

In court papers filed this week, Campbell said Lenhard told him the tapes had been turned over to Metro Police.

Soon, another of Campbell's clients, the Las Vegas Review-Journal, was onto a story about the newly discovered tapes - and coverage by that newspaper and other media contained Campbell's spin: The tapes absolve Gibbons of wrongdoing.

Nobody from Metro was willing to confirm that statement on record, but Gibbons and his team spent the next several days saying the candidate had been vindicated. That position stood until Metro issued its surprise disclaimer on Tuesday. They hadn't finished reviewing the tapes.

On Wednesday, police finished copying the videos and issued a news release saying they were providing copies to Campbell, Wright and the district attorney's office.

McCurdy said police now believe that Aaron, the Hughes Center security officer, did not knowingly mislead officers into believing there were no tapes on the night of the incident.

"He may have been given wrong information," McCurdy said.

McCurdy would not say what police have done in the last week to try to authenticate the tapes.

But he added: "At this time, I have no information that leads me to believe that there has been any alterations made to the tapes."

Security experts have told the Sun and Las Vegas television news organizations that the tapes are likely to be inconclusive.

If the tapes are to prove Gibbons' claims that he never entered the parking garage, thus destroying Mazzeo's account, authorities must find a way to verify the tapes as authentic and to demonstrate that the cameras unquestionably would have captured Mazzeo or Gibbons had they entered the garage.

That is a tall order, especially in the view of security experts who say the biggest hurdle to verifying the tapes is the 11 days between the night police said they were obtaining the tapes and the day Crescent handed them over to police.

In between, the tapes reportedly were locked up in the Crescent offices. The problem with that 11-day gap, security experts said, is that police cannot guarantee a "chain of custody," and that surveillance tapes can be fabricated fairly easily.

Campbell scheduled a news conference for 10 a.m. today to discuss the release of the tapes. Jeff German is the Sun's senior investigative reporter. He can be reached at 259-4067 or at german@lasvegassun.com. Sam Skolnik can be reached at 474-

Gibbons Asks Ethics Panel's Opinion On Cruise Gift By A WALL STREET JOURNAL Staff Reporter (WSJ)

The Wall Street Journal, November 3, 2006

WASHINGTON -- Nevada gubernatorial candidate Rep. Jim Gibbons asked the House Ethics Committee for an opinion on whether he failed to report a Caribbean cruise that was paid for by a military contractor who is also a major donor to the congressman's campaign.

Mr. Gibbons sought the panel's advice after a page-one article in The Wall Street Journal raised questions about his close ties to Warren Trepp, said Mr. Gibbons's campaign manager, Robert Uithoven.

The Journal reported Wednesday that the Nevada Republican opened doors in Washington for Mr. Trepp's eTreppid Technologies LLC, a software maker that won millions of dollars in classified contracts from the Air Force, Special Operations Command and the Central Intelligence Agency. It reported that Mr. Gibbons, who served on the Intelligence and Armed Services committees, helped the Reno, Nev., company secure federal contracts and in some cases helped direct federal money to the contracts.

Mr. Trepp and companies linked to him contributed nearly $100,000 to Mr. Gibbons's campaign for governor, and Mr. Trepp hosted the congressman, his wife and others on a week-long Caribbean cruise in March 2005, flying the group home on a private jet.

A former eTreppid executive who is suing Mr. Trepp in federal court in Reno alleges that Mr. Gibbons also got unreported gifts of cash and casino chips from Mr. Trepp.

Messrs. Gibbons and Trepp deny unreported payments and said there was nothing improper about the Caribbean trip, Mr. Trepp's campaign contributions or Mr. Gibbons's efforts to arrange meetings in Washington for eTreppid. Mr. Gibbons insisted that eTreppid won business on its merits and that he had nothing to do with any classified contracts.

Also yesterday, U.S. District Judge Brian Sandoval, who has been hearing the case brought by the former eTreppid executive, recused himself from the case. The judge, a former Nevada attorney general, was appointed to the bench by President Bush last year.

Police Union Demands Mayor's Records (BSUN)

By Doug Donovan

The Baltimore Sun, November 3, 2006

The state police union demanded Thursday that Baltimore Mayor Martin O'Malley release his application to practice law to determine whether he properly disclosed a nearly 20-year-old drunken driving charge.

Maryland Fraternal Order of Police President John "Rodney" Bartlett Jr. said in a statement that O'Malley's refusal to release the document raises questions about the mayor's ethics and moral character.

"Mr. O'Malley refuses to release a copy of his bar application, leading to the inevitable conclusion that he failed to complete it honestly and properly," the statement said. "Although his arrest and acquittal 20 years ago on a driving under the influence charge may be irrelevant to his ability to serve as Governor, his ability to tell the truth completely and without qualification is extremely relevant."

The move by the Maryland Fraternal Order of Police was seen privately by the mayor's campaign as a political move by a union that supports O'Malley's Republican rival, Gov. Robert L. Ehrlich Jr. Publicly, however, campaign aides declined to discuss the matter.

"We said all we're going to say about this a week ago when it first came out," said O'Malley spokesman Steve Kearney.

In 1987, O'Malley was charged with driving or attempting to drive a vehicle while under the influence of alcohol. A law student at the time, O'Malley was acquitted of the charge.

Since news of the incident arose last week, the mayor has refused to release his application to become a lawyer, a form that requires the disclosure of all criminal proceedings [em dash] including traffic citations. O'Malley has said that he does not remember if he disclosed the charge.

Ehrlich's chief of staff, James C. "Chip" DiPaula Jr., and a spokesman, Henry Fawell, were copied on the e-mail release of the union's statement.

Ehrlich released his bar application last week, and it showed that he answered "no" to the questions about whether he had been a party to any criminal proceeding or whether there had been any "unfavorable incidents" in his life that would bear on his character or fitness to practice law.

Ehrlich has said O'Malley's charge should not play out in the election.

The governor has previously been quoted as saying he had his own brush with the law as a young man when he and a friend scalped tickets to Princeton University sporting events to make extra money during college. Ehrlich has said the matter was handled by Princeton University officials, not the police, as he said in an interview four years ago. So the matter did not warrant reporting on his application to the Maryland bar.

Parties Start Frantic Final Push For Voters (USAT)

By Jill Lawrence

USA Today, November 3, 2006

As dozens of critical races remain too close to call four days before Election Day, Democrats and Republicans are ramping up drives to get voters to the polls Tuesday.

The mix includes a flock of political celebrities, tens of thousands of volunteers and millions of dollars, door-knocks and phone calls, all underlaid by new techniques to pinpoint likely supporters in unlikely neighborhoods.

Republicans had a juggernaut turnout operation in 2004 and both sides say it has gotten better. There are indications, however, that the get-out-the-vote playing field is more level now. Among them:

·Both parties say they will spend more than $30 million.

·Democrats are catching up, albeit in piecemeal fashion, to the sophisticated “microtargeting” techniques that have enabled Republicans to find and motivate potential supporters across the country.

·Ballot initiatives are spurring turnout drives on both sides. Conservatives are mobilizing voters against gay marriage and research using embryonic stem cells; liberals are mobilizing them to support the research and a minimum-wage increase.

·The Republican National Committee runs a centralized get-out-the-vote operation. Democrats are typically splintered but more efficient than usual, because 32 liberal interest groups are sharing information and coordinating their turnout drives in a coalition called America Votes.

There are more than 50 House and Senate races both parties view as competitive this year. Democrats say their turnout effort is equal to the Republican Party's in most of them. “I think they did have a better operation in 2004,” New York Sen. Charles Schumer, head of the Democratic Senatorial Campaign Committee, says of Republicans. “We learned that lesson.”

Democrats, relying heavily on union muscle, used to have the edge in getting out the vote. “We've been very fortunate we've been able to match them and in some instances outdo them,” says Michael DuHaime, political director of the Republican National Committee.

VIPs rallying voters this weekend include former New York City mayor Rudy Giuliani and actor Michael J. Fox, who has Parkinson's disease and is helping Democrats who support federal funding for embryonic stem cell research. The usual powerhouses, among them the AFL-CIO and the National Rifle Association, will be out in force. Some of the most intense activity: e-mails flying across the Internet, a technique especially popular with business groups partial to Republicans.

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The most coveted voters in congressional elections are people who typically vote only in presidential years. They are followed closely by swing voters who aren't loyal to one party or the other. Over the past six years, Republicans have become expert at finding them and anyone else with potential GOP leanings, even in states where voters don't register by party.

In a process called microtargeting, they collect as much information as possible about voters from public records, Census data and marketing research firms. That's used to create profiles including everything from voting history, job and marital status to where people live, what they drive, what they read and whether they fish.

The end product is a score indicating someone's likelihood of voting, of supporting one party or the other and of being interested in certain issues. Advocates then use that information to determine whom to contact and what kind of pitch to use.

"We no longer look at the world geographically," DuHaime says. "We believe there are voters everywhere that should be our voters." Before, he says, the party would skip a city or precinct where only 10% voted Republican — but now it will try to raise that 10% to 14%. "There's no area anywhere we ever write off."

Democrats are scurrying to make up for lost time. While they continue to press turnout in heavily Democratic cities and inner suburbs, they are using microtargeting to find voters in areas where only three or four in 10 people vote Democratic.

The application is spottier than the GOP's national reach and the voter descriptions less detailed. Even so, in the places Democrats most need it, some form of the technique is in use by someone.

America Votes is microtargeting in six states — Ohio, Pennsylvania, Minnesota, Michigan, Colorado and Wisconsin — for its 32 member organizations. Emily's List, which helps female Democratic candidates, is microtargeting women in Michigan, Minnesota, Missouri and Washington, and in 18 House districts. Some unions are microtargeting their members to decide which doors to knock on. The two Democratic congressional campaign committees are microtargeting in most of their hot races. The Democratic National Committee is running pilot programs in six states.

"They are very hierarchical and we're not, and that's just the way it is. It's never going to change," Karin Johanson, executive director of the Democratic Congressional Campaign Committee, says of Republicans. "They're good. We're good, too."

Inside The Beltway (WT)

By John McCaslin

The Washington Times, November 3, 2006

The world's a stage

No plans for election eve?

Let's all join Al and Tipper Gore on Monday evening at the Kennedy Center Concert Hall "for an intimate conversation on the state of our environment, our global situation, our families and how we can all work together to make our future world a better place for everyone."

Show time is 8 p.m. (tickets range from $60 to $100) for what will be a 90-minute chat titled: "Blueprint for Personal Action with Al and Tipper Gore."

72-hour campaign

Nobody laid the groundwork more for a successful midterm Election Day than Democratic National Committee Chairman Howard Dean. Placing the Democrats in the majority of Congress this month has been his No. 1 priority, and beyond that winning the White House in 2008.

So there's good reason for Mr. Dean to be concerned these final days of campaigning, given sensational predictions from pundits and pollsters alike of an easy Democratic sweep on Tuesday.

Mr. Dean had this warning yesterday, which he sent to Inside the Beltway via e-mail: "We must stay focused and ignore the polls or pundits who tell us we have the election locked up," he said. "This election is less than a week away, but there's plenty of time left for a Republican comeback.

"Most worrisome," he said: "the Republican Party's 'infamous 72-hour' operation," which he said will be "cranking up" starting this weekend to get out the Republican vote.

Tuesday fades

Everybody is waiting for Election Day, but the truth is that nearly a quarter of American voters will have cast ballots before Tuesday, either by absentee means or by visiting an early voting place.

"America is undergoing a revolution in voting. 'Election Day' is quickly becoming a thing of the past as we move towards a system of many mini-election days leading up to the main event," notes John C. Fortier in his new book, "Absentee and Early Voting: Trends, Promises, and Perils."

A research fellow at the American Enterprise Institute for Public Policy Research, Mr. Fortier calls the rise in early voting "meteoric." He writes that absentee voting originated during the Civil War for soldiers away from home, but today more and more states, including California, are promoting its use.

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The book states that just 25 years ago, about 5 percent of Americans voted before Election Day. That number grew to 15 percent by 2004.

Pint of Adams

We had to laugh at part of a letter sent by "The Spirit of George Washington," professional impersonator James Renwick Manship Sr., to a fellow Virginian christened with a pair of historical names.

"Dear Mason Adams," Mr. Manship writes. "As I said when I met you a week ago at the church pastored by George Mark Washington, you have a great name of two great patriots.

"I was thinking of 'my' promoter for commander in chief, and 'my' Vice President John Adams. But you mentioned Sam Adams, who due to the lager brewed in his name, is likely better known, and more sought for 'counsel' than John in these current times."

Sipping moxie

Calvin Coolidge's "civility and high ethical stature were a strong tonic" in his day, and today's leaders should "study his history and take a sip from his favorite drink, moxie."

So Cyndy Bittinger, executive director of the Calvin Coolidge Memorial Foundation in Plymouth, Vt., tells Inside the Beltway, after we had written about columnist Cal Thomas' efforts (he's related to Coolidge) to build the nation's 30th president a presidential library.

"Yes, up here in Vermont we think highly of Calvin Coolidge, a man from a farming community who made a difference in people's lives," Ms. Bittinger writes, adding that after World War I he "restored the nation to normalcy and peace."

She also cites Coolidge's "warm relationship" with the press. He met with reporters twice every week and, therefore, had no need for a press secretary.

Quote of the week

"Why are 30,000 U.S. troops tied down on that peninsula half a century after the Chinese left North Korea and 15 years after the Soviet Union expired? If the 60 million Koreans, North and South, were raptured up to heaven, how would America be imperiled?"

— Patrick J. Buchanan, arguing this week against both conservatives and liberals who are calling for an expansion of the U.S. military to respond to hot spots around the world. Instead, the commentator says obsolete alliances should be dissolved where there are no vital American interests.

Campaigns Set For TV Finale (WP)

By Jonathan Weisman, Chris Cillizza

The Washington Post, November 3, 2006

The Republican and Democratic parties dumped tens of millions of dollars this week on dozens of congressional races, locking up broadcast time yesterday for a blizzard of new advertising that will saturate the airwaves over the final weekend of the midterm campaign season.

Candidates rushed out more than 600 new television ads ahead of network deadlines for the weekend, with many Republicans trying to shift attention from Iraq and President Bush to local issues such as the environment, taxes and immigration. This final thrust will boost spending on political and issue advertising past $2 billion in this campaign, or $400 million more than in the 2004 presidential campaign, according to Evan Tracey of the Campaign Media Analysis Group.

"Politics is probably the only business in the world where they spend the most money when they have the least number of available customers to pitch to," Tracey said.

Meanwhile, in Billings, Mont., President Bush kicked off a final six-day campaign swing through heavily Republican states in hopes of rallying disaffected supporters in time to save the endangered GOP majorities in Congress.

Bush opened his tour in this conservative state in a bid to rescue Sen. Conrad Burns, who has battled back from a big deficit against Democratic challenger Jon Tester, and then headed to Nevada, where the president appeared beside a House Republican candidate fighting to hold on to a once-safe seat.

Bush's itinerary and message underscored the depth of the Republican troubles this year -- particularly the president's low approval rating and the strong opposition to the Iraq war -- and the last-minute White House strategy for countering them. The 10 states the president plans to visit before Tuesday's elections all voted for Bush in 2004; he is staying away from battleground states such as Ohio, Pennsylvania, Tennessee and Virginia, where many Republican candidates would rather not campaign with him at this late hour.

In the final ad rush, it has grown difficult to tell which candidates are Republicans and which are Democrats. Burns posted a new ad touting the record of Montana's Democratic senator, Max Baucus, and saying he has stood with Baucus while his

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opponent, Tester, would oppose him. Rep. Sue W. Kelly, one of several Upstate New York Republicans in trouble, boasts in her new ads of her record on clean air and water -- and her opposition to Bush's energy plan.

"I'm not always the most popular person with party leaders in Congress," she says.

Rep. Michael E. Sodrel (Ind.), one of three highly endangered Hoosier Republicans, treats his Democratic opponent, former congressman Baron Hill, as the incumbent, striking a popular Democratic theme when he charges that Hill voted for policies that send Indiana jobs to China.

Some Democrats are taking a similar tack. Idaho Democrat Larry Grant accuses his Republican opponent, state Rep. William T. Sali, of raising taxes, while Rep. Stephanie Herseth (D-S.D.) features fresh-faced Dakotans beaming, "Mostly we want to thank Stephanie Herseth for voting to strengthen national security."

But the candidates in the most jeopardy have come out swinging. Sen. Rick Santorum (R-Pa.), who continues to trail his opponent badly in the polls, released an ad featuring a young Iraq war veteran who accuses Pennsylvania state Treasurer Robert P. Casey Jr. (D) of investing billions of the state's dollars in companies that support terrorists.

Democrat Francine Busby, in her third try for the San Diego area seat once held by imprisoned former GOP congressman Randy "Duke" Cunningham, lumped her opponent, Rep. Brian Bilbray (R), with Cunningham, convicted lobbyist Jack Abramoff, indicted former House majority leader Tom DeLay (R-Tex.) and disgraced former representative Mark Foley (R-Fla.).

"We don't need another congressman in jail," the ad warns.

Campaign strategists rushed to book a final wave of TV ads before the weekend. A look at financial reports filed yesterday with the Federal Election Commission showed that, on Wednesday alone, the Democratic Congressional Campaign Committee spent $12.4 million on advertising in 36 districts; the National Republican Congressional Committee spent $5.9 million on commercials in 17 districts.

The expenditures by the two committees are reflective of their overall strategies. Republicans are largely focusing their resources on the campaigns of incumbents facing surprisingly tough reelection races, in hopes of building a wall against a massive wave that could see Democrats pick up 25 or more House seats.

The Democrats must pick up at least 15 seats to win control of the House and six to win control of the Senate.

On Wednesday, the NRCC spent more than $2 million on ads for three endangered Republicans in the Philadelphia media market. The committee spent nearly $750,000 on behalf of Rep. David G. Reichert in Washington's 8th District and an additional $445,000 in Sodrel's Indiana district.

The DCCC, by contrast, is spending the bulk of its money on offensive opportunities. Its largest expenditure -- $1.3 million -- was made on behalf of Iraq war veteran Tammy Duckworth, who is running against state Sen. Peter J. Roskam (R) for Illinois' open 6th Congressional District seat. The district is covered by the Chicago media market -- one of the most expensive in the country.

The Democratic committee plunked down $718,000 on behalf of former congressman Ken Lucas, who is trying to unseat Rep. Geoff Davis (R) in northern Kentucky's 4th District, and $673,000 in Arizona's 5th District, where Rep. J.D. Hayworth (R) is trying to fend off a tougher-than-expected challenge from former Tempe mayor Harry Mitchell (D). Mitchell recently won the endorsement of the Arizona Republic newspaper, which had endorsed Hayworth in each of his past six runs for Congress but this time referred to him as a "bully."

Republican Party committees appear to have depleted much of their cash advantage, making it likely they will face tough decisions in the campaign's final days, according to the Campaign Finance Institute, a nonpartisan research group.

Between Oct. 19 and Nov. 1, national Republican committees reported spending $50 million to support House and Senate candidates, compared with $38 million spent by Democratic Party committees over the same 14 days.

Usually, the number of competitive districts goes down during a campaign's final weeks. This year, the number of competitive House seats went up. "As a result," the institute said, "the parties either have to give up on some races to concentrate their resources, or spread their resources more thinly than they had planned. This is a problem for both parties, but particularly for the Republicans, who are playing defense to save embattled incumbents."

With resources thinning, control of the Senate continues to teeter on the outcome of races in three states: Missouri, Tennessee and Virginia.

Missouri continues to be the truest of tossups, with internal tracking polls for both parties showing the race between Sen. James M. Talent (R) and state Auditor Claire McCaskill (D) within a percentage point or two. Democrats are feeling increasingly optimistic about Virginia as they believe former Navy secretary James Webb (D) is overtaking Sen. George Allen (R).

The biggest disagreement between the two sides comes in Tennessee, where Republicans spent the day touting a poll by Zogby International that showed former Chattanooga mayor Bob Corker (R) opening a substantial lead over Rep. Harold E. Ford Jr. (D), 53 percent to 43 percent. Later, the Democratic Senatorial Campaign Committee released a poll of its own that showed Ford in the lead, 46 percent to 40 percent.

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Nasty Ads Close Out A Mud-caked Campaign (USAT)

By Susan Page

USA Today, November 3, 2006

WASHINGTON — It's a dangerous world.

To be a political candidate, that is.

Oklahoma Gov. Brad Henry is a lot like Adolf Hitler, an ad on the Internet warns. North Carolina Rep. Brad Miller wants to make America "one big fiesta for illegal aliens and homosexuals," a radio spot featuring cheerful mariachi music claims. Indiana Rep. Chris Chocola opposes medical care for wounded vets, a TV ad suggests.

And Pennsylvania Senate candidate Bob Casey? Electing him apparently would risk nuclear annihilation.

A record $2 billion is being spent on candidate and independent "issue" TV ads during this campaign, estimates Evan Tracey of TNSMI/Campaign Media Analysis Group, a firm that tracks political ads. In the past 60 days, he says, an unprecedented 90% of the ads have been negative.

Some attack ads accurately criticize candidates for votes they've cast and positions they've taken, an analysis by the University of Pennsylvania's Annenberg Political Fact Check found, but many of the ads amount to what the report called "political mudslinging." Spots by both parties distort the truth or leave a misimpression in an effort to make a candidate seem unacceptable and his election foolhardy, even dangerous.

Political forces have combined this year in "a perfect recipe for attack advertising," says John Geer, a Vanderbilt University political scientist and author of In Defense of Negativity: Attack Ads in Presidential Campaigns. "The parties are continuing to polarize, and the stakes are high because who controls Congress is in play."

What's more, neither side has much of a positive agenda to spotlight, he says, particularly on the issue foremost on many voters' minds: the war in Iraq.

Voters routinely decry negative ads and insist they ignore them.

In a USA TODAY/Gallup Poll last month, seven in 10 said they believed "not much" or "nothing at all" of what they heard in political advertisements. By more than 2-to-1, they said most of the television advertisements they have seen this year have been negative.

Twenty-eight percent said most ads have been "very" or "extremely" negative, compared with just 4% who said most have been "very" or "extremely" positive.

The survey of 1,007 adults Oct. 6-8 had a margin of error of +/-3 percentage points.

The "toxicity" of the political environment may discourage some people from bothering to go to the polls, says Page Gardner of Women's Voices, Women Vote, a group that encourages political participation by single women.

Nevertheless, campaigns deploy negative ads because they work.

A Notre Dame study of advertising in the 2004 presidential campaign concluded that negative ads were much more likely than positive ones to weaken support for a candidate. Five percent of voters said their support for their favored candidate was weakened after viewing a positive ad for the opposition, while 14% said their support was weakened after seeing a negative ad targeting their side.

"They hated the negative ads, they saw positive ads as being more persuasive and influential, and yet that was not the effect," says Joan Phillips, a marketing professor who helped lead the study.

The non-partisan Fact Check analysis, released last Friday, concluded that the National Republican Congressional Committee had spent $41.9 million attacking Democratic opponents and $5 million supporting its own candidates. The Democratic Congressional Campaign Committee had spent $18 million attacking Republican opponents and $3.1 million supporting its own candidates.

The proportion of negative ads was much higher than in 2004, when Federal Election Commission records show that the political parties spent about $6 on ads in favor of congressional candidates for every $5 spent opposing candidates.

Some negative ads, including tough ones, tap humor. Over the past few days, Republican gubernatorial candidates in Minnesota, Texas and Wisconsin began airing 60-second radio ads that mimic Anheuser-Busch's sarcastic "Real Men of Genius" spots for Bud Light.

In Texas, as a singer croons in the background, a mock-serious announcer "salutes" Democrat Chris Bell as "Mr. Way-Too-Liberal-For-Texas Guy."

In Wisconsin, a similar ad dubs Democratic Gov. Jim Doyle "Mr. Tax-Hiking-Politician Man."

The tone isn't likely to lift as the campaign heads into its final weekend, Tracey says, especially in competitive contests. He likens political advertising to a jury trial: "Opening arguments" in which a candidate introduces himself or herself — and, often, the spouse, kids and dog — followed by a period of attack and counterattack. Then there are "closing arguments."

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A candidate who's safely ahead may turn to “a warm-and-fuzzy” appeal at the end, Tracey says. “But if you're losing, that's when you start to throw your haymaker.”

Recent Gains In Shaky Races Have Heartened GOP (LAT)

By Janet Hook

The Los Angeles Times, November 3, 2006

Washington — President Bush was hosting lawmakers in the Oval Office last week when he asked House Majority Leader John Boehner, R-Ohio, to size up GOP prospects in the midterm elections.

When Boehner acknowledged that he had already written off some Republican House seats, naming one in the South, Bush protested loudly and called in his chief political adviser. Karl Rove entered on cue with an armful of charts to prove the seat was still in play and the party could hold onto its House majority.

"Thanks for the information," Boehner responded.

The exchange illustrates the dual mood of Republicans in the final week before Election Day: While there is pervasive fear that the party will lose control of Congress, a cadre of die-hard optimists is refusing to wave the white flag.

They point, like parched travelers spying water in the desert, to a few recent developments that could help the GOP in the waning days of the campaign. They delight in this week's gaffe by Sen. John F. Kerry, D-Mass., who made a joke that seemed to insult U.S. troops in Iraq. The GOP Senate candidate in Maryland is running a surprisingly strong campaign. Some of the party's most-endangered incumbents, such as Rep. Thomas Reynolds in New York and Sen. Conrad Burns in Montana, are battling back in the polls. Some analysts are no longer writing off GOP chances of holding onto seats in Texas and Florida that were vacated when scandal-scarred Republicans Tom DeLay and Mark Foley quit the House.

Senior party officials, including Rove and Bush, insist that Republican fundraising and voter-mobilization advantages -- or some 11th-hour surprise -- will preserve their Senate majority and keep GOP losses below the 15 seats that would give Democrats control of the House.

"The Republicans are going to make a great goal-line stand," GOP pollster Whit Ayres said.

Many strategists in both parties dismiss such talk as a Pollyana-ish ploy to keep GOP voters from staying home on Election Day. That Republicans are fighting so hard in some of the country's most conservative regions is a measure of how tough a road they face. For every seat that comes within reach, strategists are identifying once-safe incumbents who suddenly are in trouble.

Amy Walter, an analyst for the nonpartisan Cook Political Report, says Republicans are like boatmen bailing water in a storm.

"You have a bucket, and your ship is filling up," Walter said. "But for every bucket you bail, another wave is coming in."

Even former House Speaker Newt Gingrich, R-Ga. -- who in a recent memo claims momentum has shifted to the GOP and predicts the party will keep control of the Senate -- gives Republicans a 50-50 chance of keeping a House majority.

In the Senate, Republicans have a clear, if uncertain, path to victory: To keep Democrats from winning the six seats they need to gain the majority, the GOP is pouring resources into three key races that are too close to call. Those are in Tennessee, Missouri and Virginia.

Elsewhere, Republicans are cheered by recent signs that their standing has improved in races that had been considered lost causes. In Montana, polls show Burns closing in on his Democratic opponent. The national GOP this week announced a new round of television ads for Burns, and Bush campaigned for him Thursday.

In Maryland, a Democratic-dominated state, some polls show that Republican Michael Steele has narrowed the gap in the Senate race. The Cook Political Report now calls it a tossup.

In the more difficult battle for the House, a senior GOP strategist says there is still a road to victory -- even if it runs steeply uphill and ends in a wafer-thin majority.

This strategist conceded that at least seven GOP-held seats were lost causes: open seats in Arizona, Colorado, Iowa and Ohio; and seats held by two incumbents in Indiana (Reps. Chris Chocola and John Hostettler) and one in Pennsylvania (Curt Weldon). But the strategist claimed the party could hold the line elsewhere, identifying 24 GOP seats and four Democratic-held seats for which polls indicate the races are too close to call.

"No one can predict how those seats go," said the strategist, who requested anonymity. "This is where race-by-race dynamics kick in."

Even accepting those assumptions -- which many other Republicans regard as too optimistic -- the GOP would have to win three-quarters of those close races to retain its House majority. That might have been plausible in years when incumbents had an edge. But this year, with anti-Republican winds blowing at gale force, that may be a longshot.

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Republicans are betting that the advantages traditionally enjoyed by GOP incumbents -- their fundraising edge, their record of bringing home federal money for local projects and the party's vaunted get-out-the-vote machinery -- remain formidable and will tilt close races their way.

Indeed, Reynolds' money advantage may have helped him bounce back from a steep drop in polls after the Foley sex scandal.

The lawmaker, from upstate New York, immediately bought television time for an ad in which he apologized for not responding more aggressively to early warnings that Foley had sent salacious e-mails to male congressional pages. Reynolds also was helped by a huge blizzard in his district that eclipsed the Foley scandal and gave him a chance to showcase his political clout by securing federal disaster aid for the community.

In many places, however, incumbency is as much a liability as it is an asset.

In the battle for open seats, the GOP endgame includes a determined effort to hold onto the Foley and DeLay districts. Many strategists regarded those seats as slam-dunks for Democrats, because the GOP was unable to Foley's and DeLay's names on ballots. But both districts are heavily Republican, and party officials are laboring to educate voters on how to cast ballots for the GOP's chosen replacement candidates.

In Texas, Republicans are running a write-in campaign for Shelley Sekula-Gibbs. The party is sending people door to door to explain how to cast a write-in ballot. The Cook Political Report, which long rated the race as likely to go Democratic, now calls it a tossup.

In Florida, Foley's name will be on the ballot, but any vote cast for him will count as a vote for GOP candidate Joe Negron. The GOP won a court ruling last week that allowed signs making that point to be posted in polling places.

On another front, Republicans hope to cut their losses by defeating at least one of the handful of House Democrats considered vulnerable. In Illinois, where Democratic Rep. Melissa Bean serves a GOP-dominated district, Republicans hope a third-party candidate will siphon away enough votes to give the GOP candidate an edge. In Georgia, Republicans are targeting two House Democrats whose hold on their seats has been weakened by redistricting.

Faded Contract Republican Rebels Of '94 Now Face Their Own Revolt Promises To Balance Budget And Shrink Government Lost Steam In Congress Assailing 'Influences Of Power' (WSJ)

By Jackie Calmes

The Wall Street Journal, November 3, 2006

FOUNTAIN HILLS, Ariz. -- Twelve years ago, J.D. Hayworth and 72 other Republicans rode into the U.S. House of Representatives on a wave that washed out Democrats after four decades in control, ushering in a "Republican Revolution" to cleanse Washington.

Now Mr. Hayworth is at risk of being swept out in much the same way. After six years in which Republicans controlled the White House as well as Capitol Hill, voters' revulsion with failed promises, dysfunction and scandals threatens big losses for the party on Tuesday.

So Mr. Hayworth, once among the most recognizable revolutionaries in Congress's big, brash and combatively conservative "Class of '94," now stands as something of a symbol even for Republicans asking: What went wrong?

A member of the powerful Ways and Means Committee, Mr. Hayworth has been on the defensive about both campaign contributions and his initially unreported use of sports skyboxes from disgraced Republican lobbyist Jack Abramoff and his Indian tribal clients. To blunt such bad news, Mr. Hayworth boasts of the government funds that he has brought home, from a pedestrian bridge in Tempe to defense contracts for Arizona firms. Such claims win over some locals, but offend many fiscal conservatives.

The widespread sense that Republicans in Congress have lost their way, drifting into the same abuses they had pledged to end, helps explain why many, like Mr. Hayworth, are in trouble. The Republicans' 1994 "Contract with America" vowed to shrink government, balance the budget and limit members' terms. The Republicans said they would end Congress's "cycle of scandal and disgrace."

That contract is now broken, conservatives say, as the former rebels have morphed into an establishment clinging to power.

The national debt now nears $9 trillion. Rather than curb entitlement programs' growth, Republicans created a new one -- Medicare's prescription-drug benefit -- and rejected President Bush's call to overhaul Social Security. Their original vow to kick the pork barrel has given way to gorging on "earmarks" -- funds lawmakers specifically set aside for special projects -- in the annual appropriations bills. There have been a number of corruption probes.

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"You saw the idealism, and then you saw people lose a little focus, and you saw the corrupt influences of power affect Republicans," says Rep. John Shadegg, a congressman from Phoenix and member of the Republican class of 1994.

ELECTION 2006

Predict how the House and Senate votes will go in our Washington Wire reader contest1. Plus, take a closer look at issues and candidates2 in about 20 House races, review polls3 in close House contests and see complete coverage4.

Among those who lament that the movement has gone astray is Newt Gingrich, the general behind the 1994 revolution, who became House speaker but was forced out four years later. "This is a center-right country with a willingness to tolerate a little bit of incompetence. But it's certainly getting more than it needs," said Mr. Gingrich, in an interview this summer. "The Republican Party drifted away from reform and changed back to a standard political party."

He and other Republicans cite achievements as well. They credit a series of tax cuts that climaxed under President Bush for recent economic growth as well as the mildness of past downturns. With President Clinton, Republicans rewrote welfare policy. They toughened criminal-sentencing laws and minimized workplace and environmental regulations. They would have done more, some say, but for the resistance of less conservative Senate Republicans and the obstruction of Democrats.

As he campaigns, Mr. Hayworth says, "What I'm hearing is we have to work harder, but that the spirit of '94 in many ways has been realized ... in terms of pro-growth economic policies, in terms of rebuilding our national defense."

Some Republican lawmakers, including more recent arrivals, still try to hew to the revolution's principles. Among them are three of Mr. Hayworth's fellow Arizona Republicans -- Reps. Shadegg and Jeff Flake, elected in 2000, as well as Sen. John McCain. They have led a mostly losing fight against the explosion in earmarks.

For many congressional Republicans, the shift from reform to self-preservation was most evident at the start of the current Congress last year. Former House Majority Leader Tom DeLay, anticipating his indictment on corruption charges, pushed a change in House rules so he could remain as leader. After a public furor, Republicans reversed it. Mr. DeLay resigned last June.

Of the Republicans who entered the House after 1994, just under half remain. Several have moved on to be governors or senators. Ohio's Rep. Bob Ney faces prison after pleading guilty in the influence-peddling Abramoff scandal. Florida's Rep. Mark Foley resigned after disclosures of lewd computer messages he had sent teenage House pages.

While term limits were a big issue in 1994, only a few of the members elected that year voluntarily left after three terms -- the length most espoused. Those who remain now seek their seventh term. As Election Day nears, a number are in trouble with a mutinous electorate. This week, independent analyst Charlie Cook moved Mr. Hayworth's race to the "toss-up" category, from "leaning Republican."

At 6-foot-5-inches and 220 pounds, Mr. Hayworth, a former college football player, is in fighting trim, down from 340 pounds in 1996, when he first struggled for re-election. He predicts both he and the Republicans' majorities will survive next week's election, and afterward, the party "can reassert the principles that brought us to power."

He retains the partisan bombast that made him stand out a dozen years ago. Yet just as voters nationally have tired of Washington's un-civil wars, his personality is an issue here. For the first time in his seven races, the state's largest newspaper, the Arizona Republic, didn't endorse Mr. Hayworth. It recently recommended his 66-year-old Democratic rival, Harry Mitchell, a longtime local officeholder, in an editorial headlined "Mitchell over the bully."

After Mr. Hayworth gave a recent speech to a Kiwanis Club here in Fountain Hills, an affluent suburb of Phoenix, the reaction was mixed. As about 50 Kiwanians departed after lunch, Bill Eckhardt, a 75-year-old Republican, said he'll vote for Mr. Hayworth given his prize seat on the Ways and Means panel. But the club vice president, Republican Bill Schmitt, 67, says he won't.

"I can't stand to be in the same room with him," Mr. Schmitt says. He's fed up with the war, and with Mr. Hayworth, who he says personifies "the slam and bash and tear and disgrace" partisanship of his party. Mr. Schmitt estimates about 20 club members, half of them Republicans, stayed away when they heard the congressman would be speaking.

Afterward, Mr. Schmitt buttonholed Mr. Hayworth. "I said, 'You know, you guys ought to get together as a group and figure out how you're going to clean up your act.'"

In the past year, four Republican House members have been forced from office by scandal. Besides Reps. DeLay, Ney and Foley, Randy "Duke" Cunningham of California is now in prison after pleading guilty to bribery and other charges for essentially selling defense earmarks. Ongoing investigations are looking at several others.

The spending earmarks at the center of some of those investigations reflect the drift since Republicans ascended.

In 1992, still in the minority, then-Rep. Gingrich taunted Democrats, "I am committed to hunting down every appropriation ... that is some politician taking care of himself." But in 1995, the new Republican-led Congress approved a record 1,430 projects worth $10 billion in the year's appropriations bills, according to the conservative group Citizens Against Government Waste. The totals escalated annually -- to 9,963 projects valued at $29 billion for fiscal 2006.

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Scott Lilly, a former House Democratic staffer and now senior fellow at the Center for American Progress, a Democratic think tank, has documented a proliferation of earmarks in highway bills. For 30 years after a transportation trust fund was created in 1956, highway bills, which are passed every few years specified 14 projects at most; spending decisions were left to the states. Then, in 1987, Democrats salted that year's package with 155 earmarks. The next, in 1991, had 538. "I have never seen anything as outrageous," Ohio's Rep. John Boehner -- now the Republican majority leader -- said back then.

But the Republicans' first highway bill, in 1998, more than tripled the previous 1991 bill's total. Last year's highway bill had 6,371 special projects worth $23 billion.

Earmarks have gone from perks for the powerful to goodies spread all around -- as incumbent protection, grease to get votes for hard-to-pass bills and, as Mr. Cunningham's conviction attests, payback for benefactors. Democrats get a smaller piece of the pie. A Republican database tracks tens of thousands of member requests for new projects. At orientations to Congress, Republican leaders instruct new members how to get projects, Mr. Flake says. "You're told you have to do that to be re-elected."

When House leaders last year strained to pass the Central American Free Trade Agreement, Mr. Flake recalls, "you actually had the Appropriations staffers on the floor of the House taking orders" for highway projects "to secure the last couple of votes." That trade agreement was approved after midnight by two votes.

Similarly, earmarks were currency to get votes for the Medicare prescription-drug bill in 2003. Republican leaders rejected compromise with Democrats, but were faced with conservatives' revolt over their measure. When it appeared to have lost the House tally, the leaders extended the traditional 15-minute limit for voting for nearly three hours, until 6 a.m., openly bargaining with members on the floor until several changed their votes. "One of the most breathtaking breaches of the legislative process in the modern history of the House," write congressional scholars Thomas Mann and Norman Ornstein in their new book, "The Broken Branch."

That episode, many Republicans say now, captured how far they had moved from the heady "First 100 Days" of 1995. Then, their initial act was to change House rules to end abuses.

Looking back, a turning point was House Republicans' unpopular 1998 impeachment of Mr. Clinton. They lost seats in that year's midterm elections and Republicans forced Mr. Gingrich's departure. Power shifted from him and House Majority Leader Dick Armey of Texas, the revolution's philosophical architects, to Mr. DeLay and his former deputy Dennis Hastert of Illinois, who became Speaker. Both are seen as more pragmatic political gamesmen. Mr. DeLay, a former appropriator, expanded the use of earmarks as part of his plan for a permanent Republican majority.

After Mr. Bush's 2000 election, with all power in Republicans' hands, many conservatives had expected to realize their dreams. Instead, says Joe Scarborough, a '94 classmate who now hosts MSNBC's "Scarborough Country," that's when the revolution really ended: "Power corrupts, and absolute power corrupts absolutely.'"

Certainly conservatives who were elected with Mr. Bush have been disappointed, except on tax cuts. They cite the "No Child Left Behind" law, which expanded the federal role over education, the Medicare drug benefit, restored farm subsidies, and nondefense spending increases. Also, they lament, Republicans let Mr. Bush set the agenda, abandoned their own search for conservative ideas and acquiesced as he centralized power in the executive branch. "We're thinking, we've finally made it to Congress and the Revolution is over," Mr. Flake says.

He and other Republicans look to jumpstart the movement once the election is over -- and Congress comes back for a lame-duck session to finish appropriations bills and elect new leaders.

Mr. Hayworth, who unlike his Arizona colleagues has been a leadership loyalist, told the Kiwanis Club, "I was pleased to work with my colleague Jeff Flake on earmark reform so that spending does not come in the dead of night or in a conference room far from the scrutiny of people."

In an interview afterward, he took credit for leading the successful mutiny against last year's House rules change for Mr. DeLay. But Democrat Mitchell, among others, recall Mr. Hayworth's televised defenses of Mr. DeLay at the time. Mr. Mitchell has seized on that to underscore what he says is Mr. Hayworth's complicity in the worst of the Republican leadership's excesses. Amid supporters at the "Cookies From Home" store in Tempe, he said, "If you like the way things are in Washington, J.D. will give you more of the same."

Mr. Hayworth calls the punishing midterm campaigns "a wake-up call to return to those common-sense conservative principles."

"I don't think we've lost our philosophical moorings," he says. "But always in an imperfect world, there will be missteps."

Ranks Of Independent Voters Rising (AP-Y)

By Philip Elliott

AP, November 3, 2006

DOJ_NMG_0090958

The number of independent voters continues to rise, and that should give pause to Republicans trying to keep control of the House and Senate, an analysis of registration and turnout suggests.

About 17 percent of voters registered for next week's election eschew major-party identification, according to a study released Thursday by American University's Center for the Study of the American Electorate.

That's up from about 14 percent in 2002, and the trend could help Democrats in their effort to gain 15 seats in the House and six in the Senate to achieve majorities, said the center's director, Curtis Gans.

"The people are turning against both political parties and the political process," Gans said. "My judgment is, the intensity factor of this unhappiness benefits the Democrats. ... Karl Rove may prove me wrong."

Gans said the numbers evoke statistical comparisons to 1962, 1982 and 1994, when voters turned against the incumbent parties out of "one form or another of unhappiness or fear."

According to the study, 31 percent of registered voters identify themselves as Republicans, and 37 percent say they are Democrats. The sampling is based on 13 of the 28 states that require partisan registration, plus the District of Columbia. The figures don't add up to 100 percent in part because voter rolls include many people who have died.

"If the political backdrop doesn't radically change between now and next Tuesday, it is also likely that the Democratic midterm vote will exceed the Republican vote for the first time since 1990," Gans wrote in the report.

Of the United States' 138.8 million eligible voters, an estimated 42 to 47 percent are expected to vote. The most recent high in a midterm election was 42 percent in 1982.

Turnout during 2002, the latest midterm election, was 40 percent.

Election '06 Wild Card: 'Indies' (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, November 3, 2006

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FORT COLLINS, COLO.

Excluded from debates, left off the polls, ignored by the news media, or dismissed by the public as a "wasted vote," minor-party candidates could tip a few key races in next week's midterm elections - or win them outright.

From the Mountain States, where a virtual unknown is polling 10 percent and just snagged four newspaper endorsements for a US House race, to the coasts of New England, where two independents are poised to win bids to the US Senate, un-red and not-blue candidates are testing how deep the dissatisfaction with the two main parties is running.

"We're really not used to thinking about third parties in midterm elections, but there is a lot of push away from the major parties," says political scientist Ron Rapoport, coauthor of "Three's a Crowd: The Dynamic of Third Parties, Ross Perot, and Republican Resurgence."

This year, 425 minor-party candidates are running for a US House, Senate, or governor's seat, according to Project Vote Smart. About 80 percent of voters will be able to vote for a Libertarian for statewide office, 60 percent for a Green Party candidate, and 30 percent for a Constitution Party candidate, says Richard Winger, who tracks minor-party candidates and issues for Ballot Access News. Reform Party candidates are on statewide ballots in Florida and Colorado.

In 2002, 5.2 percent of all voters voted for some candidate other than a Republican or Democrat at the top of the ballot (usually governor or senator). That's the highest result for a midterm election since 1934. "This year will be up," Mr. Winger predicts. "More and more high-quality people are willing to run as minor-party candidates for public office."

Some are already big names. Running as an independent, Sen. Joseph Lieberman (D) of Connecticut is expected to hold his Senate seat after losing the Democratic primary by staking out middle ground between the two main parties. Independent Rep. Bernard Sanders of Vermont is also expected to win his bid for the Senate - the first time since the mid-1970s that the Senate would have two independents concurrently.

"It's rare for there to be more than one independent in the US Senate," says Betty Koed, assistant historian of the Senate Historical Office. The last time the Senate had more than two independents was in the late 1890s, when five Populists, five Silver Republicans, and two members of the Silver Party served.

Independent candidates could tip the outcome in at least three close House races next week. In Indiana's Ninth District, Libertarian Eric Schansberg's candidacy is expected to help the Democrat, former Rep. Baron Hill, in his bid to oust GOP Rep. Mike Sodrel. And Independent John Binkowski could tip the race between Patty Wetterling and state Sen. Michele Bachmann in Minnesota's Sixth District. In an unexpectedly close race in Arizona's Fifth District, Libertarian Warren Severin could sway the race between Democratic challenger Harry Mitchell and embattled incumbent Rep. J.D. Hayworth.

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"There's a lot of dissatisfaction, obviously, among Libertarian voters among the Republicans, but not much enthusiasm for Democrats," says David Boaz, executive vice president of the Cato Institute, a libertarian think tank in Washington. In races such as Arizona's Fifth, "it makes it hard to figure out who [the Libertarian candidate] is hurting."

Third-party candidates polling in single digits could also tip close US Senate races in Maryland, Missouri, New Jersey, and Tennessee.

Running colorful gubernatorial campaigns in Texas, independents Kinky Friedman and Carole Keeton Strayhorn have held onto double-digit ratings throughout their campaign to challenge the front-runner, GOP Gov. Rick Perry.

For Colorado Reform Party candidate Eric Eidsness, a high point of his US House race came last month. He was the target of an attack ad, with incumbent Rep. Marilyn Musgrave (R). "It showed I was beginning to count," he says.

A former Reagan administration official, he got into the race because he says he was tired of how Republicans used "the fear factor" to win elections. "People are smart. People know the truth when they hear it. If we agree on a problem, we can fix it," he says.

Victory is a long shot. But four local newspapers have endorsed his candidacy and Mr. Eidsness is polling about 10 percent of likely voters.

Newspapers: Election Advice Or Kingmaking? (USAT)

By Al Neuharth

USA Today, November 3, 2006

EUREKA, S.D. — Between now and Tuesday, all across the USA, you're in for a media barrage of late pre-election news and views. Especially from many newspapers that offer traditional "endorsements."

Before the 2004 elections, I strongly suggested in this column that newspapers should stop all endorsements and "debate, but not dictate." My slightly modified 2006 stance:

·On congressional, state or local office races, voters get such a heavy dose of news, views and propaganda from and about all candidates that they don't need any newspaper telling them for whom to vote.

·But on the ever-growing number of initiatives or referendums, many or most voters are uninformed and newspaper recommendations can be helpful.

That distinction or change of heart came on a visit here to my birthplace. South Dakota has 11 measures on the ballot. The only one most people understand is a referendum that would reverse an almost total abortion ban passed by the Legislature. That's getting heavy local and national media attention because it's a frontal attack on Roe v. Wade, the 1973 U.S. Supreme Court decision that made abortion legal.

The other 10 issues get little media attention. Gov. Mike Rounds told me his advice has been "if in doubt, vote no." This state's newspapers, from the largest Sioux Falls Argus Leader to one of the smallest weeklies, the local Northwest Blade, could be more helpful than that.

Newspapers could play a similar role of informing and advising readers and voters in other states with a heavy issue ballot. Arizona has 19. Colorado, 14. California, 13.

Advice and recommendations by newspapers on issues are helpful and appreciated by readers. Newspaper endorsements of candidates are viewed as kingmaking and resented by readers.

A Duel, But Not Decisive (WP)

By Charles Krauthammer

The Washington Post, November 3, 2006

According to the pollsters, pundits and pols -- Democratic and nervous Republican -- a great anti-Republican wave is a-coming. Well, let's assume major Democratic gains: 20 to 25 House seats and four to six Senate seats. The House goes Democratic for the first time in 12 years. The Senate probably stays Republican, but by such an excruciatingly small margin that there is no governing majority.

What to say about such a victory? Substantial, yes. Historic, no. Before proclaiming a landslide, one has to ask Henny Youngman's question: "Compared to what?" (His answer to: "How's your wife?") Since the end of World War II, the average loss for a second-term presidency in its sixth year has been 29 House seats and six Senate seats. If you go back to Franklin Roosevelt's second term, the House loss average jumps to 35. Thus a 25/6 House and Senate loss would be about (and slightly below) the historical average.

True, today there is far more -- and more effective -- gerrymandering as computer power and shamelessness both have grown exponentially. So fewer seats are competitive. But that is true only for the House. You cannot gerrymander the Senate. (Of course, the Democrats are trying even that, with their perennial push for two Senate seats for the 9 to 1 Democratic District of

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Columbia, which should instead exercise voting rights in the state of Maryland, to which it is geographically, economically and culturally contiguous.) In his sixth year, the now-sainted Ronald Reagan lost eight Senate seats that gave the chamber back to Democratic control. That election was swayed by no wars, no weekly casualty figures, no major scandals. The first inkling of the Iran-contra scandal broke on the morning after the election.

Nonetheless, even if just one chamber falls to the Democrats this time, it will be interpreted as a repudiation of two things: President Bush and Iraq. The Democrats have certainly nationalized the election by focusing on Bush and the war -- with an overwhelming number of Democratic campaign ads doing little else than showing their Republican opponent hugging or praising or merely shaking hands with the president.

Indeed, the anti-Bush feeling is so strong that Democrats -- ignoring the niceties of federalism and enjoying the benefits of guilt by association -- have been running ads linking Bush with Bob Ehrlich, the popular Republican incumbent in the Maryland gubernatorial race.

Yes, the campaign has been nationalized. But will the results be? In the House, a good five seats (Bob Ney, Tom DeLay, Don Sherwood, Mark Foley, Curt Weldon) are likely to be lost to scandals having nothing to do with Bush or Iraq. Of the losing Senate races, only Lincoln Chafee of Rhode Island and Rick Santorum of Pennsylvania can be said to be dying for the sins of their party.

The other races, if lost, will be lost largely for local reasons. In Ohio, the state is rocked by an enormous Republican scandal at the gubernatorial level that is taking the whole party down with it, Sen. Mike DeWine included. In Montana, Conrad Burns is in trouble because of his association with Jack Abramoff, not George Bush.

In Virginia, a state that should not even be in play, George Allen has run the worst campaign in living memory, stumbling onto one ethnic land mine after another -- "macaca," the Yiddish mama, N-word allegations. And in New Jersey, the one Democratic seat that could conceivably go the other way and save Senate control for the Republicans, the drag on Sen. Bob Menendez is the very nonnational issue of official corruption.

So when the results come in and the Democrats begin to crow, remember this: By historical standards, this is the American people's usual response to entrenched power -- a bracing and chastening contempt. Sixth-year presidents nearly always bring their parties down. (Republican overreaching on the Monica Lewinsky scandal made Bill Clinton's sixth year an exception.) Moreover, this year, the out-of-the-blue Foley scandal interrupted whatever national momentum the Republicans had gained after successfully passing legislation on terrorist interrogation and detention, and thus refocusing attention on their strongest suit, the war on terrorism.

The election will be a referendum of sorts on Iraq. But it will be registering nothing more than uneasiness and discontent. Had the Democrats offered a coherent alternative to the current policy, one could draw lessons as to what course the country should take. But if either friends or enemies interpret the results as a mandate for giving up, they will be mistaken.

Blues Project: Depressed Voters Roll The Dice (WSJ)

By Daniel Henninger

The Wall Street Journal, November 3, 2006

If the polls and punditry are correct, the Democrats are about to take control of the House and maybe the Senate. If so, then the American people are about to make one of the biggest rolls of the dice in the country's history.

Congress's daily responsibilities lie largely with domestic affairs. By that measure, the Republicans hardly deserve re-election. They have been profligate, in several unattractive ways. The Democrats, alas, do not deserve the responsibility of congressional power at this moment of peril. They haven't justified it.

Iraq is far and away the most important issue on voters' minds. In this week's Wall Street Journal/NBC News poll, 36% said Iraq was the top voting issue followed by 22% for job creation. Sitting at 15% was something called "the war on terror." More starkly, a just-released New York Times/CBS News poll said the issue voters most want Congress to deal with is the war in Iraq at 38%; terrorism is a mere 4%.

The demotion of the war on terror is disturbing but understandable. The Iraq war, though terrible, is overweighted in the public mind. U.S. casualties are low relative to other wars. The pace of Iraq's political formation is not worse than was Russia's after the fall of the Communist Party, or China's will be. What's left is the past year's violence around Baghdad. The nature of that violence -- nearly daily, incomparably awful murders of innocent civilians -- brutalizes and shocks those of us who absorb it through daily media reports. It is a violence beyond the consciousness of a civilized people.

That a foreign war transmitted in the information age in this way can have such a deeply depressive effect on the American psyche is troubling for our role in the world and a fit subject for the 2008 election. But this is the reality the American public absorbs every day now, and if it votes for the other party on Tuesday I think that most of all it will be an attempt at catharsis. What people want most from Iraq is surcease.

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As would any party hungry for a much-needed win, the Democrats' campaign ads have boiled down this angst to a simple storyline: "George Bush's failed war in Iraq." Across the country, it's been all-Iraq and all-Bush all the time.

Washington state's Eighth Congressional District is typical. Democratic challenger Darcy Burner, a Microsoft executive, is running in a close race against GOP incumbent Dave Reichert with this: "He supported Bush's plan to invade Iraq. Supported Bush, Cheney and Rumsfeld even when they weren't telling us the truth with a failed strategy and no plan to finish the mission . . . If we stay the course, won't we get more of the same?"

Being the off-year default option may not matter much when the subject is health care or immigration. A party's seriousness of purpose matters a lot, though, when the task is the accumulating terrorist threat described in detail in the 9/11 Commission Report, proven by the London airliner plot and made imminent by the arriving nuclear capability of two rogue states, Iran and North Korea.

What have the Democrats done to prove their seriousness or credibility in addressing such a world? One may ask whether invading Iraq made the threat of terror worse, but the programs the Bush administration put in place to fight the broader war after Sept. 11 were, on balance, good -- aggressive electronic and financial surveillance, the Patriot Act, the pursuit, capture and interrogation of terrorists. Progressive Democrats and press exposés opposed all of this, and when the political going got tough for the administration, senior Democrats piled on, went silent and let the president's authority go into a free-fall merely to achieve the result hoped for this Tuesday.

Potential House committee chairmen such as Henry Waxman and John Conyers -- whose tenure and political formation date to the war years of the 1970s -- promise Iraq-related investigations, which likely will cause our front-line troops and agents in the war on terror to throttle back.

If the Democrats win the House by a large margin, media commentary will call it a "repudiation" of the administration's policies in Iraq. This sort of zero-sum analysis may be the norm now, but it's not at all clear this is the message voters want to send.

A closer look at the Times Oct. 27-31 poll is revealing on this count: 55% favor sending more troops to Iraq; 51% say the U.S. "will have lost" if it pulls out now; 62% think the U.S. will have to remain in Iraq beyond two years; 59% say neither side is winning; a majority, 52%, think the U.S. is likely to succeed there.

On whether the U.S. "did the right thing" with military action against Iraq, it is 44% yes to 51% no. Some 59% say congressional investigations of the administration are "not necessary." On whether invading Iraq has increased the terror threat against the U.S., 46% say it's about the same. George Bush's approval rating on Iraq is 29%, but his approval rating for the war on terror is 44% (with 48% disapproving).

There is more ambiguity -- and common sense -- out there than imagined. Enough ambiguity that come the moment of choosing a course Tuesday, voters may give the Democrats less than they expect.

I think the Joe Lieberman race remains a bellwether. Sen. Lieberman's politics represented a Democratic bridge to the president's war on terror. Stampeded by their party's Web-based left, the Democratic Party elders went to Connecticut and blew up the Lieberman bridge. My reading of the electorate is that it wants that bridge rebuilt and it wants both the Democrats and George Bush on it.

Most people don't vote for parties; they vote their own perceived interests. The American people know they're at risk, and they know the U.S. won't succeed in Iraq or protect them against Islamic terror if their Washington leadership is in a state of unending political war. What voters have gotten the past two years is petulance from embittered Democrats and petulance from a stubborn presidential clique. The stakes have become too high for more of the same. The American people will roll the dice Tuesday to shake up the odds in their favor. God's mercy on the gamblers.

How Low Will Bush Go? (WP)

By Eugene Robinson

The Washington Post, November 3, 2006

If Democrats manage to take control of one or both houses of Congress on Tuesday, the reason will be that voters were not adequately roused into a state of heart-pounding, knee-knocking, teeth-chattering fear.

Not that Republicans haven't been trying. George W. Bush used to claim he was "a uniter, not a divider," but that was a long time ago. These days, he'd probably try to deny the quote the same way he tried to disown "stay the course." The Karl Rove formula for political victory has been to draw a bright line between "us" and "them" and then paint those on the other side not as opponents but as monsters.

Thus Bush openly accused those who disagree with his policy in Iraq of giving aid and comfort to the enemy. "The Democrat approach in Iraq comes down to this: The terrorists win and America loses," he said the other day.

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Call me naive, but I never thought a president of the United States would stoop so low as to accuse current and prospective members of Congress -- a number of whom, by the way, are decorated war veterans, unlike Bush or anyone in his inner circle -- of being pro-terrorist. But this administration has so lowered the bar on political discourse in this country that it's now more of a limbo stick: How low can you go?

I've pointed out in earlier columns the difference between a leader who faces troubled times with a message of bravery and optimism -- Franklin D. Roosevelt's stirring words about the Great Depression, "The only thing we have to fear is fear itself," constitute perhaps the best example -- and a leader such as Bush who encourages people to be afraid because their fear is advantageous to him politically.

This goes beyond other scare tactics that have become standard practice. Republican candidates throughout the land are telling people that the Democrats "want to raise your taxes." The truth of the matter is that many Democrats question some of the Bush administration tax cuts because the benefits have gone so disproportionately to the very rich and because continuing to cut taxes when you're also throwing hundreds of billions of dollars at a long-running war is pure fiscal insanity. But in the context of today's political culture, this kind of distortion doesn't even warrant a raised eyebrow.

Republicans are also trying to demonize individuals, warning that if Democrats take control of the House, Nancy Pelosi (gasp!), who represents San Francisco (shudder!), will become speaker. Never mind that she is actually an effective and pragmatic politician, as evidenced by the fact that, days before the election, she has the Republicans playing defense.

"Wedge" issues are designed to invoke fear. As one would expect, Republicans have tried to portray the New Jersey Supreme Court decision on gay marriage -- which did not, by the way, endorse, mandate or even legalize gay marriage -- as some sort of mortal threat to family values from coast to coast. This effort has been oddly halfhearted, though. Maybe GOP strategists worry that stigmatizing homosexuality won't work so well in the wake of the Mark Foley scandal, which laid bare the party's essential hypocrisy. It's hard to portray the Democrats as the party of Sodom and Gomorrah now that everyone knows there are many powerful gay Republicans working on Capitol Hill.

None of this is pretty, and all of it demeans American politics. But claiming that "the terrorists win" if Democrats are elected to Congress -- a statement whose only conceivable purpose is to make Americans afraid -- is something entirely different. The president knows, and at times has acknowledged, that there are people of good will in both parties who differ with him on Iraq. He also knows, or should know, that fear diminishes us as a nation -- that fear appeals to our baser instincts, not our best ideals; that it makes us smaller, meaner, less noble.

He should know all this, but he uses fear anyway, because fear is effective. John Kerry may have chosen an inopportune time (or just the right moment, from the Republicans' perspective) to demonstrate his inestimable comedic timing and his finely tuned political ear. But while Kerry's recent gaffe produced some last-minute outrage, mere outrage probably isn't enough this time. The only thing that might work is fear, and so far not enough Americans have been made to quake in their boots.

I take that back: The president did say that Dick Cheney and Donald Rumsfeld will serve out the remainder of his term. Run for your lives!

Deborah Walsh And Ellen Malcolm (CSM)

By David Cook

The Christian Science Monitor, November 3, 2006

Posted November 03, 2006 - http://www.csmonitor.com/2006/1103/p25s01-usmb.html Deborah Walsh and Ellen Malcolm By David Cook

While the 2006 election's outcome will not be known until next week, it is already clear that the contest will set new benchmarks for women candidates.

"We are seeing record numbers of women running for the [US] Senate and ... at the state legislative level we have a new record for the first time in 14 years," says Deborah Walsh, director of the Center for American Women and Politics at Rutgers University. Even without a record number of women candidates running for the US House of Representatives, "we think that for a number of reasons we are looking at a banner year for women, particularly at the federal level," she said.

Ms. Walsh joined Ellen Malcom, president of Emily's List as the speaker at Thursday's Monitor breakfast. Emily's List is the nation's largest political action committee and plans to spend $45 million this year helping elect women candidates who hold a pro-choice position on abortion.

The current political climate favors women, Walsh says. "People are looking for change, voters are looking for change." She adds that, "There is a sense of 'let's throw the scoundrels out' and when those kinds of voters come along, women are seen as the change, they are agents of change and voters look to them...."

While Emily's List founder Ms. Malcolm sees a strong tide running in favor of Democratic women candidates, the organization is taking nothing for granted and focusing on voter turnout. "One of the things Emily's List has been doing is

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targeting Democratic women who don't vote in non-presidential elections and communicating with them through the mail, through the phones, on the radio, to some extent door to door," Malcolm says. The goal is "to make sure that we get our people to come out and vote in this election. The Republicans have an advantage on this...."

Many political professionals agree with Malcolm that President Bush's top political advisor, Karl Rove, and the head of the Republican National Committee, Ken Mehlman, have assembled a first-rate voter turnout operation.

But Malcolm argues that the conservative social-issues platform that Rove helped craft has lost its appeal to many voters. "The Rove plan was to take political power by revving up the right extreme-conservative base. And he did that by hammering away on their social agenda and turning out the vote. What he has lost is the majority of Americans and he has lost the middle in this process," Malcolm says.

She argues that Rove's strategy "worked for a period of time. It is clearly not working now. What we see and why we are competitive in these heavily Republican districts is because the middle is moving so strongly to the Democrats ... the Rove plan has run out its string."

If Democrats win the House and San Francisco's Nancy Pelosi becomes speaker, Malcom sees that victory helping move women toward the ultimate prize of the presidency.

"I think having Nancy Pelosi as Speaker of the House is going to send a very wonderful lesson to the American public that women can be strong, they can be tough, they can be effective, and they can lead this country as political leaders. That lesson is not only going to make a tremendous difference, I think, in how the House of Representatives operates, and our ability to try to accomplish something, finally, in Congress," Malcolm says. "But I think it also sets the stage in a very significant way for electing the first woman president."

Hollywood Leans Right, Too (LAT)

By Tina Daunt

The Los Angeles Times, November 3, 2006

Who says Hollywood only supports Democrats?

As the two main parties battle it out for control of the House and the Senate in next week's election, the entertainment industry's political action committees have been working behind the scenes for months in Washington, giving far heftier contributions to, yes, Republicans.

According to the latest campaign filings, 28 entertainment industry PACs — lobbying on behalf of corporations such as Sony, Time Warner, Disney and others — have donated nearly $4.8 million to candidates up for reelection this year.

About 59% of the PAC money has gone to Republicans, including Sens. Arlen Specter and Rick Santorum of Pennsylvania, Orrin Hatch of Utah and Pat Roberts of Kansas, according to Federal Elections Commission records and the nonpartisan Center for Responsive Politics (Opensecrets.org).

The Democrats — who are often the beneficiaries of individual contributions from celebs — received 41% of the industry PAC money.

"Well, that should belie the right's belief that Hollywood is just a pack of liberals," said producer Norman Lear, a longtime contributor to Democrats.

In the early 1990s, Hollywood's lobbying organizations contributed equally — and heavily — to both parties. But as the power started to shift in favor of the GOP, the corporate PACs followed suit, giving more money to conservatives — especially those who serve on committees that deal with issues vital to the entertainment industry.

In 1996, 57% of Time Warner's PAC contributions went to the Democrats. This year, Republicans received 59% of the company's PAC money.

"It's important that we keep ties with the Republicans," said John Feehery, vice president of external affairs for the Motion Picture Assn. of America and former aide to House Speaker Dennis Hastert (R-Ill.). "We need to have credibility when we walk into their offices."

The entertainment industry's individual contributions have topped $12 million this election cycle, according to information released Oct. 10 by the Federal Elections Commission. Donations tilt heavily in favor of the Democrats, according to data compiled by the Center for Responsive Politics. The PAC donations offer balance.

The reason is simple, Hollywood political strategists say: While individuals contribute according to their own ideologies, corporations look at a range of issues important to their businesses. The entertainment industry, like others, tends to give to leaders whose positions it supports, regardless of party affiliation.

The MPAA — which depends on studio heads (most of them Democrats) for donations — gave $41,000 to Republicans. By comparison, the Democratic candidates — including Sens. Edward Kennedy of Massachusetts, Hillary Rodham Clinton of New York and Dianne Feinstein of California — received $26,584.

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Both Specter and Hatch often turn up on the industry PAC contribution lists because they serve on the Senate Judiciary Committee, which oversees issues such as intellectual property rights.

What's more, Feehery pointed out, Hatch is also a musician, and so can appreciate the challenges facing artists.

"We try to focus on supporting the people who support the industry," Feehery said. "The fact of the matter is Republicans have been very good on copyright issues."

Santorum receives donations, Feehery said, because "he has expressed a lot of interest in our industry and has been helpful on some content issues, like PauseParentPlay, which helps parents make decisions on what their children watch in a way that doesn't involve government control."

As for Roberts, Feehery said: "He has a good relationship with [MPAA top executive] Dan Glickman."

But sometimes, in retrospect, Hollywood bosses wonder about the wisdom of PAC donations.

For example, the Universal Music Group PAC gave $2,500 to Florida Rep. Mark Foley before the controversy erupted over his explicit messages to a congressional page. The group gave $2,000 to Sen. George Allen, (R-Va.), before he came under criticism for using the word "macaca," considered a racial slur, at a rally.

"George 'Macaca' Allen?" Lear said when told of the contribution. "Oh, good God, I couldn't be more embarrassed."

Generally, however, the fact that the PACs favor the Republicans does not come as a surprise to industry insiders.

When told about the contributions, celebrity political consultant Andy Spahn was matter-of-fact. "They've been the party in power."

Longtime Hollywood publicist and activist Howard Bragman added. "As lefty as I am, I do understand bipartisanship.

"You can't leave the Republicans on the cutting room floor."

Three For Maryland (WP)

The Washington Post, November 3, 2006

THE THREE Maryland congressmen representing suburban districts near Washington face only token opposition in the general election. All are Democrats -- one a seasoned veteran who may play a key leadership role if his party takes control of Congress; one an up-and-coming two-termer who's staked out a reputation for legislative know-how; and one a journeyman who narrowly survived a hard-fought primary. We endorse them all.

The veteran is Rep. Steny H. Hoyer of the 5th District, which includes Southern Maryland and parts of Prince George's and Anne Arundel counties. Mr. Hoyer, currently the Democratic whip, is an effective 13-term House member who knows the folkways of Capitol Hill as well as anyone and exercises power as a member of the House Appropriations Committee. He has been a key member of this region's congressional delegation, working to secure funding to replace the Woodrow Wilson Bridge, among other priorities. The Republicans, whose candidates have rarely attracted even a third of the vote against Mr. Hoyer, have given up for the time being; his only opponent, Steve Warner of the Green Party, is a developer who is a political novice.

The up-and-comer is Rep. Chris Van Hollen of the 8th District, which includes parts of Montgomery and Prince George's counties. Mr. Van Hollen, having weighed and rejected a race for Maryland's open U.S. Senate seat, is an astute lawmaker who's managed to be effective on education and issues affecting federal workers and contracting despite his status as a junior member of the minority party. His Republican opponent, Jeffrey M. Stein, is a lawyer whose race seems more a personal journey than a political one; he has not campaigned actively and believes Mr. Van Hollen is doing a fine job.

The journeyman is Rep. Albert R. Wynn , who for 14 years has represented Maryland's 4th District, which includes parts of Prince George's and Montgomery counties. We endorsed Mr. Wynn's opponent in the Democratic primary, Donna Edwards, and criticized him for casting votes that seemed at odds with the district's interests while meddling in local politics in Prince George's. We assume that Mr. Wynn, having eked out a primary win by fewer than 3,000 votes, has gotten the voters' message. If he sticks to his job in Congress and listens more closely to his constituents, he can be an able lawmaker. His Republican opponent, software developer Michael Moshe Starkman, moonlights as campaign manager for Mr. Stein. And like Mr. Stein, he is running what amounts to a vanity race.

Weighing Minimum Wage Hikes (WSJ)

By Deborah Solomon

The Wall Street Journal, November 3, 2006

PORTLAND, Ore. -- If Democrats succeed in retaking one or both houses of Congress next week, a top priority will be increasing the minimum wage for the first time since 1997. That raises a persistent question: Does lifting the minimum wage destroy so many jobs that it hurts more than it helps?

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In 2002, voters here raised the state's minimum wage -- and mandated automatic annual increases to keep up with inflation. Oregon's 100,000 or so minimum-wage workers are paid at least $7.50 an hour, a rate that will increase to $7.80 in January, well above the federal $5.15 minimum.

On Tuesday, voters in six other states are considering raising the minimum wage, all of which would index minimum wage to inflation as do Oregon, Washington, Florida and, beginning in 2007, Vermont. Democrats see the minimum wage as a way to bolster their base, much as initiatives on gay marriage and other cultural issues boost Republican turnout.

STATE WAGES

· U.S. Department of Labor: Minimum Wage Laws1

During the 2002 debate in Oregon, foes of a minimum-wage increase argued that it would chase away business and cripple an economy that traditionally had higher unemployment than the national average. "With so many Oregonians already unemployed, raising the minimum wage and then increasing it annually would devastate our economic recovery," Bill Perry, head of the Oregon Restaurant Association, wrote at the time.

Four years later, though it is impossible to say what would have happened had the minimum not been raised, Oregon's experience suggests the most strident doomsayers were wrong. Private, nonfarm payrolls are up 8% over the past four years, nearly twice the national increase. Wages are up, too. Job growth is strong in industries employing many minimum-wage workers, such as restaurants and hotels. Oregon's estimated 5.4% unemployment rate for 2006, though higher than the national average, is down from 7.6% in 2002, when the state was emerging from a recession.

Some employers are being squeezed, for sure, and their experiences will become ammunition for those who will fight any increase in the federal minimum wage. Agriculture is pinched because sellers can't raise prices, set on global markets, when labor costs go up. Some businesses say they have avoided expanding in Oregon because labor costs have risen, the sort of change in behavior at the margin that foes of a minimum wage worry about.

At Petite Provence eatery in Portland, co-owner Didier Blanc says the minimum wage, while paid only to servers, has had an "aftershock effect," forcing him to raise wages for all employees. While servers earn the minimum, bakers and cooks earn between $9 and $12 an hour. The costs are passed on to customers.

"After it goes up, everybody at $9 an hour and above will want some kind of raise," says Mr. Blanc. "We have to pass it on in our prices because it goes straight to our bottom line."

So far, though, customers have been willing to pay. Mr. Blanc and his partner have two successful shops and are talking of opening a third. "I don't worry about it," he says of the higher wages, "because if I have to raise prices, next door will have to do the same thing, too."

Chris Dussin, owner of Old Spaghetti Factory, a Portland-based chain with 38 restaurants in 16 states, sees it differently. "You can only raise prices so much before you're going to chase the customer away," he says. Costs at his three Oregon restaurants have gone up $300,000 since the minimum-wage increase -- more than revenues. Mr. Dussin says his bottom line "is eroding" and his profit margin has fallen to 2% or 3%. He raised prices on some items, cut the number of hostesses and has increased the number of tables for each server.

"It's important to take care of people in minimum-wage jobs, but what's missed is the impact on the economy and job creation," he says. "It's not feasible to hire 10 people, so I'm just going to hire seven." He says labor costs scotched plans to open a restaurant in Bend, Ore., a tourist hotspot. The next Old Spaghetti Factory will be in Boise, Idaho, which has a minimum wage of $5.15 and -- unlike Oregon -- allows employers to pay less to workers who collect tips.

Oregon's increase has continued to be a political issue. The Republican candidate for governor, former Portland school-board member Ron Saxton, has argued that indexing depresses employment and particularly hurts agriculture, an important employer here. The incumbent governor, Democrat Ted Kulongoski, counters that repealing indexing would amount to a wage cut.

The legislature last year passed a tax credit to help farming operations pinched by the minimum wage. Gov. Kulongoski refused to sign it after state analysts determined it was so broadly written that it could apply to all wages paid and would cost the state too much.

Now restaurant and agriculture industries are lobbying for repeal of the automatic cost-of-living increase, which has raised the minimum wage 8.7% since 2003. "The question is: How many businesses are going to go down until we decide this is unsustainable?" says Tim Bernasek, general counsel of the Oregon Farm Bureau.

Academic economists traditionally have argued that raising the minimum wage inevitably leads employers to hire fewer workers. The experience of the late 1990s and a landmark study of employment in the fast-food industry by economists David Card and Alan Krueger in New Jersey (which raised its wage) and Pennsylvania (which didn't), has undermined that view.

But they haven't won over everyone. In a new report, economists David Neumark of the University of California at Irvine and William Wascher of the Federal Reserve Board say a review of more than 90 studies in more than 15 countries since the

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early 1990s shows nearly two-thirds of the studies find a "consistent" though not always statistically significant negative impact on employment. Fewer than 10 found a consistently positive impact. While there's "no consensus," they say, "the weight of empirical evidence" supports the traditional view.

Art Ayre, Oregon's employment economist, says the effect of the minimum wage varies by region and industry. Amy's Kitchen, a California organic-food producer, opened a 250-employee production facility in Medford, about 270 miles south of Portland, where wages for workers producing frozen pizzas will start at about $8 an hour. Among other things, higher wages were offset by electric and workers' compensation insurance rates, which are lower than in California.

Demand for workers is so strong in some areas that businesses already pay more than the minimum. A 7-11 store in Wilsonville, about 25 miles south of Portland, offers $8 an hour and up for an employee to handle the register and stock coolers.

Supporters of the wage increase say it has been a boon to the state's economy. "Minimum-wage workers are the only class of workers you can give a raise to and guarantee that they're going to spend the money and spend it in the local economy," says Dan Gardner, state labor commissioner. "They're not saving for a Hawaiian vacation."

Foes say Oregon has hurt its ability to attract and retain business, and warn that the effects will be long-term. Restaurant and farm industries argue that voters didn't understand that indexing meant businesses would have to keep raising wages.

The Oregon Restaurant Association is lobbying to freeze indexing and implement a tip credit, which would allow employers to pay tipped workers $7.50 an hour but not be subject to the automatic increases. Still, the number of employees working in the industry has jumped 15% since 2002. Mr. Perry, the head of the restaurant association, says as Oregon's population grows, so does its desire to eat out. But he says the wage increase will force many restaurants to raise prices and scale back on service.

The biggest yelps have come from Oregon's $4 billion farm industry. The 2002 minimum-wage law applies to all workers, even seasonal fruit pickers. So while a competing blueberry farm in New Jersey can pay $6.15 an hour and one in Chile may pay even less, Oregon farmers pay $7.50.

Since 2002, employment in the agriculture industry has grown about 7% to 58,600 workers. But state officials say much of the growth is attributable to the state's booming nursery industry, which is more able to pass on increased costs to customers.

Barb Iverson and her brother say higher wages prompted them to stop cultivating daffodils and potatoes at their Willamette Valley farm. "Why grow a potato here when you can do it in Idaho for $5.15 an hour?" asks Ms. Iverson.

As for the workers, those in low-wage jobs say they're grateful for the state's automatic inflation increase. Pumping gas at a Conoco gas station in Woodburn, Matthew Holt, 25, says the $7.50 an hour he earns is barely enough to make ends meet. "The increase each year does help a little, but when inflation goes up, then everything goes up," he says.

The 25-year-old has two children. His wife works nights at Wal-Mart for $9.80 an hour. Mr. Holt, who completed high school but couldn't afford college, works 40 hours a week at the gas station and plans to get another minimum-wage job at Pizza Hut.

While he says he'd like to have a better paying job, he says there's nothing available for someone without a college degree or training. "You've got to have a skill or a trade," he says. "If you don't, there's no chance of finding a job making more than minimum wage."

The Democrats And Defense (WP)

By Kurt Campbell And Michael O'Hanlon

The Washington Post, November 3, 2006

The last-minute campaign furor over Sen. John F. Kerry's "botched joke" about the uneducated becoming "stuck in Iraq" was no joke for the Democratic Party. Once again, with an election looming, it found itself cast as the peacenik, antiwar, hostile-to-the-military, soft-on-defense, weak-on-terrorists party.

Whether that will stick won't be known until Tuesday. Polls have shown that voters for a change are more likely at the moment to trust Democrats on Iraq and terrorism than Republicans. But that support seems perishable, and even if Democrats win one or both houses of Congress, they face a long-term challenge of redefining their image when it comes to national security.

That's where Kurt Campbell and Michael O'Hanlon come in. Their provocative new book, "Hard Power: The New Politics of National Security," offers a manifesto of sorts for a party still struggling to find its voice in the post-Sept. 11 world. As a party, Democrats have been torn between two poles as represented in the extreme by Joseph I. Lieberman, the hawkish Connecticut senator, and Ned Lamont, the antiwar liberal who beat him in a Democratic primary.

Campbell and O'Hanlon come closer to Lieberman than to Lamont, offering a muscular vision for U.S. power in a dangerous world tempered by the sort of pragmatism they say the Bush administration has been missing. "Democrats must make clear that they, like Republicans, understand that effective diplomacy must often be backed by the credible threat and sometimes use of military force," they write.

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In fact, they argue that President Bush has it right in some ways, praising his priorities in terms of promoting democracy and free trade, defeating terrorists, and opening a new relationship with India. "Hard-power Democrats, independents, and moderate Republicans should therefore not run against the Bush legacy on matters of ideas so much as of seriousness, competence, and execution."

This may be a hard sell even within their own party, where the loudest voices these days argue for a radical departure from Bush's policies. A succession of think tanks and foreign policy elites have been trying to counter the angry blogosphere with a more nuanced position for the party, with limited success. If Democrats win on Tuesday, the internal fight over national security will grow even more pronounced. Democrats have prospered this year mainly by being against Bush without coming up with a genuine alternative. If they find themselves in charge on Capitol Hill, they will face pressure to develop a common posture.

Campbell and O'Hanlon bring years of experience and study to the debate. Campbell served as a Pentagon official under George H.W. Bush and Bill Clinton and now works as senior vice president at the Center for Strategic and International Studies. O'Hanlon is a senior fellow at the Brookings Institution and a frequent commentator on foreign policy.

As they note, Democrats have been hobbled for decades by the public perception of weakness. The party of Franklin D. Roosevelt, Harry S. Truman and John F. Kennedy was transformed by the Vietnam War and has wrestled with national security ever since.

Clinton's discomfort with the military -- his awkward initial salute to Marines standing guard at his helicopter, his fight over gays in uniform, his tentative response to Bosnia -- exemplified the problem to many. But during eight years in office, he grew more accustomed to his role as commander in chief, responding more confidently to the Kosovo crisis.

Bush, though, has used the issue against Democrats as a cudgel for years, managing to paint Kerry, a combat veteran decorated for service in Vietnam, as weak on security. This year, Bush has cited votes against his counterterrorism legislation to assert that Democrats do not even want to spy on, detain or try terrorists; he went so far this week as to declare that if Democrats win, so will terrorists.

The authors argue that it is not enough to simply shout back; Democrats, they say, "sometimes try too hard to sound like anti-Republicans -- and wind up weakening themselves more than their political opponents in the process."

Instead, they propose a detailed agenda dealing with homeland security, the military, Iraq, terrorism, nonproliferation, energy and China. They propose increasing active-duty armed forces by 50,000, creating State Department rapid-response teams for post-conflict situations and setting up regional National Guard planning centers to better respond to crises such as Hurricane Katrina or a terrorist attack. They would continue missile-defense development but at a lower level, cut the F/A-22 program in half, revamp the Joint Strike Fighter program, retire more Minuteman missiles and Trident submarines, and cut back the V-22 Osprey tilt-rotor aircraft.

On Iraq, they heartily agree with fellow Democrats that Bush "bungled" the war and "dispelled any notion of innate Republican superiority in matters of international hard power." But they criticize their party's rush for the door. "Democrats have focused mostly on missteps in Iraq. But there has been a less vibrant debate about the potential downsides of a precipitous American military withdrawal and how the dangerously eroding U.S. position in Iraq might somehow be made more promising."

It's a debate Campbell and O'Hanlon want to make more vibrant. If Democrats find the right course, the authors argue, the party has a chance to make a historic shift in the party's political perception. If not, they say, "Democrats are apt to remain on the political sidelines, left to contemplate what went so terribly wrong."

Federal Censorship Commission? (WSJ)

By Bob Wright

The Wall Street Journal, November 3, 2006

Two years ago, I warned in these pages of the danger that the government, in response to the infamous "wardrobe malfunction" during January's televised Super Bowl, would use the threat of fines and license-revocation to create a climate of self-censorship among broadcasters. I take no pleasure in saying "I told you so." But the chill in the airwaves is unmistakable, and the viewing public is the biggest loser. The most recent example involves dozens of CBS affiliates who refused to rebroadcast the documentary "9/11" for fear they would be fined for the coarse words uttered by rescuers. This is one of many instances of broadcast licensees altering or canceling worthwhile programming out of concern about finding themselves in the Federal Communications Commission's crosshairs.

The FCC doesn't operate in a vacuum. It is responding to a degree of public unease with the content available in homes. And it is sensitive to campaigns orchestrated by interest groups with cultural and political agendas. But America long ago determined that government's role in shaping media should be extremely limited. This is true even in the case of broadcasters, who willingly assume public-service obligations in exchange for being licensed to transmit content over public airwaves. No one imagined these obligations to include accepting censorship.

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Some FCC officials have said publicly that they would welcome the return of the family viewing hour -- a voluntary agreement first made 30 years ago among the three broadcast networks to offer family-friendly programming during the 8 o'clock hour. But with cable and satellite, access to VOD services, DVD players and digital recording devices, the vast majority of Americans have programming at their fingertips that will meet any conceivable interest at any time of the day or night. That's great news for parents. But it also highlights the flaw in the notion that, in 2006, the government should mandate that a specific hour be set aside for a certain type of programming on broadcast TV, or indeed that the FCC should attempt to regulate all of broadcast network primetime TV based on standards to protect kids.

For starters, two-thirds of households do not have children under 18. One could reasonably suggest that government policy should not try to force all of broadcast TV to disregard the programming tastes and desires of two-thirds of all households. But FCC regulators do more than just ignore these households. They are blind to the reality of today's media environment. With more than 50% of homes having Internet access and 85% subscribing to cable and satellite services, the media choice is staggering. The average home receives 100 TV channels. Broadcast channels sit side-by-side with cable; and the under-18 cohort that the FCC focuses on so intently no longer knows the difference. Indeed, kids watch cable significantly more than broadcast and spend time on the Internet with unlimited access to material of every description.

So an FCC policy intent on ensuring that there will be nothing on broadcast TV that is inappropriate for kids during certain hours is doomed to failure. Do the math: 85% of households have cable and satellite, leaving 15% receiving broadcast TV only. Two-thirds of those households do not have kids under 18. Thus, the FCC appears to be basing its actions on a policy that is relevant to 5% of households. Moreover, government efforts to regulate content are invariably riddled with unfortunate consequences.

For example, breaking with established precedent, the FCC recently found a live network news program to be "indecent" because a single expletive was unexpectedly uttered by someone being interviewed by a reporter. What public interest is served when news organizations, unwilling to take the risk of incurring a fine, stop interviewing individuals live on camera -- or air all newscasts only after being cleared by a language censor? This ruling also jeopardizes the live sports broadcasts. What if a microphone accidentally picks up a fan yelling something on the FCC's list of bad words? A sports broadcast becomes a multimillion dollar gamble.

So what is the answer? It is certainly not that government should regulate content on cable TV and the Internet. But there is a reasonable solution. Just as parents use technology on the Internet, ratings information and blocking technology are available for TV. Broadcast and cable networks have a ratings and parental-advisory system, and today's TV sets are equipped with V-chips that block specified programming from entering a home. The entire TV industry is striving to provide parents with help to guide them through today's thicket of offerings. To make sure parents are aware of the control they have over programming, the TV industry and Ad Council are collaborating on a $300 million educational campaign.

No one suggests broadcast networks adopt an "anything goes" approach. All broadcast networks employ standards experts who vet thousands of hours of programming to make sure it doesn't violate sensibilities. Of course they make mistakes, and neither audiences nor government officials have been shy in voicing concerns -- to which the networks respond. Over-the-air broadcasters -- who are the most responsible, community-focused providers of programming in the business -- do an excellent job. Indeed, the vast majority of complaints about specific shows filed with the FCC (99% in 2004) came from organized interest groups who regularly trawl for complaints from individuals who never saw the show in question.

The FCC should formulate policies that take advantage of advanced technology, rather than hark back to solutions developed in -- and for -- a bygone era. An appropriate FCC policy would recognize that our TV audience is quite varied; that some programs at all hours should appropriately serve the two-thirds of households that do not have children; and that blocking technology is a 21st-century solution that is consistent with the Supreme Court's admonition that the government is constrained by the First Amendment to use the least restrictive means to address "indecent" programming content.

Mr. Wright is vice chairman of GE and chairman and CEO of NBC Universal.

The Second Election Without Soft Money Suggests That 2004 Was Not A Fluke (WP)

The Washington Post, November 3, 2006

THE MCCAIN-FEINGOLD campaign finance law was supposed to be -- or so its critics warned -- a body blow to political parties. Starved of the six- and seven-figure "soft money" checks to which they had become addicted, opponents said, the parties would wither, their influence eclipsed by outside groups that remained free to accept unlimited sums. Democrats, who were especially dependent on soft money, would find themselves at a fatal disadvantage.

None of that has happened. Not in 2004, when the parties raised a combined $1.5 billion ($785 million by Republicans, $684 million by Democrats) -- amazingly, more than their hard and soft money combined in any previous election. And not in 2006, the first midterm campaign conducted under the new rules, when the combined party fundraising was $768 million as of

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mid-October ($438 million by Republicans, $330 million by Democrats), according to a study by the Campaign Finance Institute. The parties, now limited to maximum annual contributions of $26,700 from individuals, haven't recouped all the soft money they once vacuumed up, but they have rebounded far more robustly than anyone had predicted.

Instead of being hobbled by the abolition of soft money, Democrats are actually more financially competitive with Republicans than before. At this point in the 2002 election cycle, their total fundraising was $185 million behind the Republicans' figure; this year, that gap has shrunk to $108 million. The Democrats' House and Senate campaign arms have more than doubled their hard-money fundraising from four years ago.

All of this is welcome news. Unlimited soft-money checks were a corrupting influence; they needed to be done away with no matter the impact on the political parties. That soft money could be abolished and the parties remain a vibrant political force is a double benefit. Indeed, as a financial matter, the biggest difference between the 2004 and 2006 elections is the relatively more muted role of the outside groups known as 527s.

This remains a flawed system; it looks good only by comparison to the even more flawed previous regime. And the 2006 campaign has pointed up one particularly ridiculous aspect of campaign finance law that ought to be fixed before 2008: The rules limit how much political parties can spend on candidates in consultation with them but allow parties to spend unlimited amounts on behalf of candidates so long as they act "independently." Thus there is the spectacle of a Republican National Committee ad attacking Tennessee Democratic Senate candidate Harold E. Ford Jr. that the chairman of the RNC says he can't control -- because it was produced by an "independent" arm of the RNC. There's no good reason to force the political parties to engage in this charade of setting up independent groups. In fact, as the Ford ad shows, there's every reason to set up a system that requires those who underwrite ads to take responsibility for them.

US Envoys To Visit Asia To Prepare North Korea Nuclear Talks (AFP)

By David Millikin

AFP, November 3, 2006

Senior US diplomats will travel to Asia Sunday to prepare for a resumption of six-way negotiations with North Korea aimed at ending Pyongyang's newly proven nuclear weapons program, the State Department said.

The envoys will press Japan, China and South Korea to maintain tough UN-mandated sanctions against North Korea in the run-up to the negotiations and to ensure a united front in insisting the talks lead to Pyongyang's full denuclearization, department spokesman Sean McCormack said.

Under pressure from the sanctions imposed after North Korea carried out its first nuclear test explosion on October 9, the Stalinist regime agreed earlier this week to return to the multilateral disarmament negotiations it had been boycotting for nearly a year.

But US officials remain wary of Pyongyang's motives, fearing the unpredictable North Korean leadership could use its new nuclear status as leverage to seek an easing of the sanctions against it while stalling on demands it verifiably give up the arsenal.

"We don't want this just to be about talk, we want it to be about getting some concrete, positive outcomes," McCormack said.

The US team will be led by Nicholas Burns, Secretary of State Condoleezza Rice's senior deputy, and include Robert Joseph, the hawkish head of the State Department's non-proliferation initiative who has been charged with overseeing implementation of the sanctions against North Korea.

They will meet Sunday and Monday with Japanese leaders in Tokyo before heading to Beijing for two days of talks with both Chinese and Russian officials, McCormack said. The pair will visit Seoul November 8 and 9.

China, Japan, Russia, South Korea and the United States are the five parties which have been trying for the past three years to convince North Korea to abandon its nuclear weapons program in exchange for economic incentives and security guarantees.

The two sides reached a framework agreement in September 2005 under which North Korea agreed to give up its nuclear weapons, though the sequencing of the process was left for further negotiations.

Pyongyang walked away from those talks two months later after Washington slapped sanctions on a Macau-based bank accused of laundering money and passing counterfeit US currency on behalf of the North Koreans.

The US action led the bank, Banco Delta Asia, to freeze some 24 million dollars in North Korean assets, believed to include personal funds belonging to North Korean leader Kim Jong-Il and his entourage.

There were also reports at the time that Washington had angered Pyongyang by backing away from a promise to provide North Korea with a light-water nuclear reactor for its civilian energy program as part of the deal.

As part of this week's deal to resume negotiations, Washington told North Korea it was willing to discuss the Banco Delta Asia sanctions as part of the talks.

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McCormack reaffirmed Thursday that the six-party talks were expected to resume before the end of the year and that Washington wanted the starting point to be the September 2005 framework agreement.

The mission for Burns and Joseph, he said, was to "create the right conditions, the best atmosphere" for the negotiations.

McCormack said there were no plans for the US envoys to meet with the North Koreans during next week's trip.

"I don't see that happening", he said.

U.S. Speeds Attack Plans For North Korea (WT)

By Bill Gertz

The Washington Times, November 3, 2006

The Pentagon has stepped up planning for attacks against North Korea's nuclear program and is bolstering nuclear forces in Asia, said defense officials familiar with the highly secret process.

The officials, speaking on the condition of anonymity, said the accelerated military planning includes detailed programs for striking a North Korean plutonium-reprocessing facility at Yongbyon with special operations commando raids or strikes with Tomahawk cruise missiles or other precision-guided weapons.

The effort, which had been under way for several months, was given new impetus by Pyongyang's underground nuclear test Oct. 9 and growing opposition to the nuclear program of Kim Jong-il's communist regime, especially by China and South Korea.

A Pentagon official said the Department of Defense is considering "various military options" to remove the program.

"Other than nuclear strikes, which are considered excessive, there are several options now in place. Planning has been accelerated," the official said.

A second, senior defense official privy to the effort said the Bush administration recently affirmed its commitment to both South Korea and Japan that it would use U.S. nuclear weapons to deter North Korea, now considered an unofficial nuclear weapon state.

"We will resort to whatever force levels we need to have, to defend the Republic of Korea. That nuclear deterrence is in place," said the senior official, who declined to reveal what nuclear forces are deployed in Asia.

Other officials said the forces include bombs and air-launched missiles stored at Guam, a U.S. island in the western Pacific, that could be delivered by B-52 or B-2 bombers. Nine U.S. nuclear-missile submarines regularly deploy to Asian waters from Washington state.

The officials said one military option calls for teams of Navy SEALs or other special operations commandos to conduct covert raids on Yongbyon's plutonium-reprocessing facility.

The commandos would blow up the facility to prevent further reprocessing of the spent fuel rods, which provides the material for developing nuclear weapons.

A second option calls for strikes by precision-guided Tomahawk missiles on the reprocessing plant from submarines or ships. The plan calls for simultaneous strikes from various sides to minimize any radioactive particles being carried away in the air.

Planners estimate that six Tomahawks could destroy the reprocessing plant and that it would take five to 10 years to rebuild.

Asked about the strike planning, Pentagon spokesman Bryan Whitman said the U.S. government is seeking a "peaceful, diplomatic solution" to the threat posed by North Korea.

Regarding any military options, Mr. Whitman said, "The U.S. military is prepared and capable of carrying out all of its assigned missions."

The planning does not mean that the United States will attack, only that military forces are ready to do so if President Bush orders strikes. Concerned about threats from rogue states such as North Korea, Mr. Bush called for a ballistic missile defense system, parts of which are operational.

Defense officials said a key factor in the ramped-up planning effort is China's new attitude toward North Korea. Beijing's leaders, upset that North Korea conducted the test, supported a U.S.-led United Nations' resolution.

Chinese opposition to military action had limited defense planning, the officials said. In the past, U.S. military plans required warning Beijing, a move considered likely to compromise any planned action because of the close military ties between China and North Korea.

The Bush administration regards the new level of Chinese support as a "green light" for more aggressive military planning.

U.S. officials think North Korea will conduct another underground test soon because Pyongyang is demanding to be recognized as a declared nuclear power. Both China and the U.S. gauged the test as only partially successful.

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The Yongbyon plant, 32 miles from the coast and a half-mile from a river, is considered a key target because U.S. intelligence agencies suspect that it is where the plutonium fuel used in the Oct. 9 test was produced.

Defense planners also said equipment destroyed at Yongbyon would be difficult to replace once newly approved U.N. sanctions are in place.

Another set of targets could be the nuclear test site near Kilchu, in northeastern North Korea. That site includes several research and testing-control facilities in the mountains -- and possibly one more tunnel where a nuclear device could be set off, the officials said.

Recent intelligence reports also provided new information about Pyongyang's uranium-enrichment program, which remains hidden in underground facilities in northern North Korea, the officials said.

The U.S. Special Operations Command has been planning raids against North Korean nuclear facilities for some time. It has conducted training for joint operations with South Korean special forces as well as unilateral U.S. operations.

U.S. Pacific Command spokesman Capt. Jeff Alderson declined to comment on military planning but said the command is continuing to shift forces to the Pacific and has four missile-defense ships deployed in Japan.

Mr. Bush said recently that any transfer of nuclear weapons by North Korea would be a "grave threat," phrasing viewed as diplomatic code for a military response. Defense officials said the military option will be used if North Korea is caught transferring nuclear arms to other states or terrorist groups.

Six-Party Fever (WSJ)

The Wall Street Journal, November 3, 2006

After launching long-range ballistic missiles and setting off a nuclear device, North Korea's Kim Jong Il suddenly announced this week that he is prepared to return to the six-party talks after nearly a year's absence. Something must have happened to inspire this abrupt display of totalitarian pliancy, and it wasn't the intercession of Jimmy Carter.

The Bush Administration is treating the decision as something of a vindication of its policy, and that's partly true. At the U.N., Ambassador John Bolton answered Kim's fireworks displays by engineering unanimous Security Council resolutions 1695 and 1718, the second of which includes sanctions.

At the Treasury Department, meanwhile, Undersecretary for Terrorism and Financial Intelligence Stuart Levey aggressively cracked down on North Korea's money-laundering and counterfeiting schemes in places like Macau's Banco Delta Asia. Now Kim can no longer easily access his overseas slush funds to grease the spokes of his military machine.

Most important, Beijing finally decided to lean on its truculent neighbor, with some Chinese banks cutting off remittances to North Korea and, according to one report, the Chinese government briefly turning off the oil spigot without which Kim's regime would quickly collapse. China's helpfulness may owe less to any innate sense of good global citizenship than to its fear that a nuclear North Korea will eventually inspire a nuclear Japan. But whatever the case, the Chinese moves vindicate the Administration's long-held view that only regional pressure can sway Pyongyang, and that there's little to gain from direct bilateral talks.

Yet these small victories won't mean much if the Administration agrees in the six-party talks to abandon the very tools that brought North Korea back to the table in the first place. On Tuesday, Christopher Hill, the State Department's emissary to the talks, agreed that the U.S. would discuss the financial measures it's imposed on Kim's regime; in return, the regime will "discuss" denuclearization.

Problem is, however, that while the U.S. can be counted on to honor its diplomatic promises, the North Koreans cannot. Does anyone today remember North Korea's pledge last year to abandon its nuclear programs? At the time, Mr. Hill described the supposed breakthrough as "one of the best examples of multilateral diplomacy in this part of the world." Kim walked away from his pledges within a week, complaining that he wouldn't return until the U.S. stopped leaning on his finances.

There is also something troubling about an American initiative that's willing to be flexible, even if only in theory, about enforcing American law. Kim's forays into nuclear physics are dangerous and destabilizing, but they are not, strictly speaking, criminal. But his country's counterfeiting of American currency is criminal, as is its involvement in the heroin trade, and the idea that the U.S. might ease the pressure on North Korea's underworld activities as a diplomatic gambit takes realpolitik too far.

Barring outright regime change in Pyongyang, the goal of any American diplomatic initiative is to demonstrate to Kim, as the U.S. did to Libya's Moammar Gadhafi, that unless he disarms his regime will continue to be isolated and starved for cash and trade. His return to the table is probably a ploy, but at least it demonstrates that he is susceptible to financial and economic pressure. Keep that pressure up, and the six-party talks might actually succeed.

Iran Revolutionary Guards Hold War Games After U.S. Exercise (NYT)

By Nazila Fathi

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The New York Times, November 3, 2006

TEHRAN, Nov. 2 — Iran's hard-line Revolutionary Guards began another series of war games on Thursday days after a United States-led naval exercise began in the Persian Gulf.

During the Iranian exercise, called Great Prophet 2, dozens of missiles were fired, state-run television news reported.

It showed film of missiles fired from mobile launchers in the deserts near Qum, a religious city south of Tehran, the capital.

"Iranian experts have made some changes" to Shahab missiles, the news report said, "installing cluster warheads in them with the capacity to carry 1,400 bomblets."

"The first and main goal of this exercise is to demonstrate power and national determination to defend the country against any possible threat," it added.

Iran also conducted war games in August and April.

Heliport operations in the Strait of Hormuz are expected to follow the latest games.

The maneuvers appeared to be a response to the United States-led naval exercise in the Persian Gulf that began Monday, involving 25 nations, some of them neighbors of Iran. The exercise is aimed at enhancing security in the Persian Gulf and blocking the transportation of unconventional weapons.

A spokesman for the Iranian Foreign Ministry condemned the exercise on Sunday and urged neighboring countries to set up their own security arrangements. "We do not consider this exercise appropriate," said Muhammad Ali Husseini, the spokesman.

Gen. Yahya Rahim Safavi, leader of the Revolutionary Guards, said on television that Iran's war games were "no threat for the region or neighboring countries."

General Safavi said the games would last 10 days and would take place in the Persian Gulf, the Sea of Oman and several Iranian provinces.

Iran Test-fires Longer Range Missile (AP)

By Nasser Karimi

AP, November 3, 2006

Iran test-fired dozens of missiles, including the Shahab-3 that can reach Israel, in military maneuvers Thursday that it said were aimed at putting a stop to the role of world powers in the Persian Gulf region.

The show of strength came three days after U.S.-led warships finished naval exercises in the Gulf that Iran branded as "adventurist." Iran remains locked in dispute with the West over its nuclear program, which Washington says is geared to producing atomic weapons but Tehran says is only for generating electricity.

Asked about Thursday's maneuvers, Secretary of State Condoleezza Rice said she thought the Iranians "are trying to demonstrate that they are tough."

"The Iranians also I think are not unaware that the security environment is one in which if they actually were to do something Iran would suffer greatly and so I think they probably understand that," Rice said on the Bill Cunningham radio show on WLW Cincinnati.

"They are trying to say to the world you are not going to keep us from getting a nuclear weapon," she said. "The world has to say to them, yes, we will."

Iranian state television reported that several kinds of missiles were tested, and broadcast footage of them being fired from mobile launchers.

"We want to show our deterrent and defensive power to trans-regional enemies, and we hope they will understand the message," the head of the Revolutionary Guards, Gen. Yahya Rahim Safavi, said in a clear reference to the United States, Britain and France, who were among the six nations that took part in the Gulf maneuvers this week.

Iranian state radio said: "The maneuver is aimed at providing security in the region without the intervention of trans-regional powers, which are trying to justify their presence by portraying the region as convulsive."

In Israel, Infrastructure Minister Binyamin Ben-Eliezer said he was not surprised by the missile tests, and warned that to leave Iran unchecked would pose a risk to the world.

"Iran is following a direct line after North Korea. Therefore this problem is not Israel's but that of the entire world," Ben-Eliezer said, referring to North Korea's recent nuclear test and its frequent launches of long-range missiles.

Iran's Shahab-3 missile, which can carrying a nuclear warhead and is believed to have a range of more than 1,240 miles, is believed to be based on North Korea's Nodong missile. Iran is said to have funded the Nodong's development.

Iran, which denies obtaining missile technology from North Korea, has been testing the Shahab-3, which means "shooting star" in Farsi, since the late 1990s and publicly paraded the rocket for the first time in 2003.

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The Iranian missile tests "should bother not only Israel. It should bother the Arab countries, Islamic countries, the Gulf region, North Africa and Europe. We are always warning the world about this phenomenon called Iran," Ben-Eliezer said.

Iran already has held three large-scale military exercises this year. It often uses maneuvers to test weapons developed by its arms industry.

Safavi, whose elite Revolutionary Guards conducted the missile tests, said the maneuvers that began Thursday, named "Great Prophet," would take place in the Gulf, the Sea of Oman and several provinces of Iran. He did not say how many troops were involved.

State radio quoted the air force chief of the Revolutionary Guards, Gen. Hossein Salami, as saying: "A large number of advanced missiles, different in range, warhead and kind, were successfully test fired at the same time."

State TV reported that among the rockets fired was the Shahab-2, which has a warhead that can distribute 1,400 bomblets at the same time. It also said the troops launched solid-fuel Zalzal missiles, guided missiles as well as Scud-B, Zolfaghar-73 and Z-3 rockets.

Iran has already held three large-scale military exercises this year. In its April exercises, Iran tested what it called an "ultra-horizon" missile, which is fired from helicopters and jet fighters, and the Fajr-3 missile, which can reportedly evade radar and use multiple warheads to hit several targets simultaneously.

While U.S. officials have suggested that Iran is exaggerating the capabilities of its newly developed weapons, Washington and its allies have been watching the country's progress in missile technology with concern. Last December, Israel successfully tested its Arrow missile defense system against a rocket similar to Iran's Shahab-3. The Arrow was developed jointly with the United States.

The U.S.-led maneuvers that finished Monday focused on surveillance, with warships tracking a ship suspected of carrying components of illegal weapons. The nations that took part were Australia, Bahrain, Britain, France, Italy and the United States.

The U.N. Security Council is considered imposing sanctions on Iran, which has ignored demands that it cease uranium enrichment, a process that can produce the fuel for nuclear reactors or material for bombs.

Iran Fires Longer-range Missiles, To West's Dismay (AFP)

AFP, November 3, 2006

Iran fired its longer-range Shahab-3 ballistic missile for the first time, official media said, kicking off 10 days of war games and renewed warnings from the West over its nuclear program.

"Shahab missiles, carrying cluster warheads, with a range of 2,000 kilometers (1,200 miles), were fired from the desert near (Iran's clerical capital) Qom," state television reported.

That range is sufficient to threaten US bases in the Gulf.

The war games came amid US-led efforts to impose UN-mandated sanctions on Iran over its nuclear program.

They also came a day after a US-led naval force launched maneuvers for the first time in the Gulf near Iran in a test of capabilities to halt trafficking in weapons of mass destruction -- an initiative seen as a clear message to the Islamic republic.

US Secretary of State Condoleezza Rice chided Iran: "I think they're trying to demonstrate that they're tough."

The hardline Revolutionary Guards fired the missile during the first phase of military maneuvers in the central desert.

"Dozens of Shahab-2 and -3, Zolfaghar-73, Scud B, Fath-110 and Zelzal have been launched in the presence of (Guards chief) General Yahya Rahim Safavi and other high-ranking commanders," the television report said.

"The cluster head of the Shahab-2 has the capability to disperse 1,400 bomblets with great destructive power."

It was the first time that Iran had fired the longer-range Shahab-3 and commanders said they would also be employing other "new equipment" during the war games.

Russia said it would monitor Iran's military moves after the reports of the missile-firing but ruled out the possibility that the Islamic republic had the technological means to create even longer-range missiles.

"If we are talking about intercontinental ballistic missiles, according to our information, Iran does not possess the technological capability" to create missiles with a 5,000-kilometer (3,100-mile) range, the head of Russian military's general staff Yury Baluyevsky told ITAR-TASS news agency.

Dubbed "Great Prophet 2," the air, land and sea maneuvers are to extend across 14 provinces with the focus on the Gulf and the Sea of Oman.

"The first and main goal of this exercise is to demonstrate power and national determination to defend the country against any possible threat," Safavi said.

"Heliport operations will be carried out in the Hormozgan region (on the Strait of Hormuz) and some of the Persian Gulf islands."

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The strategic Strait of Hormuz is the obligatory passage for tankers exiting the Gulf that carry much of the world's oil supply.

The Iranian maneuvers come on the heels of naval exercises launched in the Gulf on Monday by a US-led flotilla including warships from Australia, Bahrain, France, Italy and Britain.

"That is a propaganda and political maneuver without military value," Safavi said then.

"If forces from out of the region want to jeopardize Iran's security and interests, the Revolutionary Guards and the Basij (volunteer militia) will use all their capabilities to strike their enemies and their interests," he warned.

But the Guards commander insisted Iran's exercises were no threat to its neighbors.

"This maneuver is no threat for the region or neighboring countries," he said, adding: "Our neighbors are our friends and we consider our neighbors' enemies our enemies."

The aim of the exercises was the "defense of sensitive centers, strategic bottlenecks and confrontation of possible troubles," he said.

It is Iran's third round of war games this year. In August, the armed forces held country-wide maneuvers dubbed Zolfaghar Blow. Iran also staged Great Prophet 1 exercises in April.

Rice said Thursday's missile test was Iran's way of telling the world "you're not going to keep us from getting a nuclear weapon".

"The world has to say to them, yes, we will," she said.

The United States and its big power partners are negotiating among themselves a package of sanctions designed to persuade Iran to give up its uranium enrichment program.

Iran insists the program is aimed at providing fuel for nuclear power plants while Washington and others suspect the ultimate aim is to develop atomic weapons.

Referring to Iran's refusal to comply with a UN Security Council resolution demanding it abandon suspect nuclear activities, Rice said: "I think the Iranians are a threat and that's why the international community's got to be strong in resisting their ambitions."

Iran Fires Missiles In War Games (FT)

By Najmeh Bozorgmehr In Tehran And Guy Dinmore In Washington

Financial Times, November 3, 2006

Iran was reported on Wednesday to be accelerating its uranium enrichment process even as Europe took the first steps at the United Nations Security Council towards obtaining a resolution that would impose sanctions on Iran for refusing to suspend its nuclear fuel programme.

Iran's semi-official student news agency, ISNA, quoted an unnamed Iranian official who said a second network, or cascade, of centrifuges used to produce enriched uranium was installed last week, and that injection of the gas feed would take place this week.

"The product of the second cascade will be achieved soon after gas injection," the official said.

Iran began running one cascade of 164 centrifuges at its Natanz facility under UN inspection in January. It denies it has a weapons programme and says the uranium will only be enriched to the low level needed to fuel a civilian nuclear reactor.

Experts in Tehran believe Iran's installation of the second cascade is intended to signal its defiance of sanctions that have been threatened following the Islamic republic's refusal to heed a UN security council demand to suspend the programme that set an August 31 deadline.

"It's a significant part of Iran's policy… to show 'stick policy' will lead only to escalation of [the] crisis and won't hurt Iran's irreversible path," commented Aftab website which is close to Hassan Rowhani, the former nuclear negotiator.

Regime insiders say Iran's top leadership is not particularly worried about nuclear-related sanctions.

On Wednesday France, Germany and the UK – the so-called EU3 that had been negotiating with Iran – presented a draft sanctions resolution to the US, Russia and China for discussion.

Diplomats said one issue at dispute between the EU3 and the US was the future of the Bushehr reactor under construction by Russia in southern Iran. The draft says the "construction" of Bushehr is exempt from the sanctions, but the US has sought to block Russia's planned supply of nuclear fuel next year.

Nicholas Burns, US under secretary of state, said he did not think the Bushehr issue would be a major stumbling block.

The European proposal would seek to prohibit nuclear and ballistic missile cooperation with Iran - unless exempted - by taking "necessary measures" to prevent the supply, sale or transfer of materials and technology. It would also halt related financial transactions, block international travel for Iranians connected to those activities and freeze their overseas assets.

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A list is to be drawn up of individuals subject to the travel ban and asset freeze. It is not clear how far up the political hierarchy such a list might go.

Discussions among the five permanent members of the Security Souncil and Germany are to start on Thursday.

Tony Blair, the UK prime minister, told parliament that the UK was working closely with other veto-wielding Security Council members to get a "proper, binding resolution".

The US and Europe say the proposed resolution is intended as a first step, and would be followed by steadily escalating measures if Iran did not comply.

At the same time, diplomats are worried that the process could end up replicating the crisis with North Korea whereby Iran would respond to threats by expelling UN inspectors and quitting the nuclear Non Proliferation Treaty. For this reason Europe – including the Russians who have a $1bn contract – are insisting that the Bushehr project should be allowed to continue.

European officials hope negotiations will resume with Iran but on the precondition that it first suspend its enrichment programme.

President George W. Bush reiterated yesterday that the US would be ready to join Europe in negotiations following verifiable suspension.

"We've got a lot of issues with Iran," Mr Bush told a news conference. "The first is whether or not they will help this young democracy succeed," he said, referring to Iraq. He said the "second issue" was whether Iran would help the Lebanese government, and that the "big issue" was "whether or not Iran will end up with a nuclear weapon".

Six Major Powers To Resume Talks On Iran Sanctions Friday (AFP)

AFP, November 3, 2006

Six major UN powers are due to resume delicate negotiations Friday on a package of sanctions against Iran for its refusal to halt sensitive nuclear fuel work, UN diplomats said.

The informal meeting will notably hear from Russian ambassador Vitaly Churkin, who travelled home this week to work out Moscow's response to a draft resolution drawn up by Britain, France and Germany, they said.

The negotiations were suspended a week ago with Russia and China still deeply reluctant to agree to tough sanctions and Washington feeling the proposals from its European allies did not go far enough.

The draft calls for a series of nuclear- and ballistic missile-related trade sanctions, a freeze of assets related to Iran's nuclear and missile programs and travel bans on scientists involved in those programs.

But it would allow Russia to continue building a billion-dollar nuclear power plant in the Iranian city of Bushehr -- an exemption crucial to gaining Moscow's approval for any resolution, diplomats said.

Iran faces sanctions after rejecting an earlier Security Council resolution requiring it to suspend a long-secret program to enrich uranium -- a process that can eventually provide fissile material for nuclear weapons.

Tehran insists the program is only to provide fuel for civilian nuclear power stations.

The six powers -- the five permanent Security Council members plus Germany, which has close ties to Iran -- have offered Tehran a package of economic and diplomatic incentives if it gives up the enrichment program.

US Secretary of State Condoleezza Rice called her five counterparts on Tuesday to urge speedy passage of the sanctions resolution and on Thursday warned that inaction was not an option.

"I think the Iranians are a threat and that's why the international community's got to be strong in resisting their ambitions," she said.

Rice also responded to the first launch by Iran earlier in the day of a new long-range ballistic missile, the Shahab-3, during war games seen as a warning to the West over the nuclear showdown.

"They're trying to say to the world, 'You're not going to keep us from getting a nuclear weapon.' The world has to say to them, yes, we will," Rice said in a radio interview.

"But the Iranians also I think are not unaware that the security environment is one in which if they actually were to do something, Iran would suffer greatly and so I think they probably understand that," she added.

But diplomats said there was still protracted and tough haggling to come as Russia and China remain reluctant to accept biting sanctions against a country with which they have close energy and trade ties.

The head of Russia's national security council, Igor Ivanov, reaffirmed Russia's reticence on the issue Thursday, warning that any Security Council decision "should be aimed not at punishing Iran but at continuing to resolve the problem through political means."

US officials have refused to elaborate publicly on their objections to the European draft, though the fact that Washington has so far not agreed to co-sponsor the measure is a clear sign that differences remain.

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State Department spokesman Sean McCormack did say earlier in the week that Washington wanted firm guarantees that construction of the Bushehr power plant would not provide Iran with access to sensitive fuel-cycle technology.

But McCormack expressed confidence that the issues could be resolved and that the Bushehr project was not a deal-breaker.

"The bottom line is, at the end of these negotiations on a resolution, we believe we are going to get a good, strong resolution that sends a message to Iran that it must come into line with what the international community has demanded that they do," he said.

Abbas To Consider Seeking New Elections (AP)

By Karin Laub

AP, November 3, 2006

Mahmoud Abbas is inclined to seek new elections if talks with Hamas militants on forming a moderate government don't produce results in about two weeks, a top aide to the moderate Palestinian president said Thursday.

Abbas has been trying to end a punishing aid cutoff by setting up a government acceptable to the West, either in a power-sharing arrangement between Hamas and his Fatah movement, or by appointing independent technocrats. However, Hamas has balked at demands that it recognize Israel, and no solution to the deadlock has emerged.

In other developments Thursday, Israeli attack helicopters, tanks and ground troops tightened their grip on the northern Gaza town of Beit Hanoun, killing an elderly civilian, two militants and a police officer on the second day of Israel's biggest push in months to stop Palestinian rocket fire.

Palestinian hospital officials said another five militants were killed and several wounded in airstrikes during the early hours Friday. The military said aircraft targeted rocket launch sites in the area.

In a separate operation, an airstrike on a car in Gaza City killed three Hamas members travelling inside, one of them a local militant commander, witnesses said. An army spokeswoman said a vehicle carrying "terror activists" was hit.

Independent legislator Mustafa Barghouti, who has been shuttling between the two sides, said Thursday that an agreement on a new government is close, but he would not disclose details. "We have made good progress. We are almost there," Barghouti said after meeting with Prime Minister Ismail Haniyeh of Hamas.

Barghouti later met Abbas to brief him on his five hours of talks with Haniyeh and told reporters the two men had also spoken directly by phone.

He said tentative agreement has been reached on a political program acceptable to the West. However, negotiations have broken down in the past, despite upbeat forecasts.

The head of Abbas' office, Rafiq Husseini, said the Palestinian leader still hopes to reach a solution. But if negotiations fail, Abbas "feels instinctively that the best thing for him to do is to go back to his people," meaning a new election, Husseini said in an interview at the presidential headquarters in the West Bank city of Ramallah.

Under the Palestinians' Basic Law, Abbas cannot call an early election. However, he could try to get around that by holding a referendum on early elections.

Hamas was elected in parliament elections in January, and the next vote is not due for another three years. Abbas was elected separately in 2005.

Abbas aides, speaking privately, have said the Palestinian leader has set a two-week deadline for wrapping up negotiations with Hamas. Husseini confirmed that Abbas has given a time frame.

"The president does not like lengthy negotiations, lengthy discussions ... and therefore he has to put deadlines," Husseini said. "I think everybody is talking about a deadline of a couple of weeks ... and I think this must be true."

Still, Abbas' low-key leadership style makes it unlikely he will seek a showdown with Hamas. In the past, he has repeatedly backed down from such confrontations.

Violence in and around the northern Gaza town of Beit Hanoun has increased since Wednesday with a total of 20 Palestinians killed, including the four new deaths early Friday. Israeli attack helicopters, tanks and ground troops on Wednesday launched the military's biggest push in months to stop Palestinian rocket fire.

The Israeli army said more than one-third of the 800 rockets fired at Israel in recent months were launched from Beit Hanoun.

At a Hamas rally after nightfall Thursday in Gaza City, Haniyeh called the Israeli offensive "terrorism."

Despite the offensive, militants fired six rockets at Israel from northern Gaza on Thursday, the military said. Two Israelis were slightly wounded and a house was damaged.

A Western diplomat, meanwhile, said he expected new security arrangements to be in place at the Karni cargo crossing between Gaza and Israel, the coastal strip's main lifeline, before the end of the year.

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The U.S.-backed arrangements, including new scanners, European monitors and deployment of elite Palestinian forces, are to prevent closures of Karni over security threats. In recent months, Karni has been closed down repeatedly by Israel amid warnings of possible attacks by Palestinian militants.

Last week militants smuggled high explosives through the crossing. They were intercepted on the Israeli side, the military said.

Israeli Troops Kill 6 Palestinians In Second Straight Day Of Fighting In Gaza Farming Town (NYT)

By Greg Myre

The New York Times, November 3, 2006

JERUSALEM, Nov. 2 — Israeli troops on Thursday rounded up Palestinian men and battled militants for a second straight day in the northeastern corner of the Gaza Strip, killing six Palestinians, including militants and civilians, Palestinian medical workers said.

The Israeli operation in Beit Hanun, a farming community that has been the scene of frequent fighting, is one of the largest since Israeli forces entered Gaza four months ago. It is intended to stop, or at least limit, the persistent Palestinian rocket fire from the area into Israel, the Israeli military says.

Despite the large Israeli presence, Palestinians still managed to launch several more rockets Thursday from nearby areas in northern Gaza. One hit a house in the Israeli town of Sderot, which is just beyond Gaza's perimeter fence, and two Israeli civilians were wounded, Israeli officials said.

The Palestinian prime minister, Ismail Haniya, speaking in Gaza City, just a few miles from the fighting, said the Israeli action would not succeed. "We are completely sure this will fail, as all previous campaigns failed," he said.

In Beit Hanun, the streets were largely deserted except for Israeli tanks and other armored vehicles that kicked up clouds of dust as they patrolled the town. Most of the town's 30,000 residents remain holed up in their homes. The Israeli military interrupted Palestinian radio broadcasts, telling women, children and older men to stay inside for their safety.

However, in a separate announcement on loudspeakers, the Israeli forces ordered all males ages 16 to 45 to gather at a square in the town. Many were put onto trucks and driven outside the town for questioning. Most were later released, but about 15 were held for further questioning, the Israeli military said. While the fighting was less intense than on Wednesday, when the Israeli incursion began, there was sporadic gunfire throughout the day.

On Thursday night, Israel carried out airstrikes against Palestinians responsible for firing rockets, the Israeli military said. Two Palestinians were killed, according to Palestinian medical workers. There were conflicting reports about whether they were militants or civilians.

Earlier in the day, two Palestinian militants and two civilians were killed, said officials at Kamal Adwan Hospital. One of the civilians, Diab al-Bassioni, was in his 70s. Mr. Bassioni was hit by a bullet when he stepped outside to get water, his neighbors told Agence France-Presse. More than a dozen Palestinians were wounded, hospital officials said.

In two days of fighting, at least 14 Palestinians have been killed and more than 60 wounded, according to Palestinian hospitals. Most of the dead and wounded have been militants, though a number of women and children have also been hurt, according to the hospitals. One Israeli soldier was killed Wednesday, and two were lightly wounded on Thursday, the Israeli military said.

For the past five years, Beit Hanun has been one of the Palestinian militants' favorite places from which to launch rockets toward Israel. Beit Hanun is only about two miles from Sderot, but the rockets have a limited range and are wildly inaccurate.

The Gaza militants have fired about 300 of their 800 rockets so far this year from Beit Hanun, according to the Israeli military. Most of the other 500 have been launched from elsewhere in northern Gaza.

The militants frequently fire from the orange and lemon groves on the outskirts of Beit Hanun, but Israel has bulldozed many of those orchards, removing the cover for the militants, as well as the livelihood of many residents.

Many militants come from Gaza City, or other parts of Gaza, and not Beit Hanun. Some local residents oppose the Palestinian rocket fire because the town bears the brunt of the Israeli military response, but others support the Palestinian attacks.

Israel has staged repeated raids into northern Gaza over the past five years in an effort to halt the rockets. While the incursions have reduced the rocket fire in some instances, it has never stopped it completely.

Syria Denies Plan To Topple Lebanon Govt. (AP)

By Samar Kassabli

AP, November 3, 2006

DOJ_NMG_0090978

Syria on Thursday denied U.S. accusations that it was seeking to topple Lebanon's Western-backed government with the help of Iran and Hezbollah.

The Foreign Ministry said Syria has stayed out of its neighbor's affairs since pulling its troops out of Lebanon last year.

"The U.S. administration's attempts to circulate that Syria, Iran and Hezbollah are seeking to destabilize Lebanon are not true," the Foreign Ministry said. "Since it withdrew its troops from Lebanon, Syria has voiced its support for anything that the Lebanese agree on through their national dialogue."

White House spokesman Tony Snow said Wednesday there was "mounting evidence that the Syrian and Iranian governments, Hezbollah, and their Lebanese allies are preparing plans to topple Lebanon's democratically elected government."

A strongly worded statement from the White House did not detail that evidence. It did single out Syria for an alleged plan to derail possible prosecutions for the assassination of Rafik Hariri, a former Lebanese prime minister who had tried to draw his country away from Syrian domination.

Lebanese and international pressure following Hariri's February 2005 assassination forced Syrian troops to end their 29-year presence in Lebanon.

The U.S. ambassador to the United Nations, John Bolton, accused Syria and Iran on Monday of violating a U.N. embargo meant to keep Hezbollah from rearming after the Lebanese guerrillas' 34-day war with Israel last summer. He said Tuesday that violations of that embargo are part of the "evidence base" the White House used.

Syria denies it is violating the embargo.

Terje Roed-Larsen, the top U.N. envoy for Syria-Lebanon issues, said representatives of the Lebanese government "have stated publicly and also in conversations with us that there has been arms coming across the border into Lebanon."

The Lebanese government denied having shared such allegations.

"Neither the government, nor I told anybody about this," Lebanese Prime Minister Fuad Saniora reporters Wednesday.

Lebanese Defense Minister Elias Murr said Roed-Larsen's comments were "inaccurate."

Israel has said weapons smuggling for the Iranian- and Syrian-backed Hezbollah was continuing despite the U.N. embargo. Israel has said its military overflights of Lebanon are necessary to monitor the situation.

The Lebanese government has deployed thousands of soldiers on the border with Syria to stop smuggling. A U.N. maritime force led by Germany is patrolling the Mediterranean off Lebanon to enforce the embargo.

Hezbollah leader Sheik Hassan Nasrallah gave Saniora's government an ultimatum on Tuesday: establish a Cabinet of "national unity" by Nov. 13 or face street protests. Such a Cabinet would give the Islamic militants and their allies veto power over key decisions.

U.S. officials said they consider Nasrallah's threat serious.

Threat Deepens Lebanon Political Crisis (AP)

By Sam F. Ghattas

AP, November 3, 2006

Two months after its devastating war, Lebanon is again on the edge of crisis — at the center of a power play involving the United States, Syria, Iran and Israel.

Neighboring Syria on Thursday denied accusations it wants to topple the Lebanese government, but an ultimatum earlier in the week from the Syrian-allied Hezbollah to stage mass protests to force early elections has alarmed Washington and Europe.

At stake is the August cease-fire that halted the Israel-Hezbollah war, and Western efforts to bolster democracy in Lebanon. The crisis also could undermine U.S. diplomatic overtures to Syria and Iran to help calm Iraq, where both countries have influence among armed groups.

Politics in this ethnically diverse nation have boiled over in recent weeks, washing away a brief period of unity during the war, when Lebanon suffered a pounding from Israel's military after Hezbollah guerrillas crossed the border and captured two Israeli soldiers.

Hezbollah, an armed Shiite group that has often fought Israel, also has 11 legislators in Parliament and has been increasingly aggressive in its political plays. The threat Tuesday from its leader, Hassan Nasrallah, racheted up tensions between pro-Syrian and pro-Western groups.

Nasrallah warned of street protests if Prime Minister Fuad Saniora did not accept his group's demands for a "national unity" Cabinet, in which Hezbollah and its allies would have a veto on key decisions. Nasrallah set a deadline of Nov. 13.

Hezbollah now has two ministers on the 24-member Cabinet and can count on support from three more, but eight votes are needed to veto key decisions.

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Nasrallah's threat, as well as five grenade attacks in Beirut in recent weeks, have stoked tensions and raised fears of more violence, particularly after a pro-government Christian group said Thursday that it was ready to take to the streets "to defend the Lebanese republic."

At the same time, Israel has been flying warplanes over Lebanon to pressure the international community into curbing an alleged flow of weapons from Syria to Hezbollah's fighters.

Saniora has dismissed Israeli claims of weapons smuggling and denied his government told the United Nations of such actions. But U.N. envoy Terje Roed-Larsen said he was told by Lebanese officials that arms were still flowing from Syria to Lebanon in violation of a U.N. embargo.

On Wednesday, White House spokesman Tony Snow said there was "mounting evidence" that Syria, Iran and Hezbollah "are preparing plans to topple Lebanon's democratically elected government."

Snow said any attempt to stir up demonstrations, threaten or use violence against Lebanon's U.S.-backed leadership would be a clear violation of the country's sovereignty and of three U.N. Security Council resolutions.

His comments drew a quick denial from Syria.

"The U.S. administration's attempts to circulate that Syria, Iran and Hezbollah are seeking to destabilize Lebanon are not true," the Syrian Foreign Ministry said Thursday in a statement.

The statement noted Syria withdrew its troops from Lebanon last year under international pressure to end a nearly 30-year occupation. Since then, it said, "Syria has voiced its support for anything that the Lebanese agree on through their national dialogue."

Washington isn't alone in its concerns, however. The European Union, which provided the bulk of troops monitoring the August cease-fire, also has expressed worries about challenges to Saniora's government.

"The EU will be with you. You can be sure of that," EU foreign policy chief Javier Solana told Saniora at a news conference in Beirut last weekend.

While Hezbollah threatened street action, its leader said demonstrations would be peaceful and stressed that the Lebanese people have a democratic right to demonstrate — something the United States has not in the past opposed.

But Washington considers Hezbollah a terrorist organization and the group's push for a confrontation with Washington's Lebanese allies appeared to persuade the White House to take a public stand behind Saniora, who has strengthened ties with the United States.

In a statement Thursday, Hezbollah said the U.S. is trying to draw Lebanon into its dispute with Iran and Syria and enlist the country in the "Bush administration's war against those it considers enemies."

Despite the sharpening rhetoric, Nasrallah left open the possibility of compromise, perhaps by expanding the number of Cabinet portfolios.

The Arabic newspaper As-Safir said Thursday that officials in Saudi Arabia were discussing a formula to add more representation to the Cabinet.

Nasrallah, who met with the Saudi ambassador last week, said in the Tuesday interview that he would not object to Saniora staying on as prime minister as long as the Cabinet was reshuffled and expanded.

Somali Extremists Threaten Bombings (AP)

By Elizabeth A. Kennedy

AP, November 3, 2006

Islamic extremists in Somalia are threatening to stage suicide bombings in parts of East Africa, the U.S. Embassy said Thursday in the latest warning that conflict in Somalia could spread in this volatile region.

The embassy, in a warning to Americans living or traveling in Kenya, said it had received reports of "extremist elements" targeting Kenya, Ethiopia and other "surrounding countries," which it did not identify.

"These threats specifically mention the execution of suicide explosions in prominent landmarks within Kenya and Ethiopia. American citizens are advised to remain vigilant and to use extreme caution when frequenting prominent public places," the statement said.

Somalia has not had an effective government since 1991, when warlords overthrew a dictator and then turned on one another. But an increasingly powerful group, the Council of Islamic Courts, seized control of the capital, Mogadishu, in June and now controls much of Somalia's south.

The embassy's warning came one day after talks collapsed between the militants and Somalia's U.N.-backed interim government, which controls only the western city of Baidoa.

A leading member of the Islamic militia, Abdirahman Janaqow, told The Associated Press he didn't believe his group had prompted the embassy's warning. He charged that the statement was "designed to create problems."

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Officials of the acting Somali government did not immediately return a call seeking comment.

The U.S. government has charged that some in the Somali militant group have tied to al-Qaida.

Experts warn that Somalia could become a proxy battleground for neighboring Eritrea and Ethiopia. Eritrea, which broke away from Ethiopia in a 1961-91 civil war and fought a 1998-2000 border war with its rival, supports the Islamic militia. Ethiopia backs the interim government.

A confidential U.N. report obtained by AP last week said 6,000 to 8,000 Ethiopian troops are in Somalia or along the border. It also said 2,000 soldiers from Eritrea are inside Somalia. Eritrea denies having any troops there, while Ethiopia insists it sent only a few hundred advisers.

Kenya, and Tanzania just to its south, have already been victims of al-Qaida terrorism, with the bombings at the U.S. embassies in Nairobi and Dar es Salaam in 1998 and attacks on a hotel and an Israeli airliner in Kenya in 2002.

The attacks emanated from Somalia, where the growing militant movement has prompted concerns that the chaotic nation could become fertile ground for Osama bin Laden's terror organization. Two leaders of the Islamic courts appear on U.S. and U.N. lists of people known to have ties to al-Qaida, although both men have repeatedly denied the allegations.

U.S. Urges Caution In Kenya, Ethiopia (WT)

By Nicholas Kralev

The Washington Times, November 3, 2006

The United States warned its citizens in Kenya and Ethiopia yesterday about the possibility of suicide attacks by "extremist elements" from Somalia amid rising fears of a regional war in the Horn of Africa.

The State Department urged Somalia's neighbors to stay away from the struggle between the country's weak central government and the powerful Islamic courts that control the capital, Mogadishu, and much of the country.

The U.S. Embassies in Nairobi and Addis Ababa cited reports of "terrorist threats emanating from extremist elements within Somalia which target Kenya, Ethiopia and other surrounding countries." The threats "specifically mention the execution of suicide explosions in prominent landmarks within Kenya and Ethiopia," the embassies warned.

The messages called on Americans to be vigilant and to use extreme caution in public places.

Intelligence officials and nongovernmental organizations in the region are warning of an escalation of the Somali conflict, with Ethiopia supporting the interim government and Eritrea backing the Islamists. Kenya is home to many Somali expatriates.

Recent troop movements and artillery fire have added to the anxiety. "Given the situation on the ground, the proximity of the forces and the artillery duels of the last few days, an escalation is likely," regional analyst Matt Bryden told [a] news agency. "It could be hours, it could be days, it could be weeks."

The United States has accused the Islamists of harboring al Qaeda operatives.

"There are concerns that the ... current situation in Somalia might lend itself to wider violence in the region, and we are doing everything we can to see that does not happen," said State Department spokesman Sean McCormack.

"We believe the most hopeful course forward begins with transitional federal institutions and the Islamic courts coming together," he said.

Bomb attacks on the U.S. Embassies in Kenya and Tanzania in August 1998 killed 224 persons, including 12 Americans.

Somalia's government yesterday rebuffed efforts to reorganize peace talks after they failed this week in the Sudanese capital, Khartoum.

Diplomats said mediators were trying to persuade the two sides to return to the table in the middle of the month, and the Islamists said they were "always ready and prepared" for negotiations." But government delegate Ahmed Omar Gagale told [a news service]: "The government delegation has refused to set a date and a place."

In Addis Ababa, the Ethiopian Foreign Ministry issued a blunt assessment of the deteriorating situation, blaming "extremist" Islamists for the failure of the talks and the looming war.

EU Cancels Talks Between Turkey, Cyprus (AP)

By Robert Wielaard

AP, November 3, 2006

The European Union on Thursday canceled a meeting bringing together the foreign ministers of Cyprus and Turkey, talks called to resolve a dispute threatening Turkey's already troubled drive to join the EU.

Turkey opened EU membership talks in October 2005 but opposition has since grown — notably in France and Germany — to bringing a large, poor, Muslim nation into the bloc, particularly one that is slow to embrace political reform and that effectively refuses to recognize EU member Cyprus.

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Failing to overcome hurdles, the EU canceled a two-day meeting aimed at mediating in the Turkey-Cyprus feud, said Finnish Foreign Minister Erkki Tuomioja, whose country holds the rotating EU leadership. The talks had been scheduled for Sunday and Monday in Helsinki, the Finnish capital.

"We have been prepared to arrange a round of talks (with) all parties in Finland. Unfortunately, this has not been possible," said Finnish Foreign Minister Erkki Tuomioja.

The EU wants Ankara to drop its refusal to open Turkish ports to Cypriot planes and ships — a key condition for the entry talks to continue. Ankara wants the EU to do more to end the isolation of Turkish Cypriots, whose government only Turkey recognizes.

Tuomioja said in a statement that the stumbling blocks were "questions related to direct trade between the EU and the northern part of Cyprus" and "the uninterrupted continuation of Turkey's accession negotiations."

The Mediterranean island of Cyprus has been divided into a Greek-Cypriot south and a breakaway Turkish-Cypriot north since Turkey invaded in 1974 after a failed Athens-backed coup by supporters of union with Greece. Cyprus entered the 25-member EU in May 2004.

Turkey has no diplomatic relations with the island's internationally recognized Greek Cypriot government, and backs the breakaway Turkish Cypriot state in the north.

In Cyprus, government spokesman Christodoulos Pashiardis blamed the cancellation on Turkey. "We understand that this development is due to the positions and terms put forward by the Turkish side," Pashiardis said.

"The Cypriot government will continue to consult with the Finnish presidency, maintaining the same constructive stance and behavior as it had done up until now."

Under pressure from Greece and Cyprus, the EU may abandon the membership talks if Ankara does not live up to an agreement extending its customs union with the EU to the Greek Cypriot part of Cyprus.

In 2004, Greek Cypriots rejected a United Nations-backed plan to reunite the country on the eve of its entry into the EU, essentially excluding the Turkish-speaking north from receiving EU benefits even though Turkish Cypriots endorsed reunification in a separate referendum.

Greek and Cypriot media reports have said Finland is proposing to reduce restrictions on the Turkish-speaking part of Cyprus if Turkey opens its ports to the Greek Cypriots.

The Finnish government had no comment on the reported proposals.

Earlier this month, Greece and Cyprus forced the EU to postpone the opening of a new chapter of Turkey's EU membership talks — on industrial policy — until a solution to the customs dispute was found.

In Greece, Prime Minister Costas Karamanlis said Turkey had failed to implement basic reforms needed before it joins the European Union.

He called on the European Commission to clearly state Turkey's shortcomings in a forthcoming progress report on the country's membership prospects.

"The truth is that, so far, Turkey has not taken basic and necessary steps on ... its obligations regarding the European Union," Karamanlis said.

Uneasy NATO allies Greece and Turkey have long-running disputes over airspace and undersea exploitation rights in the Aegean Sea, and have come close to war three times since 1974.

Karamanlis said a standing Turkish threat to declare war if Greece extends its territorial waters is an "unacceptable anachronism."

Vietnam To Prosecute Three U.S. Citizens In Terrorism Case (WP)

By Grant McCool

The Washington Post, November 3, 2006

HANOI, Nov. 2 -- Seven people, including three Vietnamese-born U.S. citizens, will be prosecuted on charges of plotting violence against Vietnam's communist government, officials said Thursday.

The prosecutor included charges against a U.S. citizen whose 13-month detention has drawn attention in the United States before a Nov. 17-20 visit to Vietnam by President Bush.

Sen. Mel Martinez (R-Fla.) has linked the detention of Orlando resident Thong Nguyen "Cuc" Foshee to passage of a bill that would grant Vietnam permanent normal trade relations status. "Senator Martinez is doing everything in his power as a U.S. senator to get Mrs. Foshee back to Florida," said his spokeswoman, Kerry Feehery.

Washington and Hanoi signed a trade deal May 31 that helped usher Vietnam toward its expected accession next week to the World Trade Organization. The White House hopes to win approval of permanent normal trade relations with Vietnam before Bush's visit.

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On Thursday, prosecutors in Vietnam "asked the Ho Chi Minh City People's Court to bring to court seven defendants involved in a terrorism case," according to a statement carried by the official Vietnam News Agency.

A Cold War Ghost Haunts Elections In Nicaragua (WSJ)

By José De Córdoba

The Wall Street Journal, November 3, 2006

MANAGUA, Nicaragua -- When the U.S. ambassador here said of a presidential candidate that "if it looks like a duck, walks like a duck, and swims like a duck, it probably is a duck," he ruffled a lot of feathers.

Since the comments earlier this year, the candidate, José Rizo, a white-haired coffee farmer, has been lampooned in the Nicaraguan media as a "pato," or duck, which is also Nicaraguan slang for homosexual. Ambassador Paul Trivelli's friends say the diplomat meant to imply only that Mr. Rizo, 62 years old, is a creature controlled by former Nicaraguan President Arnoldo Alemán, who is under house arrest for embezzlement. But many here suspect the Spanish-speaking Mr. Trivelli knew the full meaning of the word.

"He called me a duck, and that means homosexual," says Mr. Rizo, who says he isn't gay -- and is angry he has to defend himself. Mr. Trivelli declined to be interviewed for this article, as did other U.S. Embassy officials.

The duck flap is illustrative of what Nicaraguans consider U.S. intrusion in this Sunday's presidential election, where former Sandinista comandante and president, Daniel Ortega, 61, whom Washington despises, is running well ahead of banker Eduardo Montealegre, 51, whom Washington favors. Mr. Rizo is running a distant third, but he is attracting U.S. attention in part because support for him would split the anti-Ortega vote -- and keeping Mr. Ortega out of office is extremely important to U.S. officials.

The current controversy carries echoes of the 1980s, when the U.S. sought to overthrow Mr. Ortega's Sandinista government, which had allied itself with the Soviet Union. The current Ortega campaign evokes strong emotions in the State Department as a reminder of that time. Even retired Lt. Col. Oliver North, a prominent figure in the Cold War battle against the Sandinistas, has become involved, criticizing the U.S. for shunning Mr. Rizo, who Col. North believes has the best chance of defeating Mr. Ortega.

Since arriving in Managua last year, Mr. Trivelli, 52, has become a familiar figure in the Nicaraguan media, where he often slams what he calls the country's antidemocratic forces -- Mr. Ortega's Sandinistas and Mr. Rizo's Liberal Constitutional Party, or PLC. The U.S. is battling corruption, he says, which is a threat to Nicaragua's democracy and especially virulent in the PLC. "We will never approve of a candidate, or a party that has as a candidate Arnoldo Alemán, his family, his cronies or someone designated by him," Mr. Trivelli said earlier this year on Nicaraguan television.

Last month, the Organization of American States, which is monitoring elections here, issued a statement that "lamented" outside interference in the election and criticized Ambassador Trivelli by name.

Even some of America's friends here think Mr. Trivelli has been heavy-handed. Carlos Briceño, a U.S. citizen who heads a television station in Managua, says he was telephoned by a deputy of Mr. Trivelli who said the election was a matter of U.S. national interest and suggested his news coverage should reflect that concern. "The U.S. has lost the parameters of what is permissible and what is totally unacceptable," Mr. Briceño says.

In response to such criticisms, a State Department spokesman said in a briefing yesterday, "We're not trying to shade opinion or to try to take a position. This is a democratic election."

Mr. Trivelli, a career foreign-service officer, headed the Central America desk at the State Department before being appointed ambassador last year. One European diplomat says the tall and bearded Mr. Trivelli is known for being withdrawn and somewhat brusque. While of Italian descent, says the diplomat, Mr. Trivelli "obviously didn't learn anything from Machiavelli."

The Americans aren't the only ones throwing their weight around. Venezuela's populist president, Hugo Chávez, has been supplying Sandinista mayors with cut-rate oil for public transportation and fertilizer to be sold to local farmers.

Mr. Rizo, who like many affluent Nicaraguans travels frequently to the U.S. for family and business matters, said recently that he has encountered visa problems at Mr. Trivelli's embassy. When his 10-year U.S. visa expired this summer, Mr. Rizo says he got only a three-month visa, after a tough grilling at the embassy. That visa has already expired and he must apply for a new one.

The U.S. Embassy also has lifted the visas of more than two dozen prominent figures in Mr. Rizo's PLC party, most of them judges, alleging in most cases that they are corrupt. The visa issue has been decried by the PLC as politically motivated. In Managua circles and the press, the visaless officials are called "los desvisados" -- the ones whose visas were lifted.

A State Department spokesman says the government is barred by law from commenting on individual cases, but that the U.S. doesn't revoke visas for political reasons.

The U.S. has opposed the PLC since Mr. Alemán, a 300-pound political boss known as "El Gordo," or "the Fat Man," cut a deal in 1999 with Mr. Ortega, the head of the Sandinista opposition. As part of the "pacto," the two parties rewrote election laws

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so that a presidential candidate could avoid a run-off and win with just 35% of the vote, rather than 45% as before. That was a boon for Mr. Ortega, who is anathema to a large part of the electorate in this dirt-poor country of 5.5 million.

In the most recent polls, Mr. Ortega has about 33% of the vote, compared with 25% for Mr. Montealegre and 17% for Mr. Rizo.

The U.S. has a turbulent history with Nicaragua, which it has treated as a kind of protectorate. In 1909, the U.S. sent gunboats to Nicaragua, forcing the resignation of President José Santos Zelaya, who had executed two Americans. U.S. Marines occupied the country for most of the next 24 years. But the Marines were unable to quell a revolt by nationalist Gen. Augusto Sandino and left the country in 1933. The U.S. turned power over to an ally, Gen. Anastasio Somoza, whose family ruled until the Sandinista triumph in 1979 put Mr. Ortega in power.

Nicaragua became a Cold War battleground when the Sandinistas allied themselves with the Soviet Union. The U.S. engaged in a proxy war, backing Contra rebels in the 1980s. Mr. Ortega left power peacefully in 1990 when he lost an election, but Cold War ghosts continue to haunt Managua and Washington. Some Bush national security officials got their start during the Contra wars, which may help explain why the U.S. is determined to stop their nemesis, Mr. Ortega. "Daniel Ortega sets them off," says Michael Shifter, an analyst at the Inter-American Dialogue, a Washington, D.C., think tank. "He sets the reptilian part of their brains to work."

Mr. Ortega has run for president three times since his 1990 loss, but this is the first election in which he has a real chance to win, thanks to the new 35% rule. These days, Mr. Ortega runs as the candidate of reconciliation. He picked as a running mate a former Contra leader, Jaime Morales, whose mansion Mr. Ortega had once confiscated, and chose as a campaign song John Lennon's "Give Peace a Chance."

One of Mr. Rizo's few prominent U.S. allies is Col. North, who as a Reagan White House official sold arms to Iran and used the proceeds to fund the Contras -- which provoked a scandal in Washington. In his syndicated column, Col. North, who is also a television host for Fox News, last month slammed the U.S. for distancing itself from Mr. Rizo. He later flew to Managua, where he made an appearance with Mr. Rizo at a breakfast. Mr. Rizo's campaign also ran a television spot using a still shot of Mr. North, with the White House in the background.

Mr. Trivelli wasn't amused, saying the ad wrongly suggested the U.S. was backing Mr. Rizo. Such propaganda by the PLC is "paja," he told reporters, using a word that means "bogus," but has a second slang meaning of "masturbation." The ensuing controversy over yet another linguistic faux pas was the talk of Managua.

The city's mayor Dionisio Marenco, a top aide to Mr. Ortega, jokes that Mr. Trivelli is acting as Mr. Ortega's campaign manager. "I hope he keeps saying stuff," says Mr. Marenco.

Ortega Gives US The Jitters (FT)

By Adam Thomson

Financial Times, November 3, 2006

On a steamy night in Managua, a young man with a gaunt face and wispy moustache walks over to a car at a traffic light, draws back his rain-soaked sleeve and, with slow and awkward strokes, draws the letters FSLN on one of the passenger windows. Then he clenches his fist as if victory for his beloved Sandinista party were already assured.

The scene only lasts a few seconds. But as Nicaragua prepares for presidential elections on Sunday, it speaks volumes about the growing feeling that Daniel Ortega, the former leftwing guerrilla leader, and his FSLN Sandinista movement have a real chance of returning to power after an absence of 16 years.

Opinion polls, though inaccurate in other recent elections in Central America, show that Mr Ortega has about 33 per cent of the vote and a lead of at least eight points over his nearest rival. If he could increase that to 35 per cent on Sunday, and maintain at least a five-point lead over the second-place candidate, he would win.

With Nicaragua's population of just 5.2m and gross domestic product of less than $5bn (€4bn, £2.6bn), one obvious question is why any of this matters. The main reason is that the US cares – a lot.

Nicaragua's domestic affairs have always been an intense focus of US foreign policy, and its history is pockmarked by US interventions. But when Mr Ortega swept to power in 1979 in an armed revolution during the cold war, the country – and Mr Ortega – became a virtual obsession in Washington. The US government has spent much of the last decade and a half trying to ensure that he does not return.

His increasingly close relationship with Hugo Chávez, the rabidly anti-US Venezuelan president, has only made relations worse.

The 60-year-old veteran revolutionary has run in – and lost – the last three presidential elections. Little seems to have changed on the campaign trail either: the jingles set to John Lennon's "Give Peace a Chance" may be new but he still turns up hours late and then makes speeches that last longer than most people would like.

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However, there is a widespread perception that years of democratic government have failed to alleviate the country's extreme poverty. Enrique Bolaños, the centre-right outgoing president, is set to leave office with modest growth, declining inflation and strong gross central bank reserves. But even that relative stability has failed to affect ordinary people.

On the streets of Managua, beggars abound and barefoot children splash around in rubbish-filled gutters instead of going to class. A recent report by the education ministry pointed out that this year's budget only provided about $40 in maintenance allowance per school.

Mr Ortega may also benefit from the deep rifts that have divided Nicaragua's parties. The right has split, thanks in large part to the corruption scandals surrounding Ricardo Alemán, the former centre-right president under house arrest for corruption.

Indeed, Eduardo Montealege of the Nicaraguan Liberal Alliance (ALN), Washington's preferred candidate, and José Rizo of Mr Alemán's Liberal party (PLC) have spent the campaign fighting each other rather than doing battle with Mr Ortega.

The left has also split – although not as drastically as the right. The breakaway Sandinista Renovation Movement (MRS) led by Edmundo Jarquín, a former official at the Inter-American Development Bank, could get at least 10 per cent of the vote.

Mr Ortega has tried to widen his support by bringing in faces traditionally associated with the opposition and moving to the right on many issues. Jaime Morales, his vice-presidential candidate, was a member of the so-called Contra rebels, who fought a long and bloody war against Mr Ortega in the 1980s and were illegally bankrolled by Washington.

Mr Ortega has campaigned with a substantial dose of anti-US rhetoric, and has even mentioned renegotiating aspects of Cafta, the trade agreement that came into force this year between Central America, the Dominican Republic and the US.

But he has also been quick to distance himself from the radical Sandinista policies of the past, such as confiscation of private property and obligatory military service. In a move that shocked many people, he recently even helped approve a law that makes it illegal for pregnant women facing life-threatening complications or victims of rape to have an abortion.

The US is in no doubt that outright victory for Mr Ortega on Sunday would be disastrous for Nicaragua, and has warned that it would also give Mr Chávez a foothold in the region.

But Carlos Fernando Chamorro, editor of the weekly Confidencial newspaper and son of Violeta de Chamorro, the former centre-right president who beat Mr Ortega in 1990, is less concerned. He argues Mr Ortega is a pragmatist and that means not doing anything too radical to upset the US. He also says that Mr Ortega would face a deeply divided National Assembly.

Nicaraguan Vote Links Past, Present U.S. Foes (USAT)

By Sara Miller Llana

USA Today, November 3, 2006

MANAGUA, Nicaragua — Daniel Ortega, the former Marxist leader of Nicaragua, could join a wave of leftists coming to power in Latin America if he wins his country's presidential election Sunday.

A victory by Ortega would be the second this year for a leftist in Latin America. Brazilian President Luiz Inacio Lula da Silva won a second term last month. Other leftist leaders: Venezuelan President Hugo Chávez and Evo Morales of Bolivia.

Ortega's history of confrontation with the United States and support from Chávez have turned a national election into an international confrontation. Chávez is a fierce critic of President Bush who says the United States is interfering in the region.

Though Ortega, 61, leads in pre-election polls, he might not get enough votes Sunday to win outright. To win, a candidate must get 35% the vote and have a 5-percentage-point advantage over the closest runner-up. Otherwise, the top two candidates advance to a runoff election in mid-December.

A poll by M&R Consultores published Oct. 27 showed Ortega and his Sandinista National Liberation Front with 33% support. The U.S.-favored candidate, Harvard-educated banker Eduardo Montealegre of the Nicaraguan Liberal Alliance, had 25%. The poll of 4,501 potential voters had a margin of error of +/-1.5 percentage points.

Ortega is positioning himself as a reformed revolutionary. Wednesday, he pledged to promote the private sector and build on free-trade agreements. To support his theme of unity, he has enlisted a former archrival as his running mate.

Montealegre and fellow conservative Jose Rizo of the Constitutionalist Liberal Party, in third place in polls, have made the need to defeat Ortega a key message of their campaigns. The candidates are trying to woo voters still waiting for market reforms to improve conditions for Nicaragua's 5.14 million people. According to the CIA, Nicaragua is one of the Western Hemisphere's poorest nations and has one of the world's most unequal distributions of income.

Ortega's candidacy has not only raised the hackles of the United States, but it also elicited memories of Nicaragua's civil war of the 1980s, which pitted Ortega's Soviet-backed Sandinista government against U.S.-backed contra rebels.

The Reagan administration's effort to topple the Sandinistas became part of the Iran-contra scandal: The administration secretly sold arms to Iran and used the proceeds to fund and arm the contras.

The civil war killed about 50,000 people. It ended in 1990, when a U.S.-backed candidate, Violeta Chamorro, was elected president.

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The United States has been outspoken in its desire to see Ortega lose. U.S. Ambassador Paul Trivelli has questioned Ortega's commitment to democracy.

On a visit here last month, Oliver North, the former White House aide at the heart of the Iran-contra controversy, warned that a vote for the Sandinista leader would mean a return to conflict.

"If (someone else) were running for president of Nicaragua and said, 'I am a friend of Fidel Castro and Hugo Chávez, and I oppose U.S. policy,' that would be enough to create some friction, to put it mildly," says Otto Reich, a senior official in the Reagan administration. "The fact of history compounds the problem."

Sitting in his office next to Ortega's home, Bayardo Arce, a top Sandinista party member, says the United States will continue to be the country's principal market if his party wins. But he adds that Nicaragua also will reach out to the rest of Latin America.

That interest in inter-Latin American relations has been highlighted by a deal struck by the Sandinistas with Venezuela to provide discounted oil to alleviate Nicaragua's energy crisis. For the past year, Nicaraguans have suffered regular blackouts, in part because of the high cost of oil. The Venezuelan deal has been criticized by opponent Montealegre and outgoing President Enrique Bolaños as a vote-getting ploy.

Dionisio Marenco, mayor of the capital, Managua, an Ortega ally and a leader of the fuel program, denies a political motive. "If the same offer were given on these terms by Bush, or by (Mexican President Vicente) Fox, or anyone in Saudi Arabia or the Sultan of Brunei, I'd take it," he says.

Nicaraguan voters, meanwhile, are divided. Some former contras are siding with Ortega. His running mate is his former contra archrival, Jaime Morales.

Mario Romero, 38, a taxi driver, has Montealegre bumper stickers all over his car. He fought in the Sandinista army, and his brother was killed in the war. "Ortega?" Romero says. "Never again."

Ortega Poised To Take Helm In Nicaragua (WT)

By Carmen Gentile

The Washington Times, November 3, 2006

MANAGUA, Nicaragua -- Months of campaigning for Nicaragua's presidency has ended in a flurry of fireworks and flowery rhetoric from supporters of Daniel Ortega, the one-time Sandinista leader and Washington headache who appears poised for a comeback on Sunday.

Thousands of Ortega supporters paraded through the streets of Managua this week, waving banners for his Sandinista National Liberation Front (FSLN) and sporting his "pink tide" hats espousing a return to the party's leftist ideals.

But the modern-day Mr. Ortega -- a balding, pudgier version of the young firebrand who led the overthrow of the Somoza family dictatorship in 1979 -- appears to have mellowed a bit, and in doing so, has garnered just about enough support to win Sunday's election without a runoff.

Aged 60, the FSLN leader who during the 1980s presided over the Sandinista fight against the U.S.-funded Contra rebels now preaches "unity for a triumphant Nicaragua" and has embraced his one-time rivals.

His running mate is none other than Jaime Morales Carazo, a former top Contra political negotiator, nicknamed "the godfather," whose home was seized by the Sandinistas. Mr. Ortega lives there to this day.

Mr. Ortega has also promised to honor the basic principles of the country's free market approach to economic development. In a ceremony Wednesday -- the last day of official campaigning -- he signed an agreement with officials at the Ministry of Commerce pledging to respect its 10-point approach to rectifying the financial woes of the region's poorest countries.

Along with embracing his political adversaries and cozying up to economic officials, the media-savvy Mr. Ortega knows the importance of playing to the country's poor, telling Nicaraguans they have been reduced to "beggars" during the last 16 years of democratic rule.

All that has pushed Mr. Ortega to the top of a crowded field. Recent polls show him just shy of securing enough votes to win outright on Sunday.

To avoid a second election, a candidate must garner 35 percent of the vote and be at least five percentage points ahead of the next leading candidate.

Some analysts are predicting a first-round win for Mr. Ortega, while others think he will fall short, forcing a runoff between the two top vote-getters in December.

"Polling in Nicaragua is rarely accurate and always a 'work in progress,' " noted Manuel Orozco, an analyst with the Washington-based Inter-American Dialogue.

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If he can't secure a victory in the first round, then Mr. Ortega would face a tough battle against either Harvard-educated banker Eduardo Montealegre, who split from the ranks of the ruling Liberal Constitutional Party (PLC) to form his own party, or former vice president and PLC candidate Jose Rizo. Mr. Montealegre has the support of the United States.

Edmundo Jarquin, a former economist with the Inter-American Development Bank who heads a dissident social democratic campaign that rivals the FSLN on the left, poses little threat to the FSLN leader, but he could siphon off just enough votes to deny Mr. Ortega a first-round victory.

But Mr. Ortega's opponents aren't ready to concede defeat.

"It's going to be a very close race," said Terencio Garcia, a lawyer in Managua who is an adviser to the Rizo campaign. He predicted that the PLC candidate would emerge from the first round and contest Mr. Ortega for the presidency next month, provided the Sandinista doesn't resort to "dirty tricks" on election day.

Mr. Rizo has the added burden of the U.S. support for Mr. Montealegre.

Thousands of electoral officials from Nicaragua, the Carter Center, headed by former President Jimmy Carter, and the European Union, will be on hand to monitor every polling station. A national fraud, said one electoral observer, would be "highly unlikely with the number of people that will be watching the ballot boxes."

"Ortega was ripe for being denied [the presidency]," said Larry Birns, director of the Council on Hemispheric Affairs, noting the former leader has already lost the last two presidential elections. "Now, if he wins, there's no telling what he's going to do."

Inside The Ring (WT)

By Bill Gertz, Rowan Scarborough

The Washington Times, November 3, 2006

China defense budget

The Pentagon has had two rounds of discussions with the Chinese military on the defense budget process, with the United States explaining in detail how its military spending works and China revealing very little about its secret military budget.

Chinese military officials met Pentagon officials in June and provided a very limited explanation of the process Beijing uses to support its weapons and forces.

"We're trying very hard to get an exchange of experts on the budgeting process so that we can understand how they create their budgets, since this is an area where we have a very large disagreement with them," a senior defense official said.

China is engaged in a major military buildup but will not disclose the amounts or systems it is building. The budget secrecy, among other factors, has prompted the Pentagon to start a major force buildup in the Pacific as a "hedge" against China emerging as a threat.

U.S. officials traveled to China in December to explain how U.S. budgets are created, including details such as line items for life-cycle costs of weapons systems or costs for bases.

The Chinese did not reciprocate and in June provided "a lesser level of detail" on its budget, the official said. "But at least it was the beginning of a discussion about how the two budget processes are fundamentally different," the official said.

The Chinese did not explain how much it costs them to build a Russian-designed Su-27 bomber and limited the briefing to principles they use to guide budgeting, a second official said.

China does not include its foreign arms purchases, which in recent years have included billions worth of Russian, European and Israeli weapons. It also does not include budget costs for its space program, which the military runs, or funding for numerous research institutes that make military satellites, another costly procurement item, the senior official said.

"We are right now at that very process level with them," the official said. "We don't know if they're going to be willing to engage us at the next level but we're going to try."

Chinese officials complained last year that the Pentagon exaggerated Beijing's military spending in the annual report to Congress.

The latest report states that Chinese military spending is so secret that Pentagon estimates are off by 20 percent to 180 percent of what the Chinese are actually spending.

China claims its latest annual defense budget, which has been growing by double-digit percentages over the past decade, is about $35 billion. The Pentagon estimates it is $105 billion or more.

Chinese officials insist the Pentagon is overestimating defense costs. But some Pentagon officials said the Chinese budget talks are part of a Beijing deception program aimed at minimizing the aggressive arms buildup.

Somalia war clouds

A former military specialist with close ties to the Horn of Africa tells us the situation in Somalia is getting worse after the rise of the terrorist-linked Islamic Courts Union (ICU). The ICU earlier this year took over major portions of the country and is seeking to impose Islamist rule.

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The opposition Somali government in Baidoa is said to be in danger of being defeated in the next few weeks.

The U.S. Central Command and the Special Operations Command are closely watching the country but so far have not been taking major action to prevent the creation of a new terrorist base in Somalia.

According to the former military official, there are six senior al Qaeda operatives in Somalia working with the ICU. Additionally, Iranian-backed Hezbollah terrorists are in the country, also backing the ICU. Iranians are said to be in Somalia as well, eyeing a large uranium ore deposit in the south.

The government in Baidoa is being backed by thousands of Ethiopian troops now in Somalia. U.S. support should be provided, including weapons, advice and "a bit of intelligence," thesource says.

Global Strategies Group, a private security firm, this week sent a warning notice to nongovernment organizations that opposing forces in Somalia are getting ready for conflict and that "the situation is very tense."

Talks in Khartoum between faction representatives broke down yesterday, and the ICU is demanding that all Ethiopian troops leave Somalia.

"It is assessed that if conflict does erupt, it will be with little or no notice and will quickly spread to other areas," according to the notice.

Abizaid's assessment

Army Gen. John Abizaid, the man in charge of the bulk of fighting in the war on Islamic extremists, sat down with defense reporters recently to size up the conflict. A few salient points:

·"I believe that our strategy for the area can't be to control it. No nation on Earth has ever controlled the Middle East. As a matter of fact if you try to control the Middle East, you'll rapidly find out that the Middle East is going to control you."

·"We need to build capacity, local capacity, to do the institution building to make societies that are going to be more resilient against the broader extremist trends in the area. The extremism is not mainstream. In many ways we're kind of at a point where we could have been if we decided to resist Fascism in the '20s or Bolshevism in the 1900s."

·"The problem is, you know, a lot of [people] have a hard time understanding why it's to our advantage to be out there in the middle of this. And it's to our advantage so that these terrible ideological movements do not become mainstream and start moving us in a direction that can move toward World War III."

Guidebook

The Army's Combined Arms Center at Fort Leavenworth, Kan., is putting the finishing brush work on a new counterinsurgency manual. But there is no time for rest.

It is beginning work on a more far-reaching field guide that will describe how to conduct full-spectrum operations. One change:Post-war stability operations will be woven into war plans. It's a lessons-learned from Afghanistan and Iraq, where the importance of rebuilding was driven home. A new Pentagon directive puts the chore on a par with the fighting itself.

As the Army sees it, a brigade combat team can be fighting to secure a town in one sector while other brigade soldiers are starting stability operations in a nearby town.

The doctrine is known as FM-3-0, or field manual-3, last updated in June 2001, a few months before the September 11 attacks. Chapters include "the Army and the Role of Land Power" and "Conducting Full Spectrum Operations."

China's Hu Urges Sudan To Seek Solution Over Darfur (AFP)

AFP, November 3, 2006

Chinese President Hu Jintao has praised the efforts of Sudan President Omar al-Beshir to bring peace to the troubled Darfur region and urged him to seek a proper solution to the humanitarian crisis.

"The Chinese side admires and supports Sudan in the realization of north-south peace and is willing to participate in the rebuilding," China Central Television quoted Hu as telling Beshir.

"China understands the concerns of the Sudan government on this issue, and hopes that Sudan can maintain dialogue with all sides, adjust its position and strengthen efforts to reach a proper resolution to maintain a stable situation in Darfur and continue to improve the humanitarian situation."

During the bilateral meeting at the Great Hall of the People, Beshir said the situation in Darfur was improving and that his government was seeking the help of the African Union to push forward the peace process, it said.

Beshir is one of nearly 40 African leaders visiting Beijing for a three-day China-African forum starting Friday aimed at strengthening political and economic relations between the two regions.

Darfur is a region the size of France where at least 200,000 people have died and 2.5 million been left homeless since a rebellion against the Khartoum government broke out in early 2003.

The fighting pits the regime in Khartoum and allied Arab militia against Darfur's mostly black African population, which is seeking autonomy for the region.

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Beshir's government has been widely held responsible for most of the violence, while fighting between rebel and government forces in the region has intensified, cutting off humanitarian aid to hundreds of thousands of displaced civilians.

Hu's statements come as the United States looked set to pull back from its muscular approach to ending what it calls genocide in Darfur.

President George W. Bush announced a policy review this week after repeatedly failing to obtain Sudanese government compliance with a US-sponsored UN resolution demanding the deployment of UN peacekeepers in Darfur.

"The United States is going to work with the international community to come up with a single plan on how to address this issue and save lives," Bush said Tuesday.

Beijing has abstained from votes on sending in peacekeepers to Darfur and voiced opposition to UN sanctions on Sudan, which is a key supplier of oil to China.

"We hold that the United Nations should and can play an active role in the settlement of this (Darfur) issue," China's foreign ministry spokesman Liu Jianchao told journalists Thursday.

"But we believe that on the specific measures, the international community needs to respect the rational concerns of the Sudanese government and get the consent of the Sudanese government."

The New York-based Human Rights Watch also Thursday urged China to pressure Sudan into accepting UN peacekeepers, while criticizing Beijing for engaging African nations who are accused of gross rights violations.

"China's policies have not only propped up some of the continent's worst human rights abusers, but also weakened the leverage of others trying to promote greater respect for human rights," the group said in a statement.

China Courts Africa, Angling For Strategic Gains (NYT)

By Joseph Kahn

The New York Times, November 3, 2006

BEIJING, Nov. 2 — Billboards here show elephants and giraffes roaming the savanna. Traffic has been curtailed, construction sites shut down and even the sky has been tantalizingly, if temporarily, blue.

Beijing has put on its best face to court Africa, “the land of myth and miracles,” as official posters call it. Political leaders of 48 of the 53 African countries, including 40 heads of state, are to arrive this weekend for a huge diplomatic event, the China-Africa forum.

The official purposes of the three-day event are to expand trade, to allow China to secure the oil and ore it needs for its booming economy and to offer aid to help African nations improve roads, railways and schools.

The unofficial purpose is to redraw the world’s strategic map by forming tighter political ties between China, which has the world’s fastest-growing major economy, and Africa, a continent whose leaders often complain about being neglected by the United States and Europe.

“African leaders see China as a new kind of global partner that has lots of money but treats them as equals,” said Wenran Jiang, a political scientist at the University of Alberta who has studied Chinese-African ties. “Chinese leaders see Africa, in a strategic sense, as up for grabs.”

China’s enthusiasm for Africa has raised concerns among many in the West while the United States is distracted by its efforts to curb terrorism, and France, Britain and other former colonial powers exert less influence in Africa than they once did.

China does not follow the international lending standards intended to fight corruption in the region. It has embraced the leaders of Sudan and Zimbabwe, two countries that are under heavy pressure to improve their poor human rights records. Major oil companies have complained that China uses its influence to secure business opportunities for its state-owned companies.

Chinese officials say those concerns are overblown or hypocritical, and they deny that they have a grand scheme to create an exclusive sphere of influence in Africa. But China has nearly $1 trillion in foreign currency reserves, boundless entrepreneurial energy and a strong drive to compete there on its own terms.

“The Western approach of imposing its values and political system on other countries is not acceptable to China,” said Wang Hongyi, a leading specialist on Africa at the China Institute of International Studies. “We focus on mutual development, not promoting one country at the expense of another.”

China’s economic goal is to secure Africa’s abundant supplies of oil, iron ore, copper and cotton at the lowest possible prices, analysts say. Chinese companies view Africa as an open market, neglected by Western multinationals, that they can cultivate with their trademark low-priced goods.

But if the goal is mostly mercenary, not unlike European objectives in Africa 150 years ago, the method is avowedly anti-imperialist.

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The forum's slogan — "Peace, Friendship, Cooperation, Development" — underscores China's pledge not to discriminate or intervene. It even invited the five African countries — Burkina Faso, Malawi, Gambia, Swaziland and São Tomé and Príncipe — that still extend diplomatic recognition to its rival Taiwan, though none agreed to attend.

In the long term, Chinese officials say they hope not only that the overture will give their companies an edge in the competition for resources, but also that it will give their diplomats an advantage at the United Nations and other international organizations, where African countries can constitute a powerful voting bloc.

Unlike China's initial push into Africa under Mao, which aimed to support the Socialist governments of postcolonial Africa, the focus is now on commerce.

"China has offered Africa a new model that focuses on straight commercial relations and fair market prices without the ideological agenda," said Moeletsi Mbeki, a South African businessman and political analyst.

"They are not the first big foreign power to come to Africa, but they may be the first not to act as though they are some kind of patron or teacher or conqueror," he added. "In that sense, there is a meeting of the minds."

The event in Beijing, like most big political affairs in China, promises to be long on ceremony and propaganda and short on substance. President Hu Jintao is meeting a procession of heads of state.

The state media have promoted the "three 50s": 50 years of Chinese-African cooperation, 53 African countries, $50 billion in two-way trade (a projected figure for 2006). China Central Television is conducting a nationwide survey to select 10 outstanding African icons. Contenders include Cleopatra, South African diamonds and the Sahara.

Chinese diplomats hint that by the end of the meeting they will unveil a variety of trade and aid concessions. These may include a list of African goods that can enter China tariff-free, increases in aid and technical cooperation and debt forgiveness.

China's trade with Africa is growing faster than with any other region except the Middle East, increasing tenfold in the past decade, to just shy of $40 billion last year. China buys timber from the Congo Republic, iron ore from South Africa and cobalt and copper from Zambia. An estimated 80,000 Chinese expatriates live in Africa, selling shoes, televisions and everything else the world's factory produces.

More vitally, Africa has helped quench China's growing thirst for oil. Angola, which China cultivated assiduously in recent years, has edged out Saudi Arabia as China's largest foreign source of oil.

Sudan, shunned by the West for its genocidal civil war in Darfur, was a net oil importer before China arrived there in 1995. China has since invested heavily in oil extraction, helping Sudan export about $2 billion worth of crude annually, half of that to China.

Beijing's aggressive pursuit of commodities has often been accompanied by generous aid programs, low-interest loans and other gifts that some Western interests say undermine efforts to foster good governing in Africa. The World Bank and the International Monetary Fund have expressed their concerns that China's unrestricted lending, including a $2 billion credit line for corruption-plagued Angola, has undermined years of painstaking efforts to arrange conditional debt relief.

Some African economists complain, too, that China wants to extract raw materials for industry and then sell manufactured goods back to Africa, a mercantilist pattern that failed to bring sustained growth in the past.

China has also prompted concerns among human rights groups by using the threat of its veto in the United Nations Security Council to protect Sudan and Zimbabwe against international sanctions. The rights groups say China's arms exports to Sudan fuel the conflict in Darfur, which has claimed at least 200,000 lives and has forced more than two million people from their homes.

"China insists that it will not interfere in other countries' domestic affairs, but it also claims to be a great friend of the African people," said Sophie Richardson of Human Rights Watch. "But that doesn't square with staying silent while mass killings go on in Darfur."

For years, Chinese officials insisted that such concerns were the internal affairs of the countries involved, but they have recently changed their stance somewhat.

Zhai Jun, an assistant foreign minister responsible for African affairs, said last week that the Africa forum would address human rights and good government, and he specifically mentioned Sudan.

"The humanitarian situation in Darfur should be improved," Mr. Zhai said. "We will adopt our own method and use the upcoming summit to do our part."

Even if China does speak out on some rights issues, its basic strategy of engaging African countries on their own terms remains the core of its foreign policy.

Mr. Jiang, of the University of Alberta, said that unlike in the cold war, when China's foreign involvement was motivated by ideology, Beijing now had a commercial strategy as the developing world's biggest beneficiary of globalization to unite with the region most conspicuously left behind.

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It will be up to each country's leaders, and ultimately each country's people, to decide how to use the wealth, he said. "From China's perspective the Western powers and Western companies have had their chance in Africa and really nothing has happened," he said.

"China is trying a different approach," he added. "It is saying, 'Let us have a chance.' "

China Elevates Its Economic Profile In Africa (USAT)

By David J. Lynch

USA Today, November 3, 2006

China's thirst for oil and raw materials is leading to a major expansion of its involvement in Africa. From Sudan to South Africa, Chinese officials and merchants are building roads, handing out generous aid packages and negotiating lucrative business deals.

This weekend, 48 African leaders are expected in Beijing for a China-Africa summit that will underscore the growing links between the world's fastest-growing economy and a continent that has been a globalization backwater.

What's happening in oil fields, copper mines and retail markets across Africa illustrates that China's galloping economy is spurring Beijing to adopt a higher global profile. That means new customers and aid donors for Africa's 54 nations. But it also threatens to saddle already struggling nations with the poor working conditions, fouled environment and rampant corruption that characterize China's anything-goes economy.

"China is taking a realpolitik point of view, trying to secure natural resources to continue fueling its high rates of economic growth. … For Africa, it's a mixed bag," says Todd Moss, senior fellow at the Center for Global Development in Washington.

Last year, trade between China and Africa totaled $39.8 billion, up more than one-third from the year before. Unlike the West, China applies no import fees on products from 28 African countries.

But China's rise has not been without controversy. African shop owners complain that matching the price of their new Chinese competitors is almost impossible.

In July, Zambian workers at a Chinese-owned mine rioted over arduous working conditions. Five were shot and wounded by police in the melee. Michael Sata, the opposition party candidate for president, vowed to expel Chinese traders from Zambia in the run-up to the Sept 28 balloting, which he lost.

China's involvement in Africa is driven by both oil and diplomacy. Today, imports account for 40% of China's oil consumption and are expected to reach 60% by 2020. In response, Chinese oil companies have embarked upon a global search for new supplies. In Africa, they've found them in such nations as Angola, Chad, Congo, Libya and the Central African Republic.

But the oil fields haven't come cheap, according to Zhongxiang Zhang, a senior fellow at the East-West Center in Honolulu. In January, China National Offshore Oil paid $2.27 billion for a 45% stake in a Nigerian field — $270 million more than a rival Indian bidder offered.

China regards its foreign oil deals as national security investments, so it hasn't shied from paying top dollar. Additional deals are expected. "The Chinese approach is governed by a significant amount of fear and desperation," says Joshua Kurlantzick of the Carnegie Endowment for International Peace, who estimates China's African oil industry investment to date at $15 billion.

On the diplomatic front, China considers African support at the United Nations vital on issues such as the status of Taiwan and human rights.

China's expansion in Africa also is complicating U.S. efforts to manage African debt relief and punish with international sanctions nations such as the Sudan, where government-backed militias are engaged in what President Bush has labeled genocide.

In 1996, state-owned China National Petroleum acquired its first stake in a Sudanese oil producer. Today, China buys about two-thirds of Sudan's oil exports and is the pariah state's major arms supplier and investor.

China, a permanent member of the U.N. Security Council, also has resisted proposed sanctions on Sudan.

For African nations, China offers a commercial partner and aid donor that lacks the West's scruples on human rights or government corruption. China has granted preferential loans to 26 African countries, including countries such as Ghana and the Republic of the Congo that have been granted debt relief by the World Bank and IMF.

World Bank President Paul Wolfowitz last week criticized China's lending practices, including the fact that Chinese banks do not comply with a set of social and environmental standards endorsed by 80% of the world's commercial banks.

China isn't backing down. "The World Bank has its own ideology under Wolfowitz's leadership of emphasizing human rights (and) democracy," says Chu Shulong, a foreign policy expert at Tsinghua University in Beijing. "China does not have these conditions."

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The Asian giant also is keen to promote its state-led economy as a model for African nations that bridle at the free market gospel of the International Monetary Fund and U.S. Treasury Department.

China's unabashed commercial orientation, however, is ironic considered against its promotion of leftist revolutions in Africa during the 1960s and 1970s. Under Mao Zedong, Chinese officials also promoted socialist solidarity with the continent's post-colonial nations by dispatching doctors and engineers to work on behalf of the poor.

Today, Beijing is festooned with red banners, a major highway is being restricted for summit-goers' private use, and officials talk of a major new aid package to be unveiled this weekend.

But analysts cautioned against exaggerating China's growing role. Moss says many announcements of new deals are never implemented, adding: “There is a lot of hype around the ‘Chinese invasion.' ”

China Woos African Trade (CSM)

By Peter Ford

The Christian Science Monitor, November 3, 2006

BEIJING

For Chinese officials, this weekend's summit here of more than 40 African leaders is a chance to celebrate Beijing's booming economic ties with the continent.

For Western governments, though, the jamboree highlights a new and troubling source of friction with China: the Asian giant's readiness to bail out African regimes that the US and Europe are trying to pressure into improving their human rights and good governance records.

Behind the handshakes, and the giant billboards from which elephants look down on Beijing's expressways, the summit raises vexing ethical questions about China's role in the world.

In its drive to feed the booming Chinese economy's voracious appetite for oil and other raw materials, the Chinese government has not always been choosy about the African friends it has made - such as pariah regimes in Sudan and Zimbabwe.

Its indiscriminate glad-handing, though, is frustrating recent Western efforts to use trade, aid, and investment to compel certain African regimes to clean up corruption and dubious ethics.

For their part, Chinese officials say that business is business, and that it is not their job to tell others how to run their countries.

"It is never our view that a country should interfere in another country's internal affairs," Deputy Foreign Minister Zhai Jun said last week. "We've never imposed on other countries our values ... and we do not accept other countries imposing their values on us either."

That principle has guided China's dealings with the world for 50 years, points out He Wenping, head of African studies at the Chinese Academy of Social Sciences. "It has played a very positive role in developing Chinese influence," she says. "Developing countries appreciate it very much. It won't change in the near future."

China's business with Africa is exploding; trade has increased tenfold over the past decade to nearly $40 billion a year, making Beijing the continent's third largest trading partner, just behind the US and France. Chinese investment now tops $6.4 billion, largely in oil installations but also in prestige projects such as railroads in Angola and Nigeria, sports stadiums in Mali and the Central African Republic, and Africa's largest dam in Ethiopia, according to Deputy Trade Minister Wei Jianguo. China's president, prime minister and foreign minister have all visited the continent this year.

Alongside Chinese rhetoric about cooperation among developing countries sits the Asian giant's insatiable need for oil and raw materials. Angola and Sudan are China's biggest African trading partners, selling Beijing 25 percent of its oil imports. Within five years, officials here say, that share will rise to 33 percent.

Beijing secured its position in Angola with a $2 billion loan. That windfall came just in time for Angola, which is ranked 151 out of 158 nations in Transparency International's 2005 corruption ratings. Thanks to Chinese generosity, Angola managed to avoid submitting to good governance conditions that the International Monetary Fund was attaching to its financial assistance.

China's investments in Sudan's oil industry, and its payments for Sudanese oil, have also emboldened Khartoum to rebuff United Nations efforts to send an international force to Darfur, where some 200,000 people have been killed since 2003.

"Khartoum can tell the rest of the world" where to go, complains Peter Takirambudde, head of the Africa division of Human Rights Watch. "They've got the cash. China gets a nice deal and in return it undertakes to see no evil and speak no evil about human rights. That's the most dangerous trend."

Beijing insists that it has used its influence with the Khartoum government to try to convince the authorities to accept a UN force. "We are using our own channels to try to bring the parties to a more sensible position" Mr. Zhai told reporters.

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Chinese analysts also say that as latecomers to international investment, Chinese state-owned and private firms have been forced to explore markets that Western firms have not already snapped up, sometimes for political reasons.

International aid donors, though, worry that China's scruple-free approach undermines their efforts to improve African governance. World Bank President Paul Wolfowitz complained last week that Chinese lenders "do not respect" a set of internationally agreed principles to ensure that loans to African countries fund projects that meet high social and environmental standards, and hoped that Beijing would not follow past Western practices of propping up corrupt African dictators.

Africans themselves are beginning to complain - especially businessmen and trade unionists in countries such as South Africa, where cheap Chinese imports are undercutting local manufactured goods and threatening local firms. In Zambia, anger over poor conditions at a Chinese-owned copper mine - where a Chinese security guard shot three workers in July - colored last month's presidential election campaign.

That incident should serve as "an early warning bell for the Chinese government and companies," says Dr. He. "These economic frictions can become a political issue."

One problem, says Wang Hongyi, an analyst with the China Institute of International Studies - a think tank linked to the foreign ministry - is that "even at home it is hard to supervise private companies." Another is that Chinese companies unaccustomed to strong trade unions or environmental laws at home find them difficult to deal with abroad.

Chinese firms, however, "are judged by the same standards as other international companies that operate in Africa," says Chris Alden, an expert in African politics at the London School of Economics.

In the long term, he predicts, Chinese investors - both state and private - "will conform to the same positions as other international players because governance issues will be as much a problem for them as they are for other multinationals.

"As China becomes a card-carrying member of the group of leading states, it will move away from its policy of not attaching conditions" to its loans and investment, Dr. Alden suggests. And with Beijing's activities in Africa under increasing international scrutiny, it will be obliged to "untangle and normalize relations" as it settles down to deal with classic donor problems such as debt management and trade disputes.

As it does so, says Mr. Takirambudde, "China will have to develop relations with Africans at large, not just with the top dogs.

"In the short term they can disregard" the behavior of their African partners, he adds. "But in the long term that is not sustainable. Eventually they will be forced to take account of these issues."

Under Fire, South Africa Shakes Up Its Strategy Against AIDS (NYT)

By Michael Wines

The New York Times, November 3, 2006

JOHANNESBURG, Nov. 2 — Departing from years of indecision and, on occasion, denial, South Africa's government is considering a new and sweeping assault on an AIDS pandemic that already includes one in eight of the world's H.I.V. infections.

Every day, 1,000 South Africans are infected with H.I.V., and 800 more are killed by AIDS, the government says. With that backdrop, the deputy minister of health, Noziza Madlala-Routledge, said in an interview on Thursday that a new AIDS strategy to be announced in December might include proposals to broaden the distribution of life-saving antiretroviral drugs, remedy the shortage of health care workers and improve treatment of H.I.V.-positive pregnant women.

The new strategy will be overseen by a restructured national AIDS council charged with halving the number of new H.I.V. infections by 2011.

The issues top a list of what AIDS activists and nongovernmental experts have long called serious shortcomings in the government's AIDS program. In a striking departure from the past, government officials are drafting the plan in close consultation with those same critics, who have long been all but excluded from past considerations.

Ms. Madlala-Routledge said critics "have identified blind spots" that the government, preoccupied with building a new nation, had missed.

"We've definitely reached a turning point in our country, with civil society and government working in concert," Ms. Madlala-Routledge said. "We recognize that the campaign against AIDS needs all of us."

Experts and activists outside the government said they were heartened by the government's new approach, but would wait to see what new programs were announced and how vigorously they would be carried out.

"I don't think we're popping the Champagne corks quite yet," Jonathan Berger, who directs the AIDS Law Project at the University of the Witwatersrand, said this week. "There are still going to be, on certain key issues, quite significant differences of opinion."

The most important change, he said, may be that the two sides are now talking seriously about how to resolve those differences.

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Practically, the signal change may be that the government's lightning-rod health minister, Dr. Manto Tshabalala-Msimang, has been sidelined from day-to-day control of AIDS policy.

President Thabo Mbeki ordered the current deputy president, Phumzile Mlambo-Ngcuka, to oversee a cabinet-level review of AIDS policies in September, saying the AIDS crisis "is bigger than any individual, minister or department."

Soon afterward, Dr. Tshabalala-Msimang entered a hospital for a respiratory infection, and little has been heard from her since. Her deputy, Ms. Madlala-Routledge, has taken over AIDS issues for the ministry.

To many here, Dr. Tshabalala-Msimang's fall from grace is proof of democratic pressures at work. Mr. Mbeki, who once questioned the scientific link between H.I.V. and AIDS, fell silent on the issue years ago after being internationally criticized. Until now, Dr. Tshabalala-Msimang was the public face of his government's AIDS policies.

An unrelenting advocate of vitamin and nutritional defenses against H.I.V., the virus that causes AIDS, she has been widely derided for calling antiretrovirals "poison" and for advocating a diet heavy in garlic, beetroot and other traditional remedies to forestall AIDS. Under her tenure, the government resisted giving pregnant women drugs to reduce the transmission of H.I.V. to fetuses until it was forced by a court order.

The government has since begun mass distribution of anti-AIDS drugs at major hospitals. But the slow pace of that rollout and Dr. Tshabalala-Msimang's resistance to drug therapies have ballooned into political issues here, where one in nine South Africans — and one in four adults — is infected with H.I.V.

The discontent became evident this year within the African National Congress, the dominant political party, when Parliament's chief whip urged Mr. Mbeki to work "intimately" with AIDS activists in the interest of millions of H.I.V.-positive citizens. And it bubbled over last August at an international AIDS conference in Toronto, where South Africa's national exhibit, featuring baskets of garlic and beetroot, shocked many.

The United Nations' special envoy to Africa on AIDS, Stephen Lewis, denounced the country's AIDS policies as "worthy of a lunatic fringe" before 20,000 delegates at the conference. At the same time, 81 international scientists sent Mr. Mbeki a petition urging him to dismiss Dr. Tshabalala-Msimang.

Since the Toronto conference, AIDS activists and experts say, the government's position has undergone a sea change. Last weekend, the deputy president and the deputy health minister were the marquee speakers at a Johannesburg conference of AIDS activists and public interest groups; both called for a united assault on AIDS.

South Africa's Treatment Action Campaign, an organization of 20,000 mostly H.I.V.-positive AIDS activists, has been by far the most vocal critic of the government's programs. In an interview from Cape Town on Thursday, the group's general secretary, Sipho Mthathi, said there was now "a growing enthusiasm, across the board, around the possibility of what we can do as a country in a united fashion" to combat the pandemic.

U.N. Official Held, Accused Of Graft (WT)

By Betsy Pisik

The Washington Times, November 3, 2006

NEW YORK -- A senior U.N. procurement officer was arraigned in federal court yesterday, accused of two counts of steering about $62 million worth of contracts to two companies in his native India.

Sanjaya Bahel, 55, was arrested in New York on Wednesday evening, and U.N. Secretary-General Kofi Annan lifted Mr. Bahel's diplomatic immunity at the request of federal prosecutors.

Mr. Bahel is accused by the U.S. District Attorney's Office, Southern District of New York, of steering contracts to an associate at Thunderbird Industries and Telecommunications Consultants India Ltd. (TCIL), which is owned by the Indian government.

In exchange, the associate, Miami businessman Nishan Kohli, sublet to Mr. Bahel an East Side apartment at a reduced rate, prosecutors said, later selling him the condominium for so little that the transaction raised red flags in the building's board.

According to the indictment, Mr. Bahel "granted exceptional access to Kohli, providing Kohli with a line of communication and source for information within the U.N. that exceeded what U.N. vendors could typically expect to receive."

In addition, the procurement official "even canceled bids by competing companies and re-bid contracts in order to give a competitive advantage to Kohli's business interests."

Mr. Kohli was arrested Wednesday night, charged with trying to bribe or wrongly influence the U.N. official.

TCIL secured contracts worth about $50 million to sell the United Nations radio communications equipment, desktop computers, laptop computers and other items, according to the U.S. attorney's office.

Thunderbird won a three-year contract worth more than $12 million to provide engineering manpower to U.N. missions, although the contract was never executed, according to the indictment.

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The United Nations suspended Mr. Bahel without pay in August amid an investigation of the procurement office by U.N. auditors and an outside company, Deloitte & Touche.

In January, eight U.N. staff members were suspended in connection with the inquiry, some with pay, pending the outcome of an audit by the U.N. Office of Internal Oversight Services (OIOS).

Of these, four have returned to work, and two, including procurement chief Andrew Toh, are awaiting a resolution.

Mr. Bahel, who has worked with the United Nations since 2000, has drawn no pay since Aug. 31, when he was charged by the organization with misconduct.

As the chief of the commercial activities service in the U.N. Postal Administration, his most recent position, Mr. Bahel received a salary of $104,000 to $132,000 a year.

Irregularities in his contracting activities were first discovered by an independent committee looking into corruption related to the Iraq oil-for-food program. None of the contracts Mr. Bahel handled was related to the Iraq effort.

After an OIOS inquiry turned up nothing amiss, the U.N. Department of Administration and Management sought an audit by Deloitte & Touche.

That audit, which cost $3 million, relied on OIOS findings but went further to uncover irregularities in scores of contracts.

An even more detailed audit by Deloitte & Touche, which would have looked for additional irregularities or wrongdoing, was canceled after resistance from member states and some U.N. officials.

If convicted, Mr. Bahel and Mr. Kohli face up to 10 years in prison.

More U.N. Corruption (WSJ)

The Wall Street Journal, November 3, 2006

Kofi Annan has famously described the United Nations as an institution of "unique legitimacy." But when he turns over the Secretary Generalship to South Korean Ban Ki Moon two months from now, he will be leaving behind an organization whose reputation for integrity and competence has never been lower.

The latest scandal is the arrest and indictment this week of U.N. procurement official Sanjaya Bahel on bribery charges. He's accused by federal prosecutors of steering more than $50 million worth of contracts to bidders in exchange for such considerations as a cheap Manhattan apartment. And his alleged misdeeds may have compromised U.N. peacekeeping missions in places like Liberia, Congo and Kosovo, where a U.N. internal investigation says favored contractors were allowed to skimp on employee salaries and pocket the money for themselves.

Last year, Russian Alexander Yakovlev pled guilty in a case involving $1 million in bribes on $79 million in contracts. And earlier this year a U.N. internal probe concluded that more than $300 million worth of contracts may have been improperly handled, either through mismanagement or outright criminality. One person who had a cozy relationship with the U.N. procurement office, by the way, was none other than Mr. Annan's son Kojo, whose role in a firm that benefited from Iraqi Oil for Food contracts has never been fully clarified.

Which reminds us that Mr. Annan's promise of U.N. reform has also gone nowhere. Christopher Burnham, the talented American brought to the U.N. Secretariat to promote reform, is quietly returning to private life. His attempts were mostly stymied by the U.N. bureaucracy and General Assembly, not that Mr. Annan tried all that hard to move its members.

It would be nice to think we can expect better from Mr. Ban. But it is telling that the South Korean Foreign Minister helped secure his new post with blandishments and pledges of aid to some of the Security Council countries that voted on him. Judging from the record of U.N. scandal, he's right to conclude that what really talks at Turtle Bay is money.

Avoiding Calamity On The Cheap (NYT)

The New York Times, November 3, 2006

A much-anticipated study on climate change ordered up by Prime Minister Tony Blair of Britain has attempted to calculate the economic costs of global warming. Though necessarily conjectural, the study warns that if we continue on our current course, atmospheric temperatures could rise four degrees or so in this century, producing a hugely disruptive mix of rising sea levels and withering droughts.

This in turn would drain the world economy of trillions of dollars, with social and economic costs on a scale “similar to those associated with the great wars and the economic depression of the first half of the 20th century.”

The study, led by Sir Nicholas Stern, former chief economist of the World Bank, says that the only way to avoid that dismal outcome is to slash worldwide emissions of carbon dioxide by investing hundreds of billions of dollars in cleaner technologies. The report has been criticized for overestimating the consequences of warming and underestimating the costs of mitigation. Still, its basic point seems unassailable: failure to act now will exact much greater penalties later on.

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Developing and deploying the necessary technologies will require a collective global effort. But the world's leading producer of greenhouse gases, the United States, is doing scandalously little. A detailed examination by The Times's Andrew Revkin pointed out that Washington spends only $3 billion a year for all energy research and development. Of this, only a fraction — $416 million, according to the Energy Department — was spent last year on climate-friendly, renewable technologies like wind, solar power, cellulosic ethanol and hydrogen. By contrast, Washington spends $28 billion on medical research and $75 billion on military research.

The administration claims that it is in fact doing more, especially if various tax incentives for cleaner fuels like ethanol are included in the mix. Even so, in an age when people are worried not only about warming but also about the country's growing dependence on imported oil, the federal effort on alternative energy sources is pathetically small.

The Bush administration's lack of commitment to research might not be quite so lamentable if it had been prodding the private sector into investing in cleaner energy. Private capital is not likely to emerge in big enough quantities unless a significant cost is attached to carbon emissions — either in the form of a carbon tax or a mandatory cap on emissions. But the administration has refused to ask Congress to impose either.

Since the dawn of the industrial revolution, the atmosphere has served as a free dumping ground for carbon gases. If people and industries are made to pay heavily for the privilege, they will inevitably be driven to develop cleaner fuels, cars and factories. Most of the industrialized world has accepted the need for either carbon taxes or strict regulation, and Europe has already imposed a cap on emissions from its cars and factories.

Mr. Bush and many in Congress remain steadfastly opposed — still convinced, it appears, that calamity can be avoided on the cheap.

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TERRORISM NEWS

Ex-Indiana Man Locked Up With Nation's Worst In Lockdown (INDYSTAR)

By Kevin Corcoran

The Indianapolis Star, November 6, 2006

The Indiana truck driver found guilty of conspiring to betray the United States has been secluded in a Colorado super-maximum-security prison under a secret order approved by the U.S. attorney general.

Justice Department officials have isolated Shaaban Hafiz Ahmad Ali Shaaban, 54, under a policy that permits the FBI to eavesdrop on the few conversations he's allowed to have, heavily restricts his access to news reports and prohibits anyone other than attorneys and family members from talking to him.

Some inmates at the prison, which houses the federal government's worst of the worst, spend at least 23 hours a day in soundproof cells. They cannot speak to or make eye contact with other inmates.

These "special administrative measures," also called "SAMs orders," are meant to keep federal inmates from inciting violent attacks from prison or disclosing classified information that could harm national security.

William Dazey Jr., one of Shaaban's public defenders at the trial this year, said the special order is an unusual step. "I have not seen evidence that would support the notion Mr. Hafed is a threat to the United States," Dazey said.

Shaaban, who also is known as Shaaban S. Hafed, acted as his own attorney at trial, but outside of the courtroom his standby defense lawyers described him as an international con man. They said he offered Saddam Hussein's government "a lot of hot air." Prosecutors could not prove Shaaban actually had access to U.S. secrets.

At Shaaban's sentencing, U.S. District Judge John Tinder recommended placing Shaaban in a federal prison at Terre Haute, closer to his wife and young son in Greenfield.

But the judge had no control over Shaaban's placement nor any say in the secret administrative order quieting him. Assistant U.S. Attorney Sharon Jackson requested the restrictions, and Attorney General Alberto Gonzales personally initialed the order.

The Justice Department declined to comment on the order, and the local FBI office referred calls about it to Jackson, who could not be reached. First Assistant U.S. Attorney Timothy Morrison, who helped try the case, declined to say how Shaaban's prison communications could threaten national security.

About 40 federal inmates, most of them convicted terrorists, are facing nearly identical restrictions, according to the Federal Bureau of Prisons.

Shaaban was stripped of his U.S. citizenship after being found guilty in January of six federal charges, including illegally acting as an agent of the Iraqi government before the U.S. invasion there in 2003.

He was sentenced to 13 years, four months in prison after an 11-day Indianapolis trial in which prosecutors portrayed him as a clever spy who had offered to sell the names of more than 60 clandestine CIA operatives to Iraqi intelligence officials for millions. Shaaban said in secretly taped interviews he planned to use the money to launch a pro-Arab broadcast station in the U.S.

To impose special administrative measures, the attorney general has to certify a "substantial risk" exists that an inmate's communications could result in death or serious bodily injury to others.

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The regulation states the inmate must be notified of the restrictions and the justification. However, Shaaban received an order that laid out the conditions of his incarceration with the reasons behind it blacked out.

Among possible reasons for the order, court observers say:

A jury found Shaaban guilty of threatening his brother with death by decapitation to keep him from testifying. But federal prosecutors produced no evidence he could deliver on the threat or initiate violent acts while behind bars.

While the prosecutors he mocked at trial could not prove Shaaban had access to any government secrets before his arrest, he received access to U.S. intelligence files while he represented himself at trial.

Many of the inmates under such severe restrictions are unsympathetic figures. But there are critics who question the necessity -- and the psychological effects -- of limiting virtually all contact with the outside world for years at a time.

"You're cut off. It's not a whole lot different from being at Guantanamo Bay," the U.S. naval base where the U.S. military is holding people it labels "enemy combatants," said Khurrum Wahid, an attorney with offices in New York and Miami who defends terror suspects.

"A lot of this is show. It's playing to people's fears about terrorism."

Other federal convicts subject to "SAMs orders" include well-known inmates serving life sentences:

Sheik Omar Abdel-Rahman, the blind Egyptian cleric who conspired to blow up New York landmarks, including the World Trade Center, which his followers bombed in 1993.

Zacarias Moussaoui, the suspected "20th hijacker" in the Sept. 11, 2001, terrorist attacks.

Richard Reid, who tried in 2001 to detonate plastic explosives in his shoe to blow up an American Airlines flight bound for Miami as the plane flew over the Atlantic Ocean.

Abdel-Rahman is in a special prison for inmates with medical problems. Moussaoui and Reid are with Shaaban at the Florence Federal Correctional Complex, a prison campus in Colorado about 90 miles south of Denver.

The complex is home to the federal system's only super-maximum-security prison, known in some circles as the "Alcatraz of the Rockies." Security cameras in the most secure areas monitor inmates around the clock. Some never leave their cells because they are subject to body-cavity searches when they do.

Shaaban joined other notorious inmates when he arrived at the prison in August. They include Oklahoma City bombing participant Terry Nichols, "Unabomber" Theodore Kaczynski and former FBI agent and Soviet spy Robert Hanssen.

Shaaban himself protested the restrictions during a phone interview in June from the Marion County Jail. "They treat me like Moussaoui -- worse than Moussaoui," he said. "It's a prison in a prison."

The jail was not enforcing the order. Now that the Bureau of Prisons is restricting his calls, Shaaban's wife, Hanan, is trying to find an attorney who can help challenge the order, said David Dana, the Northwestern University law professor in Illinois handling Shaaban's appeal of his convictions and sentence.

That will be an uphill battle. Published reports show the Justice Department is increasingly using the orders as a tool to incapacitate certain inmates. And federal rulings show judges are reluctant to buck government claims that such steps are necessary to protect American lives.

Federal Authorities Detain 16 Travelers At Houston Airport (HC)

By Armando Villafranca

Houston Chronicle, November 4, 2006

Data submitted by the passengers don't match files

Federal authorities delayed the departure Friday of 16 international travelers, including 15 Mexican nationals, who were boarding a Mexico City-bound plane at Houston's Bush Intercontinental Airport.

A U.S. Customs and Border Protection official said data submitted by the passengers did not match the data on file when they entered the United States.

Under a law that went into effect in June 2005, passenger manifest information for all international inbound and outbound flights must match. Passengers are detained when the exit data, such as passport numbers, do not match those submitted when entering the country.

"The post-9/11 Congress passed a law mandating this manifest information for inbound and outbound flights," said Kelly Klundt, CBP spokeswoman in Washington.

She said Congress passed the law to reconcile exit data with entry data for all international passengers.

The law was part of legislation that led to the creation of the Department of Homeland Security in 2003 and included new requirements to tighten security at airports and along U.S. borders.

Klundt declined to say what information was missing or did not match when the 16 passengers tried to board the 9 a.m. Continental flight.

She could not comment on how frequently this occurs. The problem was discovered during a random check of passenger manifests.

All 16 were allowed to board later flights. No information was available about the passengers or how or when they entered the country initially.

Dave Messing, Continental spokesman, said the airline was unaware of any discrepancy until it was notified by CBP officials. He said the data are submitted to the carrier at the ticket counter and any error is uncovered by CBP officials monitoring international travel.

Inside Politics (WT)

By Greg Pierce

The Washington Times, November 6, 2006

Senate polls

The latest Rasmussen Reports poll on the Senate race in Tennessee shows Republican Bob Corker with a 53 percent to 45 percent lead over Democrat Rep. Harold E. Ford Jr.

The survey of 500 likely voters, conducted Thursday, has a margin of error of 4.5 percentage points.

That result tipped the Tennessee race from "tossup" to "leans Republican" in Rasmussen's "Senate Balance of Power" analysis, which shows 45 Democrat seats, four "lean Democrat," 48 Republican and one "lean Republican" seats. Control of the Senate, according to Rasmussen, now depends largely on two remaining "tossup" seats in Missouri and Virginia.

The latest Rasmussen poll in Missouri has Republican Sen. Jim Talent with a 48 percent to 46 percent lead over Democrat Claire McCaskill. In Virginia, Rasmussen shows Republican Sen. George Allen narrowly leading Democrat James H. Webb Jr., 49 percent to 48 percent.

Spelling contest

"In the 22nd District of Texas -- Tom DeLay's old district -- workers for Republican write-in candidate Shelley Sekula Gibbs are handing out pamphlets that warn" in screaming all-capital letters, "don't let Nick Lampson and his liberal Democrat allies take away your choice this election," Byron York writes at National Review Online (www.nationalreview.com).

"The handout lays out instructions for writing in Gibbs' name, plus the urgent directive [also in all-caps] 'Remember on Tuesday November 7, vote for Shelley Sekula Gibbs for U.S. representative twice!'

"The twice! part refers to the fact that, to fully support Sekula Gibbs, people who want to vote for her have to first vote for her to finish out the last couple of months of DeLay's term -- she's on the ballot for that -- and then write in her name to vote for her to be the next full-term congressperson from the district," Mr. York said.

"That's where things get complicated. The phrase 'write-in' is not entirely accurate in this race. In most of the precincts in the 22nd District, voters won't write anything. Instead, they will work on a machine -- called the Hart InterCivic Voting System -- in which they will be required to turn a wheel to select letters on a screen."

Mr. York explained that to vote for Mrs. Sekula Gibbs, voters will have to spell the name correctly, including hitting "space" between all three names and "enter" after every character including the spaces.

"It does not take a prophet to see that there will likely be some irregular entries from people trying to vote for Sekula Gibbs. If the race is close, there will be intense fights over every variation of her name entered into the Hart InterCivic system.

"What will be accepted as a legitimate vote and what won't? Texas law says only that 'A vote on an office or measure shall be counted if the voter's intent is clearly ascertainable ... .' What that will mean in practice is not entirely clear. It seems likely that

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obvious misspellings of Sekula Gibbs's name will count, as will short versions like 'S Gibbs.' On the other hand, in a close contest, Republicans and Democrats might end up fighting over every vote."

Connecting dots

"So, less than a week before the midterm elections, four workers from Acorn, the liberal activist group that has registered millions of voters, have been indicted by a federal grand jury for submitting false voter-registration forms to the Kansas City, Missouri, election board. But hey, who needs voter-ID laws?" the Wall Street Journal said in an editorial.

"We wish this were an aberration, but allegations of fraud have tainted Acorn voter drives across the country. Acorn workers have been convicted in Wisconsin and Colorado, and investigations are still under way in Ohio, Tennessee and Pennsylvania," the newspaper said.

Acorn is the Association of Community Organizations for Reform Now.

"The good news for anyone who cares about voter integrity is that the Justice Department finally seems poised to connect these dots, instead of dismissing such revelations as the work of a few yahoos. After the federal indictments were handed up in Kansas City this week, the U.S. Attorney's Office said in a statement that 'This national investigation is very much ongoing,' " the editorial continued.

"Let's hope so. Acorn officials bill themselves as nonpartisan community organizers merely interested in giving a voice to minorities and the poor. In reality, Acorn is a union-backed, multimillion-dollar outfit that uses intimidation and other tactics to push for higher minimum-wage mandates and to trash Wal-Mart and other non-union companies."

Home-grown nuke?

Two leading U.S. nuclear scientists say a team of terrorists with industrial equipment, physics and engineering skills and access to highly enriched uranium could build a crude atomic weapon in the United States for less than $10 million.

Writing in Foreign Policy, the prestigious journal of the Carnegie Endowment, Peter Zimmerman and Jeffrey Lewis add that there is no evidence that al Qaeda or any other terrorist group currently possesses the technical expertise necessary to complete such an effort.

Al Qaeda leader Osama bin Laden "perhaps has yet to find his Robert Oppenheimer," they conclude, referring to the scientist who led the World War II Manhattan Project to build the atomic bomb.

The article follows revelations that U.S. intelligence agencies posted on the Web documents from ousted Iraqi strongman Saddam Hussein's nuclear-weapons program that include detailed charts, diagrams, equations and lengthy passages about technical challenges.

But some analysts told Shaun Waterman of United Press International that they were deeply skeptical of the Foreign Policy article.

Arms-control specialist Milton Leitenberg of the University of Maryland called the scenario "super-optimistic," and said the authors had glossed over the difficulty of finding the kinds of highly qualified specialists the project would need.

"How does that kind of organization find those kinds of people, in the real world?" he asked.

Kerry's dream

"Many months ago, I penned a column asking John Kerry to go away, or at least back to the U.S. Senate to pursue elder statesmanship instead of further national political ambition," John Brummett writes in the Las Vegas Review-Journal.

"Alas, he has not done so," Mr. Brummett said. "So, the Democrats must try to win the midterm elections while carrying Big John on their backs as they endeavor to extract his big foot from his big mouth. I'm not sure they have either the strength or dexterity.

"Apparently Kerry carries the notion that Hillary Clinton won't run for president or can't win and that Barack Obama's bright flame will flicker. Apparently he carries the notion that -- Evan Bayh, John Edwards, Wes Clark and Bill Richardson aside -- he would then naturally ascend to carry his party's banner again. ... The problem is that there usually are sound reasons a politician loses an election. It's probably that he's not a good candidate. That was, and remains, Kerry's problem."

GOP Rep. Faults White House On Iraq Site (AP-Y)

AP, November 6, 2006

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House Intelligence Chairman Peter Hoekstra criticized the Bush administration on Sunday for its handling of a trove of once-secret documents from Saddam Hussein's covert nuclear program disclosed on a federal Web site.

Hoekstra, R-Mich., complained the U.S. intelligence community hadn't properly declassified the documents.

"Well, you know, we have a process in place. It looks like they screwed up," he said on CNN's "Late Edition."

President Bush's director of national intelligence, John Negroponte, ordered the documents posted on the site last March, at the request of Republicans in Congress who wanted to show Saddam was a real threat.

Scientists at a federal lab raised concerns that the site, as a repository for millions of pages the U.S. government found in Iraq the past 15 years, held sensitive nuclear information. Negroponte abruptly shut the site down Thursday night after The New York Times contacted his office for an article published Friday.

His office began reviewing the consequences, including who accessed the documents. Four Democratic senators demanded he also tell them why and how the site began, what role members of Congress played and whether the administration ignored U.S. intelligence officials' concerns.

"How valuable that information was, I really don't know," Hoekstra said. "Now we release — or they inadvertently release some of these documents and they show that the Iraqi program may be much further along than anybody ever anticipated."

Hoekstra said his committee would review the documents to determine the former Iraqi leader's goals and capabilities before the war in 2003.

Documents: To Saddam, From Mars (NSWK)

Newsweek, November 6, 2006

Nov. 13, 2006 issue - National Intelligence Director John Negroponte shut down a government Web site after the disclosure that it had posted nuclear-research documents from Iraq's pre-Gulf War I weapons program. Set up in March at the insistence of congressional GOPers, the site was designed to post documents seized by the U.S. military in Iraq. But many were trivial memos and oddball letters: a telephone-repair request from an Iraqi military agency, copies of the 1987 Baghdad phone book, an Islamic Web-site article claiming the United States was developing weapons designed to sexually arouse soldiers, a 2001 letter to Saddam Hussein from a woman seeking money to preserve the planet "Iquestra" (she described herself as a commander of the Martians).

Why were taxpayer dollars spent on such a project? Late last year House intel-committee chair Pete Hoekstra and Senate intel chair Pat Roberts pressed Negroponte's office to make the Iraqi docs available. They and others, including The Weekly Standard magazine, said the material might show Saddam did have WMD or ties to Al Qaeda. So the Defense Intelligence Agency began to review 48,000 boxes of material, located in a U.S. military warehouse in Doha, Qatar, and started posting it on an Operation Iraqi Freedom Web site. DIA spokesman Don Black said several hundred analysts, linguists, translators and contractors took part, weeding out diplomatically sensitive docs or those mentioning the names of U.S. persons (a potential violation of the U.S. Privacy Act).

Outside of a few conservative bloggers, the Web site got little attention until The New York Times revealed last week that the site had posted documents showing diagrams and drawings from Iraq's early-'90s nuclear program that might be useful to those seeking to develop a bomb. Negroponte closed the site. Meanwhile, Black admits no docs have turned up altering the postwar intel view that Saddam had no WMD and no working relationship with Al Qaeda at the time of the 2003 U.S. invasion.

Trailers, Secrets And Los Alamos (NSWK)

By John Barry And Mark Hosenball

Newsweek, November 6, 2006

Nov. 13, 2006 issue - It began as a routine police call. At 4:16 p.m. on Oct. 17, two Los Alamos County police officers were dispatched to the Royal Crest Trailer Park. The cluster of mobile homes is located next to Los Alamos National Laboratory, the sprawling New Mexico compound that houses one of America's two main facilities for designing nuclear weapons. A resident had complained that two neighbors were shouting at each other and throwing rocks through the windows of their trailer. The cops expected to find the usual: a domestic dispute that had gotten out of hand. Instead, they discovered what one Los Alamos

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official—who, like all lab and government sources in this story, would not be named talking about sensitive matters—calls "potentially the greatest breach of national security" in decades.

When the police entered the trailer, they found 20-year-old Justin Stone and his girlfriend. Stone said he was a guest of the trailer's owner, 23-year-old Jessica Quintana, who wasn't there at the time. Stone was wanted on a probation violation from an earlier crime. So the police arrested him. When they later got a search warrant, the cops found what appeared to be the makings of a crude personal crystal-meth lab. (Stone later pleaded no contest to possession of drug paraphernalia.) Among the dozens of items they hauled away were three computer thumb drives—the small storage devices that plug into a USB port and can hold hundreds of megabytes of data.

The police plugged the memory sticks into their computers. They found more than 400 pages of classified documents downloaded from Los Alamos computers, some containing sensitive data on nuclear-weapons design. A quick check revealed that Quintana had until recently been employed by a contractor at Los Alamos. A file clerk who worked in the lab's document-storage vaults, her job was to scan aging paper documents into a modern digital format. The police called the FBI, which discovered another cache of nuclear documents: 456 paper pages, many stamped SECRET—RESTRICTED DATA.

Quintana has not been arrested or charged with any crime. Her lawyer, Steven Aarons, told NEWSWEEK that she took all the material home one afternoon in early August because she was under deadline pressure to create an index of what she had digitized. When she was finished, Aarons says, Quintana intended to destroy the material. "She wanted to take it to a shredder ... She never did so."

Recently, a series of humiliating security failures—vanishing computer hard drives, unauthorized downloads of secret data—have tarnished the lab's once vaunted reputation. Those lapses were supposed to have been fixed. Panicked officials are now trying to determine how a low-level clerk was able to walk out of a high-security facility with hundreds of pages of nuclear secrets.

The brief answer: laxness and budget cuts. Though she had completed only one semester of college, in early 2005 Quintana was granted what the nuke world calls a "Q clearance," which meant she had access to nuclear-weapons designs. She had further access to a category of information code named Sigma 15. This meant she could handle material detailing how to override the security locks on U.S. nuclear weapons. The vaults she worked in contained data from 50 years of nuclear tests.

Multiple layers of security supposedly protect such sensitive material. The lab's hard drives are locked in cages to keep someone from plugging in, say, a thumb drive. To prevent temptation, clerks are supposed to work with a partner.

But those protections seem utterly to have failed. Aarons says that Quintana had a partner, but the company she worked for saved money by having them work separately. Quintana was able to insert the thumb drive she kept on her key chain into a caged computer because, Aarons says, the cages were never locked. Though employees were supposedly subject to searches, Quintana went home with the documents in her briefcase. Los Alamos officials, while declining to comment on specifics, issued a written statement saying, "The Laboratory is treating this matter with utmost seriousness."

National-security officials will likely spend months investigating and putting new procedures in place. They are fairly certain that everything Quintana took has been recovered. Meantime, lab employees are getting a taste of what it's like to work in a secure environment. The lab has barred workers from bringing in all manner of devices—no cell phones, no coffeemakers and certainly no thumb drives. Not that they would be of much use. The computers' USB ports have now been sealed up with glue.

Breached Lab Data Mostly Low-level (LAT)

From Times Wire Reports

The Los Angeles Times, November 4, 2006

Los Alamos National Laboratory said that the classified documents discovered at a trailer park during a drug investigation last month did not include the most highly sensitive nuclear weapons information.

The lab, which designs nuclear weapons, said a "careful and comprehensive analysis" of three electronic memory devices and paper copies of classified documents found in a residential trailer showed that they were mostly low-level secrets that are 20 to 30 years old. It said none of the materials involved the most sensitive weapons information.

The FBI is continuing a criminal investigation into a lab employee who owned the trailer.

HOMELAND RESPONSE

Did Bank Stop A Fraud Or Terrorist? (PHI)

By Mari A. Schaefer

The Philadelphia Inquirer, November 6, 2006

Upper Darby police don't know what kind of crime they have on their hands.

It could be identity theft.

It could be money laundering.

Or, it could be terrorism.

On Wednesday morning, two men withdrew $8,700 from an account under the name of Shahid Batti at the Commerce Bank on Garrett Road. When they returned later in the day to withdraw an additional $9,700, bank officials became suspicious, denied the transaction and contacted police.

The two men were stopped by Upper Darby officers after leaving the bank. One man produced a passport from Pakistan, a New Jersey license and a Social Security card, all under the name of Batti - and all fraudulent, according to police.

"We have a lot of red flags," Police Superintendent Michael J. Chitwood said yesterday.

He said the man was arrested and charged with theft, receiving stolen property, forgery and other crimes.

The second man, who was acting as a driver, was released and not charged.

During questioning, the man who carried the identification and credit and bank cards identified himself as Raza Hussain from Brooklyn, N.Y. Chitwood said he is no longer cooperating with his officers.

During their investigation, Chitwood said police discovered a "possible" connection between Hussain and a terrorist with the same birthday when they ran the names through the FBI Terrorism Screening Center. He said the FBI and the New York Police Department have been contacted.

"We don't know who he is, where he is and if such a person exists," Chitwood said of Batti. He said the address on the bank account was for Batti Trading in the 6400 block of Market Street, which was a vacant building.

An address for Batti in the 100 block of 54th Street was "locked up tight," Chitwood said.

Bank Customer Stirs Terror Probe (PHDN)

By Simone Weichselbaum

Philadelphia Daily News, November 6, 2006

Something about the chubby middle-aged man didn't sit right with eagle-eyed employees at the Commerce Bank in Drexel Hill on Wednesday.

The customer called himself Shahid Batti and pulled out a New Jersey driver's license, a Social Security card and a Pakistani passport, all printed with his given name.

But bank employees thought the identifications looked fake - and it was the second time in just a few hours that the man wanted to withdraw thousands of dollars from the Batti account.

So the bank called the cops, and officers whisked the man off for questioning.

Last night, Upper Darby police were trying to come to grips with a strange case - one that quickly became twisted with post-9/11 suspicions.

As of yesterday, Upper Darby Superintendent Michael Chitwood said his investigators believe that the man with the Shahid Batti ID cards is Raza Hussain, 44, from Brooklyn.

While local and FBI officials sort out the man's real identity and his motives for living as Shahid Batti, the Commerce Bank customer is sitting in a Delaware County jail cell and has not posted the $100,000 bail, Chitwood said.

Hussain - if that indeed is his real name - is charged with theft, forgery, identity theft and related crimes. Police aren't even sure if Hussain and Batti are different people or the same man.

"There are a lot of red flags here," Chitwood said. "We don't know if we have an identity-theft issue; we don't know if we have a money-laundering issue, or a terrorist connection."

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The man known as Shahid Batti owns Batti Trading LLC, which is connected to two addresses, records show. Chitwood said the defunct business was housed in a now-vacant shop on Market Street near Sellers Avenue in Upper Darby.

Batti's New Jersey driver'slicense photo shows a clean-shaven man with a receding hairline. It does not resemble Hussain's mugshot, which features a burly man with a thick black moustache and a full head of hair.

A woman named Stacey, who declined to give her last name, lives next door to Batti's 54th Street address. She said the moustached man has owned the rowhouse for about six years, was rarely there, and has always been known as Shahid Batti to her.

His home looks like a mosque, with Islamic characters lining the walls, she said.

On Wednesday at about 2:40 p.m. the case broke.

A Commerce Bank employee called police to report a "Pakistani male attempting to withdraw $9,700... from an account under the same of Shahid Batti," court records said.

Earlier that day, "the defendant withdrew $8,700" from the Batti account, records stated.

The man's request of $9,700 was denied because "of the differing photographs on the defendant's photographic IDs," records said.

Also, the Pakistani passport's insert covers "had been glued down with a different cover. The binding and stiching had been disassembled and appeared to have a new insert glued on," according to case records.

The Social Security card "was observed to have the seal of the 'Dept. Health and Human Services,' and not the legitimate seal of the Social Security Administration," records said. And the N.J. license did not appear to have the "normal hologram."

Cops found the man calling himself Batti and his driver, Zafar Mian, in a car and took them back to the police station. Batti told investigators that his real name was Raza Hussain, born Jan. 1, 1962, and that he lived in Brooklyn.

After that admission, Hussain stopped talking with police, Chitwood said. His driver was let go.

Police then alerted the FBI and checked whether Hussain's was on the nationwide terrorism list. Upper Darby police also contacted the New York Police Department's counter-terrorism bureau to learn more about Hussain's Brooklyn address, Chitwood said.

But FBI spokeswoman Jerri Williams said Hussain "is not on the FBI terrorist-watch list, and has no known ties to terrorists. The Philadelphia FBI will continute their investigation to determine his true identity."

Heinz Field Arrests Spur Terror Response (PPG)

By Gary Rotstein And Nate Guidry, Pittsburgh Post-gazette

Pittsburgh Post-Gazette, November 6, 2006

CMU students tried to enter stadium in middle of night; bond set at $1 million

Two Carnegie Mellon University students caught trying to sneak into Heinz Field in the middle of the night -- purportedly to film a music video -- prompted an anti-terrorist response that included pumped-up security at yesterday's Steelers game against the Broncos.

The two young men were being held last night in the Allegheny County Jail on $1 million straight bond each.

Although explosives-sniffing canines found nothing of interest around the football stadium, an affidavit said the dogs registered two separate "positive hits for explosives" in the Lexus sport utility vehicle the men were driving.

What might have fallen under the prank category in pre-9/11 days was treated as anything but that by authorities, who conducted full searches of the students' apartments and heightened security throughout the afternoon around the stadium on the North Shore.

"We take everything seriously, especially in today's light," Pittsburgh Police Chief Nate Harper said at a morning news conference, while the suspects were still being questioned by agents from the Joint Terrorism Task Force.

Arrested outside Heinz Field around 2 a.m. yesterday were Sudeep Paul, 21, of Woodbury, N.Y., and Anand Shankar Durvasula, 20, of Morgan Hill, Calif. Chief Harper said they are U.S.-born. Both were charged with criminal conspiracy, and Mr. Durvasula with criminal trespass. The $1 million straight bond has to be paid in full for release.

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Heinz Field security officers spotted the men on a security camera trying to enter the stadium, a Steelers spokesman said. They first opened an exterior door at Gate B without going inside, police said. They then took a folding chair to the fence at Gate 5 on Art Rooney Drive, and Mr. Durvasula allegedly stepped up on the chair to scale the fence.

Heinz Field security officers then approached the pair, and as they tried to walk away, they were apprehended by Pittsburgh police officers who had been summoned. They told police initially they were trying to check out the stadium because they had tickets to yesterday's 4:15 p.m. game against the Denver Broncos, Chief Harper said.

He said they told investigators later that Mr. Paul was trying to complete a music video featuring Mr. Durvasula, and they intended to do the last scene inside Heinz Field. A video camera and tripod were found inside the vehicle, parked nearby, which police towed away.

The affidavit said the vehicle was registered to Paul Swapan Kumar, 41, of Woodbury, N.Y., but it could have meant Kumar Paul, as police initially referred to Sudeep Paul as Paul Sudeep.

"We don't know exactly what their intentions were," Chief Harper said. But, he said, it was unwise for them to attempt to break into the stadium at about 2 a.m. There was no evidence the men had been drinking, he said.

Kumar Paul, who was unaware of the son's troubles, said he gave his son the Lexus.

"He's such a good kid," said Mr. Paul. "He's a bright student and an honor student."

Last month, a Wisconsin man was charged with making a terrorist threat over the Internet for threatening that radioactive "dirty bombs" would be detonated at seven football stadiums.

The nature of yesterday's incident led to extra precautions surrounding the Steelers-Broncos game, which was played without incident. Chief Harper said the quick response that resulted in the men being detained showed that security arrangements "are very well up to speed," and not something to worry the public.

"We have taken steps to make sure Heinz Field is secure," Chief Harper said. "We have brought in extra canine dogs from Lawrence, Mercer and Beaver counties to conduct a sweep of the facility. ... We have brought in additional officers as well as state police, county police and the FBI."

Steelers spokesman Dave Lockett said fans attending the game were to receive the same kind of pat-downs from security staff as is customary for all games. He said it was the first such incident he was aware of at Heinz Field, and fans should still feel safe in attending.

"The only thing that needs to be said was that the security system worked in getting things done quickly," Mr. Lockett said.

Police described the two men as cooperative throughout, agreeing to a police search of their off-campus residences in Squirrel Hill.

A Carnegie Mellon spokeswoman declined comment on the incident, other than to confirm both men are seniors at the school, with Mr. Paul a business student and Mr. Durvasula in the humanities and social sciences program.

University-related Web sites suggest that both men have been active, involved students. Mr. Paul is listed as activities director of the Undergraduate Finance Association, and Mr. Durvasula as a committee chairman of the Undergraduate Entrepreneurship Association. Both also were involved in Carnegie Mellon's Mock Trial competition, a program in which students take on judicial roles to practice their speaking and analytical skills.

Mr. Paul, on his own Web home page, lists his grade point average as 3.7 out of 4.0. He made the dean's list last spring.

A Former Top Justice Department Lawyer Defends The Post-9/11 Decisions He Helped Make. (WP)

By Geoffrey R. Stone

The Washington Post, November 5, 2006

WAR BY OTHER MEANS

An Insider's Account of the War on Terror

By John Yoo

Atlantic Monthly. 292 pp. $24

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You should read this book, though not for the reasons the author intends. John Yoo is a law professor who served in the Office of Legal Counsel of the Department of Justice from 2001 to 2003. In that capacity, he participated -- often quite centrally -- in the key post-9/11 legal decisions that framed the Bush administration's war on terror, including the Patriot Act, the National Security Agency surveillance program and administration positions on torture, military tribunals and the treatment of alleged terrorist detainees at Guantanamo Bay.

In War by Other Means , Yoo delivers on his subtitle. This is indeed "an insider's account of the war on terror." He sets an ambitious goal for himself: "to explain the choices that the Bush administration made after 9/11," choices made "under one of the most dire challenges our nation has ever faced." Yoo is mild-mannered, but he is angry, and his anger pervades this work. He attacks the media, human rights advocates, legal academics, civil libertarians, former attorney general John Ashcroft, the Supreme Court, conservative pundit George F. Will, librarians and even the Bush administration (among others) for cowardice, self-aggrandizement, overreaching, ignorance, dishonesty and cupidity.

At its core, War by Other Means offers spirited, detailed and often enlightening accounts of the decision-making process behind the key 2001-03 legal decisions. Yoo feels compelled to justify them because the Bush administration itself has "often failed to explain clearly to the public the difficult decisions al Qaeda has forced upon us." In some instances, Yoo mounts a persuasive defense of the administration's policies. His account of the Patriot Act, for example, convincingly demonstrates that it was not nearly as draconian as its critics charged and that perhaps "the worst thing about it is its Orwellian name."

Most illuminating about War by Other Means , however, are the arguments that unnerve rather than persuade. Yoo's defense of the administration's decisions about torture, surveillance, detention and due process will send a chill down the spine of anyone committed to the preservation of civil liberties and the separation of powers. Yoo asserts that Bush administration officials acted in good faith, but his reasoning reveals that they frequently acted with bad judgment.

Did you know, for example, that Congress cannot constitutionally restrict the president's authority as commander-in-chief to spy on the American people -- but that it can constitutionally eliminate such surveillance "by cutting off all funds for it"? Or that the commander-in-chief has the unqualified authority to decide "who to detain and how to detain them"? Or that the federal law prohibiting torture forbids the infliction of pain only if it is "equivalent in intensity to the pain accompanying . . . death, organ failure, or serious impairment of bodily functions"? Or that the Justice Department's withdrawal of that definition after the revelation of detainee abuse at Abu Ghraib changed nothing? Or that the president in any event has the unqualified authority to use torture? Talk about Orwellian.

Yoo's characterization of many policies is little short of bizarre. He maintains, for example, that Abu Ghraib, the Aug. 2002 "torture memo" (which gave CIA interrogators sweeping legal blessings) and the NSA surveillance program are not really objectionable because the people can always vote the president out of office if they disapprove of his decisions -- without noting that the president attempted to keep these matters secret from the American people. He characterizes the Foreign Intelligence Surveillance Act of 1978, which expressly prohibits the president from engaging in foreign intelligence surveillance without a warrant, as offering "the executive branch a deal": If the president obtains a warrant, the surveillance will be deemed reasonable; if he orders surveillance without a warrant, "he takes his chances." I don't think so. The Foreign Intelligence Surveillance Act flatly declared it unlawful for the president to engage in electronic surveillance without satisfying the act's requirements. It no more offered the president a "deal" than our drug laws offer pushers a deal: Don't sell drugs, and you won't go to jail; sell drugs, and you "take your chances."

The fundamental precept that drives Yoo's conclusions is his unyielding belief that in wartime, the president -- as commander-in-chief -- is exclusively in charge. Detention, surveillance and torture must all be within the president's unilateral control. Congress and the Supreme Court must defer to the president's judgment.

This is an extreme, reckless and dangerous view. That it has shaped the policies of our government is nothing short of irresponsible. Even U.S. Court of Appeals Judge Richard A. Posner, no slouch when it comes to advocating the aggressive use of government power to combat terrorism, has charged that Yoo's "extravagant interpretation of presidential authority . . . confuses commanding the armed forces with exercising dictatorial control" of the sort exercised by "a Hitler or a Stalin."

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In his own way, Yoo has done Americans a great service. Not only has he offered useful insights into the reasoning of the Bush administration, but he has exposed that reasoning to the harsh light of day. His conception of our Constitution -- and that of the Bush administration -- must be resoundingly repudiated by Congress, the courts and the American people. Â·

Geoffrey R. Stone is a professor of law at the University of Chicago and the author of "Perilous Times: Free Speech in Wartime," now out in paperback.

WAR NEWS

Soldiers In Iraq Say Pullout Would Have Devastating Results (WP)

By Josh White

The Washington Post, November 6, 2006

FORWARD OPERATING BASE SYKES, Iraq, Nov. 5 -- For the U.S. troops fighting in Iraq, the war is alternately violent and hopeful, sometimes very hot and sometimes very cold. It is dusty and muddy, calm and chaotic, deafeningly loud and eerily quiet.

The one thing the war is not, however, is finished, dozens of soldiers across the country said in interviews. And leaving Iraq now would have devastating consequences, they said.

With a potentially historic U.S. midterm election on Tuesday and the war in Iraq a major issue at the polls, many soldiers said the United States should not abandon its effort here. Such a move, enlisted soldiers and officers said, would set Iraq on a path to civil war, give new life to the insurgency and create the possibility of a failed state after nearly four years of fighting to implant democracy.

"Take us out of that vacuum -- and it's on the edge now -- and boom, it would become a free-for-all," said Lt. Col. Mark Suich, who commands the 1st Squadron, 89th Cavalry Regiment just south of Baghdad. "It would be a raw contention for power. That would be the bloodiest piece of this war."

The soldiers declined to discuss the political jousting back home, but they expressed support for the Bush administration's approach to the war, which they described as sticking with a tumultuous situation to give Iraq a chance to stand on its own.

Leading Democrats have argued for a timeline to bring U.S. troops home, because obvious progress has been elusive, especially in Baghdad, and even some Republican lawmakers have recently called for a change in strategy. But soldiers criticized the idea of a precipitate withdrawal, largely because they believe their hard work would go for naught.

Capt. Jim Modlin, 26, of Oceanport, N.J., said he thought the situation in Iraq had improved between his deployment in 2003 and his return this year as a liaison officer to Iraqi security forces with the 3rd Squadron, 4th Cavalry Regiment, based here on FOB Sykes outside Tall Afar. Modlin described himself as more liberal than conservative and said he had already cast his absentee ballot in Texas. He said he believed that U.S. elected officials would lead the military in the right direction, regardless of what happens Tuesday.

"Pulling out now would be as bad or worse than going forward with no changes," Modlin said. "Sectarian violence would be rampant, democracy would cease to exist, and the rule of law would be decimated. It's not 'stay the course,' and it's not 'cut and run' or other political catchphrases. There are people's lives here. There are so many different dynamics that go on here that a simple solution just isn't possible."

Soldiers and officers had difficulty conveying what victory in Iraq would look like or exactly how to achieve it. In some ways, victory is a moving target, they said, one that relies heavily on the Iraqi people gaining trust in the Iraqi security forces and the ability of the Iraqi government to support essential services. In northern Iraq, officials said they expect to hand over major parts of the country to Iraqi forces within the next five months, but most agree that Baghdad will be far behind.

Even if top commanders meet their goal of transferring authority to the Iraqi army within the next 18 months, a U.S. presence long after that is likely, several officers said.

"This is a worthwhile endeavor," said Maj. Gen. Benjamin Mixon, commander of Multinational Division North and the 25th Infantry Division. "Nothing that is worthwhile is usually easy, and we need to give this more time for it to all come together. We all want to come home, but we have a significant investment here, and we need to give the Iraqi army and the Iraqi people a chance to succeed."

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Numerous soldiers expressed frustration with the nature of the fight, which many said amounted to driving around and waiting for the enemy to engage them, often with roadside bombs, known within the military as improvised explosive devices, or IEDs.

"It's frustrating, because it's hard to get into the fight," said Staff Sgt. Robert Wyper, 26, of Riverside, Calif., a squad leader with Bravo Company, 2nd Battalion, 3rd Infantry Regiment. Wyper rides around the Mosul area in a Stryker armored vehicle. He has fired a total of four rounds from his weapon since he arrived in August, while several other soldiers said they had never pulled their trigger during their deployments. "The combat we have is on the enemy's terms," Wyper said. "You can shoot at the enemy, but how do you shoot at an IED?"

First Sgt. David Schumacher, 37, of Watertown, N.Y., is on his eighth deployment to a foreign battlefield since a tour in Somalia, and his third tour in Iraq.

"The insurgents are more strategic this time, they're smarter," he said. "We're trying to anticipate their next move, and they're trying to anticipate ours. There's still a lot to do."

In Rushdi Mullah, a small farming village near Baghdad, Capt. Chris Vitale, 29, of Washington, Pa., said his unit's recent moves to the edge of this insurgent safe haven have made a major difference for residents. "If my unit left town, the insurgents would come back in and use it to stage attacks on Baghdad," he said. "I'm sure of it."

In the north, where Iraqi army and police units have made strides toward controlling their own territory, U.S. soldiers said they were at a critical point in helping the Iraqi forces develop.

Capt. Mike Lingenfelter, 32, of Panhandle, Tex., said that U.S. troops have earned the trust of residents in Tall Afar over the past couple of years and that leaving now would send the wrong message. His Comanche Troop of the 3rd Squadron, 4th Cavalry Regiment is working with Iraqi forces to give them control of the city.

"We'll pull their feet out from under them if we leave," Lingenfelter said.

"It's still fragile enough now that if the coalition were to leave, it would embolden the insurgents. A lot of people have put their trust and faith in us to see it to the end. It would be an extreme betrayal for us to leave."

Sgt. Jonathan Kirkendall, 23, of Falls City, Neb., said he fears that many Americans think that building the country to viability will be "quick and easy," when he believes it could take many years. Kirkendall, of the 2nd Brigade, 10th Mountain Division in Baghdad, is on his third deployment to Iraq and celebrated his 21st and 23rd birthdays here.

"If they say leave in six months, we'll leave in six months. If they say six years, it's six years," said Kirkendall, who is awaiting the birth of his first daughter, due next week.

"I'm just an average soldier, and I'll do what they tell me to do. I'm proud to be a part of it, either way it goes, but I'd like to see it through."

And Now, Back To The War (WP)

By Sebastian Mallaby

The Washington Post, November 6, 2006

The news has been dominated by elections and Iraq. After tomorrow, there will be only Iraq. The nation will face an agonizing choice between soldiering on, scaling back or pulling out. It should begin by considering the leading authorities on civil wars -- Oxford's Paul Collier, Stanford's James Fearon and Barbara Walter of the University of California at San Diego -- even if their thoughts are dispiriting.

The academics' first point is that civil wars last longer than interstate wars. The average civil war since 1945 has lasted 10 years, and the median (or typical) one has lasted seven years. If we date the start of Iraq's civil war in 2004 or 2005, we probably have at least another five years of fighting.

If you believe that the United States can stick it out that long, you must consider what it would achieve by doing so. In three out of four cases since 1945, civil wars have ended when one side has crushed the other. If the United States were prepared to use its troops to force the victory of Shiites or Sunnis, perhaps it could hasten the war's end. But neither side makes for a palatable ally.

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The United States could stay in Iraq in the hope that it may be one of the unusual civil wars that ends with a political compromise. This is possible, but the academics do not believe it to be likely. In his analysis of 50-plus civil wars, Collier finds that sectarian conflicts such as Iraq's are harder to end than ideological conflicts such as El Salvador's. Meanwhile Fearon emphasizes that wars in which each side is splintered are less susceptible to negotiated conclusions, because you can't trust the other side to stick to a deal if the other side consists of multiple uncoordinated death squads. Both Sunnis and Shiites in Iraq are divided among competing militias.

Moreover, wars that end in negotiation tend to do so only after the combatants have fought to a standstill. Iraq seems a long way from that: Leaders on both sides appear to believe that, once the Americans are out of the way, they can get what they want by fighting. It may be that neither side will give up this belief until it has been tested. This leads Fearon to the view that U.S. withdrawal is a precondition for the military test that in turn is a precondition for peace.

If Fearon is right, remaining in Iraq actually prolongs the carnage. But even if he is wrong, it's not clear that remaining in Iraq is justified. In the past three months, 241 U.S. troops have died; another five years implies the death of 4,820 Americans, more than were killed in the terrorist attacks of 2001. Meanwhile the U.S. involvement in Iraq distracts from other pressing foreign policy problems. The price of staying in Iraq is high, while the gains are uncertain.

But it is also true that leaving Iraq could prove extremely costly. Fearon expects that withdrawal is likely to accelerate the conflict, unleashing an even more intense campaign of ethnic cleansing of civilians. So if the United States did decide to leave Iraq, it should signal its intentions clearly and give civilians time to sort themselves into ethnically homogenous groups, protected by their respective militias. Leaving Iraq could also embolden U.S. enemies, though the spectacle of the United States bogged down in Iraq might arguably embolden them more. Withdrawal might also allow Iran to establish control over its neighbor, though Iran might find Iraq almost as difficult to control as the United States has.

But the strongest argument against withdrawal is that it might not be permanent. As civil wars progress, they undergo a change: In the first stage people fight because they believe they can win, but in the second stage they fight because there is no mechanism to make a peace deal credible. In a conventional interstate war, each side can retreat to the safety of its own territory and keep its army as a guarantee. But in a civil war combatants are expected to surrender their weapons, even though these are the only things that stop the other guys from massacring civilians. This prisoner's dilemma explains why civil wars tend to be prolonged. It also explains why, when they do approach their end, outsiders are often necessary to put a final stop to them.

So when Iraq's combatants fight themselves to stalemate, some coalition of external powers may have to enforce a peace, and the United States would probably be part of such an effort. Whether it's worth staying in Iraq in the meantime -- and if so, with what level of troop strength -- is going to be the unavoidable debate of the post-election season.

The Case For Dividing Iraq (TIME)

By Peter W. Galbraith

Time, November 6, 2006

Iraq is broken.

Iraq's national-unity government is not united and does not govern. Iraqi security forces, the centerpiece of the U.S.'s efforts for stability, are ineffective or, even worse, combatants in the country's escalating civil war. President George W. Bush says the U.S.'s goal is a unified and democratic Iraq, but we have no way to get there. As Americans search for answers, there is one obvious alternative: split Iraq into separate Kurdish, Sunni and Shi'ite states.

The case for the partition of Iraq is straightforward: It has already happened. The Kurds, a non-Arab people who live in the country's north, enjoy the independence they long dreamed about. The Iraqi flag does not fly in Kurdistan, which has a democratically elected government and its own army. In southern Iraq, Shi'ite religious parties have carved out theocratic fiefdoms, using militias that now number in the tens of thousands to enforce an Iranian-style Islamic rule. To the west, Iraq's Sunni provinces have become chaotic no-go zones, with Islamic insurgents controlling Anbar province while Baathists and Islamic radicals operate barely below the surface in Salahaddin and Nineveh. And Baghdad, the heart of Iraq, is now partitioned between the Shi'ite east and the Sunni west. The Mahdi Army, the most radical of the Shi'ite militias, controls almost all the Shi'ite

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neighborhoods, and al-Qaeda has a large role in Sunni areas. Once a melting pot, Baghdad has become the front line of Iraq's Sunni-Shi'ite war, which is claiming at least 100 lives every day.

Most Iraqis do not want civil war. But they have rejected the idea of a unified Iraq. In the December 2005 national elections, Shi'ites voted overwhelmingly for Shi'ite religious parties, Sunni Arabs for Sunni religious or nationalist parties, and the Kurds for Kurdish nationalist parties. Fewer than 10% of Iraq's Arabs crossed sectarian lines. The Kurds voted 98.7% for independence in a nonbinding referendum.

Iraq's new constitution, approved by 80% of Iraq's voters, is a road map to partition. The constitution allows Iraq's three main groups to establish powerful regions, each with its own government, substantial control over the oil resources in its territory and even its own regional army. Regional law supersedes federal law on almost all matters. The central government is so powerless that, under the constitution, it cannot even impose a tax.

American leaders seem to be in denial about these facts. President Bush continually asserts that the Iraqi people have voted for unity, while Condoleezza Rice once told me how impressed she was by the commitment of the Iraqi Kurds to building a new Iraq. James A. Baker III, co-chairman of a congressionally mandated commission tasked with formulating new policy options, has ruled out the idea of dividing Iraq. The most prominent American politician to endorse anything resembling partition is Senator Joseph Biden, who, along with former Council on Foreign Relations president Leslie Gelb, proposes dividing Iraq into three regions while maintaining a "central government in charge of common interests."

U.S. officials are now asking that Iraqis agree to a program of national reconciliation, changes in the constitution to protect Sunni interests, and an oil law that would share revenues equitably. It's instructive that this initiative aimed at unifying Iraq comes from Americans and not the country's elected leaders. A U.S. effort to put Iraq back together would involve endless micromanagement of Iraqi affairs and an open-ended presence of large numbers of U.S. troops. Breaking up Iraq, on the other hand, could provide an exit strategy for U.S. troops, mitigate the worst effects of civil war and give all Iraqis a greater stake in shaping their future. Few Americans imagined that 3 1/2 years after "liberating" Iraq, the U.S. would be presiding over the country's demise. But in a war in which there have never been good options, partition is the best we have left.

Iraq has never been a voluntary union of its peoples. Winston Churchill, as Britain's Colonial Secretary, created Iraq from the wreckage of the Ottoman Empire in 1921, installing a Sunni Arab King to rule over the Shi'ite majority and a rebellious Kurdish minority. Churchill later described Iraq's forced unity as one of his biggest mistakes. In 2003 the U.S. not only unseated the last and most brutal of Iraq's tyrants but also destroyed the institutions--notably the army and the Baath Party--that held Iraq together. The sectarian slaughter that followed the Feb. 22 bombing of the Shi'ite Golden Mosque in Samarra accelerated Iraq's disintegration.

Nonetheless, the U.S. continues to cling to the illusion of Iraqi unity. President Bush's hopes for success in Iraq depend on two pillars: Prime Minister Nouri al-Maliki's national-unity government and the establishment of security forces that are trusted and respected by all Iraqis. But both are shams. Al-Maliki leads a religious Shi'ite coalition that includes parties that operate the death squads that kill scores of Sunnis each day. While he says illegal militias should be disbanded, he has vigorously resisted every U.S. operation against them. The Sunnis in Iraq's government are, if anything, even more extreme. Mahmoud al-Mashhadani, the Speaker of the Council of Representatives and Iraq's highest-ranking Sunni, has been closely associated with Ansar al-Islam, an al-Qaeda-linked terrorist group that has targeted Shi'ites and secular Iraqis. He has blamed Iraq's problems on the Jews and has said statues should be erected to those who kill American troops. President Bush has lavishly praised both al-Mashhadani and al-Maliki, but flattery has not produced statesmanship. The real problem is that they reflect the views of their respective communities, which voted overwhelmingly for them.

Meanwhile, U.S. officials speak of Iraq's army and police as if they were neutral guarantors of public safety. Iraqis see them for what they are: Shi'ites or Sunnis who are active combatants in Iraq's civil war. Shi'ite police units have kidnapped, tortured and executed thousands of Sunnis since the Samarra bombing. Sunni policemen are often insurgents or sympathizers. The army, while marginally better than the police, is divided along sectarian lines and is largely ineffective. Whole battalions do not show up for combat duties they don't like. It is not possible to build a national army or police force when there is no nation to begin with.

So what can be done? The most realistic option is for the U.S. to abandon the idea of creating a new, united Iraq and instead allow the country to break apart, enabling each of the country's three groups to choose its own government and provide

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for its own security. It is possible that Sunni and Shi'ite regions would remain together in a loose confederation, but Kurdistan's full independence is almost certainly a matter of time.

Partition is an Iraqi solution. The U.S. could help make it go more smoothly, but it mostly needs to get out of the way. The Kurds already have their region. Last month Iraq's parliament approved a law to allow the Shi'ites to merge Iraq's nine southern provinces into a single state. The one group that resists dividing Iraq is the Sunnis, some out of nostalgia for the days when they ran the country and others because they reject all that has happened since Saddam's overthrow. But with the Kurds and Shi'ites having their regions, partition becomes an accomplished fact. It is hard to see any alternative for the Sunnis except to do the same.

In fact, the Sunnis may have the most to gain from partition. The Sunni insurgency feeds on popular hostility not just to the Americans but to a Shi'ite-dominated Iraqi government. Most Sunnis don't support al-Qaeda and its imitators, but they often prefer them to Iraqi security forces, which are seen as complicit in the killings of Sunnis. If the Sunnis were to establish their own region, they could have an army and provide for their own security. Since Iraq's known oil fields are in the Shi'ite south and the Kurdish north, the Sunnis do have reason to fear being stuck in the middle with no resources of their own. So, for partition to work, the Kurds and Shi'ites would have to guarantee the Sunnis a proportionate share of Iraq's oil revenues for a period of time, as they have already agreed to do. Over the long term, exploration for oil in the largely unexplored Sunni areas provides the region its best prospect for revenues.

We should have no illusions: partitioning Iraq would not be easy. Some groups would resist bloodily. But the adverse consequences of partition have already occurred. There's no reason to believe that formalizing Iraq's breakup would make anything worse--in fact, it might even help contain the violence. It's useful to outline the three main arguments raised against partition and explain why none are as convincing as their proponents portray them to be:

The sectarian bloodbath will get worse. Iraq's Sunni-Shi'ite civil war has already claimed tens of thousands of lives and forced Sunnis and Shi'ites to abandon coexistence. This is tragic and certainly not what most Iraqi Shi'ites or Sunnis want. But once under way, civil wars tend to empower the most extreme elements. Civil wars do not end because the parties get tired of fighting. Rather, they end because of outside intervention or, more often, because one side wins. Partition will not stop the sectarian cleansing in mixed areas, but by giving Shi'ites and Sunnis their own regions, it can avoid an outcome in which Iraq's more numerous Shi'ites completely crush the Sunnis.

Iran will dominate the Shi'ite south. Iran's Iraqi allies already dominate Shi'ite southern Iraq. If the U.S. were serious about countering Iran's influence, U.S. troops would have to forcefully disarm the Shi'ite militias and dismantle the southern theocracies. But this would mean taking on a whole new enemy in Iraq and also require committing more troops. The Bush Administration has no intention of doing either. Right now, Iran's allies control both the central government in Baghdad and the south. Partition would limit Iran's influence to the southern half of Iraq.

A divided Iraq will be destabilizing to Iraq's neighbors. Iraq's Sunni Arab neighbors all fear the destabilizing consequences of partition. But they fear an Iran-dominated Iraq even more. Turkey, Iraq's other powerful neighbor, has a population that includes at least 14 million Turkish Kurds. The Turkish nightmare has been the emergence of an independent Kurdistan in Iraq. But now that it is actually happening, Turkey has responded pragmatically: it is by far the largest source of investment in Iraqi Kurdistan and has cultivated close relations with its leaders. As Turkey's more sophisticated strategic thinkers understand, Turkey and an independent Kurdistan have a lot in common. Both are secular, pro-Western, democratic and non-Arab. Not only will Kurdistan depend on Turkey economically, but it can serve as a useful buffer to an Iran-dominated Islamic Iraq.

For many Americans, the biggest appeal of partition is that it makes possible a relatively rapid U.S. exit from much of Iraq. If U.S. goals no longer include preserving national unity or establishing Western-style democracy, there is no need for U.S. troops in the Shi'ite south or Baghdad. We would leave behind a civil war and an Iran-dominated south, but that outcome would be no different if we were to stay with the current force levels and mission. One overriding interest in Iraq, however, is still achievable: that Iraq's Sunni areas not become a base from which al-Qaeda and its allies might attack the West. With the security that comes from having their own region, the Sunnis might deal more effectively with the terrorist threat, since continuing violence would prevent economic progress in the Sunni areas. While local leaders are now unwilling to fight the most radical elements of the insurgency when the beneficiary is Iraq's Shi'ites, they may be more willing to do so when it benefits them.

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The U.S. will still need an insurance policy against the threat of al-Qaeda in western Iraq. This could be accomplished by deploying a small force to Kurdistan, from which the U.S. could readily move back into the adjacent Sunni areas if necessary to disrupt al-Qaeda operations. This force would discharge a moral debt to the Kurds who fought on our side and could help consolidate democracy in the one part of Iraq that turned out as we hoped.

American administrations are instinctively committed to existing lines on the map. But not all breakups are a disaster. Although President Bush's father tried to hold the Soviet Union together, few mourned its ultimate demise. Trying to put back together Iraq, a state that has brought nonstop misery to most of its people for its entire 80-year history and is not desired by a substantial part of its citizens, will only bring about more pain and blood for Americans and Iraqis. If the country's people are to be saved, the only choice is to end Iraq. [This article contains maps and diagrams. Please see hardcopy of magazine.] THE GREAT DIVIDE

Iraq is checkered by different religions and ethnicities, its history marked by forced relocations and bloody conflict. The current Sunni-Shi'ite war has once again changed the demographic map of Iraq, leading some to call for the country to be split into three states. But carving up Iraq could displace millions, provoke struggles for the control of territory and make the bloodshed even worse. Shi'ite Arabs 60% Sunni Arabs 20% Kurds 17% Others 3%

Area by ethnic and religious groups

Kurd Sh'ite Arab Sunni Arab Shi'ite/Sunni-Arab mix Sunni Arab/Kurd mix Sunni Turkoman Christian Mixed area Sparsely populated Population density

0 10 1,000 100,000 Per sq. mi. (2.6 sq km) 5 miles 5 km BAGHDAD AIRPORT RASHEED AIR BASE SADR CITY ADHAMIYA WASHASH MANSUR Green Zone Tigris River IRAQ Turkey â€¢ Neighboring Turkey worries that an Iraqi Kurdistan would incite its Kurdish population and that access to the area's oil would be lost. Along with Iran and Syria, Turkey might be tempted to exploit internal Kurdish divisions Baghdad With Sunni and Shi'ite living cheek by jowl, partition could lead to widespread sectarian cleansing and more violence for its 6 million residents

Kurdistan â€¢ The Kurdish-dominated north already enjoys wide autonomy and relative peace, but Kurds want oil-rich Kirkuk to be part of an independent Kurdistan--something the country's Arabs fiercely oppose

Central Iraq â€¢ Iraq's Sunni Arabs have resisted partition. With no significant oil fields and thus no real oil revenues, Sunnis might try to fight for oil-rich areas like Baghdad, Kirkuk and Mosul

Southern Iraq â€¢ The Shi'ite-dominated south would probably form a government based on Islamic law and modeled on Iran's. It has the lion's share of the country's oil resources Oil Supergiant oil field (5 billion bbl. in reserve) Other oil field Pipeline

60 miles 60 km

DAHUK NINEVEH ARBIL SULAYMANIYAH TA'MIM NAJAF WASIT DIYALA MUTHANNA SALAHADDIN ANBAR QADISYAH KARBALA BABIL MAYSAN DHIQAR BASRA Kirkuk Mosul Arbil Nasiriyah Baqubah Najaf Sulaymaniyah Karbala Hillah Samarra Diwaniyah Fallujah Ramadi Tikrit Tall 'Afar Kut Samawah Faisaliya Basra Amarah

Tigris River Euphrates River

SAUDI ARABIA IRAN SYRIA TURKEY JORDAN KUWAIT

BEFORE IT WAS IRAQ

â€¢ Under Ottoman rule Until WW I, Iraq was a region divided into three provinces (vilayets), with Shi'ite Basra in the south, Baghdad in the center and a largely Kurdish Mosul in the north OTTOMAN EMPIRE Persia Syrian Desert Vilayet of Mosul Vilayet of Baghdad Vilayet of Basra British controlled

â€¢ Under British rule In the postwar division of Ottoman territory, the provinces came under British control, forming the borders for Iraq. It was granted independence in 1932

Persia Turkey Protectorate of Kuwait British mandate of Iraq French mandate of Syria

OIL RICHES Total known oil reserves by province Oil reserves in millions of bbl. 65,810 10,000 1,000 100

Sources: Brookings Institution Iraq Index; GlobalSecurity.org HealingIraq.blogspot.com Iraq Revenue Watch; NASA; DigitalGlobe; LandScan/UT-Battelle TIME Map by Kathleen Adams and Joe Lertola

Peter W. Galbraith, a former U.S. ambassador to Croatia who has advised the Kurds on constitutional issues, is the author of The End of Iraq: How American Incompetence Created a War Without End

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Looking For Light In Iraq (USNEWS)

By Linda Robinson

U.S. News and World Report, November 6, 2006

Samir Sumaidaie, Iraq's ambassador to the United States, is under no illusions about the difficulty of achieving peace in his country. His deputy chief of mission has lost three nephews to the violence engulfing the country-two of them killed by Shiite militia members when they went to a Baghdad hospital to retrieve wounded neighbors, the third by Sunni insurgents while visiting a cemetery to mourn one of the dead. "Extremists have a way of finding reasons to continue fighting," says the gray-haired engineer, who was ambassador to the United Nations before coming to Washington last April. But he has not lost hope.

Obscured by the reports of spiraling violence and the latest contretemps between Prime Minister Nouri al-Maliki and U.S. officials is the surprising fact that the Iraqi government itself has laid out a timeline for dealing with the most contentious issues tearing the country apart. Achieving a timeline is not the same thing as reaching substantive agreement on solutions, but it may provide the kickstart for a last-ditch attempt to avoid fullblown civil war-and if deadlines matter, it is a measuring stick of the Iraqis' own making.

"Outlaws." Two months ago, the Political Council for National Security-which includes the prime minister, the president and vice presidents, the head of parliament, and their deputies-agreed on 15 items to be accomplished between September 2006 and March 2007, ending with a referendum on constitutional amendments. The timetable has already slipped by a month, but they have made progress on two key items: The parliament passed a foreign investment law last month and is debating legislation on how the oil industry will be run and profits divided among the Shiite, Sunni, and Kurdish populations. Sumaidaie expects the measure to pass this month. The next item is revising the de-Baathification process that drove many former regime bureaucrats and soldiers into the insurgency rather than offering them incentives to support the new government.

By all accounts, the toughest items on the agenda are those slated for December, when a law offering amnesty to Sunni and Baathist insurgents and demobilizing militias is supposed to be passed. A U.S. defense intelligence official with long experience in Iraq seriously doubts whether Iraq's Shiite-majority government will offer a genuine olive branch to Sunni insurgents, whom it deeply mistrusts, or defang the Shiite militias that, to many senior Iraqi officials, are the clearest means for ensuring Shiite dominance over Iraq. He points to the fate of Iraq's 8th Division general who dared to confront the powerful Shiite militia of radical cleric Moqtada al-Sadr in the city of Diwaniya: A Sadr official was appointed to investigate him. And, the U.S. official warns, "Without really reaching out to the former regime members who are in Damascus supplying guidance to the insurgency groups and having a real amnesty ... this is not going anywhere."

Maliki, says Sumaidaie, wants to pursue a "holistic" approach against the militias, which are made up of criminals, political figures, and unemployed youths, a strategy "based on peeling all these layers off one at a time." He cites Sadr's recent public denunciation of specific "outlaw" militia leaders as "an important step toward breaking the problem up into manageable chunks." Ultimately, Sumaidaie says, "the question must be put to Moqtada [al-]Sadr, 'What kind of Iraq do you want ... a divided country ruled by warlords [or] a thriving country?'"

Whose Idea Was This? (TIME)

By Adam Zagaorin

Time, November 6, 2006

In a war effort marred by poor planning and misjudgments of the local scene, this move just about took the cake. Someone in the U.S. military thought it was a good idea to send Sergeant Santos Cardona, a dog handler convicted of abusing detainees at the Abu Ghraib prison in Baghdad, back to serve again in Iraq. What's more, his unit's job was to help train Iraqi police, a curious assignment for a military policeman caught in photographs distributed worldwide doing just the sort of thing peace officers should never do.

Cardona knew it was a terrible idea. Shortly before he left Fort Bragg, N.C., for the Middle East, he told a close friend and family members that he was returning against his wishes but felt dutybound to accept the deployment. The friend said Cardona described trying to attach another soldier's name tags to his uniform in hopes of concealing his identity from Iraqis but was told by a superior to desist. According to this friend, Cardona said he had told at least one of his superiors that he feared for his safety in

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Iraq. Cardona's name can be referenced almost instantly on the Internet, and his photo appears in at least one al-Qaeda propaganda video.

Still, it was not until TIME.com reported last week that Cardona was on his way to Iraq that the military reconsidered his posting. The morning after the story broke, the Pentagon said in a statement that Cardona's movement into Iraq from a staging area in Kuwait had been "stopped." Hours later, it said he would return to Fort Bragg immediately.

By reversing course, the Army stanched the p.r. damage, but some harm had already been done. On hearing the news that Cardona was in Kuwait awaiting transfer to Iraq, Maryam al-Rais, a member of the Iraqi parliament, lamented, "This is just the latest in a long list of insults to Iraqi dignity by the Americans." A Western official in Baghdad said he had received several angry calls from Iraqi political figures expressing "cold fury" at what they interpreted as American arrogance and insensitivity. The timing of Cardona's return could not have been worse. Anti-American sentiment is at an all-time high; opinion polls show that most Iraqis, regardless of sect or ethnicity, want the U.S. forces out. The Abu Ghraib scandal still resonates strongly among Iraqis. Those who resent the U.S. presence never tire of using it as a flogging horse. Even today, statements and videos issued by insurgent groups and jihadi organizations routinely cite Abu Ghraib as proof of the U.S.'s malign intentions in Iraq. Even America's allies in Iraq often bring up the scandal as proof of how little the U.S. understands the country. Many Iraqis will admit that their own security forces treat prisoners at least as badly, but they point out that their government doesn't lecture the world about human rights. The punishment meted out to Americans found guilty of atrocities at Abu Ghraib, Iraqis complain, was too lenient.

Cardona, who served as a dog handler at Abu Ghraib in 2003 and '04, was convicted this past May of dereliction of duty and aggravated assault, the equivalent of a felony in the U.S. civilian justice system. The prosecution demanded prison time, but a military judge instead imposed a fine and reduction in rank. Though Cardona was not put behind bars, he was required to serve 90 days of hard labor at Fort Bragg. He has since regained his rank of sergeant. Speaking to TIME while Cardona was in Kuwait, Army public affairs specialist Major James Crabtree, who is assigned to the 18th Airborne Corps at Fort Bragg, which has responsibility for Cardona's unit, said his company "happens to be deployed to Iraq, so he went with them." Crabtree quoted the Army commander overseeing the transfer as saying, "There were no issues associated with [Cardona's new] deployment." Assigning Cardona to Iraq again, commented retired General Barry McCaffrey, who commanded a division in the first Gulf War, "represents appallingly bad judgment."

According to a close friend with whom Cardona spoke just before his departure, the soldier was worried that not only he but also comrades serving with him could become targets for insurgents. The Iraqi police, whom the company was assigned to train, have been the target of frequent assassination attempts and, according to U.S. intelligence, are heavily infiltrated by insurgents. The Pentagon's last statement about the sergeant's return to Fort Bragg said he would be assigned duties that would allow him "to be a productive member" of the Army. With reporting by Aparisim Ghosh/Baghdad

Iraq: A New Enemy Emerges—'The Shiite Zarqawi' (NSWK)

Newsweek, November 6, 2006

Nov. 13, 2006 issue - Ever since the radical Mahdi Army leader Moqtada al-Sadr joined the Iraqi government, his power on the streets has been slipping. Now U.S. and Iraqi officials worry that even more violent men might be taking up his mantle. One name has come up again and again: Abu Deraa, sometimes called "the Shiite Zarqawi." Abu Deraa and the death squad he runs have been waging a campaign of Shia terror across the city. He is suspected of torturing and killing scores of Sunnis in a bloody wave of ethnic cleansing in neighborhoods across Baghdad. U.S. officials believe Abu Deraa is responsible for the capture of a U.S. Army translator who disappeared two weeks ago while leaving the fortified Green Zone and remains missing. Abu Deraa "is a brutal, loathsome character," says a senior U.S. official who asked not to be identified by name because of the sensitive nature of the topic. "He is definitely a guy we'd like to see not around anymore."

Iraq's Prime Minister Nuri al-Maliki hasn't made the job of hunting him any easier. Last week U.S. forces launched a massive raid in Sadr City, targeting Abu Deraa. The attack reportedly killed two of his sons, but he escaped. Concerned about the political implications, Maliki ordered U.S. troops to end the assault and then dismantle the checkpoints they had set up to net Abu Deraa if he tried to slip away. Maliki insists he would like to see Abu Deraa and other insurgents like him brought to justice—but

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he wants the United States to let him handle it his own way, by relying on Moqtada al-Sadr to clear out the death squads. "What the prime minister is doing—if it works it would be quite good," U.S. Ambassador Zalmay Khalilzad tells NEWSWEEK.

But it's a gamble. The son of a fishmonger from one of the poorest slums of Sadr City, Abu Deraa (real name: Ismael Hafidh) has capitalized on Iraq's sectarian hatreds and won support among some Shiites as a defender of the faith. "What Abu Deraa does is just a reaction for what is being done by the mobs that kill innocents," says Abu Ali, 46, a Shiite policeman who has met and worked with Abu Deraa. For now, U.S. officials are reluctantly going along with Maliki's plan to let Sadr deal with Abu Deraa. Privately, however, the officials fear that Maliki can't really rely on militia groups like the Mahdi Army, which has ties to the most brutal death squads, like the one Abu Deraa runs. "[Al-Sadr] has been a violent militia leader for more than three years," says the U.S. official. "It's going to take more than statements to convince me that he's not still got one foot in the violence." Or that he could stop the bloodshed, even if he wanted to.

Two Texans In Trouble (USNEWS)

By Kenneth T. Walsh

U.S. News and World Report, November 6, 2006

At the White House, they call it the "V" word. Vietnam. It is the historical parallel that the Bush administration dreads most, because of fears that comparisons with the bitter, bloody Southeast Asian conflict will cast even more doubt on the conduct of the war in Iraq today. "Entirely different situations," White House Press Secretary Tony Snow told U.S. News.

But the idea that Iraq increasingly resembles Vietnam in some important ways appears to be gaining credibility among historians, pundits, and, most important, the public. While 50 percent of Americans think the United States will avoid another Vietnam-which was far more costly in terms of human life and military spending-40 percent think the United States is "heading for the same kind of involvement in Iraq as it had in the Vietnam War," according to a Washington Post/ABC News poll taken in mid-October. President Bush fueled the debate last month when he agreed that the current spike in Iraqi violence reminded him of the Tet offensive in 1968. That's when attacks across Vietnam seemed to under-mine President Lyndon Johnson's claims that there was light at the end of the tunnel. Bush conceded that, in a similar manner, Iraqi insurgents may be trying to break America's will today.

The comparisons will only intensify as Bush prepares to visit Vietnam for a high-profile economics conference next week and as frustrations with the course of the war in Iraq grow. "People see Iraq as an echo of the experience of Vietnam," says historian Robert Dallek, biographer of President Johnson, who escalated the Vietnam War in the mid- and late 1960s. "We got trapped there in a quagmire. And today, there is a sense once again that, like Vietnam, we are caught in a trap of our own making, and there is no way out."

Such assessments are vigorously challenged by President Bush and his senior aides. The war in Iraq, they say, is being won, contrary to media reports, and the administration has an effective strategy to eventually turn security over to the democratically elected Iraqi government. White House counselor Dan Bartlett conceded that Americans are frustrated, but he said that's mostly because "they want to know we can win." And Bush is confident of victory, Bartlett told U.S. News.

But those arguments are being aggressively challenged by the critics, some of whom cite eerie parallels with Vietnam. Johnson and, later, President Richard Nixon said they would turn over security to the South Vietnamese, and the plan failed.

It is also true that in each case, America's commander in chief immersed the nation in a faraway conflict for reasons that turned out to be misleading or just plain wrong. In each case, the cost in lives and treasure-and the strength and tenacity of the opposition-exceeded the government's initial estimates. In each case, as opposition mounted at home and abroad, the exit strategy seemed unclear. And in each case, a president who initially sought to focus on domestic issues found his other priorities shunted aside.

Stuck In The '60s (USNEWS)

By Michael Barone

U.S. News and World Report, November 6, 2006

"You know, education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq." Those two sentences, spoken by John Kerry last week, tell a lot about the

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mind-set of many-not all, but many-Democrats who supported him for president in 2004 and who, as this is written, are looking forward to Democratic victories this week. One thing they tell us is that Kerry's mind-set is still back in the Vietnam era. Today the statement is literally untrue: No one is "stuck in Iraq" unless he or she volunteers, and the educational and economic levels of our military personnel are higher than those of civilians in the same age cohort. Kerry was evidently thinking back to the late 1960s, when there was a military draft and a college dropout could find himself drafted and "stuck" in Vietnam.

Kerry's explanation for his bizarre refusal to apologize for two days and then his grudging off-camera apology was that he was trying to make a joke about the stupidity of George W. Bush (even though Kerry's grades at Yale were slightly lower than Bush's). But his words were not wholly out of line with previous statements by him and other Democrats characterizing American troops as perpetrators rather than heroes. There was Kerry's 1971 "Genghis Khan" testimony before the Senate Foreign Relations Committee, as well as his December 2005 statement that troops were "terrorizing" women and children. Sen. Dick Durbin likened American service members to Nazi storm troopers and the Khmer Rouge, and Sen. Edward Kennedy suggested that Abu Ghraib under our "new management" was comparable to Saddam Hussein's regime of torture and murder. Behind all these statements is an unspoken assumption that American service members are incompetent and vicious.

It's unusual in American history for a conflict to be seen by a substantial part of the political class through the lens of an earlier war. Yet many Democrats view Iraq through the lens of Vietnam-or their version of it. Now, as then, they want to see American withdrawal even if that means defeat. Yet Iraq is plainly not Vietnam. There were more than 20 times as many American deaths in Vietnam as there have been in Iraq. And withdrawal from Iraq would be vastly more dangerous than withdrawal from Vietnam turned out to be.

To be sure, our withdrawal from Vietnam was bad for the Vietnamese. There was, contrary to Kerry's prediction at the time, a bloodbath, and the Vietnamese lived under a cruel communist dictatorship. But the dominoes did not fall beyond Indochina because, unnoticed by war backers and opponents, other East Asian states-South Korea, Taiwan, Hong Kong, Thailand, Malaysia, Singapore, Indonesia-were launching a free-market economic boom. The Vietnam War gave them time to get started. These countries had rule of law and in time developed democracies.

Purple fingers. Iraq is not in such a good neighborhood. Nearby are Iran, the leading supporter of international terrorism, busy developing nuclear weapons; Syria, headquarters of many terrorist groups; and Saudi Arabia, where petrodollars are used to disseminate totalitarian Wahhabism around the world. Premature withdrawal from Iraq would give terrorists more space and time to plan and prepare attacks on us beyond Iraq, and a visible defeat for the United States would exhilarate the followers of Osama bin Laden and other Islamofascist terrorists. It would leave unprotected the brave Iraqis who risked death to vote in three elections and held up their purple fingers in triumph.

About all this John Kerry, to judge from his changing positions on Iraq, doesn't seem to much care. Rather, he and his ilk seem bent, as they did in the 1970s, on establishing who our heroes should and should not be. They should not be members of the American military, who are portrayed as depraved or incompetent. They should be the antiwar protesters, the professors and intellectuals, the sophisticated elites who know better than ordinary Americans and the servicemen and women what's in the world's best interest. They should be people who believe that fighting those who want to destroy us only makes them madder and that withdrawal will assuage their grievances so they will leave us alone. It turned out that withdrawing from Vietnam did not cause us irretrievable damage. But will we be so lucky if we leave Iraq too soon?

U.S.-Style Campaigning At The U.N. (WP)

By Al Kamen

The Washington Post, November 6, 2006

The election news these days focuses on various races for House and Senate seats. But there's another hotly contested race of great, even worldwide, interest: the selection of a new head of the U.N. World Food Program for the next five years.

In this race, there's really only one final voter, outgoing U.N. Secretary General Kofi Annan -- though he has consulted with other top officials, especially Jacques Diouf , the head of the Food and Agriculture Organization, and the incoming secretary general, Ban Ki Moon .

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The front-runner is the official Bush administration candidate, Josette Sheeran, undersecretary of state for economic, business and agricultural affairs. The post most always goes to an American, but this time there are two in the running. The other is Tony Banbury , head of the World Food Program in Asia.

Banbury, State Department spokesman Sean McCormack said last week, "is a very capable person" who worked at the National Security Council in the Clinton administration and stayed on in the first year of the Bush administration. Banbury has supporters within the administration who wanted him to be the official candidate, we're told.

The race has taken on some of the trappings of a real campaign.

Sheeran, formerly a managing editor and 16-year employee of the Washington Times, doesn't have experience running a food aid program, but she's campaigning hard. She's touting her work at State and before that as deputy U.S. trade representative. Secretary of State Condoleezza Rice has been working the phones for her.

She's even put out an attractive four-page campaign brochure -- paid for by the State Department -- with a fine cover photo of her standing in front of a field of grain. "Fighting Hunger -- Management Leadership, Development Expertise," is the campaign motto. "Specifically my platform includes the following five points," she says in the brochure, laying out broad themes to feed the world's hungry.

And much as in a campaign, detractors in the blogosphere have gone negative, hammering Sheeran about her lack of experience and her lengthy membership in the controversial Rev. Sun Myung Moon 's Unification Church, where she got married at one of those mass weddings. She left the church eight or nine years ago, we're told.

Then there was a 1992 article she wrote in the Times about her interview with the late Kim Il Sung , a founding father of the axis of evil. She described the North Korean leader as "presenting the image of a self-confident, reflective elder statesman rather than the reclusive, dogmatic dictator he is usually portrayed as in the West."

"We don't need nuclear weapons," she quoted him as saying. "What is the use of producing one or two nuclear weapons while the big countries have several thousand, several tens of thousands of nuclear weapons? And we don't have a delivery system either." Not then, they didn't.

The oddsmakers say Sheeran gets the nod.At Least He Has Massoud

It's been a somewhat turbulent year for Kenneth Y. Tomlinson , former editor in chief of Reader's Digest and now chairman of the Broadcasting Board of Governors, which oversees the Voice of America, Radio Free Europe, Radio and TV Marti in Cuba, and Radio Free Asia.

Back in August, the State Department's inspector general dinged him for hiring a friend as a consultant for $244,000 and overbilling the government for his time. The report also found that Tomlinson had used his office to run his thoroughbred horse operation. The broadcasting board split 3-3 on partisan lines on whether to fire him, so he remains in the job until a replacement is found, which could easily be another two years.

Tomlinson said the allegations were part of a "political vendetta."

And a close look at one of his e-mails dealing with the ponies during work time makes it quite clear that the racing operation was not completely unrelated to his work for the Board of Governors. Sure, the message to "Colleagues" starts out: "Now put a gun to my head and I gotta say that Clement's Scabbard will win the forth race at Delaware."

But he also is clearly focused on international matters, especially when talking about his horse, Massoud. "Afghan Foreign Minister Abdullah Abdullah once told me [the late leader Ahmed Shah] Massoud loved fast horses and that his followers often made gifts of horses to him."

You can read the lengthy, entertaining e-mail at http://www.washingtonpost.com/fedpage .From the West Wing to the Marines

On the move from the White House to Afghanistan . . . Kenneth Rapuano , formerly deputy undersecretary at the Energy Department for counterterrorism and since July 2004 a deputy assistant to the president for homeland security, has volunteered for active duty as a lieutenant colonel in the Marines to serve with the Joint Special Operations Command in Afghanistan.

The Long, Cost-Free War (NYT)

By Ted Koppel

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The New York Times, November 6, 2006

IN the operations center at United States Central Command in Tampa, Fla., there is a wall of television screens, one end of the wall quartered so that four live feeds can be seen simultaneously. The signals originate somewhere over Iraq or Afghanistan. The cameras are aboard pilotless drones.

"Predators," some are called, and predators they are. They can be equipped with Hellfire missiles that are remotely fired by operators in Nevada who receive their orders from Centcom in Florida. The enemy, meanwhile, does much of its killing with improvised explosive devices, the most sophisticated of which are designed in Iran.

Such is at least one face of modern warfare, in which combatants exchange mortal blows by remote control, once or even twice removed from the battlefield. The victims are just as dead or mutilated as those in previous wars, but the notion of violence activated from hundreds or even thousands of miles away is telling.

The Bush administration is trying to deal with a particularly nettlesome problem: preparing Americans for a struggle that may last decades without simultaneously demoralizing them. Centcom's commander, Gen. John Abizaid, likes to refer to it as the "long war," where "long," means generational, with no end in sight.

To the degree that such a war can be fought at arm's length, with a minimum of friendly casualties, it will be. To the extent that victory can be achieved with a minimum of personal sacrifice, the Bush administration will try to do so.

Senior members of the administration frame that struggle in existential terms. They invoke the nightmarish possibility of a 9/11 on steroids — a terrorist attack using weapons of mass destruction, rattling the very foundations of our society. The Bush administration uses that frightening image to justify a new worldview, within which even associating with someone who belongs to an organization on the United States terrorist list justifies prosecution here at home.

This practice falls into the category of what Deputy Attorney General Paul J. McNulty calls "preventative prosecution." It's an interesting concept: a form of anticipatory justice. Faced with the possible convergence between terrorism and a weapon of mass destruction, the argument goes, the technicality of waiting for a crime to be committed before it can be punished must give way to pre-emption.

Set aside for a moment the somewhat jarring notion of recalibrating our constitutional protections here at home while our soldiers and diplomats are given the thankless mission of spreading democracy in some of the most inhospitable regions of the Middle East.

There is a whiff of hypocrisy about conjuring up visions of a nuclear or biological holocaust while urging the American public to go about its business and recreation as usual.

We are advised to adjust to the notion of warrantless wiretaps at home, unaccountable C.I.A. prisons overseas and the rendition of suspects to nations that feature prominently on the State Department's list of human rights abusers, because the threats we face are "existential."

But apparently they are not existential enough to warrant any kind of widely shared commitment or sacrifice, like increased taxes or a military draft to meet the Pentagon's growing need for manpower.

One can share the Bush administration's perception that the United States confronts real threats that will not be eliminated easily or soon, but still find it impractical and immoral to get on with life as usual while placing the burden solely on the shoulders of the young men and women serving in Iraq and Afghanistan, their families and friends.

We are left with the impression that the grown-ups in Washington would prefer to make the difficult decisions for us without involving the courts, Congress or the press. That is precisely the wrong way to go about winning this war. Back when the United States was widely admired, it was for all that was most cumbersome about our democratic process.

America's efforts to transplant democracy elicit none of that admiration. How can they, when we appear to have lost confidence in fundamental aspects of democracy here at home? What has historically impressed our allies and adversaries has been our often flawed, but ultimately sincere, determination to operate within the law — if not always abroad, then at least within the United States.

Does our system require calibration in the context of the Long War? Perhaps. We cannot, for example, expect to know everything our government does when transparency informs our enemies of what they must not know. That, however, has always

been the case. Indeed, there are courts and Congressional committees set up for the express purpose of reconciling the needs for secrecy and for transparency.

Furthermore, when officials deem certain crimes (torture, for example) unavoidable in the defense of liberty, those who commit those crimes must still know that they will be held to account before an uncompromised legal system. Congress recently passed a law that ensures exactly the opposite.

It is going to be a long struggle, and we may have to live with whatever adjustments we make to our liberties until the struggle is won, or at least over. Even liberties voluntarily forfeited are not easily retrieved. All the more so for those that are removed surreptitiously.

One might have expected that these issues would feature prominently in the debate leading up to the Congressional elections. They are scarcely mentioned.

Apparently unnerved by the unceasing White House harangue that they are ill suited to waging the war on terrorism, Democrats have largely forfeited the argument that "war," particularly a "long war," may be the wrong prism through which to view the dangers facing the United States.

Those who once argued that the task was one for police and intelligence agencies have been mocked into silence. Democrats have given a wide berth to the invasion of privacy, selective suspension of habeas corpus and the mistreatment of detainees, preferring instead to echo the drumbeat of Republican warnings about terrorism in general.

There is a war to be waged. We should be building protective ramparts around our legal system, safeguarding our own freedoms, focusing on our own carefully constructed democracy and leading by example.

It's too bad that we have so little confidence in the most powerful weapon in America's arsenal.

Is Pakistan An Ally? (LAT)

The Los Angeles Times, November 6, 2006

PREVENTING AFGHANISTAN from falling to a resurgent Taliban must be a top priority for the Bush administration and the new Congress in the next two years. To succeed, more will have to be asked of Pakistani President Pervez Musharraf. .

Despite Pakistan's claim to have stopped supporting the Taliban after its 2001 ouster, the evidence is now overwhelming that the Pakistani security service — the Inter-Services Intelligence, or ISI — and probably the senior military leadership are tolerating, if not backing, Taliban forces. Washington has been turning a blind eye to this problem, reluctantly concluding that there is no alternative but to support the flawed but friendly Musharraf as the only practical bulwark against a radical Islamist takeover of a crucial nuclear state.

Islamabad is clearly hedging against what it sees as a hostile, pro-India government in Kabul and an inevitable Western abandonment of Afghanistan by keeping its old Taliban ally as a viable option. The respected Jane's Intelligence Digest last week cited independent reports confirming what Afghan President Hamid Karzai has been fuming about for months: ISI-sponsored Taliban training camps and jihadist madrasas have multiplied along the Afghan-Pakistani border. Moreover, we now know that the agreement the Pakistani government signed with tribal leaders in North Waziristan on Sept. 5 sold out Afghan and U.S. interests.

Musharraf told Washington that under the deal, tribal leaders promised to call a halt to the cross-border attacks into Afghanistan in return for the Pakistani army withdrawing from the tribal areas to its bases. Perhaps he didn't expect his Western friends to read the agreement in the original Urdu. According to those who have, Islamabad's official representative signed an agreement not just with Waziristan tribal leaders but with the "local mujahedin" — a vague term — and with the Taliban. The agreement spells the plural of the word "Taliban," which means students, in the Arabic way, as "Talaba" — a ruse that the Pakistanis are using to claim that they didn't actually inhale.

In fact, if President Bush has any red lines left, he should be furious that Pakistan is legitimizing the very Taliban it has pledged to eradicate. It should come as no surprise, we should add, that the Taliban has not kept its part of the bargain. Attacks have multiplied since the deal was signed.

Musharraf tried to make amends by ordering airstrikes on one Taliban-run madrasa last week, triggering a bloodbath and angry protests against the United States. But it will take far more to persuade the American public and Congress of the wisdom of

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providing Pakistan with $3 billion in military and other aid each year while Pakistani territory, tribal or not, gives sanctuary to Taliban fighters who kill U.S. and NATO soldiers and destabilize the Afghan government.

DOJ

Enron Prosecutor Lands At Latham (LAW)

By Dan Slater

Law.com, November 6, 2006

Sean Berkowitz, the director of the Department of Justice's Enron Task Force in the trial of Jeffrey Skilling and the late Kenneth Lay, will join the Chicago office of Latham & Watkins, the law firm announced Thursday, Nov. 2.

The announcement came on the heels of Enron Corp. co-prosecutor John Hueston joining Irell & Manella.

"I did a careful look around Chicago firms and felt that Latham provided the best opportunities to capitalize on my experience in the Justice Department, and to transfer that into a national and international practice," said Berkowitz, 39, a Chicago native and honors graduate of Tulane University and Harvard Law School.

Berkowitz, pursued by Kirkland & Ellis and DLA Piper, among others, has several ties to Latham lawyers. He worked with John Lynch, a founding partner of Latham's Chicago office, when they represented different parties in General Instrument Corp.'s securities litigation, and with Latham associate Deborah Steiner in the U.S. Attorney's office.

Between his Enron experience and his associate years at Katten Muchin Rosenman before joining the U.S. Attorney's office in Chicago, Berkowitz expects to make a pretty seamless public-to-private transition. "Enron was one of the most complex matters out there, so I don't imagine I'll find anything in private practice that'll be insurmountable from a technical standpoint," said Berkowitz, whose provocative cross-examination of Skilling ignited an unflattering outburst from the fallen executive.

"From the perspective of the skill-sets that I learned in Enron," he added, "anytime you've got a high-profile case where there's a lot of pressure, you come out of it with the feeling that you've been battle-tested and can take any case or assignment."

At Latham, Berkowitz will handle white-collar cases and litigation outside the criminal realm, and also assist transactional lawyers in corporate governance matters. Said Mark Gerstein, a Latham M&A lawyer who worked with Berkowitz when they were both associates at Katten in the mid-1990s: "When directors ask to be counseled on a course of action, they want to know how their actions will be viewed through the prism of a litigator who's going to be representing them, or a prosecutor who's going to be reviewing them. I expect Sean will be sitting side-by-side with me in board meetings, when directors and managers ask what they ought to be doing and how they ought to be doing it."

A Latham team led by Gerstein is representing the Chicago Board of Trade's special transaction committee in the merger of its parent, Cbot Holdings Inc., with Chicago Mercantile Exchange Holdings Inc.

Added Gerstein: "As someone who's watching this office take its rightful place in Chicago, it's nice to see our presence on the CME-CBOT deal followed by Sean joining the firm 10 days later."

CRIMINAL LAW

Inside Bomber Row (TIME)

By Maryanne Vollers

Time, November 13, 2006

Highway 50 runs straight as a pool cue from Pueblo, Colo., through 23 miles of rangeland and piÃ±on flats before offering an exit to the scruffy little city of Florence (pop. 3,795). Like Flint, Mich., or Orlando, Fla., Florence is a company town. The industry here is prisoners, and the company is the Federal Bureau of Prisons. Twenty years ago, the people of surrounding Fremont County ponied up $160,000 to buy some open land outside Florence, hoping to entice the bureau to build a prison complex as a way to boost the town's economy. Corrections had long been a mainstay in Fremont County; the high desert valley was already home to more than half a dozen prisons. But in the end, Florence got a little more than it bargained for.

The 600-acre Federal Correctional Complex, which was completed in 1994 on the outskirts of town, is a virtual theme park of penal experiences, ranging from a minimum-security camp for inside-traders and small-time pot dealers to the concrete fortress that was built to be the most secure prison in the country: the Administrative Maximum U.S. Penitentiary, or ADX for short. The inmates in ADX Florence include drug kingpins, gang leaders, hit men, snipers and, lately, more and more, international terrorists, including al-Qaeda shoe bomber Richard Reid; mastermind of the 1993 World Trade Center bombing Ramzi Yousef and at least seven of his accomplices; and four men convicted of involvement in the 1998 bombings of U.S. embassies in Africa. There are American terrorists too. Timothy McVeigh, the Oklahoma City bomber, spent time there before being transferred to Indiana, where he was executed in 2001. His accomplice, Terry Nichols, is still at ADX, as is Theodore Kaczynski, the Unabomber. The common thread running through the crimes committed by these men accounts for the nickname given to the highest-security section of the prison: Bombers Row.

Until now, almost nothing has been written about the inner workings of the ADX. Since 9/11, journalists have been routinely denied access to the facility, its staff and inmates. But Eric Robert Rudolph, who is serving life without parole at the prison for the fatal bombings at the Atlanta Olympics and an abortion clinic in Alabama, has written letters to me, the author of a book about his case, and to his mother Patricia Rudolph, who has shared them with me. These missives offer a unique first-hand account of life on Bombers Row.

"It is Ramadan now and the Muslims are fasting," Rudolph wrote in the fall of 2005, three months after he arrived at ADX. "The call to prayer echoes through the halls five times a day giving this place a decidedly otherworldly feel." Although the inmates are isolated in gloomy one-man cells the size of a small bathroom at least 23 hours a day, their chambers aren't soundproof. In fact, the prison is noisy. Rudolph's housing unit resonates with the constant mechanical whir and clank of electronic gates, punctuated by the sound of inmates praying, wailing and shouting conversations in English and Arabic through the walls and vents between their cells.

There are eight cells in Rudolph's "range," and another eight on the level above him. For security reasons, he is not allowed to name his fellow prisoners, but he says there is one American who never comes out of his cell; according to sources outside the ADX, the silent American is Kaczynski. Rudolph says the rest of his neighbors are such nationalities as Egyptian, Sudanese and Palestinian. He writes that his area of the prison is "where they house the political offenders, what they call 'terrorists.'" There are many such men at ADX. The list of Arab inmates reads like a Who's Who of the international jihad. Apart from the bombers already mentioned, there are, among others, Zacarias Moussaoui, the sole individual convicted of involvement in the 9/11 attacks; Ahmed Ressam, arrested at the Canadian border with explosives he had planned to use to bomb the Los Angeles International Airport; and Abdul Hakim Murad, convicted in Operation Bojinka, a 1995 al-Qaeda scheme to blow 12 planes, 11 of them U.S.-bound, out of the sky during a 48-hour period.

A correctional officer at ADX told me that inmates are placed on the same range based on their compatibility. Another clue as to why jihadists are housed together comes from Bureau of Prisons director Harley Lappin's 2003 testimony to the Senate Judiciary Committee. He said that his department's strategy was to ensure that "inmates with terrorist ties do not have the opportunity to radicalize or recruit other inmates." They are kept at ADX because, he noted, it's "our most secure facility."

But is it secure enough? For the first decade after the ADX was built, the citizens of Florence weren't worried much about the secretive compound, which is only conspicuous when the sun goes down and its banks of light towers glow against the dark horizon. But when Moussaoui, the crazed 9/11 wannabe hijacker, arrived to considerable media fanfare in May 2006, some locals started to feel as if they were living beside a tempting terrorist target. People weren't so much concerned that someone would break out of the fortified ADX, but rather they wondered what would prevent an al-Qaeda squad, perhaps a suicide attacker, from breaking in. At the same time, they were hearing rumors about internal security problems at the Supermax, as the prison is sometimes called. "There's a lot we should be scared about in this little town, with those individuals up there," said Cindy Cox, the mayor of Florence. "Some think that since they're in prison, they're not terrorizing anyone anymore. But what about their friends?"

The federal complex is located only a couple of chip shots away from a combined golf course and housing development. While the two higher-security prisons there have walled yards, the entire campus is separated from the community by only a single barbed-wire cow fence. State representative Buffie McFadyen, a two-term Democrat whose district includes the prisons in

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Fremont County, has pressed members of Congress, to no avail, to appropriate funds to build a solid wall around the complex, along with a central guard tower to better protect the center from outside attack. The Bureau of Prisons has already failed four times to squeeze money into its budget to upgrade security. McFadyen has also campaigned to remedy what a federal arbitrator has called dangerous understaffing at the ADX. "The threat comes from both inside and outside the prison," McFadyen says.

Like an anthropologist dropped into an exotic village, Rudolph seems fascinated by the Arab inmates. "They're an extremely fatalistic people," he wrote. "This time must be very rough on them for they have little interest in anything other than the Middle East, President Bush and Islam. But at least they have each other and rattle on endlessly in Arabic."

Rudolph is getting his neighbors to teach him their language. He picks it up one phrase at a time. He wrote his mother, who lives in Sarasota, Fla., that "Kyfa ta Kool," which he spelled out phonetically, means "How do you say ...?" Sometimes the other inmates are eager to communicate with Rudolph, other times they are "sulking or buried in some Arabic hell of depression."

In ADX, the spartan cells are designed to keep inmates from hurting themselves--and their guards. Each 7- or 8-ft. by 12-ft. space contains a molded concrete bunk, stool and desk; a steel shower, sink and toilet, and a small black-and-white TV encased in Plexiglas to prevent tampering. At one end of the cell is a solid steel door, and a small vestibule--for the use of guards when they enter--separated from the living quarters by steel bars. There is one 4-in. by 4-ft. window. Rudolph's is over his bed, looking out on the prison yard. "Through the slit window one can see the sky, but other than this and the few small birds that roost on the prison roof, there are no signs of the natural world."

The inmates have almost no physical contact with other people. Food, mail and laundry are delivered through a slot in the steel bars. Prisoners have a choice of two kinds of meals: the regular plan consists of typical American food: casseroles, hamburgers, blue-plate specials. The alternative is a diet conforming to almost all religious restrictions. It contains no pork and incorporates lots of beans and vegetables. Muslims get special mealtimes during the month of Ramadan, when the observant do not eat during daylight hours.

Prison staff sit in control booths from which they operate the doors and surveil the corridors using sound monitors and cameras. To keep the inmates occupied, they offer crossword puzzles, bingo and Jeopardy competitions through flyers or through a closed-circuit TV channel. "The Muslims are obsessed with the games, they chatter endlessly about the possible answers," Rudolph wrote. The winners are rewarded with a candy bar or a picture of themselves. Being a Westerner puts Rudolph at an advantage in the trivia games, and his foreign neighbors depend on his help. "Moments after they post the questions on Monday morning, the yelling begins. 'Areek, what the answers? Who is President in the War of 1812?'"

Television is another distraction. ADX sources say inmates get basic cable service, although nothing as fancy as HBO, and can choose what to watch, though these privileges can be taken away as punishment for rules violations. Rudolph says he gets 60 channels, including music-radio stations and local news. A special prison channel offers educational shows, courses in anger management and a smorgasbord of religious programs dealing with faiths ranging from Catholicism to the Nation of Islam and even Asatru, the ancient Norse religion favored by Aryan supremacists.

According to Bureau of Prisons policy, the high-risk inmates in Rudolph's unit are allowed visits and phone calls only from their lawyers and from a list of approved contacts often restricted to immediate family members. All communications by such prisoners are supposed to be monitored by correctional staff. But a report by the Justice Department's Office of the Inspector General released last month faulted the bureau for not properly screening inmate mail and phone conversations at ADX Florence and other facilities. It confirmed reports that after 9/11, Mohammed Salameh, one of the 1993 World Trade Center bombers, wrote a letter praising Osama bin Laden that was published in Arabic newspapers. Salameh and two of his accomplices, also at ADX, mailed out at least 90 unmonitored letters between 2002 and 2004. The recipients included Islamic extremists with links to suspects in the Madrid train bombings; one letter was sent to Mohamed Achraf, alleged leader of a plot to blow up the National Justice Building in Madrid.

Investigators discovered that at the time the letters went out, there was only one part-time Arabic translator on staff at ADX to handle mail checks, which were done at random. The bureau has since hired three full-time Arabic translators for ADX but claims that more funds are needed to fully monitor the communications of all high-risk inmates, particularly non-English speakers.

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To cut costs, the Bureau of Prisons in 2005 instituted a policy of shifting staff around within prisons and filling only the most critical positions. The union that represents correctional workers at the ADX charged that this resulted in the facility's being staffed far below the bureau's minimum safety standards. In spring a federal arbitrator heard testimony from ADX staff that some housing units had been left unattended for entire eight-hour shifts. Union officials also charged that posts in what they call the "terrorist unit" were routinely left vacant. According to the union, staff shortages meant that inmates weren't getting meals on time, scheduled phone calls were delayed or canceled, and exercise hours were cut because there was nobody to supervise them.

The inmates, correctional officers say, often turn hostile and dangerous when their basic needs are unmet or their routines are disrupted. "When you start tinkering with staffing levels, you start setting that system off balance, so you start seeing a lot of things popping up in terms of increased inmate assaults and increased threats," says Mike Schnobrich, a union representative who works at ADX. The union documented that since the new staffing policy began in 2005, two ADX inmates have been murdered by fellow prisoners, after 10 years without a killing at the facility; threats to staff increased, from 55 in 2005 to 110 in 2006; and assaults on correctional officers increased nearly a third over the same period, from 30 to 38 incidents.

The federal arbitrator sided with the union and in October ordered the Bureau of Prisons to reduce the hazards to correctional officers. Traci Billingsley, a spokeswoman for the bureau, disputes the arbitrator's findings and denies there has been any problem with staffing at the ADX, saying in a written response to questions from TIME that the facility "continues to operate safely and efficiently." She said that 60 new correctional workers have recently been added to the staff of the Federal Correctional Complex. Union representative Schnobrich maintains that despite those hires, staffing at ADX is still dangerously low.

Rudolph's letters over the past year have reflected increasing frustration with prison conditions caused by staff shortages. He has complained about cold food, delayed mail and calls missed because there was no one available to bring a phone to his cell. When he first arrived at ADX in 2005, the inmates in his range were let out of their cells four or five times a week for indoor exercise and once a week for a break in the yard. More recently they have been lucky to get outside once a month. Rudolph has joined other inmates in filing a complaint with the Bureau of Prisons over deteriorating conditions, but he doesn't hold out much hope that they will be corrected.

It's not easy to unnerve the citizens of Fremont County. Prisons have been part of the landscape since before Colorado was a state--the Colorado Territorial prison dates back to the 19th century, and people are accustomed to the occasional disturbance or inmate escape. In Florence, most folks still don't lock their doors at night. Many have grown up listening for three short blasts from the fire whistle--a signal that a prisoner is loose in the valley. When that happens, some residents simply fill up their car with gas and leave the keys in the vehicle. "It's better than having a fugitive break into your house and take you hostage," says Bob Wood, publisher of the Florence Citizen, with a shrug. "All they want to do is get out of town." Even though he doesn't live in fear, Wood says he's increasingly concerned about problems at the federal prison complex. And he's not alone.

On the weekend before Halloween, 50 people crowded into a community forum in Florence with Colorado's Democratic Senator Ken Salazar, who had just toured ADX to investigate the security situation. A few days later, Republican Senator Wayne Allard made the same trip. Fremont County sheriff Jim Beicker, who is still waiting for a Homeland Security grant to upgrade his department's radio system, expressed his concerns about the flimsy fence surrounding the prison complex and staffing shortages at ADX. "I want to see these issues fixed," he said. "I don't want to have to lay awake at night and worry about problems at the prison spilling over into my jurisdiction."

State representative McFadyen was encouraged that both Allard and Salazar promised to bring up the issue of security in the area in the next Congress. "The correctional officers at ADX work on the front line in the nation's war on terror, and they deserve our support, just like the troops overseas," she said. "Fremont County helps keep the country safe. Now the country should keep Fremont County safe."

From Eric Rudolph's point of view, the ADX is locked down very tight. The procedure to leave one's cell for a rare opportunity to exercise outside, for instance, is an ordeal. Two guards enter the vestibule and order the inmate to strip. After a cavity search, he dresses again and his hands are cuffed through an opening in the bars that separate the vestibule from the rest of the cell. The guards then march him down the corridor, a steel-tipped baton at the ready. When all the prisoners are lined up,

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they are led to an outdoor recreation area enclosed by 25-ft. walls. If they look straight up through the chain mesh that encloses the top of the yard, they can see a patch of the blue Colorado sky.

The prisoners are placed in chain-link enclosures called "dog runs," one per cage. Their cuffs are removed through a door slot. This is the only time the inmates actually see and interact with one another. "It is awkward adjusting my voice from the necessary yell of the cell block to the face-to-face conversation in the yard," Rudolph writes. "Unlike me the Arabs don't adjust the volume." Rudolph describes how his neighbors pair up in their separate runs and then "walk the length of the cage in unison, back and forth, yelling as they go. If you've ever seen big cats at a zoo, this is what they do as well. They pace back and forth, rhythmically, like a pendulum. Across the yard, this is what one sees: seven pairs of inmates pacing together, all the while yelling in loud Arabic." The words Aiwa, aiwa echo across the yard. Yes, yes.

"When the hour is up, the slow process of moving us back to the cells begins in reverse," Rudolph writes. "And then we sit in our darkened cells for the rest of the week, staring out at the empty sun-drenched yard."

Menino Looks To Replicate Gang Truce (BOS)

By Suzanne Smalley

The Boston Globe, November 6, 2006

Mayor Thomas M. Menino said yesterday that he is optimistic about the possibility of brokering more gang truces across Boston similar to the one that police, clergy, and youth outreach workers established between two of the city's most violent gangs.

Menino, who credited police and the Rev. Jeffrey Brown with cementing the pact between the Heath Street gang in Jamaica Plain and the H-Block gang in Roxbury, also praised the young gang members who came to the bargaining table.

"You have to give the . . . gang members a lot of credit for wanting to work together," Menino said in an interview.

Jack McDevitt, associate dean of Northeastern University's College of Criminal Justice and a consultant for the Boston police, said the truce could become a national model, in part because Heath Street and H-Block's long, bloody feud gives the treaty more street credibility. He said he plans to recommend the idea to six cities he is working with to fight gang violence under a US Department of Justice initiative.

"It gives some cover to other groups that might feel, 'OK, these are pretty serious folks and they did it so we can do it, too,' " McDevitt said.

The Globe reported yesterday that police and clergy are talking to eight other gangs after quiet talks, culminating in a peace summit at the John F. Kennedy Presidential Library and Museum on July 24, led to a handshake truce that has significantly reduced gun violence in the neighborhoods where Heath Street and H-Block are active.

Organizers trying to preserve the truce have offered incentives to gang members, including tutoring, improvements to a teen center, and corporate box seats for a New England Patriots game. Truce coordinators had been seeking donations of Boston Celtics tickets as well; yesterday, Shawn Sullivan, the team's senior vice president for ticket sales, said in an e-mail that he is interested in helping.

Jamiel Brome, 25, whose brother Shavale, 24, was slain in H-Block territory in April 2005, said he doesn't mind gang members being treated to Patriots games, if such incentives save lives. "If it works, it works," he said. "A lot of young kids are dying."

Organizers emphasize that the truce does not give amnesty for any past or future crimes committed by gang members. In October, for instance, Amos Carrasquillo, who was participating in the truce as a Heath Street gang member, was shot by police and arrested after allegedly pointing a gun at police officers. Days later, Carrasquillo and Luis Garcia, another Heath Street member and truce participant, were charged by US authorities for allegedly dealing cocaine.

Organizers describe those arrests as minor setbacks in the truce effort. Since a temporary cease-fire in July, there has not been a single shooting police have connected to either gang, law enforcement officials have told the Globe. The peace treaty has involved assistance from government and nonprofit agencies.

Menino said that City Hall provided summer jobs to several gang members. The mayor also said he personally raised money to pay truce organizer Shakeem Allah -- who had been volunteering.

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Menino said he has talked with Brown and with Acting Boston Police Commissioner Albert Goslin about the effort, adding that he is cautiously optimistic it could reduce gun violence in the city, which is on pace to surpass last year's 10-year high in homicides.

"This is community policing -- this is where it's at, the basic roots of community policing," he said.

Emmett Folgert, the executive director of the Dorchester Youth Collaborative, said the truce between Heath Street and H-Block could be a step toward getting youths to leave the gang life. He said much of Boston's gang violence is driven by youths who may want to stop shooting, but believe they have to protect themselves.

"This works when kids want a chance to back down," said Folgert, who has been using truces to limit violence between Asian gangs for several years. "We eliminate one of the main reasons for being in the gang -- you're worried about the other gang attacking you.

"Most of the shootings have been gang-related and that's why it's so hard to get prosecutions -- because the person who's your witness today is your suspect in yesterday's shooting," Folgert said.

FBI Numbers Suggest Manchester Safer Than Most Cities Its Size (NHUL)

By Scott Brooks

New Hampshire Union Leader, November 6, 2006

MANCHESTER – Manchester has consistently ranked among the least violent cities of its size in New England, an analysis of federal crime data reveals.

FBI records show the Queen City saw fewer robberies and aggravated assaults than almost any other similarly sized city in the region between 2001 and 2005, the last year for which data was available. Homicides also were rare.

Altogether, Manchester reported fewer violent crimes in recent years than all but one other New England city of more than 100,000 residents. Only Stamford, Conn., could claim fewer.

"The perception is that violent crime is way up," Police Chief John Jaskolka said. "Actually, our numbers are fairly low."

Officials and residents alike have lately called the security of several Manchester neighborhoods into question, particularly since city police patrolman Michael Briggs was killed by gunfire in the center city last month. Police have since ordered high-intensity patrols in a smattering of hot spots. Many residents, meanwhile, have banded together via neighborhood watch groups.

"Everyone knows in the city that things got real bad this summer," said Chris Leone, who recently formed a watch group on the West Side.

In fact, violent crimes have appeared to spike in recent months. Preliminary figures supplied by the city police department show robberies, aggravated assaults and burglaries are all up over the first eight months of this year.

And yet, data analyzed by the New Hampshire Union Leader suggest Manchester has been safer than most other cities its size. The paper looked at five years' worth of FBI crime reports for eight New England cities whose populations most closely approach Manchester's.

That list ranges from New Bedford, with roughly 93,000 residents, to Hartford, Conn., with 124,000 residents. Manchester's population is estimated at just under 110,000.

The results show Manchester reported an exceptionally low number of aggravated assaults, an average of 90 per year. That's fewer than the number in Portland, a city of just 65,000 residents, and a quarter of the number in Lawrence, Mass.

Manchester also had low incidents of homicides and robberies. However, the city did report a comparatively high number of forcible rapes, averaging 59 per year.

Peter Cordella, chairman of St. Anselm College's criminal justice department, unequivocally calls Manchester a safe city.

"The real big question now is, is it becoming, at the moment, significantly less safe? And I think the jury is out on that," he said.

Manchester recently ranked 124th on Morgan Quitno Press' list of the country's safest cities. Its ranking fell short of 10 other cities in New England, including Nashua at number 27.

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Cordella said Manchester holds several advantages over other New England cities. Household incomes are comparatively high ($50,404 as a median, according to the U.S. census), housing stock is generally in better condition and residents tend to move less often, he said. Those factors generally make neighborhoods more stable.

The recent uptick in crime may seem worse than it is, Cordella said, because the city has not had much crime to begin with. Perceptions, however, are not irrelevant, he said.

"If this is people's perception and they start altering their behavior, then it will become a problem," he said. "That's the critical issue."

Electronic Monitoring Now Includes Sweat Sniffers, Screeching Black Boxes (USAT)

By Brad Heath

USA Today, November 6, 2006

Electronic monitors that can pinpoint criminals on a map can now also tell whether they've been driving too fast, drinking or violating other laws.

Courts nationwide increasingly are embracing such tracking of people's behavior as a way to stop them from repeating the actions that got them in trouble with the law, though it remains less common than satellite surveillance of sex offenders.

“This is targeting behaviors that are risky, and I see it being used more and more for behavior modification in public safety,” says Peggy Conway, editor of the Journal of Offender Monitoring. “It's a phenomenally valuable option for judges.”

Among those options:

•Black boxes. A Michigan court has ordered 39 people convicted of repeated traffic violations to have systems installed in their cars that screech when they brake too hard or turn too fast, and keep a tally of the alerts for probation officers. One judge in Tennessee also has ordered a black box installed, says Larry Selditz, CEO of the company that makes the devices.

“It makes me watch how I drive,” says Mark Floria of Walled Lake, Mich., who got one of the boxes after his latest conviction for driving with a suspended license. “It beeped a lot when I started. It's scary because you don't know how many beeps it takes before probation will do something.”

•Alcohol-sniffing bracelets. Courts and prosecutors in 40 states have ordered drunken drivers to wear an ankle bracelet that sniffs their sweat for alcohol once an hour and reports the results to authorities daily on the Internet.

About 4,000 people nationwide are being monitored, says Kathleen Brown, a spokeswoman for maker Alcohol Monitoring Systems.

Authorities embrace monitoring because it's convenient and aimed at the problems that got people in trouble, says South Dakota Attorney General Larry Long. “We're not doing this to everybody. We're doing it to people who have demonstrated pretty convincingly that they are a safety risk to the rest of us,” Long says.

Because of that, few people have raised privacy concerns, says Marc Mauer, executive director of The Sentencing Project, which supports alternatives to prison. But it will work only if it's paired with other steps such as counseling, Mauer says, because “the reason people get in trouble is not because they lack an ankle bracelet.” Otherwise, he says, the problems might resume when the monitoring ends.

Location-tracking is expanding most rapidly, especially for sex offenders. Ten states this year passed laws requiring some or all offenders to be monitored by satellite; at least 10 others had already done so.

Alexander Lockup Fails Children, Report Asserts (ARDEM)

By Amy Upshaw

Arkansas Democrat Gazette, November 5, 2006

An advocacy group that has been monitoring Alexander Youth Services Center for months said Saturday that Arkansas isn’t meeting the mental health, education and special education needs of the children at the troubled facility as required by the U. S. Department of Justice and state law.

Problems at the center are systemic, said Dana McClain, a senior attorney with the Disability Rights Center, a federally funded Little Rock nonprofit that assists disabled Arkansans.

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"We don't think this is rehabilitation, and state law says it is supposed to be [for youthful offenders]. I think it's punishment," she said. "I feel like these children are being set up to go to adult prison."

At some point, she said, the youthful offenders at the lockup will get out, "and you hope when they do they've got a better shot at being productive members of society."

A draft copy of the group's lengthy report detailing "failures" at the center in Saline County was given to the Arkansas Democrat-Gazette on Saturday — a day after the state unexpectedly ended its contract with Cornell Cos. Inc., a Houston company that ran the center for the past five years. An internal investigation found that employees were "inappropriately" drugging youthful offenders with psychotropic drugs to control bad behavior.

The state was paying Cornell about $ 10 million annually.

News about the forced medications, sometimes given without a doctor's order, prompted some legislators and others to renew calls Friday to shut down the state's largest lockup for youthful offenders.

The Disability Rights Center report, which outlines about 50 problems, is expected to be released publicly later this week.

McClain said her group will meet with the Department of Health and Human Services on Monday to discuss the findings. Monitors for Disability Rights have been making unannounced visits, as allowed by federal statute, to the center at least three times a month since March.

"Under the contract these are things Cornell was responsible for providing," McClain said. "I hope [Health and Human Services] doesn't just address that one issue [about the medication]. This is a good time to do more because they are starting anew."

The agency has been responsive so far, McClain noted. Cornell, however, didn't address some of the major concerns that Mc-Clain said she repeatedly talked to company employees about.

Julie Munsell, Health and Human Services spokesman, said her agency has received a copy of the report but she declined to comment about the details until it is published and officials meet with the group's representatives. Health and Human Services is the umbrella agency over the Youth Services Division, which now operates the youth lockup.

In general, Munsell said, the state has made many strides since entering into a settlement agreement with the Department of Justice in March 2003 after a federal investigation found civil rights violations in the delivery of mental-health care, education, fire safety and freedom of religious expression at the center.

Still, more work is needed, particularly with the center's education system, she acknowledged.

"We do still struggle with education issues at Alexander, and we've been working with the Department of Education to improve those issues," she said. "We will always strive to get to an ideal setting, but it will take us time to get there."

The Justice Department hasn't visited the center since January.

Over the years, the youths at the Alexander center have complained that employees kicked, slapped and even threatened them with death. Others killed themselves.

One boy, known for days to be suicidal, was able to hang himself a few years ago with a bedsheet. An investigation later found that his guard didn't check on him.

Another boy hanged himself in the same cell just a few months later — just as the state hired Cornell to take over the facility and fix its problems.

And last year, a 17-year-old girl at the center died of blood clots in her lungs. She complained to nurses and supervisors that she was ill, but they didn't believe her, even as she lay dying, according to a subsequent investigation.

Munsell said her agency plans to work with the Disability Rights Center to address the group's concerns. The Department of Justice couldn't be reached for comment Saturday. During visits to the lockup, McClain said monitors found: Youths watching Harry Potter movies during science class on more than one occasion.

A student sleeping on his keyboard, even though a teacher was sitting at a desk in the same classroom.

No teacher-led reading program, even though at least 50 percent of the youthful offenders at the center have difficulties reading, and in some cases, can't read at all. (An ombudsman who regularly visits the center said the youths are supposed to use a computer-based reading program at their own pace, but he has seen no evidence that such a system has

Secret Jury To Hear Gang Case Summary (WT)

By Jim Mcelhatton

The Washington Times, November 6, 2006

Closing arguments are expected today in a gang-related racketeering and drug-trafficking case in the District in which the judge took the unusual step of appointing an anonymous jury.

Prosecutors say they want the names of the jurors to remain secret because the gang has tried to tamper with the judicial system, including impersonating a law-enforcement officer to kill a cooperating witness.

Gerald Eiland and Frederick Miller are among several men accused of running a drug organization and car-theft ring based in the District. They have pleaded not guilty.

Before the trial, U.S. District Judge Royce C. Lamberth sided with prosecutors seeking the anonymous jury, citing "strong reason to believe that the jury needs protection." The trial began in October.

Defense attorneys have opposed the idea of an anonymous jury, calling the move unnecessary and prejudicial.

Keeping jurors' identities secret "erodes the presumption of innocence," defense attorney John Carney wrote in a court memo to Judge Lamberth.

Anonymous juries were used in the District in the trials of drug kingpins Kevin Gray and Tommy Edelin.

David McCord, executive director of the National Jury Center at the American Judicature Society, said such juries in federal courts are a "relatively new phenomenon," dating to 1977.

Supporters say it's an acceptable practice in high-profile cases or when there are concerns about jurors being threatened or bribed.

"One of the things defendants worry about is since it's so out of the ordinary, jurors will think the defendants are particularly dangerous and they'll have a prejudice against them," Mr. McCord said.

The trial is taking place amid tightened security. Those in attendance must undergo the usual security screening at the door of the courthouse, and must repeat the process when they enter the courtroom.

The case has been separated into two groups of defendants. In an earlier trial, Corey Moore, the so-called "Teflon defendant," was acquitted.

Mr. Moore has been tried multiple times on murder charges, but in each case the charges were either dismissed or he was found not guilty by a jury.

Case Could Change Rules About Officers' Searches Of Laptops (SDUT)

By Matt Krasnowski, Copley News Service

The San Diego Union-Tribune, November 5, 2006

Computer data private, some say

LOS ANGELES – Michael Arnold appeared disheveled and nervous after he landed at Los Angeles International Airport last year on a flight from the Philippines, so a U.S. Customs and Border Protection officer pulled him aside for screening.

Officer Laura Peng also noted Arnold was traveling alone, court records state. She found a laptop computer in his luggage and asked him to start it. Stored inside, she said, she found images of him having sex with women, photographs of minors in sexually explicit poses and messages indicating he was trying to procure minors in the Philippines.

The 45-year-old former Anaheim schoolteacher was indicted on one count of transportation of child pornography and one count of child pornography possession. His arrest was heralded as a success for the federal government's Operation Predator campaign against criminals who prey on children.

But last month, a judge threw out the computer evidence against him, setting up a court battle in which a man accused of vile behavior could help determine how far border agents can go in searching people's computers and the future of some privacy rights.

It's an issue – spurred by advances in technology, and increased concerns about terrorism and border security – that some legal experts expect will end up before the U.S. Supreme Court.

U.S. District Judge Dean Pregerson ruled the border officer needed reasonable suspicion to search Arnold's computer because the machines can contain vast amounts of private information.

That same suspicion standard is required before border agents can conduct a body cavity search, X-rays or other invasive examinations.

"While not physically intrusive as in the case of a strip or body cavity search, the search of one's private and valuable personal information stored on a hard drive or other electronic storage device can be just as much, if not more, of an intrusion into the dignity and privacy interests of a person," Pregerson wrote.

Prosecutors contend border officers can search such items routinely, saying the computer search wasn't invasive or destructive but rather a standard inspection of a person at the border that courts have long supported.

Thom Mrozek, a spokesman for the U.S. Attorney's Office in Los Angeles, said prosecutors have filed a notice of appeal and will challenge Pregerson's ruling with the 9th U.S. District Court of Appeals.

Pregerson's decision conflicts with a 4th U.S. Circuit Court of Appeals decision last year that deemed a border search of a laptop computer was reasonable and routine. But that case differs from the Arnold case because agents found that man possessed a photo album containing child pornography before they accessed his computer.

With the appeal, the prosecution of Arnold is on hold and border officers are free to continue searching computers as part of routine inspections.

Border computer searches have raised the concerns of international business travelers, who often fly with private business and personal information in their laptops. A recent survey by the Association of Corporate Travel Executives, which has 2,500 members worldwide, found that 87 percent of its members said they would be less likely to carry confidential business information on international trips after they learned how easily laptop contents could be searched.

Business travelers need to be "cognizant of the fact that U.S. customs takes the position that it has the right to review and download the contents of your laptop and all electronic media," said Susan Gurley, the association's executive director.

But if Pregerson's decision stands and is upheld by appellate courts, it could slap limits on how far agents can go when searching people at the border.

If officers are unable to come up with a significant reason to support the search, "the number of people they would be able to examine would go down appreciably," said Douglas Kmiec, a Pepperdine University law professor.

Kmiec and other experts say the issue eventually will need to be settled by the highest court in the land. And Kmiec said he expects Pregerson will be overturned.

"There is no doubt in my mind that the Supreme Court will review one of these cases," said Shaun Martin, a professor at the University of San Diego School of Law. "The issue is too important and it happens too often to let the results vary depending on what border you happen to cross or what circuit you're in."

Laptop Seizure Raises Concerns Over Firms' Data (LAT)

By James Gilden, Special To The Times

The Los Angeles Times, November 5, 2006

Travel managers worry about what can happen to proprietary information at customs.

It may surprise many air travelers, but your laptop and its contents are far from secret at the nation's international airports. Increasingly, this is prompting new privacy concerns for business travelers.

Customs and Border Protection agents have the authority to search and seize laptop computers belonging to travelers entering the United States, those of U.S. citizens and foreigners alike. And they use it.

But just how far these officers can go in inspecting the contents of an overseas traveler's laptop is being tested in federal court.

In July 2005, Michael Timothy Arnold, then 43, of San Juan Capistrano arrived at Los Angeles International Airport after a nearly 20-hour flight from the Philippines, according to court documents.

After retrieving his luggage from baggage claim, he proceeded to the customs checkpoint. An agent selected him for additional screening because she was targeting single males between 20 and 59 who were returning from Asia.

After some secondary questioning, the agent inspected Arnold's luggage, including his laptop computer. She instructed Arnold to turn on the computer.

When the computer booted up, its desktop displayed the usual assortment of icons and folders, including two folders titled "Kodak Pictures" and "Kodak Memories." The agent and a colleague clicked on the folders and looked at photographs on the computer, including one of two nude women.

Special agents with U.S. Immigration and Customs Enforcement were called in to question Arnold about the contents of his computer.

He was detained for several hours while they examined the computer, and they found numerous images depicting what they believed to be child pornography.

The agents confiscated the computer as well as a hard drive, some CDs and a flash drive and released Arnold. He was later arrested, jailed, held without bail until this week, and charged with transporting and possessing child pornography and attempting to engage in illicit conduct in a foreign place.

It is cases like Arnold's that have corporate travel managers up in arms — but not because of the pornography connection. Their concern is with what happens to the proprietary data that business travelers often carry on their laptops.

"That U.S. government officials have the right to examine, download or even seize business travelers' laptops came as a surprise to the majority of our members," said Susan Gurley, executive director of the Assn. of Corporate Travel Executives, an Alexandria, Va.-based trade group.

Eighty-six percent of members surveyed said that court decisions allowing government agents to seize computers at the borders were cause to limit the kind of proprietary information typically carried on executives' laptops. Two out of 155 members surveyed said they had an employee who had had a laptop seized.

The politics and the law behind the seizures are complicated, according to attorneys and court documents. The 4th Amendment of the U.S. Constitution protects citizens against unreasonable search and seizure. But the courts have given government agents more leeway to conduct searches at the border than inside the country.

For example, the courts have found that it is acceptable for border agents to search through the belongings of someone entering the country for no reason other than that he or she is entering the country. But if the search becomes more invasive, such as a pat-down or a body cavity search, then agents have to have probable cause.

It is at this nexus that the courts are trying to decide what constitutes reasonable when it comes to a laptop computer. After all, it could contain personal information, confidential business information, blueprints for terrorist attacks or child pornography.

A ruling last month by U.S. District Judge Dean D. Pregerson of Los Angeles in the Arnold case may be the beginning of a shift in the courts.

In his opinion, the judge noted that "the information contained in a laptop and in electronic storage devices renders a search of their contents substantially more intrusive than a search of the contents of a lunchbox or other tangible object."

The court found that "a search of this type without reasonable suspicion goes well beyond the goals of the customs statutes and the reasonableness standard articulated in the 4th Amendment."

"While not physically intrusive as in the case of a strip or body cavity search, the search of one's private and valuable personal information stored on a hard drive or other electronic storage device can be just as much, if not more so, of an intrusion into the dignity and privacy interests of a person.

"This is because electronic storage devices function as an extension of our own memory. They are capable of storing our thoughts, ranging from the most whimsical to the most profound. Therefore government intrusion[s] into the mind … are no less deserving of 4th Amendment scrutiny than intrusions that are physical in nature."

As a result, the judge threw out laptop-related evidence against Arnold retrieved during the search, which may hurt the government's case. The government is appealing the judge's ruling, said Thom Mrozek, a spokesman for the U.S. attorney's office in Los Angeles.

Arnold still faces federal child pornography charges, but he was released from federal custody this week on $50,000 bail.

The association of travel executives is not concerned as much with the constitutional questions as it is with the practical implications for business travelers.

It has tried to get answers from Customs and Border Protection about its policies regarding the search and seizure of laptops and measures taken to protect sensitive business information on them but has not received an answer to its queries, Executive Director Gurley said.

The Times e-mailed the agency questions including what its policies are regarding the protection of sensitive corporate data.

The agency responded with a statement saying, in part, that "officers adhere to all requirements to protect privileged, personal and business confidential information."

Said Gurley, "Our issue is whether the proprietary business information on the hard drive can be taken. Is it returned? Is it destroyed? We have not received any word from [the agency], not even 'Thank you very much, we have your request.'

"What's so difficult about giving the public this information?"

*

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Lab Delays Hinder Crime-solving (MHCA)

By Julia Reynolds

Monterey (CA) Herald, November 5, 2006

Crimes in Monterey County are going unsolved and prosecutions delayed as piles of unprocessed evidence grow higher in the county's primary crime lab, law enforcement officials say.

In some cases, The Herald has found, more than a year passed before fingerprints were processed, leaving detectives frustrated and criminals walking free.

"The delay in processing evidence is a year and a half," Undersheriff Nancy Cuffney said.

"There have been delays," said Seaside police Capt. Steve Cercone, who sends fingerprints to the lab. "But we do understand that staffing shortages are the reason for it."

The lab is so badly understaffed -- down from five employees to two -- that arrests have had to wait as crimes go unsolved for more than a year.

In one example, a fingerprint was lifted in an April 2005 larceny case, but the print was not processed until June 2006. In the interim, investigators say, the same man had moved on from nonviolent fraud to carjacking.

"It does affect public safety," said Cmdr. Malcolm Gray, head of investigations at the Monterey County Sheriff's Office. "If we can't get evidence to help ID suspects, to tie suspects to cases, people are out on the street longer than they should be."

Detectives around the county complain that backlogs in the forensic services crime lab mean arrests aren't being made when they should.

Law enforcement personnel described cases such as a 12-month delay in running fingerprints for an attempted murder case.

The Herald asked the Sheriff's Office whether specific cases have been affected by the delays. After initial assurances of cooperation, sheriff's officials, including Sheriff Mike Kanalakis, opted not to provide case details or allow interviews with lab staff.

Staffing levels|

Hidden in a small, crowded room in the sheriff building's basement on Natividad Road, the lab is mostly invisible to the general public. Several desks take up space but sit empty.

Staffing levels at the lab have fallen from five full-time staff members to two in little more than a year. One position was eliminated, and two vacancies have remained unfilled.

But the work done in that small room is critical to the county's criminal justice system.

The lab processes serious crime evidence from across the county for the Sheriff's Office, and handles the latent fingerprint work for Seaside, Pacific Grove, Monterey and Marina police departments. The city of Salinas has its own forensic evidence department.

Latent print work is a skilled specialty. Unlike the inked prints taken at the Department of Motor Vehicles, latent fingerprints can usually be seen only after certain chemicals are applied. As such, they are fragile things.

A latent print examiner must not only be an expert at processing, preserving and identifying prints, but be skilled at presenting "expert witness" testimony in court.

On top of that, for an identification to be considered valid, a print must be verified by more than one examiner.

With only two full-time print examiners on staff, that often means long hours for lab supervisor Victor Lurz and evidence technician Georgine Scott, both of whom are on call 24 hours a day, according to police agencies that work with the lab.

Officials warn that public safety has been compromised by the backlogs, and not only because arrests have been delayed.

Gray said prosecutors are reluctant to file charges if the forensic evidence isn't ready.

"Even the cases that we file (with the District Attorney) -- if we can't get the evidence fast enough, they kick the cases back to us," Gray said.

"This happens all the time," said Chief Assistant District Attorney Terry Spitz. "When we get into the more serious felonies, we're going to be sending back memos -- 'Please run that out to the lab.'"

Assistant District Attorney Berkley Brannon said he wasn't aware of any complaints from prosecutors about the delays, but said his office often waits to file charges when forensic evidence is lacking.

Spitz said that in misdemeanor cases, a suspect might even be released, at least until the evidence comes in.

"If he's not a danger to the public, we'll say 'Let him go,'" Spitz said.

The delays mean that lesser crimes tend to fall off the radar, which can frustrate detectives.

"We have to set our threshold higher," Gray said. "It slows the whole process down. Our guys are screaming for evidence results, but we have other priorities," he said.

Detectives end up not even trying to take some cases to court, he said.

"We can't work all the cases."

Monterey police Lt. Leslie Sonné said the delays have had an effect on her department.

"It impacts every level of the investigation," Sonné said. "If a print is matched to someone, it would be nice to go after someone before they commit another crime. There's nothing we can do about it but hope they can generate some staff."

The city of Monterey, she said, is the lab's biggest customer.

Outside of police circles, the problem hasn't gotten much attention, in part because authorities have been reluctant to talk about it.

It took a few years to get this bad.

Forensic services everywhere have diminished during the past five to 10 years, said Pacific Grove police Lt. Tom Uretsky.

"It's a slow creep, not an acute problem," he said. "You gradually stop doing the things you used to do."

Officers say crime victims today expect evidence to be processed faster than ever, thanks to programs such as "CSI," where the latest high-tech equipment abounds and budget cuts seem nonexistent.

"Forensics are huge in law enforcement these days," Sonné said. "Unfortunately because of TV shows, the public expects results in an hour."

Spitz agreed that people don't realize that fingerprint experts cost money.

"They don't talk about that on CSI," he said.

The high cost of living in Monterey County and pay rates for the lab's skilled positions don't help.

Though the county's fingerprint experts aren't the worst paid in the nation or California, their salaries are far from the highest.

"It's what the county is willing to cough up," said Gray. "We cannot get people to come here to work."

In the current job posting for a latent fingerprint/crime scene examiner, Monterey County offers from $51,732 to $70,644 annually.

For a similar position, Santa Clara County offers from $62,531.04 to $75,653.76 annually. San Mateo County pays up to $75,300.

A few states, with lower costs of living than California, offer even more. Police in Las Vegas will pay up to $79,306 for a latent fingerprint examiner, while in August, the state of Colorado offered up to $89,568.

Private industry pays the most, with some companies offering upward of six figures.

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Shortages in police agencies|

Some local police agencies have been too busy coping with staff shortages to raise their voices about the county's vacancies.

Monterey, for instance, is down by 13 officers, Sonné said.

Pacific Grove is also suffering an officer shortage.

"We're not submitting enough fingerprints to say 'Gee, hurry up.'" Uretsky said. "We'll soon be four officers down... Our priority is to keep staffing levels where they are."

When serious crimes such as murder or attempted murder take place in Pacific Grove, Uretsky said his department calls in the state's Department of Justice.

"We call the Sheriff's Office to photograph the scene but the DOJ to process the crime scene," he said. "They lift the prints, drive them to Sacramento and immediately run them. That's what they do for a living."

But that solution, he said, only works with the most serious crimes.

"At the DOJ, if it's not a homicide, they'll get to it when they get to it," Uretsky said. "They're also very short-handed."

It took two years, he said, for the state to return a DNA "hit" on a Pacific Grove rape and assault case.

Other agencies, such as Seaside, are trying to improve their ability to pick up some of Monterey County's case load. Capt. Steve Cercone said his department recently hired a police services assistant who will be qualified in six months to a year to process evidence.

"It will take some of the workload off the Sheriff's Office," he said. "We can only do so much."

The sheriff's forensic lab does all it can, Cercone said, to accommodate Seaside's most urgent requests.

Uretsky's admiration for the lab's remaining staff members borders on reverence.

"I've got nothing but praise for those two," he said.

Sonné said the lab's workers are often roused on days off to process crime scenes.

Gray described a recent Saturday when every Sheriff's Office detective was dispatched to the scene of a stabbing murder in Castroville. Staff shortages meant that detectives and lab staff could work on nothing else.

"With that evidence, everything else gets dropped," Gray said. "You have physical evidence that has to be processed. You can't just leave it."

For many crimes, the county will likely struggle with evidence backlogs for the foreseeable future, as the downsized lab tackles a case load handled by five people only a few years ago.

"We'll sure keep our fingers crossed for the county crime lab," Sonné said. "They sure can use some relief."

CIVIL LAW

A Powerful Voice In Patent Disputes (WP)

By Charles Lane

The Washington Post, November 6, 2006

When it comes to patent law, who is the ultimate authority? Is it the Supreme Court? Or the U.S. Court of Appeals for the Federal Circuit, the specialty court for patent and trademark law established by Congress in 1982?

Actually, it's none of the above. But before I reveal the correct answer, let me congratulate you for having read this far beyond the words "patent law." This eye-glazing technical topic has been known to send even people who like tax law screaming from the room. That you may still be interested shows a commendable understanding of patent law's significance, notwithstanding its arcane nature.

After all, the Founding Fathers didn't think patents were boring. They recognized that secure intellectual property would be a pillar of the national economy they hoped to create. Thus, the Constitution, "to promote the progress of science and the useful arts," specified the legal recognition of patents and copyrights as an exclusive function of the federal government.

Making sure that patent rights are strong enough so that inventors have incentives to innovate, but not so strong that they create inappropriate monopolies on widely applicable technology, is a legal balancing act that determines the flow of billions of

dollars each year. Just ask corporate giants such as Microsoft, AT&T or eBay, whose names appear on the list of litigants in recent Supreme Court patent cases.

Abortion, affirmative action and the death penalty grab headlines. But when it comes to impact on the jobs and consumer choices available to everyday Americans, patent law probably matters more.

End of lecture. Now back to the mini-quiz. Arguably, the real power in patent law these days is not a court at all, but the Office of the Solicitor General, the Justice Department lawyer who represents the federal government before the Supreme Court. In the 10 Supreme Court patent cases in which the solicitor general has participated since 1995, the SG is undefeated, according to a recent study by Jonathan Franklin, a Supreme Court specialist at the law firm of Fulbright & Jaworski.

What's behind the court's deference to the executive branch? In part, say patent law specialists, it appears that the justices are increasingly second-guessing the rulings of the Federal Circuit, which was designed to help clean up patent law by concentrating all federal appeals in a single expert body. From the Federal Circuit's inception until the mid-'90s, the justices seemed content to let it call the shots. But as the information technology revolution has spread, the high court has shown a willingness to review decisions of the Federal Circuit, whose critics say it is too favorable to patent holders.

None of the justices are experts on patent law. Thus, they lean heavily on the expertise of the solicitor general, who receives plenty of input from the U.S. Patent and Trademark Office, the Federal Trade Commission and others within the executive branch.

"In many areas of law that are highly technical, the court looks to the government to help find its way," said John F. Duffy, professor of patent law at George Washington University. "The Supreme Court is not leading. It is choosing between two specialists: the PTO and the Federal Circuit."

Duffy notes that patent cases account for about a fifth of the 10 to 20 appeals per year in which the court asks for the views of the solicitor general before it decides whether or not to hear the case.

The justices have agreed to hear three patent cases this year. The most significant may be KSR International v. Teleflex, No. 04-1350, scheduled for argument on Nov. 28. At issue is the proper meaning of "obvious" in patent law. You can only patent something if it's really an original invention. It can't be something so obvious that anyone could have slapped it together. The question, though, is how obvious that is.

KSR makes gas pedals for General Motors and other car manufacturers. Its accelerators are adjustable, so they can be made higher or lower depending on how long the driver's legs are, and are linked to an electronic sensor that modern cars use to control the throttle, instead of a cable as in the old days. Teleflex, represented by Supreme Court specialist Thomas C. Goldstein, says KSR is infringing its patent on this combination; KSR says, in essence, that it is simply building something anyone familiar with the technologies could have made. A federal district judge sided with KSR, but the Federal Circuit reversed that decision and said Teleflex's device was non-obvious, and thus patentable.

To Duffy, who represents KSR in the Supreme Court, the Federal Circuit's ruling has no basis in the text of the relevant patent statute and is typical, he says, of how "junky patents are clogging up the system." Teleflex's brief responds that its device is "new and previously unforeseen" and that the Federal Circuit applied a "flexible" standard of obviousness in concluding that the company was entitled to a trial on its claim of infringement.

The court's decision will not only determine this critical point of patent law doctrine, it could also affect how much car and truck buyers have to pay for vehicles with adjustable accelerator gizmos, which, among other uses, help short people drive big rigs. If you think that's not a big deal, many folks disagree with you: Some 37 different friend-of-the-court briefs have been filed on behalf of one side or the other -- three more than have been filed in the blockbuster case on the federal partial birth abortion ban, which will be heard on Wednesday.

Of course, if Franklin's analysis holds, the brief that matters most is the solicitor general's, filed on KSR's side. Obviously, there's a lot more to patent law than you thought.

Judge To Rule On Hughes Estate Claims (USAT)

By Martin Kasindorf

USA Today, November 6, 2006

DOJ_NMG_0091037

Nearly 30 years after jurors declared that a will left by Howard Hughes that gave a fortune to a Utah gas station owner was fake, Melvin Dummar is back in court claiming he was cheated out of a share in the billionaire's estate.

Hughes was the reclusive industrialist whose eccentricities were recorded in the 2004 movie The Aviator. He was world-famous as a dashing flier, aircraft builder, Hollywood producer and Nevada casino owner with an eye for women. Phobic about germs late in life, he had a habit of walking around naked in the penthouse at Las Vegas' Desert Inn, where he lived from 1966 to 1970.

Several weeks after Hughes died at age 70 in 1976, a will purportedly in his handwriting was discovered on a desk in the Salt Lake City headquarters of the Church of Jesus Christ of Latter-day Saints. News media went wild over the surprising bequest of $156 million to the obscure Dummar.

Dummar explained to reporters who descended on his gas station in Willard, Utah, that Hughes must have acted to repay him for rescuing a beaten and bleeding Hughes from a roadside ditch in the Nevada desert in December 1967. Dummar says he drove Hughes to a Las Vegas hotel.

The so-called Mormon will gave one-sixteenth of Hughes' $2.5 billion holdings to Dummar. The will was one of dozens that surfaced after Hughes died. None was declared valid by courts.

Nevada and Texas juries decided in 1978 that the will was a forgery. Now, Dummar, 62, says a new witness came forward in 2004 who can confirm his story. He revived the half-forgotten case in June by filing a complaint of fraud and racketeering in federal court against Hughes heir William Lummis, 85, and Frank Gay, 77, former chief operating officer of Hughes' companies.

U.S. District Judge Bruce Jenkins suggested in a hearing Thursday in Salt Lake City that he'll rule this week on motions to dismiss Dummar's suit because he waited too long to return to court.

In 1976, Dummar at first said the news of his windfall surprised him. Then his fingerprint was found on the envelope containing the will. During a seven-month trial over the will's validity, Dummar said he had delivered the document to the church on instructions of a “confidential agent” of Hughes who brought the will to his gas station.

Under Texas law for those who die without a will, all of Hughes' empire went to Lummis, a first cousin from Houston.

Dummar alleges that Lummis and Gay pressured Hughes employees to testify falsely at the 1977-78 Nevada trial that Hughes never left the Desert Inn in December 1967, so he could not have been rescued.

Knut Rife, a lawyer for Dummar, says the defendants owe Dummar $156 million plus interest since 1978 — a total of $500 million.

Though Dummar still says the will was valid, he says he's not trying again to win a piece of Hughes' estate. That was divided long ago between Lummis and the IRS. He's suing for damages, alleging that Lummis and Gay solicited perjury and obstructed justice.

“For almost 30 years, Melvin Dummar has been thought of as a fraud or a con artist or a forger,” says Stuart Stein, another lawyer for Dummar. “He had his life ruined by this.”

Dummar says: “I just want to clear my name. I guess in a case like this you have to put some kind of monetary value on it, but it has more to do with your pride and reputation.”

Hollywood turned Dummar's thwarted dream of sudden riches into the 1980 film Melvin and Howard.

Dummar was in court Thursday as lawyers for Lummis and Gay denied wrongdoing and argued that Dummar had sued decades too late.

“You only get one bite of the apple,” says Peggy Tomsic, a lawyer for Gay. Besides, she says, “almost every potential material witness is dead. All of the documents, including the alleged original handwritten will of Mr. Hughes, are gone.”

Dummar's lawyers say there should be a new trial because evidence of alleged fraud didn't turn up until 2004. That's when retired Hughes aviation executive Guido Roberto Deiro read an article about Dummar and volunteered to be a witness for him.

In that article, Dummar detailed the location of his encounter with Hughes as 6 miles from the Cottontail Ranch, a legal brothel in Lida Junction, Nev. Deiro says in court documents that as manager of the Hughes-owned North Las Vegas Airport, he piloted the billionaire to the Cottontail Ranch one night between Christmas and New Year's Eve of 1967 but lost track of him.

The holiday-season trip was the last of four flights to brothels he made with Hughes, Deiro says. He says he never saw or spoke to Hughes again.

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Dummar now lives in Brigham City, Utah, with his second wife. He's self-employed, delivering meat and seafood to Nevada and Utah ranches.

Stein, Dummar's lawyer, says he's encouraged after last week's hearing. “The first thing is to rehabilitate Mr. Dummar's reputation,” he says. “I think I've accomplished that, no matter what the judge does.”

CIVIL RIGHTS

State GOP: Missing Voting Machine Cards In Memphis Could Be Used Fraudulently (AP)

AP, November 5, 2006

MEMPHIS — Tennessee's Republican Party chairman complained to Shelby County election officials that electronic voting machine cards were missing in Memphis, the hometown of Democratic U.S. Senate nominee Harold Ford Jr.

"It has come to our attention that several smart cards used in early voting are missing from at least one early voting site in Memphis, Tenn.," Bob Davis Jr. said in a letter dated Thursday. "The lack of oversight and control over these smart cards has created a situation which could allow for voter fraud."

The letter called on the commission to "locate these missing smart cards as soon as possible."

Tennessee Election Coordinator Brook Thompson said Friday that even if the cards aren't recovered, there is no danger of fraud.

"The cards are programmed such that once you use them, they cannot be reused until they are reactivated by the Election Commission," he said.

Shelby County Election Commission administrator James Johnson didn't immediately return calls seeking comment and wasn't in the office when a reporter stopped by to ask him about the complaint.

Chris Devaney, the state GOP's executive director, disagreed with Thompson's assertion that a smart card couldn't be reactivated and used fraudulently.

He said GOP poll watchers at the Bishop-Byrne precinct reported 12 cards missing.

"We want the Shelby (election) commission to investigate it," Devaney said.

Ford, a five-term congressman who faces Republican Bob Corker of Chattanooga in the Tuesday election, said he would ask the Shelby County district attorney and sheriff to step aside from the investigation because they are co-chairing Corker's campaign.

"They are good people, both, but they should recuse themselves," Ford said. "If we have to ask the Justice Department to come in and oversee this, we may have to. It's unfortunate that these things happen, but we have authorities — and hopefully independent authorities — that will come in and correct the record." •

IPod Friendly Program Will Monitor Election Complaints (LAWJW)

Lawrence Journal-World, November 6, 2006

A federal prosecutor will be available during Tuesday’s election to respond to reports of possible election fraud and voting rights violations in Kansas.

Assistant U.S. Atty. Leon Patton will be available as part of the Justice Department’s nationwide Election Day program, which is an effort to increase the department’s ability to deter election fraud and discrimination at the polls.

Patton can be reached at (913) 551-6730 while the polls are open.

Complaints also can be made to the Civil Rights Division’s Voting Section in Washington, D.C., at (800) 253-3931 or (202) 307-2767.

A New Breed Of Watchdog For Election Day By JUNE KRONHOLZ (WSJ)

The Wall Street Journal, November 6, 2006

When Americans go to vote tomorrow, a new breed of activist will be on guard, monitoring polling stations for everything from voting-machine glitches to long lines to registration snafus.

DOJ_NMG_0091039

Energized by disputed results in 2000 and 2004, they have left jobs as music conductors, real-estate agents and software engineers to form groups that expect to turn out thousands of volunteers who don't trust the country's ability to count its votes and have decided to do something about it.

"This is going to be the most heavily watched election in history," predicts Marybeth Kuznik, who founded a group called VotePA after the 2004 election to monitor voting issues in Pennsylvania. Ms. Kuznik, a former arts educator, calls herself a "progressive," but says VotePA includes members of both major parties, two minor parties and independents.

Many of the groups share liberal roots, their members smarting from the narrow Democratic losses in the last two presidential elections. But they also share in Ms. Kuznik's assurances -- and the tax and lobbying status that requires them to remain nonpartisan -- that they simply want to see a clean count.

"I don't care who wins; I just want to know it's democracy," says Warren Stewart, policy director of VoteTrustUSA, an umbrella for 70 grass-roots groups, like VotePA, that lobby legislators and warn voters about election issues.

Two of the bigger groups -- the Election Protection Coalition and Voter Action -- will staff call centers where they will field voter complaints to their 866-OUR-VOTE and 888-SAV-VOTE numbers and dispatch lawyers to any trouble spots. Video the Vote is enlisting "citizen journalists" to film polling-place problems. The Lawyers Committee for Civil Rights Under Law and People for the American Way are among Election Protection's members. Voter Action is a legal-rights group started by California lawyer Lowell Finley, who sued voting-machine maker Diebold Inc. over software security; Diebold recently paid $2.6 million to California as part of a settlement of the suit.

Pollworkers for Democracy -- a joint project of VoteTrustUSA, and two groups who often support progressive causes, Mainstreet Moms and Working Assets -- is asking election workers to report voting problems to the group after finishing their precinct shifts to provide evidence for potential lawsuits and recounts. And dozens of small, grass-roots groups will be watching polling stations, elections offices and tabulation centers.

"This is so important," says Bo Lipari, who retired at age 53 from his job as an Ithaca, N.Y., software engineer to start a watchdog group called New Yorkers for Verified Voting. Mr. Lipari describes his group as "strictly nonpartisan" and won't discuss his party affiliation. On Election Day, Mr. Lipari says he will be a poll watcher in Saratoga County, one of the few in New York using electronic voting equipment.

The goal of these groups is both to untangle snarls -- Election Protection's lawyers will ask state courts to keep polls open if there are glitches, for example -- and to document problems, alert the media and gather plaintiffs for possible recount demands and lawsuits.

These groups are on heightened alert because of the new voting equipment and registration databases put in place this year to satisfy the Help America Vote Act or Hava. That 2002 legislation offered voting jurisdictions $3.8 billion to replace their punch-card and lever voting machines. It also required states to put together voter databases in an effort to clear up questions about who is eligible to cast a ballot.

As a result, about 55 million voters will be casting ballots on new voting systems this election, and 22 million of them will be using touch-screen machines in a federal election for the first time. New voter databases also are heightening activists' worries. States compiled the lists by consolidating their county voter-registration lists, then cross-checking them with Social Security and driver-license databases to weed out voters who have died, moved or lost their voting rights.

Democrats fear the untested databases have mistakenly purged the poor and minorities -- generally Democratic constituencies -- while Republicans fear they will contain names of ineligible voters, particularly illegal immigrants, whose votes also could benefit Democrats. The watchdog groups, meanwhile, worry that database mix-ups will create long lines that cause voters to leave before casting a ballot.

For many activists, Election Day is only one more step in a long election-integrity campaign that started when counties began buying touch screens with their new federal money. The machines -- which about 38% of all voters will use tomorrow -- operate much like a bank ATM, leading voters through several prompts and tabulating votes on an internal memory card.

The voting-machine companies, led by Ohio's Diebold, insist the touch screens are tamper-proof and that they prevent voters from making the kinds of errors -- like voting twice for the same office -- that typically disqualify thousands of ballots. The problem, the companies say, is with poorly trained poll workers, not the machines.

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Some computer experts quickly began warning that the touch screens are vulnerable to fraud and software glitches, but the issue simmered largely online, and largely unnoticed, until the 2004 elections.

VoteTrustUSA's Mr. Stewart, a San Francisco cellist, says he hadn't been politically active since he stuffed envelopes for George McGovern in 1972, but became alarmed after reading about problems in the 2004 count in Ohio. "I could accept it if my candidate lost," he says, but not that polling-place errors might have changed the outcome. Mr. Stewart won't disclose his voter registration.

He joined an ad hoc group seeking recounts in several states and was assigned to analyze the results in New Mexico where there were 21,000 "under votes" -- that is, 21,000 more ballots distributed than votes cast. After comparing the under votes by precinct, voter demographics and how they were cast, Mr. Stewart says he concluded that almost all were from two early-model electronic voting machines that still are in use in nine states. He quit the California Bach Society, where he was the conductor, and helped start VoteTrustUSA, which he describes as "three people and a Web site, making a lot of noise."

The 2004 Ohio vote also energized Mark Halvorson, who says he was mystified why there were groups focused on voter registration, but none whose mission was the integrity of the poll. "I felt compelled to do something," says Mr. Halvorson, who quit his job as a social worker to launch Citizens for Election Integrity Minnesota, which is affiliated with VoteTrustUSA.

Many election-activist groups have registered as lobbyists or nonprofit charities, which allow them to raise money. But most say they operate on a shoestring with donations from their members. Susan Pynchon, who abandoned her real-estate career to start the Florida Fair Elections Coalition, says she finances her group's work out of rental income from several properties she owns. Ms. Pynchon says she doesn't "allow political statements" from the group's members, and that she claims no party affiliation on her voter registration.

Partly because of activists' pressure, 17 states now require that touch-screen machines record votes on paper documents that may be used in recounts. A House bill that would require a similar paper trail in federal elections has 219 sponsors. "The energy, the motivation is not top down, it's bottom up," says Rep. Rush Holt, a New Jersey Democrat who introduced the bill.

Mr. Halvorson's Minnesota group helped press the state Legislature to increase the number of precincts where election officials routinely hand-count the ballots and compare them with vote totals on scanners -- electronic voting machines that read hand-marked ballots. Currently, 13 states require random audits.

Also on the activists' agenda: voting-machine certification. As it is, voting-machine makers choose the labs that test their touch screens and the software that runs them. Activists want the government involved, and want outside experts to be able to scrutinize the software for security holes. A new federal Election Assistance Commission mandated by Hava is scheduled to issue new guidelines by the 2008 vote.

Eastern Kentucky School District Facing Civil Rights Inquiry (AP)

AP, November 5, 2006

LLOYD, Ky. - An eastern Kentucky school district faces a federal civil rights inquiry, attorneys for the school system said.

The Greenup County School District and the U.S. Department of Justice Office of Civil Rights have exchanged preliminary materials, but the agency has not scheduled a visit to the area, said Michael J. Schmitt, an attorney for the school district.

School officials wouldn't say what the nature of the inquiry is. Greenup Superintendent John Younce would neither confirm nor deny that an inquiry is under way or that federal officials are planning a visit to the district.

The investigation is the second of the school district in the last two years. In 2005, the school district faced of racial discrimination against Greenup County High School principal Randall Peffer.

Peffer was accused of using racially derogatory comments, discriminating against students, limiting the time of black players on the basketball team and grading black students more strictly than white students.

A report issued at the conclusion of that inquiry cleared Peffer of the allegations, but said that he had been disciplined for using a racially offensive remark.

ANTITRUST

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Morgan Stanley And Visa Settle Dispute (FT)

By Tobias Buck

Financial Times, November 6, 2006

Morgan Stanley and Visa Europe have agreed to settle a long-running antitrust dispute, in a move that could bring to an end a six-year competition probe by the European Commission into the credit card group.

The dispute broke out after Visa refused to let Morgan Stanley join its card network. The US investment bank had wanted to offer card services to shops and merchants in the European Union. However, Visa denied it access to its network, pointing to the fact that Morgan Stanley runs the Discover card in the US in competition with Visa.

Morgan Stanley in 2000 filed a complaint to the Commission, which opened an investigation and in August 2004 issued formal charges against Visa accusing it of abusing a dominant market position. The credit card group has been waiting for a final decision, and a possible antitrust fine, ever since.

According to executives from both groups, Visa and Morgan Stanley have now agreed to bury the hatchet. Morgan Stanley has become a member of the Visa card network, and in return has withdrawn its formal antitrust complaint to the Commission.

The move follows last month's decision by Visa Europe to split from the Visa group's international operations.

While Visa International decided to turn itself into a publicly-listed company, Visa Europe plans to retain its structure as an association owned and run by its member banks.

Charlotte Hogg, managing director of Morgan Stanley's consumer banking group international, said: "I can confirm that Morgan Stanley Bank has become a member of Visa Europe and that we have withdrawn our complaint to the European Commission about exclusion from membership of Visa Europe."

Visa Europe said: "We are very pleased that we have reached an amicable agreement with Morgan Stanley and have informed the European Commission about this new development."

The Commission declined to comment on the move. Formally speaking, the settlement between Visa and Morgan Stanley has no impact on the probe, although in practice it will be very difficult for the regulator to pursue an infringement already addressed by the parties.

Should the deal with Morgan Stanley force the Commission to abandon its probe, it would remove the threat to Visa Europe of a fine of up to 10 per cent of its global annual turnover.

However, Visa and its rival MasterCard still face pressure from the Commission to slash the fees they demand from retailers.

Although Visa agreed in 2002 to lower these "interchange fees", a recent Commission sector probe again hit out at what it describes as "excessive" charges.

CVS's Deal Maker Faces Toughest Test Integrating Caremark (WSJ)

By Jennifer Levitz, David Armstrong

The Wall Street Journal, November 6, 2006

CVS Corp.'s $21 billion pact to buy Caremark Rx Inc. marks the biggest gamble yet for Thomas Ryan, the CVS chief who will lead the new company.

A 54-year-old former pharmacist, Mr. Ryan has helped build CVS from a regional drugstore chain into a national giant by buying rivals such as Revco DS Inc., Eckerd and Albertsons Inc.'s Save-On and Osco stores. Since ascending to the CEO and president posts at CVS in 1998, he has more than doubled the number of CVS stores to about 6,200. Sales are now $37 billion, up from $15 billion when he took over.

Mr. Ryan is a savvy manager with a talent for overhauling and integrating sagging drugstore chains. But the Caremark deal, which would create a behemoth with $75 billion in annual revenue, represents a bigger deal than any he has tried before and CVS's first major acquisition of a company that isn't another drugstore chain.

Mr. Ryan will be walking a fine line: Caremark and other pharmacy-benefit managers, known as PBMs, get the best possible deal on prescription drugs for their customers, typically big companies or health insurers. Some skeptics of the CVS-

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Caremark combination wonder whether Caremark's customers will still get the lowest possible drug prices after a drugstore company takes control.

Mr. Ryan is quick to dismiss concerns about a conflict of interest between operating both a profit-driven pharmacy and a PBM. In an interview, he noted that CVS already owns a PBM, which will be rolled into Caremark's operations as part of the merger. He said potential conflicts of interest haven't prevented big clients, such as DaimlerChrysler AG, from signing up with CVS's PBM, PharmaCare.

"It's a natural concern," Mr. Ryan says, adding that the combined company has to offer low prices if it expects to get new business. "No one will beat us on cost when we go to market," he says. So far, Caremark customers have been supportive of the proposed deal, he adds.

Mr. Ryan says he is transforming the drugstore chain into a complete health-care provider. CVS's other recent acquisitions include MinuteClinic, of Minneapolis, which operates in-store health clinics, where nurses treat strep throat, ear and sinus infections and other minor illnesses. He has "figured out that it's good to be a consumer company, but more important to be a health care company," says John Ransom, an analyst at Raymond James Financial Inc., in St. Petersburg, Fla.

Along the way, Mr. Ryan has persuaded the CVS board to "follow him on tough decisions," says Terrence Murray, former chief at FleetBoston Financial Corp. and a CVS board member. He says Mr. Ryan has a "sense of not only where his company is going but where the industry is going."

Mr. Ryan still needs to sell investors on the Caremark deal: He is scheduled to hit the road and meet with big shareholders this week. Some Caremark shareholders are grumbling that the purchase price is too low; some wonder if the sale is driven by weakness in Caremark's business. And despite Mr. Ryan's past successes, some investors worry he may be overextending himself and CVS.

The son of a machinist and a homemaker from New Jersey, Mr. Ryan joined CVS in 1974 as an intern when he was a pharmacy major at the University of Rhode Island. A professor recommended he interview at a CVS store in Woonsocket, some 45 miles away from campus. "I didn't know what CVS was or where Woonsocket was," Mr. Ryan says. He borrowed a fraternity brother's tie and got the job. The man who hired him later told him why: He was the only candidate who wore a tie.

CVS's roots go back to Stanley and Sid Goldstein, two Woonsocket brothers who started out supplying health-and-beauty products to retailers. In 1963, in Lowell, Mass., they and a partner, Ralph Hoagland, opened the first "Consumer Value Store" selling these products to the public at a discount -- an operation the retail conglomerate Melville Corp. bought three years later.

By 1996, CVS was the best-performing company in the Melville portfolio, with hundreds of stores. In that year, Melville, led by Stanley Goldstein, then its CEO, sold or spun off everything but the drugstores and renamed the remaining company CVS Corp. Meanwhile, Mr. Ryan, handpicked by Mr. Goldstein to run CVS's pharmacy division when he was only 29, was catapulting up the CVS ranks.

Mr. Goldstein recalls being impressed with Mr. Ryan's "ability to frame issues and keep it simple. ...He had that ability to slough off the superfluous stuff that people throw up as roadblocks." Mr. Goldstein handed the CEO reins to Mr. Ryan in 1998 and retired from the CVS board in May.

CVS under Mr. Ryan has cultivated Rhode Island state officials. Former Rhode Island Gov. Lincoln Almond says he and Mr. Ryan spent hours cajoling state legislators to cough up a total of $23 million in cash for an 8,000-seat, $54 million gym and convocation center at the University of Rhode Island.

"There are some guys who just have a knack," says Mr. Almond. "A lot of it has to do with Tom's personality. He is easygoing and doesn't come across as a guy who knows it all. He talks with you, not down to you." The new facility was christened the "Ryan Center" in 2002 after the CVS chief donated $2 million and CVS gave $3 million.

University of Rhode Island President Robert Carothers recalls how Mr. Ryan visited a hold-out legislator, entering the office and closing the door. "When they came out, [the legislator] was supporting the project," he recalls. "I don't know what he said." Asked about the conversation, Mr. Ryan says he told the legislator, "you are going to see some great basketball games."

CVS's relations with state legislators, however, have embroiled it in an influence-peddling scandal that began after some legislators turned up on CVS's corporate payrolls.

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The scandal, dug up by the Providence Journal, has so far resulted in the resignations of two senators. One senator pleaded guilty last year to federal criminal charges, acknowledging he was paid by CVS as a consultant at the same time he opposed or killed legislation designed to relax insurer limits on customers' choice of pharmacy chains.

At CVS, a senior vice president and a government-affairs official were placed on leave. The fallout hasn't affected CVS earnings, and there are no indications the probe reached Mr. Ryan.

Mr. Ryan's biggest accomplishment has been to change the appearance of CVS stores, highlighting cosmetics and beauty products to make the stores more "female-friendly," says Mr. Ransom, the analyst. Mr. Ryan also introduced "ExtraCare" cards, which CVS says is the first loyalty card -- essentially a frequent-flier program -- for drugstore shoppers.

Also, under Mr. Ryan, new CVS stores are almost all free-standing, with wide aisles and drive-through pharmacy windows. These stores generate higher sales than older stores in cities and malls.

"I've been with him [on golf trips] in Hilton Head where he pops into CVS stores to talk to people," says Paul J. Choquette Jr., a friend and the chairman of Gilbane Inc., a Rhode Island builder. "He's always thinking about how he can move CVS ahead."

Five years ago, Mr. Ryan oversaw an overhaul of computer technology at CVS. When CVS was working on a plan to reduce customer wait times for prescription drugs, Mr. Ryan says he was frustrated that the company couldn't figure out how long customers were actually waiting. With new technology, Mr. Ryan says he can instantly check wait times in any CVS store.

Because CVS was growing into a national chain, even small changes around the margins have a big effect on profits, he says. For instance, CVS now can track whether the location of an item within a store makes it more likely to be stolen. The company can direct store managers to move heavily stolen items to more protected areas.

Mr. Murray, the board member, says Mr. Ryan wisely recognized that technology "was not a natural strength of his," and so he hired a smart team to handle the conversions. "That of course, is the key to a great executive, to understand his own strengths and weaknesses and to shore up when necessary," he says.

Analysts say CVS stores under Mr. Ryan have become hipper than those of its Midwestern rival, Walgreen Co., of Deerfield, Ill. CVS recently held an analysts day at a swank New York hotel, inviting Chistophe, the Beverly Hills hairdresser, to demonstrate hair products.

Regulators Clear Google's YouTube Deal (WSJ)

Wall Street Journal, November 6, 2006

U.S. antitrust regulators cleared Google Inc.'s $1.65 billion purchase of online video-sharing company YouTube Inc., based on a document published Friday.

No other details were available.

A transaction involving Google and YouTube was listed on the Federal Trade Commission's daily publication of transactions whose reviews have been terminated.

Google, Mountain View, Calif., agreed early last month to acquire YouTube, of San Mateo, Calif., from its founders for $1.65 billion in stock. On Tuesday, the FTC approved related transactions between Google and YouTube's co-founders Steve Chen and Chad Hurley, who started the venture in Mr. Hurley's garage last year. Also Tuesday, the Justice Department gave its approval to Google's bid for YouTube.

FBI/DEA/ATF/USMS

Report: Feds Refusing FBI Terror Cases (AP)

By Lara Jakes Jordan

AP, November 5, 2006

WASHINGTON - The Justice Department increasingly has refused to prosecute FBI cases targeting suspected terrorists over the past five years, according to private researchers who reviewed department records.

The government says the findings are inaccurate and "intellectually dishonest."

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The report being released Monday by the Transactional Records Access Clearinghouse at Syracuse University raises questions about the quality of the FBI's investigations.

Prosecutors declined to bring charges in 131 of 150, or 87 percent, of international terrorist case referrals from the FBI between October 2005 and June 2006, according to the report. The study was based on the most recent data available from the Justice Department's executive office for U.S. attorneys.

That number marks the peak of generally steady increases from the 2001 budget year, when prosecutors rejected 33 percent of such cases from the FBI, according to the report.

The data "raise troubling questions about the bureau's investigation of criminal matters involving individuals the government has identified as international terrorists," the report said.

It noted that prosecutions in traditional FBI investigations since 2001 _ including drug cases, white collar crimes and organized crimes _ have decreased while the number of agents and other employees has risen.

"So with more special agents, many more intelligence analysts, and many fewer prosecutions the question must be asked: What is the FBI doing?" the report said.

A Justice Department spokesman disputed the data highlighted by the Syracuse researchers, noting that terrorist hoax cases that were quickly dismissed may have been included in the government data.

Additionally, some cases are referred to prosecutors to obtain subpoenas or other legal orders in investigations that ultimately never result in criminal charges, spokesman Brian Roehrkasse said. He said prosecutors rejected 67 percent of FBI international terrorist cases in the nine-month period _ not 87 percent.

The FBI's assistant director, John Miller, said the low number of cases prosecuted reflects changes in how investigations have been conducted since the Sept. 11 attacks. He said about half of the FBI's resources go to detection and information gathering of terrorist networks in cases that do not always result in arrests.

"It's not about the numbers and for TRAC to suggest as much is to be intellectually dishonest," Miller said.

He added: "The FBI has been very clear about how we have changed the way we do business since 9/11."

TRAC co-director Susan Long said researchers merely relied on the Justice Department's own numbers to come up with the conclusions.

Justice Dept. Disputes Report On Terror Cases (USAT)

By Kevin Johnson

USA Today, November 6, 2006

WASHINGTON — Federal prosecutors rejected 87% of the international terrorism cases brought by the FBI during the first nine months of fiscal year 2006, a Syracuse University analysis concluded.

The review, conducted by the university's Transactional Records Access Clearinghouse (TRAC), found that the number of rejections has been generally increasing since 2001. Prosecutions fell from 118 defendants in fiscal year 2002, to 19 defendants from Oct. 1, 2005, to June 30, the latest data available.

The Justice Department challenged the findings and said the analysis represented an "astonishing misunderstanding" of the inner workings of the federal criminal justice system.

"This report contains inaccurate figures, relies on a faulty assumption that every referral from an investigative agency should result in a criminal prosecution and ignores the reality of how the war on terrorism is being conducted," said Justice Department spokesman Brian Roehrkasse.

In the weeks after the Sept. 11 attacks, the Justice Department announced a dramatic transformation of its mission, from a prosecution-driven institution to an agency that emphasizes prevention and the development of a domestic intelligence system.

Because of the new mission, Roehrkasse said, cases rejected for prosecution don't necessarily close investigations.

"Often, matters are referred to prosecutors to assist in further investigation through the use of criminal investigative tools that require legal process such as a subpoena or surveillance order," he said. Hoax cases that were dismissed may have been included in the government data, too, he said.

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The TRAC report appears to reflect Justice's new mission, but Roehrkasse said the department's rejection rate stands at 67%, not 87%. He added the department has prosecuted 36 international terrorism defendants, nearly double the number reported in the analysis.

Susan Long, one of the report's authors, defended TRAC's analysis of the numbers. The data used in the review were obtained from the Justice Department's Executive Office for U.S. Attorneys.

"The information comes from their files," Long said.

TRAC provides data on federal staffing, spending and enforcement activities to Congress, media and other groups to make the information more accessible to the public.

FBI Willing To Go Undercover In Congress If Necessary (MCT)

By Greg Gordon

McClatchy, November 5, 2006

WASHINGTON - The new chief of the FBI's Criminal Division, which is swamped with public corruption cases, says the bureau is ramping up its ability to catch crooked politicians and might run an undercover sting on Congress.

Assistant FBI Director James Burrus called the bureau's public corruption program "a sleeping giant that we've awoken," and predicted the nation will see continued emphasis in that area "for many, many, many years to come."

So much evidence of wrongdoing is surfacing in the nation's capital that Burrus recently committed to adding a fourth 15- to 20-member public corruption squad to the FBI's Washington field office.

In the past year, former Republican Reps. Duke Cunningham and Bob Ney have pleaded guilty to corruption charges. FBI agents are investigating about a dozen other members of Congress, including as many as three senators. The Justice Department also is expected to begin seeking indictments soon after a massive FBI investigation of the Alaska Legislature.

If conditions warrant, Burrus said, he wouldn't balk at urging an undercover sting like the famed Abscam operation in the late 1970s in which a U.S. senator and six House members agreed on camera to take bribes from FBI agents posing as Arab sheikhs.

"We look for those opportunities a lot," Burrus said, using words rarely heard at the bureau over the last quarter century. "I would do it on Capitol Hill. I would do it in any state legislature. ... If we could do an undercover operation, and it would get me better evidence, I'd do it in a second."

Philip Heymann, who oversaw the Abscam investigation as chief of the Justice Department's Criminal Division during the Carter administration, expressed surprise to learn of the FBI's willingness to attempt another congressional sting after the outcry from Capitol Hill over Abscam.

"It shows courage at the FBI," said Heymann, now a criminal law professor at Harvard University. He said he concluded, after watching a recent public television documentary and listening to experts, that "there is more corruption (on Capitol Hill) than I ever thought imaginable" and that a single FBI sting "might result in very large numbers of prosecutions."

But even without an undercover operation, Heymann and other observers say they have been pleased with the GOP-controlled Justice Department's willingness to pursue old-fashioned investigations, even if they hurt congressional Republicans in Tuesday's elections.

Nationally over the last year, 600 agents worked 2,200 public corruption cases, resulting in 650 arrests, 1,000 indictments and 800 convictions, Burrus said.

FBI Director Robert Mueller, who listed public corruption as his top criminal investigative priority when he shifted the FBI's focus to terrorism in 2002, said last month that the surge in convictions "sends the message that public corruption will not be tolerated." Despite the realignment, the number of agents working on public corruption has remained constant.

Burrus argued that the FBI is "uniquely qualified" to handle such cases, pointing to the bureau's political independence, exemplified by Mueller's 10-year term. Burrus said that Alice Fisher, the politically appointed chief of the Justice Department's Criminal Division with whom he confers weekly, also has "an aggressive attitude" about pursuing public officials.

"Operation Rainmaker," the FBI's broad investigation of a Washington lobbying ring, has already led to a handful of convictions, including Ney's guilty plea last month. The inquiry was one reason for the resignation last year of House Majority

Leader Tom DeLay, R-Texas, who also faces state campaign finance charges. Other investigations seem to be sprouting everywhere.

But Reid Weingarten, a former Abscam prosecutor who now is a high-profile Washington criminal defense lawyer, said he would bet that the flurry of congressional cases has resulted from evidence "falling in their (investigators') laps," rather than a programmed FBI hunt for corruption.

The FBI does appear to be stepping up its use of electronic surveillance and has conducted stings of state politicians. Bureau agents secretly taped Rep. William Jefferson, D-La., before finding $90,000 in his freezer during a raid last May. Cell phones were wiretapped for four months in an investigation of Rep. Curt Weldon, R-Pa., government sources say.

In "Operation Tennessee Waltz," 10 Tennessee state officials, including five current and former legislators, have been prosecuted in a scheme in which hidden cameras whirred as FBI undercover agents offered payoffs in return for help for a dummy company. Burrus said some targeted Tennessee legislators were moving so quickly that "we were actually having to discuss how we were going to slow it down" so that bills aiding the phony firm didn't become law.

A separate undercover inquiry led to the indictment of three members of San Diego's city council.

In Alaska, the FBI has more than doubled its manpower in a sweeping investigation of allegations that an oil industry services company bribed state legislators, people familiar with the inquiry said. On Aug. 31 and Sept. 1, the FBI conducted two dozen raids and searched the office of state Sen. Ben Stevens, son of U.S. Sen. Ted Stevens, R-Alaska.

Burrus declined to discuss any investigation, but said the FBI will focus on more state capitals over the next year, "because we have seen a trend in cases that leads us to believe there's more out there."

When he arrived as deputy chief of the criminal division in 2004, he said, field offices frequently told him they had "no idea" how to pursue public corruption leads. Since then, he said, agents in about 30 of the bureau's 56 field offices have been trained. FBI agents in Washington have studied congressional activities that might invite bribes, such as hard-to-trace "earmarks" in which members appropriate money for pet projects, often keeping their involvement off the public record.

"Public corruption cases have to be fished out," he said, noting that crooked politicians tend to do secret deals with one other person and often try to disguise their actions as "for the public's good."

Controversial new legal theories are also helping prosecutors bring cases in which they can't prove outright briberies. A vaguely written, 28-word 1988 law, for example, makes it a fraud for a politician to deprive taxpayers of his "honest services." It was among the charges lodged against Cunningham, Ney, former lobbyist Jack Abramoff and the San Diego councilmen.

Burrus said the FBI has to prove "that this person engaged in the activities specifically to receive this stream of benefits and knew that stream of benefits would stop if he did not support these particular projects."

Probe Hits Jefferson In Wallet (NOTP)

By Bill Walsh, Staff Writer

New Orleans Times-Picayune, November 6, 2006

Campaign support appears to dwindle

The federal bribery probe targeting U.S. Rep. William Jefferson is issue No. 1 in the race to unseat him, but it has also played a powerful role behind the scenes as the eight-term Democrat has struggled mightily to raise enough money to keep his re-election campaign afloat.

Though he has not been charged, revelations that the FBI found $90,000 stashed in Jefferson's freezer in August 2005 have earned him the cold shoulder from many once-loyal donors, the majority of whom have migrated to the campaign of state Rep. Karen Carter, also a Democrat, who has become the favorite of the political establishment.

Jefferson paid perhaps an even larger price when his fellow House Democrats voted in June to eject him from the influential Ways & Means Committee, whose jurisdiction over taxes and trade makes it a financial magnet for corporations and trade unions seeking to influence legislation.

Records show that dozens of political action committees donated to his campaign after the FBI raid. After he was thrown off Ways & Means, however, they abandoned him.

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"Political action committees will continue to support an incumbent as long as he is in a position of authority," said Craig Holman of the nonprofit watchdog group Public Citizen. "As soon as he loses his authority, they funnel their money somewhere else."

Fundraising falters

Almost unheard of for an incumbent, Jefferson has trailed two of his challengers -- Carter and Derrick Shepherd -- in fundraising since they jumped into the race in the summer. Jefferson's $151,375 haul between July 23 and Sept. 30 was eclipsed by Carter's $327,162 and Shepherd's $199,900.

A fourth major Democratic candidate, Troy Carter, has raised just $79,900 for the entire campaign. Republican Joe Lavigne, who has been in the race the longest, raised money early on at an impressive clip, but the pace slowed as prominent Republican benefactors -- such as developer Joe Canizaro, shipbuilder Boysie Bollinger and funeral industry executive Frank Stewart -- lined up behind Karen Carter.

A review of Jefferson's campaign finance reports show that those who have stuck with him financially are members of his family, long-time friends and business associates, a few fellow members of the Congressional Black Caucus and a smattering of sympathetic businesses and unions.

Among the loyal are: state Sen. Cleo Fields, a former U.S. representative and gubernatorial candidate; former Jefferson law partner Trevor Bryan; New Orleans attorney Robert Harvey; Liberty Bank President Alden McDonald; U.S. Rep. Mel Watt, D-N.C.; janitorial company owner Burnell Moliere; Jefferson's pastor and influential African-American leader Bishop Paul Morton; former state Sen. Sammy Nunez; technology company owner Bobby Savoie; and engineering company President George Kleinpeter.

"He's been a good friend for a long time," said Kleinpeter, president of Burk-Kleinpeter Inc. Asked about the federal probe, Kleinpeter said, "I'm not judge and jury on those kinds of things," before abruptly ending the call.

Several other Jefferson donors declined to be interviewed or return phone calls for comment.

Long-time donors vanish

Jefferson campaign finance reports are littered with names of long-time donors who pulled up stakes in the face of the federal probe, which has focused on Jefferson's efforts to help U.S. businesses land contracts in West Africa. Even worse for the embattled congressman, those once-reliable donors have tended to ally themselves with his leading opponent, Karen Carter. Among those who switched were construction company President Robert Boh; restaurateur Ralph Brennan; import-export company owner John Georges; New Orleans lawyer Allan Kanner; and former Louisiana Sen. J. Bennett Johnston, a former Jefferson colleague in the Louisiana congressional delegation.

Johnston and former Sen. John Breaux, D-La., both longtime Jefferson backers, threw their support to Karen Carter late in the summer. Both have raised money for her and introduced her around Washington.

"We stayed with him as long as we reasonably could," said Hunter Johnston, the senator's son and a lobbyist. "Our relationship with Jeff goes way back. But he has not left any of his friends with any reasonable, plausible explanation of what's going on. New Orleans can't afford to be represented by someone whose reputation and effectiveness is so diminished."

PAC support dwindles

Dozens of corporate and labor union political action committees have evidently come to the same conclusion about Jefferson's clout on Capitol Hill. Businesses and labor groups such as Wal-Mart, Pfizer, Microsoft, Harrah's Entertainment, Entergy, BellSouth, Northrop Grumman, the Association of Trial Lawyers of America and associations of accountants and anesthesiologists gave generously to Jefferson after the Aug. 4, 2005, raid on his home by the FBI.

Despite the bad publicity, Jefferson raked in $53,750 in PAC contributions between Jan. 1 and June 15, the day the Democrats voted him off the Ways & Means Committee, records show. Since then, however, PAC giving to Jefferson has plummeted to $11,000, according to campaign finance reports.

Arguably the most loyal PAC has been the American Federation of Teachers, which donated $5,000 after the FBI raid and another $5,000 after his ejection from the committee.

"I'm not the one who could give you a comment on that," said union spokesman George Jackson. "I imagine it would be because he consistently votes in our favor on issues. I don't believe he has been formally indicted, has he?"

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Although records show Karen Carter has been the main beneficiary of one-time Jefferson donors, Shepherd has lifted himself into the upper tier of candidates in the 13-candidate field with some aggressive fundraising of his own. His political base is the West Bank, but he has received contributions from throughout the 2nd Congressional District, which stretches from Jefferson Parish nearly to the Mississippi state line.

Shepherd, who is African -- American, also has received financial support from some prominent white donors such as architectural company owner William Sizeler, lawyer Kenneth Pickering and Audubon Institute CEO Ron Forman. Lawyers and developers were among his top contributors, according to the campaign finance Web site PoliticalMoneyLine.

Troy Carter has struggled to raise money. He has banked some contributions from business owners in the French Quarter, whom he used to represent on the City Council. But he also appears to be carrying a $122,129 debt stemming from his failed mayoral bid in 2002.

Tuesday's election is all but certain to prompt a December runoff between the top two vote-getters. But with the field still unpredictable, some donors are hedging their bets. Campaign finance records show that Kleinpeter, the engineering company president, gave $1,000 to Jefferson's re-election campaign on Sept. 25. He contributed $1,000 to Karen Carter, records show, the next day.

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Bill Walsh may be reached at bill.walsh@newhouse.com and (202) 383-7817.

2 Prison Guards Found Guilty (ORS/AP)

By Bill Kaczor, The Associated Press

The Orlando Sentinel, November 4, 2006

Tallahassee officers were convicted in a sex-for-contraband scheme.

TALLAHASSEE -- A jury found a male prison guard guilty of bribery and another guilty of witness tampering Friday in a sex-for-contraband scheme that ended with a deadly shootout at a federal prison for women.

A U.S. District Court jury convicted Gregory Dixon of three counts of bribery and Alan Moore of witness tampering. The jury also found both guilty of conspiracy to accept illegal gratuities after deliberating nearly eight hours. Moore also was convicted of accepting an illegal gratuity.

"Any prosecution is trying to send a message," Assistant U.S. Attorney Alan Sprowls said after the verdict.

Defense lawyer Robert Harper said he didn't think it would be the right kind of message, though.

"This case to me sends a dangerous message to every male correctional officer at every female correctional institution," Harper said.

Three other guards previously had pleaded guilty to conspiracy charges. A sixth guard, Ralph Hill, was killed in the June 21 gunfight that he started at Tallahassee Correctional Institution when federal agents came to arrest them, officials said.

Justice Department special agent William "Buddy" Sentner also was killed, and a prison officer assisting in the arrests was wounded.

Judge Robert Hinkle set sentencing for Jan. 10. Dixon could face up to 47 years in prison, while Moore faces 14 years. Hinkle threw out the most serious charges of conspiracy to commit extortion and mail fraud, citing insufficient evidence, and the jury acquitted both men of conspiracy to commit bribery.

Neither defendant showed emotion when the verdicts were read as they sat at the defense table with their lawyers. Neither would comment.

Harper, who represents Moore, said post-conviction motions are pending or will be filed with Hinkle to seek reversal of the convictions. Dixon's lawyer, Thomas Findley, said his client would appeal at the appropriate time.

More than a dozen current and former inmates, some in prison uniforms and chains, testified against the two guards during the weeklong trial. Some said they traded sex for such commonplace items as cigarettes, cigars, gum and cosmetics. None claimed to receive drugs or alcohol.

Others said they acted as lookouts or paid guards for contraband.

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Davis argued there was an unwritten, sometimes unspoken, understanding among guards and inmates that sex and money could be swapped for contraband.

"They lived in an environment where rumor abounded," Davis said.

FBI May Use Billboards In Art Hunt (BOS)

By Shelley Murphy, Globe Staff

The Boston Globe, November 6, 2006

Agency seeks leads in Gardner theft

The FBI is considering a billboard campaign as part of its international hunt for $300 million worth of artwork that was stolen from the Isabella Stewart Gardner Museum in Boston in 1990 by thieves who masqueraded as police officers to get inside, according to the agency

"We are evaluating investigative techniques designed to solicit information from the public regarding the investigation, including the use of billboards," said Thomas Larned, an assistant special agent-in-charge of the FBI's Boston office.

The Financial Times of London reported on Oct. 21 that Eric Ives, head of the FBI's major theft unit in Washington, said the FBI planned to appeal for the public's help on billboards posted throughout the United States, and possibly overseas, sometime next year. Ives could not be reached for comment yesterday.

Larned said that using billboards as part of a publicity campaign was under consideration, "however we have no imminent plans."

The stolen artwork includes a Vermeer; three Rembrandts, including his only seascape; five Degas drawings; and a Manet.

Cathy Deely, a spokeswoman for the museum, declined to comment on the ongoing investigation or the possibility of a billboard campaign. But she said that "we are optimistic that they will be returned."

Julian Radcliffe -- chairman of the Art Loss Register in London, which is the world's largest database of stolen art and antiques dedicated to their recovery -- said he had never heard of billboards being used to help locate stolen pieces. But he added that law enforcement officials frequently advertise in art trade magazines.

"The people who might know about the paintings will tend to be criminals or near-criminals, and clearly the FBI has been working on those sorts of people in the past without a great deal of success," Radcliffe said. "So making a more general appeal may be necessary to widening the net, but I think the chances of it attracting somebody who knows where the pictures are is probably not very high."

FBI Leader In Boston Gets Post In D.C. (BOS)

By Shelley Murphy, Globe Staff

The Boston Globe, November 6, 2006

The agent who has run the FBI's Boston office for the past 3 1/2 years was promoted yesterday to a high-profile post at the agency's headquarters in Washington, D.C.

Kenneth W. Kaiser said it was an honor to be chosen to serve as assistant director of the Inspection Division, which evaluates and audits the work of the FBI's field offices, conducts internal investigations of alleged misconduct by bureau employees, and investigates shootings by FBI agents.

It will be a bittersweet departure for Kaiser, who said yesterday that he regrets being unable to capture fugitive gangster James "Whitey" Bulger while serving as special agent in charge of the FBI's Boston office since March 2003.

But Kaiser, 50, said he believes that he has left the once-beleaguered office in better shape than he found it by repairing the FBI's relationship with other law enforcement agencies after it had been badly frayed by corrupt agents who protected Bulger from prosecution and helped him slip away just before his 1995 indictment.

"I really think that in the last 3 1/2 years we've changed the perception of what the FBI in Boston is all about," Kaiser said in a telephone interview from Washington. "I think the perception now is that the FBI is a team player . . . that we really are looking for Whitey Bulger, and that the Boston office isn't a corrupt office."

Kaiser said his advice to his successor will be to continue to devote a team of full-time agents and analysts to the hunt for Bulger, a longtime FBI informant wanted in the slayings of 19 people.

"I didn't even know who Whitey Bulger was really when I came here," he said. "Once you realize how important he is to the office and the community, it's important for the credibility of the FBI to continue to look for him very aggressively."

The FBI has launched a number of high-profile cases during Kaiser's tenure, including a probe into corruption on the Big Dig project, an operation that led to the indictment of three Boston police officers on drug-trafficking charges, and the indictment of Abdullah Khadr, a Canadian national and alleged Al Qaeda operative charged with conspiring to kill Americans overseas.

After Hurricane Katrina, Kaiser was deployed to Louisiana as commander of FBI Technical and Emergency Operations, coordinating the bureau's SWAT operations for high-risk arrests, rescues, and other federal operations.

He also oversaw security at the Super Bowl last year in Florida. .

Kaiser said he was on a temporary special assignment in Washington yesterday when he was notified by FBI Director Robert S. Mueller III that his promotion had been approved by Attorney General Alberto R. Gonzales. Kaiser is scheduled to return to Boston next month. It's unclear when he will start his new job.

Sharon Ormsby, an assistant special agent is in charge of the Boston office while Kaiser is away, but a permanent replacement has yet to be named.

An Illinois native and son of an FBI agent, Kaiser joined the FBI in May 1982 after four years as a diplomatic security agent for the US State Department.

He has held a number of positions with the agency, working in the Inspection Division in Washington, serving as second in command of the Indianapolis office and as a member of the counter-terrorism unit, where he helped plan security for the Olympic Games in Barcelona and Atlanta. Before coming to Boston, he was head of the New Orleans office.

He arrived in Boston a year after retired FBI agent John J. Connolly Jr. was convicted of racketeering for protecting longtime FBI informants Bulger and Stephen "The Rifleman" Flemmi from prosecution and warning Bulger to flee in advance of his federal indictment. Bulger was and still is one of the FBI's 10 Most Wanted.

Congressional hearings into the FBI's mishandling of Bulger and Flemmi were underway. And there were two separate manhunts for Bulger, with the FBI leading one task force and Massachusetts State Police and the Drug Enforcement Administration spearheading the other.

When Kaiser arrived "he had no idea how deep the rift was, but he absolutely reached out," said Thomas G. Robbins, who retired as superintendent of the Massachusetts State Police in June. "He did a lot of repair work."

While bitterness remains in some law enforcement quarters over the Bulger scandal, Robbins credited Kaiser with getting the FBI and State Police working together on the Bulger case.

US Attorney Michael J. Sullivan, who left Boston in August to serve as acting director of the federal Bureau of Alcohol, Tobacco, Firearms and Explosives, said, "From the first day he arrived, he's really been a team builder, looking for opportunities to make sure everybody felt included." Sullivan credited him with forging partnerships with other agencies.

During Kaiser's tenure, the number of FBI joint task forces in Boston has grown from five to 21.

"I think what I do is play well in the sandbox with everybody," Kaiser said. "We continue to do what we need to do to move forward. . . . I tried to leave the place in a better position than when I got there and I think maybe I have."

Sullivan said yesterday that he has been assured by Washington officials that the commitment to finding Bulger will continue. "We all want the same thing, and that's for him to be captured," he said.

Shooting Victim Was Undercover (WT)

By Jim Mcelhatton

The Washington Times, November 6, 2006

An Alexandria woman fatally shot last month in what police are calling a targeted hit worked undercover and cooperated with the FBI in violent-crime and drug cases up and down the East Coast, previously sealed records show.

Restaurant owner Bethlehem Ayele, 34, assisted in a homicide investigation in Connecticut, arranged an FBI sting in Florida and testified against drug dealers in the District.

Miss Ayele, 34, was fatally shot Oct. 25 in Alexandria while waiting at a stoplight at Mount Vernon and Commonwealth avenues in the city's Del Ray section.

The shooting prompted immediate speculation about whether Miss Ayele's death was tied to her testimony against members of the so-called Murder Inc. drug gang in the District.

But previously sealed court records show Miss Ayele also provided valuable help in several other felony cases over the years. Police say they are looking into whether her cooperation in other cases played a role in the shooting.

"Detectives still believe she was targeted, but they have not determined exactly why," Amy Bertsch, a spokeswoman for the Alexandria Police Department, said yesterday.

"The detectives are aware of all of those aspects," Miss Bertsch said. "They just don't know if they're connected to her murder. It's certainly something they're investigating."

According to unsealed records in federal court in the District, Miss Ayele debriefed detectives in a double homicide in Connecticut.

In Florida, she worked with the FBI to set up a cocaine buy between a drug dealer and an undercover FBI agent.

She cooperated in the investigation of a drug ring in the District. She testified publicly in the 2003 and 2004 Murder Inc. trial, linking two men to the conspiracy. Various members of the gang were convicted in 31 separate murders.

Miss Ayele's cooperation began after her arrest by U.S. Park Police in April 2000, when she was stopped for a traffic violation and officers found $20,000 in cash, drugs and a handgun in her van, according to court records.

She pleaded guilty to conspiracy in December 2000, agreeing to cooperate and forfeit more than $200,000 in seized cash, two cars and jewelry.

According to court records, there was concern about Miss Ayele's safety as a cooperating witness during her case.

In 2001, a federal magistrate judge ruled that her case should be kept off the public docket, writing that "her cooperation, due to the nature of the case, places the personal safety of the defendant and the officers and agents working with her at substantial risk."

A provision in her plea deal stated that the U.S. attorney's office in the District would back her entrance into the federal witness protection program.

It is not clear whether Miss Ayele ever opted to go into the program. Federal authorities and Miss Ayele's attorney declined to comment for this story.

When she was killed, Miss Ayele was working as a real estate agent in Alexandria. She also ran the Ohio Restaurant on H Street in Northeast. The restaurant remains closed, and family members could not be reached for comment.

According to court records, Miss Ayele was held without bond after her arrest. She was released into the custody of an FBI special agent to help in undercover investigations, including cases in Florida and Georgia.

California 'Pot Docs' Put Selves At Risk (USAT/AP)

By Lisa Leff, Associated Press

USA Today, November 6, 2006

COOL, Calif. — Mollie Fry, a doctor, never thought telling her patients where to get the medicine she recommended for pain, depression and nausea would be a problem.

Federal drug agents who raided her home and office thought otherwise, and she was indicted last year on felony charges of conspiring to distribute marijuana.

"I assumed the fact that I had 'M.D.' at the end of my name gave me the right to make judgments about people's health," said Fry, who estimates she has issued thousands of cannabis recommendations since setting up her thriving practice northeast of Sacramento in 1999.

Since California passed the nation's first medical marijuana law a decade ago, a provision requiring written doctor approval to grow and buy pot has created conflict between the state mandate and federal drug laws, and strained the doctor-patient relationship.

Until the stalemate is resolved, doctors recommending marijuana do it with trepidation and a good deal of risk.

Medical marijuana advocates estimate that 1,500 doctors, mostly oncologists and AIDS specialists, have authorized pot for at least one patient. But most recommendations have come from about 15 self-appointed specialists, the so-called "pot docs,"

who charge $150 and up to walk what the California Medical Association calls "a gray area between the clearly permissible and clearly impermissible categories of action."

Following complaints by local law enforcement, nearly all have been investigated by the state board that licenses and disciplines physicians. Four had devoted their practices to acting as medical marijuana consultants and ultimately were sanctioned, ranging from the public rebuke that Fry got to having their licenses suspended.

California's medical marijuana law, also known as Proposition 215, named a host of ailments for which marijuana might prove helpful in easing symptoms: cancer, anorexia, AIDS, glaucoma, arthritis, migraine.

Unlike medical marijuana laws enacted in 10 other states, California's also gave doctors discretion to certify patients with "any other illness for which marijuana provides relief," leaving open the possibility that recommendations could be made to people who did not need them.

David Thornton, executive director of the California Medical Board, said that until the board issued guidelines two years ago outlining what constituted "accepted medical standards," physicians pretty much had to figure it out on their own. Most concluded it was not worth the risk.

Although a federal appeals court ruled four years ago that the U.S. Drug Enforcement Administration cannot go after doctors merely because they recommend marijuana to patients, the state medical board's guidelines make it clear the ruling did not amount to immunity either from prosecution or disciplinary proceedings.

The board advises doctors that relying on a patient's word instead of prior medical records to determine whether a marijuana recommendation is appropriate could constitute medical negligence. Failing to conduct an independent exam or to consider whether another drug would be as effective could lead to charges of unprofessional conduct.

The California Medical Association is even more explicit, warning doctors never to tell patients where to get pot and urging them to remind patients of possible side effects. Discussing dosages with patients, opining on whether they should smoke or eat marijuana, and signing a form that enables patients to obtain a state-issued medical marijuana ID card also are steps the medical association cautions could lead to them being sanctioned.

Frank Lucido, a Berkeley physician who devotes about 30% of his practice to working with medical marijuana patients, said he abides by those recommendations, but thinks pot docs are being held to higher standards than doctors who prescribe lots of Viagra, prescription painkillers and other abused medications. Doctors who prescribe sleeping pills for patients who complain of insomnia, Lucido noted, are not at risk of being called quacks if they don't do a hands-on exam or develop a long-term treatment plan.

Fry, 50, who is awaiting trial, continues signing recommendation forms for patients who come to see her from throughout the state. She no longer sells her patients starter plants, but freely tells them about what she sees as the spiritual, emotional and economic benefits of growing their own pot.

"What did I take an oath to do? To do no harm and to alleviate pain and suffering," Fry said. "I'm going to be true to my oath, and I'm even willing to go to prison for it."

Carlyle-Clarke Pleads Guilty To Drug Conspiracy (MR)

By Brendan Kirby, Staff Reporter

Mobile Press-Register (AL), November 6, 2006

Aristocrat admits responsibility for 15,000 pounds of marijuana

A British aristocrat who fought extradition to the United States for the better part of a decade stood in handcuffs and leg shackles Friday before a federal judge in Mobile to admit his guilt in a massive drug conspiracy.

Giles Richard Carlyle-Clarke, who traces his family roots in England to 1066, pleaded guilty to one count of conspiracy to possess with intent to distribute marijuana. He admitted responsibility for 15,000 pounds of marijuana that came into the country by way of Baldwin County and St. Petersburg, Fla.

Prosecutors hailed the plea as the latest victory in an investigation that dates to the 1980s and has resulted in more than 70 indictments and 65 convictions.

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"It was a significant case to our office and I think to the DEA (Drug Enforcement Administration)," Assistant U.S. Attorney Gloria Bedwell said.

And the investigation still is not over, Bedwell said. The government continues to search for about five fugitives who investigators believe are hiding in foreign countries.

Carlyle-Clarke's plea agreement contains a standard provision allowing him the chance to cut his sentence if he provides information helpful to the investigation. Bedwell said she does not know if Carlyle-Clarke has kept in touch with any co-conspirators or has any other useful information.

If sentenced to the low end of advisory sentencing guidelines, Carlyle-Clarke would serve a prison term of 12 years and seven months. Prosecutors have agreed to support Carlye-Clarke if he seeks to serve that time in his home country.

Defense attorney Jeff Deen said after Friday's hearing that his client had no criminal record before or after his involvement with the Jamaican marijuana operation.

"This is all things that happened a long time ago when he was a much younger man," Deen said. "He's just trying to atone for his misdeeds."

Carlyle-Clarke, 49, admitted in his written plea agreement that he has was recruited by a friend, Robert Delisser, to participate in a Jamaica-based drug running operation. Delisser, who remains at large, suggested Michael Beauchemin hire Carlyle-Clarke, the plea agreement states.

Carlyle-Clarke transported about 200 pounds of marijuana on his sailboat, the Can-Can, from the Caribbean island nation to St. Petersburg in 1986.

The following year, Carlyle-Clarke captained Beauchemin's vessel, which contained a larger load, some 7,000 to 8,000 pounds of marijuana. He received $500,000, according to law enforcement investigators.

In early 1988, Beauchemin returned to Jamaica and arranged for another 8,000-pound load to be smuggled into the country, this time through Baldwin County. All of the marijuana was stored in a rented house in Baldwin County. The high-quality marijuana from that shipment eventually was sold, while the lower-quality marijuana was moved to a farmhouse on Baldwin County 97.

Carlyle-Clarke traveled to Baldwin County on Delisser's behalf and inspected the drugs stored at that farmhouse, according to the facts laid out in the plea agreement.

The Alabama Marine Police launched the investigation in May 1988 after receiving reports of people unloading a sailboat moored in the area of Roberts Bayou in south Baldwin County. The Marine Police turned the matter over to the DEA, which got a search warrant for a house in Elberta and the sailboat. Agents found thousands of pounds of marijuana and hundreds of pounds of hashish oil stored in a pier house on the property and uncovered evidence of the intricate distribution network.

Evidence seized included a videotape detailing the construction of the sailboat, which had a double hull with a large secret storage compartment in between. The four people arrested on the property led investigators to other conspirators, who in turn gave up others.

A federal grand jury in Mobile indicted Carlyle-Clarke in 1992. British authorities arrested him in January 1998 but allowed him to remain free at his family's 1,200-acre ancestral estate in England while he fought extradition to the United States. By July, he finally had exhausted his appeals and turned himself in to federal marshals at London's Heathrow Airport.

S. Texas Law Enforcement Seeks Drug Incinerator (HC/AP)

By Lynn Brezosky, Associated Press

Houston Chronicle, November 6, 2006

McAllen chief says nearby facility would cut costly trips to Dallas to destroy contraband

MCALLEN — Asked recently what Texas could do to help a border police department like McAllen's, Chief Victor Rodriguez had a ready answer: Give us a nearby place to burn seized drugs.

He then outlined a situation that stunned members of the state Senate Criminal Justice Committee holding a field hearing in the Rio Grande Valley.

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In a region that is a gateway for drugs coming from Latin America and bound for cities throughout the United States, destroying drugs means sending a caravan of vehicles and officers on a two-day trip costing $8,000 to $10,000.

For McAllen, in particular, it means unloading tons of contraband from the 8-foot by 40-foot evidence bunker and into a rented moving van, which is then driven to a privately run incinerator near Dallas.

It's a journey nearly the length of Texas, and a task that requires seven or eight officers. There's got to be backup vehicles, officers to guard the drugs and, yes, each other. In recent years local police chiefs as well as U.S. Customs and Border Patrol agents have been prosecuted for bribery for helping drug traffickers get loads north.

Labor regulations require an overnight stop after such a long drive, adding lodging on top of overtime costs. Then there's the bill for the actual burn — calculated at about 40 cents to 50 cents per pound for several thousand pounds. It's a trip that's repeated several times a year.

"The border, it is an international front; it does yield for us down here large seizures of contraband," Rodriguez said. "Not only are we saddled with the border geographically, above and beyond that we have to pay to destroy this stuff, and it can get expensive."

Webb County Sheriff's Department Capt. Ted Garcia agreed. The county's evidence room has filled rapidly in recent months from a spree of cocaine seizures, he said, meaning another costly trip to Dallas is imminent.

"You would think they would have one closer," he said.

3 private operators in stateThere are three main facilities in Texas for incinerating drugs, state Department of Public Safety spokeswoman Tela Mange said, and all are privately operated.

For security reasons, she asked that they not be identified by name. Besides Dallas, one is in El Paso, and the other is in the northeastern corner of the state near Louisiana.

The El Paso facility is accessible to police along the state's far western border with Mexico. But for Laredo and cities in the lower Rio Grande Valley it's about as distant as Dallas or Louisiana.

"You have to go by whatever TCEQ regulations are, so that can get kind of complicated and expensive," Mange said. "When you've got about a million pounds, it can add up."

The Texas Commission on Environmental Quality requires incinerators for illegal drugs be dual chamber, burn at minimum temperatures of 1,400 degrees Fahrenheit and have stacks stretching at least six feet above any structure within 150 feet.

Cocaine, opiate and methamphetamine burns are limited to 10 pounds in an eight-hour period, marijuana to no more than 500 pounds an hour. Only specific fuels can be used — sweet natural gas, liquid petroleum gas, electric power or fuel oil with less than one-half percent sulfur by weight.

U.S. Customs and Protection routinely makes seizures of a ton or more along the border, with Border Patrol agents frequently coming upon bales of marijuana or cocaine unloaded on the banks of the Rio Grande or into dump trucks or other vehicles.

Exploring optionsThe federal Drug Enforcement Administration keeps tallies on federal seizures as well as larger ones by local police departments. During fiscal 2005, 1,077 tons of marijuana, 26 tons of cocaine, 715 pounds of heroin and 3.2 tons of methamphetamine were seized along the southwest border.

Evidence must be kept until a trafficker is convicted, and when it comes time to destroy the drugs the federal government also faces a challenge.

"For obvious reasons of security and safety, we can't reveal where we burn or destroy our evidence, but it is a concern for us in terms of the costliness of it," Houston-based DEA spokesman Ray D'Alessio said. "We're exploring different options right now."

It would cost at least $5 million to build a new drug incinerator, according to one estimate.

State Sen. John Whitmire, the Houston Democrat who chairs the Senate Criminal Justice Committee, said he was astonished by Rodriguez's testimony. "I promise you we'll fix this," he said at the Aug. 30 field hearing at McAllen City Hall.

Whitmire aide Larance Coleman said research into the logistics of a local facility is just beginning. "We haven't ever really looked into this before," he said.

Guilty Plea In Murder For Hire Case (HC)

By Brian Rogers

Houston Chronicle, November 6, 2006

DEA agent's ex-wife receives deferred sentence

A Houston U.S. Drug Enforcement Administration agent's ex-wife pleaded guilty Friday to trying to hire someone to kill him.

Pamela Bishop, 38, got deferred adjudication for solicitation of capital murder of Donald Noell Bishop. The conviction will be dropped from her criminal record if she stays out of trouble the next six years.

Bishop, who had been held in jail in lieu of $500,000 bail since her arrest in early October, will pay a $500 fine and do 300 hours of community service.

Except for saying the incident stemmed from an acrimonious divorce, her attorney, Jay Dedrick, declined to comment on the circumstances surrounding the charge because the couple are still in a custody fight for their children, a 13-year-old boy and a 6-year-old girl.

Prosecutor Kelly Siegler said the plea bargain was unusual, but it's what Bishop's ex-husband wanted.

"He's a stand-up guy," Siegler said. "And that's what he wanted, so that's what we decided to do."

Siegler said authorities were notified when one of the men Bishop asked to kill her ex-husband developed a conscience.

"She was talking to one of the would-be killers and he told the DEA," Siegler said. She said the agency contacted the Harris County Sheriff's Office to investigate and make the arrest.

She also said Bishop would not be allowed to contact her ex-husband or her children except through the supervised visits as a condition of the plea agreement.

IMMIGRATION

Texas Starts Internet Border Watch (AP)

The Wall Street Journal, November 4, 2006

AUSTIN, Texas -- Texas launched its ambitious effort to use Internet users to watch the border for illegal immigrants. But the network of surveillance cameras was plagued by technical problems, the images were grainy and the cameras were placed so high that it was hard to distinguish a person from, say, a bush.

Republican Gov. Rick Perry, who announced plans over the summer to spend $5 million on the virtual posse, asked for "forgiveness on the front end of this," but dismissed the problems as routine computer glitches.

"I'm sure that as you start a big program like this that you will have some glitches," Mr. Perry, who is up for re-election, said Friday in Brownsville. "My wife's computer is not working this morning."

The cameras will operate at criminal hotspots. Members of the public who see something suspicious over the Web cameras can e-mail authorities.

However, the Web site doesn't work on some Internet browsers. The images were grainy and it was difficult to tell whether, say, a group of people on the screen was a family crossing a crowded parking lot or a band of smugglers with their human cargo. The view from one camera on the Rio Grande was largely obscured by a bush. In another, all that was visible was the license plates on passing cars.

When he announced the program in June, Mr. Perry said the images would be available online in a month. While the first cameras were installed within a month, and law enforcement officers have been watching them since then, the public Web site was not up and running until late Thursday.

Perry spokeswoman Kathy Walt said that it proved more difficult than expected to get the public site running and that the launch so close to the election was a coincidence. Law enforcement officials have access to footage from about 15 cameras, Ms. Walt said, but only eight appear on the Web site.

Ms. Walt said authorities have been trying to work out technical issues, such as the proper distance and how to achieve good picture quality. Since much of the border is undeveloped land, the designers of the system also had to figure out how to use batteries or solar power and how to transmit by wireless signal.

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Six companies have donated their time and camera equipment, Walt said. The state paid a seventh company $100,000 to create and run the Web site. Within a few days, the state plans to ask companies to submit proposals to install dozens of additional cameras.

Some civil rights groups have criticized the virtual border watch plan, saying it will instill fear in border communities and could lead to fraudulent crime reports and racial profiling.

Web Cameras Will Focus Eyes Of Texas On Border (FWST)

By Patrick Mcgee

The Fort Worth Star-Telegram, November 4, 2006

Live images from cameras set up along the Mexican border became available for the first time Thursday, in the hope that alert residents can help fight crime and illegal crossings into Texas.

People can visit a Web site, www.texasborderwatch.com, where they can view selected areas and report suspicious activity by clicking an online button.

Gov. Rick Perry's office has installed 15 cameras since June, and seven of them are being tested on the Web site.

But many of the Internet links were not working Friday, and some that did work didn't include the promised online button to click to report suspicious activity.

Gov. Rick Perry's spokeswoman, Kathy Walt, said Friday that cameras may have been down for temporary adjustments and that the Web site is still a "test site."

"The intent, particularly with the public Web site, is to model the successful neighborhood watch programs we have had for years," she said. "The idea is, the more eyes you have monitoring, the more success you will have in reducing crime."

Perry, who is running for re-election, has featured increased efforts to secure the border in some of his campaign ads for Tuesday's election.

The Border Patrol has cameras in every sector of Texas' border with Mexico, said Mike Friel, spokesman for U.S. Customs and Border Protection.

He said the cameras work in daylight or at night and can be rotated 180 degrees by the Border Patrol agents or National Guardsmen who use them.

Several of the cameras' feeds appear in different formats.

The cameras were installed free by companies that hope to win contracts when the governor installs more, Walt said. Perry wants to have 70 to 100 cameras on the border eventually, she said.

Clicking the online button to report suspicious activity will alert officials in the operations center in Austin.

They will then notify local law enforcement officials, who can notify the Border Patrol if necessary, she said.

Rogelio Nuñez, director of Proyecto Libertad, an immigrant rights organization based in the border town of Harlingen, said the state cameras are a terrible idea.

"It's just a total misuse of money," he said.

"This is just another ploy of the Republican Party to again appeal to some sentiment out there in the community that there is this relationship with immigration and terrorism," Nuñez said.

He expressed skepticism about the cameras being used to reduce crime.

"There's high areas of crime in urban areas like Houston and Dallas. Why are we singling out the border?" he asked.

Zapata County Sheriff Sigifredo Gonzalez said he thinks the cameras can only help.

"Anything that would help us in law enforcement would be appreciated," said Gonzalez, who is chairman of the Texas Border Sheriffs Association.

"If citizens can do it for us, great. We can always use volunteers," he said.

Del Rio Police Chief Waylon Bullard said the cameras could be helpful, especially if they are well-placed.

"We're hoping that some of them will be installed in the city or close to the city," he said. "We don't have anyone that's set up to monitor them full time, so the citizens [watching online] will be a great help," he said.

Steve Taylor, editor of the Rio Grande Guardian, an online newsletter about Texas' border with Mexico, said he doesn't think many border-area residents will log onto the Web site because many have no computers and no interest in reporting illegal immigrants.

"Because of the families' ties on both sides of the border, there's a lot of sympathy" for immigrants, he said.

"There's probably more tolerance here than in other parts of the state."

A closely watched immigration fight (USNEWS)

U.S. News and World Report, November 5, 2006

A Closely Watched Immigration Fight

The country's immigration battle took another turn last week when a federal judge blocked two landmark immigration ordinances in Hazleton, Pa., from being enforced just hours before they were to go into effect. The measures, now on hold until November 14, would have allowed city officials to fine landlords housing illegal immigrants and deny business permits to companies that hire them. Judge James Munley said enforcement would cause "irreparable harm" to businesses catering to Hispanics. His decision was in response to a suit filed by Hispanic groups and the American Civil Liberties Union.

The case is being watched, because towns like Valley Park, Mo., and Riverside, N.J., have copycat measures in place; others have considered them. Hazleton was the first city to try a landlord-fine approach, which supporters hoped was more defensible than other attempts to limit immigrant benefits. Said Hazleton Mayor Lou Barletta, "We have only begun to fight."

Harsh Report on a Fatal Blast

Budget cuts and negligence helped ignite the worst industrial accident in 10 years, according to a federal report released last week. The March 2005 explosion at BP's Texas City, Texas, refinery killed 15 people, injured 180, and left the London-based oil company mired in lawsuits. The Chemical Safety and Hazard Investigation Board has no legal power, but its conclusions that "aging infrastructure, overzealous cost-cutting, inadequate design, and risk blindness" contributed to the explosion will no doubt be cited in pending cases.

BP has acknowledged some safety problems at the refinery. But BP places blame on a few low-ranking employees, arguing that if proper "procedure had been followed ... this incident would not have happened."

The Texas City blast isn't the firm's only problem. BP is also under investigation for failing to fix a corroded pipeline that burst in Alaska's Prudhoe Bay earlier this year.

Tragic Score Card Underground

It has been a horrific year in the nation's mines. In January, 12 workers perished at West Virginia's Sago Mine, one of the worst disasters on record. Last week, one miner was killed and another seriously wounded in Pineville, W.Va., when a shuttle car they were trying to repair unexpectedly began to move, striking one miner and pinning the second against a wall. The accident raised this year's death toll to 43 nationwide, the highest level in more than a decade; the dangerous winter season still looms. Twenty-two of those deaths have occurred in West Virginia-the most there in 25 years. Tests by the state's mine safety office recently found that some of the air packs miners carry to provide an extra hour of oxygen have suffered heat damage; Randal McCloy Jr., the sole survivor of the Sago Mine tragedy, has sued the packs' maker. West Virginia Gov. Joe Manchin is pushing for legislation next year that would improve safety.

It's a Sort-of South Florida Story

Sports agent Gustavo "Gus" Dominguez was thrown, well, a curveball last week. A federal grand jury in Miami indicted the California-based agent for allegedly smuggling professional baseball prospects to the United States from Cuba. The indictment alleges Dominguez traveled by boat to the island in July 2004, picking up 22 Cuban nationals-baseball players among them-before being intercepted by American law enforcement on the return trip; the nationals were returned to Cuba. The next month, Dominguez allegedly tried again, this time successfully bringing 19 Cubans stateside, including several ballplayers. Attorney Susan Dmitrovsky, who represents Dominguez, expressed confidence he will prevail. She called the United States a "vanguard for those seeking freedom" and said her client had merely "advance[d] that American heritage" lawfully. But Immigration and Customs Enforcement Assistant Secretary Julie Myers said the case boiled down to human smuggling: "The ringleaders put the lives of illegal immigrants at risk and sought to profit from their labor."

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Border Agents Seek New Trial (WT)

By Jerry Seper

The Washington Times, November 6, 2006

Two U.S. Border Patrol agents sentenced to lengthy prison terms for shooting a drug-smuggling suspect as he fled across the Rio Grande want a new trial, saying three jurors claim they were pressured into returning guilty verdicts.

Jose Alonso Compean, 28, and Ignacio Ramos, 37, were sentenced Oct. 19 by U.S. District Court Judge Kathleen Cardone in El Paso, Texas, to 12 and 11 years in prison, respectively, for causing serious bodily injury, assault with a deadly weapon, discharge of a firearm in relation to a crime of violence and a civil rights violation.

A federal jury convicted the two men in March after a two-week trial, and Judge Cardone ordered them to report to prison Jan. 17.

Ramos' El Paso-based attorney, Mary Stillinger, plans to appeal the case to the 5th U.S. Circuit Court of Appeals in New Orleans based, in part, on sworn affidavits of three jurors -- Robert Gourley, Claudia Torres and Edine Woods -- who said they were incorrectly instructed that their verdict had to be unanimous and that the judge would not accept a hung jury.

"I don't remember exactly what it was that made me change my vote to guilty on these charges, but I know I was very influenced by my belief, based on the other jurors statement, that we could not have a hung jury," Ms. Woods said in her affidavit. "I think I might not have changed my vote to guilty if I had known that was an option."

Mr. Gourley and Ms. Torres said they were told by the jury foreman that Judge Cardone would not accept a hung jury.

"I had no reason to doubt the foreman," Mr. Gourley wrote.

Ms. Stillinger has argued that the jurors "essentially conceded their votes" when they saw they could not convince the majority otherwise, thinking "they did not have the option to stick to their guns and prevent a unanimous verdict."

The defense attorney made the same argument to Judge Cardone before the sentencing, but she rejected it.

The government brought the charges after Osbaldo Aldrete-Davila, a Mexican national, was given immunity and agreed to testify against the agents in exchange for immunity after an investigation by the Department of Homeland Security's Office of Inspector General.

The immunity deal protected Aldrete-Davila from being charged in this country as a drug smuggler. Ramos and Compean found 743 pounds of marijuana in the van he abandoned near the border.

Aldrete-Davila was shot after he illegally entered the United States near Fabens, Texas, and refused efforts by the agents to stop the van. Court records show he jumped from the vehicle and ran south to the Rio Grande, where he was confronted by Compean, who was knocked to the ground.

Although wounded, Aldrete-Davila managed to cross the border and escape in a waiting van.

In a case brought by U.S. Attorney Johnny Sutton, the government said the agents "shot an unarmed, fleeing suspect in the back and lied about it." He said they "fired their weapons at a man who had attempted to surrender by holding his open hands in the air."

Drones to patrol mexican border (WT)

By Jerry Seper

The Washington Times, November 6, 2006

U.S. Customs and Border Protection has launched its newest weapon in securing the nation's borders with the debut of an unmanned aerial vehicle capable of providing an "eye in the sky" for Border Patrol agents on the ground.

"Our front-line agents deserve proven, effective technology that equips them to secure our borders and to prevent terrorism," CBP Commissioner W. Ralph Basham said. "This unmanned aircraft system provides us with the situational awareness we need to more effectively deny illegal entry at our nation's borders."

The agency's new unmanned aircraft, known as the MQ-9 Predator B, began limited operations last week from Libby Army Airfield in Fort Huachuca, Ariz., to support enforcement activities along the U.S.-Mexico border. The aircraft was introduced during ceremonies Tuesday in Arizona hosted by Air and Marine Assistant Commissioner Michael Kostelnik.

The agency hopes to expand operations to the California and New Mexico state lines in the next month.

Unmanned aircraft give the agency improved and expanded mission capabilities to meet what Mr. Basham has described as "the continuing terrorist threat to our nation." He said the program supports efforts by CBP to expand specialized teams and rapid-response capabilities within the agency to enhance control of the nation's borders.

New unmanned aircraft systems within CBP are designed to augment crewed air and marine assets and ground interdiction agents already on the southwest border. In fiscal 2007, the aircraft will complement crewed air and marine assets and ground interdiction agents on the northern border and the Gulf Coast.

Mr. Basham said the aircraft have the potential to coordinate operations within other Department of Homeland Security agencies, including the U.S. Coast Guard and the Federal Emergency Management Agency. He said his agency also will work closely with the Defense Department to "gain efficiencies in acquisition, testing, training and deployment."

In 2004, CBP conducted operational tests and evaluations using the Hunter and Hermes unmanned aircraft vehicles, and last year, the agency conducted operational tests using the MQ-9 Predator B. Since 2004, unmanned aircraft have flown 1,878 hours and directly contributed to 3,603 arrests and the seizure of 11,000 pounds of marijuana.

Mr. Basham has called border enforcement "a legal issue as well as a matter of national security," saying the United States "simply must keep people from crossing our borders undetected if we are going to protect our homeland."

To achieve that goal, he has been a vigorous proponent of efforts to better secure the border through a strategy aimed at increasing the number of Border Patrol agents and equipping them with the proper tools, including new roads, lights, fences, barriers, upgraded technology and unmanned aerial vehicles.

After The Amnesty: 20 Years Later (CSM)

By Luis Andres Henao

The Christian Science Monitor, November 6, 2006

Twenty years ago Monday, Congress passed the largest effort to date to curb undocumented immigration to this country. Under the Immigration Reform and Control Act (IRCA), employers were sanctioned for the first time for hiring undocumented workers. The bill also called for tighter controls along the Mexican border. But the bill was a compromise: Enforcement was balanced by an amnesty provision.

Under IRCA, undocumented immigrants who had lived in the United States prior to 1982 and those who had worked as seasonal agricultural workers before May 1986 could seek legal status and eventually US citizenship.

Nearly 3 million undocumented immigrants were granted legal residence under the amnesty. Most of them were Mexican (more than 80 percent) and lived in the Los Angeles area. Salvadorans, Filipinos, Haitians, Poles, and Vietnamese also benefited from the program.

But two decades later, illegal immigration is still a hot-button issue and amnesty is a dirty word to some. Private-citizen minutemen and National Guardsmen have rushed to the Mexican border. This spring, millions of undocumented immigrants and others marched in the streets of US cities to protest federal legislation that would criminalize illegal immigrants.

It's an issue that may reignite if a new Congress picks up the debate this coming January.

Amid the shouts of today are decades-old echoes from the IRCA.

Critics say the bill set a damaging precedent for future amnesties. IRCA supporters say the word "amnesty" mischaracterizes the bill's intent.

"An amnesty cleans people who have broken the law," says former US Rep. Romano Mazzoli (D) of Kentucky. He and former US Sen. Alan Simpson (R) of Wyoming were the primary architects and cosponsors of IRCA. "But in our bill, you had to prove that you were a law-abiding person who honored the institutions of our country.... So you can take your pick of euphemisms, but if you use the word 'amnesty,' people will get angry, throw their hands up in the air, and scream: 'They're rewarding people for misbehaving!' "

Today Mr. Mazzoli defends the bill as the best way to combat illegal immigration at the time. The six administrations that followed, he says, are to blame for not enforcing tighter restrictions. And now, "It's déjà vu all over again," Mazzoli says. "These are the same issues that we had 20 years ago."

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William King Jr., was the Western regional director of the US Immigration and Naturalization Service (INS) and responsible for carrying out the amnesty program. He says that he had hope that the legislation would work at first. But IRCA was a three-legged stool, he says. One leg was employer sanctions, another was increased border security, and the third was the amnesty program. "In truth, only the amnesty program became a fact," he says, and the effort failed.

To John Keeley, a spokesman for the Center for Immigration Studies, a nonprofit group that wants tighter immigration controls, IRCA was well intentioned - but implementation was lacking. "There was a half-hearted attempt at immigration control by the late '80s and early '90s by the old INS," he says, but political pressure brought that to a "screeching halt" by the middle of the decade.

One of the big problems with the IRCA amnesty was all the counterfeit applications, especially from seasonal agricultural workers. Economists Pia Orrenius and Madeline Zavodny studied the effects of amnesty programs on undocumented immigration and presented their findings in the August 2003 issue of Demography magazine. They say that the number of seasonal workers qualifying for amnesty was about 300,000. But in the end, more than 1 million applications were granted. "Most people agree that there was substantial fraud because the document requirement and the residency requirement were quite low for that part of the program," Ms. Zavodny says.

"I don't think anyone says that it deterred illegal immigration," says Cecilia Muñoz, vice president of The National Council of La Raza, the nation's largest Latino advocacy group. "But it succeeded in legalizing 3 million people. Their wages went up, and they're fully integrated into American society." Rohan Baichu / Houston

'At first, I thought it might be a trap'

Rohan Baichu says that he has "a lot of jewelry." Mr. Baichu came to the United States from Guyana in 1981, wanting to become a boxer. Instead, he earned three World Series rings as a massage therapist and assistant training coach for the New York Yankees as well as a league championship with the Houston Astros. He is a certified pilot and masseur.

But during his first undocumented years in America, "just the day to day was a battle," he recalls.

Constantly worried about getting picked up by immigration officers, he had to give up his boxing dreams to work night shifts as a security guard.

Baichu was even offered a job with the city of New York by a police chief, who never suspected he was undocumented.

Disappointed with his prospects, he gave up on New York, packed two suitcases, and left for Canada in February 1986. His mother, a Canadian citizen, had offered him a new start through a residency card. But a few days later, he received a call from his girlfriend in New York. She was pregnant. Baichu came back immediately and took up his old job.

By this time, he had lost hope of obtaining a better career. Then came the amnesty. "At first," Baichu says. "I thought it might be a trap." He was so hesitant that he waited a year and applied right before the deadline.

With legal documents in hand, Baichu applied for a supervisor position at the security company. He even did a short stint working for a Wall Street technology company.

But Baichu regretted that he had never gotten an education. So he took out several loans and and moved to Colorado where he went to a community college and where he also earned a pilot's license at the age of 33.

By the time he got his pilot's license, though, flying jobs were scarce, and Baichu was soon looking for another career. So he turned to what he knew best. After years of running track and reading books on nutrition, he aced a professional-trainer exam and got a license in massage therapy.

One day while working at a New York gym, a friend told him the Yankees were looking for a staff trainer. Some weeks later, the team flew him to training camp in Florida for an interview. "When they saw me, they said: 'You're the man.... Can you start tomorrow?' "

Baichu has been in professional baseball ever since. During his time with the Yankees, he crisscrossed the country, shook the hands of two presidents, and earned three World Series championship rings.

He became so well regarded as a trainer that when Roger Clemens was traded from the Yankees to the Houston Astros, the pitcher asked his new team to hire Baichu from New York. He is grateful to "his good friend" Clemens and is proud of his friend's work ethic, describing it as one of the best in the game because, at the age 44, Clemens "works like an immigrant."

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Baichu attributes his success to his determination and the possibilities that opened up to him after the amnesty. But he also points out that even those immigrants who haven't been as successful as he has still benefited a lot from the law. "They got their own success," he says. "Even if they ended up living in a rented apartment, they got peace, tranquillity, and values that carry them through."

This year, Baichu became a United States citizen and started a group that raises civic awareness through voter registration. Now that he's able to vote, he says he would support the passage of any legislation that benefits immigrants.

As an immigrant, Baichu says he's proud that one of his daughters - now a student at the University of Southern California - encouraged him to tell his story. "She understands the odds that we had to overcome and feels satisfied about where I'm at."

Baichu sees his future split between coaching and taking care of his two daughters and his adopted son, a 22-year-old Haitian athlete whom he met practicing track one day. Baichu is sponsoring him to attend college. Alfonso & Marta Castañeda / Los Angeles

The joy of security and work

When they crossed the US border with Mexico in the early 1970s, Alfonso Castañeda was a house painter; his wife, Marta, was a nurse. Almost three decades later, they still work in the same professions.

"I thought I could do something more," says Mrs. Castañeda who never managed to validate her degree and works as a nurse assistant at a private hospital. Mr. Castañeda, a stocky man with long sideburns, says he dreamed of saving enough to go back to Mexico, but never did.

The '86 amnesty did not give the Castañedas wealth or more education. But the passing of the bill brought them protection in the form of a disability check, workers' compensation, and the means to build toward a secure retirement. Their citizenship, and subsequent financial stability, helped them support their children Gerardo, a research assistant at a law firm, and Elsa, a computer science graduate from the University of Arizona who now works for her alma mater.

The couple also find small rewards in their own work routines.

"The youngest ones are 75," Marta says with a laugh, describing the elderly patients she helps. "It's beautiful when they recover and they get to go back to their families."

Alfonso started his own small painting business, but still climbs a ladder and takes out his brush every day. Despite the smell of paint, the rain and sun, he feels satisfied because at the end "you see the results." Mary Vega / Providence, R.I.

On that day, 'My soul came back to my body'

From breaking news to weather updates, Mary Vega listens closely and retells the story to thousands of Spanish-speakers in Rhode Island. She provides instantaneous English-Spanish dubbing for the nightly news at local ABC television affiliate WLNE.

But during her first years in the United States, only a few could hear her voice. Ms. Vega came to Providence from Colombia in 1980 and overstayed a tourist visa. Her legal status wouldn't allow her to drive a car, get medical care, or work at any job outside the service industry. Fearing deportation, she kept a low profile by caring for an elderly couple at a private residence in Providence.

"The American dream stays in dreams," Vega says of the time before the passing of the 1986 amnesty. "I think this is part of the problem.... What else can Latinos do if we're only allowed to clean bathrooms?"

Today, Vega still looks after the same couple. But through the amnesty, she also became a citizen, brought her three daughters to this country, and found a career in journalism, a field that she feels passionate about. "The day I was granted the amnesty, my soul came back to my body.... I was going to fight for what I wanted, and that's how it was."

Her daughters - also US citizens - study law and medicine, and the oldest works as a talent manager for a Miami hotel.

"I'm not a millionaire, but I have a Social Security number and ... I was able to get a federal loan for my daughter's college when I needed to," Vega says. As a result of her efforts, Vega pays taxes and hopes the skills her daughters learn in college will help them contribute to American society as well.

Vega's aspirations go beyond translating. On the weekends, she practices using editing software at the channel and watches every camera move closely. One day, she says, she will be on the other side of the camera as a television news producer. Marvin Andrade / Los Angeles

Out of civil war, into the University of Southern California

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Marvin Andrade was 10 when he waved goodbye to his mother and young sisters through the rear window of a taxicab. At the time, "life wasn't worth much," he says.

Mr. Andrade's father - a grocery store owner - had received death threats from both sides in the Salvadoran civil war. While the armed forces suspected him of helping the guerrilla movement, the guerrilla fighters wanted him dead for refusing to provide them with supplies. In the middle of the night, and with only the clothes on their backs, father and son fled the conflict that killed more than 70,000 Salvadorans in the 1980s.

During a month-long journey in 1980, father and son traveled thousands of miles through Central America and Mexico to reach the banks of the Rio Grande across from El Paso, Texas. But as Marvin crossed the river on the shoulders of another man traveling with them, he could only think of "the land of Mickey Mouse and Donald Duck" that he had seen on TV. On the other side, sitting in a pickup bed on his way to Los Angeles, someone gave him a can of Coca-Coca. He had only seen bottles at home, and he clung to this soda can for a long time. It was his first memory of life in the United States.

Growing up undocumented in Los Angeles, Andrade remembers long hours spent standing on street corners with his father while they waited to be picked up for construction or gardening jobs. School was no easier, he says. He was mocked because of his accent and often called a "wetback."

But Andrade sought education as the way to battle the violence, poverty, and discrimination that rattled his early life.

On a high school field trip to the University of Southern California, he asked one of his counselors what his chances were of getting into such a place. "You're aiming too high," the counselor told him.

Those words stuck in his mind. But instead of discouraging him, they gave him resolve. He filled his days with activities to achieve that goal, volunteering at the nonprofit Coalition for Humane Immigrant Rights of Los Angeles. And since he could not afford tuition or receive financial aid, he took night classes at East Los Angeles Community College in 1987.

A year earlier, when the amnesty passed, Andrade had applied to only one school: The University of Southern California. Andrade was accepted in 1988 and eventually received a degree from USC in international politics.

Today, Andrade helps immigrant children integrate into American society. As the education director for the Central American Resource Center, Andrade oversees more than 70 elementary and middle school students who come to the center for after-school tutoring in English, math, and art.

"The things I was told growing up had an effect on me," says Andrade. "It made me be the guy that wants to spur change, and it's the reason why I'm here."

As he enters a classroom, paper kites with Mexican, Salvadoran, and American flags hang over a group of students who are finishing math and reading assignments for tomorrow's class.

"The same dream I had of going to college," says Andrade, "is now shared by many students who by merit could go to the best schools, but can't do so because they're undocumented."

He calls for urgent immigration reform and disagrees with the negative image that the '86 immigration law gathered.

"The word 'amnesty' gives the connotation of a pardon," he says. "My view is that it's not a crime to look for the betterment of your family. [Illegal immigrants] risk their lives to work here. And through taxes, they contribute more than what they receive."

He's thankful for the law that opened the door to education and citizenship for him. "The amnesty allowed me to meet my wife, graduate from one of the best universities in the world, and own a house, which is part of the American dream."

Today, more than 25 members of his family, including his mom and two sisters, have joined him in Los Angeles. All benefited from the amnesty law.

Some months ago - and 20 years after the violent conflict that drove him from his land - Andrade went back to El Salvador; this time as an international peace observer and US citizen. Jose Ortiz / Los Angeles

The profound impact of 'this gift'

Jose Ortiz turned roadblocks into opportunities. Mr. Ortiz came to Los Angeles in 1981 at age 12 to escape the Salvadoran civil war. He enrolled in school and, with time, rose to the top of his high school class. Set on a career in architecture, he was offered a full scholarship to college. But without his green card, his dream was put on hold.

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Twenty-six years later, Ortiz - now a citizen - continues to redefine himself: as a dental assistant, massage therapist, and entrepreneur. "When the amnesty came ... it opened my horizons. I was legal, and I had more options," he says in his native Spanish.

His determination carried him through difficult times. Disappointed that he was denied access to college, he immediately enrolled in X-ray technician courses that didn't require him to produce any citizenship documents. When his green card came through as a result of the '86 amnesty, he enrolled in courses sponsored by University of California, Los Angeles, and became a registered dental assistant. And because of the physical therapy that he received after an injury at work, he began a new career as a massage therapist.

Recently, he set up a financial firm that teaches Latinos how to manage their finances, from balancing a checkbook to investing in stocks. "My dream is to start a company that shows Salvadorans how to save and manage their remittances," he says, referring to the more than $2 billion sent each year by Salvadorans living abroad to family members at home. Foreign remittances are El Salvador's No. 1 source of income.

Ortiz also hopes to bring his parents here to live with him. "The amnesty," he says, "has had a profound impact not only on me but on many people who received this gift." But ultimately, "it comes down to you to make [this dream] a reality." Laureana Santana / Providence, R.I.

Reunited with her family, but struggling

Five giggling children, ages 1 through 10, run circles around Laureana Santana. They bump into one another while using every inch in the living room of Ms. Santana's small brick home in Providence's oldest housing project. There's a playground across the street, but they are not allowed to go outside - not since a 12-year-old boy was shot and killed two years ago while playing with friends nearby. "I don't want to take risks," she says.

Santana looks after as many as nine immigrant children throughout the day while their mothers work in factories around town. She obtained a family day-care certificate from the state six years ago.

In 1985, without a job and no prospects for one, she became desperate. So Santana floated on a raft from the Dominican Republic to Puerto Rico, leaving behind her three young children and hoping to find a better life for herself and her family.

"The first years were difficult," she says. To help support her children, she plowed fields and grew yucca and peanuts. "I was away from my children and every penny I made working in the fields I would send back to them."

In 1986, she benefited from a section in the bill that supported agricultural workers who had resided in any United States territory for more than 90 days prior to May 1986. Three years later, she left Puerto Rico for Providence, R.I. When she became a US citizen in 1989, the doors opened for other family members.

In 1995, she was able to bring her children to this country. Two years ago, her mother was able to come and live with her as well.

"The amnesty let me reunite with my children, and today, we're all together," she says.

Even when she is struggling to make ends meet, she believes that today's immigrants should be given the same opportunities that she received 20 years ago.

"If they close doors on them," she says, "if they refuse to rent them an apartment or allow them to work, they're just putting immigrants on the spot, rounding them up and pushing them to do bad things in order to survive and provide for their families."

Now in her late 50s, Santana says that taking care of so many children can be exhausting, but it is also rewarding.

"It's such an experience to have left my kids at such a young age and now to take care of so many," she says. "There are times when I say: 'Lord, give me wings so I can fly away.' But when they leave, I miss them, and this house feels empty."

CONGRESS-ADMINISTRATION

Bush Hails Verdict As Milestone For Iraq (AP-Y)

By Jennifer Loven

AP, November 6, 2006

DOJ_NMG_0091064

President Bush celebrated Saddam Hussein's death sentence as a victory for "Iraq's young democracy" and U.S. security, highlighting Sunday's verdict in the last hours of an election campaign in which Republicans are suffering from public discontent with the Iraq war.

White House spokesman Tony Snow decried as "absolutely crazy" any notion that the end to Saddam's nine-month trial was timed to produce positive news on the divisive, unpopular war two days before Americans vote. The United States has always denied direct involvement in the trial, though suspicions persisted.

Snow didn't entirely set politics aside, asserting that U.S. voters "ought to be heartened" by the verdict and its broader implications about the progress the administration insists is evident in Iraq.

"This is getting the Iraqis to stand up on their own," Snow said. "You can't have civil society without rule of law."

Bush painted Saddam's conviction and sentence as vindication of the sacrifices made by American soldiers in Iraq. More than 2,800 members of the U.S. military have died since the U.S.-led invasion in March 2003.

"They've sacrificed for the security of the United States," said the president, who spoke to reporters for two minutes in Texas before flying to campaign appearances on behalf of newly in-peril Republicans in Nebraska and Kansas. "Without their courage and skill, today's verdict would not have happened."

With the verdict a chance to recall Saddam's December 2003 capture by U.S. troops in a hole in the ground — still one of the high points of the war for Bush — he repeated these points later during campaign visits to two of America's reddest states.

"Today we witnessed a landmark event in the history of Iraq," Bush said in western Nebraska, where he was trying to boost GOP state Sen. Adrian Smith in a tightened race against Democrat Scott Kleeb. Delivered in solid Bush Country, in an arena awash in red clothing, the president's Iraq lines earned the most sustained cheering of his speech.

"My decision to remove Saddam Hussein was the right decision and the world is better off for it," he said to raucous applause.

An Iraqi court convicted Saddam earlier Sunday and sentenced him to die by hanging for ordering the torture and murder of nearly 150 Shiites from the city of Dujail in 1982. Six subordinates were also found guilty of crimes against humanity, which came after what Saddam said was an assassination attempt against him.

Shiites rejoiced at the death sentence for the former dictator who terrorized their population. But Saddam's fellow Sunnis paraded through his hometown in protest. With sectarian violence already pushing Iraq to the brink of civil war, presidential counselor Dan Bartlett said Bush is confident U.S. forces and Iraqi soldiers were prepared to contain any spike in bloodshed.

Democrats — hoping for large gains that could put them in control of the House and possibly the Senate — moved quickly to both applaud the sentence and repeat their campaign-trail argument that Bush's leadership on Iraq has been a failure.

"The scope of that failure is not lessened by the results of Saddam's trial," House Minority Leader Nancy Pelosi, D-Calif., poised to become House speaker if Democrats wrest the majority from the GOP.

A history of Election Day disappointments and a constantly shifting pre-election landscape appeared to have Democrats a bit jittery. New York Sen. Charles Schumer, in charge of Democratic campaign efforts in the Senate, said, "I don't think (Saddam's) conviction makes much of a difference in this election, even though it's a very good thing that happened."

Other Republicans backed Bush's contention of the verdict as evidence of success in Iraq. "The United States and the world are safer because Saddam Hussein sits on death row, not in a palace in Baghdad plotting to harm millions of innocent Americans and Iraqis," said House Majority Whip Roy Blunt, R-Mo.

But at least one Republican said the news must be viewed in the context of the difficult situation in Iraq.

"Saddam Hussein's trial is a step forward because it was a result of a legal system in operation, not a dictator in operation, so that's the good news," Sen. Lindsey Graham, R-S.C., said on CNN's "Late Edition." "But when you look at the institutions of government in Iraq, they're all under siege. ... We just need a strategy to provide better security to get this right."

Bush called the verdict "a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law."

"Today, the victims of this regime have received a measure of the justice which many thought would never come," the president said.

He emphasized that Saddam was extended rights of due process and appeal "that he denied the Iraqi people."

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"Iraq has a lot of work ahead as it builds its society that delivers equal justice and protects all its citizens," Bush said. "Yet history will record today's judgment as an important achievement on the path to a free and just and unified society."

Campaigning Bush Seizes On Saddam Verdict (AFP-Y)

By Olivier Knox

AFP, November 6, 2006

US President George W. Bush seized on Saddam Hussein's death sentence to defend the Iraq war as US elections shaped by the unpopular conflict headed to a hard-fought finish.

"Today, we witnessed a landmark event in the history of Iraq: Saddam Hussein was convicted and sentenced to death by the Iraqi high tribunal," Bush told cheering supporters at a rowdy Republican rally here.

"It's a major achievement for this young democracy," he said, urging the crowd to "give our thanks to the men and women of America's armed forces. Without their courage and skill, today's verdict never would have happened."

Two days before Tuesday's vote, dozens of congressional races were too close to call and two national public opinion surveys favored Democrats overall but suggested a late burst of energy among Bush's Republicans.

Bush was in Nebraska and Kansas as part of an 11th-hour political rescue mission for struggling Republican candidates facing unexpectedly strong Democratic challenges in part because of anger at the war in Iraq.

"Saddam Hussein was a threat," he said, amid signs the conflict could cost his party control of the US Congress. "My decision to remove Saddam Hussein was the right decision, and the world is better off for it."

White House spokesman Tony Snow dismissed as "preposterous" any suggestion that US and Iraqi officials manipulated the timing of the sentence to help the Republicans and said it was "absolute proof" that Iraq now possessed an "independent judiciary."

Democrats hailed the sentence against Saddam but warned it would not solve the challenges US forces face in Iraq, which was plagued by a raging insurgency and escalating sectarian strife that has fed a rising US death toll.

"Justice for the Iraqi people was finally served today," but "Iraq is in the middle of a civil war and growing sectarian violence will be an even greater concern following this verdict," said Democratic party chief Howard Dean.

In a statement on his way to Nebraska, Bush acknowledged that "Iraq has a lot of work ahead" but said he would stand by the country's fledgling government, which recently has been at odds with Washington.

The Democrats needed a net 15 seats out of the total 435 in play on Tuesday to control the House. They hoped for a gain of six Senate seats out of the 33 at stake that would give them the edge in the 100-member upper chamber.

A Democratic victory would dramatically reshape the political landscape for Bush's final two years in office and the 2008 election to choose his successor.

While expert forecasts of a Democratic victory in at least one and possibly both chambers have heartened the opposition party, two new national polls showed their once double-digit advantage sharply narrowed in recent weeks.

The Washington Post and ABC television poll showed likely voters favoring Democrats to Republicans by a 51 percent to 45 percent edge, with a margin of error of plus or minus three percentage points. In an October 22 survey, the Democrats had led 55-41.

And a poll by the non-partisan Pew Research Center that specializes in public opinion found a 47-43 lead for Democrats among likely voters, down from 50-39 two weeks ago. The margin of error was three percentage points.

The US president has been fiercely attacking Democrats, accusing them of plotting to raise taxes and charging that they cannot be trusted to manage Iraq or the war on terrorism he launched after the September 11, 2001 attacks.

The Washington Post/ABC poll still had bleak news for Bush, with his approval rating at a dismal 40 percent and almost twice as many registered voters saying they would cast their ballot as an anti-Bush gesture rather than a show of support.

Control of Congress would provide the Democrats with a powerful tool for controlling the political agenda over the next two years and launching a series of public investigations into Iraq and other Bush policies.

But the White House has strongly signalled that it will not change course in Iraq, with Vice President Dick Cheney saying in a recent interview that "it doesn't matter" that most of the US public has turned against the war.

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Washington pundit Charlie Cook forecast "a very strong Democratic wave" on election day. Analysts gave the party a strong shot to win the House but said the Senate hinged on a few key races in states such as Virginia and Missouri.

Voters in 36 states also are casting votes for governor Tuesday. Democrats hold significant leads in five of nine open seats: Ohio, Arkansas, Colorado, New York and Massachusetts, and are favored to displace Republicans in Maryland, Arkansas, and Minnesota.

Hussein Sentence Could Heighten Rifts In Iraq (WSJ)

By Philip Shishkin

The Wall Street Journal, November 6, 2006

The death sentence given to former Iraqi dictator Saddam Hussein for crimes against humanity could deepen Iraq's sectarian rifts and inflame the anti-American insurgency.

In a Baghdad courthouse, Mr. Hussein, in his customary black suit, remained seated as the judge read the verdict finding him guilty of ordering the killings of 148 Shiite-Arab civilians as retribution for a botched 1982 assassination attempt against him in the town of Dujail.

"I will listen to the judgment, but I will not stand up," Mr. Hussein told the judge. Mr. Hussein reacted to the death sentence with the traditional Islamic incantation of "God is greater," and then disparaged the Iraqi judges for allegedly doing Washington's bidding: "You are the servants of the colonizers."

With violence on the streets of Baghdad at its highest level in years, the verdict is unlikely to alter the pattern of the sectarian conflict or attacks against U.S. troops, but it will provide another divisive issue for a country struggling to hold itself together.

In the Iraqi capital, reaction to the verdict was mixed. In several Baghdad neighborhoods, many Shiite Muslims, who form the majority of Iraq's population and who were persecuted by Mr. Hussein's Sunni-dominated regime, broke into celebratory gunfire and honked car horns. "All the people who were tortured and killed by Saddam are happy in their graves today," said Jawad Kadham, a 35-year-old Shiite construction worker.

But many in the country's Sunni Muslim minority, embittered at the current Shiite-led government and the American occupation, said the widely expected death sentence wasn't fair and the real crimes lie in the inability of the current rulers of Iraq to stop murders and bombings on the streets. "The people who tried Saddam are worse than Saddam; it's all about revenge," said Salim Mahmoud, a 40-year-old Sunni engineer.

Such conflicting reactions to Mr. Hussein's death sentence reflect the sectarian gulf widening between Iraq's Sunnis and Shiites, 3½ years since the U.S.-led invasion. The Sunni-led insurgency, driven in part by secular supporters of the old regime, also drew in Sunni religious extremists eager to wage holy war against the Americans. Using radical Sunni ideology, these extremist groups decreed Iraq's Shiites to be apostates and sanctioned their killing. The resulting bombing attacks and murders of Shiite civilians led to the rise of Shiite militias who in turn began to target regular Sunnis for reprisals. The sectarian conflict continues, while the U.S.-backed and Shiite-dominated government of Prime Minister Nouri al-Maliki appears unable to stem the violence.

Mr. Maliki, who spent years in exile as a member of a prominent Shiite religious party opposed to Mr. Hussein, hailed the verdict and appealed to the insurgents to stop fighting. "This is the disgraceful end to the person who brought ordeals, pain and reckless wars to this country," the prime minister said in a televised speech. "I say to all deluded remnants of the previous regime: The period of Saddam and his party is gone."

In Mr. Hussein's hometown of Tikrit, some residents marched in protest, vowing to avenge the former Iraqi leader.

In a sign of how embittered the Sunnis are at Iraq's current leadership, Saleh al-Mutlaq, another Sunni politician, warned that the verdict could lead to more sectarian attacks for which the Shiite government will bear responsibility.

The verdict marks the end of a trial that lasted a year and became familiar to most Iraqis because the proceedings were televised. With U.S. congressional elections taking place this week, many Iraqis suspect the Bush administration somehow influenced the timing of the sentence to benefit the Republican party. White House spokesman Tony Snow dismissed the idea as "preposterous" Sunday. President Bush said in a statement Sunday that "history will record today's judgment as an important achievement on the path to a free and just and unified society."

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Under Iraqi law, the death sentence is subject to an automatic appeal. If the appellate chamber upholds it, the sentence must be carried out within 30 days. Alongside Mr. Hussein, two other defendants were sentenced to death: Barzan Ibrahim, his half-brother and former intelligence chief; and Awad Hamed al-Bandar, former head of Iraq's Revolutionary Court.

Bush Applauds Hussein Verdict (WP)

By Peter Baker

The Washington Post, November 6, 2006

GRAND ISLAND, Neb., Nov. 5 -- President Bush and politicians from both parties hailed the conviction of Saddam Hussein on Sunday but disagreed on its larger meaning as campaign strategists tried to gauge the political impact just 48 hours before hard-fought midterm elections.

Speaking in the shadow of Air Force One on a Texas tarmac and at later campaign events, Bush called the verdict a "landmark event" in Iraq's transition to democracy, and aides hoped it would be seen as vindication of his decision to go to war. Democrats were quick to agree that justice had been done for a vicious tyrant but argued it would not fix what they see as the debacle in Iraq.

The timing of the verdict, which had been scheduled weeks ago, stirred anxiety among Democrats who worried it could be a "November surprise" that would persuade Republicans to turn out, much as the release of an Osama bin Laden tape just before the 2004 election was credited with helping to put Bush over the top. Some voiced suspicions that the Bush administration had orchestrated the court schedule to influence the vote, a contention the White House rejected.

Some key strategists in both parties, however, said they doubted the verdict would make much difference. In a campaign that has been dominated by debate over the Iraq war, it provided a rare day of good news for Bush at a key moment, they said, but most voters had already made up their minds about how they view the situation there.

"It makes the environment incrementally better but only incrementally," said Ed Rogers, a Republican lobbyist close to the White House. "It reminds everybody of what a bad guy Saddam was. It reminds everybody of why we were there in the first place. I don't know that it drives any votes at this point. I wish it did, but it doesn't."

Hussein "was a brutal, evil dictator" who is "getting the punishment that he deserves," Sen. Charles E. Schumer (N.Y.), who runs the Senate Democratic campaign arm, said Sunday on NBC's "Meet the Press." But, he added, "I don't think his conviction makes much of a difference in this election, even though it's a very good thing that it happened."

Hussein has been a regular feature of Bush's stump speech for weeks as the president tells audiences that he made the right decision in removing the Iraqi leader from power and argues that the world is better off. By the time the verdict was announced in a Baghdad court, aides traveling with Bush on the campaign trail were ready with talking points. White House press secretary Tony Snow was booked on television programs starting at 7 a.m., and his office sent e-mails touting other reactions.

"Saddam Hussein's trial is a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law," Bush told reporters before leaving Texas for campaign stops here and in Topeka, Kan. "It's a major achievement for Iraq's young democracy and its constitutional government."

Although he did not predict whether it would help the reconciliation process in Iraq, Bush portrayed the trial as a chance to expunge Hussein's legacy. "The man who once struck fear in the hearts of Iraqis had to listen to free Iraqis recount the acts of torture and murder that he ordered against their families and against them," he said. "Today, the victims of this regime have received a measure of the justice which many thought would never come."

He then introduced the verdict into his campaign speech later in the day, using similar language. When he announced the verdict at a boisterous rally here in a hall filled with flags, cornhusks and hay bales, the crowd cheered.

Other Republicans, who have been on the defensive over the war as U.S. troop casualties spiked to a two-year high, quickly jumped on the bandwagon. "This verdict is a victory for justice and a victory for the Iraqi people and all freedom-loving people in the Middle East," said House Majority Leader John Boehner (Ohio). His whip, Roy Blunt (Mo.), said the world is "safer because Saddam Hussein sits on death row, not in a palace in Baghdad plotting to harm millions of innocent Americans and Iraqis."

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Democrats praised the verdict while still bashing Bush. "Tragically, I believe today's verdict does not change the fact that the administration's policy in Iraq has been the most incompetent execution of American foreign policy in my lifetime," said House Minority Whip Steny Hoyer (Md.). Senate Minority Leader Harry M. Reid (Nev.) said "the Iraqis have traded a dictator for chaos. Neither option is acceptable, especially when it is our troops who are caught in the middle."

Appearing on ABC's "This Week," Democratic National Committee Chairman Howard Dean called the court's decision "a great verdict" and said Hussein "is a war criminal and he's getting what he deserves." But, Dean said, the war remains a mistake. "This was a miscalculation by people who didn't understand what they were getting into. And if they'd listened to Colin Powell and the rest of the military, they wouldn't have gotten into it."

Democratic leaders avoided publicly accusing the Bush administration of orchestrating the verdict's timing but privately some raised questions, and liberal Internet blogs have been full of angry discussion about it. The Iraqi court originally planned to render a verdict in October but delayed it until two days before the election, prompting a defense lawyer for Hussein to write a letter accusing Bush of manipulating the proceedings for campaign purposes.

Snow dismissed the suggestion as "preposterous" and absurd. "Are you smoking rope?" he replied when a reporter asked about timing manipulation aboard Air Force One on Saturday. "Are you telling me that in Iraq, that they're sitting around -- I'm sorry, that the Iraqi judicial system is coming up with an October surprise?" Corrected on the date, he expressed incredulity, "A November surprise. Man, that's -- wow."

Bush Trumpets Hussein Verdict To Rally Support (NYT)

By Adam Nagourney And Jim Rutenberg

The New York Times, November 6, 2006

WASHINGTON, Nov. 5 — President Bush on Sunday seized on the conviction of Saddam Hussein as a milestone in Iraq, seeking to rally Republican voters with the issue of national security as some polls suggested that his party might be making gains in the final hours of the campaign.

The White House said the timing of the announcement, two days before Election Day, had nothing to do with American politics and had been dictated by the Iraqi court. But Mr. Bush moved quickly to put it to use in what has been his central strategic imperative over the past week, trying to rouse Republican voters to turn out.

“Today we witnessed a landmark event in the history of Iraq: Saddam Hussein was convicted and sentenced to death by the Iraqi High Tribunal,” Mr. Bush said to roars of approval in a hockey auditorium packed with supporters in Grand Island, Neb. “Saddam Hussein’s trial is a milestone in the Iraqi people’s efforts to replace the rule of a tyrant with the rule of law.”

The announcement out of Baghdad came as polls suggested some gains for Republicans. A Pew Research Center Survey released on Sunday found that the number of likely voters who said they would vote for the Democrats was now 47 percent compared with 43 percent who said they would vote for Republicans. Two weeks ago, Democrats had an edge of 50 to 39. A Washington Post-ABC News poll found a similar tightening.

These kinds of polls, about the so-called generic ballot, measure national trends and do not necessarily provide an accurate measure of what is happening in individual House and Senate races. Andrew Kohut, the president of the Pew Center, said the poll nonetheless found that Republicans were becoming more enthusiastic as Election Day approached, a sign that the party was making progress in addressing one of its main problems this year: a dispirited base.

With at least 20 House races and 3 Senate races virtually tied in polls over the past week, Republican officials have looked to the huge voter turnout operation the party has developed over the past six years as its last-stand defense to prevent Democrats from making big gains on Tuesday.

A series of Mason-Dixon polls published on Sunday suggested a tightening in two Senate races, Rhode Island and Maryland, that Democrats had been confident of winning.

Republicans over the past week have spent heavily in Maryland on behalf of Michael Steele, the Republican candidate seeking to fill the seat being vacated by Senator Paul S. Sarbanes, a Democrat. In Rhode Island, Senator Lincoln Chafee, the Republican, has spent heavily and banked on his family’s long history in the state’s politics to help him survive in a heavily Democratic state.

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Ken Mehlman, the Republican chairman, said polls showed that Republicans and conservatives "were coming home," which he said "is what happens when voters focus on the choice before them."

Representative Rahm Emanuel of Illinois, the Democrat leading his party's effort to win control of the House, said, "It's inevitable that there would be some tightening in the end."

Still, Mr. Emanuel, who has been careful this campaign to avoid the public expressions of optimism voiced by other Democrats, added, "This is making me nervous."

Across the country, Democrats also hailed the verdict in Baghdad but argued that it would make no difference in delivering stability to Iraq and would have little bearing on Tuesday's vote.

"I think it's a great verdict — I mean, Saddam Hussein is a war criminal and he's getting what he deserves," Howard Dean, the Democratic national chairman, said on "This Week" on ABC. "But I don't think it has any impact on the safety of America."

Representative John P. Murtha, the Pennsylvania Democrat who has become the face of his party's opposition to the war in Iraq, said the verdict was the right one but predicted it would not make a difference in this campaign. What would matter more, Mr. Murtha said, were editorials in military papers being published Monday calling for the resignation of Defense Secretary Donald H. Rumsfeld.

"When The Army Times, The Navy Times, The Marine Corps Times, they have all said that we're not supporting the troops, that they're losing confidence with the administration, that's what's important," Mr. Murtha said, campaigning in Croydon, Pa., outside Philadelphia, for Patrick Murphy, a Democrat seeking to unseat Representative Michael G. Fitzpatrick.

The fact that Mr. Bush was spending this last Sunday before Election Day in two of the most Republican states in the nation was testimony to how bleak a year this has been for the Republican Party and the president. And in Florida, the home state of his brother, Mr. Bush received what appeared to be another reminder of his political unpopularity when Charlie Crist, the Republican candidate for governor, backed out of a planned appearance with Mr. Bush in Pensacola on Monday.

Mr. Crist said that he needed to spend the day in more competitive parts of the state and that he was not joining the list of other Republican candidates who had snubbed Mr. Bush this year.

The White House, however, said this week that the president was heading to Florida specifically to help Mr. Crist, who, according to Tony Fratto, a White House spokesman, invited Mr. Bush in the first place.

But an official with Mr. Crist's campaign, who would not talk for attribution, said that Mr. Crist had never confirmed the appearance.

On the final Sunday of the election cycle, the leaders of the four Congressional campaign committees took their seats around the table of "Meet the Press" on NBC, appearing together for the first time in the midterm contest — and promptly diving into a sharp exchange over the war in Iraq.

"To pull out, to withdraw from this war, is losing, there's no question about it," said Senator Elizabeth Dole of North Carolina, the chairwoman of the National Republican Senatorial Committee. "The Democrats appear to be content with losing."

Mr. Emanuel, chairman of the Democratic Congressional Campaign Committee, turned sharply toward Mrs. Dole, his face lined with outrage.

"You should take that back, Senator," he said. But Mrs. Dole kept speaking over him, creating a minute of partisan cacophony on the television set.

"I will not sit idly by with an accusation that Democrats are content with losing," Mr. Emanuel said.

Mr. Bush was unambiguous in hailing the conviction of Mr. Hussein as welcome news from a country where good reports have been in short supply this election season. That said, there have frequently been developments in Iraq over the past two years that Mr. Bush has proclaimed as turning points, only to see them followed by renewed violence and further deterioration.

And while these announcements of Iraqi milestones have at times produced a lift for Mr. Bush in the polls, the gains have tended to be fleeting.

Still, just before an election that is this close, Republicans suggested that the events of Sunday could be politically helpful.

A senior Republican Party official, who insisted on anonymity to speak about the political implications of the announcement, said it would invigorate Republican voters distressed about Iraq but would not have much effect beyond that. And

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Senator Charles E. Schumer of New York, who is heading the Democratic effort to win back the Senate, said, "People are worried about the future of Iraq, not the past."

Senior aides to Mr. Bush scoffed at suggestions that the announcement of the verdict had somehow been orchestrated by the White House.

"Are you smoking rope?" Tony Snow, the White House spokesman, said Saturday in anticipation of the verdict. "Are you telling me that in Iraq, that they're sitting around — I'm sorry, that the Iraqi judicial system is coming up with an October surprise?"

White House officials were clearly prepared for the news, posing Mr. Bush before Air Force One to make a celebratory announcement as he left Waco, Tex., and inserting remarks about it into his speeches. On Sunday morning, Mr. Snow made a round of the talk shows to praise the development, echoed throughout the day by Republican surrogates and candidates.

Representative J. D. Hayworth, a Republican in a close race in Arizona's Fifth Congressional District, used a previously scheduled early morning appearance on the Fox News Channel show "Fox and Friends" to declare the Hussein sentence "a victory for the Iraqi people." Mr. Hayworth said it offered Americans heading to the polls "a chance to take stock" of the war's dividends.

From California to Missouri to Connecticut, candidates put up their final advertisements.

In Pennsylvania, Karen Santorum, Senator Rick Santorum's wife, speaks directly into the camera in a 60-second advertisement, looking almost mournful as she says that she has found attacks on her family for living in Virginia hurtful, explaining that they moved there to be closer to Mr. Santorum when he is working.

Saddam Ordered To Hang For '82 Massacre (WT/AP)

By Steven R. Hurst

The Washington Times, November 6, 2006

BAGHDAD -- An Iraqi court yesterday sentenced Saddam Hussein to death for crimes against humanity, convicting the former dictator and six subordinates in the torture and murder of nearly 150 Shi'ites from the city of Dujail in 1982.

Shi'ites and Kurds, who had been tormented and killed by the tens of thousands under Saddam's iron rule, erupted in celebration -- but braced for a potential backlash from the Sunni community that some fear could push the country into all-out civil war.

Saddam trembled and shouted "God is great" when Chief Judge Raouf Abdul-Rahman declared the former leader guilty and sentenced him to hang.

The televised trial was watched throughout Iraq and the Middle East as much for theater as for substance. Saddam was ejected from the courtroom repeatedly for his political harangues, and his half-brother and co-defendant, Barzan Ibrahim, once showed up in long underwear and sat with his back to the judges.

The nine-month, 39-session trial had inflamed the nation. Three defense lawyers and a witness were killed.

"Long live the people and death to their enemies. Long live the glorious nation, and death to its enemies," Saddam cried out after the verdict, before bailiffs took his arms and walked the once all-powerful leader from the courtroom. There was a hint of a smile on Saddam's face.

With justice for Saddam's crimes done, the U.S.-backed Shi'ite prime minister called for reconciliation and delivered the most eloquent speech of his five months in office.

"The verdict placed on the heads of the former regime does not represent a verdict for any one person. It is a verdict on a whole dark era that was unmatched in Iraq's history," Nouri al-Maliki said.

The White House praised the Iraqi judicial system and denied that the U.S. had been "scheming" to have the historic verdict announced two days before American midterm elections, widely seen as a referendum on the Bush administration's policy in Iraq.

President Bush called the verdict "a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law."

"It's a major achievement for Iraq's young democracy and its constitutional government," the president said. "Today, the victims of this regime have received a measure of the justice which many thought would never come."

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But many nations voiced opposition to the death sentences, including France, Italy, the Netherlands, Spain and Sweden. A leading Italian opposition figure called on the continent to press for Saddam's sentence to be commuted to life imprisonment.

Saddam was found hiding with an unfired pistol in a hole in the ground near his home village north of Baghdad in December 2003, eight months after he fled the capital ahead of advancing American troops. Twenty-two months later, he went on trial on charges that he ordered the torture and killing of nearly 150 Shi'ites from the city of Dujail.

Saddam said those who were killed had been found guilty in a legitimate Iraqi court for trying to assassinate him in 1982. But about 50 of the accused died during interrogation before they could be executed, and some of those hanged were children.

Ibrahim, Saddam's half-brother and intelligence chief during the Dujail killings, also was sentenced to death, as was Awad Hamed al-Bandar, head of Iraq's Revolutionary Court, which issued the death sentences against the Dujail residents.

Former Vice President Taha Yassin Ramadan was convicted of premeditated murder and sentenced to life in prison.

Three defendants were given up to 15 years in prison for torture and premeditated murder. Abdullah Kazim Ruwayyid and his son, Mizhar Abdullah Ruwayyid, were party officials in Dujail, along with Ali Dayim Ali. They were thought to be responsible for the Dujail arrests.

Mohammed Azawi Ali, a local Ba'ath Party official, was acquitted for lack of evidence.

In the streets of Dujail, a Tigris River city of 84,000, people celebrated and burned pictures of their former tormentor as the verdict was read. In Baghdad, the Shi'ite bastion of Sadr City exploded in jubilation.

But in Saddam's hometown of Tikrit, not far from Dujail, 1,000 people defied the curfew and carried pictures of the city's favorite son through the streets. Some declared the court a product of the U.S. "occupation forces" and condemned the verdict. Policemen wept in the streets.

"By our souls, by our blood, we sacrifice for you, Saddam," the Tikrit crowds chanted.

The death sentences automatically go to a nine-judge appeals panel, which has unlimited time to review the case. If the verdicts and sentences are upheld, the executions must be carried out within 30 days.

A court official said the appeals process was likely to take three to four weeks once the formal paperwork was submitted. If the verdicts are upheld, those sentenced to death would be hanged despite Saddam's second, ongoing trial on charges of killing thousands of Iraq's Kurdish minority.

Saddam Hussein Death Sentence A Milestone (CSM)

By Scott Peterson

The Christian Science Monitor, November 6, 2006

BAGHDAD

Celebratory gunfire swept across parts of Baghdad and other Iraqi cities Sunday as Saddam Hussein and two former top Iraqi officials were sentenced to die for crimes against humanity.

Defiant as the historic verdict was read, Mr. Hussein accused the judge of the US-created tribunal of being a "mouthpiece of occupation and colonialism," and cursed "your law and your articles and clauses."

Amid fears and explicit warnings that a death sentence would deepen bloodshed, Baghdad and two restive provinces were placed under an open-ended curfew for vehicles and pedestrians.

The tribunal is the first such court since Nuremburg's Nazi war-crimes trials to hand down a death sentence. After appeal, Hussein faces hanging.

The tribunal's creators had hoped that the forum would play a central role in closing the door on 30 years of ruthless oppression under Hussein. Indeed, Shiites and Kurds, who bore the brunt of tens of thousands of deaths at the hands of the regime, were jubilant. But that joy was tempered among Sunnis disenfranchised by Hussein's overthrow, and angry over what many saw as a political trial overly dependent on American experts and resources. The result, experts say, is a positive step for Iraqi justice, but one that reveals a deep and continuing weakness in the rule of law.

Prime Minister Nouri al-Maliki heralded the result as "the end of a dark era," and a reason for hope among Iraqis battered by 3-1/2 years of Sunni-led insurgency and sectarian violence that the UN says takes nearly 3,000 Iraqi lives each month.

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"Maybe this will alleviate the pain of the widows and orphans, and those forced to bury their loved ones," Maliki said. "The era of Saddam is now the era of the past. It is an era of dictators like Mussolini and Hitler. We are determined to build an Iraq without mass graves, without Anfal, and without wars, without military coups."

US Ambassador Zalmay Khalilzad called the verdict an "important milestone" for Iraq.

The tribunal, partly due to its heavy reliance on American resources and expertise and the blatant interference of senior Iraqi officials, has drawn criticism from international legal experts. Maliki recently said: "God willing, the verdict of death will soon be issued against the tyrant Saddam."

"This tribunal has suffered an unusual number of problems, compared to other tribunals" such as those of the former Yugoslavia and Rwanda, says Miranda Sissons, head of the Iraq program of the New York-based International Center for Transitional Justice.

Deteriorating security has been a crucial issue, experts say, along with the inexperience of Iraqi judges and lawyers, and little reference to lessons learned from other international tribunals, or to non-US experts.

"If there is one thing that will make this court a laughing stock, it is continued executive interference in its work," says Ms. Sissons. "Mistakes were made in setting up the tribunal that shouldn't have been made."

Still, she adds, "this was not a sham trial. It was always an ambitious undertaking. The judges have done their best in difficult circumstances, coming from a very low base."

Amnesty International, which opposes capital punishment, said on Sunday that the tribunal had missed an opportunity to establish the rule of law in Iraq, and to ensure "truth and accountability for the massive human rights violations perpetrated by Saddam Hussein's rule."

The case dealt with a 1982 assassination attempt against Hussein in the town of Dujail, which prompted revenge killings of 148 people, deportation of 400, and razing of orchards. One intelligence document indicated the level of torture used against the 148, noting that "of those who were sentenced to death, 46...had been eliminated or died during the investigation."

But it is only the first in a dozen or so being prepared against Hussein and the former regime by the troubled Iraqi High Tribunal, which has been dogged by legitimacy issues, the murder of three defense lawyers, the resignation of one chief judge, an array of confusing testimony, and a multitude of farcical in-the-dock antics by Hussein and his codefendants.

The second, much larger case, charges genocide and covers the 1988 Anfal campaign against the Kurds in which up to 180,000 were killed. Legally, Sunday's death sentences will go through an automatic appeals process with no deadline. If the verdict is confirmed, the sentence must be carried out within 30 days. Hussein had requested execution by firing squad, normally reserved for the military.

Death sentences Sunday were also delivered to Barzan Ibrahim, Hussein's half-brother and former intelligence chief, and Awad Hamed al-Bandar, former head of the Revolutionary Court. Former Vice President Taha Yassin Ramadan was sentenced to life in prison; three lesser officials were handed 15-year jail sentences. The oldest defendant, a local Baath Party official in Dujail at the time, was acquitted for lack of evidence.

The Iraqi High Tribunal was expressly set up to enable Iraqis to feel "closer" to justice in the "New Iraq" created by the 2003 US invasion and subsequent occupation.

When the first trial began in October last year, Iraqis were at first riveted by the proceedings of the court, in which tearful witnesses - often testifying anonymously from behind a curtain - spelled out their suffering after the Dujail incident.

But it was not long before the novelty began to wear off of seeing Hussein and his co-accused engaging in feisty, irreverent arguments with judges and even guards during the trial's 39 sessions. Average Iraqis became more focused on day-to-day survival amid ongoing carnage. Sunday's verdict, finally, caught the nation's attention again.

"Saddam deserves to face such a court and I don't know how he could escape a guilty verdict for Dujail or more important cases," says Wamidh Nadhmi, a political science professor in Baghdad who manages a Sunni-led political coalition. "But now we are seeing more killing, more bloodletting than during his era."

Mr. Nadhmi helped Hussein in 1959, when he fled to Cairo after participating in a botched assassination attempt against the sitting leader.

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"They promised us - the Americans - there would be democracy and human rights. But we see them violated in every day's happenings," says Professor Nadhmi. "The majority of Iraqis think the drastic failure of this regime and the Americans to bring security and human rights to Iraq, does not entitle them to conduct such a trial [or] issue a guilty verdict."

But the sentencing, regardless of its imperfections, is likely to be seen as justice by Iraqis who often did not grasp the magnitude of Hussein regime crimes - often heard about, but rarely physically encountered - until scores of mass graves began being unearthed starting in 2003.

Besides the Dujail and Anfal cases, tribunal investigators say they have documented evidence of more than 100,000 people tortured and killed in the aftermath of the 1991 Shiite uprising.

Some 5,000 Kurds were killed by chemical weapons in Halabja in 1988. Hussein ordered his armies into Iran in 1980, sparking nearly a decade of war that left 1 million dead and wounded, and in which Iraq used chemical munitions. And Iraqi troops occupied Kuwait in 1990.

Iraqis reeled from the legacy of those acts, but could rarely quantify them until the regime fell. Among the most poignant scenes came in late April 2003, just two weeks after the fall of Baghdad, at a graveyard adjacent to the Abu Ghraib prison. There, some 993 graves were marked only with crude numbered signs, until families, most of them Shiites, found lists that matched victims' names with numbers. "O my father, my father!" lamented Mustapha al-Fadil at the time, weeping uncontrollably at grave No. 659, when his family came to dig up the remains for reburial.

Fadil Sadoun, an overtly religious man, had been arrested in 1996 and never came home. "You should be happy," mourned the son. "Saddam is gone."

The scene repeated itself hundreds of times that day, with broken families taking home the broken remains of executed loved ones. At least they could be identified; most mass graves around Iraq are filled with anonymous victims.

But if state-sanctioned violence defined the former regime, Hussein threatened its use again on Sunday, when defense lawyers reported, after a lengthy talk with their client, that the former Iraqi dictator vowed to "die with honor and with no fear."

Americans in Iraq, defense lawyers quoted Hussein as saying, "will see rivers of blood for years to come. It will dwarf Vietnam," [a news service] reported.

Days earlier, Hussein's chief defense counsel, Khalil al-Dulaimi, said after a guilty verdict, "The doors of hell will open in Iraq, the sectarian divide in the country will deepen, and many more coffins will be sent back to America."

But Iraq's prime minister, whose own Islamic Dawa Party had claimed responsibility for the Dujail assassination attempt, saw it differently. "The martyrs and all Iraqis have a right to smile," said Mr. Maliki.

Saddam Verdict Is Met With Mixed Reactions In Iraq (LAT)

By Borzou Daragahi

The Los Angeles Times, November 6, 2006

BAGHDAD, Iraq -- The trial of Saddam Hussein that ended Sunday with a guilty verdict and death sentence for the former Iraqi leader, once viewed as a means of reconciliation and justice, instead seemed to fuel the sectarian division that grips the country.

Some Shiites and Kurds celebrated. Some Sunnis mourned angrily. For large swaths of the Iraqi people, Saddam has ceased to be the mesmerizing patriarch who once towered over their nightmares and lives. Many interviewed on Sunday and in recent months said they had laid him to rest long ago, more worried about the internecine violence wracking the country.

"The verdict was right, but prolonging it faded the cheerfulness," said Sameer Asadi, a 38-year-old taxi driver in the southern Iraq city of Basra.

Though Iraqi government officials argue that putting him to death could stymie the hopes of Sunni insurgents, many of those battling daily against U.S. and Iraqi forces long ago dispensed with Saddam as an inspiration, perhaps even before he was found and arrested by U.S. troops nearly three years ago.

The verdict, however, will be felt by many in Iraq as another in a series of divisive jabs in the ongoing battle between Iraq's long-oppressed majority Shiite Muslims and once-powerful Sunni Arabs now incensed over their loss of centuries-old dominance.

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Saddam and seven co-defendants faced charges of crimes against humanity for the deaths of 148 Shiite Muslims, who were killed after a failed assassination attempt against the Iraqi leader in the town of Dujail in 1982. Saddam and two other defendants received the death penalty Sunday, which will be automatically appealed, while four defendants received lesser sentences and another was acquitted of charges.

The yearlong trial may or may not have met international standards for war crimes tribunals. Several human rights organizations that monitor such trials said Sunday that it didn't. "We're concerned that flaws in the trial process will jeopardize much of the trial's impact," said Miranda Sissons, head of the International Center for Transitional Justice's Iraq program said in a release.

U.S. officials hailed the verdict as a triumph of "transparency" and an example of the kind of due process denied Iraqis under the former regime.

"Saddam Hussein's trial is a milestone in the Iraqi people's effort to replace the rule of a tyrant with the rule of law," President Bush told reporters in Waco, Texas. "It is a major achievement for Iraq's young democracy and its constitutional government."

But such lessons on the healing power of the courtroom and virtues of law may well be lost in contemporary Iraq, where the hundreds who die each week in civil warfare dwarf the 148 Iraqis slain by Saddam's regime after the 1982 assassination attempt in Dujail.

As the verdict was broadcast on television, war cries broke out on both sides of the sectarian divide.

Noisy demonstrations broke out in Shiite districts of the capital. Revelers pointed their AK-47s into the air and let loose a 15-minute burst of celebratory gunfire. Many held of posters of radical Shiite cleric Muqtada al-Sadr, whose followers nightly snatch Sunni Arab men off the streets and torture them with electrical appliances before shooting them in the skull.

"God avenged the killer of my sons," said a 65-year-old woman in the Shiite city of Najaf who gave her name as Um Hassan.

She said lost two of her four boys to Saddam's security forces in the 1991 crackdown on a Shiite insurrection in southern Iraq. "The death penalty is not enough," she said. "I want him to be buried alive twice as he did with my sons."

Even Prime Minister Nouri al-Maliki, the pious Islamic activist leading this fragmented country, joined in the celebration of fellow Shiites.

"This is the day where you see the dictator after arresting him in his miserable hole, being tried facing the penalty he deserves," comparing him unfavorably to al-Sadr's father and uncle, who were both famous Shiite clerics slain by Saddam's regime.

"Iraqis have the right to smile and rejoice a little for the death sentence issued against this criminal and his minions," he said in a television address.

In Sunni Arab towns and neighborhoods, however, there was sullen anger and public displays of support for the former dictator. Clashes and mortar-fire in Sunni neighborhoods in the capital left at least four dead. They held up Iraqi flags and framed portraits of the man they still call "our president," humiliated that he was to be hung like a common criminal.

"He did not throw them into a big hole and set them on fire," Ameen Adib, one of Saddam's defense lawyers, said of the 148 victims from Dujail. "He just gave them justice. If I were to judge Saddam Hussein I would have given him a medal for his conduct in this issue."

Before the verdict, Khalil Dulaymi, Saddam's lead attorney, described the tribunal examining the Dujail case as an "Iranian court," as if Shiite prosecutor Jaffar Mussawi and Kurdish Judge Raouf Abdul Rahman did not even qualify as fellow Iraqis.

"The judges and the prosecution were appointed according to a sectarian criteria," he said. "They're all either Kurds or Shiites."

Demonstrations in support of deposed former president broke out Sunday in Saddam's hometown of Tikrit, as well as other Sunni enclaves, despite a ban on vehicular and pedestrian traffic. In the nearby town of Dorr, hometown of fugitive Saddam loyalist Izzat Douri, rioters torched the local courthouse.

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"This is a phony court," said Adel Hussein 27, a Sunni mechanic in the city of Samarra. "This court was formed on sectarian basis and it contains the judges that are related to (al-Maliki's) Dawa Party and other parties that are in the government now."

In the courtroom Sunday, Iraq's sectarian divide -- the two worldviews battling for supremacy of Iraq -- also played out. Former U.S. Attorney General Ramsey Clark, a member of the defense team, had submitted a brief questioning the court's legitimacy and by extension the U.S.-led invasion and the Shiite- and Kurdish-dominated government it spawned.

The judge exploded. "Out, Out!" he hollered in English at the befuddled Clark, who appeared befuddled as he was escorted out by several bailiffs. "Get him out. He's coming from America to insult the Iraqi people and the court."

Applause erupted from the visitors' gallery.

After acquitting one defendant and sentencing the three others to 15 years each in prison for their roles in the Dujail killings, the judge sparred with former Iraqi Vice President Taha Yassin Ramadan, sentencing him to life in prison.

Ramadan exploded. The facts, the witnesses and the testimony in presented in the case were all for show, a cover for a vendetta, he charged.

"It is very clear that the verdict was previously set and had nothing to do with all the trial sessions," he said.

The judge quickly handed a verdict of death by hanging to Awad Hamed Bandar, the chief judge of Saddam's Revolutionary Court. Both the visitors in the gallery and Bandar began chanting, "God is great."

"God is greater than the unjust," Bandar said as Abdel Rahman completed the verdict. "God is greater than the occupier. God is greater than the colonizers. God is greater than the collaborators."

Saddam, wearing his signature black suit and white tie, walked into the courtroom with an air of somberness and gravity, casting himself as the wounded symbol of the Sunni Arab pride that was the cornerstone of his Baath Party's ideology.

"I will listen to the judgment," he said, looking much more somber and downcast than he has in past court appearances. "But I will not stand up."

A bevy of bailiffs surrounded him, forcing him to stand up. One glared at him with what appeared to be a mocking smile as the former president was sentenced to hang for crimes against humanity, including murder, imprisonment, torture, forcible imprisonment and relocation.

"Long live Iraq!" Saddam said, holding up a green Quran. "Long live the Arab nation. Down with the agents! God is great! Long live the people!"

Then Saddam, who helped launching Iraq's sectarian and ethnic divides by targeting Shiites and Kurds throughout the 1980s and 1990s, took on the role of healer of a country being torn asunder by sectarian passions.

"We recommend the great Iraqi people forgive all those who strayed and we recommended the great Iraqi people not to be angry at the people of the countries that participated in occupying your country," he said.

"Don't push," he told the bailiff escorting him out the courtroom. "I am your brother."

Iraqis Consider The Impact Of Verdict (USAT)

By Tom Vanden Brook

USA Today, November 6, 2006

BAGHDAD — Celebratory gunfire that erupted Sunday after the announcement of Saddam Hussein's death sentence dissipated quickly as Iraqis went about their lives in a city fractured by sectarian violence.

In other areas, the verdict was denounced. Demonstrators in Tikrit, the former Iraqi leader's hometown, defied a curfew and carried his picture through the streets. Residents of some Sunni neighborhoods in the capital traded gunfire with police, while mortar shells burst in other Sunni areas.

“I don't think it will have much effect,” said Mahmoud Othman, a Kurdish member of parliament. “The whole trial hasn't been all fair or free. There have been a lot of defects from the trial from the start. So people aren't caring so much.”

Othman said the court's decision could worsen tensions between Sunnis and Shiites. Sunnis ruled Iraq under Saddam, who ruthlessly persecuted Shiites and Kurds. Now, Shiites dominate the government.

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Many in Iraq's majority Shiite population were joyous. Residents of Sadr City, a Shiite neighborhood here, poured into the streets.

Mahmoud Fadhil's brother Mohammed was executed in 1985 by Saddam's government. When the verdict was read, Fadhil, 39, ran into the street and fired his AK-47 rifle into the air. “God's justice has been achieved today, but I'm afraid that they will delay the execution,” he said. “I will not feel comfortable before seeing the rope wrapping Saddam's neck.”

One Sunni leader said Saddam's hanging could spawn more killings. “This government will be responsible for the consequences, with the deaths of hundreds, thousands or even hundreds of thousands whose blood will be shed,” Saleh al-Mutlaq, a Sunni political leader, told Al-Arabiya television.

The government sought to minimize violence, banning vehicle and pedestrian traffic in Baghdad and other restive provinces indefinitely.

The trial's climax came nearly three years after Saddam was pulled from his hide-out by U.S. troops. The delay between his capture and conviction, and the deterioration of security conditions here, sapped the news of some of its power, Othman said.

Hussein Sentenced To Death By Hanging (WP)

By Ellen Knickmeyer

The Washington Post, November 6, 2006

BAGHDAD, Nov. 5 -- A divided and violence-ridden Iraq broke into starkly disparate displays of emotion on Sunday after judges in Baghdad condemned former president Saddam Hussein to hang for crimes against humanity.

In the south, a Shiite Muslim father held aloft the tiny, shrouded remains of a young son killed long ago during Hussein's armed campaign against the majority sect. The father danced with his son's bones in the street among celebrating crowds, elated at the news.

In the north, a Sunni Arab man in Hussein's home city strapped an explosives belt around his waist and vowed to avenge the death penalty handed to the former dictator.

"Today's sentences were a death sentence on righteousness, and this makes it obligatory to take the revenge for Iraq," said the man, 29-year-old shopkeeper Ibrahim Yahya, joining other Sunnis in jabbing rifle muzzles and pistols in the air in angry protest.

Elsewhere, Kurds pounded giant drums in traditional celebration. Shiite boys and men threw candy and fired into the air. Bitter-faced Sunni men clasped Hussein's portrait in one hand, a weapon in the other. The varied reactions demonstrated how long-standing divisions have widened in Iraq since Hussein's fall and threatened to divide and bloody the country further.

In Baghdad's Green Zone, a five-judge Iraqi panel announced a unanimous sentence of death for Hussein and two of his seven co-defendants, including Hussein's half brother. Four other defendants were sentenced to prison terms ranging from 15 years to life, and an eighth was acquitted.

The sentences of death and life imprisonment will be automatically appealed, with no time limit set for the appellate judges' decision.

If Hussein is executed, it would cut short his prosecution for campaigns in the 1980s and '90s in which his government allegedly killed tens of thousands -- or more -- of Shiites and minority Kurds. The charges on which he was convicted Sunday arose from an incident of lesser magnitude: the retaliatory executions of 148 Shiite men and boys from the town of Dujail in the 1980s.

The United States largely funded Hussein's trial, and U.S. officials close to the trial said Sunday's outcome vindicated the policy of having courts in individual nations try cases involving war crimes and crimes against humanity. The Bush administration has been a leading opponent of international tribunals, fearing that U.S. soldiers could be tried before them for political reasons.

After a meandering, year-long trial, Sunday's sentencing was rapid-fire, brusque and volatile.

"Make him stand up," Chief Judge Raouf Rasheed Abdel-Rahman ordered after Hussein, wearing the same dark suit and open-collared shirt he had worn for most of the trial, took a seat when he entered the courtroom and refused to rise.

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Six Iraqi guards hauled Hussein to his feet and held his arms behind his back as his fate was declared. The former leader broke into shouts as soon as Abdel-Rahman began reading. In the five minutes that followed, each man shouted increasingly louder to be heard over the other.

"Long live the nation! Down with the criminal invaders! Down with the spies! Down with the occupiers!" Hussein declared, thrusting his finger in the air, his body shaking with rage.

One of the Iraqi guards put his face within a few inches of Hussein's to watch the former leader's reaction as the death sentence was read. Smacking gum open-jawed, the guard smiled mockingly, then laughed.

"The court has decided to sentence Saddam Hussein al-Majid to death by hanging," Abdel-Rahman said.

"Go to hell! You and the court!" Hussein shouted. "You don't decide anything, you are servants of the occupiers and lackeys! You are puppets!"

"Take him out!" the judge shouted at the end of a declaration convicting Hussein on five of six charges of crimes against humanity.

"Long live the Kurds!" the 69-year-old leader shouted as the guards pulled him to the courtroom door. "Long live the Arabs!"

His co-defendants heard their fate with equal defiance. "It's all in the hand of the Almighty! It's all in the hands of the holy warriors!" shouted Taha Yassin Ramadan, a vice president under Hussein, as the guards pushed him out of the courtroom after his life sentence was announced.

Minutes earlier, at least six guards had surrounded former U.S. attorney general Ramsey Clark, one of the defense attorneys, and hustled him out of the courtroom. "Get him out! Get him out!" Abdel-Rahman shouted in English, outraged at a court filing submitted by Clark that apparently referred to the trial as a travesty. "He's coming from America to insult the Iraqi people and the court," the judge added in Arabic.

Above the courtroom, VIPs in a visitor's gallery hidden from view applauded when Clark was ejected. "God is greatest!" the unseen spectators cried later, when the first death sentence was announced. Officials said the spectators included some of the survivors of the campaign in Dujail as well as Iraq's current interior minister and other politicians.

The Shiite politicians who lead Iraq's coalition government went on television after the court session to congratulate the victims of Hussein and condemn his leadership. "The Saddam era is over, and his party has become part of the past," Prime Minister Nouri al-Maliki said on al-Iraqiya state television. Maliki's Dawa party carried out the 1982 assassination attempt in Dujail that led Hussein to order the executions.

Jubilant men and boys poured onto the streets of Shiite communities across southern and central Iraq, despite a curfew imposed to try to prevent violent reactions to the verdict. In Baghdad, officers in the Shiite-dominated police forces celebrated by handing out candy from their patrol vehicles and blaring cassettes hailing Shiite political leaders.

In the Shiite holy city of Najaf, in the south, the celebrating crowds included boys and young men marching in the old military uniforms of fathers allegedly killed by Hussein's government.

A white-haired, gray-robed man in his 50s, who identified himself only as Abbas, walked among them holding up the swaddled bones of his son Hassan. All of Abbas's sons disappeared in 1991, along with thousands of other Shiites, as Hussein's forces crushed a Shiite uprising after the Persian Gulf War.

Only last week, Abbas had recovered the remains of Hassan, who was 4 when he disappeared, after an official's chance discovery of an old grave holding five bodies. On Sunday, Abbas had been taking his son's body for burial, but when he saw the demonstration, he stopped his car in the middle of the road. Soon he was jumping up and down among the crowd, holding up Hassan's bones for all to mourn.

"Saddam took my sons from me," Abbas said. He began crying. "What was the crime that my son committed? He was only 4."

North of Baghdad, in Hussein's birthplace of Auja, black-robed women with reddened eyes walked along Saddam Hussein Road to a house belonging to members of Hussein's extended family, where they joined the women there in a kind of wake.

"The grief we are going through is unbearable, and we wish we were dead before seeing or hearing this verdict," said Suad Mohammed, 40, her voice hoarse with tears and shouting.

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"What happened today at the court gives us the resolve and the power to go ahead on the road of holy war," said Marwan Hakam, a teacher in the city of Tikrit, not far from Auja. "All must now carry arms to fight the Americans."

"I have sworn by God that I shall not go home and will detonate this explosives belt on American forces," said Yahya, the Tikriti shopkeeper.

Samarra and other predominantly Sunni cities and towns also saw protests, with crowds at times shooting at or setting fire to government buildings. They revived a chant that had dominated their lives during Hussein's 24-year authoritarian rule: "Our blood and our souls we sacrifice for you, Saddam."

Many Shiites and Sunnis, however, said that the sectarian violence since Hussein was toppled by a U.S.-led invasion in 2003 has made life now far grimmer. Some warned of worse to come: "This government will be responsible for the consequences, with the deaths of hundreds, thousands or even hundreds of thousands whose blood will be shed," Salih al-Mutlaq, a Sunni political leader, told al-Arabiya satellite television.

Hussein To Die By Hanging (CHIT)

By Aamer Madhani

Chicago Tribune, November 6, 2006

BAGHDAD -- Saddam Hussein was pronounced guilty of crimes against humanity and sentenced Sunday to death by hanging, capping a long and arduous first trial against the notorious former dictator.

As Chief Judge Raouf Abdul-Rahman of the Iraqi High Tribunal read the verdict, Hussein defiantly shouted over him, ridiculing the court, the Iraqi government and the U.S.-led military presence in Iraq.

"Long live the Iraqi people, damnation for the damned. You are the servants of the colonizers," he bellowed at the panel of judges, wagging his finger and trembling throughout the outburst.

"Long live the people, long live the Arab nation! Down with the agents. Down with the occupier."

Despite a curfew and heavy security precautions in some parts of Iraq, the verdict was quickly greeted with both street celebrations and protests.

In heavily Shiite areas of southern Iraq, jubilant crowds danced in the street and celebrated the outcome. In Hussein's hometown of Tikrit, about 2,000 Iraqis took to the street in defiance of a government curfew and peacefully protested the verdicts.

Meanwhile, in Baghdad, clashes were reported in the Sunni neighborhood of Ahdamiyah and celebratory gunfire resounded through the mostly quiet streets of other parts Baghdad--which was also on a security lockdown--as the sentencing against Hussein was announced.

In the trial for the 1982 killings of 148 people, two of Hussein's co-defendants, Barzan al-Ibrahim, the former Iraqi intelligence chief and Hussein's half-brother, and Awad Hamed al-Bandar, the Revolutionary Court judge, also were sentenced to be executed by hanging.

The court also convicted former Iraqi Vice President Taha Yassin Ramadan of premeditated murder and sentenced him to life in prison. Three other co-defendants of Hussein -- Mizhar Abdullah Ruwayyid, Ali Dayih Ali and Abdullah Kazim -- were convicted of murder and torture and sentenced to up to 15 years in prison.

An eighth defendant, Mohammed Azawi Ali, a low-ranking Baath party official, was acquitted for lack of evidence.

When Hussein was brought into the dock, he immediately sat down in his chair and initially refused to comply with the judges order to stand for the reading of his sentence. He mockingly told the judge that he could hear him just as well from his chair.

Eventually, two bailiffs were ordered to lift the former dictator to his feet, and he remained standing for the rest of the proceedings.

Iraq's Prime Minister Nouri al-Maliki said he hoped that the verdict would help bring about reconciliation. He invited former regime elements that "do not have Iraqi blood on their hands" to join the political process.

"It is the end of the black period and the start of a new period in Iraq," al-Maliki said in a televised address from his office in Baghdad's Green Zone.

U.S. Ambassador Zalmay Khalilzad offered congratulations to the Iraqi people.

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"A former dictator feared by millions, who killed his own citizens without mercy or justice, who waged wars against neighboring countries, has been brought to trial in his own country – held accountable in a court of law with ordinary citizens bearing witness," Khalilzad said in a statement.

"Although the Iraqis may face difficult days in the coming weeks, closing the book on Saddam and his regime is an opportunity to unite and build a better future. As the Iraqi people move forward, the United States will support them in their efforts to build a just and democratic society."

The verdict comes nearly three years after U.S. forces captured the dictator, unkempt and burrowed away in an underground hiding place in the village of Adwar.

The verdict and sentencing automatically will be sent for review to a nine-member appellate court. It could be several months, if not longer, before the sentences are carried out.

The capital remained on lockdown as the rulings against Hussein and his co-defendants were read in the courtroom deep in the Green Zone, the tightly-guarded compound in central Baghdad that is also home to the U.S. embassy and various Iraqi government buildings.

Fearful that there would be a surge in violence in response to the verdict, the government banned people from the streets of the capital on Sunday. Beyond Baghdad, a curfew was imposed on the Salahuddin province, which includes Saddam's hometown of Tikrit, and the restive provinces of Diyala.

On Friday, the Iraqi government ordered its security forces on high alert, canceling leaves for police officers and soldiers. The government, fearing that former regime loyalists would target Dujail, deployed extra troops to the village.

Hussein's lawyers, Khalil al-Dulaimi and former U.S. Atty. Gen. Ramsey Clark, have warned that a death sentence for Hussein surely would lead to increased violence. Both lawyers also protested the timing of the verdict and sentencing, just two days before U.S. voters go to the polls to vote in mid-term congressional elections.

Before the session began on Monday, Clark was ejected from the courtroom after handing the judge a memorandum in which he called the trial a travesty.

Those involved in the trial have faced constant danger since the court convened last year. Three defense attorneys were killed, 200 relatives of victims of Dujail have been murdered and several families of witnesses have been moved inside the Green Zone because of safety concerns, said Bassem Ridha, the Iraq government's court observer (this sentence as originally posted has been corrected).

The Dujail trial centered on Hussein's government systematically rounding up and killing 148 Shiite Muslims from the northern Iraqi town after an attempt to assassinate Hussein there in July 1982.

During the 40-session trial, the prosecution presented incriminating documents. They included an execution order for 148 people signed by Hussein, and an investigative report presented to Hussein that indicated only 10 people were involved in the assassination attempt. Hussein acknowledged that he issued an order to have the village's orchards destroyed and said he had entire families in Dujail detained together.

Another Iraqi government document unveiled during the trial described the mass relocation of 399 people from Dujail to a desert camp in Al-Muthanna province.

Al-Bandar, head of the Revolutionary Court that issued the death sentences against the Dujail residents, admitted in court that all the victims were found guilty in a seemingly perfunctory one-day trial.

Nearly four dozen of the victims died in captivity, and posthumous orders for their execution were issued afterwards. In a matter-of-fact tone, al-Bandar told the court it wasn't all that unusual for detainees to die during interrogation.

One Dujail witness, who avoided being executed because of a bureaucratic snafu, said he did not even recall a trial for the accused.

Throughout the trial, the defense characterized the 148 victims as Shiite militants backing the Iranian government. The incident happened in the midst of the Iran-Iraq war, and the authorities had no choice but to respond with strong measures to an assassination attempt on a head of state, the defendants and their lawyers argued.

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In finding Hussein guilty, the court affirmed that the evidence and testimony met the burden of proof that the former president had "command responsibility" for the slaughter committed at Dujail and did nothing to prevent it. He knew about atrocities committed at Dujail but did nothing to stop it or to punish those who carried out the killings, the court ruled.

A second trial of Hussein and six co-defendants is underway for their roles in Operation Anfal, a 1987-88 campaign against Iraqi Kurds in which about 180,000 people were killed. In that case, Hussein and one co-defendant face charges of genocide.

The impact a guilty verdict Sunday might have on U.S. elections remains unclear, with pollsters and analysts saying that a single incident may not be enough to offset voters' deep dissatisfaction with a war in its third year.

In an interview Friday, one Washington political analyst, Charlie Cook, predicted that the verdict would not have a positive impact for the Republican Party, which has been dogged by public disapproval of the Bush administration's handling of the war.

"Unless they take him out to a firing range and shoot him on live American television on Monday, this is going to have no impact on the elections," Cook said. "There's no good news for the Republicans anymore. This election is not about Saddam Hussein."

The verdict capped a year-long trial in which a chaotic, circus-like atmosphere often overshadowed the gripping testimony by victims and witnesses of the systematic roundup and killing of 148 people in Dujail.

Both of Hussein's trials have been marked by rambling monologues from the defendants, harsh rebukes of the court's legitimacy and several boycotts of the proceedings by the defendants and their lawyers.

U.S. officials advising the court complained that despite the noise and distractions caused by the defendants, Hussein received a fair trial.

The court heard testimony from 130 witnesses, and the accused were given the opportunity to mount robust defenses. Unlike other modern despots, including Slobodan Milosevic, Idi Amin and Pol Pot, Hussein and his henchmen were brought to justice in their own country by their own people, the U.S. advisers argued.

"If you really look at the [trial's] chaos, it was really brought [about by] the activities of defense attorneys walking out… or the activities of the defense," said one U.S. official close to the court, who briefed reporters prior to the verdicts.

"Overlaying all of that was the constant receipt of the evidence, the testimony of complainants and witnesses, the documentary evidence, the experts….It goes a long way in saying this was a fair trial."

Hussein Is Sentenced To Death By Hanging (NYT)

By John F. Burns And Kirk Semple

The New York Times, November 6, 2006

BAGHDAD, Nov. 5 — Three and a half years after American troops captured Baghdad and ended the dictatorship of Saddam Hussein, the Iraqi court set up to judge the brutalities of his 24 years in power found him guilty on Sunday of crimes against humanity and sentenced him to death by hanging.

An automatic appeal of the death sentence will delay it, but some Iraqi judicial officials privately held out the possibility that Mr. Hussein could go to the gallows in a matter of months, perhaps before next spring. That may depend on behind-the-scenes maneuvering by Mr. Hussein's embattled successors in Iraq's new government, who have already shown that they are not hesitant to pressure judges in the case.

For Prime Minister Nuri Kamal al-Maliki, the death sentence was a welcome relief from bad news on the war front and appeared to be an opportunity to score gains with his own fractured constituency of Shiite religious groups. Mr. Maliki, who has said that he favors the swift execution of Mr. Hussein, appeared on television to proclaim that the former Iraqi ruler got what he deserved.

The case that brought death sentences for Mr. Hussein and two other defendants, including one of his half-brothers, focused on the ruthless repression of a small Shiite town north of Baghdad after what was said to be an assassination attempt against Mr. Hussein in 1982. Judged against the sweep of terror under Mr. Hussein, the case was a narrow one, involving the execution of 148 men and youths from the town of Dujail, and what the court found to have been a "widespread and systematic" persecution of the town's inhabitants in the years that followed.

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The contrasting reaction to the verdicts, in the heavily fortified courthouse in Baghdad and across Iraq, was a testament to the bitter divisions sown by the toppling of Mr. Hussein in April 2003, and to the country's spiraling descent since then into a near-anarchy of insurgency and sectarian killing. From Mr. Hussein and his unreconciled supporters among Iraq's Sunni minority, there was an explosion of anger.

Among the newly empowered Shiite majority, there was an eruption of joy, and volleys of celebratory gunfire from pistols and automatic weapons.

As the chief judge read out the death sentence, a defiant but exhausted-looking Mr. Hussein shouted: "Long live the people! Long live the nation! Down with the occupiers! Down with the spies!" Thrusting his right forefinger into the air, then raising a heavily thumbed Koran with his left hand, he repeatedly chanted the traditional Muslim invocation, "God is Great!" As two court bailiffs moved to hold his arms down, he called one "stupid" and demanded, "Don't twist my arm." Then he mocked the judge, Raouf Rasheed Abdel-Rahman. "Go to hell, you and the court!" he said.

The verdicts were greeted with a similar divide in opinion outside Iraq. President Bush described the trial of Mr. Hussein before the Iraqi High Tribunal, the court set up to try the top officials of the ousted government, as "a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law."

The reaction was negative from some in other Arab countries and from Western legal-monitoring and rights groups, which had been critical of procedures at the trial, saying they were loaded in favor of "victor's justice" and that the Bush administration should have insisted that an international court hear the cases.

Before the verdicts, Mr. Maliki had imposed an around-the-clock curfew on Baghdad and other regions with heavy Sunni populations or a volatile mix of Sunnis and Shiites, including Mr. Hussein's hometown, Tikrit. Iraqi security forces were placed on high alert and American aircraft — unpiloted reconnaissance drones flying low, and fighter jets roaring high above — crossed the capital. Around the courthouse, in the former headquarters of Mr. Hussein's Baath Party, American troops tightened the already formidable cordon that has protected the trial, with turret gunners in dirt-brown Humvees watching all approaching traffic intently.

But the curfew was widely flouted. In Shiite areas, including Sadr City in northeastern Baghdad, residents flooded the streets, whooping and dancing and honking car horns. Abdul Razzaq Hassan, 43, a casual laborer, shouted his exuberance down a telephone line, straining to make himself heard over the throng. "This is a very great happiness! I will never forget this day!" he said.

Mr. Hassan said two of his brothers had been killed by Mr. Hussein, one in 1982 and the other in 1988. Both were members of the Islamic Dawa Party, one of the Shiite religious groups decimated in Mr. Hussein's purges. The party was the principal target of the repression in Dujail. Now, through their election sweep in January, the Shiite groups control the government. "Because of this happiness," Mr. Hassan said, speaking of his lost brothers, "I can let them go."

But a grim and retributive mood settled over predominantly Sunni areas. Fighting broke out between gunmen and Iraqi soldiers in Adhamiya in northeastern Baghdad, said an Interior Ministry official, but American forces suppressed the violence. Police and military authorities reported no other outbreaks of major violence and no deaths.

But hundreds of demonstrators marched in Tikrit, carrying photographs of the former leader, firing weapons in the air, and vowing to avenge him. In nearby Samarra, protesters chanted, "The ground will be burned." Witnesses said they were escorted — and in some cases, given rides — by officers from the American-trained police.

For Mr. Hussein, the sentencing, nearly three years after American troops pulled him from a stifling earthen bunker that had been his hiding place near Tikrit, the sentencing was rife with ironies. For all his insistence during the trial that he remained Iraq's lawful president, he seemed a shrunken figure, nondescript in the ill-fitting charcoal suit and tieless white shirt provided by his captors.

The Baath Party building, a vast, pillared structure in the imperial style he favored for the hundreds of palaces he built across the country, is only a short drive from the Republican Palace, once the epicenter of his power beside the Tigris River, and now the base for top American military commanders and officials.

Combative throughout the trial, Mr. Hussein seemed to be beside himself with frustration and anger as the death sentence was announced. Judge Abdel-Rahman tried briefly to calm him. "There's no point in this," he said as the former ruler conducted an unbroken monologue, trying to shout the judge down.

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But Mr. Hussein, 69, would not be assuaged. As the judge moved rapidly through the counts of crimes against humanity on which the five-judge panel court had found him guilty — willful killing, unlawful imprisonment and forced deportation of hundreds of Dujail's townspeople to a desert camp in southern Iraq, torture and "other inhumane acts" — the last four counts each carrying lengthy jail terms — Mr. Hussein, exhaustion showing in the strained timber of his voice and the heavy bags under his eyes, continued to fulminate.

When the judge came to the critical words — "the court has decided to sentence Saddam Hussein al-Majid to death by hanging" — Mr. Hussein offered the bitter riposte that was the coda for many of his fiery denunciations during the 10-month trial. "You don't decide anything," he told the judge. "You are servants of the occupiers and their lackeys! You are puppets!"

In less than five minutes, the judge ordered the former ruler forcibly led from court. "Take him out," he said. Still, the last words belonged to Mr. Hussein. "Long live the Arabs! Long live the Kurds!" he said as he walked, bailiffs clutching his arms, to the door leading to the courtroom cells, and from there back to custody in an American detention center near Baghdad airport where he will remain, American officials said, until the appeal has been completed.

Court officials who spoke with reporters after the sentencing said a nine-judge appellate court would automatically review the death sentences imposed on Mr. Hussein; Barzan Ibrahim Hasan al-Tikriti, his half brother, who was head of the feared Mukhabarat intelligence agency at the time of the events at Dujail; and Awad al-Bandar, who, as chief judge of Mr. Hussein's revolutionary court, handed down the 148 death sentences against the townspeople. A fourth defendant, Taha Yassin Ramadan al-Jizrawi, a former vice president under Mr. Hussein, was sentenced to life imprisonment, and court officials said that his case, too, would go to appeal.

The Dujail trial was originally conceived as a way of building up to the much bigger cases under preparation, involving the killing of hundreds of thousands of Iraqis under Mr. Hussein. A second trial, involving the so-called Anfal military campaign against Iraqi Kurds in the late 1980s, and what the prosecution witnesses have said were at least 180,000 deaths, is already under way, with Mr. Hussein again the principal defendant.

But as the pressures of the war here have mounted, so have demands from the country's new leaders, both Shiites and Kurds, for an early execution of Mr. Hussein, to eliminate him as a rallying point for Sunni militants fighting to restore, if not Mr. Hussein personally, at least some form of Sunni minority rule.

A year ago, before the sharp worsening in the killings across Iraq, court officials were saying that they favored deferring Mr. Hussein's execution, if ordered by the Dujail court, until after he had been held accountable for far more catastrophic crimes.

On Sunday, Iraqi court officials made a point of saying that nothing in Iraqi law would prevent Mr. Hussein being executed before the Anfal trial ended. Some said privately they hoped for his execution within as little as three months. The officials said the appeal would begin within 30 days, after prosecution and defense lawyers had time to prepare their submissions. Iraqi law provides that any death sentences the court upholds must be confirmed by the country's presidential council and carried out within 30 days.

In his televised speech, Mr. Maliki compared Mr. Hussein to Hitler and Mussolini, and said "this insulting end" — meaning the death sentence — was fitting for "a man who subjected Iraq to a series of wars and murderous campaigns that ripped the social fabric of the country, wasted its resources and served only his sick dreams and illusions."

Testimony in the Dujail trial described how no more than 10 men fired at Mr. Hussein's motorcade, with most of the gunmen killed almost immediately. Within hours, Mr. Tikriti, the intelligence chief, and Mr. Ramadan, then leader of a Baath militia known as the Popular Army, began a sweeping punishment.

Witnesses said hundreds of people were arrested, taken to Baghdad and tortured, with 46 of the 148 later sentenced to death dying from mistreatment before reaching Mr. Bandar's court. Hundreds of others were sent to a desert detention camp, and tens of thousands of acres of orchards, Dujail's main livelihood, were bulldozed. Mr. Hussein's lawyers said that the would-be assassins were Iranian-backed Shiites, and that he was justified in ordering the crackdown because Iraq was at war with Iran.

Three local Baath party officials from Dujail — Abdullah Kadhim Ruweid, his son Mizher Abdullah Ruweid and Ali Dayeh Ali — were also found guilty of willful killing, forcible deportation, and torture for their role in the repression at Dujail and sentenced to 15-year prison terms. Another Baath party official, Mohammed Ali Azzawi, was found not guilty and ordered released.

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A photographer with a clear view of Mr. Tikriti, Mr. Hussein's half-brother, said he appeared on the verge of tears when his death sentence was read. As given to tirades as Mr. Hussein during the trial, he seemed to have at least temporarily lost his will to fight. "Congratulations, your honor, for reaching this decision," he told the judge.

Mr. Ramadan seemed stunned, despite being spared the death sentence. He had argued that his role in the Dujail events was limited to overseeing the razing of the orchards. His head dropped as he heard the judge sentence him to life in prison. "May I say something?" he asked Judge Abdel-Rahman. "I am so surprised at this sentence. Tell me, who did I willfully kill?"

In A Divided Iraq, Reaction To Saddam Death Sentence Conforms To Sectarian Lines (NYT)

By Sabrina Tavernise

The New York Times, November 6, 2006

BAGHDAD, Nov. 5 — The day in Baghdad belonged to the Shiites. Their government had returned. Their dead were resting easier. And the generous humor that used to grace faces here was back.

Saadi Hamid, 63, sat in his photography shop staring up at a television carrying the second broadcast of the sentencing. He cried when he saw it the first time.

But this time, when Saddam Hussein began to shout, "Long live the Iraqi people!" Mr. Hamid looked away and smiled broadly.

"Long life for Iraqi people, and he killed everyone," he said. "No one can help him now."

As the pop of gunfire echoed jubilation in Shiite and Kurdish neighborhoods across Iraq on Sunday, and gloom spread over Sunni ones, a surprise emerged. The death penalty for Iraq's former ruler would be a political blessing for the one now in power.

Iraq's embattled prime minister, Nuri Kamal al-Maliki, was not in the courtroom when a panel of judges sentenced Mr. Hussein to death for crimes against humanity, but by late afternoon in Baghdad's Shiite neighborhoods, he was the one receiving the credit.

"We have a government now," grinned Fuad Haithem Jassim, a 35-year-old police officer standing near a lively soccer game on a street in central Baghdad, largely emptied by a curfew.

A Shiite man at one of Baghdad's many funerals was similarly reassured. "Saddam was the snake head, and you have to cut that head, and they cut it," he said in English. "The government began the first step. All the people say we agree with you now, we agree."

It was an unexpected boost for Mr. Maliki, whose political fortunes have faltered as he has struggled to meet American demands to stop Shiite militias on one hand, and to stay as close as possible to his increasingly frustrated Shiite base on the other.

Those Shiite supporters experienced a long-awaited moment of release, as thousands who lost loved ones to Mr. Hussein's brutal state poured into the streets like water — laughing, singing, crying, and holding pictures of dead loved ones to their chests.

But the verdict divided Iraqis as well, humiliating minority Sunni Arabs and raising fears among Iraqis that Sunni militants would unleash a harsh new series of attacks.

A brooding bitterness settled into Sunni areas, where residents saw the trial as a fraudulent affair that had followed an American-authored script. Many cited this week's election in the United States as evidence of such a fix.

"It's just like a satirical play," said a 23-year-old named Ali in western Baghdad, who was occupying himself on a PlayStation to take his mind off the day's events.

Though flare-ups between angry Sunnis and Iraqi soldiers and police officers occurred in Baghdad and several other cities, the country was relatively free of violence. This was seen as a credit to the efforts of American and Iraqi security forces, which enforced broad curfews. The United States military reported five American deaths, in Baghdad and western Iraq.

A carefree and celebratory atmosphere settled into Shiite blocks. In Sadr City, the largest Shiite neighborhood in the capital, women, chased by children, handed out chocolates in chanting crowds. Young men sprayed stringy foam at cars.

But there was a bitter edge, too, from the long decades of oppression and the loved ones lost then.

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"I waited for this day for a long time," said Muhammad Hussein Ali, a Shiite in Najaf whose brother's body was found in a mass grave after the American invasion. "I feel sad for my brother. But now I feel satisfied that his blood didn't go for nothing."

Shiites praised Mr. Maliki for taking a tough stand against Mr. Hussein, but said they feared what might come next. Sunnis were angry, they said, and attacks seemed imminent.

"They had good lives before," said Ali Rashid, a police officer leaning against his truck with other officers and drinking a soft drink in Karada, a middle-class neighborhood in central Baghdad. "He treated them well. They'll take their revenge."

News of the verdict caught Riyadh al-Adhadh, a physician and a Sunni city council member from Adhamiya, busily tending to a request for hospital supplies. Six people were killed and 20 were wounded the night before in two mortar attacks, and more blood was needed. He was more tired than angry.

When Mr. Maliki praised Iraqi security forces in televised remarks after the verdict, the words felt particularly hollow to Dr. Adhadh.

"Maliki can't do anything," he said by telephone from his house in Adhamiya. "What is his system? His system is militias." He added, "How can he dissolve them if they are supporting him?"

Mr. Maliki, meanwhile, found fault with Sunni broadcasts, and temporarily closed two Sunni satellite channels for running what a government spokesman said was incendiary programming.

Iraqis are dying at a tremendous rate these days, Sunnis noted. One pointed out that Mr. Hussein was convicted for 148 deaths — a number that is not all that far from the daily death toll in today's Iraq, which hovers around 100.

"He's a murderer, he's a dictator, but now we have many tyrants," said a teacher in Adhamiya, who, like many in Baghdad these days, did not want to give her full name because she was afraid.

Even among the jubilant Shiites, there were shadows that showed just how far apart Iraqis have moved in the past year. "There are no friends between Sunni and Shiites now, just relatives because they were together before," said Samer, 28, a Shiite walking with friends on a quiet block in Karada. Violence had destroyed chances for new mixed relationships, he said.

"Civil war is happening in Iraq," he said before hurrying to catch up with his friends.

Two women walked purposefully down the Karada sidewalk. One was a Christian, who said she was happy if the Shiites were happy because they were the ones with the power now. Another, Haloud, gave a piercing gaze, but not her sect, and grabbed a reporter's hand as she spoke in broken English.

"I'm not happy for anything in Iraq," she said with almost desperate intensity. "I'm very sad for Iraq. For that road. For that woman. For that chair. For that man.

"I'm very sad for my country. That's it. O.K.?" And she rushed off, her black abaya billowing behind her in the wind.

Verdict Was Expected in Mideast

DUBAI, United Arab Emirates, Nov. 5 — As news of the verdict against Saddam Hussein and his co-defendants spread throughout the Middle East on Sunday, many in the region said that the verdict had been a foregone conclusion and questioned whether it had been fair.

"There was no mystery or suspense here; everyone knew what the result would be," said Daoud Kuttab, a news media critic and founder of Ammannet.net, an independent internet radio station in Amman. "The only reason people watched today was to see the reactions on the defendants' faces."

Most Arabs interviewed Sunday said they did not believe the trial was fair.

"This is the first trial of its kind of an Arab president in contemporary history, and it could have had many implications," said Salah Amer, professor of international law at Cairo University.

"They should have been anxious to make sure it adheres to international legal standards," he said. "But there is a huge question about when this sentence was issued and in what kind of conditions in Iraq."

Amnesty International said it deplored Mr. Hussein's sentence, describing the proceedings as "deeply flawed and unfair."

Reactions To Verdict Reflect Shifts In Iraqis' Fortunes (WP)

By Sudarsan Raghavan And Salih Dehema

The Washington Post, November 6, 2006

DOJ_NMG_0091085

BAGHDAD, Nov. 5 -- On a momentous day in a locked-down city, two men who live on adjacent streets sat alone in their bedrooms Sunday morning to watch the same televised event, but for different reasons. Husam Muhammad, a Sunni Muslim, ordered his family not to disturb him. Mahmoud Abdallah, a Shiite Muslim, simply closed his door.

"I knew I was going to cry," said Muhammad, 55, a former Agriculture Ministry official. "And it's a shame to cry in front of my family."

"I wanted to enjoy this moment by myself, without interruption," said Abdallah, 26, a merchant who sells electrical appliances.

Less than an hour later, deposed Iraqi president Saddam Hussein and two co-defendants were convicted of crimes against humanity and sentenced to death by hanging. Muhammad cried. Abdallah smiled.

"I lost control at that moment," Muhammad said. "Iraq without Saddam Hussein, or a man like Saddam Hussein, will never be Iraq."

"This man is a dictator," said Abdallah. "He insulted this country and its people. He deserved this punishment."

Here in the mostly Shiite neighborhood of Kadhimiyah, Hussein's death sentence evoked strong and divergent emotions, mirroring sentiments across Iraq. They spoke to the dramatic shift in fortunes of Iraq's two major sects that began after the U.S.-led invasion and continues to unfold in this fourth year of war.

For the Sunnis of Kadhimiyah, the verdict drove another nail into the coffin of the man many still see as the leader of their community, which once ruled Iraq but now feels more besieged than ever. The sentence, some said, was the work of a victor's court that was more interested in vengeance than judicial fairness.

"Every honest and free Iraqi person will be very sad about the verdict," said Ali Safar, 52, a Sunni merchant. "And every person who is not honest and free will be happy."

The verdict also deepened Sunnis' fears about their future in an Iraq dominated by a Shiite-led government and plagued by sectarian strife. "You've heard at the airport the term 'The visibility is zero'?" Muhammad asked. "Just like that, for us the visibility is zero. We cannot see what's next for us."

For the more numerous Shiites of Kadhimiyah, after decades of repression under Hussein's government, the verdict delivered the justice they have long sought. Many vividly remember the executions of 148 men and boys in the town of Dujail ordered by Hussein following a botched assassination attempt in 1982. They also remember the Anfal campaign, in which Hussein is accused of ordering the mass killings of ethnic Kurds in the late 1980s.

"We were waiting for this day more than 20 years," said Hani Ismael, 35, a Shiite laborer who lives five houses down from Muhammad. "I do not wish him to be hanged, but I wish him more torture in his grave."

Shiites also rejoiced in the hope that their political future in Iraq and in the region would become more secure. Would the verdict persuade Hussein loyalists to abandon the Sunni Arab insurgency? Would it boost the chances of embattled Prime Minister Nouri al-Maliki, a Shiite, to stabilize his divided country? "I am optimistic for the future. This will help the Shiite leaders," Abdallah said. "I feel this gang that was controlling the country is now finished. God willing, those people supporting Saddam and his Baathists, when they hear about this decision, they will be finished."

After the verdict was announced, the streets of Kadhimiyah erupted in celebration, despite a government-imposed curfew, as Shiites unleashed their joy. Shiite policemen played religious songs and chanted the names of Shiite martyrs. Some danced, wagging their handguns. Others handed out candy to residents who defied the curfew.

Jubilant Shiites shot guns into the air, so much that representatives of radical Shiite cleric Moqtada al-Sadr were dispatched to houses to order the revelers to stop. The bullets, they told the gleeful gunmen, were needed to strike at their enemies.

Sunnis, however, stayed inside their homes, fearing for their safety. Muhammad, who is bald, with thick eyebrows and mustache, said he is the only Sunni left on his street. Sectarian tensions chased the rest away. As celebratory gunfire popped around his house, he said he spent Sunday listening to news reports. He took some comfort that two human rights groups, Amnesty International and Human Rights Watch, condemned the death sentence, saying the trial was unfair and marred by serious flaws.

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"Saddam was accused of killing 148 people. Now, more than 148 innocent people are getting killed in Iraq every day," Muhammad said. "His era is better than the era we are living in now."

Some Shiites in Kadhimiyah, a bustling community built around a gold-domed shrine and nestled along the Tigris River, agreed.

Naseer Muneer, 25, a Shiite who works in the Social Services Ministry, said that under Hussein's secular government, sectarian divisions seldom burst into the open. The people who support Sunday's verdict, he said, "do not realize the danger and the consequences of what will happen, because the simple fact is that this government has not achieved anything for the Iraqi people up till now."

Muhanned Hussein Okeily, 23, a Shiite working with the Iraqi military, predicted that Hussein would never be executed. "They announced the verdict to distract the people from the lack of social services, security, stability and [from the] sectarian violence," he said.

But Abu Sajad, 34, a Shiite history professor, said the verdict "lets the world know that every tyrant will have a dark end," especially other authoritarian rulers in the Middle East. "I wish for Saddam to be cut to pieces and hanged on the Baghdad streets to be a lesson for the Arab rulers to not repeat what Saddam did to his people."

Abdallah said he worries about the reverse: that Sunni Arab rulers in the region, concerned about the presence of a Shiite government in Iraq, would use their influence to prevent Hussein from being executed, keeping the hopes of many Iraqi Sunnis alive. Or that the Iraqi government, concerned about greater instability, might lack the political will to carry out Hussein's sentence.

"The fear I have is an internal push against executing Saddam," Abdallah said.

Despite their differences, Abdallah and Muhammad share a similar prediction for the immediate future. "I am expecting a big reaction from the terrorists in response to the Saddam verdict," Abdallah said.

Said Muhammad: "The civil war is coming."

Saddam Hussein Sentenced To Hang (FT)

By Steve Negus

Financial Times, November 6, 2006

Saddam Hussein and two senior members of his regime were on Sunday sentenced by an Iraqi special tribunal to death by hanging for carrying out a campaign of collective punishment against a Shia village where the deposed president suffered a 1982 assassination attempt.

Mr Hussein exhibited more of the defiance he has shown throughout the trial. He at first refused to stand for the verdict and had to be lifted to his feet by guards. He shouted “Long live the people!” and “God is greater!” as the sentence was pronounced.

Awadh al-Bandar, a former revolutionary court judge under Mr Hussein’s regime who sentenced to death more than 140 residents of the Shia village of Dujail after the 1982 incident, and Mr Hussein’s half-brother and former intelligence chief Barzan al-Tikriti were also sentenced to hang.

Former vice-president Taha Yassin Ramadan received life imprisonment, while three comparatively minor officials from the former ruling Baath party in the village received sentences of up to 15 years in prison.

According to Iraqi law, death sentences should be carried out within 30 days of the defendants’ final appeal. The appeals court might not give a final decision until well into next year.

The sentence sparked celebration in Shia areas, and angry demonstrations in Sunni Arab ones.

Immediately following the verdict, Iraqi TV reported that mosque loudspeakers in Baghdad had issued calls not to fire weapons into the air in celebration. Iraqi TV showed crowds dancing in the streets, waving pictures of radical Shia leader Muqtada al-Sadr whose father was killed by presumed regime agents in 1981.

One guard in the heavily-fortified Green Zone, whose said his brother was killed by Mr Hussein in 1981, had little sympathy for the defendants. “They would condemn people to death without any process, no evidence, judgment, then one minute later the grave.” He spat at the screen as the deposed president shouted defiance at the court.

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The trial had been plagued by allegations that Iraq's Shia-led government used its influence to affect the outcome. Amnesty International, the human rights group that documented thousands of cases of torture and disappearances under Mr Hussein, said the trial was unfair.

The court is expected to produce a long written explanation of its judgment in the coming weeks, which legal experts say will be crucial in determining whether Mr Hussein and his co-defendants were given a fair hearing.

George W. Bush described Mr Hussein's conviction as a "major achievement for Iraq's young democracy".

Mr Bush, who on Sunday was conducting last-minute campaigning in the US mid-term congressional elections, which take place on Tuesday, said the verdict was a "milestone" on the path to Iraqi freedom.

In what was an indirect rebuke of John Kerry, the losing 2004 Democrat presidential candidate, who last week "botched" a joke that appeared to denigrate the educational achievements of US soldiers serving in Iraq, Mr Bush also emphasised praise for the "young men and women who serve in uniform".

On Sunday Rahm Emanuel, leader of the Democratic campaign for the House of Representatives, reminded voters that Mr Bush had described Mr Hussein's capture in December 2003 as having "turned the corner" in the Iraq war. He said there was as little evidence now, as then, that the former Iraqi president's conviction would change the picture on the ground.

Opinion polls suggest the Democrats, who have campaigned for a "phased redeployment" of US forces out of Iraq, are on course to retake at least one house of congress. It is unclear what, if any, impact Mr Hussein's sentencing will have on voter sentiment in the US.

Margaret Beckett, the UK's foreign secretary, welcomed the judgment: "It is right that those accused of such crimes against the Iraqi people should face Iraqi justice."

Additional reporting by Christopher Adams in London and Ed Luce in Washington

Mideast Expected The Verdict But Doubts Whether It's Fair (NYT)

By Hassan M. Fattah

The New York Times, November 6, 2006

DUBAI, United Arab Emirates, Nov. 5 — As news of the verdict against Saddam Hussein and his co-defendants spread throughout the Middle East on Sunday, many in the region said that the verdict had been a foregone conclusion and questioned whether it had been fair.

"There was no mystery or suspense here; everyone knew what the result would be;" said Daoud Kuttab, a media critic and founder of Ammannet.net, an independent internet radio station in Amman. "The only reason people watched today was to see the reactions on the defendants' faces."

Many analysts and others in the region who followed the trial said that what mattered was how the court had reached its judgment and that the process had seemed highly flawed. But critics and supporters of Mr. Hussein, the former dictator, said they were left with more frustration than closure.

Most Arabs interviewed Sunday said they did not believe the trial was fair. They said it had seemed politicized, that the judges had not seemed to be in control of the process and that rulings about procedures had seemed contradictory. Almost everyone agreed that the verdict was unlikely to stop the violence gripping Iraq.

"This is the first trial of its kind of an Arab president in contemporary history, and it could have had many implications," said Salah Amer, professor of international law at Cairo University. "They should have been anxious to make sure it adheres to international legal standards. But there is a huge question about when this sentence was issued and in what kind of conditions in Iraq."

Mr. Amer and other analysts said the timing of the verdict, on a day of the week when the special tribunal does not normally hold session, and just two days before midterm elections in the United States, underscored the perception that the proceedings had been politically charged.

"His sentencing now is a deliberate attempt to boost the Republicans in the U.S.," said Imad Shueibi, president of the Data and Strategic Studies Center, a private research organization in Damascus. "They're expecting big losses in the upcoming

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elections, and they figure maybe this sentence might give an illusion of some success. But of course only the naïve will believe that."

Amnesty International said it deplored Mr. Hussein's sentence, describing the proceedings as "deeply flawed and unfair."

Makram Mohamed Ahmed, a columnist with the Egyptian government-backed Al Ahram newspaper, said Mr. Hussein "was a burden to his nation and a burden to the entire Arab world and he might have truly deserved this fate, if only the court's legitimacy was not in question."

The verdict, Mr. Ahmed said, had even failed to send a message to other Arab leaders to loosen their grip and reform. "I don't think any of the Arab leaders will come to think that this can happen again because Bush's administration is losing its popularity, and the democrats may get a majority in the Congressional elections."

On the streets of some Arab cities, some defended Mr. Hussein. "Saddam was only defending himself in the Dujail incident and is therefore not a criminal," said Imad Suadi, 43, a taxi driver in Amman. "If any other leader faced the same ordeal, he would act the same. But this verdict is a blow to Arab leaders, warning that anyone of them who raises his head up will face the same fate."

Not everyone was interested. In Damascus late Sunday night, many cafe patrons tuned in to a local soccer game, hardly discussing the verdict. One shop owner, who spoke on the condition of anonymity because he did not want any repercussions, said he was aware of the sentencing, but had not thought much of it. "May God protect us from such things," he said.

World Opinion Divided On Saddam Sentence (AP)

By William J. Kole

AP, November 6, 2006

Saddam Hussein's death sentence was celebrated by some on Sunday as justice deserved or even divine, but denounced by others as a political ploy two days before critical U.S. midterm congressional elections.

Worldwide, the range of reactions — including a European outcry over capital punishment and doubts about the fairness of the tribunal that ordered Saddam to hang — reflected new geopolitical fault lines drawn after America's decision to invade Iraq in 2003 and depose its dictator.

The European Union welcomed the verdict but said Saddam should not be put to death. At the Vatican, Cardinal Renato Martino, Pope Benedict XVI's top prelate for justice issues, called the sentence a throwback to "eye for an eye" vengeance.

"This is not the way to present the new Iraq to the world, which is different from Saddam, who was behind hundreds of thousands of deaths as well as death penalty sentences," said Hands Off Cain, an Italian organization working to rid the world of capital punishment.

Islamic leaders warned that executing Saddam could inflame those who revile the U.S., undermining President Bush's policy in the Middle East and inspiring terrorists.

"The hanging of Saddam Hussein will turn to hell for the Americans," said Vitaya Wisethrat, a respected Muslim cleric in Thailand, which has its own Islamic insurgency in the country's south.

"The Saddam case is not a Muslim problem but the problem of America and its domestic politics," he said. "Maybe Bush will use this case to tell the voters that Saddam is dead and that the Americans are safe. But actually the American people will be in more danger with the death of Saddam."

Bush called the verdict "a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law."

Praising the Iraqi judiciary for its independence, the White House denied arranging for the verdict to be announced just two days before pivotal elections in which Democrats are fighting for control of Congress.

"The idea is preposterous," said Tony Snow, Bush's spokesman.

Yet there was a touch of contempt as well, reminiscent of the international response when the United States failed to find the weapons of mass destruction Bush insisted had made Saddam such a threat.

Intervening militarily was "a grave error," said Spanish Prime Minister Jose Luis Rodriguez Zapatero, whose country withdrew its troops from Iraq, contending that conditions there have worsened since the U.S.-led invasion.

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Although some voiced doubts that Saddam would actually be hanged, the International Federation for Human Rights denounced the death sentence, warning that it "will generate more violence and deepen the cycle of killing for revenge in Iraq." The Council of Europe called it "futile and wrong" to execute Saddam.

Louise Arbour, the U.N. high commissioner for human rights, urged Iraq to ensure a fair appeals process and to refrain from executing Saddam even if the sentence is upheld.

In Pakistan, an opposition religious coalition claimed American forces have caused more deaths in Iraq in the past 3 1/2 years than Saddam did during his 23-year rule, and insisted Bush should stand trial for war crimes.

"Who will punish the Americans and their lackeys who have killed many more people than Saddam Hussein?" asked Hafiz Hussain Ahmed, a senior lawmaker from the Mutahida Majlis-e-Amal coalition, which is critical of Pakistan's military cooperation with the United States.

In the Arab world, some Muslims saw the sentence as divine retribution, but others decried it as a farce.

"Saddam is being judged by traitors, Americans and Iranians, and those who came on the backs of American tanks," said Mahmoud al-Saifi of the Arab Liberation Front.

Iran, which fought an eight-year war against Saddam's Iraq and is a bitter opponent of the United States, praised the death sentence and said it hoped that Saddam — denounced by one lawmaker as "a vampire" — still would be tried for other crimes.

Key U.S. allies — including Britain and Australia — welcomed Sunday's verdict, which had been widely expected.

"Appalling crimes were committed by Saddam Hussein's regime. It is right that those accused of such crimes against the Iraqi people should face Iraqi justice," British Foreign Secretary Margaret Beckett said in a statement.

"The whole process of the trial is a sign of democratic hope and I believe the world should see it as such," Australian Prime Minister John Howard told the Nine Network television.

Amnesty International questioned the fairness of the trial, and international legal experts said Saddam should be kept alive long enough to answer for other atrocities.

"The longer we can keep Saddam alive, the longer the tribunal can have to explore some of the other crimes involving hundreds of thousands of Iraqis," said Sonya Sceats, an international law expert at the Chatham House foreign affairs think tank in London.

"The problem really is that this tribunal has not shown itself to be fair and impartial — not only by international standards, but by Iraqi standards," she said.

Chandra Muzaffar, president of the Malaysian-based International Movement for a Just World, also voiced concerns that Saddam's trial "violated many established norms of international jurisprudence."

Even so, "Saddam was undoubtedly a brutal dictator, and even though I wouldn't subscribe to the death penalty, he deserves to be punished severely for the enormity of his crimes," he added.

Konstantin Kosachyov, the Kremlin-allied head of the international affairs committee in Russia's State Duma, or lower house of parliament, said the sentence would deepen divisions in Iraq.

But Kosachyov expressed doubts that Saddam would actually be executed.

The verdict, he said, was mostly symbolic — "retribution that modern Iraq is taking against Saddam's regime."

Analysis: Verdict May Not Stop Violence (AP)

By Robert H. Reid

AP, November 6, 2006

The future of Iraq may depend little on whether Saddam Hussein hangs. The Sunni insurgency is so deeply entrenched and sectarian bloodlust so strong that Iraq seems set to continue spiraling into violence — regardless of its former president's fate.

Some fear that the Saddam verdict, by angering the Sunni minority, could intensify the violence once a curfew in Baghdad is lifted. Others say they hope the verdict gives Iraqis a chance "to unite and build a better future," in the words of the U.S. Ambassador to Iraq, Zalmay Khalilzad.

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But in the end, Saddam's fate is not what's driving the violence in Iraq now. Instead, religious, nationalistic and sectarian passions have taken over and are tearing the country apart.

Even if it causes a spasm of violence, Saddam's verdict is just a symbol of the deeper, underlying problems. Sunnis are alarmed at the prospect of Shiite domination. Shiites are fed up with attacks by Sunni extremists.

Without an effective government to protect them, both communities have become locked in a murderous cycle of reprisal killings that looks set to continue.

The insurgency started with Saddam loyalists.

But it long ago expanded into a multi-faceted conflict waged by different groups with different goals: nationalists seeking to drive foreigners from Iraqi soil; Sunni militants fearing domination by the Shiites; and religious zealots waging a global jihad against America.

The death of Saddam would matter little to religious extremists, for example, willing to sacrifice their own lives for their cause.

Likewise with the sectarian violence that has pushed the country to the brink of civil war. It started when Sunni insurgents began attacking Shiite civilians, considering them collaborators with the Americans.

With U.S. and Iraqi forces unable to stop those attacks, Shiite militias took the law into their own hands, sending death squads to exact vengeance on Sunni civilians. Since the bombing of a Shiite shrine in Samarra in February, sectarian reprisal killings have spiraled out of control.

Those hatreds will continue to drive the violence — regardless of what happens to Saddam. Neither the Americans nor their Iraqi partners have found a way to control them.

It's not that Saddam's fate has no effect at all: The sectarian fighting has, indeed, served to boost his image among many of his fellow Sunnis, even those who were happy to see him ousted from power three years ago.

With their minority community under siege since they were ousted from decades of power, many Sunnis have rallied around Saddam, forgetting the abuses suffered by all communities under his hard-line rule.

Thus, Saddam's execution could turn him into a martyr for some Sunnis, who consider the trial simply a smokescreen for the failures of the Americans and their Shiite and Kurdish allies.

"I believe that this trial is politically motivated and not a judicial one," said hardline Sunni cleric Harith al-Dhari. "If Saddam is charged with crimes, then the trial should be postponed until the occupation ends."

But the fact is that Sunnis are likely to remain unhappy even if Saddam were to live. It is their diminished role in the post-Saddam Iraq that most distresses them.

Saddam also matters, without question, to the majority Shiites: The violence has reinforced the determination of the Shiites and Kurds, who suffered immensely under Saddam's brutal rule, to put an end to any chance that the former regime might make a comeback.

Prime Minister Nouri al-Maliki, a Shiite, hailed the verdict, proclaiming that it marks "the end of a dark era and a beginning a new epoch" where the rule of law "will be supreme."

Yet al-Maliki's real problem is the burgeoning civil war — and he will make little progress at any unified government, much less a united country, until he can convince Sunnis that they have a future in the new Iraq.

In short, until Iraq's communities reach political agreement on the future of their country, chances for peace appear bleak.

And that could take a very long time.

"You need to look at it in the long term and in the long term, I think the Iraqi people are going to be proud that they gave (Saddam and his defendants) a fair trial," said Christopher Reid, who served as an adviser to the Iraqi court.

But, he adds, acknowledging the current violence: "You can't look at this thing in the short term."

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Robert H. Reid is correspondent-at-large for The Associated Press and has frequently reported from Iraq since 2003.

Hussein Trial Was Flawed But Reasonably Fair, And Verdict Was Justified, Legal Experts Say (NYT)

By Julia Preston

The New York Times, November 6, 2006

The yearlong trial that ended yesterday with a sentence of death by hanging for Saddam Hussein had serious legal flaws that left doubts about whether he was allowed to present a full defense, international legal experts said.

Lawyers and human rights advocates broadly agreed that the Iraqi tribunal's proceedings frequently fell short of international standards for war crimes cases. But even critics of the trial said the five Iraqi judges who heard the case had made a reasonable effort to conduct a fair trial in the face of sustained pressure from Iraqi political leaders for a swift death sentence. American lawyers pointed to substantial evidence offered by the prosecution implicating Mr. Hussein in the crimes against humanity with which he had been charged.

"Did this meet the standards of international justice?" asked Jonathan Drimmer, who teaches war crimes law at Georgetown University Law Center in Washington. "The answer is no. But to look at the ultimate verdict, it certainly is consistent with the evidence presented."

Miranda Sissons, a senior associate at the International Center for Transitional Justice, a group that has severely criticized some of the trial proceedings, said, "This was not a sham trial," and added, "The judges are doing their best to try this case to an entirely new standard for Iraq."

Mr. Hussein was accused along with seven co-defendants in the executions of 148 men and boys in Dujail, 35 miles north of Baghdad, in 1982. The mass killings came after what was said to be an assassination attempt against the Iraqi leader.

Whether the trial is seen to have been fair is a vital issue for the United States-backed Iraqi government. When the tribunal was created in December 2003, American and Iraqi officials hoped that it would advance the justice system in Iraq, left moribund under Mr. Hussein, and would help bring some reconciliation between the majority Shiites and minority Sunnis.

Since then the country has descended into factional strife. The trial was fair enough to justify the elation yesterday among Iraqis who suffered under Mr. Hussein's rule but also had enough defects that Mr. Hussein's Sunni supporters, who dominated his government, could still contend that it had been victor's justice, as Mr. Hussein's defense lawyers, led by Khalil al-Dulaimi, said yesterday.

The trial was troubled by extreme security issues. Three defense lawyers were assassinated.

Critics cited frequent efforts by Iraqi officials to speed up the trial and influence its outcome. The first chief judge, Rizgar Muhammad Amin, an Iraqi Kurd, resigned in January, saying he was tired of criticism from top Iraqi officials of his handling of the case. A second judge who was in line to succeed him was barred from becoming chief judge because he was said to have had ties to Mr. Hussein's Baath Party, said human rights advocates who have been following the trial.

"The message by politicians and the executive has been quite unambiguously that if the judges do not do what public expectation demands, they will be in trouble," Ms. Sissons said. "Iraqi officials have sent the message, 'We can reach into this court.' "

Raouf Rasheed Abdel-Rahman, who took over as chief judge and presided to the end, was much less tolerant than his predecessor of outbursts by the defendants, who challenged the legitimacy of the court. The chief judge frequently allowed the prosecutor, Jaafar al-Mousawi, to summon evidence and witnesses without first showing them to defense lawyers, violating a basic tenet of trial fair play.

"There was a certain amount of trial by ambush," said Richard Dicker, who has been monitoring the trial for Human Rights Watch, a New York-based group.

On June 13, seemingly in a fit of impatience, Judge Abdel-Rahman abruptly cut off the defense case. "There was a lack of impartiality and judicial temperament" from Judge Abdel-Rahman, Mr. Dicker charged.

However, several American criminal lawyers said the prosecution marshaled surprisingly convincing documents, including those showing Mr. Hussein's signature on orders of execution. "Saddam was convicted on the strength of his own documents," said Michael Scharf, a professor at Case Western Reserve University School of Law who advised the Iraqi tribunal during the trial.

But many trial observers were withholding final opinions yesterday because the Iraqi judges had not issued their written judgment, a voluminous document expected to come out this week.

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American lawyers in Iraq dismissed suspicions that the verdict had been delayed to give the Bush administration a political victory in Iraq close to Tuesday's elections.

Accusations by Mr. Hussein's supporters that the trial was manipulated by United States officials were not borne out, American lawyers who followed the case said. An office organized by the United States Embassy helped the tribunal with the investigation and provided legal and logistical assistance. But the Iraqi judges frequently ignored their advice and generally insisted on sticking with familiar procedures from the Iraqi justice system.

"The U.S. government was not the puppet master of this tribunal," Mr. Scharf said.

Mr. Drimmer said that "the trial conduct was a step back from the kind of international justice we had hoped for," and added, "But ultimately having Saddam Hussein prosecuted in a transparent proceeding is a major step for Iraq."

Saddam Sentenced To Death By Hanging (MCT)

By Nancy A. Youssef

McClatchy Newspapers, November 6, 2006

BAGHDAD — The Iraqi Special Tribunal sentenced former Iraqi dictator Saddam Hussein and two of his co-defendants to death in a case charging that they ordered the execution of 148 innocent people in a botched 1982 assassination attempt.

In their verdict, the court made a clear distinction between high-ranking government officials who ordered the attacks and lower-level officials forced to carry them out.

As his sentence was read, Saddam aggressively yelled "God is greater!" to Judge Raouf Abdul. Rahman read the sentence: death for murder, 10 years for forcible deportation, 10 years for torture.

"Long live the Iraqi people, damnation for the damned," Saddam told the panel of judges. "You are the servants of the colonizers."

His half-brother, Barzan Ibrahim al-Tikriti, the former head of intelligence, and Awad Hamad al-Bandir, former head of the Iraqi Revolutionary Court, also were sentenced to death by hanging.

Bandir kept shouting "God is Great" repeatedly over the reading of the verdict.

Taha Yassin Ramadan, Saddam's vice president at the time the regime fell, was sentenced to life. Abdullah Kathim Ruwaid, his son, Mizhar Abdullah Kathim Ruwaid and Ali Dayih Ali - all local Baath Party officials in 1982 when someone shot at Saddam's convoy during his visit to the mostly Shiite city of Dujail - received a 15-year sentence.

One defendant, a lower-ranking Baath official in the city of Dujail, where the case centered upon, was released immediately.

Seven guards surrounded Saddam, who wore a suit and carried a Koran, as he entered the courtroom. He initially refused to stand up as the verdict was being read, only doing so after two guards forced him up.

Some of those in the visitor gallery were reprimanded by the judge for cheering too loudly. In Baghdad's mostly Shiite neighborhoods, there was rapid gunfire more than a half-hour after the verdict was read. In Saddam's hometown of Tikrit, protestors immediately took to the streets.

In a statement, U.S. envoy Zalmay Khalilzad said: "Although the Iraqis may face difficult days in the coming weeks, closing the book on Saddam and his regime is an opportunity to unite and build a better future. As the Iraqi people move forward, the United States will support them in their efforts to build a just and democratic society."

The court adjourned immediately after reading the verdicts without elaborating on how it reached them.

The nation braced itself for what some feared would be a new round of violence by Saddam's supporters in an already turbulent nation.

Indeed, all of the nation's security forces were ordered to work, and the government issued a curfew. Others hoped it would rejuvenate hopes in the country's national government and judicial system.

The verdicts were decided by a five-judge panel who read their written statements to each defendant, beginning with Mohammed Azawi Ali, who was immediately cleared of all charges. Many had agreed that prosecution had presented the weakest case against Ali.

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The trial, which began in October 2005, charged that Saddam and his cohorts rounded up innocent residents of Dujail, took them off to camps and killed and tortured - all in response to an apparent assassination attempt against Saddam. And they said large parts of the orchards in the city were razed in the search for attempted assassins, in some cases ruining their farming livelihood. Saddam was visiting the town in 1982 when someone fired on his convoy.

In all, Saddam faced seven charges, including murder and crimes against humanity.

While Iraqis were glued to their television sets during the beginning of the trial, they lost almost all interest by the end. Some complained it was a long, drawn-out soap opera, not a swift legal proceeding. Others said the death of 148 people two decades ago now seems insignificant in today's Iraq, where on average 100 people are killed a day nationwide.

In all, 27 residents testified about their ordeal, sometimes retelling their stories verbatim. Some testified while facing the former dictator directly; others from behind a curtain. Another 32 gave their testimony in statements read in court.

In between, the head judge stepped down and three defense attorneys were assassinated. The remaining defense attorneys walked out of the proceedings toward the end of the hearings.

During the trial Saddam and Bazran al-Tikriti often delivered long diatribes, questioning the legitimacy of the court, while sitting in a cage placed in the middle of the courtroom that faced the five-judge panel. The prosecutors sat one side; the defense team on the other.

In one session, Saddam told the judge to "go to hell."

U.S. officials concede the process did not always proceed smoothly, but said overall, it was monumental - the first trial that brought a former dictator to trial in front of his countrymen.

And residents were again glued to their television sets Sunday to see watch the verdict being read, many locked in their homes because of the curfew.

U.S. officials said Saddam's most self-incriminating statements occurred March 1 when he admitted ordering the executions, saying as the leader of Iraq, he was ultimately responsible.

"I demolished the orchards," the former dictator said to stunned courtroom. "That was a Revolutionary Council decision to modernize the orchard, and I signed that order."

He went on to say "nobody forced me to sign that decision" and concluded by asking the court: "Where is the crime?"

Saddam has faced the death sentence before in his life. As an early member of the Baath Party, he was part of a failed attempted assassination attempt of then-Iraqi Prime Minister Abdul Karim Qassim. Saddam fled to Egypt and was sentenced to death in absentia in 1963. When he returned to Iraq a year later, he was jailed, only to escape in 1967. The following year, he was part of a bloodless coup that brought down the government and named him vice president.

Like all things in this country now, the reaction to the verdict fell largely along sectarian lines, only breaking for those who were directly harmed by the former dictator during his three-decade reign.

In Saddam's hometown of Tikrit, residents promised a rise of retaliatory attacks if the former president is killed. And they said that Saddam's crimes pale compared to what is happening now.

"A death sentence is unfair," said Qusai Abdullah, a 30-year-old taxi driver, from Tikrit. "What happened in Dujail in 1982 is happening now, maybe worse. And neither the government nor the Americans are taking responsibility of what's going on."

In the mostly southern Shiite cities of Basra and Najaf, there was not much enthusiasm for the verdict either, namely because residents said Saddam would likely never be executed.

Others charged that the verdict would primarily serve America's political interests, not the Iraqis' need for justice, noting that it came two days before the U.S. elections.

"It will be only an attempt for an electoral gain for the U.S. and they don't care about the price the Iraqis will pay for it," referring to fears of increased violence, said Sumaiya Abdul Wahab, 33, a university lecturer.

In one hearing, Saddam asked that he be killed by a firing squad, saying he is entitled to that as head of the armed forces. But Iraqi law says that, if executed, he should be hung. Minister Nouri al Maliki, said Saturday that Saddam would be hung, already presuming the former dictator would be found guilty in what some took as another sign of his sectarian slant.

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But first, there is an automatic appeals process for anyone convicted to life imprisonment or death. And Saddam still is being tried for allegedly gassing thousands of Kurds in the late 1980s. So it could be months before he faces his court-ordered execution.

Iraqis' Emotions Flow After Verdict (USAT)

By Rick Jervis

USA Today, November 6, 2006

BAGHDAD — Celebrations and some protests erupted in Iraq on Sunday after Saddam Hussein was convicted of crimes against humanity for ordering the deaths of 148 Iraqis in 1982. He was sentenced to be hanged.

Shortly after the verdict was announced, clashes with police broke out in north Baghdad's Azamiyah district, a mostly Sunni Arab area. Sunnis were Saddam's main supporters.

"This government will be responsible for the consequences, with the deaths of hundreds, thousands or even hundreds of thousands," Saleh al-Mutlaq, a Sunni political leader, told Al-Arabiya satellite television.

Celebratory gunfire also rang out in Baghdad. In Dujail, the Tigris River city where the 148 Shiites were killed, people celebrated and burned pictures of Saddam.

Saddam's chief lawyer, Khalil al-Dulaimi, said his client called on Iraqis to reject violence. "His message to the Iraqi people was, 'Do not take revenge on the invading nations and their people,' " al-Dulaimi said. The lawyer called the trial a "farce" and said defense attorneys will appeal within 30 days.

Fadhil Kadhim, 70, a farmer from a mainly Shiite district in Baghdad, said Saddam's forces killed his son in 1985. "Does the bloodshed of Iraqis stop after today?"

"It is a verdict on a whole dark era that was unmatched in Iraq's history," said Prime Minister Nouri al-Maliki, a Shiite.

President Bush called it "a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law."

Saddam refused to stand when the judge was ready to read his sentence. He stood after two marshals entered his holding pen. As the sentence was read, he shouted, "God is great!" and "Down with the occupiers!"

The former leader and his seven co-defendants were accused of revenge killings in Dujail, 35 miles north of Baghdad, after an assassination attempt on Saddam. Two others also were sentenced to death, one received a life sentence, three were sentenced to up to 15 years, and one was acquitted and freed.

King Sneer (WP)

By Philip Kennicott

The Washington Post, November 6, 2006

Saddam Hussein, who lost two major wars against the United States, has been a reliable villain in American politics for at least 15 years, longer than Hitler, who ran Germany from 1933 until his ignominious suicide in a bunker in 1945. Yet yesterday's images from Baghdad of Hussein being sentenced to die at the end of rope had little of the visual or emotional impact one might have expected from this late chapter in the tyrant's life story.

A gray-bearded man with deep bags under his eyes gestured impatiently at the camera. The sentence was pronounced. And like some pundit or politician on a Sunday morning talk show, Hussein raised his voice over the cross talk, vilifying, as he has done so often throughout his odd trial, the Americans who forced him from power.

It's a Shakespearean certainty that a deposed king will seem small and even pathetic without his regalia and the surrounding spectacle of toadying courtiers. Yet Hussein seemed less pathetic than angry yesterday, angry just as he's been since he scrubbed off the grime of his spider-hole hideout three years ago. With the exception of some woolly pictures taken just after his capture, the dictator's equivalent of a Hollywood mug shot, Hussein has mostly stayed in character throughout the war and its aftermath. He was angry and imperious when we saw him before the invasion, firing shots into the air from a balcony. He was angry and imperious as he faced news of his execution yesterday.

For Americans, he's always been a figure bristling with lethal energy. He aged over the years, but the gestures and the posture and overheated bellicosity, which always sounded strange in translation, remained mostly unchanged since we first encountered him as public enemy No. 1 during the lead-up to the first Gulf War. Hitler and Stalin killed into the millions. Hussein

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earned his way into their ranks when he killed tens of thousands of Kurds and invaded Kuwait. He bedeviled his neighbors and terrorized his citizens and earned the epithet "murderous"; Syria's Hafez al-Assad, who also bedeviled his neighbors and killed tens of thousands of his own citizens, was always known as just wily. The crime for which Hussein will die was the killing of 148 men and boys from a town north of Baghdad, where an attempt was made on his life in 1982.

When he was in power, his anger signified danger to America. Throughout his trial, it came to represent the explosive internal dangers of postwar Iraq, every outburst a microcosm of the larger anger of his Sunni supporters, just as the chaos of the trial reflected the larger chaos in Iraq. Images of Hussein's sentencing were anticlimactic on arrival because they offered no real sense of closure. Unlike trials in postwar Germany or post-apartheid South Africa, Hussein's trial didn't seem to puncture history with a new beginning. It clearly brought no reconciliation to warring parties in Iraq and it placed no period after the initial success of the invasion. Even the courtroom, seen in brief snatches on the nightly news, was a place calculated to deflate history. It felt small and was badly lit (at least for the cameras), and justice didn't seem to stare down evil so much as bicker with it.

And yet Hussein managed to remain consistent to his prewar public image throughout it all. The military fatigues came off, but with his Koran in hand and the formulaic and economical arm gestures of an impatient despot he never seemed anything less than entirely convinced that he was still Saddam Hussein, a latter-day incarnation of Nebuchadnezzar. Throughout it all, he had a loyal audience. Even when it was certain that he would lose his case and be sentenced to die, he still found sympathy among some Sunni supporters, and perhaps that audience bolstered him in his defiance.

A broken man doesn't take such care with his cuffs, nor stuff a handkerchief in his breast pocket, as Hussein did for his court appearance. Only the fatigue in his eyes and the gaunt appearance of his face suggested any sign of soul searching -- and even that reading of his visage is probably wishful thinking. Otherwise, Hussein's public presence suggests a man primarily frustrated by his inability to hold forth to a world audience. A man still clamoring for the microphone of history is a man who still feels he has a strong case to make to the world.

In the streets of Iraq, his case -- that age-old argument that a fractious country needs a brutally pragmatic leader -- was being made for him car bomb by car bomb. Violence has been so bad of late that a curfew was called before the sentencing. But there were still demonstrations in the streets. Shiites and Kurds fired guns in the air to celebrate; and Sunnis fired guns in the air to protest the news in Hussein's home town of Tikrit.

Hollywood would do this so much differently. There'd be more clarity about the meaning of it all. There'd at least be a stirring anthem and hugs and tears and general rejoicing. But the reaction was much more mixed. And in that ambiguity, that ambivalence about the war, is the wiggle room of history that Hussein, with his snarling consistency and his natty dark suit, will do his best to exploit to the advantage of posterity.

In the United States, approval was general, though it differed in enthusiasm between supporters and opponents of the war. The president hailed the news as "a major achievement" and "a milestone." Democrats were more guarded, with Senate Minority Leader Harry Reid noting both the justice of the verdict and the chaos in the country. And a few people turned straight from the news of Hussein's demise to parsing tomorrow's elections.

"Man, oh man, do I hope that Rove's much-reported giddy confidence about the election wasn't hinged on a hoped-for tidal wave of support stemming from the Saddam verdict," wrote Jonah Goldberg on the National Review Web site. Images of Hussein defeated (symbolically when his statue fell in Baghdad; personally when he was dragged from his hiding spot; and legally, with yesterday's sentencing) have taken their place among the larger collection of images of this war. But they have yet to offer what so many people want: one final image that sums up the conflict in a way that everyone can live with. In a war this politicized, this divisive, this unpredictable, that image may never arrive.

The Saddam Hussein Verdict (NYT)

The New York Times, November 6, 2006

Saddam Hussein's horrendous crimes deserve exemplary punishment. During his own dictatorship, that would have meant a gruesome death, after a staged trial or no trial.

In an Iraq fully liberated from his evil thrall, it might have been something very different — an exemplary exercise in the rule of law, aimed at holding Mr. Hussein fully accountable, but also at healing and educating a nation he so ruthlessly divided.

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Regrettably, yesterday's sentence to death by hanging in a case involving the execution of 148 Shiites in the 1980s fell somewhere short of that goal. Mr. Hussein got a fairer trial than he ever would have allowed in his courts. But Iraq got neither the full justice nor the full fairness it deserved. President Bush overreached in calling the trial "a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law."

From the beginning, the now dominant Shiite and Kurdish politicians have been determined to use Mr. Hussein's trial and punishment to further their own political ends, as Prime Minister Nuri Kamal al-Maliki has continued to do in recent days.

Mr. Hussein, as expected, repeatedly tried to mock the proceedings. More seriously, powerful politicians regularly tried to influence the outcome, judges were not allowed to rule impartially, and defense lawyers were denied security measures and documents they needed.

The appeals court that will now review the verdict can undo some of the damage by taking into account some of these deficiencies. At least, it should defer the carrying out of any death penalty long enough to allow the completion of a second trial, in which Mr. Hussein is charged with ordering genocidal massacres against the Kurds.

Criminal Against Humanity (WSJ)

By L. Paul Bremer

The Wall Street Journal, November 6, 2006

The decision by Iraq's Special Tribunal to convict Saddam Hussein of some 150 murders is a welcome step on Iraq's painful journey toward its more hopeful future.

Without resolving Saddam Hussein's fate -- and the human-rights record of the regime he led -- the Shiites and Kurds can never make true peace with their Sunni fellow citizens. So the verdict should be seen as a necessary, though not sufficient, step in helping Iraq's persecuted majority put behind them the awful years of Saddam's brutal rule. And it is a bright note in the dangerous period through which the country is now passing.

This trial didn't teach Iraqis anything new about Saddam's brutality. They had lived with it for decades. But by casting a light into the depth of his tyranny, the process should remind Americans of how awful Saddam's rule was. And that, despite the difficult events on the ground today, America did a noble deed in liberating Iraq from this evil man.

The strong Iraqi urge to redress Saddam's crimes was made clear on the first day of Iraq's Governing Council -- July 13, 2003. The very first decree the Council passed that day, with unanimous support from its Shiite, Kurdish, and Sunni members, was to demand the establishment of the Special Tribunal to punish Saddam and his top Baath Party officials. This step -- which took the Coalition by surprise given the lack of any prior discussion -- showed how deep the scars were from Saddam's rule.

It is impossible to overstate the psychological and physical damage that Saddam inflicted on his countrymen.

In May 2003, the Coalition found the first of Saddam's mass graves. After the 1991 Gulf War, the Shiites, representing some 60% of Iraq's population, rose up to try to throw off his dictatorship. Saddam ordered his army to savagely crush this uprising. Iraqi army units went into Shiite towns south of Baghdad and rounded up men, women and children indiscriminately, threw them onto flat bed trucks, drove them into nearby fields and machine-gunned them to death. Their bodies were thrown into common graves and covered over.

I visited that first mass grave a few days after I arrived in Iraq. It made a searing impression on me, as it did on all who visited it. In an area about the size of three football fields, bones and clothing had been collected into little piles. Women in black robes, ignoring the sweltering heat, were scrabbling through the dirt and bones with their fingers, desperate to find a scrap of clothing, a faded ID, or a piece of jewelry which would identify the remains as those of their mother, or husband or daughter. Uncounted thousands of bodies were in that grave alone. By the time I left Iraq 14 months later, we had found over 300 mass graves.

Saddam's brutality was not limited to the Shiites. He is also standing trial for the crime of genocide against the Kurds, another 20% of the population. For a decade, Saddam's army tortured and murdered hundreds of thousands of Kurdish men, women and children. On the sunny morning of March 16, 1988, the army used chemical weapons on the peaceful Kurdish town of Halabja, killing 5,000 civilians in only a few hours. A few months after I arrived, Secretary of State Colin Powell and I visited this village and spoke with the horribly scarred survivors of this chemical attack. They were living proof that Saddam had possessed weapons of mass destruction, and had been prepared to use them, even against his own countrymen.

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Visiting police stations in towns all over Iraq, I saw that each one had a torture chamber -- because under Saddam torture was legal. Most stations, including the Central Police Academy in Baghdad responsible for training Iraq's police, also had a rape room. I saw the human shredding machines into which Saddam ordered his enemies to be thrown.

Nor did the Sunnis go unscathed under Saddam. Though Sunnis dominated the Baath Party and his vicious security and intelligence forces, they, too, were tortured and killed when it suited Saddam's purposes. Sunnis, Kurds, Shiites, Christians, Turkomen -- no Iraqi group escaped his brutality. The most conservative estimate is that during his regime, Saddam killed over a half-million of his countrymen, though since more than a million and a half Iraqis are still unaccounted for, the actual total is, no doubt, far higher.

Saddam's trial is also another step in establishing the rule of law in free Iraq. The trial certainly had its flaws, as one would expect in a post-conflict country. The first judge lost control of the process and had to be replaced. The correct comparison is not with some illusory perfect system, but with what went before. Saddam made the rules, wrote or tore up the laws, and established or abolished courts according to his wishes, whims or political objectives. The Iraqi people wanted -- and deserved -- better. And the Coalition helped them get it.

Iraqis are proud that theirs is the land of Hammurabi, the Babylonian king who 4,000 years ago created the world's first code of laws. Before Saddam took power, Iraq's legal profession was generally recognized as the best in the region. The Coalition found a large group of able and dedicated Iraqi lawyers ready to serve their free country despite decades of repression.

In my first meeting with the new Iraqi Minister of Justice, Hashim al-Shibli, in September 2003, that respected jurist recounted how Saddam had suborned the justice system and terrorized Iraqi judges. He told me how the independence of Iraq's judiciary, a vital component of democratic checks and balances, had been abolished when the Baathists seized power. He asked that the Coalition re-establish its independence. We did that, and now that independence is affirmed in the new Iraqi Constitution, ratified a year ago.

Of course, no constitution alone can ensure respect for human rights or the rule of law. That must be done by men and women cooperating and compromising in a democracy. Iraq is going through a difficult period now. In his comment on the verdict, Prime Minister Nouri al-Maliki repeated his call for all Iraqis to unite in rebuilding their country. We Americans should do everything possible to see that they succeed, for failure in Iraq would endanger the lives of every American. And establishing a democratic Iraq, in the heart of a deeply troubled region would be a signal event for all the peoples of the Middle East.

Mr. Bremer was head of the Coalition Provisional Authority in Iraq in 2003-04.

Verdict For Saddam Hussein (WP)

The Washington Post, November 6, 2006

IT'S BEEN nearly three years since U.S. troops pulled Saddam Hussein from his spider hole, so the justice that came yesterday, in the form of a death sentence from an Iraqi tribunal for crimes against humanity, was not particularly swift. Nor was his nine-month-long trial the model of fairness that the Bush administration and many Iraqis had hoped for: Three defense lawyers were murdered, a judge was pressured into resigning and many of the 39 courtroom sessions were chaotic.

There nevertheless can be little doubt that justice was delivered in the trial of a tyrant who never hesitated when ordering the summary murder of tens of thousands of Iraqis. The prosecution, planned as the first of several, focused on one small example of that record: Saddam Hussein's complicity in the torture and killing of at least 148 people in a single town, Dujail, after an assassination attempt against him in 1982. During the course of the heavily publicized hearings, Iraqis heard their former dictator confess to ordering the arrest of the innocent civilians, and they saw the death warrants he signed. They heard the testimony of townspeople whose lives were destroyed by this savagery and whose pain echoed that of millions of Iraqis who endured one of the bloodiest tyrannies in the modern history of the Middle East.

Tragically, the remediation that ought to come from the verdict has been shaded not only by the tumult of the trial but by the escalation of lawless violence around Iraq. Yesterday Shiites in Baghdad justifiably celebrated the sentencing of a man who carried out indiscriminate massacres against their sect. But Shiite militias, some of them embedded in government security forces, now abduct, torture and slaughter dozens of Sunnis a day. Sunnis in Iraq and in neighboring Arab countries are more

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likely to see the verdict as an act of vengeance by the Shiite-led government -- or a preelection gambit by the Bush administration -- than as a legitimate judgment.

In the short term, Saddam Hussein's conviction and eventual execution may worsen Iraq's civil conflict. His trials nevertheless may come to be seen as milestones in the slow and painful attempt to construct a more civilized Iraq from the poisonous wreckage of his regime. Like the rest of that enterprise, the trial was tumultuous, deeply flawed and often painful to watch; and some of the brave Iraqis who committed themselves to making it work lost their lives. The result was imperfect, to be sure, but also well-founded.

Justice For Saddam (WSJ)

The Wall Street Journal, November 6, 2006

The temptation, and in some quarters the desire, is to dismiss yesterday's conviction of Saddam Hussein for war crimes as a historical footnote. Would that this were possible. While it is certainly a case of justice being done, it should also remind us about the enemy our troops continue to face, and the U.S. could yet lose to, in Iraq.

For even as Saddam will now hang for his crimes, his legacy survives in the vicious insurgency that his former intelligence agents and Baath Party colleagues are prosecuting. This continues to be the main enemy in Iraq, aided by the likes of Syria and Iran. Its assaults are what finally this year caused the Shiites to respond with death squads of their own that are contributing to the "sectarian violence" so evident in Baghdad. And it is one of the main mistakes of the Bush Administration during this war that it has failed to maintain military and American public attention on the nature and strategy of this enemy.

There's an honest debate over whether Saddam planned the insurgency before he was ousted from power. Whether or not it was planned in detail, however, there is little doubt that the Sunni element of the insurgency has long since formed into an organized movement. At its heart is Saddam's old intelligence service, the Mukhabarat. The Baath Party also continues to function in secret and to communicate to the extent it can.

Only last month, newly independent Iraqi newspapers obtained and reported on a terrorist assassination list with the names of 60 government, military and political figures. The document was dated September 5, 2006 and issued from Thi Qar Operation HQ in the name of the "Martyr Qusay unit/Karkh sector," which is Baghdad. Qusay is Saddam's son, who was killed in Mosul in 2003.

Addressed to "comrades" and "commanders of Special Operations," the order translated into English declares that "Approval of deputy combatant comrade, treasure of the country (Baath Party-Iraq branch), and the supreme commander of armed forces was granted, and communicated to us by the letter from the country treasure office . . . Execution punishment regarding criminals, agents, apostates, names below, in addition to their first, second, and third degree relatives. Execution (of the order) by your units is according to the plan and to your suitable timing discretion."

The list includes major Shiite, Kurdish and Iraqi political figures, as well as Sunnis who are participating in the government. And the killings seem to have already begun with the murder of several relatives of men on the list. We keep being told by our own intelligence services that the Sunni insurgency is leaderless. But tell that to those on this list or to their relatives.

The goal of the terrorists who created this list is to intimidate Iraqis from joining the government, and to maintain as much disorder and violence as possible so the U.S. will lose patience and withdraw. Then they will take their chances with the majority Shiites, who they have beaten before. The Saddamists will have won, even if Saddam himself is dead.

None of this is intended to diminish the importance of Saddam's conviction and likely execution after appeal. The verdict reminds the world of his crimes, specifically the 1982 murder of 148 Shiites in Dujail, which in its systematic revenge recalls Hitler's slaughter at the Czech town of Lidice during World War II. That the U.S. and its allies were willing and able to depose, and his countrymen then try and punish, a national leader who ordered those crimes is a warning to other tyrants. The U.N. routinely deplores the Saddams of the world but never has the will to act against them -- whether in Rwanda, Darfur, Kosovo, Bosnia, Cambodia, or Kurdistan. In Iraq, the U.S. finally acted.

Justice for Saddam is one admirable legacy of the American sacrifice in Iraq. But to make it permanent, the U.S. must also defeat the insurgency that battles on in Saddam's name. No matter what happens in Tuesday's election, the U.S. commander in chief who ended Saddam's tyranny has to find a strategy and generals who will finish the job.

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Cheney: Vote Will Not Deflect Us In Iraq (FT)

By Edward Luce

Financial Times, November 6, 2006

The Bush administration's strategy in Iraq will remain "full steam ahead" regardless of the outcome of US mid-term elections that take place on Tuesday, Dick Cheney, the vice-president, said in an interview with ABC news on Sunday.

Opinion polls predict that the Democratic party, which is arguing for a phased redeployment of US troops out of Iraq over the next 12 to 18 months, are on course to win control of the House of Representatives for the first time since 1994 and possibly the Senate, for the first time since 2002.

Mr Cheney, who, along with George W. Bush, has stepped up his election campaign schedule for the final days before voting, said that since neither he nor the president were running for office they would continue to "do the right thing" in Iraq.

Mr Cheney also said that a US withdrawal from Iraq would undermine the "war on terror" by sending the wrong signals to allies such as Hamid Karzai, the president of Afghanistan, and Pervez Musharraf, the president of Pakistan.

"You cannot make national security policy on the basis of that [election outcomes]," he said.

"These are people who are running for Congress and they are entitled to their own views ... It may not be popular with the public. It doesn't matter, in the sense that we have to continue the mission [in Iraq] ... and that is what we are doing."

Mr Cheney made the comments at the tail-end of an election in which the unpopularity of the war in Iraq has featured prominently on the campaign trail. Republican leaders, including Mr Cheney, have sought to portray the Democrats as weak on national security and as the party of "cut and run" from Iraq.

However, recent polls suggest that a consistently large majority of the US public believes that the Bush administration is pursuing the wrong course in Iraq. On Sunday leaders from both parties said the conviction and sentencing of Saddam Hussein, the former dictator, in an Iraqi court was unlikely to have any impact on the US elections.

Regardless of Tuesday's outcome, attention is expected to revert to the Iraq Study Group, a bipartisan commission of inquiry into the Iraq war led by James Baker, the former secretary of state, and Lee Hamilton, a former Democratic lawmaker.

According to leaks from the group, which is expected to publish its recommendations next month or in January, it will offer a clear change of course in Iraq, including greater emphasis on achieving stability rather than democracy and a possible redeployment of troops from Iraq into the region.

Mr Baker who is close to George H. W. Bush, the president's father, has already recommended that the Bush administration hold direct talks with Iran and Syria, both of which are allegedly helping to destabilise Iraq.

On Sunday Mr Cheney also said that he would "probably not" agree to appear before Congress to be questioned on the conduct of the Iraq war even if a Democratic-controlled house issued subpoenas requiring him and Mr Bush to do so.

The Democrats have played down rumours that they would try to impeach Mr Bush if they took control of Capitol Hill. But they have pledged to restore "oversight of the executive" particularly on the administration's controversial eavesdropping programme and its alleged misuse of intelligence to launch the war in Iraq.

"I have no idea that I'm going to be subpoenaed," said Mr Cheney. "Obviously, we'd sit down and look at it at the time. But probably not, in the sense that the president and the vice-president are constitutional officers and don't appear before the Congress."

Win, Lose Or Draw, Bush Faces Unfamiliar Terrain (NYT)

By Sheryl Gay Stolberg And David E. Sanger

The New York Times, November 6, 2006

WASHINGTON, Nov. 5 — If the balance of political power in Washington changes on Tuesday, will President Bush change with it?

From the moment Mr. Bush took office after winning the election but losing the popular vote, he has governed as if he became president by a landslide. Bad news — legislative losses, plunging approval ratings, chaos in Iraq — seems only to stiffen his resolve. Good news — a dip in the unemployment rate, the conviction of Saddam Hussein — reinforces his confidence that his polices at home and abroad are correct.

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On the campaign trail, there is little to suggest that will change. “My vision is clear,” Mr. Bush likes to say. Vice President Dick Cheney echoed that theme on Sunday, giving a hint of Mr. Bush’s attitude when asked by ABC News whether the election would alter Mr. Bush’s Iraq policy. Mr. Cheney replied that there might be some effect in Congress. But the attitude in the White House, he said, would remain “full speed ahead.”

“We’re not running for office,” the vice president said. “We’re doing what we think is right.”

In recent weeks, President Bush, as well, has appeared to dig in his heels on the war in Iraq, saying he would consider changes in tactics but not strategy.

Yet with Mr. Bush facing the likelihood of a remade political landscape in Washington, even if his party holds on to both houses of Congress, the White House is sending signals that Mr. Bush is open to a shift in approach. After six years of virtually ignoring Democrats as he pressed his own party to do his bidding on Capitol Hill, Mr. Bush and his aides are charting a course that they say will take the president back to his roots as Texas governor, when he worked in a more bipartisan way with Democrats.

They are piecing together a domestic agenda that includes reviving the president’s failed bid to overhaul entitlement programs like Social Security, Medicare and Medicaid, White House officials and allies of the administration said. The president has assigned Treasury Secretary Henry M. Paulson Jr. to spearhead the effort, and the White House says it is quietly reaching out to Democrats on Capitol Hill.

But it is not clear how much bipartisanship is possible, even if Mr. Bush proves serious about it. His approval numbers remain low, emboldening Democrats, who in any case are distrustful of him. The 2008 presidential campaign is about to start, complicating political calculations on both sides. Members of both parties say Mr. Bush will be unable to accomplish much at home until he gets Iraq under control.

Even so, Dan Bartlett, counselor to the president, said Mr. Bush was determined not to focus exclusively on foreign policy, as so many presidents have done in the final two years of a second term.

“I think his hope,” Mr. Bartlett said, “is that maybe, maybe we can enter into an era where the president will not be viewed as such a threatening force to Democrats who are more eager to get some accomplishments done.”

Mr. Bush enters the final phase of his presidency knowing his future depends on Tuesday’s election and Iraq, both of which are largely beyond his control. No matter who controls Congress, he will have a more difficult time governing.

The situation is in stark contrast to the one two years ago, when Mr. Bush sounded ebullient about his prospects for a successful second term after defeating Senator John Kerry.

“Let me put it to you this way,” Mr. Bush said at the time. “I earned capital in the campaign, political capital, and now I intend to spend it.”

Today, the political capital Mr. Bush intended to spend is so vastly diminished that one longtime ally, the conservative organizer Paul M. Weyrich, estimated it at “zero” in an interview on Friday.

A sense of poignancy has set in. Jetting about the country on Air Force One, Mr. Bush has been playing hearts and gin rummy with his longtime political adviser and confidant, Karl Rove; Mr. Rove usually wins. At each stop, the men share memories of where they were two years ago, or four, reminding themselves of Texas and happier campaigns gone by.

“Any time we’re on the campaign plane, it’s reminiscent of past elections,” Mr. Bartlett said, recounting the card games. But he insisted that Mr. Bush was looking ahead, not back: “There’s no cruise control into ’08 for this president. He believes that two years is a long time and a lot could get done.”

Even if Republicans keep both chambers, there is universal agreement that they will do so with slimmer majorities, further reducing Mr. Bush’s clout on Capitol Hill.

“Obviously, his power is waning quickly,” said Senator John Cornyn, Republican of Texas, a close ally of Mr. Bush. “But it doesn’t have to be that way if we have a bipartisan desire to tackle tough problems.”

On the campaign trail, Mr. Bush has already been calling on Democrats to join him in reauthorizing the No Child Left Behind Act, his signature education legislation, which was passed with bipartisan support early in his first term. But Democrats who joined him the first time are wary, said Senator Edward M. Kennedy of Massachusetts, the chief Democratic sponsor of the bill.

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"It's all going to be decided by what the president does with the budget," Mr. Kennedy said.

The last two years of a second term are challenging for any president. Bill Clinton, facing impeachment, spent most of his time traveling, devoting himself nearly exclusively to foreign policy. Harry Truman was stuck trying to explain a war on the Korean Peninsula that ended in stalemate, and it took years for his reputation to be restored.

For Mr. Bush, Iraq will loom over everything. His own aides concede they had once hoped that by Tuesday's midterm election, American troops would be steadily withdrawing from Iraq. Instead, 150,000 are still there.

"The fortunes of his last two years, in terms of his own political capital, will very much be a part of what takes place in Iraq," said Senator Mel Martinez, a Republican from Florida who was housing secretary during Mr. Bush's first term.

But one of the biggest guessing games in Washington is whether Mr. Bush will seize the opportunity to act in ways he could not with an election looming. Robert Kagan, a senior associate at the Carnegie Endowment for International Peace, wrote earlier this week that "the preferred European scenario — Bush hobbled — is less likely than the alternative: Bush unbound."

Mr. Bush's first decision may be whether to move on Iraq before a report is issued by a bipartisan group led by former Secretary of State James A. Baker III and Lee H. Hamilton, the former congressman from Indiana.

Whatever Mr. Bush does, on either the foreign policy or the domestic front, comes with the knowledge that the clock is ticking. As Mr. Bartlett spoke in his West Wing office Thursday afternoon, a digital "countdown clock," distributed to the president's closest aides by Joshua B. Bolten, the White House chief of staff, revealed precisely how much time, at that moment, remained in Mr. Bush's term: 809 days, 21 hours, 21 minutes and 42 seconds.

Parties Crank Up Voter Turnout Efforts (WP)

By Dan Balz And Jim VandeHei

The Washington Post, November 6, 2006

Republicans seized on signs of movement in their direction yesterday as they unleashed a massive election-eve voter mobilization operation in an effort to stave off potentially substantial losses in the House and preserve at least a slender majority in the Senate.

Democrats answered the Republicans' get-out-the-vote machinery with intensified efforts to contact infrequent and still-undecided voters in a handful of tight Senate races as well as in a dozen GOP-held House districts where races were too close to call.

A Pew Research Center poll showed a significant narrowing in the partisan advantage in House races that the Democrats have enjoyed for much of the year, findings that echoed those of a Washington Post-ABC News poll released Saturday showing the Democrats with a six-point edge.

The Pew poll showed that the Democratic advantage had dropped to 47 percent to Republicans' 43 percent among likely voters, down from 50 percent to 39 percent two weeks ago. The poll found a drop in Democratic support among independents, but Pew Director Andrew Kohut said the most significant change over the past two weeks is that Republicans now outnumber Democrats among likely voters.

Other weekend polls by Time and Newsweek magazines continued to show Republicans at a steep disadvantage, with Democrats enjoying double-digit margins in party preferences for the House.

GOP strategists said they believe their prospects continue to improve as voters digest the guilty verdict against former Iraqi President Saddam Hussein, positive economic statistics and the prospect of Democrats taking control of one or both chambers of the legislative branch. "I have always believed that Republican voters in many cases come home later, particularly this year," said Republican National Committee Chairman Ken Mehlman.

President Bush campaigned yesterday in two conservative Plains states, Nebraska and Kansas, where there are no competitive statewide races but where Kansas Rep. Jim Ryun (R) is in trouble and where Nebraska state Sen. Adrian Smith (R) is struggling to win an open seat in a heavily Republican district.

A senior GOP strategist said party officials anticipated that the so-called generic vote -- the question of which party voters are likely to support in House elections -- would tighten, but they do not consider the shift significant enough to change the contours of this election. More than 20 GOP incumbents are tied with their opponents heading into the final days. "It is the 50-50

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districts that turnout can help," said the strategist, who like others spoke on the condition of anonymity in order to talk about strategy.

Democrats, mindful of the Republicans' success in getting their voters to the polls in the past two elections, expressed nervousness at signs of tightening in some of the national polls. But they said private and some public polling in contested House districts continued to show their party in a position to win enough seats to claim the majority.

"I don't know what to make of it," said Rep. Rahm Emanuel (D-Ill.), chairman of the Democratic Congressional Campaign Committee.

Senate races in Virginia, Missouri and Montana, all for seats currently held by Republicans, remained among the closest in the country. Contests in Republican-held Tennessee and Democratic-held Maryland looked tight as well, depending on the poll. One survey showed the race in Rhode Island, a state Democrats must take to win the Senate, very close.

Strategists sought solace in any survey that looked good, but with less than 48 hours remaining before the polls close on Tuesday, both parties concentrated on direct voter contact, built on months of sophisticated analysis of the electorate and microtargeting of tens of millions of voters around the country.

The Democratic Senatorial Campaign Committee expected to spend roughly $25 million on its voter mobilization efforts; the DCCC was set to spend $10 million. The Democratic National Committee has given the other committees about $8 million for get-out-the-vote activities.

The Republican National Committee planned to expend about $30 million on its operations. While that was less than the Democrats, Republicans began with a significant advantage in technology and information, having spent tens of millions in earlier campaigns building voter lists and modeling the electorate. Democrats have tried to create those models this year.

Democratic strategists said privately that overall, there is less money flowing into key states this year than during the 2004 presidential election.

Democrats and Republicans were both counting on help from outside groups. Conservative groups were contacting their supporters, while progressive groups like MoveOn.org and America Votes were turning up their operations. MoveOn.org members made 800,000 phone calls yesterday and plan another 1.2 million each today and Tuesday. Organized labor said it would put 30,000 volunteers on the streets to contact union members.

Both sides boasted about their turnout operations. Democrats said they have signed up one volunteer for every 21 voters in Montana, while Republicans said they directly contacted one in 10 registered voters in that state on Saturday alone.

In Missouri, Democrats planned to contact several hundred thousand "drop-off voters" -- those who vote in presidential but not midterm elections -- and tens of thousands of undecided voters before Tuesday. Republicans were contacting about 200,000 targeted Missouri voters a day.

GOP officials said their biggest concern is the inability to turn out voters in districts they did not originally consider at risk. "We're able to move financial resources, but it's almost impossible to get human resources" into these newly competitive districts, said the GOP strategist.

It was that reality that took Bush to the Plains states yesterday. In heavily Republican districts, aides said, the president could make up for what the NRCC could not do. But Bush's schedule this weekend also showed that, because he has less sway with independents, there are many districts where his presence could do as much harm as good.

Elsewhere, in New Hampshire, Rep. Charles Bass (R) has seen his 20-point lead evaporate in the past five weeks, leaving the RNC with little time to implement even a bare-bones version of its mobilization plan, known as the 72-hour program. "We are not counting on them," said Matt Hagerty, campaign manager for Bass.

Instead, Bass is using an old-fashioned operation that relies on volunteers calling supporters, knocking on their doors and sending out 40,000 e-mails reminding them to vote. "We are running the same operation the congressman has run for the last six cycles," said Hagerty.

The DCCC identified 40 competitive districts in September and has continued to focus on them, rather than trying to build get-out-the-vote operations in some of these districts that have unexpected opportunities. Bass's Democratic challenger, Paul Hodes, is getting strategic advice from the DCCC but is relying mostly on a network of volunteers to turn out voters.

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"You cannot buy G.O.T.V.," said Dana Houle, campaign manager for Hodes, referring to get-out-the-vote efforts. "You have to lay the foundation in terms of volunteer recruitment months beforehand."

Turnout operations can affect only races that are decided by a few thousand votes. With this in mind, the Philadelphia suburbs have become a key battleground. Both sides anticipated that the rematch between Rep. Jim Gerlach (R-Pa.) and Democrat Lois Murphy could be decided by a percentage point or two, both plowed resources into the race over the summer in preparation for the final 72 hours of the campaign, and both expressed confidence in their operations.

But it is impossible to determine how voters will react. One group of GOP volunteers hit a leafy neighborhood over the weekend to rally support for Gerlach, but they made contact with only five of 73 GOP households they approached.

The NRCC rushed resources a month ago to New York's 26th District, where Rep. Thomas M. Reynolds, chairman of the NRCC, was caught up in the finger-pointing over the handling of the Mark Foley House page scandal. Reynolds's team contacted more than 10 percent of the voters there on Saturday, and Democrats have installed some of their best veteran organizers in the district.

Activity has been especially intense in Indiana's 2nd District, where Rep. Chris Chocola (R) faces possible defeat by Democrat Joe Donnelly. Republicans said they contacted 124,000 households over the past few days -- more than half of all households in the district. One Donnelly canvasser visited so many households in the Logansport area that the local marshal forced him to register as a solicitor.

Contributing to this report were staff writers Peter Baker in Grand Island, Neb.; Charles Babington in St. Louis; Jeffrey Birnbaum in Logansport, Ind.; Juliet Eilperin in Blue Bell, Pa.; and Blaine Harden in Billings, Mont.

All Signs Point To A US House Run By Democrats (CSM)

By Linda Feldmann

The Christian Science Monitor, November 6, 2006

WASHINGTON

If most of the political prognosticators are calling it right, the House of Representatives is poised for a change of leadership: the first Democratic majority in 12 years.

Among the nonpartisan analysts who study the polls and dynamics of each of the 435 House races, the more cautious see the lower range of the Democratic net gain at about 20 seats - more than enough to achieve the 15-seat net gain needed to take control. On the higher end, the Democrats could achieve a more commanding takeover with net gains of 30 to 40 seats, they say.

Some Republicans, citing a superior turnout operation and a tendency among voters to "come home" to their political base on Election Day, are holding out hope that they can minimize losses and even hold on to a sliver of a majority. But privately, many Republicans are bracing themselves for a loss of at least the House, saying that national conditions - frustration over Iraq, scandals, economic insecurity, and an unpopular president - are likely to overwhelm the party's structural strengths. History also works against the GOP: Two-term presidents almost always see a loss of House seats by their party in the sixth year in office.

"If the Democrats can't win under these circumstances, then it's hard to imagine how they can ever win," says Gary Jacobson, a political scientist at the University of California, San Diego.

The chairs of the two House campaign committees steered clear of forecasting net gains or losses Sunday, pointing instead to signs of hope for each side.

"Right now the 72-hour efforts by Republicans to turn their vote out will make the difference in what it looks like on Election Day," said Rep. Tom Reynolds (R) of New York on NBC's "Meet the Press."

Mr. Reynolds himself is fighting for his political life in a tough reelection battle, fueled in part by his role in the scandal over Florida Rep. Mark Foley's inappropriate messages to male former pages. Reynolds has faced charges of appearing more concerned with holding onto Mr. Foley's seat than for the welfare of pages.

Rep. Rahm Emanuel (D) of Illinois, the Democratic campaign committee chair, resisted an overt prediction that his party will take over the House, and instead cited the scorecard on the eve of the election.

"There's one or two Democratic seats I'm concerned about, with about 48 Republican seats that we are contesting. I like those numbers," Mr. Emanuel said on "Meet the Press."

In some regions, the House electoral landscape presents a potentially bleak picture for Republicans. Clumps of seats with unfavorable local conditions - such as those of Ohio, New York, Pennsylvania - could go in a wave. The Republican Party of Ohio has been mired in scandal, putting Republicans up and down the ticket in trouble. Democrats are strongly favored to win the governor's and Senate races there, which could depress Republican turnout and boost Democratic House challengers, including some in historically Republican districts.

Rep. Steve Chabot (R) has held onto his seat in Cincinnati for six terms, despite Democrats' efforts election after election to pry him loose, but in this year's "wave" election, he could be swept out. Rep. Jean Schmidt (R), also of Ohio, who won a special election to fill the seat vacated by former Rep. Rob Portman (R) (now White House budget director) made national headlines for her criticism of Rep. John Murtha (R) when he turned against the Iraq war, and she has been in the Demo-crats' sights ever since.

House Republicans from New York also face the potential for depressed turnout, as polls show both the state's gubernatorial and Senate races will likely be blowouts favoring the Democrats. In Pennsylvania, also with strong Democrats topping their Senate and governor's races, at least four Republican-held House seats face varying degrees of vulnerability.

But most striking in this election cycle is how many once-solidly Republican seats have moved into the tossup column - seats in states such as Kansas, Florida, Arizona, Indiana, and North Carolina. The travel schedules of President Bush, Vice President Cheney, and other top administration officials betray a GOP playing defense, despite their rosy predictions that the party will hold onto Congress.

Some of the hard work by Republican officials on the ground may have paid off, making seats once assumed to be a lost cause appear competitive.

In Florida, the Foley seat is back in tossup range, and away from "lean Democratic" in most prognosticators' lists. The local GOP faces the challenge of educating voters that, in order to vote for Republican candidate Joe Negron, they must check off "Foley," since he resigned his seat too late to get his name off the ballot, but Negron is a popular state representative in a Republican district, and could win.

In Texas, the seat once held by Rep. Tom DeLay is also now a tossup, in spite of the fact that voters must write in the name of the replacement Republican - Shelley Sekula Gibbs - tapped to run for that seat after Mr. DeLay resigned amid scandal.

Hopes Run Low For Republicans (FT)

By Holly Yeager In Glenside, Pennsylvania

Financial Times, November 6, 2006

Marcel Groen, the chairman of the Montgomery County Democratic Committee, is feeling good.

“We will be responsible for electing a Democratic House,” he told a cheering crowd of 2,000 at a get-out-the-vote rally on Saturday. “But I don’t just want to win – I want to send a message.”

Parts of the county, just north of Philadelphia, are in three different congressional districts and victories by the Democratic challengers in each would go a long way to ensuring that the Democrats win the 15 additional seats they need to claim victory in Tuesday’s mid-term -elections.

Democrats in the state of Pennsylvania have been buoyed by Ed Rendell, the popular governor who is expected to defeat Republican candidate Lynn Swann by a wide margin. Democrat Bob Casey Jr, the son of a respected former governor, is expected to beat Rick Santorum, the conservative Republican senator and close ally of President George W. Bush.

The three Republican House incumbents in the Philadelphia suburbs – Mike Fitzpatrick, Curt Weldon and Jim Gerlach – have been battered by the unpopular war in Iraq, a series of Republican scandals, and broad voter dissatisfaction with Washington.

The Hotline, a Washington newsletter, includes them in the two dozen seats most likely to change hands.

Support for Mr Weldon, a 10-term incumbent, fell after the disclosure last month that the FBI was investigating whether he helped steer work to a public relations firm owned by his daughter and a long-time political ally. Mr Weldon’s campaign unveiled an unusual advertisement early last week, in which supporters said, “Would you give a friend the benefit of a doubt? Of course you would . . . He’s been there for us, now it’s our turn to be there for him.”

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But at the end of the week the campaign cancelled most of its television advertising for the final days of the race, a sign that he is running out of cash and, perhaps, hope.

Mr Fitzpatrick, elected just two years ago, is still hard at work, with John McCain, the popular Arizona senator, set to appear with him at a rally yesterday. At a suburban station on a cold autumn morning, Mr Fitzpatrick struggled to get voters to stop to speak to him.

When they did, he talked about his long experience in the community and answered a few questions about the war in Iraq.

"The truth is, we invaded a country," he said, explaining why he favours a strategy for the withdrawal of US troops but opposes setting a fixed date for the chaos it would leave behind.

His opponent, Patrick Murphy, is one of about a dozen Democratic candidates who are veterans of US operations in Iraq and Afghanistan. He supports a timeline for withdrawal.

At the Saturday rally, Mr Murphy described riding through Iraq in a Humvee jeep "with no doors and no armour", then showed off the holes worn on the bottom of his shoes from weeks of campaigning. "Boots on the ground win elections," Mr Murphy said.

The close races have drawn a host of political celebrities. Al Gore, the former vice-president, and John Edwards, the 2004 vice-presidential candidate, both potential 2008 presidential candidates, made weekend appearances in the area.

Barack Obama, the Democratic senator from Illinois and another possible 2008 candidate, was the top attraction at Saturday's rally here, declaring Mr Murphy and other local candidates the "standard-bearers for what is going on all across the country".

Nancy Pelosi, the Democratic leader who is set to become speaker of the House if Democrats win a majority, echoed the theme. "You are the people that can make it happen," she told the crowd.

Republicans have also been rallying their troops. "You're the secret weapon in this campaign," Mr Santorum told a few dozen Republican volunteers in nearby Doylestown before they set out to knock on doors and remind voters to turn out.

Standing at the station, Mr Fitzpatrick said that if Republicans managed to keep control of Congress, he hoped the party leadership does not ignore the message of the past few months. "Things do need to change."

Braced against the morning wind, he seemed to concede that the results might be out of his hands.

"If we lose, it's not going to be because Patrick Murphy was a better candidate. It's because voters just want a change. If that's what happens, I'm OK with that."

Poll Finds U.S. Sentiment Similar To '94 (USAT)

By Susan Page

USA Today, November 6, 2006

WASHINGTON — A national USA TODAY/Gallup Poll finds remarkable parallels between the congressional elections Tuesday and the watershed elections in 1994 that swept Republicans into control of Congress.

•Then, likely voters by 51%-44% favored GOP congressional candidates. Now, 51%-44% favor Democratic ones.

•Then, 52% said they were paying "quite a lot" of attention to the elections, the highest since the Gallup Poll began asking the question in 1958. Now, 50% say they are paying "quite a lot" of attention.

•Then, disapproval of Congress was at 66%. Now, disapproval of Congress is at 70%.

"Based on history, a 7-point lead among likely voters still suggest Democrats will take enough votes to win a majority of seats in the House," says Frank Newport, editor-in-chief of the Gallup Poll. What gives some analysts pause, however, is the sophisticated redistricting over the past decade that has made most congressional districts less competitive.

What's more, President Bush's last-ditch push for votes and Sen. John Kerry's comments that seemed to denigrate the education level of U.S. forces in Iraq have helped energize Republican voters. A Democratic advantage of 23 percentage points a month ago and 13 points two weeks ago is now down to 7 points.

A Pew Research Center survey released Sunday also showed that an 11-point edge for Democrats on the congressional ballot two weeks ago had narrowed to 4 points among likely voters. "It's gone from a slam-dunk for Democrats to take the House to a pretty good chance," says Andy Kohut, director of the center.

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The factors that created a difficult landscape for Republicans through the campaign remain unchanged. Six of 10 Americans in the USA TODAY Poll say they are dissatisfied with the way things are going in the country. By 2-1 they say national issues, not local and state ones, are determining their vote. And on the dominant national issue, 56% call the decision to invade Iraq a mistake.

The survey of 1,362 likely voters, Thursday through Sunday, has a margin of error of +/-3 points.

The president and the war in Iraq remain at the center of this election: 36% of likely voters saying that are casting a ballot for a candidate to send a message that they oppose Bush; 20% to send a message that they support him.

What has shifted is the determination of Republicans to vote. The Democratic advantage among registered voters was 11 points, but Republican voters were more likely to be judged as sure to go to the polls, making the edge among likely voters smaller.

A month ago, the Democratic margin among registered and likely voters was identical.

Bush and other Republicans have warned about the perils of electing a Democratic-controlled Congress, and they also accused Kerry of belittling U.S. troops in Iraq with comments he said were a botched joke.

In the Pew survey, 84% of voters said they had heard about Kerry's remark, and 18% of independent voters said it raised serious doubts about voting for a Democrat.

Even so, by 40%-33%, likely voters in the USA TODAY Poll say the country would be better off if Democrats, not Republicans, controlled Congress.

Enthusiasm about voting is high: 58% say they are more enthusiastic than usual about voting and 68% say they are "absolutely certain" to vote — both records.

One reason: Both parties have been in touch. Among likely voters, 15% had been contacted by someone urging them to vote for a Republican, and 15% had been contacted by someone urging a Democratic vote. What's more, 27% had been contacted by both sides.

Parties Pour 11th-hour Cash Into Close Races (USAT)

By Jill Lawrence

USA Today, November 6, 2006

WASHINGTON — Both political parties are making huge last-minute cash infusions into close House and Senate races, underscoring their traditional importance in endgame spending and the Democrats' new financial competitiveness with Republicans.

Just since Friday, Republicans have put more than $2 million into Senate races in New Jersey, Tennessee and Virginia, federal reports show. Democrats have spent $1.1 million for Senate candidates in Maryland, Montana, Tennessee and Virginia.

On the House side, Republicans spent $1.1 million in a single day to help Peter Roskam in his race against Democrat Tammy Duckworth in Illinois. And in a sign of continuing concern, the Republicans invested $275,000 to help their embattled House campaign chief, New York Rep. Tom Reynolds.

A check of 10 tight House races shows that as of Friday, Democratic party committees had spent nearly as much as Republicans in Indiana, Minnesota, Ohio and Washington. They outspent Republicans in New Hampshire, Connecticut and Arizona.

In GOP Rep. Jim Gerlach's district near Philadelphia, Republicans had spent $3.9 million to the Democrats' $3 million as of Friday. Still, challenger Lois Murphy had more cash on hand as of Oct. 18.

"It's unprecedented that the Democrats have as much money as the Republicans," says Michael Malbin, executive director of the non-partisan Campaign Finance Institute. He says Republicans have spent an average $1.3 million in each of 38 top races involving GOP incumbents, while Democrats have spent $1 million — "not quite as high, but serious money."

The parties aren't the only ones making last-minute investments. Major players for Republicans include tax and abortion opponent groups, the American Medical Association and the National Rifle Association. Unions, environmentalists, backers of gay and abortion rights, and MoveOn.org are helping Democrats.

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The latest spending by parties and outside groups is not just for ads but also for get-out-the-vote efforts, including phone banks and canvassing door-to-door.

In the 10 House races analyzed by USA TODAY, candidates on both sides were relying on money from corporate and ideological political action committees in the final week. In the Idaho contest between Republican Bill Sali and Democrat Larry Grant, more than 75% of the contributions of $1,000 or more came from such groups.

According to the Federal Election Commission and PoliticalMoneyline.com, which tracks money in politics, House candidates overall had raised nearly $679 million as of Oct. 18 — 25% more than they raised in 2004. GOP incumbents increased their fundraising 26%; Democratic challengers more than doubled their fundraising, and Democratic candidates for open seats raised 60% more than in 2004.

One source of increased funds is members of Congress. Their campaign committees now account for 15% of money collected by party committees, according to the Campaign Finance Institute. That's three times as much as in 2002.

Small donors are another growing force. Malbin says such contributions, generally defined as less than $200, account for 47% of what parties have raised this year, up from 28% in 2002. The main reason is the rise of online giving.

Both parties use the Internet, but it has been a particular benefit for Democrats. Unlike Republicans, who have long had an extensive direct-mail list of small donors, Democrats once relied on huge contributions from relatively few individuals. That's no longer possible under federal law. New technology has allowed Democrats to "leapfrog" to e-mail solicitations and other online fundraising rather than develop a mailing list, Malbin says.

The overall spending trend is ever upward. In Missouri's tight Senate race, parties are spending close to $10 million each and the candidates have raised about $20 million. New York Sen. Hillary Rodham Clinton had raised $38 million by Oct. 18 for her re-election campaign. That's about what the federal government estimated it would cost to wage a presidential primary campaign in 2000.

National Issues, Led By Iraq, Dominate Final Appeals In Congressional Campaigns (NYT)

By Kate Zernike

The New York Times, November 5, 2006

WASHINGTON CROSSING, Pa., Nov. 5 — Representative Michael G. Fitzpatrick, a Republican in his first term, came here on Sunday to show off what in any other year would have been the perfect symbol of why to re-elect a congressman: a cornfield that thanks largely to his efforts would soon become a national veterans cemetery, close to the place where Gen. George Washington rescued the morale of his troops and the nation with his Christmas attack of 1776.

But this year, with morale sagging in a different war, Mr. Fitzpatrick finds himself in a tough battle of his own, trying to distance himself from President Bush — even on a day when the conviction of Saddam Hussein was announced in Baghdad — without turning off the staunch Republican voters he needs to hold back his opponent, an antiwar Democrat and Iraq war veteran named Patrick Murphy.

So, to rally his troops on the last big day of campaigning for the midterm elections, Mr. Fitzpatrick pulled out a favorite weapon of Republican candidates in the same predicament: Senator John McCain, Republican of Arizona, whose reputation as an outspoken maverick makes him an appealing attraction here in the Eighth Congressional District, where registered Republicans outnumber Democrats but voters have chosen Democrats for president in recent years.

Mr. McCain hailed Mr. Fitzpatrick as an independent voice, one who "represents the next generation of our party and of our nation" and "an independent who will reach across the aisle when necessary."

But Mr. McCain acknowledged voters' frustration with the war, as well as his own.

"It's long and it's hard and it's tough," he told a group of veterans, as Mr. Fitzpatrick stood behind him in the sunshine of a crisp fall day. "And a lot of mistakes have been made in the conduct of the war, and we're paying a very heavy price for it."

"But my friends, we are there today," he added. "And I'm convinced that if we set a date for withdrawal, as some of my colleagues on the other side of the aisle want to do, I think you're going to see chaos in the region."

A few towns away, Mr. Murphy rallied other veterans alongside Representative John P. Murtha, the conservative Pennsylvania Democrat whose turnabout on Iraq a year ago has made him his party's face of opposition to the war.

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"They say we're going to win, we're going to have a victory; they say we're going to have democracy," Mr. Murtha said. "Well let me tell you, that's not a strategy, that's a goal. And there's no strategy. The strategy is stay the course. Even though they say it's not stay the course, that's what they've been saying — his opponent has been saying stay the course. That doesn't work."

Both candidates had lost their voices after a weekend of rallies featuring the luminaries of their national parties: Mr. McCain for Mr. Fitzpatrick, and Mr. Murtha, Senator Barack Obama of Illinois and former Vice President Al Gore for Mr. Murphy.

Like Republicans across the country, Mr. Fitzpatrick, a former county commissioner, has tried to make the campaign about local issues. He accuses Mr. Murphy, who grew up in northeast Philadelphia, on the edge of the district, of moving here only to run for Congress. In a debate, he asked him how many school districts Bucks County had, leaving Mr. Murphy flustered when he could not answer.

"Why are we voting for Mike?" an organizer shouted to the veterans at the Fitzpatrick rally. Then he answered himself: "He's one of us!"

At a boilermakers' hall, a busload of Harvard students had come for the weekend to volunteer for Mr. Murphy because he impressed them in a speech last year as a young voice for change. And at 33, he looks younger than some of them. He has no experience in elective office. But by talking about the war he saw up close, and arguing, as he did in a closing advertisement, that "George Bush and Mike Fitzpatrick have no idea how to fix this mess," Mr. Murphy has pulled himself up in the polls.

Sunday morning, he told volunteers he was five points ahead in his own poll.

"But polls don't vote," he reminded them, urging them to motivate other voters. "We're on the crest of greatness. Let's just go execute and make it happen."

At the rally with Mr. McCain, Joe Amodei, a 75-year-old Korean War veteran, lamented Mr. Fitzpatrick's position in a bad year for Republicans. "If it was just him against the other guy, and no outside national issues, he'd walk away with it," Mr. Amodei said. "His opponent has made it about larger issues. If he made it about the county, he'd have no chance to win."

Across the country, candidates clashed Sunday over the war, immigration, the economy, ethics and the Bush administration, seeking advantage in the closing hours of an election that will determine control of the House and the Senate. With Mr. Hussein's death sentence injecting a late new element into the debate, Republicans sought to limit their losses and Democrats argued the need for change in Washington, as tens of thousands of volunteers on each side went door to door to rally voters.

Economy

Receding Gas Prices Quiet a Major Issue

SEYMOUR, Ind., Nov. 5 — There is uneasiness in being a marginal Republican incumbent in a longtime Democratic district.

It surfaced, briefly, at a country restaurant on Sunday when a friendly voice told Representative Mike Sodrel to rest easy about Tuesday.

Mr. Sodrel, a freshman Republican, demurred, replying: "I don't know if we got it made. But I think we're going to prevail."

That cautious note seemed appropriate in one of the tightest races in the country, here in Indiana's Ninth Congressional District, where an important economic concern — high gasoline prices — has been somewhat alleviated in the past few weeks as the price at the pump has edged down.

The district was held for 40 years by Democrats, including Lee H. Hamilton, the former Foreign Affairs Committee chairman, until Mr. Sodrel took it — barely — on President Bush's coattails in 2004. Now polls show the seat as a tossup between Mr. Sodrel and the Democrat he defeated, Baron Hill, who had held the seat for three terms.

The race has been as sharp-edged as the southern Indiana countryside is soft and undulating. Off a pastoral road, a billboard denounces Mr. Hill as a supporter of same-sex marriage, abortion and taking "God" out of the Pledge of Allegiance. Across the way a sign for Mr. Hill answers: "Stop the lies. Shame on Mike Sodrel."

The local airwaves are pulsing with commercials denouncing "Millionaire Mike" — Mr. Sodrel is a self-made trucking magnate — or "liberal Baron Hill."

On Sunday, Mr. Sodrel reduced this grudge rematch to a simple dynamic. "He wants his seat back," he said softly.

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Mr. Hill, at a campaign stop in the courthouse square in Scottsburg, was all fire and aggression, denouncing the Bush administration's policy in Iraq, millionaire C.E.O.'s and Republicans caught in scandal.

Mr. Sodrel was sticking to his guns, greeting supporters at Graceland Baptist Church, a sprawling edifice in New Albany, and insisting that flag, marriage and abortion mattered more here than the war: "I always tell people, if Norman Rockwell exists, it is in the Ninth District of Indiana." ADAM NOSSITER

War

Veterans' Support And Iraq at the Fore

DES PLAINES, Ill., Nov. 5 — Even as volunteers lined up Sunday morning to carry the last sacks of leaflets into a web of suburbs west of Chicago, Iraq loomed over the tense race for the Congressional seat that Henry J. Hyde, a Republican, is leaving.

One volunteer, Henry Nerwin, 81 and a Navy veteran, had a question for Tammy Duckworth, the Democratic candidate in the district, who sat in a wheelchair, having lost her legs when the helicopter she was piloting in Iraq took fire: Would she quit the Veterans of Foreign Wars now?

On Friday, Peter J. Roskam, the Republican candidate, announced that he had received the endorsement of the V.F.W.'s political action committee. It was the latest development in a campaign defined by punches and counterpunches in a flood of television commercials and daily leafleting that some voters complain has literally covered their porches.

Ms. Duckworth, who says the war in Iraq should never have been waged, said that she had never talked to the veterans group about an endorsement and that this was "just politics." Mr. Nerwin said he thought it was "reprehensible" that the V.F.W. had not endorsed her.

"I've been advocating for veterans since I was in my hospital bed," said Ms. Duckworth, who said she would maintain her V.F.W. membership.

A spokesman for Mr. Roskam, Jason Roe, said that Mr. Roskam, who did not serve in the military, had received the endorsement because he had sought it out and his positions on veterans' issues suited the group.

At a diner in Villa Park, Jean Sacco said she had been leaning toward Mr. Roskam until Ms. Duckworth appeared at her table on Sunday. They talked about immigration, but Ms. Duckworth's military sacrifice was also important to Ms. Sacco, who said her son was a service member. "That matters to me," she said.

At a pancake breakfast in Bartlett, Lee Ann Rydosz said she had long voted Republican, as most in this district have for Mr. Hyde's 32 years in office, and would again. Mr. Roskam has said that the troops should leave Iraq, though he is uncertain when the ideal time for that will arrive.

"The job in Iraq has to be done," Ms. Rydosz said. "We need to let the Iraqis get on their feet." MONICA DAVEY

Anti-Incumbency

13-Term Congressman Fights Call for Change

WEST PALM BEACH, Fla., Nov. 5 — As a new poll suggested that he might be slipping behind his Democratic challenger, Representative E. Clay Shaw Jr. told volunteers Sunday that they were the "secret weapon" that would deliver him a 14th term.

The poll, which queried 400 likely voters and was published Sunday by The Miami Herald, found that 49 percent said they preferred the Democratic challenger, State Senator Ron Klein, to Mr. Shaw, the Republican, who drew the support of 40 percent of respondents; 6 percent were undecided. The margin of sampling error was plus or minus five percentage points.

For most of the race, Mr. Shaw, who has been asking voters to trust his seniority, has been in a dead heat with Mr. Klein, who has been promoting his status as an outsider.

Mr. Klein spent the day greeting voters at a parade and a festival, changing his schedule as his aides considered and reconsidered the most valuable use of his time.

Mr. Shaw was less frenzied, rallying volunteers at a lunch here with the message that the race was tight but that his turnout operation had more muscle. His spokeswoman said that 50 volunteers had arrived from Washington to join dozens already in the district, which runs along the coast from Fort Lauderdale to northern Palm Beach County.

"No one is organized like we are," Mr. Shaw said before the volunteers set out to walk precincts, run phone banks and wave signs along highways. "You have no idea how important you are. The other side does not have this support, and we are going to go out with our heads high and have a great celebration on Tuesday night."

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Mr. Shaw continued to run advertisements attacking Mr. Klein. His latest accused Mr. Klein of siding with insurance companies as a state lawmaker and lobbyist while property insurance rates skyrocketed.

Mr. Klein's most recent advertisement does not mention Mr. Shaw but repeats Mr. Klein's mantra that Washington needs new and independent voices.

On Saturday, while Mr. Shaw and his wife greeted voters, Mr. Klein enlisted former President Bill Clinton to help drill home his anti-incumbency theme at a rally in Pompano Beach. Mr. Clinton said it was time to rid the nation of "the most special-interest-dominated government in my lifetime." ABBY GOODNOUGH

Social Issues

A Race for Every Vote (Left to Cast, That Is)

BELLEVUE, Wash., Nov. 5 — In Darcy Burner's final rush of campaign advertisements, she compares her opponent to President Bush and says he is out of touch with his constituents on the war and social issues. Ms. Burner's opponent, Representative Dave Reichert, is running advertisements saying she lacks experience, dodges difficult questions and wants to raise taxes.

Yet even as the tight race intensifies between Ms. Burner, a Democrat and former Microsoft executive with little political experience, and Mr. Reichert, the first-term Republican she is challenging in the Eighth Congressional District, it is also closer to over than many others across the country.

Both campaigns said Sunday that up to 40 percent of voters here had already sent in their ballots, taking advantage of the state's mail-in voting option, and that more than 70 percent were expected to do so by Election Day, leaving a small fraction to show up at the polls on Tuesday.

"Hitting them all at this point just annoys them," Ms. Burner said Sunday as she visited homes in this affluent suburb of Seattle that her campaign had pinpointed as potentially supportive. "So we're trying to be considerate and productive."

Mr. Reichert spent part of Sunday ringing doorbells but said he had also worked lines at the many Starbucks in his district, which pushes south and east from the more politically moderate Bellevue to rural areas where Republicans are strongest.

Mr. Reichert, who holds a narrow lead over Ms. Burner in most polls, said voters had told him they were concerned about the war, immigration and the federal budget.

Ms. Burner, however, said Mr. Reichert was "fiscally irresponsible and socially conservative," out of step with his well-educated, technologically savvy constituents on social and economic issues like abortion, stem-cell research and the minimum wage.

The congressman, after initially opposing embryonic stem-cell research, changed his position this year, going against President Bush. A campaign spokeswoman, Kimberly Cadena, said the shift was not politically motivated, adding, "It's based on his heart and what the science he found told him." WILLIAM YARDLEY

Immigration

In a Border State, a Bottom-Line Topic

SCOTTSDALE, Ariz., Nov. 5 — As Harry Mitchell, a Democrat who has been giving Representative J. D. Hayworth a tough challenge, sought to energize the volunteers about to knock on doors for him in Phoenix on Sunday, he invoked the word that he believed summed up his campaign: change.

"We reflect the mood of the country," said Mr. Mitchell, a state senator and former mayor of Tempe. "And the mood of the country is 'We want change.' "

With that, the volunteers set out, hoping to deliver on his prediction in the predominantly Republican Fifth Congressional District, where Mr. Mitchell and Mr. Hayworth have argued over taxes, health care, their personalities and, of course, this being a border state, illegal immigration.

On Sunday, neither Mr. Mitchell, who appeared at get-out-the-vote rallies, nor Mr. Hayworth, a six-term Republican, focused on specifics in the illegal immigration debate, which originally drove the campaign. Instead they made more general pleas for voters to get to the polls on Tuesday.

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Mr. Hayworth is known for an uncompromising approach to illegal immigration — he emphasizes building a border fence and vehemently opposes any program that would lead to citizenship for illegal workers — and often delivers fiery rhetoric on talk shows.

Mr. Mitchell brought in a supporter, Representative Xavier Becerra, Democrat of California, to increase turnout among Latinos angry at Mr. Hayworth's hard-line stance.

"Are we the party of fear?" Mr. Becerra called out at one rally.

"No!" he and supporters yelled.

Mr. Hayworth, meanwhile, had a morning interview on the Fox News Channel, walked through precincts and rallied supporters at a cowboy-themed steakhouse.

In the interview on "Fox and Friends," Mr. Hayworth dismissed Democrats and pundits in Washington who were speculating on, and in some cases predicting, his political demise.

"I am going to hang on to my seat," he said, "and I think there are going to be a lot of surprises on Election Day."

And at the restaurant here, Mr. Hayworth said his top concern was to secure the border. "National security," he said, "is border security." RANDAL C. ARCHIBOLD

Scandal

Using Abramoff Case, and Waving It Off

STOCKTON, Calif., Nov. 5 — On a warm, cloudless morning, Lawrence Talbot, a volunteer coordinator for Jerry McNerney, stood beneath a stand of palms, briefing his troops on the day's plans — and his candidate's positions.

"It's all about accountability and bringing integrity back to Washington," said Mr. Talbot, 35, who works in public relations. "And that's what we want to emphasize."

Mr. Talbot was one of hundreds of volunteers canvassing California's 11th Congressional District this weekend for Mr. McNerney, the Democrat locked in a tight campaign against the incumbent Republican, Representative Richard W. Pombo. On Sunday, both men crisscrossed the district, which sprawls over four counties east of San Francisco.

Mr. Pombo moved from a rally to a veterans event and then planned to call voters into the evening. Mr. McNerney hit a festival devoted to cranes (the birds, not the machinery), visited with volunteers and was scheduled to have dinner with a group of Native American voters.

Mr. McNerney, who was soundly defeated by Mr. Pombo in 2004, has based much of his campaign this time on his environmental credentials (he is a wind energy expert) and the tinge of scandal hanging to Mr. Pombo, who accepted tens of thousands of dollars in past campaign contributions from the disgraced lobbyist Jack Abramoff.

Mr. Pombo, who hails from a successful Central Valley real estate family, has denied any wrongdoing. And he counters questions about his tenure by saying that Mr. McNerney is little known in the district where the Pombo name adorns buildings and for-sale signs.

At an event in Pleasanton, Mr. McNerney's hometown, Mr. Pombo spoke briefly to a crowd of veterans even as McNerney supporters across the street waved signs paid for by the Defenders of Wildlife Action Fund, one of several environmental groups that have spent heavily to try to defeat Mr. Pombo. Several amputees in wheelchairs echoed the theme of a McNerney campaign advertisement, which attacked Mr. Pombo for voting against prosthetic devices for soldiers in Iraq.

But Roy Huskey Jr., a Vietnam veteran, said he had decided to support Mr. Pombo, saying he thought he was an honest man. "The Democrats and Republicans both took money from Abramoff," Mr. Huskey said. "What do you expect? He's a lobbyist." JESSE McKINLEY

Bitter Campaign Boils Down To Party Turnout (WT)

By Charles Hurt

The Washington Times, November 6, 2006

Both Democrats and Republicans say that after months of ugly battles, tomorrow's election will come down to which party does a better job of getting its voters to the polls.

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"We are feeling very good," said Sen. Charles E. Schumer of New York, chairman of the Democratic Senatorial Campaign Committee. "This election has evolved into a national referendum on change."

But to take control of the House and Senate, Democrats must overcome a Republican ground game that exceeded nearly all expectations in the past two national elections.

Republican leaders, meanwhile, continued warning yesterday that Election Day could be bleak for them and urged their conservative base to turn out. Also, Republicans defended in the starkest terms possible the war in Iraq, which polls show has been a tremendous drain on their popularity during this election.

"We need to win the war, and it would be disastrous to lose," said Sen. Elizabeth Dole of North Carolina, chairman of the National Republican Senatorial Committee, during an appearance with Mr. Schumer yesterday on NBC's "Meet the Press."

"To pull out and withdraw is losing," she said. "The Democrats appear to be content with losing."

Mr. Schumer called her charge "outrageous" and said voters no longer trust President Bush and congressional Republicans to run the war.

"Democrats want to win the war, which is why we want to change the strategy," he said.

Rep. Rahm Emanuel of Illinois, chairman of the Democratic Congressional Campaign Committee, ticked off five elections in the past 50 years where voters broke heavily to throw incumbents out of office.

"Every decade, the American people have a big election where they say no to the status quo and yes to a new direction," he said. "And this election is yes to a new direction, which is what Democrats are offering."

Mr. Emanuel said Democrats are defending one or two of their seats with hopes of capturing 48 seats held by Republicans. Democrats must score a net gain of 15 seats to assume control of the chamber.

Even Republicans have acknowledged privately in recent weeks that they expect Democrats to win the House or come within a handful of seats of doing so. But polling in recent days also suggests a shift in favor of Republicans.

Republican hopes were boosted by three separate polls released this weekend showing the party rapidly closing a gap in the so-called "generic ballot question," a measure of overall partisan trends.

Democrats' advantage in the generic ballot shrank from 14 percentage points to six points -- 51 percent to 45 percent -- in two weeks, according to a Washington Post/ABC News poll released yesterday. Similar results were reported in a Pew Research Center survey, showing that a 13-point Democratic advantage (53 percent to 40 percent) among likely voters in early October had dwindled to just four points (47 percent to 43 percent) in the first four days of November. And the latest Gallup/USA Today poll shows that a Democratic advantage of 23 points a month ago had tightened to seven points (51 percent to 44 percent) in the latest survey, conducted Thursday through yesterday.

"We're in a tough political environment," House Majority Leader John A. Boehner, Ohio Republican, said on "Fox News Sunday" yesterday. "But I've been on the road for these last five weeks. I've been in all these tough districts, and our candidates are doing what they need to be doing.

"They're running their grass-roots operation, the get-out-the-vote effort," he said. "And they're talking about the issues the American people care about, whether it's keeping taxes low, securing our borders or making sure the president has the tools to fight the terrorists."

Republicans say that Democrats have not offered viable alternatives for fighting the war on terror and accuse Minority Leader Nancy Pelosi, a liberal Democrat from San Francisco, of keeping a low profile in recent weeks so as not to ruin her party's prospects of seizing control of the House.

In an interview Friday with the San Francisco Chronicle, Mrs. Pelosi said she expects to pick up 22 to 26 seats and said her only concern was that Republicans will rig the election.

"That is the only variable in this," she said. "Will we have an honest count?"

Democrats are determined to "take back the country for the American people -- Democrats and Republicans alike -- because it's been held hostage by the radical right wing of the Republican Party," Mrs. Pelosi said. "This is a freak show, and it has to come to an end."

While Mrs. Pelosi has steered clear of toss-up races in conservative districts across the country, she campaigned over the weekend for Democrats in the Philadelphia suburbs and Connecticut.

Mr. Bush yesterday campaigned in Grand Island, Neb., where he delivered his carefully crafted campaign speech for a seventh time. The president urged a packed house of supporters to turn out the vote.

"I really do want to thank the grass-roots activists, the people who worked hard to get these candidates to where they are. And I just urge you to keep working for the next 48 hours," he said to cheers.

As he has done repeatedly during his six-day, 10-state effort to energize Republicans before Election Day, Mr. Bush took issue with inside-the-Beltway "prognosticators."

"I'm sure you've heard the same predictions I've heard," the president said. "The prognosticators have already decided the outcome of this election before the good people of Nebraska have voted. But don't worry about it, the same thing happened in 2004.

"Some of them up in Washington had already picked out their new offices in the West Wing," he said, provoking laughter from the Republican crowd. "They listened to the prognosticators. Then the people showed up to the polls, and the movers were not needed."

Later yesterday, Mr. Bush delivered his eighth rally speech, this time in Topeka, Kan. And today, Mr. Bush will make campaign stops in Florida and Arkansas before ending his campaign, as he always does, with a rally in Dallas.

•Joseph Curl contributed to this report from Crawford, Texas.

Campaigns Implore The Party Faithful To Bring Their Loyalty To The Polls (WP)

By Michael Grunwald

The Washington Post, November 6, 2006

The season of persuasion is over. This is the season of motivation.

From Nashville, Ind., where Rep. Michael E. Sodrel (R) was urging business owners to help him stop Democrats from seizing the House and raising their taxes, to Nashville, Tenn., where Rep. Harold E. Ford Jr. (D) and Sen. Barack Obama (D-Ill.) were suggesting to black churchgoers that God wants Ford in the Senate, candidates around the country spent last weekend preaching to their choirs.

In the campaign's final weekend, candidates weren't trying to turn out voters who might not vote their way. They were chasing the "ones and twos," political-junkie shorthand for the most likely supporters on their computer-generated lists, and firing up their volunteers.

President Bush stumped for red-state Republicans in Colorado, Kansas and Nebraska. Former president Bill Clinton rallied the Democratic base in New Jersey, Michigan, Florida and Maryland.

Republicans warned that if House Minority Leader Nancy Pelosi (D-Calif.) becomes speaker, Democrats will impose hippie values on the heartland. Democrats warned that if Bush gets another rubber-stamp Republican Congress, America will "stay the course."

"This is our chance to finally -- finally! -- say no to George W. Bush," House candidate Diane Farrell told a breakfast of Democratic activists yesterday in Norwalk, Conn.

It's too late to raise money, win debates or unveil six-point health-care plans. Now it's time to get out the vote. So at a campaign rally in Blue Bell, Pa., Sen. Rick Santorum was telling Republican diehards to ignore polls showing big leads for his Democratic challenger, Robert P. Casey Jr. "Democrats have polls," he declared. "We have workers at the polls!"

A few minutes later, at a rally with Pelosi and the ubiquitous Obama in Norristown, Pa., Gov. Edward G. Rendell urged the Democratic faithful to ignore those same polls. "The only way we lose is if we ease up," he said.

Meanwhile, at the Owl Cafe in Laurel, Mont., Democratic Senate challenger Jon Tester was telling supporters to play close attention to polls that showed momentum shifting to the GOP incumbent, Sen. Conrad Burns. After leading in polls for months, while Burns was defending his ties to disgraced lobbyist Jack Abramoff and making a series of foot-in-mouth blunders, Tester admitted yesterday that the race is now tied and begged the sympathetic diners to get five of their friends to the polls. "If you can do that, you'll have voted five times," he said.

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In general, Democrats are trying to exploit widespread disapproval of Bush and the GOP Congress, while Republicans are arguing that Democrats would be worse. So the closing days of the campaign, like the rest of the campaign, have made "The McLaughlin Group" look like "Masterpiece Theatre."

Burns is making "robo-calls" claiming that Tester hasn't bought a hunting license in 15 years. Former representative Baron Hill (D-Ind.) is running ads attacking Sodrel as "Millionaire Mike," as in, "Millionaire Mike voted to cut veterans' benefits while accepting pay raises." Supporters of Rep. Christopher Shays (R-Conn.) are distributing leaflets with a photo of Farrell under the headline "Coffee Talk with the Taliban," because one board member of one organization that endorsed her favored negotiations over combat in Afghanistan.

"It's tough all around, I'd be lying to say anything else," Connecticut Republican activist Chuck Stango said with a shrug. "You never want to leave any stone unthrown."

Often, those stones are directed at politicians who won't be on the ballots in question. In Ohio, Republicans printed thousands of flyers with grainy black-and-white photos of Pelosi, Sen. Edward M. Kennedy (D-Mass.) and Sen. Hillary Rodham Clinton (D-N.Y.), warning that the "Hollywood values" of a Democratic Congress would make America "a haven for terrorists." At a meeting with supporters in Helmsburg, Ind., Sodrel warned that Pelosi "represents San Francisco very well."

"Scary!" one volunteer called out.

But while nasty ads and famous surrogates get the attention, activists expect the midterms to turn on voter outreach -- knocking on doors and working the phones. In 2002 and 2004, Republicans dominated the ground game, and they hope that will save them in 2006. "There's no secret to how I will win," Rep. Nancy L. Johnson (R-Conn.) told a crowd of campaign workers crowded into a Waterbury storefront. "Three words: work, work, work."

Of course, reaching voters is not the same as mobilizing them, and Republicans are clearly nervous that the current political climate will keep their base home. In Missouri, one of numerous states where Obama was pumping up Democrats yesterday, Republicans were so desperate to find ones and twos that they risked calling voters while the Kansas City Chiefs were playing the St. Louis Rams.

In Ohio, they recruited door-knockers from a temp agency for $12 an hour. They gave Bush a raucous reception at his "Victory in the Heartland" rally yesterday in Grand Island, Neb., but even in friendly territory, they didn't fill the hall.

Still, turnout is a relative thing. You don't need to turn out everyone -- just more than your opponent.

"If we get out the ones and twos," Indiana Republican activist R. Dale Cassiday told a group of Sodrel's campaign workers, "we'll win this election."

Two Parties Far Apart In Turnout Tactics Too (LAT)

By Peter Wallsten And Tom Hamburger

The Los Angeles Times, November 6, 2006

BOCA RATON, FLA. — Jewish voters received a pamphlet about Israel's fight with Hezbollah. Spanish speakers heard radio ads about Fidel Castro. Seniors got recorded telephone calls from crooner Pat Boone, now 72, about Social Security.

As Rep. E. Clay Shaw Jr. (R-Fla.) fights to keep his seat in Congress, he is drawing heavily from the Republican playbook of dividing voters by their backgrounds and interests and appealing to them with tailored pitches. His success — along with his party's hopes for hanging onto its congressional majorities — relies in part on databases and search tools used to identify sympathetic voters and move them to the polls.

Shaw's Democratic challenger has a far different strategy. Instead of specialized appeals, state legislator Ron Klein repeats a simple message to nearly every audience: Iraq is a mess, and it is time for a change.

That contrast underscores a central question to be answered Tuesday in this South Florida House district and other competitive races across the country: Which political force will prove stronger — the niche-marketing effort, led by GOP strategist Karl Rove and powered by computerized outreach methods, or the classic "throw the bums out" mood of an electorate uneasy with the Iraq war and unhappy with one-party rule?

"We'll find out soon," said Klein as he walked through one of the many affluent neighborhoods in this seaside district, trying to persuade voters to oust an incumbent who has served in Congress for a quarter-century.

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As the two campaigns make their final appeals, the differences suggest that many of the advantages that have boosted Republicans to victory in the past — more money, redrawn congressional districts and the superior voter targeting demonstrated by Shaw's courtship of Jews, Latinos and seniors — may be less potent this time.

The moderate 22nd District is one of three in Florida alone considered vulnerable for the GOP. Nationwide, about three dozen House races are competitive. To control the House, Democrats need to gain 15 seats; for the Senate, they must pick up six.

Shaw began the campaign with an arsenal typical of GOP incumbents, including a head start on fund-raising. But voter anger and a sense among donors that Democrats could control Congress have put Klein close to financial parity.

Now, the race is considered winnable for the Democrats, and Shaw's best hope comes from the GOP strategy of narrow-casting and voter identification.

On Friday, as in GOP campaigns across the country, the Shaw team's "72-hour plan" got underway — its final effort to reach people who, according to their profile in the party's national database, are likely to favor Republican candidates.

At a field office in Boca Raton, dozens of volunteers turned up to knock on doors and talk to voters. A staffer distributed clipboards with printed pages of names, addresses and detailed maps.

The printouts came from the "Voter Vault," the GOP's national database, which tagged voters with labels showing why they were worth contacting: Some were dubbed "socos" (social conservatives) or "fiscos" (fiscal conservatives) or "soft Dems" (crossover voters). Each had already been identified as ready to favor Shaw. The goal was to persuade each one, using hints from the database, to make the effort to go to the polls.

Party leaders have built a 72-hour plan for every significant GOP race in the nation. The effort was developed by Rove and Republican National Committee Chairman Ken Mehlman after the 2000 election, in which Democrats outpaced the GOP in grass-roots activism and nearly won the presidency.

The "Voter Vault" is a central element of the plan, and the party invested more than $15 million to update the system this year. So far this election cycle, it has guided 24 million phone or in-person contacts to conservative voters.

Following the plan, over the campaign's final three days, GOP field offices in Shaw's district must file updated spreadsheets every three hours to the state GOP in Tallahassee, showing how many voters have been personally contacted. State party officials report that data to national headquarters, where staff members make sure that individual campaigns are meeting their goals.

By contrast, Klein believes that his broad appeal on Iraq and the need for change in Washington hold the keys to victory. Still, he too has scrambled to reach targeted groups.

Klein acknowledges that the GOP has an advantage in voter turnout, but said his campaign has spent a year building a field organization and a competing database. However, his database received only limited help from the national Democratic Party, and it has less detail than the GOP's.

Despite fewer resources, Klein's field director developed a program to reach seasonal residents, or "snowbirds," at their homes outside Florida. Klein's campaign has tried to identify residents of gated communities that are off-limits to candidates and canvassers, and to recruit volunteers within the walls. It also used a visit by former Georgia Sen. Max Cleland, disabled in Vietnam, to reach out to veterans.

Klein says he has employed enough canvassers to contact 60,000 backers in the final three days; on Friday alone, the campaign says, it reached 7,000 people by phone or in person.

And Democrats are counting on additional help from an ambitious voter-contact program by labor unions, though it is not coordinated with Klein's campaign.

Yet Klein's campaign appears to be behind Shaw's, whose workers say they reached 15,000 people Friday and have a goal of contacting at least 100,000 in the campaign's closing days.

But for all of the sophistication of the GOP plan, there are signs it could fall short.

As one of Shaw's teams made its rounds Friday, carrying GOP door-hangers and dressed in T-shirts advertising the Republican candidate for governor, a voter identified as a Shaw supporter said she had no intention of supporting the Republican Party this year.

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"I just don't know about the war," said Karen Rossen, 48, a dental office manager from Delray Beach. "I think the Democrats would be easier to deal with." A mountain of mail has arrived promoting Shaw and other Republicans, Rossen said, but she throws it all away, calling it "a waste of money."

Several voters targeted on one three-hour walk agreed to back the GOP ticket. But of 99 households assigned to this particular team of home-schooled teenagers, only 15 people were contacted directly. Many on the list had moved, or lived in buildings that banned solicitors. Two reacted angrily when asked whom they were voting for.

Nori Lapes, a longtime GOP volunteer, said she sensed a change in attitude this year as she canvassed. Some voters complained about the war and the House page scandal involving former GOP Rep. Mark Foley, who represented an adjacent district.

"Some people are more subdued," said Lapes, a clothing designer from Boca Raton.

But strategists say the power of the 72-hour plan is its ability to reach voters who might be hesitating. Lapes said she would spend 10 minutes or more standing in doorways, urging people to stick with the GOP.

"One man was so confused, he wasn't going to vote," she said. "But by the time I left, he had a smile on his face. I think he was convinced."

In addition to talking to individual voters, Shaw has used targeted messages to reach specific groups. He sent Jewish voters a pamphlet featuring pictures of him with Israeli Prime Minister Ehud Olmert and wounded soldiers. He produced two radio spots in Spanish, even though the district has a minuscule Latino population.

Klein did not reach out to either group with specialized mailings, illustrating how the GOP remains more meticulous in searching for every possible vote. It also reflects the party's experience in 2000, when Shaw won by fewer than 600 votes.

After 2000, Shaw's district was redrawn by Florida's GOP-led legislature to include more Republicans. But this year, even some Democrats have heard from Shaw about his opposition to President Bush's stance on stem-cell research.

By Tuesday night, voters here and across the country will show whether such precision tactics can withstand the broader wave of anger that Klein hopes will send him to Washington. A poll in Sunday's Miami Herald showed Klein with a 10-point lead, suggesting that Democrats may soon be celebrating.

But there's another election in just two years, when Iraq and GOP scandals may not dominate the debate. So what would Democratic incumbents, forced to combat all of the Republican advantages, do then?

"Maybe we can learn from them in the future," Klein said of the Republicans' tactics.

If not, even Democratic strategists concede, their party could soon find itself relegated again to the back bench.

In Campaigns' Last Hours, A Get-out-the-vote Contest (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, November 6, 2006

BETHESDA, MD.

Fueled by cans of Dr. Pepper and tubs of candy left over from Halloween, volunteers at the Democratic phone bank in a storefront here are deep into calls by mid-morning Saturday - an effort that could seal a victory for their party on Nov. 7 ... or not.

The question they're asking is the same across America: Can we count on your vote on Tuesday? If the answer is yes, there will be a follow-up call on Election Day: Have you voted?

Nothing is more basic in a campaign than getting out the vote. The Republican Party is famous for its well-oiled mechanism for identifying, finding, and prodding its voters all the way to polling sites, but this year, Democratic leaders say, they're ready to match the GOP's vaunted "72-hour plan" call for call.

Note: In the Bethesda office - campaign headquarters for US Rep. Benjamin Cardin, who is running for Senate in a tight race against Lt. Gov. Michael Steele (R) - no one is dialing a phone. Calls to targeted voters are automated, allowing volunteers to talk to as many as 100 probable supporters an hour. Instead of recording responses on sheets of paper, volunteers punch "1" (for "yes") on their phone keypads, and that voter's file is automatically updated.

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These automated voter files can match data from other sources, revealing information such as an individual's ethnicity, race, religion, income, financial data, subscriptions, buying habits, and political history, even from states where a voter has formerly lived. Routes for volunteer canvassers are integrated with mapping software.

"Our use of data has become much better and more efficient," says Artie Harris of the Maryland Democratic Party. "We have thousands of volunteers and paid canvassers on the streets working very, very hard, contacting hundreds of thousands of voters."

In Maryland, polls show that the GOP's Mr. Steele, an African-American, could take a bigger bite out of the black vote in neighboring Prince George's County than Democrats had expected. It makes the get-out-the-vote effort here in Montgomery County all the more crucial for Mr. Cardin. Republicans turn on the jets

Until the 2002 campaign, Democrats, backed by labor union supporters, typically had the edge in turning out their voters. But the "72-hour" get-out-the-vote (GOTV) program developed by Karl Rove, President Bush's adviser, and Ken Mehlman, Republican National Committee (RNC) chairman - which includes microtargeted voter lists and a nearly year-round mobilization effort - gave Republicans a strategic and technological edge that helped them hold onto the House and Senate in the past two elections. This year, the RNC promises "the biggest midterm GOTV operation in history."

Since then, Democrats have scrambled to catch up. By 2004, the Democratic National Committee had improved its automated voter files, but the operation was prone to glitches. Some state GOTV teams couldn't access the files until days before the election. After that campaign, the DNC launched an $8 million overhaul of its voter-file system and invested in training in all 50 states.

"Through Governor Dean's 50-state strategy, we put field staff on the ground in all 50 states a year ago," says DNC communications director Karen Finney.

"A lot of people criticized [Democratic National Committee Chairman] Howard Dean for his 50-state project. They wanted him to focus on a small number of battleground states," says Kim Gandy, chair of the National Organization of Women and its political action committee, who is spending her vacation helping to organize the phone bank here. "But what has happened in the last month shows the wisdom of what he has done, because there are competitive races in states we never thought there would be, and now there is a mechanism that could put these Democratic candidates over the top." Rebuilding in West Virginia

In West Virginia, the state Democratic Party started rebuilding its precinct captain structure in June 2005. With help from the DNC, it set up an automated, updated voter file accessible down to the precinct level. Volunteers can now see prospective voters' party identification, gender, age, how they voted in the past six to eight elections, whether an absentee ballot was used, plus appended microtargeting data such as estimated household income, occupation, magazine subscriptions, whether they have kids in school, and what they told previous party canvassers.

"Twenty years ago, Democrats here had an excellent get-out-the-vote system, and we're trying to get back to that ... and to branch out to traditional Republican areas," says Derek Scarbro, field director for the West Virginia State Democratic Party. "Our ability to track and manage that data has come a long way in West Virginia, and that's helpful. We even think we have an edge," adds Mr. Scarbro. The number of Democrats casting votes early is up 3 percent from the level in 2004. "Republicans are down a bit, and that's encouraging," he says.

Still, top GOP campaign advisers say the party's turnout plan can give Republicans the edge they need to win close races this week. "There are about 30 hotly contested [House] races, within the margin of error, and our 72-hour effort will make the difference on what it looks like on Election Day," said Rep. Tom Reynolds (R) of New York, chairman of the National Republican Congressional Committee, on Sunday on NBC's "Meet the Press."

Some voting experts say the get-out-the-vote arms race is less than meets the eye.

"The Republican turnout machine is a myth," says Robert Richie, executive director for FairVote - The Center for Voting and Democracy, based in Maryland. "There's very little to indicate from the results that the Republicans are doing a better job at mobilizing people," he says. Republicans won in 2002 and 2004 not because they had higher-tech turnout toys, but because they persuaded people.

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"Voter turnout is not very complicated. It's identifying voters, reminding them to vote, reminding them again, then making sure they vote," adds Mr. Richie. "You can call new techniques something fancy, but at the end of the day it's the most basic thing you do. Both sides do it."

The Green Card (WSJ)

By George Ball

The Wall Street Journal, November 6, 2006

After closing our fiscal year at Burpee Seeds, I noticed some intriguing figures in the sales of flower and vegetable seeds to home gardeners that, while displaying great differences, also show affinities that would warm a compost heap. Politics, in my opinion, is not so much a contest between different states of red and blue as between different shades of green -- a comforting reality in today's frosty political climate.

Let's first examine garden flowers. Both red-state Republicans and blue-state Dems grow sunflowers, zinnias and marigolds. However, the differences quickly bloom. Blue states buy many more impatiens, snapdragons and columbines -- expensive and sophisticated sun or shade flowers with varied and subtle colors. On the other hand, red states favor overwhelmingly boisterous morning glories, traditional nasturtiums and inexpensive four o'clocks. The sunny red states like to keep it plain and simple; the dappled blues like to make it diverse and edgy.

But wait -- in vegetable veritas. First, the comfort zone consists of a big garden with both Democrats and Republicans happily weeding squashes, cucumbers, peas and basil -- everyone grows a lot of them. But blue states grow a surprisingly wide range of tomatoes, along with both sweet and hot peppers and a fair amount of cilantro and dill. Think homemade salsas, poached salmon and heirloom vegetable collections. Yet red-staters are equally surprising and almost exotic in their preferences for green beans, onions, potatoes, carrots, sweet corn, parsley and oregano. When they do grow tomatoes, they choose only big slicers and paste types -- no fancy heirlooms. Again, they like vining in both vegetables and flowers, and easy-to-sow crops, half of them to be dug from the ground. To call red-staters "earthy" and blue-staters "well-branched" would be accurate.

Like a gardener with arms full of sweet corn, "green state" preferences run straight into the kitchen. Blue Dems are gourmet and fashion-conscious cooks; they like a few of every kind of tomato and pepper that exists, while their herbs tend to be diverse and savory. Red GOPers favor traditional cuisine, picnic fare, lots of stews and relishes, and enormous crops of green beans.

So, green is good. All gardeners agree on a patch that includes the basic "squash-cuke-pea-basil-tomato" requirement. But they also literally distinguish themselves in the backyard, just as in the voting booth. The Republican is a sun-drenched, green-bean, elbows on the table, vine-loving gardener, while the more passionate Democrat picks and chooses from a wider range of cultivars of spicy and savory peppers, European tomatoes, and flowers that prefer afternoon shade cast by mature trees. Let's rejoice that there are 50 states where we make up a mosaic of gardeners and gardens -- daring and avant-garde blue or tried and true, risk-averse red. But in the end, we are all still deep in the green.

Mr. Ball is the president of W. Atlee Burpee & Co., a seed company founded in Philadelphia in 1876. He is a former president of the American Horticultural Society.

Democrats Focus On Pennsylvania (WT)

By Amy Fagan

The Washington Times, November 6, 2006

LANCASTER, Pa. -- Top Democrats at several rallies in suburban Philadelphia this weekend worked to push their party's voters to the polls in a state where Democrats feel poised to sweep key races and oust the Senate's No. 3 Republican, Rick Santorum.

Gov. Edward G. Rendell joined Sen. Barack Obama of Illinois, House Minority Leader Nancy Pelosi of California and Democrat Bob Casey Jr., who leads Mr. Santorum in polls, to declare the year of the Democrats here.

"Once again, Pennsylvania will lead the way you did at the beginning of our country," Mrs. Pelosi told a crowd in Glenside, where the group stumped for Democratic House candidate Patrick Murphy.

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"I want to see [Mr. Casey] as our senator for the next 30 years," Mr. Rendell said, telling the screaming Glenside crowd that if they work hard to turn out the vote, "November 7th is going to be a great day for Pennsylvania, a great day for the Democratic Party."

Polls show that five Republican-held House seats in the state are within reach of Democrats -- so much so that Mrs. Pelosi spent the final campaign weekend here stumping for Democratic challengers.

Mr. Murphy and fellow Democrat Lois Murphy have gained ground in two Republican-held suburban Philadelphia districts, where they are challenging Reps. Michael G. Fitzpatrick and Jim Gerlach, respectively. Republican Reps. Don Sherwood and Curt Weldon are entangled in high-profile scandals that have helped Democratic challengers in their districts.

In the Senate race, Mr. Santorum has spent the past week arguing that Mr. Casey, the state treasurer and son of a former governor, will be soft on national-security issues at a time when decisiveness is needed. Mr. Casey has condemned Mr. Santorum as a rubber stamp for President Bush, who has just a 36 percent approval rating in Pennsylvania, according to a Survey USA poll.

"We've had too much of them, and on the morning of November 8, we're going to be headed down a new road," Mr. Casey told a crowd Saturday in Norristown.

"If we put in the wrong people ... we will take our country in a direction that will harm our national security," Mr. Santorum said yesterday in Lancaster.

Mr. Santorum cited a "botched joke" last week by Sen. John Kerry, Massachusetts Democrat, who implied that students who aren't smart wind up in the military. Mr. Kerry's remark has incited the Republican base here, one party operative said.

Republicans said the Democrats are claiming victory far too soon. Mr. Santorum has trailed in the polls before but enjoys a strong ground operation, said Dan Ronayne of the National Republican Senatorial Committee.

"Anyone ready to count him out doesn't know the man," he said.

"If Democrats turn out at 38 percent and we turn out at 50 percent, you can take any polls and throw them out the window," Mr. Santorum said yesterday.

Mr. Santorum, a leading social conservative in the Senate, has fought his hardest battle yet against Mr. Casey, a pro-life Democrat.

University of Pennsylvania political science professor Jack Nagel said liberal Democrats are willing to accept Mr. Casey's more conservative stances.

"They're realizing they might have to sacrifice on some social issues," Mr. Nagel said.

Matt Cooley, a pro-choice Democrat from Ambler, gave Mr. Casey a tepid endorsement as a "thoughtful guy," but said Mr. Santorum is "way too extreme for me" and predicted the Republican will be "toast" on Election Day.

For Lana Hopkins of Glenside, the election is all about unhappiness with the war in Iraq.

"This seems like a presidential election year," she said of Democrats' excitement level.

Still, Republican State Party Chairman Robert Gleason Jr. said Friday that he expects victory for Mr. Santorum as well as House Republicans and gubernatorial candidate Lynn Swann because of the party's get-out-the-vote effort.

Some Democrats are worried. A man at the Democrats' rally in Norristown lamented, "All of us are wondering what Karl Rove's going to pull on us."

Party leaders warned their faithful against overconfidence.

"Polls never cast a vote," Mr. Rendell said.

For Republicans (USAT)

By Ken Mehlman

USA Today, November 6, 2006

From the narrowly averted plot to blow up airliners bound for the USA to North Korea's nuclear detonation to last week's missile test by Iran, we are constantly reminded of the threat against free nations by terrorists and despotic leaders who support them. The war we fight today is not a new war. For a generation, terrorists have attacked free nations, from the 1972 Olympic Games in Munich, to the U.S. hostages in Iran, to Beirut, to the World Trade Center in 1993, Riyadh in 1995, Khobar Towers in

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1996, the U.S. Embassy attacks in 1998, and the USS Cole in 2000. Too often, free nations responded weakly or not at all, so the enemy grew emboldened, leading to 9/11.

Today, the Republican Party has learned the lessons of Sept. 11, and understands the importance of using every single tool at our disposal to win this war — but some Democrat leaders would take those tools away. Democrats in the House and Senate voted against re-authorization of the USA Patriot Act. The overwhelming majority of House Democrats voted against legislation to make it easier to intercept terrorist communications. Democrats voted against tribunals that will help us get the information we need, and have time and again voted against missile defense.

Even more dangerous is that Democrats truly seem to believe that Iraq is completely separate from the greater war on terror. Al-Qaeda's leaders are not confused about the importance of Iraq to their goal of global jihad. Osama bin Laden's No. 2, Ayman al-Zawahiri, has said his goal is to use Iraq as a base to launch further attacks, with the goal of creating a new caliphate in the Middle East. On Tuesday, we must ask ourselves: Would surrendering Iraq to the enemy so they can use it as a base from which to launch attacks make us more or less safe?

Voters face another choice Tuesday: Republicans have cut taxes every year since George W. Bush was elected president. Democrats, on the other hand, have said outright that they plan to raise your taxes. If you're a typical American family with two kids earning $30,000 a year, the Democrats would raise your taxes by more than $2,000. They'd raise your gas taxes just as gas prices are finally coming down. Where would it end? Well, the man who would be in charge of tax policy in a Democrat-controlled House came right out and said it: No tax increase will be out of bounds.

Republicans want to eliminate the death tax once and for all. Democrats want to bring it back. Republicans want to explore new sources of energy to bring gas and heating prices down. Democrats want to block domestic exploration. Republicans want small businesses to be able to band together to provide health care to their employees at a reasonable cost. Democrats don't believe entrepreneurs and their employees should have that freedom. Republicans want all parents to be able to choose where they send their kids to school. Democrats would limit that choice to the rich and powerful. The list goes on and on.

There is one more choice voters face Tuesday: The Senate has approved two superb new Supreme Court justices, John Roberts and Sam Alito. Republicans supported Justices Roberts and Alito because they understand that judges need to interpret the law, not invent it. Many Democrats, on the other hand, vocally fought — and then voted against — Justices Roberts and Alito. Why? Because they depend on activist judges to hand them the victories they can't win at the ballot box.

Tuesday, Americans will have the opportunity to choose between a party that wants to use every tool to keep us safe, or one that would take those tools away; between a party that wants to let you keep more of your own hard-earned money, or one that believes that money belongs to Washington; between a party that understands judicial restraint, or one that wants activist judges to fight its battles.

Two very different visions for America, and one very strong reason for the American people to help Republicans make history and maintain our majorities in Congress.

For Democrats (USAT)

By Howard Dean

USA Today, November 6, 2006

Tuesday, Americans have a choice between staying the course and a new direction for our country. After six years of Republican leadership, some Americans may be considering doing something they haven't done in a long time. Vote for a Democrat.

If you vote for a Democrat on Tuesday, we will honor the trust you put in us with a new direction for America.

Isn't it time for a new direction in Iraq?

The American people deserve political leaders who will ask the tough questions and make smart decisions about our foreign policy and homeland security, not just tough talk around election time. Sixteen intelligence agencies agree that the Bush administration's failed Iraq policy is increasing terrorism around the world. Our brave troops have become occupiers caught in a civil war. Democrats are united behind a strategy of phased redeployment and benchmarks that make it clear to the Iraqis that they must take responsibility for the future of their country.

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Isn't it time for a new direction in fighting the war on terror?

Osama bin Laden is still on the loose, and al-Qaeda has moved to a new location in northwest Pakistan. Afghanistan has seen a resurgence of the Taliban. Democrats want to increase the size of our Special Forces to destroy bin Laden and terrorist networks such as al-Qaeda. We want to ensure that our troops and agencies have the tools to stop future attacks. And we won't take our eyes off of the growing threats in Iran and North Korea.

We also need to keep our streets and communities at home safe. We will enact the bipartisan 9/11 Commission recommendations because it's time to inspect all cargo and lock down loose nuclear material and ensure our nation is prepared for disasters such as Hurricane Katrina — and the aftermath. We will ensure we properly equip our National Guard and first responders.

Isn't it time for a new direction for our economy and the middle class?

The harmful policies of the GOP have failed hard-working Americans. Republicans have waged a war on the family. The Bush economy has failed 80% of Americans, benefiting only the top 1%. For most Americans, wages and incomes have slowed; health care costs and personal debt have increased. Home mortgage foreclosures are up; college tuition has skyrocketed.

We will end Republicans' deficit spending and restore pay-as-you-go discipline. We will restore the Republican cuts to Pell grants and other programs that make it easier for our kids to afford to go to college. We will protect, not privatize, Social Security.

Democrats respect hard-working families and the work it takes to make ends meet. We believe that strengthening the middle class is essential for a thriving economy that rewards work, opens the door of opportunity to all, and makes it easier for parents to devote time to their families. We will ease the burdens on middle-class Americans with middle-class tax fairness, increase the minimum wage and reverse Republican health care cuts. We

want to make a down payment in ensuring affordable health care for every American, and fix the Medicare prescription drug program. We will protect Social Security so that every senior is ensured a retirement in dignity.

We will enact real ethics reform in Congress.

Isn't it time for responsible, competent leadership and an end to the politics of deficits, divisiveness and deceit?

Our nation has become more divided and polarized with rhetoric and campaign tactics designed to drive wedges rather than find common ground. From Iraq to the economy to the aftermath of Katrina, we've seen incompetence and mismanagement. The Republicans' culture of corruption time and again has put the interests of their party and their cronies ahead of doing what's right for our children, our communities and our families.

Isn't it time for a new direction? Democrats have a unified agenda to restore hope and opportunity, competence and responsibility. So on Tuesday, if you want to change what's going on in Washington, vote for Democrats.

Howard Dean is chairman of the Democratic National Committee.

Limiting The Damage (NYT)

By Paul Krugman

The New York Times, November 6, 2006

President Bush isn't on the ballot tomorrow. But this election is, nonetheless, all about him. The question is whether voters will pry his fingers loose from at least some of the levers of power, thereby limiting the damage he can inflict in his two remaining years in office.

There are still some people urging Mr. Bush to change course. For example, a scathing editorial published today by The Military Times, which calls on Mr. Bush to fire Donald Rumsfeld, declares that "this is not about the midterm elections." But the editorial's authors surely know better than that. Mr. Bush won't fire Mr. Rumsfeld; he won't change strategy in Iraq; he won't change course at all, unless Congress forces him to.

At this point, nobody should have any illusions about Mr. Bush's character. To put it bluntly, he's an insecure bully who believes that owning up to a mistake, any mistake, would undermine his manhood — and who therefore lives in a dream world in which all of his policies are succeeding and all of his officials are doing a heckuva job. Just last week he declared himself "pleased with the progress we're making" in Iraq.

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In other words, he's the sort of man who should never have been put in a position of authority, let alone been given the kind of unquestioned power, free from normal checks and balances, that he was granted after 9/11. But he was, alas, given that power, as well as a prolonged free ride from much of the news media.

The results have been predictably disastrous. The nightmare in Iraq is only part of the story. In time, the degradation of the federal government by rampant cronyism — almost every part of the executive branch I know anything about, from the Environmental Protection Agency to the Centers for Disease Control and Prevention, has been FEMAfied — may come to be seen as an equally serious blow to America's future.

And it should be a matter of intense national shame that Mr. Bush has quietly abandoned his fine promises to New Orleans and the rest of the Gulf Coast.

The public, which rallied around Mr. Bush after 9/11 and was still prepared to give him the benefit of the doubt two years ago, seems to have figured most of this out. It's too late to vote Mr. Bush out of office, but most Americans seem prepared to punish Mr. Bush's party for his personal failings. This is in spite of a vicious campaign in which Mr. Bush has gone further than any previous president — even Richard Nixon — in attacking the patriotism of anyone who criticizes him or his policies.

That said, it's still possible that the Republicans will hold on to both houses of Congress. The feeding frenzy over John Kerry's botched joke showed that many people in the news media are still willing to be played like a fiddle. And if you think the timing of the Saddam verdict was coincidental, I've got a terrorist plot against the Brooklyn Bridge to sell you.

Moreover, the potential for vote suppression and/or outright electoral fraud remains substantial. And it will be very hard for the Democrats to take the Senate for the very simple reason that only one-third of Senate seats are on this ballot.

What if the Democrats do win? That doesn't guarantee a change in policy.

The Constitution says that Congress and the White House are co-equal branches of government, but Mr. Bush and his people aren't big on constitutional niceties. Even with a docile Republican majority controlling Congress, Mr. Bush has been in the habit of declaring that he has the right to disobey the law he has just signed, whether it's a law prohibiting torture or a law requiring that he hire qualified people to run FEMA.

Just imagine, then, what he'll do if faced with demands for information from, say, Congressional Democrats investigating war profiteering, which seems to have been rampant. Actually, we don't have to imagine: a White House strategist has already told Time magazine that the administration plans a "cataclysmic fight to the death" if Democrats in Congress try to exercise their right to issue subpoenas — which is one heck of a metaphor, given Mr. Bush's history of getting American service members trapped in cataclysmic fights where the deaths are anything but metaphors.

But here's the thing: no matter how hard the Bush administration may try to ignore the constitutional division of power, Mr. Bush's ability to make deadly mistakes has rested in part on G.O.P. control of Congress. That's why many Americans, myself included, will breathe a lot easier if one-party rule ends tomorrow.

'It Didn't Have To Be That Way' (WSJ)

By Fred Barnes

The Wall Street Journal, November 6, 2006

Republicans face the prospect of losing a substantial number of Senate and House seats in the midterm election tomorrow, but it didn't have to be that way. For sure, the war in Iraq was always going to be a drag on Republicans. And an election in the sixth year of a presidency is often perilous for the president's party, a pattern that's held true in year six of the Bush era.

But Republicans have made matters worse by abandoning the reform agenda that animated their capture of Congress in 1994 and helped George Bush win the White House in 2000 and keep it in 2004. With scarcely a fight, Republicans gave up on Social Security reform in 2005, immigration reform in 2006, and never really got started on tax reform. Mr. Bush also cast aside the overarching theme for his domestic policy -- the Ownership Society -- without an explanation.

The consequences have been dire. Republicans have little to boast about in Mr. Bush's second term except the strong economy -- and it's largely the result of tax cuts enacted three years ago. When Democrats bring up Iraq or corruption, Republicans have no countervailing issues. The president has made a strong case against Democrats on national security and

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taxes. But voters have been unresponsive and it's easy to understand why. It's Mr. Bush himself who causes them to feel safe from lax security and tax hikes. Whatever happens in tomorrow's election, he'll be in the White House for two more years to protect them from Democratic excesses. But what if Republicans had followed the president's lead last year and tried to overhaul Social Security and enact personal investment accounts? If they'd succeeded, voters would now be perusing the stock tables to decide how to invest their payroll taxes. Had Democrats blocked reform, Republicans would be pointing out the gains voters were missing in the bull market. Either way, Republicans would be ahead. So would the country.

Instead, they balked at Mr. Bush's modest reform proposal. House Speaker Dennis Hastert thought it too risky, though the president had trumpeted his idea, with impunity, in two national campaigns. Another Republican leader told Mr. Bush that House Republicans would line up behind him -- but only after he'd drummed up a strong national majority in favor of entitlement reform. In truth, it already existed. Private accounts financed out of payroll taxes, while controversial, have long been popular. Left alone in the drive to fix Social Security, the president, disappointed and exhausted, finally gave up the fight.

For Republicans, 2006 was going to be the year they bravely took on America's immigration problem. Despite a division among Republicans on a solution, an ultimate agreement seemed quite possible. House Republicans would get beefed up security along the border with Mexico well beyond what Mr. Bush wished. In return, Mr. Bush and Senate Republicans would get what they wanted: additional security plus a program to bring foreign workers here temporarily and a plan for illegal immigrants in the U.S. to "earn" citizenship.

There were (and still are) many ways to reconcile the two positions. The simplest was to stagger the implementation of the three parts of immigration reform by requiring a secure border first, followed a few years later by the guest workers' program and citizenship scheme. Hispanic Americans and their influential lobbying organizations were willing to go along. And Democrats, faced with mass defections, would have been forced to accept the GOP compromise.

For lack of leadership, the compromise never materialized. Mr. Bush balked at taking charge of the issue. Mr. Hastert, cautious to a fault, declined to take a firm position. Roy Blunt, the House Republican whip, opposed the compromise. Another Republican leader assured me that House Republicans were in an ideal position. They could boast of having "blocked a bad Senate bill" -- a bill backed by the White House -- and that would serve them well in the election.

It hasn't. Nor has the last-minute border security measure authorizing 700 miles of fence that Mr. Bush signed in October. And opposition to "amnesty" in any form has failed to immunize Republicans. A good example is popular congressman J.D. Hayworth of Arizona, one of the loudest foes of letting illegals become citizens. He faces an unexpectedly strong Democratic challenger -- in the state with the biggest influx of illegal aliens in the country.

In the end, Republicans raised the immigration issue, touted it as a national crisis, stirred the nation's interest, then failed to come to grips with it. But imagine if Republicans had agreed on a compromise and enacted a "comprehensive" -- Mr. Bush's word -- immigration bill, dealing with both legal and illegal immigrants. They'd be justifiably basking in their accomplishment. The American public, except for nativist diehards, would be thrilled.

Tax reform could have had a similar effect. It may be hard to achieve, but it's both important and favored by the vast majority of Americans. Here again, however, Republicans were anything but bold. A tax panel commissioned by Mr. Bush concentrated on easing the burden imposed by the Alternative Minimum Tax at the expense of fundamental tax reform. Not surprisingly, the panel's timid recommendations produced little enthusiasm. And the tax issue quickly faded away.

The White House didn't have to acquiesce. It could have pressured the tax commission to come up with a sweeping reform plan. Or it could have proposed its own blueprint for reform. There's no secret about what's needed: lower rates, fewer deductions, a broader tax base, simplification of the tax code, elimination of double taxation of dividends, and a lot more. Instead, the White House let the moment pass.

When I interviewed Mr. Bush a year ago, I asked him about his concept of an "ownership society." He had been using the phrase as the theme for his domestic program (with the exception of immigration) and it was beginning to catch on. It included health-care reform and "lifetime" IRAs, a reform of retirement instruments, as well as tax and Social Security reform. The president was so enthusiastic about this that he cited it in his second inaugural address.

He saw ownership as a boon to personal responsibility, accountability and independence, especially from government. "Government sometimes, because you're dependent on it, undermines the sense of personal responsibility," he said. It was a

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spur to the poor "not to remain poor and to have that dream of owning something," he told me. And it gave an owner "a vital stake in our country."

Mr. Bush inexplicably dropped the phrase from his speeches this year. Perhaps it didn't poll well. Perhaps it was too radical. An "ownership society" represents a sharp new direction in domestic policy designed to encourage citizens to be more self-reliant and less dependent on government. It's a kind of demand-side conservatism with citizens gradually asking for less and less federal assistance.

Now, an "ownership society" is all but forgotten, Republicans as reformers a thing of the past. The party unity that would have come from settling differences on immigration is absent. As a result, Republicans have bickered throughout the 2006 campaign. If they have an agenda for the next two years, they haven't told voters. Democrats don't have an agenda either, they're the "out" party. They can get away with it. Republicans can't.

Reform is appealing to voters because they sense, quite correctly, there's much in need of reform. Besides Social Security and immigration and taxes, there's Congress itself. By skimping on congressional reform, too, Republicans made themselves all the more vulnerable to exaggerated charges of corruption. Reform, of course, is the opposite of corruption.

It's unknowable how many Senate and House seats might have been saved had Republicans championed reform. But surely Republicans would have been better off with a program of reform to flaunt. The campaign would have been elevated. And win or lose, Republicans would have something vital to talk about for the final years of the Bush presidency.

Mr. Barnes, executive editor of the Weekly Standard, is the author of "Rebel-in-Chief" (Crown Forum, 2006).

Hastert May Face Post-Election Unrest (WP)

By Jonathan Weisman

The Washington Post, November 6, 2006

House Speaker J. Dennis Hastert's future is in doubt even if the Republicans retain control of the House because of unease among GOP lawmakers about his handling of the Foley page scandal and what a House ethics committee investigation might conclude about him, according to several Republican aides.

House Chief Deputy Whip Eric I. Cantor (R-Va.) said last week that the House Republican leadership elections scheduled for Nov. 15 should be postponed until the ethics committee delivers its final report. House Majority Leader John A. Boehner (R-Ohio) confirmed yesterday on "Fox News Sunday" that he and Hastert have discussed that possibility. "We'll see how Tuesday goes and then we'll make some decisions."

House Speaker J. Dennis Hastert (R-Ill.) appeared before the House ethics committee last month to answer questions on the congressional page scandal, but concerns about his leadership run deeper. He is likely to be challenged for the speaker's job regardless of election results. (By Manuel Balce Ceneta -- Associated Press)

But if Democrats seize control of the House in tomorrow's election, as many political analysts and pollsters are predicting, then Hastert is widely expected to exit the leadership stage and allow a new generation of Republican leaders to try to recapture the majority. Hastert, 64, the longest-serving Republican speaker, remains personally popular with House Republicans, but the discontent with his often lackadaisical, hands-off style is palpable.

"I believe that members have the highest regard for the speaker, his honesty, his integrity and his high ethical standards," said Rep. Patrick T. McHenry (R-N.C.). "But the last two years have been very tough for us as a majority. There's no doubt about that. Certainly we need to have a better direction, vision and drive than we've had during the 109th Congress."

The speaker and his top aides' response to warnings that former representative Mark Foley (R-Fla.) had for years been pursuing teenage male pages is part of an emerging pattern that is troubling Republican lawmakers.

In early 2004, as House Appropriations Committee investigators prepared to launch a sensitive audit of highly classified Capitol Hill security upgrades, Hastert's chief counsel made a surprise visit to the first meeting of the auditors.

His message was clear, according to participants: The speaker's office was not happy about the probe and would keep investigators on a tight leash. In September 2005, despite growing evidence of sweetheart deals, kickbacks, wasteful contracts and shoddy work, the probe was suddenly shut down.

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Critics of Hastert say the incident -- reported by Congressional Quarterly last month -- is emblematic of a speaker's office dominated by powerful senior aides that has repeatedly thwarted aggressive policing of the inner workings of Congress. Two of Hastert's top aides -- chief of staff Scott Palmer and chief counsel Ted Van Der Meid -- had been warned about Foley's unimpeded pursuit of male pages long before ABC News broke the story Sept. 28. Hastert and his aides orchestrated a purge of the ethics committee in February 2005, after the committee admonished then-Majority Leader Tom DeLay (R-Tex.) for misconduct. And there have been massive cost overruns at a Capitol visitors center known derisively as "Hastert's Hole." A project once slated to cost $265 million now is expected to cost as much as $596 million.

All of these actions point to serious failures on the part of the speaker's office, critics say.

"All of the mechanisms that should be in place and used to protect the speaker and the House itself have been abridged because they just don't want to look," said Scott Lilly, a former Democratic staff director of the House Appropriations Committee.

Lisa C. Miller, a spokeswoman for the speaker, strenuously objected to the premise that Hastert has been a reluctant self-policeman or that there is growing dissatisfaction with Hastert's leadership within the Republican ranks. "Since Republicans have come into office, this House operates in a highly professional manner," she said. "We have vigorous oversight with annual auditing by an independent inspector general."

The turmoil has been mounting with Hastert largely off the stage. The speaker had expected to maintain a vigorous campaign schedule, but since the Foley scandal erupted, the former high school wrestling coach has kept largely out of sight. Boehner said that while Hastert has not granted many interviews, he made campaign appearances last week in Texas, Arizona and Florida. His Democratic opponent, a little-known challenger named John Laesch, has tried to capitalize on the swirling controversies. On Friday, Laesch posted a Web site, http://www.therealdenny.com , to raise questions about Hastert's leadership.

Meanwhile, some Republican lawmakers, such as Reps. Mike Pence (R-Ind.) and John Shadegg (R-Ariz.) have been quietly putting out calls suggesting they might throw their hats in the ring for leadership posts. On Saturday, House Energy and Commerce Chairman Joe Barton (R-Tex.) announced that he, too, would be seeking a leadership post if a slot is available.

House Speaker J. Dennis Hastert (R-Ill.) appeared before the House ethics committee last month to answer questions on the congressional page scandal, but concerns about his leadership run deeper. He is likely to be challenged for the speaker's job regardless of election results. (By Manuel Balce Ceneta -- Associated Press)

"It sounds like this is coming from folks who want the speaker's job," she said, "and when we win back the House on Tuesday, the speaker will run again."

The Foley scandal is foremost in members' minds, but what critics see as a lax attitude toward self-policing goes well beyond the Foley incident. The security investigation may be equally serious, Lilly suggested.

Since the Cold War days of the Kennedy administration, a highly secret organization has watched over the security of what is known as the Capitol campus, which includes the Capitol, the House and Senate office buildings and the Supreme Court. That organization got a renewed mission after the Sept. 11, 2001, terrorist attacks, when hundreds of millions of dollars were channeled to it, mostly through the classified "black" budget of the House and Senate defense appropriations subcommittees.

In 2004, the chairmen and ranking Democrats on the House Appropriations Committee and House defense appropriations subcommittees tasked contract investigators to look at contracting on highly classified security upgrades, especially air filtration systems being installed to protect the campus from chemical and biological attack. The scale of the upgrades is unprecedented, and so is the cost, likely to run more than $100 million, according to three different sources close to the project.

Concern had been raised that contracts were being steered to unqualified bidders, who were wooing the secret organization's management with Redskins tickets, expensive lunches, even golf clubs, said Ronald Garant, one of the investigators. But the more pressing issue was sheer waste and incompetence, he said. Another former appropriations committee investigator familiar with the probe said the team was told by a Lockheed Martin contractor that the filtration system being installed in the Ford House Office Building was so shoddy that the children in the building's day-care center would not stand a chance in the event of a chemical or biological attack.

In early 2004, Garant and other investigators went to Arlington to meet with the organization. To their surprise, Van Der Meid, the speaker's chief counsel, made the trip, too. Van Der Meid made it clear from the start that he did not want the probe

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going forward, according to Garant, a retired, former high-ranking auditor for the Defense Department's comptroller with more than 30 years of experience in government oversight.

Investigators were prevented from talking to key personnel, had access blocked to key facilities and could not inspect the equipment they were supposed to be assessing. After hitting roadblock after roadblock, Robert H. Pearre, the appropriations committee's chief of investigations, delivered the news last September that the investigation had been shut down and its offices in CIA headquarters in Langley, Va., were to be closed.

"We were told, 'Lock the door, change the combination, take your papers, bring them over here. It's all over,' " Garant said.

House Appropriations Committee spokesman John Scofield said some investigators were taken off the probe, but he said the study is ongoing. Republican aides familiar with the issue say Van Der Meid was not concerned about the investigation's findings but the investigators' cavalier attitudes toward a super-secret security effort. Former FBI agents did look at some of the charges of contractor abuse and determined they were inconsequential.

The Republican aides say the problem was with the investigators' attitudes. They said the fact that former investigators are discussing the probe of so secret a matter with reporters is proof that Van Der Meid's concerns about the investigators were warranted.

And those audits have produced eight consecutive clean bills of health, she said.

Senate Control In Play, Polls Find (USAT)

By Susan Page

USA Today, November 6, 2006

WASHINGTON — Democrats, poised to score gains in the U.S. Senate, are struggling to pull ahead in the final seat they need to win control, USA TODAY/Gallup Polls in six key states find.

Democratic challengers are leading Republican incumbents — in some cases narrowly — in Missouri, Montana and Rhode Island, according to the USA TODAY surveys. Other polls show Democratic challengers ahead in Ohio and Pennsylvania.

Even if Democrats sweep those five races, however, they would fall one seat short of the six needed for majority status. Two GOP targets, in Tennessee and Virginia, now lead by 3 percentage points among likely voters.

"It says to me the Senate is still very much in play and could go either way," says Stuart Rothenberg, editor of the non-partisan Rothenberg Political Report.

In a separate nationwide USA TODAY/Gallup Poll, taken Thursday through Sunday, Democrats were favored over Republicans for Congress by 51%-44% among likely voters. That edge of 7 percentage points had narrowed from a 13-point margin two weeks ago.

"Republicans are back in the game; they're engaged," says Andy Kohut of the Pew Research Center, which had similar results in a survey released Sunday.

In the House, Democrats need to pick up 15 seats to regain control for the first time since 1994. Rothenberg and other non-partisan analysts predict they will.

In the Senate, the USA TODAY state polls show the Democratic incumbent considered most at risk, Democrat Robert Menendez of New Jersey, is now 10 points ahead of Tom Kean. Among GOP incumbents, however, Conrad Burns trails Jon Tester by 9 points in Montana, Jim Talent trails Claire McCaskill by 4 points in Missouri, and Lincoln Chafee trails Sheldon Whitehouse by 3 points in Rhode Island.

Republican Sen. George Allen leads Jim Webb in Virginia and Republican Bob Corker leads Harold Ford in Tennessee by identical 49%-46% margins.

Several races remain fluid. In Rhode Island, where Whitehouse's lead has tightened from an 11-point margin a month ago, 16% of likely voters say they made up their minds within the last week and 13% are still undecided. In Missouri, 7% remain undecided.

By big margins, voters across the board say most of the TV ads they've seen have been negative. In Tennessee, an overwhelming 74% disapproved of a GOP ad that showed a sexy blonde saying, "Harold, call me."

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But in Missouri, voters approved by 49%-38% of an ad that showed actor Michael J. Fox, visibly affected by Parkinson's disease, speaking in support of embryonic stem cell research and McCaskill.

How The Senate Could Turn Blue (CHIST)

By Robert Novak

Chicago Sun-Times, November 6, 2006

BY ROBERT NOVAK Sun-Times Columnist WASHINGTON -- To achieve the net gain of six seats needed for Democrats to win control of the Senate on Tuesday once seemed an impossible mission. Now it is clearly in sight.

In the weekend before the mid-term elections, two Republican seats seem definitely lost and two more are in serious trouble. If the Democrats win those four, they have to win only two of three more precarious Republican seats while keeping the only two Democratic incumbencies in any kind of danger.

That adds up to nine seats that will determine control of the Senate for the next two years:

OHIOSen. Mike DeWine (R) vs. Rep. Sherrod Brown (D)

This once seemed an unlikely place for a Democratic pickup, with Brown seemingly much too liberal for Ohio. But torn by scandals and a sub-par economy, Ohio in 2006 is a nightmare for Republicans, where big wins are expected by the Democratic ticket from top to bottom.

DeWine is an experienced candidate who works hard and has skillfully separated himself from an unpopular president. Nevertheless, Republicans have privately put this race on the hopeless list.

RHODE ISLANDSen. Lincoln Chafee (R) vs. state Atty. Gen. Sheldon Whitehouse (D)

Chafee is the most liberal Republican in the Senate. He did not even vote for George W. Bush for president in 2004. He survived a conservative challenge in this year's Republican primary, but he cannot count on vigorous GOP support, and he is an in- effective speaker.

Whitehouse, a former federal prosecutor, is not much of a candidate, either, but he should glide home in one of the country's most Democratic states. Still, strange things happen in Rhode Island, and Chafee has an outside chance to win a second term.

MONTANASen. Conrad Burns (R) vs. state Sen. Jon Tester (D)

When the year began, four-term, 71-year-old Burns looked a sure loser. The only Montana Republican elected to the Senate over the past half-century was down by double digits after he returned $150,000 in contributions related to disgraced lobbyist Jack Abramoff.

Tester's support has declined under a barrage of TV ads branding him a high-tax liberal, and the Democrat now holds only a small lead with a huge undecided vote.

MISSOURISen. Jim Talent (R) vs. state Auditor Claire McCaskill (D)

This is a classic conservative-vs.-liberal standoff between two professional office-seekers in a traditional weathervane state.

Complicating matters, the candidates are on opposite sides of a constitutional amendment on cloning for embryonic stem cell research (Talent against, McCaskill for). The large turnout of social conservatives against the bill is a plus for Talent, but Republican division on the issue is a minus.

Missouri may well be the single contest that determines control of the Senate.

VIRGINIASen. George Allen (R) vs. James Webb (D)

Allen, considered a major presidential prospect for '08, was 16 points ahead of Webb a month ago when he started committing one blunder after another.

Webb, a taciturn Reagan administration secretary of the Navy, is relatively conservative for a Democrat but campaigns hard against the Iraq war. While he is an unappealing candidate, he appears to have a small lead against Allen in what would be a bonus win never expected by party leaders.

TENNESSEEChattanooga Mayor Bob Corker (R) vs. Rep. Harold Ford (D)

Ford has run a brilliant campaign and out-dazzled Corker, but one question remains: Can an African American -- even one as handsome and ideologically moderate as the 36-year-old Ford -- really be elected to the Senate from a Southern state?

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Recent polling data suggests "no" is the answer. Corker is not a dazzler, but he has jumped out to a lead against Ford after trailing earlier. The Republicans have been accused of racist tactics, and Ford finally lost his cool.

NEW JERSEYState Sen. Tom Kean Jr. (R) vs. Sen. Robert Menendez (D)

This is the best Senate race for a Republican pickup. The 38-year-old Kean, son of the popular former governor, actually led against Menendez, an appointed senator, through the summer. Since then, Menendez has been hit by one scandal after another.

But Menendez leads and may be increasing his lead. He has a money advantage that is rare for a Democrat, but a loss by a candidate as attractive as Kean would suggest no Republican can win in New Jersey anymore under any conditions.

MARYLANDLt. Gov. Michael Steele (R) vs. Rep. Ben Cardin (D)

Steele, the first African American elected statewide in Maryland, is a long shot in an overwhelmingly Democratic state in a Democratic year. However, the latest poll shows only a six-point lead by Cardin, a respected but dull professional politician.

The same poll gives Steele just 12 percent of the state's large African-American vote. Steele's own polls give him much more black support -- perhaps enough to eke out a startling Republican victory in an otherwise dismal election, which incidentally might save GOP control of the Senate.

PENNSYLVANIASen. Rick Santorum (R) vs. State Treasurer Bob Casey Jr. (D)

Santorum, a national favorite of conservatives, is third-ranking in the Senate leadership and will move up to the second-ranking whip's position if re-elected. But he is unpopular in Pennsylvania, stuck at 42 percent in the polls for two years. Casey, son of the late governor, is a pro-life Democrat who is not popular in Philadelphia and a weak candidate. Nevertheless, Casey looks like a cinch.

Sen. Dole Says Dems Content To Lose War (USAT)

USA Today, November 6, 2006

The head of the Republican Senate campaign committee, Elizabeth Dole of North Carolina, said Sunday that her party will retain its majority partly because “Democrats appear to be content with losing” the war in Iraq. Her Democratic counterpart, Charles Schumer of New York, said his party wants to win the war, “which is why we want to change the strategy.”

Dole also said voters will be more focused on local issues. On Iraq, she said: “To pull out and withdraw is losing. The Democrats appear to be content with losing.” Schumer cited polls showing voter dissatisfaction with President Bush's war policy. Democrats need to add six Senate seats to have a majority.

Cheney plans first hunt since accident

Vice President Cheney will spend Election Day on his first hunting trip since he accidentally shot a companion last February on a private Texas ranch.

Lea Anne McBride, his press secretary, said it was an annual hunting outing and said Cheney spent Election Day in 2002 at the same lodge. On a Feb. 11 quail hunting trip, Cheney shot attorney Harry Whittington in the torso, neck and face with his shotgun. Whittington was hospitalized for six days.

Governor tailors campaign to football

Wisconsin Gov. Jim Doyle worked his campaign schedule around the Green Bay Packers. Doyle, challenged by Republican Mark Green, met with Democratic Party workers in Marathon County two hours before kickoff of the Packers game against the Buffalo Bills in Buffalo. His second stop in Eau Claire started during halftime. His final stop at a sports bar in La Crosse was set for after the game. “The only thing the governor schedules during Packer games are Packer games,” spokeswoman Melanie Fonder said.

Candidates Making Final Push To Break Out (WP)

By Michael D. Shear And John Wagner

The Washington Post, November 6, 2006

Two of the Washington region's top Republicans -- Virginia Sen. George Allen and Maryland Gov. Robert L. Ehrlich Jr. -- spent yesterday fighting off fierce electoral challenges that could stall their political careers and reverse GOP successes in their states.

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Allen returned to the folksy approach that has endeared him to Virginians for almost two decades, tossing a football at FedEx Field before the Redskins game as he schmoozed with potential voters at a tailgate party. Later, he ditched a pair of brown Wranglers for a suit at an Ashburn event with former New York mayor Rudolph W. Giuliani.

Ehrlich mingled with volunteers at a Republican call center in Prince George's County yesterday afternoon, appearing relaxed and upbeat about his prospects. Afterward, he, too, campaigned with Giuliani, whom he called "wildly popular within the [Republican] party and with many independents and Democrats."

The Democratic challengers in those races also used the last weekend of the campaign to stir their supporters. In Virginia, James Webb campaigned in the southwest region. In Maryland, Baltimore Mayor Martin O'Malley appeared with former president Bill Clinton -- something Webb is scheduled to do today.

Public polls showed both men locked in dead heats. Surveys by Mason-Dixon published yesterday had Allen trailing Webb by one percentage point and Ehrlich tied with O'Malley. Previous polls, including a Washington Post poll last weekend, showed O'Malley ahead.

The reelection bids by Allen and Ehrlich, along with the Senate race in Maryland between Rep. Benjamin L. Cardin (D-Md.) and Lt. Gov. Michael S. Steele (R), are crucial to national and local political efforts. The Senate races could decide which party controls that chamber of Congress. But the election tomorrow also will offer fresh evidence of political trends in the Washington region, where Allen, Ehrlich and Steele have created a resurgence in their states' parties. Losses by any of them -- particularly incumbents Allen or Ehrlich -- would raise questions about the future of the GOP in their respective states.

Webb, for his part, finished a two-day swing through the rural communities of southwest Virginia with former Nebraska senator Bob Kerrey (D) and the president of the United Mine Workers union. The last-minute blitz in the "Fightin' Ninth" congressional district has become a Democratic tradition in Virginia.

Webb will wrap up his campaign with a rally in Alexandria with Clinton.

O'Malley also was betting on Clinton's popularity in the largely Democratic Free State. He held a boisterous, late-night rally with the former president that drew more than 1,000 people to Prince George's.

Earlier, O'Malley was joined on the campaign trail by Atlanta Mayor Shirley Franklin, the latest big-city mayor to testify to O'Malley's national reputation as an effective reformer. Today he is scheduled to appear with former vice president Al Gore in Montgomery County.

Steele campaigned in churches and gave an interview on Fox News Channel, hoping to catch up to Cardin in what polls suggest is a tightening race. Cardin joined O'Malley at the Clinton rally and also campaigned at churches yesterday.

The former president and former New York mayor were the top draws this weekend, helping to swell crowds and whip passions for an election that voting officials say already promises larger-than-usual turnout.

"This isn't a time for experimentation and for turning back the clock, which is what George's opponents want to do," Giuliani told the crowd of about 200 in Ashburn. "President Bush and the Republican Party have decided we're going to be on offense, and George Allen understands that."

Giuliani had a similar message for Ehrlich supporters: "He is a darn good governor, and he's doing a very good job," Giuliani, a possible 2008 presidential contender, told a crowd of about 200 at a firehouse in Prince George's. "You don't turn the clock back."

Hours later, on the other side of the partisan divide, Clinton arrived at an ornate reception hall of a church in the same county, a majority-black jurisdiction that is home to more Democrats than any other county in Maryland.

"I wanted to be here because I know Ben Cardin, I know Martin O'Malley, and I know what's going on in this country," Clinton said. "There are people all over America who would give anything to have people like this to vote for."

In two days, the candidates will know their fate: Win or lose. In or out. Staying or leaving.

With all three races very close, political parties in both states wonder what message voters will send tomorrow. Wins by Cardin and O'Malley in Maryland would confirm basic assumptions about the state's Democrat-leaning electorate. Victories by Ehrlich and Steele would go a long way toward ushering in a true two-party system in a state where registered Democrats have long outnumbered Republicans 2 to 1.

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Conversely, a victory by Webb in Virginia would cement his party's resurgence in a state that has been considered a conservative stronghold since the early 1990s -- when Allen won the gubernatorial election. A win by Allen, despite a bruising campaign, would offer a reminder of the state's core leanings.

"You have this changing dynamic in Virginia that the Democrats have been pretty good in adjusting to," said Robert D. Holsworth, director of the Center for Public Policy at Virginia Commonwealth University. "Even if Allen wins, the very close nature of this race will have to lead them to think about how they adjust the message."

In Virginia yesterday morning, Allen taped a two-minute paid television spot that will air tonight in major markets across Virginia. In it, Allen will appear with Sen. John W. Warner (R), one of the state's most respected politicians, and talk about the war in Iraq.

Then, it was onto FedEx Field for tailgate festivities before the game between the Dallas Cowboys and the Washington Redskins. Allen's father and namesake was a Super Bowl-winning Redskins coach.

"I think he's gotten a bum deal on all of these ads criticizing him," said Ryan Travers, 32, a sales manager from Richmond. "They've been crazy negative."

"Good luck! Go get 'em!" another man yelled. Thomas Robinson, 33, a businessman from Haymarket, said he's voting for Allen, too. "I like to deer hunt, and I like his views," Robinson said.

Allen used football analogies to describe his fight against Webb. "We're focused," Allen said. "In football you learn that if you get knocked down, you get back up."

Hundreds of miles away, Webb sounded increasingly confident as he hammered his campaign themes of creating a diplomatic solution to the Iraq war, bridging the gap between the rich and poor, raising the minimum wage, closing corporate tax loopholes and fighting for fair trade.

"You have given your loyalty, and you will have my loyalty, and I will work to bring fairness back to the economic system," Webb told about 150 supporters in Grundy, including dozens of current and retired coal miners.

Kerrey, who like Webb is a Vietnam War combat veteran, told the crowd that Webb "will put the law on the side of wages, health benefits and pensions."

"Jim has never forgotten it's important to live by those three words: family, honor, country," Kerrey said. "It's not phony for him."

In Big Stone Gap, Webb also sharpened his critique of Bush's policies and predicted the White House will face aggressive questions from a Democratic Congress.

"If you all help us, if we get out the word, on Wednesday morning the White House is going to wake up, and they are going to look out over the Capitol building and say, 'We've got a problem,' " Webb said.

In Maryland, O'Malley said he hoped the Clinton rally and an ad featuring the former president would help counter months of attacks on his record.

"With the Republican Governors Association coming in and spending all that money, going negative and trashing a record of accomplishment in Baltimore, it's nice to have someone who's known and respected come in and tell it like it is," O'Malley said.

Both races in Maryland could hinge on turnout in Prince George's -- a point several speakers tried to drive home at last night's rally.

"It's not about strategy anymore," Prince George's County Executive Jack B. Johnson (D) told a racially diverse crowd waving O'Malley and Cardin placards. "It's about your heart. Do you want this victory more than they want it?"

In Maryland's Senate race, Steele made time Sunday for an interview on Fox News, in which he continued to present himself as a populist, in touch with "real life" and independent of both parties.

When asked by host Chris Wallace why blacks in Maryland should vote Republican when the balance of power in the Senate is at stake, Steele said, "I'm not asking them to vote Republican."

"I've not come to them as a Republican or a Democrat, as an African American or anything other than who I am," Steele said from the parking lot of the First Baptist Church of Glenarden. "Someone who believes in public service, who wants to go to Washington to try his best to make a difference in a town that has forgotten where people live and how they live."

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Cardin and his wife, Myrna, traversed Prince George's yesterday morning, attending services at three African American churches.

Later in the day, he spoke at a Potomac synagogue before heading back to Prince George's to pump up volunteers at a VFW hall and to meet up with Clinton and O'Malley.

In the District, candidates for the competitive race for the Ward 6 seat on the D.C. Council concentrated most of their efforts in and around Capitol Hill, where turnout is usually high on Election Day.

Democratic nominee Tommy Wells hit the church circuit, knocked on doors and held a rally with volunteers. Will Cobb, who is running as an independent, met voters outside Eastern Market in the morning. Republican nominee Tony Williams could not be reached for comment.

Staff writers Ann E. Marimow, Chris L. Jenkins, Lisa Rein, Tim Craig, David Nakamura and Elissa Silverman contributed to this report.

Protectionist Stance Is Gaining Clout (WSJ)

By Greg Hitt

The Wall Street Journal, November 6, 2006

DUBUQUE, Iowa -- Bidding for a congressional seat held by a free-trade Republican for nearly two decades, Democrat Bruce Braley has gained an edge by taking the opposite view: bashing globalization.

In one of the most closely watched congressional races, Mr. Braley has made opposition to the Bush administration's free-trade agenda a centerpiece of his campaign. He has run ads blaming the state's job losses on President Bush's "unfair trade deals." He has urged more focus on labor rights in national trade policy and talked of using economic sanctions to keep America competitive. "Our workers aren't on a level playing field," he says.

Mr. Braley's stance has helped propel the 49-year-old lawyer, who is running against an unabashedly free-trade Republican, into position to reverse recent trends and secure a Democratic win in Iowa's First District. His strong showing not only underscores how trade concerns have emerged as a central issue in many of this year's races but also suggests a more-protectionist U.S. trade policy if Democrats take Congress.

Even if Democrats don't win control, the campaign rhetoric may have a lasting effect, because some Republicans are finding it more painful politically to defend free trade.

The trend is worrying the business community. Top financial-services executives identified "protectionism" as the biggest threat to continued economic growth, after terrorism, according to a recent Financial Services Forum survey. The U.S. Chamber of Commerce is spending about $10 million nationwide in the final days of the campaign to rally supporters for candidates sympathetic to business priorities, including free trade.

Democrats must pick up 15 seats to regain control of the House, and in more than a dozen districts up for grabs, trade issues are giving them an edge over Republicans damaged by Iraq and the scandal involving former Rep. Mark Foley and messages he sent congressional pages. Similar forces are roiling the fight for the Senate, where six additional seats would put Democrats in charge.

In western New York, Tom Reynolds, head of the Republican House campaign committee, is fighting a protectionist businessman and may lose. Richard Pombo, a California Republican who cruised to victory two years ago, is facing an eleventh-hour challenge from a Democrat pledging to "change our trade policy" so American farmers can better compete against foreign producers. In the Senate, which approves many trade treaties, Democrat Sherrod Brown is poised to unseat Ohio Republican Mike DeWine by capitalizing on worker resentment over globalization.

Pew Research data show the sense of vulnerability among workers. A recent poll shows low-skilled U.S. workers are over 40% more likely to believe their jobs could be sent offshore.

Trade is a perennial political dividing line. But the issue is taking on importance this year, amid increased public anxiety over globalization and activism by trade opponents. The political committee formed by the Citizens Trade Campaign, a labor, farm and environmental coalition, dispatched organizers after Labor Day to a dozen battleground districts to rally free-trade

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opponents. Protectionist sentiments and economic nationalism appear to be emerging as symbols of a broader but less well-defined sense of economic unease, which is particularly apparent in the Midwest this year.

The Republican-controlled Congress has already showed its sensitivity to the issue, helping derail a deal by Arab-owned Dubai Ports World to purchase the commercial operations at five U.S. ports and approving millions of dollars to build a wall to stem the tide of illegal immigrants from Mexico. Republican leaders have put aside initiatives on the Bush free-trade agenda, delaying action on a trade pact with Peru and pushing the White House to commit to a plan to possibly curtail imports from Vietnam.

The trend may become more pronounced if Democrats take one or both houses of Congress. In the 1990s, a bloc of House Democrats regularly supported free-trade initiatives like the North American Free Trade Agreement. These numbers have fallen as doubts increase about globalization, with only 15 Democrats backing the Central American Free Trade Agreement in 2005. The emergence of candidates like Mr. Braley could accelerate the Democrats' transformation.

ELECTION 2006

Take a look at some of the most noteworthy campaign commercials, including a bitter back-and-forth in the Massachusetts governor race and the Corker-Ford rivalry in Tennessee. (See related story1.)

Massachusetts

Tennessee

Trade policy may be the biggest issue in which a Democratic majority in the House could make headway against the president in the next Congress. That is because President Bush's ability to send trade deals to Congress for a vote without amendments will expire in July. Congress will decide whether to renew his authority, with action beginning in the House.

That would give Democrats leverage to seek Bush commitments to help U.S. workers, such as putting labor rights and environmental protection alongside corporate concerns like patent protections in negotiations with other countries. Democrats might seek an overhaul of programs to help workers who lose jobs to foreign competition.

In Iowa, Mr. Braley's antiglobalization theme is striking a chord among voters in this rural district, which wraps from Davenport up the Mississippi River to Dubuque and west to Waterloo, Mr. Braley's hometown. Since 1990, the district has been represented by Republican Rep. Jim Nussle, a supporter of free trade who is now waging an uphill battle for governor.

Mr. Braley's own story has helped frame the populist themes of his campaign against his Republican opponent, businessman Mike Whalen. Mr. Braley grew up in a small farming community, where his parents struggled to make ends meet after his father shattered his leg on the job. The younger Mr. Braley washed dishes and drove a dump truck to help pay for college.

Iowa's uneven economic performance has warmed voters to Mr. Braley's message, which also emphasizes protecting Social Security and raising the minimum wage. While pockets of the state are prospering, the number of manufacturing jobs remains far below its 2001 peak, as companies have pared work forces in the face of foreign competition. A May announcement by Iowa icon Maytag, a unit of Whirlpool Corp., that it plans to lay off 2,000 workers in the state added to residents' unease.

Even Mr. Whalen, who scoffs that Mr. Braley is living in a "protectionist fantasyland," concurs that "deep down, there is that kind of angst" over trade and the economy.

This is the first bid for public office by Messrs. Braley and Whalen. The race is tight, but Mr. Braley's stance on trade appears to be winning over swing voters like Ken Brimeyer, who could make the difference tomorrow.

Mr. Brimeyer runs the loading dock at Flexsteel Industries Inc., a furniture maker in Dubuque. He twice voted for Rep. Nussle, but now plans to vote Democratic. One reason: President Bush's free-trade agenda. In the past four years, the number of jobs at Flexsteel has fallen 60%, to 250, as much of the upholstering work once done at the plant has been shifted to China, where labor is cheaper. "It makes you angry," Mr. Brimeyer says.

Messrs. Braley and Whalen have aired dueling ads that sharpened their differences on trade. In mid-October, a Braley television ad focused on the state's job losses and accused Mr. Whalen of supporting Bush-backed "trade deals that ship Iowa jobs overseas" and being "out of touch with working families."

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Commerce Secretary Carlos Gutierrez, campaigning in the district for Mr. Whalen, issued a rebuke several days later. "These trade agreements work," Mr. Gutierrez said. "We're talking about real jobs here, and we should not be playing with protectionist polices that put these jobs at risk."

Mr. Whalen's radio ad alleged Mr. Braley's approach would harm Iowa farmers and manufacturers who depend on exports. He pointed to the Alcoa Inc. plant in Davenport, where 2,000 workers make aviation parts for Boeing Co. and Airbus. "Without international trade, those Iowa jobs would be gone," Mr. Whalen, who toured the plant in mid-September, said in his ad.

Last week, a U.S. Chamber of Commerce team canvassed the district and blanketed it with mailings touting Mr. Whalen's free-trade credentials. But chamber strategist Doug Loon acknowledges the race is tight and frets about the effect on trade policy if Mr. Braley wins. The seat "is clearly in jeopardy," he says.

Politics Gone Mild For Investors The Prospect Of Shift In Congress Doesn't Carry Much Of A Threat; Popular Theory: 'Gridlock Is Good' By CHRISTOPHER CONKEY (WSJ)

The Wall Street Journal, November 6, 2006

WASHINGTON -- The prospect of big losses for business-friendly Republicans in tomorrow's midterm elections is eliciting more shrugs than fears on Wall Street.

At first blush, this seems strange. A Democratic triumph that included winning one or both houses of Congress could undermine Republican economic policies such as tax cuts and deregulation that Wall Street tends to favor.

Amid the drumbeat of scandals and discouraging news from Iraq, futures traders in the Iowa Electronic Markets have raised the likelihood that Republicans will lose control of the House of Representatives to nearly 80% from 40% six months ago. The Iowa markets indicate that the Republicans ought to hold the Senate. That, plus a Republican president, may be one reason investors have taken a sanguine approach to the election.

As the Iowa markets have spent the past half year increasing their bet on a Democratic house, the Dow Jones Industrial Average has surged to a nearly 9% gain, even after last week's losses. "The equity markets are sort of shrugging it off," said Smith Granade, an associate economist who tracks election markets for Moody's economy.com. "We think they'll continue to do so, although there will probably be a little dip if Democrats actually win the House."

The first and most frequently cited rationale for Wall Street's nonchalance at the specter of a Democratic triumph is the old "gridlock is good" maxim. In other words, Democratic control of at least one chamber of Congress would mean divided government, making it less likely adverse legislation or excessive spending would pass.

This theory has holes, but it still carries great weight among many economists and investors. In the most recent WSJ.com survey of economists, 37% said the economy would perform best if Democrats win control of the House, versus 34% who said it would if Republicans maintain their grip. The most frequently cited reason was the potential for fiscal restraint at a time when the U.S. government is running large deficits.

William Niskanen, a former member of President Ronald Reagan's Council of Economic Advisers who now serves as chairman of the libertarian-leaning Cato Institute, said federal spending in the U.S. since 1949, after adjusting for inflation and population growth, has been roughly three times as low during periods of divided government as when one party runs the show.

That suggests gridlock could lift bond prices, as less government debt would tend to curtail the supply of bonds, but it might not help stocks. A recent study published in the Financial Analysts Journal that examined the monthly inflation-adjusted performance of 10 indexes found that stocks rose 6% per year during months of gridlock but soared 22% per year during months of one-party rule.

"The evidence doesn't back up the gridlock-is-good argument," said Tom Gallagher, senior managing director at ISI Group, a brokerage firm. It is more likely, Mr. Gallagher said, that investors seize on divided government as an easy outlet for their frustration with Washington. That enables them to return their focus to traditional drivers of stock prices like profits, economic growth and inflation. "People in the markets are inherently frustrated with politics. It's a way of dismissing politics and moving onto other things."

Another reason investors may be ignoring the potential reordering: history. Since 1946, the Standard & Poor's 500-stock index has almost always rallied in the fourth quarter following a midterm election. "I think it's just the markets wanting to get past

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the negative news flow of the campaigns and the uncertainty," said Jeffrey Kleintop, chief investment strategist at PNC Financial Services Group.

The two exceptions to this rule were in the fourth quarter of 1978, when inflation was jumping, and 1994, right after Republicans swept into control of Congress.

In the year after midterm elections, the S&P 500 has posted a whopping 23.1% average annual gain since 1946, according to Joseph Quinlan, chief market strategist at Bank of America Corp. By comparison, the S&P 500 has increased by an average of 7.8% in the year following a presidential election over the same period. Many economists said they expect the markets to be much more interested in 2008 when, as Mr. Kleintop said, "everything will be up for grabs."

The strong performance of stocks in the 12 months after midterm elections coincides with the third year of the presidential cycle. Many analysts said they expect a similar pattern this year, although gains may be muted given the tepid pace of economic growth. "We expect the markets to grind higher in the coming months, although robust gains are not likely given the effects of the U.S. housing recession on the U.S. economy and the fact that many indices are already priced for perfection," Mr. Quinlan wrote in a recent research note.

Futures markets aside, it is hard to predict the outcome of the midterm elections because it depends on the aggregate result of so many close races. Some observers just may not be convinced Democrats will gain the 15 seats they need to retake the House.

If Republicans pull off an upset and hold onto both houses, it could occasion a short-term bounce in stock markets. "Let's face it. The people that hold [equity] assets are Republicans, by and large," said Kurt Karl, chief U.S. economist at Swiss Re. "There might be some euphoria in the short term."

While stocks may be unscathed by Republican losses, many analysts caution that some could come under pressure. Drug stocks could suffer because Democratic leaders might push to have Medicare negotiate lower prices with pharmaceutical companies. Oil companies could face renewed calls for a "windfall profits" tax. Wal-Mart Stores Inc. could face pressure from efforts to boost unionization.

As Drug Prices Climb, Democrats Find Fault With Medicare Plan (NYT)

By Alex Berenson

The New York Times, November 6, 2006

For big drug companies, the new Medicare prescription benefit is proving to be a financial windfall larger than even the most optimistic Wall Street analysts had predicted.

But those gains may come back to haunt drug makers if Democrats take control of Congress this week.

Democrats, who have long charged that the drug industry is profiteering at taxpayers' expense, say they want to introduce legislation to revoke the law that bars Medicare from negotiating prices directly with drug makers like Pfizer for the medicines it buys.

Medicare now pays for drugs indirectly, through the private insurers that administer the prescription program — and those insurers typically pay higher prices than government agencies, like the Veterans Administration, that buy medicines directly from drug makers.

The government is expected to spend at least $31 billion this year on the drug benefit, which provides partial drug coverage for people over age 65, according to the federal agency that runs Medicare. Next year, the program is expected to cost almost $50 billion — almost 20 percent of overall American drug spending.

Democrats say that directly negotiating with drug makers could save taxpayers tens of billions of dollars annually, though some independent analysts say those projections are probably exaggerated.

Republicans, and the pharmaceutical industry, say that the benefit program is working and has cost less than initially projected. More than 38 million Medicare beneficiaries are enrolled in the program, and most say they are satisfied with their coverage, said Michael O. Leavitt, the secretary of health and human services.

"It's very clearly working," Mr. Leavitt said. "We now have 90 percent of seniors in this country who have prescription drug coverage."

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But Wall Street analysts say they have little doubt that the benefit program, called Part D, has helped several big drug makers report record profits and exceed earnings forecasts made earlier in the year.

Companies have raised prices on many top-selling medicines by 6 percent or more this year, double the overall inflation rate. In some cases, drug makers have received price increases of as much as 20 percent for medicines that the government was already buying for people covered under the Medicaid program for the indigent. Medicare also pays more than the Veterans Administration, which runs its own benefit program.

"Part D was a good thing for almost everybody," said Les Funtleyder, an industry analyst at Miller Tabak, a research firm in New York.

Drug makers have tried to play down their gains from the program because they do not want to be seen as profiteering in an election year, Mr. Funtleyder said. "You don't want to draw too much attention to how good it's been."

Democrats claim the government could save as much as $190 billion over the next 10 years if it negotiated directly. Those savings could help shrink the "doughnut hole," the gap in Part D coverage that forces many beneficiaries to pay about $3,000 a year for drugs, said Brendan Daly, a spokesman for Nancy Pelosi, the Democratic leader in the House.

"What we're planning to do is give Medicare a chance to negotiate prices, and we'd use some of the savings to close the doughnut hole," Mr. Daly said.

Republicans say the savings estimates offered by the Democrats are vastly inflated. They note that Medicare has already cut its 10-year projection of the program's cost by $117 billion, though the program is still expected to cost taxpayers $516 billion over the next decade. Republicans also note that, in independent surveys, most seniors say they are happy with the benefit.

"The competitive marketplace has saved much more money than anyone has ever anticipated," said Leslie Norwalk, the deputy commissioner of the Centers for Medicare and Medicaid Services.

Ken Johnson, senior vice president at Pharmaceutical Research and Manufacturers of America, the main lobbying group for drug makers, said that allowing Medicare to negotiate directly would be unfair because the government had too much market power.

"The government doesn't negotiate prices — it dictates prices," Mr. Johnson said.

Also, the Veterans Administration and Medicare plans are not directly comparable, he said, because the average Medicare drug plan covers 4,300 medicines, while the V.A. covers only 1,300.

The structure of Part D is complex. Medicare does not directly provide coverage. Instead it subsidizes plans offered by private insurers. Insurers negotiate prices with drug makers and create menus of different plans, some with high premiums and broad drug coverage and others that offer basic coverage at low premiums. All plans have to follow certain basic rules, like offering at least two medicines in every drug category.

Medicare then calculates the cost of the average plan and pays every insurer a subsidy of about 75 percent of that cost. Beneficiaries cover the rest, with the amount they pay depending on what plan they choose.

For example, if the average plan costs $100 a month, Medicare will pay all plans a $75 subsidy for everyone who enrolls, and a person who enrolls in the average plan will pay $25. In most states, beneficiaries can choose from among 40 to 60 plans, Ms. Norwalk said.

Part D has raised profits for drug makers both by increasing the prices they receive and by encouraging beneficiaries to fill prescriptions they might otherwise have been unable to afford, analysts say.

The biggest gains have gone to companies that make drugs widely used by the Medicaid program, which covers the indigent. Poor people over 65, known as "dual eligibles," previously received drugs through Medicaid.

Drug makers were legally required to give Medicaid a discount of at least 15 percent, and sometimes significantly more, from their list prices. Now Medicaid recipients over 65 are covered through the Part D program, which does not require the same discounts. As a result, drug makers are being paid as much as 20 percent more for the same drugs that they had already been providing to recipients under the Medicaid program.

The biggest gainer, analysts say, is Eli Lilly, which makes Zyprexa. Zyprexa, used to treat schizophrenia and other severe mental illnesses, is widely prescribed to Medicaid patients.

Lilly, the sixth-largest American drug maker, reported two weeks ago that its third-quarter sales had risen 7 percent, to $3.9 billion, and its profits were up 10 percent, to $874 million, compared with 2005. According to Lilly's published review of the quarter, the sales gains resulted almost entirely from Lilly's prices rising 11 percent in the United States, while actually falling in Europe and Japan.

"We are experiencing a one-time sales benefit resulting from a shift of certain low-income patients from Medicaid to Medicare," a company spokeswoman, Terra Fox, wrote in an e-mail response to questions about Part D. Ms. Fox declined to quantify how much Lilly had gained from the shift.

But Lilly is hardly alone in benefiting. Pfizer, the world's largest drug maker, said its sales soared 14 percent in the United States in the third quarter, while rising only 3 percent internationally. Over all, Pfizer said its profits more than doubled, to $3.4 billion from $1.6 billion, though part of the difference came from high one-time charges last year.

Pfizer did not disclose how much of the sales growth came from price increases and how much from new prescriptions, but earlier this year Pfizer raised the list prices of some of its biggest drugs by 5.5 percent or more, well above the inflation rate.

Tony Butler, an analyst at Lehman Brothers, said both volume growth and price increases had driven the industry's rising profits. But he said he did not expect major changes in the Part D plan even if the Democrats took over Congress, since President Bush would probably not sign any legislation that would allow Medicare to negotiate prices directly.

"It's our belief that the White House will veto it," he said.

OTHER NEWS

Noted With Horror (WP)

By Elizabeth Williamson

The Washington Post, November 6, 2006

Linda Combs, Office of Management and Budget controller, speaking at a lunch discussion last week about the president's management scorecard, which tracks government agencies' progress on a series of management priorities, including strategic management of human capital, competitive sourcing, improved financial performance, expanded electronic government, and budget and performance integration.

The scorecard gives agencies -- write this down -- green for success, yellow for mixed results and red for unsatisfactory. Combs drew pained looks from federal employees in the audience when she said private-sector executives tell her that they want their own scorecard systems, because they "love the red, yellow, green."

US Joblessness Ebbs To Rare Historical Low (CSM)

By Ron Scherer And Ben Arnoldy

The Christian Science Monitor, November 6, 2006

NEW YORK AND BOSTON

It is not often that the nation's unemployment rate sinks to 4.4 percent.

It did in 2001, when dotcom entrepreneurs were still writing checks that didn't bounce. Jobs were also plentiful in the early 1970s, when the nation was at war in Vietnam. Ditto for 1957, when the economy had fewer women, teenagers, and minorities in the workplace.

Now, add October 2006 to the list.

In the last major economic report before Tuesday's showdown at the ballot box, the Labor Department says the unemployment rate is now at that level, down from 4.6 percent in September. It is a piece of good news for an embattled president and suggests the economy is stronger than many recent estimates. The downside is that the Federal Reserve, which has not raised interest rates in its past three meetings, may have to think about a rate increase early next year - which would keep inflation in check but could cause unemployment to rise.

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"By its first meeting in 2007, the Fed will have to give active consideration to raising interest rates," says Lyle Gramley, a former Fed governor who is now a consulting economist at Schwab Washington Research Group. "The odds are that rates are going up, not down."

In the past, the Federal Reserve has stomped on the monetary brakes - pushing the economy into a recession - when the unemployment rate has dropped this low. But this time, Mr. Gramley says, the financial backdrop is different: Long-term interest rates are at the same level as June 2004, the stock market is up 15 percent, and the dollar is down 5 percent.

"Normally, when the Fed is raising short-term rates, you expect the stock market to weaken and the dollar to rise. [But current] financial conditions are still quite accommodative, and as a result [raising interest rates] is not likely to drive the economy into a recession." Dip in productivity

The latest economic numbers, while positive for workers, may indicate a shift is taking place in the economy, says Gregory Miller, chief economist at SunTrust Banks in Atlanta. "More people are working, but we produced less. This suggests productivity is no longer a dominant force," he says. "Strong productivity is good for sustainability."

The buoyant job market is not a surprise to employment specialists. At Spherion, a staffing company based in Fort Lauderdale, Fla., demand remains strong in accounting, information technology, the legal field, sales, and marketing. "One of the exceptions is interest-sensitive areas like mortgage banking," says Brendan Courtney, senior vice president.

Layoffs normally increase at this time of year, says John Challenger of the Chicago outplacement firm Challenger, Gray & Christmas. But layoffs last month were down 15 percent compared with a year ago and 30 percent lower than September's rate. "It indicates the labor market is strong now."

One reason the unemployment rate has fallen so low is an increase in the number of self-employed people, according to Mr. Challenger. "The economy has really changed. People want to work for themselves."

One such person is Moira Madell of Madell Consulting in Chicago. Ms. Madell, who worked for a benefits consulting firm for nine years, used to consider her human-relations consulting job temporary. But now, she says, it allows her the flexibility to raise a family. "It's very satisfying, a nice fit for me."

Many low-skilled workers are finding many job openings, but very few that pay well or offer decent benefits, says Barney Oursler, co-director of the Mon Valley Unemployed Committee in Homestead, Pa.

While the boom in the healthcare industry has given new hope to some low-skilled workers, Mr. Oursler warns them that without training they'll wind up changing bedpans for about the same pay as working at the local Target. Two years of training are typically needed for higher-paid healthcare work.

In fact, when Betty Mesler of Fairchance, Pa., was laid off last year from a nearby Sony television factory, she knew right away that she needed to retrain. Retail jobs wouldn't pay enough, and as for factory work, it wasn't realistic.

"I knew that, especially in our area that's so depressed, factory work was just not ever going to be an option, and I knew that the healthcare field is a lot more stable," she says.

She enrolled in a 14-month course to train as a surgical technician. She expects starting pay to be $11 to $14 an hour - not as much as Sony paid, but over time, a decent wage. "Working in a factory was fine, but you don't really have a skill," says Ms. Mesler. 15,000 applications for 300 jobs

Even in hotter economic regions like the South, there's still a scrum for jobs. When Toyota announced it would hire 300 new assembly-line jobs at its Huntsville, Ala., plant in 2002, the company received 30,000 requests for applications. Some 15,000 people ended up applying. In the past 12 months, the company has hired an additional 350 workers from a pool of 10,000 applicants in an area with an unemployment rate of about 3.5 percent.

"We found a lot of people wanting to improve their standard of living, or wanting to find a job that they know is stable and going to be here for the long haul," says Stephanie Deemer, spokeswoman at the Alabama facility.

Some parts of the country are actually experiencing labor shortages. In Fargo, N.D., which has the lowest unemployment rate in the nation at less than 2 percent, some local businesses are having trouble keeping workers on the production floor because they're job-hopping for signing bonuses, says Adrienne Olson at the local Chamber of Commerce.

Among workers with college degrees, the unemployment rate in October is at 1.9 percent. Arizona State University in Tempe has moved away from recruiting fairs in favor of letting employers come on campus at short notice to try to hire from the

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51,000-student pool. The boom both in Tempe and statewide has made it one of the best times for graduates in the past 10 years, says Ray Castillo, director of Career Services at ASU.

"It certainly is a much more positive experience than what it might have been a few years in the past," he says. "A lot of it has to do with where we are physically located. We're in a [location] where there is a lot of expanding."

The Fed's Confession (WSJ)

The Wall Street Journal, November 6, 2006

When it comes to admitting error, central bankers tend to emulate Benjamin Disraeli, who famously said "never complain, never explain." So it was nothing short of astonishing last week for Richard Fisher, President of the Federal Reserve Bank of Dallas, to confess in public that the Fed had blundered by keeping monetary policy too easy for too long in 2003 and 2004.

Speaking to bankers in New York, Mr. Fisher issued a mea maxima culpa that deserves wide attention: "In retrospect, the real fed funds rate turned out to be lower than what was deemed appropriate at the time and was held lower longer than it should have been." As the nearby chart shows, a Fed worried about possible "deflation" moved the overnight interest rate it charges banks in June 2003 to an extraordinarily low 1% and kept it there for another year.

Mr. Fisher blamed this mistake on "poor data" that underestimated inflation, leading "to a policy action that amplified speculative activity in the housing and other markets. Today, as anybody not from the former planet of Pluto knows, the housing market is undergoing a substantial correction and inflicting real costs to millions of homeowners across the country." In other words, the Fed itself is responsible for the current housing bust because its over-easy policy created a real estate frenzy that was bound to end once the Fed tried to regain control over inflation expectations.

Mr. Fisher was careful to say he was speaking only for himself. But we'd sure like to know what his Fed colleagues think of his argument -- not least current Fed Chairman Ben Bernanke, who was a Fed governor for much of that time and had been one of those fretting loudest about the risks of "deflation." We can only assume that former Chairman Alan Greenspan is also preparing a chapter on this era for his memoirs.

Readers of these columns will not be surprised to learn that we think Mr. Fisher is correct and deserves credit for his candor. But the real import of his remarks isn't 20-20 hindsight so much as a chance for the Fed, and much of the economic establishment, to rethink its inflation models. Mr. Fisher bluntly concedes that "most economic data are inherently backward looking, often to a disconcerting degree." Thus the data the Fed was watching in 2003 suggested that prices were falling even as they were beginning to rise.

But this lets the Fed off the hook a little too easily. Throughout this period, and especially into 2004, there was plenty of other "data" flashing yellow and then red about rising inflation. The dollar was weak, both against other major currencies and especially against gold, which began a price surge not seen since the 1970s. Commodity prices across the board -- notably oil -- also began a rise that to our mind couldn't be explained merely by an increase in relative global demand. And there were also rising price pressures in dollar-bloc countries overseas, notably in China.

The question for Fed governors is why they discounted this evidence of real-time rising prices. Instead, Mr. Fisher says they were watching their own alphabet-soup of price indexes, such as the CPI and PCE, all of which look through the rearview mirror. That's assuming they were even watching prices at all, rather than the job market or the "output gap," or other measures that are dubious guides for monetary policy. The best guide for maintaining stable prices is to watch actual prices, or what economists call a price rule.

To be fair to the Fed, its policy decisions in the wake of the stock-market collapse were stellar through 2002. And in the years since it has had plenty of company in chasing "poor data." Most Wall Street economists and Beltway politicians were only too happy to cheer on the Fed as it kept its foot on the money accelerator. Some of our supply-side friends also claimed to see no evidence of rising prices, even as home prices rose by double-digits year after year and second homes became investment plays. Inflations are always popular at the beginning, and this was no exception. * * *

Which brings us back to the present. The Fed did finally recognize that inflation was a problem, and the consequences of its own policy correction are now being felt in the economy, especially in housing. As Mr. Fisher conceded last week, the housing slump "is complicating the task of achieving our monetary objective of creating the conditions for sustainable non-inflationary

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growth." Translation: We may have to tighten money further to restore stable prices, but we're afraid we'll tank the economy if we do. This is the dilemma the Fed's easy-money mistake has made for itself, and for the rest of us.

The good news is that the economy entered this rough patch with considerable momentum that may yet avoid a Fed-induced recession. The incentives from the 2003 tax cuts remain in place and have helped to boost investment and corporate profits. As last Friday's blowout October jobs report showed, the labor market remains strong and wages are increasing. If we're lucky, rising incomes will keep consumers spending even if their home values decline. Also if we're lucky, Tuesday's election results will not produce a reversal on tax policy; if anything, we may need another tax cut in the next year or two if the Fed tightens further.

As for the Fed, our reading of history is that the sooner it acts to restore price stability, the better the prospects for long-run growth and prosperity.

Once Safe, Public Pensions Are Now Facing Cuts (NYT)

By Mary Williams Walsh

The New York Times, November 6, 2006

After losing a leg in the line of duty, Dan Toneck, a San Diego police officer, spent nearly a year in rehabilitation before returning to work, doing his job for another five years with an artificial limb.

Mr. Toneck, 37, was granted a disability retirement last year after 16 years on the job. Some of his fellow officers wept as he left headquarters for the last time.

Then, 10 months later, the impossible happened. San Diego cut his pension by about 10 percent, along with those of about 180 other disabled city retirees. "They're trying to pay the bills on the backs of the employees," Mr. Toneck said.

Across the country, government workers' pensions are protected by guarantees even stouter than those on pensions in the private sector. The legal promises, often backed up by union contracts, cover more than 15 million people.

Years of supporting court interpretations have enshrined the view that once a public employee has earned a pension, no one can take it away. Even during New York City's fiscal crisis 30 years ago, no existing pension promises were reduced.

But now a number of state and local governments are quietly challenging those guarantees. Financially troubled San Diego is the highest-profile example, but a handful of states, cities and smaller government bodies have also found ways to scale back existing promises and even shrink some current payments.

While still only scattered cases, these examples may be an early warning sign of what could be coming elsewhere. As local officials take stock of unexpectedly large obligations to retired public workers, some are starting to question whether service cuts, sales of government property and politically acceptable tax increases can ever go far enough to bring things into balance.

"This is a real-life problem," said Paul S. Maco, a partner in the law firm of Vinson & Elkins who advises municipalities on the disclosure of these obligations.

Mr. Toneck said that years ago, while he was still on the police force, he saw signs that San Diego was cutting corners. He recalled having to go to Kmart to buy jumper cables for his squad car. He was not surprised to learn the city had shortchanged the municipal pension fund. But he never dreamed his pension could be reduced.

"It was guaranteed, written in stone — when I retire, I make this much and they're not going to be able to touch that," he said.

His pension was set at about $35,000 a year. But last May, he received a letter saying he would start getting about $31,000 instead.

He and the others on disability pensions fell victim to an ambiguously written pension statute that lawyers noticed while combing through San Diego's financial records in the wake of a pension scandal. But there do not have to be accusations of wrongdoing for a government to start looking into whether its obligations to retirees can be reduced.

Some places, including Oregon, Rhode Island, Milwaukee County and several cities and towns in Texas, have already cut public workers' pensions on the basic argument that their pension funds had gone disastrously out of balance. Whether because of investment losses, faulty calculations or other factors, these places have declared that they can no longer sustain a level of benefits that had looked affordable just a few years ago.

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Beyond the sheer political difficulty of removing an existing benefit, an array of legal guarantees — some in statutes, some in state constitutions, some in city charters — were supposed to prevent such reversals. But lawyers have been finding chinks in the armor.

In Texas, the pension guarantee in the state constitution has an unusual clause, giving towns and cities the chance to hold referendums on whether to opt out.

Voters in Houston made that choice after learning that pension sweeteners issued there in 2001 were allowing some people to retire in their 40s. Others, who participated in a special program that let them simultaneously work and collect pension money in high-interest accounts, got an even better deal, sometimes walking away with one-time payments of a million dollars or more on top of their regular pensions. The city raised the eligibility requirements for retirement and cut some of the biggest sweeteners.

Oregon rolled back $6 billion worth of public pensions in 2003, but the cuts have been snarled in legal challenges. In October, a federal appellate panel affirmed that Oregon could stop paying a guaranteed rate of 8 percent a year to participants with individual accounts. But another measure, freezing some retirees' cost-of-living adjustments, is still unresolved.

"Retirees have been in a state of turmoil," said Gregory A. Hartman, a Portland lawyer representing some of them. "They don't know what their rights are. They don't know what they're entitled to."

In Rhode Island, state workers' pensions take an unusually long time to vest, so the legislature was able to cut the planned pensions of everyone with fewer than 10 years of service, about 11,300 people.

In Wisconsin, Milwaukee County has tried to avoid legal battles by working with its eight public employees' unions after a pension scandal broke in 2001. A recall election was held and angry voters ousted seven county supervisors from office after learning they had jacked up pensions, including their own.

"This was a totally corrupt, venal deal by a bunch of politicians and their friends who figured out how to loot the treasury," said Roger H. Quindel, a county supervisor.

Even so, Milwaukee County has been able to make only marginal trims so far. Money is draining out of the pension fund so fast that the county has been contemplating the sale of some parks and an airport, along with cuts in government services. And it plans to ask for pension cuts when its labor contracts come up for renegotiation in January.

"We won't survive if we don't," Mr. Quindel said.

Wisconsin's state constitution does not specifically protect public pensions, but the county's lawyers have warned that a constitutional protection of property rights may cover pensions. The supervisors asked whether the county could shed some of its pension obligations by declaring bankruptcy, as airlines, steel companies and others have sometimes done. The lawyers said no.

In the private sector, a uniform federal pension law bars companies from reducing pensions that employees have already earned. Since pensions are built up over time, this means that if a company freezes or reduces the growth of benefits at some point, workers will earn smaller benefits going forward, but they cannot be stripped of anything they earned before the change. The only way around that rule today requires a bankruptcy judge to approve a default.

In the public sector, the protections often go further. About half of the 50 states have constitutional or statutory guarantees, said Robert D. Klausner, a lawyer in Plantation, Fla., who represents state and municipal pension plans in more than 20 states. "The day you're hired, your benefits are locked in at a minimum level," he said. If a government wants to cut pensions, it cannot apply the cuts to people already in the work force, as a corporation can. It can only apply them to new hires, he said.

Governments are also studying the guarantees on retiree health benefits because of a new accounting rule that is now requiring them to calculate, for the first time, the total value of the health benefits they have promised to retirees.

The numbers now being disclosed are daunting. Mercer Human Resource Consulting estimates that when all the calculations are done, the nation's states and cities will find they have promised a total of about $1.4 trillion, said Derek Guyton, a senior consultant.

Little, if any, money has been set aside to fulfill these obligations.

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Mr. Maco, the Vinson & Elkins lawyer, said he feared that many towns and cities, particularly in places like upstate New York and along the Great Lakes, were about to discover that years of factory closings and job losses had eroded their tax bases so much that they had no realistic way to pay their full bills.

"The steel industry can shut down and close its plants, but that's hard for local governments," Mr. Maco said. After industries move away, the retired teachers and firefighters will still be there.

Pension funds can normally operate for many years with a shortfall, because they have investments to call upon and pensions are paid out slowly. But health claims, with little or no money set aside to pay them, can come due right away.

Some government agencies, like Chicago's municipal bus and rail authority, have set up a potentially explosive situation by arranging their retiree health claims to be paid directly out of their pension funds. "The taxpayers need to understand the seriousness of our situation," said Laurence Msall, president of the Civic Federation, a nonpartisan research group in Chicago. "It's not a far-off crisis."

San Diego's municipal pension fund was also responsible for retiree health care. But when the city's pension scandal broke, officials separated the health obligations.

"Now we're looking at a $3.1 billion debt, and $1.4 billion is health and $1.7 billion is pension," said Michael Aguirre, the city's independent attorney.

He is now in court, leading an unusually aggressive initiative to cut the city's pension obligations, arguing that benefits granted in 1996 and 2002 were issued illegally and must be annulled.

California law protects public pensions, but Mr. Aguirre is arguing that those protections conflict with other laws that govern the actions of public officials, which he says San Diego pension trustees violated. If the court agrees with him, the benefits owed to San Diego's roughly 15,000 city workers and retirees could go back to the level before the 1996 increase — a total reduction of some $500 million to $700 million.

Mr. Toneck, the disabled San Diego police officer, is not directly affected by Mr. Aguirre's case. He has petitioned the San Diego city council to reverse the cut in his pension, arguing that workers disabled on the job are the last people who should pay for a mistake that was caused by an ambiguity in the law.

The council has referred his petition to Mr. Aguirre, who is busy with the broader case.

Meanwhile, Mr. Aguirre said San Diego still had not developed a plan for paying all of its obligations, whatever the courts ultimately rule. He said he might ultimately have to try bankruptcy court.

"There's no good option," he said. "It's only painful."

Houston Missed The Real-Estate Boom Of East And West Coasts, But Now It's Payback Time (WSJ)

By Thaddeus Herrick

The Wall Street Journal, November 6, 2006

HOUSTON -- This sprawling city missed the real-estate boom that sent home prices soaring on the East and West coasts. Now, with much of the nation's housing market in retreat, it has yet to feel even a tremor.

In September, local sales of single-family homes and condominiums were up 17.7% from a year earlier, logging their 32nd straight month of increase, according to the Houston Association of Realtors. The median price of an existing single-family home: $143,400, up 3%.

By contrast, nationwide sales of residential real estate fell 14.2% in September, according to the National Association of Realtors. Home prices nationally were down 2.2%, retreating in such former hot spots such as Washington, Boston and San Francisco. The national median sales price for September for existing single-family homes was $219,800, according to the Houston Association of Realtors.

Houston's gains are nothing like those seen in the past decade in the Northeast and California, but that may be the secret to Houston's success and the reason a bubble is unlikely to develop here. Land here is abundant, and the city has some of the least-restrictive land-use and construction rules in the nation. Those factors help supply to keep pace with demand and keep prices within reach of a broad range of potential buyers.

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"We haven't had a bad year in the past decade," says Lorraine Abercrombie, chairwoman of the local Realtors group and marketing director for Greenwood King Properties.

Houston's model is in stark contrast to cities such as Boston and San Francisco, which have strict zoning, exacting building codes and laws governing historical preservation. Some economists, including Edward Glaeser of Harvard University, say excessive regulation in such cities has slowed construction to the point where demand has outstripped supply, fueling a run-up in home prices.

In the once-sizzling markets where home prices are falling, housing costs are double, triple or even quadruple those of Houston. The danger, says Dr. Glaeser, is such places have priced out today's highly skilled "knowledge workers," forcing them to live in a more affordable locale where their contribution to the economy might not be as great. "These are places where only the elite can live," Dr. Glaeser says.

Not so Houston. Confined by neither oceans nor mountains, the Houston metropolitan area has plenty of room to spread out. What is more, the city has no zoning, weak historical-preservation rules and few tools to preserve open space.

The result is unfettered growth. For that, too, there is a price to be paid.

Houston lacks the historical charm of a city such as Boston and the natural beauty of a place such as San Francisco. In recent years an increasing number of Houston residents have warned that the city's affinity for strip malls, freeways and endless subdivisions may be putting it at a disadvantage in attracting talented workers.

Even so, Houston's economy is humming, thanks in part to a sustained boom in oil and gas and the city's burgeoning medical industry, which attracts patients from all over the world. In addition, the Hurricane Katrina evacuation in 2005 brought tens of thousands of refugees here, pushing up retail sales and lowering apartment-vacancy rates. Most of the Katrina refugees weren't wealthy enough to buy homes, however.

The Houston metropolitan area has added 420,000 jobs since 1995, according to the Greater Houston Partnership while the 10-county metropolitan statistical area topped 5.2 million people in July 2005, up about 11% from the 2000 Census count, according to the Texas State Data Center.

Affordable housing has played a significant role. James Gaines, an economist at the Texas A&M University's Real Estate Center, says a Houston developer can be "cutting roads and building houses" within a year of buying 500 acres. The same project would take a developer in Florida three years and as many as eight years in California, substantially pushing up the price, says Dr. Gaines.

The Houston Association of Realtors reported total property sales -- everything from single-family homes to country homes to lots listed on the Multiple Listing Service -- numbered 7,163 in September, up 17.8% from a year earlier. Sales of new and existing single family homes were up 19.3% to 5,954. The pace of home sales is also picking up. The trade group says the area has a 5.5-month supply of unsold homes, down slightly from August.

The national outlook isn't so bright, with some economists forecasting that sales of new homes are unlikely to start rising again before early 2008. A joint survey by consulting firm Global Insight and Cleveland bank holding company National City Corp. showed that 67 metropolitan areas experienced price declines in the second quarter this year, and not just those that enjoyed the boom. The Midwest, for example, showed the highest concentration of falling prices.

The survey also showed slower home-price increases nationally in the past year, with the most rapid slowdown coming in high-price markets such as California, Florida and the Northeast corridor. Nearly 70% of the 317 metropolitan areas surveyed showed a decline in appreciation during the period.

Texas had six markets where home prices rose at a rate of between 6% and 12% and another nine markets where prices increased 12% or more, the survey showed. Richard J. Dekaser, chief economist for National City, says, "It's like revenge of the nerds."

A Program That Works (WT)

By Lawrence B. Lindsey

The Washington Times, November 6, 2006

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While there are differences in the priorities people assign to the different aspects of immigration reform, nearly everyone agrees that there are three parts to really solving our immigration problems: security, economic participation and civic integration.

By authorizing a more secure fence along some of the most frequently trespassed parts of our border, Congress made a first step on the security issue. But, without some way of monitoring immigrants within the country, this is only a partial answer to the security issue. Moreover, economic participation and civic integration remain untouched.

On their return, members of Congress have the opportunity to expand and improve a relatively small but highly successful part of our immigration policy that meets all three challenges. The H1-B visa program allows companies to bring in workers from overseas who possess skills that are not available domestically. The main users of the program are technology and health-care companies, although a number of highly skilled people in finance also work here under this program.

The H1-B program meets all three parts of the immigration policy challenge. First, it provides security within the country. The companies hiring these workers have already gone through a vetting process sufficient to justify their employment. Moreover, the employer naturally has a detailed and working knowledge of the whereabouts and day-to-day activities of the people involved.

Second, the program obviously involves economic participation by the immigrant. In many cases, particularly in technology, America has the choice between allowing these immigrants to work in America for American companies, or forcing our country and its businesses to compete with these workers in their homeland. We can either import these workers and export at least a part of their production or import the goods that they will produce if they remain at home.

Moreover, these workers are overwhelmingly net contributors to the economy and to the government's fiscal position. While a low skilled worker earning about $8.50 an hour will receive Social Security benefits $65,000 greater than the taxes paid, the great majority of H1-B workers will contribute at least as much in taxes as they ultimately receive in benefits. So, the economic participation of H1-B workers is an unambiguous gain for America.

Finally, there is the issue of civic participation. In the broad scheme of things, this must start with an immigrant having appropriate documentation. It should include the full panoply of rights and responsibilities that come with residing in America, and in some instances, it might end with citizenship. Congress wrestled with this issue earlier this year. But, the H1-B visa program is a working model of an approach to immigration that provides an opportunity for civic integration for those who participate.

Ideally, the H1-B visa program could be a model for broader immigration reform. But, in the meantime, Congress should extend and enlarge the program enough to meet the current and pressing needs of our economy for these workers. The current H1-B quota is full through the end of the current fiscal year, or until October 2007. Few government programs work this well, particularly regardingimmigration. When they come along, Congress should take full advantage of them.

Lawrence B. Lindsey is president and CEO of the Lindsey Group. He served as assistant to the president for economic policy under the current President Bush.

Don't Abort Precedence (LAT)

The Los Angeles Times, November 6, 2006

ON WEDNESDAY, while pundits will be busy analyzing election results, the U.S. Supreme Court will hear arguments in an emotionally charged case likely to reverberate in future political campaigns. At issue is a federal law that prohibits a controversial abortion method without making an exception for when the procedure is necessary to protect a woman's health. If law and not politics guide the justices, they will declare this blanket ban unconstitutional.

Opponents call this procedure, performed in the second or third trimester, "partial-birth abortion." Neutral commentators use the term "dilation and extraction." Whatever you call it, the procedure is extraordinarily rare and distasteful even to many supporters of abortion rights. It involves a physician partially extracting a fetus from the uterus into the birth canal, where he then collapses the skull by suctioning its contents.

By large majorities in both houses, Congress banned this procedure in 2003. That might have been an acceptable exercise of congressional power if the legislation had also contained an exception to protect the mother's health, a concern that the Supreme Court emphasized as early as 1973 in its landmark Roe vs. Wade decision.

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Yet Congress rejected any exceptions even though the Supreme Court in 2000 had struck down a Nebraska partial-birth law precisely because it lacked one.

Given the high court's insistence on a health exception, why would the bill's supporters think that the justices might sustain a similar federal statute? One answer is that Congress "did the math." The decision in the Nebraska case was 5 to 4, so supporters gambled that one or more justices in that majority would have left the court by the time the new law came before it.

Indeed, Justice Sandra Day O'Connor, who was in the majority in the Nebraska case, retired and has been replaced by Justice Samuel A. Alito Jr. If Alito were to vote to uphold the federal partial-birth ban, the deciding vote might be cast by Chief Justice John G. Roberts Jr. His predecessor, the late William H. Rehnquist, dissented in the Nebraska case, as he had done in a string of abortion rulings going back to Roe vs. Wade.

Like Alito, the chief justice is a conservative who is widely assumed to believe that Roe vs. Wade was wrongly decided. But, as Roberts noted during his Senate confirmation hearings, Roe not only remains on the books but has been reaffirmed in the court's 1992 Casey vs. Planned Parenthood ruling. "It is a jolt to the legal system when you overrule a precedent," Roberts told the Senate Judiciary Committee.

Reversing its 2000 decision on partial-birth laws wouldn't cause the same jolt as repudiating Roe or Casey. But it would still upend a precedent and interfere with the settled expectations of women and doctors alike about the availability of this procedure as a medical last resort.

College Sports Get A Warning (NYT)

The New York Times, November 6, 2006

The National Collegiate Athletic Association's enthusiasm for fighting corruption in college sports is partly driven by the fear of federal intervention. That fear came a step closer to being realized last month, when the House Ways and Means Committee fired off a tough-minded letter demanding that the N.C.A.A. explain how profit-seeking, win-at-all-cost athletic departments operate on campus.

The letter showed that Congress has noticed the recruiting violations and the athletes who sometimes remain eligible to play without progressing or by attending bogus classes. It also implied that the N.C.A.A. might eventually lose its tax exemptions unless it forces athletic departments to conform more closely to an educational mission.

The N.C.A.A. president, Myles Brand, defended the group's reform effort and reaffirmed his commitment to holding athletic programs to higher standards. But an N.C.A.A. report released last week touches on some of the same issues cited in the blistering letter from Congress. The problem is that athletic departments have more influence on university affairs than they should. They often use that influence to undermine the institutional mission.

Run by celebrity coaches who can earn more than $1 million a year — and supported by adoring fans, boosters and trustees — the campus sports machines easily overshadow the college faculties and presidents, some of whom seem frankly fearful of speaking up about abuses. The athletic departments derive much of their power from the widespread but mistaken belief that they pay their own way, and even earn money for their universities, through television revenues and other sources.

The truth, laid out in recent reports, is quite to the contrary. Only a handful of high-end college sports programs earn more than they spend. Among the rest, many struggle to balance their budgets and can do so only through subsidies from their universities. Sports budgets are growing two to three times faster than higher education as a whole.

The N.C.A.A. report calls on college presidents and administrators to rein in the campus sports machines and dial back spending. But the facts suggest that many college administrations have been outflanked by athletic departments that are deeply invested in the bad old ways. If that doesn't change, the N.C.A.A. can expect more scrutiny from Congress.

Iran Says It's Open To Talks With U.S. (AP)

By Nasser Karimi

AP, November 6, 2006

Iran said Sunday it was open to negotiations with the United States on Iraq and other regional issues but hinted it would not drop its refusal to talk about its contentious nuclear program.

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As the U.N. Security Council geared up for a protracted debate on sanctioning Iran over its nuclear program, Tehran praised Russia for its "softer" stance on the issue.

Foreign Ministry spokesman Mohammad Ali Hosseini said Iran would consider talks with the U.S. over regional issues, including Iraq, if Washington requested. He would not elaborate, and there was no immediate response from the United States on the offer.

"If there is any official request about regional issues, we are ready to review it," Hosseini told reporters.

However, he said Iran would not change its position regarding bilateral relations with the U.S., suggesting Tehran would refuse to talk about the nuclear issue. The U.S. has demanded Iran stop enriching uranium — a key step in the manufacture of nuclear weapons — as a precondition to talks about its disputed program.

The United States said in May it wanted to hold direct talks with Iran about its neighbor Iraq — which would have been the most public exchanges by the countries in years.

Iran agreed, and U.S. and Iranian officials said at the time that the talks would focus on the situation in Iraq, not on broader subjects such as Iran's nuclear program.

However, Iran then changed its mind, with Foreign Minister Manouchehr Mottaki rejecting the negotiation on grounds that Americans had raised "other issues" and had tried to use the decision to hold the talks as propaganda.

Iran's statement on Sunday seemed to indicate the government was once again willing to consider the idea of direct talks with the U.S. over Iraq, which is veering ever closer to civil war. U.S. officials have long accused Iran of interfering in neighboring Iraq since the overthrow of Saddam Hussein in 2003.

But Secretary of State Condoleezza Rice has also said the White House believes Tehran has a role to play in stabilizing Iraq, whose government is dominated by Shiite Muslims like Iran's.

Some Western experts believe Iran is genuinely worried about civil conflict in Iraq and its potential to spill over, although others say Iranian hardliners may have an interest in causing at least some turmoil.

Iranian leaders are believed to have close links to some Iraqi leaders and clerics.

Sunday's announcement came a few hours after an Iraqi court sentenced Saddam Hussein to death by hanging for crimes against humanity in a mass killing of Iraqi Shiites in 1982.

It also came one day after thousands of Iranians celebrated the 27th anniversary of the U.S. embassy takeover by militant students in Tehran, when 52 Americans were held hostage for over a year.

The U.S., which broke off diplomatic relations with Iran over the embassy takeover, suspects Iran's uranium enrichment program is a front for developing weapons. Tehran denies the accusations and says its program is for peaceful purposes.

Tehran state-run radio said Sunday the International Atomic Energy Agency officials inspected Iran's nuclear facilities in Isfahan and Natanz including a new enrichment cascade.

The inspection was the first since Tehran announced it had successfully stepped up its uranium enrichment activities in October.

Iran has repeatedly rejected a package of incentives offered by six world powers because it required it to freeze uranium enrichment, which can produce fuel for atomic power or material for a nuclear warhead.

Hosseini said the U.N. Security Council's push to impose sanctions on Tehran to punish it for continuing enrichment would delay any possible compromise.

"Back to negotiation is the best amendment. Nothing else will be effective and will bear desirable result," he said. "Russia clearly has announced that they did not support the current draft."

The five veto-wielding permanent members of the Security Council have so far failed to agree on a resolution imposing sanctions, and negotiations could be long and difficult.

Russia's foreign minister said Saturday that Moscow would only support sanctions against Iran if they are limited in time and spell out a clear mechanism for lifting them.

"Russia's stance is better than other ... countries. They have a softer policy. Since the beginning, their stance was different," Hosseini said.

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The European draft resolution would order all countries to cease supplying material or technology that could contribute to Iran's nuclear and missile programs. It would also impose a travel ban and asset freeze on companies, individuals and organizations involved in those programs.

Russia and China, which both have major commercial ties with Iran, have continued to publicly push for dialogue instead of U.N. punishment, despite the collapse last month of an EU attempt to entice Iran into talks. The United States, meanwhile, has said the European draft is too lenient.

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Iran Would Consider New US Request For Iraq Talks (AFP)

By Hiedeh Farmani

AFP, November 6, 2006

Iran has said it was ready to consider requests from its arch-enemy the United States to hold unprecedented talks over Iraq, even though a similar move came to nothing earlier this year.

"If we receive an official request, we are ready to examine it," foreign ministry spokesman Mohammad Ali Hosseini told reporters Sunday.

Any such contact would mark a break in a near three-decade pause in open bilateral contacts between US and Iranian officials following the country's 1979 Islamic revolution.

In March this year Zalmay Khalilzad, the US ambassador in Baghdad, made an offer to Tehran to hold talks on quelling the deadly unrest that has been plaguing Iraq since the US-led invasion in 2003.

Emphasising that any such contacts would have no consequence for bilateral relations frozen since 1980, Khalilzad said at the time he was looking to encourage Iran to play a positive role in Iraq and steer clear of interference.

The United States, which accuses Iran of sponsoring terrorism and seeking to manufacture a nuclear bomb, insisted that any such talks would be limited solely to the situation in Iraq.

Despite initial expressions of willingness from Iranian officials, President Mahmoud Ahmadinejad rejected that overture, saying that US "behaviour" was not good.

But Hosseini said on Sunday the door remained open for talks.

"At the current time, some American and Iraqi officials have raised the question of a dialogue. If we receive such a request we are ready to examine it again."

Hosseini said that "as far as bilateral relations is concerned, the position of Iran has not changed", maintaining Tehran's refusal to consider diplomatic relations if the US stance towards the Islamic republic does not change.

"We have clearly said that we were ready to examine a request for dialogue on regional issues," he added.

It remains to be seen whether the United States is itself willing to renew the offer, with the verbal war of words between Washington and Tehran as vehement as ever and tension rising over the Iranian nuclear programme.

But Hosseini's comments also come at a time when the US is mired in mounting sectarian bloodshed and deadly attacks on its troops in Iraq, prompting calls for a rapid about-turn in its strategy.

According to newspaper reports, a special panel on Iraq created by the US Congress and led by former secretary of state James Baker is expected to recommend that President George W. Bush bring Iran and Syria into a joint effort to stop the fighting.

Iran has emerged as a major ally of the Shiite-dominated government in Iraq following the fall of Saddam Hussein, and Washington remains deeply suspicious of the Islamic republic's influence in the country.

It accuses Iran of providing assistance to militant groups and interfering in Iraq, charges Tehran denies.

The United States cut diplomatic ties with Iran as a result of the seizure by Islamic radicals of the US embassy in Tehran on November 4, 1979, shortly after the Islamic revolution that toppled the US-backed Shah.

Russia Asks Europe To Revise Its Plan For Iran Sanctions (AFP-Y)

By Herve Couturier

AFP, November 6, 2006

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Western countries that want to punish Iran for its refusal to suspend uranium enrichment are again facing reluctance on the part of Russia and China to grant support, with Moscow demanding a softening of a draft UN resolution.

More than two months after the UN-imposed deadline of August 31 expired, it is still not possible to say when the UN Security Council will act.

The United States is pushing for quick sanctions. But according to many diplomats, the negotiations promise to be long and difficult.

China and Russia are reluctant to impose strict penalties on Iran, with which they maintain important economic and commercial ties.

On Friday, Moscow proposed changes to a European draft resolution that the US Ambassador to the United Nations, John Bolton, called substantial during an informal meeting of the five permanent members of the Security Council (China, the United States, France, Britain, Russia) and Germany.

Consequently, according to Bolton, the United States would also like to propose changes, and ambassadors will have to consult their respective capitals during the weekend to be able to resume discussions probably next week.

The draft, drawn by Europeans in cooperation with the United States, calls for economic and commercial sanctions against Iran.

But it has been rejected by Russia in his initial form.

Russian Foreign Minister Serguei Lavrov, said in Brussels Friday that Moscow was ready to take reasonable measures against Iran, but made clear that Russia believed the European proposal had gone too far.

Chinese Ambassador Wang Guangya, meanwhile, pointed out that penalties proposed by the Europeans were a little too hard.

They would risk putting the Iranians' backs against the wall, he warned, adding that Beijing supported the Russians.

His Russian counterpart, Vitaly Churkin, also said that the purpose of any future Security Council action was to encourage Iran to come back to the negotiating table, not to turn it away from negotiations.

He reminded that the UN resolution must leave the open door to future discussions with the Iranians.

Churkin also expressed his opposition to any mention in the resolution of Russia's help to Iran to build a civilian nuclear power plan in Bushehr.

Bushehr has nothing to do with concerns about nuclear proliferation because it is a peaceful nuclear power plant, he said.

The initial version of the resolution mentioned the plant, but only to point out that it will remain outsided the scope of proposed sanctions.

According to a diplomatic source, Moscow is equally opposed to penalties against Iranian individuals such as a ban on travel and a freeze of financial assets abroad.

Russia would be ready to accept an embargo only on "sensitive" equipment while the current draft calls for an ban on all equipment that could be used for nuclear and ballistic missile programs in Iran, as well as on all technical or financial assistance linked to these programs.

Meanwhile, US Secretary of State Condoleezza Rice expressed optimism Friday about chanced to reach a compromise.

I think that in the last analysis they will not block us, she told a radio station. We will have a resolution that will punish Iran, even though it may not be as strong as we would have wanted it to be.

Behind China's Stance On North Korea (WSJ)

By Gordon Fairclough And Neil King JR.

The Wall Street Journal, November 6, 2006

BEIJING -- Shortly after North Korea conducted its first nuclear-weapons test last month, regulators here quietly told China's banks to suspend their dealings with the nation -- a move that has largely severed Pyongyang's most important link to the world financial system.

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Beijing made no public announcement. Still, the message to North Korea was clear: China, long averse to imposing any kind of economic sanctions, was willing to go beyond penalties imposed by the United Nations to force North Korea to back down.

The banking measure and other pressure applied by Beijing -- including a cut in oil exports to North Korea and two votes at the U.N. in favor of economic sanctions against the Pyongyang regime -- are widely credited with getting North Korea to agree to return to Chinese-led talks aimed at dismantling its nuclear-arms programs.

China's unusual, if quiet, activism may signal a significant change in its view of the world and its approach to foreign policy since it formally wired itself into the global economy five years ago by joining the World Trade Organization.

Beijing's long-held policy of not interfering in the "internal affairs" of other nations appears to be giving way to a broader definition of its national interests -- one that goes beyond satisfying its fast-growing appetite for oil and other raw materials. China also is showing a greater willingness to embrace global institutions and norms.

"It is an extraordinary thing for China to be now where it is," Secretary of State Condoleezza Rice said during a trip to Asia last month. After China supported an Oct. 14 U.N. resolution condemning North Korea's nuclear test, Ms. Rice was so pleased she touted China's more-active stance as almost more significant than the nuclear test itself.

China, a permanent member of the U.N. Security Council since 1971, also is planning to send 1,000 troops to reinforce the U.N. contingent in southern Lebanon after the war there this summer, its largest deployment of peacekeepers to date. China also has become a key player in the debate over how to respond to Iran's nuclear ambitions and the crisis in Darfur.

The evolution of Chinese foreign policy may be most apparent in the case of North Korea. For decades, China's Communist Party and military managed the country's relations with its socialist neighbor, though the two countries' ties frayed after China's shift toward a market economy started to accelerate in the early 1990s and the country normalized relations with South Korea in 1992. Now, a rising and more-pragmatic class of foreign-affairs officials are gaining influence. They talk about Beijing's need to develop daguo xintai, or a great-power mentality.

"There is a change in Chinese thinking. They are acting more like a stakeholder" in the international system, says Michael Green, who stepped down late last year as head of Asian affairs for the Bush administration's National Security Council. "North Korea is helping to push them down that path."

China's increasing tendency to work alongside the U.S. -- or at least not openly against it -- stands in stark contrast with Russia, which has stymied the U.S. on several fronts, including the push to impose sanctions against Iran for its uranium-enrichment program.

Even so, some U.S. officials harbor doubts about China's motivations and the prospects for a broad alignment of interests between Washington and Beijing. Skeptics say China's decision to pressure North Korea stems more from worries about the regional power balance than about support for international efforts to stop the spread of nuclear weapons.

Chinese foreign policy also remains heavily influenced by the voracious demand of its fast-growing economy for oil and other natural resources. Critics say Beijing has turned a blind eye to actions by the governments of oil-rich countries such as Sudan and Iran. Until recently, China had been reluctant to consider U.N. sanctions against Tehran for its nuclear program.

An immediate test of China's resolve on North Korea will be whether Beijing sticks to its tough stance against Pyongyang now that the North has agreed to return to six-nation disarmament talks. In the past, China has put pressure on North Korea to attend the talks but hasn't used the full weight of its economic leverage to force a resolution.

China's Foreign Ministry spokesman, Liu Jianchao, said Thursday that Beijing would continue to enforce U.N. sanctions -- which bar weapons sales and luxury-goods shipments to North Korea -- even after talks resume. "Each country has a duty to strictly and responsibly implement" the U.N. resolution, "and China is no exception," he said.

The Chinese restrictions on bank transactions with North Korea remain in place, and analysts say the curbs could lead to serious economic hardship within months or even weeks. An official of China's largest oil company, state-controlled China National Petroleum Corp., said he expected China's oil exports to North Korea to return to normal when the talks get under way. Diplomats say they expect the talks to resume in Beijing by year end.

Since the six-nation talks on North Korea's nuclear program began in 2003, China repeatedly has urged Washington to be more flexible in the hopes of making diplomatic progress. Privately, Chinese officials started to lose patience as Pyongyang and

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its leader, Kim Jong Il, resorted to a combination of brinkmanship and foot-dragging that has left the talks at a standstill since last year.

In 2005, North Korea declared itself a nuclear power. Then, despite objections from China and its neighbors, the North test-launched a series of ballistic missiles.

North Korea's decision to go ahead with its nuclear test in early October -- despite stern warnings from Beijing to desist -- put the country at odds with China's national interests by threatening to spark an arms race in the region that could lead to Japan, China's main regional rival, increasing its military strength.

After North Korea's missile tests, China voted in favor of a U.N. sanctions resolution against Pyongyang, in what may be the first time Beijing didn't veto or abstain from a sanctions vote. After North Korea detonated its atomic device, China voted in favor of even stricter sanctions at the U.N. -- and it is now going beyond that on its own.

The current steps may be temporary and aimed at forcing Pyongyang back to the negotiating table, but they appear to show Beijing's desire to strike a balance between maintaining regional stability and protecting the broader international system for controlling the spread of nuclear weapons.

Some senior U.S. administration officials remain skeptical of China's new posture, arguing that North Korea is a special case in which one of Beijing's few close allies betrayed it by testing a nuclear bomb. "China was humiliated," says one senior administration official. "They had no choice but to support the resolution that the U.S. and others put forward."

Still, there are other signs China is stepping out of its historical role. Chinese officials resent criticism of their country's economic dealings with Sudan, where civil war has spilled over into mass killings of civilians in the Darfur region. The officials say China is quietly working behind the scenes to bring peace to the area. "We use our good relationship and cooperation with the government" to push for a settlement, says Zhai Jun, assistant foreign minister for African affairs. "But we don't have to announce every time we do this."

The next test of China's commitment to its newfound activism may be Iran, whose nuclear ambitions have left it at odds with the U.N. Security Council. Iran's uranium-enrichment program has raised suspicions that the country is pursuing nuclear arms, though Tehran insists the program is for civilian energy purposes.

In July, China joined Russia and the other three permanent Security Council members -- the U.S., Britain and France -- in backing a resolution threatening Iran with sanctions unless it dropped its uranium-enrichment program and returned to negotiations. Now the five countries are trying to hammer out a set of sanctions they can all endorse. Chinese backing for even a limited sanctions package would be noteworthy. Iran is China's third-largest supplier of imported oil. This year, China's imports from Iran are likely to top $12 billion.

U.S. Discusses N. Korea In Japan (WT/AP)

By Hiroko Tabuchi

The Washington Times, November 6, 2006

TOKYO -- U.S. Undersecretaries of State R. Nicholas Burns and Robert Joseph were in Tokyo today coordinating with Japanese and South Korean officials before the resumption of long-delayed negotiations on North Korea's nuclear program.

South Korean Foreign Minister Ban Ki-moon, who also is in Tokyo, said the three countries worked closely together in the past and would continue to do so at the six-nation talks expected later this year, according to a Japanese Foreign Ministry official.

Mr. Ban, who takes over as U.N. secretary-general in January, was to meet Prime Minister Shinzo Abe today for further talks. The two Americans were to meet with Japanese Foreign Minister Taro Aso and other Japanese officials before traveling to South Korea later today, according to Japan's Foreign Ministry.

South Korea's Yonhap news agency, citing unidentified officials, reported that the three countries will hold a meeting of their chief nuclear negotiators in Washington as early as next weekend to discuss strategies to move the nuclear talks ahead.

The North agreed last week to return to the negotiations -- which also include China and Russia -- in the first easing of tensions after its Oct. 9 nuclear test. The talks have been stalled for a year over financial restrictions placed on the North by the United States for suspected counterfeiting and money laundering.

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Mr. Aso said, however, that North Korea's return to the talks "is not a goal in itself," according to a ministry official who spoke on the condition of anonymity.

Mr. Aso said North Korea also must comply with the U.N. Security Council resolution passed after its nuclear test and abandon all atomic weapon development.

On Saturday, Pyongyang lashed out at Tokyo, saying Japan did not need to participate in the talks "because it is no more than a state of the U.S. and it is enough for Tokyo just to be informed of the results of the talks by Washington."

Japan is a common target of criticism from the North, stemming from Tokyo's imperial occupation of the Korean Peninsula in the early 20th century. Pyongyang has called before for Japan to be excluded from the nuclear talks.

North Korea said it would return to the talks to seek an end to a U.S.-led campaign blocking Pyongyang's access to international banks because of purported illegal activities such as counterfeiting and money laundering. Washington had said it will discuss the financial restrictions only in the context of the six-nation talks.

The North often refers to its nuclear program as a self-defensive measure against the threat of a U.S. attack. Washington has insisted repeatedly that it has no intention to attack.

The regime's No. 2 leader, Kim Yong-nam, said last week that any progress at the revived talks on the communist nation's nuclear program will depend on the United States' "attitude," an indication that a breakthrough could be difficult.

Little Lost Ones (WSJ)

By Melanie Kirkpatrick

The Wall Street Journal, November 6, 2006

Among a small group of North Korean refugees who have taken sanctuary in the U.S. Consulate in Shenyang, China, are two orphan children, both boys, ages 13 and 16. With luck, if the Chinese authorities allow them to leave and the U.S. government works out the legalities of granting asylum to parentless minors, they will be in the U.S. before Thanksgiving.

Fortune has already shone on these boys by granting them safe passage on the underground railroad that ferries North Korean refugees in China to shelter in embassies or consulates there or in third countries. Korean refugees -- who number in the tens, or even hundreds, of thousands -- are leading desperate lives of hide-and-seek in China. Beijing's policy, in contravention of international law, is to track them down and repatriate them to North Korea, where they face prison camps or worse. It even pays bounties to citizens for turning them in.

The boys were led to safety by Liberty in North Korea (LINK), a Virginia-based nonprofit dedicated to helping the refugees in China. LINK says the boys lost their parents to famine and crossed the border separately, scavenging for food. They met in an underground shelter run by LINK. "What we're trying to do is help these children," says a spokesman. "We house them and protect them and try to get them out to freedom." There are dozens of such secret orphanages in northeast China, operated by local Samaritans and supported by groups based in the U.S. and South Korea.

Unlike the boys at the consulate, most abandoned orphans in northeast China are the progeny of North Korean women who have been captured and deported and their Chinese "husbands," who spurn their children. They are stateless, rejected by both China and North Korea for their "impure blood." Pregnant women deported to North Korea are often forced to abort for the same reason, says Chun Ki Won, a South Korean minister whose organization, Durihana, has helped spirit hundreds of refugees out of China. "I know of many cases myself," he says.

"Diu Diu," or "little lost one," is the nickname given to a three-and-a-half year-old boy that LINK tried, but failed, to help. A year ago he and his mother were captured by Chinese police and taken to the border, where racist North Korean border guards refused to admit the half-Chinese boy, whom they tore from his mother's arms. The police then sold the boy to a circus for $100, where he was severely abused and ended up in a hospital. The photos LINK obtained of the boy are too shocking to print.

"The stories are all so similar," says Tim Peters, an American missionary in Seoul who runs Helping Hands Korea. "A girl comes out [of the North] and either she has been secretly sold into marriage or she volunteers to marry a Chinese man. And then she gets caught and sent back." Mr. Peters estimates there are "thousands" of such abandoned children. Pastor Chun puts the number even higher.

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Left-behind infants and toddlers are sometimes sold to childless Chinese couples, Pastor Chun says. Older girls are peddled as brides or to brothels -- "that's a given" -- while the boys are sold as laborers. Others are left to fend for themselves, and humanitarian workers find them wandering the streets or living in train stations. Pastor Chun's organization runs several orphanages, each with four to seven children cared for by volunteer Chinese-Korean "mothers."

Once in shelters, the children are de facto prisoners. They usually lack the official papers needed to attend school, get medical attention or participate in any other way in local society. "That's the problem," says a spokesman for Aegis Foundation, another U.S.-based nonprofit that runs shelters for Korean children in China. "We cannot send them to normal school and if they don't get any education, they can't be good citizens. That's why we need to smuggle them out."

Crossing Borders, a Christian ministry based in Virginia, takes a different approach. It also sponsors secret orphanages but "we don't do the underground railroad," a spokesman says. "The long-term goal is to see these kids grow up and become productive members of society." Regulation is loose in the areas where its shelters are located, and the children it helps can sometimes attend school. Some of the children have been voluntarily handed over by fathers. "Most fathers have no means or desire of helping take care of their children," the spokesman says. "We go into the village and offer to take the kids. It's a handshake deal."

The U.N. High Commission on Refugees stands ready to help the Korean refugees in China -- if only Beijing would let it. Several countries in the region are prepared to set up transit camps for refugees provided the U.S. helps pay for it and South Korea ultimately accepts them for re-settlement, as its Constitution requires. But even if, in the happiest of worlds, all this were to occur, the stateless orphans could still be left out. According to groups that run the underground railroad, even South Korea, which accepts most of the Northerners who manage to escape, refuses to admit the children on the grounds that they are not true "defectors."

Amid this misery, there are a few stories with happy endings -- of mothers who ride the underground railroad to the South with their Korean-born children or mothers who escape and then go back to smuggle out their Chinese-born kids. The humanitarian workers tell these stories with unflagging spirit. But the vast majority of the orphans remain lost in China, in lives that offer little hope. Most of the South Koreans and Americans working to help the children are Christian, as are many of the ethnically Korean Chinese who care for them. Pastor Chun speaks for many, when he says he takes inspiration from Isaiah 1:17, in which God exhorts the prophet to "Defend the fatherless."

Israel Vows To Hit Gaza Until Rockets Subside (NYT)

By Greg Myre

The New York Times, November 6, 2006

JERUSALEM, Nov. 5 — Prime Minister Ehud Olmert of Israel said Sunday that the military would not halt its offensive in the northern Gaza Strip until Palestinian rocket fire toward Israel was significantly reduced.

On Sunday, the fifth straight day of fighting, Israeli forces killed three Palestinians, two of them militants and the other a security official, Palestinian medical workers said. The fighting, which included an Israeli airstrike, again took place in and around Beit Hanun, the northern Gaza town that has been the focus of the Israeli operation.

Large numbers of Israeli troops have been operating in Beit Hanun since Wednesday, though they have not been able to stop Palestinians from firing the locally manufactured rockets known as Qassams. Palestinian militants fired at least 10 more rockets into southern Israel on Sunday, but they caused no major damage or serious injuries. The Palestinians have launched more than 30 since the Israeli incursion in the area, the Israeli military said.

“We have declared that we will never accept the ongoing Qassam fire and that we will take any steps needed to considerably reduce the fire,” Mr. Olmert said Sunday at his weekly cabinet meeting in Jerusalem. “The operation is limited in time, but we have no intention of announcing when it will end.”

The Palestinians, meanwhile, have called for international pressure on Israel to halt the offensive.

“I urge members of the international community to take the appropriate response to Israel’s crimes in Gaza,” said Saeb Erekat, the chief Palestinian negotiator. “Condemnation is the least one would expect.”

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More than 40 Palestinians, including militants and civilians, have been killed over the past five days. One Israeli soldier has died. The Israeli forces have detained 30 people suspected of being militants, the military said.

In another development, a Palestinian lawmaker, Mustafa Barghouti, said that he was brokering the latest attempt at a Palestinian national unity government and that an agreement could be reached in days.

The proposal calls for a government of technocrats not directly linked to any party. Hamas, the militant Islamic group that now leads the government, and Fatah, the secular nationalist movement that lost the elections but whose leader still holds the Palestinian presidency, would approve members of the new government. The Palestinians have been holding talks for months on forming a unity government. Palestinians have expressed hope that a new government can win a restoration of Western aid, which was cut after Hamas came to power. The United States and the European Union, with Israel, have demanded that a Palestinian government recognize Israel, renounce violence and accept previous Israeli-Palestinian pacts.

Also on Sunday, Avigdor Lieberman, a far-right politician in the Israeli cabinet, caused a stir by again supporting a land and population transfer between Jews and Arabs.

Israel Vows To Press Gaza Offensive (AP)

By Mark Lavie

AP, November 6, 2006

Prime Minister Ehud Olmert pledged Sunday to press ahead with Israel's offensive in northern Gaza, brushing off international calls to halt the fighting and Palestinian complaints of dwindling supplies of water, food and other staples.

The death toll in Israel's five-day sweep through the northern Gaza town of Beit Hanoun rose to 48 on Sunday, when four Palestinians, including two Hamas militants, were killed, according to Palestinian health officials. Israel launched the drive last week to try to stop to daily rocket barrages aimed at Israeli towns.

The Vatican and European Union have expressed grave concerns about the offensive, but Olmert told his Cabinet on Sunday it was necessary to "considerably reduce the (rocket) fire and prevent terror." He said Israel has no intention of reoccupying Gaza after last year's pullout.

"When we reach the conclusion that the effectiveness of the operation is bringing us closer to reaching the goals, we will definitely pull our forces out of Gaza," he said.

Palestinian Prime Minister Ismail Haniyeh called the Israeli offensive a "massacre," and Beit Hanoun residents warned of a burgeoning humanitarian crisis.

"We have electricity, but no drinking water," said one 28-year-old woman, who declined to be identified because of the military presence in town.

She said there were shortages of staples like milk and diapers and residents were being forced to share food. She also said tanks were visible from her home, and her husband was taken away by Israeli troops for questioning. "I don't know what's happened to him," she said.

Col. Nir Press, head of Israel's liaison team dealing with Palestinian authorities and international aid organizations, said Sunday that shops in Beit Hanoun were open for a few hours Sunday and would be open again Monday.

Press said U.N. agencies and the Red Cross were shipping in food, water, baby formula and other supplies and would continue to do so. He added that Palestinian technicians would be allowed to repair water mains on Monday.

On Sunday, AP Television News showed images of ambulances and taxis rushing Palestinian casualties to the small Beit Hanoun hospital, dodging potholes gouged by Israeli shells. A young man, writhing from a chest wound, was pulled out of a yellow taxi and carried into the hospital.

Despite the offensive, Palestinians fired six rockets at Israel on Sunday, the military said. Nobody was hurt.

Israel said its attacks are focused on militants who launch the rockets. While most of the dead have been militants, several civilians — including a 4-year-old girl, a 72-year-old man and two paramedics — have been killed. Two women who attempted to help a group of militants besieged in a mosque also died.

On Sunday, about 100 paramedics marched through the streets of Gaza City to protest the deaths of their two 17-year-old colleagues, both volunteers. They were killed in an Israeli missile strike last week in the town of Beit Lahiya, next to Beit Hanoun.

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The International Red Cross harshly criticized Israel, saying the paramedics and their vehicle were clearly marked. "The ICRC is appalled by this failure to protect personnel engaged in emergency medical duties," a statement released Sunday said.

At the Vatican, Pope Benedict XVI said he was worried about the "grave deterioration" in the Gaza Strip, and called on all sides to work to stop the bloodshed and immediately resume "direct, serious and concrete negotiations."

In a weekend statement, the EU called on both Israel and the Palestinians to halt the violence because of the casualties, but aimed its sharpest barb at Israel.

"The right of all states to defend themselves does not justify disproportionate use of violence or actions which are contrary to international humanitarian law," the EU said.

Vice Premier Shimon Peres said Israel was doing everything possible to avoid civilian casualties. "We have to get directly to the people who do the shooting and that is what we are trying to do," he told reporters.

Israel withdrew all troops and Jewish settlements from Gaza last year. But it sent forces back into the area after Palestinian militants tunneled into Israel and abducted a soldier in June.

A Palestinian militant group claiming to hold Gilad Shalit, the captured soldier, said it has no plans to kill the serviceman, despite the Israeli offensive.

However, Abu Mujahid, a spokesman for the Popular Resistance Committees, said the soldier could be harmed by Israel's military activity. "Gilad Shalit's life is in danger through the incursion and bombing of houses," said Abu Mujahid.

Syria Hints At Resistance Vs. Israel (AP)

By Albert Aji

AP, November 6, 2006

Syria could resort to armed resistance if peace negotiations do not lead to Israel's return of the Golan Heights, the country's Information Minister said Sunday.

Mohsen Bilal said international negotiations should lead to Israel giving back the Golan Heights, captured from Syria in the 1967 Mideast war and later annexed. If that does not happen, he warned Syria could resort to "other means, which struggling people have used at various points in history, beginning with legitimate resistance."

But Bilal said Syrians were eager to resume talks.

"The road for peace and stability in the region and the world goes through ending occupation" of the Golan Heights, he said, opening a three-day media forum geared at highlighting Syria's right to the Golan.

Israeli-Syrian peace talks broke down in 2000, with Syria demanding assurances it would get back all of the Golan Heights. Israel wanted slight modifications to the pre-1967 line, conforming to the international frontier, and insisted that issues of security and normalization be spelled out first.

On Sunday, Syrian President Bashar Assad, who was meeting with Arab League Secretary General Amr Moussa, called for a comprehensive peace in the Middle East.

Israel has brushed off Assad's previous calls to restart peace talks, saying Syria must first clamp down on the radical Palestinian groups it hosts.

EDITORIAL WRAP-UP

Protecting The Right To Vote (NYT)

The New York Times, November 6, 2006

No one expects Florida elections to go smoothly, but this year the state got off to an alarming start. Voters reported that after selecting Democratic candidates on electronic voting machines, the review screens registered that they had chosen Republicans. A spokeswoman for the Broward County supervisor of elections told The Miami Herald that the machines often fall out of sync under heavy use, but that they can be fixed when voters complain.

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That snapshot of Florida's early voting is confirmation — as if any were needed — that a great deal can go wrong tomorrow, much of it eminently preventable. Six years after the 2000 election meltdown, voting machines are still unreliable, and there are an array of other obstacles to voters who want their votes to count.

Voting is a right and a responsibility, but it is also, unfortunately, a challenge. As people go to the polls tomorrow, they should be on the lookout for:

ELECTRONIC VOTING GLITCHES In addition to misrecording votes, A.T.M.-style voting machines can provide misleading or incomplete information. (On some Virginia machines, the last name of the Democratic Senate candidate, Jim Webb, will not appear on the summary page.) Voters should check and double-check their votes, and the voter-verified paper trail if one is available, and report anything that does not look right. If the machines do not work, they should insist on casting a paper ballot.

VOTE SUPPRESSION In California, 14,000 Hispanic voters received letters last month falsely informing them that immigrants could be sent to jail for voting. Every election there are attempts to trick voters, especially members of minorities and the poor. Voters should insist on their right to cast a ballot.

VOTER ID CONFUSION Election officials often demand identification even when it is not legally required, or misstate the requirements. Georgia this year sent out letters saying that a photo ID is required even though the courts ruled otherwise. Voters can check the law on their local Board of Elections Web site. If there is a dispute, they should insist at the very least on casting a provisional ballot.

VOTING ROLL PURGES Election officials sometimes wrongly remove voters' names from the rolls. That happened, notoriously, in Florida in 2000, and this year Kentucky lost a lawsuit over a faulty purge. Even people whose names are missing from the rolls may be eligible voters. Voters who have trouble casting a ballot should appeal to the person running the polling place. If that fails, they should call a voters' hot line — like 1-866-OUR-VOTE, run by the National Campaign for Fair Elections — or a political party or campaign. Federal law says a voter whose eligibility is in doubt has the right to cast a provisional ballot, whose validity will be decided later. But regular ballots are more likely to be counted.

Unfortunately, many of the things that go wrong tomorrow may be invisible to the average voter. Machines that appear to work properly may be throwing out or altering votes. Without a voter-verified paper trail and an effective vote audit, this can go undetected. Provisional ballots may be wrongly rejected after the polls close. Some states, shamefully, have laws saying that if a provisional ballot is cast in the correct polling place but at the wrong table, it will not count.

These flaws point to the need to continue to push a reluctant Congress, as well as state legislatures, for meaningful election reform. Tomorrow, though, voters should just focus on getting their votes counted within our current, deeply flawed system.

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TERRORISM NEWS

Ex-Indiana Man Locked Up With Nation's Worst In Lockdown (INDYSTAR)

By Kevin Corcoran
The Indianapolis Star, November 6, 2006

DOJ_NMG_0091157

The Indiana truck driver found guilty of conspiring to betray the United States has been secluded in a Colorado super-maximum-security prison under a secret order approved by the U.S. attorney general.

Justice Department officials have isolated Shaaban Hafiz Ahmad Ali Shaaban, 54, under a policy that permits the FBI to eavesdrop on the few conversations he's allowed to have, heavily restricts his access to news reports and prohibits anyone other than attorneys and family members from talking to him.

Some inmates at the prison, which houses the federal government's worst of the worst, spend at least 23 hours a day in soundproof cells. They cannot speak to or make eye contact with other inmates.

These "special administrative measures," also called "SAMs orders," are meant to keep federal inmates from inciting violent attacks from prison or disclosing classified information that could harm national security.

William Dazey Jr., one of Shaaban's public defenders at the trial this year, said the special order is an unusual step. "I have not seen evidence that would support the notion Mr. Hafed is a threat to the United States," Dazey said.

Shaaban, who also is known as Shaaban S. Hafed, acted as his own attorney at trial, but outside of the courtroom his standby defense lawyers described him as an international con man. They said he offered Saddam Hussein's government "a lot of hot air." Prosecutors could not prove Shaaban actually had access to U.S. secrets.

At Shaaban's sentencing, U.S. District Judge John Tinder recommended placing Shaaban in a federal prison at Terre Haute, closer to his wife and young son in Greenfield.

But the judge had no control over Shaaban's placement nor any say in the secret administrative order quieting him. Assistant U.S. Attorney Sharon Jackson requested the restrictions, and Attorney General Alberto Gonzales personally initialed the order.

The Justice Department declined to comment on the order, and the local FBI office referred calls about it to Jackson, who could not be reached. First Assistant U.S. Attorney Timothy Morrison, who helped try the case, declined to say how Shaaban's prison communications could threaten national security.

About 40 federal inmates, most of them convicted terrorists, are facing nearly identical restrictions, according to the Federal Bureau of Prisons.

Shaaban was stripped of his U.S. citizenship after being found guilty in January of six federal charges, including illegally acting as an agent of the Iraqi government before the U.S. invasion there in 2003.

He was sentenced to 13 years, four months in prison after an 11-day Indianapolis trial in which prosecutors portrayed him as a clever spy who had offered to sell the names of more than 60 clandestine CIA operatives to Iraqi intelligence officials for millions. Shaaban said in secretly taped interviews he planned to use the money to launch a pro-Arab broadcast station in the U.S.

To impose special administrative measures, the attorney general has to certify a "substantial risk" exists that an inmate's communications could result in death or serious bodily injury to others.

The regulation states the inmate must be notified of the restrictions and the justification. However, Shaaban received an order that laid out the conditions of his incarceration with the reasons behind it blacked out.

Among possible reasons for the order, court observers say:

A jury found Shaaban guilty of threatening his brother with death by decapitation to keep him from testifying. But federal prosecutors produced no evidence he could deliver on the threat or initiate violent acts while behind bars.

While the prosecutors he mocked at trial could not prove Shaaban had access to any government secrets before his arrest, he received access to U.S. intelligence files while he represented himself at trial.

Many of the inmates under such severe restrictions are unsympathetic figures. But there are critics who question the necessity -- and the psychological effects -- of limiting virtually all contact with the outside world for years at a time.

"You're cut off. It's not a whole lot different from being at Guantanamo Bay," the U.S. naval base where the U.S. military is holding people it labels "enemy combatants," said Khurrum Wahid, an attorney with offices in New York and Miami who defends terror suspects.

"A lot of this is show. It's playing to people's fears about terrorism."

Other federal convicts subject to "SAMs orders" include well-known inmates serving life sentences:

Sheik Omar Abdel-Rahman, the blind Egyptian cleric who conspired to blow up New York landmarks, including the World Trade Center, which his followers bombed in 1993.

Zacarias Moussaoui, the suspected "20th hijacker" in the Sept. 11, 2001, terrorist attacks.

Richard Reid, who tried in 2001 to detonate plastic explosives in his shoe to blow up an American Airlines flight bound for Miami as the plane flew over the Atlantic Ocean.

Abdel-Rahman is in a special prison for inmates with medical problems. Moussaoui and Reid are with Shaaban at the Florence Federal Correctional Complex, a prison campus in Colorado about 90 miles south of Denver.

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The complex is home to the federal system's only super-maximum-security prison, known in some circles as the "Alcatraz of the Rockies." Security cameras in the most secure areas monitor inmates around the clock. Some never leave their cells because they are subject to body-cavity searches when they do.

Shaaban joined other notorious inmates when he arrived at the prison in August. They include Oklahoma City bombing participant Terry Nichols, "Unabomber" Theodore Kaczynski and former FBI agent and Soviet spy Robert Hanssen.

Shaaban himself protested the restrictions during a phone interview in June from the Marion County Jail. "They treat me like Moussaoui -- worse than Moussaoui," he said. "It's a prison in a prison."

The jail was not enforcing the order. Now that the Bureau of Prisons is restricting his calls, Shaaban's wife, Hanan, is trying to find an attorney who can help challenge the order, said David Dana, the Northwestern University law professor in Illinois handling Shaaban's appeal of his convictions and sentence.

That will be an uphill battle. Published reports show the Justice Department is increasingly using the orders as a tool to incapacitate certain inmates. And federal rulings show judges are reluctant to buck government claims that such steps are necessary to protect American lives.

Federal Authorities Detain 16 Travelers At Houston Airport (HC)

By Armando Villafranca

Houston Chronicle, November 4, 2006

Data submitted by the passengers don't match files

Federal authorities delayed the departure Friday of 16 international travelers, including 15 Mexican nationals, who were boarding a Mexico City-bound plane at Houston's Bush Intercontinental Airport.

A U.S. Customs and Border Protection official said data submitted by the passengers did not match the data on file when they entered the United States.

Under a law that went into effect in June 2005, passenger manifest information for all international inbound and outbound flights must match. Passengers are detained when the exit data, such as passport numbers, do not match those submitted when entering the country.

"The post-9/11 Congress passed a law mandating this manifest information for inbound and outbound flights," said Kelly Klundt, CBP spokeswoman in Washington.

She said Congress passed the law to reconcile exit data with entry data for all international passengers.

The law was part of legislation that led to the creation of the Department of Homeland Security in 2003 and included new requirements to tighten security at airports and along U.S. borders.

Klundt declined to say what information was missing or did not match when the 16 passengers tried to board the 9 a.m. Continental flight.

She could not comment on how frequently this occurs. The problem was discovered during a random check of passenger manifests.

All 16 were allowed to board later flights. No information was available about the passengers or how or when they entered the country initially.

Dave Messing, Continental spokesman, said the airline was unaware of any discrepancy until it was notified by CBP officials. He said the data are submitted to the carrier at the ticket counter and any error is uncovered by CBP officials monitoring international travel.

Inside Politics (WT)

By Greg Pierce

The Washington Times, November 6, 2006

Senate polls

The latest Rasmussen Reports poll on the Senate race in Tennessee shows Republican Bob Corker with a 53 percent to 45 percent lead over Democrat Rep. Harold E. Ford Jr.

The survey of 500 likely voters, conducted Thursday, has a margin of error of 4.5 percentage points.

That result tipped the Tennessee race from "tossup" to "leans Republican" in Rasmussen's "Senate Balance of Power" analysis, which shows 45 Democrat seats, four "lean Democrat," 48 Republican and one "lean Republican" seats. Control of the Senate, according to Rasmussen, now depends largely on two remaining "tossup" seats in Missouri and Virginia.

The latest Rasmussen poll in Missouri has Republican Sen. Jim Talent with a 48 percent to 46 percent lead over Democrat Claire McCaskill. In Virginia, Rasmussen shows Republican Sen. George Allen narrowly leading Democrat James H. Webb Jr., 49 percent to 48 percent.

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Spelling contest

"In the 22nd District of Texas -- Tom DeLay's old district -- workers for Republican write-in candidate Shelley Sekula Gibbs are handing out pamphlets that warn" in screaming all-capital letters, "don't let Nick Lampson and his liberal Democrat allies take away your choice this election," Byron York writes at National Review Online (www.nationalreview.com).

"The handout lays out instructions for writing in Gibbs' name, plus the urgent directive [also in all-caps] 'Remember on Tuesday November 7, vote for Shelley Sekula Gibbs for U.S. representative twice!'

"The twice! part refers to the fact that, to fully support Sekula Gibbs, people who want to vote for her have to first vote for her to finish out the last couple of months of DeLay's term -- she's on the ballot for that -- and then write in her name to vote for her to be the next full-term congressperson from the district," Mr. York said.

"That's where things get complicated. The phrase 'write-in' is not entirely accurate in this race. In most of the precincts in the 22nd District, voters won't write anything. Instead, they will work on a machine -- called the Hart InterCivic Voting System -- in which they will be required to turn a wheel to select letters on a screen."

Mr. York explained that to vote for Mrs. Sekula Gibbs, voters will have to spell the name correctly, including hitting "space" between all three names and "enter" after every character including the spaces.

"It does not take a prophet to see that there will likely be some irregular entries from people trying to vote for Sekula Gibbs. If the race is close, there will be intense fights over every variation of her name entered into the Hart InterCivic system.

"What will be accepted as a legitimate vote and what won't? Texas law says only that 'A vote on an office or measure shall be counted if the voter's intent is clearly ascertainable ... .' What that will mean in practice is not entirely clear. It seems likely that obvious misspellings of Sekula Gibbs's name will count, as will short versions like 'S Gibbs.' On the other hand, in a close contest, Republicans and Democrats might end up fighting over every vote."

Connecting dots

"So, less than a week before the midterm elections, four workers from Acorn, the liberal activist group that has registered millions of voters, have been indicted by a federal grand jury for submitting false voter-registration forms to the Kansas City, Missouri, election board. But hey, who needs voter-ID laws?" the Wall Street Journal said in an editorial.

"We wish this were an aberration, but allegations of fraud have tainted Acorn voter drives across the country. Acorn workers have been convicted in Wisconsin and Colorado, and investigations are still under way in Ohio, Tennessee and Pennsylvania," the newspaper said.

Acorn is the Association of Community Organizations for Reform Now.

"The good news for anyone who cares about voter integrity is that the Justice Department finally seems poised to connect these dots, instead of dismissing such revelations as the work of a few yahoos. After the federal indictments were handed up in Kansas City this week, the U.S. Attorney's Office said in a statement that 'This national investigation is very much ongoing,' " the editorial continued.

"Let's hope so. Acorn officials bill themselves as nonpartisan community organizers merely interested in giving a voice to minorities and the poor. In reality, Acorn is a union-backed, multimillion-dollar outfit that uses intimidation and other tactics to push for higher minimum-wage mandates and to trash Wal-Mart and other non-union companies."

Home-grown nuke?

Two leading U.S. nuclear scientists say a team of terrorists with industrial equipment, physics and engineering skills and access to highly enriched uranium could build a crude atomic weapon in the United States for less than $10 million.

Writing in Foreign Policy, the prestigious journal of the Carnegie Endowment, Peter Zimmerman and Jeffrey Lewis add that there is no evidence that al Qaeda or any other terrorist group currently possesses the technical expertise necessary to complete such an effort.

Al Qaeda leader Osama bin Laden "perhaps has yet to find his Robert Oppenheimer," they conclude, referring to the scientist who led the World War II Manhattan Project to build the atomic bomb.

The article follows revelations that U.S. intelligence agencies posted on the Web documents from ousted Iraqi strongman Saddam Hussein's nuclear-weapons program that include detailed charts, diagrams, equations and lengthy passages about technical challenges.

But some analysts told Shaun Waterman of United Press International that they were deeply skeptical of the Foreign Policy article.

Arms-control specialist Milton Leitenberg of the University of Maryland called the scenario "super-optimistic," and said the authors had glossed over the difficulty of finding the kinds of highly qualified specialists the project would need.

"How does that kind of organization find those kinds of people, in the real world?" he asked.

Kerry's dream

DOJ_NMG_0091160

"Many months ago, I penned a column asking John Kerry to go away, or at least back to the U.S. Senate to pursue elder statesmanship instead of further national political ambition," John Brummett writes in the Las Vegas Review-Journal.

"Alas, he has not done so," Mr. Brummett said. "So, the Democrats must try to win the midterm elections while carrying Big John on their backs as they endeavor to extract his big foot from his big mouth. I'm not sure they have either the strength or dexterity.

"Apparently Kerry carries the notion that Hillary Clinton won't run for president or can't win and that Barack Obama's bright flame will flicker. Apparently he carries the notion that -- Evan Bayh, John Edwards, Wes Clark and Bill Richardson aside -- he would then naturally ascend to carry his party's banner again. ... The problem is that there usually are sound reasons a politician loses an election. It's probably that he's not a good candidate. That was, and remains, Kerry's problem."

GOP Rep. Faults White House On Iraq Site (AP-Y)

AP, November 6, 2006

House Intelligence Chairman Peter Hoekstra criticized the Bush administration on Sunday for its handling of a trove of once-secret documents from Saddam Hussein's covert nuclear program disclosed on a federal Web site.

Hoekstra, R-Mich., complained the U.S. intelligence community hadn't properly declassified the documents.

"Well, you know, we have a process in place. It looks like they screwed up," he said on CNN's "Late Edition."

President Bush's director of national intelligence, John Negroponte, ordered the documents posted on the site last March, at the request of Republicans in Congress who wanted to show Saddam was a real threat.

Scientists at a federal lab raised concerns that the site, as a repository for millions of pages the U.S. government found in Iraq the past 15 years, held sensitive nuclear information. Negroponte abruptly shut the site down Thursday night after The New York Times contacted his office for an article published Friday.

His office began reviewing the consequences, including who accessed the documents. Four Democratic senators demanded he also tell them why and how the site began, what role members of Congress played and whether the administration ignored U.S. intelligence officials' concerns.

"How valuable that information was, I really don't know," Hoekstra said. "Now we release — or they inadvertently release some of these documents and they show that the Iraqi program may be much further along than anybody ever anticipated."

Hoekstra said his committee would review the documents to determine the former Iraqi leader's goals and capabilities before the war in 2003.

Documents: To Saddam, From Mars (NSWK)

Newsweek, November 6, 2006

Nov. 13, 2006 issue - National Intelligence Director John Negroponte shut down a government Web site after the disclosure that it had posted nuclear-research documents from Iraq's pre-Gulf War I weapons program. Set up in March at the insistence of congressional GOPers, the site was designed to post documents seized by the U.S. military in Iraq. But many were trivial memos and oddball letters: a telephone-repair request from an Iraqi military agency, copies of the 1987 Baghdad phone book, an Islamic Web-site article claiming the United States was developing weapons designed to sexually arouse soldiers, a 2001 letter to Saddam Hussein from a woman seeking money to preserve the planet "Iquestra" (she described herself as a commander of the Martians).

Why were taxpayer dollars spent on such a project? Late last year House intel-committee chair Pete Hoekstra and Senate intel chair Pat Roberts pressed Negroponte's office to make the Iraqi docs available. They and others, including The Weekly Standard magazine, said the material might show Saddam did have WMD or ties to Al Qaeda. So the Defense Intelligence Agency began to review 48,000 boxes of material, located in a U.S. military warehouse in Doha, Qatar, and started posting it on an Operation Iraqi Freedom Web site. DIA spokesman Don Black said several hundred analysts, linguists, translators and contractors took part, weeding out diplomatically sensitive docs or those mentioning the names of U.S. persons (a potential violation of the U.S. Privacy Act).

Outside of a few conservative bloggers, the Web site got little attention until The New York Times revealed last week that the site had posted documents showing diagrams and drawings from Iraq's early-'90s nuclear program that might be useful to those seeking to develop a bomb. Negroponte closed the site. Meanwhile, Black admits no docs have turned up altering the postwar intel view that Saddam had no WMD and no working relationship with Al Qaeda at the time of the 2003 U.S. invasion.

Trailers, Secrets And Los Alamos (NSWK)

By John Barry And Mark Hosenball

Newsweek, November 6, 2006

DOJ_NMG_0091161

Nov. 13, 2006 issue - It began as a routine police call. At 4:16 p.m. on Oct. 17, two Los Alamos County police officers were dispatched to the Royal Crest Trailer Park. The cluster of mobile homes is located next to Los Alamos National Laboratory, the sprawling New Mexico compound that houses one of America's two main facilities for designing nuclear weapons. A resident had complained that two neighbors were shouting at each other and throwing rocks through the windows of their trailer. The cops expected to find the usual: a domestic dispute that had gotten out of hand. Instead, they discovered what one Los Alamos official—who, like all lab and government sources in this story, would not be named talking about sensitive matters—calls "potentially the greatest breach of national security" in decades.

When the police entered the trailer, they found 20-year-old Justin Stone and his girlfriend. Stone said he was a guest of the trailer's owner, 23-year-old Jessica Quintana, who wasn't there at the time. Stone was wanted on a probation violation from an earlier crime. So the police arrested him. When they later got a search warrant, the cops found what appeared to be the makings of a crude personal crystal-meth lab. (Stone later pleaded no contest to possession of drug paraphernalia.) Among the dozens of items they hauled away were three computer thumb drives—the small storage devices that plug into a USB port and can hold hundreds of megabytes of data.

The police plugged the memory sticks into their computers. They found more than 400 pages of classified documents downloaded from Los Alamos computers, some containing sensitive data on nuclear-weapons design. A quick check revealed that Quintana had until recently been employed by a contractor at Los Alamos. A file clerk who worked in the lab's document-storage vaults, her job was to scan aging paper documents into a modern digital format. The police called the FBI, which discovered another cache of nuclear documents: 456 paper pages, many stamped SECRET—RESTRICTED DATA.

Quintana has not been arrested or charged with any crime. Her lawyer, Steven Aarons, told NEWSWEEK that she took all the material home one afternoon in early August because she was under deadline pressure to create an index of what she had digitized. When she was finished, Aarons says, Quintana intended to destroy the material. "She wanted to take it to a shredder ... She never did so."

Recently, a series of humiliating security failures—vanishing computer hard drives, unauthorized downloads of secret data—have tarnished the lab's once vaunted reputation. Those lapses were supposed to have been fixed. Panicked officials are now trying to determine how a low-level clerk was able to walk out of a high-security facility with hundreds of pages of nuclear secrets.

The brief answer: laxness and budget cuts. Though she had completed only one semester of college, in early 2005 Quintana was granted what the nuke world calls a "Q clearance," which meant she had access to nuclear-weapons designs. She had further access to a category of information code named Sigma 15. This meant she could handle material detailing how to override the security locks on U.S. nuclear weapons. The vaults she worked in contained data from 50 years of nuclear tests.

Multiple layers of security supposedly protect such sensitive material. The lab's hard drives are locked in cages to keep someone from plugging in, say, a thumb drive. To prevent temptation, clerks are supposed to work with a partner.

But those protections seem utterly to have failed. Aarons says that Quintana had a partner, but the company she worked for saved money by having them work separately. Quintana was able to insert the thumb drive she kept on her key chain into a caged computer because, Aarons says, the cages were never locked. Though employees were supposedly subject to searches, Quintana went home with the documents in her briefcase. Los Alamos officials, while declining to comment on specifics, issued a written statement saying, "The Laboratory is treating this matter with utmost seriousness."

National-security officials will likely spend months investigating and putting new procedures in place. They are fairly certain that everything Quintana took has been recovered. Meantime, lab employees are getting a taste of what it's like to work in a secure environment. The lab has barred workers from bringing in all manner of devices—no cell phones, no coffeemakers and certainly no thumb drives. Not that they would be of much use. The computers' USB ports have now been sealed up with glue.

Breached Lab Data Mostly Low-level (LAT)

From Times Wire Reports

The Los Angeles Times, November 4, 2006

Los Alamos National Laboratory said that the classified documents discovered at a trailer park during a drug investigation last month did not include the most highly sensitive nuclear weapons information.

The lab, which designs nuclear weapons, said a "careful and comprehensive analysis" of three electronic memory devices and paper copies of classified documents found in a residential trailer showed that they were mostly low-level secrets that are 20 to 30 years old. It said none of the materials involved the most sensitive weapons information.

The FBI is continuing a criminal investigation into a lab employee who owned the trailer.

DOJ_NMG_0091162

HOMELAND RESPONSE

Did Bank Stop A Fraud Or Terrorist? (PHI)

By Mari A. Schaefer

The Philadelphia Inquirer, November 6, 2006

Upper Darby police don't know what kind of crime they have on their hands.

It could be identity theft.

It could be money laundering.

Or, it could be terrorism.

On Wednesday morning, two men withdrew $8,700 from an account under the name of Shahid Batti at the Commerce Bank on Garrett Road. When they returned later in the day to withdraw an additional $9,700, bank officials became suspicious, denied the transaction and contacted police.

The two men were stopped by Upper Darby officers after leaving the bank. One man produced a passport from Pakistan, a New Jersey license and a Social Security card, all under the name of Batti - and all fraudulent, according to police.

"We have a lot of red flags," Police Superintendent Michael J. Chitwood said yesterday.

He said the man was arrested and charged with theft, receiving stolen property, forgery and other crimes.

The second man, who was acting as a driver, was released and not charged.

During questioning, the man who carried the identification and credit and bank cards identified himself as Raza Hussain from Brooklyn, N.Y. Chitwood said he is no longer cooperating with his officers.

During their investigation, Chitwood said police discovered a "possible" connection between Hussain and a terrorist with the same birthday when they ran the names through the FBI Terrorism Screening Center. He said the FBI and the New York Police Department have been contacted.

"We don't know who he is, where he is and if such a person exists," Chitwood said of Batti. He said the address on the bank account was for Batti Trading in the 6400 block of Market Street, which was a vacant building.

An address for Batti in the 100 block of 54th Street was "locked up tight," Chitwood said.

Bank Customer Stirs Terror Probe (PHDN)

By Simone Weichselbaum

Philadelphia Daily News, November 6, 2006

Something about the chubby middle-aged man didn't sit right with eagle-eyed employees at the Commerce Bank in Drexel Hill on Wednesday.

The customer called himself Shahid Batti and pulled out a New Jersey driver's license, a Social Security card and a Pakistani passport, all printed with his given name.

But bank employees thought the identifications looked fake - and it was the second time in just a few hours that the man wanted to withdraw thousands of dollars from the Batti account.

So the bank called the cops, and officers whisked the man off for questioning.

Last night, Upper Darby police were trying to come to grips with a strange case - one that quickly became twisted with post-9/11 suspicions.

As of yesterday, Upper Darby Superintendent Michael Chitwood said his investigators believe that the man with the Shahid Batti ID cards is Raza Hussain, 44, from Brooklyn.

While local and FBI officials sort out the man's real identity and his motives for living as Shahid Batti, the Commerce Bank customer is sitting in a Delaware County jail cell and has not posted the $100,000 bail, Chitwood said.

Hussain - if that indeed is his real name - is charged with theft, forgery, identity theft and related crimes. Police aren't even sure if Hussain and Batti are different people or the same man.

"There are a lot of red flags here," Chitwood said. "We don't know if we have an identity-theft issue; we don't know if we have a money-laundering issue, or a terrorist connection."

The man known as Shahid Batti owns Batti Trading LLC, which is connected to two addresses, records show. Chitwood said the defunct business was housed in a now-vacant shop on Market Street near Sellers Avenue in Upper Darby.

Batti's New Jersey driver'slicense photo shows a clean-shaven man with a receding hairline. It does not resemble Hussain's mugshot, which features a burly man with a thick black moustache and a full head of hair.

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A woman named Stacey, who declined to give her last name, lives next door to Batti's 54th Street address. She said the moustached man has owned the rowhouse for about six years, was rarely there, and has always been known as Shahid Batti to her.

His home looks like a mosque, with Islamic characters lining the walls, she said.

On Wednesday at about 2:40 p.m. the case broke.

A Commerce Bank employee called police to report a "Pakistani male attempting to withdraw $9,700... from an account under the same of Shahid Batti," court records said.

Earlier that day, "the defendant withdrew $8,700" from the Batti account, records stated.

The man's request of $9,700 was denied because "of the differing photographs on the defendant's photographic IDs," records said.

Also, the Pakistani passport's insert covers "had been glued down with a different cover. The binding and stiching had been disassembled and appeared to have a new insert glued on," according to case records.

The Social Security card "was observed to have the seal of the 'Dept. Health and Human Services,' and not the legitimate seal of the Social Security Administration," records said. And the N.J. license did not appear to have the "normal hologram."

Cops found the man calling himself Batti and his driver, Zafar Mian, in a car and took them back to the police station. Batti told investigators that his real name was Raza Hussain, born Jan. 1, 1962, and that he lived in Brooklyn.

After that admission, Hussain stopped talking with police, Chitwood said. His driver was let go.

Police then alerted the FBI and checked whether Hussain's was on the nationwide terrorism list. Upper Darby police also contacted the New York Police Department's counter-terrorism bureau to learn more about Hussain's Brooklyn address, Chitwood said.

But FBI spokeswoman Jerri Williams said Hussain "is not on the FBI terrorist-watch list, and has no known ties to terrorists. The Philadelphia FBI will continute their investigation to determine his true identity."

Heinz Field Arrests Spur Terror Response (PPG)

By Gary Rotstein And Nate Guidry, Pittsburgh Post-gazette

Pittsburgh Post-Gazette, November 6, 2006

CMU students tried to enter stadium in middle of night; bond set at $1 million

Two Carnegie Mellon University students caught trying to sneak into Heinz Field in the middle of the night -- purportedly to film a music video -- prompted an anti-terrorist response that included pumped-up security at yesterday's Steelers game against the Broncos.

The two young men were being held last night in the Allegheny County Jail on $1 million straight bond each.

Although explosives-sniffing canines found nothing of interest around the football stadium, an affidavit said the dogs registered two separate "positive hits for explosives" in the Lexus sport utility vehicle the men were driving.

What might have fallen under the prank category in pre-9/11 days was treated as anything but that by authorities, who conducted full searches of the students' apartments and heightened security throughout the afternoon around the stadium on the North Shore.

"We take everything seriously, especially in today's light," Pittsburgh Police Chief Nate Harper said at a morning news conference, while the suspects were still being questioned by agents from the Joint Terrorism Task Force.

Arrested outside Heinz Field around 2 a.m. yesterday were Sudeep Paul, 21, of Woodbury, N.Y., and Anand Shankar Durvasula, 20, of Morgan Hill, Calif. Chief Harper said they are U.S.-born. Both were charged with criminal conspiracy, and Mr. Durvasula with criminal trespass. The $1 million straight bond has to be paid in full for release.

Heinz Field security officers spotted the men on a security camera trying to enter the stadium, a Steelers spokesman said. They first opened an exterior door at Gate B without going inside, police said. They then took a folding chair to the fence at Gate 5 on Art Rooney Drive, and Mr. Durvasula allegedly stepped up on the chair to scale the fence.

Heinz Field security officers then approached the pair, and as they tried to walk away, they were apprehended by Pittsburgh police officers who had been summoned. They told police initially they were trying to check out the stadium because they had tickets to yesterday's 4:15 p.m. game against the Denver Broncos, Chief Harper said.

He said they told investigators later that Mr. Paul was trying to complete a music video featuring Mr. Durvasula, and they intended to do the last scene inside Heinz Field. A video camera and tripod were found inside the vehicle, parked nearby, which police towed away.

The affidavit said the vehicle was registered to Paul Swapan Kumar, 41, of Woodbury, N.Y., but it could have meant Kumar Paul, as police initially referred to Sudeep Paul as Paul Sudeep.

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"We don't know exactly what their intentions were," Chief Harper said. But, he said, it was unwise for them to attempt to break into the stadium at about 2 a.m. There was no evidence the men had been drinking, he said.

Kumar Paul, who was unaware of the son's troubles, said he gave his son the Lexus.

"He's such a good kid," said Mr. Paul. "He's a bright student and an honor student."

Last month, a Wisconsin man was charged with making a terrorist threat over the Internet for threatening that radioactive "dirty bombs" would be detonated at seven football stadiums.

The nature of yesterday's incident led to extra precautions surrounding the Steelers-Broncos game, which was played without incident. Chief Harper said the quick response that resulted in the men being detained showed that security arrangements "are very well up to speed," and not something to worry the public.

"We have taken steps to make sure Heinz Field is secure," Chief Harper said. "We have brought in extra canine dogs from Lawrence, Mercer and Beaver counties to conduct a sweep of the facility. ... We have brought in additional officers as well as state police, county police and the FBI."

Steelers spokesman Dave Lockett said fans attending the game were to receive the same kind of pat-downs from security staff as is customary for all games. He said it was the first such incident he was aware of at Heinz Field, and fans should still feel safe in attending.

"The only thing that needs to be said was that the security system worked in getting things done quickly," Mr. Lockett said.

Police described the two men as cooperative throughout, agreeing to a police search of their off-campus residences in Squirrel Hill.

A Carnegie Mellon spokeswoman declined comment on the incident, other than to confirm both men are seniors at the school, with Mr. Paul a business student and Mr. Durvasula in the humanities and social sciences program.

University-related Web sites suggest that both men have been active, involved students. Mr. Paul is listed as activities director of the Undergraduate Finance Association, and Mr. Durvasula as a committee chairman of the Undergraduate Entrepreneurship Association. Both also were involved in Carnegie Mellon's Mock Trial competition, a program in which students take on judicial roles to practice their speaking and analytical skills.

Mr. Paul, on his own Web home page, lists his grade point average as 3.7 out of 4.0. He made the dean's list last spring.

A Former Top Justice Department Lawyer Defends The Post-9/11 Decisions He Helped Make. (WP)

By Geoffrey R. Stone

The Washington Post, November 5, 2006

WAR BY OTHER MEANS

An Insider's Account of the War on Terror

By John Yoo

Atlantic Monthly. 292 pp. $24

You should read this book, though not for the reasons the author intends. John Yoo is a law professor who served in the Office of Legal Counsel of the Department of Justice from 2001 to 2003. In that capacity, he participated -- often quite centrally -- in the key post-9/11 legal decisions that framed the Bush administration's war on terror, including the Patriot Act, the National Security Agency surveillance program and administration positions on torture, military tribunals and the treatment of alleged terrorist detainees at Guantanamo Bay.

In War by Other Means , Yoo delivers on his subtitle. This is indeed "an insider's account of the war on terror." He sets an ambitious goal for himself: "to explain the choices that the Bush administration made after 9/11," choices made "under one of the most dire challenges our nation has ever faced." Yoo is mild-mannered, but he is angry, and his anger pervades this work. He attacks the media, human rights advocates, legal academics, civil libertarians, former attorney general John Ashcroft, the Supreme Court, conservative pundit George F. Will, librarians and even the Bush administration (among others) for cowardice, self-aggrandizement, overreaching, ignorance, dishonesty and cupidity.

At its core, War by Other Means offers spirited, detailed and often enlightening accounts of the decision-making process behind the key 2001-03 legal decisions. Yoo feels compelled to justify them because the Bush administration itself has "often failed to explain clearly to the public the difficult decisions al Qaeda has forced upon us." In some instances, Yoo mounts a persuasive defense of the administration's policies. His account of the Patriot Act, for example, convincingly demonstrates that it was not nearly as draconian as its critics charged and that perhaps "the worst thing about it is its Orwellian name."

Most illuminating about War by Other Means , however, are the arguments that unnerve rather than persuade. Yoo's defense of the administration's decisions about torture, surveillance, detention and due process will send a chill down the spine of anyone committed to the preservation of civil liberties and the separation of powers. Yoo asserts that Bush administration officials acted in good faith, but his reasoning reveals that they frequently acted with bad judgment.

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Did you know, for example, that Congress cannot constitutionally restrict the president's authority as commander-in-chief to spy on the American people -- but that it can constitutionally eliminate such surveillance "by cutting off all funds for it"? Or that the commander-in-chief has the unqualified authority to decide "who to detain and how to detain them"? Or that the federal law prohibiting torture forbids the infliction of pain only if it is "equivalent in intensity to the pain accompanying . . . death, organ failure, or serious impairment of bodily functions"? Or that the Justice Department's withdrawal of that definition after the revelation of detainee abuse at Abu Ghraib changed nothing? Or that the president in any event has the unqualified authority to use torture? Talk about Orwellian.

Yoo's characterization of many policies is little short of bizarre. He maintains, for example, that Abu Ghraib, the Aug. 2002 "torture memo" (which gave CIA interrogators sweeping legal blessings) and the NSA surveillance program are not really objectionable because the people can always vote the president out of office if they disapprove of his decisions -- without noting that the president attempted to keep these matters secret from the American people. He characterizes the Foreign Intelligence Surveillance Act of 1978, which expressly prohibits the president from engaging in foreign intelligence surveillance without a warrant, as offering "the executive branch a deal": If the president obtains a warrant, the surveillance will be deemed reasonable; if he orders surveillance without a warrant, "he takes his chances." I don't think so. The Foreign Intelligence Surveillance Act flatly declared it unlawful for the president to engage in electronic surveillance without satisfying the act's requirements. It no more offered the president a "deal" than our drug laws offer pushers a deal: Don't sell drugs, and you won't go to jail; sell drugs, and you "take your chances."

The fundamental precept that drives Yoo's conclusions is his unyielding belief that in wartime, the president -- as commander-in-chief -- is exclusively in charge. Detention, surveillance and torture must all be within the president's unilateral control. Congress and the Supreme Court must defer to the president's judgment.

This is an extreme, reckless and dangerous view. That it has shaped the policies of our government is nothing short of irresponsible. Even U.S. Court of Appeals Judge Richard A. Posner, no slouch when it comes to advocating the aggressive use of government power to combat terrorism, has charged that Yoo's "extravagant interpretation of presidential authority . . . confuses commanding the armed forces with exercising dictatorial control" of the sort exercised by "a Hitler or a Stalin."

In his own way, Yoo has done Americans a great service. Not only has he offered useful insights into the reasoning of the Bush administration, but he has exposed that reasoning to the harsh light of day. His conception of our Constitution -- and that of the Bush administration -- must be resoundingly repudiated by Congress, the courts and the American people. Â·

Geoffrey R. Stone is a professor of law at the University of Chicago and the author of "Perilous Times: Free Speech in Wartime," now out in paperback.

WAR NEWS

Soldiers In Iraq Say Pullout Would Have Devastating Results (WP)

By Josh White

The Washington Post, November 6, 2006

FORWARD OPERATING BASE SYKES, Iraq, Nov. 5 -- For the U.S. troops fighting in Iraq, the war is alternately violent and hopeful, sometimes very hot and sometimes very cold. It is dusty and muddy, calm and chaotic, deafeningly loud and eerily quiet.

The one thing the war is not, however, is finished, dozens of soldiers across the country said in interviews. And leaving Iraq now would have devastating consequences, they said.

With a potentially historic U.S. midterm election on Tuesday and the war in Iraq a major issue at the polls, many soldiers said the United States should not abandon its effort here. Such a move, enlisted soldiers and officers said, would set Iraq on a path to civil war, give new life to the insurgency and create the possibility of a failed state after nearly four years of fighting to implant democracy.

"Take us out of that vacuum -- and it's on the edge now -- and boom, it would become a free-for-all," said Lt. Col. Mark Suich, who commands the 1st Squadron, 89th Cavalry Regiment just south of Baghdad. "It would be a raw contention for power. That would be the bloodiest piece of this war."

The soldiers declined to discuss the political jousting back home, but they expressed support for the Bush administration's approach to the war, which they described as sticking with a tumultuous situation to give Iraq a chance to stand on its own.

Leading Democrats have argued for a timeline to bring U.S. troops home, because obvious progress has been elusive, especially in Baghdad, and even some Republican lawmakers have recently called for a change in strategy. But soldiers criticized the idea of a precipitate withdrawal, largely because they believe their hard work would go for naught.

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Capt. Jim Modlin, 26, of Oceanport, N.J., said he thought the situation in Iraq had improved between his deployment in 2003 and his return this year as a liaison officer to Iraqi security forces with the 3rd Squadron, 4th Cavalry Regiment, based here on FOB Sykes outside Tall Afar. Modlin described himself as more liberal than conservative and said he had already cast his absentee ballot in Texas. He said he believed that U.S. elected officials would lead the military in the right direction, regardless of what happens Tuesday.

"Pulling out now would be as bad or worse than going forward with no changes," Modlin said. "Sectarian violence would be rampant, democracy would cease to exist, and the rule of law would be decimated. It's not 'stay the course,' and it's not 'cut and run' or other political catchphrases. There are people's lives here. There are so many different dynamics that go on here that a simple solution just isn't possible."

Soldiers and officers had difficulty conveying what victory in Iraq would look like or exactly how to achieve it. In some ways, victory is a moving target, they said, one that relies heavily on the Iraqi people gaining trust in the Iraqi security forces and the ability of the Iraqi government to support essential services. In northern Iraq, officials said they expect to hand over major parts of the country to Iraqi forces within the next five months, but most agree that Baghdad will be far behind.

Even if top commanders meet their goal of transferring authority to the Iraqi army within the next 18 months, a U.S. presence long after that is likely, several officers said.

"This is a worthwhile endeavor," said Maj. Gen. Benjamin Mixon, commander of Multinational Division North and the 25th Infantry Division. "Nothing that is worthwhile is usually easy, and we need to give this more time for it to all come together. We all want to come home, but we have a significant investment here, and we need to give the Iraqi army and the Iraqi people a chance to succeed."

Numerous soldiers expressed frustration with the nature of the fight, which many said amounted to driving around and waiting for the enemy to engage them, often with roadside bombs, known within the military as improvised explosive devices, or IEDs.

"It's frustrating, because it's hard to get into the fight," said Staff Sgt. Robert Wyper, 26, of Riverside, Calif., a squad leader with Bravo Company, 2nd Battalion, 3rd Infantry Regiment. Wyper rides around the Mosul area in a Stryker armored vehicle. He has fired a total of four rounds from his weapon since he arrived in August, while several other soldiers said they had never pulled their trigger during their deployments. "The combat we have is on the enemy's terms," Wyper said. "You can shoot at the enemy, but how do you shoot at an IED?"

First Sgt. David Schumacher, 37, of Watertown, N.Y., is on his eighth deployment to a foreign battlefield since a tour in Somalia, and his third tour in Iraq.

"The insurgents are more strategic this time, they're smarter," he said. "We're trying to anticipate their next move, and they're trying to anticipate ours. There's still a lot to do."

In Rushdi Mullah, a small farming village near Baghdad, Capt. Chris Vitale, 29, of Washington, Pa., said his unit's recent moves to the edge of this insurgent safe haven have made a major difference for residents. "If my unit left town, the insurgents would come back in and use it to stage attacks on Baghdad," he said. "I'm sure of it."

In the north, where Iraqi army and police units have made strides toward controlling their own territory, U.S. soldiers said they were at a critical point in helping the Iraqi forces develop.

Capt. Mike Lingenfelter, 32, of Panhandle, Tex., said that U.S. troops have earned the trust of residents in Tall Afar over the past couple of years and that leaving now would send the wrong message. His Comanche Troop of the 3rd Squadron, 4th Cavalry Regiment is working with Iraqi forces to give them control of the city.

"We'll pull their feet out from under them if we leave," Lingenfelter said.

"It's still fragile enough now that if the coalition were to leave, it would embolden the insurgents. A lot of people have put their trust and faith in us to see it to the end. It would be an extreme betrayal for us to leave."

Sgt. Jonathan Kirkendall, 23, of Falls City, Neb., said he fears that many Americans think that building the country to viability will be "quick and easy," when he believes it could take many years. Kirkendall, of the 2nd Brigade, 10th Mountain Division in Baghdad, is on his third deployment to Iraq and celebrated his 21st and 23rd birthdays here.

"If they say leave in six months, we'll leave in six months. If they say six years, it's six years," said Kirkendall, who is awaiting the birth of his first daughter, due next week.

"I'm just an average soldier, and I'll do what they tell me to do. I'm proud to be a part of it, either way it goes, but I'd like to see it through."

And Now, Back To The War (WP)

By Sebastian Mallaby

The Washington Post, November 6, 2006

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The news has been dominated by elections and Iraq. After tomorrow, there will be only Iraq. The nation will face an agonizing choice between soldiering on, scaling back or pulling out. It should begin by considering the leading authorities on civil wars -- Oxford's Paul Collier, Stanford's James Fearon and Barbara Walter of the University of California at San Diego -- even if their thoughts are dispiriting.

The academics' first point is that civil wars last longer than interstate wars. The average civil war since 1945 has lasted 10 years, and the median (or typical) one has lasted seven years. If we date the start of Iraq's civil war in 2004 or 2005, we probably have at least another five years of fighting.

If you believe that the United States can stick it out that long, you must consider what it would achieve by doing so. In three out of four cases since 1945, civil wars have ended when one side has crushed the other. If the United States were prepared to use its troops to force the victory of Shiites or Sunnis, perhaps it could hasten the war's end. But neither side makes for a palatable ally.

The United States could stay in Iraq in the hope that it may be one of the unusual civil wars that ends with a political compromise. This is possible, but the academics do not believe it to be likely. In his analysis of 50-plus civil wars, Collier finds that sectarian conflicts such as Iraq's are harder to end than ideological conflicts such as El Salvador's. Meanwhile Fearon emphasizes that wars in which each side is splintered are less susceptible to negotiated conclusions, because you can't trust the other side to stick to a deal if the other side consists of multiple uncoordinated death squads. Both Sunnis and Shiites in Iraq are divided among competing militias.

Moreover, wars that end in negotiation tend to do so only after the combatants have fought to a standstill. Iraq seems a long way from that: Leaders on both sides appear to believe that, once the Americans are out of the way, they can get what they want by fighting. It may be that neither side will give up this belief until it has been tested. This leads Fearon to the view that U.S. withdrawal is a precondition for the military test that in turn is a precondition for peace.

If Fearon is right, remaining in Iraq actually prolongs the carnage. But even if he is wrong, it's not clear that remaining in Iraq is justified. In the past three months, 241 U.S. troops have died; another five years implies the death of 4,820 Americans, more than were killed in the terrorist attacks of 2001. Meanwhile the U.S. involvement in Iraq distracts from other pressing foreign policy problems. The price of staying in Iraq is high, while the gains are uncertain.

But it is also true that leaving Iraq could prove extremely costly. Fearon expects that withdrawal is likely to accelerate the conflict, unleashing an even more intense campaign of ethnic cleansing of civilians. So if the United States did decide to leave Iraq, it should signal its intentions clearly and give civilians time to sort themselves into ethnically homogenous groups, protected by their respective militias. Leaving Iraq could also embolden U.S. enemies, though the spectacle of the United States bogged down in Iraq might arguably embolden them more. Withdrawal might also allow Iran to establish control over its neighbor, though Iran might find Iraq almost as difficult to control as the United States has.

But the strongest argument against withdrawal is that it might not be permanent. As civil wars progress, they undergo a change: In the first stage people fight because they believe they can win, but in the second stage they fight because there is no mechanism to make a peace deal credible. In a conventional interstate war, each side can retreat to the safety of its own territory and keep its army as a guarantee. But in a civil war combatants are expected to surrender their weapons, even though these are the only things that stop the other guys from massacring civilians. This prisoner's dilemma explains why civil wars tend to be prolonged. It also explains why, when they do approach their end, outsiders are often necessary to put a final stop to them.

So when Iraq's combatants fight themselves to stalemate, some coalition of external powers may have to enforce a peace, and the United States would probably be part of such an effort. Whether it's worth staying in Iraq in the meantime -- and if so, with what level of troop strength -- is going to be the unavoidable debate of the post-election season.

The Case For Dividing Iraq (TIME)

By Peter W. Galbraith

Time, November 6, 2006

Iraq is broken.

Iraq's national-unity government is not united and does not govern. Iraqi security forces, the centerpiece of the U.S.'s efforts for stability, are ineffective or, even worse, combatants in the country's escalating civil war. President George W. Bush says the U.S.'s goal is a unified and democratic Iraq, but we have no way to get there. As Americans search for answers, there is one obvious alternative: split Iraq into separate Kurdish, Sunni and Shi'ite states.

The case for the partition of Iraq is straightforward: It has already happened. The Kurds, a non-Arab people who live in the country's north, enjoy the independence they long dreamed about. The Iraqi flag does not fly in Kurdistan, which has a democratically elected government and its own army. In southern Iraq, Shi'ite religious parties have carved out theocratic fiefdoms, using militias that now number in the tens of thousands to enforce an Iranian-style Islamic rule. To the west, Iraq's

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Sunni provinces have become chaotic no-go zones, with Islamic insurgents controlling Anbar province while Baathists and Islamic radicals operate barely below the surface in Salahaddin and Nineveh. And Baghdad, the heart of Iraq, is now partitioned between the Shi'ite east and the Sunni west. The Mahdi Army, the most radical of the Shi'ite militias, controls almost all the Shi'ite neighborhoods, and al-Qaeda has a large role in Sunni areas. Once a melting pot, Baghdad has become the front line of Iraq's Sunni-Shi'ite war, which is claiming at least 100 lives every day.

Most Iraqis do not want civil war. But they have rejected the idea of a unified Iraq. In the December 2005 national elections, Shi'ites voted overwhelmingly for Shi'ite religious parties, Sunni Arabs for Sunni religious or nationalist parties, and the Kurds for Kurdish nationalist parties. Fewer than 10% of Iraq's Arabs crossed sectarian lines. The Kurds voted 98.7% for independence in a nonbinding referendum.

Iraq's new constitution, approved by 80% of Iraq's voters, is a road map to partition. The constitution allows Iraq's three main groups to establish powerful regions, each with its own government, substantial control over the oil resources in its territory and even its own regional army. Regional law supersedes federal law on almost all matters. The central government is so powerless that, under the constitution, it cannot even impose a tax.

American leaders seem to be in denial about these facts. President Bush continually asserts that the Iraqi people have voted for unity, while Condoleezza Rice once told me how impressed she was by the commitment of the Iraqi Kurds to building a new Iraq. James A. Baker III, co-chairman of a congressionally mandated commission tasked with formulating new policy options, has ruled out the idea of dividing Iraq. The most prominent American politician to endorse anything resembling partition is Senator Joseph Biden, who, along with former Council on Foreign Relations president Leslie Gelb, proposes dividing Iraq into three regions while maintaining a "central government in charge of common interests."

U.S. officials are now asking that Iraqis agree to a program of national reconciliation, changes in the constitution to protect Sunni interests, and an oil law that would share revenues equitably. It's instructive that this initiative aimed at unifying Iraq comes from Americans and not the country's elected leaders. A U.S. effort to put Iraq back together would involve endless micromanagement of Iraqi affairs and an open-ended presence of large numbers of U.S. troops. Breaking up Iraq, on the other hand, could provide an exit strategy for U.S. troops, mitigate the worst effects of civil war and give all Iraqis a greater stake in shaping their future. Few Americans imagined that 3 1/2 years after "liberating" Iraq, the U.S. would be presiding over the country's demise. But in a war in which there have never been good options, partition is the best we have left.

Iraq has never been a voluntary union of its peoples. Winston Churchill, as Britain's Colonial Secretary, created Iraq from the wreckage of the Ottoman Empire in 1921, installing a Sunni Arab King to rule over the Shi'ite majority and a rebellious Kurdish minority. Churchill later described Iraq's forced unity as one of his biggest mistakes. In 2003 the U.S. not only unseated the last and most brutal of Iraq's tyrants but also destroyed the institutions--notably the army and the Baath Party--that held Iraq together. The sectarian slaughter that followed the Feb. 22 bombing of the Shi'ite Golden Mosque in Samarra accelerated Iraq's disintegration.

Nonetheless, the U.S. continues to cling to the illusion of Iraqi unity. President Bush's hopes for success in Iraq depend on two pillars: Prime Minister Nouri al-Maliki's national-unity government and the establishment of security forces that are trusted and respected by all Iraqis. But both are shams. Al-Maliki leads a religious Shi'ite coalition that includes parties that operate the death squads that kill scores of Sunnis each day. While he says illegal militias should be disbanded, he has vigorously resisted every U.S. operation against them. The Sunnis in Iraq's government are, if anything, even more extreme. Mahmoud al-Mashhadani, the Speaker of the Council of Representatives and Iraq's highest-ranking Sunni, has been closely associated with Ansar al-Islam, an al-Qaeda-linked terrorist group that has targeted Shi'ites and secular Iraqis. He has blamed Iraq's problems on the Jews and has said statues should be erected to those who kill American troops. President Bush has lavishly praised both al-Mashhadani and al-Maliki, but flattery has not produced statesmanship. The real problem is that they reflect the views of their respective communities, which voted overwhelmingly for them.

Meanwhile, U.S. officials speak of Iraq's army and police as if they were neutral guarantors of public safety. Iraqis see them for what they are: Shi'ites or Sunnis who are active combatants in Iraq's civil war. Shi'ite police units have kidnapped, tortured and executed thousands of Sunnis since the Samarra bombing. Sunni policemen are often insurgents or sympathizers. The army, while marginally better than the police, is divided along sectarian lines and is largely ineffective. Whole battalions do not show up for combat duties they don't like. It is not possible to build a national army or police force when there is no nation to begin with.

So what can be done? The most realistic option is for the U.S. to abandon the idea of creating a new, united Iraq and instead allow the country to break apart, enabling each of the country's three groups to choose its own government and provide for its own security. It is possible that Sunni and Shi'ite regions would remain together in a loose confederation, but Kurdistan's full independence is almost certainly a matter of time.

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Partition is an Iraqi solution. The U.S. could help make it go more smoothly, but it mostly needs to get out of the way. The Kurds already have their region. Last month Iraq's parliament approved a law to allow the Shi'ites to merge Iraq's nine southern provinces into a single state. The one group that resists dividing Iraq is the Sunnis, some out of nostalgia for the days when they ran the country and others because they reject all that has happened since Saddam's overthrow. But with the Kurds and Shi'ites having their regions, partition becomes an accomplished fact. It is hard to see any alternative for the Sunnis except to do the same.

In fact, the Sunnis may have the most to gain from partition. The Sunni insurgency feeds on popular hostility not just to the Americans but to a Shi'ite-dominated Iraqi government. Most Sunnis don't support al-Qaeda and its imitators, but they often prefer them to Iraqi security forces, which are seen as complicit in the killings of Sunnis. If the Sunnis were to establish their own region, they could have an army and provide for their own security. Since Iraq's known oil fields are in the Shi'ite south and the Kurdish north, the Sunnis do have reason to fear being stuck in the middle with no resources of their own. So, for partition to work, the Kurds and Shi'ites would have to guarantee the Sunnis a proportionate share of Iraq's oil revenues for a period of time, as they have already agreed to do. Over the long term, exploration for oil in the largely unexplored Sunni areas provides the region its best prospect for revenues.

We should have no illusions: partitioning Iraq would not be easy. Some groups would resist bloodily. But the adverse consequences of partition have already occurred. There's no reason to believe that formalizing Iraq's breakup would make anything worse--in fact, it might even help contain the violence. It's useful to outline the three main arguments raised against partition and explain why none are as convincing as their proponents portray them to be:

The sectarian bloodbath will get worse. Iraq's Sunni-Shi'ite civil war has already claimed tens of thousands of lives and forced Sunnis and Shi'ites to abandon coexistence. This is tragic and certainly not what most Iraqi Shi'ites or Sunnis want. But once under way, civil wars tend to empower the most extreme elements. Civil wars do not end because the parties get tired of fighting. Rather, they end because of outside intervention or, more often, because one side wins. Partition will not stop the sectarian cleansing in mixed areas, but by giving Shi'ites and Sunnis their own regions, it can avoid an outcome in which Iraq's more numerous Shi'ites completely crush the Sunnis.

Iran will dominate the Shi'ite south. Iran's Iraqi allies already dominate Shi'ite southern Iraq. If the U.S. were serious about countering Iran's influence, U.S. troops would have to forcefully disarm the Shi'ite militias and dismantle the southern theocracies. But this would mean taking on a whole new enemy in Iraq and also require committing more troops. The Bush Administration has no intention of doing either. Right now, Iran's allies control both the central government in Baghdad and the south. Partition would limit Iran's influence to the southern half of Iraq.

A divided Iraq will be destabilizing to Iraq's neighbors. Iraq's Sunni Arab neighbors all fear the destabilizing consequences of partition. But they fear an Iran-dominated Iraq even more. Turkey, Iraq's other powerful neighbor, has a population that includes at least 14 million Turkish Kurds. The Turkish nightmare has been the emergence of an independent Kurdistan in Iraq. But now that it is actually happening, Turkey has responded pragmatically: it is by far the largest source of investment in Iraqi Kurdistan and has cultivated close relations with its leaders. As Turkey's more sophisticated strategic thinkers understand, Turkey and an independent Kurdistan have a lot in common. Both are secular, pro-Western, democratic and non-Arab. Not only will Kurdistan depend on Turkey economically, but it can serve as a useful buffer to an Iran-dominated Islamic Iraq.

For many Americans, the biggest appeal of partition is that it makes possible a relatively rapid U.S. exit from much of Iraq. If U.S. goals no longer include preserving national unity or establishing Western-style democracy, there is no need for U.S. troops in the Shi'ite south or Baghdad. We would leave behind a civil war and an Iran-dominated south, but that outcome would be no different if we were to stay with the current force levels and mission. One overriding interest in Iraq, however, is still achievable: that Iraq's Sunni areas not become a base from which al-Qaeda and its allies might attack the West. With the security that comes from having their own region, the Sunnis might deal more effectively with the terrorist threat, since continuing violence would prevent economic progress in the Sunni areas. While local leaders are now unwilling to fight the most radical elements of the insurgency when the beneficiary is Iraq's Shi'ites, they may be more willing to do so when it benefits them.

The U.S. will still need an insurance policy against the threat of al-Qaeda in western Iraq. This could be accomplished by deploying a small force to Kurdistan, from which the U.S. could readily move back into the adjacent Sunni areas if necessary to disrupt al-Qaeda operations. This force would discharge a moral debt to the Kurds who fought on our side and could help consolidate democracy in the one part of Iraq that turned out as we hoped.

American administrations are instinctively committed to existing lines on the map. But not all breakups are a disaster. Although President Bush's father tried to hold the Soviet Union together, few mourned its ultimate demise. Trying to put back together Iraq, a state that has brought nonstop misery to most of its people for its entire 80-year history and is not desired by a substantial part of its citizens, will only bring about more pain and blood for Americans and Iraqis. If the country's people are to

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be saved, the only choice is to end Iraq. [This article contains maps and diagrams. Please see hardcopy of magazine.] THE GREAT DIVIDE

Iraq is checkered by different religions and ethnicities, its history marked by forced relocations and bloody conflict. The current Sunni-Shi'ite war has once again changed the demographic map of Iraq, leading some to call for the country to be split into three states. But carving up Iraq could displace millions, provoke struggles for the control of territory and make the bloodshed even worse. Shi'ite Arabs 60% Sunni Arabs 20% Kurds 17% Others 3%

Area by ethnic and religious groups

Kurd Sh'ite Arab Sunni Arab Shi'ite/Sunni-Arab mix Sunni Arab/Kurd mix Sunni Turkoman Christian Mixed area Sparsely populated Population density

0 10 1,000 100,000 Per sq. mi. (2.6 sq km) 5 miles 5 km BAGHDAD AIRPORT RASHEED AIR BASE SADR CITY ADHAMIYA WASHASH MANSUR Green Zone Tigris River IRAQ Turkey â€¢ Neighboring Turkey worries that an Iraqi Kurdistan would incite its Kurdish population and that access to the area's oil would be lost. Along with Iran and Syria, Turkey might be tempted to exploit internal Kurdish divisions Baghdad With Sunni and Shi'ite living cheek by jowl, partition could lead to widespread sectarian cleansing and more violence for its 6 million residents

Kurdistan â€¢ The Kurdish-dominated north already enjoys wide autonomy and relative peace, but Kurds want oil-rich Kirkuk to be part of an independent Kurdistan--something the country's Arabs fiercely oppose

Central Iraq â€¢ Iraq's Sunni Arabs have resisted partition. With no significant oil fields and thus no real oil revenues, Sunnis might try to fight for oil-rich areas like Baghdad, Kirkuk and Mosul

Southern Iraq â€¢ The Shi'ite-dominated south would probably form a government based on Islamic law and modeled on Iran's. It has the lion's share of the country's oil resources Oil Supergiant oil field (5 billion bbl. in reserve) Other oil field Pipeline

60 miles 60 km

DAHUK NINEVEH ARBIL SULAYMANIYAH TA'MIM NAJAF WASIT DIYALA MUTHANNA SALAHADDIN ANBAR QADISYAH KARBALA BABIL MAYSAN DHIQAR BASRA Kirkuk Mosul Arbil Nasiriyah Baqubah Najaf Sulaymaniyah Karbala Hillah Samarra Diwaniyah Fallujah Ramadi Tikrit Tall 'Afar Kut Samawah Faisaliya Basra Amarah

Tigris River Euphrates River

SAUDI ARABIA IRAN SYRIA TURKEY JORDAN KUWAIT

BEFORE IT WAS IRAQ

â€¢ Under Ottoman rule Until WW I, Iraq was a region divided into three provinces (vilayets), with Shi'ite Basra in the south, Baghdad in the center and a largely Kurdish Mosul in the north OTTOMAN EMPIRE Persia Syrian Desert Vilayet of Mosul Vilayet of Baghdad Vilayet of Basra British controlled

â€¢ Under British rule In the postwar division of Ottoman territory, the provinces came under British control, forming the borders for Iraq. It was granted independence in 1932

Persia Turkey Protectorate of Kuwait British mandate of Iraq French mandate of Syria

OIL RICHES Total known oil reserves by province Oil reserves in millions of bbl. 65,810 10,000 1,000 100

Sources: Brookings Institution Iraq Index; GlobalSecurity.org HealingIraq.blogspot.com Iraq Revenue Watch; NASA; DigitalGlobe; LandScan/UT-Battelle TIME Map by Kathleen Adams and Joe Lertola

Peter W. Galbraith, a former U.S. ambassador to Croatia who has advised the Kurds on constitutional issues, is the author of The End of Iraq: How American Incompetence Created a War Without End

Looking For Light In Iraq (USNEWS)

By Linda Robinson

U.S. News and World Report, November 6, 2006

Samir Sumaidaie, Iraq's ambassador to the United States, is under no illusions about the difficulty of achieving peace in his country. His deputy chief of mission has lost three nephews to the violence engulfing the country-two of them killed by Shiite militia members when they went to a Baghdad hospital to retrieve wounded neighbors, the third by Sunni insurgents while visiting a cemetery to mourn one of the dead. "Extremists have a way of finding reasons to continue fighting," says the gray-haired engineer, who was ambassador to the United Nations before coming to Washington last April. But he has not lost hope.

Obscured by the reports of spiraling violence and the latest contretemps between Prime Minister Nouri al-Maliki and U.S. officials is the surprising fact that the Iraqi government itself has laid out a timeline for dealing with the most contentious issues tearing the country apart. Achieving a timeline is not the same thing as reaching substantive agreement on solutions, but it may provide the kickstart for a last-ditch attempt to avoid fullblown civil war-and if deadlines matter, it is a measuring stick of the Iraqis' own making.

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"Outlaws." Two months ago, the Political Council for National Security-which includes the prime minister, the president and vice presidents, the head of parliament, and their deputies-agreed on 15 items to be accomplished between September 2006 and March 2007, ending with a referendum on constitutional amendments. The timetable has already slipped by a month, but they have made progress on two key items: The parliament passed a foreign investment law last month and is debating legislation on how the oil industry will be run and profits divided among the Shiite, Sunni, and Kurdish populations. Sumaidaie expects the measure to pass this month. The next item is revising the de-Baathification process that drove many former regime bureaucrats and soldiers into the insurgency rather than offering them incentives to support the new government.

By all accounts, the toughest items on the agenda are those slated for December, when a law offering amnesty to Sunni and Baathist insurgents and demobilizing militias is supposed to be passed. A U.S. defense intelligence official with long experience in Iraq seriously doubts whether Iraq's Shiite-majority government will offer a genuine olive branch to Sunni insurgents, whom it deeply mistrusts, or defang the Shiite militias that, to many senior Iraqi officials, are the clearest means for ensuring Shiite dominance over Iraq. He points to the fate of Iraq's 8th Division general who dared to confront the powerful Shiite militia of radical cleric Moqtada al-Sadr in the city of Diwaniya: A Sadr official was appointed to investigate him. And, the U.S. official warns, "Without really reaching out to the former regime members who are in Damascus supplying guidance to the insurgency groups and having a real amnesty ... this is not going anywhere."

Maliki, says Sumaidaie, wants to pursue a "holistic" approach against the militias, which are made up of criminals, political figures, and unemployed youths, a strategy "based on peeling all these layers off one at a time." He cites Sadr's recent public denunciation of specific "outlaw" militia leaders as "an important step toward breaking the problem up into manageable chunks." Ultimately, Sumaidaie says, "the question must be put to Moqtada [al-]Sadr, 'What kind of Iraq do you want ... a divided country ruled by warlords [or] a thriving country?'"

Whose Idea Was This? (TIME)

By Adam Zagaorin

Time, November 6, 2006

In a war effort marred by poor planning and misjudgments of the local scene, this move just about took the cake. Someone in the U.S. military thought it was a good idea to send Sergeant Santos Cardona, a dog handler convicted of abusing detainees at the Abu Ghraib prison in Baghdad, back to serve again in Iraq. What's more, his unit's job was to help train Iraqi police, a curious assignment for a military policeman caught in photographs distributed worldwide doing just the sort of thing peace officers should never do.

Cardona knew it was a terrible idea. Shortly before he left Fort Bragg, N.C., for the Middle East, he told a close friend and family members that he was returning against his wishes but felt dutybound to accept the deployment. The friend said Cardona described trying to attach another soldier's name tags to his uniform in hopes of concealing his identity from Iraqis but was told by a superior to desist. According to this friend, Cardona said he had told at least one of his superiors that he feared for his safety in Iraq. Cardona's name can be referenced almost instantly on the Internet, and his photo appears in at least one al-Qaeda propaganda video.

Still, it was not until TIME.com reported last week that Cardona was on his way to Iraq that the military reconsidered his posting. The morning after the story broke, the Pentagon said in a statement that Cardona's movement into Iraq from a staging area in Kuwait had been "stopped." Hours later, it said he would return to Fort Bragg immediately.

By reversing course, the Army stanched the p.r. damage, but some harm had already been done. On hearing the news that Cardona was in Kuwait awaiting transfer to Iraq, Maryam al-Rais, a member of the Iraqi parliament, lamented, "This is just the latest in a long list of insults to Iraqi dignity by the Americans." A Western official in Baghdad said he had received several angry calls from Iraqi political figures expressing "cold fury" at what they interpreted as American arrogance and insensitivity. The timing of Cardona's return could not have been worse. Anti-American sentiment is at an all-time high; opinion polls show that most Iraqis, regardless of sect or ethnicity, want the U.S. forces out. The Abu Ghraib scandal still resonates strongly among Iraqis. Those who resent the U.S. presence never tire of using it as a flogging horse. Even today, statements and videos issued by insurgent groups and jihadi organizations routinely cite Abu Ghraib as proof of the U.S.'s malign intentions in Iraq. Even America's allies in Iraq often bring up the scandal as proof of how little the U.S. understands the country. Many Iraqis will admit that their own security forces treat prisoners at least as badly, but they point out that their government doesn't lecture the world about human rights. The punishment meted out to Americans found guilty of atrocities at Abu Ghraib, Iraqis complain, was too lenient.

Cardona, who served as a dog handler at Abu Ghraib in 2003 and '04, was convicted this past May of dereliction of duty and aggravated assault, the equivalent of a felony in the U.S. civilian justice system. The prosecution demanded prison time, but a military judge instead imposed a fine and reduction in rank. Though Cardona was not put behind bars, he was required to

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serve 90 days of hard labor at Fort Bragg. He has since regained his rank of sergeant. Speaking to TIME while Cardona was in Kuwait, Army public affairs specialist Major James Crabtree, who is assigned to the 18th Airborne Corps at Fort Bragg, which has responsibility for Cardona's unit, said his company "happens to be deployed to Iraq, so he went with them." Crabtree quoted the Army commander overseeing the transfer as saying, "There were no issues associated with [Cardona's new] deployment." Assigning Cardona to Iraq again, commented retired General Barry McCaffrey, who commanded a division in the first Gulf War, "represents appallingly bad judgment."

According to a close friend with whom Cardona spoke just before his departure, the soldier was worried that not only he but also comrades serving with him could become targets for insurgents. The Iraqi police, whom the company was assigned to train, have been the target of frequent assassination attempts and, according to U.S. intelligence, are heavily infiltrated by insurgents. The Pentagon's last statement about the sergeant's return to Fort Bragg said he would be assigned duties that would allow him "to be a productive member" of the Army. With reporting by Aparisim Ghosh/Baghdad

Iraq: A New Enemy Emerges—'The Shiite Zarqawi' (NSWK)

Newsweek, November 6, 2006

Nov. 13, 2006 issue - Ever since the radical Mahdi Army leader Moqtada al-Sadr joined the Iraqi government, his power on the streets has been slipping. Now U.S. and Iraqi officials worry that even more violent men might be taking up his mantle. One name has come up again and again: Abu Deraa, sometimes called "the Shiite Zarqawi." Abu Deraa and the death squad he runs have been waging a campaign of Shia terror across the city. He is suspected of torturing and killing scores of Sunnis in a bloody wave of ethnic cleansing in neighborhoods across Baghdad. U.S. officials believe Abu Deraa is responsible for the capture of a U.S. Army translator who disappeared two weeks ago while leaving the fortified Green Zone and remains missing. Abu Deraa "is a brutal, loathsome character," says a senior U.S. official who asked not to be identified by name because of the sensitive nature of the topic. "He is definitely a guy we'd like to see not around anymore."

Iraq's Prime Minister Nuri al-Maliki hasn't made the job of hunting him any easier. Last week U.S. forces launched a massive raid in Sadr City, targeting Abu Deraa. The attack reportedly killed two of his sons, but he escaped. Concerned about the political implications, Maliki ordered U.S. troops to end the assault and then dismantle the checkpoints they had set up to net Abu Deraa if he tried to slip away. Maliki insists he would like to see Abu Deraa and other insurgents like him brought to justice—but he wants the United States to let him handle it his own way, by relying on Moqtada al-Sadr to clear out the death squads. "What the prime minister is doing—if it works it would be quite good," U.S. Ambassador Zalmay Khalilzad tells NEWSWEEK.

But it's a gamble. The son of a fishmonger from one of the poorest slums of Sadr City, Abu Deraa (real name: Ismael Hafidh) has capitalized on Iraq's sectarian hatreds and won support among some Shiites as a defender of the faith. "What Abu Deraa does is just a reaction for what is being done by the mobs that kill innocents," says Abu Ali, 46, a Shiite policeman who has met and worked with Abu Deraa. For now, U.S. officials are reluctantly going along with Maliki's plan to let Sadr deal with Abu Deraa. Privately, however, the officials fear that Maliki can't really rely on militia groups like the Mahdi Army, which has ties to the most brutal death squads, like the one Abu Deraa runs. "[Al-Sadr] has been a violent militia leader for more than three years," says the U.S. official. "It's going to take more than statements to convince me that he's not still got one foot in the violence." Or that he could stop the bloodshed, even if he wanted to.

Two Texans In Trouble (USNEWS)

By Kenneth T. Walsh

U.S. News and World Report, November 6, 2006

At the White House, they call it the "V" word. Vietnam. It is the historical parallel that the Bush administration dreads most, because of fears that comparisons with the bitter, bloody Southeast Asian conflict will cast even more doubt on the conduct of the war in Iraq today. "Entirely different situations," White House Press Secretary Tony Snow told U.S. News.

But the idea that Iraq increasingly resembles Vietnam in some important ways appears to be gaining credibility among historians, pundits, and, most important, the public. While 50 percent of Americans think the United States will avoid another Vietnam-which was far more costly in terms of human life and military spending-40 percent think the United States is "heading for the same kind of involvement in Iraq as it had in the Vietnam War," according to a Washington Post/ABC News poll taken in mid-October. President Bush fueled the debate last month when he agreed that the current spike in Iraqi violence reminded him of the Tet offensive in 1968. That's when attacks across Vietnam seemed to under-mine President Lyndon Johnson's claims that there was light at the end of the tunnel. Bush conceded that, in a similar manner, Iraqi insurgents may be trying to break America's will today.

The comparisons will only intensify as Bush prepares to visit Vietnam for a high-profile economics conference next week and as frustrations with the course of the war in Iraq grow. "People see Iraq as an echo of the experience of Vietnam," says

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historian Robert Dallek, biographer of President Johnson, who escalated the Vietnam War in the mid- and late 1960s. "We got trapped there in a quagmire. And today, there is a sense once again that, like Vietnam, we are caught in a trap of our own making, and there is no way out."

Such assessments are vigorously challenged by President Bush and his senior aides. The war in Iraq, they say, is being won, contrary to media reports, and the administration has an effective strategy to eventually turn security over to the democratically elected Iraqi government. White House counselor Dan Bartlett conceded that Americans are frustrated, but he said that's mostly because "they want to know we can win." And Bush is confident of victory, Bartlett told U.S. News.

But those arguments are being aggressively challenged by the critics, some of whom cite eerie parallels with Vietnam. Johnson and, later, President Richard Nixon said they would turn over security to the South Vietnamese, and the plan failed.

It is also true that in each case, America's commander in chief immersed the nation in a faraway conflict for reasons that turned out to be misleading or just plain wrong. In each case, the cost in lives and treasure-and the strength and tenacity of the opposition-exceeded the government's initial estimates. In each case, as opposition mounted at home and abroad, the exit strategy seemed unclear. And in each case, a president who initially sought to focus on domestic issues found his other priorities shunted aside.

Stuck In The '60s (USNEWS)

By Michael Barone

U.S. News and World Report, November 6, 2006

"You know, education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq." Those two sentences, spoken by John Kerry last week, tell a lot about the mind-set of many-not all, but many-Democrats who supported him for president in 2004 and who, as this is written, are looking forward to Democratic victories this week. One thing they tell us is that Kerry's mind-set is still back in the Vietnam era. Today the statement is literally untrue: No one is "stuck in Iraq" unless he or she volunteers, and the educational and economic levels of our military personnel are higher than those of civilians in the same age cohort. Kerry was evidently thinking back to the late 1960s, when there was a military draft and a college dropout could find himself drafted and "stuck" in Vietnam.

Kerry's explanation for his bizarre refusal to apologize for two days and then his grudging off-camera apology was that he was trying to make a joke about the stupidity of George W. Bush (even though Kerry's grades at Yale were slightly lower than Bush's). But his words were not wholly out of line with previous statements by him and other Democrats characterizing American troops as perpetrators rather than heroes. There was Kerry's 1971 "Genghis Khan" testimony before the Senate Foreign Relations Committee, as well as his December 2005 statement that troops were "terrorizing" women and children. Sen. Dick Durbin likened American service members to Nazi storm troopers and the Khmer Rouge, and Sen. Edward Kennedy suggested that Abu Ghraib under our "new management" was comparable to Saddam Hussein's regime of torture and murder. Behind all these statements is an unspoken assumption that American service members are incompetent and vicious.

It's unusual in American history for a conflict to be seen by a substantial part of the political class through the lens of an earlier war. Yet many Democrats view Iraq through the lens of Vietnam-or their version of it. Now, as then, they want to see American withdrawal even if that means defeat. Yet Iraq is plainly not Vietnam. There were more than 20 times as many American deaths in Vietnam as there have been in Iraq. And withdrawal from Iraq would be vastly more dangerous than withdrawal from Vietnam turned out to be.

To be sure, our withdrawal from Vietnam was bad for the Vietnamese. There was, contrary to Kerry's prediction at the time, a bloodbath, and the Vietnamese lived under a cruel communist dictatorship. But the dominoes did not fall beyond Indochina because, unnoticed by war backers and opponents, other East Asian states-South Korea, Taiwan, Hong Kong, Thailand, Malaysia, Singapore, Indonesia-were launching a free-market economic boom. The Vietnam War gave them time to get started. These countries had rule of law and in time developed democracies.

Purple fingers. Iraq is not in such a good neighborhood. Nearby are Iran, the leading supporter of international terrorism, busy developing nuclear weapons; Syria, headquarters of many terrorist groups; and Saudi Arabia, where petrodollars are used to disseminate totalitarian Wahhabism around the world. Premature withdrawal from Iraq would give terrorists more space and time to plan and prepare attacks on us beyond Iraq, and a visible defeat for the United States would exhilarate the followers of Osama bin Laden and other Islamofascist terrorists. It would leave unprotected the brave Iraqis who risked death to vote in three elections and held up their purple fingers in triumph.

About all this John Kerry, to judge from his changing positions on Iraq, doesn't seem to much care. Rather, he and his ilk seem bent, as they did in the 1970s, on establishing who our heroes should and should not be. They should not be members of the American military, who are portrayed as depraved or incompetent. They should be the antiwar protesters, the professors and intellectuals, the sophisticated elites who know better than ordinary Americans and the servicemen and women what's in the

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world's best interest. They should be people who believe that fighting those who want to destroy us only makes them madder and that withdrawal will assuage their grievances so they will leave us alone. It turned out that withdrawing from Vietnam did not cause us irretrievable damage. But will we be so lucky if we leave Iraq too soon?

U.S.-Style Campaigning At The U.N. (WP)

By Al Kamen

The Washington Post, November 6, 2006

The election news these days focuses on various races for House and Senate seats. But there's another hotly contested race of great, even worldwide, interest: the selection of a new head of the U.N. World Food Program for the next five years.

In this race, there's really only one final voter, outgoing U.N. Secretary General Kofi Annan -- though he has consulted with other top officials, especially Jacques Diouf , the head of the Food and Agriculture Organization, and the incoming secretary general, Ban Ki Moon .

The front-runner is the official Bush administration candidate, Josette Sheeran, undersecretary of state for economic, business and agricultural affairs. The post most always goes to an American, but this time there are two in the running. The other is Tony Banbury , head of the World Food Program in Asia.

Banbury, State Department spokesman Sean McCormack said last week, "is a very capable person" who worked at the National Security Council in the Clinton administration and stayed on in the first year of the Bush administration. Banbury has supporters within the administration who wanted him to be the official candidate, we're told.

The race has taken on some of the trappings of a real campaign.

Sheeran, formerly a managing editor and 16-year employee of the Washington Times, doesn't have experience running a food aid program, but she's campaigning hard. She's touting her work at State and before that as deputy U.S. trade representative. Secretary of State Condoleezza Rice has been working the phones for her.

She's even put out an attractive four-page campaign brochure -- paid for by the State Department -- with a fine cover photo of her standing in front of a field of grain. "Fighting Hunger -- Management Leadership, Development Expertise," is the campaign motto. "Specifically my platform includes the following five points," she says in the brochure, laying out broad themes to feed the world's hungry.

And much as in a campaign, detractors in the blogosphere have gone negative, hammering Sheeran about her lack of experience and her lengthy membership in the controversial Rev. Sun Myung Moon 's Unification Church, where she got married at one of those mass weddings. She left the church eight or nine years ago, we're told.

Then there was a 1992 article she wrote in the Times about her interview with the late Kim Il Sung , a founding father of the axis of evil. She described the North Korean leader as "presenting the image of a self-confident, reflective elder statesman rather than the reclusive, dogmatic dictator he is usually portrayed as in the West."

"We don't need nuclear weapons," she quoted him as saying. "What is the use of producing one or two nuclear weapons while the big countries have several thousand, several tens of thousands of nuclear weapons? And we don't have a delivery system either." Not then, they didn't.

The oddsmakers say Sheeran gets the nod.At Least He Has Massoud

It's been a somewhat turbulent year for Kenneth Y. Tomlinson , former editor in chief of Reader's Digest and now chairman of the Broadcasting Board of Governors, which oversees the Voice of America, Radio Free Europe, Radio and TV Marti in Cuba, and Radio Free Asia.

Back in August, the State Department's inspector general dinged him for hiring a friend as a consultant for $244,000 and overbilling the government for his time. The report also found that Tomlinson had used his office to run his thoroughbred horse operation. The broadcasting board split 3-3 on partisan lines on whether to fire him, so he remains in the job until a replacement is found, which could easily be another two years.

Tomlinson said the allegations were part of a "political vendetta."

And a close look at one of his e-mails dealing with the ponies during work time makes it quite clear that the racing operation was not completely unrelated to his work for the Board of Governors. Sure, the message to "Colleagues" starts out: "Now put a gun to my head and I gotta say that Clement's Scabbard will win the forth race at Delaware."

But he also is clearly focused on international matters, especially when talking about his horse, Massoud. "Afghan Foreign Minister Abdullah Abdullah once told me [the late leader Ahmed Shah] Massoud loved fast horses and that his followers often made gifts of horses to him."

You can read the lengthy, entertaining e-mail at http://www.washingtonpost.com/fedpage .From the West Wing to the Marines

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On the move from the White House to Afghanistan . . . Kenneth Rapuano , formerly deputy undersecretary at the Energy Department for counterterrorism and since July 2004 a deputy assistant to the president for homeland security, has volunteered for active duty as a lieutenant colonel in the Marines to serve with the Joint Special Operations Command in Afghanistan.

The Long, Cost-Free War (NYT)

By Ted Koppel

The New York Times, November 6, 2006

IN the operations center at United States Central Command in Tampa, Fla., there is a wall of television screens, one end of the wall quartered so that four live feeds can be seen simultaneously. The signals originate somewhere over Iraq or Afghanistan. The cameras are aboard pilotless drones.

"Predators," some are called, and predators they are. They can be equipped with Hellfire missiles that are remotely fired by operators in Nevada who receive their orders from Centcom in Florida. The enemy, meanwhile, does much of its killing with improvised explosive devices, the most sophisticated of which are designed in Iran.

Such is at least one face of modern warfare, in which combatants exchange mortal blows by remote control, once or even twice removed from the battlefield. The victims are just as dead or mutilated as those in previous wars, but the notion of violence activated from hundreds or even thousands of miles away is telling.

The Bush administration is trying to deal with a particularly nettlesome problem: preparing Americans for a struggle that may last decades without simultaneously demoralizing them. Centcom's commander, Gen. John Abizaid, likes to refer to it as the "long war," where "long," means generational, with no end in sight.

To the degree that such a war can be fought at arm's length, with a minimum of friendly casualties, it will be. To the extent that victory can be achieved with a minimum of personal sacrifice, the Bush administration will try to do so.

Senior members of the administration frame that struggle in existential terms. They invoke the nightmarish possibility of a 9/11 on steroids — a terrorist attack using weapons of mass destruction, rattling the very foundations of our society. The Bush administration uses that frightening image to justify a new worldview, within which even associating with someone who belongs to an organization on the United States terrorist list justifies prosecution here at home.

This practice falls into the category of what Deputy Attorney General Paul J. McNulty calls "preventative prosecution." It's an interesting concept: a form of anticipatory justice. Faced with the possible convergence between terrorism and a weapon of mass destruction, the argument goes, the technicality of waiting for a crime to be committed before it can be punished must give way to pre-emption.

Set aside for a moment the somewhat jarring notion of recalibrating our constitutional protections here at home while our soldiers and diplomats are given the thankless mission of spreading democracy in some of the most inhospitable regions of the Middle East.

There is a whiff of hypocrisy about conjuring up visions of a nuclear or biological holocaust while urging the American public to go about its business and recreation as usual.

We are advised to adjust to the notion of warrantless wiretaps at home, unaccountable C.I.A. prisons overseas and the rendition of suspects to nations that feature prominently on the State Department's list of human rights abusers, because the threats we face are "existential."

But apparently they are not existential enough to warrant any kind of widely shared commitment or sacrifice, like increased taxes or a military draft to meet the Pentagon's growing need for manpower.

One can share the Bush administration's perception that the United States confronts real threats that will not be eliminated easily or soon, but still find it impractical and immoral to get on with life as usual while placing the burden solely on the shoulders of the young men and women serving in Iraq and Afghanistan, their families and friends.

We are left with the impression that the grown-ups in Washington would prefer to make the difficult decisions for us without involving the courts, Congress or the press. That is precisely the wrong way to go about winning this war. Back when the United States was widely admired, it was for all that was most cumbersome about our democratic process.

America's efforts to transplant democracy elicit none of that admiration. How can they, when we appear to have lost confidence in fundamental aspects of democracy here at home? What has historically impressed our allies and adversaries has been our often flawed, but ultimately sincere, determination to operate within the law — if not always abroad, then at least within the United States.

Does our system require calibration in the context of the Long War? Perhaps. We cannot, for example, expect to know everything our government does when transparency informs our enemies of what they must not know. That, however, has always been the case. Indeed, there are courts and Congressional committees set up for the express purpose of reconciling the needs for secrecy and for transparency.

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Furthermore, when officials deem certain crimes (torture, for example) unavoidable in the defense of liberty, those who commit those crimes must still know that they will be held to account before an uncompromised legal system. Congress recently passed a law that ensures exactly the opposite.

It is going to be a long struggle, and we may have to live with whatever adjustments we make to our liberties until the struggle is won, or at least over. Even liberties voluntarily forfeited are not easily retrieved. All the more so for those that are removed surreptitiously.

One might have expected that these issues would feature prominently in the debate leading up to the Congressional elections. They are scarcely mentioned.

Apparently unnerved by the unceasing White House harangue that they are ill suited to waging the war on terrorism, Democrats have largely forfeited the argument that "war," particularly a "long war," may be the wrong prism through which to view the dangers facing the United States.

Those who once argued that the task was one for police and intelligence agencies have been mocked into silence. Democrats have given a wide berth to the invasion of privacy, selective suspension of habeas corpus and the mistreatment of detainees, preferring instead to echo the drumbeat of Republican warnings about terrorism in general.

There is a war to be waged. We should be building protective ramparts around our legal system, safeguarding our own freedoms, focusing on our own carefully constructed democracy and leading by example.

It's too bad that we have so little confidence in the most powerful weapon in America's arsenal.

Is Pakistan An Ally? (LAT)

The Los Angeles Times, November 6, 2006

PREVENTING AFGHANISTAN from falling to a resurgent Taliban must be a top priority for the Bush administration and the new Congress in the next two years. To succeed, more will have to be asked of Pakistani President Pervez Musharraf. .

Despite Pakistan's claim to have stopped supporting the Taliban after its 2001 ouster, the evidence is now overwhelming that the Pakistani security service — the Inter-Services Intelligence, or ISI — and probably the senior military leadership are tolerating, if not backing, Taliban forces. Washington has been turning a blind eye to this problem, reluctantly concluding that there is no alternative but to support the flawed but friendly Musharraf as the only practical bulwark against a radical Islamist takeover of a crucial nuclear state.

Islamabad is clearly hedging against what it sees as a hostile, pro-India government in Kabul and an inevitable Western abandonment of Afghanistan by keeping its old Taliban ally as a viable option. The respected Jane's Intelligence Digest last week cited independent reports confirming what Afghan President Hamid Karzai has been fuming about for months: ISI-sponsored Taliban training camps and jihadist madrasas have multiplied along the Afghan-Pakistani border. Moreover, we now know that the agreement the Pakistani government signed with tribal leaders in North Waziristan on Sept. 5 sold out Afghan and U.S. interests.

Musharraf told Washington that under the deal, tribal leaders promised to call a halt to the cross-border attacks into Afghanistan in return for the Pakistani army withdrawing from the tribal areas to its bases. Perhaps he didn't expect his Western friends to read the agreement in the original Urdu. According to those who have, Islamabad's official representative signed an agreement not just with Waziristan tribal leaders but with the "local mujahedin" — a vague term — and with the Taliban. The agreement spells the plural of the word "Taliban," which means students, in the Arabic way, as "Talaba" — a ruse that the Pakistanis are using to claim that they didn't actually inhale.

In fact, if President Bush has any red lines left, he should be furious that Pakistan is legitimizing the very Taliban it has pledged to eradicate. It should come as no surprise, we should add, that the Taliban has not kept its part of the bargain. Attacks have multiplied since the deal was signed.

Musharraf tried to make amends by ordering airstrikes on one Taliban-run madrasa last week, triggering a bloodbath and angry protests against the United States. But it will take far more to persuade the American public and Congress of the wisdom of providing Pakistan with $3 billion in military and other aid each year while Pakistani territory, tribal or not, gives sanctuary to Taliban fighters who kill U.S. and NATO soldiers and destabilize the Afghan government.

DOJ

Enron Prosecutor Lands At Latham (LAW)

By Dan Slater

Law.com, November 6, 2006

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Sean Berkowitz, the director of the Department of Justice's Enron Task Force in the trial of Jeffrey Skilling and the late Kenneth Lay, will join the Chicago office of Latham & Watkins, the law firm announced Thursday, Nov. 2.

The announcement came on the heels of Enron Corp. co-prosecutor John Hueston joining Irell & Manella.

"I did a careful look around Chicago firms and felt that Latham provided the best opportunities to capitalize on my experience in the Justice Department, and to transfer that into a national and international practice," said Berkowitz, 39, a Chicago native and honors graduate of Tulane University and Harvard Law School.

Berkowitz, pursued by Kirkland & Ellis and DLA Piper, among others, has several ties to Latham lawyers. He worked with John Lynch, a founding partner of Latham's Chicago office, when they represented different parties in General Instrument Corp.'s securities litigation, and with Latham associate Deborah Steiner in the U.S. Attorney's office.

Between his Enron experience and his associate years at Katten Muchin Rosenman before joining the U.S. Attorney's office in Chicago, Berkowitz expects to make a pretty seamless public-to-private transition. "Enron was one of the most complex matters out there, so I don't imagine I'll find anything in private practice that'll be insurmountable from a technical standpoint," said Berkowitz, whose provocative cross-examination of Skilling ignited an unflattering outburst from the fallen executive.

"From the perspective of the skill-sets that I learned in Enron," he added, "anytime you've got a high-profile case where there's a lot of pressure, you come out of it with the feeling that you've been battle-tested and can take any case or assignment."

At Latham, Berkowitz will handle white-collar cases and litigation outside the criminal realm, and also assist transactional lawyers in corporate governance matters. Said Mark Gerstein, a Latham M&A lawyer who worked with Berkowitz when they were both associates at Katten in the mid-1990s: "When directors ask to be counseled on a course of action, they want to know how their actions will be viewed through the prism of a litigator who's going to be representing them, or a prosecutor who's going to be reviewing them. I expect Sean will be sitting side-by-side with me in board meetings, when directors and managers ask what they ought to be doing and how they ought to be doing it."

A Latham team led by Gerstein is representing the Chicago Board of Trade's special transaction committee in the merger of its parent, Cbot Holdings Inc., with Chicago Mercantile Exchange Holdings Inc.

Added Gerstein: "As someone who's watching this office take its rightful place in Chicago, it's nice to see our presence on the CME-CBOT deal followed by Sean joining the firm 10 days later."

CRIMINAL LAW

Inside Bomber Row (TIME)

By Maryanne Vollers

Time, November 13, 2006

Highway 50 runs straight as a pool cue from Pueblo, Colo., through 23 miles of rangeland and piÃ±on flats before offering an exit to the scruffy little city of Florence (pop. 3,795). Like Flint, Mich., or Orlando, Fla., Florence is a company town. The industry here is prisoners, and the company is the Federal Bureau of Prisons. Twenty years ago, the people of surrounding Fremont County ponied up $160,000 to buy some open land outside Florence, hoping to entice the bureau to build a prison complex as a way to boost the town's economy. Corrections had long been a mainstay in Fremont County; the high desert valley was already home to more than half a dozen prisons. But in the end, Florence got a little more than it bargained for.

The 600-acre Federal Correctional Complex, which was completed in 1994 on the outskirts of town, is a virtual theme park of penal experiences, ranging from a minimum-security camp for inside-traders and small-time pot dealers to the concrete fortress that was built to be the most secure prison in the country: the Administrative Maximum U.S. Penitentiary, or ADX for short. The inmates in ADX Florence include drug kingpins, gang leaders, hit men, snipers and, lately, more and more, international terrorists, including al-Qaeda shoe bomber Richard Reid; mastermind of the 1993 World Trade Center bombing Ramzi Yousef and at least seven of his accomplices; and four men convicted of involvement in the 1998 bombings of U.S. embassies in Africa. There are American terrorists too. Timothy McVeigh, the Oklahoma City bomber, spent time there before being transferred to Indiana, where he was executed in 2001. His accomplice, Terry Nichols, is still at ADX, as is Theodore Kaczynski, the Unabomber. The common thread running through the crimes committed by these men accounts for the nickname given to the highest-security section of the prison: Bombers Row.

Until now, almost nothing has been written about the inner workings of the ADX. Since 9/11, journalists have been routinely denied access to the facility, its staff and inmates. But Eric Robert Rudolph, who is serving life without parole at the prison for the fatal bombings at the Atlanta Olympics and an abortion clinic in Alabama, has written letters to me, the author of a book about his case, and to his mother Patricia Rudolph, who has shared them with me. These missives offer a unique first-hand account of life on Bombers Row.

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"It is Ramadan now and the Muslims are fasting," Rudolph wrote in the fall of 2005, three months after he arrived at ADX. "The call to prayer echoes through the halls five times a day giving this place a decidedly otherworldly feel." Although the inmates are isolated in gloomy one-man cells the size of a small bathroom at least 23 hours a day, their chambers aren't soundproof. In fact, the prison is noisy. Rudolph's housing unit resonates with the constant mechanical whir and clank of electronic gates, punctuated by the sound of inmates praying, wailing and shouting conversations in English and Arabic through the walls and vents between their cells.

There are eight cells in Rudolph's "range," and another eight on the level above him. For security reasons, he is not allowed to name his fellow prisoners, but he says there is one American who never comes out of his cell; according to sources outside the ADX, the silent American is Kaczynski. Rudolph says the rest of his neighbors are such nationalities as Egyptian, Sudanese and Palestinian. He writes that his area of the prison is "where they house the political offenders, what they call 'terrorists.'" There are many such men at ADX. The list of Arab inmates reads like a Who's Who of the international jihad. Apart from the bombers already mentioned, there are, among others, Zacarias Moussaoui, the sole individual convicted of involvement in the 9/11 attacks; Ahmed Ressam, arrested at the Canadian border with explosives he had planned to use to bomb the Los Angeles International Airport; and Abdul Hakim Murad, convicted in Operation Bojinka, a 1995 al-Qaeda scheme to blow 12 planes, 11 of them U.S.-bound, out of the sky during a 48-hour period.

A correctional officer at ADX told me that inmates are placed on the same range based on their compatibility. Another clue as to why jihadists are housed together comes from Bureau of Prisons director Harley Lappin's 2003 testimony to the Senate Judiciary Committee. He said that his department's strategy was to ensure that "inmates with terrorist ties do not have the opportunity to radicalize or recruit other inmates." They are kept at ADX because, he noted, it's "our most secure facility."

But is it secure enough? For the first decade after the ADX was built, the citizens of Florence weren't worried much about the secretive compound, which is only conspicuous when the sun goes down and its banks of light towers glow against the dark horizon. But when Moussaoui, the crazed 9/11 wannabe hijacker, arrived to considerable media fanfare in May 2006, some locals started to feel as if they were living beside a tempting terrorist target. People weren't so much concerned that someone would break out of the fortified ADX, but rather they wondered what would prevent an al-Qaeda squad, perhaps a suicide attacker, from breaking in. At the same time, they were hearing rumors about internal security problems at the Supermax, as the prison is sometimes called. "There's a lot we should be scared about in this little town, with those individuals up there," said Cindy Cox, the mayor of Florence. "Some think that since they're in prison, they're not terrorizing anyone anymore. But what about their friends?"

The federal complex is located only a couple of chip shots away from a combined golf course and housing development. While the two higher-security prisons there have walled yards, the entire campus is separated from the community by only a single barbed-wire cow fence. State representative Buffie McFadyen, a two-term Democrat whose district includes the prisons in Fremont County, has pressed members of Congress, to no avail, to appropriate funds to build a solid wall around the complex, along with a central guard tower to better protect the center from outside attack. The Bureau of Prisons has already failed four times to squeeze money into its budget to upgrade security. McFadyen has also campaigned to remedy what a federal arbitrator has called dangerous understaffing at the ADX. "The threat comes from both inside and outside the prison," McFadyen says.

Like an anthropologist dropped into an exotic village, Rudolph seems fascinated by the Arab inmates. "They're an extremely fatalistic people," he wrote. "This time must be very rough on them for they have little interest in anything other than the Middle East, President Bush and Islam. But at least they have each other and rattle on endlessly in Arabic."

Rudolph is getting his neighbors to teach him their language. He picks it up one phrase at a time. He wrote his mother, who lives in Sarasota, Fla., that "Kyfa ta Kool," which he spelled out phonetically, means "How do you say ...?" Sometimes the other inmates are eager to communicate with Rudolph, other times they are "sulking or buried in some Arabic hell of depression."

In ADX, the spartan cells are designed to keep inmates from hurting themselves--and their guards. Each 7- or 8-ft. by 12-ft. space contains a molded concrete bunk, stool and desk; a steel shower, sink and toilet, and a small black-and-white TV encased in Plexiglas to prevent tampering. At one end of the cell is a solid steel door, and a small vestibule--for the use of guards when they enter--separated from the living quarters by steel bars. There is one 4-in. by 4-ft. window. Rudolph's is over his bed, looking out on the prison yard. "Through the slit window one can see the sky, but other than this and the few small birds that roost on the prison roof, there are no signs of the natural world."

The inmates have almost no physical contact with other people. Food, mail and laundry are delivered through a slot in the steel bars. Prisoners have a choice of two kinds of meals: the regular plan consists of typical American food: casseroles, hamburgers, blue-plate specials. The alternative is a diet conforming to almost all religious restrictions. It contains no pork and incorporates lots of beans and vegetables. Muslims get special mealtimes during the month of Ramadan, when the observant do not eat during daylight hours.

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Prison staff sit in control booths from which they operate the doors and surveil the corridors using sound monitors and cameras. To keep the inmates occupied, they offer crossword puzzles, bingo and Jeopardy competitions through flyers or through a closed-circuit TV channel. "The Muslims are obsessed with the games, they chatter endlessly about the possible answers," Rudolph wrote. The winners are rewarded with a candy bar or a picture of themselves. Being a Westerner puts Rudolph at an advantage in the trivia games, and his foreign neighbors depend on his help. "Moments after they post the questions on Monday morning, the yelling begins. 'Areek, what the answers? Who is President in the War of 1812?'"

Television is another distraction. ADX sources say inmates get basic cable service, although nothing as fancy as HBO, and can choose what to watch, though these privileges can be taken away as punishment for rules violations. Rudolph says he gets 60 channels, including music-radio stations and local news. A special prison channel offers educational shows, courses in anger management and a smorgasbord of religious programs dealing with faiths ranging from Catholicism to the Nation of Islam and even Asatru, the ancient Norse religion favored by Aryan supremacists.

According to Bureau of Prisons policy, the high-risk inmates in Rudolph's unit are allowed visits and phone calls only from their lawyers and from a list of approved contacts often restricted to immediate family members. All communications by such prisoners are supposed to be monitored by correctional staff. But a report by the Justice Department's Office of the Inspector General released last month faulted the bureau for not properly screening inmate mail and phone conversations at ADX Florence and other facilities. It confirmed reports that after 9/11, Mohammed Salameh, one of the 1993 World Trade Center bombers, wrote a letter praising Osama bin Laden that was published in Arabic newspapers. Salameh and two of his accomplices, also at ADX, mailed out at least 90 unmonitored letters between 2002 and 2004. The recipients included Islamic extremists with links to suspects in the Madrid train bombings; one letter was sent to Mohamed Achraf, alleged leader of a plot to blow up the National Justice Building in Madrid.

Investigators discovered that at the time the letters went out, there was only one part-time Arabic translator on staff at ADX to handle mail checks, which were done at random. The bureau has since hired three full-time Arabic translators for ADX but claims that more funds are needed to fully monitor the communications of all high-risk inmates, particularly non-English speakers.

To cut costs, the Bureau of Prisons in 2005 instituted a policy of shifting staff around within prisons and filling only the most critical positions. The union that represents correctional workers at the ADX charged that this resulted in the facility's being staffed far below the bureau's minimum safety standards. In spring a federal arbitrator heard testimony from ADX staff that some housing units had been left unattended for entire eight-hour shifts. Union officials also charged that posts in what they call the "terrorist unit" were routinely left vacant. According to the union, staff shortages meant that inmates weren't getting meals on time, scheduled phone calls were delayed or canceled, and exercise hours were cut because there was nobody to supervise them.

The inmates, correctional officers say, often turn hostile and dangerous when their basic needs are unmet or their routines are disrupted. "When you start tinkering with staffing levels, you start setting that system off balance, so you start seeing a lot of things popping up in terms of increased inmate assaults and increased threats," says Mike Schnobrich, a union representative who works at ADX. The union documented that since the new staffing policy began in 2005, two ADX inmates have been murdered by fellow prisoners, after 10 years without a killing at the facility; threats to staff increased, from 55 in 2005 to 110 in 2006; and assaults on correctional officers increased nearly a third over the same period, from 30 to 38 incidents.

The federal arbitrator sided with the union and in October ordered the Bureau of Prisons to reduce the hazards to correctional officers. Traci Billingsley, a spokeswoman for the bureau, disputes the arbitrator's findings and denies there has been any problem with staffing at the ADX, saying in a written response to questions from TIME that the facility "continues to operate safely and efficiently." She said that 60 new correctional workers have recently been added to the staff of the Federal Correctional Complex. Union representative Schnobrich maintains that despite those hires, staffing at ADX is still dangerously low.

Rudolph's letters over the past year have reflected increasing frustration with prison conditions caused by staff shortages. He has complained about cold food, delayed mail and calls missed because there was no one available to bring a phone to his cell. When he first arrived at ADX in 2005, the inmates in his range were let out of their cells four or five times a week for indoor exercise and once a week for a break in the yard. More recently they have been lucky to get outside once a month. Rudolph has joined other inmates in filing a complaint with the Bureau of Prisons over deteriorating conditions, but he doesn't hold out much hope that they will be corrected.

It's not easy to unnerve the citizens of Fremont County. Prisons have been part of the landscape since before Colorado was a state--the Colorado Territorial prison dates back to the 19th century, and people are accustomed to the occasional disturbance or inmate escape. In Florence, most folks still don't lock their doors at night. Many have grown up listening for three short blasts from the fire whistle--a signal that a prisoner is loose in the valley. When that happens, some residents simply fill up

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their car with gas and leave the keys in the vehicle. "It's better than having a fugitive break into your house and take you hostage," says Bob Wood, publisher of the Florence Citizen, with a shrug. "All they want to do is get out of town." Even though he doesn't live in fear, Wood says he's increasingly concerned about problems at the federal prison complex. And he's not alone.

On the weekend before Halloween, 50 people crowded into a community forum in Florence with Colorado's Democratic Senator Ken Salazar, who had just toured ADX to investigate the security situation. A few days later, Republican Senator Wayne Allard made the same trip. Fremont County sheriff Jim Beicker, who is still waiting for a Homeland Security grant to upgrade his department's radio system, expressed his concerns about the flimsy fence surrounding the prison complex and staffing shortages at ADX. "I want to see these issues fixed," he said. "I don't want to have to lay awake at night and worry about problems at the prison spilling over into my jurisdiction."

State representative McFadyen was encouraged that both Allard and Salazar promised to bring up the issue of security in the area in the next Congress. "The correctional officers at ADX work on the front line in the nation's war on terror, and they deserve our support, just like the troops overseas," she said. "Fremont County helps keep the country safe. Now the country should keep Fremont County safe."

From Eric Rudolph's point of view, the ADX is locked down very tight. The procedure to leave one's cell for a rare opportunity to exercise outside, for instance, is an ordeal. Two guards enter the vestibule and order the inmate to strip. After a cavity search, he dresses again and his hands are cuffed through an opening in the bars that separate the vestibule from the rest of the cell. The guards then march him down the corridor, a steel-tipped baton at the ready. When all the prisoners are lined up, they are led to an outdoor recreation area enclosed by 25-ft. walls. If they look straight up through the chain mesh that encloses the top of the yard, they can see a patch of the blue Colorado sky.

The prisoners are placed in chain-link enclosures called "dog runs," one per cage. Their cuffs are removed through a door slot. This is the only time the inmates actually see and interact with one another. "It is awkward adjusting my voice from the necessary yell of the cell block to the face-to-face conversation in the yard," Rudolph writes. "Unlike me the Arabs don't adjust the volume." Rudolph describes how his neighbors pair up in their separate runs and then "walk the length of the cage in unison, back and forth, yelling as they go. If you've ever seen big cats at a zoo, this is what they do as well. They pace back and forth, rhythmically, like a pendulum. Across the yard, this is what one sees: seven pairs of inmates pacing together, all the while yelling in loud Arabic." The words Aiwa, aiwa echo across the yard. Yes, yes.

"When the hour is up, the slow process of moving us back to the cells begins in reverse," Rudolph writes. "And then we sit in our darkened cells for the rest of the week, staring out at the empty sun-drenched yard."

Menino Looks To Replicate Gang Truce (BOS)

By Suzanne Smalley

The Boston Globe, November 6, 2006

Mayor Thomas M. Menino said yesterday that he is optimistic about the possibility of brokering more gang truces across Boston similar to the one that police, clergy, and youth outreach workers established between two of the city's most violent gangs.

Menino, who credited police and the Rev. Jeffrey Brown with cementing the pact between the Heath Street gang in Jamaica Plain and the H-Block gang in Roxbury, also praised the young gang members who came to the bargaining table.

"You have to give the . . . gang members a lot of credit for wanting to work together," Menino said in an interview.

Jack McDevitt, associate dean of Northeastern University's College of Criminal Justice and a consultant for the Boston police, said the truce could become a national model, in part because Heath Street and H-Block's long, bloody feud gives the treaty more street credibility. He said he plans to recommend the idea to six cities he is working with to fight gang violence under a US Department of Justice initiative.

"It gives some cover to other groups that might feel, 'OK, these are pretty serious folks and they did it so we can do it, too,' " McDevitt said.

The Globe reported yesterday that police and clergy are talking to eight other gangs after quiet talks, culminating in a peace summit at the John F. Kennedy Presidential Library and Museum on July 24, led to a handshake truce that has significantly reduced gun violence in the neighborhoods where Heath Street and H-Block are active.

Organizers trying to preserve the truce have offered incentives to gang members, including tutoring, improvements to a teen center, and corporate box seats for a New England Patriots game. Truce coordinators had been seeking donations of Boston Celtics tickets as well; yesterday, Shawn Sullivan, the team's senior vice president for ticket sales, said in an e-mail that he is interested in helping.

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Jamiel Brome, 25, whose brother Shavale, 24, was slain in H-Block territory in April 2005, said he doesn't mind gang members being treated to Patriots games, if such incentives save lives. "If it works, it works," he said. "A lot of young kids are dying."

Organizers emphasize that the truce does not give amnesty for any past or future crimes committed by gang members. In October, for instance, Amos Carrasquillo, who was participating in the truce as a Heath Street gang member, was shot by police and arrested after allegedly pointing a gun at police officers. Days later, Carrasquillo and Luis Garcia, another Heath Street member and truce participant, were charged by US authorities for allegedly dealing cocaine.

Organizers describe those arrests as minor setbacks in the truce effort. Since a temporary cease-fire in July, there has not been a single shooting police have connected to either gang, law enforcement officials have told the Globe. The peace treaty has involved assistance from government and nonprofit agencies.

Menino said that City Hall provided summer jobs to several gang members. The mayor also said he personally raised money to pay truce organizer Shakeem Allah -- who had been volunteering.

Menino said he has talked with Brown and with Acting Boston Police Commissioner Albert Goslin about the effort, adding that he is cautiously optimistic it could reduce gun violence in the city, which is on pace to surpass last year's 10-year high in homicides.

"This is community policing -- this is where it's at, the basic roots of community policing," he said.

Emmett Folgert, the executive director of the Dorchester Youth Collaborative, said the truce between Heath Street and H-Block could be a step toward getting youths to leave the gang life. He said much of Boston's gang violence is driven by youths who may want to stop shooting, but believe they have to protect themselves.

"This works when kids want a chance to back down," said Folgert, who has been using truces to limit violence between Asian gangs for several years. "We eliminate one of the main reasons for being in the gang -- you're worried about the other gang attacking you.

"Most of the shootings have been gang-related and that's why it's so hard to get prosecutions -- because the person who's your witness today is your suspect in yesterday's shooting," Folgert said.

FBI Numbers Suggest Manchester Safer Than Most Cities Its Size (NHUL)

By Scott Brooks

New Hampshire Union Leader, November 6, 2006

MANCHESTER – Manchester has consistently ranked among the least violent cities of its size in New England, an analysis of federal crime data reveals.

FBI records show the Queen City saw fewer robberies and aggravated assaults than almost any other similarly sized city in the region between 2001 and 2005, the last year for which data was available. Homicides also were rare.

Altogether, Manchester reported fewer violent crimes in recent years than all but one other New England city of more than 100,000 residents. Only Stamford, Conn., could claim fewer.

"The perception is that violent crime is way up," Police Chief John Jaskolka said. "Actually, our numbers are fairly low."

Officials and residents alike have lately called the security of several Manchester neighborhoods into question, particularly since city police patrolman Michael Briggs was killed by gunfire in the center city last month. Police have since ordered high-intensity patrols in a smattering of hot spots. Many residents, meanwhile, have banded together via neighborhood watch groups.

"Everyone knows in the city that things got real bad this summer," said Chris Leone, who recently formed a watch group on the West Side.

In fact, violent crimes have appeared to spike in recent months. Preliminary figures supplied by the city police department show robberies, aggravated assaults and burglaries are all up over the first eight months of this year.

And yet, data analyzed by the New Hampshire Union Leader suggest Manchester has been safer than most other cities its size. The paper looked at five years' worth of FBI crime reports for eight New England cities whose populations most closely approach Manchester's.

That list ranges from New Bedford, with roughly 93,000 residents, to Hartford, Conn., with 124,000 residents. Manchester's population is estimated at just under 110,000.

The results show Manchester reported an exceptionally low number of aggravated assaults, an average of 90 per year. That's fewer than the number in Portland, a city of just 65,000 residents, and a quarter of the number in Lawrence, Mass.

Manchester also had low incidents of homicides and robberies. However, the city did report a comparatively high number of forcible rapes, averaging 59 per year.

Peter Cordella, chairman of St. Anselm College's criminal justice department, unequivocally calls Manchester a safe city.

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"The real big question now is, is it becoming, at the moment, significantly less safe? And I think the jury is out on that," he said.

Manchester recently ranked 124th on Morgan Quitno Press' list of the country's safest cities. Its ranking fell short of 10 other cities in New England, including Nashua at number 27.

Cordella said Manchester holds several advantages over other New England cities. Household incomes are comparatively high ($50,404 as a median, according to the U.S. census), housing stock is generally in better condition and residents tend to move less often, he said. Those factors generally make neighborhoods more stable.

The recent uptick in crime may seem worse than it is, Cordella said, because the city has not had much crime to begin with. Perceptions, however, are not irrelevant, he said.

"If this is people's perception and they start altering their behavior, then it will become a problem," he said. "That's the critical issue."

Electronic Monitoring Now Includes Sweat Sniffers, Screeching Black Boxes (USAT)

By Brad Heath

USA Today, November 6, 2006

Electronic monitors that can pinpoint criminals on a map can now also tell whether they've been driving too fast, drinking or violating other laws.

Courts nationwide increasingly are embracing such tracking of people's behavior as a way to stop them from repeating the actions that got them in trouble with the law, though it remains less common than satellite surveillance of sex offenders.

“This is targeting behaviors that are risky, and I see it being used more and more for behavior modification in public safety,” says Peggy Conway, editor of the Journal of Offender Monitoring. “It's a phenomenally valuable option for judges.”

Among those options:

·Black boxes. A Michigan court has ordered 39 people convicted of repeated traffic violations to have systems installed in their cars that screech when they brake too hard or turn too fast, and keep a tally of the alerts for probation officers. One judge in Tennessee also has ordered a black box installed, says Larry Selditz, CEO of the company that makes the devices.

“It makes me watch how I drive,” says Mark Floria of Walled Lake, Mich., who got one of the boxes after his latest conviction for driving with a suspended license. “It beeped a lot when I started. It's scary because you don't know how many beeps it takes before probation will do something.”

·Alcohol-sniffing bracelets. Courts and prosecutors in 40 states have ordered drunken drivers to wear an ankle bracelet that sniffs their sweat for alcohol once an hour and reports the results to authorities daily on the Internet.

About 4,000 people nationwide are being monitored, says Kathleen Brown, a spokeswoman for maker Alcohol Monitoring Systems.

Authorities embrace monitoring because it's convenient and aimed at the problems that got people in trouble, says South Dakota Attorney General Larry Long. “We're not doing this to everybody. We're doing it to people who have demonstrated pretty convincingly that they are a safety risk to the rest of us,” Long says.

Because of that, few people have raised privacy concerns, says Marc Mauer, executive director of The Sentencing Project, which supports alternatives to prison. But it will work only if it's paired with other steps such as counseling, Mauer says, because “the reason people get in trouble is not because they lack an ankle bracelet.” Otherwise, he says, the problems might resume when the monitoring ends.

Location-tracking is expanding most rapidly, especially for sex offenders. Ten states this year passed laws requiring some or all offenders to be monitored by satellite; at least 10 others had already done so.

Alexander Lockup Fails Children, Report Asserts (ARDEM)

By Amy Upshaw

Arkansas Democrat Gazette, November 5, 2006

An advocacy group that has been monitoring Alexander Youth Services Center for months said Saturday that Arkansas isn’t meeting the mental health, education and special education needs of the children at the troubled facility as required by the U. S. Department of Justice and state law.

Problems at the center are systemic, said Dana McClain, a senior attorney with the Disability Rights Center, a federally funded Little Rock nonprofit that assists disabled Arkansans.

“We don’t think this is rehabilitation, and state law says it is supposed to be [for youthful offenders]. I think it’s punishment,” she said. “I feel like these children are being set up to go to adult prison.”

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At some point, she said, the youthful offenders at the lockup will get out, "and you hope when they do they've got a better shot at being productive members of society."

A draft copy of the group's lengthy report detailing "failures" at the center in Saline County was given to the Arkansas Democrat-Gazette on Saturday — a day after the state unexpectedly ended its contract with Cornell Cos. Inc., a Houston company that ran the center for the past five years. An internal investigation found that employees were "inappropriately" drugging youthful offenders with psychotropic drugs to control bad behavior.

The state was paying Cornell about $ 10 million annually.

News about the forced medications, sometimes given without a doctor's order, prompted some legislators and others to renew calls Friday to shut down the state's largest lockup for youthful offenders.

The Disability Rights Center report, which outlines about 50 problems, is expected to be released publicly later this week.

McClain said her group will meet with the Department of Health and Human Services on Monday to discuss the findings. Monitors for Disability Rights have been making unannounced visits, as allowed by federal statute, to the center at least three times a month since March.

"Under the contract these are things Cornell was responsible for providing," McClain said. "I hope [Health and Human Services] doesn't just address that one issue [about the medication]. This is a good time to do more because they are starting anew."

The agency has been responsive so far, McClain noted. Cornell, however, didn't address some of the major concerns that Mc-Clain said she repeatedly talked to company employees about.

Julie Munsell, Health and Human Services spokesman, said her agency has received a copy of the report but she declined to comment about the details until it is published and officials meet with the group's representatives. Health and Human Services is the umbrella agency over the Youth Services Division, which now operates the youth lockup.

In general, Munsell said, the state has made many strides since entering into a settlement agreement with the Department of Justice in March 2003 after a federal investigation found civil rights violations in the delivery of mental-health care, education, fire safety and freedom of religious expression at the center.

Still, more work is needed, particularly with the center's education system, she acknowledged.

"We do still struggle with education issues at Alexander, and we've been working with the Department of Education to improve those issues," she said. "We will always strive to get to an ideal setting, but it will take us time to get there."

The Justice Department hasn't visited the center since January.

Over the years, the youths at the Alexander center have complained that employees kicked, slapped and even threatened them with death. Others killed themselves.

One boy, known for days to be suicidal, was able to hang himself a few years ago with a bedsheet. An investigation later found that his guard didn't check on him.

Another boy hanged himself in the same cell just a few months later — just as the state hired Cornell to take over the facility and fix its problems.

And last year, a 17-year-old girl at the center died of blood clots in her lungs. She complained to nurses and supervisors that she was ill, but they didn't believe her, even as she lay dying, according to a subsequent investigation.

Munsell said her agency plans to work with the Disability Rights Center to address the group's concerns. The Department of Justice couldn't be reached for comment Saturday. During visits to the lockup, McClain said monitors found: Youths watching Harry Potter movies during science class on more than one occasion.

A student sleeping on his keyboard, even though a teacher was sitting at a desk in the same classroom.

No teacher-led reading program, even though at least 50 percent of the youthful offenders at the center have difficulties reading, and in some cases, can't read at all. (An ombudsman who regularly visits the center said the youths are supposed to use a computer-based reading program at their own pace, but he has seen no evidence that such a system has

Secret Jury To Hear Gang Case Summary (WT)

By Jim Mcelhatton

The Washington Times, November 6, 2006

Closing arguments are expected today in a gang-related racketeering and drug-trafficking case in the District in which the judge took the unusual step of appointing an anonymous jury.

Prosecutors say they want the names of the jurors to remain secret because the gang has tried to tamper with the judicial system, including impersonating a law-enforcement officer to kill a cooperating witness.

Gerald Eiland and Frederick Miller are among several men accused of running a drug organization and car-theft ring based in the District. They have pleaded not guilty.

Before the trial, U.S. District Judge Royce C. Lamberth sided with prosecutors seeking the anonymous jury, citing "strong reason to believe that the jury needs protection." The trial began in October.

Defense attorneys have opposed the idea of an anonymous jury, calling the move unnecessary and prejudicial.

Keeping jurors' identities secret "erodes the presumption of innocence," defense attorney John Carney wrote in a court memo to Judge Lamberth.

Anonymous juries were used in the District in the trials of drug kingpins Kevin Gray and Tommy Edelin.

David McCord, executive director of the National Jury Center at the American Judicature Society, said such juries in federal courts are a "relatively new phenomenon," dating to 1977.

Supporters say it's an acceptable practice in high-profile cases or when there are concerns about jurors being threatened or bribed.

"One of the things defendants worry about is since it's so out of the ordinary, jurors will think the defendants are particularly dangerous and they'll have a prejudice against them," Mr. McCord said.

The trial is taking place amid tightened security. Those in attendance must undergo the usual security screening at the door of the courthouse, and must repeat the process when they enter the courtroom.

The case has been separated into two groups of defendants. In an earlier trial, Corey Moore, the so-called "Teflon defendant," was acquitted.

Mr. Moore has been tried multiple times on murder charges, but in each case the charges were either dismissed or he was found not guilty by a jury.

Case Could Change Rules About Officers' Searches Of Laptops (SDUT)

By Matt Krasnowski, Copley News Service

The San Diego Union-Tribune, November 5, 2006

Computer data private, some say

LOS ANGELES – Michael Arnold appeared disheveled and nervous after he landed at Los Angeles International Airport last year on a flight from the Philippines, so a U.S. Customs and Border Protection officer pulled him aside for screening.

Officer Laura Peng also noted Arnold was traveling alone, court records state. She found a laptop computer in his luggage and asked him to start it. Stored inside, she said, she found images of him having sex with women, photographs of minors in sexually explicit poses and messages indicating he was trying to procure minors in the Philippines.

The 45-year-old former Anaheim schoolteacher was indicted on one count of transportation of child pornography and one count of child pornography possession. His arrest was heralded as a success for the federal government's Operation Predator campaign against criminals who prey on children.

But last month, a judge threw out the computer evidence against him, setting up a court battle in which a man accused of vile behavior could help determine how far border agents can go in searching people's computers and the future of some privacy rights.

It's an issue – spurred by advances in technology, and increased concerns about terrorism and border security – that some legal experts expect will end up before the U.S. Supreme Court.

U.S. District Judge Dean Pregerson ruled the border officer needed reasonable suspicion to search Arnold's computer because the machines can contain vast amounts of private information.

That same suspicion standard is required before border agents can conduct a body cavity search, X-rays or other invasive examinations.

“While not physically intrusive as in the case of a strip or body cavity search, the search of one's private and valuable personal information stored on a hard drive or other electronic storage device can be just as much, if not more, of an intrusion into the dignity and privacy interests of a person,” Pregerson wrote.

Prosecutors contend border officers can search such items routinely, saying the computer search wasn't invasive or destructive but rather a standard inspection of a person at the border that courts have long supported.

Thom Mrozek, a spokesman for the U.S. Attorney's Office in Los Angeles, said prosecutors have filed a notice of appeal and will challenge Pregerson's ruling with the 9th U.S. District Court of Appeals.

Pregerson's decision conflicts with a 4th U.S. Circuit Court of Appeals decision last year that deemed a border search of a laptop computer was reasonable and routine. But that case differs from the Arnold case because agents found that man possessed a photo album containing child pornography before they accessed his computer.

With the appeal, the prosecution of Arnold is on hold and border officers are free to continue searching computers as part of routine inspections.

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Border computer searches have raised the concerns of international business travelers, who often fly with private business and personal information in their laptops. A recent survey by the Association of Corporate Travel Executives, which has 2,500 members worldwide, found that 87 percent of its members said they would be less likely to carry confidential business information on international trips after they learned how easily laptop contents could be searched.

Business travelers need to be "cognizant of the fact that U.S. customs takes the position that it has the right to review and download the contents of your laptop and all electronic media," said Susan Gurley, the association's executive director.

But if Pregerson's decision stands and is upheld by appellate courts, it could slap limits on how far agents can go when searching people at the border.

If officers are unable to come up with a significant reason to support the search, "the number of people they would be able to examine would go down appreciably," said Douglas Kmiec, a Pepperdine University law professor.

Kmiec and other experts say the issue eventually will need to be settled by the highest court in the land. And Kmiec said he expects Pregerson will be overturned.

"There is no doubt in my mind that the Supreme Court will review one of these cases," said Shaun Martin, a professor at the University of San Diego School of Law. "The issue is too important and it happens too often to let the results vary depending on what border you happen to cross or what circuit you're in."

Laptop Seizure Raises Concerns Over Firms' Data (LAT)

By James Gilden, Special To The Times

The Los Angeles Times, November 5, 2006

Travel managers worry about what can happen to proprietary information at customs.

It may surprise many air travelers, but your laptop and its contents are far from secret at the nation's international airports. Increasingly, this is prompting new privacy concerns for business travelers.

Customs and Border Protection agents have the authority to search and seize laptop computers belonging to travelers entering the United States, those of U.S. citizens and foreigners alike. And they use it.

But just how far these officers can go in inspecting the contents of an overseas traveler's laptop is being tested in federal court.

In July 2005, Michael Timothy Arnold, then 43, of San Juan Capistrano arrived at Los Angeles International Airport after a nearly 20-hour flight from the Philippines, according to court documents.

After retrieving his luggage from baggage claim, he proceeded to the customs checkpoint. An agent selected him for additional screening because she was targeting single males between 20 and 59 who were returning from Asia.

After some secondary questioning, the agent inspected Arnold's luggage, including his laptop computer. She instructed Arnold to turn on the computer.

When the computer booted up, its desktop displayed the usual assortment of icons and folders, including two folders titled "Kodak Pictures" and "Kodak Memories." The agent and a colleague clicked on the folders and looked at photographs on the computer, including one of two nude women.

Special agents with U.S. Immigration and Customs Enforcement were called in to question Arnold about the contents of his computer.

He was detained for several hours while they examined the computer, and they found numerous images depicting what they believed to be child pornography.

The agents confiscated the computer as well as a hard drive, some CDs and a flash drive and released Arnold. He was later arrested, jailed, held without bail until this week, and charged with transporting and possessing child pornography and attempting to engage in illicit conduct in a foreign place.

It is cases like Arnold's that have corporate travel managers up in arms — but not because of the pornography connection. Their concern is with what happens to the proprietary data that business travelers often carry on their laptops.

"That U.S. government officials have the right to examine, download or even seize business travelers' laptops came as a surprise to the majority of our members," said Susan Gurley, executive director of the Assn. of Corporate Travel Executives, an Alexandria, Va.-based trade group.

Eighty-six percent of members surveyed said that court decisions allowing government agents to seize computers at the borders were cause to limit the kind of proprietary information typically carried on executives' laptops. Two out of 155 members surveyed said they had an employee who had had a laptop seized.

The politics and the law behind the seizures are complicated, according to attorneys and court documents. The 4th Amendment of the U.S. Constitution protects citizens against unreasonable search and seizure. But the courts have given government agents more leeway to conduct searches at the border than inside the country.

For example, the courts have found that it is acceptable for border agents to search through the belongings of someone entering the country for no reason other than that he or she is entering the country. But if the search becomes more invasive, such as a pat-down or a body cavity search, then agents have to have probable cause.

It is at this nexus that the courts are trying to decide what constitutes reasonable when it comes to a laptop computer. After all, it could contain personal information, confidential business information, blueprints for terrorist attacks or child pornography.

A ruling last month by U.S. District Judge Dean D. Pregerson of Los Angeles in the Arnold case may be the beginning of a shift in the courts.

In his opinion, the judge noted that "the information contained in a laptop and in electronic storage devices renders a search of their contents substantially more intrusive than a search of the contents of a lunchbox or other tangible object."

The court found that "a search of this type without reasonable suspicion goes well beyond the goals of the customs statutes and the reasonableness standard articulated in the 4th Amendment."

"While not physically intrusive as in the case of a strip or body cavity search, the search of one's private and valuable personal information stored on a hard drive or other electronic storage device can be just as much, if not more so, of an intrusion into the dignity and privacy interests of a person.

"This is because electronic storage devices function as an extension of our own memory. They are capable of storing our thoughts, ranging from the most whimsical to the most profound. Therefore government intrusion[s] into the mind … are no less deserving of 4th Amendment scrutiny than intrusions that are physical in nature."

As a result, the judge threw out laptop-related evidence against Arnold retrieved during the search, which may hurt the government's case. The government is appealing the judge's ruling, said Thom Mrozek, a spokesman for the U.S. attorney's office in Los Angeles.

Arnold still faces federal child pornography charges, but he was released from federal custody this week on $50,000 bail.

The association of travel executives is not concerned as much with the constitutional questions as it is with the practical implications for business travelers.

It has tried to get answers from Customs and Border Protection about its policies regarding the search and seizure of laptops and measures taken to protect sensitive business information on them but has not received an answer to its queries, Executive Director Gurley said.

The Times e-mailed the agency questions including what its policies are regarding the protection of sensitive corporate data.

The agency responded with a statement saying, in part, that "officers adhere to all requirements to protect privileged, personal and business confidential information."

Said Gurley, "Our issue is whether the proprietary business information on the hard drive can be taken. Is it returned? Is it destroyed? We have not received any word from [the agency], not even 'Thank you very much, we have your request.'

"What's so difficult about giving the public this information?"

*

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Lab Delays Hinder Crime-solving (MHCA)

By Julia Reynolds

Monterey (CA) Herald, November 5, 2006

Crimes in Monterey County are going unsolved and prosecutions delayed as piles of unprocessed evidence grow higher in the county's primary crime lab, law enforcement officials say.

In some cases, The Herald has found, more than a year passed before fingerprints were processed, leaving detectives frustrated and criminals walking free.

"The delay in processing evidence is a year and a half," Undersheriff Nancy Cuffney said.

"There have been delays," said Seaside police Capt. Steve Cercone, who sends fingerprints to the lab. "But we do understand that staffing shortages are the reason for it."

The lab is so badly understaffed -- down from five employees to two -- that arrests have had to wait as crimes go unsolved for more than a year.

In one example, a fingerprint was lifted in an April 2005 larceny case, but the print was not processed until June 2006. In the interim, investigators say, the same man had moved on from nonviolent fraud to carjacking.

"It does affect public safety," said Cmdr. Malcolm Gray, head of investigations at the Monterey County Sheriff's Office. "If we can't get evidence to help ID suspects, to tie suspects to cases, people are out on the street longer than they should be."

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Detectives around the county complain that backlogs in the forensic services crime lab mean arrests aren't being made when they should.

Law enforcement personnel described cases such as a 12-month delay in running fingerprints for an attempted murder case.

The Herald asked the Sheriff's Office whether specific cases have been affected by the delays. After initial assurances of cooperation, sheriff's officials, including Sheriff Mike Kanalakis, opted not to provide case details or allow interviews with lab staff.

Staffing levels|

Hidden in a small, crowded room in the sheriff building's basement on Natividad Road, the lab is mostly invisible to the general public. Several desks take up space but sit empty.

Staffing levels at the lab have fallen from five full-time staff members to two in little more than a year. One position was eliminated, and two vacancies have remained unfilled.

But the work done in that small room is critical to the county's criminal justice system.

The lab processes serious crime evidence from across the county for the Sheriff's Office, and handles the latent fingerprint work for Seaside, Pacific Grove, Monterey and Marina police departments. The city of Salinas has its own forensic evidence department.

Latent print work is a skilled specialty. Unlike the inked prints taken at the Department of Motor Vehicles, latent fingerprints can usually be seen only after certain chemicals are applied. As such, they are fragile things.

A latent print examiner must not only be an expert at processing, preserving and identifying prints, but be skilled at presenting "expert witness" testimony in court.

On top of that, for an identification to be considered valid, a print must be verified by more than one examiner.

With only two full-time print examiners on staff, that often means long hours for lab supervisor Victor Lurz and evidence technician Georgine Scott, both of whom are on call 24 hours a day, according to police agencies that work with the lab.

Officials warn that public safety has been compromised by the backlogs, and not only because arrests have been delayed.

Gray said prosecutors are reluctant to file charges if the forensic evidence isn't ready.

"Even the cases that we file (with the District Attorney) -- if we can't get the evidence fast enough, they kick the cases back to us," Gray said.

"This happens all the time," said Chief Assistant District Attorney Terry Spitz. "When we get into the more serious felonies, we're going to be sending back memos -- 'Please run that out to the lab.'"

Assistant District Attorney Berkley Brannon said he wasn't aware of any complaints from prosecutors about the delays, but said his office often waits to file charges when forensic evidence is lacking.

Spitz said that in misdemeanor cases, a suspect might even be released, at least until the evidence comes in.

"If he's not a danger to the public, we'll say 'Let him go,'" Spitz said.

The delays mean that lesser crimes tend to fall off the radar, which can frustrate detectives.

"We have to set our threshold higher," Gray said. "It slows the whole process down. Our guys are screaming for evidence results, but we have other priorities," he said.

Detectives end up not even trying to take some cases to court, he said.

"We can't work all the cases."

Monterey police Lt. Leslie Sonné said the delays have had an effect on her department.

"It impacts every level of the investigation," Sonné said. "If a print is matched to someone, it would be nice to go after someone before they commit another crime. There's nothing we can do about it but hope they can generate some staff."

The city of Monterey, she said, is the lab's biggest customer.

Outside of police circles, the problem hasn't gotten much attention, in part because authorities have been reluctant to talk about it.

It took a few years to get this bad.

Forensic services everywhere have diminished during the past five to 10 years, said Pacific Grove police Lt. Tom Uretsky.

"It's a slow creep, not an acute problem," he said. "You gradually stop doing the things you used to do."

Officers say crime victims today expect evidence to be processed faster than ever, thanks to programs such as "CSI," where the latest high-tech equipment abounds and budget cuts seem nonexistent.

"Forensics are huge in law enforcement these days," Sonné said. "Unfortunately because of TV shows, the public expects results in an hour."

Spitz agreed that people don't realize that fingerprint experts cost money.

"They don't talk about that on CSI," he said.

The high cost of living in Monterey County and pay rates for the lab's skilled positions don't help.

Though the county's fingerprint experts aren't the worst paid in the nation or California, their salaries are far from the highest.

"It's what the county is willing to cough up," said Gray. "We cannot get people to come here to work."

In the current job posting for a latent fingerprint/crime scene examiner, Monterey County offers from $51,732 to $70,644 annually.

For a similar position, Santa Clara County offers from $62,531.04 to $75,653.76 annually. San Mateo County pays up to $75,300.

A few states, with lower costs of living than California, offer even more. Police in Las Vegas will pay up to $79,306 for a latent fingerprint examiner, while in August, the state of Colorado offered up to $89,568.

Private industry pays the most, with some companies offering upward of six figures.

Shortages in police agencies|

Some local police agencies have been too busy coping with staff shortages to raise their voices about the county's vacancies.

Monterey, for instance, is down by 13 officers, Sonné said.

Pacific Grove is also suffering an officer shortage.

"We're not submitting enough fingerprints to say 'Gee, hurry up.'" Uretsky said. "We'll soon be four officers down... Our priority is to keep staffing levels where they are."

When serious crimes such as murder or attempted murder take place in Pacific Grove, Uretsky said his department calls in the state's Department of Justice.

"We call the Sheriff's Office to photograph the scene but the DOJ to process the crime scene," he said. "They lift the prints, drive them to Sacramento and immediately run them. That's what they do for a living."

But that solution, he said, only works with the most serious crimes.

"At the DOJ, if it's not a homicide, they'll get to it when they get to it," Uretsky said. "They're also very short-handed."

It took two years, he said, for the state to return a DNA "hit" on a Pacific Grove rape and assault case.

Other agencies, such as Seaside, are trying to improve their ability to pick up some of Monterey County's case load. Capt. Steve Cercone said his department recently hired a police services assistant who will be qualified in six months to a year to process evidence.

"It will take some of the workload off the Sheriff's Office," he said. "We can only do so much."

The sheriff's forensic lab does all it can, Cercone said, to accommodate Seaside's most urgent requests.

Uretsky's admiration for the lab's remaining staff members borders on reverence.

"I've got nothing but praise for those two," he said.

Sonné said the lab's workers are often roused on days off to process crime scenes.

Gray described a recent Saturday when every Sheriff's Office detective was dispatched to the scene of a stabbing murder in Castroville. Staff shortages meant that detectives and lab staff could work on nothing else.

"With that evidence, everything else gets dropped," Gray said. "You have physical evidence that has to be processed. You can't just leave it."

For many crimes, the county will likely struggle with evidence backlogs for the foreseeable future, as the downsized lab tackles a case load handled by five people only a few years ago.

"We'll sure keep our fingers crossed for the county crime lab," Sonné said. "They sure can use some relief."

CIVIL LAW

A Powerful Voice In Patent Disputes (WP)

By Charles Lane

The Washington Post, November 6, 2006

When it comes to patent law, who is the ultimate authority? Is it the Supreme Court? Or the U.S. Court of Appeals for the Federal Circuit, the specialty court for patent and trademark law established by Congress in 1982?

Actually, it's none of the above. But before I reveal the correct answer, let me congratulate you for having read this far beyond the words "patent law." This eye-glazing technical topic has been known to send even people who like tax law screaming from the room. That you may still be interested shows a commendable understanding of patent law's significance, notwithstanding its arcane nature.

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After all, the Founding Fathers didn't think patents were boring. They recognized that secure intellectual property would be a pillar of the national economy they hoped to create. Thus, the Constitution, "to promote the progress of science and the useful arts," specified the legal recognition of patents and copyrights as an exclusive function of the federal government.

Making sure that patent rights are strong enough so that inventors have incentives to innovate, but not so strong that they create inappropriate monopolies on widely applicable technology, is a legal balancing act that determines the flow of billions of dollars each year. Just ask corporate giants such as Microsoft, AT&T or eBay, whose names appear on the list of litigants in recent Supreme Court patent cases.

Abortion, affirmative action and the death penalty grab headlines. But when it comes to impact on the jobs and consumer choices available to everyday Americans, patent law probably matters more.

End of lecture. Now back to the mini-quiz. Arguably, the real power in patent law these days is not a court at all, but the Office of the Solicitor General, the Justice Department lawyer who represents the federal government before the Supreme Court. In the 10 Supreme Court patent cases in which the solicitor general has participated since 1995, the SG is undefeated, according to a recent study by Jonathan Franklin, a Supreme Court specialist at the law firm of Fulbright & Jaworski.

What's behind the court's deference to the executive branch? In part, say patent law specialists, it appears that the justices are increasingly second-guessing the rulings of the Federal Circuit, which was designed to help clean up patent law by concentrating all federal appeals in a single expert body. From the Federal Circuit's inception until the mid-'90s, the justices seemed content to let it call the shots. But as the information technology revolution has spread, the high court has shown a willingness to review decisions of the Federal Circuit, whose critics say it is too favorable to patent holders.

None of the justices are experts on patent law. Thus, they lean heavily on the expertise of the solicitor general, who receives plenty of input from the U.S. Patent and Trademark Office, the Federal Trade Commission and others within the executive branch.

"In many areas of law that are highly technical, the court looks to the government to help find its way," said John F. Duffy, professor of patent law at George Washington University. "The Supreme Court is not leading. It is choosing between two specialists: the PTO and the Federal Circuit."

Duffy notes that patent cases account for about a fifth of the 10 to 20 appeals per year in which the court asks for the views of the solicitor general before it decides whether or not to hear the case.

The justices have agreed to hear three patent cases this year. The most significant may be KSR International v. Teleflex , No. 04-1350, scheduled for argument on Nov. 28. At issue is the proper meaning of "obvious" in patent law. You can only patent something if it's really an original invention. It can't be something so obvious that anyone could have slapped it together. The question, though, is how obvious that is.

KSR makes gas pedals for General Motors and other car manufacturers. Its accelerators are adjustable, so they can be made higher or lower depending on how long the driver's legs are, and are linked to an electronic sensor that modern cars use to control the throttle, instead of a cable as in the old days. Teleflex, represented by Supreme Court specialist Thomas C. Goldstein, says KSR is infringing its patent on this combination; KSR says, in essence, that it is simply building something anyone familiar with the technologies could have made. A federal district judge sided with KSR, but the Federal Circuit reversed that decision and said Teleflex's device was non-obvious, and thus patentable.

To Duffy, who represents KSR in the Supreme Court, the Federal Circuit's ruling has no basis in the text of the relevant patent statute and is typical, he says, of how "junky patents are clogging up the system." Teleflex's brief responds that its device is "new and previously unforeseen" and that the Federal Circuit applied a "flexible" standard of obviousness in concluding that the company was entitled to a trial on its claim of infringement.

The court's decision will not only determine this critical point of patent law doctrine, it could also affect how much car and truck buyers have to pay for vehicles with adjustable accelerator gizmos, which, among other uses, help short people drive big rigs. If you think that's not a big deal, many folks disagree with you: Some 37 different friend-of-the-court briefs have been filed on behalf of one side or the other -- three more than have been filed in the blockbuster case on the federal partial birth abortion ban, which will be heard on Wednesday.

Of course, if Franklin's analysis holds, the brief that matters most is the solicitor general's, filed on KSR's side. Obviously, there's a lot more to patent law than you thought.

Judge To Rule On Hughes Estate Claims (USAT)

By Martin Kasindorf

USA Today, November 6, 2006

Nearly 30 years after jurors declared that a will left by Howard Hughes that gave a fortune to a Utah gas station owner was fake, Melvin Dummar is back in court claiming he was cheated out of a share in the billionaire's estate.

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Hughes was the reclusive industrialist whose eccentricities were recorded in the 2004 movie The Aviator. He was world-famous as a dashing flier, aircraft builder, Hollywood producer and Nevada casino owner with an eye for women. Phobic about germs late in life, he had a habit of walking around naked in the penthouse at Las Vegas' Desert Inn, where he lived from 1966 to 1970.

Several weeks after Hughes died at age 70 in 1976, a will purportedly in his handwriting was discovered on a desk in the Salt Lake City headquarters of the Church of Jesus Christ of Latter-day Saints. News media went wild over the surprising bequest of $156 million to the obscure Dummar.

Dummar explained to reporters who descended on his gas station in Willard, Utah, that Hughes must have acted to repay him for rescuing a beaten and bleeding Hughes from a roadside ditch in the Nevada desert in December 1967. Dummar says he drove Hughes to a Las Vegas hotel.

The so-called Mormon will gave one-sixteenth of Hughes' $2.5 billion holdings to Dummar. The will was one of dozens that surfaced after Hughes died. None was declared valid by courts.

Nevada and Texas juries decided in 1978 that the will was a forgery. Now, Dummar, 62, says a new witness came forward in 2004 who can confirm his story. He revived the half-forgotten case in June by filing a complaint of fraud and racketeering in federal court against Hughes heir William Lummis, 85, and Frank Gay, 77, former chief operating officer of Hughes' companies.

U.S. District Judge Bruce Jenkins suggested in a hearing Thursday in Salt Lake City that he'll rule this week on motions to dismiss Dummar's suit because he waited too long to return to court.

In 1976, Dummar at first said the news of his windfall surprised him. Then his fingerprint was found on the envelope containing the will. During a seven-month trial over the will's validity, Dummar said he had delivered the document to the church on instructions of a “confidential agent” of Hughes who brought the will to his gas station.

Under Texas law for those who die without a will, all of Hughes' empire went to Lummis, a first cousin from Houston.

Dummar alleges that Lummis and Gay pressured Hughes employees to testify falsely at the 1977-78 Nevada trial that Hughes never left the Desert Inn in December 1967, so he could not have been rescued.

Knut Rife, a lawyer for Dummar, says the defendants owe Dummar $156 million plus interest since 1978 — a total of $500 million.

Though Dummar still says the will was valid, he says he's not trying again to win a piece of Hughes' estate. That was divided long ago between Lummis and the IRS. He's suing for damages, alleging that Lummis and Gay solicited perjury and obstructed justice.

“For almost 30 years, Melvin Dummar has been thought of as a fraud or a con artist or a forger,” says Stuart Stein, another lawyer for Dummar. “He had his life ruined by this.”

Dummar says: “I just want to clear my name. I guess in a case like this you have to put some kind of monetary value on it, but it has more to do with your pride and reputation.”

Hollywood turned Dummar's thwarted dream of sudden riches into the 1980 film Melvin and Howard.

Dummar was in court Thursday as lawyers for Lummis and Gay denied wrongdoing and argued that Dummar had sued decades too late.

“You only get one bite of the apple,” says Peggy Tomsic, a lawyer for Gay. Besides, she says, “almost every potential material witness is dead. All of the documents, including the alleged original handwritten will of Mr. Hughes, are gone.”

Dummar's lawyers say there should be a new trial because evidence of alleged fraud didn't turn up until 2004. That's when retired Hughes aviation executive Guido Roberto Deiro read an article about Dummar and volunteered to be a witness for him.

In that article, Dummar detailed the location of his encounter with Hughes as 6 miles from the Cottontail Ranch, a legal brothel in Lida Junction, Nev. Deiro says in court documents that as manager of the Hughes-owned North Las Vegas Airport, he piloted the billionaire to the Cottontail Ranch one night between Christmas and New Year's Eve of 1967 but lost track of him.

The holiday-season trip was the last of four flights to brothels he made with Hughes, Deiro says. He says he never saw or spoke to Hughes again.

Dummar now lives in Brigham City, Utah, with his second wife. He's self-employed, delivering meat and seafood to Nevada and Utah ranches.

Stein, Dummar's lawyer, says he's encouraged after last week's hearing. “The first thing is to rehabilitate Mr. Dummar's reputation,” he says. “I think I've accomplished that, no matter what the judge does.”

CIVIL RIGHTS

State GOP: Missing Voting Machine Cards In Memphis Could Be Used Fraudulently (AP)

AP, November 5, 2006

MEMPHIS — Tennessee's Republican Party chairman complained to Shelby County election officials that electronic voting machine cards were missing in Memphis, the hometown of Democratic U.S. Senate nominee Harold Ford Jr.

"It has come to our attention that several smart cards used in early voting are missing from at least one early voting site in Memphis, Tenn.," Bob Davis Jr. said in a letter dated Thursday. "The lack of oversight and control over these smart cards has created a situation which could allow for voter fraud."

The letter called on the commission to "locate these missing smart cards as soon as possible."

Tennessee Election Coordinator Brook Thompson said Friday that even if the cards aren't recovered, there is no danger of fraud.

"The cards are programmed such that once you use them, they cannot be reused until they are reactivated by the Election Commission," he said.

Shelby County Election Commission administrator James Johnson didn't immediately return calls seeking comment and wasn't in the office when a reporter stopped by to ask him about the complaint.

Chris Devaney, the state GOP's executive director, disagreed with Thompson's assertion that a smart card couldn't be reactivated and used fraudulently.

He said GOP poll watchers at the Bishop-Byrne precinct reported 12 cards missing.

"We want the Shelby (election) commission to investigate it," Devaney said.

Ford, a five-term congressman who faces Republican Bob Corker of Chattanooga in the Tuesday election, said he would ask the Shelby County district attorney and sheriff to step aside from the investigation because they are co-chairing Corker's campaign.

"They are good people, both, but they should recuse themselves," Ford said. "If we have to ask the Justice Department to come in and oversee this, we may have to. It's unfortunate that these things happen, but we have authorities — and hopefully independent authorities — that will come in and correct the record." ·

IPod Friendly Program Will Monitor Election Complaints (LAWJW)

Lawrence Journal-World, November 6, 2006

A federal prosecutor will be available during Tuesday's election to respond to reports of possible election fraud and voting rights violations in Kansas.

Assistant U.S. Atty. Leon Patton will be available as part of the Justice Department's nationwide Election Day program, which is an effort to increase the department's ability to deter election fraud and discrimination at the polls.

Patton can be reached at (913) 551-6730 while the polls are open.

Complaints also can be made to the Civil Rights Division's Voting Section in Washington, D.C., at (800) 253-3931 or (202) 307-2767.

A New Breed Of Watchdog For Election Day By JUNE KRONHOLZ (WSJ)

The Wall Street Journal, November 6, 2006

When Americans go to vote tomorrow, a new breed of activist will be on guard, monitoring polling stations for everything from voting-machine glitches to long lines to registration snafus.

Energized by disputed results in 2000 and 2004, they have left jobs as music conductors, real-estate agents and software engineers to form groups that expect to turn out thousands of volunteers who don't trust the country's ability to count its votes and have decided to do something about it.

"This is going to be the most heavily watched election in history," predicts Marybeth Kuznik, who founded a group called VotePA after the 2004 election to monitor voting issues in Pennsylvania. Ms. Kuznik, a former arts educator, calls herself a "progressive," but says VotePA includes members of both major parties, two minor parties and independents.

Many of the groups share liberal roots, their members smarting from the narrow Democratic losses in the last two presidential elections. But they also share in Ms. Kuznik's assurances -- and the tax and lobbying status that requires them to remain nonpartisan -- that they simply want to see a clean count.

"I don't care who wins; I just want to know it's democracy," says Warren Stewart, policy director of VoteTrustUSA, an umbrella for 70 grass-roots groups, like VotePA, that lobby legislators and warn voters about election issues.

Two of the bigger groups -- the Election Protection Coalition and Voter Action -- will staff call centers where they will field voter complaints to their 866-OUR-VOTE and 888-SAV-VOTE numbers and dispatch lawyers to any trouble spots. Video the Vote is enlisting "citizen journalists" to film polling-place problems. The Lawyers Committee for Civil Rights Under Law and People for the American Way are among Election Protection's members. Voter Action is a legal-rights group started by California

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lawyer Lowell Finley, who sued voting-machine maker Diebold Inc. over software security; Diebold recently paid $2.6 million to California as part of a settlement of the suit.

Pollworkers for Democracy -- a joint project of VoteTrustUSA, and two groups who often support progressive causes, Mainstreet Moms and Working Assets -- is asking election workers to report voting problems to the group after finishing their precinct shifts to provide evidence for potential lawsuits and recounts. And dozens of small, grass-roots groups will be watching polling stations, elections offices and tabulation centers.

"This is so important," says Bo Lipari, who retired at age 53 from his job as an Ithaca, N.Y., software engineer to start a watchdog group called New Yorkers for Verified Voting. Mr. Lipari describes his group as "strictly nonpartisan" and won't discuss his party affiliation. On Election Day, Mr. Lipari says he will be a poll watcher in Saratoga County, one of the few in New York using electronic voting equipment.

The goal of these groups is both to untangle snarls -- Election Protection's lawyers will ask state courts to keep polls open if there are glitches, for example -- and to document problems, alert the media and gather plaintiffs for possible recount demands and lawsuits.

These groups are on heightened alert because of the new voting equipment and registration databases put in place this year to satisfy the Help America Vote Act or Hava. That 2002 legislation offered voting jurisdictions $3.8 billion to replace their punch-card and lever voting machines. It also required states to put together voter databases in an effort to clear up questions about who is eligible to cast a ballot.

As a result, about 55 million voters will be casting ballots on new voting systems this election, and 22 million of them will be using touch-screen machines in a federal election for the first time. New voter databases also are heightening activists' worries. States compiled the lists by consolidating their county voter-registration lists, then cross-checking them with Social Security and driver-license databases to weed out voters who have died, moved or lost their voting rights.

Democrats fear the untested databases have mistakenly purged the poor and minorities -- generally Democratic constituencies -- while Republicans fear they will contain names of ineligible voters, particularly illegal immigrants, whose votes also could benefit Democrats. The watchdog groups, meanwhile, worry that database mix-ups will create long lines that cause voters to leave before casting a ballot.

For many activists, Election Day is only one more step in a long election-integrity campaign that started when counties began buying touch screens with their new federal money. The machines -- which about 38% of all voters will use tomorrow -- operate much like a bank ATM, leading voters through several prompts and tabulating votes on an internal memory card.

The voting-machine companies, led by Ohio's Diebold, insist the touch screens are tamper-proof and that they prevent voters from making the kinds of errors -- like voting twice for the same office -- that typically disqualify thousands of ballots. The problem, the companies say, is with poorly trained poll workers, not the machines.

Some computer experts quickly began warning that the touch screens are vulnerable to fraud and software glitches, but the issue simmered largely online, and largely unnoticed, until the 2004 elections.

VoteTrustUSA's Mr. Stewart, a San Francisco cellist, says he hadn't been politically active since he stuffed envelopes for George McGovern in 1972, but became alarmed after reading about problems in the 2004 count in Ohio. "I could accept it if my candidate lost," he says, but not that polling-place errors might have changed the outcome. Mr. Stewart won't disclose his voter registration.

He joined an ad hoc group seeking recounts in several states and was assigned to analyze the results in New Mexico where there were 21,000 "under votes" -- that is, 21,000 more ballots distributed than votes cast. After comparing the under votes by precinct, voter demographics and how they were cast, Mr. Stewart says he concluded that almost all were from two early-model electronic voting machines that still are in use in nine states. He quit the California Bach Society, where he was the conductor, and helped start VoteTrustUSA, which he describes as "three people and a Web site, making a lot of noise."

The 2004 Ohio vote also energized Mark Halvorson, who says he was mystified why there were groups focused on voter registration, but none whose mission was the integrity of the poll. "I felt compelled to do something," says Mr. Halvorson, who quit his job as a social worker to launch Citizens for Election Integrity Minnesota, which is affiliated with VoteTrustUSA.

Many election-activist groups have registered as lobbyists or nonprofit charities, which allow them to raise money. But most say they operate on a shoestring with donations from their members. Susan Pynchon, who abandoned her real-estate career to start the Florida Fair Elections Coalition, says she finances her group's work out of rental income from several properties she owns. Ms. Pynchon says she doesn't "allow political statements" from the group's members, and that she claims no party affiliation on her voter registration.

Partly because of activists' pressure, 17 states now require that touch-screen machines record votes on paper documents that may be used in recounts. A House bill that would require a similar paper trail in federal elections has 219 sponsors. "The energy, the motivation is not top down, it's bottom up," says Rep. Rush Holt, a New Jersey Democrat who introduced the bill.

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Mr. Halvorson's Minnesota group helped press the state Legislature to increase the number of precincts where election officials routinely hand-count the ballots and compare them with vote totals on scanners -- electronic voting machines that read hand-marked ballots. Currently, 13 states require random audits.

Also on the activists' agenda: voting-machine certification. As it is, voting-machine makers choose the labs that test their touch screens and the software that runs them. Activists want the government involved, and want outside experts to be able to scrutinize the software for security holes. A new federal Election Assistance Commission mandated by Hava is scheduled to issue new guidelines by the 2008 vote.

Eastern Kentucky School District Facing Civil Rights Inquiry (AP)

AP, November 5, 2006

LLOYD, Ky. - An eastern Kentucky school district faces a federal civil rights inquiry, attorneys for the school system said.

The Greenup County School District and the U.S. Department of Justice Office of Civil Rights have exchanged preliminary materials, but the agency has not scheduled a visit to the area, said Michael J. Schmitt, an attorney for the school district.

School officials wouldn't say what the nature of the inquiry is. Greenup Superintendent John Younce would neither confirm nor deny that an inquiry is under way or that federal officials are planning a visit to the district.

The investigation is the second of the school district in the last two years. In 2005, the school district faced of racial discrimination against Greenup County High School principal Randall Peffer.

Peffer was accused of using racially derogatory comments, discriminating against students, limiting the time of black players on the basketball team and grading black students more strictly than white students.

A report issued at the conclusion of that inquiry cleared Peffer of the allegations, but said that he had been disciplined for using a racially offensive remark.

ANTITRUST

Morgan Stanley And Visa Settle Dispute (FT)

By Tobias Buck

Financial Times, November 6, 2006

Morgan Stanley and Visa Europe have agreed to settle a long-running antitrust dispute, in a move that could bring to an end a six-year competition probe by the European Commission into the credit card group.

The dispute broke out after Visa refused to let Morgan Stanley join its card network. The US investment bank had wanted to offer card services to shops and merchants in the European Union. However, Visa denied it access to its network, pointing to the fact that Morgan Stanley runs the Discover card in the US in competition with Visa.

Morgan Stanley in 2000 filed a complaint to the Commission, which opened an investigation and in August 2004 issued formal charges against Visa accusing it of abusing a dominant market position. The credit card group has been waiting for a final decision, and a possible antitrust fine, ever since.

According to executives from both groups, Visa and Morgan Stanley have now agreed to bury the hatchet. Morgan Stanley has become a member of the Visa card network, and in return has withdrawn its formal antitrust complaint to the Commission.

The move follows last month's decision by Visa Europe to split from the Visa group's international operations.

While Visa International decided to turn itself into a publicly-listed company, Visa Europe plans to retain its structure as an association owned and run by its member banks.

Charlotte Hogg, managing director of Morgan Stanley's consumer banking group international, said: "I can confirm that Morgan Stanley Bank has become a member of Visa Europe and that we have withdrawn our complaint to the European Commission about exclusion from membership of Visa Europe."

Visa Europe said: "We are very pleased that we have reached an amicable agreement with Morgan Stanley and have informed the European Commission about this new development."

The Commission declined to comment on the move. Formally speaking, the settlement between Visa and Morgan Stanley has no impact on the probe, although in practice it will be very difficult for the regulator to pursue an infringement already addressed by the parties.

Should the deal with Morgan Stanley force the Commission to abandon its probe, it would remove the threat to Visa Europe of a fine of up to 10 per cent of its global annual turnover.

However, Visa and its rival MasterCard still face pressure from the Commission to slash the fees they demand from retailers.

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Although Visa agreed in 2002 to lower these “interchange fees”, a recent Commission sector probe again hit out at what it describes as “excessive” charges.

CVS's Deal Maker Faces Toughest Test Integrating Caremark (WSJ)

By Jennifer Levitz, David Armstrong

The Wall Street Journal, November 6, 2006

CVS Corp.'s $21 billion pact to buy Caremark Rx Inc. marks the biggest gamble yet for Thomas Ryan, the CVS chief who will lead the new company.

A 54-year-old former pharmacist, Mr. Ryan has helped build CVS from a regional drugstore chain into a national giant by buying rivals such as Revco DS Inc., Eckerd and Albertsons Inc.'s Save-On and Osco stores. Since ascending to the CEO and president posts at CVS in 1998, he has more than doubled the number of CVS stores to about 6,200. Sales are now $37 billion, up from $15 billion when he took over.

Mr. Ryan is a savvy manager with a talent for overhauling and integrating sagging drugstore chains. But the Caremark deal, which would create a behemoth with $75 billion in annual revenue, represents a bigger deal than any he has tried before and CVS's first major acquisition of a company that isn't another drugstore chain.

Mr. Ryan will be walking a fine line: Caremark and other pharmacy-benefit managers, known as PBMs, get the best possible deal on prescription drugs for their customers, typically big companies or health insurers. Some skeptics of the CVS-Caremark combination wonder whether Caremark's customers will still get the lowest possible drug prices after a drugstore company takes control.

Mr. Ryan is quick to dismiss concerns about a conflict of interest between operating both a profit-driven pharmacy and a PBM. In an interview, he noted that CVS already owns a PBM, which will be rolled into Caremark's operations as part of the merger. He said potential conflicts of interest haven't prevented big clients, such as DaimlerChrysler AG, from signing up with CVS's PBM, PharmaCare.

"It's a natural concern," Mr. Ryan says, adding that the combined company has to offer low prices if it expects to get new business. "No one will beat us on cost when we go to market," he says. So far, Caremark customers have been supportive of the proposed deal, he adds.

Mr. Ryan says he is transforming the drugstore chain into a complete health-care provider. CVS's other recent acquisitions include MinuteClinic, of Minneapolis, which operates in-store health clinics, where nurses treat strep throat, ear and sinus infections and other minor illnesses. He has "figured out that it's good to be a consumer company, but more important to be a health care company," says John Ransom, an analyst at Raymond James Financial Inc., in St. Petersburg, Fla.

Along the way, Mr. Ryan has persuaded the CVS board to "follow him on tough decisions," says Terrence Murray, former chief at FleetBoston Financial Corp. and a CVS board member. He says Mr. Ryan has a "sense of not only where his company is going but where the industry is going."

Mr. Ryan still needs to sell investors on the Caremark deal: He is scheduled to hit the road and meet with big shareholders this week. Some Caremark shareholders are grumbling that the purchase price is too low; some wonder if the sale is driven by weakness in Caremark's business. And despite Mr. Ryan's past successes, some investors worry he may be overextending himself and CVS.

The son of a machinist and a homemaker from New Jersey, Mr. Ryan joined CVS in 1974 as an intern when he was a pharmacy major at the University of Rhode Island. A professor recommended he interview at a CVS store in Woonsocket, some 45 miles away from campus. "I didn't know what CVS was or where Woonsocket was," Mr. Ryan says. He borrowed a fraternity brother's tie and got the job. The man who hired him later told him why: He was the only candidate who wore a tie.

CVS's roots go back to Stanley and Sid Goldstein, two Woonsocket brothers who started out supplying health-and-beauty products to retailers. In 1963, in Lowell, Mass., they and a partner, Ralph Hoagland, opened the first "Consumer Value Store" selling these products to the public at a discount -- an operation the retail conglomerate Melville Corp. bought three years later.

By 1996, CVS was the best-performing company in the Melville portfolio, with hundreds of stores. In that year, Melville, led by Stanley Goldstein, then its CEO, sold or spun off everything but the drugstores and renamed the remaining company CVS Corp. Meanwhile, Mr. Ryan, handpicked by Mr. Goldstein to run CVS's pharmacy division when he was only 29, was catapulting up the CVS ranks.

Mr. Goldstein recalls being impressed with Mr. Ryan's "ability to frame issues and keep it simple. ...He had that ability to slough off the superfluous stuff that people throw up as roadblocks." Mr. Goldstein handed the CEO reins to Mr. Ryan in 1998 and retired from the CVS board in May.

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CVS under Mr. Ryan has cultivated Rhode Island state officials. Former Rhode Island Gov. Lincoln Almond says he and Mr. Ryan spent hours cajoling state legislators to cough up a total of $23 million in cash for an 8,000-seat, $54 million gym and convocation center at the University of Rhode Island.

"There are some guys who just have a knack," says Mr. Almond. "A lot of it has to do with Tom's personality. He is easygoing and doesn't come across as a guy who knows it all. He talks with you, not down to you." The new facility was christened the "Ryan Center" in 2002 after the CVS chief donated $2 million and CVS gave $3 million.

University of Rhode Island President Robert Carothers recalls how Mr. Ryan visited a hold-out legislator, entering the office and closing the door. "When they came out, [the legislator] was supporting the project," he recalls. "I don't know what he said." Asked about the conversation, Mr. Ryan says he told the legislator, "you are going to see some great basketball games."

CVS's relations with state legislators, however, have embroiled it in an influence-peddling scandal that began after some legislators turned up on CVS's corporate payrolls.

The scandal, dug up by the Providence Journal, has so far resulted in the resignations of two senators. One senator pleaded guilty last year to federal criminal charges, acknowledging he was paid by CVS as a consultant at the same time he opposed or killed legislation designed to relax insurer limits on customers' choice of pharmacy chains.

At CVS, a senior vice president and a government-affairs official were placed on leave. The fallout hasn't affected CVS earnings, and there are no indications the probe reached Mr. Ryan.

Mr. Ryan's biggest accomplishment has been to change the appearance of CVS stores, highlighting cosmetics and beauty products to make the stores more "female-friendly," says Mr. Ransom, the analyst. Mr. Ryan also introduced "ExtraCare" cards, which CVS says is the first loyalty card -- essentially a frequent-flier program -- for drugstore shoppers.

Also, under Mr. Ryan, new CVS stores are almost all free-standing, with wide aisles and drive-through pharmacy windows. These stores generate higher sales than older stores in cities and malls.

"I've been with him [on golf trips] in Hilton Head where he pops into CVS stores to talk to people," says Paul J. Choquette Jr., a friend and the chairman of Gilbane Inc., a Rhode Island builder. "He's always thinking about how he can move CVS ahead."

Five years ago, Mr. Ryan oversaw an overhaul of computer technology at CVS. When CVS was working on a plan to reduce customer wait times for prescription drugs, Mr. Ryan says he was frustrated that the company couldn't figure out how long customers were actually waiting. With new technology, Mr. Ryan says he can instantly check wait times in any CVS store.

Because CVS was growing into a national chain, even small changes around the margins have a big effect on profits, he says. For instance, CVS now can track whether the location of an item within a store makes it more likely to be stolen. The company can direct store managers to move heavily stolen items to more protected areas.

Mr. Murray, the board member, says Mr. Ryan wisely recognized that technology "was not a natural strength of his," and so he hired a smart team to handle the conversions. "That of course, is the key to a great executive, to understand his own strengths and weaknesses and to shore up when necessary," he says.

Analysts say CVS stores under Mr. Ryan have become hipper than those of its Midwestern rival, Walgreen Co., of Deerfield, Ill. CVS recently held an analysts day at a swank New York hotel, inviting Chistophe, the Beverly Hills hairdresser, to demonstrate hair products.

Regulators Clear Google's YouTube Deal (WSJ)

Wall Street Journal, November 6, 2006

U.S. antitrust regulators cleared Google Inc.'s $1.65 billion purchase of online video-sharing company YouTube Inc., based on a document published Friday.

No other details were available.

A transaction involving Google and YouTube was listed on the Federal Trade Commission's daily publication of transactions whose reviews have been terminated.

Google, Mountain View, Calif., agreed early last month to acquire YouTube, of San Mateo, Calif., from its founders for $1.65 billion in stock. On Tuesday, the FTC approved related transactions between Google and YouTube's co-founders Steve Chen and Chad Hurley, who started the venture in Mr. Hurley's garage last year. Also Tuesday, the Justice Department gave its approval to Google's bid for YouTube.

FBI/DEA/ATF/USMS

Report: Feds Refusing FBI Terror Cases (AP)

DOJ_NMG_0091196

By Lara Jakes Jordan

AP, November 5, 2006

WASHINGTON - The Justice Department increasingly has refused to prosecute FBI cases targeting suspected terrorists over the past five years, according to private researchers who reviewed department records.

The government says the findings are inaccurate and "intellectually dishonest."

The report being released Monday by the Transactional Records Access Clearinghouse at Syracuse University raises questions about the quality of the FBI's investigations.

Prosecutors declined to bring charges in 131 of 150, or 87 percent, of international terrorist case referrals from the FBI between October 2005 and June 2006, according to the report. The study was based on the most recent data available from the Justice Department's executive office for U.S. attorneys.

That number marks the peak of generally steady increases from the 2001 budget year, when prosecutors rejected 33 percent of such cases from the FBI, according to the report.

The data "raise troubling questions about the bureau's investigation of criminal matters involving individuals the government has identified as international terrorists," the report said.

It noted that prosecutions in traditional FBI investigations since 2001 _ including drug cases, white collar crimes and organized crimes _ have decreased while the number of agents and other employees has risen.

"So with more special agents, many more intelligence analysts, and many fewer prosecutions the question must be asked: What is the FBI doing?" the report said.

A Justice Department spokesman disputed the data highlighted by the Syracuse researchers, noting that terrorist hoax cases that were quickly dismissed may have been included in the government data.

Additionally, some cases are referred to prosecutors to obtain subpoenas or other legal orders in investigations that ultimately never result in criminal charges, spokesman Brian Roehrkasse said. He said prosecutors rejected 67 percent of FBI international terrorist cases in the nine-month period _ not 87 percent.

The FBI's assistant director, John Miller, said the low number of cases prosecuted reflects changes in how investigations have been conducted since the Sept. 11 attacks. He said about half of the FBI's resources go to detection and information gathering of terrorist networks in cases that do not always result in arrests.

"It's not about the numbers and for TRAC to suggest as much is to be intellectually dishonest," Miller said.

He added: "The FBI has been very clear about how we have changed the way we do business since 9/11."

TRAC co-director Susan Long said researchers merely relied on the Justice Department's own numbers to come up with the conclusions.

Justice Dept. Disputes Report On Terror Cases (USAT)

By Kevin Johnson

USA Today, November 6, 2006

WASHINGTON — Federal prosecutors rejected 87% of the international terrorism cases brought by the FBI during the first nine months of fiscal year 2006, a Syracuse University analysis concluded.

The review, conducted by the university's Transactional Records Access Clearinghouse (TRAC), found that the number of rejections has been generally increasing since 2001. Prosecutions fell from 118 defendants in fiscal year 2002, to 19 defendants from Oct. 1, 2005, to June 30, the latest data available.

The Justice Department challenged the findings and said the analysis represented an "astonishing misunderstanding" of the inner workings of the federal criminal justice system.

"This report contains inaccurate figures, relies on a faulty assumption that every referral from an investigative agency should result in a criminal prosecution and ignores the reality of how the war on terrorism is being conducted," said Justice Department spokesman Brian Roehrkasse.

In the weeks after the Sept. 11 attacks, the Justice Department announced a dramatic transformation of its mission, from a prosecution-driven institution to an agency that emphasizes prevention and the development of a domestic intelligence system.

Because of the new mission, Roehrkasse said, cases rejected for prosecution don't necessarily close investigations.

"Often, matters are referred to prosecutors to assist in further investigation through the use of criminal investigative tools that require legal process such as a subpoena or surveillance order," he said. Hoax cases that were dismissed may have been included in the government data, too, he said.

The TRAC report appears to reflect Justice's new mission, but Roehrkasse said the department's rejection rate stands at 67%, not 87%. He added the department has prosecuted 36 international terrorism defendants, nearly double the number reported in the analysis.

Susan Long, one of the report's authors, defended TRAC's analysis of the numbers. The data used in the review were obtained from the Justice Department's Executive Office for U.S. Attorneys.

"The information comes from their files," Long said.

TRAC provides data on federal staffing, spending and enforcement activities to Congress, media and other groups to make the information more accessible to the public.

FBI Willing To Go Undercover In Congress If Necessary (MCT)

By Greg Gordon

McClatchy, November 5, 2006

WASHINGTON - The new chief of the FBI's Criminal Division, which is swamped with public corruption cases, says the bureau is ramping up its ability to catch crooked politicians and might run an undercover sting on Congress.

Assistant FBI Director James Burrus called the bureau's public corruption program "a sleeping giant that we've awoken," and predicted the nation will see continued emphasis in that area "for many, many, many years to come."

So much evidence of wrongdoing is surfacing in the nation's capital that Burrus recently committed to adding a fourth 15- to 20-member public corruption squad to the FBI's Washington field office.

In the past year, former Republican Reps. Duke Cunningham and Bob Ney have pleaded guilty to corruption charges. FBI agents are investigating about a dozen other members of Congress, including as many as three senators. The Justice Department also is expected to begin seeking indictments soon after a massive FBI investigation of the Alaska Legislature.

If conditions warrant, Burrus said, he wouldn't balk at urging an undercover sting like the famed Abscam operation in the late 1970s in which a U.S. senator and six House members agreed on camera to take bribes from FBI agents posing as Arab sheikhs.

"We look for those opportunities a lot," Burrus said, using words rarely heard at the bureau over the last quarter century. "I would do it on Capitol Hill. I would do it in any state legislature. ... If we could do an undercover operation, and it would get me better evidence, I'd do it in a second."

Philip Heymann, who oversaw the Abscam investigation as chief of the Justice Department's Criminal Division during the Carter administration, expressed surprise to learn of the FBI's willingness to attempt another congressional sting after the outcry from Capitol Hill over Abscam.

"It shows courage at the FBI," said Heymann, now a criminal law professor at Harvard University. He said he concluded, after watching a recent public television documentary and listening to experts, that "there is more corruption (on Capitol Hill) than I ever thought imaginable" and that a single FBI sting "might result in very large numbers of prosecutions."

But even without an undercover operation, Heymann and other observers say they have been pleased with the GOP-controlled Justice Department's willingness to pursue old-fashioned investigations, even if they hurt congressional Republicans in Tuesday's elections.

Nationally over the last year, 600 agents worked 2,200 public corruption cases, resulting in 650 arrests, 1,000 indictments and 800 convictions, Burrus said.

FBI Director Robert Mueller, who listed public corruption as his top criminal investigative priority when he shifted the FBI's focus to terrorism in 2002, said last month that the surge in convictions "sends the message that public corruption will not be tolerated." Despite the realignment, the number of agents working on public corruption has remained constant.

Burrus argued that the FBI is "uniquely qualified" to handle such cases, pointing to the bureau's political independence, exemplified by Mueller's 10-year term. Burrus said that Alice Fisher, the politically appointed chief of the Justice Department's Criminal Division with whom he confers weekly, also has "an aggressive attitude" about pursuing public officials.

"Operation Rainmaker," the FBI's broad investigation of a Washington lobbying ring, has already led to a handful of convictions, including Ney's guilty plea last month. The inquiry was one reason for the resignation last year of House Majority Leader Tom DeLay, R-Texas, who also faces state campaign finance charges. Other investigations seem to be sprouting everywhere.

But Reid Weingarten, a former Abscam prosecutor who now is a high-profile Washington criminal defense lawyer, said he would bet that the flurry of congressional cases has resulted from evidence "falling in their (investigators') laps," rather than a programmed FBI hunt for corruption.

The FBI does appear to be stepping up its use of electronic surveillance and has conducted stings of state politicians. Bureau agents secretly taped Rep. William Jefferson, D-La., before finding $90,000 in his freezer during a raid last May. Cell phones were wiretapped for four months in an investigation of Rep. Curt Weldon, R-Pa., government sources say.

In "Operation Tennessee Waltz," 10 Tennessee state officials, including five current and former legislators, have been prosecuted in a scheme in which hidden cameras whirred as FBI undercover agents offered payoffs in return for help for a

dummy company. Burrus said some targeted Tennessee legislators were moving so quickly that "we were actually having to discuss how we were going to slow it down" so that bills aiding the phony firm didn't become law.

A separate undercover inquiry led to the indictment of three members of San Diego's city council.

In Alaska, the FBI has more than doubled its manpower in a sweeping investigation of allegations that an oil industry services company bribed state legislators, people familiar with the inquiry said. On Aug. 31 and Sept. 1, the FBI conducted two dozen raids and searched the office of state Sen. Ben Stevens, son of U.S. Sen. Ted Stevens, R-Alaska.

Burrus declined to discuss any investigation, but said the FBI will focus on more state capitals over the next year, "because we have seen a trend in cases that leads us to believe there's more out there."

When he arrived as deputy chief of the criminal division in 2004, he said, field offices frequently told him they had "no idea" how to pursue public corruption leads. Since then, he said, agents in about 30 of the bureau's 56 field offices have been trained. FBI agents in Washington have studied congressional activities that might invite bribes, such as hard-to-trace "earmarks" in which members appropriate money for pet projects, often keeping their involvement off the public record.

"Public corruption cases have to be fished out," he said, noting that crooked politicians tend to do secret deals with one other person and often try to disguise their actions as "for the public's good."

Controversial new legal theories are also helping prosecutors bring cases in which they can't prove outright briberies. A vaguely written, 28-word 1988 law, for example, makes it a fraud for a politician to deprive taxpayers of his "honest services." It was among the charges lodged against Cunningham, Ney, former lobbyist Jack Abramoff and the San Diego councilmen.

Burrus said the FBI has to prove "that this person engaged in the activities specifically to receive this stream of benefits and knew that stream of benefits would stop if he did not support these particular projects."

Probe Hits Jefferson In Wallet (NOTP)

By Bill Walsh, Staff Writer

New Orleans Times-Picayune, November 6, 2006

Campaign support appears to dwindle

The federal bribery probe targeting U.S. Rep. William Jefferson is issue No. 1 in the race to unseat him, but it has also played a powerful role behind the scenes as the eight-term Democrat has struggled mightily to raise enough money to keep his re-election campaign afloat.

Though he has not been charged, revelations that the FBI found $90,000 stashed in Jefferson's freezer in August 2005 have earned him the cold shoulder from many once-loyal donors, the majority of whom have migrated to the campaign of state Rep. Karen Carter, also a Democrat, who has become the favorite of the political establishment.

Jefferson paid perhaps an even larger price when his fellow House Democrats voted in June to eject him from the influential Ways & Means Committee, whose jurisdiction over taxes and trade makes it a financial magnet for corporations and trade unions seeking to influence legislation.

Records show that dozens of political action committees donated to his campaign after the FBI raid. After he was thrown off Ways & Means, however, they abandoned him.

"Political action committees will continue to support an incumbent as long as he is in a position of authority," said Craig Holman of the nonprofit watchdog group Public Citizen. "As soon as he loses his authority, they funnel their money somewhere else."

Fundraising falters

Almost unheard of for an incumbent, Jefferson has trailed two of his challengers -- Carter and Derrick Shepherd -- in fundraising since they jumped into the race in the summer. Jefferson's $151,375 haul between July 23 and Sept. 30 was eclipsed by Carter's $327,162 and Shepherd's $199,900.

A fourth major Democratic candidate, Troy Carter, has raised just $79,900 for the entire campaign. Republican Joe Lavigne, who has been in the race the longest, raised money early on at an impressive clip, but the pace slowed as prominent Republican benefactors -- such as developer Joe Canizaro, shipbuilder Boysie Bollinger and funeral industry executive Frank Stewart -- lined up behind Karen Carter.

A review of Jefferson's campaign finance reports show that those who have stuck with him financially are members of his family, long-time friends and business associates, a few fellow members of the Congressional Black Caucus and a smattering of sympathetic businesses and unions.

Among the loyal are: state Sen. Cleo Fields, a former U.S. representative and gubernatorial candidate; former Jefferson law partner Trevor Bryan; New Orleans attorney Robert Harvey; Liberty Bank President Alden McDonald; U.S. Rep. Mel Watt, D-N.C.; janitorial company owner Burnell Moliere; Jefferson's pastor and influential African-American leader Bishop Paul Morton;

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former state Sen. Sammy Nunez; technology company owner Bobby Savoie; and engineering company President George Kleinpeter.

"He's been a good friend for a long time," said Kleinpeter, president of Burk-Kleinpeter Inc. Asked about the federal probe, Kleinpeter said, "I'm not judge and jury on those kinds of things," before abruptly ending the call.

Several other Jefferson donors declined to be interviewed or return phone calls for comment.

Long-time donors vanish

Jefferson campaign finance reports are littered with names of long-time donors who pulled up stakes in the face of the federal probe, which has focused on Jefferson's efforts to help U.S. businesses land contracts in West Africa. Even worse for the embattled congressman, those once-reliable donors have tended to ally themselves with his leading opponent, Karen Carter. Among those who switched were construction company President Robert Boh; restaurateur Ralph Brennan; import-export company owner John Georges; New Orleans lawyer Allan Kanner; and former Louisiana Sen. J. Bennett Johnston, a former Jefferson colleague in the Louisiana congressional delegation.

Johnston and former Sen. John Breaux, D-La., both longtime Jefferson backers, threw their support to Karen Carter late in the summer. Both have raised money for her and introduced her around Washington.

"We stayed with him as long as we reasonably could," said Hunter Johnston, the senator's son and a lobbyist. "Our relationship with Jeff goes way back. But he has not left any of his friends with any reasonable, plausible explanation of what's going on. New Orleans can't afford to be represented by someone whose reputation and effectiveness is so diminished."

PAC support dwindles

Dozens of corporate and labor union political action committees have evidently come to the same conclusion about Jefferson's clout on Capitol Hill. Businesses and labor groups such as Wal-Mart, Pfizer, Microsoft, Harrah's Entertainment, Entergy, BellSouth, Northrop Grumman, the Association of Trial Lawyers of America and associations of accountants and anesthesiologists gave generously to Jefferson after the Aug. 4, 2005, raid on his home by the FBI.

Despite the bad publicity, Jefferson raked in $53,750 in PAC contributions between Jan. 1 and June 15, the day the Democrats voted him off the Ways & Means Committee, records show. Since then, however, PAC giving to Jefferson has plummeted to $11,000, according to campaign finance reports.

Arguably the most loyal PAC has been the American Federation of Teachers, which donated $5,000 after the FBI raid and another $5,000 after his ejection from the committee.

"I'm not the one who could give you a comment on that," said union spokesman George Jackson. "I imagine it would be because he consistently votes in our favor on issues. I don't believe he has been formally indicted, has he?"

Although records show Karen Carter has been the main beneficiary of one-time Jefferson donors, Shepherd has lifted himself into the upper tier of candidates in the 13-candidate field with some aggressive fundraising of his own. His political base is the West Bank, but he has received contributions from throughout the 2nd Congressional District, which stretches from Jefferson Parish nearly to the Mississippi state line.

Shepherd, who is African -- American, also has received financial support from some prominent white donors such as architectural company owner William Sizeler, lawyer Kenneth Pickering and Audubon Institute CEO Ron Forman. Lawyers and developers were among his top contributors, according to the campaign finance Web site PoliticalMoneyLine.

Troy Carter has struggled to raise money. He has banked some contributions from business owners in the French Quarter, whom he used to represent on the City Council. But he also appears to be carrying a $122,129 debt stemming from his failed mayoral bid in 2002.

Tuesday's election is all but certain to prompt a December runoff between the top two vote-getters. But with the field still unpredictable, some donors are hedging their bets. Campaign finance records show that Kleinpeter, the engineering company president, gave $1,000 to Jefferson's re-election campaign on Sept. 25. He contributed $1,000 to Karen Carter, records show, the next day.

. . . . . .

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2 Prison Guards Found Guilty (ORS/AP)

By Bill Kaczor, The Associated Press

The Orlando Sentinel, November 4, 2006

Tallahassee officers were convicted in a sex-for-contraband scheme.

TALLAHASSEE -- A jury found a male prison guard guilty of bribery and another guilty of witness tampering Friday in a sex-for-contraband scheme that ended with a deadly shootout at a federal prison for women.

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A U.S. District Court jury convicted Gregory Dixon of three counts of bribery and Alan Moore of witness tampering. The jury also found both guilty of conspiracy to accept illegal gratuities after deliberating nearly eight hours. Moore also was convicted of accepting an illegal gratuity.

"Any prosecution is trying to send a message," Assistant U.S. Attorney Alan Sprowls said after the verdict.

Defense lawyer Robert Harper said he didn't think it would be the right kind of message, though.

"This case to me sends a dangerous message to every male correctional officer at every female correctional institution," Harper said.

Three other guards previously had pleaded guilty to conspiracy charges. A sixth guard, Ralph Hill, was killed in the June 21 gunfight that he started at Tallahassee Correctional Institution when federal agents came to arrest them, officials said.

Justice Department special agent William "Buddy" Sentner also was killed, and a prison officer assisting in the arrests was wounded.

Judge Robert Hinkle set sentencing for Jan. 10. Dixon could face up to 47 years in prison, while Moore faces 14 years. Hinkle threw out the most serious charges of conspiracy to commit extortion and mail fraud, citing insufficient evidence, and the jury acquitted both men of conspiracy to commit bribery.

Neither defendant showed emotion when the verdicts were read as they sat at the defense table with their lawyers. Neither would comment.

Harper, who represents Moore, said post-conviction motions are pending or will be filed with Hinkle to seek reversal of the convictions. Dixon's lawyer, Thomas Findley, said his client would appeal at the appropriate time.

More than a dozen current and former inmates, some in prison uniforms and chains, testified against the two guards during the weeklong trial. Some said they traded sex for such commonplace items as cigarettes, cigars, gum and cosmetics. None claimed to receive drugs or alcohol.

Others said they acted as lookouts or paid guards for contraband.

Davis argued there was an unwritten, sometimes unspoken, understanding among guards and inmates that sex and money could be swapped for contraband.

"They lived in an environment where rumor abounded," Davis said.

FBI May Use Billboards In Art Hunt (BOS)

By Shelley Murphy, Globe Staff

The Boston Globe, November 6, 2006

Agency seeks leads in Gardner theft

The FBI is considering a billboard campaign as part of its international hunt for $300 million worth of artwork that was stolen from the Isabella Stewart Gardner Museum in Boston in 1990 by thieves who masqueraded as police officers to get inside, according to the agency

"We are evaluating investigative techniques designed to solicit information from the public regarding the investigation, including the use of billboards," said Thomas Larned, an assistant special agent-in-charge of the FBI's Boston office.

The Financial Times of London reported on Oct. 21 that Eric Ives, head of the FBI's major theft unit in Washington, said the FBI planned to appeal for the public's help on billboards posted throughout the United States, and possibly overseas, sometime next year. Ives could not be reached for comment yesterday.

Larned said that using billboards as part of a publicity campaign was under consideration, "however we have no imminent plans."

The stolen artwork includes a Vermeer; three Rembrandts, including his only seascape; five Degas drawings; and a Manet.

Cathy Deely, a spokeswoman for the museum, declined to comment on the ongoing investigation or the possibility of a billboard campaign. But she said that "we are optimistic that they will be returned."

Julian Radcliffe -- chairman of the Art Loss Register in London, which is the world's largest database of stolen art and antiques dedicated to their recovery -- said he had never heard of billboards being used to help locate stolen pieces. But he added that law enforcement officials frequently advertise in art trade magazines.

"The people who might know about the paintings will tend to be criminals or near-criminals, and clearly the FBI has been working on those sorts of people in the past without a great deal of success," Radcliffe said. "So making a more general appeal may be necessary to widening the net, but I think the chances of it attracting somebody who knows where the pictures are is probably not very high."

FBI Leader In Boston Gets Post In D.C. (BOS)

By Shelley Murphy, Globe Staff

The Boston Globe, November 6, 2006

The agent who has run the FBI's Boston office for the past 3 1/2 years was promoted yesterday to a high-profile post at the agency's headquarters in Washington, D.C.

Kenneth W. Kaiser said it was an honor to be chosen to serve as assistant director of the Inspection Division, which evaluates and audits the work of the FBI's field offices, conducts internal investigations of alleged misconduct by bureau employees, and investigates shootings by FBI agents.

It will be a bittersweet departure for Kaiser, who said yesterday that he regrets being unable to capture fugitive gangster James "Whitey" Bulger while serving as special agent in charge of the FBI's Boston office since March 2003.

But Kaiser, 50, said he believes that he has left the once-beleaguered office in better shape than he found it by repairing the FBI's relationship with other law enforcement agencies after it had been badly frayed by corrupt agents who protected Bulger from prosecution and helped him slip away just before his 1995 indictment.

"I really think that in the last 3 1/2 years we've changed the perception of what the FBI in Boston is all about," Kaiser said in a telephone interview from Washington. "I think the perception now is that the FBI is a team player . . . that we really are looking for Whitey Bulger, and that the Boston office isn't a corrupt office."

Kaiser said his advice to his successor will be to continue to devote a team of full-time agents and analysts to the hunt for Bulger, a longtime FBI informant wanted in the slayings of 19 people.

"I didn't even know who Whitey Bulger was really when I came here," he said. "Once you realize how important he is to the office and the community, it's important for the credibility of the FBI to continue to look for him very aggressively."

The FBI has launched a number of high-profile cases during Kaiser's tenure, including a probe into corruption on the Big Dig project, an operation that led to the indictment of three Boston police officers on drug-trafficking charges, and the indictment of Abdullah Khadr, a Canadian national and alleged Al Qaeda operative charged with conspiring to kill Americans overseas.

After Hurricane Katrina, Kaiser was deployed to Louisiana as commander of FBI Technical and Emergency Operations, coordinating the bureau's SWAT operations for high-risk arrests, rescues, and other federal operations.

He also oversaw security at the Super Bowl last year in Florida. .

Kaiser said he was on a temporary special assignment in Washington yesterday when he was notified by FBI Director Robert S. Mueller III that his promotion had been approved by Attorney General Alberto R. Gonzales. Kaiser is scheduled to return to Boston next month. It's unclear when he will start his new job.

Sharon Ormsby, an assistant special agent is in charge of the Boston office while Kaiser is away, but a permanent replacement has yet to be named.

An Illinois native and son of an FBI agent, Kaiser joined the FBI in May 1982 after four years as a diplomatic security agent for the US State Department.

He has held a number of positions with the agency, working in the Inspection Division in Washington, serving as second in command of the Indianapolis office and as a member of the counter-terrorism unit, where he helped plan security for the Olympic Games in Barcelona and Atlanta. Before coming to Boston, he was head of the New Orleans office.

He arrived in Boston a year after retired FBI agent John J. Connolly Jr. was convicted of racketeering for protecting longtime FBI informants Bulger and Stephen "The Rifleman" Flemmi from prosecution and warning Bulger to flee in advance of his federal indictment. Bulger was and still is one of the FBI's 10 Most Wanted.

Congressional hearings into the FBI's mishandling of Bulger and Flemmi were underway. And there were two separate manhunts for Bulger, with the FBI leading one task force and Massachusetts State Police and the Drug Enforcement Administration spearheading the other.

When Kaiser arrived "he had no idea how deep the rift was, but he absolutely reached out," said Thomas G. Robbins, who retired as superintendent of the Massachusetts State Police in June. "He did a lot of repair work."

While bitterness remains in some law enforcement quarters over the Bulger scandal, Robbins credited Kaiser with getting the FBI and State Police working together on the Bulger case.

US Attorney Michael J. Sullivan, who left Boston in August to serve as acting director of the federal Bureau of Alcohol, Tobacco, Firearms and Explosives, said, "From the first day he arrived, he's really been a team builder, looking for opportunities to make sure everybody felt included." Sullivan credited him with forging partnerships with other agencies.

During Kaiser's tenure, the number of FBI joint task forces in Boston has grown from five to 21.

"I think what I do is play well in the sandbox with everybody," Kaiser said. "We continue to do what we need to do to move forward. . . . I tried to leave the place in a better position than when I got there and I think maybe I have."

Sullivan said yesterday that he has been assured by Washington officials that the commitment to finding Bulger will continue. "We all want the same thing, and that's for him to be captured," he said.

Shooting Victim Was Undercover (WT)

By Jim Mcelhatton

The Washington Times, November 6, 2006

An Alexandria woman fatally shot last month in what police are calling a targeted hit worked undercover and cooperated with the FBI in violent-crime and drug cases up and down the East Coast, previously sealed records show.

Restaurant owner Bethlehem Ayele, 34, assisted in a homicide investigation in Connecticut, arranged an FBI sting in Florida and testified against drug dealers in the District.

Miss Ayele, 34, was fatally shot Oct. 25 in Alexandria while waiting at a stoplight at Mount Vernon and Commonwealth avenues in the city's Del Ray section.

The shooting prompted immediate speculation about whether Miss Ayele's death was tied to her testimony against members of the so-called Murder Inc. drug gang in the District.

But previously sealed court records show Miss Ayele also provided valuable help in several other felony cases over the years. Police say they are looking into whether her cooperation in other cases played a role in the shooting.

"Detectives still believe she was targeted, but they have not determined exactly why," Amy Bertsch, a spokeswoman for the Alexandria Police Department, said yesterday.

"The detectives are aware of all of those aspects," Miss Bertsch said. "They just don't know if they're connected to her murder. It's certainly something they're investigating."

According to unsealed records in federal court in the District, Miss Ayele debriefed detectives in a double homicide in Connecticut.

In Florida, she worked with the FBI to set up a cocaine buy between a drug dealer and an undercover FBI agent.

She cooperated in the investigation of a drug ring in the District. She testified publicly in the 2003 and 2004 Murder Inc. trial, linking two men to the conspiracy. Various members of the gang were convicted in 31 separate murders.

Miss Ayele's cooperation began after her arrest by U.S. Park Police in April 2000, when she was stopped for a traffic violation and officers found $20,000 in cash, drugs and a handgun in her van, according to court records.

She pleaded guilty to conspiracy in December 2000, agreeing to cooperate and forfeit more than $200,000 in seized cash, two cars and jewelry.

According to court records, there was concern about Miss Ayele's safety as a cooperating witness during her case.

In 2001, a federal magistrate judge ruled that her case should be kept off the public docket, writing that "her cooperation, due to the nature of the case, places the personal safety of the defendant and the officers and agents working with her at substantial risk."

A provision in her plea deal stated that the U.S. attorney's office in the District would back her entrance into the federal witness protection program.

It is not clear whether Miss Ayele ever opted to go into the program. Federal authorities and Miss Ayele's attorney declined to comment for this story.

When she was killed, Miss Ayele was working as a real estate agent in Alexandria. She also ran the Ohio Restaurant on H Street in Northeast. The restaurant remains closed, and family members could not be reached for comment.

According to court records, Miss Ayele was held without bond after her arrest. She was released into the custody of an FBI special agent to help in undercover investigations, including cases in Florida and Georgia.

California 'Pot Docs' Put Selves At Risk (USAT/AP)

By Lisa Leff, Associated Press

USA Today, November 6, 2006

COOL, Calif. — Mollie Fry, a doctor, never thought telling her patients where to get the medicine she recommended for pain, depression and nausea would be a problem.

Federal drug agents who raided her home and office thought otherwise, and she was indicted last year on felony charges of conspiring to distribute marijuana.

"I assumed the fact that I had 'M.D.' at the end of my name gave me the right to make judgments about people's health," said Fry, who estimates she has issued thousands of cannabis recommendations since setting up her thriving practice northeast of Sacramento in 1999.

Since California passed the nation's first medical marijuana law a decade ago, a provision requiring written doctor approval to grow and buy pot has created conflict between the state mandate and federal drug laws, and strained the doctor-patient relationship.

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Until the stalemate is resolved, doctors recommending marijuana do it with trepidation and a good deal of risk.

Medical marijuana advocates estimate that 1,500 doctors, mostly oncologists and AIDS specialists, have authorized pot for at least one patient. But most recommendations have come from about 15 self-appointed specialists, the so-called "pot docs," who charge $150 and up to walk what the California Medical Association calls "a gray area between the clearly permissible and clearly impermissible categories of action."

Following complaints by local law enforcement, nearly all have been investigated by the state board that licenses and disciplines physicians. Four had devoted their practices to acting as medical marijuana consultants and ultimately were sanctioned, ranging from the public rebuke that Fry got to having their licenses suspended.

California's medical marijuana law, also known as Proposition 215, named a host of ailments for which marijuana might prove helpful in easing symptoms: cancer, anorexia, AIDS, glaucoma, arthritis, migraine.

Unlike medical marijuana laws enacted in 10 other states, California's also gave doctors discretion to certify patients with "any other illness for which marijuana provides relief," leaving open the possibility that recommendations could be made to people who did not need them.

David Thornton, executive director of the California Medical Board, said that until the board issued guidelines two years ago outlining what constituted "accepted medical standards," physicians pretty much had to figure it out on their own. Most concluded it was not worth the risk.

Although a federal appeals court ruled four years ago that the U.S. Drug Enforcement Administration cannot go after doctors merely because they recommend marijuana to patients, the state medical board's guidelines make it clear the ruling did not amount to immunity either from prosecution or disciplinary proceedings.

The board advises doctors that relying on a patient's word instead of prior medical records to determine whether a marijuana recommendation is appropriate could constitute medical negligence. Failing to conduct an independent exam or to consider whether another drug would be as effective could lead to charges of unprofessional conduct.

The California Medical Association is even more explicit, warning doctors never to tell patients where to get pot and urging them to remind patients of possible side effects. Discussing dosages with patients, opining on whether they should smoke or eat marijuana, and signing a form that enables patients to obtain a state-issued medical marijuana ID card also are steps the medical association cautions could lead to them being sanctioned.

Frank Lucido, a Berkeley physician who devotes about 30% of his practice to working with medical marijuana patients, said he abides by those recommendations, but thinks pot docs are being held to higher standards than doctors who prescribe lots of Viagra, prescription painkillers and other abused medications. Doctors who prescribe sleeping pills for patients who complain of insomnia, Lucido noted, are not at risk of being called quacks if they don't do a hands-on exam or develop a long-term treatment plan.

Fry, 50, who is awaiting trial, continues signing recommendation forms for patients who come to see her from throughout the state. She no longer sells her patients starter plants, but freely tells them about what she sees as the spiritual, emotional and economic benefits of growing their own pot.

"What did I take an oath to do? To do no harm and to alleviate pain and suffering," Fry said. "I'm going to be true to my oath, and I'm even willing to go to prison for it."

Carlyle-Clarke Pleads Guilty To Drug Conspiracy (MR)

By Brendan Kirby, Staff Reporter

Mobile Press-Register (AL), November 6, 2006

Aristocrat admits responsibility for 15,000 pounds of marijuana

A British aristocrat who fought extradition to the United States for the better part of a decade stood in handcuffs and leg shackles Friday before a federal judge in Mobile to admit his guilt in a massive drug conspiracy.

Giles Richard Carlyle-Clarke, who traces his family roots in England to 1066, pleaded guilty to one count of conspiracy to possess with intent to distribute marijuana. He admitted responsibility for 15,000 pounds of marijuana that came into the country by way of Baldwin County and St. Petersburg, Fla.

Prosecutors hailed the plea as the latest victory in an investigation that dates to the 1980s and has resulted in more than 70 indictments and 65 convictions.

"It was a significant case to our office and I think to the DEA (Drug Enforcement Administration)," Assistant U.S. Attorney Gloria Bedwell said.

And the investigation still is not over, Bedwell said. The government continues to search for about five fugitives who investigators believe are hiding in foreign countries.

Carlyle-Clarke's plea agreement contains a standard provision allowing him the chance to cut his sentence if he provides information helpful to the investigation. Bedwell said she does not know if Carlyle-Clarke has kept in touch with any co-conspirators or has any other useful information.

If sentenced to the low end of advisory sentencing guidelines, Carlyle-Clarke would serve a prison term of 12 years and seven months. Prosecutors have agreed to support Carlye-Clarke if he seeks to serve that time in his home country.

Defense attorney Jeff Deen said after Friday's hearing that his client had no criminal record before or after his involvement with the Jamaican marijuana operation.

"This is all things that happened a long time ago when he was a much younger man," Deen said. "He's just trying to atone for his misdeeds."

Carlyle-Clarke, 49, admitted in his written plea agreement that he has was recruited by a friend, Robert Delisser, to participate in a Jamaica-based drug running operation. Delisser, who remains at large, suggested Michael Beauchemin hire Carlyle-Clarke, the plea agreement states.

Carlyle-Clarke transported about 200 pounds of marijuana on his sailboat, the Can-Can, from the Caribbean island nation to St. Petersburg in 1986.

The following year, Carlyle-Clarke captained Beauchemin's vessel, which contained a larger load, some 7,000 to 8,000 pounds of marijuana. He received $500,000, according to law enforcement investigators.

In early 1988, Beauchemin returned to Jamaica and arranged for another 8,000-pound load to be smuggled into the country, this time through Baldwin County. All of the marijuana was stored in a rented house in Baldwin County. The high-quality marijuana from that shipment eventually was sold, while the lower-quality marijuana was moved to a farmhouse on Baldwin County 97.

Carlyle-Clarke traveled to Baldwin County on Delisser's behalf and inspected the drugs stored at that farmhouse, according to the facts laid out in the plea agreement.

The Alabama Marine Police launched the investigation in May 1988 after receiving reports of people unloading a sailboat moored in the area of Roberts Bayou in south Baldwin County. The Marine Police turned the matter over to the DEA, which got a search warrant for a house in Elberta and the sailboat. Agents found thousands of pounds of marijuana and hundreds of pounds of hashish oil stored in a pier house on the property and uncovered evidence of the intricate distribution network.

Evidence seized included a videotape detailing the construction of the sailboat, which had a double hull with a large secret storage compartment in between. The four people arrested on the property led investigators to other conspirators, who in turn gave up others.

A federal grand jury in Mobile indicted Carlyle-Clarke in 1992. British authorities arrested him in January 1998 but allowed him to remain free at his family's 1,200-acre ancestral estate in England while he fought extradition to the United States. By July, he finally had exhausted his appeals and turned himself in to federal marshals at London's Heathrow Airport.

S. Texas Law Enforcement Seeks Drug Incinerator (HC/AP)

By Lynn Brezosky, Associated Press

Houston Chronicle, November 6, 2006

McAllen chief says nearby facility would cut costly trips to Dallas to destroy contraband

MCALLEN — Asked recently what Texas could do to help a border police department like McAllen's, Chief Victor Rodriguez had a ready answer: Give us a nearby place to burn seized drugs.

He then outlined a situation that stunned members of the state Senate Criminal Justice Committee holding a field hearing in the Rio Grande Valley.

In a region that is a gateway for drugs coming from Latin America and bound for cities throughout the United States, destroying drugs means sending a caravan of vehicles and officers on a two-day trip costing $8,000 to $10,000.

For McAllen, in particular, it means unloading tons of contraband from the 8-foot by 40-foot evidence bunker and into a rented moving van, which is then driven to a privately run incinerator near Dallas.

It's a journey nearly the length of Texas, and a task that requires seven or eight officers. There's got to be backup vehicles, officers to guard the drugs and, yes, each other. In recent years local police chiefs as well as U.S. Customs and Border Patrol agents have been prosecuted for bribery for helping drug traffickers get loads north.

Labor regulations require an overnight stop after such a long drive, adding lodging on top of overtime costs. Then there's the bill for the actual burn — calculated at about 40 cents to 50 cents per pound for several thousand pounds. It's a trip that's repeated several times a year.

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"The border, it is an international front; it does yield for us down here large seizures of contraband," Rodriguez said. "Not only are we saddled with the border geographically, above and beyond that we have to pay to destroy this stuff, and it can get expensive."

Webb County Sheriff's Department Capt. Ted Garcia agreed. The county's evidence room has filled rapidly in recent months from a spree of cocaine seizures, he said, meaning another costly trip to Dallas is imminent.

"You would think they would have one closer," he said.

3 private operators in stateThere are three main facilities in Texas for incinerating drugs, state Department of Public Safety spokeswoman Tela Mange said, and all are privately operated.

For security reasons, she asked that they not be identified by name. Besides Dallas, one is in El Paso, and the other is in the northeastern corner of the state near Louisiana.

The El Paso facility is accessible to police along the state's far western border with Mexico. But for Laredo and cities in the lower Rio Grande Valley it's about as distant as Dallas or Louisiana.

"You have to go by whatever TCEQ regulations are, so that can get kind of complicated and expensive," Mange said. "When you've got about a million pounds, it can add up."

The Texas Commission on Environmental Quality requires incinerators for illegal drugs be dual chamber, burn at minimum temperatures of 1,400 degrees Fahrenheit and have stacks stretching at least six feet above any structure within 150 feet.

Cocaine, opiate and methamphetamine burns are limited to 10 pounds in an eight-hour period, marijuana to no more than 500 pounds an hour. Only specific fuels can be used — sweet natural gas, liquid petroleum gas, electric power or fuel oil with less than one-half percent sulfur by weight.

U.S. Customs and Protection routinely makes seizures of a ton or more along the border, with Border Patrol agents frequently coming upon bales of marijuana or cocaine unloaded on the banks of the Rio Grande or into dump trucks or other vehicles.

Exploring optionsThe federal Drug Enforcement Administration keeps tallies on federal seizures as well as larger ones by local police departments. During fiscal 2005, 1,077 tons of marijuana, 26 tons of cocaine, 715 pounds of heroin and 3.2 tons of methamphetamine were seized along the southwest border.

Evidence must be kept until a trafficker is convicted, and when it comes time to destroy the drugs the federal government also faces a challenge.

"For obvious reasons of security and safety, we can't reveal where we burn or destroy our evidence, but it is a concern for us in terms of the costliness of it," Houston-based DEA spokesman Ray D'Alessio said. "We're exploring different options right now."

It would cost at least $5 million to build a new drug incinerator, according to one estimate.

State Sen. John Whitmire, the Houston Democrat who chairs the Senate Criminal Justice Committee, said he was astonished by Rodriguez's testimony. "I promise you we'll fix this," he said at the Aug. 30 field hearing at McAllen City Hall.

Whitmire aide Larance Coleman said research into the logistics of a local facility is just beginning. "We haven't ever really looked into this before," he said.

Guilty Plea In Murder For Hire Case (HC)

By Brian Rogers

Houston Chronicle, November 6, 2006

DEA agent's ex-wife receives deferred sentence

A Houston U.S. Drug Enforcement Administration agent's ex-wife pleaded guilty Friday to trying to hire someone to kill him.

Pamela Bishop, 38, got deferred adjudication for solicitation of capital murder of Donald Noell Bishop. The conviction will be dropped from her criminal record if she stays out of trouble the next six years.

Bishop, who had been held in jail in lieu of $500,000 bail since her arrest in early October, will pay a $500 fine and do 300 hours of community service.

Except for saying the incident stemmed from an acrimonious divorce, her attorney, Jay Dedrick, declined to comment on the circumstances surrounding the charge because the couple are still in a custody fight for their children, a 13-year-old boy and a 6-year-old girl.

Prosecutor Kelly Siegler said the plea bargain was unusual, but it's what Bishop's ex-husband wanted.

"He's a stand-up guy," Siegler said. "And that's what he wanted, so that's what we decided to do."

Siegler said authorities were notified when one of the men Bishop asked to kill her ex-husband developed a conscience.

"She was talking to one of the would-be killers and he told the DEA," Siegler said. She said the agency contacted the Harris County Sheriff's Office to investigate and make the arrest.

She also said Bishop would not be allowed to contact her ex-husband or her children except through the supervised visits as a condition of the plea agreement.

IMMIGRATION

Texas Starts Internet Border Watch (AP)

The Wall Street Journal, November 4, 2006

AUSTIN, Texas -- Texas launched its ambitious effort to use Internet users to watch the border for illegal immigrants. But the network of surveillance cameras was plagued by technical problems, the images were grainy and the cameras were placed so high that it was hard to distinguish a person from, say, a bush.

Republican Gov. Rick Perry, who announced plans over the summer to spend $5 million on the virtual posse, asked for "forgiveness on the front end of this," but dismissed the problems as routine computer glitches.

"I'm sure that as you start a big program like this that you will have some glitches," Mr. Perry, who is up for re-election, said Friday in Brownsville. "My wife's computer is not working this morning."

The cameras will operate at criminal hotspots. Members of the public who see something suspicious over the Web cameras can e-mail authorities.

However, the Web site doesn't work on some Internet browsers. The images were grainy and it was difficult to tell whether, say, a group of people on the screen was a family crossing a crowded parking lot or a band of smugglers with their human cargo. The view from one camera on the Rio Grande was largely obscured by a bush. In another, all that was visible was the license plates on passing cars.

When he announced the program in June, Mr. Perry said the images would be available online in a month. While the first cameras were installed within a month, and law enforcement officers have been watching them since then, the public Web site was not up and running until late Thursday.

Perry spokeswoman Kathy Walt said that it proved more difficult than expected to get the public site running and that the launch so close to the election was a coincidence. Law enforcement officials have access to footage from about 15 cameras, Ms. Walt said, but only eight appear on the Web site.

Ms. Walt said authorities have been trying to work out technical issues, such as the proper distance and how to achieve good picture quality. Since much of the border is undeveloped land, the designers of the system also had to figure out how to use batteries or solar power and how to transmit by wireless signal.

Six companies have donated their time and camera equipment, Walt said. The state paid a seventh company $100,000 to create and run the Web site. Within a few days, the state plans to ask companies to submit proposals to install dozens of additional cameras.

Some civil rights groups have criticized the virtual border watch plan, saying it will instill fear in border communities and could lead to fraudulent crime reports and racial profiling.

Web Cameras Will Focus Eyes Of Texas On Border (FWST)

By Patrick Mcgee

The Fort Worth Star-Telegram, November 4, 2006

Live images from cameras set up along the Mexican border became available for the first time Thursday, in the hope that alert residents can help fight crime and illegal crossings into Texas.

People can visit a Web site, www.texasborderwatch.com, where they can view selected areas and report suspicious activity by clicking an online button.

Gov. Rick Perry's office has installed 15 cameras since June, and seven of them are being tested on the Web site.

But many of the Internet links were not working Friday, and some that did work didn't include the promised online button to click to report suspicious activity.

Gov. Rick Perry's spokeswoman, Kathy Walt, said Friday that cameras may have been down for temporary adjustments and that the Web site is still a "test site."

"The intent, particularly with the public Web site, is to model the successful neighborhood watch programs we have had for years," she said. "The idea is, the more eyes you have monitoring, the more success you will have in reducing crime."

Perry, who is running for re-election, has featured increased efforts to secure the border in some of his campaign ads for Tuesday's election.

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The Border Patrol has cameras in every sector of Texas' border with Mexico, said Mike Friel, spokesman for U.S. Customs and Border Protection.

He said the cameras work in daylight or at night and can be rotated 180 degrees by the Border Patrol agents or National Guardsmen who use them.

Several of the cameras' feeds appear in different formats.

The cameras were installed free by companies that hope to win contracts when the governor installs more, Walt said. Perry wants to have 70 to 100 cameras on the border eventually, she said.

Clicking the online button to report suspicious activity will alert officials in the operations center in Austin.

They will then notify local law enforcement officials, who can notify the Border Patrol if necessary, she said.

Rogelio Nuñez, director of Proyecto Libertad, an immigrant rights organization based in the border town of Harlingen, said the state cameras are a terrible idea.

"It's just a total misuse of money," he said.

"This is just another ploy of the Republican Party to again appeal to some sentiment out there in the community that there is this relationship with immigration and terrorism," Nuñez said.

He expressed skepticism about the cameras being used to reduce crime.

"There's high areas of crime in urban areas like Houston and Dallas. Why are we singling out the border?" he asked.

Zapata County Sheriff Sigifredo Gonzalez said he thinks the cameras can only help.

"Anything that would help us in law enforcement would be appreciated," said Gonzalez, who is chairman of the Texas Border Sheriffs Association.

"If citizens can do it for us, great. We can always use volunteers," he said.

Del Rio Police Chief Waylon Bullard said the cameras could be helpful, especially if they are well-placed.

"We're hoping that some of them will be installed in the city or close to the city," he said. "We don't have anyone that's set up to monitor them full time, so the citizens [watching online] will be a great help," he said.

Steve Taylor, editor of the Rio Grande Guardian, an online newsletter about Texas' border with Mexico, said he doesn't think many border-area residents will log onto the Web site because many have no computers and no interest in reporting illegal immigrants.

"Because of the families' ties on both sides of the border, there's a lot of sympathy" for immigrants, he said.

"There's probably more tolerance here than in other parts of the state."

A closely watched immigration fight (USNEWS)

U.S. News and World Report, November 5, 2006

A Closely Watched Immigration Fight

The country's immigration battle took another turn last week when a federal judge blocked two landmark immigration ordinances in Hazleton, Pa., from being enforced just hours before they were to go into effect. The measures, now on hold until November 14, would have allowed city officials to fine landlords housing illegal immigrants and deny business permits to companies that hire them. Judge James Munley said enforcement would cause "irreparable harm" to businesses catering to Hispanics. His decision was in response to a suit filed by Hispanic groups and the American Civil Liberties Union.

The case is being watched, because towns like Valley Park, Mo., and Riverside, N.J., have copycat measures in place; others have considered them. Hazleton was the first city to try a landlord-fine approach, which supporters hoped was more defensible than other attempts to limit immigrant benefits. Said Hazleton Mayor Lou Barletta, "We have only begun to fight."

Harsh Report on a Fatal Blast

Budget cuts and negligence helped ignite the worst industrial accident in 10 years, according to a federal report released last week. The March 2005 explosion at BP's Texas City, Texas, refinery killed 15 people, injured 180, and left the London-based oil company mired in lawsuits. The Chemical Safety and Hazard Investigation Board has no legal power, but its conclusions that "aging infrastructure, overzealous cost-cutting, inadequate design, and risk blindness" contributed to the explosion will no doubt be cited in pending cases.

BP has acknowledged some safety problems at the refinery. But BP places blame on a few low-ranking employees, arguing that if proper "procedure had been followed ... this incident would not have happened."

The Texas City blast isn't the firm's only problem. BP is also under investigation for failing to fix a corroded pipeline that burst in Alaska's Prudhoe Bay earlier this year.

Tragic Score Card Underground

It has been a horrific year in the nation's mines. In January, 12 workers perished at West Virginia's Sago Mine, one of the worst disasters on record. Last week, one miner was killed and another seriously wounded in Pineville, W.Va., when a shuttle car

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they were trying to repair unexpectedly began to move, striking one miner and pinning the second against a wall. The accident raised this year's death toll to 43 nationwide, the highest level in more than a decade; the dangerous winter season still looms. Twenty-two of those deaths have occurred in West Virginia-the most there in 25 years. Tests by the state's mine safety office recently found that some of the air packs miners carry to provide an extra hour of oxygen have suffered heat damage; Randal McCloy Jr., the sole survivor of the Sago Mine tragedy, has sued the packs' maker. West Virginia Gov. Joe Manchin is pushing for legislation next year that would improve safety.

It's a Sort-of South Florida Story

Sports agent Gustavo "Gus" Dominguez was thrown, well, a curveball last week. A federal grand jury in Miami indicted the California-based agent for allegedly smuggling professional baseball prospects to the United States from Cuba. The indictment alleges Dominguez traveled by boat to the island in July 2004, picking up 22 Cuban nationals-baseball players among them-before being intercepted by American law enforcement on the return trip; the nationals were returned to Cuba. The next month, Dominguez allegedly tried again, this time successfully bringing 19 Cubans stateside, including several ballplayers. Attorney Susan Dmitrovsky, who represents Dominguez, expressed confidence he will prevail. She called the United States a "vanguard for those seeking freedom" and said her client had merely "advance[d] that American heritage" lawfully. But Immigration and Customs Enforcement Assistant Secretary Julie Myers said the case boiled down to human smuggling: "The ringleaders put the lives of illegal immigrants at risk and sought to profit from their labor."

Border Agents Seek New Trial (WT)

By Jerry Seper

The Washington Times, November 6, 2006

Two U.S. Border Patrol agents sentenced to lengthy prison terms for shooting a drug-smuggling suspect as he fled across the Rio Grande want a new trial, saying three jurors claim they were pressured into returning guilty verdicts.

Jose Alonso Compean, 28, and Ignacio Ramos, 37, were sentenced Oct. 19 by U.S. District Court Judge Kathleen Cardone in El Paso, Texas, to 12 and 11 years in prison, respectively, for causing serious bodily injury, assault with a deadly weapon, discharge of a firearm in relation to a crime of violence and a civil rights violation.

A federal jury convicted the two men in March after a two-week trial, and Judge Cardone ordered them to report to prison Jan. 17.

Ramos' El Paso-based attorney, Mary Stillinger, plans to appeal the case to the 5th U.S. Circuit Court of Appeals in New Orleans based, in part, on sworn affidavits of three jurors -- Robert Gourley, Claudia Torres and Edine Woods -- who said they were incorrectly instructed that their verdict had to be unanimous and that the judge would not accept a hung jury.

"I don't remember exactly what it was that made me change my vote to guilty on these charges, but I know I was very influenced by my belief, based on the other jurors statement, that we could not have a hung jury," Ms. Woods said in her affidavit. "I think I might not have changed my vote to guilty if I had known that was an option."

Mr. Gourley and Ms. Torres said they were told by the jury foreman that Judge Cardone would not accept a hung jury.

"I had no reason to doubt the foreman," Mr. Gourley wrote.

Ms. Stillinger has argued that the jurors "essentially conceded their votes" when they saw they could not convince the majority otherwise, thinking "they did not have the option to stick to their guns and prevent a unanimous verdict."

The defense attorney made the same argument to Judge Cardone before the sentencing, but she rejected it.

The government brought the charges after Osbaldo Aldrete-Davila, a Mexican national, was given immunity and agreed to testify against the agents in exchange for immunity after an investigation by the Department of Homeland Security's Office of Inspector General.

The immunity deal protected Aldrete-Davila from being charged in this country as a drug smuggler. Ramos and Compean found 743 pounds of marijuana in the van he abandoned near the border.

Aldrete-Davila was shot after he illegally entered the United States near Fabens, Texas, and refused efforts by the agents to stop the van. Court records show he jumped from the vehicle and ran south to the Rio Grande, where he was confronted by Compean, who was knocked to the ground.

Although wounded, Aldrete-Davila managed to cross the border and escape in a waiting van.

In a case brought by U.S. Attorney Johnny Sutton, the government said the agents "shot an unarmed, fleeing suspect in the back and lied about it." He said they "fired their weapons at a man who had attempted to surrender by holding his open hands in the air."

Drones to patrol mexican border (WT)

By Jerry Seper

DOJ_NMG_0091209

The Washington Times, November 6, 2006

U.S. Customs and Border Protection has launched its newest weapon in securing the nation's borders with the debut of an unmanned aerial vehicle capable of providing an "eye in the sky" for Border Patrol agents on the ground.

"Our front-line agents deserve proven, effective technology that equips them to secure our borders and to prevent terrorism," CBP Commissioner W. Ralph Basham said. "This unmanned aircraft system provides us with the situational awareness we need to more effectively deny illegal entry at our nation's borders."

The agency's new unmanned aircraft, known as the MQ-9 Predator B, began limited operations last week from Libby Army Airfield in Fort Huachuca, Ariz., to support enforcement activities along the U.S.-Mexico border. The aircraft was introduced during ceremonies Tuesday in Arizona hosted by Air and Marine Assistant Commissioner Michael Kostelnik.

The agency hopes to expand operations to the California and New Mexico state lines in the next month.

Unmanned aircraft give the agency improved and expanded mission capabilities to meet what Mr. Basham has described as "the continuing terrorist threat to our nation." He said the program supports efforts by CBP to expand specialized teams and rapid-response capabilities within the agency to enhance control of the nation's borders.

New unmanned aircraft systems within CBP are designed to augment crewed air and marine assets and ground interdiction agents already on the southwest border. In fiscal 2007, the aircraft will complement crewed air and marine assets and ground interdiction agents on the northern border and the Gulf Coast.

Mr. Basham said the aircraft have the potential to coordinate operations within other Department of Homeland Security agencies, including the U.S. Coast Guard and the Federal Emergency Management Agency. He said his agency also will work closely with the Defense Department to "gain efficiencies in acquisition, testing, training and deployment."

In 2004, CBP conducted operational tests and evaluations using the Hunter and Hermes unmanned aircraft vehicles, and last year, the agency conducted operational tests using the MQ-9 Predator B. Since 2004, unmanned aircraft have flown 1,878 hours and directly contributed to 3,603 arrests and the seizure of 11,000 pounds of marijuana.

Mr. Basham has called border enforcement "a legal issue as well as a matter of national security," saying the United States "simply must keep people from crossing our borders undetected if we are going to protect our homeland."

To achieve that goal, he has been a vigorous proponent of efforts to better secure the border through a strategy aimed at increasing the number of Border Patrol agents and equipping them with the proper tools, including new roads, lights, fences, barriers, upgraded technology and unmanned aerial vehicles.

After The Amnesty: 20 Years Later (CSM)

By Luis Andres Henao

The Christian Science Monitor, November 6, 2006

Twenty years ago Monday, Congress passed the largest effort to date to curb undocumented immigration to this country. Under the Immigration Reform and Control Act (IRCA), employers were sanctioned for the first time for hiring undocumented workers. The bill also called for tighter controls along the Mexican border. But the bill was a compromise: Enforcement was balanced by an amnesty provision.

Under IRCA, undocumented immigrants who had lived in the United States prior to 1982 and those who had worked as seasonal agricultural workers before May 1986 could seek legal status and eventually US citizenship.

Nearly 3 million undocumented immigrants were granted legal residence under the amnesty. Most of them were Mexican (more than 80 percent) and lived in the Los Angeles area. Salvadorans, Filipinos, Haitians, Poles, and Vietnamese also benefited from the program.

But two decades later, illegal immigration is still a hot-button issue and amnesty is a dirty word to some. Private-citizen minutemen and National Guardsmen have rushed to the Mexican border. This spring, millions of undocumented immigrants and others marched in the streets of US cities to protest federal legislation that would criminalize illegal immigrants.

It's an issue that may reignite if a new Congress picks up the debate this coming January.

Amid the shouts of today are decades-old echoes from the IRCA.

Critics say the bill set a damaging precedent for future amnesties. IRCA supporters say the word "amnesty" mischaracterizes the bill's intent.

"An amnesty cleans people who have broken the law," says former US Rep. Romano Mazzoli (D) of Kentucky. He and former US Sen. Alan Simpson (R) of Wyoming were the primary architects and cosponsors of IRCA. "But in our bill, you had to prove that you were a law-abiding person who honored the institutions of our country.... So you can take your pick of euphemisms, but if you use the word 'amnesty,' people will get angry, throw their hands up in the air, and scream: 'They're rewarding people for misbehaving!' "

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Today Mr. Mazzoli defends the bill as the best way to combat illegal immigration at the time. The six administrations that followed, he says, are to blame for not enforcing tighter restrictions. And now, "It's déjà vu all over again," Mazzoli says. "These are the same issues that we had 20 years ago."

William King Jr., was the Western regional director of the US Immigration and Naturalization Service (INS) and responsible for carrying out the amnesty program. He says that he had hope that the legislation would work at first. But IRCA was a three-legged stool, he says. One leg was employer sanctions, another was increased border security, and the third was the amnesty program. "In truth, only the amnesty program became a fact," he says, and the effort failed.

To John Keeley, a spokesman for the Center for Immigration Studies, a nonprofit group that wants tighter immigration controls, IRCA was well intentioned - but implementation was lacking. "There was a half-hearted attempt at immigration control by the late '80s and early '90s by the old INS," he says, but political pressure brought that to a "screeching halt" by the middle of the decade.

One of the big problems with the IRCA amnesty was all the counterfeit applications, especially from seasonal agricultural workers. Economists Pia Orrenius and Madeline Zavodny studied the effects of amnesty programs on undocumented immigration and presented their findings in the August 2003 issue of Demography magazine. They say that the number of seasonal workers qualifying for amnesty was about 300,000. But in the end, more than 1 million applications were granted. "Most people agree that there was substantial fraud because the document requirement and the residency requirement were quite low for that part of the program," Ms. Zavodny says.

"I don't think anyone says that it deterred illegal immigration," says Cecilia Muñoz, vice president of The National Council of La Raza, the nation's largest Latino advocacy group. "But it succeeded in legalizing 3 million people. Their wages went up, and they're fully integrated into American society." Rohan Baichu / Houston

'At first, I thought it might be a trap'

Rohan Baichu says that he has "a lot of jewelry." Mr. Baichu came to the United States from Guyana in 1981, wanting to become a boxer. Instead, he earned three World Series rings as a massage therapist and assistant training coach for the New York Yankees as well as a league championship with the Houston Astros. He is a certified pilot and masseur.

But during his first undocumented years in America, "just the day to day was a battle," he recalls.

Constantly worried about getting picked up by immigration officers, he had to give up his boxing dreams to work night shifts as a security guard.

Baichu was even offered a job with the city of New York by a police chief, who never suspected he was undocumented.

Disappointed with his prospects, he gave up on New York, packed two suitcases, and left for Canada in February 1986. His mother, a Canadian citizen, had offered him a new start through a residency card. But a few days later, he received a call from his girlfriend in New York. She was pregnant. Baichu came back immediately and took up his old job.

By this time, he had lost hope of obtaining a better career. Then came the amnesty. "At first," Baichu says. "I thought it might be a trap." He was so hesitant that he waited a year and applied right before the deadline.

With legal documents in hand, Baichu applied for a supervisor position at the security company. He even did a short stint working for a Wall Street technology company.

But Baichu regretted that he had never gotten an education. So he took out several loans and and moved to Colorado where he went to a community college and where he also earned a pilot's license at the age of 33.

By the time he got his pilot's license, though, flying jobs were scarce, and Baichu was soon looking for another career. So he turned to what he knew best. After years of running track and reading books on nutrition, he aced a professional-trainer exam and got a license in massage therapy.

One day while working at a New York gym, a friend told him the Yankees were looking for a staff trainer. Some weeks later, the team flew him to training camp in Florida for an interview. "When they saw me, they said: 'You're the man.... Can you start tomorrow?' "

Baichu has been in professional baseball ever since. During his time with the Yankees, he crisscrossed the country, shook the hands of two presidents, and earned three World Series championship rings.

He became so well regarded as a trainer that when Roger Clemens was traded from the Yankees to the Houston Astros, the pitcher asked his new team to hire Baichu from New York. He is grateful to "his good friend" Clemens and is proud of his friend's work ethic, describing it as one of the best in the game because, at the age 44, Clemens "works like an immigrant."

Baichu attributes his success to his determination and the possibilities that opened up to him after the amnesty. But he also points out that even those immigrants who haven't been as successful as he has still benefited a lot from the law. "They got their own success," he says. "Even if they ended up living in a rented apartment, they got peace, tranquillity, and values that carry them through."

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This year, Baichu became a United States citizen and started a group that raises civic awareness through voter registration. Now that he's able to vote, he says he would support the passage of any legislation that benefits immigrants.

As an immigrant, Baichu says he's proud that one of his daughters - now a student at the University of Southern California - encouraged him to tell his story. "She understands the odds that we had to overcome and feels satisfied about where I'm at."

Baichu sees his future split between coaching and taking care of his two daughters and his adopted son, a 22-year-old Haitian athlete whom he met practicing track one day. Baichu is sponsoring him to attend college. Alfonso & Marta Castañeda / Los Angeles

The joy of security and work

When they crossed the US border with Mexico in the early 1970s, Alfonso Castañeda was a house painter; his wife, Marta, was a nurse. Almost three decades later, they still work in the same professions.

"I thought I could do something more," says Mrs. Castañeda who never managed to validate her degree and works as a nurse assistant at a private hospital. Mr. Castañeda, a stocky man with long sideburns, says he dreamed of saving enough to go back to Mexico, but never did.

The '86 amnesty did not give the Castañedas wealth or more education. But the passing of the bill brought them protection in the form of a disability check, workers' compensation, and the means to build toward a secure retirement. Their citizenship, and subsequent financial stability, helped them support their children Gerardo, a research assistant at a law firm, and Elsa, a computer science graduate from the University of Arizona who now works for her alma mater.

The couple also find small rewards in their own work routines.

"The youngest ones are 75," Marta says with a laugh, describing the elderly patients she helps. "It's beautiful when they recover and they get to go back to their families."

Alfonso started his own small painting business, but still climbs a ladder and takes out his brush every day. Despite the smell of paint, the rain and sun, he feels satisfied because at the end "you see the results." Mary Vega / Providence, R.I.

On that day, 'My soul came back to my body'

From breaking news to weather updates, Mary Vega listens closely and retells the story to thousands of Spanish-speakers in Rhode Island. She provides instantaneous English-Spanish dubbing for the nightly news at local ABC television affiliate WLNE.

But during her first years in the United States, only a few could hear her voice. Ms. Vega came to Providence from Colombia in 1980 and overstayed a tourist visa. Her legal status wouldn't allow her to drive a car, get medical care, or work at any job outside the service industry. Fearing deportation, she kept a low profile by caring for an elderly couple at a private residence in Providence.

"The American dream stays in dreams," Vega says of the time before the passing of the 1986 amnesty. "I think this is part of the problem.... What else can Latinos do if we're only allowed to clean bathrooms?"

Today, Vega still looks after the same couple. But through the amnesty, she also became a citizen, brought her three daughters to this country, and found a career in journalism, a field that she feels passionate about. "The day I was granted the amnesty, my soul came back to my body.... I was going to fight for what I wanted, and that's how it was."

Her daughters - also US citizens - study law and medicine, and the oldest works as a talent manager for a Miami hotel.

"I'm not a millionaire, but I have a Social Security number and ... I was able to get a federal loan for my daughter's college when I needed to," Vega says. As a result of her efforts, Vega pays taxes and hopes the skills her daughters learn in college will help them contribute to American society as well.

Vega's aspirations go beyond translating. On the weekends, she practices using editing software at the channel and watches every camera move closely. One day, she says, she will be on the other side of the camera as a television news producer. Marvin Andrade / Los Angeles

Out of civil war, into the University of Southern California

Marvin Andrade was 10 when he waved goodbye to his mother and young sisters through the rear window of a taxicab. At the time, "life wasn't worth much," he says.

Mr. Andrade's father - a grocery store owner - had received death threats from both sides in the Salvadoran civil war. While the armed forces suspected him of helping the guerrilla movement, the guerrilla fighters wanted him dead for refusing to provide them with supplies. In the middle of the night, and with only the clothes on their backs, father and son fled the conflict that killed more than 70,000 Salvadorans in the 1980s.

During a month-long journey in 1980, father and son traveled thousands of miles through Central America and Mexico to reach the banks of the Rio Grande across from El Paso, Texas. But as Marvin crossed the river on the shoulders of another man traveling with them, he could only think of "the land of Mickey Mouse and Donald Duck" that he had seen on TV. On the other

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side, sitting in a pickup bed on his way to Los Angeles, someone gave him a can of Coca-Coca. He had only seen bottles at home, and he clung to this soda can for a long time. It was his first memory of life in the United States.

Growing up undocumented in Los Angeles, Andrade remembers long hours spent standing on street corners with his father while they waited to be picked up for construction or gardening jobs. School was no easier, he says. He was mocked because of his accent and often called a "wetback."

But Andrade sought education as the way to battle the violence, poverty, and discrimination that rattled his early life.

On a high school field trip to the University of Southern California, he asked one of his counselors what his chances were of getting into such a place. "You're aiming too high," the counselor told him.

Those words stuck in his mind. But instead of discouraging him, they gave him resolve. He filled his days with activities to achieve that goal, volunteering at the nonprofit Coalition for Humane Immigrant Rights of Los Angeles. And since he could not afford tuition or receive financial aid, he took night classes at East Los Angeles Community College in 1987.

A year earlier, when the amnesty passed, Andrade had applied to only one school: The University of Southern California. Andrade was accepted in 1988 and eventually received a degree from USC in international politics.

Today, Andrade helps immigrant children integrate into American society. As the education director for the Central American Resource Center, Andrade oversees more than 70 elementary and middle school students who come to the center for after-school tutoring in English, math, and art.

"The things I was told growing up had an effect on me," says Andrade. "It made me be the guy that wants to spur change, and it's the reason why I'm here."

As he enters a classroom, paper kites with Mexican, Salvadoran, and American flags hang over a group of students who are finishing math and reading assignments for tomorrow's class.

"The same dream I had of going to college," says Andrade, "is now shared by many students who by merit could go to the best schools, but can't do so because they're undocumented."

He calls for urgent immigration reform and disagrees with the negative image that the '86 immigration law gathered.

"The word 'amnesty' gives the connotation of a pardon," he says. "My view is that it's not a crime to look for the betterment of your family. [Illegal immigrants] risk their lives to work here. And through taxes, they contribute more than what they receive."

He's thankful for the law that opened the door to education and citizenship for him. "The amnesty allowed me to meet my wife, graduate from one of the best universities in the world, and own a house, which is part of the American dream."

Today, more than 25 members of his family, including his mom and two sisters, have joined him in Los Angeles. All benefited from the amnesty law.

Some months ago - and 20 years after the violent conflict that drove him from his land - Andrade went back to El Salvador; this time as an international peace observer and US citizen. Jose Ortiz / Los Angeles

The profound impact of 'this gift'

Jose Ortiz turned roadblocks into opportunities. Mr. Ortiz came to Los Angeles in 1981 at age 12 to escape the Salvadoran civil war. He enrolled in school and, with time, rose to the top of his high school class. Set on a career in architecture, he was offered a full scholarship to college. But without his green card, his dream was put on hold.

Twenty-six years later, Ortiz - now a citizen - continues to redefine himself: as a dental assistant, massage therapist, and entrepreneur. "When the amnesty came ... it opened my horizons. I was legal, and I had more options," he says in his native Spanish.

His determination carried him through difficult times. Disappointed that he was denied access to college, he immediately enrolled in X-ray technician courses that didn't require him to produce any citizenship documents. When his green card came through as a result of the '86 amnesty, he enrolled in courses sponsored by University of California, Los Angeles, and became a registered dental assistant. And because of the physical therapy that he received after an injury at work, he began a new career as a massage therapist.

Recently, he set up a financial firm that teaches Latinos how to manage their finances, from balancing a checkbook to investing in stocks. "My dream is to start a company that shows Salvadorans how to save and manage their remittances," he says, referring to the more than $2 billion sent each year by Salvadorans living abroad to family members at home. Foreign remittances are El Salvador's No. 1 source of income.

Ortiz also hopes to bring his parents here to live with him. "The amnesty," he says, "has had a profound impact not only on me but on many people who received this gift." But ultimately, "it comes down to you to make [this dream] a reality." Laureana Santana / Providence, R.I.

Reunited with her family, but struggling

Five giggling children, ages 1 through 10, run circles around Laureana Santana. They bump into one another while using every inch in the living room of Ms. Santana's small brick home in Providence's oldest housing project. There's a playground

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across the street, but they are not allowed to go outside - not since a 12-year-old boy was shot and killed two years ago while playing with friends nearby. "I don't want to take risks," she says.

Santana looks after as many as nine immigrant children throughout the day while their mothers work in factories around town. She obtained a family day-care certificate from the state six years ago.

In 1985, without a job and no prospects for one, she became desperate. So Santana floated on a raft from the Dominican Republic to Puerto Rico, leaving behind her three young children and hoping to find a better life for herself and her family.

"The first years were difficult," she says. To help support her children, she plowed fields and grew yucca and peanuts. "I was away from my children and every penny I made working in the fields I would send back to them."

In 1986, she benefited from a section in the bill that supported agricultural workers who had resided in any United States territory for more than 90 days prior to May 1986. Three years later, she left Puerto Rico for Providence, R.I. When she became a US citizen in 1989, the doors opened for other family members.

In 1995, she was able to bring her children to this country. Two years ago, her mother was able to come and live with her as well.

"The amnesty let me reunite with my children, and today, we're all together," she says.

Even when she is struggling to make ends meet, she believes that today's immigrants should be given the same opportunities that she received 20 years ago.

"If they close doors on them," she says, "if they refuse to rent them an apartment or allow them to work, they're just putting immigrants on the spot, rounding them up and pushing them to do bad things in order to survive and provide for their families."

Now in her late 50s, Santana says that taking care of so many children can be exhausting, but it is also rewarding.

"It's such an experience to have left my kids at such a young age and now to take care of so many," she says. "There are times when I say: 'Lord, give me wings so I can fly away.' But when they leave, I miss them, and this house feels empty."

CONGRESS-ADMINISTRATION

Bush Hails Verdict As Milestone For Iraq (AP-Y)

By Jennifer Loven

AP, November 6, 2006

President Bush celebrated Saddam Hussein's death sentence as a victory for "Iraq's young democracy" and U.S. security, highlighting Sunday's verdict in the last hours of an election campaign in which Republicans are suffering from public discontent with the Iraq war.

White House spokesman Tony Snow decried as "absolutely crazy" any notion that the end to Saddam's nine-month trial was timed to produce positive news on the divisive, unpopular war two days before Americans vote. The United States has always denied direct involvement in the trial, though suspicions persisted.

Snow didn't entirely set politics aside, asserting that U.S. voters "ought to be heartened" by the verdict and its broader implications about the progress the administration insists is evident in Iraq.

"This is getting the Iraqis to stand up on their own," Snow said. "You can't have civil society without rule of law."

Bush painted Saddam's conviction and sentence as vindication of the sacrifices made by American soldiers in Iraq. More than 2,800 members of the U.S. military have died since the U.S.-led invasion in March 2003.

"They've sacrificed for the security of the United States," said the president, who spoke to reporters for two minutes in Texas before flying to campaign appearances on behalf of newly in-peril Republicans in Nebraska and Kansas. "Without their courage and skill, today's verdict would not have happened."

With the verdict a chance to recall Saddam's December 2003 capture by U.S. troops in a hole in the ground — still one of the high points of the war for Bush — he repeated these points later during campaign visits to two of America's reddest states.

"Today we witnessed a landmark event in the history of Iraq," Bush said in western Nebraska, where he was trying to boost GOP state Sen. Adrian Smith in a tightened race against Democrat Scott Kleeb. Delivered in solid Bush Country, in an arena awash in red clothing, the president's Iraq lines earned the most sustained cheering of his speech.

"My decision to remove Saddam Hussein was the right decision and the world is better off for it," he said to raucous applause.

An Iraqi court convicted Saddam earlier Sunday and sentenced him to die by hanging for ordering the torture and murder of nearly 150 Shiites from the city of Dujail in 1982. Six subordinates were also found guilty of crimes against humanity, which came after what Saddam said was an assassination attempt against him.

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Shiites rejoiced at the death sentence for the former dictator who terrorized their population. But Saddam's fellow Sunnis paraded through his hometown in protest. With sectarian violence already pushing Iraq to the brink of civil war, presidential counselor Dan Bartlett said Bush is confident U.S. forces and Iraqi soldiers were prepared to contain any spike in bloodshed.

Democrats — hoping for large gains that could put them in control of the House and possibly the Senate — moved quickly to both applaud the sentence and repeat their campaign-trail argument that Bush's leadership on Iraq has been a failure.

"The scope of that failure is not lessened by the results of Saddam's trial," House Minority Leader Nancy Pelosi, D-Calif., poised to become House speaker if Democrats wrest the majority from the GOP.

A history of Election Day disappointments and a constantly shifting pre-election landscape appeared to have Democrats a bit jittery. New York Sen. Charles Schumer, in charge of Democratic campaign efforts in the Senate, said, "I don't think (Saddam's) conviction makes much of a difference in this election, even though it's a very good thing that happened."

Other Republicans backed Bush's contention of the verdict as evidence of success in Iraq. "The United States and the world are safer because Saddam Hussein sits on death row, not in a palace in Baghdad plotting to harm millions of innocent Americans and Iraqis," said House Majority Whip Roy Blunt, R-Mo.

But at least one Republican said the news must be viewed in the context of the difficult situation in Iraq.

"Saddam Hussein's trial is a step forward because it was a result of a legal system in operation, not a dictator in operation, so that's the good news," Sen. Lindsey Graham, R-S.C., said on CNN's "Late Edition." "But when you look at the institutions of government in Iraq, they're all under siege. ... We just need a strategy to provide better security to get this right."

Bush called the verdict "a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law."

"Today, the victims of this regime have received a measure of the justice which many thought would never come," the president said.

He emphasized that Saddam was extended rights of due process and appeal "that he denied the Iraqi people."

"Iraq has a lot of work ahead as it builds its society that delivers equal justice and protects all its citizens," Bush said. "Yet history will record today's judgment as an important achievement on the path to a free and just and unified society."

Campaigning Bush Seizes On Saddam Verdict (AFP-Y)

By Olivier Knox

AFP, November 6, 2006

US President George W. Bush seized on Saddam Hussein's death sentence to defend the Iraq war as US elections shaped by the unpopular conflict headed to a hard-fought finish.

"Today, we witnessed a landmark event in the history of Iraq: Saddam Hussein was convicted and sentenced to death by the Iraqi high tribunal," Bush told cheering supporters at a rowdy Republican rally here.

"It's a major achievement for this young democracy," he said, urging the crowd to "give our thanks to the men and women of America's armed forces. Without their courage and skill, today's verdict never would have happened."

Two days before Tuesday's vote, dozens of congressional races were too close to call and two national public opinion surveys favored Democrats overall but suggested a late burst of energy among Bush's Republicans.

Bush was in Nebraska and Kansas as part of an 11th-hour political rescue mission for struggling Republican candidates facing unexpectedly strong Democratic challenges in part because of anger at the war in Iraq.

"Saddam Hussein was a threat," he said, amid signs the conflict could cost his party control of the US Congress. "My decision to remove Saddam Hussein was the right decision, and the world is better off for it."

White House spokesman Tony Snow dismissed as "preposterous" any suggestion that US and Iraqi officials manipulated the timing of the sentence to help the Republicans and said it was "absolute proof" that Iraq now possessed an "independent judiciary."

Democrats hailed the sentence against Saddam but warned it would not solve the challenges US forces face in Iraq, which was plagued by a raging insurgency and escalating sectarian strife that has fed a rising US death toll.

"Justice for the Iraqi people was finally served today," but "Iraq is in the middle of a civil war and growing sectarian violence will be an even greater concern following this verdict," said Democratic party chief Howard Dean.

In a statement on his way to Nebraska, Bush acknowledged that "Iraq has a lot of work ahead" but said he would stand by the country's fledgling government, which recently has been at odds with Washington.

The Democrats needed a net 15 seats out of the total 435 in play on Tuesday to control the House. They hoped for a gain of six Senate seats out of the 33 at stake that would give them the edge in the 100-member upper chamber.

A Democratic victory would dramatically reshape the political landscape for Bush's final two years in office and the 2008 election to choose his successor.

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While expert forecasts of a Democratic victory in at least one and possibly both chambers have heartened the opposition party, two new national polls showed their once double-digit advantage sharply narrowed in recent weeks.

The Washington Post and ABC television poll showed likely voters favoring Democrats to Republicans by a 51 percent to 45 percent edge, with a margin of error of plus or minus three percentage points. In an October 22 survey, the Democrats had led 55-41.

And a poll by the non-partisan Pew Research Center that specializes in public opinion found a 47-43 lead for Democrats among likely voters, down from 50-39 two weeks ago. The margin of error was three percentage points.

The US president has been fiercely attacking Democrats, accusing them of plotting to raise taxes and charging that they cannot be trusted to manage Iraq or the war on terrorism he launched after the September 11, 2001 attacks.

The Washington Post/ABC poll still had bleak news for Bush, with his approval rating at a dismal 40 percent and almost twice as many registered voters saying they would cast their ballot as an anti-Bush gesture rather than a show of support.

Control of Congress would provide the Democrats with a powerful tool for controlling the political agenda over the next two years and launching a series of public investigations into Iraq and other Bush policies.

But the White House has strongly signalled that it will not change course in Iraq, with Vice President Dick Cheney saying in a recent interview that "it doesn't matter" that most of the US public has turned against the war.

Washington pundit Charlie Cook forecast "a very strong Democratic wave" on election day. Analysts gave the party a strong shot to win the House but said the Senate hinged on a few key races in states such as Virginia and Missouri.

Voters in 36 states also are casting votes for governor Tuesday. Democrats hold significant leads in five of nine open seats: Ohio, Arkansas, Colorado, New York and Massachusetts, and are favored to displace Republicans in Maryland, Arkansas, and Minnesota.

Hussein Sentence Could Heighten Rifts In Iraq (WSJ)

By Philip Shishkin

The Wall Street Journal, November 6, 2006

The death sentence given to former Iraqi dictator Saddam Hussein for crimes against humanity could deepen Iraq's sectarian rifts and inflame the anti-American insurgency.

In a Baghdad courthouse, Mr. Hussein, in his customary black suit, remained seated as the judge read the verdict finding him guilty of ordering the killings of 148 Shiite-Arab civilians as retribution for a botched 1982 assassination attempt against him in the town of Dujail.

"I will listen to the judgment, but I will not stand up," Mr. Hussein told the judge. Mr. Hussein reacted to the death sentence with the traditional Islamic incantation of "God is greater," and then disparaged the Iraqi judges for allegedly doing Washington's bidding: "You are the servants of the colonizers."

With violence on the streets of Baghdad at its highest level in years, the verdict is unlikely to alter the pattern of the sectarian conflict or attacks against U.S. troops, but it will provide another divisive issue for a country struggling to hold itself together.

In the Iraqi capital, reaction to the verdict was mixed. In several Baghdad neighborhoods, many Shiite Muslims, who form the majority of Iraq's population and who were persecuted by Mr. Hussein's Sunni-dominated regime, broke into celebratory gunfire and honked car horns. "All the people who were tortured and killed by Saddam are happy in their graves today," said Jawad Kadham, a 35-year-old Shiite construction worker.

But many in the country's Sunni Muslim minority, embittered at the current Shiite-led government and the American occupation, said the widely expected death sentence wasn't fair and the real crimes lie in the inability of the current rulers of Iraq to stop murders and bombings on the streets. "The people who tried Saddam are worse than Saddam; it's all about revenge," said Salim Mahmoud, a 40-year-old Sunni engineer.

Such conflicting reactions to Mr. Hussein's death sentence reflect the sectarian gulf widening between Iraq's Sunnis and Shiites, 3½ years since the U.S.-led invasion. The Sunni-led insurgency, driven in part by secular supporters of the old regime, also drew in Sunni religious extremists eager to wage holy war against the Americans. Using radical Sunni ideology, these extremist groups decreed Iraq's Shiites to be apostates and sanctioned their killing. The resulting bombing attacks and murders of Shiite civilians led to the rise of Shiite militias who in turn began to target regular Sunnis for reprisals. The sectarian conflict continues, while the U.S.-backed and Shiite-dominated government of Prime Minister Nouri al-Maliki appears unable to stem the violence.

Mr. Maliki, who spent years in exile as a member of a prominent Shiite religious party opposed to Mr. Hussein, hailed the verdict and appealed to the insurgents to stop fighting. "This is the disgraceful end to the person who brought ordeals, pain and

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reckless wars to this country," the prime minister said in a televised speech. "I say to all deluded remnants of the previous regime: The period of Saddam and his party is gone."

In Mr. Hussein's hometown of Tikrit, some residents marched in protest, vowing to avenge the former Iraqi leader.

In a sign of how embittered the Sunnis are at Iraq's current leadership, Saleh al-Mutlaq, another Sunni politician, warned that the verdict could lead to more sectarian attacks for which the Shiite government will bear responsibility.

The verdict marks the end of a trial that lasted a year and became familiar to most Iraqis because the proceedings were televised. With U.S. congressional elections taking place this week, many Iraqis suspect the Bush administration somehow influenced the timing of the sentence to benefit the Republican party. White House spokesman Tony Snow dismissed the idea as "preposterous" Sunday. President Bush said in a statement Sunday that "history will record today's judgment as an important achievement on the path to a free and just and unified society."

Under Iraqi law, the death sentence is subject to an automatic appeal. If the appellate chamber upholds it, the sentence must be carried out within 30 days. Alongside Mr. Hussein, two other defendants were sentenced to death: Barzan Ibrahim, his half-brother and former intelligence chief; and Awad Hamed al-Bandar, former head of Iraq's Revolutionary Court.

Bush Applauds Hussein Verdict (WP)

By Peter Baker

The Washington Post, November 6, 2006

GRAND ISLAND, Neb., Nov. 5 -- President Bush and politicians from both parties hailed the conviction of Saddam Hussein on Sunday but disagreed on its larger meaning as campaign strategists tried to gauge the political impact just 48 hours before hard-fought midterm elections.

Speaking in the shadow of Air Force One on a Texas tarmac and at later campaign events, Bush called the verdict a "landmark event" in Iraq's transition to democracy, and aides hoped it would be seen as vindication of his decision to go to war. Democrats were quick to agree that justice had been done for a vicious tyrant but argued it would not fix what they see as the debacle in Iraq.

The timing of the verdict, which had been scheduled weeks ago, stirred anxiety among Democrats who worried it could be a "November surprise" that would persuade Republicans to turn out, much as the release of an Osama bin Laden tape just before the 2004 election was credited with helping to put Bush over the top. Some voiced suspicions that the Bush administration had orchestrated the court schedule to influence the vote, a contention the White House rejected.

Some key strategists in both parties, however, said they doubted the verdict would make much difference. In a campaign that has been dominated by debate over the Iraq war, it provided a rare day of good news for Bush at a key moment, they said, but most voters had already made up their minds about how they view the situation there.

"It makes the environment incrementally better but only incrementally," said Ed Rogers, a Republican lobbyist close to the White House. "It reminds everybody of what a bad guy Saddam was. It reminds everybody of why we were there in the first place. I don't know that it drives any votes at this point. I wish it did, but it doesn't."

Hussein "was a brutal, evil dictator" who is "getting the punishment that he deserves," Sen. Charles E. Schumer (N.Y.), who runs the Senate Democratic campaign arm, said Sunday on NBC's "Meet the Press." But, he added, "I don't think his conviction makes much of a difference in this election, even though it's a very good thing that it happened."

Hussein has been a regular feature of Bush's stump speech for weeks as the president tells audiences that he made the right decision in removing the Iraqi leader from power and argues that the world is better off. By the time the verdict was announced in a Baghdad court, aides traveling with Bush on the campaign trail were ready with talking points. White House press secretary Tony Snow was booked on television programs starting at 7 a.m., and his office sent e-mails touting other reactions.

"Saddam Hussein's trial is a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law," Bush told reporters before leaving Texas for campaign stops here and in Topeka, Kan. "It's a major achievement for Iraq's young democracy and its constitutional government."

Although he did not predict whether it would help the reconciliation process in Iraq, Bush portrayed the trial as a chance to expunge Hussein's legacy. "The man who once struck fear in the hearts of Iraqis had to listen to free Iraqis recount the acts of torture and murder that he ordered against their families and against them," he said. "Today, the victims of this regime have received a measure of the justice which many thought would never come."

He then introduced the verdict into his campaign speech later in the day, using similar language. When he announced the verdict at a boisterous rally here in a hall filled with flags, cornhusks and hay bales, the crowd cheered.

Other Republicans, who have been on the defensive over the war as U.S. troop casualties spiked to a two-year high, quickly jumped on the bandwagon. "This verdict is a victory for justice and a victory for the Iraqi people and all freedom-loving

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people in the Middle East," said House Majority Leader John Boehner (Ohio). His whip, Roy Blunt (Mo.), said the world is "safer because Saddam Hussein sits on death row, not in a palace in Baghdad plotting to harm millions of innocent Americans and Iraqis."

Democrats praised the verdict while still bashing Bush. "Tragically, I believe today's verdict does not change the fact that the administration's policy in Iraq has been the most incompetent execution of American foreign policy in my lifetime," said House Minority Whip Steny Hoyer (Md.). Senate Minority Leader Harry M. Reid (Nev.) said "the Iraqis have traded a dictator for chaos. Neither option is acceptable, especially when it is our troops who are caught in the middle."

Appearing on ABC's "This Week," Democratic National Committee Chairman Howard Dean called the court's decision "a great verdict" and said Hussein "is a war criminal and he's getting what he deserves." But, Dean said, the war remains a mistake. "This was a miscalculation by people who didn't understand what they were getting into. And if they'd listened to Colin Powell and the rest of the military, they wouldn't have gotten into it."

Democratic leaders avoided publicly accusing the Bush administration of orchestrating the verdict's timing but privately some raised questions, and liberal Internet blogs have been full of angry discussion about it. The Iraqi court originally planned to render a verdict in October but delayed it until two days before the election, prompting a defense lawyer for Hussein to write a letter accusing Bush of manipulating the proceedings for campaign purposes.

Snow dismissed the suggestion as "preposterous" and absurd. "Are you smoking rope?" he replied when a reporter asked about timing manipulation aboard Air Force One on Saturday. "Are you telling me that in Iraq, that they're sitting around -- I'm sorry, that the Iraqi judicial system is coming up with an October surprise?" Corrected on the date, he expressed incredulity, "A November surprise. Man, that's -- wow."

Bush Trumpets Hussein Verdict To Rally Support (NYT)

By Adam Nagourney And Jim Rutenberg

The New York Times, November 6, 2006

WASHINGTON, Nov. 5 — President Bush on Sunday seized on the conviction of Saddam Hussein as a milestone in Iraq, seeking to rally Republican voters with the issue of national security as some polls suggested that his party might be making gains in the final hours of the campaign.

The White House said the timing of the announcement, two days before Election Day, had nothing to do with American politics and had been dictated by the Iraqi court. But Mr. Bush moved quickly to put it to use in what has been his central strategic imperative over the past week, trying to rouse Republican voters to turn out.

“Today we witnessed a landmark event in the history of Iraq: Saddam Hussein was convicted and sentenced to death by the Iraqi High Tribunal,” Mr. Bush said to roars of approval in a hockey auditorium packed with supporters in Grand Island, Neb. “Saddam Hussein’s trial is a milestone in the Iraqi people’s efforts to replace the rule of a tyrant with the rule of law.”

The announcement out of Baghdad came as polls suggested some gains for Republicans. A Pew Research Center Survey released on Sunday found that the number of likely voters who said they would vote for the Democrats was now 47 percent compared with 43 percent who said they would vote for Republicans. Two weeks ago, Democrats had an edge of 50 to 39. A Washington Post-ABC News poll found a similar tightening.

These kinds of polls, about the so-called generic ballot, measure national trends and do not necessarily provide an accurate measure of what is happening in individual House and Senate races. Andrew Kohut, the president of the Pew Center, said the poll nonetheless found that Republicans were becoming more enthusiastic as Election Day approached, a sign that the party was making progress in addressing one of its main problems this year: a dispirited base.

With at least 20 House races and 3 Senate races virtually tied in polls over the past week, Republican officials have looked to the huge voter turnout operation the party has developed over the past six years as its last-stand defense to prevent Democrats from making big gains on Tuesday.

A series of Mason-Dixon polls published on Sunday suggested a tightening in two Senate races, Rhode Island and Maryland, that Democrats had been confident of winning.

Republicans over the past week have spent heavily in Maryland on behalf of Michael Steele, the Republican candidate seeking to fill the seat being vacated by Senator Paul S. Sarbanes, a Democrat. In Rhode Island, Senator Lincoln Chafee, the Republican, has spent heavily and banked on his family’s long history in the state’s politics to help him survive in a heavily Democratic state.

Ken Mehlman, the Republican chairman, said polls showed that Republicans and conservatives “were coming home,” which he said “is what happens when voters focus on the choice before them.”

Representative Rahm Emanuel of Illinois, the Democrat leading his party’s effort to win control of the House, said, “It’s inevitable that there would be some tightening in the end.”

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Still, Mr. Emanuel, who has been careful this campaign to avoid the public expressions of optimism voiced by other Democrats, added, "This is making me nervous."

Across the country, Democrats also hailed the verdict in Baghdad but argued that it would make no difference in delivering stability to Iraq and would have little bearing on Tuesday's vote.

"I think it's a great verdict — I mean, Saddam Hussein is a war criminal and he's getting what he deserves," Howard Dean, the Democratic national chairman, said on "This Week" on ABC. "But I don't think it has any impact on the safety of America."

Representative John P. Murtha, the Pennsylvania Democrat who has become the face of his party's opposition to the war in Iraq, said the verdict was the right one but predicted it would not make a difference in this campaign. What would matter more, Mr. Murtha said, were editorials in military papers being published Monday calling for the resignation of Defense Secretary Donald H. Rumsfeld.

"When The Army Times, The Navy Times, The Marine Corps Times, they have all said that we're not supporting the troops, that they're losing confidence with the administration, that's what's important," Mr. Murtha said, campaigning in Croydon, Pa., outside Philadelphia, for Patrick Murphy, a Democrat seeking to unseat Representative Michael G. Fitzpatrick.

The fact that Mr. Bush was spending this last Sunday before Election Day in two of the most Republican states in the nation was testimony to how bleak a year this has been for the Republican Party and the president. And in Florida, the home state of his brother, Mr. Bush received what appeared to be another reminder of his political unpopularity when Charlie Crist, the Republican candidate for governor, backed out of a planned appearance with Mr. Bush in Pensacola on Monday.

Mr. Crist said that he needed to spend the day in more competitive parts of the state and that he was not joining the list of other Republican candidates who had snubbed Mr. Bush this year.

The White House, however, said this week that the president was heading to Florida specifically to help Mr. Crist, who, according to Tony Fratto, a White House spokesman, invited Mr. Bush in the first place.

But an official with Mr. Crist's campaign, who would not talk for attribution, said that Mr. Crist had never confirmed the appearance.

On the final Sunday of the election cycle, the leaders of the four Congressional campaign committees took their seats around the table of "Meet the Press" on NBC, appearing together for the first time in the midterm contest — and promptly diving into a sharp exchange over the war in Iraq.

"To pull out, to withdraw from this war, is losing, there's no question about it," said Senator Elizabeth Dole of North Carolina, the chairwoman of the National Republican Senatorial Committee. "The Democrats appear to be content with losing."

Mr. Emanuel, chairman of the Democratic Congressional Campaign Committee, turned sharply toward Mrs. Dole, his face lined with outrage.

"You should take that back, Senator," he said. But Mrs. Dole kept speaking over him, creating a minute of partisan cacophony on the television set.

"I will not sit idly by with an accusation that Democrats are content with losing," Mr. Emanuel said.

Mr. Bush was unambiguous in hailing the conviction of Mr. Hussein as welcome news from a country where good reports have been in short supply this election season. That said, there have frequently been developments in Iraq over the past two years that Mr. Bush has proclaimed as turning points, only to see them followed by renewed violence and further deterioration.

And while these announcements of Iraqi milestones have at times produced a lift for Mr. Bush in the polls, the gains have tended to be fleeting.

Still, just before an election that is this close, Republicans suggested that the events of Sunday could be politically helpful.

A senior Republican Party official, who insisted on anonymity to speak about the political implications of the announcement, said it would invigorate Republican voters distressed about Iraq but would not have much effect beyond that. And Senator Charles E. Schumer of New York, who is heading the Democratic effort to win back the Senate, said, "People are worried about the future of Iraq, not the past."

Senior aides to Mr. Bush scoffed at suggestions that the announcement of the verdict had somehow been orchestrated by the White House.

"Are you smoking rope?" Tony Snow, the White House spokesman, said Saturday in anticipation of the verdict. "Are you telling me that in Iraq, that they're sitting around — I'm sorry, that the Iraqi judicial system is coming up with an October surprise?"

White House officials were clearly prepared for the news, posing Mr. Bush before Air Force One to make a celebratory announcement as he left Waco, Tex., and inserting remarks about it into his speeches. On Sunday morning, Mr. Snow made a round of the talk shows to praise the development, echoed throughout the day by Republican surrogates and candidates.

Representative J. D. Hayworth, a Republican in a close race in Arizona's Fifth Congressional District, used a previously scheduled early morning appearance on the Fox News Channel show "Fox and Friends" to declare the Hussein sentence "a

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victory for the Iraqi people." Mr. Hayworth said it offered Americans heading to the polls "a chance to take stock" of the war's dividends.

From California to Missouri to Connecticut, candidates put up their final advertisements.

In Pennsylvania, Karen Santorum, Senator Rick Santorum's wife, speaks directly into the camera in a 60-second advertisement, looking almost mournful as she says that she has found attacks on her family for living in Virginia hurtful, explaining that they moved there to be closer to Mr. Santorum when he is working.

Saddam Ordered To Hang For '82 Massacre (WT/AP)

By Steven R. Hurst

The Washington Times, November 6, 2006

BAGHDAD -- An Iraqi court yesterday sentenced Saddam Hussein to death for crimes against humanity, convicting the former dictator and six subordinates in the torture and murder of nearly 150 Shi'ites from the city of Dujail in 1982.

Shi'ites and Kurds, who had been tormented and killed by the tens of thousands under Saddam's iron rule, erupted in celebration -- but braced for a potential backlash from the Sunni community that some fear could push the country into all-out civil war.

Saddam trembled and shouted "God is great" when Chief Judge Raouf Abdul-Rahman declared the former leader guilty and sentenced him to hang.

The televised trial was watched throughout Iraq and the Middle East as much for theater as for substance. Saddam was ejected from the courtroom repeatedly for his political harangues, and his half-brother and co-defendant, Barzan Ibrahim, once showed up in long underwear and sat with his back to the judges.

The nine-month, 39-session trial had inflamed the nation. Three defense lawyers and a witness were killed.

"Long live the people and death to their enemies. Long live the glorious nation, and death to its enemies," Saddam cried out after the verdict, before bailiffs took his arms and walked the once all-powerful leader from the courtroom. There was a hint of a smile on Saddam's face.

With justice for Saddam's crimes done, the U.S.-backed Shi'ite prime minister called for reconciliation and delivered the most eloquent speech of his five months in office.

"The verdict placed on the heads of the former regime does not represent a verdict for any one person. It is a verdict on a whole dark era that was unmatched in Iraq's history," Nouri al-Maliki said.

The White House praised the Iraqi judicial system and denied that the U.S. had been "scheming" to have the historic verdict announced two days before American midterm elections, widely seen as a referendum on the Bush administration's policy in Iraq.

President Bush called the verdict "a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law."

"It's a major achievement for Iraq's young democracy and its constitutional government," the president said. "Today, the victims of this regime have received a measure of the justice which many thought would never come."

But many nations voiced opposition to the death sentences, including France, Italy, the Netherlands, Spain and Sweden. A leading Italian opposition figure called on the continent to press for Saddam's sentence to be commuted to life imprisonment.

Saddam was found hiding with an unfired pistol in a hole in the ground near his home village north of Baghdad in December 2003, eight months after he fled the capital ahead of advancing American troops. Twenty-two months later, he went on trial on charges that he ordered the torture and killing of nearly 150 Shi'ites from the city of Dujail.

Saddam said those who were killed had been found guilty in a legitimate Iraqi court for trying to assassinate him in 1982. But about 50 of the accused died during interrogation before they could be executed, and some of those hanged were children.

Ibrahim, Saddam's half-brother and intelligence chief during the Dujail killings, also was sentenced to death, as was Awad Hamed al-Bandar, head of Iraq's Revolutionary Court, which issued the death sentences against the Dujail residents.

Former Vice President Taha Yassin Ramadan was convicted of premeditated murder and sentenced to life in prison.

Three defendants were given up to 15 years in prison for torture and premeditated murder. Abdullah Kazim Ruwayyid and his son, Mizhar Abdullah Ruwayyid, were party officials in Dujail, along with Ali Dayim Ali. They were thought to be responsible for the Dujail arrests.

Mohammed Azawi Ali, a local Ba'ath Party official, was acquitted for lack of evidence.

In the streets of Dujail, a Tigris River city of 84,000, people celebrated and burned pictures of their former tormentor as the verdict was read. In Baghdad, the Shi'ite bastion of Sadr City exploded in jubilation.

But in Saddam's hometown of Tikrit, not far from Dujail, 1,000 people defied the curfew and carried pictures of the city's favorite son through the streets. Some declared the court a product of the U.S. "occupation forces" and condemned the verdict. Policemen wept in the streets.

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"By our souls, by our blood, we sacrifice for you, Saddam," the Tikrit crowds chanted.

The death sentences automatically go to a nine-judge appeals panel, which has unlimited time to review the case. If the verdicts and sentences are upheld, the executions must be carried out within 30 days.

A court official said the appeals process was likely to take three to four weeks once the formal paperwork was submitted. If the verdicts are upheld, those sentenced to death would be hanged despite Saddam's second, ongoing trial on charges of killing thousands of Iraq's Kurdish minority.

Saddam Hussein Death Sentence A Milestone (CSM)

By Scott Peterson

The Christian Science Monitor, November 6, 2006

BAGHDAD

Celebratory gunfire swept across parts of Baghdad and other Iraqi cities Sunday as Saddam Hussein and two former top Iraqi officials were sentenced to die for crimes against humanity.

Defiant as the historic verdict was read, Mr. Hussein accused the judge of the US-created tribunal of being a "mouthpiece of occupation and colonialism," and cursed "your law and your articles and clauses."

Amid fears and explicit warnings that a death sentence would deepen bloodshed, Baghdad and two restive provinces were placed under an open-ended curfew for vehicles and pedestrians.

The tribunal is the first such court since Nuremburg's Nazi war-crimes trials to hand down a death sentence. After appeal, Hussein faces hanging.

The tribunal's creators had hoped that the forum would play a central role in closing the door on 30 years of ruthless oppression under Hussein. Indeed, Shiites and Kurds, who bore the brunt of tens of thousands of deaths at the hands of the regime, were jubilant. But that joy was tempered among Sunnis disenfranchised by Hussein's overthrow, and angry over what many saw as a political trial overly dependent on American experts and resources. The result, experts say, is a positive step for Iraqi justice, but one that reveals a deep and continuing weakness in the rule of law.

Prime Minister Nouri al-Maliki heralded the result as "the end of a dark era," and a reason for hope among Iraqis battered by 3-1/2 years of Sunni-led insurgency and sectarian violence that the UN says takes nearly 3,000 Iraqi lives each month.

"Maybe this will alleviate the pain of the widows and orphans, and those forced to bury their loved ones," Maliki said. "The era of Saddam is now the era of the past. It is an era of dictators like Mussolini and Hitler. We are determined to build an Iraq without mass graves, without Anfal, and without wars, without military coups."

US Ambassador Zalmay Khalilzad called the verdict an "important milestone" for Iraq.

The tribunal, partly due to its heavy reliance on American resources and expertise and the blatant interference of senior Iraqi officials, has drawn criticism from international legal experts. Maliki recently said: "God willing, the verdict of death will soon be issued against the tyrant Saddam."

"This tribunal has suffered an unusual number of problems, compared to other tribunals" such as those of the former Yugoslavia and Rwanda, says Miranda Sissons, head of the Iraq program of the New York-based International Center for Transitional Justice.

Deteriorating security has been a crucial issue, experts say, along with the inexperience of Iraqi judges and lawyers, and little reference to lessons learned from other international tribunals, or to non-US experts.

"If there is one thing that will make this court a laughing stock, it is continued executive interference in its work," says Ms. Sissons. "Mistakes were made in setting up the tribunal that shouldn't have been made."

Still, she adds, "this was not a sham trial. It was always an ambitious undertaking. The judges have done their best in difficult circumstances, coming from a very low base."

Amnesty International, which opposes capital punishment, said on Sunday that the tribunal had missed an opportunity to establish the rule of law in Iraq, and to ensure "truth and accountability for the massive human rights violations perpetrated by Saddam Hussein's rule."

The case dealt with a 1982 assassination attempt against Hussein in the town of Dujail, which prompted revenge killings of 148 people, deportation of 400, and razing of orchards. One intelligence document indicated the level of torture used against the 148, noting that "of those who were sentenced to death, 46...had been eliminated or died during the investigation."

But it is only the first in a dozen or so being prepared against Hussein and the former regime by the troubled Iraqi High Tribunal, which has been dogged by legitimacy issues, the murder of three defense lawyers, the resignation of one chief judge, an array of confusing testimony, and a multitude of farcical in-the-dock antics by Hussein and his codefendants.

The second, much larger case, charges genocide and covers the 1988 Anfal campaign against the Kurds in which up to 180,000 were killed. Legally, Sunday's death sentences will go through an automatic appeals process with no deadline. If the

verdict is confirmed, the sentence must be carried out within 30 days. Hussein had requested execution by firing squad, normally reserved for the military.

Death sentences Sunday were also delivered to Barzan Ibrahim, Hussein's half-brother and former intelligence chief, and Awad Hamed al-Bandar, former head of the Revolutionary Court. Former Vice President Taha Yassin Ramadan was sentenced to life in prison; three lesser officials were handed 15-year jail sentences. The oldest defendant, a local Baath Party official in Dujail at the time, was acquitted for lack of evidence.

The Iraqi High Tribunal was expressly set up to enable Iraqis to feel "closer" to justice in the "New Iraq" created by the 2003 US invasion and subsequent occupation.

When the first trial began in October last year, Iraqis were at first riveted by the proceedings of the court, in which tearful witnesses - often testifying anonymously from behind a curtain - spelled out their suffering after the Dujail incident.

But it was not long before the novelty began to wear off of seeing Hussein and his co-accused engaging in feisty, irreverent arguments with judges and even guards during the trial's 39 sessions. Average Iraqis became more focused on day-to-day survival amid ongoing carnage. Sunday's verdict, finally, caught the nation's attention again.

"Saddam deserves to face such a court and I don't know how he could escape a guilty verdict for Dujail or more important cases," says Wamidh Nadhmi, a political science professor in Baghdad who manages a Sunni-led political coalition. "But now we are seeing more killing, more bloodletting than during his era."

Mr. Nadhmi helped Hussein in 1959, when he fled to Cairo after participating in a botched assassination attempt against the sitting leader.

"They promised us - the Americans - there would be democracy and human rights. But we see them violated in every day's happenings," says Professor Nadhmi. "The majority of Iraqis think the drastic failure of this regime and the Americans to bring security and human rights to Iraq, does not entitle them to conduct such a trial [or] issue a guilty verdict."

But the sentencing, regardless of its imperfections, is likely to be seen as justice by Iraqis who often did not grasp the magnitude of Hussein regime crimes - often heard about, but rarely physically encountered - until scores of mass graves began being unearthed starting in 2003.

Besides the Dujail and Anfal cases, tribunal investigators say they have documented evidence of more than 100,000 people tortured and killed in the aftermath of the 1991 Shiite uprising.

Some 5,000 Kurds were killed by chemical weapons in Halabja in 1988. Hussein ordered his armies into Iran in 1980, sparking nearly a decade of war that left 1 million dead and wounded, and in which Iraq used chemical munitions. And Iraqi troops occupied Kuwait in 1990.

Iraqis reeled from the legacy of those acts, but could rarely quantify them until the regime fell. Among the most poignant scenes came in late April 2003, just two weeks after the fall of Baghdad, at a graveyard adjacent to the Abu Ghraib prison. There, some 993 graves were marked only with crude numbered signs, until families, most of them Shiites, found lists that matched victims' names with numbers. "O my father, my father!" lamented Mustapha al-Fadil at the time, weeping uncontrollably at grave No. 659, when his family came to dig up the remains for reburial.

Fadil Sadoun, an overtly religious man, had been arrested in 1996 and never came home. "You should be happy," mourned the son. "Saddam is gone."

The scene repeated itself hundreds of times that day, with broken families taking home the broken remains of executed loved ones. At least they could be identified; most mass graves around Iraq are filled with anonymous victims.

But if state-sanctioned violence defined the former regime, Hussein threatened its use again on Sunday, when defense lawyers reported, after a lengthy talk with their client, that the former Iraqi dictator vowed to "die with honor and with no fear."

Americans in Iraq, defense lawyers quoted Hussein as saying, "will see rivers of blood for years to come. It will dwarf Vietnam," [a news service] reported.

Days earlier, Hussein's chief defense counsel, Khalil al-Dulaimi, said after a guilty verdict, "The doors of hell will open in Iraq, the sectarian divide in the country will deepen, and many more coffins will be sent back to America."

But Iraq's prime minister, whose own Islamic Dawa Party had claimed responsibility for the Dujail assassination attempt, saw it differently. "The martyrs and all Iraqis have a right to smile," said Mr. Maliki.

Saddam Verdict Is Met With Mixed Reactions In Iraq (LAT)

By Borzou Daragahi

The Los Angeles Times, November 6, 2006

BAGHDAD, Iraq -- The trial of Saddam Hussein that ended Sunday with a guilty verdict and death sentence for the former Iraqi leader, once viewed as a means of reconciliation and justice, instead seemed to fuel the sectarian division that grips the country.

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Some Shiites and Kurds celebrated. Some Sunnis mourned angrily. For large swaths of the Iraqi people, Saddam has ceased to be the mesmerizing patriarch who once towered over their nightmares and lives. Many interviewed on Sunday and in recent months said they had laid him to rest long ago, more worried about the internecine violence wracking the country.

"The verdict was right, but prolonging it faded the cheerfulness," said Sameer Asadi, a 38-year-old taxi driver in the southern Iraq city of Basra.

Though Iraqi government officials argue that putting him to death could stymie the hopes of Sunni insurgents, many of those battling daily against U.S. and Iraqi forces long ago dispensed with Saddam as an inspiration, perhaps even before he was found and arrested by U.S. troops nearly three years ago.

The verdict, however, will be felt by many in Iraq as another in a series of divisive jabs in the ongoing battle between Iraq's long-oppressed majority Shiite Muslims and once-powerful Sunni Arabs now incensed over their loss of centuries-old dominance.

Saddam and seven co-defendants faced charges of crimes against humanity for the deaths of 148 Shiite Muslims, who were killed after a failed assassination attempt against the Iraqi leader in the town of Dujail in 1982. Saddam and two other defendants received the death penalty Sunday, which will be automatically appealed, while four defendants received lesser sentences and another was acquitted of charges.

The yearlong trial may or may not have met international standards for war crimes tribunals. Several human rights organizations that monitor such trials said Sunday that it didn't. "We're concerned that flaws in the trial process will jeopardize much of the trial's impact," said Miranda Sissons, head of the International Center for Transitional Justice's Iraq program said in a release.

U.S. officials hailed the verdict as a triumph of "transparency" and an example of the kind of due process denied Iraqis under the former regime.

"Saddam Hussein's trial is a milestone in the Iraqi people's effort to replace the rule of a tyrant with the rule of law," President Bush told reporters in Waco, Texas. "It is a major achievement for Iraq's young democracy and its constitutional government."

But such lessons on the healing power of the courtroom and virtues of law may well be lost in contemporary Iraq, where the hundreds who die each week in civil warfare dwarf the 148 Iraqis slain by Saddam's regime after the 1982 assassination attempt in Dujail.

As the verdict was broadcast on television, war cries broke out on both sides of the sectarian divide.

Noisy demonstrations broke out in Shiite districts of the capital. Revelers pointed their AK-47s into the air and let loose a 15-minute burst of celebratory gunfire. Many held of posters of radical Shiite cleric Muqtada al-Sadr, whose followers nightly snatch Sunni Arab men off the streets and torture them with electrical appliances before shooting them in the skull.

"God avenged the killer of my sons," said a 65-year-old woman in the Shiite city of Najaf who gave her name as Um Hassan.

She said lost two of her four boys to Saddam's security forces in the 1991 crackdown on a Shiite insurrection in southern Iraq. "The death penalty is not enough," she said. "I want him to be buried alive twice as he did with my sons."

Even Prime Minister Nouri al-Maliki, the pious Islamic activist leading this fragmented country, joined in the celebration of fellow Shiites.

"This is the day where you see the dictator after arresting him in his miserable hole, being tried facing the penalty he deserves," comparing him unfavorably to al-Sadr's father and uncle, who were both famous Shiite clerics slain by Saddam's regime.

"Iraqis have the right to smile and rejoice a little for the death sentence issued against this criminal and his minions," he said in a television address.

In Sunni Arab towns and neighborhoods, however, there was sullen anger and public displays of support for the former dictator. Clashes and mortar-fire in Sunni neighborhoods in the capital left at least four dead. They held up Iraqi flags and framed portraits of the man they still call "our president," humiliated that he was to be hung like a common criminal.

"He did not throw them into a big hole and set them on fire," Ameen Adib, one of Saddam's defense lawyers, said of the 148 victims from Dujail. "He just gave them justice. If I were to judge Saddam Hussein I would have given him a medal for his conduct in this issue."

Before the verdict, Khalil Dulaymi, Saddam's lead attorney, described the tribunal examining the Dujail case as an "Iranian court," as if Shiite prosecutor Jaffar Mussawi and Kurdish Judge Raouf Abdul Rahman did not even qualify as fellow Iraqis.

"The judges and the prosecution were appointed according to a sectarian criteria," he said. "They're all either Kurds or Shiites."

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Demonstrations in support of deposed former president broke out Sunday in Saddam's hometown of Tikrit, as well as other Sunni enclaves, despite a ban on vehicular and pedestrian traffic. In the nearby town of Dorr, hometown of fugitive Saddam loyalist Izzat Douri, rioters torched the local courthouse.

"This is a phony court," said Adel Hussein 27, a Sunni mechanic in the city of Samarra. "This court was formed on sectarian basis and it contains the judges that are related to (al-Maliki's) Dawa Party and other parties that are in the government now."

In the courtroom Sunday, Iraq's sectarian divide -- the two worldviews battling for supremacy of Iraq -- also played out. Former U.S. Attorney General Ramsey Clark, a member of the defense team, had submitted a brief questioning the court's legitimacy and by extension the U.S.-led invasion and the Shiite- and Kurdish-dominated government it spawned.

The judge exploded. "Out, Out!" he hollered in English at the befuddled Clark, who appeared befuddled as he was escorted out by several bailiffs. "Get him out. He's coming from America to insult the Iraqi people and the court."

Applause erupted from the visitors' gallery.

After acquitting one defendant and sentencing the three others to 15 years each in prison for their roles in the Dujail killings, the judge sparred with former Iraqi Vice President Taha Yassin Ramadan, sentencing him to life in prison.

Ramadan exploded. The facts, the witnesses and the testimony in presented in the case were all for show, a cover for a vendetta, he charged.

"It is very clear that the verdict was previously set and had nothing to do with all the trial sessions," he said.

The judge quickly handed a verdict of death by hanging to Awad Hamed Bandar, the chief judge of Saddam's Revolutionary Court. Both the visitors in the gallery and Bandar began chanting, "God is great."

"God is greater than the unjust," Bandar said as Abdel Rahman completed the verdict. "God is greater than the occupier. God is greater than the colonizers. God is greater than the collaborators."

Saddam, wearing his signature black suit and white tie, walked into the courtroom with an air of somberness and gravity, casting himself as the wounded symbol of the Sunni Arab pride that was the cornerstone of his Baath Party's ideology.

"I will listen to the judgment," he said, looking much more somber and downcast than he has in past court appearances. "But I will not stand up."

A bevy of bailiffs surrounded him, forcing him to stand up. One glared at him with what appeared to be a mocking smile as the former president was sentenced to hang for crimes against humanity, including murder, imprisonment, torture, forcible imprisonment and relocation.

"Long live Iraq!" Saddam said, holding up a green Quran. "Long live the Arab nation. Down with the agents! God is great! Long live the people!"

Then Saddam, who helped launching Iraq's sectarian and ethnic divides by targeting Shiites and Kurds throughout the 1980s and 1990s, took on the role of healer of a country being torn asunder by sectarian passions.

"We recommend the great Iraqi people forgive all those who strayed and we recommended the great Iraqi people not to be angry at the people of the countries that participated in occupying your country," he said.

"Don't push," he told the bailiff escorting him out the courtroom. "I am your brother."

Iraqis Consider The Impact Of Verdict (USAT)

By Tom Vanden Brook

USA Today, November 6, 2006

BAGHDAD — Celebratory gunfire that erupted Sunday after the announcement of Saddam Hussein's death sentence dissipated quickly as Iraqis went about their lives in a city fractured by sectarian violence.

In other areas, the verdict was denounced. Demonstrators in Tikrit, the former Iraqi leader's hometown, defied a curfew and carried his picture through the streets. Residents of some Sunni neighborhoods in the capital traded gunfire with police, while mortar shells burst in other Sunni areas.

“I don't think it will have much effect,” said Mahmoud Othman, a Kurdish member of parliament. “The whole trial hasn't been all fair or free. There have been a lot of defects from the trial from the start. So people aren't caring so much.”

Othman said the court's decision could worsen tensions between Sunnis and Shiites. Sunnis ruled Iraq under Saddam, who ruthlessly persecuted Shiites and Kurds. Now, Shiites dominate the government.

Many in Iraq's majority Shiite population were joyous. Residents of Sadr City, a Shiite neighborhood here, poured into the streets.

Mahmoud Fadhil's brother Mohammed was executed in 1985 by Saddam's government. When the verdict was read, Fadhil, 39, ran into the street and fired his AK-47 rifle into the air. “God's justice has been achieved today, but I'm afraid that they will delay the execution,” he said. “I will not feel comfortable before seeing the rope wrapping Saddam's neck.”

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One Sunni leader said Saddam's hanging could spawn more killings. “This government will be responsible for the consequences, with the deaths of hundreds, thousands or even hundreds of thousands whose blood will be shed,” Saleh al-Mutlaq, a Sunni political leader, told Al-Arabiya television.

The government sought to minimize violence, banning vehicle and pedestrian traffic in Baghdad and other restive provinces indefinitely.

The trial's climax came nearly three years after Saddam was pulled from his hide-out by U.S. troops. The delay between his capture and conviction, and the deterioration of security conditions here, sapped the news of some of its power, Othman said.

Hussein Sentenced To Death By Hanging (WP)

By Ellen Knickmeyer

The Washington Post, November 6, 2006

BAGHDAD, Nov. 5 -- A divided and violence-ridden Iraq broke into starkly disparate displays of emotion on Sunday after judges in Baghdad condemned former president Saddam Hussein to hang for crimes against humanity.

In the south, a Shiite Muslim father held aloft the tiny, shrouded remains of a young son killed long ago during Hussein's armed campaign against the majority sect. The father danced with his son's bones in the street among celebrating crowds, elated at the news.

In the north, a Sunni Arab man in Hussein's home city strapped an explosives belt around his waist and vowed to avenge the death penalty handed to the former dictator.

"Today's sentences were a death sentence on righteousness, and this makes it obligatory to take the revenge for Iraq," said the man, 29-year-old shopkeeper Ibrahim Yahya, joining other Sunnis in jabbing rifle muzzles and pistols in the air in angry protest.

Elsewhere, Kurds pounded giant drums in traditional celebration. Shiite boys and men threw candy and fired into the air. Bitter-faced Sunni men clasped Hussein's portrait in one hand, a weapon in the other. The varied reactions demonstrated how long-standing divisions have widened in Iraq since Hussein's fall and threatened to divide and bloody the country further.

In Baghdad's Green Zone, a five-judge Iraqi panel announced a unanimous sentence of death for Hussein and two of his seven co-defendants, including Hussein's half brother. Four other defendants were sentenced to prison terms ranging from 15 years to life, and an eighth was acquitted.

The sentences of death and life imprisonment will be automatically appealed, with no time limit set for the appellate judges' decision.

If Hussein is executed, it would cut short his prosecution for campaigns in the 1980s and '90s in which his government allegedly killed tens of thousands -- or more -- of Shiites and minority Kurds. The charges on which he was convicted Sunday arose from an incident of lesser magnitude: the retaliatory executions of 148 Shiite men and boys from the town of Dujail in the 1980s.

The United States largely funded Hussein's trial, and U.S. officials close to the trial said Sunday's outcome vindicated the policy of having courts in individual nations try cases involving war crimes and crimes against humanity. The Bush administration has been a leading opponent of international tribunals, fearing that U.S. soldiers could be tried before them for political reasons.

After a meandering, year-long trial, Sunday's sentencing was rapid-fire, brusque and volatile.

"Make him stand up," Chief Judge Raouf Rasheed Abdel-Rahman ordered after Hussein, wearing the same dark suit and open-collared shirt he had worn for most of the trial, took a seat when he entered the courtroom and refused to rise.

Six Iraqi guards hauled Hussein to his feet and held his arms behind his back as his fate was declared. The former leader broke into shouts as soon as Abdel-Rahman began reading. In the five minutes that followed, each man shouted increasingly louder to be heard over the other.

"Long live the nation! Down with the criminal invaders! Down with the spies! Down with the occupiers!" Hussein declared, thrusting his finger in the air, his body shaking with rage.

One of the Iraqi guards put his face within a few inches of Hussein's to watch the former leader's reaction as the death sentence was read. Smacking gum open-jawed, the guard smiled mockingly, then laughed.

"The court has decided to sentence Saddam Hussein al-Majid to death by hanging," Abdel-Rahman said.

"Go to hell! You and the court!" Hussein shouted. "You don't decide anything, you are servants of the occupiers and lackeys! You are puppets!"

"Take him out!" the judge shouted at the end of a declaration convicting Hussein on five of six charges of crimes against humanity.

"Long live the Kurds!" the 69-year-old leader shouted as the guards pulled him to the courtroom door. "Long live the Arabs!"

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His co-defendants heard their fate with equal defiance. "It's all in the hand of the Almighty! It's all in the hands of the holy warriors!" shouted Taha Yassin Ramadan, a vice president under Hussein, as the guards pushed him out of the courtroom after his life sentence was announced.

Minutes earlier, at least six guards had surrounded former U.S. attorney general Ramsey Clark, one of the defense attorneys, and hustled him out of the courtroom. "Get him out! Get him out!" Abdel-Rahman shouted in English, outraged at a court filing submitted by Clark that apparently referred to the trial as a travesty. "He's coming from America to insult the Iraqi people and the court," the judge added in Arabic.

Above the courtroom, VIPs in a visitor's gallery hidden from view applauded when Clark was ejected. "God is greatest!" the unseen spectators cried later, when the first death sentence was announced. Officials said the spectators included some of the survivors of the campaign in Dujail as well as Iraq's current interior minister and other politicians.

The Shiite politicians who lead Iraq's coalition government went on television after the court session to congratulate the victims of Hussein and condemn his leadership. "The Saddam era is over, and his party has become part of the past," Prime Minister Nouri al-Maliki said on al-Iraqiya state television. Maliki's Dawa party carried out the 1982 assassination attempt in Dujail that led Hussein to order the executions.

Jubilant men and boys poured onto the streets of Shiite communities across southern and central Iraq, despite a curfew imposed to try to prevent violent reactions to the verdict. In Baghdad, officers in the Shiite-dominated police forces celebrated by handing out candy from their patrol vehicles and blaring cassettes hailing Shiite political leaders.

In the Shiite holy city of Najaf, in the south, the celebrating crowds included boys and young men marching in the old military uniforms of fathers allegedly killed by Hussein's government.

A white-haired, gray-robed man in his 50s, who identified himself only as Abbas, walked among them holding up the swaddled bones of his son Hassan. All of Abbas's sons disappeared in 1991, along with thousands of other Shiites, as Hussein's forces crushed a Shiite uprising after the Persian Gulf War.

Only last week, Abbas had recovered the remains of Hassan, who was 4 when he disappeared, after an official's chance discovery of an old grave holding five bodies. On Sunday, Abbas had been taking his son's body for burial, but when he saw the demonstration, he stopped his car in the middle of the road. Soon he was jumping up and down among the crowd, holding up Hassan's bones for all to mourn.

"Saddam took my sons from me," Abbas said. He began crying. "What was the crime that my son committed? He was only 4."

North of Baghdad, in Hussein's birthplace of Auja, black-robed women with reddened eyes walked along Saddam Hussein Road to a house belonging to members of Hussein's extended family, where they joined the women there in a kind of wake.

"The grief we are going through is unbearable, and we wish we were dead before seeing or hearing this verdict," said Suad Mohammed, 40, her voice hoarse with tears and shouting.

"What happened today at the court gives us the resolve and the power to go ahead on the road of holy war," said Marwan Hakam, a teacher in the city of Tikrit, not far from Auja. "All must now carry arms to fight the Americans."

"I have sworn by God that I shall not go home and will detonate this explosives belt on American forces," said Yahya, the Tikriti shopkeeper.

Samarra and other predominantly Sunni cities and towns also saw protests, with crowds at times shooting at or setting fire to government buildings. They revived a chant that had dominated their lives during Hussein's 24-year authoritarian rule: "Our blood and our souls we sacrifice for you, Saddam."

Many Shiites and Sunnis, however, said that the sectarian violence since Hussein was toppled by a U.S.-led invasion in 2003 has made life now far grimmer. Some warned of worse to come: "This government will be responsible for the consequences, with the deaths of hundreds, thousands or even hundreds of thousands whose blood will be shed," Salih al-Mutlaq, a Sunni political leader, told al-Arabiya satellite television.

Hussein To Die By Hanging (CHIT)

By Aamer Madhani

Chicago Tribune, November 6, 2006

BAGHDAD -- Saddam Hussein was pronounced guilty of crimes against humanity and sentenced Sunday to death by hanging, capping a long and arduous first trial against the notorious former dictator.

As Chief Judge Raouf Abdul-Rahman of the Iraqi High Tribunal read the verdict, Hussein defiantly shouted over him, ridiculing the court, the Iraqi government and the U.S.-led military presence in Iraq.

"Long live the Iraqi people, damnation for the damned. You are the servants of the colonizers," he bellowed at the panel of judges, wagging his finger and trembling throughout the outburst.

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"Long live the people, long live the Arab nation! Down with the agents. Down with the occupier."

Despite a curfew and heavy security precautions in some parts of Iraq, the verdict was quickly greeted with both street celebrations and protests.

In heavily Shiite areas of southern Iraq, jubilant crowds danced in the street and celebrated the outcome. In Hussein's hometown of Tikrit, about 2,000 Iraqis took to the street in defiance of a government curfew and peacefully protested the verdicts.

Meanwhile, in Baghdad, clashes were reported in the Sunni neighborhood of Ahdamiyah and celebratory gunfire resounded through the mostly quiet streets of other parts Baghdad--which was also on a security lockdown--as the sentencing against Hussein was announced.

In the trial for the 1982 killings of 148 people, two of Hussein's co-defendants, Barzan al-Ibrahim, the former Iraqi intelligence chief and Hussein's half-brother, and Awad Hamed al-Bandar, the Revolutionary Court judge, also were sentenced to be executed by hanging.

The court also convicted former Iraqi Vice President Taha Yassin Ramadan of premeditated murder and sentenced him to life in prison. Three other co-defendants of Hussein -- Mizhar Abdullah Ruwayyid, Ali Dayih Ali and Abdullah Kazim -- were convicted of murder and torture and sentenced to up to 15 years in prison.

An eighth defendant, Mohammed Azawi Ali, a low-ranking Baath party official, was acquitted for lack of evidence.

When Hussein was brought into the dock, he immediately sat down in his chair and initially refused to comply with the judges order to stand for the reading of his sentence. He mockingly told the judge that he could hear him just as well from his chair.

Eventually, two bailiffs were ordered to lift the former dictator to his feet, and he remained standing for the rest of the proceedings.

Iraq's Prime Minister Nouri al-Maliki said he hoped that the verdict would help bring about reconciliation. He invited former regime elements that "do not have Iraqi blood on their hands" to join the political process.

"It is the end of the black period and the start of a new period in Iraq," al-Maliki said in a televised address from his office in Baghdad's Green Zone.

U.S. Ambassador Zalmay Khalilzad offered congratulations to the Iraqi people.

"A former dictator feared by millions, who killed his own citizens without mercy or justice, who waged wars against neighboring countries, has been brought to trial in his own country – held accountable in a court of law with ordinary citizens bearing witness," Khalilzad said in a statement.

"Although the Iraqis may face difficult days in the coming weeks, closing the book on Saddam and his regime is an opportunity to unite and build a better future. As the Iraqi people move forward, the United States will support them in their efforts to build a just and democratic society."

The verdict comes nearly three years after U.S. forces captured the dictator, unkempt and burrowed away in an underground hiding place in the village of Adwar.

The verdict and sentencing automatically will be sent for review to a nine-member appellate court. It could be several months, if not longer, before the sentences are carried out.

The capital remained on lockdown as the rulings against Hussein and his co-defendants were read in the courtroom deep in the Green Zone, the tightly-guarded compound in central Baghdad that is also home to the U.S. embassy and various Iraqi government buildings.

Fearful that there would be a surge in violence in response to the verdict, the government banned people from the streets of the capital on Sunday. Beyond Baghdad, a curfew was imposed on the Salahuddin province, which includes Saddam's hometown of Tikrit, and the restive provinces of Diyala.

On Friday, the Iraqi government ordered its security forces on high alert, canceling leaves for police officers and soldiers. The government, fearing that former regime loyalists would target Dujail, deployed extra troops to the village.

Hussein's lawyers, Khalil al-Dulaimi and former U.S. Atty. Gen. Ramsey Clark, have warned that a death sentence for Hussein surely would lead to increased violence. Both lawyers also protested the timing of the verdict and sentencing, just two days before U.S. voters go to the polls to vote in mid-term congressional elections.

Before the session began on Monday, Clark was ejected from the courtroom after handing the judge a memorandum in which he called the trial a travesty.

Those involved in the trial have faced constant danger since the court convened last year. Three defense attorneys were killed, 200 relatives of victims of Dujail have been murdered and several families of witnesses have been moved inside the Green Zone because of safety concerns, said Bassem Ridha, the Iraq government's court observer (this sentence as originally posted has been corrected).

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The Dujail trial centered on Hussein's government systematically rounding up and killing 148 Shiite Muslims from the northern Iraqi town after an attempt to assassinate Hussein there in July 1982.

During the 40-session trial, the prosecution presented incriminating documents. They included an execution order for 148 people signed by Hussein, and an investigative report presented to Hussein that indicated only 10 people were involved in the assassination attempt. Hussein acknowledged that he issued an order to have the village's orchards destroyed and said he had entire families in Dujail detained together.

Another Iraqi government document unveiled during the trial described the mass relocation of 399 people from Dujail to a desert camp in Al-Muthanna province.

Al-Bandar, head of the Revolutionary Court that issued the death sentences against the Dujail residents, admitted in court that all the victims were found guilty in a seemingly perfunctory one-day trial.

Nearly four dozen of the victims died in captivity, and posthumous orders for their execution were issued afterwards. In a matter-of-fact tone, al-Bandar told the court it wasn't all that unusual for detainees to die during interrogation.

One Dujail witness, who avoided being executed because of a bureaucratic snafu, said he did not even recall a trial for the accused.

Throughout the trial, the defense characterized the 148 victims as Shiite militants backing the Iranian government. The incident happened in the midst of the Iran-Iraq war, and the authorities had no choice but to respond with strong measures to an assassination attempt on a head of state, the defendants and their lawyers argued.

In finding Hussein guilty, the court affirmed that the evidence and testimony met the burden of proof that the former president had "command responsibility" for the slaughter committed at Dujail and did nothing to prevent it. He knew about atrocities committed at Dujail but did nothing to stop it or to punish those who carried out the killings, the court ruled.

A second trial of Hussein and six co-defendants is underway for their roles in Operation Anfal, a 1987-88 campaign against Iraqi Kurds in which about 180,000 people were killed. In that case, Hussein and one co-defendant face charges of genocide.

The impact a guilty verdict Sunday might have on U.S. elections remains unclear, with pollsters and analysts saying that a single incident may not be enough to offset voters' deep dissatisfaction with a war in its third year.

In an interview Friday, one Washington political analyst, Charlie Cook, predicted that the verdict would not have a positive impact for the Republican Party, which has been dogged by public disapproval of the Bush administration's handling of the war.

"Unless they take him out to a firing range and shoot him on live American television on Monday, this is going to have no impact on the elections," Cook said. "There's no good news for the Republicans anymore. This election is not about Saddam Hussein."

The verdict capped a year-long trial in which a chaotic, circus-like atmosphere often overshadowed the gripping testimony by victims and witnesses of the systematic roundup and killing of 148 people in Dujail.

Both of Hussein's trials have been marked by rambling monologues from the defendants, harsh rebukes of the court's legitimacy and several boycotts of the proceedings by the defendants and their lawyers.

U.S. officials advising the court complained that despite the noise and distractions caused by the defendants, Hussein received a fair trial.

The court heard testimony from 130 witnesses, and the accused were given the opportunity to mount robust defenses. Unlike other modern despots, including Slobodan Milosevic, Idi Amin and Pol Pot, Hussein and his henchmen were brought to justice in their own country by their own people, the U.S. advisers argued.

"If you really look at the [trial's] chaos, it was really brought [about by] the activities of defense attorneys walking out…or the activities of the defense," said one U.S. official close to the court, who briefed reporters prior to the verdicts.

"Overlaying all of that was the constant receipt of the evidence, the testimony of complainants and witnesses, the documentary evidence, the experts….It goes a long way in saying this was a fair trial."

Hussein Is Sentenced To Death By Hanging (NYT)

By John F. Burns And Kirk Semple

The New York Times, November 6, 2006

BAGHDAD, Nov. 5 — Three and a half years after American troops captured Baghdad and ended the dictatorship of Saddam Hussein, the Iraqi court set up to judge the brutalities of his 24 years in power found him guilty on Sunday of crimes against humanity and sentenced him to death by hanging.

An automatic appeal of the death sentence will delay it, but some Iraqi judicial officials privately held out the possibility that Mr. Hussein could go to the gallows in a matter of months, perhaps before next spring. That may depend on behind-the-scenes maneuvering by Mr. Hussein's embattled successors in Iraq's new government, who have already shown that they are not hesitant to pressure judges in the case.

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For Prime Minister Nuri Kamal al-Maliki, the death sentence was a welcome relief from bad news on the war front and appeared to be an opportunity to score gains with his own fractured constituency of Shiite religious groups. Mr. Maliki, who has said that he favors the swift execution of Mr. Hussein, appeared on television to proclaim that the former Iraqi ruler got what he deserved.

The case that brought death sentences for Mr. Hussein and two other defendants, including one of his half-brothers, focused on the ruthless repression of a small Shiite town north of Baghdad after what was said to be an assassination attempt against Mr. Hussein in 1982. Judged against the sweep of terror under Mr. Hussein, the case was a narrow one, involving the execution of 148 men and youths from the town of Dujail, and what the court found to have been a "widespread and systematic" persecution of the town's inhabitants in the years that followed.

The contrasting reaction to the verdicts, in the heavily fortified courthouse in Baghdad and across Iraq, was a testament to the bitter divisions sown by the toppling of Mr. Hussein in April 2003, and to the country's spiraling descent since then into a near-anarchy of insurgency and sectarian killing. From Mr. Hussein and his unreconciled supporters among Iraq's Sunni minority, there was an explosion of anger.

Among the newly empowered Shiite majority, there was an eruption of joy, and volleys of celebratory gunfire from pistols and automatic weapons.

As the chief judge read out the death sentence, a defiant but exhausted-looking Mr. Hussein shouted: "Long live the people! Long live the nation! Down with the occupiers! Down with the spies!" Thrusting his right forefinger into the air, then raising a heavily thumbed Koran with his left hand, he repeatedly chanted the traditional Muslim invocation, "God is Great!" As two court bailiffs moved to hold his arms down, he called one "stupid" and demanded, "Don't twist my arm." Then he mocked the judge, Raouf Rasheed Abdel-Rahman. "Go to hell, you and the court!" he said.

The verdicts were greeted with a similar divide in opinion outside Iraq. President Bush described the trial of Mr. Hussein before the Iraqi High Tribunal, the court set up to try the top officials of the ousted government, as "a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law."

The reaction was negative from some in other Arab countries and from Western legal-monitoring and rights groups, which had been critical of procedures at the trial, saying they were loaded in favor of "victor's justice" and that the Bush administration should have insisted that an international court hear the cases.

Before the verdicts, Mr. Maliki had imposed an around-the-clock curfew on Baghdad and other regions with heavy Sunni populations or a volatile mix of Sunnis and Shiites, including Mr. Hussein's hometown, Tikrit. Iraqi security forces were placed on high alert and American aircraft — unpiloted reconnaissance drones flying low, and fighter jets roaring high above — crossed the capital. Around the courthouse, in the former headquarters of Mr. Hussein's Baath Party, American troops tightened the already formidable cordon that has protected the trial, with turret gunners in dirt-brown Humvees watching all approaching traffic intently.

But the curfew was widely flouted. In Shiite areas, including Sadr City in northeastern Baghdad, residents flooded the streets, whooping and dancing and honking car horns. Abdul Razzaq Hassan, 43, a casual laborer, shouted his exuberance down a telephone line, straining to make himself heard over the throng. "This is a very great happiness! I will never forget this day!" he said.

Mr. Hassan said two of his brothers had been killed by Mr. Hussein, one in 1982 and the other in 1988. Both were members of the Islamic Dawa Party, one of the Shiite religious groups decimated in Mr. Hussein's purges. The party was the principal target of the repression in Dujail. Now, through their election sweep in January, the Shiite groups control the government. "Because of this happiness," Mr. Hassan said, speaking of his lost brothers, "I can let them go."

But a grim and retributive mood settled over predominantly Sunni areas. Fighting broke out between gunmen and Iraqi soldiers in Adhamiya in northeastern Baghdad, said an Interior Ministry official, but American forces suppressed the violence. Police and military authorities reported no other outbreaks of major violence and no deaths.

But hundreds of demonstrators marched in Tikrit, carrying photographs of the former leader, firing weapons in the air, and vowing to avenge him. In nearby Samarra, protesters chanted, "The ground will be burned." Witnesses said they were escorted — and in some cases, given rides — by officers from the American-trained police.

For Mr. Hussein, the sentencing, nearly three years after American troops pulled him from a stifling earthen bunker that had been his hiding place near Tikrit, the sentencing was rife with ironies. For all his insistence during the trial that he remained Iraq's lawful president, he seemed a shrunken figure, nondescript in the ill-fitting charcoal suit and tieless white shirt provided by his captors.

The Baath Party building, a vast, pillared structure in the imperial style he favored for the hundreds of palaces he built across the country, is only a short drive from the Republican Palace, once the epicenter of his power beside the Tigris River, and now the base for top American military commanders and officials.

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Combative throughout the trial, Mr. Hussein seemed to be beside himself with frustration and anger as the death sentence was announced. Judge Abdel-Rahman tried briefly to calm him. “There’s no point in this,” he said as the former ruler conducted an unbroken monologue, trying to shout the judge down.

But Mr. Hussein, 69, would not be assuaged. As the judge moved rapidly through the counts of crimes against humanity on which the five-judge panel court had found him guilty — willful killing, unlawful imprisonment and forced deportation of hundreds of Dujail’s townspeople to a desert camp in southern Iraq, torture and “other inhumane acts” — the last four counts each carrying lengthy jail terms — Mr. Hussein, exhaustion showing in the strained timber of his voice and the heavy bags under his eyes, continued to fulminate.

When the judge came to the critical words — “the court has decided to sentence Saddam Hussein al-Majid to death by hanging” — Mr. Hussein offered the bitter riposte that was the coda for many of his fiery denunciations during the 10-month trial. “You don’t decide anything,” he told the judge. “You are servants of the occupiers and their lackeys! You are puppets!”

In less than five minutes, the judge ordered the former ruler forcibly led from court. “Take him out,” he said. Still, the last words belonged to Mr. Hussein. “Long live the Arabs! Long live the Kurds!” he said as he walked, bailiffs clutching his arms, to the door leading to the courtroom cells, and from there back to custody in an American detention center near Baghdad airport where he will remain, American officials said, until the appeal has been completed.

Court officials who spoke with reporters after the sentencing said a nine-judge appellate court would automatically review the death sentences imposed on Mr. Hussein; Barzan Ibrahim Hasan al-Tikriti, his half brother, who was head of the feared Mukhabarat intelligence agency at the time of the events at Dujail; and Awad al-Bandar, who, as chief judge of Mr. Hussein’s revolutionary court, handed down the 148 death sentences against the townspeople. A fourth defendant, Taha Yassin Ramadan al-Jizrawi, a former vice president under Mr. Hussein, was sentenced to life imprisonment, and court officials said that his case, too, would go to appeal.

The Dujail trial was originally conceived as a way of building up to the much bigger cases under preparation, involving the killing of hundreds of thousands of Iraqis under Mr. Hussein. A second trial, involving the so-called Anfal military campaign against Iraqi Kurds in the late 1980s, and what the prosecution witnesses have said were at least 180,000 deaths, is already under way, with Mr. Hussein again the principal defendant.

But as the pressures of the war here have mounted, so have demands from the country’s new leaders, both Shiites and Kurds, for an early execution of Mr. Hussein, to eliminate him as a rallying point for Sunni militants fighting to restore, if not Mr. Hussein personally, at least some form of Sunni minority rule.

A year ago, before the sharp worsening in the killings across Iraq, court officials were saying that they favored deferring Mr. Hussein’s execution, if ordered by the Dujail court, until after he had been held accountable for far more catastrophic crimes.

On Sunday, Iraqi court officials made a point of saying that nothing in Iraqi law would prevent Mr. Hussein being executed before the Anfal trial ended. Some said privately they hoped for his execution within as little as three months. The officials said the appeal would begin within 30 days, after prosecution and defense lawyers had time to prepare their submissions. Iraqi law provides that any death sentences the court upholds must be confirmed by the country’s presidential council and carried out within 30 days.

In his televised speech, Mr. Maliki compared Mr. Hussein to Hitler and Mussolini, and said “this insulting end” — meaning the death sentence — was fitting for “a man who subjected Iraq to a series of wars and murderous campaigns that ripped the social fabric of the country, wasted its resources and served only his sick dreams and illusions.”

Testimony in the Dujail trial described how no more than 10 men fired at Mr. Hussein’s motorcade, with most of the gunmen killed almost immediately. Within hours, Mr. Tikriti, the intelligence chief, and Mr. Ramadan, then leader of a Baath militia known as the Popular Army, began a sweeping punishment.

Witnesses said hundreds of people were arrested, taken to Baghdad and tortured, with 46 of the 148 later sentenced to death dying from mistreatment before reaching Mr. Bandar’s court. Hundreds of others were sent to a desert detention camp, and tens of thousands of acres of orchards, Dujail’s main livelihood, were bulldozed. Mr. Hussein’s lawyers said that the would-be assassins were Iranian-backed Shiites, and that he was justified in ordering the crackdown because Iraq was at war with Iran.

Three local Baath party officials from Dujail — Abdullah Kadhim Ruweid, his son Mizher Abdullah Ruweid and Ali Dayeh Ali — were also found guilty of willful killing, forcible deportation, and torture for their role in the repression at Dujail and sentenced to 15-year prison terms. Another Baath party official, Mohammed Ali Azzawi, was found not guilty and ordered released.

A photographer with a clear view of Mr. Tikriti, Mr. Hussein’s half-brother, said he appeared on the verge of tears when his death sentence was read. As given to tirades as Mr. Hussein during the trial, he seemed to have at least temporarily lost his will to fight. “Congratulations, your honor, for reaching this decision,” he told the judge.

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Mr. Ramadan seemed stunned, despite being spared the death sentence. He had argued that his role in the Dujail events was limited to overseeing the razing of the orchards. His head dropped as he heard the judge sentence him to life in prison. "May I say something?" he asked Judge Abdel-Rahman. "I am so surprised at this sentence. Tell me, who did I willfully kill?"

In A Divided Iraq, Reaction To Saddam Death Sentence Conforms To Sectarian Lines (NYT)

By Sabrina Tavernise

The New York Times, November 6, 2006

BAGHDAD, Nov. 5 — The day in Baghdad belonged to the Shiites. Their government had returned. Their dead were resting easier. And the generous humor that used to grace faces here was back.

Saadi Hamid, 63, sat in his photography shop staring up at a television carrying the second broadcast of the sentencing. He cried when he saw it the first time.

But this time, when Saddam Hussein began to shout, "Long live the Iraqi people!" Mr. Hamid looked away and smiled broadly.

"Long life for Iraqi people, and he killed everyone," he said. "No one can help him now."

As the pop of gunfire echoed jubilation in Shiite and Kurdish neighborhoods across Iraq on Sunday, and gloom spread over Sunni ones, a surprise emerged. The death penalty for Iraq's former ruler would be a political blessing for the one now in power.

Iraq's embattled prime minister, Nuri Kamal al-Maliki, was not in the courtroom when a panel of judges sentenced Mr. Hussein to death for crimes against humanity, but by late afternoon in Baghdad's Shiite neighborhoods, he was the one receiving the credit.

"We have a government now," grinned Fuad Haithem Jassim, a 35-year-old police officer standing near a lively soccer game on a street in central Baghdad, largely emptied by a curfew.

A Shiite man at one of Baghdad's many funerals was similarly reassured. "Saddam was the snake head, and you have to cut that head, and they cut it," he said in English. "The government began the first step. All the people say we agree with you now, we agree."

It was an unexpected boost for Mr. Maliki, whose political fortunes have faltered as he has struggled to meet American demands to stop Shiite militias on one hand, and to stay as close as possible to his increasingly frustrated Shiite base on the other.

Those Shiite supporters experienced a long-awaited moment of release, as thousands who lost loved ones to Mr. Hussein's brutal state poured into the streets like water — laughing, singing, crying, and holding pictures of dead loved ones to their chests.

But the verdict divided Iraqis as well, humiliating minority Sunni Arabs and raising fears among Iraqis that Sunni militants would unleash a harsh new series of attacks.

A brooding bitterness settled into Sunni areas, where residents saw the trial as a fraudulent affair that had followed an American-authored script. Many cited this week's election in the United States as evidence of such a fix.

"It's just like a satirical play," said a 23-year-old named Ali in western Baghdad, who was occupying himself on a PlayStation to take his mind off the day's events.

Though flare-ups between angry Sunnis and Iraqi soldiers and police officers occurred in Baghdad and several other cities, the country was relatively free of violence. This was seen as a credit to the efforts of American and Iraqi security forces, which enforced broad curfews. The United States military reported five American deaths, in Baghdad and western Iraq.

A carefree and celebratory atmosphere settled into Shiite blocks. In Sadr City, the largest Shiite neighborhood in the capital, women, chased by children, handed out chocolates in chanting crowds. Young men sprayed stringy foam at cars.

But there was a bitter edge, too, from the long decades of oppression and the loved ones lost then.

"I waited for this day for a long time," said Muhammad Hussein Ali, a Shiite in Najaf whose brother's body was found in a mass grave after the American invasion. "I feel sad for my brother. But now I feel satisfied that his blood didn't go for nothing."

Shiites praised Mr. Maliki for taking a tough stand against Mr. Hussein, but said they feared what might come next. Sunnis were angry, they said, and attacks seemed imminent.

"They had good lives before," said Ali Rashid, a police officer leaning against his truck with other officers and drinking a soft drink in Karada, a middle-class neighborhood in central Baghdad. "He treated them well. They'll take their revenge."

News of the verdict caught Riyadh al-Adhadh, a physician and a Sunni city council member from Adhamiya, busily tending to a request for hospital supplies. Six people were killed and 20 were wounded the night before in two mortar attacks, and more blood was needed. He was more tired than angry.

When Mr. Maliki praised Iraqi security forces in televised remarks after the verdict, the words felt particularly hollow to Dr. Adhadh.

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"Maliki can't do anything," he said by telephone from his house in Adhamiya. "What is his system? His system is militias." He added, "How can he dissolve them if they are supporting him?"

Mr. Maliki, meanwhile, found fault with Sunni broadcasts, and temporarily closed two Sunni satellite channels for running what a government spokesman said was incendiary programming.

Iraqis are dying at a tremendous rate these days, Sunnis noted. One pointed out that Mr. Hussein was convicted for 148 deaths — a number that is not all that far from the daily death toll in today's Iraq, which hovers around 100.

"He's a murderer, he's a dictator, but now we have many tyrants," said a teacher in Adhamiya, who, like many in Baghdad these days, did not want to give her full name because she was afraid.

Even among the jubilant Shiites, there were shadows that showed just how far apart Iraqis have moved in the past year. "There are no friends between Sunni and Shiites now, just relatives because they were together before," said Samer, 28, a Shiite walking with friends on a quiet block in Karada. Violence had destroyed chances for new mixed relationships, he said.

"Civil war is happening in Iraq," he said before hurrying to catch up with his friends.

Two women walked purposefully down the Karada sidewalk. One was a Christian, who said she was happy if the Shiites were happy because they were the ones with the power now. Another, Haloud, gave a piercing gaze, but not her sect, and grabbed a reporter's hand as she spoke in broken English.

"I'm not happy for anything in Iraq," she said with almost desperate intensity. "I'm very sad for Iraq. For that road. For that woman. For that chair. For that man.

"I'm very sad for my country. That's it. O.K.?" And she rushed off, her black abaya billowing behind her in the wind.

Verdict Was Expected in Mideast

DUBAI, United Arab Emirates, Nov. 5 — As news of the verdict against Saddam Hussein and his co-defendants spread throughout the Middle East on Sunday, many in the region said that the verdict had been a foregone conclusion and questioned whether it had been fair.

"There was no mystery or suspense here; everyone knew what the result would be," said Daoud Kuttab, a news media critic and founder of Ammannet.net, an independent internet radio station in Amman. "The only reason people watched today was to see the reactions on the defendants' faces."

Most Arabs interviewed Sunday said they did not believe the trial was fair.

"This is the first trial of its kind of an Arab president in contemporary history, and it could have had many implications," said Salah Amer, professor of international law at Cairo University.

"They should have been anxious to make sure it adheres to international legal standards," he said. "But there is a huge question about when this sentence was issued and in what kind of conditions in Iraq."

Amnesty International said it deplored Mr. Hussein's sentence, describing the proceedings as "deeply flawed and unfair."

Reactions To Verdict Reflect Shifts In Iraqis' Fortunes (WP)

By Sudarsan Raghavan And Salih Dehema

The Washington Post, November 6, 2006

BAGHDAD, Nov. 5 -- On a momentous day in a locked-down city, two men who live on adjacent streets sat alone in their bedrooms Sunday morning to watch the same televised event, but for different reasons. Husam Muhammad, a Sunni Muslim, ordered his family not to disturb him. Mahmoud Abdallah, a Shiite Muslim, simply closed his door.

"I knew I was going to cry," said Muhammad, 55, a former Agriculture Ministry official. "And it's a shame to cry in front of my family."

"I wanted to enjoy this moment by myself, without interruption," said Abdallah, 26, a merchant who sells electrical appliances.

Less than an hour later, deposed Iraqi president Saddam Hussein and two co-defendants were convicted of crimes against humanity and sentenced to death by hanging. Muhammad cried. Abdallah smiled.

"I lost control at that moment," Muhammad said. "Iraq without Saddam Hussein, or a man like Saddam Hussein, will never be Iraq."

"This man is a dictator," said Abdallah. "He insulted this country and its people. He deserved this punishment."

Here in the mostly Shiite neighborhood of Kadhimiyah, Hussein's death sentence evoked strong and divergent emotions, mirroring sentiments across Iraq. They spoke to the dramatic shift in fortunes of Iraq's two major sects that began after the U.S.-led invasion and continues to unfold in this fourth year of war.

For the Sunnis of Kadhimiyah, the verdict drove another nail into the coffin of the man many still see as the leader of their community, which once ruled Iraq but now feels more besieged than ever. The sentence, some said, was the work of a victor's court that was more interested in vengeance than judicial fairness.

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"Every honest and free Iraqi person will be very sad about the verdict," said Ali Safar, 52, a Sunni merchant. "And every person who is not honest and free will be happy."

The verdict also deepened Sunnis' fears about their future in an Iraq dominated by a Shiite-led government and plagued by sectarian strife. "You've heard at the airport the term 'The visibility is zero'?" Muhammad asked. "Just like that, for us the visibility is zero. We cannot see what's next for us."

For the more numerous Shiites of Kadhimiyah, after decades of repression under Hussein's government, the verdict delivered the justice they have long sought. Many vividly remember the executions of 148 men and boys in the town of Dujail ordered by Hussein following a botched assassination attempt in 1982. They also remember the Anfal campaign, in which Hussein is accused of ordering the mass killings of ethnic Kurds in the late 1980s.

"We were waiting for this day more than 20 years," said Hani Ismael, 35, a Shiite laborer who lives five houses down from Muhammad. "I do not wish him to be hanged, but I wish him more torture in his grave."

Shiites also rejoiced in the hope that their political future in Iraq and in the region would become more secure. Would the verdict persuade Hussein loyalists to abandon the Sunni Arab insurgency? Would it boost the chances of embattled Prime Minister Nouri al-Maliki, a Shiite, to stabilize his divided country? "I am optimistic for the future. This will help the Shiite leaders," Abdallah said. "I feel this gang that was controlling the country is now finished. God willing, those people supporting Saddam and his Baathists, when they hear about this decision, they will be finished."

After the verdict was announced, the streets of Kadhimiyah erupted in celebration, despite a government-imposed curfew, as Shiites unleashed their joy. Shiite policemen played religious songs and chanted the names of Shiite martyrs. Some danced, wagging their handguns. Others handed out candy to residents who defied the curfew.

Jubilant Shiites shot guns into the air, so much that representatives of radical Shiite cleric Moqtada al-Sadr were dispatched to houses to order the revelers to stop. The bullets, they told the gleeful gunmen, were needed to strike at their enemies.

Sunnis, however, stayed inside their homes, fearing for their safety. Muhammad, who is bald, with thick eyebrows and mustache, said he is the only Sunni left on his street. Sectarian tensions chased the rest away. As celebratory gunfire popped around his house, he said he spent Sunday listening to news reports. He took some comfort that two human rights groups, Amnesty International and Human Rights Watch, condemned the death sentence, saying the trial was unfair and marred by serious flaws.

"Saddam was accused of killing 148 people. Now, more than 148 innocent people are getting killed in Iraq every day," Muhammad said. "His era is better than the era we are living in now."

Some Shiites in Kadhimiyah, a bustling community built around a gold-domed shrine and nestled along the Tigris River, agreed.

Naseer Muneer, 25, a Shiite who works in the Social Services Ministry, said that under Hussein's secular government, sectarian divisions seldom burst into the open. The people who support Sunday's verdict, he said, "do not realize the danger and the consequences of what will happen, because the simple fact is that this government has not achieved anything for the Iraqi people up till now."

Muhanned Hussein Okeily, 23, a Shiite working with the Iraqi military, predicted that Hussein would never be executed. "They announced the verdict to distract the people from the lack of social services, security, stability and [from the] sectarian violence," he said.

But Abu Sajad, 34, a Shiite history professor, said the verdict "lets the world know that every tyrant will have a dark end," especially other authoritarian rulers in the Middle East. "I wish for Saddam to be cut to pieces and hanged on the Baghdad streets to be a lesson for the Arab rulers to not repeat what Saddam did to his people."

Abdallah said he worries about the reverse: that Sunni Arab rulers in the region, concerned about the presence of a Shiite government in Iraq, would use their influence to prevent Hussein from being executed, keeping the hopes of many Iraqi Sunnis alive. Or that the Iraqi government, concerned about greater instability, might lack the political will to carry out Hussein's sentence.

"The fear I have is an internal push against executing Saddam," Abdallah said.

Despite their differences, Abdallah and Muhammad share a similar prediction for the immediate future. "I am expecting a big reaction from the terrorists in response to the Saddam verdict," Abdallah said.

Said Muhammad: "The civil war is coming."

Saddam Hussein Sentenced To Hang (FT)

By Steve Negus

Financial Times, November 6, 2006

DOJ_NMG_0091233

Saddam Hussein and two senior members of his regime were on Sunday sentenced by an Iraqi special tribunal to death by hanging for carrying out a campaign of collective punishment against a Shia village where the deposed president suffered a 1982 assassination attempt.

Mr Hussein exhibited more of the defiance he has shown throughout the trial. He at first refused to stand for the verdict and had to be lifted to his feet by guards. He shouted "Long live the people!" and "God is greater!" as the sentence was pronounced.

Awadh al-Bandar, a former revolutionary court judge under Mr Hussein's regime who sentenced to death more than 140 residents of the Shia village of Dujail after the 1982 incident, and Mr Hussein's half-brother and former intelligence chief Barzan al-Tikriti were also sentenced to hang.

Former vice-president Taha Yassin Ramadan received life imprisonment, while three comparatively minor officials from the former ruling Baath party in the village received sentences of up to 15 years in prison.

According to Iraqi law, death sentences should be carried out within 30 days of the defendants' final appeal. The appeals court might not give a final decision until well into next year.

The sentence sparked celebration in Shia areas, and angry demonstrations in Sunni Arab ones.

Immediately following the verdict, Iraqi TV reported that mosque loudspeakers in Baghdad had issued calls not to fire weapons into the air in celebration. Iraqi TV showed crowds dancing in the streets, waving pictures of radical Shia leader Muqtada al-Sadr whose father was killed by presumed regime agents in 1981.

One guard in the heavily-fortified Green Zone, whose said his brother was killed by Mr Hussein in 1981, had little sympathy for the defendants. "They would condemn people to death without any process, no evidence, judgment, then one minute later the grave." He spat at the screen as the deposed president shouted defiance at the court.

The trial had been plagued by allegations that Iraq's Shia-led government used its influence to affect the outcome. Amnesty International, the human rights group that documented thousands of cases of torture and disappearances under Mr Hussein, said the trial was unfair.

The court is expected to produce a long written explanation of its judgment in the coming weeks, which legal experts say will be crucial in determining whether Mr Hussein and his co-defendants were given a fair hearing.

George W. Bush described Mr Hussein's conviction as a "major achievement for Iraq's young democracy".

Mr Bush, who on Sunday was conducting last-minute campaigning in the US mid-term congressional elections, which take place on Tuesday, said the verdict was a "milestone" on the path to Iraqi freedom.

In what was an indirect rebuke of John Kerry, the losing 2004 Democrat presidential candidate, who last week "botched" a joke that appeared to denigrate the educational achievements of US soldiers serving in Iraq, Mr Bush also emphasised praise for the "young men and women who serve in uniform".

On Sunday Rahm Emanuel, leader of the Democratic campaign for the House of Representatives, reminded voters that Mr Bush had described Mr Hussein's capture in December 2003 as having "turned the corner" in the Iraq war. He said there was as little evidence now, as then, that the former Iraqi president's conviction would change the picture on the ground.

Opinion polls suggest the Democrats, who have campaigned for a "phased redeployment" of US forces out of Iraq, are on course to retake at least one house of congress. It is unclear what, if any, impact Mr Hussein's sentencing will have on voter sentiment in the US.

Margaret Beckett, the UK's foreign secretary, welcomed the judgment: "It is right that those accused of such crimes against the Iraqi people should face Iraqi justice."

Additional reporting by Christopher Adams in London and Ed Luce in Washington

Mideast Expected The Verdict But Doubts Whether It's Fair (NYT)

By Hassan M. Fattah

The New York Times, November 6, 2006

DUBAI, United Arab Emirates, Nov. 5 — As news of the verdict against Saddam Hussein and his co-defendants spread throughout the Middle East on Sunday, many in the region said that the verdict had been a foregone conclusion and questioned whether it had been fair.

"There was no mystery or suspense here; everyone knew what the result would be;" said Daoud Kuttab, a media critic and founder of Ammannet.net, an independent internet radio station in Amman. "The only reason people watched today was to see the reactions on the defendants' faces."

Many analysts and others in the region who followed the trial said that what mattered was how the court had reached its judgment and that the process had seemed highly flawed. But critics and supporters of Mr. Hussein, the former dictator, said they were left with more frustration than closure.

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Most Arabs interviewed Sunday said they did not believe the trial was fair. They said it had seemed politicized, that the judges had not seemed to be in control of the process and that rulings about procedures had seemed contradictory. Almost everyone agreed that the verdict was unlikely to stop the violence gripping Iraq.

"This is the first trial of its kind of an Arab president in contemporary history, and it could have had many implications," said Salah Amer, professor of international law at Cairo University. "They should have been anxious to make sure it adheres to international legal standards. But there is a huge question about when this sentence was issued and in what kind of conditions in Iraq."

Mr. Amer and other analysts said the timing of the verdict, on a day of the week when the special tribunal does not normally hold session, and just two days before midterm elections in the United States, underscored the perception that the proceedings had been politically charged.

"His sentencing now is a deliberate attempt to boost the Republicans in the U.S.," said Imad Shueibi, president of the Data and Strategic Studies Center, a private research organization in Damascus. "They're expecting big losses in the upcoming elections, and they figure maybe this sentence might give an illusion of some success. But of course only the naïve will believe that."

Amnesty International said it deplored Mr. Hussein's sentence, describing the proceedings as "deeply flawed and unfair."

Makram Mohamed Ahmed, a columnist with the Egyptian government-backed Al Ahram newspaper, said Mr. Hussein "was a burden to his nation and a burden to the entire Arab world and he might have truly deserved this fate, if only the court's legitimacy was not in question."

The verdict, Mr. Ahmed said, had even failed to send a message to other Arab leaders to loosen their grip and reform. "I don't think any of the Arab leaders will come to think that this can happen again because Bush's administration is losing its popularity, and the democrats may get a majority in the Congressional elections."

On the streets of some Arab cities, some defended Mr. Hussein. "Saddam was only defending himself in the Dujail incident and is therefore not a criminal," said Imad Suadi, 43, a taxi driver in Amman. "If any other leader faced the same ordeal, he would act the same. But this verdict is a blow to Arab leaders, warning that anyone of them who raises his head up will face the same fate."

Not everyone was interested. In Damascus late Sunday night, many cafe patrons tuned in to a local soccer game, hardly discussing the verdict. One shop owner, who spoke on the condition of anonymity because he did not want any repercussions, said he was aware of the sentencing, but had not thought much of it. "May God protect us from such things," he said.

World Opinion Divided On Saddam Sentence (AP)

By William J. Kole

AP, November 6, 2006

Saddam Hussein's death sentence was celebrated by some on Sunday as justice deserved or even divine, but denounced by others as a political ploy two days before critical U.S. midterm congressional elections.

Worldwide, the range of reactions — including a European outcry over capital punishment and doubts about the fairness of the tribunal that ordered Saddam to hang — reflected new geopolitical fault lines drawn after America's decision to invade Iraq in 2003 and depose its dictator.

The European Union welcomed the verdict but said Saddam should not be put to death. At the Vatican, Cardinal Renato Martino, Pope Benedict XVI's top prelate for justice issues, called the sentence a throwback to "eye for an eye" vengeance.

"This is not the way to present the new Iraq to the world, which is different from Saddam, who was behind hundreds of thousands of deaths as well as death penalty sentences," said Hands Off Cain, an Italian organization working to rid the world of capital punishment.

Islamic leaders warned that executing Saddam could inflame those who revile the U.S., undermining President Bush's policy in the Middle East and inspiring terrorists.

"The hanging of Saddam Hussein will turn to hell for the Americans," said Vitaya Wisethrat, a respected Muslim cleric in Thailand, which has its own Islamic insurgency in the country's south.

"The Saddam case is not a Muslim problem but the problem of America and its domestic politics," he said. "Maybe Bush will use this case to tell the voters that Saddam is dead and that the Americans are safe. But actually the American people will be in more danger with the death of Saddam."

Bush called the verdict "a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law."

Praising the Iraqi judiciary for its independence, the White House denied arranging for the verdict to be announced just two days before pivotal elections in which Democrats are fighting for control of Congress.

"The idea is preposterous," said Tony Snow, Bush's spokesman.

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Yet there was a touch of contempt as well, reminiscent of the international response when the United States failed to find the weapons of mass destruction Bush insisted had made Saddam such a threat.

Intervening militarily was "a grave error," said Spanish Prime Minister Jose Luis Rodriguez Zapatero, whose country withdrew its troops from Iraq, contending that conditions there have worsened since the U.S.-led invasion.

Although some voiced doubts that Saddam would actually be hanged, the International Federation for Human Rights denounced the death sentence, warning that it "will generate more violence and deepen the cycle of killing for revenge in Iraq." The Council of Europe called it "futile and wrong" to execute Saddam.

Louise Arbour, the U.N. high commissioner for human rights, urged Iraq to ensure a fair appeals process and to refrain from executing Saddam even if the sentence is upheld.

In Pakistan, an opposition religious coalition claimed American forces have caused more deaths in Iraq in the past 3 1/2 years than Saddam did during his 23-year rule, and insisted Bush should stand trial for war crimes.

"Who will punish the Americans and their lackeys who have killed many more people than Saddam Hussein?" asked Hafiz Hussain Ahmed, a senior lawmaker from the Mutahida Majlis-e-Amal coalition, which is critical of Pakistan's military cooperation with the United States.

In the Arab world, some Muslims saw the sentence as divine retribution, but others decried it as a farce.

"Saddam is being judged by traitors, Americans and Iranians, and those who came on the backs of American tanks," said Mahmoud al-Saifi of the Arab Liberation Front.

Iran, which fought an eight-year war against Saddam's Iraq and is a bitter opponent of the United States, praised the death sentence and said it hoped that Saddam — denounced by one lawmaker as "a vampire" — still would be tried for other crimes.

Key U.S. allies — including Britain and Australia — welcomed Sunday's verdict, which had been widely expected.

"Appalling crimes were committed by Saddam Hussein's regime. It is right that those accused of such crimes against the Iraqi people should face Iraqi justice," British Foreign Secretary Margaret Beckett said in a statement.

"The whole process of the trial is a sign of democratic hope and I believe the world should see it as such," Australian Prime Minister John Howard told the Nine Network television.

Amnesty International questioned the fairness of the trial, and international legal experts said Saddam should be kept alive long enough to answer for other atrocities.

"The longer we can keep Saddam alive, the longer the tribunal can have to explore some of the other crimes involving hundreds of thousands of Iraqis," said Sonya Sceats, an international law expert at the Chatham House foreign affairs think tank in London.

"The problem really is that this tribunal has not shown itself to be fair and impartial — not only by international standards, but by Iraqi standards," she said.

Chandra Muzaffar, president of the Malaysian-based International Movement for a Just World, also voiced concerns that Saddam's trial "violated many established norms of international jurisprudence."

Even so, "Saddam was undoubtedly a brutal dictator, and even though I wouldn't subscribe to the death penalty, he deserves to be punished severely for the enormity of his crimes," he added.

Konstantin Kosachyov, the Kremlin-allied head of the international affairs committee in Russia's State Duma, or lower house of parliament, said the sentence would deepen divisions in Iraq.

But Kosachyov expressed doubts that Saddam would actually be executed.

The verdict, he said, was mostly symbolic — "retribution that modern Iraq is taking against Saddam's regime."

Analysis: Verdict May Not Stop Violence (AP)

By Robert H. Reid

AP, November 6, 2006

The future of Iraq may depend little on whether Saddam Hussein hangs. The Sunni insurgency is so deeply entrenched and sectarian bloodlust so strong that Iraq seems set to continue spiraling into violence — regardless of its former president's fate.

Some fear that the Saddam verdict, by angering the Sunni minority, could intensify the violence once a curfew in Baghdad is lifted. Others say they hope the verdict gives Iraqis a chance "to unite and build a better future," in the words of the U.S. Ambassador to Iraq, Zalmay Khalilzad.

But in the end, Saddam's fate is not what's driving the violence in Iraq now. Instead, religious, nationalistic and sectarian passions have taken over and are tearing the country apart.

Even if it causes a spasm of violence, Saddam's verdict is just a symbol of the deeper, underlying problems. Sunnis are alarmed at the prospect of Shiite domination. Shiites are fed up with attacks by Sunni extremists.

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Without an effective government to protect them, both communities have become locked in a murderous cycle of reprisal killings that looks set to continue.

The insurgency started with Saddam loyalists.

But it long ago expanded into a multi-faceted conflict waged by different groups with different goals: nationalists seeking to drive foreigners from Iraqi soil; Sunni militants fearing domination by the Shiites; and religious zealots waging a global jihad against America.

The death of Saddam would matter little to religious extremists, for example, willing to sacrifice their own lives for their cause.

Likewise with the sectarian violence that has pushed the country to the brink of civil war. It started when Sunni insurgents began attacking Shiite civilians, considering them collaborators with the Americans.

With U.S. and Iraqi forces unable to stop those attacks, Shiite militias took the law into their own hands, sending death squads to exact vengeance on Sunni civilians. Since the bombing of a Shiite shrine in Samarra in February, sectarian reprisal killings have spiraled out of control.

Those hatreds will continue to drive the violence — regardless of what happens to Saddam. Neither the Americans nor their Iraqi partners have found a way to control them.

It's not that Saddam's fate has no effect at all: The sectarian fighting has, indeed, served to boost his image among many of his fellow Sunnis, even those who were happy to see him ousted from power three years ago.

With their minority community under siege since they were ousted from decades of power, many Sunnis have rallied around Saddam, forgetting the abuses suffered by all communities under his hard-line rule.

Thus, Saddam's execution could turn him into a martyr for some Sunnis, who consider the trial simply a smokescreen for the failures of the Americans and their Shiite and Kurdish allies.

"I believe that this trial is politically motivated and not a judicial one," said hardline Sunni cleric Harith al-Dhari. "If Saddam is charged with crimes, then the trial should be postponed until the occupation ends."

But the fact is that Sunnis are likely to remain unhappy even if Saddam were to live. It is their diminished role in the post-Saddam Iraq that most distresses them.

Saddam also matters, without question, to the majority Shiites: The violence has reinforced the determination of the Shiites and Kurds, who suffered immensely under Saddam's brutal rule, to put an end to any chance that the former regime might make a comeback.

Prime Minister Nouri al-Maliki, a Shiite, hailed the verdict, proclaiming that it marks "the end of a dark era and a beginning a new epoch" where the rule of law "will be supreme."

Yet al-Maliki's real problem is the burgeoning civil war — and he will make little progress at any unified government, much less a united country, until he can convince Sunnis that they have a future in the new Iraq.

In short, until Iraq's communities reach political agreement on the future of their country, chances for peace appear bleak.

And that could take a very long time.

"You need to look at it in the long term and in the long term, I think the Iraqi people are going to be proud that they gave (Saddam and his defendants) a fair trial," said Christopher Reid, who served as an adviser to the Iraqi court.

But, he adds, acknowledging the current violence: "You can't look at this thing in the short term."

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Robert H. Reid is correspondent-at-large for The Associated Press and has frequently reported from Iraq since 2003.

Hussein Trial Was Flawed But Reasonably Fair, And Verdict Was Justified, Legal Experts Say (NYT)

By Julia Preston

The New York Times, November 6, 2006

The yearlong trial that ended yesterday with a sentence of death by hanging for Saddam Hussein had serious legal flaws that left doubts about whether he was allowed to present a full defense, international legal experts said.

Lawyers and human rights advocates broadly agreed that the Iraqi tribunal's proceedings frequently fell short of international standards for war crimes cases. But even critics of the trial said the five Iraqi judges who heard the case had made a reasonable effort to conduct a fair trial in the face of sustained pressure from Iraqi political leaders for a swift death sentence. American lawyers pointed to substantial evidence offered by the prosecution implicating Mr. Hussein in the crimes against humanity with which he had been charged.

"Did this meet the standards of international justice?" asked Jonathan Drimmer, who teaches war crimes law at Georgetown University Law Center in Washington. "The answer is no. But to look at the ultimate verdict, it certainly is consistent with the evidence presented."

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Miranda Sissons, a senior associate at the International Center for Transitional Justice, a group that has severely criticized some of the trial proceedings, said, "This was not a sham trial," and added, "The judges are doing their best to try this case to an entirely new standard for Iraq."

Mr. Hussein was accused along with seven co-defendants in the executions of 148 men and boys in Dujail, 35 miles north of Baghdad, in 1982. The mass killings came after what was said to be an assassination attempt against the Iraqi leader.

Whether the trial is seen to have been fair is a vital issue for the United States-backed Iraqi government. When the tribunal was created in December 2003, American and Iraqi officials hoped that it would advance the justice system in Iraq, left moribund under Mr. Hussein, and would help bring some reconciliation between the majority Shiites and minority Sunnis.

Since then the country has descended into factional strife. The trial was fair enough to justify the elation yesterday among Iraqis who suffered under Mr. Hussein's rule but also had enough defects that Mr. Hussein's Sunni supporters, who dominated his government, could still contend that it had been victor's justice, as Mr. Hussein's defense lawyers, led by Khalil al-Dulaimi, said yesterday.

The trial was troubled by extreme security issues. Three defense lawyers were assassinated.

Critics cited frequent efforts by Iraqi officials to speed up the trial and influence its outcome. The first chief judge, Rizgar Muhammad Amin, an Iraqi Kurd, resigned in January, saying he was tired of criticism from top Iraqi officials of his handling of the case. A second judge who was in line to succeed him was barred from becoming chief judge because he was said to have had ties to Mr. Hussein's Baath Party, said human rights advocates who have been following the trial.

"The message by politicians and the executive has been quite unambiguously that if the judges do not do what public expectation demands, they will be in trouble," Ms. Sissons said. "Iraqi officials have sent the message, 'We can reach into this court.' "

Raouf Rasheed Abdel-Rahman, who took over as chief judge and presided to the end, was much less tolerant than his predecessor of outbursts by the defendants, who challenged the legitimacy of the court. The chief judge frequently allowed the prosecutor, Jaafar al-Mousawi, to summon evidence and witnesses without first showing them to defense lawyers, violating a basic tenet of trial fair play.

"There was a certain amount of trial by ambush," said Richard Dicker, who has been monitoring the trial for Human Rights Watch, a New York-based group.

On June 13, seemingly in a fit of impatience, Judge Abdel-Rahman abruptly cut off the defense case. "There was a lack of impartiality and judicial temperament" from Judge Abdel-Rahman, Mr. Dicker charged.

However, several American criminal lawyers said the prosecution marshaled surprisingly convincing documents, including those showing Mr. Hussein's signature on orders of execution. "Saddam was convicted on the strength of his own documents," said Michael Scharf, a professor at Case Western Reserve University School of Law who advised the Iraqi tribunal during the trial.

But many trial observers were withholding final opinions yesterday because the Iraqi judges had not issued their written judgment, a voluminous document expected to come out this week.

American lawyers in Iraq dismissed suspicions that the verdict had been delayed to give the Bush administration a political victory in Iraq close to Tuesday's elections.

Accusations by Mr. Hussein's supporters that the trial was manipulated by United States officials were not borne out, American lawyers who followed the case said. An office organized by the United States Embassy helped the tribunal with the investigation and provided legal and logistical assistance. But the Iraqi judges frequently ignored their advice and generally insisted on sticking with familiar procedures from the Iraqi justice system.

"The U.S. government was not the puppet master of this tribunal," Mr. Scharf said.

Mr. Drimmer said that "the trial conduct was a step back from the kind of international justice we had hoped for," and added, "But ultimately having Saddam Hussein prosecuted in a transparent proceeding is a major step for Iraq."

Saddam Sentenced To Death By Hanging (MCT)

By Nancy A. Youssef

McClatchy Newspapers, November 6, 2006

BAGHDAD — The Iraqi Special Tribunal sentenced former Iraqi dictator Saddam Hussein and two of his co-defendants to death in a case charging that they ordered the execution of 148 innocent people in a botched 1982 assassination attempt.

In their verdict, the court made a clear distinction between high-ranking government officials who ordered the attacks and lower-level officials forced to carry them out.

As his sentence was read, Saddam aggressively yelled "God is greater!" to Judge Raouf Abdul. Rahman read the sentence: death for murder, 10 years for forcible deportation, 10 years for torture.

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"Long live the Iraqi people, damnation for the damned," Saddam told the panel of judges. "You are the servants of the colonizers."

His half-brother, Barzan Ibrahim al-Tikriti, the former head of intelligence, and Awad Hamad al-Bandir, former head of the Iraqi Revolutionary Court, also were sentenced to death by hanging.

Bandir kept shouting "God is Great" repeatedly over the reading of the verdict.

Taha Yassin Ramadan, Saddam's vice president at the time the regime fell, was sentenced to life. Abdullah Kathim Ruwaid, his son, Mizhar Abdullah Kathim Ruwaid and Ali Dayih Ali - all local Baath Party officials in 1982 when someone shot at Saddam's convoy during his visit to the mostly Shiite city of Dujail - received a 15-year sentence.

One defendant, a lower-ranking Baath official in the city of Dujail, where the case centered upon, was released immediately.

Seven guards surrounded Saddam, who wore a suit and carried a Koran, as he entered the courtroom. He initially refused to stand up as the verdict was being read, only doing so after two guards forced him up.

Some of those in the visitor gallery were reprimanded by the judge for cheering too loudly. In Baghdad's mostly Shiite neighborhoods, there was rapid gunfire more than a half-hour after the verdict was read. In Saddam's hometown of Tikrit, protestors immediately took to the streets.

In a statement, U.S. envoy Zalmay Khalilzad said: "Although the Iraqis may face difficult days in the coming weeks, closing the book on Saddam and his regime is an opportunity to unite and build a better future. As the Iraqi people move forward, the United States will support them in their efforts to build a just and democratic society."

The court adjourned immediately after reading the verdicts without elaborating on how it reached them.

The nation braced itself for what some feared would be a new round of violence by Saddam's supporters in an already turbulent nation.

Indeed, all of the nation's security forces were ordered to work, and the government issued a curfew. Others hoped it would rejuvenate hopes in the country's national government and judicial system.

The verdicts were decided by a five-judge panel who read their written statements to each defendant, beginning with Mohammed Azawi Ali, who was immediately cleared of all charges. Many had agreed that prosecution had presented the weakest case against Ali.

The trial, which began in October 2005, charged that Saddam and his cohorts rounded up innocent residents of Dujail, took them off to camps and killed and tortured - all in response to an apparent assassination attempt against Saddam. And they said large parts of the orchards in the city were razed in the search for attempted assassins, in some cases ruining their farming livelihood. Saddam was visiting the town in 1982 when someone fired on his convoy.

In all, Saddam faced seven charges, including murder and crimes against humanity.

While Iraqis were glued to their television sets during the beginning of the trial, they lost almost all interest by the end. Some complained it was a long, drawn-out soap opera, not a swift legal proceeding. Others said the death of 148 people two decades ago now seems insignificant in today's Iraq, where on average 100 people are killed a day nationwide.

In all, 27 residents testified about their ordeal, sometimes retelling their stories verbatim. Some testified while facing the former dictator directly; others from behind a curtain. Another 32 gave their testimony in statements read in court.

In between, the head judge stepped down and three defense attorneys were assassinated. The remaining defense attorneys walked out of the proceedings toward the end of the hearings.

During the trial Saddam and Bazran al-Tikriti often delivered long diatribes, questioning the legitimacy of the court, while sitting in a cage placed in the middle of the courtroom that faced the five-judge panel. The prosecutors sat one side; the defense team on the other.

In one session, Saddam told the judge to "go to hell."

U.S. officials concede the process did not always proceed smoothly, but said overall, it was monumental - the first trial that brought a former dictator to trial in front of his countrymen.

And residents were again glued to their television sets Sunday to see watch the verdict being read, many locked in their homes because of the curfew.

U.S. officials said Saddam's most self-incriminating statements occurred March 1 when he admitted ordering the executions, saying as the leader of Iraq, he was ultimately responsible.

"I demolished the orchards," the former dictator said to stunned courtroom. "That was a Revolutionary Council decision to modernize the orchard, and I signed that order."

He went on to say "nobody forced me to sign that decision" and concluded by asking the court: "Where is the crime?"

Saddam has faced the death sentence before in his life. As an early member of the Baath Party, he was part of a failed attempted assassination attempt of then-Iraqi Prime Minister Abdul Karim Qassim. Saddam fled to Egypt and was sentenced to

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death in absentia in 1963. When he returned to Iraq a year later, he was jailed, only to escape in 1967. The following year, he was part of a bloodless coup that brought down the government and named him vice president.

Like all things in this country now, the reaction to the verdict fell largely along sectarian lines, only breaking for those who were directly harmed by the former dictator during his three-decade reign.

In Saddam's hometown of Tikrit, residents promised a rise of retaliatory attacks if the former president is killed. And they said that Saddam's crimes pale compared to what is happening now.

"A death sentence is unfair," said Qusai Abdullah, a 30-year-old taxi driver, from Tikrit. "What happened in Dujail in 1982 is happening now, maybe worse. And neither the government nor the Americans are taking responsibility of what's going on."

In the mostly southern Shiite cities of Basra and Najaf, there was not much enthusiasm for the verdict either, namely because residents said Saddam would likely never be executed.

Others charged that the verdict would primarily serve America's political interests, not the Iraqis' need for justice, noting that it came two days before the U.S. elections.

"It will be only an attempt for an electoral gain for the U.S. and they don't care about the price the Iraqis will pay for it," referring to fears of increased violence, said Sumaiya Abdul Wahab, 33, a university lecturer.

In one hearing, Saddam asked that he be killed by a firing squad, saying he is entitled to that as head of the armed forces. But Iraqi law says that, if executed, he should be hung. Minister Nouri al Maliki, said Saturday that Saddam would be hung, already presuming the former dictator would be found guilty in what some took as another sign of his sectarian slant.

But first, there is an automatic appeals process for anyone convicted to life imprisonment or death. And Saddam still is being tried for allegedly gassing thousands of Kurds in the late 1980s. So it could be months before he faces his court-ordered execution.

Iraqis' Emotions Flow After Verdict (USAT)

By Rick Jervis

USA Today, November 6, 2006

BAGHDAD — Celebrations and some protests erupted in Iraq on Sunday after Saddam Hussein was convicted of crimes against humanity for ordering the deaths of 148 Iraqis in 1982. He was sentenced to be hanged.

Shortly after the verdict was announced, clashes with police broke out in north Baghdad's Azamiyah district, a mostly Sunni Arab area. Sunnis were Saddam's main supporters.

“This government will be responsible for the consequences, with the deaths of hundreds, thousands or even hundreds of thousands,” Saleh al-Mutlaq, a Sunni political leader, told Al-Arabiya satellite television.

Celebratory gunfire also rang out in Baghdad. In Dujail, the Tigris River city where the 148 Shiites were killed, people celebrated and burned pictures of Saddam.

Saddam's chief lawyer, Khalil al-Dulaimi, said his client called on Iraqis to reject violence. “His message to the Iraqi people was, ‘Do not take revenge on the invading nations and their people,' ” al-Dulaimi said. The lawyer called the trial a “farce” and said defense attorneys will appeal within 30 days.

Fadhil Kadhim, 70, a farmer from a mainly Shiite district in Baghdad, said Saddam's forces killed his son in 1985. “Does the bloodshed of Iraqis stop after today?”

“It is a verdict on a whole dark era that was unmatched in Iraq's history,” said Prime Minister Nouri al-Maliki, a Shiite.

President Bush called it “a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law.”

Saddam refused to stand when the judge was ready to read his sentence. He stood after two marshals entered his holding pen. As the sentence was read, he shouted, “God is great!” and “Down with the occupiers!”

The former leader and his seven co-defendants were accused of revenge killings in Dujail, 35 miles north of Baghdad, after an assassination attempt on Saddam. Two others also were sentenced to death, one received a life sentence, three were sentenced to up to 15 years, and one was acquitted and freed.

King Sneer (WP)

By Philip Kennicott

The Washington Post, November 6, 2006

Saddam Hussein, who lost two major wars against the United States, has been a reliable villain in American politics for at least 15 years, longer than Hitler, who ran Germany from 1933 until his ignominious suicide in a bunker in 1945. Yet yesterday's images from Baghdad of Hussein being sentenced to die at the end of rope had little of the visual or emotional impact one might have expected from this late chapter in the tyrant's life story.

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A gray-bearded man with deep bags under his eyes gestured impatiently at the camera. The sentence was pronounced. And like some pundit or politician on a Sunday morning talk show, Hussein raised his voice over the cross talk, vilifying, as he has done so often throughout his odd trial, the Americans who forced him from power.

It's a Shakespearean certainty that a deposed king will seem small and even pathetic without his regalia and the surrounding spectacle of toadying courtiers. Yet Hussein seemed less pathetic than angry yesterday, angry just as he's been since he scrubbed off the grime of his spider-hole hideout three years ago. With the exception of some woolly pictures taken just after his capture, the dictator's equivalent of a Hollywood mug shot, Hussein has mostly stayed in character throughout the war and its aftermath. He was angry and imperious when we saw him before the invasion, firing shots into the air from a balcony. He was angry and imperious as he faced news of his execution yesterday.

For Americans, he's always been a figure bristling with lethal energy. He aged over the years, but the gestures and the posture and overheated bellicosity, which always sounded strange in translation, remained mostly unchanged since we first encountered him as public enemy No. 1 during the lead-up to the first Gulf War. Hitler and Stalin killed into the millions. Hussein earned his way into their ranks when he killed tens of thousands of Kurds and invaded Kuwait. He bedeviled his neighbors and terrorized his citizens and earned the epithet "murderous"; Syria's Hafez al-Assad, who also bedeviled his neighbors and killed tens of thousands of his own citizens, was always known as just wily. The crime for which Hussein will die was the killing of 148 men and boys from a town north of Baghdad, where an attempt was made on his life in 1982.

When he was in power, his anger signified danger to America. Throughout his trial, it came to represent the explosive internal dangers of postwar Iraq, every outburst a microcosm of the larger anger of his Sunni supporters, just as the chaos of the trial reflected the larger chaos in Iraq. Images of Hussein's sentencing were anticlimactic on arrival because they offered no real sense of closure. Unlike trials in postwar Germany or post-apartheid South Africa, Hussein's trial didn't seem to puncture history with a new beginning. It clearly brought no reconciliation to warring parties in Iraq and it placed no period after the initial success of the invasion. Even the courtroom, seen in brief snatches on the nightly news, was a place calculated to deflate history. It felt small and was badly lit (at least for the cameras), and justice didn't seem to stare down evil so much as bicker with it.

And yet Hussein managed to remain consistent to his prewar public image throughout it all. The military fatigues came off, but with his Koran in hand and the formulaic and economical arm gestures of an impatient despot he never seemed anything less than entirely convinced that he was still Saddam Hussein, a latter-day incarnation of Nebuchadnezzar. Throughout it all, he had a loyal audience. Even when it was certain that he would lose his case and be sentenced to die, he still found sympathy among some Sunni supporters, and perhaps that audience bolstered him in his defiance.

A broken man doesn't take such care with his cuffs, nor stuff a handkerchief in his breast pocket, as Hussein did for his court appearance. Only the fatigue in his eyes and the gaunt appearance of his face suggested any sign of soul searching -- and even that reading of his visage is probably wishful thinking. Otherwise, Hussein's public presence suggests a man primarily frustrated by his inability to hold forth to a world audience. A man still clamoring for the microphone of history is a man who still feels he has a strong case to make to the world.

In the streets of Iraq, his case -- that age-old argument that a fractious country needs a brutally pragmatic leader -- was being made for him car bomb by car bomb. Violence has been so bad of late that a curfew was called before the sentencing. But there were still demonstrations in the streets. Shiites and Kurds fired guns in the air to celebrate; and Sunnis fired guns in the air to protest the news in Hussein's home town of Tikrit.

Hollywood would do this so much differently. There'd be more clarity about the meaning of it all. There'd at least be a stirring anthem and hugs and tears and general rejoicing. But the reaction was much more mixed. And in that ambiguity, that ambivalence about the war, is the wiggle room of history that Hussein, with his snarling consistency and his natty dark suit, will do his best to exploit to the advantage of posterity.

In the United States, approval was general, though it differed in enthusiasm between supporters and opponents of the war. The president hailed the news as "a major achievement" and "a milestone." Democrats were more guarded, with Senate Minority Leader Harry Reid noting both the justice of the verdict and the chaos in the country. And a few people turned straight from the news of Hussein's demise to parsing tomorrow's elections.

"Man, oh man, do I hope that Rove's much-reported giddy confidence about the election wasn't hinged on a hoped-for tidal wave of support stemming from the Saddam verdict," wrote Jonah Goldberg on the National Review Web site. Images of Hussein defeated (symbolically when his statue fell in Baghdad; personally when he was dragged from his hiding spot; and legally, with yesterday's sentencing) have taken their place among the larger collection of images of this war. But they have yet to offer what so many people want: one final image that sums up the conflict in a way that everyone can live with. In a war this politicized, this divisive, this unpredictable, that image may never arrive.

The Saddam Hussein Verdict (NYT)

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The New York Times, November 6, 2006

Saddam Hussein's horrendous crimes deserve exemplary punishment. During his own dictatorship, that would have meant a gruesome death, after a staged trial or no trial.

In an Iraq fully liberated from his evil thrall, it might have been something very different — an exemplary exercise in the rule of law, aimed at holding Mr. Hussein fully accountable, but also at healing and educating a nation he so ruthlessly divided.

Regrettably, yesterday's sentence to death by hanging in a case involving the execution of 148 Shiites in the 1980s fell somewhere short of that goal. Mr. Hussein got a fairer trial than he ever would have allowed in his courts. But Iraq got neither the full justice nor the full fairness it deserved. President Bush overreached in calling the trial "a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law."

From the beginning, the now dominant Shiite and Kurdish politicians have been determined to use Mr. Hussein's trial and punishment to further their own political ends, as Prime Minister Nuri Kamal al-Maliki has continued to do in recent days.

Mr. Hussein, as expected, repeatedly tried to mock the proceedings. More seriously, powerful politicians regularly tried to influence the outcome, judges were not allowed to rule impartially, and defense lawyers were denied security measures and documents they needed.

The appeals court that will now review the verdict can undo some of the damage by taking into account some of these deficiencies. At least, it should defer the carrying out of any death penalty long enough to allow the completion of a second trial, in which Mr. Hussein is charged with ordering genocidal massacres against the Kurds.

Criminal Against Humanity (WSJ)

By L. Paul Bremer

The Wall Street Journal, November 6, 2006

The decision by Iraq's Special Tribunal to convict Saddam Hussein of some 150 murders is a welcome step on Iraq's painful journey toward its more hopeful future.

Without resolving Saddam Hussein's fate -- and the human-rights record of the regime he led -- the Shiites and Kurds can never make true peace with their Sunni fellow citizens. So the verdict should be seen as a necessary, though not sufficient, step in helping Iraq's persecuted majority put behind them the awful years of Saddam's brutal rule. And it is a bright note in the dangerous period through which the country is now passing.

This trial didn't teach Iraqis anything new about Saddam's brutality. They had lived with it for decades. But by casting a light into the depth of his tyranny, the process should remind Americans of how awful Saddam's rule was. And that, despite the difficult events on the ground today, America did a noble deed in liberating Iraq from this evil man.

The strong Iraqi urge to redress Saddam's crimes was made clear on the first day of Iraq's Governing Council -- July 13, 2003. The very first decree the Council passed that day, with unanimous support from its Shiite, Kurdish, and Sunni members, was to demand the establishment of the Special Tribunal to punish Saddam and his top Baath Party officials. This step -- which took the Coalition by surprise given the lack of any prior discussion -- showed how deep the scars were from Saddam's rule.

It is impossible to overstate the psychological and physical damage that Saddam inflicted on his countrymen.

In May 2003, the Coalition found the first of Saddam's mass graves. After the 1991 Gulf War, the Shiites, representing some 60% of Iraq's population, rose up to try to throw off his dictatorship. Saddam ordered his army to savagely crush this uprising. Iraqi army units went into Shiite towns south of Baghdad and rounded up men, women and children indiscriminately, threw them onto flat bed trucks, drove them into nearby fields and machine-gunned them to death. Their bodies were thrown into common graves and covered over.

I visited that first mass grave a few days after I arrived in Iraq. It made a searing impression on me, as it did on all who visited it. In an area about the size of three football fields, bones and clothing had been collected into little piles. Women in black robes, ignoring the sweltering heat, were scrabbling through the dirt and bones with their fingers, desperate to find a scrap of clothing, a faded ID, or a piece of jewelry which would identify the remains as those of their mother, or husband or daughter. Uncounted thousands of bodies were in that grave alone. By the time I left Iraq 14 months later, we had found over 300 mass graves.

Saddam's brutality was not limited to the Shiites. He is also standing trial for the crime of genocide against the Kurds, another 20% of the population. For a decade, Saddam's army tortured and murdered hundreds of thousands of Kurdish men, women and children. On the sunny morning of March 16, 1988, the army used chemical weapons on the peaceful Kurdish town of Halabja, killing 5,000 civilians in only a few hours. A few months after I arrived, Secretary of State Colin Powell and I visited this village and spoke with the horribly scarred survivors of this chemical attack. They were living proof that Saddam had possessed weapons of mass destruction, and had been prepared to use them, even against his own countrymen.

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Visiting police stations in towns all over Iraq, I saw that each one had a torture chamber -- because under Saddam torture was legal. Most stations, including the Central Police Academy in Baghdad responsible for training Iraq's police, also had a rape room. I saw the human shredding machines into which Saddam ordered his enemies to be thrown.

Nor did the Sunnis go unscathed under Saddam. Though Sunnis dominated the Baath Party and his vicious security and intelligence forces, they, too, were tortured and killed when it suited Saddam's purposes. Sunnis, Kurds, Shiites, Christians, Turkomen -- no Iraqi group escaped his brutality. The most conservative estimate is that during his regime, Saddam killed over a half-million of his countrymen, though since more than a million and a half Iraqis are still unaccounted for, the actual total is, no doubt, far higher.

Saddam's trial is also another step in establishing the rule of law in free Iraq. The trial certainly had its flaws, as one would expect in a post-conflict country. The first judge lost control of the process and had to be replaced. The correct comparison is not with some illusory perfect system, but with what went before. Saddam made the rules, wrote or tore up the laws, and established or abolished courts according to his wishes, whims or political objectives. The Iraqi people wanted -- and deserved -- better. And the Coalition helped them get it.

Iraqis are proud that theirs is the land of Hammurabi, the Babylonian king who 4,000 years ago created the world's first code of laws. Before Saddam took power, Iraq's legal profession was generally recognized as the best in the region. The Coalition found a large group of able and dedicated Iraqi lawyers ready to serve their free country despite decades of repression.

In my first meeting with the new Iraqi Minister of Justice, Hashim al-Shibli, in September 2003, that respected jurist recounted how Saddam had suborned the justice system and terrorized Iraqi judges. He told me how the independence of Iraq's judiciary, a vital component of democratic checks and balances, had been abolished when the Baathists seized power. He asked that the Coalition re-establish its independence. We did that, and now that independence is affirmed in the new Iraqi Constitution, ratified a year ago.

Of course, no constitution alone can ensure respect for human rights or the rule of law. That must be done by men and women cooperating and compromising in a democracy. Iraq is going through a difficult period now. In his comment on the verdict, Prime Minister Nouri al-Maliki repeated his call for all Iraqis to unite in rebuilding their country. We Americans should do everything possible to see that they succeed, for failure in Iraq would endanger the lives of every American. And establishing a democratic Iraq, in the heart of a deeply troubled region would be a signal event for all the peoples of the Middle East.

Mr. Bremer was head of the Coalition Provisional Authority in Iraq in 2003-04.

Verdict For Saddam Hussein (WP)

The Washington Post, November 6, 2006

IT'S BEEN nearly three years since U.S. troops pulled Saddam Hussein from his spider hole, so the justice that came yesterday, in the form of a death sentence from an Iraqi tribunal for crimes against humanity, was not particularly swift. Nor was his nine-month-long trial the model of fairness that the Bush administration and many Iraqis had hoped for: Three defense lawyers were murdered, a judge was pressured into resigning and many of the 39 courtroom sessions were chaotic.

There nevertheless can be little doubt that justice was delivered in the trial of a tyrant who never hesitated when ordering the summary murder of tens of thousands of Iraqis. The prosecution, planned as the first of several, focused on one small example of that record: Saddam Hussein's complicity in the torture and killing of at least 148 people in a single town, Dujail, after an assassination attempt against him in 1982. During the course of the heavily publicized hearings, Iraqis heard their former dictator confess to ordering the arrest of the innocent civilians, and they saw the death warrants he signed. They heard the testimony of townspeople whose lives were destroyed by this savagery and whose pain echoed that of millions of Iraqis who endured one of the bloodiest tyrannies in the modern history of the Middle East.

Tragically, the remediation that ought to come from the verdict has been shaded not only by the tumult of the trial but by the escalation of lawless violence around Iraq. Yesterday Shiites in Baghdad justifiably celebrated the sentencing of a man who carried out indiscriminate massacres against their sect. But Shiite militias, some of them embedded in government security forces, now abduct, torture and slaughter dozens of Sunnis a day. Sunnis in Iraq and in neighboring Arab countries are more likely to see the verdict as an act of vengeance by the Shiite-led government -- or a preelection gambit by the Bush administration -- than as a legitimate judgment.

In the short term, Saddam Hussein's conviction and eventual execution may worsen Iraq's civil conflict. His trials nevertheless may come to be seen as milestones in the slow and painful attempt to construct a more civilized Iraq from the poisonous wreckage of his regime. Like the rest of that enterprise, the trial was tumultuous, deeply flawed and often painful to watch; and some of the brave Iraqis who committed themselves to making it work lost their lives. The result was imperfect, to be sure, but also well-founded.

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Justice For Saddam (WSJ)

The Wall Street Journal, November 6, 2006

The temptation, and in some quarters the desire, is to dismiss yesterday's conviction of Saddam Hussein for war crimes as a historical footnote. Would that this were possible. While it is certainly a case of justice being done, it should also remind us about the enemy our troops continue to face, and the U.S. could yet lose to, in Iraq.

For even as Saddam will now hang for his crimes, his legacy survives in the vicious insurgency that his former intelligence agents and Baath Party colleagues are prosecuting. This continues to be the main enemy in Iraq, aided by the likes of Syria and Iran. Its assaults are what finally this year caused the Shiites to respond with death squads of their own that are contributing to the "sectarian violence" so evident in Baghdad. And it is one of the main mistakes of the Bush Administration during this war that it has failed to maintain military and American public attention on the nature and strategy of this enemy.

There's an honest debate over whether Saddam planned the insurgency before he was ousted from power. Whether or not it was planned in detail, however, there is little doubt that the Sunni element of the insurgency has long since formed into an organized movement. At its heart is Saddam's old intelligence service, the Mukhabarat. The Baath Party also continues to function in secret and to communicate to the extent it can.

Only last month, newly independent Iraqi newspapers obtained and reported on a terrorist assassination list with the names of 60 government, military and political figures. The document was dated September 5, 2006 and issued from Thi Qar Operation HQ in the name of the "Martyr Qusay unit/Karkh sector," which is Baghdad. Qusay is Saddam's son, who was killed in Mosul in 2003.

Addressed to "comrades" and "commanders of Special Operations," the order translated into English declares that "Approval of deputy combatant comrade, treasure of the country (Baath Party-Iraq branch), and the supreme commander of armed forces was granted, and communicated to us by the letter from the country treasure office . . . Execution punishment regarding criminals, agents, apostates, names below, in addition to their first, second, and third degree relatives. Execution (of the order) by your units is according to the plan and to your suitable timing discretion."

The list includes major Shiite, Kurdish and Iraqi political figures, as well as Sunnis who are participating in the government. And the killings seem to have already begun with the murder of several relatives of men on the list. We keep being told by our own intelligence services that the Sunni insurgency is leaderless. But tell that to those on this list or to their relatives.

The goal of the terrorists who created this list is to intimidate Iraqis from joining the government, and to maintain as much disorder and violence as possible so the U.S. will lose patience and withdraw. Then they will take their chances with the majority Shiites, who they have beaten before. The Saddamists will have won, even if Saddam himself is dead.

None of this is intended to diminish the importance of Saddam's conviction and likely execution after appeal. The verdict reminds the world of his crimes, specifically the 1982 murder of 148 Shiites in Dujail, which in its systematic revenge recalls Hitler's slaughter at the Czech town of Lidice during World War II. That the U.S. and its allies were willing and able to depose, and his countrymen then try and punish, a national leader who ordered those crimes is a warning to other tyrants. The U.N. routinely deplores the Saddams of the world but never has the will to act against them -- whether in Rwanda, Darfur, Kosovo, Bosnia, Cambodia, or Kurdistan. In Iraq, the U.S. finally acted.

Justice for Saddam is one admirable legacy of the American sacrifice in Iraq. But to make it permanent, the U.S. must also defeat the insurgency that battles on in Saddam's name. No matter what happens in Tuesday's election, the U.S. commander in chief who ended Saddam's tyranny has to find a strategy and generals who will finish the job.

Cheney: Vote Will Not Deflect Us In Iraq (FT)

By Edward Luce

Financial Times, November 6, 2006

The Bush administration's strategy in Iraq will remain "full steam ahead" regardless of the outcome of US mid-term elections that take place on Tuesday, Dick Cheney, the vice-president, said in an interview with ABC news on Sunday.

Opinion polls predict that the Democratic party, which is arguing for a phased redeployment of US troops out of Iraq over the next 12 to 18 months, are on course to win control of the House of Representatives for the first time since 1994 and possibly the Senate, for the first time since 2002.

Mr Cheney, who, along with George W. Bush, has stepped up his election campaign schedule for the final days before voting, said that since neither he nor the president were running for office they would continue to "do the right thing" in Iraq.

Mr Cheney also said that a US withdrawal from Iraq would undermine the "war on terror" by sending the wrong signals to allies such as Hamid Karzai, the president of Afghanistan, and Pervez Musharraf, the president of Pakistan.

"You cannot make national security policy on the basis of that [election outcomes]," he said.

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"These are people who are running for Congress and they are entitled to their own views ... It may not be popular with the public. It doesn't matter, in the sense that we have to continue the mission [in Iraq] ... and that is what we are doing."

Mr Cheney made the comments at the tail-end of an election in which the unpopularity of the war in Iraq has featured prominently on the campaign trail. Republican leaders, including Mr Cheney, have sought to portray the Democrats as weak on national security and as the party of "cut and run" from Iraq.

However, recent polls suggest that a consistently large majority of the US public believes that the Bush administration is pursuing the wrong course in Iraq. On Sunday leaders from both parties said the conviction and sentencing of Saddam Hussein, the former dictator, in an Iraqi court was unlikely to have any impact on the US elections.

Regardless of Tuesday's outcome, attention is expected to revert to the Iraq Study Group, a bipartisan commission of inquiry into the Iraq war led by James Baker, the former secretary of state, and Lee Hamilton, a former Democratic lawmaker.

According to leaks from the group, which is expected to publish its recommendations next month or in January, it will offer a clear change of course in Iraq, including greater emphasis on achieving stability rather than democracy and a possible redeployment of troops from Iraq into the region.

Mr Baker who is close to George H. W. Bush, the president's father, has already recommended that the Bush administration hold direct talks with Iran and Syria, both of which are allegedly helping to destabilise Iraq.

On Sunday Mr Cheney also said that he would "probably not" agree to appear before Congress to be questioned on the conduct of the Iraq war even if a Democratic-controlled house issued subpoenas requiring him and Mr Bush to do so.

The Democrats have played down rumours that they would try to impeach Mr Bush if they took control of Capitol Hill. But they have pledged to restore "oversight of the executive" particularly on the administration's controversial eavesdropping programme and its alleged misuse of intelligence to launch the war in Iraq.

"I have no idea that I'm going to be subpoenaed," said Mr Cheney. "Obviously, we'd sit down and look at it at the time. But probably not, in the sense that the president and the vice-president are constitutional officers and don't appear before the Congress."

Win, Lose Or Draw, Bush Faces Unfamiliar Terrain (NYT)

By Sheryl Gay Stolberg And David E. Sanger

The New York Times, November 6, 2006

WASHINGTON, Nov. 5 — If the balance of political power in Washington changes on Tuesday, will President Bush change with it?

From the moment Mr. Bush took office after winning the election but losing the popular vote, he has governed as if he became president by a landslide. Bad news — legislative losses, plunging approval ratings, chaos in Iraq — seems only to stiffen his resolve. Good news — a dip in the unemployment rate, the conviction of Saddam Hussein — reinforces his confidence that his polices at home and abroad are correct.

On the campaign trail, there is little to suggest that will change. "My vision is clear," Mr. Bush likes to say. Vice President Dick Cheney echoed that theme on Sunday, giving a hint of Mr. Bush's attitude when asked by ABC News whether the election would alter Mr. Bush's Iraq policy. Mr. Cheney replied that there might be some effect in Congress. But the attitude in the White House, he said, would remain "full speed ahead."

"We're not running for office," the vice president said. "We're doing what we think is right."

In recent weeks, President Bush, as well, has appeared to dig in his heels on the war in Iraq, saying he would consider changes in tactics but not strategy.

Yet with Mr. Bush facing the likelihood of a remade political landscape in Washington, even if his party holds on to both houses of Congress, the White House is sending signals that Mr. Bush is open to a shift in approach. After six years of virtually ignoring Democrats as he pressed his own party to do his bidding on Capitol Hill, Mr. Bush and his aides are charting a course that they say will take the president back to his roots as Texas governor, when he worked in a more bipartisan way with Democrats.

They are piecing together a domestic agenda that includes reviving the president's failed bid to overhaul entitlement programs like Social Security, Medicare and Medicaid, White House officials and allies of the administration said. The president has assigned Treasury Secretary Henry M. Paulson Jr. to spearhead the effort, and the White House says it is quietly reaching out to Democrats on Capitol Hill.

But it is not clear how much bipartisanship is possible, even if Mr. Bush proves serious about it. His approval numbers remain low, emboldening Democrats, who in any case are distrustful of him. The 2008 presidential campaign is about to start, complicating political calculations on both sides. Members of both parties say Mr. Bush will be unable to accomplish much at home until he gets Iraq under control.

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Even so, Dan Bartlett, counselor to the president, said Mr. Bush was determined not to focus exclusively on foreign policy, as so many presidents have done in the final two years of a second term.

"I think his hope," Mr. Bartlett said, "is that maybe, maybe we can enter into an era where the president will not be viewed as such a threatening force to Democrats who are more eager to get some accomplishments done."

Mr. Bush enters the final phase of his presidency knowing his future depends on Tuesday's election and Iraq, both of which are largely beyond his control. No matter who controls Congress, he will have a more difficult time governing.

The situation is in stark contrast to the one two years ago, when Mr. Bush sounded ebullient about his prospects for a successful second term after defeating Senator John Kerry.

"Let me put it to you this way," Mr. Bush said at the time. "I earned capital in the campaign, political capital, and now I intend to spend it."

Today, the political capital Mr. Bush intended to spend is so vastly diminished that one longtime ally, the conservative organizer Paul M. Weyrich, estimated it at "zero" in an interview on Friday.

A sense of poignancy has set in. Jetting about the country on Air Force One, Mr. Bush has been playing hearts and gin rummy with his longtime political adviser and confidant, Karl Rove; Mr. Rove usually wins. At each stop, the men share memories of where they were two years ago, or four, reminding themselves of Texas and happier campaigns gone by.

"Any time we're on the campaign plane, it's reminiscent of past elections," Mr. Bartlett said, recounting the card games. But he insisted that Mr. Bush was looking ahead, not back: "There's no cruise control into '08 for this president. He believes that two years is a long time and a lot could get done."

Even if Republicans keep both chambers, there is universal agreement that they will do so with slimmer majorities, further reducing Mr. Bush's clout on Capitol Hill.

"Obviously, his power is waning quickly," said Senator John Cornyn, Republican of Texas, a close ally of Mr. Bush. "But it doesn't have to be that way if we have a bipartisan desire to tackle tough problems."

On the campaign trail, Mr. Bush has already been calling on Democrats to join him in reauthorizing the No Child Left Behind Act, his signature education legislation, which was passed with bipartisan support early in his first term. But Democrats who joined him the first time are wary, said Senator Edward M. Kennedy of Massachusetts, the chief Democratic sponsor of the bill.

"It's all going to be decided by what the president does with the budget," Mr. Kennedy said.

The last two years of a second term are challenging for any president. Bill Clinton, facing impeachment, spent most of his time traveling, devoting himself nearly exclusively to foreign policy. Harry Truman was stuck trying to explain a war on the Korean Peninsula that ended in stalemate, and it took years for his reputation to be restored.

For Mr. Bush, Iraq will loom over everything. His own aides concede they had once hoped that by Tuesday's midterm election, American troops would be steadily withdrawing from Iraq. Instead, 150,000 are still there.

"The fortunes of his last two years, in terms of his own political capital, will very much be a part of what takes place in Iraq," said Senator Mel Martinez, a Republican from Florida who was housing secretary during Mr. Bush's first term.

But one of the biggest guessing games in Washington is whether Mr. Bush will seize the opportunity to act in ways he could not with an election looming. Robert Kagan, a senior associate at the Carnegie Endowment for International Peace, wrote earlier this week that "the preferred European scenario — Bush hobbled — is less likely than the alternative: Bush unbound."

Mr. Bush's first decision may be whether to move on Iraq before a report is issued by a bipartisan group led by former Secretary of State James A. Baker III and Lee H. Hamilton, the former congressman from Indiana.

Whatever Mr. Bush does, on either the foreign policy or the domestic front, comes with the knowledge that the clock is ticking. As Mr. Bartlett spoke in his West Wing office Thursday afternoon, a digital "countdown clock," distributed to the president's closest aides by Joshua B. Bolten, the White House chief of staff, revealed precisely how much time, at that moment, remained in Mr. Bush's term: 809 days, 21 hours, 21 minutes and 42 seconds.

Parties Crank Up Voter Turnout Efforts (WP)

By Dan Balz And Jim VandeHei

The Washington Post, November 6, 2006

Republicans seized on signs of movement in their direction yesterday as they unleashed a massive election-eve voter mobilization operation in an effort to stave off potentially substantial losses in the House and preserve at least a slender majority in the Senate.

Democrats answered the Republicans' get-out-the-vote machinery with intensified efforts to contact infrequent and still-undecided voters in a handful of tight Senate races as well as in a dozen GOP-held House districts where races were too close to call.

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A Pew Research Center poll showed a significant narrowing in the partisan advantage in House races that the Democrats have enjoyed for much of the year, findings that echoed those of a Washington Post-ABC News poll released Saturday showing the Democrats with a six-point edge.

The Pew poll showed that the Democratic advantage had dropped to 47 percent to Republicans' 43 percent among likely voters, down from 50 percent to 39 percent two weeks ago. The poll found a drop in Democratic support among independents, but Pew Director Andrew Kohut said the most significant change over the past two weeks is that Republicans now outnumber Democrats among likely voters.

Other weekend polls by Time and Newsweek magazines continued to show Republicans at a steep disadvantage, with Democrats enjoying double-digit margins in party preferences for the House.

GOP strategists said they believe their prospects continue to improve as voters digest the guilty verdict against former Iraqi President Saddam Hussein, positive economic statistics and the prospect of Democrats taking control of one or both chambers of the legislative branch. "I have always believed that Republican voters in many cases come home later, particularly this year," said Republican National Committee Chairman Ken Mehlman.

President Bush campaigned yesterday in two conservative Plains states, Nebraska and Kansas, where there are no competitive statewide races but where Kansas Rep. Jim Ryun (R) is in trouble and where Nebraska state Sen. Adrian Smith (R) is struggling to win an open seat in a heavily Republican district.

A senior GOP strategist said party officials anticipated that the so-called generic vote -- the question of which party voters are likely to support in House elections -- would tighten, but they do not consider the shift significant enough to change the contours of this election. More than 20 GOP incumbents are tied with their opponents heading into the final days. "It is the 50-50 districts that turnout can help," said the strategist, who like others spoke on the condition of anonymity in order to talk about strategy.

Democrats, mindful of the Republicans' success in getting their voters to the polls in the past two elections, expressed nervousness at signs of tightening in some of the national polls. But they said private and some public polling in contested House districts continued to show their party in a position to win enough seats to claim the majority.

"I don't know what to make of it," said Rep. Rahm Emanuel (D-Ill.), chairman of the Democratic Congressional Campaign Committee.

Senate races in Virginia, Missouri and Montana, all for seats currently held by Republicans, remained among the closest in the country. Contests in Republican-held Tennessee and Democratic-held Maryland looked tight as well, depending on the poll. One survey showed the race in Rhode Island, a state Democrats must take to win the Senate, very close.

Strategists sought solace in any survey that looked good, but with less than 48 hours remaining before the polls close on Tuesday, both parties concentrated on direct voter contact, built on months of sophisticated analysis of the electorate and microtargeting of tens of millions of voters around the country.

The Democratic Senatorial Campaign Committee expected to spend roughly $25 million on its voter mobilization efforts; the DCCC was set to spend $10 million. The Democratic National Committee has given the other committees about $8 million for get-out-the-vote activities.

The Republican National Committee planned to expend about $30 million on its operations. While that was less than the Democrats, Republicans began with a significant advantage in technology and information, having spent tens of millions in earlier campaigns building voter lists and modeling the electorate. Democrats have tried to create those models this year.

Democratic strategists said privately that overall, there is less money flowing into key states this year than during the 2004 presidential election.

Democrats and Republicans were both counting on help from outside groups. Conservative groups were contacting their supporters, while progressive groups like MoveOn.org and America Votes were turning up their operations. MoveOn.org members made 800,000 phone calls yesterday and plan another 1.2 million each today and Tuesday. Organized labor said it would put 30,000 volunteers on the streets to contact union members.

Both sides boasted about their turnout operations. Democrats said they have signed up one volunteer for every 21 voters in Montana, while Republicans said they directly contacted one in 10 registered voters in that state on Saturday alone.

In Missouri, Democrats planned to contact several hundred thousand "drop-off voters" -- those who vote in presidential but not midterm elections -- and tens of thousands of undecided voters before Tuesday. Republicans were contacting about 200,000 targeted Missouri voters a day.

GOP officials said their biggest concern is the inability to turn out voters in districts they did not originally consider at risk. "We're able to move financial resources, but it's almost impossible to get human resources" into these newly competitive districts, said the GOP strategist.

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It was that reality that took Bush to the Plains states yesterday. In heavily Republican districts, aides said, the president could make up for what the NRCC could not do. But Bush's schedule this weekend also showed that, because he has less sway with independents, there are many districts where his presence could do as much harm as good.

Elsewhere, in New Hampshire, Rep. Charles Bass (R) has seen his 20-point lead evaporate in the past five weeks, leaving the RNC with little time to implement even a bare-bones version of its mobilization plan, known as the 72-hour program. "We are not counting on them," said Matt Hagerty, campaign manager for Bass.

Instead, Bass is using an old-fashioned operation that relies on volunteers calling supporters, knocking on their doors and sending out 40,000 e-mails reminding them to vote. "We are running the same operation the congressman has run for the last six cycles," said Hagerty.

The DCCC identified 40 competitive districts in September and has continued to focus on them, rather than trying to build get-out-the-vote operations in some of these districts that have unexpected opportunities. Bass's Democratic challenger, Paul Hodes, is getting strategic advice from the DCCC but is relying mostly on a network of volunteers to turn out voters.

"You cannot buy G.O.T.V.," said Dana Houle, campaign manager for Hodes, referring to get-out-the-vote efforts. "You have to lay the foundation in terms of volunteer recruitment months beforehand."

Turnout operations can affect only races that are decided by a few thousand votes. With this in mind, the Philadelphia suburbs have become a key battleground. Both sides anticipated that the rematch between Rep. Jim Gerlach (R-Pa.) and Democrat Lois Murphy could be decided by a percentage point or two, both plowed resources into the race over the summer in preparation for the final 72 hours of the campaign, and both expressed confidence in their operations.

But it is impossible to determine how voters will react. One group of GOP volunteers hit a leafy neighborhood over the weekend to rally support for Gerlach, but they made contact with only five of 73 GOP households they approached.

The NRCC rushed resources a month ago to New York's 26th District, where Rep. Thomas M. Reynolds, chairman of the NRCC, was caught up in the finger-pointing over the handling of the Mark Foley House page scandal. Reynolds's team contacted more than 10 percent of the voters there on Saturday, and Democrats have installed some of their best veteran organizers in the district.

Activity has been especially intense in Indiana's 2nd District, where Rep. Chris Chocola (R) faces possible defeat by Democrat Joe Donnelly. Republicans said they contacted 124,000 households over the past few days -- more than half of all households in the district. One Donnelly canvasser visited so many households in the Logansport area that the local marshal forced him to register as a solicitor.

Contributing to this report were staff writers Peter Baker in Grand Island, Neb.; Charles Babington in St. Louis; Jeffrey Birnbaum in Logansport, Ind.; Juliet Eilperin in Blue Bell, Pa.; and Blaine Harden in Billings, Mont.

All Signs Point To A US House Run By Democrats (CSM)

By Linda Feldmann

The Christian Science Monitor, November 6, 2006

WASHINGTON

If most of the political prognosticators are calling it right, the House of Representatives is poised for a change of leadership: the first Democratic majority in 12 years.

Among the nonpartisan analysts who study the polls and dynamics of each of the 435 House races, the more cautious see the lower range of the Democratic net gain at about 20 seats - more than enough to achieve the 15-seat net gain needed to take control. On the higher end, the Democrats could achieve a more commanding takeover with net gains of 30 to 40 seats, they say.

Some Republicans, citing a superior turnout operation and a tendency among voters to "come home" to their political base on Election Day, are holding out hope that they can minimize losses and even hold on to a sliver of a majority. But privately, many Republicans are bracing themselves for a loss of at least the House, saying that national conditions - frustration over Iraq, scandals, economic insecurity, and an unpopular president - are likely to overwhelm the party's structural strengths. History also works against the GOP: Two-term presidents almost always see a loss of House seats by their party in the sixth year in office.

"If the Democrats can't win under these circumstances, then it's hard to imagine how they can ever win," says Gary Jacobson, a political scientist at the University of California, San Diego.

The chairs of the two House campaign committees steered clear of forecasting net gains or losses Sunday, pointing instead to signs of hope for each side.

"Right now the 72-hour efforts by Republicans to turn their vote out will make the difference in what it looks like on Election Day," said Rep. Tom Reynolds (R) of New York on NBC's "Meet the Press."

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Mr. Reynolds himself is fighting for his political life in a tough reelection battle, fueled in part by his role in the scandal over Florida Rep. Mark Foley's inappropriate messages to male former pages. Reynolds has faced charges of appearing more concerned with holding onto Mr. Foley's seat than for the welfare of pages.

Rep. Rahm Emanuel (D) of Illinois, the Democratic campaign committee chair, resisted an overt prediction that his party will take over the House, and instead cited the scorecard on the eve of the election.

"There's one or two Democratic seats I'm concerned about, with about 48 Republican seats that we are contesting. I like those numbers," Mr. Emanuel said on "Meet the Press."

In some regions, the House electoral landscape presents a potentially bleak picture for Republicans. Clumps of seats with unfavorable local conditions - such as those of Ohio, New York, Pennsylvania - could go in a wave. The Republican Party of Ohio has been mired in scandal, putting Republicans up and down the ticket in trouble. Democrats are strongly favored to win the governor's and Senate races there, which could depress Republican turnout and boost Democratic House challengers, including some in historically Republican districts.

Rep. Steve Chabot (R) has held onto his seat in Cincinnati for six terms, despite Democrats' efforts election after election to pry him loose, but in this year's "wave" election, he could be swept out. Rep. Jean Schmidt (R), also of Ohio, who won a special election to fill the seat vacated by former Rep. Rob Portman (R) (now White House budget director) made national headlines for her criticism of Rep. John Murtha (R) when he turned against the Iraq war, and she has been in the Demo-crats' sights ever since.

House Republicans from New York also face the potential for depressed turnout, as polls show both the state's gubernatorial and Senate races will likely be blowouts favoring the Democrats. In Pennsylvania, also with strong Democrats topping their Senate and governor's races, at least four Republican-held House seats face varying degrees of vulnerability.

But most striking in this election cycle is how many once-solidly Republican seats have moved into the tossup column - seats in states such as Kansas, Florida, Arizona, Indiana, and North Carolina. The travel schedules of President Bush, Vice President Cheney, and other top administration officials betray a GOP playing defense, despite their rosy predictions that the party will hold onto Congress.

Some of the hard work by Republican officials on the ground may have paid off, making seats once assumed to be a lost cause appear competitive.

In Florida, the Foley seat is back in tossup range, and away from "lean Democratic" in most prognosticators' lists. The local GOP faces the challenge of educating voters that, in order to vote for Republican candidate Joe Negron, they must check off "Foley," since he resigned his seat too late to get his name off the ballot, but Negron is a popular state representative in a Republican district, and could win.

In Texas, the seat once held by Rep. Tom DeLay is also now a tossup, in spite of the fact that voters must write in the name of the replacement Republican - Shelley Sekula Gibbs - tapped to run for that seat after Mr. DeLay resigned amid scandal.

Hopes Run Low For Republicans (FT)

By Holly Yeager In Glenside, Pennsylvania

Financial Times, November 6, 2006

Marcel Groen, the chairman of the Montgomery County Democratic Committee, is feeling good.

“We will be responsible for electing a Democratic House,” he told a cheering crowd of 2,000 at a get-out-the-vote rally on Saturday. “But I don’t just want to win – I want to send a message.”

Parts of the county, just north of Philadelphia, are in three different congressional districts and victories by the Democratic challengers in each would go a long way to ensuring that the Democrats win the 15 additional seats they need to claim victory in Tuesday’s mid-term -elections.

Democrats in the state of Pennsylvania have been buoyed by Ed Rendell, the popular governor who is expected to defeat Republican candidate Lynn Swann by a wide margin. Democrat Bob Casey Jr, the son of a respected former governor, is expected to beat Rick Santorum, the conservative Republican senator and close ally of President George W. Bush.

The three Republican House incumbents in the Philadelphia suburbs – Mike Fitzpatrick, Curt Weldon and Jim Gerlach – have been battered by the unpopular war in Iraq, a series of Republican scandals, and broad voter dissatisfaction with Washington.

The Hotline, a Washington newsletter, includes them in the two dozen seats most likely to change hands.

Support for Mr Weldon, a 10-term incumbent, fell after the disclosure last month that the FBI was investigating whether he helped steer work to a public relations firm owned by his daughter and a long-time political ally. Mr Weldon’s campaign unveiled an unusual advertisement early last week, in which supporters said, “Would you give a friend the benefit of a doubt? Of course you would . . . He’s been there for us, now it’s our turn to be there for him.”

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But at the end of the week the campaign cancelled most of its television advertising for the final days of the race, a sign that he is running out of cash and, perhaps, hope.

Mr Fitzpatrick, elected just two years ago, is still hard at work, with John McCain, the popular Arizona senator, set to appear with him at a rally yesterday. At a suburban station on a cold autumn morning, Mr Fitzpatrick struggled to get voters to stop to speak to him.

When they did, he talked about his long experience in the community and answered a few questions about the war in Iraq.

"The truth is, we invaded a country," he said, explaining why he favours a strategy for the withdrawal of US troops but opposes setting a fixed date for the chaos it would leave behind.

His opponent, Patrick Murphy, is one of about a dozen Democratic candidates who are veterans of US operations in Iraq and Afghanistan. He supports a timeline for withdrawal.

At the Saturday rally, Mr Murphy described riding through Iraq in a Humvee jeep "with no doors and no armour", then showed off the holes worn on the bottom of his shoes from weeks of campaigning. "Boots on the ground win elections," Mr Murphy said.

The close races have drawn a host of political celebrities. Al Gore, the former vice-president, and John Edwards, the 2004 vice-presidential candidate, both potential 2008 presidential candidates, made weekend appearances in the area.

Barack Obama, the Democratic senator from Illinois and another possible 2008 candidate, was the top attraction at Saturday's rally here, declaring Mr Murphy and other local candidates the "standard-bearers for what is going on all across the country".

Nancy Pelosi, the Democratic leader who is set to become speaker of the House if Democrats win a majority, echoed the theme. "You are the people that can make it happen," she told the crowd.

Republicans have also been rallying their troops. "You're the secret weapon in this campaign," Mr Santorum told a few dozen Republican volunteers in nearby Doylestown before they set out to knock on doors and remind voters to turn out.

Standing at the station, Mr Fitzpatrick said that if Republicans managed to keep control of Congress, he hoped the party leadership does not ignore the message of the past few months. "Things do need to change."

Braced against the morning wind, he seemed to concede that the results might be out of his hands.

"If we lose, it's not going to be because Patrick Murphy was a better candidate. It's because voters just want a change. If that's what happens, I'm OK with that."

Poll Finds U.S. Sentiment Similar To '94 (USAT)

By Susan Page

USA Today, November 6, 2006

WASHINGTON — A national USA TODAY/Gallup Poll finds remarkable parallels between the congressional elections Tuesday and the watershed elections in 1994 that swept Republicans into control of Congress.

·Then, likely voters by 51%-44% favored GOP congressional candidates. Now, 51%-44% favor Democratic ones.

·Then, 52% said they were paying "quite a lot" of attention to the elections, the highest since the Gallup Poll began asking the question in 1958. Now, 50% say they are paying "quite a lot" of attention.

·Then, disapproval of Congress was at 66%. Now, disapproval of Congress is at 70%.

"Based on history, a 7-point lead among likely voters still suggest Democrats will take enough votes to win a majority of seats in the House," says Frank Newport, editor-in-chief of the Gallup Poll. What gives some analysts pause, however, is the sophisticated redistricting over the past decade that has made most congressional districts less competitive.

What's more, President Bush's last-ditch push for votes and Sen. John Kerry's comments that seemed to denigrate the education level of U.S. forces in Iraq have helped energize Republican voters. A Democratic advantage of 23 percentage points a month ago and 13 points two weeks ago is now down to 7 points.

A Pew Research Center survey released Sunday also showed that an 11-point edge for Democrats on the congressional ballot two weeks ago had narrowed to 4 points among likely voters. "It's gone from a slam-dunk for Democrats to take the House to a pretty good chance," says Andy Kohut, director of the center.

The factors that created a difficult landscape for Republicans through the campaign remain unchanged. Six of 10 Americans in the USA TODAY Poll say they are dissatisfied with the way things are going in the country. By 2-1 they say national issues, not local and state ones, are determining their vote. And on the dominant national issue, 56% call the decision to invade Iraq a mistake.

The survey of 1,362 likely voters, Thursday through Sunday, has a margin of error of +/-3 points.

The president and the war in Iraq remain at the center of this election: 36% of likely voters saying that are casting a ballot for a candidate to send a message that they oppose Bush; 20% to send a message that they support him.

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What has shifted is the determination of Republicans to vote. The Democratic advantage among registered voters was 11 points, but Republican voters were more likely to be judged as sure to go to the polls, making the edge among likely voters smaller.

A month ago, the Democratic margin among registered and likely voters was identical.

Bush and other Republicans have warned about the perils of electing a Democratic-controlled Congress, and they also accused Kerry of belittling U.S. troops in Iraq with comments he said were a botched joke.

In the Pew survey, 84% of voters said they had heard about Kerry's remark, and 18% of independent voters said it raised serious doubts about voting for a Democrat.

Even so, by 40%-33%, likely voters in the USA TODAY Poll say the country would be better off if Democrats, not Republicans, controlled Congress.

Enthusiasm about voting is high: 58% say they are more enthusiastic than usual about voting and 68% say they are "absolutely certain" to vote — both records.

One reason: Both parties have been in touch. Among likely voters, 15% had been contacted by someone urging them to vote for a Republican, and 15% had been contacted by someone urging a Democratic vote. What's more, 27% had been contacted by both sides.

Parties Pour 11th-hour Cash Into Close Races (USAT)

By Jill Lawrence

USA Today, November 6, 2006

WASHINGTON — Both political parties are making huge last-minute cash infusions into close House and Senate races, underscoring their traditional importance in endgame spending and the Democrats' new financial competitiveness with Republicans.

Just since Friday, Republicans have put more than $2 million into Senate races in New Jersey, Tennessee and Virginia, federal reports show. Democrats have spent $1.1 million for Senate candidates in Maryland, Montana, Tennessee and Virginia.

On the House side, Republicans spent $1.1 million in a single day to help Peter Roskam in his race against Democrat Tammy Duckworth in Illinois. And in a sign of continuing concern, the Republicans invested $275,000 to help their embattled House campaign chief, New York Rep. Tom Reynolds.

A check of 10 tight House races shows that as of Friday, Democratic party committees had spent nearly as much as Republicans in Indiana, Minnesota, Ohio and Washington. They outspent Republicans in New Hampshire, Connecticut and Arizona.

In GOP Rep. Jim Gerlach's district near Philadelphia, Republicans had spent $3.9 million to the Democrats' $3 million as of Friday. Still, challenger Lois Murphy had more cash on hand as of Oct. 18.

"It's unprecedented that the Democrats have as much money as the Republicans," says Michael Malbin, executive director of the non-partisan Campaign Finance Institute. He says Republicans have spent an average $1.3 million in each of 38 top races involving GOP incumbents, while Democrats have spent $1 million — "not quite as high, but serious money."

The parties aren't the only ones making last-minute investments. Major players for Republicans include tax and abortion opponent groups, the American Medical Association and the National Rifle Association. Unions, environmentalists, backers of gay and abortion rights, and MoveOn.org are helping Democrats.

The latest spending by parties and outside groups is not just for ads but also for get-out-the-vote efforts, including phone banks and canvassing door-to-door.

In the 10 House races analyzed by USA TODAY, candidates on both sides were relying on money from corporate and ideological political action committees in the final week. In the Idaho contest between Republican Bill Sali and Democrat Larry Grant, more than 75% of the contributions of $1,000 or more came from such groups.

According to the Federal Election Commission and PoliticalMoneyline.com, which tracks money in politics, House candidates overall had raised nearly $679 million as of Oct. 18 — 25% more than they raised in 2004. GOP incumbents increased their fundraising 26%; Democratic challengers more than doubled their fundraising, and Democratic candidates for open seats raised 60% more than in 2004.

One source of increased funds is members of Congress. Their campaign committees now account for 15% of money collected by party committees, according to the Campaign Finance Institute. That's three times as much as in 2002.

Small donors are another growing force. Malbin says such contributions, generally defined as less than $200, account for 47% of what parties have raised this year, up from 28% in 2002. The main reason is the rise of online giving.

Both parties use the Internet, but it has been a particular benefit for Democrats. Unlike Republicans, who have long had an extensive direct-mail list of small donors, Democrats once relied on huge contributions from relatively few individuals. That's no

longer possible under federal law. New technology has allowed Democrats to "leapfrog" to e-mail solicitations and other online fundraising rather than develop a mailing list, Malbin says.

The overall spending trend is ever upward. In Missouri's tight Senate race, parties are spending close to $10 million each and the candidates have raised about $20 million. New York Sen. Hillary Rodham Clinton had raised $38 million by Oct. 18 for her re-election campaign. That's about what the federal government estimated it would cost to wage a presidential primary campaign in 2000.

National Issues, Led By Iraq, Dominate Final Appeals In Congressional Campaigns (NYT)

By Kate Zernike

The New York Times, November 5, 2006

WASHINGTON CROSSING, Pa., Nov. 5 — Representative Michael G. Fitzpatrick, a Republican in his first term, came here on Sunday to show off what in any other year would have been the perfect symbol of why to re-elect a congressman: a cornfield that thanks largely to his efforts would soon become a national veterans cemetery, close to the place where Gen. George Washington rescued the morale of his troops and the nation with his Christmas attack of 1776.

But this year, with morale sagging in a different war, Mr. Fitzpatrick finds himself in a tough battle of his own, trying to distance himself from President Bush — even on a day when the conviction of Saddam Hussein was announced in Baghdad — without turning off the staunch Republican voters he needs to hold back his opponent, an antiwar Democrat and Iraq war veteran named Patrick Murphy.

So, to rally his troops on the last big day of campaigning for the midterm elections, Mr. Fitzpatrick pulled out a favorite weapon of Republican candidates in the same predicament: Senator John McCain, Republican of Arizona, whose reputation as an outspoken maverick makes him an appealing attraction here in the Eighth Congressional District, where registered Republicans outnumber Democrats but voters have chosen Democrats for president in recent years.

Mr. McCain hailed Mr. Fitzpatrick as an independent voice, one who "represents the next generation of our party and of our nation" and "an independent who will reach across the aisle when necessary."

But Mr. McCain acknowledged voters' frustration with the war, as well as his own.

"It's long and it's hard and it's tough," he told a group of veterans, as Mr. Fitzpatrick stood behind him in the sunshine of a crisp fall day. "And a lot of mistakes have been made in the conduct of the war, and we're paying a very heavy price for it."

"But my friends, we are there today," he added. "And I'm convinced that if we set a date for withdrawal, as some of my colleagues on the other side of the aisle want to do, I think you're going to see chaos in the region."

A few towns away, Mr. Murphy rallied other veterans alongside Representative John P. Murtha, the conservative Pennsylvania Democrat whose turnabout on Iraq a year ago has made him his party's face of opposition to the war.

"They say we're going to win, we're going to have a victory; they say we're going to have democracy," Mr. Murtha said. "Well let me tell you, that's not a strategy, that's a goal. And there's no strategy. The strategy is stay the course. Even though they say it's not stay the course, that's what they've been saying — his opponent has been saying stay the course. That doesn't work."

Both candidates had lost their voices after a weekend of rallies featuring the luminaries of their national parties: Mr. McCain for Mr. Fitzpatrick, and Mr. Murtha, Senator Barack Obama of Illinois and former Vice President Al Gore for Mr. Murphy.

Like Republicans across the country, Mr. Fitzpatrick, a former county commissioner, has tried to make the campaign about local issues. He accuses Mr. Murphy, who grew up in northeast Philadelphia, on the edge of the district, of moving here only to run for Congress. In a debate, he asked him how many school districts Bucks County had, leaving Mr. Murphy flustered when he could not answer.

"Why are we voting for Mike?" an organizer shouted to the veterans at the Fitzpatrick rally. Then he answered himself: "He's one of us!"

At a boilermakers' hall, a busload of Harvard students had come for the weekend to volunteer for Mr. Murphy because he impressed them in a speech last year as a young voice for change. And at 33, he looks younger than some of them. He has no experience in elective office. But by talking about the war he saw up close, and arguing, as he did in a closing advertisement, that "George Bush and Mike Fitzpatrick have no idea how to fix this mess," Mr. Murphy has pulled himself up in the polls.

Sunday morning, he told volunteers he was five points ahead in his own poll.

"But polls don't vote," he reminded them, urging them to motivate other voters. "We're on the crest of greatness. Let's just go execute and make it happen."

At the rally with Mr. McCain, Joe Amodei, a 75-year-old Korean War veteran, lamented Mr. Fitzpatrick's position in a bad year for Republicans. "If it was just him against the other guy, and no outside national issues, he'd walk away with it," Mr. Amodei said. "His opponent has made it about larger issues. If he made it about the county, he'd have no chance to win."

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Across the country, candidates clashed Sunday over the war, immigration, the economy, ethics and the Bush administration, seeking advantage in the closing hours of an election that will determine control of the House and the Senate. With Mr. Hussein's death sentence injecting a late new element into the debate, Republicans sought to limit their losses and Democrats argued the need for change in Washington, as tens of thousands of volunteers on each side went door to door to rally voters.

Economy

Receding Gas Prices Quiet a Major Issue

SEYMOUR, Ind., Nov. 5 — There is uneasiness in being a marginal Republican incumbent in a longtime Democratic district.

It surfaced, briefly, at a country restaurant on Sunday when a friendly voice told Representative Mike Sodrel to rest easy about Tuesday.

Mr. Sodrel, a freshman Republican, demurred, replying: "I don't know if we got it made. But I think we're going to prevail."

That cautious note seemed appropriate in one of the tightest races in the country, here in Indiana's Ninth Congressional District, where an important economic concern — high gasoline prices — has been somewhat alleviated in the past few weeks as the price at the pump has edged down.

The district was held for 40 years by Democrats, including Lee H. Hamilton, the former Foreign Affairs Committee chairman, until Mr. Sodrel took it — barely — on President Bush's coattails in 2004. Now polls show the seat as a tossup between Mr. Sodrel and the Democrat he defeated, Baron Hill, who had held the seat for three terms.

The race has been as sharp-edged as the southern Indiana countryside is soft and undulating. Off a pastoral road, a billboard denounces Mr. Hill as a supporter of same-sex marriage, abortion and taking "God" out of the Pledge of Allegiance. Across the way a sign for Mr. Hill answers: "Stop the lies. Shame on Mike Sodrel."

The local airwaves are pulsing with commercials denouncing "Millionaire Mike" — Mr. Sodrel is a self-made trucking magnate — or "liberal Baron Hill."

On Sunday, Mr. Sodrel reduced this grudge rematch to a simple dynamic. "He wants his seat back," he said softly.

Mr. Hill, at a campaign stop in the courthouse square in Scottsburg, was all fire and aggression, denouncing the Bush administration's policy in Iraq, millionaire C.E.O.'s and Republicans caught in scandal.

Mr. Sodrel was sticking to his guns, greeting supporters at Graceland Baptist Church, a sprawling edifice in New Albany, and insisting that flag, marriage and abortion mattered more here than the war: "I always tell people, if Norman Rockwell exists, it is in the Ninth District of Indiana." ADAM NOSSITER

War

Veterans' Support And Iraq at the Fore

DES PLAINES, Ill., Nov. 5 — Even as volunteers lined up Sunday morning to carry the last sacks of leaflets into a web of suburbs west of Chicago, Iraq loomed over the tense race for the Congressional seat that Henry J. Hyde, a Republican, is leaving.

One volunteer, Henry Nerwin, 81 and a Navy veteran, had a question for Tammy Duckworth, the Democratic candidate in the district, who sat in a wheelchair, having lost her legs when the helicopter she was piloting in Iraq took fire: Would she quit the Veterans of Foreign Wars now?

On Friday, Peter J. Roskam, the Republican candidate, announced that he had received the endorsement of the V.F.W.'s political action committee. It was the latest development in a campaign defined by punches and counterpunches in a flood of television commercials and daily leafleting that some voters complain has literally covered their porches.

Ms. Duckworth, who says the war in Iraq should never have been waged, said that she had never talked to the veterans group about an endorsement and that this was "just politics." Mr. Nerwin said he thought it was "reprehensible" that the V.F.W. had not endorsed her.

"I've been advocating for veterans since I was in my hospital bed," said Ms. Duckworth, who said she would maintain her V.F.W. membership.

A spokesman for Mr. Roskam, Jason Roe, said that Mr. Roskam, who did not serve in the military, had received the endorsement because he had sought it out and his positions on veterans' issues suited the group.

At a diner in Villa Park, Jean Sacco said she had been leaning toward Mr. Roskam until Ms. Duckworth appeared at her table on Sunday. They talked about immigration, but Ms. Duckworth's military sacrifice was also important to Ms. Sacco, who said her son was a service member. "That matters to me," she said.

At a pancake breakfast in Bartlett, Lee Ann Rydosz said she had long voted Republican, as most in this district have for Mr. Hyde's 32 years in office, and would again. Mr. Roskam has said that the troops should leave Iraq, though he is uncertain when the ideal time for that will arrive.

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"The job in Iraq has to be done," Ms. Rydosz said. "We need to let the Iraqis get on their feet." MONICA DAVEY

Anti-Incumbency

13-Term Congressman Fights Call for Change

WEST PALM BEACH, Fla., Nov. 5 — As a new poll suggested that he might be slipping behind his Democratic challenger, Representative E. Clay Shaw Jr. told volunteers Sunday that they were the "secret weapon" that would deliver him a 14th term.

The poll, which queried 400 likely voters and was published Sunday by The Miami Herald, found that 49 percent said they preferred the Democratic challenger, State Senator Ron Klein, to Mr. Shaw, the Republican, who drew the support of 40 percent of respondents; 6 percent were undecided. The margin of sampling error was plus or minus five percentage points.

For most of the race, Mr. Shaw, who has been asking voters to trust his seniority, has been in a dead heat with Mr. Klein, who has been promoting his status as an outsider.

Mr. Klein spent the day greeting voters at a parade and a festival, changing his schedule as his aides considered and reconsidered the most valuable use of his time.

Mr. Shaw was less frenzied, rallying volunteers at a lunch here with the message that the race was tight but that his turnout operation had more muscle. His spokeswoman said that 50 volunteers had arrived from Washington to join dozens already in the district, which runs along the coast from Fort Lauderdale to northern Palm Beach County.

"No one is organized like we are," Mr. Shaw said before the volunteers set out to walk precincts, run phone banks and wave signs along highways. "You have no idea how important you are. The other side does not have this support, and we are going to go out with our heads high and have a great celebration on Tuesday night."

Mr. Shaw continued to run advertisements attacking Mr. Klein. His latest accused Mr. Klein of siding with insurance companies as a state lawmaker and lobbyist while property insurance rates skyrocketed.

Mr. Klein's most recent advertisement does not mention Mr. Shaw but repeats Mr. Klein's mantra that Washington needs new and independent voices.

On Saturday, while Mr. Shaw and his wife greeted voters, Mr. Klein enlisted former President Bill Clinton to help drill home his anti-incumbency theme at a rally in Pompano Beach. Mr. Clinton said it was time to rid the nation of "the most special-interest-dominated government in my lifetime." ABBY GOODNOUGH

Social Issues

A Race for Every Vote (Left to Cast, That Is)

BELLEVUE, Wash., Nov. 5 — In Darcy Burner's final rush of campaign advertisements, she compares her opponent to President Bush and says he is out of touch with his constituents on the war and social issues. Ms. Burner's opponent, Representative Dave Reichert, is running advertisements saying she lacks experience, dodges difficult questions and wants to raise taxes.

Yet even as the tight race intensifies between Ms. Burner, a Democrat and former Microsoft executive with little political experience, and Mr. Reichert, the first-term Republican she is challenging in the Eighth Congressional District, it is also closer to over than many others across the country.

Both campaigns said Sunday that up to 40 percent of voters here had already sent in their ballots, taking advantage of the state's mail-in voting option, and that more than 70 percent were expected to do so by Election Day, leaving a small fraction to show up at the polls on Tuesday.

"Hitting them all at this point just annoys them," Ms. Burner said Sunday as she visited homes in this affluent suburb of Seattle that her campaign had pinpointed as potentially supportive. "So we're trying to be considerate and productive."

Mr. Reichert spent part of Sunday ringing doorbells but said he had also worked lines at the many Starbucks in his district, which pushes south and east from the more politically moderate Bellevue to rural areas where Republicans are strongest.

Mr. Reichert, who holds a narrow lead over Ms. Burner in most polls, said voters had told him they were concerned about the war, immigration and the federal budget.

Ms. Burner, however, said Mr. Reichert was "fiscally irresponsible and socially conservative," out of step with his well-educated, technologically savvy constituents on social and economic issues like abortion, stem-cell research and the minimum wage.

The congressman, after initially opposing embryonic stem-cell research, changed his position this year, going against President Bush. A campaign spokeswoman, Kimberly Cadena, said the shift was not politically motivated, adding, "It's based on his heart and what the science he found told him." WILLIAM YARDLEY

Immigration

In a Border State, a Bottom-Line Topic

DOJ_NMG_0091254

SCOTTSDALE, Ariz., Nov. 5 — As Harry Mitchell, a Democrat who has been giving Representative J. D. Hayworth a tough challenge, sought to energize the volunteers about to knock on doors for him in Phoenix on Sunday, he invoked the word that he believed summed up his campaign: change.

"We reflect the mood of the country," said Mr. Mitchell, a state senator and former mayor of Tempe. "And the mood of the country is 'We want change.' "

With that, the volunteers set out, hoping to deliver on his prediction in the predominantly Republican Fifth Congressional District, where Mr. Mitchell and Mr. Hayworth have argued over taxes, health care, their personalities and, of course, this being a border state, illegal immigration.

On Sunday, neither Mr. Mitchell, who appeared at get-out-the-vote rallies, nor Mr. Hayworth, a six-term Republican, focused on specifics in the illegal immigration debate, which originally drove the campaign. Instead they made more general pleas for voters to get to the polls on Tuesday.

Mr. Hayworth is known for an uncompromising approach to illegal immigration — he emphasizes building a border fence and vehemently opposes any program that would lead to citizenship for illegal workers — and often delivers fiery rhetoric on talk shows.

Mr. Mitchell brought in a supporter, Representative Xavier Becerra, Democrat of California, to increase turnout among Latinos angry at Mr. Hayworth's hard-line stance.

"Are we the party of fear?" Mr. Becerra called out at one rally.

"No!" he and supporters yelled.

Mr. Hayworth, meanwhile, had a morning interview on the Fox News Channel, walked through precincts and rallied supporters at a cowboy-themed steakhouse.

In the interview on "Fox and Friends," Mr. Hayworth dismissed Democrats and pundits in Washington who were speculating on, and in some cases predicting, his political demise.

"I am going to hang on to my seat," he said, "and I think there are going to be a lot of surprises on Election Day."

And at the restaurant here, Mr. Hayworth said his top concern was to secure the border. "National security," he said, "is border security." RANDAL C. ARCHIBOLD

Scandal

Using Abramoff Case, and Waving It Off

STOCKTON, Calif., Nov. 5 — On a warm, cloudless morning, Lawrence Talbot, a volunteer coordinator for Jerry McNerney, stood beneath a stand of palms, briefing his troops on the day's plans — and his candidate's positions.

"It's all about accountability and bringing integrity back to Washington," said Mr. Talbot, 35, who works in public relations. "And that's what we want to emphasize."

Mr. Talbot was one of hundreds of volunteers canvassing California's 11th Congressional District this weekend for Mr. McNerney, the Democrat locked in a tight campaign against the incumbent Republican, Representative Richard W. Pombo. On Sunday, both men crisscrossed the district, which sprawls over four counties east of San Francisco.

Mr. Pombo moved from a rally to a veterans event and then planned to call voters into the evening. Mr. McNerney hit a festival devoted to cranes (the birds, not the machinery), visited with volunteers and was scheduled to have dinner with a group of Native American voters.

Mr. McNerney, who was soundly defeated by Mr. Pombo in 2004, has based much of his campaign this time on his environmental credentials (he is a wind energy expert) and the tinge of scandal hanging to Mr. Pombo, who accepted tens of thousands of dollars in past campaign contributions from the disgraced lobbyist Jack Abramoff.

Mr. Pombo, who hails from a successful Central Valley real estate family, has denied any wrongdoing. And he counters questions about his tenure by saying that Mr. McNerney is little known in the district where the Pombo name adorns buildings and for-sale signs.

At an event in Pleasanton, Mr. McNerney's hometown, Mr. Pombo spoke briefly to a crowd of veterans even as McNerney supporters across the street waved signs paid for by the Defenders of Wildlife Action Fund, one of several environmental groups that have spent heavily to try to defeat Mr. Pombo. Several amputees in wheelchairs echoed the theme of a McNerney campaign advertisement, which attacked Mr. Pombo for voting against prosthetic devices for soldiers in Iraq.

But Roy Huskey Jr., a Vietnam veteran, said he had decided to support Mr. Pombo, saying he thought he was an honest man. "The Democrats and Republicans both took money from Abramoff," Mr. Huskey said. "What do you expect? He's a lobbyist." JESSE McKINLEY

Bitter Campaign Boils Down To Party Turnout (WT)

By Charles Hurt

DOJ_NMG_0091255

The Washington Times, November 6, 2006

Both Democrats and Republicans say that after months of ugly battles, tomorrow's election will come down to which party does a better job of getting its voters to the polls.

"We are feeling very good," said Sen. Charles E. Schumer of New York, chairman of the Democratic Senatorial Campaign Committee. "This election has evolved into a national referendum on change."

But to take control of the House and Senate, Democrats must overcome a Republican ground game that exceeded nearly all expectations in the past two national elections.

Republican leaders, meanwhile, continued warning yesterday that Election Day could be bleak for them and urged their conservative base to turn out. Also, Republicans defended in the starkest terms possible the war in Iraq, which polls show has been a tremendous drain on their popularity during this election.

"We need to win the war, and it would be disastrous to lose," said Sen. Elizabeth Dole of North Carolina, chairman of the National Republican Senatorial Committee, during an appearance with Mr. Schumer yesterday on NBC's "Meet the Press."

"To pull out and withdraw is losing," she said. "The Democrats appear to be content with losing."

Mr. Schumer called her charge "outrageous" and said voters no longer trust President Bush and congressional Republicans to run the war.

"Democrats want to win the war, which is why we want to change the strategy," he said.

Rep. Rahm Emanuel of Illinois, chairman of the Democratic Congressional Campaign Committee, ticked off five elections in the past 50 years where voters broke heavily to throw incumbents out of office.

"Every decade, the American people have a big election where they say no to the status quo and yes to a new direction," he said. "And this election is yes to a new direction, which is what Democrats are offering."

Mr. Emanuel said Democrats are defending one or two of their seats with hopes of capturing 48 seats held by Republicans. Democrats must score a net gain of 15 seats to assume control of the chamber.

Even Republicans have acknowledged privately in recent weeks that they expect Democrats to win the House or come within a handful of seats of doing so. But polling in recent days also suggests a shift in favor of Republicans.

Republican hopes were boosted by three separate polls released this weekend showing the party rapidly closing a gap in the so-called "generic ballot question," a measure of overall partisan trends.

Democrats' advantage in the generic ballot shrank from 14 percentage points to six points -- 51 percent to 45 percent -- in two weeks, according to a Washington Post/ABC News poll released yesterday. Similar results were reported in a Pew Research Center survey, showing that a 13-point Democratic advantage (53 percent to 40 percent) among likely voters in early October had dwindled to just four points (47 percent to 43 percent) in the first four days of November. And the latest Gallup/USA Today poll shows that a Democratic advantage of 23 points a month ago had tightened to seven points (51 percent to 44 percent) in the latest survey, conducted Thursday through yesterday.

"We're in a tough political environment," House Majority Leader John A. Boehner, Ohio Republican, said on "Fox News Sunday" yesterday. "But I've been on the road for these last five weeks. I've been in all these tough districts, and our candidates are doing what they need to be doing.

"They're running their grass-roots operation, the get-out-the-vote effort," he said. "And they're talking about the issues the American people care about, whether it's keeping taxes low, securing our borders or making sure the president has the tools to fight the terrorists."

Republicans say that Democrats have not offered viable alternatives for fighting the war on terror and accuse Minority Leader Nancy Pelosi, a liberal Democrat from San Francisco, of keeping a low profile in recent weeks so as not to ruin her party's prospects of seizing control of the House.

In an interview Friday with the San Francisco Chronicle, Mrs. Pelosi said she expects to pick up 22 to 26 seats and said her only concern was that Republicans will rig the election.

"That is the only variable in this," she said. "Will we have an honest count?"

Democrats are determined to "take back the country for the American people -- Democrats and Republicans alike -- because it's been held hostage by the radical right wing of the Republican Party," Mrs. Pelosi said. "This is a freak show, and it has to come to an end."

While Mrs. Pelosi has steered clear of toss-up races in conservative districts across the country, she campaigned over the weekend for Democrats in the Philadelphia suburbs and Connecticut.

Mr. Bush yesterday campaigned in Grand Island, Neb., where he delivered his carefully crafted campaign speech for a seventh time. The president urged a packed house of supporters to turn out the vote.

"I really do want to thank the grass-roots activists, the people who worked hard to get these candidates to where they are. And I just urge you to keep working for the next 48 hours," he said to cheers.

As he has done repeatedly during his six-day, 10-state effort to energize Republicans before Election Day, Mr. Bush took issue with inside-the-Beltway "prognosticators."

"I'm sure you've heard the same predictions I've heard," the president said. "The prognosticators have already decided the outcome of this election before the good people of Nebraska have voted. But don't worry about it, the same thing happened in 2004.

"Some of them up in Washington had already picked out their new offices in the West Wing," he said, provoking laughter from the Republican crowd. "They listened to the prognosticators. Then the people showed up to the polls, and the movers were not needed."

Later yesterday, Mr. Bush delivered his eighth rally speech, this time in Topeka, Kan. And today, Mr. Bush will make campaign stops in Florida and Arkansas before ending his campaign, as he always does, with a rally in Dallas.

·Joseph Curl contributed to this report from Crawford, Texas.

Campaigns Implore The Party Faithful To Bring Their Loyalty To The Polls (WP)

By Michael Grunwald

The Washington Post, November 6, 2006

The season of persuasion is over. This is the season of motivation.

From Nashville, Ind., where Rep. Michael E. Sodrel (R) was urging business owners to help him stop Democrats from seizing the House and raising their taxes, to Nashville, Tenn., where Rep. Harold E. Ford Jr. (D) and Sen. Barack Obama (D-Ill.) were suggesting to black churchgoers that God wants Ford in the Senate, candidates around the country spent last weekend preaching to their choirs.

In the campaign's final weekend, candidates weren't trying to turn out voters who might not vote their way. They were chasing the "ones and twos," political-junkie shorthand for the most likely supporters on their computer-generated lists, and firing up their volunteers.

President Bush stumped for red-state Republicans in Colorado, Kansas and Nebraska. Former president Bill Clinton rallied the Democratic base in New Jersey, Michigan, Florida and Maryland.

Republicans warned that if House Minority Leader Nancy Pelosi (D-Calif.) becomes speaker, Democrats will impose hippie values on the heartland. Democrats warned that if Bush gets another rubber-stamp Republican Congress, America will "stay the course."

"This is our chance to finally -- finally! -- say no to George W. Bush," House candidate Diane Farrell told a breakfast of Democratic activists yesterday in Norwalk, Conn.

It's too late to raise money, win debates or unveil six-point health-care plans. Now it's time to get out the vote. So at a campaign rally in Blue Bell, Pa., Sen. Rick Santorum was telling Republican diehards to ignore polls showing big leads for his Democratic challenger, Robert P. Casey Jr. "Democrats have polls," he declared. "We have workers at the polls!"

A few minutes later, at a rally with Pelosi and the ubiquitous Obama in Norristown, Pa., Gov. Edward G. Rendell urged the Democratic faithful to ignore those same polls. "The only way we lose is if we ease up," he said.

Meanwhile, at the Owl Cafe in Laurel, Mont., Democratic Senate challenger Jon Tester was telling supporters to play close attention to polls that showed momentum shifting to the GOP incumbent, Sen. Conrad Burns. After leading in polls for months, while Burns was defending his ties to disgraced lobbyist Jack Abramoff and making a series of foot-in-mouth blunders, Tester admitted yesterday that the race is now tied and begged the sympathetic diners to get five of their friends to the polls. "If you can do that, you'll have voted five times," he said.

In general, Democrats are trying to exploit widespread disapproval of Bush and the GOP Congress, while Republicans are arguing that Democrats would be worse. So the closing days of the campaign, like the rest of the campaign, have made "The McLaughlin Group" look like "Masterpiece Theatre."

Burns is making "robo-calls" claiming that Tester hasn't bought a hunting license in 15 years. Former representative Baron Hill (D-Ind.) is running ads attacking Sodrel as "Millionaire Mike," as in, "Millionaire Mike voted to cut veterans' benefits while accepting pay raises." Supporters of Rep. Christopher Shays (R-Conn.) are distributing leaflets with a photo of Farrell under the headline "Coffee Talk with the Taliban," because one board member of one organization that endorsed her favored negotiations over combat in Afghanistan.

"It's tough all around, I'd be lying to say anything else," Connecticut Republican activist Chuck Stango said with a shrug. "You never want to leave any stone unthrown."

Often, those stones are directed at politicians who won't be on the ballots in question. In Ohio, Republicans printed thousands of flyers with grainy black-and-white photos of Pelosi, Sen. Edward M. Kennedy (D-Mass.) and Sen. Hillary Rodham

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Clinton (D-N.Y.), warning that the "Hollywood values" of a Democratic Congress would make America "a haven for terrorists." At a meeting with supporters in Helmsburg, Ind., Sodrel warned that Pelosi "represents San Francisco very well."

"Scary!" one volunteer called out.

But while nasty ads and famous surrogates get the attention, activists expect the midterms to turn on voter outreach -- knocking on doors and working the phones. In 2002 and 2004, Republicans dominated the ground game, and they hope that will save them in 2006. "There's no secret to how I will win," Rep. Nancy L. Johnson (R-Conn.) told a crowd of campaign workers crowded into a Waterbury storefront. "Three words: work, work, work."

Of course, reaching voters is not the same as mobilizing them, and Republicans are clearly nervous that the current political climate will keep their base home. In Missouri, one of numerous states where Obama was pumping up Democrats yesterday, Republicans were so desperate to find ones and twos that they risked calling voters while the Kansas City Chiefs were playing the St. Louis Rams.

In Ohio, they recruited door-knockers from a temp agency for $12 an hour. They gave Bush a raucous reception at his "Victory in the Heartland" rally yesterday in Grand Island, Neb., but even in friendly territory, they didn't fill the hall.

Still, turnout is a relative thing. You don't need to turn out everyone -- just more than your opponent.

"If we get out the ones and twos," Indiana Republican activist R. Dale Cassiday told a group of Sodrel's campaign workers, "we'll win this election."

Two Parties Far Apart In Turnout Tactics Too (LAT)

By Peter Wallsten And Tom Hamburger

The Los Angeles Times, November 6, 2006

BOCA RATON, FLA. — Jewish voters received a pamphlet about Israel's fight with Hezbollah. Spanish speakers heard radio ads about Fidel Castro. Seniors got recorded telephone calls from crooner Pat Boone, now 72, about Social Security.

As Rep. E. Clay Shaw Jr. (R-Fla.) fights to keep his seat in Congress, he is drawing heavily from the Republican playbook of dividing voters by their backgrounds and interests and appealing to them with tailored pitches. His success — along with his party's hopes for hanging onto its congressional majorities — relies in part on databases and search tools used to identify sympathetic voters and move them to the polls.

Shaw's Democratic challenger has a far different strategy. Instead of specialized appeals, state legislator Ron Klein repeats a simple message to nearly every audience: Iraq is a mess, and it is time for a change.

That contrast underscores a central question to be answered Tuesday in this South Florida House district and other competitive races across the country: Which political force will prove stronger — the niche-marketing effort, led by GOP strategist Karl Rove and powered by computerized outreach methods, or the classic "throw the bums out" mood of an electorate uneasy with the Iraq war and unhappy with one-party rule?

"We'll find out soon," said Klein as he walked through one of the many affluent neighborhoods in this seaside district, trying to persuade voters to oust an incumbent who has served in Congress for a quarter-century.

As the two campaigns make their final appeals, the differences suggest that many of the advantages that have boosted Republicans to victory in the past — more money, redrawn congressional districts and the superior voter targeting demonstrated by Shaw's courtship of Jews, Latinos and seniors — may be less potent this time.

The moderate 22nd District is one of three in Florida alone considered vulnerable for the GOP. Nationwide, about three dozen House races are competitive. To control the House, Democrats need to gain 15 seats; for the Senate, they must pick up six.

Shaw began the campaign with an arsenal typical of GOP incumbents, including a head start on fund-raising. But voter anger and a sense among donors that Democrats could control Congress have put Klein close to financial parity.

Now, the race is considered winnable for the Democrats, and Shaw's best hope comes from the GOP strategy of narrow-casting and voter identification.

On Friday, as in GOP campaigns across the country, the Shaw team's "72-hour plan" got underway — its final effort to reach people who, according to their profile in the party's national database, are likely to favor Republican candidates.

At a field office in Boca Raton, dozens of volunteers turned up to knock on doors and talk to voters. A staffer distributed clipboards with printed pages of names, addresses and detailed maps.

The printouts came from the "Voter Vault," the GOP's national database, which tagged voters with labels showing why they were worth contacting: Some were dubbed "socos" (social conservatives) or "fiscos" (fiscal conservatives) or "soft Dems" (crossover voters). Each had already been identified as ready to favor Shaw. The goal was to persuade each one, using hints from the database, to make the effort to go to the polls.

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Party leaders have built a 72-hour plan for every significant GOP race in the nation. The effort was developed by Rove and Republican National Committee Chairman Ken Mehlman after the 2000 election, in which Democrats outpaced the GOP in grass-roots activism and nearly won the presidency.

The "Voter Vault" is a central element of the plan, and the party invested more than $15 million to update the system this year. So far this election cycle, it has guided 24 million phone or in-person contacts to conservative voters.

Following the plan, over the campaign's final three days, GOP field offices in Shaw's district must file updated spreadsheets every three hours to the state GOP in Tallahassee, showing how many voters have been personally contacted. State party officials report that data to national headquarters, where staff members make sure that individual campaigns are meeting their goals.

By contrast, Klein believes that his broad appeal on Iraq and the need for change in Washington hold the keys to victory. Still, he too has scrambled to reach targeted groups.

Klein acknowledges that the GOP has an advantage in voter turnout, but said his campaign has spent a year building a field organization and a competing database. However, his database received only limited help from the national Democratic Party, and it has less detail than the GOP's.

Despite fewer resources, Klein's field director developed a program to reach seasonal residents, or "snowbirds," at their homes outside Florida. Klein's campaign has tried to identify residents of gated communities that are off-limits to candidates and canvassers, and to recruit volunteers within the walls. It also used a visit by former Georgia Sen. Max Cleland, disabled in Vietnam, to reach out to veterans.

Klein says he has employed enough canvassers to contact 60,000 backers in the final three days; on Friday alone, the campaign says, it reached 7,000 people by phone or in person.

And Democrats are counting on additional help from an ambitious voter-contact program by labor unions, though it is not coordinated with Klein's campaign.

Yet Klein's campaign appears to be behind Shaw's, whose workers say they reached 15,000 people Friday and have a goal of contacting at least 100,000 in the campaign's closing days.

But for all of the sophistication of the GOP plan, there are signs it could fall short.

As one of Shaw's teams made its rounds Friday, carrying GOP door-hangers and dressed in T-shirts advertising the Republican candidate for governor, a voter identified as a Shaw supporter said she had no intention of supporting the Republican Party this year.

"I just don't know about the war," said Karen Rossen, 48, a dental office manager from Delray Beach. "I think the Democrats would be easier to deal with." A mountain of mail has arrived promoting Shaw and other Republicans, Rossen said, but she throws it all away, calling it "a waste of money."

Several voters targeted on one three-hour walk agreed to back the GOP ticket. But of 99 households assigned to this particular team of home-schooled teenagers, only 15 people were contacted directly. Many on the list had moved, or lived in buildings that banned solicitors. Two reacted angrily when asked whom they were voting for.

Nori Lapes, a longtime GOP volunteer, said she sensed a change in attitude this year as she canvassed. Some voters complained about the war and the House page scandal involving former GOP Rep. Mark Foley, who represented an adjacent district.

"Some people are more subdued," said Lapes, a clothing designer from Boca Raton.

But strategists say the power of the 72-hour plan is its ability to reach voters who might be hesitating. Lapes said she would spend 10 minutes or more standing in doorways, urging people to stick with the GOP.

"One man was so confused, he wasn't going to vote," she said. "But by the time I left, he had a smile on his face. I think he was convinced."

In addition to talking to individual voters, Shaw has used targeted messages to reach specific groups. He sent Jewish voters a pamphlet featuring pictures of him with Israeli Prime Minister Ehud Olmert and wounded soldiers. He produced two radio spots in Spanish, even though the district has a minuscule Latino population.

Klein did not reach out to either group with specialized mailings, illustrating how the GOP remains more meticulous in searching for every possible vote. It also reflects the party's experience in 2000, when Shaw won by fewer than 600 votes.

After 2000, Shaw's district was redrawn by Florida's GOP-led legislature to include more Republicans. But this year, even some Democrats have heard from Shaw about his opposition to President Bush's stance on stem-cell research.

By Tuesday night, voters here and across the country will show whether such precision tactics can withstand the broader wave of anger that Klein hopes will send him to Washington. A poll in Sunday's Miami Herald showed Klein with a 10-point lead, suggesting that Democrats may soon be celebrating.

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But there's another election in just two years, when Iraq and GOP scandals may not dominate the debate. So what would Democratic incumbents, forced to combat all of the Republican advantages, do then?

"Maybe we can learn from them in the future," Klein said of the Republicans' tactics.

If not, even Democratic strategists concede, their party could soon find itself relegated again to the back bench.

In Campaigns' Last Hours, A Get-out-the-vote Contest (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, November 6, 2006

BETHESDA, MD.

Fueled by cans of Dr. Pepper and tubs of candy left over from Halloween, volunteers at the Democratic phone bank in a storefront here are deep into calls by mid-morning Saturday - an effort that could seal a victory for their party on Nov. 7 ... or not.

The question they're asking is the same across America: Can we count on your vote on Tuesday? If the answer is yes, there will be a follow-up call on Election Day: Have you voted?

Nothing is more basic in a campaign than getting out the vote. The Republican Party is famous for its well-oiled mechanism for identifying, finding, and prodding its voters all the way to polling sites, but this year, Democratic leaders say, they're ready to match the GOP's vaunted "72-hour plan" call for call.

Note: In the Bethesda office - campaign headquarters for US Rep. Benjamin Cardin, who is running for Senate in a tight race against Lt. Gov. Michael Steele (R) - no one is dialing a phone. Calls to targeted voters are automated, allowing volunteers to talk to as many as 100 probable supporters an hour. Instead of recording responses on sheets of paper, volunteers punch "1" (for "yes") on their phone keypads, and that voter's file is automatically updated.

These automated voter files can match data from other sources, revealing information such as an individual's ethnicity, race, religion, income, financial data, subscriptions, buying habits, and political history, even from states where a voter has formerly lived. Routes for volunteer canvassers are integrated with mapping software.

"Our use of data has become much better and more efficient," says Artie Harris of the Maryland Democratic Party. "We have thousands of volunteers and paid canvassers on the streets working very, very hard, contacting hundreds of thousands of voters."

In Maryland, polls show that the GOP's Mr. Steele, an African-American, could take a bigger bite out of the black vote in neighboring Prince George's County than Democrats had expected. It makes the get-out-the-vote effort here in Montgomery County all the more crucial for Mr. Cardin. Republicans turn on the jets

Until the 2002 campaign, Democrats, backed by labor union supporters, typically had the edge in turning out their voters. But the "72-hour" get-out-the-vote (GOTV) program developed by Karl Rove, President Bush's adviser, and Ken Mehlman, Republican National Committee (RNC) chairman - which includes microtargeted voter lists and a nearly year-round mobilization effort - gave Republicans a strategic and technological edge that helped them hold onto the House and Senate in the past two elections. This year, the RNC promises "the biggest midterm GOTV operation in history."

Since then, Democrats have scrambled to catch up. By 2004, the Democratic National Committee had improved its automated voter files, but the operation was prone to glitches. Some state GOTV teams couldn't access the files until days before the election. After that campaign, the DNC launched an $8 million overhaul of its voter-file system and invested in training in all 50 states.

"Through Governor Dean's 50-state strategy, we put field staff on the ground in all 50 states a year ago," says DNC communications director Karen Finney.

"A lot of people criticized [Democratic National Committee Chairman] Howard Dean for his 50-state project. They wanted him to focus on a small number of battleground states," says Kim Gandy, chair of the National Organization of Women and its political action committee, who is spending her vacation helping to organize the phone bank here. "But what has happened in the last month shows the wisdom of what he has done, because there are competitive races in states we never thought there would be, and now there is a mechanism that could put these Democratic candidates over the top." Rebuilding in West Virginia

In West Virginia, the state Democratic Party started rebuilding its precinct captain structure in June 2005. With help from the DNC, it set up an automated, updated voter file accessible down to the precinct level. Volunteers can now see prospective voters' party identification, gender, age, how they voted in the past six to eight elections, whether an absentee ballot was used, plus appended microtargeting data such as estimated household income, occupation, magazine subscriptions, whether they have kids in school, and what they told previous party canvassers.

"Twenty years ago, Democrats here had an excellent get-out-the-vote system, and we're trying to get back to that ... and to branch out to traditional Republican areas," says Derek Scarbro, field director for the West Virginia State Democratic Party. "Our ability to track and manage that data has come a long way in West Virginia, and that's helpful. We even think we have an edge,"

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adds Mr. Scarbro. The number of Democrats casting votes early is up 3 percent from the level in 2004. "Republicans are down a bit, and that's encouraging," he says.

Still, top GOP campaign advisers say the party's turnout plan can give Republicans the edge they need to win close races this week. "There are about 30 hotly contested [House] races, within the margin of error, and our 72-hour effort will make the difference on what it looks like on Election Day," said Rep. Tom Reynolds (R) of New York, chairman of the National Republican Congressional Committee, on Sunday on NBC's "Meet the Press."

Some voting experts say the get-out-the-vote arms race is less than meets the eye.

"The Republican turnout machine is a myth," says Robert Richie, executive director for FairVote - The Center for Voting and Democracy, based in Maryland. "There's very little to indicate from the results that the Republicans are doing a better job at mobilizing people," he says. Republicans won in 2002 and 2004 not because they had higher-tech turnout toys, but because they persuaded people.

"Voter turnout is not very complicated. It's identifying voters, reminding them to vote, reminding them again, then making sure they vote," adds Mr. Richie. "You can call new techniques something fancy, but at the end of the day it's the most basic thing you do. Both sides do it."

The Green Card (WSJ)

By George Ball

The Wall Street Journal, November 6, 2006

After closing our fiscal year at Burpee Seeds, I noticed some intriguing figures in the sales of flower and vegetable seeds to home gardeners that, while displaying great differences, also show affinities that would warm a compost heap. Politics, in my opinion, is not so much a contest between different states of red and blue as between different shades of green -- a comforting reality in today's frosty political climate.

Let's first examine garden flowers. Both red-state Republicans and blue-state Dems grow sunflowers, zinnias and marigolds. However, the differences quickly bloom. Blue states buy many more impatiens, snapdragons and columbines -- expensive and sophisticated sun or shade flowers with varied and subtle colors. On the other hand, red states favor overwhelmingly boisterous morning glories, traditional nasturtiums and inexpensive four o'clocks. The sunny red states like to keep it plain and simple; the dappled blues like to make it diverse and edgy.

But wait -- in vegetable veritas. First, the comfort zone consists of a big garden with both Democrats and Republicans happily weeding squashes, cucumbers, peas and basil -- everyone grows a lot of them. But blue states grow a surprisingly wide range of tomatoes, along with both sweet and hot peppers and a fair amount of cilantro and dill. Think homemade salsas, poached salmon and heirloom vegetable collections. Yet red-staters are equally surprising and almost exotic in their preferences for green beans, onions, potatoes, carrots, sweet corn, parsley and oregano. When they do grow tomatoes, they choose only big slicers and paste types -- no fancy heirlooms. Again, they like vining in both vegetables and flowers, and easy-to-sow crops, half of them to be dug from the ground. To call red-staters "earthy" and blue-staters "well-branched" would be accurate.

Like a gardener with arms full of sweet corn, "green state" preferences run straight into the kitchen. Blue Dems are gourmet and fashion-conscious cooks; they like a few of every kind of tomato and pepper that exists, while their herbs tend to be diverse and savory. Red GOPers favor traditional cuisine, picnic fare, lots of stews and relishes, and enormous crops of green beans.

So, green is good. All gardeners agree on a patch that includes the basic "squash-cuke-pea-basil-tomato" requirement. But they also literally distinguish themselves in the backyard, just as in the voting booth. The Republican is a sun-drenched, green-bean, elbows on the table, vine-loving gardener, while the more passionate Democrat picks and chooses from a wider range of cultivars of spicy and savory peppers, European tomatoes, and flowers that prefer afternoon shade cast by mature trees. Let's rejoice that there are 50 states where we make up a mosaic of gardeners and gardens -- daring and avant-garde blue or tried and true, risk-averse red. But in the end, we are all still deep in the green.

Mr. Ball is the president of W. Atlee Burpee & Co., a seed company founded in Philadelphia in 1876. He is a former president of the American Horticultural Society.

Democrats Focus On Pennsylvania (WT)

By Amy Fagan

The Washington Times, November 6, 2006

LANCASTER, Pa. -- Top Democrats at several rallies in suburban Philadelphia this weekend worked to push their party's voters to the polls in a state where Democrats feel poised to sweep key races and oust the Senate's No. 3 Republican, Rick Santorum.

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Gov. Edward G. Rendell joined Sen. Barack Obama of Illinois, House Minority Leader Nancy Pelosi of California and Democrat Bob Casey Jr., who leads Mr. Santorum in polls, to declare the year of the Democrats here.

"Once again, Pennsylvania will lead the way you did at the beginning of our country," Mrs. Pelosi told a crowd in Glenside, where the group stumped for Democratic House candidate Patrick Murphy.

"I want to see [Mr. Casey] as our senator for the next 30 years," Mr. Rendell said, telling the screaming Glenside crowd that if they work hard to turn out the vote, "November 7th is going to be a great day for Pennsylvania, a great day for the Democratic Party."

Polls show that five Republican-held House seats in the state are within reach of Democrats -- so much so that Mrs. Pelosi spent the final campaign weekend here stumping for Democratic challengers.

Mr. Murphy and fellow Democrat Lois Murphy have gained ground in two Republican-held suburban Philadelphia districts, where they are challenging Reps. Michael G. Fitzpatrick and Jim Gerlach, respectively. Republican Reps. Don Sherwood and Curt Weldon are entangled in high-profile scandals that have helped Democratic challengers in their districts.

In the Senate race, Mr. Santorum has spent the past week arguing that Mr. Casey, the state treasurer and son of a former governor, will be soft on national-security issues at a time when decisiveness is needed. Mr. Casey has condemned Mr. Santorum as a rubber stamp for President Bush, who has just a 36 percent approval rating in Pennsylvania, according to a Survey USA poll.

"We've had too much of them, and on the morning of November 8, we're going to be headed down a new road," Mr. Casey told a crowd Saturday in Norristown.

"If we put in the wrong people ... we will take our country in a direction that will harm our national security," Mr. Santorum said yesterday in Lancaster.

Mr. Santorum cited a "botched joke" last week by Sen. John Kerry, Massachusetts Democrat, who implied that students who aren't smart wind up in the military. Mr. Kerry's remark has incited the Republican base here, one party operative said.

Republicans said the Democrats are claiming victory far too soon. Mr. Santorum has trailed in the polls before but enjoys a strong ground operation, said Dan Ronayne of the National Republican Senatorial Committee.

"Anyone ready to count him out doesn't know the man," he said.

"If Democrats turn out at 38 percent and we turn out at 50 percent, you can take any polls and throw them out the window," Mr. Santorum said yesterday.

Mr. Santorum, a leading social conservative in the Senate, has fought his hardest battle yet against Mr. Casey, a pro-life Democrat.

University of Pennsylvania political science professor Jack Nagel said liberal Democrats are willing to accept Mr. Casey's more conservative stances.

"They're realizing they might have to sacrifice on some social issues," Mr. Nagel said.

Matt Cooley, a pro-choice Democrat from Ambler, gave Mr. Casey a tepid endorsement as a "thoughtful guy," but said Mr. Santorum is "way too extreme for me" and predicted the Republican will be "toast" on Election Day.

For Lana Hopkins of Glenside, the election is all about unhappiness with the war in Iraq.

"This seems like a presidential election year," she said of Democrats' excitement level.

Still, Republican State Party Chairman Robert Gleason Jr. said Friday that he expects victory for Mr. Santorum as well as House Republicans and gubernatorial candidate Lynn Swann because of the party's get-out-the-vote effort.

Some Democrats are worried. A man at the Democrats' rally in Norristown lamented, "All of us are wondering what Karl Rove's going to pull on us."

Party leaders warned their faithful against overconfidence.

"Polls never cast a vote," Mr. Rendell said.

For Republicans (USAT)

By Ken Mehlman

USA Today, November 6, 2006

From the narrowly averted plot to blow up airliners bound for the USA to North Korea's nuclear detonation to last week's missile test by Iran, we are constantly reminded of the threat against free nations by terrorists and despotic leaders who support them. The war we fight today is not a new war. For a generation, terrorists have attacked free nations, from the 1972 Olympic Games in Munich, to the U.S. hostages in Iran, to Beirut, to the World Trade Center in 1993, Riyadh in 1995, Khobar Towers in 1996, the U.S. Embassy attacks in 1998, and the USS Cole in 2000. Too often, free nations responded weakly or not at all, so the enemy grew emboldened, leading to 9/11.

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Today, the Republican Party has learned the lessons of Sept. 11, and understands the importance of using every single tool at our disposal to win this war — but some Democrat leaders would take those tools away. Democrats in the House and Senate voted against re-authorization of the USA Patriot Act. The overwhelming majority of House Democrats voted against legislation to make it easier to intercept terrorist communications. Democrats voted against tribunals that will help us get the information we need, and have time and again voted against missile defense.

Even more dangerous is that Democrats truly seem to believe that Iraq is completely separate from the greater war on terror. Al-Qaeda's leaders are not confused about the importance of Iraq to their goal of global jihad. Osama bin Laden's No. 2, Ayman al-Zawahiri, has said his goal is to use Iraq as a base to launch further attacks, with the goal of creating a new caliphate in the Middle East. On Tuesday, we must ask ourselves: Would surrendering Iraq to the enemy so they can use it as a base from which to launch attacks make us more or less safe?

Voters face another choice Tuesday: Republicans have cut taxes every year since George W. Bush was elected president. Democrats, on the other hand, have said outright that they plan to raise your taxes. If you're a typical American family with two kids earning $30,000 a year, the Democrats would raise your taxes by more than $2,000. They'd raise your gas taxes just as gas prices are finally coming down. Where would it end? Well, the man who would be in charge of tax policy in a Democrat-controlled House came right out and said it: No tax increase will be out of bounds.

Republicans want to eliminate the death tax once and for all. Democrats want to bring it back. Republicans want to explore new sources of energy to bring gas and heating prices down. Democrats want to block domestic exploration. Republicans want small businesses to be able to band together to provide health care to their employees at a reasonable cost. Democrats don't believe entrepreneurs and their employees should have that freedom. Republicans want all parents to be able to choose where they send their kids to school. Democrats would limit that choice to the rich and powerful. The list goes on and on.

There is one more choice voters face Tuesday: The Senate has approved two superb new Supreme Court justices, John Roberts and Sam Alito. Republicans supported Justices Roberts and Alito because they understand that judges need to interpret the law, not invent it. Many Democrats, on the other hand, vocally fought — and then voted against — Justices Roberts and Alito. Why? Because they depend on activist judges to hand them the victories they can't win at the ballot box.

Tuesday, Americans will have the opportunity to choose between a party that wants to use every tool to keep us safe, or one that would take those tools away; between a party that wants to let you keep more of your own hard-earned money, or one that believes that money belongs to Washington; between a party that understands judicial restraint, or one that wants activist judges to fight its battles.

Two very different visions for America, and one very strong reason for the American people to help Republicans make history and maintain our majorities in Congress.

For Democrats (USAT)

By Howard Dean

USA Today, November 6, 2006

Tuesday, Americans have a choice between staying the course and a new direction for our country. After six years of Republican leadership, some Americans may be considering doing something they haven't done in a long time. Vote for a Democrat.

If you vote for a Democrat on Tuesday, we will honor the trust you put in us with a new direction for America.

Isn't it time for a new direction in Iraq?

The American people deserve political leaders who will ask the tough questions and make smart decisions about our foreign policy and homeland security, not just tough talk around election time. Sixteen intelligence agencies agree that the Bush administration's failed Iraq policy is increasing terrorism around the world. Our brave troops have become occupiers caught in a civil war. Democrats are united behind a strategy of phased redeployment and benchmarks that make it clear to the Iraqis that they must take responsibility for the future of their country.

Isn't it time for a new direction in fighting the war on terror?

Osama bin Laden is still on the loose, and al-Qaeda has moved to a new location in northwest Pakistan. Afghanistan has seen a resurgence of the Taliban. Democrats want to increase the size of our Special Forces to destroy bin Laden and terrorist networks such as al-Qaeda. We want to ensure that our troops and agencies have the tools to stop future attacks. And we won't take our eyes off of the growing threats in Iran and North Korea.

We also need to keep our streets and communities at home safe. We will enact the bipartisan 9/11 Commission recommendations because it's time to inspect all cargo and lock down loose nuclear material and ensure our nation is prepared for disasters such as Hurricane Katrina — and the aftermath. We will ensure we properly equip our National Guard and first responders.

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Isn't it time for a new direction for our economy and the middle class?

The harmful policies of the GOP have failed hard-working Americans. Republicans have waged a war on the family. The Bush economy has failed 80% of Americans, benefiting only the top 1%. For most Americans, wages and incomes have slowed; health care costs and personal debt have increased. Home mortgage foreclosures are up; college tuition has skyrocketed.

We will end Republicans' deficit spending and restore pay-as-you-go discipline. We will restore the Republican cuts to Pell grants and other programs that make it easier for our kids to afford to go to college. We will protect, not privatize, Social Security.

Democrats respect hard-working families and the work it takes to make ends meet. We believe that strengthening the middle class is essential for a thriving economy that rewards work, opens the door of opportunity to all, and makes it easier for parents to devote time to their families. We will ease the burdens on middle-class Americans with middle-class tax fairness, increase the minimum wage and reverse Republican health care cuts. We

want to make a down payment in ensuring affordable health care for every American, and fix the Medicare prescription drug program. We will protect Social Security so that every senior is ensured a retirement in dignity.

We will enact real ethics reform in Congress.

Isn't it time for responsible, competent leadership and an end to the politics of deficits, divisiveness and deceit?

Our nation has become more divided and polarized with rhetoric and campaign tactics designed to drive wedges rather than find common ground. From Iraq to the economy to the aftermath of Katrina, we've seen incompetence and mismanagement. The Republicans' culture of corruption time and again has put the interests of their party and their cronies ahead of doing what's right for our children, our communities and our families.

Isn't it time for a new direction? Democrats have a unified agenda to restore hope and opportunity, competence and responsibility. So on Tuesday, if you want to change what's going on in Washington, vote for Democrats.

Howard Dean is chairman of the Democratic National Committee.

Limiting The Damage (NYT)

By Paul Krugman

The New York Times, November 6, 2006

President Bush isn't on the ballot tomorrow. But this election is, nonetheless, all about him. The question is whether voters will pry his fingers loose from at least some of the levers of power, thereby limiting the damage he can inflict in his two remaining years in office.

There are still some people urging Mr. Bush to change course. For example, a scathing editorial published today by The Military Times, which calls on Mr. Bush to fire Donald Rumsfeld, declares that "this is not about the midterm elections." But the editorial's authors surely know better than that. Mr. Bush won't fire Mr. Rumsfeld; he won't change strategy in Iraq; he won't change course at all, unless Congress forces him to.

At this point, nobody should have any illusions about Mr. Bush's character. To put it bluntly, he's an insecure bully who believes that owning up to a mistake, any mistake, would undermine his manhood — and who therefore lives in a dream world in which all of his policies are succeeding and all of his officials are doing a heckuva job. Just last week he declared himself "pleased with the progress we're making" in Iraq.

In other words, he's the sort of man who should never have been put in a position of authority, let alone been given the kind of unquestioned power, free from normal checks and balances, that he was granted after 9/11. But he was, alas, given that power, as well as a prolonged free ride from much of the news media.

The results have been predictably disastrous. The nightmare in Iraq is only part of the story. In time, the degradation of the federal government by rampant cronyism — almost every part of the executive branch I know anything about, from the Environmental Protection Agency to the Centers for Disease Control and Prevention, has been FEMAfied — may come to be seen as an equally serious blow to America's future.

And it should be a matter of intense national shame that Mr. Bush has quietly abandoned his fine promises to New Orleans and the rest of the Gulf Coast.

The public, which rallied around Mr. Bush after 9/11 and was still prepared to give him the benefit of the doubt two years ago, seems to have figured most of this out. It's too late to vote Mr. Bush out of office, but most Americans seem prepared to punish Mr. Bush's party for his personal failings. This is in spite of a vicious campaign in which Mr. Bush has gone further than any previous president — even Richard Nixon — in attacking the patriotism of anyone who criticizes him or his policies.

That said, it's still possible that the Republicans will hold on to both houses of Congress. The feeding frenzy over John Kerry's botched joke showed that many people in the news media are still willing to be played like a fiddle. And if you think the timing of the Saddam verdict was coincidental, I've got a terrorist plot against the Brooklyn Bridge to sell you.

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Moreover, the potential for vote suppression and/or outright electoral fraud remains substantial. And it will be very hard for the Democrats to take the Senate for the very simple reason that only one-third of Senate seats are on this ballot.

What if the Democrats do win? That doesn't guarantee a change in policy.

The Constitution says that Congress and the White House are co-equal branches of government, but Mr. Bush and his people aren't big on constitutional niceties. Even with a docile Republican majority controlling Congress, Mr. Bush has been in the habit of declaring that he has the right to disobey the law he has just signed, whether it's a law prohibiting torture or a law requiring that he hire qualified people to run FEMA.

Just imagine, then, what he'll do if faced with demands for information from, say, Congressional Democrats investigating war profiteering, which seems to have been rampant. Actually, we don't have to imagine: a White House strategist has already told Time magazine that the administration plans a "cataclysmic fight to the death" if Democrats in Congress try to exercise their right to issue subpoenas — which is one heck of a metaphor, given Mr. Bush's history of getting American service members trapped in cataclysmic fights where the deaths are anything but metaphors.

But here's the thing: no matter how hard the Bush administration may try to ignore the constitutional division of power, Mr. Bush's ability to make deadly mistakes has rested in part on G.O.P. control of Congress. That's why many Americans, myself included, will breathe a lot easier if one-party rule ends tomorrow.

'It Didn't Have To Be That Way' (WSJ)

By Fred Barnes

The Wall Street Journal, November 6, 2006

Republicans face the prospect of losing a substantial number of Senate and House seats in the midterm election tomorrow, but it didn't have to be that way. For sure, the war in Iraq was always going to be a drag on Republicans. And an election in the sixth year of a presidency is often perilous for the president's party, a pattern that's held true in year six of the Bush era.

But Republicans have made matters worse by abandoning the reform agenda that animated their capture of Congress in 1994 and helped George Bush win the White House in 2000 and keep it in 2004. With scarcely a fight, Republicans gave up on Social Security reform in 2005, immigration reform in 2006, and never really got started on tax reform. Mr. Bush also cast aside the overarching theme for his domestic policy -- the Ownership Society -- without an explanation.

The consequences have been dire. Republicans have little to boast about in Mr. Bush's second term except the strong economy -- and it's largely the result of tax cuts enacted three years ago. When Democrats bring up Iraq or corruption, Republicans have no countervailing issues. The president has made a strong case against Democrats on national security and taxes. But voters have been unresponsive and it's easy to understand why. It's Mr. Bush himself who causes them to feel safe from lax security and tax hikes. Whatever happens in tomorrow's election, he'll be in the White House for two more years to protect them from Democratic excesses. But what if Republicans had followed the president's lead last year and tried to overhaul Social Security and enact personal investment accounts? If they'd succeeded, voters would now be perusing the stock tables to decide how to invest their payroll taxes. Had Democrats blocked reform, Republicans would be pointing out the gains voters were missing in the bull market. Either way, Republicans would be ahead. So would the country.

Instead, they balked at Mr. Bush's modest reform proposal. House Speaker Dennis Hastert thought it too risky, though the president had trumpeted his idea, with impunity, in two national campaigns. Another Republican leader told Mr. Bush that House Republicans would line up behind him -- but only after he'd drummed up a strong national majority in favor of entitlement reform. In truth, it already existed. Private accounts financed out of payroll taxes, while controversial, have long been popular. Left alone in the drive to fix Social Security, the president, disappointed and exhausted, finally gave up the fight.

For Republicans, 2006 was going to be the year they bravely took on America's immigration problem. Despite a division among Republicans on a solution, an ultimate agreement seemed quite possible. House Republicans would get beefed up security along the border with Mexico well beyond what Mr. Bush wished. In return, Mr. Bush and Senate Republicans would get what they wanted: additional security plus a program to bring foreign workers here temporarily and a plan for illegal immigrants in the U.S. to "earn" citizenship.

There were (and still are) many ways to reconcile the two positions. The simplest was to stagger the implementation of the three parts of immigration reform by requiring a secure border first, followed a few years later by the guest workers' program and citizenship scheme. Hispanic Americans and their influential lobbying organizations were willing to go along. And Democrats, faced with mass defections, would have been forced to accept the GOP compromise.

For lack of leadership, the compromise never materialized. Mr. Bush balked at taking charge of the issue. Mr. Hastert, cautious to a fault, declined to take a firm position. Roy Blunt, the House Republican whip, opposed the compromise. Another Republican leader assured me that House Republicans were in an ideal position. They could boast of having "blocked a bad Senate bill" -- a bill backed by the White House -- and that would serve them well in the election.

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It hasn't. Nor has the last-minute border security measure authorizing 700 miles of fence that Mr. Bush signed in October. And opposition to "amnesty" in any form has failed to immunize Republicans. A good example is popular congressman J.D. Hayworth of Arizona, one of the loudest foes of letting illegals become citizens. He faces an unexpectedly strong Democratic challenger -- in the state with the biggest influx of illegal aliens in the country.

In the end, Republicans raised the immigration issue, touted it as a national crisis, stirred the nation's interest, then failed to come to grips with it. But imagine if Republicans had agreed on a compromise and enacted a "comprehensive" -- Mr. Bush's word -- immigration bill, dealing with both legal and illegal immigrants. They'd be justifiably basking in their accomplishment. The American public, except for nativist diehards, would be thrilled.

Tax reform could have had a similar effect. It may be hard to achieve, but it's both important and favored by the vast majority of Americans. Here again, however, Republicans were anything but bold. A tax panel commissioned by Mr. Bush concentrated on easing the burden imposed by the Alternative Minimum Tax at the expense of fundamental tax reform. Not surprisingly, the panel's timid recommendations produced little enthusiasm. And the tax issue quickly faded away.

The White House didn't have to acquiesce. It could have pressured the tax commission to come up with a sweeping reform plan. Or it could have proposed its own blueprint for reform. There's no secret about what's needed: lower rates, fewer deductions, a broader tax base, simplification of the tax code, elimination of double taxation of dividends, and a lot more. Instead, the White House let the moment pass.

When I interviewed Mr. Bush a year ago, I asked him about his concept of an "ownership society." He had been using the phrase as the theme for his domestic program (with the exception of immigration) and it was beginning to catch on. It included health-care reform and "lifetime" IRAs, a reform of retirement instruments, as well as tax and Social Security reform. The president was so enthusiastic about this that he cited it in his second inaugural address.

He saw ownership as a boon to personal responsibility, accountability and independence, especially from government. "Government sometimes, because you're dependent on it, undermines the sense of personal responsibility," he said. It was a spur to the poor "not to remain poor and to have that dream of owning something," he told me. And it gave an owner "a vital stake in our country."

Mr. Bush inexplicably dropped the phrase from his speeches this year. Perhaps it didn't poll well. Perhaps it was too radical. An "ownership society" represents a sharp new direction in domestic policy designed to encourage citizens to be more self-reliant and less dependent on government. It's a kind of demand-side conservatism with citizens gradually asking for less and less federal assistance.

Now, an "ownership society" is all but forgotten, Republicans as reformers a thing of the past. The party unity that would have come from settling differences on immigration is absent. As a result, Republicans have bickered throughout the 2006 campaign. If they have an agenda for the next two years, they haven't told voters. Democrats don't have an agenda either, they're the "out" party. They can get away with it. Republicans can't.

Reform is appealing to voters because they sense, quite correctly, there's much in need of reform. Besides Social Security and immigration and taxes, there's Congress itself. By skimping on congressional reform, too, Republicans made themselves all the more vulnerable to exaggerated charges of corruption. Reform, of course, is the opposite of corruption.

It's unknowable how many Senate and House seats might have been saved had Republicans championed reform. But surely Republicans would have been better off with a program of reform to flaunt. The campaign would have been elevated. And win or lose, Republicans would have something vital to talk about for the final years of the Bush presidency.

Mr. Barnes, executive editor of the Weekly Standard, is the author of "Rebel-in-Chief" (Crown Forum, 2006).

Hastert May Face Post-Election Unrest (WP)

By Jonathan Weisman

The Washington Post, November 6, 2006

House Speaker J. Dennis Hastert's future is in doubt even if the Republicans retain control of the House because of unease among GOP lawmakers about his handling of the Foley page scandal and what a House ethics committee investigation might conclude about him, according to several Republican aides.

House Chief Deputy Whip Eric I. Cantor (R-Va.) said last week that the House Republican leadership elections scheduled for Nov. 15 should be postponed until the ethics committee delivers its final report. House Majority Leader John A. Boehner (R-Ohio) confirmed yesterday on "Fox News Sunday" that he and Hastert have discussed that possibility. "We'll see how Tuesday goes and then we'll make some decisions."

House Speaker J. Dennis Hastert (R-Ill.) appeared before the House ethics committee last month to answer questions on the congressional page scandal, but concerns about his leadership run deeper. He is likely to be challenged for the speaker's job regardless of election results. (By Manuel Balce Ceneta -- Associated Press)

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But if Democrats seize control of the House in tomorrow's election, as many political analysts and pollsters are predicting, then Hastert is widely expected to exit the leadership stage and allow a new generation of Republican leaders to try to recapture the majority. Hastert, 64, the longest-serving Republican speaker, remains personally popular with House Republicans, but the discontent with his often lackadaisical, hands-off style is palpable.

"I believe that members have the highest regard for the speaker, his honesty, his integrity and his high ethical standards," said Rep. Patrick T. McHenry (R-N.C.). "But the last two years have been very tough for us as a majority. There's no doubt about that. Certainly we need to have a better direction, vision and drive than we've had during the 109th Congress."

The speaker and his top aides' response to warnings that former representative Mark Foley (R-Fla.) had for years been pursuing teenage male pages is part of an emerging pattern that is troubling Republican lawmakers.

In early 2004, as House Appropriations Committee investigators prepared to launch a sensitive audit of highly classified Capitol Hill security upgrades, Hastert's chief counsel made a surprise visit to the first meeting of the auditors.

His message was clear, according to participants: The speaker's office was not happy about the probe and would keep investigators on a tight leash. In September 2005, despite growing evidence of sweetheart deals, kickbacks, wasteful contracts and shoddy work, the probe was suddenly shut down.

Critics of Hastert say the incident -- reported by Congressional Quarterly last month -- is emblematic of a speaker's office dominated by powerful senior aides that has repeatedly thwarted aggressive policing of the inner workings of Congress. Two of Hastert's top aides -- chief of staff Scott Palmer and chief counsel Ted Van Der Meid -- had been warned about Foley's unimpeded pursuit of male pages long before ABC News broke the story Sept. 28. Hastert and his aides orchestrated a purge of the ethics committee in February 2005, after the committee admonished then-Majority Leader Tom DeLay (R-Tex.) for misconduct. And there have been massive cost overruns at a Capitol visitors center known derisively as "Hastert's Hole." A project once slated to cost $265 million now is expected to cost as much as $596 million.

All of these actions point to serious failures on the part of the speaker's office, critics say.

"All of the mechanisms that should be in place and used to protect the speaker and the House itself have been abridged because they just don't want to look," said Scott Lilly, a former Democratic staff director of the House Appropriations Committee.

Lisa C. Miller, a spokeswoman for the speaker, strenuously objected to the premise that Hastert has been a reluctant self-policeman or that there is growing dissatisfaction with Hastert's leadership within the Republican ranks. "Since Republicans have come into office, this House operates in a highly professional manner," she said. "We have vigorous oversight with annual auditing by an independent inspector general."

The turmoil has been mounting with Hastert largely off the stage. The speaker had expected to maintain a vigorous campaign schedule, but since the Foley scandal erupted, the former high school wrestling coach has kept largely out of sight. Boehner said that while Hastert has not granted many interviews, he made campaign appearances last week in Texas, Arizona and Florida. His Democratic opponent, a little-known challenger named John Laesch, has tried to capitalize on the swirling controversies. On Friday, Laesch posted a Web site, http://www.therealdenny.com , to raise questions about Hastert's leadership.

Meanwhile, some Republican lawmakers, such as Reps. Mike Pence (R-Ind.) and John Shadegg (R-Ariz.) have been quietly putting out calls suggesting they might throw their hats in the ring for leadership posts. On Saturday, House Energy and Commerce Chairman Joe Barton (R-Tex.) announced that he, too, would be seeking a leadership post if a slot is available.

House Speaker J. Dennis Hastert (R-Ill.) appeared before the House ethics committee last month to answer questions on the congressional page scandal, but concerns about his leadership run deeper. He is likely to be challenged for the speaker's job regardless of election results. (By Manuel Balce Ceneta -- Associated Press)

"It sounds like this is coming from folks who want the speaker's job," she said, "and when we win back the House on Tuesday, the speaker will run again."

The Foley scandal is foremost in members' minds, but what critics see as a lax attitude toward self-policing goes well beyond the Foley incident. The security investigation may be equally serious, Lilly suggested.

Since the Cold War days of the Kennedy administration, a highly secret organization has watched over the security of what is known as the Capitol campus, which includes the Capitol, the House and Senate office buildings and the Supreme Court. That organization got a renewed mission after the Sept. 11, 2001, terrorist attacks, when hundreds of millions of dollars were channeled to it, mostly through the classified "black" budget of the House and Senate defense appropriations subcommittees.

In 2004, the chairmen and ranking Democrats on the House Appropriations Committee and House defense appropriations subcommittees tasked contract investigators to look at contracting on highly classified security upgrades, especially air filtration systems being installed to protect the campus from chemical and biological attack. The scale of the upgrades is unprecedented, and so is the cost, likely to run more than $100 million, according to three different sources close to the project.

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Concern had been raised that contracts were being steered to unqualified bidders, who were wooing the secret organization's management with Redskins tickets, expensive lunches, even golf clubs, said Ronald Garant, one of the investigators. But the more pressing issue was sheer waste and incompetence, he said. Another former appropriations committee investigator familiar with the probe said the team was told by a Lockheed Martin contractor that the filtration system being installed in the Ford House Office Building was so shoddy that the children in the building's day-care center would not stand a chance in the event of a chemical or biological attack.

In early 2004, Garant and other investigators went to Arlington to meet with the organization. To their surprise, Van Der Meid, the speaker's chief counsel, made the trip, too. Van Der Meid made it clear from the start that he did not want the probe going forward, according to Garant, a retired, former high-ranking auditor for the Defense Department's comptroller with more than 30 years of experience in government oversight.

Investigators were prevented from talking to key personnel, had access blocked to key facilities and could not inspect the equipment they were supposed to be assessing. After hitting roadblock after roadblock, Robert H. Pearre, the appropriations committee's chief of investigations, delivered the news last September that the investigation had been shut down and its offices in CIA headquarters in Langley, Va., were to be closed.

"We were told, 'Lock the door, change the combination, take your papers, bring them over here. It's all over,' " Garant said.

House Appropriations Committee spokesman John Scofield said some investigators were taken off the probe, but he said the study is ongoing. Republican aides familiar with the issue say Van Der Meid was not concerned about the investigation's findings but the investigators' cavalier attitudes toward a super-secret security effort. Former FBI agents did look at some of the charges of contractor abuse and determined they were inconsequential.

The Republican aides say the problem was with the investigators' attitudes. They said the fact that former investigators are discussing the probe of so secret a matter with reporters is proof that Van Der Meid's concerns about the investigators were warranted.

And those audits have produced eight consecutive clean bills of health, she said.

Senate Control In Play, Polls Find (USAT)

By Susan Page

USA Today, November 6, 2006

WASHINGTON — Democrats, poised to score gains in the U.S. Senate, are struggling to pull ahead in the final seat they need to win control, USA TODAY/Gallup Polls in six key states find.

Democratic challengers are leading Republican incumbents — in some cases narrowly — in Missouri, Montana and Rhode Island, according to the USA TODAY surveys. Other polls show Democratic challengers ahead in Ohio and Pennsylvania.

Even if Democrats sweep those five races, however, they would fall one seat short of the six needed for majority status. Two GOP targets, in Tennessee and Virginia, now lead by 3 percentage points among likely voters.

“It says to me the Senate is still very much in play and could go either way,” says Stuart Rothenberg, editor of the non-partisan Rothenberg Political Report.

In a separate nationwide USA TODAY/Gallup Poll, taken Thursday through Sunday, Democrats were favored over Republicans for Congress by 51%-44% among likely voters. That edge of 7 percentage points had narrowed from a 13-point margin two weeks ago.

“Republicans are back in the game; they're engaged,” says Andy Kohut of the Pew Research Center, which had similar results in a survey released Sunday.

In the House, Democrats need to pick up 15 seats to regain control for the first time since 1994. Rothenberg and other non-partisan analysts predict they will.

In the Senate, the USA TODAY state polls show the Democratic incumbent considered most at risk, Democrat Robert Menendez of New Jersey, is now 10 points ahead of Tom Kean. Among GOP incumbents, however, Conrad Burns trails Jon Tester by 9 points in Montana, Jim Talent trails Claire McCaskill by 4 points in Missouri, and Lincoln Chafee trails Sheldon Whitehouse by 3 points in Rhode Island.

Republican Sen. George Allen leads Jim Webb in Virginia and Republican Bob Corker leads Harold Ford in Tennessee by identical 49%-46% margins.

Several races remain fluid. In Rhode Island, where Whitehouse's lead has tightened from an 11-point margin a month ago, 16% of likely voters say they made up their minds within the last week and 13% are still undecided. In Missouri, 7% remain undecided.

By big margins, voters across the board say most of the TV ads they've seen have been negative. In Tennessee, an overwhelming 74% disapproved of a GOP ad that showed a sexy blonde saying, “Harold, call me.”

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But in Missouri, voters approved by 49%-38% of an ad that showed actor Michael J. Fox, visibly affected by Parkinson's disease, speaking in support of embryonic stem cell research and McCaskill.

How The Senate Could Turn Blue (CHIST)

By Robert Novak

Chicago Sun-Times, November 6, 2006

BY ROBERT NOVAK Sun-Times Columnist WASHINGTON -- To achieve the net gain of six seats needed for Democrats to win control of the Senate on Tuesday once seemed an impossible mission. Now it is clearly in sight.

In the weekend before the mid-term elections, two Republican seats seem definitely lost and two more are in serious trouble. If the Democrats win those four, they have to win only two of three more precarious Republican seats while keeping the only two Democratic incumbencies in any kind of danger.

That adds up to nine seats that will determine control of the Senate for the next two years:

OHIOSen. Mike DeWine (R) vs. Rep. Sherrod Brown (D)

This once seemed an unlikely place for a Democratic pickup, with Brown seemingly much too liberal for Ohio. But torn by scandals and a sub-par economy, Ohio in 2006 is a nightmare for Republicans, where big wins are expected by the Democratic ticket from top to bottom.

DeWine is an experienced candidate who works hard and has skillfully separated himself from an unpopular president. Nevertheless, Republicans have privately put this race on the hopeless list.

RHODE ISLANDSen. Lincoln Chafee (R) vs. state Atty. Gen. Sheldon Whitehouse (D)

Chafee is the most liberal Republican in the Senate. He did not even vote for George W. Bush for president in 2004. He survived a conservative challenge in this year's Republican primary, but he cannot count on vigorous GOP support, and he is an in- effective speaker.

Whitehouse, a former federal prosecutor, is not much of a candidate, either, but he should glide home in one of the country's most Democratic states. Still, strange things happen in Rhode Island, and Chafee has an outside chance to win a second term.

MONTANASen. Conrad Burns (R) vs. state Sen. Jon Tester (D)

When the year began, four-term, 71-year-old Burns looked a sure loser. The only Montana Republican elected to the Senate over the past half-century was down by double digits after he returned $150,000 in contributions related to disgraced lobbyist Jack Abramoff.

Tester's support has declined under a barrage of TV ads branding him a high-tax liberal, and the Democrat now holds only a small lead with a huge undecided vote.

MISSOURISen. Jim Talent (R) vs. state Auditor Claire McCaskill (D)

This is a classic conservative-vs.-liberal standoff between two professional office-seekers in a traditional weathervane state.

Complicating matters, the candidates are on opposite sides of a constitutional amendment on cloning for embryonic stem cell research (Talent against, McCaskill for). The large turnout of social conservatives against the bill is a plus for Talent, but Republican division on the issue is a minus.

Missouri may well be the single contest that determines control of the Senate.

VIRGINIASen. George Allen (R) vs. James Webb (D)

Allen, considered a major presidential prospect for '08, was 16 points ahead of Webb a month ago when he started committing one blunder after another.

Webb, a taciturn Reagan administration secretary of the Navy, is relatively conservative for a Democrat but campaigns hard against the Iraq war. While he is an unappealing candidate, he appears to have a small lead against Allen in what would be a bonus win never expected by party leaders.

TENNESSEEChattanooga Mayor Bob Corker (R) vs. Rep. Harold Ford (D)

Ford has run a brilliant campaign and out-dazzled Corker, but one question remains: Can an African American -- even one as handsome and ideologically moderate as the 36-year-old Ford -- really be elected to the Senate from a Southern state?

Recent polling data suggests "no" is the answer. Corker is not a dazzler, but he has jumped out to a lead against Ford after trailing earlier. The Republicans have been accused of racist tactics, and Ford finally lost his cool.

NEW JERSEYState Sen. Tom Kean Jr. (R) vs. Sen. Robert Menendez (D)

This is the best Senate race for a Republican pickup. The 38-year-old Kean, son of the popular former governor, actually led against Menendez, an appointed senator, through the summer. Since then, Menendez has been hit by one scandal after another.

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But Menendez leads and may be increasing his lead. He has a money advantage that is rare for a Democrat, but a loss by a candidate as attractive as Kean would suggest no Republican can win in New Jersey anymore under any conditions.

MARYLANDLt. Gov. Michael Steele (R) vs. Rep. Ben Cardin (D)

Steele, the first African American elected statewide in Maryland, is a long shot in an overwhelmingly Democratic state in a Democratic year. However, the latest poll shows only a six-point lead by Cardin, a respected but dull professional politician.

The same poll gives Steele just 12 percent of the state's large African-American vote. Steele's own polls give him much more black support -- perhaps enough to eke out a startling Republican victory in an otherwise dismal election, which incidentally might save GOP control of the Senate.

PENNSYLVANIASen. Rick Santorum (R) vs. State Treasurer Bob Casey Jr. (D)

Santorum, a national favorite of conservatives, is third-ranking in the Senate leadership and will move up to the second-ranking whip's position if re-elected. But he is unpopular in Pennsylvania, stuck at 42 percent in the polls for two years. Casey, son of the late governor, is a pro-life Democrat who is not popular in Philadelphia and a weak candidate. Nevertheless, Casey looks like a cinch.

Sen. Dole Says Dems Content To Lose War (USAT)

USA Today, November 6, 2006

The head of the Republican Senate campaign committee, Elizabeth Dole of North Carolina, said Sunday that her party will retain its majority partly because “Democrats appear to be content with losing” the war in Iraq. Her Democratic counterpart, Charles Schumer of New York, said his party wants to win the war, “which is why we want to change the strategy.”

Dole also said voters will be more focused on local issues. On Iraq, she said: “To pull out and withdraw is losing. The Democrats appear to be content with losing.” Schumer cited polls showing voter dissatisfaction with President Bush's war policy. Democrats need to add six Senate seats to have a majority.

Cheney plans first hunt since accident

Vice President Cheney will spend Election Day on his first hunting trip since he accidentally shot a companion last February on a private Texas ranch.

Lea Anne McBride, his press secretary, said it was an annual hunting outing and said Cheney spent Election Day in 2002 at the same lodge. On a Feb. 11 quail hunting trip, Cheney shot attorney Harry Whittington in the torso, neck and face with his shotgun. Whittington was hospitalized for six days.

Governor tailors campaign to football

Wisconsin Gov. Jim Doyle worked his campaign schedule around the Green Bay Packers. Doyle, challenged by Republican Mark Green, met with Democratic Party workers in Marathon County two hours before kickoff of the Packers game against the Buffalo Bills in Buffalo. His second stop in Eau Claire started during halftime. His final stop at a sports bar in La Crosse was set for after the game. “The only thing the governor schedules during Packer games are Packer games,” spokeswoman Melanie Fonder said.

Candidates Making Final Push To Break Out (WP)

By Michael D. Shear And John Wagner

The Washington Post, November 6, 2006

Two of the Washington region's top Republicans -- Virginia Sen. George Allen and Maryland Gov. Robert L. Ehrlich Jr. -- spent yesterday fighting off fierce electoral challenges that could stall their political careers and reverse GOP successes in their states.

Allen returned to the folksy approach that has endeared him to Virginians for almost two decades, tossing a football at FedEx Field before the Redskins game as he schmoozed with potential voters at a tailgate party. Later, he ditched a pair of brown Wranglers for a suit at an Ashburn event with former New York mayor Rudolph W. Giuliani.

Ehrlich mingled with volunteers at a Republican call center in Prince George's County yesterday afternoon, appearing relaxed and upbeat about his prospects. Afterward, he, too, campaigned with Giuliani, whom he called "wildly popular within the [Republican] party and with many independents and Democrats."

The Democratic challengers in those races also used the last weekend of the campaign to stir their supporters. In Virginia, James Webb campaigned in the southwest region. In Maryland, Baltimore Mayor Martin O'Malley appeared with former president Bill Clinton -- something Webb is scheduled to do today.

Public polls showed both men locked in dead heats. Surveys by Mason-Dixon published yesterday had Allen trailing Webb by one percentage point and Ehrlich tied with O'Malley. Previous polls, including a Washington Post poll last weekend, showed O'Malley ahead.

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The reelection bids by Allen and Ehrlich, along with the Senate race in Maryland between Rep. Benjamin L. Cardin (D-Md.) and Lt. Gov. Michael S. Steele (R), are crucial to national and local political efforts. The Senate races could decide which party controls that chamber of Congress. But the election tomorrow also will offer fresh evidence of political trends in the Washington region, where Allen, Ehrlich and Steele have created a resurgence in their states' parties. Losses by any of them -- particularly incumbents Allen or Ehrlich -- would raise questions about the future of the GOP in their respective states.

Webb, for his part, finished a two-day swing through the rural communities of southwest Virginia with former Nebraska senator Bob Kerrey (D) and the president of the United Mine Workers union. The last-minute blitz in the "Fightin' Ninth" congressional district has become a Democratic tradition in Virginia.

Webb will wrap up his campaign with a rally in Alexandria with Clinton.

O'Malley also was betting on Clinton's popularity in the largely Democratic Free State. He held a boisterous, late-night rally with the former president that drew more than 1,000 people to Prince George's.

Earlier, O'Malley was joined on the campaign trail by Atlanta Mayor Shirley Franklin, the latest big-city mayor to testify to O'Malley's national reputation as an effective reformer. Today he is scheduled to appear with former vice president Al Gore in Montgomery County.

Steele campaigned in churches and gave an interview on Fox News Channel, hoping to catch up to Cardin in what polls suggest is a tightening race. Cardin joined O'Malley at the Clinton rally and also campaigned at churches yesterday.

The former president and former New York mayor were the top draws this weekend, helping to swell crowds and whip passions for an election that voting officials say already promises larger-than-usual turnout.

"This isn't a time for experimentation and for turning back the clock, which is what George's opponents want to do," Giuliani told the crowd of about 200 in Ashburn. "President Bush and the Republican Party have decided we're going to be on offense, and George Allen understands that."

Giuliani had a similar message for Ehrlich supporters: "He is a darn good governor, and he's doing a very good job," Giuliani, a possible 2008 presidential contender, told a crowd of about 200 at a firehouse in Prince George's. "You don't turn the clock back."

Hours later, on the other side of the partisan divide, Clinton arrived at an ornate reception hall of a church in the same county, a majority-black jurisdiction that is home to more Democrats than any other county in Maryland.

"I wanted to be here because I know Ben Cardin, I know Martin O'Malley, and I know what's going on in this country," Clinton said. "There are people all over America who would give anything to have people like this to vote for."

In two days, the candidates will know their fate: Win or lose. In or out. Staying or leaving.

With all three races very close, political parties in both states wonder what message voters will send tomorrow. Wins by Cardin and O'Malley in Maryland would confirm basic assumptions about the state's Democrat-leaning electorate. Victories by Ehrlich and Steele would go a long way toward ushering in a true two-party system in a state where registered Democrats have long outnumbered Republicans 2 to 1.

Conversely, a victory by Webb in Virginia would cement his party's resurgence in a state that has been considered a conservative stronghold since the early 1990s -- when Allen won the gubernatorial election. A win by Allen, despite a bruising campaign, would offer a reminder of the state's core leanings.

"You have this changing dynamic in Virginia that the Democrats have been pretty good in adjusting to," said Robert D. Holsworth, director of the Center for Public Policy at Virginia Commonwealth University. "Even if Allen wins, the very close nature of this race will have to lead them to think about how they adjust the message."

In Virginia yesterday morning, Allen taped a two-minute paid television spot that will air tonight in major markets across Virginia. In it, Allen will appear with Sen. John W. Warner (R), one of the state's most respected politicians, and talk about the war in Iraq.

Then, it was onto FedEx Field for tailgate festivities before the game between the Dallas Cowboys and the Washington Redskins. Allen's father and namesake was a Super Bowl-winning Redskins coach.

"I think he's gotten a bum deal on all of these ads criticizing him," said Ryan Travers, 32, a sales manager from Richmond. "They've been crazy negative."

"Good luck! Go get 'em!" another man yelled. Thomas Robinson, 33, a businessman from Haymarket, said he's voting for Allen, too. "I like to deer hunt, and I like his views," Robinson said.

Allen used football analogies to describe his fight against Webb. "We're focused," Allen said. "In football you learn that if you get knocked down, you get back up."

Hundreds of miles away, Webb sounded increasingly confident as he hammered his campaign themes of creating a diplomatic solution to the Iraq war, bridging the gap between the rich and poor, raising the minimum wage, closing corporate tax loopholes and fighting for fair trade.

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"You have given your loyalty, and you will have my loyalty, and I will work to bring fairness back to the economic system," Webb told about 150 supporters in Grundy, including dozens of current and retired coal miners.

Kerrey, who like Webb is a Vietnam War combat veteran, told the crowd that Webb "will put the law on the side of wages, health benefits and pensions."

"Jim has never forgotten it's important to live by those three words: family, honor, country," Kerrey said. "It's not phony for him."

In Big Stone Gap, Webb also sharpened his critique of Bush's policies and predicted the White House will face aggressive questions from a Democratic Congress.

"If you all help us, if we get out the word, on Wednesday morning the White House is going to wake up, and they are going to look out over the Capitol building and say, 'We've got a problem,' " Webb said.

In Maryland, O'Malley said he hoped the Clinton rally and an ad featuring the former president would help counter months of attacks on his record.

"With the Republican Governors Association coming in and spending all that money, going negative and trashing a record of accomplishment in Baltimore, it's nice to have someone who's known and respected come in and tell it like it is," O'Malley said.

Both races in Maryland could hinge on turnout in Prince George's -- a point several speakers tried to drive home at last night's rally.

"It's not about strategy anymore," Prince George's County Executive Jack B. Johnson (D) told a racially diverse crowd waving O'Malley and Cardin placards. "It's about your heart. Do you want this victory more than they want it?"

In Maryland's Senate race, Steele made time Sunday for an interview on Fox News, in which he continued to present himself as a populist, in touch with "real life" and independent of both parties.

When asked by host Chris Wallace why blacks in Maryland should vote Republican when the balance of power in the Senate is at stake, Steele said, "I'm not asking them to vote Republican."

"I've not come to them as a Republican or a Democrat, as an African American or anything other than who I am," Steele said from the parking lot of the First Baptist Church of Glenarden. "Someone who believes in public service, who wants to go to Washington to try his best to make a difference in a town that has forgotten where people live and how they live."

Cardin and his wife, Myrna, traversed Prince George's yesterday morning, attending services at three African American churches.

Later in the day, he spoke at a Potomac synagogue before heading back to Prince George's to pump up volunteers at a VFW hall and to meet up with Clinton and O'Malley.

In the District, candidates for the competitive race for the Ward 6 seat on the D.C. Council concentrated most of their efforts in and around Capitol Hill, where turnout is usually high on Election Day.

Democratic nominee Tommy Wells hit the church circuit, knocked on doors and held a rally with volunteers. Will Cobb, who is running as an independent, met voters outside Eastern Market in the morning. Republican nominee Tony Williams could not be reached for comment.

Staff writers Ann E. Marimow, Chris L. Jenkins, Lisa Rein, Tim Craig, David Nakamura and Elissa Silverman contributed to this report.

Protectionist Stance Is Gaining Clout (WSJ)

By Greg Hitt

The Wall Street Journal, November 6, 2006

DUBUQUE, Iowa -- Bidding for a congressional seat held by a free-trade Republican for nearly two decades, Democrat Bruce Braley has gained an edge by taking the opposite view: bashing globalization.

In one of the most closely watched congressional races, Mr. Braley has made opposition to the Bush administration's free-trade agenda a centerpiece of his campaign. He has run ads blaming the state's job losses on President Bush's "unfair trade deals." He has urged more focus on labor rights in national trade policy and talked of using economic sanctions to keep America competitive. "Our workers aren't on a level playing field," he says.

Mr. Braley's stance has helped propel the 49-year-old lawyer, who is running against an unabashedly free-trade Republican, into position to reverse recent trends and secure a Democratic win in Iowa's First District. His strong showing not only underscores how trade concerns have emerged as a central issue in many of this year's races but also suggests a more-protectionist U.S. trade policy if Democrats take Congress.

Even if Democrats don't win control, the campaign rhetoric may have a lasting effect, because some Republicans are finding it more painful politically to defend free trade.

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The trend is worrying the business community. Top financial-services executives identified "protectionism" as the biggest threat to continued economic growth, after terrorism, according to a recent Financial Services Forum survey. The U.S. Chamber of Commerce is spending about $10 million nationwide in the final days of the campaign to rally supporters for candidates sympathetic to business priorities, including free trade.

Democrats must pick up 15 seats to regain control of the House, and in more than a dozen districts up for grabs, trade issues are giving them an edge over Republicans damaged by Iraq and the scandal involving former Rep. Mark Foley and messages he sent congressional pages. Similar forces are roiling the fight for the Senate, where six additional seats would put Democrats in charge.

In western New York, Tom Reynolds, head of the Republican House campaign committee, is fighting a protectionist businessman and may lose. Richard Pombo, a California Republican who cruised to victory two years ago, is facing an eleventh-hour challenge from a Democrat pledging to "change our trade policy" so American farmers can better compete against foreign producers. In the Senate, which approves many trade treaties, Democrat Sherrod Brown is poised to unseat Ohio Republican Mike DeWine by capitalizing on worker resentment over globalization.

Pew Research data show the sense of vulnerability among workers. A recent poll shows low-skilled U.S. workers are over 40% more likely to believe their jobs could be sent offshore.

Trade is a perennial political dividing line. But the issue is taking on importance this year, amid increased public anxiety over globalization and activism by trade opponents. The political committee formed by the Citizens Trade Campaign, a labor, farm and environmental coalition, dispatched organizers after Labor Day to a dozen battleground districts to rally free-trade opponents. Protectionist sentiments and economic nationalism appear to be emerging as symbols of a broader but less well-defined sense of economic unease, which is particularly apparent in the Midwest this year.

The Republican-controlled Congress has already showed its sensitivity to the issue, helping derail a deal by Arab-owned Dubai Ports World to purchase the commercial operations at five U.S. ports and approving millions of dollars to build a wall to stem the tide of illegal immigrants from Mexico. Republican leaders have put aside initiatives on the Bush free-trade agenda, delaying action on a trade pact with Peru and pushing the White House to commit to a plan to possibly curtail imports from Vietnam.

The trend may become more pronounced if Democrats take one or both houses of Congress. In the 1990s, a bloc of House Democrats regularly supported free-trade initiatives like the North American Free Trade Agreement. These numbers have fallen as doubts increase about globalization, with only 15 Democrats backing the Central American Free Trade Agreement in 2005. The emergence of candidates like Mr. Braley could accelerate the Democrats' transformation.

ELECTION 2006

Take a look at some of the most noteworthy campaign commercials, including a bitter back-and-forth in the Massachusetts governor race and the Corker-Ford rivalry in Tennessee. (See related story1.)

Massachusetts

Tennessee

Trade policy may be the biggest issue in which a Democratic majority in the House could make headway against the president in the next Congress. That is because President Bush's ability to send trade deals to Congress for a vote without amendments will expire in July. Congress will decide whether to renew his authority, with action beginning in the House.

That would give Democrats leverage to seek Bush commitments to help U.S. workers, such as putting labor rights and environmental protection alongside corporate concerns like patent protections in negotiations with other countries. Democrats might seek an overhaul of programs to help workers who lose jobs to foreign competition.

In Iowa, Mr. Braley's antiglobalization theme is striking a chord among voters in this rural district, which wraps from Davenport up the Mississippi River to Dubuque and west to Waterloo, Mr. Braley's hometown. Since 1990, the district has been represented by Republican Rep. Jim Nussle, a supporter of free trade who is now waging an uphill battle for governor.

Mr. Braley's own story has helped frame the populist themes of his campaign against his Republican opponent, businessman Mike Whalen. Mr. Braley grew up in a small farming community, where his parents struggled to make ends meet after his father shattered his leg on the job. The younger Mr. Braley washed dishes and drove a dump truck to help pay for college.

Iowa's uneven economic performance has warmed voters to Mr. Braley's message, which also emphasizes protecting Social Security and raising the minimum wage. While pockets of the state are prospering, the number of manufacturing jobs remains far below its 2001 peak, as companies have pared work forces in the face of foreign competition. A May announcement by Iowa icon Maytag, a unit of Whirlpool Corp., that it plans to lay off 2,000 workers in the state added to residents' unease.

Even Mr. Whalen, who scoffs that Mr. Braley is living in a "protectionist fantasyland," concurs that "deep down, there is that kind of angst" over trade and the economy.

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This is the first bid for public office by Messrs. Braley and Whalen. The race is tight, but Mr. Braley's stance on trade appears to be winning over swing voters like Ken Brimeyer, who could make the difference tomorrow.

Mr. Brimeyer runs the loading dock at Flexsteel Industries Inc., a furniture maker in Dubuque. He twice voted for Rep. Nussle, but now plans to vote Democratic. One reason: President Bush's free-trade agenda. In the past four years, the number of jobs at Flexsteel has fallen 60%, to 250, as much of the upholstering work once done at the plant has been shifted to China, where labor is cheaper. "It makes you angry," Mr. Brimeyer says.

Messrs. Braley and Whalen have aired dueling ads that sharpened their differences on trade. In mid-October, a Braley television ad focused on the state's job losses and accused Mr. Whalen of supporting Bush-backed "trade deals that ship Iowa jobs overseas" and being "out of touch with working families."

Commerce Secretary Carlos Gutierrez, campaigning in the district for Mr. Whalen, issued a rebuke several days later. "These trade agreements work," Mr. Gutierrez said. "We're talking about real jobs here, and we should not be playing with protectionist polices that put these jobs at risk."

Mr. Whalen's radio ad alleged Mr. Braley's approach would harm Iowa farmers and manufacturers who depend on exports. He pointed to the Alcoa Inc. plant in Davenport, where 2,000 workers make aviation parts for Boeing Co. and Airbus. "Without international trade, those Iowa jobs would be gone," Mr. Whalen, who toured the plant in mid-September, said in his ad.

Last week, a U.S. Chamber of Commerce team canvassed the district and blanketed it with mailings touting Mr. Whalen's free-trade credentials. But chamber strategist Doug Loon acknowledges the race is tight and frets about the effect on trade policy if Mr. Braley wins. The seat "is clearly in jeopardy," he says.

Politics Gone Mild For Investors The Prospect Of Shift In Congress Doesn't Carry Much Of A Threat; Popular Theory: 'Gridlock Is Good' By CHRISTOPHER CONKEY (WSJ)

The Wall Street Journal, November 6, 2006

WASHINGTON -- The prospect of big losses for business-friendly Republicans in tomorrow's midterm elections is eliciting more shrugs than fears on Wall Street.

At first blush, this seems strange. A Democratic triumph that included winning one or both houses of Congress could undermine Republican economic policies such as tax cuts and deregulation that Wall Street tends to favor.

Amid the drumbeat of scandals and discouraging news from Iraq, futures traders in the Iowa Electronic Markets have raised the likelihood that Republicans will lose control of the House of Representatives to nearly 80% from 40% six months ago. The Iowa markets indicate that the Republicans ought to hold the Senate. That, plus a Republican president, may be one reason investors have taken a sanguine approach to the election.

As the Iowa markets have spent the past half year increasing their bet on a Democratic house, the Dow Jones Industrial Average has surged to a nearly 9% gain, even after last week's losses. "The equity markets are sort of shrugging it off," said Smith Granade, an associate economist who tracks election markets for Moody's economy.com. "We think they'll continue to do so, although there will probably be a little dip if Democrats actually win the House."

The first and most frequently cited rationale for Wall Street's nonchalance at the specter of a Democratic triumph is the old "gridlock is good" maxim. In other words, Democratic control of at least one chamber of Congress would mean divided government, making it less likely adverse legislation or excessive spending would pass.

This theory has holes, but it still carries great weight among many economists and investors. In the most recent WSJ.com survey of economists, 37% said the economy would perform best if Democrats win control of the House, versus 34% who said it would if Republicans maintain their grip. The most frequently cited reason was the potential for fiscal restraint at a time when the U.S. government is running large deficits.

William Niskanen, a former member of President Ronald Reagan's Council of Economic Advisers who now serves as chairman of the libertarian-leaning Cato Institute, said federal spending in the U.S. since 1949, after adjusting for inflation and population growth, has been roughly three times as low during periods of divided government as when one party runs the show.

That suggests gridlock could lift bond prices, as less government debt would tend to curtail the supply of bonds, but it might not help stocks. A recent study published in the Financial Analysts Journal that examined the monthly inflation-adjusted performance of 10 indexes found that stocks rose 6% per year during months of gridlock but soared 22% per year during months of one-party rule.

"The evidence doesn't back up the gridlock-is-good argument," said Tom Gallagher, senior managing director at ISI Group, a brokerage firm. It is more likely, Mr. Gallagher said, that investors seize on divided government as an easy outlet for their frustration with Washington. That enables them to return their focus to traditional drivers of stock prices like profits, economic

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growth and inflation. "People in the markets are inherently frustrated with politics. It's a way of dismissing politics and moving onto other things."

Another reason investors may be ignoring the potential reordering: history. Since 1946, the Standard & Poor's 500-stock index has almost always rallied in the fourth quarter following a midterm election. "I think it's just the markets wanting to get past the negative news flow of the campaigns and the uncertainty," said Jeffrey Kleintop, chief investment strategist at PNC Financial Services Group.

The two exceptions to this rule were in the fourth quarter of 1978, when inflation was jumping, and 1994, right after Republicans swept into control of Congress.

In the year after midterm elections, the S&P 500 has posted a whopping 23.1% average annual gain since 1946, according to Joseph Quinlan, chief market strategist at Bank of America Corp. By comparison, the S&P 500 has increased by an average of 7.8% in the year following a presidential election over the same period. Many economists said they expect the markets to be much more interested in 2008 when, as Mr. Kleintop said, "everything will be up for grabs."

The strong performance of stocks in the 12 months after midterm elections coincides with the third year of the presidential cycle. Many analysts said they expect a similar pattern this year, although gains may be muted given the tepid pace of economic growth. "We expect the markets to grind higher in the coming months, although robust gains are not likely given the effects of the U.S. housing recession on the U.S. economy and the fact that many indices are already priced for perfection," Mr. Quinlan wrote in a recent research note.

Futures markets aside, it is hard to predict the outcome of the midterm elections because it depends on the aggregate result of so many close races. Some observers just may not be convinced Democrats will gain the 15 seats they need to retake the House.

If Republicans pull off an upset and hold onto both houses, it could occasion a short-term bounce in stock markets. "Let's face it. The people that hold [equity] assets are Republicans, by and large," said Kurt Karl, chief U.S. economist at Swiss Re. "There might be some euphoria in the short term."

While stocks may be unscathed by Republican losses, many analysts caution that some could come under pressure. Drug stocks could suffer because Democratic leaders might push to have Medicare negotiate lower prices with pharmaceutical companies. Oil companies could face renewed calls for a "windfall profits" tax. Wal-Mart Stores Inc. could face pressure from efforts to boost unionization.

As Drug Prices Climb, Democrats Find Fault With Medicare Plan (NYT)

By Alex Berenson

The New York Times, November 6, 2006

For big drug companies, the new Medicare prescription benefit is proving to be a financial windfall larger than even the most optimistic Wall Street analysts had predicted.

But those gains may come back to haunt drug makers if Democrats take control of Congress this week.

Democrats, who have long charged that the drug industry is profiteering at taxpayers' expense, say they want to introduce legislation to revoke the law that bars Medicare from negotiating prices directly with drug makers like Pfizer for the medicines it buys.

Medicare now pays for drugs indirectly, through the private insurers that administer the prescription program — and those insurers typically pay higher prices than government agencies, like the Veterans Administration, that buy medicines directly from drug makers.

The government is expected to spend at least $31 billion this year on the drug benefit, which provides partial drug coverage for people over age 65, according to the federal agency that runs Medicare. Next year, the program is expected to cost almost $50 billion — almost 20 percent of overall American drug spending.

Democrats say that directly negotiating with drug makers could save taxpayers tens of billions of dollars annually, though some independent analysts say those projections are probably exaggerated.

Republicans, and the pharmaceutical industry, say that the benefit program is working and has cost less than initially projected. More than 38 million Medicare beneficiaries are enrolled in the program, and most say they are satisfied with their coverage, said Michael O. Leavitt, the secretary of health and human services.

"It's very clearly working," Mr. Leavitt said. "We now have 90 percent of seniors in this country who have prescription drug coverage."

But Wall Street analysts say they have little doubt that the benefit program, called Part D, has helped several big drug makers report record profits and exceed earnings forecasts made earlier in the year.

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Companies have raised prices on many top-selling medicines by 6 percent or more this year, double the overall inflation rate. In some cases, drug makers have received price increases of as much as 20 percent for medicines that the government was already buying for people covered under the Medicaid program for the indigent. Medicare also pays more than the Veterans Administration, which runs its own benefit program.

"Part D was a good thing for almost everybody," said Les Funtleyder, an industry analyst at Miller Tabak, a research firm in New York.

Drug makers have tried to play down their gains from the program because they do not want to be seen as profiteering in an election year, Mr. Funtleyder said. "You don't want to draw too much attention to how good it's been."

Democrats claim the government could save as much as $190 billion over the next 10 years if it negotiated directly. Those savings could help shrink the "doughnut hole," the gap in Part D coverage that forces many beneficiaries to pay about $3,000 a year for drugs, said Brendan Daly, a spokesman for Nancy Pelosi, the Democratic leader in the House.

"What we're planning to do is give Medicare a chance to negotiate prices, and we'd use some of the savings to close the doughnut hole," Mr. Daly said.

Republicans say the savings estimates offered by the Democrats are vastly inflated. They note that Medicare has already cut its 10-year projection of the program's cost by $117 billion, though the program is still expected to cost taxpayers $516 billion over the next decade. Republicans also note that, in independent surveys, most seniors say they are happy with the benefit.

"The competitive marketplace has saved much more money than anyone has ever anticipated," said Leslie Norwalk, the deputy commissioner of the Centers for Medicare and Medicaid Services.

Ken Johnson, senior vice president at Pharmaceutical Research and Manufacturers of America, the main lobbying group for drug makers, said that allowing Medicare to negotiate directly would be unfair because the government had too much market power.

"The government doesn't negotiate prices — it dictates prices," Mr. Johnson said.

Also, the Veterans Administration and Medicare plans are not directly comparable, he said, because the average Medicare drug plan covers 4,300 medicines, while the V.A. covers only 1,300.

The structure of Part D is complex. Medicare does not directly provide coverage. Instead it subsidizes plans offered by private insurers. Insurers negotiate prices with drug makers and create menus of different plans, some with high premiums and broad drug coverage and others that offer basic coverage at low premiums. All plans have to follow certain basic rules, like offering at least two medicines in every drug category.

Medicare then calculates the cost of the average plan and pays every insurer a subsidy of about 75 percent of that cost. Beneficiaries cover the rest, with the amount they pay depending on what plan they choose.

For example, if the average plan costs $100 a month, Medicare will pay all plans a $75 subsidy for everyone who enrolls, and a person who enrolls in the average plan will pay $25. In most states, beneficiaries can choose from among 40 to 60 plans, Ms. Norwalk said.

Part D has raised profits for drug makers both by increasing the prices they receive and by encouraging beneficiaries to fill prescriptions they might otherwise have been unable to afford, analysts say.

The biggest gains have gone to companies that make drugs widely used by the Medicaid program, which covers the indigent. Poor people over 65, known as "dual eligibles," previously received drugs through Medicaid.

Drug makers were legally required to give Medicaid a discount of at least 15 percent, and sometimes significantly more, from their list prices. Now Medicaid recipients over 65 are covered through the Part D program, which does not require the same discounts. As a result, drug makers are being paid as much as 20 percent more for the same drugs that they had already been providing to recipients under the Medicaid program.

The biggest gainer, analysts say, is Eli Lilly, which makes Zyprexa. Zyprexa, used to treat schizophrenia and other severe mental illnesses, is widely prescribed to Medicaid patients.

Lilly, the sixth-largest American drug maker, reported two weeks ago that its third-quarter sales had risen 7 percent, to $3.9 billion, and its profits were up 10 percent, to $874 million, compared with 2005. According to Lilly's published review of the quarter, the sales gains resulted almost entirely from Lilly's prices rising 11 percent in the United States, while actually falling in Europe and Japan.

"We are experiencing a one-time sales benefit resulting from a shift of certain low-income patients from Medicaid to Medicare," a company spokeswoman, Terra Fox, wrote in an e-mail response to questions about Part D. Ms. Fox declined to quantify how much Lilly had gained from the shift.

But Lilly is hardly alone in benefiting. Pfizer, the world's largest drug maker, said its sales soared 14 percent in the United States in the third quarter, while rising only 3 percent internationally. Over all, Pfizer said its profits more than doubled, to $3.4 billion from $1.6 billion, though part of the difference came from high one-time charges last year.

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Pfizer did not disclose how much of the sales growth came from price increases and how much from new prescriptions, but earlier this year Pfizer raised the list prices of some of its biggest drugs by 5.5 percent or more, well above the inflation rate.

Tony Butler, an analyst at Lehman Brothers, said both volume growth and price increases had driven the industry's rising profits. But he said he did not expect major changes in the Part D plan even if the Democrats took over Congress, since President Bush would probably not sign any legislation that would allow Medicare to negotiate prices directly.

"It's our belief that the White House will veto it," he said.

OTHER NEWS

Noted With Horror (WP)

By Elizabeth Williamson

The Washington Post, November 6, 2006

Linda Combs, Office of Management and Budget controller, speaking at a lunch discussion last week about the president's management scorecard, which tracks government agencies' progress on a series of management priorities, including strategic management of human capital, competitive sourcing, improved financial performance, expanded electronic government, and budget and performance integration.

The scorecard gives agencies -- write this down -- green for success, yellow for mixed results and red for unsatisfactory. Combs drew pained looks from federal employees in the audience when she said private-sector executives tell her that they want their own scorecard systems, because they "love the red, yellow, green."

US Joblessness Ebbs To Rare Historical Low (CSM)

By Ron Scherer And Ben Arnoldy

The Christian Science Monitor, November 6, 2006

NEW YORK AND BOSTON

It is not often that the nation's unemployment rate sinks to 4.4 percent.

It did in 2001, when dotcom entrepreneurs were still writing checks that didn't bounce. Jobs were also plentiful in the early 1970s, when the nation was at war in Vietnam. Ditto for 1957, when the economy had fewer women, teenagers, and minorities in the workplace.

Now, add October 2006 to the list.

In the last major economic report before Tuesday's showdown at the ballot box, the Labor Department says the unemployment rate is now at that level, down from 4.6 percent in September. It is a piece of good news for an embattled president and suggests the economy is stronger than many recent estimates. The downside is that the Federal Reserve, which has not raised interest rates in its past three meetings, may have to think about a rate increase early next year - which would keep inflation in check but could cause unemployment to rise.

"By its first meeting in 2007, the Fed will have to give active consideration to raising interest rates," says Lyle Gramley, a former Fed governor who is now a consulting economist at Schwab Washington Research Group. "The odds are that rates are going up, not down."

In the past, the Federal Reserve has stomped on the monetary brakes - pushing the economy into a recession - when the unemployment rate has dropped this low. But this time, Mr. Gramley says, the financial backdrop is different: Long-term interest rates are at the same level as June 2004, the stock market is up 15 percent, and the dollar is down 5 percent.

"Normally, when the Fed is raising short-term rates, you expect the stock market to weaken and the dollar to rise. [But current] financial conditions are still quite accommodative, and as a result [raising interest rates] is not likely to drive the economy into a recession." Dip in productivity

The latest economic numbers, while positive for workers, may indicate a shift is taking place in the economy, says Gregory Miller, chief economist at SunTrust Banks in Atlanta. "More people are working, but we produced less. This suggests productivity is no longer a dominant force," he says. "Strong productivity is good for sustainability."

The buoyant job market is not a surprise to employment specialists. At Spherion, a staffing company based in Fort Lauderdale, Fla., demand remains strong in accounting, information technology, the legal field, sales, and marketing. "One of the exceptions is interest-sensitive areas like mortgage banking," says Brendan Courtney, senior vice president.

Layoffs normally increase at this time of year, says John Challenger of the Chicago outplacement firm Challenger, Gray & Christmas. But layoffs last month were down 15 percent compared with a year ago and 30 percent lower than September's rate. "It indicates the labor market is strong now."

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One reason the unemployment rate has fallen so low is an increase in the number of self-employed people, according to Mr. Challenger. "The economy has really changed. People want to work for themselves."

One such person is Moira Madell of Madell Consulting in Chicago. Ms. Madell, who worked for a benefits consulting firm for nine years, used to consider her human-relations consulting job temporary. But now, she says, it allows her the flexibility to raise a family. "It's very satisfying, a nice fit for me."

Many low-skilled workers are finding many job openings, but very few that pay well or offer decent benefits, says Barney Oursler, co-director of the Mon Valley Unemployed Committee in Homestead, Pa.

While the boom in the healthcare industry has given new hope to some low-skilled workers, Mr. Oursler warns them that without training they'll wind up changing bedpans for about the same pay as working at the local Target. Two years of training are typically needed for higher-paid healthcare work.

In fact, when Betty Mesler of Fairchance, Pa., was laid off last year from a nearby Sony television factory, she knew right away that she needed to retrain. Retail jobs wouldn't pay enough, and as for factory work, it wasn't realistic.

"I knew that, especially in our area that's so depressed, factory work was just not ever going to be an option, and I knew that the healthcare field is a lot more stable," she says.

She enrolled in a 14-month course to train as a surgical technician. She expects starting pay to be $11 to $14 an hour - not as much as Sony paid, but over time, a decent wage. "Working in a factory was fine, but you don't really have a skill," says Ms. Mesler. 15,000 applications for 300 jobs

Even in hotter economic regions like the South, there's still a scrum for jobs. When Toyota announced it would hire 300 new assembly-line jobs at its Huntsville, Ala., plant in 2002, the company received 30,000 requests for applications. Some 15,000 people ended up applying. In the past 12 months, the company has hired an additional 350 workers from a pool of 10,000 applicants in an area with an unemployment rate of about 3.5 percent.

"We found a lot of people wanting to improve their standard of living, or wanting to find a job that they know is stable and going to be here for the long haul," says Stephanie Deemer, spokeswoman at the Alabama facility.

Some parts of the country are actually experiencing labor shortages. In Fargo, N.D., which has the lowest unemployment rate in the nation at less than 2 percent, some local businesses are having trouble keeping workers on the production floor because they're job-hopping for signing bonuses, says Adrienne Olson at the local Chamber of Commerce.

Among workers with college degrees, the unemployment rate in October is at 1.9 percent. Arizona State University in Tempe has moved away from recruiting fairs in favor of letting employers come on campus at short notice to try to hire from the 51,000-student pool. The boom both in Tempe and statewide has made it one of the best times for graduates in the past 10 years, says Ray Castillo, director of Career Services at ASU.

"It certainly is a much more positive experience than what it might have been a few years in the past," he says. "A lot of it has to do with where we are physically located. We're in a [location] where there is a lot of expanding."

The Fed's Confession (WSJ)

The Wall Street Journal, November 6, 2006

When it comes to admitting error, central bankers tend to emulate Benjamin Disraeli, who famously said "never complain, never explain." So it was nothing short of astonishing last week for Richard Fisher, President of the Federal Reserve Bank of Dallas, to confess in public that the Fed had blundered by keeping monetary policy too easy for too long in 2003 and 2004.

Speaking to bankers in New York, Mr. Fisher issued a mea maxima culpa that deserves wide attention: "In retrospect, the real fed funds rate turned out to be lower than what was deemed appropriate at the time and was held lower longer than it should have been." As the nearby chart shows, a Fed worried about possible "deflation" moved the overnight interest rate it charges banks in June 2003 to an extraordinarily low 1% and kept it there for another year.

Mr. Fisher blamed this mistake on "poor data" that underestimated inflation, leading "to a policy action that amplified speculative activity in the housing and other markets. Today, as anybody not from the former planet of Pluto knows, the housing market is undergoing a substantial correction and inflicting real costs to millions of homeowners across the country." In other words, the Fed itself is responsible for the current housing bust because its over-easy policy created a real estate frenzy that was bound to end once the Fed tried to regain control over inflation expectations.

Mr. Fisher was careful to say he was speaking only for himself. But we'd sure like to know what his Fed colleagues think of his argument -- not least current Fed Chairman Ben Bernanke, who was a Fed governor for much of that time and had been one of those fretting loudest about the risks of "deflation." We can only assume that former Chairman Alan Greenspan is also preparing a chapter on this era for his memoirs.

Readers of these columns will not be surprised to learn that we think Mr. Fisher is correct and deserves credit for his candor. But the real import of his remarks isn't 20-20 hindsight so much as a chance for the Fed, and much of the economic

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establishment, to rethink its inflation models. Mr. Fisher bluntly concedes that "most economic data are inherently backward looking, often to a disconcerting degree." Thus the data the Fed was watching in 2003 suggested that prices were falling even as they were beginning to rise.

But this lets the Fed off the hook a little too easily. Throughout this period, and especially into 2004, there was plenty of other "data" flashing yellow and then red about rising inflation. The dollar was weak, both against other major currencies and especially against gold, which began a price surge not seen since the 1970s. Commodity prices across the board -- notably oil -- also began a rise that to our mind couldn't be explained merely by an increase in relative global demand. And there were also rising price pressures in dollar-bloc countries overseas, notably in China.

The question for Fed governors is why they discounted this evidence of real-time rising prices. Instead, Mr. Fisher says they were watching their own alphabet-soup of price indexes, such as the CPI and PCE, all of which look through the rearview mirror. That's assuming they were even watching prices at all, rather than the job market or the "output gap," or other measures that are dubious guides for monetary policy. The best guide for maintaining stable prices is to watch actual prices, or what economists call a price rule.

To be fair to the Fed, its policy decisions in the wake of the stock-market collapse were stellar through 2002. And in the years since it has had plenty of company in chasing "poor data." Most Wall Street economists and Beltway politicians were only too happy to cheer on the Fed as it kept its foot on the money accelerator. Some of our supply-side friends also claimed to see no evidence of rising prices, even as home prices rose by double-digits year after year and second homes became investment plays. Inflations are always popular at the beginning, and this was no exception. * * *

Which brings us back to the present. The Fed did finally recognize that inflation was a problem, and the consequences of its own policy correction are now being felt in the economy, especially in housing. As Mr. Fisher conceded last week, the housing slump "is complicating the task of achieving our monetary objective of creating the conditions for sustainable non-inflationary growth." Translation: We may have to tighten money further to restore stable prices, but we're afraid we'll tank the economy if we do. This is the dilemma the Fed's easy-money mistake has made for itself, and for the rest of us.

The good news is that the economy entered this rough patch with considerable momentum that may yet avoid a Fed-induced recession. The incentives from the 2003 tax cuts remain in place and have helped to boost investment and corporate profits. As last Friday's blowout October jobs report showed, the labor market remains strong and wages are increasing. If we're lucky, rising incomes will keep consumers spending even if their home values decline. Also if we're lucky, Tuesday's election results will not produce a reversal on tax policy; if anything, we may need another tax cut in the next year or two if the Fed tightens further.

As for the Fed, our reading of history is that the sooner it acts to restore price stability, the better the prospects for long-run growth and prosperity.

Once Safe, Public Pensions Are Now Facing Cuts (NYT)

By Mary Williams Walsh

The New York Times, November 6, 2006

After losing a leg in the line of duty, Dan Toneck, a San Diego police officer, spent nearly a year in rehabilitation before returning to work, doing his job for another five years with an artificial limb.

Mr. Toneck, 37, was granted a disability retirement last year after 16 years on the job. Some of his fellow officers wept as he left headquarters for the last time.

Then, 10 months later, the impossible happened. San Diego cut his pension by about 10 percent, along with those of about 180 other disabled city retirees. “They’re trying to pay the bills on the backs of the employees,” Mr. Toneck said.

Across the country, government workers’ pensions are protected by guarantees even stouter than those on pensions in the private sector. The legal promises, often backed up by union contracts, cover more than 15 million people.

Years of supporting court interpretations have enshrined the view that once a public employee has earned a pension, no one can take it away. Even during New York City’s fiscal crisis 30 years ago, no existing pension promises were reduced.

But now a number of state and local governments are quietly challenging those guarantees. Financially troubled San Diego is the highest-profile example, but a handful of states, cities and smaller government bodies have also found ways to scale back existing promises and even shrink some current payments.

While still only scattered cases, these examples may be an early warning sign of what could be coming elsewhere. As local officials take stock of unexpectedly large obligations to retired public workers, some are starting to question whether service cuts, sales of government property and politically acceptable tax increases can ever go far enough to bring things into balance.

“This is a real-life problem,” said Paul S. Maco, a partner in the law firm of Vinson & Elkins who advises municipalities on the disclosure of these obligations.

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Mr. Toneck said that years ago, while he was still on the police force, he saw signs that San Diego was cutting corners. He recalled having to go to Kmart to buy jumper cables for his squad car. He was not surprised to learn the city had shortchanged the municipal pension fund. But he never dreamed his pension could be reduced.

"It was guaranteed, written in stone — when I retire, I make this much and they're not going to be able to touch that," he said.

His pension was set at about $35,000 a year. But last May, he received a letter saying he would start getting about $31,000 instead.

He and the others on disability pensions fell victim to an ambiguously written pension statute that lawyers noticed while combing through San Diego's financial records in the wake of a pension scandal. But there do not have to be accusations of wrongdoing for a government to start looking into whether its obligations to retirees can be reduced.

Some places, including Oregon, Rhode Island, Milwaukee County and several cities and towns in Texas, have already cut public workers' pensions on the basic argument that their pension funds had gone disastrously out of balance. Whether because of investment losses, faulty calculations or other factors, these places have declared that they can no longer sustain a level of benefits that had looked affordable just a few years ago.

Beyond the sheer political difficulty of removing an existing benefit, an array of legal guarantees — some in statutes, some in state constitutions, some in city charters — were supposed to prevent such reversals. But lawyers have been finding chinks in the armor.

In Texas, the pension guarantee in the state constitution has an unusual clause, giving towns and cities the chance to hold referendums on whether to opt out.

Voters in Houston made that choice after learning that pension sweeteners issued there in 2001 were allowing some people to retire in their 40s. Others, who participated in a special program that let them simultaneously work and collect pension money in high-interest accounts, got an even better deal, sometimes walking away with one-time payments of a million dollars or more on top of their regular pensions. The city raised the eligibility requirements for retirement and cut some of the biggest sweeteners.

Oregon rolled back $6 billion worth of public pensions in 2003, but the cuts have been snarled in legal challenges. In October, a federal appellate panel affirmed that Oregon could stop paying a guaranteed rate of 8 percent a year to participants with individual accounts. But another measure, freezing some retirees' cost-of-living adjustments, is still unresolved.

"Retirees have been in a state of turmoil," said Gregory A. Hartman, a Portland lawyer representing some of them. "They don't know what their rights are. They don't know what they're entitled to."

In Rhode Island, state workers' pensions take an unusually long time to vest, so the legislature was able to cut the planned pensions of everyone with fewer than 10 years of service, about 11,300 people.

In Wisconsin, Milwaukee County has tried to avoid legal battles by working with its eight public employees' unions after a pension scandal broke in 2001. A recall election was held and angry voters ousted seven county supervisors from office after learning they had jacked up pensions, including their own.

"This was a totally corrupt, venal deal by a bunch of politicians and their friends who figured out how to loot the treasury," said Roger H. Quindel, a county supervisor.

Even so, Milwaukee County has been able to make only marginal trims so far. Money is draining out of the pension fund so fast that the county has been contemplating the sale of some parks and an airport, along with cuts in government services. And it plans to ask for pension cuts when its labor contracts come up for renegotiation in January.

"We won't survive if we don't," Mr. Quindel said.

Wisconsin's state constitution does not specifically protect public pensions, but the county's lawyers have warned that a constitutional protection of property rights may cover pensions. The supervisors asked whether the county could shed some of its pension obligations by declaring bankruptcy, as airlines, steel companies and others have sometimes done. The lawyers said no.

In the private sector, a uniform federal pension law bars companies from reducing pensions that employees have already earned. Since pensions are built up over time, this means that if a company freezes or reduces the growth of benefits at some point, workers will earn smaller benefits going forward, but they cannot be stripped of anything they earned before the change. The only way around that rule today requires a bankruptcy judge to approve a default.

In the public sector, the protections often go further. About half of the 50 states have constitutional or statutory guarantees, said Robert D. Klausner, a lawyer in Plantation, Fla., who represents state and municipal pension plans in more than 20 states. "The day you're hired, your benefits are locked in at a minimum level," he said. If a government wants to cut pensions, it cannot apply the cuts to people already in the work force, as a corporation can. It can only apply them to new hires, he said.

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Governments are also studying the guarantees on retiree health benefits because of a new accounting rule that is now requiring them to calculate, for the first time, the total value of the health benefits they have promised to retirees.

The numbers now being disclosed are daunting. Mercer Human Resource Consulting estimates that when all the calculations are done, the nation's states and cities will find they have promised a total of about $1.4 trillion, said Derek Guyton, a senior consultant.

Little, if any, money has been set aside to fulfill these obligations.

Mr. Maco, the Vinson & Elkins lawyer, said he feared that many towns and cities, particularly in places like upstate New York and along the Great Lakes, were about to discover that years of factory closings and job losses had eroded their tax bases so much that they had no realistic way to pay their full bills.

"The steel industry can shut down and close its plants, but that's hard for local governments," Mr. Maco said. After industries move away, the retired teachers and firefighters will still be there.

Pension funds can normally operate for many years with a shortfall, because they have investments to call upon and pensions are paid out slowly. But health claims, with little or no money set aside to pay them, can come due right away.

Some government agencies, like Chicago's municipal bus and rail authority, have set up a potentially explosive situation by arranging their retiree health claims to be paid directly out of their pension funds. "The taxpayers need to understand the seriousness of our situation," said Laurence Msall, president of the Civic Federation, a nonpartisan research group in Chicago. "It's not a far-off crisis."

San Diego's municipal pension fund was also responsible for retiree health care. But when the city's pension scandal broke, officials separated the health obligations.

"Now we're looking at a $3.1 billion debt, and $1.4 billion is health and $1.7 billion is pension," said Michael Aguirre, the city's independent attorney.

He is now in court, leading an unusually aggressive initiative to cut the city's pension obligations, arguing that benefits granted in 1996 and 2002 were issued illegally and must be annulled.

California law protects public pensions, but Mr. Aguirre is arguing that those protections conflict with other laws that govern the actions of public officials, which he says San Diego pension trustees violated. If the court agrees with him, the benefits owed to San Diego's roughly 15,000 city workers and retirees could go back to the level before the 1996 increase — a total reduction of some $500 million to $700 million.

Mr. Toneck, the disabled San Diego police officer, is not directly affected by Mr. Aguirre's case. He has petitioned the San Diego city council to reverse the cut in his pension, arguing that workers disabled on the job are the last people who should pay for a mistake that was caused by an ambiguity in the law.

The council has referred his petition to Mr. Aguirre, who is busy with the broader case.

Meanwhile, Mr. Aguirre said San Diego still had not developed a plan for paying all of its obligations, whatever the courts ultimately rule. He said he might ultimately have to try bankruptcy court.

"There's no good option," he said. "It's only painful."

Houston Missed The Real-Estate Boom Of East And West Coasts, But Now It's Payback Time (WSJ)

By Thaddeus Herrick

The Wall Street Journal, November 6, 2006

HOUSTON -- This sprawling city missed the real-estate boom that sent home prices soaring on the East and West coasts. Now, with much of the nation's housing market in retreat, it has yet to feel even a tremor.

In September, local sales of single-family homes and condominiums were up 17.7% from a year earlier, logging their 32nd straight month of increase, according to the Houston Association of Realtors. The median price of an existing single-family home: $143,400, up 3%.

By contrast, nationwide sales of residential real estate fell 14.2% in September, according to the National Association of Realtors. Home prices nationally were down 2.2%, retreating in such former hot spots such as Washington, Boston and San Francisco. The national median sales price for September for existing single-family homes was $219,800, according to the Houston Association of Realtors.

Houston's gains are nothing like those seen in the past decade in the Northeast and California, but that may be the secret to Houston's success and the reason a bubble is unlikely to develop here. Land here is abundant, and the city has some of the least-restrictive land-use and construction rules in the nation. Those factors help supply to keep pace with demand and keep prices within reach of a broad range of potential buyers.

"We haven't had a bad year in the past decade," says Lorraine Abercrombie, chairwoman of the local Realtors group and marketing director for Greenwood King Properties.

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Houston's model is in stark contrast to cities such as Boston and San Francisco, which have strict zoning, exacting building codes and laws governing historical preservation. Some economists, including Edward Glaeser of Harvard University, say excessive regulation in such cities has slowed construction to the point where demand has outstripped supply, fueling a run-up in home prices.

In the once-sizzling markets where home prices are falling, housing costs are double, triple or even quadruple those of Houston. The danger, says Dr. Glaeser, is such places have priced out today's highly skilled "knowledge workers," forcing them to live in a more affordable locale where their contribution to the economy might not be as great. "These are places where only the elite can live," Dr. Glaeser says.

Not so Houston. Confined by neither oceans nor mountains, the Houston metropolitan area has plenty of room to spread out. What is more, the city has no zoning, weak historical-preservation rules and few tools to preserve open space.

The result is unfettered growth. For that, too, there is a price to be paid.

Houston lacks the historical charm of a city such as Boston and the natural beauty of a place such as San Francisco. In recent years an increasing number of Houston residents have warned that the city's affinity for strip malls, freeways and endless subdivisions may be putting it at a disadvantage in attracting talented workers.

Even so, Houston's economy is humming, thanks in part to a sustained boom in oil and gas and the city's burgeoning medical industry, which attracts patients from all over the world. In addition, the Hurricane Katrina evacuation in 2005 brought tens of thousands of refugees here, pushing up retail sales and lowering apartment-vacancy rates. Most of the Katrina refugees weren't wealthy enough to buy homes, however.

The Houston metropolitan area has added 420,000 jobs since 1995, according to the Greater Houston Partnership while the 10-county metropolitan statistical area topped 5.2 million people in July 2005, up about 11% from the 2000 Census count, according to the Texas State Data Center.

Affordable housing has played a significant role. James Gaines, an economist at the Texas A&M University's Real Estate Center, says a Houston developer can be "cutting roads and building houses" within a year of buying 500 acres. The same project would take a developer in Florida three years and as many as eight years in California, substantially pushing up the price, says Dr. Gaines.

The Houston Association of Realtors reported total property sales -- everything from single-family homes to country homes to lots listed on the Multiple Listing Service -- numbered 7,163 in September, up 17.8% from a year earlier. Sales of new and existing single family homes were up 19.3% to 5,954. The pace of home sales is also picking up. The trade group says the area has a 5.5-month supply of unsold homes, down slightly from August.

The national outlook isn't so bright, with some economists forecasting that sales of new homes are unlikely to start rising again before early 2008. A joint survey by consulting firm Global Insight and Cleveland bank holding company National City Corp. showed that 67 metropolitan areas experienced price declines in the second quarter this year, and not just those that enjoyed the boom. The Midwest, for example, showed the highest concentration of falling prices.

The survey also showed slower home-price increases nationally in the past year, with the most rapid slowdown coming in high-price markets such as California, Florida and the Northeast corridor. Nearly 70% of the 317 metropolitan areas surveyed showed a decline in appreciation during the period.

Texas had six markets where home prices rose at a rate of between 6% and 12% and another nine markets where prices increased 12% or more, the survey showed. Richard J. Dekaser, chief economist for National City, says, "It's like revenge of the nerds."

A Program That Works (WT)

By Lawrence B. Lindsey

The Washington Times, November 6, 2006

While there are differences in the priorities people assign to the different aspects of immigration reform, nearly everyone agrees that there are three parts to really solving our immigration problems: security, economic participation and civic integration.

By authorizing a more secure fence along some of the most frequently trespassed parts of our border, Congress made a first step on the security issue. But, without some way of monitoring immigrants within the country, this is only a partial answer to the security issue. Moreover, economic participation and civic integration remain untouched.

On their return, members of Congress have the opportunity to expand and improve a relatively small but highly successful part of our immigration policy that meets all three challenges. The H1-B visa program allows companies to bring in workers from overseas who possess skills that are not available domestically. The main users of the program are technology and health-care companies, although a number of highly skilled people in finance also work here under this program.

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The H1-B program meets all three parts of the immigration policy challenge. First, it provides security within the country. The companies hiring these workers have already gone through a vetting process sufficient to justify their employment. Moreover, the employer naturally has a detailed and working knowledge of the whereabouts and day-to-day activities of the people involved.

Second, the program obviously involves economic participation by the immigrant. In many cases, particularly in technology, America has the choice between allowing these immigrants to work in America for American companies, or forcing our country and its businesses to compete with these workers in their homeland. We can either import these workers and export at least a part of their production or import the goods that they will produce if they remain at home.

Moreover, these workers are overwhelmingly net contributors to the economy and to the government's fiscal position. While a low skilled worker earning about $8.50 an hour will receive Social Security benefits $65,000 greater than the taxes paid, the great majority of H1-B workers will contribute at least as much in taxes as they ultimately receive in benefits. So, the economic participation of H1-B workers is an unambiguous gain for America.

Finally, there is the issue of civic participation. In the broad scheme of things, this must start with an immigrant having appropriate documentation. It should include the full panoply of rights and responsibilities that come with residing in America, and in some instances, it might end with citizenship. Congress wrestled with this issue earlier this year. But, the H1-B visa program is a working model of an approach to immigration that provides an opportunity for civic integration for those who participate.

Ideally, the H1-B visa program could be a model for broader immigration reform. But, in the meantime, Congress should extend and enlarge the program enough to meet the current and pressing needs of our economy for these workers. The current H1-B quota is full through the end of the current fiscal year, or until October 2007. Few government programs work this well, particularly regardingimmigration. When they come along, Congress should take full advantage of them.

Lawrence B. Lindsey is president and CEO of the Lindsey Group. He served as assistant to the president for economic policy under the current President Bush.

Don't Abort Precedence (LAT)

The Los Angeles Times, November 6, 2006

ON WEDNESDAY, while pundits will be busy analyzing election results, the U.S. Supreme Court will hear arguments in an emotionally charged case likely to reverberate in future political campaigns. At issue is a federal law that prohibits a controversial abortion method without making an exception for when the procedure is necessary to protect a woman's health. If law and not politics guide the justices, they will declare this blanket ban unconstitutional.

Opponents call this procedure, performed in the second or third trimester, "partial-birth abortion." Neutral commentators use the term "dilation and extraction." Whatever you call it, the procedure is extraordinarily rare and distasteful even to many supporters of abortion rights. It involves a physician partially extracting a fetus from the uterus into the birth canal, where he then collapses the skull by suctioning its contents.

By large majorities in both houses, Congress banned this procedure in 2003. That might have been an acceptable exercise of congressional power if the legislation had also contained an exception to protect the mother's health, a concern that the Supreme Court emphasized as early as 1973 in its landmark Roe vs. Wade decision.

Yet Congress rejected any exceptions even though the Supreme Court in 2000 had struck down a Nebraska partial-birth law precisely because it lacked one.

Given the high court's insistence on a health exception, why would the bill's supporters think that the justices might sustain a similar federal statute? One answer is that Congress "did the math." The decision in the Nebraska case was 5 to 4, so supporters gambled that one or more justices in that majority would have left the court by the time the new law came before it.

Indeed, Justice Sandra Day O'Connor, who was in the majority in the Nebraska case, retired and has been replaced by Justice Samuel A. Alito Jr. If Alito were to vote to uphold the federal partial-birth ban, the deciding vote might be cast by Chief Justice John G. Roberts Jr. His predecessor, the late William H. Rehnquist, dissented in the Nebraska case, as he had done in a string of abortion rulings going back to Roe vs. Wade.

Like Alito, the chief justice is a conservative who is widely assumed to believe that Roe vs. Wade was wrongly decided. But, as Roberts noted during his Senate confirmation hearings, Roe not only remains on the books but has been reaffirmed in the court's 1992 Casey vs. Planned Parenthood ruling. "It is a jolt to the legal system when you overrule a precedent," Roberts told the Senate Judiciary Committee.

Reversing its 2000 decision on partial-birth laws wouldn't cause the same jolt as repudiating Roe or Casey. But it would still upend a precedent and interfere with the settled expectations of women and doctors alike about the availability of this procedure as a medical last resort.

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College Sports Get A Warning (NYT)

The New York Times, November 6, 2006

The National Collegiate Athletic Association's enthusiasm for fighting corruption in college sports is partly driven by the fear of federal intervention. That fear came a step closer to being realized last month, when the House Ways and Means Committee fired off a tough-minded letter demanding that the N.C.A.A. explain how profit-seeking, win-at-all-cost athletic departments operate on campus.

The letter showed that Congress has noticed the recruiting violations and the athletes who sometimes remain eligible to play without progressing or by attending bogus classes. It also implied that the N.C.A.A. might eventually lose its tax exemptions unless it forces athletic departments to conform more closely to an educational mission.

The N.C.A.A. president, Myles Brand, defended the group's reform effort and reaffirmed his commitment to holding athletic programs to higher standards. But an N.C.A.A. report released last week touches on some of the same issues cited in the blistering letter from Congress. The problem is that athletic departments have more influence on university affairs than they should. They often use that influence to undermine the institutional mission.

Run by celebrity coaches who can earn more than $1 million a year — and supported by adoring fans, boosters and trustees — the campus sports machines easily overshadow the college faculties and presidents, some of whom seem frankly fearful of speaking up about abuses. The athletic departments derive much of their power from the widespread but mistaken belief that they pay their own way, and even earn money for their universities, through television revenues and other sources.

The truth, laid out in recent reports, is quite to the contrary. Only a handful of high-end college sports programs earn more than they spend. Among the rest, many struggle to balance their budgets and can do so only through subsidies from their universities. Sports budgets are growing two to three times faster than higher education as a whole.

The N.C.A.A. report calls on college presidents and administrators to rein in the campus sports machines and dial back spending. But the facts suggest that many college administrations have been outflanked by athletic departments that are deeply invested in the bad old ways. If that doesn't change, the N.C.A.A. can expect more scrutiny from Congress.

Iran Says It's Open To Talks With U.S. (AP)

By Nasser Karimi

AP, November 6, 2006

Iran said Sunday it was open to negotiations with the United States on Iraq and other regional issues but hinted it would not drop its refusal to talk about its contentious nuclear program.

As the U.N. Security Council geared up for a protracted debate on sanctioning Iran over its nuclear program, Tehran praised Russia for its "softer" stance on the issue.

Foreign Ministry spokesman Mohammad Ali Hosseini said Iran would consider talks with the U.S. over regional issues, including Iraq, if Washington requested. He would not elaborate, and there was no immediate response from the United States on the offer.

"If there is any official request about regional issues, we are ready to review it," Hosseini told reporters.

However, he said Iran would not change its position regarding bilateral relations with the U.S., suggesting Tehran would refuse to talk about the nuclear issue. The U.S. has demanded Iran stop enriching uranium — a key step in the manufacture of nuclear weapons — as a precondition to talks about its disputed program.

The United States said in May it wanted to hold direct talks with Iran about its neighbor Iraq — which would have been the most public exchanges by the countries in years.

Iran agreed, and U.S. and Iranian officials said at the time that the talks would focus on the situation in Iraq, not on broader subjects such as Iran's nuclear program.

However, Iran then changed its mind, with Foreign Minister Manouchehr Mottaki rejecting the negotiation on grounds that Americans had raised "other issues" and had tried to use the decision to hold the talks as propaganda.

Iran's statement on Sunday seemed to indicate the government was once again willing to consider the idea of direct talks with the U.S. over Iraq, which is veering ever closer to civil war. U.S. officials have long accused Iran of interfering in neighboring Iraq since the overthrow of Saddam Hussein in 2003.

But Secretary of State Condoleezza Rice has also said the White House believes Tehran has a role to play in stabilizing Iraq, whose government is dominated by Shiite Muslims like Iran's.

Some Western experts believe Iran is genuinely worried about civil conflict in Iraq and its potential to spill over, although others say Iranian hardliners may have an interest in causing at least some turmoil.

Iranian leaders are believed to have close links to some Iraqi leaders and clerics.

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Sunday's announcement came a few hours after an Iraqi court sentenced Saddam Hussein to death by hanging for crimes against humanity in a mass killing of Iraqi Shiites in 1982.

It also came one day after thousands of Iranians celebrated the 27th anniversary of the U.S. embassy takeover by militant students in Tehran, when 52 Americans were held hostage for over a year.

The U.S., which broke off diplomatic relations with Iran over the embassy takeover, suspects Iran's uranium enrichment program is a front for developing weapons. Tehran denies the accusations and says its program is for peaceful purposes.

Tehran state-run radio said Sunday the International Atomic Energy Agency officials inspected Iran's nuclear facilities in Isfahan and Natanz including a new enrichment cascade.

The inspection was the first since Tehran announced it had successfully stepped up its uranium enrichment activities in October.

Iran has repeatedly rejected a package of incentives offered by six world powers because it required it to freeze uranium enrichment, which can produce fuel for atomic power or material for a nuclear warhead.

Hosseini said the U.N. Security Council's push to impose sanctions on Tehran to punish it for continuing enrichment would delay any possible compromise.

"Back to negotiation is the best amendment. Nothing else will be effective and will bear desirable result," he said. "Russia clearly has announced that they did not support the current draft."

The five veto-wielding permanent members of the Security Council have so far failed to agree on a resolution imposing sanctions, and negotiations could be long and difficult.

Russia's foreign minister said Saturday that Moscow would only support sanctions against Iran if they are limited in time and spell out a clear mechanism for lifting them.

"Russia's stance is better than other ... countries. They have a softer policy. Since the beginning, their stance was different," Hosseini said.

The European draft resolution would order all countries to cease supplying material or technology that could contribute to Iran's nuclear and missile programs. It would also impose a travel ban and asset freeze on companies, individuals and organizations involved in those programs.

Russia and China, which both have major commercial ties with Iran, have continued to publicly push for dialogue instead of U.N. punishment, despite the collapse last month of an EU attempt to entice Iran into talks. The United States, meanwhile, has said the European draft is too lenient.

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Iran Would Consider New US Request For Iraq Talks (AFP)

By Hiedeh Farmani

AFP, November 6, 2006

Iran has said it was ready to consider requests from its arch-enemy the United States to hold unprecedented talks over Iraq, even though a similar move came to nothing earlier this year.

"If we receive an official request, we are ready to examine it," foreign ministry spokesman Mohammad Ali Hosseini told reporters Sunday.

Any such contact would mark a break in a near three-decade pause in open bilateral contacts between US and Iranian officials following the country's 1979 Islamic revolution.

In March this year Zalmay Khalilzad, the US ambassador in Baghdad, made an offer to Tehran to hold talks on quelling the deadly unrest that has been plaguing Iraq since the US-led invasion in 2003.

Emphasising that any such contacts would have no consequence for bilateral relations frozen since 1980, Khalilzad said at the time he was looking to encourage Iran to play a positive role in Iraq and steer clear of interference.

The United States, which accuses Iran of sponsoring terrorism and seeking to manufacture a nuclear bomb, insisted that any such talks would be limited solely to the situation in Iraq.

Despite initial expressions of willingness from Iranian officials, President Mahmoud Ahmadinejad rejected that overture, saying that US "behaviour" was not good.

But Hosseini said on Sunday the door remained open for talks.

"At the current time, some American and Iraqi officials have raised the question of a dialogue. If we receive such a request we are ready to examine it again."

Hosseini said that "as far as bilateral relations is concerned, the position of Iran has not changed", maintaining Tehran's refusal to consider diplomatic relations if the US stance towards the Islamic republic does not change.

"We have clearly said that we were ready to examine a request for dialogue on regional issues," he added.

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It remains to be seen whether the United States is itself willing to renew the offer, with the verbal war of words between Washington and Tehran as vehement as ever and tension rising over the Iranian nuclear programme.

But Hosseini's comments also come at a time when the US is mired in mounting sectarian bloodshed and deadly attacks on its troops in Iraq, prompting calls for a rapid about-turn in its strategy.

According to newspaper reports, a special panel on Iraq created by the US Congress and led by former secretary of state James Baker is expected to recommend that President George W. Bush bring Iran and Syria into a joint effort to stop the fighting.

Iran has emerged as a major ally of the Shiite-dominated government in Iraq following the fall of Saddam Hussein, and Washington remains deeply suspicious of the Islamic republic's influence in the country.

It accuses Iran of providing assistance to militant groups and interfering in Iraq, charges Tehran denies.

The United States cut diplomatic ties with Iran as a result of the seizure by Islamic radicals of the US embassy in Tehran on November 4, 1979, shortly after the Islamic revolution that toppled the US-backed Shah.

Russia Asks Europe To Revise Its Plan For Iran Sanctions (AFP-Y)

By Herve Couturier

AFP, November 6, 2006

Western countries that want to punish Iran for its refusal to suspend uranium enrichment are again facing reluctance on the part of Russia and China to grant support, with Moscow demanding a softening of a draft UN resolution.

More than two months after the UN-imposed deadline of August 31 expired, it is still not possible to say when the UN Security Council will act.

The United States is pushing for quick sanctions. But according to many diplomats, the negotiations promise to be long and difficult.

China and Russia are reluctant to impose strict penalties on Iran, with which they maintain important economic and commercial ties.

On Friday, Moscow proposed changes to a European draft resolution that the US Ambassador to the United Nations, John Bolton, called substantial during an informal meeting of the five permanent members of the Security Council (China, the United States, France, Britain, Russia) and Germany.

Consequently, according to Bolton, the United States would also like to propose changes, and ambassadors will have to consult their respective capitals during the weekend to be able to resume discussions probably next week.

The draft, drawn by Europeans in cooperation with the United States, calls for economic and commercial sanctions against Iran.

But it has been rejected by Russia in his initial form.

Russian Foreign Minister Serguei Lavrov, said in Brussels Friday that Moscow was ready to take reasonable measures against Iran, but made clear that Russia believed the European proposal had gone too far.

Chinese Ambassador Wang Guangya, meanwhile, pointed out that penalties proposed by the Europeans were a little too hard.

They would risk putting the Iranians' backs against the wall, he warned, adding that Beijing supported the Russians.

His Russian counterpart, Vitaly Churkin, also said that the purpose of any future Security Council action was to encourage Iran to come back to the negotiating table, not to turn it away from negotiations.

He reminded that the UN resolution must leave the open door to future discussions with the Iranians.

Churkin also expressed his opposition to any mention in the resolution of Russia's help to Iran to build a civilian nuclear power plan in Bushehr.

Bushehr has nothing to do with concerns about nuclear proliferation because it is a peaceful nuclear power plant, he said.

The initial version of the resolution mentioned the plant, but only to point out that it will remain outsided the scope of proposed sanctions.

According to a diplomatic source, Moscow is equally opposed to penalties against Iranian individuals such as a ban on travel and a freeze of financial assets abroad.

Russia would be ready to accept an embargo only on "sensitive" equipment while the current draft calls for an ban on all equipment that could be used for nuclear and ballistic missile programs in Iran, as well as on all technical or financial assistance linked to these programs.

Meanwhile, US Secretary of State Condoleezza Rice expressed optimism Friday about chanced to reach a compromise.

I think that in the last analysis they will not block us, she told a radio station. We will have a resolution that will punish Iran, even though it may not be as strong as we would have wanted it to be.

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Behind China's Stance On North Korea (WSJ)

By Gordon Fairclough And Neil King JR.

The Wall Street Journal, November 6, 2006

BEIJING -- Shortly after North Korea conducted its first nuclear-weapons test last month, regulators here quietly told China's banks to suspend their dealings with the nation -- a move that has largely severed Pyongyang's most important link to the world financial system.

Beijing made no public announcement. Still, the message to North Korea was clear: China, long averse to imposing any kind of economic sanctions, was willing to go beyond penalties imposed by the United Nations to force North Korea to back down.

The banking measure and other pressure applied by Beijing -- including a cut in oil exports to North Korea and two votes at the U.N. in favor of economic sanctions against the Pyongyang regime -- are widely credited with getting North Korea to agree to return to Chinese-led talks aimed at dismantling its nuclear-arms programs.

China's unusual, if quiet, activism may signal a significant change in its view of the world and its approach to foreign policy since it formally wired itself into the global economy five years ago by joining the World Trade Organization.

Beijing's long-held policy of not interfering in the "internal affairs" of other nations appears to be giving way to a broader definition of its national interests -- one that goes beyond satisfying its fast-growing appetite for oil and other raw materials. China also is showing a greater willingness to embrace global institutions and norms.

"It is an extraordinary thing for China to be now where it is," Secretary of State Condoleezza Rice said during a trip to Asia last month. After China supported an Oct. 14 U.N. resolution condemning North Korea's nuclear test, Ms. Rice was so pleased she touted China's more-active stance as almost more significant than the nuclear test itself.

China, a permanent member of the U.N. Security Council since 1971, also is planning to send 1,000 troops to reinforce the U.N. contingent in southern Lebanon after the war there this summer, its largest deployment of peacekeepers to date. China also has become a key player in the debate over how to respond to Iran's nuclear ambitions and the crisis in Darfur.

The evolution of Chinese foreign policy may be most apparent in the case of North Korea. For decades, China's Communist Party and military managed the country's relations with its socialist neighbor, though the two countries' ties frayed after China's shift toward a market economy started to accelerate in the early 1990s and the country normalized relations with South Korea in 1992. Now, a rising and more-pragmatic class of foreign-affairs officials are gaining influence. They talk about Beijing's need to develop daguo xintai, or a great-power mentality.

"There is a change in Chinese thinking. They are acting more like a stakeholder" in the international system, says Michael Green, who stepped down late last year as head of Asian affairs for the Bush administration's National Security Council. "North Korea is helping to push them down that path."

China's increasing tendency to work alongside the U.S. -- or at least not openly against it -- stands in stark contrast with Russia, which has stymied the U.S. on several fronts, including the push to impose sanctions against Iran for its uranium-enrichment program.

Even so, some U.S. officials harbor doubts about China's motivations and the prospects for a broad alignment of interests between Washington and Beijing. Skeptics say China's decision to pressure North Korea stems more from worries about the regional power balance than about support for international efforts to stop the spread of nuclear weapons.

Chinese foreign policy also remains heavily influenced by the voracious demand of its fast-growing economy for oil and other natural resources. Critics say Beijing has turned a blind eye to actions by the governments of oil-rich countries such as Sudan and Iran. Until recently, China had been reluctant to consider U.N. sanctions against Tehran for its nuclear program.

An immediate test of China's resolve on North Korea will be whether Beijing sticks to its tough stance against Pyongyang now that the North has agreed to return to six-nation disarmament talks. In the past, China has put pressure on North Korea to attend the talks but hasn't used the full weight of its economic leverage to force a resolution.

China's Foreign Ministry spokesman, Liu Jianchao, said Thursday that Beijing would continue to enforce U.N. sanctions -- which bar weapons sales and luxury-goods shipments to North Korea -- even after talks resume. "Each country has a duty to strictly and responsibly implement" the U.N. resolution, "and China is no exception," he said.

The Chinese restrictions on bank transactions with North Korea remain in place, and analysts say the curbs could lead to serious economic hardship within months or even weeks. An official of China's largest oil company, state-controlled China National Petroleum Corp., said he expected China's oil exports to North Korea to return to normal when the talks get under way. Diplomats say they expect the talks to resume in Beijing by year end.

Since the six-nation talks on North Korea's nuclear program began in 2003, China repeatedly has urged Washington to be more flexible in the hopes of making diplomatic progress. Privately, Chinese officials started to lose patience as Pyongyang and

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its leader, Kim Jong Il, resorted to a combination of brinkmanship and foot-dragging that has left the talks at a standstill since last year.

In 2005, North Korea declared itself a nuclear power. Then, despite objections from China and its neighbors, the North test-launched a series of ballistic missiles.

North Korea's decision to go ahead with its nuclear test in early October -- despite stern warnings from Beijing to desist -- put the country at odds with China's national interests by threatening to spark an arms race in the region that could lead to Japan, China's main regional rival, increasing its military strength.

After North Korea's missile tests, China voted in favor of a U.N. sanctions resolution against Pyongyang, in what may be the first time Beijing didn't veto or abstain from a sanctions vote. After North Korea detonated its atomic device, China voted in favor of even stricter sanctions at the U.N. -- and it is now going beyond that on its own.

The current steps may be temporary and aimed at forcing Pyongyang back to the negotiating table, but they appear to show Beijing's desire to strike a balance between maintaining regional stability and protecting the broader international system for controlling the spread of nuclear weapons.

Some senior U.S. administration officials remain skeptical of China's new posture, arguing that North Korea is a special case in which one of Beijing's few close allies betrayed it by testing a nuclear bomb. "China was humiliated," says one senior administration official. "They had no choice but to support the resolution that the U.S. and others put forward."

Still, there are other signs China is stepping out of its historical role. Chinese officials resent criticism of their country's economic dealings with Sudan, where civil war has spilled over into mass killings of civilians in the Darfur region. The officials say China is quietly working behind the scenes to bring peace to the area. "We use our good relationship and cooperation with the government" to push for a settlement, says Zhai Jun, assistant foreign minister for African affairs. "But we don't have to announce every time we do this."

The next test of China's commitment to its newfound activism may be Iran, whose nuclear ambitions have left it at odds with the U.N. Security Council. Iran's uranium-enrichment program has raised suspicions that the country is pursuing nuclear arms, though Tehran insists the program is for civilian energy purposes.

In July, China joined Russia and the other three permanent Security Council members -- the U.S., Britain and France -- in backing a resolution threatening Iran with sanctions unless it dropped its uranium-enrichment program and returned to negotiations. Now the five countries are trying to hammer out a set of sanctions they can all endorse. Chinese backing for even a limited sanctions package would be noteworthy. Iran is China's third-largest supplier of imported oil. This year, China's imports from Iran are likely to top $12 billion.

U.S. Discusses N. Korea In Japan (WT/AP)

By Hiroko Tabuchi

The Washington Times, November 6, 2006

TOKYO -- U.S. Undersecretaries of State R. Nicholas Burns and Robert Joseph were in Tokyo today coordinating with Japanese and South Korean officials before the resumption of long-delayed negotiations on North Korea's nuclear program.

South Korean Foreign Minister Ban Ki-moon, who also is in Tokyo, said the three countries worked closely together in the past and would continue to do so at the six-nation talks expected later this year, according to a Japanese Foreign Ministry official.

Mr. Ban, who takes over as U.N. secretary-general in January, was to meet Prime Minister Shinzo Abe today for further talks. The two Americans were to meet with Japanese Foreign Minister Taro Aso and other Japanese officials before traveling to South Korea later today, according to Japan's Foreign Ministry.

South Korea's Yonhap news agency, citing unidentified officials, reported that the three countries will hold a meeting of their chief nuclear negotiators in Washington as early as next weekend to discuss strategies to move the nuclear talks ahead.

The North agreed last week to return to the negotiations -- which also include China and Russia -- in the first easing of tensions after its Oct. 9 nuclear test. The talks have been stalled for a year over financial restrictions placed on the North by the United States for suspected counterfeiting and money laundering.

Mr. Aso said, however, that North Korea's return to the talks "is not a goal in itself," according to a ministry official who spoke on the condition of anonymity.

Mr. Aso said North Korea also must comply with the U.N. Security Council resolution passed after its nuclear test and abandon all atomic weapon development.

On Saturday, Pyongyang lashed out at Tokyo, saying Japan did not need to participate in the talks "because it is no more than a state of the U.S. and it is enough for Tokyo just to be informed of the results of the talks by Washington."

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Japan is a common target of criticism from the North, stemming from Tokyo's imperial occupation of the Korean Peninsula in the early 20th century. Pyongyang has called before for Japan to be excluded from the nuclear talks.

North Korea said it would return to the talks to seek an end to a U.S.-led campaign blocking Pyongyang's access to international banks because of purported illegal activities such as counterfeiting and money laundering. Washington had said it will discuss the financial restrictions only in the context of the six-nation talks.

The North often refers to its nuclear program as a self-defensive measure against the threat of a U.S. attack. Washington has insisted repeatedly that it has no intention to attack.

The regime's No. 2 leader, Kim Yong-nam, said last week that any progress at the revived talks on the communist nation's nuclear program will depend on the United States' "attitude," an indication that a breakthrough could be difficult.

Little Lost Ones (WSJ)

By Melanie Kirkpatrick

The Wall Street Journal, November 6, 2006

Among a small group of North Korean refugees who have taken sanctuary in the U.S. Consulate in Shenyang, China, are two orphan children, both boys, ages 13 and 16. With luck, if the Chinese authorities allow them to leave and the U.S. government works out the legalities of granting asylum to parentless minors, they will be in the U.S. before Thanksgiving.

Fortune has already shone on these boys by granting them safe passage on the underground railroad that ferries North Korean refugees in China to shelter in embassies or consulates there or in third countries. Korean refugees -- who number in the tens, or even hundreds, of thousands -- are leading desperate lives of hide-and-seek in China. Beijing's policy, in contravention of international law, is to track them down and repatriate them to North Korea, where they face prison camps or worse. It even pays bounties to citizens for turning them in.

The boys were led to safety by Liberty in North Korea (LINK), a Virginia-based nonprofit dedicated to helping the refugees in China. LINK says the boys lost their parents to famine and crossed the border separately, scavenging for food. They met in an underground shelter run by LINK. "What we're trying to do is help these children," says a spokesman. "We house them and protect them and try to get them out to freedom." There are dozens of such secret orphanages in northeast China, operated by local Samaritans and supported by groups based in the U.S. and South Korea.

Unlike the boys at the consulate, most abandoned orphans in northeast China are the progeny of North Korean women who have been captured and deported and their Chinese "husbands," who spurn their children. They are stateless, rejected by both China and North Korea for their "impure blood." Pregnant women deported to North Korea are often forced to abort for the same reason, says Chun Ki Won, a South Korean minister whose organization, Durihana, has helped spirit hundreds of refugees out of China. "I know of many cases myself," he says.

"Diu Diu," or "little lost one," is the nickname given to a three-and-a-half year-old boy that LINK tried, but failed, to help. A year ago he and his mother were captured by Chinese police and taken to the border, where racist North Korean border guards refused to admit the half-Chinese boy, whom they tore from his mother's arms. The police then sold the boy to a circus for $100, where he was severely abused and ended up in a hospital. The photos LINK obtained of the boy are too shocking to print.

"The stories are all so similar," says Tim Peters, an American missionary in Seoul who runs Helping Hands Korea. "A girl comes out [of the North] and either she has been secretly sold into marriage or she volunteers to marry a Chinese man. And then she gets caught and sent back." Mr. Peters estimates there are "thousands" of such abandoned children. Pastor Chun puts the number even higher.

Left-behind infants and toddlers are sometimes sold to childless Chinese couples, Pastor Chun says. Older girls are peddled as brides or to brothels -- "that's a given" -- while the boys are sold as laborers. Others are left to fend for themselves, and humanitarian workers find them wandering the streets or living in train stations. Pastor Chun's organization runs several orphanages, each with four to seven children cared for by volunteer Chinese-Korean "mothers."

Once in shelters, the children are de facto prisoners. They usually lack the official papers needed to attend school, get medical attention or participate in any other way in local society. "That's the problem," says a spokesman for Aegis Foundation, another U.S.-based nonprofit that runs shelters for Korean children in China. "We cannot send them to normal school and if they don't get any education, they can't be good citizens. That's why we need to smuggle them out."

Crossing Borders, a Christian ministry based in Virginia, takes a different approach. It also sponsors secret orphanages but "we don't do the underground railroad," a spokesman says. "The long-term goal is to see these kids grow up and become productive members of society." Regulation is loose in the areas where its shelters are located, and the children it helps can sometimes attend school. Some of the children have been voluntarily handed over by fathers. "Most fathers have no means or desire of helping take care of their children," the spokesman says. "We go into the village and offer to take the kids. It's a handshake deal."

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The U.N. High Commission on Refugees stands ready to help the Korean refugees in China -- if only Beijing would let it. Several countries in the region are prepared to set up transit camps for refugees provided the U.S. helps pay for it and South Korea ultimately accepts them for re-settlement, as its Constitution requires. But even if, in the happiest of worlds, all this were to occur, the stateless orphans could still be left out. According to groups that run the underground railroad, even South Korea, which accepts most of the Northerners who manage to escape, refuses to admit the children on the grounds that they are not true "defectors."

Amid this misery, there are a few stories with happy endings -- of mothers who ride the underground railroad to the South with their Korean-born children or mothers who escape and then go back to smuggle out their Chinese-born kids. The humanitarian workers tell these stories with unflagging spirit. But the vast majority of the orphans remain lost in China, in lives that offer little hope. Most of the South Koreans and Americans working to help the children are Christian, as are many of the ethnically Korean Chinese who care for them. Pastor Chun speaks for many, when he says he takes inspiration from Isaiah 1:17, in which God exhorts the prophet to "Defend the fatherless."

Israel Vows To Hit Gaza Until Rockets Subside (NYT)

By Greg Myre

The New York Times, November 6, 2006

JERUSALEM, Nov. 5 — Prime Minister Ehud Olmert of Israel said Sunday that the military would not halt its offensive in the northern Gaza Strip until Palestinian rocket fire toward Israel was significantly reduced.

On Sunday, the fifth straight day of fighting, Israeli forces killed three Palestinians, two of them militants and the other a security official, Palestinian medical workers said. The fighting, which included an Israeli airstrike, again took place in and around Beit Hanun, the northern Gaza town that has been the focus of the Israeli operation.

Large numbers of Israeli troops have been operating in Beit Hanun since Wednesday, though they have not been able to stop Palestinians from firing the locally manufactured rockets known as Qassams. Palestinian militants fired at least 10 more rockets into southern Israel on Sunday, but they caused no major damage or serious injuries. The Palestinians have launched more than 30 since the Israeli incursion in the area, the Israeli military said.

“We have declared that we will never accept the ongoing Qassam fire and that we will take any steps needed to considerably reduce the fire,” Mr. Olmert said Sunday at his weekly cabinet meeting in Jerusalem. “The operation is limited in time, but we have no intention of announcing when it will end.”

The Palestinians, meanwhile, have called for international pressure on Israel to halt the offensive.

“I urge members of the international community to take the appropriate response to Israel’s crimes in Gaza,” said Saeb Erekat, the chief Palestinian negotiator. “Condemnation is the least one would expect.”

More than 40 Palestinians, including militants and civilians, have been killed over the past five days. One Israeli soldier has died. The Israeli forces have detained 30 people suspected of being militants, the military said.

In another development, a Palestinian lawmaker, Mustafa Barghouti, said that he was brokering the latest attempt at a Palestinian national unity government and that an agreement could be reached in days.

The proposal calls for a government of technocrats not directly linked to any party. Hamas, the militant Islamic group that now leads the government, and Fatah, the secular nationalist movement that lost the elections but whose leader still holds the Palestinian presidency, would approve members of the new government. The Palestinians have been holding talks for months on forming a unity government. Palestinians have expressed hope that a new government can win a restoration of Western aid, which was cut after Hamas came to power. The United States and the European Union, with Israel, have demanded that a Palestinian government recognize Israel, renounce violence and accept previous Israeli-Palestinian pacts.

Also on Sunday, Avigdor Lieberman, a far-right politician in the Israeli cabinet, caused a stir by again supporting a land and population transfer between Jews and Arabs.

Israel Vows To Press Gaza Offensive (AP)

By Mark Lavie

AP, November 6, 2006

Prime Minister Ehud Olmert pledged Sunday to press ahead with Israel's offensive in northern Gaza, brushing off international calls to halt the fighting and Palestinian complaints of dwindling supplies of water, food and other staples.

The death toll in Israel's five-day sweep through the northern Gaza town of Beit Hanoun rose to 48 on Sunday, when four Palestinians, including two Hamas militants, were killed, according to Palestinian health officials. Israel launched the drive last week to try to stop to daily rocket barrages aimed at Israeli towns.

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The Vatican and European Union have expressed grave concerns about the offensive, but Olmert told his Cabinet on Sunday it was necessary to "considerably reduce the (rocket) fire and prevent terror." He said Israel has no intention of reoccupying Gaza after last year's pullout.

"When we reach the conclusion that the effectiveness of the operation is bringing us closer to reaching the goals, we will definitely pull our forces out of Gaza," he said.

Palestinian Prime Minister Ismail Haniyeh called the Israeli offensive a "massacre," and Beit Hanoun residents warned of a burgeoning humanitarian crisis.

"We have electricity, but no drinking water," said one 28-year-old woman, who declined to be identified because of the military presence in town.

She said there were shortages of staples like milk and diapers and residents were being forced to share food. She also said tanks were visible from her home, and her husband was taken away by Israeli troops for questioning. "I don't know what's happened to him," she said.

Col. Nir Press, head of Israel's liaison team dealing with Palestinian authorities and international aid organizations, said Sunday that shops in Beit Hanoun were open for a few hours Sunday and would be open again Monday.

Press said U.N. agencies and the Red Cross were shipping in food, water, baby formula and other supplies and would continue to do so. He added that Palestinian technicians would be allowed to repair water mains on Monday.

On Sunday, AP Television News showed images of ambulances and taxis rushing Palestinian casualties to the small Beit Hanoun hospital, dodging potholes gouged by Israeli shells. A young man, writhing from a chest wound, was pulled out of a yellow taxi and carried into the hospital.

Despite the offensive, Palestinians fired six rockets at Israel on Sunday, the military said. Nobody was hurt.

Israel said its attacks are focused on militants who launch the rockets. While most of the dead have been militants, several civilians — including a 4-year-old girl, a 72-year-old man and two paramedics — have been killed. Two women who attempted to help a group of militants besieged in a mosque also died.

On Sunday, about 100 paramedics marched through the streets of Gaza City to protest the deaths of their two 17-year-old colleagues, both volunteers. They were killed in an Israeli missile strike last week in the town of Beit Lahiya, next to Beit Hanoun.

The International Red Cross harshly criticized Israel, saying the paramedics and their vehicle were clearly marked. "The ICRC is appalled by this failure to protect personnel engaged in emergency medical duties," a statement released Sunday said.

At the Vatican, Pope Benedict XVI said he was worried about the "grave deterioration" in the Gaza Strip, and called on all sides to work to stop the bloodshed and immediately resume "direct, serious and concrete negotiations."

In a weekend statement, the EU called on both Israel and the Palestinians to halt the violence because of the casualties, but aimed its sharpest barb at Israel.

"The right of all states to defend themselves does not justify disproportionate use of violence or actions which are contrary to international humanitarian law," the EU said.

Vice Premier Shimon Peres said Israel was doing everything possible to avoid civilian casualties. "We have to get directly to the people who do the shooting and that is what we are trying to do," he told reporters.

Israel withdrew all troops and Jewish settlements from Gaza last year. But it sent forces back into the area after Palestinian militants tunneled into Israel and abducted a soldier in June.

A Palestinian militant group claiming to hold Gilad Shalit, the captured soldier, said it has no plans to kill the serviceman, despite the Israeli offensive.

However, Abu Mujahid, a spokesman for the Popular Resistance Committees, said the soldier could be harmed by Israel's military activity. "Gilad Shalit's life is in danger through the incursion and bombing of houses," said Abu Mujahid.

Syria Hints At Resistance Vs. Israel (AP)

By Albert Aji

AP, November 6, 2006

Syria could resort to armed resistance if peace negotiations do not lead to Israel's return of the Golan Heights, the country's Information Minister said Sunday.

Mohsen Bilal said international negotiations should lead to Israel giving back the Golan Heights, captured from Syria in the 1967 Mideast war and later annexed. If that does not happen, he warned Syria could resort to "other means, which struggling people have used at various points in history, beginning with legitimate resistance."

But Bilal said Syrians were eager to resume talks.

"The road for peace and stability in the region and the world goes through ending occupation" of the Golan Heights, he said, opening a three-day media forum geared at highlighting Syria's right to the Golan.

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Israeli-Syrian peace talks broke down in 2000, with Syria demanding assurances it would get back all of the Golan Heights. Israel wanted slight modifications to the pre-1967 line, conforming to the international frontier, and insisted that issues of security and normalization be spelled out first.

On Sunday, Syrian President Bashar Assad, who was meeting with Arab League Secretary General Amr Moussa, called for a comprehensive peace in the Middle East.

Israel has brushed off Assad's previous calls to restart peace talks, saying Syria must first clamp down on the radical Palestinian groups it hosts.

EDITORIAL WRAP-UP

Protecting The Right To Vote (NYT)

The New York Times, November 6, 2006

No one expects Florida elections to go smoothly, but this year the state got off to an alarming start. Voters reported that after selecting Democratic candidates on electronic voting machines, the review screens registered that they had chosen Republicans. A spokeswoman for the Broward County supervisor of elections told The Miami Herald that the machines often fall out of sync under heavy use, but that they can be fixed when voters complain.

That snapshot of Florida's early voting is confirmation — as if any were needed — that a great deal can go wrong tomorrow, much of it eminently preventable. Six years after the 2000 election meltdown, voting machines are still unreliable, and there are an array of other obstacles to voters who want their votes to count.

Voting is a right and a responsibility, but it is also, unfortunately, a challenge. As people go to the polls tomorrow, they should be on the lookout for:

ELECTRONIC VOTING GLITCHES In addition to misrecording votes, A.T.M.-style voting machines can provide misleading or incomplete information. (On some Virginia machines, the last name of the Democratic Senate candidate, Jim Webb, will not appear on the summary page.) Voters should check and double-check their votes, and the voter-verified paper trail if one is available, and report anything that does not look right. If the machines do not work, they should insist on casting a paper ballot.

VOTE SUPPRESSION In California, 14,000 Hispanic voters received letters last month falsely informing them that immigrants could be sent to jail for voting. Every election there are attempts to trick voters, especially members of minorities and the poor. Voters should insist on their right to cast a ballot.

VOTER ID CONFUSION Election officials often demand identification even when it is not legally required, or misstate the requirements. Georgia this year sent out letters saying that a photo ID is required even though the courts ruled otherwise. Voters can check the law on their local Board of Elections Web site. If there is a dispute, they should insist at the very least on casting a provisional ballot.

VOTING ROLL PURGES Election officials sometimes wrongly remove voters' names from the rolls. That happened, notoriously, in Florida in 2000, and this year Kentucky lost a lawsuit over a faulty purge. Even people whose names are missing from the rolls may be eligible voters. Voters who have trouble casting a ballot should appeal to the person running the polling place. If that fails, they should call a voters' hot line — like 1-866-OUR-VOTE, run by the National Campaign for Fair Elections — or a political party or campaign. Federal law says a voter whose eligibility is in doubt has the right to cast a provisional ballot, whose validity will be decided later. But regular ballots are more likely to be counted.

Unfortunately, many of the things that go wrong tomorrow may be invisible to the average voter. Machines that appear to work properly may be throwing out or altering votes. Without a voter-verified paper trail and an effective vote audit, this can go undetected. Provisional ballots may be wrongly rejected after the polls close. Some states, shamefully, have laws saying that if a provisional ballot is cast in the correct polling place but at the wrong table, it will not count.

These flaws point to the need to continue to push a reluctant Congress, as well as state legislatures, for meaningful election reform. Tomorrow, though, voters should just focus on getting their votes counted within our current, deeply flawed system.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS

DOJ Places Shaaban Under Special Administrative Measures. The Indianapolis Star (11/6, Corcoran) reports Shaaban Hafiz Ahmad Ali Shaaban, the "Indiana truck driver found guilty of conspiring to betray the United States has been secluded in a Colorado super-maximum-security prison under a secret order approved by the U.S. attorney general." DOJ officials have isolated Shaaban under a "policy that permits the FBI to eavesdrop on the few conversations he's allowed to have, heavily restricts his access to news reports and prohibits anyone other than attorneys and family members from talking to him. Some inmates at the prison, which houses the federal government's worst of the worst, spend at least 23 hours a day in soundproof cells. They cannot speak to or make eye contact with other inmates. These 'special administrative measures,' also called 'SAMs orders,' are meant to keep federal inmates from inciting violent attacks from prison or disclosing classified information that could harm national security."

CBP Officials Delay 16 Travelers At Houston Airport. The Houston Chronicle (11/4, Villafranca) reported, "Federal authorities delayed the departure Friday of 16 international travelers, including 15 Mexican nationals, who were boarding a Mexico City-bound plane at Houston's Bush Intercontinental Airport. A U.S. Customs and Border Protection official said data submitted by the passengers did not match the data on file when they entered the United States." Kelly Klundt, CBP spokeswoman, "declined to say what information was missing or did not match when the 16 passengers tried to board the 9 a.m. Continental flight."

Foreign Policy Article On Atomic Terror Attack Draws Skepticism. The Washington Times' "Inside Politics" column (11/6, Pierce) reports, "Two leading U.S. nuclear scientists say a team of terrorists with industrial equipment, physics and engineering skills and access to highly enriched uranium could build a crude atomic weapon in the United States for less than $10 million. Writing in Foreign Policy…Peter Zimmerman and Jeffrey Lewis add that there is no evidence that al Qaeda or any other terrorist group currently possesses the technical expertise necessary to complete such an effort." However, the Times notes "some analysts told Shaun Waterman of United Press International that they were deeply skeptical of the Foreign Policy article. Arms-control specialist Milton Leitenberg of the University of Maryland called the scenario 'super-optimistic,' and said the authors had glossed over the difficulty of finding the kinds of highly qualified specialists the project would need."

Hoekstra Criticizes Administration Over Nuclear Website. The AP (11/5) reports, "House Intelligence Chairman Peter Hoekstra criticized the Bush administration on Sunday for its handling of a trove of once-secret documents from Saddam Hussein's covert nuclear program disclosed on a federal Web site. Hoekstra, R-Mich., complained the U.S. intelligence community hadn't properly declassified the documents. ... Hoekstra said his committee would review the documents to determine the former Iraqi leader's goals and capabilities before the war in 2003."

Conservative Pressure Blamed For Distribution Of Iraq Nuclear Program Documents. Newsweek's Michael Isikoff (11/13) reports National Intelligence Director John Negroponte "shut down a government Web site after the disclosure that it had posted nuclear-research documents from Iraq's pre-Gulf War I weapons program. Set up in March at the insistence of congressional GOPers, the site was designed to post documents seized by the U.S. military in Iraq. But many were trivial memos and oddball letters. … Late last year House intel-committee chair Pete Hoekstra and Senate intel chair Pat Roberts pressed Negroponte's office to make the Iraqi docs available. They and others, including The Weekly Standard magazine, said the material might show Saddam did have WMD or ties to Al Qaeda. So the Defense Intelligence Agency began to review 48,000 boxes of material, located in a U.S. military warehouse in Doha, Qatar, and started posting it on an Operation Iraqi Freedom Web site. DIA spokesman Don Black said several hundred analysts, linguists, translators and contractors took part, weeding out diplomatically sensitive docs or those mentioning the names of U.S. persons (a potential violation of the U.S. Privacy Act)."

Los Alamos Incident Potentially "Greatest Breach Of National Security" In Decades." Newsweek (11/13, Barry, Hosenball) reports, "It began as a routine police call. At 4:16 p.m. on Oct. 17, two Los Alamos County police officers were dispatched to the Royal Crest Trailer Park. The cluster of mobile homes is located next to Los Alamos National Laboratory, the sprawling New Mexico compound that houses one of America's two main facilities for designing nuclear weapons. A resident had complained that two neighbors were shouting at each other and throwing

rocks through the windows of their trailer. The cops expected to find the usual: a domestic dispute that had gotten out of hand. Instead, they discovered what one Los Alamos official—who, like all lab and government sources in this story, would not be named talking about sensitive matters—calls 'potentially the greatest breach of national security' in decades. … Panicked officials are now trying to determine how a low-level clerk was able to walk out of a high-security facility with hundreds of pages of nuclear secrets. The brief answer: laxness and budget cuts.

LANL Says Pilfered Documents Contained Mostly Low-Level Secrets. The Los Angeles Times (11/4) reported, "Los Alamos National Laboratory said that the classified documents discovered at a trailer park during a drug investigation last month did not include the most highly sensitive nuclear weapons information. The lab…said a 'careful and comprehensive analysis' of three electronic memory devices and paper copies of classified documents found in a residential trailer showed that they were mostly low-level secrets that are 20 to 30 years old." The Times noted, "The FBI is continuing a criminal investigation into a lab employee who owned the trailer."

HOMELAND RESPONSE

Philadelphia Bank Withdrawals Raise Terror Questions. Under the headline "Did Bank Stop A Fraud Or Terrorist?," the Philadelphia Inquirer (11/4, Schaefer) reported, "On Wednesday morning, two men withdrew $8,700 from an account under the name of Shahid Batti at the Commerce Bank" in Upper Darby, Penn. "When they returned later in the day to withdraw an additional $9,700, bank officials became suspicious, denied the transaction and contacted police. … One man produced a passport from Pakistan, a New Jersey license and a Social Security card, all under the name of Batti -- and all fraudulent, according to police." The Inquirer added that the man later "identified himself as Raza Hussain from Brooklyn, N.Y.," and Upper Darby Police Superintendent Michael J. Chitwood "said police discovered a 'possible' connection between Hussain and a terrorist with the same birthday when they ran the names through the FBI Terrorism Screening Center. He said the FBI and the New York Police Department have been contacted."

The Philadelphia Daily News (11/4, Weichselbaum) reported Hussein, meanwhile, "is sitting in a Delaware County jail cell and has not posted the $100,000 bail, Chitwood said. …. 'There are a lot of red flags here,' Chitwood said. 'We don't know if we have an identity-theft issue; we don't know if we have a money-laundering issue, or a terrorist connection.' … But FBI spokeswoman Jerri Williams said Hussain 'is not on the FBI terrorist-watch list, and has no known ties to terrorists. The Philadelphia FBI will continute their investigation to determine his true identity.'"

Student Break-In At Pittsburgh Stadium Prompts JTTF Investigation. In a widely-distributed story, the AP (11/6, Nephin) reports two Carnegie-Mellon University students "are facing criminal charges after police said they tried to break into Heinz Field early Sunday." Paul Sudeep and Anand Durvasula "were cooperative when apprehended, telling police they had tickets to Sunday afternoon's Pittsburgh Steelers game and 'decided to check things out so they knew where to go,' Harper said." The AP notes, "The Joint Terrorism Task Force -- made up of the FBI, city and Allegheny County police and the county sheriff's office -- conducted a sweep of the stadium with bomb-detecting dogs and found no explosives, Harper said. The men were being questioned by the terrorism task force, and Harper said the investigation was continuing." The Pittsburgh Post-Gazette (11/6, Rotstein, Guidry) also reports the story, under the headline "Heinz Field Arrests Spur Terror Response."

Reviewer Urges Reading Of Yoo's Book, But Criticizes His Conclusions. In the Washington Post (11/5, BW6), Geoffrey R. Stone reviews John Yoo's "War By Other Means: An Insider's Account Of The War On Terror," writing, "You should read this book, though not for the reasons the author intends. John Yoo is a law professor who served in the Office of Legal Counsel of the Department of Justice from 2001 to 2003. In that capacity, he participated -- often quite centrally -- in the key post-9/11 legal decisions that framed the Bush administration's war on terror, including the Patriot Act, the National Security Agency surveillance program and administration positions on torture, military tribunals and the treatment of alleged terrorist detainees at Guantanamo Bay. In War by Other Means, Yoo delivers on his subtitle. This is indeed 'an insider's account of the war on terror.' … At its core, War by Other Means offers spirited, detailed and often enlightening accounts of the decision-making process behind the key 2001-03 legal decisions. Yoo feels compelled

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to justify them because the Bush administration itself has 'often failed to explain clearly to the public the difficult decisions al Qaeda has forced upon us.'" But the "fundamental precept that drives Yoo's conclusions is his unyielding belief that in wartime, the president -- as commander-in-chief -- is exclusively in charge. Detention, surveillance and torture must all be within the president's unilateral control. Congress and the Supreme Court must defer to the president's judgment. This is an extreme, reckless and dangerous view. That it has shaped the policies of our government is nothing short of irresponsible."

WAR NEWS

Troops In Iraq Warn Of "Devastating" Results Of US Pullout. The Washington Post (11/6, White, 748K) reports from Iraq, "It is dusty and muddy, calm and chaotic, deafeningly loud and eerily quiet. The one thing the war is not, however, is finished, dozens of soldiers across the country said in interviews. And leaving Iraq now would have devastating consequences, they said. ... Many soldiers said the United States should not abandon its effort here. Such a move, enlisted soldiers and officers said, would set Iraq on a path to civil war, give new life to the insurgency and create the possibility of a failed state after nearly four years of fighting to implant democracy." The troops stress the need for more time to cement their accomplishments but also "expressed frustration with the nature of the fight, which many said amounted to driving around and waiting for the enemy to engage them, often with roadside bombs, known within the military as improvised explosive devices, or IEDs." The Post adds, "Soldiers and officers had difficulty conveying what victory in Iraq would look like or exactly how to achieve it. In some ways, victory is a moving target, they said, one that relies heavily on the Iraqi people gaining trust in the Iraqi security forces and the ability of the Iraqi government to support essential services."

Mallaby Mulls Costs Of Staying In Or Leaving Iraq. In his Washington Post (11/6, 748K) column, Sebastian Mallaby writes, "The news has been dominated by elections and Iraq. After tomorrow, there will be only Iraq. The nation will face an agonizing choice between soldiering on, scaling back or pulling out." Mallaby quotes three civil-war scholars -- "Oxford's Paul Collier, Stanford's James Fearon and Barbara Walter of the University of California at San Diego," who have "dispiriting" points: "[Iraqis' insistence on fighting each other] leads Fearon to the view that U.S. withdrawal is a precondition for the military test that in turn is a precondition for peace. If Fearon is right, remaining in Iraq actually prolongs the carnage. But even if he is wrong, it's not clear that remaining in Iraq is justified. In the past three months, 241 U.S. troops have died; another five years implies the death of 4,820 Americans, more than were killed in the terrorist attacks of 2001. The price of staying in Iraq is high, while the gains are uncertain. But it is also true that leaving Iraq could prove extremely costly. Fearon expects that withdrawal is likely to accelerate the conflict, unleashing an even more intense campaign of ethnic cleansing of civilians. ... But the strongest argument against withdrawal is that it might not be permanent. ... when Iraq's combatants fight themselves to stalemate, some coalition of external powers may have to enforce a peace, and the United States would probably be part of such an effort."

Galbraith Describes De Facto Partition Of Iraq. In an op-ed for Time (11/13) Peter Galbraith, former U.S. ambassador to Croatia, writes that President Bush "says the U.S.'s goal is a unified and democratic Iraq, but we have no way to get there. As Americans search for answers, there is one obvious alternative: split Iraq into separate Kurdish, Sunni and Shi'ite states. The case for the partition of Iraq is straightforward: It has already happened. The Kurds…enjoy the independence they long dreamed about. The Iraqi flag does not fly in Kurdistan, which has a democratically elected government and its own army. In southern Iraq, Shi'ite religious parties have carved out theocratic fiefdoms, using militias that now number in the tens of thousands to enforce an Iranian-style Islamic rule. To the west, Iraq's Sunni provinces have become chaotic no-go zones, with Islamic insurgents controlling Anbar province while Baathists and Islamic radicals operate barely below the surface in Salahaddin and Nineveh. And Baghdad, the heart of Iraq, is now partitioned between the Shi'ite east and the Sunni west."

Army Advisors Prepare To Help Iraqi Forces. The AP (11/6, Burns) reports from Fort Riley, Kansas, "... soldiers are preparing not to defeat the insurgents in Iraq but to coach the Iraqis to do that for themselves. It is an approach born of the realization that giving the Iraqis uniforms, rifles and bullets and training them in the basics of combat is not enough. To get the Iraqis ready to handle their own security, U.S. officials have concluded they need more American soldiers inside Iraqi army and police units to advise them. ...

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The advisers act as role models, steering Iraqis away from corruption, human rights abuses and other problems, while also going on raids and other missions to coach them and assess weaknesses." Anthony Cordesman of CSIS expresses skepticism, warning of "severe [numerical] limits" on the program. The AP describes simulation exercises in the advisors' training.

Iraq's Parliament To Consider Amnesty Proposals In December. U.S. News and World Report (11/13, Robinson) reports Samir Sumaidaie, Iraq's ambassador to the United States, "is under no illusions about the difficulty of achieving peace in his country. … But he has not lost hope. Obscured by the reports of spiraling violence and the latest contretemps between Prime Minister Nouri al-Maliki and U.S. officials is the surprising fact that the Iraqi government itself has laid out a timeline for dealing with the most contentious issues tearing the country apart. Achieving a timeline is not the same thing as reaching substantive agreement on solutions, but it may provide the kickstart for a last-ditch attempt to avoid fullblown civil war-and if deadlines matter, it is a measuring stick of the Iraqis' own making." US News adds, "By all accounts, the toughest items on the agenda are those slated for December, when a law offering amnesty to Sunni and Baathist insurgents and demobilizing militias is supposed to be passed."

Redeployment Of Convicted Abu Ghraib Dog Handler Sparks Outrage. Time (11/13, Zagaorin) reports, "In a war effort marred by poor planning and misjudgments of the local scene, this move just about took the cake. Someone in the U.S. military thought it was a good idea to send Sergeant Santos Cardona, a dog handler convicted of abusing detainees at the Abu Ghraib prison in Baghdad, back to serve again in Iraq. What's more, his unit's job was to help train Iraqi police. … Still, it was not until TIME.com reported last week that Cardona was on his way to Iraq that the military reconsidered his posting." Time notes, "By reversing course, the Army stanched the p.r. damage, but some harm had already been done. On hearing the news that Cardona was in Kuwait awaiting transfer to Iraq, Maryam al-Rais, a member of the Iraqi parliament, lamented, 'This is just the latest in a long list of insults to Iraqi dignity by the Americans.'"

US Translator Thought To Have Been Kidnapped By "Shiite Zarqawi." Newsweek's Periscope column (11/13, Johnson) reports, "Ever since the radical Mahdi Army leader Moqtada al-Sadr joined the Iraqi government, his power on the streets has been slipping. Now U.S. and Iraqi officials worry that even more violent men might be taking up his mantle. One name has come up again and again: Abu Deraa, sometimes called 'the Shiite Zarqawi.' Abu Deraa and the death squad he runs have been waging a campaign of Shia terror across the city. He is suspected of torturing and killing scores of Sunnis in a bloody wave of ethnic cleansing in neighborhoods across Baghdad. U.S. officials believe Abu Deraa is responsible for the capture of a U.S. Army translator who disappeared two weeks ago while leaving the fortified Green Zone and remains missing." According to Newsweek, "Iraq's Prime Minister Nuri al-Maliki hasn't made the job of hunting him any easier. Last week U.S. forces launched a massive raid in Sadr City, targeting Abu Deraa. The attack reportedly killed two of his sons, but he escaped. Concerned about the political implications, Maliki ordered U.S. troops to end the assault and then dismantle the checkpoints they had set up to net Abu Deraa if he tried to slip away."

US Public Said To See Parallels Between Iraq And Vietnam. U.S. News and World Report (11/13, Walsh) reports, "At the White House, they call it the 'V' word. Vietnam. It is the historical parallel that the Bush administration dreads most, because of fears that comparisons with the bitter, bloody Southeast Asian conflict will cast even more doubt on the conduct of the war in Iraq today. … But the idea that Iraq increasingly resembles Vietnam in some important ways appears to be gaining credibility among historians, pundits, and, most important, the public."

Kerry Remarks Seen As Evidence That Democrats Have Vietnam-Era Mind-Set. U.S. News and World Report's Michael Barone (11/13) writes, "'You know, education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq.' Those two sentences, spoken by John Kerry last week, tell a lot about the mind-set of many -- not all, but many -- Democrats who supported him for president in 2004. … One thing they tell us is that Kerry's mind-set is still back in the Vietnam era. Today the statement is literally untrue: No one is 'stuck in Iraq' unless he or she

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volunteers, and the educational and economic levels of our military personnel are higher than those of civilians in the same age cohort. Kerry was evidently thinking back to the late 1960s, when there was a military draft and a college dropout could find himself drafted and 'stuck' in Vietnam."

White House Aide Volunteers To Serve With Marines In Afghanistan. The Washington Post's "In the Loop" column (11/6, Kamen) reports Kenneth Rapuano, former deputy undersecretary at the Energy Department for counterterrorism and "since July 2004 a deputy assistant to the president for homeland security, has volunteered for active duty as a lieutenant colonel in the Marines to serve with the Joint Special Operations Command in Afghanistan."

Koppel Decries Lack Of "Commitment To Sacrifice" In Conduct Of War On Terror. In the New York Times (11/6, 1.21M), Ted Koppel writes, "We are advised to adjust to the notion of warrantless wiretaps at home, unaccountable CIA prisons overseas and the rendition of suspects to nations that feature prominently on the State Department's list of human rights abusers, because the threats we face are 'existential.' But apparently they are not existential enough to warrant any kind of widely shared commitment or sacrifice, like increased taxes or a military draft to meet the Pentagon's growing need for manpower. ... We are left with the impression that the grown-ups in Washington would prefer to make the difficult decisions for us without involving the courts, Congress or the press. That is precisely the wrong way to go about winning this war." Koppel adds, "Back when the United States was widely admired, it was for all that was most cumbersome about our democratic process."

LATimes Questions Pakistan's Allegiance. The Los Angeles Times (11/6) says in an editorial, "Preventing Afghanistan from falling to a resurgent Taliban must be a top priority for the Bush administration and the new Congress in the next two years. To succeed, more will have to be asked of Pakistani President Pervez Musharraf. Despite Pakistan's claim to have stopped supporting the Taliban after its 2001 ouster, the evidence is now overwhelming that the Pakistani security service — the Inter-Services Intelligence, or ISI — and probably the senior military leadership are tolerating, if not backing, Taliban forces. Washington has been turning a blind eye to this problem, reluctantly concluding that there is no alternative but to support the flawed but friendly Musharraf as the only practical bulwark against a radical Islamist takeover of a crucial nuclear state." Islamabad is "clearly hedging against what it sees as a hostile, pro-India government in Kabul and an inevitable Western abandonment of Afghanistan by keeping its old Taliban ally as a viable option. The respected Jane's Intelligence Digest last week cited independent reports confirming what Afghan President Hamid Karzai has been fuming about for months: ISI-sponsored Taliban training camps and jihadist madrasas have multiplied along the Afghan-Pakistani border. Moreover, we now know that the agreement the Pakistani government signed with tribal leaders in North Waziristan on Sept. 5 sold out Afghan and U.S. interests."

DOJ

DOJ Enron Task Force's Berkowitz To Join Latham & Watkins. Law.com (11/6, Slater) reports Sean Berkowitz, "the director of the Department of Justice's Enron Task Force in the trial of Jeffrey Skilling and the late Kenneth Lay, will join the Chicago office of Latham & Watkins, the law firm announced Thursday, Nov. 2. The announcement came on the heels of Enron Corp. co-prosecutor John Hueston joining Irell & Manella." Berkowitz said, "I did a careful look around Chicago firms and felt that Latham provided the best opportunities to capitalize on my experience in the Justice Department, and to transfer that into a national and international practice." Berkowitz, "pursued by Kirkland & Ellis and DLA Piper, among others, has several ties to Latham lawyers. He worked with John Lynch, a founding partner of Latham's Chicago office, when they represented different parties in General Instrument Corp.'s securities litigation, and with Latham associate Deborah Steiner in the U.S. Attorney's office. Between his Enron experience and his associate years at Katten Muchin Rosenman before joining the U.S. Attorney's office in Chicago, Berkowitz expects to make a pretty seamless public-to-private transition. 'Enron was one of the most complex matters out there, so I don't imagine I'll find anything in private practice that'll be insurmountable from a technical standpoint,' said Berkowitz, whose provocative cross-examination of Skilling ignited an unflattering outburst from the fallen executive."

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CRIMINAL LAW

Rudolph's Letters Provide Glimpse Of Federal Prison's "Bomber Row." Time (11/13, Vollers) reports the Federal Correctional Complex in Florence, CO "is a virtual theme park of penal experiences, ranging from a minimum-security camp…to the concrete fortress that was built to be the most secure prison in the country: the Administrative Maximum U.S. Penitentiary, or ADX for short. The inmates in ADX Florence include drug kingpins, gang leaders, hit men, snipers and, lately, more and more, international terrorists, including al-Qaeda shoe bomber Richard Reid; mastermind of the 1993 World Trade Center bombing Ramzi Yousef and at least seven of his accomplices; and four men convicted of involvement in the 1998 bombings of U.S. embassies in Africa. … Until now, almost nothing has been written about the inner workings of the ADX. Since 9/11, journalists have been routinely denied access to the facility, its staff and inmates. But Eric Robert Rudolph, who is serving life without parole at the prison for the fatal bombings at the Atlanta Olympics and an abortion clinic in Alabama, has written letters to me, the author of a book about his case, and to his mother Patricia Rudolph, who has shared them with me. These missives offer a unique first-hand account of life on Bombers Row."

Boston Mayor Optimistic About Expanding Gang Truces. The Boston Globe (11/6, Smalley) reports Boston Mayor Thomas Menino "said yesterday that he is optimistic about the possibility of brokering more gang truces across Boston similar to the one that police, clergy, and youth outreach workers established between two of the city's most violent gangs. Menino, who credited police and the Rev. Jeffrey Brown with cementing the pact between the Heath Street gang in Jamaica Plain and the H-Block gang in Roxbury, also praised the young gang members who came to the bargaining table." Menino said, "You have to give the…gang members a lot of credit for wanting to work together." Boston police consultant Jack McDevitt "said the truce could become a national model, in part because Heath Street and H-Block's long, bloody feud gives the treaty more street credibility. He said he plans to recommend the idea to six cities he is working with to fight gang violence under a US Department of Justice initiative. 'It gives some cover to other groups that might feel, 'OK, these are pretty serious folks and they did it so we can do it, too,' McDevitt said." Organizers trying to preserve the truce "have offered incentives to gang members, including tutoring, improvements to a teen center, and corporate box seats for a New England Patriots game."

Violent Crime In Manchester, New Hampshire, Comparably Low. The New Hampshire Union Leader (11/6, Brooks) reports, "Manchester has consistently ranked among the least violent cities of its size in New England, an analysis of federal crime data reveals. FBI records show the Queen City saw fewer robberies and aggravated assaults than almost any other similarly sized city in the region between 2001 and 2005, the last year for which data was available. Homicides also were rare. Altogether, Manchester reported fewer violent crimes in recent years than all but one other New England city of more than 100,000 residents. Only Stamford, Conn., could claim fewer." Police Chief John Jaskolka said, "The perception is that violent crime is way up. Actually, our numbers are fairly low." Officials and residents "have lately called the security of several Manchester neighborhoods into question, particularly since city police patrolman Michael Briggs was killed by gunfire in the center city last month. Police have since ordered high-intensity patrols in a smattering of hot spots. Many residents, meanwhile, have banded together via neighborhood watch groups."

Courts Embrace Electronic Monitoring. USA Today (11/6, Heath) reports, "Electronic monitors that can pinpoint criminals on a map can now also tell whether they've been driving too fast, drinking or violating other laws. Courts nationwide increasingly are embracing such tracking of people's behavior as a way to stop them from repeating the actions that got them in trouble with the law, though it remains less common than satellite surveillance of sex offenders." Among the tools are automobile black boxes and alcohol-sniffing bracelets.

Group Says Arkansas Rehabilitation Center Not Up To DOJ Standards. The Arkansas Democrat Gazette (11/5, Upshaw) reports, "An advocacy group that has been monitoring Alexander Youth Services Center for months said Saturday that Arkansas isn't meeting the mental health, education and special education needs of the children at the troubled facility as required by the U. S. Department of Justice and state law." Dana McClain of the Disability Rights Center says "problems at the center are

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systemic. … 'We don't think this is rehabilitation, and state law says it is supposed to be [for youthful offenders]. I think it's punishment,' she said. 'I feel like these children are being set up to go to adult prison.'"

Jury Kept Secret In Drug-Trafficking, Racketeering Case. The Washington Times (11/6, Mcelhatton) reports closing arguments "are expected today in a gang-related racketeering and drug-trafficking case in the District in which the judge took the unusual step of appointing an anonymous jury. Prosecutors say they want the names of the jurors to remain secret because the gang has tried to tamper with the judicial system, including impersonating a law-enforcement officer to kill a cooperating witness. Gerald Eiland and Frederick Miller are among several men accused of running a drug organization and car-theft ring based in the District. They have pleaded not guilty."

Legal Experts Say Laptop Search Case Could End Up In Supreme Court. In a story credited to Copley News Service, the San Diego Union-Tribune (11/5, Krasnowski) reported on the case of Michael Arnold, who was charged with possession of child pornography after a customs agent found images on his laptop when he returned from the Philippines. His "arrest was heralded as a success for the federal government's Operation Predator campaign against criminals who prey on children," but last month, "a judge threw out the computer evidence against him, setting up a court battle in which a man accused of vile behavior could help determine how far border agents can go in searching people's computers and the future of some privacy rights. It's an issue – spurred by advances in technology, and increased concerns about terrorism and border security – that some legal experts expect will end up before the U.S. Supreme Court." In the case, US District Judge Dean Pregerson "ruled the border officer needed reasonable suspicion to search Arnold's computer because the machines can contain vast amounts of private information. … Prosecutors contend border officers can search such items routinely, saying the computer search wasn't invasive or destructive but rather a standard inspection of a person at the border that courts have long supported."

Business Travelers Concerned About Searches. In his "Business Itinerary" column in the Los Angeles Times (11/4), James Gilden wrote, "It is cases like Arnold's that have corporate travel managers up in arms — but not because of the pornography connection. Their concern is with what happens to the proprietary data that business travelers often carry on their laptops." Gilden added, "The association of travel executives is not concerned as much with the constitutional questions as it is with the practical implications for business travelers. It has tried to get answers from Customs and Border Protection about its policies regarding the search and seizure of laptops and measures taken to protect sensitive business information on them but has not received an answer to its queries, Executive Director Gurley said."

Monterey County, California, Crime Lab Experiencing Major Delays. The Monterey (CA) Herald (11/5, Reynolds) reports, "Crimes in Monterey County are going unsolved and prosecutions delayed as piles of unprocessed evidence grow higher in the county's primary crime lab, law enforcement officials say. In some cases, The Herald has found, more than a year passed before fingerprints were processed, leaving detectives frustrated and criminals walking free." The lab "is so badly understaffed -- down from five employees to two -- that arrests have had to wait as crimes go unsolved for more than a year. In one example, a fingerprint was lifted in an April 2005 larceny case, but the print was not processed until June 2006. In the interim, investigators say, the same man had moved on from nonviolent fraud to carjacking." Detectives "complain that backlogs in the forensic services crime lab mean arrests aren't being made when they should. Law enforcement personnel described cases such as a 12-month delay in running fingerprints for an attempted murder case."

CIVIL LAW

Columnist Says Solicitor General May Be "Ultimate Authority" On Patent Law. In his Washington Post (11/6, A19) column, Charles Lane asks, "When it comes to patent law, who is the ultimate authority? Is it the Supreme Court? Or the U.S. Court of Appeals for the Federal Circuit, the specialty court for patent and trademark law established by Congress in 1982? Actually, it's none of the above. But before I reveal the correct answer, let me congratulate you for having read this far beyond the words 'patent law.' This eye-glazing technical topic has been known to send even people who like tax law screaming from the room. That you may still be interested shows a

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commendable understanding of patent law's significance, notwithstanding its arcane nature. … Arguably, the real power in patent law these days is not a court at all, but the Office of the Solicitor General." In the "10 Supreme Court patent cases in which the solicitor general has participated since 1995, the SG is undefeated, according to a recent study by Jonathan Franklin, a Supreme Court specialist at the law firm of Fulbright & Jaworski. What's behind the court's deference to the executive branch? In part, say patent law specialists, it appears that the justices are increasingly second-guessing the rulings of the Federal Circuit, which was designed to help clean up patent law by concentrating all federal appeals in a single expert body. From the Federal Circuit's inception until the mid-'90s, the justices seemed content to let it call the shots. But as the information technology revolution has spread, the high court has shown a willingness to review decisions of the Federal Circuit, whose critics say it is too favorable to patent holders. None of the justices are experts on patent law. Thus, they lean heavily on the expertise of the solicitor general, who receives plenty of input from the U.S. Patent and Trademark Office, the Federal Trade Commission and others within the executive branch."

Hughes Will Case Returning To Court. USA Today (11/6, Kasindorf) reports, "Nearly 30 years after jurors declared that a will left by Howard Hughes that gave a fortune to a Utah gas station owner was fake, Melvin Dummar is back in court claiming he was cheated out of a share in the billionaire's estate. … Several weeks after Hughes died at age 70 in 1976, a will purportedly in his handwriting was discovered on a desk in the Salt Lake City headquarters of the Church of Jesus Christ of Latter-day Saints. News media went wild over the surprising bequest of $156 million to the obscure Dummar." In 1978, Nevada and Texas juries decided the will "was a forgery. Now, Dummar, 62, says a new witness came forward in 2004 who can confirm his story. He revived the half-forgotten case in June by filing a complaint of fraud and racketeering in federal court against Hughes heir William Lummis, 85, and Frank Gay, 77, former chief operating officer of Hughes' companies."

CIVIL RIGHTS

Tennessee GOP Chair Says Fraud Possible In Memphis. The AP (11/5) reports Tennessee Republican Party Chairman Bob Davis Jr. "complained to Shelby County election officials that electronic voting machine cards were missing in Memphis, the hometown of Democratic U.S. Senate nominee Harold Ford Jr." In a letter dated Thursday, Davis wrote, "It has come to our attention that several smart cards used in early voting are missing from at least one early voting site in Memphis, Tenn. The lack of oversight and control over these smart cards has created a situation which could allow for voter fraud." The letter "called on the commission to 'locate these missing smart cards as soon as possible.' Tennessee Election Coordinator Brook Thompson said Friday that even if the cards aren't recovered, there is no danger of fraud. 'The cards are programmed such that once you use them, they cannot be reused until they are reactivated by the Election Commission,' he said."

DOJ Election Monitoring Effort Includes Kansas. The Lawrence Journal-World (11/6) reports, "A federal prosecutor will be available during Tuesday's election to respond to reports of possible election fraud and voting rights violations in Kansas. Assistant U.S. Atty. Leon Patton will be available as part of the Justice Department's nationwide Election Day program, which is an effort to increase the department's ability to deter election fraud and discrimination at the polls."

"New Breed Of Activist" To Monitor Poll Stations. The Wall Street Journal (11/6, B1, Kronholz) reports that on Tuesday "a new breed of activist will be on guard, monitoring polling stations for everything from voting-machine glitches to long lines to registration snafus. Energized by disputed results in 2000 and 2004, they have left jobs as music conductors, real-estate agents and software engineers to form groups that expect to turn out thousands of volunteers who don't trust the country's ability to count its votes and have decided to do something about it." "This is going to be the most heavily watched election in history," said Marybeth Kuznik, "who founded a group called VotePA after the 2004 election to monitor voting issues in Pennsylvania." The Journal adds, "Many of the groups share liberal roots, their members smarting from the narrow Democratic losses in the last two presidential elections. But they also share in Ms. Kuznik's assurances -- and the tax and lobbying status that requires them to remain nonpartisan -- that they simply want to see a clean count."

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Kentucky School District Faces DOJ Civil Rights Probe. The AP (11/5) reports, "An eastern Kentucky school district faces a federal civil rights inquiry, attorneys for the school system said. The Greenup County School District and the U.S. Department of Justice Office of Civil Rights have exchanged preliminary materials, but the agency has not scheduled a visit to the area." School officials "wouldn't say what the nature of the inquiry is. Greenup Superintendent John Younce would neither confirm nor deny that an inquiry is under way or that federal officials are planning a visit to the district."

ANTITRUST

Morgan Stanley, Visa Europe To Settle Antitrust Dispute. The Financial Times (11/6, Buck) reports Morgan Stanley and Visa Europe "have agreed to settle a long-running antitrust dispute, in a move that could bring to an end a six-year competition probe by the European Commission into the credit card group. The dispute broke out after Visa refused to let Morgan Stanley join its card network. The US investment bank had wanted to offer card services to shops and merchants in the European Union. However, Visa denied it access to its network, pointing to the fact that Morgan Stanley runs the Discover card in the US in competition with Visa."

CVS-Caremark Deal Would Create $75 Billion "Behemoth." The Wall Street Journal (11/6, B1, Levitz, Armstrong) reports CVS Corp.'s "$21 billion pact to buy Caremark Rx Inc. marks the biggest gamble yet for Thomas Ryan, the CVS chief who will lead the new company." Ryan "has helped build CVS from a regional drugstore chain into a national giant by buying rivals such as Revco DS Inc., Eckerd and Albertsons Inc.'s Save-On and Osco stores. Since ascending to the CEO and president posts at CVS in 1998, he has more than doubled the number of CVS stores to about 6,200. Sales are now $37 billion, up from $15 billion when he took over." The "savvy manager" has a "talent for overhauling and integrating sagging drugstore chains. But the Caremark deal, which would create a behemoth with $75 billion in annual revenue, represents a bigger deal than any he has tried before and CVS's first major acquisition of a company that isn't another drugstore chain."

Google-YouTube Antitrust Approval Noted. The Wall Street Journal (11/6, B8) reports, "U.S. antitrust regulators cleared Google Inc.'s $1.65 billion purchase of online video-sharing company YouTube Inc., based on a document published Friday. No other details were available. A transaction involving Google and YouTube was listed on the Federal Trade Commission's daily publication of transactions whose reviews have been terminated."

FBI/DEA/ATF/USMS

Report Claims DOJ Declining To Prosecute FBI Terror Cases. The AP (11/5, Jordan) reports DOJ "increasingly has refused to prosecute FBI cases targeting suspected terrorists over the past five years, according to private researchers who reviewed department records. The government says the findings are inaccurate and 'intellectually dishonest.' The report being released Monday by the Transactional Records Access Clearinghouse at Syracuse University raises questions about the quality of the FBI's investigations. Prosecutors declined to bring charges in 131 of 150, or 87 percent, of international terrorist case referrals from the FBI between October 2005 and June 2006, according to the report. The study was based on the most recent data available from the Justice Department's executive office for U.S. attorneys. That number marks the peak of generally steady increases from the 2001 budget year, when prosecutors rejected 33 percent of such cases from the FBI, according to the report. The data 'raise troubling questions about the bureau's investigation of criminal matters involving individuals the government has identified as international terrorists,' the report said."

USA Today (11/6, Johnson) reports DOJ "challenged the findings and said the analysis represented an 'astonishing misunderstanding' of the inner workings of the federal criminal justice system. 'This report contains inaccurate figures, relies on a faulty assumption that every referral from an investigative agency should result in a criminal prosecution and ignores the reality of how the war on terrorism is being conducted,' said Justice Department spokesman Brian Roehrkasse." In the weeks after 9/11, DOJ "announced a dramatic transformation of its mission, from a prosecution-driven institution to an agency that emphasizes prevention and the development of a domestic intelligence system. Because of the new mission, Roehrkasse said,

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cases rejected for prosecution don't necessarily close investigations."

Burrus Says FBI Willing To Run Sting On Congress If Needed. McClatchy (11/5, Gordon) reports Assistant FBI Director James Burrus says the bureau "is ramping up its ability to catch crooked politicians and might run an undercover sting on Congress." Burrus "called the bureau's public corruption program 'a sleeping giant that we've awoken,' and predicted the nation will see continued emphasis in that area 'for many, many, many years to come.' So much evidence of wrongdoing is surfacing in the nation's capital that Burrus recently committed to adding a fourth 15- to 20-member public corruption squad to the FBI's Washington field office." FBI agents are investigating "about a dozen" members of Congress, "including as many as three senators. The Justice Department also is expected to begin seeking indictments soon after a massive FBI investigation of the Alaska Legislature. If conditions warrant, Burrus said, he wouldn't balk at urging an undercover sting like the famed Abscam operation in the late 1970s in which a U.S. senator and six House members agreed on camera to take bribes from FBI agents posing as Arab sheikhs."

Jefferson Fundraising Faltered In Wake Of FBI Probe Revelations. Under the headline "Probe Hits Jefferson In Wallet," the New Orleans Times-Picayune (11/4, Walsh) reported, "The federal bribery probe targeting U.S. Rep. William Jefferson is issue No. 1 in the race to unseat him, but it has also played a powerful role behind the scenes" in his reelection campaign. "Though he has not been charged, revelations that the FBI found $90,000 stashed in Jefferson's freezer in August 2005 have earned him the cold shoulder from many once-loyal donors, the majority of whom have migrated to the campaign of state Rep. Karen Carter, also a Democrat, who has become the favorite of the political establishment. … Jefferson's $151,375 haul between July 23 and Sept. 30 was eclipsed by Carter's $327,162 and Shepherd's $199,900." The Times-Picayune noted, "A review of Jefferson's campaign finance reports show that those who have stuck with him financially are members of his family, long-time friends and business associates, a few fellow members of the Congressional Black Caucus and a smattering of sympathetic businesses and unions."

FBI Evidence Leads Nigeria To Charge Government Officials. ABC News (11/3, Ross, Rhee, 12:56 p.m.) reported in its "The Blotter" blog, "Nigerian officials say the bribery investigation of Congressman William Jefferson…has uncovered a massive corruption scheme involving several members at the highest levels of the Nigerian government. Acting on information provided by the FBI, Nigerian fraud investigators have now indicted Vice President Atiku Abubakar on 14 counts of corruption, involving tens of millions of dollars allegedly diverted from government accounts. According to Nuhu Ribadu, head of a new anti-corruption squad created by Nigeria's president, $23 million of the diverted money is still missing. Ribadu said $6.7 million of the missing funds has been traced to a U.S. company tied to Congressman Jefferson's family." ABC noted, "Several other top Nigerian officials, including a state governor, have also been implicated in the scheme to divert government funds."

Mississippi Mayor Indicted On Fraud Conspiracy Charges. The Jackson Clarion-Ledger/AP(11/4) reported Winstonville, Miss., Mayor Milton Tutwiler "and a business partner have been indicted on charges of conspiracy to defraud the federal government." Tutwiler and Kenneth L. Blockett "are accused in connection with a more than $1.3 million grant by Mid-Delta Empowerment Zone Alliance to Winstonville to construct a building for the Mound Bayou Chemical Co. in 2001. The indictment also charged misapplication of funds by Tutwiler." The AP noted, "The case was investigated by the Internal Revenue Service, the FBI and the state auditor's office. The grant for the project, predicted to bring 150 jobs to the Delta, was awarded in August, 2001. … However, the plant never finished and never opened."

Prominent Florida Lobbyist Indicted In Palm Beach Corruption Probe. The Palm Beach Post (11/4, Dubocq, Musgrave) reported, "Political fallout again shook Palm Beach County government Friday when William Boose, a powerful lobbyist and former planning director, was charged as a co-conspirator in the federal corruption case against former County Commission Chairman Tony Masilotti." Boose "is accused of helping to conceal Masilotti's $1.3 million profit from a government land deal." The Post noted, "A grand jury accused Boose of helping Masilotti cover up a scheme to secretly profit from a 2003

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land deal in Martin County. When FBI agents started asking questions, Boose allegedly lied and falsified legal bills to disguise the fact he didn't charge Masilotti full price for legal services. … His business relationship with the commissioner never was disclosed, the grand jury reported."

Former Florida FCI Guards Convicted In Sex-For-Contraband Scheme. The Tallahassee Democrat (11/4, Subramanyam) reported, "Two former Federal Correctional Institution officers are headed to prison following their convictions Friday evening in federal court." Gregory Dixon "was found guilty on three counts of bribery after three former and current FCI inmates testified he gave them contraband in exchange for sex. … He was found not guilty on two conspiracy charges and witness tampering. He was found guilty on the charge of conspiracy to accept illegal gratuity, which carries a lesser sentence." Codefendant Alan Moore "was convicted of witness tampering and on the lesser charges of conspiracy and accepting illegal gratuity. He was found not guilty of bribery involving an exchange of contraband for sex." The AP (11/4, Kaczor) added, "'Any prosecution is trying to send a message,' Assistant U.S. Attorney Alan Sprowls said after the verdict. Defense lawyer Robert Harper said he didn't think it would be the right kind of message, though. 'This case to me sends a dangerous message to every male correctional officer at every female correctional institution,' Harper said."

Executive Pleads Guilty In Indiana Concrete Price-Fixing Probe. The Indianapolis Star (11/4, Corcoran) reported, "Only two area ready-mix concrete executives are still awaiting trial in connection with a broad price-fixing conspiracy after Friday's sudden guilty plea by a third executive in federal court. Chris A. and Ricky J. Beaver, managers at Noblesville-based Beaver Materials Corp., are scheduled to go on trial Nov. 13." The Star noted that Builder's Concrete & Supply Vice President John J. Blatzheim "pleaded guilty Friday, acknowledging he joined the local conspiracy in April 2003. In exchange, federal prosecutors dismissed a charge of lying to the FBI and antitrust investigators that carried a five-year prison term."

Judge Grants US Request To Maintain Custody Of Jeffs Evidence. The Deseret Morning News (11/4, Winslow) reported, "Federal authorities are trying to keep their hands on evidence seized by the FBI when Fundamentalist LDS Church leader Warren Jeffs was captured. In an unusual move, the U.S. Attorney's Office in Utah asked a Nevada federal judge to let three of its lawyers handle the evidence battle," and "on Friday, a federal judge in Las Vegas granted their request." Defense lawyers say the "seized documents, letters and other papers…are protected by the FLDS leader's right to freedom of religion and clergy-communicant privilege," but "federal prosecutors in Utah have filed an unlawful flight to avoid prosecution warrant against Jeffs and have threatened to seek a grand-jury indictment should he ever be granted bail." The Morning News noted, "Jeffs was on the FBI's Ten Most Wanted list until he was arrested in August during a traffic stop outside Las Vegas."

FBI Considering Billboard Campaign Boston Art Theft Investigation. The Boston Globe (11/4, Murphy) reported, "The FBI is considering a billboard campaign as part of its international hunt for $300 million worth of artwork that was stolen from the Isabella Stewart Gardner Museum in Boston in 1990 by thieves who masqueraded as police officers to get inside, according to the agency 'We are evaluating investigative techniques designed to solicit information from the public regarding the investigation, including the use of billboards,' said Thomas Larned, an assistant special agent-in-charge of the FBI's Boston office. … Larned said that using billboards as part of a publicity campaign was under consideration, 'however we have no imminent plans.'" The Globe notes, "Julian Radcliffe -- chairman of the Art Loss Register in London, which is the world's largest database of stolen art and antiques dedicated to their recovery -- said he had never heard of billboards being used to help locate stolen pieces. Radcliffe added, "I think the chances of it attracting somebody who knows where the pictures are is probably not very high."

Boston SAC Appointed FBI Inspection Division Chief. In a story taking very positive tone toward FBI Boston SAC Kenneth W. Kaiser, the Boston Globe (11/4, Murphy) reported the he was appointed Friday "to serve as assistant director of the Inspection Division, which evaluates and audits the work of the FBI's field offices, conducts internal investigations of alleged misconduct by bureau employees, and investigates shootings by FBI agents. It will be a bittersweet departure for Kaiser, who said yesterday that he regrets being unable to capture fugitive gangster James

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'Whitey' Bulger," but Kaiser "said he believes that he has left the once-beleaguered office in better shape than he found it by repairing the FBI's relationship with other law enforcement agencies after it had been badly frayed by corrupt agents who protected Bulger from prosecution and helped him slip away just before his 1995 indictment." Kaiser said in a telephone interview, "I think the perception now is that the FBI is a team player…that we really are looking for Whitey Bulger, and that the Boston office isn't a corrupt office." The AP (11/4) noted, "During Kaiser's tenure, the bureau launched an investigation into the Big Dig and secured an indictment an alleged Al Qaeda operative. He also commanded an emergency team in Louisiana after Hurricane Katrina.

Murdered Virginia Woman Was Undercover Informant For Police, FBI. The Washington Times (11/6, McElhatton) reports, "An Alexandria woman fatally shot last month in what police are calling a targeted hit worked undercover and cooperated with the FBI in violent-crime and drug cases up and down the East Coast, previously sealed records show." Bethlehem Ayele "assisted in a homicide investigation in Connecticut, arranged an FBI sting in Florida and testified against drug dealers in the District." She was killed "while waiting at a stoplight," and "the shooting prompted immediate speculation about whether Miss Ayele's death was tied to her testimony against members of the so-called Murder Inc. drug gang in the District. … 'Detectives still believe she was targeted, but they have not determined exactly why,' Amy Bertsch, a spokeswoman for the Alexandria Police Department, said yesterday."

California Marijuana Law Said To Create Risk For Doctors. The AP (11/5, Leff) reports that since California "passed the nation's first medical marijuana law a decade ago, a provision requiring written doctor approval to grow and buy pot has created conflict between the state mandate and federal drug laws, and strained the doctor-patient relationship. Until the stalemate is resolved, doctors recommending marijuana do it with trepidation and a good deal of risk. … Although a federal appeals court ruled four years ago that the U.S. Drug Enforcement Administration cannot go after doctors merely because they recommend marijuana to patients, the state medical board's guidelines make it clear the ruling did not amount to immunity either from prosecution or disciplinary proceedings."

Future Of Law Unclear. In a separate story, the AP (11/5) writes, "A decade ago, California voters were the first in the United States to approve medical marijuana, and 10 other states have since followed suit. But the future of the landmark California statute is no clearer now than when voters headed to the polls on Nov. 5, 1996. The federal government still refuses to recognize Proposition 215, the Compassionate Use Act approved by 56 percent of voters. … The DEA says it is targeting dispensaries and other large–scale growing and selling operations, whether the marijuana is for medical or illicit use." News outlets that used a version of the AP story include CBS News, FOX News, Forbes, the Washington Post, Houston Chronicle, Chicago Tribune, Boston Herald, and Arizona Republic.

Medical Marijuana Claims Seen As Misleading. In Los Angeles, KCAL-TV (11/3) reports on its Web site that the assertion that all medical marijuana "is headed for seriously ill patients is misleading," based on statistics from the California Branch of the National Organization for the Reform of Marijuana Laws (NORML)." The DEA and its local and state counterparts "routinely report that large-scale drug traffickers hide behind and invoke Proposition 215, even when there is no evidence of any medical claim."

In Alabama, British Aristocrat Admits Role In Transporting 15,000 Pounds Of Marijuana. The Mobile (AL) Press-Register (11/4, Kirby) reports a British aristocrat who "fought extradition to the United States for the better part of a decade stood in handcuffs and leg shackles Friday before a federal judge in Mobile to admit his guilt in a massive drug conspiracy. Giles Richard Carlyle-Clarke…pleaded guilty to one count of conspiracy to possess with intent to distribute marijuana. He admitted responsibility for 15,000 pounds of marijuana that came into the country by way of Baldwin County and St. Petersburg, Fla." Prosecutors "hailed the plea as the latest victory in an investigation that dates to the 1980s and has resulted in more than 70 indictments and 65 convictions."

The AP (11/3) also reports on Carlyle-Clarke's guilty plea.

Texas Authorities Grapple With High Cost Of Destroying Drugs. In McAllen, Texas, the AP (11/5, Brezosky) reports in a region that "is a gateway for drugs coming from Latin America and bound for cities throughout the United States, destroying drugs means sending a caravan

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of vehicles and officers on a two-day trip costing $8,000 to $10,000. For McAllen, in particular, it means unloading tons of contraband from the 8-foot by 40-foot evidence bunker and into a rented moving van, which is then driven to a privately run incinerator near Dallas. … 'For obvious reasons of security and safety, we can't reveal where we burn or destroy our evidence, but it is a concern for us in terms of the costliness of it,' Houston-based DEA spokesman Ray D'Alessio said. 'We're exploring different options right now.'"

Houston DEA Agent Targeted By Ex-Wife In Murder-For-Hire Case. The Houston Chronicle (11/5, Rogers) reports a Houston DEA agent's ex-wife "pleaded guilty Friday to trying to hire someone to kill him. Pamela Bishop, 38, got deferred adjudication for solicitation of capital murder of Donald Noell Bishop. The conviction will be dropped from her criminal record if she stays out of trouble the next six years. … Except for saying the incident stemmed from an acrimonious divorce, her attorney…declined to comment on the circumstances surrounding the charge because the couple are still in a custody fight for their children."

Colorado Newspaper Endorses Marijuana Amendment. The Rocky Mountain News (11/3) reports the Colorado Springs Gazette has endorsed Amendment 44, which would legalize possession of small amounts of marijuana. 'We encourage freedom lovers to vote yes on Amendment 44,' the newspaper said on its editorial page. 'The long journey toward a more rational and workable national drug control policy begins with a single step,'" the newspaper said.

IMMIGRATION

Texas Launches Online Border Monitoring. The AP (11/4) reported, "Texas launched its ambitious effort to use Internet users to watch the border for illegal immigrants. But the network of surveillance cameras was plagued by technical problems, the images were grainy and the cameras were placed so high that it was hard to distinguish a person from, say, a bush. Republican Gov. Rick Perry, who announced plans over the summer to spend $5 million on the virtual posse, asked for 'forgiveness on the front end of this,' but dismissed the problems as routine computer glitches."

The Fort Worth Star-Telegram (11/4, Mcgee) reported, "Gov. Rick Perry's spokeswoman, Kathy Walt, said Friday that cameras may have been down for temporary adjustments and that the Web site is still a 'test site.' … The Border Patrol has cameras in every sector of Texas' border with Mexico, said Mike Friel, spokesman for U.S. Customs and Border Protection. He said the cameras work in daylight or at night and can be rotated 180 degrees by the Border Patrol agents or National Guardsmen who use them." The cameras "were installed free by companies that hope to win contracts when the governor installs more, Walt said. Perry wants to have 70 to 100 cameras on the border eventually, she said."

Judge Rules City Officials Cannot Fine Landlords For Housing Illegal Immigrants. US News and World Report (11/5) reports, "The country's immigration battle took another turn last week when a federal judge blocked two landmark immigration ordinances in Hazleton, Pa., from being enforced just hours before they were to go into effect. The measures, now on hold until November 14, would have allowed city officials to fine landlords housing illegal immigrants and deny business permits to companies that hire them. Judge James Munley said enforcement would cause 'irreparable harm' to businesses catering to Hispanics. His decision was in response to a suit filed by Hispanic groups and the American Civil Liberties Union."

Border Agents Plan To Appeal Shooting Sentence. The Washington Times (11/6, Seper) reports, that Jose Alonso Compean, 28, and Ignacio Ramos, 37, "sentenced to lengthy prison terms for shooting a drug-smuggling suspect as he fled across the Rio Grande want a new trial, saying three jurors claim they were pressured into returning guilty verdicts." Compean was sntenced to 12 years in prison, and Ramos to 11, for "causing serious bodily injury, assault with a deadly weapon, discharge of a firearm in relation to a crime of violence and a civil rights violation." Ramos' attorney, Mary Stillinger, "plans to appeal the case to the 5th U.S. Circuit Court of Appeals in New Orleans based, in part, on sworn affidavits of three jurors -- Robert Gourley, Claudia Torres and Edine Woods -- who said they were incorrectly instructed that their verdict had to be unanimous and that the judge would not accept a hung jury."

CNN Live Sunday (11/5, 6:37 p.m.) contrasts Compean and Ignacio's sentences with six-year sentences handed

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down against two agents convicted of taking bribes. CNN notes that Compean and Ignacio were charged under a law intended to prosecute drug smugglers and other violent criminals. Former prosecutor Laurie Levenson added, "Prosecutor have lots of discretion in deciding what charges to bring. … Once prosecutors decide an agent has crossed the line into criminal behavior, they are inclined to throw the book at them."

CBP Debuts Unmanned Aerial Vehicles At Mexican Border. The Washington Times (11/6, Seper) reports, "U.S. Customs and Border Protection has launched its newest weapon in securing the nation's borders with the debut of an unmanned aerial vehicle capable of providing an 'eye in the sky' for Border Patrol agents on the ground. … The agency's new unmanned aircraft, known as the MQ-9 Predator B, began limited operations last week from Libby Army Airfield in Fort Huachuca, Ariz., to support enforcement activities along the U.S.-Mexico border. The aircraft was introduced during ceremonies Tuesday in Arizona hosted by Air and Marine Assistant Commissioner Michael Kostelnik." The unmanned aircraft "give the agency improved and expanded mission capabilities to meet what" CBP Commissioner W. Ralph. Basham "has described as 'the continuing terrorist threat to our nation.'"

Impact Of 1986 Immigrant Reform Bill Assessed. The Christian Science Monitor (11/6, Henao) reports, "Twenty years ago Monday, Congress passed the largest effort to date to curb undocumented immigration to this country. Under the Immigration Reform and Control Act (IRCA), employers were sanctioned for the first time for hiring undocumented workers." The bill "also called for tighter controls along the Mexican border. But the bill was a compromise: Enforcement was balanced by an amnesty provision." Nearly "3 million undocumented immigrants were granted legal residence under the amnesty. Most of them were Mexican (more than 80 percent) and lived in the Los Angeles area. Salvadorans, Filipinos, Haitians, Poles, and Vietnamese also benefited from the program." Critics "say the bill set a damaging precedent for future amnesties. IRCA supporters say the word 'amnesty' mischaracterizes the bill's intent." Former Rep. Romano Mazzoli, a sponsor of IRCA, "defends the bill as the best way to combat illegal immigration at the time. The six administrations that followed, he says, are to blame for not enforcing tighter restrictions." The Monitor also examines the stories of seven immigrants who took advantage of the amnesty program.

CONGRESS-ADMINISTRATION

Bush Welcomes Saddam Death Sentence As Some Question Pre-Election Timing. The death sentence given Sunday to former Iraqi President Saddam Hussein and two former senior members of his regime dominates Monday's headlines. On the only network news broadcast Sunday evening, ABC World News (10/30, lead story, 2:50, Harris) lead its program with a report on the sentencing. As party of its report, ABC noted briefly that President Bush, while campaigning in Texas yesterday, "called the outcome of that trial a milestone for the Iraqi people. He said the verdict and death sentence provide a verdict and measure of justice many thought would never come." Bush was shown saying, "Iraq has a lot of work ahead as it builds its society, as it delivers equal justice and protects all its citizens. Yet, history will regard today's judgment as an important achievement on the path to a free and just and unified society."

The AP (11/6, Loven) reports Bush "painted Saddam's conviction and sentence as vindication of the sacrifices made by American soldiers in Iraq. More than 2,800 members of the US military have died since the U.S.-led invasion in March 2003." Said Bush, "They've sacrificed for the security of the United States. … Without their courage and skill, today's verdict would not have happened." AFP (11/6, Knox), meanwhile, says that "two days before Tuesday's vote, dozens of congressional races were too close to call and two national public opinion surveys favored Democrats overall but suggested a late burst of energy among Bush's Republicans." Bush "was in Nebraska and Kansas as part of an 11th-hour political rescue mission for struggling Republican candidates facing unexpectedly strong Democratic challenges in part because of anger at the war in Iraq. 'Saddam Hussein was a threat,' he said, amid signs the conflict could cost his party control of the US Congress. 'My decision to remove Saddam Hussein was the right decision, and the world is better off for it.'"

Some Democrats and media analysts suggested the timing of the sentence was designed to influence the US elections. In its report on the sentencing, the Wall Street Journal (11/6, A3, Shishkin) notes, "With US congressional elections taking place this week, many Iraqis suspect the

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Bush administration somehow influenced the timing of the sentence to benefit the Republican party," but White House spokesman Tony Snow Sunday dismissed the idea as "preposterous."

The Washington Post (11/6, A16, Baker) reports, "Bush called the verdict a "landmark event" in Iraq's transition to democracy, and aides hoped it would be seen as vindication of his decision to go to war. Democrats were quick to agree that justice had been done for a vicious tyrant but argued it would not fix what they see as the debacle in Iraq." The Post also notes that the timing of the verdict "stirred anxiety among Democrats who worried it could be a 'November surprise' that would persuade Republicans to turn out," and "some voiced suspicions that the Bush administration had orchestrated the court schedule to influence the vote, a contention the White House rejected."

The New York Times (11/6, Nagourney, Rutenberg) says Bush "seized on the conviction of Saddam Hussein as a milestone in Iraq, seeking to rally Republican voters with the issue of national security as some polls suggested that his party might be making gains in the final hours of the campaign." The Times also notes that the White House "said the timing of the announcement, two days before Election Day, had nothing to do with American politics and had been dictated by the Iraqi court. But Mr. Bush moved quickly to put it to use in what has been his central strategic imperative over the past week, trying to rouse Republican voters to turn out."

The issue also came up on the Sunday political talk shows. On CNN's Early Edition (11/5, Blitzer) White House spokesman Tony Snow said the claim that the verdict was timed to coincide with US elections is "preposterous," Adding, "This is one of these tinfoil hat sort of things, where people suddenly decide, if there is news that may call into questions the things that they've been saying, that somehow we've been scheming and plotting with the Iraqis. … The important thing about this is we've got an independent Iraqi judiciary. The Iraqis are the ones who conducted the trial. The Iraqi judges are the ones who spent all the time poring over the evidence from July 27 to the present."

House majority leader John Boehner was asked on Fox News Sunday (11/5, Wallace) if he thinks the Saddam Hussein verdict will "energize" Republicans, Boehner replied, "I think so. … Democrats just want to give up in Iraq. They just want to pull out the troops. We're in a very serious war with people who want to kill us. And if we don't win in Iraq, we're going to embolden terrorists all over the world. And today's victory is a victory for the Iraqi people."

Sen. Elizabeth Dole, on NBC's Meet the Press (11/5, Russert), said, "I think what this shows is that the Iraqis are putting their past behind them; the establishment of the rule of law. I feel that this will mean they are moving forward.

On NBC's Meet the Press (11/5, Russert) Rep. Rahm Emanuel commented that though "it's good that he is behind bars and getting the justice that he deserves…I would also like to remind that, about three years ago when he was caught…there were about 800 Americans who were dead at that point. Today there are a little over 2,800 Americans that have died. It won't change the facts on the ground there. And it won't impact the election here."

Rep. Pete Hoekstra, on CNN's Early Edition (11/5, Blitzer) said, "This is another step forward in making sure that we defeat radical Islam and keep the homeland safe. … This is now one more step in building a safe and a more secure Iraq. And we've had other victories that people don't focus on."

GOP Sen. Lindsey Graham, discussing the sentencing, called for deployment of additional US troops to Iraq. During an appearance on CNN's Early Edition (11/5, Blitzer), Graham said that while the verdict is "a step forward" the overall violence "is worse. And I don't think we've ever had enough troops on the ground. … You'll never convince me that the security apparatus that we have in place now is working. We need more Iraqi troops. We need more American troops, coalition troops, in the short-term. To have a democracy, you can't have this level of violence."

Reactions To Saddam Death Sentence Said To Highlight Rift Among Iraqis. The Washington Times/AP (11/6, Hurst) reports, "An Iraqi court yesterday sentenced Saddam Hussein to death for crimes against humanity, convicting the former dictator and six subordinates in the torture and murder of nearly 150 Shi'ites from the city of Dujail in 1982." Saddam "trembled and shouted 'God is great' when Chief Judge Raouf Abdul-Rahman declared the former leader guilty and sentenced him to hang." The Christian Science Monitor (11/6, Peterson) notes Saddam also "accused the judge of the US-created tribunal of being a 'mouthpiece of occupation and colonialism,' and cursed 'your law and your articles and clauses.'"

The Los Angeles Times (11/6, Daragahi) says the trial, "once viewed as a means of reconciliation and justice, instead seemed to fuel the sectarian division that grips the

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country. Some Shiites and Kurds celebrated. Some Sunnis mourned angrily."

USA Today (11/6, Brook) reports "celebratory gunfire that erupted Sunday after the announcement of Saddam Hussein's death sentence dissipated quickly as Iraqis went about their lives in a city fractured by sectarian violence." In other areas, "the verdict was denounced. Demonstrators in Tikrit, the former Iraqi leader's hometown, defied a curfew and carried his picture through the streets. Residents of some Sunni neighborhoods in the capital traded gunfire with police, while mortar shells burst in other Sunni areas."

In a front page report, the Washington Post (11/6, A1, Knickmeyer) says that following the sentencing, "A divided and violence-ridden Iraq broke into starkly disparate displays of emotion." The Post notes that the US "largely funded Hussein's trial, and US officials close to the trial said Sunday's outcome vindicated the policy of having courts in individual nations try cases involving war crimes and crimes against humanity. The Bush administration has been a leading opponent of international tribunals, fearing that US soldiers could be tried before them for political reasons."

The Chicago Tribune (11/6, Madhani) notes "the court also convicted former Iraqi Vice President Taha Yassin Ramadan of premeditated murder and sentenced him to life in prison. Three other co-defendants of Hussein -- Mizhar Abdullah Ruwayyid, Ali Dayih Ali and Abdullah Kazim -- were convicted of murder and torture and sentenced to up to 15 years in prison." An eighth defendant, Mohammed Azawi Ali, "a low-ranking Baath party official, was acquitted for lack of evidence."

Also on its front page, the New York Times (11/6, A1, Burns, Semple) reports that although "an automatic appeal of the death sentence will delay it…some Iraqi judicial officials privately held out the possibility that Mr. Hussein could go to the gallows in a matter of months, perhaps before next spring. That may depend on behind-the-scenes maneuvering by Mr. Hussein's embattled successors in Iraq's new government, who have already shown that they are not hesitant to pressure judges in the case." Meanwhile, the Times says the "contrasting reaction to the verdicts, in the heavily fortified courthouse in Baghdad and across Iraq, was a testament to the bitter divisions sown by the toppling of Mr. Hussein in April 2003, and to the country's spiraling descent since then into a near-anarchy of insurgency and sectarian killing." Outside of Iraq, the reaction "was negative from some in other Arab countries and from Western legal-monitoring and rights groups, which had been critical of procedures at the trial, saying they were loaded in favor of 'victor's justice' and that the Bush administration should have insisted that an international court hear the cases." The New York Times (11/6, Tavernise) runs another story on the verdict titled "In A Divided Iraq, Reaction To Saddam Death Sentence Conforms To Sectarian Lines."

In a report on Iraqis' reactions to the sentence, the Washington Post (11/6, A15, Raghavan, Dehema) says that "for the Sunnis of Kadhimiyah, the verdict drove another nail into the coffin of the man many still see as the leader of their community, which once ruled Iraq but now feels more besieged than ever. The sentence, some said, was the work of a victor's court that was more interested in vengeance than judicial fairness." Meanwhile, "For the more numerous Shiites…after decades of repression under Hussein's government, the verdict delivered the justice they have long sought. … Shiites also rejoiced in the hope that their political future in Iraq and in the region would become more secure."

The Financial Times (11/6, A1, Negus) says the court is expected "to produce a long written explanation of its judgment in the coming weeks, which legal experts say will be crucial in determining whether Mr. Hussein and his co-defendants were given a fair hearing."

Under the headline "Hussein Sentence Could Heighten Rifts In Iraq," the Wall Street Journal (11/6, A3, Shishkin) warns that sentence "could deepen Iraq's sectarian rifts and inflame the anti-American insurgency. … With violence on the streets of Baghdad at its highest level in years, the verdict is unlikely to alter the pattern of the sectarian conflict or attacks against US troops, but it will provide another divisive issue for a country struggling to hold itself together." For example, the Journal notes that "in a sign of how embittered the Sunnis are at Iraq's current leadership, Saleh al-Mutlaq, [a] Sunni politician, warned that the verdict could lead to more sectarian attacks for which the Shiite government will bear responsibility."

In a separate report on reaction around the Middle East, the New York Times (11/6, Fattah) reports that "many in the region said that the verdict had been a foregone conclusion and questioned whether it had been fair. … Many analysts and others in the region who followed the trial said that what mattered was how the court had reached its judgment and that the process had seemed highly flawed. But critics and supporters of Mr. Hussein…said they were left with more frustration than closure. Most Arabs interviewed Sunday said

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they did not believe the trial was fair. They said it had seemed politicized, that the judges had not seemed to be in control of the process and that rulings about procedures had seemed contradictory. Almost everyone agreed that the verdict was unlikely to stop the violence gripping Iraq."

The AP (11/6, Kole) reports, "Worldwide, the range of reactions -- including a European outcry over capital punishment and doubts about the fairness of the tribunal that ordered Saddam to hang -- reflected new geopolitical fault lines drawn after America's decision to invade Iraq in 2003 and depose its dictator." The European Union "welcomed the verdict but said Saddam should not be put to death. At the Vatican, Cardinal Renato Martino, Pope Benedict XVI's top prelate for justice issues, called the sentence a throwback to 'eye for an eye' vengeance." Islamic leaders "warned that executing Saddam could inflame those who revile the U.S., undermining President Bush's policy in the Middle East and inspiring terrorists."

In an analysis, the AP (11/6, Reid) says, "The future of Iraq may depend little on whether Saddam Hussein hangs. The Sunni insurgency is so deeply entrenched and sectarian bloodlust so strong that Iraq seems set to continue spiraling into violence—regardless of its former president's fate. Some fear that the Saddam verdict, by angering the Sunni minority, could intensify the violence once a curfew in Baghdad is lifted. Others say they hope the verdict gives Iraqis a chance 'to unite and build a better future,' in the words of the US Ambassador to Iraq, Zalmay Khalilzad. But in the end, Saddam's fate is not what's driving the violence in Iraq now. Instead, religious, nationalistic and sectarian passions have taken over and are tearing the country apart."

The New York Times (11/6, Preston) reports, "Lawyers and human rights advocates broadly agreed that the Iraqi tribunal's proceedings frequently fell short of international standards for war crimes cases." But "even critics of the trial said the five Iraqi judges who heard the case had made a reasonable effort to conduct a fair trial in the face of sustained pressure from Iraqi political leaders for a swift death sentence. American lawyers pointed to substantial evidence offered by the prosecution implicating Mr. Hussein in the crimes against humanity with which he had been charged." McClatchy (11/6, Youssef) and USA Today (11/6, Jervis), among other sources, run similar reports this morning.

The Washington Post (11/6, Kennicott) analyzes Saddam's demeanor during the sentencing, saying "Hussein managed to remain consistent to his prewar public image throughout it all. The military fatigues came off, but with his Koran in hand and the formulaic and economical arm gestures of an impatient despot he never seemed anything less than entirely convinced that he was still Saddam Hussein, a latter-day incarnation of Nebuchadnezzar. Throughout it all, he had a loyal audience. … A broken man doesn't take such care with his cuffs, nor stuff a handkerchief in his breast pocket, as Hussein did for his court appearance. Only the fatigue in his eyes and the gaunt appearance of his face suggested any sign of soul searching -- and even that reading of his visage is probably wishful thinking."

NYTimes Criticizes Trial, Urges Appeals Court To Defer Death Sentence. The New York Times (11/6) editorializes, "Hussein got a fairer trial than he ever would have allowed in his courts. But Iraq got neither the full justice nor the full fairness it deserved. President Bush overreached in calling the trial 'a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law.'" The Times adds, "The appeals court that will now review the verdict can undo some of the damage by taking into account some of these deficiencies. At least, it should defer the carrying out of any death penalty long enough to allow the completion of a second trial, in which Mr. Hussein is charged with ordering genocidal massacres against the Kurds."

More Commentary. In an op-ed for the Wall Street Journal (11/6), former CPA head Paul Bremer writes, "Without resolving Saddam Hussein's fate -- and the human-rights record of the regime he led -- the Shiites and Kurds can never make true peace with their Sunni fellow citizens. So the verdict should be seen as a necessary, though not sufficient, step in helping Iraq's persecuted majority put behind them the awful years of Saddam's brutal rule."

In an editorial, the Washington Post (11/6) says "the trial was tumultuous, deeply flawed and often painful to watch; and some of the brave Iraqis who committed themselves to making it work lost their lives. The result was imperfect, to be sure, but also well-founded."

The Wall Street Journal (11/6, A14) editorializes, "Justice for Saddam is one admirable legacy of the American sacrifice in Iraq." But "to make it permanent, the US must also defeat the insurgency that battles on in Saddam's name. No matter what happens in Tuesday's election, the US commander in chief who ended Saddam's tyranny has to find a strategy and generals who will finish the job."

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Cheney Says Election Won't Affect Bush's Policies In Iraq. Vice President Cheney, asked on ABC's This Week (11/5) if he foresees Tuesday's vote having any influence over "the President's Iraq policy," replied, "I think it'll have some effect, perhaps, in the Congress, but the President's made clear what his objective is: It's victory in Iraq, and it's full speed ahead on that basis. And that's exactly what we're going to do." When host George Stephanopoulos noted that "it seems like the public has turned against it right now," Cheney said, "It may not be popular with the public. It doesn't matter in the sense that we have to continue the mission and do what we think it right. And that's exactly what we're doing. We're not running for office; we're doing what we think it right."

The Financial Times (11/6, Luce) notes Cheney also "said that a US withdrawal from Iraq would undermine the 'war on terror' by sending the wrong signals to allies such as Hamid Karzai, the president of Afghanistan, and Pervez Musharraf, the president of Pakistan. 'You cannot make national security policy on the basis of that [election outcomes],' he said."

The AP (11/6), meanwhile, reports Cheney "will spend Election Day on his first hunting trip since he accidentally shot a companion last February while aiming at a covey of quail on a private Texas ranch."

Cheney Claims Lamont's Primary Win Boosted Iraqi Insurgents. Stephanopoulos also asked Cheney, on ABC's This Week (11/5), if a Democratic victory would also represent a victory for Iraqi insurgents. Cheney responded, "I think what they're trying to do, obviously, is execute on their strategy. And if you think about their strategy, it isn't to defeat us militarily; they can't do that. But what they're betting on -- Osama bin Laden talks about it -- is that they can, in fact, ultimately break the will of the American people, that they can persuade enough Americans that we'll ultimately leave. And then they cite Beirut in 1983, Mogadishu in 1993 as examples where the U.S. took casualties and then departed. So that's their basic, fundamental, underlying strategy. … I think when they see something happen, such as happened in Connecticut this year, where the Democratic Party, in effect, purged Joe Lieberman, primarily over his support for the president and the war, that says to them that their strategy is working."

Biden Calls Cheney "Somewhere Between Dysfunctional And Delusional." Asked on CBS' Face the Nation (11/5, Schieffer) if the elections will impact "the president's war policy and what's going on in Iraq," Sen. Joseph Biden answered, "I do. Notwithstanding what Vice President Cheney says, that it won't have any impact at all, or that it's going to disregard the elections as it relates to Iraq. I think the combination of the Army Times and the Navy Times calling for Rumsfeld's resignation, which is a slap in the face of the way this war is being run, as well as the neo-conservatives like Perle and Adelman calling the president's policy dysfunctional, I think all of this is mounting. And what's going to happen is, if we make gains in the House and Senate, whether we win them or not, I think you'll see a lot of Republicans willing to join me and others in a plan for Iraq that is a rational way in which we can responsibly bring home more troops and leave a stable Iraq behind." Biden added that Cheney is "somewhere between dysfunctional and delusional about this war. … The fact of the matter is, very few Republicans in the Senate, if any, think the policy makes any sense the way we're going now."

Emanuel Outlines Democrats' "Five Basic Principles" Regarding Iraq. Rep. Rahm Emanuel was asked on NBC's Meet the Press (11/5, Russert) if the Democrats have a plan for changing US policy on war in Iraq, Emanuel answered, "Whether Senator Biden's idea on Iraq -- which I think is a strong idea -- Senator Levin's program, Congressman Jack Murtha, and Congressman Ike Skelton, there are five basic principles that hold Democrats together on our approach to Iraq: First, regional cooperation; second, reconciliation among the parties; third, reconstruction of the economy; fourth, responsibility for results; and fifth is redeployment from Iraq. Those are the five principles."

White House Said To Be Making Plans To Work With A Democratic Congress. The New York Times' "White House Memo" (11/6, Stolberg, Sanger) reports, "In recent weeks, President Bush, as well, has appeared to dig in his heels on the war in Iraq, saying he would consider changes in tactics but not strategy." But "with Mr. Bush facing the likelihood of a remade political landscape in Washington, even if his party holds on to both houses of Congress, the White House is sending signals that Mr. Bush is open to a shift in approach. After six years of virtually ignoring Democrats as he pressed his own party to do his bidding on Capitol Hill, Mr. Bush and his aides are charting a course that they say will take the president back to his roots as Texas governor, when he worked in a more

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bipartisan way with Democrats." They "are piecing together a domestic agenda that includes reviving the president's failed bid to overhaul entitlement programs like Social Security, Medicare and Medicaid, White House officials and allies of the administration said. The president has assigned Treasury Secretary Henry M. Paulson Jr. to spearhead the effort, and the White House says it is quietly reaching out to Democrats on Capitol Hill."

Parties Unleash GOTV Efforts As GOP Sees Glimer Of Hope In Last-Minute Polls. The Washington Post (11/6, A1, Balz, VandeHei) reports, "Republicans seized on signs of movement in their direction yesterday as they unleashed a massive election-eve voter mobilization operation in an effort to stave off potentially substantial losses in the House and preserve at least a slender majority in the Senate." Democrats "answered the Republicans' get-out-the-vote machinery with intensified efforts to contact infrequent and still-undecided voters in a handful of tight Senate races as well as in a dozen GOP-held House districts where races were too close to call." A Pew Research Center poll "showed a significant narrowing in the partisan advantage in House races that the Democrats have enjoyed for much of the year, findings that echoed those of a Washington Post-ABC News poll released Saturday showing the Democrats with a six-point edge." The Pew poll "showed that the Democratic advantage had dropped to 47 percent to Republicans' 43 percent among likely voters, down from 50 percent to 39 percent two weeks ago. The poll found a drop in Democratic support among independents, but Pew Director Andrew Kohut said the most significant change over the past two weeks is that Republicans now outnumber Democrats among likely voters." However, "other weekend polls by Time and Newsweek magazines continued to show Republicans at a steep disadvantage, with Democrats enjoying double-digit margins in party preferences for the House."

ABC World News (10/30, story 2, 2:40, Morrell) last night also noted its own poll showing "51% of likely voters favor Democrats. 45% support Republicans. But that spread is shrinking, down eight points in two weeks." Tony Snow, White House Press Secretary, was shown saying, "We don't look at this with rose-colored glasses. We look at every single race. The President's been out. And he's active in a lot of close campaigns. Look, we think we're going to hold the House and Senate." White House "officials acknowledge they will lose seats Tuesday. But believe they can escape with a slim majority. As one senior advisor told me…that this election is going to look a lot like 2000. After that election, the Senate was split 50-50. And Republicans held a seven-seat edge in the House. But even that would require everything breaking the GOP's way."

Despite some of the late polling, most media reports last night and this morning continue to suggest a big Democratic win is more than likely. The Christian Science Monitor (11/6, Feldmann), in a story headlined "All Signs Point To A US House Run By Democrats," says "If most of the political prognosticators are calling it right, the House of Representatives is poised for a change of leadership: the first Democratic majority in 12 years. Among the nonpartisan analysts who study the polls and dynamics of each of the 435 House races, the more cautious see the lower range of the Democratic net gain at about 20 seats -- more than enough to achieve the 15-seat net gain needed to take control. On the higher end, the Democrats could achieve a more commanding takeover with net gains of 30 to 40 seats, they say."

The AP (11/6, Espo) says Republicans "are staggering into the final hours of the election campaign like a spent force, with a less than lofty goal of losing seats but clinging to power. Political scandal already has claimed some of those who swept to power a dozen years ago…and tarnished the rest." The Financial Times (11/6, Yeager, Pennsylvania) runs a similar piece under the headline "Hopes Run Low For Republicans."

ABC World News (10/30, story 3, 2:15, Harris) reported "the Democrats are smelling opportunity. And they are bringing out their big guns in these final hours." ABC (Cordes) added, "Democrats were upbeat in this final weekend of campaigning. Some top Democratic strategists now predict that come Tuesday, the party could pick up double the 15 seats it needs to win control of the House of Representatives."

ABC World News (10/30, story 4, 2:40, Stephanopoulos) said "the story of the night," referring to Tuesday, is that "the Republican party is on defense. On one level, that's what always happens to Presidents in their sixth year. But this time around, it's intensified by the war. The war in Iraq. The number one issue. It's held down the President. It's held down Republicans. That's why there's so many seats in play." Gibson: "Everyone wonders how quickly will we know? And I'm fascinated by the illustration, when you look at the states across the East and Midwest. You go from

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Connecticut, to Pennsylvania, Ohio and Indiana. Those states. There are 21 seats at play. And every one of them to are seats in the House that the Republicans are having to defend."

USA Today (11/6, Page) reports a new "national USA TODAY/Gallup Poll finds remarkable parallels between the congressional elections Tuesday and the watershed elections in 1994 that swept Republicans into control of Congress. Then, likely voters by 51%-44% favored GOP congressional candidates. Now, 51%-44% favor Democratic ones. Then, 52% said they were paying 'quite a lot' of attention to the elections, the highest since the Gallup Poll began asking the question in 1958. Now, 50% say they are paying 'quite a lot' of attention. Then, disapproval of Congress was at 66%. Now, disapproval of Congress is at 70%."

USA Today (11/6, Lawrence) also reports, "Both political parties are making huge last-minute cash infusions into close House and Senate races, underscoring their traditional importance in endgame spending and the Democrats' new financial competitiveness with Republicans. Just since Friday, Republicans have put more than $2 million into Senate races in New Jersey, Tennessee and Virginia, federal reports show. Democrats have spent $1.1 million for Senate candidates in Maryland, Montana, Tennessee and Virginia." On the House side, Republicans "spent $1.1 million in a single day to help Peter Roskam in his race against Democrat Tammy Duckworth in Illinois. And in a sign of continuing concern, the Republicans invested $275,000 to help their embattled House campaign chief, New York Rep. Tom Reynolds." USA Today adds, "A check of 10 tight House races shows that as of Friday, Democratic party committees had spent nearly as much as Republicans in Indiana, Minnesota, Ohio and Washington. They outspent Republicans in New Hampshire, Connecticut and Arizona."

The New York Times (11/6, Zernike), in a story titled "National Issues, Led by Iraq, Dominate Final Appeals in Congressional Campaigns ," says Republicans are trying to ruen the election on local issues. However, "across the country, candidates clashed Sunday over the war, immigration, the economy, ethics and the Bush administration, seeking advantage in the closing hours of an election that will determine control of the House and the Senate."

The Washington Times (11/6, Hurt), in a story titled "Bitter Campaign Boils Down To Party Turnout," says Democrats "must overcome a Republican ground game that exceeded nearly all expectations in the past two national elections." Republican leaders, meanwhile, "continued warning yesterday that Election Day could be bleak for them and urged their conservative base to turn out."

The Washington Post (11/6, Grunwald) reports, "The season of persuasion is over. This is the season of motivation. … In the campaign's final weekend, candidates weren't trying to turn out voters who might not vote their way. They were chasing the 'ones and twos,' political-junkie shorthand for the most likely supporters on their computer-generated lists, and firing up their volunteers." The Los Angeles Times (11/6, Wallsten, Haburger) asks, "Which political force will prove stronger -- the niche-marketing effort, led by GOP strategist Karl Rove and powered by computerized outreach methods, or the classic 'throw the bums out' mood of an electorate uneasy with the Iraq war and unhappy with one-party rule? … As the two campaigns make their final appeals, the differences suggest that many of the advantages that have boosted Republicans to victory in the past -- more money, redrawn congressional districts and the superior voter targeting demonstrated by Shaw's courtship of Jews, Latinos and seniors -- may be less potent this time."

The Christian Science Monitor (11/6, Chaddock) reports, "Until the 2002 campaign, Democrats, backed by labor union supporters, typically had the edge in turning out their voters. But the '72-hour' get-out-the-vote (GOTV) program developed by Karl Rove, President Bush's adviser, and Ken Mehlman, Republican National Committee (RNC) chairman -- which includes microtargeted voter lists and a nearly year-round mobilization effort -- gave Republicans a strategic and technological edge that helped them hold onto the House and Senate in the past two elections. This year, the RNC promises 'the biggest midterm GOTV operation in history.'" Since then, "Democrats have scrambled to catch up." ABC World News (10/30, story 8, 2:35, Tapper) showed Mathew Dowd, "President Bush's pollster and co-author of a key book on what's called microtargeting," saying, "More Republicans drive Audis. And more Democrats drive Saabs." ABC added, "Every time you use your credit card or surf the Internet, you leave a data trail of your preferences. Corporate America has been using this information for years to categorize you and sell you products. Now, political groups are using it, combined with census data and polling, to sell you politicians."

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In a Wall Street Journal op-ed (11/6, A14), George Ball, president of W. Atlee Burpee & Co., examines the seed purchasing habits of Democrats and Republicans. Both "red-state Republicans and blue-state Dems grow sunflowers, zinnias and marigolds. However, the differences quickly bloom. Blue states buy many more impatiens, snapdragons and columbines -- expensive and sophisticated sun or shade flowers with varied and subtle colors. On the other hand, red states favor overwhelmingly boisterous morning glories, traditional nasturtiums and inexpensive four o'clocks. The sunny red states like to keep it plain and simple; the dappled blues like to make it diverse and edgy."

Latest Rasmussen Polls Show Corker Beating Ford 53-45, Talent And Allen Leading Narrowly. The Washington Times' "Inside Politics" column (11/6, Pierce) reports the latest Rasmussen Reports poll on the Tennessee Senate shows Republican Bob Corker with a 53-45 percent lead over Rep. Harold Ford. The Times notes the latest Rasmussen poll on Missouri's Senate race shows incumbent Sen. Jim Talent leading Democrat Claire McCaskill 48-46. Rasmussen also shows Sen. George Allen leading Democrat Jim Webb 49-48."

Democrats Focus On Pennsylvania Races. The Washington Times (11/6, Fagan) reports, "Top Democrats at several rallies in suburban Philadelphia this weekend worked to push their party's voters to the polls in a state where Democrats feel poised to sweep key races and oust the Senate's No. 3 Republican, Rick Santorum." Gov. Edward G. Rendell joined Sen. Barack Obama of Illinois, House Minority Leader Nancy Pelosi of California and Democrat Bob Casey Jr., "who leads Mr. Santorum in polls, to declare the year of the Democrats here." Polls "show that five Republican-held House seats in the state are within reach of Democrats -- so much so that Mrs. Pelosi spent the final campaign weekend here stumping for Democratic challengers."

Mehlman, Dean Make Their Case. In USA Today (11/6), RNC Chairman Ken Mehlman writes, "Tuesday, Americans will have the opportunity to choose between a party that wants to use every tool to keep us safe, or one that would take those tools away; between a party that wants to let you keep more of your own hard-earned money, or one that believes that money belongs to Washington; between a party that understands judicial restraint, or one that wants activist judges to fight its battles. Two very different visions for America, and one very strong reason for the American people to help Republicans make history and maintain our majorities in Congress."

Also in USA Today (11/6), DNC Chairman Howard Dean asks, "Isn't it time for a new direction? Democrats have a unified agenda to restore hope and opportunity, competence and responsibility. So on Tuesday, if you want to change what's going on in Washington, vote for Democrats."

More Commentary. Paul Krugman writes in the New York Times (11/6), "Bush isn't on the ballot tomorrow. But this election is, nonetheless, all about him. The question is whether voters will pry his fingers loose from at least some of the levers of power, thereby limiting the damage he can inflict in his two remaining years in office." Krugman adds, "Here's the thing: no matter how hard the Bush administration may try to ignore the constitutional division of power, Mr. Bush's ability to make deadly mistakes has rested in part on GOP control of Congress. That's why many Americans, myself included, will breathe a lot easier if one-party rule ends tomorrow."

Fred Barnes, in the Wall Street Journal (11/6, A14), "Republicans face the prospect of losing a substantial number of Senate and House seats in the midterm election tomorrow, but it didn't have to be that way. For sure, the war in Iraq was always going to be a drag on Republicans. And an election in the sixth year of a presidency is often perilous for the president's party, a pattern that's held true in year six of the Bush era." But "Republicans have made matters worse by abandoning the reform agenda that animated their capture of Congress in 1994 and helped George Bush win the White House in 2000 and keep it in 2004."

Hastert's Future As Speaker In Doubt Even If GOP Wins House. The Washington Post (11/6, A7, Weisman) reports Speaker J. Dennis Hastert's "future is in doubt even if the Republicans retain control of the House because of unease among GOP lawmakers about his handling of the Foley page scandal and what a House ethics committee investigation might conclude about him, according to several Republican aides." House Chief Deputy Whip Eric I. Cantor (R-Va.) "said last week that the House Republican leadership elections scheduled for Nov. 15 should be postponed until the ethics committee delivers its final report. House Majority Leader John A. Boehner (R-Ohio) confirmed yesterday on 'Fox News Sunday' that he and Hastert have discussed that possibility." But if "Democrats seize control of the House in tomorrow's election, as many political analysts and pollsters are predicting, then Hastert is

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widely expected to exit the leadership stage and allow a new generation of Republican leaders to try to recapture the majority." Hastert "remains personally popular with House Republicans, but the discontent with his often lackadaisical, hands-off style is palpable." In addition to the Foley investigation, in "early 2004, as House Appropriations Committee investigators prepared to launch a sensitive audit of highly classified Capitol Hill security upgrades, Hastert's chief counsel made a surprise visit to the first meeting of the auditors." His "message was clear, according to participants: The speaker's office was not happy about the probe and would keep investigators on a tight leash. In September 2005, despite growing evidence of sweetheart deals, kickbacks, wasteful contracts and shoddy work, the probe was suddenly shut down."

Senate Polls Show Democrats Poised To Win Seats, Majority In Play. USA Today (11/6, Page) reports Democrats, "poised to score gains in the U.S. Senate, are struggling to pull ahead in the final seat they need to win control, USA TODAY/Gallup Polls in six key states find." Democratic challengers "are leading Republican incumbents — in some cases narrowly -- in Missouri, Montana and Rhode Island, according to the USA TODAY surveys. Other polls show Democratic challengers ahead in Ohio and Pennsylvania." Even if Democrats "sweep those five races, however, they would fall one seat short of the six needed for majority status. Two GOP targets, in Tennessee and Virginia, now lead by 3 percentage points among likely voters." Political analyst Stuart Rothenberg said, "It says to me the Senate is still very much in play and could go either way." In a "separate nationwide USA TODAY/Gallup Poll, taken Thursday through Sunday, Democrats were favored over Republicans for Congress by 51%-44% among likely voters. That edge of 7 percentage points had narrowed from a 13-point margin two weeks ago." In the Senate, the USA TODAY state polls "show the Democratic incumbent considered most at risk, Democrat Robert Menendez of New Jersey, is now 10 points ahead of Tom Kean. Among GOP incumbents, however, Conrad Burns trails Jon Tester by 9 points in Montana, Jim Talent trails Claire McCaskill by 4 points in Missouri, and Lincoln Chafee trails Sheldon Whitehouse by 3 points in Rhode Island. Republican Sen. George Allen leads Jim Webb in Virginia and Republican Bob Corker leads Harold Ford in Tennessee by identical 49%-46% margins."

In his Chicago Sun-Times column (11/4), Bob Novak said the Democratic bid to flip the Senate is "clearly in sight." Two GOP seats "seem definitely lost and two more are in serious trouble. If the Democrats win those four, they have to win only two of three more precarious Republican seats while keeping the only two Democratic incumbencies in any kind of danger." Novak says Republicans "have privately put" the Ohio Senate race "on the hopeless list." In Rhode Island, Democrat Sheldon Whitehouse "should glide home in one of the country's most Democratic states." In Montana, Democrat Jon Tester "now holds only a small lead with a huge undecided vote." In Missouri, the race between Republican Sen. Jim Talent and Democrat Claire McCaskill "may well be the single contest that determines control of the Senate." In Virginia, Democrat Jim Webb "appears to have a small lead against" Sen. George Allen "in what would be a bonus win never expected by party leaders." In Tennessee, Republican Bob Corker "has jumped out to a lead against" Democrat Harold Ford "after trailing earlier." In New Jersey, Democrat Bob Menendez "leads and may be increasing his lead." In Maryland, Democrat Ben Cardin has "only a six-point lead" over Republican Michael Steele. In Pennsylvania, Democrat Bob Casey "looks like a cinch."

Frist Says Democrats Would Raise "Average Family" Taxes By 58%. Asked on CBS' Face the Nation (11/5, Schieffer) if thinks Democrats will raise taxes if they take control of Congress, Senate majority leader Bill Frist said, "That's exactly right. … The two things you will see, if the Democrats were to take control of the House, is an increase on taxes, taxes across the board. Charlie Rangel said it, up front, that there's not a Bush tax cut that he won't try to get rid of. And that means the average family making $62,000 is going to see their federal taxes go up by 58 percent." Frist added, "The other very important consequence would be…that judges themselves, right now, would be more of the activist judges, legislating from the bench, proposed and nominated for the Supreme Court, and not common-sense judges like Chief Justice John Roberts and Justice Sam Alito."

Dole Says Democrats "Content" To Lose Iraq War. USA Today (11/6) reports National Republican Senatorial Committee Chairman Elizabeth Dole "said Sunday that her party will retain its majority partly because 'Democrats appear to be content with losing' the war in Iraq." Democratic

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Senatorial Campaign Committee Chairman Charles Schumer "said his party wants to win the war, 'which is why we want to change the strategy.'" Dole "also said voters will be more focused on local issues."

Maryland, Virginia Races Seen As Indicators Of GOP's Future. The Washington Post (11/6, A1, Shear, Wagner) reports on the front page that two "of the Washington region's top Republicans -- Virginia Sen. George Allen and Maryland Gov. Robert L. Ehrlich Jr. -- spent yesterday fighting off fierce electoral challenges that could stall their political careers and reverse GOP successes in their states." Allen "returned to the folksy approach that has endeared him to Virginians for almost two decades, tossing a football at FedEx Field before the Redskins game as he schmoozed with potential voters at a tailgate party. Later, he ditched a pair of brown Wranglers for a suit at an Ashburn event with former New York mayor Rudolph W. Giuliani." In Maryland, Ehrlich "mingled with volunteers at a Republican call center in Prince George's County yesterday afternoon, appearing relaxed and upbeat about his prospects. Afterward, he, too, campaigned with Giuliani, whom he called 'wildly popular within the [Republican] party and with many independents and Democrats.'" In Virginia, Democrat James Webb "campaigned in the southwest region," while in Maryland, Baltimore Mayor Martin O'Malley "appeared with former president Bill Clinton -- something Webb is scheduled to do today." Public polls "showed both men locked in dead heats. Surveys by Mason-Dixon published yesterday had Allen trailing Webb by one percentage point and Ehrlich tied with O'Malley. Previous polls, including a Washington Post poll last weekend, showed O'Malley ahead." Losses by Ehrlich, Maryland Senate candidate Michael Steele, or Allen "particularly incumbents Allen or Ehrlich -- would raise questions about the future of the GOP in their respective states."

Democrats Seen As Making Gains By Running On Against Free Trade. The Wall Street Journal (11/6, Hitt) reports that in Iowa's 1st CD, Democrat Bruce Braley is running for "a congressional seat held by a free-trade Republican for nearly two decades" and has "gained an edge by taking the opposite view: bashing globalization." Braley has "made opposition to the Bush administration's free-trade agenda a centerpiece of his campaign. He has run ads blaming the state's job losses on President Bush's 'unfair trade deals.'" Braley's stance has "helped propel the 49-year-old lawyer, who is running against an unabashedly free-trade Republican, into position to reverse recent trends and secure a Democratic win in Iowa's First District. His strong showing not only underscores how trade concerns have emerged as a central issue in many of this year's races but also suggests a more-protectionist U.S. trade policy if Democrats take Congress." Even if Democrats "don't win control, the campaign rhetoric may have a lasting effect, because some Republicans are finding it more painful politically to defend free trade." The "trend is worrying the business community. Top financial-services executives identified 'protectionism' as the biggest threat to continued economic growth, after terrorism, according to a recent Financial Services Forum survey."

Investors Discount Democratic Win With Divided Government Theory. The Wall Street Journal (11/6, Conkey) reports the "prospect of big losses for business-friendly Republicans in tomorrow's midterm elections is eliciting more shrugs than fears on Wall Street." A Democratic "triumph that included winning one or both houses of Congress could undermine Republican economic policies such as tax cuts and deregulation that Wall Street tends to favor." Amid the "drumbeat of scandals and discouraging news from Iraq, futures traders in the Iowa Electronic Markets have raised the likelihood that Republicans will lose control of the House of Representatives to nearly 80% from 40% six months ago. The Iowa markets indicate that the Republicans ought to hold the Senate. That, plus a Republican president, may be one reason investors have taken a sanguine approach to the election." The "first and most frequently cited rationale for Wall Street's nonchalance at the specter of a Democratic triumph is the old 'gridlock is good' maxim. In other words, Democratic control of at least one chamber of Congress would mean divided government, making it less likely adverse legislation or excessive spending would pass." This theory "has holes, but it still carries great weight among many economists and investors."

A Democratic Congress Could Target Drug Company Profits. The New York Times (11/6, Berenson) reports that for the "big drug companies, the new Medicare prescription benefit is proving to be a financial windfall larger than even the most optimistic Wall Street

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analysts had predicted. But those gains may come back to haunt drug makers if Democrats take control of Congress this week." Democrats, who "have long charged that the drug industry is profiteering at taxpayers' expense, say they want to introduce legislation to revoke the law that bars Medicare from negotiating prices directly with drug makers like Pfizer for the medicines it buys." The government is "expected to spend at least $31 billion this year on the drug benefit, which provides partial drug coverage for people over age 65, according to the federal agency that runs Medicare. Next year, the program is expected to cost almost $50 billion — almost 20 percent of overall American drug spending." Democrats say "that directly negotiating with drug makers could save taxpayers tens of billions of dollars annually, though some independent analysts say those projections are probably exaggerated."

Hot Button Initiatives On Ballot In 37 States. The AP (11/5, Crary) reports voters across the country will "consider ballot measures on a multitude of hot-button topics — abortion, gay marriage, affirmative action, illegal immigration, sex crimes, even legalizing marijuana." There are "205 measures on the ballots in 37 states — a total topped only twice before. Huge sums have been spent, including tens of millions of dollars by tobacco companies fighting anti-smoking measures and by oil companies fighting a proposed California oil-production tax." Top initiatives include one in "sparsely populated South Dakota" where voters "face perhaps the most momentous choice — whether to uphold or reject a new state law that would ban abortions except when necessary to save a pregnant woman's life. Activists on both sides of the national abortion debate see it as a historic test of public sentiment." In "many other states, activists on the left and right hope turnout for certain ballot measures may have a spillover effect on crucial races in the battle for control of Congress." Liberals "see a boost for Democrats if low-income voters mobilize on behalf of measures to raise the state minimum wage in Arizona, Colorado, Missouri, Montana, Nevada and Ohio." Conservatives "hope last month's court ruling in New Jersey ordering equal rights for same-sex couples will trigger a backlash aiding Republican candidates in the eight states with ban-gay-marriage amendments on their ballots: Arizona, Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin."

"New Breed Of Activist" To Monitor Poll Stations. The Wall Street Journal (11/6, B1, Kronholz) reports that on Tuesday "a new breed of activist will be on guard, monitoring polling stations for everything from voting-machine glitches to long lines to registration snafus. Energized by disputed results in 2000 and 2004, they have left jobs as music conductors, real-estate agents and software engineers to form groups that expect to turn out thousands of volunteers who don't trust the country's ability to count its votes and have decided to do something about it." "This is going to be the most heavily watched election in history," said Marybeth Kuznik, "who founded a group called VotePA after the 2004 election to monitor voting issues in Pennsylvania." The Journal adds, "Many of the groups share liberal roots, their members smarting from the narrow Democratic losses in the last two presidential elections. But they also share in Ms. Kuznik's assurances -- and the tax and lobbying status that requires them to remain nonpartisan -- that they simply want to see a clean count."

OTHER NEWS

OMB Controller Praises "Scorecard." The Washington Post (11/6, A19, Williamson) reports in its "Noted With Horror" column, "'We would love to see all of America on a scorecard.' Linda Combs, Office of Management and Budget controller, speaking at a lunch discussion last week about the president's management scorecard, which tracks government agencies' progress on a series of management priorities, including strategic management of human capital, competitive sourcing, improved financial performance, expanded electronic government, and budget and performance integration." The "scorecard gives agencies -- write this down -- green for success, yellow for mixed results and red for unsatisfactory. Combs drew pained looks from federal employees in the audience when she said private-sector executives tell her that they want their own scorecard systems, because they 'love the red, yellow, green.'"

Unemployment Rate Falls To 4.4%. The Christian Science Monitor (11/6, Scherer, Arnoldy) reports, "In the last major economic report before Tuesday's showdown at the ballot box, the Labor Department says the unemployment rate is now at" 4.4%, "down from 4.6 percent in September. It is a piece of good news for an embattled president and suggests the economy is stronger than many

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recent estimates." But the "downside is that the Federal Reserve, which has not raised interest rates in its past three meetings, may have to think about a rate increase early next year - which would keep inflation in check but could cause unemployment to rise." Former Fed governor Lyle Gramley said, "By its first meeting in 2007, the Fed will have to give active consideration to raising interest rates. The odds are that rates are going up, not down."

Fed Official Says Monetary Policy Was Eased For Too Long. The Wall Street Journal (11/6) says in an editorial, "When it comes to admitting error, central bankers tend to emulate Benjamin Disraeli, who famously said 'never complain, never explain.' So it was nothing short of astonishing last week for Richard Fisher, President of the Federal Reserve Bank of Dallas, to confess in public that the Fed had blundered by keeping monetary policy too easy for too long in 2003 and 2004." A Fed "worried about possible 'deflation' moved the overnight interest rate it charges banks in June 2003 to an extraordinarily low 1% and kept it there for another year. Mr. Fisher blamed this mistake on 'poor data' that underestimated inflation, leading 'to a policy action that amplified speculative activity in the housing and other markets. Today, as anybody not from the former planet of Pluto knows, the housing market is undergoing a substantial correction and inflicting real costs to millions of homeowners across the country.' In other words, the Fed itself is responsible for the current housing bust because its over-easy policy created a real estate frenzy that was bound to end once the Fed tried to regain control over inflation expectations."

Growing Number Of Local Governments Seek To Cut Pensions. The New York Times (11/6, Walsh) reports government workers' pensions "are protected by guarantees even stouter than those on pensions in the private sector. The legal promises, often backed up by union contracts, cover more than 15 million people." But "now a number of state and local governments are quietly challenging those guarantees. Financially troubled San Diego is the highest-profile example, but a handful of states, cities and smaller government bodies have also found ways to scale back existing promises and even shrink some current payments." While "still only scattered cases, these examples may be an early warning sign of what could be coming elsewhere. As local officials take stock of unexpectedly large obligations to retired public workers, some are starting to question whether service cuts, sales of government property and politically acceptable tax increases can ever go far enough to bring things into balance."

Houston Real Estate Market Remains Strong. The Wall Street Journal (11/6, Herrick) reports Houston "missed the real-estate boom that sent home prices soaring on the East and West coasts. Now, with much of the nation's housing market in retreat, it has yet to feel even a tremor." In September, "local sales of single-family homes and condominiums were up 17.7% from a year earlier, logging their 32nd straight month of increase, according to the Houston Association of Realtors. The median price of an existing single-family home: $143,400, up 3%." Nationwide sales "of residential real estate fell 14.2% in September, according to the National Association of Realtors. Home prices nationally were down 2.2%, retreating in such former hot spots such as Washington, Boston and San Francisco." Houston's gains "are nothing like those seen in the past decade in the Northeast and California, but that may be the secret to Houston's success and the reason a bubble is unlikely to develop here. Land here is abundant, and the city has some of the least-restrictive land-use and construction rules in the nation. Those factors help supply to keep pace with demand and keep prices within reach of a broad range of potential buyers."

Lindsey Urges Congress To Expand H1-B Program. In a Washington Times op-ed (11/6), Lawrence B. Lindsey, former assistant to the president for economic policy, says, "Members of Congress have the opportunity to expand and improve a relatively small but highly successful part of our immigration policy" that "allows companies to bring in workers from overseas who possess skills that are not available domestically. The main users of the program are technology and health-care companies, although a number of highly skilled people in finance also work here under this program." The H1-B program "provides security within the country. The companies hiring these workers have already gone through a vetting process sufficient to justify their employment." Second, the program "obviously involves economic participation by the immigrant." Finally, "the H1-B visa program is a working model of an approach to immigration that provides an opportunity for civic integration for those who participate."

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LATimes Urges Supreme Court To Strike Down Partial Birth Abortion Ban. The Los Angeles Times (11/6) says in an editorial, "On Wednesday, while pundits will be busy analyzing election results, the U.S. Supreme Court will hear arguments in an emotionally charged case likely to reverberate in future political campaigns. At issue is a federal law that prohibits a controversial abortion method without making an exception for when the procedure is necessary to protect a woman's health. If law and not politics guide the justices, they will declare this blanket ban unconstitutional." Whatever "you call it, the procedure is extraordinarily rare and distasteful even to many supporters of abortion rights." But "reversing its 2000 decision on partial-birth laws wouldn't cause the same jolt as repudiating Roe or Casey. But it would still upend a precedent and interfere with the settled expectations of women and doctors alike about the availability of this procedure as a medical last resort."

NYTimes Says NCAA Not Meeting Educational Mission. The New York Times (11/6) editorializes, "The National Collegiate Athletic Association's enthusiasm for fighting corruption in college sports is partly driven by the fear of federal intervention. That fear came a step closer to being realized last month, when the House Ways and Means Committee fired off a tough-minded letter demanding that the N.C.A.A. explain how profit-seeking, win-at-all-cost athletic departments operate on campus." The letter "showed that Congress has noticed the recruiting violations and the athletes who sometimes remain eligible to play without progressing or by attending bogus classes. It also implied that the N.C.A.A. might eventually lose its tax exemptions unless it forces athletic departments to conform more closely to an educational mission." An NCAA report "released last week touches on some of the same issues cited in the blistering letter from Congress. The problem is that athletic departments have more influence on university affairs than they should. They often use that influence to undermine the institutional mission."

Iran Open To Regional Talks With US. The AP (11/6, Karimi) reports Iran said Sunday it was "open to negotiations with the United States on Iraq and other regional issues but hinted it would not drop its refusal to talk about its contentious nuclear program. As the [UNSC] geared up for a protracted debate on sanctioning Iran over its nuclear program, Tehran praised Russia for its 'softer' stance on the issue." Foreign Ministry spokesman Mohammad Ali Hosseini "said Iran would consider talks with the US over regional issues, including Iraq, if Washington requested. He would not elaborate, and there was no immediate response from the United States on the offer," the AP notes.

AFP (11/6, Farmani) says that although "it remains to be seen whether the United States is itself willing to renew the offer," Hosseini's comments "come at a time when the US is mired in mounting sectarian bloodshed and deadly attacks on its troops in Iraq, prompting calls for a rapid about-turn in its strategy."

Meanwhile, another AFP story (11/6, Couturier) reports, "Western countries that want to punish Iran for its refusal to suspend uranium enrichment are again facing reluctance on the part of Russia and China to grant support, with Moscow demanding a softening of a draft UN resolution. More than two months after the UN-imposed deadline of August 31 expired, it is still not possible to say when the UN Security Council will act." China and Russia "are reluctant to impose strict penalties on Iran, with which they maintain important economic and commercial ties."

China Seen As Shifting Stance On North Korea. The Wall Street Journal (11/6, A6, Fairclough, King, Jr.) reports, "Shortly after North Korea conducted its first nuclear-weapons test last month, regulators here quietly told China's banks to suspend their dealings with the nation." Although Beijing "made no public announcement," the Journal says, "Still, the message to North Korea was clear: China, long averse to imposing any kind of economic sanctions, was willing to go beyond penalties imposed by the United Nations to force North Korea to back down. … China's unusual, if quiet, activism may signal a significant change in its view of the world and its approach to foreign policy since it formally wired itself into the global economy five years ago by joining the World Trade Organization. Beijing's long-held policy of not interfering in the 'internal affairs' of other nations appears to be giving way to a broader definition of its national interests—one that goes beyond satisfying its fast-growing appetite for oil and other raw materials. China also is showing a greater willingness to embrace global institutions and norms." The Journal notes that during a trip to Asia last month, Secretary Rice said, "It is an extraordinary thing for China to be now where it is."

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US Envoys Prepare For Resumption Of North Korea Talks. The Washington Times/AP (11/6, Tabuchi) reports US Undersecretaries of State Nicholas Burns and Robert Joseph were in Tokyo today "coordinating with Japanese and South Korean officials before the resumption of long-delayed negotiations on North Korea's nuclear program." South Korean Foreign Minister Ban Ki-moon "said the three countries worked closely together in the past and would continue to do so at the six-nation talks expected later this year." Ban is scheduled to meet Japanese Prime Minister Shinzo Abe today for further talks. The two Americans "were to meet with Japanese Foreign Minister Taro Aso and other Japanese officials before traveling to South Korea later today."

WSJournal Deputy Editor Urges Assistance For North Korean Orphans. Wall Street Journal (11/6, A15) deputy editor Melanie Kirkpatrick writes, "Fortune has already shone on" two orphan children among a "small group of North Korean refugees who have taken sanctuary in the US Consulate in Shenyang, China." Kirkpatrick says there are among "thousands" of abandoned children in need of international assistance. She notes that the UN High Commission on Refugees "stands ready to help the Korean refugees in China—if only Beijing would let it. Several countries in the region are prepared to set up transit camps for refugees provided the US helps pay for it and South Korea ultimately accepts them for re-settlement, as its Constitution requires. But even if, in the happiest of worlds, all this were to occur, the stateless orphans could still be left out. According to groups that run the underground railroad, even South Korea, which accepts most of the Northerners who manage to escape, refuses to admit the children on the grounds that they are not true 'defectors.'"

Israel Vows To Continue Gaza Operations. The New York Times (11/6, Myre) reports Israeli Prime Minister Ehud Olmert Sunday said "that the military would not halt its offensive in the northern Gaza Strip until Palestinian rocket fire toward Israel was significantly reduced." As fighting entered its fifth straight day on Sunday, more the than 40 Palestinians were reportedly killed in the offensive and Palestinians "called for international pressure on Israel to halt the offensive." Meanwhile, "In another development, a Palestinian lawmaker, Mustafa Barghouti, said that he was brokering the latest attempt at a Palestinian national unity government and that an agreement could be reached in days." The AP (11/6, Lavie) runs a similar report.

Syria Hints At Armed Resistance Over Return Of Golan. The AP (11/6, Aji) reports Syria "could resort to armed resistance if peace negotiations do not lead to Israel's return of the Golan Heights, the country's Information Minister said Sunday. Mohsen Bilal said international negotiations should lead to Israel giving back the Golan Heights… If that does not happen, he warned Syria could resort to 'other means, which struggling people have used at various points in history, beginning with legitimate resistance.' But Bilal said Syrians were eager to resume talks."

EDITORIAL WRAP-UP

New York Times. ***"The Saddam Hussein Verdict."*** The New York Times (11/6, 1.21M) editorializes, "Hussein got a fairer trial than he ever would have allowed in his courts. But Iraq got neither the full justice nor the full fairness it deserved. President Bush overreached in calling the trial 'a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law.'" The Times adds, "The appeals court that will now review the verdict can undo some of the damage by taking into account some of these deficiencies. At least, it should defer the carrying out of any death penalty long enough to allow the completion of a second trial, in which Mr. Hussein is charged with ordering genocidal massacres against the Kurds."

"Protecting The Right To Vote." The New York Times (11/6, 1.21M) says in an editorial, "No one expects Florida elections to go smoothly, but this year the state got off to an alarming start. Voters reported that after selecting Democratic candidates on electronic voting machines, the review screens registered that they had chosen Republicans. A spokeswoman for the Broward County supervisor of elections told The Miami Herald that the machines often fall out of sync under heavy use, but that they can be fixed when voters complain. That snapshot of Florida's early voting is confirmation — as if any were needed — that a great deal can go wrong tomorrow, much of it eminently preventable. Six years after the 2000 election meltdown, voting machines are still unreliable, and there are an array of other obstacles to voters who want their votes to count."

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"College Sports Get A Warning." The New York Times (11/6, 1.21M) editorializes, "The National Collegiate Athletic Association's enthusiasm for fighting corruption in college sports is partly driven by the fear of federal intervention. That fear came a step closer to being realized last month, when the House Ways and Means Committee fired off a tough-minded letter demanding that the N.C.A.A. explain how profit-seeking, win-at-all-cost athletic departments operate on campus." The letter "showed that Congress has noticed the recruiting violations and the athletes who sometimes remain eligible to play without progressing or by attending bogus classes. It also implied that the N.C.A.A. might eventually lose its tax exemptions unless it forces athletic departments to conform more closely to an educational mission." An NCAA report "released last week touches on some of the same issues cited in the blistering letter from Congress. The problem is that athletic departments have more influence on university affairs than they should. They often use that influence to undermine the institutional mission."

"Mind Over Gap."

Washington Post. ***"Verdict for Saddam Hussein."*** In an editorial, the Washington Post (11/6, 748K) says "the trial was tumultuous, deeply flawed and often painful to watch; and some of the brave Iraqis who committed themselves to making it work lost their lives. The result was imperfect, to be sure, but also well-founded."

"Epidemic In Prince George's."

"Maryland Judges."

"Ban Trans Fats."

Wall Street Journal. ***"The Fed's Confession."*** The Wall Street Journal (11/6, 2.03M) says in an editorial, "When it comes to admitting error, central bankers tend to emulate Benjamin Disraeli, who famously said 'never complain, never explain.' So it was nothing short of astonishing last week for Richard Fisher, President of the Federal Reserve Bank of Dallas, to confess in public that the Fed had blundered by keeping monetary policy too easy for too long in 2003 and 2004." A Fed "worried about possible 'deflation' moved the overnight interest rate it charges banks in June 2003 to an extraordinarily low 1% and kept it there for another year. Mr. Fisher blamed this mistake on 'poor data' that underestimated inflation, leading 'to a policy action that amplified speculative activity in the housing and other markets. Today, as anybody not from the former planet of Pluto knows, the housing market is undergoing a substantial correction and inflicting real costs to millions of homeowners across the country.' In other words, the Fed itself is responsible for the current housing bust because its over-easy policy created a real estate frenzy that was bound to end once the Fed tried to regain control over inflation expectations."

"Justice For Saddam." The Wall Street Journal (11/6, A14, 2.03M) editorializes, "Justice for Saddam is one admirable legacy of the American sacrifice in Iraq." But "to make it permanent, the US must also defeat the insurgency that battles on in Saddam's name. No matter what happens in Tuesday's election, the US commander in chief who ended Saddam's tyranny has to find a strategy and generals who will finish the job."

Los Angeles Times. ***"Don't Abort Precedence."*** The Los Angeles Times (11/6, 918K) says in an editorial, "On Wednesday, while pundits will be busy analyzing election results, the U.S. Supreme Court will hear arguments in an emotionally charged case likely to reverberate in future political campaigns. At issue is a federal law that prohibits a controversial abortion method without making an exception for when the procedure is necessary to protect a woman's health. If law and not politics guide the justices, they will declare this blanket ban unconstitutional." Whatever "you call it, the procedure is extraordinarily rare and distasteful even to many supporters of abortion rights." But "reversing its 2000 decision on partial-birth laws wouldn't cause the same jolt as repudiating Roe or Casey. But it would still upend a precedent and interfere with the settled expectations of women and doctors alike about the availability of this procedure as a medical last resort."

"Is Pakistan An Ally?" The Los Angeles Times (11/6, 918K) says in an editorial, "Preventing Afghanistan from falling to a resurgent Taliban must be a top priority for the Bush administration and the new Congress in the next two years. To succeed, more will have to be asked of Pakistani President Pervez Musharraf. Despite Pakistan's claim to have stopped supporting the Taliban after its 2001 ouster, the evidence is now overwhelming that the Pakistani security service — the Inter-Services Intelligence, or ISI — and probably the senior military leadership are tolerating, if not backing, Taliban forces. Washington has been turning a blind eye to this problem, reluctantly concluding that there is

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no alternative but to support the flawed but friendly Musharraf as the only practical bulwark against a radical Islamist takeover of a crucial nuclear state." Islamabad is "clearly hedging against what it sees as a hostile, pro-India government in Kabul and an inevitable Western abandonment of Afghanistan by keeping its old Taliban ally as a viable option. The respected Jane's Intelligence Digest last week cited independent reports confirming what Afghan President Hamid Karzai has been fuming about for months: ISI-sponsored Taliban training camps and jihadist madrasas have multiplied along the Afghan-Pakistani border. Moreover, we now know that the agreement the Pakistani government signed with tribal leaders in North Waziristan on Sept. 5 sold out Afghan and U.S. interests."

"Taxing Peter To Finance Paul.'"

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:
"Verdict Stirs Fury, Praise Among Iraqis."
"San Bernardino's Bad Luck Underlies Its Crime Wave."
"Architects Change Their View Of The Lowly Roof."
"Two Parties Far Apart In Turnout Tactics Too."
"It's The Roar Of Rebellion."

USA Today:
"What's Next."
"Iraqis' Emotions Flow After Verdict."
"Some See Fresno's DUI Crackdown As A Model."
"Senate Control In Play, Polls Find."

New York Times:
"Hussein Is Sentenced to Death by Hanging."
"Bush Trumpets Iraq Verdict to Rally Support."
"New Telemarketing Ploy Steers Voters on Republican Path."
"Once Safe, Public Pensions Are Now Facing Cuts."
"The Package May Say Healthy, but This Grocer Begs to Differ."

Washington Post:
"Hussein Sentenced To Death By Hanging."
"Candidates Make A Final Push To Break Out."
"Campaigns Implore the Party Faithful To Bring Their Loyalty To The Polls."
"Parties Crank Up Voter Turnout Efforts."
"Need To Reach Mark Plotkin? Make Sure The Right One's On Speed Dial."

Washington Times:
"Saddam Ordered To hang For '82 Massacre."
"Politics From The Pulpits."
"Allen, Webb make Their Last Stands In Virginia."
"Bitter Campaign Boils Down To Party Turnout."
"Disabled Newborns Face Verdict."
"Voters Swamp Polls In Nicaraguan Race."
"Church Preaches Sins Of Bottled Water."

Detroit Free Press:
"He said, She Said."
"Detroit Is Future IS Looking Brighter."
"Iraq's Fate Is Not Linked To Hussein's

Atlanta Journal-Constitution:
"Death Penalty."
"Last Barbs Traded In Race For Governor."
"Micro' Ads Push For Big Turnout."
"Evangelical Leader Says He Lied, Admits 'Sensual Immorality."

Houston Chronicle:
"Saddam Verdict met With Joy, Rage."
"Hopefuls Reach Out In Final Stretch."
"First Civil Trial To Start In BP Blast."

Story Lineup From Last Night's Network News:
ABC: Hussein Trial; Bush Hits Campaign Trail; Democratic Push For House & Senate; Election Night 2006; Haggard's Apology; Carl Rove's Strategy; Armstrong Finishes Marathon; Political Microtargeting.
CBS: Preempted By Football.
NBC: Preempted By NASCAR.

WASHINGTON'S SCHEDULE

Today's Events In Washington.

White House:

PRESIDENT BUSH — Attends Florida Victory 2006 rally, Pensacola Civic Center, Pensacola, Fla., open press; attends Arkansas Victory 2006 rally, Tyson Foods Corporate Jet Hangar, Bentonville, Ark.; attends Perry for Governor 2006 rally, Reunion Arena, Dallas, TX.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: ACCOUNTANTS _ The American Institute of Certified Public Accountants (AICPA) holds its National

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Conference on Federal Taxes. Highlights: 12:05 p.m. - 1:30 p.m. Lunch and luncheon address, Mark Everson, Commissioner, IRS. Location: J.W. Marriott Hotel, 1331 Pennsylvania Ave. NW.

WAR-ELECTIONS _ 10 a.m. - 10 p.m. Anti-war activist Cindy Sheehan leads a protest against the war in Iraq and possibly against election results. Location: Lafayette Park.

ELECTION INSIGHTS _ 10 a.m. The Center for Voting Democracy holds a news conference to discuss 10 stories about the election that the national polls and pundits won't explain. Location: Mott House, 122 Maryland Ave. NE.

TRANSNATIONAL CRIME _ 1:30 p.m. News conference on an agreement to improve joint efforts to fight international crime. With Attorney General Alberto Gonzales, Secretary of Homeland Security Michael Chertoff, EU VP Franco Frattini; Finnish Minister of Justice Leena Luhtanen; and Finnish Minister of the Interior Kari Rajamaki. Location: Dept. of Justice, 7th floor conference room, 950 Pennsylvania Ave., NW.

KASHMIR _ 3 p.m. The Kahmiri-American Council holds a forum with Tahir Iqbal, Minister of Kahmir and Northern Areas on the India-Pakistan talks and the issue of Kashmir. Location: 7th floor conference room, 1111 16th St. NW.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: MONDAY, NOVEMBER 6, 2006 7:45 AM EST

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TERRORISM NEWS

DOJ Places Shaaban Under Special Administrative Measures. The Indianapolis Star (11/6, Corcoran) reports Shaaban Hafiz Ahmad Ali Shaaban, the "Indiana truck driver found guilty of conspiring to betray the United States has been secluded in a Colorado super-maximum-security prison under a secret order approved by the U.S. attorney general." DOJ officials have isolated Shaaban under a "policy that permits the FBI to eavesdrop on the few conversations he's allowed to have, heavily restricts his access to news reports and prohibits anyone other than attorneys and family members from talking to him. Some inmates at the prison, which houses the federal government's worst of the worst, spend at least 23 hours a day in soundproof cells. They cannot speak to or make eye contact with other inmates. These 'special administrative measures,' also called 'SAMs orders,' are meant to keep federal inmates from inciting violent attacks from prison or disclosing classified information that could harm national security."

CBP Officials Delay 16 Travelers At Houston Airport. The Houston Chronicle (11/4, Villafranca) reported, "Federal authorities delayed the departure Friday of 16 international travelers, including 15 Mexican nationals, who were boarding a Mexico City-bound plane at Houston's Bush Intercontinental Airport. A U.S. Customs and Border Protection official said data submitted by the passengers did not match the data on file when they entered the United States." Kelly Klundt, CBP spokeswoman, "declined to say what information was missing or did not match when the 16 passengers tried to board the 9 a.m. Continental flight."

Foreign Policy Article On Atomic Terror Attack Draws Skepticism. The Washington Times' "Inside Politics" column (11/6, Pierce) reports, "Two leading U.S. nuclear scientists say a team of terrorists with industrial equipment, physics and engineering skills and access to highly enriched uranium could build a crude atomic weapon in the United States for less than $10 million. Writing in Foreign Policy…Peter Zimmerman and Jeffrey Lewis add that there is no evidence that al Qaeda or any other terrorist group

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currently possesses the technical expertise necessary to complete such an effort." However, the Times notes "some analysts told Shaun Waterman of United Press International that they were deeply skeptical of the Foreign Policy article. Arms-control specialist Milton Leitenberg of the University of Maryland called the scenario 'super-optimistic,' and said the authors had glossed over the difficulty of finding the kinds of highly qualified specialists the project would need."

Hoekstra Criticizes Administration Over Nuclear Website. The AP (11/5) reports, "House Intelligence Chairman Peter Hoekstra criticized the Bush administration on Sunday for its handling of a trove of once-secret documents from Saddam Hussein's covert nuclear program disclosed on a federal Web site. Hoekstra, R-Mich., complained the U.S. intelligence community hadn't properly declassified the documents. ... Hoekstra said his committee would review the documents to determine the former Iraqi leader's goals and capabilities before the war in 2003."

Conservative Pressure Blamed For Distribution Of Iraq Nuclear Program Documents. Newsweek's Michael Isikoff (11/13) reports National Intelligence Director John Negroponte "shut down a government Web site after the disclosure that it had posted nuclear-research documents from Iraq's pre-Gulf War I weapons program. Set up in March at the insistence of congressional GOPers, the site was designed to post documents seized by the U.S. military in Iraq. But many were trivial memos and oddball letters. … Late last year House intel-committee chair Pete Hoekstra and Senate intel chair Pat Roberts pressed Negroponte's office to make the Iraqi docs available. They and others, including The Weekly Standard magazine, said the material might show Saddam did have WMD or ties to Al Qaeda. So the Defense Intelligence Agency began to review 48,000 boxes of material, located in a U.S. military warehouse in Doha, Qatar, and started posting it on an Operation Iraqi Freedom Web site. DIA spokesman Don Black said several hundred analysts, linguists, translators and contractors took part, weeding out diplomatically sensitive docs or those mentioning the names of U.S. persons (a potential violation of the U.S. Privacy Act)."

Los Alamos Incident Potentially "Greatest Breach Of National Security" In Decades." Newsweek (11/13, Barry, Hosenball) reports, "It began as a routine police call. At 4:16 p.m. on Oct. 17, two Los Alamos County police officers were dispatched to the Royal Crest Trailer Park. The cluster of mobile homes is located next to Los Alamos National Laboratory, the sprawling New Mexico compound that houses one of America's two main facilities for designing nuclear weapons. A resident had complained that two neighbors were shouting at each other and throwing rocks through the windows of their trailer. The cops expected to find the usual: a domestic dispute that had gotten out of hand. Instead, they discovered what one Los Alamos official—who, like all lab and government sources in this story, would not be named talking about sensitive matters—calls 'potentially the greatest breach of national security' in decades. … Panicked officials are now trying to determine how a low-level clerk was able to walk out of a high-security facility with hundreds of pages of nuclear secrets. The brief answer: laxness and budget cuts.

LANL Says Pilfered Documents Contained Mostly Low-Level Secrets. The Los Angeles Times (11/4) reported, "Los Alamos National Laboratory said that the classified documents discovered at a trailer park during a drug investigation last month did not include the most highly sensitive nuclear weapons information. The lab…said a 'careful and comprehensive analysis' of three electronic memory devices and paper copies of classified documents found in a residential trailer showed that they were mostly low-level secrets that are 20 to 30 years old." The Times noted, "The FBI is continuing a criminal investigation into a lab employee who owned the trailer."

HOMELAND RESPONSE

Philadelphia Bank Withdrawals Raise Terror Questions. Under the headline "Did Bank Stop A Fraud Or Terrorist?," the Philadelphia Inquirer (11/4, Schaefer) reported, "On Wednesday morning, two men withdrew $8,700 from an account under the name of Shahid Batti at the Commerce Bank" in Upper Darby, Penn. "When they returned later in the day to withdraw an additional $9,700, bank officials became suspicious, denied the transaction and contacted police. … One man produced a passport from Pakistan, a New Jersey license and a Social Security card, all under the name of Batti -- and all fraudulent, according to police." The Inquirer added that the man later "identified himself as Raza Hussain from Brooklyn, N.Y.," and Upper Darby Police Superintendent Michael J. Chitwood "said police discovered a 'possible' connection between Hussain and a terrorist with the same birthday when they ran the names through the FBI Terrorism Screening Center. He said the FBI and the New York Police Department have been contacted."

The Philadelphia Daily News (11/4, Weichselbaum) reported Hussein, meanwhile, "is sitting in a Delaware County jail cell and has not posted the $100,000 bail, Chitwood said. …. 'There are a lot of red flags here,' Chitwood said. 'We don't know if we have an identity-theft issue; we don't know if we have a money-laundering issue, or a terrorist connection.' … But FBI spokeswoman Jerri Williams said Hussain 'is not on the FBI terrorist-watch list, and has no known ties to terrorists. The Philadelphia FBI will continute their investigation to determine his true identity.'"

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Student Break-In At Pittsburgh Stadium Prompts JTTF Investigation. In a widely-distributed story, the AP (11/6, Nephin) reports two Carnegie-Mellon University students "are facing criminal charges after police said they tried to break into Heinz Field early Sunday." Paul Sudeep and Anand Durvasula "were cooperative when apprehended, telling police they had tickets to Sunday afternoon's Pittsburgh Steelers game and 'decided to check things out so they knew where to go,' Harper said." The AP notes, "The Joint Terrorism Task Force -- made up of the FBI, city and Allegheny County police and the county sheriff's office -- conducted a sweep of the stadium with bomb-detecting dogs and found no explosives, Harper said. The men were being questioned by the terrorism task force, and Harper said the investigation was continuing." The Pittsburgh Post-Gazette (11/6, Rotstein, Guidry) also reports the story, under the headline "Heinz Field Arrests Spur Terror Response."

Reviewer Urges Reading Of Yoo's Book, But Criticizes His Conclusions. In the Washington Post (11/5, BW6), Geoffrey R. Stone reviews John Yoo's "War By Other Means: An Insider's Account Of The War On Terror," writing, "You should read this book, though not for the reasons the author intends. John Yoo is a law professor who served in the Office of Legal Counsel of the Department of Justice from 2001 to 2003. In that capacity, he participated -- often quite centrally -- in the key post-9/11 legal decisions that framed the Bush administration's war on terror, including the Patriot Act, the National Security Agency surveillance program and administration positions on torture, military tribunals and the treatment of alleged terrorist detainees at Guantanamo Bay. In War by Other Means, Yoo delivers on his subtitle. This is indeed 'an insider's account of the war on terror.' … At its core, War by Other Means offers spirited, detailed and often enlightening accounts of the decision-making process behind the key 2001-03 legal decisions. Yoo feels compelled to justify them because the Bush administration itself has 'often failed to explain clearly to the public the difficult decisions al Qaeda has forced upon us.'" But the "fundamental precept that drives Yoo's conclusions is his unyielding belief that in wartime, the president -- as commander-in-chief -- is exclusively in charge. Detention, surveillance and torture must all be within the president's unilateral control. Congress and the Supreme Court must defer to the president's judgment. This is an extreme, reckless and dangerous view. That it has shaped the policies of our government is nothing short of irresponsible."

WAR NEWS

Troops In Iraq Warn Of "Devastating" Results Of US Pullout. The Washington Post (11/6, White, 748K) reports from Iraq, "It is dusty and muddy, calm and chaotic, deafeningly loud and eerily quiet. The one thing the war is not, however, is finished, dozens of soldiers across the country said in interviews. And leaving Iraq now would have devastating consequences, they said. ... Many soldiers said the United States should not abandon its effort here. Such a move, enlisted soldiers and officers said, would set Iraq on a path to civil war, give new life to the insurgency and create the possibility of a failed state after nearly four years of fighting to implant democracy." The troops stress the need for more time to cement their accomplishments but also "expressed frustration with the nature of the fight, which many said amounted to driving around and waiting for the enemy to engage them, often with roadside bombs, known within the military as improvised explosive devices, or IEDs." The Post adds, "Soldiers and officers had difficulty conveying what victory in Iraq would look like or exactly how to achieve it. In some ways, victory is a moving target, they said, one that relies heavily on the Iraqi people gaining trust in the Iraqi security forces and the ability of the Iraqi government to support essential services."

Mallaby Mulls Costs Of Staying In Or Leaving Iraq. In his Washington Post (11/6, 748K) column, Sebastian Mallaby writes, "The news has been dominated by elections and Iraq. After tomorrow, there will be only Iraq. The nation will face an agonizing choice between soldiering on, scaling back or pulling out." Mallaby quotes three civil-war scholars -- "Oxford's Paul Collier, Stanford's James Fearon and Barbara Walter of the University of California at San Diego," who have "dispiriting" points: "[Iraqis' insistence on fighting each other] leads Fearon to the view that U.S. withdrawal is a precondition for the military test that in turn is a precondition for peace. If Fearon is right, remaining in Iraq actually prolongs the carnage. But even if he is wrong, it's not clear that remaining in Iraq is justified. In the past three months, 241 U.S. troops have died; another five years implies the death of 4,820 Americans, more than were killed in the terrorist attacks of 2001. The price of staying in Iraq is high, while the gains are uncertain. But it is also true that leaving Iraq could prove extremely costly. Fearon expects that withdrawal is likely to accelerate the conflict, unleashing an even more intense campaign of ethnic cleansing of civilians. ... But the strongest argument against withdrawal is that it might not be permanent. ... when Iraq's combatants fight themselves to stalemate, some coalition of external powers may have to enforce a peace, and the United States would probably be part of such an effort."

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Galbraith Describes De Facto Partition Of Iraq. In an op-ed for Time (11/13) Peter Galbraith, former U.S. ambassador to Croatia, writes that President Bush "says the U.S.'s goal is a unified and democratic Iraq, but we have no way to get there. As Americans search for answers, there is one obvious alternative: split Iraq into separate Kurdish, Sunni and Shi'ite states. The case for the partition of Iraq is straightforward: It has already happened. The Kurds…enjoy the independence they long dreamed about. The Iraqi flag does not fly in Kurdistan, which has a democratically elected government and its own army. In southern Iraq, Shi'ite religious parties have carved out theocratic fiefdoms, using militias that now number in the tens of thousands to enforce an Iranian-style Islamic rule. To the west, Iraq's Sunni provinces have become chaotic no-go zones, with Islamic insurgents controlling Anbar province while Baathists and Islamic radicals operate barely below the surface in Salahaddin and Nineveh. And Baghdad, the heart of Iraq, is now partitioned between the Shi'ite east and the Sunni west."

Army Advisors Prepare To Help Iraqi Forces. The AP (11/6, Burns) reports from Fort Riley, Kansas, "... soldiers are preparing not to defeat the insurgents in Iraq but to coach the Iraqis to do that for themselves. It is an approach born of the realization that giving the Iraqis uniforms, rifles and bullets and training them in the basics of combat is not enough. To get the Iraqis ready to handle their own security, U.S. officials have concluded they need more American soldiers inside Iraqi army and police units to advise them. ... The advisers act as role models, steering Iraqis away from corruption, human rights abuses and other problems, while also going on raids and other missions to coach them and assess weaknesses." Anthony Cordesman of CSIS expresses skepticism, warning of "severe [numerical] limits" on the program. The AP describes simulation exercises in the advisors' training.

Iraq's Parliament To Consider Amnesty Proposals In December. U.S. News and World Report (11/13, Robinson) reports Samir Sumaidaie, Iraq's ambassador to the United States, "is under no illusions about the difficulty of achieving peace in his country. … But he has not lost hope. Obscured by the reports of spiraling violence and the latest contretemps between Prime Minister Nouri al-Maliki and U.S. officials is the surprising fact that the Iraqi government itself has laid out a timeline for dealing with the most contentious issues tearing the country apart. Achieving a timeline is not the same thing as reaching substantive agreement on solutions, but it may provide the kickstart for a last-ditch attempt to avoid fullblown civil war-and if deadlines matter, it is a measuring stick of the Iraqis' own making." US News adds, "By all accounts, the toughest items on the agenda are those slated for December, when a law offering amnesty to Sunni and Baathist insurgents and demobilizing militias is supposed to be passed."

Redeployment Of Convicted Abu Ghraib Dog Handler Sparks Outrage. Time (11/13, Zagaorin) reports, "In a war effort marred by poor planning and misjudgments of the local scene, this move just about took the cake. Someone in the U.S. military thought it was a good idea to send Sergeant Santos Cardona, a dog handler convicted of abusing detainees at the Abu Ghraib prison in Baghdad, back to serve again in Iraq. What's more, his unit's job was to help train Iraqi police. … Still, it was not until TIME.com reported last week that Cardona was on his way to Iraq that the military reconsidered his posting." Time notes, "By reversing course, the Army stanched the p.r. damage, but some harm had already been done. On hearing the news that Cardona was in Kuwait awaiting transfer to Iraq, Maryam al-Rais, a member of the Iraqi parliament, lamented, 'This is just the latest in a long list of insults to Iraqi dignity by the Americans.'"

US Translator Thought To Have Been Kidnapped By "Shiite Zarqawi." Newsweek's Periscope column (11/13, Johnson) reports, "Ever since the radical Mahdi Army leader Moqtada al-Sadr joined the Iraqi government, his power on the streets has been slipping. Now U.S. and Iraqi officials worry that even more violent men might be taking up his mantle. One name has come up again and again: Abu Deraa, sometimes called 'the Shiite Zarqawi.' Abu Deraa and the death squad he runs have been waging a campaign of Shia terror across the city. He is suspected of torturing and killing scores of Sunnis in a bloody wave of ethnic cleansing in neighborhoods across Baghdad. U.S. officials believe Abu Deraa is responsible for the capture of a U.S. Army translator who disappeared two weeks ago while leaving the fortified Green Zone and remains missing." According to Newsweek, "Iraq's Prime Minister Nuri al-Maliki hasn't made the job of hunting him any easier. Last week U.S. forces launched a massive raid in Sadr City, targeting Abu Deraa. The attack reportedly killed two of his sons, but he escaped. Concerned about the political implications, Maliki ordered U.S. troops to end the assault and then dismantle the checkpoints they had set up to net Abu Deraa if he tried to slip away."

US Public Said To See Parallels Between Iraq And Vietnam. U.S. News and World Report (11/13, Walsh) reports, "At the White House, they call it the 'V' word. Vietnam. It is the historical parallel that the Bush administration dreads most, because of fears that comparisons with the bitter, bloody Southeast Asian conflict will cast even more doubt on the conduct of the war in Iraq

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today. … But the idea that Iraq increasingly resembles Vietnam in some important ways appears to be gaining credibility among historians, pundits, and, most important, the public."

Kerry Remarks Seen As Evidence That Democrats Have Vietnam-Era Mind-Set. U.S. News and World Report's Michael Barone (11/13) writes, "'You know, education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq.' Those two sentences, spoken by John Kerry last week, tell a lot about the mind-set of many -- not all, but many -- Democrats who supported him for president in 2004. … One thing they tell us is that Kerry's mind-set is still back in the Vietnam era. Today the statement is literally untrue: No one is 'stuck in Iraq' unless he or she volunteers, and the educational and economic levels of our military personnel are higher than those of civilians in the same age cohort. Kerry was evidently thinking back to the late 1960s, when there was a military draft and a college dropout could find himself drafted and 'stuck' in Vietnam."

White House Aide Volunteers To Serve With Marines In Afghanistan. The Washington Post's "In the Loop" column (11/6, Kamen) reports Kenneth Rapuano, former deputy undersecretary at the Energy Department for counterterrorism and "since July 2004 a deputy assistant to the president for homeland security, has volunteered for active duty as a lieutenant colonel in the Marines to serve with the Joint Special Operations Command in Afghanistan."

Koppel Decries Lack Of "Commitment To Sacrifice" In Conduct Of War On Terror. In the New York Times (11/6, 1.21M), Ted Koppel writes, "We are advised to adjust to the notion of warrantless wiretaps at home, unaccountable CIA prisons overseas and the rendition of suspects to nations that feature prominently on the State Department's list of human rights abusers, because the threats we face are 'existential.' But apparently they are not existential enough to warrant any kind of widely shared commitment or sacrifice, like increased taxes or a military draft to meet the Pentagon's growing need for manpower. ... We are left with the impression that the grown-ups in Washington would prefer to make the difficult decisions for us without involving the courts, Congress or the press. That is precisely the wrong way to go about winning this war." Koppel adds, "Back when the United States was widely admired, it was for all that was most cumbersome about our democratic process."

LATimes Questions Pakistan's Allegiance. The Los Angeles Times (11/6) says in an editorial, "Preventing Afghanistan from falling to a resurgent Taliban must be a top priority for the Bush administration and the new Congress in the next two years. To succeed, more will have to be asked of Pakistani President Pervez Musharraf. Despite Pakistan's claim to have stopped supporting the Taliban after its 2001 ouster, the evidence is now overwhelming that the Pakistani security service — the Inter-Services Intelligence, or ISI — and probably the senior military leadership are tolerating, if not backing, Taliban forces. Washington has been turning a blind eye to this problem, reluctantly concluding that there is no alternative but to support the flawed but friendly Musharraf as the only practical bulwark against a radical Islamist takeover of a crucial nuclear state." Islamabad is "clearly hedging against what it sees as a hostile, pro-India government in Kabul and an inevitable Western abandonment of Afghanistan by keeping its old Taliban ally as a viable option. The respected Jane's Intelligence Digest last week cited independent reports confirming what Afghan President Hamid Karzai has been fuming about for months: ISI-sponsored Taliban training camps and jihadist madrasas have multiplied along the Afghan-Pakistani border. Moreover, we now know that the agreement the Pakistani government signed with tribal leaders in North Waziristan on Sept. 5 sold out Afghan and U.S. interests."

DOJ

DOJ Enron Task Force's Berkowitz To Join Latham & Watkins. Law.com (11/6, Slater) reports Sean Berkowitz, "the director of the Department of Justice's Enron Task Force in the trial of Jeffrey Skilling and the late Kenneth Lay, will join the Chicago office of Latham & Watkins, the law firm announced Thursday, Nov. 2. The announcement came on the heels of Enron Corp. co-prosecutor John Hueston joining Irell & Manella." Berkowitz said, "I did a careful look around Chicago firms and felt that Latham provided the best opportunities to capitalize on my experience in the Justice Department, and to transfer that into a national and international practice." Berkowitz, "pursued by Kirkland & Ellis and DLA Piper, among others, has several ties to Latham lawyers. He worked with John Lynch, a founding partner of Latham's Chicago office, when they represented different parties in General Instrument Corp.'s securities litigation, and with Latham associate Deborah Steiner in the U.S. Attorney's office. Between his Enron experience and his associate years at Katten Muchin Rosenman before joining the U.S. Attorney's office in Chicago, Berkowitz expects to make a pretty seamless public-to-private transition. 'Enron was one of the most complex matters out there, so I don't imagine I'll find anything in private practice that'll be insurmountable from a technical standpoint,' said Berkowitz, whose provocative cross-

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examination of Skilling ignited an unflattering outburst from the fallen executive."

CRIMINAL LAW

Rudolph's Letters Provide Glimpse Of Federal Prison's "Bomber Row." Time (11/13, Vollers) reports the Federal Correctional Complex in Florence, CO "is a virtual theme park of penal experiences, ranging from a minimum-security camp…to the concrete fortress that was built to be the most secure prison in the country: the Administrative Maximum U.S. Penitentiary, or ADX for short. The inmates in ADX Florence include drug kingpins, gang leaders, hit men, snipers and, lately, more and more, international terrorists, including al-Qaeda shoe bomber Richard Reid; mastermind of the 1993 World Trade Center bombing Ramzi Yousef and at least seven of his accomplices; and four men convicted of involvement in the 1998 bombings of U.S. embassies in Africa. … Until now, almost nothing has been written about the inner workings of the ADX. Since 9/11, journalists have been routinely denied access to the facility, its staff and inmates. But Eric Robert Rudolph, who is serving life without parole at the prison for the fatal bombings at the Atlanta Olympics and an abortion clinic in Alabama, has written letters to me, the author of a book about his case, and to his mother Patricia Rudolph, who has shared them with me. These missives offer a unique first-hand account of life on Bombers Row."

Boston Mayor Optimistic About Expanding Gang Truces. The Boston Globe (11/6, Smalley) reports Boston Mayor Thomas Menino "said yesterday that he is optimistic about the possibility of brokering more gang truces across Boston similar to the one that police, clergy, and youth outreach workers established between two of the city's most violent gangs. Menino, who credited police and the Rev. Jeffrey Brown with cementing the pact between the Heath Street gang in Jamaica Plain and the H-Block gang in Roxbury, also praised the young gang members who came to the bargaining table." Menino said, "You have to give the…gang members a lot of credit for wanting to work together." Boston police consultant Jack McDevitt "said the truce could become a national model, in part because Heath Street and H-Block's long, bloody feud gives the treaty more street credibility. He said he plans to recommend the idea to six cities he is working with to fight gang violence under a US Department of Justice initiative. 'It gives some cover to other groups that might feel, 'OK, these are pretty serious folks and they did it so we can do it, too,' McDevitt said." Organizers trying to preserve the truce "have offered incentives to gang members, including tutoring, improvements to a teen center, and corporate box seats for a New England Patriots game."

Violent Crime In Manchester, New Hampshire, Comparably Low. The New Hampshire Union Leader (11/6, Brooks) reports, "Manchester has consistently ranked among the least violent cities of its size in New England, an analysis of federal crime data reveals. FBI records show the Queen City saw fewer robberies and aggravated assaults than almost any other similarly sized city in the region between 2001 and 2005, the last year for which data was available. Homicides also were rare. Altogether, Manchester reported fewer violent crimes in recent years than all but one other New England city of more than 100,000 residents. Only Stamford, Conn., could claim fewer." Police Chief John Jaskolka said, "The perception is that violent crime is way up. Actually, our numbers are fairly low." Officials and residents "have lately called the security of several Manchester neighborhoods into question, particularly since city police patrolman Michael Briggs was killed by gunfire in the center city last month. Police have since ordered high-intensity patrols in a smattering of hot spots. Many residents, meanwhile, have banded together via neighborhood watch groups."

Courts Embrace Electronic Monitoring. USA Today (11/6, Heath) reports, "Electronic monitors that can pinpoint criminals on a map can now also tell whether they've been driving too fast, drinking or violating other laws. Courts nationwide increasingly are embracing such tracking of people's behavior as a way to stop them from repeating the actions that got them in trouble with the law, though it remains less common than satellite surveillance of sex offenders." Among the tools are automobile black boxes and alcohol-sniffing bracelets.

Group Says Arkansas Rehabilitation Center Not Up To DOJ Standards. The Arkansas Democrat Gazette (11/5, Upshaw) reports, "An advocacy group that has been monitoring Alexander Youth Services Center for months said Saturday that Arkansas isn't meeting the mental health, education and special education needs of the children at the troubled facility as required by the U. S. Department of Justice and state law." Dana McClain of the Disability Rights Center says "problems at the center are systemic. … 'We don't think this is rehabilitation, and state law says it is supposed to be [for youthful offenders]. I think it's punishment,' she said. 'I feel like these children are being set up to go to adult prison.'"

Jury Kept Secret In Drug-Trafficking, Racketeering Case. The Washington Times (11/6, Mcelhatton) reports closing arguments "are expected today in a gang-related racketeering and drug-trafficking case in the District in which the judge took the unusual step of appointing

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an anonymous jury. Prosecutors say they want the names of the jurors to remain secret because the gang has tried to tamper with the judicial system, including impersonating a law-enforcement officer to kill a cooperating witness. Gerald Eiland and Frederick Miller are among several men accused of running a drug organization and car-theft ring based in the District. They have pleaded not guilty."

Legal Experts Say Laptop Search Case Could End Up In Supreme Court. In a story credited to Copley News Service, the San Diego Union-Tribune (11/5, Krasnowski) reported on the case of Michael Arnold, who was charged with possession of child pornography after a customs agent found images on his laptop when he returned from the Philippines. His "arrest was heralded as a success for the federal government's Operation Predator campaign against criminals who prey on children," but last month, "a judge threw out the computer evidence against him, setting up a court battle in which a man accused of vile behavior could help determine how far border agents can go in searching people's computers and the future of some privacy rights. It's an issue – spurred by advances in technology, and increased concerns about terrorism and border security – that some legal experts expect will end up before the U.S. Supreme Court." In the case, US District Judge Dean Pregerson "ruled the border officer needed reasonable suspicion to search Arnold's computer because the machines can contain vast amounts of private information. … Prosecutors contend border officers can search such items routinely, saying the computer search wasn't invasive or destructive but rather a standard inspection of a person at the border that courts have long supported."

Business Travelers Concerned About Searches. In his "Business Itinerary" column in the Los Angeles Times (11/4), James Gilden wrote, "It is cases like Arnold's that have corporate travel managers up in arms — but not because of the pornography connection. Their concern is with what happens to the proprietary data that business travelers often carry on their laptops." Gilden added, "The association of travel executives is not concerned as much with the constitutional questions as it is with the practical implications for business travelers. It has tried to get answers from Customs and Border Protection about its policies regarding the search and seizure of laptops and measures taken to protect sensitive business information on them but has not received an answer to its queries, Executive Director Gurley said."

Monterey County, California, Crime Lab Experiencing Major Delays. The Monterey (CA) Herald (11/5, Reynolds) reports, "Crimes in Monterey County are going unsolved and prosecutions delayed as piles of unprocessed evidence grow higher in the county's primary crime lab, law enforcement officials say. In some cases, The Herald has found, more than a year passed before fingerprints were processed, leaving detectives frustrated and criminals walking free." The lab "is so badly understaffed -- down from five employees to two -- that arrests have had to wait as crimes go unsolved for more than a year. In one example, a fingerprint was lifted in an April 2005 larceny case, but the print was not processed until June 2006. In the interim, investigators say, the same man had moved on from nonviolent fraud to carjacking." Detectives "complain that backlogs in the forensic services crime lab mean arrests aren't being made when they should. Law enforcement personnel described cases such as a 12-month delay in running fingerprints for an attempted murder case."

CIVIL LAW

Columnist Says Solicitor General May Be "Ultimate Authority" On Patent Law. In his Washington Post (11/6, A19) column, Charles Lane asks, "When it comes to patent law, who is the ultimate authority? Is it the Supreme Court? Or the U.S. Court of Appeals for the Federal Circuit, the specialty court for patent and trademark law established by Congress in 1982? Actually, it's none of the above. But before I reveal the correct answer, let me congratulate you for having read this far beyond the words 'patent law.' This eye-glazing technical topic has been known to send even people who like tax law screaming from the room. That you may still be interested shows a commendable understanding of patent law's significance, notwithstanding its arcane nature. … Arguably, the real power in patent law these days is not a court at all, but the Office of the Solicitor General." In the "10 Supreme Court patent cases in which the solicitor general has participated since 1995, the SG is undefeated, according to a recent study by Jonathan Franklin, a Supreme Court specialist at the law firm of Fulbright & Jaworski. What's behind the court's deference to the executive branch? In part, say patent law specialists, it appears that the justices are increasingly second-guessing the rulings of the Federal Circuit, which was designed to help clean up patent law by concentrating all federal appeals in a single expert body. From the Federal Circuit's inception until the mid-'90s, the justices seemed content to let it call the shots. But as the information technology revolution has spread, the high court has shown a willingness to review decisions of the Federal Circuit, whose critics say it is too favorable to patent holders. None of the justices are experts on patent law. Thus, they lean heavily on the expertise of the solicitor general, who receives plenty of input from the U.S. Patent and Trademark Office, the Federal Trade Commission and others within the executive branch."

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Hughes Will Case Returning To Court. USA Today (11/6, Kasindorf) reports, "Nearly 30 years after jurors declared that a will left by Howard Hughes that gave a fortune to a Utah gas station owner was fake, Melvin Dummar is back in court claiming he was cheated out of a share in the billionaire's estate. … Several weeks after Hughes died at age 70 in 1976, a will purportedly in his handwriting was discovered on a desk in the Salt Lake City headquarters of the Church of Jesus Christ of Latter-day Saints. News media went wild over the surprising bequest of $156 million to the obscure Dummar." In 1978, Nevada and Texas juries decided the will "was a forgery. Now, Dummar, 62, says a new witness came forward in 2004 who can confirm his story. He revived the half-forgotten case in June by filing a complaint of fraud and racketeering in federal court against Hughes heir William Lummis, 85, and Frank Gay, 77, former chief operating officer of Hughes' companies."

CIVIL RIGHTS

Tennessee GOP Chair Says Fraud Possible In Memphis. The AP (11/5) reports Tennessee Republican Party Chairman Bob Davis Jr. "complained to Shelby County election officials that electronic voting machine cards were missing in Memphis, the hometown of Democratic U.S. Senate nominee Harold Ford Jr." In a letter dated Thursday, Davis wrote, "It has come to our attention that several smart cards used in early voting are missing from at least one early voting site in Memphis, Tenn. The lack of oversight and control over these smart cards has created a situation which could allow for voter fraud." The letter "called on the commission to 'locate these missing smart cards as soon as possible.' Tennessee Election Coordinator Brook Thompson said Friday that even if the cards aren't recovered, there is no danger of fraud. 'The cards are programmed such that once you use them, they cannot be reused until they are reactivated by the Election Commission,' he said."

DOJ Election Monitoring Effort Includes Kansas. The Lawrence Journal-World (11/6) reports, "A federal prosecutor will be available during Tuesday's election to respond to reports of possible election fraud and voting rights violations in Kansas. Assistant U.S. Atty. Leon Patton will be available as part of the Justice Department's nationwide Election Day program, which is an effort to increase the department's ability to deter election fraud and discrimination at the polls."

"New Breed Of Activist" To Monitor Poll Stations. The Wall Street Journal (11/6, B1, Kronholz) reports that on Tuesday "a new breed of activist will be on guard, monitoring polling stations for everything from voting-machine glitches to long lines to registration snafus. Energized by disputed results in 2000 and 2004, they have left jobs as music conductors, real-estate agents and software engineers to form groups that expect to turn out thousands of volunteers who don't trust the country's ability to count its votes and have decided to do something about it." "This is going to be the most heavily watched election in history," said Marybeth Kuznik, "who founded a group called VotePA after the 2004 election to monitor voting issues in Pennsylvania." The Journal adds, "Many of the groups share liberal roots, their members smarting from the narrow Democratic losses in the last two presidential elections. But they also share in Ms. Kuznik's assurances -- and the tax and lobbying status that requires them to remain nonpartisan -- that they simply want to see a clean count."

Kentucky School District Faces DOJ Civil Rights Probe. The AP (11/5) reports, "An eastern Kentucky school district faces a federal civil rights inquiry, attorneys for the school system said. The Greenup County School District and the U.S. Department of Justice Office of Civil Rights have exchanged preliminary materials, but the agency has not scheduled a visit to the area." School officials "wouldn't say what the nature of the inquiry is. Greenup Superintendent John Younce would neither confirm nor deny that an inquiry is under way or that federal officials are planning a visit to the district."

ANTITRUST

Morgan Stanley, Visa Europe To Settle Antitrust Dispute. The Financial Times (11/6, Buck) reports Morgan Stanley and Visa Europe "have agreed to settle a long-running antitrust dispute, in a move that could bring to an end a six-year competition probe by the European Commission into the credit card group. The dispute broke out after Visa refused to let Morgan Stanley join its card network. The US investment bank had wanted to offer card services to shops and merchants in the European Union. However, Visa denied it access to its network, pointing to the fact that Morgan Stanley runs the Discover card in the US in competition with Visa."

CVS-Caremark Deal Would Create $75 Billion "Behemoth." The Wall Street Journal (11/6, B1, Levitz, Armstrong) reports CVS Corp.'s "$21 billion pact to buy Caremark Rx Inc. marks the biggest gamble yet for Thomas Ryan, the CVS chief who will lead the new company." Ryan "has helped build CVS from a regional drugstore chain into a national giant by buying rivals such as Revco DS Inc., Eckerd

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and Albertsons Inc.'s Save-On and Osco stores. Since ascending to the CEO and president posts at CVS in 1998, he has more than doubled the number of CVS stores to about 6,200. Sales are now $37 billion, up from $15 billion when he took over." The "savvy manager" has a "talent for overhauling and integrating sagging drugstore chains. But the Caremark deal, which would create a behemoth with $75 billion in annual revenue, represents a bigger deal than any he has tried before and CVS's first major acquisition of a company that isn't another drugstore chain."

Google-YouTube Antitrust Approval Noted. The Wall Street Journal (11/6, B8) reports, "U.S. antitrust regulators cleared Google Inc.'s $1.65 billion purchase of online video-sharing company YouTube Inc., based on a document published Friday. No other details were available. A transaction involving Google and YouTube was listed on the Federal Trade Commission's daily publication of transactions whose reviews have been terminated."

FBI/DEA/ATF/USMS

Report Claims DOJ Declining To Prosecute FBI Terror Cases. The AP (11/5, Jordan) reports DOJ "increasingly has refused to prosecute FBI cases targeting suspected terrorists over the past five years, according to private researchers who reviewed department records. The government says the findings are inaccurate and 'intellectually dishonest.' The report being released Monday by the Transactional Records Access Clearinghouse at Syracuse University raises questions about the quality of the FBI's investigations. Prosecutors declined to bring charges in 131 of 150, or 87 percent, of international terrorist case referrals from the FBI between October 2005 and June 2006, according to the report. The study was based on the most recent data available from the Justice Department's executive office for U.S. attorneys. That number marks the peak of generally steady increases from the 2001 budget year, when prosecutors rejected 33 percent of such cases from the FBI, according to the report. The data 'raise troubling questions about the bureau's investigation of criminal matters involving individuals the government has identified as international terrorists,' the report said."

USA Today (11/6, Johnson) reports DOJ "challenged the findings and said the analysis represented an 'astonishing misunderstanding' of the inner workings of the federal criminal justice system. 'This report contains inaccurate figures, relies on a faulty assumption that every referral from an investigative agency should result in a criminal prosecution and ignores the reality of how the war on terrorism is being conducted,' said Justice Department spokesman Brian Roehrkasse." In the weeks after 9/11, DOJ "announced a dramatic transformation of its mission, from a prosecution-driven institution to an agency that emphasizes prevention and the development of a domestic intelligence system. Because of the new mission, Roehrkasse said, cases rejected for prosecution don't necessarily close investigations."

Burrus Says FBI Willing To Run Sting On Congress If Needed. McClatchy (11/5, Gordon) reports Assistant FBI Director James Burrus says the bureau "is ramping up its ability to catch crooked politicians and might run an undercover sting on Congress." Burrus "called the bureau's public corruption program 'a sleeping giant that we've awoken,' and predicted the nation will see continued emphasis in that area 'for many, many, many years to come.' So much evidence of wrongdoing is surfacing in the nation's capital that Burrus recently committed to adding a fourth 15- to 20-member public corruption squad to the FBI's Washington field office." FBI agents are investigating "about a dozen" members of Congress, "including as many as three senators. The Justice Department also is expected to begin seeking indictments soon after a massive FBI investigation of the Alaska Legislature. If conditions warrant, Burrus said, he wouldn't balk at urging an undercover sting like the famed Abscam operation in the late 1970s in which a U.S. senator and six House members agreed on camera to take bribes from FBI agents posing as Arab sheikhs."

Jefferson Fundraising Faltered In Wake Of FBI Probe Revelations. Under the headline "Probe Hits Jefferson In Wallet," the New Orleans Times-Picayune (11/4, Walsh) reported, "The federal bribery probe targeting U.S. Rep. William Jefferson is issue No. 1 in the race to unseat him, but it has also played a powerful role behind the scenes" in his reelection campaign. "Though he has not been charged, revelations that the FBI found $90,000 stashed in Jefferson's freezer in August 2005 have earned him the cold shoulder from many once-loyal donors, the majority of whom have migrated to the campaign of state Rep. Karen Carter, also a Democrat, who has become the favorite of the political establishment. … Jefferson's $151,375 haul between July 23 and Sept. 30 was eclipsed by Carter's $327,162 and Shepherd's $199,900." The Times-Picayune noted, "A review of Jefferson's campaign finance reports show that those who have stuck with him financially are members of his family, long-time friends and business associates, a few fellow members of the Congressional Black Caucus and a smattering of sympathetic businesses and unions."

FBI Evidence Leads Nigeria To Charge Government Officials. ABC News (11/3, Ross, Rhee, 12:56 p.m.) reported in its "The Blotter" blog, "Nigerian officials say the bribery investigation of Congressman William Jefferson…has

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uncovered a massive corruption scheme involving several members at the highest levels of the Nigerian government. Acting on information provided by the FBI, Nigerian fraud investigators have now indicted Vice President Atiku Abubakar on 14 counts of corruption, involving tens of millions of dollars allegedly diverted from government accounts. According to Nuhu Ribadu, head of a new anti-corruption squad created by Nigeria's president, $23 million of the diverted money is still missing. Ribadu said $6.7 million of the missing funds has been traced to a U.S. company tied to Congressman Jefferson's family." ABC noted, "Several other top Nigerian officials, including a state governor, have also been implicated in the scheme to divert government funds."

Mississippi Mayor Indicted On Fraud Conspiracy Charges. The Jackson Clarion-Ledger/AP(11/4) reported Winstonville, Miss., Mayor Milton Tutwiler "and a business partner have been indicted on charges of conspiracy to defraud the federal government." Tutwiler and Kenneth L. Blockett "are accused in connection with a more than $1.3 million grant by Mid-Delta Empowerment Zone Alliance to Winstonville to construct a building for the Mound Bayou Chemical Co. in 2001. The indictment also charged misapplication of funds by Tutwiler." The AP noted, "The case was investigated by the Internal Revenue Service, the FBI and the state auditor's office. The grant for the project, predicted to bring 150 jobs to the Delta, was awarded in August, 2001. … However, the plant never finished and never opened."

Prominent Florida Lobbyist Indicted In Palm Beach Corruption Probe. The Palm Beach Post (11/4, Dubocq, Musgrave) reported, "Political fallout again shook Palm Beach County government Friday when William Boose, a powerful lobbyist and former planning director, was charged as a co-conspirator in the federal corruption case against former County Commission Chairman Tony Masilotti." Boose "is accused of helping to conceal Masilotti's $1.3 million profit from a government land deal." The Post noted, "A grand jury accused Boose of helping Masilotti cover up a scheme to secretly profit from a 2003 land deal in Martin County. When FBI agents started asking questions, Boose allegedly lied and falsified legal bills to disguise the fact he didn't charge Masilotti full price for legal services. … His business relationship with the commissioner never was disclosed, the grand jury reported."

Former Florida FCI Guards Convicted In Sex-For-Contraband Scheme. The Tallahassee Democrat (11/4, Subramanyam) reported, "Two former Federal Correctional Institution officers are headed to prison following their convictions Friday evening in federal court." Gregory Dixon "was found guilty on three counts of bribery after three former and current FCI inmates testified he gave them contraband in exchange for sex. … He was found not guilty on two conspiracy charges and witness tampering. He was found guilty on the charge of conspiracy to accept illegal gratuity, which carries a lesser sentence." Codefendant Alan Moore "was convicted of witness tampering and on the lesser charges of conspiracy and accepting illegal gratuity. He was found not guilty of bribery involving an exchange of contraband for sex." The AP (11/4, Kaczor) added, "'Any prosecution is trying to send a message,' Assistant U.S. Attorney Alan Sprowls said after the verdict. Defense lawyer Robert Harper said he didn't think it would be the right kind of message, though. 'This case to me sends a dangerous message to every male correctional officer at every female correctional institution,' Harper said."

Executive Pleads Guilty In Indiana Concrete Price-Fixing Probe. The Indianapolis Star (11/4, Corcoran) reported, "Only two area ready-mix concrete executives are still awaiting trial in connection with a broad price-fixing conspiracy after Friday's sudden guilty plea by a third executive in federal court. Chris A. and Ricky J. Beaver, managers at Noblesville-based Beaver Materials Corp., are scheduled to go on trial Nov. 13." The Star noted that Builder's Concrete & Supply Vice President John J. Blatzheim "pleaded guilty Friday, acknowledging he joined the local conspiracy in April 2003. In exchange, federal prosecutors dismissed a charge of lying to the FBI and antitrust investigators that carried a five-year prison term."

Judge Grants US Request To Maintain Custody Of Jeffs Evidence. The Deseret Morning News (11/4, Winslow) reported, "Federal authorities are trying to keep their hands on evidence seized by the FBI when Fundamentalist LDS Church leader Warren Jeffs was captured. In an unusual move, the U.S. Attorney's Office in Utah asked a Nevada federal judge to let three of its lawyers handle the evidence battle," and "on Friday, a federal judge in Las Vegas granted their request." Defense lawyers say the "seized documents, letters and other papers…are protected by the FLDS leader's right to freedom of religion and clergy-communicant privilege," but "federal prosecutors in Utah have filed an unlawful flight to avoid prosecution warrant against Jeffs and have threatened to seek a grand-jury indictment should he ever be granted bail." The Morning News noted, "Jeffs was on the FBI's Ten Most Wanted list until he was arrested in August during a traffic stop outside Las Vegas."

FBI Considering Billboard Campaign Boston Art Theft Investigation. The Boston Globe (11/4,

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Murphy) reported, "The FBI is considering a billboard campaign as part of its international hunt for $300 million worth of artwork that was stolen from the Isabella Stewart Gardner Museum in Boston in 1990 by thieves who masqueraded as police officers to get inside, according to the agency 'We are evaluating investigative techniques designed to solicit information from the public regarding the investigation, including the use of billboards,' said Thomas Larned, an assistant special agent-in-charge of the FBI's Boston office. … Larned said that using billboards as part of a publicity campaign was under consideration, 'however we have no imminent plans.'" The Globe notes, "Julian Radcliffe -- chairman of the Art Loss Register in London, which is the world's largest database of stolen art and antiques dedicated to their recovery -- said he had never heard of billboards being used to help locate stolen pieces. Radcliffe added, "I think the chances of it attracting somebody who knows where the pictures are is probably not very high."

Boston SAC Appointed FBI Inspection Division Chief. In a story taking very positive tone toward FBI Boston SAC Kenneth W. Kaiser, the Boston Globe (11/4, Murphy) reported the he was appointed Friday "to serve as assistant director of the Inspection Division, which evaluates and audits the work of the FBI's field offices, conducts internal investigations of alleged misconduct by bureau employees, and investigates shootings by FBI agents. It will be a bittersweet departure for Kaiser, who said yesterday that he regrets being unable to capture fugitive gangster James 'Whitey' Bulger," but Kaiser "said he believes that he has left the once-beleaguered office in better shape than he found it by repairing the FBI's relationship with other law enforcement agencies after it had been badly frayed by corrupt agents who protected Bulger from prosecution and helped him slip away just before his 1995 indictment." Kaiser said in a telephone interview, "I think the perception now is that the FBI is a team player…that we really are looking for Whitey Bulger, and that the Boston office isn't a corrupt office." The AP (11/4) noted, "During Kaiser's tenure, the bureau launched an investigation into the Big Dig and secured an indictment an alleged Al Qaeda operative. He also commanded an emergency team in Louisiana after Hurricane Katrina.

Murdered Virginia Woman Was Undercover Informant For Police, FBI. The Washington Times (11/6, McElhatton) reports, "An Alexandria woman fatally shot last month in what police are calling a targeted hit worked undercover and cooperated with the FBI in violent-crime and drug cases up and down the East Coast, previously sealed records show." Bethlehem Ayele "assisted in a homicide investigation in Connecticut, arranged an FBI sting in Florida and testified against drug dealers in the District." She was killed "while waiting at a stoplight," and "the shooting prompted immediate speculation about whether Miss Ayele's death was tied to her testimony against members of the so-called Murder Inc. drug gang in the District. … 'Detectives still believe she was targeted, but they have not determined exactly why,' Amy Bertsch, a spokeswoman for the Alexandria Police Department, said yesterday."

California Marijuana Law Said To Create Risk For Doctors. The AP (11/5, Leff) reports that since California "passed the nation's first medical marijuana law a decade ago, a provision requiring written doctor approval to grow and buy pot has created conflict between the state mandate and federal drug laws, and strained the doctor-patient relationship. Until the stalemate is resolved, doctors recommending marijuana do it with trepidation and a good deal of risk. … Although a federal appeals court ruled four years ago that the U.S. Drug Enforcement Administration cannot go after doctors merely because they recommend marijuana to patients, the state medical board's guidelines make it clear the ruling did not amount to immunity either from prosecution or disciplinary proceedings."

Future Of Law Unclear. In a separate story, the AP (11/5) writes, "A decade ago, California voters were the first in the United States to approve medical marijuana, and 10 other states have since followed suit. But the future of the landmark California statute is no clearer now than when voters headed to the polls on Nov. 5, 1996. The federal government still refuses to recognize Proposition 215, the Compassionate Use Act approved by 56 percent of voters. … The DEA says it is targeting dispensaries and other large–scale growing and selling operations, whether the marijuana is for medical or illicit use." News outlets that used a version of the AP story include CBS News, FOX News, Forbes, the Washington Post, Houston Chronicle, Chicago Tribune, Boston Herald, and Arizona Republic.

Medical Marijuana Claims Seen As Misleading. In Los Angeles, KCAL-TV (11/3) reports on its Web site that the assertion that all medical marijuana "is headed for seriously ill patients is misleading," based on statistics from the California Branch of the National Organization for the Reform of Marijuana Laws (NORML)." The DEA and its local and state counterparts "routinely report that large-scale drug traffickers hide behind and invoke Proposition 215, even when there is no evidence of any medical claim."

In Alabama, British Aristocrat Admits Role In Transporting 15,000 Pounds Of Marijuana. The Mobile (AL) Press-Register (11/4, Kirby) reports a British aristocrat who "fought extradition to the United States for the better part of a decade stood in handcuffs and leg shackles Friday before a federal judge in Mobile to admit his guilt in a

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massive drug conspiracy. Giles Richard Carlyle-Clarke…pleaded guilty to one count of conspiracy to possess with intent to distribute marijuana. He admitted responsibility for 15,000 pounds of marijuana that came into the country by way of Baldwin County and St. Petersburg, Fla." Prosecutors "hailed the plea as the latest victory in an investigation that dates to the 1980s and has resulted in more than 70 indictments and 65 convictions."

The AP (11/3) also reports on Carlyle-Clarke's guilty plea.

Texas Authorities Grapple With High Cost Of Destroying Drugs. In McAllen, Texas, the AP (11/5, Brezosky) reports in a region that "is a gateway for drugs coming from Latin America and bound for cities throughout the United States, destroying drugs means sending a caravan of vehicles and officers on a two-day trip costing $8,000 to $10,000. For McAllen, in particular, it means unloading tons of contraband from the 8-foot by 40-foot evidence bunker and into a rented moving van, which is then driven to a privately run incinerator near Dallas. … 'For obvious reasons of security and safety, we can't reveal where we burn or destroy our evidence, but it is a concern for us in terms of the costliness of it,' Houston-based DEA spokesman Ray D'Alessio said. 'We're exploring different options right now.'"

Houston DEA Agent Targeted By Ex-Wife In Murder-For-Hire Case. The Houston Chronicle (11/5, Rogers) reports a Houston DEA agent's ex-wife "pleaded guilty Friday to trying to hire someone to kill him. Pamela Bishop, 38, got deferred adjudication for solicitation of capital murder of Donald Noell Bishop. The conviction will be dropped from her criminal record if she stays out of trouble the next six years. … Except for saying the incident stemmed from an acrimonious divorce, her attorney…declined to comment on the circumstances surrounding the charge because the couple are still in a custody fight for their children."

Colorado Newspaper Endorses Marijuana Amendment. The Rocky Mountain News (11/3) reports the Colorado Springs Gazette has endorsed Amendment 44, which would legalize possession of small amounts of marijuana. 'We encourage freedom lovers to vote yes on Amendment 44,' the newspaper said on its editorial page. 'The long journey toward a more rational and workable national drug control policy begins with a single step,'" the newspaper said.

IMMIGRATION

Texas Launches Online Border Monitoring. The AP (11/4) reported, "Texas launched its ambitious effort to use Internet users to watch the border for illegal immigrants. But the network of surveillance cameras was plagued by technical problems, the images were grainy and the cameras were placed so high that it was hard to distinguish a person from, say, a bush. Republican Gov. Rick Perry, who announced plans over the summer to spend $5 million on the virtual posse, asked for 'forgiveness on the front end of this,' but dismissed the problems as routine computer glitches."

The Fort Worth Star-Telegram (11/4, Mcgee) reported, "Gov. Rick Perry's spokeswoman, Kathy Walt, said Friday that cameras may have been down for temporary adjustments and that the Web site is still a 'test site.' … The Border Patrol has cameras in every sector of Texas' border with Mexico, said Mike Friel, spokesman for U.S. Customs and Border Protection. He said the cameras work in daylight or at night and can be rotated 180 degrees by the Border Patrol agents or National Guardsmen who use them." The cameras "were installed free by companies that hope to win contracts when the governor installs more, Walt said. Perry wants to have 70 to 100 cameras on the border eventually, she said."

Judge Rules City Officials Cannot Fine Landlords For Housing Illegal Immigrants. US News and World Report (11/5) reports, "The country's immigration battle took another turn last week when a federal judge blocked two landmark immigration ordinances in Hazleton, Pa., from being enforced just hours before they were to go into effect. The measures, now on hold until November 14, would have allowed city officials to fine landlords housing illegal immigrants and deny business permits to companies that hire them. Judge James Munley said enforcement would cause 'irreparable harm' to businesses catering to Hispanics. His decision was in response to a suit filed by Hispanic groups and the American Civil Liberties Union."

Border Agents Plan To Appeal Shooting Sentence. The Washington Times (11/6, Seper) reports, that Jose Alonso Compean, 28, and Ignacio Ramos, 37, "sentenced to lengthy prison terms for shooting a drug-smuggling suspect as he fled across the Rio Grande want a new trial, saying three jurors claim they were pressured into returning guilty verdicts." Compean was sntenced to 12 years in prison, and Ramos to 11, for "causing serious bodily injury, assault with a deadly weapon, discharge of a firearm in relation to a crime of violence and a civil rights violation."

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Ramos' attorney, Mary Stillinger, "plans to appeal the case to the 5th U.S. Circuit Court of Appeals in New Orleans based, in part, on sworn affidavits of three jurors -- Robert Gourley, Claudia Torres and Edine Woods -- who said they were incorrectly instructed that their verdict had to be unanimous and that the judge would not accept a hung jury."

CNN Live Sunday (11/5, 6:37 p.m.) contrasts Compean and Ignacio's sentences with six-year sentences handed down against two agents convicted of taking bribes. CNN notes that Compean and Ignacio were charged under a law intended to prosecute drug smugglers and other violent criminals. Former prosecutor Laurie Levenson added, "Prosecutor have lots of discretion in deciding what charges to bring. … Once prosecutors decide an agent has crossed the line into criminal behavior, they are inclined to throw the book at them."

CBP Debuts Unmanned Aerial Vehicles At Mexican Border. The Washington Times (11/6, Seper) reports, "U.S. Customs and Border Protection has launched its newest weapon in securing the nation's borders with the debut of an unmanned aerial vehicle capable of providing an 'eye in the sky' for Border Patrol agents on the ground. … The agency's new unmanned aircraft, known as the MQ-9 Predator B, began limited operations last week from Libby Army Airfield in Fort Huachuca, Ariz., to support enforcement activities along the U.S.-Mexico border. The aircraft was introduced during ceremonies Tuesday in Arizona hosted by Air and Marine Assistant Commissioner Michael Kostelnik." The unmanned aircraft "give the agency improved and expanded mission capabilities to meet what" CBP Commissioner W. Ralph. Basham "has described as 'the continuing terrorist threat to our nation.'"

Impact Of 1986 Immigrant Reform Bill Assessed. The Christian Science Monitor (11/6, Henao) reports, "Twenty years ago Monday, Congress passed the largest effort to date to curb undocumented immigration to this country. Under the Immigration Reform and Control Act (IRCA), employers were sanctioned for the first time for hiring undocumented workers." The bill "also called for tighter controls along the Mexican border. But the bill was a compromise: Enforcement was balanced by an amnesty provision." Nearly "3 million undocumented immigrants were granted legal residence under the amnesty. Most of them were Mexican (more than 80 percent) and lived in the Los Angeles area. Salvadorans, Filipinos, Haitians, Poles, and Vietnamese also benefited from the program." Critics "say the bill set a damaging precedent for future amnesties. IRCA supporters say the word 'amnesty' mischaracterizes the bill's intent." Former Rep. Romano Mazzoli, a sponsor of IRCA, "defends the bill as the best way to combat illegal immigration at the time. The six administrations that followed, he says, are to blame for not enforcing tighter restrictions." The Monitor also examines the stories of seven immigrants who took advantage of the amnesty program.

CONGRESS-ADMINISTRATION

Bush Welcomes Saddam Death Sentence As Some Question Pre-Election Timing. The death sentence given Sunday to former Iraqi President Saddam Hussein and two former senior members of his regime dominates Monday's headlines. On the only network news broadcast Sunday evening, ABC World News (10/30, lead story, 2:50, Harris) lead its program with a report on the sentencing. As party of its report, ABC noted briefly that President Bush, while campaigning in Texas yesterday, "called the outcome of that trial a milestone for the Iraqi people. He said the verdict and death sentence provide a verdict and measure of justice many thought would never come." Bush was shown saying, "Iraq has a lot of work ahead as it builds its society, as it delivers equal justice and protects all its citizens. Yet, history will regard today's judgment as an important achievement on the path to a free and just and unified society."

The AP (11/6, Loven) reports Bush "painted Saddam's conviction and sentence as vindication of the sacrifices made by American soldiers in Iraq. More than 2,800 members of the US military have died since the U.S.-led invasion in March 2003." Said Bush, "They've sacrificed for the security of the United States. … Without their courage and skill, today's verdict would not have happened." AFP (11/6, Knox), meanwhile, says that "two days before Tuesday's vote, dozens of congressional races were too close to call and two national public opinion surveys favored Democrats overall but suggested a late burst of energy among Bush's Republicans." Bush "was in Nebraska and Kansas as part of an 11th-hour political rescue mission for struggling Republican candidates facing unexpectedly strong Democratic challenges in part because of anger at the war in Iraq. 'Saddam Hussein was a threat,' he said, amid signs the conflict could cost his party control of the US Congress. 'My decision to remove Saddam Hussein was the right decision, and the world is better off for it.'"

Some Democrats and media analysts suggested the timing of the sentence was designed to influence the US elections. In its report on the sentencing, the Wall Street Journal (11/6, A3, Shishkin) notes, "With US congressional elections taking place this week, many Iraqis suspect the Bush administration somehow influenced the timing of the sentence to benefit the Republican party," but White House spokesman Tony Snow Sunday dismissed the idea as "preposterous."

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The Washington Post (11/6, A16, Baker) reports, "Bush called the verdict a "landmark event" in Iraq's transition to democracy, and aides hoped it would be seen as vindication of his decision to go to war. Democrats were quick to agree that justice had been done for a vicious tyrant but argued it would not fix what they see as the debacle in Iraq." The Post also notes that the timing of the verdict "stirred anxiety among Democrats who worried it could be a 'November surprise' that would persuade Republicans to turn out," and "some voiced suspicions that the Bush administration had orchestrated the court schedule to influence the vote, a contention the White House rejected."

The New York Times (11/6, Nagourney, Rutenberg) says Bush "seized on the conviction of Saddam Hussein as a milestone in Iraq, seeking to rally Republican voters with the issue of national security as some polls suggested that his party might be making gains in the final hours of the campaign." The Times also notes that the White House "said the timing of the announcement, two days before Election Day, had nothing to do with American politics and had been dictated by the Iraqi court. But Mr. Bush moved quickly to put it to use in what has been his central strategic imperative over the past week, trying to rouse Republican voters to turn out."

The issue also came up on the Sunday political talk shows. On CNN's Early Edition (11/5, Blitzer) White House spokesman Tony Snow said the claim that the verdict was timed to coincide with US elections is "preposterous," Adding, "This is one of these tinfoil hat sort of things, where people suddenly decide, if there is news that may call into questions the things that they've been saying, that somehow we've been scheming and plotting with the Iraqis. … The important thing about this is we've got an independent Iraqi judiciary. The Iraqis are the ones who conducted the trial. The Iraqi judges are the ones who spent all the time poring over the evidence from July 27 to the present."

House majority leader John Boehner was asked on Fox News Sunday (11/5, Wallace) if he thinks the Saddam Hussein verdict will "energize" Republicans, Boehner replied, "I think so. … Democrats just want to give up in Iraq. They just want to pull out the troops. We're in a very serious war with people who want to kill us. And if we don't win in Iraq, we're going to embolden terrorists all over the world. And today's victory is a victory for the Iraqi people."

Sen. Elizabeth Dole, on NBC's Meet the Press (11/5, Russert), said, "I think what this shows is that the Iraqis are putting their past behind them; the establishment of the rule of law. I feel that this will mean they are moving forward.

On NBC's Meet the Press (11/5, Russert) Rep. Rahm Emanuel commented that though "it's good that he is behind bars and getting the justice that he deserves…I would also like to remind that, about three years ago when he was caught…there were about 800 Americans who were dead at that point. Today there are a little over 2,800 Americans that have died. It won't change the facts on the ground there. And it won't impact the election here."

Rep. Pete Hoekstra, on CNN's Early Edition (11/5, Blitzer) said, "This is another step forward in making sure that we defeat radical Islam and keep the homeland safe. … This is now one more step in building a safe and a more secure Iraq. And we've had other victories that people don't focus on."

GOP Sen. Lindsey Graham, discussing the sentencing, called for deployment of additional US troops to Iraq. During an appearance on CNN's Early Edition (11/5, Blitzer), Graham said that while the verdict is "a step forward" the overall violence "is worse. And I don't think we've ever had enough troops on the ground. … You'll never convince me that the security apparatus that we have in place now is working. We need more Iraqi troops. We need more American troops, coalition troops, in the short-term. To have a democracy, you can't have this level of violence."

Reactions To Saddam Death Sentence Said To Highlight Rift Among Iraqis. The Washington Times/AP (11/6, Hurst) reports, "An Iraqi court yesterday sentenced Saddam Hussein to death for crimes against humanity, convicting the former dictator and six subordinates in the torture and murder of nearly 150 Shi'ites from the city of Dujail in 1982." Saddam "trembled and shouted 'God is great' when Chief Judge Raouf Abdul-Rahman declared the former leader guilty and sentenced him to hang." The Christian Science Monitor (11/6, Peterson) notes Saddam also "accused the judge of the US-created tribunal of being a 'mouthpiece of occupation and colonialism,' and cursed 'your law and your articles and clauses.'"

The Los Angeles Times (11/6, Daragahi) says the trial, "once viewed as a means of reconciliation and justice, instead seemed to fuel the sectarian division that grips the country. Some Shiites and Kurds celebrated. Some Sunnis mourned angrily."

USA Today (11/6, Brook) reports "celebratory gunfire that erupted Sunday after the announcement of Saddam Hussein's death sentence dissipated quickly as Iraqis went about their lives in a city fractured by sectarian violence." In other areas, "the verdict was denounced. Demonstrators in Tikrit, the former Iraqi leader's hometown, defied a curfew and carried his picture through the streets. Residents of some Sunni neighborhoods in the capital traded gunfire with police, while mortar shells burst in other Sunni areas."

In a front page report, the Washington Post (11/6, A1, Knickmeyer) says that following the sentencing, "A divided and violence-ridden Iraq broke into starkly disparate displays of emotion." The Post notes that the US "largely funded Hussein's trial, and US officials close to the trial said Sunday's outcome vindicated the policy of having courts in individual nations try cases involving war crimes and crimes against humanity. The Bush administration has been a

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leading opponent of international tribunals, fearing that US soldiers could be tried before them for political reasons."

The Chicago Tribune (11/6, Madhani) notes "the court also convicted former Iraqi Vice President Taha Yassin Ramadan of premeditated murder and sentenced him to life in prison. Three other co-defendants of Hussein -- Mizhar Abdullah Ruwayyid, Ali Dayih Ali and Abdullah Kazim -- were convicted of murder and torture and sentenced to up to 15 years in prison." An eighth defendant, Mohammed Azawi Ali, "a low-ranking Baath party official, was acquitted for lack of evidence."

Also on its front page, the New York Times (11/6, A1, Burns, Semple) reports that although "an automatic appeal of the death sentence will delay it…some Iraqi judicial officials privately held out the possibility that Mr. Hussein could go to the gallows in a matter of months, perhaps before next spring. That may depend on behind-the-scenes maneuvering by Mr. Hussein's embattled successors in Iraq's new government, who have already shown that they are not hesitant to pressure judges in the case." Meanwhile, the Times says the "contrasting reaction to the verdicts, in the heavily fortified courthouse in Baghdad and across Iraq, was a testament to the bitter divisions sown by the toppling of Mr. Hussein in April 2003, and to the country's spiraling descent since then into a near-anarchy of insurgency and sectarian killing." Outside of Iraq, the reaction "was negative from some in other Arab countries and from Western legal-monitoring and rights groups, which had been critical of procedures at the trial, saying they were loaded in favor of 'victor's justice' and that the Bush administration should have insisted that an international court hear the cases." The New York Times (11/6, Tavernise) runs another story on the verdict titled "In A Divided Iraq, Reaction To Saddam Death Sentence Conforms To Sectarian Lines."

In a report on Iraqis' reactions to the sentence, the Washington Post (11/6, A15, Raghavan, Dehema) says that "for the Sunnis of Kadhimiyah, the verdict drove another nail into the coffin of the man many still see as the leader of their community, which once ruled Iraq but now feels more besieged than ever. The sentence, some said, was the work of a victor's court that was more interested in vengeance than judicial fairness." Meanwhile, "For the more numerous Shiites…after decades of repression under Hussein's government, the verdict delivered the justice they have long sought. … Shiites also rejoiced in the hope that their political future in Iraq and in the region would become more secure."

The Financial Times (11/6, A1, Negus) says the court is expected "to produce a long written explanation of its judgment in the coming weeks, which legal experts say will be crucial in determining whether Mr. Hussein and his co-defendants were given a fair hearing."

Under the headline "Hussein Sentence Could Heighten Rifts In Iraq," the Wall Street Journal (11/6, A3, Shishkin) warns that sentence "could deepen Iraq's sectarian rifts and inflame the anti-American insurgency. … With violence on the streets of Baghdad at its highest level in years, the verdict is unlikely to alter the pattern of the sectarian conflict or attacks against US troops, but it will provide another divisive issue for a country struggling to hold itself together." For example, the Journal notes that "in a sign of how embittered the Sunnis are at Iraq's current leadership, Saleh al-Mutlaq, [a] Sunni politician, warned that the verdict could lead to more sectarian attacks for which the Shiite government will bear responsibility."

In a separate report on reaction around the Middle East, the New York Times (11/6, Fattah) reports that "many in the region said that the verdict had been a foregone conclusion and questioned whether it had been fair. … Many analysts and others in the region who followed the trial said that what mattered was how the court had reached its judgment and that the process had seemed highly flawed. But critics and supporters of Mr. Hussein…said they were left with more frustration than closure. Most Arabs interviewed Sunday said they did not believe the trial was fair. They said it had seemed politicized, that the judges had not seemed to be in control of the process and that rulings about procedures had seemed contradictory. Almost everyone agreed that the verdict was unlikely to stop the violence gripping Iraq."

The AP (11/6, Kole) reports, "Worldwide, the range of reactions -- including a European outcry over capital punishment and doubts about the fairness of the tribunal that ordered Saddam to hang -- reflected new geopolitical fault lines drawn after America's decision to invade Iraq in 2003 and depose its dictator." The European Union "welcomed the verdict but said Saddam should not be put to death. At the Vatican, Cardinal Renato Martino, Pope Benedict XVI's top prelate for justice issues, called the sentence a throwback to 'eye for an eye' vengeance." Islamic leaders "warned that executing Saddam could inflame those who revile the U.S., undermining President Bush's policy in the Middle East and inspiring terrorists."

In an analysis, the AP (11/6, Reid) says, "The future of Iraq may depend little on whether Saddam Hussein hangs. The Sunni insurgency is so deeply entrenched and sectarian bloodlust so strong that Iraq seems set to continue spiraling into violence—regardless of its former president's fate. Some fear that the Saddam verdict, by angering the Sunni minority, could intensify the violence once a curfew in Baghdad is lifted. Others say they hope the verdict gives Iraqis a chance 'to unite and build a better future,' in the words of the US Ambassador to Iraq, Zalmay Khalilzad. But in the end, Saddam's fate is not what's driving the violence in Iraq now. Instead, religious, nationalistic and sectarian passions have taken over and are tearing the country apart."

The New York Times (11/6, Preston) reports, "Lawyers and human rights advocates broadly agreed that the Iraqi

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tribunal's proceedings frequently fell short of international standards for war crimes cases." But "even critics of the trial said the five Iraqi judges who heard the case had made a reasonable effort to conduct a fair trial in the face of sustained pressure from Iraqi political leaders for a swift death sentence. American lawyers pointed to substantial evidence offered by the prosecution implicating Mr. Hussein in the crimes against humanity with which he had been charged." McClatchy (11/6, Youssef) and USA Today (11/6, Jervis), among other sources, run similar reports this morning.

The Washington Post (11/6, Kennicott) analyzes Saddam's demeanor during the sentencing, saying "Hussein managed to remain consistent to his prewar public image throughout it all. The military fatigues came off, but with his Koran in hand and the formulaic and economical arm gestures of an impatient despot he never seemed anything less than entirely convinced that he was still Saddam Hussein, a latter-day incarnation of Nebuchadnezzar. Throughout it all, he had a loyal audience. … A broken man doesn't take such care with his cuffs, nor stuff a handkerchief in his breast pocket, as Hussein did for his court appearance. Only the fatigue in his eyes and the gaunt appearance of his face suggested any sign of soul searching -- and even that reading of his visage is probably wishful thinking."

NYTimes Criticizes Trial, Urges Appeals Court To Defer Death Sentence. The New York Times (11/6) editorializes, "Hussein got a fairer trial than he ever would have allowed in his courts. But Iraq got neither the full justice nor the full fairness it deserved. President Bush overreached in calling the trial 'a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law.'" The Times adds, "The appeals court that will now review the verdict can undo some of the damage by taking into account some of these deficiencies. At least, it should defer the carrying out of any death penalty long enough to allow the completion of a second trial, in which Mr. Hussein is charged with ordering genocidal massacres against the Kurds."

More Commentary. In an op-ed for the Wall Street Journal (11/6), former CPA head Paul Bremer writes, "Without resolving Saddam Hussein's fate -- and the human-rights record of the regime he led -- the Shiites and Kurds can never make true peace with their Sunni fellow citizens. So the verdict should be seen as a necessary, though not sufficient, step in helping Iraq's persecuted majority put behind them the awful years of Saddam's brutal rule."

In an editorial, the Washington Post (11/6) says "the trial was tumultuous, deeply flawed and often painful to watch; and some of the brave Iraqis who committed themselves to making it work lost their lives. The result was imperfect, to be sure, but also well-founded."

The Wall Street Journal (11/6, A14) editorializes, "Justice for Saddam is one admirable legacy of the American sacrifice in Iraq." But "to make it permanent, the US must also defeat the insurgency that battles on in Saddam's name. No matter what happens in Tuesday's election, the US commander in chief who ended Saddam's tyranny has to find a strategy and generals who will finish the job."

Cheney Says Election Won't Affect Bush's Policies In Iraq. Vice President Cheney, asked on ABC's This Week (11/5) if he foresees Tuesday's vote having any influence over "the President's Iraq policy," replied, "I think it'll have some effect, perhaps, in the Congress, but the President's made clear what his objective is: It's victory in Iraq, and it's full speed ahead on that basis. And that's exactly what we're going to do." When host George Stephanopoulos noted that "it seems like the public has turned against it right now," Cheney said, "It may not be popular with the public. It doesn't matter in the sense that we have to continue the mission and do what we think it right. And that's exactly what we're doing. We're not running for office; we're doing what we think it right."

The Financial Times (11/6, Luce) notes Cheney also "said that a US withdrawal from Iraq would undermine the 'war on terror' by sending the wrong signals to allies such as Hamid Karzai, the president of Afghanistan, and Pervez Musharraf, the president of Pakistan. 'You cannot make national security policy on the basis of that [election outcomes],' he said."

The AP (11/6), meanwhile, reports Cheney "will spend Election Day on his first hunting trip since he accidentally shot a companion last February while aiming at a covey of quail on a private Texas ranch."

Cheney Claims Lamont's Primary Win Boosted Iraqi Insurgents. Stephanopoulos also asked Cheney, on ABC's This Week (11/5), if a Democratic victory would also represent a victory for Iraqi insurgents. Cheney responded, "I think what they're trying to do, obviously, is execute on their strategy. And if you think about their strategy, it isn't to defeat us militarily; they can't do that. But what they're betting on -- Osama bin Laden talks about it -- is that they can, in fact, ultimately break the will of the American people, that they can persuade enough Americans that we'll ultimately leave. And then they cite Beirut in 1983, Mogadishu in 1993 as examples where the U.S. took casualties and then departed. So that's their basic, fundamental, underlying strategy. … I think when they see something happen, such as happened in Connecticut this year, where the Democratic Party, in effect, purged Joe Lieberman, primarily over his support for the president and the war, that says to them that their strategy is working."

Biden Calls Cheney "Somewhere Between Dysfunctional And Delusional." Asked on CBS' Face the Nation (11/5, Schieffer) if the elections will impact "the president's war policy and what's going on in Iraq," Sen. Joseph Biden answered, "I do. Notwithstanding what Vice

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President Cheney says, that it won't have any impact at all, or that it's going to disregard the elections as it relates to Iraq. I think the combination of the Army Times and the Navy Times calling for Rumsfeld's resignation, which is a slap in the face of the way this war is being run, as well as the neo-conservatives like Perle and Adelman calling the president's policy dysfunctional, I think all of this is mounting. And what's going to happen is, if we make gains in the House and Senate, whether we win them or not, I think you'll see a lot of Republicans willing to join me and others in a plan for Iraq that is a rational way in which we can responsibly bring home more troops and leave a stable Iraq behind." Biden added that Cheney is "somewhere between dysfunctional and delusional about this war. … The fact of the matter is, very few Republicans in the Senate, if any, think the policy makes any sense the way we're going now."

Emanuel Outlines Democrats' "Five Basic Principles" Regarding Iraq. Rep. Rahm Emanuel was asked on NBC's Meet the Press (11/5, Russert) if the Democrats have a plan for changing US policy on war in Iraq, Emanuel answered, "Whether Senator Biden's idea on Iraq -- which I think is a strong idea -- Senator Levin's program, Congressman Jack Murtha, and Congressman Ike Skelton, there are five basic principles that hold Democrats together on our approach to Iraq: First, regional cooperation; second, reconciliation among the parties; third, reconstruction of the economy; fourth, responsibility for results; and fifth is redeployment from Iraq. Those are the five principles."

White House Said To Be Making Plans To Work With A Democratic Congress. The New York Times' "White House Memo" (11/6, Stolberg, Sanger) reports, "In recent weeks, President Bush, as well, has appeared to dig in his heels on the war in Iraq, saying he would consider changes in tactics but not strategy." But "with Mr. Bush facing the likelihood of a remade political landscape in Washington, even if his party holds on to both houses of Congress, the White House is sending signals that Mr. Bush is open to a shift in approach. After six years of virtually ignoring Democrats as he pressed his own party to do his bidding on Capitol Hill, Mr. Bush and his aides are charting a course that they say will take the president back to his roots as Texas governor, when he worked in a more bipartisan way with Democrats." They "are piecing together a domestic agenda that includes reviving the president's failed bid to overhaul entitlement programs like Social Security, Medicare and Medicaid, White House officials and allies of the administration said. The president has assigned Treasury Secretary Henry M. Paulson Jr. to spearhead the effort, and the White House says it is quietly reaching out to Democrats on Capitol Hill."

Parties Unleash GOTV Efforts As GOP Sees Glimer Of Hope In Last-Minute Polls. The Washington Post (11/6, A1, Balz, VandeHei) reports, "Republicans seized on signs of movement in their direction yesterday as they unleashed a massive election-eve voter mobilization operation in an effort to stave off potentially substantial losses in the House and preserve at least a slender majority in the Senate." Democrats "answered the Republicans' get-out-the-vote machinery with intensified efforts to contact infrequent and still-undecided voters in a handful of tight Senate races as well as in a dozen GOP-held House districts where races were too close to call." A Pew Research Center poll "showed a significant narrowing in the partisan advantage in House races that the Democrats have enjoyed for much of the year, findings that echoed those of a Washington Post-ABC News poll released Saturday showing the Democrats with a six-point edge." The Pew poll "showed that the Democratic advantage had dropped to 47 percent to Republicans' 43 percent among likely voters, down from 50 percent to 39 percent two weeks ago. The poll found a drop in Democratic support among independents, but Pew Director Andrew Kohut said the most significant change over the past two weeks is that Republicans now outnumber Democrats among likely voters." However, "other weekend polls by Time and Newsweek magazines continued to show Republicans at a steep disadvantage, with Democrats enjoying double-digit margins in party preferences for the House."

ABC World News (10/30, story 2, 2:40, Morrell) last night also noted its own poll showing "51% of likely voters favor Democrats. 45% support Republicans. But that spread is shrinking, down eight points in two weeks." Tony Snow, White House Press Secretary, was shown saying, "We don't look at this with rose-colored glasses. We look at every single race. The President's been out. And he's active in a lot of close campaigns. Look, we think we're going to hold the House and Senate." White House "officials acknowledge they will lose seats Tuesday. But believe they can escape with a slim majority. As one senior advisor told me…that this election is going to look a lot like 2000. After that election, the Senate was split 50-50. And Republicans held a seven-seat edge in the House. But even that would require everything breaking the GOP's way."

Despite some of the late polling, most media reports last night and this morning continue to suggest a big Democratic win is more than likely. The Christian Science Monitor (11/6, Feldmann), in a story headlined "All Signs Point To A US House Run By Democrats," says "If most of the political prognosticators are calling it right, the House of Representatives is poised for a change of leadership: the first Democratic majority in 12 years. Among the nonpartisan analysts who study the polls and dynamics of each of the 435 House races, the more cautious see the lower range of the

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Democratic net gain at about 20 seats -- more than enough to achieve the 15-seat net gain needed to take control. On the higher end, the Democrats could achieve a more commanding takeover with net gains of 30 to 40 seats, they say."

The AP (11/6, Espo) says Republicans "are staggering into the final hours of the election campaign like a spent force, with a less than lofty goal of losing seats but clinging to power. Political scandal already has claimed some of those who swept to power a dozen years ago…and tarnished the rest." The Financial Times (11/6, Yeager, Pennsylvania) runs a similar piece under the headline "Hopes Run Low For Republicans."

ABC World News (10/30, story 3, 2:15, Harris) reported "the Democrats are smelling opportunity. And they are bringing out their big guns in these final hours." ABC (Cordes) added, "Democrats were upbeat in this final weekend of campaigning. Some top Democratic strategists now predict that come Tuesday, the party could pick up double the 15 seats it needs to win control of the House of Representatives."

ABC World News (10/30, story 4, 2:40, Stephanopoulos) said "the story of the night," referring to Tuesday, is that "the Republican party is on defense. On one level, that's what always happens to Presidents in their sixth year. But this time around, it's intensified by the war. The war in Iraq. The number one issue. It's held down the President. It's held down Republicans. That's why there's so many seats in play." Gibson: "Everyone wonders how quickly will we know? And I'm fascinated by the illustration, when you look at the states across the East and Midwest. You go from Connecticut, to Pennsylvania, Ohio and Indiana. Those states. There are 21 seats at play. And every one of them to are seats in the House that the Republicans are having to defend."

USA Today (11/6, Page) reports a new "national USA TODAY/Gallup Poll finds remarkable parallels between the congressional elections Tuesday and the watershed elections in 1994 that swept Republicans into control of Congress. Then, likely voters by 51%-44% favored GOP congressional candidates. Now, 51%-44% favor Democratic ones. Then, 52% said they were paying 'quite a lot' of attention to the elections, the highest since the Gallup Poll began asking the question in 1958. Now, 50% say they are paying 'quite a lot' of attention. Then, disapproval of Congress was at 66%. Now, disapproval of Congress is at 70%."

USA Today (11/6, Lawrence) also reports, "Both political parties are making huge last-minute cash infusions into close House and Senate races, underscoring their traditional importance in endgame spending and the Democrats' new financial competitiveness with Republicans. Just since Friday, Republicans have put more than $2 million into Senate races in New Jersey, Tennessee and Virginia, federal reports show. Democrats have spent $1.1 million for Senate candidates in Maryland, Montana, Tennessee and Virginia." On the House side, Republicans "spent $1.1 million in a single day to help Peter Roskam in his race against Democrat Tammy Duckworth in Illinois. And in a sign of continuing concern, the Republicans invested $275,000 to help their embattled House campaign chief, New York Rep. Tom Reynolds." USA Today adds, "A check of 10 tight House races shows that as of Friday, Democratic party committees had spent nearly as much as Republicans in Indiana, Minnesota, Ohio and Washington. They outspent Republicans in New Hampshire, Connecticut and Arizona."

The New York Times (11/6, Zernike), in a story titled "National Issues, Led by Iraq, Dominate Final Appeals in Congressional Campaigns ," says Republicans are trying to ruen the election on local issues. However, "across the country, candidates clashed Sunday over the war, immigration, the economy, ethics and the Bush administration, seeking advantage in the closing hours of an election that will determine control of the House and the Senate."

The Washington Times (11/6, Hurt), in a story titled "Bitter Campaign Boils Down To Party Turnout," says Democrats "must overcome a Republican ground game that exceeded nearly all expectations in the past two national elections." Republican leaders, meanwhile, "continued warning yesterday that Election Day could be bleak for them and urged their conservative base to turn out."

The Washington Post (11/6, Grunwald) reports, "The season of persuasion is over. This is the season of motivation. … In the campaign's final weekend, candidates weren't trying to turn out voters who might not vote their way. They were chasing the 'ones and twos,' political-junkie shorthand for the most likely supporters on their computer-generated lists, and firing up their volunteers." The Los Angeles Times (11/6, Wallsten, Haburger) asks, "Which political force will prove stronger -- the niche-marketing effort, led by GOP strategist Karl Rove and powered by computerized outreach methods, or the classic 'throw the bums out' mood of an electorate uneasy with the Iraq war and unhappy with one-party rule? … As the two campaigns make their final appeals, the differences suggest that many of the advantages that have boosted Republicans to victory in the past -- more money, redrawn congressional districts and the superior voter targeting demonstrated by Shaw's courtship of Jews, Latinos and seniors -- may be less potent this time."

The Christian Science Monitor (11/6, Chaddock) reports, "Until the 2002 campaign, Democrats, backed by labor union supporters, typically had the edge in turning out their voters. But the '72-hour' get-out-the-vote (GOTV) program developed by Karl Rove, President Bush's adviser, and Ken Mehlman, Republican National Committee (RNC)

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chairman -- which includes microtargeted voter lists and a nearly year-round mobilization effort -- gave Republicans a strategic and technological edge that helped them hold onto the House and Senate in the past two elections. This year, the RNC promises 'the biggest midterm GOTV operation in history.'" Since then, "Democrats have scrambled to catch up." ABC World News (10/30, story 8, 2:35, Tapper) showed Mathew Dowd, "President Bush's pollster and co-author of a key book on what's called microtargeting," saying, "More Republicans drive Audis. And more Democrats drive Saabs." ABC added, "Every time you use your credit card or surf the Internet, you leave a data trail of your preferences. Corporate America has been using this information for years to categorize you and sell you products. Now, political groups are using it, combined with census data and polling, to sell you politicians."

In a Wall Street Journal op-ed (11/6, A14), George Ball, president of W. Atlee Burpee & Co., examines the seed purchasing habits of Democrats and Republicans. Both "red-state Republicans and blue-state Dems grow sunflowers, zinnias and marigolds. However, the differences quickly bloom. Blue states buy many more impatiens, snapdragons and columbines -- expensive and sophisticated sun or shade flowers with varied and subtle colors. On the other hand, red states favor overwhelmingly boisterous morning glories, traditional nasturtiums and inexpensive four o'clocks. The sunny red states like to keep it plain and simple; the dappled blues like to make it diverse and edgy."

Latest Rasmussen Polls Show Corker Beating Ford 53-45, Talent And Allen Leading Narrowly. The Washington Times' "Inside Politics" column (11/6, Pierce) reports the latest Rasmussen Reports poll on the Tennessee Senate shows Republican Bob Corker with a 53-45 percent lead over Rep. Harold Ford. The Times notes the latest Rasmussen poll on Missouri's Senate race shows incumbent Sen. Jim Talent leading Democrat Claire McCaskill 48-46. Rasmussen also shows Sen. George Allen leading Democrat Jim Webb 49-48."

Democrats Focus On Pennsylvania Races. The Washington Times (11/6, Fagan) reports, "Top Democrats at several rallies in suburban Philadelphia this weekend worked to push their party's voters to the polls in a state where Democrats feel poised to sweep key races and oust the Senate's No. 3 Republican, Rick Santorum." Gov. Edward G. Rendell joined Sen. Barack Obama of Illinois, House Minority Leader Nancy Pelosi of California and Democrat Bob Casey Jr., "who leads Mr. Santorum in polls, to declare the year of the Democrats here." Polls "show that five Republican-held House seats in the state are within reach of Democrats -- so much so that Mrs. Pelosi spent the final campaign weekend here stumping for Democratic challengers."

Mehlman, Dean Make Their Case. In USA Today (11/6), RNC Chairman Ken Mehlman writes, "Tuesday, Americans will have the opportunity to choose between a party that wants to use every tool to keep us safe, or one that would take those tools away; between a party that wants to let you keep more of your own hard-earned money, or one that believes that money belongs to Washington; between a party that understands judicial restraint, or one that wants activist judges to fight its battles. Two very different visions for America, and one very strong reason for the American people to help Republicans make history and maintain our majorities in Congress."

Also in USA Today (11/6), DNC Chairman Howard Dean asks, "Isn't it time for a new direction? Democrats have a unified agenda to restore hope and opportunity, competence and responsibility. So on Tuesday, if you want to change what's going on in Washington, vote for Democrats."

More Commentary. Paul Krugman writes in the New York Times (11/6), "Bush isn't on the ballot tomorrow. But this election is, nonetheless, all about him. The question is whether voters will pry his fingers loose from at least some of the levers of power, thereby limiting the damage he can inflict in his two remaining years in office." Krugman adds, "Here's the thing: no matter how hard the Bush administration may try to ignore the constitutional division of power, Mr. Bush's ability to make deadly mistakes has rested in part on GOP control of Congress. That's why many Americans, myself included, will breathe a lot easier if one-party rule ends tomorrow."

Fred Barnes, in the Wall Street Journal (11/6, A14), "Republicans face the prospect of losing a substantial number of Senate and House seats in the midterm election tomorrow, but it didn't have to be that way. For sure, the war in Iraq was always going to be a drag on Republicans. And an election in the sixth year of a presidency is often perilous for the president's party, a pattern that's held true in year six of the Bush era." But "Republicans have made matters worse by abandoning the reform agenda that animated their capture of Congress in 1994 and helped George Bush win the White House in 2000 and keep it in 2004."

Hastert's Future As Speaker In Doubt Even If GOP Wins House. The Washington Post (11/6, A7, Weisman) reports Speaker J. Dennis Hastert's "future is in doubt even if the Republicans retain control of the House because of unease among GOP lawmakers about his handling of the Foley page scandal and what a House ethics committee investigation might conclude about him, according to several Republican aides." House Chief Deputy Whip Eric I. Cantor (R-Va.) "said last week that the House Republican leadership elections scheduled for Nov. 15 should be postponed until the ethics committee delivers its final report. House Majority Leader John A. Boehner (R-Ohio) confirmed yesterday on 'Fox News Sunday' that he and Hastert have

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discussed that possibility." But if "Democrats seize control of the House in tomorrow's election, as many political analysts and pollsters are predicting, then Hastert is widely expected to exit the leadership stage and allow a new generation of Republican leaders to try to recapture the majority." Hastert "remains personally popular with House Republicans, but the discontent with his often lackadaisical, hands-off style is palpable." In addition to the Foley investigation, in "early 2004, as House Appropriations Committee investigators prepared to launch a sensitive audit of highly classified Capitol Hill security upgrades, Hastert's chief counsel made a surprise visit to the first meeting of the auditors." His "message was clear, according to participants: The speaker's office was not happy about the probe and would keep investigators on a tight leash. In September 2005, despite growing evidence of sweetheart deals, kickbacks, wasteful contracts and shoddy work, the probe was suddenly shut down."

Senate Polls Show Democrats Poised To Win Seats, Majority In Play. USA Today (11/6, Page) reports Democrats, "poised to score gains in the U.S. Senate, are struggling to pull ahead in the final seat they need to win control, USA TODAY/Gallup Polls in six key states find." Democratic challengers "are leading Republican incumbents — in some cases narrowly -- in Missouri, Montana and Rhode Island, according to the USA TODAY surveys. Other polls show Democratic challengers ahead in Ohio and Pennsylvania." Even if Democrats "sweep those five races, however, they would fall one seat short of the six needed for majority status. Two GOP targets, in Tennessee and Virginia, now lead by 3 percentage points among likely voters." Political analyst Stuart Rothenberg said, "It says to me the Senate is still very much in play and could go either way." In a "separate nationwide USA TODAY/Gallup Poll, taken Thursday through Sunday, Democrats were favored over Republicans for Congress by 51%-44% among likely voters. That edge of 7 percentage points had narrowed from a 13-point margin two weeks ago." In the Senate, the USA TODAY state polls "show the Democratic incumbent considered most at risk, Democrat Robert Menendez of New Jersey, is now 10 points ahead of Tom Kean. Among GOP incumbents, however, Conrad Burns trails Jon Tester by 9 points in Montana, Jim Talent trails Claire McCaskill by 4 points in Missouri, and Lincoln Chafee trails Sheldon Whitehouse by 3 points in Rhode Island. Republican Sen. George Allen leads Jim Webb in Virginia and Republican Bob Corker leads Harold Ford in Tennessee by identical 49%-46% margins."

In his Chicago Sun-Times column (11/4), Bob Novak said the Democratic bid to flip the Senate is "clearly in sight." Two GOP seats "seem definitely lost and two more are in serious trouble. If the Democrats win those four, they have to win only two of three more precarious Republican seats while keeping the only two Democratic incumbencies in any kind of danger." Novak says Republicans "have privately put" the Ohio Senate race "on the hopeless list." In Rhode Island, Democrat Sheldon Whitehouse "should glide home in one of the country's most Democratic states." In Montana, Democrat Jon Tester "now holds only a small lead with a huge undecided vote." In Missouri, the race between Republican Sen. Jim Talent and Democrat Claire McCaskill "may well be the single contest that determines control of the Senate." In Virginia, Democrat Jim Webb "appears to have a small lead against" Sen. George Allen "in what would be a bonus win never expected by party leaders." In Tennessee, Republican Bob Corker "has jumped out to a lead against" Democrat Harold Ford "after trailing earlier." In New Jersey, Democrat Bob Menendez "leads and may be increasing his lead." In Maryland, Democrat Ben Cardin has "only a six-point lead" over Republican Michael Steele. In Pennsylvania, Democrat Bob Casey "looks like a cinch."

Frist Says Democrats Would Raise "Average Family" Taxes By 58%. Asked on CBS' Face the Nation (11/5, Schieffer) if thinks Democrats will raise taxes if they take control of Congress, Senate majority leader Bill Frist said, "That's exactly right. … The two things you will see, if the Democrats were to take control of the House, is an increase on taxes, taxes across the board. Charlie Rangel said it, up front, that there's not a Bush tax cut that he won't try to get rid of. And that means the average family making $62,000 is going to see their federal taxes go up by 58 percent." Frist added, "The other very important consequence would be…that judges themselves, right now, would be more of the activist judges, legislating from the bench, proposed and nominated for the Supreme Court, and not common-sense judges like Chief Justice John Roberts and Justice Sam Alito."

Dole Says Democrats "Content" To Lose Iraq War. USA Today (11/6) reports National Republican Senatorial Committee Chairman Elizabeth Dole "said Sunday that her party will retain its majority partly because 'Democrats appear to be content with losing' the war in Iraq." Democratic Senatorial Campaign Committee Chairman Charles Schumer "said his party wants to win the war, 'which is why we want to change the strategy.'" Dole "also said voters will be more focused on local issues."

Maryland, Virginia Races Seen As Indicators Of GOP's Future. The Washington Post (11/6, A1, Shear, Wagner) reports on the front page that two "of the Washington region's top Republicans -- Virginia Sen. George

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Allen and Maryland Gov. Robert L. Ehrlich Jr. -- spent yesterday fighting off fierce electoral challenges that could stall their political careers and reverse GOP successes in their states." Allen "returned to the folksy approach that has endeared him to Virginians for almost two decades, tossing a football at FedEx Field before the Redskins game as he schmoozed with potential voters at a tailgate party. Later, he ditched a pair of brown Wranglers for a suit at an Ashburn event with former New York mayor Rudolph W. Giuliani." In Maryland, Ehrlich "mingled with volunteers at a Republican call center in Prince George's County yesterday afternoon, appearing relaxed and upbeat about his prospects. Afterward, he, too, campaigned with Giuliani, whom he called 'wildly popular within the [Republican] party and with many independents and Democrats.'" In Virginia, Democrat James Webb "campaigned in the southwest region," while in Maryland, Baltimore Mayor Martin O'Malley "appeared with former president Bill Clinton -- something Webb is scheduled to do today." Public polls "showed both men locked in dead heats. Surveys by Mason-Dixon published yesterday had Allen trailing Webb by one percentage point and Ehrlich tied with O'Malley. Previous polls, including a Washington Post poll last weekend, showed O'Malley ahead." Losses by Ehrlich, Maryland Senate candidate Michael Steele, or Allen "particularly incumbents Allen or Ehrlich -- would raise questions about the future of the GOP in their respective states."

Democrats Seen As Making Gains By Running On Against Free Trade. The Wall Street Journal (11/6, Hitt) reports that in Iowa's 1st CD, Democrat Bruce Braley is running for "a congressional seat held by a free-trade Republican for nearly two decades" and has "gained an edge by taking the opposite view: bashing globalization." Braley has "made opposition to the Bush administration's free-trade agenda a centerpiece of his campaign. He has run ads blaming the state's job losses on President Bush's 'unfair trade deals.'" Braley's stance has "helped propel the 49-year-old lawyer, who is running against an unabashedly free-trade Republican, into position to reverse recent trends and secure a Democratic win in Iowa's First District. His strong showing not only underscores how trade concerns have emerged as a central issue in many of this year's races but also suggests a more-protectionist U.S. trade policy if Democrats take Congress." Even if Democrats "don't win control, the campaign rhetoric may have a lasting effect, because some Republicans are finding it more painful politically to defend free trade." The "trend is worrying the business community. Top financial-services executives identified 'protectionism' as the biggest threat to continued economic growth, after terrorism, according to a recent Financial Services Forum survey."

Investors Discount Democratic Win With Divided Government Theory. The Wall Street Journal (11/6, Conkey) reports the "prospect of big losses for business-friendly Republicans in tomorrow's midterm elections is eliciting more shrugs than fears on Wall Street." A Democratic "triumph that included winning one or both houses of Congress could undermine Republican economic policies such as tax cuts and deregulation that Wall Street tends to favor." Amid the "drumbeat of scandals and discouraging news from Iraq, futures traders in the Iowa Electronic Markets have raised the likelihood that Republicans will lose control of the House of Representatives to nearly 80% from 40% six months ago. The Iowa markets indicate that the Republicans ought to hold the Senate. That, plus a Republican president, may be one reason investors have taken a sanguine approach to the election." The "first and most frequently cited rationale for Wall Street's nonchalance at the specter of a Democratic triumph is the old 'gridlock is good' maxim. In other words, Democratic control of at least one chamber of Congress would mean divided government, making it less likely adverse legislation or excessive spending would pass." This theory "has holes, but it still carries great weight among many economists and investors."

A Democratic Congress Could Target Drug Company Profits. The New York Times (11/6, Berenson) reports that for the "big drug companies, the new Medicare prescription benefit is proving to be a financial windfall larger than even the most optimistic Wall Street analysts had predicted. But those gains may come back to haunt drug makers if Democrats take control of Congress this week." Democrats, who "have long charged that the drug industry is profiteering at taxpayers' expense, say they want to introduce legislation to revoke the law that bars Medicare from negotiating prices directly with drug makers like Pfizer for the medicines it buys." The government is "expected to spend at least $31 billion this year on the drug benefit, which provides partial drug coverage for people over age 65, according to the federal agency that runs Medicare. Next year, the program is expected to cost almost $50 billion — almost 20 percent of overall American drug spending." Democrats say "that directly negotiating with drug makers could save taxpayers tens of billions of dollars annually, though some independent analysts say those projections are probably exaggerated."

Hot Button Initiatives On Ballot In 37 States. The AP (11/5, Crary) reports voters across the country will "consider ballot measures on a multitude of hot-button topics — abortion, gay marriage, affirmative action, illegal immigration, sex crimes, even legalizing marijuana." There

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are "205 measures on the ballots in 37 states — a total topped only twice before. Huge sums have been spent, including tens of millions of dollars by tobacco companies fighting anti-smoking measures and by oil companies fighting a proposed California oil-production tax." Top initiatives include one in "sparsely populated South Dakota" where voters "face perhaps the most momentous choice — whether to uphold or reject a new state law that would ban abortions except when necessary to save a pregnant woman's life. Activists on both sides of the national abortion debate see it as a historic test of public sentiment." In "many other states, activists on the left and right hope turnout for certain ballot measures may have a spillover effect on crucial races in the battle for control of Congress." Liberals "see a boost for Democrats if low-income voters mobilize on behalf of measures to raise the state minimum wage in Arizona, Colorado, Missouri, Montana, Nevada and Ohio." Conservatives "hope last month's court ruling in New Jersey ordering equal rights for same-sex couples will trigger a backlash aiding Republican candidates in the eight states with ban-gay-marriage amendments on their ballots: Arizona, Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin."

"New Breed Of Activist" To Monitor Poll Stations. The Wall Street Journal (11/6, B1, Kronholz) reports that on Tuesday "a new breed of activist will be on guard, monitoring polling stations for everything from voting-machine glitches to long lines to registration snafus. Energized by disputed results in 2000 and 2004, they have left jobs as music conductors, real-estate agents and software engineers to form groups that expect to turn out thousands of volunteers who don't trust the country's ability to count its votes and have decided to do something about it." "This is going to be the most heavily watched election in history," said Marybeth Kuznik, "who founded a group called VotePA after the 2004 election to monitor voting issues in Pennsylvania." The Journal adds, "Many of the groups share liberal roots, their members smarting from the narrow Democratic losses in the last two presidential elections. But they also share in Ms. Kuznik's assurances -- and the tax and lobbying status that requires them to remain nonpartisan -- that they simply want to see a clean count."

OTHER NEWS

OMB Controller Praises "Scorecard." The Washington Post (11/6, A19, Williamson) reports in its "Noted With Horror" column, "'We would love to see all of America on a scorecard.' Linda Combs, Office of Management and Budget controller, speaking at a lunch discussion last week about the president's management scorecard, which tracks government agencies' progress on a series of management priorities, including strategic management of human capital, competitive sourcing, improved financial performance, expanded electronic government, and budget and performance integration." The "scorecard gives agencies -- write this down -- green for success, yellow for mixed results and red for unsatisfactory. Combs drew pained looks from federal employees in the audience when she said private-sector executives tell her that they want their own scorecard systems, because they 'love the red, yellow, green.'"

Unemployment Rate Falls To 4.4%. The Christian Science Monitor (11/6, Scherer, Arnoldy) reports, "In the last major economic report before Tuesday's showdown at the ballot box, the Labor Department says the unemployment rate is now at" 4.4%, "down from 4.6 percent in September. It is a piece of good news for an embattled president and suggests the economy is stronger than many recent estimates." But the "downside is that the Federal Reserve, which has not raised interest rates in its past three meetings, may have to think about a rate increase early next year - which would keep inflation in check but could cause unemployment to rise." Former Fed governor Lyle Gramley said, "By its first meeting in 2007, the Fed will have to give active consideration to raising interest rates. The odds are that rates are going up, not down."

Fed Official Says Monetary Policy Was Eased For Too Long. The Wall Street Journal (11/6) says in an editorial, "When it comes to admitting error, central bankers tend to emulate Benjamin Disraeli, who famously said 'never complain, never explain.' So it was nothing short of astonishing last week for Richard Fisher, President of the Federal Reserve Bank of Dallas, to confess in public that the Fed had blundered by keeping monetary policy too easy for too long in 2003 and 2004." A Fed "worried about possible 'deflation' moved the overnight interest rate it charges banks in June 2003 to an extraordinarily low 1% and kept it there for another year. Mr. Fisher blamed this mistake on 'poor data' that underestimated inflation, leading 'to a policy action that amplified speculative activity in the housing and other markets. Today, as anybody not from the former planet of Pluto knows, the housing market is undergoing a substantial correction and inflicting real costs to millions of homeowners across the country.' In other words, the Fed itself is responsible for the current housing bust because its over-easy policy created a real estate frenzy that was bound to end once the Fed tried to regain control over inflation expectations."

Growing Number Of Local Governments Seek To Cut Pensions. The New York Times (11/6, Walsh) reports government workers' pensions "are protected by guarantees even stouter than those on pensions in the

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private sector. The legal promises, often backed up by union contracts, cover more than 15 million people." But "now a number of state and local governments are quietly challenging those guarantees. Financially troubled San Diego is the highest-profile example, but a handful of states, cities and smaller government bodies have also found ways to scale back existing promises and even shrink some current payments." While "still only scattered cases, these examples may be an early warning sign of what could be coming elsewhere. As local officials take stock of unexpectedly large obligations to retired public workers, some are starting to question whether service cuts, sales of government property and politically acceptable tax increases can ever go far enough to bring things into balance."

Houston Real Estate Market Remains Strong. The Wall Street Journal (11/6, Herrick) reports Houston "missed the real-estate boom that sent home prices soaring on the East and West coasts. Now, with much of the nation's housing market in retreat, it has yet to feel even a tremor." In September, "local sales of single-family homes and condominiums were up 17.7% from a year earlier, logging their 32nd straight month of increase, according to the Houston Association of Realtors. The median price of an existing single-family home: $143,400, up 3%." Nationwide sales "of residential real estate fell 14.2% in September, according to the National Association of Realtors. Home prices nationally were down 2.2%, retreating in such former hot spots such as Washington, Boston and San Francisco." Houston's gains "are nothing like those seen in the past decade in the Northeast and California, but that may be the secret to Houston's success and the reason a bubble is unlikely to develop here. Land here is abundant, and the city has some of the least-restrictive land-use and construction rules in the nation. Those factors help supply to keep pace with demand and keep prices within reach of a broad range of potential buyers."

Lindsey Urges Congress To Expand H1-B Program. In a Washington Times op-ed (11/6), Lawrence B. Lindsey, former assistant to the president for economic policy, says, "Members of Congress have the opportunity to expand and improve a relatively small but highly successful part of our immigration policy" that "allows companies to bring in workers from overseas who possess skills that are not available domestically. The main users of the program are technology and health-care companies, although a number of highly skilled people in finance also work here under this program." The H1-B program "provides security within the country. The companies hiring these workers have already gone through a vetting process sufficient to justify their employment." Second, the program "obviously involves economic participation by the immigrant." Finally, "the H1-B visa program is a working model of an approach to immigration that provides an opportunity for civic integration for those who participate."

LATimes Urges Supreme Court To Strike Down Partial Birth Abortion Ban. The Los Angeles Times (11/6) says in an editorial, "On Wednesday, while pundits will be busy analyzing election results, the U.S. Supreme Court will hear arguments in an emotionally charged case likely to reverberate in future political campaigns. At issue is a federal law that prohibits a controversial abortion method without making an exception for when the procedure is necessary to protect a woman's health. If law and not politics guide the justices, they will declare this blanket ban unconstitutional." Whatever "you call it, the procedure is extraordinarily rare and distasteful even to many supporters of abortion rights." But "reversing its 2000 decision on partial-birth laws wouldn't cause the same jolt as repudiating Roe or Casey. But it would still upend a precedent and interfere with the settled expectations of women and doctors alike about the availability of this procedure as a medical last resort."

NYTimes Says NCAA Not Meeting Educational Mission. The New York Times (11/6) editorializes, "The National Collegiate Athletic Association's enthusiasm for fighting corruption in college sports is partly driven by the fear of federal intervention. That fear came a step closer to being realized last month, when the House Ways and Means Committee fired off a tough-minded letter demanding that the N.C.A.A. explain how profit-seeking, win-at-all-cost athletic departments operate on campus." The letter "showed that Congress has noticed the recruiting violations and the athletes who sometimes remain eligible to play without progressing or by attending bogus classes. It also implied that the N.C.A.A. might eventually lose its tax exemptions unless it forces athletic departments to conform more closely to an educational mission." An NCAA report "released last week touches on some of the same issues cited in the blistering letter from Congress. The problem is that athletic departments have more influence on university affairs than they should. They often use that influence to undermine the institutional mission."

Iran Open To Regional Talks With US. The AP (11/6, Karimi) reports Iran said Sunday it was "open to negotiations with the United States on Iraq and other regional issues but hinted it would not drop its refusal to talk about its contentious nuclear program. As the [UNSC] geared up for a protracted debate on sanctioning Iran over its nuclear program, Tehran praised Russia for its 'softer' stance on the issue." Foreign Ministry spokesman Mohammad Ali Hosseini "said Iran would consider talks with the US over regional issues, including Iraq, if Washington requested. He would not

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elaborate, and there was no immediate response from the United States on the offer," the AP notes.

AFP (11/6, Farmani) says that although "it remains to be seen whether the United States is itself willing to renew the offer," Hosseini's comments "come at a time when the US is mired in mounting sectarian bloodshed and deadly attacks on its troops in Iraq, prompting calls for a rapid about-turn in its strategy."

Meanwhile, another AFP story (11/6, Couturier) reports, "Western countries that want to punish Iran for its refusal to suspend uranium enrichment are again facing reluctance on the part of Russia and China to grant support, with Moscow demanding a softening of a draft UN resolution. More than two months after the UN-imposed deadline of August 31 expired, it is still not possible to say when the UN Security Council will act." China and Russia "are reluctant to impose strict penalties on Iran, with which they maintain important economic and commercial ties."

China Seen As Shifting Stance On North Korea. The Wall Street Journal (11/6, A6, Fairclough, King, Jr.) reports, "Shortly after North Korea conducted its first nuclear-weapons test last month, regulators here quietly told China's banks to suspend their dealings with the nation." Although Beijing "made no public announcement," the Journal says, "Still, the message to North Korea was clear: China, long averse to imposing any kind of economic sanctions, was willing to go beyond penalties imposed by the United Nations to force North Korea to back down. … China's unusual, if quiet, activism may signal a significant change in its view of the world and its approach to foreign policy since it formally wired itself into the global economy five years ago by joining the World Trade Organization. Beijing's long-held policy of not interfering in the 'internal affairs' of other nations appears to be giving way to a broader definition of its national interests—one that goes beyond satisfying its fast-growing appetite for oil and other raw materials. China also is showing a greater willingness to embrace global institutions and norms." The Journal notes that during a trip to Asia last month, Secretary Rice said, "It is an extraordinary thing for China to be now where it is."

US Envoys Prepare For Resumption Of North Korea Talks. The Washington Times/AP (11/6, Tabuchi) reports US Undersecretaries of State Nicholas Burns and Robert Joseph were in Tokyo today "coordinating with Japanese and South Korean officials before the resumption of long-delayed negotiations on North Korea's nuclear program." South Korean Foreign Minister Ban Ki-moon "said the three countries worked closely together in the past and would continue to do so at the six-nation talks expected later this year." Ban is scheduled to meet Japanese Prime Minister Shinzo Abe today for further talks. The two Americans "were to meet with Japanese Foreign Minister Taro Aso and other Japanese officials before traveling to South Korea later today."

WSJournal Deputy Editor Urges Assistance For North Korean Orphans. Wall Street Journal (11/6, A15) deputy editor Melanie Kirkpatrick writes, "Fortune has already shone on" two orphan children among a "small group of North Korean refugees who have taken sanctuary in the US Consulate in Shenyang, China." Kirkpatrick says there are among "thousands" of abandoned children in need of international assistance. She notes that the UN High Commission on Refugees "stands ready to help the Korean refugees in China—if only Beijing would let it. Several countries in the region are prepared to set up transit camps for refugees provided the US helps pay for it and South Korea ultimately accepts them for re-settlement, as its Constitution requires. But even if, in the happiest of worlds, all this were to occur, the stateless orphans could still be left out. According to groups that run the underground railroad, even South Korea, which accepts most of the Northerners who manage to escape, refuses to admit the children on the grounds that they are not true 'defectors.'"

Israel Vows To Continue Gaza Operations. The New York Times (11/6, Myre) reports Israeli Prime Minister Ehud Olmert Sunday said "that the military would not halt its offensive in the northern Gaza Strip until Palestinian rocket fire toward Israel was significantly reduced." As fighting entered its fifth straight day on Sunday, more the than 40 Palestinians were reportedly killed in the offensive and Palestinians "called for international pressure on Israel to halt the offensive." Meanwhile, "In another development, a Palestinian lawmaker, Mustafa Barghouti, said that he was brokering the latest attempt at a Palestinian national unity government and that an agreement could be reached in days." The AP (11/6, Lavie) runs a similar report.

Syria Hints At Armed Resistance Over Return Of Golan. The AP (11/6, Aji) reports Syria "could resort to armed resistance if peace negotiations do not lead to Israel's return of the Golan Heights, the country's Information Minister said Sunday. Mohsen Bilal said international negotiations should lead to Israel giving back the Golan Heights… If that does not happen, he warned Syria could resort to 'other means, which struggling people have used at various points in history, beginning with legitimate resistance.' But Bilal said Syrians were eager to resume talks."

EDITORIAL WRAP-UP

New York Times. ***"The Saddam Hussein Verdict."*** The New York Times (11/6, 1.21M) editorializes, "Hussein got a fairer trial than he ever would have allowed in his courts. But

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Iraq got neither the full justice nor the full fairness it deserved. President Bush overreached in calling the trial 'a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law.'" The Times adds, "The appeals court that will now review the verdict can undo some of the damage by taking into account some of these deficiencies. At least, it should defer the carrying out of any death penalty long enough to allow the completion of a second trial, in which Mr. Hussein is charged with ordering genocidal massacres against the Kurds."

"Protecting The Right To Vote." The New York Times (11/6, 1.21M) says in an editorial, "No one expects Florida elections to go smoothly, but this year the state got off to an alarming start. Voters reported that after selecting Democratic candidates on electronic voting machines, the review screens registered that they had chosen Republicans. A spokeswoman for the Broward County supervisor of elections told The Miami Herald that the machines often fall out of sync under heavy use, but that they can be fixed when voters complain. That snapshot of Florida's early voting is confirmation — as if any were needed — that a great deal can go wrong tomorrow, much of it eminently preventable. Six years after the 2000 election meltdown, voting machines are still unreliable, and there are an array of other obstacles to voters who want their votes to count."

"College Sports Get A Warning." The New York Times (11/6, 1.21M) editorializes, "The National Collegiate Athletic Association's enthusiasm for fighting corruption in college sports is partly driven by the fear of federal intervention. That fear came a step closer to being realized last month, when the House Ways and Means Committee fired off a tough-minded letter demanding that the N.C.A.A. explain how profit-seeking, win-at-all-cost athletic departments operate on campus." The letter "showed that Congress has noticed the recruiting violations and the athletes who sometimes remain eligible to play without progressing or by attending bogus classes. It also implied that the N.C.A.A. might eventually lose its tax exemptions unless it forces athletic departments to conform more closely to an educational mission." An NCAA report "released last week touches on some of the same issues cited in the blistering letter from Congress. The problem is that athletic departments have more influence on university affairs than they should. They often use that influence to undermine the institutional mission."

"Mind Over Gap."

Washington Post. ***"Verdict for Saddam Hussein."*** In an editorial, the Washington Post (11/6, 748K) says "the trial was tumultuous, deeply flawed and often painful to watch; and some of the brave Iraqis who committed themselves to making it work lost their lives. The result was imperfect, to be sure, but also well-founded."

"Epidemic In Prince George's."
"Maryland Judges."
"Ban Trans Fats."

Wall Street Journal. ***"The Fed's Confession."*** The Wall Street Journal (11/6, 2.03M) says in an editorial, "When it comes to admitting error, central bankers tend to emulate Benjamin Disraeli, who famously said 'never complain, never explain.' So it was nothing short of astonishing last week for Richard Fisher, President of the Federal Reserve Bank of Dallas, to confess in public that the Fed had blundered by keeping monetary policy too easy for too long in 2003 and 2004." A Fed "worried about possible 'deflation' moved the overnight interest rate it charges banks in June 2003 to an extraordinarily low 1% and kept it there for another year. Mr. Fisher blamed this mistake on 'poor data' that underestimated inflation, leading 'to a policy action that amplified speculative activity in the housing and other markets. Today, as anybody not from the former planet of Pluto knows, the housing market is undergoing a substantial correction and inflicting real costs to millions of homeowners across the country.' In other words, the Fed itself is responsible for the current housing bust because its over-easy policy created a real estate frenzy that was bound to end once the Fed tried to regain control over inflation expectations."

"Justice For Saddam." The Wall Street Journal (11/6, A14, 2.03M) editorializes, "Justice for Saddam is one admirable legacy of the American sacrifice in Iraq." But "to make it permanent, the US must also defeat the insurgency that battles on in Saddam's name. No matter what happens in Tuesday's election, the US commander in chief who ended Saddam's tyranny has to find a strategy and generals who will finish the job."

Los Angeles Times. ***"Don't Abort Precedence."*** The Los Angeles Times (11/6, 918K) says in an editorial, "On Wednesday, while pundits will be busy analyzing election results, the U.S. Supreme Court will hear arguments in an emotionally charged case likely to reverberate in future political campaigns. At issue is a federal law that prohibits a controversial abortion method without making an exception for when the procedure is necessary to protect a woman's health. If law and not politics guide the justices, they will declare this blanket ban unconstitutional." Whatever "you call it, the procedure is extraordinarily rare and distasteful even to many supporters of abortion rights." But "reversing its 2000 decision on partial-birth laws wouldn't cause the same jolt as repudiating Roe or Casey. But it would still upend a precedent and interfere with the settled expectations of women and doctors alike about the availability of this procedure as a medical last resort."

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"Is Pakistan An Ally?" The Los Angeles Times (11/6, 918K) says in an editorial, "Preventing Afghanistan from falling to a resurgent Taliban must be a top priority for the Bush administration and the new Congress in the next two years. To succeed, more will have to be asked of Pakistani President Pervez Musharraf. Despite Pakistan's claim to have stopped supporting the Taliban after its 2001 ouster, the evidence is now overwhelming that the Pakistani security service — the Inter-Services Intelligence, or ISI — and probably the senior military leadership are tolerating, if not backing, Taliban forces. Washington has been turning a blind eye to this problem, reluctantly concluding that there is no alternative but to support the flawed but friendly Musharraf as the only practical bulwark against a radical Islamist takeover of a crucial nuclear state." Islamabad is "clearly hedging against what it sees as a hostile, pro-India government in Kabul and an inevitable Western abandonment of Afghanistan by keeping its old Taliban ally as a viable option. The respected Jane's Intelligence Digest last week cited independent reports confirming what Afghan President Hamid Karzai has been fuming about for months: ISI-sponsored Taliban training camps and jihadist madrasas have multiplied along the Afghan-Pakistani border. Moreover, we now know that the agreement the Pakistani government signed with tribal leaders in North Waziristan on Sept. 5 sold out Afghan and U.S. interests."

"Taxing Peter To Finance Paul.'"

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:
"Verdict Stirs Fury, Praise Among Iraqis."
"San Bernardino's Bad Luck Underlies Its Crime Wave."
"Architects Change Their View Of The Lowly Roof."
"Two Parties Far Apart In Turnout Tactics Too."
"It's The Roar Of Rebellion."

USA Today:
"What's Next."
"Iraqis' Emotions Flow After Verdict."
"Some See Fresno's DUI Crackdown As A Model."
"Senate Control In Play, Polls Find."

New York Times:
"Hussein Is Sentenced to Death by Hanging."
"Bush Trumpets Iraq Verdict to Rally Support."
"New Telemarketing Ploy Steers Voters on Republican Path."
"Once Safe, Public Pensions Are Now Facing Cuts."
"The Package May Say Healthy, but This Grocer Begs to Differ."

Washington Post:
"Hussein Sentenced To Death By Hanging."
"Candidates Make A Final Push To Break Out."
"Campaigns Implore the Party Faithful To Bring Their Loyalty To The Polls."
"Parties Crank Up Voter Turnout Efforts."
"Need To Reach Mark Plotkin? Make Sure The Right One's On Speed Dial."

Washington Times:
"Saddam Ordered To hang For '82 Massacre."
"Politics From The Pulpits."
"Allen, Webb make Their Last Stands In Virginia."
"Bitter Campaign Boils Down To Party Turnout."
"Disabled Newborns Face Verdict."
"Voters Swamp Polls In Nicaraguan Race."
"Church Preaches Sins Of Bottled Water."

Detroit Free Press:
"He said, She Said."
"Detroit Is Future IS Looking Brighter."
"Iraq's Fate Is Not Linked To Hussein's

Atlanta Journal-Constitution:
"Death Penalty."
"Last Barbs Traded In Race For Governor."
"Micro' Ads Push For Big Turnout."
"Evangelical Leader Says He Lied, Admits 'Sensual Immorality."

Houston Chronicle:
"Saddam Verdict met With Joy, Rage."
"Hopefuls Reach Out In Final Stretch."
"First Civil Trial To Start In BP Blast."

Story Lineup From Last Night's Network News:
ABC: Hussein Trial; Bush Hits Campaign Trail; Democratic Push For House & Senate; Election Night 2006; Haggard's Apology; Carl Rove's Strategy; Armstrong Finishes Marathon; Political Microtargeting.
CBS: Preempted By Football.
NBC: Preempted By NASCAR.

WASHINGTON'S SCHEDULE

Today's Events In Washington.

White House:

PRESIDENT BUSH — Attends Florida Victory 2006 rally, Pensacola Civic Center, Pensacola, Fla., open press; attends Arkansas Victory 2006 rally, Tyson Foods Corporate Jet Hangar, Bentonville, Ark.; attends Perry for Governor 2006 rally, Reunion Arena, Dallas, TX.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

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US House: No Scheduled Events.

Other: ACCOUNTANTS _ The American Institute of Certified Public Accountants (AICPA) holds its National Conference on Federal Taxes. Highlights: 12:05 p.m. - 1:30 p.m. Lunch and luncheon address, Mark Everson, Commissioner, IRS. Location: J.W. Marriott Hotel, 1331 Pennsylvania Ave. NW.

WAR-ELECTIONS _ 10 a.m. - 10 p.m. Anti-war activist Cindy Sheehan leads a protest against the war in Iraq and possibly against election results. Location: Lafayette Park.

ELECTION INSIGHTS _ 10 a.m. The Center for Voting Democracy holds a news conference to discuss 10 stories about the election that the national polls and pundits won't explain. Location: Mott House, 122 Maryland Ave. NE.

TRANSNATIONAL CRIME _ 1:30 p.m. News conference on an agreement to improve joint efforts to fight international crime. With Attorney General Alberto Gonzales, Secretary of Homeland Security Michael Chertoff, EU VP Franco Frattini; Finnish Minister of Justice Leena Luhtanen; and Finnish Minister of the Interior Kari Rajamaki. Location: Dept. of Justice, 7th floor conference room, 950 Pennsylvania Ave., NW.

KASHMIR _ 3 p.m. The Kahmiri-American Council holds a forum with Tahir Iqbal, Minister of Kahmir and Northern Areas on the India-Pakistan talks and the issue of Kashmir. Location: 7th floor conference room, 1111 16th St. NW.

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Subject:	Attorney General's News Briefing for Tuesday, November 07, 2006
Attachments:	agnb061107.pdf; agnb061107.doc

This morning's Attorney General's News Briefing is attached.

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Interactive Table of Contents: Clicking a page number on the table of contents page will take you directly to that story.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: TUESDAY, NOVEMBER 7, 2006 7:45 AM EST

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TERRORISM NEWS:

DC Circuit To Consider Detainee Challenges. The New York Times (11/7, Lewis) reports, "The Bush administration's successful effort to have Congress eliminate the right of Guantánamo prisoners to challenge their detentions before federal judges is now moving toward what may be an epic battle in the courts. … And while lawsuits on the topic are spread across the judiciary, the principal battleground, legal experts say, is the federal appeals court in Washington. That court has been considering for three years whether the hundreds of prisoners at Guantánamo Bay, Cuba, have the right of habeas corpus — that is, the ability to ask a federal judge to review the reasons for their detention. … But the law passed by Congress last month eliminating the habeas right supersedes almost all of the arguments that have gone before and is now the focus of the legal confrontation, government and civil liberties lawyers agree. In a ruling last June, the Supreme Court had said that an earlier measure did not eliminate habeas lawsuits that were already in the courts. However, in October, the administration used more explicit language, saying the new law retroactively blocked federal courts from entertaining habeas lawsuits by Guantánamo detainees." The Times adds, "The three-judge appeals court panel will have to decide whether the pending lawsuits brought by the 430 or so remaining detainees at Guantánamo should be thrown out, as the Bush administration has argued, or whether the new law is unconstitutional, as civil liberties groups have contended. … Whatever resolution is reached by the three appellate judges — David B. Sentelle and A. Raymond Randolph, both appointees of Republican presidents, and Judith W. Rogers, appointed by a Democrat — it will almost certainly end up before the Supreme Court. A decision could come from the appeals court before the end of the year."

Liquid Restrictions Go Into Effect At EU Airports. The AP (11/6) reported rules went into effect across the European Union Monday limiting "passengers to carrying 100 milliliters (a fifth of a pint) of liquid per container on board planes. … All liquids — not only water and soft drinks but also soups, creams, lotions, oils, perfumes, sprays, gels, toothpaste and shaving cream — are subject to security checks before passengers board their planes. The containers must fit into a clear re-sealable plastic bag to be presented at security checkpoints, officials said." EU spokesman Ferran Tarradellas Espuny said over the weekend that EU airports must apply the regulation "to protect civil aviation against the threat of homemade liquid explosives."

Shaaban Held At Colorado's Supermax Prison. The AP (11/7) reports, "An Indiana truck driver convicted of plotting to sell U.S. secrets to Saddam Hussein is incarcerated at a federal super-maximum-security prison in Colorado under an order approved by U.S. Attorney General Alberto Gonzales, a report Monday said." The AP continues, "Justice Department officials have isolated Shaaban Hafiz Ahmad Ali Shaaban, 54, of Greenfield, under a policy that permits the FBI to eavesdrop on his conversations, restrict his access to news reports and prohibit anyone other than attorneys and family members from talking to him, The Indianapolis Star reported." The AP adds, "Shaaban is being held under an order known as a special administrative measure, which is meant to keep federal inmates from inciting violent attacks from prison or disclosing classified information that could harm national security. … William Dazey Jr., a public defender who assisted Shaaban at his trial in U.S. District Court in Indianapolis earlier trial this year, said the order was unusual. … 'I have not seen evidence that would support the notion (Shaaban) is a threat to the United States,' Dazey said." The AP notes, "Among the other convicts held under similar conditions at the Florence Federal Correctional Complex about 90 miles south of Denver are Zacarias Moussaoui, the alleged '20th hijacker' in the Sept. 11, 2001, terrorist attacks, and Richard Reid, who tried in December 2001 to detonate plastic explosives in his shoe on a Paris-to-Miami flight."

HOMELAND RESPONSE:

FBI, DHS Working To Thwart Terror Recruiting In US Prisons. In a front-page story, USA Today (11/7, Hall, 2.27M) reports the FBI and DHS are "working with prisons in dozens of states to improve intelligence gathering and monitoring of inmates in a stepped-up campaign to curb homegrown terrorism behind bars. … Chief among the concerns is that radical Muslim clerics could have access to prisoners and coerce them with

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terrorist literature. 'It's a concern because we know that violent extremist groups will target people in prisons,' said Donald Van Duyn, the FBI's counterterrorism director." USA notes, "The intensified surveillance follows the recent arrests of people alleged to be home-grown terrorism suspects in London and Canada," and "Homeland Security officials…are worried that similar plots could be hatched in U.S. prisons. 'Prisons can be a breeding ground,' says Charles Allen, Homeland Security's top intelligence officer."

British-Based Al Qaeda Agent Planned Attacks On US Targets. USA Today/AP (11/7, 10A, Stringer) reports, "An al-Qaeda operative captured in Britain planned to bomb the New York Stock Exchange and plotted a series of attacks on London, one to blow up a London subway train as it passed below the River Thames, prosecutors said at a sentencing hearing Monday. Dhiren Barot, 34, pleaded guilty last month to conspiring to commit mass murder in terrorist plots on both sides of the Atlantic." Barot "and seven alleged accomplices spent more than four years making detailed plans to attack a host of financial industry targets in the USA." Prosecutor Edmund Lawson "said the group considered using a radioactive 'dirty bomb' and igniting a gasoline tanker to ram it into a high-profile British target. Lawson showed clips of a reconnaissance video shot in 2001 during a visit to New York by Barot. The shaky footage — shown on screens in the courthouse — zoomed in on the World Trade Center as an unseen man mimicked the sound of an explosion. Prosecutors said Barot did not have prior knowledge of the Sept. 11 terror attacks." The New York Times (11/7, Cowell, 1.21M) reports, "The potential targets included…the headquarters of the International Monetary Fund in Washington…Citigroup in Manhattan and the Prudential building in Newark, prosecutors have said." The Washington Times/AP (11/7, Stringer) reports Barot "was born a Hindu in India, but was brought to Britain as a toddler. He converted to Islam when he was about 20, Mr. Lawson said."

FBI, ICE Agents Field Questions From NYC Muslim Youth. NY1 New York City (11/6) reported on its Web site from a story broadcast yesterday, "Muslim students put FBI and immigration officials on the hot seat Sunday at a taping in Queens of a well known Pakistani talk show," hosed by Hamid Mir. "NY1 Criminal Justice reporter Solana Pyne was there as a panel answered questions about everything from FBI training to the success of the war on terror. … 'Are FBI agents or other government officials trained, or getting trained to learn more about Islam?' asked one student in attendance. … 'FBI Agents can't all look like me,' said FBI special agent, Andrew Arena. 'They can't all be white guys. We have got to diversify and that's very, very important. We train our agents from day one in the academy to understand the Muslim faith.'" NY1 noted, "In the last few years, FBI and immigration officials have held several meetings with members of the city's Muslim communities," but "the event Sunday evening was unusual, not only because it included Muslim leaders from across the country, but also because it was the first with Muslim teens and young adults. … Hundreds of students attended the event, and as to how successful it was, well, it depends on who was asked."

Holiday Travelers Urged To Review TSA Rules. The Christian Science Monitor (11/7, Marks, 58K) reports, "Planes are expected to be fuller, prices higher, and security lines longer than ever" this holiday season. In addition to the fact that "major airlines have cut back on the number of planes flying" in order to increase profits, "there are those vaunted Transportation Security Administration security checks - the other major reason experts are urging travelers to get to the airport as early as possible." Holiday travelers who usually don't fly "may be confused about what the TSA will and will not allow on board." The Monitor gives a brief description of the agency's rules and adds that they are detailed at www.tsa.gov, "a must-see for anyone who hasn't flown in recent months. 'To make it more understandable to people we've launched a campaign called 3-1-1,' says Ellen Howe, a TSA spokeswoman. 'It's a reminder of three ounces or less, one quart-sized bag, one bag per traveler, and that bag needs to be pulled out of your carry-on and placed into the bin.'"

USA Today (11/7, Adams, 2.27M) reports that if Atlanta Hartsfield-Jackson International, the USA's busiest airport, "is any sign, it could be a tough season when the volume of travelers soars later this month for Thanksgiving. Willie Williams, federal security director at Hartsfield-Jackson, says screening there is running as much as 30% slower than before the liquids ban. … Airline officials say lines have increased at almost every sizable airport. But at certain airports, high volumes of less-experienced leisure travelers, combined with the physical layout, give rise to extraordinary problems." Despite the TSA's national education campaign, Randy Walker, director of Las Vegas McCarran, says he

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thinks "'this holiday season will be problematic.' Airports nationally 'will be getting a lot of people who haven't traveled since all this happened, and they won't have a clue.'"

Understanding Of Security Rules Said To Place Passengers In Specific Categories. USA Today (11/7, Yu, 2.27M) reports from Atlanta Hartsfield-Jackson International, where passengers "fall into distinct categories" based on their understanding of carry-on restrictions. "Some understand in detail what the government now requires to clear security checkpoints under rules changes implemented in August and revised in September. Others? Not so much." USA Today goes on to describe three categories: The Initiated, The Uninitiated and The Big Picture People, those who have a "general notion of the rules," but are less clear on specifics. The article frequently notes the TSA's efforts to make passengers aware of carry-on rules, but concludes by quoting David Vernon, a "Big Picture" person, who says the "whole liquid thing is annoying. I didn't even notice the signs. And (even if I did), I probably wouldn't have read it."

WAR NEWS:

Khalilzad To Resign Iraq Post In Coming Months. The AP (11/7, Gearan) reports, "Zalmay Khalilzad, the plainspoken dealmaker and Republican insider who has won praise and criticism for attempts to broker Sunni political participation in Iraq's fragile government, is likely to quit his post as US ambassador in Baghdad in the coming months, a senior Bush administration official said Monday." Khalilzad "has been a public face of Bush administration attempts to project both willingness to change strategy or tactics in an unpopular war and solidarity with the increasingly fractious Shiite-led government of Prime Minister Nouri al-Maliki." Khalilzad's departure "has been rumored for months, but he has not turned in his resignation, the State Department official said." The official "spoke on condition of anonymity because neither the White House nor Khalilzad has announced any personnel changes. Khalilzad could leave as soon as the end of this year, but is more likely to remain in his post through the spring, the official said."

The Financial Times (11/7, Negus), at the end of an interview with Khalizad, report US officials "said the envoy would probably return to an academic or private sector job in the US. His replacement may be Ryan Crocker, who is ambassador to Pakistan."

Newspapers For US Military Personnel Urge Rumsfeld To Resign. NBC Nightly News (11/6, story 7, 0:25, Williams, 9.87M) reported, "Four newspapers produced by the Gannett newspaper chain for US military personnel are running an editorial saying Defense Secretary Donald Rumsfeld must go. It's time for him to resign, the editorial says, because he has lost credibility with top military officers. The paper's editor denies the timing is at all political but the White House is calling this piece, shabby, inaccurate and grandstanding."

Rumsfeld To Be Introduced By Commentator Who Called For His Resignation. The Washington Times' "Inside the Beltway" (11/7, McCaslin) reports the American Spectator's Robert L. Bartley dinner's master of ceremonies "will no doubt be a bit uncomfortable when introducing the keynote speaker. That master of ceremonies would be myriad-hat wearer Ben Stein, and the keynote address will be delivered by Secretary of Defense Donald H. Rumsfeld. Inside the Beltway can't help but recall Mr. Stein, in his 'CBS Sunday Morning' commentary barely one week ago pointing out that the situation in Iraq has become so difficult that if he were still a White House speechwriter…this is what he would suggest President Bush announce today: … 'I have this morning accepted Secretary of Defense Donald Rumsfeld's resignation with sincere thanks for his service to the nation. Despite his flaws, he is a great American. He will be replaced by a truly heroic American, Senator John McCain of Arizona.'"

Iraqi Appeals Court To Rule On Saddam Death Sentence By Mid-January. The AP (11/7, Abdul-Zahra) reports, "Iraq's appeals court is expected to rule on Saddam Hussein's guilty verdict and death sentence by the middle of January, the chief prosecutor said Monday, setting in motion a possible execution by mid-February. If the ruling is upheld, The Associated Press has learned that Iraq's three-man presidential council is pledged to allow Saddam's hanging to take place." The execution "must be carried out within 30 days of the appeals court's decision." The AP also reports, "The surge in violence expected immediately after Sunday's verdict did not happen. The Interior Ministry credited a round-the-clock curfew in Baghdad and two restive Sunni provinces."

All three networks ran stories on the aftermath of the verdict. CBS Evening News (11/6, story 7, 2:05, Couric, 7.66M) reported, "The former dictator could be hanged early next year and those who still support him are furious." CBS

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(Logan) added, "Once again, Iraqi streets echoed with the sound of his name. A cry of anger from Iraq's Sunnis who see in Saddam's guilty sentence their own loss of power and protection. In court Sunday, the defiant dictator tried his best to drown out the judgment. 'Go to hell, you and the court,' he yelled."

NBC Nightly News (11/6, story 8, 2:35, Engel, 9.87M) said that at the beginning of the trial "Saddam had an animal charisma that was frightening. He dominated the courtroom, taking notes, laughing, bullying witnesses, insulting the judges. … As he was sentenced to death Sunday, I saw his eyes again. Now flat, lifeless, defeated."

ABC World News (11/6, story 6, 2:10, McCarthy, 8.78M) said the verdict against Saddam "split Iraqis but was also a warning to other strongmen in the region." Salama Ahmed Salama, Egyptian columnist: "In the Arab world, never it hasn't had any tradition of holding their leaders to account."

Rice Touts Saddam Verdict As Evidence Rule Of Law Is Strong In Iraq. Fox News' Special Report (11/6, Hume) reported Secretary of State Rice "said the guilty verdict delivered to Saddam Hussein and the death sentence is evidence that the rule of law is strong in Iraq and that Saddam will be punished for his crimes." Fox added, "On the day after the sentence was announced more noisy demonstrations in Iraq but no surge of deadly violence that many had feared."

European Leaders, Rights Groups Criticize Sentence. The New York Times (11/7, Fattah, 1.21M) reports, "European politicians on Monday spoke out against the death sentence for Saddam Hussein. Arab officials and commentators derided what they said was a flawed and politicized trial, while for the first time broadly acknowledging Mr. Hussein's crimes." Prime Minister Tony Blair of Britain, "speaking to reporters on Monday, said he opposed the death penalty for Mr. Hussein, joining several other European leaders and European Union officials who announced their opposition to the sentence. When pressed by reporters, Mr. Blair spoke of his longstanding opposition to capital punishment. He said he did not intend to protest the sentence, and condemned Mr. Hussein's brutality." The Times adds, "European leaders insisted that the viciousness of the actions of which Mr. Hussein was found guilty had not changed their view that state-sponsored killing was wrong. Some warned that executing Mr. Hussein would only worsen the sectarian bloodshed in Iraq." Amnesty International said "it 'deplored' Mr. Hussein's sentence, describing the proceedings as 'deeply flawed and unfair.'"

More Commentary. The Los Angeles Times (11/7, 918K) editorializes, "Even critics of the US invasion that brought him down acknowledge that his rule was not just brutal but bestial. Holding him accountable for his crimes is a matter of simple (if rough) justice." But "it will be a 'milestone' for the rule of law in Iraq only if Sunnis can be convinced that the new order in their country isn't as unjust as the old one."

Attorney and law professor Alan Dershowitz writes in the Wall Street Journal (11/7, A12, 2.03M), "The Nuremberg trials it is not. But then again, Saddam Hussein is no Hitler or Goering." Dershowitz adds "perfect justice is an illusion," and Saddam, "this exemplar of perfect injustice," has been "subjected to imperfect justice. The result is satisfying, and should serve as an object lesson to the many dictators who continue to terrorize their people and others in the expectation that they will never be brought to justice.

Anne Applebaum writes in the Washington Post (11/7, 748K), "It is true that the execution of Hussein, if and when it occurs, could well have a positive effect on Iraqi politics. If nothing else, it will eliminate once and for all the Baathist dream of a Hussein-led revanche -- a dream that even Hussein himself appears to have cherished; witnesses say he was genuinely surprised by the verdict and was shaking afterward. But his death will also probably put an end to this truth-telling project, one that has been unique and unprecedented in the Arab world. For the first time, an Arab dictator was held accountable for crimes against his people." Applebaum concludes, "Thanks to American incompetence in Iraq, it may be the last time for a long time, too."

Baathists May Be Allowed To Return To Government Jobs. USA Today/AP (11/7) reports, "A day after Saddam Hussein was sentenced to die, the Iraqi government declared a major concession Monday to the Sunni Arabs who backed him. The action could result in thousands of purged members of Saddam's party being reinstated in their jobs. … The political concession was detailed by the government organization that had been charged with removing Saddam loyalists from state institutions. Under a draft law, the organization would amend its rules to enable former Baath Party members to regain their jobs." The Washington Times (11/7, 88K) runs a similar AP story.

The Washington Post (11/7, A17, Anderson, 748K) reports, "Ali al-Lami, executive director of the Supreme National Commission for de-Baathification, said in an

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interview that the commission had drafted a law for parliament that would give 1.5 million former Baathists who 'excommunicate' themselves from the party the option of returning to their former government jobs or drawing a pension for their past employment." Other estimates "have put the number of purged Baathists in the tens of thousands; the figures could not be reconciled."

57 Iraqis Charged With Prison Abuse. In a front page article, the Washington Post (11/7, Raghavan, 748K) reports, "-- Iraq's Interior Ministry has charged 57 employees, including high-ranking officers, with human rights crimes for their roles in the torture of hundreds of detainees once jailed in a notorious eastern Baghdad prison known as Site 4 ... The charges marked the first time the present Iraqi government has taken criminal action against members of its own security forces for operating torture chambers inside Interior Ministry prisons, said Brig. Gen. Abdul-Karim Khalaf, a ministry spokesman." The charges come after previous stonewalling by Shiite officials who "have said such accusations are exaggerations, branding them attempts by Sunnis to discredit the Shiite-led government." The Post continues, "It remains to be seen whether [Interior Minister] Bolani, a Shiite and an engineer by training, can take on senior figures in his ministry who are suspected of links to Shiite militias. Many are left from the days of his predecessor, Bayan Jabr, who many Sunnis allege turned the ministry into his own Shiite fiefdom and a haven for the militias."

Third Marine Pleads Guilty In Iraq Murder Case. The New York Times (11/7, Tavernise, 1.21M) reports, "A marine corporal pleaded guilty on Monday in the shooting death of an unarmed Iraqi in April, the third person charged in the case to do so." Lance Cpl. Tyler Jackson "received reduced charges of aggravated assault and conspiracy to obstruct justice" by plea bargaining. Military law experts "say the number of deals in the Hamdaniya case and the rapid legal proceedings are somewhat unusual," with law professor and former Marine prosecutor Gary Solis saying, "At some point, a prosecutor has to prosecute." One defendant's lawyer, Jane Siegel, theorized that the command was interested in "expediting the process and saving ... a lot of money."

The AP (11/6, Watkins) reports, "Jackson, who has been in military prison since May, spoke only to confirm his identity and attorneys' names and say he understood his rights."

Balad "Massacre" Recalled. The Los Angeles Times (11/7, Daragahi, 918K) reports in a 2,515-word front page article, "There were no heroes here. When gunmen murdered dozens of people in this once peaceful Shiite market city over two days last month, no one stepped in to stop the killing. Not U.S. forces, whose stated purposes in Iraq include preventing all-out civil war. Not the Iraqi security forces, who mostly turned a blind eye to the massacre. Not the people of Balad, who allowed decades of fear and hatred to overwhelm their better instincts." The Times reports the unfolding of the violence and how "the U.S. military monitored events from its base just outside Balad, where its role in policing conflicts has become increasingly marginal," stunning the locals. The Times speculates, "But perhaps U.S. soldiers — consciously or unconsciously — do make a grim calculation that benefits them. Sunni insurgents in the countryside attack American troops as well as Shiites. By contrast, Shiite gunmen often welcome Americans to their towns and primarily target young Sunni men suspected of being insurgents."

Pakistani Support For Islamists Seen As Fading. The Christian Science Monitor (11/7, Montero, 58K) reports after the bombing of the suspected Pakistani madrassah, "hundreds of miles away, in the cosmopolitan cities of Karachi, Lahore, and Islamabad, relative silence has prevailed. The difference in response is telling, observers say. It underscores not only an important gap in understanding between the tribal areas and the rest of the country - a gulf that helps keep the area underdeveloped and prone to extremism - but an erosion of the Islamist parties' power on the national stage." Many of the religious parties "have slowly cozied up in recent months to President Gen. Pervez Musharraf's military regime. Such compromises have ultimately undermined their claims to independent credentials, analysts point out. That's perhaps one reason why last week's calls for nationwide strikes were dismissed as pure political play."

CORPORATE SCANDALS:

5th Circuit Panel Rejects Challenge To Lay Conviction Erasure. The Houston Chronicle (11/7,

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Hays) reports, "An appeals court panel has slapped down an Enron shareholder's challenge of a judge's decision to erase former Enron Chairman Ken Lay's criminal convictions." The Chronicle continues, "The three-judge panel of the 5th U.S. Circuit Court of Appeals refused to order U.S. District Judge Sim Lake of Houston to reverse his October ruling that cleared Lay's name because the ex-chairman died before he had been sentenced or launched an appeal." The Chronicle adds, "The appeal panel's ruling, issued last week, reiterated what Lake said in his decision: Legal precedent says that 'when a defendant who has been found guilty of a federal crime dies before exhaustion of his appeal, his prosecution must be abated, his conviction vacated and his indictment dismissed.' … That is how all such situations are to be addressed unless the law is changed by Congress, the U.S. Supreme Court or by the full 5th Circuit, the panel ruled." The Chronicle notes, "Russell P. Butler, the shareholder who challenged Lake's ruling, said he would appeal the panel's decision to the Supreme Court. … 'I think we have a good chance,' said Butler, who said he lost $8,000 when the disgraced company collapsed nearly five years ago."

Former Homestore Official Sentenced For Securities Fraud. Inman News (11/7, Roberts) reports, "Peter Tafeen, a former Homestore executive who pleaded guilty to one count of securities fraud for his participation in a fraudulent advertising scheme, today was sentenced to serve 30 months in federal prison. … Tafeen was also sentenced to three years of supervised release following the prison sentence, and six months of the supervised release program must be served in home confinement." Inman continues, "Tafeen, who faced a maximum sentence of 10 years in prison, served as executive vice president of business development at Homestore from 1997 to November 2001. Homestore, which has operated Realtor.com and other property-search Web sites, this year re-branded as Move Inc. … Assistant U.S. Attorney Michael R. Wilner said, 'The sentence … was very fair and it reflected both Tafeen's involvement in the crime and his assistance in cooperating with the government during (Stuart) Wolff's trial.'" Inman adds, "Brian J. Hennigan, a lawyer for Tafeen who is a partner at Los Angeles law firm Irell & Manella LLP, said that Tafeen, who is currently out on bond, will report to prison Jan. 8. The judge, he said, has recommended that Tafeen serve his prison sentence in a Pensacola, Fla.-area prison near Tafeen's home. … As part of a plea agreement announced in March, Tafeen had agreed to testify against his former boss, Stuart Wolff, who was chief executive of Homestore during the accounting scandal. Tafeen had faced similar charges to Wolff before entering into the plea agreement, which came a few weeks before his trial was scheduled to begin."

US Had Tough Challenge In McKesson Prosecution. The California Recorder (11/7, Scheck) reports, "The securities fraud trial against the former CEO and general counsel of HBOC -- now McKesson Corp. -- was never an easy one for the government. … The government's central witnesses were snitches of questionable credibility -- so much so that prosecutors declined to bring one key witness to the stand. … And in an earlier bench trial of another executive, a judge found their testimony was not credible enough to convict. … So it wasn't terribly surprising Friday when a jury acquitted former CEO Charles McCall and ex-GC Jay Lapine of conspiring to commit securities fraud while deadlocking on six other counts." The Recorder adds, "That's not to say it didn't hit the lawyers involved like a sack of bricks: There were tears on both sides, most notably from Theodore Wells Jr., the Paul, Weiss, Rifkind, Wharton & Garrison partner who represented McCall in the six-week trial. … 'I've been living in a hotel in San Francisco since August the 14th working, truly, 20-hour days,' Wells told a group of reporters outside the courtroom. 'The fact that I was emotional, given the circumstances, is entirely understandable.'" The Recorder notes, "Mark Topel of Topel & Goodman, who argued Lapine's case, was similarly relieved after the acquittal and U.S. District Judge Martin Jenkins' subsequent declaration of a mistrial on the other counts. … Topel said he saw the case as one in which the people who admitted to the conspiracy -- a brace of lower-ranking executives who entered guilty pleas -- couldn't be trusted when it came to fingering higher-ups. … He pointed to prosecutors' decision to not take testimony from Jay Gilbertson, the company's CFO who in 2003 pleaded guilty to being involved in the fraud scheme which misstated billions of dollars in earnings. Gilbertson blamed it on Lapine and McCall, and was seen as potentially being the key witness before the trial started."

Federal Reserve Warns Traders About Illicit Bond Activity. The Washington Post (11/7, D01, Henderson) reports, "The Federal Reserve put traders on notice yesterday that it is scrutinizing activity in the bond market, highlighting recent concerns that some traders may

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have made illicit profits by manipulating securities prices." The Post continues, "Dino Kos, executive vice president of the markets group at the Federal Reserve Bank of New York, led an hour-long discussion of such concerns yesterday with representatives of the bank's 22 primary dealers -- the banks and securities firms that trade Treasury securities with the central bank." The Post adds, "The Fed meets with its dealers periodically to discuss market issues, but this was the first session devoted to suspicions at the Treasury Department about possible manipulation of the market for government bills, notes and bonds, and for futures contracts and other financial contracts linked to the securities. … The government's concerns were detailed in a Sept. 27 speech by James Clouse, deputy assistant Treasury secretary for federal finance. He described ways in which traders could control the supply of highly sought Treasury securities, driving up their prices. Such practices enable traders to borrow money at low interest rates and then invest it at higher rates to earn a profit."

CRIMINAL LAW:

Virginia Set To Execute Man For Slaying Of Bank Guard. The AP (11/7, Gelineau) reports, "Attorneys for a man scheduled to be executed Thursday for the 1999 slaying of a bank security guard have appealed to the U.S. Supreme Court and say his life should be spared because a prosecutor withheld information about a key witness." The AP continues, "John Yancey Schmitt, 33, is set to die by injection at Greensville Correctional Center in Virginia for the fatal shooting of 39-year-old Earl Shelton Dunning during a bank robbery. … In their petition to the Supreme Court and in a clemency petition to Virginia Gov. Timothy M. Kaine, Schmitt's attorneys criticize prosecutor Warren Von Schuch's actions, which they say could have influenced the jury's decision to recommend a death sentence. In the clemency petition, they also argue the shooting of Dunning was accidental." The AP notes, "Von Schuch said there was no prosecutorial misconduct, and described the killing as cold-blooded and clearly premeditated. … 'The court found that we did nothing wrong,' Von Schuch said. 'This is simply defense attorneys misrepresenting the truth to the public.'"

Jeffs Supporters Continue Expansion Of South Dakota Compound. The AP (11/7) reports, "A compound reportedly occupied by members of polygamist leader Warren Jeffs' sect continues to expand southwest of Pringle, South Dakota, even though Jeffs is behind bars in southern Utah. … Private investigators have said they believed the Pringle compound was among places Jeffs had hidden while he was on the run, but state and federal authorities said they could not confirm that." Custer County Equalization Director Les Struble "said one or two lodges a year have been built on the gated compound. The lodges are each about 3,000 square feet, with large kitchens and living rooms, plus separate bedrooms and bathrooms."

FBI Says Texas Man Faces Federal Charges In Kidnap-For-Ransom. The El Paso Times (11/7, Fonce-Olivas) reports, "Noe Guadalupe Ochoa, 20, of Sunland Park is facing five separate charges stemming from the May 4 kidnapping at gunpoint of a 16-year-old El Paso boy, whose identity was withheld because he is minor, Federal Bureau of Investigations spokeswoman Agent Andrea Simmons said." The Times notes, "An FBI investigation revealed that the teenager was taken from outside his home and held for ransom in Juárez. The day after he disappeared he was rescued by FBI agents and the Chihuahua state police anti-kidnapping unit. The teenager was found unharmed and in a car in Juárez near the Paso del Norte Bridge, where a ransom was supposed to be delivered." KFOX-TV El Paso (11/6) reported on its Web site, "Ochoa now faces charges including kidnapping a minor, using a firearm in a crime of violence, and possession and conspiracy to distribute marijuana."

Montana Murder Among Unsolved Cases FBI Investigating For Duncan Link. The AP (11/7) reports, "The FBI is investigating whether convicted murderer and sex offender Joseph Edward Duncan III might be involved in the slaying of a Montana teenager found dead in North Dakota four years ago. 'We're a long way from saying he's a suspect, but it's certainly a case we're reviewing,' said Donald Robinson, an FBI supervisor in Coeur d'Alene, Idaho." Russell Turcotte "was 19 when he disappeared in July 2002," and Duncan "was living in Fargo when Turcotte disappeared." The AP notes, "Robinson said the FBI is putting together a timeline on Duncan's whereabouts dating back to the early 1990s. 'Every single day Mr. Duncan was out of custody, we're looking at where he was -- and we're looking at all sorts of unsolved crimes,' Robinson said."

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Dallas Woman Sentenced To Six Years In Prison For FEMA Relief Fraud. The AP (11/7) reports, "A Dallas woman who pleaded guilty to defrauding the Federal Emergency Management Agency of $80,000 through false claims for Hurricane Katrina benefits was sentenced Monday to nearly six years in prison. U.S. District Judge David C. Godbey sentenced Lakietha Diann Hall, 35, to 70 months in prison. She was ordered to pay $83,254 in restitution." The AP notes, "Hall was accused of leading a scam in which she submitted online claims for disaster and unemployment assistance on behalf of several of the other defendants, falsely stating that their primary homes were in areas devastated by Katrina and that the hurricane caused them to lose their jobs. All of Hall's co-defendants have pleaded guilty."

Connecticut Businessman Pleads Guilty To Fraud Charges. The Hartford Courant (11/1, 195K) reported in "Local Briefing" that "the owner of an East Windsor mail consolidation business pleaded guilty Tuesday to mail fraud and conspiracy to defraud the Internal Revenue Service, U.S. Attorney Kevin J. O'Connor said." Thomas J. Rueli, "who owned Total Logistics Services Inc., was charged with establishing a line of credit with a commercial lender of up to $12 million based on fraudulently inflated account data. He was also accused of paying bribes to another business owner and conspiring not to report the transactions to the IRS, O'Connor said in a statement."

Utah Man Snared In Nationwide Sting Pleads Guilty To Child Porn Charge. The Deseret Morning News (11/7) reports, "A La Verkin man is facing a mandatory five-year prison sentence after admitting to downloading dozens of images of child pornography off the Internet." Terence D. William "appeared in U.S. District Court on Monday to enter a guilty plea to one count of receiving child pornography. William was arrested and charged last August as part of a nationwide sting on a Web site based out of Orlando, Fla., that sold images of child pornography. The federal investigation netted more than 125 people who allegedly subscribed to the Web site, including three Utah men." The Morning News notes that "William admitted to downloading between 10 and 150 images of children engaged in sexual acts."

Texas Prosecutor Under Probe For Soliciting Sex From Teen Kills Himself. The New York Times (11/7, Eaton) reports from Terrell, TX, "A prosecutor in this North Texas town killed himself Sunday as the police tried to arrest him on charges of soliciting sex over the Internet from a person he thought was a 13-year-old boy." The Times continues, "The prosecutor, Louis Conradt Jr., 56, had been caught in a sting operation set up by Dateline NBC, the television news magazine, and an Internet watchdog group called Perverted Justice. An NBC camera crew was outside the house to film the scene when the fatal shot was fired. … Mr. Conradt had refused to open the door when police officers arrived at his house, where he lived alone, said Sgt. Snow Robertson of the Police Department in Murphy, a nearby town where officers said Mr. Conradt intended to meet the boy he thought he had communicated with. … Officers eventually forced their way into the house, only to find that Mr. Conradt had shot himself in the head with a small-caliber semi-automatic handgun, Sergeant Robertson said. Mr. Conradt died later at Parkland Hospital in Dallas." The Times adds, "Police officers from Murphy had gone to the house with a tactical team and two officers from Terrell to serve a warrant for Mr. Conradt's arrest. One of the officers from Terrell knew Mr. Conradt from his work as a prosecutor, Sergeant Robertson said. … Mr. Conradt had been a district attorney in Kaufman County and was the chief felony assistant district attorney in Rockwall County at the time of his death. … The police planned to search his computer and his house, Sergeant Robertson said. … The sergeant's department had been working with Perverted Justice and NBC News in a sting operation singling out people who solicit sex from children."

Series Of Deaths In Wisconsin City Puzzles Authorities. The Washington Post (11/7, A03, Gutsche) reports from La Crosse, WI, "At night the Mississippi River here is black like pavement. Lights brighten the shoreline, where walkways end with a steep drop at the river's edge. There is no railing. Even to a familiar eye, the river looks like an empty parking lot. … This is where eight young men have apparently drowned in the past nine years, just blocks from the busy downtown bar district where many victims had been reported seen last. The latest victim was found in October." The Post continues, "Officials from the city and the three colleges and universities here -- as well as a group of vocal college students -- say the men became intoxicated and accidentally fell into the river. … Yet as the number of fatalities

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grows, so does the idea that a serial killer could be loose." The AP adds, "All of the victims were young, athletic, and either visiting La Crosse or attending college in the city. Toxicology results have indicated that almost all had high levels of alcohol in their systems when they died. … Still, the similarities among the apparent drowning victims have many concerned that the students are being stalked -- lured into the black waters by a female posing as a police officer or a man wielding a gun, locals say. … While the idea of a serial killer is gaining credence in some quarters of La Crosse, other residents say the explanation is merely a way to deflect attention from the criticism that city and college officials are not working hard enough to crack down on underage drinking or to secure the waterline from accidental drownings."

Cities Cracking Down On Jury Duty No-Shows. USA Today (11/7, Parker) reports, "The murder trial in the shootings that left five people dead at Pato's Place Bar was the biggest in the history of Tulare, Calif. However, when the judge in the case tried to pick a jury, only 160 of 500 people summoned to jury duty showed." USA continues, "The shortage of jury candidates delayed last year's trial of Donald and Timothy Young, brothers charged with capital murder. It also prompted court officials in Tulare, a city of 52,000 between Fresno and Bakersfield, to revamp the jury system in July." USA adds, "Tulare is among dozens of communities across the USA that are punishing no-show jury candidates. … 'We were down to a 50% response rate. That is simply not acceptable,' says Tulare County Superior Court Judge Lloyd Hicks. … Tulare jury candidates who fail to show are warned that they could be found in contempt of court. If they do not respond, a second letter is sent, warning that a warrant will be issued for their arrest, Hicks says. … No one keeps national figures on jury duty no-shows, but the American Judicature Society considers the problem an epidemic in some communities, especially large urban areas such as Miami, Houston and Atlanta, where no-show rates routinely top 50%, says David McCord, a society spokesman."

Abortion Clinics Seek Probe Of Bill O'Reilly's Access To Kansas Records. The AP (11/7, Hanna) reports, "Two abortion clinics asked the state's highest court Monday to investigate Attorney General Phill Kline and Fox television's Bill O'Reilly over O'Reilly's statements that he had information from Kansas abortion records." The clinics' attorneys "want the Kansas Supreme Court to seize records that Kline, an outspoken abortion opponent, obtained on 90 of the clinics' patients. Kline received edited versions of the records from a district judge on Oct. 24 after arguing he wanted to review the records for evidence of possible crimes including rape and illegal abortions." The attorneys "asked the court to appoint a special prosecutor to determine whether O'Reilly's information came from the records turned over to Kline."

CIVIL LAW:

House Democrat's Challenge To Budget Bill Dismissed. The AP (11/7) reports, "A federal judge on Monday dismissed a lawsuit filed by U.S. House Democrats trying to stop a $39 billion budget bill because the House and Senate did not approve identical versions." The AP continues, "House Democrats accused GOP leaders of abusing the legislative process and contend they were denied their right to vote on legislation signed into law by President Bush in February. Rep. John Conyers, D-Mich., the ranking member of the House Judiciary Committee, sued in April along with 10 other House members to prevent the law from being implemented." The AP adds, "The Senate version of the bill said Medicare can pay to rent some types of medical equipment for 13 months. A clerk erroneously wrote down 36 months before the bill was sent back to the House for a final vote, and the language was approved by the House on Feb. 1. … When the bill was sent to Bush for his signature, the number was back to 13 months. The lawsuit said the oversight amounted to an additional $2 billion in spending, and the plaintiffs claimed that because they never had the chance to vote on the version signed into law, the law was invalid." The AP notes, "The Department of Justice had sought the lawsuit's dismissal, claiming the 11 House members lacked standing because they are not renters of medical equipment and were not in 'any way personally affected or injured.'"

Supreme Court To Consider Partial Birth Abortion Case On Wednesday. The Los Angeles Times (11/7, Savage, 918K) reports whether the partial birth procedure, "known medically as dilation and extraction or D&X, will be legal comes before the Supreme Court on Wednesday, the day after the midterm elections." With "two new Bush appointees on the court — one replacing a justice who supported abortion rights," abortion opponents "are

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optimistic that, for the first time, the court will uphold an outright ban on an abortion method. The campaign against the procedure has succeeded where other attacks on abortion failed." By "branding it gruesome and unnecessary," opponents "won broad support for a criminal ban, even from lawmakers who usually vote in support of abortion rights." A win for "abortion foes would chip away at the court's 1973 Roe vs. Wade decision, which held that women have a constitutional right to an abortion. Those fighting a ban argue that the disputed procedure is sometimes the safest method for aborting a fetus in midterm and, despite the attention it receives, is not commonly used."

CNN.com (11/7, Mears) reports, "The morning after the closely fought midterm elections, the U.S. Supreme Court will hear its first major abortion case in six years. … The hot-button issue has been debated for years among social and religious activists, voters and judges themselves." CNN continues, "At issue in Wednesday's arguments is the constitutionality of a federal law banning a specific late-term procedure its critics call 'partial-birth' abortion. … After Justice Samuel Alito replaced Sandra Day O'Connor this year, court watchers have been waiting for a pair of cases to signal whether the court is shifting to the right." CNN adds, "For a quarter of a century, O'Connor, the first woman on the high court, was a key swing vote upholding the basic right to abortion. The views of Alito, a more conservative jurist, could prove crucial in the new debate. So, too, could the views of moderate-conservative Justice Anthony Kennedy, who takes O'Connor's place as the key swing vote. … Even with Alito and Chief Justice John Roberts joining the bench in recent months, many legal scholars say the outcome is far from clear. … Three federal appeals courts have ruled against the government, saying the federal Partial Birth Abortion Ban Act of 2003 is unconstitutional because it does not provide a 'health exception' for pregnant women facing a medical emergency. … The federal law has never gone into effect, pending the outcome of nearly three years of legal appeals."

The National Law Journal (11/7, Coyle) reports, "In weighing the constitutionality of a federal law, the U.S. Supreme Court sometimes gives deference to congressional findings of fact. How will it view the critical finding at the heart of its latest abortion challenge?" The Journal continues, "The justices this week will hear arguments in two cases testing the constitutionality of the federal Partial-Birth Abortion Act of 2003. Gonzales v. Carhart, No. 05-380; Gonzales v. Planned Parenthood, No. 05-1382. Partial-birth abortion is a term used for an abortion procedure, intact dilation and extraction, infrequently used in second-trimester pregnancies. … Although the high court's abortion precedents and the future of a woman's right to choose abortion will dominate discussions, the cases also are very much about separation of powers and the roles of the legislative and judicial branches in making and interpreting laws, say scholars on both sides." The Journal notes, "In enacting the 2003 law, Congress made explicit findings in the statute that partial-birth abortion 'is never medically indicated to preserve the health of the mother.' A health exception to abortion restrictions has been central to the court's abortion jurisprudence since the landmark Roe v. Wade. The lack of such an exception was a key basis for a 5-4 majority's decision to strike down a Nebraska partial-birth abortion law, very similar to the federal law, just six years ago. Stenberg v. Carhart, 530 U.S. 914. … In the 2003 law, Congress criticizes Stenberg and the findings of the trial judge that gave rise to the Stenberg high court case. The federal lawmakers call for a 'high degree' of deference to their own findings, a call echoed by the Bush administration and its supporters in briefs defending the federal law. … But opponents contend that that type of deference is not due because Congress did not engage in neutral fact-finding. A fundamental right, requiring heightened court scrutiny and independent review of congressional findings, is at issue, and two district judges, in extensive trials in the two cases, made findings contrary to those of Congress."

CIVIL RIGHTS:

DOJ To Monitor Polls In 22 States. The AP (11/7, Jordan) reports, "Federal poll watchers will be in 22 states Tuesday, safeguarding against fraud or discrimination in election districts marked by tight races, large numbers of minority voters and faulty ballot machines." The AP continues, "Justice Department monitors and observers are being assigned to Cuyahoga County, Ohio, which has been dogged by problems with computerized touch-screen voting machines. They will be in Bergen County, N.J., a must-win prize for both candidates in the state's Senate race. … And they will watching more than a dozen counties nationwide where polls are on American Indian reservations and in big cities dominated by black voters." The AP adds, "In all, the Justice Department is sending an estimated 850 poll watchers to 69 cities and counties — what officials on

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Monday called an unprecedented number, and twice as many during the 2002 congressional midterm elections. … The government has dispatched poll watchers to ensure fair elections since the 1965 Voting Rights Act was enacted. … Assistant Attorney General Wan J. Kim, who heads the Justice Department's civil rights programs, told reporters last week that the election districts were selected in part because of close races there. … They include Fort Bend and Galveston counties in Texas, where Republican write-in candidate Shelley Sekula-Gibbs is seeking to keep a GOP hold on the seat vacated by former House Majority Leader Tom DeLay. Texas Democrats have accused Sekula-Gibbs of twice entering early voting locations — which is prohibited by law — to introduce herself to voters and workers."

CNN.com (11/7, Frieden) reports, "After weeks of considering requests for a federal presence, Attorney General Alberto Gonzales and his Civil Rights Division lawyers decided to send 850 poll watchers to 69 jurisdictions in 22 states." CNN continues, "The federal authorities are being sent to monitor a wide variety of specific issues. In New Orleans, Louisiana, however, the observers will be there primarily to provide support to a wobbly post-Katrina election system that could be overwhelmed by residency issues. … The federal force includes more than 500 trained observers from the Office of Personnel Management. They are going to places with troubled histories as certified by the Attorney General or the federal courts under provisions of the Civil Rights Act of 1965. Those locations include polling places where allegations of racial, ethnic and language discrimination have surfaced in the past -- some as far back as the 1970s." CNN adds, "The Justice Department is also sending more than 350 monitors, including attorneys from its Civil Rights Division and U.S. Attorneys offices, to other hot spots where complaints have been registered or tensions have run high. … The Justice Department has declined official comment on why any of the locations were selected. … Assistant Attorney General for Civil Rights Wan Kim said the anticipated closeness of races would be one factor in making the final decisions on where to send observers. But in the end, few of the jurisdictions receiving federal scrutiny will be in states with heated Senate races."

FBI Looks Into Alleged Virginia Voter Intimidation. The Richmond Times-Dispatch (11/7, Schapiro) reports, "The FBI is looking into possible voter intimidation in Virginia's hard-fought U.S. Senate contest between Republican incumbent George Allen and Democrat Jim Webb." The Times-Dispatch continues, "Just ahead of today's election, state officials alerted the U.S. Justice Department to several complaints of suspicious phone calls to voters about where they cast ballots and their preferences for the Senate." The Times-Dispatch adds, "Jean R. Jensen, secretary of the State Board of Elections, said yesterday that she was subsequently contacted by an agent in the FBI's Richmond office. The FBI is the investigative arm of the Justice Department. … Dee Rybiski, spokeswoman for the FBI here, declined comment." The Times-Dispatch notes, "Jensen said she called the Justice Department's civil rights office in Washington and the Virginia attorney general after receiving a complaint Sunday from a voter in Arlington County and one yesterday from the registrar in Accomack County. .. .Jensen said she later received a report from the Hampton registrar about a call to a voter there. That complaint came in response to an e-mail from Jensen to local registrars about possibly deceptive phone calls."

Cross Burning Attempted At Louisiana Town Hall. The AP (11/7) reports, "Someone tried to set a cross on fire in the town hall parking lot of Grand Coteau, where the black mayor is in a runoff Tuesday against a white woman. Authorities said Monday that they had few leads, other than for a pickup truck seen leaving the parking lot without its lights on late Thursday, the night before the cross was planted." Grand Coteau Police Chief Jonty Coco "said the state police and the FBI had been informed. A preliminary investigation indicated the cross had been soaked with used motor oil, he said."

Alleged California Pimp Charged With Sex Trafficking. The AP (11/5) reported, "A California man suspected of being a pimp has been charged with sex trafficking." Jeremiah Crayton "is charged in Phoenix with two counts of Sex Trafficking of a Minor and two counts of Interstate Transportation of a Minor for Prostitution." US Attorney Paul Charlton "says they plan to aggressively prosecute those who trade in the pain and misery of children. The complaint alleges that in August of 2004, Crayton took a juvenile female, who he knew was under 18 from Phoenix to San Francisco, where he forced her to work as a prostitute."

New York City Plans To Make Gender Designation A Personal Choice. The New York Times (11/7, Cave) reports, "Separating anatomy from what it

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means to be a man or a woman, New York City is moving forward with a plan to let people alter the sex on their birth certificate even if they have not had sex-change surgery." The Times continues, "Under the rule being considered by the city's Board of Health, which is likely to be adopted soon, people born in the city would be able to change the documented sex on their birth certificates by providing affidavits from a doctor and a mental health professional laying out why their patients should be considered members of the opposite sex, and asserting that their proposed change would be permanent." The Times adds, "Applicants would have to have changed their name and shown that they had lived in their adopted gender for at least two years, but there would be no explicit medical requirements. .. . If approved, the new rule would put New York at the forefront of efforts to redefine gender. A handful of states do not require surgery for such birth certificate changes, but in some of those cases patients are still not allowed to make the change without showing a physiological shift to the opposite gender." The Times notes, "In New York, the proposed change comes after four years of discussion among health officials, an eight-member panel of transgender experts and vital records offices nationwide. It is an outgrowth of the transgender community's push to recognize that some people may not have money to get a sex-change operation, while others may not feel the need to undergo the procedure and are simply defining themselves as members of the opposite sex. While it may be a radical notion elsewhere, New York City has often tolerated such blurring of the lines of gender identity. … And the proposal reflects how the transgender movement has become politically potent beyond its small numbers, having roots in the muscular politics of the city's gay rights movement."

WSJournal Praises Michigan Anti-Affirmative Action Initiative. The Wall Street Journal (11/7, 2.03M), in an editorial, writes, "Today in Michigan, voters face a choice on Proposal 2, which would add the following language to the state constitution: 'The state shall not discriminate against, or grant preferential treatment to any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education or public contracting.' One might think a law banning discrimination would be a triumph for civil rights. Instead, opponents have spent $3 million trying to defeat it, using some of the most low-down arguments of this low-down election year. … Polls in Michigan had the Civil Rights Initiative narrowly ahead in the final days, notwithstanding the 3-to-1 funding advantage of the opponents. If it prevails despite the distortions used by opponents, it will be a tribute to the faith among Michigan voters in equal opportunity."

ANTITRUST:

DOJ Queries Merrill Lynch On Buyouts. Bloomberg (11/7, Cole) reports, "Merrill Lynch & Co., the world's third-largest securities firm, received a letter from the U.S. Department of Justice as part of an antitrust inquiry of the leveraged-buyout industry, a person familiar with the probe said." Bloomberg continues, "Justice officials have already sent letters seeking information to Carlyle Group, Clayton, Dubilier & Rice Inc., Kohlberg Kravis Roberts & Co. and Silver Lake Partners, according to the person, who asked not to be identified because the inquiry isn't public. The Merrill letter was reported earlier today by the Wall Street Journal. … 'The DOJ is probably focusing on three to four deals initially, and if it finds any problems then it may widen the probe to include other firms and deals,' Sean Boland, co-chair of the antitrust practice at Washington-based law firm Howrey LLP, said today in a telephone interview. Boland said the probe may last more than a year." Bloomberg adds, "LBO firms have teamed up on $201 billion of acquisitions this year, compared with $31 billion in all of 2001, according to data compiled by London-based Private Equity Intelligence Ltd. In July, the industry's biggest deal was announced, the $33 billion takeover of hospital chain HCA Inc. by KKR, Bain Capital LLC, Merrill Lynch's private-equity unit and HCA co-founder Thomas F. Frist Jr. … Carlyle, Clayton Dubilier and Merrill acquired Hertz Global Holdings Inc. last year from Ford Motor Co. for $15 billion. The Park Ridge, New Jersey-based car-rental company said last month it planned to sell as much as $1.83 billion of shares in an initial public offering."

The AP (11/7) reports, "Regulators are looking into whether private equity firms, which are increasingly the driving force behind some of Wall Street's biggest buyout deals, have engaged in anticompetitive behavior." The AP continues, "The U.K.'s Financial Services Authority said in a statement Monday it is weighing whether it provides adequate oversight of the private equity market." The AP adds, "Merrill's private equity business, Merrill Lynch Global Private Equity, has been on a tear, with profits of more than $300 million last quarter. The operation was involved in the $21.3 billion leveraged

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buyout agreement of hospital chain HCA Inc. Kohlberg Kravis and Bain Capital LLC also took part in that deal. … The news comes as investors are cheering the premiums that private equity deals can bring; the private equity deals can also generate enormous fees on Wall Street. Monday brought a flurry of private equity news, with offers being made for Four Seasons Hotels Inc. and OSI Restaurant Partners Inc., which is the parent of such chains as Outback Steakhouse."

DOJ Requests Information On Smithfield-Premium Standard Deal. The AP (11/7) reports, "Smithfield Foods Inc. and Premium Standard Farms Inc., the nation's two largest hog producers, said Monday they received requests for additional information from federal regulators related to Smithfield's pending acquisition of Premium Standard." The AP continues, "The request by the Department of Justice's antitrust division extends the waiting period imposed by federal law until 30 days after the two companies have substantially complied with the request." The AP adds, 'Under terms of the deal announced in September, Smithfield Foods will buy Premium Standard for about $674 million in cash and stock. Smithfield will also assume about $117 million of Premium Standard's debt. .. Both companies said they intend to respond expeditiously to the request and to work toward a prompt closing, which they hope to achieve in the first quarter of 2007."

Ahold To Sell US Foodservice. The AP (11/7, Sterling) reports, "Supermarket chain operator Royal Ahold NV announced plans Monday to sell its U.S. Foodservice unit, which distributes bulk food to cafeterias, as part of a major strategic shift back to its roots in retailing." The AP continues, "As part of the plan, Ahold also said it would sell its Tops stores in New York and Pennsylvania, divest its retail operations in Poland and Slovakia, and sell its 49 percent stake in Portugal's Jeronimo Martins Retail. … 'The basic decision we've taken is to commit to retail, to go back to where we come from,' Chief Executive Anders Moberg told reporters. 'We will keep retail operations in markets in the United States and in Europe only where we can secure and maintain a No. 1 or No. 2 position.'" The AP adds, "Analysts said the moves were the logical next step for Ahold, which has gradually returned to firm financial footing by refinancing and selling assets after an accounting scandal centered around U.S. Foodservice pushed it to the edge of bankruptcy in 2003. … Ahold said last week that third-quarter sales at its Columbia, Md.-based U.S. Foodservice operation, which distributes food to cafeterias in hospitals, schools and prisons, increased by 5 percent to $4.5 billion. Analysts put its value at around $5 billion."

Morgan Stanley, Visa Settle European Network Access Dispute. The AP (11/7) reports, "Morgan Stanley and Visa International have agreed to settle a long-running dispute over business in Europe, the two companies said in a statement Monday. .. However, the European Commission cautioned that the settlement wouldn't end its investigation into Visa's commercial practices." The AP continues, "Visa had refused to let Morgan Stanley join its card network in Europe because Morgan Stanley runs a competing card service in the United States, Discover. Morgan Stanley complained to the European Union in 2000. … The two companies said they 'reached an amicable settlement, without any admission of liability.' Morgan Stanley has become a member of Visa in Europe. In return, it withdrew its complaint to European regulators and ended court proceedings in England. … After Morgan Stanley complained, European antitrust regulators formally charged Visa with blocking competitors from its network in August, 2004. It sent Visa a formal 'statement of objections,' saying Visa's rule barring competitors from using its network squelches competition in a growing segment of the credit-card industry and reduces choice for merchants. This case will continue despite Monday's news."

EU To Rule On Universal's Purchase Of BMG. The AP (11/7) reports, "EU regulators on Monday set a Dec. 8 deadline to rule on Universal Music Group's plans to buy BMG Music Publishing for $2.09 billion." The AP continues, "BMG — owned by German media company Bertelsmann AG — has the rights to more than a million songs by recording artists such as Nelly, Maroon 5 and Coldplay, as well as classic hits by the Beach Boys, Barry Manilow and other entertainers. … Vivendi SA's Universal is the world's largest music company." The AP adds, 'Its purchase of BMG Music Publishing must be cleared by both EU and U.S. regulators. It is likely to face careful scrutiny in Europe after an EU court in July overturned the European Commission's go-ahead from a merger between the music units of Sony and Bertelsmann AG. … That deal — reducing the number of major record companies from five to four — must be re-examined and analysts warned it could raise the

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stakes for similar mergers. The Commission has already said it had to watch the music sector closely to check that antitrust rules are not being broken. .. EMI suspended $4.6 billion takeover talks with U.S. rival Warner Music Group after the court ruling since it cast doubt on whether an EMI-Warner deal would receive regulatory approval."

NTP Files Patent Suit Against Palm Over Wireless Email. The Wall Street Journal (11/7) reports, "NTP Inc., which successfully sued the maker of BlackBerry devices for infringement of wireless email patents, said it is suing Palm Inc., maker of the Treo smartphone." The Journal continues, "The lawsuit, filed in U.S. District Court for the Eastern District of Virginia, alleges that Palm's products and services have improperly used NTP's wireless email technology. The suit asks the court to bar Palm from "continuing to infringe on NTP's patents" and seeks monetary damages for the alleged past infringements." The Journal adds, "In March, BlackBerry maker Research in Motion Ltd. agreed to pay NTP $612.5 million to settle a four-year patent dispute. Though it never conceded wrongdoing, RIM acknowledged that customers had delayed placing new orders due to the threat of a court-ordered shutdown of the BlackBerry system in the U.S. .. The Palm complaint also centers on products and services that integrate email systems with wireless communications, including the Treo, Palm VII, Palm i700 and Tungsten products. At issue are seven patents, dating from 1995 to 2001, according to the lawsuit. Five of the patents were part of NTP's lawsuit against RIM."

Former Swift Transportation CEO Makes $2.2 Billion Bid For Company. The Wall Street Journal (11/7, C6, Keeton) reports, "Jerry Moyes, the former top executive and largest shareholder of Swift Transportation Co., has offered to buy the Phoenix trucking company for $2.2 billion. … Swift, a long-haul trucking carrier, said that Mr. Moyes offered $29 a share, a 21% premium to Friday's trading price of $24.05. The company said its board will review the offer." The Journal continues, "Swift shares rose $5.79, or 24%, to $29.84 in 4 p.m. Nasdaq Stock Market composite trading, an indication that some investors anticipate a higher offer. In a letter to the company, Mr. Moyes said he would consider increasing the offer if an examination of Swift's books and records showed that the shares are worth more than $29. … In the third quarter, trucking companies reported that they hadn't seen the usual seasonal upturn in business, with retailers preparing for the holiday season. A slowing economy would hurt the trucking business."

McKesson To Buy Per-Se For $1.1 Billion. The Wall Street Journal (11/7, B2, Urbanowicz) reports, "McKesson Corp. agreed to buy Per-Se Technologies Inc., which sells administrative services to doctors and hospitals, for about $1.1 billion, expanding the drug-distribution giant's customer base and transaction-processing capabilities." The Journal continues, "McKesson also will assume Per-Se's debt outstanding under the deal. As of Sept. 30, Per-Se had long-term debt of $510.6 million." The Journal adds, "The buyer will pay $28 in cash for each Per-Se share outstanding, a 14.5% premium to the Alpharetta, Ga., company's Friday closing share price. Per-Se shares rose $3.09, or 13%, to $27.54 as of 4 p.m. in Nasdaq Stock Market composite trading. McKesson rose $1.17, or 2.4%, to 49.69 in New York Stock Exchange composite trading. … McKesson Chief Executive John Hammergren said the acquisition will strengthen customer relationships in existing McKesson businesses while adding a pharmacy transaction business to the San Francisco company's portfolio." The Journal notes, "Hedge fund ValueAct Capital, which controls about 15.5% of Per-Se's voting common stock, and certain of its affiliates agreed to vote in favor of the transaction. The deal is expected to close in the first quarter. … After the deal, the scale of McKesson's transaction-processing services and associated offerings is expected to more than double to about 560 million transactions annually, representing an estimated $300 billion in billed charges."

ENVIRONMENT/INDIAN AFFAIRS:

Industry Officials, Union, Activists Cooperate On Chemical Exposure Rule. The Washington Post's Cindy Skrzycki, in her "The Regulators" column (11/7), reports, "An industry association, a labor union and a public health group recently settled a court case over a new standard for worker exposure to a cancer-causing chemical, hexavalent chromium. It was a rare example of agreement in worker-safety regulation. Under the Oct. 25 settlement, the Surface Finishing Industry Council, whose members use the chemical to coat metals, agreed to move faster to improve ventilation and make other engineering changes to reduce workers' exposure levels. In return, the United Steelworkers union and an ally agreed that workers

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would have to wear a respirator only for certain jobs, unless they requested one." However, "there is no sign that the single agreement will cure the paralysis that for years has crippled the process for setting 'permissible exposure limits' for chemicals in the workplace."

Plan For Public Park Roils Maine Community. The New York Times (11/7, Barringer) reports from Millinocket, ME, "Roxanne Quimby could be forgiven if she thought she was emulating the likes of Henry David Thoreau, Percival P. Baxter, John D. Rockefeller Jr. and other lovers of Maine's landscape when she started to buy bits of the vast northern woodlands near here to be the core of a new national park." The Times continues, "Who knew that when she began using some of the fortune she had earned from her organic personal-care business, Burt's Bees, to buy up woods to preserve, she would be greeted with 'Ban Roxanne' T-shirts? Or, that her efforts at preservation — banning snowmobiling, hunting and all-terrain vehicles on 50,000 of her acres — would be taken as an attack on the old-time values of the timberland?" The Times adds, "Who knew that even some conservation-minded groups would be reluctant to support the decade-old vision of a national park that had inspired Ms. Quimby? … Still, one might have guessed, looking at the streets of this town of 4,700 people, where hunter's blaze orange is the fall fashion statement of choice during this month's deer hunting season." The Times notes, "Millinocket residents fear that turning timberland into parkland will further cut timber jobs, strip them of their accustomed hunting grounds and prevent the development of resorts and snowmobile parks they see as one way out of the downward economic spiral. … Other environmental groups, while sympathetic to the idea of a national park, see it as an unwelcome distraction from their fight to block a proposed 420,000-acre resort development that the Plum Creek Timber Company has unveiled for Moosehead Lake, just west of here."

Woman Vies To Be First Female Navajo Leader. The Washington Post/AP (11/7, A03, Fonseca) reports from Window Rock, AZ, "One candidate in Tuesday's Navajo Nation presidential election promises accountability and staunch protection of tribal land. The other vows to build on the reservation's economic progress in the past four years. … But in the race between incumbent Joe Shirley Jr. and challenger Lynda Lovejoy, the overriding issue is sex." The AP continues, "A win would make Lovejoy the first female leader on the largest Indian reservation in the United States, which extends into New Mexico, Arizona and Utah. … 'She is a woman, and that is going to be an issue no matter what her stance on policy,' said Dale Mason, an associate professor of political science at the University of New Mexico at Gallup. 'She represents something entirely new.'" The AP adds, "Lovejoy, a former New Mexico state lawmaker and current member of the Public Regulation Commission, hopes to unseat Shirley, 58, a former tribal council delegate who has been leading the tribe for four years. … 'I can't control people making their decision to vote for me because I'm a woman,' she said. 'I certainly appreciate and welcome that. Any vote is important to winning this ticket on November 7.' … Shirley, who has focused on economic development in his campaign for reelection, acknowledges some people will vote based on sex, but he says he is hopeful that most won't. … Some traditional Navajos believe that women and men have distinct roles in society -- women as caretakers of the home and of children, and men as providers and leaders, said Tommy Begay, a Navajo and University of Arizona doctoral student who is studying the evolution of cultures. … Although Navajo is a matriarchal society, traditional Navajos will probably stick to the belief that only men should serve as president, Begay said."

FBI/DEA/ATF/USMS:

Detroit SAC Named FBI Criminal Division Deputy Assistant Director. The Detroit News (11/7, Shepardson) reports, "The special agent in charge of the Detroit FBI has been promoted to a top job overseeing criminal investigations nationwide. Michigan native Daniel D. Roberts…will become the deputy assistant director of the FBI's criminal division in Washington. … 'I would have loved to stay here, but I am looking forward to the new challenge,' Roberts said, calling the job 'a natural fit.'" The News notes, "Last month, FBI director Robert Mueller asked Roberts to take the new job," as "the FBI is in the process of filling many jobs at FBI headquarters and reshuffling the top agents at the nation's 56 field offices. … Roberts said he was most proud of his office's handling of many special events without incident," and he "made it a priority to recruit FBI agents to the Detroit office, making the pitch that the area gets an unfair rap, and also got funding to boost the size of the office, which

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is the 11th largest U.S. FBI field office." The AP (11/7) also reports briefly on Roberts' appointment.

Five Charged In Florida Drug Investigation Spurred By Family's Slaying. The Palm Beach Post (11/7) reports a federal grand jury "has formally charged five people with conspiracy to distribute crack cocaine in a drug case spawned by an investigation into the killing of a family found shot to death last month on the side of Florida's Turnpike. Investigators say four of the West Palm Beach-area residents indicted in the federal drug case are connected to the Oct. 13 slaying of the Escobedo family on the side of the highway in Port St. Lucie - though no one has been charged in the homicides. The federal indictment was issued Friday by a grand jury in West Palm Beach and made public during a court hearing Monday morning in Fort Pierce."

Scripps Treasure Coast Newspapers (11/7) reports all four people described as "persons of interest" in the Escobedo family killings "have been indicted on federal drug charges." Investigators "were led to the drug operation by apparent references to several of the defendants in ledgers found in the Escobedo home, which recorded payments next to names, according to court records. Agents who raided the West Palm Beach home found a powder and crack cocaine, Ecstasy pills and guns."

The AP (11/6) reports a federal magistrate "denied bond Monday for a man considered a person of interest in the killings of a family of four found along Florida's Turnpike in Port St. Lucie. Ricardo Sanchez, 23, of suburban West Palm Beach, was arrested Oct. 26 on cocaine charges with four others. Police believe four of the five people arrested that same day are connected to the slayings of the family." The Gainesville Sun, Florida Times-Union, and Dallas Morning News are among the newspapers that used the AP story.

In California, Medical Marijuana Still Generating Conflicts 10 Years After Proposition 215. The San Diego Union-Tribune (11/7, Mcdonald) writes, "The potential of Proposition 215, which conflicts squarely with federal laws that classify marijuana among the most dangerous drugs, has never been realized. Thousands of California patients have no legal access to medical marijuana. … Unscrupulous and profit-minded dispensary operators have taken advantage of the absence of uniform rules, opening storefronts anywhere they can and selling marijuana to unqualified patients." The Union-Tribune says some legal scholars "believe U.S. drug agents should enforce federal laws but also respect state rights. However, the Drug Enforcement Administration has recruited local agencies to join task forces that continue to raid dispensaries and cooperatives."

Purported Gang Member Faces Federal Drug Charges In Tennessee. The Knoxville (TN) News Sentinel (11/7, Satterfield) reports, "Jessie Rondale Bailey…had been off the parole hook for his role in the May 1996 slaying of Brittany Shenice Daniels only a few months when he started racking up new charges. But the stakes for Bailey got a sudden boost last week with his arrest on a federal indictment alleging four drug sales, including two involving more than 50 grams of crack cocaine. … In April, U.S. Drug Enforcement Administration agent Todd Lee and KPD officer Bruce Conkey began building a federal drug case against Bailey, records show. … He joins former East Side gang members Melvin 'Little Melvin' Davis and Robert D. Campbell as participants in the fatal drive-by who have wound up back in trouble."

In Arizona, Former Prosecutor Remorseful About Role In Drug-Related Case. The Arizona Daily Star (11/7) reports a former Pima County prosecutor who "was once engaged to former murder suspect Bradley Schwartz says no words are adequate to describe how 'remorseful, ashamed and embarrassed' she is about the events leading up to her possible disbarment. Last November, the State Bar of Arizona filed a complaint against Lourdes Lopez, 38, saying she had engaged in criminal conduct." The bar "alleges Lopez not only was indicted in September 2002 on prescription drug fraud charges along with Schwartz, but she continued having a relationship with Schwartz despite being ordered not to, and lied about it. … She further acknowledged that she lied to DEA agents about her relationship with Schwartz when they initially questioned her."

ATF Probing Detroit Fire. The Detroit News (11/7, Brand-Williams) reports, "The Detroit Fire Department is investigating a two-alarm fire that destroyed several businesses and apartments and produced more than a $1 million in damage near Lahser and Grand River on the city's northwest early Monday morning." The News conitnues, "The National Response Team from the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and ATF special

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agents from the Detroit Field Division were called in to assist the Detroit Fire and Arson Squad in their investigation, according to the ATF. … 'We are involved because of the dollar amount of the fire. We don't look at this suspicious or not,' said Vera Fedorak, an ATF spokeswoman in Detroit. 'The Detroit Police Department asked us for assistance.'" The News adds, "The blaze was reported by a resident around 1 a.m. The building contained four businesses and several store fronts that were unoccupied. Six apartments on the second floor of the building were occupied. … There was no deaths reported in the blaze."

CONGRESS-ADMINISTRATION:

Bush To Nominate Paulson Advisor To Treasury Post. The Wall Street Journal (11/7, B11, 2.03M) reports, "President Bush said he intends to nominate Anthony Ryan, a senior adviser to Treasury Secretary Henry Paulson, to serve as assistant secretary of the Treasury for financial markets." Ryan, "who was one of Mr. Paulson's first hires at Treasury, will have primary responsibility for managing Treasury's debt-market portfolio, such as the 30-year Treasury bond. The position has been vacant for a year since Timothy Bitsberger left to join mortgage giant Freddie Mac."

House Leadership Contests Already Underway. Roll Call (11/7, Davis, Yachnin) reports that while "control of the House won't be determined until tonight at the earliest, contested leadership elections already are brewing on both sides of the aisle." For the GOP, "much of the current leadership's fate rests on today's outcome, as the chances of retaining their current posts become more vulnerable with each seat lost. Majority Leader John Boehner (Ohio) and House Republican Conference Chairwoman Deborah Pryce (Ohio) are guaranteed a challenge, as are Minority Whip Steny Hoyer (Md.) and Democratic Caucus Chairman James Clyburn (S.C.)." House Democrats "remain committed to holding their Caucus elections on Nov. 16, but House Republicans are increasingly likely to postpone their scheduled Nov. 15 elections even if they hold on to House control." If Republicans "defy expectations and retain the majority, Speaker Dennis Hastert (Ill.) has reiterated in recent weeks that he intends to run again for an unprecedented fifth term for the top job." But "long before the Foley story broke, an increasing number of House Republicans were doubtful that Hastert, who suffers from health problems including diabetes, would serve out a full Congress. Boehner is a likely candidate, but the Ohioan is seen as unlikely to mount a challenge to Hastert, rather waiting for him to exit the House on his own terms." If for "no other reason than that he took over mid-Congress, Boehner is the most likely current Republican to stay in leadership in the 110th Congress." Should Democrats "win control of the chamber, it is widely expected that Minority Leader Nancy Pelosi (Calif.) would be elevated to the Speaker's office, which would make her the first woman to hold the post." A Democrat-run House "would bring a simmering fight for the Majority Leader's office to a boil leading to the scheduled Nov. 16 leadership elections." Although "conventional wisdom gives Hoyer, as the party's current No. 2 leader, a claim to the Majority Leader's post, Rep. John Murtha (Pa.) surprised colleagues in June when he announced that he would also seek the office."

Congress To Take Up Appropriations Measures In Lame Duck Session. Roll Call (11/7, Pierce) reports regardless of "which party emerges victorious today, the current Republican majority still must find a way to fund the government, at least through the winter holidays, as well as finish other year-end business during the lame-duck session, which begins next week but is destined to last well into December." In order "to give themselves some breathing room after what is expected to be a bruising Election Day for the GOP, one of the first orders of business in both chambers next week is likely to be the passage of a continuing resolution that would allow Congress to punt the issue of fiscal 2007 appropriations until the first full week in December." GOP leaders "plan to make at least a passing attempt to complete the remaining nine spending bills as stand-alone measures, rather than cobbling them together into a massive omnibus appropriations measure — a necessity if Congress wanted to finish up within one week." But Senate Majority Leader Bill Frist (R-Tenn.) "finally acknowledged last week that Congress will have to extend its lame-duck session into December after taking a two-week break for Thanksgiving. That gives Congress more time to take up at least a few more of those appropriations bills in regular order."

Federal Board Rules Preference For Veterans Supersedes Expedited Hiring Programs. The Washington Post's Stephen Barr (11/7),

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in his "Federal Diary" column, reports, "A federal board has reaffirmed the government's obligation to show a preference for military veterans in hiring, even when federal agencies use a special program designed to quickly fill jobs with applicants who have a high grade-point average. The decision by the Merit Systems Protection Board, which hears appeals in federal personnel disputes, is a setback for the Outstanding Scholar program, which permits agencies to bypass regular civil service hiring procedures, and for the Office of Personnel Management, which had petitioned the board to reconsider its rulings from last year. … Kerry B. McTigue , general counsel at the OPM, said government lawyers are studying last month's decision and whether to file a federal court appeal. The American Legion…welcomed the board's decision."

OTHER NEWS:

Greenspan Says Economy Poised For Rebound. The Washington Post (11/7, D2, Henderson, 748K) reports, "Former Federal Reserve chairman Alan Greenspan said yesterday that home sales and prices may continue to slide for some time, but the broader US economy appears poised for a rebound. 'It looks as though the worst is behind us' in terms of the effect of the housing slump on economic growth, he told financial advisers at a conference in Washington organized by Schwab Institutional, a division of Charles Schwab & Co." He added, "We're obviously going through a significant slowing period, which as best as I can judge is quite likely to be temporary."

Stocks Rise. NBC Nightly News (11/6, story 12, 0:20, Williams, 9.87M) took "a look at Wall Street on this day before the national election. The Dow was more than 119 points on [to close at 12,105.55] on today's trading. NASDAQ was also up more than 35 points [to close at 2,365.95]." USA Today (11/7, Shell, 2.27M) reports, "The Dow's resurgence may be signaling that its recent slump was just a normal pause after a heady three-month rally that saw it crack its old record set in January 2000, top 12,000 for the first time and close at an all-time high of 12,163.66 on Oct. 26." The Wall Street Journal (11/7, C1, 2.03M) notes "the broad Standard & Poor's 500-stock index gained 1.1%, or 15.48 points, to 1379.78, ending a three-day pullback up 10.5% on the year."

The Washington Post/AP (11/7, D3) runs a similar report on the stock numbers. The Financial Times (11/7, Guerrera, Simon, Blitz) reports, "A takeover wave worth more than $15bn swept through global markets on Monday, boosting stock indices as big deals by investors such as Bill Gates and Kohlberg Kravis Roberts eased fears of a slowdown in merger activity. The flurry of activity – dubbed 'Takeover Monday' by analysts – was led by a $3.7bn bid by Mr Gates and Prince Alwaleed, the billionaire Saudi investor, for Four Seasons Hotels, the Canadian chain." USA Today (11/7, Krantz, 2.27M) said "Monday looked like the day of the deal again, for this week at least, as a wave of mergers and acquisitions swept Wall Street, enveloping half a dozen U.S. companies."

Fed Official Says Income Gap Could Undermine US Democracy. USA Today (11/7, Kirchhoff, 2.27M) reports, "US income inequality has risen to such a level that 'there are signs that (it) is intensifying resistance to globalization, impairing social cohesion, and could, ultimately, undermine American democracy,' San Francisco Federal Reserve Bank President Janet Yellen said Monday." In "language rare for a central bank official," Yellen "suggested that high priority be given to improving education, tax credits and other aspects of the social safety net, despite the cost in dollars and possible impact on economic efficiency, according to the text of her lecture at the University of California, Irvine."

Florida Gubernatorial Candidate Snubs Bush On Campaign's Last Day. The AP (11/7, Espo) reports, "On the eve of midterm elections, Democrats criticized Republicans as stewards of a stale status quo while President Bush declared, 'we're closing strong' in a final drive to preserve GOP control of Congress." Bush "campaigned on Monday from Florida to Arkansas and Texas." But "the day brought one more reminder of his poor standing in the polls when Republican gubernatorial candidate Charlie Crist skipped the presidential rally in Pensacola, Fla., to make a speech of his own hundreds of miles away." Bush "made no mention of the evident snub in public, but not so his aides. 'Let's see how many people show up in Palm Beach on 24 hours notice, versus 8,000 or 9,000 people' expected for the president's speech, said Karl Rove, the White House's top political strategist." The Los Angeles Times (11/7, Gerstenzang, 918K) notes Rove's "snippy remark," and adds he "overestimated the size of the Pensacola crowd by several thousand."

Crist's "evident snub" focused much of the nation media attention when it came to the President's campaign swing. As the South Florida Sun-Sentinel (11/7, Hollis, 265K) reports,

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the "irritation shown by the White House…over Crist's snub of the president in Pensacola…captured the media attention. Crist's spokesman said Sunday the candidate was skipping a rally there because he needed to spend his final day of campaigning elsewhere in the state, including vote-rich South Florida."

All three networks noted it, with the CBS Evening News (11/6, story 6, 1:45, Axelrod, 7.66M) reporting Florida "neatly sums up the President's status. Low approval ratings mean he only visits heavily conservative areas like the Panhandle. But even there top GOP candidates don't want to be seen with Mr. Bush."

ABC World News (11/6, story 2, 0:30, Gibson, 8.78M) showed Bush saying, "I strongly suggest you vote for Charlie Crist to be governor of the state of Florida." ABC then added, "One person missing at the rally was Charlie Crist, the Republican candidate for Florida governor. He was campaigning elsewhere. And it was Crist who invited the President to Florida." NBC Nightly News (11/6, lead story, 3:30, Gregory, 9.87M) also noted the story, adding "many Republicans want distance from the President and his message."

Fox News' Special Report (11/6, Hume) reported, "In the conservative panhandle of Florida the day before election day was a Bush family affair." It "was the last time Gov. Jeb Bush would introduce his brother, the president, who urged the crowd to get out the vote for Jeb's replacement." President Bush: "Tomorrow you get to vote for a new governor. I strongly suggest you vote for Charlie Crist to be governor of the state of Florida." Fox continued, "While Charlie Crist signs dotted the crowd Crist was a no-show. He was campaigning in Jacksonville with Sen. John McCain. His campaign said it already had strong support in the panhandle and time would be better spent elsewhere."

MSNBC's Hardball (11/6, lead story, Matthews) also reported President Bush "was stood up today by" Crist. According to MSNBC, "The White House thought Charlie Crist would introduce the president at that rally but decided at the last minute not to show up." MSNBC added, "The president himself seemed to be above it all. … He urged the crowd…to vote for" Crist. President Bush "also asked people to vote for Katherine Harris. She was in the audience, not on the stage."

The AP (11/7, Loven) reports, "The closer the election came to the finish line, the more President Bush's aides battled the perception he was doing his party as much harm as good and was unwanted in many districts." Along similar lines, the Washington Post's Eugene Robinson (11/7) writes, "The Republican Party was saddled with an unpopular president who led the nation into an unnecessary and unwinnable war, mocked traditional American notions of justice and privacy, reasserted the powers of an imperial presidency, and generally showed himself willing to disregard objective facts if they were not to his liking. That wasn't much for Republican incumbents to work with." Noting Crist's absence from the event, AFP (11/7, Knox) says Bush "suffered one final campaign trail indignity."

The Palm Beach Post (11/7, Lipman, Poole, Crowley, Date) reports "the state's top Republican candidates were conspicuously absent from the presidential rally, which drew about 7,500 people." The only statewide candidate to attend the event featuring the president and his brother Gov. Jeb Bush "was U.S. Rep. Katherine Harris. But Harris, who trails far behind in the polls in her bid to unseat Democratic U.S. Sen. Bill Nelson, did not appear on stage with them. … Republicans Bill McCollum, who is seeking to succeed Crist as attorney general, and incumbent Agriculture Commissioner Charles Bronson were campaigning along the Interstate 4 corridor. Tom Lee, the GOP candidate for chief financial officer, also was not in Pensacola."

The Washington Times (11/7, Curl, 88K) reports that "at events in Montana, Nevada, Missouri, Nebraska, Kansas, Florida, Arkansas and Texas, Mr. Bush urged supporters to get out the vote." The Times describes Crist's absence from the event as "an odd twist."

The Washington Post (11/7, A1, Baker, 748K) also notes Crist's "snub," and adds, "So it goes these days. Bush shrugged it off and delivered a robust speech, firing up a crowd of Republicans and defiantly predicting victory. Any doubt he may harbor, he kept to himself. Any feelings of regret are locked tight inside. The rest of the world may see an unpopular president in the midst of an unpopular war. But Bush soldiers on. He does not publicly stew as other presidents have. He powers through event after event as if he were still the leader the country rallied behind after Sept. 11, 2001."

The Houston Chronicle (11/7, Mason, Scharrer, 535K) notes that in Texas, Gov. Rick Perry got "a personal boost from President Bush and independent Carole Keeton Strayhorn blitzing the state with Bush's former press secretary and the president's former Medicare chief." In "his last event of the campaign season, Bush touched down in Dallas for a

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rally with Perry, telling an estimated 10,000 people at Reunion Arena that 'You elected us to get things done.' 'Let me put it to you this way,' Bush told the cheering crowd. 'Everything I learned, I learned here in Texas.'"

The Chicago Tribune (11/7, Silva, 623K) reports, "On Monday, the last day of his final political campaign that could effect his presidency, Bush brandished the unrelenting optimism which he has carried to his own personal battle for his party's control of Congress for months." Bush also "carried the added burden of his own unpopularity as president, with the war in Iraq having taken a toll on the president after nearly four years of combat. "

Under the headline "A Last Hurrah Of Sorts For Bush-Rove Partnership," the New York Times (11/7, Rutenberg, 1.21M) reports "Bush and his political partner, Karl Rove, ended it where they started it: in this sliver of Northwest Florida that arguably gave them their 2000 victory. Like then, the two have utilized a symbiotic relationship in which, friends say, Mr. Rove, the president's chief political adviser, is both mastermind and supplicant, and Mr. Bush is both leader and follower. While several members of the team that got Mr. Bush to the White House in 2000 are gone, Mr. Rove remains." The Times adds, "Asked Monday about plans for a possible Democratic-controlled Congress, Tony Snow, the White House spokesman, repeated his standard refusal to discuss the topic, then added, 'Here's the thing that you do need to know, which is that the president plans for a very active final two years of his presidency.'" He added, "So the president is going to be very aggressive, and he's not going to play small ball."

Meanwhile, the AP (11/7, Hunt) says that "running out of time and influence, President Bush faces a rough road in the twilight of his presidency regardless of who controls Congress. … Republicans are in a sour mood, scarred by corruption scandals, held in low esteem by voters and divided over issues from deficit spending to immigration reform. Many GOP candidates shunned Bush in their campaigns, fearing he would hurt rather than help them. With the end of the midterm elections and the opening of the 2008 presidential race, Republicans as well as Democrats will be telling the country how they would do things differently from Bush."

Giuliani Credits Bush's Campaigning For GOP "Momentum." Former New York City mayor Rudy Giuliani, on Fox News' Hannity and Colmes (11/6) said he believes Republican candidates are starting to gain "momentum" in the polls because "the president's campaigning has helped a lot -- going out there and making the case for remaining on offense against terrorism. I think people are seeing an economy that is doing really well and they realize a lot of that had to do with the action that the president took in lowering taxes."

Analysts Expect Democrats To Take House, Perhaps Senate. The consensus of media commentators on the eve of the election is that Democrats will take the House and may possibly gain control of the Senate as well, although that possibility appears to have lost some steam in the last few days. The New York Times (11/7, Broder, Rutenberg, 1.21M) reports even Ken Mehlman, chairman of the Republican National Committee, yesterday "introduced a cautionary note in contrast with confident predictions by Mr. Bush, Mr. Rove and Vice President Dick Cheney that Republicans would retain majorities in the House and Senate. Asked about his party's prospects in the House, Mr. Mehlman said that although he saw signs of new hope that Republicans could retain control, 'I believe it's going to be very close; I think it remains an uphill climb.'" He "sounded more confident about the Senate." The Times adds, "Independent analysts predict Democratic gains of 20 and 40 seats in the House, giving the party control for the first time since 1994. An analysis accompanying a Gallup Poll released over the weekend said that based on calculations from Congressional elections from 1946 to 2002, the Democrats were poised to gain 11 to 58 seats, with a gain of 35 the most likely outcome."

In a similar report, the Los Angeles Times (11/7, A1, Brownstein, 918K) says "most analysts on both sides agreed it would be extremely difficult for Republicans to prevent Democrats from securing the 15-seat gain they need to capture a majority in the House. " In the Senate, "Democrats face a tougher climb." They need a gain of six seats to reach a majority, and that will require them to capture at least four of the five most closely contested Republican-held seats -- in Rhode Island, Montana, Virginia, Tennessee and Missouri -- without losing any seats they already hold." The AP (11/7, Raum) notes "nearly every Democratic senator seeking re-election seems assured of another term, polls suggest."

USA Today (11/7, Nichols, 2.27M) reports Republican leaders "cited narrowing polls in Senate races in Montana, Rhode Island and Maryland as signs of an 11th-hour surge." Turnout "should increase from 39.7% in 2002 and may exceed the most recent midterm high of 42.1% in 1982,

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according to Curtis Gans, director of American University's Center for the Study of the American Electorate. Gans does not expect this year's turnout to top the all-time benchmark of 47% in 1970."

As NBC Nightly News (11/6, lead story, 3:30, Gregory, 9.87M) reported, some recent polls have shown Republicans making some progress on the generic poll. GOP leaders, while "bracing for losses…nevertheless they seized on some of that new polling…arguing that there is a tightening in the race and to argue that the Republican faithful are indeed coming home." NBC added that "for Republicans, it's almost all defense and they're fending off Democrats in solidly red territory," where Republican struggling to attract independent voters. Charlie Cook, political analyst, was shown saying, "If independents vote breaking 2-1 Democratic, that's how you get into 30, 35-seat loss for Republicans in the house, maybe even higher."

The CBS Evening News (11/6, lead story, 1:40, Schieffer, 7.66M) commented on the new polls and said it is "clear the spread is shrinking and things are moving. Having said that, the Republicans are still behind, they are running with a President who has a very low approval rating and all the polls show Americans believe the country is headed in the wrong direction. So it's going to be hard for the Republicans to close this gap entirely."

On NBC Nightly News (11/6, story 6, 3:05, 9.87M), Tim Russert said Democrats "think the most fertile ground" for them is "the Midwest and the East and this is how they plan to do it. Indiana -- they believe they can win three seats. Ohio, three seats. Pennsylvania, four seats. New York, three seats. Connecticut, two seats. If they can win 15 seats in just those five states, they have captured control of the House. And they still have 20 other seats all across the country." In the Senate, "there's a battleground in seven Republican states…and two Democratic states." Democrats "must hold New Jersey and Maryland. Then, they need to win six of the seven -- Pennsylvania, Ohio, Rhode Island, Montana, Virginia, Missouri, Tennessee. If they lose Tennessee, they have to win six out of six on the Republican side. If they lose New Jersey or Maryland, then they have to win all seven of the red states or they do not recapture control of the Senate. This is the equivalent of the winning the Senate of the inside straight."

The Christian Science Monitor (11/7, Feldmann, 58K) reports a "last-minute tightening in the polls of Senate contests from Montana to Rhode Island to Maryland has thrown some doubt into the calculations of pundits who had come to see a Democratic takeover as possible." While many analysts "can see a clear path to a Democratic net gain of five seats…which would bring the partisan balance sheet to a 50-50 tie," the "last-minute volatility both in the nationwide polls gauging voter preferences and in individual races leaves the outcome even more in doubt." Voters "in Rhode Island and Montana who once appeared set to throw out their two Republican senators Lincoln Chafee and Conrad Burns may be having second thoughts, judging by the tightening of polls there." In his column in The Hill (11/7), Dick Morris says, "While the Republican Party leadership in the House seems doomed to move into a well deserved minority, the GOP shows increasing signs of being able to hang on to the Senate, although perhaps by the thinnest of margins."

The Wall Street Journal (11/7, B1, 2.03M), however, says that although "Republican prospects seem slightly brighter in the Senate…enough of these races are now toss-ups to put the Democrats within striking distance. Judging from the polls, the over-under betting on Democratic pickups of Senate seats hovers at around five."

On ABC World News (11/6, story 3, 2:00, 8.78M), George Stephanopoulos said, "There's no question the Republican base is getting back in the game. And they're starting to cut into the Democrats' lead among independents. Democrats' polls confirm this tightening, as well. They also point out that margins like we just saw could translate for a big night for them. In 1994, when Republicans took over, their margin was 52-46. They won 52 seats." Gibson: "Let's talk about the Senate. The question is, can the Democrats pick up six seats?" Stephanopoulos: "Looking very tough. The consensus in both parties is it's an uphill fight right now. Democrats starting to feel a little better about the state of Missouri. But Republicans are feeling better about the states of Michigan, which hadn't been on the map at all up until today, and Maryland, which is a Democratic stronghold. Most interesting, both Democrats and Republicans agree that Lincoln Chafee, the Republican in Rhode Island, is coming on very strong. He is ahead right now." Stephanopoulos added, "Presidential approval rating is the best predictor of midterms. Look back at these ratings. 1966, Lyndon Johnson, 44%. Lost 47 seats. Ronald Reagan in 1982, 42%, lost 26 seats. Bill Clinton in 1994, 46%, lost 52 seats. George W. Bush is below all of them in approval rating. That is clearly a danger zone."

Stuart Rothenberg, in a Roll Call column titled "Down To The Wire: Expect A Big Night For Democrats" (11/7),

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writes that "there is little uncertainty about the fight for the House, except for questions about exactly which Republican incumbents will be lucky enough to survive. … Republican chances for retaining the House have moved from small to smaller, and public and private polling now suggests a solid Democratic win." He adds that "even the most optimistic Republican insiders I can find seem to think a loss of 18 or 19 seats is inevitable, while others counter that a loss of more than 30 is more likely. Most GOP insiders would be ecstatic if the party held its losses to two dozen or less."

The Weekly Standard's Bill Kristol, on Fox News' Special Report (11/6, Hume), noted that "there's no poll [generic House ballot] that is now closer than four points. Fox News is now showing it's back up to 13. I think the Democrats will win the house." According to Kristol the Democrats are likely to pick-up 32-40 seats. Kristol predicted the Senate will be 50-50, or "possibly 51-49 Democratic." Kristol added, "I think [Sen. Jon] Kyl could lose and "if he loses it's a blow-out on election night, obviously."

The Weekly Standard's Fred Barnes, also on Fox News' Special Report (11/6, Hume), said, "I think [the GOP] will lose the House but hold the Senate."

Roll Call (11/7, Whittington) also says "there is little question that Democrats are well-positioned to win at least the 15 seats needed to take the House majority," even if "the magnitude of their victory rests largely on their ability to win a number of what were once second-, third- and even fourth-tier contests." In the Senate, "late shifts in a handful of competitive races has put the Democrats' final math somewhat in flux after a monthlong intense focus on Missouri, Tennessee and Virginia as the states expected to decide control of the chamber."

The Washington Post (11/7, A1, VandeHei, Balz, 748K) reports Republican "operatives…said there is mounting evidence that fears about the nuclear threats in Iran and North Korea, coupled with more generalized doubts about Democratic competence and fortitude on national security, have provided GOP candidates with much-needed momentum in the final days. GOP tracking polls, these strategists said, have shown a slight but steady uptick since Sen. John F. Kerry (D-Mass.), in what he called a botched joke, suggested that uneducated people end up fighting in Iraq -- a comment that infuriated top Democrats despite the 2004 presidential nominee's repeated apologies and explanations." The Washington Times (11/7, Lambro, 88K) addresses similar GOP predictions under the headline "Kerry Gaffe Loses Independents For His Party."

The Washington Times (11/7, Hurt, 88K), in another story titled "Polls Give GOP A Lift On Election Eve," says "Republicans on Capitol Hill…were guardedly optimistic that this year's much-predicted Democratic 'tidal wave' will fail to materialize. Still, Republicans await the results more anxiously than Democrats."

ABC World News (11/6, lead story, 3:05, Tapper, 8.78M) reported, "Republicans say they've spent $30 million on getting out the vote, fliers and phone banks, three million voter contacts just on Saturday. Democrats say they spent $40 million with 3.5 million contacts on Saturday." NBC Nightly News (11/6, story 5, 2:35, Reid, 9.87M) noted "both parties are now aggressively pursuing a technique called microtargeting. They collect massive amounts of information about potential voters. Everything from where you live to what you drive to what you read."

The Financial Times (11/7, Luce, Negus) reports "Republican strategists said their volunteers had made direct contact with 27m American voters during the election campaign – far more than the Democrats. 'We have made more voter contacts in 2006 than we did in 2004, which is remarkable given that this is a mid-term election, not a presidential election,' said Dana Perino, a White House spokesperson." However, electoral analysts "said the superiority of the Republican fundraising and 'micro-targeting' machines would be insufficient to breach the wide Democratic lead, which was still averaging 11 percentage points if all the polls of the past few days were taken into account."

The AP (11/7, Kuhnhenn) reports "national committees for the Republicans and Democrats have spent about $225 million for or against candidates, concentrating their resources in 10 Senate races and 66 House contests that could determine who controls Congress.' The data "is based on a review of independent spending reports filed with the Federal Election Commission as of Monday. Republicans spent about $81 million in 53 congressional districts, mostly on television advertising opposing Democratic challengers. Democrats spent $64 million in 56 congressional districts, most of them represented by a Republican."

The Wall Street Journal (11/7, A1, Cummings, 2.03M) reports, "This time around, Democrats have played the money game more assertively than in any previous midterm election. Party leaders have mined donors for extra cash.

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They set explicit fund-raising targets for new candidates to win the party's backing. And they also raised donation targets for veteran politicians who want to become committee chairmen should Democrats win a majority." The Journal adds, "The result: Fund raising by the Democratic congressional committees is running 30% ahead of the same period two years ago, according to a study by the Campaign Finance Institute, a nonpartisan group that tracks political money. The Democratic party committees for the first time entered the final weeks of a campaign with nearly as much money in the bank as their Republican counterparts." That "has allowed Democrats to attack earlier, even to the point of backing conservative Republicans in primary races they thought would be more beatable in the general election."

Democrats Fear "Overheated" Expectations May Demoralize Party Even In Victory. The New York Times (11/7, Nagourney, 1.21M) reports, "In most midterm elections, an out-of-power party picking up, say, 14 seats in the House and five seats in the Senate could call it a pretty good night." But "for Democrats in 2006, that showing would mean coming up one seat shy of taking control of both the Senate and the House. And it would probably be branded a loss — in the case of the House, a big one." The Times adds, "For a combination of reasons -- increasingly bullish prognostications by independent handicappers, galloping optimism by Democratic leaders and bloggers, and polls that promise a Democratic blowout -- expectations for the party have soared into the stratosphere. Democrats are widely expected to take the House, and by a significant margin, and perhaps the Senate as well, while capturing a majority of governorships and legislatures." These expectations "may well be overheated. Polls over the weekend suggested that the contest was tightening, and some prognosticators on Monday were scaling back their predictions, if ever so slightly. … Some Democrats worry that those forecasts, accurate or not, may be setting the stage for a demoralizing election night, and one with lasting ramifications, sapping the party's spirit and energy heading into the 2008 presidential election cycle."

Republicans Keep Senate In Student Election, But Lose House. The Wall Street Journal Online (11/7, Malik) reports, "Nearly one million votes cast by elementary and high school students in a nationwide mock election backed a Republican Senate but turned power over to the Democrats in the House of Representatives." The ballots for "the Youth Leadership Initiative's Internet mock election, which ended Thursday night, were tailored to local elections and referenda. Larry Sabato, director of the University of Virginia's Center of Politics, started the program in 1998 at three local schools." In the "mock election, Democrats gained seats in Pennsylvania, Montana, Tennessee and Mississippi. But Republicans carried Florida, Minnesota and Washington for a 54-seat majority." Republican George Allen "may have retained his Senate seat in Virginia, but his 44.74% win against Democratic rival Jim Webb's 44.59% shows how his campaign missteps became an issue. Hilary Clinton retained New York for the Democrats by a wide margin." In the House races, "the student polls were brutal in Ohio, Florida, New York and North Carolina. Democrats came out ahead with 218 seats compared with 202 for Republicans and 15 for other candidates."

Democrats Hope To Win Senior Citizen Votes. The Wall Street Journal (11/7, B1, Lovely, 2.03M) reports Democratic strategists "looking for bellwethers are closely watching a group of voters that has attracted relatively little attention in the blitz of this year's campaign: senior citizens." Democrats "decisively lost the vote of older Americans to President Bush in the 2004 election, which party leaders see as a key reason they failed to unseat the president. Exit polls indicate Mr. Bush prevailed among those ages 60 and over by a margin of 54% to 46%." Democrats "think they can recapture those voters this year, which would be a crucial step toward taking one or both houses of Congress."

Illegal Immigration Fails To Become GOP Midterm Silver Bullet. In the Wall Street Journal's "Campaign Journal" column (11/7), Jackie Calmes says congressional Republicans "seized on the issue many hoped would be a silver bullet to get through the midterm elections, and without the losses that a president's party traditionally suffers. By attacking illegal immigration, Republicans could look tough on border security and please their conservative constituents and many independents. In the process, they could force votes in Congress -- say, on cutting off benefits for illegals' children, or making English the official U.S. language -- that would divide the Democrats and their Hispanic allies, and, ideally, trap some Democratic lawmakers into votes that could be turned into 30-second attack ads for television by November 2006." But it "hasn't exactly turned out that way." The issue "of dealing with illegal immigrants divided the Bush-era Republican Party at least as badly, and more embarrassingly so given that it holds all the power in Washington."

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Kinsley Critiques Democrats' Plan For Iraq. The Washington Post's Michael Kinsley (11/7) writes, "Apparently and unfortunately, President Bush is right that the Democrats have no 'plan for victory.' … For national security in general, the Democrats' plan is so according-to-type that you cringe with embarrassment: It's mostly about new cash benefits for veterans. Regarding Iraq specifically, the Democrats' plan has two parts. First, they want Iraqis to take on 'primary responsibility for securing and governing their country.' Then they want 'responsible redeployment' (great euphemism) of American forces."

Liberals' Triumph Seen As Likely To Be Short-Lived. In an op-ed for the Wall Street Journal (11/7, A12, 2.03M) Arthur C. Brooks, a professor at Syracuse University, writes, "This midterm election, in the view of many optimistic liberals, will be a forceful repudiation of the inevitability of American conservatism. A victory after so many years of losses will mark the beginning of the end to the country's nightmarish reactionary drift. … But will it really be the dawn of a new day for the American left? After a cold look at the evidence, liberals might decide to take the champagne off the ice. The victory, assuming there is one, will hardly be glorious, and long-term trends are still distinctly right wing."

Dionne Predicts GOP Infighting. The Washington Post's E. J. Dionne (11/7) writes, "The administration's approach to Iraq is an orphan -- only President Bush and his closest advisers claim it as their own. That is why we can know how Republicans and conservatives will spend the last two years of the Bush presidency. They will fault philosophical adversaries for what went wrong, purge various actors and ideas from the movement, and insist on contradictory forms of ideological purity."

O'Reilly Portrays Pelosi As "Standard-Bearer Of San Francisco Values." The subject of last night's "Talking Point Memo" on Fox News' The O'Reilly Factor (11/6) was "San Francisco Values vs. A Time of Terror." Host Bill O'Reilly noted, "There's no question that the nation's most liberal city doesn't reflect the traditional values of most Americans. The city's standard-bearer Nancy Pelosi is about to become one of the most powerful people in the country if all goes the Democrats way tomorrow. The ACLU is thrilled. George Soros is delirious. … But the rest of us are left with an unsettling feeling, yes, Iraq's a mess, but what's on the horizon isn't exactly a vision of comfort either."

Democrats Cry Foul Over NRCC Automated Negative Phone Banks. The New York Times (11/7, Drew, Hulse, 1.21M) reports automated phone calls criticizing Democrat Lois Murphy in the Pennsylvania 6th CD race "are part of a telephone blitz that the Republican Party has unleashed in several dozen races that are likely to determine control of the House in Tuesday's elections. And the repeat calls to the same homes have set off a new furor over campaign tactics, with the Democrats claiming the calls violate federal communications rules and are tantamount to harassment." Murphy and "other Democrats say they have been flooded with complaints from irritated voters who think that the calls are coming from the candidates themselves. Many of the voters had hung up before the message was over, and never heard that it was produced by the Republican Party." Democratic leaders "contend that the messages violate federal rules that require groups making automated calls to identify themselves at the outset. And the National Republican Congressional Committee, which has financed the calls, agreed on Sunday to quit making some of them in New Hampshire, where a state law limits who can receive computerized phone messages." NRCC spokesman Ed Patru "said the phone campaign complied with federal law and was 'drawing contrasts' between the candidates." But Democratic officials "say they fear the saturation calling is just a tactic to irritate voters and discourage them from going to the polls."

The Washington Post (11/7, A8, Babington, MacGillis, 748K) reports the "heavy volume of automated political phone calls has infuriated countless voters and triggered sharp complaints from Democrats, who say the Republican Party has crossed the line in bombarding households with recorded attacks on candidates in tight House races nationwide." Some voters, "sick of interrupted dinners and evenings, say they will punish the offending parties by opposing them in today's elections. But critics say Republicans crafted the messages to delude voters -- especially those who hang up quickly -- into thinking that Democrats placed the calls." Republicans "denied the allegation, noting that their party acknowledges its authorship at the recorded calls' end. After citizens' complaints in New Hampshire, however, the National Republican Congressional Committee agreed to end the calls to households on the federal do-not-call list, even though the law exempts political messages from such restrictions." Whether "'robo-calls' are positive or negative, mean-spirited or humorous, thousands of

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Americans are sick of them, according to campaign organizations that have been fielding complaints over the past two weeks." In a "conference call with reporters yesterday, the DCCC chairman, Rep. Rahm Emanuel (Ill.), compared the widespread robo-calling to a 2002 Republican effort in New Hampshire to jam Democratic phone lines to prevent the Democrats' get-out-the-vote effort."

Media Consortium Seeks To Keep Exit Polls Under Wraps. The Wall Street Journal (11/7, B1, Schatz, 2.03M) reports, "Two-by-two, polling specialists from ABC, CBS, NBC, CNN, Fox News and the Associated Press will go into rooms in New York and Washington shortly before noon Tuesday. Their cellphones and BlackBerrys will be confiscated; proctors will monitor the doors; and for the next five hours, these experts will pore over exit-poll data from across the country." If "all goes well, only when they emerge from their cloisters will the legions of ravenous political bloggers have any chance of getting their hands on the earliest indication of which party will end up controlling Congress." The "extraordinary security is a result of mix-ups that prompted grumbling about the accuracy of exit polls after the 2004 presidential election: Bloggers posted data from early exit polls, incorrectly calling some states for Massachusetts Democratic Sen. John Kerry and indicating that he would unseat President Bush." This year, media executives "figure the secret will keep less than half an hour."

Election Outcome Expected To Be Known Early. The Washington Post (11/7, A6, Birnbaum, 748K) reports election observers "probably will not have to stay up too late to know which way the midterm elections are heading." Amy Walter of the Cook Political Report said, "The key races in Congress are concentrated in the Eastern and Central time zones, so we ought to have a good sense of the trend relatively early in the evening." The Post adds that in the Senate, Democrats "would have to gain six seats to win a majority, and all but one of the most competitive races are in states in the East or Midwest: Virginia, Tennessee, Missouri, New Jersey, Pennsylvania, Rhode Island, Ohio and Maryland. The single nail-biter farther west is in Montana." Most tossup House races "are also clustered in states east of the Mississippi River. By watching the fate of Republican candidates in Connecticut, New York, New Hampshire, Pennsylvania, Kentucky, Indiana and Ohio, political enthusiasts will have a good idea whether Democrats will win the 15 seats they need to take control of the House, analysts say." But that "is, of course, if everything goes smoothly. And things rarely do. Uncertainties about electronic voting machines and hassles over identifying registered voters could make early predictions about the election precarious."

The New York Times (11/7, Zeleny, 1.21M) reports for an "early glimpse of how election night will unfold, strategists of both parties have their eyes fixed on Indiana. Yes, Indiana is home to three of the most competitive House races in the nation. But it is the 6 p.m. Eastern closing time for a majority of the state's polling places that is most intriguing to Republicans and Democrats."

Armitage Says Election Gives US Chance To Win Back Lost Allies. The Washington Post (11/7, A10, Goldfarb, 748K) reports former Deputy Secretary of State Richard L. Armitage, "who was an influential adviser to Colin L. Powell when Powell was secretary of state, has weighed in on today's midterm elections, saying they offer the United States a chance to win back lost allies around the world." In a speech in Canberra, Australia, Armitage said "he expects Republicans to lose control of the House and perhaps the Senate. In an election dominated by a war that has turned off many U.S. allies, Armitage said Americans are concerned that international support for U.S. policy has declined since the Sept. 11, 2001, attacks."

Gore Campaigns For O'Malley, Cardin In Maryland. The Washington Post/AP (11/6) reports former Vice President Al Gore "made an election-eve visit to Maryland Monday, joining Democratic gubernatorial candidate Martin O'Malley and Senate candidate Ben Cardin at a get-out-the-vote rally at a Montgomery County retirement community." Gore was "the only national heavyweight from either party to campaign in the state on a day when Republican Gov. Robert Ehrlich wound up his campaign with a rally near his boyhood home in Baltimore County and Lt. Gov. Michael Steele, the party's Senate nominee, continued what his campaign described as an around-the-clock campaign tour that he had started on Sunday." Gore's "appearance at Leisure World attracted an overflow crowd of more than 300 to hear the former vice president and a host of Maryland Democratic officials, including O'Malley, Cardin attorney general candidate Doug Gansler and comptroller nominee Peter Franchot." Gore said "Congress has abdicated its responsibility to hold President Bush accountable for his failures, and a Democratic House and

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Senate are needed to ask the tough questions Republican leaders are not asking." He said Baltimore "under O'Malley has had 'the most competent, most cutting edge ... administration of any city in the country.'"

The Washington Times (11/7, Ward, Miller, 88K) reports Gore, "who lost the 2000 presidential election to President Bush after weeks of recounts in Florida, said Mr. Cardin's contest with Mr. Steele 'is going to be looked at all across the nation.'" Cardin said, "This is about more than a Senate seat in Maryland. It's about taking back our country." The Times adds O'Malley "called the Ehrlich administration a 'detour' in the state's progress."

Fox News' Special Report (11/6, lead story, Hume) opened its broadcast with an update on the Senate race in Maryland, reporting, "a flashback -- former Vice President Al Gore stumping for Ben Cardin…and indirectly acknowledging the Democrats could lose this seat and any chance of the senate majority. … Endorsed by self black church pastors, Michael Steele has pulled into a statistical dead heat in this Democratic state and the head of the Democrats' national campaign downplayed expectations today."

Allen, Webb Urge Supporters To Vote. The Washington Times (11/7, Bellantoni, McLaughlin, 88K) reports Republican Sen. George Allen and Democrat James H. Webb Jr. "urged Virginians to go to the polls, as they crisscrossed the state in their final full day of campaigning in a race that could determine control of the U.S. Senate." The "uncertainty of today's result was crystal clear yesterday, with the release of two competing polls -- one giving Mr. Webb, a Vietnam War veteran, an eight-point lead and the other showing Mr. Allen, a former governor and congressman, with a three-point lead." Webb "ended his 10-month underdog campaign at a rally with former President Bill Clinton and more than 2,000 supporters in Old Town Alexandria." Clinton said, "If you want America to take a different path, you to have to elect Jim Webb." The Times adds Clinton's visit "prompted ridicule from Republicans who remember he lost in Virginia in 1992 and 1996 and that his last-minute visit for Lt. Gov. Donald S. Beyer in 1997 did not help the Democrat win the governor's race."

FBI Examining Report Of Possible Voter Intimidation In Virginia. The Richmond Times-Dispatch (11/7, Schapiro) reports the FBI is "looking into possible voter intimidation in Virginia's hard-fought U.S. Senate contest between Republican incumbent George Allen and Democrat Jim Webb. Just ahead of today's election, state officials alerted the U.S. Justice Department to several complaints of suspicious phone calls to voters about where they cast ballots and their preferences for the Senate." Jean R. Jensen, "secretary of the State Board of Elections, said yesterday that she was subsequently contacted by an agent in the FBI's Richmond office." Jensen said "she called the Justice Department's civil rights office in Washington and the Virginia attorney general after receiving a complaint Sunday from a voter in Arlington County and one yesterday from the registrar in Accomack County."

Lieberman Says He Won't Be Beholden To GOP If He Wins. The AP (11/7, Miga) reported that although Sen. Joe Lieberman "expects to win a lot of Republican votes Tuesday, the Connecticut lawmaker said he won't feel especially beholden to the GOP if he is elected to a fourth term." Lieberman said, "I'll owe everybody and that's the point." The AP adds Lieberman, "whose Senate career was at risk just three months ago after he lost to anti-war challenger Ned Lamont in the Democratic primary, led Lamont by 12 percentage points in a statewide poll released Monday." Lieberman is "running as an independent and has enjoyed support from the GOP, including praise from the White House and fundraising help from prominent Republicans such as New York City Mayor Michael Bloomberg. But he said his comeback since the primary has convinced him that he needs to be a stronger independent voice."

Up To 40% Of Voters May Have Cast Ballots Early In Tennessee Senate Race. NBC Nightly News (11/6, story 4, 0:30, Costello, 9.87M) reported the Tennessee Senate race "has been described as a slugfest over race relations, God and family roots. The Republican Bob Corker, the Democrat-Harold Ford, Jr. Both men moving around the state today. The secretary of state's office tells us 40% of the people in the state who are going to vote may already have voted. The question -- who did they vote for? The polls have Corker up anywhere from three to 12 points by Harold Ford's team believes it's much closer, maybe even a dead heat and this is much less about Iraq than Harold Ford. If elected he'd be the first African American Senator from the South since Reconstruction."

Wilson Ad Cites North Korea Nuclear Threat. The New York Times (11/7, Kirkpatrick, 1.21M) reports that in

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New Mexico's 1st CD, "near the site of the first nuclear bomb test, Representative Heather A. Wilson, a Republican in a neck-and-neck race for re-election, has broadcast an incendiary television commercial against her Democratic challenger, Patricia Madrid. In the spot, images of fire mutate momentarily into floating fragments of text before dissolving again into flames: 'North Korea conducts nuclear test. Reductions in military spending. The murder of any American anywhere on earth.'" As a "picture of the North Korean dictator, Kim Jong Il, gives way to an unflattering photo of Ms. Madrid, a narrator asks: 'Can we trust her? With so much at stake? Does she have the experience we need? In a world like this, is she the one who will keep our families safe? Patricia Madrid. Don't take the risk.'"

Number Of Women In Congress Expected To Increase. ABC World News (11/6, story 5, 2:50, Gibson, 8.78M) reported, "There are 67 women in the House and 14 in the Senate. Those numbers are likely to increase tomorrow night." ABC (Snow) added, "Remember 1992 was dubbed the year of the woman. But tomorrow night may rival that. The number of women in the Senate could grow. The number in the House could grow by double digits. And by most projections, would be the biggest incoming class of women ever on Capitol Hill. Lois Murphy, a mother of two young girls, ran against Republican Congressman Jim Gerlach two years ago and lost by just 6,400 votes. This, she believes, is her year." This "wealthy district in Philadelphia's Mainline suburbs could be part of what some analysts are calling a perfect storm for female candidates. There are 139 women running this time around." Voters "disgusted by the war in Iraq and sick of scandals are looking for new blood, for outsiders. … And women such as Gabrielle Giffords in Arizona, Christine Jennings in Florida or Kirsten Gillibrand in New York may fit the bill." Debbie Walsh, Center for American Women and Politics: "They don't even have to open their mouths. They are not the standard issue white man in a blue suit with a red tie." Snow: "Women are not part of the Washington old boy network, so they are viewed as more trustworthy when the climate is such as it is this year. Of the 46 women challenging male incumbents, only 11 are Republicans, 34 Democrats."

Humane Society Seen As Potential Electoral Force. The Wall Street Journal (11/7, A1, Mullins, 2.03M) reports, "For the first time in its 50-year history, the Humane Society is trying to elect candidates to Congress who support its animal-welfare agenda. After a series of mergers with other animal-welfare groups, the Humane Society counts 10 million Americans as members, an average of 23,000 in each of the 435 House districts. That's more than twice the membership of the National Rifle Association, which is considered one of the most effective single-issue campaign organizations. More important, the Humane Society's motivating issue -- the promotion of animal welfare -- resonates with the white suburban women who could be the key block of voters who decide this election."

AARP Official Defends Group's Voter Guide Questionnaire. In a letter to the editor of the Wall Street Journal (11/7, 2.03M), David Sloane, AARP's senior managing director of government relations writes, "Rather than fostering an environment for real solutions, your editorial is an example ("AARP's Tax Trap," Review & Outlook, Nov. 1) of exactly what's wrong with the current debate over Social Security. The AARP Voters' Guide asks candidates to respond to two questions on this issue. The first is whether they would support or oppose using Social Security to fund private accounts. … Our opposition to this is simple: It adds unnecessary risk and trillions of dollars of debt to future generations." Slone adds, "Our second question goes to the heart of the matter: Would the candidates support a balanced Social Security plan to continue guaranteed benefits for future generations? The fact is, there are only two ways to address the solvency problem -- adding more resources to the program or adjusting future benefits (or some combination of both). … Our research shows the American public wants a balanced, bipartisan solution, and understands that changes will be needed in order to keep our promises."

Study Finds Americans Have Little Confidence In Leaders. The Washington Post (11/7, A19, Williamson, 748K) reports, "A new study shows that Americans have lost faith in the people who lead their federal, state and local governments, and in businesses, churches and schools. … 'America is in trouble,' reads the introduction to the 2006 National Leadership Index, sponsored by U.S. News & World Report and the Center for Public Leadership at Harvard's Kennedy School of Government. According to the report, nearly three-quarters of Americans think that the nation faces a 'leadership crisis.' … The only leaders who earn more than a smidgen of Americans' confidence, the

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researchers say, are those in the military and medical fields. (Confidence in the media didn't slip, but it was in the sewer already.)"

Problems Surfacing With Electronic Voting Equipment. The CBS Evening News (11/6, story 3, Keteyian, 7.66M) reported, "Early voting has been going on in 15 states, an early test of the electronic voting equipment to be used by nearly 90% of the country tomorrow. But problems are beginning to surface." In Tennessee, "the site of a very tight Senate race, machines froze up in one county after 10,000 early voters, far more than expected showed up. The problem easily solved said a local official when more machines were activated. In Chicago's Cook County, a handful of 32,000 early voters claim machines switched their votes from Democrat to Republican. County officials later cited voter confusion and error. Similar events took place in parts of Texas and South Carolina. And in New Mexico, the state's computerized voter registration database crashed during the last hours of early voting this weekend, forcing those in line to write out a backup paper ballot or come back tomorrow. Well, both parties have armies of lawyers fanned out across the country, Katie, ready to file court challenges based on voting irregularities as they arise."

LATimes Says States Lack Safeguards For New Electronic Voting Machines. The Los Angeles Times (11/7, 918K) says in an editorial, "New voting machines, like new computers, are generally faster than old ones. But as every computer user knows, reliability is often more important than speed. And a lot depends on who's using the machine and how." After the "debacle with punch-card ballots in Florida six years ago, many counties across the country traded in their clunky old voting machines for high-tech models — many of which enable people to vote just by touching names on a video screen. The switch, "however, has drawn a new set of complaints. Some poll workers and computer scientists predict an election day plagued by long waits, glitches and miscounted votes. A more promising possibility is that, with the right equipment and procedures in place, electronic voting machines will deliver an unusually accurate and speedy count. Unfortunately, the experience this election day is sure to fall somewhere in between. A number of states lack the safeguards necessary to address the machines' vulnerabilities to glitches and tampering. And even in states with those safeguards, such as California, the integrity of the results will depend on voters taking extra steps to make sure everything works as it should."

WPost Says Concern Over Voting Machines Often Exaggerated. The Washington Post (11/7, 748K) editorializes, "Theories, many fanciful, abound about the ease of hacking into voting machines. There has been no evidence of that occurring, and the layers of scrutiny and security in force on Election Day cast doubt on whether experiments hatched in the privacy of a lab could be carried out in public. We support a verifiable paper trail to add a layer of safety and bolster public confidence. But there's a thin line between raising reasonable questions and persuading voters that there's no point in turning out."

Lynne Cheney Says Mainstream Media Lacks Political Diversity. Vice President Cheney's wife Lynne, during an appearance on Fox News' The O'Reilly Factor (11/6), commented, "We used to be told, and we have been told this time and again, that the political leanings of reporters didn't matter because they sought objectivity and tried to be fair and balanced. But statistics show this doesn't work. We have gone through a period, and we have seen this in the 2004 cycle, where the suggestion was made that you can't be fair and balanced. This was someone from ABC, you can't be fair and balanced because the Republicans deserved to be treated harshly. There is a real problem with a lack of diversity in news rooms as far as political opinions go."

Study Finds Network Iraq Stories Were Overwhelmingly Negative. The Washington Times' "Inside Politics" column (11/7, Pierce) reports that James Q. Wilson, in City Journal, writes, "'Between Jan. 1 and Sept. 30, 2005, nearly 1,400 stories appeared on the ABC, CBS and NBC evening news. More than half focused on the costs and problems of the war, four times as many as those that discussed the successes. About 40 percent of the stories reported terrorist attacks; scarcely any reported the triumphs of American soldiers and Marines. The few positive stories about progress in Iraq were just a small fraction of all the broadcasts."

Tierney Says Study Shows Media Outlet Ideological Slant. The New York Times' John Tierney (11/7) contends that "most journalists do try to be objective, but as a group they, too, can become polarized by spending most of their time talking to fellow journalists and experts with similar views. One of the cleverest demonstrations of this effect was a study published last year in Harvard's Quarterly

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Journal of Economics. The researchers, Tim Groseclose and Jeffrey Milyo, devised a scale for measuring the slant of news reports by keeping track of which think tanks — liberal or conservative — were quoted most often. The researchers found that The Washington Times and Brit Hume's evening newscast on Fox fell on the conservative side of the scale, while all the other news media outlets they studied fell on the liberal side. The surprising result — to liberals, at least — was that Fox was closer to the ideological center than the Big Three evening newscasts as well as all the major newspapers and newsweeklies."

Hillary Clinton Spends Heavily In Possible Prelude To 2008. The New York Times (11/7, Zeleny, 1.21M) reports Senator Hillary Rodham Clinton "has spent more money in the midterm election cycle than any other politician running for office this year, campaign finance records show, investing more than twice as much as most candidates in tight races across the country." Clinton "spent $29.5 million through the middle of October, according to the Federal Election Commission, suggesting that she may have her sights on a future national campaign. While much of the amount is devoted to television advertising, it is the bills for catering, flowers and photography that elevated her tally far above other Senate candidates'." Sen. Rick Santorum "spent $21.5 million through the same time period, records show," but "his spending report comprises bills like $30.33 at Papa John's pizza, $59.50 at Panera Bread and $74.34 at the Olive Garden." Clinton's campaign "reported sending a $6,585 check to Flutterbyes for flowers in Las Vegas, $5,397.50 to Le Petit Gourmet Catering in Glendale, Colo., and $80,000 to Tavern on the Green in Manhattan." Federal Election Commission Chairman Michael E. Toner "said only a handful of Senate candidates had ever spent more. The spending patterns of the Clinton campaign demonstrated 'an extraordinary burn rate,' he said, which was particularly striking considering she did not seem to have a serious challenger in John Spencer, her Republican rival."

Cohen Says Clinton Is Boring. In his Washington Post column (11/7), Richard Cohen says, "In both theory and great expectations, today is the beginning of Hillary Clinton's presidential campaign. By nightfall she will have won lopsided reelection to the U.S. Senate, with plenty of money left over to start a presidential effort. She enjoys the sort of name recognition a president might envy and has the unalloyed good wishes of Democratic activists who have been waiting all these dark and awful years for a Clinton Restoration. After all, if the Bushes could do it -- one mediocre, the other incompetent -- then why not the brilliant and dazzling Clintons? The answer may be Hillary herself. She can bore a grateful nation. Such, anyway, was the effect of her recent appearance at the Council on Foreign Relations in New York." Given "who she is and, importantly, what she is -- smart, disciplined and, when she wants, charming -- there are those who say that this campaign is hers to lose. Last week she took a first step toward that goal."

Several Potential Candidates Hope To Parlay 2006 Campaign Stops Into 2008 Support. The Washington Post (11/7, A6, Murray, 748K) reports Democratic Sen. Barack Obama, "who has barnstormed the country on behalf of Democratic gubernatorial and congressional candidates, is one of the A-list political celebrities of the 2006 campaign season. Other big draws: former president Bill Clinton, Sen. John McCain (R-Ariz.) and former New York mayor Rudolph W. Giuliani." The "headliners bring glitz to otherwise ho-hum rallies and help dazzle donors out of millions of dollars. They earn the gratitude of future officeholders and get to know thousands of voters." That gratitude is "all very useful, given that these non-candidates may run for president in two years -- or, as with Clinton, the non-candidate is married to a 2008 hopeful, Sen. Hillary Rodham Clinton (D-N.Y.). Giuliani's itinerary in the closing days included Iowa, New Hampshire, Michigan and South Carolina. All four states have Republican candidates on the ballot this year and will host crucial early primaries in 2008."

Libertarian Businessman Finds Success With Ballot Initiatives. The Wall Street Journal (11/7, Cooper, 2.03M) reports that while it "may turn out to be a bad year for Republicans," it may not be "for some of the conservative causes they support, thanks in part to a New York real-estate investor who has directed millions of dollars toward ballot initiatives to expand private-property rights, cut state budget growth, and impose term limits on judges." The "millionaire behind many ballot measures this year is Howard Rich, a publicity-shy, libertarian-leaning businessman who has become the go-to man for supporters of conservative ballot initiatives. The group Mr. Rich chairs, Americans for Limited Government, as well as a handful of other organizations that he fully controls or bankrolls, have put more than $15 million this election season into ballot campaigns in

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14 states, public records show." Rich and "his supporters have sustained a number of setbacks, as many of his initiatives were kept from ballots because of vague wording or signature-gathering irregularities. But in nine states where the measures have survived, recent polling shows some chance of victory today."

Abortion Debate In South Dakota Regarded As "Remarkably Civil." In an op-ed for USA Today (11/7, 2.27M) Phillips Foundation fellow Laura Vanderkam writes, "South Dakota isn't usually a battleground state, but this fall, one of the country's most important political fights has been waged here. … In March, Gov. Mike Rounds signed a law that would ban almost all abortions within the state. Opponents countered by collecting enough signatures to put the issue on today's ballot as 'Referred Law 6.' The referendum's outcome doesn't matter. If the ban passes, it will be blocked in court. … What matters is that South Dakota's referendum represents one of the few times since 1973, when the U.S. Supreme Court's Roe v. Wade decision legalized abortion nationwide, that voters have gotten to debate the question directly at the polls. And yes, debate is the right word. … South Dakotans have simply discovered that when you have to persuade your neighbors to join your cause — not judges in Washington — both sides become remarkably civil."

NYTimes Bemoans Proliferation Of Popular Initiatives. The New York Times (11/7, 1.21M) editorializes, "Ever since anti-taxation zealots in California rediscovered the populist frisson of the ballot initiative a generation ago, American politics has gone off on a binge of ballot proposals. Today is one of the busiest, with 81 citizen initiatives before voters in more than 20 states. Pity the poor voter who has to wade through a list of sometimes contradictory, sometimes misleading proposals, doing work that should be the responsibility of elected officials. … Scattershot initiative is no way to run a democracy; rebuke is no substitute for effective representation."

WSJournal Questions Spitzer's Ties To Casino Developer. The Wall Street Journal (11/7, 2.03M), in an editorial, writes that in a debate New York Attorney General Elliot Spitzer "was asked his position on bringing out-of-state Indian tribes to New York to open casinos." Spitzer said, "I don't believe out-of-state tribes should be here. And they won't be here under my administration." The Journal adds, "After the debate, however, someone must have tapped Mr. Spitzer on the shoulder and reminded him that one of his biggest campaign donors is Richard Fields, a casino developer who represents a Wisconsin Indian tribe that claims ancestral roots in the state and is seeking approval to build a casino in New York's Catskills region. And so a few days later, according to the Albany Times Union, 'Darren Dopp, the AG's spokesman, said Spitzer isn't including the Stockbridge Munsee Band of Mohicans, the Oneida Tribe of Wisconsin or the Seneca-Cayuga Tribe of Oklahoma among the out-of-state tribes that won't be allowed to develop here.' Which leaves us wondering who is included. Companies operated by Mr. Fields have donated some $200,000 to the campaign of Mr. Spitzer, who also used the developer's Gulfstream jet (at a steep discount) to travel to fund-raisers until he was criticized for the practice."

Wisconsin Democrats Accused Of Creating "Phony" Campaign Finance Scandal. The Wall Street Journal (11/7, 2.03M), in an editorial, writes, "Watching television this election cycle, you may have noticed that 'campaign finance reform' hasn't made political ads any cleaner. You may also have surmised that money counts as much as ever; its sources and middlemen have merely been reshuffled. What 'reform' has done, however, is make it easier for incumbents to keep power, and a case study is the Wisconsin Governor's race. The challenger is GOP Congressman Mark Green, who has criticized Democratic incumbent Jim Doyle over his vetoes against tax relief, and has also kicked off a debate on education and tort reform. Or at least those were the issues until Mr. Doyle's allies used the campaign-finance laws to change the subject and create a phony scandal."

Effects Of Negative Advertising Examined. The Washington Post's David Broder (11/7) writes, "I know that the political consultants are convinced that 'going negative' is the only way to move the vote and win an election. But at some point you wish that the grown-ups in this country -- those who don't see elections as a profit-making business -- would remind these talented character assassins of the damage they are doing to the system of representative government that has served this nation so well."

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In an op-ed for the New York Times (11/7, 1.21M) Barry Schwartz, a professor of psychology at Swarthmore College, writes, "Another national election season has come to an end — the sorriest, sleaziest, most disheartening and embarrassing in memory. The best one can hope for is a candidate who is a complete cipher. How has American electoral politics come to this? … The effort by each side to coat the opposition in slime has made many of us cynical, giving us the sense that our task is to reject the worst, not select the best. Nobody's any good, we think, but some are worse than others. Let's keep those candidates out of office. Our job becomes one of denying, not awarding, office."

Hamas-Fatah Talks Fail To Reach Unity Government. The New York Times (11/7, Myre, 1.21M) reports Palestinian Authority president, Mahmoud Abbas, and Prime Minister Ismail Haniya "failed Monday in their efforts to finalize a deal on a national unity government but planned to try again on Tuesday, aides said. … Mr. Abbas, who leads the secular Fatah movement, and Mr. Haniya, who leads the militant Islamic faction Hamas, seemed close to an agreement on a new Palestinian government that would be made up of professionals and technocrats not directly linked to either faction. The new government would seek to end the Palestinians' international isolation and win a restoration of Western assistance cut after Hamas came to power in the spring." Nabil Aburdeineh, a spokesman for Mr. Abbas, said, "There are issues to be discussed tomorrow and maybe the day after. We agreed on one thing: a national government of professionals will be coming." Meanwhile, Mustafa Barghouti said earlier on Monday that the sides had already reached an agreement "in principle."

Israeli Forces Begin Withdrawal From Gaza Town. The AP (11/7) reports that Israeli forces "pulled out of the northern Gaza town of Beit Hanoun before daybreak Tuesday, the military said, completing a weeklong sweep that killed more than 50 Palestinians. … The sweep came in from harsh international criticism because of the death toll and destruction. Israel said most of the dead were militants, but some were women and children. An Israeli soldier was also killed. On Monday, the sixth day of the sweep, at least seven Palestinians were killed, including a female suicide bomber."

Iran Seeks To Woo International Oil Companies. The Wall Street Journal (11/7, Jones, 2.03M) reports, "Iranian President Mahmoud Ahmadinejad is backing changes to foreign energy contracts and retaining moderates in key roles in a bid to woo crucial foreign investors, senior industry and Iranian government officials say. But it remains to be seen whether the new Iranian leadership is ready to give foreign players the kind of stable and lucrative contracts they are seeking." Iran's "standoff with the U.S. and its allies over Iran's nuclear program and Mr. Ahmadinejad's anti-Western rhetoric have intensified nervousness among foreign firms about investing there." Iran "needs roughly $50 billion in foreign investment during the next decade to reach energy-production targets to avoid losing market share to other members of [OPEC]. Oil companies face a delicate balancing act: While they want to avoid U.S. ire, they are pressured by Iranian officials to attest to a friendly Iranian investment climate."

OPEC President Says Further Output Cuts May Be Necessary. The Washington Post/AP (11/7, D06, Elfehaid) reports that oil prices rose by nearly $1 Monday after Nigerian oil minister and OPEC president Edmund Daukoru "said the oil cartel may need to cut its output further and as armed protesters shut down one of his country's oil facilities." Daukoru told reporters, "The market is clearly oversupplied, clearly oversupplied." The AP says, "Regarding OPEC's decision last month to cut production effective Nov. 1, he said the effects of the reduced output have yet to be seen but would be soon. Daukoru told reporters that when OPEC meets in December members will discuss production, 'but it looks as if some further mopping up will be necessary.'"

US Appears To Be Shifting Stance On ICC. Under the headline "A Shift In The Debate On International Court," the Washington Post (11/7, A16, Boustany, 748K) reports, "When then-Undersecretary of State John R. Bolton nullified the US signature on the International Criminal Court treaty one month into President Bush's first term, he declared it the happiest moment in his years of service." At the time, "The bipartisan concern then was that American service members deployed overseas risked exposure to a foreign tribunal," but now, "as the court prepares to begin public hearings on its first case, the debate among senior US military officials seems to be shifting away from staunch opposition, and a fresh assessment of the court seems to be underway." According to the Post, the "new attitude has been prompted in part by the court's record since it began

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operations three years ago; Chief Prosecutor Luis Moreno-Ocampo, an Argentine, has dismissed hundreds of petitions for cases against the United States" due to "lack of evidence, lack of jurisdiction, or because of the United States' ability to conduct its own investigations and trials."

Panel Calls For Streamlining UN Programs. The AP (11/7, Lederer) reports that a "high-level panel" has "called for streamlining UN programs to fight poverty, provide humanitarian aid and protect the environment, saying competition among agencies often duplicates efforts and fails to deliver results," according to a final draft of its report. The draft, obtained Monday by The AP, said that while the UN "is an indispensable force," it has outgrown its post-World War II structure and "is not as effective as it could be." The panel established by UN Secretary-General Kofi Annan found that "too often, authority and management responsibility is dispersed among individuals and across organizations, thus limiting accountability for performance and results," and "better cooperation between organizations has been hindered by competition for funding, by mission creep and by outdated business practices." It will be up to Ban Ki-Moon, who takes over as secretary-general on Jan. 1, "to decide whether to implement the panel's recommendations."

Selection Of US Nominee To UN Food Program Seen As Blow To Reform. The Financial Times (11/7, Nations) reports US Undersecretary of State Josette Sheeran "appears almost certain to be named as head of the UN World Food Programme on Tuesday, in a decision diplomats fear marks an early blow to reform promises by Ban Ki-moon, the incoming secretary-general. A UN official said that James Morris, the current head of the WFP, told senior staff at the weekend of the decision to appoint the US official candidate to a post traditionally viewed as a US fiefdom. The announcement, some diplomats believe, would be an indication that fledgling efforts to make appointments on technical merit have foundered. … According to a number of diplomats and officials, there had been early indications that another candidate—Tony Banbury, WFP's regional director for Asia and a former White House employee—had led on merit. While an American, he was not Washington's choice. But late last week it emerged that, following high-level US lobbying and consultations between [UN Secretary General Kofi] Annan and Mr Ban, the decision was made to go with the US government's official nominee."

The Washington Times (11/7, A1, Pisik, 88K) says Sheeran was chosen "from a short list, which was never formally announced but was said by Secretariat officials to have included WFP Asia director Tony Banbury, an American with ties to the Clinton White House; Swiss development minister Walter Fust; and Robert Fowler, a former Canadian ambassador to the United Nations. But the appointment of Miss Sheeran, the Bush administration's nominee, had been expected" because Washington "contributes about one-third of the WFP's $2.9 billion budget and often applies pressure to ensure its nominees are successful."

In Diplomatic Defeat For US, Ortega Set To Claim Victory In Nicaragua. The results of Sunday's presidential election in Nicaragua received prominent coverage on the front page of many of the nation's largest dailies, as well as coverage on two of the three network news broadcasts where the anticipated victory of former president Daniel Ortega was overwhelmingly seen as a diplomatic defeat for the US. ABC World News (11/6, story 7, 0:25, Gibson, 8.78M) reported, "Daniel Ortega was the Marxist president in the 1980s. He was in a deadly civil war before voters swept him from office. But tonight, it appears he's returning to power. The winner of Nicaragua's presidential election, Ortega, claims he is no longer a revolutionary. But if elected, it would be a defeat for Washington, which opposed him."

The CBS Evening News (11/6, story 8, 0:20, Couric, 7.66M) reported, "Another old Washington nemesis the making a comeback. Remember Daniel Ortega? He was President of Nicaragua's Sandinista government in the 1980s and led the fight against the US backed rebels. Tonight he's apparently won an election to get his old job back. Ortega says he's no longer a Marxist, but don't expect congratulations from the White House. One of Ortega's big supporters is Venezuela's President Hugo Chavez."

In a front page article, the Washington Post (11/7, A1, Aizenman, 748K) reports, "With 62 percent of precincts reporting, Ortega was comfortably leading the field of five presidential contenders with 39 percent of the vote, virtually ensuring him a first-round win under Nicaragua's electoral rules." The Post says Ortega's return to Nicaragua's presidency "would also constitute an embarrassing setback for the Bush administration. American officials have recently

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made thinly veiled threats that the United States would impose economic sanctions and other punitive measures if Ortega was reelected, arguing that Ortega has not changed despite his embrace of Catholicism, pronouncements in favor of a market economy and efforts to cast himself as the candidate of 'reconciliation.' US officials appeared motivated in part by concerns that Ortega would be an eager partner in pushing an anti-American alliance with Venezuelan President Hugo Chavez. Ortega's return is particularly galling to many in the Bush administration who devoted their careers to getting rid of him in the 1980s."

Also in a front page article, the New York Times (11/7, A1, McKinley, Replogle, 1.21M) says "an Ortega win in a five-way race would be a defeat for the Bush administration, which strongly opposed his election and worked hard to unite a fractious opposition against him with little success. The White House has said it would withdraw aid from an Ortega government." The Wall Street Journal (11/7, A6, de Cordoba, 2.03M) notes that Washington "actively campaigned against Mr. Ortega, in a kind of echo of the battles of the 1980s, when a US-backed rebel force known as the Contras battled Mr. Ortega's Sandinista government. The US ambassador staged a public campaign against Mr. Ortega and senior US officials said aid and investment could be sharply cut and the country would come to ruin if Mr. Ortega triumphed. Political analysts are sure to debate whether the US campaign backfired."

Under the headline "Ortega's Likely Return Seen As A Blow To US Policy," the Financial Times (11/7, Thomson) calls Ortega's likely victory "a blow for US foreign policy in central America," noting that "ever since Mr Ortega lost power to the centre-right Violeta de Chamorro in 1990, Washington has maneuvered to avoid his re-election. During this year's election campaign, Paul Trivelli, the US ambassador in Managua, has spoken out frequently to warn Nicaraguans of the perceived dangers of a Sandinista government. Recently Mr Trivelli also warned of Mr Ortega's growing friendship with Hugo Chávez, the oil-rich and anti-US Venezuelan president. In a recent interview with the Financial Times, Mr Trivelli even warned that an Ortega-led government would provoke significant changes to the currently healthy bilateral relationship." The Ambassador was quoted as saying, "The whole gamut of the relationship that I talked about between the US and Nicaragua would definitely be re-examined -- and not only by the executive or the State Department or the White House but by the US Congress." The AP (11/7, Carl), Los Angeles Times (11/7, Tobar, 918K) and USA Today (11/7, Llana, 2.27M) run similar reports.

Most Nations Decline In Corruption Ratings. The AP (11/7, Rising) reports, "Nearly three-quarters of 163 countries ranked in a new survey suffer from a perception of serious corruption, while in nearly half it is seen as rampant," according to Transparency International's 2006 Corruption Perceptions Index. The watchdog "gives the worst scores to many of the world's poorest countries, including almost all African nations, indicating a strong correlation between corruption and poverty. The stragglers also included several so-called 'failed states,' including Iraq, which dropped from place 137 last year to second-last as the situation there continues to deteriorate."

US Corruption Ranking Drops. Meanwhile, the Financial Times (11/7, Williamson) reports the US has suffered a "significant worsening" in its perceived levels of corruption "following a series of business scandals and increasing worries over political party funding," the index found. Huguette Labelle, head of the Berlin-based group, "said the reasons could include the greater awareness of corruption after the Enron and Worldcom business scandals, and growing concern in the US that private and business donations to politicians was having a corrupting influence on political affairs."

Rash Of Kidnappings Causes Alarm In Sri Lanka. In a front page article, the New York Times (11/7, A1, Sengupta, 1.21M) reports that a "rash of mysterious abductions has come to haunt" Sri Lanka amidst its "newly revived ethnic conflict." The Times says the kidnappings "contain eerie echoes of the horrors of a generation ago, when this island nation achieved notoriety for tens of thousands of disappearances." A "breakaway Tamil rebel faction" is "widely accused of being allied with the government and…of having a hand in the abductions." The government "denies having any link to the group, called the Karuna faction," but "despite the official denials, the abductions have spread a cloud over the administration of President Mahinda Rajapakse, including a recommendation by the United Nations high commissioner for human rights, Louise Arbour, to dispatch foreign monitors to investigate rights abuses here."

Stephens Urges US Action On Syrian Threats To Lebanon. Wall Street Journal (11/7, A13,

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2.03M) columnist Bret Stephens writes, "The White House issued a remarkable statement last Wednesday warning of 'mounting evidence that the Syrian and Iranian governments, Hezbollah and their Lebanese allies are preparing to topple Lebanon's democratically elected government.'" At the same time, he notes that the "forthcoming report of former Secretary of State James Baker's Iraq Study Group…is rumored to urge the Bush administration to re-engage Damascus diplomatically. In recent days [Syrian President Bashar] Assad has been talking a blue streak about his willingness to make peace with Israel, a signal that he might be willing to play ball on that front and maybe in Iraq if only the Administration lets him have his way in Lebanon." Stephens says that "saving Lebanon will require focus, nerve and imagination, qualities hitherto absent from [Secretary Condoleezza] Rice's tenure at State. Maybe if her boss loses his majority in Congress, he'll be less inclined to let the remainder of his legacy go down the drain with it."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"The Day The Hatred Boiled Over In Balad."
"Voting In A Neck-And-Neck Nation."
"Dazzling Dreams In The Mud."
"Ortega Headed Back To Power In Nicaragua."
"When You Can't Afford To Go Buy The Book."
"Recast, Schwarzenegger Primes For A Second act."

USA Today:

"Nicaragua's Ortega Ready For Comeback."
"NYC Plane Crash Was All Too Typical."
"Feds Target Terrorist Recruiting In Prisons."

New York Times:

"Candidates Make Dash For Finish Line."
"Leftist Headed Toward Victory In Nicaragua."
"In Arizona, 'For Sale' Is a Sign Of The Times."
"Kidnappings Return To Haunt Long Ethnic War In Sri Lanka."
"New York Plans To Make Gender Personal Choice."

Washington Post:

"Angry Campaigns End On An Angrier Note."
"Ortega Set To Reclaim Nicaraguan Presidency."
"Primary Bugs Fueling Jitters In Md. And Va.."
"President Who Sees in Absolutes Awaits Voters' Definitive Answer."
"57 Iraqis Charged In Abuse At Prison."

Washington Times:

"Polls Give GOP A Lift On Election Eve."
"Democrats May Make Fewer Gains In Congress."
"Allen Webb Cite fate Of Senate."
"Surveys' Estimates Put Ortega Lead."
"Sheeran Will Lead U.N. Food Program."
"FTC Not Sweet On Junk-Food Ads Targeting Children."

Detroit Free Press:

"Having Your Say."
"Kids Played Amoung Poisons."

Atlanta Journal-Constitution:

"CDC's Katrina Critique Is Secrete."
"Hot To Watch."
"Raped Woman Kills Attacker After Be Threatens Child."
"Bats In Attie? Rats In Wall? Time To Call Critter Catches."

Houston Chronicle:

"Voters Can Expect late Senate Tally."
"Suburb Cries Foul After Fatal Sex Sting."
"Extra Electric Fees Give Some A Jolt."
"Robbery Ring Included Mom And Two Sons' Police Say."
"Judge: Mailing May Taint BP Jury Pool."

Story Lineup From Last Night's Network News:

ABC: Campaign 2006; Bush Campaigns-Florida; Campaign 2006 Analysis; Kansas House Race; More Women In Congress; Hussein Verdict Aftermath; Ortega Returns To Power; Severe Rains-Oregon; California Wildfire; School Bus Safety; Moving The Intrepid.

CBS: Campaign 2006; Campaign 2006-Ohio; New Voting Machines; Missouri Senate Race; Connecticut House Race; Bush Hits Campaign Trail; Hussein Verdict Aftermath; Ortega Returns To Power; School Bus Safety; California Wildfire; Microsoft Competition For Google Earth; Moving The Intrepid.

NBC: Campaign 2006; Missouri Senate Race; Rhode Island Senate Race; Tennessee Senate Race; Get Out The Vote; Campaign 2006 Analysis; Rumsfeld Resignation Called For; Hussein Verdict Aftermath; California Wildfire; Gatorland Fire; Haggard Leaves Town; Stock Market; Moving The Intrepid; Reaction About Borat.

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WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Vote at the Crawford fire station, Crawford, Texas; then return to Washington, closed press, travel pool coverage; the President and Mrs. Bush return to the White House via Marine One, South Lawn, open press, pre-set 12:55 p.m.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: CONSUMERS-TECH _ The Federal Trade Commission holds a three-day conference on ways the globalization of commerce impact consumer protection. Highlights: 9 a.m. Session on consumer benefits to living in an instant information environment, with Kamran Pourzanjani of PriceGrabber.com, Mark Chandler of Autoland, Liam Lavery of Zillow.com, others. 1:15 p.m. Session on computing power and the marketplace, with Eric Horvitz of Microsoft, Anthony LaMarca of Intel, Sal Capizzi of Yankee Group, David Hitz of Network Appliance, others. 4:30 p.m. Session on convergence and its impact, with Dan Brenner of the National Cable and Telecommunications Association, Sarah Deutsch of Verizon, Gigi Sohn of Public Knowledge, others. Location: Lisner Auditorium, 21st and H Sts. NW.

WORKPLACE-JOBS _ 9 a.m. - 5 p.m. The US Department of Labor sponsors ``Jobs Corps 21st Century Vision: Responding to New Challenges, Realigning to the New Workplace." The program offers workshops about strategies for improving services to students, certification-based career training programs, and expanding business and industry partnerships. Highlights: 2 p.m. Labor Secretary Chao gives keynote address and announces a series of new initiatives. Location: Hyatt Regency on Capitol Hill, 400 New Jersey Ave. NW.

WAR-ELECTIONS _ 10 a.m. - 10 p.m. Anti-war activist Cindy Sheehan leads a protest against the war in Iraq and possibly against election results. Highlights: 11 a.m. Anti-war activist Cindy Sheehan speaks on the impact of peace voters in the mid-term elections at Takoma Park Middle School, 7611 Piney Branch Rd., Silver Spring.

STEM CELL RESEARCH _ The Institute of Medicine and the National Research Council hold a symposium on developments in the field of stem cell research. Highlights: 8:40 a.m. Session on The Intersection between Emerging Areas of hES Cell Research and the NAS Guidelines, with Richard O. Hynes, Co-Chair, Human Embryonic Stem Cell Research Advisory Committee; Daniel K. Ludwig Professor for Cancer Research, MIT; Investigator, Howard Hughes Medical Institute. Location: National Academies, 2100 C St. NW.

TAXES-WELFARE _ 12 p.m. Urban Institute hosts forum on ``Making Taxes and Welfare Work Together," with Janet Holtzblatt, Office of Tax Analysis, Dept of the Treasury; Iris Lav, Center on Budget and Policy Priorities; others. Location: 2100 M Street N.W., 5th Floor.

ELECTION-PARTICIPATION _ 1:30 p.m. The National Coalition on Black Civic Participation holds three conference calls to discuss black voter participation in the elections. Contacts: Nancy Harvin, 202-659-4929. Notes: Calls also at 4:30 p.m. and 8:30 p.m. Call contact for details.

US-BRAZIL _ 3:30 p.m. Commerce Secretary Gutierrez and Brazilian Development Industry and Foreign Trade Minister Luiz Fernando Furlan hold a media availability following their meeting. Location: 5th floor, main Commerce.

DEMOCRATS _ 8 p.m. The Democratic Congressional Campaign Committee holds its Election Night party. Location: Hyatt Regency on Capitol Hill, 400 New Jersey Ave. NW.

ELECTION-AFL-CIO _ 8 p.m. The AFL-CIO holds an Election Night watch party. Location: 815 16th St. NW.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

DC Circuit To Consider Detainee Challenges. The New York Times (11/7, Lewis) reports, "The Bush administration's successful effort to have Congress eliminate the right of Guantánamo prisoners to challenge their detentions before federal judges is now moving toward what may be an epic battle in the courts. … And while lawsuits on the topic are spread across the judiciary, the principal battleground, legal experts say, is the federal appeals court in Washington. That court has been considering for three years whether the hundreds of prisoners at Guantánamo Bay, Cuba, have the right of habeas corpus — that is, the ability to ask a federal judge to review the reasons for their detention. … But the law passed by Congress last month eliminating the habeas right supersedes almost all of the arguments that have gone before and is now the focus of the legal confrontation, government and civil liberties lawyers agree. In a ruling last June, the Supreme Court had said that an earlier measure did not eliminate habeas lawsuits that were already in the courts. However, in October, the administration used more explicit language, saying the new law retroactively blocked federal courts from entertaining habeas lawsuits by Guantánamo detainees." The Times adds, "The three-judge appeals court panel will have to decide whether the pending lawsuits brought by the 430 or so remaining detainees at Guantánamo should be thrown out, as the Bush administration has argued, or whether the new law is unconstitutional, as civil liberties groups have contended. … Whatever resolution is reached by the three appellate judges — David B. Sentelle and A. Raymond Randolph, both appointees of Republican presidents, and Judith W. Rogers, appointed by a Democrat — it will almost certainly end up before the Supreme Court. A decision could come from the appeals court before the end of the year."

Liquid Restrictions Go Into Effect At EU Airports. The AP (11/6) reported rules went into effect across the European Union Monday limiting "passengers to carrying 100 milliliters (a fifth of a pint) of liquid per container on board planes. … All liquids — not only water and soft drinks but also soups, creams, lotions, oils, perfumes, sprays, gels, toothpaste and shaving cream — are subject to security checks before passengers board their planes. The containers must fit into a clear re-sealable plastic bag to be presented at security checkpoints, officials said." EU spokesman Ferran Tarradellas Espuny said over the weekend that EU airports must apply the regulation "to protect civil aviation against the threat of homemade liquid explosives."

Shaaban Held At Colorado's Supermax Prison. The AP (11/7) reports, "An Indiana truck driver convicted of plotting to sell U.S. secrets to Saddam Hussein is incarcerated at a federal super-maximum-security prison in Colorado under an order approved by U.S. Attorney General Alberto Gonzales, a report Monday said." The AP continues, "Justice Department officials have isolated Shaaban Hafiz Ahmad Ali Shaaban, 54, of Greenfield, under a policy that permits the FBI to eavesdrop on his conversations, restrict his access to news reports and prohibit anyone other than attorneys and family members from talking to him, The Indianapolis Star reported." The AP adds, "Shaaban is being held under an order known as a special administrative measure, which is meant to keep federal inmates from inciting violent attacks from prison or disclosing classified information that could harm national security. … William Dazey Jr., a public defender who assisted Shaaban at his trial in U.S. District Court in Indianapolis earlier trial this year, said the order was unusual. … 'I have not seen evidence that would support the notion (Shaaban) is a threat to the United States,' Dazey said." The AP notes, "Among the other convicts held under similar conditions at the Florence Federal Correctional Complex about 90 miles south of Denver are Zacarias Moussaoui, the alleged '20th hijacker' in the Sept. 11, 2001, terrorist attacks, and Richard Reid, who tried in December 2001 to detonate plastic explosives in his shoe on a Paris-to-Miami flight."

HOMELAND RESPONSE:

FBI, DHS Working To Thwart Terror Recruiting In US Prisons. In a front-page story, USA Today (11/7, Hall, 2.27M) reports the FBI and DHS are "working with prisons in dozens of states to improve intelligence gathering and monitoring of inmates in a stepped-up campaign to curb homegrown terrorism behind bars. … Chief among the concerns is that radical Muslim clerics could have access to prisoners and coerce them with terrorist literature. 'It's a concern because we know that violent extremist groups will target people in prisons,' said Donald Van Duyn, the FBI's counterterrorism director." USA notes, "The intensified surveillance follows the recent arrests of people alleged to be home-grown terrorism suspects in London and Canada," and "Homeland Security officials…are worried that similar plots could be hatched in U.S. prisons. 'Prisons can be a breeding ground,' says Charles Allen, Homeland Security's top intelligence officer."

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British-Based Al Qaeda Agent Planned Attacks On US Targets. USA Today/AP (11/7, 10A, Stringer) reports, "An al-Qaeda operative captured in Britain planned to bomb the New York Stock Exchange and plotted a series of attacks on London, one to blow up a London subway train as it passed below the River Thames, prosecutors said at a sentencing hearing Monday. Dhiren Barot, 34, pleaded guilty last month to conspiring to commit mass murder in terrorist plots on both sides of the Atlantic." Barot "and seven alleged accomplices spent more than four years making detailed plans to attack a host of financial industry targets in the USA." Prosecutor Edmund Lawson "said the group considered using a radioactive 'dirty bomb' and igniting a gasoline tanker to ram it into a high-profile British target. Lawson showed clips of a reconnaissance video shot in 2001 during a visit to New York by Barot. The shaky footage — shown on screens in the courthouse — zoomed in on the World Trade Center as an unseen man mimicked the sound of an explosion. Prosecutors said Barot did not have prior knowledge of the Sept. 11 terror attacks." The New York Times (11/7, Cowell, 1.21M) reports, "The potential targets included…the headquarters of the International Monetary Fund in Washington…Citigroup in Manhattan and the Prudential building in Newark, prosecutors have said." The Washington Times/AP (11/7, Stringer) reports Barot "was born a Hindu in India, but was brought to Britain as a toddler. He converted to Islam when he was about 20, Mr. Lawson said."

FBI, ICE Agents Field Questions From NYC Muslim Youth. NY1 New York City (11/6) reported on its Web site from a story broadcast yesterday, "Muslim students put FBI and immigration officials on the hot seat Sunday at a taping in Queens of a well known Pakistani talk show," hosed by Hamid Mir. "NY1 Criminal Justice reporter Solana Pyne was there as a panel answered questions about everything from FBI training to the success of the war on terror. … 'Are FBI agents or other government officials trained, or getting trained to learn more about Islam?' asked one student in attendance. … 'FBI Agents can't all look like me,' said FBI special agent, Andrew Arena. 'They can't all be white guys. We have got to diversify and that's very, very important. We train our agents from day one in the academy to understand the Muslim faith.'" NY1 noted, "In the last few years, FBI and immigration officials have held several meetings with members of the city's Muslim communities," but "the event Sunday evening was unusual, not only because it included Muslim leaders from across the country, but also because it was the first with Muslim teens and young adults. … Hundreds of students attended the event, and as to how successful it was, well, it depends on who was asked."

Holiday Travelers Urged To Review TSA Rules. The Christian Science Monitor (11/7, Marks, 58K) reports, "Planes are expected to be fuller, prices higher, and security lines longer than ever" this holiday season. In addition to the fact that "major airlines have cut back on the number of planes flying" in order to increase profits, "there are those vaunted Transportation Security Administration security checks - the other major reason experts are urging travelers to get to the airport as early as possible." Holiday travelers who usually don't fly "may be confused about what the TSA will and will not allow on board." The Monitor gives a brief description of the agency's rules and adds that they are detailed at www.tsa.gov, "a must-see for anyone who hasn't flown in recent months. 'To make it more understandable to people we've launched a campaign called 3-1-1,' says Ellen Howe, a TSA spokeswoman. 'It's a reminder of three ounces or less, one quart-sized bag, one bag per traveler, and that bag needs to be pulled out of your carry-on and placed into the bin.'"

USA Today (11/7, Adams, 2.27M) reports that if Atlanta Hartsfield-Jackson International, the USA's busiest airport, "is any sign, it could be a tough season when the volume of travelers soars later this month for Thanksgiving. Willie Williams, federal security director at Hartsfield-Jackson, says screening there is running as much as 30% slower than before the liquids ban. … Airline officials say lines have increased at almost every sizable airport. But at certain airports, high volumes of less-experienced leisure travelers, combined with the physical layout, give rise to extraordinary problems." Despite the TSA's national education campaign, Randy Walker, director of Las Vegas McCarran, says he thinks "'this holiday season will be problematic.' Airports nationally 'will be getting a lot of people who haven't traveled since all this happened, and they won't have a clue.'"

Understanding Of Security Rules Said To Place Passengers In Specific Categories. USA Today (11/7, Yu, 2.27M) reports from Atlanta Hartsfield-Jackson International, where passengers "fall into distinct categories" based on their understanding of carry-on restrictions. "Some understand in detail what the government now requires to clear security checkpoints under rules changes implemented in August and revised in September. Others? Not so much." USA Today goes on to describe three categories: The Initiated, The Uninitiated and The Big Picture People, those who have a "general notion of the rules," but are less clear on specifics. The article frequently notes the TSA's efforts to make passengers aware of carry-on rules, but concludes by quoting David Vernon, a "Big Picture" person, who says the "whole liquid thing is annoying. I didn't even notice the signs. And (even if I did), I probably wouldn't have read it."

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WAR NEWS:

Khalilzad To Resign Iraq Post In Coming Months. The AP (11/7, Gearan) reports, "Zalmay Khalilzad, the plainspoken dealmaker and Republican insider who has won praise and criticism for attempts to broker Sunni political participation in Iraq's fragile government, is likely to quit his post as US ambassador in Baghdad in the coming months, a senior Bush administration official said Monday." Khalilzad "has been a public face of Bush administration attempts to project both willingness to change strategy or tactics in an unpopular war and solidarity with the increasingly fractious Shiite-led government of Prime Minister Nouri al-Maliki." Khalilzad's departure "has been rumored for months, but he has not turned in his resignation, the State Department official said." The official "spoke on condition of anonymity because neither the White House nor Khalilzad has announced any personnel changes. Khalilzad could leave as soon as the end of this year, but is more likely to remain in his post through the spring, the official said."

The Financial Times (11/7, Negus), at the end of an interview with Khalizad, report US officials "said the envoy would probably return to an academic or private sector job in the US. His replacement may be Ryan Crocker, who is ambassador to Pakistan."

Newspapers For US Military Personnel Urge Rumsfeld To Resign. NBC Nightly News (11/6, story 7, 0:25, Williams, 9.87M) reported, "Four newspapers produced by the Gannett newspaper chain for US military personnel are running an editorial saying Defense Secretary Donald Rumsfeld must go. It's time for him to resign, the editorial says, because he has lost credibility with top military officers. The paper's editor denies the timing is at all political but the White House is calling this piece, shabby, inaccurate and grandstanding."

Rumsfeld To Be Introduced By Commentator Who Called For His Resignation. The Washington Times' "Inside the Beltway" (11/7, McCaslin) reports the American Spectator's Robert L. Bartley dinner's master of ceremonies "will no doubt be a bit uncomfortable when introducing the keynote speaker. That master of ceremonies would be myriad-hat wearer Ben Stein, and the keynote address will be delivered by Secretary of Defense Donald H. Rumsfeld. Inside the Beltway can't help but recall Mr. Stein, in his 'CBS Sunday Morning' commentary barely one week ago pointing out that the situation in Iraq has become so difficult that if he were still a White House speechwriter…this is what he would suggest President Bush announce today: … 'I have this morning accepted Secretary of Defense Donald Rumsfeld's resignation with sincere thanks for his service to the nation. Despite his flaws, he is a great American. He will be replaced by a truly heroic American, Senator John McCain of Arizona.'"

Iraqi Appeals Court To Rule On Saddam Death Sentence By Mid-January. The AP (11/7, Abdul-Zahra) reports, "Iraq's appeals court is expected to rule on Saddam Hussein's guilty verdict and death sentence by the middle of January, the chief prosecutor said Monday, setting in motion a possible execution by mid-February. If the ruling is upheld, The Associated Press has learned that Iraq's three-man presidential council is pledged to allow Saddam's hanging to take place." The execution "must be carried out within 30 days of the appeals court's decision." The AP also reports, "The surge in violence expected immediately after Sunday's verdict did not happen. The Interior Ministry credited a round-the-clock curfew in Baghdad and two restive Sunni provinces."

All three networks ran stories on the aftermath of the verdict. CBS Evening News (11/6, story 7, 2:05, Couric, 7.66M) reported, "The former dictator could be hanged early next year and those who still support him are furious." CBS (Logan) added, "Once again, Iraqi streets echoed with the sound of his name. A cry of anger from Iraq's Sunnis who see in Saddam's guilty sentence their own loss of power and protection. In court Sunday, the defiant dictator tried his best to drown out the judgment. 'Go to hell, you and the court,' he yelled."

NBC Nightly News (11/6, story 8, 2:35, Engel, 9.87M) said that at the beginning of the trial "Saddam had an animal charisma that was frightening. He dominated the courtroom, taking notes, laughing, bullying witnesses, insulting the judges. … As he was sentenced to death Sunday, I saw his eyes again. Now flat, lifeless, defeated."

ABC World News (11/6, story 6, 2:10, McCarthy, 8.78M) said the verdict against Saddam "split Iraqis but was also a warning to other strongmen in the region." Salama Ahmed Salama, Egyptian columnist: "In the Arab world, never it hasn't had any tradition of holding their leaders to account."

Rice Touts Saddam Verdict As Evidence Rule Of Law Is Strong In Iraq. Fox News' Special Report (11/6, Hume) reported Secretary of State Rice "said the guilty verdict delivered to Saddam Hussein and the death sentence is evidence that the rule of law is strong in Iraq and that Saddam will be punished for his crimes." Fox added, "On the day after the sentence was announced more noisy demonstrations in Iraq but no surge of deadly violence that many had feared."

European Leaders, Rights Groups Criticize Sentence. The New York Times (11/7, Fattah, 1.21M) reports, "European politicians on Monday spoke out against the death sentence for Saddam Hussein. Arab officials and commentators derided what they said was a flawed and

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politicized trial, while for the first time broadly acknowledging Mr. Hussein's crimes." Prime Minister Tony Blair of Britain, "speaking to reporters on Monday, said he opposed the death penalty for Mr. Hussein, joining several other European leaders and European Union officials who announced their opposition to the sentence. When pressed by reporters, Mr. Blair spoke of his longstanding opposition to capital punishment. He said he did not intend to protest the sentence, and condemned Mr. Hussein's brutality." The Times adds, "European leaders insisted that the viciousness of the actions of which Mr. Hussein was found guilty had not changed their view that state-sponsored killing was wrong. Some warned that executing Mr. Hussein would only worsen the sectarian bloodshed in Iraq." Amnesty International said "it 'deplored' Mr. Hussein's sentence, describing the proceedings as 'deeply flawed and unfair.'"

More Commentary. The Los Angeles Times (11/7, 918K) editorializes, "Even critics of the US invasion that brought him down acknowledge that his rule was not just brutal but bestial. Holding him accountable for his crimes is a matter of simple (if rough) justice." But "it will be a 'milestone' for the rule of law in Iraq only if Sunnis can be convinced that the new order in their country isn't as unjust as the old one."

Attorney and law professor Alan Dershowitz writes in the Wall Street Journal (11/7, A12, 2.03M), "The Nuremberg trials it is not. But then again, Saddam Hussein is no Hitler or Goering." Dershowitz adds "perfect justice is an illusion," and Saddam, "this exemplar of perfect injustice," has been "subjected to imperfect justice. The result is satisfying, and should serve as an object lesson to the many dictators who continue to terrorize their people and others in the expectation that they will never be brought to justice.

Anne Applebaum writes in the Washington Post (11/7, 748K), "It is true that the execution of Hussein, if and when it occurs, could well have a positive effect on Iraqi politics. If nothing else, it will eliminate once and for all the Baathist dream of a Hussein-led revanche -- a dream that even Hussein himself appears to have cherished; witnesses say he was genuinely surprised by the verdict and was shaking afterward. But his death will also probably put an end to this truth-telling project, one that has been unique and unprecedented in the Arab world. For the first time, an Arab dictator was held accountable for crimes against his people." Applebaum concludes, "Thanks to American incompetence in Iraq, it may be the last time for a long time, too."

Baathists May Be Allowed To Return To Government Jobs. USA Today/AP (11/7) reports, "A day after Saddam Hussein was sentenced to die, the Iraqi government declared a major concession Monday to the Sunni Arabs who backed him. The action could result in thousands of purged members of Saddam's party being reinstated in their jobs. … The political concession was detailed by the government organization that had been charged with removing Saddam loyalists from state institutions. Under a draft law, the organization would amend its rules to enable former Baath Party members to regain their jobs." The Washington Times (11/7, 88K) runs a similar AP story.

The Washington Post (11/7, A17, Anderson, 748K) reports, "Ali al-Lami, executive director of the Supreme National Commission for de-Baathification, said in an interview that the commission had drafted a law for parliament that would give 1.5 million former Baathists who 'excommunicate' themselves from the party the option of returning to their former government jobs or drawing a pension for their past employment." Other estimates "have put the number of purged Baathists in the tens of thousands; the figures could not be reconciled."

57 Iraqis Charged With Prison Abuse. In a front page article, the Washington Post (11/7, Raghavan, 748K) reports, "-- Iraq's Interior Ministry has charged 57 employees, including high-ranking officers, with human rights crimes for their roles in the torture of hundreds of detainees once jailed in a notorious eastern Baghdad prison known as Site 4 ... The charges marked the first time the present Iraqi government has taken criminal action against members of its own security forces for operating torture chambers inside Interior Ministry prisons, said Brig. Gen. Abdul-Karim Khalaf, a ministry spokesman." The charges come after previous stonewalling by Shiite officials who "have said such accusations are exaggerations, branding them attempts by Sunnis to discredit the Shiite-led government." The Post continues, "It remains to be seen whether [Interior Minister] Bolani, a Shiite and an engineer by training, can take on senior figures in his ministry who are suspected of links to Shiite militias. Many are left from the days of his predecessor, Bayan Jabr, who many Sunnis allege turned the ministry into his own Shiite fiefdom and a haven for the militias."

Third Marine Pleads Guilty In Iraq Murder Case. The New York Times (11/7, Tavernise, 1.21M) reports, "A marine corporal pleaded guilty on Monday in the shooting death of an unarmed Iraqi in April, the third person charged in the case to do so." Lance Cpl. Tyler Jackson "received reduced charges of aggravated assault and conspiracy to obstruct justice" by plea bargaining. Military law experts "say the number of deals in the Hamdaniya case and the rapid legal proceedings are somewhat unusual," with law professor and former Marine prosecutor Gary Solis saying, "At some point, a prosecutor has to prosecute." One defendant's lawyer, Jane Siegel, theorized that the command was interested in "expediting the process and saving ... a lot of money."

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The AP (11/6, Watkins) reports, "Jackson, who has been in military prison since May, spoke only to confirm his identity and attorneys' names and say he understood his rights."

Balad "Massacre" Recalled. The Los Angeles Times (11/7, Daragahi, 918K) reports in a 2,515-word front page article, "There were no heroes here. When gunmen murdered dozens of people in this once peaceful Shiite market city over two days last month, no one stepped in to stop the killing. Not U.S. forces, whose stated purposes in Iraq include preventing all-out civil war. Not the Iraqi security forces, who mostly turned a blind eye to the massacre. Not the people of Balad, who allowed decades of fear and hatred to overwhelm their better instincts." The Times reports the unfolding of the violence and how "the U.S. military monitored events from its base just outside Balad, where its role in policing conflicts has become increasingly marginal," stunning the locals. The Times speculates, "But perhaps U.S. soldiers — consciously or unconsciously — do make a grim calculation that benefits them. Sunni insurgents in the countryside attack American troops as well as Shiites. By contrast, Shiite gunmen often welcome Americans to their towns and primarily target young Sunni men suspected of being insurgents."

Pakistani Support For Islamists Seen As Fading. The Christian Science Monitor (11/7, Montero, 58K) reports after the bombing of the suspected Pakistani madrassah, "hundreds of miles away, in the cosmopolitan cities of Karachi, Lahore, and Islamabad, relative silence has prevailed. The difference in response is telling, observers say. It underscores not only an important gap in understanding between the tribal areas and the rest of the country - a gulf that helps keep the area underdeveloped and prone to extremism - but an erosion of the Islamist parties' power on the national stage." Many of the religious parties "have slowly cozied up in recent months to President Gen. Pervez Musharraf's military regime. Such compromises have ultimately undermined their claims to independent credentials, analysts point out. That's perhaps one reason why last week's calls for nationwide strikes were dismissed as pure political play."

CORPORATE SCANDALS:

5th Circuit Panel Rejects Challenge To Lay Conviction Erasure. The Houston Chronicle (11/7, Hays) reports, "An appeals court panel has slapped down an Enron shareholder's challenge of a judge's decision to erase former Enron Chairman Ken Lay's criminal convictions." The Chronicle continues, "The three-judge panel of the 5th U.S. Circuit Court of Appeals refused to order U.S. District Judge Sim Lake of Houston to reverse his October ruling that cleared Lay's name because the ex-chairman died before he had been sentenced or launched an appeal." The Chronicle adds, "The appeal panel's ruling, issued last week, reiterated what Lake said in his decision: Legal precedent says that 'when a defendant who has been found guilty of a federal crime dies before exhaustion of his appeal, his prosecution must be abated, his conviction vacated and his indictment dismissed.' … That is how all such situations are to be addressed unless the law is changed by Congress, the U.S. Supreme Court or by the full 5th Circuit, the panel ruled." The Chronicle notes, "Russell P. Butler, the shareholder who challenged Lake's ruling, said he would appeal the panel's decision to the Supreme Court. … 'I think we have a good chance,' said Butler, who said he lost $8,000 when the disgraced company collapsed nearly five years ago."

Former Homestore Official Sentenced For Securities Fraud. Inman News (11/7, Roberts) reports, "Peter Tafeen, a former Homestore executive who pleaded guilty to one count of securities fraud for his participation in a fraudulent advertising scheme, today was sentenced to serve 30 months in federal prison. … Tafeen was also sentenced to three years of supervised release following the prison sentence, and six months of the supervised release program must be served in home confinement." Inman continues, "Tafeen, who faced a maximum sentence of 10 years in prison, served as executive vice president of business development at Homestore from 1997 to November 2001. Homestore, which has operated Realtor.com and other property-search Web sites, this year re-branded as Move Inc. … Assistant U.S. Attorney Michael R. Wilner said, 'The sentence … was very fair and it reflected both Tafeen's involvement in the crime and his assistance in cooperating with the government during (Stuart) Wolff's trial.'" Inman adds, "Brian J. Hennigan, a lawyer for Tafeen who is a partner at Los Angeles law firm Irell & Manella LLP, said that Tafeen, who is currently out on bond, will report to prison Jan. 8. The judge, he said, has recommended that Tafeen serve his prison sentence in a Pensacola, Fla.-area prison near Tafeen's home. … As part of a plea agreement announced in March, Tafeen had agreed to testify against his former boss, Stuart Wolff, who was chief executive of Homestore during the accounting scandal. Tafeen had faced similar charges to Wolff before entering into the plea agreement, which came a few weeks before his trial was scheduled to begin."

US Had Tough Challenge In McKesson Prosecution. The California Recorder (11/7, Scheck) reports, "The securities fraud trial against the former CEO and general counsel of HBOC -- now McKesson Corp. -- was

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never an easy one for the government. … The government's central witnesses were snitches of questionable credibility -- so much so that prosecutors declined to bring one key witness to the stand. … And in an earlier bench trial of another executive, a judge found their testimony was not credible enough to convict. … So it wasn't terribly surprising Friday when a jury acquitted former CEO Charles McCall and ex-GC Jay Lapine of conspiring to commit securities fraud while deadlocking on six other counts." The Recorder adds, "That's not to say it didn't hit the lawyers involved like a sack of bricks: There were tears on both sides, most notably from Theodore Wells Jr., the Paul, Weiss, Rifkind, Wharton & Garrison partner who represented McCall in the six-week trial. … 'I've been living in a hotel in San Francisco since August the 14th working, truly, 20-hour days,' Wells told a group of reporters outside the courtroom. 'The fact that I was emotional, given the circumstances, is entirely understandable.'" The Recorder notes, "Mark Topel of Topel & Goodman, who argued Lapine's case, was similarly relieved after the acquittal and U.S. District Judge Martin Jenkins' subsequent declaration of a mistrial on the other counts. … Topel said he saw the case as one in which the people who admitted to the conspiracy -- a brace of lower-ranking executives who entered guilty pleas -- couldn't be trusted when it came to fingering higher-ups. … He pointed to prosecutors' decision to not take testimony from Jay Gilbertson, the company's CFO who in 2003 pleaded guilty to being involved in the fraud scheme which misstated billions of dollars in earnings. Gilbertson blamed it on Lapine and McCall, and was seen as potentially being the key witness before the trial started."

Federal Reserve Warns Traders About Illicit Bond Activity. The Washington Post (11/7, D01, Henderson) reports, "The Federal Reserve put traders on notice yesterday that it is scrutinizing activity in the bond market, highlighting recent concerns that some traders may have made illicit profits by manipulating securities prices." The Post continues, "Dino Kos, executive vice president of the markets group at the Federal Reserve Bank of New York, led an hour-long discussion of such concerns yesterday with representatives of the bank's 22 primary dealers -- the banks and securities firms that trade Treasury securities with the central bank." The Post adds, "The Fed meets with its dealers periodically to discuss market issues, but this was the first session devoted to suspicions at the Treasury Department about possible manipulation of the market for government bills, notes and bonds, and for futures contracts and other financial contracts linked to the securities. … The government's concerns were detailed in a Sept. 27 speech by James Clouse, deputy assistant Treasury secretary for federal finance. He described ways in which traders could control the supply of highly sought Treasury securities, driving up their prices. Such practices enable traders to borrow money at low interest rates and then invest it at higher rates to earn a profit."

CRIMINAL LAW:

Virginia Set To Execute Man For Slaying Of Bank Guard. The AP (11/7, Gelineau) reports, "Attorneys for a man scheduled to be executed Thursday for the 1999 slaying of a bank security guard have appealed to the U.S. Supreme Court and say his life should be spared because a prosecutor withheld information about a key witness." The AP continues, "John Yancey Schmitt, 33, is set to die by injection at Greensville Correctional Center in Virginia for the fatal shooting of 39-year-old Earl Shelton Dunning during a bank robbery. … In their petition to the Supreme Court and in a clemency petition to Virginia Gov. Timothy M. Kaine, Schmitt's attorneys criticize prosecutor Warren Von Schuch's actions, which they say could have influenced the jury's decision to recommend a death sentence. In the clemency petition, they also argue the shooting of Dunning was accidental." The AP notes, "Von Schuch said there was no prosecutorial misconduct, and described the killing as cold-blooded and clearly premeditated. … 'The court found that we did nothing wrong,' Von Schuch said. 'This is simply defense attorneys misrepresenting the truth to the public.'"

Jeffs Supporters Continue Expansion Of South Dakota Compound. The AP (11/7) reports, "A compound reportedly occupied by members of polygamist leader Warren Jeffs' sect continues to expand southwest of Pringle, South Dakota, even though Jeffs is behind bars in southern Utah. … Private investigators have said they believed the Pringle compound was among places Jeffs had hidden while he was on the run, but state and federal authorities said they could not confirm that." Custer County Equalization Director Les Struble "said one or two lodges a year have been built on the gated compound. The lodges are each about 3,000 square feet, with large kitchens and living rooms, plus separate bedrooms and bathrooms."

FBI Says Texas Man Faces Federal Charges In Kidnap-For-Ransom. The El Paso Times (11/7, Fonce-Olivas) reports, "Noe Guadalupe Ochoa, 20, of Sunland Park is facing five separate charges stemming from the May 4 kidnapping at gunpoint of a 16-year-old El Paso boy, whose identity was withheld because he is minor, Federal Bureau of Investigations spokeswoman Agent Andrea Simmons said." The Times notes, "An FBI investigation revealed that the teenager was taken from outside his home and held for

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ransom in Juárez. The day after he disappeared he was rescued by FBI agents and the Chihuahua state police anti-kidnapping unit. The teenager was found unharmed and in a car in Juárez near the Paso del Norte Bridge, where a ransom was supposed to be delivered." KFOX-TV El Paso (11/6) reported on its Web site, "Ochoa now faces charges including kidnapping a minor, using a firearm in a crime of violence, and possession and conspiracy to distribute marijuana."

Montana Murder Among Unsolved Cases FBI Investigating For Duncan Link. The AP (11/7) reports, "The FBI is investigating whether convicted murderer and sex offender Joseph Edward Duncan III might be involved in the slaying of a Montana teenager found dead in North Dakota four years ago. 'We're a long way from saying he's a suspect, but it's certainly a case we're reviewing,' said Donald Robinson, an FBI supervisor in Coeur d'Alene, Idaho." Russell Turcotte "was 19 when he disappeared in July 2002," and Duncan "was living in Fargo when Turcotte disappeared." The AP notes, "Robinson said the FBI is putting together a timeline on Duncan's whereabouts dating back to the early 1990s. 'Every single day Mr. Duncan was out of custody, we're looking at where he was -- and we're looking at all sorts of unsolved crimes,' Robinson said."

Dallas Woman Sentenced To Six Years In Prison For FEMA Relief Fraud. The AP (11/7) reports, "A Dallas woman who pleaded guilty to defrauding the Federal Emergency Management Agency of $80,000 through false claims for Hurricane Katrina benefits was sentenced Monday to nearly six years in prison. U.S. District Judge David C. Godbey sentenced Lakietha Diann Hall, 35, to 70 months in prison. She was ordered to pay $83,254 in restitution." The AP notes, "Hall was accused of leading a scam in which she submitted online claims for disaster and unemployment assistance on behalf of several of the other defendants, falsely stating that their primary homes were in areas devastated by Katrina and that the hurricane caused them to lose their jobs. All of Hall's co-defendants have pleaded guilty."

Connecticut Businessman Pleads Guilty To Fraud Charges. The Hartford Courant (11/1, 195K) reported in "Local Briefing" that "the owner of an East Windsor mail consolidation business pleaded guilty Tuesday to mail fraud and conspiracy to defraud the Internal Revenue Service, U.S. Attorney Kevin J. O'Connor said." Thomas J. Rueli, "who owned Total Logistics Services Inc., was charged with establishing a line of credit with a commercial lender of up to $12 million based on fraudulently inflated account data. He was also accused of paying bribes to another business owner and conspiring not to report the transactions to the IRS, O'Connor said in a statement."

Utah Man Snared In Nationwide Sting Pleads Guilty To Child Porn Charge. The Deseret Morning News (11/7) reports, "A La Verkin man is facing a mandatory five-year prison sentence after admitting to downloading dozens of images of child pornography off the Internet." Terence D. William "appeared in U.S. District Court on Monday to enter a guilty plea to one count of receiving child pornography. William was arrested and charged last August as part of a nationwide sting on a Web site based out of Orlando, Fla., that sold images of child pornography. The federal investigation netted more than 125 people who allegedly subscribed to the Web site, including three Utah men." The Morning News notes that "William admitted to downloading between 10 and 150 images of children engaged in sexual acts."

Texas Prosecutor Under Probe For Soliciting Sex From Teen Kills Himself. The New York Times (11/7, Eaton) reports from Terrell, TX, "A prosecutor in this North Texas town killed himself Sunday as the police tried to arrest him on charges of soliciting sex over the Internet from a person he thought was a 13-year-old boy." The Times continues, "The prosecutor, Louis Conradt Jr., 56, had been caught in a sting operation set up by Dateline NBC, the television news magazine, and an Internet watchdog group called Perverted Justice. An NBC camera crew was outside the house to film the scene when the fatal shot was fired. … Mr. Conradt had refused to open the door when police officers arrived at his house, where he lived alone, said Sgt. Snow Robertson of the Police Department in Murphy, a nearby town where officers said Mr. Conradt intended to meet the boy he thought he had communicated with. … Officers eventually forced their way into the house, only to find that Mr. Conradt had shot himself in the head with a small-caliber semi-automatic handgun, Sergeant Robertson said. Mr. Conradt died later at Parkland Hospital in Dallas." The Times adds, "Police officers from Murphy had gone to the house with a tactical team and two officers from Terrell to serve a warrant for Mr. Conradt's arrest. One of the officers from Terrell knew Mr. Conradt from his work as a prosecutor, Sergeant Robertson said. … Mr. Conradt had been a district attorney in Kaufman County and was the chief felony assistant district attorney in Rockwall County at the time of his death. … The police planned to search his computer and his house, Sergeant Robertson said. … The sergeant's department had been working with Perverted Justice and NBC News in a sting operation singling out people who solicit sex from children."

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Series Of Deaths In Wisconsin City Puzzles Authorities. The Washington Post (11/7, A03, Gutsche) reports from La Crosse, WI, "At night the Mississippi River here is black like pavement. Lights brighten the shoreline, where walkways end with a steep drop at the river's edge. There is no railing. Even to a familiar eye, the river looks like an empty parking lot. … This is where eight young men have apparently drowned in the past nine years, just blocks from the busy downtown bar district where many victims had been reported seen last. The latest victim was found in October." The Post continues, "Officials from the city and the three colleges and universities here -- as well as a group of vocal college students -- say the men became intoxicated and accidentally fell into the river. … Yet as the number of fatalities grows, so does the idea that a serial killer could be loose." The AP adds, "All of the victims were young, athletic, and either visiting La Crosse or attending college in the city. Toxicology results have indicated that almost all had high levels of alcohol in their systems when they died. … Still, the similarities among the apparent drowning victims have many concerned that the students are being stalked -- lured into the black waters by a female posing as a police officer or a man wielding a gun, locals say. … While the idea of a serial killer is gaining credence in some quarters of La Crosse, other residents say the explanation is merely a way to deflect attention from the criticism that city and college officials are not working hard enough to crack down on underage drinking or to secure the waterline from accidental drownings."

Cities Cracking Down On Jury Duty No-Shows. USA Today (11/7, Parker) reports, "The murder trial in the shootings that left five people dead at Pato's Place Bar was the biggest in the history of Tulare, Calif. However, when the judge in the case tried to pick a jury, only 160 of 500 people summoned to jury duty showed." USA continues, "The shortage of jury candidates delayed last year's trial of Donald and Timothy Young, brothers charged with capital murder. It also prompted court officials in Tulare, a city of 52,000 between Fresno and Bakersfield, to revamp the jury system in July." USA adds, "Tulare is among dozens of communities across the USA that are punishing no-show jury candidates. … 'We were down to a 50% response rate. That is simply not acceptable,' says Tulare County Superior Court Judge Lloyd Hicks. … Tulare jury candidates who fail to show are warned that they could be found in contempt of court. If they do not respond, a second letter is sent, warning that a warrant will be issued for their arrest, Hicks says. … No one keeps national figures on jury duty no-shows, but the American Judicature Society considers the problem an epidemic in some communities, especially large urban areas such as Miami, Houston and Atlanta, where no-show rates routinely top 50%, says David McCord, a society spokesman."

Abortion Clinics Seek Probe Of Bill O'Reilly's Access To Kansas Records. The AP (11/7, Hanna) reports, "Two abortion clinics asked the state's highest court Monday to investigate Attorney General Phill Kline and Fox television's Bill O'Reilly over O'Reilly's statements that he had information from Kansas abortion records." The clinics' attorneys "want the Kansas Supreme Court to seize records that Kline, an outspoken abortion opponent, obtained on 90 of the clinics' patients. Kline received edited versions of the records from a district judge on Oct. 24 after arguing he wanted to review the records for evidence of possible crimes including rape and illegal abortions." The attorneys "asked the court to appoint a special prosecutor to determine whether O'Reilly's information came from the records turned over to Kline."

CIVIL LAW:

House Democrat's Challenge To Budget Bill Dismissed. The AP (11/7) reports, "A federal judge on Monday dismissed a lawsuit filed by U.S. House Democrats trying to stop a $39 billion budget bill because the House and Senate did not approve identical versions." The AP continues, "House Democrats accused GOP leaders of abusing the legislative process and contend they were denied their right to vote on legislation signed into law by President Bush in February. Rep. John Conyers, D-Mich., the ranking member of the House Judiciary Committee, sued in April along with 10 other House members to prevent the law from being implemented." The AP adds, "The Senate version of the bill said Medicare can pay to rent some types of medical equipment for 13 months. A clerk erroneously wrote down 36 months before the bill was sent back to the House for a final vote, and the language was approved by the House on Feb. 1. … When the bill was sent to Bush for his signature, the number was back to 13 months. The lawsuit said the oversight amounted to an additional $2 billion in spending, and the plaintiffs claimed that because they never had the chance to vote on the version signed into law, the law was invalid." The AP notes, "The Department of Justice had sought the lawsuit's dismissal, claiming the 11 House members lacked standing because they are not renters of medical equipment and were not in 'any way personally affected or injured.'"

Supreme Court To Consider Partial Birth Abortion Case On Wednesday. The Los Angeles Times (11/7, Savage, 918K) reports whether the partial birth procedure, "known medically as dilation and extraction or D&X, will be legal comes before the Supreme Court on Wednesday, the day after the midterm elections." With "two

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new Bush appointees on the court — one replacing a justice who supported abortion rights," abortion opponents "are optimistic that, for the first time, the court will uphold an outright ban on an abortion method. The campaign against the procedure has succeeded where other attacks on abortion failed." By "branding it gruesome and unnecessary," opponents "won broad support for a criminal ban, even from lawmakers who usually vote in support of abortion rights." A win for "abortion foes would chip away at the court's 1973 Roe vs. Wade decision, which held that women have a constitutional right to an abortion. Those fighting a ban argue that the disputed procedure is sometimes the safest method for aborting a fetus in midterm and, despite the attention it receives, is not commonly used."

CNN.com (11/7, Mears) reports, "The morning after the closely fought midterm elections, the U.S. Supreme Court will hear its first major abortion case in six years. … The hot-button issue has been debated for years among social and religious activists, voters and judges themselves." CNN continues, "At issue in Wednesday's arguments is the constitutionality of a federal law banning a specific late-term procedure its critics call 'partial-birth' abortion. … After Justice Samuel Alito replaced Sandra Day O'Connor this year, court watchers have been waiting for a pair of cases to signal whether the court is shifting to the right." CNN adds, "For a quarter of a century, O'Connor, the first woman on the high court, was a key swing vote upholding the basic right to abortion. The views of Alito, a more conservative jurist, could prove crucial in the new debate. So, too, could the views of moderate-conservative Justice Anthony Kennedy, who takes O'Connor's place as the key swing vote. … Even with Alito and Chief Justice John Roberts joining the bench in recent months, many legal scholars say the outcome is far from clear. … Three federal appeals courts have ruled against the government, saying the federal Partial Birth Abortion Ban Act of 2003 is unconstitutional because it does not provide a 'health exception' for pregnant women facing a medical emergency. … The federal law has never gone into effect, pending the outcome of nearly three years of legal appeals."

The National Law Journal (11/7, Coyle) reports, "In weighing the constitutionality of a federal law, the U.S. Supreme Court sometimes gives deference to congressional findings of fact. How will it view the critical finding at the heart of its latest abortion challenge?" The Journal continues, "The justices this week will hear arguments in two cases testing the constitutionality of the federal Partial-Birth Abortion Act of 2003. Gonzales v. Carhart, No. 05-380; Gonzales v. Planned Parenthood, No. 05-1382. Partial-birth abortion is a term used for an abortion procedure, intact dilation and extraction, infrequently used in second-trimester pregnancies. … Although the high court's abortion precedents and the future of a woman's right to choose abortion will dominate discussions, the cases also are very much about separation of powers and the roles of the legislative and judicial branches in making and interpreting laws, say scholars on both sides." The Journal notes, "In enacting the 2003 law, Congress made explicit findings in the statute that partial-birth abortion 'is never medically indicated to preserve the health of the mother.' A health exception to abortion restrictions has been central to the court's abortion jurisprudence since the landmark Roe v. Wade. The lack of such an exception was a key basis for a 5-4 majority's decision to strike down a Nebraska partial-birth abortion law, very similar to the federal law, just six years ago. Stenberg v. Carhart, 530 U.S. 914. … In the 2003 law, Congress criticizes Stenberg and the findings of the trial judge that gave rise to the Stenberg high court case. The federal lawmakers call for a 'high degree' of deference to their own findings, a call echoed by the Bush administration and its supporters in briefs defending the federal law. … But opponents contend that that type of deference is not due because Congress did not engage in neutral fact-finding. A fundamental right, requiring heightened court scrutiny and independent review of congressional findings, is at issue, and two district judges, in extensive trials in the two cases, made findings contrary to those of Congress."

CIVIL RIGHTS:

DOJ To Monitor Polls In 22 States. The AP (11/7, Jordan) reports, "Federal poll watchers will be in 22 states Tuesday, safeguarding against fraud or discrimination in election districts marked by tight races, large numbers of minority voters and faulty ballot machines." The AP continues, "Justice Department monitors and observers are being assigned to Cuyahoga County, Ohio, which has been dogged by problems with computerized touch-screen voting machines. They will be in Bergen County, N.J., a must-win prize for both candidates in the state's Senate race. … And they will watching more than a dozen counties nationwide where polls are on American Indian reservations and in big cities dominated by black voters." The AP adds, "In all, the Justice Department is sending an estimated 850 poll watchers to 69 cities and counties — what officials on Monday called an unprecedented number, and twice as many during the 2002 congressional midterm elections. … The government has dispatched poll watchers to ensure fair elections since the 1965 Voting Rights Act was enacted. … Assistant Attorney General Wan J. Kim, who heads the Justice Department's civil rights programs, told reporters last week that the election districts were selected in part because of close races there. … They include Fort Bend and Galveston counties in Texas, where Republican write-in candidate Shelley Sekula-Gibbs is seeking to keep a GOP hold on the seat vacated by former House Majority Leader

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Tom DeLay. Texas Democrats have accused Sekula-Gibbs of twice entering early voting locations — which is prohibited by law — to introduce herself to voters and workers."

CNN.com (11/7, Frieden) reports, "After weeks of considering requests for a federal presence, Attorney General Alberto Gonzales and his Civil Rights Division lawyers decided to send 850 poll watchers to 69 jurisdictions in 22 states." CNN continues, "The federal authorities are being sent to monitor a wide variety of specific issues. In New Orleans, Louisiana, however, the observers will be there primarily to provide support to a wobbly post-Katrina election system that could be overwhelmed by residency issues. … The federal force includes more than 500 trained observers from the Office of Personnel Management. They are going to places with troubled histories as certified by the Attorney General or the federal courts under provisions of the Civil Rights Act of 1965. Those locations include polling places where allegations of racial, ethnic and language discrimination have surfaced in the past -- some as far back as the 1970s." CNN adds, "The Justice Department is also sending more than 350 monitors, including attorneys from its Civil Rights Division and U.S. Attorneys offices, to other hot spots where complaints have been registered or tensions have run high. … The Justice Department has declined official comment on why any of the locations were selected. … Assistant Attorney General for Civil Rights Wan Kim said the anticipated closeness of races would be one factor in making the final decisions on where to send observers. But in the end, few of the jurisdictions receiving federal scrutiny will be in states with heated Senate races."

FBI Looks Into Alleged Virginia Voter Intimidation. The Richmond Times-Dispatch (11/7, Schapiro) reports, "The FBI is looking into possible voter intimidation in Virginia's hard-fought U.S. Senate contest between Republican incumbent George Allen and Democrat Jim Webb." The Times-Dispatch continues, "Just ahead of today's election, state officials alerted the U.S. Justice Department to several complaints of suspicious phone calls to voters about where they cast ballots and their preferences for the Senate." The Times-Dispatch adds, "Jean R. Jensen, secretary of the State Board of Elections, said yesterday that she was subsequently contacted by an agent in the FBI's Richmond office. The FBI is the investigative arm of the Justice Department. … Dee Rybiski, spokeswoman for the FBI here, declined comment." The Times-Dispatch notes, "Jensen said she called the Justice Department's civil rights office in Washington and the Virginia attorney general after receiving a complaint Sunday from a voter in Arlington County and one yesterday from the registrar in Accomack County. .. .Jensen said she later received a report from the Hampton registrar about a call to a voter there. That complaint came in response to an e-mail from Jensen to local registrars about possibly deceptive phone calls."

Cross Burning Attempted At Louisiana Town Hall. The AP (11/7) reports, "Someone tried to set a cross on fire in the town hall parking lot of Grand Coteau, where the black mayor is in a runoff Tuesday against a white woman. Authorities said Monday that they had few leads, other than for a pickup truck seen leaving the parking lot without its lights on late Thursday, the night before the cross was planted." Grand Coteau Police Chief Jonty Coco "said the state police and the FBI had been informed. A preliminary investigation indicated the cross had been soaked with used motor oil, he said."

Alleged California Pimp Charged With Sex Trafficking. The AP (11/5) reported, "A California man suspected of being a pimp has been charged with sex trafficking." Jeremiah Crayton "is charged in Phoenix with two counts of Sex Trafficking of a Minor and two counts of Interstate Transportation of a Minor for Prostitution." US Attorney Paul Charlton "says they plan to aggressively prosecute those who trade in the pain and misery of children. The complaint alleges that in August of 2004, Crayton took a juvenile female, who he knew was under 18 from Phoenix to San Francisco, where he forced her to work as a prostitute."

New York City Plans To Make Gender Designation A Personal Choice. The New York Times (11/7, Cave) reports, "Separating anatomy from what it means to be a man or a woman, New York City is moving forward with a plan to let people alter the sex on their birth certificate even if they have not had sex-change surgery." The Times continues, "Under the rule being considered by the city's Board of Health, which is likely to be adopted soon, people born in the city would be able to change the documented sex on their birth certificates by providing affidavits from a doctor and a mental health professional laying out why their patients should be considered members of the opposite sex, and asserting that their proposed change would be permanent." The Times adds, "Applicants would have to have changed their name and shown that they had lived in their adopted gender for at least two years, but there would be no explicit medical requirements. .. . If approved, the new rule would put New York at the forefront of efforts to redefine gender. A handful of states do not require surgery for such birth certificate changes, but in some of those cases patients are still not allowed to make the change without showing a physiological shift to the opposite gender." The Times notes, "In New York, the proposed change comes after four years of discussion among health officials, an eight-member panel of transgender experts and vital records offices nationwide. It is an outgrowth of the transgender community's push to recognize that some people may not have money to get a sex-change operation, while others may

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not feel the need to undergo the procedure and are simply defining themselves as members of the opposite sex. While it may be a radical notion elsewhere, New York City has often tolerated such blurring of the lines of gender identity. … And the proposal reflects how the transgender movement has become politically potent beyond its small numbers, having roots in the muscular politics of the city's gay rights movement."

WSJournal Praises Michigan Anti-Affirmative Action Initiative. The Wall Street Journal (11/7, 2.03M), in an editorial, writes, "Today in Michigan, voters face a choice on Proposal 2, which would add the following language to the state constitution: 'The state shall not discriminate against, or grant preferential treatment to any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education or public contracting.' One might think a law banning discrimination would be a triumph for civil rights. Instead, opponents have spent $3 million trying to defeat it, using some of the most low-down arguments of this low-down election year. … Polls in Michigan had the Civil Rights Initiative narrowly ahead in the final days, notwithstanding the 3-to-1 funding advantage of the opponents. If it prevails despite the distortions used by opponents, it will be a tribute to the faith among Michigan voters in equal opportunity."

ANTITRUST:

DOJ Queries Merrill Lynch On Buyouts. Bloomberg (11/7, Cole) reports, "Merrill Lynch & Co., the world's third-largest securities firm, received a letter from the U.S. Department of Justice as part of an antitrust inquiry of the leveraged-buyout industry, a person familiar with the probe said." Bloomberg continues, "Justice officials have already sent letters seeking information to Carlyle Group, Clayton, Dubilier & Rice Inc., Kohlberg Kravis Roberts & Co. and Silver Lake Partners, according to the person, who asked not to be identified because the inquiry isn't public. The Merrill letter was reported earlier today by the Wall Street Journal. … 'The DOJ is probably focusing on three to four deals initially, and if it finds any problems then it may widen the probe to include other firms and deals,' Sean Boland, co-chair of the antitrust practice at Washington-based law firm Howrey LLP, said today in a telephone interview. Boland said the probe may last more than a year." Bloomberg adds, "LBO firms have teamed up on $201 billion of acquisitions this year, compared with $31 billion in all of 2001, according to data compiled by London-based Private Equity Intelligence Ltd. In July, the industry's biggest deal was announced, the $33 billion takeover of hospital chain HCA Inc. by KKR, Bain Capital LLC, Merrill Lynch's private-equity unit and HCA co-founder Thomas F. Frist Jr. … Carlyle, Clayton Dubilier and Merrill acquired Hertz Global Holdings Inc. last year from Ford Motor Co. for $15 billion. The Park Ridge, New Jersey-based car-rental company said last month it planned to sell as much as $1.83 billion of shares in an initial public offering."

The AP (11/7) reports, "Regulators are looking into whether private equity firms, which are increasingly the driving force behind some of Wall Street's biggest buyout deals, have engaged in anticompetitive behavior." The AP continues, "The U.K.'s Financial Services Authority said in a statement Monday it is weighing whether it provides adequate oversight of the private equity market." The AP adds, "Merrill's private equity business, Merrill Lynch Global Private Equity, has been on a tear, with profits of more than $300 million last quarter. The operation was involved in the $21.3 billion leveraged buyout agreement of hospital chain HCA Inc. Kohlberg Kravis and Bain Capital LLC also took part in that deal. … The news comes as investors are cheering the premiums that private equity deals can bring; the private equity deals can also generate enormous fees on Wall Street. Monday brought a flurry of private equity news, with offers being made for Four Seasons Hotels Inc. and OSI Restaurant Partners Inc., which is the parent of such chains as Outback Steakhouse."

DOJ Requests Information On Smithfield-Premium Standard Deal. The AP (11/7) reports, "Smithfield Foods Inc. and Premium Standard Farms Inc., the nation's two largest hog producers, said Monday they received requests for additional information from federal regulators related to Smithfield's pending acquisition of Premium Standard." The AP continues, "The request by the Department of Justice's antitrust division extends the waiting period imposed by federal law until 30 days after the two companies have substantially complied with the request." The AP adds, 'Under terms of the deal announced in September, Smithfield Foods will buy Premium Standard for about $674 million in cash and stock. Smithfield will also assume about $117 million of Premium Standard's debt. .. Both companies said they intend to respond expeditiously to the request and to work toward a prompt closing, which they hope to achieve in the first quarter of 2007."

Ahold To Sell US Foodservice. The AP (11/7, Sterling) reports, "Supermarket chain operator Royal Ahold NV announced plans Monday to sell its U.S. Foodservice unit, which distributes bulk food to cafeterias, as part of a major strategic shift back to its roots in retailing." The AP continues, "As part of the plan, Ahold also said it would sell its Tops stores in New York and Pennsylvania, divest its retail operations in Poland and Slovakia, and sell its 49 percent stake in Portugal's Jeronimo Martins Retail. … 'The basic decision we've taken is to commit to retail, to go back to

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where we come from,' Chief Executive Anders Moberg told reporters. 'We will keep retail operations in markets in the United States and in Europe only where we can secure and maintain a No. 1 or No. 2 position.'" The AP adds, "Analysts said the moves were the logical next step for Ahold, which has gradually returned to firm financial footing by refinancing and selling assets after an accounting scandal centered around U.S. Foodservice pushed it to the edge of bankruptcy in 2003. … Ahold said last week that third-quarter sales at its Columbia, Md.-based U.S. Foodservice operation, which distributes food to cafeterias in hospitals, schools and prisons, increased by 5 percent to $4.5 billion. Analysts put its value at around $5 billion."

Morgan Stanley, Visa Settle European Network Access Dispute. The AP (11/7) reports, "Morgan Stanley and Visa International have agreed to settle a long-running dispute over business in Europe, the two companies said in a statement Monday. .. However, the European Commission cautioned that the settlement wouldn't end its investigation into Visa's commercial practices." The AP continues, "Visa had refused to let Morgan Stanley join its card network in Europe because Morgan Stanley runs a competing card service in the United States, Discover. Morgan Stanley complained to the European Union in 2000. … The two companies said they 'reached an amicable settlement, without any admission of liability.' Morgan Stanley has become a member of Visa in Europe. In return, it withdrew its complaint to European regulators and ended court proceedings in England. … After Morgan Stanley complained, European antitrust regulators formally charged Visa with blocking competitors from its network in August, 2004. It sent Visa a formal 'statement of objections,' saying Visa's rule barring competitors from using its network squelches competition in a growing segment of the credit-card industry and reduces choice for merchants. This case will continue despite Monday's news."

EU To Rule On Universal's Purchase Of BMG. The AP (11/7) reports, "EU regulators on Monday set a Dec. 8 deadline to rule on Universal Music Group's plans to buy BMG Music Publishing for $2.09 billion." The AP continues, "BMG — owned by German media company Bertelsmann AG — has the rights to more than a million songs by recording artists such as Nelly, Maroon 5 and Coldplay, as well as classic hits by the Beach Boys, Barry Manilow and other entertainers. … Vivendi SA's Universal is the world's largest music company." The AP adds, 'Its purchase of BMG Music Publishing must be cleared by both EU and U.S. regulators. It is likely to face careful scrutiny in Europe after an EU court in July overturned the European Commission's go-ahead from a merger between the music units of Sony and Bertelsmann AG. … That deal — reducing the number of major record companies from five to four — must be re-examined and analysts warned it could raise the stakes for similar mergers. The Commission has already said it had to watch the music sector closely to check that antitrust rules are not being broken. .. EMI suspended $4.6 billion takeover talks with U.S. rival Warner Music Group after the court ruling since it cast doubt on whether an EMI-Warner deal would receive regulatory approval."

NTP Files Patent Suit Against Palm Over Wireless Email. The Wall Street Journal (11/7) reports, "NTP Inc., which successfully sued the maker of BlackBerry devices for infringement of wireless email patents, said it is suing Palm Inc., maker of the Treo smartphone." The Journal continues, "The lawsuit, filed in U.S. District Court for the Eastern District of Virginia, alleges that Palm's products and services have improperly used NTP's wireless email technology. The suit asks the court to bar Palm from "continuing to infringe on NTP's patents" and seeks monetary damages for the alleged past infringements." The Journal adds, "In March, BlackBerry maker Research in Motion Ltd. agreed to pay NTP $612.5 million to settle a four-year patent dispute. Though it never conceded wrongdoing, RIM acknowledged that customers had delayed placing new orders due to the threat of a court-ordered shutdown of the BlackBerry system in the U.S. .. The Palm complaint also centers on products and services that integrate email systems with wireless communications, including the Treo, Palm VII, Palm i700 and Tungsten products. At issue are seven patents, dating from 1995 to 2001, according to the lawsuit. Five of the patents were part of NTP's lawsuit against RIM."

Former Swift Transportation CEO Makes $2.2 Billion Bid For Company. The Wall Street Journal (11/7, C6, Keeton) reports, "Jerry Moyes, the former top executive and largest shareholder of Swift Transportation Co., has offered to buy the Phoenix trucking company for $2.2 billion. … Swift, a long-haul trucking carrier, said that Mr. Moyes offered $29 a share, a 21% premium to Friday's trading price of $24.05. The company said its board will review the offer." The Journal continues, "Swift shares rose $5.79, or 24%, to $29.84 in 4 p.m. Nasdaq Stock Market composite trading, an indication that some investors anticipate a higher offer. In a letter to the company, Mr. Moyes said he would consider increasing the offer if an examination of Swift's books and records showed that the shares are worth more than $29. … In the third quarter, trucking companies reported that they hadn't seen the usual seasonal upturn in business, with retailers preparing for the holiday season. A slowing economy would hurt the trucking business."

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McKesson To Buy Per-Se For $1.1 Billion. The Wall Street Journal (11/7, B2, Urbanowicz) reports, "McKesson Corp. agreed to buy Per-Se Technologies Inc., which sells administrative services to doctors and hospitals, for about $1.1 billion, expanding the drug-distribution giant's customer base and transaction-processing capabilities." The Journal continues, "McKesson also will assume Per-Se's debt outstanding under the deal. As of Sept. 30, Per-Se had long-term debt of $510.6 million." The Journal adds, "The buyer will pay $28 in cash for each Per-Se share outstanding, a 14.5% premium to the Alpharetta, Ga., company's Friday closing share price. Per-Se shares rose $3.09, or 13%, to $27.54 as of 4 p.m. in Nasdaq Stock Market composite trading. McKesson rose $1.17, or 2.4%, to 49.69 in New York Stock Exchange composite trading. … McKesson Chief Executive John Hammergren said the acquisition will strengthen customer relationships in existing McKesson businesses while adding a pharmacy transaction business to the San Francisco company's portfolio." The Journal notes, "Hedge fund ValueAct Capital, which controls about 15.5% of Per-Se's voting common stock, and certain of its affiliates agreed to vote in favor of the transaction. The deal is expected to close in the first quarter. … After the deal, the scale of McKesson's transaction-processing services and associated offerings is expected to more than double to about 560 million transactions annually, representing an estimated $300 billion in billed charges."

ENVIRONMENT/INDIAN AFFAIRS:

Industry Officials, Union, Activists Cooperate On Chemical Exposure Rule. The Washington Post's Cindy Skrzycki, in her "The Regulators" column (11/7), reports, "An industry association, a labor union and a public health group recently settled a court case over a new standard for worker exposure to a cancer-causing chemical, hexavalent chromium. It was a rare example of agreement in worker-safety regulation. Under the Oct. 25 settlement, the Surface Finishing Industry Council, whose members use the chemical to coat metals, agreed to move faster to improve ventilation and make other engineering changes to reduce workers' exposure levels. In return, the United Steelworkers union and an ally agreed that workers would have to wear a respirator only for certain jobs, unless they requested one." However, "there is no sign that the single agreement will cure the paralysis that for years has crippled the process for setting 'permissible exposure limits' for chemicals in the workplace."

Plan For Public Park Roils Maine Community. The New York Times (11/7, Barringer) reports from Millinocket, ME, "Roxanne Quimby could be forgiven if she thought she was emulating the likes of Henry David Thoreau, Percival P. Baxter, John D. Rockefeller Jr. and other lovers of Maine's landscape when she started to buy bits of the vast northern woodlands near here to be the core of a new national park." The Times continues, "Who knew that when she began using some of the fortune she had earned from her organic personal-care business, Burt's Bees, to buy up woods to preserve, she would be greeted with 'Ban Roxanne' T-shirts? Or, that her efforts at preservation — banning snowmobiling, hunting and all-terrain vehicles on 50,000 of her acres — would be taken as an attack on the old-time values of the timberland?" The Times adds, "Who knew that even some conservation-minded groups would be reluctant to support the decade-old vision of a national park that had inspired Ms. Quimby? … Still, one might have guessed, looking at the streets of this town of 4,700 people, where hunter's blaze orange is the fall fashion statement of choice during this month's deer hunting season." The Times notes, "Millinocket residents fear that turning timberland into parkland will further cut timber jobs, strip them of their accustomed hunting grounds and prevent the development of resorts and snowmobile parks they see as one way out of the downward economic spiral. … Other environmental groups, while sympathetic to the idea of a national park, see it as an unwelcome distraction from their fight to block a proposed 420,000-acre resort development that the Plum Creek Timber Company has unveiled for Moosehead Lake, just west of here."

Woman Vies To Be First Female Navajo Leader. The Washington Post/AP (11/7, A03, Fonseca) reports from Window Rock, AZ, "One candidate in Tuesday's Navajo Nation presidential election promises accountability and staunch protection of tribal land. The other vows to build on the reservation's economic progress in the past four years. … But in the race between incumbent Joe Shirley Jr. and challenger Lynda Lovejoy, the overriding issue is sex." The AP continues, "A win would make Lovejoy the first female leader on the largest Indian reservation in the United States, which extends into New Mexico, Arizona and Utah. … 'She is a woman, and that is going to be an issue no matter what her stance on policy,' said Dale Mason, an associate professor of political science at the University of New Mexico at Gallup. 'She represents something entirely new.'" The AP adds, "Lovejoy, a former New Mexico state lawmaker and current member of the Public Regulation Commission, hopes to unseat Shirley, 58, a former tribal council delegate who has been leading the tribe for four years. … 'I can't control people making their decision to vote for me because I'm a woman,' she said. 'I certainly appreciate and welcome that. Any vote is important to winning this ticket on November 7.' … Shirley, who has focused on economic development in his campaign for reelection, acknowledges some people will vote based on

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sex, but he says he is hopeful that most won't. … Some traditional Navajos believe that women and men have distinct roles in society -- women as caretakers of the home and of children, and men as providers and leaders, said Tommy Begay, a Navajo and University of Arizona doctoral student who is studying the evolution of cultures. … Although Navajo is a matriarchal society, traditional Navajos will probably stick to the belief that only men should serve as president, Begay said."

FBI/DEA/ATF/USMS:

Detroit SAC Named FBI Criminal Division Deputy Assistant Director. The Detroit News (11/7, Shepardson) reports, "The special agent in charge of the Detroit FBI has been promoted to a top job overseeing criminal investigations nationwide. Michigan native Daniel D. Roberts…will become the deputy assistant director of the FBI's criminal division in Washington. … 'I would have loved to stay here, but I am looking forward to the new challenge,' Roberts said, calling the job 'a natural fit.'" The News notes, "Last month, FBI director Robert Mueller asked Roberts to take the new job," as "the FBI is in the process of filling many jobs at FBI headquarters and reshuffling the top agents at the nation's 56 field offices. … Roberts said he was most proud of his office's handling of many special events without incident," and he "made it a priority to recruit FBI agents to the Detroit office, making the pitch that the area gets an unfair rap, and also got funding to boost the size of the office, which is the 11th largest U.S. FBI field office." The AP (11/7) also reports briefly on Roberts' appointment.

Five Charged In Florida Drug Investigation Spurred By Family's Slaying. The Palm Beach Post (11/7) reports a federal grand jury "has formally charged five people with conspiracy to distribute crack cocaine in a drug case spawned by an investigation into the killing of a family found shot to death last month on the side of Florida's Turnpike. Investigators say four of the West Palm Beach-area residents indicted in the federal drug case are connected to the Oct. 13 slaying of the Escobedo family on the side of the highway in Port St. Lucie - though no one has been charged in the homicides. The federal indictment was issued Friday by a grand jury in West Palm Beach and made public during a court hearing Monday morning in Fort Pierce."

Scripps Treasure Coast Newspapers (11/7) reports all four people described as "persons of interest" in the Escobedo family killings "have been indicted on federal drug charges." Investigators "were led to the drug operation by apparent references to several of the defendants in ledgers found in the Escobedo home, which recorded payments next to names, according to court records. Agents who raided the West Palm Beach home found a powder and crack cocaine, Ecstasy pills and guns."

The AP (11/6) reports a federal magistrate "denied bond Monday for a man considered a person of interest in the killings of a family of four found along Florida's Turnpike in Port St. Lucie. Ricardo Sanchez, 23, of suburban West Palm Beach, was arrested Oct. 26 on cocaine charges with four others. Police believe four of the five people arrested that same day are connected to the slayings of the family." The Gainesville Sun, Florida Times-Union, and Dallas Morning News are among the newspapers that used the AP story.

In California, Medical Marijuana Still Generating Conflicts 10 Years After Proposition 215. The San Diego Union-Tribune (11/7, Mcdonald) writes, "The potential of Proposition 215, which conflicts squarely with federal laws that classify marijuana among the most dangerous drugs, has never been realized. Thousands of California patients have no legal access to medical marijuana. … Unscrupulous and profit-minded dispensary operators have taken advantage of the absence of uniform rules, opening storefronts anywhere they can and selling marijuana to unqualified patients." The Union-Tribune says some legal scholars "believe U.S. drug agents should enforce federal laws but also respect state rights. However, the Drug Enforcement Administration has recruited local agencies to join task forces that continue to raid dispensaries and cooperatives."

Purported Gang Member Faces Federal Drug Charges In Tennessee. The Knoxville (TN) News Sentinel (11/7, Satterfield) reports, "Jessie Rondale Bailey…had been off the parole hook for his role in the May 1996 slaying of Brittany Shenice Daniels only a few months when he started racking up new charges. But the stakes for Bailey got a sudden boost last week with his arrest on a federal indictment alleging four drug sales, including two involving more than 50 grams of crack cocaine. … In April, U.S. Drug Enforcement Administration agent Todd Lee and KPD officer Bruce Conkey began building a federal drug case against Bailey, records show. … He joins former East Side gang members Melvin 'Little Melvin' Davis and Robert D. Campbell as participants in the fatal drive-by who have wound up back in trouble."

In Arizona, Former Prosecutor Remorseful About Role In Drug-Related Case. The Arizona Daily Star (11/7) reports a former Pima County prosecutor who "was once engaged to former murder suspect Bradley Schwartz says no words are adequate to describe how 'remorseful, ashamed and embarrassed' she is about the events leading up to her possible disbarment. Last

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November, the State Bar of Arizona filed a complaint against Lourdes Lopez, 38, saying she had engaged in criminal conduct." The bar "alleges Lopez not only was indicted in September 2002 on prescription drug fraud charges along with Schwartz, but she continued having a relationship with Schwartz despite being ordered not to, and lied about it. … She further acknowledged that she lied to DEA agents about her relationship with Schwartz when they initially questioned her."

ATF Probing Detroit Fire. The Detroit News (11/7, Brand-Williams) reports, "The Detroit Fire Department is investigating a two-alarm fire that destroyed several businesses and apartments and produced more than a $1 million in damage near Lahser and Grand River on the city's northwest early Monday morning." The News conitnues, "The National Response Team from the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and ATF special agents from the Detroit Field Division were called in to assist the Detroit Fire and Arson Squad in their investigation, according to the ATF. … 'We are involved because of the dollar amount of the fire. We don't look at this suspicious or not,' said Vera Fedorak, an ATF spokeswoman in Detroit. 'The Detroit Police Department asked us for assistance.'" The News adds, "The blaze was reported by a resident around 1 a.m. The building contained four businesses and several store fronts that were unoccupied. Six apartments on the second floor of the building were occupied. … There was no deaths reported in the blaze."

CONGRESS-ADMINISTRATION:

Bush To Nominate Paulson Advisor To Treasury Post. The Wall Street Journal (11/7, B11, 2.03M) reports, "President Bush said he intends to nominate Anthony Ryan, a senior adviser to Treasury Secretary Henry Paulson, to serve as assistant secretary of the Treasury for financial markets." Ryan, "who was one of Mr. Paulson's first hires at Treasury, will have primary responsibility for managing Treasury's debt-market portfolio, such as the 30-year Treasury bond. The position has been vacant for a year since Timothy Bitsberger left to join mortgage giant Freddie Mac."

House Leadership Contests Already Underway. Roll Call (11/7, Davis, Yachnin) reports that while "control of the House won't be determined until tonight at the earliest, contested leadership elections already are brewing on both sides of the aisle." For the GOP, "much of the current leadership's fate rests on today's outcome, as the chances of retaining their current posts become more vulnerable with each seat lost. Majority Leader John Boehner (Ohio) and House Republican Conference Chairwoman Deborah Pryce (Ohio) are guaranteed a challenge, as are Minority Whip Steny Hoyer (Md.) and Democratic Caucus Chairman James Clyburn (S.C.)." House Democrats "remain committed to holding their Caucus elections on Nov. 16, but House Republicans are increasingly likely to postpone their scheduled Nov. 15 elections even if they hold on to House control." If Republicans "defy expectations and retain the majority, Speaker Dennis Hastert (Ill.) has reiterated in recent weeks that he intends to run again for an unprecedented fifth term for the top job." But "long before the Foley story broke, an increasing number of House Republicans were doubtful that Hastert, who suffers from health problems including diabetes, would serve out a full Congress. Boehner is a likely candidate, but the Ohioan is seen as unlikely to mount a challenge to Hastert, rather waiting for him to exit the House on his own terms." If for "no other reason than that he took over mid-Congress, Boehner is the most likely current Republican to stay in leadership in the 110th Congress." Should Democrats "win control of the chamber, it is widely expected that Minority Leader Nancy Pelosi (Calif.) would be elevated to the Speaker's office, which would make her the first woman to hold the post." A Democrat-run House "would bring a simmering fight for the Majority Leader's office to a boil leading to the scheduled Nov. 16 leadership elections." Although "conventional wisdom gives Hoyer, as the party's current No. 2 leader, a claim to the Majority Leader's post, Rep. John Murtha (Pa.) surprised colleagues in June when he announced that he would also seek the office."

Congress To Take Up Appropriations Measures In Lame Duck Session. Roll Call (11/7, Pierce) reports regardless of "which party emerges victorious today, the current Republican majority still must find a way to fund the government, at least through the winter holidays, as well as finish other year-end business during the lame-duck session, which begins next week but is destined to last well into December." In order "to give themselves some breathing room after what is expected to be a bruising Election Day for the GOP, one of the first orders of business in both chambers next week is likely to be the passage of a continuing resolution that would allow Congress to punt the issue of fiscal 2007 appropriations until the first full week in December." GOP leaders "plan to make at least a passing attempt to complete the remaining nine spending bills as stand-alone measures, rather than cobbling them together into a massive omnibus appropriations measure — a necessity if Congress wanted to finish up within one week." But Senate Majority Leader Bill Frist (R-Tenn.) "finally acknowledged last week that Congress will have to extend its lame-duck session into December after taking a two-week break for Thanksgiving. That gives Congress more time to

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take up at least a few more of those appropriations bills in regular order."

Federal Board Rules Preference For Veterans Supersedes Expedited Hiring Programs. The Washington Post's Stephen Barr (11/7), in his "Federal Diary" column, reports, "A federal board has reaffirmed the government's obligation to show a preference for military veterans in hiring, even when federal agencies use a special program designed to quickly fill jobs with applicants who have a high grade-point average. The decision by the Merit Systems Protection Board, which hears appeals in federal personnel disputes, is a setback for the Outstanding Scholar program, which permits agencies to bypass regular civil service hiring procedures, and for the Office of Personnel Management, which had petitioned the board to reconsider its rulings from last year. … Kerry B. McTigue , general counsel at the OPM, said government lawyers are studying last month's decision and whether to file a federal court appeal. The American Legion…welcomed the board's decision."

OTHER NEWS:

Greenspan Says Economy Poised For Rebound. The Washington Post (11/7, D2, Henderson, 748K) reports, "Former Federal Reserve chairman Alan Greenspan said yesterday that home sales and prices may continue to slide for some time, but the broader US economy appears poised for a rebound. 'It looks as though the worst is behind us' in terms of the effect of the housing slump on economic growth, he told financial advisers at a conference in Washington organized by Schwab Institutional, a division of Charles Schwab & Co." He added, "We're obviously going through a significant slowing period, which as best as I can judge is quite likely to be temporary."

Stocks Rise. NBC Nightly News (11/6, story 12, 0:20, Williams, 9.87M) took "a look at Wall Street on this day before the national election. The Dow was more than 119 points on [to close at 12,105.55] on today's trading. NASDAQ was also up more than 35 points [to close at 2,365.95]." USA Today (11/7, Shell, 2.27M) reports, "The Dow's resurgence may be signaling that its recent slump was just a normal pause after a heady three-month rally that saw it crack its old record set in January 2000, top 12,000 for the first time and close at an all-time high of 12,163.66 on Oct. 26." The Wall Street Journal (11/7, C1, 2.03M) notes "the broad Standard & Poor's 500-stock index gained 1.1%, or 15.48 points, to 1379.78, ending a three-day pullback up 10.5% on the year."

The Washington Post/AP (11/7, D3) runs a similar report on the stock numbers. The Financial Times (11/7, Guerrera, Simon, Blitz) reports, "A takeover wave worth more than $15bn swept through global markets on Monday, boosting stock indices as big deals by investors such as Bill Gates and Kohlberg Kravis Roberts eased fears of a slowdown in merger activity. The flurry of activity – dubbed 'Takeover Monday' by analysts – was led by a $3.7bn bid by Mr Gates and Prince Alwaleed, the billionaire Saudi investor, for Four Seasons Hotels, the Canadian chain." USA Today (11/7, Krantz, 2.27M) said "Monday looked like the day of the deal again, for this week at least, as a wave of mergers and acquisitions swept Wall Street, enveloping half a dozen U.S. companies."

Fed Official Says Income Gap Could Undermine US Democracy. USA Today (11/7, Kirchhoff, 2.27M) reports, "US income inequality has risen to such a level that 'there are signs that (it) is intensifying resistance to globalization, impairing social cohesion, and could, ultimately, undermine American democracy,' San Francisco Federal Reserve Bank President Janet Yellen said Monday." In "language rare for a central bank official," Yellen "suggested that high priority be given to improving education, tax credits and other aspects of the social safety net, despite the cost in dollars and possible impact on economic efficiency, according to the text of her lecture at the University of California, Irvine."

Florida Gubernatorial Candidate Snubs Bush On Campaign's Last Day. The AP (11/7, Espo) reports, "On the eve of midterm elections, Democrats criticized Republicans as stewards of a stale status quo while President Bush declared, 'we're closing strong' in a final drive to preserve GOP control of Congress." Bush "campaigned on Monday from Florida to Arkansas and Texas." But "the day brought one more reminder of his poor standing in the polls when Republican gubernatorial candidate Charlie Crist skipped the presidential rally in Pensacola, Fla., to make a speech of his own hundreds of miles away." Bush "made no mention of the evident snub in public, but not so his aides. 'Let's see how many people show up in Palm Beach on 24 hours notice, versus 8,000 or 9,000 people' expected for the president's speech, said Karl Rove, the White House's top political strategist." The Los Angeles Times (11/7, Gerstenzang, 918K) notes Rove's "snippy remark," and adds he "overestimated the size of the Pensacola crowd by several thousand."

Crist's "evident snub" focused much of the nation media attention when it came to the President's campaign swing. As the South Florida Sun-Sentinel (11/7, Hollis, 265K) reports, the "irritation shown by the White House…over Crist's snub of the president in Pensacola…captured the media attention. Crist's spokesman said Sunday the candidate was skipping a rally there because he needed to spend his final day of campaigning elsewhere in the state, including vote-rich South Florida."

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All three networks noted it, with the CBS Evening News (11/6, story 6, 1:45, Axelrod, 7.66M) reporting Florida "neatly sums up the President's status. Low approval ratings mean he only visits heavily conservative areas like the Panhandle. But even there top GOP candidates don't want to be seen with Mr. Bush."

ABC World News (11/6, story 2, 0:30, Gibson, 8.78M) showed Bush saying, "I strongly suggest you vote for Charlie Crist to be governor of the state of Florida." ABC then added, "One person missing at the rally was Charlie Crist, the Republican candidate for Florida governor. He was campaigning elsewhere. And it was Crist who invited the President to Florida." NBC Nightly News (11/6, lead story, 3:30, Gregory, 9.87M) also noted the story, adding "many Republicans want distance from the President and his message."

Fox News' Special Report (11/6, Hume) reported, "In the conservative panhandle of Florida the day before election day was a Bush family affair." It "was the last time Gov. Jeb Bush would introduce his brother, the president, who urged the crowd to get out the vote for Jeb's replacement." President Bush: "Tomorrow you get to vote for a new governor. I strongly suggest you vote for Charlie Crist to be governor of the state of Florida." Fox continued, "While Charlie Crist signs dotted the crowd Crist was a no-show. He was campaigning in Jacksonville with Sen. John McCain. His campaign said it already had strong support in the panhandle and time would be better spent elsewhere."

MSNBC's Hardball (11/6, lead story, Matthews) also reported President Bush "was stood up today by" Crist. According to MSNBC, "The White House thought Charlie Crist would introduce the president at that rally but decided at the last minute not to show up." MSNBC added, "The president himself seemed to be above it all. … He urged the crowd…to vote for" Crist. President Bush "also asked people to vote for Katherine Harris. She was in the audience, not on the stage."

The AP (11/7, Loven) reports, "The closer the election came to the finish line, the more President Bush's aides battled the perception he was doing his party as much harm as good and was unwanted in many districts." Along similar lines, the Washington Post's Eugene Robinson (11/7) writes, "The Republican Party was saddled with an unpopular president who led the nation into an unnecessary and unwinnable war, mocked traditional American notions of justice and privacy, reasserted the powers of an imperial presidency, and generally showed himself willing to disregard objective facts if they were not to his liking. That wasn't much for Republican incumbents to work with." Noting Crist's absence from the event, AFP (11/7, Knox) says Bush "suffered one final campaign trail indignity."

The Palm Beach Post (11/7, Lipman, Poole, Crowley, Date) reports "the state's top Republican candidates were conspicuously absent from the presidential rally, which drew about 7,500 people." The only statewide candidate to attend the event featuring the president and his brother Gov. Jeb Bush "was U.S. Rep. Katherine Harris. But Harris, who trails far behind in the polls in her bid to unseat Democratic U.S. Sen. Bill Nelson, did not appear on stage with them. … Republicans Bill McCollum, who is seeking to succeed Crist as attorney general, and incumbent Agriculture Commissioner Charles Bronson were campaigning along the Interstate 4 corridor. Tom Lee, the GOP candidate for chief financial officer, also was not in Pensacola."

The Washington Times (11/7, Curl, 88K) reports that "at events in Montana, Nevada, Missouri, Nebraska, Kansas, Florida, Arkansas and Texas, Mr. Bush urged supporters to get out the vote." The Times describes Crist's absence from the event as "an odd twist."

The Washington Post (11/7, A1, Baker, 748K) also notes Crist's "snub," and adds, "So it goes these days. Bush shrugged it off and delivered a robust speech, firing up a crowd of Republicans and defiantly predicting victory. Any doubt he may harbor, he kept to himself. Any feelings of regret are locked tight inside. The rest of the world may see an unpopular president in the midst of an unpopular war. But Bush soldiers on. He does not publicly stew as other presidents have. He powers through event after event as if he were still the leader the country rallied behind after Sept. 11, 2001."

The Houston Chronicle (11/7, Mason, Scharrer, 535K) notes that in Texas, Gov. Rick Perry got "a personal boost from President Bush and independent Carole Keeton Strayhorn blitzing the state with Bush's former press secretary and the president's former Medicare chief." In "his last event of the campaign season, Bush touched down in Dallas for a rally with Perry, telling an estimated 10,000 people at Reunion Arena that 'You elected us to get things done.' 'Let me put it to you this way,' Bush told the cheering crowd. 'Everything I learned, I learned here in Texas.'"

The Chicago Tribune (11/7, Silva, 623K) reports, "On Monday, the last day of his final political campaign that could effect his presidency, Bush brandished the unrelenting optimism which he has carried to his own personal battle for his party's control of Congress for months." Bush also "carried the added burden of his own unpopularity as president, with the war in Iraq having taken a toll on the president after nearly four years of combat. "

Under the headline "A Last Hurrah Of Sorts For Bush-Rove Partnership," the New York Times (11/7, Rutenberg, 1.21M) reports "Bush and his political partner, Karl Rove, ended it where they started it: in this sliver of Northwest Florida that arguably gave them their 2000 victory. Like then, the two have utilized a symbiotic relationship in which, friends say, Mr. Rove, the president's chief political adviser, is both mastermind and supplicant, and Mr. Bush is both leader and

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follower. While several members of the team that got Mr. Bush to the White House in 2000 are gone, Mr. Rove remains." The Times adds, "Asked Monday about plans for a possible Democratic-controlled Congress, Tony Snow, the White House spokesman, repeated his standard refusal to discuss the topic, then added, 'Here's the thing that you do need to know, which is that the president plans for a very active final two years of his presidency.'" He added, "So the president is going to be very aggressive, and he's not going to play small ball."

Meanwhile, the AP (11/7, Hunt) says that "running out of time and influence, President Bush faces a rough road in the twilight of his presidency regardless of who controls Congress. … Republicans are in a sour mood, scarred by corruption scandals, held in low esteem by voters and divided over issues from deficit spending to immigration reform. Many GOP candidates shunned Bush in their campaigns, fearing he would hurt rather than help them. With the end of the midterm elections and the opening of the 2008 presidential race, Republicans as well as Democrats will be telling the country how they would do things differently from Bush."

Giuliani Credits Bush's Campaigning For GOP "Momentum." Former New York City mayor Rudy Giuliani, on Fox News' Hannity and Colmes (11/6) said he believes Republican candidates are starting to gain "momentum" in the polls because "the president's campaigning has helped a lot -- going out there and making the case for remaining on offense against terrorism. I think people are seeing an economy that is doing really well and they realize a lot of that had to do with the action that the president took in lowering taxes."

Analysts Expect Democrats To Take House, Perhaps Senate. The consensus of media commentators on the eve of the election is that Democrats will take the House and may possibly gain control of the Senate as well, although that possibility appears to have lost some steam in the last few days. The New York Times (11/7, Broder, Rutenberg, 1.21M) reports even Ken Mehlman, chairman of the Republican National Committee, yesterday "introduced a cautionary note in contrast with confident predictions by Mr. Bush, Mr. Rove and Vice President Dick Cheney that Republicans would retain majorities in the House and Senate. Asked about his party's prospects in the House, Mr. Mehlman said that although he saw signs of new hope that Republicans could retain control, 'I believe it's going to be very close; I think it remains an uphill climb.'" He "sounded more confident about the Senate." The Times adds, "Independent analysts predict Democratic gains of 20 and 40 seats in the House, giving the party control for the first time since 1994. An analysis accompanying a Gallup Poll released over the weekend said that based on calculations from Congressional elections from 1946 to 2002, the Democrats were poised to gain 11 to 58 seats, with a gain of 35 the most likely outcome."

In a similar report, the Los Angeles Times (11/7, A1, Brownstein, 918K) says "most analysts on both sides agreed it would be extremely difficult for Republicans to prevent Democrats from securing the 15-seat gain they need to capture a majority in the House. " In the Senate, "Democrats face a tougher climb." They need a gain of six seats to reach a majority, and that will require them to capture at least four of the five most closely contested Republican-held seats -- in Rhode Island, Montana, Virginia, Tennessee and Missouri -- without losing any seats they already hold." The AP (11/7, Raum) notes "nearly every Democratic senator seeking re-election seems assured of another term, polls suggest."

USA Today (11/7, Nichols, 2.27M) reports Republican leaders "cited narrowing polls in Senate races in Montana, Rhode Island and Maryland as signs of an 11th-hour surge." Turnout "should increase from 39.7% in 2002 and may exceed the most recent midterm high of 42.1% in 1982, according to Curtis Gans, director of American University's Center for the Study of the American Electorate. Gans does not expect this year's turnout to top the all-time benchmark of 47% in 1970."

As NBC Nightly News (11/6, lead story, 3:30, Gregory, 9.87M) reported, some recent polls have shown Republicans making some progress on the generic poll. GOP leaders, while "bracing for losses…nevertheless they seized on some of that new polling…arguing that there is a tightening in the race and to argue that the Republican faithful are indeed coming home." NBC added that "for Republicans, it's almost all defense and they're fending off Democrats in solidly red territory," where Republican struggling to attract independent voters. Charlie Cook, political analyst, was shown saying, "If independents vote breaking 2-1 Democratic, that's how you get into 30, 35-seat loss for Republicans in the house, maybe even higher."

The CBS Evening News (11/6, lead story, 1:40, Schieffer, 7.66M) commented on the new polls and said it is "clear the spread is shrinking and things are moving. Having said that, the Republicans are still behind, they are running with a President who has a very low approval rating and all the polls show Americans believe the country is headed in the wrong direction. So it's going to be hard for the Republicans to close this gap entirely."

On NBC Nightly News (11/6, story 6, 3:05, 9.87M), Tim Russert said Democrats "think the most fertile ground" for them is "the Midwest and the East and this is how they plan to do it. Indiana -- they believe they can win three seats. Ohio, three seats. Pennsylvania, four seats. New York, three seats. Connecticut, two seats. If they can win 15 seats in just those five states, they have captured control of the House. And they still have 20 other seats all across the

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country." In the Senate, "there's a battleground in seven Republican states…and two Democratic states." Democrats "must hold New Jersey and Maryland. Then, they need to win six of the seven -- Pennsylvania, Ohio, Rhode Island, Montana, Virginia, Missouri, Tennessee. If they lose Tennessee, they have to win six out of six on the Republican side. If they lose New Jersey or Maryland, then they have to win all seven of the red states or they do not recapture control of the Senate. This is the equivalent of the winning the Senate of the inside straight."

The Christian Science Monitor (11/7, Feldmann, 58K) reports a "last-minute tightening in the polls of Senate contests from Montana to Rhode Island to Maryland has thrown some doubt into the calculations of pundits who had come to see a Democratic takeover as possible." While many analysts "can see a clear path to a Democratic net gain of five seats…which would bring the partisan balance sheet to a 50-50 tie," the "last-minute volatility both in the nationwide polls gauging voter preferences and in individual races leaves the outcome even more in doubt." Voters "in Rhode Island and Montana who once appeared set to throw out their two Republican senators Lincoln Chafee and Conrad Burns may be having second thoughts, judging by the tightening of polls there." In his column in The Hill (11/7), Dick Morris says, "While the Republican Party leadership in the House seems doomed to move into a well deserved minority, the GOP shows increasing signs of being able to hang on to the Senate, although perhaps by the thinnest of margins."

The Wall Street Journal (11/7, B1, 2.03M), however, says that although "Republican prospects seem slightly brighter in the Senate…enough of these races are now toss-ups to put the Democrats within striking distance. Judging from the polls, the over-under betting on Democratic pickups of Senate seats hovers at around five."

On ABC World News (11/6, story 3, 2:00, 8.78M), George Stephanopoulos said, "There's no question the Republican base is getting back in the game. And they're starting to cut into the Democrats' lead among independents. Democrats' polls confirm this tightening, as well. They also point out that margins like we just saw could translate for a big night for them. In 1994, when Republicans took over, their margin was 52-46. They won 52 seats." Gibson: "Let's talk about the Senate. The question is, can the Democrats pick up six seats?" Stephanopoulos: "Looking very tough. The consensus in both parties is it's an uphill fight right now. Democrats starting to feel a little better about the state of Missouri. But Republicans are feeling better about the states of Michigan, which hadn't been on the map at all up until today, and Maryland, which is a Democratic stronghold. Most interesting, both Democrats and Republicans agree that Lincoln Chafee, the Republican in Rhode Island, is coming on very strong. He is ahead right now." Stephanopoulos added, "Presidential approval rating is the best predictor of midterms. Look back at these ratings. 1966, Lyndon Johnson, 44%. Lost 47 seats. Ronald Reagan in 1982, 42%, lost 26 seats. Bill Clinton in 1994, 46%, lost 52 seats. George W. Bush is below all of them in approval rating. That is clearly a danger zone."

Stuart Rothenberg, in a Roll Call column titled "Down To The Wire: Expect A Big Night For Democrats" (11/7), writes that "there is little uncertainty about the fight for the House, except for questions about exactly which Republican incumbents will be lucky enough to survive. … Republican chances for retaining the House have moved from small to smaller, and public and private polling now suggests a solid Democratic win." He adds that "even the most optimistic Republican insiders I can find seem to think a loss of 18 or 19 seats is inevitable, while others counter that a loss of more than 30 is more likely. Most GOP insiders would be ecstatic if the party held its losses to two dozen or less."

The Weekly Standard's Bill Kristol, on Fox News' Special Report (11/6, Hume), noted that "there's no poll [generic House ballot] that is now closer than four points. Fox News is now showing it's back up to 13. I think the Democrats will win the house." According to Kristol the Democrats are likely to pick-up 32-40 seats. Kristol predicted the Senate will be 50-50, or "possibly 51-49 Democratic." Kristol added, "I think [Sen. Jon] Kyl could lose and "if he loses it's a blow-out on election night, obviously."

The Weekly Standard's Fred Barnes, also on Fox News' Special Report (11/6, Hume), said, "I think [the GOP] will lose the House but hold the Senate."

Roll Call (11/7, Whittington) also says "there is little question that Democrats are well-positioned to win at least the 15 seats needed to take the House majority," even if "the magnitude of their victory rests largely on their ability to win a number of what were once second-, third- and even fourth-tier contests." In the Senate, "late shifts in a handful of competitive races has put the Democrats' final math somewhat in flux after a monthlong intense focus on Missouri, Tennessee and Virginia as the states expected to decide control of the chamber."

The Washington Post (11/7, A1, VandeHei, Balz, 748K) reports Republican "operatives…said there is mounting evidence that fears about the nuclear threats in Iran and North Korea, coupled with more generalized doubts about Democratic competence and fortitude on national security, have provided GOP candidates with much-needed momentum in the final days. GOP tracking polls, these strategists said, have shown a slight but steady uptick since Sen. John F. Kerry (D-Mass.), in what he called a botched joke, suggested that uneducated people end up fighting in Iraq -- a comment that infuriated top Democrats despite the 2004 presidential nominee's repeated apologies and explanations." The Washington Times (11/7, Lambro, 88K)

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addresses similar GOP predictions under the headline "Kerry Gaffe Loses Independents For His Party."

The Washington Times (11/7, Hurt, 88K), in another story titled "Polls Give GOP A Lift On Election Eve," says "Republicans on Capitol Hill…were guardedly optimistic that this year's much-predicted Democratic 'tidal wave' will fail to materialize. Still, Republicans await the results more anxiously than Democrats."

ABC World News (11/6, lead story, 3:05, Tapper, 8.78M) reported, "Republicans say they've spent $30 million on getting out the vote, fliers and phone banks, three million voter contacts just on Saturday. Democrats say they spent $40 million with 3.5 million contacts on Saturday." NBC Nightly News (11/6, story 5, 2:35, Reid, 9.87M) noted "both parties are now aggressively pursuing a technique called microtargeting. They collect massive amounts of information about potential voters. Everything from where you live to what you drive to what you read."

The Financial Times (11/7, Luce, Negus) reports "Republican strategists said their volunteers had made direct contact with 27m American voters during the election campaign – far more than the Democrats. 'We have made more voter contacts in 2006 than we did in 2004, which is remarkable given that this is a mid-term election, not a presidential election,' said Dana Perino, a White House spokesperson." However, electoral analysts "said the superiority of the Republican fundraising and 'micro-targeting' machines would be insufficient to breach the wide Democratic lead, which was still averaging 11 percentage points if all the polls of the past few days were taken into account."

The AP (11/7, Kuhnhenn) reports "national committees for the Republicans and Democrats have spent about $225 million for or against candidates, concentrating their resources in 10 Senate races and 66 House contests that could determine who controls Congress.' The data "is based on a review of independent spending reports filed with the Federal Election Commission as of Monday. Republicans spent about $81 million in 53 congressional districts, mostly on television advertising opposing Democratic challengers. Democrats spent $64 million in 56 congressional districts, most of them represented by a Republican."

The Wall Street Journal (11/7, A1, Cummings, 2.03M) reports, "This time around, Democrats have played the money game more assertively than in any previous midterm election. Party leaders have mined donors for extra cash. They set explicit fund-raising targets for new candidates to win the party's backing. And they also raised donation targets for veteran politicians who want to become committee chairmen should Democrats win a majority." The Journal adds, "The result: Fund raising by the Democratic congressional committees is running 30% ahead of the same period two years ago, according to a study by the Campaign Finance Institute, a nonpartisan group that tracks political money. The Democratic party committees for the first time entered the final weeks of a campaign with nearly as much money in the bank as their Republican counterparts." That "has allowed Democrats to attack earlier, even to the point of backing conservative Republicans in primary races they thought would be more beatable in the general election."

Democrats Fear "Overheated" Expectations May Demoralize Party Even In Victory. The New York Times (11/7, Nagourney, 1.21M) reports, "In most midterm elections, an out-of-power party picking up, say, 14 seats in the House and five seats in the Senate could call it a pretty good night." But "for Democrats in 2006, that showing would mean coming up one seat shy of taking control of both the Senate and the House. And it would probably be branded a loss — in the case of the House, a big one." The Times adds, "For a combination of reasons -- increasingly bullish prognostications by independent handicappers, galloping optimism by Democratic leaders and bloggers, and polls that promise a Democratic blowout -- expectations for the party have soared into the stratosphere. Democrats are widely expected to take the House, and by a significant margin, and perhaps the Senate as well, while capturing a majority of governorships and legislatures." These expectations "may well be overheated. Polls over the weekend suggested that the contest was tightening, and some prognosticators on Monday were scaling back their predictions, if ever so slightly. … Some Democrats worry that those forecasts, accurate or not, may be setting the stage for a demoralizing election night, and one with lasting ramifications, sapping the party's spirit and energy heading into the 2008 presidential election cycle."

Republicans Keep Senate In Student Election, But Lose House. The Wall Street Journal Online (11/7, Malik) reports, "Nearly one million votes cast by elementary and high school students in a nationwide mock election backed a Republican Senate but turned power over to the Democrats in the House of Representatives." The ballots for "the Youth Leadership Initiative's Internet mock election, which ended Thursday night, were tailored to local elections and referenda. Larry Sabato, director of the University of Virginia's Center of Politics, started the program in 1998 at three local schools." In the "mock election, Democrats gained seats in Pennsylvania, Montana, Tennessee and Mississippi. But Republicans carried Florida, Minnesota and Washington for a 54-seat majority." Republican George Allen "may have retained his Senate seat in Virginia, but his 44.74% win against Democratic rival Jim Webb's 44.59% shows how his campaign missteps became an issue. Hilary Clinton retained New York for the Democrats by a wide margin." In the House races, "the student polls were brutal in Ohio, Florida, New York and North Carolina. Democrats came out ahead with

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218 seats compared with 202 for Republicans and 15 for other candidates."

Democrats Hope To Win Senior Citizen Votes. The Wall Street Journal (11/7, B1, Lovely, 2.03M) reports Democratic strategists "looking for bellwethers are closely watching a group of voters that has attracted relatively little attention in the blitz of this year's campaign: senior citizens." Democrats "decisively lost the vote of older Americans to President Bush in the 2004 election, which party leaders see as a key reason they failed to unseat the president. Exit polls indicate Mr. Bush prevailed among those ages 60 and over by a margin of 54% to 46%." Democrats "think they can recapture those voters this year, which would be a crucial step toward taking one or both houses of Congress."

Illegal Immigration Fails To Become GOP Midterm Silver Bullet. In the Wall Street Journal's "Campaign Journal" column (11/7), Jackie Calmes says congressional Republicans "seized on the issue many hoped would be a silver bullet to get through the midterm elections, and without the losses that a president's party traditionally suffers. By attacking illegal immigration, Republicans could look tough on border security and please their conservative constituents and many independents. In the process, they could force votes in Congress -- say, on cutting off benefits for illegals' children, or making English the official U.S. language -- that would divide the Democrats and their Hispanic allies, and, ideally, trap some Democratic lawmakers into votes that could be turned into 30-second attack ads for television by November 2006." But it "hasn't exactly turned out that way." The issue "of dealing with illegal immigrants divided the Bush-era Republican Party at least as badly, and more embarrassingly so given that it holds all the power in Washington."

Kinsley Critiques Democrats' Plan For Iraq. The Washington Post's Michael Kinsley (11/7) writes, "Apparently and unfortunately, President Bush is right that the Democrats have no 'plan for victory.' … For national security in general, the Democrats' plan is so according-to-type that you cringe with embarrassment: It's mostly about new cash benefits for veterans. Regarding Iraq specifically, the Democrats' plan has two parts. First, they want Iraqis to take on 'primary responsibility for securing and governing their country.' Then they want 'responsible redeployment' (great euphemism) of American forces."

Liberals' Triumph Seen As Likely To Be Short-Lived. In an op-ed for the Wall Street Journal (11/7, A12, 2.03M) Arthur C. Brooks, a professor at Syracuse University, writes, "This midterm election, in the view of many optimistic liberals, will be a forceful repudiation of the inevitability of American conservatism. A victory after so many years of losses will mark the beginning of the end to the country's nightmarish reactionary drift. … But will it really be the dawn of a new day for the American left? After a cold look at the evidence, liberals might decide to take the champagne off the ice. The victory, assuming there is one, will hardly be glorious, and long-term trends are still distinctly right wing."

Dionne Predicts GOP Infighting. The Washington Post's E. J. Dionne (11/7) writes, "The administration's approach to Iraq is an orphan -- only President Bush and his closest advisers claim it as their own. That is why we can know how Republicans and conservatives will spend the last two years of the Bush presidency. They will fault philosophical adversaries for what went wrong, purge various actors and ideas from the movement, and insist on contradictory forms of ideological purity."

O'Reilly Portrays Pelosi As "Standard-Bearer Of San Francisco Values." The subject of last night's "Talking Point Memo" on Fox News' The O'Reilly Factor (11/6) was "San Francisco Values vs. A Time of Terror." Host Bill O'Reilly noted, "There's no question that the nation's most liberal city doesn't reflect the traditional values of most Americans. The city's standard-bearer Nancy Pelosi is about to become one of the most powerful people in the country if all goes the Democrats way tomorrow. The ACLU is thrilled. George Soros is delirious. … But the rest of us are left with an unsettling feeling, yes, Iraq's a mess, but what's on the horizon isn't exactly a vision of comfort either."

Democrats Cry Foul Over NRCC Automated Negative Phone Banks. The New York Times (11/7, Drew, Hulse, 1.21M) reports automated phone calls criticizing Democrat Lois Murphy in the Pennsylvania 6th CD race "are part of a telephone blitz that the Republican Party has unleashed in several dozen races that are likely to determine control of the House in Tuesday's elections. And the repeat calls to the same homes have set off a new furor over campaign tactics, with the Democrats claiming the calls violate federal communications rules and are tantamount to harassment." Murphy and "other Democrats say they have been flooded with complaints from irritated voters who think that the calls are coming from the candidates themselves. Many of the voters had hung up before the message was over, and never heard that it was produced by the Republican Party." Democratic leaders "contend that the messages violate federal rules that require groups making automated calls to identify themselves at the outset. And the National Republican Congressional Committee, which has financed the calls, agreed on Sunday to quit making some of them in New Hampshire, where a state law limits who can receive computerized phone messages." NRCC spokesman Ed Patru "said the phone campaign complied with federal law and was 'drawing contrasts' between the candidates." But Democratic officials "say they fear the saturation calling is just a tactic to irritate voters and discourage them from going to the polls."

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The Washington Post (11/7, A8, Babington, MacGillis, 748K) reports the "heavy volume of automated political phone calls has infuriated countless voters and triggered sharp complaints from Democrats, who say the Republican Party has crossed the line in bombarding households with recorded attacks on candidates in tight House races nationwide." Some voters, "sick of interrupted dinners and evenings, say they will punish the offending parties by opposing them in today's elections. But critics say Republicans crafted the messages to delude voters -- especially those who hang up quickly -- into thinking that Democrats placed the calls." Republicans "denied the allegation, noting that their party acknowledges its authorship at the recorded calls' end. After citizens' complaints in New Hampshire, however, the National Republican Congressional Committee agreed to end the calls to households on the federal do-not-call list, even though the law exempts political messages from such restrictions." Whether "'robo-calls' are positive or negative, mean-spirited or humorous, thousands of Americans are sick of them, according to campaign organizations that have been fielding complaints over the past two weeks." In a "conference call with reporters yesterday, the DCCC chairman, Rep. Rahm Emanuel (Ill.), compared the widespread robo-calling to a 2002 Republican effort in New Hampshire to jam Democratic phone lines to prevent the Democrats' get-out-the-vote effort."

Media Consortium Seeks To Keep Exit Polls Under Wraps. The Wall Street Journal (11/7, B1, Schatz, 2.03M) reports, "Two-by-two, polling specialists from ABC, CBS, NBC, CNN, Fox News and the Associated Press will go into rooms in New York and Washington shortly before noon Tuesday. Their cellphones and BlackBerrys will be confiscated; proctors will monitor the doors; and for the next five hours, these experts will pore over exit-poll data from across the country." If "all goes well, only when they emerge from their cloisters will the legions of ravenous political bloggers have any chance of getting their hands on the earliest indication of which party will end up controlling Congress." The "extraordinary security is a result of mix-ups that prompted grumbling about the accuracy of exit polls after the 2004 presidential election: Bloggers posted data from early exit polls, incorrectly calling some states for Massachusetts Democratic Sen. John Kerry and indicating that he would unseat President Bush." This year, media executives "figure the secret will keep less than half an hour."

Election Outcome Expected To Be Known Early. The Washington Post (11/7, A6, Birnbaum, 748K) reports election observers "probably will not have to stay up too late to know which way the midterm elections are heading." Amy Walter of the Cook Political Report said, "The key races in Congress are concentrated in the Eastern and Central time zones, so we ought to have a good sense of the trend relatively early in the evening." The Post adds that in the Senate, Democrats "would have to gain six seats to win a majority, and all but one of the most competitive races are in states in the East or Midwest: Virginia, Tennessee, Missouri, New Jersey, Pennsylvania, Rhode Island, Ohio and Maryland. The single nail-biter farther west is in Montana." Most tossup House races "are also clustered in states east of the Mississippi River. By watching the fate of Republican candidates in Connecticut, New York, New Hampshire, Pennsylvania, Kentucky, Indiana and Ohio, political enthusiasts will have a good idea whether Democrats will win the 15 seats they need to take control of the House, analysts say." But that "is, of course, if everything goes smoothly. And things rarely do. Uncertainties about electronic voting machines and hassles over identifying registered voters could make early predictions about the election precarious."

The New York Times (11/7, Zeleny, 1.21M) reports for an "early glimpse of how election night will unfold, strategists of both parties have their eyes fixed on Indiana. Yes, Indiana is home to three of the most competitive House races in the nation. But it is the 6 p.m. Eastern closing time for a majority of the state's polling places that is most intriguing to Republicans and Democrats."

Armitage Says Election Gives US Chance To Win Back Lost Allies. The Washington Post (11/7, A10, Goldfarb, 748K) reports former Deputy Secretary of State Richard L. Armitage, "who was an influential adviser to Colin L. Powell when Powell was secretary of state, has weighed in on today's midterm elections, saying they offer the United States a chance to win back lost allies around the world." In a speech in Canberra, Australia, Armitage said "he expects Republicans to lose control of the House and perhaps the Senate. In an election dominated by a war that has turned off many U.S. allies, Armitage said Americans are concerned that international support for U.S. policy has declined since the Sept. 11, 2001, attacks."

Gore Campaigns For O'Malley, Cardin In Maryland. The Washington Post/AP (11/6) reports former Vice President Al Gore "made an election-eve visit to Maryland Monday, joining Democratic gubernatorial candidate Martin O'Malley and Senate candidate Ben Cardin at a get-out-the-vote rally at a Montgomery County retirement community." Gore was "the only national heavyweight from either party to campaign in the state on a day when Republican Gov. Robert Ehrlich wound up his campaign with a rally near his boyhood home in Baltimore County and Lt. Gov. Michael Steele, the party's Senate nominee, continued what his campaign described as an around-the-clock campaign tour that he had started on Sunday." Gore's "appearance at Leisure World attracted an overflow crowd of

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more than 300 to hear the former vice president and a host of Maryland Democratic officials, including O'Malley, Cardin attorney general candidate Doug Gansler and comptroller nominee Peter Franchot." Gore said "Congress has abdicated its responsibility to hold President Bush accountable for his failures, and a Democratic House and Senate are needed to ask the tough questions Republican leaders are not asking." He said Baltimore "under O'Malley has had 'the most competent, most cutting edge ... administration of any city in the country.'"

The Washington Times (11/7, Ward, Miller, 88K) reports Gore, "who lost the 2000 presidential election to President Bush after weeks of recounts in Florida, said Mr. Cardin's contest with Mr. Steele 'is going to be looked at all across the nation.'" Cardin said, "This is about more than a Senate seat in Maryland. It's about taking back our country." The Times adds O'Malley "called the Ehrlich administration a 'detour' in the state's progress."

Fox News' Special Report (11/6, lead story, Hume) opened its broadcast with an update on the Senate race in Maryland, reporting, "a flashback -- former Vice President Al Gore stumping for Ben Cardin…and indirectly acknowledging the Democrats could lose this seat and any chance of the senate majority. … Endorsed by self black church pastors, Michael Steele has pulled into a statistical dead heat in this Democratic state and the head of the Democrats' national campaign downplayed expectations today."

Allen, Webb Urge Supporters To Vote. The Washington Times (11/7, Bellantoni, McLaughlin, 88K) reports Republican Sen. George Allen and Democrat James H. Webb Jr. "urged Virginians to go to the polls, as they crisscrossed the state in their final full day of campaigning in a race that could determine control of the U.S. Senate." The "uncertainty of today's result was crystal clear yesterday, with the release of two competing polls -- one giving Mr. Webb, a Vietnam War veteran, an eight-point lead and the other showing Mr. Allen, a former governor and congressman, with a three-point lead." Webb "ended his 10-month underdog campaign at a rally with former President Bill Clinton and more than 2,000 supporters in Old Town Alexandria." Clinton said, "If you want America to take a different path, you to have to elect Jim Webb." The Times adds Clinton's visit "prompted ridicule from Republicans who remember he lost in Virginia in 1992 and 1996 and that his last-minute visit for Lt. Gov. Donald S. Beyer in 1997 did not help the Democrat win the governor's race."

FBI Examining Report Of Possible Voter Intimidation In Virginia. The Richmond Times-Dispatch (11/7, Schapiro) reports the FBI is "looking into possible voter intimidation in Virginia's hard-fought U.S. Senate contest between Republican incumbent George Allen and Democrat Jim Webb. Just ahead of today's election, state officials alerted the U.S. Justice Department to several complaints of suspicious phone calls to voters about where they cast ballots and their preferences for the Senate." Jean R. Jensen, "secretary of the State Board of Elections, said yesterday that she was subsequently contacted by an agent in the FBI's Richmond office." Jensen said "she called the Justice Department's civil rights office in Washington and the Virginia attorney general after receiving a complaint Sunday from a voter in Arlington County and one yesterday from the registrar in Accomack County."

Lieberman Says He Won't Be Beholden To GOP If He Wins. The AP (11/7, Miga) reported that although Sen. Joe Lieberman "expects to win a lot of Republican votes Tuesday, the Connecticut lawmaker said he won't feel especially beholden to the GOP if he is elected to a fourth term." Lieberman said, "I'll owe everybody and that's the point." The AP adds Lieberman, "whose Senate career was at risk just three months ago after he lost to anti-war challenger Ned Lamont in the Democratic primary, led Lamont by 12 percentage points in a statewide poll released Monday." Lieberman is "running as an independent and has enjoyed support from the GOP, including praise from the White House and fundraising help from prominent Republicans such as New York City Mayor Michael Bloomberg. But he said his comeback since the primary has convinced him that he needs to be a stronger independent voice."

Up To 40% Of Voters May Have Cast Ballots Early In Tennessee Senate Race. NBC Nightly News (11/6, story 4, 0:30, Costello, 9.87M) reported the Tennessee Senate race "has been described as a slugfest over race relations, God and family roots. The Republican Bob Corker, the Democrat-Harold Ford, Jr. Both men moving around the state today. The secretary of state's office tells us 40% of the people in the state who are going to vote may already have voted. The question -- who did they vote for? The polls have Corker up anywhere from three to 12 points by Harold Ford's team believes it's much closer, maybe even a dead heat and this is much less about Iraq than Harold Ford. If elected he'd be the first African American Senator from the South since Reconstruction."

Wilson Ad Cites North Korea Nuclear Threat. The New York Times (11/7, Kirkpatrick, 1.21M) reports that in New Mexico's 1st CD, "near the site of the first nuclear bomb test, Representative Heather A. Wilson, a Republican in a neck-and-neck race for re-election, has broadcast an incendiary television commercial against her Democratic challenger, Patricia Madrid. In the spot, images of fire mutate momentarily into floating fragments of text before dissolving again into flames: 'North Korea conducts nuclear test.

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Reductions in military spending. The murder of any American anywhere on earth.'" As a "picture of the North Korean dictator, Kim Jong Il, gives way to an unflattering photo of Ms. Madrid, a narrator asks: 'Can we trust her? With so much at stake? Does she have the experience we need? In a world like this, is she the one who will keep our families safe? Patricia Madrid. Don't take the risk.'"

Number Of Women In Congress Expected To Increase. ABC World News (11/6, story 5, 2:50, Gibson, 8.78M) reported, "There are 67 women in the House and 14 in the Senate. Those numbers are likely to increase tomorrow night." ABC (Snow) added, "Remember 1992 was dubbed the year of the woman. But tomorrow night may rival that. The number of women in the Senate could grow. The number in the House could grow by double digits. And by most projections, would be the biggest incoming class of women ever on Capitol Hill. Lois Murphy, a mother of two young girls, ran against Republican Congressman Jim Gerlach two years ago and lost by just 6,400 votes. This, she believes, is her year." This "wealthy district in Philadelphia's Mainline suburbs could be part of what some analysts are calling a perfect storm for female candidates. There are 139 women running this time around." Voters "disgusted by the war in Iraq and sick of scandals are looking for new blood, for outsiders. … And women such as Gabrielle Giffords in Arizona, Christine Jennings in Florida or Kirsten Gillibrand in New York may fit the bill." Debbie Walsh, Center for American Women and Politics: "They don't even have to open their mouths. They are not the standard issue white man in a blue suit with a red tie." Snow: "Women are not part of the Washington old boy network, so they are viewed as more trustworthy when the climate is such as it is this year. Of the 46 women challenging male incumbents, only 11 are Republicans, 34 Democrats."

Humane Society Seen As Potential Electoral Force. The Wall Street Journal (11/7, A1, Mullins, 2.03M) reports, "For the first time in its 50-year history, the Humane Society is trying to elect candidates to Congress who support its animal-welfare agenda. After a series of mergers with other animal-welfare groups, the Humane Society counts 10 million Americans as members, an average of 23,000 in each of the 435 House districts. That's more than twice the membership of the National Rifle Association, which is considered one of the most effective single-issue campaign organizations. More important, the Humane Society's motivating issue -- the promotion of animal welfare -- resonates with the white suburban women who could be the key block of voters who decide this election."

AARP Official Defends Group's Voter Guide Questionnaire. In a letter to the editor of the Wall Street Journal (11/7, 2.03M), David Sloane, AARP's senior managing director of government relations writes, "Rather than fostering an environment for real solutions, your editorial is an example ("AARP's Tax Trap," Review & Outlook, Nov. 1) of exactly what's wrong with the current debate over Social Security. The AARP Voters' Guide asks candidates to respond to two questions on this issue. The first is whether they would support or oppose using Social Security to fund private accounts. … Our opposition to this is simple: It adds unnecessary risk and trillions of dollars of debt to future generations." Slone adds, "Our second question goes to the heart of the matter: Would the candidates support a balanced Social Security plan to continue guaranteed benefits for future generations? The fact is, there are only two ways to address the solvency problem -- adding more resources to the program or adjusting future benefits (or some combination of both). … Our research shows the American public wants a balanced, bipartisan solution, and understands that changes will be needed in order to keep our promises."

Study Finds Americans Have Little Confidence In Leaders. The Washington Post (11/7, A19, Williamson, 748K) reports, "A new study shows that Americans have lost faith in the people who lead their federal, state and local governments, and in businesses, churches and schools. … 'America is in trouble,' reads the introduction to the 2006 National Leadership Index, sponsored by U.S. News & World Report and the Center for Public Leadership at Harvard's Kennedy School of Government. According to the report, nearly three-quarters of Americans think that the nation faces a 'leadership crisis.' … The only leaders who earn more than a smidgen of Americans' confidence, the researchers say, are those in the military and medical fields. (Confidence in the media didn't slip, but it was in the sewer already.)"

Problems Surfacing With Electronic Voting Equipment. The CBS Evening News (11/6, story 3, Keteyian, 7.66M) reported, "Early voting has been going on in 15 states, an early test of the electronic voting equipment to be used by nearly 90% of the country tomorrow. But problems are beginning to surface." In Tennessee, "the site of a very tight Senate race, machines froze up in one county after 10,000 early voters, far more than expected showed up. The problem easily solved said a local official when more machines were activated. In Chicago's Cook County, a handful of 32,000 early voters claim machines switched their votes from Democrat to Republican. County officials later cited voter confusion and error. Similar events took place in parts of Texas and South Carolina. And in New Mexico, the state's computerized voter registration database crashed

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during the last hours of early voting this weekend, forcing those in line to write out a backup paper ballot or come back tomorrow. Well, both parties have armies of lawyers fanned out across the country, Katie, ready to file court challenges based on voting irregularities as they arise."

LATimes Says States Lack Safeguards For New Electronic Voting Machines. The Los Angeles Times (11/7, 918K) says in an editorial, "New voting machines, like new computers, are generally faster than old ones. But as every computer user knows, reliability is often more important than speed. And a lot depends on who's using the machine and how." After the "debacle with punch-card ballots in Florida six years ago, many counties across the country traded in their clunky old voting machines for high-tech models — many of which enable people to vote just by touching names on a video screen. The switch, "however, has drawn a new set of complaints. Some poll workers and computer scientists predict an election day plagued by long waits, glitches and miscounted votes. A more promising possibility is that, with the right equipment and procedures in place, electronic voting machines will deliver an unusually accurate and speedy count. Unfortunately, the experience this election day is sure to fall somewhere in between. A number of states lack the safeguards necessary to address the machines' vulnerabilities to glitches and tampering. And even in states with those safeguards, such as California, the integrity of the results will depend on voters taking extra steps to make sure everything works as it should."

WPost Says Concern Over Voting Machines Often Exaggerated. The Washington Post (11/7, 748K) editorializes, "Theories, many fanciful, abound about the ease of hacking into voting machines. There has been no evidence of that occurring, and the layers of scrutiny and security in force on Election Day cast doubt on whether experiments hatched in the privacy of a lab could be carried out in public. We support a verifiable paper trail to add a layer of safety and bolster public confidence. But there's a thin line between raising reasonable questions and persuading voters that there's no point in turning out."

Lynne Cheney Says Mainstream Media Lacks Political Diversity. Vice President Cheney's wife Lynne, during an appearance on Fox News' The O'Reilly Factor (11/6), commented, "We used to be told, and we have been told this time and again, that the political leanings of reporters didn't matter because they sought objectivity and tried to be fair and balanced. But statistics show this doesn't work. We have gone through a period, and we have seen this in the 2004 cycle, where the suggestion was made that you can't be fair and balanced. This was someone from ABC, you can't be fair and balanced because the Republicans deserved to be treated harshly. There is a real problem with a lack of diversity in news rooms as far as political opinions go."

Study Finds Network Iraq Stories Were Overwhelmingly Negative. The Washington Times' "Inside Politics" column (11/7, Pierce) reports that James Q. Wilson, in City Journal, writes, "'Between Jan. 1 and Sept. 30, 2005, nearly 1,400 stories appeared on the ABC, CBS and NBC evening news. More than half focused on the costs and problems of the war, four times as many as those that discussed the successes. About 40 percent of the stories reported terrorist attacks; scarcely any reported the triumphs of American soldiers and Marines. The few positive stories about progress in Iraq were just a small fraction of all the broadcasts."

Tierney Says Study Shows Media Outlet Ideological Slant. The New York Times' John Tierney (11/7) contends that "most journalists do try to be objective, but as a group they, too, can become polarized by spending most of their time talking to fellow journalists and experts with similar views. One of the cleverest demonstrations of this effect was a study published last year in Harvard's Quarterly Journal of Economics. The researchers, Tim Groseclose and Jeffrey Milyo, devised a scale for measuring the slant of news reports by keeping track of which think tanks — liberal or conservative — were quoted most often. The researchers found that The Washington Times and Brit Hume's evening newscast on Fox fell on the conservative side of the scale, while all the other news media outlets they studied fell on the liberal side. The surprising result — to liberals, at least — was that Fox was closer to the ideological center than the Big Three evening newscasts as well as all the major newspapers and newsweeklies."

Hillary Clinton Spends Heavily In Possible Prelude To 2008. The New York Times (11/7, Zeleny, 1.21M) reports Senator Hillary Rodham Clinton "has spent more money in the midterm election cycle than any other politician running for office this year, campaign finance records show, investing more than twice as much as most candidates in tight races across the country." Clinton "spent $29.5 million through the middle of October, according to the Federal Election Commission, suggesting that she may have her sights on a future national campaign. While much of the amount is devoted to television advertising, it is the bills for catering, flowers and photography that elevated her tally far above other Senate candidates'." Sen. Rick Santorum "spent $21.5 million through the same time period, records show," but "his spending report comprises bills like $30.33 at Papa John's pizza, $59.50 at Panera Bread and $74.34 at the Olive Garden." Clinton's campaign "reported sending a $6,585 check to Flutterbyes for flowers in Las Vegas, $5,397.50 to Le Petit Gourmet Catering in Glendale, Colo., and $80,000 to Tavern on the Green in Manhattan." Federal Election Commission Chairman Michael E. Toner "said only a handful of Senate candidates had ever spent more. The spending

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patterns of the Clinton campaign demonstrated 'an extraordinary burn rate,' he said, which was particularly striking considering she did not seem to have a serious challenger in John Spencer, her Republican rival."

Cohen Says Clinton Is Boring. In his Washington Post column (11/7), Richard Cohen says, "In both theory and great expectations, today is the beginning of Hillary Clinton's presidential campaign. By nightfall she will have won lopsided reelection to the U.S. Senate, with plenty of money left over to start a presidential effort. She enjoys the sort of name recognition a president might envy and has the unalloyed good wishes of Democratic activists who have been waiting all these dark and awful years for a Clinton Restoration. After all, if the Bushes could do it -- one mediocre, the other incompetent -- then why not the brilliant and dazzling Clintons? The answer may be Hillary herself. She can bore a grateful nation. Such, anyway, was the effect of her recent appearance at the Council on Foreign Relations in New York." Given "who she is and, importantly, what she is -- smart, disciplined and, when she wants, charming -- there are those who say that this campaign is hers to lose. Last week she took a first step toward that goal."

Several Potential Candidates Hope To Parlay 2006 Campaign Stops Into 2008 Support. The Washington Post (11/7, A6, Murray, 748K) reports Democratic Sen. Barack Obama, "who has barnstormed the country on behalf of Democratic gubernatorial and congressional candidates, is one of the A-list political celebrities of the 2006 campaign season. Other big draws: former president Bill Clinton, Sen. John McCain (R-Ariz.) and former New York mayor Rudolph W. Giuliani." The "headliners bring glitz to otherwise ho-hum rallies and help dazzle donors out of millions of dollars. They earn the gratitude of future officeholders and get to know thousands of voters." That gratitude is "all very useful, given that these non-candidates may run for president in two years -- or, as with Clinton, the non-candidate is married to a 2008 hopeful, Sen. Hillary Rodham Clinton (D-N.Y.). Giuliani's itinerary in the closing days included Iowa, New Hampshire, Michigan and South Carolina. All four states have Republican candidates on the ballot this year and will host crucial early primaries in 2008."

Libertarian Businessman Finds Success With Ballot Initiatives. The Wall Street Journal (11/7, Cooper, 2.03M) reports that while it "may turn out to be a bad year for Republicans," it may not be "for some of the conservative causes they support, thanks in part to a New York real-estate investor who has directed millions of dollars toward ballot initiatives to expand private-property rights, cut state budget growth, and impose term limits on judges." The "millionaire behind many ballot measures this year is Howard Rich, a publicity-shy, libertarian-leaning businessman who has become the go-to man for supporters of conservative ballot initiatives. The group Mr. Rich chairs, Americans for Limited Government, as well as a handful of other organizations that he fully controls or bankrolls, have put more than $15 million this election season into ballot campaigns in 14 states, public records show." Rich and "his supporters have sustained a number of setbacks, as many of his initiatives were kept from ballots because of vague wording or signature-gathering irregularities. But in nine states where the measures have survived, recent polling shows some chance of victory today."

Abortion Debate In South Dakota Regarded As "Remarkably Civil." In an op-ed for USA Today (11/7, 2.27M) Phillips Foundation fellow Laura Vanderkam writes, "South Dakota isn't usually a battleground state, but this fall, one of the country's most important political fights has been waged here. … In March, Gov. Mike Rounds signed a law that would ban almost all abortions within the state. Opponents countered by collecting enough signatures to put the issue on today's ballot as 'Referred Law 6.' The referendum's outcome doesn't matter. If the ban passes, it will be blocked in court. … What matters is that South Dakota's referendum represents one of the few times since 1973, when the U.S. Supreme Court's Roe v. Wade decision legalized abortion nationwide, that voters have gotten to debate the question directly at the polls. And yes, debate is the right word. … South Dakotans have simply discovered that when you have to persuade your neighbors to join your cause — not judges in Washington — both sides become remarkably civil."

NYTimes Bemoans Proliferation Of Popular Initiatives. The New York Times (11/7, 1.21M) editorializes, "Ever since anti-taxation zealots in California rediscovered the populist frisson of the ballot initiative a generation ago, American politics has gone off on a binge of ballot proposals. Today is one of the busiest, with 81 citizen initiatives before voters in more than 20 states. Pity the poor voter who has to wade through a list of sometimes contradictory, sometimes misleading proposals, doing work that should be the responsibility of elected officials. … Scattershot initiative is no way to run a democracy; rebuke is no substitute for effective representation."

WSJournal Questions Spitzer's Ties To Casino Developer. The Wall Street Journal (11/7, 2.03M), in an editorial, writes that in a debate New York Attorney General Elliot Spitzer "was asked his position on bringing out-of-state Indian tribes to New York to open casinos." Spitzer said, "I don't believe out-of-state tribes should be here. And they

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won't be here under my administration." The Journal adds, "After the debate, however, someone must have tapped Mr. Spitzer on the shoulder and reminded him that one of his biggest campaign donors is Richard Fields, a casino developer who represents a Wisconsin Indian tribe that claims ancestral roots in the state and is seeking approval to build a casino in New York's Catskills region. And so a few days later, according to the Albany Times Union, 'Darren Dopp, the AG's spokesman, said Spitzer isn't including the Stockbridge Munsee Band of Mohicans, the Oneida Tribe of Wisconsin or the Seneca-Cayuga Tribe of Oklahoma among the out-of-state tribes that won't be allowed to develop here.' Which leaves us wondering who is included. Companies operated by Mr. Fields have donated some $200,000 to the campaign of Mr. Spitzer, who also used the developer's Gulfstream jet (at a steep discount) to travel to fund-raisers until he was criticized for the practice."

Wisconsin Democrats Accused Of Creating "Phony" Campaign Finance Scandal. The Wall Street Journal (11/7, 2.03M), in an editorial, writes, "Watching television this election cycle, you may have noticed that 'campaign finance reform' hasn't made political ads any cleaner. You may also have surmised that money counts as much as ever; its sources and middlemen have merely been reshuffled. What 'reform' has done, however, is make it easier for incumbents to keep power, and a case study is the Wisconsin Governor's race. The challenger is GOP Congressman Mark Green, who has criticized Democratic incumbent Jim Doyle over his vetoes against tax relief, and has also kicked off a debate on education and tort reform. Or at least those were the issues until Mr. Doyle's allies used the campaign-finance laws to change the subject and create a phony scandal."

Effects Of Negative Advertising Examined. The Washington Post's David Broder (11/7) writes, "I know that the political consultants are convinced that 'going negative' is the only way to move the vote and win an election. But at some point you wish that the grown-ups in this country -- those who don't see elections as a profit-making business -- would remind these talented character assassins of the damage they are doing to the system of representative government that has served this nation so well."

In an op-ed for the New York Times (11/7, 1.21M) Barry Schwartz, a professor of psychology at Swarthmore College, writes, "Another national election season has come to an end — the sorriest, sleaziest, most disheartening and embarrassing in memory. The best one can hope for is a candidate who is a complete cipher. How has American electoral politics come to this? … The effort by each side to coat the opposition in slime has made many of us cynical, giving us the sense that our task is to reject the worst, not select the best. Nobody's any good, we think, but some are worse than others. Let's keep those candidates out of office. Our job becomes one of denying, not awarding, office."

Hamas-Fatah Talks Fail To Reach Unity Government. The New York Times (11/7, Myre, 1.21M) reports Palestinian Authority president, Mahmoud Abbas, and Prime Minister Ismail Haniya "failed Monday in their efforts to finalize a deal on a national unity government but planned to try again on Tuesday, aides said. … Mr. Abbas, who leads the secular Fatah movement, and Mr. Haniya, who leads the militant Islamic faction Hamas, seemed close to an agreement on a new Palestinian government that would be made up of professionals and technocrats not directly linked to either faction. The new government would seek to end the Palestinians' international isolation and win a restoration of Western assistance cut after Hamas came to power in the spring." Nabil Aburdeineh, a spokesman for Mr. Abbas, said, "There are issues to be discussed tomorrow and maybe the day after. We agreed on one thing: a national government of professionals will be coming." Meanwhile, Mustafa Barghouti said earlier on Monday that the sides had already reached an agreement "in principle."

Israeli Forces Begin Withdrawal From Gaza Town. The AP (11/7) reports that Israeli forces "pulled out of the northern Gaza town of Beit Hanoun before daybreak Tuesday, the military said, completing a weeklong sweep that killed more than 50 Palestinians. … The sweep came in from harsh international criticism because of the death toll and destruction. Israel said most of the dead were militants, but some were women and children. An Israeli soldier was also killed. On Monday, the sixth day of the sweep, at least seven Palestinians were killed, including a female suicide bomber."

Iran Seeks To Woo International Oil Companies. The Wall Street Journal (11/7, Jones, 2.03M) reports, "Iranian President Mahmoud Ahmadinejad is backing changes to foreign energy contracts and retaining moderates in key roles in a bid to woo crucial foreign investors, senior industry and Iranian government officials say. But it remains to be seen whether the new Iranian leadership is ready to give foreign players the kind of stable and lucrative contracts they are seeking." Iran's "standoff with the U.S. and its allies over Iran's nuclear program and Mr. Ahmadinejad's anti-Western rhetoric have intensified nervousness among foreign firms about investing there." Iran "needs roughly $50 billion in foreign investment during the next decade to reach energy-production targets to avoid losing market share to other members of [OPEC]. Oil companies face a delicate balancing act: While they want to avoid U.S. ire, they are pressured by Iranian officials to attest to a friendly Iranian investment climate."

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OPEC President Says Further Output Cuts May Be Necessary. The Washington Post/AP (11/7, D06, Elfehaid) reports that oil prices rose by nearly $1 Monday after Nigerian oil minister and OPEC president Edmund Daukoru "said the oil cartel may need to cut its output further and as armed protesters shut down one of his country's oil facilities." Daukoru told reporters, "The market is clearly oversupplied, clearly oversupplied." The AP says, "Regarding OPEC's decision last month to cut production effective Nov. 1, he said the effects of the reduced output have yet to be seen but would be soon. Daukoru told reporters that when OPEC meets in December members will discuss production, 'but it looks as if some further mopping up will be necessary.'"

US Appears To Be Shifting Stance On ICC. Under the headline "A Shift In The Debate On International Court," the Washington Post (11/7, A16, Boustany, 748K) reports, "When then-Undersecretary of State John R. Bolton nullified the US signature on the International Criminal Court treaty one month into President Bush's first term, he declared it the happiest moment in his years of service." At the time, "The bipartisan concern then was that American service members deployed overseas risked exposure to a foreign tribunal," but now, "as the court prepares to begin public hearings on its first case, the debate among senior US military officials seems to be shifting away from staunch opposition, and a fresh assessment of the court seems to be underway." According to the Post, the "new attitude has been prompted in part by the court's record since it began operations three years ago; Chief Prosecutor Luis Moreno-Ocampo, an Argentine, has dismissed hundreds of petitions for cases against the United States" due to "lack of evidence, lack of jurisdiction, or because of the United States' ability to conduct its own investigations and trials."

Panel Calls For Streamlining UN Programs. The AP (11/7, Lederer) reports that a "high-level panel" has "called for streamlining UN programs to fight poverty, provide humanitarian aid and protect the environment, saying competition among agencies often duplicates efforts and fails to deliver results," according to a final draft of its report. The draft, obtained Monday by The AP, said that while the UN "is an indispensable force," it has outgrown its post-World War II structure and "is not as effective as it could be." The panel established by UN Secretary-General Kofi Annan found that "too often, authority and management responsibility is dispersed among individuals and across organizations, thus limiting accountability for performance and results," and "better cooperation between organizations has been hindered by competition for funding, by mission creep and by outdated business practices." It will be up to Ban Ki-Moon, who takes over as secretary-general on Jan. 1, "to decide whether to implement the panel's recommendations."

Selection Of US Nominee To UN Food Program Seen As Blow To Reform. The Financial Times (11/7, Nations) reports US Undersecretary of State Josette Sheeran "appears almost certain to be named as head of the UN World Food Programme on Tuesday, in a decision diplomats fear marks an early blow to reform promises by Ban Ki-moon, the incoming secretary-general. A UN official said that James Morris, the current head of the WFP, told senior staff at the weekend of the decision to appoint the US official candidate to a post traditionally viewed as a US fiefdom. The announcement, some diplomats believe, would be an indication that fledgling efforts to make appointments on technical merit have foundered. … According to a number of diplomats and officials, there had been early indications that another candidate—Tony Banbury, WFP's regional director for Asia and a former White House employee—had led on merit. While an American, he was not Washington's choice. But late last week it emerged that, following high-level US lobbying and consultations between [UN Secretary General Kofi] Annan and Mr Ban, the decision was made to go with the US government's official nominee."

The Washington Times (11/7, A1, Pisik, 88K) says Sheeran was chosen "from a short list, which was never formally announced but was said by Secretariat officials to have included WFP Asia director Tony Banbury, an American with ties to the Clinton White House; Swiss development minister Walter Fust; and Robert Fowler, a former Canadian ambassador to the United Nations. But the appointment of Miss Sheeran, the Bush administration's nominee, had been expected" because Washington "contributes about one-third of the WFP's $2.9 billion budget and often applies pressure to ensure its nominees are successful."

In Diplomatic Defeat For US, Ortega Set To Claim Victory In Nicaragua. The results of Sunday's presidential election in Nicaragua received prominent coverage on the front page of many of the nation's largest dailies, as well as coverage on two of the three network news broadcasts where the anticipated victory of former president Daniel Ortega was overwhelmingly seen as a diplomatic defeat for the US. ABC World News (11/6, story 7, 0:25, Gibson, 8.78M) reported, "Daniel Ortega was the Marxist president in the 1980s. He was in a deadly civil war before voters swept him from office. But tonight, it appears he's returning to power. The winner of Nicaragua's presidential election, Ortega, claims he is no longer a revolutionary. But if elected, it would be a defeat for Washington, which opposed him."

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The CBS Evening News (11/6, story 8, 0:20, Couric, 7.66M) reported, "Another old Washington nemesis the making a comeback. Remember Daniel Ortega? He was President of Nicaragua's Sandinista government in the 1980s and led the fight against the US backed rebels. Tonight he's apparently won an election to get his old job back. Ortega says he's no longer a Marxist, but don't expect congratulations from the White House. One of Ortega's big supporters is Venezuela's President Hugo Chavez."

In a front page article, the Washington Post (11/7, A1, Aizenman, 748K) reports, "With 62 percent of precincts reporting, Ortega was comfortably leading the field of five presidential contenders with 39 percent of the vote, virtually ensuring him a first-round win under Nicaragua's electoral rules." The Post says Ortega's return to Nicaragua's presidency "would also constitute an embarrassing setback for the Bush administration. American officials have recently made thinly veiled threats that the United States would impose economic sanctions and other punitive measures if Ortega was reelected, arguing that Ortega has not changed despite his embrace of Catholicism, pronouncements in favor of a market economy and efforts to cast himself as the candidate of 'reconciliation.' US officials appeared motivated in part by concerns that Ortega would be an eager partner in pushing an anti-American alliance with Venezuelan President Hugo Chavez. Ortega's return is particularly galling to many in the Bush administration who devoted their careers to getting rid of him in the 1980s."

Also in a front page article, the New York Times (11/7, A1, McKinley, Replogle, 1.21M) says "an Ortega win in a five-way race would be a defeat for the Bush administration, which strongly opposed his election and worked hard to unite a fractious opposition against him with little success. The White House has said it would withdraw aid from an Ortega government." The Wall Street Journal (11/7, A6, de Cordoba, 2.03M) notes that Washington "actively campaigned against Mr. Ortega, in a kind of echo of the battles of the 1980s, when a US-backed rebel force known as the Contras battled Mr. Ortega's Sandinista government. The US ambassador staged a public campaign against Mr. Ortega and senior US officials said aid and investment could be sharply cut and the country would come to ruin if Mr. Ortega triumphed. Political analysts are sure to debate whether the US campaign backfired."

Under the headline "Ortega's Likely Return Seen As A Blow To US Policy," the Financial Times (11/7, Thomson) calls Ortega's likely victory "a blow for US foreign policy in central America," noting that "ever since Mr Ortega lost power to the centre-right Violeta de Chamorro in 1990, Washington has maneuvered to avoid his re-election. During this year's election campaign, Paul Trivelli, the US ambassador in Managua, has spoken out frequently to warn Nicaraguans of the perceived dangers of a Sandinista government. Recently Mr Trivelli also warned of Mr Ortega's growing friendship with Hugo Chávez, the oil-rich and anti-US Venezuelan president. In a recent interview with the Financial Times, Mr Trivelli even warned that an Ortega-led government would provoke significant changes to the currently healthy bilateral relationship." The Ambassador was quoted as saying, "The whole gamut of the relationship that I talked about between the US and Nicaragua would definitely be re-examined -- and not only by the executive or the State Department or the White House but by the US Congress." The AP (11/7, Carl), Los Angeles Times (11/7, Tobar, 918K) and USA Today (11/7, Llana, 2.27M) run similar reports.

Most Nations Decline In Corruption Ratings. The AP (11/7, Rising) reports, "Nearly three-quarters of 163 countries ranked in a new survey suffer from a perception of serious corruption, while in nearly half it is seen as rampant," according to Transparency International's 2006 Corruption Perceptions Index. The watchdog "gives the worst scores to many of the world's poorest countries, including almost all African nations, indicating a strong correlation between corruption and poverty. The stragglers also included several so-called 'failed states,' including Iraq, which dropped from place 137 last year to second-last as the situation there continues to deteriorate."

US Corruption Ranking Drops. Meanwhile, the Financial Times (11/7, Williamson) reports the US has suffered a "significant worsening" in its perceived levels of corruption "following a series of business scandals and increasing worries over political party funding," the index found. Huguette Labelle, head of the Berlin-based group, "said the reasons could include the greater awareness of corruption after the Enron and Worldcom business scandals, and growing concern in the US that private and business donations to politicians was having a corrupting influence on political affairs."

Rash Of Kidnappings Causes Alarm In Sri Lanka. In a front page article, the New York Times (11/7, A1, Sengupta, 1.21M) reports that a "rash of mysterious abductions has come to haunt" Sri Lanka amidst its "newly revived ethnic conflict." The Times says the kidnappings "contain eerie echoes of the horrors of a generation ago, when this island nation achieved notoriety for tens of thousands of disappearances." A "breakaway Tamil rebel faction" is "widely accused of being allied with the government and…of having a hand in the abductions." The government "denies having any link to the group, called the Karuna faction," but "despite the official denials, the abductions have spread a cloud over the administration of President Mahinda Rajapakse, including a recommendation by the United Nations high commissioner for human rights,

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Louise Arbour, to dispatch foreign monitors to investigate rights abuses here."

Stephens Urges US Action On Syrian Threats To Lebanon. Wall Street Journal (11/7, A13, 2.03M) columnist Bret Stephens writes, "The White House issued a remarkable statement last Wednesday warning of 'mounting evidence that the Syrian and Iranian governments, Hezbollah and their Lebanese allies are preparing to topple Lebanon's democratically elected government.'" At the same time, he notes that the "forthcoming report of former Secretary of State James Baker's Iraq Study Group…is rumored to urge the Bush administration to re-engage Damascus diplomatically. In recent days [Syrian President Bashar] Assad has been talking a blue streak about his willingness to make peace with Israel, a signal that he might be willing to play ball on that front and maybe in Iraq if only the Administration lets him have his way in Lebanon." Stephens says that "saving Lebanon will require focus, nerve and imagination, qualities hitherto absent from [Secretary Condoleezza] Rice's tenure at State. Maybe if her boss loses his majority in Congress, he'll be less inclined to let the remainder of his legacy go down the drain with it."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"The Day The Hatred Boiled Over In Balad."
"Voting In A Neck-And-Neck Nation."
"Dazzling Dreams In The Mud."
"Ortega Headed Back To Power In Nicaragua."
"When You Can't Afford To Go Buy The Book."
"Recast, Schwarzenegger Primes For A Second act."

USA Today:
"Nicaragua's Ortega Ready For Comeback."
"NYC Plane Crash Was All Too Typical."
"Feds Target Terrorist Recruiting In Prisons."

New York Times:
"Candidates Make Dash For Finish Line."
"Leftist Headed Toward Victory In Nicaragua."
"In Arizona, 'For Sale' Is a Sign Of The Times."
"Kidnappings Return To Haunt Long Ethnic War In Sri Lanka."
"New York Plans To Make Gender Personal Choice."

Washington Post:
"Angry Campaigns End On An Angrier Note."
"Ortega Set To Reclaim Nicaraguan Presidency."
"Primary Bugs Fueling Jitters In Md. And Va.."
"President Who Sees in Absolutes Awaits Voters' Definitive Answer."
"57 Iraqis Charged In Abuse At Prison."

Washington Times:
"Polls Give GOP A Lift On Election Eve."
"Democrats May Make Fewer Gains In Congress."
"Allen Webb Cite fate Of Senate."
"Surveys' Estimates Put Ortega Lead."
"Sheeran Will Lead U.N. Food Program."
"FTC Not Sweet On Junk-Food Ads Targeting Children."

Detroit Free Press:
"Having Your Say."
"Kids Played Amoung Poisons."

Atlanta Journal-Constitution:
"CDC's Katrina Critique Is Secrete."
"Hot To Watch."
"Raped Woman Kills Attacker After Be Threatens Child."
"Bats In Attie? Rats In Wall? Time To Call Critter Catches."

Houston Chronicle:
"Voters Can Expect late Senate Tally."
"Suburb Cries Foul After Fatal Sex Sting."
"Extra Electric Fees Give Some A Jolt."
"Robbery Ring Included Mom And Two Sons' Police Say."
"Judge: Mailing May Taint BP Jury Pool."

Story Lineup From Last Night's Network News:
ABC: Campaign 2006; Bush Campaigns-Florida; Campaign 2006 Analysis; Kansas House Race; More Women In Congress; Hussein Verdict Aftermath; Ortega Returns To Power; Severe Rains-Oregon; California Wildfire; School Bus Safety; Moving The Intrepid.
CBS: Campaign 2006; Campaign 2006-Ohio; New Voting Machines; Missouri Senate Race; Connecticut House Race; Bush Hits Campaign Trail; Hussein Verdict Aftermath; Ortega Returns To Power; School Bus Safety; California Wildfire; Microsoft Competition For Google Earth; Moving The Intrepid.
NBC: Campaign 2006; Missouri Senate Race; Rhode Island Senate Race; Tennessee Senate Race; Get Out The Vote; Campaign 2006 Analysis; Rumsfeld Resignation Called For; Hussein Verdict Aftermath; California Wildfire; Gatorland Fire; Haggard Leaves Town; Stock Market; Moving The Intrepid; Reaction About Borat.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Vote at the Crawford fire station, Crawford, Texas; then return to Washington, closed press, travel pool coverage; the President and Mrs. Bush return to

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the White House via Marine One, South Lawn, open press, pre-set 12:55 p.m.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: CONSUMERS-TECH _ The Federal Trade Commission holds a three-day conference on ways the globalization of commerce impact consumer protection. Highlights: 9 a.m. Session on consumer benefits to living in an instant information environment, with Kamran Pourzanjani of PriceGrabber.com, Mark Chandler of Autoland, Liam Lavery of Zillow.com, others. 1:15 p.m. Session on computing power and the marketplace, with Eric Horvitz of Microsoft, Anthony LaMarca of Intel, Sal Capizzi of Yankee Group, David Hitz of Network Appliance, others. 4:30 p.m. Session on convergence and its impact, with Dan Brenner of the National Cable and Telecommunications Association, Sarah Deutsch of Verizon, Gigi Sohn of Public Knowledge, others. Location: Lisner Auditorium, 21st and H Sts. NW.

WORKPLACE-JOBS _ 9 a.m. - 5 p.m. The US Department of Labor sponsors ``Jobs Corps 21st Century Vision: Responding to New Challenges, Realigning to the New Workplace." The program offers workshops about strategies for improving services to students, certification-based career training programs, and expanding business and industry partnerships. Highlights: 2 p.m. Labor Secretary Chao gives keynote address and announces a series of new initiatives. Location: Hyatt Regency on Capitol Hill, 400 New Jersey Ave. NW.

WAR-ELECTIONS _ 10 a.m. - 10 p.m. Anti-war activist Cindy Sheehan leads a protest against the war in Iraq and possibly against election results. Highlights: 11 a.m. Anti-war activist Cindy Sheehan speaks on the impact of peace voters in the mid-term elections at Takoma Park Middle School, 7611 Piney Branch Rd., Silver Spring.

STEM CELL RESEARCH _ The Institute of Medicine and the National Research Council hold a symposium on developments in the field of stem cell research. Highlights: 8:40 a.m. Session on The Intersection between Emerging Areas of hES Cell Research and the NAS Guidelines, with Richard O. Hynes, Co-Chair, Human Embryonic Stem Cell Research Advisory Committee; Daniel K. Ludwig Professor for Cancer Research, MIT; Investigator, Howard Hughes Medical Institute. Location: National Academies, 2100 C St. NW.

TAXES-WELFARE _ 12 p.m. Urban Institute hosts forum on ``Making Taxes and Welfare Work Together," with Janet Holtzblatt, Office of Tax Analysis, Dept of the Treasury; Iris Lav, Center on Budget and Policy Priorities; others. Location: 2100 M Street N.W., 5th Floor.

ELECTION-PARTICIPATION _ 1:30 p.m. The National Coalition on Black Civic Participation holds three conference calls to discuss black voter participation in the elections. Contacts: Nancy Harvin, 202-659-4929. Notes: Calls also at 4:30 p.m. and 8:30 p.m. Call contact for details.

US-BRAZIL _ 3:30 p.m. Commerce Secretary Gutierrez and Brazilian Development Industry and Foreign Trade Minister Luiz Fernando Furlan hold a media availability following their meeting. Location: 5th floor, main Commerce.

DEMOCRATS _ 8 p.m. The Democratic Congressional Campaign Committee holds its Election Night party. Location: Hyatt Regency on Capitol Hill, 400 New Jersey Ave. NW.

ELECTION-AFL-CIO _ 8 p.m. The AFL-CIO holds an Election Night watch party. Location: 815 16th St. NW.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: TUESDAY, NOVEMBER 07, 2006 7:45 AM EST

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TERRORISM NEWS:

Appeals Court Weighs Prisoners' Right To Fight Detention (NYT)

By Neil A. Lewis
The New York Times, November 7, 2006

DOJ_NMG_0091428

WASHINGTON, Nov. 6 — The Bush administration's successful effort to have Congress eliminate the right of Guantánamo prisoners to challenge their detentions before federal judges is now moving toward what may be an epic battle in the courts.

And while lawsuits on the topic are spread across the judiciary, the principal battleground, legal experts say, is the federal appeals court in Washington. That court has been considering for three years whether the hundreds of prisoners at Guantánamo Bay, Cuba, have the right of habeas corpus — that is, the ability to ask a federal judge to review the reasons for their detention.

But the law passed by Congress last month eliminating the habeas right supersedes almost all of the arguments that have gone before and is now the focus of the legal confrontation, government and civil liberties lawyers agree. In a ruling last June, the Supreme Court had said that an earlier measure did not eliminate habeas lawsuits that were already in the courts. However, in October, the administration used more explicit language, saying the new law retroactively blocked federal courts from entertaining habeas lawsuits by Guantánamo detainees.

The three-judge appeals court panel will have to decide whether the pending lawsuits brought by the 430 or so remaining detainees at Guantánamo should be thrown out, as the Bush administration has argued, or whether the new law is unconstitutional, as civil liberties groups have contended.

Whatever resolution is reached by the three appellate judges — David B. Sentelle and A. Raymond Randolph, both appointees of Republican presidents, and Judith W. Rogers, appointed by a Democrat — it will almost certainly end up before the Supreme Court. A decision could come from the appeals court before the end of the year.

Lawyers for the detainees said in a recent brief that despite the wording of the new law, Congress could not take away the right to bring such habeas corpus lawsuits because that would violate the Constitution.

Their brief notes that the Constitution provides that Congress may suspend the right only in cases of rebellion or invasion, as President Abraham Lincoln did during the Civil War. Congress may provide a substitute, but only one that is equivalent to a full-blown habeas action, the lawyers said in their brief.

Justice Department officials said they would argue that the law is constitutional when they issue their formal reply in a brief due next Monday.

David B. Rivkin Jr., a White House counsel in the administration of the first President Bush, said he believed the department would emphasize that the new law provided an adequate substitute method for a detainee to challenge his confinement.

A proceeding held for each prisoner at Guantánamo, called a Combatant Status Review Tribunal, is presumed to provide a legally sufficient justification for detention, under the new law. That proceeding, in which three military officers decide if a prisoner is rightfully deemed to be an unlawful enemy combatant, may be appealed directly to the Court of Appeals for the District of Columbia Circuit.

Mr. Rivkin, an authority on national security law who supports the administration, said the law did not suspend habeas corpus but instead provided a new way for it to be exercised.

"The government is saying, 'Look, we're not denying anyone's chance to get habeas,' " he said. "We're just providing a different way."

Mr. Rivkin said the judges on the appeals court panel should be especially receptive to the idea that the process is fair because the law provides for that very court to hear any appeals from the military tribunals.

But the detainees' lawyers have argued that the law provides for only a limited review of the military tribunals by the appeals court. Under the new law, they said, the appeals court may not look behind the record of the military tribunal, and the judges, in effect, are required to accept all of the military's assertions.

Similar objections to the law are contained in a brief filed by seven former federal judges, who were appointed by both Democratic and Republican administrations. The judges say in their brief that the law has "one specific and fundamental flaw," namely that the military tribunals may accept evidence obtained by torture. The judges said the limited review for the appeals court in the new law "cannot remove the stain of torture because the court, at least according to the government, cannot alter or expand the record created by the military."

They said that "no habeas court would permit detentions based on evidence obtained in this manner."

New Rules Go Into Effect At EU Airports (AP)

DOJ_NMG_0091429

The AP, November 7, 2006

Passengers were allowed to take only small amounts of liquids on board airplanes Monday as strict new security measures on hand baggage went into effect across the European Union.

The new EU rules limit passengers to carrying 100 milliliters (a fifth of a pint) of liquid per container on board planes — part of regulations imposed after British police said in August that they had broken up a plot to bring down U.S.-bound flights with liquid-based explosives.

New restrictions on the size of carry-on luggage will be introduced in April.

All liquids — not only water and soft drinks but also soups, creams, lotions, oils, perfumes, sprays, gels, toothpaste and shaving cream — are subject to security checks before passengers board their planes.

The containers must fit into a clear re-sealable plastic bag to be presented at security checkpoints, officials said.

The new rules do not affect liquids packed in checked luggage, or drinks and perfumes bought at airport shops after passengers clear security.

Baby foods and medicines also are exempt but can be subject to inspection, officials said.

"All airports in the European Union must apply the new regulations to protect civil aviation against the threat of homemade liquid explosives," EU spokesman Ferran Tarradellas Espuny said over the weekend. "Liquids in hand luggage have to be put in a separate bag."

The rules went into effect Monday at all airports within the 25-nation EU and in Norway, Iceland and Switzerland.

Passengers also are required to remove coats and jackets at security checks, and remove laptop computers and other large electrical items from bags for inspection.

Starting April 17, new rules on cabin baggage will limit hand luggage to a maximum 56 by 45 by 25 centimeters (22 by 17 by 10 inches) — with exceptions for some items, such as musical instruments.

Accused Iraqi Agent Held At Federal Supermax Prison In Colorado (AP)

AP, November 7, 2006

INDIANAPOLIS - An Indiana truck driver convicted of plotting to sell U.S. secrets to Saddam Hussein is incarcerated at a federal super-maximum-security prison in Colorado under an order approved by U.S. Attorney General Alberto Gonzales, a report Monday said.

Justice Department officials have isolated Shaaban Hafiz Ahmad Ali Shaaban, 54, of Greenfield, under a policy that permits the FBI to eavesdrop on his conversations, restrict his access to news reports and prohibit anyone other than attorneys and family members from talking to him, The Indianapolis Star reported.

Shaaban is being held under an order known as a special administrative measure, which is meant to keep federal inmates from inciting violent attacks from prison or disclosing classified information that could harm national security.

William Dazey Jr., a public defender who assisted Shaaban at his trial in U.S. District Court in Indianapolis earlier trial this year, said the order was unusual.

"I have not seen evidence that would support the notion (Shaaban) is a threat to the United States," Dazey said.

Among the other convicts held under similar conditions at the Florence Federal Correctional Complex about 90 miles south of Denver are Zacarias Moussaoui, the alleged "20th hijacker" in the Sept. 11, 2001, terrorist attacks, and Richard Reid, who tried in December 2001 to detonate plastic explosives in his shoe on a Paris-to-Miami flight.

At Shaaban's sentencing, Judge John Tinder recommended placing Shaaban in a federal prison at Terre Haute, closer to his wife and young son, who remain in Greenfield.

However, Assistant U.S. Attorney Sharon Jackson requested the restrictions, and Attorney General Alberto Gonzales initialed the order.

Jackson is on special assignment with the Justice Department and was not available for comment Monday, said Mary Bippus, a spokeswoman for the agency in Indianapolis.

Shaaban was stripped of his U.S. citizenship after being found guilty in January of six federal charges, including illegally acting as an agent of the Iraqi government.

DOJ_NMG_0091430

He was sentenced to 13 years, four months in prison after a trial in which prosecutors portrayed him as a clever spy who had offered to sell the names of more than 60 clandestine CIA operatives to Iraqi intelligence officials for millions.

Under special administrative measures, the Justice Department must certify a substantial risk exists that an inmate's communications could result in death or serious bodily injury to others.

The regulation states the inmate must be notified of the restrictions and the justification. However, Shaaban received an order that redacted the justification.

Critics question the necessity and the psychological effects of limiting virtually all contact with the outside world for years at a time.

"A lot of this is show. It's playing to people's fears about terrorism," said Khurrum Wahid, an attorney with offices in New York and Miami who defends terror suspects.

HOMELAND RESPONSE:

Feds Target Terrorist Recruiting In Prisons (USAT)

By Mimi Hall

USA Today, November 7, 2006

WASHINGTON — The federal government is working with prisons in dozens of states to improve intelligence gathering and monitoring of inmates in a stepped-up campaign to curb homegrown terrorism behind bars.

The FBI and Homeland Security Department are urging prison officials to do more extensive background checks on workers and volunteers who meet with inmates. And members of Congress are looking at possible reforms in prison security as a way to combat the spread of extremist Islamic beliefs.

Chief among the concerns is that radical Muslim clerics could have access to prisoners and coerce them with terrorist literature.

“It's a concern because we know that violent extremist groups will target people in prisons,” said Donald Van Duyn, the FBI's counterterrorism director. “We're working to improve monitoring, improve training and increase awareness.”

The intensified surveillance follows the recent arrests of people alleged to be home-grown terrorism suspects in London and Canada, which have raised concerns that the United States may be vulnerable to terrorism at the hands of its own citizens. British authorities said in August that they broke up a conspiracy to blow up U.S.-bound airliners with liquid bombs, and Canadian officials charged 17 people in June with an al-Qaeda-inspired plot to possess 3 tons of bombmaking materials.

Homeland Security officials, who are sending investigators to prisons around the country to gather intelligence on inmate radicalization, are worried that similar plots could be hatched in U.S. prisons. “Prisons can be a breeding ground,” says Charles Allen, Homeland Security's top intelligence officer.

Among the steps that the FBI and Homeland Security are urging prisons to take:

•Develop more informants and set up more intelligence units in state prison systems. The FBI is encouraging prison systems to set up their own intelligence units and to work with local agents to share information. The bureau won't say whether it has undercover agents in the nation's prisons.

•Train more prison staff to recognize signs that prisoners are turning to extremist propaganda, sharing radical views, and attempting to convert other inmates.

•Conduct background checks on volunteers and workers to ensure extremist Muslim clerics don't have access to prisoners.

“Our concern is not with prison inmates converting to Islam,” says Sen. Susan Collins, R-Maine, chairwoman of the Senate Homeland Security Committee. “For many converts, this religion brings the direction and purpose their lives previously lacked.”

A case in California shows how some U.S. prisons have spawned converts to radical forms of Islam.

Members of an extremist group robbed a dozen Los Angeles gas stations in 2005 to raise money to finance terrorist attacks on the United States.

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The group's founder, Kevin James, is alleged by the FBI to have recruited members from prison. Four members of the group are awaiting trial on charges including conspiracy to levy war against the U.S. government.

"We have to wonder how many other such conspiracies are taking shape under the radar in other prisons," Collins says.

Prosecutors: Terrorists Plotted More Attacks On NYC, London (USAT/AP)

By David Stringer

USA Today, November 7, 2006

LONDON — An al-Qaeda operative captured in Britain planned to bomb the New York Stock Exchange and plotted a series of attacks on London, one to blow up a London subway train as it passed below the River Thames, prosecutors said at a sentencing hearing Monday.

Dhiren Barot, 34, pleaded guilty last month to conspiring to commit mass murder in terrorist plots on both sides of the Atlantic. He could face a life sentence in Britain and is wanted in the USA and Yemen on separate terror-related charges.

The Muslim convert and seven alleged accomplices spent more than four years making detailed plans to attack a host of financial industry targets in the USA. They also allegedly plotted to detonate limousines packed with explosives in the underground garages of famous London hotels and train stations.

Prosecutor Edmund Lawson said the group considered using a radioactive "dirty bomb" and ramming a gasoline tanker into a high-profile British target.

Lawson showed clips of a reconnaissance video shot in 2001 during a visit to New York by Barot. The shaky footage — shown on screens in the courthouse — zoomed in on the World Trade Center as an unseen man mimicked the sound of an explosion. Prosecutors said Barot did not have prior knowledge of the Sept. 11 terror attacks that killed almost 3,000 people.

Lawson said that starting in 1995, Barot trained at terrorist camps in Pakistan, Kashmir, Malaysia and the Philippines — crisscrossing the globe to refine skills at bombmaking and with weapons and chemicals. Born in India and raised in Britain since 1972, Barot became the "organizer of major terrorist activity designed to strike at the very heart of both America and the United Kingdom," Lawson said.

In August 2000 and March 2001, Barot traveled to the USA, visiting an aunt in New Jersey, Lawson said.

Plans outlining details of the U.S. attacks were found on a computer after Barot's arrest in August 2004. The 80-minute New York reconnaissance footage was spliced into a videotape of Die Hard with a Vengeance, Lawson said. The video contained shots of entrances, exits and security barriers at the New York Stock Exchange and the Citigroup headquarters.

Prosecutors said Barot's targets included the World Bank headquarters and the International Monetary Fund, both in Washington, the Citigroup buildings in New York and the Prudential building in Newark, N.J.

Barot is wanted in the USA on charges of conspiracy to use weapons of mass destruction. Under British law, domestic proceedings take precedence over an extradition. He also is wanted in Yemen in the kidnappings of Westerners in 1988.

Under the alias Issa al-Britani, Barot was named in the report of the U.S. commission that examined the Sept. 11 attacks, as an associate of Khalid Sheikh Mohammed, the alleged planner. The report said Mohammed ordered al-Britani to identify bomb targets in New York.

British Court Hears Of Qaeda Plans For 'Black Day' (NYT)

By Alan Cowell

The New York Times, November 7, 2006

LONDON, Nov. 6 — A prosecutor told a court here on Monday that Dhiren Barot, the most senior operative of Al Qaeda known to have been captured here, had plotted "a memorable black day for the enemies of Islam" by killing "hundreds if not thousands of innocent people" in Britain and the United States.

Mr. Barot was arrested in Britain with seven others in August 2004, after a major security alert in the United States.

He pleaded guilty in October to a charge of conspiracy to murder.

The potential targets included the New York Stock Exchange, the headquarters of the International Monetary Fund in Washington and, in London, a subway train as it traveled under the Thames. Other supposed targets included Citigroup in Manhattan and the Prudential building in Newark, prosecutors have said.

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He could face life in prison when two days of pre-sentencing hearings conclude Tuesday. He is also wanted in the United States.

Mr. Barot, 34, who converted to Islam from Hinduism, was said to have worked on plans to use a radioactive so-called "dirty bomb" and limousines jammed with gas canisters to explode in underground parking garages.

Edmund Lawson, the prosecutor, said Mr. Barot had planned "to carry out massive explosions here and in the United States, the principal object being to kill hundreds, if not thousands, of innocent people without warning."

Details of the investigation were made public only after several news organizations sought a court ruling lifting restrictions on reporting. The prosecutor described him as a young man who converted to Islam in his early 20s, traveled to Pakistan for terrorist training in 1995 and then to the United States to assess potential targets for Al Qaeda in 2000 and 2001.

The planned operations in the United States were suspended after what Al Qaeda saw as the "success" of the Sept. 11, 2001, attacks, the prosecution said. But, according to Mr. Lawson, notes, documents and computer evidence from Mr. Barot showed that he later made plans for attacks in Britain.

In a note, Mr. Lawson said, Mr. Barot referred to the idea of attacking a London subway train as it traveled under the Thames.

"Imagine the chaos that would be caused if a powerful explosion were to rip through here and actually rupture the river itself," Mr. Barot was said to have written. "That would cause pandemonium, what with the explosions, flooding, drowning etc. that would occur."

Mr. Lawson said Mr. Barot returned to Pakistan in early 2004, apparently to seek approval and financing for his plans. "There were plans for the detonation of a radiation dispersal device, more commonly known as a dirty bomb, the use of a petrol tanker to cause an explosion, and an attack on London's rail or Underground network," Mr. Lawson said.

Court Told Of Terrorist's Plans To Kill Thousands (WT/AP)

By David Stringer

The Washington Times, November 7, 2006

LONDON -- One of the top al Qaeda operatives known to have been captured in Britain appeared in court amid heavy security yesterday for sentencing in a plot to bomb the New York Stock Exchange, the International Monetary Fund headquarters in Washington and to use a dirty bomb in London.

Dhiren Barot, 34, started plotting six years ago for a "memorable black day for the enemies of Islam," prosecutor Edmund Lawson said at the hearing, which was punctuated by a dramatic moment when prosecutors showed a March 2001 video shot while Barot was in New York. The camera zooms in to the World Trade Center and a man is then heard mimicking the sound of an explosion.

"This, we have to bear in mind, was five months before 9/11," Mr. Lawson said.

Flanked by two guards, Barot sat expressionless behind a glass partition as the proceedings began. He pleaded guilty last month to conspiring to commit mass murder in terrorist plots on both sides of the Atlantic. He faces a life sentence.

The criminal plot was to carry out massive explosions in Britain and in the United States, and was meant to kill "hundreds if not thousands of innocent people without warning," Mr. Lawson said.

Barot planned to cram three limousines with gas cylinders and explosives and detonate them in underground London parking garages, Mr. Lawson said. He also identified London hotels such as the Ritz and the Savoy, and railway stations such as London's Waterloo, Paddington and King's Cross as targets. Other attacks in Britain included using a dirty bomb, although experts question whether it would have been lethal.

Mr. Lawson, citing computer files recovered by police, said Barot planned to bomb a subway train as it traveled through a tunnel under the River Thames.

"If a powerful explosion were to rip through here and actually rupture the river itself, this would cause pandemonium ... explosions, flooding, drowning," Barot wrote in the computer documents found, according to Mr. Lawson.

Barot was born a Hindu in India, but was brought to Britain as a toddler. He converted to Islam when he was about 20, Mr. Lawson said.

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After leaving his job as an airline-ticket clerk in Britain, he went to Pakistan and attended a terrorist-training camp in the Pakistan-controlled area of Kashmir for at least four months, Mr. Lawson said.

Investigators confiscated Barot's notes that showed he gained extensive training in the use of weapons, chemicals and bomb design. In 1998, he traveled to Malaysia and in 1999 the Philippines, where he attended the Jemaah Islamiyah terrorist-training camp, Mr. Lawson said.

In August 2000 and March 2001, Barot went on two reconnaissance trips to the United States, Mr. Lawson said.

It was this 2001 trip to Manhattan when prosecutors said the video of the World Trade Center was shot.

"It is memorable for its macabre prophecy," said Mr. Lawson, who said he didn't think Barot had prior knowledge of the September 11 attacks.

Government Officials And Muslim Teens Meet At Taping Of Talk Show (NY1)

NY1, November 7, 2006

Muslim students put FBI and immigration officials on the hot seat Sunday at a taping in Queens of a well known Pakistani talk show. NY1 Criminal Justice reporter Solana Pyne was there as a panel answered questions about everything from FBI training to the success of the war on terror.

An unusual gathering even for a place as diverse as Queens, as a well known Pakistani talk show host taped a program to bring back home.

"There is an important question, what is the outcome of this war on terror after five years," asked talk-show host Hamid Mir.

A room full of students asked questions.

"Are FBI agents or other government officials trained, or getting trained to learn more about Islam?" asked one student in attendance.

Answering them was a member of parliament from the United Kingdom, a local imam, Muslim academics from both coasts, as well as the head of the New York office for Federal Immigration and Customs Enforcement Agency, and an FBI special agent.

"FBI Agents can't all look like me," said FBI special agent, Andrew Arena. "They can't all be white guys. We have got to diversify and that's very, very important. We train our agents from day one in the academy to understand the Muslim faith."

In the last few years, FBI and immigration officials have held several meetings with members of the city's Muslim communities, fielding both questions and complaints. But the event Sunday evening was unusual, not only because it included Muslim leaders from across the country, but also because it was the first with Muslim teens and young adults.

"There was some concern on the community's part, particularly after the bombings in the United Kingdom, that there were certain potential segments of the Muslim-American youth in the United States that might be disenfranchised," said Martin Ficke of the Federal Immigration and Customs Enforcement Agency. "And of course they have more, you know, potential to be radicalized."

And the forum, held just two days before the U.S. elections, was a chance to let students have their voices heard by government officials. It was also a chance for government agencies to recruit.

"I've had a lot of people come up to me tonight and ask about job opportunities with the FBI," said Arena. "This is the future of the FBI."

Hundreds of students attended the event, and as to how successful it was, well, it depends on who was asked.

"The questions were repetitive and the panel was composed of all non-students, with the exception of one, who did not even receive a chance to speak," said Fatima Ashraf, a forum participant.

"I think this is how we are going to be able to show to America, and to the rest of the world, that we can also contribute good ideas that can help bridge the gaps," added Ali Nayyar, another forum participant.

But even those who wished the event had been organized differently said they hope there will continue to be more events that allow students to have their say.

Liquids Allowed On Flights, But Bring Patience, Too (CSM)

By Alexandra Marks

DOJ_NMG_0091434

The Christian Science Monitor, November 7, 2006

NEW YORK

Flying home this Thanksgiving? There are two things experts say are essential to bring: patience and a sense of humor.

Planes are expected to be fuller, prices higher, and security lines longer than ever.

The good news is that means some major airlines are finally turning a profit in the post-9/11 world. The bad news is passengers are paying for it with their time and comfort.

"It's a very strong travel season. We're looking at some of the highest load factors we've ever seen at one of the busiest times of the year," says Darryl Jenkins, an aviation expert in Marshall, Va. "Go to the airport early, and go with excessive amounts of humor."

Load factor is aviation jargon for the percentage of seats occupied by paying customers. Usually, 65 to 75 percent of seats are filled, so it wasn't unusual in the past to expect that center seat to be empty so you could spread out a bit and relax - but no more.

This summer load factors were 90 to 100 percent, and that's where they're expected to stay this holiday season. The reason is major airlines have cut back on the number of planes flying so they can increase the amount of money they make on each one that goes aloft.

A recent scientific poll for Expedia.com also found that of people who plan to travel by air this holiday, 80 percent plan to travel as much or more than last year. So, to that full center seat add winter coats and presents for your mother, and you'll be prepared for what to expect: discomfort and inflexibility. Experts say if you're late to the airport, unlike in the old days, don't expect to be able to hop on the next flight.

"If you think, 'Oh, there are 10 flights a day to New York, I'll just get on the next one,' the likelihood of that happening is much, much less now," says Chris McGinnis, editor of Expedia Travel Trendwatch, a quarterly report on the travel industry, based in San Francisco. "That can really botch a trip if it's only three days, so I would say always err on the side of being early and just hanging out at the airport."

Then, of course, there are those vaunted Transportation Security Administration security checks - the other major reason experts are urging travelers to get to the airport as early as possible. During the holidays a lot of people fly who usually don't. So many may be confused about what the TSA will and will not allow on board.

For instance, did you know that some liquids and gels are now allowed? But they have to be in three-ounce containers inside quart-sized sealable baggies, not gallon- or a sandwich-sized. All lighters are banned, but you can bring on four books of matches. TSA's website, at www.tsa.gov, details these rules and is a must-see for anyone who hasn't flown in recent months.

"To make it more understandable to people we've launched a campaign called 3-1-1," says Ellen Howe, a TSA spokeswoman. "It's a reminder of three ounces or less, one quart-sized bag, one bag per traveler, and that bag needs to be pulled out of your carry-on and placed into the bin."

But even with all of the efforts the TSA is making to ensure passengers are informed and its employees are abreast of the current requirements, experts across the board say there's still too much inconsistency.

"You go there one day and one thing is OK, and then the next day you're told that is no longer OK," says Mr. Jenkins. "That's the biggest problem we have with the airlines, is that nobody knows what's kosher."

Knowing what's kosher is crucial because just a few seconds of delay per passenger can add up to very long lines with delays stretching as many as two hours.

"A delay of 10 seconds per passenger, in fact, could back up the line to the point where people could start to miss their flights," says Mike Callinan, president of Productivity Apex Inc. in Orlando, Fla., which did an analysis for the Orlando International Airport.

Some analysts contend that those wait lines and the hassle of security could have been greatly reduced if the TSA had been more efficient in getting the Registered Traveler and Secure Flight programs up across the country. The Registered Traveler program is designed to speed frequent fliers through the screening process once they've volunteered biometric and background information and paid a fee to a government-approved private company. So far, only the airport in Orlando is operating a pilot program, although 13 others have applied to run such programs.

The other program, Secure Flight, is designed to simplify the manner in which passenger names are checked against the federal government's Terror Watch List. After spending hundreds of millions of dollars, the program has been scrapped and sent back to the drawing board because of privacy concerns.

The TSA's Ms. Howe defends the decision, saying, "We'd rather get it right than fast." And some travel experts agree. Kevin Mitchell, chairman of the Business Travel Coalition in Radnor, Pa., says the current screening system needs to be improved before any new layers are added.

"If you're going to put new processes on top of things that aren't yet operating at an efficient or proficient level, then you can actually complicate matters, and customer service can suffer more," he says.

Will Long Lines Be In The Bag This Thanksgiving? (USAT)

By Marilyn Adams

USA Today, November 7, 2006

ATLANTA — Many air travelers have been slow to catch on to the new rules of flying, and government and airline officials fear the confusion could snarl security lines at some of the USA's busiest airports Thanksgiving week.

At major airports such as Atlanta Hartsfield-Jackson, Washington Dulles, Las Vegas and others, many passengers arrive unaware of rules that have restricted what may be carried aboard a flight since the uncovering in London last August of an alleged terrorist bombing plot.

Despite strict rules barring large containers of liquids in carry-on bags, passengers are showing up with big containers of shampoo, toothpaste, aftershave, water, even liquor. Such errors force security screeners to instruct passengers, remove the banned items and make time-consuming hand searches of bags. The result: slower lines.

ADVICE: Not following baggie rules can bog down lines

If the Atlanta airport — the USA's busiest — is any sign, it could be a tough season when the volume of travelers soars later this month for Thanksgiving. Willie Williams, federal security director at Hartsfield-Jackson, says screening there is running as much as 30% slower than before the liquids ban.

Jack Smith, AirTran Airways' customer service chief, says the discount carrier is worried about the screening slowdown not only at its Atlanta hub but across its system.

"We're concerned, and we're doing everything we can to educate the customer," Smith says.

Airline officials say lines have increased at almost every sizable airport. But at certain airports, high volumes of less-experienced leisure travelers, combined with the physical layout, give rise to extraordinary problems. At the worst times at Hartsfield-Jackson — early morning on Monday and Saturday — security lines can snake back from the checkpoints through the terminal's atrium, down the hallways to the rapid transit station and back up the hallway to the luggage carousels.

Wait times on Columbus Day, a Monday, ran well over an hour after bad weather the day before forced AirTran and Delta Air Lines, the biggest carrier at Atlanta, to rebook some passengers. It wasn't that bad early last Saturday. Lines were long, but they moved relatively quickly. The longest wait to get through the checkpoint ran 19 minutes at 8 a.m.

Several travelers grumbled that they didn't know or forgot about the liquids restriction until the security agents reminded them at the start of the lines.

"I thought the ban was over," says Shane Hoff, a sales manager in Atlanta who had to throw away his shaving cream and deodorant in a large trash bin next to the agents' desks.

"I'm traveling with my wife's family. I'm going to smell all weekend," he said. "But it's not the end of the world."

Recent Mondays have also been tough.

"Atlanta Hartsfield on Monday morning looks like Disney World during spring break," says Atlanta-based business traveler Pat Everett, a hospital consultant.

Everett won't be traveling over the holidays. "I can't imagine what it's going to be like."

The holidays tend to see more infrequent fliers more likely to be unfamiliar with the rules. Airline officials worry that long security lines around Thanksgiving could cause passengers to miss their flights at a time when planes are too full to accommodate travelers left behind.

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Officials also worry that bad experiences by passengers, and publicity about long airport waits at the holidays, will discourage some people from flying in the future.

"We're concerned about the next 30 days or so," says Christopher White, spokesman for the Transportation Security Administration, which runs airport checkpoints nationwide. "We have all hands on deck."

In October, several big airports were showing much longer wait times than in July, before the liquids ban, according to TSA figures. But even the biggest crowds in October don't come close to what airports are bracing for at Thanksgiving. Fully 50% more passengers surge to the airport on the day before Thanksgiving than on a typical Wednesday. The Sunday after Thanksgiving sees 15% more passengers than a typical Sunday.

'They won't have a clue'

The growing lines have prompted the TSA to launch a national public education campaign in the media, on its website (www.tsa.gov) and at airports to help passengers obey the liquids rules.

Major airports such as Atlanta and Las Vegas McCarran are waging their own education campaigns with press conferences, videos shown in area hotels and staff inside the airport telling passengers what they can take aboard.

Despite the outreach, says Randy Walker, director of Las Vegas McCarran, "I think this holiday season will be problematic." Airports nationally "will be getting a lot of people who haven't traveled since all this happened, and they won't have a clue."

At Las Vegas airport last week, passenger Tracy Parkswas surprised by the plastic bag rule.

"I just don't understand the baggie," said Parks, a therapist from Kansas City, Mo. He and his friend, Brian Thompson, were stopped from carrying bottled water and cologne in their carry-on bags, and had to check them.

"Now that I know about the baggie, I will use the baggie," Parks said.

Walker says a passenger recently showed up at a checkpoint there carrying a bottle of whiskey. He told the screeners it was exempt from the rules, and insisted the screeners just wanted it for themselves. Eventually, the man relinquished it.

In New Orleans, TSA says, a passenger arrived at a checkpoint with a pint-size bottle of hot sauce. In Atlanta, a woman showed up with so many little bottles of liquor that they wouldn't all fit inside a one-quart zip-top bag.

When the screeners told her she couldn't take them all through the checkpoint, she drank three of the bottles and took the rest aboard.

According to the TSA, passengers are still showing up at checkpoints with full-size containers of toiletries inside their carry-on luggage. Other passengers don't have their little toiletries inside a zip-top bag, or they have a bag that's much bigger than a quart.

Still others are failing to remove the bag containing the toiletries from their carry-ons before X-ray screening. That forces the screeners to hand check the bag on the other side of the X-ray, slowing down the line.

Passengers "are doing it innocently," says Williams, the Atlanta security official. "They're not trying to sneak something through."

Large bottles of liquids, no matter how costly or important to the traveler, must be discarded before the checkpoint — or the suitcase must be checked.

The evolution of the liquid ban

The liquids crisis began Aug. 10. British authorities arrested more than 20 men in London believed to be plotting to blow up U.S.-bound trans-Atlantic jets using liquid explosives taken onto planes in carry-on luggage.

The TSA and its counterpart in Britain abruptly banned all liquids and gels from carry-ons. Only baby formula and prescription medicines were exempt.

The ban initially gridlocked airports and forced most passengers to check their luggage, because liquids were still allowed in checked luggage. The resulting surge in checked luggage overwhelmed some luggage systems, contributing to a 26% year-over-year spike in the rate of complaints about mishandled luggage in August.

Responding to appeals from airlines and business traveler groups, the TSA on Sept. 25 revised the rules to allow small quantities of toiletries through checkpoints. Now, passengers may bring typical travel items such as shampoo, toothpaste and makeup through security checkpoints, provided they're in 3-ounce or smaller containers that all fit inside a 1-quart clear plastic

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zip-top bag. Only one bag per passenger is allowed. TSA calls this the 3-1-1 rule. Most drugstores stock popular toiletries in small travel sizes.

A zip-top bag containing the toiletries must be removed from a carry-on suitcase and placed in a separate tray prior to screening.

Airport stores in Atlanta, Dallas/Fort Worth and elsewhere are selling zip-top plastic bags for 50 cents apiece. Bob Hope Airport in Burbank, Calif., is more generous: It's giving away 6,000 bags this season.

TSA officials say tests by the FBI found it's highly unlikely that terrorists could destroy a jet with a bomb made from such small amounts of fluids.

Passengers are also allowed to carry on water and toiletries in any quantity bought at airport shops beyond security checkpoints, including liquor and perfume bought at duty-free shops. Liquids are screened before being sold in secure airport areas.

Inexperienced screeners

Although the Atlanta airport is fully staffed, security lines have grown just as TSA at many airports is battling chronically high turnover rates among screeners. Despite a retention bonus program offered by the TSA, one in five security screeners left his or her job during the fiscal year that ended Sept. 30. That has caused staffing problems at some airports, and some screeners are new and inexperienced.

Business traveler Everett says a screener at Hartsfield recently forced him to give up an unmarked, 3-ounce plastic bottle containing his favorite aftershave, Old Spice. She told him the bottle had to have a manufacturer's label. Although that's not correct, Everett had to throw it out.

After that, Everett bought a travel-size container of mouthwash, poured out the mouthwash, and — at the risk of smelling minty — poured in Old Spice. "It sails through the checkpoint," he says.

TSA is pulling out all the stops to keep lines moving over the holidays. Williams says the Atlanta airport is fully staffed with screeners and will have all 22 checkpoint lanes open Thanksgiving week.

Twenty-two uniformed airport employees trained by TSA will be telling passengers what they can and cannot bring aboard before they get to the checkpoint. Sixteen-foot-long signs bearing the TSA's 3-1-1 rule are hanging in the terminal. Brochures are at curbside.

"I think that, over time, people will get it," says Williams, who has been Hartsfield's security director for five years.

Travelers really have no choice. "These regulations are not going away anytime soon," he says.

Contributing: Roger Yu from Atlanta; Chris Woodyard from Las Vegas.

Not Following Baggie Rules Can Bog Down Lines (USAT)

By Roger Yu

USA Today, November 7, 2006

ATLANTA — It's Saturday morning at Hartsfield-Jackson International, typically one of the busiest times at the USA's busiest airport. What you see is a traveling public that is adjusting to the new rules of air travel.

Watching things unfold at the sprawling airport's single security checkpoint makes it clear that travelers, based on their experience and the degree to which they've done their homework, fall into distinct categories.

Some understand in detail what the government now requires to clear security checkpoints under rules changes implemented in August and revised in September. Others? Not so much.

The new rules now say liquid and gel items carried on board must be in containers that are three ounces or less. The bottles must fit in one 1-quart plastic zip-top bag, which must be placed in a security tray for X-ray during inspection. They call it the 3-1-1 rule.

STORY: Will long lines be in the bag this Thanksgiving?

Last Saturday, two lines of travelers led to the 22 inspection lanes that constitute the checkpoint.

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The average wait time on Saturday mornings is typically 20 to 25 minutes, says Christopher White, a spokesman for the Transportation Security Administration. But the line moved relatively quickly on this day. The longest wait time was 19 minutes. After 9 a.m., it was down to about 7 to 8 minutes.

At 8:30 a.m., three TSA agents stationed at two desks at the beginning of the lines loudly reminded passengers of the 3-1-1 rule for carry-ons.

Two large TSA banners reinforced the message. Many travelers didn't bother to look up and read them. An electronic sign about four feet tall next to the agents' desks also explained the rules.

The Initiated

Many travelers at the checkpoint came prepared.

Barbara Addaman and Debbie Bond, residents of Atlanta who were traveling to Pensacola, Fla., arrived at the airport shortly before 8 a.m. and waited about 15 minutes at security. "We checked everything, and we knew not to take liquid on board," Addaman says. "We live in Atlanta, and everything (about the airport) is publicized. If you live in an area with a small airport, maybe you're not as aware."

Michael and Linda Friedman, a couple from Atlanta on their way to Acapulco for vacation, stood in line to clear security carrying just their jackets and passports. Knowing the rules well, they also packed their liquid and gel items in their checked luggage. "We know what to do. We travel a lot," says Michael Friedman, a financial adviser.

Leah Streuber, a district manager in Atlanta for Weight Watchers, also knows the TSA rules, but she still got smacked by them because she arrived late for her flight.

Arriving at the security line, she didn't hesitate in walking up to the trash bin next to the security line and tossing in her shampoo and conditioner bottles.

She had planned on checking her luggage, so she didn't bring the smaller bottles required by TSA. Because she arrived late, she didn't have time to stop at the airline counter to check bags. "I'd have been more upset if I had missed my flight," she says.

The Uninitiated

Sonja Hicks, an accountant in Atlanta who was heading to Charlotte to visit friends, was disappointed to have to throw away her moisturizer and lotion. She said she knew about the rules, but simply forgot about them until a TSA agent reminded her at security.

"I wish they would provide the plastic bags," she says wistfully. But a plastic bag wouldn't have saved her — her bottles were larger than the allowable 3 ounces.

A candy store next to the security lines was selling 1-quart plastic bags for 50 cents each. D.J. Washington, an Atlanta-based career consultant for athletes, took advantage of it. On his way to catch a flight to Tulsa, he realized that he had packed his deodorant, toothpaste and cologne in his carry-on.

"I forgot about (the rules)," he says. "But an agent at the line told me about the store."

Shon Bourgoyne, who works at an accounting firm in Atlanta, says she thought the ban on liquids had been lifted. Before entering security, she and India White, one of her three traveling companions heading for a wedding in Chicago, gathered their small liquid items and stored them in a plastic bag they bought at the candy store.

Bourgoyne, her husband Pierre and Pierre's mother passed through security without a hitch, but were forced to wait after agents found large bottles of deodorant and body spray in White's carry-on.

An agent reminded White that she could either discard the items or go back to the airline counter to check her luggage. She chose the latter option, keeping the Bourgoynes waiting.

"I feel sorry for people traveling during the holidays, because the signs aren't very clear," Shon Bourgoyne says.

Bourgoyne says she wishes the airline counter agent had reminded them of the rules.

Airlines have TSA signs posted on their counters.

The Big Picture People

Some travelers had a general notion of the rules. The specifics tripped them up.

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Many stopped at the desks manned by TSA agents at the beginning of the line to clear up confusion: How about a lip gloss?

(Lipstick is OK outside the plastic bag. Gloss must be in the bag.)

Does my bottle exceed 3 ounces?

(Read the label.)

What if my plastic bag is not zip-top?

(No go.)

White, the TSA spokesman, says enforcement was actually easier when liquid and gel items were banned because of fewer gray areas. TSA banned liquids aboard flights on Aug. 10. It implemented its 3-1-1 rule on Sept. 26.

David Vernon, an IT consultant from Augusta, Ga., was downing his coffee in a mug quickly before entering the security line, knowing it was banned.

Holding an unopened 1-liter bottle of water that would clearly be banned, he wondered if he could stomach drinking that, as well.

He had bought the bottle earlier in the morning on his way to the airport, hoping to drink it on board. He thought there was a chance that the TSA would bend the rule for him. "This whole liquid thing is annoying. I didn't even notice the signs. And (even if I did), I probably wouldn't have read it," he says.

WAR NEWS:

U.S. Envoy To Iraq Likely Quitting Post (AP)

By Anne Gearan

AP, November 7, 2006

Zalmay Khalilzad, the plainspoken dealmaker and Republican insider who has won praise and criticism for attempts to broker Sunni political participation in Iraq's fragile government, is likely to quit his post as U.S. ambassador in Baghdad in the coming months, a senior Bush administration official said Monday.

As the midterm elections approached in the United States, Khalilzad has been a public face of Bush administration attempts to project both willingness to change strategy or tactics in an unpopular war and solidarity with the increasingly fractious Shiite-led government of Prime Minister Nouri al-Maliki.

Khalilzad's departure has been rumored for months, but he has not turned in his resignation, the State Department official said. The official spoke on condition of anonymity because neither the White House nor Khalilzad has announced any personnel changes. Khalilzad could leave as soon as the end of this year, but is more likely to remain in his post through the spring, the official said.

"He doesn't want to stay there forever and there are ongoing discussions about when he will finish his time, but there is no definite date," the official said.

Other U.S. officials have said Khalilzad will probably return to an academic or private sector job in the United States. His replacement in Baghdad may be Ryan Crocker, a senior career diplomat who is currently U.S. ambassador to Pakistan, those officials said. Crocker was a top U.S. representative in Baghdad for several months in 2003, shortly after the U.S.-led invasion that toppled Saddam Hussein.

Khalilzad is an Afghan-born Sunni Muslim who was seen as a go-between among Iraq's political and sectarian factions when named to the Baghdad post in April 2005. Initially criticized by some Shiites for showing what they called favoritism to the Sunni minority, Khalilzad has more recently been a target of Sunni criticism that the United States is not doing enough to protect Sunnis from Shiite reprisals and death squads.

National Intelligence Director John Negroponte, during a Baghdad visit on Friday, told al-Maliki that Khalilzad would leave about the first of the year and replaced by Crocker, according to two top aides to the Iraqi leader. The aides spoke on condition of anonymity because they are not authorized to release information.

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Negroponte was Khalilzad's predecessor as ambassador in Baghdad. Khalilzad had been the Bush administration's ambassador to Afghanistan after the fall of the Taliban. A White House favorite whom Bush calls by his nickname "Zal," Khalilzad worked in the Republican administrations of Ronald Reagan and George H.W. Bush.

Al-Maliki snubbed Khalilzad two weeks ago, when the ambassador held a press conference to announce that Iraqi leaders had agreed to develop a timeline by the end of the year for progress in stabilizing the country, only to be contradicted by al-Maliki hours later.

Last week Khalilzad and U.S. military commanders agreed to lift a U.S. security cordon around a Shiite slum in Baghdad after meeting with al-Maliki. Sunnis claimed that al-Maliki asked to lift the cordon on orders from anti-American Shiite cleric Muqtada al-Sadr, an important base of al-Maliki's support.

Aides to the prime minister have said flatly that he hopes to expand his authority by playing on American voter discontent and White House reluctance to open a public fight just before the elections.

Iraqis Told Not To Worry Over US Elections (FT)

By Steve Negus

Financial Times, November 7, 2006

Washington has reassured Iraqi leaders that there is no reason to worry about dramatic changes in policy as a result of Tuesday's US elections, Zalmay Khalilzad, the US envoy to Iraq, has told the Financial Times.

Some of the Iraqis "are not as used to [American domestic politics], when things are being said in the heat of the political fight". Some of them took that "as an indication that policies will change dramatically", he said.

"The president has told them not to pay attention to that . . . the president will be the commander in chief and the architect of US foreign policy regardless of the outcome." President George W. Bush's Republican party is expecting a setback in the mid-term elections, in which US policy in Iraq has been a big factor in the Democrats' rising fortunes.

Mr Khalilzad played down reports of tension between the US embassy and the Iraqi government and said that he welcomed statements by Nouri al-Maliki, Iraq's prime minister, that he wanted more control over Iraqi security forces.

"There are some people who think that there's a struggle going on [with] Iraqis who want to have more authority, as if we were fighting over the wheel of a car, who's going to take charge of it," the ambassador said. "But in fact that is not the case. Our goal is Iraqi self-reliance, [so] we welcome someone such as Mr Maliki, the leader of Iraq, saying: 'Look, I want to take more responsibility for the security of my country, I want more forces, forces that are capable, forces that are under my control'."

Mr Khalilzad added that Iraqi politicians were working to resolve key issues that divided the big ethnic and sectarian blocs.

"They still have the issue of the hydrocarbon law, the issue of militias and insurgents . . . even if they need a new flag or not, when do you . . . have provincial elections?" He said Iraqi leaders had claimed there would be a plan to handle militias by the end of the year.

The ambassador also said that Iraqi leaders needed to move quickly to reach compromises to retain the support of the international community. "They have to recognise that the patience of the countries that can help them is wearing thin."

¦Mr Khalilzad is likely to quit his post as US ambassador in Baghdad in the coming months, a senior official in Mr Bush's administration said on Tuesday. His departure has been rumoured for months but he had yet to resign, the State Department official said. The official spoke on condition of anonymity because neither the White House nor Mr Khalilzad has announced any personnel changes.

Mr Khalilzad could leave as soon as the end of this year but was more likely to remain in his post through the spring, the official said.

"He doesn't want to stay there forever and there are ongoing discussions about when he will finish his time." US officials said the envoy would probably return to an academic or private sector job in the US. His replacement may be Ryan Crocker, who is ambassador to Pakistan.

Inside The Beltway (WT)

By John Mccaslin

The Washington Times, November 7, 2006

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Just kidding, Donald

Talk about an "A-list" headlining the American Spectator's Robert L. Bartley dinner (and dancing) Nov. 15 at the Mandarin Oriental hotel, although the evening's master of ceremonies will no doubt be a bit uncomfortable when introducing the keynote speaker.

That master of ceremonies would be myriad-hat wearer Ben Stein, and the keynote address will be delivered by Secretary of Defense Donald H. Rumsfeld.

Inside the Beltway can't help but recall Mr. Stein, in his "CBS Sunday Morning" commentary barely one week ago pointing out that the situation in Iraq has become so difficult that if he were still a White House speechwriter, as he was under Richard M. Nixon and Gerald R. Ford, this is what he would suggest President Bush announce today:

"My fellow Americans, I have some sobering news. It is my duty above all to protect the nation and to protect the Constitution. I sincerely believed I was doing that when I ordered the invasion of Iraq. I still believe Saddam Hussein was the most dangerous man in the world. But it is clear to me now that things are not working out well in Iraq.

"Despite the incredible competence, bravery and sacrifice of our men and women on the ground there, Iraq is still a violent, largely out-of-control country. We may be making more terrorists than we destroy. The word 'quagmire' comes to mind.

"It is clear that changes must be made. I have this morning accepted Secretary of Defense Donald Rumsfeld's resignation with sincere thanks for his service to the nation. Despite his flaws, he is a great American. He will be replaced by a truly heroic American, Senator John McCain of Arizona."

Two-day election?

To ensure that the balloting may

Proceed in an orderly way:

On Tuesday, please note,

All Republicans vote --

And all Democrats on the next day.

-- F.R. Duplantier

Luntz leak

"I will discuss the significance of what I expect to be a significant power shift in Washington, with a particular emphasis on the implications for corporate America."

-- leading Washington political pollster Frank Luntz, who leans to the right, hinting of his prediction of a rise to power by Democrats when providing the subject matter of his Election Day conference call today at 4 p.m., several hours before the polls close.

Long distancer

Hats off to U.S. Nuclear Regulatory Commission chief Edward McGaffigan Jr., for becoming, as of Friday, the longest-serving person in his post -- 9 years, 11 months and 30 days under his belt.

Previous record holder: former NRC Commissioner Kenneth C. Rogers.

Mr. McGaffigan, first appointed to the regulatory body in 1996 by President Clinton, also is the first person to have been nominated (twice by Mr. Clinton) and confirmed to three terms on the panel. He begins his 10th year of service on Dec. 9.

Nevertheless, as Eliot B. Brenner, the NRC's director of public affairs, tells Inside the Beltway of Washington's all-too-familiar ways: "He had a 103-day break between his second and third terms while awaiting Senate confirmation of his nomination."

The commissioner, who grew up in Boston (an avid runner, he has completed six U.S. Marine Corps marathons and one JFK 50 Miler) and lives in Arlington with his two children (his wife of 18 years, Peggy, passed away in 2000), will be honored by his fellow commissioners and senior staffers at an event tomorrow at NRC headquarters.

Ben then

We opened this morning's column with an item about Ben Stein, whom younger generations know as a movie and TV actor and his "gets the red out" Visine commercials. Indeed, his speech in his film role as the teacher in "Ferris Bueller's Day Off" has been ranked as one of the 50 most famous scenes in American film.

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But whereas Mr. Stein resides today in Beverly Hills, Calif., it's interesting to recall that he was born in Washington in 1944, grew up in Silver Spring and attended Montgomery Blair High School.

He was a Washington poverty lawyer in his early years, then a trial lawyer for the Federal Trade Commission, and an adjunct at American University, lecturing on politics and society. As we mentioned, he spent two years as a speechwriter for Presidents Nixon and Ford, although he has stressed he did not write the line "I am not a crook."

Iraq Court To Rule On Saddam Verdict (AP-Y)

By Qassim Abdul-zahra

AP, November 7, 2006

Iraq's appeals court is expected to rule on Saddam Hussein's guilty verdict and death sentence by the middle of January, the chief prosecutor said Monday, setting in motion a possible execution by mid-February.

If the ruling is upheld, The Associated Press has learned that Iraq's three-man presidential council is pledged to allow Saddam's hanging to take place. The execution must be carried out within 30 days of the appeals court's decision.

The surge in violence expected immediately after Sunday's verdict did not happen. The Interior Ministry credited a round-the-clock curfew in Baghdad and two restive Sunni provinces. Checkpoints were also closed along Iraq's borders with Jordan and Syria. Authorities were gradually lifting the restrictions, with pedestrians allowed back on the streets of Baghdad late Monday afternoon.

Around the country, jubilant Shiites celebrated the verdict, as Sunnis held defiant counter-demonstrations.

Saddam, who empowered the Sunni minority when he ruled Iraq, was sentenced by the Iraqi High Tribunal for ordering the executions of nearly 150 Shiites from the city of Dujail following a 1982 attempt on his life.

If the appeals court upholds the sentences, all three members of the Presidential Council — President Jalal Talabani and Vice Presidents Tariq al-Hashimi and Adil Abdul-Mahdi — must sign death warrants before executions can be carried out.

Talabani said Monday that although he opposes capital punishment, his signature is not needed to carry out Saddam's death sentence. Talabani, a Kurd, has permanently authorized Abdul-Mahdi, a Shiite, to sign on his behalf. Abdul-Mahdi has said he would sign Saddam's death warrant, meaning two of three signatures were assured.

Al-Hashimi, the other vice president and a Sunni, gave his word that he also would sign a Saddam death sentence as part of the deal under which he got the job April 22, according to witnesses at the meeting, which was attended by U.S. Ambassador Zalmay Khalilzad.

"We wanted a written promise before the first meeting of the new parliament. But later and during a meeting in the presence of American and British ambassadors and other politicians, the promise became oral in which he vowed not to oppose important rules and laws — especially those related to Saddam," Deputy Parliament Speaker Khaled al-Attiyah told the AP.

Thus the approval of the death penalties handed down Sunday for Saddam, his half brother Barzan Ibrahim, and Awad Hamed al-Bandar, chief of the Revolutionary Court, had been part of the pact under which al-Hashimi got one of two vice presidential posts.

If the nine-judge appeals panel upholds the death sentences, they could be ready for signing early next year, according to a schedule laid out Monday by chief prosecutor Jaafar Moussawi.

Moussawi said the Iraqi High Tribunal must send the entire case file to the appeals panel within 10 days, or by Nov. 15.

On the same day that the defense appeal is given to the High Tribunal — the deadline is Dec. 5 — that court is required to send it to the prosecutor general for study and preparation of counter-arguments.

The prosecutor has no time limit to answer the appeal, but Moussawi told AP he would submit his brief within days of receiving the defense appeal.

While the appellate court also has no deadline for its ruling, Moussawi said it would act quickly because it had no other cases under consideration.

"The appeals panel will take less than a month to make its decision," Moussawi said.

Many Oppose Death Penalty For Hussein (NYT)

By Hassan M. Fattah

DOJ_NMG_0091443

The New York Times, November 7, 2006

DUBAI, United Arab Emirates Nov. 6 — European politicians on Monday spoke out against the death sentence for Saddam Hussein. Arab officials and commentators derided what they said was a flawed and politicized trial, while for the first time broadly acknowledging Mr. Hussein's crimes.

Prime Minister Tony Blair of Britain, speaking to reporters on Monday, said he opposed the death penalty for Mr. Hussein, joining several other European leaders and European Union officials who announced their opposition to the sentence. When pressed by reporters, Mr. Blair spoke of his longstanding opposition to capital punishment. He said he did not intend to protest the sentence, and condemned Mr. Hussein's brutality.

European leaders insisted that the viciousness of the actions of which Mr. Hussein was found guilty had not changed their view that state-sponsored killing was wrong. Some warned that executing Mr. Hussein would only worsen the sectarian bloodshed in Iraq.

The Associated Press quoted Terry Davis, secretary general of the Council of Europe's Parliamentary Assembly, as saying: "A country ravaged by violence and death does not need more violence, and especially not a state-orchestrated execution. Saddam Hussein is a criminal and should not be allowed to become a martyr."

Amnesty International said Sunday that it "deplored" Mr. Hussein's sentence, describing the proceedings as "deeply flawed and unfair."

In the Arab world, many dismissed the verdict as a product of an unfair trial, decrying the lack of control of the proceedings by the judges, the seeming contradictions in procedures and the generally politicized nature of the proceedings. Most of those who commented on the subject said the decision to impose the death penalty would not stem the wave of violence gripping Iraq.

"You'll hear a lot of moderates say it's great Saddam got what he deserves, but unfortunately it was through a trial that was regrettable," said Ayman Safadi, the editor of the Jordanian daily newspaper Al Ghad. "People see Saddam himself as irrelevant. This trial was not about Saddam; it was about Iraq itself."

Analysts said the timing of the verdict, just two days before the United States midterm elections, underscored the politically charged nature of the proceedings.

"His sentencing now is a deliberate attempt to boost the Republicans in the U.S.," said Imad Shueibi, president of the Data and Strategic Studies Center, a privately financed research organization in Damascus, Syria. "They're expecting big losses in the upcoming elections, and they figure maybe this sentence might give an illusion of some success. But of course only the naïve will believe that."

But for many, the trial missed an opportunity to send messages to other dictators and to teach valuable lessons.

"There's no way to celebrate," said Muhammed al-Ameer, the political editor at the Saudi daily newspaper Al Riyadh. "No one doubts that Saddam committed human rights abuses, but the trial was so flawed that it put things in question. It just keeps sounding like a step taken by the Republicans to help them."

Perhaps the most dramatic shift was in how many viewed Mr. Hussein. Previously, few in the region had been willing to address directly the issue of whether he might be guilty of crimes against his people, with many people lionizing the former dictator. Most of those interviewed on Sunday and Monday said they believed he was guilty, but they also said that the flaws in his trial offset his guilt.

"People used to see Saddam as a fearless, defiant leader, but then he appeared in handcuffs and his image was shattered," said Saleh Qallab, a columnist with the Jordanian government-backed newspaper Al Rai. "Nobody can sympathize with a weak figure; that change is not political, but psychological."

Makram Mohamed Ahmed, a columnist with the Egyptian government-backed Al Ahram newspaper, said, "He was a burden to his nation and a burden to the entire Arab world and he might have truly deserved this fate, if only the court's legitimacy was not in question."

Most of all, Mr. Ahmed said, the verdict has failed to send a message to other Arab leaders to loosen their grip and make needed changes. "I don't think any of the Arab leaders will come to think that this can happen again," he said. "The Bush's administration is losing its popularity and the Democrats may get a majority in the Congressional elections."

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Iraq's Rough Justice (LAT)

The Los Angeles Times, November 7, 2006

IT WAS THE U.S. Supreme Court, not the Iraqi High Tribunal, that famously declared: "A defendant is entitled to a fair trial but not a perfect one." Still, that legal dictum is an apt description of the process by which the Iraqi court decided to sentence Saddam Hussein to death for the slaughter of 148 Iraqi Shiite villagers in 1982.

With customary exaggeration, President Bush went further, hailing Hussein's trial, which began in October 2005, as "a milestone in the Iraqi people's effort to replace the rule of a tyrant with the rule of law." At the other extreme, some human rights groups are finding fault with the proceedings because of evidentiary shortcuts, alleged conflicts of interest and the politically motivated removal of several judges.

The conduct of Hussein's trial on this and other charges fell short of American norms (such as the right to a trial by jury) and also lacked the imprimatur of the International Criminal Court. As we have argued before, the legitimacy of the proceedings would have been enhanced if respected foreign jurists had joined their Iraqi counterparts on the bench. Some of these deficiencies may be rectified in the appeals process, which must be thorough and painstaking.

That said, the trial established that Hussein ordered the massacre of residents of the Shiite farming town of Dujayl as collective punishment for a failed assassination attempt. Like other examples of Hussein's brutality, the killings in Dujayl should not have gone unpunished. Whatever its flaws, the trial established Hussein's guilt in an open and adversarial proceeding (one that the deposed dictator did his best to disrupt).

Not content to pronounce that justice had been done, Bush gushed that the sentencing of Hussein was a "major achievement for Iraq's young democracy and its constitutional government." Where Bush and Iraqi's Shiites discern simple justice in Hussein's comeuppance, the country's Sunni population sees sectarian payback by the Shiite-dominated government of Prime Minister Nouri Maliki. Maliki said that Hussein is finally "facing the penalty he deserves."

That penalty — death by hanging — is also controversial, with British Prime Minister Tony Blair reiterating Monday that his nation opposes the death penalty "whether it's Saddam or anyone else." Capital punishment is legal in Iraq (as it is in the U.S., regrettably), and Iraqi authorities are unlikely to be swayed by death penalty abolitionists in this of all cases. The prospect of capital punishment has always been at the end of this trial.

None of this suggests that Hussein should have been given amnesty for the atrocities carried out under his orders. Even critics of the U.S. invasion that brought him down acknowledge that his rule was not just brutal but bestial. Holding him accountable for his crimes is a matter of simple (if rough) justice. But it will be a "milestone" for the rule of law in Iraq only if Sunnis can be convinced that the new order in their country isn't as unjust as the old one.

Imperfect, But Fair Enough (WSJ)

By Alan Dershowitz

The Wall Street Journal, November 7, 2006

The Nuremberg trials it is not. But then again, Saddam Hussein is no Hitler or Goering. He was a regional tyrant whose invasion of Kuwait was turned back by the U.S., whose effort to develop nuclear weapons was thwarted by Israel, and whose war with Iran proved mutually destructive. He did succeed in murdering, torturing and terrorizing thousands of his own people, and for one small part of that -- the murder of 148 men and boys in the town of Dujail -- he was placed on trial, convicted of crimes against humanity and sentenced to hang.

The trial itself was repeatedly disrupted by in-court outbursts, out-of-court murders of lawyers, and frequent changes of court personnel. It did not go nearly as smoothly as Nuremberg: But those trials were conducted after World War II had been decisively won and all resistance ended. The trial of Saddam was conducted in the midst of continuing resistance and ongoing violence. Considering this important difference, the trial process was remarkably efficient.

But was it fair, or was it victors' justice, as Goering characterized Nuremberg? In a sense, all trials that follow military conflicts are victors' justice; the losers don't get to hold trials. No British generals were placed on trial for Dresden, nor were any Americans put in the dock for Nagasaki. But some victors' justice can be fairer than others. Nuremberg represents the epitome of fair victors' justice. The defendants were brilliantly represented by lawyers of their own choosing. The prosecutors were the

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brightest and fairest the victorious Allies could send. (Even the Soviet chief prosecutor was a distinguished lawyer, though he was clearly taking orders from Stalin.) The judges were, for the most part, highly regarded (the Soviet judges, though highly experienced, lacked the independence of the American, British and French). The verdicts were generally regarded as fair, with some death penalties, some terms of imprisonment (many quickly commuted) and not a few acquittals. These calibrated results satisfied the appearance of justice, as well as the reality in most cases.

The Baghdad trial also produced calibrated results: three death sentences, one sentence of life imprisonment, three sentences of many years behind bars, and one acquittal for lack of evidence. The fact that the conviction and death sentence of Saddam was a foregone conclusion does not necessarily undercut the trial's fairness. The verdict and sentence was predictable because the facts were clear and the evidence compelling. A defendant's obvious guilt does not necessarily make his trial unfair; nor does it necessarily make it fair. Even the most guilty and despicable are entitled to a trial before objective fact-finders (in this case judges, not jurors), with an opportunity to challenge the prosecution's evidence, to put on evidence of his own, and to have a fearless lawyer advocate on his behalf.

Saddam was afforded such a trial, though he denied it to others, and by the standards of justice in most Arab and Muslim countries, this trial was extraordinarily fair. But because the U.S. is the occupying power, and our representatives were looking over the shoulders of the Iraqi prosecutors and judges, the trial will be judged by Western standards. Even so, the Baghdad trial, though far from exemplary, must receive a passing grade, especially considering the circumstances in that city blighted by violence.

Would the trial have been fairer if it had been conducted by some sort of international tribunal situated outside Iraq? Certainly the threats to the lawyers would have been less dramatic. The death penalty probably would not have been imposed, since any court with European judges would not do so. The problem is that no international tribunal has yet established sufficient credibility, certainly not any that are under the auspices of the U.N. In this respect, the Baghdad trial represents a failure of the international community to devise a satisfactory process.

Former U.S. Attorney General Ramsey Clark, who is one of Saddam's lawyers, was thrown out of court for characterizing the trial as a "mockery of justice." He and Saddam's other lawyers will have the opportunity to provide specifics to back this rather general charge when they file their brief in the automatic appeal to which the defendants are entitled. It will be interesting to see whether the issues raised by the defendants are more political or legal -- whether they are macro or micro. If the defendants believe they have no chance for an appellate reversal or modification, and want to use the appeal to score political points, they will, of course, lose. But if they approach the appeal in a lawyerlike manner -- focusing on the particular evidence, the elements of the crimes, the judicial rulings, and other more technical issues -- they may provide the appellate chamber an opportunity to demonstrate the fairness of the process by modifying or even reversing some of the judgments.

The fairness of legal proceedings -- whether domestic or international, whether in war or in peace -- is always a matter of degree. Perfect justice is an illusion. Perfect injustice is a reality, as Saddam Hussein proved when he inflicted it on his perceived enemies for so many years. Now this exemplar of perfect injustice has been subjected to imperfect justice. The result is satisfying, and should serve as an object lesson to the many dictators who continue to terrorize their people and others in the expectation that they will never be brought to justice.

Mr. Dershowitz, professor of law at Harvard, is the author, most recently, of "Preemption: A Knife that Cuts Both Ways" (Norton, 2006).

Justice In Iraq (WP)

By Anne Applebaum

The Washington Post, November 7, 2006

Over the coming days and weeks -- throughout the appeals process, up to and including the day of the execution itself -- you are going to hear a lot about what went wrong with the trial of Saddam Hussein. You will be told, as an Amnesty International director put it , that the trial "has been a shabby affair, marred by serious flaws. . . . Every accused has a right to a fair trial, whatever the magnitude of the charge against him."

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You will hear many denunciations of the verdict itself: The British Guardian newspaper called on Iraq to maintain a "principled opposition to the death penalty, to which there can be no exceptions. No European country now executes its criminals." You will also be told that the judges were incompetent, that the Iraqi government interfered constantly and that the international legal community loathed the trial from the start. All of this is true -- and all mostly irrelevant.

In fact, all post hoc political trials are in some sense "victor's justice." That's just the nature of putting on trial people who were not doing anything "illegal," according to the laws of their totalitarian society, at the time they committed their crimes. The International Military Tribunal that sentenced the Nazi leadership at Nuremberg not only wrote special rules to duck the question of its own dubious legality but even accused the Nazis, at one point, of murdering some 20,000 Polish officers at Katyn and elsewhere, a crime that the Soviet judges -- among them an infamous participant in show trials -- knew for a fact that the Soviet Union itself had committed. The much-vaunted, approved-by-international-community trial of Slobodan Milosevic evolved into an occasion for the Serbian ex-dictator to carry on an extended rant. In part, the decision to hold Hussein's trial in Iraq was made in order to avoid that kind of U.N.-sanctioned failure. In part it was made because back in 2003 the U.N. Security Council -- led by France, Russia and China -- told the Iraqis organizing the trial that it wanted nothing to do with the trial anyway.

In truth, though, the shambolic and incoherent nature of this trial was not so much evidence of too few foreign human rights lawyers as it was yet another byproduct of the shambolic and incoherent nature of the U.S. occupation of Iraq. Clearly the violence outside the courtroom affected what happened inside: Defense lawyers were murdered, judges traveled under armed guard and members of the prosecution said privately that they still felt afraid when Hussein came in the room. At times, their fear showed, adding to the appearance of incompetence. Even now, the chief investigative judge visits mass-grave sites in strict secrecy; his family is in hiding, as are the families of other judges.

The violence outside the courtroom also affected how the trial was perceived outside its walls. Televised testimony, which Iraqis initially found riveting, grew less relevant as the violence increased. The trial became nothing more than the background noise of the sectarian struggle: On Sunday, Shiites cheered the verdict while Sunnis denounced it. Imagine how different Hussein's death sentence would sound today if a stable, peaceful Iraq with a reformed judicial system were uniting to declare it, unanimously. Even the British media might then accept that, in such extraordinary cases, the Iraqis are allowed to choose penalties of which Europeans disapprove.

And yet, in the end there is only one standard by which the trial of Hussein and other Baathist leaders should be judged: Did it or did it not compile a true record of Hussein's crimes -- a record that in some distant, future, peaceful Iraq, will be available to help Iraqis understand what took place during Saddam Hussein's reign? Though it is unfashionable to write anything positive about Iraq right now, the answer is that it did. The crime for which Hussein was condemned -- the torture and execution of 148 people in the small town of Dujail more than two decades ago -- was well documented. Witnesses and archives were produced. Cross-examinations were held.

In August the Iraqi court started hearings in a second trial, this one designed to examine the Anfal campaign of 1987-89, during which Hussein murdered up to 180,000 Kurds. Already, some dozen witnesses have testified about what they saw when Hussein, at the height of the campaign, unleashed chemical weapons on whole Kurdish villages. Large parts of Shiite and Sunni Iraq are hearing these stories for the first time. Listening to them may someday, in that distant, future, peaceful Iraq, help them to understand what Kurds experienced under Saddam Hussein's reign and help them to achieve some kind of reconciliation.

It is true that the execution of Hussein, if and when it occurs, could well have a positive effect on Iraqi politics. If nothing else, it will eliminate once and for all the Baathist dream of a Hussein-led revanche -- a dream that even Hussein himself appears to have cherished; witnesses say he was genuinely surprised by the verdict and was shaking afterward. But his death will also probably put an end to this truth-telling project, one that has been unique and unprecedented in the Arab world. For the first time, an Arab dictator was held accountable for crimes against his people. Thanks to American incompetence in Iraq, it may be the last time for a long time, too.

Thousands From Saddam's Party May Regain Jobs (USAT/AP)

USA Today, November 7, 2006

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BAGHDAD — A day after Saddam Hussein was sentenced to die, the Iraqi government declared a major concession Monday to the Sunni Arabs who backed him. The action could result in thousands of purged members of Saddam's party being reinstated in their jobs.

The U.S. military, meanwhile, announced the deaths of five American troops. Two soldiers were killed in a helicopter crash north of Baghdad, and two Marines and an Army soldier died in fighting in Anbar province in the west. The deaths raised to 18 the number of U.S. servicemembers killed in Iraq in the first six days of November.

The political concession was detailed by the government organization that had been charged with removing Saddam loyalists from state institutions. Under a draft law, the organization would amend its rules to enable former Baath Party members to regain their jobs.

The amendments grew out of a 24-point national reconciliation plan that Prime Minister Nouri al-Maliki, a Shiite, announced in June, shortly after he took office.

Sunni Arabs were the base of Saddam's support and became the backbone of the insurgency that has killed tens of thousands of Iraqis and has been responsible for the vast majority of U.S. casualties. Al-Maliki hopes to entice disaffected Sunnis away from the insurgency.

Under the former "de-Baathification" protocols, devised by the U.S.-led occupation authority after Saddam's regime fell, 10,302 senior Baath Party members had been listed for dismissal. The draft law, however, includes the names of just 1,500 party members, said Ali al-Lami, the commission's executive director. Those not reinstated would receive pensions, he said.

The draft law must be approved by the country's Shiite-dominated parliament.

The United States dissolved and banned the Baath Party in May 2003. It later modified its stance and invited former high-level officers from the disbanded military to join the security forces.

The former top U.S. administrator in Iraq, Paul Bremer, also allowed thousands of teachers who were Baathists to return to work. He conceived of the de-Baathification effort but later found that it had gutted key ministries and the military with no replacement personnel among the Iraqi workforce and educated elite.

The United States had joined recently with Sunnis Arabs in calling for the Shiite-dominated government to end the process, which had exacerbated the already deep fissures among the country's religious and ethnic groups.

"Such a move will be in the interest of Iraq because a Baathist, like any Iraqi citizen, has the right to get back his job," said Ammar Wajih of the Iraqi Islamic Party, the country's largest Sunni group.

About 1.5 million of Iraq's 27 million people belonged to the Baath Arab Socialist Party when Saddam was ousted. Many, however, joined for professional, not ideological, reasons. Career advancement, university enrollment and specialized medical care depended on party membership.

Regardless of why they joined, those who advanced in the party were expected to spy on fellow Iraqis and to join militias that helped suppress Shiite and Kurdish revolts after Iraq's defeat in the 1991 Persian Gulf War.

Administration Reaches Out To Saddam Backers (WT/AP)

By Bassem Mroue

The Washington Times, November 7, 2006

BAGHDAD -- A day after Saddam Hussein was sentenced to death by hanging, the Shi'ite-dominated government offered a major concession yesterday to his Sunni backers that could reinstate thousands of members of the ousted dictator's Ba'ath Party in their jobs.

With a tight curfew holding down violence after Saddam's guilty verdict and death sentence, the government reached out to disaffected Sunnis in hopes of enticing them away from the insurgency, which has killed tens of thousands of Iraqis and is responsible for the vast majority of U.S. casualties.

The U.S. military announced the deaths of five more American troops, two in a helicopter crash north of Baghdad and three in fighting west of the capital. The deaths raised to 18 the number of U.S. forces killed in the first six days of November.

Sectarian killings also persisted despite the extraordinary security precautions. Fifty-nine bodies were discovered Sunday and yesterday across Iraq, police said. But with no surge in violence, authorities gradually were lifting the restrictions in Baghdad

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and two restive Sunni provinces: Pedestrians were allowed back on the capital's streets late yesterday afternoon, and the international airport was to reopen today.

Across the country, Shi'ites celebrated the verdict while Sunnis held defiant counterdemonstrations.

Iraq's appeals court is expected to rule on an appeal by Saddam's attorneys by the middle of January, the chief prosecutor said yesterday, setting into motion an execution by mid-February. If the ruling is upheld, the Associated Press has learned, Iraq's three-member presidential council will allow Saddam's hanging. The execution must be carried out within 30 days of the appeals court's decision.

Sunday's verdict and yesterday's opening to the Sunnis were seen as a welcome break for the United States, which had called for the Iraqi government to stop purging members of Saddam's Ba'ath Party from their jobs. Prime Minister Nouri al-Maliki, however, has balked at U.S. requests to set up an amnesty program for insurgents.

Mr. al-Maliki has been engaged in a public feud with U.S. Ambassador Zalmay Khalilzad since last month, when the prime minister disputed the envoy's announcement that he had agreed to a timeline for progress in quelling violence and encouraging Sunnis to join the political process.

Indications emerged yesterday that Mr. Khalilzad was preparing to leave his post.

Director of National Intelligence John D. Negroponte, during a visit to Baghdad on Friday, told Mr. al-Maliki that Mr. Khalilzad would leave about the first of the year and be replaced by Ryan Crocker, a senior career diplomat who is ambassador to Pakistan, two top aides to the Iraqi leader said.

The United States dissolved and banned the Ba'ath Party in May 2003, a month after toppling Saddam. The U.S. later softened its stance, inviting former high-level officers from the disbanded military to join the security forces.

About 1.5 million of Iraq's 27 million people belonged to the Ba'ath Party, formally known as the Ba'ath Arab Socialist Party, when Saddam was ousted. Most said they joined for professional, not ideological, reasons.

Proposal Would Rehire Members Of Hussein's Party (WP)

By John Ward Anderson

The Washington Post, November 7, 2006

BAGHDAD, Nov. 6 -- A high-ranking commission of Iraq's Shiite-led government said Monday it had prepared a draft law that could return tens of thousands of former members of Saddam Hussein's Baath Party to their government jobs.

After toppling Hussein in the spring of 2003, the interim U.S. authority that ran Iraq enacted a plan that purged Baath Party members from their government jobs, whether or not they had been accused of wrongdoing. The move threw thousands of Baathists out of work and is blamed by many for creating a vast pool of unemployed, disenfranchised Sunnis who later became eligible recruits for insurgent groups.

Thousands of former Baathists have since been allowed to return to their posts after rigorous vetting, but political and security analysts say that if the government were to enact more sweeping measures, it could help soothe rampant sectarian violence and advance reconciliation between the country's Shiite Muslims and Sunni Arabs.

Ali al-Lami, executive director of the Supreme National Commission for de-Baathification, said in an interview that the commission had drafted a law for parliament that would give 1.5 million former Baathists who "excommunicate" themselves from the party the option of returning to their former government jobs or drawing a pension for their past employment. Other estimates have put the number of purged Baathists in the tens of thousands; the figures could not be reconciled.

Lami said 3,000 or so top former Baathists would be given their pensions but would not be allowed to resume government employment. And about 1,500 high-level former Baathists would be barred from ever resuming their jobs or drawing a pension.

The announcement came as Iraq's capital and other volatile areas around the country remained under a full curfew following the death sentence handed down to Hussein the day before. With violence levels seemingly low and people increasingly defying the curfew, the government announced that life would return to normal on Tuesday.

Lami said the timing of the proposed rollback of de-Baathification -- which would be a boon for Sunnis -- had nothing to do with the verdict in Hussein's trial.

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"There have been a lot of meetings with the political blocs and nongovernmental organizations, and it's almost complete," Lami said. "This is only for those who left the Baath Party," he said, noting that Iraq's constitution outlaws the party as a terrorist organization.

The two-day curfew, which covered Baghdad, the northern cities of Mosul and Kirkuk and the restive provinces of Salahuddin and Diyala, was imposed Sunday morning by authorities fearing a violent backlash against the verdict in Hussein's trial, which was announced later in the day. He was found guilty of crimes against humanity and sentenced to hang for the killings of 148 Shiite men and boys from the village of Dujail, north of Baghdad, in the 1980s.

The verdict sparked anguished protests by Sunni Arabs, particularly in Hussein's home town of Tikrit, and jubilant celebrations by Shiite Muslims, who were ruthlessly suppressed during his 24-year rule, but there were few reports of violence. It remains to be seen whether the curfew succeeded in stopping retaliatory attacks or only deferred them.

Passions remained high in some areas, but the government lifted the curfew for pedestrians at 4 p.m. Monday and announced that people and vehicles could return to all of Iraq's roads at 6 a.m. Tuesday.

Pro-Hussein demonstrators marched Monday in several towns north of Baghdad, in the Sunni heartland, including Tikrit, 90 miles north of Baghdad, and Samarra, where the bombing of a Shiite shrine in February sparked intense sectarian clashes across Iraq.

In the towns of Hawijah and Riyadh, outside Kirkuk, hundreds of protesters demonstrated against the Hussein verdict, the U.S. occupation of Iraq and the Shiite-led government of Prime Minister Nouri al-Maliki, carrying Hussein's picture and chanting, "Yes, yes, to the leader Saddam Hussein" and, "Death, death, to the America and Maliki government."

In Sadr City, a sprawling Shiite slum in eastern Baghdad with 2.5 million residents, people defied the curfew blanketing the rest of Baghdad and celebrated the verdict by passing out sweets to children and performing celebratory dances in the streets. Residents contacted by telephone said that life had returned to normal, with cars and buses in the streets, shops opened and people going about their daily business. They said police made no attempt to enforce the curfew in the area, which is controlled by the Mahdi Army, a militia led by anti-U.S. cleric Moqtada al-Sadr.

"We don't care about the curfew in our city," said a 32-year-old blacksmith, referring to Sadr City. "But we respect the curfew outside" in the rest of Baghdad, he said. "In our city, no one can force us to stay in our homes. The Mahdi Army will protect us."

While President Bush on Sunday called Hussein's trial and verdict "a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law," British Prime Minister Tony Blair, America's closest ally in Iraq, was more circumspect Monday, saying he and his party opposed the death penalty for Hussein -- or anyone -- on principle.

The U.S. military on Monday announced the deaths of five servicemen: Two soldiers died Monday when their helicopter crashed in Salahuddin province, north of Baghdad, a military statement said. No hostile fire was observed at the time of the crash, which is under investigation.

One Marine died Saturday and another on Monday of wounds sustained in fighting Saturday in Anbar province, west of Baghdad, a second military statement said. A soldier from the 1st Brigade, 1st Armored Division also died Monday in combat in Anbar, it said.

57 Iraqis Charged In Abuse At Prison (WP)

By Sudarsan Raghavan

The Washington Post, November 7, 2006

BAGHDAD, Nov. 6 -- Iraq's Interior Ministry has charged 57 employees, including high-ranking officers, with human rights crimes for their roles in the torture of hundreds of detainees once jailed in a notorious eastern Baghdad prison known as Site 4, officials announced Monday.

The charges marked the first time the present Iraqi government has taken criminal action against members of its own security forces for operating torture chambers inside Interior Ministry prisons, said Brig. Gen. Abdul-Karim Khalaf, a ministry spokesman.

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Sunni Arab detainees and human rights groups have long alleged that members of the ministry's police force, made up mostly of Shiite Muslims, took revenge on Sunni captives through beatings and other brutal methods. For months, Shiite officials have said such accusations are exaggerations, branding them attempts by Sunnis to discredit the Shiite-led government.

But on Monday, senior Interior Ministry officials acknowledged there was clear evidence of such abuses, following a probe by three separate investigative committees that lasted 2 1/2 months.

A U.N. human rights report reached a similar conclusion in the summer, after Iraqi and U.S. officials uncovered the torture during a visit to Site 4 in May. More than 1,400 detainees at Site 4 were held in "overcrowded, unsafe, and unhealthy conditions" and "suffered systematic physical and psychological abuse" by Interior Ministry officials, the report said. Investigators also took photos that "documented lesions resulting from torture as well as equipment used for this purpose."

"Whoever abuses power and authority will be held accountable, regardless of their position or background," Interior Minister Jawad al-Bolani told reporters in an opulent room in one of Saddam Hussein's former palaces. "This is giving a lesson for those in our ministry who may want to violate the law."

The action was the latest move in a series of recent Interior Ministry crackdowns on the police forces it runs. The Iraqi government is engaged in an intense struggle to bring under control sectarian reprisal killings, death squads and criminal gangs.

U.S. pressure is also growing to get rid of militias and death squads that are widely believed to have infiltrated Iraq's security forces. U.S. officials said they have warned the Iraqi government that U.S. law bars financially backing any foreign security force that violates human rights with impunity.

In recent months, Bolani has fired more than 3,000 employees. In early October, the ministry suspended an entire police brigade on the suspicion that its members could be linked to Shiite death squads. Two weeks later, the ministry removed two of its highest-ranking police generals, who led its special police commandos and its public order brigade, both widely known to be infiltrated by Shiite militias.

Khalaf said one of the generals had played a role in the Site 4 abuses and "was disciplined within the military's legal system." The U.N. report said the Site 4 prison was holding detainees who were previously held by the public order brigade and the Wolf Brigade, a special Interior Ministry police commando unit.

Khalaf declined to name the commander, saying the names of all the accused would be released after they faced a criminal trial. In all, the investigating committees indicted 20 commissioned officers, 20 noncommissioned officers and 17 policemen and civilians. They were dismissed from their jobs and served with arrest warrants, Khalaf said. They could receive jail sentences.

"If the officer carried out the torture with his own hands, or supervised it, or it occurred while he was in command, it's all the same thing," Khalaf said.

On Monday, both U.N. and U.S. officials described the criminal charges as a positive development for efforts to bring order and the rule of law to Iraq. "The fact there seems to be action on Site 4 is a step in the right direction," said Gianni Magazzeni, chief of the U.N. human rights office for Iraq, which published the report. "It's an indication that the minister is taking seriously his responsibility and acting accountable."

"This is one step of many he needs to take in this direction," said Army Maj. Gerald Ostlund, a U.S. military spokesman who focuses on issues concerning Iraq's security forces, referring to the minister.

Magazzeni said he hoped the Site 4 action would spur closer scrutiny of atrocities that unfolded in another Interior Ministry facility in the Baghdad neighborhood of Jadriyah in November last year. U.S. soldiers entered an underground bunker there and found a clandestine torture center where scores of Sunni men were held for months. Many were beaten, starved and then killed by their Shiite captors.

A report on Jadriyah was delivered to Iraq's government, but its findings have never been publicly released nor its perpetrators forced to face justice. "That would be another way to help reduce the feeling of impunity," Magazzeni said.

It remains to be seen whether Bolani, a Shiite and an engineer by training, can take on senior figures in his ministry who are suspected of links to Shiite militias. Many are left from the days of his predecessor, Bayan Jabr, who many Sunnis allege turned the ministry into his own Shiite fiefdom and a haven for the militias.

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Bolani has no political affiliations, a quality that made him attractive as a replacement for Jabr. But this very independence means he has less clout in getting rid of politically connected co-workers inside the ministry.

"That's part of his challenge," Ostlund said. "You fire somebody from the government here, what have you turned them into? What have they become the day after? Sometime it is better to keep your enemies closer than your friends."

On Monday, Bolani spoke cautiously. Asked if any of the 57 alleged offenders were members of Shiite militias, he said that "no reference to militias came up during the investigation."

Khalaf, the spokesman, was also cautious when asked if the ministry would go after Jabr, now Iraq's finance minister and alleged by human rights groups to have been aware of the torture unfolding in Site 4 and other ministry prisons.

"This is not true," Khalaf said of the allegation. "No minister would allow such violations if he knew, because the Interior Minister is for all of Iraq's people."

Third Guilty Plea In Killing Of Iraqi By A Marine Patrol (NYT)

By Carolyn Marshall

The New York Times, November 7, 2006

CAMP PENDLETON, Calif., Nov. 6 — A marine corporal pleaded guilty on Monday in the shooting death of an unarmed Iraqi in April, the third person charged in the case to do so.

As part of a plea agreement, the marine, Lance Cpl. Tyler A. Jackson, received reduced charges of aggravated assault and conspiracy to obstruct justice.

Corporal Jackson said Monday at his court-martial here that he knew that the killing was unlawful when it occurred. Initially charged with seven others with kidnapping and premeditated murder, he avoided the more serious charges as part of a plea agreement to testify against fellow squad members.

A military judge set sentencing for Nov. 16.

Corporal Jackson, 23, accepted the deal last week, after months of proclaiming his innocence as he remained in the brig.

Seven marines and a Navy corpsman were charged with kidnapping and killing the Iraqi, Hashim Ibrahim Awad, 52, who died of multiple gunshot wounds on April 26, and with covering up the crime.

Another marine, Lance Cpl. Jerry E. Shumate Jr., has also been negotiating a plea, defense lawyers said.

At the court-martial on Monday, Corporal Jackson gave testimony about the killing that closely tracked testimony by the two others who have pleaded guilty.

He said the men were on patrol near Hamdaniya searching for Saleh Gowad, an insurgent who repeatedly planted bombs, including one that was thought to have killed four members of a platoon in his company.

The corporal testified that the men kidnapped and killed a man they believed to be Mr. Gowad, but who was Mr. Awad, staging the scene to make it appear as if there had been a gunfight.

“Everyone told the story that it was a good shoot and a lawful engagement,” Corporal Jackson said.

Plea bargains are common in cases with multiple defendants. But experts in military law say the number of deals in the Hamdaniya case and the rapid legal proceedings are somewhat unusual.

“In my view, one deal is sufficient when you have statements” admitting guilt, said Gary D. Solis, a former military judge and Marine prosecutor who teaches the law of war at Georgetown University.

“Two deals make you sleep well,” Mr. Solis said. “But three is gilding the lily. At some point, a prosecutor has to prosecute.“

Aside from the testimony by those who reached plea bargains and a summary of the individual charges, prosecutors have divulged little information about their case.

The government’s case is considered strong because statements describing the killing were signed by members of the squad, part of the Second Platoon of Kilo Company in the Third Battalion, Fifth Marine Regiment, which is based here.

In addition to Corporal Jackson, deals were reached with the Navy hospital corpsman, Petty Officer Third Class Melson J. Bacos, 21, who was sentenced to one year in prison after pleading guilty to modified charges of conspiracy and kidnapping, and Pfc. John J. Jodka III, 20, the youngest and least experienced of the marines, who faces sentencing on Nov. 15.

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The terms of the agreement with Private Jodka will be made public at the hearing next week when the defense intends to call additional witnesses, his civilian lawyer, Jane Siegel, said.

Under military law, the defendants who have accepted pretrial agreements retain the right to go to trial until their sentencing hearings, said Eugene R. Fidell, president of the National Institute of Military Justice.

"You can still try to beat the deal," Mr. Fidell said. "A defendant can, and not infrequently does, do better at trial than the outcome for which he bargained at pretrial."

Others who have been ordered to trial are Cpl. Marshall Magincalda, Lance Cpl. Robert B. Pennington and Cpl. Trent D. Thomas. The squad leader, Sgt. Lawrence G. Hutchins III, has not been ordered to trial.

The testimony of fellow troops in such cases can make the defense difficult. It leaves little alternative but to argue that a killing was somehow mitigated by extenuating circumstances. Because the witnesses know one another well, there is the risk of information coming out that undermines a witness's credibility, legal experts say.

Some defense lawyers have suggested another reason for the multiple plea agreements. "I think it is a matter of expediting the process and saving the command a lot of money," Ms. Siegel said.

Marine Enters Pleas In Iraqi Case (AP-Y)

By Thomas Watkins

AP, November 7, 2006

A Marine pleaded guilty Monday to aggravated assault and conspiracy to obstruct justice in the case of an Iraqi civilian who other servicemen said was kidnapped and killed by members of the squad.

Lance Cpl. Tyler A. Jackson, 23, entered those pleas and others through his attorney Thomas Watt at a military court hearing. Jackson pleaded not guilty to murder, kidnapping, larceny, housebreaking and another charge of conspiracy.

Jackson was the third serviceman to plead guilty to reduced charges in return for his testimony in the case, in which seven Camp Pendleton-based Marines and a Navy corpsman were charged with murdering 52-year-old Hashim Ibrahim Awad.

Jackson, who has been in military prison since May, spoke only to confirm his identity and attorneys' names and say he understood his rights.

The sentencing guidelines for the counts Jackson pleaded guilty to were not immediately clear.

Last month, Pfc. John Jodka III pleaded guilty to assault and conspiracy to obstruct justice in the incident.

The first to make a deal was Petty Officer 3rd Class Melson J. Bacos, a Navy corpsman on patrol with the Marines. He pleaded guilty to kidnapping and conspiracy.

Members of the squad abducted Awad after their plot to kidnap and kill a known insurgent failed, according to testimony from Bacos and Jodka. The victim was a former policeman and father of 11.

Awad was shot after being dragged to a hole several hundred yards from his house, Bacos and Jodka said. A shovel and AK-47 were placed near the body to make it appear Awad was an insurgent planting a roadside bomb, both defendants said.

Both Jodka and Bacos singled out their squad leader, Sgt. Lawrence G. Hutchins, as hatching a plan to kidnap an insurgent. Hutchins' attorney, Rich Brannon, has said he did not believe Hutchins did anything wrong.

Jackson joined the Marines in March 2005 and was on his first combat tour.

His father declined to comment. A Web site set up by Jackson's family to raise money for his defense said Jackson was innocent.

"To send these men to war to do a job and then imprison them for doing it is absurd," the Web site states.

"Why are they being subjected to less rights and freedom of movement than the very terrorists they put their lives on the line to protect the world from?" the site states.

The Day The Hatred Boiled Over In Balad (LAT)

By Borzou Daragahi

The Los Angeles Times, November 7, 2006

BALAD, IRAQ — There were no heroes here.

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When gunmen murdered dozens of people in this once peaceful Shiite market city over two days last month, no one stepped in to stop the killing. Not U.S. forces, whose stated purposes in Iraq include preventing all-out civil war. Not the Iraqi security forces, who mostly turned a blind eye to the massacre. Not the people of Balad, who allowed decades of fear and hatred to overwhelm their better instincts.

Perhaps nothing could be done. Perhaps Iraq's Shiite-Sunni feuds have become so heated that not even 140,000 U.S. soldiers can stop the country's increasingly brutal civil war.

"They hate each other," said one U.S. officer in the Balad area, speaking on condition of anonymity because he was not authorized to comment publicly on matters pertaining to Iraqi society. "How are you going to get rid of that? You're not going to give these guys sensitivity classes."

Balad, a city of 120,000 up the Tigris River from Baghdad, lies less than 15 miles from Logistics Support Area Anaconda, the largest U.S. military base in Iraq. A small forward operating base, Camp Paliwoda, lies just outside the city. But U.S. troops stuck by the mantra of letting Iraqis take the lead and gave the Shiite-dominated police force latitude as townspeople went on a murderous rampage.

"We didn't think it would happen on this scale," said Capt. Mark T. Jenner, intelligence officer of the 1st Battalion, 8th Infantry Regiment of the 4th Infantry Division, which was in the process of handing over the area to another U.S. unit when the slayings occurred.

Perhaps the most chilling thing about the massacre in Balad was that it was not the work of outside death squads. According to Iraqis and U.S. intelligence officials, it appears to have been the work of Shiite residents who turned on their neighbors.

"The ordinary people, some of them took their guns and did this thing," said Amira Baldawi, a Shiite member of parliament who is from Balad. "The city is under pressure all the time. There is a reaction to every action."

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Usual calm is broken

The killings began on a Friday afternoon, normally the day of rest in Muslim countries. Ajeel Mujamaie, a 30-year-old high school teacher of English and Arabic, was rushing his pregnant wife, Fadhilla, to the hospital and could tell that the usual calm of the day had been broken.

"There was a lot of tension and commotion in the area," he said.

Mujamaie got Fadhilla to the delivery room, then scouted the hospital for a doctor. He ran into a security guard he knew, a man named Abbas who was a relative by marriage. Abbas warned him to get out.

"He told me I have to leave," Mujamaie said. "He told me they will kill me."

Soon gunmen swarmed the hospital, aided by some of the employees. "They were from Balad," Mujamaie said of the men who guided the gunmen from room to room. "They were saying: 'Take this guy. Don't take this guy.' "

As Fadhilla writhed in pain, Abbas, who wore a police uniform, slipped the couple into their car and headed for a midwife outside the city center.

Across Balad, Sunnis like Mujamaie and his wife had begun to flee.

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Deep-rooted tensions

For decades this farming region north of Baghdad has been a caldron of mistrust between the Shiite Muslim tribes living in town and the Sunni Arab tribes spread out in the surrounding farmlands.

In the 1970s, the city became a stronghold of Shiite activists of the then-outlawed Islamic Dawa Party, which had strong ties to neighboring Iran. After the Iran-Iraq war erupted in 1980, President Saddam Hussein and his Baath Party supporters cracked down, executing Dawa members, uprooting orchards and seizing the property of well-to-do Shiites to hand over to Sunnis.

The U.S.-led invasion in 2003 upended the balance of power. Shiites began asserting their muscle, angering Sunnis. In 2004, a group loyal to radical cleric Muqtada Sadr took over a Sunni mosque in downtown Balad, declaring it its own.

In February, when a bomb severely damaged the Shiite shrine of the Golden Dome in nearby Samarra, U.S. soldiers said they had to seal off Balad to prevent Shiites from heading there to exact revenge.

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The tally of death squad abductions and shootings mounted. U.S. and Iraqi soldiers found the bodies on farms or floating down the Tigris.

Economic rivalry underlies some of the feuding. The Shiite Bani Tamim tribe in the city and the Sunni Mashadani in the countryside fight for control of trade routes and the transport of construction materials to Baghdad. Tribal vendettas add a complicated layer of bloodshed to the sectarian violence.

In recent months, Sunnis began complaining of Shiite thugs, allegedly with ties to the Sadr organization, manning checkpoints. Shiites, too, warned of a coming breaking point. In September, Baldawi sent a bundle of desperate letters from her constituents to Prime Minister Nouri Maliki.

"People complained that the situation is not at all secure," she said. "They wanted more security forces to protect the area."

Nevertheless, on Sept. 13, U.S. forces formally handed over control of the area to Iraqis.

The episodic killing continued. A Sunni man visiting the Balad hospital was found dead in the city in early October. On Oct. 6, a group of Sunnis attacked a Shiite-dominated Iraqi army unit. The soldiers killed two Sunni members of the Jabouri tribe.

The final trigger came in the early morning of Oct. 12: a shootout in which soldiers of Iraq's Shiite-dominated government killed an alleged Sunni insurgent. Townspeople, villagers and U.S. troops nervously awaited a Sunni reprisal. It came within hours.

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Swarmed by gunmen

Mohammed Adnan Obeidi's mother had warned him not to take construction jobs in the Sunni village of Duluiya. But the 22-year-old Shiite's family is poor, and the Sunni merchant offering work seemed respectable enough. So on Oct. 12, Obeidi, his best friend, Thamer Azzawi, and 14 other men accepted the merchant's offer to rebuild his roof and headed to the village, across the Tigris from Balad.

They finished the job by midday and were heading back when they were swarmed by dozens of masked gunmen who blocked the road and began shouting "God is great!"

The gunmen boarded the workers' bus and demanded that they put their hands on their heads and their heads between their legs. The bus drove on for nearly an hour.

"I tried to see what was happening, but one of the gunmen hit me on the head with the butt of his rifle," Obeidi recalled.

Once the bus stopped, the men were ordered off, handcuffed and blindfolded. The gunmen had walkie-talkies and heavy-caliber machine guns. Azzawi begged for mercy. He was a Sunni, he pleaded. He lied and said that Obeidi, a member of a tribe that includes both sects, was a Sunni too.

"They let us go, only me and my Sunni friend," Obeidi said.

The two froze when they heard gunfire behind them, and walked on for nearly two hours. As night settled, they found a way back to Balad, where they told their stories to police.

The next morning, the bodies of the 14 workers were found on the outskirts of Duluiya. They had been shot at close range and bore signs of torture.

U.S. and Iraqi officials immediately recognized the threat the incident posed for the 200 or so Sunni families living in town in Balad. "It was outside the tribal boundaries," said Jenner, the U.S. intelligence officer. "It was strictly Sunni versus Shiite."

The provincial governor, a Sunni, headed for the city in an attempt to impose calm. But mistrustful Shiites at checkpoints reportedly refused to allow him to enter. Friday prayer leaders in Shiite and Sunni mosques issued calls for calm at noontime. They fell on deaf ears.

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No outside job

Though suspicious of each other, Sunnis and Shiites in the Balad area lead intertwined lives. The Sunnis in the countryside grow produce, and the city serves as a commercial hub. Sunnis come into town to use the hospital, shop, make appointments with lawyers and buy and sell cars at auction lots.

When the retaliations against Sunnis began Friday afternoon, killer and victim probably knew each other.

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Obeid Nawaf, 51, a Sunni real estate dealer, left for his small house in the countryside as soon as he heard about the slain workers. In the afternoon, he dispatched his brother and son to fetch supplies. He never saw them alive again.

The killings continued Saturday. For hours, mobs killed any Sunni men they encountered. A woman from Duluiya who identified herself only as Umm Mohammed said her 22-year-old son, Hamid, haplessly wandered into Balad for a shopping trip Saturday and was shot by Shiite gunmen.

The gunmen went to car auctions and seized Sunnis, killing them and burning their vehicles.

Hussein Azzawi, a 39-year-old used-car dealer from Duluiya, had sent two of his employees to sell cars in Balad. "They burned the corpses with the cars," he said. "They had committed no crime except they were Sunnis."

Nawaf, the real estate dealer, heard that some of the dead were being taken to the morgue of a nearby town. There he found the bodies of his son and brother. "It cannot be described," he said. "They were cut up and mutilated. There was acid on their faces."

Sunni political and religious leaders accused fighters linked to Sadr's Al Mahdi militia of streaming into the city and leading the killings at the request of Balad residents. But Balad's Shiite residents and U.S. forces reject that theory.

"We don't think it was the Mahdi army," said Capt. Matthew Thomas, the incoming intelligence officer of the 3rd Battalion, 8th Cavalry Regiment.

Capt. Keith L. Carter, a company commander whose area of responsibility included the city, probably knows contemporary Balad better than any other American official. "I don't think you could see violence on this scale by outsiders," he said.

Indeed, days before the attacks, the city's cellphone service had gone down because of an insurgent strike, cutting Balad off from outside communication.

The hatred that day was homegrown.

"There is no Sadr army in Balad and we never asked for their interference," said Tahseen Rasheed, a resident. "It was the families of the victims who decided to retaliate. They armed themselves and stood on the road and started to kill whichever suspects they could find."

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Offer of help rejected

The U.S. military monitored events from its base just outside Balad, where its role in policing conflicts has become increasingly marginal. "We could tell the sectarian tension was flaring up," Thomas said. "We got reports of Shiite retaliation against Sunnis."

By Friday afternoon, U.S. forces dispatched a platoon-sized unit into town. The soldiers offered to help the local Iraqi forces keep order. Iraqi officers declined, and the Americans left.

At some point on Saturday, U.S. forces got in touch with Iraqis and told them to establish checkpoints around the city and retrieve bodies. At 5 p.m., city officials declared a 48-hour curfew for Balad and Duluiya, with cars barred from the streets and no traffic allowed in or out of either town.

Nearly 30 hours after the discovery of the bodies of the Shiite workmen, the retaliatory killings subsided.

By then, 36 to 70 Sunnis had been killed in a city about the size of Thousand Oaks. Hassanian Baldawi, an official at the Balad hospital, said two days after the massacre that the facility had received 80 bodies over the previous four days, including those of women.

The Americans' hands-off approach stunned many. "Everyone was asking why the American forces aren't intervening," said Ismail Amili, a 45-year-old hospital employee. "Is it because such bloodshed serves their interests?"

U.S. forces here abide by a tough-love approach, forcing Iraqis to take the lead. "While we probably have the capability of sending all of our forces and barricading the city, it is a good thing that the Iraqis are taking over," Thomas said.

But perhaps U.S. soldiers — consciously or unconsciously — do make a grim calculation that benefits them. Sunni insurgents in the countryside attack American troops as well as Shiites. By contrast, Shiite gunmen often welcome Americans to their towns and primarily target young Sunni men suspected of being insurgents.

Whereas American soldiers get dirty looks in Sunni villages, they can walk through downtown Balad with little fear.

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"Honestly, it makes our job easier," Sgt. Dominie Price, 25, of Wheaton, Ill., said of the Shiites targeting Sunnis. "There's less insurgents attacking us."

Still, even with Americans taking a back-seat approach, Balad is better off with them around, Carter said.

If the U.S. left tomorrow, he has no doubt what would happen: "Shiite gunmen would come to power in Balad and would form a defensive barrier," he said. "The Sunni insurgents would lay siege to the town."

Shortly after the massacre, a reconciliation conference was held in the provincial capital of Tikrit. U.S. officials hailed it as "a clear sign of solidarity among civic, military and religious leaders of Balad." But it failed to produce any political resolution or ease much of the friction between Shiites and Sunnis or the various tribes.

Despite talk of a truce, Sunnis fire mortar rounds every night into Balad and have killed and injured dozens. Shiite police and soldiers battle Sunni gunmen nightly for control of a checkpoint on the edge of the city that serves as the gateway for food, gas and people. The checkpoint has been hit so many times by bombs that its concrete watchtower has collapsed.

And more than half of the 200 or so Sunni families who lived in Balad before the massacre have fled for the countryside, terrified of more bloodshed at the hands of their neighbors.

On a recent day, a visiting U.S. officer praised a ragtag group of Iraqi soldiers and police guarding the checkpoint, called Delta 49. The men had captured two suspected Sunni fighters and killed one. The fighters allegedly were trying to get into town with a cache of dynamite and other munitions.

The 20 young men explained that they were volunteers protecting the gates of the city from the Sunni intruders outside.

"The terrorists come from this area, this area and this area," said police officer Saad Fakhreen Hassan, pointing to the green countryside. "We came here to challenge the terrorists."

Asked about the events of Oct. 13-14, he denies that there were any reprisals against Sunnis in Balad. The Sunni families who left did so because they wanted to, he said.

"Balad right now is surrounded by terrorists, and all the villages are filled with terrorists," he said. "Balad is a peace-loving city."

Mujamaie sees things differently. He and his wife reached the midwife that Friday afternoon, and they now have a baby daughter named Noor.

"The people in Balad are divided," he said. "There are those against the killings and those in favor of them. But I will never go back to Balad. We saw what kind of killers those people are."

Fewer Pakistanis Rally To Support Islamists (CSM)

By David Montero

The Christian Science Monitor, November 7, 2006

ISLAMABAD, PAKISTAN

For a week after missiles destroyed a madrassah, or religious school, in Pakistan's tribal belt suspected of harboring al-Qaeda officers, thousands of angry men, many armed, have stormed through the area's main towns, chanting jihad against America and endorsing suicide attacks.

But hundreds of miles away, in the cosmopolitan cities of Karachi, Lahore, and Islamabad, relative silence has prevailed.

The difference in response is telling, observers say. It underscores not only an important gap in understanding between the tribal areas and the rest of the country - a gulf that helps keep the area underdeveloped and prone to extremism - but an erosion of the Islamist parties' power on the national stage.

"[The Islamist parties] have used this opportunity to divert people's attention. But in other provinces, people have not responded to the call. They're fed up," says Afrasiab Khattak, former chairman of the Human Rights Commission of Pakistan.

It was supposed to be a raucous week. Fresh on the heels of last Monday's missile attack, the Muttahida Majlis-e-Amal (MMA), the main coalition of religious parties and the ruling entity in the semi-autonomous North-West Frontier Province (NWFP) and Balochistan, called for nationwide protests, hoping to stoke the fires of religious sentiment.

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In Bajaur and other areas of the Federally Administered Tribal Areas (FATA), they got what they wanted. Thousands massed for days in several towns, carrying weapons and calling for jihad. It was even announced that a suicide-bomb squad was preparing to attack the Pakistani military.

As the protests raged, militants in North Waziristan, who recently brokered a peace deal with the government, moved to solidify their power. They passed out leaflets in several towns announcing the establishment of a "Mujahideen Shura" or council to institute "Allah's law in Allah's land," according to local press reports. At least two men suspected of spying for American forces were killed in North Waziristan last week, while several other government-linked tribesmen were shot dead, allegedly for aiding the government's efforts to oust militants.

But this anger, while certainly significant, barely projected beyond the tribal zone. In Islamabad, there were hardly any protests to be seen. Lahore, a city of 10 million, saw a turnout of 500. In Karachi, 5,000 shouted slogans, hardly significant for a metropolis of 15 million.

This contrasts sharply with past protests. In January, when another militant hideout was targeted by the CIA in Bajaur, 10,000 people flooded the streets of Karachi to protest. Not long afterward, the MMA summoned 15,000 protesters in Lahore alone when the controversy over the Danish cartoons erupted, although many speculate that widespread discontent with the government, and not mere religious sentiment, brought them to the streets.

Still, many observers see it as a sign that the power of religious parties over public anger has diminished. The MMA came to power in the NWFP and Balochistan in 2002 on the promise that they would resist Western-oriented foreign policy and govern according to the tenets of Islam. But many of the MMA parties, particularly Jamaat-Ulema-Islami (JUI) - which dominates politics in the North-West Frontier Province, Balochistan, and the tribal zone - have slowly cozied up in recent months to President Gen. Pervez Musharraf's military regime. Such compromises have ultimately undermined their claims to independent credentials, analysts point out. That's perhaps one reason why last week's calls for nationwide strikes were dismissed as pure political play.

"People now realize that they're just doing politics rather than really showing their mettle. They're just using the occasion," says Behroz Khan, a journalist and analyst in Peshawar who writes for Pakistan's The News. Government officials last week echoed this refrain.

"The MMA has already seen that people have rejected their strike call a day before and will not take to the streets today," Muhammad Ali Durrani, the information minister, told a press conference last week. Pakistani authorities had suspected the madrassah of harboring al-Qaeda officers.

Leaders of Jamaat Islami, the MMA's central party, deny these accusations, saying their power is as strong as ever.

"The people believe in Jamaat Islami because ... they have strong leadership and commitment," says Siraj-ul-Haq, a Jamaat Islami leader and member of the provincial assembly in the NWFP. He added that if protests have been muted, it is only because the MMA is working slowly toward its goal of building a nationwide protest movement.

"We are sure we will succeed to organize a new agitation throughout the country," he says.

Certainly, Pakistanis at large condemn last week's missile strike, arguing that the militants should have been arrested. But street protests will continue to founder because, besides the MMA's political weakness, many Pakistanis are only mildly concerned with events in FATA, say analysts. As far as many Pakistanis are concerned, the tribal zone may as well be a different country.

CORPORATE SCANDALS:

Appeals Court Panel Rejects Challenge To Clearing Of Lay's Convictions (HC)

By Kristen Hays

Houston Chronicle, November 7, 2006

An appeals court panel has slapped down an Enron shareholder's challenge of a judge's decision to erase former Enron Chairman Ken Lay's criminal convictions.

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The three-judge panel of the 5th U.S. Circuit Court of Appeals refused to order U.S. District Judge Sim Lake of Houston to reverse his October ruling that cleared Lay's name because the ex-chairman died before he had been sentenced or launched an appeal.

The appeal panel's ruling, issued last week, reiterated what Lake said in his decision: Legal precedent says that "when a defendant who has been found guilty of a federal crime dies before exhaustion of his appeal, his prosecution must be abated, his conviction vacated and his indictment dismissed."

That is how all such situations are to be addressed unless the law is changed by Congress, the U.S. Supreme Court or by the full 5th Circuit, the panel ruled.

Russell P. Butler, the shareholder who challenged Lake's ruling, said he would appeal the panel's decision to the Supreme Court.

"I think we have a good chance," said Butler, who said he lost $8,000 when the disgraced company collapsed nearly five years ago.

Samuel Buffone, who represents Lay's estate, didn't return messages seeking comment tonight.

Lay died of heart disease July 5, just six weeks after he and former Enron CEO Jeff Skilling were convicted of multiple charges including fraud and conspiracy after a four-month trial. Last month Lake sentenced Skilling to more than 24 years in prison. The ex-CEO is confined to his home, awaiting a decision from the U.S. Bureau of Prisons as to where he will serve his time.

Lay's death before sentencing and appeal prompted his lawyers to ask Lake to erase his convictions as allowed by law.

The government fought that move and hoped Congress would act quickly on a new law proposed by the Justice Department that would prevent courts from vacating criminal convictions in similar circumstances. That effort failed.

The government did not appeal Lake's ruling, nor did prosecutors take a position on Butler's challenge.

Had Lay's convictions stood, the government could have pursued efforts to seize millions of dollars in alleged ill-gotten gains through criminal proceedings. Lake's ruling blocked that strategy, leaving the Justice Department to pursue Lay's assets in civil courts.

Days later — on the same day Skilling was sentenced — the Justice Department filed a civil forfeiture claim against Lay's estate that is pending. The Securities and Exchange Commission also has a civil case against Lay and Skilling that has been pending since they were indicted in 2004.

Former Homestore Exec Receives 30-month Sentence (INMAN)

By Glenn Roberts Jr.

Inman News, November 7, 2006

Peter Tafeen also faces 3 years of supervised release

Peter Tafeen, a former Homestore executive who pleaded guilty to one count of securities fraud for his participation in a fraudulent advertising scheme, today was sentenced to serve 30 months in federal prison.

Tafeen was also sentenced to three years of supervised release following the prison sentence, and six months of the supervised release program must be served in home confinement.

Tafeen, who faced a maximum sentence of 10 years in prison, served as executive vice president of business development at Homestore from 1997 to November 2001. Homestore, which has operated Realtor.com and other property-search Web sites, this year re-branded as Move Inc.

Assistant U.S. Attorney Michael R. Wilner said, "The sentence … was very fair and it reflected both Tafeen's involvement in the crime and his assistance in cooperating with the government during (Stuart) Wolff's trial."

Brian J. Hennigan, a lawyer for Tafeen who is a partner at Los Angeles law firm Irell & Manella LLP, said that Tafeen, who is currently out on bond, will report to prison Jan. 8. The judge, he said, has recommended that Tafeen serve his prison sentence in a Pensacola, Fla.-area prison near Tafeen's home.

A facility in that area is the Federal Prison Camp in Pensacola, a minimum-security prison that is on the grounds of the Saufley Field Naval facility.

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As part of a plea agreement announced in March, Tafeen had agreed to testify against his former boss, Stuart Wolff, who was chief executive of Homestore during the accounting scandal. Tafeen had faced similar charges to Wolff before entering into the plea agreement, which came a few weeks before his trial was scheduled to begin.

The U.S. Securities and Exchange Commission and U.S. Justice Department had filed criminal and civil cases against Wolff and Tafeen in April 2005.

Last month, Wolff was sentenced to 15 years in federal prison and ordered to pay a $5 million fine and restitution to victims of a financial scheme that deceived investors by artificially inflating revenues.

U.S. District Court Judge Percy Anderson found Wolff guilty of conspiracy, three counts of filing false statements with the U.S. Securities and Exchange Commission, four counts of lying to accountants, five counts of fraudulent insider trading, and five counts of falsification of corporate books and records.

The judge had also ordered that Wolff must not be involved in any business relating to Internet advertising, and Wolff is reportedly appealing his conviction. A hearing is scheduled next Monday related to Wolff's request to stay out of custody on bail pending his appeal.

Tafeen, after leaving Homestore, in October 2003 filed a lawsuit against the company charging that he was owed millions of dollars relating to legal expenses. Homestore officials reached a settlement through which the company would pay up to $11.9 million to support Tafeen's legal costs.

The company also had reached a separate agreement to pay up to about $15.2 million related to Wolff's legal expenses.

Ten other individuals have pleaded guilty in connection with the illegal financial scheme at Homestore, which involved multimillion-dollar "circular" advertising transactions with AOL and other companies through which Homestore essentially paid itself by routing money to and from other companies and disguising the true nature of those transactions.

Wilner said three former Homestore employees are still awaiting sentencing, including the company's former CFO Joseph Shew, 37; former chief operating officer John Giesecke Jr.; and Jeffrey Kalina, who had served as senior manager of mergers and acquisitions transactions at Homestore.

Jury Acquits, Hangs In Trial Of McKesson's Former CEO And GC (LAW)

By Justin Scheck, The Recorder

California Recorder, November 7, 2006

The securities fraud trial against the former CEO and general counsel of HBOC -- now McKesson Corp. -- was never an easy one for the government.

The government's central witnesses were snitches of questionable credibility -- so much so that prosecutors declined to bring one key witness to the stand.

And in an earlier bench trial of another executive, a judge found their testimony was not credible enough to convict.

So it wasn't terribly surprising Friday when a jury acquitted former CEO Charles McCall and ex-GC Jay Lapine of conspiring to commit securities fraud while deadlocking on six other counts.

That's not to say it didn't hit the lawyers involved like a sack of bricks: There were tears on both sides, most notably from Theodore Wells Jr., the Paul, Weiss, Rifkind, Wharton & Garrison partner who represented McCall in the six-week trial.

"I've been living in a hotel in San Francisco since August the 14th working, truly, 20-hour days," Wells told a group of reporters outside the courtroom. "The fact that I was emotional, given the circumstances, is entirely understandable."

Mark Topel of Topel & Goodman, who argued Lapine's case, was similarly relieved after the acquittal and U.S. District Judge Martin Jenkins' subsequent declaration of a mistrial on the other counts.

Topel said he saw the case as one in which the people who admitted to the conspiracy -- a brace of lower-ranking executives who entered guilty pleas -- couldn't be trusted when it came to fingering higher-ups.

He pointed to prosecutors' decision to not take testimony from Jay Gilbertson, the company's CFO who in 2003 pleaded guilty to being involved in the fraud scheme which misstated billions of dollars in earnings. Gilbertson blamed it on Lapine and McCall, and was seen as potentially being the key witness before the trial started.

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"The fact that they didn't call him sends a strong signal that they didn't think he was credible enough to put in front of a jury," Topel said.

While the conspiracy acquittal was victory for the defense, on three fraud counts 11 of 12 jurors voted to convict -- giving prosecutors an enticing incentive to bring a new trial.

The jury deliberated for six days before deciding that it was hopelessly stuck on the deadlocked counts, creating a source of intense stress for the lawyers.

They spent most of this week pacing the federal building halls, since Jenkins required them to stick around until a verdict was rendered.

"It doesn't usually drag out that long, waiting for a verdict. That made it more exciting," said Michael Shepard, a partner at Heller Ehrman and a lawyer for McCall who conducted cross examinations in the case.

He and the other defense lawyers said the victory was particularly gratifying because of the post-Enron shadow cast over corporate executives.

McCall, Wells said, "is the first CEO or chair of a major corporation to go to trial post Enron, post-WorldCom, and be acquitted."

The McKesson case grew out of a $9 billion scheme to inflate software company HBOC's profits by misstating contract terms to maintain the company's value in preparation for the merger with pharmaceutical distributor McKesson.

Four top executives entered guilty pleas after the scheme was uncovered, and in 2003, their cooperation led to the indictments of Lapine and McCall.

A trial of former McKesson CFO Richard Hawkins brought an acquittal last year. In that bench trial, Jenkins found that a key cooperator, former company Vice President Albert Bergonzi, was not credible. Bergonzi also testified in the latest trial.

Former Latham & Watkins partner Timothy Crudo was the assistant U.S. attorney who led the prosecution. Another AUSA, Brian Stretch, also handled a sizable portion of the arguments.

After the case, Crudo referred requests for comment to office spokesman Luke Macaulay, who didn't return calls or e-mails.

It's not clear whether the government will seek a new trial, and Jenkins said that given the schedules of the various lawyers, there'll be no new hearings until next year.

That's fine with Wells, whose highest-profile client -- former Bush administration official I. Lewis "Scooter" Libby -- is getting ready for his own trial in Washington in connection with the highly publicized leak of a CIA agent's identity.

"I am going to move out of this hotel and I'm going to move into another hotel," Wells told Jenkins.

Fed Warns Of Illicit Bond Activity (WP)

By Nell Henderson

The Washington Post, November 7, 2006

The Federal Reserve put traders on notice yesterday that it is scrutinizing activity in the bond market, highlighting recent concerns that some traders may have made illicit profits by manipulating securities prices.

Dino Kos, executive vice president of the markets group at the Federal Reserve Bank of New York, led an hour-long discussion of such concerns yesterday with representatives of the bank's 22 primary dealers -- the banks and securities firms that trade Treasury securities with the central bank.

The Fed meets with its dealers periodically to discuss market issues, but this was the first session devoted to suspicions at the Treasury Department about possible manipulation of the market for government bills, notes and bonds, and for futures contracts and other financial contracts linked to the securities.

The government's concerns were detailed in a Sept. 27 speech by James Clouse, deputy assistant Treasury secretary for federal finance. He described ways in which traders could control the supply of highly sought Treasury securities, driving up their prices. Such practices enable traders to borrow money at low interest rates and then invest it at higher rates to earn a profit.

The U.S. Treasury market plays a critical role in the global financial system, allowing the federal government to borrow and pay for its activities, providing benchmarks to lenders setting interest rates, and serving as a tool for the Fed to adjust interest rates

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in its efforts to control inflation and encourage economic growth. "Ensuring the integrity of the Treasury market is essential," Clouse said in his speech.

Over the past two years, government agencies that monitor financial markets have "observed instances in which firms appeared to gain a significant degree of control over highly sought-after Treasury issues and seemed to use that market power to their advantage," Clouse said. "In the process, prices in the . . . markets appear to have been distorted to varying degrees."

Clouse noted that some of the trading patterns may have innocent explanations. But he warned that others might violate securities laws that prohibit market manipulation. Neither Clouse nor the Fed would identify which firms have engaged in questionable trading. The Fed regulates major banks but does not investigate suspected trading violations.

The U.S. Securities and Exchange Commission, which enforces securities laws, declined to say whether it was investigating any specific firms and declined to comment on the Fed's meeting. The Wall Street Journal has reported that the SEC is probing UBS AG, which has said it is cooperating with government authorities.

The Securities Industry and Financial Markets Association, which represents bond traders, declined to comment on the Fed meeting and statement. But it plans to organize discussions with Treasury to clarify which trading practices are causing concern, said Robert Toomey, the group's vice president and assistant general counsel.

CRIMINAL LAW:

Man Set For Execution For Slaying Of Bank Guard Alleges Prosecutorial Misconduct (FINDLAW/AP)

By Kristen Gelineau, Associated Press Writer

AP, November 7, 2006

(AP) - RICHMOND, Virginia-Attorneys for a man scheduled to be executed Thursday for the 1999 slaying of a bank security guard have appealed to the U.S. Supreme Court and say his life should be spared because a prosecutor withheld information about a key witness.

John Yancey Schmitt, 33, is set to die by injection at Greensville Correctional Center in Virginia for the fatal shooting of 39-year-old Earl Shelton Dunning during a bank robbery.

In their petition to the Supreme Court and in a clemency petition to Virginia Gov. Timothy M. Kaine, Schmitt's attorneys criticize prosecutor Warren Von Schuch's actions, which they say could have influenced the jury's decision to recommend a death sentence. In the clemency petition, they also argue the shooting of Dunning was accidental.

Von Schuch said there was no prosecutorial misconduct, and described the killing as cold-blooded and clearly premeditated.

"The court found that we did nothing wrong," Von Schuch said. "This is simply defense attorneys misrepresenting the truth to the public."

On Feb. 17, 1999, Schmitt entered the bank wearing sunglasses and a bulky jacket, attracting the attention of Dunning, who followed him inside. After shooting Dunning, Schmitt fled with nearly $36,000 (â,¬28,000) in cash. Schmitt had robbed the same bank a month earlier.

In 2000, a jury convicted Schmitt of capital murder and robbery and firearms charges and recommended a death sentence, declaring him a future danger to society.

Last year, U.S. District Judge Robert Payne wrote that Von Schuch did not disclose information the defense contends could have cast doubt on the credibility of one of the prosecution's witnesses, a man who surreptitiously recorded a damning jailhouse phone call with Schmitt.

In the taped conversation, Schmitt discusses the slaying without remorse, at one point laughing as he describes how Dunning's eyes "got real big" when he saw the gun pointed at him. The tape, introduced during the trial's sentencing phase, was described by the district court judge as "a ticket to the death chamber."

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The man who taped the call - a friend of Schmitt's - had been offered a grant of immunity in return for his cooperation with authorities. That information - not turned over by prosecutors - could have made him appear to be less credible and therefore affected the jury's sentencing decision, the defense contends.

"All it takes to prevent a death penalty from being imposed is to convince one juror to vote for life," attorney Dana Finberg said.

But Payne ultimately decided there was no reasonable probability that the verdict would have been different if the information had been turned over to the defense. In July, a three-judge panel of the 4th U.S. Circuit Court of Appeals agreed, though not before criticizing the prosecution for failing to disclose the information.

Schmitt - who declined through his attorney to be interviewed - had been in trouble with the law for years and showed no remorse for the killing, Von Schuch said.

"He's a man with a terribly inadequately developed conscience," Von Schuch said. "And that's why he deserves to die."

Polygamist Compound South Dakota Still Growing (AP)

AP, November 7, 2006

A compound reportedly occupied by members of polygamist leader Warren Jeffs' sect continues to expand southwest of Pringle, South Dakota, even though Jeffs is behind bars in southern Utah.

The group has built several structures on the 100-acre property since October 2003.

In March, The Salt Lake Tribune reported that members of Jeffs' church had acquired remote land southwest of Pringle.

Jeffs is the leader of the Fundamentalist Church of Jesus Christ of Latter Day Saints, which practices polygamy. He was a fugitive for nearly two years, sought on charges in both Utah and Arizona accusing him of arranging marriages between underage girls and older men. Jeffs was placed on the FBI's 10 Most Wanted list last spring. Jeffs was arrested Aug. 28 during a traffic stop near Las Vegas.

He is being held in Washington County, Utah, at the Purgatory Correctional Facility. A preliminary hearing in his case has been scheduled later this month in 5th District Court in St. George, Utah.

Private investigators have said they believed the Pringle compound was among places Jeffs had hidden while he was on the run, but state and federal authorities said they could not confirm that.

United Land Management, a group with ties to the church, bought another 40 acres next to the compound: 15 acres in March for $37,500 and 25 acres on Oct. 13 for $275,000. The second piece of property includes a new 2,400-square-foot log home, documents at the Custer County courthouse show.

Les Struble, Custer County equalization director, said compound members also have begun work on another, larger lodge that will total more than 14,000 square feet. It is to have 18 bedrooms and 14 bathrooms, according to documents.

Struble said one or two lodges a year have been built on the gated compound. The lodges are each about 3,000 square feet, with large kitchens and living rooms, plus separate bedrooms and bathrooms.

``What they use them for, I don't know," Struble said. ``That's just speculation on anybody's part."

He has been on the compound to assess the property for tax purposes. Struble said he saw only the men who escorted him and others either working on the buildings or tending gardens. Struble said he saw no women or children on his visits.

Neighbors last spring said they saw as many as 60 people, including women and children, on the grounds.

The assessed value is about $1.5 million. After the new lodge is done, Struble said the total assessment likely will be between $2.5 million and $3 million.

The compound pays its taxes on time and has met every county rule and requirement, he said. ``It's amazing. I have not found anything that did not match their building plans to the inch. Everything they said they're going to do, they've done."

Its tax bill next year will be about $30,000.

Polygamy is against South Dakota law, but no one has filed a complaint about the Pringle compound, said Rick Wheeler, Custer County sheriff. ``I've got to have some kind of complaint to go in there."

The sheriff said he hopes to establish even minimal communication with compound leaders in case of a fire or other emergency. ``It's something I'm going to be working on," he said.

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Sunland Park Man Arrested In Kidnapping (EPT)

El Paso Times, November 7, 2006

A man from Sunland Park has been arrested in connection with the kidnapping of an El Paso teenager in May.

Noe Guadalupe Ochoa, 20, of Sunland Park is facing five separate charges stemming from the May 4 kidnapping at gunpoint of a 16-year-old El Paso boy, whose identity was withheld because he is minor, Federal Bureau of Investigations spokeswoman Agent Andrea Simmons said.

Ochoa is charged with conspiracy to kidnap; kidnapping a minor; using a firearm in a crime of violence; possession of marijuana with the intent to distribute; and conspiracy to distribute marijuana, Simmons said.

An FBI investigation revealed that the teenager was taken from outside his home and held for ransom in Juárez. The day after he disappeared he was rescued by FBI agents and the Chihuahua state police anti-kidnapping unit.

The teenager was found unharmed and in a car in Juárez near the Paso del Norte Bridge, where a ransom was supposed to be delivered. Mexican authorities have said the boy was held for a $40,000 ransom, which negotiators managed to

Advertisement

reduce to $17,000.

Two men -- Pedro Rocha Rios, 35, and Rodolfo Rivera Aguilar, 29, both of Juárez -- were arrested by Mexican authorities when the teenager was found.

The FBI investigation led to the federal indictments of Jonathan Ocon of Albuquerque; his brother, Ivan Ocon, of Las Cruces; and Lucas B. Wittmayer of Albuquerque.

Simmons said they were indicted on May 17 on federal kidnapping charges related to the teenager's disappearance. The Ocon brothers were arrested June 19. Wittmayer, who has an outstanding arrest warrant, remains at large.

Tammy Fonce-Olivas may be reached at tfonce@elpasotimes.com; 546-6362.

FBI Charges Man In Kidnapping (KFOX)

KFOX-TV, November 7, 2006

A Sunland Park man is in FBI custody for his alleged role in a kidnapping.

FBI agents told KFOX that 20-year-old Noe Guadalupe Ochoa was arrested late last week.

In May of this year, a 16-year-old male was kidnapped at gunpoint in El Paso and taken to Juarez where he was held for ransom.

The teenager was recovered safely less than two days later.

Ochoa now faces charges including kidnapping a minor, using a firearm in a crime of violence, and possession and conspiracy to distribute marijuana.

FBI Looking At Whether Duncan Linked To North Dakota Slaying (AP)

AP, November 7, 2006

FARGO, N.D. -- The FBI is investigating whether convicted murderer and sex offender Joseph Edward Duncan III might be involved in the slaying of a Montana teenager found dead in North Dakota four years ago.

"We're a long way from saying he's a suspect, but it's certainly a case we're reviewing," said Donald Robinson, an FBI supervisor in Coeur d'Alene, Idaho.

Russell Turcotte, of Wolf Point, Mont., was 19 when he disappeared in July 2002. He called his mother from Grand Forks, and she promised to wire him money so he could take the bus home. His body was found in a tree grove along U.S. Highway 2 near Devils Lake the following November.

Duncan, 43, who was living in Fargo when Turcotte disappeared, pleaded guilty last month to murder and kidnapping in Idaho, in a deal that leaves him still eligible for the death penalty. He was charged in state court with bludgeoning a man, a woman and a teenager to death at a home near Coeur d'Alene in 2005 so he could kidnap the woman's two youngest children for sex.

Federal authorities are expected to charge Duncan in the abduction of the children and the killing of one of them, a 9-year-old boy.

Authorities say Duncan, a Tacoma, Wash., native, spent most of his adult life in Washington prisons for sex crimes against children. He also is being investigated in the slayings of two children in Washington and one in California.

Bill Turcotte said his family asked the FBI last year whether Duncan might be a suspect in his son's death.

Robinson said the FBI is putting together a timeline on Duncan's whereabouts dating back to the early 1990s.

"Every single day Mr. Duncan was out of custody, we're looking at where he was - and we're looking at all sorts of unsolved crimes," Robinson said.

"There is no direct evidence Mr. Duncan was involved in the disappearance of Mr. Turcotte," Robinson said. "Mr. Duncan was in North Dakota at that time."

Bill Turcotte said the FBI told him there is evidence placing Duncan at the same Grand Forks truck stop "within hours" of the time Russell Turcotte was last seen.

Robinson said he could not comment on "anything that may or may not be evidence."

Bill Turcotte said investigators were skeptical of any possible connection because his son was 19 and Duncan preyed on children.

"Russell was very young in appearance and he was also very vulnerable," Bill Turcotte said. "He was traveling alone and was looking for help, so maybe he reached out for the first person who offered him a hand and it was the wrong person."

Dallas Woman Sentenced In FEMA Fraud Case (AP)

AP, November 7, 2006

DALLAS (AP) — A Dallas woman who pleaded guilty to defrauding the Federal Emergency Management Agency of $80,000 through false claims for Hurricane Katrina benefits was sentenced Monday to nearly six years in prison.

U.S. District Judge David C. Godbey sentenced Lakietha Diann Hall, 35, to 70 months in prison. She was ordered to pay $83,254 in restitution. In a related case, she pleaded guilty to one count of failure to appear.

Hall admitted in court documents that she conspired with nine others between August and December of last year.

Hall was accused of leading a scam in which she submitted online claims for disaster and unemployment assistance on behalf of several of the other defendants, falsely stating that their primary homes were in areas devastated by Katrina and that the hurricane caused them to lose their jobs.

All of Hall's co-defendants have pleaded guilty.

Hall was initially arrested in December, and authorities seized more than $10,000 in cash during a search of her apartment. She pleaded guilty in July.

Business Owner Pleads Guilty (HARTC)

The Hartford Courant, November 7, 2006

The owner of an East Windsor mail consolidation business pleaded guilty Tuesday to mail fraud and conspiracy to defraud the Internal Revenue Service, U.S. Attorney Kevin J. O'Connor said.

Thomas J. Rueli, 48, of Springfield, who owned Total Logistics Services Inc., was charged with establishing a line of credit with a commercial lender of up to $12 million based on fraudulently inflated account data. He was also accused of paying bribes to another business owner and conspiring not to report the transactions to the IRS, O'Connor said in a statement.

Rueli was also accused of leaving mailings he had contracted to deliver at a recycling center. He is scheduled to be sentenced Jan. 29 and faces penalties of up to 30 years in prison and $23 million in fines, O'Connor said.

Man Pleads Guilty In Child-porn Case (DESERET)

Deseret Morning News, November 7, 2006

A La Verkin man is facing a mandatory five-year prison sentence after admitting to downloading dozens of images of child pornography off the Internet.

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Terence D. William, 53, appeared in U.S. District Court on Monday to enter a guilty plea to one count of receiving child pornography. William was arrested and charged last August as part of a nationwide sting on a Web site based out of Orlando, Fla., that sold images of child pornography.

The federal investigation netted more than 125 people who allegedly subscribed to the Web site, including three Utah men. A St. George man and a Midvale man are also facing child-pornography possession charges.

In court Monday, William admitted to downloading between 10 and 150 images of children engaged in sexual acts.

U.S. District Judge Paul Cassell ordered a psycho-sexual evaluation before William is sentenced on March 6. When sentenced, he faces a mandatory five years, and up to 30 years, in prison.

In exchange for his guilty plea, federal prosecutors dropped an additional possession charge and will recommend that William be given credit for accepting responsibility.

Prosecutor Kills Himself In Texas Raid Over Child Sex (NYT)

By Tim Eaton

The New York Times, November 7, 2006

TERRELL, Tex., Nov. 6 — A prosecutor in this North Texas town killed himself Sunday as the police tried to arrest him on charges of soliciting sex over the Internet from a person he thought was a 13-year-old boy.

The prosecutor, Louis Conradt Jr., 56, had been caught in a sting operation set up by Dateline NBC, the television news magazine, and an Internet watchdog group called Perverted Justice. An NBC camera crew was outside the house to film the scene when the fatal shot was fired.

Mr. Conradt had refused to open the door when police officers arrived at his house, where he lived alone, said Sgt. Snow Robertson of the Police Department in Murphy, a nearby town where officers said Mr. Conradt intended to meet the boy he thought he had communicated with.

Officers eventually forced their way into the house, only to find that Mr. Conradt had shot himself in the head with a small-caliber semi-automatic handgun, Sergeant Robertson said. Mr. Conradt died later at Parkland Hospital in Dallas.

Police officers from Murphy had gone to the house with a tactical team and two officers from Terrell to serve a warrant for Mr. Conradt's arrest. One of the officers from Terrell knew Mr. Conradt from his work as a prosecutor, Sergeant Robertson said.

Mr. Conradt had been a district attorney in Kaufman County and was the chief felony assistant district attorney in Rockwall County at the time of his death.

The police planned to search his computer and his house, Sergeant Robertson said.

The sergeant's department had been working with Perverted Justice and NBC News in a sting operation singling out people who solicit sex from children.

Allison Gollust, an NBC News spokeswoman, said the crew for Dateline NBC's "To Catch a Predator" series was taping as the police approached the house. But Ms. Gollust added that no one from Dateline had had contact with Mr. Conradt and that there was nothing to suggest that he had seen the crew before he turned the gun on himself.

"There's absolutely no evidence that would suggest that he was aware of us," Ms. Gollust said. "We don't anticipate making a change to our reporting."

Xavier Von Erck, director of operations with Perverted Justice, said Mr. Conradt had made contact in an AOL chat room with a decoy from Perverted Justice who was posing as a 13-year-old boy. Mr. Von Erck would not disclose the details of the chat, but he said, "It was sexual in nature."

Unlike some suspects in pedophile stings that appear on "Dateline NBC," Mr. Conradt had not actually met the person he thought was the teenager, but Sergeant Robertson said he planned to do so. Perverted Justice staff members found profiles from Mr. Conradt on AOL, Yahoo and MySpace.com, Mr. Von Erck said. He also said that he thought Mr. Conradt had tried to erase at least one online profile, on MySpace.com, a popular online social networking community used mainly by teenagers, in the moments before he shot himself.

Sergeant Robertson said the police in his town of 3,100 had apprehended 22 other people in stings since last Thursday, mostly from the Dallas-Fort Worth area, with the help of Perverted Justice. He said more would be arrested in the coming days.

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"We'll continue to work with them right now," Sergeant Robertson said.

Perverted Justice stings have led to the arrests of 260 people nationwide this year, Mr. Von Erck said.

Several residents in this town of 14,000 about 30 miles east of Dallas said they were shocked to hear the accusations of pedophilia against Mr. Conradt, who had served two terms as district attorney.

Kirby Webb, an investment advisor from Terrell, said he never wanted to hear about people taking their own lives, but he applauded law enforcement's effort to catch online child predators in the town.

"This is a good family town," Mr. Webb said. "We want to preserve that image."

Series Of Deaths Rattles A City (WP)

By Robert Gutsche Jr.

The Washington Post, November 7, 2006

LA CROSSE, Wis. -- At night the Mississippi River here is black like pavement. Lights brighten the shoreline, where walkways end with a steep drop at the river's edge. There is no railing. Even to a familiar eye, the river looks like an empty parking lot.

This is where eight young men have apparently drowned in the past nine years, just blocks from the busy downtown bar district where many victims had been reported seen last. The latest victim was found in October.

Officials from the city and the three colleges and universities here -- as well as a group of vocal college students -- say the men became intoxicated and accidentally fell into the river.

Yet as the number of fatalities grows, so does the idea that a serial killer could be loose.

"There just ain't no people who want to walk by the water at night," said Yulonda St. Junious, 34, a hotel worker. "That makes you think someone else has had something to do with it."

All of the victims were young, athletic, and either visiting La Crosse or attending college in the city. Toxicology results have indicated that almost all had high levels of alcohol in their systems when they died.

Still, the similarities among the apparent drowning victims have many concerned that the students are being stalked -- lured into the black waters by a female posing as a police officer or a man wielding a gun, locals say.

"They must have been following someone they trusted," said resident Rusty Paar, 39, who is sure these deaths are murders.

While the idea of a serial killer is gaining credence in some quarters of La Crosse, other residents say the explanation is merely a way to deflect attention from the criticism that city and college officials are not working hard enough to crack down on underage drinking or to secure the waterline from accidental drownings.

"People would rather blame a serial killer than take responsibility," said Drew Gavrilos, a community services police officer who acts as a liaison between the police and the universities.

The idea among residents and some officials that a serial killer could be lurking in La Crosse and the Upper Midwest is not new.

For decades, this city of 50,000 has turned to that theory to explain missing persons and the few murders that happen, with many saying the river and bluffs along the city's borders are dumping zones for bodies.

"The rumor mill here is still alive and well," said Paula Knudson, dean of students at the University of Wisconsin at La Crosse. "But you can't think about what's happening here from a sober perspective. It is easy for those who drink a lot that they might be able to be disoriented and get lost downtown. It happens."

The chief of police has declined to comment on the cases, but late last month -- to either quell or confirm the serial killer rumors -- local police turned to the FBI for a formal review of the most recent death.

Linda Krieg, assistant special agent in charge of the FBI's Milwaukee office, told the Associated Press that her office will forward everything the La Crosse Police Department has on the drownings to the FBI's National Center for the Analysis of Violent Crime in Quantico.

"They still believe these are drownings and they're accidental," she said. "They just asked if there's anything else they could be looking at."

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Still, many say the city is not making efforts to slow or stop the deaths.

"I am frustrated that nothing was done, not only with this death, but with past deaths," said Viterbo University student Travis Bassett, 21, speaking of the most recent victim. "And when the government doesn't meet the peoples' needs, it is time to do it ourselves."

Bassett is one of at least 20 college students who have donated much of their late weekend nights over the past month to patrol Riverside Park, where many of the apparent drownings are suspected to have occurred. The students walk in pairs, wearing reflective vests and carrying police-issued cellphones and flashlights. Their goals are to prevent drinkers from falling into the water and to pull them out if they do.

In the past month, patrollers report having met at least two intoxicated college students in the park and calling police to take them home.

Several attempts to build a fence or barrier along the river have been blocked by the City Council, and city groups have also opposed proposals for video cameras along the walkways.

The city has created several task forces to evaluate limiting access to the park after hours, and it has instituted fees for beer-keg rentals and restrictions on bartenders' drinking as they serve customers.

But officials were slow to replace deteriorating portions of the levee at the park where many of the men apparently fell, and the city does not have plans to continue improving the area, including reducing a steep slope from the park onto the levee and into the river. The City Council is scheduled to vote again in the coming weeks on recommendations to improve the park.

Mayor Mark Johnsrud said the city should not be responsible for a person's drinking or its consequences. He does not entertain the idea of a serial killer, either.

"The thing I keep hearing about these kids is that they are good kids," Johnsrud said. "The definition of a good kid to me is that they know the difference between right and wrong. And this means they didn't make the good choice by getting intoxicated and placing themselves in the situation where they could die."

Johnsrud, who has been mayor since 2005, says he is not interested in making major changes to a public park, including fencing it off at night, just to keep a few people out of a potentially dangerous area.

The debate has made its way to the opinion pages of the local newspaper, with some writers supporting the rumors of a serial killer and others claiming that the victims had simply stopped at the river to relieve themselves and toppled in.

Still, the most apparent sentiment is this: "It is shocking to me, and the government here grinds very slowly," said the Rev. Tom O'Neill, vice president for mission and ministry at Viterbo University. "We've got lots of fine minds in this town that we ought to be able to do other things than say 'College kids shouldn't drink' or blame a serial killer that might not exist."

Jury Duty Is Getting Harder To Shirk (USAT)

By Laura Parker

USA Today, November 7, 2006

The murder trial in the shootings that left five people dead at Pato's Place Bar was the biggest in the history of Tulare, Calif. However, when the judge in the case tried to pick a jury, only 160 of 500 people summoned to jury duty showed.

The shortage of jury candidates delayed last year's trial of Donald and Timothy Young, brothers charged with capital murder. It also prompted court officials in Tulare, a city of 52,000 between Fresno and Bakersfield, to revamp the jury system in July.

Tulare is among dozens of communities across the USA that are punishing no-show jury candidates.

“We were down to a 50% response rate. That is simply not acceptable,” says Tulare County Superior Court Judge Lloyd Hicks.

Tulare jury candidates who fail to show are warned that they could be found in contempt of court. If they do not respond, a second letter is sent, warning that a warrant will be issued for their arrest, Hicks says.

No one keeps national figures on jury duty no-shows, but the American Judicature Society considers the problem an epidemic in some communities, especially large urban areas such as Miami, Houston and Atlanta, where no-show rates routinely top 50%, says David McCord, a society spokesman.

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For years, courts across the nation have tried to make jury service more attractive by, among other things, increasing juror pay and offering amenities. This year, for example, Texas increased pay from $6 a day to $40, and no-show rates declined, says Rob Walters, a Texas attorney who worked on a jury service improvement project. Paula Hannaford-Agor, director of the Center for Jury Studies in Williamsburg, Va., says some courts have equipped jury pool rooms with wireless Internet service.

Now, communities are emphasizing the consequences of skipping jury duty. Among them:

•In Danville, Ill., a 19-year-old woman was found in contempt of court and sentenced to 14 days in jail for failing to appear for jury duty.

•In Topeka, no-shows have been fined up to $100 a day.

•In Grand Rapids, Mich., warrants were issued recently for the arrests of 56 people who failed to go to court and explain why they couldn't serve.

Failure to show up for jury duty increases court costs, Hicks says, because court officials have to send out additional summonses. High no-show rates also put at risk one of the most basic tenets of our democracy, he says.

“One of the reasons for our severing ties from England was being deprived of the right to trial by jury,” Hicks says. “It is a sacred right.”

In Fulton County, Ga., attorneys for Brian Nichols are raising the issue of an unrepresentative jury in his capital murder trial, now set for Jan. 11. Nichols is charged with killing an Atlanta judge and three others in a courthouse rampage March 11, 2005.

Nichols' attorneys say Fulton's high no-show rate for jurors — estimated by the county to be at least 47% — altered the racial composition of the grand jury pool. They have asked that the charges be dismissed because the panel that indicted Nichols was underrepresented by minorities, and that a new representative grand jury be seated.

“We're asking that the jury be properly constructed and meet the mandates of state and federal law,” says Gary Parker, one of Nichols' attorneys.

Fulton County officials say incorrect addresses are to blame for much of the problem with juror no-shows. Matthew Sorenson, deputy court administrator, says a plan to fix the situation may not be in place to affect Nichols' upcoming trial.

In Tulare, Hicks says the letters sent to no-shows produced an immediate 10% increase in jury service. Of 1,600 who hadn't responded to the first summons, all but 73 had replied by last week.

“By the time we arrest a few people, the response rate for jury service will go up further,” he says.”

Abortion Clinics Request O'Reilly Probe (AP-Y)

By John Hanna

AP, November 7, 2006

Two abortion clinics asked the state's highest court Monday to investigate Attorney General Phill Kline and Fox television's Bill O'Reilly over O'Reilly's statements that he had information from Kansas abortion records.

A Kline spokeswoman called the move "a political ploy."

The clinics' attorneys want the Kansas Supreme Court to seize records that Kline, an outspoken abortion opponent, obtained on 90 of the clinics' patients. Kline received edited versions of the records from a district judge on Oct. 24 after arguing he wanted to review the records for evidence of possible crimes including rape and illegal abortions.

The attorneys asked the court to appoint a special prosecutor to determine whether O'Reilly's information came from the records turned over to Kline.

There is no record of the Supreme Court ever appointing a special prosecutor, court spokesman Ron Keefover said.

O'Reilly said Friday on his show, "The O'Reilly Factor," that an inside source gave him information that a doctor at one of the clinics, George Tiller, had performed late-term abortions because patients were depressed. O'Reilly deemed it "executing babies."

He said on his Monday radio show he "got information" about Tiller's activities "somewhere along the line."

"I'm not going to tell you when or anything else about how we got them," O'Reilly said.

Kline spokeswoman Sherriene Jones has said the attorney general doesn't know how O'Reilly obtained the information.

David Tabacoff, executive producer of "The O'Reilly Factor," issued a statement saying, "We stand by our story."

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The two clinics requesting the investigation are Tiller's Wichita clinic and a Planned Parenthood-run clinic in Overland Park. Tiller, one of the few U.S. doctors to perform late-term abortions, has been targeted by protesters for years, his clinic was bombed in 1985 and he was shot by a protester in 1993.

The clinics' request for an investigation was the second in a week targeting the attorney general. On Wednesday, former Attorney General Bob Stephan, a Republican like Kline, asked the state Governmental Ethics Commission to examine Kline's fundraising and activities involving churches. Kline is running for a second term.

CIVIL LAW:

Judge Dismisses House Democrats' Lawsuit Over Budget Bill (AP)

AP, November 7, 2006

DETROIT - A federal judge on Monday dismissed a lawsuit filed by U.S. House Democrats trying to stop a $39 billion budget bill because the House and Senate did not approve identical versions.

House Democrats accused GOP leaders of abusing the legislative process and contend they were denied their right to vote on legislation signed into law by President Bush in February. Rep. John Conyers, D-Mich., the ranking member of the House Judiciary Committee, sued in April along with 10 other House members to prevent the law from being implemented.

The Senate version of the bill said Medicare can pay to rent some types of medical equipment for 13 months. A clerk erroneously wrote down 36 months before the bill was sent back to the House for a final vote, and the language was approved by the House on Feb. 1.

When the bill was sent to Bush for his signature, the number was back to 13 months. The lawsuit said the oversight amounted to an additional $2 billion in spending, and the plaintiffs claimed that because they never had the chance to vote on the version signed into law, the law was invalid.

The Department of Justice had sought the lawsuit's dismissal, claiming the 11 House members lacked standing because they are not renters of medical equipment and were not in "any way personally affected or injured."

Messages seeking comment were left Monday night with Conyers' office and the Justice Department.

The White House and Republican leaders in Congress have said the matter is settled because the mistake was technical and top House and Senate leaders certified the bill before transmitting it to the White House.

Abortion Method Returns To Justices (LAT)

By David G. Savage

The Los Angeles Times, November 7, 2006

WASHINGTON — When Douglas Johnson, the lobbyist for the National Right to Life Committee, first heard a description 14 years ago of a midterm abortion procedure, he felt a sense of revulsion and saw an opportunity.

He was convinced that if most Americans knew about it, they would think differently about abortion.

Johnson and a congressman coined a name for it: "partial-birth abortion." The antiabortion group obtained and widely distributed a set of line drawings that illustrated the procedure. Johnson said he thought "the reaction of many Americans to seeing a drawing of this would be to say: 'This can't be legal.' "

Whether that procedure, known medically as dilation and extraction or D&X, will be legal comes before the Supreme Court on Wednesday, the day after the midterm elections.

With two new Bush appointees on the court — one replacing a justice who supported abortion rights — Johnson and other abortion opponents are optimistic that, for the first time, the court will uphold an outright ban on an abortion method.

The campaign against the procedure has succeeded where other attacks on abortion failed.

By branding it gruesome and unnecessary, Johnson won broad support for a criminal ban, even from lawmakers who usually vote in support of abortion rights. And he tapped into the public's public discomfort with abortions late in a pregnancy. A 2003 CNN/USA Today/Gallup Poll showed, by a ratio of more than 2 to 1, that Americans believe abortion should be illegal in the second trimester.

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A win for Johnson and abortion foes would chip away at the court's 1973 Roe vs. Wade decision, which held that women have a constitutional right to an abortion.

Those fighting a ban argue that the disputed procedure is sometimes the safest method for aborting a fetus in midterm and, despite the attention it receives, is not commonly used.

Johnson, 55, first heard about it in 1992, when someone mailed an Ohio doctor's account to his organization. In the procedure, performed in the fifth or sixth month, the fetus is pulled partway out of the dilated cervix and the skull punctured to collapse it, allowing the fetus to be removed intact from the uterus.

Working out of a small, drab Washington office, Johnson tried to shift the focus of the abortion debate from the rights of pregnant women to the fetuses. He walked the halls of Congress with a briefcase that included a plastic model of a 20-week-old fetus that he used to make his case.

Relentless, Johnson was dubbed "the most effective lobbyist in Washington" by a conservative magazine.

Twice in the 1990s, Congress passed bills to outlaw the procedure, except to save a mother's life, but President Clinton vetoed them. He said he would sign such legislation if lawmakers added an exception for when the procedure was needed to preserve the health of the woman.

Abortion foes refused. They distrusted health exceptions, believing they would render a ban meaningless. Roe vs. Wade had defined health to include emotional, psychological, familial and age factors.

Based on language drafted by Johnson's office, 30 state legislatures had enacted bans by the late 1990s.

In 2003, President Bush signed the Partial-Birth Abortion Ban Act without an exception for health concerns.

It's not clear that the ban would affect many abortions. Only 1% to 2% of abortions take place after the 20th week of pregnancy.

Of these, about 3,000 to 5,000 per year are done with D&X. Doctors say only a small percentage of those are done because of medical complications or fetal deformity.

Johnson's attack on the procedure put the abortion-rights movement on the defensive. Its leaders argue that abortion has been and should remain a private matter between a woman and her doctor.

They also say there is something profoundly illogical about a ban on one method: If abortions are legal at the 20th week of pregnancy, why forbid doctors to use a method that might be the safest?

" 'Partial-birth abortion' is a political term. It's about generating public outrage. It's not a medical term," said Dr. Deborah Oyer, a Seattle physician who does midterm abortions but not the D&X procedure. She said she resents legislators trying to regulate the practice of medicine.

"Doctors want to do what is best for the patient. This is all about keeping the abortion issue before the public," she said.

Six years ago, the Supreme Court struck down Nebraska's ban on the procedure. The 5-4 majority, which included now-retired Justice Sandra Day O'Connor, said the ban violated a woman's right to abortion because it did not include a health exception.

Dr. Leroy Carhart, an abortion doctor from Bellevue, Neb., had challenged the state law as unconstitutional. During a two-week trial, Carhart and several medical experts testified that the D&X procedure was sometimes safer because there was less risk of bleeding and infection.

"Where substantial medical authority supports the proposition that banning a particular abortion procedure could endanger women's health," the government cannot ban it by law, the court ruled in Stenberg vs. Carhart in 2000.

When Congress took up the issue, many of its members were in a defiant mood. They declared the method, which they described as "gruesome and inhumane," was "never medically indicated to preserve the health of the mother."

Carhart sued to challenge the law, and lower courts blocked it from taking effect. On Wednesday, the high court will debate the case, Gonzales vs. Carhart.

The replacement of O'Connor with Justice Samuel A. Alito Jr., a conservative and a Catholic, has convinced many legal experts that the court is prepared to uphold stricter regulation of abortion. In Gonzales vs. Carhart, the court must first confront the precedent it established in the Nebraska case. The justices must also decide whether to defer to Congress on its ban of the procedure, as requested by U.S. Solicitor General Paul D. Clement, or to side with medical experts who testified.

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After the bill became law, federal judges in San Francisco, New York and Omaha conducted trials on lawsuits that sought to overturn it. They heard from doctors who teach in medical schools at Cornell, Yale, Columbia, Northwestern, the University of Pittsburgh and UC San Francisco.

By the middle months of a pregnancy, doctors remove the fetus with surgical instruments, using the D&X method or the more common "dilation and evacuation," called a D&E. In that procedure, the doctor breaks apart the fetus before removing it from the uterus.

Experts told the three judges that the D&X procedure was not the only safe way to perform abortions after 20 weeks, but was safer than D&E in some cases, especially for women who have a damaged immune system or are in danger of hemorrhaging.

"Congress can 'find' that the moon is made of green cheese. That doesn't make it so," Dr. Nancy Stanwood, who teaches obstetrics at the University of Rochester, said in a recent interview. "When you're doing surgery, shorter and faster is better. If an intact extraction is possible, it's preferable."

In Carhart's case, U.S. District Judge Richard Kopf issued a 474-page opinion that extensively cited medical testimony to explain why the ban was unconstitutional.

Dr. Jill Vibhakar, who teaches obstetrics at the University of Iowa and performs abortions at an independent clinic in Iowa City, is a plaintiff with Carhart in the suit before the court. She said the justices face the same issue Wednesday that they did when they threw out the Nebraska ban.

"Nothing has changed recently in medical practice. The only thing that has changed is that a moderate female justice has been replaced by a conservative male justice," Vibhakar said.

For his part, Johnson is cautious, but hopeful.

"I have given up making predictions about what the Supreme Court will do," he said. "This law is really quite limited, but we hope it is a turning point and the beginning of a return to sanity."

All Eyes On Roberts Court As It Takes On Abortion (CNN)

By Bill Mears, CNN Washington Bureau

CNN.com, November 7, 2006

WASHINGTON (CNN) -- The morning after the closely fought midterm elections, the U.S. Supreme Court will hear its first major abortion case in six years.

The hot-button issue has been debated for years among social and religious activists, voters and judges themselves.

At issue in Wednesday's arguments is the constitutionality of a federal law banning a specific late-term procedure its critics call "partial-birth" abortion. (Watch a new Supreme Court meet an old hot-button issue -- 2:16)

After Justice Samuel Alito replaced Sandra Day O'Connor this year, court watchers have been waiting for a pair of cases to signal whether the court is shifting to the right.

For a quarter of a century, O'Connor, the first woman on the high court, was a key swing vote upholding the basic right to abortion. The views of Alito, a more conservative jurist, could prove crucial in the new debate. So, too, could the views of moderate-conservative Justice Anthony Kennedy, who takes O'Connor's place as the key swing vote.

"This case will test how far the government can reasonably go in outlawing so-called 'partial birth' abortion," said Thomas Goldstein, a leading appellate attorney and Supreme Court legal analyst.

"But we'll be able to take the temperature of the justices based on their questions, the opinions they write, whether they've moved one more vote toward overruling Roe v. Wade," he added. "They may well be very close."New justices, old issue

Even with Alito and Chief Justice John Roberts joining the bench in recent months, many legal scholars say the outcome is far from clear.

Three federal appeals courts have ruled against the government, saying the federal Partial Birth Abortion Ban Act of 2003 is unconstitutional because it does not provide a "health exception" for pregnant women facing a medical emergency.

The federal law has never gone into effect, pending the outcome of nearly three years of legal appeals.

The outcome of the latest challenge could turn on the legal weight given past rulings on the health exception.

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In states where such exceptions are allowed, the lists of possible health risks include severe blood loss, damage to vital organs and loss of fertility.

Court briefs noted pregnant women having the procedure most often have their health threatened by cancer, heart disease, high blood pressure or risk of stroke. Doctors are given the discretion to recommend when the late-term procedure should be performed.

"This abortion ban would forbid doctors from providing their patients with the care they believe is safest and best, and would give Congress and states a green light to endanger women's health when they restrict women's access to abortion," said Eve Gartner, a senior staff attorney for Planned Parenthood Federation of America, who will appear before the justices. Prior cases may carry weight

Many conservatives strongly disagree. "Partial-birth abortion really isn't abortion. It's killing a baby in the process of being born," said Tom Fitton of Judicial Watch. "I think conservatives are hopeful that the court will be more willing to allow further regulation."

The issue of late-term abortions is not new to the high court, and legal precedence may be key when justices review the federal ban.

In 2000, the justices threw out Nebraska's version outlawing the procedure. Using an earlier legal standard, a divided 5-4 court concluded the state law was an "undue burden" on women because it lacked the critical health exception.

Despite that ruling, the Republican-controlled Congress -- backed by the Bush White House -- passed its own version three years later.

The Justice Department had urged the justices to accept the new case, saying the lower courts viewed the issue wrongly.

"That decision overrides Congress' carefully considered finding, following nine years of hearings and debates, that partial-birth abortion is never necessary to preserve a mother's health," said Solicitor General Paul Clement in a legal brief filed with the court. Clement will argue the government's side before the high court.Debate focuses on numbers

Abortion-rights groups object to the term "partial birth" and even "late-term abortion," saying the procedure is done before the fetus is viable and is performed only in the second trimester, sometimes as early as 12 to 15 weeks after the start of pregnancy.

The federal law bans what doctors call "intact dilation and evacuation," which Congress in its legislation termed "gruesome and inhumane."

It is a rarely used second-trimester procedure, designed to reduce complications to the mother.

More common is "dilation and evacuation," used in 95 percent of pre-viability second-trimester abortions, according to Planned Parenthood. Both are generally performed after the 21st week of pregnancy.

About 1.4 percent of all abortions are believed to be performed after the 21st week, according to the latest numbers from the Centers for Disease Control and Prevention.

Comprehensive federal health statistics are not kept on a yearly basis. Conventional medical practice puts the earliest point of viability somewhere between the 24th and 28th weeks, although there have been rare earlier cases.

Since the landmark 1973 Roe v. Wade decision legalizing abortion, various states have tried to place restrictions and exceptions on access to the procedure, prompting a string of high court "clarifications" on the issue over the years.Political, religious groups weigh in

The abortion question has become part of the political debate this election season.

Many religious groups have filed legal briefs backing the government and plan to gather supporters outside the Supreme Court during Wednesday's arguments.

"We're garnering names on a petition; so far we have well over a hundred thousand," said Dr. Gary Cass, director of the Center for Reclaiming America for Christ. "I think we've come a long way away from our God-given right to life that was secured for us by the Founders. And so we're going to petition the court."

On the other side, abortion rights groups protested the nominations of Alito and Roberts, fearing they would roll back women's rights.

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"How does the court preserve its own institutional integrity where this is nothing other than a bold-faced attempt to get the court to change an earlier ruling when the only thing that's changed is the makeup of the court?" said Roger Evans, Planned Parenthood's senior director.

As far as the legal merits, a ruling could turn on the court's newest member.

"It may come down to Justice Alito and whether he is persuaded or not that it would be appropriate to allow the legislature to make some definitions with respect to the time or types of procedures of abortion," said Theodore Olson, former solicitor general in the Bush White House. "It's one that could be overturned."

Abortion Cases Pit Justices Vs. Congress (LAW)

By Marcia Coyle, The National Law Journal

National Law Journal, November 7, 2006

In weighing the constitutionality of a federal law, the U.S. Supreme Court sometimes gives deference to congressional findings of fact. How will it view the critical finding at the heart of its latest abortion challenge?

The justices this week will hear arguments in two cases testing the constitutionality of the federal Partial-Birth Abortion Act of 2003. Gonzales v. Carhart, No. 05-380; Gonzales v. Planned Parenthood, No. 05-1382. Partial-birth abortion is a term used for an abortion procedure, intact dilation and extraction, infrequently used in second-trimester pregnancies.

Although the high court's abortion precedents and the future of a woman's right to choose abortion will dominate discussions, the cases also are very much about separation of powers and the roles of the legislative and judicial branches in making and interpreting laws, say scholars on both sides.

"Our concern is [that] the Court's dislike of Roe v. Wade will drive the amount of deference it's willing to give to Congress," said Mark Moller, senior fellow in constitutional studies at the Cato Institute, which filed an amicus brief on the issue. "We think this is a much larger issue that goes far beyond Roe. It's about who gets to decide what the law is."

The Court's approach to deference in these cases, he added, can affect "a whole array of different rights."

In enacting the 2003 law, Congress made explicit findings in the statute that partial-birth abortion "is never medically indicated to preserve the health of the mother." A health exception to abortion restrictions has been central to the court's abortion jurisprudence since the landmark Roe v. Wade. The lack of such an exception was a key basis for a 5-4 majority's decision to strike down a Nebraska partial-birth abortion law, very similar to the federal law, just six years ago. Stenberg v. Carhart, 530 U.S. 914.

In the 2003 law, Congress criticizes Stenberg and the findings of the trial judge that gave rise to the Stenberg high court case. The federal lawmakers call for a "high degree" of deference to their own findings, a call echoed by the Bush administration and its supporters in briefs defending the federal law.

NEUTRAL FACT-FINDING?

But opponents contend that that type of deference is not due because Congress did not engage in neutral fact-finding. A fundamental right, requiring heightened court scrutiny and independent review of congressional findings, is at issue, and two district judges, in extensive trials in the two cases, made findings contrary to those of Congress.

The heart of the congressional fact-finding process -- and the reason Congress receives its greatest deference on economic or sociological facts -- is its ability to use a diverse array of means to collect and analyze information, said Charles Tiefer of the University of Baltimore School of Law, a former solicitor to the U.S. House of Representatives.

However, he added, "Where the issue is a matter of weighing social values against civil liberties, Congress may or may not have a good feel for the viewpoint of the voting population, but it doesn't have some superior method of somehow factually establishing where the balance point is."

The high court, with some ups and downs, gave considerable deference to congressional findings from the late 1930s to the mid-1990s and the advance of the Rehnquist Court's federalism movement, said Tiefer and others. In the last decade, a divided court struck down a number of applications of federal laws to the states, often because of a lack of congressional findings or despite extensive congressional findings.

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Some lawmakers have voiced considerable unhappiness with the court's "lack of respect," most recently in the confirmation hearings for Chief Justice John G. Roberts Jr. and Justice Samuel A. Alito Jr.

While scholars agree that it's hard to find a consistent approach across the justices' rulings, Neal Devins of the College of William and Mary Marshall-Whythe School of Law suggests that where the court generally applies a rational-basis standard of review to a law affecting a right or classification, the court gives extreme deference to Congress.

"The whole theory of rational-basis review is essentially these are matters the legislative process will self-correct if mistakes were made," said Devins, who has studied the findings issue. "But then, there are fundamental rights cases, like cases involving abortion, where the court says the nature of the right or the classification involved is such we can't defer to the government."

The government argues that a series of First Amendment rulings by the high court "confirm that the degree of deference owed to congressional findings does not turn on the right at issue or the applicable level of scrutiny."

That position is "astounding and ridiculous," said David Faigman of the University of California Hastings College of the Law, who, with other scholars, filed an amicus brief on the findings issue on behalf of the law's opponents.

When legislation is subject to heightened scrutiny because it burdens a basic right, he said, the court has always made an independent review of factual findings. The government's position -- deference in all cases -- would permit legislative bodies to effectively overrule, through the guise of "fact-finding," the court's most critical decisions, he added, thereby undermining the court's pre-eminent role in constitutional interpretation mandated by Marbury v. Madison, 5 U.S. 137 (1803).

Ultimately, all agree, the pivotal figure is Justice Anthony M. Kennedy, who dissented in Stenberg but holds a very strong view of the Supreme Court's role in the Constitution's scheme.

"He could view what Congress did as an affront to the court," said Devins. "This is where the rubber meets the road for Kennedy -- to find out which is the bigger pull -- the disapproval of Stenberg pull or the judicial supremacy pull."

CIVIL RIGHTS:

Federal Observers At Polls In 22 States (AP-Y)

By Lara Jakes Jordan, Associated Press Writer

AP, November 7, 2006

Federal poll watchers will be in 22 states Tuesday, safeguarding against fraud or discrimination in election districts marked by tight races, large numbers of minority voters and faulty ballot machines.

Justice Department monitors and observers are being assigned to Cuyahoga County, Ohio, which has been dogged by problems with computerized touch-screen voting machines. They will be in Bergen County, N.J., a must-win prize for both candidates in the state's Senate race.

And they will watching more than a dozen counties nationwide where polls are on American Indian reservations and in big cities dominated by black voters.

In all, the Justice Department is sending an estimated 850 poll watchers to 69 cities and counties — what officials on Monday called an unprecedented number, and twice as many during the 2002 congressional midterm elections.

The government has dispatched poll watchers to ensure fair elections since the 1965 Voting Rights Act was enacted.

Assistant Attorney General Wan J. Kim, who heads the Justice Department's civil rights programs, told reporters last week that the election districts were selected in part because of close races there.

They include Fort Bend and Galveston counties in Texas, where Republican write-in candidate Shelley Sekula-Gibbs is seeking to keep a GOP hold on the seat vacated by former House Majority Leader Tom DeLay. Texas Democrats have accused Sekula-Gibbs of twice entering early voting locations — which is prohibited by law — to introduce herself to voters and workers.

That race also has been marked by allegations of poll workers offering unrequested assistance if voters need help with writing in a candidate or need help writing in Sekula-Gibbs.

Poll watchers will be in several major cities — including Boston, Chicago, Denver, New Orleans, San Francisco and parts of New York City — where black and other minority voters traditionally have claimed they were denied access to the ballot box.

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The federal watchdogs will be in some small cities, too, like Springfield, Mass., where the Justice Department forced officials to hire bilingual poll workers to help Spanish-speaking residents at the polls.

Eight counties in South Dakota alone — which hosts a number of American Indian reservations — will be visited by the observers and monitors. They will also be in largely rural Berks County, Pa., one of about nine counties that won't count absentees ballots on election night.

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On the Net:

Justice Department: http://www.usdoj.gov/

Justice Department Dispatches Election Monitors (CNN)

By Terry Frieden, Justice Producer

CNN.com, November 7, 2006

WASHINGTON (CNN) -- The Justice Department Monday announced it has dispatched an army of election observers and monitors across the country to polling places where it sees a potential for discrimination or other voting rights violations.

After weeks of considering requests for a federal presence, Attorney General Alberto Gonzales and his Civil Rights Division lawyers decided to send 850 poll watchers to 69 jurisdictions in 22 states.

The federal authorities are being sent to monitor a wide variety of specific issues. In New Orleans, Louisiana, however, the observers will be there primarily to provide support to a wobbly post-Katrina election system that could be overwhelmed by residency issues. (Watch what the Justice Department will be looking for -- 1:59)

The federal force includes more than 500 trained observers from the Office of Personnel Management. They are going to places with troubled histories as certified by the Attorney General or the federal courts under provisions of the Civil Rights Act of 1965. Those locations include polling places where allegations of racial, ethnic and language discrimination have surfaced in the past -- some as far back as the 1970s.

In Alabama, observers are going to Chambers, Lee, and Tuscaloosa counties. They are three of seven white majority counties where black candidates are challenging white candidates. African-American groups asked for observers to ensure their rights are protected.

In Noxubee County, Mississippi, observers will be watching polling stations where alleged discrimination against white voters by black elections officials triggered a federal investigation and lawsuit.

The Justice Department is also sending more than 350 monitors, including attorneys from its Civil Rights Division and U.S. Attorneys offices, to other hot spots where complaints have been registered or tensions have run high.

The Justice Department has declined official comment on why any of the locations were selected.

Assistant Attorney General for Civil Rights Wan Kim said the anticipated closeness of races would be one factor in making the final decisions on where to send observers. But in the end, few of the jurisdictions receiving federal scrutiny will be in states with heated Senate races.

Eight counties in South Dakota and five in Arizona with substantial Native American populations are on the list. In Arizona, Native Americans have warned of tensions in a race where there is debate over whether a Native American state senator endorsed a congressional candidate.

Unfettered access to the polls and the availability of minority language ballots are among the issues in Kings County, Queens County and Richmond County in New York and in five counties in New Jersey. Many of the locations have substantial Spanish-speaking communities.

An official with the Leadership Conference for Civil Rights called the Justice Department's announcement Monday "a mixed bag."

"It seems they took some of our recommendations to heart," said attorney Julie Fernandez. "Our biggest disappointment is that they are not sending anyone to North Carolina or Alaska," she said.

In Chatham County, North Carolina, there is a hotly contested referendum on county commission voting districts, which is opposed by black residents who have expressed fear of voter suppression tactics.

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Civil Rights groups charge that in Alaska, the state has not implemented the language protections required to ensure the rights of Native Americans. Some small native villages have no polling precincts and have complained about problems with absentee ballots.

However, the Justice Department did send monitors to several other locations recommended by minority groups. Observers will be in St. Landry Parish, Louisiana, where there is a racially heated runoff for a vacant sheriff's seat. In that contest, the black female interim sheriff alleges her opponent used racial slurs at a number of public campaign events.

FBI Looks Into Voter Intimidation (RTD)

By JEFF E. SCHAPIRO

Richmond Times-Dispatch, November 7, 2006

The FBI is looking into possible voter intimidation in Virginia's hard-fought U.S. Senate contest between Republican incumbent George Allen and Democrat Jim Webb.

Just ahead of today's election, state officials alerted the U.S. Justice Department to several complaints of suspicious phone calls to voters about where they cast ballots and their preferences for the Senate.

Jean R. Jensen, secretary of the State Board of Elections, said yesterday that she was subsequently contacted by an agent in the FBI's Richmond office. The FBI is the investigative arm of the Justice Department.

Dee Rybiski, spokeswoman for the FBI here, declined comment.

Jensen said she called the Justice Department's civil rights office in Washington and the Virginia attorney general after receiving a complaint Sunday from a voter in Arlington County and one yesterday from the registrar in Accomack County.

Jensen said she later received a report from the Hampton registrar about a call to a voter there. That complaint came in response to an e-mail from Jensen to local registrars about possibly deceptive phone calls.

"Voters should not be intimidated or deceived by phone messages purporting to be from election officials," Jensen said in a written statement. "Any communication from federal, state or local election officials will always be in a written form clearly identifying the official source."

With published polls depicting the Allen-Webb race as a tossup, both sides are mobilizing lawyers and voting experts to watch for irregularities and prepare for a possible recount.

In a written statement issued by the Webb campaign, state Democratic Party counsel Jay B. Myerson suggested that Republicans are behind efforts to suppress votes for Webb.

"We've seen this tactic before, and it is about time the Republicans learned that it will not work," Myerson said.

Shawn M. Smith, executive director of the Virginia Republican Party, said the state GOP and Allen campaign are focusing on mobilizing votes for Allen.

As for voter intimidation or suppression, Smith said: "We are not aware of any such activities taking place and are skeptical of the claims being made. Nonetheless, we condemn such activities if they are being conducted by outside organizations."

J. Tucker Martin, spokesman for Attorney General Bob McDonnell, had no immediate comment.

Police Look Into Cross Burning Attempt At Grand Coteau Town Hall (AP)

AP, November 7, 2006

GRAND COTEAU, La. (AP) — Someone tried to set a cross on fire in the town hall parking lot of Grand Coteau, where the black mayor is in a runoff Tuesday against a white woman.

Authorities said Monday that they had few leads, other than for a pickup truck seen leaving the parking lot without its lights on late Thursday, the night before the cross was planted.

"This is just not our community. This is not a reflection of the community as a whole. Grand Coteau is not like that," said Gail Lark, who had 44 percent of the primary vote to 23 percent for Mayor Jean Coco in the town of 1,000.

Lark said at least 200 people — black and white — had called her, upset by the incident. Mayor Jean Coco did not return a call for comment Monday.

Police Chief Jonty Coco said officers answered a report of a small fire in the parking lot about 9 p.m. Friday, and found a 5-foot tall cross placed into a wooden base. The cross itself never did catch fire, he said.

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Chief Coco said the state police and the FBI had been informed. A preliminary investigation indicated the cross had been soaked with used motor oil, he said.

No suspects were reported, but the chief said officers were looking for a gray Chevrolet pickup spotted in the lot the night before.

Suspected Pimp Charged With Sex Trafficking (AP)

AP, November 7, 2006

A California man suspected of being a pimp has been charged with sex trafficking.

Twenty-seven-year-old Jeremiah Crayton of San Francisco is charged in Phoenix with two counts of Sex Trafficking of a Minor and two counts of Interstate Transportation of a Minor for Prostitution.

The U-S Attorney for Arizona Paul Charlton says they plan to aggressively prosecute those who trade in the pain and misery of children.

The complaint alleges that in August of 2004, Crayton took a juvenile female, who he knew was under 18 from Phoenix to San Francisco, where he forced her to work as a prostitute.

Authorities allege Crayton met the teen at a bus stop in Phoenix.

N.Y. Plans To Make Gender Personal Choice (NYT)

By Damien Cave

The New York Times, November 7, 2006

Separating anatomy from what it means to be a man or a woman, New York City is moving forward with a plan to let people alter the sex on their birth certificate even if they have not had sex-change surgery.

Under the rule being considered by the city's Board of Health, which is likely to be adopted soon, people born in the city would be able to change the documented sex on their birth certificates by providing affidavits from a doctor and a mental health professional laying out why their patients should be considered members of the opposite sex, and asserting that their proposed change would be permanent.

Applicants would have to have changed their name and shown that they had lived in their adopted gender for at least two years, but there would be no explicit medical requirements.

"Surgery versus nonsurgery can be arbitrary," said Dr. Thomas R. Frieden, the city's health commissioner. "Somebody with a beard may have had breast-implant surgery. It's the permanence of the transition that matters most."

If approved, the new rule would put New York at the forefront of efforts to redefine gender. A handful of states do not require surgery for such birth certificate changes, but in some of those cases patients are still not allowed to make the change without showing a physiological shift to the opposite gender.

In New York, the proposed change comes after four years of discussion among health officials, an eight-member panel of transgender experts and vital records offices nationwide. It is an outgrowth of the transgender community's push to recognize that some people may not have money to get a sex-change operation, while others may not feel the need to undergo the procedure and are simply defining themselves as members of the opposite sex. While it may be a radical notion elsewhere, New York City has often tolerated such blurring of the lines of gender identity.

And the proposal reflects how the transgender movement has become politically potent beyond its small numbers, having roots in the muscular politics of the city's gay rights movement.

Transgender advocates consider the New York proposal an overdue bulwark against discrimination that recognizes an emerging shift away from viewing gender as simply the sum of one's physical parts. But some psychiatrists and doctors are skeptical of the move, saying sexual self-definition should stop at rewriting medical history.

"They should not change the sex at birth, which is a factual record," said Dr. Arthur Zitrin, a Midtown psychiatrist who was on the panel of transgender experts convened by the city. "If they wanted to change the gender for all the compelling reasons that they've given, it should be done perhaps with an asterisk."

The change would lead to many intriguing questions: For example, would a man who becomes a woman be able to marry another man? (Probably.) Would an adoption agency be able to uncover the original sex of a proposed parent? (Not without a

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court order.) Would a woman who becomes a man be able to fight in combat, or play in the National Football League? (These areas have yet to be explored.)

The Board of Health, which weighs recommendations drafted by the Department of Health and Mental Hygiene, is scheduled to vote on the proposal in December, and officials say they expect it to be adopted.

At the final public hearing for the birth certificate proposal last week, a string of advocates and transsexuals suggested that common definitions of gender, especially its reliance on medical assessments, should be abandoned. They generally praised the city for revisiting its 25-year-old policy that lets people remove the sex designation from their birth certificate if they have had sexual reassignment surgery. Then they demanded more freedom to choose.

Michael Silverman, executive director of the Transgender Legal Defense and Education Fund, said transgender people should not have to rely on affidavits from a health care system that tends to be biased against them. He said that many transgender people cannot afford sex-change surgery or therapy, and often do not consider it necessary.

Another person who testified, Mariah Lopez, 21, said she wanted a new birth certificate to prevent confusion, and to keep teachers, police officers and other authority figures from embarrassing her in public or accusing her of identity theft.

A few weeks ago, at a welfare office in Queens, Ms. Lopez said she included a note with her application for public assistance asking that she be referred to as Ms. when her turn for an interview came up. It did not work. The woman handling her case repeatedly addressed her as Mister.

"The thing is, I don't even remember what it's like to be a boy," Ms. Lopez said, adding that she received a diagnosis of transgender identity disorder at age 6. She asked to be identified as a woman for this article.

The eight experts who addressed the birth certificate issue strongly recommended that the change be made, for the practical reasons Ms. Lopez identified. For public health studies, people who have changed their gender would be counted according to their sex at birth.

But some psychiatrists said that eliminating identification difficulties for some transgender people also opened the door to unwelcome advances from imposters.

"I've already heard of a 'transgendered' man who claimed at work to be 'a woman in a man's body but a lesbian' and who had to be expelled from the ladies' restroom because he was propositioning women there," Dr. Paul McHugh, a member of the President's Council of Bioethics and chairman of the psychiatry department at Johns Hopkins University, wrote in an e-mail message on the subject. "He saw this as a great injustice in that his behavior was justified in his mind by the idea that the categories he claimed for himself were all 'official' and had legal rights attached to them."

The move to ease the requirements for altering one's gender identity comes after New York has adopted other measures aimed at blurring the lines of gender identification. For instance, a new shelter policy approved in January now allows beds to be distributed according to appearance, applying equally to postoperative transsexuals, cross-dressers and "persons perceived to be androgynous."

The Metropolitan Transportation Authority also agreed last month to let people define their own gender when deciding whether to use the men's or women's bathrooms.

Joann Prinzivalli, 52, a lawyer for the New York Transgender Rights Organization, a man who has lived as a woman since 2000, without surgery, said the changes amount to progress, a move away from American culture's misguided fixation on genitals as the basis for one's gender identity.

"It's based on an arbitrary distinction that says there are two and only two sexes," she said. "In reality the diversity of nature is such that there are more than just two, and people who seem to belong to one of the designated sexes may really belong to the other."

Uncivil Rights (WSJ)

The Wall Street Journal, November 7, 2006

Today in Michigan, voters face a choice on Proposal 2, which would add the following language to the state constitution: "The state shall not discriminate against, or grant preferential treatment to any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education or public contracting."

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One might think a law banning discrimination would be a triumph for civil rights. Instead, opponents have spent $3 million trying to defeat it, using some of the most low-down arguments of this low-down election year. Consider this ad running on Detroit radio:

"If you could have prevented 9/11 from ever happening . . . would you have? If you could have prevented Katrina from ever happening . . . what would you have done? On Nov. 7th there's a national disaster headed for Michigan . . . the elimination of affirmative action. And on Nov. 7th there's only one way to stop this disaster . . . by voting no on Proposal 2."

We're not against "negative" advertising, but to equate the abolition of racial and gender preferences to the damage done by terrorists and a hurricane seems a tad hyperbolic, not to mention dishonest.

Women's groups are also in on the distortion. They're using statewide ads to claim that ending affirmative action would lead to an end to women's health clinics, programs to tutor girls in math and science, and funding for breast cancer treatment. There's one problem with these scare tactics: The initiative doesn't apply to health clinics or tutoring programs. Two states -- California and Washington -- have passed nearly identical initiatives, and there has been no negative effect on women's opportunities.

The opponents of Proposal 2 have also rolled out Tommy Amaker and Tom Izzo, the men's basketball coaches at Michigan and Michigan State University, respectively. They declared at a press conference that the initiative would hurt the university system by reducing "diversity." Once upon a time, the goal of civil rights legislation was equal opportunity. But with that goal largely achieved, the proponents of racial preferences have now moved the goalposts to "diversity" for its own sake. This sets race above other qualities, which erodes public confidence in individual merit as opposed to group rights.

In any case, the proponents of the Civil Rights Initiative sent the two coaches a question: "Do you use quotas or preferences when you choose the players on your basketball teams?"

In 2003, the U.S. Supreme Court ruled that Michigan universities may not use race as a primary factor in admissions but could use it as one of several. But a new study from the Center for Equal Opportunity shows that race is an even larger factor now than before at the University of Michigan. In 2005, an Asian or white student with a 1240 SAT and 3.2 grade point average had only a 1 in 10 chance gaining admission, while a black student with the same record had a 9 in 10 chance.

Another reason opponents are spending so much money to defeat this initiative is that it would ban the "setting aside" of minority business contracts -- a practice that has made a lot of people very rich in Michigan. Left unsaid is that those set-asides can cost Michigan taxpayers millions of dollars in inflated contracting costs.

There's nothing wrong with schools or businesses considering a candidate's background when deciding whether to admit or hire. But the application of racial and gender quotas has become a corrupting and divisive process that violates our Constitutional heritage of equal rights and fairness. Polls in Michigan had the Civil Rights Initiative narrowly ahead in the final days, notwithstanding the 3-to-1 funding advantage of the opponents. If it prevails despite the distortions used by opponents, it will be a tribute to the faith among Michigan voters in equal opportunity.

ANTITRUST:

Merrill Gets Justice Department Query On Buyouts, Person Says (BLOOM)

By Brett Cole

Bloomberg, November 7, 2006

Nov. 6 (Bloomberg) -- Merrill Lynch & Co., the world's third-largest securities firm, received a letter from the U.S. Department of Justice as part of an antitrust inquiry of the leveraged-buyout industry, a person familiar with the probe said.

Justice officials have already sent letters seeking information to Carlyle Group, Clayton, Dubilier & Rice Inc., Kohlberg Kravis Roberts & Co. and Silver Lake Partners, according to the person, who asked not to be identified because the inquiry isn't public. The Merrill letter was reported earlier today by the Wall Street Journal.

``The DOJ is probably focusing on three to four deals initially, and if it finds any problems then it may widen the probe to include other firms and deals," Sean Boland, co-chair of the antitrust practice at Washington-based law firm Howrey LLP, said today in a telephone interview. Boland said the probe may last more than a year.

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LBO firms have teamed up on $201 billion of acquisitions this year, compared with $31 billion in all of 2001, according to data compiled by London-based Private Equity Intelligence Ltd. In July, the industry's biggest deal was announced, the $33 billion takeover of hospital chain HCA Inc. by KKR, Bain Capital LLC, Merrill Lynch's private-equity unit and HCA co-founder Thomas F. Frist Jr.

Carlyle, Clayton Dubilier and Merrill acquired Hertz Global Holdings Inc. last year from Ford Motor Co. for $15 billion. The Park Ridge, New Jersey-based car-rental company said last month it planned to sell as much as $1.83 billion of shares in an initial public offering.

Offer Prices

Mark Herr, a spokesman for New York-based Merrill, declined to comment. Gina Talamona, a Justice Department spokeswoman in Washington, didn't return a call seeking comment. Spokesmen for the buyout firms declined to comment.

Buyout firms form partnerships to spread risk and increase the size of purchases they can make. The Justice Department may be concerned that cooperation among bidders is unfairly pushing down prices, said Robert Burka, an antitrust lawyer at Foley & Lardner in Washington and a former official the Federal Trade Commission.

Report: Regulators Eye Private Equity (AP-YBIZ)

AP, November 7, 2006

Report: Regulators Examining Whether Anticompetitive Behavior Occurs at Private Equity Firms

NEW YORK (AP) -- Regulators are looking into whether private equity firms, which are increasingly the driving force behind some of Wall Street's biggest buyout deals, have engaged in anticompetitive behavior.

The Wall Street Journal reported Monday that the U.S. Department of Justice is seeking documents from Merrill Lynch & Co.'s private equity business as part of a larger informal probe. The newspaper reported that at least four other private equity companies have received letters in recent weeks, including Carlyle Group; Clayton, Dubilier & Rice; Kohlberg Kravis Roberts & Co.; and Silver Lake Partners.

"We never comment on government investigations except to say that we cooperate with them," Merrill Lynch spokeswoman Jessica Oppenheim told The Associated Press Monday.

Carlyle Group, Clayton Dubilier, Kohlberg Kravis and Silver Lake also would not comment. A Justice Department official also declined to comment.

The U.K.'s Financial Services Authority said in a statement Monday it is weighing whether it provides adequate oversight of the private equity market.

Merrill's private equity business, Merrill Lynch Global Private Equity, has been on a tear, with profits of more than $300 million last quarter. The operation was involved in the $21.3 billion leveraged buyout agreement of hospital chain HCA Inc. Kohlberg Kravis and Bain Capital LLC also took part in that deal.

The news comes as investors are cheering the premiums that private equity deals can bring; the private equity deals can also generate enormous fees on Wall Street. Monday brought a flurry of private equity news, with offers being made for Four Seasons Hotels Inc. and OSI Restaurant Partners Inc., which is the parent of such chains as Outback Steakhouse.

The Journal reported that the addition of Merrill to the inquiry could mean investigators could be eyeing the auction of Hertz Global Holdings Inc., which was carved out of Ford Motor Co. in December. Carlyle, Clayton Dubilier and Merrill Lynch beat out a rival consortium of Bain Capital LLC, Blackstone Group LP, Texas Pacific Group and Thomas H. Lee Partners LP in that deal, the newspaper reported.

An initial public offering for Hertz is slated for next week.

Many private equity firms see opportunity in taking a company private, making changes and then in some cases taking a company public to reap the potential windfall. Some investors are also looking to private equity deals as costs of doing business as a public company have increased. Regulatory requirements have been tightened, increasing some overhead costs at companies, following scandals seen in recent years such as the one that brought down Enron Corp.

Feds Request Info In Smithfield Deal (AP)

AP, November 7, 2006

Federal Regulators Want More Information From Smithfield and Premium Standard on Acquisition

SMITHFIELD, Va. (AP) -- Smithfield Foods Inc. and Premium Standard Farms Inc., the nation's two largest hog producers, said Monday they received requests for additional information from federal regulators related to Smithfield's pending acquisition of Premium Standard.

The request by the Department of Justice's antitrust division extends the waiting period imposed by federal law until 30 days after the two companies have substantially complied with the request.

Under terms of the deal announced in September, Smithfield Foods will buy Premium Standard for about $674 million in cash and stock. Smithfield will also assume about $117 million of Premium Standard's debt.

Both companies said they intend to respond expeditiously to the request and to work toward a prompt closing, which they hope to achieve in the first quarter of 2007.

Smithfield shares rose 40 cents to close at $26.10 on the New York Stock Exchange. Premium Standard shares picked up 25 cents to end at $18.68 on the Nasdaq.

Ahold Says It Will Sell U.S. Foodservice (AP)

By Toby Sterling, Associated Press

AP, November 7, 2006

Analysts put value at $5 billion

AMSTERDAM, Netherlands – Supermarket chain operator Royal Ahold NV announced plans Monday to sell its U.S. Foodservice unit, which distributes bulk food to cafeterias, as part of a major strategic shift back to its roots in retailing.

As part of the plan, Ahold also said it would sell its Tops stores in New York and Pennsylvania, divest its retail operations in Poland and Slovakia, and sell its 49 percent stake in Portugal's Jeronimo Martins Retail.

“The basic decision we've taken is to commit to retail, to go back to where we come from,” Chief Executive Anders Moberg told reporters. “We will keep retail operations in markets in the United States and in Europe only where we can secure and maintain a No. 1 or No. 2 position.”

Analysts said the moves were the logical next step for Ahold, which has gradually returned to firm financial footing by refinancing and selling assets after an accounting scandal centered around U.S. Foodservice pushed it to the edge of bankruptcy in 2003.

“It all makes perfect sense,” said analyst Bryan Roberts of Planet Retail.

Ahold said last week that third-quarter sales at its Columbia, Md.-based U.S. Foodservice operation, which distributes food to cafeterias in hospitals, schools and prisons, increased by 5 percent to $4.5 billion. Analysts put its value at around $5 billion.

Ahold, one of the largest food retailers in the United States and Europe, promised to use the proceeds from the sale of Foodservice and the grocery chains to return at least 2 billion euros ($2.5 billion) to shareholders and reduce net debt by the same amount.

The company also said it would cut annual operating costs by 500 million euros ($638 million) by the end of 2009.

Ahold operates the Stop & Shop and Giant chains in the United States and several large European chains, including its highly profitable flagship supermarket, Albert Heijn, which is dominant in the Netherlands.

Ahold will keep its stores in the Czech Republic, where it holds a leadership position, and the Swedish-based ICA supermarkets, in which it holds a 60 percent stake.

When the smoke clears, Ahold will have around 60 billion euros ($76.3 billion) in consolidated annual sales, Moberg said.

Ahold shares rose 0.1 percent to 8.36 euros ($10.63) in Amsterdam trading. But with the stock still lingering below its level before the scandal struck, Ahold has been under pressure to make a major change.

In August, investment funds Paulson & Co. Inc. and Centaurus Capital Ltd., which hold 6.4 percent of Ahold's shares, said the company should sell Foodservice and split the U.S. and European retail operations, a proposal some analysts agreed with and which caused a spike in share prices.

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The Financial Times reported last week Ahold is in talks to sell Foodservice to private-equity firm Clayton Dubilier & Rice Inc., and Dutch media have reported Ahold is in merger talks with Delhaize Group of Belgium. Clayton Dubilier & Rice could not immediately be reached for comment Monday.

Moberg declined to confirm either idea, but noted that "since 2003 there's been speculation we would sell Foodservice. We haven't had discussions with potential buyers ... but there's a lot of interest out there and that's good for getting a good price."

Roberts said Delhaize would be a good match for Ahold.

Delhaize is smaller, with $4.4 billion in sales in the United States from chains including Food Lion, Harvey's, Sweetbay and Hannaford in the second quarter of 2006. Ahold had around $5.3 billion in sales from its U.S chains in the same period.

In Belgium, Delhaize had second-quarter sales of around 1.1 billion euros ($1.4 billion), compared to Albert Heijn's 1.7 billion euros ($2.2 billion) in the Netherlands.

"They obviously have great overlap in the Benelux countries, though there could be some antitrust concerns," Roberts said. "Ahold could benefit from some of Delhaize's best practices in the States, where its stores are outstanding in both price and quality."

Ahold, which will report third quarter earnings Dec. 1, warned last week that margins are slipping at its U.S. stores under heavy competition. Its Albert Heijn stores' sales were up 10 percent in the third quarter.

After the scandal, senior former executives resigned and were later convicted of fraud but let off with fines. Several high-ranking managers at Foodservice are awaiting trial.

Ahold settled with regulators for a small fine and last year announced a $1.1 billion settlement with shareholders, apparently putting the last remaining issue from the scandal behind it.

Roberts said the company's current management deserved credit for not selling Foodservice under financial distress. He predicted the company would now "get a decent price for Foodservice, given that private equity firms have already been sniffing around it."

Morgan Stanley, Visa Settle Dispute (AP)

AP, November 7, 2006

Morgan Stanley and Visa Settle Dispute Over Access to European Network

BRUSSELS, Belgium (AP) -- Morgan Stanley and Visa International have agreed to settle a long-running dispute over business in Europe, the two companies said in a statement Monday.

However, the European Commission cautioned that the settlement wouldn't end its investigation into Visa's commercial practices.

Visa had refused to let Morgan Stanley join its card network in Europe because Morgan Stanley runs a competing card service in the United States, Discover. Morgan Stanley complained to the European Union in 2000.

The two companies said they "reached an amicable settlement, without any admission of liability." Morgan Stanley has become a member of Visa in Europe. In return, it withdrew its complaint to European regulators and ended court proceedings in England.

After Morgan Stanley complained, European antitrust regulators formally charged Visa with blocking competitors from its network in August, 2004. It sent Visa a formal "statement of objections," saying Visa's rule barring competitors from using its network squelches competition in a growing segment of the credit-card industry and reduces choice for merchants. This case will continue despite Monday's news.

Jonathan Todd, the EU antitrust spokesman, said the investigation is ongoing.

In a previous case, settled in 2002, Visa agreed to reduce by about 20 percent a fee that is borne by retailers and their banks.

The credit-card cases are part of a renewed drive by regulators to open up competition in Europe's financial-services sector.

Shares of Morgan Stanley rose $1.64, or 2.2 percent, to $75.92 on the New York Stock Exchange in afternoon trading Monday on the New York Stock Exchange. The financial services company is based in New York.

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EU To Rule By Dec. 8 On Universal Music Group's Purchase Of BMG Music Publishing (AP)

AP, November 7, 2006

BRUSSELS, Belgium — EU regulators on Monday set a Dec. 8 deadline to rule on Universal Music Group's plans to buy BMG Music Publishing for $2.09 billion.

BMG — owned by German media company Bertelsmann AG — has the rights to more than a million songs by recording artists such as Nelly, Maroon 5 and Coldplay, as well as classic hits by the Beach Boys, Barry Manilow and other entertainers.

Vivendi SA's Universal is the world's largest music company.

Its purchase of BMG Music Publishing must be cleared by both EU and U.S. regulators. It is likely to face careful scrutiny in Europe after an EU court in July overturned the European Commission's go-ahead from a merger between the music units of Sony and Bertelsmann AG.

That deal — reducing the number of major record companies from five to four — must be re-examined and analysts warned it could raise the stakes for similar mergers. The Commission has already said it had to watch the music sector closely to check that antitrust rules are not being broken.

EMI suspended $4.6 billion takeover talks with U.S. rival Warner Music Group after the court ruling since it cast doubt on whether an EMI-Warner deal would receive regulatory approval.

The Court of First Instance — the EU's second-highest court — said regulators had not properly shown that there was a monopoly in the recording industry before the deal or that there would not be one afterward.

It also said the Commission did not explain why it dropped earlier charges that the deal could exacerbate "tacit collusion" in the industry, leading to higher CD prices and less choice for consumers in a market where there is already too little competition.

NTP Files Patent Suit Against Palm (WSJ)

Wall Street Journal, November 7, 2006

NTP Inc., which successfully sued the maker of BlackBerry devices for infringement of wireless email patents, said it is suing Palm Inc., maker of the Treo smartphone.

The lawsuit, filed in U.S. District Court for the Eastern District of Virginia, alleges that Palm's products and services have improperly used NTP's wireless email technology. The suit asks the court to bar Palm from "continuing to infringe on NTP's patents" and seeks monetary damages for the alleged past infringements.

In March, BlackBerry maker Research in Motion Ltd. agreed to pay NTP $612.5 million to settle a four-year patent dispute. Though it never conceded wrongdoing, RIM acknowledged that customers had delayed placing new orders due to the threat of a court-ordered shutdown of the BlackBerry system in the U.S.

The Palm complaint also centers on products and services that integrate email systems with wireless communications, including the Treo, Palm VII, Palm i700 and Tungsten products. At issue are seven patents, dating from 1995 to 2001, according to the lawsuit. Five of the patents were part of NTP's lawsuit against RIM.

"We have attempted -- on numerous occasions -- to resolve this issue with Palm without resorting to litigation that is both time-consuming and costly," said Donald Stout, NTP's co-founder, in a statement. "Despite our efforts, Palm has chosen to continue to unlawfully infringe on our patents."

A spokesman for Palm couldn't immediately be reached for comment.

Richmond, Va.-based NTP, a closely held patent company, has licensed its technology to Nokia Corp., Good Technology Inc. and Visto Corp.

Write to the Online Journal's editors at newseditors@wsj.com

Swift Transportation Gets $2.2 Billion Bid From Its Ex-CEO By ANN KEETON (WSJ)

The Wall Street Journal, November 7, 2006

Jerry Moyes, the former top executive and largest shareholder of Swift Transportation Co., has offered to buy the Phoenix trucking company for $2.2 billion.

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Swift, a long-haul trucking carrier, said that Mr. Moyes offered $29 a share, a 21% premium to Friday's trading price of $24.05. The company said its board will review the offer.

Swift shares rose $5.79, or 24%, to $29.84 in 4 p.m. Nasdaq Stock Market composite trading, an indication that some investors anticipate a higher offer. In a letter to the company, Mr. Moyes said he would consider increasing the offer if an examination of Swift's books and records showed that the shares are worth more than $29.

In the third quarter, trucking companies reported that they hadn't seen the usual seasonal upturn in business, with retailers preparing for the holiday season. A slowing economy would hurt the trucking business.

For 2005, Swift reported net income of $101.1 million, or $1.37 a share, on revenue of $3.2 billion.

Mr. Moyes, 62 years old, started out in the trucking business with a single truck and later helped to found Swift in 1966. In 1984, he became chairman, president and chief executive of the company. He retired from those positions in 2005.

McKesson To Purchase Per-Se For $1.1 Billion, Adding Clients By NICOLE URBANOWICZ (WSJ)

The Wall Street Journal, November 7, 2006

McKesson Corp. agreed to buy Per-Se Technologies Inc., which sells administrative services to doctors and hospitals, for about $1.1 billion, expanding the drug-distribution giant's customer base and transaction-processing capabilities.

McKesson also will assume Per-Se's debt outstanding under the deal. As of Sept. 30, Per-Se had long-term debt of $510.6 million.

The buyer will pay $28 in cash for each Per-Se share outstanding, a 14.5% premium to the Alpharetta, Ga., company's Friday closing share price. Per-Se shares rose $3.09, or 13%, to $27.54 as of 4 p.m. in Nasdaq Stock Market composite trading. McKesson rose $1.17, or 2.4%, to 49.69 in New York Stock Exchange composite trading.

McKesson Chief Executive John Hammergren said the acquisition will strengthen customer relationships in existing McKesson businesses while adding a pharmacy transaction business to the San Francisco company's portfolio.

Hedge fund ValueAct Capital, which controls about 15.5% of Per-Se's voting common stock, and certain of its affiliates agreed to vote in favor of the transaction. The deal is expected to close in the first quarter.

After the deal, the scale of McKesson's transaction-processing services and associated offerings is expected to more than double to about 560 million transactions annually, representing an estimated $300 billion in billed charges.

McKesson distributes medicines to more than 25,000 U.S. health-care locations such as pharmacies, including those at Wal-Mart Stores Inc., plus hospitals, nursing homes and doctors' offices.

Per-Se's customers include about 100,000 physicians in small practices, 17,000 hospital-affiliated physicians, 3,000 hospitals and 50,000 retail pharmacies.

McKesson expects pretax synergies from the deal of $50 million to $75 million by the third year.

Last week, drugstore company CVS Corp. agreed to acquire McKesson's biggest customer, Caremark Rx Inc., in a $21 billion deal to create an even bigger customer that could negotiate lower prices. A combined CVS-Caremark might try to shift more business to Cardinal Health Inc. and away from McKesson, according to analysts.

ENVIRONMENT/INDIAN AFFAIRS:

One Chemical At A Time (WP)

By Cindy Skrzycki

The Washington Post, November 7, 2006

An industry association, a labor union and a public health group recently settled a court case over a new standard for worker exposure to a cancer-causing chemical, hexavalent chromium. It was a rare example of agreement in worker-safety regulation.

Under the Oct. 25 settlement, the Surface Finishing Industry Council , whose members use the chemical to coat metals, agreed to move faster to improve ventilation and make other engineering changes to reduce workers' exposure levels. In return,

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the United Steelworkers union and an ally agreed that workers would have to wear a respirator only for certain jobs, unless they requested one.

"It's a good trade-off," said Scott Nelson , a lawyer with Public Citizen Litigation Group , which worked with the union in getting the Occupational Safety and Health Administration to revise the standard.

"How often, when you have zealously guarded positions, do you achieve common ground?" agreed Baruch Fellner , an attorney for the industry group.

OSHA said last week that it was amending the final rule to incorporate the settlement, a promising development.

Unfortunately, it's not a harbinger this election day of a real breakthrough in one of Washington's most contentious issues.

The problem is that the hex chromium rule covers hundreds of thousands of other workers not part of the settlement, and several other court challenges remain. They involve Nelson's clients and other unions, as well as the specialty steel and electric utility industries and the National Association of Manufacturers .

More significantly, there is no sign that the single agreement will cure the paralysis that for years has crippled the process for setting "permissible exposure limits" for chemicals in the workplace.

Exposure limits for some 400 chemicals were set when OSHA was set up in 1971. Only about 20 have been reviewed and revised since, according to the agency. In some cases, including hexavalent chromium, the science underlying the rule hasn't been updated since the 1920s.

The American Industrial Hygiene Association , in a 2002 study of the problem, called it "a disservice to worker health that the majority of OSHA permissible exposure limits are based on recommendations that were made almost 30 years ago."

This means hundreds of companies operating in the shipyard, construction and chemical industries have only to adhere to woefully outdated standards for protecting workers from harmful chemical exposure.

In 1988, OSHA proposed a wholesale upgrade of 212 of the existing standards, as well as an additional 164 exposure limits for substances that never had been regulated. Industry groups sued, claiming the proposals were too stringent; the AFL-CIO sued, saying some weren't strong enough and monitoring plans were weak.

In 1992, the U.S. Court of Appeals for the 11th Circuit in Atlanta ruled that while the agency could propose generic rules, it had to justify the limit chosen for each chemical.

"The lesson learned was that it was difficult to update 400 permissible exposure limits under the OSHA rulemaking process," said Randel Johnson , an official at the Labor Department at that time. He now is vice president of labor, immigration and employee benefits at the U.S. Chamber of Commerce .

There was another unsuccessful attempt in 1996, when OSHA said it intended to update the exposure limits for about 20 substances. That idea never reached the proposal stage.

Canada, European countries and several states have stricter exposure limits than OSHA's for some chemicals. No one involved in the federal rulemaking process likes the inertia.

Almost everyone blames the legal requirements the agency has to meet, including exhaustive administrative reviews, such as considering a rule's possible effect on small business. Time-consuming peer reviews of the science backing the rule add to the delays.

"We can't simply say a substance is dangerous. We have to do quantitative analysis and determine there is a significant risk. It's not a simple undertaking," said Joseph Woodward , an associate solicitor for OSHA at the Labor Department.

Peter Lurie , deputy director of Public Citizen's Health Research Group, doesn't buy the explanation. He blames Democrats and Republicans alike for ignoring the issue, and the agency for dragging its feet.

"The underlying problem is both parties are on the take from major industry and, as a consequence, their enthusiasm for regulating those industries is practically nil," Lurie said. Some of the few standards that have been updated emerged only after groups like his sued the agency to force action.

OSHA has exposure standards for two substances -- crystalline silica and beryllium -- on its regulatory to-do list. They have been listed there for years, and some agency work has been completed, but no proposals made.

Public Citizen petitioned the agency for an emergency standard for beryllium in 1999 and 2001. OSHA has said since 1996 that it was a priority to regulate silica.

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Unions, employer groups, and safety and health professionals formed a committee in 2002 to examine whether the timeliness of exposure standards could be improved by action in Congress.

"We made some progress, but after a while we ran out of gas, I guess," said Frank White , senior vice president of ORC Worldwide , a management consulting firm in Washington, and a participant in the talks. The group sensed a lack of interest on the part of OSHA and Congress.

Perhaps the recent accommodation between one industry group and union on the hex chromium rule points the way to more bite-size progress on chemical-exposure standards, White suggested. Maybe OSHA could try proposing 20 at a time.

In Maine, A Public Park In Search Of Public Support (NYT)

By Felicity Barringer

The New York Times, November 7, 2006

MILLINOCKET, Me., Nov. 1 — Roxanne Quimby could be forgiven if she thought she was emulating the likes of Henry David Thoreau, Percival P. Baxter, John D. Rockefeller Jr. and other lovers of Maine's landscape when she started to buy bits of the vast northern woodlands near here to be the core of a new national park.

Who knew that when she began using some of the fortune she had earned from her organic personal-care business, Burt's Bees, to buy up woods to preserve, she would be greeted with "Ban Roxanne" T-shirts? Or, that her efforts at preservation — banning snowmobiling, hunting and all-terrain vehicles on 50,000 of her acres — would be taken as an attack on the old-time values of the timberland?

Who knew that even some conservation-minded groups would be reluctant to support the decade-old vision of a national park that had inspired Ms. Quimby?

Still, one might have guessed, looking at the streets of this town of 4,700 people, where hunter's blaze orange is the fall fashion statement of choice during this month's deer hunting season.

Millinocket residents fear that turning timberland into parkland will further cut timber jobs, strip them of their accustomed hunting grounds and prevent the development of resorts and snowmobile parks they see as one way out of the downward economic spiral.

"What Roxanne and the others want to do, they want to create a park up here the size of Connecticut and take it out of the heartland of the Maine forest," Eugene Conlogue, the town's manager, said in an interview. "That's a nonstarter for us."

Other environmental groups, while sympathetic to the idea of a national park, see it as an unwelcome distraction from their fight to block a proposed 420,000-acre resort development that the Plum Creek Timber Company has unveiled for Moosehead Lake, just west of here.

As Brownie Carson, executive director of the Natural Resources Council of Maine, said, "You can't pour energy into protection of a single area, even though it's large and hugely important, without risking losses, big losses, in other really important areas of Maine's North Woods forest."

Thirty years ago, Ms. Quimby was living a subsistence counterculture life in the North Woods. After building her financial empire, she was taken with an idea conceived a decade ago by Jym St. Pierre and other local conservationists for a Maine Woods National Park that would envelop Baxter State Park, in the conservation equivalent of Russian nesting dolls. The new park would be the size of Yellowstone and Yosemite combined.

"I find it pretty ironic, or humorous, that people make a national park out to be such a radical idea," said Ken Spalding, the project coordinator for the moving force behind the park, Restore, a group with offices in Hallowell and in Concord, Mass. "American people love their national parks."

Ms. Quimby, 56, hopes Mr. Spalding and Restore's director, Mr. St. Pierre, are right. The idea of a park, she said, "floats my boat."

She prefers that her 75,000 acres become a base on which Restore's 3.2-million acre park could be built.

But in the past few weeks, she has started to explore conservation alternatives and has met with her opponents to see if her goals to bring the northlands back to their pre-logging state can be reconciled with their goals of finding economic value and personal freedom in the same woods.

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In the last six years, more than six million acres of timber company land have changed hands. Timber companies have come and gone like truckers at a roadside stop.

"What has happened over the years," Ms. Quimby said, "is that there were very few landowners and they had a very permissive policy toward land use as long as you stayed out of the way of the logging operation. So people had this unrestricted access."

"So now that the ownership is changing," she said, "it's becoming quite clear that this is private property. And as a private property owner I don't have to let anybody on it."

That, she added, "is becoming the alternative to public land."

When Ms. Quimby banned snowmobiling and hunting and all-terrain vehicles from the first two tracts she bought, which totaled more than 50,000 acres, the "ban Roxanne" cries were heard everywhere here. When she bought her third tract, 23,000 acres, earlier this fall, adjacent to the critical parcel in a state-brokered deal to expand Baxter park, opponents erupted again.

This time, Ms. Quimby sat down and met with them and made a deal. For at least a year, snowmobiles and hunters could continue to use the new purchase, called Sandy Stream. In the meantime, the competing visions of the North Woods' future could be debated with less pressure.

"Mainers are more individualistic." she said. "They're used to having more space about them. They are very self-sufficient, including in the way they think about things."

It is not clear whether Ms. Quimby's efforts at appeasement will beget a more conciliatory attitude to other conservation deals, particularly the not-yet-completed purchase of land around Katahdin Lake. This is a place whose haunting views of Maine's largest mountain, have been a magnet for American landscape painters, from Frederic Church on.

Patrick McGowan, the commissioner of Maine's Department of Conservation, has spent months trying to put all the pieces in place to add 6,000 acres to the eastern side of the 204,800-acre Baxter State Park, ensuring that Katahdin Lake, the artists' beaches and the surrounding woodlands would be preserved. The deal was buffeted on its way through the Maine Legislature, but survived, with two provisos.

Mr. McGowan, aided by the nonprofit conservation group, The Trust for Public Lands, had to get $14 million in private donations to complete the purchase. Facing a Dec. 15 deadline, he is more than $3 million shy of the goal. The Trust is organizing fund-raising events, and artists like Evelyn Dunphy are donating canvases of Katahdin.

The second proviso was that one-third of the new parkland— though not the area around lake — had to be open to "traditional" uses like hunting and snowmobiling.

That deal was barely done when Ms. Quimby announced the purchase of her latest, 23,000 acre, tract from a local logging operator.

Hunters saw the Quimby announcement as a double blow. They were losing access to 23,000 acres, and those acres were the main way in to the 2,000 acres of proposed parkland set aside for them.

"Everybody perceived this as a threat," said Bob Cram, a local hunter and a director of the statewide hunters' group, the Sportsmen's Alliance of Maine. "I did, too."

How Ms. Quimby's talks with the hunters' groups will change the landscape is unknown. Acadia and Baxter parks faced opposition before their creation. It took decades to assemble the land and gain legislative approval. Mr. Spalding, of Restore, said: "The opposition is very much a minority. It is clear that the Maine public, statewide, overwhelmingly supports the acquisition of more public land for conservation."

For the moment, the conservation will likely continue to be ad hoc, with individuals like Ms. Quimby, groups like the Appalachian Mountain Trail Club and state-private partnerships raising the money for individual tracts. These might be combined in a national park, a national forest or a state preserve. They might also remain private, part of a checkerboard of conservation areas and resort development.

A national park, Ms. Quimby said, is not the only solution. "I think a national forest is a possibility, like the White Mountain National Forest," she said. "It has much broader usage."

"Everyone has to give up something in a compromise," she said. "But you get your most important things if it's a good compromise."

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Female Leader Would Be First For Navajos (WP)

By Felicia Fonseca

The Washington Post, November 7, 2006

WINDOW ROCK, Ariz., Nov. 6 -- One candidate in Tuesday's Navajo Nation presidential election promises accountability and staunch protection of tribal land. The other vows to build on the reservation's economic progress in the past four years.

But in the race between incumbent Joe Shirley Jr. and challenger Lynda Lovejoy, the overriding issue is sex.

A win would make Lovejoy the first female leader on the largest Indian reservation in the United States, which extends into New Mexico, Arizona and Utah.

"She is a woman, and that is going to be an issue no matter what her stance on policy," said Dale Mason, an associate professor of political science at the University of New Mexico at Gallup. "She represents something entirely new."

Lovejoy, a former New Mexico state lawmaker and current member of the Public Regulation Commission, hopes to unseat Shirley, 58, a former tribal council delegate who has been leading the tribe for four years.

"I can't control people making their decision to vote for me because I'm a woman," she said. "I certainly appreciate and welcome that. Any vote is important to winning this ticket on November 7."

Shirley, who has focused on economic development in his campaign for reelection, acknowledges some people will vote based on sex, but he says he is hopeful that most won't.

Some traditional Navajos believe that women and men have distinct roles in society -- women as caretakers of the home and of children, and men as providers and leaders, said Tommy Begay, a Navajo and University of Arizona doctoral student who is studying the evolution of cultures.

Although Navajo is a matriarchal society, traditional Navajos will probably stick to the belief that only men should serve as president, Begay said.

"When you live your life in a very traditional way, the beliefs really dictate your action," Begay said. "They become sort of the boundaries of existence."

Less traditional Navajos either have not been taught those beliefs, dismiss them, or have a hard time maintaining them because of the dominant society's influence, Begay said.

Lovejoy has based her campaign on ensuring an open and accountable government, creating jobs, protecting land and natural resources, and cutting unnecessary spending.

Shirley often participates in sweat lodges, where he says he learns songs about the tribe's religion and culture and also draws inspiration from the elders as they talk about how to regain the tribe's economic independence.

Many Navajos are poor, and unemployment hovers around 50 percent.

Shirley has been pushing projects that include the coal-fired Desert Rock Power Plant and the construction of six casinos. The first could be built next year, he said.

The president said those projects would bring in thousands of jobs and provide tribal members with basic necessities -- a home, transportation and income.

FBI/DEA/ATF/USMS:

Detroit FBI Chief Earns A Promotion (DEN)

Detroit News, November 7, 2006

Special agent will help lead criminal division, which handles everything but terror-related cases.

WASHINGTON -- The special agent in charge of the Detroit FBI has been promoted to a top job overseeing criminal investigations nationwide.

Michigan native Daniel D. Roberts, who has led the Detroit field office of the FBI since July 2004, will become the deputy assistant director of the FBI's criminal division in Washington. The criminal division oversees all investigations except terror-related cases, which are handled out of a separate division.

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The criminal division handles public corruption; organized crime; financial crime, including corporate fraud and health care fraud; violent crime; gangs; and civil rights violations. It also is involved in many of the most high-profile investigations -- like the numerous investigations into congressional corruption.

In an interview Monday, Roberts said he would start his new job -- his fourth in Washington -- by Jan. 1.

"I would have loved to stay here, but I am looking forward to the new challenge," Roberts said, calling the job "a natural fit."

He said he wasn't looking forward to uprooting his family again, finding a buyer for his Oakland County home or facing the high cost of living in Washington.

Last month, FBI director Robert Mueller asked Roberts to take the new job; his replacement will come from outside Detroit, as is standard policy.

The FBI is in the process of filling many jobs at FBI headquarters and reshuffling the top agents at the nation's 56 field offices. The top agents in Kansas, Cleveland, Boston, Knoxville and Oklahoma City have been moved in recent months.

Roberts said he was most proud of his office's handling of many special events without incident -- from last month's World Series to Super Bowl XL in February -- not to mention the NBA Finals, 2004 Ryder Cup and 2005 Major League Baseball All Star Game.

"These are huge challenges when you're talking about getting multiple agencies to the table and coordinating a lot of resources," Roberts said, praising the cooperation between the dozens of agencies involved.

Roberts said he was proud that there haven't been any terror incidents in Detroit under his watch.

Roberts, 46, who grew up in Franklin and is a former Franklin and Oak Park police officer, graduated from Groves High School in Birmingham.Roberts' 19-year FBI career has had many highlights. In 2002, he was in the spotlight as acting special agent in charge of the FBI's Salt Lake City bureau during the first few weeks of the Elizabeth Smart disappearance and he also oversaw the FBI's role in security at the 2002 Salt Lake Olympics.

Roberts' most visible assignment in Detroit came when the FBI began digging for the remains of former Teamsters President James. R. Hoffa in May at a Milford horse farm -- a search that prompted intense international coverage. A day after U.S. Rep. Joe Knollenberg, R-Bloomfield Township, was quoted questioning the cost of the search, the two-week dig was called off. Roberts defended the cost. "Dan's a consummate professional," U.S. Attorney Stephen J. Murphy III in Detroit said. "He's an excellent law enforcement leader with great judgment and it's been a real honor to work with him."

Roberts made it a priority to recruit FBI agents to the Detroit office, making the pitch that the area gets an unfair rap, and also got funding to boost the size of the office, which is the 11th largest U.S. FBI field office.

Detroit FBI Chief Promoted To Post In Washington (AP)

AP, November 7, 2006

DETROIT (AP) — The special agent in charge of the Detroit FBI has been promoted to a job overseeing nationwide criminal investigations in Washington.

Detroit native Daniel D. Roberts, 46, will become the deputy assistant director of the FBI's criminal division Jan. 1. He has led the Detroit field office since July 2004.

Roberts joined the FBI in 1987 and was assigned first to Chicago, as a SWAT team member and later as a supervisory agent directing the city's joint task force on gangs. Following a stint as chief of the violent crimes/fugitive unit at FBI headquarters, he served as an assistant special agent in charge in Salt Lake City, where he helped oversee security during the 2002 Winter Olympics.

He got his start as a police officer in suburban Franklin and also worked in the Oak Park Police Department in the 1980s.

"I would have loved to stay here, but I am looking forward to the new challenge," Roberts told The Detroit News for a story Tuesday.

Roberts presided over the search earlier this year at an Oakland County farm for the remains of former Teamsters President Jimmy Hoffa. He said he's most proud of his office's handling of several high-profile, incident-free events in Detroit such as last month's World Series and Super Bowl XL in February.

His replacement will come from outside Detroit.

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Five Indicted On Cocaine Charges (PALMBEACHP)

Palm Beach Post (FL), November 7, 2006

FORT PIERCE — A federal grand jury has formally charged five people with conspiracy to distribute crack cocaine in a drug case spawned by an investigation into the killing of a family found shot to death last month on the side of Florida's Turnpike.

Investigators say four of the West Palm Beach-area residents indicted in the federal drug case are connected to the Oct. 13 slaying of the Escobedo family on the side of the highway in Port St. Lucie - though no one has been charged in the homicides. The federal indictment was issued Friday by a grand jury in West Palm Beach and made public during a court hearing Monday morning in Fort Pierce.

Also released Monday were dozens of photographs investigators took inside the West Palm Beach home where the five defendants were arrested on Oct. 26. These photos show bags of cocaine, a 50 -gram "crack cookie," guns including an assault rifle, cash hidden inside a shoe, translucent plastic masks, black wigs and black ski masks.

One photo shows 18-year-old defendant Liana Lopez's student ID card for John I. Leonard High. That ID, along with her driver license, was sitting next to a Chanel makeup bag inside the house at 6458 Garden Court, in the gated Briar Bay community.

On Monday, another of the five defendants, Ricardo Sanchez Jr., was led by U.S. marshals into the federal courthouse in Fort Pierce where family members and friends packed one row in a courtroom to watch his attorney ask that he be released on bond.

Defense attorney Michael Cohen argued Sanchez, 23, has lived in Palm Beach County for more than a decade and has a wife and 3-year-old child.

"He apparently has an extensive family network in Palm Beach County," Cohen argued.

U.S. Magistrate Judge Ann Vitunac, however, said Sanchez was a flight risk and danger to the community and ordered he be held in jail without bail. Sanchez also pleaded not guilty to the indictment's single count of conspiracy to distribute at least 50 grams of crack cocaine.

Afterward, Sanchez's family declined to comment. No information about the homicide investigation was released during the hearing, and Cohen said he has not heard anything official about that investigation.

"I have no knowledge of him being involved," Cohen said of Sanchez.

Suspected drug ledgers and notebooks found in the Greenacres home where Jose Luis Escobedo Jr., 28, his wife, Yessica, 24, and sons Luis Julian, 4, and Luis Damian, 3, lived before they were killed led investigators to the defendants now being held on drug charges. Investigators believe Escobedo was involved with cocaine trafficking, and items found in his home link him to Sanchez and defendants Daniel Troya, 23, Danny Varela, 26 and Lopez. Drug defendant Jose Gutierrez, 20, is not connected to the killings, officials say.

A federal magistrate on Friday denied Troya and Varela's requests for bond. The drug charges carry a maximum sentence of 10 years to life in prison.

Bond hearings for Lopez and Gutierrez have not been scheduled.

Grand Jury Indicts Four In Escobedo Case (STCN)

Scripps Treasure Coast Newspapers, November 7, 2006

FORT PIERCE — All four people described as "persons of interest" in the Escobedo family killings have been indicted on federal drug charges, the U.S. Attorney's Office announced Monday.

Daniel Troya, 23, Daniel Varela, 26, Ricardo Sanchez, 23 and Liana Lopez, 18, were indicted by a grand jury in West Palm Beach on Friday on a single count each of conspiracy to possess with intent to distribute crack cocaine, according to Assistant U.S. Attorney Steve Carlton.

The charge carries a punishment of 10 years to life in prison and a fine up to $4 million.

The four also are suspected of being linked to the deaths of Jose Luis Escobedo, 28, his wife Yessica, 25, and their two sons, Luis Damien, 4, and Luis Julian, 3, whose bodies were found on the side of Florida's Turnpike in Port St. Lucie on Oct. 13.

No one has been charged in the killings, which authorities say were related to the theft of drugs and money.

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A fifth man who is not linked to the homicide investigation also was indicted as part of the drug case.

All five charged in the drug investigation lived together in a sparsely furnished home in a gated community in West Palm Beach, where most of the bedrooms had only mattresses on the floor. Carlton said masks, wigs, gloves and handcuffs were found in a bedroom shared by Varela and Lopez that were believed to have been used in "drug rip-offs."

Troya and Varela were denied bail last week after being deemed dangerous to the community and flight risks. Sanchez went before a magistrate Monday and pleaded not guilty. He also was ordered held without bail.

Sanchez and Troya have been identified as the suspected gunmen, according to WPTV NewsChannel 5, which cited "reliable sources" in its report.

"I have no knowledge of him being involved," said Sanchez's attorney, Michael Cohen. "I've heard speculation, that's all."

Investigators were led to the drug operation by apparent references to several of the defendants in ledgers found in the Escobedo home, which recorded payments next to names, according to court records. Agents who raided the West Palm Beach home found a powder and crack cocaine, Ecstasy pills and guns.

In Sanchez's room, investigators found about half an ounce of cocaine powder. A crack cocaine "cookie," a large, round piece that is broken up into smaller pieces for sale, was found in a kitchen drawer in the house, along with wrapping material to pack cocaine, Carlton said.

Man Thought Connected To Turnpike Killings Denied Bond (AP)

AP, November 6, 2006

FORT PIERCE, Fla. - A federal magistrate denied bond Monday for a man considered a person of interest in the killings of a family of four found along Florida's Turnpike in Port St. Lucie.

Ricardo Sanchez, 23, of suburban West Palm Beach, was arrested Oct. 26 on cocaine charges with four others. Police believe four of the five people arrested that same day are connected to the slayings of the family.

Sanchez also Monday entered a plea of not guilty on a charge of participating in a drug conspiracy, Michael Bruce Cohen, his attorney, said.

"It's very early on in the case. I really have no other information," Cohen said.

Two men arrested with Sanchez, Daniel Troya, 23, and Danny Varela, 26, were denied bond Friday. Two others, Liana Lopez, 18, and Jose Gutierrez, 20, have not had their bond hearings.

Lopez is considered a person of interest in the slayings, but police do not believe that Gutierrez had any connection to them.

All five are being held on drug charges. A federal grand jury in West Palm Beach on Friday indicted all five on one count of conspiracy to distribute more than 50 grams of crack cocaine. The charge carries a maximum penalty of 10 years to life in prison.

Killed in the Oct. 13 slaying were Jose Luis Escobedo, 28, his wife Yessica, 25, and their sons Luis Damian, 3 and Luis Julian, 4. The family was found shot to death. They had been living in Greenacres.

Medical Marijuana Remains In Legal Limbo (SDUT)

By Jeff Mcdonald, Union-tribune Staff Writer

The San Diego Union-Tribune, November 6, 2006

Prop. 215 approved by voters decade ago

Paul Cody has titanium rods jutting up either side of his spine. Without them, he couldn't sit upright in his wheelchair.

Over the years, doctors prescribed Vicodin, Valium and a medicine chest of other drugs to soothe his constant pain, but the narcotics killed his appetite and kept him awake at night. Until he started smoking marijuana, Cody could barely sit still for a movie.

Ten years ago, 56 percent of California voters decided that people with medical problems like Cody's should be able to grow and smoke marijuana on their physician's recommendation.

But the potential of Proposition 215, which conflicts squarely with federal laws that classify marijuana among the most dangerous drugs, has never been realized.

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Thousands of California patients have no legal access to medical marijuana. Thousands of others worry they may be found out and arrested for cultivating too many plants or storing too much dried pot, because most cities and counties haven't passed the laws needed to regulate the dispensation of marijuana used for medical purposes.

Unscrupulous and profit-minded dispensary operators have taken advantage of the absence of uniform rules, opening storefronts anywhere they can and selling marijuana to unqualified patients.

Two years ago, drug agents raided Cody's house in Jamul and uprooted his tiny garden.

"They took 'em – three lousy plants," said Cody, 32, who was paralyzed in a 1991 motorcycle crash. This year, he harvested his modest crop weeks before it matured for fear of losing it to another bust.

It was no secret that most of the law enforcement community opposed the medical use of marijuana when the issue landed on the state ballot in 1996.

Lesser known, however, is the detailed and coordinated assault many federal, state and local officials conducted once it passed.

In the past decade, police departments in dozens of California cities have joined federal drug agents in more than 100 raids on medical marijuana farms, cooperatives and dispensaries.

After a July sweep across San Diego County, U.S. Attorney Carol Lam and San Diego County District Attorney Bonnie Dumanis used a news conference to issue a warning to dispensary operators: Close or face the consequences. They all closed, and the local marketplace for medical marijuana dried up almost overnight.

Three San Diego County supervisors are so strongly opposed to Proposition 215 that they voted to sue the state to try to overturn medical marijuana laws rather than implement them. Oral arguments in the case, which was driven by Supervisors Bill Horn, Dianne Jacob and Pam Slater-Price, are scheduled to begin this month.

Ten states have joined California in passing medical marijuana legislation, and public opinion polls show that respondents favor medical use of marijuana by 3 to 1.

Yet no one has come up with a way to resolve the impasse between states and the federal government, which can impose criminal penalties for what the states have made legal.

"It's a study in politicians evading the will of voters, which they do not agree with," said Mark Bluemel, an attorney who has defended medical marijuana patients. "We have San Diego being among some rogue counties that refuse to obey this law."

But Horn, chairman of the county Board of Supervisors, said the state has put cities and counties in an impossible position.

"I'm not going to enact a state law that's in violation of federal law until I hear from a judge that it's legal," he said. "I'm not necessarily challenging the will of the people."

State politicians also contributed to the failure to implement Proposition 215. It took seven years to get clarifying legislation through the statehouse and signed into law by the governor.

When Senate Bill 420 finally went into effect on Jan. 1, 2004, it established statewide guidelines outlining the number of marijuana plants a patient could legally grow and directed county health departments to issue identification to qualified patients so police would know when drug use was legitimate and when it was being abused.

But by a measure of nearly 4 to 1, California cities have chosen to outlaw pot dispensaries rather than to regulate them. In communities such as San Francisco, Santa Rosa and Santa Cruz, which have all embraced Proposition 215, elected leaders say the dispensary model has worked fairly well.

Government officials didn't waste any time reacting to the passage of Proposition 215.

Hours after polls closed Nov. 5, 1996, former state Attorney General Dan Lungren, now a congressman from Gold River in Northern California, sent a memo to every district attorney, sheriff and police chief across the state.

The three-page letter laid out what would become the standard for dealing with Proposition 215. It advised police and prosecutors to judge marijuana cases on the basis of whether suspects could reasonably cite medical need as a defense at trial – a legal position called an affirmative defense – rather than simply letting them go if their paperwork was in order.

"We were confronted with both the underlying law (prohibiting marijuana) and the proposition," Lungren said in a recent telephone interview. "We were trying to inform law enforcement officers what would be proper conduct."

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Two weeks later, Lungren and the attorney general of Arizona, which had also passed a medical marijuana initiative, warned their counterparts across the country to be wary of the rising medical marijuana movement.

On Dec. 6, local, state and federal officials convened a strategy session in Washington to deal with the Arizona and California propositions. The meeting focused on ways to undermine the voter-approved initiative, including going after physicians who recommended the drug, establishing a national group to fight legalization of marijuana and calling a special election to repeal the law in California.

Records of the session contend that medical marijuana supporters seek to "legitimize illicit drug use through 'medicalization' approach" and take the effort nationwide.

Three days later, another memo from Lungren's office to federal drug enforcement officials clarified that local police officers could arrest people suspected of breaking federal law.

Medical marijuana proponents complain that government officials deliberately undercut Proposition 215 as soon as it passed.

"Once they came up with affirmative defense as a legal interpretation, it was game, set and match," said Patrick McCartney, a medical marijuana activist and freelance journalist who has compiled an extensive history on the government response to the growing political movement.

"If law enforcement who were so inclined could arrest and prosecute qualified medical marijuana users, then what did voters vote on?" McCartney wondered.

Legal scholars question the federal government's role in medical marijuana debates within individual states. Several believe U.S. drug agents should enforce federal laws but also respect state rights.

However, the Drug Enforcement Administration has recruited local agencies to join task forces that continue to raid dispensaries and cooperatives.

"The California medical marijuana law created an exception to California law, but could not do so for federal law," said Erwin Chemerinsky, a constitutional law professor at Duke University. "I wish federal authorities would use their discretion to respect the California initiative, but they clearly have not done so."

Gerald Uelman is a Santa Clara University law professor who is awaiting an appellate decision on a medical marijuana lawsuit he is fighting on behalf of the city and county of Santa Cruz. Those two governments have led many of the efforts to implement Proposition 215.

Uelman said federal authorities "crossed the line in their effort to impose their agenda" on state officials.

"This is still an issue where the politicians are behind the curve, in terms of the will of the voters," he said. "That's true across the board, not just in California."

Jessica Reeves lives in a Hillcrest studio and usually relies on friends to get the marijuana she needs to relieve her constant pain. Sometimes she drives to dispensaries in Riverside County or in Los Angeles that have not yet been raided.

Two years ago, the 29-year-old medical assistant contracted necrotizing fasciitis, the flesh-eating bacteria. Doctors saved her life, but she lost much of her right arm.

Nineteen operations later, Reeves said smoking pot is the only thing that helps her live a near-to-normal life.

"When I turned 18, I voted for Proposition 215," she said. "I didn't know 10 years later that I would need it. Now I can't get it because they closed all the dispensaries down."

Ex-gang Member In Jail For Drugs (KNOXNS)

By Jamie Satterfield

Knoxville News Sentinel (TN), November 7, 2006

Bailey barely off parole for role in 5-year-old's drive-by death in 1996

Add one more to the growing list of gang members convicted in the drive-by shooting of a 5-year-old Lonsdale girl who are back in trouble with the law.

Jessie Rondale Bailey, 31, had been off the parole hook for his role in the May 1996 slaying of Brittany Shenice Daniels only a few months when he started racking up new charges.

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But the stakes for Bailey got a sudden boost last week with his arrest on a federal indictment alleging four drug sales, including two involving more than 50 grams of crack cocaine.

He faces a minimum 20-year prison term and as much as life if convicted.

Bailey appeared before U.S. District Magistrate Judge Bruce Guyton on Monday on that indictment. Noting Bailey's prior murder conviction, Assistant U.S. Attorney Mike Winck asked Guyton to keep Bailey behind bars pending a trial.

Defense attorney Phil Lomonaco did not disagree, and Guyton approved Winck's request.

Bailey's criminal woes are not limited to federal court. He faces four counts of aggravated assault in Knox County General Sessions Court and has drug charges pending before a Knox County grand jury.

In the aggravated assault cases, Bailey is accused of threatening three women and a baby with a gun on Aug. 26.

"(Bailey) pointed a big gun with a curved ammo clip towards the victims, one of whom was holding her 6-month-old son, and yelled, 'This is my block,' placing the victims in fear of death or serious injury," the warrant stated.

Knoxville Police Department officer Rachel Bachorek and others responded to the corner at the intersection of Martin Luther King Jr. Avenue and Chestnut Street, but Bailey allegedly fled.

Bachorek wrote in a separate warrant that she found six Ecstasy pills in Bailey's ashtray when she finally stopped him.

Bailey was convicted in 1999 of facilitation to commit second-degree murder in the gang-related drive-by shooting death of Brittany, who was playing on a sidewalk in Lonsdale when three carloads of East Side gang members opened fire on a courtyard crowded with people.

He also racked up a felony drug conviction. He got a package plea deal, ordered to serve eight years for both crimes. With jail credits, he was freed after having served about a third of that time, records show.

He began racking up new charges last year, records show. KPD officers Doyle Lee, Donald Scott Clark and Sgt. John D. Shelton nabbed him in July 2005 with 222 Xanax pills and 325 Soma pills in his possession, warrants allege.

Then, in April, U.S. Drug Enforcement Administration agent Todd Lee and KPD officer Bruce Conkey began building a federal drug case against Bailey, records show.

The federal indictment alleges Bailey sold cocaine on April 26. Two days later, he allegedly sold more than 50 grams of crack, the indictment alleges. On May 2, he again sold more than 50 grams, then another five grams or more the following day, the indictment alleges.

He joins former East Side gang members Melvin "Little Melvin" Davis and Robert D. Campbell as participants in the fatal drive-by who have wound up back in trouble.

Lopez 'ashamed' Of Schwartz Case Role (ADS)

Arizona Daily Star, November 7, 2006

A former Pima County prosecutor who was once engaged to former murder suspect Bradley Schwartz says no words are adequate to describe how "remorseful, ashamed and embarrassed" she is about the events leading up to her possible disbarment.

Last November, the State Bar of Arizona filed a complaint against Lourdes Lopez, 38, saying she had engaged in criminal conduct that "reflects adversely on the lawyer's honesty, trustworthiness or fitness as a lawyer in other respects."

The bar alleges Lopez not only was indicted in September 2002 on prescription drug fraud charges along with Schwartz, but she continued having a relationship with Schwartz despite being ordered not to, and lied about it.

Schwartz is now serving a life sentence for conspiracy to commit murder in the October 2004 slaying of his former medical associate, Dr. David Brian Stidham.

Monday was the first day of a two-day hearing before Bruce G. Macdonald, a hearing master who must file a report with the Arizona Supreme Court's Disciplinary Commission. Macdonald will decide if the complaint against Lopez is valid and, if necessary, what punishment is appropriate.

At best, Lopez could be placed in a diversion program or on probation. At worst, she could be disbarred.

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Lopez, who now works as a defense attorney, told Macdonald that although she believes all lawyers should conduct themselves with the "highest degree of integrity," she also believes a distinction should be made between mistakes made in one's personal life and those made in one's professional life.

"I will agree I've done things in my personal life that I'm ashamed of, but I've always tried to conduct myself in my professional life in a way that I can be proud of," Lopez said.

The mistakes she's made have "nothing to do with" helping her clients or her respect for the criminal justice system, she said.

At the same time, Lopez said she wishes she had the words to express her deep remorse and shame.

"Anything I say would just fall short," she said.

Lopez admitted she allowed Schwartz to write two prescriptions for Vicodin in her name in the summer of 2001, and that she picked up one of the filled prescriptions — using her insurance to pay for it.

She further acknowledged that she lied to DEA agents about her relationship with Schwartz when they initially questioned her.

Lopez insisted that although she knew it was a crime to lie to the DEA, she didn't lie to protect her job or career.

Instead, she said, she lied to protect Schwartz.

It wasn't until May 2004 when they broke up for the last time, Lopez said, that she began to consider her needs above Schwartz's.

Schwartz and Lopez, who resigned from the Pima County Attorney's Office one month before being indicted, entered plea agreements with federal prosecutors to have the charges dismissed if they completed community service and stayed out of trouble.

Schwartz was arrested, accused of Stidham's murder, before he completed his diversion program — in part because Lopez went to the authorities to tell them Schwartz had often spoken of having Stidham killed.

The charges against Lopez were dismissed on Nov. 1, 2004, after she, her attorney and her pretrial services officer told U.S. Magistrate Judge Bernardo Velasco she had been fully compliant with everything that had been asked of her.

However, Lopez admitted Monday that was not true — she continued to see Schwartz during a 6 1/2-month time frame when she wasn't supposed to.

In fact, the couple got engaged two months before the "no contact" order was lifted.

State Bar attorney Bill Culbertson repeatedly asked Lopez how much contact she had with Schwartz during that time frame.

Lopez couldn't be specific, she said, but it was regular contact and included overnight visits and religion classes.

"Too much contact, sir — I don't know," Lopez said at one point.

Lopez also acknowledged it was during this time frame that Schwartz was "ranting and raving" about his desire to see Stidham dead.

During one conversation, Lopez admitted, she told Schwartz he shouldn't hire a drug addict to carry out the slaying because of the potential for blackmail.

Lopez insisted she was just trying to convince Schwartz how "ridiculous, outrageous and insane" the whole topic was.

When Culbertson asked Lopez if it was true she didn't call pretrial services about the threats, an emotional Lopez replied, "I could've phoned, faxed, said something in person or e-mailed, but I didn't do it and I should have, yes sir."

Under cross-examination by her attorney, Mark Harrison, Lopez said she and two friends discussed Schwartz's threats and discounted them.

"There was absolutely no way, absolutely no way on this Earth, those threats were going to come to fruition — they were just the ugly rant-ings of a man obsessed," Lopez said.

When pressed as to why she told Velasco — and later the State Bar — that she had been compliant with his orders when she had not been, Lopez said it didn't occur to her because eight months had passed since the order had been lifted.

In addition, it was a stressful time for her.

"I was thinking about the murder. Brad was in custody. I was thinking about how horrible the family must be feeling and I was thinking about finally being done with my community service and being able to move forward," Lopez said.

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Harrison spent much of his cross-examination asking Lopez to describe her background, her relationship with Schwartz and how the events of the past few years have affected her life.

Lopez worked her way through college and the UA law school on scholarships, grants and loans, and is the sole support of her two children.

Since the bar complaint was filed, Lopez said, she has lost a defense contract with the county, a law partner and two-thirds of her business.

She's deeply in debt, getting psychiatric help and participating in the State Bar's Members Assistance Program, which helps lawyers deal with substance-abuse issues, stress, depression and family or money problems.

She's also being sued by Stidham's widow.

Lopez acknowledged she was arrested in July on suspicion of driving under the influence after a crash but said her doctor has told her she suffers from post-traumatic stress syndrome, not alcoholism.

Lopez said her doctor is working with her to address why she became so captivated by someone like Schwartz.

Lopez said she wasn't trying to shift the blame to Schwartz.

"I'm blaming myself for involving myself with someone like him," she said.

Culbertson is expected to wrap up his case with three law-enforcement officers. Harrison said he intends to call Velasco and Pima County Superior Court Judges Kenneth Lee and Michael Cruikshank.

Early Morning Detroit Blaze Destroys Businesses, Apartments (DEN)

By Oralandar Brand-Williams

Detroit News, November 7, 2006

DETROIT --The Detroit Fire Department is investigating a two-alarm fire that destroyed several businesses and apartments and produced more than a $1 million in damage near Lahser and Grand River on the city's northwest early Monday morning.

The National Response Team from the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and ATF special agents from the Detroit Field Division were called in to assist the Detroit Fire and Arson Squad in their investigation, according to the ATF.

"We are involved because of the dollar amount of the fire. We don't look at this suspicious or not," said Vera Fedorak, an ATF spokeswoman in Detroit. "The Detroit Police Department asked us for assistance."

The blaze was reported by a resident around 1 a.m. The building contained four businesses and several store fronts that were unoccupied. Six apartments on the second floor of the building were occupied.

There was no deaths reported in the blaze.

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CONGRESS-ADMINISTRATION:

Paulson Adviser In Line For Treasury Position By A WALL STREET JOURNAL Staff Reporter (WSJ)

The Wall Street Journal, November 7, 2006

WASHINGTON -- President Bush said he intends to nominate Anthony Ryan, a senior adviser to Treasury Secretary Henry Paulson, to serve as assistant secretary of the Treasury for financial markets.

Mr. Ryan, who was one of Mr. Paulson's first hires at Treasury, will have primary responsibility for managing Treasury's debt-market portfolio, such as the 30-year Treasury bond. The position has been vacant for a year since Timothy Bitsberger left to join mortgage giant Freddie Mac.

If confirmed, Mr. Ryan will help fill out Mr. Paulson's domestic finance team. Last month, Robert Steel, a former executive at Goldman Sachs Group Inc., was sworn in as Mr. Paulson's top financial-policy adviser. Also rounding out the group is Emil

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Henry, assistant secretary for financial institutions, who focuses on banking and insurance issues, as well as helping coordinate Treasury's hedge-fund review.

Mr. Ryan, 43 years old, has spent 20 years in the financial-services industry. Prior to joining Treasury, he was a partner at Grantham, Mayo, Van Otterloo & Co. LLC, a Boston-based investment firm that manages $121 billion for corporate clients, public entities, endowments and others.

Next Up: House Leader Races (RC)

By Susan Davis And Jennifer Yachnin

Roll Call, November 7, 2006

While control of the House won't be determined until tonight at the earliest, contested leadership elections already are brewing on both sides of the aisle.

For the GOP, much of the current leadership's fate rests on today's outcome, as the chances of retaining their current posts become more vulnerable with each seat lost. Majority Leader John Boehner (Ohio) and House Republican Conference Chairwoman Deborah Pryce (Ohio) are guaranteed a challenge, as are Minority Whip Steny Hoyer (Md.) and Democratic Caucus Chairman James Clyburn (S.C.).

House Democrats remain committed to holding their Caucus elections on Nov. 16, but House Republicans are increasingly likely to postpone their scheduled Nov. 15 elections even if they hold on to House control.

Here is the rundown of leadership races on both sides of the aisle:

Republicans

Speaker: If Republicans defy expectations and retain the majority, Speaker Dennis Hastert (Ill.) has reiterated in recent weeks that he intends to run again for an unprecedented fifth term for the top job. Hastert is the longest serving Republican Speaker in history, and while he has been criticized by the rank and file for how he and his top aides managed the fallout from the scandal sparked by former Rep. Mark Foley (R-Fla.), he still enjoys a significant reservoir of goodwill from his colleagues.

However, long before the Foley story broke, an increasing number of House Republicans were doubtful that Hastert, who suffers from health problems including diabetes, would serve out a full Congress. Boehner is a likely candidate, but the Ohioan is seen as unlikely to mount a challenge to Hastert, rather waiting for him to exit the House on his own terms.

If Hastert opts to retire, the field could be wide open, with Boehner a likely frontrunner.

Majority/Minority Leader: If for no other reason than that he took over mid-Congress, Boehner is the most likely current Republican to stay in leadership in the 110th Congress.

Rank-and-file Members frequently have cited Boehner's February elevation to the post as the reason to give him another round at the leadership table. Affable and widely credited for shaking up the top-down leadership style trademarked by his predecessor Rep. Tom DeLay (R-Texas), Boehner is in a strong position to hold onto his job. Even in the minority, Boehner could be difficult to defeat, although he will be challenged for the post.

Energy and Commerce Chairman Joe Barton (Texas) is mulling a bid if Republicans lose the House. Similarly, Rep. Mike Pence (Ind.), the chairman of the conservative Republican Study Committee, will run for Minority Leader only if Republicans lose the majority.

With the floodgates beginning to open, more Members with leadership ambitions could jump into the race, breaking the field wide open.

Majority/Minority Whip: No one has announced a bid against Majority Whip Roy Blunt (Mo.), but most House Republican sources believe Blunt will be challenged regardless of what happens today. Blunt lost his bid for Majority Leader to Boehner earlier this year, and has largely kept his head down since, focusing on fundraising and maintaining the majority through a packed campaign schedule.

Blunt remains liked by his colleagues, and by most accounts he and Boehner have put rivalries aside, but he is viewed as vulnerable if the House Republican Conference pushes for more drastic shake-ups in the leadership slate. GOP Reps. Todd Tiahrt (Kan.), Mike Rogers (Mich.), Zach Wamp (Tenn.) and Chief Deputy Majority Whip Eric Cantor (Va.) announced earlier this year that they would run for the post if Blunt had been elected Leader.

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All four Republicans continue to be seen as potential leadership candidates, but none have shown any indication they will run. House GOP sources also said Monday that Rep. John Shadegg (Ariz.), who also launched an unsuccessful bid for Majority Leader, is increasingly viewed as a potential Whip candidate if Republicans lose the majority. Cantor was the strong favorite in January, but House Republican sources doubt that Cantor would ever mount a direct challenge to Blunt, who has played a mentor role to the third-term Virginian.

If the field opens up, the popular Cantor could be recruited by his colleagues to step into this — or any other — leadership race.

Republican Conference chairman: Long before the House Republican majority was in doubt, it was clear that Conference Chairwoman Pryce would face a challenge for the 110th Congress. For now, Pryce has said she will run for the post again if she can survive today's challenge from Democratic candidate Mary Jo Kilroy, although some House Republicans are doubtful Pryce will run for the Conference position again.

Rep. Marsha Blackburn (Tenn.) has been plotting a bid for Conference chairman for the past several months and is increasingly viewed as the favorite in this race. Conference Vice Chairman Jack Kingston (Ga.) also is expected to attempt a step up the Conference ladder, and sources have suggested that House Republican Policy Committee Chairman Adam Putnam (Fla.) also could make a bid.

Republican Conference vice chairman: Rumored candidates to succeed Kingston include GOP Reps. Kay Granger (Texas) and Mark Kirk (Ill.). Conference Secretary John Doolittle (Calif.) could make a bid for a higher Conference position, but he is not viewed as a top-tier candidate in any race. Rep. John Carter (Texas) has been actively seeking the Conference secretary slot.

Win or lose the majority, the Conference team is expected to have an entirely new slate.

Republican Policy Committee chairman: Unless Putnam makes a bid for another leadership position, this will not be a competitive leadership race. Putnam has earned high marks from his colleagues, and he is another Republican regularly dubbed a rising star in the party.

If he wants to remain at the Policy Committee, he should be safe. If Putnam is out, Reps. Thaddeus McCotter (Mich.), Phil Gingrey (Ga.) and Darrell Issa (Calif.) are all potential contenders as they all waged bids earlier this year when Shadegg vacated the post to run for Majority Leader. House GOP sources also have said that Rep. Michael Burgess (Texas) is another Member to watch for this post.

National Republican Congressional Committee chairman: This leadership race has been well under way for most of the 109th Congress as current chairman Rep. Tom Reynolds (N.Y.) is term-limited. Right now it is a three-man race, with Reps. Pete Sessions (Texas), Tom Cole (Okla.) and Phil English (Pa.) vying to head up the campaign committee as they head into a presidential election year. There is no clear favorite in the race.

Democrats

Speaker: Should Democrats win control of the chamber, it is widely expected that Minority Leader Nancy Pelosi (Calif.) would be elevated to the Speaker's office, which would make her the first woman to hold the post.

Elections for the Speakership typically are ceremonial, with Members generally voting along party lines, but should Democrats hold only a slim majority in the chamber in January, the party's leadership may need to enforce unity among maverick Democrats to guarantee a victory. Candidates for the Speakership must receive a majority of the votes cast, which does not include absences or "present" votes, to win the post.

Majority/Minority Leader: A Democrat-run House would bring a simmering fight for the Majority Leader's office to a boil leading to the scheduled Nov. 16 leadership elections.

Although conventional wisdom gives Hoyer, as the party's current No. 2 leader, a claim to the Majority Leader's post, Rep. John Murtha (Pa.) surprised colleagues in June when he announced that he would also seek the office.

While Murtha shelved his public campaign within days — chastised by disgruntled Members who argued a divisive leadership race would distract the Caucus from the November elections — and Hoyer has remained reserved about his own ambitions, the would-be contest has continued as both lawmakers hit the road to campaign for fellow Democrats.

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While the Maryland lawmaker, who has served as Whip since 2002, significantly out-paced Murtha in the final weeks, visiting 39 districts and raising his tally for the cycle to 80 districts in 32 states, Murtha has been credited with raising considerable funds for the Democratic Congressional Campaign Committee through a series of letters focused of his opposition to the Iraq War.

Hoyer also has contributed heavily to fellow Democrats, however, doling out more than $4.3 million to candidates and incumbents, as well as $3.8 million to the DCCC.

If Democrats don't take control of the House, it is unclear whether any lawmakers would challenge Pelosi for Minority Leader.

Majority/Minority Whip: Although Caucus Chairman Clyburn is the only candidate to announce his bid for the Majority Whip's office before Election Day, he's expected to have company in the race.

Among the potential contenders is DCCC Chairman Rahm Emanuel (Ill.), who has said he will not seek another term in his current post.

While Clyburn already has begun rounding up support for the would-be race, Emanuel has refused to address his own aspirations, other than to state that he wants to spend more time with his young family, a proposition made difficult by the extensive travel required by his current DCCC post.

Nevertheless, the Illinois lawmaker is expected to seek a leadership office, and many Democrats have suggested he should be rewarded for his efforts if the party wins control of the chamber.

But should Emanuel opt for another post — or even rescind his decision and accept a second DCCC term — Rep. Diana DeGette (Colo.) could enter the race instead.

DeGette, the current Chief Deputy Minority Whip, has demurred from discussing a potential leadership bid.

If the GOP retains the House, Hoyer could try to stay in the Minority Whip post, though he might have to beat the above-mentioned candidates to do it.

Democratic Caucus chairman: The House Democratic Caucus also would see leadership changes in a Democratic majority, with Rep. John Larson (Conn.), the current vice chairman, likely to ascend to the top post unopposed.

The Connecticut lawmaker won an unexpected victory earlier this year in a three-way contest, defeating Rep. Jan Schakowsky (Ill.) and Joe Crowley (N.Y.).

Democratic Caucus vice chairman: By contrast, the competition to fill a vacant vice chairmanship already has drawn a number of candidates, with more expected to enter the would-be race this week.

Rep. Xavier Becerra (Calif.) announced in late-July that he would campaign for the post, winning an endorsement from his fellow Hispanic Democrats and actively seeking support from other House lawmakers.

In addition, Rep. Mike Ross (Ark.) issued a letter in late-September expressing his interest in the post, while urging fellow Members not to commit to other candidates.

Also considered potential contenders are Crowley and Rep. Hilda Solis (Calif.), although neither has publicly declared their interest.

Democratic Congressional Campaign Committee chairman: Although many House Democrats have said they would like to see the DCCC chairman retain his post for another cycle, Emanuel's declarations that he will retire from the campaign committee after one term has stirred the interest of a handful of would-be replacements.

Among the likely contenders — some who have even called for Emanuel to serve a second term, while none have acknowledged seeking the post themselves — are current DCCC lieutenants Reps. Debbie Wasserman Schultz (Fla.), Chris Van Hollen (Md.) and Artur Davis (Ala.) as well as Rep. Kendrick Meek (Fla.), who chairs the Congressional Black Caucus Foundation.

Unlike other leadership posts, the DCCC chairmanship is an appointment made by Pelosi and is not subject to approval by the Caucus.

A Mess Of Spending Measures Awaits (RC)

By Emily Pierce

DOJ_NMG_0091500

Roll Call, November 7, 2006

Regardless of which party emerges victorious today, the current Republican majority still must find a way to fund the government, at least through the winter holidays, as well as finish other year-end business during the lame-duck session, which begins next week but is destined to last well into December.

In order to give themselves some breathing room after what is expected to be a bruising Election Day for the GOP, one of the first orders of business in both chambers next week is likely to be the passage of a continuing resolution that would allow Congress to punt the issue of fiscal 2007 appropriations until the first full week in December.

CRs keep the government running at current-year funding levels in the absence of new spending bills. As of now, nine of 11 spending bills have yet to be enacted, and the current CR expires Nov. 17.

"We just have limited time," House Chief Deputy Majority Whip Eric Cantor (R-Va.) said last week. "With elections late and Thanksgiving early, that only gives us one week for [internal] leadership elections, if that's when they occur. ... To me, it seems it may be time for a retrospective or introspective look."

GOP leaders plan to make at least a passing attempt to complete the remaining nine spending bills as stand-alone measures, rather than cobbling them together into a massive omnibus appropriations measure — a necessity if Congress wanted to finish up within one week.

But Senate Majority Leader Bill Frist (R-Tenn.) finally acknowledged last week that Congress will have to extend its lame-duck session into December after taking a two-week break for Thanksgiving. That gives Congress more time to take up at least a few more of those appropriations bills in regular order.

Indeed, the Senate plans to take up the military construction and Veterans' Affairs appropriations bill next week, Senate GOP aides say.

Senate passage of at least one more appropriations bill is necessary to create a vehicle for any omnibus bill, noted Frist budget aide Bill Hoagland. While the House has passed 10 of its appropriations bills, the Senate has passed only two — both of which were signed into law.

Hoagland said the Senate's spending bills are ready for floor action and that "with cooperation [from Democrats], I believe you could do at least three the first week back."

The Senate's lack of appropriations work so far this year caused Cantor to express skepticism that the two chambers can complete the remaining bills individually "in two to three weeks' time."

"The president has expressed strong interest in making sure we don't go the omnibus route. ... Easy for him to say," he said. "Is the Senate going to be able to go along with that? I mean, we're ready" on the House side.

But Senate Republican aides predicted that if Democrats win control of the House, Republicans in that chamber may feel so demoralized that they'll want to punt all appropriations issues to the 110th Congress.

"It just depends on what kind of mood they'll be in," said Hoagland. "If the House is so dejected, ... you're probably talking about another CR" through next January.

Depending on the outcome of the elections today, Democrats could be emboldened by their expected gains in both chambers and make new demands on both spending bills and other measures, Republicans warned.

"If Democrats take over — God forbid — they're going to be so eager to put everything under their control that they're not going to want to do anything," predicted one Senate GOP leadership staffer.

Even if Democrats don't win control of at least one chamber, the current situation in the Senate still will make it difficult to move any legislation. "We are still in charge, but we don't have 60 votes," said the staffer. "Nothing that requires 60 votes will get done."

Neither chamber's Democrats have hinted about what they would or would not do in a lame-duck session.

Besides spending bills, Congress left town with a to-do list of other issues that won't necessarily change if control of either chamber flips from Republican to Democratic.

Those agenda items include extending several middle-class tax cuts that are set to expire at the end of the year, preventing a cut in Medicare physician payments from taking effect and renewing the business research and development tax cut.

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All three items have bipartisan support in both chambers, but attempts to add more controversial measures to those "must-pass" bills could derail them.

"There will be plenty of things folks will want to do, but the system will only be able to stand so much," said one senior Senate GOP aide. "We'd still like to get it all wrapped up by Thanksgiving, but in the Senate, we are apprehensive about the appropriators and the House being able to get all the work done on time."

In addition, the Senate is looking at completing action on a Vietnam trade deal and a U.S.-India nuclear technology pact, the aide said.

Senate Republicans said they also may make another run at approving the controversial nomination of John Bolton to be United Nations ambassador. His consideration by the Senate Foreign Relations Committee has been held up by embattled Sen. Lincoln Chafee (R-R.I.), who is at serious risk of losing his re-election bid today.

Chafee has remained mum on his intentions on the Bolton nomination if he wins or loses, but Democrats on the panel have threatened to filibuster his nomination if it makes it to the Senate floor. Bolton's temporary appointment to the post expires at the beginning of the 110th Congress, which is set to start on Jan. 3, 2007.

Board Decision Makes It Clear: Hire The Vet (WP)

By Stephen Barr

The Washington Post, November 7, 2006

A federal board has reaffirmed the government's obligation to show a preference for military veterans in hiring, even when federal agencies use a special program designed to quickly fill jobs with applicants who have a high grade-point average.

The decision by the Merit Systems Protection Board, which hears appeals in federal personnel disputes, is a setback for the Outstanding Scholar program, which permits agencies to bypass regular civil service hiring procedures, and for the Office of Personnel Management, which had petitioned the board to reconsider its rulings from last year.

The dispute points up some of the underlying tensions in federal employment policies. Since at least the Civil War, Congress has shown its appreciation for military service by granting a hiring preference to veterans who seek civil service jobs. The government also has tried to provide remedies for racial discrimination, a goal of the Outstanding Scholar Program.

Kerry B. McTigue , general counsel at the OPM, said government lawyers are studying last month's decision and whether to file a federal court appeal.

The American Legion, a veterans service organization with 3 million members, welcomed the board's decision. "The American Legion doesn't want to see the veterans' preference laws ignored when federal agencies use special hiring procedures, such as the Outstanding Scholar program," said Peter Gaytan , director of veterans affairs and rehabilitation for the Legion.

As a general practice, veterans who meet minimum qualifications for a federal job have 5 or 10 points added to their numerical rating when competing for civil service positions.

But two veterans, David Dean and Matthew S. Olson , filed suits contending they were wrongfully passed over for jobs and that non-veterans were hired instead through the Outstanding Scholar program.

The program, which permits agencies to use streamlined methods to hire applicants with high grade-point averages or class standing, was created as a supplemental hiring process as part of a 1981 consent decree known as Luevano.

The decree grew out of a civil lawsuit brought by a group of minority job applicants who contended that they failed a written civil service test because it was biased. In recent years, critics have faulted the Outstanding Scholar program for moving away from its original purpose and for not necessarily helping improve diversity in the federal workforce.

In its decision, the merit board said the program cannot be relied upon to avoid fair and open competition for federal jobs when veterans' rights are at stake.

"Luevano did not authorize use of the Outstanding Scholar program to override veterans' preference," the board decision said.Mark Your Calendars

Forums to help federal employees and retirees select a health-insurance plan to meet their needs will be held this month in Montgomery and Fairfax counties.

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Reps. Chris Van Hollen (D-Md.) and Thomas M. Davis III (R-Va.) are sponsoring the forums in cooperation with the National Active and Retired Federal Employees Association.

Speakers will provide an overview of the 2007 Federal Employees Health Benefits Program, which is open for enrollment Nov. 13 to Dec. 11. Representatives from health-insurance companies also will be on hand to answer questions.

The Van Hollen forums are scheduled for Monday, Nov. 13, 7:30 p.m. to 9 p.m., at the Universities at Shady Grove in Rockville, 9630 Gudelsky Dr., Building II; and for Tuesday, Nov. 14, 10 a.m. to 11:30 a.m., at the Holiday Park Senior Center in Wheaton, 3950 Ferrara Dr. For additional information, call 301-424-3501.

The Davis forum is scheduled for Wednesday, Nov. 29, 10 a.m. until noon at the Fairfax County Government Center, 12000 Government Center Pkwy., in Fairfax. For additional information, call 202-225-1492.

OTHER NEWS:

Greenspan Unconcerned About Housing (WP)

By Nell Henderson

The Washington Post, November 7, 2006

Former Federal Reserve chairman Alan Greenspan said yesterday that home sales and prices may continue to slide for some time, but the broader U.S. economy appears poised for a rebound.

"It looks as though the worst is behind us" in terms of the effect of the housing slump on economic growth, he told financial advisers at a conference in Washington organized by Schwab Institutional, a division of Charles Schwab & Co.

"We're obviously going through a significant slowing period, which as best as I can judge is quite likely to be temporary," said Greenspan, 80, who retired in January after more than 18 years leading the world's most influential central bank and whose words are still closely monitored in financial markets.

U.S. economic growth slowed sharply, to a sluggish 1.6 percent annual rate, in the July through September period, largely because of a steep drop in home construction. Home sales and prices have also fallen recently in many markets.

Greenspan, a private consultant, said the housing downturn has "a way to go" before it hits bottom, but its effect on the rest of the economy should abate in the months ahead.

Other U.S. industries are enjoying healthy profits, consumer spending has remained solid and "the global economy is in extraordinarily good shape," he said. "Things don't look bad."

Greenspan made his comments during an hour-long question-and-answer session. Since leaving the Fed, he has created a consulting firm, Greenspan Associates LLC, started work on a memoir and made various appearances before paying audiences. During his last year as Fed chairman, Greenspan often said he did not see a national housing bubble, but rather "froth" in some markets. At the conference yesterday, however, he attributed much of the recent housing boom to a "speculative surge" caused by global financial conditions that pushed mortgage rates down to very low levels until the last year.

Greenspan said he could not predict when home sales would begin rising again or when home prices would stabilize. He said of prices, "it's hard for me to believe that they can stabilize at the level they are now because we had too much of a speculative surge. We have to lose some of that."

Greenspan said nothing about current Fed policy, but he defended the central bank's actions during his tenure, disagreeing with one former colleague about whether the Fed fueled speculative investment in housing by holding interest rates too low for too long in recent years.

The Fed cut its benchmark short-term rate from 6.5 percent at the beginning of 2001 to a four-decade low of 1 percent in mid-2003, providing cheap credit to support consumer spending through a recession and the initially weak recovery. The Fed held that rate steady until June 2004, before raising it steadily to 5.25 percent this past June.

Richard W. Fisher, president of the Federal Reserve Bank of Dallas, said in a speech Thursday that because of faulty price data during this period, the Fed's benchmark short-term rate, adjusted for inflation, was cut to a level that "turned out to be lower than what was deemed appropriate at the time, and was held lower longer than it should have been."

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The Fed's policy "amplified speculative activity in the housing and other markets," Fisher said. Now, he added, the correction in the housing market is "inflicting real costs to millions of homeowners across the country" and complicating the Fed's task of containing inflation.

Greenspan disputed such criticism, saying the recent housing boom resulted not from Fed cuts of short-term interest rates, but rather from global financial conditions that lowered long-term mortgage rates worldwide. "In retrospect, I know of nothing we would have done differently," Greenspan said of Fed policy during those years.

Greenspan also said globalization had helped dampen inflationary pressures during his years as Fed chairman, as low-wage workers in China, India and the former Soviet Union started providing low-cost goods and services to the world's market economies. But he said that transition "is a one-shot event, not a permanent change" that will hold down price pressures indefinitely.

Eventually, he said, inflationary pressures will revive, making life more difficult for his former colleagues at the Fed.

Several Signs Point Toward Robust Stock Resurgence (USAT)

By Adam Shell

USA Today, November 7, 2006

NEW YORK — Bolstered by a fresh wave of takeovers and buyouts, blue-chip stocks Monday snapped a six-session losing streak ahead of the midterm elections as investors grew confident that stocks still offer value.

News of deals in the hotel, restaurant, pharmaceutical and trucking sectors sparked a rally that sent the Dow Jones industrials soaring 120 points to 12,106.

The Dow's resurgence may be signaling that its recent slump was just a normal pause after a heady three-month rally that saw it crack its old record set in January 2000, top 12,000 for the first time and close at an all-time high of 12,163.66 on Oct. 26.

“The deals are telling us that investors still see real value in the market,” says Todd Leone, trader at Cowen & Co. “They've been a very big catalyst.”

The attention now turns to today's congressional elections, says Bruce Bittles, chief investment strategist at Robert W. Baird. Rather than emphasize the possibility that the market may be nearing a top, Wall Street has been more vocal in pointing out the reasons why stocks are likely to regain upward momentum.

•Election cycle is bullish. History shows that stocks tend to go up in the third year of the four-year presidential cycle, notes Joseph Quinlan, chief market strategist at Bank of America. While he doesn't expect the broader market to post anything near the average returns of 23.1% it has in similar third years dating back to 1946, he still expects stocks to grind higher.

Even if the Democrats capture one chamber of Congress from the Republicans, stocks should still fare well, Quinlan says. “With no change at the White House, there is a feeling of predictability and continuity regarding Washington,” he says.

•A season for gains. Stocks have historically posted their best gains in the October through April period, notes Price Headley, chief analyst at BigTrends.com. Year-end portfolio rebalancing, new money inflows into 401(k)s and fresh cash invested by funds contribute to this seasonal phenomenon.

•Fear of selling too early. Bittles says money managers fear missing out on late-year gains. “The only thing that can really upset the market is if the economy tanks, and I don't see that,” he says.

Since the Dow's high, stocks have been buffeted by economic reports that could be signaling a sharper slowdown than expected. The government said third-quarter growth came in at a weaker-than-expected 1.6% annual rate. Wal-Mart, the nation's biggest retailer, warned that sales this month would be flat.

But investors have “a lot more confidence in the economy” than data and consumer confidence surveys show, says Howard Silverblatt, senior index analyst at Standard & Poor's. “Optimism is back,” he says.

Dow Industrials Rally 119.51 Points Before Election Investors Celebrate Conclusion Of Tumultuous Political Season, Hope 'Pricing In' Was Right By PETER A. MCKAY (WSJ)

The Wall Street Journal, November 7, 2006

DOJ_NMG_0091504

The stock market snapped a six-day losing streak as bargain hunters swooped in to buy shares. A spate of merger talks, a pullback in natural-gas prices and the approaching end of a tumultuous election season also raised investors' mood.

The Dow Jones Industrial Average jumped 119.51 points, or 1%, to 12105.55, its biggest point and percentage gains in a month. In just one trading session, the blue-chip indicator recouped about two-thirds of its losses over the previous six days and now stands 13% higher on the year.

The broad Standard & Poor's 500-stock index gained 1.1%, or 15.48 points, to 1379.78, ending a three-day pullback up 10.5% on the year. And the Nasdaq Composite Index rose 1.5%, or 35.16 points, also its first gain after three days of losses, to 2365.95. It is up 7.3% on the year.

David P. Prokupek, chief executive of Geronimo Partners in Denver, said his asset-management firm lately has been unwinding bearish bets using options contracts that were intended to guard against losses in its stock portfolio. He said it was likely other Wall Street firms were doing the same yesterday, following a market pullback that represented exactly the sort of rainy day they had anticipated.

Mr. Prokupek said markets over the past several weeks have "priced in" expectations that the Democratic Party will gain a majority in the U.S. House of Representatives, while Republicans will retain control of the Senate in voting today. Any deviation from that scenario, however, could lead to a strong market reaction in the days ahead.

Companies in a number of industries, including health care, restaurants and gold mining, announced mergers. Such activity often puts investors in a good mood. Some start betting that other takeover targets might get snatched up; others broadly interpret risk-taking by deal-making executives as a cue to become more aggressive in their own investing.

Natural-gas prices were down because of unseasonably warm weather in much of the U.S. December futures fell 5%, the biggest drop since mid-October. Natural-gas contracts fell 39.4 cents to $7.49 per million British thermal units.

In major U.S. market action:

Stocks and bonds rose. The 10-year note rose 2/32 point, or 62.5 cents for each $1,000 invested, pushing the yield down to 4.711%. The 30-year bond rose 9/32 to yield 4.795%.

The dollar was mixed. Against the Japanese currency, the dollar rose to 118.29 yen from 118.01 yen. The euro rose to $1.2723 from $1.2717.

Stocks Jump On Flurry Of Equity Buyouts (WP)

The Washington Post, November 7, 2006

NEW YORK, Nov. 6 -- Wall Street roared back Monday, erasing last week's losses after private-equity buyout deals involving such companies as Four Seasons Hotels and OSI Restaurant Partners revived investors' belief that stocks still have room to run.

The Dow Jones industrial average rose 119.51, or 1 percent, to 12,105.55, closing once again over the benchmark 12,000 level. The Standard & Poor's 500-stock index was up 15.48, or 1.13 percent, at 1379.78, and the Nasdaq composite index advanced 35.16, or 1.51 percent, to 2365.95.

The gains came a day ahead of the U.S. midterm elections, though the prospect of a power shift in Congress didn't seem to unnerve investors.

Investors shrugged off a moderate rise in the price of crude oil. Last week, a price increase prompted by attacks on facilities in Nigeria helped push stocks lower. Although those fears receded after the violence was less widespread than feared, an OPEC official said further production could be needed this year. Light, sweet crude was up 88 cents at $60.02 a barrel on the New York Mercantile Exchange.

The private equity deals announced Monday were worth about $20 billion. Interest in private equity has increased, with public companies facing higher costs for regulatory compliance. In addition, many private equity firms see opportunity in taking a company private, making changes and reaping the windfall if a company again goes public.Movers

Four Seasons increased $18.63, to $82.50, after the luxury hotel chain received an offer to be taken private for $3.7 billion.

OSI Restaurant , owner of chains such as Outback Steakhouse, rose $7.32, to $39.75, after agreeing to be acquired by a private investor group for about $3 billion.

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Abbott Laboratories fell 17 cents, to $47.47, after agreeing to acquire Kos Pharmaceuticals for about $3.7 billion in a bid to expand its cholesterol drug holdings.

Kos surged $26.97, to $77.06.

XM Satellite Radio Holdings rose $1.78, to $13.17, after its third-quarter loss was narrower than expected.Indexes

New York Stock Exchange composite index rose 102.86, to 8819.62.

American Stock Exchange index rose 17.71, to 1992.07.

Russell 2000 index of smaller-company stocks rose 10.35, to 763.08.Volume

NYSE: 2.53 billion shares, up from 2.44 billion on Friday. Advancers outnumbered decliners 3 to 1.

Nasdaq: 1.93 billion shares, up from 1.85 billion. Advancers outnumbered decliners 9 to 4.Commodities

Crude oil for December delivery: $60.02, up 88 cents.

Gold for current delivery: $625.80 a troy ounce, down from $626.90 on Friday.

'Takeover Monday' Eases Slowdown Fears (FT)

By Francesco Guerrera In New York, Bernard Simon In Toronto And Roger Blitz In London

Financial Times, November 7, 2006

A takeover wave worth more than $15bn swept through global markets on Monday, boosting stock indices as big deals by investors such as Bill Gates and Kohlberg Kravis Roberts eased fears of a slowdown in merger activity.

The flurry of activity – dubbed "Takeover Monday" by analysts – was led by a $3.7bn bid by Mr Gates and Prince Alwaleed, the billionaire Saudi investor, for Four Seasons Hotels, the Canadian chain.

Other big deals – including a €4bn takeover by KKR and Goldman Sachs of the lift-truck unit of Germany's Linde and the $3.2bn sale of the OSI restaurant chain to Bain Capital and Catterton Partners – were led by private equity groups.

The main exception was a $3.7bn offer by Abbot Laboratories, the drugmaker, for Kos Pharmaceuticals, its rival.

The growing influence of buy-out funds, which have dominated recent activity thanks to their huge cash resources and favourable debt markets, has led to fears over the privatisation of large portions of the global economy and the amount of debt taken on by private equity groups.

But equity investors put those worries to one side and welcomed the raft of deals, sending the Dow Jones Industrial Average 100 points higher to 12,105.55 – its biggest one-day rise in a month. The broader S&P 500 and the technology-focused Nasdaq index also rose more than 1 per cent.

The takeover offers for Four Seasons and OSI, owner of Outback steakhouses, were supported by the companies' managements and founders. The trend has marked much of recent buy-out activity, raising concerns among corporate governance experts that the interests of companies' managements might clash with shareholders' rights to get the highest possible price.

The proposed Four Seasons deal would trigger a $288m payment to Isadore Sharp, chairman and chief executive, who opened the first Four Seasons hotel in 1960. He said the deal would provide "continuity and stability for owners, customers and employees for the long term".

Prince Alwaleed and Mr Gates are already Four Seasons shareholders through their respective investment companies, Kingdom Hotels and Cascade Investment. Mr Sharp and his family control 65 per cent of the votes through multiple voting shares.

The two billionaires were reported by a Microsoft website monitor two years ago to have collaborated on plans to expand Microsoft's operation in Saudi Arabia and on Saudi humanitarian projects.

Mr Gates has hosted the prince at his Washington home, where they discussed shared investments such as Four Seasons.

The three groups have offered $82 cash for each limited voting share, or a 28.4 per cent premium over Friday's closing price. The shares, listed in Toronto and New York, rose about 30 per cent to slightly above the offer price.

Merger Market Arrives At 'good Spot' (USAT)

By Matt Krantz

USA Today, November 7, 2006

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Monday looked like the day of the deal again, for this week at least, as a wave of mergers and acquisitions swept Wall Street, enveloping half a dozen U.S. companies.

Among the highlights, luxury hotel chain Four Seasons said it received an offer to be bought for $3.7 billion; Outback Steakhouse operator OSI Restaurants said it is selling itself for $3 billion; and biotech firm Kos said it agreed to a $3.7 billion takeover.

While none of those fall into the blockbuster category, they come on top of an avalanche of deals announced this year and virtually ensure that 2006 will be the busiest period for takeovers since the end of the '90s bull market.

Just four trading days into November, there have already been $28.3 billion worth of U.S. deals this month, bringing the tally of announced deals in 2006 to 9,461 worth $966.9 billion, says FactSet Mergerstat. That nearly tops all of last year, and you'd have to go all the way back to 2000 to find a busier year so far, Mergerstat says.

"The merger market is in a good spot right now," says Robert Filek of PricewaterhouseCoopers.

Monday's deals had a little bit of everything. Several were a continuation of the trend for companies to go private in the current version of what used to be known as leveraged buyouts. A private equity firm with Bill Gates as an investor offered to buy Four Seasons for $82 a share, sending the stock up 29% to $82.50. OSI saw its shares gain 23% to $39.75 on a $40-a-share offer from a private equity firm.

Many of the others, though, were takeovers for strategic reasons, such as Abbott Labs buying Kos in a deal worth $78 a share. Audio semiconductor maker PortalPlayer's shares fell 1 cent to $13.35 on news it is being bought by Nvidia for $357 million, or $13.50 a share. Swift Transportation stock jumped 24% to $29.84 after the trucking company said it received an offer to be bought by its former CEO for $2.2 billion, or $29 a share.

This is all part of a broader M&A boom this year in which:

•Private equity is playing a bigger role. Firms that buy public companies and take them private with hopes of selling them later at a profit accounted for a quarter of the deals based on dollar value, says Dealogic, up from 14% last year and just 3% in 2000.

•Megadeals are blooming. The number of buyouts valued at $1 billion or more has hit 174 this year, 5% more than all of 2005 and the most since 212 in all of 2000, says Mergerstat. "It's been the year people have decided if they're going to do a big deal, this is it," says Mergerstat's Kurt Kunert.

•Cash is swelling. Many of the buyouts are being done with cash: 70% of the 22 mergers announced around the globe Monday were for cash, says Sara Moeller, professor of finance at Wake Forest University. That's partly due to private equity firms, which pay cash, but it shows corporate buyers are confident the deals will succeed, she says.

•Banks are eager to lend. Only 1.7% of commercial loans were delinquent or charged off in the first quarter, says PricewaterhouseCoopers. That's below the 2% rate in first quarter of 2005 and well below the recent peak of 5.9% in the third quarter of 2002.

But as hectic as the recent merger activity is, it still falls short of the banner year of 2000. Merger activity tends to pick up when stocks rally, and it's unlikely that stocks will boom like they did in 2000, says Hemang Desai, professor of accounting at Southern Methodist University: "I can't imagine that kind of activity again."

Yellen: Income Gap Poses Risk (USAT)

By Sue Kirchhoff

USA Today, November 7, 2006

U.S. income inequality has risen to such a level that "there are signs that (it) is intensifying resistance to globalization, impairing social cohesion, and could, ultimately, undermine American democracy," San Francisco Federal Reserve Bank President Janet Yellen said Monday.

In language rare for a central bank official, Yellen suggested that high priority be given to improving education, tax credits and other aspects of the social safety net, despite the cost in dollars and possible impact on economic efficiency, according to the text of her lecture at the University of California, Irvine.

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“Inequality has risen to the point that it seems to me worthwhile for the U.S. to seriously consider taking the risk of making our economy more rewarding for more of the people,” Yellen said.

Separately Monday:

•Former Fed chairman Alan Greenspan said that while the housing market has not hit bottom, “The worst is behind us.”

Greenspan also told a Washington meeting organized by financial services firm Charles Schwab that he is “reasonably confident” the nation will not slide into recession because businesses appear strong.

•Chicago Fed President Michael Moskow said inflation remains too high, even with slower economic growth, suggesting the Fed might have to raise rates again if price pressures do not moderate.

The Fed boosted short-term rates 17 times from mid-2004 to mid-2006. It has held rates at 5.25% since August. While the economy has slowed significantly, inflation is still running above the Fed's 1% to 2% comfort range.

Yellen's remarks focused on a longer-term economic trend: the growing U.S. income and wealth gap. She noted that during the past three decades, much of the gain from U.S. economic performance had gone to the people at the top of the income ladder.

From 1973 to 2005, real hourly wages of those in the highest 10% income bracket rose 30% or more, with big gains in the top 1%. Those in the bottom half of the scale saw 5% to 10% gains. The pattern altered a bit in the past decade, when people near the bottom actually saw faster gains than those in the middle, and the top continued to prosper.

Yellen attributed the growing gap to the higher premium for education, changes in technology and globalization. Controversies regarding executive pay “quite naturally raise concerns for the public and contribute to feelings of dissatisfaction,” she said.

Yellen said inequality is higher in the USA than in other industrial nations and the safety net less generous.

Bush Campaigns, Dems Assail Status Quo (AP-Y)

By David Espo

AP, November 7, 2006

On the eve of midterm elections, Democrats criticized Republicans as stewards of a stale status quo while President Bush declared, "we're closing strong" in a final drive to preserve GOP control of Congress.

"They can't run anything right," countered former President Clinton, taunting Republicans about the war in Iraq, the aftermath of Hurricane Katrina and even the scandal involving the House page program that complicated GOP efforts to win two more years in power.

Bush campaigned on Monday from Florida to Arkansas and Texas. But the day brought one more reminder of his poor standing in the polls when Republican gubernatorial candidate Charlie Crist skipped the presidential rally in Pensacola, Fla., to make a speech of his own hundreds of miles away.

Bush made no mention of the evident snub in public, but not so his aides. "Let's see how many people show up in Palm Beach on 24 hours notice, versus 8,000 or 9,000 people" expected for the president's speech, said Karl Rove, the White House's top political strategist.

Some late polls suggested momentum was swinging the Republicans' way, and Ken Mehlman, the party chairman, told allies the surveys summoned memories of 1998, when the GOP lost seats but held power.

Democrats steadfastly refused to say so in public, but some Republicans signaled privately they expected to lose more than 15 seats, and control of the House with them.

Among GOP-held open seats, those in Arizona, Colorado, New York, Ohio and Iowa seemed likeliest to fall. Republican Reps. John Hostettler, Chris Chocola and Mike Sodrel of Indiana; Charles Taylor of North Carolina; Curt Weldon, Don Sherwood and Melissa Hart of Pennsylvania; and Charles Bass of New Hampshire were in particularly difficult re-election struggles.

Democrats also boasted of several election targets in New York, where Sen. Hillary Rodham Clinton and Eliot Spitzer, the Democratic candidate for governor, were expected to win landslides at the top of the ticket.

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Easily two dozen more Republican seats were in jeopardy, including one in Texas that may not be settled until next month. There, Republican Rep. Henry Bonilla and former Rep. Ciro Rodriguez, a Democrat, were the leading contenders in an eight-candidate field. A run-off between the two top vote-getters would follow if no one won a majority on Tuesday.

In contrast, only a few Democratic incumbents appeared in jeopardy, including Reps. John Barrow in Georgia; Melissa Bean in Illinois and — in a race that bore no impact on the broader party struggle — William Jefferson in Louisiana. Jefferson, ensnared in a federal corruption investigation, faced a likely runoff on Dec. 9, possibly against fellow Democrat Karen Carter.

After months of pursuing the Republicans, Democrats declined to say they would catch them.

"From the Iraq war to the economy to how the Congress does its work, the American people want a different direction — and that's what Democrats offer," Rep. Rahm Emanuel of Illinois, the head of the House Democrats' campaign committee, said Monday.

"We have never said we're going to take control of the Senate. We have said we're on the edge. That's where we are," said Sen. Chuck Schumer, D-N.Y., chairman of the Senate Democrats' organization.

Democrats needed to gain six seats to win control of the Senate. GOP Sens. Mike DeWine in Ohio and Rick Santorum in Pennsylvania appeared in deepest trouble, Sens. Lincoln Chafee in Rhode Island and Conrad Burns in Montana somewhat less so.

Rep. Nancy Pelosi of California, in line to become the first woman speaker in history if Democrats win, was in Washington after a weekend of campaigning for candidates in Pennsylvania and Connecticut.

Neither Bush nor Clinton, the president and ex-president, was on Tuesday's ballot, but both campaigned energetically toward the finish line.

In Bentonville, Ark., where he campaigned for Asa Hutchinson, the party's gubernatorial candidate, Bush said Republicans had late momentum because they were stressing that Democrats would raise taxes if they gained power.

"The Democrats want to raise taxes when you're born, when you're working, when you retire and when you die," Bush said in Florida as his audience laughed appreciatively. "In other words, the Democrats' philosophy is this: 'If it breathes, tax it. And if it stops breathing, find their children, tax them."

Campaigning in Missouri, Democratic senatorial candidate Claire McCaskill said it wasn't so. She was in a supermarket meeting voters when one shopper asked her whether she wanted to raise taxes.

"There's nothing to that allegation," she replied. "We're going to cut taxes for the middle class."

She added that previous tax cuts "that just help the very wealthy should be retargeted to the middle class."

As he has repeatedly, the president attacked Democrats for their position on the war in Iraq.

"Oh, they've got some ideas. Some of them say, 'get out right now.' Some of them say, 'get out at a fixed date,' even though the job hasn't been done. One of them said, 'let's move our troops to an island some 5,000 away.'"

Clinton, the former president, provided the rebuttal to that charge from a stage in Rochester, N.Y..

"On this 'stay the course in Iraq' deal, they say we're the cut-and-run crowd," he said. "These people don't look like cut and run to me," he said, gesturing at Eric Massa, a House candidate and Navy veteran, and former Sen. Max Cleland, a triple amputee from war wounds suffered in Vietnam a generation ago.

The campaign's final hours brought fresh evidence of the enormous cost.

Spending by the two national parties surged in the final week as Democrats and Republicans invested in television commercials designed to sway the outcome in more than 60 House races and 10 Senate contests. In all, the two parties have spent about $225 million thus far in campaign activities independent of the candidates themselves.

Candidate A No-show At Bush Rally (LAT)

By James Gerstenzang

The Los Angeles Times, November 7, 2006

PENSACOLA, FLA. — The schedule for the GOP's Florida "victory rally" said that President Bush would be introduced to the crowd by the party's nominee for governor, Charlie Crist.

The president was there, but Crist was not. And the White House signaled its unhappiness.

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With Bush doing poorly in opinion surveys, some Republican candidates have indicated that they did not want to appear with him at election season events.

Crist's campaign said that was not the case this time. It said the candidate had no need to spend his final campaign day in conservative Pensacola, the site of Monday's rally.

Still, Karl Rove, Bush's chief political strategist, made a snippy remark to reporters about Crist's decision to appear in other cities instead.

"Let's see how many people show up in Palm Beach on 24 hours' notice, versus 8,000 or 9,000 in Pensacola," Rove said.

He overestimated the size of the Pensacola crowd by several thousand.

Crist is Florida's attorney general. If elected governor, he would replace Bush's brother Jeb, who is retiring due to term limits.

A spokesman for Crist's opponent said voters should consider the canceled appearance to be "a snub."

"Despite how much [Crist] has in common with President Bush, President Bush isn't very popular right now," said Josh Earnest, a spokesman for Democratic nominee Jim Davis. "Sensing that this race is getting a lot closer, I think Mr. Crist decided that he didn't want to take a political risk."

Still, Bush on Monday enthusiastically endorsed Crist, who has been leading Davis in most opinion polls.

"He's experienced, he's compassionate and he'll work hard on behalf of all the citizens of this important state," Bushsaid.

Rep. Katherine Harris (R-Fla.), whose candidacy was discouraged by GOP leaders and who is trailing badly in opinion polls in her bid to unseat Democratic Sen. Bill Nelson, also appeared at the Pensacola rally. Bush did not mention Harris, who appeared well before him.

Bush also spent his last hours before election day campaigning in Arkansas for a struggling Republican gubernatorial candidate, Asa Hutchinson. The president ended the day in Dallas supporting Gov. Rick Perry, who succeeded Bush in 2001.

With the president having campaigned almost exclusively for House and Senate candidates, his shift on the final day to campaigning for those seeking state offices suggested he had touched base in most of the districts where his presence would help, rather than hinder, Republican candidates.

Crist Snubs President On Election Eve; Davis Calls To 'The Disgusted' (FLSUNSEN)

By Mark Hollis

South Florida Sun-Sentinel, November 7, 2006

ST. PETERSBURG -- Republican Charlie Crist and Democrat Jim Davis ended their 18-month campaigns for governor Monday amid a flap over Crist declining to campaign with President Bush.

Crist fended off criticism on election eve from both the White House and Democrats for not appearing with the president at a Republican rally in the Panhandle. Crist visited eight other cities, including a stop with U.S. Sen. John McCain of Arizona, a possible 2008 Republican presidential contender.

Davis seized on the Crist-Bush controversy and made it a theme of his final day of campaigning, which included rallies with union members, black Democrats and even a push into Florida's politically conservative Panhandle.

Both candidates hop-scotched around the state on chartered aircraft, telling supporters they sensed victory coming their way.

"I want you to get out and work your heart out," Davis, a Tampa congressman, told about 100 supporters at a Jacksonville union hall. "Tomorrow is the day we're not only equal in the eyes of God, but in the eyes of one another."

Crist also relied on an upbeat message, telling 200 supporters in Jacksonville, "I feel victory. But I want to do more than feel it. I want to deliver it for you tomorrow night."

But it was irritation shown by the White House and pestering by Democrats over Crist's snub of the president in Pensacola that captured media attention. Crist's spokesman said Sunday the candidate was skipping a rally there because he needed to spend his final day of campaigning elsewhere in the state, including vote-rich South Florida.

On Monday, speaking to reporters in Texas, White House Deputy Chief of Staff Karl Rove mockingly questioned what kind of alternate rally Crist would put together that would rival the crowd Bush was expected to attract in Republican-heavy Pensacola.

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The White House had to hastily recruit outgoing Gov. Jeb Bush to introduce his brother, having already distributed schedules saying Crist would play that role.

"Let's see how many people show up in Palm Beach on 24 hours notice versus 8,000 or 9,000 people" in Pensacola, said Rove, the president's top political strategist.

Crist told supporters he still backs the president.

"We're delighted that he came to Florida," Crist said before waving signs with supporters at the corner of Oakland Park Boulevard and Federal Highway in Fort Lauderdale. "But it's important for me to get all over Florida."

Pensacola's market is among the most Republican, and campaigning there has been a priority for Crist. It's the heart of a region that is home to many active and retired military members. After the 2000 election, when Florida's vote was disputed for 36 days, Bush picked Pensacola for his maiden voyage to the state as president -- the one place he was certain to be enthusiastically welcomed. Now polls show widespread dissatisfaction with him statewide.

Davis took notice during his campaign stops. "Now that the president is so unpopular, Charlie refuses to stand side by side with him," he said. "It says when the going gets tough, Charlie won't stand up."

Buoyed by polls that show the governor contest to be close and knowing turnout is the key to victory, Davis in recent days stepped up his appeal to moderate Republicans and voters who have no political affiliation.

On Monday, he made stops in Panama City and Pensacola, only hours after the Bush appearance. Davis' running mate, Air Force Reserve Col. Daryl Jones, a former fighter pilot and state senator from Miami-Dade County, has spent time in the area trying to woo the votes of military retirees.

In their closing pitches to voters, Crist and Davis strayed little from their well-honed stump speeches.

Crist, the state's attorney general and a former state senator, promised voters lower taxes and property insurance rates, while warning that Davis would not deliver either.

Davis urged voters to send him to Tallahassee as a reformer. While pounding Crist for running a campaign supported by special interests, Davis opened welcoming arms to "the disgusted, the disillusioned and the mildly curious Republicans and Independents" looking for change in Washington and Tallahassee.

Both campaigns expected to have phone-bank and sign-waving operations in full swing until polls close tonight.

At frequent stops, Crist and Davis urged supporters to keep pushing for votes. Many of their supporters indicated they were feeling good about their candidates' chances.

Several union leaders, for instance, said during a Davis visit to Jacksonville that while their organizations traditionally support the Democratic nominee, they are working harder for Davis.

"It's different this time," said Minerva Faire, secretary of the North Florida Central Labor Council. "We feel it's within our reach. Congressman Davis is a working family man and that makes a big difference."

Crist's backers were equally enthusiastic.

"When you have a good candidate, people respond," said Ernesto Gonzalez, an Orlando architect standing near Crist during the Republican's stop there. "We all want lower taxes and cheaper insurance. With the right leadership, maybe it happens."

Bush Stumps (AP)

By Jennifer Loven

AP, November 7, 2006

PENSACOLA, Fla. - The closer the election came to the finish line, the more President Bush's aides battled the perception he was doing his party as much harm as good and was unwanted in many districts.

On Monday, Bush jetted to a conservative corner of Florida's Panhandle, about as far as he could get from the state's three in-play House districts. To the White House's embarrassment and irritation, Republican Charlie Crist, whom Bush came to help in his bid to succeed the president's brother as governor, decided at the last minute to skip the chance to be by the president's side.

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In a speech bracketed by raucous foot-stomping to country music and an explosion of metallic red-white-and-blue confetti, Bush won cheers for applauding Saddam Hussein's conviction, lambasting Democrats on the war on terror and accusing the opposition party of plotting to raise taxes.

"The Democrat philosophy is this: If it breathes, tax it, and if it stops breathing, find its children and tax them," Bush shouted.

Next up was Arkansas, where Republican Asa Hutchinson remained well behind in his race to keep that governor's mansion in Republican hands. Still Bush was upbeat.

"You know, I knew we were going to finish strong," Bush told supporters gathered in an airplane hangar with Air Force One parked outside. "I knew that we were going to come roarin' into Election Day because we've got the right position on taxes, we've got the right position on what it takes to protect you from attack."

Finally, Bush was calling it a wrap Monday night in Texas. It was somewhat of a sentimental stop for the president, taking him to his home state and specifically to Dallas, where Bush has headlined rallies the night before most elections.

It was still remarkable that, with so many Republicans around the country facing too-close-to-call races and with GOP majorities in the House, Senate and the nation's statehouses in jeopardy, Bush decided to spend capital on GOP Gov. Rick Perry, who hardly needed the president's assistance to get re-elected.

White House press secretary Tony Snow said Bush's travels on Monday to races more on the periphery of this high-stakes midterm campaign represented the president honoring "long-standing promises" to his brother, Hutchinson and Perry.

But Bush's final five-day sprint to Election Day took on little of the urgency of the last days before the 2002 midterm election, or certainly the close of his own re-election race two years ago.

He's been starting later in the day and finishing by bedtime, with just one stop on Saturday and two on Sunday - all in smaller, very GOP-friendly areas. The last three nights, he even slept in his own bed in Crawford, Texas.

Republican leaders say that the president's get-out-the-vote push in GOP strongholds was helping. The free media coverage that accompanies a presidential visit was keeping his party from having to spend precious dollars in those districts. And some new polls showed a lift in Republican enthusiasm for voting.

"The president's travels are part of the difference," Snow said.

White House aides mocked Crist's choice to duck the Bush rally, which they only learned about on Sunday morning - too late to change the printed schedules that had Crist introducing the president at the rally.

Crist chief of staff George LeMieux said the conservative Pensacola area was so firmly in his camp, and so hard to get to, that it made more sense to campaign elsewhere in the state. Said Crist: "I'm glad he's come to our state, but I've got to get around Florida."

Still, Karl Rove, Bush's top political adviser, suggested that reporters see whether Crist would be able to hastily assemble anything like the Pensacola event, which drew about 7,000.

Bush ignored the flap. "I strongly suggest you vote for Charlie Crist to be governor of the state of Florida," he said.

With Crist as a no-show, Bush was joined on stage by a host of Florida Republican officeholders and candidates - but not by Republican Rep. Katherine Harris. She has run a much-panned Senate race that has had her Republican elders cringing and both the president and retiring Gov. Jeb Bush largely avoiding her.

Attack Of The Hacks (WP)

By Eugene Robinson

The Washington Post, November 7, 2006

Has there ever been a more negative, dispiriting election? Is there any hope and optimism left in this country, or is our political culture based on nothing but seething dislike and sour resentment?

Democrats and Republicans sought to win voters with the same basic message: You may not think much of us, but at least we're better than the other guys.

Anyone who owns a television or a radio already knows that candidates and parties in this midterm smackdown spent tons more on negative political ads than on positive ones. Every contest seemed to feature a scoundrel vs. a knave, a hack vs. an idiot, a doofus vs. a dolt.

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In fact, politicians use so many negative ads because they work. UCLA psychiatry professor Marco Iacoboni described for the Associated Press his research from the 2004 presidential campaign. Using magnetic resonance imaging, he found that when test subjects were initially shown pictures of their favored candidates, an area of the brain associated with empathy lit up. But after the subjects had been exposed to negative ads about their candidates, that same area of the brain failed to respond. Politicians have known this for a long time.

The depressing nature of this endless campaign went beyond negative ads, however. Examine the messages that were delivered by the two parties and then try to find a reason to be filled with hope about the future.

The Republican Party was saddled with an unpopular president who led the nation into an unnecessary and unwinnable war, mocked traditional American notions of justice and privacy, reasserted the powers of an imperial presidency, and generally showed himself willing to disregard objective facts if they were not to his liking. That wasn't much for Republican incumbents to work with.

Still, the party did manage to come up with a coherent message: We might be making a mess of things, but if you vote for the Democrats they'll raise your taxes and let terrorists threaten your family.

The Democratic Party had the advantage of having been out of power during the whole Iraq misadventure, which gave every Democratic candidate an even simpler message to transmit to voters: Look, I'm not George W. Bush.

In terms of politics, that was smart. But "not George Bush" doesn't qualify as much of a vision for America's future. At some point, it can't be enough just to list all the problems the Republicans have created or failed to address. What are the solutions?

It's no wonder that so many voters call themselves independent these days. And no wonder that so many candidates stood out from the pack this year by highlighting the ways in which they departed from the party line -- Republicans who openly questioned the war, or Democrats who spoke about faith and family values.

Americans deserve more from their political leaders than they got this year. The party that gets to define the next era in America will be the party that has a more compelling, forward-looking story to tell than what we heard this year, which was, in a nutshell, "Those other guys are so lame."

Vote Republican, America Is At War: Bush (AFP-Y)

By Olivier Knox

AFP, November 7, 2006

President George W. Bush made his final plea to voters ahead of knife-edge congressional elections, telling them to vote Republican if they want America's full protection.

Bush, on a final three-state swing of a campaign dominated by the war in Iraq, branded Democrats as soft on the "war on terror" and also predicted Republicans would crush their rivals' hopes of seizing back control of one or both chambers of Congress.

But he suffered one final campaign trail indignity, as the Republican candidate to succeed the president's brother Jeb as Florida governor snubbed him at a rally, apparently wary of Bush's low poll ratings.

Despite polls showing public discontent over his management of the Iraq war, Bush delivered a hard-hitting warning to voters, staking out political ground on national security that helped him win past campaigns.

"As you go to the polls remember if you want your taxes low vote Republican," Bush said at a rally in Pensacola, Florida.

"As you go the the polls, remember we are at war and if you want this country to do everything in its power to protect you and at the same time lay the foundation of peace for generations to come, vote Republican."

Bush again taunted his rivals with the death sentence handed down to former Iraqi dictator Saddam Hussein on Sunday, saying it was vindication for the US invasion in 2003.

"My decision to get rid of Saddam Hussein was the right decision, and the world is better for it," he said, as the crowd burst into a chant of "USA! USA!"

"The only way we will not win is if we leave before the job is done," he said. "If you listen for the plan from the Democrats, there isn't one."

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But the low opinion poll ratings which have dogged Bush during the campaign were highlighted again when Republican gubernatorial candidate Charlie Crist skipped an appearance with Bush in the state which handed him the presidency after a protracted recount drama six years ago.

He quickly made clear he did not bear Crist a grudge.

"Tomorrow you get to vote for a new governor, and I strongly suggest you vote for Charlie Crist" and praising him as "experienced" and "compassionate."

But Bush's political guru Karl Rove was not impressed.

"All I know is that yesterday morning they apparently made a decision that rather than being with the governor and the president and 10,000 people in Pensacola, they made a last minute decision to go to Palm Beach," said Rove.

Asked whether this reflected Bush's low popularity, Rove replied: "Let's look at the comparison, let's see how many people show up in Palm Beach on 24 hours notice versus eight or nine thousand people in Pensacola."

Bush was later to head on to Arkansas and Texas, to wrap up a 10-state campaign blitz buoyed by signs his Republican party was picking up steam in the final hours.

One Republican who did not snub Bush here was Katherine Harris, the former senior Florida official reviled by Democrats for her role in the dramatic recount controversy.

But though Harris addressed the crowd, she was not seen alongside Bush, frustrating photographers clamouring for a shot of them together.

Harris trails badly in a statewide Senate race to Democrat Bill Nelson, after what many analysts decried as a chaotic campaign.

Several national polls in the final hours of the campaign showed a narrowing of the race, prompting Republican National Committee Chairman Ken Mehlman to proclaim voters were discovering new "enthusiasm" for Republicans.

A Washington Post and ABC television poll showed likely voters favoring Democrats to Republicans by 51 percent to 45 percent. In an October 22 survey, the Democrats had led 55-41.

The non-partisan Pew Research Center found a 47-43 lead for Democrats among likely voters, down from 50-39 two weeks ago.

A new USA Today/Gallup survey published Monday showed Democratic challengers ahead in Senate races in Montana, Rhode Island, Ohio and Pennsylvania.

A poll for McClatchy newspapers and MSNBC meanwhile suggested Republicans had also come from behind in Rhode Island and Montana, to lead or tie Democrat opponents.

GOP Hopefuls Absent From Bush Rally (PALMBEACHP)

By Larry Lipman, Deana Poole, Brian E. Crowely, And SV Date

Palm Beach Post (FL), November 7, 2006

PENSACOLA — Florida voters head to the polls today to pick a new governor and at least two new members of the Cabinet, as well as to help decide whether President Bush will face an unfriendly Congress for his final two years in office.

To support his party's candidates in Florida, Bush wrapped up a 10-state campaign tour Monday in Pensacola. But the state's top Republican candidates were conspicuously absent from the presidential rally, which drew about 7,500 people.

The only statewide candidate to attend the event featuring the president and his brother Gov. Jeb Bush was U.S. Rep. Katherine Harris. But Harris, who trails far behind in the polls in her bid to unseat Democratic U.S. Sen. Bill Nelson, did not appear on stage with them.

While the president was in Pensacola, Charlie Crist, the Republican candidate for governor, was visiting the Lox Around the Clock bagel shop west of Delray Beach.

Republicans Bill McCollum, who is seeking to succeed Crist as attorney general, and incumbent Agriculture Commissioner Charles Bronson were campaigning along the Interstate 4 corridor. Tom Lee, the GOP candidate for chief financial officer, also was not in Pensacola.

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Their Democratic opponents - Alex Sink (chief financial officer), Skip Campbell (attorney general) and Eric Copeland (agriculture commissioner) - had appeared with Nelson, gubernatorial candidate Jim Davis, former President Clinton and former Sen. Bob Graham at a rally Saturday in Miami.

Crist's absence drew sarcastic remarks Monday from Davis and even from the president's top political adviser, Karl Rove.

"Charlie Crist has been campaigning standing up with George Bush this entire campaign," Davis told nearly 200 cheering supporters at a Pensacola church. "Next to the insurance industry, George Bush has probably raised more money for Charlie Crist than anybody else. But now that the president is so remarkably unpopular, once again, Charlie Crist refuses to stand up.

"Charlie Crist may have forgotten that you are part of Florida. I will never forget."

Rove also questioned Crist's decision to skip the appearance.

"Rather than being with the governor and the president and 10,000 people in Pensacola, they made a last-minute decision to go to Palm Beach," Rove told reporters in Texas. "Let's see how many people show up in Palm Beach on 24 hours' notice versus 8,000 or 9,000 people in Pensacola."

Crist said he was not snubbing the president. Appearing with Bush "is always a great opportunity," he said, "but it's much more important to me to get to all the cities."

Asked whether he was concerned about his future relationship with the White House, Crist said, "No, it's a great relationship."

The McCollum and Bronson campaigns said the president's declining approval ratings had nothing to do with their absences.

"If you look at the statewide numbers, they say that the I-4 corridor and up to Jacksonville are important to shore up," Bronson said. "If it had been around the Orlando-Tampa area where we could have still made the stop, we'd have been more than happy to be with the president."

Bush did not mention the absences and urged the crowd to vote for all GOP candidates for statewide office.

Bush said of Crist: "He's experienced, he's compassionate and he'll work hard on behalf of all the citizens of this important state. And while you're in there voting for Charlie, vote for Katherine Harris for the United States Senate."

White House spokesman Tony Snow also downplayed the absences of Crist and the Cabinet candidates.

"You've got to keep in mind, these events are not only important for revving up Republicans who are in the vicinity, but people all around the country are now looking at these speeches and looking at these events, and they're getting a sense of the energy of the crowds," Snow said.

During his speech, Bush concentrated on low taxes and terrorism.

"If you want your taxes low, vote Republican," Bush said. "And as you go to the polls, remember we're at war. And if you want this country to do everything in its power to protect you, and at the same time lay the foundation of peace for generations to come, vote Republican.

"Some of the folks in Washington think they've already figured out the results. That's what happened in 2004. Some of them up there started listening to the prognosticators and started picking out their offices in the west wing. Then the people in Florida voted and people around the country voted, and the movers weren't needed."

Bush was joined on stage by his wife, Laura, U.S. Rep. Jeff Miller of Pensacola, U.S. Sen. Mel Martinez and a few state legislators. Harris, who was actively discouraged from running for the Senate by the governor, White House advisers and other key state and national Republicans, spoke to the crowd about an hour before the president arrived.

During Bush's appearance, Harris and her husband, Anders Ebbeson, stood among the crowd. Asked why Harris wasn't on stage, spokeswoman Jennifer Marks said, "It's not a matter of where you sit, but where you stand on the issues."

Crist spent his day touring the state, with stops in St. Petersburg, Tampa, Orlando, Jacksonville, Delray Beach, Fort Lauderdale, Miami and Cape Coral.

Davis began his final, marathon campaign day with a visit to a longshoremen's union hall in Jacksonville. Davis urged about 200 dock workers to go to the polls today and take their friends with them. He urged them to ignore Republicans' boasts of tax cuts.

"Anybody in this room get a tax cut? No. Because you all don't have your own lobbyists," Davis said.

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In Tallahassee, Davis, who was trailing by about five points in polls conducted by Republicans and Democrats, took a shot at Crist's remark that he couldn't be in Pensacola because he needed to be "in Florida."

"So I'm running against a fellow who doesn't know when the FCAT is given, doesn't know who his member of Congress is and doesn't know Pensacola is part of Florida," Davis said.

Crist explained that he meant he needed to be in "peninsular Florida."

In Orlando, Crist said he was "excited" about today's election. "I'm ready for the conclusion, and I'm sure the voters are, too. It's a long race, it's challenging and it's fun."

Crist took his own shot at Davis, telling supporters: "If they want their taxes cut, they ought to vote for Charlie Crist. If they want higher taxes, they ought to vote for Jim Davis. The choice is crystal clear."

Crist was joined in Jacksonville by U.S. Sen. John McCain, R-Ariz., a likely 2008 presidential candidate who predicted that if Crist wins, "it puts him on the national stage, particularly in the ranks of Republican leaders."

Besides attending the rally, Harris stopped at Pensacola's Coffee Cup Restaurant, a popular local diner known for its grits.

After working the crowd, she gave a brief version of her usual stump speech, criticizing Nelson's stances on taxes, traditional values and immigration.

For Nelson, the final day before the election was a trip down memory lane as he met with about 60 longtime supporters in the Melbourne building that once housed his junior high school - the scene of Nelson's first political speech, when he was elected student body president in the eighth grade - and then stood waving a sign on street corners in Melbourne, Cocoa and Orlando.

Nelson said that if he is reelected, he plans to speak out more on national affairs and try to formulate bipartisan solutions to Social Security, energy conservation, education and the war in Iraq.

Nelson said he would not run for president but left open the suggestion he would welcome being a vice presidential candidate.

Bush Ends 10-state Blitz To Keep A GOP Congress (WT)

By Joseph Curl

The Washington Times, November 7, 2006

For up-to-the-minute results, news, and

analysis, make WashingtonTimes.com your home for election night.

DALLAS -- President Bush last night wrapped up a 10,000-mile, 10-state campaign blitz, but now he can only wait to see whether he will have a friendly House and Senate to help him push through his agenda over his final two years in office, or a Democratic majority that will fight him at every turn.

Before about 10,000 screaming supporters gathered at Reunion Arena for his last rally of the midterm congressional campaign, the president predicted that Republicans will keep control of both houses.

"We're closing strong because we're right on the issues," Mr. Bush said. "For the next 2½ years, I'm going to sprint as hard as I can to make this country great."

Mr. Bush spent the last two weeks of the campaign cycle trying to turn out the Republican base, visiting states he won in 2004. But many election strategists say dispirited conservatives may not go to the polls today, and Democrats say they are poised to take control of the House, and possibly the Senate as well.

Still, several new polls showed that the race for control of Congress may be narrowing, and Republican National Committee Chairman Ken Mehlman proclaimed that voters are discovering new "enthusiasm" for Republicans.

In his final campaign swing, the president stoked that enthusiasm at events attended by a total of more than 75,000 Republicans. At events in Montana, Nevada, Missouri, Nebraska, Kansas, Florida, Arkansas and Texas, Mr. Bush urged supporters to get out the vote.

"I thank you for what you have done to help these candidates, and I thank you for what you're going to do for the next 24 hours. You're going to pick up the phone, you're going to make the phone calls, you're going to turn out your friends and neighbors, and we're going to win," he said to cheers from supporters in Florida.

In an odd twist -- showing the difficulties Republicans face this year as polls show voter dissatisfaction with Mr. Bush and the war in Iraq -- the man who had invited the president to Pensacola, Fla., did not show up. Florida gubernatorial candidate Charlie Crist, who holds an eight-point lead on his challenger in the most recent poll, said he skipped the event because he needed to campaign in other parts of the state where his support was weak.

Here in Texas, Mr. Bush headlined a rally for the man who succeeded him as governor of Texas, Rick Perry. But his final stop of this campaign will likely turn out to have been overkill: Mr. Perry leads his closest challenger by 16 percentage points in the latest poll.

At every stop on the road, Mr. Bush extolled the achievements of the Republican-controlled Congress: Tax cuts, low unemployment, steep reductions in the deficit. He also hit hot-button conservative issues -- defining marriage as between a man and a woman, lambasting Democrats for stalling his judicial nominations, and touting Republicans' strength on national security.

"We're closing strong in this election because the American people have finally figured out our tax cuts work, and the Democrats are going to raise your taxes," the president said in Arkansas.

As the Bush administration's top officials fanned out across the country in last-ditch efforts to ramp up Republican voters, Democrats also called out their own top guns in the final days. Former President Bill Clinton, who made 30 campaign stops in 15 states in October, stumped Sunday for Democratic candidates in Maryland and yesterday for Virginia Senate candidate James H. Webb Jr.

Illinois Sen. Barack Obama, who said he is considering a presidential run in 2008, campaigned for Tennessee Senate candidate Rep. Harold E. Ford Jr., as well as for candidates in Missouri, Maryland and Pennsylvania. Even House Minority Leader Nancy Pelosi, absent from the campaign trail for weeks, attended rallies for candidates in Pennsylvania and Connecticut.

But Republicans countered with their own stars, including former New York Mayor Rudolph W. Giuliani, who campaigned for Maryland Gov. Robert L. Ehrlich Jr., Minnesota Gov. Tim Pawlenty, Michigan gubernatorial candidate Dick DeVos, Missouri Sen. Jim Talent, Pennsylvania Sen. Rick Santorum and Virginia Sen. George Allen. Arizona Sen. John McCain, also expected to run for president in 2008, campaigned for Tennessee Senate candidate Bob Corker and for Mr. Allen.

President Who Sees In Absolutes Awaits Voters' Definitive Answer (WP)

By Peter Baker

The Washington Post, November 7, 2006

PENSACOLA, Fla., Nov. 6 -- These are trying times for President Bush. On the last day of the last campaign that will affect him directly, he came here as a favor to his brother on behalf of the Republican candidate for governor. Only the Republican candidate for governor skipped the event. Too busy, he said, to be with the president of the United States.

So it goes these days. Bush shrugged it off and delivered a robust speech, firing up a crowd of Republicans and defiantly predicting victory. Any doubt he may harbor, he kept to himself. Any feelings of regret are locked tight inside. The rest of the world may see an unpopular president in the midst of an unpopular war. But Bush soldiers on. He does not publicly stew as other presidents have. He powers through event after event as if he were still the leader the country rallied behind after Sept. 11, 2001.

To his critics, it sometimes seems as if Bush lives in his own world, oblivious or unwilling to accept the shifting reality around him. His is a world of absolutes. "I view this as a struggle of good versus evil," he said the other day about the war with terrorists. To Bush, that is strength, not weakness -- the certitude of conviction, the power of principle. He's "the decider" in a business afflicted by equivocation and thumb-sucking.

Few deciders have gone through such a period in which the decisions seemed so out of their hands. He told North Korea not to test nuclear weapons, but Pyongyang detonated a bomb anyway. He tells Iran to stop pursuing nuclear weapons, only to have Tehran thumb its nose. He orders generals to find a way to stabilize Iraq, but bombs and bullets claimed more U.S. lives in October than in any other month in two years.

Now the voters are the deciders, and it's a verdict Bush can no longer influence. They will decide whether to give him back a Congress that stands by him more often than not or to turn over at least one house to the opposition to force change. Bush insists he's not worried. But at least one person who saw him in private a few days ago interpreted his body language to mean that he did not think Tuesday will be a great day for him.

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Bush woke up Monday at his ranch in Crawford, Tex., and was briefed by strategist Karl Rove on the shifting races. Rove told reporters later that of 20 recent polls in critical places, 16 had moved in the Republican direction and three were flat. "I knew we were going to finish strong," Bush said here.

Bush is not a nervous election-eve politician, obsessively poring over precinct-by-precinct reports, but he can be edgy or impatient and understands what is on the line, according to associates. As he embarked on his last day on the trail, Laura Bush came along, a calming presence during moments of pressure.

The president and his staff were offended by the last-minute snub by Charlie Crist, the Republican candidate to succeed term-limited Florida Gov. Jeb Bush. The White House scheduled the stop here in the conservative Panhandle as a favor to Jeb Bush entirely for Crist's benefit. But Crist decided to go elsewhere in the state. The White House schedule Monday morning still listed Crist as introducing the president.

Rove did not hide his consternation: "Rather than being with the governor and the president and 10,000 people in Pensacola, they made a last-minute decision to go to Palm Beach. Let's look at the comparison. Let's see how many people show up in Palm Beach on 24 hours' notice versus 8,000 or 9,000 people in Pensacola."

The president was left with a rainy-day rally here for no one. The local congressman does not face a competitive race and the Bush brothers are estranged from Rep. Katherine Harris, the GOP Senate candidate, who polls show losing in a rout. Harris was given a three-minute speaking slot more than an hour before the president arrived and was not on stage during his appearance. Bush mentioned her only once in passing.

At times, Bush appears confounded by the political problems confronting him. He is absolutely certain that, as he puts it, "they're coming after us," meaning terrorists, but does not understand why many others do not see it with the clarity he does. "I am in disbelief that people don't take these people seriously," he told National Review and other conservative outlets last month.

That conversation provided a glimpse into Bush's aggravation and isolation. One participant, Lawrence Kudlow of CNBC, told Bush that he has supported the war but was discouraged and looking for hope.

"I need some good news, sir," Kudlow said.

"Yes, I do, too," Bush said.

"I really do," Kudlow repeated.

"You're talking to Noah about the flood," Bush said. "I do, too."

Bush seeks solace in history, certain that he will be vindicated, much as Harry S. Truman was unpopular in his day but is revered today. And Bush expresses exasperation that he cannot find a tangible yardstick to point to victory in Iraq.

"I don't know what Harry Truman was feeling like, or Franklin Roosevelt," he told the conservative journalists. "I'm sure there were moments of high frustration for them. But I do know that at Midway, they were eventually able to say two carriers were sunk and one was damaged. We don't get to say that. A thousand of the enemy killed, or whatever the number was. It's happening; you just don't know it. And there's no scorecard."

The elections, at least, come with a scorecard. But Bush has not maintained a particularly hectic pace. Whereas he hit 15 states in the final five days before the 2002 midterm elections, he visited 10 in the same period this year. He dropped off the trail for 24 hours over the weekend to celebrate the first lady's 60th birthday and their 29th anniversary.

When he went back out, he stuck to conservative areas without major races. That's because Crist is not the only Republican eager to keep a distance from a president with a 40 percent approval rating -- just the only one impolitic enough to snub him after inviting him on election eve.

Bush's last stops were chosen out of loyalty to allies rather than any effort to make a difference in a tossup race. He flew to Bentonville, Ark., for Asa Hutchinson, a former administration official running for governor, then to Dallas for Gov. Rick Perry. Neither race is close; Hutchinson trails by 17 points, and Perry leads by 14.

Bush's stump speech the past few weeks has underscored a with-us-or-against-us worldview. Democrats and some Republicans opposed warrantless surveillance of telephone calls of people with suspected ties to terrorism, objecting to unchecked executive power and arguing that officials should still get warrants from a secret intelligence court. Likewise, Democrats and initially some Republicans opposed redefining Geneva Conventions protections for prisoners and permitting harsh interrogation, preferring more traditional practices.

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In the version Bush offers campaign audiences, that boils down to the Democrats not wanting to fight terrorists at all. Democrats, he said in Missouri, "oppose listening in on terrorist conversations" and "oppose letting the CIA detain and question the terrorists who might know what those [next] plots are." As for Iraq, he said in Texas, if Democrats get their way, "the terrorists win and America loses."

One way or the other, someone loses Tuesday. Bush and Rove have remained outwardly confident in the face of the polls in part because they have so often prevailed over conventional wisdom. If polls were right, then John F. Kerry would be president, they tell doubters. Both bristle at the idea that the Washington elite has already counted them out.

Still, Bush advisers understand the odds against them. They have written off 10 or 12 "scandal seats," where ethical lapses have dominated. Democrats need 15 to take over the House, so victory in just a few tossup races would be enough. If that happens, the White House argument is likely to be that Republicans lost because of isolated corruption cases, not broader discontent with Bush or the war.

What Bush would do then becomes the next question. He arrived in Washington promising to be a uniter, not a divider, but the political polarization in the country is worse than when he took over. As recently as last month, his spokesman said that if nothing else, Bush wants to use his last two years to "detoxify" Washington -- and then Bush headed out to the campaign trail to warn that if Democrats win, "America loses."

How would he reconcile these competing instincts? The desire to be a healer and the surety that his way is the right way? The decider will have to decide.

Gubernatorial Candidates Scramble For Votes In Final Hours (HC)

By Julie Mason And Gary Scharrer

Houston Chronicle, November 7, 2006

The four major candidates for Texas governor made their final pitches to the voters today, with Gov. Rick Perry getting a personal boost from President Bush and independent Carole Keeton Strayhorn blitzing the state with Bush's former press secretary and the president's former Medicare chief.

Democrat Chris Bell campaigned in Amarillo, Dallas and Austin before returning to his home in Houston, where he will vote today) and await election returns.

Independent Kinky Friedman rallied in Temple.

In his last event of the campaign season, Bush touched down in Dallas for a rally with Perry, telling an estimated 10,000 people at Reunion Arena that ``You elected us to get things done."

``Let me put it to you this way," Bush told the cheering crowd. ``Everything I learned, I learned here in Texas."

Joined by local Republican officials and statewide officeholders, including Lt. Gov. David Dewhurst, Bush said, ``When you get in there to vote for Rick, make sure you vote for Dewhurst as well."

Strayhorn held airport news conferences in Harlingen, San Antonio, Houston and Dallas with her four sons, including Scott McClellan, the former White House press secretary, and Mark McClellan, who, until recently, was Bush's administrator of the Centers for Medicaid and Medicare Services.

``A couple of his (Bush's) senior advisors think there's a better candidate for governor," Mark McClellan said.

Scott McClellan likened Strayhorn's style to the ``uniter, not a divider" theme that Bush used in his first presidential race.

``We think that spirit is what this campaign is all about - setting aside partisan politics and doing what's best for Texas," he said.

Also touring with Strayhorn were Brad McClellan, her campaign manager, and his twin brother, Dudley. Strayhorn's sons have campaigned with her throughout her political career, beginning in 1972 when she ran for the Austin school board.

At the various stops, the comptroller also was joined by Democratic and Republican officeholders to emphasize her cross-party message.

``We are going to prove the pundits wrong," she said of recent media-sponsored polls indicating she will finish third as Perry is reelected.

Bell and Friedman made similar comments about the voter surveys.

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Bell urged Democrats who have been flirting with Strayhorn or Friedman to come home to their party.

He acknowledged the difficulty of a Democrat regaining the governor's office after 12 years, but he said there's also an advantage in running against ``one of the least popular governors in the history of Texas."

``I'm the only one now in a position to take him out," he added.

In Dallas, where Bell was born, he campaigned with his father, Peter Bell, 83, a former Republican.

``If they (voters) just get to know him, he's a beautiful man," the elder Bell said of his son.

Friedman rallied about 100 voters in Temple at the office of Tejano star Little Joe Hernandez. He said he will be joined on election night by former Minnesota Gov. Jesse Ventura, the former wrestler who rode a wave of voter turnout to an upset victory as a Reform Party candidate in 1998.

``I think we're going to surge a lot stronger than the pollsters and the politicians and the pundits have predicted," said Friedman, for whom recent polls have predicted a fourth place finish with about 11 percent of the vote.

As Friedman was talking about the ``very strange coalition" supporting him, about 20 uniformed students from Holy Trinity, an area Catholic school, showed up.

The candidate vying to be the first Jewish governor of Texas gave the students a history lesson about one of his heroes, Father Damien, a Belgian Catholic missionary who ministered to lepers in Hawaii during the late 1800s.

President Bush raised a record $194 million for Republican candidates this year, but his diminished popularity nationally has limited his value in tightly contested races.

Instead, the president has stuck to largely conservative areas where his handlers believed he could make a positive difference. In two other stops today, Bush addressed rallies in Arkansas and Florida.

Today, the president and first lady vote at their local polling place in Crawford before heading back to Washington, where they plan to watch the election results at the White House.

Slightly more than 1 million people voted early in person or by mail in the 15 most populous counties, a slight increase over the 2002 gubernatorial election.

The number of early voters increased in several suburban, Republican-dominated counties, including Fort Bend and Montgomery (outside Houston), Williamson (outside Austin) and Collin and Denton (in the Metroplex), while early voting in Travis and Hidalgo counties, two Democratic strongholds, was down.

Secretary of State Roger Williams has predicted that 36 percent of the state's 3 million-plus registered voters will cast ballots, the same percentage as voted in 2002.

Bush Warns Against Presuming Democratic Victories (CHIT)

By Mark Silva

Chicago Tribune, November 7, 2006

DALLAS -- After nearly six mostly tumultuous years as president, George W. Bush has come home to Texas to cast his own lone vote on a day when his party's national fortunes hang in the balance.

On Monday, the last day of his final political campaign that could effect his presidency, Bush brandished the unrelenting optimism which he has carried to his own personal battle for his party's control of Congress for months.

Bush also carried the added burden of his own unpopularity as president, with the war in Iraq having taken a toll on the president after nearly four years of combat. A Republican candidate for governor snubbed the president's appearance in Florida during an eleventh-hour, day-long campaign tour for governor's races in three states.

"Some folks in Washington think they've already figured out the results," said Bush, warning against presuming any Democratic victories on Tuesday. "That's what happened in 2004… Some of them started listening to the prognosticators and started picking out their offices in the West Wing. Then the people… voted… And movers weren't needed."

In Florida, where the president joined his younger brother, retiring Gov. Jeb Bush, for their final campaign appeal as president and governor, their own party's candidate for governor skipped a rally with thousands of people in Pensacola staged for the party's candidates in the Sunshine State. It was overcast outside the civic center where the president spoke, and the candidate's absence hung like a pall over the rally inside.

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Republican Charlie Crist, running for governor in Florida, insisted that last-minute scheduling and a desire to concentrate his efforts in seven other cities across the state, was behind this sudden cancellation.

Karl Rove, the president's chief political adviser, said somewhat ruefully: "All I know is that yesterday morning they apparently made a decision that, rather than being with the president and 10,000 people in Pensacola, they made a last-minute decision to go to Palm Beach."

Some insisted that yet another Republican had decided to seek some distance from the president in a year when many of the GOP's members of Congress and candidates have campaigned with reminders of how they disagree with Bush, with his job-approval hovering below 40 percent.

Karen Thurman, Florida Democratic Party chairman, said: "Charlie Crist and President Bush say, 'stay the course,' but clearly Charlie Crist has 'cut and run' from the president today."

Susan MacManus, professor of political science at the University of South Florida, suggested that Crist {ndash} favored to win the governor's race {ndash} has drawn support from independent voters and even some Democrats, and these swing voters also tend to be late-deciding. The view of Crist standing alongside Bush might not serve well as their final image, she agreed.

Crist did make time Monday for an appearance with Arizona Sen. John McCain, eyeing the Republican nomination for president in 2008, and was introduced as part of the party's "next generation" of leaders.

Yet Rove insisted that he had found cause for optimism in the final days of the midterm congressional elections. The results of many polls have revealed trends favoring Republican candidates, insisted Rove, architect of Bush's campaigns for president and chieftain of the midterm campaigns.

"Last week, for example, on one day we had some 20-odd polls," Rove said on the runway at an airport near Waco, Tex., as he prepared to head out with Bush for election-eve campaigning.

"Wherever the candidate was, their comparable position versus the previous day's tracking or the previous week's poll, like in a group of say 20-some-odd, you'd have 16 of them approve, three of them stay flat," Rove said. When "you see that in races from the West Coast to the Northeast, Senate, House and governor, then it presages something."

For months, Bush, First Lady Laura Bush, Vice President Dick Cheney and party leaders have fanned out on their own, campaigning in more than 200 cities for the GOP's candidates. On Monday, the president and first lady walked hand-in-hand onto stages for the closing day's rallies.

The president, promising lower taxes and stronger national security if Republicans win on Tuesday, unleashed the same criticism of Democrats as tax-happy and weak at war that he has voiced for months.

"The Democrats' philosophy is this… if it breathes, tax it," Bush said, shirt-sleeves rolled to his elbows. 'Remember, if you want your taxes low… vote Republican…And, as you go to the polls, remember we're at war."

In Florida, the state that handed Bush the presidency after a 36-day court battle over the disputed 2000 election there, the president spoke of the local congressman asking him not to forget the people of the panhandle.

"I said, 'Congressman, how could I forget 'em?'" Bush said. "I wouldn't be president without 'em."

And in Florida, where the Bush brothers have campaigned side-by-side many times, this final campaign brought an emotional farewell.

"This'll be my last chance to introduce him as president of the United States while I'm governor," Jeb Bush told the crowd.

"Mr. President, brother George, thank you for the tax cuts in Washington that made it possible for our state to grow," he said. "Mr. President, brother George, thank you for supporting our military."

In Arkansas, the president campaigned for Asa Hutchison, the Republican candidate for governor who had served the Bush administration for four years, most recently as a senior Homeland Security official. The White House voiced a sense of obligation.

"We're closing strong," Bush said in Little Rock

And in Texas, Bush closed his campaign with a rally for Gov. Rick Perry, the Republican who succeeded Bush in the Lone Star State and could become Texas' longest-serving governor if he wins on Tuesday.

A Last Hurrah Of Sorts For Bush-Rove Partnership (NYT)

By Jim Rutenberg

DOJ_NMG_0091521

The New York Times, November 7, 2006

PENSACOLA, Fla., Nov. 6 — President Bush and his political partner, Karl Rove, ended it where they started it: in this sliver of Northwest Florida that arguably gave them their 2000 victory.

Like then, the two have utilized a symbiotic relationship in which, friends say, Mr. Rove, the president's chief political adviser, is both mastermind and supplicant, and Mr. Bush is both leader and follower.

While several members of the team that got Mr. Bush to the White House in 2000 are gone, Mr. Rove remains.

Mr. Rove helped to give Mr. Bush a winning strategy, first guiding him to the governor's seat in Texas, then to the White House. Mr. Bush brought Mr. Rove along on a remarkable journey to the pinnacle of the political world. They have won every election they have taken on together.

Mr. Bush, who is more involved in the nitty-gritty of politics than he lets on publicly, gave Mr. Rove the clearance to run the White House midterm elections plan according to his standard playbook, even as other Republicans began to question Mr. Rove's reputation for strategic brilliance and detach themselves from Mr. Bush and the Iraq war.

This year has not been easy on the two men, but in public at least, Mr. Bush and Mr. Rove usually seem to be enjoying themselves. In the campaign's waning days, Mr. Rove emerged as the campaign jester of Air Force One, a role he has taken on in all of Mr. Bush's big campaigns.

On almost every leg of every trip, Mr. Rove appeared before the traveling group of journalists to alternately tease them or flatter them, all the while spinning scenarios pointing to yet another Republican victory in the face of forecasts to the contrary.

Thus, there last week was the man Mr. Bush calls "the architect" — and some liberal bloggers call an evil genius — walking into the Air Force One press cabin to distribute chocolate-covered caramels to the traveling reporters. His prediction for Election Day: "Victory, victory, victory."

Another day while dispensing candy to the press, he shouted, "Sweets for my sweets!"

Mr. Bush is reveling in being on the campaign trail too, rolling up his sleeves and going into arenas where audiences explode at lines that get polite applause from the more moneyed crowds he has addressed this year. An aide to Mr. Bush recalled how, just before taking the stage at a booming gymnasium in Le Mars, Iowa, the president turned to him and several others and said, "All right, boys, I have some new chestnuts for 'em tonight," adding, "They ain't seen nothing yet."

Despite several requests, the White House would not arrange an interview with Mr. Rove to discuss what is, in effect, his last big campaign for Mr. Bush. Indicating that he still plans on being relevant, along with Mr. Bush, two years from now, a White House aide said that Mr. Rove "disputes the premise."

Post-Tuesday Thinking

Indeed, what happens after Tuesday is something of a sore subject with several of Mr. Bush's advisers.

They refuse to discuss the possibility of life with a Democratic speaker of the House, presumably Representative Nancy Pelosi of California. And whenever the subject of the president's last two years come up, the aides make sure everybody knows that Mr. Bush intends to go out with a bang, not a whimper.

Asked Monday about plans for a possible Democratic-controlled Congress, Tony Snow, the White House spokesman, repeated his standard refusal to discuss the topic, then added, "Here's the thing that you do need to know, which is that the president plans for a very active final two years of his presidency."

He added, "So the president is going to be very aggressive, and he's not going to play small ball."

Everywhere, though, there are reminders that Washington will soon begin to focus on 2008 — like, say, Wednesday. Charlie Crist, the Republican candidate for governor in Florida, skipped out on an appearance in Pensacola with Mr. Bush, choosing instead to appear in Jacksonville with Senator John McCain of Arizona, a favored contender for the Republican presidential nomination should he run.

A person close to Senator McCain said that his advisers had checked with the White House last week to make sure there was no conflict and noted the events were two hours apart. The senator is expected to start his 2008 political strategy sessions on Wednesday.

And last Saturday, Mr. Bush beckoned a reporter, Nedra Pickler of The Associated Press, to his cabin at the front of Air Force One, to say goodbye. She is leaving her job as a White House correspondent to begin covering the 2008 campaign.

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Not-So-Sunshine State

Florida has been good to Mr. Bush over the years. Yet, there are signs of wear here, like elsewhere, and Mr. Crist is not the only Republican in the state with whom the White House has had its differences.

Representative Katherine Harris, the state's former Secretary of State and onetime Bush loyalist who was credited with helping to secure Mr. Bush's victory in 2000, is running for the seat held by Senator Bill Nelson, a Democrat.

But Ms. Harris and the Bushes — that includes the president's brother, Florida's outgoing governor, Jeb Bush, are no longer allies; she defied their wishes that she not run for the Senate seat, and, despite a lot of trying, they were unable to persuade anybody else to run.

When Mr. Crist backed out of the Pensacola rally, Ms. Harris was the most prominent Republican candidate on the state ballot this year in attendance. Yet she was not up on the stage with Mr. Bush, his wife Laura, Governor Bush and Senator Mel Martinez.

Asked before landing in Pensacola whether Mr. Bush was "excited" to campaign with Ms. Harris, Mr. Snow said flatly: "He wants Republican candidates to win."

If enough of them do not, it is going to be a very different world for him come Wednesday.

Tuesday May Bring Bush Worry Either Way (AP-Y)

By Terence Hunt

AP, November 7, 2006

Running out of time and influence, President Bush faces a rough road in the twilight of his presidency regardless of who controls Congress.

The once-unshakable loyalty of congressional Republicans is weakening. After marching in lockstep with the White House for six years, GOP lawmakers are looking at the political calendar and thinking about their own futures rather than Bush's legacy in his last two years in office.

Republicans are in a sour mood, scarred by corruption scandals, held in low esteem by voters and divided over issues from deficit spending to immigration reform. Many GOP candidates shunned Bush in their campaigns, fearing he would hurt rather than help them.

With the end of the midterm elections and the opening of the 2008 presidential race, Republicans as well as Democrats will be telling the country how they would do things differently from Bush.

Already a huge headache, the Iraq war hangs over Bush as the dominant issue for the remainder of his presidency. Even before this year's elections, Republican senators — from Virginia's John Warner to Texas' Kay Bailey Hutchison — were questioning Bush's approach to Iraq, which this month will eclipse World War II in the length of U.S. involvement.

If Democrats should take the House or Senate, Bush's problems would only get worse.

Shut out of power for a dozen years and bitter at Bush for ignoring them, Democrats would demand a role in setting the nation's agenda and throw up roadblocks to the president's plans. Pressuring Bush on Iraq, Democrats would have subpoena powers to investigate the president's conduct of the war and to demand accountability.

The White House also could get snarled in Democratic-run investigations of issues ranging from Vice President Dick Cheney's secret energy policy deliberations to White House links with Republican corruption scandals.

"It won't be a happy place to work in the next couple of years," said John Podesta, who has firsthand knowledge about running a White House in troubled times. He was Bill Clinton's chief of staff during the tumultuous days of the Monica Lewinsky scandal and Clinton's impeachment.

"Whereas you had a kind of lapdog Congress in the past, you're going to have a significant challenge," Podesta said of Bush. "Even if the Republicans retain control, you'll see even more questioning on the Senate side."

With Democrats in charge, there would be little chance that Bush's prized tax cuts would be renewed. His drive to expand his executive authority and national security powers would be blocked.

Even with Republicans in control, Bush's agenda has been stalled, his blueprints for overhauling Social Security and immigration collecting dust.

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Time and history are not on his side.

"It seems like most presidents get less done in the last two years than they did in the earlier part of their term," said Charles Black, a GOP strategist with close ties to the White House. "Some of it is you don't have as much influence. People are paying attention to who might come next instead of who is there now."

Before they leave, presidents sometimes try to shape their legacy with foreign policy victories. Clinton desperately sought a Middle East peace agreement in the closing days of his presidency but failed. The Middle East offers scant hope for Bush, too. Trouble spots like North Korea and Iran look bleak.

Bush insists he has a lot to do and isn't slowing down. After the election, he plans to send Treasury Secretary Henry Paulson to Capitol Hill to see what's possible in terms of overhauling the financially troubled Social Security and Medicare programs.

"The general approach is to be activist and tackle big stuff," White House press secretary Tony Snow said. "You've got a very energized and motivated White House. We're going to see how Congress is in dealing with this. Maybe it's just wishful thinking but we may be approaching the point of mudslinging burnout."

Even if Democrats win, Bush still would have clout. As commander in chief, he is responsible for American forces. There isn't much talk about Congress cutting off funds for war.

Probably the most potent weapon in Bush's arsenal would be his veto pen and, almost certainly, a veto-sustaining minority if Democrats took the House.

He also would have the power of executive orders allowing him to make big moves without Congress' approval. Clinton used that authority, for example, to protect vast tracts of public land from road-building, logging and mining.

Democrats and Republicans alike suggest there are areas of possible agreement on issues such as alternative fuel sources and the No Child Left Behind education law that has to be renewed next year.

A key question is whether Democrats, Republicans and the White House decide it's in their political interest to get some things done.

"An awful lot can happen in two years," said Leon Panetta, a onetime Democratic congressman who became Clinton's chief of staff. "In many ways it can determine his legacy as president of the United States. If there's nothing but gridlock these last two years, mark my words: He's not going to have a very high place in history in terms of his presidency."

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EDITOR'S NOTE — Terence Hunt has covered the White House for The Associated Press since the Reagan presidency.

Candidates Make Dash For Finish Line (NYT)

By John M. Broder And Jim Rutenberg

The New York Times, November 7, 2006

WASHINGTON, Nov. 6 — Exhausted candidates across the country delivered their final appeals on Monday, closing a campaign that will determine the balance of power in Washington for the next two years and render a judgment about President Bush and the war in Iraq.

Candidates, party committees and interest groups flooded voters with a flurry of late advertising and heavy spending on turn-out-the-vote operations on the last day of the most expensive, and one of the nastiest, midterm elections in American history.

Most independent analysts predicted a strong Democratic wave on Tuesday, but Republicans found a glimmer of hope in a handful of weekend polls that showed the percentage of voters saying they planned to vote for Democrats dipping slightly. And Democratic officials acknowledged that Senate seats they thought they had wrapped up — in Maryland, Montana, New Jersey and Rhode Island — were no longer sure things.

After months of attacks on the stump and on the airwaves about sex and race, scandal and war, candidates and parties turned most of their attention to closing the sale and driving their voters to the polls on Tuesday.

In Georgia, Representative Jim Marshall, one of fewer than a half dozen threatened Democratic incumbents, spent the day making phone calls to answer questions from undecided voters.

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The candidates in a tight race for a seat along Florida's east coast, Representative E. Clay Shaw Jr., the Republican, and Ron Klein, his Democratic challenger, spent the day trolling for votes in complexes for the elderly, talking about prescription drug benefits under the new Medicare program.

In the contest for an open House seat in Colorado's Seventh District, around Denver, Republicans contacted more than 50,000 households over the weekend by telephone and door-to-door canvassing.

Some 4,500 members of the Association of Community Organizations for Reform Now, known as Acorn, donned bright red T-shirts were out campaigning in favor of ballot proposals to raise the minimum wage in Arizona, Colorado, Missouri and Ohio.

In Arizona, the actor Michael J. Fox appeared with two Democratic candidates to advocate lifting restrictions on stem cell research, an issue that has come to play a prominent role in several races around the country.

In Texas, Shelley Sekula-Gibbs, the Republican write-in candidate for the seat vacated by Tom DeLay, the former House majority leader, closed a hectic day Monday night with a party in the affluent Clear Lake area of Houston. She scoffed at predictions made by some news outlets about her candidacy.

"They may have jumped the gun when they said two months ago that there was no way that Congressional District 22 would stay Republican," Ms. Sekula-Gibbs told the crowd, "but guess what, it's going to stay Republican."

Mr. Bush spent the day on the fringes of contests for the House and Senate, seeking to rally Republican voters in Arkansas, Florida and Texas. But Karl Rove, his senior adviser, expressed open irritation at the last-minute decision by Charlie Crist, the Republican candidate for governor in Florida, not to appear with the president at a large and spirited rally in Pensacola, a development that underscored the reluctance of his own party's candidates to be too closely linked to Mr. Bush.

Mr. Bush, with his shirtsleeves rolled up and his wife, Laura, and brother Jeb, Florida's governor, at his side, told the crowd that Republicans were more devoted to the nation's security than were Democrats. He received some of his most sustained applause — mixed with chants of "U.S.A., U.S.A!" — when he reminded the crowd, "Saddam Hussein was convicted and sentenced to death."

Ending his day of campaigning in Dallas, he told thousands at the Reunion Arena, "We're closing strong because we're right on the issues," and exhorted volunteers to work the telephones and get voters to the polls.

In addition to contests for Congress, 36 governor's chairs and thousands of state legislative seats are to be decided. Polls indicate that Democrats could pick up as many as 10 governor's offices now held by Republicans without losing a single one now in Democratic hands.

Voters in 37 states will consider dozens of ballot initiatives on embryonic stem cell research, the minimum wage, same-sex marriage, abortion, the environment and other issues.

Democratic Party officials have sought from the beginning of the campaign to frame the election as primarily about Mr. Bush, and particularly about his conduct of the war in Iraq.

"We've always wanted this to be a national referendum," said Senator Charles E. Schumer of New York, chairman of the Democratic Senatorial Campaign Committee, "and it's helping us from one end of the country to the other."

Ken Mehlman, chairman of the Republican National Committee, said that most races would be decided on local issues and that party volunteers were knocking on an average of three million doors a day nationwide, part of the Republicans' so-called 72-hour strategy for turning out their voters.

Mr. Mehlman, however, introduced a cautionary note in contrast with confident predictions by Mr. Bush, Mr. Rove and Vice President Dick Cheney that Republicans would retain majorities in the House and Senate.

Asked about his party's prospects in the House, Mr. Mehlman said that although he saw signs of new hope that Republicans could retain control, "I believe it's going to be very close; I think it remains an uphill climb."

He sounded more confident about the Senate.

Independent analysts predict Democratic gains of 20 and 40 seats in the House, giving the party control for the first time since 1994. An analysis accompanying a Gallup Poll released over the weekend said that based on calculations from Congressional elections from 1946 to 2002, the Democrats were poised to gain 11 to 58 seats, with a gain of 35 the most likely outcome.

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More than 100 optimistic but anxious House Democrats took part in a party conference call Monday afternoon, getting an update on races and some guidance from Representative Nancy Pelosi of California, the House Democratic leader, on how to proceed should Democrats prevail. According to participants, Ms. Pelosi told her colleagues that the first 48 hours after the election would be important in defining the party's image if they gained a majority and that Democrats should be united, show respect for diverse views and a willingness to work with Republicans and President Bush

A half-dozen Senate seats remained competitive, with both parties warily watching races in Rhode Island, Maryland, Missouri, Montana and Virginia.

All the last-minute spending and the spin, the door-knocking and the robocalling will have no effect on the estimated 25 percent of the electorate that has already cast votes, either by absentee ballot or at early voting stations.

California's secretary of state, Bruce McPherson, said that local elections officials issued 5.1 million absentee ballots and that he expected that 44 percent of all votes cast in the state would be cast by mail. Ohio elections officials won a court ruling that they could immediately begin counting tens of thousands of absentee ballots that were piling up in county clerks' offices.

Over all, about 42 percent of eligible voters are expected to cast ballots, which would be the highest percentage in any midterm election since 1982, said Curtis Gans, director of the Center for the Study of the American Electorate at American University and an expert on voter behavior. Mr. Gans said he based his estimate on the intensity of voter interest and the number of absentee ballots issued.

"Even the ugly campaign has not dampened their desire to come out," he said.

The barrage of negative advertising continued, but some candidates adopted an almost elegiac tone to their final arguments.

Representative James T. Walsh, a nine-term Republican from Syracuse who is facing a tough challenge, began running a television advertisement last weekend in which he wore a casual sweater and spoke directly to the camera.

"I think you know me," Mr. Walsh says in the commercial. "I think you trust me. I want you to know I share your frustration with the war. These are difficult times for America. We've got to stop the finger-pointing and the partisanship and address all our nation's challenges, both at home and abroad, together."

Bob Casey, the Pennsylvania Democrat who appears likely to unseat Senator Rick Santorum, a Republican, sits on the stoop of his home in Scranton, Pa., in his final advertisement and talks about binding up the wounds of the bitter campaign.

"After all the noise of this campaign year," Mr. Casey says in the spot, "I wanted to talk with you about what lies ahead. The only way we're going to work through problems like losing jobs to other countries, protecting Americans from terrorism or the war in Iraq is for Democrats and Republicans to start working together again."

Voting In A Neck-and-neck Nation (LAT)

By Ronald Brownstein

The Los Angeles Times, November 7, 2006

WASHINGTON — The 2006 campaign, one of the nastiest battles and the most expensive ever for control of Congress, came to an end Monday amid indications that months of debate over Iraq, political corruption and the Republican dominance of Washington could produce the highest voter turnout in decades for a midterm election. Even as polls differed on whether voters were ready to hand Democrats a majority in the House or Senate, or both, a series of late surveys consistently showed extremely high levels of interest in the election.

In a national USA Today/Gallup Poll released Monday, 68% of adults said they were "absolutely certain" they would vote. That was the highest level of interest Gallup has recorded for a nonpresidential election in the half a century it has measured American opinion.

Likewise, a survey by the Pew Research Center for the People & the Press showed a significantly higher level of interest than in the last two midterm elections — higher even than in 1994, when Republicans swept Democrats from power in Congress.

Iraq, the issue that has generated the sharpest conflicts between President Bush and the Democrats, continued to set off sparks on the campaign's final day.

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Leading Democrats urged Americans to demand a new direction on Iraq policy by ousting the GOP majorities in the House and Senate.

"The choice couldn't be more stark," Sen. Charles E. Schumer (D-N.Y.), chairman of the Democratic Senatorial Campaign Committee, told reporters. "Every vote cast for a Democrat is [a vote] for a new, smarter Iraq policy. Every vote cast for a Republican is a vote cast for staying the course."

Bush, accepting that gauntlet, portrayed success in Iraq as essential to protecting America's national security and insisted that Democrats had no plan to prevail there.

"Harsh criticism is not a plan for victory," Bush told an enthusiastic crowd of 5,000 in the Republican stronghold of Pensacola, Fla. "Second-guessing is not a strategy. We have a plan for victory, and part of that plan is to make sure that Republicans control the House and the Senate."

With all 435 seats in the House of Representatives and 33 Senate seats at stake, as well as 36 governorships, today's election could mark the sharpest turn in American politics since the Republican landslide in 1994.

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GOP dominance at risk

Since that victory, fueled by a backlash against President Clinton's first two years in office, Republicans have controlled the House for 12 consecutive years and the Senate for all but about 18 months in Bush's first term.

Now polls show that voter discontent over Bush's direction, especially in Iraq, has carried the Democrats within range of capturing at least one chamber of Congress. Republicans took heart from several late surveys showing the GOP mobilizing more of its core supporters and shrinking its deficit among swing voters, much as the party did in the final weekend before its surprising gains in the 2002 election.

"Our party is heading into election day with strong momentum," Republican National Committee Chairman Ken Mehlman said in an e-mail to supporters Monday morning.

Still other polls painted a less-promising picture for the GOP. And most analysts on both sides agreed it would be extremely difficult for Republicans to prevent Democrats from securing the 15-seat gain they need to capture a majority in the House.

In the Senate, Democrats face a tougher climb. They need a gain of six seats to reach a majority, and that will require them to capture at least four of the five most closely contested Republican-held seats — in Rhode Island, Montana, Virginia, Tennessee and Missouri — without losing any seats they already hold.

Public opinion polls generally showed close races in all of those contests except Tennessee, where most surveys provided Republican Bob Corker a wider advantage over Democratic Rep. Harold E. Ford Jr. Late polls showed Democratic challengers maintaining large leads over Republican Sens. Rick Santorum in Pennsylvania and Mike DeWine in Ohio.

A Democratic majority in either chamber could set the stage for two years of intense political conflict. Democrats would be likely to use the subpoena power that comes with majority control to aggressively examine Bush policies in Iraq and at home that they argue Republican lawmakers have failed to monitor.

Big Democratic gains would also disrupt the ambitions of Bush and Karl Rove, his chief political advisor, to build a lasting Republican electoral majority centered on an alliance of economic and social conservatives.

One of the hallmarks of Bush's presidency has been the passionate emotions he inspires in supporters and opponents, and that pattern shows every sign of generating a large turnout today.

Curtis Gans, director of the Committee for the Study of the American Electorate at American University in Washington, has predicted that voter turnout is likely to exceed the highest level of the last quarter of a century, which was reached in the 1982 election, when Democrats made sweeping gains in the House.

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Getting out the vote

On Monday, both parties worked frantically to convert that interest into votes.

In Missouri, site of the neck-and-neck race between GOP Sen. Jim Talent and Democrat Claire McCaskill, Republicans said they had launched a larger get-out-the-vote drive than they did in the 2004 presidential election, when Bush won the state comfortably.

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"It's a juggernaut right now," said Paul Sloca, the spokesman for the Missouri GOP.

In Montana, where GOP Sen. Conrad Burns is battling Democrat Jon Tester in a tight race, the party has contacted about 300,000 voters by phone and home visits in little more than a week. That is roughly one-third of the state's population.

Nationwide, the Republican National Committee estimates its get-out-the-vote operation had contacted more than 29 million voters as of Monday.

Democrats and their allies mounted their own efforts. The Democratic National Committee touted a big increase in party voters participating in early balloting in Tennessee and widespread voter contact efforts in Arizona — site of three competitive House races — and in Iowa, where Democrats hope to hold the governorship and seize a vacant Republican House seat.

The AFL-CIO said that on Monday, 50,000 union volunteers were expected to make 2.5 million phone calls, knock on 1 million doors and speak with 1.8 million union members at work sites.

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Democrats cry foul

As each side sought to mobilize its voters, Democrats complained that the GOP had made a barrage of computer-generated telephone calls that, in their view, constituted a last-minute dirty trick.

Democrats said that because the automated calls often started with an offer to share information about a Democratic candidate, some voters thought the candidate had placed the calls. Democrats said the effort was intended to generate anger toward their candidates by pestering voters with multiple calls in unwelcome bursts or late at night.

Attorneys for the House Democratic campaign committee also asserted that the calls violated FCC rules that require the sponsor of automated calls to be identified at the beginning of the message. A spokesman for the House Republican campaign committee acknowledged that it identified itself as the sponsor only at the end of its calls.

But Carl Forti of the National Republican Congressional Campaign Committee said the party's calls were within the law, and he denied that the committee phoned voters more than once a day or in the middle of the night. "These calls are meant to inform people, not annoy people," Forti said. "We've been doing phone calls like this for years. We clearly state we're making the calls at the end."

Adding to the tension in both parties was the release of seven national surveys since Saturday that sharply diverged in their portraits of the electorate.

In four of those — released by Fox News, Newsweek, Time and CNN — Bush's approval rating ranged between 35% and 38%, and Democrats led by at least 13 percentage points when voters were asked which party they intended to support today.

But in polls released by USA Today/Gallup, ABC/Washington Post and the Pew center, Bush's approval rating ranged from 38% to 43%, and the Democratic lead in the ballot stood at 4 to 7 percentage points.

That latter group of surveys inspired some anxiety in Democratic circles and cautious optimism among Republicans that they could avoid severe losses. The Center for Responsive Politics, a nonpartisan group in Washington, estimated late last month that individual candidates, the two parties and their allied groups would spend $2.6 billion in the election. That would make this the most expensive midterm election ever, with spending nearly 20% higher than in 2002.

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Times staff writers Janet Hook, Richard Simon, Ricardo Alonso-Zaldivar and James Gerstenzang contributed to this report.

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(INFOBOX BELOW)

Viewers guide to election night

Even as Californians are still voting, the election's trends should be clear from other states. Here's how political pros will be watching the returns:

The battle for the House

Polls in Indiana close early, and all eyes will be on the fate of three endangered House Republicans there. If Democrats sweep these races, it could be the start of a big night for the party. If Republicans hold their losses to one seat, or keep all three, they'll be feeling better about the national picture.

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Attention will quickly shift to a cluster of Northeastern states — Connecticut, New York and Pennsylvania. Several GOP incumbents, including such party stalwarts as Christopher Shays and Nancy L. Johnson in Connecticut and Thomas M. Reynolds in New York, are at risk. To win the House, Democrats must defeat most of these Republicans.

In New Hampshire, six-term GOP Rep. Charles Bass faces a tough reelection fight. If he loses, it could be a sign of a national Democratic "wave."

Georgia presents the GOP with one of its few chances to gain a House seat. A Republican win over Democratic Rep. John Barrow would hearten GOP leaders.

As results come in from the Midwest, attention will focus on Ohio. Scandal has plagued the state GOP, creating multiple opportunities in House districts for Democrats. Their scenario for capturing the House depends in part on winning most of these seats, including the one given up by disgraced GOP Rep. Bob Ney.

If House control remains in doubt as polls close in the West, a handful of races in Colorado, New Mexico and Arizona will be in the spotlight. The contest for the Albuquerque-area seat held by Republican Heather A. Wilson is a likely bellwether of the national drift.

The battle for the Senate

Maryland and Virginia contests loom large. A loss by GOP Sen. George Allen in Virginia would be a huge step toward a Democratic-controlled Senate. Conversely, if Allen survives and Republican Michael Steele wins in heavily Democratic Maryland, Republican chances of maintaining its Senate majority would dramatically improve.

Democrats hope to have won four of the six seats they need for a Senate majority as votes are counted in the country's midsection. If that's the case, Missouri becomes the key battleground. The race between GOP incumbent Jim Talent and Democrat Claire McCaskill has been close from day one, and the result may not be known for hours.

Depending on the Missouri results, Senate control may hinge on Montana. For months, Democrats were confident they would beat GOP incumbent Conrad Burns, but the race has tightened and it could be one of the night's nail-biters.

Future Rests On GOP Incumbents' Outcomes (AP-Y)

By Tom Raum

AP, November 7, 2006

The fate of a clutch of endangered Republican incumbents, including some from states that heavily supported President Bush two years ago, will determine who controls the Senate for the rest of the Bush presidency. Both parties are spending millions of dollars in last-ditch efforts to influence those contests.

By contrast, few Democratic incumbents are in danger this year. Nearly every Democratic senator seeking re-election seems assured of another term, polls suggest.

Not so with Republicans.

Facing difficult re-election battles are Republican Sens. Conrad Burns of Montana, George Allen of Virginia, Mike DeWine of Ohio, Rick Santorum of Pennsylvania, Jim Talent of Missouri and Lincoln Chafee of Rhode Island.

Furthermore, Republicans face a strong challenge in Tennessee for the now-GOP seat held by retiring Senate Majority Leader Bill Frist.

Democrats also were hopeful for an upset victory over Arizona Republican Sen. Jon Kyl, where polls have shown a tightening contest in recent days between the incumbent and former state Democratic Party chairman Jim Pederson, a shopping mall developer.

Democrats need a gain of six seats to win back the Senate, which they last controlled in 2002. Republicans now control 55 seats in the 100-member chamber.

Republicans are facing headwinds that include an increasingly unpopular war in Iraq, a president with low approval ratings, voter disgust over a slew of congressional scandals and the historic pattern of midterm losses in the sixth year for the party holding the White House

"The political environment has been very tough for Republicans for many, many months," acknowledged Sen. Elizabeth Dole of North Carolina, who heads the Senate Republican campaign effort. "No question about it."

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Republicans picked up Senate seats in both the 2002 and 2004 elections. But strategists in both parties expect Democratic gains on Tuesday. Even if Democrats don't reclaim the Senate, they are clearly within striking distance of doing so.

And any pickup will increase their leverage in a chamber where strict rules dictate that 60 votes, rather than a simple 51-vote majority, are needed to advance any controversial piece of legislation or nomination.

With time running out, voter turnout has become the focus of both parties.

"The Bush team has been magnificent at turning out the vote in the last three elections. And this is their final challenge," said GOP strategist Scott Reed.

Sen. Charles Schumer of New York, chairman of the Democratic Senatorial Campaign Committee, on Monday said Democrats are "on the edge" of regaining the Senate, but declined to predict a Democratic takeover.

"Of the eight states where we have a chance to pick up seats, six are red (Republican)," Schumer told a news conference. "So it's a tough map." He said the biggest battlegrounds remain the border states of Missouri, Tennessee and Virginia — seats whose present occupants are Republicans.

In the final days, "this is an election that is about the intensity of our base versus the intensity of their base," said GOP pollster and strategist Ed Goeas.

For Democrats, the Iraq war is providing most of the momentum. "It's generated their money, it's generated their activism." But on the Republican side, the threat of terrorism, taxes and fear of Democratic leadership of Congress are the big motivators, Goeas said.

Despite Democratic optimism over the possibility of a sweep on Tuesday, some party elders were cautious.

"There's a huge anti-Republican wave out there, but that wave's going to crash against a fairly stable, very stable, Republican political structure," said Democratic pollster and consultant Mark Mellman. "And so, it's a lot easier for Democrats to get votes than for Democrats to get seats."

"I have no doubt we're going to get a lot of votes, but getting seats is a harder nut to crack," Mellman said.

Nearly all the endangered Republicans would have to lose for Democrats to prevail. And Republicans were hopeful that Sen. Allen in Virginia and Republican Bob Corker in Tennessee would be able to win, citing a narrowing of the polls.

Democrats are fairly confident of picking up GOP seats in Ohio and Pennsylvania.

But their hopes of also picking up now-Republican seats in Missouri, Rhode Island and Montana were going down to the wire after a concerted GOP counteroffensive in those states.

Also, Democratic Sen. Bob Menendez in New Jersey found himself as probably the only Democratic incumbent on Tuesday's ballot locked in a tight fight. He faced a strong challenge from Republican Tom Kean Jr., namesake of a popular former governor.

As Campaign Clock Winds Down, Parties Press On (USAT)

By Bill Nichols

USA Today, November 7, 2006

WASHINGTON — Candidates made final appeals and party tacticians worked to boost voter turnout Monday as Americans prepared for potentially critical midterm elections.

Today's results will decide the fate of all 435 House seats, 33 Senate seats and governorships in 36 states and set the tone and agenda for the final two years of President Bush's second term.

The key question: whether Democrats can take advantage of national dissatisfaction with Bush and the war in Iraq to win the 15 seats they need to control the House of Representatives and six seats they need to take the Senate.

Republican leaders cited narrowing polls in Senate races in Montana, Rhode Island and Maryland as signs of an 11th-hour surge.

Bush finished the campaign before an estimated 10,000 people in Dallas, accusing Democrats of having no plan for the Iraq war. “We have a plan — stick with us, and the country will be better off," he said.

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Rep. Rahm Emanuel, chairman of the Democratic Congressional Campaign Committee, said he's confident. “I think there's a lot of energy on the Democratic side,” said Emanuel, an Illinois congressman. “As a kid from Chicago, I'm proud of the get-out-the-vote machine that we have put together.”

The final pre-election USA TODAY/Gallup Poll found Democrats favored over Republicans for Congress by 51%-44%. Polls in Missouri, Montana, Rhode Island, Tennessee and Virginia found Democrats struggling to win the final Senate seat they need for control.

As candidates made a final sprint, both parties kicked in operations to get their core voters to the polls. Turnout should increase from 39.7% in 2002 and may exceed the most recent midterm high of 42.1% in 1982, according to Curtis Gans, director of American University's Center for the Study of the American Electorate.

Gans does not expect this year's turnout to top the all-time benchmark of 47% in 1970.

Bad weather that might affect turnout was forecast for the Northwest and Southeast, with sogginess in Washington and western Oregon. Moderate to heavy rainfall is expected in Alabama, Georgia and South Carolina, and showers are predicted across Virginia, Maryland and Pennsylvania.

Both parties continued to pour money into close House and Senate races. This year's spending is expected to be $2.8 billion, according to the non-partisan Center for Responsive Politics, which tracks campaign money. That's a 27% increase from 2002.

On the campaign's final day, the two parties had their best-known campaigners continuing to barn-storm the country.

Bush used the last day of a 10-state tour to stump for GOP gubernatorial candidates in Florida, Arkansas and Texas. Bush has been focusing on places where he is popular. In Florida, GOP gubernatorial nominee Charlie Crist did not attend Bush's rally for Republican candidates in Pensacola.

Crist said he considered the Pensacola area so firmly in his camp that it made more sense to campaign elsewhere in his race to replace Gov. Jeb Bush, who is leaving office due to term limits. White House deputy chief of staff Karl Rove questioned the decision.

“Let's see how many people show up in Palm Beach on 24 hours' notice,” Rove said.

The White House said 7,600 people came to Bush's rally.

Bush planned today to vote near his ranch near Crawford, Texas, and return to Washington afterward.

In Rochester, N.Y., former president Bill Clinton campaigned for Democratic House candidates.

“We've got to get all ours out, and then you've got to hunt for people still standing on the diving board,” Clinton said. “And when you find one, tell them what the choice is. … Grab them by the hand and tell them it's time to jump off to a better future.”

US Senate Goes Down To The Wire (CSM)

By Linda Feldmann

The Christian Science Monitor, November 7, 2006

WASHINGTON

In the Senate, it's too close to call.

On the eve of the 2006 midterm elections, a last-minute tightening in the polls of Senate contests from Montana to Rhode Island to Maryland has thrown some doubt into the calculations of pundits who had come to see a Democratic takeover as possible.

Many analysts - including conservatives - can see a clear path to a Democratic net gain of five seats in the 100-seat chamber, which would bring the partisan balance sheet to a 50-50 tie. That would effectively keep control in the hands of the Republicans, with Vice President Cheney casting tie-breaking votes in his role as president of the Senate.

But it was that elusive sixth seat that had kept many analysts from firmly predicting a change in control. Now, the last-minute volatility both in the nationwide polls gauging voter preferences and in individual races leaves the outcome even more in doubt.

"There tends to be a tightening at the end, when people begin to perhaps reappraise the preferences that they had early on," says Ross Baker, a political scientist at Rutgers University in New Jersey. "New evidence comes in. People are reluctant to abandon old party allegiances."

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Politicians themselves can become brand names in their home states, and thus, voters in Rhode Island and Montana who once appeared set to throw out their two Republican senators Lincoln Chafee and Conrad Burns may be having second thoughts, judging by the tightening of polls there. Senator Chafee, a first-termer whose father was long-serving Sen. John Chafee, can count on some reserve affection for the Chafee name and for Lincoln's status as the Senate's most liberal Republican; Senator Burns, who was caught up in the Jack Abramoff scandal, also may be coming out the other end of that crucible.

"My sense is that Burns may have gone through his roughest patch a couple of months ago," says Dr. Baker. "Sometimes voters are willing to hold onto an incumbent despite the warts."

And sometimes they're not. With the national mood toxic toward the Republican-controlled Capitol, and analysts foreseeing a "wave" election likely to sweep the Democrats into power in the House, it may too much for the most vulnerable Republican incumbents to withstand.

Still, not only do Democrats have to win the Montana and Rhode Island seats to build a Senate majority, they must also succeed in traditionally Republican areas. Two GOP incumbents are also widely seen as heading for defeat - Rick Santorum of Pennsylvania, the No. 3 Republican in the Senate, and Mike DeWine of Ohio. If Burns and Chafee go down and no Democratic-held seats change control - a big "if" - the Democrats must win two out of the three "fire wall" seats, in Tennessee, Virginia, and Missouri.

Of those three, Tennessee seems the most difficult for Democrats to take. Rep. Harold Ford (D) has turned what should have been a Republican romp for former Chattanooga Mayor Bob Corker (R) into a tight contest. The incumbent, Senate Republican leader Bill Frist, is retiring, and open seats are usually harder to defend, but Mr. Ford's charismatic campaign style has made the race competitive. If he wins, he would be the first African-American senator from the South since Reconstruction.

Virginia and Missouri remain firmly in the tossup column going into Tuesday's vote. The Missouri race pits state auditor Claire McCaskill (D) against incumbent Sen. Jim Talent (R) - with a ballot initiative on stem-cell research possibly holding the key to the outcome. Senator Talent opposes a proposed state constitutional amendment allowing embryonic stem-cell research while Ms. McCaskill supports it. The issue could drive turnout, but it remains unclear who benefits more.

In Virginia, Republican Sen. George Allen's troubled reelection campaign is the big surprise of the '06 midterms. Once thought to be a top contender for the 2008 presidential race, he could be facing the end of his political career. A series of stumbles that began in August, when Senator Allen called a volunteer for the opposing campaign "macaca," has made conservative Democrat Jim Webb competitive.

To Sen. Charles Schumer (D) of New York, head of his party's Senate campaign committee, the fact that his party even has a shot at taking a majority is astounding. At the start of the cycle, he and Senate minority leader Harry Reid (D) of Nevada agreed that "if we can hold our own, we will be happy, and if we can pick up seats we'll be really happy," he told reporters last week.

Now, it's all over but the shouting. At a Monday morning rally at the Vienna, Va., subway stop, Allen was often drowned out by antiwar protesters shouting: "Get out of Iraq!," "The troops hate you," "Let's Go Webb," and "Macaca," as Allen supporters tried to drown them out with cries of "Allen! Allen!"

"It's a close race," said Allen. "Iraqis have to stand up ... the one thing we cannot do is leave Iraq a safe haven for terrorists."

Commenting on what has become one of the most negative campaigns in the nation, Allen said: "We have tried throughout the whole campaign to talk about ideas, issues. Instead, we've run into this sort of thing." He gestured to the shouting protesters, one of whom stumbles into the senator, nearly knocking him over.

"I know Virginia, and if you want to serve Virginia, you better know Virginia, and that is what we are going to see [in the vote] tomorrow," he said, exiting to the day's next event.

GOP: Back From The Senate Brink (HILL)

The Hill, November 7, 2006

While the Republican Party leadership in the House seems doomed to move into a well deserved minority, the GOP shows increasing signs of being able to hang on to the Senate, although perhaps by the thinnest of margins.

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Running up a down escalator of sinking Republican fortunes, skillful GOP consultants and strategists have managed to hold the races in Missouri and Virginia to single-digit leads either way and to catch up to large Democratic leads in Montana and Rhode Island.

Most of these four seats are still likely to go Democrat, but they need to win all four to get control and that appears, at this moment, to be a daunting task.

Generally, it is an iron law of politics that when an incumbent is under 50 percent, he is through, but with Sen. George Allen (R-Va.) at 49 percent in the latest Gallup poll and Sen. Jim Talent (R-Mo.) hovering between 48 and 49, the chances that they could pick up the remaining point or two remain pretty good.

Why the reversal in Republican fortunes? Luck has a lot to do with it. Sen. John Kerry's (D-Mass.) outburst might well have cost the Democrats the Senate; and the timing, perhaps not so coincidental, of the Saddam Hussein death verdict also bolsters Republican fortunes.

But the real reason is more likely that GOP base voters, alienated by their party's inept leadership of both Houses of Congress, their scandals, and their inability to pass tax reform, Social Security reform or overall immigration reform took one look at the Democrats and decided to come home. In effect, they fast-forwarded to Election Day and were appalled at the prospect of a Democratic win. Recoiling from its implications, they began to return to the party fold in the nick of time.

Of course, winning one house will suit the Democratic purposes quite nicely — especially if it is the House of Representatives that they win. House rules will let the Democrats pass one-house bills until their hearts are content, using their majority to pass a wish list of campaign promises without any accountability, knowing for sure that their offerings won't make it past the Senate or the White House.

Control of the lower house will also give them the committee chairmanships and the subpoena power that goes with it that will let them wage a two-year campaign for the presidency.

In this sense, Election Day 2006 is really a down payment for the Democratic White House race in 2008. Winning one house will go a long way toward winning the entire game two years hence.

Morris, a former political adviser to Sen. Trent Lott (R-Miss.) and President Bill Clinton, is the author of "Condi vs. Hillary: The Next Great Presidential Race."

See How They Run: An Election-Night Guide With Many Key Races In East, Midwest, Prevailing Party May Be Evident Early On By CHRISTOPHER COOPER (WSJ)

The Wall Street Journal, November 7, 2006

Is a rout on the way for Republicans? Opinions vary on both sides of the question, which also may hinge on the definition of "rout." When asked to assess the state of play on election eve, White House spokesman Tony Fratto simply notes, "We're still in the game."

That may be the most realistic way to sum up the party's prospects. Up and down the ticket, Republican candidates are locked in so many close races that their hold on Washington and state capitals seems likely to slip, perhaps precipitously.

For Republicans, the most alarming losses could come in the House, where Democrats need a 15-seat net pickup to gain control and Republicans are defending about 50 vulnerable districts.

FOLLOW THE VOTE

See an hour-by-hour election-night schedule of poll closings1 in some key House races. Adobe Acrobat required2. • Election Quiz:3 Test your political IQ.

• Got an election-related question? Write to The Wall Street Journal's Alan Murray at askalan@wsj.com4, and check back Election Night, when Alan will answer selected questions at wsj.com/video5 from 6 p.m. ET to midnight.

• For complete coverage, see WSJ.com/Election20066.

SENATE AND GOVERNORS

7 • Review the results of the latest polls8 in hot Senate races, and see what the data could mean for the breakdown of seats in the chamber after Election Day.

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• The Senate's Uncertain States:9 Interactive profiles of the demographics and candidates in hard fought Missouri, Montana, New Jersey, Ohio, Pennsylvania, Rhode Island, Tennessee, Virginia.

• Battlegrounds Poll:10 Who's ahead in the most hotly contested Senate and gubernatorial races? Dig into the latest Zogby poll data. See the Zogby poll results11.

RACE FOR THE HOUSE

12 • Tracking the House Polls: Check recent numbers13

• Representative Races: Data on 20 key districts14

• Chief Concerns: Who heads key committees if Democrats win the House?15

Though Republican prospects seem slightly brighter in the Senate, where six seats currently determine political control, enough of these races are now toss-ups to put the Democrats within striking distance. Judging from the polls, the over-under betting on Democratic pickups of Senate seats hovers at around five.

For political spectators, the bad news is this: Razor-edge contests can spark legal challenges and recounts that can take days to sort out. The good news: Many of the most important races are in the Eastern and Central time zones. If an angry tide is poised to swamp Republicans, it could be apparent before most political junkies call it a night. Connecticut, Florida, Indiana, Ohio, Pennsylvania and New York together hold 24 of the most competitive House seats in the country.

In the key races in those six states, the great majority of candidates are Republican incumbents. In the House, watch Indiana's Second District, where incumbent Republican Chris Chocola faces Democrat Joe Donnelly. Polling has shown a seesaw race for weeks. The campaign here may be an archetype for any political upheaval this year: Mr. Chocola has been a loyal Republican in a conservative-leaning district, supporting oil drilling in the Alaska wilderness, school vouchers and tax cuts. He won his district in 2004 with 54% of the vote, bested only by President Bush, who took 56% of the district. If revolution is in the air, it may well start in northern Indiana.

On the other hand, two races in the Northeast bear watching for early signs that voters may be willing to give some Republicans a pass. In Rhode Island, Sen. Lincoln Chaffee has staked his campaign on his early opposition to Mr. Bush's war policies, the source of much voter anger. This race is unusually volatile: after trailing in polls by double digits to Democrat Sheldon Whitehouse, Mr. Chaffee has surged lately to a slight lead.

Scandal also colors several races this year. In New York's 26th District, Rep. Tom Reynolds, who heads the House Republican campaign committee, is locked in a race he would probably have won handily only just months ago but for a once-obscure Florida congressman named Mark Foley. Mr. Foley abruptly resigned in September after reports he had sent sexually explicit Internet messages to teenage former House pages. It later emerged Mr. Reynolds had picked up clues about Mr. Foley's behavior, even as he had urged him to run for re-election.

Mr. Reynolds has apologized for his role in the scandal, and recent polls put him in a near dead heat with Jack Davis, a Democrat he easily defeated in 2004.

For Democrats, taking the Senate is the brass ring and likely contingent on winning seats in Montana, Rhode Island, Pennsylvania, Ohio, Missouri and Virginia. But Democrat hopes will likely be dashed if they can't carry Maryland, being vacated by a Democrat, and New Jersey, where incumbent Robert Menendez is in a close race. Though Mr. Menendez has held a mid-single-digit lead in recent polling, a stumble here could bring Democrat dreams of Senate domination to a swift end.

One of the most intriguing Senate races is in Virginia, where incumbent Republican Sen. George Allen has been trading punches with Democratic upstart James Webb in a contest that few had expected would be close.

A series of Allen missteps have put his once-secure seat into play. National Democrats have poured in money and manpower to boost Mr. Webb, President Reagan's Navy Secretary, who broke with his party over Iraq.

Polls over the weekend suggest Mr. Webb now has a slight lead.

In the open Tennessee Senate seat being vacated by Senate Majority Leader Bill Frist, Democratic candidate Harold Ford has faded of late. But while Democrats might be able to afford losing that pickup and still capture control, they almost certainly need to take the Senate seat in Missouri, where Republican Sen. Jim Talent is locked in a razor-thin race with Democratic challenger Claire McCaskill.

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How thin? The average of several recent polls gives Ms. McCaskill a 1.4 percentage-point edge, well within the statistical margin of error.

President Bush carried the state in 2004, but Mr. Talent doesn't have the reputation as a hard closer. In winning the seat in a special election in 2002, he was five points up in the polls on Election Day, only to squeeze out a one-point win.

One more race may bear watching before calling it a night. In Idaho, the reddest of red states, with a Republican congressional delegation, state legislature and governor, Democratic gubernatorial candidate Jerry Brady has a five-point lead in the polls.

If voters turn against Republicans in Idaho, it could be a rough two years for them until 2008.

Write to Christopher Cooper at christopher.cooper@wsj.com16

Down To The Wire: Expect A Big Night For Democrats (RC)

By Stuart Rothenberg

Roll Call, November 7, 2006

With only a few hours remaining until the votes start being counted, there is little uncertainty about the fight for the House, except for questions about exactly which Republican incumbents will be lucky enough to survive.

Polls over the past few weeks have seen many Republicans who once held clear, if not overwhelming, leads scrambling to try to stay ahead. GOP strategists say that voters increasingly have been focusing on Iraq, and that the added attention has worked to the disadvantage of Republican candidates.

Republican chances for retaining the House have moved from small to smaller, and public and private polling now suggests a solid Democratic win. The majority's losses this year will be lower than during the wave elections of 1958, 1974 and 1994, but only because of structural factors: The way districts have been drawn and the relatively small number of Republicans holding Democratic districts effectively minimize potential Democratic gains.

Having said that, this fight still is taking place almost entirely on Republican turf. With Republican House seats such as Idaho's 1st district, Kansas' 2nd, California's 11th and even Wyoming's at-large in play, it's clear which party is on the offensive.

National polls continue to show the Democrats with an advantage on the generic ballot, though there is no agreement on its size. Is it 4 points, as the Pew Research survey found; 6 points, as The Washington Post/ABC News poll has it; or 20 points, as CNN's poll says? Obviously, those numbers could produce dramatically different national outcomes.

Still, even the most optimistic Republican insiders I can find seem to think a loss of 18 or 19 seats is inevitable, while others counter that a loss of more than 30 is more likely. Most GOP insiders would be ecstatic if the party held its losses to two dozen or less.

Democratic gains of anywhere from 25 to as many as 40 seats are possible. Last week, I went on record saying I expected a Democratic gain of 34 to 40 seats as the most likely range. That now strikes me as a bit high, but only at the low end. So, I am adjusting my House estimate/projection slightly, to a Democratic gain of 30 to 36 seats.

Of course, even more GOP seats could fall if all of the endangered Republicans lose and we see more than a couple of surprises.

The House results are likely to wipe out many moderate Republicans, who are taking the brunt of the wave because they represent Democratic-leaning or competitive districts.

Over in the Senate, things remain far less clear. While I have been widely credited with predicting a six-seat Democrat gain (and therefore control of the Senate), what I've written is that Democrats will net five to seven seats. I'd now like to widen that range to four to seven seats.

According to some polls, races in Maryland, Montana and Rhode Island have tightened, making the net outcome less certain. But I'm still expecting Democrats to win Pennsylvania, Ohio, Montana and Rhode Island, and, less confidently, Virginia.

Two seats, Tennessee and Missouri, have looked tight for months, and they could go either way.

Rep. Harold Ford Jr. (D-Tenn.) has run a good race, but he isn't facing a longtime incumbent, and he may not win the undecided voters the way other Democratic challengers will. All things being equal, that probably is enough reason to push the race to Republican Bob Corker.

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But a big enough national Democratic wave across the country — or maybe more accurately, an anti-Bush, anti-Republican wave — could sweep Ford to victory. I'd consider it a mild surprise, though.

In Missouri, Sen. Jim Talent (R) is locked in a tight race against Democratic challenger Claire McCaskill, and most polling shows little daylight between the two candidates. I've seen polls with McCaskill ahead, and I've seen polls with Talent leading.

The prudent thing to do, of course, is to leave the race as a tossup, since either candidate could win. But, of course, I didn't do that in my most recent newsletter. I pushed the race toward McCaskill, since in "wave" elections, virtually all of the close races go to the party benefiting from the wave, and this year that is the Democrats.

In reality, I won't be surprised no matter who wins in Missouri.

GOP prospects seem to have faded significantly in New Jersey, and the better chance for a Republican upset now seems to be Maryland.

The outcome in the Senate remains cloudy, no matter how much I would like to be able to predict party control. I expect Democrats to gain at least four seats, and I'm more than a bit skeptical about the Republican "surge."

House Poised To Flip; Senate Teeters (RC)

By Lauren W. Whittington

Roll Call, November 7, 2006

Democrats, who have succeeded in expanding the midterm battleground deep into Republican territory, are poised to make gains in both the House and Senate when voters across the country go to the polls today.

But while there is little question that Democrats are well-positioned to win at least the 15 seats needed to take the House majority, the magnitude of their victory rests largely on their ability to win a number of what were once second-, third- and even fourth-tier contests.

In the Senate, late shifts in a handful of competitive races has put the Democrats' final math somewhat in flux after a monthlong intense focus on Missouri, Tennessee and Virginia as the states expected to decide control of the chamber.

Virginia and Missouri remain pure tossup contests, but momentum in Tennessee has appeared to shift toward Republicans in the closing week. Meanwhile, renewed focus on embattled Sen. Conrad Burns' (R) potential ability to eke out a victory over state Senate President Jon Tester (D) in Montana has slightly shifted the Senate map. Polls also have shown Sen. Lincoln Chafee's (R-R.I.) race for re-election tightening, but Democrats still are viewed as having the advantage there.

Democrats also are making a late push to pick up a GOP-held seat in Arizona while Republicans hold out hope for swiping a Democratic seat in Maryland.

In the House, expert eyes have been trained on the expanding field of top-tier races and the number of GOP incumbents who once were considered safe and are now in re-election dog fights.

Just after Labor Day, around 20 GOP-held House seats looked to be pure tossups. Today, more than double that number are considered tossups or are tilting toward a Democratic takeover.

Perennial targets such as GOP Reps. Jim Gerlach (Pa.), Clay Shaw (Fla.) and Heather Wilson (N.M.) are still fighting for their political lives in down-to-the-wire contests.

But Republican Reps. Gil Gutknecht (Minn.), Melissa Hart (Pa.), Marilyn Musgrave (Colo.), Richard Pombo (Calif.) and Jim Ryun (Kan.), all of whom were heavily favored to win re-election two months ago, all could be headed for defeat today. Democrats' ability to upset those Republican incumbents and others such as Reps. Steve Chabot (Ohio), J.D. Hayworth (Ariz.), Anne Northup (Ky.) or even Mark Souder (Ind.) will determine just how big their likely majority will be.

In one of the most prominent examples of a late-breaking race for Democrats, Rep. Charles Bass (R-N.H.) is now in grave peril when just weeks ago his re-election chances seemed fairly solid. A late surge by attorney Paul Hodes (D) was fueled by a massive national party ad buy against Bass.

Likewise, in Connecticut, Rep. Nancy Johnson (R) began the cycle appearing to have the best re-election chances of the state's three Republican House Members. Now, Johnson looks most likely to lose, and GOP Reps. Christopher Shays and Rob Simmons could go down as well.

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The Nutmeg State is just one place where Republicans appear poised to suffer multiple losses in today's balloting. Those losses appear concentrated geographically in New England, the Mid-Atlantic and the Midwest — most notably Indiana, Ohio, New York and Pennsylvania — but Democrats also have the potential of picking up multiple seats in Western states such as Arizona and Colorado.

Some Republicans, most notably Reps. Jean Schmidt (Ohio), Barbara Cubin (Wyo.), and state Rep. Bill Sali, who is running for an open seat in Idaho, have a problem in that they remain unpopular with some factions of their base — forcing the national GOP to spend millions to help save what ordinarily would be considered safe seats.

Also, Republicans seem destined to suffer heavy losses of open seats they currently control. GOP-held seats in Arizona, Colorado, Florida, Iowa, Ohio and New York already appear to be gone. Likewise, seats in Idaho, Illinois, Minnesota, Nevada and Wisconsin are considered too close to give one party the advantage.

Among vulnerable Democrats, freshman Rep. John Barrow (Ga.) has emerged as the most likely incumbent to go down to defeat in today's balloting, but even so the race is a tossup. Barrow faces former Rep. Max Burns (R), the man he beat in 2004, in a redrawn district that only marginally favors Democrats.

Both parties claimed momentum heading into today's vote.

Democrats tried to focus their talking points on Iraq on Monday, with both campaign committee leaders holding separate media events to draw attention to the issue.

In a conference call with reporters, Democratic Congressional Campaign Committee Chairman Rahm Emanuel (Ill.) made his final attempt to frame the elections as a cycle where voters will choose a new direction over a "stay the course" strategy.

He also expressed confidence in his party's turnout and field operations.

"I think there's a lot of energy on the Democratic side," Emanuel said.

Republicans, meanwhile, continued the get-out-the-vote drumbeat, boasting that their superior turnout operation ultimately will trump the deficit they currently face in public polling.

In a memo Monday, Republican National Committee Chairman Ken Mehlman noted that late polls have showed a narrowing gap in the Democrats' generic ballot advantage.

"The GOP's 72-hour program has reached 27 million volunteer contacts through Saturday, hitting 3 million voters this Saturday alone," Mehlman wrote. "By and large, this effort will have its impact on Election Day and will not show up in most public opinion polls."

Meanwhile, possible recounts aside, there are at least two races that will not be decided today and appear headed for all-but-certain runoffs.

In Louisiana, embattled Rep. William Jefferson (D) has drawn a dozen challengers in the all-party primary that will be held today. If no candidate receives more than 50 percent of the vote, the top two vote-getters will face off in a December runoff.

Most observers believe Jefferson will make the runoff and state Rep. Karen Carter (D) appears positioned to be his most likely runoff opponent.

In Texas, Rep. Henry Bonilla (R) faces an all-party special general election, after the Supreme Court ordered the redrawing Congressional boundaries after the March primaries had taken place.

Six Democrats are challenging Bonilla today, with a December runoff if no candidate gets more than 50 percent of the vote, which appears likely.

Wealthy businessman Lukin Gilliland, former Rep. Ciro Rodriguez and former San Antonio Fire Department District Chief Albert Uresti are the leading Democratic contenders, with Gilliland considered the favorite of national party insiders to face off against Bonilla in the runoff.

Angry Campaigns End On An Angrier Note (WP)

By Jim VandeHei And Dan Balz

The Washington Post, November 7, 2006

As the 2006 campaign staggered to an angry close, national security and the Iraq war dominated the final-day debate of midterm elections in which national themes, not simply local choices, have framed the most competitive races. Democrats said

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a vote for them would force change in Iraq strategy, while President Bush led the GOP charge in warning that the opposition party cannot be trusted in a time of war.

Dozens of too-close-to-call House and Senate races finished on a surly tone, as the traditional political strategy of shifting to a positive message at campaign's end gave way this year to a calculation that the best chance to tip the balance was through continued attacks over personal character and alleged corruption.

But strategists on both sides said yesterday that national security broadly -- and Iraq specifically -- are likely to determine control of Congress today. Unlike in the 2002 and 2004 elections, when Republicans held a decisive edge on national security, polls over the past year have shown the public losing faith in the war and the GOP, and Democratic candidates nationwide were using their last TV advertising dollars on spots critical of Iraq policy.

"I think, frankly, people don't believe the president anymore" when it comes to the war, Democratic National Committee Chairman Howard Dean, echoing other party leaders, said in an interview. "We are telling people if they want to stay the course, vote Republican. If you want a change of direction, vote Democrat."

Bush, however, was betting that the Republican Party's historic advantage with voters in times when security issues are prominent will pay dividends again. "As you go to the polls, remember we're at war," he told thousands of GOP supporters in Pensacola, Fla. "And if you want this country to do everything in its power to protect you and at the same time lay a foundation for peace for generations to come, vote Republican."

Democrats confidently predicted that they will win control of the House and trim if not topple the GOP's Senate majority. Republican operatives, however, said there is mounting evidence that fears about the nuclear threats in Iran and North Korea, coupled with more generalized doubts about Democratic competence and fortitude on national security, have provided GOP candidates with much-needed momentum in the final days. GOP tracking polls, these strategists said, have shown a slight but steady uptick since Sen. John F. Kerry (D-Mass.), in what he called a botched joke, suggested that uneducated people end up fighting in Iraq -- a comment that infuriated top Democrats despite the 2004 presidential nominee's repeated apologies and explanations.

"All of those things remind people we are at war and the importance of the national security issue," said Ken Mehlman, chairman of the Republican National Committee.

There are more than two dozen House races and at least five Senate contests that both sides considered too close to call heading into Election Day. A series of public polls released over the past few days offers contradictory findings about the public's views nationally and in many key races, confounding strategists in both parties. Some surveys show Republicans gaining on the generic question of whom respondents plan to vote for, while others suggest that Democrats are pulling away. The most recent, from CNN, showed Democrats with a 20-point advantage on the generic ballot question, which asks people which party they prefer but does not offer a choice between specific candidates.

Whether Republicans will succumb to adverse trends or manage to at least partly blunt them will determine whether Democrats can win back the House or Senate or both -- all scenarios that could dramatically change the trajectory of Bush's final two years in office.

Regardless of the margins, officials in both parties are planning for the stiffest challenge yet to Bush's war policy when Congress returns for its lame-duck session next week. Lawmakers are also bracing for GOP leadership changes in the House and Senate and a new policy agenda that is not dictated by the White House. Rep. Mike Pence (R-Ind.), a leader of House conservatives, has told colleagues that he plans to seek a top leadership position, congressional aides said.

Democrats, who lost control of the House in 1994, need a net gain of 15 seats to win it back. Republicans generally agree that the opposition is on track to do that, but they hold out hope that a superior voter-turnout effort will tip just enough races to preserve the narrowest of House majorities.

A top GOP strategist said yesterday that several GOP House members who appeared safe one month ago -- including Reps. Charles Bass (N.H.) and Melissa Hart (Pa.) -- are in serious jeopardy. If Bass and Hart lose, it could signal mass casualties for the GOP, other strategists say.

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Senior strategists in both parties said the GOP is virtually certain to lose 10 seats, mostly because of a variety of scandals. If these projections are correct, Republicans would have to win more than three-quarters of the 30 or so races that were tied heading into the final weekend.

Democratic pollster Stan Greenberg, who released a survey of 50 districts yesterday showing Democrats up 49 percent to 44 percent, said Republicans have closed the gap slightly, but not enough to save their majority. "I don't see any evidence of anything but a minor pushback of getting some of the most partisan Republicans re-engaged," Greenberg said. Using his poll, he predicted Democrats will win 30 to 35 seats "as a conservative estimate."

It will be much harder for Democrats to pick up the six seats needed to control the Senate. GOP Sens. Mike DeWine (Ohio) and Rick Santorum (Pa.) are far behind in state-based polling, but Republicans have a shot at winning the five other targeted GOP seats: in Missouri, Montana, Rhode Island, Tennessee and Virginia. Republicans also have a chance to pick up Democratic seats in Maryland and New Jersey, though both are uphill efforts.

Three premier contests -- Missouri, Tennessee and Virginia -- have been in the tossup category for several weeks. Republicans said yesterday that they think Tennessee is the most likely of the three to remain in their hands. Democrats said a big turnout among black voters is Rep. Harold E. Ford Jr.'s best chance for a narrow victory over former Chattanooga mayor Bob Corker, who polls show has taken control of the race in recent days. In Virginia, Sen. George Allen (R) is fighting for his political life against Democrat James Webb, while the race in Missouri between Sen. James M. Talent (R) and State Auditor Claire McCaskill is considered the tightest.

Two other races have given Republicans reason to hope that they can hold the Senate. In Rhode Island, Sen. Lincoln D. Chafee (R) has closed the gap in his contest against former attorney general Sheldon Whitehouse. But Chafee is running into one of the stiffest headwinds in the country, with only about a quarter of voters there approving of Bush's performance.

In Montana, weekend polls painted a conflicting picture of the battle between Sen. Conrad Burns (R) and state Senate President Jon Tester. One survey showed a tie, while another gave Tester a clear lead. Bush and Vice President Cheney campaigned there last week, but Tester has been getting help from popular Gov. Brian Schweitzer.

Campaign volunteers continued to make telephone calls and walk precincts in the most contested races in an effort to maximize voter turnout. A Washington Post-ABC News poll found that as of Saturday, 41 percent of registered voters said they had been contacted directly by a campaign or party, up from 29 percent two weeks earlier.

Of those who said they had been contacted, 29 percent said they had heard from Republicans, 20 percent said they had heard from Democrats and 41 percent said they had been contacted by both parties. Several officials said this comports with anecdotal evidence that Republicans have done a better job than Democrats of reaching voters in the final stretch.

"We've got to get our votes out," former president Bill Clinton said during a campaign stop for House candidates in New York. "There are still people who will go to the polls tomorrow not entirely sure of who they're going to vote for because, frankly, a lot of these people never voted for us before."

Kerry Gaffe Loses Independents For His Party (WT)

By Donald Lambro

The Washington Times, November 7, 2006

For up-to-the-minute results, news, and

analysis, make WashingtonTimes.com your home for election night.

Sen. John Kerry's gaffe that Americans who do not do well in school end up in Iraq has triggered deep doubts among some independent voters about voting Democratic in the elections, according to a new Pew poll.

The poll found that 18 percent of independent voters -- considered pivotal in today's congressional elections -- said they had "serious doubts about voting for a Democratic candidate" because of Mr. Kerry's comments last week.

For most of this year, polls have shown independent voters supporting Democrats by lopsided margins, but yesterday's Pew poll said the Republicans "have made major gains, in a relatively short time period, among independent voters."

Democrats now lead Republicans among independents by 44 percent to 33 percent, compared with 47 percent to 29 percent in mid-October, according to Pew's poll of 2,369 registered voters Wednesday through Saturday.

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In a speech to students at Pasadena City College in California last week, Mr. Kerry said, "You know, education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq."

The Massachusetts liberal's remark was seen by critics and fellow Democrats as demeaning the educational levels of U.S. service members. It forced him to cancel all of his campaign appearances after apologizing for comments he called "a botched joke" about President Bush's intelligence.

While most voters (78 percent) said Mr. Kerry's remarks were "not a serious consideration," 19 percent of all voters thought otherwise, representing a potentially significant shift of "voting intentions" and raising speculation of further erosion among independents for the Democrats.

Five percent of the Democrats polled said Mr. Kerry's remarks could affect their votes as well, Pew said.

Pew said it found that "Republicans have become more engaged and enthused in the election than they had been in September and October. As a result, Republicans now register a greater likelihood of voting than do Democrats."

Overall, Democrats led Republicans by 47 percent to 43 percent among likely voters in the poll, a decline of three points for the Democrats and an increase of four points for the Republicans in the generic ballot survey.

Pew also found a sharp increase in voter approval of the economy, with 44 percent "rating it as excellent or good, compared with 36 percent who held that view in mid-October."

Polls Give GOP A Lift On Election Eve (WT)

By Charles Hurt

The Washington Times, November 7, 2006

For up-to-the-minute results, news, and

analysis, make WashingtonTimes.com your home for election night.

Republicans are counting on a late surge in the public-opinion polls to cut their expected losses as a record number of American voters are predicted to participate in today's midterm elections.

Democrats expressed concerns yesterday about recent polls that suggested a slip in support, but they are still widely expected to pick up a significant number of seats in both houses of Congress and deliver President Bush his first electoral setback since he was first elected in 2000.

"We are feeling very, very good about things," said Sen. Charles E. Schumer, New York Democrat and chairman of the Democratic Senatorial Campaign Committee. Other Democrats are less ebullient. His House counterpart, Rep. Rahm Emanuel of Illinois, chairman of the Democratic Congressional Campaign Committee (DCCC), said he was "nervous" about the latest polls.

Democrats need a net gain of six seats in the Senate and 15 in the House to take control of Congress. Since 1994, Republicans have held the House without interruption and the Senate nearly so. At least four Republican-held Senate seats -- Virginia, Missouri, Rhode Island and Montana -- along with Democrat-held Maryland, are widely considered too close to call.

Republicans on Capitol Hill, meanwhile, were guardedly optimistic that this year's much-predicted Democratic "tidal wave" will fail to materialize. Still, Republicans await the results more anxiously than Democrats.

Many Republicans delighted in recent polls conducted by the Pew Research Center and by the Washington Post/ABC News that showed Democrats losing their considerable advantage in the final days of the election.

The campaign of Sen. Rick Santorum, the Pennsylvania Republican who is widely expected to lose his bid for a third term today, thanked Democratic opponent Bob Casey Jr. for bringing "San Francisco liberal Rep. Nancy Pelosi," the House minority leader, into the state this weekend to campaign with him.

"The fact that so-called 'moderate' Casey would welcome Pelosi and her extremist liberal record to Pennsylvania in the final days of a campaign shocked and motivated the Republican base," said campaign manager Vince Galko. He said her appearance helped Republicans set a record of more than 380,000 contacts with voters over a two-day period.

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The Republican majority in the House is widely considered to be at greater risk than in the Senate. More than 30 Republican-held seats nationwide are thought to be in jeopardy, including seats left open by scandal-plagued Republicans Tom DeLay of Texas, Bob Ney of Ohio and Mark Foley of Florida. There are no more than a handful of vulnerable Democrats.

Whatever the outcome of today's election, both sides are poised to complain of electoral shenanigans.

Ralph G. Neas, president of the liberal People for the American Way, warned reporters of "glitches" and "skulduggery" that had already been documented that might suppress the vote.

"Beware of voter fraud," warned the Republican National Committee, which compiled reports from across the country of Democratic allies trying to register the dead, illegal or those who are already registered.

The DCCC yesterday accused the National Republican Congressional Committee (NRCC) of spending $600,000 on "dirty tricks" in the form of late-night phone calls to voters disparaging Democratic candidates.

NRCC lawyer Donald F. McGahn II wrote the Democratic committee to say the disclaimers on the Republican calls are the same as those used by Democrats and noted several Democratic television commercials that were taken down over concerns about their veracity.

"Perhaps if you paid as much attention to your own client's political advertising as you apparently do my client's phone calls, the DCCC would have better luck in keeping its advertising on the air," Mr. McGahn wrote. "How are those spots in Indiana and Kentucky coming? Did you ever get those falsehoods on the air?"

Both sides have dispatched hundreds of lawyers into states expecting tight races and banked hundreds of thousands of dollars to fight any irregularities they suspect.

Yesterday, in the final hours of a long and bruising campaign, both sides made a final plea to voters. "We want to end the disgraceful lies and astonishing incompetence," promised Mr. Schumer, who said Democrats are "poised to win."

"But we're not spiking the ball until we get in the end zone. We need everyone to get their friends and families to the polls tomorrow," he wrote in an appeal to Democratic voters. "And we need a final fundraising push for the Democratic Senatorial Campaign Committee. Every dollar you give today is another van we can rent to drive people to the polls tomorrow and another person we can deploy to keep watch for any voter suppression activities."

House Speaker J. Dennis Hastert, Illinois Republican, pointed to Republican accomplishments.

"Under the House Republican watch, gas prices are low, the stock market is at all-time highs, and America has not been attacked since September 11th," he said. "From economic security to national security to border security, House Republicans have tackled tough issues. If the Democrats gain the House majority, Nancy Pelosi has made it clear they will raise taxes, coddle terrorists, and provide amnesty to illegal immigrants."

Sean Rushton, executive director of the conservative Committee for Justice, noted widespread speculation that there will be an opening on the Supreme Court in the near future. Senate confirmation of any Bush nominee would be dramatically more difficult if Democrats control the chamber.

"For weeks, commentators have speculated that significant numbers of conservatives, alienated by overspending, the Iraq war, and other perceived GOP disappointments, will stay home on Election Day, giving one or both Houses of Congress to Democrats," he wrote yesterday on HumanEvents.com. "But for those who care about reforming the Supreme Court, sitting this one out may soon look like a mistake of historic proportions."

Replacing a liberal member of the high court "could be a once-in-a-lifetime chance for the 20-year movement to recast the court with a constitutionalist majority," Mr. Rushton said. "It would be a cruel twist indeed for conservatives to 'teach Republicans a lesson' next Tuesday, only to be taught a lesson themselves within months when the new Senate Judiciary Chairman Patrick Leahy leads a Democratic majority against the most important Supreme Court nominee in decades."

Republicans Make Last-minute Push (FT)

By Caroline Daniel And Edward Luce In Washington Dc And Steve Negus, Iraq Correspondent

Financial Times, November 7, 2006

The Republican party on Monday intensified last-minute efforts to motivate its supporters in the hope of defying widespread expectations of a strong Democratic showing in Tuesday's congressional midterm elections.

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Citing an ABC-Washington Post poll that showed the Democratic lead narrowing to as little as six percentage points from a double-digit margin last week, Republican strategists said their volunteers had made direct contact with 27m American voters during the election campaign – far more than the Democrats.

"We have made more voter contacts in 2006 than we did in 2004, which is remarkable given that this is a mid-term election, not a presidential election," said Dana Perino, a White House spokesperson.

However, electoral analysts said the superiority of the Republican fundraising and "micro-targeting" machines would be insufficient to breach the wide Democratic lead, which was still averaging 11 percentage points if all the polls of the past few days were taken into account.

"No party in American history has ever come back from this kind of polling deficit to win an election," said Charlie Cook, publisher of the Cook Political Report, Washington's most closely read daily electoral analysis. "The Democrats are still on course to win the House of Representatives by a healthy margin."

Separately, in an interview with the Financial Times in Baghdad on Monday, Zalmay Khalilzad, the US ambassador to Iraq, said that the outcome of the election would have no impact on the war strategy of George W. Bush's administration. Iraq has consistently featured as the most important concern – in addition to economic anxieties – among voters during the campaign. "The president has told them [the government of Iraq] not to pay attention to that," said Mr Khalilzad. "The president will be the commander in chief and the architect of US foreign policy regardless of the outcome."

The Democrats, who need to add 15 seats to their tally in the 435-seat House of Representatives to regain control for the first time in 12 years, are projected to gain between 11 and 58 seats by Gallup. They need to add six seats to their tally in the 100-member Senate to regain control, with polls showing them winning between four and six races.

On Monday Mr Bush visited Florida, Arkansas and Texas in his final campaign events. But in a sign of his continued unpopularity, Charlie Crist, the Republican candidate for governor of Florida, was unable to show up to the rally. Dick Cheney, the vice-president, plans to spend today duck-shooting.

Parties Spend $225M On Target Races (AP-Y)

By Jim Kuhnhenn

AP, November 7, 2006

National committees for the Republicans and Democrats have spent about $225 million for or against candidates, concentrating their resources in 10 Senate races and 66 House contests that could determine who controls Congress.

The data is based on a review of independent spending reports filed with the Federal Election Commission as of Monday. Republicans spent about $81 million in 53 congressional districts, mostly on television advertising opposing Democratic challengers. Democrats spent $64 million in 56 congressional districts, most of them represented by a Republican.

In Senate contests, the Democratic Senatorial Campaign Committee has trained its sights on seats currently held by Republicans in Missouri, Ohio, Tennessee, Virginia, Rhode Island, Montana and Arizona. Republicans are aiming for three Democratic-held seats in New Jersey, Maryland and Michigan.

The parties have spent little or no money in Pennsylvania, where Republican Sen. Rick Santorum has trailed Democrat Bob Casey Jr., for months.

The spending data illustrates the difficulties facing Republicans in this elections, where they have been forced to defend seats instead of aggressively seeking to defeat incumbent Democrats. Midterm elections in second-term presidencies are notoriously harsh on the ruling party. For Republicans, growing public antipathy toward the war in Iraq has made their hold on Congress even more tenuous.

Democrats need a net gain of 15 seats in the House and six seats in the Senate to capture control of Congress. The last time Democrats had majorities in both chambers was 1994.

The spending for House seats has been mostly concentrated in the Ohio Valley. Ten Republicans are vulnerable in Ohio, Indiana, and Kentucky. Another 10 are fending off strong challenges in Pennsylvania and New York.

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Many independent groups, including labor, business and ideological organizations, are spending in some of the same contests that have attracted party money. The Missouri Senate race between incumbent Sen. Jim Talent and Democrat Claire McCaskill has attracted the most money, with parties and independent groups spending more than $20 million in the state.

The House race that has seen the most spending is a rematch between Pennsylvania Republican incumbent Jim Gerlach and Democrat Lois Murphy. Their district sits in southeastern Pennsylvania, nestled in the hills that run from the outer Philadelphia suburbs to the old industrial city of Reading. The National Republican Congressional Committee has spent $3.9 million, mostly in ads against Murphy, and the Democratic Congressional Campaign Committee has spent $3 million against Gerlach.

Final Push Hefty Democratic Fund Raising Vies With Clout Of Incumbency Aggressive Money Machine Aims To Overcome Benefits Of Pork And Redistricting Mr. Shaw's Mobile Post Office By JEANNE CUMMINGS (WSJ)

The Wall Street Journal, November 7, 2006

WASHINGTON -- If Democrats win control of one or both houses of Congress in Tuesday's elections, they'll be able to thank an aggressive fund-raising strategy that has given them fuel to take advantage of voter dissatisfaction with the war in Iraq.

If the Republicans hang on, it will be largely because of two big advantages: the power to dole out government favors to constituents and their redrawing of districts to protect incumbents.

"It takes a tidal wave in order to swamp the levee that was built with redistricting," says Michael McDonald, a George Mason University expert on redrawing congressional lines. Election watchers are making a big deal of the more than 50 competitive seats in the House, Mr. McDonald says, but the unstated figure may be more important: nearly 90% of House incumbents are cruising to re-election.

ELECTION 2006

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There are large and emotional issues that will help determine the election's outcome, including the economy and Iraq. But both parties are hoping that their tactical advantages will put them over the top.

Five days before Election Day, his feet propped up on a wooden desk, New York Sen. Charles Schumer was working the phones.

"Hi, David," he said, his voice bouncing off the walls of his closetlike office at the Democratic Senatorial Campaign Committee. "We're right on the edge," he said. "We are closing in Missouri, Tennessee and Virginia. We're hoping you will send us something."

The senator cradled the phone as he opened a banana-taffy Halloween candy and nodded his head. "You can send up to $25,000," he said, pausing to measure the response. "How about half of that, $12,500?...You're a doll," he said, transferring the call to an aide who can bank the money before the final weekend TV blitz.

This time around, Democrats have played the money game more assertively than in any previous midterm election. Party leaders have mined donors for extra cash. They set explicit fund-raising targets for new candidates to win the party's backing.

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And they also raised donation targets for veteran politicians who want to become committee chairmen should Democrats win a majority.

The result: Fund raising by the Democratic congressional committees is running 30% ahead of the same period two years ago, according to a study by the Campaign Finance Institute, a nonpartisan group that tracks political money. The Democratic party committees for the first time entered the final weeks of a campaign with nearly as much money in the bank as their Republican counterparts.

That has allowed Democrats to attack earlier, even to the point of backing conservative Republicans in primary races they thought would be more beatable in the general election. In the final weeks, Democrats have been able to defend themselves and attack weak incumbents. As the end of the campaign neared, the Democrats had about as much money set aside for voter turnout as their much-touted rivals.

On the other side of the ledger, Republicans have the power of incumbency. For decades, members of Congress have enjoyed an average 95% re-election rate. Since becoming the majority in 1994, Republicans have taken steps to reinforce that advantage. They've expanded the age-old practice of pork-barrel spending by increasing what's known as "earmarking," where members designate federal money for hometown projects. This year, Republican candidate Web sites routinely featured interactive maps showing the goodies the congressmen delivered.

The campaign slogan for Sen. Conrad Burns, a three-term Montana Republican, is "Burns delivers for Montana." In a recent Helena debate, he bragged about the projects he brought to his home state, which he says total $2 billion, including "this airport renovation that serves this great city and the Eagles Nursing Home to serve our seniors, and, yes, Liberty House at Fort Harrison for families that come in this town to get their health care."

The other pillar of Republican defense is gerrymandering, the once-a-decade redrawing of U.S. House district boundaries that gives the party in power a chance to create safe seats. Using computer programming, both parties have become expert at marrying census data and voting data to identify friendly voters down to their street address.

Republicans, under the leadership of former House Majority Leader Tom DeLay, in 2002 pushed the system to its extremes, urging legislatures in Texas, Pennsylvania, Ohio and Florida to maximize Republican seats. In Texas alone, because of redistricting, House Republicans gained five seats in 2004.

Yesterday, both parties shifted their focus to voter turnout. Democrats must net 15 seats to win the House and six to gain control of the Senate. President Clinton appeared at rallies in Virginia and Rhode Island to boost Democratic Senate candidates. President Bush's last rally in Florida symbolized his tarnished image: Popular Republican gubernatorial candidate Charlie Crist surprised the White House by skipping the event, leaving Mr. Bush on the stage with struggling Senate hopeful Rep. Katherine Harris. Ms. Harris oversaw the 2000 recount that helped put Mr. Bush in the White House.

Since federal fund-raising records were first collected in 1978, Republican Party committees have always had an edge over their rivals, according to Federal Election Commission records. Individual Republican candidates as a whole have also typically raised more money than Democrats.

This year, Democratic Party leaders began fund raising by tapping friendly companies and financiers in their backyards. Would-be House Speaker Nancy Pelosi alone raised about $50 million for the House campaign committee, seeking support from the electronics and communication industries. Mr. Schumer mined financial and banking houses in New York City, raising nearly a quarter of his committee's fund, or about $24 million, from that city alone. Among top donors are executives from Goldman Sachs, Citigroup, Morgan Stanley, Credit Suisse Group and the personal-injury law firm of Weitz & Luxenberg. Of those, only Goldman Sachs ranked as a major giver in 2004.

Illinois Congressman Rahm Emanuel, who runs the Democratic Congressional Campaign Committee, has generated about $30 million in donations from his contacts, particularly in Chicago. In 2004, 34 Chicago corporations gave to the House campaign committee either through their company political action committees or executives. So far this year, 60 Chicago firms were represented on the donor list, according to an analysis by the Center for Responsive Politics, a nonpartisan group.

Among the newcomers: $65,000 from Madison Dearborn Partners, a private-equity firm; $26,700 from Magnetar Capital, a hedge fund; $75,000 from Medline Industries, a provider of health-care supplies and equipment; $13,500 from Midway Games, a videogame maker.

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Party leaders have leaned on veterans with rich campaign accounts but scant competition of their own. After Sen. Hillary Clinton transferred $2 million from her overstuffed war chest to the Senate committee, a number of bloggers publicized the fact that Massachusetts Sen. John Kerry hadn't made a donation; a chastened Mr. Kerry delivered $265,000.

Ms. Pelosi encouraged members interested in becoming committee chairmen to consider giving at least $250,000 to the House campaign committee, higher than the Republican target of $200,000. Senior Democrats with leadership ambitions gave a combined $16 million to the House campaign as of Oct. 27, well above their 2004 levels. House Minority Whip Rep. Steny Hoyer of Maryland, who hopes to be majority leader, tops the list with $570,000. New York Rep. Charles Rangel, who wants to take over the tax-writing Ways and Means Committee, has given $370,000.

The extra cash has allowed Democratic strategists to go on the offensive in some unorthodox ways.

In an Arizona House seat left open by a retiring Republican, Mr. Emanuel spent $500,000 in the August Republican primary on behalf of the leading conservative candidate in the field, Randy Graf. His calculation: Mr. Graf couldn't win a general election in the moderate district. Republican strategists belatedly tried to defeat Mr. Graf, but he won, and Republicans now have conceded the seat. House Democrats figure they saved about $2 million that would otherwise have been spent trying to defeat a Republican moderate.

Extra money has made it possible for Senate Democrats to define the field early. The Senate campaign committee last summer transferred a chunk of money to the Montana Democratic Party, which began airing ads highlighting Mr. Burns's ties to convicted lobbyist Jack Abramoff. The issue has dogged the incumbent ever since.

Late last week, Mr. Schumer invested $1 million into the long-shot race of Democrat businessman Jim Pederson against Arizona Sen. Jon Kyl. While intended to boost Mr. Pederson's chances, Mr. Schumer also figured Mr. Kyl would insist on help from the Republican senatorial committee. He asked, and received, diverting Republican cash from more competitive races.

Money has also allowed Democrats to expand the battlefield. Nevada Republican Rep. Jon Porter has won re-election twice in his Las Vegas suburban district with double-digit margins. But the Iraq war has become a heavy drag on his campaign. When Democratic challenger Tessa Hafen was inching up in polls in the final weeks, the Democratic House campaign committee shoveled about $500,000 into the race. Mr. Porter's re-election chances have now been downgraded by political oddsmakers.

Mr. Schumer has earmarked $20 million for turnout operations in seven races targeting Republican incumbents. He's using the money to create an up-to-date voter list in Montana and Missouri. Mr. Emanuel is allocating more than $250,000 to build customized turnout operations in each of the roughly 33 districts on which he's concentrating, for a total of about $12 million.

The re-election campaign of 13-term Florida Republican Rep. Clay Shaw is a test of those competing forces: Democratic money versus Republican incumbency.

After Mr. Shaw barely clung to his district in 2000 -- he won by 599 votes -- alarmed Florida Republicans set out to protect him by redrawing his district. The Republican state legislature plundered Republican voters from the adjacent district of a more junior Republican, Mark Foley, who quit this year amid a sex scandal. They also dumped Democratic voters into the neighboring district held by Democrat Rep. Debbie Wasserman Schultz.

After their handiwork, Republican voters suddenly had a 40% to 35% advantage over Democrats, an eight-percentage point swing from 2000, according to Susan MacManus, a political scientist with the University of South Florida in Tampa. The balance is largely made up of independents.

Mr. Shaw used his seniority in Congress to direct cash into the district. A bridge in Ft. Lauderdale is named after him. His Web site includes a map where constituents can learn about other pork he's delivered, including $3 million for a sea-wall project in West Palm Beach and a Juno Beach mobile post office.

In 2002, Mr. Shaw was re-elected with 62% of the vote and again in 2004 with 63%. His race this year is considered a toss-up because, he says, people have grown "fatigued" by the lack of progress and escalating U.S. casualties in Iraq. About a quarter of voters in his district say they're independents, a group that leans heavily toward Democrats this year.

"I've run in this district twice and won by 20 points," says Mr. Shaw. "It's not gonna be that way this year."

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Last Friday, Mr. Shaw's Democratic opponent, State Sen. Ron Klein, 49 years old, made his pitch to lawyers and staff in the Ft. Lauderdale public defender's office. He doesn't want an immediate withdrawal from Iraq, but says, "it's time for our generation to stand up and provide some new leadership." Behind her desk, Leigh L. Sipper nodded. She voted for Mr. Shaw, 67, in the past, but she's convinced "it's time for a change. The war is a big part of that," she says.

While Iraq made Mr. Shaw vulnerable, money helped Mr. Klein get his message out. The challenger has raised $3.6 million, nearly matching the powerful incumbent's $4 million. (Mr. Klein was given a target of raising $1 million by March in order to get the backing of the Democratic campaign committee.)

Mr. Klein has saturated the district with ads linking Mr. Shaw to President Bush and the war. In one, the mother of a solider in Iraq talks about a Shaw vote she says was against a combat bonus for Iraq soldiers: "Mr. Shaw, how could you?" she asks.

In the final weeks, when Mr. Klein began to run out of money, the Democratic House campaign committee stepped in and filled the gap. The committee invested more than $2 million in the race, an unprecedented sum for the district.

For Democrats, Even A Gain May Feel Like A Failure (NYT)

By Adam Nagourney

The New York Times, November 7, 2006

WASHINGTON, Nov. 6 — In most midterm elections, an out-of-power party picking up, say, 14 seats in the House and five seats in the Senate could call it a pretty good night.

But for Democrats in 2006, that showing would mean coming up one seat shy of taking control of both the Senate and the House. And it would probably be branded a loss — in the case of the House, a big one.

For a combination of reasons — increasingly bullish prognostications by independent handicappers, galloping optimism by Democratic leaders and bloggers, and polls that promise a Democratic blowout — expectations for the party have soared into the stratosphere. Democrats are widely expected to take the House, and by a significant margin, and perhaps the Senate as well, while capturing a majority of governorships and legislatures.

These expectations may well be overheated. Polls over the weekend suggested that the contest was tightening, and some prognosticators on Monday were scaling back their predictions, if ever so slightly. (Charlie Cook, the analyst who is one of Washington's chief setters of expectations, said in an e-mail message on Monday that he was dropping the words "possibly more" from his House prediction of "20-35, possibly more.")

Some Democrats worry that those forecasts, accurate or not, may be setting the stage for a demoralizing election night, and one with lasting ramifications, sapping the party's spirit and energy heading into the 2008 presidential election cycle.

"Two years ago, winning 14 seats in the House would have been a pipe dream," said Matt Bennett, a founder of Third Way, a moderate Democratic organization. Now, Mr. Bennett said, failure to win the House, even by one seat, would send Democrats diving under their beds (not to mention what it might do to all the pundits).

"It would be crushing," he said. "It would be extremely difficult."

Mr. Cook put it more succinctly. "I think you'd see a Jim Jones situation — it would be a mass suicide," he said.

On election eve, the rough consensus among officials in both parties was that the Democrats would win the House but come just short of capturing the six seats they needed in the Senate. There was wide disagreement, though, about how many House seats Democrats might win.

Many of these predictions had been based on polls showing that President Bush, the Republican Party and Congress were extraordinarily unpopular. But going into Election Day, at least 20 House seats and probably 3 Senate seats were tied or close to it, no matter what the national polls say.

So, what if Democrats just squeak to victory in the House by a seat or two? What if Democrats win just three seats in the Senate or — unlikely but not impossible — even two?

"I'm not getting into the Washington expectations game," said Representative Rahm Emanuel, the Democrat from Illinois running his party's effort to capture the House, in what he said would be a very brief minute he would devote to commenting on this subject. "My job is to deliver north of 15 seats and that's what I am going to do."

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Howard Wolfson, a Democratic consultant advising candidates in some of the most competitive races in upstate New York — and one of his party's biggest optimists this year — said the size of the margin would not matter, assuming, of course, that Democrats win. "It's not a question of 25 or 35," Mr. Wolfson said. "It's a question of 14 or 15. Would you rather have a bigger margin? Of course. But if you take back the House, the world changes."

But any casual reader of a newspaper, or watcher of television news, or consumer of polls could be forgiven for thinking that the nation was about to witness its biggest shift in power since Republicans seized control of Congress by capturing 54 House seats in 1994. In the past week, analysts like Mr. Cook and Stuart Rothenberg, as well as on-the-record Democrats and Republicans, were talking about the Democrats' racking up as many as 35 seats. (Republicans, of course, may have decided that they have a Machiavellian interest in setting up Democrats with inflated expectations.)

"From a communications standpoint, the Democrats have done a lousy job managing expectations," said Justin Blake, an executive vice president at Edelman, the public relations firm.

Indeed, Mr. Emanuel and his Senate counterpart, Senator Charles E. Schumer of New York, have gone to some lengths not to project overconfidence. Mr. Schumer likes to say that Democrats are "on the edge" of taking back the Senate.

Other Democratic leaders are less restrained.

"I am now even more certain that Democrats will take control of the House and believe the net gain will be at least 30 seats and that we will certainly know the outcome early in the evening," Martin Frost, the former Texas Democratic congressman, wrote in a column he e-mailed around last week.

Mr. Bennett said that winning only 14 seats would produce an inevitable drop in contributions and a round of whither-the-Democrats post-election sessions. But he also said that, based on what had happened after Senator John Kerry's failed presidential effort in 2004, a race that many Democrats thought they should have won, he doubted the impact would last long.

And, unless the Democrats make no gains at all, it seems highly unlikely that there would be the kind of recriminations that typically follow a party loss, the kind of bloodletting already being seen on the Republican side.

Almost without exception, Democrats have praised Mr. Emanuel and Mr. Schumer — though Howard Dean, the party's national chairman, may have to defend his decision to spread Democratic National Committee money to build up parties in all 50 states, while parrying requests for support in the Congressional races.

The scope of a Democratic victory could go a long way in determining just how much power the party had in Congress.

Perceptions matter in politics, and this White House has shown it knows how to shape them; it would no doubt relish trying to weaken its new Congressional foes by portraying a small Democratic edge as a loss.

The obvious best outcome for Democrats would be to win control of both houses, allowing them to claim a public mandate. But unless they somehow control 60 votes in the Senate — which, not to be setting any expectations here, is not going to happen — they will have to work with Republicans to pass legislation. If they win the House by a large margin but do not get the Senate, they will also no doubt claim something of a mandate, though that would seem to be a recipe for gridlock.

If the Democrats fail to capture the House and the Senate, it would provide a psychic boost for the White House and some political vindication for Karl Rove, the president's chief political adviser. But given the intramural Republican squabbling of the past two years, it seems fair to say that nothing much could be expected out of Congress for the next two.

Mr. Bennett said, of the possibility of Democrats' losing in the end, "Some people will be saying, maybe that's better, which I think is crazy, but people are going to say it anyway."

In Mock Student Election, Democrats Reclaim House By NAUREEN S. MALIK (WSJ)

The Wall Street Journal, November 7, 2006

Nearly one million votes cast by elementary and high school students in a nationwide mock election backed a Republican Senate but turned power over to the Democrats in the House of Representatives.

Ballots for the Youth Leadership Initiative's Internet mock election, which ended Thursday night, were tailored to local elections and referenda. Larry Sabato, director of the University of Virginia's Center of Politics, started the program in 1998 at three local schools.

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Of the 33 Senate seats up for election, 10 are Republican and one independent. In the mock election, Democrats gained seats in Pennsylvania, Montana, Tennessee and Mississippi. But Republicans carried Florida, Minnesota and Washington for a 54-seat majority. (See www.youthleadership.net1 for full results)

Republican George Allen may have retained his Senate seat in Virginia, but his 44.74% win against Democratic rival Jim Webb's 44.59% shows how his campaign missteps became an issue. Hilary Clinton retained New York for the Democrats by a wide margin.

All 435 House seats are up for election and the student polls were brutal in Ohio, Florida, New York and North Carolina. Democrats came out ahead with 218 seats compared with 202 for Republicans and 15 for other candidates.

On the gubernatorial front, New York students elected Attorney General Eliot Spitzer and in California, students voted to re-elect Republican Arnold Schwarzenegger.

These results are by no means a random sample of how kids in the U.S. feel, nor do they foreshadow adult voting, though they did call for President Bush's victory in 2004.

"This is about civic education," Mr. Sabato says. The mock election teaches students "the rules of the game and that politics are exciting so that they will start voting at an early age and continue that through their lifetime." While students often reflect parents' views, he says kids' participation in the mock election has "guilt tripped" parents into voting.

Teachers register free with YLI to participate in the mock election, receive lesson plans and participate in e-congress, where students draft and vote on each others' bills across the country. YLI's mock election is growing as the program matures. More than 204,000 students weighed in on the mid-term elections over an 11-day period, compared with 20,000 in 2002. About 810,000 students had voted in the 2004 presidential election.

Normally, 50% of the eligible voters turn out for presidential elections compared with 30% for off years, says Elaine Kamarck, who teaches American politics and government management at Harvard University's Kennedy School of Government. But on Election Day, she expects an uptick at the polls for one reason: the Iraq War. The issue that is on the forefront of student and adult minds elevates the local election with a national concern.

In the real world, adults vote to influence public policy. In Carol Mill's U.S. Government class at Eisenhower High School in Yakima, Wash., juniors do it for extra credit. Teachers can monitor who votes but not how they vote.

Ms. Mills says her students were split over the Iraq war. Another big issue was a referendum to repeal taxes on estates valued at $2 million or more. The Yakima students were in favor of it, pointing to Bill Gates's charities.

Seniors at Westfield High School in Northern Virginia scoured online campaign ads, polls and blogs to develop arguments about amendments on marriage, church incorporation and a real estate property tax break for redevelopment, says social studies teacher Walt Addie.

Betsy Gonzales, who teaches eighth grade at Cedar Park Middle School in Texas, says, says her students get their news from John Stewart's The Daily Show and are backing the more colorful independent candidates: Richard "Kinky" Friedman (comedian and a writer who smokes cigars) and Carole Keeton Strayhorn (campaigning as "One Tough Grandma") in the gubernatorial race. Cedar Park will hold elections on Tuesday and will send results to YLI.

At Hunter College Elementary School for gifted children in Manhattan, sixth-grade teacher Christina Jenkins says the younger students often come to the classroom reflecting parents' views, which can cause some students to withdraw in debates over sensitive issues such as abortion or gay marriage. She encourages those with less popular views to speak up to foster discussion. "Because of that, I play the devil's advocate a lot," Ms. Jenkins says.

After Losing Seniors To Republicans, Democrats Hope To Lure Them Back By ERIKA LOVLEY (WSJ)

The Wall Street Journal, November 7, 2006

WEST PALM BEACH, Fla. -- As polls open today, Democratic strategists looking for bellwethers are closely watching a group of voters that has attracted relatively little attention in the blitz of this year's campaign: senior citizens.

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Democrats decisively lost the vote of older Americans to President Bush in the 2004 election, which party leaders see as a key reason they failed to unseat the president. Exit polls indicate Mr. Bush prevailed among those ages 60 and over by a margin of 54% to 46%.

Democrats think they can recapture those voters this year, which would be a crucial step toward taking one or both houses of Congress.

"We found the majority vote [among seniors] continues to be strongly Democratic," said Ana Iparraguirre, a senior associate at Greenberg Quinlan Rosner Research, a consulting firm in Washington, D.C., run by a former pollster for President Clinton. Unhappiness over the war in Iraq and, in particular, squeamishness over President Bush's attempt to enact a partial privatization of Social Security are "definitely giving Democrats the advantage," she said.

ELECTION 2006

• Election Quiz:1 Test your political IQ.

• Got an election-related question? Write to The Wall Street Journal's Alan Murray at askalan@wsj.com2, and check back Election Night, when Alan will answer selected questions at wsj.com/video3 from 6 p.m. ET to midnight.

• For complete coverage, see WSJ.com/Election20064.

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Seniors are seen as a critical voting bloc because, unlike younger voters, they tend to turn out reliably in large numbers on Election Day. They are expected to serve as an important voting bloc in several close races in states such as Florida and Pennsylvania, states where the ratio of senior voters is among the nation's highest.

In Florida, voters ages 65 or over, who make up 16% of total voters, according to 2005 census numbers, could play a big role in two tight House races, between Democrat Tim Mahoney and Republican Joe Negron, and between Republican Rep. Clay Shaw and Florida state Sen. Ron Klein, a Democrat. Similar dynamics are in play in Pennsylvania, where 14.6% of voters are seniors, especially in the Senate race between Sen. Rick Santorum, a Republican, and Democrat Bob Casey, and the House race between Republican Rep. Curt Weldon and Democrat Joseph A. Sestak Jr.

Both parties are making pitches on senior-specific issues. Democrats repeatedly focus on Mr. Bush's comments that he would like to return to his theme of overhauling the Social Security system in the remainder of his term. Last week, Mr. Sestak visited the Martin's Run Retirement Community north of Media, Pa. For the better part of an hour, he talked about World War II and the sacrifices made by Americans. He criticized the U.S. pharmaceutical industry and complained about tax breaks issued by President Bush.

Mr. Santorum's campaign has run several television ads touting a bill he has proposed in Congress that would guarantee that Social Security benefits would never be cut for the elderly. One ad features the senator in the middle of a crowded dance hall with seniors who are thanking him for supporting their community.

"We want them to know what we'll do to make Social Security sustainable in the future," said Santorum campaign spokesman Virginia Davis. "It makes visits with seniors an important part of the campaign."

Democrats say the prescription-drug benefit offered under a bill that President Bush backed isn't sufficiently generous, and in particular have charged that the program doesn't adequately allow the government to bargain down the price of drugs for senior citizens offered through the program. Most Democratic attacks charge that the drug provision gives away too much to the pharmaceutical industry. Democrats in the House have vowed to change the program within their first 100 hours if they gain control of Congress.

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In Florida, Mr. Mahoney, the Democrat running for a House seat, has canvassed local retirement communities about the issue. Mr. Mahoney himself is pushing for a competitive drug plan that would cater to seniors rather than pharmaceutical companies.

Republicans say the prescription-drug issue may actually help them. Some have pointed to a Kaiser Family Foundation Health Poll Report Survey of 1,585 seniors in June, which showed that eight in 10 seniors enrolled in a Medicare drug plan were satisfied with their plan. A similar survey taken in August 2004 found that twice as many people on Medicare had an unfavorable view of the law than had a favorable view.

Overall, older voters appear to be skewing Democratic heading into elections. A Pew Research Center survey of 2,369 registered voters released Sunday showed that 48% of those ages 65 and over were leaning towards voting for Democrats, compared with 42% for Republicans. Reflecting a broader trend, the number of older voters supporting Republicans rose slightly over figures from a Pew poll in September. In the 2002 midterm elections, 46% of seniors supported Republicans, compared with 43% for Democrats.

An increase in senior support for Democrats could spell bad news for Republicans in an election in which turnout among younger voters is expected to be weak. Nearly two-thirds of seniors are expected to vote this year.

"If there is turnout in high levels, it will be tough on Republicans," said Andrew Kohut, president of Pew Research Center, an independent opinion-research group based in Washington.

AARP, the national retirees association, reports that their 37 million members are evenly divided on party politics. One-third typically support Democrats, and one-third Republicans. The remaining third are independents -- voters that both parties are vying to capture.

AARP officials say its members across party lines are disgruntled by the Iraq war, and have made Iraq their top voting priority. "We don't think the issue is playing very well for Republicans at this point," said David Sloane, the group's director of government relations.

How Illegal Immigration Failed As Silver Bullet For Republicans Campaign Journal Offers Insights About Political Developments From The Front Lines Of The Fall Races Through Election Day. (WSJ)

By Jackie Calmes

The Wall Street Journal, November 7, 2006

SCOTTSDALE, Ariz. -- Twenty-one months ago, when House Republicans couldn't have foreseen how endangered their majority would be by Election Day, they went home for the President's Day recess, armed with talking points from the White House and party leaders to promote President Bush's top-priority proposal to remake Social Security.

But when they returned to the Capitol, many of these Republicans -- never eager to take on Social Security anyway without Democrats' support -- reported that voters wanted to talk about something else: illegal immigration.

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• See the expanded online version of Washington Wire4. The Journal's Washington bureau will provide campaign analysis, news and buzz on Election Day.

• For complete coverage, see WSJ.com/Election20065.

And with that, congressional Republicans seized on the issue many hoped would be a silver bullet to get through the midterm elections, and without the losses that a president's party traditionally suffers.

By attacking illegal immigration, Republicans could look tough on border security and please their conservative constituents and many independents. In the process, they could force votes in Congress -- say, on cutting off benefits for illegals' children, or making English the official U.S. language -- that would divide the Democrats and their Hispanic allies, and, ideally, trap some Democratic lawmakers into votes that could be turned into 30-second attack ads for television by November 2006.

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It hasn't exactly turned out that way. A visit to this border state helps understand why.

Forget Democrats' divisions. The issue of dealing with illegal immigrants divided the Bush-era Republican Party at least as badly, and more embarrassingly so given that it holds all the power in Washington. Republicans who backed the get-tough route did so knowing they were rejecting the president's other top domestic priority for his second term -- a comprehensive and "compassionate conservative" immigration plan that would provide a path to citizenship for the estimated 11 million illegal aliens already in the country.

Arizona has been a microcosm of the Republican Party's splits. The state's senior U.S. senator, John McCain, has long taken the same position on immigration as the president. He helped broker the Senate's compromise immigration measure, though Republican foes would come to call it Ted Kennedy's plan. Sen. Jon Kyl, the other Republican senator from Arizona, led the opposition to the McCain version in the Senate Judiciary Committee.

In the House, Arizona's Republican Rep. J.D. Hayworth helped lead the drive for a crackdown-only approach; he even wrote a quick book, "Whatever It Takes," and appeared in a conservative group's movie, "Border War." But his fellow Arizona Republicans in the House mostly opposed him.

Like other border states -- Mr. Bush's Texas, for instance -- Arizona most directly feels the costs of illegal immigration in terms of poverty, education needs and crime. But it also enjoys the fruits of a large low-wage workforce, and a proud culture rooted in Hispanic history.

Sen. Kyl, up for re-election this year, has seen his once-wide lead over developer and former state Democratic Party Chairman Jim Pederson narrow to single digits in polls. He hasn't made a huge issue of immigration, but where he has, Mr. Pederson -- like other Democrats nationwide -- counters that his position is little different from Mr. Bush's.

In House races, as it happens, the two Arizona Republicans who've hammered illegal immigration the hardest are in the most trouble. In the Tucson-area district to replace moderate Republican Rep. Jim Kolbe, who is retiring, the Republican nominee is former state Rep. Randy Graf, a founding member of the Minutemen policing U.S.-Mexico borders. His hard-core stance on illegal immigration helped Mr. Graf win the Republican primary over two less conservative rivals, but it left party wounds; Mr. Kolbe, among others, withheld support. The seat is widely expected to fall to Democrats.

Mr. Hayworth may well hold on, though his own internal polls have him several points behind former Democratic state senator and Tempe mayor Harry Mitchell. The congressman, who used to back guest-worker programs, has found that the enforcement-first platform he built for his toughest race yet isn't supporting him very well. Here, as nationally, voters chiefly have on their minds another war than the "border war" he emphasizes.

In a recent speech to a civic group in his affluent suburban district outside Phoenix, Mr. Hayworth opened by saying, "Sadly, here we are, in the early years of the 21st century, again, a nation at war." Then, without mentioning Iraq, he immediately described how up to 6,500 people nightly attempt to cross over to Arizona from Mexico illegally; 4,500 make it, he said. "It may not sit well with the politically correct sensibilities of those who populate the editorial boards of our major newspapers," Mr. Hayworth went on, "but with that type of occurrence on a nightly basis, what else do we call it but invasion?"

When the congressman finally opened the floor to questions, every one was about war -- the one in Iraq. What about the erosion of public support? How can there be a swift end to it? Should the U.S. pull out troops, or add 100,000 more? Mr. Hayworth didn't endorse either extreme, saying non-commitally, "Victory must be our goal, not disengagement."

That evening at an event for Mr. Mitchell, among the attendees was one of a number of local officeholders who've formed "Republicans for Mitchell," Tempe city councilman Ben Arredondo. Mr. Arredondo, from a well-known local Hispanic family that has been in Arizona for generations, quickly volunteers why he's not supporting his fellow Republican: "As soon as Hayworth came on the immigration issue, it was over."

A top national Republican strategist, speaking of threatened incumbents such as Mr. Hayworth, says the immigration issue -- far from being the silver bullet --has exacted a higher price than is recognized; it's been "masked by other things," he says, such as voter frustration with war, high spending, scandals. "But," says the strategist, who asks to be unidentified, "you don't go around the country saying, 'This the No. 1 problem, but, by the way, we're not going to do anything about it.' "

Pelosi's Platform (WP)

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By Michael Kinsley

The Washington Post, November 7, 2006

What would a Democratic House of Representatives under Speaker Nancy Pelosi be like? The Republicans have been painting an unattractive portrait of Democrats roasting young children on a spit in the Capitol Rotunda and whatnot. Hoping for a more encouraging view, I picked up "A New Direction for America," a 31-page manifesto released to little acclaim by House Democrats in June. By all means read it. But do me a favor and vote first.

The document is full of bromides, of course, and like all good bromides, they come in threes. The Democrats promise "security, prosperity, and opportunity" in "diverse, safe, and vibrant communities." Not to mention "integrity, civility and fiscal discipline." They will "protect Americans, secure our borders, and restore our country's position of international leadership" through "homeland, energy, and diplomatic strategies." And we're only up to Page 3.

The two favorite words of Democrats on the cusp of power seem to be "tax credit." They promise to "modernize" the tax credit for research and development; to "expand and improve" the already ludicrously complex system of tax-deductible retirement accounts such as IRAs and 401(k) plans (and match "dollar-for-dollar" the first $1,000 a person puts in); and to provide a "100% tax credit for tuition up to $3,000." They want a "broadband tax credit" for Internet access in "rural and underserved" areas.

They call for a 50 percent tax credit for employee health insurance paid for by small businesses, as their solution to the health-care crisis. Needless to say, they love the tax credit for ethanol production and want to expand it for local ethanol producers. And -- my favorite -- they want a tax credit to cover the administrative costs of encouraging employers "to offer their employees the option to convert their retirement plan into an annuity when they retire." I don't know what that last one is about, but I smell an interested party. It's just not the kind of thing thought up by anyone who doesn't have some skin in the game.

Democrats call for ending the "Disabled Veterans' Tax" and the "Military Families' Tax." The what? There cannot be any such thing as a Disabled Veterans' Tax. It is a label dreamed up by people wanting special treatment, like the Republicans' brilliant "death tax" for the estate tax. Maybe they deserve it, maybe they don't. But why can't we leave this bullying-by-terminology to Newt Gingrich?

The problem with tax credits in general is that they never appear in the budget, so they never get the same scrutiny as direct spending, although their impact on the deficit is exactly the same. By definition, they cost more than whatever benefit they are intended to achieve, since no one is going to be induced to spend an extra dollar on, say, dance lessons (because some member of Congress has decided that it would be good for the country if more people knew how to dance) unless the subsidy is worth more than a dollar.

Tax subsidies often go to person X to help person Y (e.g., to a corporation to help its employees), and person X gets a slice of the benefit -- often a big slice. And the distributional consequences are rarely examined. For example, tax credits constitute only one of several subsidies the Democrats propose for college education. Why should a young person who is out working and paying taxes subsidize someone in college who will soon be better off, if he or she isn't already?

Fairness is one of the three qualities that need to be restored to American public life after six years of George W. Bush and 12 years of French-Revolution-turned-French-farce on Capitol Hill. The other two are honesty and competence.

Honesty is not just therapeutic. Fiscal honesty is a practical necessity. "New Direction" quite rightly denounces the staggering fiscal irresponsibility of Republican leaders and duly promises "Pay As You Go" spending. But in the entire document there is not one explicit revenue-raiser to balance the many specific and enormous new spending programs and tax credits.

Competence, of course, brings us back to Iraq. Apparently and unfortunately, President Bush is right that the Democrats have no "plan for victory." (Neither does he, of course. Nor, for that matter, do I. But I don't claim to have one. And I didn't start it.) For national security in general, the Democrats' plan is so according-to-type that you cringe with embarrassment: It's mostly about new cash benefits for veterans. Regarding Iraq specifically, the Democrats' plan has two parts. First, they want Iraqis to take on "primary responsibility for securing and governing their country." Then they want "responsible redeployment" (great euphemism) of American forces.

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Older readers may recognize this formula. It's Vietnamization -- the Nixon-Kissinger plan for extracting us from a previous mistake. But Vietnamization was not a plan for victory. It was a plan for what was called "peace with honor" and is now known as "defeat."

Maybe "A New Direction for America" is just a campaign document -- although it seems to have had no effect at all on the campaign. My fear is that the House Democrats might try to use it as a basis for governing.

The True Ideological Battle By ARTHUR C. BROOKS (WSJ)

The Wall Street Journal, November 7, 2006

In their 2004 book, "The Right Nation," John Micklethwait and Adrian Wooldridge chronicle America's rightward tilt. "If American politics is a seesaw, it is an unevenly balanced one. Imagine Dennis Hastert at one end of the seesaw and Nancy Pelosi on the other end, and you have some idea about which party is sitting with its legs dangling in the air. In the war between two Americas, Hastertland has been winning."

Until today, that is. This midterm election, in the view of many optimistic liberals, will be a forceful repudiation of the inevitability of American conservatism. A victory after so many years of losses will mark the beginning of the end to the country's nightmarish reactionary drift. According to Howard Dean, "The American people are fed up and want to change course. Democrats are offering the American people a new direction." But will it really be the dawn of a new day for the American left? After a cold look at the evidence, liberals might decide to take the champagne off the ice. The victory, assuming there is one, will hardly be glorious, and long-term trends are still distinctly right wing.

Some doomsday scenarios envision a 45-seat shift in the House of Representatives and a substantial Democratic majority in the Senate. These predictions, when looking at the actual data, are probably unrealistic. My colleague Danny Hayes, a political scientist who studies polling, says that the most reasonable picture has the Democrats winning 20-30 seats and taking narrow control of the House, while failing to win the Senate. This assessment is consistent with what most mainstream pollsters are predicting.

No bloodbath -- but still major progress for the left, right? Not really. We are in the midst of a deeply unpopular war, and an electorate in a foul mood. A Washington Post-ABC News poll last week found that more than 30% of likely voters planned to cast their ballots on Nov. 7 for Democrats specifically as a sign of opposition to George Bush. Congressional Republicans are hardly helping their own cause, between corruption and sexual misconduct. And the Republican Congress has so alienated authentic conservative voters with its porky profligacy that lots of Republicans will probably stay home.

By all rights, the Republicans left in Congress after this election should be able to pool to work in one minivan. Instead, they are probably facing a 10% setback in House seats -- hardly a disaster by midterm election standards. What's more, many of the Democrats at the vanguard of today's political "revolution" are not exactly left-wing zealots. Robert Casey, who leads incumbent Pennsylvania Sen. Rick Santorum, opposes abortion rights. On issues of gun control and immigration, Senate candidate Harold Ford of Tennessee sounds like a Republican. James Webb, who seeks to unseat Virginia Sen. George Allen, actually used to be a Republican. The lesson is that Democrats can win modestly if the Republicans implode, and preferably if they look more or less like Republicans. This is hardly a mythic victory for the American left; indeed, the larger cultural picture -- in which the election is but a minor political datum -- remains strikingly bleak for American liberalism.

Consider the effect of religious faith, which endures as the most important cultural fault line. On the whole, America is fundamentally religious, with 85% of people expressing allegiance to an organized faith and a third attending a house of worship weekly. Secularism is an exotic taste -- except on the political left. According to the General Social Survey, liberals are a third less likely than the rest of the population to worship regularly, and less than half as likely as conservatives. The percentage of self-described liberals who say they have "no religion" has more than doubled since the early '70s.

This cultural trend represents a growing political liability for the left. Only about one in four Americans currently say they believe that the Democratic Party is friendly toward religion, according to the Pew Research Center for the People and the Press. The practical impact of this belief is nicely described by author Stephen Carter in his book, "The Dissent of the Governed." He describes two black evangelical women who change their affiliations from liberal political groups to conservative Christian organizations, explaining that "they preferred a place that honored their faith and disdained their politics over a place that

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honored their politics and disdained their faith." These women are part of a real trend among religious Americans: According to the National Election Surveys, religious Democrats are more likely than any other group to change their party affiliation. Between 2000 and 2002, they were nearly four times more likely to do so than secular Republicans.

There's certainly more to ideology than faith, of course. Another major cultural force is immigration, which -- as liberals hope and conservatives fear -- has the power to counteract the conservatizing effects of religion. "Today we march, tomorrow we vote," was the slogan chanted earlier this year by Latinos demonstrating in the streets against Republican-led immigration crackdowns. The warning made the blood of many conservatives run cold. It shouldn't have; the political mobilization of Latinos may actually expand the cultural dominance of the American right. According to the Social Capital Community Benchmark Survey in 2000, while American Latinos are about as likely as non-Latinos to say they are politically conservative, those not (yet) registered to vote are significantly more conservative than both voting Latinos and the population at large. In other words, a growing, more politically active Latino U.S. probably means a more conservative U.S. as well.

This counterintuitive fact is good news for the cultural right. But can Republicans capitalize politically on this pattern? Some doubt it, given the party's perceived hostility to immigration and apparent willingness to overlook the racial insensitivity of Sen. George Allen's "macaca" remark about an Indian-American man at a recent campaign event.

So much for religious folks and immigrants. What about young people? Maybe the left can, like it always has, look to the culture of youth to jumpstart the progressive movement. But even here, things are going conservatives' way. The left's traditional edge among young adults shrank from 1974 to 2004, as the percentage of adults 18-25 who labeled themselves political liberals fell by 12%, and the percentage saying they were conservative rose by 143%.

Waning youth support for the left may be partly due to the adroitness of conservative causes. But it probably also has to do with liberal inability or unwillingness to build an authentic youth grass-roots movement. A new and hotly debated book by Columbia University sociologist Dana Fisher documents the fact that most liberal political groups have dismantled their grassroots operations since the mid-'90s and subcontracted their activism to a small group of for-profit and nonprofit companies. In other words, the Republican canvasser at your door is a volunteer and true believer. But the kid asking for your signature and contribution for the local Democratic Party is probably a paid employee. This may be evidence that the left can no longer build grass-roots support to maintain itself, or that it has cut corners and sent its support-building mechanisms ideologically offshore. Either way, it bodes ill for progressive causes.

These are just three examples of the cultural patterns that continue to strengthen the right in America. Many more can be found in fertility patterns, the effects of education, and elsewhere. They tell us that conservatives have much to smile about, no matter what happens today at the polls. Reasonable people will disagree as to whether this is grounds for celebration or a call to fight. Either way, however, it is undeniable that the true ideological battle in America goes far deeper than a midterm election.

Mr. Brooks, a professor at Syracuse University's Maxwell School of Public Affairs, is the author of "Who Really Cares: The Surprising Truth About Compassionate Conservatism," to be published this month by Basic Books.

Identity Crisis (WP)

By E. J. Dionne Jr

The Washington Post, November 7, 2006

One verdict from the 2006 election was obvious before a single vote had been counted: The Republican Party no longer has a coherent governing philosophy. Republicans who care about advancing a consistent set of ideals are already at each other's throats and are likely to stay there. True, most Republicans still describe themselves as "conservative." But it is no longer clear what that word means.

When they have nothing else to say, Republicans will always accuse Democrats of harboring secret plans to raise taxes. But the tax issue just sits out there, unhinged from any logical approach to how revenue and spending should fit together in a sensible budget.

Then there is Iraq. Republican foreign policy realists saw the war as a disaster going in. Neoconservatives who supported the invasion increasingly blame the Bush administration for botching the job. The administration's approach to Iraq is an orphan -- only President Bush and his closest advisers claim it as their own.

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That is why we can know how Republicans and conservatives will spend the last two years of the Bush presidency. They will fault philosophical adversaries for what went wrong, purge various actors and ideas from the movement, and insist on contradictory forms of ideological purity. My God, they'll sound like Democrats, won't they?

At the beginning of the 2006 campaign, the most popular charge in punditry was that Democrats were going to the voters with "no ideas." As the election closes, it's clear that the Republicans won the "no ideas" contest. In race after race, they tried to win by saying how horrific their Democratic opponents were -- and, in many cases, Republicans started touting their own independence from Bush. The Republicans have no coherence on immigration; no plausible plans for fixing the mess in Iraq; and little to say about economic insecurity, health care or the budget.

The lesson of 2006 is that the past five years have aggravated every contradiction on the right to the breaking point: religious conservatives against libertarians; neoconservatives against foreign policy realists; pro-immigration conservatives against immigration critics; big business against working-class conservatives; compassionate conservatives against . . . hmm, how do you describe the other side on that one?

In Congress, conservatives who voted for big budget deficits now blame figures such as Tom DeLay for forcing them to do it. Some Republicans who condemn the cost of the prescription drug benefit under Medicare were once happy to brag about it to seniors. Incumbents attack congressional "earmarks" for special spending projects, all the while boasting at home about the bacon they've put on their constituents' tables.

Add to all this the remarkable display of backstabbing among House Republican leaders over who did or didn't do what (and when) about the Mark Foley scandal. Political solidarity is not much of a value anymore in the Republican family.

That is why the most interesting battles over the next two years could take place not between the parties but within them. After a miserable year, Republicans have a lot of scores to settle. And conservatives, many of whom know they've lost their way, will be devoting a lot of energy to figuring out exactly who they are.

Repeat Calls Spur A Debate Over Tactics (NYT)

By Christopher Drew And Carl Hulse

The New York Times, November 7, 2006

Karyn Hollis, an English professor at Villanova University outside Philadelphia, said the same computerized calls had been ringing her telephone as often as five times a day for more than a week.

They all start with a simple, if somewhat ambiguous, statement: “Hello, I’m calling with information about Lois Murphy,” a Pennsylvania Democrat who is the challenger in one of the hottest House races. That opening sounds “kind of positive in tone,” Ms. Hollis said. But the message quickly turns negative, blasting Ms. Murphy’s political views. After she hangs up, the phone rings again later with the same message. And again. And again.

The calls are part of a telephone blitz that the Republican Party has unleashed in several dozen races that are likely to determine control of the House in Tuesday’s elections. And the repeat calls to the same homes have set off a new furor over campaign tactics, with the Democrats claiming the calls violate federal communications rules and are tantamount to harassment.

Ms. Murphy and other Democrats say they have been flooded with complaints from irritated voters who think that the calls are coming from the candidates themselves. Many of the voters had hung up before the message was over, and never heard that it was produced by the Republican Party.

Democratic leaders contend that the messages violate federal rules that require groups making automated calls to identify themselves at the outset. And the National Republican Congressional Committee, which has financed the calls, agreed on Sunday to quit making some of them in New Hampshire, where a state law limits who can receive computerized phone messages.

Ed Patru, a committee spokesman, said the phone campaign complied with federal law and was “drawing contrasts” between the candidates. “There’s no statutory requirement that our phone calls be complimentary to Democrats,” Mr. Patru added.

Federal filings indicate that the committee has spent about $2 million on phone calls in the last week.

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But Democratic officials say they fear the saturation calling is just a tactic to irritate voters and discourage them from going to the polls.

"Make no mistake about it," said Representative Rahm Emanuel, an Illinois Democrat who is leading his party's effort to retake the House. "This is a dirty trick, one they have pulled before, one they have gotten caught on, and they are still doing it."

Mr. Emanuel was referring to past fights over last-minute phone campaigns, particularly in New Hampshire, where three Republican officials were convicted of campaign violations stemming from an effort in 2002 to jam phone lines used by the Democratic Party to get out the vote.

Complaints about the recent Republican calls first surfaced about a week ago in a smattering of states. Rozanne Ronen, who lives in a Chicago suburb, said she had gotten more than 20 of the calls, all relating to the same House race. "To me, it's just harassment," she said.

New York Democratic Party officials complained Monday that the calls also had been made on Sunday and Monday to voters in four hotly contested House districts.

The Democrats say that a few calls have been made in the early morning or middle of night, and that some voters received several calls minutes apart. Republican officials said that would have happened only if there was a computer glitch.

Others, like Ms. Hollis, the Villanova professor, say they have filed complaints with the Federal Communications Commission. Its rules on automated calls require that callers state their identity at the beginning of the message. These calls end with a disclaimer that they were paid for by the Republican committee; no identification is made at the start of the message.

Political messages are exempt from the federal do-not-call rules meant to discourage unwanted sales pitches. But a New Hampshire law prohibits making automated calls to people who are on the do-not-call list. The Republican committee agreed on Sunday to halt calls there at the urging of the state attorney general.

David Kaplan, a registered Republican in Connecticut who has received more than two dozen of the calls, said he was so annoyed that the Republicans might "have shot themselves in the leg" in terms of winning his vote.

It's A Candidate Calling. Again. (WP)

By Charles Babington And Alec MacGillis

The Washington Post, November 7, 2006

This year's heavy volume of automated political phone calls has infuriated countless voters and triggered sharp complaints from Democrats, who say the Republican Party has crossed the line in bombarding households with recorded attacks on candidates in tight House races nationwide.

Some voters, sick of interrupted dinners and evenings, say they will punish the offending parties by opposing them in today's elections. But critics say Republicans crafted the messages to delude voters -- especially those who hang up quickly -- into thinking that Democrats placed the calls.

Republicans denied the allegation, noting that their party acknowledges its authorship at the recorded calls' end. After citizens' complaints in New Hampshire, however, the National Republican Congressional Committee agreed to end the calls to households on the federal do-not-call list, even though the law exempts political messages from such restrictions.

Whether "robo-calls" are positive or negative, mean-spirited or humorous, thousands of Americans are sick of them, according to campaign organizations that have been fielding complaints over the past two weeks.

An Ohio woman, who did not leave her name, called The Washington Post in tears yesterday, saying she could not keep her phone line open to hospice workers caring for her terminally ill mother because of nonstop political robo-calls.

Pamela Lorenz, a retired nurse in Roseville, Calif., called her own experience "harassment as far as I'm concerned" and said, "If I were voting right now, the opponent who's doing this, he'd be off my list for throwing that much trash."

Hour after hour and day after day for two weeks, Lorenz's home has received the same NRCC recorded message attacking Charlie Brown, the Democrat who is challenging Rep. John T. Doolittle (R) in a hard-fought battle in northeastern California. "It is a recorder calling," Lorenz said. "I can't call it back to get them to stop."

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Voters in Northern Virginia have been exposed to fewer of the aggressive "push poll" type calls than elsewhere. But they said they have been getting so many of the conventional automated calls plugging candidates that they have started hanging up as soon as the recordings begin or screening them with caller ID.

"I hang up as soon I hear it start. I've already heard most of what people have to say. I don't have time to listen to them," said Angela Elliott, a Fairfax Circle resident who is registered as an independent and has been getting more Democratic calls than Republican ones.

Nicholas Beltrante, of the Alexandria section of Fairfax County, said he has been getting an average of three to five automated calls per day from both Democrats and Republicans. "I made up my mind weeks ago, and the moment I identify them as one of those calls I just hang up," he said.

As annoyed as they are, Northern Virginia voters said their irritation will not prompt them to vote against the campaigns placing the calls, because the calls are positive in nature.

Jane Edmondson, a McLean community activist, registered Democrat and Democratic donor, said she has stopped answering calls that appear as 800 or 877 numbers on her caller ID, for fear that they are robo-calls. At church Sunday, she said, she and others were jealous of one churchgoer who said his caller ID identifies campaign calls as "political calls." "We all said, 'Why don't we get that?' " she said.

Democrats cited federal records indicating that the NRCC recently spent about $600,000 in at least 45 contested House districts for robo-calls, which are among the least expensive campaign tools. The brief calls typically begin with a speaker offering "some information" about the Democratic nominee and then immediately accusing the nominee of seeking to raise taxes, among other perceived wrongs.

Many voters hang up as soon as a robo-call begins -- without waiting for the criticisms or the NRCC sign-off at the end -- so they think it was placed by the Democratic candidate named at the start, said Sarah Feinberg, spokeswoman for the Democratic Congressional Campaign Committee. "Our candidates are inundated with phone calls from furious Democrats and independents saying . . . 'I'm outraged and I'm not going to vote for you anymore,' " she said.

Feinberg said some voters have received robo-calls late at night, despite federal rules barring such calls after 9 p.m. NRCC spokesman Carl Forti said his organization ends all calls by 9 nightly.

Democrats also cited Federal Communications Commission guidelines saying the originators of automated calls must identify themselves at the beginning of each call. Republican Party lawyers, however, said the requirement does not apply to political nonprofit organizations. They rebuffed a "cease and desist" letter sent yesterday by the DCCC.

In a conference call with reporters yesterday, the DCCC chairman, Rep. Rahm Emanuel (Ill.), compared the widespread robo-calling to a 2002 Republican effort in New Hampshire to jam Democratic phone lines to prevent the Democrats' get-out-the-vote effort. The Republican National Committee has spent more than $2 million to defend its officials in the case, he said. "Make no mistake, this is a dirty trick, one they've done before, one they've gotten caught on and one they continue to do," Emanuel said.

Karyn Hollis, a Villanova University English professor who supports Democrat Lois Murphy in her bid to oust Rep. Jim Gerlach (R-Pa.), said she has received numerous robo-calls attacking Murphy. "You just get sick of these calls," Hollis said. A quick hang-up can lead the recipient to conclude that Murphy supporters placed the call, she said. Listening to the full message, she said, subjects the voter to a litany of attacks against Murphy.

"It's a double thing," Hollis said. "Either way they win."

Many robo-calls involve celebrities and are positive and straightforward, such as recordings from former president Bill Clinton urging voters to support Democratic nominees. In New Jersey, comic actor Joe Piscopo has recorded messages on behalf of GOP Senate candidate Tom Kean Jr.

In Connecticut, NRCC robo-calls have targeted Dianne Farrell, the Democrat seeking to unseat Rep. Christopher Shays (R). Asked if Farrell has her own automated calls, campaign spokeswoman Jan Ellen Spiegel replied: "Only one, and it's rather distinctive because it's Paul Newman. We haven't gotten complaints about that one."

Exit-Poll Secrecy Measures Aim To Plug Leaks To Blogs By AMY SCHATZ (WSJ)

DOJ_NMG_0091557

The Wall Street Journal, November 7, 2006

Two-by-two, polling specialists from ABC, CBS, NBC, CNN, Fox News and the Associated Press will go into rooms in New York and Washington shortly before noon Tuesday. Their cellphones and BlackBerrys will be confiscated; proctors will monitor the doors; and for the next five hours, these experts will pore over exit-poll data from across the country.

If all goes well, only when they emerge from their cloisters will the legions of ravenous political bloggers have any chance of getting their hands on the earliest indication of which party will end up controlling Congress.

"The demand for info is intense, and if the safeguards aren't steel doors bolting people inside a room, it will get out," says Marc Ambinder, associate editor of National Journal's Hotline OnCall. "The insatiable appetite for this info will overwhelm the ability to keep it secret."

The extraordinary security is a result of mix-ups that prompted grumbling about the accuracy of exit polls after the 2004 presidential election: Bloggers posted data from early exit polls, incorrectly calling some states for Massachusetts Democratic Sen. John Kerry and indicating that he would unseat President Bush.

This year, media executives figure the secret will keep less than half an hour. "Based on past experience, I expect that I'll have exit-poll data soon after it's released from multiple sources," Taegan Goddard of the newsy independent blog Political Wire1 says in an email.

Exit polls will be available for all the key Senate races, giving an early picture of whether it could flip to the Democrats. House races won't be available, although clues in statewide data for states with lots of close races, such as Ohio, Pennsylvania, New York, Connecticut and Indiana, will provide a sense of what the broader outcome might be.

The data are collected through the National Election Pool, a consortium made up of the three traditional networks, CNN, Fox News and the AP. NEP's members decide which questions are asked and set the rules for the data's release.

Only consortium members get all of the data, including state breakdowns. Other media outlets -- but not bloggers or political parties -- may purchase the data, on a sliding cost scale. A state report can cost anywhere from $1,000 to $5,400, depending on the size of the news organization. A week after the election, all of the data can be purchased by academics, political parties and others for $10,000.

ELECTION 2006

• Election Quiz:2 Test your political IQ.

• Got an election-related question? Write to The Wall Street Journal's Alan Murray at askalan@wsj.com3, and check back Election Night, when Alan will answer selected questions at wsj.com/video4 from 6 p.m. ET to midnight.

• For complete coverage, see WSJ.com/Election20065.

SENATE AND GOVERNORS

6 • Review the results of the latest polls7 in hot Senate races.

• The Senate's Uncertain States:8 Interactive profiles.

• Battlegrounds Poll:9 Who's ahead in hotly contested Senate and gubernatorial races? Dig into the latest Zogby poll data.

RACE FOR THE HOUSE

10 • Tracking the House Polls: Check recent numbers11

• Representative Races: Data on 20 key districts12

News organizations use exit polls to give them an early sense of the electorate's mood to shape and guide coverage later that night when the real results come in. As the data become more complete throughout the day, NEP and news organizations use them to project winners when the polls close. TV news anchors know the results, but are honor-bound not to disclose them until the polls close in the individual states. Sometimes, however, they can't resist alluding to some results with broad statements about the mood of the electorate.

Poll results are for internal use for the most part, but are generally the worst-kept secret in the news business. On Election Day, exit polls are the coin of the realm in Washington, and some reporters and editors can't resist sharing top-line data among themselves and with political operatives. Consequently, the information can reach bloggers from any number of sources.

Mainstream news organizations know that bloggers will eventually get their hands on the exit-poll data, but their goal is to delay it as long as possible because the accuracy of the data improves as the day goes on.

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In previous years, numbers were made available to the news organizations in waves via secure Web sites. In 2004, the first wave of data went out around 2 p.m. and quickly leaked onto the Internet. That's what brought about this year's sequestering of the news organization's representatives. The only communication they'll be allowed to make out of the so-called quarantine rooms before 5 p.m. will be to warn their new organizations about potential problems in the data. (In 2000, faulty polling prompted some networks to incorrectly call Florida in favor of Al Gore.) Those messages will be monitored by representatives of the polling firm NEP has contracted with.

Consequently, for much of Tuesday, bloggers will likely be chattering mostly about secondary issues, such as voter turnout and problems with new electronic voting machines.

But at 5 p.m., waves of exit-poll data will begin flowing to newsrooms via limited-access Web sites. For the bloggers, the scramble will be on to get the data first, hoping for an email from a friendly source.

"People need to realize those numbers aren't the real results," says David Bohrman, vice president of news and production at CNN's Washington bureau, who urges people to be cautious when interpreting poll results. "They show why people voted today, and what was on their minds. The only real way to figure out who won is to count the votes."

Mark Blumenthal, a Democratic pollster known as the "Mystery Pollster" on Pollster.com13, which tries to explain the mechanics behind polls, agrees. Exit polls are "still a sample," he says. "Don't get all excited about it." In 2004, Mr. Blumenthal posted a warning in the morning about the vagaries of exit polling data and says he'll post another Tuesday. "You learn the hard way that a one- or two-point lead on a leaked exit poll is meaningless," he says.

Mr. Ambinder of Hotline OnCall14, the free, wonky blog updated by National Journal's political reporters, says editors there have vowed not to post any exiting-polling data. They say that the less they post while polls are open the better. "If a header in my inbox says 'exit poll,' I'm going to try to resist the temptation to open it," he says.

Throughout the day, a lot of unreliable numbers on exit polling will be flying around in emails, predicts Jacob Weisberg, editor of online magazine Slate, which published early exit-polling data in 2004. If Slate receives exit-polling data from a reliable source in the media it will publish them again, Mr. Weisberg says, although he doesn't know if they'll be very meaningful. "When elections are really close, exit polls aren't that reliable."

"I'll post it with the caveat that it was all crap last time and will probably be crap again," says Glenn Reynolds of Instapundit.com15, a conservative-leaning blog, who will be doing interviews for CNN via a Webcam from his Knoxville, Tenn., home.

Unreliable or not, for many bloggers exit polls are just too juicy to ignore. "Basically, yeah, we'll run everything we get the second we get it," says Alex Pareene of the irreverent Washington blog Wonkette16. "Give the people what they want."

Early Night For Poll Watchers? (WP)

By Jeffrey H. Birnbaum

The Washington Post, November 7, 2006

No matter who triumphs today -- Election Day -- supporters of both political parties and will have something to be happy about: They probably will not have to stay up too late to know which way the midterm elections are heading.

"The key races in Congress are concentrated in the Eastern and Central time zones, so we ought to have a good sense of the trend relatively early in the evening," said Amy Walter of the nonpartisan Cook Political Report.

In the Senate, Democrats would have to gain six seats to win a majority, and all but one of the most competitive races are in states in the East or Midwest: Virginia, Tennessee, Missouri, New Jersey, Pennsylvania, Rhode Island, Ohio and Maryland. The single nail-biter farther west is in Montana.

Most tossup House races are also clustered in states east of the Mississippi River. By watching the fate of Republican candidates in Connecticut, New York, New Hampshire, Pennsylvania, Kentucky, Indiana and Ohio, political enthusiasts will have a good idea whether Democrats will win the 15 seats they need to take control of the House, analysts say.

That is, of course, if everything goes smoothly. And things rarely do. Uncertainties about electronic voting machines and hassles over identifying registered voters could make early predictions about the election precarious.

Nonetheless, there will be plenty of guessing as the night goes on.

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Broadcast networks plan to confine their reports to a single hour starting at 10 p.m. Eastern time, hosted by their national news anchors. ABC will also feature the midterm elections on "Nightline" from 11:30 p.m. to midnight. In addition, the broadcast channels will do live cut-ins throughout the evening when major results become known.

Political junkies will demand a lot more information than that. For them, cable news channels and Web sites will fill in the gaps.

The cable channels are scheduled to provide their usual blanket coverage all evening and into the wee hours. This year, in addition, the Web versions of most major publications and news outlets will constantly update their online election results. Cyber surfers will be able to pop onto a wide variety of Web sites as often as they want and track every tick of the electoral totals.

"If you wake up at 3 a.m. in a cold sweat, you can go to your computer for the latest results," said Rajiv Chandrasekaran, The Washington Post's assistant managing editor for continuous news. "People can also wake up first thing in the morning and do the same thing."

For people who want their beauty rest, however, a few contests with early poll closings can be seen as harbingers of things to come. As Kentucky and Indiana go, analysts say, so will go the House. And the good news: The polls in both states will close by 7 p.m. Eastern time.

Nathan L. Gonzales of the nonpartisan Rothenberg Political Report recommends looking at Kentucky in particular. If Rep. Geoff Davis (R) is defeated by former representative Ken Lucas (D), Gonzales said, "the GOP is in serious jeopardy." If Reps. Anne M. Northup and Ron Lewis, both Republicans, also lose, Republican losses in the House could be sizable, he added.

Another bellwether is Indiana. Three Republican congressmen face tough reelection fights there: John N. Hostettler, Chris Chocola and Michael E. Sodrel. Hostettler has been all but given up for lost. But if Chocola, Sodrel or both also go down, the Republican majority in the House will probably fall with them, analysts agree.

Walter of the Cook Political Report sees the electoral fate of Sodrel, a freshman who is facing former representative Baron Hill (D) for the third time, as one of the nation's best predictors of the partisan direction of the House.

"If a Democratic tsunami is hitting, Republicans could realistically lose the majority before the polls close in the 8 p.m. states," such as Pennsylvania, Gonzales said. "But if Republicans can escape these early states down by only three or four seats, it should be considered a moral victory."

The Cook Report lists nine Senate races as tossups, and Gonzales of the Rothenberg Report names two of them as the ones to watch.

Sen. James M. Talent (R-Mo.) is in a neck-and-neck battle with Missouri state Auditor Claire McCaskill (D). And in Virginia, Sen. George Allen (R) is nip and tuck with Democrat James Webb. "If Talent loses, the GOP majority is in serious jeopardy [in the Senate]," Gonzales said. "And it's gone completely if Allen loses."

Check Indiana For A Preview (NYT)

By Jeff Zeleny

The New York Times, November 7, 2006

For an early glimpse of how election night will unfold, strategists of both parties have their eyes fixed on Indiana.

Yes, Indiana is home to three of the most competitive House races in the nation. But it is the 6 p.m. Eastern closing time for a majority of the state's polling places that is most intriguing to Republicans and Democrats.

Both parties are eager to seize on early indicators for how the counting will play out. The first sign of a Republican wave in 1994 came when Representative Jill Long, a Democrat, lost her Third District seat early in the evening to Mark Souder. While Mr. Souder is expected to win re-election this time, three Hoosier colleagues — Chris Chocola, John Hostettler and Mike Sodrel — face uphill battles.

Many competitive races are in states in the Eastern time zone. But polls in Ohio close at 7:30 p.m.; those in Connecticut and Pennsylvania stay open until 8, and New York's till 9.

That leaves Indiana as a preview to the evening's suspense, at least in the House.

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For the too-close-to-call Senate races, Virginia could be the one to watch, with polls closing at 7 p.m., followed by Maryland and Missouri at 8, Rhode Island at 9 and Montana at 10. These times, which will be carefully watched by the networks, have been converted to Eastern.

Gore Headlines Maryland Campaign Event (WP/AP)

The Washington Post, November 7, 2006

SILVER SPRING, Md. (AP) -- Former Vice President Al Gore made an election-eve visit to Maryland Monday, joining Democratic gubernatorial candidate Martin O'Malley and Senate candidate Ben Cardin at a get-out-the-vote rally at a Montgomery County retirement community.

Gore was the only national heavyweight from either party to campaign in the state on a day when Republican Gov. Robert Ehrlich wound up his campaign with a rally near his boyhood home in Baltimore County and Lt. Gov. Michael Steele, the party's Senate nominee, continued what his campaign described as an around-the-clock campaign tour that he had started on Sunday.

With the outlook uncertain in both top-of-the-ticket races, the candidates and their surrogates scratched for every possible vote in the final hours of the campaign.

Volunteers called potential voters from phone banks run by the campaigns and the state Democratic and Republican parties, and the four candidates -- plus Republican lieutenant governor candidate Kristen Cox and Anthony Brown, O'Malley's running mate -- hurried from one stop to the other shaking hands, holding rallies and encouraging volunteers to work harder.

Gore's appearance at Leisure World attracted an overflow crowd of more than 300 to hear the former vice president and a host of Maryland Democratic officials, including O'Malley, Cardin attorney general candidate Doug Gansler and comptroller nominee Peter Franchot.

Gore spoke of the importance of the Cardin-Steele race to Democratic hopes of regaining control of the U.S. Senate.

"It may come down to right here," he said.

Congress has abdicated its responsibility to hold President Bush accountable for his failures, and a Democratic House and Senate are needed to ask the tough questions Republican leaders are not asking, Gore said.

He said Baltimore under O'Malley has had "the most competent, most cutting edge ... administration of any city in the country."

"Please don't take anything for granted. These are close races," Gore said.

Ehrlich returned to southwestern Baltimore County to end his campaign at a rally in the heart of Arbutus, where campaign commercials played on a giant screen and supporters chanted "four more years."

The Republican governor spoke from the back of a tow truck decorated with a dozen Maryland flags. He was joined by two Democrats, former Gov. Marvin Mandel and Baltimore City Councilman Nicholas D'Adamo.

"We have a record of accomplishment in this government and we haven't whined. People expect leadership, and that's what we've done," Ehrlich said.

Steele began an around-the-clock campaign schedule on Sunday, pausing only 45 minutes overnight for a nap, said Doug Heye, a campaign spokesman. The lieutenant governor toured coffee shops, grocery stores and went bowling. He also met with a group of ministers and, late in the day, shook hands with commuters getting off a train from Washington.

Cardin said at the Gore rally that the nation is moving in the wrong direction and a Democratic Senate and House are needed to set a new course.

"This election is about what type of country do we want to leave to our children and grandchildren," he told an audience of mostly older residents at the retirement community.

O'Malley criticized what he said were negative campaign commercials by the governor, drawing laughter from the crowd when he said, "Thank goodness, we won't see them on TV in 24 hours."

Gore Stumps For Cardin; Pastors Endorse Steele (WT)

By Jon Ward And S.a. Miller

The Washington Times, November 7, 2006

For up-to-the-minute results, news, and

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analysis, make WashingtonTimes.com your home for election night.

Former Vice President Al Gore campaigned yesterday with Maryland's Democratic candidates for the U.S. Senate and governor -- Rep. Benjamin L. Cardin and Baltimore Mayor Martin O'Malley, respectively -- closing out the party's effort to hold off strong Republican campaigns.

Meanwhile, Lt. Gov. Michael S. Steele crisscrossed the state on a nonstop bus tour and received last-minute endorsements for his U.S. Senate campaign from the pastors of two Prince George's County's black megachurches. And Gov. Robert L. Ehrlich Jr. campaigned for re-election in Baltimore County, ending the day with a rally in his hometown of Arbutus.

Today's elections in Maryland could help decide whether Republicans will retain control of Congress and whether the Democrats maintain their dominance in state politics. Recent polls for the Senate and gubernatorial contests show that both are dead heats.

Polls open at 7 a.m. and close at 8 p.m.

Maryland elections also will test whether officials have fixed glitches in the state's electronic voting system that caused delays and confusion during September's primary elections.

The final results of close contests might not be known until late this week or next week, because voters have requested nearly 200,000 absentee ballots, which elections officials will begin counting Thursday.

An Anne Arundel County judge late yesterday denied a request by the American Civil Liberties Union and other groups to extend the deadline for voters to postmark absentee ballots. The ACLU filed a last-minute lawsuit, saying that some voters didn't receive their ballots in time to meet the deadline.

"If anybody tells you that one vote doesn't matter, tell them to come and talk to me," Mr. Gore said during a rally at Leisure World, a retirement community in Aspen Hill that is the state's largest voter precinct. "It matters more than perhaps it ever has."

Mr. Gore, who lost the 2000 presidential election to President Bush after weeks of recounts in Florida, said Mr. Cardin's contest with Mr. Steele "is going to be looked at all across the nation."

"This is about more than a Senate seat in Maryland," said Mr. Cardin, a 10-term congressman from Baltimore. "It's about taking back our country."

Mr. O'Malley called the Ehrlich administration a "detour" in the state's progress.

"In just 24 hours, we will be making a very important decision about whether we are a state that moves forward," he said.

In Landover, Mr. Steele stood with several black clergymen and received an endorsement from the Rev. Joel Peebles of Jericho City of Praise in Landover -- one of the largest churches in the state, with about 15,000 members and a weekly attendance of about 7,500.

Mr. Peebles said Mr. Steele "is the right person for the right job for the U.S. Senate seat."

Mr. Steele said that Bishop Anthony G. Maclin of the Sanctuary at Kingdom Square in Capitol Heights "is standing with us," even though Mr. Maclin did not attend the press conference. Mr. Maclin's church has a weekly attendance of about 2,000.

"I am ready to take that seat in the United States Senate," said Mr. Steele, the first black elected to statewide office in Maryland.

In the gubernatorial race, Mr. Ehrlich held a late-afternoon "countdown to victory rally" in his hometown of Arbutus, a blue-collar town in southwestern Baltimore County.

"We have a lot of Democrats here," said Mr. Ehrlich, who was joined on stage by former Democratic Gov. Marvin Mandel. "One Maryland -- Republican, Democrat, independent, Green -- it doesn't matter. Send a message to Annapolis: Stop the shenanigans."

Late yesterday, state Democrats decried a flier that depicts Prince George's County Executive Jack B. Johnson, among other black Democrats, as supporting Mr. Steele and Mr. Ehrlich.

"I resent that my picture is being used in something that's not true," Mr. Johnson said. "Everyone knows I'm supporting the Democratic ticket."

Ehrlich spokeswoman Shareese DeLeaver said the flier, which was sent to Prince George's residents, was "recognition of the bipartisan relationship that has existed between Governor Ehrlich and Prince George's County officials these past four years."

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The closeness of Maryland's races has befuddled national observers. Maryland is an overwhelmingly Democratic state, and the national mood is virulently anti-Republican.

Mr. Steele and Mr. Ehrlich have made inroads into the black community, which makes up about 30 percent of the state's Democratic Party.

Allen, Webb Cite Fate Of Senate (WT)

By Christina Bellantoni And Seth Mclaughlin

The Washington Times, November 7, 2006

For up-to-the-minute results, news, and

analysis, make WashingtonTimes.com your home for election night.

Republican Sen. George Allen and Democrat James H. Webb Jr. yesterday urged Virginians to go to the polls, as they crisscrossed the state in their final full day of campaigning in a race that could determine control of the U.S. Senate.

The uncertainty of today's result was crystal clear yesterday, with the release of two competing polls -- one giving Mr. Webb, a Vietnam War veteran, an eight-point lead and the other showing Mr. Allen, a former governor and congressman, with a three-point lead.

Voters also will decide on a constitutional marriage amendment that is expected to drive turnout among conservatives in rural Virginia and more liberal voters who oppose the measure in Northern Virginia. Turnout is expected to be 65 percent of the state's 4.5 million registered voters.

Polls will open at 6 a.m. and close at 7 p.m. today.

As both candidates made stops in Richmond, Norfolk, Roanoke and Northern Virginia yesterday, they said voters have a chance to set the course of the nation.

Mr. Webb, a former Republican, ended his 10-month underdog campaign at a rally with former President Bill Clinton and more than 2,000 supporters in Old Town Alexandria.

"If you want America to take a different path, you to have to elect Jim Webb," Mr. Clinton said.

Mr. Clinton's visit prompted ridicule from Republicans who remember he lost in Virginia in 1992 and 1996 and that his last-minute visit for Lt. Gov. Donald S. Beyer in 1997 did not help the Democrat win the governor's race.

"You can tell a lot about someone by the folks they keep company with," Mr. Allen said in Norfolk, standing with Sen. John W. Warner, Attorney General Robert F. McDonnell, Rep. Thelma Drake and former Redskins defensive end Deacon Jones.

"I'll stand with these patriots closer to Virginia values and virtues than the group that my opponent is standing with," Mr. Allen said.

Mr. Webb also was joined on the trail by Gov. Timothy M. Kaine, former Govs. Mark Warner and L. Douglas Wilder and Rep. Robert C. Scott.

"You will not lose me in terms of my loyalties," Mr. Webb told voters.

Mark Warner, a Democrat, didn't mind that Mr. Allen was criticizing Mr. Webb's friends.

"I'll take that comparison. I think the people of Virginia are pretty happy with the way we govern," he said.

Mr. Wilder agreed: "We're going to win an upset ... that will have the whole nation talking."

Mr. Allen also criticized Mr. Webb as a friend of liberal Sens. John Kerry of Massachusetts and Hillary Rodham Clinton of New York.

That theme carried on at each stop, which also included a solemn message from John Warner that he and Mr. Allen make a "good team." It was the same plea he made in an appearance with Mr. Allen in a two-minute ad last night.

"He has 23 years of serving those in the Commonwealth of Virginia, and now six in the United States Senate and he needs no on-the-job training," John Warner said in Richmond, to cheers from about 75 people in the overflowing room at the airport.

Mr. Allen, a former college quarterback, tossed a football at each event and called his supporters "teammates." They responded: "Six more years."

"Your enthusiasm is invigorating," he said.

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A few hours earlier at Virginia Commonwealth University in Richmond, about 300 Webb supporters held signs and shouted, "Let's go Jim."

At that rally, at least one Webb voter ripped up a blue Allen sign. Another supporter held a sign that read: "Thanks, George Allen, for making me a Democrat."

Mr. Clinton simplified Republican campaign strategy as: Vote for me, "because my opponent is a slug, and they are going to tax you into the poorhouse, and on the way to the poorhouse, you'll meet a terrorist coming around the street corner, and when you try to run away from that terrorist, you are going to trip over an illegal immigrant."

Immigration, taxes and terrorism were an ongoing theme in Republican stump speeches.

"Republicans look at every day as Independence Day, they like it to be the Fourth of July," Mr. Allen said, paraphrasing President Reagan. "Democrats look at every day as April 15th."

The final days of each campaign showed a marked difference in mood.

Mr. Webb, criticized privately by Democrats for months for having a stiff style, seemed relaxed, enjoying himself and telling more jokes.

Mr. Allen, looking tired and showing weight loss, said with a big smile that the Gallup/USA Today poll released yesterday shows he has needed momentum in the final hours.

At their first debate in July, both candidates agreed that no matter the outcome they would sit down together for a beer when it was over.

By yesterday morning, the mood had soured.

"I don't think I will be drinking a beer with George Allen," Mr. Webb said. "I said I didn't want this to get personal, but I think he went too far."

When asked whether he still planned to get that beer, Mr. Allen shook his head, laughed and said flippantly: "Yeah, sure."

FBI Looks Into Voter Intimidation (RTD)

By JEFF E. SCHAPIRO

Richmond Times-Dispatch, November 7, 2006

The FBI is looking into possible voter intimidation in Virginia's hard-fought U.S. Senate contest between Republican incumbent George Allen and Democrat Jim Webb.

Just ahead of today's election, state officials alerted the U.S. Justice Department to several complaints of suspicious phone calls to voters about where they cast ballots and their preferences for the Senate.

Jean R. Jensen, secretary of the State Board of Elections, said yesterday that she was subsequently contacted by an agent in the FBI's Richmond office. The FBI is the investigative arm of the Justice Department.

Dee Rybiski, spokeswoman for the FBI here, declined comment.

Jensen said she called the Justice Department's civil rights office in Washington and the Virginia attorney general after receiving a complaint Sunday from a voter in Arlington County and one yesterday from the registrar in Accomack County.

Jensen said she later received a report from the Hampton registrar about a call to a voter there. That complaint came in response to an e-mail from Jensen to local registrars about possibly deceptive phone calls.

"Voters should not be intimidated or deceived by phone messages purporting to be from election officials," Jensen said in a written statement. "Any communication from federal, state or local election officials will always be in a written form clearly identifying the official source."

With published polls depicting the Allen-Webb race as a tossup, both sides are mobilizing lawyers and voting experts to watch for irregularities and prepare for a possible recount.

In a written statement issued by the Webb campaign, state Democratic Party counsel Jay B. Myerson suggested that Republicans are behind efforts to suppress votes for Webb.

"We've seen this tactic before, and it is about time the Republicans learned that it will not work," Myerson said.

Shawn M. Smith, executive director of the Virginia Republican Party, said the state GOP and Allen campaign are focusing on mobilizing votes for Allen.

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As for voter intimidation or suppression, Smith said: "We are not aware of any such activities taking place and are skeptical of the claims being made. Nonetheless, we condemn such activities if they are being conducted by outside organizations."

Lieberman Says Win Won't Be Debt To GOP (AP-Y)

By Andrew Miga

AP, November 7, 2006

Though Sen. Joe Lieberman expects to win a lot of Republican votes Tuesday, the Connecticut lawmaker said he won't feel especially beholden to the GOP if he is elected to a fourth term.

"I'll owe everybody and that's the point," Lieberman said Monday as he pressed for final votes at a senior center in Meriden.

Lieberman, whose Senate career was at risk just three months ago after he lost to anti-war challenger Ned Lamont in the Democratic primary, led Lamont by 12 percentage points in a statewide poll released Monday.

Lieberman is running as an independent and has enjoyed support from the GOP, including praise from the White House and fundraising help from prominent Republicans such as New York City Mayor Michael Bloomberg.

But he said his comeback since the primary has convinced him that he needs to be a stronger independent voice.

"It's taken me as an independent-minded Democrat and really empowered me to be more independent," said Lieberman, the Democrats' 2000 vice presidential nominee. "Parties are important, but they're not as important as the public interest."

Potential gains by Democrats mean the Senate could end up in a 50-50 split, or something close to it. Republicans, who have already helped Lieberman's campaign, would likely court him in hopes of persuading him to switch parties.

Lieberman has pledged to remain a Democrat.

"At every occasion I'm going to try my best to build bridges instead of walls between people in both parties," he said.

Lamont, a Greenwich businessman and political newcomer who has spent $16 million of his own money, including a $2 million loan, on the race, gave a final speech at a union office in Hartford on Monday. He echoed the theme of change that he has used throughout the campaign.

"I say we have a lot of people who have been in Washington D.C., too long," Lamont said. "It's time to bring some new people down there who are going to shake up the way we do business."

Lieberman's independent bid rankled many Democrats who questioned his party loyalty. He has admitted to some bruised feelings about Democratic colleagues such as fellow Connecticut Sen. Christopher Dodd, who endorsed him in the primary but is now backing Lamont.

"Well, we're all grown-ups," Lieberman said. "And the Senate is ultimately 100 people going to work in the same place every day and your ability to get things done depends on how well you get along with the other workers, so it will be fine."

A Fiery Warning Against Taking Risks (NYT)

By David D. Kirkpatrick

The New York Times, November 7, 2006

In a New Mexico district near the site of the first nuclear bomb test, Representative Heather A. Wilson, a Republican in a neck-and-neck race for re-election, has broadcast an incendiary television commercial against her Democratic challenger, Patricia Madrid. In the spot, images of fire mutate momentarily into floating fragments of text before dissolving again into flames: “North Korea conducts nuclear test. Reductions in military spending. The murder of any American anywhere on earth.” As a picture of the North Korean dictator, Kim Jong Il, gives way to an unflattering photo of Ms. Madrid, a narrator asks: “Can we trust her? With so much at stake? Does she have the experience we need? In a world like this, is she the one who will keep our families safe? Patricia Madrid. Don’t take the risk.”

Puppy Power: How Humane Society Gets The Vote Out Animal Welfare Is The Issue, Not The Candidate's Party; Loaded For Bear Hunters By BRODY MULLINS (WSJ)

The Wall Street Journal, November 7, 2006

DUBLIN, Calif. -- Wayne Pacelle marched up to a one-story house here last week, hoping to persuade the two Republicans inside to vote against incumbent Republican Rep. Richard Pombo.

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"Beware of dog," read a nearby sign as Mr. Pacelle knocked on the front door. Suddenly, a pit bull charged from inside the house. Mr. Pacelle stumbled backward. The dog slammed into the door. A screen was all that separated the growling beast from the chief executive officer of the Humane Society of the United States.

"I may be with the Humane Society, but I prefer little dogs when I'm canvassing," said the 41-year-old Mr. Pacelle. For Mr. Pacelle, the pit bull is just one snarling obstacle in his path toward transforming the nation's largest group of pet lovers into a ferocious force in congressional elections. Call it puppy power at the polls.

For the first time in its 50-year history, the Humane Society is trying to elect candidates to Congress who support its animal-welfare agenda. After a series of mergers with other animal-welfare groups, the Humane Society counts 10 million Americans as members, an average of 23,000 in each of the 435 House districts. That's more than twice the membership of the National Rifle Association, which is considered one of the most effective single-issue campaign organizations.

More important, the Humane Society's motivating issue -- the promotion of animal welfare -- resonates with the white suburban women who could be the key block of voters who decide this election.

The Humane Society isn't campaigning for just one political party. Sen. Rick Santorum, a Republican from Pennsylvania, won its support this year for championing federal funding for animal-protection programs. Virginia Republican Sen. George Allen was endorsed for introducing legislation to require bitter-tasting antifreeze to discourage pets from lapping up spills.

ELECTION 2006

• Election Quiz:1 Test your political IQ.

• Got an election-related question? Write to The Wall Street Journal's Alan Murray at askalan@wsj.com2, and check back Election Night, when Alan will answer selected questions at wsj.com/video3 from 6 p.m. ET to midnight.

• For complete coverage, see WSJ.com/Election20064.

SENATE AND GOVERNORS

5 • Review the results of the latest polls6 in hot Senate races.

• The Senate's Uncertain States:7 Interactive profiles.

• Battlegrounds Poll:8 Who's ahead in hotly contested Senate and gubernatorial races? Dig into the latest Zogby poll data.

RACE FOR THE HOUSE

9 • Tracking the House Polls: Check recent numbers10

• Representative Races: Data on 20 key districts11

In the House, the Humane Society is campaigning for several Republicans in close races, including Reps. John Sweeney of New York and Christopher Shays of Connecticut. Mr. Sweeney, who represents Saratoga's race track, pushed legislation through the House to ban the slaughter of horses for human consumption.

Among Republicans the Humane Society is targeting are Montana's Sen. Conrad Burns, who opposed Mr. Sweeney's horse-slaughter bill in the Senate, Rep. Heather Wilson of New Mexico and Mr. Pombo of California.

The Humane Society has endorsed more than 300 candidates for Congress. But it has spent money in just two dozen of the closest races where Mr. Pacelle believes he can swing about 5% of the vote.

"Animals are a part of the fabric of our culture, so it's inevitable that the organized network that protects animals would activate for political ends," Mr. Pacelle said in an interview. About two-thirds of households have pets. "We can be an incredibly influential political organization, as powerful as the Chamber of Commerce," Mr. Pacelle told a crowd of election volunteers in Las Vegas last week.

Carolyn Mathias, a lifelong Republican, learned from the Humane Society that the state's Republican governor, Bob Ehrlich, had approved the state's first bear hunt in 50 years. The Humane Society publicized the decision in television advertisements that featured graphic images of dead bears.

"I'm sure it must sound unusual for a Republican to suddenly not vote Republican based on one issue," Ms. Mathias says. "The way I look at this is that the bears have no political party."

It cuts both ways. When Mr. Pacelle knocked on doors in Las Vegas last week for Republican Sen. John Ensign, a veterinarian, all but one of the volunteers who accompanied him were Democratic women.

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Mr. Pacelle began creating the Humane Society political operation two years ago when he was named chief of the organization. Since then, he has quietly built a formidable election campaign machine. To comply with tax and election laws, Mr. Pacelle has created two offshoots of the Humane Society to focus on election campaigns. In total, the entities have spent $3.4 million on congressional elections and ballot initiatives, more than Exxon Mobil Corp. They have contributed $150,000 to candidates for Congress, which is more than Halliburton Co. has contributed.

The Humane Society has a long history of winning state ballot initiatives on issues ranging from banning cockfighting in Oklahoma to prohibiting hunting with steel-jawed leg traps in Colorado. This year, the Humane Society is battling the NRA over dove hunting in Michigan and big agriculture over the size of pigpens in Arizona.

The Humane Society first tested the waters in congressional elections in 2004 -- and then, in just one race. In that campaign, the group campaigned against Rep. Chris John in Louisiana when the Democrat ran for an open Senate seat against Republican Rep. David Vitter. Mr. John championed the state's legalized cockfighting industry, and the Humane Society didn't want to see him in the Senate.

Polls showed that nine in 10 women in Louisiana opposed cockfighting, so the Humane Society set about to tell 300,000 white female voters that Mr. John supported the practice. The group spent $400,000 on radio ads and mailings to get the message out. When Mr. Vitter won with 51% of the vote, the Humane Society knew it could be a force.

"If we could win in 'Sportsman's Paradise,' we can win anywhere," says Mr. Pacelle. A Yale graduate, Mr. Pacelle considered going to law school before dedicating his career to the protection of animals. Mr. Pacelle says he grew up with several pets and an "unusual interest in the welfare of animals." On his way to a recent news conference, Mr. Pacelle brought his fuel-efficient 2006 Toyota Prius to a halt to let a pigeon pass in front of him. "More than one million animals are killed each day by cars," he says. Divorced, Mr. Pacelle has no pets these days because, he says, he travels too much.

In the campaign's final days, the Humane Society focused on defeating Mr. Pombo, the California Republican who chairs the House Resources Committee. From that perch, Mr. Pombo has broad authority over environmental and agriculture legislation. The Humane Society backed Democratic candidate Jerry McNerney.

The Humane Society spent more than $100,000 on radio ads and $50,000 in mailings accusing Mr. Pombo of blocking legislation to promote animal welfare. A radio ad that aired last week accused Mr. Pombo of voting to "deny funding to crack down on the barbaric practices of dog fighting and cockfighting" and opposing legislation to outlaw the slaughter of American horses, "so the French can eat horse meat as a delicacy."

Such tactics "turned what might have been a snooze of a race into a nationally watched showdown," according to an Oakland Tribune article last week.

In Oakland last week, Mr. Pacelle embarked on his door-to-door canvassing tour dressed in tan khaki pants and a T-shirt that said "Get Political for Animals." After his encounter with the pit bull, Mr. Pacelle eyed a bumper sticker on a truck parked in a driveway: "Dog is my co-pilot," it read. "This is a good sign," Mr. Pacelle said, advancing to the door. In his typical pitch, Mr. Pacelle described Mr. Pombo as "so extreme he even actively supports commercial whaling."

A spokesman for Mr. Pombo predicted the Humane Society's effort would fail because voters would view the group as too extreme. "They are basically accusing members of Congress of clubbing baby seals and kicking puppies," said Brian Kennedy, the spokesman.

That sentiment was echoed by the Republican owners of the growling pit bull. Mr. Pacelle's speech about Mr. Pombo was cut off midsentence. "I don't think he kills dogs," the occupant said, shutting the door.

Mr. Pacelle fared better a few minutes later when he spotted a young couple getting into a black Ford Mustang. "She watches Animal Planet all the time," the man yelled as he drove away. "You've got our vote."

Social Security System Needs Bipartisan Solution (WSJ)

The Wall Street Journal, November 7, 2006

Rather than fostering an environment for real solutions, your editorial is an example ("AARP's Tax Trap1," Review & Outlook, Nov. 1) of exactly what's wrong with the current debate over Social Security.

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The AARP Voters' Guide asks candidates to respond to two questions on this issue. The first is whether they would support or oppose using Social Security to fund private accounts. Our opposition to this is simple: It adds unnecessary risk and trillions of dollars of debt to future generations, significantly compounding the solvency problem. In short, it is not a real solution, and an overwhelming majority of the American public opposes it for this very reason.

Our second question goes to the heart of the matter: Would the candidates support a balanced Social Security plan to continue guaranteed benefits for future generations? The fact is, there are only two ways to address the solvency problem -- adding more resources to the program or adjusting future benefits (or some combination of both). As President Reagan said in signing the last major Social Security bill in 1983, "In this compromise, we have struck the best possible balance between the taxes we pay and the benefits we get back." At the time, he also said that "one point has won universal agreement: The Social Security system must be preserved."

Our research shows the American public wants a balanced, bipartisan solution, and understands that changes will be needed in order to keep our promises. History tells us it can be done. As President Reagan noted in signing the 1983 compromise, this "is a clear and dramatic demonstration that our system can still work when men and women of good will join together to make it work."

AARP's Tax Trap (WSJ)

The Wall Street Journal, November 7, 2006

Social Security was supposed to be a killer issue for Democrats this election year after they defeated President Bush's reform plans in 2005. But suddenly the tables are turning on several Democratic candidates because of their endorsement of the tax-increase agenda of the American Association of Retired Persons, or AARP.

The liberal entitlement lobby has asked candidates around the country to fill out a questionnaire asking, "Will you support a balanced Social Security plan to continue the program's guaranteed benefits for future generations?" That may sound innocuous, but here's how AARP defines its balanced plan on its Web site near the above question: "AARP believes that a bipartisan plan that balances additional contributions from high income workers with modest adjustments in future benefits can maintain guaranteed Social Security benefits for future generations."

Those italics are ours, because in Washington "additional contributions" means a tax increase. And by "high income workers," AARP can only mean anyone earning more than $94,200, which is the 2006 income level above which the 12.4% Social Security portion of the payroll tax no longer applies. Employers and workers each pay half of the payroll levy, and the income cap already rises each year with inflation.

Thus if you make, say, $100,000 a year but live in pricey Los Angeles, tough luck; the folks at AARP think you're rich. They supported the elimination of the income cap for Medicare's portion of the payroll tax (2.9%) as part of the Clinton 1993 tax increase, and now they want to do it for the other 12.4%. A worker earning $150,000 would pay roughly $6,900 more each year in "additional contributions" under this AARP definition of "balance."

Many members in both parties signed this pledge, but for a handful of Democrats in hotly contested House seats (see the table nearby) it's become a political liability. That's because their GOP opponents refused to take the AARP pledge and are making an issue of this Democratic support for raising taxes on middle- and upper-income wage earners. It's certainly information voters ought to have before next Tuesday. Strangely, however, the Democrats are crying foul, and AARP is trying to give them political cover.

Democrat Melissa Bean -- who is trying to hold her seat in an affluent district near Chicago -- now claims she never supported the tax increase she plainly endorsed in answering AARP's questionnaire. And AARP is helping her disavow her pledge by sending a letter to her district's AARP members (as well as to the districts of other vulnerable Democrats who took its pledge). The letter from AARP President William Novelli slams Ms. Bean's opponent David McSweeney for his "ads trying to scare voters."

This AARP complaint about Social Security "scare" tactics is certainly novel, given that its own political clout has been built entirely on scaring seniors. In 2005, it paid for a TV campaign claiming President Bush wanted to "dismantle Social Security." But see if you can follow AARP's latest logic: According to a Chicago Daily Herald interview with AARP spokesman Dave Sloane: "The organization does believe lifting the cap on Social Security taxes and cutting future benefits may be necessary to keep the

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system afloat." But then he added that to conclude that Ms. Bean supports these policies "is an outrageous leap that is not even close to the truth."

That's not what Mr. Sloane said in previous statements about the purpose of AARP's candidate survey. He was quoted in the Palm Beach Post as saying that the intent of the questionnaire was to "gauge support for the group's position on Social Security . . . We presume that all the candidates would have read the background material and understood our positions."

Translation: AARP was hoping to use its candidate survey to nail down enough support to raise taxes on Social Security and to defeat private investment accounts if Mr. Bush pushes for reform again next year. But now that its scheme has been exposed and is hurting its Democratic pals in tight races, AARP leaders want to deny that this is what they meant. Let's hope Republicans remember this AARP double-dealing, which resembles what the lobby did in endorsing a drug plan for Medicare in 2003 only to call it inadequate now.

One irony here is that the now-disavowed AARP questionnaire is more honest than the group usually is about the choices facing politicians on Social Security. One option -- opposed by AARP -- is to reduce long-term unfunded liabilities by allowing workers to divert some of their payroll taxes into private accounts and tap into the higher returns that private investments offer. This would go a good deal of the way to solving the problem.

Another option -- the AARP "balanced" plan -- requires either raising taxes or cutting the future benefits of young workers, or both. That is, AARP would make today's lousy Social Security deal for young workers even worse. By all means voters should pay close attention to what AARP asked and how the candidates answered. It may have been the most honest moment in these Congressional campaigns.

America's Crisis Of Confidence (WP)

By Elizabeth Williamson

The Washington Post, November 7, 2006

Here's something to think about when you cast your vote today: A new study shows that Americans have lost faith in the people who lead their federal, state and local governments, and in businesses, churches and schools. And they are afraid to fly.

"America is in trouble," reads the introduction to the 2006 National Leadership Index, sponsored by U.S. News & World Report and the Center for Public Leadership at Harvard's Kennedy School of Government. According to the report, nearly three-quarters of Americans think that the nation faces a "leadership crisis."

This is the survey's second year, and it has been downhill all the way, said Todd Pittinsky, the center's research director. "Most groups are following the general trend of having low confidence and, if anything, having that confidence slip further."

The only leaders who earn more than a smidgen of Americans' confidence, the researchers say, are those in the military and medical fields. (Confidence in the media didn't slip, but it was in the sewer already.)

"We could have asked about grandmothers," Pittinsky said. "Maybe we could have had more confidence in grandmothers."

The researchers hope the survey will "contribute to our ongoing civic dialogue -- deepening our understanding of ourselves and the pressing need for effective, responsible democratic leadership."

Sounds scary. Like the section called "Global Leadership and Fear," in which 1,600 people were asked: "How optimistic do you feel about the safety of the United States from a terrorist attack?" Half felt at least a wee bit optimistic. But of the other half, 18 percent were somewhat pessimistic, and 16 percent wigged into the panicky "very pessimistic" category. Oddly, an additional 15 percent were neither pessimistic nor optimistic about the nation's safety.

Perhaps, joked survey researcher and assistant professor Seth Rosenthal, these are people "so paralyzed they can't even tell you if they're pessimistic."

The researchers also asked: "If you flew today, how confident do you feel that you would be safe from terrorist harm on a domestic flight?" Nearly half sucked it up on this one, saying they felt confident about flying safely. But 13 percent put a potential evildoer on every plane. "That's pretty bad," Rosenthal said. "Obviously there aren't planes being dropped out of the sky every day."

Blending fears of leadership failure and flying, the study further found that "Americans who are not confident at all that government leaders in Washington will respond effectively to an emergency crisis are less confident than other Americans about their safety from a terrorist attack on a domestic flight."

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Any bright spots?

The group was asked to guess where the United States ranks among the top 32 industrialized nations in terms of citizens' life expectancy, economic equality and mathematics literacy.

Sunny optimism: The group put the United States in 10th place for longevity, and 15th for both economic equality and math skills.

Misplaced optimism, it turns out: Global rankings place the nation in 24th place for longevity, 30th for economic equality and 25th for math literacy. In other words, we are more elitist and lousier in math than even these disappointed, mistrustful and frightened Americans imagined. And we'll all die sooner than they thought.

Touch-screen Test (LAT)

The Los Angeles Times, November 7, 2006

NEW VOTING MACHINES, like new computers, are generally faster than old ones. But as every computer user knows, reliability is often more important than speed. And a lot depends on who's using the machine and how.

After the debacle with punch-card ballots in Florida six years ago, many counties across the country traded in their clunky old voting machines for high-tech models — many of which enable people to vote just by touching names on a video screen. The switch, however, has drawn a new set of complaints. Some poll workers and computer scientists predict an election day plagued by long waits, glitches and miscounted votes. A more promising possibility is that, with the right equipment and procedures in place, electronic voting machines will deliver an unusually accurate and speedy count.

Unfortunately, the experience this election day is sure to fall somewhere in between. A number of states lack the safeguards necessary to address the machines' vulnerabilities to glitches and tampering. And even in states with those safeguards, such as California, the integrity of the results will depend on voters taking extra steps to make sure everything works as it should.

So far, the most common complaint about the electronic voting devices is that they break down or freeze too often, which is an engineering problem (and one hardly new to computer users). More troubling are the reports that some of the devices have inexplicably tallied the occasional vote for the wrong candidate. Computer experts also have demonstrated how easy it is to rig a machine's software (or hardware) to steal votes.

These problems highlight the need for machines to print and store a record of each vote as it is cast. Manufacturers have resisted putting printers in their machines, and only a portion of the states where the machines are being deployed have insisted on a paper trail. One of them is California, where 32 of the 58 counties will make routine use of the new machines on election day. (In Los Angeles County, voters mark paper ballots that are counted by optical scanners.)

The machines will require voters and election officials to change their habits. The machines let voters check their ballot on a summary screen before it is cast, so they can correct any vote that somehow winds up in the wrong candidate's column. But voters also have to check the paper record before they leave the booth to preserve the accuracy of that record for a recount. Meanwhile, election officials need to keep a tighter lid on voting cards and other equipment. And after the polls close, random audits must be thorough enough to guard against software tampering.

Together, these steps can help deliver the improvements in accuracy that the new technology promises while minimizing the risks of software tampering and bugs. Now if only the manufacturers could develop machines that don't crash.

Vote! (WP)

The Washington Post, November 7, 2006

WITH IMPORTANT state offices and control of Congress at stake, it is vital that voters not be deterred today.

The potential obstacles are most apparent in Maryland, where Republican and Democratic officials sparked an unprecedented run on absentee ballots with the unsubstantiated suggestion that electronic voting machines can't be trusted. The hype for absentee voting, sounded by Gov. Robert L. Ehrlich Jr. (R) and echoed by Montgomery County Executive Douglas M. Duncan (D), preyed on fears created by the disarray of the September primary. But human error caused the most serious problems; the vote-counting machines worked without apparent problems.

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Distrust of electronic voting is not limited to Maryland. Theories, many fanciful, abound about the ease of hacking into voting machines. There has been no evidence of that occurring, and the layers of scrutiny and security in force on Election Day cast doubt on whether experiments hatched in the privacy of a lab could be carried out in public. We support a verifiable paper trail to add a layer of safety and bolster public confidence. But there's a thin line between raising reasonable questions and persuading voters that there's no point in turning out. Happily, a recent Post poll showed that despite all the controversy, an overwhelming majority of Maryland voters are confident that their votes will be counted.

Then there's the Republican manual for its poll watchers in Maryland. The tone of the GOP message ("Your most important duty as a poll watcher is to challenge people who present themselves to vote but who are not authorized to vote") compares unfavorably with that of the Democrats to their poll watchers ("Your primary job is to ensure that every eligible voter who wants to vote gets to vote"). But the Democratic allegation that the GOP approach represents a conspiracy to suppress the vote is overwrought and unsupported. Much of the GOP manual mirrors state elections board procedures. State elections officials -- who reviewed the materials of both parties -- found incorrect information from the Democrats as well as the Republicans.

Inside Politics (WT)

By Greg Pierce

The Washington Times, November 7, 2006

Negative media

"We are told by careful pollsters that half of the American people believe that American troops should be brought home from Iraq immediately. This news discourages supporters of our efforts there. Not me, though: I am relieved. Given press coverage of our efforts in Iraq, I am surprised that 90 percent of the public do not want us out right now," James Q. Wilson writes in City Journal.

"Between Jan. 1 and Sept. 30, 2005, nearly 1,400 stories appeared on the ABC, CBS and NBC evening news. More than half focused on the costs and problems of the war, four times as many as those that discussed the successes. About 40 percent of the stories reported terrorist attacks; scarcely any reported the triumphs of American soldiers and Marines. The few positive stories about progress in Iraq were just a small fraction of all the broadcasts," Mr. Wilson said.

"When the Center for Media and Public Affairs made a nonpartisan evaluation of network news broadcasts, it found that during the active war against [then-Iraqi dictator] Saddam Hussein, 51 percent of the reports about the conflict were negative. Six months after the land battle ended, 77 percent were negative; in the 2004 general election, 89 percent were negative; by the spring of 2006, 94 percent were negative. This decline in media support was much faster than during Korea or Vietnam.

"Naturally, some of the hostile commentary reflects the nature of reporting. When every news outlet struggles to grab and hold an audience, no one should be surprised that this competition leads journalists to emphasize bloody events. To some degree, the press covers Iraq in much the same way that it covers America: it highlights conflict, shootings, bombings, hurricanes, tornadoes and corruption.

"But the war coverage does not reflect merely an interest in conflict. People who oppose the entire war on terror run much of the national press, and they go to great lengths to make waging it difficult."

Changing his tune

"On a campaign bus trip around Baltimore on Saturday, U.S. Senate candidate Michael S. Steele, a black Republican, told me to watch out for what Sen. Barack Obama would say in Tennessee on Sunday," reporter Jon Ward of The Washington Times writes at the Insider Political Blog at www.washingtontimes.com.

"Mr. Obama, Illinois Democrat and the fifth black senator in U.S. history, campaigned against Lt. Gov. Steele in Bowie last week," Mr. Ward said.

"Mr. Obama, a rising political star and potential presidential contender, tried to dissuade black Democrats from crossing party lines to vote for Mr. Steele, who has run a savvy campaign against Rep. Benjamin L. Cardin, who is white.

"You don't vote for somebody because of what they look like," Mr. Obama said Thursday.

Mr. Steele predicted that Mr. Obama's tune might change in Tennessee, when he campaigned for Rep. Harold E. Ford Jr., a black Democrat running for U.S. Senate.

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Sure enough, Mr. Obama used racial politics while stumping for Mr. Ford at a black church Sunday.

" 'I'm feeling lonely in Washington,' Mr. Obama told worshippers at Mt. Zion Baptist in Nashville, according to the Associated Press. 'I need my dear friend to join me.' "

Bias? What bias?

"According to MSNBC's Chris Matthews, if Democratic Senate candidate Rep. Harold E. Ford Jr. loses Tuesday, you can blame it on white conservatives," Brad Wilmouth reports at NewsBusters.org, commenting on the Senate race in Tennessee.

Recent polls show Mr. Ford trailing Republican Bob Corker, a former mayor of Chattanooga.

Why? Fear, says Mr. Matthews: "The larger the black population, where the whites are afraid historically, and in Deep South states, they tend to become very conservative Republican out of fear, whatever, of an overwhelming, or a large number of African-Americans because of the kind of culture."

Not that Mr. Matthews -- a Philadelphia native and former Democratic congressional staffer -- has any biases of his own, as NewsBusters' Mark Finkelstein reports. During an interview yesterday morning on NBC's "Today" show, Meredith Vieira asked Mr. Matthews why he was smiling.

"Because I think it's going to be a wipeout," Mr. Matthews said. "I think the Democrats are going to carry the House by 20-some, high 20s, and I think the Senate seats are perhaps not six, but five, and I can see a big victory for the Democrats."

Show that ID

Missouri's chief elections official said yesterday she was asked for photo identification at the voting booth despite a court ruling striking down the requirement.

"I'm guessing this may be happening in other parts of the state," said Secretary of State Robin Carnahan, a Democrat who had opposed Republican efforts to mandate a photo ID in Missouri.

She said that a worker at the St. Louis Election Board asked her three times to show photo ID when she went to cast an absentee ballot Friday.

Miss Carnahan said that she tried to explain a photo ID was not necessary, but that the election worker replied that she was instructed to ask for one anyway. Miss Carnahan said she eventually was allowed to vote without displaying a photo identification.

"To have that experience personally was very troubling," she said.

The Missouri Supreme Court last month upheld a lower court's ruling overturning a law that would have required voters to show a photo ID issued by the state or federal government.

Scott Leiendecker, the Republican director of the St. Louis Election Board, did not immediately return a call yesterday, the Associated Press reports.

Miss Carnahan said she spoke with Mr. Leiendecker, who assured her that the identification requirements would be clarified and that voters on Election Day would not be pressed to present a photo ID.

Muslim voters

A Muslim group says it has been phoning Muslims nationwide to remind them to go to the polls today.

"The calls are being heavily targeted towards districts where there is a large Muslim population and heavy Muslim turnout could make a significant difference in the elections. Virginia, Florida, New Jersey, Ohio and Texas are a few states that have been targeted," the Muslim American Society said in an e-mail, referring to what it calls the Freedom Foundation Center for Electoral Empowerment.

The group said its callers are offering transportation to the polls.

"Callers are reminding Muslims that such important issues as the war in Iraq, civil liberties, immigration, health care, education and economic justice will be greatly impacted by the November 7th elections," the group said.

Must We Talk? (NYT)

By John Tierney

The New York Times, November 7, 2006

DOJ_NMG_0091572

Have you been trying to ignore this election? Do you avoid talking politics with friends? Do you tune out right-wing talk shows and stay away from left-wing blogs? Do you change channels as soon as you hear the words "Pelosi," "Foley," "cut and run" or "macaca"?

Then you owe it to your country to vote today. It's the rest of us who should stay home.

We've lost our bearings because we've followed the old advice to discuss this amongst ourselves. Democracy, we've been told, is best served when informed citizens deliberate the issues of the day, pooling their wisdom to reach a judicious consensus.

But what really happens when people discuss politics? Consider an experiment last year, when groups of Coloradans convened separately in Boulder and Colorado Springs to discuss global warming, affirmative action and civil unions for same-sex couples. Before the discussions, the people in Boulder were on average more liberal than the ones in Colorado Springs, but there were also moderates in both places whose opinions overlapped.

After the group discussions, the people in Boulder moved to the left, and those in Colorado Springs moved to the right. The researchers — David Schkade, Cass Sunstein and Reid Hastie — concluded that "the major effect of deliberation was to make group members more extreme than they were before they started to talk."

This effect hasn't been studied much in politics, but it's well documented in other arenas. When jurors deliberate how much to award in damages, they often end up giving more than the average juror originally thought was fair — and sometimes more than anyone in the group originally favored. The more they talk, the more they reinforce one another's indignation.

Group polarization is less of a problem if the people start with a wide range of opinions — even if they tend to shift in whatever direction the majority favors, they'll at least be exposed to other views and become more tolerant. There's some evidence that if you purposely assemble a diverse group of discussants and systematically educate them about an issue, some of the people will moderate their opinions.

But when people informally discuss politics, they often don't hear a range of views. As in Boulder and Colorado Springs, they may be surrounded by like-minded people in their neighborhoods, churches and offices. During local elections, they're much more likely now than in the past to hear one-sided rhetoric because gerrymandering has produced so many one-sided districts, making it impossible for moderate candidates to survive.

Thanks to cable television, talk radio and the Internet, it's easier than ever for people to have their opinions validated around the clock. As the media audiences segregate themselves ideologically, they become more extreme in their views — and more convinced than ever that they represent the sensible middle.

When conservatives have their views reinforced daily on talk radio and Sundays at their churches, they start to believe the "mainstream media" is a bunch of wacko traitors. When liberals spend their days reading lefty blogs, or working on campuses surrounded by ideological soulmates, they start convincing themselves that most "corporate media" are right wing, and that Fox News is pure propaganda.

In fact, most journalists do try to be objective, but as a group they, too, can become polarized by spending most of their time talking to fellow journalists and experts with similar views. One of the cleverest demonstrations of this effect was a study published last year in Harvard's Quarterly Journal of Economics. The researchers, Tim Groseclose and Jeffrey Milyo, devised a scale for measuring the slant of news reports by keeping track of which think tanks — liberal or conservative — were quoted most often.

The researchers found that The Washington Times and Brit Hume's evening newscast on Fox fell on the conservative side of the scale, while all the other news media outlets they studied fell on the liberal side. The surprising result — to liberals, at least — was that Fox was closer to the ideological center than the Big Three evening newscasts as well as all the major newspapers and newsweeklies.

Of course, these ideological divides are small compared with the ones in the blogosphere, which is one giant version of the Colorado experiment. You can always find a group online to affirm your brilliant opinions. It's immensely satisfying, but it can also make Election Day a miserable experience. Tonight, you can't help noticing how many ignorant people out there disagree with you.

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Clinton Is Midterm Campaign's Biggest Spender, Records Show, At $29.5 Million And Counting (NYT)

By Jeff Zeleny

The New York Times, November 7, 2006

Senator Hillary Rodham Clinton has spent more money in the midterm election cycle than any other politician running for office this year, campaign finance records show, investing more than twice as much as most candidates in tight races across the country.

To secure her Democratic re-election bid in New York, Mrs. Clinton spent $29.5 million through the middle of October, according to the Federal Election Commission, suggesting that she may have her sights on a future national campaign. While much of the amount is devoted to television advertising, it is the bills for catering, flowers and photography that elevated her tally far above other Senate candidates'.

While Senator Rick Santorum, Republican of Pennsylvania, spent $21.5 million through the same time period, records show, his spending report comprises bills like $30.33 at Papa John's pizza, $59.50 at Panera Bread and $74.34 at the Olive Garden.

Not so for Mrs. Clinton, whose campaign reported sending a $6,585 check to Flutterbyes for flowers in Las Vegas, $5,397.50 to Le Petit Gourmet Catering in Glendale, Colo., and $80,000 to Tavern on the Green in Manhattan. Those were among the bills gleaned from a page-by-page review of Mrs. Clinton's third-quarter campaign finance report, which showed disbursements of more than $8 million.

The chairman of the Federal Election Commission, Michael E. Toner, said only a handful of Senate candidates had ever spent more. The spending patterns of the Clinton campaign demonstrated "an extraordinary burn rate," he said, which was particularly striking considering she did not seem to have a serious challenger in John Spencer, her Republican rival.

"It may be that Clinton is spending so heavily in New York to try to accomplish the kind of landslide that President Bush enjoyed in 1998," said Mr. Toner, referring to the Texas governor's race eight years ago. "The president's 1998 race unquestionably helped lay the groundwork for a successful presidential campaign in 2000. History may be repeating itself."

A spokeswoman for the campaign, Ann Lewis, said Mrs. Clinton began raising and spending money in January 2005, preparing for "whatever came our way." When a competitive race did not materialize, Ms. Lewis said, the campaign began investing in an extensive get-out-the-vote program to remind Democrats not to overlook the election.

"If it is not considered to be close, you've got to give people a really good reason to vote for you," Ms. Lewis said. "Frankly, there is not a statewide race that has built-in excitement."

A review of the Clinton campaign's filings with the Federal Election Commission showed that in addition to contributing $2.6 million to other Democrats, the campaign spent more than $2 million on advertising for television, radio and newspapers in the third quarter of the year.

The largest payment, $1.58 million, went to Media Strategies and Research of Denver, Colo., a Democratic political advertising firm. In addition, about $600,000 in fees were paid to Grunwald Communications, which is run by Mrs. Clinton's longtime adviser Mandy Grunwald.

The remainder of the costs covered staff salaries and expenses for Mrs. Clinton. From Connecticut to California, nearly all fund-raising functions included catering, parking and photography.

"An important part of any event is the photo line," Ms. Lewis said. "There is always a good chunk of time during the evening where she is taking photos."

Hillary Gets An Address Wrong (WP)

By Richard Cohen

The Washington Post, November 7, 2006

In both theory and great expectations, today is the beginning of Hillary Clinton's presidential campaign. By nightfall she will have won lopsided reelection to the U.S. Senate, with plenty of money left over to start a presidential effort. She enjoys the sort of name recognition a president might envy and has the unalloyed good wishes of Democratic activists who have been waiting all

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these dark and awful years for a Clinton Restoration. After all, if the Bushes could do it -- one mediocre, the other incompetent -- then why not the brilliant and dazzling Clintons? The answer may be Hillary herself. She can bore a grateful nation.

Such, anyway, was the effect of her recent appearance at the Council on Foreign Relations in New York. The anticipation was great. The crowd was huge, and the fact that Clinton had agreed to speak to this august body meant -- it had to mean -- that she was at last going to say something thumping about Iraq. Instead she delivered a no-news address lacking controversy, fresh approaches or even a single soaring sentence.

If one sparrow does not make a spring, then one speech is not a campaign. But those of us who have heard Clinton before were reminded that she can be industrially dull, so cautious that nothing comes out of her mouth except bromides. In his book about Hillary and her 2000 campaign ("Hillary's Turn"), Michael Tomasky dubbed her "The Laundry Lady" for the numbing numbers of little programs she would somehow implement if elected.

Caution has served Clinton well in the Senate. There, she has listened to the wisdom of Robert Byrd, who gave her his standard nose-to-the-grindstone tutorial and beamed with avuncular pride as she took it to heart and grandstanded not. On the other hand, she has led not, either.

Clinton supposedly comes to the presidential race with two built-in constituencies: women and minorities. The former I'm not so sure about, for wherever I go and her name comes up it is the ladies who make faces. As for minorities, Hillary is Bill and Bill is Hillary, and their record, if not his rhetoric, is unmatched. She has earned her following.

But that leaves the rest of us who might seek something more in a presidential candidate than lists and caution and itsy-bitsy steps toward universal health care. We want, yes, vision, leadership. We want rhetoric that soars, poetry that compels and every once in a while a phrase that pumps the heart and draws a tear. We rarely hear that sort of thing from Hillary Clinton.

The Council on Foreign Relations is not, I grant you, a stadium full of partisans. It calls for a certain understated style. Even so, Clinton managed to bore the likes of stockbrokers, money managers, corporate lawyers and others who you might think are already inured to boredom. Here and there I even saw people fighting sleep. This was her audience -- predisposed to like her, already respecting her. She gave it nothing.

Clinton, in a way, personifies the Democratic Party. Many of the most prominent mentionables (Dodd, Kerry, Biden, Edwards) have pretzeled themselves over Iraq, voting for, arguing against and now expressing dismay. But on their own, they offer not much that lifts the heart. It is a field of the familiar. Oddly, Hillary Clinton is the fresh face, undefeated and on the cusp of history itself. Given who she is and, importantly, what she is -- smart, disciplined and, when she wants, charming -- there are those who say that this campaign is hers to lose. Last week she took a first step toward that goal.

Eyeing 2008, Political Stars Ran Hard For Others (WP)

By Shailagh Murray

The Washington Post, November 7, 2006

It's been a punishing month of bad food, airplane air and hoarse vocal cords. And Barack Obama isn't even on the ballot today.

The popular senator from Illinois, who has barnstormed the country on behalf of Democratic gubernatorial and congressional candidates, is one of the A-list political celebrities of the 2006 campaign season. Other big draws: former president Bill Clinton, Sen. John McCain (R-Ariz.) and former New York mayor Rudolph W. Giuliani.

They aren't doing it for the frequent-flier miles. These headliners bring glitz to otherwise ho-hum rallies and help dazzle donors out of millions of dollars. They earn the gratitude of future officeholders and get to know thousands of voters.

That's all very useful, given that these non-candidates may run for president in two years -- or, as with Clinton, the non-candidate is married to a 2008 hopeful, Sen. Hillary Rodham Clinton (D-N.Y.). Giuliani's itinerary in the closing days included Iowa, New Hampshire, Michigan and South Carolina. All four states have Republican candidates on the ballot this year and will host crucial early primaries in 2008.

"You're building up chits," said Rep. Rahm Emanuel (Ill.), chairman of the House Democrats' campaign committee, who has summoned Obama, Clinton and others to appear on behalf of his candidates. "Everyone wants to say that they got out there and put some skin in the game and contributed to a big win."

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Sometimes the visits telegraph something about a candidate. Charlie Crist, the Republican candidate for Florida governor, was too busy yesterday to meet up with President Bush in Pensacola but did find time to rally with McCain in Jacksonville. Crist is trying to woo moderate voters to edge out his Democratic rival, Rep. Jim Davis.

And sometimes they make the wrong kind of news. Sen. John F. Kerry (Mass.) was a popular Democratic guest speaker until an event in California last week for gubernatorial candidate Phil Angelides, when he botched a joke about Bush and the war in Iraq. Republicans portrayed the comment as an insult to U.S. troops, and it became a rallying cry for conservative voters in the campaign's final stretch.

More typical: a fundraiser Sunday night in Nashville, headlined by McCain along with fellow GOP Sens. Lamar Alexander of Tennessee and John Thune of South Dakota, on behalf of Republican Senate candidate Bob Corker. As of last night, when McCain returned to Arizona to campaign for Sen. Jon Kyl, he had attended 346 events in this election cycle and had raised more than $10.5 million on behalf of Republican candidates.

Clinton's November schedule was packed with 21 events, including two rallies for his wife, who is expected to easily win a second Senate term today. The former president, still wildly popular with the Democratic base, hit 100-plus events in 31 states for this election cycle, raising more than $33 million from Democratic donors. He also taped 100 prerecorded campaign calls and filmed numerous television and radio ads. Last night, Clinton hit a rally in Alexandria with Senate candidate James Webb.

But Obama may be the biggest attraction. Despite his brief two years on the national stage, Obama has generated rapturous enthusiasm among Democrats, and he has said he is considering a presidential run. His success on the campaign trail in recent weeks has added to his cachet.

The Obama blitz started on Oct. 5 with a fundraiser in New York City for the state's congressional candidates. The next day he flew to Florida for a rally and fundraiser, and then he moved on to Kansas City, Minnesota and Ohio. By the 13th, he had held fundraisers for all the Senate Democratic candidates, collecting $2 million. On Oct. 25 and 26, Obama sent a joint fundraising e-mail to supporters of Kerry and to MoveOn.org, the antiwar group, and raised a total of $1.6 million, all for individual congressional candidates.

The freshman senator paused in the middle of the month for book-related events, then raced through Massachusetts, Pennsylvania, Arizona, Colorado and Washington state. Obama spokesman Robert Gibbs estimates that Obama has visited all the main Senate battlegrounds at least three times. Another mainstay is Massachusetts, where Obama was an early supporter of Democratic gubernatorial candidate Deval Patrick, who is favored to win today, and who, like Obama, is African American.

At a Democratic rally in Norristown, Pa., he received rock-star treatment when he took the stage to tout the state's congressional candidates. In an audience of 1,000, people waved copies of his new book and angled for his autograph. One cried out "We love you!" as Obama came into view.

"I love you back!" Obama responded.

He gave the same speech he has delivered at dozens of similar rallies, explaining how Americans can have "the audacity of hope" to change their lives and those of others. That's also the title of his latest book, published Oct. 17.

The crowd ate it up. Dianne Wills, a Norristown resident and a Republican, said after the rally she would vote Democratic this year after hearing Obama and other speakers. "It convinced me that my choice is right," Wills said.

How Mr. Rich Spreads The Republican Word Millionaire Investor Who Leans Libertarian Pushes Conservative Ballot Initiatives In 14 States (WSJ)

By Christopher Cooper

The Wall Street Journal, November 7, 2006

WASHINGTON -- This may turn out to be a bad year for Republicans. But perhaps not for some of the conservative causes they support, thanks in part to a New York real-estate investor who has directed millions of dollars toward ballot initiatives to expand private-property rights, cut state budget growth, and impose term limits on judges.

The millionaire behind many ballot measures this year is Howard Rich, a publicity-shy, libertarian-leaning businessman who has become the go-to man for supporters of conservative ballot initiatives. The group Mr. Rich chairs, Americans for Limited

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Government, as well as a handful of other organizations that he fully controls or bankrolls, have put more than $15 million this election season into ballot campaigns in 14 states, public records show.

Mr. Rich and his supporters have sustained a number of setbacks, as many of his initiatives were kept from ballots because of vague wording or signature-gathering irregularities. But in nine states where the measures have survived, recent polling shows some chance of victory today.

On ballots in Arizona, California, Idaho, Nevada, and Washington state, Mr. Rich's proposals seek to prevent governments from imposing land-use measures on private property. In Oregon, Maine, and Nebraska, the measures he backs would restrict a state's ability to raise taxes or increase spending. In Colorado, his proposal would impose retroactive term limits on judges.

Over the years, Mr. Rich has granted few interviews and has become an almost mythic figure in certain political circles. He sits on the boards of the Cato Institute and the Club for Growth, and controls other groups such as U.S. Term Limits and Fund for Democracy, which in turn funnels millions of dollars into other organizations, such as America at Its Best.

Mr. Rich, after writing that he would "gladly answer questions via email" for this article, didn't respond to a subsequent set of queries sent to his email address.

ELECTION 2006

• Election Quiz:1 Test your political IQ.

• Got an election-related question? Write to The Wall Street Journal's Alan Murray at askalan@wsj.com2, and check back Election Night, when Alan will answer selected questions at wsj.com/video3 from 6 p.m. ET to midnight.

• For complete coverage, see WSJ.com/Election20064.

Recently, he granted a brief interview to a nonprofit conservation magazine called High Country News. In that interview, which was taped and has been made public, Mr. Rich said he has made it a practice to help local activists in their fight against politicians who are "plowing over peoples' rights."

"I made a few bucks in business, so I'm able to do this stuff," he said.

Mr. Rich's reclusive nature has created a cottage industry among opponents of his ideas, who have rooted through public records in a dozen states seeking clues about the groups he controls and the money those groups dispense to state-ballot efforts.

Among those groups is the Ballot Initiative Strategy Center, a left-leaning Washington, D.C.-based organization that recently launched a Web site -- howierichexposed.com5 -- to highlight the groups affiliated with the New York investor. "Howie Rich From New York City is practically a noun in the West these days," said Kristina Wilfore, executive director of the organization.

This isn't the first year Mr. Rich has waded into the arena of initiative balloting. A group he operates pushed term-limit proposals in many states in the 1990s. But he is becoming ubiquitous in an expensive and specialized area of politics. About half the states allow citizen-driven initiatives. This year is one of the busiest in history, with about 75 proposals crowding ballots in 36 states. In recent years, national organizations, along with local groups, have seized on initiatives as a way to push issues before voters that politicians have been reluctant to bring up, or to drive voter turnout for other causes or candidates.

Though often characterized as citizen-driven, initiative campaigns are becoming dominated by corporate and national partisan interests.

In California, tobacco companies Reynolds American Inc. and Altria Group Inc. are spending tens of millions of dollars campaigning against a proposed cigarette-tax increase -- as well as bankrolling antitax and antismoking ban proposals in several other states. One proposition on the ballot in California -- long at the vanguard of citizen initiatives -- would put a $10,000 cap on corporate contributions to ballot initiatives.

Unlike regular political campaigns, proposition initiatives require extensive signature-gathering and often include an outsize educational campaign, as proponents attempt to simplify often-recondite ballot proposals for voters. These added tasks often make initiative campaigns more expensive than average races.

In California this year, five organizations wholly or partially controlled by Mr. Rich have given a combined $3.37 million to push a "takings" initiative, state records show. The proposals would bar state and local governments from condemning private property to promote other private developments.

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On its face, the measure is a reaction to a recent Supreme Court eminent-domain case. But in reality, the takings proposals carry a twist that opponents characterize as draconian: They also limit government's ability to rezone private property, apply restrictive covenants, or impose environmental regulations on a property without compensating the owner.

The takings proposals are patterned after a Rich-backed initiative that passed in Oregon in 2004, which requires the state to pay landowners for new zoning regulations or waive the new restrictions. In three years, landowners have filed damage claims from new zoning regulations that now total $3 billion, according to a Portland State University study -- far outstripping Oregon's ability to pay.

Though the takings measure appears headed for defeat in California, similar initiatives are faring better in Arizona, Montana, Idaho and Washington. In those states, surveys show the proposal is either statistically tied or leading among likely voters.

In those states and in Nevada -- where a takings measure remains on the ballot but was stripped by a court of its more punitive elements -- Mr. Rich's Americans for Limited Government group has supplied the lion's share of the money spent to back them. In Arizona, for example, the pro-takings local organization, Arizona HomeOwners Protection Effort, reports that nearly 86% of the $1.34 million it has collected for its campaign came from Americans for Limited Government. ALG provided a similar share of the support in Idaho. In Washington, it gave about 30% of the total collected by the Property Fairness Coalition, records show.

In addition to takings, groups affiliated with Mr. Rich bankrolled measures to restrict state budget growth bankrolled antispending measures in nine states, three of which have survived legal challenge. A group where Mr. Rich is a director has also provided more than $1.1 million in Colorado to promote a term-limit proposition for judges, according to campaign-finance records there. All told, at least five groups that Mr. Rich controls or serves as a director, including the Fund for Democracy, America at its Best, U.S. Term Limits, and Club for Growth, have given money to conservative ballot campaigns this year, campaign-finance records show.

The collection of Rich-affiliated groups, and the fact that the organizations don't have to reveal their donors, have given ammunition to proposal opponents, who say the campaigns are sham citizen initiatives controlled by a reclusive out-of-stater attempting to usurp local authority.

Oregon's governor has publicly criticized Mr. Rich's activities. In Montana, where three Rich-backed initiatives recently were tossed off the ballot, Gov. Brian Schweitzer challenged Mr. Rich to a debate. "Howard Rich and his wealthy buddies won't even reveal who is funding their campaign," Mr. Schweitzer said. "I invite them to come to Montana, tell us who they are and what their shady initiative is all about."

Among Mr. Rich's defenders is Grover Norquist, of Americans for Tax Reform, a group that supports many of the same ballot measures. Mr. Norquist said Mr. Rich's reputation rests on the simple fact that he is a capable organizer who knows a lot of people and has the money to assist in grass-roots causes. It's not what opponents like to see, Mr. Norquist says.

"So they say, 'He's from New York,'" Mr. Norquist says, "but there's no there there. He's just a man you go to if you have a good idea: term limits, spending limits, property rights."

A Civil Abortion Debate? (USAT)

By Laura Vanderkam

USA Today, November 7, 2006

SIOUX FALLS, S.D. — South Dakota isn't usually a battleground state, but this fall, one of the country's most important political fights has been waged here on the bitterly cold plains between Mount Rushmore and the Minnesota state line. In March, Gov. Mike Rounds signed a law that would ban almost all abortions within the state. Opponents countered by collecting enough signatures to put the issue on today's ballot as “Referred Law 6.”

The referendum's outcome doesn't matter. If the ban passes, it will be blocked in court. If defeated, South Dakota won't become an abortion hub. Doctors perform only about 800 abortions annually here, almost all in one squat brick clinic near this city's main shopping mall.

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What matters is that South Dakota's referendum represents one of the few times since 1973, when the U.S. Supreme Court's Roe v. Wade decision legalized abortion nationwide, that voters have gotten to debate the question directly at the polls.

And yes, debate is the right word. Despite the hostility usually associated with this topic, the residents I spoke with reported refreshingly little screaming. South Dakotans have simply discovered that when you have to persuade your neighbors to join your cause — not judges in Washington — both sides become remarkably civil. That civility has been rare during the past three decades' abortion wars. It's a welcome change — but it's also a chance to wonder how much more pleasant the national debate might have been if we had all been able to forge compromises within our communities instead of indulging in the extremes that carry the day.

Certainly, some South Dakotans — and the outsiders raising money for both sides — have turned shrill. Vandals have defaced signs, and locals report being called just a few too many times on the topic. Nonetheless, leaders of both sides have made a point of avoiding extreme rhetoric in those calls and in their ads.

Jan Nicolay, a former Republican state representative and co-chair of the anti-ban South Dakota Campaign for Healthy Families, tells me that her side quickly nixed traditional abortion rights prose (e.g. “get your rosaries off my ovaries”).

“Because this is a personal, sensitive issue, we wanted to treat it in as professional a manner as we possibly could,” Nicolay says. SD Healthy Families decided to educate voters about the law's text and appeal to frugal residents by pointing out how much defending the law in court would cost. One TV commercial even starts with the message that “South Dakotans agree: Honor and protect human life.” But with no rape or incest exceptions, the ad says, the law goes too far.

On the other side, Leslee Unruh, who manages the Vote Yes For Life campaign, also shies from extreme slogans. Years ago she had an abortion, which left her devastated — but also repulsed by the abortion-opponents side's traditional pictures of dismembered fetuses. “Putting a picture, a gruesome picture, in front of someone's face that's had an abortion — and there are many of us, we're everywhere — it's so harsh,” she says. “It's not the way to help women, and it's not the way to end abortion. … If you want to show pictures of dead babies, stay in your own state.”

Instead, the official Vote Yes for Life T-shirt features pictures of young, smiling women. Some literature includes the almost-feminist-sounding theme that motherhood can be empowering, even in difficult circumstances.

Of course, South Dakotans have a reputation for reasonableness. Harsh rhetoric “wouldn't play very well here,” says Jean Morrow, a United Church of Christ minister who campaigns against the ban (and has received only one really nasty letter as a result).

But it's not just South Dakotan friendliness that's keeping the debate civil. To win, both sides know they have to persuade neighbors they know and like to join them. To do that, you can't call people names. Unruh reports that one of her neighbors, who is voting against the ban, said he hoped they could still have a conversation on this issue by the fence, as they've always had. “This is one issue I'd love to convince him on,” she says. “I'm not going to, but that doesn't change my respect for him as a person, or his for me.”

Across this state, thousands of such conversations are taking place — conversations that have been rare since Roe froze the debate. Since 1973, people have counted votes on the Supreme Court, not in their own precincts. Because the issue has been removed from the messy, democratic sphere, positions have hardened into philosophically pure abstractions that don't feel right to many Americans.

To some groups that oppose abortion, there's no difference among contraceptives, the “morning after” pill and early-term abortions. The South Dakota law, however, would go ahead and OK the first two but not the latter.

If the ban fails, it won't be because South Dakotans like abortion; it will be because there's no rape or incest exception. Philosophically, there might be no difference between a child conceived in rape and a child conceived because her parents were careless, but most people, in the spirit of compromise, are willing to say there is.

The abortion-rights side in this country haslikewise tried to remain so pure that it has fought to preserve late-term abortion availability with a zeal many find unseemly. Philosophically, there might be little difference between late- and early-term abortions, but polls still find that most voters disapprove of the former but tolerate the latter.

People live in the real world where compromises must be made. You give a little to get your neighbor on board.

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It raises the question: What if all our abortion battles had been fought this way — democratically, with messy compromises — over the past 33 years? We might have reached an answer by now. Maybe. But if South Dakota's any indicator, we'd be a lot less strident. Abortion may be a battleground, but as Unruh says, "We don't have to turn it into a civil war."

Laura Vanderkam is a 2006-07 journalism fellow with the Phillips Foundation, a non-profit group devoted to advancing constitutional principles, a democratic society and free enterprise. She is also a member of USA TODAY's board of contributors.

The Politics Of Frustration (NYT)

The New York Times, November 7, 2006

Ever since anti-taxation zealots in California rediscovered the populist frisson of the ballot initiative a generation ago, American politics has gone off on a binge of ballot proposals. Today is one of the busiest, with 81 citizen initiatives before voters in more than 20 states. Pity the poor voter who has to wade through a list of sometimes contradictory, sometimes misleading proposals, doing work that should be the responsibility of elected officials.

We always watch with interest — and sometimes with concern — to see how people exercise this peculiar power. Will Alaskans stop aerial hunting of wolves and bears? What happened in Oklahoma to impel the proposal to stop paying the salary of state legislators doing jail time? Arizonans will have to decide whether they want the state to randomly award $1 million to one lucky voter in future elections, in order to encourage turnout. (A better inducement, in a state where voters have to come up with opinions on 19 questions today, might just be to cut down on the initiatives.) Citizens in some states are being asked to stand up to the tobacco industry's national clout by approving higher tobacco taxes at home and greater restrictions on public smoking, while others are being asked to do the opposite.

The initiative movement was bad enough when special interest groups used it to encourage voters to believe they could get lower taxes and more services just by voting to make it so, encouraging a government-by-proposition lunacy that made it impossible for state governments to divide up their resources rationally. Lately, political parties have tried to insert hot-button social issues to lure their base to the polls. Thus the raft of anti-gay proposals that are a standard thrust of right-wing election strategists, with eight states asking voters to define marriage as strictly a heterosexual union. This year Democrats in six states have retaliated with proposals to increase the minimum wage.

The ballot questions getting the most national attention undoubtedly include the South Dakota proposal to overrule the Legislature's passage of a draconian ban on nearly all forms of abortion, and a Missouri constitutional amendment aimed at banning restrictions on stem cell research. As much as we approve the sentiments behind each one, we still can't help clinging to the idea that the best way to protect abortion rights or stem cell research is to elect sensible lawmakers and appoint judges who believe in the Constitution.

Scattershot initiative is no way to run a democracy; rebuke is no substitute for effective representation. In this crazy-quilt of vox pop, an initiative to make it easier to propose future ballot initiatives is reported to be in trouble with Colorado voters. This is small comfort for any voter imagining the ballot is about choosing responsive politicians more than panaceas.

Indian Taker (WSJ)

The Wall Street Journal, November 7, 2006

The polls show that today Eliot Spitzer will realize his long ambition of becoming New York's next Governor, meaning that he will soon be able to fulfill his oft-spoken campaign promise "to end the pay-to-play culture in Albany." We can't wait to see how that one plays out, though we certainly hope Mr. Spitzer does better than he's done as a candidate.

Last month in a debate in Buffalo, the nation's most famous Attorney General was asked his position on bringing out-of-state Indian tribes to New York to open casinos. Addressing his Republican opponent, John Faso, Mr. Spitzer remarked, "No, John, I don't believe out-of-state tribes should be here. And they won't be here under my administration."

After the debate, however, someone must have tapped Mr. Spitzer on the shoulder and reminded him that one of his biggest campaign donors is Richard Fields, a casino developer who represents a Wisconsin Indian tribe that claims ancestral roots in the state and is seeking approval to build a casino in New York's Catskills region.

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And so a few days later, according to the Albany Times Union, "Darren Dopp, the AG's spokesman, said Spitzer isn't including the Stockbridge Munsee Band of Mohicans, the Oneida Tribe of Wisconsin or the Seneca-Cayuga Tribe of Oklahoma among the out-of-state tribes that won't be allowed to develop here." Which leaves us wondering who is included.

Companies operated by Mr. Fields have donated some $200,000 to the campaign of Mr. Spitzer, who also used the developer's Gulfstream jet (at a steep discount) to travel to fund-raisers until he was criticized for the practice. As Governor, Mr. Spitzer could play an important role in making Mr. Fields's clients very happy. So on to Albany, which isn't quaking in fear.

Wisconsin's Cheesy Reformers (WSJ)

The Wall Street Journal, November 7, 2006

Watching television this election cycle, you may have noticed that "campaign finance reform" hasn't made political ads any cleaner. You may also have surmised that money counts as much as ever; its sources and middlemen have merely been reshuffled. What "reform" has done, however, is make it easier for incumbents to keep power, and a case study is the Wisconsin Governor's race.

The challenger is GOP Congressman Mark Green, who has criticized Democratic incumbent Jim Doyle over his vetoes against tax relief, and has also kicked off a debate on education and tort reform. Or at least those were the issues until Mr. Doyle's allies used the campaign-finance laws to change the subject and create a phony scandal.

That story dates back to January 2005 when Mr. Green transferred some $1.3 million from his federal Congressional campaign account into his state campaign account. Legally this was no big deal since the Wisconsin Elections Board has allowed such transfers for some 30 years. Only a few years ago, the board unanimously agreed to such a transfer for then-Congressman Tom Barrett, a Democrat.

But the elections board has long been a political animal, and it lived up to that reputation by holding a meeting the day after Mr. Green's transfer. The Democratic majority adopted an "emergency" rule requiring that money spent in gubernatorial races be collected from political action committees registered in the state. In a stroke, this barred Mr. Green from using much of his money.

Viewing this as a naked political attack, the Republican state legislature jumped into the fray by suspending the rule. The elections board counter-attacked, saying the suspension didn't apply when the legislature was out the session. The majority in August ordered Mr. Green to divest himself of $468,000 worth of transferred funds. And it took this outrageous step over the advice of its own staff attorney.

It's now clear why. A few weeks after the August decision, the Milwaukee Journal Sentinel uncovered emails that a paid Doyle lawyer, Michael Maistelman, sent to three Democratic members of the elections board. In one email, Mr. Maistelman informs the Democrats: "We need to accomplish the following . . ." and then lays out Mr. Doyle's preferred modes of punishment for Mr. Green.

He also explains to the commissioners: "Even if this ends up in Court it is a PR victory for us since it makes Green spend money and have to defend the use of his [federal] money." He assures them that "the Gov's Campaign and the Dem party will give you cover on this in the media."

They complied. Governor Doyle has since had a field day. His campaign assailed Mr. Green, accusing him of "breaking the law" and accepting "illegal contributions." It called on the Republican to return his "dirty money." And so it came to pass that the Governor was able to turn attention away from other, more substantive issues by using election-money laws to create an aura of corruption around his opponent. It of course helped that any GOP candidate must lug the ball and chain of the party's baggage in the earmarking and Abramoff scandals.

Even the exposure of the stage-managed emails haven't put things right. Many voters have tuned out what has become a complex story about impenetrable campaign-finance regulations. And because the elections board hasn't brought suit against Mr. Green, the Republican hasn't had a chance to clear himself in a court case he'd surely win, insofar as any "crime" here was wholly manufactured by this politicized board.

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We wonder what Senator Russ Feingold thinks of all this. He's the Wisconsin native son who, along with Republican John McCain, famously spearheaded the federal campaign-finance legislation of 2002, promising healthier politics. It hasn't worked out that way.

Instead, voters have been treated to the muzzling of political activists, the policing of the Internet by federal bureaucrats, partisan attempts to shut down opposition groups and spectacles like this in Wisconsin. This is reform?

Beyond Election Day (WP)

By David S. Broder

The Washington Post, November 7, 2006

A couple of things have turned up that may help to clear your mind and revive your spirit after the nastiness of this political campaign:

Goodness knows, we need relief after the barrage of negative ads and insistent phone calls that candidates and political parties unleashed on us. I know that the political consultants are convinced that "going negative" is the only way to move the vote and win an election. But at some point you wish that the grown-ups in this country -- those who don't see elections as a profit-making business -- would remind these talented character assassins of the damage they are doing to the system of representative government that has served this nation so well.

Let me now climb down from my soapbox and tell you about a letter I recently received from former senator George McGovern, telling me that he is forming a bipartisan "Council of Elders," wise men and women who will occasionally consult informally with each other and be available, individually, to counsel people making public policy.

The 1972 Democratic presidential nominee, still writing and speaking at age 84, points out that America has never developed a habit or mechanism for keeping its most experienced figures engaged even in advisory roles. His council is an informal stab in that direction.

Among others, McGovern has enlisted such liberals as historian Arthur Schlesinger Jr.; former interior secretary Stewart Udall; journalists Lewis Lapham and Gloria Steinem; Carrie Lee Nelson, the outspoken and humorous widow of former senator Gaylord Nelson; and former senators Tom Eagleton and John Culver. Balancing them are several notable Republicans, including former Senate majority leader Howard Baker, former majority whip Alan Simpson and Rep. Henry Hyde.

The group is flexible in its approach and still very much expanding in membership, with McGovern serving as a contact point at McGoverncenter@dwu.edu .

McGovern's enterprise reminds me of something Lamar Alexander, soon to be Tennessee's senior senator, told me he had learned many years ago from his apprenticeship under Bryce Harlow, the powerful White House legislative and political adviser in the 1960s and '70s. Harlow taught Alexander and others that it is a wise policy to have at least one old geezer on the White House staff, someone not entirely dependent on the president for his power or position, someone who can speak with utter frankness without fear of the consequences.

That's excellent advice, and my one regret is that my old colleague Mary McGrory, who certainly would have qualified for McGovern's council of elders, did not live long enough to serve. But some of Mary's finest work is finally between hard covers in "The Best of Mary McGrory," published by Andrews McMeel and selected and edited, with great love, by Phil Gailey, a dear friend of Mary's from the old Washington Star who is now at the St. Petersburg Times.

In one column Gailey selected from The Post, where Mary moved after the demise of the Star, she wrote about the era that was then just beginning but is now nearing its end. "Those who yearn for healing and unity in Washington," she wrote, "had better look to the National Zoo. A pair of panda bears have arrived from China, and they'll bring people together because they provide amusement and delight, something that is not anticipated from a Cheney-Bush administration."

Earlier, writing about the funeral of Richard Nixon, she observed that "he was smart but got something big wrong: He thought politics was war and that everything is justified. And what we can learn from this week is how much Americans want to love their presidents -- and they will in life as well as in death, if they are given half a chance."

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I mourn the death of a great reporter and a good friend and colleague, Helen Dewar, who gave Post readers definitive coverage of Virginia politics and the Senate over the past decades. She dominated those beats without ever raising her voice or flaunting her knowledge, and she managed to do everything -- including fight the breast cancer that killed her -- with immense dignity and good humor.

Mr. Bland Goes To Washington (NYT)

By Barry Schwartz

The New York Times, November 7, 2006

Swarthmore, Pa.

ANOTHER national election season has come to an end — the sorriest, sleaziest, most disheartening and embarrassing in memory. The best one can hope for is a candidate who is a complete cipher. How has American electoral politics come to this?

I think we can gain insight from a study published by the psychologist Eldar Shafir 13 years ago. Suppose you are confronted with the following problem:

You're serving as a juror in a custody case in which each parent is demanding sole custody of an only child. The facts of the case are complicated by ambiguous economic, social and emotional considerations, and you decide to base your decision entirely on the following few observations:

Parent A

• average income
• reasonable rapport with child
• relatively stable social life
• average working hours
• average health

Parent B

• above-average income
• close relationship with child
• extremely active social life
• lots of work-related travel
• minor health problems

To which parent would you award sole custody of the child?

Parent A is average in every way, without compelling positive or negative features. Parent B has a mix of strong positive (very close to the child) and strong negative (lots of travel) features. Asked to make this choice, the majority of respondents — 64 percent — choose Parent B.

What makes this study really interesting is what happens when another group of respondents is given the same character sketches, but asked a slightly different question: "To which parent would you deny custody of the child?" Here again, a majority, 55 percent, choose Parent B.

How can it be that a majority both accept and reject the same parent?

Professor Shafir's explanation is that when people are asked whom to accept, they look for positive features in the parents — reasons to accept one over the other — and Parent B has them. In contrast, when people are asked whom to reject, they look for negative features — and again, Parent B has them. No matter which question you ask, Parent B stands out.

What does this tell us about modern electoral politics? When you go into the voting booth, you're trying to decide whom to accept or whom to reject. Are you judging who the good candidate is or who the less bad candidate is?

The effort by each side to coat the opposition in slime has made many of us cynical, giving us the sense that our task is to reject the worst, not select the best. Nobody's any good, we think, but some are worse than others. Let's keep those candidates out of office. Our job becomes one of denying, not awarding, office.

What that means is that if you want to win an election, you need to find candidates like Parent A, who give us no reason to say no, rather than Parent B, who present a complex set of features, some attractive and some problematic.

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If somehow the cynicism lifted, and we saw ourselves charged with the task of deciding who to say yes to, we'd have more candidates like Parent B. Just one negative feature would not be enough to disqualify someone, in our minds. There would be little to gain by capturing and broadcasting "macaca moments," or subtly invoking old Southern fears of black men cavorting with white women. Candidates would be able to take positions and speak their minds. This might lead to the arrival of candidates who actually have positions and minds. We might even be willing to risk generating a little enthusiasm at the prospect of being led by them.

But unless something is done to quell "gotcha" journalism and relentlessly negative campaigning — and as long as we continue to enter the voting booth looking for reasons to say no — the ciphers will be the winners.

Leaders Of Hamas And Fatah In Talks On Unity Government (NYT)

By Greg Myre

The New York Times, November 7, 2006

JERUSALEM, Nov. 6 — The Palestinian Authority president, Mahmoud Abbas, and Prime Minister Ismail Haniya failed Monday in their efforts to finalize a deal on a national unity government but planned to try again on Tuesday, aides said.

In another development, Israel began withdrawing tanks and other armored vehicles late Monday night from the northern Gaza town of Beit Hanun, Palestinian security officials said. The Israeli forces entered the town six days ago to halt Palestinian rocket fire and clashed daily with Palestinian militants.

It was not clear if all or just some of the Israeli forces were leaving, and the Israeli military did not immediately comment.

Mr. Abbas, who leads the secular Fatah movement, and Mr. Haniya, who leads the militant Islamic faction Hamas, seemed close to an agreement on a new Palestinian government that would be made up of professionals and technocrats not directly linked to either faction. The new government would seek to end the Palestinians' international isolation and win a restoration of Western assistance cut after Hamas came to power in the spring.

"There are issues to be discussed tomorrow and maybe the day after," said Nabil Aburdeineh, a spokesman for Mr. Abbas, as the talks in Gaza City broke up Monday night. "We agreed on one thing: a national government of professionals will be coming."

Mr. Abbas and Mr. Haniya announced Sept. 11 that they had reached a tentative agreement for a unity government. But the negotiations quickly stalled with increased fighting between armed Hamas and Fatah groups, and the meeting on Monday between the leaders was their first in weeks.

Mr. Abbas, whose headquarters are in Ramallah, in the West Bank, travels only occasionally to Gaza, where most senior Hamas leaders are based. Mr. Abbas's decision to make the trip signaled that the negotiations had reached an advanced stage.

Mustafa Barghouti, a prominent legislator brokering the talks, said earlier on Monday that the sides had already reached an agreement in principle.

"Both parties have realized that no one party can lead the Palestinians, and there is a need for a coalition that will include everyone," he said.

Hamas and Fatah did not say what issues were still dividing them. However, Mr. Aburdeineh said they had not yet discussed who might serve in a new cabinet.

A Hamas-linked Web site said Hamas wanted Bassem Naeem, the current health minister, to be the new prime minister. Dr. Naeem is not a Hamas member but is considered to have close ties to the group. Fatah may be unwilling to accept him in the prime minister's role.

Even if the Palestinians succeed in establishing a new government, it is not clear whether its policies, as yet undefined, will meet benchmarks set by the United States and the European Union, which are calling for the recognition of Israel, a renunciation of violence and an acceptance of previous agreements between Israel and the Palestinians. Nor is it clear whether aid will be restored.

The Palestinian political negotiations will not change the status of Mr. Abbas, who was elected president in January 2005 and will retain his post. However, Mr. Haniya and his Hamas-dominated cabinet would be expected to step down.

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Mr. Haniya, in remarks to his cabinet on Monday afternoon, suggested that the government was on its way out, without saying so explicitly. "Palestine is bigger than all of us," he said, [a news service] reported. "It is very easy for us to move to another position in the interests" of the Palestinian people, he said.

Under the proposal for the new government, Hamas and Fatah would each appoint several ministers to the cabinet, professionals and technocrats who could be aligned, but not directly affiliated, with any faction. Hamas would choose the prime minister, members of the group said. Smaller Palestinian parties would also be able to choose a number of ministers.

Mr. Haniya and his cabinet took power in March, two months after defeating Fatah in parliamentary elections. Fatah had dominated Palestinian politics for decades. However, the international isolation, the cutoff of money and internal Palestinian fighting have left Mr. Haniya and his cabinet unable to function as a government or pay the Palestinian Authority's 175,000 employees.

In northern Gaza, meanwhile, the Israeli forces and Palestinian militants battled for a sixth straight day before the Israelis began to leave Monday night. At least four Palestinians were killed by Israeli fire, Palestinian medical workers said.

One of those killed was a 15-year-old schoolboy, while several other youths were wounded in an Israeli airstrike as they headed to school, the medical workers said. The Israeli military said its target had been militants retrieving launchers used to fire rockets at Israel a day earlier.

Also, Mervet Masoud, an 18-year-old Palestinian woman, blew herself up near several soldiers, killing herself and slightly wounding one soldier, the military said. "My mother, be patient," Ms. Masoud, a student at the Islamic University in Gaza City, said in a video released by Islamic Jihad after her attack. "Consider me a martyr and, God willing, we will meet in paradise."

Ms. Masoud said she carried out the bombing as revenge for an attack on a Gaza beach in June that killed seven Palestinians, five of them from one family. The Israeli military has said that while it was firing in the area, it did not hit the family.

Israeli Forces Leave Gaza Town (AP)

AP, November 7, 2006

Israeli forces pulled out of the northern Gaza town of Beit Hanoun before daybreak Tuesday, the military said, completing a weeklong sweep that killed more than 50 Palestinians.

The military said the forces took up new positions inside the Gaza Strip but outside Beit Hanoun, in the northeast corner of the territory near the Israeli border. Residents reported troops and tanks withdrawing from the town overnight.

The pullout coincided with another failed effort by Palestinian leaders to forge a unity government that might lead to lifting of Western aid sanctions that have bankrupted the Palestinian Authority and caused widespread hardships.

Israeli leaders said the object of the raid was to reduce the frequency of Palestinian rocket fire at nearby Israeli towns and villages, but militants kept launching their homemade rockets throughout the operation.

The sweep came in from harsh international criticism because of the death toll and destruction. Israel said most of the dead were militants, but some were women and children. An Israeli soldier was also killed.

On Monday, the sixth day of the sweep, at least seven Palestinians were killed, including a female suicide bomber.

Iran Tries To Foster Trust Among Oil Firms Tehran May Adjust Rules To Lure Investors, But Industry Is Wary By SALLY JONES (WSJ)

By Sally Jones

The Wall Street Journal, November 7, 2006

TEHRAN, Iran -- Iranian President Mahmoud Ahmadinejad is backing changes to foreign energy contracts and retaining moderates in key roles in a bid to woo crucial foreign investors, senior industry and Iranian government officials say. But it remains to be seen whether the new Iranian leadership is ready to give foreign players the kind of stable and lucrative contracts they are seeking.

Iran has the world's third-largest proven oil reserves and second-largest natural-gas reserves. But the country's standoff with the U.S. and its allies over Iran's nuclear program and Mr. Ahmadinejad's anti-Western rhetoric have intensified nervousness among foreign firms about investing there.

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Oil is the backbone of Iran's economy, but the country needs roughly $50 billion in foreign investment during the next decade to reach energy-production targets to avoid losing market share to other members of the Organization of Petroleum Exporting Countries. Oil companies face a delicate balancing act: While they want to avoid U.S. ire, they are pressured by Iranian officials to attest to a friendly Iranian investment climate.

Overtures from Tehran come as oil companies say the new hard-line Iranian leadership has cast great uncertainty over their role in the nation's energy sector. An executive at one company involved in talks for three planned liquefied-natural-gas units -- part of the development of the South Pars gas field -- said discussions had slowed since most of the Iranian officials had been replaced.

Iran is OPEC's second-largest oil producer after Saudi Arabia, with output of about 3.9 million barrels a day. Crude-oil exports bring in 80% of the country's foreign exchange. They are projected to bring in $60 billion in revenue -- 60% of total government revenue -- for the fiscal year ending in March.

Oil majors feared being shut out of Iran's energy sector after last year's election of Mr. Ahmadinejad. In addition, talks have failed to resolve a dispute between Japanese and Iranian oil officials on the development of Iran's Azadegan oil field, estimated to contain 26 billion barrels of oil reserves.

Iranian foreign-ministry and oil officials say Mr. Ahmadinejad is backing changes to existing Iranian investment rules that foreign energy firms call inflexible.

The country's so-called buyback system -- unpopular with international oil companies that prefer production-sharing agreements -- skirts the constitutional ban on foreign firms taking equity stakes in energy projects by allowing companies to recoup their investment through Iran's oil-and-gas sales over a five- to seven-year period.

Iran plans to extend the time frame during which oil majors can participate in the development of an energy project to 15 years. Mr. Ahmadinejad supports the time extension, together with the idea of giving foreign companies the ability to be involved in direct financing for some projects, officials say, in what would be a crucial driver of foreign investment.

While officials gave no time frame for the changes, they say they want to move swiftly. Implementation of the changes would be "absolutely a positive move," said Valerie Marcel, principle researcher for energy at London think tank Chatham House. "Iranian officials are well aware of the companies' needs," but she said putting them in place is key.

The needed reforms are likely to find support from key oil-ministry officials. Many in the industry initially feared that Mr. Ahmadinejad's hard-line policies would spread to the oil ministry and that he would replace seasoned oil men with inexperienced allies. Yet, in a positive signal, key figures from the previous reformist regime retain a number of senior posts.

After four months of infighting over the high-level cabinet post, Kazem Vaziri Hamaneh was appointed Iran's oil minister in late 2005. Iranian oil-industry officials describe the soft-spoken engineer as an "independent-minded man" with "an excellent understanding of his country's oil business and the need to do business with the rest of the world." Mr. Vaziri has frequently said foreign firms are welcome and strongly supports the proposed investment revisions.

After Mr. Vaziri's appointment, Mohammad-Reza Nematzadeh was appointed head of state-owned National Iranian Oil Products Refining & Distribution Co. To stave off a gasoline crisis in Iran, Mr. Nematzadeh is looking to raise $18 billion to revamp Iranian refineries during the next few years. In his previous job as deputy oil minister and director of National Iranian Petrochemical Industries Co., he was instrumental in attracting billions of dollars of foreign investment.

Hadi Nejad-Hosseinian, who is closely involved in major oil deals between Iran and foreign firms, was reappointed under Mr. Vaziri. But in a recent surprise move, Mr. Hosseinian, who is in his early 60s, retired.

Still, the positive noises from Iranian officials clash with the experience of some foreign companies.

Government negotiations with Inpex Corp., a unit of Inpex Holdings Inc., Japan's largest oil-and-gas-exploration company, on the development of Azadegan have been deadlocked in recent months, with Japan refusing to finalize the contract for the $2 billion project. Iran's oil minister recently said the Japanese firm would be granted only a nominal share in the project.

Iranian lawmakers have frequently criticized Japan's reluctance to finalize the deal and have said Iran could develop the project alone if necessary. Mr. Vaziri has said a consortium made up of domestic and international firms will be awarded the project.

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Underscoring the tension, in January, Norway's Statoil ASA wrote off $335 million in investment in the huge South Pars gas field after three years of delayed production and difficulty with Iranian contractors. The field is estimated to hold more than 280 trillion cubic feet of gas, enough to supply current U.S. gas needs for more than 12 years.

A number of other projects are also under threat, amounting to billions of investment dollars. Iran and China signed a memorandum of understanding in 2004 in which Iran would allow state-controlled China Petroleum & Chemical Corp., or Sinopec, to develop its Yadavaran oil field in southwest Iran. Iran is also pressing ahead with plans to deliver natural gas via a $6 billion pipeline to Pakistan and India.

Foreign investors are also fearful of the remaining conflict within the Iranian regime between reformists who favor foreign investment and conservative hard-liners. Mr. Ahmadinejad caused some alarm in July when he awarded a $2.3 billion contract to the engineering arm of Iran's Revolutionary Guard, Khatam-al-Anbiya Construction Headquarters, or Ghorb, to develop two future phases of South Pars.

The Revolutionary Guard played a crucial role in the nation's Islamic revolution and holds sway over a range of enterprises, particularly those involving exports and imports. Mr. Ahmadinejad served with the guard in the Iran-Iraq War.

A Shift In The Debate On International Court (WP)

By Nora Boustany

The Washington Post, November 7, 2006

When then-Undersecretary of State John R. Bolton nullified the U.S. signature on the International Criminal Court treaty one month into President Bush's first term, he declared it the happiest moment in his years of service. Bolton referred to the court as a "product of fuzzy-minded romanticism . . . not just naive, but dangerous."

The bipartisan concern then was that American service members deployed overseas risked exposure to a foreign tribunal. President Bill Clinton signed the Rome Treaty on his last day in office in 2000, while registering strong reservations.

Now, as the court prepares to begin public hearings on its first case, the debate among senior U.S. military officials seems to be shifting away from staunch opposition, and a fresh assessment of the court seems to be underway.

The new attitude has been prompted in part by the court's record since it began operations three years ago; Chief Prosecutor Luis Moreno-Ocampo, an Argentine, has dismissed hundreds of petitions for cases against the United States. The cases were turned down for lack of evidence, lack of jurisdiction, or because of the United States' ability to conduct its own investigations and trials. Out of some 1,500 petitions to the chief prosecutor, almost half accused the United States of war crimes.

In a letter made public last year, Moreno-Ocampo's office said it was throwing out 240 such cases concerning the war in Iraq. Reviews of each claim determined that none fell within the court's jurisdiction, his letter said, because the United States is not a signatory.

A congressional study released in August said the ICC's chief prosecutor demonstrated "a reluctance to launch an investigation against the United States" based on allegations regarding its conduct in Iraq.

To Sen. Patrick J. Leahy (D-Vt.), ranking member of the Appropriations foreign operations subcommittee, the verdict is already in. "The ICC has refuted its critics, who confidently and wrongly predicted that it would be politicized and manipulated by our enemies to prosecute U.S. soldiers," he said recently.

Officially, the United States does not support the court and has no communication with it. "U.S. policy towards the International Criminal Court has not changed," a Defense Department spokesman, who asked not to be identified by name under rules set by the department, said Monday. "While we respect the right of other governments to join and support the ICC, we ask that governments respect the right of the United States not to join the ICC."

But court backers have noted what they consider quiet support for what the court is doing, particularly in the Darfur region of Sudan, in northern Uganda and in Congo.

For example, court advocates considered it a victory that the Bush administration abstained, instead of using its veto, when the U.N. Security Council voted to refer Sudan to the court over alleged atrocities being committed by Khartoum-backed militias in the Darfur region.

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Victoria K. Holt, a senior associate at the Henry L. Stimson Center, a research organization devoted to security issues, co-authored a study based on interviews with senior U.S. military officials, policymakers and politicians who attended a January workshop on the court. Holt and others said they were struck by the pragmatism of both active and retired American military officials, and by an evolving attitude toward the court -- a departure from the administration's stated opposition.

David Scheffer, ambassador at large for war crimes issues during the Clinton administration and a participant in the workshop, said most officers did not fear that the court would be used as a "battering ram against the United States." Rather, he said, many were concerned that by not actively supporting the court, the United States might create the impression that it does not follow internationally accepted rules of war.

"It conveys the image that we are simply intimidated by the prospect of international justice and that we have to browbeat other countries to minimize the risk we may have before the court," Scheffer said by telephone from Chicago. Scheffer is now professor of law and director of the Center for International Human Rights at Northwestern University School of Law.

Some court advocates are pushing for more concrete shows of U.S. support. Africa specialist and International Crisis Group senior adviser John Prendergast and activist actor Don Cheadle have been lobbying senators to prod the administration to share satellite images and intelligence with the court as it investigates war crimes in Darfur.

Moreover, in what seemed like an acknowledgment of the court's legitimacy from two longtime Republican critics, Sen. John McCain (Ariz.) and former Kansas senator and onetime presidential hopeful Bob Dole penned an opinion piece published in The Washington Post on Sept. 10 reminding "Khartoum that the International Criminal Court has jurisdiction to prosecute war crimes in Darfur and that Sudanese leaders will be held personally accountable for attacks against civilians."

McCain and Dole wrote that "U.S. and allied intelligence assets, including satellite technology, should be dedicated to record any atrocities that occur in Darfur so that future prosecutions can take place."

One month after the ICC was formally established four years ago, Bush signed the American Servicemembers' Protection Act, which limits U.S. aid and curtails military training to countries that have ratified the Rome treaty that created the court. The administration negotiated "non-surrender agreements" with 100 countries to ensure that American soldiers are not handed to the ICC, under penalty of losing access to military training. Half of the countries in Latin America are affected by the agreements, although many have received waivers allowing aid to continue.

Many court supporters are arguing that now is the time for the administration to engage with the court, instead of being concerned about potential prosecutions of Americans.

U.S. absence from the court "undermines our argument to the world that we are holding up the standards we preach, and that we are accountable," said Holt, of the Stimson Center. "At a time the United States is being challenged internationally, support of the court may enhance our standing so it can work more effectively."

Panel Calls For U.N. To Be Streamlined (AP-Y)

By Edith M. Lederer

AP, November 7, 2006

A high-level panel called for streamlining U.N. programs to fight poverty, provide humanitarian aid and protect the environment, saying competition among agencies often duplicates efforts and fails to deliver results, a final draft of its report says.

The draft, obtained Monday by The Associated Press, said that while the U.N. "is an indispensable force," it has outgrown its post-World War II structure and "is not as effective as it could be."

"Too often, authority and management responsibility is dispersed among individuals and across organizations, thus limiting accountability for performance and results," it said. "Better cooperation between organizations has been hindered by competition for funding, by mission creep and by outdated business practices."

Secretary-General Kofi Annan established the 13-member panel in response to a call by world leaders at their September 2005 summit for coordinated U.N. operations to meet development goals, including cutting extreme poverty by half and ensuring universal primary education by 2015.

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It will be up to Annan's successor, Ban Ki-Moon, who takes over as secretary-general on Jan. 1, to decide whether to implement the panel's recommendations. The panel's co-chairs, Pakistani Prime Minister Shaukat Aziz and Mozambique's Prime Minister Luisa Dias Diogo, are expected to present the report Thursday.

"The essence of our vision is for the U.N. to deliver as one in the areas of development, humanitarian assistance and the environment," the panel said.

"The U.N. system now encompasses 16 specialized agencies, 14 funds and programs, 17 departments and offices of the U.N. Secretariat, five regional commissions, five research and training institutes and a plethora of regional and country level structures," the draft said.

Weak and disjointed U.N. operations coupled with "inadequate and unpredictable funding have contributed to policy incoherence, duplicating functions and operational ineffectiveness," it said.

A survey by the panel found, for example, that more than one-third of U.N. country teams include 10 or more U.N. agencies carrying out separate operations, and "several teams include 20 or more."

At the global level, the draft said, more than 20 U.N. agencies are active and competing for limited resources in some areas, such as water and energy, and more than 30 U.N. agencies and programs have a stake in environmental management.

A survey by the panel found that the three agreements reached at the 1992 Earth Summit in Rio de Janeiro — on biodiversity, climate and desertification — have up to 230 meeting days every year. "Add the figures for seven other major global environmental agreements ... and that number rises to almost 400 days," the draft said.

Developing countries "are unable to cope with the extensive reporting and participation requirements" of global environmental treaties, which take time, money and expertise away from actually implementing the agreements, the draft said.

The panel said its recommendations can "potentially radically change the way the U.N. operates at headquarters, in each region and in each country."

The panel called for one U.N. program in every country, "not 10 or 20 fragmented and uncoordinated programs delivered by different arms of the U.N." That program would respond to the country's need, the community's views and be approved by the government, it said.

A new U.N. oversight body reporting to the U.N. Economic and Social Council would be responsible for the performance of the single U.N. country program, the draft said.

It called for a new partnership for humanitarian assistance, including the U.N., governments, the International Red Cross and non-governmental organizations led by the U.N. emergency relief coordinator.

The draft also recommended the Nairobi-based U.N. Environment Program be the center of a strong system for environmental protection.

It called for "one strong voice on women's issues in the U.N. system to ensure that the pursuit of gender equality and women's empowerment are taken seriously."

It also called for "one clear framework" to reinvigorate the promotion and protection of human rights, with the U.N. High Commissioner for Human Rights at the center.

Top Job For US Official Raises UN Reform Fear (FT)

By Mark Turner At The United Nations

Financial Times, November 7, 2006

Josette Sheeran, a US undersecretary of state, appears almost certain to be named as head of the UN World Food Programme on Tuesday, in a decision diplomats fear marks an early blow to reform promises by Ban Ki-moon, the incoming secretary-general.

A UN official said that James Morris, the current head of the WFP, told senior staff at the weekend of the decision to appoint the US official candidate to a post traditionally viewed as a US fiefdom. The announcement, some diplomats believe, would be an indication that fledgling efforts to make appointments on technical merit have foundered.

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The decision was officially taken by Kofi Annan, the current UN secretary-general, in partnership with Jacques Diouf, head of the Food and Agriculture Organisation. But the outcome would be viewed as a clue to the operating style of Mr Ban, with whom Mr Annan consulted.

According to a number of diplomats and officials, there had been early indications that another candidate – Tony Banbury, WFP's regional director for Asia and a former White House employee – had led on merit. While an American, he was not Washington's choice.

But late last week it emerged that, following high-level US lobbying and consultations between Mr Annan and Mr Ban, the decision was made to go with the US government's official nominee.

Ms Sheeran serves as undersecretary of state for economic, business and agricultural affairs, but commentators have noted her history as managing editor of the Washington Times and her association with Rev Sun Myung Moon's Unification Church, which part-owns the newspaper.

According to South Korean officials and one senior UN adviser, Mr Ban did not alter Mr Annan's decision. Seoul's deputy UN ambassador, Oh Joon, insisted on Friday that Mr Ban only came to know about the WFP process last week and that in a telephone call he told Mr Annan he respected the process and decision he had already made.

But several diplomats believe Mr Ban helped sway the process, raising questions about his willingness to assert the UN's independence when put under pressure by powerful governments.

Mr Oh said Mr Ban's first priority, when he arrives in New York in the next few weeks, will be to staff his private cabinet. But there is also mounting speculation as to how he will share out powerful jobs such as political affairs and peacekeeping.

Mr Ban campaigned on a platform of UN reform, but it is unclear whether he will go down the traditional route of sharing out top jobs between the strongest countries or will assert his independence and appoint a professional cadre of technocrats.

Sheeran Will Lead U.N. Food Program (WT)

By Betsy Pisik

The Washington Times, November 7, 2006

NEW YORK -- U.N. Secretary-General Kofi Annan today will nominate Josette Sheeran, a senior State Department official and former managing editor of The Washington Times, to be executive director of the World Food Program, U.N. officials said.

The five-year appointment remains subject to approval later today by the WFP executive board, which is considered a formality. Miss Sheeran is expected to take up her duties as head of the Rome-based agency, which administers nearly $3 billion in annual food aid, early next year.

At the State Department, where she has served since August 2005 as undersecretary of state for business, economic and agricultural affairs, Miss Sheeran is charged with promoting the interests of U.S. farmers and business owners in global policy discussions, according to her official biography.

Before that, she served as deputy in the office of U.S. Trade Representative Robert B. Zoellick, where she negotiated agreements with African, Asian and Latin American countries.

From 1997 to 2000, Miss Sheeran was president and chief executive officer of Empower America, where she was a high-profile presence on the media, academic and fundraising circuits. She was an editor of The Washington Times from its founding in 1982 until she left as managing editor of The Times in 1997 to join Empower America.

Miss Sheeran, 52, was selected by Mr. Annan last year to sit on a panel advising the United Nations on how to more effectively deliver humanitarian relief and development assistance.

The report of the High-Level Panel on System-wide Coherence, a group that includes leaders of Pakistan, Mozambique, Norway and senior ministers of several other countries, is to be released Thursday.

Miss Sheeran was chosen for the WFP post from a short list, which was never formally announced but was said by Secretariat officials to have included WFP Asia director Tony Banbury, an American with ties to the Clinton White House; Swiss development minister Walter Fust; and Robert Fowler, a former Canadian ambassador to the United Nations.

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But the appointment of Miss Sheeran, the Bush administration's nominee, had been expected: Washington contributes about one-third of the WFP's $2.9 billion budget and often applies pressure to ensure its nominees are successful. An American has managed the WFP for about the past 15 years.

The WFP is one of the United Nations' most prominent agencies, with primary responsibility for feeding the victims of conflicts, natural disasters and long-building famines. Last year, the agency fed nearly 100 million people in 82 countries.

Miss Sheeran will oversee a staff of 10,500 across the world, who deliver 4.2 million tons of high-energy biscuits, enriched milk and flour, and other food staples to people in need.

The United States contributes about $1 billion a year to the WFP, in cash as well as food staples and logistical support. The European Commission is generally the second largest donor, with $200 million, and Japan is third, with about $136 million in voluntary contributions.

This is likely to be the last appointment by Mr. Annan, who leaves office on Dec. 31. The United States has called on him repeatedly not to make any long-term appointments that will bind his successor, Ban Ki-moon of South Korea.

However, the administration lobbied hard for Miss Sheeran's appointment, according to U.N. sources, who said Washington wants to keep an eye on an agency whose work is largely U.S.-funded.

Sources in Washington, who spoke on the condition of anonymity, said the administration initially had planned to nominate Rep. Jim Kolbe, Arizona Republican, who is not seeking re-election today. Instead, Mr. Kolbe was nominated to head the Global Fund to Fight AIDS, Tuberculosis and Malaria. The fund's board met last week but was unable to agree on a new executive director.

Ortega Set To Reclaim Nicaraguan Presidency (WP)

By N.C. Aizenman

The Washington Post, November 7, 2006

MANAGUA, Nicaragua, Nov. 6 -- Daniel Ortega, the former Marxist president and nemesis of President Ronald Reagan, appears to have won back Nicaragua's top job.

With 62 percent of precincts reporting, Ortega was comfortably leading the field of five presidential contenders with 39 percent of the vote, virtually ensuring him a first-round win under Nicaragua's electoral rules.

In a public appearance Monday night, Ortega, 60, declined to declare victory until the full count was in. "We are ready to work together [with the other candidates] to eradicate the poverty of Nicaragua, to provide security to the private sector, to provide security to the diverse foreigners in our country . . . and to develop relations with the entire international community," Ortega said, as his wife and campaign manager, Rosario Murillo, stood grinning by his side.

If the results from Sunday's vote hold, they will mark a stunning comeback for the Cold War icon, who has failed twice to regain power since 1990, when voters disillusioned by a decade-long war with U.S.-backed insurgents and government abuses cast his Sandinista National Liberation Front from office.

Ortega's return to Nicaragua's presidency would also constitute an embarrassing setback for the Bush administration. American officials have recently made thinly veiled threats that the United States would impose economic sanctions and other punitive measures if Ortega was reelected, arguing that Ortega has not changed despite his embrace of Catholicism, pronouncements in favor of a market economy and efforts to cast himself as the candidate of "reconciliation."

U.S. officials appeared motivated in part by concerns that Ortega would be an eager partner in pushing an anti-American alliance with Venezuelan President Hugo Ch?vez. Ortega's return is particularly galling to many in the Bush administration who devoted their careers to getting rid of him in the 1980s.

Longtime political analysts in Managua said that Ortega was too pragmatic to attempt to resurrect controversial policies implemented during his 1979-90 government that drew international condemnation -- such as military conscription, confiscation of some private property and press censorship.

"Ortega is not going to be stupid and commit the mistakes of the past," said Emilio ?lvarez, an analyst and critic of the Sandinistas. "He knows that the Soviet parachute is gone and that he is totally dependent on the assistance of the United States, the International Monetary Fund and foreign investment."

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Instead, ?Ivarez predicted that Ortega would try to reach out to Nicaragua's impoverished populace with more modest measures, such as raising taxes to pay for salary increases for low-level government workers and for increased spending on education.

Still ?Ivarez worried that Ortega "is erratic. He has these messianic dreams of being the savior of the people that make him vulnerable to unworkable economic schemes."

During the campaign, Ortega caused alarm in the business community by suggesting that he wanted to compel banks to lower the fees they charge Nicaraguans living overseas to wire money to relatives back home.

Carlos Chamorro, editor of the respected weekly newsmagazine Confidencial who broke with the Sandinistas a decade ago, agreed. "Nobody thinks the country is going to go belly up with Ortega," said Chamorro, whose mother, Violeta Chamorro, defeated Ortega in the 1990 elections. "But he represents a step backwards because he could bring economic uncertainty and slow the process of investment and job creation."

Ortega's supporters, including many underemployed youths too young to remember the years of Sandinista rule, are convinced that he is the only candidate who empathizes with their plight. As word of his early lead filtered out, they poured into Managua's streets, setting off firecrackers and cheering ecstatically.

Ortega's closest rivals, meanwhile, held news conferences Monday to announce that they were not yet ready to accept defeat.

"This is not over until the last vote is counted," said Eduardo Montealegre of the Nicaraguan Liberal Alliance, who trailed Ortega by 8 points in the preliminary count.

Jos? Rizo, of the Constitutionalist Liberal Party, said the preliminary results were misleading because they did not include many polling stations in Nicaragua's remote rural areas, where his support is strongest. He said a count by his campaign workers put him close enough behind Ortega to force a runoff election.

However, the results released by the electoral commission were bolstered by similar findings from a "quick count" of a representative sample of ballots released Monday by Ethics and Transparency, a widely respected Nicaraguan civic group that fielded 11,050 observers to every polling and counting center in the nation to carry out their own tally alongside the official one.

At a news conference in Managua on Monday, Pablo Ay?n, president of Ethics and Transparency, said their count, giving Ortega 38 percent of the vote, had a margin of error of 1.7 percent.

Although there were complaints of irregularities at some polling stations, international observer teams declared that the election was orderly and lawful.

Leftist Headed Toward Victory In Nicaragua (NYT)

By James C. McKkinley Jr. And Jill Replogle

The New York Times, November 7, 2006

MANAGUA, Nicaragua, Nov. 6 — Sixteen years after he left power, Daniel Ortega, a former Marxist president and the Sandinista leader who is still regarded as a sworn foe by many in Washington, appeared headed to a victory on Monday in the Nicaraguan presidential election.

Though electoral officials had yet to release final tallies from Sunday's vote, preliminary results and the country's electoral watchdog groups all indicated that Mr. Ortega, who had failed three times before to gain the presidency in elections, would win a clear victory.

An Ortega win in a five-way race would be a defeat for the Bush administration, which strongly opposed his election and worked hard to unite a fractious opposition against him with little success. The White House has said it would withdraw aid from an Ortega government.

With about 61 percent of the vote counted, Mr. Ortega had 38.6 percent of the ballots, about 8 points ahead of the second-place candidate, Eduardo Montealegre, a Harvard-educated financier and conservative Washington has openly supported. Final results were not expected until Tuesday, an election official said.

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Now 60 years old and balding, Mr. Ortega has maintained he is no longer a Marxist, but more of a pragmatist. He has promised to keep good relations with the United States and chose a former political opponent as his running mate. He has also vowed to help the poor and run a positive campaign around the themes of "peace, love and unity."

But he maintains close ties to Cuba and to Hugo Chávez of Venezuela, the leftist president who has become a thorn in the side of the United States. Mr. Chávez gave the Ortega campaign significant support by sending subsidized oil to Nicaragua and distributing it through Sandinista politicians.

Mr. Ortega's expected victory appeared to be another gain for leftists in Latin America, who, despite recent setbacks in Peru and Mexico, have also persuaded voters to abandon conservative governments in Brazil, Argentina, Chile and Bolivia.

Although the results were preliminary, supporters of the Sandinista National Liberation Front party of Mr. Ortega set off fireworks around the city on Monday, and drove around honking horns, shouting victory slogans and waving red and black Sandinista flags. Mr. Ortega had yet to make a statement.

Cuba immediately congratulated Mr. Ortega. "This is good for the people of Nicaragua and for the integration of Latin America," Foreign Minister Felipe Pérez Roque told The Associated Press on Monday.

Mr. Ortega's opponents refused to recognize his expected victory until all the votes were counted. The United States took a similar stance. The State Department's deputy spokesman, Tom Casey, said Monday that the administration would wait to comment until the Nicaraguan electoral council announced who won. He also said it was too early to comment on procedural problems during the voting, noting that several groups of observers planned to file reports.

Mr. Casey said the United States delegation in Nicaragua had remarked on "high turnout and given praise to the Nicaraguan people for their patience and their willingness to show support for this democratic process."

Mr. Ortega was one of the leaders of the Sandinista rebels that swept to power in 1979, toppling the Somoza dynasty of right-wing dictators friendly to the United States and setting up an authoritarian left-wing government.

With the cold war still driving United States policy, President Reagan imposed sanctions on the country and financed anti-Sandinista guerrillas, known as contras, in part by secretly selling arms to the revolutionary Islamic government in Iran. It was Mr. Ortega who led his Soviet-backed army in a bloody decade-long civil war.

The last time Mr. Ortega ran Nicaragua, he seized private assets and redistributed land to peasants. Capital fled the country, along with many of its business leaders. He vows a different approach this time.

The advertising campaign against the former rebel leader was vicious, showing images from the civil war, women weeping, guns blaring. His opponents lost no chance to remind people of the economic collapse that followed the fighting and the United States embargo.

Mr. Ortega was elected president in 1984 and served from 1985 to 1990, before losing to Violeta Chamorro. He struggled to regain power through the ballot box, but without success, in 1996 and 2001.

This time, however, a change in the election law and a strong throw-the-bums-out sentiment in the country after campaign financing scandals involving former President Enrique Bolaños helped carry him to what appears to be a victory.

He was also aided significantly by a change in election rules that allows a candidate to win in the first round with only 35 percent of the vote, so long as he is 5 points above his closest opponent. If Mr. Ortega had not won on the first round, most political strategists predicted he would not have survived a second round, as the splintered anti-Sandinista vote would have united.

As it was, the anti-Sandinista vote seemed split mostly between Mr. Montealegre, with 30.9 percent, and José Rizo, the candidate of the conservative ruling party, who had 22.9 percent, according to the Supreme Electoral Council, the Nicaraguan election authority. Two other candidates, Edmundo Jarquín, a dissident former Sandinista, and Edén Pastora, a former Sandinista who later became a contra rebel, trailed behind.

Results of a quick count carried out by a local monitoring group, Ethics and Transparency, tracked with the official results.

"It's been a pretty exact count, we can say that Ortega's triumph is almost sure," said Carlos Tunnerman, a political analyst and former Nicaraguan ambassador to Washington from 1984 to 1988.

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Former President Jimmy Carter, who was in Nicaragua to monitor the election, said the quick count was "among the most definitive I have ever seen." The count is based on a large, and strategically varied, sample of votes from urban and rural areas and different social strata, explained Mr. Carter and local analysts.

On Sunday night, following the first presentation of results by the election authorities, Mr. Montealegre denounced the early closing of some polling places and problems with the delivery of voter identification cards. He said he would not concede defeat until all votes were counted.

Mr. Carter agreed that there were minor problems with the voting process, but said he did not think they were significant enough to affect the results.

"The likelihood is that those few anomalies, which exist in every election in the world, will not be substantive enough collectively to change the apparent results of this election," Mr. Carter said.

Electoral observers have said the vote was mostly peaceful and orderly, despite long lines and some angry confrontations among voters who claimed polling stations closed before they could vote.

Observers from the Organization of American States said 2 percent of potential voters were not able to cast ballots, and they estimated turnout around 70 percent, The A.P. reported.

Because the front-runner was a cold-war icon for the left, the race generated interest in the United States. Even Oliver North, a former White House aide to President Reagan, visited to speak against Mr. Ortega. Mr. North was at the heart of what became known as the Iran-contra affair.

But in recent years, American money has flowed into Nicaragua in the form of investments. The country has cheap labor and low crime rates, and recently joined the Central American Free Trade Agreement.

During his campaign, Mr. Ortega emphasized his goal of peace and reconciliation, choosing bright pink as the color for his campaign and adopting the rhythm of John Lennon's "Give Peace a Chance" for his jingle.

For some, Mr. Ortega and the Sandinistas still conjure up memories of the war and tough economic times. Marlon José Sánchez Padilla, 36, who sold oranges on Sunday outside of a polling station in the town of Nindirí, bitterly recalled his two years of military service in the 1980s. "Many people were mutilated," he said. "Now he promises the sky, earth and highways, but we don't believe him anymore."

Others at the polls on Sunday said it was time to give Mr. Ortega another chance. "It seems that Daniel Ortega has asked for pardon," said Ninosca Leets, 46, a housewife who said she fled to the United States during the former Sandinista government. "He's asked for reconciliation. He's asked for a change, and I think he should be given the opportunity."

Ortega Nears Victory In Nicaragua Election (WSJ)

By Jose de Cordoba

The Wall Street Journal, November 7, 2006

MANAGUA, Nicaragua -- Sandinista Party leader Daniel Ortega appeared headed toward a first-round victory in Nicaragua's presidential election, handing the U.S. a diplomatic defeat and bolstering populist forces in Latin America led by Venezuelan President Hugo Chávez.

With returns in from about 61% of polling stations in Sunday's election, the 60-year-old Mr. Ortega, a former guerrilla leader and president, had an eight-percentage-point lead over conservative rival Eduardo Montealegre. Yesterday, an analysis of the vote by a respected civic organization, the Nicaraguan Civic Group for Ethics and Transparency, said Mr. Ortega would win about 38% of ballots cast. He needed at least 35% to avoid a runoff.

While Mr. Ortega campaigned as the candidate of reconciliation and has refrained from criticizing the U.S., his victory will no doubt be seen as a triumph for Mr. Chávez, whose influence had been waning lately owing to a number of setbacks. He had failed in his attempt to win a seat on the United Nation's Security Council and his political allies in Peru and Ecuador lost, in part, because they were identified with Mr. Chávez and his rhetoric.

In Nicaragua, Mr. Chávez may have won some votes for Mr. Ortega by supplying Sandinista allies with cut-rate diesel fuel and fertilizer. Mr. Chávez also has promised to set up an arm of Venezuela's development bank in Nicaragua to fund local projects.

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Washington, on the other hand, actively campaigned against Mr. Ortega, in a kind of echo of the battles of the 1980s, when a U.S.-backed rebel force known as the Contras battled Mr. Ortega's Sandinista government. The U.S. ambassador staged a public campaign against Mr. Ortega and senior U.S. officials said aid and investment could be sharply cut and the country would come to ruin if Mr. Ortega triumphed. Political analysts are sure to debate whether the U.S. campaign backfired.

Mr. Ortega is a hard-knuckle political boss with a devoted, though minority, following, according to most polls. He had lost three previous attempts at the presidency because many Nicaraguans identified him with the hyperinflation, scarcity and the 30,000 dead left by the country's decadelong civil war against Contra forces. He succeeded this time because his opposition was fractured and he had cut a political deal that reduced the percentage of the vote needed to win in the first round to 35% from 45%.

In deeply religious Nicaragua, Mr. Ortega received a politically beneficial blessing from his old foe, Managua's retired but powerful Cardinal Miguel Obando y Bravo. The cardinal married Mr. Ortega and Rosario Murillo, his longtime companion and closest political adviser. Perhaps not coincidentally, the Sandinistas reversed course and helped to overturn a 100-year-old law that permitted abortion in case of danger to the mother's life; the practice is completely outlawed.

Mr. Ortega and the Sandinistas came to power in Nicaragua in 1979 when they toppled the U.S.-backed dictatorship of Anastasio Somoza. He left power after being defeated in elections in 1990, though the Sandinista leadership allegedly stole hundreds of millions of dollars in state lands and assets.

One of the poorest countries in the Americas, Nicaragua has been experiencing an economic upturn thanks in part to a free-trade agreement with the U.S. that has spurred investment and to a modest tourism boom. To keep the country on track, Mr. Ortega will have to convince the U.S., as well as his countrymen, that he has changed from his days as a doctrinaire Communist.

"Nicaragua is like a plane that is taking off. If the pilot makes a bad move, the plane will crash," says Antonio Lacayo, a prominent businessman here. "Ortega must convince everyone that he will keep Nicaragua within the system of free enterprise and civil liberties and democracy."

Mr. Ortega says his days as a Marxist revolutionary are behind him and that he would like to have friendly relations with the U.S. Many fear his authoritarian tendencies could be given free rein if he gets generous financing and strategic support from Mr. Chávez.

Mr. Ortega's supporters rejoiced. "It's going to be different this time," said Pedro Joaquin Romero, a former Sandinista lieutenant, who has been confined to a wheelchair since a 1986 ambush by Contras. "I think he can get the country moving forward."

Ortega's Likely Return Seen As A Blow To US Policy (FT)

By Adam Thomson In Managua

Financial Times, November 7, 2006

Daniel Ortega, the former Sandinista guerrilla leader and leftwing president, on Monday appeared on course to return to power in Nicaragua after an absence of 16 years, according to an incomplete count by electoral authorities.

With about 40 per cent of votes counted by Monday evening, the 60-year-old Mr Ortega was in the lead with 40.1 per cent. Eduardo Montealegre, a former banker and the centre-right candidate for the Nicaraguan Liberal Alliance (ALN), was trailing by about seven percentage points.

An Ortega victory would be a blow for US foreign policy in central America. The leader of the National Liberation Sandinista Front (FSLN) needs 40 per cent of the vote or at least 35 per cent with a minimum margin of 5 per cent over the second-placed candidate to avoid a run-off.

Ever since Mr Ortega lost power to the centre-right Violeta de Chamorro in 1990, Washington has manoeuvred to avoid his re-election. During this year's election campaign, Paul Trivelli, the US ambassador in Managua, has spoken out frequently to warn Nicaraguans of the perceived dangers of a Sandinista government.

Recently Mr Trivelli also warned of Mr Ortega's growing friendship with Hugo Chávez, the oil-rich and anti-US Venezuelan president.

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In a recent interview with the Financial Times, Mr Trivelli even warned that an Ortega-led government would provoke significant changes to the currently healthy bilateral relationship.

"The whole gamut of the relationship that I talked about between the US and Nicaragua would definitely be re-examined – and not only by the executive or the State Department or the White House but by the US Congress," he said.

On Sunday, however, the US government's fears appeared to find little echo among voters. Thousands of electoral observers, including many sent by the European Union and the Organisation of American States, reported trouble-free voting.

In the afternoon, citizens lined up peacefully at a polling station in Granada, Nicaragua's oldest city, while polling officials stained the right thumbs of those who had already voted.

Even so, a statement issued on Sunday by the US presidential delegation said that it had received reports of anomalies such as the premature closing of voting stations as well as slow counting. It concluded: "We are therefore not in a position at this time to make an overall judgment on the fairness and transparency of the process."

On the campaign trail, Mr Ortega, who still wears his trademark moustache but has swapped his military fatigues for casual civilian clothes, has done his best to reassure Nicaraguans that his government would be different to the one he headed in the 1980s.

As part of his message of peace and national unity, Mr Ortega has ruled out the possibility of bringing back compulsory military service.

While his speeches have contained anti-US rhetoric – he has mentioned his desire to modify the Cafta trade pact – he has also defended private business and has ruled out a return to property confiscations.

Ortega Seen Winning Nicaragua Election (AP)

By Traci Carl

AP, November 7, 2006

Daniel Ortega, the revolutionary Marxist who battled a U.S.-backed Contra insurgency in the 1980s, was closing in on Nicaragua's presidency, appearing Monday to have defeated four opponents with promises that he was a changed man.

Electoral officials had yet to release final results from Sunday's vote, but preliminary results and two of the country's top electoral watchdog groups all gave Ortega about 40 percent of the vote. That was more than enough to avoid a runoff against Harvard-educated banker Eduardo Montealegre, who trailed by at least seven percentage points.

Ortega's rivals refused to recognize his victory, saying they would wait until all the votes had been counted. The United States, which has threatened to pull aid from an Ortega government, also said it was too soon to declare the Sandinista leader a winner.

"This isn't over until the last vote has been counted," Montealegre said.

If his victory is confirmed, the Cold War icon would join a growing number of leftist Latin American rulers, led by Venezuela's Hugo Chavez, who has tried to help his Nicaraguan ally by shipping cheap oil to the poor, energy-starved nation.

"This is good for the people of Nicaragua and for the integration of Latin America," Cuban Foreign Minister Felipe Perez Roque told The Associated Press Monday.

Ortega's supporters celebrated in the streets late Sunday, swaying to his campaign song set to the tune of John Lennon's "Give Peace a Chance."

Herberto Jose Lopez, who earns about $235 a month selling CDs from a kiosk, said Monday he voted for Ortega in hopes that he would help Nicaragua's poor.

"I've got a wife and kid and I'm lucky because I have a job, but most people will tell you the same thing: The current administration just governs for the guys in ties," said the 32-year-old Lopez.

Some Nicaraguans worried that an Ortega win would drive away the country's business leaders and elite, as they did the first time he came to power.

"We're just trying to figure out which country to go to," said 27-year-old Karen Sandoval, a Coca-Cola marketer shopping with a friend at an upscale Managua mall. "This sets the country back 20 years."

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Ortega, who served as president from 1985-90, toned down his once fiery rhetoric during the campaign, promising to support the Central American Free Trade Agreement and even maintain good relations with Washington.

The balding, 60-year-old leftist often appears more preacher than revolutionary, calling for peace and reconciliation and urging his supporters to pray.

He says he has changed profoundly since he befriended Soviet leaders, expropriated land and fought Contra rebels in a war that left 30,000 dead and the economy in shambles.

An Ortega victory would cap a 16-year quest to return to his old job. Ortega lost the presidency in 1990, ending Sandinista rule and the Contra war. He has run for president in every election since.

Ortega's vote percentage was similar to what he received in his last two failed presidential bids, but the right was divided this time between Montealegre and ruling party candidate Jose Rizo. The constitution allowed him to win on the first round with only 35 percent of the vote and a lead of five percentage points over his closest rival.

With 40 percent of the vote counted, Ortega had 40 percent to Montealegre's 33 percent. Three other candidates trailed: Rizo, Sandinista dissident Edmundo Jarquin and former Contra rebel Eden Pastora. Statistical surveys of votes conducted by two respected Nicaraguan electoral watchdog groups also both gave Ortega a similar margin.

Electoral observers have said the vote was mostly peaceful and orderly, despite long lines and angry confrontations by people who said polling stations closed before they could vote. Observers from the Organization of American States said 2 percent of potential voters weren't able to cast a ballot, and they estimated turnout around 70 percent.

The race generated intense international interest, including a visit by Oliver North, the former White House aide at the heart of the Iran-Contra controversy, which created a huge scandal when it emerged that Washington secretly sold arms to Iran and used the money to arm the Contras.

These days, U.S. money is flowing to Nicaragua in the form of investments by foreign companies drawn by the country's cheap labor, low crime rates and recent decision to join the Central American Free Trade Agreement.

Nicaraguan presidents cannot serve consecutive terms, and President Enrique Bolanos steps down Jan. 10.

Ortega Headed Back To Power In Nicaragua (LAT)

By Héctor Tobar

The Los Angeles Times, November 7, 2006

MANAGUA, NICARAGUA — Daniel Ortega, the rebel leader driven from power 16 years ago by a U.S.-backed war and the missteps of his own Sandinista movement, was cruising Monday toward victory and an unlikely political resurrection in Nicaragua's presidential vote.

The result was a blow to the Bush administration, which worked actively to discourage Nicaraguans from voting for Ortega, a 60-year-old former Marxist now allied with Venezuelan President Hugo Chavez, the bete noire of Latin American and U.S. conservatives.

With 62% of the ballots counted, Ortega was outpolling conservative challenger Eduardo Montealegre, 39% to 31%. Two separate "quick counts" that took samples of the vote found Ortega would win a clear and "irrefutable" first-round triumph.

Ortega's apparent victory was celebrated Monday evening in the impoverished neighborhoods of this and other Nicaraguan cities, where the Sandinista National Liberation Front's core supporters have remained loyal through years of revolution, counterrevolution and electoral defeats.

Cars cruised down Managua's main streets with horns honking and passengers waving the black and red flag of the Sandinista Front.

"I feel like I did in 1979, because this is a new revolution," said Violeta Mena, 44, remembering the day when the Sandinistas marched into Managua after defeating the army of dictator Anastasio Somoza. "This is not an armed revolution, it's a revolution for social justice."

Though his followers still call him el comandante, Ortega won by reinventing himself as a moderate and a dealmaker in the long tradition of Latin American populist politics.

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Over the last two years, Ortega has forged a series of cunning alliances that have left his opponents on both ends of the political spectrum weak and divided.

Ortega reconciled with former enemies, including the hierarchy of the local Roman Catholic Church and former commanders of the right-wing Contra army who fought to overthrow him in the 1980s. And Sandinista legislators used their influence to change the rules of the electoral contest to make a first-round victory easier.

"He's a smart man and a shrewd politician, obviously," former President Carter said. Carter, who as president met Ortega when the Sandinistas came to power in the 1979 revolution, was leading a 62-observer delegation here.

Having pulled off an unlikely political second act, Ortega "has an opportunity to heal his country and to heal the disparity between his country and the United States," Carter said.

Ortega was winning a first-round victory in Sunday's vote thanks in large measure to a constitutional amendment the Sandinistas negotiated with one of Nicaragua's most powerful politicians — former President Arnoldo Aleman, now serving a 20-year sentence for fraud and money laundering.

The amendment lowered the threshold for a first-round victory from 45% to 35%. Aleman, in exchange, received a loosening of the conditions of his house arrest.

In 1990, 1996 and 2001 Ortega lost presidential elections to conservative candidates even though he won a greater percentage of the votes in each of those races than he did Sunday.

Carter and other international and Nicaraguan observers said the voting had proceeded normally, despite claims by conservative candidates and the dissident Sandinista Renovation Movement of widespread irregularities.

"The election has taken place in a climate of tranquillity," said Claudio Fava, head of the European Union's team of election monitors. "Above all, it is a victory for the Nicaraguan people…. There was no fraud."

U.S. officials, who had strongly urged Nicaraguans not to vote for Ortega and threatened economic consequences, responded cautiously Monday, saying they would withhold comment pending final results.

"The Nicaraguan electorate has responsibility for choosing its leaders," a State Department statement said. "We will work with those leaders based on their commitment to actions in support of Nicaragua's democratic future."

After meeting with Carter at a Managua hotel Monday night, Ortega told reporters that Nicaragua would continue to "give security to the private sector, protect foreign and national investors … and work to eradicate poverty in the country."

Ortega's opponents were not prepared to concede defeat.

"This is a battle to transform Nicaragua," Montealegre, a Harvard-educated banker, said Monday morning. "It won't be over until the last vote is counted."

Another conservative candidate, Jose Rizo of the Liberal Constitutional Party, was running third in the official count, with 23% of the vote.

Oscar Rene Vargas, a sociologist and political analyst here, said the split in the conservative vote, along with a lingering crisis of poverty, immigration and unemployment, helped deliver a Sandinista victory.

Between 1990 and 2005, he said, the number of Nicaraguans living in poverty increased from 2 million to 4 million.

"People had a lot of expectations that life would get better" with conservative governments, Vargas said. "Instead, life got worse." Hundreds of thousands of Nicaraguans emigrated to neighboring Costa Rica, El Salvador and other countries in search of work.

With Ortega looking strong in polls before the election, Paul Trivelli, the U.S. ambassador in Managua, worked behind the scenes to unite Nicaragua's conservative politicians behind a single, anti-Ortega candidate.

Trivelli warned that $220 million in U.S. aid to Nicaragua could be imperiled in the event of an Ortega victory, and U.S. Commerce Secretary Carlos M. Gutierrez said U.S. aid to the country would be endangered if "anti-democratic forces" prevailed in Nicaragua. Three Republican congressmen called on the Bush administration to stop people in the U.S. from sending money to Nicaragua should Ortega win.

The American lobbying has been enough to alarm the Organization of American States, which in October said it "regretted" the U.S. intervention. "The future of Nicaragua's political institutions should depend only on the decisions of the people of this nation," an OAS observer mission said in a statement.

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The European Union and watchdog groups have been critical of Venezuelan attempts to influence the Nicaraguan vote. Chavez is widely believed to have helped fund the Ortega campaign, which dominated the airwaves here.

Michael Shifter, vice president of Inter-American Dialogue, a Washington research group, said U.S. officials have been disturbed at the prospect of Ortega's return. But he said the U.S. effort to prevent Nicaragua from turning to Ortega was out of proportion to any threat the politician could pose to the country and region.

"It's a setback to U.S. policy, but sort of a self-inflicted one, since he's not crucial to U.S. security interests, as they set him up to be," Shifter said.

He said Ortega was not likely to try to push Nicaragua far to the left, and would have to remain closer to the center to accomplish his goals in the country and the region. Ortega will be an ally of the left-leaning regimes in Venezuela, Cuba and Bolivia, but "his capacity to extend his influence is limited," he said.

Who is Ortega?

1945: Born in La Libertad, Nicaragua, to middle-class parents.

1963: Joins Marxist Sandinista National Liberation Front.

1967: Arrested and imprisoned on bank robbery charges.

1974: Released in exchange for hostages, becomes a Sandinista commander.

1979: Sandinistas overthrow dictator Anastasio Somoza and form five-person Junta of National Reconstruction. Under the junta, Nicaragua makes advances in literacy, healthcare, women's rights and working conditions, but sparks opposition with land seizures, economic controls and forced relocation of Miskito Indians.

1984: Elected president, amid boycott by opposition groups.

1986: President Reagan warns that defeat of the U.S.-funded Contra rebels would create "a privileged sanctuary for terrorists and subversives just two days' driving time from Harlingen, Texas."

1990: Loses presidential election to former junta member Violeta Barrios de Chamorro amid spiraling inflation, a U.S. trade embargo and widespread discontent over conscription to fight the U.S.-supported Contra war.

Nicaragua's Ortega Ready For Comeback (USAT)

By Sara Miller Llana

USA Today, November 7, 2006

MANAGUA, Nicaragua — Daniel Ortega, the Marxist who led the fight against U.S.-backed Contra rebels in the 1980s, appeared to be heading to victory in Nicaragua's presidential election, according to partial results released Monday.

The Bush administration openly supported his two conservative opponents to block the election of another leader in Latin America with anti-U.S. leanings. Venezuela and Bolivia have elected anti-American leftists. Brazil also has a leftist president.

U.S. officials, including Commerce Secretary Carlos Gutierrez and Paul Trivelli, the U.S. ambassador to Nicaragua, warned that foreign investors might move elsewhere if Ortega won. Trivelli has called Ortega's democratic credentials “very doubtful.”

During his campaign, Ortega called for unity and reconciliation and vowed he would maintain the country's vital economic ties with the United States, which has provided $1.2 billion in aid since 1990. But he also said he would strengthen relations with Latin American leaders such as Venezuelan President Hugo Chávez.

With more than 60% of the vote counted, the Supreme Electoral Council said Ortega had 39% of the vote and Eduardo Montealegre, a U.S.-backed, Harvard-educated banker, had 31%. Three other candidates in the race trailed. Ortega needed 35% and a 5-point lead to avoid a runoff.

It would be a remarkable comeback for the former president and Sandinista leader who for the past 16 years has tried and failed to recapture leadership.

Jubilant Ortega supporters filled the capital's streets late Sunday after the vote. Opponents said the celebration was premature. “This isn't over until the last vote has been counted,” Montealegre said.

Ortega, 60, was elected president in 1984. The next year, a five-year war broke out against U.S.-backed contra rebels. Nicaragua is the poorest country in the Western Hemisphere after Haiti, according to the U.S. State Department.

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Asked by reporters in Washington on Monday whether it was possible Ortega had changed since his Marxist days, U.S. Secretary of State Condoleezza Rice appeared skeptical. “We'll see,” she said.

Nations Fight Perceived Corruption Image (AP)

By David Rising

AP, November 7, 2006

Nearly three-quarters of 163 countries ranked in a new survey suffer from a perception of serious corruption, while in nearly half it is seen as rampant, a watchdog group reported Monday.

Transparency International's 2006 Corruption Perceptions Index gives the worst scores to many of the world's poorest countries, including almost all African nations, indicating a strong correlation between corruption and poverty.

The stragglers also included several so-called "failed states," including Iraq, which dropped from place 137 last year to second-last as the situation there continues to deteriorate.

"Corruption traps millions in poverty," the agency's international chairman Huguette Labelle said in a statement. "Despite a decade of progress in establishing anti-corruption laws and regulations, today's results indicate that much remains to be done."

The agency's scale is based on the perceptions of the degree of corruption by businesspeople and country analysts. Countries are ranked out of 10, and anything below five indicates "serious" perceived levels of corruption, and anything below 3 "rampant," the agency said.

Several former Soviet republics fared relatively well, with Estonia ranking 24th with a 6.7 rating, Lithuania with 4.8 in 46th and Latvia with 4.7 in 49th. Estonia's place was the highest of the 10 mostly former communist countries that joined the EU in 2004.

In contrast, the perception of corruption in Russia was a dismal 2.5, putting it in a 121st place tie with several other nations including Rwanda and Swaziland. Even Kazakhstan fared better, scoring 2.6.

Faring the best were Finland, Iceland and New Zealand, in a first-place tie with rankings of 9.6.

Filling out the top 10 were Denmark, Singapore, Sweden, Switzerland, Norway, Australia, and the Netherlands.

Britain was 11th with an 8.6 rating, Germany 16th at 8.0 and the United States 20th with 7.3.

France tied with Ireland with a 7.4 rating in 18th place, while Italy mustered only 4.9 in 45th place.

The only African countries to score more than 5 were Botswana and Mauritius.

At the bottom of the list in place 163 was Haiti with a 1.8 rating, just slightly worse than Guinea, Iraq and Myanmar which tied in second-last with a 1.9.

Transparency International did not rank countries for which not enough data was available, including Afghanistan, Somalia and North Korea.

US Suffers Fall In Corruption Ranking (FT)

By Hugh Williamson In Berlin

Financial Times, November 7, 2006

The US has suffered a “significant worsening” in its perceived levels of corruption following a series of business scandals and increasing worries over political party funding, Transparency International, the anti-corruption watchdog, said on Monday.

In an international ranking of countries released ahead of Tuesday’s mid-term congressional elections, the US fell to 20th place from 17th last year.

Its score fell from 7.6 to 7.3, with 10 representing “least corrupt” and 0 “rampant corruption”.

The Berlin-based pressure group’s annual Corruption Perceptions Index ranks 163 countries based on opinion polls and expert assessments.

Huguette Labelle, TI’s global chairwoman, said the reasons could include the greater awareness of corruption after the Enron and Worldcom business scandals, and growing concern in the US that private and business donations to politicians was having a corrupting influence on political affairs.

“Issues of ethics and corruption have been on the front-burner for some time with the US electorate and have played a role in the election,” Nancy Boswell, president of the group’s US chapter, said in an interview from Washington DC.

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Finland, Iceland and New Zealand are the world's least corrupt countries, while Haiti, Burma, and Iraq are most corrupt, according to the index.

This year's index score for Iraq of 1.9 is based only on surveys made after the invasion. The score in 2004, based largely on pre-invasion surveys, was 2.1.

"The systems for upholding integrity in Iraq, the rule of law and courts, are not functioning, or have been destroyed," said David Nussbaum, TI chief executive.

The index also revealed a link between corruption and poverty, TI said, with all low-income countries scoring below 5.0.

Such high levels of corruption could also have very serious consequences, for instance when food and vaccines did not reach poor people. "Corruption kills," Ms Labelle said.

Hilary Benn, British development minister, said: "In poor countries corruption harms the poorest people most of all.

"It is shocking that, according to Transparency International Kenya, bribery costs Kenyans about US$1bn [€787m, £526m] each year, yet more than half of all Kenyans live on less than $2 per day."

Mr Nussbaum said the index highlighted the need for associations of bankers, accountants and company lawyers to pay more attention to corruption.

These were failing to clamp down on members who provided a "veneer of legitimacy" to corrupt politicians in developing and transition countries, he said.

Such professional groups should be doing more to tackle bribery on a grand scale that was facilitated by some of their members.

He cited the International Bar Association, and the International Compliance Association as examples of organisations that should act more convincingly.

He urged professional associations to launch their own investigations into bankers, accountants or others who allegedly "provide the arteries through which corrupt money can flow", or provided offshore facilities to invest stolen funds.

He said anti-corruption codes of conduct of such associations were often "too vague" to be effective, and training programmes were outdated.

"For companies, thinking just in terms of compliance in not enough," he said.

Source: Transparency International

Kidnappings Return To Haunt Long Ethnic War In Sri Lanka (NYT)

By Somini Sengupta

The New York Times, November 7, 2006

COLOMBO, Sri Lanka — Like a returning ghost, a rash of mysterious abductions has come to haunt this country once more.

Men and women are being grabbed from their homes, sometimes after dark, sometimes in broad daylight. Ransom is demanded in some cases; in others, political intimidation seems to be the point. A few have been freed, but corpses have also turned up. With rare exceptions, the crimes remain unsolved.

The abductions are a terrifying sideshow in Sri Lanka's newly revived ethnic conflict, and they contain eerie echoes of the horrors of a generation ago, when this island nation achieved notoriety for tens of thousands of disappearances.

For nearly a quarter of a century, the ethnic Sinhalese-dominated government has been locked in battle with Tamil separatist guerrillas. A new menace has come in the form of a breakaway Tamil rebel faction, widely accused of being allied with the government and — say kidnapping victims lucky enough to tell their tales — of having a hand in the abductions.

The government denies having any link to the group, called the Karuna faction, and describes the latest abductions as a law-and-order problem that it can tackle.

It is difficult to know who is responsible, or exactly how many people have been seized.

The International Committee of the Red Cross says it received more than 350 reports of disappeared persons through late October. The National Human Rights Commission logged 419 such complaints between last December and September.

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A private human rights advocacy group, called Home for Human Rights, has documented 203 cases of missing persons in the first nine months of this year, using newspaper clippings and other reports. It lists 965 more extrajudicial killings, some of whose victims might also have been abducted.

The victims come from all walks of life: a radio reporter, a university dean, a fish trader. For the most part, they are Tamil, the country's main ethnic minority. Many of the abductions have been carried out in government-controlled territory — sometimes in the heart of this highly fortified capital, at other times in the north and east, close to military installations. Some of those kidnapped have won release only after their families appealed to the highest echelons of the state.

A white van appears repeatedly in their recollections: it is the iconic symbol of the late 1980's, when white vans were used in a wave of abductions as the government fought a violent leftist insurrection.

Despite the official denials, the abductions have spread a cloud over the administration of President Mahinda Rajapakse, including a recommendation by the United Nations high commissioner for human rights, Louise Arbour, to dispatch foreign monitors to investigate rights abuses here.

[Instead, on Nov. 6, Mr. Rajapakse's government announced formation of a government commission of inquiry, to be aided by foreign observers. Ms. Arbour's office cautiously welcomed the plan but warned of the need to "establish not only individual responsibility for crimes, but the broader patterns and context in which they occur."]

The spike in rights abuses corresponds to the swift deterioration of a 2002 cease-fire between the Sri Lankan military and the ethnic rebels, the Liberation Tigers of Tamil Eelam.

The rights record of the Tamil Tigers has hardly been exemplary. They have been repeatedly accused of abductions, including of children whom they draft into military service. The rebels are also implicated in a rash of assassinations, in particular attacks on ethnic Tamils who work with the state.

The terror of this war has grown ever sharper with the emergence of the Karuna faction, which broke away from the Tamil Tigers.

Sathasivam Kumararatnam, the fish trader, was packed into a white van on a Thursday morning in late September from a street corner near his house. His captors, he said, pistol-whipped him, blindfolded and gagged him, bound his wrists and took his cash.

He was beaten and interrogated about his links to the Tamil Tigers. His family was then pressed for nearly $10,000 for his release. The Kumararatnams bargained his captors down to half that amount, and when a courier came to pick up the ransom, Mr. Kumararatnam's first-born son, Ravindran, beat him to a pulp. He also forced a confession out of him. "I'm with the Karuna faction," Ravindran said he heard him say.

The police confirmed that a man arrested in connection with Mr. Kumararatnam's kidnapping had confessed to links to the rebel faction. They gave no further details.

His captors have since released Mr. Kumararatnam. But he is not yet free. He still receives threatening phone calls, he says. "This time, we will kill you," the callers tell him.

The political nature of many of the abductions, even in cases where the kidnappers' identities are hard to pin down, seems clear.

Nadaraja Kuruparan, a Tamil radio reporter, said he was not asked for a single rupee after he was yanked from his car one early morning in August. He was held overnight at what appeared to be a private house, he said, and told he would have to "clarify" some of his reports. He was released on the outskirts of Colombo the following day, and given taxi money to return home.

The government had previously warned the station about Mr. Kuruparan's popular talk show, on which he had interviewed a Tamil Tiger leader this year. Since his kidnapping, he has decided to take the talk show off the air.

In another case, Balasingam Sugumar, the dean of arts at the main public university in Batticaloa, in the east, was plucked from his house and detained for 10 days, despite his family's quiet efforts to buy off his captors, the family said.

In exchange for his release, his abductors demanded the resignation of a senior university administrator, whom they accused of having links to the Tamil Tiger rebels. It remains a mystery how the white van that came to get him on a Saturday night in late September managed to pass through the military checkpoints that sit on both ends of his road.

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His family says they do not know what ultimately led to Mr. Sugumar's release, only that they reached out to representatives of each of the warring parties, including President Rajapakse, who promised to investigate.

Mr. Sugumar refused to be interviewed. [He has since fled the country, his family said.]

For now, there seems to be little consensus within the government on who is behind the abductions, let alone what to do about them.

A senior negotiator for the government, Palitha T. B. Kohona, said the kidnappings represented a law-and-order challenge for the state. "We would like to get to the bottom of this," he said. "We will intensify investigations if necessary."

Gotabaya Rajapakse, the president's brother, who also serves as defense secretary, said in late October that "lots of people" had been apprehended in connection with the abductions. But he did not have details on how many and in what period.

His claim was contradicted by a retired judge whom the president appointed to look into the abductions. The judge, Mahanama Tilakaratne, said the police had made virtually no arrests. He also said he believed many of the recent abductions were a result of personal grudges and had little to do with the ethnic conflict.

By way of example, he took out the file of one victim and pointed out that he was suspected of an extramarital affair. The judge said he could not share details of any other cases.

Many of those who disappeared a generation ago are still unaccounted for. Their faces stare out from a simple memorial erected on the outskirts of Colombo. Once a year, their families come to lay flowers.

In late October came a weeping father, W. A. W. Weerasinghe, to remember his son, Krishantha, who was stuffed into a white van one afternoon more than 16 years ago and has not been heard from since.

Along with dozens of other parents, Mr. Weerasinghe, 68, laid flowers and wept. "Disappearance is a crime against humanity," reads a tablet at the base of the memorial. "Let us not allow it to happen again."

At the time of those disappearances, President Rajapakse was an opposition lawmaker and a human rights activist whose colleagues were among the thousands abducted and killed. Nine months after Mr. Weerasinghe's son disappeared, Mr. Rajapakse headed to Geneva to draw the attention of the United Nations to human rights abuses in his country, carrying with him reams of files on missing persons.

According to human rights groups and news reports from that time, the Sri Lankan police seized the documents at the airport.

Will Bush Lose Lebanon, Too? (WSJ)

By Bret Stephens

The Wall Street Journal, November 7, 2006

President Bush learns tonight whether Republicans will lose control of the House, the Senate, or both. But what's a mere midterm when his administration is on the verge of losing an entire country?

That country is Lebanon. Twenty months ago, when Syrian troops were abruptly forced out in the so-called Cedar Revolution after a 29-year occupation, the Levantine state was a byword for the ascendancy of the Bush Doctrine. "It's strange for me to say this," the Lebanese Druze leader Walid Jumblatt told columnist David Ignatius in February 2005, "but this process of change has started because of the American invasion of Iraq. I was cynical about Iraq. But when I saw the Iraqi people voting three weeks ago, eight million of them, it was the start of a new Arab world."

Fast-forward to the present and then watch as the Cedar Revolution gets played in reverse. The White House issued a remarkable statement last Wednesday warning of "mounting evidence that the Syrian and Iranian governments, Hezbollah and their Lebanese allies are preparing to topple Lebanon's democratically elected government." That evidence includes recent threats on the lives of leading anti-Syrian figures, about a dozen of whom were assassinated last year. Hezbollah leader Hassan Nasrallah has also promised massive demonstrations if his demand for a "national unity" government -- in which he and his allies would gain enough seats in the cabinet to exercise a veto -- is not met by the end of this week.

This could be scene-setting for another civil war, if the Lebanese have the appetite for it. Mr. Nasrallah's opponents, including the notorious Christian militiaman Samir Geagea, have put it about that if Hezbollah goes ahead with its demonstrations they will stage massive counterprotests and perhaps barricade the roads into Beirut.

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What would Mr. Nasrallah do then? "He's going to push the troops of others to bring about an incident," speculates Lebanese commentator Walid Phares of the Foundation for Defense of Democracies. "He'll start a massive demonstration in front of [Prime Minister Fuad Siniora's] office and demand his resignation. He'll portray himself as the opposition. What he would love most of all is to have the media broadcast the downfall of the Bush-allied government."

That's one scenario, though it probably won't come to that: Mr. Nasrallah would prefer maximum autonomy within the country than actual responsibility over it. Instead, Lebanon's political classes are likely to settle on a compromise that would sacrifice at least one of the three most cherished goals of the Cedar Revolution. The first is disarming Hezbollah, as required by the 1989 Taif Accords and demanded by U.N. Resolutions 1559 and 1701. But that latter resolution, part of the cease-fire agreement arranged by Condoleezza Rice last summer, does more to shield Hezbollah from Israel than the other way around.

Second is a successful conclusion to the U.N. investigation into the murder of former Lebanese Prime Minister Rafik Hariri. The investigation, led by low-key Belgian prosecutor Serge Brammertz, is said to be within weeks of wrapping up, and informed U.S. diplomatic sources expect that it will indict senior figures in the Syrian regime, including relatives of President Bashar Assad. But the indictments must be followed by a trial in Lebanon, which Mr. Assad is desperate to quash. Hence the Hezbollah power play: If Mr. Nasrallah and his allies can gain a third of the cabinet's seats, they can prevent the Hariri case from ever going to trial.

Finally, the Cedar Revolution was supposed to put an end to Syria's meddling in Lebanon. But that won't happen if at the end of this week's political negotiations the Lebanese government allows President Emile Lahoud, still and forever a Syrian puppet, to remain in office even as the country moves to early elections. Nor does it help that Mr. Assad continues to prove his worth to Mr. Nasrallah by serving as his main conduit of arms.

In all this, Hezbollah has been helped by the weakness of its domestic opponents. The Cedar Revolution demonstrated that Lebanon's anti-Syrian forces were a majority in the country. But those forces are fractious and unsure of themselves, and Mr. Nasrallah was able to draw down their support by striking a deal with the opportunistic Maronite leader Michel Aoun. Israel's incompetent military campaign last summer was another boon for Mr. Nasrallah, since anything less than his complete defeat in war was bound to embolden him politically.

Then there is the forthcoming report of former Secretary of State James Baker's Iraq Study Group, which is rumored to urge the Bush administration to re-engage Damascus diplomatically. In recent days Mr. Assad has been talking a blue streak about his willingness to make peace with Israel, a signal that he might be willing to play ball on that front and maybe in Iraq if only the administration lets him have his way in Lebanon.

The term for Mr. Baker's advice is "sell-out," and it is entirely characteristic of his past Mideast diplomacy. As an alternative, Mr. Phares argues that Ms. Rice should convene a conference of Lebanese NGOs in Washington as a way of bracing them for what he calls a "second Cedar Revolution." Also noteworthy is the internal Shiite opposition to Hezbollah: "The Shiite community never gave anyone the right to wage war in its name," Sayed Ali al-Amin, the Shiite mufti of Tyre, recently told Beirut's An-Nahar newspaper. With winter approaching and Hezbollah reportedly sharply cutting back on its reconstruction funds to homeless Shiites, there's an opportunity here to discredit Mr. Nasrallah and separate his organization from its religious base.

Saving Lebanon will require focus, nerve and imagination, qualities hitherto absent from Ms. Rice's tenure at State. Maybe if her boss loses his majority in Congress, he'll be less inclined to let the remainder of his legacy go down the drain with it.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Appeals Court Weighs Prisoners' Right To Fight Detention (NYT)

By Neil A. Lewis
The New York Times, November 7, 2006

WASHINGTON, Nov. 6 — The Bush administration's successful effort to have Congress eliminate the right of Guantánamo prisoners to challenge their detentions before federal judges is now moving toward what may be an epic battle in the courts.

And while lawsuits on the topic are spread across the judiciary, the principal battleground, legal experts say, is the federal appeals court in Washington. That court has been considering for three years whether the hundreds of prisoners at Guantánamo Bay, Cuba, have the right of habeas corpus — that is, the ability to ask a federal judge to review the reasons for their detention.

But the law passed by Congress last month eliminating the habeas right supersedes almost all of the arguments that have gone before and is now the focus of the legal confrontation, government and civil liberties lawyers agree. In a ruling last June, the Supreme Court had said that an earlier measure did not eliminate habeas lawsuits that were already in the courts. However, in October, the administration used more explicit language, saying the new law retroactively blocked federal courts from entertaining habeas lawsuits by Guantánamo detainees.

The three-judge appeals court panel will have to decide whether the pending lawsuits brought by the 430 or so remaining detainees at Guantánamo should be thrown out, as the Bush administration has argued, or whether the new law is unconstitutional, as civil liberties groups have contended.

Whatever resolution is reached by the three appellate judges — David B. Sentelle and A. Raymond Randolph, both appointees of Republican presidents, and Judith W. Rogers, appointed by a Democrat — it will almost certainly end up before the Supreme Court. A decision could come from the appeals court before the end of the year.

Lawyers for the detainees said in a recent brief that despite the wording of the new law, Congress could not take away the right to bring such habeas corpus lawsuits because that would violate the Constitution.

Their brief notes that the Constitution provides that Congress may suspend the right only in cases of rebellion or invasion, as President Abraham Lincoln did during the Civil War. Congress may provide a substitute, but only one that is equivalent to a full-blown habeas action, the lawyers said in their brief.

Justice Department officials said they would argue that the law is constitutional when they issue their formal reply in a brief due next Monday.

David B. Rivkin Jr., a White House counsel in the administration of the first President Bush, said he believed the department would emphasize that the new law provided an adequate substitute method for a detainee to challenge his confinement.

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A proceeding held for each prisoner at Guantánamo, called a Combatant Status Review Tribunal, is presumed to provide a legally sufficient justification for detention, under the new law. That proceeding, in which three military officers decide if a prisoner is rightfully deemed to be an unlawful enemy combatant, may be appealed directly to the Court of Appeals for the District of Columbia Circuit.

Mr. Rivkin, an authority on national security law who supports the administration, said the law did not suspend habeas corpus but instead provided a new way for it to be exercised.

"The government is saying, 'Look, we're not denying anyone's chance to get habeas,' " he said. "We're just providing a different way."

Mr. Rivkin said the judges on the appeals court panel should be especially receptive to the idea that the process is fair because the law provides for that very court to hear any appeals from the military tribunals.

But the detainees' lawyers have argued that the law provides for only a limited review of the military tribunals by the appeals court. Under the new law, they said, the appeals court may not look behind the record of the military tribunal, and the judges, in effect, are required to accept all of the military's assertions.

Similar objections to the law are contained in a brief filed by seven former federal judges, who were appointed by both Democratic and Republican administrations. The judges say in their brief that the law has "one specific and fundamental flaw," namely that the military tribunals may accept evidence obtained by torture. The judges said the limited review for the appeals court in the new law "cannot remove the stain of torture because the court, at least according to the government, cannot alter or expand the record created by the military."

They said that "no habeas court would permit detentions based on evidence obtained in this manner."

New Rules Go Into Effect At EU Airports (AP)

The AP, November 7, 2006

Passengers were allowed to take only small amounts of liquids on board airplanes Monday as strict new security measures on hand baggage went into effect across the European Union.

The new EU rules limit passengers to carrying 100 milliliters (a fifth of a pint) of liquid per container on board planes — part of regulations imposed after British police said in August that they had broken up a plot to bring down U.S.-bound flights with liquid-based explosives.

New restrictions on the size of carry-on luggage will be introduced in April.

All liquids — not only water and soft drinks but also soups, creams, lotions, oils, perfumes, sprays, gels, toothpaste and shaving cream — are subject to security checks before passengers board their planes.

The containers must fit into a clear re-sealable plastic bag to be presented at security checkpoints, officials said.

The new rules do not affect liquids packed in checked luggage, or drinks and perfumes bought at airport shops after passengers clear security.

Baby foods and medicines also are exempt but can be subject to inspection, officials said.

"All airports in the European Union must apply the new regulations to protect civil aviation against the threat of homemade liquid explosives," EU spokesman Ferran Tarradellas Espuny said over the weekend. "Liquids in hand luggage have to be put in a separate bag."

The rules went into effect Monday at all airports within the 25-nation EU and in Norway, Iceland and Switzerland.

Passengers also are required to remove coats and jackets at security checks, and remove laptop computers and other large electrical items from bags for inspection.

Starting April 17, new rules on cabin baggage will limit hand luggage to a maximum 56 by 45 by 25 centimeters (22 by 17 by 10 inches) — with exceptions for some items, such as musical instruments.

Accused Iraqi Agent Held At Federal Supermax Prison In Colorado (AP)

AP, November 7, 2006

INDIANAPOLIS - An Indiana truck driver convicted of plotting to sell U.S. secrets to Saddam Hussein is incarcerated at a federal super-maximum-security prison in Colorado under an order approved by U.S. Attorney General Alberto Gonzales, a report Monday said.

Justice Department officials have isolated Shaaban Hafiz Ahmad Ali Shaaban, 54, of Greenfield, under a policy that permits the FBI to eavesdrop on his conversations, restrict his access to news reports and prohibit anyone other than attorneys and family members from talking to him, The Indianapolis Star reported.

Shaaban is being held under an order known as a special administrative measure, which is meant to keep federal inmates from inciting violent attacks from prison or disclosing classified information that could harm national security.

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William Dazey Jr., a public defender who assisted Shaaban at his trial in U.S. District Court in Indianapolis earlier trial this year, said the order was unusual.

"I have not seen evidence that would support the notion (Shaaban) is a threat to the United States," Dazey said.

Among the other convicts held under similar conditions at the Florence Federal Correctional Complex about 90 miles south of Denver are Zacarias Moussaoui, the alleged "20th hijacker" in the Sept. 11, 2001, terrorist attacks, and Richard Reid, who tried in December 2001 to detonate plastic explosives in his shoe on a Paris-to-Miami flight.

At Shaaban's sentencing, Judge John Tinder recommended placing Shaaban in a federal prison at Terre Haute, closer to his wife and young son, who remain in Greenfield.

However, Assistant U.S. Attorney Sharon Jackson requested the restrictions, and Attorney General Alberto Gonzales initialed the order.

Jackson is on special assignment with the Justice Department and was not available for comment Monday, said Mary Bippus, a spokeswoman for the agency in Indianapolis.

Shaaban was stripped of his U.S. citizenship after being found guilty in January of six federal charges, including illegally acting as an agent of the Iraqi government.

He was sentenced to 13 years, four months in prison after a trial in which prosecutors portrayed him as a clever spy who had offered to sell the names of more than 60 clandestine CIA operatives to Iraqi intelligence officials for millions.

Under special administrative measures, the Justice Department must certify a substantial risk exists that an inmate's communications could result in death or serious bodily injury to others.

The regulation states the inmate must be notified of the restrictions and the justification. However, Shaaban received an order that redacted the justification.

Critics question the necessity and the psychological effects of limiting virtually all contact with the outside world for years at a time.

"A lot of this is show. It's playing to people's fears about terrorism," said Khurrum Wahid, an attorney with offices in New York and Miami who defends terror suspects.

HOMELAND RESPONSE:

Feds Target Terrorist Recruiting In Prisons (USAT)

By Mimi Hall

USA Today, November 7, 2006

WASHINGTON — The federal government is working with prisons in dozens of states to improve intelligence gathering and monitoring of inmates in a stepped-up campaign to curb homegrown terrorism behind bars.

The FBI and Homeland Security Department are urging prison officials to do more extensive background checks on workers and volunteers who meet with inmates. And members of Congress are looking at possible reforms in prison security as a way to combat the spread of extremist Islamic beliefs.

Chief among the concerns is that radical Muslim clerics could have access to prisoners and coerce them with terrorist literature.

“It's a concern because we know that violent extremist groups will target people in prisons,” said Donald Van Duyn, the FBI's counterterrorism director. “We're working to improve monitoring, improve training and increase awareness.”

The intensified surveillance follows the recent arrests of people alleged to be home-grown terrorism suspects in London and Canada, which have raised concerns that the United States may be vulnerable to terrorism at the hands of its own citizens. British authorities said in August that they broke up a conspiracy to blow up U.S.-bound airliners with liquid bombs, and Canadian officials charged 17 people in June with an al-Qaeda-inspired plot to possess 3 tons of bombmaking materials.

Homeland Security officials, who are sending investigators to prisons around the country to gather intelligence on inmate radicalization, are worried that similar plots could be hatched in U.S. prisons. “Prisons can be a breeding ground,” says Charles Allen, Homeland Security's top intelligence officer.

Among the steps that the FBI and Homeland Security are urging prisons to take:

·Develop more informants and set up more intelligence units in state prison systems. The FBI is encouraging prison systems to set up their own intelligence units and to work with local agents to share information. The bureau won't say whether it has undercover agents in the nation's prisons.

·Train more prison staff to recognize signs that prisoners are turning to extremist propaganda, sharing radical views, and attempting to convert other inmates.

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·Conduct background checks on volunteers and workers to ensure extremist Muslim clerics don't have access to prisoners.

"Our concern is not with prison inmates converting to Islam," says Sen. Susan Collins, R-Maine, chairwoman of the Senate Homeland Security Committee. "For many converts, this religion brings the direction and purpose their lives previously lacked."

A case in California shows how some U.S. prisons have spawned converts to radical forms of Islam.

Members of an extremist group robbed a dozen Los Angeles gas stations in 2005 to raise money to finance terrorist attacks on the United States.

The group's founder, Kevin James, is alleged by the FBI to have recruited members from prison. Four members of the group are awaiting trial on charges including conspiracy to levy war against the U.S. government.

"We have to wonder how many other such conspiracies are taking shape under the radar in other prisons," Collins says.

Prosecutors: Terrorists Plotted More Attacks On NYC, London (USAT/AP)

By David Stringer

USA Today, November 7, 2006

LONDON — An al-Qaeda operative captured in Britain planned to bomb the New York Stock Exchange and plotted a series of attacks on London, one to blow up a London subway train as it passed below the River Thames, prosecutors said at a sentencing hearing Monday.

Dhiren Barot, 34, pleaded guilty last month to conspiring to commit mass murder in terrorist plots on both sides of the Atlantic. He could face a life sentence in Britain and is wanted in the USA and Yemen on separate terror-related charges.

The Muslim convert and seven alleged accomplices spent more than four years making detailed plans to attack a host of financial industry targets in the USA. They also allegedly plotted to detonate limousines packed with explosives in the underground garages of famous London hotels and train stations.

Prosecutor Edmund Lawson said the group considered using a radioactive "dirty bomb" and ramming a gasoline tanker into a high-profile British target.

Lawson showed clips of a reconnaissance video shot in 2001 during a visit to New York by Barot. The shaky footage — shown on screens in the courthouse — zoomed in on the World Trade Center as an unseen man mimicked the sound of an explosion. Prosecutors said Barot did not have prior knowledge of the Sept. 11 terror attacks that killed almost 3,000 people.

Lawson said that starting in 1995, Barot trained at terrorist camps in Pakistan, Kashmir, Malaysia and the Philippines — crisscrossing the globe to refine skills at bombmaking and with weapons and chemicals. Born in India and raised in Britain since 1972, Barot became the "organizer of major terrorist activity designed to strike at the very heart of both America and the United Kingdom," Lawson said.

In August 2000 and March 2001, Barot traveled to the USA, visiting an aunt in New Jersey, Lawson said.

Plans outlining details of the U.S. attacks were found on a computer after Barot's arrest in August 2004. The 80-minute New York reconnaissance footage was spliced into a videotape of Die Hard with a Vengeance, Lawson said. The video contained shots of entrances, exits and security barriers at the New York Stock Exchange and the Citigroup headquarters.

Prosecutors said Barot's targets included the World Bank headquarters and the International Monetary Fund, both in Washington, the Citigroup buildings in New York and the Prudential building in Newark, N.J.

Barot is wanted in the USA on charges of conspiracy to use weapons of mass destruction. Under British law, domestic proceedings take precedence over an extradition. He also is wanted in Yemen in the kidnappings of Westerners in 1988.

Under the alias Issa al-Britani, Barot was named in the report of the U.S. commission that examined the Sept. 11 attacks, as an associate of Khalid Sheikh Mohammed, the alleged planner. The report said Mohammed ordered al-Britani to identify bomb targets in New York.

British Court Hears Of Qaeda Plans For 'Black Day' (NYT)

By Alan Cowell

The New York Times, November 7, 2006

LONDON, Nov. 6 — A prosecutor told a court here on Monday that Dhiren Barot, the most senior operative of Al Qaeda known to have been captured here, had plotted "a memorable black day for the enemies of Islam" by killing "hundreds if not thousands of innocent people" in Britain and the United States.

Mr. Barot was arrested in Britain with seven others in August 2004, after a major security alert in the United States.

He pleaded guilty in October to a charge of conspiracy to murder.

The potential targets included the New York Stock Exchange, the headquarters of the International Monetary Fund in Washington and, in London, a subway train as it traveled under the Thames. Other supposed targets included Citigroup in Manhattan and the Prudential building in Newark, prosecutors have said.

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He could face life in prison when two days of pre-sentencing hearings conclude Tuesday. He is also wanted in the United States.

Mr. Barot, 34, who converted to Islam from Hinduism, was said to have worked on plans to use a radioactive so-called "dirty bomb" and limousines jammed with gas canisters to explode in underground parking garages.

Edmund Lawson, the prosecutor, said Mr. Barot had planned "to carry out massive explosions here and in the United States, the principal object being to kill hundreds, if not thousands, of innocent people without warning."

Details of the investigation were made public only after several news organizations sought a court ruling lifting restrictions on reporting. The prosecutor described him as a young man who converted to Islam in his early 20s, traveled to Pakistan for terrorist training in 1995 and then to the United States to assess potential targets for Al Qaeda in 2000 and 2001.

The planned operations in the United States were suspended after what Al Qaeda saw as the "success" of the Sept. 11, 2001, attacks, the prosecution said. But, according to Mr. Lawson, notes, documents and computer evidence from Mr. Barot showed that he later made plans for attacks in Britain.

In a note, Mr. Lawson said, Mr. Barot referred to the idea of attacking a London subway train as it traveled under the Thames.

"Imagine the chaos that would be caused if a powerful explosion were to rip through here and actually rupture the river itself," Mr. Barot was said to have written. "That would cause pandemonium, what with the explosions, flooding, drowning etc. that would occur."

Mr. Lawson said Mr. Barot returned to Pakistan in early 2004, apparently to seek approval and financing for his plans. "There were plans for the detonation of a radiation dispersal device, more commonly known as a dirty bomb, the use of a petrol tanker to cause an explosion, and an attack on London's rail or Underground network," Mr. Lawson said.

Court Told Of Terrorist's Plans To Kill Thousands (WT/AP)

By David Stringer

The Washington Times, November 7, 2006

LONDON -- One of the top al Qaeda operatives known to have been captured in Britain appeared in court amid heavy security yesterday for sentencing in a plot to bomb the New York Stock Exchange, the International Monetary Fund headquarters in Washington and to use a dirty bomb in London.

Dhiren Barot, 34, started plotting six years ago for a "memorable black day for the enemies of Islam," prosecutor Edmund Lawson said at the hearing, which was punctuated by a dramatic moment when prosecutors showed a March 2001 video shot while Barot was in New York. The camera zooms in to the World Trade Center and a man is then heard mimicking the sound of an explosion.

"This, we have to bear in mind, was five months before 9/11," Mr. Lawson said.

Flanked by two guards, Barot sat expressionless behind a glass partition as the proceedings began. He pleaded guilty last month to conspiring to commit mass murder in terrorist plots on both sides of the Atlantic. He faces a life sentence.

The criminal plot was to carry out massive explosions in Britain and in the United States, and was meant to kill "hundreds if not thousands of innocent people without warning," Mr. Lawson said.

Barot planned to cram three limousines with gas cylinders and explosives and detonate them in underground London parking garages, Mr. Lawson said. He also identified London hotels such as the Ritz and the Savoy, and railway stations such as London's Waterloo, Paddington and King's Cross as targets. Other attacks in Britain included using a dirty bomb, although experts question whether it would have been lethal.

Mr. Lawson, citing computer files recovered by police, said Barot planned to bomb a subway train as it traveled through a tunnel under the River Thames.

"If a powerful explosion were to rip through here and actually rupture the river itself, this would cause pandemonium ... explosions, flooding, drowning," Barot wrote in the computer documents found, according to Mr. Lawson.

Barot was born a Hindu in India, but was brought to Britain as a toddler. He converted to Islam when he was about 20, Mr. Lawson said.

After leaving his job as an airline-ticket clerk in Britain, he went to Pakistan and attended a terrorist-training camp in the Pakistan-controlled area of Kashmir for at least four months, Mr. Lawson said.

Investigators confiscated Barot's notes that showed he gained extensive training in the use of weapons, chemicals and bomb design. In 1998, he traveled to Malaysia and in 1999 the Philippines, where he attended the Jemaah Islamiyah terrorist-training camp, Mr. Lawson said.

In August 2000 and March 2001, Barot went on two reconnaissance trips to the United States, Mr. Lawson said.

It was this 2001 trip to Manhattan when prosecutors said the video of the World Trade Center was shot.

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"It is memorable for its macabre prophecy," said Mr. Lawson, who said he didn't think Barot had prior knowledge of the September 11 attacks.

Government Officials And Muslim Teens Meet At Taping Of Talk Show (NY1)

NY1, November 7, 2006

Muslim students put FBI and immigration officials on the hot seat Sunday at a taping in Queens of a well known Pakistani talk show. NY1 Criminal Justice reporter Solana Pyne was there as a panel answered questions about everything from FBI training to the success of the war on terror.

An unusual gathering even for a place as diverse as Queens, as a well known Pakistani talk show host taped a program to bring back home.

"There is an important question, what is the outcome of this war on terror after five years," asked talk-show host Hamid Mir.

A room full of students asked questions.

"Are FBI agents or other government officials trained, or getting trained to learn more about Islam?" asked one student in attendance.

Answering them was a member of parliament from the United Kingdom, a local imam, Muslim academics from both coasts, as well as the head of the New York office for Federal Immigration and Customs Enforcement Agency, and an FBI special agent.

"FBI Agents can't all look like me," said FBI special agent, Andrew Arena. "They can't all be white guys. We have got to diversify and that's very, very important. We train our agents from day one in the academy to understand the Muslim faith."

In the last few years, FBI and immigration officials have held several meetings with members of the city's Muslim communities, fielding both questions and complaints. But the event Sunday evening was unusual, not only because it included Muslim leaders from across the country, but also because it was the first with Muslim teens and young adults.

"There was some concern on the community's part, particularly after the bombings in the United Kingdom, that there were certain potential segments of the Muslim-American youth in the United States that might be disenfranchised," said Martin Ficke of the Federal Immigration and Customs Enforcement Agency. "And of course they have more, you know, potential to be radicalized."

And the forum, held just two days before the U.S. elections, was a chance to let students have their voices heard by government officials. It was also a chance for government agencies to recruit.

"I've had a lot of people come up to me tonight and ask about job opportunities with the FBI," said Arena. "This is the future of the FBI."

Hundreds of students attended the event, and as to how successful it was, well, it depends on who was asked.

"The questions were repetitive and the panel was composed of all non-students, with the exception of one, who did not even receive a chance to speak," said Fatima Ashraf, a forum participant.

"I think this is how we are going to be able to show to America, and to the rest of the world, that we can also contribute good ideas that can help bridge the gaps," added Ali Nayyar, another forum participant.

But even those who wished the event had been organized differently said they hope there will continue to be more events that allow students to have their say.

Liquids Allowed On Flights, But Bring Patience, Too (CSM)

By Alexandra Marks

The Christian Science Monitor, November 7, 2006

NEW YORK

Flying home this Thanksgiving? There are two things experts say are essential to bring: patience and a sense of humor.

Planes are expected to be fuller, prices higher, and security lines longer than ever.

The good news is that means some major airlines are finally turning a profit in the post-9/11 world. The bad news is passengers are paying for it with their time and comfort.

"It's a very strong travel season. We're looking at some of the highest load factors we've ever seen at one of the busiest times of the year," says Darryl Jenkins, an aviation expert in Marshall, Va. "Go to the airport early, and go with excessive amounts of humor."

Load factor is aviation jargon for the percentage of seats occupied by paying customers. Usually, 65 to 75 percent of seats are filled, so it wasn't unusual in the past to expect that center seat to be empty so you could spread out a bit and relax - but no more.

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This summer load factors were 90 to 100 percent, and that's where they're expected to stay this holiday season. The reason is major airlines have cut back on the number of planes flying so they can increase the amount of money they make on each one that goes aloft.

A recent scientific poll for Expedia.com also found that of people who plan to travel by air this holiday, 80 percent plan to travel as much or more than last year. So, to that full center seat add winter coats and presents for your mother, and you'll be prepared for what to expect: discomfort and inflexibility. Experts say if you're late to the airport, unlike in the old days, don't expect to be able to hop on the next flight.

"If you think, 'Oh, there are 10 flights a day to New York, I'll just get on the next one,' the likelihood of that happening is much, much less now," says Chris McGinnis, editor of Expedia Travel Trendwatch, a quarterly report on the travel industry, based in San Francisco. "That can really botch a trip if it's only three days, so I would say always err on the side of being early and just hanging out at the airport."

Then, of course, there are those vaunted Transportation Security Administration security checks - the other major reason experts are urging travelers to get to the airport as early as possible. During the holidays a lot of people fly who usually don't. So many may be confused about what the TSA will and will not allow on board.

For instance, did you know that some liquids and gels are now allowed? But they have to be in three-ounce containers inside quart-sized sealable baggies, not gallon- or a sandwich-sized. All lighters are banned, but you can bring on four books of matches. TSA's website, at www.tsa.gov, details these rules and is a must-see for anyone who hasn't flown in recent months.

"To make it more understandable to people we've launched a campaign called 3-1-1," says Ellen Howe, a TSA spokeswoman. "It's a reminder of three ounces or less, one quart-sized bag, one bag per traveler, and that bag needs to be pulled out of your carry-on and placed into the bin."

But even with all of the efforts the TSA is making to ensure passengers are informed and its employees are abreast of the current requirements, experts across the board say there's still too much inconsistency.

"You go there one day and one thing is OK, and then the next day you're told that is no longer OK," says Mr. Jenkins. "That's the biggest problem we have with the airlines, is that nobody knows what's kosher."

Knowing what's kosher is crucial because just a few seconds of delay per passenger can add up to very long lines with delays stretching as many as two hours.

"A delay of 10 seconds per passenger, in fact, could back up the line to the point where people could start to miss their flights," says Mike Callinan, president of Productivity Apex Inc. in Orlando, Fla., which did an analysis for the Orlando International Airport.

Some analysts contend that those wait lines and the hassle of security could have been greatly reduced if the TSA had been more efficient in getting the Registered Traveler and Secure Flight programs up across the country. The Registered Traveler program is designed to speed frequent fliers through the screening process once they've volunteered biometric and background information and paid a fee to a government-approved private company. So far, only the airport in Orlando is operating a pilot program, although 13 others have applied to run such programs.

The other program, Secure Flight, is designed to simplify the manner in which passenger names are checked against the federal government's Terror Watch List. After spending hundreds of millions of dollars, the program has been scrapped and sent back to the drawing board because of privacy concerns.

The TSA's Ms. Howe defends the decision, saying, "We'd rather get it right than fast." And some travel experts agree. Kevin Mitchell, chairman of the Business Travel Coalition in Radnor, Pa., says the current screening system needs to be improved before any new layers are added.

"If you're going to put new processes on top of things that aren't yet operating at an efficient or proficient level, then you can actually complicate matters, and customer service can suffer more," he says.

Will Long Lines Be In The Bag This Thanksgiving? (USAT)

By Marilyn Adams

USA Today, November 7, 2006

ATLANTA — Many air travelers have been slow to catch on to the new rules of flying, and government and airline officials fear the confusion could snarl security lines at some of the USA's busiest airports Thanksgiving week.

At major airports such as Atlanta Hartsfield-Jackson, Washington Dulles, Las Vegas and others, many passengers arrive unaware of rules that have restricted what may be carried aboard a flight since the uncovering in London last August of an alleged terrorist bombing plot.

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Despite strict rules barring large containers of liquids in carry-on bags, passengers are showing up with big containers of shampoo, toothpaste, aftershave, water, even liquor. Such errors force security screeners to instruct passengers, remove the banned items and make time-consuming hand searches of bags. The result: slower lines.

ADVICE: Not following baggie rules can bog down lines

If the Atlanta airport — the USA's busiest — is any sign, it could be a tough season when the volume of travelers soars later this month for Thanksgiving. Willie Williams, federal security director at Hartsfield-Jackson, says screening there is running as much as 30% slower than before the liquids ban.

Jack Smith, AirTran Airways' customer service chief, says the discount carrier is worried about the screening slowdown not only at its Atlanta hub but across its system.

"We're concerned, and we're doing everything we can to educate the customer," Smith says.

Airline officials say lines have increased at almost every sizable airport. But at certain airports, high volumes of less-experienced leisure travelers, combined with the physical layout, give rise to extraordinary problems. At the worst times at Hartsfield-Jackson — early morning on Monday and Saturday — security lines can snake back from the checkpoints through the terminal's atrium, down the hallways to the rapid transit station and back up the hallway to the luggage carousels.

Wait times on Columbus Day, a Monday, ran well over an hour after bad weather the day before forced AirTran and Delta Air Lines, the biggest carrier at Atlanta, to rebook some passengers. It wasn't that bad early last Saturday. Lines were long, but they moved relatively quickly. The longest wait to get through the checkpoint ran 19 minutes at 8 a.m.

Several travelers grumbled that they didn't know or forgot about the liquids restriction until the security agents reminded them at the start of the lines.

"I thought the ban was over," says Shane Hoff, a sales manager in Atlanta who had to throw away his shaving cream and deodorant in a large trash bin next to the agents' desks.

"I'm traveling with my wife's family. I'm going to smell all weekend," he said. "But it's not the end of the world."

Recent Mondays have also been tough.

"Atlanta Hartsfield on Monday morning looks like Disney World during spring break," says Atlanta-based business traveler Pat Everett, a hospital consultant.

Everett won't be traveling over the holidays. "I can't imagine what it's going to be like."

The holidays tend to see more infrequent fliers more likely to be unfamiliar with the rules. Airline officials worry that long security lines around Thanksgiving could cause passengers to miss their flights at a time when planes are too full to accommodate travelers left behind.

Officials also worry that bad experiences by passengers, and publicity about long airport waits at the holidays, will discourage some people from flying in the future.

"We're concerned about the next 30 days or so," says Christopher White, spokesman for the Transportation Security Administration, which runs airport checkpoints nationwide. "We have all hands on deck."

In October, several big airports were showing much longer wait times than in July, before the liquids ban, according to TSA figures. But even the biggest crowds in October don't come close to what airports are bracing for at Thanksgiving. Fully 50% more passengers surge to the airport on the day before Thanksgiving than on a typical Wednesday. The Sunday after Thanksgiving sees 15% more passengers than a typical Sunday.

'They won't have a clue'

The growing lines have prompted the TSA to launch a national public education campaign in the media, on its website (www.tsa.gov) and at airports to help passengers obey the liquids rules.

Major airports such as Atlanta and Las Vegas McCarran are waging their own education campaigns with press conferences, videos shown in area hotels and staff inside the airport telling passengers what they can take aboard.

Despite the outreach, says Randy Walker, director of Las Vegas McCarran, "I think this holiday season will be problematic." Airports nationally "will be getting a lot of people who haven't traveled since all this happened, and they won't have a clue."

At Las Vegas airport last week, passenger Tracy Parkswas surprised by the plastic bag rule.

"I just don't understand the baggie," said Parks, a therapist from Kansas City, Mo. He and his friend, Brian Thompson, were stopped from carrying bottled water and cologne in their carry-on bags, and had to check them.

"Now that I know about the baggie, I will use the baggie," Parks said.

Walker says a passenger recently showed up at a checkpoint there carrying a bottle of whiskey. He told the screeners it was exempt from the rules, and insisted the screeners just wanted it for themselves. Eventually, the man relinquished it.

In New Orleans, TSA says, a passenger arrived at a checkpoint with a pint-size bottle of hot sauce. In Atlanta, a woman showed up with so many little bottles of liquor that they wouldn't all fit inside a one-quart zip-top bag.

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When the screeners told her she couldn't take them all through the checkpoint, she drank three of the bottles and took the rest aboard.

According to the TSA, passengers are still showing up at checkpoints with full-size containers of toiletries inside their carry-on luggage. Other passengers don't have their little toiletries inside a zip-top bag, or they have a bag that's much bigger than a quart.

Still others are failing to remove the bag containing the toiletries from their carry-ons before X-ray screening. That forces the screeners to hand check the bag on the other side of the X-ray, slowing down the line.

Passengers "are doing it innocently," says Williams, the Atlanta security official. "They're not trying to sneak something through."

Large bottles of liquids, no matter how costly or important to the traveler, must be discarded before the checkpoint — or the suitcase must be checked.

The evolution of the liquid ban

The liquids crisis began Aug. 10. British authorities arrested more than 20 men in London believed to be plotting to blow up U.S.-bound trans-Atlantic jets using liquid explosives taken onto planes in carry-on luggage.

The TSA and its counterpart in Britain abruptly banned all liquids and gels from carry-ons. Only baby formula and prescription medicines were exempt.

The ban initially gridlocked airports and forced most passengers to check their luggage, because liquids were still allowed in checked luggage. The resulting surge in checked luggage overwhelmed some luggage systems, contributing to a 26% year-over-year spike in the rate of complaints about mishandled luggage in August.

Responding to appeals from airlines and business traveler groups, the TSA on Sept. 25 revised the rules to allow small quantities of toiletries through checkpoints. Now, passengers may bring typical travel items such as shampoo, toothpaste and makeup through security checkpoints, provided they're in 3-ounce or smaller containers that all fit inside a 1-quart clear plastic zip-top bag. Only one bag per passenger is allowed. TSA calls this the 3-1-1 rule. Most drugstores stock popular toiletries in small travel sizes.

A zip-top bag containing the toiletries must be removed from a carry-on suitcase and placed in a separate tray prior to screening.

Airport stores in Atlanta, Dallas/Fort Worth and elsewhere are selling zip-top plastic bags for 50 cents apiece. Bob Hope Airport in Burbank, Calif., is more generous: It's giving away 6,000 bags this season.

TSA officials say tests by the FBI found it's highly unlikely that terrorists could destroy a jet with a bomb made from such small amounts of fluids.

Passengers are also allowed to carry on water and toiletries in any quantity bought at airport shops beyond security checkpoints, including liquor and perfume bought at duty-free shops. Liquids are screened before being sold in secure airport areas.

Inexperienced screeners

Although the Atlanta airport is fully staffed, security lines have grown just as TSA at many airports is battling chronically high turnover rates among screeners. Despite a retention bonus program offered by the TSA, one in five security screeners left his or her job during the fiscal year that ended Sept. 30. That has caused staffing problems at some airports, and some screeners are new and inexperienced.

Business traveler Everett says a screener at Hartsfield recently forced him to give up an unmarked, 3-ounce plastic bottle containing his favorite aftershave, Old Spice. She told him the bottle had to have a manufacturer's label. Although that's not correct, Everett had to throw it out.

After that, Everett bought a travel-size container of mouthwash, poured out the mouthwash, and — at the risk of smelling minty — poured in Old Spice. "It sails through the checkpoint," he says.

TSA is pulling out all the stops to keep lines moving over the holidays. Williams says the Atlanta airport is fully staffed with screeners and will have all 22 checkpoint lanes open Thanksgiving week.

Twenty-two uniformed airport employees trained by TSA will be telling passengers what they can and cannot bring aboard before they get to the checkpoint. Sixteen-foot-long signs bearing the TSA's 3-1-1 rule are hanging in the terminal. Brochures are at curbside.

"I think that, over time, people will get it," says Williams, who has been Hartsfield's security director for five years.

Travelers really have no choice. "These regulations are not going away anytime soon," he says.

Contributing: Roger Yu from Atlanta; Chris Woodyard from Las Vegas.

Not Following Baggie Rules Can Bog Down Lines (USAT)

DOJ_NMG_0091615

By Roger Yu

USA Today, November 7, 2006

ATLANTA — It's Saturday morning at Hartsfield-Jackson International, typically one of the busiest times at the USA's busiest airport. What you see is a traveling public that is adjusting to the new rules of air travel.

Watching things unfold at the sprawling airport's single security checkpoint makes it clear that travelers, based on their experience and the degree to which they've done their homework, fall into distinct categories.

Some understand in detail what the government now requires to clear security checkpoints under rules changes implemented in August and revised in September. Others? Not so much.

The new rules now say liquid and gel items carried on board must be in containers that are three ounces or less. The bottles must fit in one 1-quart plastic zip-top bag, which must be placed in a security tray for X-ray during inspection. They call it the 3-1-1 rule.

STORY: Will long lines be in the bag this Thanksgiving?

Last Saturday, two lines of travelers led to the 22 inspection lanes that constitute the checkpoint.

The average wait time on Saturday mornings is typically 20 to 25 minutes, says Christopher White, a spokesman for the Transportation Security Administration. But the line moved relatively quickly on this day. The longest wait time was 19 minutes. After 9 a.m., it was down to about 7 to 8 minutes.

At 8:30 a.m., three TSA agents stationed at two desks at the beginning of the lines loudly reminded passengers of the 3-1-1 rule for carry-ons.

Two large TSA banners reinforced the message. Many travelers didn't bother to look up and read them. An electronic sign about four feet tall next to the agents' desks also explained the rules.

The Initiated

Many travelers at the checkpoint came prepared.

Barbara Addaman and Debbie Bond, residents of Atlanta who were traveling to Pensacola, Fla., arrived at the airport shortly before 8 a.m. and waited about 15 minutes at security. "We checked everything, and we knew not to take liquid on board," Addaman says. "We live in Atlanta, and everything (about the airport) is publicized. If you live in an area with a small airport, maybe you're not as aware."

Michael and Linda Friedman, a couple from Atlanta on their way to Acapulco for vacation, stood in line to clear security carrying just their jackets and passports. Knowing the rules well, they also packed their liquid and gel items in their checked luggage. "We know what to do. We travel a lot," says Michael Friedman, a financial adviser.

Leah Streuber, a district manager in Atlanta for Weight Watchers, also knows the TSA rules, but she still got smacked by them because she arrived late for her flight.

Arriving at the security line, she didn't hesitate in walking up to the trash bin next to the security line and tossing in her shampoo and conditioner bottles.

She had planned on checking her luggage, so she didn't bring the smaller bottles required by TSA. Because she arrived late, she didn't have time to stop at the airline counter to check bags. "I'd have been more upset if I had missed my flight," she says.

The Uninitiated

Sonja Hicks, an accountant in Atlanta who was heading to Charlotte to visit friends, was disappointed to have to throw away her moisturizer and lotion. She said she knew about the rules, but simply forgot about them until a TSA agent reminded her at security.

"I wish they would provide the plastic bags," she says wistfully. But a plastic bag wouldn't have saved her — her bottles were larger than the allowable 3 ounces.

A candy store next to the security lines was selling 1-quart plastic bags for 50 cents each. D.J. Washington, an Atlanta-based career consultant for athletes, took advantage of it. On his way to catch a flight to Tulsa, he realized that he had packed his deodorant, toothpaste and cologne in his carry-on.

"I forgot about (the rules)," he says. "But an agent at the line told me about the store."

Shon Bourgoyne, who works at an accounting firm in Atlanta, says she thought the ban on liquids had been lifted. Before entering security, she and India White, one of her three traveling companions heading for a wedding in Chicago, gathered their small liquid items and stored them in a plastic bag they bought at the candy store.

Bourgoyne, her husband Pierre and Pierre's mother passed through security without a hitch, but were forced to wait after agents found large bottles of deodorant and body spray in White's carry-on.

An agent reminded White that she could either discard the items or go back to the airline counter to check her luggage. She chose the latter option, keeping the Bourgoynes waiting.

"I feel sorry for people traveling during the holidays, because the signs aren't very clear," Shon Bourgoyne says.

Bourgoyne says she wishes the airline counter agent had reminded them of the rules.

Airlines have TSA signs posted on their counters.

The Big Picture People

Some travelers had a general notion of the rules. The specifics tripped them up.

Many stopped at the desks manned by TSA agents at the beginning of the line to clear up confusion: How about a lip gloss?

(Lipstick is OK outside the plastic bag. Gloss must be in the bag.)

Does my bottle exceed 3 ounces?

(Read the label.)

What if my plastic bag is not zip-top?

(No go.)

White, the TSA spokesman, says enforcement was actually easier when liquid and gel items were banned because of fewer gray areas. TSA banned liquids aboard flights on Aug. 10. It implemented its 3-1-1 rule on Sept. 26.

David Vernon, an IT consultant from Augusta, Ga., was downing his coffee in a mug quickly before entering the security line, knowing it was banned.

Holding an unopened 1-liter bottle of water that would clearly be banned, he wondered if he could stomach drinking that, as well.

He had bought the bottle earlier in the morning on his way to the airport, hoping to drink it on board. He thought there was a chance that the TSA would bend the rule for him. "This whole liquid thing is annoying. I didn't even notice the signs. And (even if I did), I probably wouldn't have read it," he says.

WAR NEWS:

U.S. Envoy To Iraq Likely Quitting Post (AP)

By Anne Gearan

AP, November 7, 2006

Zalmay Khalilzad, the plainspoken dealmaker and Republican insider who has won praise and criticism for attempts to broker Sunni political participation in Iraq's fragile government, is likely to quit his post as U.S. ambassador in Baghdad in the coming months, a senior Bush administration official said Monday.

As the midterm elections approached in the United States, Khalilzad has been a public face of Bush administration attempts to project both willingness to change strategy or tactics in an unpopular war and solidarity with the increasingly fractious Shiite-led government of Prime Minister Nouri al-Maliki.

Khalilzad's departure has been rumored for months, but he has not turned in his resignation, the State Department official said. The official spoke on condition of anonymity because neither the White House nor Khalilzad has announced any personnel changes. Khalilzad could leave as soon as the end of this year, but is more likely to remain in his post through the spring, the official said.

"He doesn't want to stay there forever and there are ongoing discussions about when he will finish his time, but there is no definite date," the official said.

Other U.S. officials have said Khalilzad will probably return to an academic or private sector job in the United States. His replacement in Baghdad may be Ryan Crocker, a senior career diplomat who is currently U.S. ambassador to Pakistan, those officials said. Crocker was a top U.S. representative in Baghdad for several months in 2003, shortly after the U.S.-led invasion that toppled Saddam Hussein.

Khalilzad is an Afghan-born Sunni Muslim who was seen as a go-between among Iraq's political and sectarian factions when named to the Baghdad post in April 2005. Initially criticized by some Shiites for showing what they called favoritism to the Sunni minority, Khalilzad has more recently been a target of Sunni criticism that the United States is not doing enough to protect Sunnis from Shiite reprisals and death squads.

National Intelligence Director John Negroponte, during a Baghdad visit on Friday, told al-Maliki that Khalilzad would leave about the first of the year and replaced by Crocker, according to two top aides to the Iraqi leader. The aides spoke on condition of anonymity because they are not authorized to release information.

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Negroponte was Khalilzad's predecessor as ambassador in Baghdad. Khalilzad had been the Bush administration's ambassador to Afghanistan after the fall of the Taliban. A White House favorite whom Bush calls by his nickname "Zal," Khalilzad worked in the Republican administrations of Ronald Reagan and George H.W. Bush.

Al-Maliki snubbed Khalilzad two weeks ago, when the ambassador held a press conference to announce that Iraqi leaders had agreed to develop a timeline by the end of the year for progress in stabilizing the country, only to be contradicted by al-Maliki hours later.

Last week Khalilzad and U.S. military commanders agreed to lift a U.S. security cordon around a Shiite slum in Baghdad after meeting with al-Maliki. Sunnis claimed that al-Maliki asked to lift the cordon on orders from anti-American Shiite cleric Muqtada al-Sadr, an important base of al-Maliki's support.

Aides to the prime minister have said flatly that he hopes to expand his authority by playing on American voter discontent and White House reluctance to open a public fight just before the elections.

Iraqis Told Not To Worry Over US Elections (FT)

By Steve Negus

Financial Times, November 7, 2006

Washington has reassured Iraqi leaders that there is no reason to worry about dramatic changes in policy as a result of Tuesday's US elections, Zalmay Khalilzad, the US envoy to Iraq, has told the Financial Times.

Some of the Iraqis "are not as used to [American domestic politics], when things are being said in the heat of the political fight". Some of them took that "as an indication that policies will change dramatically", he said.

"The president has told them not to pay attention to that . . . the president will be the commander in chief and the architect of US foreign policy regardless of the outcome." President George W. Bush's Republican party is expecting a setback in the mid-term elections, in which US policy in Iraq has been a big factor in the Democrats' rising fortunes.

Mr Khalilzad played down reports of tension between the US embassy and the Iraqi government and said that he welcomed statements by Nouri al-Maliki, Iraq's prime minister, that he wanted more control over Iraqi security forces.

"There are some people who think that there's a struggle going on [with] Iraqis who want to have more authority, as if we were fighting over the wheel of a car, who's going to take charge of it," the ambassador said. "But in fact that is not the case. Our goal is Iraqi self-reliance, [so] we welcome someone such as Mr Maliki, the leader of Iraq, saying: 'Look, I want to take more responsibility for the security of my country, I want more forces, forces that are capable, forces that are under my control'."

Mr Khalilzad added that Iraqi politicians were working to resolve key issues that divided the big ethnic and sectarian blocs.

"They still have the issue of the hydrocarbon law, the issue of militias and insurgents . . . even if they need a new flag or not, when do you . . . have provincial elections?" He said Iraqi leaders had claimed there would be a plan to handle militias by the end of the year.

The ambassador also said that Iraqi leaders needed to move quickly to reach compromises to retain the support of the international community. "They have to recognise that the patience of the countries that can help them is wearing thin."

¦Mr Khalilzad is likely to quit his post as US ambassador in Baghdad in the coming months, a senior official in Mr Bush's administration said on Tuesday. His departure has been rumoured for months but he had yet to resign, the State Department official said. The official spoke on condition of anonymity because neither the White House nor Mr Khalilzad has announced any personnel changes.

Mr Khalilzad could leave as soon as the end of this year but was more likely to remain in his post through the spring, the official said.

"He doesn't want to stay there forever and there are ongoing discussions about when he will finish his time." US officials said the envoy would probably return to an academic or private sector job in the US. His replacement may be Ryan Crocker, who is ambassador to Pakistan.

Inside The Beltway (WT)

By John Mccaslin

The Washington Times, November 7, 2006

Just kidding, Donald

Talk about an "A-list" headlining the American Spectator's Robert L. Bartley dinner (and dancing) Nov. 15 at the Mandarin Oriental hotel, although the evening's master of ceremonies will no doubt be a bit uncomfortable when introducing the keynote speaker.

That master of ceremonies would be myriad-hat wearer Ben Stein, and the keynote address will be delivered by Secretary of Defense Donald H. Rumsfeld.

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Inside the Beltway can't help but recall Mr. Stein, in his "CBS Sunday Morning" commentary barely one week ago pointing out that the situation in Iraq has become so difficult that if he were still a White House speechwriter, as he was under Richard M. Nixon and Gerald R. Ford, this is what he would suggest President Bush announce today:

"My fellow Americans, I have some sobering news. It is my duty above all to protect the nation and to protect the Constitution. I sincerely believed I was doing that when I ordered the invasion of Iraq. I still believe Saddam Hussein was the most dangerous man in the world. But it is clear to me now that things are not working out well in Iraq.

"Despite the incredible competence, bravery and sacrifice of our men and women on the ground there, Iraq is still a violent, largely out-of-control country. We may be making more terrorists than we destroy. The word 'quagmire' comes to mind.

"It is clear that changes must be made. I have this morning accepted Secretary of Defense Donald Rumsfeld's resignation with sincere thanks for his service to the nation. Despite his flaws, he is a great American. He will be replaced by a truly heroic American, Senator John McCain of Arizona."

Two-day election?

To ensure that the balloting may

Proceed in an orderly way:

On Tuesday, please note,

All Republicans vote --

And all Democrats on the next day.

-- F.R. Duplantier

Luntz leak

"I will discuss the significance of what I expect to be a significant power shift in Washington, with a particular emphasis on the implications for corporate America."

-- leading Washington political pollster Frank Luntz, who leans to the right, hinting of his prediction of a rise to power by Democrats when providing the subject matter of his Election Day conference call today at 4 p.m., several hours before the polls close.

Long distancer

Hats off to U.S. Nuclear Regulatory Commission chief Edward McGaffigan Jr., for becoming, as of Friday, the longest-serving person in his post -- 9 years, 11 months and 30 days under his belt.

Previous record holder: former NRC Commissioner Kenneth C. Rogers.

Mr. McGaffigan, first appointed to the regulatory body in 1996 by President Clinton, also is the first person to have been nominated (twice by Mr. Clinton) and confirmed to three terms on the panel. He begins his 10th year of service on Dec. 9.

Nevertheless, as Eliot B. Brenner, the NRC's director of public affairs, tells Inside the Beltway of Washington's all-too-familiar ways: "He had a 103-day break between his second and third terms while awaiting Senate confirmation of his nomination."

The commissioner, who grew up in Boston (an avid runner, he has completed six U.S. Marine Corps marathons and one JFK 50 Miler) and lives in Arlington with his two children (his wife of 18 years, Peggy, passed away in 2000), will be honored by his fellow commissioners and senior staffers at an event tomorrow at NRC headquarters.

Ben then

We opened this morning's column with an item about Ben Stein, whom younger generations know as a movie and TV actor and his "gets the red out" Visine commercials. Indeed, his speech in his film role as the teacher in "Ferris Bueller's Day Off" has been ranked as one of the 50 most famous scenes in American film.

But whereas Mr. Stein resides today in Beverly Hills, Calif., it's interesting to recall that he was born in Washington in 1944, grew up in Silver Spring and attended Montgomery Blair High School.

He was a Washington poverty lawyer in his early years, then a trial lawyer for the Federal Trade Commission, and an adjunct at American University, lecturing on politics and society. As we mentioned, he spent two years as a speechwriter for Presidents Nixon and Ford, although he has stressed he did not write the line "I am not a crook."

Iraq Court To Rule On Saddam Verdict (AP-Y)

By Qassim Abdul-zahra

AP, November 7, 2006

Iraq's appeals court is expected to rule on Saddam Hussein's guilty verdict and death sentence by the middle of January, the chief prosecutor said Monday, setting in motion a possible execution by mid-February.

If the ruling is upheld, The Associated Press has learned that Iraq's three-man presidential council is pledged to allow Saddam's hanging to take place. The execution must be carried out within 30 days of the appeals court's decision.

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The surge in violence expected immediately after Sunday's verdict did not happen. The Interior Ministry credited a round-the-clock curfew in Baghdad and two restive Sunni provinces. Checkpoints were also closed along Iraq's borders with Jordan and Syria. Authorities were gradually lifting the restrictions, with pedestrians allowed back on the streets of Baghdad late Monday afternoon.

Around the country, jubilant Shiites celebrated the verdict, as Sunnis held defiant counter-demonstrations.

Saddam, who empowered the Sunni minority when he ruled Iraq, was sentenced by the Iraqi High Tribunal for ordering the executions of nearly 150 Shiites from the city of Dujail following a 1982 attempt on his life.

If the appeals court upholds the sentences, all three members of the Presidential Council — President Jalal Talabani and Vice Presidents Tariq al-Hashimi and Adil Abdul-Mahdi — must sign death warrants before executions can be carried out.

Talabani said Monday that although he opposes capital punishment, his signature is not needed to carry out Saddam's death sentence. Talabani, a Kurd, has permanently authorized Abdul-Mahdi, a Shiite, to sign on his behalf. Abdul-Mahdi has said he would sign Saddam's death warrant, meaning two of three signatures were assured.

Al-Hashimi, the other vice president and a Sunni, gave his word that he also would sign a Saddam death sentence as part of the deal under which he got the job April 22, according to witnesses at the meeting, which was attended by U.S. Ambassador Zalmay Khalilzad.

"We wanted a written promise before the first meeting of the new parliament. But later and during a meeting in the presence of American and British ambassadors and other politicians, the promise became oral in which he vowed not to oppose important rules and laws — especially those related to Saddam," Deputy Parliament Speaker Khaled al-Attiyah told the AP.

Thus the approval of the death penalties handed down Sunday for Saddam, his half brother Barzan Ibrahim, and Awad Hamed al-Bandar, chief of the Revolutionary Court, had been part of the pact under which al-Hashimi got one of two vice presidential posts.

If the nine-judge appeals panel upholds the death sentences, they could be ready for signing early next year, according to a schedule laid out Monday by chief prosecutor Jaafar Moussawi.

Moussawi said the Iraqi High Tribunal must send the entire case file to the appeals panel within 10 days, or by Nov. 15.

On the same day that the defense appeal is given to the High Tribunal — the deadline is Dec. 5 — that court is required to send it to the prosecutor general for study and preparation of counter-arguments.

The prosecutor has no time limit to answer the appeal, but Moussawi told AP he would submit his brief within days of receiving the defense appeal.

While the appellate court also has no deadline for its ruling, Moussawi said it would act quickly because it had no other cases under consideration.

"The appeals panel will take less than a month to make its decision," Moussawi said.

Many Oppose Death Penalty For Hussein (NYT)

By Hassan M. Fattah

The New York Times, November 7, 2006

DUBAI, United Arab Emirates Nov. 6 — European politicians on Monday spoke out against the death sentence for Saddam Hussein. Arab officials and commentators derided what they said was a flawed and politicized trial, while for the first time broadly acknowledging Mr. Hussein's crimes.

Prime Minister Tony Blair of Britain, speaking to reporters on Monday, said he opposed the death penalty for Mr. Hussein, joining several other European leaders and European Union officials who announced their opposition to the sentence. When pressed by reporters, Mr. Blair spoke of his longstanding opposition to capital punishment. He said he did not intend to protest the sentence, and condemned Mr. Hussein's brutality.

European leaders insisted that the viciousness of the actions of which Mr. Hussein was found guilty had not changed their view that state-sponsored killing was wrong. Some warned that executing Mr. Hussein would only worsen the sectarian bloodshed in Iraq.

The Associated Press quoted Terry Davis, secretary general of the Council of Europe's Parliamentary Assembly, as saying: "A country ravaged by violence and death does not need more violence, and especially not a state-orchestrated execution. Saddam Hussein is a criminal and should not be allowed to become a martyr."

Amnesty International said Sunday that it "deplored" Mr. Hussein's sentence, describing the proceedings as "deeply flawed and unfair."

In the Arab world, many dismissed the verdict as a product of an unfair trial, decrying the lack of control of the proceedings by the judges, the seeming contradictions in procedures and the generally politicized nature of the proceedings. Most of those who commented on the subject said the decision to impose the death penalty would not stem the wave of violence gripping Iraq.

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"You'll hear a lot of moderates say it's great Saddam got what he deserves, but unfortunately it was through a trial that was regrettable," said Ayman Safadi, the editor of the Jordanian daily newspaper Al Ghad. "People see Saddam himself as irrelevant. This trial was not about Saddam; it was about Iraq itself."

Analysts said the timing of the verdict, just two days before the United States midterm elections, underscored the politically charged nature of the proceedings.

"His sentencing now is a deliberate attempt to boost the Republicans in the U.S.," said Imad Shueibi, president of the Data and Strategic Studies Center, a privately financed research organization in Damascus, Syria. "They're expecting big losses in the upcoming elections, and they figure maybe this sentence might give an illusion of some success. But of course only the naïve will believe that."

But for many, the trial missed an opportunity to send messages to other dictators and to teach valuable lessons.

"There's no way to celebrate," said Muhammed al-Ameer, the political editor at the Saudi daily newspaper Al Riyadh. "No one doubts that Saddam committed human rights abuses, but the trial was so flawed that it put things in question. It just keeps sounding like a step taken by the Republicans to help them."

Perhaps the most dramatic shift was in how many viewed Mr. Hussein. Previously, few in the region had been willing to address directly the issue of whether he might be guilty of crimes against his people, with many people lionizing the former dictator. Most of those interviewed on Sunday and Monday said they believed he was guilty, but they also said that the flaws in his trial offset his guilt.

"People used to see Saddam as a fearless, defiant leader, but then he appeared in handcuffs and his image was shattered," said Saleh Qallab, a columnist with the Jordanian government-backed newspaper Al Rai. "Nobody can sympathize with a weak figure; that change is not political, but psychological."

Makram Mohamed Ahmed, a columnist with the Egyptian government-backed Al Ahram newspaper, said, "He was a burden to his nation and a burden to the entire Arab world and he might have truly deserved this fate, if only the court's legitimacy was not in question."

Most of all, Mr. Ahmed said, the verdict has failed to send a message to other Arab leaders to loosen their grip and make needed changes. "I don't think any of the Arab leaders will come to think that this can happen again," he said. "The Bush's administration is losing its popularity and the Democrats may get a majority in the Congressional elections."

Iraq's Rough Justice (LAT)

The Los Angeles Times, November 7, 2006

IT WAS THE U.S. Supreme Court, not the Iraqi High Tribunal, that famously declared: "A defendant is entitled to a fair trial but not a perfect one." Still, that legal dictum is an apt description of the process by which the Iraqi court decided to sentence Saddam Hussein to death for the slaughter of 148 Iraqi Shiite villagers in 1982.

With customary exaggeration, President Bush went further, hailing Hussein's trial, which began in October 2005, as "a milestone in the Iraqi people's effort to replace the rule of a tyrant with the rule of law." At the other extreme, some human rights groups are finding fault with the proceedings because of evidentiary shortcuts, alleged conflicts of interest and the politically motivated removal of several judges.

The conduct of Hussein's trial on this and other charges fell short of American norms (such as the right to a trial by jury) and also lacked the imprimatur of the International Criminal Court. As we have argued before, the legitimacy of the proceedings would have been enhanced if respected foreign jurists had joined their Iraqi counterparts on the bench. Some of these deficiencies may be rectified in the appeals process, which must be thorough and painstaking.

That said, the trial established that Hussein ordered the massacre of residents of the Shiite farming town of Dujayl as collective punishment for a failed assassination attempt. Like other examples of Hussein's brutality, the killings in Dujayl should not have gone unpunished. Whatever its flaws, the trial established Hussein's guilt in an open and adversarial proceeding (one that the deposed dictator did his best to disrupt).

Not content to pronounce that justice had been done, Bush gushed that the sentencing of Hussein was a "major achievement for Iraq's young democracy and its constitutional government." Where Bush and Iraqi's Shiites discern simple justice in Hussein's comeuppance, the country's Sunni population sees sectarian payback by the Shiite-dominated government of Prime Minister Nouri Maliki. Maliki said that Hussein is finally "facing the penalty he deserves."

That penalty — death by hanging — is also controversial, with British Prime Minister Tony Blair reiterating Monday that his nation opposes the death penalty "whether it's Saddam or anyone else." Capital punishment is legal in Iraq (as it is in the U.S., regrettably), and Iraqi authorities are unlikely to be swayed by death penalty abolitionists in this of all cases. The prospect of capital punishment has always been at the end of this trial.

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None of this suggests that Hussein should have been given amnesty for the atrocities carried out under his orders. Even critics of the U.S. invasion that brought him down acknowledge that his rule was not just brutal but bestial. Holding him accountable for his crimes is a matter of simple (if rough) justice. But it will be a "milestone" for the rule of law in Iraq only if Sunnis can be convinced that the new order in their country isn't as unjust as the old one.

Imperfect, But Fair Enough (WSJ)

By Alan Dershowitz

The Wall Street Journal, November 7, 2006

The Nuremberg trials it is not. But then again, Saddam Hussein is no Hitler or Goering. He was a regional tyrant whose invasion of Kuwait was turned back by the U.S., whose effort to develop nuclear weapons was thwarted by Israel, and whose war with Iran proved mutually destructive. He did succeed in murdering, torturing and terrorizing thousands of his own people, and for one small part of that -- the murder of 148 men and boys in the town of Dujail -- he was placed on trial, convicted of crimes against humanity and sentenced to hang.

The trial itself was repeatedly disrupted by in-court outbursts, out-of-court murders of lawyers, and frequent changes of court personnel. It did not go nearly as smoothly as Nuremberg: But those trials were conducted after World War II had been decisively won and all resistance ended. The trial of Saddam was conducted in the midst of continuing resistance and ongoing violence. Considering this important difference, the trial process was remarkably efficient.

But was it fair, or was it victors' justice, as Goering characterized Nuremberg? In a sense, all trials that follow military conflicts are victors' justice; the losers don't get to hold trials. No British generals were placed on trial for Dresden, nor were any Americans put in the dock for Nagasaki. But some victors' justice can be fairer than others. Nuremberg represents the epitome of fair victors' justice. The defendants were brilliantly represented by lawyers of their own choosing. The prosecutors were the brightest and fairest the victorious Allies could send. (Even the Soviet chief prosecutor was a distinguished lawyer, though he was clearly taking orders from Stalin.) The judges were, for the most part, highly regarded (the Soviet judges, though highly experienced, lacked the independence of the American, British and French). The verdicts were generally regarded as fair, with some death penalties, some terms of imprisonment (many quickly commuted) and not a few acquittals. These calibrated results satisfied the appearance of justice, as well as the reality in most cases.

The Baghdad trial also produced calibrated results: three death sentences, one sentence of life imprisonment, three sentences of many years behind bars, and one acquittal for lack of evidence. The fact that the conviction and death sentence of Saddam was a foregone conclusion does not necessarily undercut the trial's fairness. The verdict and sentence was predictable because the facts were clear and the evidence compelling. A defendant's obvious guilt does not necessarily make his trial unfair; nor does it necessarily make it fair. Even the most guilty and despicable are entitled to a trial before objective fact-finders (in this case judges, not jurors), with an opportunity to challenge the prosecution's evidence, to put on evidence of his own, and to have a fearless lawyer advocate on his behalf.

Saddam was afforded such a trial, though he denied it to others, and by the standards of justice in most Arab and Muslim countries, this trial was extraordinarily fair. But because the U.S. is the occupying power, and our representatives were looking over the shoulders of the Iraqi prosecutors and judges, the trial will be judged by Western standards. Even so, the Baghdad trial, though far from exemplary, must receive a passing grade, especially considering the circumstances in that city blighted by violence.

Would the trial have been fairer if it had been conducted by some sort of international tribunal situated outside Iraq? Certainly the threats to the lawyers would have been less dramatic. The death penalty probably would not have been imposed, since any court with European judges would not do so. The problem is that no international tribunal has yet established sufficient credibility, certainly not any that are under the auspices of the U.N. In this respect, the Baghdad trial represents a failure of the international community to devise a satisfactory process.

Former U.S. Attorney General Ramsey Clark, who is one of Saddam's lawyers, was thrown out of court for characterizing the trial as a "mockery of justice." He and Saddam's other lawyers will have the opportunity to provide specifics to back this rather general charge when they file their brief in the automatic appeal to which the defendants are entitled. It will be interesting to see whether the issues raised by the defendants are more political or legal -- whether they are macro or micro. If the defendants believe they have no chance for an appellate reversal or modification, and want to use the appeal to score political points, they will, of course, lose. But if they approach the appeal in a lawyerlike manner -- focusing on the particular evidence, the elements of the crimes, the judicial rulings, and other more technical issues -- they may provide the appellate chamber an opportunity to demonstrate the fairness of the process by modifying or even reversing some of the judgments.

The fairness of legal proceedings -- whether domestic or international, whether in war or in peace -- is always a matter of degree. Perfect justice is an illusion. Perfect injustice is a reality, as Saddam Hussein proved when he inflicted it on his perceived

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enemies for so many years. Now this exemplar of perfect injustice has been subjected to imperfect justice. The result is satisfying, and should serve as an object lesson to the many dictators who continue to terrorize their people and others in the expectation that they will never be brought to justice.

Mr. Dershowitz, professor of law at Harvard, is the author, most recently, of "Preemption: A Knife that Cuts Both Ways" (Norton, 2006).

Justice In Iraq (WP)

By Anne Applebaum

The Washington Post, November 7, 2006

Over the coming days and weeks -- throughout the appeals process, up to and including the day of the execution itself -- you are going to hear a lot about what went wrong with the trial of Saddam Hussein. You will be told, as an Amnesty International director put it , that the trial "has been a shabby affair, marred by serious flaws. . . . Every accused has a right to a fair trial, whatever the magnitude of the charge against him."

You will hear many denunciations of the verdict itself: The British Guardian newspaper called on Iraq to maintain a "principled opposition to the death penalty, to which there can be no exceptions. No European country now executes its criminals." You will also be told that the judges were incompetent, that the Iraqi government interfered constantly and that the international legal community loathed the trial from the start. All of this is true -- and all mostly irrelevant.

In fact, all post hoc political trials are in some sense "victor's justice." That's just the nature of putting on trial people who were not doing anything "illegal," according to the laws of their totalitarian society, at the time they committed their crimes. The International Military Tribunal that sentenced the Nazi leadership at Nuremberg not only wrote special rules to duck the question of its own dubious legality but even accused the Nazis, at one point, of murdering some 20,000 Polish officers at Katyn and elsewhere, a crime that the Soviet judges -- among them an infamous participant in show trials -- knew for a fact that the Soviet Union itself had committed. The much-vaunted, approved-by-international-community trial of Slobodan Milosevic evolved into an occasion for the Serbian ex-dictator to carry on an extended rant. In part, the decision to hold Hussein's trial in Iraq was made in order to avoid that kind of U.N.-sanctioned failure. In part it was made because back in 2003 the U.N. Security Council -- led by France, Russia and China -- told the Iraqis organizing the trial that it wanted nothing to do with the trial anyway.

In truth, though, the shambolic and incoherent nature of this trial was not so much evidence of too few foreign human rights lawyers as it was yet another byproduct of the shambolic and incoherent nature of the U.S. occupation of Iraq. Clearly the violence outside the courtroom affected what happened inside: Defense lawyers were murdered, judges traveled under armed guard and members of the prosecution said privately that they still felt afraid when Hussein came in the room. At times, their fear showed, adding to the appearance of incompetence. Even now, the chief investigative judge visits mass-grave sites in strict secrecy; his family is in hiding, as are the families of other judges.

The violence outside the courtroom also affected how the trial was perceived outside its walls. Televised testimony, which Iraqis initially found riveting, grew less relevant as the violence increased. The trial became nothing more than the background noise of the sectarian struggle: On Sunday, Shiites cheered the verdict while Sunnis denounced it. Imagine how different Hussein's death sentence would sound today if a stable, peaceful Iraq with a reformed judicial system were uniting to declare it, unanimously. Even the British media might then accept that, in such extraordinary cases, the Iraqis are allowed to choose penalties of which Europeans disapprove.

And yet, in the end there is only one standard by which the trial of Hussein and other Baathist leaders should be judged: Did it or did it not compile a true record of Hussein's crimes -- a record that in some distant, future, peaceful Iraq, will be available to help Iraqis understand what took place during Saddam Hussein's reign? Though it is unfashionable to write anything positive about Iraq right now, the answer is that it did. The crime for which Hussein was condemned -- the torture and execution of 148 people in the small town of Dujail more than two decades ago -- was well documented . Witnesses and archives were produced. Cross-examinations were held.

In August the Iraqi court started hearings in a second trial , this one designed to examine the Anfal campaign of 1987-89, during which Hussein murdered up to 180,000 Kurds. Already, some dozen witnesses have testified about what they saw when Hussein, at the height of the campaign, unleashed chemical weapons on whole Kurdish villages. Large parts of Shiite and Sunni Iraq are hearing these stories for the first time. Listening to them may someday, in that distant, future, peaceful Iraq, help them to understand what Kurds experienced under Saddam Hussein's reign and help them to achieve some kind of reconciliation.

It is true that the execution of Hussein, if and when it occurs, could well have a positive effect on Iraqi politics. If nothing else, it will eliminate once and for all the Baathist dream of a Hussein-led revanche -- a dream that even Hussein himself appears to have cherished; witnesses say he was genuinely surprised by the verdict and was shaking afterward. But his death will also probably put an end to this truth-telling project, one that has been unique and unprecedented in the Arab world. For the first time,

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an Arab dictator was held accountable for crimes against his people. Thanks to American incompetence in Iraq, it may be the last time for a long time, too.

Thousands From Saddam's Party May Regain Jobs (USAT/AP)

USA Today, November 7, 2006

BAGHDAD — A day after Saddam Hussein was sentenced to die, the Iraqi government declared a major concession Monday to the Sunni Arabs who backed him. The action could result in thousands of purged members of Saddam's party being reinstated in their jobs.

The U.S. military, meanwhile, announced the deaths of five American troops. Two soldiers were killed in a helicopter crash north of Baghdad, and two Marines and an Army soldier died in fighting in Anbar province in the west. The deaths raised to 18 the number of U.S. servicemembers killed in Iraq in the first six days of November.

The political concession was detailed by the government organization that had been charged with removing Saddam loyalists from state institutions. Under a draft law, the organization would amend its rules to enable former Baath Party members to regain their jobs.

The amendments grew out of a 24-point national reconciliation plan that Prime Minister Nouri al-Maliki, a Shiite, announced in June, shortly after he took office.

Sunni Arabs were the base of Saddam's support and became the backbone of the insurgency that has killed tens of thousands of Iraqis and has been responsible for the vast majority of U.S. casualties. Al-Maliki hopes to entice disaffected Sunnis away from the insurgency.

Under the former "de-Baathification" protocols, devised by the U.S.-led occupation authority after Saddam's regime fell, 10,302 senior Baath Party members had been listed for dismissal. The draft law, however, includes the names of just 1,500 party members, said Ali al-Lami, the commission's executive director. Those not reinstated would receive pensions, he said.

The draft law must be approved by the country's Shiite-dominated parliament.

The United States dissolved and banned the Baath Party in May 2003. It later modified its stance and invited former high-level officers from the disbanded military to join the security forces.

The former top U.S. administrator in Iraq, Paul Bremer, also allowed thousands of teachers who were Baathists to return to work. He conceived of the de-Baathification effort but later found that it had gutted key ministries and the military with no replacement personnel among the Iraqi workforce and educated elite.

The United States had joined recently with Sunnis Arabs in calling for the Shiite-dominated government to end the process, which had exacerbated the already deep fissures among the country's religious and ethnic groups.

"Such a move will be in the interest of Iraq because a Baathist, like any Iraqi citizen, has the right to get back his job," said Ammar Wajih of the Iraqi Islamic Party, the country's largest Sunni group.

About 1.5 million of Iraq's 27 million people belonged to the Baath Arab Socialist Party when Saddam was ousted. Many, however, joined for professional, not ideological, reasons. Career advancement, university enrollment and specialized medical care depended on party membership.

Regardless of why they joined, those who advanced in the party were expected to spy on fellow Iraqis and to join militias that helped suppress Shiite and Kurdish revolts after Iraq's defeat in the 1991 Persian Gulf War.

Administration Reaches Out To Saddam Backers (WT/AP)

By Bassem Mroue

The Washington Times, November 7, 2006

BAGHDAD -- A day after Saddam Hussein was sentenced to death by hanging, the Shi'ite-dominated government offered a major concession yesterday to his Sunni backers that could reinstate thousands of members of the ousted dictator's Ba'ath Party in their jobs.

With a tight curfew holding down violence after Saddam's guilty verdict and death sentence, the government reached out to disaffected Sunnis in hopes of enticing them away from the insurgency, which has killed tens of thousands of Iraqis and is responsible for the vast majority of U.S. casualties.

The U.S. military announced the deaths of five more American troops, two in a helicopter crash north of Baghdad and three in fighting west of the capital. The deaths raised to 18 the number of U.S. forces killed in the first six days of November.

Sectarian killings also persisted despite the extraordinary security precautions. Fifty-nine bodies were discovered Sunday and yesterday across Iraq, police said. But with no surge in violence, authorities gradually were lifting the restrictions in Baghdad and two restive Sunni provinces: Pedestrians were allowed back on the capital's streets late yesterday afternoon, and the international airport was to reopen today.

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Across the country, Shi'ites celebrated the verdict while Sunnis held defiant counterdemonstrations.

Iraq's appeals court is expected to rule on an appeal by Saddam's attorneys by the middle of January, the chief prosecutor said yesterday, setting into motion an execution by mid-February. If the ruling is upheld, the Associated Press has learned, Iraq's three-member presidential council will allow Saddam's hanging. The execution must be carried out within 30 days of the appeals court's decision.

Sunday's verdict and yesterday's opening to the Sunnis were seen as a welcome break for the United States, which had called for the Iraqi government to stop purging members of Saddam's Ba'ath Party from their jobs. Prime Minister Nouri al-Maliki, however, has balked at U.S. requests to set up an amnesty program for insurgents.

Mr. al-Maliki has been engaged in a public feud with U.S. Ambassador Zalmay Khalilzad since last month, when the prime minister disputed the envoy's announcement that he had agreed to a timeline for progress in quelling violence and encouraging Sunnis to join the political process.

Indications emerged yesterday that Mr. Khalilzad was preparing to leave his post.

Director of National Intelligence John D. Negroponte, during a visit to Baghdad on Friday, told Mr. al-Maliki that Mr. Khalilzad would leave about the first of the year and be replaced by Ryan Crocker, a senior career diplomat who is ambassador to Pakistan, two top aides to the Iraqi leader said.

The United States dissolved and banned the Ba'ath Party in May 2003, a month after toppling Saddam. The U.S. later softened its stance, inviting former high-level officers from the disbanded military to join the security forces.

About 1.5 million of Iraq's 27 million people belonged to the Ba'ath Party, formally known as the Ba'ath Arab Socialist Party, when Saddam was ousted. Most said they joined for professional, not ideological, reasons.

Proposal Would Rehire Members Of Hussein's Party (WP)

By John Ward Anderson

The Washington Post, November 7, 2006

BAGHDAD, Nov. 6 -- A high-ranking commission of Iraq's Shiite-led government said Monday it had prepared a draft law that could return tens of thousands of former members of Saddam Hussein's Baath Party to their government jobs.

After toppling Hussein in the spring of 2003, the interim U.S. authority that ran Iraq enacted a plan that purged Baath Party members from their government jobs, whether or not they had been accused of wrongdoing. The move threw thousands of Baathists out of work and is blamed by many for creating a vast pool of unemployed, disenfranchised Sunnis who later became eligible recruits for insurgent groups.

Thousands of former Baathists have since been allowed to return to their posts after rigorous vetting, but political and security analysts say that if the government were to enact more sweeping measures, it could help soothe rampant sectarian violence and advance reconciliation between the country's Shiite Muslims and Sunni Arabs.

Ali al-Lami, executive director of the Supreme National Commission for de-Baathification, said in an interview that the commission had drafted a law for parliament that would give 1.5 million former Baathists who "excommunicate" themselves from the party the option of returning to their former government jobs or drawing a pension for their past employment. Other estimates have put the number of purged Baathists in the tens of thousands; the figures could not be reconciled.

Lami said 3,000 or so top former Baathists would be given their pensions but would not be allowed to resume government employment. And about 1,500 high-level former Baathists would be barred from ever resuming their jobs or drawing a pension.

The announcement came as Iraq's capital and other volatile areas around the country remained under a full curfew following the death sentence handed down to Hussein the day before. With violence levels seemingly low and people increasingly defying the curfew, the government announced that life would return to normal on Tuesday.

Lami said the timing of the proposed rollback of de-Baathification -- which would be a boon for Sunnis -- had nothing to do with the verdict in Hussein's trial.

"There have been a lot of meetings with the political blocs and nongovernmental organizations, and it's almost complete," Lami said. "This is only for those who left the Baath Party," he said, noting that Iraq's constitution outlaws the party as a terrorist organization.

The two-day curfew, which covered Baghdad, the northern cities of Mosul and Kirkuk and the restive provinces of Salahuddin and Diyala, was imposed Sunday morning by authorities fearing a violent backlash against the verdict in Hussein's trial, which was announced later in the day. He was found guilty of crimes against humanity and sentenced to hang for the killings of 148 Shiite men and boys from the village of Dujail, north of Baghdad, in the 1980s.

The verdict sparked anguished protests by Sunni Arabs, particularly in Hussein's home town of Tikrit, and jubilant celebrations by Shiite Muslims, who were ruthlessly suppressed during his 24-year rule, but there were few reports of violence. It remains to be seen whether the curfew succeeded in stopping retaliatory attacks or only deferred them.

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Passions remained high in some areas, but the government lifted the curfew for pedestrians at 4 p.m. Monday and announced that people and vehicles could return to all of Iraq's roads at 6 a.m. Tuesday.

Pro-Hussein demonstrators marched Monday in several towns north of Baghdad, in the Sunni heartland, including Tikrit, 90 miles north of Baghdad, and Samarra, where the bombing of a Shiite shrine in February sparked intense sectarian clashes across Iraq.

In the towns of Hawijah and Riyadh, outside Kirkuk, hundreds of protesters demonstrated against the Hussein verdict, the U.S. occupation of Iraq and the Shiite-led government of Prime Minister Nouri al-Maliki, carrying Hussein's picture and chanting, "Yes, yes, to the leader Saddam Hussein" and, "Death, death, to the America and Maliki government."

In Sadr City, a sprawling Shiite slum in eastern Baghdad with 2.5 million residents, people defied the curfew blanketing the rest of Baghdad and celebrated the verdict by passing out sweets to children and performing celebratory dances in the streets. Residents contacted by telephone said that life had returned to normal, with cars and buses in the streets, shops opened and people going about their daily business. They said police made no attempt to enforce the curfew in the area, which is controlled by the Mahdi Army, a militia led by anti-U.S. cleric Moqtada al-Sadr.

"We don't care about the curfew in our city," said a 32-year-old blacksmith, referring to Sadr City. "But we respect the curfew outside" in the rest of Baghdad, he said. "In our city, no one can force us to stay in our homes. The Mahdi Army will protect us."

While President Bush on Sunday called Hussein's trial and verdict "a milestone in the Iraqi people's efforts to replace the rule of a tyrant with the rule of law," British Prime Minister Tony Blair, America's closest ally in Iraq, was more circumspect Monday, saying he and his party opposed the death penalty for Hussein -- or anyone -- on principle.

The U.S. military on Monday announced the deaths of five servicemen: Two soldiers died Monday when their helicopter crashed in Salahuddin province, north of Baghdad, a military statement said. No hostile fire was observed at the time of the crash, which is under investigation.

One Marine died Saturday and another on Monday of wounds sustained in fighting Saturday in Anbar province, west of Baghdad, a second military statement said. A soldier from the 1st Brigade, 1st Armored Division also died Monday in combat in Anbar, it said.

57 Iraqis Charged In Abuse At Prison (WP)

By Sudarsan Raghavan

The Washington Post, November 7, 2006

BAGHDAD, Nov. 6 -- Iraq's Interior Ministry has charged 57 employees, including high-ranking officers, with human rights crimes for their roles in the torture of hundreds of detainees once jailed in a notorious eastern Baghdad prison known as Site 4, officials announced Monday.

The charges marked the first time the present Iraqi government has taken criminal action against members of its own security forces for operating torture chambers inside Interior Ministry prisons, said Brig. Gen. Abdul-Karim Khalaf, a ministry spokesman.

Sunni Arab detainees and human rights groups have long alleged that members of the ministry's police force, made up mostly of Shiite Muslims, took revenge on Sunni captives through beatings and other brutal methods. For months, Shiite officials have said such accusations are exaggerations, branding them attempts by Sunnis to discredit the Shiite-led government.

But on Monday, senior Interior Ministry officials acknowledged there was clear evidence of such abuses, following a probe by three separate investigative committees that lasted 2 1/2 months.

A U.N. human rights report reached a similar conclusion in the summer, after Iraqi and U.S. officials uncovered the torture during a visit to Site 4 in May. More than 1,400 detainees at Site 4 were held in "overcrowded, unsafe, and unhealthy conditions" and "suffered systematic physical and psychological abuse" by Interior Ministry officials, the report said. Investigators also took photos that "documented lesions resulting from torture as well as equipment used for this purpose."

"Whoever abuses power and authority will be held accountable, regardless of their position or background," Interior Minister Jawad al-Bolani told reporters in an opulent room in one of Saddam Hussein's former palaces. "This is giving a lesson for those in our ministry who may want to violate the law."

The action was the latest move in a series of recent Interior Ministry crackdowns on the police forces it runs. The Iraqi government is engaged in an intense struggle to bring under control sectarian reprisal killings, death squads and criminal gangs.

U.S. pressure is also growing to get rid of militias and death squads that are widely believed to have infiltrated Iraq's security forces. U.S. officials said they have warned the Iraqi government that U.S. law bars financially backing any foreign security force that violates human rights with impunity.

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In recent months, Bolani has fired more than 3,000 employees. In early October, the ministry suspended an entire police brigade on the suspicion that its members could be linked to Shiite death squads. Two weeks later, the ministry removed two of its highest-ranking police generals, who led its special police commandos and its public order brigade, both widely known to be infiltrated by Shiite militias.

Khalaf said one of the generals had played a role in the Site 4 abuses and "was disciplined within the military's legal system." The U.N. report said the Site 4 prison was holding detainees who were previously held by the public order brigade and the Wolf Brigade, a special Interior Ministry police commando unit.

Khalaf declined to name the commander, saying the names of all the accused would be released after they faced a criminal trial. In all, the investigating committees indicted 20 commissioned officers, 20 noncommissioned officers and 17 policemen and civilians. They were dismissed from their jobs and served with arrest warrants, Khalaf said. They could receive jail sentences.

"If the officer carried out the torture with his own hands, or supervised it, or it occurred while he was in command, it's all the same thing," Khalaf said.

On Monday, both U.N. and U.S. officials described the criminal charges as a positive development for efforts to bring order and the rule of law to Iraq. "The fact there seems to be action on Site 4 is a step in the right direction," said Gianni Magazzeni, chief of the U.N. human rights office for Iraq, which published the report. "It's an indication that the minister is taking seriously his responsibility and acting accountable."

"This is one step of many he needs to take in this direction," said Army Maj. Gerald Ostlund, a U.S. military spokesman who focuses on issues concerning Iraq's security forces, referring to the minister.

Magazzeni said he hoped the Site 4 action would spur closer scrutiny of atrocities that unfolded in another Interior Ministry facility in the Baghdad neighborhood of Jadriyah in November last year. U.S. soldiers entered an underground bunker there and found a clandestine torture center where scores of Sunni men were held for months. Many were beaten, starved and then killed by their Shiite captors.

A report on Jadriyah was delivered to Iraq's government, but its findings have never been publicly released nor its perpetrators forced to face justice. "That would be another way to help reduce the feeling of impunity," Magazzeni said.

It remains to be seen whether Bolani, a Shiite and an engineer by training, can take on senior figures in his ministry who are suspected of links to Shiite militias. Many are left from the days of his predecessor, Bayan Jabr, who many Sunnis allege turned the ministry into his own Shiite fiefdom and a haven for the militias.

Bolani has no political affiliations, a quality that made him attractive as a replacement for Jabr. But this very independence means he has less clout in getting rid of politically connected co-workers inside the ministry.

"That's part of his challenge," Ostlund said. "You fire somebody from the government here, what have you turned them into? What have they become the day after? Sometime it is better to keep your enemies closer than your friends."

On Monday, Bolani spoke cautiously. Asked if any of the 57 alleged offenders were members of Shiite militias, he said that "no reference to militias came up during the investigation."

Khalaf, the spokesman, was also cautious when asked if the ministry would go after Jabr, now Iraq's finance minister and alleged by human rights groups to have been aware of the torture unfolding in Site 4 and other ministry prisons.

"This is not true," Khalaf said of the allegation. "No minister would allow such violations if he knew, because the Interior Minister is for all of Iraq's people."

Third Guilty Plea In Killing Of Iraqi By A Marine Patrol (NYT)

By Carolyn Marshall

The New York Times, November 7, 2006

CAMP PENDLETON, Calif., Nov. 6 — A marine corporal pleaded guilty on Monday in the shooting death of an unarmed Iraqi in April, the third person charged in the case to do so.

As part of a plea agreement, the marine, Lance Cpl. Tyler A. Jackson, received reduced charges of aggravated assault and conspiracy to obstruct justice.

Corporal Jackson said Monday at his court-martial here that he knew that the killing was unlawful when it occurred. Initially charged with seven others with kidnapping and premeditated murder, he avoided the more serious charges as part of a plea agreement to testify against fellow squad members.

A military judge set sentencing for Nov. 16.

Corporal Jackson, 23, accepted the deal last week, after months of proclaiming his innocence as he remained in the brig.

Seven marines and a Navy corpsman were charged with kidnapping and killing the Iraqi, Hashim Ibrahim Awad, 52, who died of multiple gunshot wounds on April 26, and with covering up the crime.

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Another marine, Lance Cpl. Jerry E. Shumate Jr., has also been negotiating a plea, defense lawyers said.

At the court-martial on Monday, Corporal Jackson gave testimony about the killing that closely tracked testimony by the two others who have pleaded guilty.

He said the men were on patrol near Hamdaniya searching for Saleh Gowad, an insurgent who repeatedly planted bombs, including one that was thought to have killed four members of a platoon in his company.

The corporal testified that the men kidnapped and killed a man they believed to be Mr. Gowad, but who was Mr. Awad, staging the scene to make it appear as if there had been a gunfight.

"Everyone told the story that it was a good shoot and a lawful engagement," Corporal Jackson said.

Plea bargains are common in cases with multiple defendants. But experts in military law say the number of deals in the Hamdaniya case and the rapid legal proceedings are somewhat unusual.

"In my view, one deal is sufficient when you have statements" admitting guilt, said Gary D. Solis, a former military judge and Marine prosecutor who teaches the law of war at Georgetown University.

"Two deals make you sleep well," Mr. Solis said. "But three is gilding the lily. At some point, a prosecutor has to prosecute."

Aside from the testimony by those who reached plea bargains and a summary of the individual charges, prosecutors have divulged little information about their case.

The government's case is considered strong because statements describing the killing were signed by members of the squad, part of the Second Platoon of Kilo Company in the Third Battalion, Fifth Marine Regiment, which is based here.

In addition to Corporal Jackson, deals were reached with the Navy hospital corpsman, Petty Officer Third Class Melson J. Bacos, 21, who was sentenced to one year in prison after pleading guilty to modified charges of conspiracy and kidnapping, and Pfc. John J. Jodka III, 20, the youngest and least experienced of the marines, who faces sentencing on Nov. 15.

The terms of the agreement with Private Jodka will be made public at the hearing next week when the defense intends to call additional witnesses, his civilian lawyer, Jane Siegel, said.

Under military law, the defendants who have accepted pretrial agreements retain the right to go to trial until their sentencing hearings, said Eugene R. Fidell, president of the National Institute of Military Justice.

"You can still try to beat the deal," Mr. Fidell said. "A defendant can, and not infrequently does, do better at trial than the outcome for which he bargained at pretrial."

Others who have been ordered to trial are Cpl. Marshall Magincalda, Lance Cpl. Robert B. Pennington and Cpl. Trent D. Thomas. The squad leader, Sgt. Lawrence G. Hutchins III, has not been ordered to trial.

The testimony of fellow troops in such cases can make the defense difficult. It leaves little alternative but to argue that a killing was somehow mitigated by extenuating circumstances. Because the witnesses know one another well, there is the risk of information coming out that undermines a witness's credibility, legal experts say.

Some defense lawyers have suggested another reason for the multiple plea agreements. "I think it is a matter of expediting the process and saving the command a lot of money," Ms. Siegel said.

Marine Enters Pleas In Iraqi Case (AP-Y)

By Thomas Watkins

AP, November 7, 2006

A Marine pleaded guilty Monday to aggravated assault and conspiracy to obstruct justice in the case of an Iraqi civilian who other servicemen said was kidnapped and killed by members of the squad.

Lance Cpl. Tyler A. Jackson, 23, entered those pleas and others through his attorney Thomas Watt at a military court hearing. Jackson pleaded not guilty to murder, kidnapping, larceny, housebreaking and another charge of conspiracy.

Jackson was the third serviceman to plead guilty to reduced charges in return for his testimony in the case, in which seven Camp Pendleton-based Marines and a Navy corpsman were charged with murdering 52-year-old Hashim Ibrahim Awad.

Jackson, who has been in military prison since May, spoke only to confirm his identity and attorneys' names and say he understood his rights.

The sentencing guidelines for the counts Jackson pleaded guilty to were not immediately clear.

Last month, Pfc. John Jodka III pleaded guilty to assault and conspiracy to obstruct justice in the incident.

The first to make a deal was Petty Officer 3rd Class Melson J. Bacos, a Navy corpsman on patrol with the Marines. He pleaded guilty to kidnapping and conspiracy.

Members of the squad abducted Awad after their plot to kidnap and kill a known insurgent failed, according to testimony from Bacos and Jodka. The victim was a former policeman and father of 11.

Awad was shot after being dragged to a hole several hundred yards from his house, Bacos and Jodka said. A shovel and AK-47 were placed near the body to make it appear Awad was an insurgent planting a roadside bomb, both defendants said.

Both Jodka and Bacos singled out their squad leader, Sgt. Lawrence G. Hutchins, as hatching a plan to kidnap an insurgent. Hutchins' attorney, Rich Brannon, has said he did not believe Hutchins did anything wrong.

Jackson joined the Marines in March 2005 and was on his first combat tour.

His father declined to comment. A Web site set up by Jackson's family to raise money for his defense said Jackson was innocent.

"To send these men to war to do a job and then imprison them for doing it is absurd," the Web site states.

"Why are they being subjected to less rights and freedom of movement than the very terrorists they put their lives on the line to protect the world from?" the site states.

The Day The Hatred Boiled Over In Balad (LAT)

By Borzou Daragahi

The Los Angeles Times, November 7, 2006

BALAD, IRAQ — There were no heroes here.

When gunmen murdered dozens of people in this once peaceful Shiite market city over two days last month, no one stepped in to stop the killing. Not U.S. forces, whose stated purposes in Iraq include preventing all-out civil war. Not the Iraqi security forces, who mostly turned a blind eye to the massacre. Not the people of Balad, who allowed decades of fear and hatred to overwhelm their better instincts.

Perhaps nothing could be done. Perhaps Iraq's Shiite-Sunni feuds have become so heated that not even 140,000 U.S. soldiers can stop the country's increasingly brutal civil war.

"They hate each other," said one U.S. officer in the Balad area, speaking on condition of anonymity because he was not authorized to comment publicly on matters pertaining to Iraqi society. "How are you going to get rid of that? You're not going to give these guys sensitivity classes."

Balad, a city of 120,000 up the Tigris River from Baghdad, lies less than 15 miles from Logistics Support Area Anaconda, the largest U.S. military base in Iraq. A small forward operating base, Camp Paliwoda, lies just outside the city. But U.S. troops stuck by the mantra of letting Iraqis take the lead and gave the Shiite-dominated police force latitude as townspeople went on a murderous rampage.

"We didn't think it would happen on this scale," said Capt. Mark T. Jenner, intelligence officer of the 1st Battalion, 8th Infantry Regiment of the 4th Infantry Division, which was in the process of handing over the area to another U.S. unit when the slayings occurred.

Perhaps the most chilling thing about the massacre in Balad was that it was not the work of outside death squads. According to Iraqis and U.S. intelligence officials, it appears to have been the work of Shiite residents who turned on their neighbors.

"The ordinary people, some of them took their guns and did this thing," said Amira Baldawi, a Shiite member of parliament who is from Balad. "The city is under pressure all the time. There is a reaction to every action."

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Usual calm is broken

The killings began on a Friday afternoon, normally the day of rest in Muslim countries. Ajeel Mujamaie, a 30-year-old high school teacher of English and Arabic, was rushing his pregnant wife, Fadhilla, to the hospital and could tell that the usual calm of the day had been broken.

"There was a lot of tension and commotion in the area," he said.

Mujamaie got Fadhilla to the delivery room, then scouted the hospital for a doctor. He ran into a security guard he knew, a man named Abbas who was a relative by marriage. Abbas warned him to get out.

"He told me I have to leave," Mujamaie said. "He told me they will kill me."

Soon gunmen swarmed the hospital, aided by some of the employees. "They were from Balad," Mujamaie said of the men who guided the gunmen from room to room. "They were saying: 'Take this guy. Don't take this guy.' "

As Fadhilla writhed in pain, Abbas, who wore a police uniform, slipped the couple into their car and headed for a midwife outside the city center.

Across Balad, Sunnis like Mujamaie and his wife had begun to flee.

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Deep-rooted tensions

For decades this farming region north of Baghdad has been a caldron of mistrust between the Shiite Muslim tribes living in town and the Sunni Arab tribes spread out in the surrounding farmlands.

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In the 1970s, the city became a stronghold of Shiite activists of the then-outlawed Islamic Dawa Party, which had strong ties to neighboring Iran. After the Iran-Iraq war erupted in 1980, President Saddam Hussein and his Baath Party supporters cracked down, executing Dawa members, uprooting orchards and seizing the property of well-to-do Shiites to hand over to Sunnis.

The U.S.-led invasion in 2003 upended the balance of power. Shiites began asserting their muscle, angering Sunnis. In 2004, a group loyal to radical cleric Muqtada Sadr took over a Sunni mosque in downtown Balad, declaring it its own.

In February, when a bomb severely damaged the Shiite shrine of the Golden Dome in nearby Samarra, U.S. soldiers said they had to seal off Balad to prevent Shiites from heading there to exact revenge.

The tally of death squad abductions and shootings mounted. U.S. and Iraqi soldiers found the bodies on farms or floating down the Tigris.

Economic rivalry underlies some of the feuding. The Shiite Bani Tamim tribe in the city and the Sunni Mashadani in the countryside fight for control of trade routes and the transport of construction materials to Baghdad. Tribal vendettas add a complicated layer of bloodshed to the sectarian violence.

In recent months, Sunnis began complaining of Shiite thugs, allegedly with ties to the Sadr organization, manning checkpoints. Shiites, too, warned of a coming breaking point. In September, Baldawi sent a bundle of desperate letters from her constituents to Prime Minister Nouri Maliki.

"People complained that the situation is not at all secure," she said. "They wanted more security forces to protect the area."

Nevertheless, on Sept. 13, U.S. forces formally handed over control of the area to Iraqis.

The episodic killing continued. A Sunni man visiting the Balad hospital was found dead in the city in early October. On Oct. 6, a group of Sunnis attacked a Shiite-dominated Iraqi army unit. The soldiers killed two Sunni members of the Jabouri tribe.

The final trigger came in the early morning of Oct. 12: a shootout in which soldiers of Iraq's Shiite-dominated government killed an alleged Sunni insurgent. Townspeople, villagers and U.S. troops nervously awaited a Sunni reprisal. It came within hours.

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Swarmed by gunmen

Mohammed Adnan Obeidi's mother had warned him not to take construction jobs in the Sunni village of Duluiya. But the 22-year-old Shiite's family is poor, and the Sunni merchant offering work seemed respectable enough. So on Oct. 12, Obeidi, his best friend, Thamer Azzawi, and 14 other men accepted the merchant's offer to rebuild his roof and headed to the village, across the Tigris from Balad.

They finished the job by midday and were heading back when they were swarmed by dozens of masked gunmen who blocked the road and began shouting "God is great!"

The gunmen boarded the workers' bus and demanded that they put their hands on their heads and their heads between their legs. The bus drove on for nearly an hour.

"I tried to see what was happening, but one of the gunmen hit me on the head with the butt of his rifle," Obeidi recalled.

Once the bus stopped, the men were ordered off, handcuffed and blindfolded. The gunmen had walkie-talkies and heavy-caliber machine guns. Azzawi begged for mercy. He was a Sunni, he pleaded. He lied and said that Obeidi, a member of a tribe that includes both sects, was a Sunni too.

"They let us go, only me and my Sunni friend," Obeidi said.

The two froze when they heard gunfire behind them, and walked on for nearly two hours. As night settled, they found a way back to Balad, where they told their stories to police.

The next morning, the bodies of the 14 workers were found on the outskirts of Duluiya. They had been shot at close range and bore signs of torture.

U.S. and Iraqi officials immediately recognized the threat the incident posed for the 200 or so Sunni families living in town in Balad. "It was outside the tribal boundaries," said Jenner, the U.S. intelligence officer. "It was strictly Sunni versus Shiite."

The provincial governor, a Sunni, headed for the city in an attempt to impose calm. But mistrustful Shiites at checkpoints reportedly refused to allow him to enter. Friday prayer leaders in Shiite and Sunni mosques issued calls for calm at noontime. They fell on deaf ears.

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No outside job

Though suspicious of each other, Sunnis and Shiites in the Balad area lead intertwined lives. The Sunnis in the countryside grow produce, and the city serves as a commercial hub. Sunnis come into town to use the hospital, shop, make appointments with lawyers and buy and sell cars at auction lots.

When the retaliations against Sunnis began Friday afternoon, killer and victim probably knew each other.

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Obeid Nawaf, 51, a Sunni real estate dealer, left for his small house in the countryside as soon as he heard about the slain workers. In the afternoon, he dispatched his brother and son to fetch supplies. He never saw them alive again.

The killings continued Saturday. For hours, mobs killed any Sunni men they encountered. A woman from Duluiya who identified herself only as Umm Mohammed said her 22-year-old son, Hamid, haplessly wandered into Balad for a shopping trip Saturday and was shot by Shiite gunmen.

The gunmen went to car auctions and seized Sunnis, killing them and burning their vehicles.

Hussein Azzawi, a 39-year-old used-car dealer from Duluiya, had sent two of his employees to sell cars in Balad. "They burned the corpses with the cars," he said. "They had committed no crime except they were Sunnis."

Nawaf, the real estate dealer, heard that some of the dead were being taken to the morgue of a nearby town. There he found the bodies of his son and brother. "It cannot be described," he said. "They were cut up and mutilated. There was acid on their faces."

Sunni political and religious leaders accused fighters linked to Sadr's Al Mahdi militia of streaming into the city and leading the killings at the request of Balad residents. But Balad's Shiite residents and U.S. forces reject that theory.

"We don't think it was the Mahdi army," said Capt. Matthew Thomas, the incoming intelligence officer of the 3rd Battalion, 8th Cavalry Regiment.

Capt. Keith L. Carter, a company commander whose area of responsibility included the city, probably knows contemporary Balad better than any other American official. "I don't think you could see violence on this scale by outsiders," he said.

Indeed, days before the attacks, the city's cellphone service had gone down because of an insurgent strike, cutting Balad off from outside communication.

The hatred that day was homegrown.

"There is no Sadr army in Balad and we never asked for their interference," said Tahseen Rasheed, a resident. "It was the families of the victims who decided to retaliate. They armed themselves and stood on the road and started to kill whichever suspects they could find."

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Offer of help rejected

The U.S. military monitored events from its base just outside Balad, where its role in policing conflicts has become increasingly marginal. "We could tell the sectarian tension was flaring up," Thomas said. "We got reports of Shiite retaliation against Sunnis."

By Friday afternoon, U.S. forces dispatched a platoon-sized unit into town. The soldiers offered to help the local Iraqi forces keep order. Iraqi officers declined, and the Americans left.

At some point on Saturday, U.S. forces got in touch with Iraqis and told them to establish checkpoints around the city and retrieve bodies. At 5 p.m., city officials declared a 48-hour curfew for Balad and Duluiya, with cars barred from the streets and no traffic allowed in or out of either town.

Nearly 30 hours after the discovery of the bodies of the Shiite workmen, the retaliatory killings subsided.

By then, 36 to 70 Sunnis had been killed in a city about the size of Thousand Oaks. Hassanian Baldawi, an official at the Balad hospital, said two days after the massacre that the facility had received 80 bodies over the previous four days, including those of women.

The Americans' hands-off approach stunned many. "Everyone was asking why the American forces aren't intervening," said Ismail Amili, a 45-year-old hospital employee. "Is it because such bloodshed serves their interests?"

U.S. forces here abide by a tough-love approach, forcing Iraqis to take the lead. "While we probably have the capability of sending all of our forces and barricading the city, it is a good thing that the Iraqis are taking over," Thomas said.

But perhaps U.S. soldiers — consciously or unconsciously — do make a grim calculation that benefits them. Sunni insurgents in the countryside attack American troops as well as Shiites. By contrast, Shiite gunmen often welcome Americans to their towns and primarily target young Sunni men suspected of being insurgents.

Whereas American soldiers get dirty looks in Sunni villages, they can walk through downtown Balad with little fear.

"Honestly, it makes our job easier," Sgt. Dominie Price, 25, of Wheaton, Ill., said of the Shiites targeting Sunnis. "There's less insurgents attacking us."

Still, even with Americans taking a back-seat approach, Balad is better off with them around, Carter said.

If the U.S. left tomorrow, he has no doubt what would happen: "Shiite gunmen would come to power in Balad and would form a defensive barrier," he said. "The Sunni insurgents would lay siege to the town."

Shortly after the massacre, a reconciliation conference was held in the provincial capital of Tikrit. U.S. officials hailed it as "a clear sign of solidarity among civic, military and religious leaders of Balad." But it failed to produce any political resolution or ease much of the friction between Shiites and Sunnis or the various tribes.

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Despite talk of a truce, Sunnis fire mortar rounds every night into Balad and have killed and injured dozens. Shiite police and soldiers battle Sunni gunmen nightly for control of a checkpoint on the edge of the city that serves as the gateway for food, gas and people. The checkpoint has been hit so many times by bombs that its concrete watchtower has collapsed.

And more than half of the 200 or so Sunni families who lived in Balad before the massacre have fled for the countryside, terrified of more bloodshed at the hands of their neighbors.

On a recent day, a visiting U.S. officer praised a ragtag group of Iraqi soldiers and police guarding the checkpoint, called Delta 49. The men had captured two suspected Sunni fighters and killed one. The fighters allegedly were trying to get into town with a cache of dynamite and other munitions.

The 20 young men explained that they were volunteers protecting the gates of the city from the Sunni intruders outside.

"The terrorists come from this area, this area and this area," said police officer Saad Fakhreen Hassan, pointing to the green countryside. "We came here to challenge the terrorists."

Asked about the events of Oct. 13-14, he denies that there were any reprisals against Sunnis in Balad. The Sunni families who left did so because they wanted to, he said.

"Balad right now is surrounded by terrorists, and all the villages are filled with terrorists," he said. "Balad is a peace-loving city."

Mujamaie sees things differently. He and his wife reached the midwife that Friday afternoon, and they now have a baby daughter named Noor.

"The people in Balad are divided," he said. "There are those against the killings and those in favor of them. But I will never go back to Balad. We saw what kind of killers those people are."

Fewer Pakistanis Rally To Support Islamists (CSM)

By David Montero

The Christian Science Monitor, November 7, 2006

ISLAMABAD, PAKISTAN

For a week after missiles destroyed a madrassah, or religious school, in Pakistan's tribal belt suspected of harboring al-Qaeda officers, thousands of angry men, many armed, have stormed through the area's main towns, chanting jihad against America and endorsing suicide attacks.

But hundreds of miles away, in the cosmopolitan cities of Karachi, Lahore, and Islamabad, relative silence has prevailed.

The difference in response is telling, observers say. It underscores not only an important gap in understanding between the tribal areas and the rest of the country - a gulf that helps keep the area underdeveloped and prone to extremism - but an erosion of the Islamist parties' power on the national stage.

"[The Islamist parties] have used this opportunity to divert people's attention. But in other provinces, people have not responded to the call. They're fed up," says Afrasiab Khattak, former chairman of the Human Rights Commission of Pakistan.

It was supposed to be a raucous week. Fresh on the heels of last Monday's missile attack, the Muttahida Majlis-e-Amal (MMA), the main coalition of religious parties and the ruling entity in the semi-autonomous North-West Frontier Province (NWFP) and Balochistan, called for nationwide protests, hoping to stoke the fires of religious sentiment.

In Bajaur and other areas of the Federally Administered Tribal Areas (FATA), they got what they wanted. Thousands massed for days in several towns, carrying weapons and calling for jihad. It was even announced that a suicide-bomb squad was preparing to attack the Pakistani military.

As the protests raged, militants in North Waziristan, who recently brokered a peace deal with the government, moved to solidify their power. They passed out leaflets in several towns announcing the establishment of a "Mujahideen Shura" or council to institute "Allah's law in Allah's land," according to local press reports. At least two men suspected of spying for American forces were killed in North Waziristan last week, while several other government-linked tribesmen were shot dead, allegedly for aiding the government's efforts to oust militants.

But this anger, while certainly significant, barely projected beyond the tribal zone. In Islamabad, there were hardly any protests to be seen. Lahore, a city of 10 million, saw a turnout of 500. In Karachi, 5,000 shouted slogans, hardly significant for a metropolis of 15 million.

This contrasts sharply with past protests. In January, when another militant hideout was targeted by the CIA in Bajaur, 10,000 people flooded the streets of Karachi to protest. Not long afterward, the MMA summoned 15,000 protesters in Lahore alone when the controversy over the Danish cartoons erupted, although many speculate that widespread discontent with the government, and not mere religious sentiment, brought them to the streets.

Still, many observers see it as a sign that the power of religious parties over public anger has diminished. The MMA came to power in the NWFP and Balochistan in 2002 on the promise that they would resist Western-oriented foreign policy and govern

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according to the tenets of Islam. But many of the MMA parties, particularly Jamaat-Ulema-Islami (JUI) - which dominates politics in the North-West Frontier Province, Balochistan, and the tribal zone - have slowly cozied up in recent months to President Gen. Pervez Musharraf's military regime. Such compromises have ultimately undermined their claims to independent credentials, analysts point out. That's perhaps one reason why last week's calls for nationwide strikes were dismissed as pure political play.

"People now realize that they're just doing politics rather than really showing their mettle. They're just using the occasion," says Behroz Khan, a journalist and analyst in Peshawar who writes for Pakistan's The News. Government officials last week echoed this refrain.

"The MMA has already seen that people have rejected their strike call a day before and will not take to the streets today," Muhammad Ali Durrani, the information minister, told a press conference last week. Pakistani authorities had suspected the madrassah of harboring al-Qaeda officers.

Leaders of Jamaat Islami, the MMA's central party, deny these accusations, saying their power is as strong as ever.

"The people believe in Jamaat Islami because ... they have strong leadership and commitment," says Siraj-ul-Haq, a Jamaat Islami leader and member of the provincial assembly in the NWFP. He added that if protests have been muted, it is only because the MMA is working slowly toward its goal of building a nationwide protest movement.

"We are sure we will succeed to organize a new agitation throughout the country," he says.

Certainly, Pakistanis at large condemn last week's missile strike, arguing that the militants should have been arrested. But street protests will continue to founder because, besides the MMA's political weakness, many Pakistanis are only mildly concerned with events in FATA, say analysts. As far as many Pakistanis are concerned, the tribal zone may as well be a different country.

CORPORATE SCANDALS:

Appeals Court Panel Rejects Challenge To Clearing Of Lay's Convictions (HC)

By Kristen Hays

Houston Chronicle, November 7, 2006

An appeals court panel has slapped down an Enron shareholder's challenge of a judge's decision to erase former Enron Chairman Ken Lay's criminal convictions.

The three-judge panel of the 5th U.S. Circuit Court of Appeals refused to order U.S. District Judge Sim Lake of Houston to reverse his October ruling that cleared Lay's name because the ex-chairman died before he had been sentenced or launched an appeal.

The appeal panel's ruling, issued last week, reiterated what Lake said in his decision: Legal precedent says that "when a defendant who has been found guilty of a federal crime dies before exhaustion of his appeal, his prosecution must be abated, his conviction vacated and his indictment dismissed."

That is how all such situations are to be addressed unless the law is changed by Congress, the U.S. Supreme Court or by the full 5th Circuit, the panel ruled.

Russell P. Butler, the shareholder who challenged Lake's ruling, said he would appeal the panel's decision to the Supreme Court.

"I think we have a good chance," said Butler, who said he lost $8,000 when the disgraced company collapsed nearly five years ago.

Samuel Buffone, who represents Lay's estate, didn't return messages seeking comment tonight.

Lay died of heart disease July 5, just six weeks after he and former Enron CEO Jeff Skilling were convicted of multiple charges including fraud and conspiracy after a four-month trial. Last month Lake sentenced Skilling to more than 24 years in prison. The ex-CEO is confined to his home, awaiting a decision from the U.S. Bureau of Prisons as to where he will serve his time.

Lay's death before sentencing and appeal prompted his lawyers to ask Lake to erase his convictions as allowed by law.

The government fought that move and hoped Congress would act quickly on a new law proposed by the Justice Department that would prevent courts from vacating criminal convictions in similar circumstances. That effort failed.

The government did not appeal Lake's ruling, nor did prosecutors take a position on Butler's challenge.

Had Lay's convictions stood, the government could have pursued efforts to seize millions of dollars in alleged ill-gotten gains through criminal proceedings. Lake's ruling blocked that strategy, leaving the Justice Department to pursue Lay's assets in civil courts.

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Days later — on the same day Skilling was sentenced — the Justice Department filed a civil forfeiture claim against Lay's estate that is pending. The Securities and Exchange Commission also has a civil case against Lay and Skilling that has been pending since they were indicted in 2004.

Former Homestore Exec Receives 30-month Sentence (INMAN)

By Glenn Roberts Jr.

Inman News, November 7, 2006

Peter Tafeen also faces 3 years of supervised release

Peter Tafeen, a former Homestore executive who pleaded guilty to one count of securities fraud for his participation in a fraudulent advertising scheme, today was sentenced to serve 30 months in federal prison.

Tafeen was also sentenced to three years of supervised release following the prison sentence, and six months of the supervised release program must be served in home confinement.

Tafeen, who faced a maximum sentence of 10 years in prison, served as executive vice president of business development at Homestore from 1997 to November 2001. Homestore, which has operated Realtor.com and other property-search Web sites, this year re-branded as Move Inc.

Assistant U.S. Attorney Michael R. Wilner said, "The sentence … was very fair and it reflected both Tafeen's involvement in the crime and his assistance in cooperating with the government during (Stuart) Wolff's trial."

Brian J. Hennigan, a lawyer for Tafeen who is a partner at Los Angeles law firm Irell & Manella LLP, said that Tafeen, who is currently out on bond, will report to prison Jan. 8. The judge, he said, has recommended that Tafeen serve his prison sentence in a Pensacola, Fla.-area prison near Tafeen's home.

A facility in that area is the Federal Prison Camp in Pensacola, a minimum-security prison that is on the grounds of the Saufley Field Naval facility.

As part of a plea agreement announced in March, Tafeen had agreed to testify against his former boss, Stuart Wolff, who was chief executive of Homestore during the accounting scandal. Tafeen had faced similar charges to Wolff before entering into the plea agreement, which came a few weeks before his trial was scheduled to begin.

The U.S. Securities and Exchange Commission and U.S. Justice Department had filed criminal and civil cases against Wolff and Tafeen in April 2005.

Last month, Wolff was sentenced to 15 years in federal prison and ordered to pay a $5 million fine and restitution to victims of a financial scheme that deceived investors by artificially inflating revenues.

U.S. District Court Judge Percy Anderson found Wolff guilty of conspiracy, three counts of filing false statements with the U.S. Securities and Exchange Commission, four counts of lying to accountants, five counts of fraudulent insider trading, and five counts of falsification of corporate books and records.

The judge had also ordered that Wolff must not be involved in any business relating to Internet advertising, and Wolff is reportedly appealing his conviction. A hearing is scheduled next Monday related to Wolff's request to stay out of custody on bail pending his appeal.

Tafeen, after leaving Homestore, in October 2003 filed a lawsuit against the company charging that he was owed millions of dollars relating to legal expenses. Homestore officials reached a settlement through which the company would pay up to $11.9 million to support Tafeen's legal costs.

The company also had reached a separate agreement to pay up to about $15.2 million related to Wolff's legal expenses.

Ten other individuals have pleaded guilty in connection with the illegal financial scheme at Homestore, which involved multimillion-dollar "circular" advertising transactions with AOL and other companies through which Homestore essentially paid itself by routing money to and from other companies and disguising the true nature of those transactions.

Wilner said three former Homestore employees are still awaiting sentencing, including the company's former CFO Joseph Shew, 37; former chief operating officer John Giesecke Jr.; and Jeffrey Kalina, who had served as senior manager of mergers and acquisitions transactions at Homestore.

Jury Acquits, Hangs In Trial Of McKesson's Former CEO And GC (LAW)

By Justin Scheck, The Recorder

California Recorder, November 7, 2006

The securities fraud trial against the former CEO and general counsel of HBOC -- now McKesson Corp. -- was never an easy one for the government.

The government's central witnesses were snitches of questionable credibility -- so much so that prosecutors declined to bring one key witness to the stand.

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And in an earlier bench trial of another executive, a judge found their testimony was not credible enough to convict.

So it wasn't terribly surprising Friday when a jury acquitted former CEO Charles McCall and ex-GC Jay Lapine of conspiring to commit securities fraud while deadlocking on six other counts.

That's not to say it didn't hit the lawyers involved like a sack of bricks: There were tears on both sides, most notably from Theodore Wells Jr., the Paul, Weiss, Rifkind, Wharton & Garrison partner who represented McCall in the six-week trial.

"I've been living in a hotel in San Francisco since August the 14th working, truly, 20-hour days," Wells told a group of reporters outside the courtroom. "The fact that I was emotional, given the circumstances, is entirely understandable."

Mark Topel of Topel & Goodman, who argued Lapine's case, was similarly relieved after the acquittal and U.S. District Judge Martin Jenkins' subsequent declaration of a mistrial on the other counts.

Topel said he saw the case as one in which the people who admitted to the conspiracy -- a brace of lower-ranking executives who entered guilty pleas -- couldn't be trusted when it came to fingering higher-ups.

He pointed to prosecutors' decision to not take testimony from Jay Gilbertson, the company's CFO who in 2003 pleaded guilty to being involved in the fraud scheme which misstated billions of dollars in earnings. Gilbertson blamed it on Lapine and McCall, and was seen as potentially being the key witness before the trial started.

"The fact that they didn't call him sends a strong signal that they didn't think he was credible enough to put in front of a jury," Topel said.

While the conspiracy acquittal was victory for the defense, on three fraud counts 11 of 12 jurors voted to convict -- giving prosecutors an enticing incentive to bring a new trial.

The jury deliberated for six days before deciding that it was hopelessly stuck on the deadlocked counts, creating a source of intense stress for the lawyers.

They spent most of this week pacing the federal building halls, since Jenkins required them to stick around until a verdict was rendered.

"It doesn't usually drag out that long, waiting for a verdict. That made it more exciting," said Michael Shepard, a partner at Heller Ehrman and a lawyer for McCall who conducted cross examinations in the case.

He and the other defense lawyers said the victory was particularly gratifying because of the post-Enron shadow cast over corporate executives.

McCall, Wells said, "is the first CEO or chair of a major corporation to go to trial post Enron, post-WorldCom, and be acquitted."

The McKesson case grew out of a $9 billion scheme to inflate software company HBOC's profits by misstating contract terms to maintain the company's value in preparation for the merger with pharmaceutical distributor McKesson.

Four top executives entered guilty pleas after the scheme was uncovered, and in 2003, their cooperation led to the indictments of Lapine and McCall.

A trial of former McKesson CFO Richard Hawkins brought an acquittal last year. In that bench trial, Jenkins found that a key cooperator, former company Vice President Albert Bergonzi, was not credible. Bergonzi also testified in the latest trial.

Former Latham & Watkins partner Timothy Crudo was the assistant U.S. attorney who led the prosecution. Another AUSA, Brian Stretch, also handled a sizable portion of the arguments.

After the case, Crudo referred requests for comment to office spokesman Luke Macaulay, who didn't return calls or e-mails.

It's not clear whether the government will seek a new trial, and Jenkins said that given the schedules of the various lawyers, there'll be no new hearings until next year.

That's fine with Wells, whose highest-profile client -- former Bush administration official I. Lewis "Scooter" Libby -- is getting ready for his own trial in Washington in connection with the highly publicized leak of a CIA agent's identity.

"I am going to move out of this hotel and I'm going to move into another hotel," Wells told Jenkins.

Fed Warns Of Illicit Bond Activity (WP)

By Nell Henderson

The Washington Post, November 7, 2006

The Federal Reserve put traders on notice yesterday that it is scrutinizing activity in the bond market, highlighting recent concerns that some traders may have made illicit profits by manipulating securities prices.

Dino Kos, executive vice president of the markets group at the Federal Reserve Bank of New York, led an hour-long discussion of such concerns yesterday with representatives of the bank's 22 primary dealers -- the banks and securities firms that trade Treasury securities with the central bank.

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The Fed meets with its dealers periodically to discuss market issues, but this was the first session devoted to suspicions at the Treasury Department about possible manipulation of the market for government bills, notes and bonds, and for futures contracts and other financial contracts linked to the securities.

The government's concerns were detailed in a Sept. 27 speech by James Clouse, deputy assistant Treasury secretary for federal finance. He described ways in which traders could control the supply of highly sought Treasury securities, driving up their prices. Such practices enable traders to borrow money at low interest rates and then invest it at higher rates to earn a profit.

The U.S. Treasury market plays a critical role in the global financial system, allowing the federal government to borrow and pay for its activities, providing benchmarks to lenders setting interest rates, and serving as a tool for the Fed to adjust interest rates in its efforts to control inflation and encourage economic growth. "Ensuring the integrity of the Treasury market is essential," Clouse said in his speech.

Over the past two years, government agencies that monitor financial markets have "observed instances in which firms appeared to gain a significant degree of control over highly sought-after Treasury issues and seemed to use that market power to their advantage," Clouse said. "In the process, prices in the . . . markets appear to have been distorted to varying degrees."

Clouse noted that some of the trading patterns may have innocent explanations. But he warned that others might violate securities laws that prohibit market manipulation. Neither Clouse nor the Fed would identify which firms have engaged in questionable trading. The Fed regulates major banks but does not investigate suspected trading violations.

The U.S. Securities and Exchange Commission, which enforces securities laws, declined to say whether it was investigating any specific firms and declined to comment on the Fed's meeting. The Wall Street Journal has reported that the SEC is probing UBS AG, which has said it is cooperating with government authorities.

The Securities Industry and Financial Markets Association, which represents bond traders, declined to comment on the Fed meeting and statement. But it plans to organize discussions with Treasury to clarify which trading practices are causing concern, said Robert Toomey, the group's vice president and assistant general counsel.

CRIMINAL LAW:

Man Set For Execution For Slaying Of Bank Guard Alleges Prosecutorial Misconduct (FINDLAW/AP)

By Kristen Gelineau, Associated Press Writer

AP, November 7, 2006

(AP) - RICHMOND, Virginia-Attorneys for a man scheduled to be executed Thursday for the 1999 slaying of a bank security guard have appealed to the U.S. Supreme Court and say his life should be spared because a prosecutor withheld information about a key witness.

John Yancey Schmitt, 33, is set to die by injection at Greensville Correctional Center in Virginia for the fatal shooting of 39-year-old Earl Shelton Dunning during a bank robbery.

In their petition to the Supreme Court and in a clemency petition to Virginia Gov. Timothy M. Kaine, Schmitt's attorneys criticize prosecutor Warren Von Schuch's actions, which they say could have influenced the jury's decision to recommend a death sentence. In the clemency petition, they also argue the shooting of Dunning was accidental.

Von Schuch said there was no prosecutorial misconduct, and described the killing as cold-blooded and clearly premeditated.

"The court found that we did nothing wrong," Von Schuch said. "This is simply defense attorneys misrepresenting the truth to the public."

On Feb. 17, 1999, Schmitt entered the bank wearing sunglasses and a bulky jacket, attracting the attention of Dunning, who followed him inside. After shooting Dunning, Schmitt fled with nearly $36,000 (â‚¬28,000) in cash. Schmitt had robbed the same bank a month earlier.

In 2000, a jury convicted Schmitt of capital murder and robbery and firearms charges and recommended a death sentence, declaring him a future danger to society.

Last year, U.S. District Judge Robert Payne wrote that Von Schuch did not disclose information the defense contends could have cast doubt on the credibility of one of the prosecution's witnesses, a man who surreptitiously recorded a damning jailhouse phone call with Schmitt.

In the taped conversation, Schmitt discusses the slaying without remorse, at one point laughing as he describes how Dunning's eyes "got real big" when he saw the gun pointed at him. The tape, introduced during the trial's sentencing phase, was described by the district court judge as "a ticket to the death chamber."

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The man who taped the call - a friend of Schmitt's - had been offered a grant of immunity in return for his cooperation with authorities. That information - not turned over by prosecutors - could have made him appear to be less credible and therefore affected the jury's sentencing decision, the defense contends.

"All it takes to prevent a death penalty from being imposed is to convince one juror to vote for life," attorney Dana Finberg said.

But Payne ultimately decided there was no reasonable probability that the verdict would have been different if the information had been turned over to the defense. In July, a three-judge panel of the 4th U.S. Circuit Court of Appeals agreed, though not before criticizing the prosecution for failing to disclose the information.

Schmitt - who declined through his attorney to be interviewed - had been in trouble with the law for years and showed no remorse for the killing, Von Schuch said.

"He's a man with a terribly inadequately developed conscience," Von Schuch said. "And that's why he deserves to die."

Polygamist Compound South Dakota Still Growing (AP)

AP, November 7, 2006

A compound reportedly occupied by members of polygamist leader Warren Jeffs' sect continues to expand southwest of Pringle, South Dakota, even though Jeffs is behind bars in southern Utah.

The group has built several structures on the 100-acre property since October 2003.

In March, The Salt Lake Tribune reported that members of Jeffs' church had acquired remote land southwest of Pringle.

Jeffs is the leader of the Fundamentalist Church of Jesus Christ of Latter Day Saints, which practices polygamy. He was a fugitive for nearly two years, sought on charges in both Utah and Arizona accusing him of arranging marriages between underage girls and older men. Jeffs was placed on the FBI's 10 Most Wanted list last spring. Jeffs was arrested Aug. 28 during a traffic stop near Las Vegas.

He is being held in Washington County, Utah, at the Purgatory Correctional Facility. A preliminary hearing in his case has been scheduled later this month in 5th District Court in St. George, Utah.

Private investigators have said they believed the Pringle compound was among places Jeffs had hidden while he was on the run, but state and federal authorities said they could not confirm that.

United Land Management, a group with ties to the church, bought another 40 acres next to the compound: 15 acres in March for $37,500 and 25 acres on Oct. 13 for $275,000. The second piece of property includes a new 2,400-square-foot log home, documents at the Custer County courthouse show.

Les Struble, Custer County equalization director, said compound members also have begun work on another, larger lodge that will total more than 14,000 square feet. It is to have 18 bedrooms and 14 bathrooms, according to documents.

Struble said one or two lodges a year have been built on the gated compound. The lodges are each about 3,000 square feet, with large kitchens and living rooms, plus separate bedrooms and bathrooms.

``What they use them for, I don't know," Struble said. ``That's just speculation on anybody's part."

He has been on the compound to assess the property for tax purposes. Struble said he saw only the men who escorted him and others either working on the buildings or tending gardens. Struble said he saw no women or children on his visits.

Neighbors last spring said they saw as many as 60 people, including women and children, on the grounds.

The assessed value is about $1.5 million. After the new lodge is done, Struble said the total assessment likely will be between $2.5 million and $3 million.

The compound pays its taxes on time and has met every county rule and requirement, he said. ``It's amazing. I have not found anything that did not match their building plans to the inch. Everything they said they're going to do, they've done."

Its tax bill next year will be about $30,000.

Polygamy is against South Dakota law, but no one has filed a complaint about the Pringle compound, said Rick Wheeler, Custer County sheriff. ``I've got to have some kind of complaint to go in there."

The sheriff said he hopes to establish even minimal communication with compound leaders in case of a fire or other emergency. ``It's something I'm going to be working on," he said.

Sunland Park Man Arrested In Kidnapping (EPT)

El Paso Times, November 7, 2006

A man from Sunland Park has been arrested in connection with the kidnapping of an El Paso teenager in May.

Noe Guadalupe Ochoa, 20, of Sunland Park is facing five separate charges stemming from the May 4 kidnapping at gunpoint of a 16-year-old El Paso boy, whose identity was withheld because he is minor, Federal Bureau of Investigations spokeswoman Agent Andrea Simmons said.

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Ochoa is charged with conspiracy to kidnap; kidnapping a minor; using a firearm in a crime of violence; possession of marijuana with the intent to distribute; and conspiracy to distribute marijuana, Simmons said.

An FBI investigation revealed that the teenager was taken from outside his home and held for ransom in Juárez. The day after he disappeared he was rescued by FBI agents and the Chihuahua state police anti-kidnapping unit.

The teenager was found unharmed and in a car in Juárez near the Paso del Norte Bridge, where a ransom was supposed to be delivered. Mexican authorities have said the boy was held for a $40,000 ransom, which negotiators managed to

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reduce to $17,000.

Two men -- Pedro Rocha Rios, 35, and Rodolfo Rivera Aguilar, 29, both of Juárez -- were arrested by Mexican authorities when the teenager was found.

The FBI investigation led to the federal indictments of Jonathan Ocon of Albuquerque; his brother, Ivan Ocon, of Las Cruces; and Lucas B. Wittmayer of Albuquerque.

Simmons said they were indicted on May 17 on federal kidnapping charges related to the teenager's disappearance. The Ocon brothers were arrested June 19. Wittmayer, who has an outstanding arrest warrant, remains at large.

Tammy Fonce-Olivas may be reached at tfonce@elpasotimes.com; 546-6362.

FBI Charges Man In Kidnapping (KFOX)

KFOX-TV, November 7, 2006

A Sunland Park man is in FBI custody for his alleged role in a kidnapping.

FBI agents told KFOX that 20-year-old Noe Guadalupe Ochoa was arrested late last week.

In May of this year, a 16-year-old male was kidnapped at gunpoint in El Paso and taken to Juarez where he was held for ransom.

The teenager was recovered safely less than two days later.

Ochoa now faces charges including kidnapping a minor, using a firearm in a crime of violence, and possession and conspiracy to distribute marijuana.

FBI Looking At Whether Duncan Linked To North Dakota Slaying (AP)

AP, November 7, 2006

FARGO, N.D. -- The FBI is investigating whether convicted murderer and sex offender Joseph Edward Duncan III might be involved in the slaying of a Montana teenager found dead in North Dakota four years ago.

"We're a long way from saying he's a suspect, but it's certainly a case we're reviewing," said Donald Robinson, an FBI supervisor in Coeur d'Alene, Idaho.

Russell Turcotte, of Wolf Point, Mont., was 19 when he disappeared in July 2002. He called his mother from Grand Forks, and she promised to wire him money so he could take the bus home. His body was found in a tree grove along U.S. Highway 2 near Devils Lake the following November.

Duncan, 43, who was living in Fargo when Turcotte disappeared, pleaded guilty last month to murder and kidnapping in Idaho, in a deal that leaves him still eligible for the death penalty. He was charged in state court with bludgeoning a man, a woman and a teenager to death at a home near Coeur d'Alene in 2005 so he could kidnap the woman's two youngest children for sex.

Federal authorities are expected to charge Duncan in the abduction of the children and the killing of one of them, a 9-year-old boy.

Authorities say Duncan, a Tacoma, Wash., native, spent most of his adult life in Washington prisons for sex crimes against children. He also is being investigated in the slayings of two children in Washington and one in California.

Bill Turcotte said his family asked the FBI last year whether Duncan might be a suspect in his son's death.

Robinson said the FBI is putting together a timeline on Duncan's whereabouts dating back to the early 1990s.

"Every single day Mr. Duncan was out of custody, we're looking at where he was - and we're looking at all sorts of unsolved crimes," Robinson said.

"There is no direct evidence Mr. Duncan was involved in the disappearance of Mr. Turcotte," Robinson said. "Mr. Duncan was in North Dakota at that time."

Bill Turcotte said the FBI told him there is evidence placing Duncan at the same Grand Forks truck stop "within hours" of the time Russell Turcotte was last seen.

Robinson said he could not comment on "anything that may or may not be evidence."

Bill Turcotte said investigators were skeptical of any possible connection because his son was 19 and Duncan preyed on children.

"Russell was very young in appearance and he was also very vulnerable," Bill Turcotte said. "He was traveling alone and was looking for help, so maybe he reached out for the first person who offered him a hand and it was the wrong person."

Dallas Woman Sentenced In FEMA Fraud Case (AP)

AP, November 7, 2006

DALLAS (AP) — A Dallas woman who pleaded guilty to defrauding the Federal Emergency Management Agency of $80,000 through false claims for Hurricane Katrina benefits was sentenced Monday to nearly six years in prison.

U.S. District Judge David C. Godbey sentenced Lakietha Diann Hall, 35, to 70 months in prison. She was ordered to pay $83,254 in restitution. In a related case, she pleaded guilty to one count of failure to appear.

Hall admitted in court documents that she conspired with nine others between August and December of last year.

Hall was accused of leading a scam in which she submitted online claims for disaster and unemployment assistance on behalf of several of the other defendants, falsely stating that their primary homes were in areas devastated by Katrina and that the hurricane caused them to lose their jobs.

All of Hall's co-defendants have pleaded guilty.

Hall was initially arrested in December, and authorities seized more than $10,000 in cash during a search of her apartment. She pleaded guilty in July.

Business Owner Pleads Guilty (HARTC)

The Hartford Courant, November 7, 2006

The owner of an East Windsor mail consolidation business pleaded guilty Tuesday to mail fraud and conspiracy to defraud the Internal Revenue Service, U.S. Attorney Kevin J. O'Connor said.

Thomas J. Rueli, 48, of Springfield, who owned Total Logistics Services Inc., was charged with establishing a line of credit with a commercial lender of up to $12 million based on fraudulently inflated account data. He was also accused of paying bribes to another business owner and conspiring not to report the transactions to the IRS, O'Connor said in a statement.

Rueli was also accused of leaving mailings he had contracted to deliver at a recycling center. He is scheduled to be sentenced Jan. 29 and faces penalties of up to 30 years in prison and $23 million in fines, O'Connor said.

Man Pleads Guilty In Child-porn Case (DESERET)

Deseret Morning News, November 7, 2006

A La Verkin man is facing a mandatory five-year prison sentence after admitting to downloading dozens of images of child pornography off the Internet.

Terence D. William, 53, appeared in U.S. District Court on Monday to enter a guilty plea to one count of receiving child pornography. William was arrested and charged last August as part of a nationwide sting on a Web site based out of Orlando, Fla., that sold images of child pornography.

The federal investigation netted more than 125 people who allegedly subscribed to the Web site, including three Utah men. A St. George man and a Midvale man are also facing child-pornography possession charges.

In court Monday, William admitted to downloading between 10 and 150 images of children engaged in sexual acts.

U.S. District Judge Paul Cassell ordered a psycho-sexual evaluation before William is sentenced on March 6. When sentenced, he faces a mandatory five years, and up to 30 years, in prison.

In exchange for his guilty plea, federal prosecutors dropped an additional possession charge and will recommend that William be given credit for accepting responsibility.

Prosecutor Kills Himself In Texas Raid Over Child Sex (NYT)

By Tim Eaton

The New York Times, November 7, 2006

TERRELL, Tex., Nov. 6 — A prosecutor in this North Texas town killed himself Sunday as the police tried to arrest him on charges of soliciting sex over the Internet from a person he thought was a 13-year-old boy.

The prosecutor, Louis Conradt Jr., 56, had been caught in a sting operation set up by Dateline NBC, the television news magazine, and an Internet watchdog group called Perverted Justice. An NBC camera crew was outside the house to film the scene when the fatal shot was fired.

Mr. Conradt had refused to open the door when police officers arrived at his house, where he lived alone, said Sgt. Snow Robertson of the Police Department in Murphy, a nearby town where officers said Mr. Conradt intended to meet the boy he thought he had communicated with.

Officers eventually forced their way into the house, only to find that Mr. Conradt had shot himself in the head with a small-caliber semi-automatic handgun, Sergeant Robertson said. Mr. Conradt died later at Parkland Hospital in Dallas.

Police officers from Murphy had gone to the house with a tactical team and two officers from Terrell to serve a warrant for Mr. Conradt's arrest. One of the officers from Terrell knew Mr. Conradt from his work as a prosecutor, Sergeant Robertson said.

Mr. Conradt had been a district attorney in Kaufman County and was the chief felony assistant district attorney in Rockwall County at the time of his death.

The police planned to search his computer and his house, Sergeant Robertson said.

The sergeant's department had been working with Perverted Justice and NBC News in a sting operation singling out people who solicit sex from children.

Allison Gollust, an NBC News spokeswoman, said the crew for Dateline NBC's "To Catch a Predator" series was taping as the police approached the house. But Ms. Gollust added that no one from Dateline had had contact with Mr. Conradt and that there was nothing to suggest that he had seen the crew before he turned the gun on himself.

"There's absolutely no evidence that would suggest that he was aware of us," Ms. Gollust said. "We don't anticipate making a change to our reporting."

Xavier Von Erck, director of operations with Perverted Justice, said Mr. Conradt had made contact in an AOL chat room with a decoy from Perverted Justice who was posing as a 13-year-old boy. Mr. Von Erck would not disclose the details of the chat, but he said, "It was sexual in nature."

Unlike some suspects in pedophile stings that appear on "Dateline NBC," Mr. Conradt had not actually met the person he thought was the teenager, but Sergeant Robertson said he planned to do so. Perverted Justice staff members found profiles from Mr. Conradt on AOL, Yahoo and MySpace.com, Mr. Von Erck said. He also said that he thought Mr. Conradt had tried to erase at least one online profile, on MySpace.com, a popular online social networking community used mainly by teenagers, in the moments before he shot himself.

Sergeant Robertson said the police in his town of 3,100 had apprehended 22 other people in stings since last Thursday, mostly from the Dallas-Fort Worth area, with the help of Perverted Justice. He said more would be arrested in the coming days.

"We'll continue to work with them right now," Sergeant Robertson said.

Perverted Justice stings have led to the arrests of 260 people nationwide this year, Mr. Von Erck said.

Several residents in this town of 14,000 about 30 miles east of Dallas said they were shocked to hear the accusations of pedophilia against Mr. Conradt, who had served two terms as district attorney.

Kirby Webb, an investment advisor from Terrell, said he never wanted to hear about people taking their own lives, but he applauded law enforcement's effort to catch online child predators in the town.

"This is a good family town," Mr. Webb said. "We want to preserve that image."

Series Of Deaths Rattles A City (WP)

By Robert Gutsche Jr.

The Washington Post, November 7, 2006

LA CROSSE, Wis. -- At night the Mississippi River here is black like pavement. Lights brighten the shoreline, where walkways end with a steep drop at the river's edge. There is no railing. Even to a familiar eye, the river looks like an empty parking lot.

This is where eight young men have apparently drowned in the past nine years, just blocks from the busy downtown bar district where many victims had been reported seen last. The latest victim was found in October.

Officials from the city and the three colleges and universities here -- as well as a group of vocal college students -- say the men became intoxicated and accidentally fell into the river.

Yet as the number of fatalities grows, so does the idea that a serial killer could be loose.

"There just ain't no people who want to walk by the water at night," said Yulonda St. Junious, 34, a hotel worker. "That makes you think someone else has had something to do with it."

All of the victims were young, athletic, and either visiting La Crosse or attending college in the city. Toxicology results have indicated that almost all had high levels of alcohol in their systems when they died.

Still, the similarities among the apparent drowning victims have many concerned that the students are being stalked -- lured into the black waters by a female posing as a police officer or a man wielding a gun, locals say.

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"They must have been following someone they trusted," said resident Rusty Paar, 39, who is sure these deaths are murders.

While the idea of a serial killer is gaining credence in some quarters of La Crosse, other residents say the explanation is merely a way to deflect attention from the criticism that city and college officials are not working hard enough to crack down on underage drinking or to secure the waterline from accidental drownings.

"People would rather blame a serial killer than take responsibility," said Drew Gavrilos, a community services police officer who acts as a liaison between the police and the universities.

The idea among residents and some officials that a serial killer could be lurking in La Crosse and the Upper Midwest is not new.

For decades, this city of 50,000 has turned to that theory to explain missing persons and the few murders that happen, with many saying the river and bluffs along the city's borders are dumping zones for bodies.

"The rumor mill here is still alive and well," said Paula Knudson, dean of students at the University of Wisconsin at La Crosse. "But you can't think about what's happening here from a sober perspective. It is easy for those who drink a lot that they might be able to be disoriented and get lost downtown. It happens."

The chief of police has declined to comment on the cases, but late last month -- to either quell or confirm the serial killer rumors -- local police turned to the FBI for a formal review of the most recent death.

Linda Krieg, assistant special agent in charge of the FBI's Milwaukee office, told the Associated Press that her office will forward everything the La Crosse Police Department has on the drownings to the FBI's National Center for the Analysis of Violent Crime in Quantico.

"They still believe these are drownings and they're accidental," she said. "They just asked if there's anything else they could be looking at."

Still, many say the city is not making efforts to slow or stop the deaths.

"I am frustrated that nothing was done, not only with this death, but with past deaths," said Viterbo University student Travis Bassett, 21, speaking of the most recent victim. "And when the government doesn't meet the peoples' needs, it is time to do it ourselves."

Bassett is one of at least 20 college students who have donated much of their late weekend nights over the past month to patrol Riverside Park, where many of the apparent drownings are suspected to have occurred. The students walk in pairs, wearing reflective vests and carrying police-issued cellphones and flashlights. Their goals are to prevent drinkers from falling into the water and to pull them out if they do.

In the past month, patrollers report having met at least two intoxicated college students in the park and calling police to take them home.

Several attempts to build a fence or barrier along the river have been blocked by the City Council, and city groups have also opposed proposals for video cameras along the walkways.

The city has created several task forces to evaluate limiting access to the park after hours, and it has instituted fees for beer-keg rentals and restrictions on bartenders' drinking as they serve customers.

But officials were slow to replace deteriorating portions of the levee at the park where many of the men apparently fell, and the city does not have plans to continue improving the area, including reducing a steep slope from the park onto the levee and into the river. The City Council is scheduled to vote again in the coming weeks on recommendations to improve the park.

Mayor Mark Johnsrud said the city should not be responsible for a person's drinking or its consequences. He does not entertain the idea of a serial killer, either.

"The thing I keep hearing about these kids is that they are good kids," Johnsrud said. "The definition of a good kid to me is that they know the difference between right and wrong. And this means they didn't make the good choice by getting intoxicated and placing themselves in the situation where they could die."

Johnsrud, who has been mayor since 2005, says he is not interested in making major changes to a public park, including fencing it off at night, just to keep a few people out of a potentially dangerous area.

The debate has made its way to the opinion pages of the local newspaper, with some writers supporting the rumors of a serial killer and others claiming that the victims had simply stopped at the river to relieve themselves and toppled in.

Still, the most apparent sentiment is this: "It is shocking to me, and the government here grinds very slowly," said the Rev. Tom O'Neill, vice president for mission and ministry at Viterbo University. "We've got lots of fine minds in this town that we ought to be able to do other things than say 'College kids shouldn't drink' or blame a serial killer that might not exist."

Jury Duty Is Getting Harder To Shirk (USAT)

By Laura Parker

DOJ_NMG_0091641

USA Today, November 7, 2006

The murder trial in the shootings that left five people dead at Pato's Place Bar was the biggest in the history of Tulare, Calif. However, when the judge in the case tried to pick a jury, only 160 of 500 people summoned to jury duty showed.

The shortage of jury candidates delayed last year's trial of Donald and Timothy Young, brothers charged with capital murder. It also prompted court officials in Tulare, a city of 52,000 between Fresno and Bakersfield, to revamp the jury system in July.

Tulare is among dozens of communities across the USA that are punishing no-show jury candidates.

"We were down to a 50% response rate. That is simply not acceptable," says Tulare County Superior Court Judge Lloyd Hicks.

Tulare jury candidates who fail to show are warned that they could be found in contempt of court. If they do not respond, a second letter is sent, warning that a warrant will be issued for their arrest, Hicks says.

No one keeps national figures on jury duty no-shows, but the American Judicature Society considers the problem an epidemic in some communities, especially large urban areas such as Miami, Houston and Atlanta, where no-show rates routinely top 50%, says David McCord, a society spokesman.

For years, courts across the nation have tried to make jury service more attractive by, among other things, increasing juror pay and offering amenities. This year, for example, Texas increased pay from $6 a day to $40, and no-show rates declined, says Rob Walters, a Texas attorney who worked on a jury service improvement project. Paula Hannaford-Agor, director of the Center for Jury Studies in Williamsburg, Va., says some courts have equipped jury pool rooms with wireless Internet service.

Now, communities are emphasizing the consequences of skipping jury duty. Among them:

·In Danville, Ill., a 19-year-old woman was found in contempt of court and sentenced to 14 days in jail for failing to appear for jury duty.

·In Topeka, no-shows have been fined up to $100 a day.

·In Grand Rapids, Mich., warrants were issued recently for the arrests of 56 people who failed to go to court and explain why they couldn't serve.

Failure to show up for jury duty increases court costs, Hicks says, because court officials have to send out additional summonses. High no-show rates also put at risk one of the most basic tenets of our democracy, he says.

"One of the reasons for our severing ties from England was being deprived of the right to trial by jury," Hicks says. "It is a sacred right."

In Fulton County, Ga., attorneys for Brian Nichols are raising the issue of an unrepresentative jury in his capital murder trial, now set for Jan. 11. Nichols is charged with killing an Atlanta judge and three others in a courthouse rampage March 11, 2005.

Nichols' attorneys say Fulton's high no-show rate for jurors — estimated by the county to be at least 47% — altered the racial composition of the grand jury pool. They have asked that the charges be dismissed because the panel that indicted Nichols was underrepresented by minorities, and that a new representative grand jury be seated.

"We're asking that the jury be properly constructed and meet the mandates of state and federal law," says Gary Parker, one of Nichols' attorneys.

Fulton County officials say incorrect addresses are to blame for much of the problem with juror no-shows. Matthew Sorenson, deputy court administrator, says a plan to fix the situation may not be in place to affect Nichols' upcoming trial.

In Tulare, Hicks says the letters sent to no-shows produced an immediate 10% increase in jury service. Of 1,600 who hadn't responded to the first summons, all but 73 had replied by last week.

"By the time we arrest a few people, the response rate for jury service will go up further," he says."

Abortion Clinics Request O'Reilly Probe (AP-Y)

By John Hanna

AP, November 7, 2006

Two abortion clinics asked the state's highest court Monday to investigate Attorney General Phill Kline and Fox television's Bill O'Reilly over O'Reilly's statements that he had information from Kansas abortion records.

A Kline spokeswoman called the move "a political ploy."

The clinics' attorneys want the Kansas Supreme Court to seize records that Kline, an outspoken abortion opponent, obtained on 90 of the clinics' patients. Kline received edited versions of the records from a district judge on Oct. 24 after arguing he wanted to review the records for evidence of possible crimes including rape and illegal abortions.

The attorneys asked the court to appoint a special prosecutor to determine whether O'Reilly's information came from the records turned over to Kline.

There is no record of the Supreme Court ever appointing a special prosecutor, court spokesman Ron Keefover said.

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O'Reilly said Friday on his show, "The O'Reilly Factor," that an inside source gave him information that a doctor at one of the clinics, George Tiller, had performed late-term abortions because patients were depressed. O'Reilly deemed it "executing babies."

He said on his Monday radio show he "got information" about Tiller's activities "somewhere along the line."

"I'm not going to tell you when or anything else about how we got them," O'Reilly said.

Kline spokeswoman Sherriene Jones has said the attorney general doesn't know how O'Reilly obtained the information.

David Tabacoff, executive producer of "The O'Reilly Factor," issued a statement saying, "We stand by our story."

The two clinics requesting the investigation are Tiller's Wichita clinic and a Planned Parenthood-run clinic in Overland Park. Tiller, one of the few U.S. doctors to perform late-term abortions, has been targeted by protesters for years, his clinic was bombed in 1985 and he was shot by a protester in 1993.

The clinics' request for an investigation was the second in a week targeting the attorney general. On Wednesday, former Attorney General Bob Stephan, a Republican like Kline, asked the state Governmental Ethics Commission to examine Kline's fundraising and activities involving churches. Kline is running for a second term.

CIVIL LAW:

Judge Dismisses House Democrats' Lawsuit Over Budget Bill (AP)

AP, November 7, 2006

DETROIT - A federal judge on Monday dismissed a lawsuit filed by U.S. House Democrats trying to stop a $39 billion budget bill because the House and Senate did not approve identical versions.

House Democrats accused GOP leaders of abusing the legislative process and contend they were denied their right to vote on legislation signed into law by President Bush in February. Rep. John Conyers, D-Mich., the ranking member of the House Judiciary Committee, sued in April along with 10 other House members to prevent the law from being implemented.

The Senate version of the bill said Medicare can pay to rent some types of medical equipment for 13 months. A clerk erroneously wrote down 36 months before the bill was sent back to the House for a final vote, and the language was approved by the House on Feb. 1.

When the bill was sent to Bush for his signature, the number was back to 13 months. The lawsuit said the oversight amounted to an additional $2 billion in spending, and the plaintiffs claimed that because they never had the chance to vote on the version signed into law, the law was invalid.

The Department of Justice had sought the lawsuit's dismissal, claiming the 11 House members lacked standing because they are not renters of medical equipment and were not in "any way personally affected or injured."

Messages seeking comment were left Monday night with Conyers' office and the Justice Department.

The White House and Republican leaders in Congress have said the matter is settled because the mistake was technical and top House and Senate leaders certified the bill before transmitting it to the White House.

Abortion Method Returns To Justices (LAT)

By David G. Savage

The Los Angeles Times, November 7, 2006

WASHINGTON — When Douglas Johnson, the lobbyist for the National Right to Life Committee, first heard a description 14 years ago of a midterm abortion procedure, he felt a sense of revulsion and saw an opportunity.

He was convinced that if most Americans knew about it, they would think differently about abortion.

Johnson and a congressman coined a name for it: "partial-birth abortion." The antiabortion group obtained and widely distributed a set of line drawings that illustrated the procedure. Johnson said he thought "the reaction of many Americans to seeing a drawing of this would be to say: 'This can't be legal.' "

Whether that procedure, known medically as dilation and extraction or D&X, will be legal comes before the Supreme Court on Wednesday, the day after the midterm elections.

With two new Bush appointees on the court — one replacing a justice who supported abortion rights — Johnson and other abortion opponents are optimistic that, for the first time, the court will uphold an outright ban on an abortion method.

The campaign against the procedure has succeeded where other attacks on abortion failed.

By branding it gruesome and unnecessary, Johnson won broad support for a criminal ban, even from lawmakers who usually vote in support of abortion rights. And he tapped into the public's public discomfort with abortions late in a pregnancy. A

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2003 CNN/USA Today/Gallup Poll showed, by a ratio of more than 2 to 1, that Americans believe abortion should be illegal in the second trimester.

A win for Johnson and abortion foes would chip away at the court's 1973 Roe vs. Wade decision, which held that women have a constitutional right to an abortion.

Those fighting a ban argue that the disputed procedure is sometimes the safest method for aborting a fetus in midterm and, despite the attention it receives, is not commonly used.

Johnson, 55, first heard about it in 1992, when someone mailed an Ohio doctor's account to his organization. In the procedure, performed in the fifth or sixth month, the fetus is pulled partway out of the dilated cervix and the skull punctured to collapse it, allowing the fetus to be removed intact from the uterus.

Working out of a small, drab Washington office, Johnson tried to shift the focus of the abortion debate from the rights of pregnant women to the fetuses. He walked the halls of Congress with a briefcase that included a plastic model of a 20-week-old fetus that he used to make his case.

Relentless, Johnson was dubbed "the most effective lobbyist in Washington" by a conservative magazine.

Twice in the 1990s, Congress passed bills to outlaw the procedure, except to save a mother's life, but President Clinton vetoed them. He said he would sign such legislation if lawmakers added an exception for when the procedure was needed to preserve the health of the woman.

Abortion foes refused. They distrusted health exceptions, believing they would render a ban meaningless. Roe vs. Wade had defined health to include emotional, psychological, familial and age factors.

Based on language drafted by Johnson's office, 30 state legislatures had enacted bans by the late 1990s.

In 2003, President Bush signed the Partial-Birth Abortion Ban Act without an exception for health concerns.

It's not clear that the ban would affect many abortions. Only 1% to 2% of abortions take place after the 20th week of pregnancy.

Of these, about 3,000 to 5,000 per year are done with D&X. Doctors say only a small percentage of those are done because of medical complications or fetal deformity.

Johnson's attack on the procedure put the abortion-rights movement on the defensive. Its leaders argue that abortion has been and should remain a private matter between a woman and her doctor.

They also say there is something profoundly illogical about a ban on one method: If abortions are legal at the 20th week of pregnancy, why forbid doctors to use a method that might be the safest?

" 'Partial-birth abortion' is a political term. It's about generating public outrage. It's not a medical term," said Dr. Deborah Oyer, a Seattle physician who does midterm abortions but not the D&X procedure. She said she resents legislators trying to regulate the practice of medicine.

"Doctors want to do what is best for the patient. This is all about keeping the abortion issue before the public," she said.

Six years ago, the Supreme Court struck down Nebraska's ban on the procedure. The 5-4 majority, which included now-retired Justice Sandra Day O'Connor, said the ban violated a woman's right to abortion because it did not include a health exception.

Dr. Leroy Carhart, an abortion doctor from Bellevue, Neb., had challenged the state law as unconstitutional. During a two-week trial, Carhart and several medical experts testified that the D&X procedure was sometimes safer because there was less risk of bleeding and infection.

"Where substantial medical authority supports the proposition that banning a particular abortion procedure could endanger women's health," the government cannot ban it by law, the court ruled in Stenberg vs. Carhart in 2000.

When Congress took up the issue, many of its members were in a defiant mood. They declared the method, which they described as "gruesome and inhumane," was "never medically indicated to preserve the health of the mother."

Carhart sued to challenge the law, and lower courts blocked it from taking effect. On Wednesday, the high court will debate the case, Gonzales vs. Carhart.

The replacement of O'Connor with Justice Samuel A. Alito Jr., a conservative and a Catholic, has convinced many legal experts that the court is prepared to uphold stricter regulation of abortion. In Gonzales vs. Carhart, the court must first confront the precedent it established in the Nebraska case. The justices must also decide whether to defer to Congress on its ban of the procedure, as requested by U.S. Solicitor General Paul D. Clement, or to side with medical experts who testified.

After the bill became law, federal judges in San Francisco, New York and Omaha conducted trials on lawsuits that sought to overturn it. They heard from doctors who teach in medical schools at Cornell, Yale, Columbia, Northwestern, the University of Pittsburgh and UC San Francisco.

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By the middle months of a pregnancy, doctors remove the fetus with surgical instruments, using the D&X method or the more common "dilation and evacuation," called a D&E. In that procedure, the doctor breaks apart the fetus before removing it from the uterus.

Experts told the three judges that the D&X procedure was not the only safe way to perform abortions after 20 weeks, but was safer than D&E in some cases, especially for women who have a damaged immune system or are in danger of hemorrhaging.

"Congress can 'find' that the moon is made of green cheese. That doesn't make it so," Dr. Nancy Stanwood, who teaches obstetrics at the University of Rochester, said in a recent interview. "When you're doing surgery, shorter and faster is better. If an intact extraction is possible, it's preferable."

In Carhart's case, U.S. District Judge Richard Kopf issued a 474-page opinion that extensively cited medical testimony to explain why the ban was unconstitutional.

Dr. Jill Vibhakar, who teaches obstetrics at the University of Iowa and performs abortions at an independent clinic in Iowa City, is a plaintiff with Carhart in the suit before the court. She said the justices face the same issue Wednesday that they did when they threw out the Nebraska ban.

"Nothing has changed recently in medical practice. The only thing that has changed is that a moderate female justice has been replaced by a conservative male justice," Vibhakar said.

For his part, Johnson is cautious, but hopeful.

"I have given up making predictions about what the Supreme Court will do," he said. "This law is really quite limited, but we hope it is a turning point and the beginning of a return to sanity."

All Eyes On Roberts Court As It Takes On Abortion (CNN)

By Bill Mears, CNN Washington Bureau

CNN.com, November 7, 2006

WASHINGTON (CNN) -- The morning after the closely fought midterm elections, the U.S. Supreme Court will hear its first major abortion case in six years.

The hot-button issue has been debated for years among social and religious activists, voters and judges themselves.

At issue in Wednesday's arguments is the constitutionality of a federal law banning a specific late-term procedure its critics call "partial-birth" abortion. (Watch a new Supreme Court meet an old hot-button issue -- 2:16)

After Justice Samuel Alito replaced Sandra Day O'Connor this year, court watchers have been waiting for a pair of cases to signal whether the court is shifting to the right.

For a quarter of a century, O'Connor, the first woman on the high court, was a key swing vote upholding the basic right to abortion. The views of Alito, a more conservative jurist, could prove crucial in the new debate. So, too, could the views of moderate-conservative Justice Anthony Kennedy, who takes O'Connor's place as the key swing vote.

"This case will test how far the government can reasonably go in outlawing so-called 'partial birth' abortion," said Thomas Goldstein, a leading appellate attorney and Supreme Court legal analyst.

"But we'll be able to take the temperature of the justices based on their questions, the opinions they write, whether they've moved one more vote toward overruling Roe v. Wade," he added. "They may well be very close."New justices, old issue

Even with Alito and Chief Justice John Roberts joining the bench in recent months, many legal scholars say the outcome is far from clear.

Three federal appeals courts have ruled against the government, saying the federal Partial Birth Abortion Ban Act of 2003 is unconstitutional because it does not provide a "health exception" for pregnant women facing a medical emergency.

The federal law has never gone into effect, pending the outcome of nearly three years of legal appeals.

The outcome of the latest challenge could turn on the legal weight given past rulings on the health exception.

In states where such exceptions are allowed, the lists of possible health risks include severe blood loss, damage to vital organs and loss of fertility.

Court briefs noted pregnant women having the procedure most often have their health threatened by cancer, heart disease, high blood pressure or risk of stroke. Doctors are given the discretion to recommend when the late-term procedure should be performed.

"This abortion ban would forbid doctors from providing their patients with the care they believe is safest and best, and would give Congress and states a green light to endanger women's health when they restrict women's access to abortion," said Eve Gartner, a senior staff attorney for Planned Parenthood Federation of America, who will appear before the justices. Prior cases may carry weight

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Many conservatives strongly disagree. "Partial-birth abortion really isn't abortion. It's killing a baby in the process of being born," said Tom Fitton of Judicial Watch. "I think conservatives are hopeful that the court will be more willing to allow further regulation."

The issue of late-term abortions is not new to the high court, and legal precedence may be key when justices review the federal ban.

In 2000, the justices threw out Nebraska's version outlawing the procedure. Using an earlier legal standard, a divided 5-4 court concluded the state law was an "undue burden" on women because it lacked the critical health exception.

Despite that ruling, the Republican-controlled Congress -- backed by the Bush White House -- passed its own version three years later.

The Justice Department had urged the justices to accept the new case, saying the lower courts viewed the issue wrongly.

"That decision overrides Congress' carefully considered finding, following nine years of hearings and debates, that partial-birth abortion is never necessary to preserve a mother's health," said Solicitor General Paul Clement in a legal brief filed with the court. Clement will argue the government's side before the high court.Debate focuses on numbers

Abortion-rights groups object to the term "partial birth" and even "late-term abortion," saying the procedure is done before the fetus is viable and is performed only in the second trimester, sometimes as early as 12 to 15 weeks after the start of pregnancy.

The federal law bans what doctors call "intact dilation and evacuation," which Congress in its legislation termed "gruesome and inhumane."

It is a rarely used second-trimester procedure, designed to reduce complications to the mother.

More common is "dilation and evacuation," used in 95 percent of pre-viability second-trimester abortions, according to Planned Parenthood. Both are generally performed after the 21st week of pregnancy.

About 1.4 percent of all abortions are believed to be performed after the 21st week, according to the latest numbers from the Centers for Disease Control and Prevention.

Comprehensive federal health statistics are not kept on a yearly basis. Conventional medical practice puts the earliest point of viability somewhere between the 24th and 28th weeks, although there have been rare earlier cases.

Since the landmark 1973 Roe v. Wade decision legalizing abortion, various states have tried to place restrictions and exceptions on access to the procedure, prompting a string of high court "clarifications" on the issue over the years.Political, religious groups weigh in

The abortion question has become part of the political debate this election season.

Many religious groups have filed legal briefs backing the government and plan to gather supporters outside the Supreme Court during Wednesday's arguments.

"We're garnering names on a petition; so far we have well over a hundred thousand," said Dr. Gary Cass, director of the Center for Reclaiming America for Christ. "I think we've come a long way away from our God-given right to life that was secured for us by the Founders. And so we're going to petition the court."

On the other side, abortion rights groups protested the nominations of Alito and Roberts, fearing they would roll back women's rights.

"How does the court preserve its own institutional integrity where this is nothing other than a bold-faced attempt to get the court to change an earlier ruling when the only thing that's changed is the makeup of the court?" said Roger Evans, Planned Parenthood's senior director.

As far as the legal merits, a ruling could turn on the court's newest member.

"It may come down to Justice Alito and whether he is persuaded or not that it would be appropriate to allow the legislature to make some definitions with respect to the time or types of procedures of abortion," said Theodore Olson, former solicitor general in the Bush White House. "It's one that could be overturned."

Abortion Cases Pit Justices Vs. Congress (LAW)

By Marcia Coyle, The National Law Journal

National Law Journal, November 7, 2006

In weighing the constitutionality of a federal law, the U.S. Supreme Court sometimes gives deference to congressional findings of fact. How will it view the critical finding at the heart of its latest abortion challenge?

The justices this week will hear arguments in two cases testing the constitutionality of the federal Partial-Birth Abortion Act of 2003. Gonzales v. Carhart, No. 05-380; Gonzales v. Planned Parenthood, No. 05-1382. Partial-birth abortion is a term used for an abortion procedure, intact dilation and extraction, infrequently used in second-trimester pregnancies.

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Although the high court's abortion precedents and the future of a woman's right to choose abortion will dominate discussions, the cases also are very much about separation of powers and the roles of the legislative and judicial branches in making and interpreting laws, say scholars on both sides.

"Our concern is [that] the Court's dislike of Roe v. Wade will drive the amount of deference it's willing to give to Congress," said Mark Moller, senior fellow in constitutional studies at the Cato Institute, which filed an amicus brief on the issue. "We think this is a much larger issue that goes far beyond Roe. It's about who gets to decide what the law is."

The Court's approach to deference in these cases, he added, can affect "a whole array of different rights."

In enacting the 2003 law, Congress made explicit findings in the statute that partial-birth abortion "is never medically indicated to preserve the health of the mother." A health exception to abortion restrictions has been central to the court's abortion jurisprudence since the landmark Roe v. Wade. The lack of such an exception was a key basis for a 5-4 majority's decision to strike down a Nebraska partial-birth abortion law, very similar to the federal law, just six years ago. Stenberg v. Carhart, 530 U.S. 914.

In the 2003 law, Congress criticizes Stenberg and the findings of the trial judge that gave rise to the Stenberg high court case. The federal lawmakers call for a "high degree" of deference to their own findings, a call echoed by the Bush administration and its supporters in briefs defending the federal law.

NEUTRAL FACT-FINDING?

But opponents contend that that type of deference is not due because Congress did not engage in neutral fact-finding. A fundamental right, requiring heightened court scrutiny and independent review of congressional findings, is at issue, and two district judges, in extensive trials in the two cases, made findings contrary to those of Congress.

The heart of the congressional fact-finding process -- and the reason Congress receives its greatest deference on economic or sociological facts -- is its ability to use a diverse array of means to collect and analyze information, said Charles Tiefer of the University of Baltimore School of Law, a former solicitor to the U.S. House of Representatives.

However, he added, "Where the issue is a matter of weighing social values against civil liberties, Congress may or may not have a good feel for the viewpoint of the voting population, but it doesn't have some superior method of somehow factually establishing where the balance point is."

The high court, with some ups and downs, gave considerable deference to congressional findings from the late 1930s to the mid-1990s and the advance of the Rehnquist Court's federalism movement, said Tiefer and others. In the last decade, a divided court struck down a number of applications of federal laws to the states, often because of a lack of congressional findings or despite extensive congressional findings.

Some lawmakers have voiced considerable unhappiness with the court's "lack of respect," most recently in the confirmation hearings for Chief Justice John G. Roberts Jr. and Justice Samuel A. Alito Jr.

While scholars agree that it's hard to find a consistent approach across the justices' rulings, Neal Devins of the College of William and Mary Marshall-Whythe School of Law suggests that where the court generally applies a rational-basis standard of review to a law affecting a right or classification, the court gives extreme deference to Congress.

"The whole theory of rational-basis review is essentially these are matters the legislative process will self-correct if mistakes were made," said Devins, who has studied the findings issue. "But then, there are fundamental rights cases, like cases involving abortion, where the court says the nature of the right or the classification involved is such we can't defer to the government."

The government argues that a series of First Amendment rulings by the high court "confirm that the degree of deference owed to congressional findings does not turn on the right at issue or the applicable level of scrutiny."

That position is "astounding and ridiculous," said David Faigman of the University of California Hastings College of the Law, who, with other scholars, filed an amicus brief on the findings issue on behalf of the law's opponents.

When legislation is subject to heightened scrutiny because it burdens a basic right, he said, the court has always made an independent review of factual findings. The government's position -- deference in all cases -- would permit legislative bodies to effectively overrule, through the guise of "fact-finding," the court's most critical decisions, he added, thereby undermining the court's pre-eminent role in constitutional interpretation mandated by Marbury v. Madison, 5 U.S. 137 (1803).

Ultimately, all agree, the pivotal figure is Justice Anthony M. Kennedy, who dissented in Stenberg but holds a very strong view of the Supreme Court's role in the Constitution's scheme.

"He could view what Congress did as an affront to the court," said Devins. "This is where the rubber meets the road for Kennedy -- to find out which is the bigger pull -- the disapproval of Stenberg pull or the judicial supremacy pull."

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CIVIL RIGHTS:

Federal Observers At Polls In 22 States (AP-Y)

By Lara Jakes Jordan, Associated Press Writer

AP, November 7, 2006

Federal poll watchers will be in 22 states Tuesday, safeguarding against fraud or discrimination in election districts marked by tight races, large numbers of minority voters and faulty ballot machines.

Justice Department monitors and observers are being assigned to Cuyahoga County, Ohio, which has been dogged by problems with computerized touch-screen voting machines. They will be in Bergen County, N.J., a must-win prize for both candidates in the state's Senate race.

And they will watching more than a dozen counties nationwide where polls are on American Indian reservations and in big cities dominated by black voters.

In all, the Justice Department is sending an estimated 850 poll watchers to 69 cities and counties — what officials on Monday called an unprecedented number, and twice as many during the 2002 congressional midterm elections.

The government has dispatched poll watchers to ensure fair elections since the 1965 Voting Rights Act was enacted.

Assistant Attorney General Wan J. Kim, who heads the Justice Department's civil rights programs, told reporters last week that the election districts were selected in part because of close races there.

They include Fort Bend and Galveston counties in Texas, where Republican write-in candidate Shelley Sekula-Gibbs is seeking to keep a GOP hold on the seat vacated by former House Majority Leader Tom DeLay. Texas Democrats have accused Sekula-Gibbs of twice entering early voting locations — which is prohibited by law — to introduce herself to voters and workers.

That race also has been marked by allegations of poll workers offering unrequested assistance if voters need help with writing in a candidate or need help writing in Sekula-Gibbs.

Poll watchers will be in several major cities — including Boston, Chicago, Denver, New Orleans, San Francisco and parts of New York City — where black and other minority voters traditionally have claimed they were denied access to the ballot box.

The federal watchdogs will be in some small cities, too, like Springfield, Mass., where the Justice Department forced officials to hire bilingual poll workers to help Spanish-speaking residents at the polls.

Eight counties in South Dakota alone — which hosts a number of American Indian reservations — will be visited by the observers and monitors. They will also be in largely rural Berks County, Pa., one of about nine counties that won't count absentees ballots on election night.

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On the Net:

Justice Department: http://www.usdoj.gov/

Justice Department Dispatches Election Monitors (CNN)

By Terry Frieden, Justice Producer

CNN.com, November 7, 2006

WASHINGTON (CNN) -- The Justice Department Monday announced it has dispatched an army of election observers and monitors across the country to polling places where it sees a potential for discrimination or other voting rights violations.

After weeks of considering requests for a federal presence, Attorney General Alberto Gonzales and his Civil Rights Division lawyers decided to send 850 poll watchers to 69 jurisdictions in 22 states.

The federal authorities are being sent to monitor a wide variety of specific issues. In New Orleans, Louisiana, however, the observers will be there primarily to provide support to a wobbly post-Katrina election system that could be overwhelmed by residency issues. (Watch what the Justice Department will be looking for -- 1:59)

The federal force includes more than 500 trained observers from the Office of Personnel Management. They are going to places with troubled histories as certified by the Attorney General or the federal courts under provisions of the Civil Rights Act of 1965. Those locations include polling places where allegations of racial, ethnic and language discrimination have surfaced in the past -- some as far back as the 1970s.

In Alabama, observers are going to Chambers, Lee, and Tuscaloosa counties. They are three of seven white majority counties where black candidates are challenging white candidates. African-American groups asked for observers to ensure their rights are protected.

In Noxubee County, Mississippi, observers will be watching polling stations where alleged discrimination against white voters by black elections officials triggered a federal investigation and lawsuit.

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The Justice Department is also sending more than 350 monitors, including attorneys from its Civil Rights Division and U.S. Attorneys offices, to other hot spots where complaints have been registered or tensions have run high.

The Justice Department has declined official comment on why any of the locations were selected.

Assistant Attorney General for Civil Rights Wan Kim said the anticipated closeness of races would be one factor in making the final decisions on where to send observers. But in the end, few of the jurisdictions receiving federal scrutiny will be in states with heated Senate races.

Eight counties in South Dakota and five in Arizona with substantial Native American populations are on the list. In Arizona, Native Americans have warned of tensions in a race where there is debate over whether a Native American state senator endorsed a congressional candidate.

Unfettered access to the polls and the availability of minority language ballots are among the issues in Kings County, Queens County and Richmond County in New York and in five counties in New Jersey. Many of the locations have substantial Spanish-speaking communities.

An official with the Leadership Conference for Civil Rights called the Justice Department's announcement Monday "a mixed bag."

"It seems they took some of our recommendations to heart," said attorney Julie Fernandez. "Our biggest disappointment is that they are not sending anyone to North Carolina or Alaska," she said.

In Chatham County, North Carolina, there is a hotly contested referendum on county commission voting districts, which is opposed by black residents who have expressed fear of voter suppression tactics.

Civil Rights groups charge that in Alaska, the state has not implemented the language protections required to ensure the rights of Native Americans. Some small native villages have no polling precincts and have complained about problems with absentee ballots.

However, the Justice Department did send monitors to several other locations recommended by minority groups. Observers will be in St. Landry Parish, Louisiana, where there is a racially heated runoff for a vacant sheriff's seat. In that contest, the black female interim sheriff alleges her opponent used racial slurs at a number of public campaign events.

FBI Looks Into Voter Intimidation (RTD)

By JEFF E. SCHAPIRO

Richmond Times-Dispatch, November 7, 2006

The FBI is looking into possible voter intimidation in Virginia's hard-fought U.S. Senate contest between Republican incumbent George Allen and Democrat Jim Webb.

Just ahead of today's election, state officials alerted the U.S. Justice Department to several complaints of suspicious phone calls to voters about where they cast ballots and their preferences for the Senate.

Jean R. Jensen, secretary of the State Board of Elections, said yesterday that she was subsequently contacted by an agent in the FBI's Richmond office. The FBI is the investigative arm of the Justice Department.

Dee Rybiski, spokeswoman for the FBI here, declined comment.

Jensen said she called the Justice Department's civil rights office in Washington and the Virginia attorney general after receiving a complaint Sunday from a voter in Arlington County and one yesterday from the registrar in Accomack County.

Jensen said she later received a report from the Hampton registrar about a call to a voter there. That complaint came in response to an e-mail from Jensen to local registrars about possibly deceptive phone calls.

"Voters should not be intimidated or deceived by phone messages purporting to be from election officials," Jensen said in a written statement. "Any communication from federal, state or local election officials will always be in a written form clearly identifying the official source."

With published polls depicting the Allen-Webb race as a tossup, both sides are mobilizing lawyers and voting experts to watch for irregularities and prepare for a possible recount.

In a written statement issued by the Webb campaign, state Democratic Party counsel Jay B. Myerson suggested that Republicans are behind efforts to suppress votes for Webb.

"We've seen this tactic before, and it is about time the Republicans learned that it will not work," Myerson said.

Shawn M. Smith, executive director of the Virginia Republican Party, said the state GOP and Allen campaign are focusing on mobilizing votes for Allen.

As for voter intimidation or suppression, Smith said: "We are not aware of any such activities taking place and are skeptical of the claims being made. Nonetheless, we condemn such activities if they are being conducted by outside organizations."

J. Tucker Martin, spokesman for Attorney General Bob McDonnell, had no immediate comment.

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Police Look Into Cross Burning Attempt At Grand Coteau Town Hall (AP)

AP, November 7, 2006

GRAND COTEAU, La. (AP) — Someone tried to set a cross on fire in the town hall parking lot of Grand Coteau, where the black mayor is in a runoff Tuesday against a white woman.

Authorities said Monday that they had few leads, other than for a pickup truck seen leaving the parking lot without its lights on late Thursday, the night before the cross was planted.

"This is just not our community. This is not a reflection of the community as a whole. Grand Coteau is not like that," said Gail Lark, who had 44 percent of the primary vote to 23 percent for Mayor Jean Coco in the town of 1,000.

Lark said at least 200 people — black and white — had called her, upset by the incident. Mayor Jean Coco did not return a call for comment Monday.

Police Chief Jonty Coco said officers answered a report of a small fire in the parking lot about 9 p.m. Friday, and found a 5-foot tall cross placed into a wooden base. The cross itself never did catch fire, he said.

Chief Coco said the state police and the FBI had been informed. A preliminary investigation indicated the cross had been soaked with used motor oil, he said.

No suspects were reported, but the chief said officers were looking for a gray Chevrolet pickup spotted in the lot the night before.

Suspected Pimp Charged With Sex Trafficking (AP)

AP, November 7, 2006

A California man suspected of being a pimp has been charged with sex trafficking.

Twenty-seven-year-old Jeremiah Crayton of San Francisco is charged in Phoenix with two counts of Sex Trafficking of a Minor and two counts of Interstate Transportation of a Minor for Prostitution.

The U-S Attorney for Arizona Paul Charlton says they plan to aggressively prosecute those who trade in the pain and misery of children.

The complaint alleges that in August of 2004, Crayton took a juvenile female, who he knew was under 18 from Phoenix to San Francisco, where he forced her to work as a prostitute.

Authorities allege Crayton met the teen at a bus stop in Phoenix.

N.Y. Plans To Make Gender Personal Choice (NYT)

By Damien Cave

The New York Times, November 7, 2006

Separating anatomy from what it means to be a man or a woman, New York City is moving forward with a plan to let people alter the sex on their birth certificate even if they have not had sex-change surgery.

Under the rule being considered by the city's Board of Health, which is likely to be adopted soon, people born in the city would be able to change the documented sex on their birth certificates by providing affidavits from a doctor and a mental health professional laying out why their patients should be considered members of the opposite sex, and asserting that their proposed change would be permanent.

Applicants would have to have changed their name and shown that they had lived in their adopted gender for at least two years, but there would be no explicit medical requirements.

"Surgery versus nonsurgery can be arbitrary," said Dr. Thomas R. Frieden, the city's health commissioner. "Somebody with a beard may have had breast-implant surgery. It's the permanence of the transition that matters most."

If approved, the new rule would put New York at the forefront of efforts to redefine gender. A handful of states do not require surgery for such birth certificate changes, but in some of those cases patients are still not allowed to make the change without showing a physiological shift to the opposite gender.

In New York, the proposed change comes after four years of discussion among health officials, an eight-member panel of transgender experts and vital records offices nationwide. It is an outgrowth of the transgender community's push to recognize that some people may not have money to get a sex-change operation, while others may not feel the need to undergo the procedure and are simply defining themselves as members of the opposite sex. While it may be a radical notion elsewhere, New York City has often tolerated such blurring of the lines of gender identity.

And the proposal reflects how the transgender movement has become politically potent beyond its small numbers, having roots in the muscular politics of the city's gay rights movement.

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Transgender advocates consider the New York proposal an overdue bulwark against discrimination that recognizes an emerging shift away from viewing gender as simply the sum of one's physical parts. But some psychiatrists and doctors are skeptical of the move, saying sexual self-definition should stop at rewriting medical history.

"They should not change the sex at birth, which is a factual record," said Dr. Arthur Zitrin, a Midtown psychiatrist who was on the panel of transgender experts convened by the city. "If they wanted to change the gender for all the compelling reasons that they've given, it should be done perhaps with an asterisk."

The change would lead to many intriguing questions: For example, would a man who becomes a woman be able to marry another man? (Probably.) Would an adoption agency be able to uncover the original sex of a proposed parent? (Not without a court order.) Would a woman who becomes a man be able to fight in combat, or play in the National Football League? (These areas have yet to be explored.)

The Board of Health, which weighs recommendations drafted by the Department of Health and Mental Hygiene, is scheduled to vote on the proposal in December, and officials say they expect it to be adopted.

At the final public hearing for the birth certificate proposal last week, a string of advocates and transsexuals suggested that common definitions of gender, especially its reliance on medical assessments, should be abandoned. They generally praised the city for revisiting its 25-year-old policy that lets people remove the sex designation from their birth certificate if they have had sexual reassignment surgery. Then they demanded more freedom to choose.

Michael Silverman, executive director of the Transgender Legal Defense and Education Fund, said transgender people should not have to rely on affidavits from a health care system that tends to be biased against them. He said that many transgender people cannot afford sex-change surgery or therapy, and often do not consider it necessary.

Another person who testified, Mariah Lopez, 21, said she wanted a new birth certificate to prevent confusion, and to keep teachers, police officers and other authority figures from embarrassing her in public or accusing her of identity theft.

A few weeks ago, at a welfare office in Queens, Ms. Lopez said she included a note with her application for public assistance asking that she be referred to as Ms. when her turn for an interview came up. It did not work. The woman handling her case repeatedly addressed her as Mister.

"The thing is, I don't even remember what it's like to be a boy," Ms. Lopez said, adding that she received a diagnosis of transgender identity disorder at age 6. She asked to be identified as a woman for this article.

The eight experts who addressed the birth certificate issue strongly recommended that the change be made, for the practical reasons Ms. Lopez identified. For public health studies, people who have changed their gender would be counted according to their sex at birth.

But some psychiatrists said that eliminating identification difficulties for some transgender people also opened the door to unwelcome advances from imposters.

"I've already heard of a 'transgendered' man who claimed at work to be 'a woman in a man's body but a lesbian' and who had to be expelled from the ladies' restroom because he was propositioning women there," Dr. Paul McHugh, a member of the President's Council of Bioethics and chairman of the psychiatry department at Johns Hopkins University, wrote in an e-mail message on the subject. "He saw this as a great injustice in that his behavior was justified in his mind by the idea that the categories he claimed for himself were all 'official' and had legal rights attached to them."

The move to ease the requirements for altering one's gender identity comes after New York has adopted other measures aimed at blurring the lines of gender identification. For instance, a new shelter policy approved in January now allows beds to be distributed according to appearance, applying equally to postoperative transsexuals, cross-dressers and "persons perceived to be androgynous."

The Metropolitan Transportation Authority also agreed last month to let people define their own gender when deciding whether to use the men's or women's bathrooms.

Joann Prinzivalli, 52, a lawyer for the New York Transgender Rights Organization, a man who has lived as a woman since 2000, without surgery, said the changes amount to progress, a move away from American culture's misguided fixation on genitals as the basis for one's gender identity.

"It's based on an arbitrary distinction that says there are two and only two sexes," she said. "In reality the diversity of nature is such that there are more than just two, and people who seem to belong to one of the designated sexes may really belong to the other."

Uncivil Rights (WSJ)

The Wall Street Journal, November 7, 2006

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Today in Michigan, voters face a choice on Proposal 2, which would add the following language to the state constitution: "The state shall not discriminate against, or grant preferential treatment to any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education or public contracting."

One might think a law banning discrimination would be a triumph for civil rights. Instead, opponents have spent $3 million trying to defeat it, using some of the most low-down arguments of this low-down election year. Consider this ad running on Detroit radio:

"If you could have prevented 9/11 from ever happening . . . would you have? If you could have prevented Katrina from ever happening . . . what would you have done? On Nov. 7th there's a national disaster headed for Michigan . . . the elimination of affirmative action. And on Nov. 7th there's only one way to stop this disaster . . . by voting no on Proposal 2."

We're not against "negative" advertising, but to equate the abolition of racial and gender preferences to the damage done by terrorists and a hurricane seems a tad hyperbolic, not to mention dishonest.

Women's groups are also in on the distortion. They're using statewide ads to claim that ending affirmative action would lead to an end to women's health clinics, programs to tutor girls in math and science, and funding for breast cancer treatment. There's one problem with these scare tactics: The initiative doesn't apply to health clinics or tutoring programs. Two states -- California and Washington -- have passed nearly identical initiatives, and there has been no negative effect on women's opportunities.

The opponents of Proposal 2 have also rolled out Tommy Amaker and Tom Izzo, the men's basketball coaches at Michigan and Michigan State University, respectively. They declared at a press conference that the initiative would hurt the university system by reducing "diversity." Once upon a time, the goal of civil rights legislation was equal opportunity. But with that goal largely achieved, the proponents of racial preferences have now moved the goalposts to "diversity" for its own sake. This sets race above other qualities, which erodes public confidence in individual merit as opposed to group rights.

In any case, the proponents of the Civil Rights Initiative sent the two coaches a question: "Do you use quotas or preferences when you choose the players on your basketball teams?"

In 2003, the U.S. Supreme Court ruled that Michigan universities may not use race as a primary factor in admissions but could use it as one of several. But a new study from the Center for Equal Opportunity shows that race is an even larger factor now than before at the University of Michigan. In 2005, an Asian or white student with a 1240 SAT and 3.2 grade point average had only a 1 in 10 chance gaining admission, while a black student with the same record had a 9 in 10 chance.

Another reason opponents are spending so much money to defeat this initiative is that it would ban the "setting aside" of minority business contracts -- a practice that has made a lot of people very rich in Michigan. Left unsaid is that those set-asides can cost Michigan taxpayers millions of dollars in inflated contracting costs.

There's nothing wrong with schools or businesses considering a candidate's background when deciding whether to admit or hire. But the application of racial and gender quotas has become a corrupting and divisive process that violates our Constitutional heritage of equal rights and fairness. Polls in Michigan had the Civil Rights Initiative narrowly ahead in the final days, notwithstanding the 3-to-1 funding advantage of the opponents. If it prevails despite the distortions used by opponents, it will be a tribute to the faith among Michigan voters in equal opportunity.

ANTITRUST:

Merrill Gets Justice Department Query On Buyouts, Person Says (BLOOM)

By Brett Cole

Bloomberg, November 7, 2006

Nov. 6 (Bloomberg) -- Merrill Lynch & Co., the world's third-largest securities firm, received a letter from the U.S. Department of Justice as part of an antitrust inquiry of the leveraged-buyout industry, a person familiar with the probe said.

Justice officials have already sent letters seeking information to Carlyle Group, Clayton, Dubilier & Rice Inc., Kohlberg Kravis Roberts & Co. and Silver Lake Partners, according to the person, who asked not to be identified because the inquiry isn't public. The Merrill letter was reported earlier today by the Wall Street Journal.

``The DOJ is probably focusing on three to four deals initially, and if it finds any problems then it may widen the probe to include other firms and deals," Sean Boland, co-chair of the antitrust practice at Washington-based law firm Howrey LLP, said today in a telephone interview. Boland said the probe may last more than a year.

LBO firms have teamed up on $201 billion of acquisitions this year, compared with $31 billion in all of 2001, according to data compiled by London-based Private Equity Intelligence Ltd. In July, the industry's biggest deal was announced, the $33

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billion takeover of hospital chain HCA Inc. by KKR, Bain Capital LLC, Merrill Lynch's private-equity unit and HCA co-founder Thomas F. Frist Jr.

Carlyle, Clayton Dubilier and Merrill acquired Hertz Global Holdings Inc. last year from Ford Motor Co. for $15 billion. The Park Ridge, New Jersey-based car-rental company said last month it planned to sell as much as $1.83 billion of shares in an initial public offering.

Offer Prices

Mark Herr, a spokesman for New York-based Merrill, declined to comment. Gina Talamona, a Justice Department spokeswoman in Washington, didn't return a call seeking comment. Spokesmen for the buyout firms declined to comment.

Buyout firms form partnerships to spread risk and increase the size of purchases they can make. The Justice Department may be concerned that cooperation among bidders is unfairly pushing down prices, said Robert Burka, an antitrust lawyer at Foley & Lardner in Washington and a former official the Federal Trade Commission.

Report: Regulators Eye Private Equity (AP-YBIZ)

AP, November 7, 2006

Report: Regulators Examining Whether Anticompetitive Behavior Occurs at Private Equity Firms

NEW YORK (AP) -- Regulators are looking into whether private equity firms, which are increasingly the driving force behind some of Wall Street's biggest buyout deals, have engaged in anticompetitive behavior.

The Wall Street Journal reported Monday that the U.S. Department of Justice is seeking documents from Merrill Lynch & Co.'s private equity business as part of a larger informal probe. The newspaper reported that at least four other private equity companies have received letters in recent weeks, including Carlyle Group; Clayton, Dubilier & Rice; Kohlberg Kravis Roberts & Co.; and Silver Lake Partners.

"We never comment on government investigations except to say that we cooperate with them," Merrill Lynch spokeswoman Jessica Oppenheim told The Associated Press Monday.

Carlyle Group, Clayton Dubilier, Kohlberg Kravis and Silver Lake also would not comment. A Justice Department official also declined to comment.

The U.K.'s Financial Services Authority said in a statement Monday it is weighing whether it provides adequate oversight of the private equity market.

Merrill's private equity business, Merrill Lynch Global Private Equity, has been on a tear, with profits of more than $300 million last quarter. The operation was involved in the $21.3 billion leveraged buyout agreement of hospital chain HCA Inc. Kohlberg Kravis and Bain Capital LLC also took part in that deal.

The news comes as investors are cheering the premiums that private equity deals can bring; the private equity deals can also generate enormous fees on Wall Street. Monday brought a flurry of private equity news, with offers being made for Four Seasons Hotels Inc. and OSI Restaurant Partners Inc., which is the parent of such chains as Outback Steakhouse.

The Journal reported that the addition of Merrill to the inquiry could mean investigators could be eyeing the auction of Hertz Global Holdings Inc., which was carved out of Ford Motor Co. in December. Carlyle, Clayton Dubilier and Merrill Lynch beat out a rival consortium of Bain Capital LLC, Blackstone Group LP, Texas Pacific Group and Thomas H. Lee Partners LP in that deal, the newspaper reported.

An initial public offering for Hertz is slated for next week.

Many private equity firms see opportunity in taking a company private, making changes and then in some cases taking a company public to reap the potential windfall. Some investors are also looking to private equity deals as costs of doing business as a public company have increased. Regulatory requirements have been tightened, increasing some overhead costs at companies, following scandals seen in recent years such as the one that brought down Enron Corp.

Feds Request Info In Smithfield Deal (AP)

AP, November 7, 2006

Federal Regulators Want More Information From Smithfield and Premium Standard on Acquisition

SMITHFIELD, Va. (AP) -- Smithfield Foods Inc. and Premium Standard Farms Inc., the nation's two largest hog producers, said Monday they received requests for additional information from federal regulators related to Smithfield's pending acquisition of Premium Standard.

The request by the Department of Justice's antitrust division extends the waiting period imposed by federal law until 30 days after the two companies have substantially complied with the request.

Under terms of the deal announced in September, Smithfield Foods will buy Premium Standard for about $674 million in cash and stock. Smithfield will also assume about $117 million of Premium Standard's debt.

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Both companies said they intend to respond expeditiously to the request and to work toward a prompt closing, which they hope to achieve in the first quarter of 2007.

Smithfield shares rose 40 cents to close at $26.10 on the New York Stock Exchange. Premium Standard shares picked up 25 cents to end at $18.68 on the Nasdaq.

Ahold Says It Will Sell U.S. Foodservice (AP)

By Toby Sterling, Associated Press

AP, November 7, 2006

Analysts put value at $5 billion

AMSTERDAM, Netherlands – Supermarket chain operator Royal Ahold NV announced plans Monday to sell its U.S. Foodservice unit, which distributes bulk food to cafeterias, as part of a major strategic shift back to its roots in retailing.

As part of the plan, Ahold also said it would sell its Tops stores in New York and Pennsylvania, divest its retail operations in Poland and Slovakia, and sell its 49 percent stake in Portugal's Jeronimo Martins Retail.

"The basic decision we've taken is to commit to retail, to go back to where we come from," Chief Executive Anders Moberg told reporters. "We will keep retail operations in markets in the United States and in Europe only where we can secure and maintain a No. 1 or No. 2 position."

Analysts said the moves were the logical next step for Ahold, which has gradually returned to firm financial footing by refinancing and selling assets after an accounting scandal centered around U.S. Foodservice pushed it to the edge of bankruptcy in 2003.

"It all makes perfect sense," said analyst Bryan Roberts of Planet Retail.

Ahold said last week that third-quarter sales at its Columbia, Md.-based U.S. Foodservice operation, which distributes food to cafeterias in hospitals, schools and prisons, increased by 5 percent to $4.5 billion. Analysts put its value at around $5 billion.

Ahold, one of the largest food retailers in the United States and Europe, promised to use the proceeds from the sale of Foodservice and the grocery chains to return at least 2 billion euros ($2.5 billion) to shareholders and reduce net debt by the same amount.

The company also said it would cut annual operating costs by 500 million euros ($638 million) by the end of 2009.

Ahold operates the Stop & Shop and Giant chains in the United States and several large European chains, including its highly profitable flagship supermarket, Albert Heijn, which is dominant in the Netherlands.

Ahold will keep its stores in the Czech Republic, where it holds a leadership position, and the Swedish-based ICA supermarkets, in which it holds a 60 percent stake.

When the smoke clears, Ahold will have around 60 billion euros ($76.3 billion) in consolidated annual sales, Moberg said.

Ahold shares rose 0.1 percent to 8.36 euros ($10.63) in Amsterdam trading. But with the stock still lingering below its level before the scandal struck, Ahold has been under pressure to make a major change.

In August, investment funds Paulson & Co. Inc. and Centaurus Capital Ltd., which hold 6.4 percent of Ahold's shares, said the company should sell Foodservice and split the U.S. and European retail operations, a proposal some analysts agreed with and which caused a spike in share prices.

The Financial Times reported last week Ahold is in talks to sell Foodservice to private-equity firm Clayton Dubilier & Rice Inc., and Dutch media have reported Ahold is in merger talks with Delhaize Group of Belgium. Clayton Dubilier & Rice could not immediately be reached for comment Monday.

Moberg declined to confirm either idea, but noted that "since 2003 there's been speculation we would sell Foodservice. We haven't had discussions with potential buyers ... but there's a lot of interest out there and that's good for getting a good price."

Roberts said Delhaize would be a good match for Ahold.

Delhaize is smaller, with $4.4 billion in sales in the United States from chains including Food Lion, Harvey's, Sweetbay and Hannaford in the second quarter of 2006. Ahold had around $5.3 billion in sales from its U.S chains in the same period.

In Belgium, Delhaize had second-quarter sales of around 1.1 billion euros ($1.4 billion), compared to Albert Heijn's 1.7 billion euros ($2.2 billion) in the Netherlands.

"They obviously have great overlap in the Benelux countries, though there could be some antitrust concerns," Roberts said. "Ahold could benefit from some of Delhaize's best practices in the States, where its stores are outstanding in both price and quality."

Ahold, which will report third quarter earnings Dec. 1, warned last week that margins are slipping at its U.S. stores under heavy competition. Its Albert Heijn stores' sales were up 10 percent in the third quarter.

After the scandal, senior former executives resigned and were later convicted of fraud but let off with fines. Several high-ranking managers at Foodservice are awaiting trial.

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Ahold settled with regulators for a small fine and last year announced a $1.1 billion settlement with shareholders, apparently putting the last remaining issue from the scandal behind it.

Roberts said the company's current management deserved credit for not selling Foodservice under financial distress. He predicted the company would now “get a decent price for Foodservice, given that private equity firms have already been sniffing around it.”

Morgan Stanley, Visa Settle Dispute (AP)

AP, November 7, 2006

Morgan Stanley and Visa Settle Dispute Over Access to European Network

BRUSSELS, Belgium (AP) -- Morgan Stanley and Visa International have agreed to settle a long-running dispute over business in Europe, the two companies said in a statement Monday.

However, the European Commission cautioned that the settlement wouldn't end its investigation into Visa's commercial practices.

Visa had refused to let Morgan Stanley join its card network in Europe because Morgan Stanley runs a competing card service in the United States, Discover. Morgan Stanley complained to the European Union in 2000.

The two companies said they "reached an amicable settlement, without any admission of liability." Morgan Stanley has become a member of Visa in Europe. In return, it withdrew its complaint to European regulators and ended court proceedings in England.

After Morgan Stanley complained, European antitrust regulators formally charged Visa with blocking competitors from its network in August, 2004. It sent Visa a formal "statement of objections," saying Visa's rule barring competitors from using its network squelches competition in a growing segment of the credit-card industry and reduces choice for merchants. This case will continue despite Monday's news.

Jonathan Todd, the EU antitrust spokesman, said the investigation is ongoing.

In a previous case, settled in 2002, Visa agreed to reduce by about 20 percent a fee that is borne by retailers and their banks.

The credit-card cases are part of a renewed drive by regulators to open up competition in Europe's financial-services sector.

Shares of Morgan Stanley rose $1.64, or 2.2 percent, to $75.92 on the New York Stock Exchange in afternoon trading Monday on the New York Stock Exchange. The financial services company is based in New York.

EU To Rule By Dec. 8 On Universal Music Group's Purchase Of BMG Music Publishing (AP)

AP, November 7, 2006

BRUSSELS, Belgium — EU regulators on Monday set a Dec. 8 deadline to rule on Universal Music Group's plans to buy BMG Music Publishing for $2.09 billion.

BMG — owned by German media company Bertelsmann AG — has the rights to more than a million songs by recording artists such as Nelly, Maroon 5 and Coldplay, as well as classic hits by the Beach Boys, Barry Manilow and other entertainers.

Vivendi SA's Universal is the world's largest music company.

Its purchase of BMG Music Publishing must be cleared by both EU and U.S. regulators. It is likely to face careful scrutiny in Europe after an EU court in July overturned the European Commission's go-ahead from a merger between the music units of Sony and Bertelsmann AG.

That deal — reducing the number of major record companies from five to four — must be re-examined and analysts warned it could raise the stakes for similar mergers. The Commission has already said it had to watch the music sector closely to check that antitrust rules are not being broken.

EMI suspended $4.6 billion takeover talks with U.S. rival Warner Music Group after the court ruling since it cast doubt on whether an EMI-Warner deal would receive regulatory approval.

The Court of First Instance — the EU's second-highest court — said regulators had not properly shown that there was a monopoly in the recording industry before the deal or that there would not be one afterward.

It also said the Commission did not explain why it dropped earlier charges that the deal could exacerbate "tacit collusion" in the industry, leading to higher CD prices and less choice for consumers in a market where there is already too little competition.

NTP Files Patent Suit Against Palm (WSJ)

Wall Street Journal, November 7, 2006

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NTP Inc., which successfully sued the maker of BlackBerry devices for infringement of wireless email patents, said it is suing Palm Inc., maker of the Treo smartphone.

The lawsuit, filed in U.S. District Court for the Eastern District of Virginia, alleges that Palm's products and services have improperly used NTP's wireless email technology. The suit asks the court to bar Palm from "continuing to infringe on NTP's patents" and seeks monetary damages for the alleged past infringements.

In March, BlackBerry maker Research in Motion Ltd. agreed to pay NTP $612.5 million to settle a four-year patent dispute. Though it never conceded wrongdoing, RIM acknowledged that customers had delayed placing new orders due to the threat of a court-ordered shutdown of the BlackBerry system in the U.S.

The Palm complaint also centers on products and services that integrate email systems with wireless communications, including the Treo, Palm VII, Palm i700 and Tungsten products. At issue are seven patents, dating from 1995 to 2001, according to the lawsuit. Five of the patents were part of NTP's lawsuit against RIM.

"We have attempted -- on numerous occasions -- to resolve this issue with Palm without resorting to litigation that is both time-consuming and costly," said Donald Stout, NTP's co-founder, in a statement. "Despite our efforts, Palm has chosen to continue to unlawfully infringe on our patents."

A spokesman for Palm couldn't immediately be reached for comment.

Richmond, Va.-based NTP, a closely held patent company, has licensed its technology to Nokia Corp., Good Technology Inc. and Visto Corp.

Write to the Online Journal's editors at newseditors@wsj.com

Swift Transportation Gets $2.2 Billion Bid From Its Ex-CEO By ANN KEETON (WSJ)

The Wall Street Journal, November 7, 2006

Jerry Moyes, the former top executive and largest shareholder of Swift Transportation Co., has offered to buy the Phoenix trucking company for $2.2 billion.

Swift, a long-haul trucking carrier, said that Mr. Moyes offered $29 a share, a 21% premium to Friday's trading price of $24.05. The company said its board will review the offer.

Swift shares rose $5.79, or 24%, to $29.84 in 4 p.m. Nasdaq Stock Market composite trading, an indication that some investors anticipate a higher offer. In a letter to the company, Mr. Moyes said he would consider increasing the offer if an examination of Swift's books and records showed that the shares are worth more than $29.

In the third quarter, trucking companies reported that they hadn't seen the usual seasonal upturn in business, with retailers preparing for the holiday season. A slowing economy would hurt the trucking business.

For 2005, Swift reported net income of $101.1 million, or $1.37 a share, on revenue of $3.2 billion.

Mr. Moyes, 62 years old, started out in the trucking business with a single truck and later helped to found Swift in 1966. In 1984, he became chairman, president and chief executive of the company. He retired from those positions in 2005.

McKesson To Purchase Per-Se For $1.1 Billion, Adding Clients By NICOLE URBANOWICZ (WSJ)

The Wall Street Journal, November 7, 2006

McKesson Corp. agreed to buy Per-Se Technologies Inc., which sells administrative services to doctors and hospitals, for about $1.1 billion, expanding the drug-distribution giant's customer base and transaction-processing capabilities.

McKesson also will assume Per-Se's debt outstanding under the deal. As of Sept. 30, Per-Se had long-term debt of $510.6 million.

The buyer will pay $28 in cash for each Per-Se share outstanding, a 14.5% premium to the Alpharetta, Ga., company's Friday closing share price. Per-Se shares rose $3.09, or 13%, to $27.54 as of 4 p.m. in Nasdaq Stock Market composite trading. McKesson rose $1.17, or 2.4%, to 49.69 in New York Stock Exchange composite trading.

McKesson Chief Executive John Hammergren said the acquisition will strengthen customer relationships in existing McKesson businesses while adding a pharmacy transaction business to the San Francisco company's portfolio.

Hedge fund ValueAct Capital, which controls about 15.5% of Per-Se's voting common stock, and certain of its affiliates agreed to vote in favor of the transaction. The deal is expected to close in the first quarter.

After the deal, the scale of McKesson's transaction-processing services and associated offerings is expected to more than double to about 560 million transactions annually, representing an estimated $300 billion in billed charges.

McKesson distributes medicines to more than 25,000 U.S. health-care locations such as pharmacies, including those at Wal-Mart Stores Inc., plus hospitals, nursing homes and doctors' offices.

Per-Se's customers include about 100,000 physicians in small practices, 17,000 hospital-affiliated physicians, 3,000 hospitals and 50,000 retail pharmacies.

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McKesson expects pretax synergies from the deal of $50 million to $75 million by the third year.

Last week, drugstore company CVS Corp. agreed to acquire McKesson's biggest customer, Caremark Rx Inc., in a $21 billion deal to create an even bigger customer that could negotiate lower prices. A combined CVS-Caremark might try to shift more business to Cardinal Health Inc. and away from McKesson, according to analysts.

ENVIRONMENT/INDIAN AFFAIRS:

One Chemical At A Time (WP)

By Cindy Skrzycki

The Washington Post, November 7, 2006

An industry association, a labor union and a public health group recently settled a court case over a new standard for worker exposure to a cancer-causing chemical, hexavalent chromium. It was a rare example of agreement in worker-safety regulation.

Under the Oct. 25 settlement, the Surface Finishing Industry Council , whose members use the chemical to coat metals, agreed to move faster to improve ventilation and make other engineering changes to reduce workers' exposure levels. In return, the United Steelworkers union and an ally agreed that workers would have to wear a respirator only for certain jobs, unless they requested one.

"It's a good trade-off," said Scott Nelson , a lawyer with Public Citizen Litigation Group , which worked with the union in getting the Occupational Safety and Health Administration to revise the standard.

"How often, when you have zealously guarded positions, do you achieve common ground?" agreed Baruch Fellner , an attorney for the industry group.

OSHA said last week that it was amending the final rule to incorporate the settlement, a promising development.

Unfortunately, it's not a harbinger this election day of a real breakthrough in one of Washington's most contentious issues.

The problem is that the hex chromium rule covers hundreds of thousands of other workers not part of the settlement, and several other court challenges remain. They involve Nelson's clients and other unions, as well as the specialty steel and electric utility industries and the National Association of Manufacturers .

More significantly, there is no sign that the single agreement will cure the paralysis that for years has crippled the process for setting "permissible exposure limits" for chemicals in the workplace.

Exposure limits for some 400 chemicals were set when OSHA was set up in 1971. Only about 20 have been reviewed and revised since, according to the agency. In some cases, including hexavalent chromium, the science underlying the rule hasn't been updated since the 1920s.

The American Industrial Hygiene Association , in a 2002 study of the problem, called it "a disservice to worker health that the majority of OSHA permissible exposure limits are based on recommendations that were made almost 30 years ago."

This means hundreds of companies operating in the shipyard, construction and chemical industries have only to adhere to woefully outdated standards for protecting workers from harmful chemical exposure.

In 1988, OSHA proposed a wholesale upgrade of 212 of the existing standards, as well as an additional 164 exposure limits for substances that never had been regulated. Industry groups sued, claiming the proposals were too stringent; the AFL-CIO sued, saying some weren't strong enough and monitoring plans were weak.

In 1992, the U.S. Court of Appeals for the 11th Circuit in Atlanta ruled that while the agency could propose generic rules, it had to justify the limit chosen for each chemical.

"The lesson learned was that it was difficult to update 400 permissible exposure limits under the OSHA rulemaking process," said Randel Johnson , an official at the Labor Department at that time. He now is vice president of labor, immigration and employee benefits at the U.S. Chamber of Commerce .

There was another unsuccessful attempt in 1996, when OSHA said it intended to update the exposure limits for about 20 substances. That idea never reached the proposal stage.

Canada, European countries and several states have stricter exposure limits than OSHA's for some chemicals. No one involved in the federal rulemaking process likes the inertia.

Almost everyone blames the legal requirements the agency has to meet, including exhaustive administrative reviews, such as considering a rule's possible effect on small business. Time-consuming peer reviews of the science backing the rule add to the delays.

"We can't simply say a substance is dangerous. We have to do quantitative analysis and determine there is a significant risk. It's not a simple undertaking," said Joseph Woodward , an associate solicitor for OSHA at the Labor Department.

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Peter Lurie , deputy director of Public Citizen's Health Research Group, doesn't buy the explanation. He blames Democrats and Republicans alike for ignoring the issue, and the agency for dragging its feet.

"The underlying problem is both parties are on the take from major industry and, as a consequence, their enthusiasm for regulating those industries is practically nil," Lurie said. Some of the few standards that have been updated emerged only after groups like his sued the agency to force action.

OSHA has exposure standards for two substances -- crystalline silica and beryllium -- on its regulatory to-do list. They have been listed there for years, and some agency work has been completed, but no proposals made.

Public Citizen petitioned the agency for an emergency standard for beryllium in 1999 and 2001. OSHA has said since 1996 that it was a priority to regulate silica.

Unions, employer groups, and safety and health professionals formed a committee in 2002 to examine whether the timeliness of exposure standards could be improved by action in Congress.

"We made some progress, but after a while we ran out of gas, I guess," said Frank White , senior vice president of ORC Worldwide , a management consulting firm in Washington, and a participant in the talks. The group sensed a lack of interest on the part of OSHA and Congress.

Perhaps the recent accommodation between one industry group and union on the hex chromium rule points the way to more bite-size progress on chemical-exposure standards, White suggested. Maybe OSHA could try proposing 20 at a time.

In Maine, A Public Park In Search Of Public Support (NYT)

By Felicity Barringer

The New York Times, November 7, 2006

MILLINOCKET, Me., Nov. 1 — Roxanne Quimby could be forgiven if she thought she was emulating the likes of Henry David Thoreau, Percival P. Baxter, John D. Rockefeller Jr. and other lovers of Maine's landscape when she started to buy bits of the vast northern woodlands near here to be the core of a new national park.

Who knew that when she began using some of the fortune she had earned from her organic personal-care business, Burt's Bees, to buy up woods to preserve, she would be greeted with "Ban Roxanne" T-shirts? Or, that her efforts at preservation — banning snowmobiling, hunting and all-terrain vehicles on 50,000 of her acres — would be taken as an attack on the old-time values of the timberland?

Who knew that even some conservation-minded groups would be reluctant to support the decade-old vision of a national park that had inspired Ms. Quimby?

Still, one might have guessed, looking at the streets of this town of 4,700 people, where hunter's blaze orange is the fall fashion statement of choice during this month's deer hunting season.

Millinocket residents fear that turning timberland into parkland will further cut timber jobs, strip them of their accustomed hunting grounds and prevent the development of resorts and snowmobile parks they see as one way out of the downward economic spiral.

"What Roxanne and the others want to do, they want to create a park up here the size of Connecticut and take it out of the heartland of the Maine forest," Eugene Conlogue, the town's manager, said in an interview. "That's a nonstarter for us."

Other environmental groups, while sympathetic to the idea of a national park, see it as an unwelcome distraction from their fight to block a proposed 420,000-acre resort development that the Plum Creek Timber Company has unveiled for Moosehead Lake, just west of here.

As Brownie Carson, executive director of the Natural Resources Council of Maine, said, "You can't pour energy into protection of a single area, even though it's large and hugely important, without risking losses, big losses, in other really important areas of Maine's North Woods forest."

Thirty years ago, Ms. Quimby was living a subsistence counterculture life in the North Woods. After building her financial empire, she was taken with an idea conceived a decade ago by Jym St. Pierre and other local conservationists for a Maine Woods National Park that would envelop Baxter State Park, in the conservation equivalent of Russian nesting dolls. The new park would be the size of Yellowstone and Yosemite combined.

"I find it pretty ironic, or humorous, that people make a national park out to be such a radical idea," said Ken Spalding, the project coordinator for the moving force behind the park, Restore, a group with offices in Hallowell and in Concord, Mass. "American people love their national parks."

Ms. Quimby, 56, hopes Mr. Spalding and Restore's director, Mr. St. Pierre, are right. The idea of a park, she said, "floats my boat."

She prefers that her 75,000 acres become a base on which Restore's 3.2-million acre park could be built.

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But in the past few weeks, she has started to explore conservation alternatives and has met with her opponents to see if her goals to bring the northlands back to their pre-logging state can be reconciled with their goals of finding economic value and personal freedom in the same woods.

In the last six years, more than six million acres of timber company land have changed hands. Timber companies have come and gone like truckers at a roadside stop.

"What has happened over the years," Ms. Quimby said, "is that there were very few landowners and they had a very permissive policy toward land use as long as you stayed out of the way of the logging operation. So people had this unrestricted access."

"So now that the ownership is changing," she said, "it's becoming quite clear that this is private property. And as a private property owner I don't have to let anybody on it."

That, she added, "is becoming the alternative to public land."

When Ms. Quimby banned snowmobiling and hunting and all-terrain vehicles from the first two tracts she bought, which totaled more than 50,000 acres, the "ban Roxanne" cries were heard everywhere here. When she bought her third tract, 23,000 acres, earlier this fall, adjacent to the critical parcel in a state-brokered deal to expand Baxter park, opponents erupted again.

This time, Ms. Quimby sat down and met with them and made a deal. For at least a year, snowmobiles and hunters could continue to use the new purchase, called Sandy Stream. In the meantime, the competing visions of the North Woods' future could be debated with less pressure.

"Mainers are more individualistic." she said. "They're used to having more space about them. They are very self-sufficient, including in the way they think about things."

It is not clear whether Ms. Quimby's efforts at appeasement will beget a more conciliatory attitude to other conservation deals, particularly the not-yet-completed purchase of land around Katahdin Lake. This is a place whose haunting views of Maine's largest mountain, have been a magnet for American landscape painters, from Frederic Church on.

Patrick McGowan, the commissioner of Maine's Department of Conservation, has spent months trying to put all the pieces in place to add 6,000 acres to the eastern side of the 204,800-acre Baxter State Park, ensuring that Katahdin Lake, the artists' beaches and the surrounding woodlands would be preserved. The deal was buffeted on its way through the Maine Legislature, but survived, with two provisos.

Mr. McGowan, aided by the nonprofit conservation group, The Trust for Public Lands, had to get $14 million in private donations to complete the purchase. Facing a Dec. 15 deadline, he is more than $3 million shy of the goal. The Trust is organizing fund-raising events, and artists like Evelyn Dunphy are donating canvases of Katahdin.

The second proviso was that one-third of the new parkland— though not the area around lake — had to be open to "traditional" uses like hunting and snowmobiling.

That deal was barely done when Ms. Quimby announced the purchase of her latest, 23,000 acre, tract from a local logging operator.

Hunters saw the Quimby announcement as a double blow. They were losing access to 23,000 acres, and those acres were the main way in to the 2,000 acres of proposed parkland set aside for them.

"Everybody perceived this as a threat," said Bob Cram, a local hunter and a director of the statewide hunters' group, the Sportsmen's Alliance of Maine. "I did, too."

How Ms. Quimby's talks with the hunters' groups will change the landscape is unknown. Acadia and Baxter parks faced opposition before their creation. It took decades to assemble the land and gain legislative approval. Mr. Spalding, of Restore, said: "The opposition is very much a minority. It is clear that the Maine public, statewide, overwhelmingly supports the acquisition of more public land for conservation."

For the moment, the conservation will likely continue to be ad hoc, with individuals like Ms. Quimby, groups like the Appalachian Mountain Trail Club and state-private partnerships raising the money for individual tracts. These might be combined in a national park, a national forest or a state preserve. They might also remain private, part of a checkerboard of conservation areas and resort development.

A national park, Ms. Quimby said, is not the only solution. "I think a national forest is a possibility, like the White Mountain National Forest," she said. "It has much broader usage."

"Everyone has to give up something in a compromise," she said. "But you get your most important things if it's a good compromise."

Female Leader Would Be First For Navajos (WP)

By Felicia Fonseca

The Washington Post, November 7, 2006

DOJ_NMG_0091659

WINDOW ROCK, Ariz., Nov. 6 -- One candidate in Tuesday's Navajo Nation presidential election promises accountability and staunch protection of tribal land. The other vows to build on the reservation's economic progress in the past four years.

But in the race between incumbent Joe Shirley Jr. and challenger Lynda Lovejoy, the overriding issue is sex.

A win would make Lovejoy the first female leader on the largest Indian reservation in the United States, which extends into New Mexico, Arizona and Utah.

"She is a woman, and that is going to be an issue no matter what her stance on policy," said Dale Mason, an associate professor of political science at the University of New Mexico at Gallup. "She represents something entirely new."

Lovejoy, a former New Mexico state lawmaker and current member of the Public Regulation Commission, hopes to unseat Shirley, 58, a former tribal council delegate who has been leading the tribe for four years.

"I can't control people making their decision to vote for me because I'm a woman," she said. "I certainly appreciate and welcome that. Any vote is important to winning this ticket on November 7."

Shirley, who has focused on economic development in his campaign for reelection, acknowledges some people will vote based on sex, but he says he is hopeful that most won't.

Some traditional Navajos believe that women and men have distinct roles in society -- women as caretakers of the home and of children, and men as providers and leaders, said Tommy Begay, a Navajo and University of Arizona doctoral student who is studying the evolution of cultures.

Although Navajo is a matriarchal society, traditional Navajos will probably stick to the belief that only men should serve as president, Begay said.

"When you live your life in a very traditional way, the beliefs really dictate your action," Begay said. "They become sort of the boundaries of existence."

Less traditional Navajos either have not been taught those beliefs, dismiss them, or have a hard time maintaining them because of the dominant society's influence, Begay said.

Lovejoy has based her campaign on ensuring an open and accountable government, creating jobs, protecting land and natural resources, and cutting unnecessary spending.

Shirley often participates in sweat lodges, where he says he learns songs about the tribe's religion and culture and also draws inspiration from the elders as they talk about how to regain the tribe's economic independence.

Many Navajos are poor, and unemployment hovers around 50 percent.

Shirley has been pushing projects that include the coal-fired Desert Rock Power Plant and the construction of six casinos. The first could be built next year, he said.

The president said those projects would bring in thousands of jobs and provide tribal members with basic necessities -- a home, transportation and income.

FBI/DEA/ATF/USMS:

Detroit FBI Chief Earns A Promotion (DEN)

Detroit News, November 7, 2006

Special agent will help lead criminal division, which handles everything but terror-related cases.

WASHINGTON -- The special agent in charge of the Detroit FBI has been promoted to a top job overseeing criminal investigations nationwide.

Michigan native Daniel D. Roberts, who has led the Detroit field office of the FBI since July 2004, will become the deputy assistant director of the FBI's criminal division in Washington. The criminal division oversees all investigations except terror-related cases, which are handled out of a separate division.

The criminal division handles public corruption; organized crime; financial crime, including corporate fraud and health care fraud; violent crime; gangs; and civil rights violations. It also is involved in many of the most high-profile investigations -- like the numerous investigations into congressional corruption.

In an interview Monday, Roberts said he would start his new job -- his fourth in Washington -- by Jan. 1.

"I would have loved to stay here, but I am looking forward to the new challenge," Roberts said, calling the job "a natural fit."

He said he wasn't looking forward to uprooting his family again, finding a buyer for his Oakland County home or facing the high cost of living in Washington.

Last month, FBI director Robert Mueller asked Roberts to take the new job; his replacement will come from outside Detroit, as is standard policy.

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The FBI is in the process of filling many jobs at FBI headquarters and reshuffling the top agents at the nation's 56 field offices. The top agents in Kansas, Cleveland, Boston, Knoxville and Oklahoma City have been moved in recent months.

Roberts said he was most proud of his office's handling of many special events without incident -- from last month's World Series to Super Bowl XL in February -- not to mention the NBA Finals, 2004 Ryder Cup and 2005 Major League Baseball All Star Game.

"These are huge challenges when you're talking about getting multiple agencies to the table and coordinating a lot of resources," Roberts said, praising the cooperation between the dozens of agencies involved.

Roberts said he was proud that there haven't been any terror incidents in Detroit under his watch.

Roberts, 46, who grew up in Franklin and is a former Franklin and Oak Park police officer, graduated from Groves High School in Birmingham.Roberts' 19-year FBI career has had many highlights. In 2002, he was in the spotlight as acting special agent in charge of the FBI's Salt Lake City bureau during the first few weeks of the Elizabeth Smart disappearance and he also oversaw the FBI's role in security at the 2002 Salt Lake Olympics.

Roberts' most visible assignment in Detroit came when the FBI began digging for the remains of former Teamsters President James. R. Hoffa in May at a Milford horse farm -- a search that prompted intense international coverage. A day after U.S. Rep. Joe Knollenberg, R-Bloomfield Township, was quoted questioning the cost of the search, the two-week dig was called off. Roberts defended the cost. "Dan's a consummate professional," U.S. Attorney Stephen J. Murphy III in Detroit said. "He's an excellent law enforcement leader with great judgment and it's been a real honor to work with him."

Roberts made it a priority to recruit FBI agents to the Detroit office, making the pitch that the area gets an unfair rap, and also got funding to boost the size of the office, which is the 11th largest U.S. FBI field office.

Detroit FBI Chief Promoted To Post In Washington (AP)

AP, November 7, 2006

DETROIT (AP) — The special agent in charge of the Detroit FBI has been promoted to a job overseeing nationwide criminal investigations in Washington.

Detroit native Daniel D. Roberts, 46, will become the deputy assistant director of the FBI's criminal division Jan. 1. He has led the Detroit field office since July 2004.

Roberts joined the FBI in 1987 and was assigned first to Chicago, as a SWAT team member and later as a supervisory agent directing the city's joint task force on gangs. Following a stint as chief of the violent crimes/fugitive unit at FBI headquarters, he served as an assistant special agent in charge in Salt Lake City, where he helped oversee security during the 2002 Winter Olympics.

He got his start as a police officer in suburban Franklin and also worked in the Oak Park Police Department in the 1980s.

"I would have loved to stay here, but I am looking forward to the new challenge," Roberts told The Detroit News for a story Tuesday.

Roberts presided over the search earlier this year at an Oakland County farm for the remains of former Teamsters President Jimmy Hoffa. He said he's most proud of his office's handling of several high-profile, incident-free events in Detroit such as last month's World Series and Super Bowl XL in February.

His replacement will come from outside Detroit.

Five Indicted On Cocaine Charges (PALMBEACHP)

Palm Beach Post (FL), November 7, 2006

FORT PIERCE — A federal grand jury has formally charged five people with conspiracy to distribute crack cocaine in a drug case spawned by an investigation into the killing of a family found shot to death last month on the side of Florida's Turnpike.

Investigators say four of the West Palm Beach-area residents indicted in the federal drug case are connected to the Oct. 13 slaying of the Escobedo family on the side of the highway in Port St. Lucie - though no one has been charged in the homicides. The federal indictment was issued Friday by a grand jury in West Palm Beach and made public during a court hearing Monday morning in Fort Pierce.

Also released Monday were dozens of photographs investigators took inside the West Palm Beach home where the five defendants were arrested on Oct. 26. These photos show bags of cocaine, a 50 -gram "crack cookie," guns including an assault rifle, cash hidden inside a shoe, translucent plastic masks, black wigs and black ski masks.

One photo shows 18-year-old defendant Liana Lopez's student ID card for John I. Leonard High. That ID, along with her driver license, was sitting next to a Chanel makeup bag inside the house at 6458 Garden Court, in the gated Briar Bay community.

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On Monday, another of the five defendants, Ricardo Sanchez Jr., was led by U.S. marshals into the federal courthouse in Fort Pierce where family members and friends packed one row in a courtroom to watch his attorney ask that he be released on bond.

Defense attorney Michael Cohen argued Sanchez, 23, has lived in Palm Beach County for more than a decade and has a wife and 3-year-old child.

"He apparently has an extensive family network in Palm Beach County," Cohen argued.

U.S. Magistrate Judge Ann Vitunac, however, said Sanchez was a flight risk and danger to the community and ordered he be held in jail without bail. Sanchez also pleaded not guilty to the indictment's single count of conspiracy to distribute at least 50 grams of crack cocaine.

Afterward, Sanchez's family declined to comment. No information about the homicide investigation was released during the hearing, and Cohen said he has not heard anything official about that investigation.

"I have no knowledge of him being involved," Cohen said of Sanchez.

Suspected drug ledgers and notebooks found in the Greenacres home where Jose Luis Escobedo Jr., 28, his wife, Yessica, 24, and sons Luis Julian, 4, and Luis Damian, 3, lived before they were killed led investigators to the defendants now being held on drug charges. Investigators believe Escobedo was involved with cocaine trafficking, and items found in his home link him to Sanchez and defendants Daniel Troya, 23, Danny Varela, 26 and Lopez. Drug defendant Jose Gutierrez, 20, is not connected to the killings, officials say.

A federal magistrate on Friday denied Troya and Varela's requests for bond. The drug charges carry a maximum sentence of 10 years to life in prison.

Bond hearings for Lopez and Gutierrez have not been scheduled.

Grand Jury Indicts Four In Escobedo Case (STCN)

Scripps Treasure Coast Newspapers, November 7, 2006

FORT PIERCE — All four people described as "persons of interest" in the Escobedo family killings have been indicted on federal drug charges, the U.S. Attorney's Office announced Monday.

Daniel Troya, 23, Daniel Varela, 26, Ricardo Sanchez, 23 and Liana Lopez, 18, were indicted by a grand jury in West Palm Beach on Friday on a single count each of conspiracy to possess with intent to distribute crack cocaine, according to Assistant U.S. Attorney Steve Carlton.

The charge carries a punishment of 10 years to life in prison and a fine up to $4 million.

The four also are suspected of being linked to the deaths of Jose Luis Escobedo, 28, his wife Yessica, 25, and their two sons, Luis Damien, 4, and Luis Julian, 3, whose bodies were found on the side of Florida's Turnpike in Port St. Lucie on Oct. 13.

No one has been charged in the killings, which authorities say were related to the theft of drugs and money.

A fifth man who is not linked to the homicide investigation also was indicted as part of the drug case.

All five charged in the drug investigation lived together in a sparsely furnished home in a gated community in West Palm Beach, where most of the bedrooms had only mattresses on the floor. Carlton said masks, wigs, gloves and handcuffs were found in a bedroom shared by Varela and Lopez that were believed to have been used in "drug rip-offs."

Troya and Varela were denied bail last week after being deemed dangerous to the community and flight risks. Sanchez went before a magistrate Monday and pleaded not guilty. He also was ordered held without bail.

Sanchez and Troya have been identified as the suspected gunmen, according to WPTV NewsChannel 5, which cited "reliable sources" in its report.

"I have no knowledge of him being involved," said Sanchez's attorney, Michael Cohen. "I've heard speculation, that's all."

Investigators were led to the drug operation by apparent references to several of the defendants in ledgers found in the Escobedo home, which recorded payments next to names, according to court records. Agents who raided the West Palm Beach home found a powder and crack cocaine, Ecstasy pills and guns.

In Sanchez's room, investigators found about half an ounce of cocaine powder. A crack cocaine "cookie," a large, round piece that is broken up into smaller pieces for sale, was found in a kitchen drawer in the house, along with wrapping material to pack cocaine, Carlton said.

Man Thought Connected To Turnpike Killings Denied Bond (AP)

AP, November 6, 2006

FORT PIERCE, Fla. - A federal magistrate denied bond Monday for a man considered a person of interest in the killings of a family of four found along Florida's Turnpike in Port St. Lucie.

DOJ_NMG_0091662

Ricardo Sanchez, 23, of suburban West Palm Beach, was arrested Oct. 26 on cocaine charges with four others. Police believe four of the five people arrested that same day are connected to the slayings of the family.

Sanchez also Monday entered a plea of not guilty on a charge of participating in a drug conspiracy, Michael Bruce Cohen, his attorney, said.

"It's very early on in the case. I really have no other information," Cohen said.

Two men arrested with Sanchez, Daniel Troya, 23, and Danny Varela, 26, were denied bond Friday. Two others, Liana Lopez, 18, and Jose Gutierrez, 20, have not had their bond hearings.

Lopez is considered a person of interest in the slayings, but police do not believe that Gutierrez had any connection to them.

All five are being held on drug charges. A federal grand jury in West Palm Beach on Friday indicted all five on one count of conspiracy to distribute more than 50 grams of crack cocaine. The charge carries a maximum penalty of 10 years to life in prison.

Killed in the Oct. 13 slaying were Jose Luis Escobedo, 28, his wife Yessica, 25, and their sons Luis Damian, 3 and Luis Julian, 4. The family was found shot to death. They had been living in Greenacres.

Medical Marijuana Remains In Legal Limbo (SDUT)

By Jeff Mcdonald, Union-tribune Staff Writer

The San Diego Union-Tribune, November 6, 2006

Prop. 215 approved by voters decade ago

Paul Cody has titanium rods jutting up either side of his spine. Without them, he couldn't sit upright in his wheelchair.

Over the years, doctors prescribed Vicodin, Valium and a medicine chest of other drugs to soothe his constant pain, but the narcotics killed his appetite and kept him awake at night. Until he started smoking marijuana, Cody could barely sit still for a movie.

Ten years ago, 56 percent of California voters decided that people with medical problems like Cody's should be able to grow and smoke marijuana on their physician's recommendation.

But the potential of Proposition 215, which conflicts squarely with federal laws that classify marijuana among the most dangerous drugs, has never been realized.

Thousands of California patients have no legal access to medical marijuana. Thousands of others worry they may be found out and arrested for cultivating too many plants or storing too much dried pot, because most cities and counties haven't passed the laws needed to regulate the dispensation of marijuana used for medical purposes.

Unscrupulous and profit-minded dispensary operators have taken advantage of the absence of uniform rules, opening storefronts anywhere they can and selling marijuana to unqualified patients.

Two years ago, drug agents raided Cody's house in Jamul and uprooted his tiny garden.

“They took 'em – three lousy plants,” said Cody, 32, who was paralyzed in a 1991 motorcycle crash. This year, he harvested his modest crop weeks before it matured for fear of losing it to another bust.

It was no secret that most of the law enforcement community opposed the medical use of marijuana when the issue landed on the state ballot in 1996.

Lesser known, however, is the detailed and coordinated assault many federal, state and local officials conducted once it passed.

In the past decade, police departments in dozens of California cities have joined federal drug agents in more than 100 raids on medical marijuana farms, cooperatives and dispensaries.

After a July sweep across San Diego County, U.S. Attorney Carol Lam and San Diego County District Attorney Bonnie Dumanis used a news conference to issue a warning to dispensary operators: Close or face the consequences. They all closed, and the local marketplace for medical marijuana dried up almost overnight.

Three San Diego County supervisors are so strongly opposed to Proposition 215 that they voted to sue the state to try to overturn medical marijuana laws rather than implement them. Oral arguments in the case, which was driven by Supervisors Bill Horn, Dianne Jacob and Pam Slater-Price, are scheduled to begin this month.

Ten states have joined California in passing medical marijuana legislation, and public opinion polls show that respondents favor medical use of marijuana by 3 to 1.

Yet no one has come up with a way to resolve the impasse between states and the federal government, which can impose criminal penalties for what the states have made legal.

“It's a study in politicians evading the will of voters, which they do not agree with,” said Mark Bluemel, an attorney who has defended medical marijuana patients. “We have San Diego being among some rogue counties that refuse to obey this law.”

But Horn, chairman of the county Board of Supervisors, said the state has put cities and counties in an impossible position.

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“I'm not going to enact a state law that's in violation of federal law until I hear from a judge that it's legal,” he said. “I'm not necessarily challenging the will of the people.”

State politicians also contributed to the failure to implement Proposition 215. It took seven years to get clarifying legislation through the statehouse and signed into law by the governor.

When Senate Bill 420 finally went into effect on Jan. 1, 2004, it established statewide guidelines outlining the number of marijuana plants a patient could legally grow and directed county health departments to issue identification to qualified patients so police would know when drug use was legitimate and when it was being abused.

But by a measure of nearly 4 to 1, California cities have chosen to outlaw pot dispensaries rather than to regulate them. In communities such as San Francisco, Santa Rosa and Santa Cruz, which have all embraced Proposition 215, elected leaders say the dispensary model has worked fairly well.

Government officials didn't waste any time reacting to the passage of Proposition 215.

Hours after polls closed Nov. 5, 1996, former state Attorney General Dan Lungren, now a congressman from Gold River in Northern California, sent a memo to every district attorney, sheriff and police chief across the state.

The three-page letter laid out what would become the standard for dealing with Proposition 215. It advised police and prosecutors to judge marijuana cases on the basis of whether suspects could reasonably cite medical need as a defense at trial – a legal position called an affirmative defense – rather than simply letting them go if their paperwork was in order.

“We were confronted with both the underlying law (prohibiting marijuana) and the proposition,” Lungren said in a recent telephone interview. “We were trying to inform law enforcement officers what would be proper conduct.”

Two weeks later, Lungren and the attorney general of Arizona, which had also passed a medical marijuana initiative, warned their counterparts across the country to be wary of the rising medical marijuana movement.

On Dec. 6, local, state and federal officials convened a strategy session in Washington to deal with the Arizona and California propositions. The meeting focused on ways to undermine the voter-approved initiative, including going after physicians who recommended the drug, establishing a national group to fight legalization of marijuana and calling a special election to repeal the law in California.

Records of the session contend that medical marijuana supporters seek to “legitimize illicit drug use through 'medicalization' approach” and take the effort nationwide.

Three days later, another memo from Lungren's office to federal drug enforcement officials clarified that local police officers could arrest people suspected of breaking federal law.

Medical marijuana proponents complain that government officials deliberately undercut Proposition 215 as soon as it passed.

“Once they came up with affirmative defense as a legal interpretation, it was game, set and match,” said Patrick McCartney, a medical marijuana activist and freelance journalist who has compiled an extensive history on the government response to the growing political movement.

“If law enforcement who were so inclined could arrest and prosecute qualified medical marijuana users, then what did voters vote on?” McCartney wondered.

Legal scholars question the federal government's role in medical marijuana debates within individual states. Several believe U.S. drug agents should enforce federal laws but also respect state rights.

However, the Drug Enforcement Administration has recruited local agencies to join task forces that continue to raid dispensaries and cooperatives.

“The California medical marijuana law created an exception to California law, but could not do so for federal law,” said Erwin Chemerinsky, a constitutional law professor at Duke University. “I wish federal authorities would use their discretion to respect the California initiative, but they clearly have not done so.”

Gerald Uelman is a Santa Clara University law professor who is awaiting an appellate decision on a medical marijuana lawsuit he is fighting on behalf of the city and county of Santa Cruz. Those two governments have led many of the efforts to implement Proposition 215.

Uelman said federal authorities “crossed the line in their effort to impose their agenda” on state officials.

“This is still an issue where the politicians are behind the curve, in terms of the will of the voters,” he said. “That's true across the board, not just in California.”

Jessica Reeves lives in a Hillcrest studio and usually relies on friends to get the marijuana she needs to relieve her constant pain. Sometimes she drives to dispensaries in Riverside County or in Los Angeles that have not yet been raided.

Two years ago, the 29-year-old medical assistant contracted necrotizing fasciitis, the flesh-eating bacteria. Doctors saved her life, but she lost much of her right arm.

Nineteen operations later, Reeves said smoking pot is the only thing that helps her live a near-to-normal life.

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"When I turned 18, I voted for Proposition 215," she said. "I didn't know 10 years later that I would need it. Now I can't get it because they closed all the dispensaries down."

Ex-gang Member In Jail For Drugs (KNOXNS)

By Jamie Satterfield

Knoxville News Sentinel (TN), November 7, 2006

Bailey barely off parole for role in 5-year-old's drive-by death in 1996

Add one more to the growing list of gang members convicted in the drive-by shooting of a 5-year-old Lonsdale girl who are back in trouble with the law.

Jessie Rondale Bailey, 31, had been off the parole hook for his role in the May 1996 slaying of Brittany Shenice Daniels only a few months when he started racking up new charges.

But the stakes for Bailey got a sudden boost last week with his arrest on a federal indictment alleging four drug sales, including two involving more than 50 grams of crack cocaine.

He faces a minimum 20-year prison term and as much as life if convicted.

Bailey appeared before U.S. District Magistrate Judge Bruce Guyton on Monday on that indictment. Noting Bailey's prior murder conviction, Assistant U.S. Attorney Mike Winck asked Guyton to keep Bailey behind bars pending a trial.

Defense attorney Phil Lomonaco did not disagree, and Guyton approved Winck's request.

Bailey's criminal woes are not limited to federal court. He faces four counts of aggravated assault in Knox County General Sessions Court and has drug charges pending before a Knox County grand jury.

In the aggravated assault cases, Bailey is accused of threatening three women and a baby with a gun on Aug. 26.

"(Bailey) pointed a big gun with a curved ammo clip towards the victims, one of whom was holding her 6-month-old son, and yelled, 'This is my block,' placing the victims in fear of death or serious injury," the warrant stated.

Knoxville Police Department officer Rachel Bachorek and others responded to the corner at the intersection of Martin Luther King Jr. Avenue and Chestnut Street, but Bailey allegedly fled.

Bachorek wrote in a separate warrant that she found six Ecstasy pills in Bailey's ashtray when she finally stopped him.

Bailey was convicted in 1999 of facilitation to commit second-degree murder in the gang-related drive-by shooting death of Brittany, who was playing on a sidewalk in Lonsdale when three carloads of East Side gang members opened fire on a courtyard crowded with people.

He also racked up a felony drug conviction. He got a package plea deal, ordered to serve eight years for both crimes. With jail credits, he was freed after having served about a third of that time, records show.

He began racking up new charges last year, records show. KPD officers Doyle Lee, Donald Scott Clark and Sgt. John D. Shelton nabbed him in July 2005 with 222 Xanax pills and 325 Soma pills in his possession, warrants allege.

Then, in April, U.S. Drug Enforcement Administration agent Todd Lee and KPD officer Bruce Conkey began building a federal drug case against Bailey, records show.

The federal indictment alleges Bailey sold cocaine on April 26. Two days later, he allegedly sold more than 50 grams of crack, the indictment alleges. On May 2, he again sold more than 50 grams, then another five grams or more the following day, the indictment alleges.

He joins former East Side gang members Melvin "Little Melvin" Davis and Robert D. Campbell as participants in the fatal drive-by who have wound up back in trouble.

Lopez 'ashamed' Of Schwartz Case Role (ADS)

Arizona Daily Star, November 7, 2006

A former Pima County prosecutor who was once engaged to former murder suspect Bradley Schwartz says no words are adequate to describe how "remorseful, ashamed and embarrassed" she is about the events leading up to her possible disbarment.

Last November, the State Bar of Arizona filed a complaint against Lourdes Lopez, 38, saying she had engaged in criminal conduct that "reflects adversely on the lawyer's honesty, trustworthiness or fitness as a lawyer in other respects."

The bar alleges Lopez not only was indicted in September 2002 on prescription drug fraud charges along with Schwartz, but she continued having a relationship with Schwartz despite being ordered not to, and lied about it.

Schwartz is now serving a life sentence for conspiracy to commit murder in the October 2004 slaying of his former medical associate, Dr. David Brian Stidham.

DOJ_NMG_0091665

Monday was the first day of a two-day hearing before Bruce G. Macdonald, a hearing master who must file a report with the Arizona Supreme Court's Disciplinary Commission. Macdonald will decide if the complaint against Lopez is valid and, if necessary, what punishment is appropriate.

At best, Lopez could be placed in a diversion program or on probation. At worst, she could be disbarred.

Lopez, who now works as a defense attorney, told Macdonald that although she believes all lawyers should conduct themselves with the "highest degree of integrity," she also believes a distinction should be made between mistakes made in one's personal life and those made in one's professional life.

"I will agree I've done things in my personal life that I'm ashamed of, but I've always tried to conduct myself in my professional life in a way that I can be proud of," Lopez said.

The mistakes she's made have "nothing to do with" helping her clients or her respect for the criminal justice system, she said.

At the same time, Lopez said she wishes she had the words to express her deep remorse and shame.

"Anything I say would just fall short," she said.

Lopez admitted she allowed Schwartz to write two prescriptions for Vicodin in her name in the summer of 2001, and that she picked up one of the filled prescriptions — using her insurance to pay for it.

She further acknowledged that she lied to DEA agents about her relationship with Schwartz when they initially questioned her.

Lopez insisted that although she knew it was a crime to lie to the DEA, she didn't lie to protect her job or career.

Instead, she said, she lied to protect Schwartz.

It wasn't until May 2004 when they broke up for the last time, Lopez said, that she began to consider her needs above Schwartz's.

Schwartz and Lopez, who resigned from the Pima County Attorney's Office one month before being indicted, entered plea agreements with federal prosecutors to have the charges dismissed if they completed community service and stayed out of trouble.

Schwartz was arrested, accused of Stidham's murder, before he completed his diversion program — in part because Lopez went to the authorities to tell them Schwartz had often spoken of having Stidham killed.

The charges against Lopez were dismissed on Nov. 1, 2004, after she, her attorney and her pretrial services officer told U.S. Magistrate Judge Bernardo Velasco she had been fully compliant with everything that had been asked of her.

However, Lopez admitted Monday that was not true — she continued to see Schwartz during a 6 1/2-month time frame when she wasn't supposed to.

In fact, the couple got engaged two months before the "no contact" order was lifted.

State Bar attorney Bill Culbertson repeatedly asked Lopez how much contact she had with Schwartz during that time frame.

Lopez couldn't be specific, she said, but it was regular contact and included overnight visits and religion classes.

"Too much contact, sir — I don't know," Lopez said at one point.

Lopez also acknowledged it was during this time frame that Schwartz was "ranting and raving" about his desire to see Stidham dead.

During one conversation, Lopez admitted, she told Schwartz he shouldn't hire a drug addict to carry out the slaying because of the potential for blackmail.

Lopez insisted she was just trying to convince Schwartz how "ridiculous, outrageous and insane" the whole topic was.

When Culbertson asked Lopez if it was true she didn't call pretrial services about the threats, an emotional Lopez replied, "I could've phoned, faxed, said something in person or e-mailed, but I didn't do it and I should have, yes sir."

Under cross-examination by her attorney, Mark Harrison, Lopez said she and two friends discussed Schwartz's threats and discounted them.

"There was absolutely no way, absolutely no way on this Earth, those threats were going to come to fruition — they were just the ugly rant-ings of a man obsessed," Lopez said.

When pressed as to why she told Velasco — and later the State Bar — that she had been compliant with his orders when she had not been, Lopez said it didn't occur to her because eight months had passed since the order had been lifted.

In addition, it was a stressful time for her.

"I was thinking about the murder. Brad was in custody. I was thinking about how horrible the family must be feeling and I was thinking about finally being done with my community service and being able to move forward," Lopez said.

Harrison spent much of his cross-examination asking Lopez to describe her background, her relationship with Schwartz and how the events of the past few years have affected her life.

Lopez worked her way through college and the UA law school on scholarships, grants and loans, and is the sole support of her two children.

Since the bar complaint was filed, Lopez said, she has lost a defense contract with the county, a law partner and two-thirds of her business.

She's deeply in debt, getting psychiatric help and participating in the State Bar's Members Assistance Program, which helps lawyers deal with substance-abuse issues, stress, depression and family or money problems.

She's also being sued by Stidham's widow.

Lopez acknowledged she was arrested in July on suspicion of driving under the influence after a crash but said her doctor has told her she suffers from post-traumatic stress syndrome, not alcoholism.

Lopez said her doctor is working with her to address why she became so captivated by someone like Schwartz.

Lopez said she wasn't trying to shift the blame to Schwartz.

"I'm blaming myself for involving myself with someone like him," she said.

Culbertson is expected to wrap up his case with three law-enforcement officers. Harrison said he intends to call Velasco and Pima County Superior Court Judges Kenneth Lee and Michael Cruikshank.

Early Morning Detroit Blaze Destroys Businesses, Apartments (DEN)

By Oralandar Brand-Williams

Detroit News, November 7, 2006

DETROIT --The Detroit Fire Department is investigating a two-alarm fire that destroyed several businesses and apartments and produced more than a $1 million in damage near Lahser and Grand River on the city's northwest early Monday morning.

The National Response Team from the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and ATF special agents from the Detroit Field Division were called in to assist the Detroit Fire and Arson Squad in their investigation, according to the ATF.

"We are involved because of the dollar amount of the fire. We don't look at this suspicious or not," said Vera Fedorak, an ATF spokeswoman in Detroit. "The Detroit Police Department asked us for assistance."

The blaze was reported by a resident around 1 a.m. The building contained four businesses and several store fronts that were unoccupied. Six apartments on the second floor of the building were occupied.

There was no deaths reported in the blaze.

You can reach Oralandar Brand-Williams at (313) 222-2027 or bwilliams@detnews.com. You can reach Oralandar Brand-Williams at (313) 222-2027 or bwilliams@detnews.com.

CONGRESS-ADMINISTRATION:

Paulson Adviser In Line For Treasury Position By A WALL STREET JOURNAL Staff Reporter (WSJ)

The Wall Street Journal, November 7, 2006

WASHINGTON -- President Bush said he intends to nominate Anthony Ryan, a senior adviser to Treasury Secretary Henry Paulson, to serve as assistant secretary of the Treasury for financial markets.

Mr. Ryan, who was one of Mr. Paulson's first hires at Treasury, will have primary responsibility for managing Treasury's debt-market portfolio, such as the 30-year Treasury bond. The position has been vacant for a year since Timothy Bitsberger left to join mortgage giant Freddie Mac.

If confirmed, Mr. Ryan will help fill out Mr. Paulson's domestic finance team. Last month, Robert Steel, a former executive at Goldman Sachs Group Inc., was sworn in as Mr. Paulson's top financial-policy adviser. Also rounding out the group is Emil Henry, assistant secretary for financial institutions, who focuses on banking and insurance issues, as well as helping coordinate Treasury's hedge-fund review.

Mr. Ryan, 43 years old, has spent 20 years in the financial-services industry. Prior to joining Treasury, he was a partner at Grantham, Mayo, Van Otterloo & Co. LLC, a Boston-based investment firm that manages $121 billion for corporate clients, public entities, endowments and others.

Next Up: House Leader Races (RC)

By Susan Davis And Jennifer Yachnin

Roll Call, November 7, 2006

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While control of the House won't be determined until tonight at the earliest, contested leadership elections already are brewing on both sides of the aisle.

For the GOP, much of the current leadership's fate rests on today's outcome, as the chances of retaining their current posts become more vulnerable with each seat lost. Majority Leader John Boehner (Ohio) and House Republican Conference Chairwoman Deborah Pryce (Ohio) are guaranteed a challenge, as are Minority Whip Steny Hoyer (Md.) and Democratic Caucus Chairman James Clyburn (S.C.).

House Democrats remain committed to holding their Caucus elections on Nov. 16, but House Republicans are increasingly likely to postpone their scheduled Nov. 15 elections even if they hold on to House control.

Here is the rundown of leadership races on both sides of the aisle:

Republicans

Speaker: If Republicans defy expectations and retain the majority, Speaker Dennis Hastert (Ill.) has reiterated in recent weeks that he intends to run again for an unprecedented fifth term for the top job. Hastert is the longest serving Republican Speaker in history, and while he has been criticized by the rank and file for how he and his top aides managed the fallout from the scandal sparked by former Rep. Mark Foley (R-Fla.), he still enjoys a significant reservoir of goodwill from his colleagues.

However, long before the Foley story broke, an increasing number of House Republicans were doubtful that Hastert, who suffers from health problems including diabetes, would serve out a full Congress. Boehner is a likely candidate, but the Ohioan is seen as unlikely to mount a challenge to Hastert, rather waiting for him to exit the House on his own terms.

If Hastert opts to retire, the field could be wide open, with Boehner a likely frontrunner.

Majority/Minority Leader: If for no other reason than that he took over mid-Congress, Boehner is the most likely current Republican to stay in leadership in the 110th Congress.

Rank-and-file Members frequently have cited Boehner's February elevation to the post as the reason to give him another round at the leadership table. Affable and widely credited for shaking up the top-down leadership style trademarked by his predecessor Rep. Tom DeLay (R-Texas), Boehner is in a strong position to hold onto his job. Even in the minority, Boehner could be difficult to defeat, although he will be challenged for the post.

Energy and Commerce Chairman Joe Barton (Texas) is mulling a bid if Republicans lose the House. Similarly, Rep. Mike Pence (Ind.), the chairman of the conservative Republican Study Committee, will run for Minority Leader only if Republicans lose the majority.

With the floodgates beginning to open, more Members with leadership ambitions could jump into the race, breaking the field wide open.

Majority/Minority Whip: No one has announced a bid against Majority Whip Roy Blunt (Mo.), but most House Republican sources believe Blunt will be challenged regardless of what happens today. Blunt lost his bid for Majority Leader to Boehner earlier this year, and has largely kept his head down since, focusing on fundraising and maintaining the majority through a packed campaign schedule.

Blunt remains liked by his colleagues, and by most accounts he and Boehner have put rivalries aside, but he is viewed as vulnerable if the House Republican Conference pushes for more drastic shake-ups in the leadership slate. GOP Reps. Todd Tiahrt (Kan.), Mike Rogers (Mich.), Zach Wamp (Tenn.) and Chief Deputy Majority Whip Eric Cantor (Va.) announced earlier this year that they would run for the post if Blunt had been elected Leader.

All four Republicans continue to be seen as potential leadership candidates, but none have shown any indication they will run. House GOP sources also said Monday that Rep. John Shadegg (Ariz.), who also launched an unsuccessful bid for Majority Leader, is increasingly viewed as a potential Whip candidate if Republicans lose the majority. Cantor was the strong favorite in January, but House Republican sources doubt that Cantor would ever mount a direct challenge to Blunt, who has played a mentor role to the third-term Virginian.

If the field opens up, the popular Cantor could be recruited by his colleagues to step into this — or any other — leadership race.

Republican Conference chairman: Long before the House Republican majority was in doubt, it was clear that Conference Chairwoman Pryce would face a challenge for the 110th Congress. For now, Pryce has said she will run for the post again if she can survive today's challenge from Democratic candidate Mary Jo Kilroy, although some House Republicans are doubtful Pryce will run for the Conference position again.

Rep. Marsha Blackburn (Tenn.) has been plotting a bid for Conference chairman for the past several months and is increasingly viewed as the favorite in this race. Conference Vice Chairman Jack Kingston (Ga.) also is expected to attempt a step up the Conference ladder, and sources have suggested that House Republican Policy Committee Chairman Adam Putnam (Fla.) also could make a bid.

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Republican Conference vice chairman: Rumored candidates to succeed Kingston include GOP Reps. Kay Granger (Texas) and Mark Kirk (Ill.). Conference Secretary John Doolittle (Calif.) could make a bid for a higher Conference position, but he is not viewed as a top-tier candidate in any race. Rep. John Carter (Texas) has been actively seeking the Conference secretary slot.

Win or lose the majority, the Conference team is expected to have an entirely new slate.

Republican Policy Committee chairman: Unless Putnam makes a bid for another leadership position, this will not be a competitive leadership race. Putnam has earned high marks from his colleagues, and he is another Republican regularly dubbed a rising star in the party.

If he wants to remain at the Policy Committee, he should be safe. If Putnam is out, Reps. Thaddeus McCotter (Mich.), Phil Gingrey (Ga.) and Darrell Issa (Calif.) are all potential contenders as they all waged bids earlier this year when Shadegg vacated the post to run for Majority Leader. House GOP sources also have said that Rep. Michael Burgess (Texas) is another Member to watch for this post.

National Republican Congressional Committee chairman: This leadership race has been well under way for most of the 109th Congress as current chairman Rep. Tom Reynolds (N.Y.) is term-limited. Right now it is a three-man race, with Reps. Pete Sessions (Texas), Tom Cole (Okla.) and Phil English (Pa.) vying to head up the campaign committee as they head into a presidential election year. There is no clear favorite in the race.

Democrats

Speaker: Should Democrats win control of the chamber, it is widely expected that Minority Leader Nancy Pelosi (Calif.) would be elevated to the Speaker's office, which would make her the first woman to hold the post.

Elections for the Speakership typically are ceremonial, with Members generally voting along party lines, but should Democrats hold only a slim majority in the chamber in January, the party's leadership may need to enforce unity among maverick Democrats to guarantee a victory. Candidates for the Speakership must receive a majority of the votes cast, which does not include absences or "present" votes, to win the post.

Majority/Minority Leader: A Democrat-run House would bring a simmering fight for the Majority Leader's office to a boil leading to the scheduled Nov. 16 leadership elections.

Although conventional wisdom gives Hoyer, as the party's current No. 2 leader, a claim to the Majority Leader's post, Rep. John Murtha (Pa.) surprised colleagues in June when he announced that he would also seek the office.

While Murtha shelved his public campaign within days — chastised by disgruntled Members who argued a divisive leadership race would distract the Caucus from the November elections — and Hoyer has remained reserved about his own ambitions, the would-be contest has continued as both lawmakers hit the road to campaign for fellow Democrats.

While the Maryland lawmaker, who has served as Whip since 2002, significantly out-paced Murtha in the final weeks, visiting 39 districts and raising his tally for the cycle to 80 districts in 32 states, Murtha has been credited with raising considerable funds for the Democratic Congressional Campaign Committee through a series of letters focused of his opposition to the Iraq War.

Hoyer also has contributed heavily to fellow Democrats, however, doling out more than $4.3 million to candidates and incumbents, as well as $3.8 million to the DCCC.

If Democrats don't take control of the House, it is unclear whether any lawmakers would challenge Pelosi for Minority Leader.

Majority/Minority Whip: Although Caucus Chairman Clyburn is the only candidate to announce his bid for the Majority Whip's office before Election Day, he's expected to have company in the race.

Among the potential contenders is DCCC Chairman Rahm Emanuel (Ill.), who has said he will not seek another term in his current post.

While Clyburn already has begun rounding up support for the would-be race, Emanuel has refused to address his own aspirations, other than to state that he wants to spend more time with his young family, a proposition made difficult by the extensive travel required by his current DCCC post.

Nevertheless, the Illinois lawmaker is expected to seek a leadership office, and many Democrats have suggested he should be rewarded for his efforts if the party wins control of the chamber.

But should Emanuel opt for another post — or even rescind his decision and accept a second DCCC term — Rep. Diana DeGette (Colo.) could enter the race instead.

DeGette, the current Chief Deputy Minority Whip, has demurred from discussing a potential leadership bid.

If the GOP retains the House, Hoyer could try to stay in the Minority Whip post, though he might have to beat the above-mentioned candidates to do it.

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Democratic Caucus chairman: The House Democratic Caucus also would see leadership changes in a Democratic majority, with Rep. John Larson (Conn.), the current vice chairman, likely to ascend to the top post unopposed.

The Connecticut lawmaker won an unexpected victory earlier this year in a three-way contest, defeating Rep. Jan Schakowsky (Ill.) and Joe Crowley (N.Y.).

Democratic Caucus vice chairman: By contrast, the competition to fill a vacant vice chairmanship already has drawn a number of candidates, with more expected to enter the would-be race this week.

Rep. Xavier Becerra (Calif.) announced in late-July that he would campaign for the post, winning an endorsement from his fellow Hispanic Democrats and actively seeking support from other House lawmakers.

In addition, Rep. Mike Ross (Ark.) issued a letter in late-September expressing his interest in the post, while urging fellow Members not to commit to other candidates.

Also considered potential contenders are Crowley and Rep. Hilda Solis (Calif.), although neither has publicly declared their interest.

Democratic Congressional Campaign Committee chairman: Although many House Democrats have said they would like to see the DCCC chairman retain his post for another cycle, Emanuel's declarations that he will retire from the campaign committee after one term has stirred the interest of a handful of would-be replacements.

Among the likely contenders — some who have even called for Emanuel to serve a second term, while none have acknowledged seeking the post themselves — are current DCCC lieutenants Reps. Debbie Wasserman Schultz (Fla.), Chris Van Hollen (Md.) and Artur Davis (Ala.) as well as Rep. Kendrick Meek (Fla.), who chairs the Congressional Black Caucus Foundation.

Unlike other leadership posts, the DCCC chairmanship is an appointment made by Pelosi and is not subject to approval by the Caucus.

A Mess Of Spending Measures Awaits (RC)

By Emily Pierce

Roll Call, November 7, 2006

Regardless of which party emerges victorious today, the current Republican majority still must find a way to fund the government, at least through the winter holidays, as well as finish other year-end business during the lame-duck session, which begins next week but is destined to last well into December.

In order to give themselves some breathing room after what is expected to be a bruising Election Day for the GOP, one of the first orders of business in both chambers next week is likely to be the passage of a continuing resolution that would allow Congress to punt the issue of fiscal 2007 appropriations until the first full week in December.

CRs keep the government running at current-year funding levels in the absence of new spending bills. As of now, nine of 11 spending bills have yet to be enacted, and the current CR expires Nov. 17.

"We just have limited time," House Chief Deputy Majority Whip Eric Cantor (R-Va.) said last week. "With elections late and Thanksgiving early, that only gives us one week for [internal] leadership elections, if that's when they occur. ... To me, it seems it may be time for a retrospective or introspective look."

GOP leaders plan to make at least a passing attempt to complete the remaining nine spending bills as stand-alone measures, rather than cobbling them together into a massive omnibus appropriations measure — a necessity if Congress wanted to finish up within one week.

But Senate Majority Leader Bill Frist (R-Tenn.) finally acknowledged last week that Congress will have to extend its lame-duck session into December after taking a two-week break for Thanksgiving. That gives Congress more time to take up at least a few more of those appropriations bills in regular order.

Indeed, the Senate plans to take up the military construction and Veterans' Affairs appropriations bill next week, Senate GOP aides say.

Senate passage of at least one more appropriations bill is necessary to create a vehicle for any omnibus bill, noted Frist budget aide Bill Hoagland. While the House has passed 10 of its appropriations bills, the Senate has passed only two — both of which were signed into law.

Hoagland said the Senate's spending bills are ready for floor action and that "with cooperation [from Democrats], I believe you could do at least three the first week back."

The Senate's lack of appropriations work so far this year caused Cantor to express skepticism that the two chambers can complete the remaining bills individually "in two to three weeks' time."

"The president has expressed strong interest in making sure we don't go the omnibus route. ... Easy for him to say," he said. "Is the Senate going to be able to go along with that? I mean, we're ready" on the House side.

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But Senate Republican aides predicted that if Democrats win control of the House, Republicans in that chamber may feel so demoralized that they'll want to punt all appropriations issues to the 110th Congress.

"It just depends on what kind of mood they'll be in," said Hoagland. "If the House is so dejected, ... you're probably talking about another CR" through next January.

Depending on the outcome of the elections today, Democrats could be emboldened by their expected gains in both chambers and make new demands on both spending bills and other measures, Republicans warned.

"If Democrats take over — God forbid — they're going to be so eager to put everything under their control that they're not going to want to do anything," predicted one Senate GOP leadership staffer.

Even if Democrats don't win control of at least one chamber, the current situation in the Senate still will make it difficult to move any legislation. "We are still in charge, but we don't have 60 votes," said the staffer. "Nothing that requires 60 votes will get done."

Neither chamber's Democrats have hinted about what they would or would not do in a lame-duck session.

Besides spending bills, Congress left town with a to-do list of other issues that won't necessarily change if control of either chamber flips from Republican to Democratic.

Those agenda items include extending several middle-class tax cuts that are set to expire at the end of the year, preventing a cut in Medicare physician payments from taking effect and renewing the business research and development tax cut.

All three items have bipartisan support in both chambers, but attempts to add more controversial measures to those "must-pass" bills could derail them.

"There will be plenty of things folks will want to do, but the system will only be able to stand so much," said one senior Senate GOP aide. "We'd still like to get it all wrapped up by Thanksgiving, but in the Senate, we are apprehensive about the appropriators and the House being able to get all the work done on time."

In addition, the Senate is looking at completing action on a Vietnam trade deal and a U.S.-India nuclear technology pact, the aide said.

Senate Republicans said they also may make another run at approving the controversial nomination of John Bolton to be United Nations ambassador. His consideration by the Senate Foreign Relations Committee has been held up by embattled Sen. Lincoln Chafee (R-R.I.), who is at serious risk of losing his re-election bid today.

Chafee has remained mum on his intentions on the Bolton nomination if he wins or loses, but Democrats on the panel have threatened to filibuster his nomination if it makes it to the Senate floor. Bolton's temporary appointment to the post expires at the beginning of the 110th Congress, which is set to start on Jan. 3, 2007.

Board Decision Makes It Clear: Hire The Vet (WP)

By Stephen Barr

The Washington Post, November 7, 2006

A federal board has reaffirmed the government's obligation to show a preference for military veterans in hiring, even when federal agencies use a special program designed to quickly fill jobs with applicants who have a high grade-point average.

The decision by the Merit Systems Protection Board, which hears appeals in federal personnel disputes, is a setback for the Outstanding Scholar program, which permits agencies to bypass regular civil service hiring procedures, and for the Office of Personnel Management, which had petitioned the board to reconsider its rulings from last year.

The dispute points up some of the underlying tensions in federal employment policies. Since at least the Civil War, Congress has shown its appreciation for military service by granting a hiring preference to veterans who seek civil service jobs. The government also has tried to provide remedies for racial discrimination, a goal of the Outstanding Scholar Program.

Kerry B. McTigue , general counsel at the OPM, said government lawyers are studying last month's decision and whether to file a federal court appeal.

The American Legion, a veterans service organization with 3 million members, welcomed the board's decision. "The American Legion doesn't want to see the veterans' preference laws ignored when federal agencies use special hiring procedures, such as the Outstanding Scholar program," said Peter Gaytan , director of veterans affairs and rehabilitation for the Legion.

As a general practice, veterans who meet minimum qualifications for a federal job have 5 or 10 points added to their numerical rating when competing for civil service positions.

But two veterans, David Dean and Matthew S. Olson , filed suits contending they were wrongfully passed over for jobs and that non-veterans were hired instead through the Outstanding Scholar program.

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The program, which permits agencies to use streamlined methods to hire applicants with high grade-point averages or class standing, was created as a supplemental hiring process as part of a 1981 consent decree known as Luevano.

The decree grew out of a civil lawsuit brought by a group of minority job applicants who contended that they failed a written civil service test because it was biased. In recent years, critics have faulted the Outstanding Scholar program for moving away from its original purpose and for not necessarily helping improve diversity in the federal workforce.

In its decision, the merit board said the program cannot be relied upon to avoid fair and open competition for federal jobs when veterans' rights are at stake.

"Luevano did not authorize use of the Outstanding Scholar program to override veterans' preference," the board decision said.Mark Your Calendars

Forums to help federal employees and retirees select a health-insurance plan to meet their needs will be held this month in Montgomery and Fairfax counties.

Reps. Chris Van Hollen (D-Md.) and Thomas M. Davis III (R-Va.) are sponsoring the forums in cooperation with the National Active and Retired Federal Employees Association.

Speakers will provide an overview of the 2007 Federal Employees Health Benefits Program, which is open for enrollment Nov. 13 to Dec. 11. Representatives from health-insurance companies also will be on hand to answer questions.

The Van Hollen forums are scheduled for Monday, Nov. 13, 7:30 p.m. to 9 p.m., at the Universities at Shady Grove in Rockville, 9630 Gudelsky Dr., Building II; and for Tuesday, Nov. 14, 10 a.m. to 11:30 a.m., at the Holiday Park Senior Center in Wheaton, 3950 Ferrara Dr. For additional information, call 301-424-3501.

The Davis forum is scheduled for Wednesday, Nov. 29, 10 a.m. until noon at the Fairfax County Government Center, 12000 Government Center Pkwy., in Fairfax. For additional information, call 202-225-1492.

OTHER NEWS:

Greenspan Unconcerned About Housing (WP)

By Nell Henderson

The Washington Post, November 7, 2006

Former Federal Reserve chairman Alan Greenspan said yesterday that home sales and prices may continue to slide for some time, but the broader U.S. economy appears poised for a rebound.

"It looks as though the worst is behind us" in terms of the effect of the housing slump on economic growth, he told financial advisers at a conference in Washington organized by Schwab Institutional, a division of Charles Schwab & Co.

"We're obviously going through a significant slowing period, which as best as I can judge is quite likely to be temporary," said Greenspan, 80, who retired in January after more than 18 years leading the world's most influential central bank and whose words are still closely monitored in financial markets.

U.S. economic growth slowed sharply, to a sluggish 1.6 percent annual rate, in the July through September period, largely because of a steep drop in home construction. Home sales and prices have also fallen recently in many markets.

Greenspan, a private consultant, said the housing downturn has "a way to go" before it hits bottom, but its effect on the rest of the economy should abate in the months ahead.

Other U.S. industries are enjoying healthy profits, consumer spending has remained solid and "the global economy is in extraordinarily good shape," he said. "Things don't look bad."

Greenspan made his comments during an hour-long question-and-answer session. Since leaving the Fed, he has created a consulting firm, Greenspan Associates LLC, started work on a memoir and made various appearances before paying audiences. During his last year as Fed chairman, Greenspan often said he did not see a national housing bubble, but rather "froth" in some markets. At the conference yesterday, however, he attributed much of the recent housing boom to a "speculative surge" caused by global financial conditions that pushed mortgage rates down to very low levels until the last year.

Greenspan said he could not predict when home sales would begin rising again or when home prices would stabilize. He said of prices, "it's hard for me to believe that they can stabilize at the level they are now because we had too much of a speculative surge. We have to lose some of that."

Greenspan said nothing about current Fed policy, but he defended the central bank's actions during his tenure, disagreeing with one former colleague about whether the Fed fueled speculative investment in housing by holding interest rates too low for too long in recent years.

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The Fed cut its benchmark short-term rate from 6.5 percent at the beginning of 2001 to a four-decade low of 1 percent in mid-2003, providing cheap credit to support consumer spending through a recession and the initially weak recovery. The Fed held that rate steady until June 2004, before raising it steadily to 5.25 percent this past June.

Richard W. Fisher, president of the Federal Reserve Bank of Dallas, said in a speech Thursday that because of faulty price data during this period, the Fed's benchmark short-term rate, adjusted for inflation, was cut to a level that "turned out to be lower than what was deemed appropriate at the time, and was held lower longer than it should have been."

The Fed's policy "amplified speculative activity in the housing and other markets," Fisher said. Now, he added, the correction in the housing market is "inflicting real costs to millions of homeowners across the country" and complicating the Fed's task of containing inflation.

Greenspan disputed such criticism, saying the recent housing boom resulted not from Fed cuts of short-term interest rates, but rather from global financial conditions that lowered long-term mortgage rates worldwide. "In retrospect, I know of nothing we would have done differently," Greenspan said of Fed policy during those years.

Greenspan also said globalization had helped dampen inflationary pressures during his years as Fed chairman, as low-wage workers in China, India and the former Soviet Union started providing low-cost goods and services to the world's market economies. But he said that transition "is a one-shot event, not a permanent change" that will hold down price pressures indefinitely.

Eventually, he said, inflationary pressures will revive, making life more difficult for his former colleagues at the Fed.

Several Signs Point Toward Robust Stock Resurgence (USAT)

By Adam Shell

USA Today, November 7, 2006

NEW YORK — Bolstered by a fresh wave of takeovers and buyouts, blue-chip stocks Monday snapped a six-session losing streak ahead of the midterm elections as investors grew confident that stocks still offer value.

News of deals in the hotel, restaurant, pharmaceutical and trucking sectors sparked a rally that sent the Dow Jones industrials soaring 120 points to 12,106.

The Dow's resurgence may be signaling that its recent slump was just a normal pause after a heady three-month rally that saw it crack its old record set in January 2000, top 12,000 for the first time and close at an all-time high of 12,163.66 on Oct. 26.

“The deals are telling us that investors still see real value in the market,” says Todd Leone, trader at Cowen & Co. “They've been a very big catalyst.”

The attention now turns to today's congressional elections, says Bruce Bittles, chief investment strategist at Robert W. Baird. Rather than emphasize the possibility that the market may be nearing a top, Wall Street has been more vocal in pointing out the reasons why stocks are likely to regain upward momentum.

·Election cycle is bullish. History shows that stocks tend to go up in the third year of the four-year presidential cycle, notes Joseph Quinlan, chief market strategist at Bank of America. While he doesn't expect the broader market to post anything near the average returns of 23.1% it has in similar third years dating back to 1946, he still expects stocks to grind higher.

Even if the Democrats capture one chamber of Congress from the Republicans, stocks should still fare well, Quinlan says. “With no change at the White House, there is a feeling of predictability and continuity regarding Washington,” he says.

·A season for gains. Stocks have historically posted their best gains in the October through April period, notes Price Headley, chief analyst at BigTrends.com. Year-end portfolio rebalancing, new money inflows into 401(k)s and fresh cash invested by funds contribute to this seasonal phenomenon.

·Fear of selling too early. Bittles says money managers fear missing out on late-year gains. “The only thing that can really upset the market is if the economy tanks, and I don't see that,” he says.

Since the Dow's high, stocks have been buffeted by economic reports that could be signaling a sharper slowdown than expected. The government said third-quarter growth came in at a weaker-than-expected 1.6% annual rate. Wal-Mart, the nation's biggest retailer, warned that sales this month would be flat.

But investors have “a lot more confidence in the economy” than data and consumer confidence surveys show, says Howard Silverblatt, senior index analyst at Standard & Poor's. “Optimism is back,” he says.

Dow Industrials Rally 119.51 Points Before Election Investors Celebrate Conclusion Of Tumultuous Political Season, Hope 'Pricing In' Was Right By PETER A. MCKAY (WSJ)

The Wall Street Journal, November 7, 2006

The stock market snapped a six-day losing streak as bargain hunters swooped in to buy shares. A spate of merger talks, a pullback in natural-gas prices and the approaching end of a tumultuous election season also raised investors' mood.

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The Dow Jones Industrial Average jumped 119.51 points, or 1%, to 12105.55, its biggest point and percentage gains in a month. In just one trading session, the blue-chip indicator recouped about two-thirds of its losses over the previous six days and now stands 13% higher on the year.

The broad Standard & Poor's 500-stock index gained 1.1%, or 15.48 points, to 1379.78, ending a three-day pullback up 10.5% on the year. And the Nasdaq Composite Index rose 1.5%, or 35.16 points, also its first gain after three days of losses, to 2365.95. It is up 7.3% on the year.

David P. Prokupek, chief executive of Geronimo Partners in Denver, said his asset-management firm lately has been unwinding bearish bets using options contracts that were intended to guard against losses in its stock portfolio. He said it was likely other Wall Street firms were doing the same yesterday, following a market pullback that represented exactly the sort of rainy day they had anticipated.

Mr. Prokupek said markets over the past several weeks have "priced in" expectations that the Democratic Party will gain a majority in the U.S. House of Representatives, while Republicans will retain control of the Senate in voting today. Any deviation from that scenario, however, could lead to a strong market reaction in the days ahead.

Companies in a number of industries, including health care, restaurants and gold mining, announced mergers. Such activity often puts investors in a good mood. Some start betting that other takeover targets might get snatched up; others broadly interpret risk-taking by deal-making executives as a cue to become more aggressive in their own investing.

Natural-gas prices were down because of unseasonably warm weather in much of the U.S. December futures fell 5%, the biggest drop since mid-October. Natural-gas contracts fell 39.4 cents to $7.49 per million British thermal units.

In major U.S. market action:

Stocks and bonds rose. The 10-year note rose 2/32 point, or 62.5 cents for each $1,000 invested, pushing the yield down to 4.711%. The 30-year bond rose 9/32 to yield 4.795%.

The dollar was mixed. Against the Japanese currency, the dollar rose to 118.29 yen from 118.01 yen. The euro rose to $1.2723 from $1.2717.

Stocks Jump On Flurry Of Equity Buyouts (WP)

The Washington Post, November 7, 2006

NEW YORK, Nov. 6 -- Wall Street roared back Monday, erasing last week's losses after private-equity buyout deals involving such companies as Four Seasons Hotels and OSI Restaurant Partners revived investors' belief that stocks still have room to run.

The Dow Jones industrial average rose 119.51, or 1 percent, to 12,105.55, closing once again over the benchmark 12,000 level. The Standard & Poor's 500-stock index was up 15.48, or 1.13 percent, at 1379.78, and the Nasdaq composite index advanced 35.16, or 1.51 percent, to 2365.95.

The gains came a day ahead of the U.S. midterm elections, though the prospect of a power shift in Congress didn't seem to unnerve investors.

Investors shrugged off a moderate rise in the price of crude oil. Last week, a price increase prompted by attacks on facilities in Nigeria helped push stocks lower. Although those fears receded after the violence was less widespread than feared, an OPEC official said further production could be needed this year. Light, sweet crude was up 88 cents at $60.02 a barrel on the New York Mercantile Exchange.

The private equity deals announced Monday were worth about $20 billion. Interest in private equity has increased, with public companies facing higher costs for regulatory compliance. In addition, many private equity firms see opportunity in taking a company private, making changes and reaping the windfall if a company again goes public.Movers

Four Seasons increased $18.63, to $82.50, after the luxury hotel chain received an offer to be taken private for $3.7 billion.

OSI Restaurant , owner of chains such as Outback Steakhouse, rose $7.32, to $39.75, after agreeing to be acquired by a private investor group for about $3 billion.

Abbott Laboratories fell 17 cents, to $47.47, after agreeing to acquire Kos Pharmaceuticals for about $3.7 billion in a bid to expand its cholesterol drug holdings.

Kos surged $26.97, to $77.06.

XM Satellite Radio Holdings rose $1.78, to $13.17, after its third-quarter loss was narrower than expected.Indexes

New York Stock Exchange composite index rose 102.86, to 8819.62.

American Stock Exchange index rose 17.71, to 1992.07.

Russell 2000 index of smaller-company stocks rose 10.35, to 763.08.Volume

NYSE: 2.53 billion shares, up from 2.44 billion on Friday. Advancers outnumbered decliners 3 to 1.

Nasdaq: 1.93 billion shares, up from 1.85 billion. Advancers outnumbered decliners 9 to 4.Commodities

DOJ_NMG_0091674

Crude oil for December delivery: $60.02, up 88 cents.
Gold for current delivery: $625.80 a troy ounce, down from $626.90 on Friday.

'Takeover Monday' Eases Slowdown Fears (FT)

By Francesco Guerrera In New York, Bernard Simon In Toronto And Roger Blitz In London
Financial Times, November 7, 2006

A takeover wave worth more than $15bn swept through global markets on Monday, boosting stock indices as big deals by investors such as Bill Gates and Kohlberg Kravis Roberts eased fears of a slowdown in merger activity.

The flurry of activity – dubbed "Takeover Monday" by analysts – was led by a $3.7bn bid by Mr Gates and Prince Alwaleed, the billionaire Saudi investor, for Four Seasons Hotels, the Canadian chain.

Other big deals – including a €4bn takeover by KKR and Goldman Sachs of the lift-truck unit of Germany's Linde and the $3.2bn sale of the OSI restaurant chain to Bain Capital and Catterton Partners – were led by private equity groups.

The main exception was a $3.7bn offer by Abbot Laboratories, the drugmaker, for Kos Pharmaceuticals, its rival.

The growing influence of buy-out funds, which have dominated recent activity thanks to their huge cash resources and favourable debt markets, has led to fears over the privatisation of large portions of the global economy and the amount of debt taken on by private equity groups.

But equity investors put those worries to one side and welcomed the raft of deals, sending the Dow Jones Industrial Average 100 points higher to 12,105.55 – its biggest one-day rise in a month. The broader S&P 500 and the technology-focused Nasdaq index also rose more than 1 per cent.

The takeover offers for Four Seasons and OSI, owner of Outback steakhouses, were supported by the companies' managements and founders. The trend has marked much of recent buy-out activity, raising concerns among corporate governance experts that the interests of companies' managements might clash with shareholders' rights to get the highest possible price.

The proposed Four Seasons deal would trigger a $288m payment to Isadore Sharp, chairman and chief executive, who opened the first Four Seasons hotel in 1960. He said the deal would provide "continuity and stability for owners, customers and employees for the long term".

Prince Alwaleed and Mr Gates are already Four Seasons shareholders through their respective investment companies, Kingdom Hotels and Cascade Investment. Mr Sharp and his family control 65 per cent of the votes through multiple voting shares.

The two billionaires were reported by a Microsoft website monitor two years ago to have collaborated on plans to expand Microsoft's operation in Saudi Arabia and on Saudi humanitarian projects.

Mr Gates has hosted the prince at his Washington home, where they discussed shared investments such as Four Seasons.

The three groups have offered $82 cash for each limited voting share, or a 28.4 per cent premium over Friday's closing price. The shares, listed in Toronto and New York, rose about 30 per cent to slightly above the offer price.

Merger Market Arrives At 'good Spot' (USAT)

By Matt Krantz
USA Today, November 7, 2006

Monday looked like the day of the deal again, for this week at least, as a wave of mergers and acquisitions swept Wall Street, enveloping half a dozen U.S. companies.

Among the highlights, luxury hotel chain Four Seasons said it received an offer to be bought for $3.7 billion; Outback Steakhouse operator OSI Restaurants said it is selling itself for $3 billion; and biotech firm Kos said it agreed to a $3.7 billion takeover.

While none of those fall into the blockbuster category, they come on top of an avalanche of deals announced this year and virtually ensure that 2006 will be the busiest period for takeovers since the end of the '90s bull market.

Just four trading days into November, there have already been $28.3 billion worth of U.S. deals this month, bringing the tally of announced deals in 2006 to 9,461 worth $966.9 billion, says FactSet Mergerstat. That nearly tops all of last year, and you'd have to go all the way back to 2000 to find a busier year so far, Mergerstat says.

"The merger market is in a good spot right now," says Robert Filek of PricewaterhouseCoopers.

Monday's deals had a little bit of everything. Several were a continuation of the trend for companies to go private in the current version of what used to be known as leveraged buyouts. A private equity firm with Bill Gates as an investor offered to buy

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Four Seasons for $82 a share, sending the stock up 29% to $82.50. OSI saw its shares gain 23% to $39.75 on a $40-a-share offer from a private equity firm.

Many of the others, though, were takeovers for strategic reasons, such as Abbott Labs buying Kos in a deal worth $78 a share. Audio semiconductor maker PortalPlayer's shares fell 1 cent to $13.35 on news it is being bought by Nvidia for $357 million, or $13.50 a share. Swift Transportation stock jumped 24% to $29.84 after the trucking company said it received an offer to be bought by its former CEO for $2.2 billion, or $29 a share.

This is all part of a broader M&A boom this year in which:

·Private equity is playing a bigger role. Firms that buy public companies and take them private with hopes of selling them later at a profit accounted for a quarter of the deals based on dollar value, says Dealogic, up from 14% last year and just 3% in 2000.

·Megadeals are blooming. The number of buyouts valued at $1 billion or more has hit 174 this year, 5% more than all of 2005 and the most since 212 in all of 2000, says Mergerstat. "It's been the year people have decided if they're going to do a big deal, this is it," says Mergerstat's Kurt Kunert.

·Cash is swelling. Many of the buyouts are being done with cash: 70% of the 22 mergers announced around the globe Monday were for cash, says Sara Moeller, professor of finance at Wake Forest University. That's partly due to private equity firms, which pay cash, but it shows corporate buyers are confident the deals will succeed, she says.

·Banks are eager to lend. Only 1.7% of commercial loans were delinquent or charged off in the first quarter, says PricewaterhouseCoopers. That's below the 2% rate in first quarter of 2005 and well below the recent peak of 5.9% in the third quarter of 2002.

But as hectic as the recent merger activity is, it still falls short of the banner year of 2000. Merger activity tends to pick up when stocks rally, and it's unlikely that stocks will boom like they did in 2000, says Hemang Desai, professor of accounting at Southern Methodist University: "I can't imagine that kind of activity again."

Yellen: Income Gap Poses Risk (USAT)

By Sue Kirchhoff

USA Today, November 7, 2006

U.S. income inequality has risen to such a level that "there are signs that (it) is intensifying resistance to globalization, impairing social cohesion, and could, ultimately, undermine American democracy," San Francisco Federal Reserve Bank President Janet Yellen said Monday.

In language rare for a central bank official, Yellen suggested that high priority be given to improving education, tax credits and other aspects of the social safety net, despite the cost in dollars and possible impact on economic efficiency, according to the text of her lecture at the University of California, Irvine.

"Inequality has risen to the point that it seems to me worthwhile for the U.S. to seriously consider taking the risk of making our economy more rewarding for more of the people," Yellen said.

Separately Monday:

·Former Fed chairman Alan Greenspan said that while the housing market has not hit bottom, "The worst is behind us."

Greenspan also told a Washington meeting organized by financial services firm Charles Schwab that he is "reasonably confident" the nation will not slide into recession because businesses appear strong.

·Chicago Fed President Michael Moskow said inflation remains too high, even with slower economic growth, suggesting the Fed might have to raise rates again if price pressures do not moderate.

The Fed boosted short-term rates 17 times from mid-2004 to mid-2006. It has held rates at 5.25% since August. While the economy has slowed significantly, inflation is still running above the Fed's 1% to 2% comfort range.

Yellen's remarks focused on a longer-term economic trend: the growing U.S. income and wealth gap. She noted that during the past three decades, much of the gain from U.S. economic performance had gone to the people at the top of the income ladder.

From 1973 to 2005, real hourly wages of those in the highest 10% income bracket rose 30% or more, with big gains in the top 1%. Those in the bottom half of the scale saw 5% to 10% gains. The pattern altered a bit in the past decade, when people near the bottom actually saw faster gains than those in the middle, and the top continued to prosper.

Yellen attributed the growing gap to the higher premium for education, changes in technology and globalization. Controversies regarding executive pay "quite naturally raise concerns for the public and contribute to feelings of dissatisfaction," she said.

Yellen said inequality is higher in the USA than in other industrial nations and the safety net less generous.

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Bush Campaigns, Dems Assail Status Quo (AP-Y)

By David Espo

AP, November 7, 2006

On the eve of midterm elections, Democrats criticized Republicans as stewards of a stale status quo while President Bush declared, "we're closing strong" in a final drive to preserve GOP control of Congress.

"They can't run anything right," countered former President Clinton, taunting Republicans about the war in Iraq, the aftermath of Hurricane Katrina and even the scandal involving the House page program that complicated GOP efforts to win two more years in power.

Bush campaigned on Monday from Florida to Arkansas and Texas. But the day brought one more reminder of his poor standing in the polls when Republican gubernatorial candidate Charlie Crist skipped the presidential rally in Pensacola, Fla., to make a speech of his own hundreds of miles away.

Bush made no mention of the evident snub in public, but not so his aides. "Let's see how many people show up in Palm Beach on 24 hours notice, versus 8,000 or 9,000 people" expected for the president's speech, said Karl Rove, the White House's top political strategist.

Some late polls suggested momentum was swinging the Republicans' way, and Ken Mehlman, the party chairman, told allies the surveys summoned memories of 1998, when the GOP lost seats but held power.

Democrats steadfastly refused to say so in public, but some Republicans signaled privately they expected to lose more than 15 seats, and control of the House with them.

Among GOP-held open seats, those in Arizona, Colorado, New York, Ohio and Iowa seemed likeliest to fall. Republican Reps. John Hostettler, Chris Chocola and Mike Sodrel of Indiana; Charles Taylor of North Carolina; Curt Weldon, Don Sherwood and Melissa Hart of Pennsylvania; and Charles Bass of New Hampshire were in particularly difficult re-election struggles.

Democrats also boasted of several election targets in New York, where Sen. Hillary Rodham Clinton and Eliot Spitzer, the Democratic candidate for governor, were expected to win landslides at the top of the ticket.

Easily two dozen more Republican seats were in jeopardy, including one in Texas that may not be settled until next month. There, Republican Rep. Henry Bonilla and former Rep. Ciro Rodriguez, a Democrat, were the leading contenders in an eight-candidate field. A run-off between the two top vote-getters would follow if no one won a majority on Tuesday.

In contrast, only a few Democratic incumbents appeared in jeopardy, including Reps. John Barrow in Georgia; Melissa Bean in Illinois and — in a race that bore no impact on the broader party struggle — William Jefferson in Louisiana. Jefferson, ensnared in a federal corruption investigation, faced a likely runoff on Dec. 9, possibly against fellow Democrat Karen Carter.

After months of pursuing the Republicans, Democrats declined to say they would catch them.

"From the Iraq war to the economy to how the Congress does its work, the American people want a different direction — and that's what Democrats offer," Rep. Rahm Emanuel of Illinois, the head of the House Democrats' campaign committee, said Monday.

"We have never said we're going to take control of the Senate. We have said we're on the edge. That's where we are," said Sen. Chuck Schumer, D-N.Y., chairman of the Senate Democrats' organization.

Democrats needed to gain six seats to win control of the Senate. GOP Sens. Mike DeWine in Ohio and Rick Santorum in Pennsylvania appeared in deepest trouble, Sens. Lincoln Chafee in Rhode Island and Conrad Burns in Montana somewhat less so.

Rep. Nancy Pelosi of California, in line to become the first woman speaker in history if Democrats win, was in Washington after a weekend of campaigning for candidates in Pennsylvania and Connecticut.

Neither Bush nor Clinton, the president and ex-president, was on Tuesday's ballot, but both campaigned energetically toward the finish line.

In Bentonville, Ark., where he campaigned for Asa Hutchinson, the party's gubernatorial candidate, Bush said Republicans had late momentum because they were stressing that Democrats would raise taxes if they gained power.

"The Democrats want to raise taxes when you're born, when you're working, when you retire and when you die," Bush said in Florida as his audience laughed appreciatively. "In other words, the Democrats' philosophy is this: 'If it breathes, tax it. And if it stops breathing, find their children, tax them."

Campaigning in Missouri, Democratic senatorial candidate Claire McCaskill said it wasn't so. She was in a supermarket meeting voters when one shopper asked her whether she wanted to raise taxes.

"There's nothing to that allegation," she replied. "We're going to cut taxes for the middle class."

She added that previous tax cuts "that just help the very wealthy should be retargeted to the middle class."

As he has repeatedly, the president attacked Democrats for their position on the war in Iraq.

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"Oh, they've got some ideas. Some of them say, 'get out right now.' Some of them say, 'get out at a fixed date,' even though the job hasn't been done. One of them said, 'let's move our troops to an island some 5,000 away.'"

Clinton, the former president, provided the rebuttal to that charge from a stage in Rochester, N.Y..

"On this 'stay the course in Iraq' deal, they say we're the cut-and-run crowd," he said. "These people don't look like cut and run to me," he said, gesturing at Eric Massa, a House candidate and Navy veteran, and former Sen. Max Cleland, a triple amputee from war wounds suffered in Vietnam a generation ago.

The campaign's final hours brought fresh evidence of the enormous cost.

Spending by the two national parties surged in the final week as Democrats and Republicans invested in television commercials designed to sway the outcome in more than 60 House races and 10 Senate contests. In all, the two parties have spent about $225 million thus far in campaign activities independent of the candidates themselves.

Candidate A No-show At Bush Rally (LAT)

By James Gerstenzang

The Los Angeles Times, November 7, 2006

PENSACOLA, FLA. — The schedule for the GOP's Florida "victory rally" said that President Bush would be introduced to the crowd by the party's nominee for governor, Charlie Crist.

The president was there, but Crist was not. And the White House signaled its unhappiness.

With Bush doing poorly in opinion surveys, some Republican candidates have indicated that they did not want to appear with him at election season events.

Crist's campaign said that was not the case this time. It said the candidate had no need to spend his final campaign day in conservative Pensacola, the site of Monday's rally.

Still, Karl Rove, Bush's chief political strategist, made a snippy remark to reporters about Crist's decision to appear in other cities instead.

"Let's see how many people show up in Palm Beach on 24 hours' notice, versus 8,000 or 9,000 in Pensacola," Rove said.

He overestimated the size of the Pensacola crowd by several thousand.

Crist is Florida's attorney general. If elected governor, he would replace Bush's brother Jeb, who is retiring due to term limits.

A spokesman for Crist's opponent said voters should consider the canceled appearance to be "a snub."

"Despite how much [Crist] has in common with President Bush, President Bush isn't very popular right now," said Josh Earnest, a spokesman for Democratic nominee Jim Davis. "Sensing that this race is getting a lot closer, I think Mr. Crist decided that he didn't want to take a political risk."

Still, Bush on Monday enthusiastically endorsed Crist, who has been leading Davis in most opinion polls.

"He's experienced, he's compassionate and he'll work hard on behalf of all the citizens of this important state," Bushsaid.

Rep. Katherine Harris (R-Fla.), whose candidacy was discouraged by GOP leaders and who is trailing badly in opinion polls in her bid to unseat Democratic Sen. Bill Nelson, also appeared at the Pensacola rally. Bush did not mention Harris, who appeared well before him.

Bush also spent his last hours before election day campaigning in Arkansas for a struggling Republican gubernatorial candidate, Asa Hutchinson. The president ended the day in Dallas supporting Gov. Rick Perry, who succeeded Bush in 2001.

With the president having campaigned almost exclusively for House and Senate candidates, his shift on the final day to campaigning for those seeking state offices suggested he had touched base in most of the districts where his presence would help, rather than hinder, Republican candidates.

Crist Snubs President On Election Eve; Davis Calls To 'The Disgusted' (FLSUNSEN)

By Mark Hollis

South Florida Sun-Sentinel, November 7, 2006

ST. PETERSBURG -- Republican Charlie Crist and Democrat Jim Davis ended their 18-month campaigns for governor Monday amid a flap over Crist declining to campaign with President Bush.

Crist fended off criticism on election eve from both the White House and Democrats for not appearing with the president at a Republican rally in the Panhandle. Crist visited eight other cities, including a stop with U.S. Sen. John McCain of Arizona, a possible 2008 Republican presidential contender.

Davis seized on the Crist-Bush controversy and made it a theme of his final day of campaigning, which included rallies with union members, black Democrats and even a push into Florida's politically conservative Panhandle.

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Both candidates hop-scotched around the state on chartered aircraft, telling supporters they sensed victory coming their way.

"I want you to get out and work your heart out," Davis, a Tampa congressman, told about 100 supporters at a Jacksonville union hall. "Tomorrow is the day we're not only equal in the eyes of God, but in the eyes of one another."

Crist also relied on an upbeat message, telling 200 supporters in Jacksonville, "I feel victory. But I want to do more than feel it. I want to deliver it for you tomorrow night."

But it was irritation shown by the White House and pestering by Democrats over Crist's snub of the president in Pensacola that captured media attention. Crist's spokesman said Sunday the candidate was skipping a rally there because he needed to spend his final day of campaigning elsewhere in the state, including vote-rich South Florida.

On Monday, speaking to reporters in Texas, White House Deputy Chief of Staff Karl Rove mockingly questioned what kind of alternate rally Crist would put together that would rival the crowd Bush was expected to attract in Republican-heavy Pensacola. The White House had to hastily recruit outgoing Gov. Jeb Bush to introduce his brother, having already distributed schedules saying Crist would play that role.

"Let's see how many people show up in Palm Beach on 24 hours notice versus 8,000 or 9,000 people" in Pensacola, said Rove, the president's top political strategist.

Crist told supporters he still backs the president.

"We're delighted that he came to Florida," Crist said before waving signs with supporters at the corner of Oakland Park Boulevard and Federal Highway in Fort Lauderdale. "But it's important for me to get all over Florida."

Pensacola's market is among the most Republican, and campaigning there has been a priority for Crist. It's the heart of a region that is home to many active and retired military members. After the 2000 election, when Florida's vote was disputed for 36 days, Bush picked Pensacola for his maiden voyage to the state as president -- the one place he was certain to be enthusiastically welcomed. Now polls show widespread dissatisfaction with him statewide.

Davis took notice during his campaign stops. "Now that the president is so unpopular, Charlie refuses to stand side by side with him," he said. "It says when the going gets tough, Charlie won't stand up."

Buoyed by polls that show the governor contest to be close and knowing turnout is the key to victory, Davis in recent days stepped up his appeal to moderate Republicans and voters who have no political affiliation.

On Monday, he made stops in Panama City and Pensacola, only hours after the Bush appearance. Davis' running mate, Air Force Reserve Col. Daryl Jones, a former fighter pilot and state senator from Miami-Dade County, has spent time in the area trying to woo the votes of military retirees.

In their closing pitches to voters, Crist and Davis strayed little from their well-honed stump speeches.

Crist, the state's attorney general and a former state senator, promised voters lower taxes and property insurance rates, while warning that Davis would not deliver either.

Davis urged voters to send him to Tallahassee as a reformer. While pounding Crist for running a campaign supported by special interests, Davis opened welcoming arms to "the disgusted, the disillusioned and the mildly curious Republicans and Independents" looking for change in Washington and Tallahassee.

Both campaigns expected to have phone-bank and sign-waving operations in full swing until polls close tonight.

At frequent stops, Crist and Davis urged supporters to keep pushing for votes. Many of their supporters indicated they were feeling good about their candidates' chances.

Several union leaders, for instance, said during a Davis visit to Jacksonville that while their organizations traditionally support the Democratic nominee, they are working harder for Davis.

"It's different this time," said Minerva Faire, secretary of the North Florida Central Labor Council. "We feel it's within our reach. Congressman Davis is a working family man and that makes a big difference."

Crist's backers were equally enthusiastic.

"When you have a good candidate, people respond," said Ernesto Gonzalez, an Orlando architect standing near Crist during the Republican's stop there. "We all want lower taxes and cheaper insurance. With the right leadership, maybe it happens."

Bush Stumps (AP)

By Jennifer Loven

AP, November 7, 2006

PENSACOLA, Fla. - The closer the election came to the finish line, the more President Bush's aides battled the perception he was doing his party as much harm as good and was unwanted in many districts.

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On Monday, Bush jetted to a conservative corner of Florida's Panhandle, about as far as he could get from the state's three in-play House districts. To the White House's embarrassment and irritation, Republican Charlie Crist, whom Bush came to help in his bid to succeed the president's brother as governor, decided at the last minute to skip the chance to be by the president's side.

In a speech bracketed by raucous foot-stomping to country music and an explosion of metallic red-white-and-blue confetti, Bush won cheers for applauding Saddam Hussein's conviction, lambasting Democrats on the war on terror and accusing the opposition party of plotting to raise taxes.

"The Democrat philosophy is this: If it breathes, tax it, and if it stops breathing, find its children and tax them," Bush shouted.

Next up was Arkansas, where Republican Asa Hutchinson remained well behind in his race to keep that governor's mansion in Republican hands. Still Bush was upbeat.

"You know, I knew we were going to finish strong," Bush told supporters gathered in an airplane hangar with Air Force One parked outside. "I knew that we were going to come roarin' into Election Day because we've got the right position on taxes, we've got the right position on what it takes to protect you from attack."

Finally, Bush was calling it a wrap Monday night in Texas. It was somewhat of a sentimental stop for the president, taking him to his home state and specifically to Dallas, where Bush has headlined rallies the night before most elections.

It was still remarkable that, with so many Republicans around the country facing too-close-to-call races and with GOP majorities in the House, Senate and the nation's statehouses in jeopardy, Bush decided to spend capital on GOP Gov. Rick Perry, who hardly needed the president's assistance to get re-elected.

White House press secretary Tony Snow said Bush's travels on Monday to races more on the periphery of this high-stakes midterm campaign represented the president honoring "long-standing promises" to his brother, Hutchinson and Perry.

But Bush's final five-day sprint to Election Day took on little of the urgency of the last days before the 2002 midterm election, or certainly the close of his own re-election race two years ago.

He's been starting later in the day and finishing by bedtime, with just one stop on Saturday and two on Sunday - all in smaller, very GOP-friendly areas. The last three nights, he even slept in his own bed in Crawford, Texas.

Republican leaders say that the president's get-out-the-vote push in GOP strongholds was helping. The free media coverage that accompanies a presidential visit was keeping his party from having to spend precious dollars in those districts. And some new polls showed a lift in Republican enthusiasm for voting.

"The president's travels are part of the difference," Snow said.

White House aides mocked Crist's choice to duck the Bush rally, which they only learned about on Sunday morning - too late to change the printed schedules that had Crist introducing the president at the rally.

Crist chief of staff George LeMieux said the conservative Pensacola area was so firmly in his camp, and so hard to get to, that it made more sense to campaign elsewhere in the state. Said Crist: "I'm glad he's come to our state, but I've got to get around Florida."

Still, Karl Rove, Bush's top political adviser, suggested that reporters see whether Crist would be able to hastily assemble anything like the Pensacola event, which drew about 7,000.

Bush ignored the flap. "I strongly suggest you vote for Charlie Crist to be governor of the state of Florida," he said.

With Crist as a no-show, Bush was joined on stage by a host of Florida Republican officeholders and candidates - but not by Republican Rep. Katherine Harris. She has run a much-panned Senate race that has had her Republican elders cringing and both the president and retiring Gov. Jeb Bush largely avoiding her.

Attack Of The Hacks (WP)

By Eugene Robinson

The Washington Post, November 7, 2006

Has there ever been a more negative, dispiriting election? Is there any hope and optimism left in this country, or is our political culture based on nothing but seething dislike and sour resentment?

Democrats and Republicans sought to win voters with the same basic message: You may not think much of us, but at least we're better than the other guys.

Anyone who owns a television or a radio already knows that candidates and parties in this midterm smackdown spent tons more on negative political ads than on positive ones. Every contest seemed to feature a scoundrel vs. a knave, a hack vs. an idiot, a doofus vs. a dolt.

In fact, politicians use so many negative ads because they work. UCLA psychiatry professor Marco Iacoboni described for the Associated Press his research from the 2004 presidential campaign. Using magnetic resonance imaging, he found that when test subjects were initially shown pictures of their favored candidates, an area of the brain associated with empathy lit up. But

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after the subjects had been exposed to negative ads about their candidates, that same area of the brain failed to respond. Politicians have known this for a long time.

The depressing nature of this endless campaign went beyond negative ads, however. Examine the messages that were delivered by the two parties and then try to find a reason to be filled with hope about the future.

The Republican Party was saddled with an unpopular president who led the nation into an unnecessary and unwinnable war, mocked traditional American notions of justice and privacy, reasserted the powers of an imperial presidency, and generally showed himself willing to disregard objective facts if they were not to his liking. That wasn't much for Republican incumbents to work with.

Still, the party did manage to come up with a coherent message: We might be making a mess of things, but if you vote for the Democrats they'll raise your taxes and let terrorists threaten your family.

The Democratic Party had the advantage of having been out of power during the whole Iraq misadventure, which gave every Democratic candidate an even simpler message to transmit to voters: Look, I'm not George W. Bush.

In terms of politics, that was smart. But "not George Bush" doesn't qualify as much of a vision for America's future. At some point, it can't be enough just to list all the problems the Republicans have created or failed to address. What are the solutions?

It's no wonder that so many voters call themselves independent these days. And no wonder that so many candidates stood out from the pack this year by highlighting the ways in which they departed from the party line -- Republicans who openly questioned the war, or Democrats who spoke about faith and family values.

Americans deserve more from their political leaders than they got this year. The party that gets to define the next era in America will be the party that has a more compelling, forward-looking story to tell than what we heard this year, which was, in a nutshell, "Those other guys are so lame."

Vote Republican, America Is At War: Bush (AFP-Y)

By Olivier Knox

AFP, November 7, 2006

President George W. Bush made his final plea to voters ahead of knife-edge congressional elections, telling them to vote Republican if they want America's full protection.

Bush, on a final three-state swing of a campaign dominated by the war in Iraq, branded Democrats as soft on the "war on terror" and also predicted Republicans would crush their rivals' hopes of seizing back control of one or both chambers of Congress.

But he suffered one final campaign trail indignity, as the Republican candidate to succeed the president's brother Jeb as Florida governor snubbed him at a rally, apparently wary of Bush's low poll ratings.

Despite polls showing public discontent over his management of the Iraq war, Bush delivered a hard-hitting warning to voters, staking out political ground on national security that helped him win past campaigns.

"As you go to the polls remember if you want your taxes low vote Republican," Bush said at a rally in Pensacola, Florida.

"As you go the the polls, remember we are at war and if you want this country to do everything in its power to protect you and at the same time lay the foundation of peace for generations to come, vote Republican."

Bush again taunted his rivals with the death sentence handed down to former Iraqi dictator Saddam Hussein on Sunday, saying it was vindication for the US invasion in 2003.

"My decision to get rid of Saddam Hussein was the right decision, and the world is better for it," he said, as the crowd burst into a chant of "USA! USA!"

"The only way we will not win is if we leave before the job is done," he said. "If you listen for the plan from the Democrats, there isn't one."

But the low opinion poll ratings which have dogged Bush during the campaign were highlighted again when Republican gubernatorial candidate Charlie Crist skipped an appearance with Bush in the state which handed him the presidency after a protracted recount drama six years ago.

He quickly made clear he did not bear Crist a grudge.

"Tomorrow you get to vote for a new governor, and I strongly suggest you vote for Charlie Crist" and praising him as "experienced" and "compassionate."

But Bush's political guru Karl Rove was not impressed.

"All I know is that yesterday morning they apparently made a decision that rather than being with the governor and the president and 10,000 people in Pensacola, they made a last minute decision to go to Palm Beach," said Rove.

Asked whether this reflected Bush's low popularity, Rove replied: "Let's look at the comparison, let's see how many people show up in Palm Beach on 24 hours notice versus eight or nine thousand people in Pensacola."

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Bush was later to head on to Arkansas and Texas, to wrap up a 10-state campaign blitz buoyed by signs his Republican party was picking up steam in the final hours.

One Republican who did not snub Bush here was Katherine Harris, the former senior Florida official reviled by Democrats for her role in the dramatic recount controversy.

But though Harris addressed the crowd, she was not seen alongside Bush, frustrating photographers clamouring for a shot of them together.

Harris trails badly in a statewide Senate race to Democrat Bill Nelson, after what many analysts decried as a chaotic campaign.

Several national polls in the final hours of the campaign showed a narrowing of the race, prompting Republican National Committee Chairman Ken Mehlman to proclaim voters were discovering new "enthusiasm" for Republicans.

A Washington Post and ABC television poll showed likely voters favoring Democrats to Republicans by 51 percent to 45 percent. In an October 22 survey, the Democrats had led 55-41.

The non-partisan Pew Research Center found a 47-43 lead for Democrats among likely voters, down from 50-39 two weeks ago.

A new USA Today/Gallup survey published Monday showed Democratic challengers ahead in Senate races in Montana, Rhode Island, Ohio and Pennsylvania.

A poll for McClatchy newspapers and MSNBC meanwhile suggested Republicans had also come from behind in Rhode Island and Montana, to lead or tie Democrat opponents.

GOP Hopefuls Absent From Bush Rally (PALMBEACHP)

By Larry Lipman, Deana Poole, Brian E. Crowely, And SV Date

Palm Beach Post (FL), November 7, 2006

PENSACOLA — Florida voters head to the polls today to pick a new governor and at least two new members of the Cabinet, as well as to help decide whether President Bush will face an unfriendly Congress for his final two years in office.

To support his party's candidates in Florida, Bush wrapped up a 10-state campaign tour Monday in Pensacola. But the state's top Republican candidates were conspicuously absent from the presidential rally, which drew about 7,500 people.

The only statewide candidate to attend the event featuring the president and his brother Gov. Jeb Bush was U.S. Rep. Katherine Harris. But Harris, who trails far behind in the polls in her bid to unseat Democratic U.S. Sen. Bill Nelson, did not appear on stage with them.

While the president was in Pensacola, Charlie Crist, the Republican candidate for governor, was visiting the Lox Around the Clock bagel shop west of Delray Beach.

Republicans Bill McCollum, who is seeking to succeed Crist as attorney general, and incumbent Agriculture Commissioner Charles Bronson were campaigning along the Interstate 4 corridor. Tom Lee, the GOP candidate for chief financial officer, also was not in Pensacola.

Their Democratic opponents - Alex Sink (chief financial officer), Skip Campbell (attorney general) and Eric Copeland (agriculture commissioner) - had appeared with Nelson, gubernatorial candidate Jim Davis, former President Clinton and former Sen. Bob Graham at a rally Saturday in Miami.

Crist's absence drew sarcastic remarks Monday from Davis and even from the president's top political adviser, Karl Rove.

"Charlie Crist has been campaigning standing up with George Bush this entire campaign," Davis told nearly 200 cheering supporters at a Pensacola church. "Next to the insurance industry, George Bush has probably raised more money for Charlie Crist than anybody else. But now that the president is so remarkably unpopular, once again, Charlie Crist refuses to stand up.

"Charlie Crist may have forgotten that you are part of Florida. I will never forget."

Rove also questioned Crist's decision to skip the appearance.

"Rather than being with the governor and the president and 10,000 people in Pensacola, they made a last-minute decision to go to Palm Beach," Rove told reporters in Texas. "Let's see how many people show up in Palm Beach on 24 hours' notice versus 8,000 or 9,000 people in Pensacola."

Crist said he was not snubbing the president. Appearing with Bush "is always a great opportunity," he said, "but it's much more important to me to get to all the cities."

Asked whether he was concerned about his future relationship with the White House, Crist said, "No, it's a great relationship."

The McCollum and Bronson campaigns said the president's declining approval ratings had nothing to do with their absences.

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"If you look at the statewide numbers, they say that the I-4 corridor and up to Jacksonville are important to shore up," Bronson said. "If it had been around the Orlando-Tampa area where we could have still made the stop, we'd have been more than happy to be with the president."

Bush did not mention the absences and urged the crowd to vote for all GOP candidates for statewide office.

Bush said of Crist: "He's experienced, he's compassionate and he'll work hard on behalf of all the citizens of this important state. And while you're in there voting for Charlie, vote for Katherine Harris for the United States Senate."

White House spokesman Tony Snow also downplayed the absences of Crist and the Cabinet candidates.

"You've got to keep in mind, these events are not only important for revving up Republicans who are in the vicinity, but people all around the country are now looking at these speeches and looking at these events, and they're getting a sense of the energy of the crowds," Snow said.

During his speech, Bush concentrated on low taxes and terrorism.

"If you want your taxes low, vote Republican," Bush said. "And as you go to the polls, remember we're at war. And if you want this country to do everything in its power to protect you, and at the same time lay the foundation of peace for generations to come, vote Republican.

"Some of the folks in Washington think they've already figured out the results. That's what happened in 2004. Some of them up there started listening to the prognosticators and started picking out their offices in the west wing. Then the people in Florida voted and people around the country voted, and the movers weren't needed."

Bush was joined on stage by his wife, Laura, U.S. Rep. Jeff Miller of Pensacola, U.S. Sen. Mel Martinez and a few state legislators. Harris, who was actively discouraged from running for the Senate by the governor, White House advisers and other key state and national Republicans, spoke to the crowd about an hour before the president arrived.

During Bush's appearance, Harris and her husband, Anders Ebbeson, stood among the crowd. Asked why Harris wasn't on stage, spokeswoman Jennifer Marks said, "It's not a matter of where you sit, but where you stand on the issues."

Crist spent his day touring the state, with stops in St. Petersburg, Tampa, Orlando, Jacksonville, Delray Beach, Fort Lauderdale, Miami and Cape Coral.

Davis began his final, marathon campaign day with a visit to a longshoremen's union hall in Jacksonville. Davis urged about 200 dock workers to go to the polls today and take their friends with them. He urged them to ignore Republicans' boasts of tax cuts.

"Anybody in this room get a tax cut? No. Because you all don't have your own lobbyists," Davis said.

In Tallahassee, Davis, who was trailing by about five points in polls conducted by Republicans and Democrats, took a shot at Crist's remark that he couldn't be in Pensacola because he needed to be "in Florida."

"So I'm running against a fellow who doesn't know when the FCAT is given, doesn't know who his member of Congress is and doesn't know Pensacola is part of Florida," Davis said.

Crist explained that he meant he needed to be in "peninsular Florida."

In Orlando, Crist said he was "excited" about today's election. "I'm ready for the conclusion, and I'm sure the voters are, too. It's a long race, it's challenging and it's fun."

Crist took his own shot at Davis, telling supporters: "If they want their taxes cut, they ought to vote for Charlie Crist. If they want higher taxes, they ought to vote for Jim Davis. The choice is crystal clear."

Crist was joined in Jacksonville by U.S. Sen. John McCain, R-Ariz., a likely 2008 presidential candidate who predicted that if Crist wins, "it puts him on the national stage, particularly in the ranks of Republican leaders."

Besides attending the rally, Harris stopped at Pensacola's Coffee Cup Restaurant, a popular local diner known for its grits.

After working the crowd, she gave a brief version of her usual stump speech, criticizing Nelson's stances on taxes, traditional values and immigration.

For Nelson, the final day before the election was a trip down memory lane as he met with about 60 longtime supporters in the Melbourne building that once housed his junior high school - the scene of Nelson's first political speech, when he was elected student body president in the eighth grade - and then stood waving a sign on street corners in Melbourne, Cocoa and Orlando.

Nelson said that if he is reelected, he plans to speak out more on national affairs and try to formulate bipartisan solutions to Social Security, energy conservation, education and the war in Iraq.

Nelson said he would not run for president but left open the suggestion he would welcome being a vice presidential candidate.

Bush Ends 10-state Blitz To Keep A GOP Congress (WT)

By Joseph Curl

The Washington Times, November 7, 2006

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For up-to-the-minute results, news, and

analysis, make WashingtonTimes.com your home for election night.

DALLAS -- President Bush last night wrapped up a 10,000-mile, 10-state campaign blitz, but now he can only wait to see whether he will have a friendly House and Senate to help him push through his agenda over his final two years in office, or a Democratic majority that will fight him at every turn.

Before about 10,000 screaming supporters gathered at Reunion Arena for his last rally of the midterm congressional campaign, the president predicted that Republicans will keep control of both houses.

"We're closing strong because we're right on the issues," Mr. Bush said. "For the next 2½ years, I'm going to sprint as hard as I can to make this country great."

Mr. Bush spent the last two weeks of the campaign cycle trying to turn out the Republican base, visiting states he won in 2004. But many election strategists say dispirited conservatives may not go to the polls today, and Democrats say they are poised to take control of the House, and possibly the Senate as well.

Still, several new polls showed that the race for control of Congress may be narrowing, and Republican National Committee Chairman Ken Mehlman proclaimed that voters are discovering new "enthusiasm" for Republicans.

In his final campaign swing, the president stoked that enthusiasm at events attended by a total of more than 75,000 Republicans. At events in Montana, Nevada, Missouri, Nebraska, Kansas, Florida, Arkansas and Texas, Mr. Bush urged supporters to get out the vote.

"I thank you for what you have done to help these candidates, and I thank you for what you're going to do for the next 24 hours. You're going to pick up the phone, you're going to make the phone calls, you're going to turn out your friends and neighbors, and we're going to win," he said to cheers from supporters in Florida.

In an odd twist -- showing the difficulties Republicans face this year as polls show voter dissatisfaction with Mr. Bush and the war in Iraq -- the man who had invited the president to Pensacola, Fla., did not show up. Florida gubernatorial candidate Charlie Crist, who holds an eight-point lead on his challenger in the most recent poll, said he skipped the event because he needed to campaign in other parts of the state where his support was weak.

Here in Texas, Mr. Bush headlined a rally for the man who succeeded him as governor of Texas, Rick Perry. But his final stop of this campaign will likely turn out to have been overkill: Mr. Perry leads his closest challenger by 16 percentage points in the latest poll.

At every stop on the road, Mr. Bush extolled the achievements of the Republican-controlled Congress: Tax cuts, low unemployment, steep reductions in the deficit. He also hit hot-button conservative issues -- defining marriage as between a man and a woman, lambasting Democrats for stalling his judicial nominations, and touting Republicans' strength on national security.

"We're closing strong in this election because the American people have finally figured out our tax cuts work, and the Democrats are going to raise your taxes," the president said in Arkansas.

As the Bush administration's top officials fanned out across the country in last-ditch efforts to ramp up Republican voters, Democrats also called out their own top guns in the final days. Former President Bill Clinton, who made 30 campaign stops in 15 states in October, stumped Sunday for Democratic candidates in Maryland and yesterday for Virginia Senate candidate James H. Webb Jr.

Illinois Sen. Barack Obama, who said he is considering a presidential run in 2008, campaigned for Tennessee Senate candidate Rep. Harold E. Ford Jr., as well as for candidates in Missouri, Maryland and Pennsylvania. Even House Minority Leader Nancy Pelosi, absent from the campaign trail for weeks, attended rallies for candidates in Pennsylvania and Connecticut.

But Republicans countered with their own stars, including former New York Mayor Rudolph W. Giuliani, who campaigned for Maryland Gov. Robert L. Ehrlich Jr., Minnesota Gov. Tim Pawlenty, Michigan gubernatorial candidate Dick DeVos, Missouri Sen. Jim Talent, Pennsylvania Sen. Rick Santorum and Virginia Sen. George Allen. Arizona Sen. John McCain, also expected to run for president in 2008, campaigned for Tennessee Senate candidate Bob Corker and for Mr. Allen.

President Who Sees In Absolutes Awaits Voters' Definitive Answer (WP)

By Peter Baker

The Washington Post, November 7, 2006

PENSACOLA, Fla., Nov. 6 -- These are trying times for President Bush. On the last day of the last campaign that will affect him directly, he came here as a favor to his brother on behalf of the Republican candidate for governor. Only the Republican candidate for governor skipped the event. Too busy, he said, to be with the president of the United States.

So it goes these days. Bush shrugged it off and delivered a robust speech, firing up a crowd of Republicans and defiantly predicting victory. Any doubt he may harbor, he kept to himself. Any feelings of regret are locked tight inside. The rest of the

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world may see an unpopular president in the midst of an unpopular war. But Bush soldiers on. He does not publicly stew as other presidents have. He powers through event after event as if he were still the leader the country rallied behind after Sept. 11, 2001.

To his critics, it sometimes seems as if Bush lives in his own world, oblivious or unwilling to accept the shifting reality around him. His is a world of absolutes. "I view this as a struggle of good versus evil," he said the other day about the war with terrorists. To Bush, that is strength, not weakness -- the certitude of conviction, the power of principle. He's "the decider" in a business afflicted by equivocation and thumb-sucking.

Few deciders have gone through such a period in which the decisions seemed so out of their hands. He told North Korea not to test nuclear weapons, but Pyongyang detonated a bomb anyway. He tells Iran to stop pursuing nuclear weapons, only to have Tehran thumb its nose. He orders generals to find a way to stabilize Iraq, but bombs and bullets claimed more U.S. lives in October than in any other month in two years.

Now the voters are the deciders, and it's a verdict Bush can no longer influence. They will decide whether to give him back a Congress that stands by him more often than not or to turn over at least one house to the opposition to force change. Bush insists he's not worried. But at least one person who saw him in private a few days ago interpreted his body language to mean that he did not think Tuesday will be a great day for him.

Bush woke up Monday at his ranch in Crawford, Tex., and was briefed by strategist Karl Rove on the shifting races. Rove told reporters later that of 20 recent polls in critical places, 16 had moved in the Republican direction and three were flat. "I knew we were going to finish strong," Bush said here.

Bush is not a nervous election-eve politician, obsessively poring over precinct-by-precinct reports, but he can be edgy or impatient and understands what is on the line, according to associates. As he embarked on his last day on the trail, Laura Bush came along, a calming presence during moments of pressure.

The president and his staff were offended by the last-minute snub by Charlie Crist, the Republican candidate to succeed term-limited Florida Gov. Jeb Bush. The White House scheduled the stop here in the conservative Panhandle as a favor to Jeb Bush entirely for Crist's benefit. But Crist decided to go elsewhere in the state. The White House schedule Monday morning still listed Crist as introducing the president.

Rove did not hide his consternation: "Rather than being with the governor and the president and 10,000 people in Pensacola, they made a last-minute decision to go to Palm Beach. Let's look at the comparison. Let's see how many people show up in Palm Beach on 24 hours' notice versus 8,000 or 9,000 people in Pensacola."

The president was left with a rainy-day rally here for no one. The local congressman does not face a competitive race and the Bush brothers are estranged from Rep. Katherine Harris, the GOP Senate candidate, who polls show losing in a rout. Harris was given a three-minute speaking slot more than an hour before the president arrived and was not on stage during his appearance. Bush mentioned her only once in passing.

At times, Bush appears confounded by the political problems confronting him. He is absolutely certain that, as he puts it, "they're coming after us," meaning terrorists, but does not understand why many others do not see it with the clarity he does. "I am in disbelief that people don't take these people seriously," he told National Review and other conservative outlets last month.

That conversation provided a glimpse into Bush's aggravation and isolation. One participant, Lawrence Kudlow of CNBC, told Bush that he has supported the war but was discouraged and looking for hope.

"I need some good news, sir," Kudlow said.

"Yes, I do, too," Bush said.

"I really do," Kudlow repeated.

"You're talking to Noah about the flood," Bush said. "I do, too."

Bush seeks solace in history, certain that he will be vindicated, much as Harry S. Truman was unpopular in his day but is revered today. And Bush expresses exasperation that he cannot find a tangible yardstick to point to victory in Iraq.

"I don't know what Harry Truman was feeling like, or Franklin Roosevelt," he told the conservative journalists. "I'm sure there were moments of high frustration for them. But I do know that at Midway, they were eventually able to say two carriers were sunk and one was damaged. We don't get to say that. A thousand of the enemy killed, or whatever the number was. It's happening; you just don't know it. And there's no scorecard."

The elections, at least, come with a scorecard. But Bush has not maintained a particularly hectic pace. Whereas he hit 15 states in the final five days before the 2002 midterm elections, he visited 10 in the same period this year. He dropped off the trail for 24 hours over the weekend to celebrate the first lady's 60th birthday and their 29th anniversary.

When he went back out, he stuck to conservative areas without major races. That's because Crist is not the only Republican eager to keep a distance from a president with a 40 percent approval rating -- just the only one impolitic enough to snub him after inviting him on election eve.

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Bush's last stops were chosen out of loyalty to allies rather than any effort to make a difference in a tossup race. He flew to Bentonville, Ark., for Asa Hutchinson, a former administration official running for governor, then to Dallas for Gov. Rick Perry. Neither race is close; Hutchinson trails by 17 points, and Perry leads by 14.

Bush's stump speech the past few weeks has underscored a with-us-or-against-us worldview. Democrats and some Republicans opposed warrantless surveillance of telephone calls of people with suspected ties to terrorism, objecting to unchecked executive power and arguing that officials should still get warrants from a secret intelligence court. Likewise, Democrats and initially some Republicans opposed redefining Geneva Conventions protections for prisoners and permitting harsh interrogation, preferring more traditional practices.

In the version Bush offers campaign audiences, that boils down to the Democrats not wanting to fight terrorists at all. Democrats, he said in Missouri, "oppose listening in on terrorist conversations" and "oppose letting the CIA detain and question the terrorists who might know what those [next] plots are." As for Iraq, he said in Texas, if Democrats get their way, "the terrorists win and America loses."

One way or the other, someone loses Tuesday. Bush and Rove have remained outwardly confident in the face of the polls in part because they have so often prevailed over conventional wisdom. If polls were right, then John F. Kerry would be president, they tell doubters. Both bristle at the idea that the Washington elite has already counted them out.

Still, Bush advisers understand the odds against them. They have written off 10 or 12 "scandal seats," where ethical lapses have dominated. Democrats need 15 to take over the House, so victory in just a few tossup races would be enough. If that happens, the White House argument is likely to be that Republicans lost because of isolated corruption cases, not broader discontent with Bush or the war.

What Bush would do then becomes the next question. He arrived in Washington promising to be a uniter, not a divider, but the political polarization in the country is worse than when he took over. As recently as last month, his spokesman said that if nothing else, Bush wants to use his last two years to "detoxify" Washington -- and then Bush headed out to the campaign trail to warn that if Democrats win, "America loses."

How would he reconcile these competing instincts? The desire to be a healer and the surety that his way is the right way? The decider will have to decide.

Gubernatorial Candidates Scramble For Votes In Final Hours (HC)

By Julie Mason And Gary Scharrer

Houston Chronicle, November 7, 2006

The four major candidates for Texas governor made their final pitches to the voters today, with Gov. Rick Perry getting a personal boost from President Bush and independent Carole Keeton Strayhorn blitzing the state with Bush's former press secretary and the president's former Medicare chief.

Democrat Chris Bell campaigned in Amarillo, Dallas and Austin before returning to his home in Houston, where he will vote today) and await election returns.

Independent Kinky Friedman rallied in Temple.

In his last event of the campaign season, Bush touched down in Dallas for a rally with Perry, telling an estimated 10,000 people at Reunion Arena that ``You elected us to get things done."

``Let me put it to you this way," Bush told the cheering crowd. ``Everything I learned, I learned here in Texas."

Joined by local Republican officials and statewide officeholders, including Lt. Gov. David Dewhurst, Bush said, ``When you get in there to vote for Rick, make sure you vote for Dewhurst as well."

Strayhorn held airport news conferences in Harlingen, San Antonio, Houston and Dallas with her four sons, including Scott McClellan, the former White House press secretary, and Mark McClellan, who, until recently, was Bush's administrator of the Centers for Medicaid and Medicare Services.

``A couple of his (Bush's) senior advisors think there's a better candidate for governor," Mark McClellan said.

Scott McClellan likened Strayhorn's style to the ``uniter, not a divider" theme that Bush used in his first presidential race.

``We think that spirit is what this campaign is all about - setting aside partisan politics and doing what's best for Texas," he said.

Also touring with Strayhorn were Brad McClellan, her campaign manager, and his twin brother, Dudley. Strayhorn's sons have campaigned with her throughout her political career, beginning in 1972 when she ran for the Austin school board.

At the various stops, the comptroller also was joined by Democratic and Republican officeholders to emphasize her cross-party message.

``We are going to prove the pundits wrong," she said of recent media-sponsored polls indicating she will finish third as Perry is reelected.

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Bell and Friedman made similar comments about the voter surveys.

Bell urged Democrats who have been flirting with Strayhorn or Friedman to come home to their party.

He acknowledged the difficulty of a Democrat regaining the governor's office after 12 years, but he said there's also an advantage in running against ``one of the least popular governors in the history of Texas."

``I'm the only one now in a position to take him out," he added.

In Dallas, where Bell was born, he campaigned with his father, Peter Bell, 83, a former Republican.

``If they (voters) just get to know him, he's a beautiful man," the elder Bell said of his son.

Friedman rallied about 100 voters in Temple at the office of Tejano star Little Joe Hernandez. He said he will be joined on election night by former Minnesota Gov. Jesse Ventura, the former wrestler who rode a wave of voter turnout to an upset victory as a Reform Party candidate in 1998.

``I think we're going to surge a lot stronger than the pollsters and the politicians and the pundits have predicted," said Friedman, for whom recent polls have predicted a fourth place finish with about 11 percent of the vote.

As Friedman was talking about the ``very strange coalition" supporting him, about 20 uniformed students from Holy Trinity, an area Catholic school, showed up.

The candidate vying to be the first Jewish governor of Texas gave the students a history lesson about one of his heroes, Father Damien, a Belgian Catholic missionary who ministered to lepers in Hawaii during the late 1800s.

President Bush raised a record $194 million for Republican candidates this year, but his diminished popularity nationally has limited his value in tightly contested races.

Instead, the president has stuck to largely conservative areas where his handlers believed he could make a positive difference. In two other stops today, Bush addressed rallies in Arkansas and Florida.

Today, the president and first lady vote at their local polling place in Crawford before heading back to Washington, where they plan to watch the election results at the White House.

Slightly more than 1 million people voted early in person or by mail in the 15 most populous counties, a slight increase over the 2002 gubernatorial election.

The number of early voters increased in several suburban, Republican-dominated counties, including Fort Bend and Montgomery (outside Houston), Williamson (outside Austin) and Collin and Denton (in the Metroplex), while early voting in Travis and Hidalgo counties, two Democratic strongholds, was down.

Secretary of State Roger Williams has predicted that 36 percent of the state's 3 million-plus registered voters will cast ballots, the same percentage as voted in 2002.

Bush Warns Against Presuming Democratic Victories (CHIT)

By Mark Silva

Chicago Tribune, November 7, 2006

DALLAS -- After nearly six mostly tumultuous years as president, George W. Bush has come home to Texas to cast his own lone vote on a day when his party's national fortunes hang in the balance.

On Monday, the last day of his final political campaign that could effect his presidency, Bush brandished the unrelenting optimism which he has carried to his own personal battle for his party's control of Congress for months.

Bush also carried the added burden of his own unpopularity as president, with the war in Iraq having taken a toll on the president after nearly four years of combat. A Republican candidate for governor snubbed the president's appearance in Florida during an eleventh-hour, day-long campaign tour for governor's races in three states.

"Some folks in Washington think they've already figured out the results," said Bush, warning against presuming any Democratic victories on Tuesday. "That's what happened in 2004… Some of them started listening to the prognosticators and started picking out their offices in the West Wing. Then the people… voted… And movers weren't needed."

In Florida, where the president joined his younger brother, retiring Gov. Jeb Bush, for their final campaign appeal as president and governor, their own party's candidate for governor skipped a rally with thousands of people in Pensacola staged for the party's candidates in the Sunshine State. It was overcast outside the civic center where the president spoke, and the candidate's absence hung like a pall over the rally inside.

Republican Charlie Crist, running for governor in Florida, insisted that last-minute scheduling and a desire to concentrate his efforts in seven other cities across the state, was behind this sudden cancellation.

Karl Rove, the president's chief political adviser, said somewhat ruefully: "All I know is that yesterday morning they apparently made a decision that, rather than being with the president and 10,000 people in Pensacola, they made a last-minute decision to go to Palm Beach."

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Some insisted that yet another Republican had decided to seek some distance from the president in a year when many of the GOP's members of Congress and candidates have campaigned with reminders of how they disagree with Bush, with his job-approval hovering below 40 percent.

Karen Thurman, Florida Democratic Party chairman, said: "Charlie Crist and President Bush say, 'stay the course,' but clearly Charlie Crist has 'cut and run' from the president today."

Susan MacManus, professor of political science at the University of South Florida, suggested that Crist {ndash} favored to win the governor's race {ndash} has drawn support from independent voters and even some Democrats, and these swing voters also tend to be late-deciding. The view of Crist standing alongside Bush might not serve well as their final image, she agreed.

Crist did make time Monday for an appearance with Arizona Sen. John McCain, eyeing the Republican nomination for president in 2008, and was introduced as part of the party's "next generation" of leaders.

Yet Rove insisted that he had found cause for optimism in the final days of the midterm congressional elections. The results of many polls have revealed trends favoring Republican candidates, insisted Rove, architect of Bush's campaigns for president and chieftain of the midterm campaigns.

"Last week, for example, on one day we had some 20-odd polls," Rove said on the runway at an airport near Waco, Tex., as he prepared to head out with Bush for election-eve campaigning.

"Wherever the candidate was, their comparable position versus the previous day's tracking or the previous week's poll, like in a group of say 20-some-odd, you'd have 16 of them approve, three of them stay flat," Rove said. When "you see that in races from the West Coast to the Northeast, Senate, House and governor, then it presages something."

For months, Bush, First Lady Laura Bush, Vice President Dick Cheney and party leaders have fanned out on their own, campaigning in more than 200 cities for the GOP's candidates. On Monday, the president and first lady walked hand-in-hand onto stages for the closing day's rallies.

The president, promising lower taxes and stronger national security if Republicans win on Tuesday, unleashed the same criticism of Democrats as tax-happy and weak at war that he has voiced for months.

"The Democrats' philosophy is this… if it breathes, tax it," Bush said, shirt-sleeves rolled to his elbows. 'Remember, if you want your taxes low… vote Republican…And, as you go to the polls, remember we're at war."

In Florida, the state that handed Bush the presidency after a 36-day court battle over the disputed 2000 election there, the president spoke of the local congressman asking him not to forget the people of the panhandle.

"I said, 'Congressman, how could I forget 'em?'" Bush said. "I wouldn't be president without 'em."

And in Florida, where the Bush brothers have campaigned side-by-side many times, this final campaign brought an emotional farewell.

"This'll be my last chance to introduce him as president of the United States while I'm governor," Jeb Bush told the crowd.

"Mr. President, brother George, thank you for the tax cuts in Washington that made it possible for our state to grow," he said. "Mr. President, brother George, thank you for supporting our military."

In Arkansas, the president campaigned for Asa Hutchison, the Republican candidate for governor who had served the Bush administration for four years, most recently as a senior Homeland Security official. The White House voiced a sense of obligation.

"We're closing strong," Bush said in Little Rock

And in Texas, Bush closed his campaign with a rally for Gov. Rick Perry, the Republican who succeeded Bush in the Lone Star State and could become Texas' longest-serving governor if he wins on Tuesday.

A Last Hurrah Of Sorts For Bush-Rove Partnership (NYT)

By Jim Rutenberg

The New York Times, November 7, 2006

PENSACOLA, Fla., Nov. 6 — President Bush and his political partner, Karl Rove, ended it where they started it: in this sliver of Northwest Florida that arguably gave them their 2000 victory.

Like then, the two have utilized a symbiotic relationship in which, friends say, Mr. Rove, the president's chief political adviser, is both mastermind and supplicant, and Mr. Bush is both leader and follower.

While several members of the team that got Mr. Bush to the White House in 2000 are gone, Mr. Rove remains.

Mr. Rove helped to give Mr. Bush a winning strategy, first guiding him to the governor's seat in Texas, then to the White House. Mr. Bush brought Mr. Rove along on a remarkable journey to the pinnacle of the political world. They have won every election they have taken on together.

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Mr. Bush, who is more involved in the nitty-gritty of politics than he lets on publicly, gave Mr. Rove the clearance to run the White House midterm elections plan according to his standard playbook, even as other Republicans began to question Mr. Rove's reputation for strategic brilliance and detach themselves from Mr. Bush and the Iraq war.

This year has not been easy on the two men, but in public at least, Mr. Bush and Mr. Rove usually seem to be enjoying themselves. In the campaign's waning days, Mr. Rove emerged as the campaign jester of Air Force One, a role he has taken on in all of Mr. Bush's big campaigns.

On almost every leg of every trip, Mr. Rove appeared before the traveling group of journalists to alternately tease them or flatter them, all the while spinning scenarios pointing to yet another Republican victory in the face of forecasts to the contrary.

Thus, there last week was the man Mr. Bush calls "the architect" — and some liberal bloggers call an evil genius — walking into the Air Force One press cabin to distribute chocolate-covered caramels to the traveling reporters. His prediction for Election Day: "Victory, victory, victory."

Another day while dispensing candy to the press, he shouted, "Sweets for my sweets!"

Mr. Bush is reveling in being on the campaign trail too, rolling up his sleeves and going into arenas where audiences explode at lines that get polite applause from the more moneyed crowds he has addressed this year. An aide to Mr. Bush recalled how, just before taking the stage at a booming gymnasium in Le Mars, Iowa, the president turned to him and several others and said, "All right, boys, I have some new chestnuts for 'em tonight," adding, "They ain't seen nothing yet."

Despite several requests, the White House would not arrange an interview with Mr. Rove to discuss what is, in effect, his last big campaign for Mr. Bush. Indicating that he still plans on being relevant, along with Mr. Bush, two years from now, a White House aide said that Mr. Rove "disputes the premise."

Post-Tuesday Thinking

Indeed, what happens after Tuesday is something of a sore subject with several of Mr. Bush's advisers.

They refuse to discuss the possibility of life with a Democratic speaker of the House, presumably Representative Nancy Pelosi of California. And whenever the subject of the president's last two years come up, the aides make sure everybody knows that Mr. Bush intends to go out with a bang, not a whimper.

Asked Monday about plans for a possible Democratic-controlled Congress, Tony Snow, the White House spokesman, repeated his standard refusal to discuss the topic, then added, "Here's the thing that you do need to know, which is that the president plans for a very active final two years of his presidency."

He added, "So the president is going to be very aggressive, and he's not going to play small ball."

Everywhere, though, there are reminders that Washington will soon begin to focus on 2008 — like, say, Wednesday. Charlie Crist, the Republican candidate for governor in Florida, skipped out on an appearance in Pensacola with Mr. Bush, choosing instead to appear in Jacksonville with Senator John McCain of Arizona, a favored contender for the Republican presidential nomination should he run.

A person close to Senator McCain said that his advisers had checked with the White House last week to make sure there was no conflict and noted the events were two hours apart. The senator is expected to start his 2008 political strategy sessions on Wednesday.

And last Saturday, Mr. Bush beckoned a reporter, Nedra Pickler of The Associated Press, to his cabin at the front of Air Force One, to say goodbye. She is leaving her job as a White House correspondent to begin covering the 2008 campaign.

Not-So-Sunshine State

Florida has been good to Mr. Bush over the years. Yet, there are signs of wear here, like elsewhere, and Mr. Crist is not the only Republican in the state with whom the White House has had its differences.

Representative Katherine Harris, the state's former Secretary of State and onetime Bush loyalist who was credited with helping to secure Mr. Bush's victory in 2000, is running for the seat held by Senator Bill Nelson, a Democrat.

But Ms. Harris and the Bushes — that includes the president's brother, Florida's outgoing governor, Jeb Bush, are no longer allies; she defied their wishes that she not run for the Senate seat, and, despite a lot of trying, they were unable to persuade anybody else to run.

When Mr. Crist backed out of the Pensacola rally, Ms. Harris was the most prominent Republican candidate on the state ballot this year in attendance. Yet she was not up on the stage with Mr. Bush, his wife Laura, Governor Bush and Senator Mel Martinez.

Asked before landing in Pensacola whether Mr. Bush was "excited" to campaign with Ms. Harris, Mr. Snow said flatly: "He wants Republican candidates to win."

If enough of them do not, it is going to be a very different world for him come Wednesday.

Tuesday May Bring Bush Worry Either Way (AP-Y)

DOJ_NMG_0091689

By Terence Hunt

AP, November 7, 2006

Running out of time and influence, President Bush faces a rough road in the twilight of his presidency regardless of who controls Congress.

The once-unshakable loyalty of congressional Republicans is weakening. After marching in lockstep with the White House for six years, GOP lawmakers are looking at the political calendar and thinking about their own futures rather than Bush's legacy in his last two years in office.

Republicans are in a sour mood, scarred by corruption scandals, held in low esteem by voters and divided over issues from deficit spending to immigration reform. Many GOP candidates shunned Bush in their campaigns, fearing he would hurt rather than help them.

With the end of the midterm elections and the opening of the 2008 presidential race, Republicans as well as Democrats will be telling the country how they would do things differently from Bush.

Already a huge headache, the Iraq war hangs over Bush as the dominant issue for the remainder of his presidency. Even before this year's elections, Republican senators — from Virginia's John Warner to Texas' Kay Bailey Hutchison — were questioning Bush's approach to Iraq, which this month will eclipse World War II in the length of U.S. involvement.

If Democrats should take the House or Senate, Bush's problems would only get worse.

Shut out of power for a dozen years and bitter at Bush for ignoring them, Democrats would demand a role in setting the nation's agenda and throw up roadblocks to the president's plans. Pressuring Bush on Iraq, Democrats would have subpoena powers to investigate the president's conduct of the war and to demand accountability.

The White House also could get snarled in Democratic-run investigations of issues ranging from Vice President Dick Cheney's secret energy policy deliberations to White House links with Republican corruption scandals.

"It won't be a happy place to work in the next couple of years," said John Podesta, who has firsthand knowledge about running a White House in troubled times. He was Bill Clinton's chief of staff during the tumultuous days of the Monica Lewinsky scandal and Clinton's impeachment.

"Whereas you had a kind of lapdog Congress in the past, you're going to have a significant challenge," Podesta said of Bush. "Even if the Republicans retain control, you'll see even more questioning on the Senate side."

With Democrats in charge, there would be little chance that Bush's prized tax cuts would be renewed. His drive to expand his executive authority and national security powers would be blocked.

Even with Republicans in control, Bush's agenda has been stalled, his blueprints for overhauling Social Security and immigration collecting dust.

Time and history are not on his side.

"It seems like most presidents get less done in the last two years than they did in the earlier part of their term," said Charles Black, a GOP strategist with close ties to the White House. "Some of it is you don't have as much influence. People are paying attention to who might come next instead of who is there now."

Before they leave, presidents sometimes try to shape their legacy with foreign policy victories. Clinton desperately sought a Middle East peace agreement in the closing days of his presidency but failed. The Middle East offers scant hope for Bush, too. Trouble spots like North Korea and Iran look bleak.

Bush insists he has a lot to do and isn't slowing down. After the election, he plans to send Treasury Secretary Henry Paulson to Capitol Hill to see what's possible in terms of overhauling the financially troubled Social Security and Medicare programs.

"The general approach is to be activist and tackle big stuff," White House press secretary Tony Snow said. "You've got a very energized and motivated White House. We're going to see how Congress is in dealing with this. Maybe it's just wishful thinking but we may be approaching the point of mudslinging burnout."

Even if Democrats win, Bush still would have clout. As commander in chief, he is responsible for American forces. There isn't much talk about Congress cutting off funds for war.

Probably the most potent weapon in Bush's arsenal would be his veto pen and, almost certainly, a veto-sustaining minority if Democrats took the House.

He also would have the power of executive orders allowing him to make big moves without Congress' approval. Clinton used that authority, for example, to protect vast tracts of public land from road-building, logging and mining.

Democrats and Republicans alike suggest there are areas of possible agreement on issues such as alternative fuel sources and the No Child Left Behind education law that has to be renewed next year.

A key question is whether Democrats, Republicans and the White House decide it's in their political interest to get some things done.

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"An awful lot can happen in two years," said Leon Panetta, a onetime Democratic congressman who became Clinton's chief of staff. "In many ways it can determine his legacy as president of the United States. If there's nothing but gridlock these last two years, mark my words: He's not going to have a very high place in history in terms of his presidency."

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EDITOR'S NOTE — Terence Hunt has covered the White House for The Associated Press since the Reagan presidency.

Candidates Make Dash For Finish Line (NYT)

By John M. Broder And Jim Rutenberg

The New York Times, November 7, 2006

WASHINGTON, Nov. 6 — Exhausted candidates across the country delivered their final appeals on Monday, closing a campaign that will determine the balance of power in Washington for the next two years and render a judgment about President Bush and the war in Iraq.

Candidates, party committees and interest groups flooded voters with a flurry of late advertising and heavy spending on turn-out-the-vote operations on the last day of the most expensive, and one of the nastiest, midterm elections in American history.

Most independent analysts predicted a strong Democratic wave on Tuesday, but Republicans found a glimmer of hope in a handful of weekend polls that showed the percentage of voters saying they planned to vote for Democrats dipping slightly. And Democratic officials acknowledged that Senate seats they thought they had wrapped up — in Maryland, Montana, New Jersey and Rhode Island — were no longer sure things.

After months of attacks on the stump and on the airwaves about sex and race, scandal and war, candidates and parties turned most of their attention to closing the sale and driving their voters to the polls on Tuesday.

In Georgia, Representative Jim Marshall, one of fewer than a half dozen threatened Democratic incumbents, spent the day making phone calls to answer questions from undecided voters.

The candidates in a tight race for a seat along Florida's east coast, Representative E. Clay Shaw Jr., the Republican, and Ron Klein, his Democratic challenger, spent the day trolling for votes in complexes for the elderly, talking about prescription drug benefits under the new Medicare program.

In the contest for an open House seat in Colorado's Seventh District, around Denver, Republicans contacted more than 50,000 households over the weekend by telephone and door-to-door canvassing.

Some 4,500 members of the Association of Community Organizations for Reform Now, known as Acorn, donned bright red T-shirts were out campaigning in favor of ballot proposals to raise the minimum wage in Arizona, Colorado, Missouri and Ohio.

In Arizona, the actor Michael J. Fox appeared with two Democratic candidates to advocate lifting restrictions on stem cell research, an issue that has come to play a prominent role in several races around the country.

In Texas, Shelley Sekula-Gibbs, the Republican write-in candidate for the seat vacated by Tom DeLay, the former House majority leader, closed a hectic day Monday night with a party in the affluent Clear Lake area of Houston. She scoffed at predictions made by some news outlets about her candidacy.

"They may have jumped the gun when they said two months ago that there was no way that Congressional District 22 would stay Republican," Ms. Sekula-Gibbs told the crowd, "but guess what, it's going to stay Republican."

Mr. Bush spent the day on the fringes of contests for the House and Senate, seeking to rally Republican voters in Arkansas, Florida and Texas. But Karl Rove, his senior adviser, expressed open irritation at the last-minute decision by Charlie Crist, the Republican candidate for governor in Florida, not to appear with the president at a large and spirited rally in Pensacola, a development that underscored the reluctance of his own party's candidates to be too closely linked to Mr. Bush.

Mr. Bush, with his shirtsleeves rolled up and his wife, Laura, and brother Jeb, Florida's governor, at his side, told the crowd that Republicans were more devoted to the nation's security than were Democrats. He received some of his most sustained applause — mixed with chants of "U.S.A., U.S.A.!" — when he reminded the crowd, "Saddam Hussein was convicted and sentenced to death."

Ending his day of campaigning in Dallas, he told thousands at the Reunion Arena, "We're closing strong because we're right on the issues," and exhorted volunteers to work the telephones and get voters to the polls.

In addition to contests for Congress, 36 governor's chairs and thousands of state legislative seats are to be decided. Polls indicate that Democrats could pick up as many as 10 governor's offices now held by Republicans without losing a single one now in Democratic hands.

Voters in 37 states will consider dozens of ballot initiatives on embryonic stem cell research, the minimum wage, same-sex marriage, abortion, the environment and other issues.

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Democratic Party officials have sought from the beginning of the campaign to frame the election as primarily about Mr. Bush, and particularly about his conduct of the war in Iraq.

"We've always wanted this to be a national referendum," said Senator Charles E. Schumer of New York, chairman of the Democratic Senatorial Campaign Committee, "and it's helping us from one end of the country to the other."

Ken Mehlman, chairman of the Republican National Committee, said that most races would be decided on local issues and that party volunteers were knocking on an average of three million doors a day nationwide, part of the Republicans' so-called 72-hour strategy for turning out their voters.

Mr. Mehlman, however, introduced a cautionary note in contrast with confident predictions by Mr. Bush, Mr. Rove and Vice President Dick Cheney that Republicans would retain majorities in the House and Senate.

Asked about his party's prospects in the House, Mr. Mehlman said that although he saw signs of new hope that Republicans could retain control, "I believe it's going to be very close; I think it remains an uphill climb."

He sounded more confident about the Senate.

Independent analysts predict Democratic gains of 20 and 40 seats in the House, giving the party control for the first time since 1994. An analysis accompanying a Gallup Poll released over the weekend said that based on calculations from Congressional elections from 1946 to 2002, the Democrats were poised to gain 11 to 58 seats, with a gain of 35 the most likely outcome.

More than 100 optimistic but anxious House Democrats took part in a party conference call Monday afternoon, getting an update on races and some guidance from Representative Nancy Pelosi of California, the House Democratic leader, on how to proceed should Democrats prevail. According to participants, Ms. Pelosi told her colleagues that the first 48 hours after the election would be important in defining the party's image if they gained a majority and that Democrats should be united, show respect for diverse views and a willingness to work with Republicans and President Bush

A half-dozen Senate seats remained competitive, with both parties warily watching races in Rhode Island, Maryland, Missouri, Montana and Virginia.

All the last-minute spending and the spin, the door-knocking and the robocalling will have no effect on the estimated 25 percent of the electorate that has already cast votes, either by absentee ballot or at early voting stations.

California's secretary of state, Bruce McPherson, said that local elections officials issued 5.1 million absentee ballots and that he expected that 44 percent of all votes cast in the state would be cast by mail. Ohio elections officials won a court ruling that they could immediately begin counting tens of thousands of absentee ballots that were piling up in county clerks' offices.

Over all, about 42 percent of eligible voters are expected to cast ballots, which would be the highest percentage in any midterm election since 1982, said Curtis Gans, director of the Center for the Study of the American Electorate at American University and an expert on voter behavior. Mr. Gans said he based his estimate on the intensity of voter interest and the number of absentee ballots issued.

"Even the ugly campaign has not dampened their desire to come out," he said.

The barrage of negative advertising continued, but some candidates adopted an almost elegiac tone to their final arguments.

Representative James T. Walsh, a nine-term Republican from Syracuse who is facing a tough challenge, began running a television advertisement last weekend in which he wore a casual sweater and spoke directly to the camera.

"I think you know me," Mr. Walsh says in the commercial. "I think you trust me. I want you to know I share your frustration with the war. These are difficult times for America. We've got to stop the finger-pointing and the partisanship and address all our nation's challenges, both at home and abroad, together."

Bob Casey, the Pennsylvania Democrat who appears likely to unseat Senator Rick Santorum, a Republican, sits on the stoop of his home in Scranton, Pa., in his final advertisement and talks about binding up the wounds of the bitter campaign.

"After all the noise of this campaign year," Mr. Casey says in the spot, "I wanted to talk with you about what lies ahead. The only way we're going to work through problems like losing jobs to other countries, protecting Americans from terrorism or the war in Iraq is for Democrats and Republicans to start working together again."

Voting In A Neck-and-neck Nation (LAT)

By Ronald Brownstein

The Los Angeles Times, November 7, 2006

WASHINGTON — The 2006 campaign, one of the nastiest battles and the most expensive ever for control of Congress, came to an end Monday amid indications that months of debate over Iraq, political corruption and the Republican dominance of Washington could produce the highest voter turnout in decades for a midterm election. Even as polls differed on whether voters

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were ready to hand Democrats a majority in the House or Senate, or both, a series of late surveys consistently showed extremely high levels of interest in the election.

In a national USA Today/Gallup Poll released Monday, 68% of adults said they were "absolutely certain" they would vote. That was the highest level of interest Gallup has recorded for a nonpresidential election in the half a century it has measured American opinion.

Likewise, a survey by the Pew Research Center for the People & the Press showed a significantly higher level of interest than in the last two midterm elections — higher even than in 1994, when Republicans swept Democrats from power in Congress.

Iraq, the issue that has generated the sharpest conflicts between President Bush and the Democrats, continued to set off sparks on the campaign's final day.

Leading Democrats urged Americans to demand a new direction on Iraq policy by ousting the GOP majorities in the House and Senate.

"The choice couldn't be more stark," Sen. Charles E. Schumer (D-N.Y.), chairman of the Democratic Senatorial Campaign Committee, told reporters. "Every vote cast for a Democrat is [a vote] for a new, smarter Iraq policy. Every vote cast for a Republican is a vote cast for staying the course."

Bush, accepting that gauntlet, portrayed success in Iraq as essential to protecting America's national security and insisted that Democrats had no plan to prevail there.

"Harsh criticism is not a plan for victory," Bush told an enthusiastic crowd of 5,000 in the Republican stronghold of Pensacola, Fla. "Second-guessing is not a strategy. We have a plan for victory, and part of that plan is to make sure that Republicans control the House and the Senate."

With all 435 seats in the House of Representatives and 33 Senate seats at stake, as well as 36 governorships, today's election could mark the sharpest turn in American politics since the Republican landslide in 1994.

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GOP dominance at risk

Since that victory, fueled by a backlash against President Clinton's first two years in office, Republicans have controlled the House for 12 consecutive years and the Senate for all but about 18 months in Bush's first term.

Now polls show that voter discontent over Bush's direction, especially in Iraq, has carried the Democrats within range of capturing at least one chamber of Congress. Republicans took heart from several late surveys showing the GOP mobilizing more of its core supporters and shrinking its deficit among swing voters, much as the party did in the final weekend before its surprising gains in the 2002 election.

"Our party is heading into election day with strong momentum," Republican National Committee Chairman Ken Mehlman said in an e-mail to supporters Monday morning.

Still other polls painted a less-promising picture for the GOP. And most analysts on both sides agreed it would be extremely difficult for Republicans to prevent Democrats from securing the 15-seat gain they need to capture a majority in the House.

In the Senate, Democrats face a tougher climb. They need a gain of six seats to reach a majority, and that will require them to capture at least four of the five most closely contested Republican-held seats — in Rhode Island, Montana, Virginia, Tennessee and Missouri — without losing any seats they already hold.

Public opinion polls generally showed close races in all of those contests except Tennessee, where most surveys provided Republican Bob Corker a wider advantage over Democratic Rep. Harold E. Ford Jr. Late polls showed Democratic challengers maintaining large leads over Republican Sens. Rick Santorum in Pennsylvania and Mike DeWine in Ohio.

A Democratic majority in either chamber could set the stage for two years of intense political conflict. Democrats would be likely to use the subpoena power that comes with majority control to aggressively examine Bush policies in Iraq and at home that they argue Republican lawmakers have failed to monitor.

Big Democratic gains would also disrupt the ambitions of Bush and Karl Rove, his chief political advisor, to build a lasting Republican electoral majority centered on an alliance of economic and social conservatives.

One of the hallmarks of Bush's presidency has been the passionate emotions he inspires in supporters and opponents, and that pattern shows every sign of generating a large turnout today.

Curtis Gans, director of the Committee for the Study of the American Electorate at American University in Washington, has predicted that voter turnout is likely to exceed the highest level of the last quarter of a century, which was reached in the 1982 election, when Democrats made sweeping gains in the House.

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Getting out the vote

On Monday, both parties worked frantically to convert that interest into votes.

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In Missouri, site of the neck-and-neck race between GOP Sen. Jim Talent and Democrat Claire McCaskill, Republicans said they had launched a larger get-out-the-vote drive than they did in the 2004 presidential election, when Bush won the state comfortably.

"It's a juggernaut right now," said Paul Sloca, the spokesman for the Missouri GOP.

In Montana, where GOP Sen. Conrad Burns is battling Democrat Jon Tester in a tight race, the party has contacted about 300,000 voters by phone and home visits in little more than a week. That is roughly one-third of the state's population.

Nationwide, the Republican National Committee estimates its get-out-the-vote operation had contacted more than 29 million voters as of Monday.

Democrats and their allies mounted their own efforts. The Democratic National Committee touted a big increase in party voters participating in early balloting in Tennessee and widespread voter contact efforts in Arizona — site of three competitive House races — and in Iowa, where Democrats hope to hold the governorship and seize a vacant Republican House seat.

The AFL-CIO said that on Monday, 50,000 union volunteers were expected to make 2.5 million phone calls, knock on 1 million doors and speak with 1.8 million union members at work sites.

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Democrats cry foul

As each side sought to mobilize its voters, Democrats complained that the GOP had made a barrage of computer-generated telephone calls that, in their view, constituted a last-minute dirty trick.

Democrats said that because the automated calls often started with an offer to share information about a Democratic candidate, some voters thought the candidate had placed the calls. Democrats said the effort was intended to generate anger toward their candidates by pestering voters with multiple calls in unwelcome bursts or late at night.

Attorneys for the House Democratic campaign committee also asserted that the calls violated FCC rules that require the sponsor of automated calls to be identified at the beginning of the message. A spokesman for the House Republican campaign committee acknowledged that it identified itself as the sponsor only at the end of its calls.

But Carl Forti of the National Republican Congressional Campaign Committee said the party's calls were within the law, and he denied that the committee phoned voters more than once a day or in the middle of the night. "These calls are meant to inform people, not annoy people," Forti said. "We've been doing phone calls like this for years. We clearly state we're making the calls at the end."

Adding to the tension in both parties was the release of seven national surveys since Saturday that sharply diverged in their portraits of the electorate.

In four of those — released by Fox News, Newsweek, Time and CNN — Bush's approval rating ranged between 35% and 38%, and Democrats led by at least 13 percentage points when voters were asked which party they intended to support today.

But in polls released by USA Today/Gallup, ABC/Washington Post and the Pew center, Bush's approval rating ranged from 38% to 43%, and the Democratic lead in the ballot stood at 4 to 7 percentage points.

That latter group of surveys inspired some anxiety in Democratic circles and cautious optimism among Republicans that they could avoid severe losses. The Center for Responsive Politics, a nonpartisan group in Washington, estimated late last month that individual candidates, the two parties and their allied groups would spend $2.6 billion in the election. That would make this the most expensive midterm election ever, with spending nearly 20% higher than in 2002.

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Times staff writers Janet Hook, Richard Simon, Ricardo Alonso-Zaldivar and James Gerstenzang contributed to this report.

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(INFOBOX BELOW)

Viewers guide to election night

Even as Californians are still voting, the election's trends should be clear from other states. Here's how political pros will be watching the returns:

The battle for the House

Polls in Indiana close early, and all eyes will be on the fate of three endangered House Republicans there. If Democrats sweep these races, it could be the start of a big night for the party. If Republicans hold their losses to one seat, or keep all three, they'll be feeling better about the national picture.

Attention will quickly shift to a cluster of Northeastern states — Connecticut, New York and Pennsylvania. Several GOP incumbents, including such party stalwarts as Christopher Shays and Nancy L. Johnson in Connecticut and Thomas M. Reynolds in New York, are at risk. To win the House, Democrats must defeat most of these Republicans.

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In New Hampshire, six-term GOP Rep. Charles Bass faces a tough reelection fight. If he loses, it could be a sign of a national Democratic "wave."

Georgia presents the GOP with one of its few chances to gain a House seat. A Republican win over Democratic Rep. John Barrow would hearten GOP leaders.

As results come in from the Midwest, attention will focus on Ohio. Scandal has plagued the state GOP, creating multiple opportunities in House districts for Democrats. Their scenario for capturing the House depends in part on winning most of these seats, including the one given up by disgraced GOP Rep. Bob Ney.

If House control remains in doubt as polls close in the West, a handful of races in Colorado, New Mexico and Arizona will be in the spotlight. The contest for the Albuquerque-area seat held by Republican Heather A. Wilson is a likely bellwether of the national drift.

The battle for the Senate

Maryland and Virginia contests loom large. A loss by GOP Sen. George Allen in Virginia would be a huge step toward a Democratic-controlled Senate. Conversely, if Allen survives and Republican Michael Steele wins in heavily Democratic Maryland, Republican chances of maintaining its Senate majority would dramatically improve.

Democrats hope to have won four of the six seats they need for a Senate majority as votes are counted in the country's midsection. If that's the case, Missouri becomes the key battleground. The race between GOP incumbent Jim Talent and Democrat Claire McCaskill has been close from day one, and the result may not be known for hours.

Depending on the Missouri results, Senate control may hinge on Montana. For months, Democrats were confident they would beat GOP incumbent Conrad Burns, but the race has tightened and it could be one of the night's nail-biters.

Future Rests On GOP Incumbents' Outcomes (AP-Y)

By Tom Raum

AP, November 7, 2006

The fate of a clutch of endangered Republican incumbents, including some from states that heavily supported President Bush two years ago, will determine who controls the Senate for the rest of the Bush presidency. Both parties are spending millions of dollars in last-ditch efforts to influence those contests.

By contrast, few Democratic incumbents are in danger this year. Nearly every Democratic senator seeking re-election seems assured of another term, polls suggest.

Not so with Republicans.

Facing difficult re-election battles are Republican Sens. Conrad Burns of Montana, George Allen of Virginia, Mike DeWine of Ohio, Rick Santorum of Pennsylvania, Jim Talent of Missouri and Lincoln Chafee of Rhode Island.

Furthermore, Republicans face a strong challenge in Tennessee for the now-GOP seat held by retiring Senate Majority Leader Bill Frist.

Democrats also were hopeful for an upset victory over Arizona Republican Sen. Jon Kyl, where polls have shown a tightening contest in recent days between the incumbent and former state Democratic Party chairman Jim Pederson, a shopping mall developer.

Democrats need a gain of six seats to win back the Senate, which they last controlled in 2002. Republicans now control 55 seats in the 100-member chamber.

Republicans are facing headwinds that include an increasingly unpopular war in Iraq, a president with low approval ratings, voter disgust over a slew of congressional scandals and the historic pattern of midterm losses in the sixth year for the party holding the White House

"The political environment has been very tough for Republicans for many, many months," acknowledged Sen. Elizabeth Dole of North Carolina, who heads the Senate Republican campaign effort. "No question about it."

Republicans picked up Senate seats in both the 2002 and 2004 elections. But strategists in both parties expect Democratic gains on Tuesday. Even if Democrats don't reclaim the Senate, they are clearly within striking distance of doing so.

And any pickup will increase their leverage in a chamber where strict rules dictate that 60 votes, rather than a simple 51-vote majority, are needed to advance any controversial piece of legislation or nomination.

With time running out, voter turnout has become the focus of both parties.

"The Bush team has been magnificent at turning out the vote in the last three elections. And this is their final challenge," said GOP strategist Scott Reed.

Sen. Charles Schumer of New York, chairman of the Democratic Senatorial Campaign Committee, on Monday said Democrats are "on the edge" of regaining the Senate, but declined to predict a Democratic takeover.

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"Of the eight states where we have a chance to pick up seats, six are red (Republican)," Schumer told a news conference. "So it's a tough map." He said the biggest battlegrounds remain the border states of Missouri, Tennessee and Virginia — seats whose present occupants are Republicans.

In the final days, "this is an election that is about the intensity of our base versus the intensity of their base," said GOP pollster and strategist Ed Goeas.

For Democrats, the Iraq war is providing most of the momentum. "It's generated their money, it's generated their activism." But on the Republican side, the threat of terrorism, taxes and fear of Democratic leadership of Congress are the big motivators, Goeas said.

Despite Democratic optimism over the possibility of a sweep on Tuesday, some party elders were cautious.

"There's a huge anti-Republican wave out there, but that wave's going to crash against a fairly stable, very stable, Republican political structure," said Democratic pollster and consultant Mark Mellman. "And so, it's a lot easier for Democrats to get votes than for Democrats to get seats."

"I have no doubt we're going to get a lot of votes, but getting seats is a harder nut to crack," Mellman said.

Nearly all the endangered Republicans would have to lose for Democrats to prevail. And Republicans were hopeful that Sen. Allen in Virginia and Republican Bob Corker in Tennessee would be able to win, citing a narrowing of the polls.

Democrats are fairly confident of picking up GOP seats in Ohio and Pennsylvania.

But their hopes of also picking up now-Republican seats in Missouri, Rhode Island and Montana were going down to the wire after a concerted GOP counteroffensive in those states.

Also, Democratic Sen. Bob Menendez in New Jersey found himself as probably the only Democratic incumbent on Tuesday's ballot locked in a tight fight. He faced a strong challenge from Republican Tom Kean Jr., namesake of a popular former governor.

As Campaign Clock Winds Down, Parties Press On (USAT)

By Bill Nichols

USA Today, November 7, 2006

WASHINGTON — Candidates made final appeals and party tacticians worked to boost voter turnout Monday as Americans prepared for potentially critical midterm elections.

Today's results will decide the fate of all 435 House seats, 33 Senate seats and governorships in 36 states and set the tone and agenda for the final two years of President Bush's second term.

The key question: whether Democrats can take advantage of national dissatisfaction with Bush and the war in Iraq to win the 15 seats they need to control the House of Representatives and six seats they need to take the Senate.

Republican leaders cited narrowing polls in Senate races in Montana, Rhode Island and Maryland as signs of an 11th-hour surge.

Bush finished the campaign before an estimated 10,000 people in Dallas, accusing Democrats of having no plan for the Iraq war. “We have a plan — stick with us, and the country will be better off," he said.

Rep. Rahm Emanuel, chairman of the Democratic Congressional Campaign Committee, said he's confident. “I think there's a lot of energy on the Democratic side,” said Emanuel, an Illinois congressman. “As a kid from Chicago, I'm proud of the get-out-the-vote machine that we have put together.”

The final pre-election USA TODAY/Gallup Poll found Democrats favored over Republicans for Congress by 51%-44%. Polls in Missouri, Montana, Rhode Island, Tennessee and Virginia found Democrats struggling to win the final Senate seat they need for control.

As candidates made a final sprint, both parties kicked in operations to get their core voters to the polls. Turnout should increase from 39.7% in 2002 and may exceed the most recent midterm high of 42.1% in 1982, according to Curtis Gans, director of American University's Center for the Study of the American Electorate.

Gans does not expect this year's turnout to top the all-time benchmark of 47% in 1970.

Bad weather that might affect turnout was forecast for the Northwest and Southeast, with sogginess in Washington and western Oregon. Moderate to heavy rainfall is expected in Alabama, Georgia and South Carolina, and showers are predicted across Virginia, Maryland and Pennsylvania.

Both parties continued to pour money into close House and Senate races. This year's spending is expected to be $2.8 billion, according to the non-partisan Center for Responsive Politics, which tracks campaign money. That's a 27% increase from 2002.

On the campaign's final day, the two parties had their best-known campaigners continuing to barn-storm the country.

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Bush used the last day of a 10-state tour to stump for GOP gubernatorial candidates in Florida, Arkansas and Texas. Bush has been focusing on places where he is popular. In Florida, GOP gubernatorial nominee Charlie Crist did not attend Bush's rally for Republican candidates in Pensacola.

Crist said he considered the Pensacola area so firmly in his camp that it made more sense to campaign elsewhere in his race to replace Gov. Jeb Bush, who is leaving office due to term limits. White House deputy chief of staff Karl Rove questioned the decision.

"Let's see how many people show up in Palm Beach on 24 hours' notice," Rove said.

The White House said 7,600 people came to Bush's rally.

Bush planned today to vote near his ranch near Crawford, Texas, and return to Washington afterward.

In Rochester, N.Y., former president Bill Clinton campaigned for Democratic House candidates.

"We've got to get all ours out, and then you've got to hunt for people still standing on the diving board," Clinton said. "And when you find one, tell them what the choice is. … Grab them by the hand and tell them it's time to jump off to a better future."

US Senate Goes Down To The Wire (CSM)

By Linda Feldmann

The Christian Science Monitor, November 7, 2006

WASHINGTON

In the Senate, it's too close to call.

On the eve of the 2006 midterm elections, a last-minute tightening in the polls of Senate contests from Montana to Rhode Island to Maryland has thrown some doubt into the calculations of pundits who had come to see a Democratic takeover as possible.

Many analysts - including conservatives - can see a clear path to a Democratic net gain of five seats in the 100-seat chamber, which would bring the partisan balance sheet to a 50-50 tie. That would effectively keep control in the hands of the Republicans, with Vice President Cheney casting tie-breaking votes in his role as president of the Senate.

But it was that elusive sixth seat that had kept many analysts from firmly predicting a change in control. Now, the last-minute volatility both in the nationwide polls gauging voter preferences and in individual races leaves the outcome even more in doubt.

"There tends to be a tightening at the end, when people begin to perhaps reappraise the preferences that they had early on," says Ross Baker, a political scientist at Rutgers University in New Jersey. "New evidence comes in. People are reluctant to abandon old party allegiances."

Politicians themselves can become brand names in their home states, and thus, voters in Rhode Island and Montana who once appeared set to throw out their two Republican senators Lincoln Chafee and Conrad Burns may be having second thoughts, judging by the tightening of polls there. Senator Chafee, a first-termer whose father was long-serving Sen. John Chafee, can count on some reserve affection for the Chafee name and for Lincoln's status as the Senate's most liberal Republican; Senator Burns, who was caught up in the Jack Abramoff scandal, also may be coming out the other end of that crucible.

"My sense is that Burns may have gone through his roughest patch a couple of months ago," says Dr. Baker. "Sometimes voters are willing to hold onto an incumbent despite the warts."

And sometimes they're not. With the national mood toxic toward the Republican-controlled Capitol, and analysts foreseeing a "wave" election likely to sweep the Democrats into power in the House, it may too much for the most vulnerable Republican incumbents to withstand.

Still, not only do Democrats have to win the Montana and Rhode Island seats to build a Senate majority, they must also succeed in traditionally Republican areas. Two GOP incumbents are also widely seen as heading for defeat - Rick Santorum of Pennsylvania, the No. 3 Republican in the Senate, and Mike DeWine of Ohio. If Burns and Chafee go down and no Democratic-held seats change control - a big "if" - the Democrats must win two out of the three "fire wall" seats, in Tennessee, Virginia, and Missouri.

Of those three, Tennessee seems the most difficult for Democrats to take. Rep. Harold Ford (D) has turned what should have been a Republican romp for former Chattanooga Mayor Bob Corker (R) into a tight contest. The incumbent, Senate Republican leader Bill Frist, is retiring, and open seats are usually harder to defend, but Mr. Ford's charismatic campaign style has made the race competitive. If he wins, he would be the first African-American senator from the South since Reconstruction.

Virginia and Missouri remain firmly in the tossup column going into Tuesday's vote. The Missouri race pits state auditor Claire McCaskill (D) against incumbent Sen. Jim Talent (R) - with a ballot initiative on stem-cell research possibly holding the key

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to the outcome. Senator Talent opposes a proposed state constitutional amendment allowing embryonic stem-cell research while Ms. McCaskill supports it. The issue could drive turnout, but it remains unclear who benefits more.

In Virginia, Republican Sen. George Allen's troubled reelection campaign is the big surprise of the '06 midterms. Once thought to be a top contender for the 2008 presidential race, he could be facing the end of his political career. A series of stumbles that began in August, when Senator Allen called a volunteer for the opposing campaign "macaca," has made conservative Democrat Jim Webb competitive.

To Sen. Charles Schumer (D) of New York, head of his party's Senate campaign committee, the fact that his party even has a shot at taking a majority is astounding. At the start of the cycle, he and Senate minority leader Harry Reid (D) of Nevada agreed that "if we can hold our own, we will be happy, and if we can pick up seats we'll be really happy," he told reporters last week.

Now, it's all over but the shouting. At a Monday morning rally at the Vienna, Va., subway stop, Allen was often drowned out by antiwar protesters shouting: "Get out of Iraq!," "The troops hate you," "Let's Go Webb," and "Macaca," as Allen supporters tried to drown them out with cries of "Allen! Allen!"

"It's a close race," said Allen. "Iraqis have to stand up ... the one thing we cannot do is leave Iraq a safe haven for terrorists."

Commenting on what has become one of the most negative campaigns in the nation, Allen said: "We have tried throughout the whole campaign to talk about ideas, issues. Instead, we've run into this sort of thing." He gestured to the shouting protesters, one of whom stumbles into the senator, nearly knocking him over.

"I know Virginia, and if you want to serve Virginia, you better know Virginia, and that is what we are going to see [in the vote] tomorrow," he said, exiting to the day's next event.

GOP: Back From The Senate Brink (HILL)

The Hill, November 7, 2006

While the Republican Party leadership in the House seems doomed to move into a well deserved minority, the GOP shows increasing signs of being able to hang on to the Senate, although perhaps by the thinnest of margins.

Running up a down escalator of sinking Republican fortunes, skillful GOP consultants and strategists have managed to hold the races in Missouri and Virginia to single-digit leads either way and to catch up to large Democratic leads in Montana and Rhode Island.

Most of these four seats are still likely to go Democrat, but they need to win all four to get control and that appears, at this moment, to be a daunting task.

Generally, it is an iron law of politics that when an incumbent is under 50 percent, he is through, but with Sen. George Allen (R-Va.) at 49 percent in the latest Gallup poll and Sen. Jim Talent (R-Mo.) hovering between 48 and 49, the chances that they could pick up the remaining point or two remain pretty good.

Why the reversal in Republican fortunes? Luck has a lot to do with it. Sen. John Kerry's (D-Mass.) outburst might well have cost the Democrats the Senate; and the timing, perhaps not so coincidental, of the Saddam Hussein death verdict also bolsters Republican fortunes.

But the real reason is more likely that GOP base voters, alienated by their party's inept leadership of both Houses of Congress, their scandals, and their inability to pass tax reform, Social Security reform or overall immigration reform took one look at the Democrats and decided to come home. In effect, they fast-forwarded to Election Day and were appalled at the prospect of a Democratic win. Recoiling from its implications, they began to return to the party fold in the nick of time.

Of course, winning one house will suit the Democratic purposes quite nicely — especially if it is the House of Representatives that they win. House rules will let the Democrats pass one-house bills until their hearts are content, using their majority to pass a wish list of campaign promises without any accountability, knowing for sure that their offerings won't make it past the Senate or the White House.

Control of the lower house will also give them the committee chairmanships and the subpoena power that goes with it that will let them wage a two-year campaign for the presidency.

In this sense, Election Day 2006 is really a down payment for the Democratic White House race in 2008. Winning one house will go a long way toward winning the entire game two years hence.

Morris, a former political adviser to Sen. Trent Lott (R-Miss.) and President Bill Clinton, is the author of "Condi vs. Hillary: The Next Great Presidential Race."

See How They Run: An Election-Night Guide With Many Key Races In East, Midwest, Prevailing Party May Be Evident Early On By CHRISTOPHER COOPER (WSJ)

DOJ_NMG_0091698

The Wall Street Journal, November 7, 2006

Is a rout on the way for Republicans? Opinions vary on both sides of the question, which also may hinge on the definition of "rout." When asked to assess the state of play on election eve, White House spokesman Tony Fratto simply notes, "We're still in the game."

That may be the most realistic way to sum up the party's prospects. Up and down the ticket, Republican candidates are locked in so many close races that their hold on Washington and state capitals seems likely to slip, perhaps precipitously.

For Republicans, the most alarming losses could come in the House, where Democrats need a 15-seat net pickup to gain control and Republicans are defending about 50 vulnerable districts.

FOLLOW THE VOTE

See an hour-by-hour election-night schedule of poll closings1 in some key House races. Adobe Acrobat required2. · Election Quiz:3 Test your political IQ.

· Got an election-related question? Write to The Wall Street Journal's Alan Murray at askalan@wsj.com4, and check back Election Night, when Alan will answer selected questions at wsj.com/video5 from 6 p.m. ET to midnight.

· For complete coverage, see WSJ.com/Election20066.

SENATE AND GOVERNORS

7 · Review the results of the latest polls8 in hot Senate races, and see what the data could mean for the breakdown of seats in the chamber after Election Day.

· The Senate's Uncertain States:9 Interactive profiles of the demographics and candidates in hard fought Missouri, Montana, New Jersey, Ohio, Pennsylvania, Rhode Island, Tennessee, Virginia.

· Battlegrounds Poll:10 Who's ahead in the most hotly contested Senate and gubernatorial races? Dig into the latest Zogby poll data. See the Zogby poll results11.

RACE FOR THE HOUSE

12 · Tracking the House Polls: Check recent numbers13

· Representative Races: Data on 20 key districts14

· Chief Concerns: Who heads key committees if Democrats win the House?15

Though Republican prospects seem slightly brighter in the Senate, where six seats currently determine political control, enough of these races are now toss-ups to put the Democrats within striking distance. Judging from the polls, the over-under betting on Democratic pickups of Senate seats hovers at around five.

For political spectators, the bad news is this: Razor-edge contests can spark legal challenges and recounts that can take days to sort out. The good news: Many of the most important races are in the Eastern and Central time zones. If an angry tide is poised to swamp Republicans, it could be apparent before most political junkies call it a night. Connecticut, Florida, Indiana, Ohio, Pennsylvania and New York together hold 24 of the most competitive House seats in the country.

In the key races in those six states, the great majority of candidates are Republican incumbents. In the House, watch Indiana's Second District, where incumbent Republican Chris Chocola faces Democrat Joe Donnelly. Polling has shown a seesaw race for weeks. The campaign here may be an archetype for any political upheaval this year: Mr. Chocola has been a loyal Republican in a conservative-leaning district, supporting oil drilling in the Alaska wilderness, school vouchers and tax cuts. He won his district in 2004 with 54% of the vote, bested only by President Bush, who took 56% of the district. If revolution is in the air, it may well start in northern Indiana.

On the other hand, two races in the Northeast bear watching for early signs that voters may be willing to give some Republicans a pass. In Rhode Island, Sen. Lincoln Chaffee has staked his campaign on his early opposition to Mr. Bush's war policies, the source of much voter anger. This race is unusually volatile: after trailing in polls by double digits to Democrat Sheldon Whitehouse, Mr. Chaffee has surged lately to a slight lead.

Scandal also colors several races this year. In New York's 26th District, Rep. Tom Reynolds, who heads the House Republican campaign committee, is locked in a race he would probably have won handily only just months ago but for a once-obscure Florida congressman named Mark Foley. Mr. Foley abruptly resigned in September after reports he had sent sexually explicit Internet messages to teenage former House pages. It later emerged Mr. Reynolds had picked up clues about Mr. Foley's behavior, even as he had urged him to run for re-election.

Mr. Reynolds has apologized for his role in the scandal, and recent polls put him in a near dead heat with Jack Davis, a Democrat he easily defeated in 2004.

For Democrats, taking the Senate is the brass ring and likely contingent on winning seats in Montana, Rhode Island, Pennsylvania, Ohio, Missouri and Virginia. But Democrat hopes will likely be dashed if they can't carry Maryland, being vacated by a Democrat, and New Jersey, where incumbent Robert Menendez is in a close race. Though Mr. Menendez has held a mid-single-digit lead in recent polling, a stumble here could bring Democrat dreams of Senate domination to a swift end.

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One of the most intriguing Senate races is in Virginia, where incumbent Republican Sen. George Allen has been trading punches with Democratic upstart James Webb in a contest that few had expected would be close.

A series of Allen missteps have put his once-secure seat into play. National Democrats have poured in money and manpower to boost Mr. Webb, President Reagan's Navy Secretary, who broke with his party over Iraq.

Polls over the weekend suggest Mr. Webb now has a slight lead.

In the open Tennessee Senate seat being vacated by Senate Majority Leader Bill Frist, Democratic candidate Harold Ford has faded of late. But while Democrats might be able to afford losing that pickup and still capture control, they almost certainly need to take the Senate seat in Missouri, where Republican Sen. Jim Talent is locked in a razor-thin race with Democratic challenger Claire McCaskill.

How thin? The average of several recent polls gives Ms. McCaskill a 1.4 percentage-point edge, well within the statistical margin of error.

President Bush carried the state in 2004, but Mr. Talent doesn't have the reputation as a hard closer. In winning the seat in a special election in 2002, he was five points up in the polls on Election Day, only to squeeze out a one-point win.

One more race may bear watching before calling it a night. In Idaho, the reddest of red states, with a Republican congressional delegation, state legislature and governor, Democratic gubernatorial candidate Jerry Brady has a five-point lead in the polls.

If voters turn against Republicans in Idaho, it could be a rough two years for them until 2008.

Write to Christopher Cooper at christopher.cooper@wsj.com16

Down To The Wire: Expect A Big Night For Democrats (RC)

By Stuart Rothenberg

Roll Call, November 7, 2006

With only a few hours remaining until the votes start being counted, there is little uncertainty about the fight for the House, except for questions about exactly which Republican incumbents will be lucky enough to survive.

Polls over the past few weeks have seen many Republicans who once held clear, if not overwhelming, leads scrambling to try to stay ahead. GOP strategists say that voters increasingly have been focusing on Iraq, and that the added attention has worked to the disadvantage of Republican candidates.

Republican chances for retaining the House have moved from small to smaller, and public and private polling now suggests a solid Democratic win. The majority's losses this year will be lower than during the wave elections of 1958, 1974 and 1994, but only because of structural factors: The way districts have been drawn and the relatively small number of Republicans holding Democratic districts effectively minimize potential Democratic gains.

Having said that, this fight still is taking place almost entirely on Republican turf. With Republican House seats such as Idaho's 1st district, Kansas' 2nd, California's 11th and even Wyoming's at-large in play, it's clear which party is on the offensive.

National polls continue to show the Democrats with an advantage on the generic ballot, though there is no agreement on its size. Is it 4 points, as the Pew Research survey found; 6 points, as The Washington Post/ABC News poll has it; or 20 points, as CNN's poll says? Obviously, those numbers could produce dramatically different national outcomes.

Still, even the most optimistic Republican insiders I can find seem to think a loss of 18 or 19 seats is inevitable, while others counter that a loss of more than 30 is more likely. Most GOP insiders would be ecstatic if the party held its losses to two dozen or less.

Democratic gains of anywhere from 25 to as many as 40 seats are possible. Last week, I went on record saying I expected a Democratic gain of 34 to 40 seats as the most likely range. That now strikes me as a bit high, but only at the low end. So, I am adjusting my House estimate/projection slightly, to a Democratic gain of 30 to 36 seats.

Of course, even more GOP seats could fall if all of the endangered Republicans lose and we see more than a couple of surprises.

The House results are likely to wipe out many moderate Republicans, who are taking the brunt of the wave because they represent Democratic-leaning or competitive districts.

Over in the Senate, things remain far less clear. While I have been widely credited with predicting a six-seat Democrat gain (and therefore control of the Senate), what I've written is that Democrats will net five to seven seats. I'd now like to widen that range to four to seven seats.

According to some polls, races in Maryland, Montana and Rhode Island have tightened, making the net outcome less certain. But I'm still expecting Democrats to win Pennsylvania, Ohio, Montana and Rhode Island, and, less confidently, Virginia.

Two seats, Tennessee and Missouri, have looked tight for months, and they could go either way.

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Rep. Harold Ford Jr. (D-Tenn.) has run a good race, but he isn't facing a longtime incumbent, and he may not win the undecided voters the way other Democratic challengers will. All things being equal, that probably is enough reason to push the race to Republican Bob Corker.

But a big enough national Democratic wave across the country — or maybe more accurately, an anti-Bush, anti-Republican wave — could sweep Ford to victory. I'd consider it a mild surprise, though.

In Missouri, Sen. Jim Talent (R) is locked in a tight race against Democratic challenger Claire McCaskill, and most polling shows little daylight between the two candidates. I've seen polls with McCaskill ahead, and I've seen polls with Talent leading.

The prudent thing to do, of course, is to leave the race as a tossup, since either candidate could win. But, of course, I didn't do that in my most recent newsletter. I pushed the race toward McCaskill, since in "wave" elections, virtually all of the close races go to the party benefiting from the wave, and this year that is the Democrats.

In reality, I won't be surprised no matter who wins in Missouri.

GOP prospects seem to have faded significantly in New Jersey, and the better chance for a Republican upset now seems to be Maryland.

The outcome in the Senate remains cloudy, no matter how much I would like to be able to predict party control. I expect Democrats to gain at least four seats, and I'm more than a bit skeptical about the Republican "surge."

House Poised To Flip; Senate Teeters (RC)

By Lauren W. Whittington

Roll Call, November 7, 2006

Democrats, who have succeeded in expanding the midterm battleground deep into Republican territory, are poised to make gains in both the House and Senate when voters across the country go to the polls today.

But while there is little question that Democrats are well-positioned to win at least the 15 seats needed to take the House majority, the magnitude of their victory rests largely on their ability to win a number of what were once second-, third- and even fourth-tier contests.

In the Senate, late shifts in a handful of competitive races has put the Democrats' final math somewhat in flux after a monthlong intense focus on Missouri, Tennessee and Virginia as the states expected to decide control of the chamber.

Virginia and Missouri remain pure tossup contests, but momentum in Tennessee has appeared to shift toward Republicans in the closing week. Meanwhile, renewed focus on embattled Sen. Conrad Burns' (R) potential ability to eke out a victory over state Senate President Jon Tester (D) in Montana has slightly shifted the Senate map. Polls also have shown Sen. Lincoln Chafee's (R-R.I.) race for re-election tightening, but Democrats still are viewed as having the advantage there.

Democrats also are making a late push to pick up a GOP-held seat in Arizona while Republicans hold out hope for swiping a Democratic seat in Maryland.

In the House, expert eyes have been trained on the expanding field of top-tier races and the number of GOP incumbents who once were considered safe and are now in re-election dog fights.

Just after Labor Day, around 20 GOP-held House seats looked to be pure tossups. Today, more than double that number are considered tossups or are tilting toward a Democratic takeover.

Perennial targets such as GOP Reps. Jim Gerlach (Pa.), Clay Shaw (Fla.) and Heather Wilson (N.M.) are still fighting for their political lives in down-to-the-wire contests.

But Republican Reps. Gil Gutknecht (Minn.), Melissa Hart (Pa.), Marilyn Musgrave (Colo.), Richard Pombo (Calif.) and Jim Ryun (Kan.), all of whom were heavily favored to win re-election two months ago, all could be headed for defeat today. Democrats' ability to upset those Republican incumbents and others such as Reps. Steve Chabot (Ohio), J.D. Hayworth (Ariz.), Anne Northup (Ky.) or even Mark Souder (Ind.) will determine just how big their likely majority will be.

In one of the most prominent examples of a late-breaking race for Democrats, Rep. Charles Bass (R-N.H.) is now in grave peril when just weeks ago his re-election chances seemed fairly solid. A late surge by attorney Paul Hodes (D) was fueled by a massive national party ad buy against Bass.

Likewise, in Connecticut, Rep. Nancy Johnson (R) began the cycle appearing to have the best re-election chances of the state's three Republican House Members. Now, Johnson looks most likely to lose, and GOP Reps. Christopher Shays and Rob Simmons could go down as well.

The Nutmeg State is just one place where Republicans appear poised to suffer multiple losses in today's balloting. Those losses appear concentrated geographically in New England, the Mid-Atlantic and the Midwest — most notably Indiana, Ohio, New York and Pennsylvania — but Democrats also have the potential of picking up multiple seats in Western states such as Arizona and Colorado.

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Some Republicans, most notably Reps. Jean Schmidt (Ohio), Barbara Cubin (Wyo.), and state Rep. Bill Sali, who is running for an open seat in Idaho, have a problem in that they remain unpopular with some factions of their base — forcing the national GOP to spend millions to help save what ordinarily would be considered safe seats.

Also, Republicans seem destined to suffer heavy losses of open seats they currently control. GOP-held seats in Arizona, Colorado, Florida, Iowa, Ohio and New York already appear to be gone. Likewise, seats in Idaho, Illinois, Minnesota, Nevada and Wisconsin are considered too close to give one party the advantage.

Among vulnerable Democrats, freshman Rep. John Barrow (Ga.) has emerged as the most likely incumbent to go down to defeat in today's balloting, but even so the race is a tossup. Barrow faces former Rep. Max Burns (R), the man he beat in 2004, in a redrawn district that only marginally favors Democrats.

Both parties claimed momentum heading into today's vote.

Democrats tried to focus their talking points on Iraq on Monday, with both campaign committee leaders holding separate media events to draw attention to the issue.

In a conference call with reporters, Democratic Congressional Campaign Committee Chairman Rahm Emanuel (Ill.) made his final attempt to frame the elections as a cycle where voters will choose a new direction over a "stay the course" strategy.

He also expressed confidence in his party's turnout and field operations.

"I think there's a lot of energy on the Democratic side," Emanuel said.

Republicans, meanwhile, continued the get-out-the-vote drumbeat, boasting that their superior turnout operation ultimately will trump the deficit they currently face in public polling.

In a memo Monday, Republican National Committee Chairman Ken Mehlman noted that late polls have showed a narrowing gap in the Democrats' generic ballot advantage.

"The GOP's 72-hour program has reached 27 million volunteer contacts through Saturday, hitting 3 million voters this Saturday alone," Mehlman wrote. "By and large, this effort will have its impact on Election Day and will not show up in most public opinion polls."

Meanwhile, possible recounts aside, there are at least two races that will not be decided today and appear headed for all-but-certain runoffs.

In Louisiana, embattled Rep. William Jefferson (D) has drawn a dozen challengers in the all-party primary that will be held today. If no candidate receives more than 50 percent of the vote, the top two vote-getters will face off in a December runoff.

Most observers believe Jefferson will make the runoff and state Rep. Karen Carter (D) appears positioned to be his most likely runoff opponent.

In Texas, Rep. Henry Bonilla (R) faces an all-party special general election, after the Supreme Court ordered the redrawing Congressional boundaries after the March primaries had taken place.

Six Democrats are challenging Bonilla today, with a December runoff if no candidate gets more than 50 percent of the vote, which appears likely.

Wealthy businessman Lukin Gilliland, former Rep. Ciro Rodriguez and former San Antonio Fire Department District Chief Albert Uresti are the leading Democratic contenders, with Gilliland considered the favorite of national party insiders to face off against Bonilla in the runoff.

Angry Campaigns End On An Angrier Note (WP)

By Jim VandeHei And Dan Balz

The Washington Post, November 7, 2006

As the 2006 campaign staggered to an angry close, national security and the Iraq war dominated the final-day debate of midterm elections in which national themes, not simply local choices, have framed the most competitive races. Democrats said a vote for them would force change in Iraq strategy, while President Bush led the GOP charge in warning that the opposition party cannot be trusted in a time of war.

Dozens of too-close-to-call House and Senate races finished on a surly tone, as the traditional political strategy of shifting to a positive message at campaign's end gave way this year to a calculation that the best chance to tip the balance was through continued attacks over personal character and alleged corruption.

But strategists on both sides said yesterday that national security broadly -- and Iraq specifically -- are likely to determine control of Congress today. Unlike in the 2002 and 2004 elections, when Republicans held a decisive edge on national security, polls over the past year have shown the public losing faith in the war and the GOP, and Democratic candidates nationwide were using their last TV advertising dollars on spots critical of Iraq policy.

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"I think, frankly, people don't believe the president anymore" when it comes to the war, Democratic National Committee Chairman Howard Dean, echoing other party leaders, said in an interview. "We are telling people if they want to stay the course, vote Republican. If you want a change of direction, vote Democrat."

Bush, however, was betting that the Republican Party's historic advantage with voters in times when security issues are prominent will pay dividends again. "As you go to the polls, remember we're at war," he told thousands of GOP supporters in Pensacola, Fla. "And if you want this country to do everything in its power to protect you and at the same time lay a foundation for peace for generations to come, vote Republican."

Democrats confidently predicted that they will win control of the House and trim if not topple the GOP's Senate majority. Republican operatives, however, said there is mounting evidence that fears about the nuclear threats in Iran and North Korea, coupled with more generalized doubts about Democratic competence and fortitude on national security, have provided GOP candidates with much-needed momentum in the final days. GOP tracking polls, these strategists said, have shown a slight but steady uptick since Sen. John F. Kerry (D-Mass.), in what he called a botched joke, suggested that uneducated people end up fighting in Iraq -- a comment that infuriated top Democrats despite the 2004 presidential nominee's repeated apologies and explanations.

"All of those things remind people we are at war and the importance of the national security issue," said Ken Mehlman, chairman of the Republican National Committee.

There are more than two dozen House races and at least five Senate contests that both sides considered too close to call heading into Election Day. A series of public polls released over the past few days offers contradictory findings about the public's views nationally and in many key races, confounding strategists in both parties. Some surveys show Republicans gaining on the generic question of whom respondents plan to vote for, while others suggest that Democrats are pulling away. The most recent, from CNN, showed Democrats with a 20-point advantage on the generic ballot question, which asks people which party they prefer but does not offer a choice between specific candidates.

Whether Republicans will succumb to adverse trends or manage to at least partly blunt them will determine whether Democrats can win back the House or Senate or both -- all scenarios that could dramatically change the trajectory of Bush's final two years in office.

Regardless of the margins, officials in both parties are planning for the stiffest challenge yet to Bush's war policy when Congress returns for its lame-duck session next week. Lawmakers are also bracing for GOP leadership changes in the House and Senate and a new policy agenda that is not dictated by the White House. Rep. Mike Pence (R-Ind.), a leader of House conservatives, has told colleagues that he plans to seek a top leadership position, congressional aides said.

Democrats, who lost control of the House in 1994, need a net gain of 15 seats to win it back. Republicans generally agree that the opposition is on track to do that, but they hold out hope that a superior voter-turnout effort will tip just enough races to preserve the narrowest of House majorities.

A top GOP strategist said yesterday that several GOP House members who appeared safe one month ago -- including Reps. Charles Bass (N.H.) and Melissa Hart (Pa.) -- are in serious jeopardy. If Bass and Hart lose, it could signal mass casualties for the GOP, other strategists say.

Senior strategists in both parties said the GOP is virtually certain to lose 10 seats, mostly because of a variety of scandals. If these projections are correct, Republicans would have to win more than three-quarters of the 30 or so races that were tied heading into the final weekend.

Democratic pollster Stan Greenberg, who released a survey of 50 districts yesterday showing Democrats up 49 percent to 44 percent, said Republicans have closed the gap slightly, but not enough to save their majority. "I don't see any evidence of anything but a minor pushback of getting some of the most partisan Republicans re-engaged," Greenberg said. Using his poll, he predicted Democrats will win 30 to 35 seats "as a conservative estimate."

It will be much harder for Democrats to pick up the six seats needed to control the Senate. GOP Sens. Mike DeWine (Ohio) and Rick Santorum (Pa.) are far behind in state-based polling, but Republicans have a shot at winning the five other targeted GOP seats: in Missouri, Montana, Rhode Island, Tennessee and Virginia. Republicans also have a chance to pick up Democratic seats in Maryland and New Jersey, though both are uphill efforts.

Three premier contests -- Missouri, Tennessee and Virginia -- have been in the tossup category for several weeks. Republicans said yesterday that they think Tennessee is the most likely of the three to remain in their hands. Democrats said a big turnout among black voters is Rep. Harold E. Ford Jr.'s best chance for a narrow victory over former Chattanooga mayor Bob Corker, who polls show has taken control of the race in recent days. In Virginia, Sen. George Allen (R) is fighting for his political life against Democrat James Webb, while the race in Missouri between Sen. James M. Talent (R) and State Auditor Claire McCaskill is considered the tightest.

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Two other races have given Republicans reason to hope that they can hold the Senate. In Rhode Island, Sen. Lincoln D. Chafee (R) has closed the gap in his contest against former attorney general Sheldon Whitehouse. But Chafee is running into one of the stiffest headwinds in the country, with only about a quarter of voters there approving of Bush's performance.

In Montana, weekend polls painted a conflicting picture of the battle between Sen. Conrad Burns (R) and state Senate President Jon Tester. One survey showed a tie, while another gave Tester a clear lead. Bush and Vice President Cheney campaigned there last week, but Tester has been getting help from popular Gov. Brian Schweitzer.

Campaign volunteers continued to make telephone calls and walk precincts in the most contested races in an effort to maximize voter turnout. A Washington Post-ABC News poll found that as of Saturday, 41 percent of registered voters said they had been contacted directly by a campaign or party, up from 29 percent two weeks earlier.

Of those who said they had been contacted, 29 percent said they had heard from Republicans, 20 percent said they had heard from Democrats and 41 percent said they had been contacted by both parties. Several officials said this comports with anecdotal evidence that Republicans have done a better job than Democrats of reaching voters in the final stretch.

"We've got to get our votes out," former president Bill Clinton said during a campaign stop for House candidates in New York. "There are still people who will go to the polls tomorrow not entirely sure of who they're going to vote for because, frankly, a lot of these people never voted for us before."

Kerry Gaffe Loses Independents For His Party (WT)

By Donald Lambro

The Washington Times, November 7, 2006

For up-to-the-minute results, news, and

analysis, make WashingtonTimes.com your home for election night.

Sen. John Kerry's gaffe that Americans who do not do well in school end up in Iraq has triggered deep doubts among some independent voters about voting Democratic in the elections, according to a new Pew poll.

The poll found that 18 percent of independent voters -- considered pivotal in today's congressional elections -- said they had "serious doubts about voting for a Democratic candidate" because of Mr. Kerry's comments last week.

For most of this year, polls have shown independent voters supporting Democrats by lopsided margins, but yesterday's Pew poll said the Republicans "have made major gains, in a relatively short time period, among independent voters."

Democrats now lead Republicans among independents by 44 percent to 33 percent, compared with 47 percent to 29 percent in mid-October, according to Pew's poll of 2,369 registered voters Wednesday through Saturday.

In a speech to students at Pasadena City College in California last week, Mr. Kerry said, "You know, education, if you make the most of it, you study hard, you do your homework and you make an effort to be smart, you can do well. If you don't, you get stuck in Iraq."

The Massachusetts liberal's remark was seen by critics and fellow Democrats as demeaning the educational levels of U.S. service members. It forced him to cancel all of his campaign appearances after apologizing for comments he called "a botched joke" about President Bush's intelligence.

While most voters (78 percent) said Mr. Kerry's remarks were "not a serious consideration," 19 percent of all voters thought otherwise, representing a potentially significant shift of "voting intentions" and raising speculation of further erosion among independents for the Democrats.

Five percent of the Democrats polled said Mr. Kerry's remarks could affect their votes as well, Pew said.

Pew said it found that "Republicans have become more engaged and enthused in the election than they had been in September and October. As a result, Republicans now register a greater likelihood of voting than do Democrats."

Overall, Democrats led Republicans by 47 percent to 43 percent among likely voters in the poll, a decline of three points for the Democrats and an increase of four points for the Republicans in the generic ballot survey.

Pew also found a sharp increase in voter approval of the economy, with 44 percent "rating it as excellent or good, compared with 36 percent who held that view in mid-October."

Polls Give GOP A Lift On Election Eve (WT)

By Charles Hurt

The Washington Times, November 7, 2006

For up-to-the-minute results, news, and

analysis, make WashingtonTimes.com your home for election night.

Republicans are counting on a late surge in the public-opinion polls to cut their expected losses as a record number of American voters are predicted to participate in today's midterm elections.

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Democrats expressed concerns yesterday about recent polls that suggested a slip in support, but they are still widely expected to pick up a significant number of seats in both houses of Congress and deliver President Bush his first electoral setback since he was first elected in 2000.

"We are feeling very, very good about things," said Sen. Charles E. Schumer, New York Democrat and chairman of the Democratic Senatorial Campaign Committee. Other Democrats are less ebullient. His House counterpart, Rep. Rahm Emanuel of Illinois, chairman of the Democratic Congressional Campaign Committee (DCCC), said he was "nervous" about the latest polls.

Democrats need a net gain of six seats in the Senate and 15 in the House to take control of Congress. Since 1994, Republicans have held the House without interruption and the Senate nearly so. At least four Republican-held Senate seats -- Virginia, Missouri, Rhode Island and Montana -- along with Democrat-held Maryland, are widely considered too close to call.

Republicans on Capitol Hill, meanwhile, were guardedly optimistic that this year's much-predicted Democratic "tidal wave" will fail to materialize. Still, Republicans await the results more anxiously than Democrats.

Many Republicans delighted in recent polls conducted by the Pew Research Center and by the Washington Post/ABC News that showed Democrats losing their considerable advantage in the final days of the election.

The campaign of Sen. Rick Santorum, the Pennsylvania Republican who is widely expected to lose his bid for a third term today, thanked Democratic opponent Bob Casey Jr. for bringing "San Francisco liberal Rep. Nancy Pelosi," the House minority leader, into the state this weekend to campaign with him.

"The fact that so-called 'moderate' Casey would welcome Pelosi and her extremist liberal record to Pennsylvania in the final days of a campaign shocked and motivated the Republican base," said campaign manager Vince Galko. He said her appearance helped Republicans set a record of more than 380,000 contacts with voters over a two-day period.

The Republican majority in the House is widely considered to be at greater risk than in the Senate. More than 30 Republican-held seats nationwide are thought to be in jeopardy, including seats left open by scandal-plagued Republicans Tom DeLay of Texas, Bob Ney of Ohio and Mark Foley of Florida. There are no more than a handful of vulnerable Democrats.

Whatever the outcome of today's election, both sides are poised to complain of electoral shenanigans.

Ralph G. Neas, president of the liberal People for the American Way, warned reporters of "glitches" and "skulduggery" that had already been documented that might suppress the vote.

"Beware of voter fraud," warned the Republican National Committee, which compiled reports from across the country of Democratic allies trying to register the dead, illegal or those who are already registered.

The DCCC yesterday accused the National Republican Congressional Committee (NRCC) of spending $600,000 on "dirty tricks" in the form of late-night phone calls to voters disparaging Democratic candidates.

NRCC lawyer Donald F. McGahn II wrote the Democratic committee to say the disclaimers on the Republican calls are the same as those used by Democrats and noted several Democratic television commercials that were taken down over concerns about their veracity.

"Perhaps if you paid as much attention to your own client's political advertising as you apparently do my client's phone calls, the DCCC would have better luck in keeping its advertising on the air," Mr. McGahn wrote. "How are those spots in Indiana and Kentucky coming? Did you ever get those falsehoods on the air?"

Both sides have dispatched hundreds of lawyers into states expecting tight races and banked hundreds of thousands of dollars to fight any irregularities they suspect.

Yesterday, in the final hours of a long and bruising campaign, both sides made a final plea to voters. "We want to end the disgraceful lies and astonishing incompetence," promised Mr. Schumer, who said Democrats are "poised to win."

"But we're not spiking the ball until we get in the end zone. We need everyone to get their friends and families to the polls tomorrow," he wrote in an appeal to Democratic voters. "And we need a final fundraising push for the Democratic Senatorial Campaign Committee. Every dollar you give today is another van we can rent to drive people to the polls tomorrow and another person we can deploy to keep watch for any voter suppression activities."

House Speaker J. Dennis Hastert, Illinois Republican, pointed to Republican accomplishments.

"Under the House Republican watch, gas prices are low, the stock market is at all-time highs, and America has not been attacked since September 11th," he said. "From economic security to national security to border security, House Republicans have tackled tough issues. If the Democrats gain the House majority, Nancy Pelosi has made it clear they will raise taxes, coddle terrorists, and provide amnesty to illegal immigrants."

Sean Rushton, executive director of the conservative Committee for Justice, noted widespread speculation that there will be an opening on the Supreme Court in the near future. Senate confirmation of any Bush nominee would be dramatically more difficult if Democrats control the chamber.

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"For weeks, commentators have speculated that significant numbers of conservatives, alienated by overspending, the Iraq war, and other perceived GOP disappointments, will stay home on Election Day, giving one or both Houses of Congress to Democrats," he wrote yesterday on HumanEvents.com. "But for those who care about reforming the Supreme Court, sitting this one out may soon look like a mistake of historic proportions."

Replacing a liberal member of the high court "could be a once-in-a-lifetime chance for the 20-year movement to recast the court with a constitutionalist majority," Mr. Rushton said. "It would be a cruel twist indeed for conservatives to 'teach Republicans a lesson' next Tuesday, only to be taught a lesson themselves within months when the new Senate Judiciary Chairman Patrick Leahy leads a Democratic majority against the most important Supreme Court nominee in decades."

Republicans Make Last-minute Push (FT)

By Caroline Daniel And Edward Luce In Washington Dc And Steve Negus, Iraq Correspondent

Financial Times, November 7, 2006

The Republican party on Monday intensified last-minute efforts to motivate its supporters in the hope of defying widespread expectations of a strong Democratic showing in Tuesday's congressional midterm elections.

Citing an ABC-Washington Post poll that showed the Democratic lead narrowing to as little as six percentage points from a double-digit margin last week, Republican strategists said their volunteers had made direct contact with 27m American voters during the election campaign – far more than the Democrats.

"We have made more voter contacts in 2006 than we did in 2004, which is remarkable given that this is a mid-term election, not a presidential election," said Dana Perino, a White House spokesperson.

However, electoral analysts said the superiority of the Republican fundraising and "micro-targeting" machines would be insufficient to breach the wide Democratic lead, which was still averaging 11 percentage points if all the polls of the past few days were taken into account.

"No party in American history has ever come back from this kind of polling deficit to win an election," said Charlie Cook, publisher of the Cook Political Report, Washington's most closely read daily electoral analysis. "The Democrats are still on course to win the House of Representatives by a healthy margin."

Separately, in an interview with the Financial Times in Baghdad on Monday, Zalmay Khalilzad, the US ambassador to Iraq, said that the outcome of the election would have no impact on the war strategy of George W. Bush's administration. Iraq has consistently featured as the most important concern – in addition to economic anxieties – among voters during the campaign. "The president has told them [the government of Iraq] not to pay attention to that," said Mr Khalilzad. "The president will be the commander in chief and the architect of US foreign policy regardless of the outcome."

The Democrats, who need to add 15 seats to their tally in the 435-seat House of Representatives to regain control for the first time in 12 years, are projected to gain between 11 and 58 seats by Gallup. They need to add six seats to their tally in the 100-member Senate to regain control, with polls showing them winning between four and six races.

On Monday Mr Bush visited Florida, Arkansas and Texas in his final campaign events. But in a sign of his continued unpopularity, Charlie Crist, the Republican candidate for governor of Florida, was unable to show up to the rally. Dick Cheney, the vice-president, plans to spend today duck-shooting.

Parties Spend $225M On Target Races (AP-Y)

By Jim Kuhnhenn

AP, November 7, 2006

National committees for the Republicans and Democrats have spent about $225 million for or against candidates, concentrating their resources in 10 Senate races and 66 House contests that could determine who controls Congress.

The data is based on a review of independent spending reports filed with the Federal Election Commission as of Monday. Republicans spent about $81 million in 53 congressional districts, mostly on television advertising opposing Democratic challengers. Democrats spent $64 million in 56 congressional districts, most of them represented by a Republican.

In Senate contests, the Democratic Senatorial Campaign Committee has trained its sights on seats currently held by Republicans in Missouri, Ohio, Tennessee, Virginia, Rhode Island, Montana and Arizona. Republicans are aiming for three Democratic-held seats in New Jersey, Maryland and Michigan.

The parties have spent little or no money in Pennsylvania, where Republican Sen. Rick Santorum has trailed Democrat Bob Casey Jr., for months.

The spending data illustrates the difficulties facing Republicans in this elections, where they have been forced to defend seats instead of aggressively seeking to defeat incumbent Democrats. Midterm elections in second-term presidencies are

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notoriously harsh on the ruling party. For Republicans, growing public antipathy toward the war in Iraq has made their hold on Congress even more tenuous.

Democrats need a net gain of 15 seats in the House and six seats in the Senate to capture control of Congress. The last time Democrats had majorities in both chambers was 1994.

The spending for House seats has been mostly concentrated in the Ohio Valley. Ten Republicans are vulnerable in Ohio, Indiana, and Kentucky. Another 10 are fending off strong challenges in Pennsylvania and New York.

Many independent groups, including labor, business and ideological organizations, are spending in some of the same contests that have attracted party money. The Missouri Senate race between incumbent Sen. Jim Talent and Democrat Claire McCaskill has attracted the most money, with parties and independent groups spending more than $20 million in the state.

The House race that has seen the most spending is a rematch between Pennsylvania Republican incumbent Jim Gerlach and Democrat Lois Murphy. Their district sits in southeastern Pennsylvania, nestled in the hills that run from the outer Philadelphia suburbs to the old industrial city of Reading. The National Republican Congressional Committee has spent $3.9 million, mostly in ads against Murphy, and the Democratic Congressional Campaign Committee has spent $3 million against Gerlach.

Final Push Hefty Democratic Fund Raising Vies With Clout Of Incumbency Aggressive Money Machine Aims To Overcome Benefits Of Pork And Redistricting Mr. Shaw's Mobile Post Office By JEANNE CUMMINGS (WSJ)

The Wall Street Journal, November 7, 2006

WASHINGTON -- If Democrats win control of one or both houses of Congress in Tuesday's elections, they'll be able to thank an aggressive fund-raising strategy that has given them fuel to take advantage of voter dissatisfaction with the war in Iraq.

If the Republicans hang on, it will be largely because of two big advantages: the power to dole out government favors to constituents and their redrawing of districts to protect incumbents.

"It takes a tidal wave in order to swamp the levee that was built with redistricting," says Michael McDonald, a George Mason University expert on redrawing congressional lines. Election watchers are making a big deal of the more than 50 competitive seats in the House, Mr. McDonald says, but the unstated figure may be more important: nearly 90% of House incumbents are cruising to re-election.

ELECTION 2006

· Election Quiz:1 Test your political IQ.

· Got an election-related question? Write to The Wall Street Journal's Alan Murray at askalan@wsj.com2, and check back Election Night, when Alan will answer selected questions at wsj.com/video3 from 6 p.m. ET to midnight.

· For complete coverage, see WSJ.com/Election20064.

SENATE AND GOVERNORS

5 · Review the results of the latest polls6 in hot Senate races.

· The Senate's Uncertain States:7 Interactive profiles.

· Battlegrounds Poll:8 Who's ahead in hotly contested Senate and gubernatorial races? Dig into the latest Zogby poll data.

RACE FOR THE HOUSE

· Tracking the House Polls: Check recent numbers9

· Representative Races: Data on 20 key districts10

There are large and emotional issues that will help determine the election's outcome, including the economy and Iraq. But both parties are hoping that their tactical advantages will put them over the top.

Five days before Election Day, his feet propped up on a wooden desk, New York Sen. Charles Schumer was working the phones.

"Hi, David," he said, his voice bouncing off the walls of his closetlike office at the Democratic Senatorial Campaign Committee. "We're right on the edge," he said. "We are closing in Missouri, Tennessee and Virginia. We're hoping you will send us something."

The senator cradled the phone as he opened a banana-taffy Halloween candy and nodded his head. "You can send up to $25,000," he said, pausing to measure the response. "How about half of that, $12,500?...You're a doll," he said, transferring the call to an aide who can bank the money before the final weekend TV blitz.

This time around, Democrats have played the money game more assertively than in any previous midterm election. Party leaders have mined donors for extra cash. They set explicit fund-raising targets for new candidates to win the party's backing.

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And they also raised donation targets for veteran politicians who want to become committee chairmen should Democrats win a majority.

The result: Fund raising by the Democratic congressional committees is running 30% ahead of the same period two years ago, according to a study by the Campaign Finance Institute, a nonpartisan group that tracks political money. The Democratic party committees for the first time entered the final weeks of a campaign with nearly as much money in the bank as their Republican counterparts.

That has allowed Democrats to attack earlier, even to the point of backing conservative Republicans in primary races they thought would be more beatable in the general election. In the final weeks, Democrats have been able to defend themselves and attack weak incumbents. As the end of the campaign neared, the Democrats had about as much money set aside for voter turnout as their much-touted rivals.

On the other side of the ledger, Republicans have the power of incumbency. For decades, members of Congress have enjoyed an average 95% re-election rate. Since becoming the majority in 1994, Republicans have taken steps to reinforce that advantage. They've expanded the age-old practice of pork-barrel spending by increasing what's known as "earmarking," where members designate federal money for hometown projects. This year, Republican candidate Web sites routinely featured interactive maps showing the goodies the congressmen delivered.

The campaign slogan for Sen. Conrad Burns, a three-term Montana Republican, is "Burns delivers for Montana." In a recent Helena debate, he bragged about the projects he brought to his home state, which he says total $2 billion, including "this airport renovation that serves this great city and the Eagles Nursing Home to serve our seniors, and, yes, Liberty House at Fort Harrison for families that come in this town to get their health care."

The other pillar of Republican defense is gerrymandering, the once-a-decade redrawing of U.S. House district boundaries that gives the party in power a chance to create safe seats. Using computer programming, both parties have become expert at marrying census data and voting data to identify friendly voters down to their street address.

Republicans, under the leadership of former House Majority Leader Tom DeLay, in 2002 pushed the system to its extremes, urging legislatures in Texas, Pennsylvania, Ohio and Florida to maximize Republican seats. In Texas alone, because of redistricting, House Republicans gained five seats in 2004.

Yesterday, both parties shifted their focus to voter turnout. Democrats must net 15 seats to win the House and six to gain control of the Senate. President Clinton appeared at rallies in Virginia and Rhode Island to boost Democratic Senate candidates. President Bush's last rally in Florida symbolized his tarnished image: Popular Republican gubernatorial candidate Charlie Crist surprised the White House by skipping the event, leaving Mr. Bush on the stage with struggling Senate hopeful Rep. Katherine Harris. Ms. Harris oversaw the 2000 recount that helped put Mr. Bush in the White House.

Since federal fund-raising records were first collected in 1978, Republican Party committees have always had an edge over their rivals, according to Federal Election Commission records. Individual Republican candidates as a whole have also typically raised more money than Democrats.

This year, Democratic Party leaders began fund raising by tapping friendly companies and financiers in their backyards. Would-be House Speaker Nancy Pelosi alone raised about $50 million for the House campaign committee, seeking support from the electronics and communication industries. Mr. Schumer mined financial and banking houses in New York City, raising nearly a quarter of his committee's fund, or about $24 million, from that city alone. Among top donors are executives from Goldman Sachs, Citigroup, Morgan Stanley, Credit Suisse Group and the personal-injury law firm of Weitz & Luxenberg. Of those, only Goldman Sachs ranked as a major giver in 2004.

Illinois Congressman Rahm Emanuel, who runs the Democratic Congressional Campaign Committee, has generated about $30 million in donations from his contacts, particularly in Chicago. In 2004, 34 Chicago corporations gave to the House campaign committee either through their company political action committees or executives. So far this year, 60 Chicago firms were represented on the donor list, according to an analysis by the Center for Responsive Politics, a nonpartisan group.

Among the newcomers: $65,000 from Madison Dearborn Partners, a private-equity firm; $26,700 from Magnetar Capital, a hedge fund; $75,000 from Medline Industries, a provider of health-care supplies and equipment; $13,500 from Midway Games, a videogame maker.

Party leaders have leaned on veterans with rich campaign accounts but scant competition of their own. After Sen. Hillary Clinton transferred $2 million from her overstuffed war chest to the Senate committee, a number of bloggers publicized the fact that Massachusetts Sen. John Kerry hadn't made a donation; a chastened Mr. Kerry delivered $265,000.

Ms. Pelosi encouraged members interested in becoming committee chairmen to consider giving at least $250,000 to the House campaign committee, higher than the Republican target of $200,000. Senior Democrats with leadership ambitions gave a combined $16 million to the House campaign as of Oct. 27, well above their 2004 levels. House Minority Whip Rep. Steny Hoyer

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of Maryland, who hopes to be majority leader, tops the list with $570,000. New York Rep. Charles Rangel, who wants to take over the tax-writing Ways and Means Committee, has given $370,000.

The extra cash has allowed Democratic strategists to go on the offensive in some unorthodox ways.

In an Arizona House seat left open by a retiring Republican, Mr. Emanuel spent $500,000 in the August Republican primary on behalf of the leading conservative candidate in the field, Randy Graf. His calculation: Mr. Graf couldn't win a general election in the moderate district. Republican strategists belatedly tried to defeat Mr. Graf, but he won, and Republicans now have conceded the seat. House Democrats figure they saved about $2 million that would otherwise have been spent trying to defeat a Republican moderate.

Extra money has made it possible for Senate Democrats to define the field early. The Senate campaign committee last summer transferred a chunk of money to the Montana Democratic Party, which began airing ads highlighting Mr. Burns's ties to convicted lobbyist Jack Abramoff. The issue has dogged the incumbent ever since.

Late last week, Mr. Schumer invested $1 million into the long-shot race of Democrat businessman Jim Pederson against Arizona Sen. Jon Kyl. While intended to boost Mr. Pederson's chances, Mr. Schumer also figured Mr. Kyl would insist on help from the Republican senatorial committee. He asked, and received, diverting Republican cash from more competitive races.

Money has also allowed Democrats to expand the battlefield. Nevada Republican Rep. Jon Porter has won re-election twice in his Las Vegas suburban district with double-digit margins. But the Iraq war has become a heavy drag on his campaign. When Democratic challenger Tessa Hafen was inching up in polls in the final weeks, the Democratic House campaign committee shoveled about $500,000 into the race. Mr. Porter's re-election chances have now been downgraded by political oddsmakers.

Mr. Schumer has earmarked $20 million for turnout operations in seven races targeting Republican incumbents. He's using the money to create an up-to-date voter list in Montana and Missouri. Mr. Emanuel is allocating more than $250,000 to build customized turnout operations in each of the roughly 33 districts on which he's concentrating, for a total of about $12 million.

The re-election campaign of 13-term Florida Republican Rep. Clay Shaw is a test of those competing forces: Democratic money versus Republican incumbency.

After Mr. Shaw barely clung to his district in 2000 -- he won by 599 votes -- alarmed Florida Republicans set out to protect him by redrawing his district. The Republican state legislature plundered Republican voters from the adjacent district of a more junior Republican, Mark Foley, who quit this year amid a sex scandal. They also dumped Democratic voters into the neighboring district held by Democrat Rep. Debbie Wasserman Schultz.

After their handiwork, Republican voters suddenly had a 40% to 35% advantage over Democrats, an eight-percentage point swing from 2000, according to Susan MacManus, a political scientist with the University of South Florida in Tampa. The balance is largely made up of independents.

Mr. Shaw used his seniority in Congress to direct cash into the district. A bridge in Ft. Lauderdale is named after him. His Web site includes a map where constituents can learn about other pork he's delivered, including $3 million for a sea-wall project in West Palm Beach and a Juno Beach mobile post office.

In 2002, Mr. Shaw was re-elected with 62% of the vote and again in 2004 with 63%. His race this year is considered a toss-up because, he says, people have grown "fatigued" by the lack of progress and escalating U.S. casualties in Iraq. About a quarter of voters in his district say they're independents, a group that leans heavily toward Democrats this year.

"I've run in this district twice and won by 20 points," says Mr. Shaw. "It's not gonna be that way this year."

Last Friday, Mr. Shaw's Democratic opponent, State Sen. Ron Klein, 49 years old, made his pitch to lawyers and staff in the Ft. Lauderdale public defender's office. He doesn't want an immediate withdrawal from Iraq, but says, "it's time for our generation to stand up and provide some new leadership." Behind her desk, Leigh L. Sipper nodded. She voted for Mr. Shaw, 67, in the past, but she's convinced "it's time for a change. The war is a big part of that," she says.

While Iraq made Mr. Shaw vulnerable, money helped Mr. Klein get his message out. The challenger has raised $3.6 million, nearly matching the powerful incumbent's $4 million. (Mr. Klein was given a target of raising $1 million by March in order to get the backing of the Democratic campaign committee.)

Mr. Klein has saturated the district with ads linking Mr. Shaw to President Bush and the war. In one, the mother of a solider in Iraq talks about a Shaw vote she says was against a combat bonus for Iraq soldiers: "Mr. Shaw, how could you?" she asks.

In the final weeks, when Mr. Klein began to run out of money, the Democratic House campaign committee stepped in and filled the gap. The committee invested more than $2 million in the race, an unprecedented sum for the district.

For Democrats, Even A Gain May Feel Like A Failure (NYT)

By Adam Nagourney

The New York Times, November 7, 2006

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WASHINGTON, Nov. 6 — In most midterm elections, an out-of-power party picking up, say, 14 seats in the House and five seats in the Senate could call it a pretty good night.

But for Democrats in 2006, that showing would mean coming up one seat shy of taking control of both the Senate and the House. And it would probably be branded a loss — in the case of the House, a big one.

For a combination of reasons — increasingly bullish prognostications by independent handicappers, galloping optimism by Democratic leaders and bloggers, and polls that promise a Democratic blowout — expectations for the party have soared into the stratosphere. Democrats are widely expected to take the House, and by a significant margin, and perhaps the Senate as well, while capturing a majority of governorships and legislatures.

These expectations may well be overheated. Polls over the weekend suggested that the contest was tightening, and some prognosticators on Monday were scaling back their predictions, if ever so slightly. (Charlie Cook, the analyst who is one of Washington's chief setters of expectations, said in an e-mail message on Monday that he was dropping the words "possibly more" from his House prediction of "20-35, possibly more.")

Some Democrats worry that those forecasts, accurate or not, may be setting the stage for a demoralizing election night, and one with lasting ramifications, sapping the party's spirit and energy heading into the 2008 presidential election cycle.

"Two years ago, winning 14 seats in the House would have been a pipe dream," said Matt Bennett, a founder of Third Way, a moderate Democratic organization. Now, Mr. Bennett said, failure to win the House, even by one seat, would send Democrats diving under their beds (not to mention what it might do to all the pundits).

"It would be crushing," he said. "It would be extremely difficult."

Mr. Cook put it more succinctly. "I think you'd see a Jim Jones situation — it would be a mass suicide," he said.

On election eve, the rough consensus among officials in both parties was that the Democrats would win the House but come just short of capturing the six seats they needed in the Senate. There was wide disagreement, though, about how many House seats Democrats might win.

Many of these predictions had been based on polls showing that President Bush, the Republican Party and Congress were extraordinarily unpopular. But going into Election Day, at least 20 House seats and probably 3 Senate seats were tied or close to it, no matter what the national polls say.

So, what if Democrats just squeak to victory in the House by a seat or two? What if Democrats win just three seats in the Senate or — unlikely but not impossible — even two?

"I'm not getting into the Washington expectations game," said Representative Rahm Emanuel, the Democrat from Illinois running his party's effort to capture the House, in what he said would be a very brief minute he would devote to commenting on this subject. "My job is to deliver north of 15 seats and that's what I am going to do."

Howard Wolfson, a Democratic consultant advising candidates in some of the most competitive races in upstate New York — and one of his party's biggest optimists this year — said the size of the margin would not matter, assuming, of course, that Democrats win. "It's not a question of 25 or 35," Mr. Wolfson said. "It's a question of 14 or 15. Would you rather have a bigger margin? Of course. But if you take back the House, the world changes."

But any casual reader of a newspaper, or watcher of television news, or consumer of polls could be forgiven for thinking that the nation was about to witness its biggest shift in power since Republicans seized control of Congress by capturing 54 House seats in 1994. In the past week, analysts like Mr. Cook and Stuart Rothenberg, as well as on-the-record Democrats and Republicans, were talking about the Democrats' racking up as many as 35 seats. (Republicans, of course, may have decided that they have a Machiavellian interest in setting up Democrats with inflated expectations.)

"From a communications standpoint, the Democrats have done a lousy job managing expectations," said Justin Blake, an executive vice president at Edelman, the public relations firm.

Indeed, Mr. Emanuel and his Senate counterpart, Senator Charles E. Schumer of New York, have gone to some lengths not to project overconfidence. Mr. Schumer likes to say that Democrats are "on the edge" of taking back the Senate.

Other Democratic leaders are less restrained.

"I am now even more certain that Democrats will take control of the House and believe the net gain will be at least 30 seats and that we will certainly know the outcome early in the evening," Martin Frost, the former Texas Democratic congressman, wrote in a column he e-mailed around last week.

Mr. Bennett said that winning only 14 seats would produce an inevitable drop in contributions and a round of whither-the-Democrats post-election sessions. But he also said that, based on what had happened after Senator John Kerry's failed presidential effort in 2004, a race that many Democrats thought they should have won, he doubted the impact would last long.

And, unless the Democrats make no gains at all, it seems highly unlikely that there would be the kind of recriminations that typically follow a party loss, the kind of bloodletting already being seen on the Republican side.

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Almost without exception, Democrats have praised Mr. Emanuel and Mr. Schumer — though Howard Dean, the party's national chairman, may have to defend his decision to spread Democratic National Committee money to build up parties in all 50 states, while parrying requests for support in the Congressional races.

The scope of a Democratic victory could go a long way in determining just how much power the party had in Congress.

Perceptions matter in politics, and this White House has shown it knows how to shape them; it would no doubt relish trying to weaken its new Congressional foes by portraying a small Democratic edge as a loss.

The obvious best outcome for Democrats would be to win control of both houses, allowing them to claim a public mandate. But unless they somehow control 60 votes in the Senate — which, not to be setting any expectations here, is not going to happen — they will have to work with Republicans to pass legislation. If they win the House by a large margin but do not get the Senate, they will also no doubt claim something of a mandate, though that would seem to be a recipe for gridlock.

If the Democrats fail to capture the House and the Senate, it would provide a psychic boost for the White House and some political vindication for Karl Rove, the president's chief political adviser. But given the intramural Republican squabbling of the past two years, it seems fair to say that nothing much could be expected out of Congress for the next two.

Mr. Bennett said, of the possibility of Democrats' losing in the end, "Some people will be saying, maybe that's better, which I think is crazy, but people are going to say it anyway."

In Mock Student Election, Democrats Reclaim House By NAUREEN S. MALIK (WSJ)

The Wall Street Journal, November 7, 2006

Nearly one million votes cast by elementary and high school students in a nationwide mock election backed a Republican Senate but turned power over to the Democrats in the House of Representatives.

Ballots for the Youth Leadership Initiative's Internet mock election, which ended Thursday night, were tailored to local elections and referenda. Larry Sabato, director of the University of Virginia's Center of Politics, started the program in 1998 at three local schools.

Of the 33 Senate seats up for election, 10 are Republican and one independent. In the mock election, Democrats gained seats in Pennsylvania, Montana, Tennessee and Mississippi. But Republicans carried Florida, Minnesota and Washington for a 54-seat majority. (See www.youthleadership.net1 for full results)

Republican George Allen may have retained his Senate seat in Virginia, but his 44.74% win against Democratic rival Jim Webb's 44.59% shows how his campaign missteps became an issue. Hilary Clinton retained New York for the Democrats by a wide margin.

All 435 House seats are up for election and the student polls were brutal in Ohio, Florida, New York and North Carolina. Democrats came out ahead with 218 seats compared with 202 for Republicans and 15 for other candidates.

On the gubernatorial front, New York students elected Attorney General Eliot Spitzer and in California, students voted to re-elect Republican Arnold Schwarzenegger.

These results are by no means a random sample of how kids in the U.S. feel, nor do they foreshadow adult voting, though they did call for President Bush's victory in 2004.

"This is about civic education," Mr. Sabato says. The mock election teaches students "the rules of the game and that politics are exciting so that they will start voting at an early age and continue that through their lifetime." While students often reflect parents' views, he says kids' participation in the mock election has "guilt tripped" parents into voting.

Teachers register free with YLI to participate in the mock election, receive lesson plans and participate in e-congress, where students draft and vote on each others' bills across the country. YLI's mock election is growing as the program matures. More than 204,000 students weighed in on the mid-term elections over an 11-day period, compared with 20,000 in 2002. About 810,000 students had voted in the 2004 presidential election.

Normally, 50% of the eligible voters turn out for presidential elections compared with 30% for off years, says Elaine Kamarck, who teaches American politics and government management at Harvard University's Kennedy School of Government. But on Election Day, she expects an uptick at the polls for one reason: the Iraq War. The issue that is on the forefront of student and adult minds elevates the local election with a national concern.

In the real world, adults vote to influence public policy. In Carol Mill's U.S. Government class at Eisenhower High School in Yakima, Wash., juniors do it for extra credit. Teachers can monitor who votes but not how they vote.

Ms. Mills says her students were split over the Iraq war. Another big issue was a referendum to repeal taxes on estates valued at $2 million or more. The Yakima students were in favor of it, pointing to Bill Gates's charities.

Seniors at Westfield High School in Northern Virginia scoured online campaign ads, polls and blogs to develop arguments about amendments on marriage, church incorporation and a real estate property tax break for redevelopment, says social studies teacher Walt Addie.

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Betsy Gonzales, who teaches eighth grade at Cedar Park Middle School in Texas, says, says her students get their news from John Stewart's The Daily Show and are backing the more colorful independent candidates: Richard "Kinky" Friedman (comedian and a writer who smokes cigars) and Carole Keeton Strayhorn (campaigning as "One Tough Grandma") in the gubernatorial race. Cedar Park will hold elections on Tuesday and will send results to YLI.

At Hunter College Elementary School for gifted children in Manhattan, sixth-grade teacher Christina Jenkins says the younger students often come to the classroom reflecting parents' views, which can cause some students to withdraw in debates over sensitive issues such as abortion or gay marriage. She encourages those with less popular views to speak up to foster discussion. "Because of that, I play the devil's advocate a lot," Ms. Jenkins says.

After Losing Seniors To Republicans, Democrats Hope To Lure Them Back By ERIKA LOVLEY (WSJ)

The Wall Street Journal, November 7, 2006

WEST PALM BEACH, Fla. -- As polls open today, Democratic strategists looking for bellwethers are closely watching a group of voters that has attracted relatively little attention in the blitz of this year's campaign: senior citizens.

Democrats decisively lost the vote of older Americans to President Bush in the 2004 election, which party leaders see as a key reason they failed to unseat the president. Exit polls indicate Mr. Bush prevailed among those ages 60 and over by a margin of 54% to 46%.

Democrats think they can recapture those voters this year, which would be a crucial step toward taking one or both houses of Congress.

"We found the majority vote [among seniors] continues to be strongly Democratic," said Ana Iparraguirre, a senior associate at Greenberg Quinlan Rosner Research, a consulting firm in Washington, D.C., run by a former pollster for President Clinton. Unhappiness over the war in Iraq and, in particular, squeamishness over President Bush's attempt to enact a partial privatization of Social Security are "definitely giving Democrats the advantage," she said.

ELECTION 2006

· Election Quiz:1 Test your political IQ.

· Got an election-related question? Write to The Wall Street Journal's Alan Murray at askalan@wsj.com2, and check back Election Night, when Alan will answer selected questions at wsj.com/video3 from 6 p.m. ET to midnight.

· For complete coverage, see WSJ.com/Election20064.

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Seniors are seen as a critical voting bloc because, unlike younger voters, they tend to turn out reliably in large numbers on Election Day. They are expected to serve as an important voting bloc in several close races in states such as Florida and Pennsylvania, states where the ratio of senior voters is among the nation's highest.

In Florida, voters ages 65 or over, who make up 16% of total voters, according to 2005 census numbers, could play a big role in two tight House races, between Democrat Tim Mahoney and Republican Joe Negron, and between Republican Rep. Clay Shaw and Florida state Sen. Ron Klein, a Democrat. Similar dynamics are in play in Pennsylvania, where 14.6% of voters are seniors, especially in the Senate race between Sen. Rick Santorum, a Republican, and Democrat Bob Casey, and the House race between Republican Rep. Curt Weldon and Democrat Joseph A. Sestak Jr.

Both parties are making pitches on senior-specific issues. Democrats repeatedly focus on Mr. Bush's comments that he would like to return to his theme of overhauling the Social Security system in the remainder of his term. Last week, Mr. Sestak visited the Martin's Run Retirement Community north of Media, Pa. For the better part of an hour, he talked about World War II and the sacrifices made by Americans. He criticized the U.S. pharmaceutical industry and complained about tax breaks issued by President Bush.

Mr. Santorum's campaign has run several television ads touting a bill he has proposed in Congress that would guarantee that Social Security benefits would never be cut for the elderly. One ad features the senator in the middle of a crowded dance hall with seniors who are thanking him for supporting their community.

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"We want them to know what we'll do to make Social Security sustainable in the future," said Santorum campaign spokesman Virginia Davis. "It makes visits with seniors an important part of the campaign."

Democrats say the prescription-drug benefit offered under a bill that President Bush backed isn't sufficiently generous, and in particular have charged that the program doesn't adequately allow the government to bargain down the price of drugs for senior citizens offered through the program. Most Democratic attacks charge that the drug provision gives away too much to the pharmaceutical industry. Democrats in the House have vowed to change the program within their first 100 hours if they gain control of Congress.

In Florida, Mr. Mahoney, the Democrat running for a House seat, has canvassed local retirement communities about the issue. Mr. Mahoney himself is pushing for a competitive drug plan that would cater to seniors rather than pharmaceutical companies.

Republicans say the prescription-drug issue may actually help them. Some have pointed to a Kaiser Family Foundation Health Poll Report Survey of 1,585 seniors in June, which showed that eight in 10 seniors enrolled in a Medicare drug plan were satisfied with their plan. A similar survey taken in August 2004 found that twice as many people on Medicare had an unfavorable view of the law than had a favorable view.

Overall, older voters appear to be skewing Democratic heading into elections. A Pew Research Center survey of 2,369 registered voters released Sunday showed that 48% of those ages 65 and over were leaning towards voting for Democrats, compared with 42% for Republicans. Reflecting a broader trend, the number of older voters supporting Republicans rose slightly over figures from a Pew poll in September. In the 2002 midterm elections, 46% of seniors supported Republicans, compared with 43% for Democrats.

An increase in senior support for Democrats could spell bad news for Republicans in an election in which turnout among younger voters is expected to be weak. Nearly two-thirds of seniors are expected to vote this year.

"If there is turnout in high levels, it will be tough on Republicans," said Andrew Kohut, president of Pew Research Center, an independent opinion-research group based in Washington.

AARP, the national retirees association, reports that their 37 million members are evenly divided on party politics. One-third typically support Democrats, and one-third Republicans. The remaining third are independents -- voters that both parties are vying to capture.

AARP officials say its members across party lines are disgruntled by the Iraq war, and have made Iraq their top voting priority. "We don't think the issue is playing very well for Republicans at this point," said David Sloane, the group's director of government relations.

How Illegal Immigration Failed As Silver Bullet For Republicans Campaign Journal Offers Insights About Political Developments From The Front Lines Of The Fall Races Through Election Day. (WSJ)

By Jackie Calmes

The Wall Street Journal, November 7, 2006

SCOTTSDALE, Ariz. -- Twenty-one months ago, when House Republicans couldn't have foreseen how endangered their majority would be by Election Day, they went home for the President's Day recess, armed with talking points from the White House and party leaders to promote President Bush's top-priority proposal to remake Social Security.

But when they returned to the Capitol, many of these Republicans -- never eager to take on Social Security anyway without Democrats' support -- reported that voters wanted to talk about something else: illegal immigration.

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· See the expanded online version of Washington Wire4. The Journal's Washington bureau will provide campaign analysis, news and buzz on Election Day.

· For complete coverage, see WSJ.com/Election20065.

And with that, congressional Republicans seized on the issue many hoped would be a silver bullet to get through the midterm elections, and without the losses that a president's party traditionally suffers.

By attacking illegal immigration, Republicans could look tough on border security and please their conservative constituents and many independents. In the process, they could force votes in Congress -- say, on cutting off benefits for illegals'

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children, or making English the official U.S. language -- that would divide the Democrats and their Hispanic allies, and, ideally, trap some Democratic lawmakers into votes that could be turned into 30-second attack ads for television by November 2006.

It hasn't exactly turned out that way. A visit to this border state helps understand why.

Forget Democrats' divisions. The issue of dealing with illegal immigrants divided the Bush-era Republican Party at least as badly, and more embarrassingly so given that it holds all the power in Washington. Republicans who backed the get-tough route did so knowing they were rejecting the president's other top domestic priority for his second term -- a comprehensive and "compassionate conservative" immigration plan that would provide a path to citizenship for the estimated 11 million illegal aliens already in the country.

Arizona has been a microcosm of the Republican Party's splits. The state's senior U.S. senator, John McCain, has long taken the same position on immigration as the president. He helped broker the Senate's compromise immigration measure, though Republican foes would come to call it Ted Kennedy's plan. Sen. Jon Kyl, the other Republican senator from Arizona, led the opposition to the McCain version in the Senate Judiciary Committee.

In the House, Arizona's Republican Rep. J.D. Hayworth helped lead the drive for a crackdown-only approach; he even wrote a quick book, "Whatever It Takes," and appeared in a conservative group's movie, "Border War." But his fellow Arizona Republicans in the House mostly opposed him.

Like other border states -- Mr. Bush's Texas, for instance -- Arizona most directly feels the costs of illegal immigration in terms of poverty, education needs and crime. But it also enjoys the fruits of a large low-wage workforce, and a proud culture rooted in Hispanic history.

Sen. Kyl, up for re-election this year, has seen his once-wide lead over developer and former state Democratic Party Chairman Jim Pederson narrow to single digits in polls. He hasn't made a huge issue of immigration, but where he has, Mr. Pederson -- like other Democrats nationwide -- counters that his position is little different from Mr. Bush's.

In House races, as it happens, the two Arizona Republicans who've hammered illegal immigration the hardest are in the most trouble. In the Tucson-area district to replace moderate Republican Rep. Jim Kolbe, who is retiring, the Republican nominee is former state Rep. Randy Graf, a founding member of the Minutemen policing U.S.-Mexico borders. His hard-core stance on illegal immigration helped Mr. Graf win the Republican primary over two less conservative rivals, but it left party wounds; Mr. Kolbe, among others, withheld support. The seat is widely expected to fall to Democrats.

Mr. Hayworth may well hold on, though his own internal polls have him several points behind former Democratic state senator and Tempe mayor Harry Mitchell. The congressman, who used to back guest-worker programs, has found that the enforcement-first platform he built for his toughest race yet isn't supporting him very well. Here, as nationally, voters chiefly have on their minds another war than the "border war" he emphasizes.

In a recent speech to a civic group in his affluent suburban district outside Phoenix, Mr. Hayworth opened by saying, "Sadly, here we are, in the early years of the 21st century, again, a nation at war." Then, without mentioning Iraq, he immediately described how up to 6,500 people nightly attempt to cross over to Arizona from Mexico illegally; 4,500 make it, he said. "It may not sit well with the politically correct sensibilities of those who populate the editorial boards of our major newspapers," Mr. Hayworth went on, "but with that type of occurrence on a nightly basis, what else do we call it but invasion?"

When the congressman finally opened the floor to questions, every one was about war -- the one in Iraq. What about the erosion of public support? How can there be a swift end to it? Should the U.S. pull out troops, or add 100,000 more? Mr. Hayworth didn't endorse either extreme, saying non-commitally, "Victory must be our goal, not disengagement."

That evening at an event for Mr. Mitchell, among the attendees was one of a number of local officeholders who've formed "Republicans for Mitchell," Tempe city councilman Ben Arredondo. Mr. Arredondo, from a well-known local Hispanic family that has been in Arizona for generations, quickly volunteers why he's not supporting his fellow Republican: "As soon as Hayworth came on the immigration issue, it was over."

A top national Republican strategist, speaking of threatened incumbents such as Mr. Hayworth, says the immigration issue -- far from being the silver bullet --has exacted a higher price than is recognized; it's been "masked by other things," he says, such as voter frustration with war, high spending, scandals. "But," says the strategist, who asks to be unidentified, "you don't go around the country saying, 'This the No. 1 problem, but, by the way, we're not going to do anything about it.' "

Pelosi's Platform (WP)

By Michael Kinsley

The Washington Post, November 7, 2006

What would a Democratic House of Representatives under Speaker Nancy Pelosi be like? The Republicans have been painting an unattractive portrait of Democrats roasting young children on a spit in the Capitol Rotunda and whatnot. Hoping for a

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more encouraging view, I picked up "A New Direction for America," a 31-page manifesto released to little acclaim by House Democrats in June. By all means read it. But do me a favor and vote first.

The document is full of bromides, of course, and like all good bromides, they come in threes. The Democrats promise "security, prosperity, and opportunity" in "diverse, safe, and vibrant communities." Not to mention "integrity, civility and fiscal discipline." They will "protect Americans, secure our borders, and restore our country's position of international leadership" through "homeland, energy, and diplomatic strategies." And we're only up to Page 3.

The two favorite words of Democrats on the cusp of power seem to be "tax credit." They promise to "modernize" the tax credit for research and development; to "expand and improve" the already ludicrously complex system of tax-deductible retirement accounts such as IRAs and 401(k) plans (and match "dollar-for-dollar" the first $1,000 a person puts in); and to provide a "100% tax credit for tuition up to $3,000." They want a "broadband tax credit" for Internet access in "rural and underserved" areas.

They call for a 50 percent tax credit for employee health insurance paid for by small businesses, as their solution to the health-care crisis. Needless to say, they love the tax credit for ethanol production and want to expand it for local ethanol producers. And -- my favorite -- they want a tax credit to cover the administrative costs of encouraging employers "to offer their employees the option to convert their retirement plan into an annuity when they retire." I don't know what that last one is about, but I smell an interested party. It's just not the kind of thing thought up by anyone who doesn't have some skin in the game.

Democrats call for ending the "Disabled Veterans' Tax" and the "Military Families' Tax." The what? There cannot be any such thing as a Disabled Veterans' Tax. It is a label dreamed up by people wanting special treatment, like the Republicans' brilliant "death tax" for the estate tax. Maybe they deserve it, maybe they don't. But why can't we leave this bullying-by-terminology to Newt Gingrich?

The problem with tax credits in general is that they never appear in the budget, so they never get the same scrutiny as direct spending, although their impact on the deficit is exactly the same. By definition, they cost more than whatever benefit they are intended to achieve, since no one is going to be induced to spend an extra dollar on, say, dance lessons (because some member of Congress has decided that it would be good for the country if more people knew how to dance) unless the subsidy is worth more than a dollar.

Tax subsidies often go to person X to help person Y (e.g., to a corporation to help its employees), and person X gets a slice of the benefit -- often a big slice. And the distributional consequences are rarely examined. For example, tax credits constitute only one of several subsidies the Democrats propose for college education. Why should a young person who is out working and paying taxes subsidize someone in college who will soon be better off, if he or she isn't already?

Fairness is one of the three qualities that need to be restored to American public life after six years of George W. Bush and 12 years of French-Revolution-turned-French-farce on Capitol Hill. The other two are honesty and competence.

Honesty is not just therapeutic. Fiscal honesty is a practical necessity. "New Direction" quite rightly denounces the staggering fiscal irresponsibility of Republican leaders and duly promises "Pay As You Go" spending. But in the entire document there is not one explicit revenue-raiser to balance the many specific and enormous new spending programs and tax credits.

Competence, of course, brings us back to Iraq. Apparently and unfortunately, President Bush is right that the Democrats have no "plan for victory." (Neither does he, of course. Nor, for that matter, do I. But I don't claim to have one. And I didn't start it.) For national security in general, the Democrats' plan is so according-to-type that you cringe with embarrassment: It's mostly about new cash benefits for veterans. Regarding Iraq specifically, the Democrats' plan has two parts. First, they want Iraqis to take on "primary responsibility for securing and governing their country." Then they want "responsible redeployment" (great euphemism) of American forces.

Older readers may recognize this formula. It's Vietnamization -- the Nixon-Kissinger plan for extracting us from a previous mistake. But Vietnamization was not a plan for victory. It was a plan for what was called "peace with honor" and is now known as "defeat."

Maybe "A New Direction for America" is just a campaign document -- although it seems to have had no effect at all on the campaign. My fear is that the House Democrats might try to use it as a basis for governing.

The True Ideological Battle By ARTHUR C. BROOKS (WSJ)

The Wall Street Journal, November 7, 2006

In their 2004 book, "The Right Nation," John Micklethwait and Adrian Wooldridge chronicle America's rightward tilt. "If American politics is a seesaw, it is an unevenly balanced one. Imagine Dennis Hastert at one end of the seesaw and Nancy Pelosi on the other end, and you have some idea about which party is sitting with its legs dangling in the air. In the war between two Americas, Hastertland has been winning."

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Until today, that is. This midterm election, in the view of many optimistic liberals, will be a forceful repudiation of the inevitability of American conservatism. A victory after so many years of losses will mark the beginning of the end to the country's nightmarish reactionary drift. According to Howard Dean, "The American people are fed up and want to change course. Democrats are offering the American people a new direction." But will it really be the dawn of a new day for the American left? After a cold look at the evidence, liberals might decide to take the champagne off the ice. The victory, assuming there is one, will hardly be glorious, and long-term trends are still distinctly right wing.

Some doomsday scenarios envision a 45-seat shift in the House of Representatives and a substantial Democratic majority in the Senate. These predictions, when looking at the actual data, are probably unrealistic. My colleague Danny Hayes, a political scientist who studies polling, says that the most reasonable picture has the Democrats winning 20-30 seats and taking narrow control of the House, while failing to win the Senate. This assessment is consistent with what most mainstream pollsters are predicting.

No bloodbath -- but still major progress for the left, right? Not really. We are in the midst of a deeply unpopular war, and an electorate in a foul mood. A Washington Post-ABC News poll last week found that more than 30% of likely voters planned to cast their ballots on Nov. 7 for Democrats specifically as a sign of opposition to George Bush. Congressional Republicans are hardly helping their own cause, between corruption and sexual misconduct. And the Republican Congress has so alienated authentic conservative voters with its porky profligacy that lots of Republicans will probably stay home.

By all rights, the Republicans left in Congress after this election should be able to pool to work in one minivan. Instead, they are probably facing a 10% setback in House seats -- hardly a disaster by midterm election standards. What's more, many of the Democrats at the vanguard of today's political "revolution" are not exactly left-wing zealots. Robert Casey, who leads incumbent Pennsylvania Sen. Rick Santorum, opposes abortion rights. On issues of gun control and immigration, Senate candidate Harold Ford of Tennessee sounds like a Republican. James Webb, who seeks to unseat Virginia Sen. George Allen, actually used to be a Republican. The lesson is that Democrats can win modestly if the Republicans implode, and preferably if they look more or less like Republicans. This is hardly a mythic victory for the American left; indeed, the larger cultural picture -- in which the election is but a minor political datum -- remains strikingly bleak for American liberalism.

Consider the effect of religious faith, which endures as the most important cultural fault line. On the whole, America is fundamentally religious, with 85% of people expressing allegiance to an organized faith and a third attending a house of worship weekly. Secularism is an exotic taste -- except on the political left. According to the General Social Survey, liberals are a third less likely than the rest of the population to worship regularly, and less than half as likely as conservatives. The percentage of self-described liberals who say they have "no religion" has more than doubled since the early '70s.

This cultural trend represents a growing political liability for the left. Only about one in four Americans currently say they believe that the Democratic Party is friendly toward religion, according to the Pew Research Center for the People and the Press. The practical impact of this belief is nicely described by author Stephen Carter in his book, "The Dissent of the Governed." He describes two black evangelical women who change their affiliations from liberal political groups to conservative Christian organizations, explaining that "they preferred a place that honored their faith and disdained their politics over a place that honored their politics and disdained their faith." These women are part of a real trend among religious Americans: According to the National Election Surveys, religious Democrats are more likely than any other group to change their party affiliation. Between 2000 and 2002, they were nearly four times more likely to do so than secular Republicans.

There's certainly more to ideology than faith, of course. Another major cultural force is immigration, which -- as liberals hope and conservatives fear -- has the power to counteract the conservatizing effects of religion. "Today we march, tomorrow we vote," was the slogan chanted earlier this year by Latinos demonstrating in the streets against Republican-led immigration crackdowns. The warning made the blood of many conservatives run cold. It shouldn't have; the political mobilization of Latinos may actually expand the cultural dominance of the American right. According to the Social Capital Community Benchmark Survey in 2000, while American Latinos are about as likely as non-Latinos to say they are politically conservative, those not (yet) registered to vote are significantly more conservative than both voting Latinos and the population at large. In other words, a growing, more politically active Latino U.S. probably means a more conservative U.S. as well.

This counterintuitive fact is good news for the cultural right. But can Republicans capitalize politically on this pattern? Some doubt it, given the party's perceived hostility to immigration and apparent willingness to overlook the racial insensitivity of Sen. George Allen's "macaca" remark about an Indian-American man at a recent campaign event.

So much for religious folks and immigrants. What about young people? Maybe the left can, like it always has, look to the culture of youth to jumpstart the progressive movement. But even here, things are going conservatives' way. The left's traditional edge among young adults shrank from 1974 to 2004, as the percentage of adults 18-25 who labeled themselves political liberals fell by 12%, and the percentage saying they were conservative rose by 143%.

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Waning youth support for the left may be partly due to the adroitness of conservative causes. But it probably also has to do with liberal inability or unwillingness to build an authentic youth grass-roots movement. A new and hotly debated book by Columbia University sociologist Dana Fisher documents the fact that most liberal political groups have dismantled their grassroots operations since the mid-'90s and subcontracted their activism to a small group of for-profit and nonprofit companies. In other words, the Republican canvasser at your door is a volunteer and true believer. But the kid asking for your signature and contribution for the local Democratic Party is probably a paid employee. This may be evidence that the left can no longer build grass-roots support to maintain itself, or that it has cut corners and sent its support-building mechanisms ideologically offshore. Either way, it bodes ill for progressive causes.

These are just three examples of the cultural patterns that continue to strengthen the right in America. Many more can be found in fertility patterns, the effects of education, and elsewhere. They tell us that conservatives have much to smile about, no matter what happens today at the polls. Reasonable people will disagree as to whether this is grounds for celebration or a call to fight. Either way, however, it is undeniable that the true ideological battle in America goes far deeper than a midterm election.

Mr. Brooks, a professor at Syracuse University's Maxwell School of Public Affairs, is the author of "Who Really Cares: The Surprising Truth About Compassionate Conservatism," to be published this month by Basic Books.

Identity Crisis (WP)

By E. J. Dionne Jr

The Washington Post, November 7, 2006

One verdict from the 2006 election was obvious before a single vote had been counted: The Republican Party no longer has a coherent governing philosophy. Republicans who care about advancing a consistent set of ideals are already at each other's throats and are likely to stay there. True, most Republicans still describe themselves as "conservative." But it is no longer clear what that word means.

When they have nothing else to say, Republicans will always accuse Democrats of harboring secret plans to raise taxes. But the tax issue just sits out there, unhinged from any logical approach to how revenue and spending should fit together in a sensible budget.

Then there is Iraq. Republican foreign policy realists saw the war as a disaster going in. Neoconservatives who supported the invasion increasingly blame the Bush administration for botching the job. The administration's approach to Iraq is an orphan -- only President Bush and his closest advisers claim it as their own.

That is why we can know how Republicans and conservatives will spend the last two years of the Bush presidency. They will fault philosophical adversaries for what went wrong, purge various actors and ideas from the movement, and insist on contradictory forms of ideological purity. My God, they'll sound like Democrats, won't they?

At the beginning of the 2006 campaign, the most popular charge in punditry was that Democrats were going to the voters with "no ideas." As the election closes, it's clear that the Republicans won the "no ideas" contest. In race after race, they tried to win by saying how horrific their Democratic opponents were -- and, in many cases, Republicans started touting their own independence from Bush. The Republicans have no coherence on immigration; no plausible plans for fixing the mess in Iraq; and little to say about economic insecurity, health care or the budget.

The lesson of 2006 is that the past five years have aggravated every contradiction on the right to the breaking point: religious conservatives against libertarians; neoconservatives against foreign policy realists; pro-immigration conservatives against immigration critics; big business against working-class conservatives; compassionate conservatives against . . . hmm, how do you describe the other side on that one?

In Congress, conservatives who voted for big budget deficits now blame figures such as Tom DeLay for forcing them to do it. Some Republicans who condemn the cost of the prescription drug benefit under Medicare were once happy to brag about it to seniors. Incumbents attack congressional "earmarks" for special spending projects, all the while boasting at home about the bacon they've put on their constituents' tables.

Add to all this the remarkable display of backstabbing among House Republican leaders over who did or didn't do what (and when) about the Mark Foley scandal. Political solidarity is not much of a value anymore in the Republican family.

That is why the most interesting battles over the next two years could take place not between the parties but within them. After a miserable year, Republicans have a lot of scores to settle. And conservatives, many of whom know they've lost their way, will be devoting a lot of energy to figuring out exactly who they are.

Repeat Calls Spur A Debate Over Tactics (NYT)

By Christopher Drew And Carl Hulse

The New York Times, November 7, 2006

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Karyn Hollis, an English professor at Villanova University outside Philadelphia, said the same computerized calls had been ringing her telephone as often as five times a day for more than a week.

They all start with a simple, if somewhat ambiguous, statement: "Hello, I'm calling with information about Lois Murphy," a Pennsylvania Democrat who is the challenger in one of the hottest House races. That opening sounds "kind of positive in tone," Ms. Hollis said. But the message quickly turns negative, blasting Ms. Murphy's political views. After she hangs up, the phone rings again later with the same message. And again. And again.

The calls are part of a telephone blitz that the Republican Party has unleashed in several dozen races that are likely to determine control of the House in Tuesday's elections. And the repeat calls to the same homes have set off a new furor over campaign tactics, with the Democrats claiming the calls violate federal communications rules and are tantamount to harassment.

Ms. Murphy and other Democrats say they have been flooded with complaints from irritated voters who think that the calls are coming from the candidates themselves. Many of the voters had hung up before the message was over, and never heard that it was produced by the Republican Party.

Democratic leaders contend that the messages violate federal rules that require groups making automated calls to identify themselves at the outset. And the National Republican Congressional Committee, which has financed the calls, agreed on Sunday to quit making some of them in New Hampshire, where a state law limits who can receive computerized phone messages.

Ed Patru, a committee spokesman, said the phone campaign complied with federal law and was "drawing contrasts" between the candidates. "There's no statutory requirement that our phone calls be complimentary to Democrats," Mr. Patru added.

Federal filings indicate that the committee has spent about $2 million on phone calls in the last week.

But Democratic officials say they fear the saturation calling is just a tactic to irritate voters and discourage them from going to the polls.

"Make no mistake about it," said Representative Rahm Emanuel, an Illinois Democrat who is leading his party's effort to retake the House. "This is a dirty trick, one they have pulled before, one they have gotten caught on, and they are still doing it."

Mr. Emanuel was referring to past fights over last-minute phone campaigns, particularly in New Hampshire, where three Republican officials were convicted of campaign violations stemming from an effort in 2002 to jam phone lines used by the Democratic Party to get out the vote.

Complaints about the recent Republican calls first surfaced about a week ago in a smattering of states. Rozanne Ronen, who lives in a Chicago suburb, said she had gotten more than 20 of the calls, all relating to the same House race. "To me, it's just harassment," she said.

New York Democratic Party officials complained Monday that the calls also had been made on Sunday and Monday to voters in four hotly contested House districts.

The Democrats say that a few calls have been made in the early morning or middle of night, and that some voters received several calls minutes apart. Republican officials said that would have happened only if there was a computer glitch.

Others, like Ms. Hollis, the Villanova professor, say they have filed complaints with the Federal Communications Commission. Its rules on automated calls require that callers state their identity at the beginning of the message. These calls end with a disclaimer that they were paid for by the Republican committee; no identification is made at the start of the message.

Political messages are exempt from the federal do-not-call rules meant to discourage unwanted sales pitches. But a New Hampshire law prohibits making automated calls to people who are on the do-not-call list. The Republican committee agreed on Sunday to halt calls there at the urging of the state attorney general.

David Kaplan, a registered Republican in Connecticut who has received more than two dozen of the calls, said he was so annoyed that the Republicans might "have shot themselves in the leg" in terms of winning his vote.

It's A Candidate Calling. Again. (WP)

By Charles Babington And Alec MacGillis

The Washington Post, November 7, 2006

This year's heavy volume of automated political phone calls has infuriated countless voters and triggered sharp complaints from Democrats, who say the Republican Party has crossed the line in bombarding households with recorded attacks on candidates in tight House races nationwide.

Some voters, sick of interrupted dinners and evenings, say they will punish the offending parties by opposing them in today's elections. But critics say Republicans crafted the messages to delude voters -- especially those who hang up quickly -- into thinking that Democrats placed the calls.

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Republicans denied the allegation, noting that their party acknowledges its authorship at the recorded calls' end. After citizens' complaints in New Hampshire, however, the National Republican Congressional Committee agreed to end the calls to households on the federal do-not-call list, even though the law exempts political messages from such restrictions.

Whether "robo-calls" are positive or negative, mean-spirited or humorous, thousands of Americans are sick of them, according to campaign organizations that have been fielding complaints over the past two weeks.

An Ohio woman, who did not leave her name, called The Washington Post in tears yesterday, saying she could not keep her phone line open to hospice workers caring for her terminally ill mother because of nonstop political robo-calls.

Pamela Lorenz, a retired nurse in Roseville, Calif., called her own experience "harassment as far as I'm concerned" and said, "If I were voting right now, the opponent who's doing this, he'd be off my list for throwing that much trash."

Hour after hour and day after day for two weeks, Lorenz's home has received the same NRCC recorded message attacking Charlie Brown, the Democrat who is challenging Rep. John T. Doolittle (R) in a hard-fought battle in northeastern California. "It is a recorder calling," Lorenz said. "I can't call it back to get them to stop."

Voters in Northern Virginia have been exposed to fewer of the aggressive "push poll" type calls than elsewhere. But they said they have been getting so many of the conventional automated calls plugging candidates that they have started hanging up as soon as the recordings begin or screening them with caller ID.

"I hang up as soon I hear it start. I've already heard most of what people have to say. I don't have time to listen to them," said Angela Elliott, a Fairfax Circle resident who is registered as an independent and has been getting more Democratic calls than Republican ones.

Nicholas Beltrante, of the Alexandria section of Fairfax County, said he has been getting an average of three to five automated calls per day from both Democrats and Republicans. "I made up my mind weeks ago, and the moment I identify them as one of those calls I just hang up," he said.

As annoyed as they are, Northern Virginia voters said their irritation will not prompt them to vote against the campaigns placing the calls, because the calls are positive in nature.

Jane Edmondson, a McLean community activist, registered Democrat and Democratic donor, said she has stopped answering calls that appear as 800 or 877 numbers on her caller ID, for fear that they are robo-calls. At church Sunday, she said, she and others were jealous of one churchgoer who said his caller ID identifies campaign calls as "political calls." "We all said, 'Why don't we get that?' " she said.

Democrats cited federal records indicating that the NRCC recently spent about $600,000 in at least 45 contested House districts for robo-calls, which are among the least expensive campaign tools. The brief calls typically begin with a speaker offering "some information" about the Democratic nominee and then immediately accusing the nominee of seeking to raise taxes, among other perceived wrongs.

Many voters hang up as soon as a robo-call begins -- without waiting for the criticisms or the NRCC sign-off at the end -- so they think it was placed by the Democratic candidate named at the start, said Sarah Feinberg, spokeswoman for the Democratic Congressional Campaign Committee. "Our candidates are inundated with phone calls from furious Democrats and independents saying . . . 'I'm outraged and I'm not going to vote for you anymore,' " she said.

Feinberg said some voters have received robo-calls late at night, despite federal rules barring such calls after 9 p.m. NRCC spokesman Carl Forti said his organization ends all calls by 9 nightly.

Democrats also cited Federal Communications Commission guidelines saying the originators of automated calls must identify themselves at the beginning of each call. Republican Party lawyers, however, said the requirement does not apply to political nonprofit organizations. They rebuffed a "cease and desist" letter sent yesterday by the DCCC.

In a conference call with reporters yesterday, the DCCC chairman, Rep. Rahm Emanuel (Ill.), compared the widespread robo-calling to a 2002 Republican effort in New Hampshire to jam Democratic phone lines to prevent the Democrats' get-out-the-vote effort. The Republican National Committee has spent more than $2 million to defend its officials in the case, he said. "Make no mistake, this is a dirty trick, one they've done before, one they've gotten caught on and one they continue to do," Emanuel said.

Karyn Hollis, a Villanova University English professor who supports Democrat Lois Murphy in her bid to oust Rep. Jim Gerlach (R-Pa.), said she has received numerous robo-calls attacking Murphy. "You just get sick of these calls," Hollis said. A quick hang-up can lead the recipient to conclude that Murphy supporters placed the call, she said. Listening to the full message, she said, subjects the voter to a litany of attacks against Murphy.

"It's a double thing," Hollis said. "Either way they win."

Many robo-calls involve celebrities and are positive and straightforward, such as recordings from former president Bill Clinton urging voters to support Democratic nominees. In New Jersey, comic actor Joe Piscopo has recorded messages on behalf of GOP Senate candidate Tom Kean Jr.

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In Connecticut, NRCC robo-calls have targeted Dianne Farrell, the Democrat seeking to unseat Rep. Christopher Shays (R). Asked if Farrell has her own automated calls, campaign spokeswoman Jan Ellen Spiegel replied: "Only one, and it's rather distinctive because it's Paul Newman. We haven't gotten complaints about that one."

Exit-Poll Secrecy Measures Aim To Plug Leaks To Blogs By AMY SCHATZ (WSJ)

The Wall Street Journal, November 7, 2006

Two-by-two, polling specialists from ABC, CBS, NBC, CNN, Fox News and the Associated Press will go into rooms in New York and Washington shortly before noon Tuesday. Their cellphones and BlackBerrys will be confiscated; proctors will monitor the doors; and for the next five hours, these experts will pore over exit-poll data from across the country.

If all goes well, only when they emerge from their cloisters will the legions of ravenous political bloggers have any chance of getting their hands on the earliest indication of which party will end up controlling Congress.

"The demand for info is intense, and if the safeguards aren't steel doors bolting people inside a room, it will get out," says Marc Ambinder, associate editor of National Journal's Hotline OnCall. "The insatiable appetite for this info will overwhelm the ability to keep it secret."

The extraordinary security is a result of mix-ups that prompted grumbling about the accuracy of exit polls after the 2004 presidential election: Bloggers posted data from early exit polls, incorrectly calling some states for Massachusetts Democratic Sen. John Kerry and indicating that he would unseat President Bush.

This year, media executives figure the secret will keep less than half an hour. "Based on past experience, I expect that I'll have exit-poll data soon after it's released from multiple sources," Taegan Goddard of the newsy independent blog Political Wire1 says in an email.

Exit polls will be available for all the key Senate races, giving an early picture of whether it could flip to the Democrats. House races won't be available, although clues in statewide data for states with lots of close races, such as Ohio, Pennsylvania, New York, Connecticut and Indiana, will provide a sense of what the broader outcome might be.

The data are collected through the National Election Pool, a consortium made up of the three traditional networks, CNN, Fox News and the AP. NEP's members decide which questions are asked and set the rules for the data's release.

Only consortium members get all of the data, including state breakdowns. Other media outlets -- but not bloggers or political parties -- may purchase the data, on a sliding cost scale. A state report can cost anywhere from $1,000 to $5,400, depending on the size of the news organization. A week after the election, all of the data can be purchased by academics, political parties and others for $10,000.

ELECTION 2006

· Election Quiz:2 Test your political IQ.

· Got an election-related question? Write to The Wall Street Journal's Alan Murray at askalan@wsj.com3, and check back Election Night, when Alan will answer selected questions at wsj.com/video4 from 6 p.m. ET to midnight.

· For complete coverage, see WSJ.com/Election20065.

SENATE AND GOVERNORS

6 · Review the results of the latest polls7 in hot Senate races.

· The Senate's Uncertain States:8 Interactive profiles.

· Battlegrounds Poll:9 Who's ahead in hotly contested Senate and gubernatorial races? Dig into the latest Zogby poll data.

RACE FOR THE HOUSE

10 · Tracking the House Polls: Check recent numbers11

· Representative Races: Data on 20 key districts12

News organizations use exit polls to give them an early sense of the electorate's mood to shape and guide coverage later that night when the real results come in. As the data become more complete throughout the day, NEP and news organizations use them to project winners when the polls close. TV news anchors know the results, but are honor-bound not to disclose them until the polls close in the individual states. Sometimes, however, they can't resist alluding to some results with broad statements about the mood of the electorate.

Poll results are for internal use for the most part, but are generally the worst-kept secret in the news business. On Election Day, exit polls are the coin of the realm in Washington, and some reporters and editors can't resist sharing top-line data among themselves and with political operatives. Consequently, the information can reach bloggers from any number of sources.

Mainstream news organizations know that bloggers will eventually get their hands on the exit-poll data, but their goal is to delay it as long as possible because the accuracy of the data improves as the day goes on.

In previous years, numbers were made available to the news organizations in waves via secure Web sites. In 2004, the first wave of data went out around 2 p.m. and quickly leaked onto the Internet. That's what brought about this year's sequestering

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of the news organization's representatives. The only communication they'll be allowed to make out of the so-called quarantine rooms before 5 p.m. will be to warn their new organizations about potential problems in the data. (In 2000, faulty polling prompted some networks to incorrectly call Florida in favor of Al Gore.) Those messages will be monitored by representatives of the polling firm NEP has contracted with.

Consequently, for much of Tuesday, bloggers will likely be chattering mostly about secondary issues, such as voter turnout and problems with new electronic voting machines.

But at 5 p.m., waves of exit-poll data will begin flowing to newsrooms via limited-access Web sites. For the bloggers, the scramble will be on to get the data first, hoping for an email from a friendly source.

"People need to realize those numbers aren't the real results," says David Bohrman, vice president of news and production at CNN's Washington bureau, who urges people to be cautious when interpreting poll results. "They show why people voted today, and what was on their minds. The only real way to figure out who won is to count the votes."

Mark Blumenthal, a Democratic pollster known as the "Mystery Pollster" on Pollster.com13, which tries to explain the mechanics behind polls, agrees. Exit polls are "still a sample," he says. "Don't get all excited about it." In 2004, Mr. Blumenthal posted a warning in the morning about the vagaries of exit polling data and says he'll post another Tuesday. "You learn the hard way that a one- or two-point lead on a leaked exit poll is meaningless," he says.

Mr. Ambinder of Hotline OnCall14, the free, wonky blog updated by National Journal's political reporters, says editors there have vowed not to post any exiting-polling data. They say that the less they post while polls are open the better. "If a header in my inbox says 'exit poll,' I'm going to try to resist the temptation to open it," he says.

Throughout the day, a lot of unreliable numbers on exit polling will be flying around in emails, predicts Jacob Weisberg, editor of online magazine Slate, which published early exit-polling data in 2004. If Slate receives exit-polling data from a reliable source in the media it will publish them again, Mr. Weisberg says, although he doesn't know if they'll be very meaningful. "When elections are really close, exit polls aren't that reliable."

"I'll post it with the caveat that it was all crap last time and will probably be crap again," says Glenn Reynolds of Instapundit.com15, a conservative-leaning blog, who will be doing interviews for CNN via a Webcam from his Knoxville, Tenn., home.

Unreliable or not, for many bloggers exit polls are just too juicy to ignore. "Basically, yeah, we'll run everything we get the second we get it," says Alex Pareene of the irreverent Washington blog Wonkette16. "Give the people what they want."

Early Night For Poll Watchers? (WP)

By Jeffrey H. Birnbaum

The Washington Post, November 7, 2006

No matter who triumphs today -- Election Day -- supporters of both political parties and will have something to be happy about: They probably will not have to stay up too late to know which way the midterm elections are heading.

"The key races in Congress are concentrated in the Eastern and Central time zones, so we ought to have a good sense of the trend relatively early in the evening," said Amy Walter of the nonpartisan Cook Political Report.

In the Senate, Democrats would have to gain six seats to win a majority, and all but one of the most competitive races are in states in the East or Midwest: Virginia, Tennessee, Missouri, New Jersey, Pennsylvania, Rhode Island, Ohio and Maryland. The single nail-biter farther west is in Montana.

Most tossup House races are also clustered in states east of the Mississippi River. By watching the fate of Republican candidates in Connecticut, New York, New Hampshire, Pennsylvania, Kentucky, Indiana and Ohio, political enthusiasts will have a good idea whether Democrats will win the 15 seats they need to take control of the House, analysts say.

That is, of course, if everything goes smoothly. And things rarely do. Uncertainties about electronic voting machines and hassles over identifying registered voters could make early predictions about the election precarious.

Nonetheless, there will be plenty of guessing as the night goes on.

Broadcast networks plan to confine their reports to a single hour starting at 10 p.m. Eastern time, hosted by their national news anchors. ABC will also feature the midterm elections on "Nightline" from 11:30 p.m. to midnight. In addition, the broadcast channels will do live cut-ins throughout the evening when major results become known.

Political junkies will demand a lot more information than that. For them, cable news channels and Web sites will fill in the gaps.

The cable channels are scheduled to provide their usual blanket coverage all evening and into the wee hours. This year, in addition, the Web versions of most major publications and news outlets will constantly update their online election results. Cyber surfers will be able to pop onto a wide variety of Web sites as often as they want and track every tick of the electoral totals.

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"If you wake up at 3 a.m. in a cold sweat, you can go to your computer for the latest results," said Rajiv Chandrasekaran, The Washington Post's assistant managing editor for continuous news. "People can also wake up first thing in the morning and do the same thing."

For people who want their beauty rest, however, a few contests with early poll closings can be seen as harbingers of things to come. As Kentucky and Indiana go, analysts say, so will go the House. And the good news: The polls in both states will close by 7 p.m. Eastern time.

Nathan L. Gonzales of the nonpartisan Rothenberg Political Report recommends looking at Kentucky in particular. If Rep. Geoff Davis (R) is defeated by former representative Ken Lucas (D), Gonzales said, "the GOP is in serious jeopardy." If Reps. Anne M. Northup and Ron Lewis, both Republicans, also lose, Republican losses in the House could be sizable, he added.

Another bellwether is Indiana. Three Republican congressmen face tough reelection fights there: John N. Hostettler, Chris Chocola and Michael E. Sodrel. Hostettler has been all but given up for lost. But if Chocola, Sodrel or both also go down, the Republican majority in the House will probably fall with them, analysts agree.

Walter of the Cook Political Report sees the electoral fate of Sodrel, a freshman who is facing former representative Baron Hill (D) for the third time, as one of the nation's best predictors of the partisan direction of the House.

"If a Democratic tsunami is hitting, Republicans could realistically lose the majority before the polls close in the 8 p.m. states," such as Pennsylvania, Gonzales said. "But if Republicans can escape these early states down by only three or four seats, it should be considered a moral victory."

The Cook Report lists nine Senate races as tossups, and Gonzales of the Rothenberg Report names two of them as the ones to watch.

Sen. James M. Talent (R-Mo.) is in a neck-and-neck battle with Missouri state Auditor Claire McCaskill (D). And in Virginia, Sen. George Allen (R) is nip and tuck with Democrat James Webb. "If Talent loses, the GOP majority is in serious jeopardy [in the Senate]," Gonzales said. "And it's gone completely if Allen loses."

Check Indiana For A Preview (NYT)

By Jeff Zeleny

The New York Times, November 7, 2006

For an early glimpse of how election night will unfold, strategists of both parties have their eyes fixed on Indiana.

Yes, Indiana is home to three of the most competitive House races in the nation. But it is the 6 p.m. Eastern closing time for a majority of the state's polling places that is most intriguing to Republicans and Democrats.

Both parties are eager to seize on early indicators for how the counting will play out. The first sign of a Republican wave in 1994 came when Representative Jill Long, a Democrat, lost her Third District seat early in the evening to Mark Souder. While Mr. Souder is expected to win re-election this time, three Hoosier colleagues — Chris Chocola, John Hostettler and Mike Sodrel — face uphill battles.

Many competitive races are in states in the Eastern time zone. But polls in Ohio close at 7:30 p.m.; those in Connecticut and Pennsylvania stay open until 8, and New York's till 9.

That leaves Indiana as a preview to the evening's suspense, at least in the House.

For the too-close-to-call Senate races, Virginia could be the one to watch, with polls closing at 7 p.m., followed by Maryland and Missouri at 8, Rhode Island at 9 and Montana at 10. These times, which will be carefully watched by the networks, have been converted to Eastern.

Gore Headlines Maryland Campaign Event (WP/AP)

The Washington Post, November 7, 2006

SILVER SPRING, Md. (AP) -- Former Vice President Al Gore made an election-eve visit to Maryland Monday, joining Democratic gubernatorial candidate Martin O'Malley and Senate candidate Ben Cardin at a get-out-the-vote rally at a Montgomery County retirement community.

Gore was the only national heavyweight from either party to campaign in the state on a day when Republican Gov. Robert Ehrlich wound up his campaign with a rally near his boyhood home in Baltimore County and Lt. Gov. Michael Steele, the party's Senate nominee, continued what his campaign described as an around-the-clock campaign tour that he had started on Sunday.

With the outlook uncertain in both top-of-the-ticket races, the candidates and their surrogates scratched for every possible vote in the final hours of the campaign.

Volunteers called potential voters from phone banks run by the campaigns and the state Democratic and Republican parties, and the four candidates -- plus Republican lieutenant governor candidate Kristen Cox and Anthony Brown, O'Malley's running mate -- hurried from one stop to the other shaking hands, holding rallies and encouraging volunteers to work harder.

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Gore's appearance at Leisure World attracted an overflow crowd of more than 300 to hear the former vice president and a host of Maryland Democratic officials, including O'Malley, Cardin attorney general candidate Doug Gansler and comptroller nominee Peter Franchot.

Gore spoke of the importance of the Cardin-Steele race to Democratic hopes of regaining control of the U.S. Senate.

"It may come down to right here," he said.

Congress has abdicated its responsibility to hold President Bush accountable for his failures, and a Democratic House and Senate are needed to ask the tough questions Republican leaders are not asking, Gore said.

He said Baltimore under O'Malley has had "the most competent, most cutting edge ... administration of any city in the country."

"Please don't take anything for granted. These are close races," Gore said.

Ehrlich returned to southwestern Baltimore County to end his campaign at a rally in the heart of Arbutus, where campaign commercials played on a giant screen and supporters chanted "four more years."

The Republican governor spoke from the back of a tow truck decorated with a dozen Maryland flags. He was joined by two Democrats, former Gov. Marvin Mandel and Baltimore City Councilman Nicholas D'Adamo.

"We have a record of accomplishment in this government and we haven't whined. People expect leadership, and that's what we've done," Ehrlich said.

Steele began an around-the-clock campaign schedule on Sunday, pausing only 45 minutes overnight for a nap, said Doug Heye, a campaign spokesman. The lieutenant governor toured coffee shops, grocery stores and went bowling. He also met with a group of ministers and, late in the day, shook hands with commuters getting off a train from Washington.

Cardin said at the Gore rally that the nation is moving in the wrong direction and a Democratic Senate and House are needed to set a new course.

"This election is about what type of country do we want to leave to our children and grandchildren," he told an audience of mostly older residents at the retirement community.

O'Malley criticized what he said were negative campaign commercials by the governor, drawing laughter from the crowd when he said, "Thank goodness, we won't see them on TV in 24 hours."

Gore Stumps For Cardin; Pastors Endorse Steele (WT)

By Jon Ward And S.a. Miller

The Washington Times, November 7, 2006

For up-to-the-minute results, news, and

analysis, make WashingtonTimes.com your home for election night.

Former Vice President Al Gore campaigned yesterday with Maryland's Democratic candidates for the U.S. Senate and governor -- Rep. Benjamin L. Cardin and Baltimore Mayor Martin O'Malley, respectively -- closing out the party's effort to hold off strong Republican campaigns.

Meanwhile, Lt. Gov. Michael S. Steele crisscrossed the state on a nonstop bus tour and received last-minute endorsements for his U.S. Senate campaign from the pastors of two Prince George's County's black megachurches. And Gov. Robert L. Ehrlich Jr. campaigned for re-election in Baltimore County, ending the day with a rally in his hometown of Arbutus.

Today's elections in Maryland could help decide whether Republicans will retain control of Congress and whether the Democrats maintain their dominance in state politics. Recent polls for the Senate and gubernatorial contests show that both are dead heats.

Polls open at 7 a.m. and close at 8 p.m.

Maryland elections also will test whether officials have fixed glitches in the state's electronic voting system that caused delays and confusion during September's primary elections.

The final results of close contests might not be known until late this week or next week, because voters have requested nearly 200,000 absentee ballots, which elections officials will begin counting Thursday.

An Anne Arundel County judge late yesterday denied a request by the American Civil Liberties Union and other groups to extend the deadline for voters to postmark absentee ballots. The ACLU filed a last-minute lawsuit, saying that some voters didn't receive their ballots in time to meet the deadline.

"If anybody tells you that one vote doesn't matter, tell them to come and talk to me," Mr. Gore said during a rally at Leisure World, a retirement community in Aspen Hill that is the state's largest voter precinct. "It matters more than perhaps it ever has."

Mr. Gore, who lost the 2000 presidential election to President Bush after weeks of recounts in Florida, said Mr. Cardin's contest with Mr. Steele "is going to be looked at all across the nation."

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"This is about more than a Senate seat in Maryland," said Mr. Cardin, a 10-term congressman from Baltimore. "It's about taking back our country."

Mr. O'Malley called the Ehrlich administration a "detour" in the state's progress.

"In just 24 hours, we will be making a very important decision about whether we are a state that moves forward," he said.

In Landover, Mr. Steele stood with several black clergymen and received an endorsement from the Rev. Joel Peebles of Jericho City of Praise in Landover -- one of the largest churches in the state, with about 15,000 members and a weekly attendance of about 7,500.

Mr. Peebles said Mr. Steele "is the right person for the right job for the U.S. Senate seat."

Mr. Steele said that Bishop Anthony G. Maclin of the Sanctuary at Kingdom Square in Capitol Heights "is standing with us," even though Mr. Maclin did not attend the press conference. Mr. Maclin's church has a weekly attendance of about 2,000.

"I am ready to take that seat in the United States Senate," said Mr. Steele, the first black elected to statewide office in Maryland.

In the gubernatorial race, Mr. Ehrlich held a late-afternoon "countdown to victory rally" in his hometown of Arbutus, a blue-collar town in southwestern Baltimore County.

"We have a lot of Democrats here," said Mr. Ehrlich, who was joined on stage by former Democratic Gov. Marvin Mandel. "One Maryland -- Republican, Democrat, independent, Green -- it doesn't matter. Send a message to Annapolis: Stop the shenanigans."

Late yesterday, state Democrats decried a flier that depicts Prince George's County Executive Jack B. Johnson, among other black Democrats, as supporting Mr. Steele and Mr. Ehrlich.

"I resent that my picture is being used in something that's not true," Mr. Johnson said. "Everyone knows I'm supporting the Democratic ticket."

Ehrlich spokeswoman Shareese DeLeaver said the flier, which was sent to Prince George's residents, was "recognition of the bipartisan relationship that has existed between Governor Ehrlich and Prince George's County officials these past four years."

The closeness of Maryland's races has befuddled national observers. Maryland is an overwhelmingly Democratic state, and the national mood is virulently anti-Republican.

Mr. Steele and Mr. Ehrlich have made inroads into the black community, which makes up about 30 percent of the state's Democratic Party.

Allen, Webb Cite Fate Of Senate (WT)

By Christina Bellantoni And Seth Mclaughlin

The Washington Times, November 7, 2006

For up-to-the-minute results, news, and

analysis, make WashingtonTimes.com your home for election night.

Republican Sen. George Allen and Democrat James H. Webb Jr. yesterday urged Virginians to go to the polls, as they crisscrossed the state in their final full day of campaigning in a race that could determine control of the U.S. Senate.

The uncertainty of today's result was crystal clear yesterday, with the release of two competing polls -- one giving Mr. Webb, a Vietnam War veteran, an eight-point lead and the other showing Mr. Allen, a former governor and congressman, with a three-point lead.

Voters also will decide on a constitutional marriage amendment that is expected to drive turnout among conservatives in rural Virginia and more liberal voters who oppose the measure in Northern Virginia. Turnout is expected to be 65 percent of the state's 4.5 million registered voters.

Polls will open at 6 a.m. and close at 7 p.m. today.

As both candidates made stops in Richmond, Norfolk, Roanoke and Northern Virginia yesterday, they said voters have a chance to set the course of the nation.

Mr. Webb, a former Republican, ended his 10-month underdog campaign at a rally with former President Bill Clinton and more than 2,000 supporters in Old Town Alexandria.

"If you want America to take a different path, you to have to elect Jim Webb," Mr. Clinton said.

Mr. Clinton's visit prompted ridicule from Republicans who remember he lost in Virginia in 1992 and 1996 and that his last-minute visit for Lt. Gov. Donald S. Beyer in 1997 did not help the Democrat win the governor's race.

"You can tell a lot about someone by the folks they keep company with," Mr. Allen said in Norfolk, standing with Sen. John W. Warner, Attorney General Robert F. McDonnell, Rep. Thelma Drake and former Redskins defensive end Deacon Jones.

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"I'll stand with these patriots closer to Virginia values and virtues than the group that my opponent is standing with," Mr. Allen said.

Mr. Webb also was joined on the trail by Gov. Timothy M. Kaine, former Govs. Mark Warner and L. Douglas Wilder and Rep. Robert C. Scott.

"You will not lose me in terms of my loyalties," Mr. Webb told voters.

Mark Warner, a Democrat, didn't mind that Mr. Allen was criticizing Mr. Webb's friends.

"I'll take that comparison. I think the people of Virginia are pretty happy with the way we govern," he said.

Mr. Wilder agreed: "We're going to win an upset ... that will have the whole nation talking."

Mr. Allen also criticized Mr. Webb as a friend of liberal Sens. John Kerry of Massachusetts and Hillary Rodham Clinton of New York.

That theme carried on at each stop, which also included a solemn message from John Warner that he and Mr. Allen make a "good team." It was the same plea he made in an appearance with Mr. Allen in a two-minute ad last night.

"He has 23 years of serving those in the Commonwealth of Virginia, and now six in the United States Senate and he needs no on-the-job training," John Warner said in Richmond, to cheers from about 75 people in the overflowing room at the airport.

Mr. Allen, a former college quarterback, tossed a football at each event and called his supporters "teammates." They responded: "Six more years."

"Your enthusiasm is invigorating," he said.

A few hours earlier at Virginia Commonwealth University in Richmond, about 300 Webb supporters held signs and shouted, "Let's go Jim."

At that rally, at least one Webb voter ripped up a blue Allen sign. Another supporter held a sign that read: "Thanks, George Allen, for making me a Democrat."

Mr. Clinton simplified Republican campaign strategy as: Vote for me, "because my opponent is a slug, and they are going to tax you into the poorhouse, and on the way to the poorhouse, you'll meet a terrorist coming around the street corner, and when you try to run away from that terrorist, you are going to trip over an illegal immigrant."

Immigration, taxes and terrorism were an ongoing theme in Republican stump speeches.

"Republicans look at every day as Independence Day, they like it to be the Fourth of July," Mr. Allen said, paraphrasing President Reagan. "Democrats look at every day as April 15th."

The final days of each campaign showed a marked difference in mood.

Mr. Webb, criticized privately by Democrats for months for having a stiff style, seemed relaxed, enjoying himself and telling more jokes.

Mr. Allen, looking tired and showing weight loss, said with a big smile that the Gallup/USA Today poll released yesterday shows he has needed momentum in the final hours.

At their first debate in July, both candidates agreed that no matter the outcome they would sit down together for a beer when it was over.

By yesterday morning, the mood had soured.

"I don't think I will be drinking a beer with George Allen," Mr. Webb said. "I said I didn't want this to get personal, but I think he went too far."

When asked whether he still planned to get that beer, Mr. Allen shook his head, laughed and said flippantly: "Yeah, sure."

FBI Looks Into Voter Intimidation (RTD)

By JEFF E. SCHAPIRO

Richmond Times-Dispatch, November 7, 2006

The FBI is looking into possible voter intimidation in Virginia's hard-fought U.S. Senate contest between Republican incumbent George Allen and Democrat Jim Webb.

Just ahead of today's election, state officials alerted the U.S. Justice Department to several complaints of suspicious phone calls to voters about where they cast ballots and their preferences for the Senate.

Jean R. Jensen, secretary of the State Board of Elections, said yesterday that she was subsequently contacted by an agent in the FBI's Richmond office. The FBI is the investigative arm of the Justice Department.

Dee Rybiski, spokeswoman for the FBI here, declined comment.

Jensen said she called the Justice Department's civil rights office in Washington and the Virginia attorney general after receiving a complaint Sunday from a voter in Arlington County and one yesterday from the registrar in Accomack County.

Jensen said she later received a report from the Hampton registrar about a call to a voter there. That complaint came in response to an e-mail from Jensen to local registrars about possibly deceptive phone calls.

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"Voters should not be intimidated or deceived by phone messages purporting to be from election officials," Jensen said in a written statement. "Any communication from federal, state or local election officials will always be in a written form clearly identifying the official source."

With published polls depicting the Allen-Webb race as a tossup, both sides are mobilizing lawyers and voting experts to watch for irregularities and prepare for a possible recount.

In a written statement issued by the Webb campaign, state Democratic Party counsel Jay B. Myerson suggested that Republicans are behind efforts to suppress votes for Webb.

"We've seen this tactic before, and it is about time the Republicans learned that it will not work," Myerson said.

Shawn M. Smith, executive director of the Virginia Republican Party, said the state GOP and Allen campaign are focusing on mobilizing votes for Allen.

As for voter intimidation or suppression, Smith said: "We are not aware of any such activities taking place and are skeptical of the claims being made. Nonetheless, we condemn such activities if they are being conducted by outside organizations."

Lieberman Says Win Won't Be Debt To GOP (AP-Y)

By Andrew Miga

AP, November 7, 2006

Though Sen. Joe Lieberman expects to win a lot of Republican votes Tuesday, the Connecticut lawmaker said he won't feel especially beholden to the GOP if he is elected to a fourth term.

"I'll owe everybody and that's the point," Lieberman said Monday as he pressed for final votes at a senior center in Meriden.

Lieberman, whose Senate career was at risk just three months ago after he lost to anti-war challenger Ned Lamont in the Democratic primary, led Lamont by 12 percentage points in a statewide poll released Monday.

Lieberman is running as an independent and has enjoyed support from the GOP, including praise from the White House and fundraising help from prominent Republicans such as New York City Mayor Michael Bloomberg.

But he said his comeback since the primary has convinced him that he needs to be a stronger independent voice.

"It's taken me as an independent-minded Democrat and really empowered me to be more independent," said Lieberman, the Democrats' 2000 vice presidential nominee. "Parties are important, but they're not as important as the public interest."

Potential gains by Democrats mean the Senate could end up in a 50-50 split, or something close to it. Republicans, who have already helped Lieberman's campaign, would likely court him in hopes of persuading him to switch parties.

Lieberman has pledged to remain a Democrat.

"At every occasion I'm going to try my best to build bridges instead of walls between people in both parties," he said.

Lamont, a Greenwich businessman and political newcomer who has spent $16 million of his own money, including a $2 million loan, on the race, gave a final speech at a union office in Hartford on Monday. He echoed the theme of change that he has used throughout the campaign.

"I say we have a lot of people who have been in Washington D.C., too long," Lamont said. "It's time to bring some new people down there who are going to shake up the way we do business."

Lieberman's independent bid rankled many Democrats who questioned his party loyalty. He has admitted to some bruised feelings about Democratic colleagues such as fellow Connecticut Sen. Christopher Dodd, who endorsed him in the primary but is now backing Lamont.

"Well, we're all grown-ups," Lieberman said. "And the Senate is ultimately 100 people going to work in the same place every day and your ability to get things done depends on how well you get along with the other workers, so it will be fine."

A Fiery Warning Against Taking Risks (NYT)

By David D. Kirkpatrick

The New York Times, November 7, 2006

In a New Mexico district near the site of the first nuclear bomb test, Representative Heather A. Wilson, a Republican in a neck-and-neck race for re-election, has broadcast an incendiary television commercial against her Democratic challenger, Patricia Madrid. In the spot, images of fire mutate momentarily into floating fragments of text before dissolving again into flames: “North Korea conducts nuclear test. Reductions in military spending. The murder of any American anywhere on earth.” As a picture of the North Korean dictator, Kim Jong Il, gives way to an unflattering photo of Ms. Madrid, a narrator asks: “Can we trust her? With so much at stake? Does she have the experience we need? In a world like this, is she the one who will keep our families safe? Patricia Madrid. Don’t take the risk.”

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Puppy Power: How Humane Society Gets The Vote Out Animal Welfare Is The Issue, Not The Candidate's Party; Loaded For Bear Hunters By BRODY MULLINS (WSJ)

The Wall Street Journal, November 7, 2006

DUBLIN, Calif. -- Wayne Pacelle marched up to a one-story house here last week, hoping to persuade the two Republicans inside to vote against incumbent Republican Rep. Richard Pombo.

"Beware of dog," read a nearby sign as Mr. Pacelle knocked on the front door. Suddenly, a pit bull charged from inside the house. Mr. Pacelle stumbled backward. The dog slammed into the door. A screen was all that separated the growling beast from the chief executive officer of the Humane Society of the United States.

"I may be with the Humane Society, but I prefer little dogs when I'm canvassing," said the 41-year-old Mr. Pacelle. For Mr. Pacelle, the pit bull is just one snarling obstacle in his path toward transforming the nation's largest group of pet lovers into a ferocious force in congressional elections. Call it puppy power at the polls.

For the first time in its 50-year history, the Humane Society is trying to elect candidates to Congress who support its animal-welfare agenda. After a series of mergers with other animal-welfare groups, the Humane Society counts 10 million Americans as members, an average of 23,000 in each of the 435 House districts. That's more than twice the membership of the National Rifle Association, which is considered one of the most effective single-issue campaign organizations.

More important, the Humane Society's motivating issue -- the promotion of animal welfare -- resonates with the white suburban women who could be the key block of voters who decide this election.

The Humane Society isn't campaigning for just one political party. Sen. Rick Santorum, a Republican from Pennsylvania, won its support this year for championing federal funding for animal-protection programs. Virginia Republican Sen. George Allen was endorsed for introducing legislation to require bitter-tasting antifreeze to discourage pets from lapping up spills.

ELECTION 2006

· Election Quiz:1 Test your political IQ.

· Got an election-related question? Write to The Wall Street Journal's Alan Murray at askalan@wsj.com2, and check back Election Night, when Alan will answer selected questions at wsj.com/video3 from 6 p.m. ET to midnight.

· For complete coverage, see WSJ.com/Election20064.

SENATE AND GOVERNORS

5 · Review the results of the latest polls6 in hot Senate races.

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RACE FOR THE HOUSE

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In the House, the Humane Society is campaigning for several Republicans in close races, including Reps. John Sweeney of New York and Christopher Shays of Connecticut. Mr. Sweeney, who represents Saratoga's race track, pushed legislation through the House to ban the slaughter of horses for human consumption.

Among Republicans the Humane Society is targeting are Montana's Sen. Conrad Burns, who opposed Mr. Sweeney's horse-slaughter bill in the Senate, Rep. Heather Wilson of New Mexico and Mr. Pombo of California.

The Humane Society has endorsed more than 300 candidates for Congress. But it has spent money in just two dozen of the closest races where Mr. Pacelle believes he can swing about 5% of the vote.

"Animals are a part of the fabric of our culture, so it's inevitable that the organized network that protects animals would activate for political ends," Mr. Pacelle said in an interview. About two-thirds of households have pets. "We can be an incredibly influential political organization, as powerful as the Chamber of Commerce," Mr. Pacelle told a crowd of election volunteers in Las Vegas last week.

Carolyn Mathias, a lifelong Republican, learned from the Humane Society that the state's Republican governor, Bob Ehrlich, had approved the state's first bear hunt in 50 years. The Humane Society publicized the decision in television advertisements that featured graphic images of dead bears.

"I'm sure it must sound unusual for a Republican to suddenly not vote Republican based on one issue," Ms. Mathias says. "The way I look at this is that the bears have no political party."

It cuts both ways. When Mr. Pacelle knocked on doors in Las Vegas last week for Republican Sen. John Ensign, a veterinarian, all but one of the volunteers who accompanied him were Democratic women.

Mr. Pacelle began creating the Humane Society political operation two years ago when he was named chief of the organization. Since then, he has quietly built a formidable election campaign machine. To comply with tax and election laws, Mr.

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Pacelle has created two offshoots of the Humane Society to focus on election campaigns. In total, the entities have spent $3.4 million on congressional elections and ballot initiatives, more than Exxon Mobil Corp. They have contributed $150,000 to candidates for Congress, which is more than Halliburton Co. has contributed.

The Humane Society has a long history of winning state ballot initiatives on issues ranging from banning cockfighting in Oklahoma to prohibiting hunting with steel-jawed leg traps in Colorado. This year, the Humane Society is battling the NRA over dove hunting in Michigan and big agriculture over the size of pigpens in Arizona.

The Humane Society first tested the waters in congressional elections in 2004 -- and then, in just one race. In that campaign, the group campaigned against Rep. Chris John in Louisiana when the Democrat ran for an open Senate seat against Republican Rep. David Vitter. Mr. John championed the state's legalized cockfighting industry, and the Humane Society didn't want to see him in the Senate.

Polls showed that nine in 10 women in Louisiana opposed cockfighting, so the Humane Society set about to tell 300,000 white female voters that Mr. John supported the practice. The group spent $400,000 on radio ads and mailings to get the message out. When Mr. Vitter won with 51% of the vote, the Humane Society knew it could be a force.

"If we could win in 'Sportsman's Paradise,' we can win anywhere," says Mr. Pacelle. A Yale graduate, Mr. Pacelle considered going to law school before dedicating his career to the protection of animals. Mr. Pacelle says he grew up with several pets and an "unusual interest in the welfare of animals." On his way to a recent news conference, Mr. Pacelle brought his fuel-efficient 2006 Toyota Prius to a halt to let a pigeon pass in front of him. "More than one million animals are killed each day by cars," he says. Divorced, Mr. Pacelle has no pets these days because, he says, he travels too much.

In the campaign's final days, the Humane Society focused on defeating Mr. Pombo, the California Republican who chairs the House Resources Committee. From that perch, Mr. Pombo has broad authority over environmental and agriculture legislation. The Humane Society backed Democratic candidate Jerry McNerney.

The Humane Society spent more than $100,000 on radio ads and $50,000 in mailings accusing Mr. Pombo of blocking legislation to promote animal welfare. A radio ad that aired last week accused Mr. Pombo of voting to "deny funding to crack down on the barbaric practices of dog fighting and cockfighting" and opposing legislation to outlaw the slaughter of American horses, "so the French can eat horse meat as a delicacy."

Such tactics "turned what might have been a snooze of a race into a nationally watched showdown," according to an Oakland Tribune article last week.

In Oakland last week, Mr. Pacelle embarked on his door-to-door canvassing tour dressed in tan khaki pants and a T-shirt that said "Get Political for Animals." After his encounter with the pit bull, Mr. Pacelle eyed a bumper sticker on a truck parked in a driveway: "Dog is my co-pilot," it read. "This is a good sign," Mr. Pacelle said, advancing to the door. In his typical pitch, Mr. Pacelle described Mr. Pombo as "so extreme he even actively supports commercial whaling."

A spokesman for Mr. Pombo predicted the Humane Society's effort would fail because voters would view the group as too extreme. "They are basically accusing members of Congress of clubbing baby seals and kicking puppies," said Brian Kennedy, the spokesman.

That sentiment was echoed by the Republican owners of the growling pit bull. Mr. Pacelle's speech about Mr. Pombo was cut off midsentence. "I don't think he kills dogs," the occupant said, shutting the door.

Mr. Pacelle fared better a few minutes later when he spotted a young couple getting into a black Ford Mustang. "She watches Animal Planet all the time," the man yelled as he drove away. "You've got our vote."

Social Security System Needs Bipartisan Solution (WSJ)

The Wall Street Journal, November 7, 2006

Rather than fostering an environment for real solutions, your editorial is an example ("AARP's Tax Trap1," Review & Outlook, Nov. 1) of exactly what's wrong with the current debate over Social Security.

The AARP Voters' Guide asks candidates to respond to two questions on this issue. The first is whether they would support or oppose using Social Security to fund private accounts. Our opposition to this is simple: It adds unnecessary risk and trillions of dollars of debt to future generations, significantly compounding the solvency problem. In short, it is not a real solution, and an overwhelming majority of the American public opposes it for this very reason.

Our second question goes to the heart of the matter: Would the candidates support a balanced Social Security plan to continue guaranteed benefits for future generations? The fact is, there are only two ways to address the solvency problem -- adding more resources to the program or adjusting future benefits (or some combination of both). As President Reagan said in signing the last major Social Security bill in 1983, "In this compromise, we have struck the best possible balance between the taxes we pay and the benefits we get back." At the time, he also said that "one point has won universal agreement: The Social Security system must be preserved."

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Our research shows the American public wants a balanced, bipartisan solution, and understands that changes will be needed in order to keep our promises. History tells us it can be done. As President Reagan noted in signing the 1983 compromise, this "is a clear and dramatic demonstration that our system can still work when men and women of good will join together to make it work."

AARP's Tax Trap (WSJ)

The Wall Street Journal, November 7, 2006

Social Security was supposed to be a killer issue for Democrats this election year after they defeated President Bush's reform plans in 2005. But suddenly the tables are turning on several Democratic candidates because of their endorsement of the tax-increase agenda of the American Association of Retired Persons, or AARP.

The liberal entitlement lobby has asked candidates around the country to fill out a questionnaire asking, "Will you support a balanced Social Security plan to continue the program's guaranteed benefits for future generations?" That may sound innocuous, but here's how AARP defines its balanced plan on its Web site near the above question: "AARP believes that a bipartisan plan that balances additional contributions from high income workers with modest adjustments in future benefits can maintain guaranteed Social Security benefits for future generations."

Those italics are ours, because in Washington "additional contributions" means a tax increase. And by "high income workers," AARP can only mean anyone earning more than $94,200, which is the 2006 income level above which the 12.4% Social Security portion of the payroll tax no longer applies. Employers and workers each pay half of the payroll levy, and the income cap already rises each year with inflation.

Thus if you make, say, $100,000 a year but live in pricey Los Angeles, tough luck; the folks at AARP think you're rich. They supported the elimination of the income cap for Medicare's portion of the payroll tax (2.9%) as part of the Clinton 1993 tax increase, and now they want to do it for the other 12.4%. A worker earning $150,000 would pay roughly $6,900 more each year in "additional contributions" under this AARP definition of "balance."

Many members in both parties signed this pledge, but for a handful of Democrats in hotly contested House seats (see the table nearby) it's become a political liability. That's because their GOP opponents refused to take the AARP pledge and are making an issue of this Democratic support for raising taxes on middle- and upper-income wage earners. It's certainly information voters ought to have before next Tuesday. Strangely, however, the Democrats are crying foul, and AARP is trying to give them political cover.

Democrat Melissa Bean -- who is trying to hold her seat in an affluent district near Chicago -- now claims she never supported the tax increase she plainly endorsed in answering AARP's questionnaire. And AARP is helping her disavow her pledge by sending a letter to her district's AARP members (as well as to the districts of other vulnerable Democrats who took its pledge). The letter from AARP President William Novelli slams Ms. Bean's opponent David McSweeney for his "ads trying to scare voters."

This AARP complaint about Social Security "scare" tactics is certainly novel, given that its own political clout has been built entirely on scaring seniors. In 2005, it paid for a TV campaign claiming President Bush wanted to "dismantle Social Security." But see if you can follow AARP's latest logic: According to a Chicago Daily Herald interview with AARP spokesman Dave Sloane: "The organization does believe lifting the cap on Social Security taxes and cutting future benefits may be necessary to keep the system afloat." But then he added that to conclude that Ms. Bean supports these policies "is an outrageous leap that is not even close to the truth."

That's not what Mr. Sloane said in previous statements about the purpose of AARP's candidate survey. He was quoted in the Palm Beach Post as saying that the intent of the questionnaire was to "gauge support for the group's position on Social Security . . . We presume that all the candidates would have read the background material and understood our positions."

Translation: AARP was hoping to use its candidate survey to nail down enough support to raise taxes on Social Security and to defeat private investment accounts if Mr. Bush pushes for reform again next year. But now that its scheme has been exposed and is hurting its Democratic pals in tight races, AARP leaders want to deny that this is what they meant. Let's hope Republicans remember this AARP double-dealing, which resembles what the lobby did in endorsing a drug plan for Medicare in 2003 only to call it inadequate now.

One irony here is that the now-disavowed AARP questionnaire is more honest than the group usually is about the choices facing politicians on Social Security. One option -- opposed by AARP -- is to reduce long-term unfunded liabilities by allowing workers to divert some of their payroll taxes into private accounts and tap into the higher returns that private investments offer. This would go a good deal of the way to solving the problem.

Another option -- the AARP "balanced" plan -- requires either raising taxes or cutting the future benefits of young workers, or both. That is, AARP would make today's lousy Social Security deal for young workers even worse. By all means voters should

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pay close attention to what AARP asked and how the candidates answered. It may have been the most honest moment in these Congressional campaigns.

America's Crisis Of Confidence (WP)

By Elizabeth Williamson

The Washington Post, November 7, 2006

Here's something to think about when you cast your vote today: A new study shows that Americans have lost faith in the people who lead their federal, state and local governments, and in businesses, churches and schools. And they are afraid to fly.

"America is in trouble," reads the introduction to the 2006 National Leadership Index, sponsored by U.S. News & World Report and the Center for Public Leadership at Harvard's Kennedy School of Government. According to the report, nearly three-quarters of Americans think that the nation faces a "leadership crisis."

This is the survey's second year, and it has been downhill all the way, said Todd Pittinsky, the center's research director. "Most groups are following the general trend of having low confidence and, if anything, having that confidence slip further."

The only leaders who earn more than a smidgen of Americans' confidence, the researchers say, are those in the military and medical fields. (Confidence in the media didn't slip, but it was in the sewer already.)

"We could have asked about grandmothers," Pittinsky said. "Maybe we could have had more confidence in grandmothers."

The researchers hope the survey will "contribute to our ongoing civic dialogue -- deepening our understanding of ourselves and the pressing need for effective, responsible democratic leadership."

Sounds scary. Like the section called "Global Leadership and Fear," in which 1,600 people were asked: "How optimistic do you feel about the safety of the United States from a terrorist attack?" Half felt at least a wee bit optimistic. But of the other half, 18 percent were somewhat pessimistic, and 16 percent wigged into the panicky "very pessimistic" category. Oddly, an additional 15 percent were neither pessimistic nor optimistic about the nation's safety.

Perhaps, joked survey researcher and assistant professor Seth Rosenthal, these are people "so paralyzed they can't even tell you if they're pessimistic."

The researchers also asked: "If you flew today, how confident do you feel that you would be safe from terrorist harm on a domestic flight?" Nearly half sucked it up on this one, saying they felt confident about flying safely. But 13 percent put a potential evildoer on every plane. "That's pretty bad," Rosenthal said. "Obviously there aren't planes being dropped out of the sky every day."

Blending fears of leadership failure and flying, the study further found that "Americans who are not confident at all that government leaders in Washington will respond effectively to an emergency crisis are less confident than other Americans about their safety from a terrorist attack on a domestic flight."

Any bright spots?

The group was asked to guess where the United States ranks among the top 32 industrialized nations in terms of citizens' life expectancy, economic equality and mathematics literacy.

Sunny optimism: The group put the United States in 10th place for longevity, and 15th for both economic equality and math skills.

Misplaced optimism, it turns out: Global rankings place the nation in 24th place for longevity, 30th for economic equality and 25th for math literacy. In other words, we are more elitist and lousier in math than even these disappointed, mistrustful and frightened Americans imagined. And we'll all die sooner than they thought.

Touch-screen Test (LAT)

The Los Angeles Times, November 7, 2006

NEW VOTING MACHINES, like new computers, are generally faster than old ones. But as every computer user knows, reliability is often more important than speed. And a lot depends on who's using the machine and how.

After the debacle with punch-card ballots in Florida six years ago, many counties across the country traded in their clunky old voting machines for high-tech models — many of which enable people to vote just by touching names on a video screen. The switch, however, has drawn a new set of complaints. Some poll workers and computer scientists predict an election day plagued by long waits, glitches and miscounted votes. A more promising possibility is that, with the right equipment and procedures in place, electronic voting machines will deliver an unusually accurate and speedy count.

Unfortunately, the experience this election day is sure to fall somewhere in between. A number of states lack the safeguards necessary to address the machines' vulnerabilities to glitches and tampering. And even in states with those safeguards, such as California, the integrity of the results will depend on voters taking extra steps to make sure everything works as it should.

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So far, the most common complaint about the electronic voting devices is that they break down or freeze too often, which is an engineering problem (and one hardly new to computer users). More troubling are the reports that some of the devices have inexplicably tallied the occasional vote for the wrong candidate. Computer experts also have demonstrated how easy it is to rig a machine's software (or hardware) to steal votes.

These problems highlight the need for machines to print and store a record of each vote as it is cast. Manufacturers have resisted putting printers in their machines, and only a portion of the states where the machines are being deployed have insisted on a paper trail. One of them is California, where 32 of the 58 counties will make routine use of the new machines on election day. (In Los Angeles County, voters mark paper ballots that are counted by optical scanners.)

The machines will require voters and election officials to change their habits. The machines let voters check their ballot on a summary screen before it is cast, so they can correct any vote that somehow winds up in the wrong candidate's column. But voters also have to check the paper record before they leave the booth to preserve the accuracy of that record for a recount. Meanwhile, election officials need to keep a tighter lid on voting cards and other equipment. And after the polls close, random audits must be thorough enough to guard against software tampering.

Together, these steps can help deliver the improvements in accuracy that the new technology promises while minimizing the risks of software tampering and bugs. Now if only the manufacturers could develop machines that don't crash.

Vote! (WP)

The Washington Post, November 7, 2006

WITH IMPORTANT state offices and control of Congress at stake, it is vital that voters not be deterred today.

The potential obstacles are most apparent in Maryland, where Republican and Democratic officials sparked an unprecedented run on absentee ballots with the unsubstantiated suggestion that electronic voting machines can't be trusted. The hype for absentee voting, sounded by Gov. Robert L. Ehrlich Jr. (R) and echoed by Montgomery County Executive Douglas M. Duncan (D), preyed on fears created by the disarray of the September primary. But human error caused the most serious problems; the vote-counting machines worked without apparent problems.

Distrust of electronic voting is not limited to Maryland. Theories, many fanciful, abound about the ease of hacking into voting machines. There has been no evidence of that occurring, and the layers of scrutiny and security in force on Election Day cast doubt on whether experiments hatched in the privacy of a lab could be carried out in public. We support a verifiable paper trail to add a layer of safety and bolster public confidence. But there's a thin line between raising reasonable questions and persuading voters that there's no point in turning out. Happily, a recent Post poll showed that despite all the controversy, an overwhelming majority of Maryland voters are confident that their votes will be counted.

Then there's the Republican manual for its poll watchers in Maryland. The tone of the GOP message ("Your most important duty as a poll watcher is to challenge people who present themselves to vote but who are not authorized to vote") compares unfavorably with that of the Democrats to their poll watchers ("Your primary job is to ensure that every eligible voter who wants to vote gets to vote"). But the Democratic allegation that the GOP approach represents a conspiracy to suppress the vote is overwrought and unsupported. Much of the GOP manual mirrors state elections board procedures. State elections officials -- who reviewed the materials of both parties -- found incorrect information from the Democrats as well as the Republicans.

Inside Politics (WT)

By Greg Pierce

The Washington Times, November 7, 2006

Negative media

"We are told by careful pollsters that half of the American people believe that American troops should be brought home from Iraq immediately. This news discourages supporters of our efforts there. Not me, though: I am relieved. Given press coverage of our efforts in Iraq, I am surprised that 90 percent of the public do not want us out right now," James Q. Wilson writes in City Journal.

"Between Jan. 1 and Sept. 30, 2005, nearly 1,400 stories appeared on the ABC, CBS and NBC evening news. More than half focused on the costs and problems of the war, four times as many as those that discussed the successes. About 40 percent of the stories reported terrorist attacks; scarcely any reported the triumphs of American soldiers and Marines. The few positive stories about progress in Iraq were just a small fraction of all the broadcasts," Mr. Wilson said.

"When the Center for Media and Public Affairs made a nonpartisan evaluation of network news broadcasts, it found that during the active war against [then-Iraqi dictator] Saddam Hussein, 51 percent of the reports about the conflict were negative. Six months after the land battle ended, 77 percent were negative; in the 2004 general election, 89 percent were negative; by the spring of 2006, 94 percent were negative. This decline in media support was much faster than during Korea or Vietnam.

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"Naturally, some of the hostile commentary reflects the nature of reporting. When every news outlet struggles to grab and hold an audience, no one should be surprised that this competition leads journalists to emphasize bloody events. To some degree, the press covers Iraq in much the same way that it covers America: it highlights conflict, shootings, bombings, hurricanes, tornadoes and corruption.

"But the war coverage does not reflect merely an interest in conflict. People who oppose the entire war on terror run much of the national press, and they go to great lengths to make waging it difficult."

Changing his tune

"On a campaign bus trip around Baltimore on Saturday, U.S. Senate candidate Michael S. Steele, a black Republican, told me to watch out for what Sen. Barack Obama would say in Tennessee on Sunday," reporter Jon Ward of The Washington Times writes at the Insider Political Blog at www.washingtontimes.com.

"Mr. Obama, Illinois Democrat and the fifth black senator in U.S. history, campaigned against Lt. Gov. Steele in Bowie last week," Mr. Ward said.

"Mr. Obama, a rising political star and potential presidential contender, tried to dissuade black Democrats from crossing party lines to vote for Mr. Steele, who has run a savvy campaign against Rep. Benjamin L. Cardin, who is white.

"You don't vote for somebody because of what they look like," Mr. Obama said Thursday.

Mr. Steele predicted that Mr. Obama's tune might change in Tennessee, when he campaigned for Rep. Harold E. Ford Jr., a black Democrat running for U.S. Senate.

Sure enough, Mr. Obama used racial politics while stumping for Mr. Ford at a black church Sunday.

" 'I'm feeling lonely in Washington,' Mr. Obama told worshippers at Mt. Zion Baptist in Nashville, according to the Associated Press. 'I need my dear friend to join me.' "

Bias? What bias?

"According to MSNBC's Chris Matthews, if Democratic Senate candidate Rep. Harold E. Ford Jr. loses Tuesday, you can blame it on white conservatives," Brad Wilmouth reports at NewsBusters.org, commenting on the Senate race in Tennessee.

Recent polls show Mr. Ford trailing Republican Bob Corker, a former mayor of Chattanooga.

Why? Fear, says Mr. Matthews: "The larger the black population, where the whites are afraid historically, and in Deep South states, they tend to become very conservative Republican out of fear, whatever, of an overwhelming, or a large number of African-Americans because of the kind of culture."

Not that Mr. Matthews -- a Philadelphia native and former Democratic congressional staffer -- has any biases of his own, as NewsBusters' Mark Finkelstein reports. During an interview yesterday morning on NBC's "Today" show, Meredith Vieira asked Mr. Matthews why he was smiling.

"Because I think it's going to be a wipeout," Mr. Matthews said. "I think the Democrats are going to carry the House by 20-some, high 20s, and I think the Senate seats are perhaps not six, but five, and I can see a big victory for the Democrats."

Show that ID

Missouri's chief elections official said yesterday she was asked for photo identification at the voting booth despite a court ruling striking down the requirement.

"I'm guessing this may be happening in other parts of the state," said Secretary of State Robin Carnahan, a Democrat who had opposed Republican efforts to mandate a photo ID in Missouri.

She said that a worker at the St. Louis Election Board asked her three times to show photo ID when she went to cast an absentee ballot Friday.

Miss Carnahan said that she tried to explain a photo ID was not necessary, but that the election worker replied that she was instructed to ask for one anyway. Miss Carnahan said she eventually was allowed to vote without displaying a photo identification.

"To have that experience personally was very troubling," she said.

The Missouri Supreme Court last month upheld a lower court's ruling overturning a law that would have required voters to show a photo ID issued by the state or federal government.

Scott Leiendecker, the Republican director of the St. Louis Election Board, did not immediately return a call yesterday, the Associated Press reports.

Miss Carnahan said she spoke with Mr. Leiendecker, who assured her that the identification requirements would be clarified and that voters on Election Day would not be pressed to present a photo ID.

Muslim voters

A Muslim group says it has been phoning Muslims nationwide to remind them to go to the polls today.

"The calls are being heavily targeted towards districts where there is a large Muslim population and heavy Muslim turnout could make a significant difference in the elections. Virginia, Florida, New Jersey, Ohio and Texas are a few states that have

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been targeted," the Muslim American Society said in an e-mail, referring to what it calls the Freedom Foundation Center for Electoral Empowerment.

The group said its callers are offering transportation to the polls.

"Callers are reminding Muslims that such important issues as the war in Iraq, civil liberties, immigration, health care, education and economic justice will be greatly impacted by the November 7th elections," the group said.

Must We Talk? (NYT)

By John Tierney

The New York Times, November 7, 2006

Have you been trying to ignore this election? Do you avoid talking politics with friends? Do you tune out right-wing talk shows and stay away from left-wing blogs? Do you change channels as soon as you hear the words "Pelosi," "Foley," "cut and run" or "macaca"?

Then you owe it to your country to vote today. It's the rest of us who should stay home.

We've lost our bearings because we've followed the old advice to discuss this amongst ourselves. Democracy, we've been told, is best served when informed citizens deliberate the issues of the day, pooling their wisdom to reach a judicious consensus.

But what really happens when people discuss politics? Consider an experiment last year, when groups of Coloradans convened separately in Boulder and Colorado Springs to discuss global warming, affirmative action and civil unions for same-sex couples. Before the discussions, the people in Boulder were on average more liberal than the ones in Colorado Springs, but there were also moderates in both places whose opinions overlapped.

After the group discussions, the people in Boulder moved to the left, and those in Colorado Springs moved to the right. The researchers — David Schkade, Cass Sunstein and Reid Hastie — concluded that "the major effect of deliberation was to make group members more extreme than they were before they started to talk."

This effect hasn't been studied much in politics, but it's well documented in other arenas. When jurors deliberate how much to award in damages, they often end up giving more than the average juror originally thought was fair — and sometimes more than anyone in the group originally favored. The more they talk, the more they reinforce one another's indignation.

Group polarization is less of a problem if the people start with a wide range of opinions — even if they tend to shift in whatever direction the majority favors, they'll at least be exposed to other views and become more tolerant. There's some evidence that if you purposely assemble a diverse group of discussants and systematically educate them about an issue, some of the people will moderate their opinions.

But when people informally discuss politics, they often don't hear a range of views. As in Boulder and Colorado Springs, they may be surrounded by like-minded people in their neighborhoods, churches and offices. During local elections, they're much more likely now than in the past to hear one-sided rhetoric because gerrymandering has produced so many one-sided districts, making it impossible for moderate candidates to survive.

Thanks to cable television, talk radio and the Internet, it's easier than ever for people to have their opinions validated around the clock. As the media audiences segregate themselves ideologically, they become more extreme in their views — and more convinced than ever that they represent the sensible middle.

When conservatives have their views reinforced daily on talk radio and Sundays at their churches, they start to believe the "mainstream media" is a bunch of wacko traitors. When liberals spend their days reading lefty blogs, or working on campuses surrounded by ideological soulmates, they start convincing themselves that most "corporate media" are right wing, and that Fox News is pure propaganda.

In fact, most journalists do try to be objective, but as a group they, too, can become polarized by spending most of their time talking to fellow journalists and experts with similar views. One of the cleverest demonstrations of this effect was a study published last year in Harvard's Quarterly Journal of Economics. The researchers, Tim Groseclose and Jeffrey Milyo, devised a scale for measuring the slant of news reports by keeping track of which think tanks — liberal or conservative — were quoted most often.

The researchers found that The Washington Times and Brit Hume's evening newscast on Fox fell on the conservative side of the scale, while all the other news media outlets they studied fell on the liberal side. The surprising result — to liberals, at least — was that Fox was closer to the ideological center than the Big Three evening newscasts as well as all the major newspapers and newsweeklies.

Of course, these ideological divides are small compared with the ones in the blogosphere, which is one giant version of the Colorado experiment. You can always find a group online to affirm your brilliant opinions. It's immensely satisfying, but it can also make Election Day a miserable experience. Tonight, you can't help noticing how many ignorant people out there disagree with you.

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Clinton Is Midterm Campaign's Biggest Spender, Records Show, At $29.5 Million And Counting (NYT)

By Jeff Zeleny

The New York Times, November 7, 2006

Senator Hillary Rodham Clinton has spent more money in the midterm election cycle than any other politician running for office this year, campaign finance records show, investing more than twice as much as most candidates in tight races across the country.

To secure her Democratic re-election bid in New York, Mrs. Clinton spent $29.5 million through the middle of October, according to the Federal Election Commission, suggesting that she may have her sights on a future national campaign. While much of the amount is devoted to television advertising, it is the bills for catering, flowers and photography that elevated her tally far above other Senate candidates'.

While Senator Rick Santorum, Republican of Pennsylvania, spent $21.5 million through the same time period, records show, his spending report comprises bills like $30.33 at Papa John's pizza, $59.50 at Panera Bread and $74.34 at the Olive Garden.

Not so for Mrs. Clinton, whose campaign reported sending a $6,585 check to Flutterbyes for flowers in Las Vegas, $5,397.50 to Le Petit Gourmet Catering in Glendale, Colo., and $80,000 to Tavern on the Green in Manhattan. Those were among the bills gleaned from a page-by-page review of Mrs. Clinton's third-quarter campaign finance report, which showed disbursements of more than $8 million.

The chairman of the Federal Election Commission, Michael E. Toner, said only a handful of Senate candidates had ever spent more. The spending patterns of the Clinton campaign demonstrated "an extraordinary burn rate," he said, which was particularly striking considering she did not seem to have a serious challenger in John Spencer, her Republican rival.

"It may be that Clinton is spending so heavily in New York to try to accomplish the kind of landslide that President Bush enjoyed in 1998," said Mr. Toner, referring to the Texas governor's race eight years ago. "The president's 1998 race unquestionably helped lay the groundwork for a successful presidential campaign in 2000. History may be repeating itself."

A spokeswoman for the campaign, Ann Lewis, said Mrs. Clinton began raising and spending money in January 2005, preparing for "whatever came our way." When a competitive race did not materialize, Ms. Lewis said, the campaign began investing in an extensive get-out-the-vote program to remind Democrats not to overlook the election.

"If it is not considered to be close, you've got to give people a really good reason to vote for you," Ms. Lewis said. "Frankly, there is not a statewide race that has built-in excitement."

A review of the Clinton campaign's filings with the Federal Election Commission showed that in addition to contributing $2.6 million to other Democrats, the campaign spent more than $2 million on advertising for television, radio and newspapers in the third quarter of the year.

The largest payment, $1.58 million, went to Media Strategies and Research of Denver, Colo., a Democratic political advertising firm. In addition, about $600,000 in fees were paid to Grunwald Communications, which is run by Mrs. Clinton's longtime adviser Mandy Grunwald.

The remainder of the costs covered staff salaries and expenses for Mrs. Clinton. From Connecticut to California, nearly all fund-raising functions included catering, parking and photography.

"An important part of any event is the photo line," Ms. Lewis said. "There is always a good chunk of time during the evening where she is taking photos."

Hillary Gets An Address Wrong (WP)

By Richard Cohen

The Washington Post, November 7, 2006

In both theory and great expectations, today is the beginning of Hillary Clinton's presidential campaign. By nightfall she will have won lopsided reelection to the U.S. Senate, with plenty of money left over to start a presidential effort. She enjoys the sort of name recognition a president might envy and has the unalloyed good wishes of Democratic activists who have been waiting all these dark and awful years for a Clinton Restoration. After all, if the Bushes could do it -- one mediocre, the other incompetent -- then why not the brilliant and dazzling Clintons? The answer may be Hillary herself. She can bore a grateful nation.

Such, anyway, was the effect of her recent appearance at the Council on Foreign Relations in New York. The anticipation was great. The crowd was huge, and the fact that Clinton had agreed to speak to this august body meant -- it had to mean -- that she was at last going to say something thumping about Iraq. Instead she delivered a no-news address lacking controversy, fresh approaches or even a single soaring sentence.

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If one sparrow does not make a spring, then one speech is not a campaign. But those of us who have heard Clinton before were reminded that she can be industrially dull, so cautious that nothing comes out of her mouth except bromides. In his book about Hillary and her 2000 campaign ("Hillary's Turn"), Michael Tomasky dubbed her "The Laundry Lady" for the numbing numbers of little programs she would somehow implement if elected.

Caution has served Clinton well in the Senate. There, she has listened to the wisdom of Robert Byrd, who gave her his standard nose-to-the-grindstone tutorial and beamed with avuncular pride as she took it to heart and grandstanded not. On the other hand, she has led not, either.

Clinton supposedly comes to the presidential race with two built-in constituencies: women and minorities. The former I'm not so sure about, for wherever I go and her name comes up it is the ladies who make faces. As for minorities, Hillary is Bill and Bill is Hillary, and their record, if not his rhetoric, is unmatched. She has earned her following.

But that leaves the rest of us who might seek something more in a presidential candidate than lists and caution and itsy-bitsy steps toward universal health care. We want, yes, vision, leadership. We want rhetoric that soars, poetry that compels and every once in a while a phrase that pumps the heart and draws a tear. We rarely hear that sort of thing from Hillary Clinton.

The Council on Foreign Relations is not, I grant you, a stadium full of partisans. It calls for a certain understated style. Even so, Clinton managed to bore the likes of stockbrokers, money managers, corporate lawyers and others who you might think are already inured to boredom. Here and there I even saw people fighting sleep. This was her audience -- predisposed to like her, already respecting her. She gave it nothing.

Clinton, in a way, personifies the Democratic Party. Many of the most prominent mentionables (Dodd, Kerry, Biden, Edwards) have pretzeled themselves over Iraq, voting for, arguing against and now expressing dismay. But on their own, they offer not much that lifts the heart. It is a field of the familiar. Oddly, Hillary Clinton is the fresh face, undefeated and on the cusp of history itself. Given who she is and, importantly, what she is -- smart, disciplined and, when she wants, charming -- there are those who say that this campaign is hers to lose. Last week she took a first step toward that goal.

Eyeing 2008, Political Stars Ran Hard For Others (WP)

By Shailagh Murray

The Washington Post, November 7, 2006

It's been a punishing month of bad food, airplane air and hoarse vocal cords. And Barack Obama isn't even on the ballot today.

The popular senator from Illinois, who has barnstormed the country on behalf of Democratic gubernatorial and congressional candidates, is one of the A-list political celebrities of the 2006 campaign season. Other big draws: former president Bill Clinton, Sen. John McCain (R-Ariz.) and former New York mayor Rudolph W. Giuliani.

They aren't doing it for the frequent-flier miles. These headliners bring glitz to otherwise ho-hum rallies and help dazzle donors out of millions of dollars. They earn the gratitude of future officeholders and get to know thousands of voters.

That's all very useful, given that these non-candidates may run for president in two years -- or, as with Clinton, the non-candidate is married to a 2008 hopeful, Sen. Hillary Rodham Clinton (D-N.Y.). Giuliani's itinerary in the closing days included Iowa, New Hampshire, Michigan and South Carolina. All four states have Republican candidates on the ballot this year and will host crucial early primaries in 2008.

"You're building up chits," said Rep. Rahm Emanuel (Ill.), chairman of the House Democrats' campaign committee, who has summoned Obama, Clinton and others to appear on behalf of his candidates. "Everyone wants to say that they got out there and put some skin in the game and contributed to a big win."

Sometimes the visits telegraph something about a candidate. Charlie Crist, the Republican candidate for Florida governor, was too busy yesterday to meet up with President Bush in Pensacola but did find time to rally with McCain in Jacksonville. Crist is trying to woo moderate voters to edge out his Democratic rival, Rep. Jim Davis.

And sometimes they make the wrong kind of news. Sen. John F. Kerry (Mass.) was a popular Democratic guest speaker until an event in California last week for gubernatorial candidate Phil Angelides, when he botched a joke about Bush and the war in Iraq. Republicans portrayed the comment as an insult to U.S. troops, and it became a rallying cry for conservative voters in the campaign's final stretch.

More typical: a fundraiser Sunday night in Nashville, headlined by McCain along with fellow GOP Sens. Lamar Alexander of Tennessee and John Thune of South Dakota, on behalf of Republican Senate candidate Bob Corker. As of last night, when McCain returned to Arizona to campaign for Sen. Jon Kyl, he had attended 346 events in this election cycle and had raised more than $10.5 million on behalf of Republican candidates.

Clinton's November schedule was packed with 21 events, including two rallies for his wife, who is expected to easily win a second Senate term today. The former president, still wildly popular with the Democratic base, hit 100-plus events in 31 states

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for this election cycle, raising more than $33 million from Democratic donors. He also taped 100 prerecorded campaign calls and filmed numerous television and radio ads. Last night, Clinton hit a rally in Alexandria with Senate candidate James Webb.

But Obama may be the biggest attraction. Despite his brief two years on the national stage, Obama has generated rapturous enthusiasm among Democrats, and he has said he is considering a presidential run. His success on the campaign trail in recent weeks has added to his cachet.

The Obama blitz started on Oct. 5 with a fundraiser in New York City for the state's congressional candidates. The next day he flew to Florida for a rally and fundraiser, and then he moved on to Kansas City, Minnesota and Ohio. By the 13th, he had held fundraisers for all the Senate Democratic candidates, collecting $2 million. On Oct. 25 and 26, Obama sent a joint fundraising e-mail to supporters of Kerry and to MoveOn.org, the antiwar group, and raised a total of $1.6 million, all for individual congressional candidates.

The freshman senator paused in the middle of the month for book-related events, then raced through Massachusetts, Pennsylvania, Arizona, Colorado and Washington state. Obama spokesman Robert Gibbs estimates that Obama has visited all the main Senate battlegrounds at least three times. Another mainstay is Massachusetts, where Obama was an early supporter of Democratic gubernatorial candidate Deval Patrick, who is favored to win today, and who, like Obama, is African American.

At a Democratic rally in Norristown, Pa., he received rock-star treatment when he took the stage to tout the state's congressional candidates. In an audience of 1,000, people waved copies of his new book and angled for his autograph. One cried out "We love you!" as Obama came into view.

"I love you back!" Obama responded.

He gave the same speech he has delivered at dozens of similar rallies, explaining how Americans can have "the audacity of hope" to change their lives and those of others. That's also the title of his latest book, published Oct. 17.

The crowd ate it up. Dianne Wills, a Norristown resident and a Republican, said after the rally she would vote Democratic this year after hearing Obama and other speakers. "It convinced me that my choice is right," Wills said.

How Mr. Rich Spreads The Republican Word Millionaire Investor Who Leans Libertarian Pushes Conservative Ballot Initiatives In 14 States (WSJ)

By Christopher Cooper

The Wall Street Journal, November 7, 2006

WASHINGTON -- This may turn out to be a bad year for Republicans. But perhaps not for some of the conservative causes they support, thanks in part to a New York real-estate investor who has directed millions of dollars toward ballot initiatives to expand private-property rights, cut state budget growth, and impose term limits on judges.

The millionaire behind many ballot measures this year is Howard Rich, a publicity-shy, libertarian-leaning businessman who has become the go-to man for supporters of conservative ballot initiatives. The group Mr. Rich chairs, Americans for Limited Government, as well as a handful of other organizations that he fully controls or bankrolls, have put more than $15 million this election season into ballot campaigns in 14 states, public records show.

Mr. Rich and his supporters have sustained a number of setbacks, as many of his initiatives were kept from ballots because of vague wording or signature-gathering irregularities. But in nine states where the measures have survived, recent polling shows some chance of victory today.

On ballots in Arizona, California, Idaho, Nevada, and Washington state, Mr. Rich's proposals seek to prevent governments from imposing land-use measures on private property. In Oregon, Maine, and Nebraska, the measures he backs would restrict a state's ability to raise taxes or increase spending. In Colorado, his proposal would impose retroactive term limits on judges.

Over the years, Mr. Rich has granted few interviews and has become an almost mythic figure in certain political circles. He sits on the boards of the Cato Institute and the Club for Growth, and controls other groups such as U.S. Term Limits and Fund for Democracy, which in turn funnels millions of dollars into other organizations, such as America at Its Best.

Mr. Rich, after writing that he would "gladly answer questions via email" for this article, didn't respond to a subsequent set of queries sent to his email address.

ELECTION 2006

· Election Quiz:1 Test your political IQ.

· Got an election-related question? Write to The Wall Street Journal's Alan Murray at askalan@wsj.com2, and check back Election Night, when Alan will answer selected questions at wsj.com/video3 from 6 p.m. ET to midnight.

· For complete coverage, see WSJ.com/Election20064.

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Recently, he granted a brief interview to a nonprofit conservation magazine called High Country News. In that interview, which was taped and has been made public, Mr. Rich said he has made it a practice to help local activists in their fight against politicians who are "plowing over peoples' rights."

"I made a few bucks in business, so I'm able to do this stuff," he said.

Mr. Rich's reclusive nature has created a cottage industry among opponents of his ideas, who have rooted through public records in a dozen states seeking clues about the groups he controls and the money those groups dispense to state-ballot efforts.

Among those groups is the Ballot Initiative Strategy Center, a left-leaning Washington, D.C.-based organization that recently launched a Web site -- howierichexposed.com5 -- to highlight the groups affiliated with the New York investor. "Howie Rich From New York City is practically a noun in the West these days," said Kristina Wilfore, executive director of the organization.

This isn't the first year Mr. Rich has waded into the arena of initiative balloting. A group he operates pushed term-limit proposals in many states in the 1990s. But he is becoming ubiquitous in an expensive and specialized area of politics. About half the states allow citizen-driven initiatives. This year is one of the busiest in history, with about 75 proposals crowding ballots in 36 states. In recent years, national organizations, along with local groups, have seized on initiatives as a way to push issues before voters that politicians have been reluctant to bring up, or to drive voter turnout for other causes or candidates.

Though often characterized as citizen-driven, initiative campaigns are becoming dominated by corporate and national partisan interests.

In California, tobacco companies Reynolds American Inc. and Altria Group Inc. are spending tens of millions of dollars campaigning against a proposed cigarette-tax increase -- as well as bankrolling antitax and antismoking ban proposals in several other states. One proposition on the ballot in California -- long at the vanguard of citizen initiatives -- would put a $10,000 cap on corporate contributions to ballot initiatives.

Unlike regular political campaigns, proposition initiatives require extensive signature-gathering and often include an outsize educational campaign, as proponents attempt to simplify often-recondite ballot proposals for voters. These added tasks often make initiative campaigns more expensive than average races.

In California this year, five organizations wholly or partially controlled by Mr. Rich have given a combined $3.37 million to push a "takings" initiative, state records show. The proposals would bar state and local governments from condemning private property to promote other private developments.

On its face, the measure is a reaction to a recent Supreme Court eminent-domain case. But in reality, the takings proposals carry a twist that opponents characterize as draconian: They also limit government's ability to rezone private property, apply restrictive covenants, or impose environmental regulations on a property without compensating the owner.

The takings proposals are patterned after a Rich-backed initiative that passed in Oregon in 2004, which requires the state to pay landowners for new zoning regulations or waive the new restrictions. In three years, landowners have filed damage claims from new zoning regulations that now total $3 billion, according to a Portland State University study -- far outstripping Oregon's ability to pay.

Though the takings measure appears headed for defeat in California, similar initiatives are faring better in Arizona, Montana, Idaho and Washington. In those states, surveys show the proposal is either statistically tied or leading among likely voters.

In those states and in Nevada -- where a takings measure remains on the ballot but was stripped by a court of its more punitive elements -- Mr. Rich's Americans for Limited Government group has supplied the lion's share of the money spent to back them. In Arizona, for example, the pro-takings local organization, Arizona HomeOwners Protection Effort, reports that nearly 86% of the $1.34 million it has collected for its campaign came from Americans for Limited Government. ALG provided a similar share of the support in Idaho. In Washington, it gave about 30% of the total collected by the Property Fairness Coalition, records show.

In addition to takings, groups affiliated with Mr. Rich bankrolled measures to restrict state budget growth bankrolled antispending measures in nine states, three of which have survived legal challenge. A group where Mr. Rich is a director has also provided more than $1.1 million in Colorado to promote a term-limit proposition for judges, according to campaign-finance records there. All told, at least five groups that Mr. Rich controls or serves as a director, including the Fund for Democracy, America at its Best, U.S. Term Limits, and Club for Growth, have given money to conservative ballot campaigns this year, campaign-finance records show.

The collection of Rich-affiliated groups, and the fact that the organizations don't have to reveal their donors, have given ammunition to proposal opponents, who say the campaigns are sham citizen initiatives controlled by a reclusive out-of-stater attempting to usurp local authority.

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Oregon's governor has publicly criticized Mr. Rich's activities. In Montana, where three Rich-backed initiatives recently were tossed off the ballot, Gov. Brian Schweitzer challenged Mr. Rich to a debate. "Howard Rich and his wealthy buddies won't even reveal who is funding their campaign," Mr. Schweitzer said. "I invite them to come to Montana, tell us who they are and what their shady initiative is all about."

Among Mr. Rich's defenders is Grover Norquist, of Americans for Tax Reform, a group that supports many of the same ballot measures. Mr. Norquist said Mr. Rich's reputation rests on the simple fact that he is a capable organizer who knows a lot of people and has the money to assist in grass-roots causes. It's not what opponents like to see, Mr. Norquist says.

"So they say, 'He's from New York,'" Mr. Norquist says, "but there's no there there. He's just a man you go to if you have a good idea: term limits, spending limits, property rights."

A Civil Abortion Debate? (USAT)

By Laura Vanderkam

USA Today, November 7, 2006

SIOUX FALLS, S.D. — South Dakota isn't usually a battleground state, but this fall, one of the country's most important political fights has been waged here on the bitterly cold plains between Mount Rushmore and the Minnesota state line. In March, Gov. Mike Rounds signed a law that would ban almost all abortions within the state. Opponents countered by collecting enough signatures to put the issue on today's ballot as "Referred Law 6."

The referendum's outcome doesn't matter. If the ban passes, it will be blocked in court. If defeated, South Dakota won't become an abortion hub. Doctors perform only about 800 abortions annually here, almost all in one squat brick clinic near this city's main shopping mall.

What matters is that South Dakota's referendum represents one of the few times since 1973, when the U.S. Supreme Court's Roe v. Wade decision legalized abortion nationwide, that voters have gotten to debate the question directly at the polls.

And yes, debate is the right word. Despite the hostility usually associated with this topic, the residents I spoke with reported refreshingly little screaming. South Dakotans have simply discovered that when you have to persuade your neighbors to join your cause — not judges in Washington — both sides become remarkably civil. That civility has been rare during the past three decades' abortion wars. It's a welcome change — but it's also a chance to wonder how much more pleasant the national debate might have been if we had all been able to forge compromises within our communities instead of indulging in the extremes that carry the day.

Certainly, some South Dakotans — and the outsiders raising money for both sides — have turned shrill. Vandals have defaced signs, and locals report being called just a few too many times on the topic. Nonetheless, leaders of both sides have made a point of avoiding extreme rhetoric in those calls and in their ads.

Jan Nicolay, a former Republican state representative and co-chair of the anti-ban South Dakota Campaign for Healthy Families, tells me that her side quickly nixed traditional abortion rights prose (e.g. "get your rosaries off my ovaries").

"Because this is a personal, sensitive issue, we wanted to treat it in as professional a manner as we possibly could," Nicolay says. SD Healthy Families decided to educate voters about the law's text and appeal to frugal residents by pointing out how much defending the law in court would cost. One TV commercial even starts with the message that "South Dakotans agree: Honor and protect human life." But with no rape or incest exceptions, the ad says, the law goes too far.

On the other side, Leslee Unruh, who manages the Vote Yes For Life campaign, also shies from extreme slogans. Years ago she had an abortion, which left her devastated — but also repulsed by the abortion-opponents side's traditional pictures of dismembered fetuses. "Putting a picture, a gruesome picture, in front of someone's face that's had an abortion — and there are many of us, we're everywhere — it's so harsh," she says. "It's not the way to help women, and it's not the way to end abortion. … If you want to show pictures of dead babies, stay in your own state."

Instead, the official Vote Yes for Life T-shirt features pictures of young, smiling women. Some literature includes the almost-feminist-sounding theme that motherhood can be empowering, even in difficult circumstances.

Of course, South Dakotans have a reputation for reasonableness. Harsh rhetoric "wouldn't play very well here," says Jean Morrow, a United Church of Christ minister who campaigns against the ban (and has received only one really nasty letter as a result).

But it's not just South Dakotan friendliness that's keeping the debate civil. To win, both sides know they have to persuade neighbors they know and like to join them. To do that, you can't call people names. Unruh reports that one of her neighbors, who is voting against the ban, said he hoped they could still have a conversation on this issue by the fence, as they've always had. "This is one issue I'd love to convince him on," she says. "I'm not going to, but that doesn't change my respect for him as a person, or his for me."

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Across this state, thousands of such conversations are taking place — conversations that have been rare since Roe froze the debate. Since 1973, people have counted votes on the Supreme Court, not in their own precincts. Because the issue has been removed from the messy, democratic sphere, positions have hardened into philosophically pure abstractions that don't feel right to many Americans.

To some groups that oppose abortion, there's no difference among contraceptives, the "morning after" pill and early-term abortions. The South Dakota law, however, would go ahead and OK the first two but not the latter.

If the ban fails, it won't be because South Dakotans like abortion; it will be because there's no rape or incest exception. Philosophically, there might be no difference between a child conceived in rape and a child conceived because her parents were careless, but most people, in the spirit of compromise, are willing to say there is.

The abortion-rights side in this country haslikewise tried to remain so pure that it has fought to preserve late-term abortion availability with a zeal many find unseemly. Philosophically, there might be little difference between late- and early-term abortions, but polls still find that most voters disapprove of the former but tolerate the latter.

People live in the real world where compromises must be made. You give a little to get your neighbor on board.

It raises the question: What if all our abortion battles had been fought this way — democratically, with messy compromises — over the past 33 years? We might have reached an answer by now. Maybe. But if South Dakota's any indicator, we'd be a lot less strident. Abortion may be a battleground, but as Unruh says, "We don't have to turn it into a civil war."

Laura Vanderkam is a 2006-07 journalism fellow with the Phillips Foundation, a non-profit group devoted to advancing constitutional principles, a democratic society and free enterprise. She is also a member of USA TODAY's board of contributors.

The Politics Of Frustration (NYT)

The New York Times, November 7, 2006

Ever since anti-taxation zealots in California rediscovered the populist frisson of the ballot initiative a generation ago, American politics has gone off on a binge of ballot proposals. Today is one of the busiest, with 81 citizen initiatives before voters in more than 20 states. Pity the poor voter who has to wade through a list of sometimes contradictory, sometimes misleading proposals, doing work that should be the responsibility of elected officials.

We always watch with interest — and sometimes with concern — to see how people exercise this peculiar power. Will Alaskans stop aerial hunting of wolves and bears? What happened in Oklahoma to impel the proposal to stop paying the salary of state legislators doing jail time? Arizonans will have to decide whether they want the state to randomly award $1 million to one lucky voter in future elections, in order to encourage turnout. (A better inducement, in a state where voters have to come up with opinions on 19 questions today, might just be to cut down on the initiatives.) Citizens in some states are being asked to stand up to the tobacco industry's national clout by approving higher tobacco taxes at home and greater restrictions on public smoking, while others are being asked to do the opposite.

The initiative movement was bad enough when special interest groups used it to encourage voters to believe they could get lower taxes and more services just by voting to make it so, encouraging a government-by-proposition lunacy that made it impossible for state governments to divide up their resources rationally. Lately, political parties have tried to insert hot-button social issues to lure their base to the polls. Thus the raft of anti-gay proposals that are a standard thrust of right-wing election strategists, with eight states asking voters to define marriage as strictly a heterosexual union. This year Democrats in six states have retaliated with proposals to increase the minimum wage.

The ballot questions getting the most national attention undoubtedly include the South Dakota proposal to overrule the Legislature's passage of a draconian ban on nearly all forms of abortion, and a Missouri constitutional amendment aimed at banning restrictions on stem cell research. As much as we approve the sentiments behind each one, we still can't help clinging to the idea that the best way to protect abortion rights or stem cell research is to elect sensible lawmakers and appoint judges who believe in the Constitution.

Scattershot initiative is no way to run a democracy; rebuke is no substitute for effective representation. In this crazy-quilt of vox pop, an initiative to make it easier to propose future ballot initiatives is reported to be in trouble with Colorado voters. This is small comfort for any voter imagining the ballot is about choosing responsive politicians more than panaceas.

Indian Taker (WSJ)

The Wall Street Journal, November 7, 2006

The polls show that today Eliot Spitzer will realize his long ambition of becoming New York's next Governor, meaning that he will soon be able to fulfill his oft-spoken campaign promise "to end the pay-to-play culture in Albany." We can't wait to see how that one plays out, though we certainly hope Mr. Spitzer does better than he's done as a candidate.

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Last month in a debate in Buffalo, the nation's most famous Attorney General was asked his position on bringing out-of-state Indian tribes to New York to open casinos. Addressing his Republican opponent, John Faso, Mr. Spitzer remarked, "No, John, I don't believe out-of-state tribes should be here. And they won't be here under my administration."

After the debate, however, someone must have tapped Mr. Spitzer on the shoulder and reminded him that one of his biggest campaign donors is Richard Fields, a casino developer who represents a Wisconsin Indian tribe that claims ancestral roots in the state and is seeking approval to build a casino in New York's Catskills region.

And so a few days later, according to the Albany Times Union, "Darren Dopp, the AG's spokesman, said Spitzer isn't including the Stockbridge Munsee Band of Mohicans, the Oneida Tribe of Wisconsin or the Seneca-Cayuga Tribe of Oklahoma among the out-of-state tribes that won't be allowed to develop here." Which leaves us wondering who is included.

Companies operated by Mr. Fields have donated some $200,000 to the campaign of Mr. Spitzer, who also used the developer's Gulfstream jet (at a steep discount) to travel to fund-raisers until he was criticized for the practice. As Governor, Mr. Spitzer could play an important role in making Mr. Fields's clients very happy. So on to Albany, which isn't quaking in fear.

Wisconsin's Cheesy Reformers (WSJ)

The Wall Street Journal, November 7, 2006

Watching television this election cycle, you may have noticed that "campaign finance reform" hasn't made political ads any cleaner. You may also have surmised that money counts as much as ever; its sources and middlemen have merely been reshuffled. What "reform" has done, however, is make it easier for incumbents to keep power, and a case study is the Wisconsin Governor's race.

The challenger is GOP Congressman Mark Green, who has criticized Democratic incumbent Jim Doyle over his vetoes against tax relief, and has also kicked off a debate on education and tort reform. Or at least those were the issues until Mr. Doyle's allies used the campaign-finance laws to change the subject and create a phony scandal.

That story dates back to January 2005 when Mr. Green transferred some $1.3 million from his federal Congressional campaign account into his state campaign account. Legally this was no big deal since the Wisconsin Elections Board has allowed such transfers for some 30 years. Only a few years ago, the board unanimously agreed to such a transfer for then-Congressman Tom Barrett, a Democrat.

But the elections board has long been a political animal, and it lived up to that reputation by holding a meeting the day after Mr. Green's transfer. The Democratic majority adopted an "emergency" rule requiring that money spent in gubernatorial races be collected from political action committees registered in the state. In a stroke, this barred Mr. Green from using much of his money.

Viewing this as a naked political attack, the Republican state legislature jumped into the fray by suspending the rule. The elections board counter-attacked, saying the suspension didn't apply when the legislature was out the session. The majority in August ordered Mr. Green to divest himself of $468,000 worth of transferred funds. And it took this outrageous step over the advice of its own staff attorney.

It's now clear why. A few weeks after the August decision, the Milwaukee Journal Sentinel uncovered emails that a paid Doyle lawyer, Michael Maistelman, sent to three Democratic members of the elections board. In one email, Mr. Maistelman informs the Democrats: "We need to accomplish the following . . ." and then lays out Mr. Doyle's preferred modes of punishment for Mr. Green.

He also explains to the commissioners: "Even if this ends up in Court it is a PR victory for us since it makes Green spend money and have to defend the use of his [federal] money." He assures them that "the Gov's Campaign and the Dem party will give you cover on this in the media."

They complied. Governor Doyle has since had a field day. His campaign assailed Mr. Green, accusing him of "breaking the law" and accepting "illegal contributions." It called on the Republican to return his "dirty money." And so it came to pass that the Governor was able to turn attention away from other, more substantive issues by using election-money laws to create an aura of corruption around his opponent. It of course helped that any GOP candidate must lug the ball and chain of the party's baggage in the earmarking and Abramoff scandals.

Even the exposure of the stage-managed emails haven't put things right. Many voters have tuned out what has become a complex story about impenetrable campaign-finance regulations. And because the elections board hasn't brought suit against Mr. Green, the Republican hasn't had a chance to clear himself in a court case he'd surely win, insofar as any "crime" here was wholly manufactured by this politicized board.

We wonder what Senator Russ Feingold thinks of all this. He's the Wisconsin native son who, along with Republican John McCain, famously spearheaded the federal campaign-finance legislation of 2002, promising healthier politics. It hasn't worked out that way.

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Instead, voters have been treated to the muzzling of political activists, the policing of the Internet by federal bureaucrats, partisan attempts to shut down opposition groups and spectacles like this in Wisconsin. This is reform?

Beyond Election Day (WP)

By David S. Broder

The Washington Post, November 7, 2006

A couple of things have turned up that may help to clear your mind and revive your spirit after the nastiness of this political campaign:

Goodness knows, we need relief after the barrage of negative ads and insistent phone calls that candidates and political parties unleashed on us. I know that the political consultants are convinced that "going negative" is the only way to move the vote and win an election. But at some point you wish that the grown-ups in this country -- those who don't see elections as a profit-making business -- would remind these talented character assassins of the damage they are doing to the system of representative government that has served this nation so well.

Let me now climb down from my soapbox and tell you about a letter I recently received from former senator George McGovern, telling me that he is forming a bipartisan "Council of Elders," wise men and women who will occasionally consult informally with each other and be available, individually, to counsel people making public policy.

The 1972 Democratic presidential nominee, still writing and speaking at age 84, points out that America has never developed a habit or mechanism for keeping its most experienced figures engaged even in advisory roles. His council is an informal stab in that direction.

Among others, McGovern has enlisted such liberals as historian Arthur Schlesinger Jr.; former interior secretary Stewart Udall; journalists Lewis Lapham and Gloria Steinem; Carrie Lee Nelson, the outspoken and humorous widow of former senator Gaylord Nelson; and former senators Tom Eagleton and John Culver. Balancing them are several notable Republicans, including former Senate majority leader Howard Baker, former majority whip Alan Simpson and Rep. Henry Hyde.

The group is flexible in its approach and still very much expanding in membership, with McGovern serving as a contact point at McGoverncenter@dwu.edu .

McGovern's enterprise reminds me of something Lamar Alexander, soon to be Tennessee's senior senator, told me he had learned many years ago from his apprenticeship under Bryce Harlow, the powerful White House legislative and political adviser in the 1960s and '70s. Harlow taught Alexander and others that it is a wise policy to have at least one old geezer on the White House staff, someone not entirely dependent on the president for his power or position, someone who can speak with utter frankness without fear of the consequences.

That's excellent advice, and my one regret is that my old colleague Mary McGrory, who certainly would have qualified for McGovern's council of elders, did not live long enough to serve. But some of Mary's finest work is finally between hard covers in "The Best of Mary McGrory," published by Andrews McMeel and selected and edited, with great love, by Phil Gailey, a dear friend of Mary's from the old Washington Star who is now at the St. Petersburg Times.

In one column Gailey selected from The Post, where Mary moved after the demise of the Star, she wrote about the era that was then just beginning but is now nearing its end. "Those who yearn for healing and unity in Washington," she wrote, "had better look to the National Zoo. A pair of panda bears have arrived from China, and they'll bring people together because they provide amusement and delight, something that is not anticipated from a Cheney-Bush administration."

Earlier, writing about the funeral of Richard Nixon, she observed that "he was smart but got something big wrong: He thought politics was war and that everything is justified. And what we can learn from this week is how much Americans want to love their presidents -- and they will in life as well as in death, if they are given half a chance."

?

I mourn the death of a great reporter and a good friend and colleague, Helen Dewar, who gave Post readers definitive coverage of Virginia politics and the Senate over the past decades. She dominated those beats without ever raising her voice or flaunting her knowledge, and she managed to do everything -- including fight the breast cancer that killed her -- with immense dignity and good humor.

Mr. Bland Goes To Washington (NYT)

By Barry Schwartz

The New York Times, November 7, 2006

Swarthmore, Pa.

ANOTHER national election season has come to an end — the sorriest, sleaziest, most disheartening and embarrassing in memory. The best one can hope for is a candidate who is a complete cipher. How has American electoral politics come to this?

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I think we can gain insight from a study published by the psychologist Eldar Shafir 13 years ago. Suppose you are confronted with the following problem:

You're serving as a juror in a custody case in which each parent is demanding sole custody of an only child. The facts of the case are complicated by ambiguous economic, social and emotional considerations, and you decide to base your decision entirely on the following few observations:

Parent A

· average income
· reasonable rapport with child
· relatively stable social life
· average working hours
· average health

Parent B

· above-average income
· close relationship with child
· extremely active social life
· lots of work-related travel
· minor health problems

To which parent would you award sole custody of the child?

Parent A is average in every way, without compelling positive or negative features. Parent B has a mix of strong positive (very close to the child) and strong negative (lots of travel) features. Asked to make this choice, the majority of respondents — 64 percent — choose Parent B.

What makes this study really interesting is what happens when another group of respondents is given the same character sketches, but asked a slightly different question: "To which parent would you deny custody of the child?" Here again, a majority, 55 percent, choose Parent B.

How can it be that a majority both accept and reject the same parent?

Professor Shafir's explanation is that when people are asked whom to accept, they look for positive features in the parents — reasons to accept one over the other — and Parent B has them. In contrast, when people are asked whom to reject, they look for negative features — and again, Parent B has them. No matter which question you ask, Parent B stands out.

What does this tell us about modern electoral politics? When you go into the voting booth, you're trying to decide whom to accept or whom to reject. Are you judging who the good candidate is or who the less bad candidate is?

The effort by each side to coat the opposition in slime has made many of us cynical, giving us the sense that our task is to reject the worst, not select the best. Nobody's any good, we think, but some are worse than others. Let's keep those candidates out of office. Our job becomes one of denying, not awarding, office.

What that means is that if you want to win an election, you need to find candidates like Parent A, who give us no reason to say no, rather than Parent B, who present a complex set of features, some attractive and some problematic.

If somehow the cynicism lifted, and we saw ourselves charged with the task of deciding who to say yes to, we'd have more candidates like Parent B. Just one negative feature would not be enough to disqualify someone, in our minds. There would be little to gain by capturing and broadcasting "macaca moments," or subtly invoking old Southern fears of black men cavorting with white women. Candidates would be able to take positions and speak their minds. This might lead to the arrival of candidates who actually have positions and minds. We might even be willing to risk generating a little enthusiasm at the prospect of being led by them.

But unless something is done to quell "gotcha" journalism and relentlessly negative campaigning — and as long as we continue to enter the voting booth looking for reasons to say no — the ciphers will be the winners.

Leaders Of Hamas And Fatah In Talks On Unity Government (NYT)

By Greg Myre

The New York Times, November 7, 2006

JERUSALEM, Nov. 6 — The Palestinian Authority president, Mahmoud Abbas, and Prime Minister Ismail Haniya failed Monday in their efforts to finalize a deal on a national unity government but planned to try again on Tuesday, aides said.

In another development, Israel began withdrawing tanks and other armored vehicles late Monday night from the northern Gaza town of Beit Hanun, Palestinian security officials said. The Israeli forces entered the town six days ago to halt Palestinian rocket fire and clashed daily with Palestinian militants.

It was not clear if all or just some of the Israeli forces were leaving, and the Israeli military did not immediately comment.

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Mr. Abbas, who leads the secular Fatah movement, and Mr. Haniya, who leads the militant Islamic faction Hamas, seemed close to an agreement on a new Palestinian government that would be made up of professionals and technocrats not directly linked to either faction. The new government would seek to end the Palestinians' international isolation and win a restoration of Western assistance cut after Hamas came to power in the spring.

"There are issues to be discussed tomorrow and maybe the day after," said Nabil Aburdeineh, a spokesman for Mr. Abbas, as the talks in Gaza City broke up Monday night. "We agreed on one thing: a national government of professionals will be coming."

Mr. Abbas and Mr. Haniya announced Sept. 11 that they had reached a tentative agreement for a unity government. But the negotiations quickly stalled with increased fighting between armed Hamas and Fatah groups, and the meeting on Monday between the leaders was their first in weeks.

Mr. Abbas, whose headquarters are in Ramallah, in the West Bank, travels only occasionally to Gaza, where most senior Hamas leaders are based. Mr. Abbas's decision to make the trip signaled that the negotiations had reached an advanced stage.

Mustafa Barghouti, a prominent legislator brokering the talks, said earlier on Monday that the sides had already reached an agreement in principle.

"Both parties have realized that no one party can lead the Palestinians, and there is a need for a coalition that will include everyone," he said.

Hamas and Fatah did not say what issues were still dividing them. However, Mr. Aburdeineh said they had not yet discussed who might serve in a new cabinet.

A Hamas-linked Web site said Hamas wanted Bassem Naeem, the current health minister, to be the new prime minister. Dr. Naeem is not a Hamas member but is considered to have close ties to the group. Fatah may be unwilling to accept him in the prime minister's role.

Even if the Palestinians succeed in establishing a new government, it is not clear whether its policies, as yet undefined, will meet benchmarks set by the United States and the European Union, which are calling for the recognition of Israel, a renunciation of violence and an acceptance of previous agreements between Israel and the Palestinians. Nor is it clear whether aid will be restored.

The Palestinian political negotiations will not change the status of Mr. Abbas, who was elected president in January 2005 and will retain his post. However, Mr. Haniya and his Hamas-dominated cabinet would be expected to step down.

Mr. Haniya, in remarks to his cabinet on Monday afternoon, suggested that the government was on its way out, without saying so explicitly. "Palestine is bigger than all of us," he said, [a news service] reported. "It is very easy for us to move to another position in the interests" of the Palestinian people, he said.

Under the proposal for the new government, Hamas and Fatah would each appoint several ministers to the cabinet, professionals and technocrats who could be aligned, but not directly affiliated, with any faction. Hamas would choose the prime minister, members of the group said. Smaller Palestinian parties would also be able to choose a number of ministers.

Mr. Haniya and his cabinet took power in March, two months after defeating Fatah in parliamentary elections. Fatah had dominated Palestinian politics for decades. However, the international isolation, the cutoff of money and internal Palestinian fighting have left Mr. Haniya and his cabinet unable to function as a government or pay the Palestinian Authority's 175,000 employees.

In northern Gaza, meanwhile, the Israeli forces and Palestinian militants battled for a sixth straight day before the Israelis began to leave Monday night. At least four Palestinians were killed by Israeli fire, Palestinian medical workers said.

One of those killed was a 15-year-old schoolboy, while several other youths were wounded in an Israeli airstrike as they headed to school, the medical workers said. The Israeli military said its target had been militants retrieving launchers used to fire rockets at Israel a day earlier.

Also, Mervet Masoud, an 18-year-old Palestinian woman, blew herself up near several soldiers, killing herself and slightly wounding one soldier, the military said. "My mother, be patient," Ms. Masoud, a student at the Islamic University in Gaza City, said in a video released by Islamic Jihad after her attack. "Consider me a martyr and, God willing, we will meet in paradise."

Ms. Masoud said she carried out the bombing as revenge for an attack on a Gaza beach in June that killed seven Palestinians, five of them from one family. The Israeli military has said that while it was firing in the area, it did not hit the family.

Israeli Forces Leave Gaza Town (AP)

AP, November 7, 2006

Israeli forces pulled out of the northern Gaza town of Beit Hanoun before daybreak Tuesday, the military said, completing a weeklong sweep that killed more than 50 Palestinians.

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The military said the forces took up new positions inside the Gaza Strip but outside Beit Hanoun, in the northeast corner of the territory near the Israeli border. Residents reported troops and tanks withdrawing from the town overnight.

The pullout coincided with another failed effort by Palestinian leaders to forge a unity government that might lead to lifting of Western aid sanctions that have bankrupted the Palestinian Authority and caused widespread hardships.

Israeli leaders said the object of the raid was to reduce the frequency of Palestinian rocket fire at nearby Israeli towns and villages, but militants kept launching their homemade rockets throughout the operation.

The sweep came in from harsh international criticism because of the death toll and destruction. Israel said most of the dead were militants, but some were women and children. An Israeli soldier was also killed.

On Monday, the sixth day of the sweep, at least seven Palestinians were killed, including a female suicide bomber.

Iran Tries To Foster Trust Among Oil Firms Tehran May Adjust Rules To Lure Investors, But Industry Is Wary By SALLY JONES (WSJ)

By Sally Jones

The Wall Street Journal, November 7, 2006

TEHRAN, Iran -- Iranian President Mahmoud Ahmadinejad is backing changes to foreign energy contracts and retaining moderates in key roles in a bid to woo crucial foreign investors, senior industry and Iranian government officials say. But it remains to be seen whether the new Iranian leadership is ready to give foreign players the kind of stable and lucrative contracts they are seeking.

Iran has the world's third-largest proven oil reserves and second-largest natural-gas reserves. But the country's standoff with the U.S. and its allies over Iran's nuclear program and Mr. Ahmadinejad's anti-Western rhetoric have intensified nervousness among foreign firms about investing there.

Oil is the backbone of Iran's economy, but the country needs roughly $50 billion in foreign investment during the next decade to reach energy-production targets to avoid losing market share to other members of the Organization of Petroleum Exporting Countries. Oil companies face a delicate balancing act: While they want to avoid U.S. ire, they are pressured by Iranian officials to attest to a friendly Iranian investment climate.

Overtures from Tehran come as oil companies say the new hard-line Iranian leadership has cast great uncertainty over their role in the nation's energy sector. An executive at one company involved in talks for three planned liquefied-natural-gas units -- part of the development of the South Pars gas field -- said discussions had slowed since most of the Iranian officials had been replaced.

Iran is OPEC's second-largest oil producer after Saudi Arabia, with output of about 3.9 million barrels a day. Crude-oil exports bring in 80% of the country's foreign exchange. They are projected to bring in $60 billion in revenue -- 60% of total government revenue -- for the fiscal year ending in March.

Oil majors feared being shut out of Iran's energy sector after last year's election of Mr. Ahmadinejad. In addition, talks have failed to resolve a dispute between Japanese and Iranian oil officials on the development of Iran's Azadegan oil field, estimated to contain 26 billion barrels of oil reserves.

Iranian foreign-ministry and oil officials say Mr. Ahmadinejad is backing changes to existing Iranian investment rules that foreign energy firms call inflexible.

The country's so-called buyback system -- unpopular with international oil companies that prefer production-sharing agreements -- skirts the constitutional ban on foreign firms taking equity stakes in energy projects by allowing companies to recoup their investment through Iran's oil-and-gas sales over a five- to seven-year period.

Iran plans to extend the time frame during which oil majors can participate in the development of an energy project to 15 years. Mr. Ahmadinejad supports the time extension, together with the idea of giving foreign companies the ability to be involved in direct financing for some projects, officials say, in what would be a crucial driver of foreign investment.

While officials gave no time frame for the changes, they say they want to move swiftly. Implementation of the changes would be "absolutely a positive move," said Valerie Marcel, principle researcher for energy at London think tank Chatham House. "Iranian officials are well aware of the companies' needs," but she said putting them in place is key.

The needed reforms are likely to find support from key oil-ministry officials. Many in the industry initially feared that Mr. Ahmadinejad's hard-line policies would spread to the oil ministry and that he would replace seasoned oil men with inexperienced allies. Yet, in a positive signal, key figures from the previous reformist regime retain a number of senior posts.

After four months of infighting over the high-level cabinet post, Kazem Vaziri Hamaneh was appointed Iran's oil minister in late 2005. Iranian oil-industry officials describe the soft-spoken engineer as an "independent-minded man" with "an excellent

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understanding of his country's oil business and the need to do business with the rest of the world." Mr. Vaziri has frequently said foreign firms are welcome and strongly supports the proposed investment revisions.

After Mr. Vaziri's appointment, Mohammad-Reza Nematzadeh was appointed head of state-owned National Iranian Oil Products Refining & Distribution Co. To stave off a gasoline crisis in Iran, Mr. Nematzadeh is looking to raise $18 billion to revamp Iranian refineries during the next few years. In his previous job as deputy oil minister and director of National Iranian Petrochemical Industries Co., he was instrumental in attracting billions of dollars of foreign investment.

Hadi Nejad-Hosseinian, who is closely involved in major oil deals between Iran and foreign firms, was reappointed under Mr. Vaziri. But in a recent surprise move, Mr. Hosseinian, who is in his early 60s, retired.

Still, the positive noises from Iranian officials clash with the experience of some foreign companies.

Government negotiations with Inpex Corp., a unit of Inpex Holdings Inc., Japan's largest oil-and-gas-exploration company, on the development of Azadegan have been deadlocked in recent months, with Japan refusing to finalize the contract for the $2 billion project. Iran's oil minister recently said the Japanese firm would be granted only a nominal share in the project.

Iranian lawmakers have frequently criticized Japan's reluctance to finalize the deal and have said Iran could develop the project alone if necessary. Mr. Vaziri has said a consortium made up of domestic and international firms will be awarded the project.

Underscoring the tension, in January, Norway's Statoil ASA wrote off $335 million in investment in the huge South Pars gas field after three years of delayed production and difficulty with Iranian contractors. The field is estimated to hold more than 280 trillion cubic feet of gas, enough to supply current U.S. gas needs for more than 12 years.

A number of other projects are also under threat, amounting to billions of investment dollars. Iran and China signed a memorandum of understanding in 2004 in which Iran would allow state-controlled China Petroleum & Chemical Corp., or Sinopec, to develop its Yadavaran oil field in southwest Iran. Iran is also pressing ahead with plans to deliver natural gas via a $6 billion pipeline to Pakistan and India.

Foreign investors are also fearful of the remaining conflict within the Iranian regime between reformists who favor foreign investment and conservative hard-liners. Mr. Ahmadinejad caused some alarm in July when he awarded a $2.3 billion contract to the engineering arm of Iran's Revolutionary Guard, Khatam-al-Anbiya Construction Headquarters, or Ghorb, to develop two future phases of South Pars.

The Revolutionary Guard played a crucial role in the nation's Islamic revolution and holds sway over a range of enterprises, particularly those involving exports and imports. Mr. Ahmadinejad served with the guard in the Iran-Iraq War.

A Shift In The Debate On International Court (WP)

By Nora Boustany

The Washington Post, November 7, 2006

When then-Undersecretary of State John R. Bolton nullified the U.S. signature on the International Criminal Court treaty one month into President Bush's first term, he declared it the happiest moment in his years of service. Bolton referred to the court as a "product of fuzzy-minded romanticism . . . not just naive, but dangerous."

The bipartisan concern then was that American service members deployed overseas risked exposure to a foreign tribunal. President Bill Clinton signed the Rome Treaty on his last day in office in 2000, while registering strong reservations.

Now, as the court prepares to begin public hearings on its first case, the debate among senior U.S. military officials seems to be shifting away from staunch opposition, and a fresh assessment of the court seems to be underway.

The new attitude has been prompted in part by the court's record since it began operations three years ago; Chief Prosecutor Luis Moreno-Ocampo, an Argentine, has dismissed hundreds of petitions for cases against the United States. The cases were turned down for lack of evidence, lack of jurisdiction, or because of the United States' ability to conduct its own investigations and trials. Out of some 1,500 petitions to the chief prosecutor, almost half accused the United States of war crimes.

In a letter made public last year, Moreno-Ocampo's office said it was throwing out 240 such cases concerning the war in Iraq. Reviews of each claim determined that none fell within the court's jurisdiction, his letter said, because the United States is not a signatory.

A congressional study released in August said the ICC's chief prosecutor demonstrated "a reluctance to launch an investigation against the United States" based on allegations regarding its conduct in Iraq.

To Sen. Patrick J. Leahy (D-Vt.), ranking member of the Appropriations foreign operations subcommittee, the verdict is already in. "The ICC has refuted its critics, who confidently and wrongly predicted that it would be politicized and manipulated by our enemies to prosecute U.S. soldiers," he said recently.

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Officially, the United States does not support the court and has no communication with it. "U.S. policy towards the International Criminal Court has not changed," a Defense Department spokesman, who asked not to be identified by name under rules set by the department, said Monday. "While we respect the right of other governments to join and support the ICC, we ask that governments respect the right of the United States not to join the ICC."

But court backers have noted what they consider quiet support for what the court is doing, particularly in the Darfur region of Sudan, in northern Uganda and in Congo.

For example, court advocates considered it a victory that the Bush administration abstained, instead of using its veto, when the U.N. Security Council voted to refer Sudan to the court over alleged atrocities being committed by Khartoum-backed militias in the Darfur region.

Victoria K. Holt, a senior associate at the Henry L. Stimson Center, a research organization devoted to security issues, co-authored a study based on interviews with senior U.S. military officials, policymakers and politicians who attended a January workshop on the court. Holt and others said they were struck by the pragmatism of both active and retired American military officials, and by an evolving attitude toward the court -- a departure from the administration's stated opposition.

David Scheffer, ambassador at large for war crimes issues during the Clinton administration and a participant in the workshop, said most officers did not fear that the court would be used as a "battering ram against the United States." Rather, he said, many were concerned that by not actively supporting the court, the United States might create the impression that it does not follow internationally accepted rules of war.

"It conveys the image that we are simply intimidated by the prospect of international justice and that we have to browbeat other countries to minimize the risk we may have before the court," Scheffer said by telephone from Chicago. Scheffer is now professor of law and director of the Center for International Human Rights at Northwestern University School of Law.

Some court advocates are pushing for more concrete shows of U.S. support. Africa specialist and International Crisis Group senior adviser John Prendergast and activist actor Don Cheadle have been lobbying senators to prod the administration to share satellite images and intelligence with the court as it investigates war crimes in Darfur.

Moreover, in what seemed like an acknowledgment of the court's legitimacy from two longtime Republican critics, Sen. John McCain (Ariz.) and former Kansas senator and onetime presidential hopeful Bob Dole penned an opinion piece published in The Washington Post on Sept. 10 reminding "Khartoum that the International Criminal Court has jurisdiction to prosecute war crimes in Darfur and that Sudanese leaders will be held personally accountable for attacks against civilians."

McCain and Dole wrote that "U.S. and allied intelligence assets, including satellite technology, should be dedicated to record any atrocities that occur in Darfur so that future prosecutions can take place."

One month after the ICC was formally established four years ago, Bush signed the American Servicemembers' Protection Act, which limits U.S. aid and curtails military training to countries that have ratified the Rome treaty that created the court. The administration negotiated "non-surrender agreements" with 100 countries to ensure that American soldiers are not handed to the ICC, under penalty of losing access to military training. Half of the countries in Latin America are affected by the agreements, although many have received waivers allowing aid to continue.

Many court supporters are arguing that now is the time for the administration to engage with the court, instead of being concerned about potential prosecutions of Americans.

U.S. absence from the court "undermines our argument to the world that we are holding up the standards we preach, and that we are accountable," said Holt, of the Stimson Center. "At a time the United States is being challenged internationally, support of the court may enhance our standing so it can work more effectively."

Panel Calls For U.N. To Be Streamlined (AP-Y)

By Edith M. Lederer

AP, November 7, 2006

A high-level panel called for streamlining U.N. programs to fight poverty, provide humanitarian aid and protect the environment, saying competition among agencies often duplicates efforts and fails to deliver results, a final draft of its report says.

The draft, obtained Monday by The Associated Press, said that while the U.N. "is an indispensable force," it has outgrown its post-World War II structure and "is not as effective as it could be."

"Too often, authority and management responsibility is dispersed among individuals and across organizations, thus limiting accountability for performance and results," it said. "Better cooperation between organizations has been hindered by competition for funding, by mission creep and by outdated business practices."

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Secretary-General Kofi Annan established the 13-member panel in response to a call by world leaders at their September 2005 summit for coordinated U.N. operations to meet development goals, including cutting extreme poverty by half and ensuring universal primary education by 2015.

It will be up to Annan's successor, Ban Ki-Moon, who takes over as secretary-general on Jan. 1, to decide whether to implement the panel's recommendations. The panel's co-chairs, Pakistani Prime Minister Shaukat Aziz and Mozambique's Prime Minister Luisa Dias Diogo, are expected to present the report Thursday.

"The essence of our vision is for the U.N. to deliver as one in the areas of development, humanitarian assistance and the environment," the panel said.

"The U.N. system now encompasses 16 specialized agencies, 14 funds and programs, 17 departments and offices of the U.N. Secretariat, five regional commissions, five research and training institutes and a plethora of regional and country level structures," the draft said.

Weak and disjointed U.N. operations coupled with "inadequate and unpredictable funding have contributed to policy incoherence, duplicating functions and operational ineffectiveness," it said.

A survey by the panel found, for example, that more than one-third of U.N. country teams include 10 or more U.N. agencies carrying out separate operations, and "several teams include 20 or more."

At the global level, the draft said, more than 20 U.N. agencies are active and competing for limited resources in some areas, such as water and energy, and more than 30 U.N. agencies and programs have a stake in environmental management.

A survey by the panel found that the three agreements reached at the 1992 Earth Summit in Rio de Janeiro — on biodiversity, climate and desertification — have up to 230 meeting days every year. "Add the figures for seven other major global environmental agreements ... and that number rises to almost 400 days," the draft said.

Developing countries "are unable to cope with the extensive reporting and participation requirements" of global environmental treaties, which take time, money and expertise away from actually implementing the agreements, the draft said.

The panel said its recommendations can "potentially radically change the way the U.N. operates at headquarters, in each region and in each country."

The panel called for one U.N. program in every country, "not 10 or 20 fragmented and uncoordinated programs delivered by different arms of the U.N." That program would respond to the country's need, the community's views and be approved by the government, it said.

A new U.N. oversight body reporting to the U.N. Economic and Social Council would be responsible for the performance of the single U.N. country program, the draft said.

It called for a new partnership for humanitarian assistance, including the U.N., governments, the International Red Cross and non-governmental organizations led by the U.N. emergency relief coordinator.

The draft also recommended the Nairobi-based U.N. Environment Program be the center of a strong system for environmental protection.

It called for "one strong voice on women's issues in the U.N. system to ensure that the pursuit of gender equality and women's empowerment are taken seriously."

It also called for "one clear framework" to reinvigorate the promotion and protection of human rights, with the U.N. High Commissioner for Human Rights at the center.

Top Job For US Official Raises UN Reform Fear (FT)

By Mark Turner At The United Nations

Financial Times, November 7, 2006

Josette Sheeran, a US undersecretary of state, appears almost certain to be named as head of the UN World Food Programme on Tuesday, in a decision diplomats fear marks an early blow to reform promises by Ban Ki-moon, the incoming secretary-general.

A UN official said that James Morris, the current head of the WFP, told senior staff at the weekend of the decision to appoint the US official candidate to a post traditionally viewed as a US fiefdom. The announcement, some diplomats believe, would be an indication that fledgling efforts to make appointments on technical merit have foundered.

The decision was officially taken by Kofi Annan, the current UN secretary-general, in partnership with Jacques Diouf, head of the Food and Agriculture Organisation. But the outcome would be viewed as a clue to the operating style of Mr Ban, with whom Mr Annan consulted.

According to a number of diplomats and officials, there had been early indications that another candidate – Tony Banbury, WFP's regional director for Asia and a former White House employee – had led on merit. While an American, he was not Washington's choice.

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But late last week it emerged that, following high-level US lobbying and consultations between Mr Annan and Mr Ban, the decision was made to go with the US government's official nominee.

Ms Sheeran serves as undersecretary of state for economic, business and agricultural affairs, but commentators have noted her history as managing editor of the Washington Times and her association with Rev Sun Myung Moon's Unification Church, which part-owns the newspaper.

According to South Korean officials and one senior UN adviser, Mr Ban did not alter Mr Annan's decision. Seoul's deputy UN ambassador, Oh Joon, insisted on Friday that Mr Ban only came to know about the WFP process last week and that in a telephone call he told Mr Annan he respected the process and decision he had already made.

But several diplomats believe Mr Ban helped sway the process, raising questions about his willingness to assert the UN's independence when put under pressure by powerful governments.

Mr Oh said Mr Ban's first priority, when he arrives in New York in the next few weeks, will be to staff his private cabinet. But there is also mounting speculation as to how he will share out powerful jobs such as political affairs and peacekeeping.

Mr Ban campaigned on a platform of UN reform, but it is unclear whether he will go down the traditional route of sharing out top jobs between the strongest countries or will assert his independence and appoint a professional cadre of technocrats.

Sheeran Will Lead U.N. Food Program (WT)

By Betsy Pisik

The Washington Times, November 7, 2006

NEW YORK -- U.N. Secretary-General Kofi Annan today will nominate Josette Sheeran, a senior State Department official and former managing editor of The Washington Times, to be executive director of the World Food Program, U.N. officials said.

The five-year appointment remains subject to approval later today by the WFP executive board, which is considered a formality. Miss Sheeran is expected to take up her duties as head of the Rome-based agency, which administers nearly $3 billion in annual food aid, early next year.

At the State Department, where she has served since August 2005 as undersecretary of state for business, economic and agricultural affairs, Miss Sheeran is charged with promoting the interests of U.S. farmers and business owners in global policy discussions, according to her official biography.

Before that, she served as deputy in the office of U.S. Trade Representative Robert B. Zoellick, where she negotiated agreements with African, Asian and Latin American countries.

From 1997 to 2000, Miss Sheeran was president and chief executive officer of Empower America, where she was a high-profile presence on the media, academic and fundraising circuits. She was an editor of The Washington Times from its founding in 1982 until she left as managing editor of The Times in 1997 to join Empower America.

Miss Sheeran, 52, was selected by Mr. Annan last year to sit on a panel advising the United Nations on how to more effectively deliver humanitarian relief and development assistance.

The report of the High-Level Panel on System-wide Coherence, a group that includes leaders of Pakistan, Mozambique, Norway and senior ministers of several other countries, is to be released Thursday.

Miss Sheeran was chosen for the WFP post from a short list, which was never formally announced but was said by Secretariat officials to have included WFP Asia director Tony Banbury, an American with ties to the Clinton White House; Swiss development minister Walter Fust; and Robert Fowler, a former Canadian ambassador to the United Nations.

But the appointment of Miss Sheeran, the Bush administration's nominee, had been expected: Washington contributes about one-third of the WFP's $2.9 billion budget and often applies pressure to ensure its nominees are successful. An American has managed the WFP for about the past 15 years.

The WFP is one of the United Nations' most prominent agencies, with primary responsibility for feeding the victims of conflicts, natural disasters and long-building famines. Last year, the agency fed nearly 100 million people in 82 countries.

Miss Sheeran will oversee a staff of 10,500 across the world, who deliver 4.2 million tons of high-energy biscuits, enriched milk and flour, and other food staples to people in need.

The United States contributes about $1 billion a year to the WFP, in cash as well as food staples and logistical support. The European Commission is generally the second largest donor, with $200 million, and Japan is third, with about $136 million in voluntary contributions.

This is likely to be the last appointment by Mr. Annan, who leaves office on Dec. 31. The United States has called on him repeatedly not to make any long-term appointments that will bind his successor, Ban Ki-moon of South Korea.

However, the administration lobbied hard for Miss Sheeran's appointment, according to U.N. sources, who said Washington wants to keep an eye on an agency whose work is largely U.S.-funded.

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Sources in Washington, who spoke on the condition of anonymity, said the administration initially had planned to nominate Rep. Jim Kolbe, Arizona Republican, who is not seeking re-election today. Instead, Mr. Kolbe was nominated to head the Global Fund to Fight AIDS, Tuberculosis and Malaria. The fund's board met last week but was unable to agree on a new executive director.

Ortega Set To Reclaim Nicaraguan Presidency (WP)

By N.C. Aizenman

The Washington Post, November 7, 2006

MANAGUA, Nicaragua, Nov. 6 -- Daniel Ortega, the former Marxist president and nemesis of President Ronald Reagan, appears to have won back Nicaragua's top job.

With 62 percent of precincts reporting, Ortega was comfortably leading the field of five presidential contenders with 39 percent of the vote, virtually ensuring him a first-round win under Nicaragua's electoral rules.

In a public appearance Monday night, Ortega, 60, declined to declare victory until the full count was in. "We are ready to work together [with the other candidates] to eradicate the poverty of Nicaragua, to provide security to the private sector, to provide security to the diverse foreigners in our country . . . and to develop relations with the entire international community," Ortega said, as his wife and campaign manager, Rosario Murillo, stood grinning by his side.

If the results from Sunday's vote hold, they will mark a stunning comeback for the Cold War icon, who has failed twice to regain power since 1990, when voters disillusioned by a decade-long war with U.S.-backed insurgents and government abuses cast his Sandinista National Liberation Front from office.

Ortega's return to Nicaragua's presidency would also constitute an embarrassing setback for the Bush administration. American officials have recently made thinly veiled threats that the United States would impose economic sanctions and other punitive measures if Ortega was reelected, arguing that Ortega has not changed despite his embrace of Catholicism, pronouncements in favor of a market economy and efforts to cast himself as the candidate of "reconciliation."

U.S. officials appeared motivated in part by concerns that Ortega would be an eager partner in pushing an anti-American alliance with Venezuelan President Hugo Ch?vez. Ortega's return is particularly galling to many in the Bush administration who devoted their careers to getting rid of him in the 1980s.

Longtime political analysts in Managua said that Ortega was too pragmatic to attempt to resurrect controversial policies implemented during his 1979-90 government that drew international condemnation -- such as military conscription, confiscation of some private property and press censorship.

"Ortega is not going to be stupid and commit the mistakes of the past," said Emilio ?lvarez, an analyst and critic of the Sandinistas. "He knows that the Soviet parachute is gone and that he is totally dependent on the assistance of the United States, the International Monetary Fund and foreign investment."

Instead, ?lvarez predicted that Ortega would try to reach out to Nicaragua's impoverished populace with more modest measures, such as raising taxes to pay for salary increases for low-level government workers and for increased spending on education.

Still ?lvarez worried that Ortega "is erratic. He has these messianic dreams of being the savior of the people that make him vulnerable to unworkable economic schemes."

During the campaign, Ortega caused alarm in the business community by suggesting that he wanted to compel banks to lower the fees they charge Nicaraguans living overseas to wire money to relatives back home.

Carlos Chamorro, editor of the respected weekly newsmagazine Confidencial who broke with the Sandinistas a decade ago, agreed. "Nobody thinks the country is going to go belly up with Ortega," said Chamorro, whose mother, Violeta Chamorro, defeated Ortega in the 1990 elections. "But he represents a step backwards because he could bring economic uncertainty and slow the process of investment and job creation."

Ortega's supporters, including many underemployed youths too young to remember the years of Sandinista rule, are convinced that he is the only candidate who empathizes with their plight. As word of his early lead filtered out, they poured into Managua's streets, setting off firecrackers and cheering ecstatically.

Ortega's closest rivals, meanwhile, held news conferences Monday to announce that they were not yet ready to accept defeat.

"This is not over until the last vote is counted," said Eduardo Montealegre of the Nicaraguan Liberal Alliance, who trailed Ortega by 8 points in the preliminary count.

Jos? Rizo, of the Constitutionalist Liberal Party, said the preliminary results were misleading because they did not include many polling stations in Nicaragua's remote rural areas, where his support is strongest. He said a count by his campaign workers put him close enough behind Ortega to force a runoff election.

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However, the results released by the electoral commission were bolstered by similar findings from a "quick count" of a representative sample of ballots released Monday by Ethics and Transparency, a widely respected Nicaraguan civic group that fielded 11,050 observers to every polling and counting center in the nation to carry out their own tally alongside the official one.

At a news conference in Managua on Monday, Pablo Ay?n, president of Ethics and Transparency, said their count, giving Ortega 38 percent of the vote, had a margin of error of 1.7 percent.

Although there were complaints of irregularities at some polling stations, international observer teams declared that the election was orderly and lawful.

Leftist Headed Toward Victory In Nicaragua (NYT)

By James C. McKkinley Jr. And Jill Replogle

The New York Times, November 7, 2006

MANAGUA, Nicaragua, Nov. 6 — Sixteen years after he left power, Daniel Ortega, a former Marxist president and the Sandinista leader who is still regarded as a sworn foe by many in Washington, appeared headed to a victory on Monday in the Nicaraguan presidential election.

Though electoral officials had yet to release final tallies from Sunday's vote, preliminary results and the country's electoral watchdog groups all indicated that Mr. Ortega, who had failed three times before to gain the presidency in elections, would win a clear victory.

An Ortega win in a five-way race would be a defeat for the Bush administration, which strongly opposed his election and worked hard to unite a fractious opposition against him with little success. The White House has said it would withdraw aid from an Ortega government.

With about 61 percent of the vote counted, Mr. Ortega had 38.6 percent of the ballots, about 8 points ahead of the second-place candidate, Eduardo Montealegre, a Harvard-educated financier and conservative Washington has openly supported. Final results were not expected until Tuesday, an election official said.

Now 60 years old and balding, Mr. Ortega has maintained he is no longer a Marxist, but more of a pragmatist. He has promised to keep good relations with the United States and chose a former political opponent as his running mate. He has also vowed to help the poor and run a positive campaign around the themes of "peace, love and unity."

But he maintains close ties to Cuba and to Hugo Chávez of Venezuela, the leftist president who has become a thorn in the side of the United States. Mr. Chávez gave the Ortega campaign significant support by sending subsidized oil to Nicaragua and distributing it through Sandinista politicians.

Mr. Ortega's expected victory appeared to be another gain for leftists in Latin America, who, despite recent setbacks in Peru and Mexico, have also persuaded voters to abandon conservative governments in Brazil, Argentina, Chile and Bolivia.

Although the results were preliminary, supporters of the Sandinista National Liberation Front party of Mr. Ortega set off fireworks around the city on Monday, and drove around honking horns, shouting victory slogans and waving red and black Sandinista flags. Mr. Ortega had yet to make a statement.

Cuba immediately congratulated Mr. Ortega. "This is good for the people of Nicaragua and for the integration of Latin America," Foreign Minister Felipe Pérez Roque told The Associated Press on Monday.

Mr. Ortega's opponents refused to recognize his expected victory until all the votes were counted. The United States took a similar stance. The State Department's deputy spokesman, Tom Casey, said Monday that the administration would wait to comment until the Nicaraguan electoral council announced who won. He also said it was too early to comment on procedural problems during the voting, noting that several groups of observers planned to file reports.

Mr. Casey said the United States delegation in Nicaragua had remarked on "high turnout and given praise to the Nicaraguan people for their patience and their willingness to show support for this democratic process."

Mr. Ortega was one of the leaders of the Sandinista rebels that swept to power in 1979, toppling the Somoza dynasty of right-wing dictators friendly to the United States and setting up an authoritarian left-wing government.

With the cold war still driving United States policy, President Reagan imposed sanctions on the country and financed anti-Sandinista guerrillas, known as contras, in part by secretly selling arms to the revolutionary Islamic government in Iran. It was Mr. Ortega who led his Soviet-backed army in a bloody decade-long civil war.

The last time Mr. Ortega ran Nicaragua, he seized private assets and redistributed land to peasants. Capital fled the country, along with many of its business leaders. He vows a different approach this time.

The advertising campaign against the former rebel leader was vicious, showing images from the civil war, women weeping, guns blaring. His opponents lost no chance to remind people of the economic collapse that followed the fighting and the United States embargo.

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Mr. Ortega was elected president in 1984 and served from 1985 to 1990, before losing to Violeta Chamorro. He struggled to regain power through the ballot box, but without success, in 1996 and 2001.

This time, however, a change in the election law and a strong throw-the-bums-out sentiment in the country after campaign financing scandals involving former President Enrique Bolaños helped carry him to what appears to be a victory.

He was also aided significantly by a change in election rules that allows a candidate to win in the first round with only 35 percent of the vote, so long as he is 5 points above his closest opponent. If Mr. Ortega had not won on the first round, most political strategists predicted he would not have survived a second round, as the splintered anti-Sandinista vote would have united.

As it was, the anti-Sandinista vote seemed split mostly between Mr. Montealegre, with 30.9 percent, and José Rizo, the candidate of the conservative ruling party, who had 22.9 percent, according to the Supreme Electoral Council, the Nicaraguan election authority. Two other candidates, Edmundo Jarquín, a dissident former Sandinista, and Edén Pastora, a former Sandinista who later became a contra rebel, trailed behind.

Results of a quick count carried out by a local monitoring group, Ethics and Transparency, tracked with the official results.

"It's been a pretty exact count, we can say that Ortega's triumph is almost sure," said Carlos Tunnerman, a political analyst and former Nicaraguan ambassador to Washington from 1984 to 1988.

Former President Jimmy Carter, who was in Nicaragua to monitor the election, said the quick count was "among the most definitive I have ever seen." The count is based on a large, and strategically varied, sample of votes from urban and rural areas and different social strata, explained Mr. Carter and local analysts.

On Sunday night, following the first presentation of results by the election authorities, Mr. Montealegre denounced the early closing of some polling places and problems with the delivery of voter identification cards. He said he would not concede defeat until all votes were counted.

Mr. Carter agreed that there were minor problems with the voting process, but said he did not think they were significant enough to affect the results.

"The likelihood is that those few anomalies, which exist in every election in the world, will not be substantive enough collectively to change the apparent results of this election," Mr. Carter said.

Electoral observers have said the vote was mostly peaceful and orderly, despite long lines and some angry confrontations among voters who claimed polling stations closed before they could vote.

Observers from the Organization of American States said 2 percent of potential voters were not able to cast ballots, and they estimated turnout around 70 percent, The A.P. reported.

Because the front-runner was a cold-war icon for the left, the race generated interest in the United States. Even Oliver North, a former White House aide to President Reagan, visited to speak against Mr. Ortega. Mr. North was at the heart of what became known as the Iran-contra affair.

But in recent years, American money has flowed into Nicaragua in the form of investments. The country has cheap labor and low crime rates, and recently joined the Central American Free Trade Agreement.

During his campaign, Mr. Ortega emphasized his goal of peace and reconciliation, choosing bright pink as the color for his campaign and adopting the rhythm of John Lennon's "Give Peace a Chance" for his jingle.

For some, Mr. Ortega and the Sandinistas still conjure up memories of the war and tough economic times. Marlon José Sánchez Padilla, 36, who sold oranges on Sunday outside of a polling station in the town of Nindirí, bitterly recalled his two years of military service in the 1980s. "Many people were mutilated," he said. "Now he promises the sky, earth and highways, but we don't believe him anymore."

Others at the polls on Sunday said it was time to give Mr. Ortega another chance. "It seems that Daniel Ortega has asked for pardon," said Ninosca Leets, 46, a housewife who said she fled to the United States during the former Sandinista government. "He's asked for reconciliation. He's asked for a change, and I think he should be given the opportunity."

Ortega Nears Victory In Nicaragua Election (WSJ)

By Jose de Cordoba

The Wall Street Journal, November 7, 2006

MANAGUA, Nicaragua -- Sandinista Party leader Daniel Ortega appeared headed toward a first-round victory in Nicaragua's presidential election, handing the U.S. a diplomatic defeat and bolstering populist forces in Latin America led by Venezuelan President Hugo Chávez.

With returns in from about 61% of polling stations in Sunday's election, the 60-year-old Mr. Ortega, a former guerrilla leader and president, had an eight-percentage-point lead over conservative rival Eduardo Montealegre. Yesterday, an analysis of the

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vote by a respected civic organization, the Nicaraguan Civic Group for Ethics and Transparency, said Mr. Ortega would win about 38% of ballots cast. He needed at least 35% to avoid a runoff.

While Mr. Ortega campaigned as the candidate of reconciliation and has refrained from criticizing the U.S., his victory will no doubt be seen as a triumph for Mr. Chávez, whose influence had been waning lately owing to a number of setbacks. He had failed in his attempt to win a seat on the United Nation's Security Council and his political allies in Peru and Ecuador lost, in part, because they were identified with Mr. Chávez and his rhetoric.

In Nicaragua, Mr. Chávez may have won some votes for Mr. Ortega by supplying Sandinista allies with cut-rate diesel fuel and fertilizer. Mr. Chávez also has promised to set up an arm of Venezuela's development bank in Nicaragua to fund local projects.

Washington, on the other hand, actively campaigned against Mr. Ortega, in a kind of echo of the battles of the 1980s, when a U.S.-backed rebel force known as the Contras battled Mr. Ortega's Sandinista government. The U.S. ambassador staged a public campaign against Mr. Ortega and senior U.S. officials said aid and investment could be sharply cut and the country would come to ruin if Mr. Ortega triumphed. Political analysts are sure to debate whether the U.S. campaign backfired.

Mr. Ortega is a hard-knuckle political boss with a devoted, though minority, following, according to most polls. He had lost three previous attempts at the presidency because many Nicaraguans identified him with the hyperinflation, scarcity and the 30,000 dead left by the country's decadelong civil war against Contra forces. He succeeded this time because his opposition was fractured and he had cut a political deal that reduced the percentage of the vote needed to win in the first round to 35% from 45%.

In deeply religious Nicaragua, Mr. Ortega received a politically beneficial blessing from his old foe, Managua's retired but powerful Cardinal Miguel Obando y Bravo. The cardinal married Mr. Ortega and Rosario Murillo, his longtime companion and closest political adviser. Perhaps not coincidentally, the Sandinistas reversed course and helped to overturn a 100-year-old law that permitted abortion in case of danger to the mother's life; the practice is completely outlawed.

Mr. Ortega and the Sandinistas came to power in Nicaragua in 1979 when they toppled the U.S.-backed dictatorship of Anastasio Somoza. He left power after being defeated in elections in 1990, though the Sandinista leadership allegedly stole hundreds of millions of dollars in state lands and assets.

One of the poorest countries in the Americas, Nicaragua has been experiencing an economic upturn thanks in part to a free-trade agreement with the U.S. that has spurred investment and to a modest tourism boom. To keep the country on track, Mr. Ortega will have to convince the U.S., as well as his countrymen, that he has changed from his days as a doctrinaire Communist.

"Nicaragua is like a plane that is taking off. If the pilot makes a bad move, the plane will crash," says Antonio Lacayo, a prominent businessman here. "Ortega must convince everyone that he will keep Nicaragua within the system of free enterprise and civil liberties and democracy."

Mr. Ortega says his days as a Marxist revolutionary are behind him and that he would like to have friendly relations with the U.S. Many fear his authoritarian tendencies could be given free rein if he gets generous financing and strategic support from Mr. Chávez.

Mr. Ortega's supporters rejoiced. "It's going to be different this time," said Pedro Joaquin Romero, a former Sandinista lieutenant, who has been confined to a wheelchair since a 1986 ambush by Contras. "I think he can get the country moving forward."

Ortega's Likely Return Seen As A Blow To US Policy (FT)

By Adam Thomson In Managua

Financial Times, November 7, 2006

Daniel Ortega, the former Sandinista guerrilla leader and leftwing president, on Monday appeared on course to return to power in Nicaragua after an absence of 16 years, according to an incomplete count by electoral authorities.

With about 40 per cent of votes counted by Monday evening, the 60-year-old Mr Ortega was in the lead with 40.1 per cent. Eduardo Montealegre, a former banker and the centre-right candidate for the Nicaraguan Liberal Alliance (ALN), was trailing by about seven percentage points.

An Ortega victory would be a blow for US foreign policy in central America. The leader of the National Liberation Sandinista Front (FSLN) needs 40 per cent of the vote or at least 35 per cent with a minimum margin of 5 per cent over the second-placed candidate to avoid a run-off.

Ever since Mr Ortega lost power to the centre-right Violeta de Chamorro in 1990, Washington has manoeuvred to avoid his re-election. During this year's election campaign, Paul Trivelli, the US ambassador in Managua, has spoken out frequently to warn Nicaraguans of the perceived dangers of a Sandinista government.

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Recently Mr Trivelli also warned of Mr Ortega's growing friendship with Hugo Chávez, the oil-rich and anti-US Venezuelan president.

In a recent interview with the Financial Times, Mr Trivelli even warned that an Ortega-led government would provoke significant changes to the currently healthy bilateral relationship.

"The whole gamut of the relationship that I talked about between the US and Nicaragua would definitely be re-examined – and not only by the executive or the State Department or the White House but by the US Congress," he said.

On Sunday, however, the US government's fears appeared to find little echo among voters. Thousands of electoral observers, including many sent by the European Union and the Organisation of American States, reported trouble-free voting.

In the afternoon, citizens lined up peacefully at a polling station in Granada, Nicaragua's oldest city, while polling officials stained the right thumbs of those who had already voted.

Even so, a statement issued on Sunday by the US presidential delegation said that it had received reports of anomalies such as the premature closing of voting stations as well as slow counting. It concluded: "We are therefore not in a position at this time to make an overall judgment on the fairness and transparency of the process."

On the campaign trail, Mr Ortega, who still wears his trademark moustache but has swapped his military fatigues for casual civilian clothes, has done his best to reassure Nicaraguans that his government would be different to the one he headed in the 1980s.

As part of his message of peace and national unity, Mr Ortega has ruled out the possibility of bringing back compulsory military service.

While his speeches have contained anti-US rhetoric – he has mentioned his desire to modify the Cafta trade pact – he has also defended private business and has ruled out a return to property confiscations.

Ortega Seen Winning Nicaragua Election (AP)

By Traci Carl

AP, November 7, 2006

Daniel Ortega, the revolutionary Marxist who battled a U.S.-backed Contra insurgency in the 1980s, was closing in on Nicaragua's presidency, appearing Monday to have defeated four opponents with promises that he was a changed man.

Electoral officials had yet to release final results from Sunday's vote, but preliminary results and two of the country's top electoral watchdog groups all gave Ortega about 40 percent of the vote. That was more than enough to avoid a runoff against Harvard-educated banker Eduardo Montealegre, who trailed by at least seven percentage points.

Ortega's rivals refused to recognize his victory, saying they would wait until all the votes had been counted. The United States, which has threatened to pull aid from an Ortega government, also said it was too soon to declare the Sandinista leader a winner.

"This isn't over until the last vote has been counted," Montealegre said.

If his victory is confirmed, the Cold War icon would join a growing number of leftist Latin American rulers, led by Venezuela's Hugo Chavez, who has tried to help his Nicaraguan ally by shipping cheap oil to the poor, energy-starved nation.

"This is good for the people of Nicaragua and for the integration of Latin America," Cuban Foreign Minister Felipe Perez Roque told The Associated Press Monday.

Ortega's supporters celebrated in the streets late Sunday, swaying to his campaign song set to the tune of John Lennon's "Give Peace a Chance."

Herberto Jose Lopez, who earns about $235 a month selling CDs from a kiosk, said Monday he voted for Ortega in hopes that he would help Nicaragua's poor.

"I've got a wife and kid and I'm lucky because I have a job, but most people will tell you the same thing: The current administration just governs for the guys in ties," said the 32-year-old Lopez.

Some Nicaraguans worried that an Ortega win would drive away the country's business leaders and elite, as they did the first time he came to power.

"We're just trying to figure out which country to go to," said 27-year-old Karen Sandoval, a Coca-Cola marketer shopping with a friend at an upscale Managua mall. "This sets the country back 20 years."

Ortega, who served as president from 1985-90, toned down his once fiery rhetoric during the campaign, promising to support the Central American Free Trade Agreement and even maintain good relations with Washington.

The balding, 60-year-old leftist often appears more preacher than revolutionary, calling for peace and reconciliation and urging his supporters to pray.

He says he has changed profoundly since he befriended Soviet leaders, expropriated land and fought Contra rebels in a war that left 30,000 dead and the economy in shambles.

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An Ortega victory would cap a 16-year quest to return to his old job. Ortega lost the presidency in 1990, ending Sandinista rule and the Contra war. He has run for president in every election since.

Ortega's vote percentage was similar to what he received in his last two failed presidential bids, but the right was divided this time between Montealegre and ruling party candidate Jose Rizo. The constitution allowed him to win on the first round with only 35 percent of the vote and a lead of five percentage points over his closest rival.

With 40 percent of the vote counted, Ortega had 40 percent to Montealegre's 33 percent. Three other candidates trailed: Rizo, Sandinista dissident Edmundo Jarquin and former Contra rebel Eden Pastora. Statistical surveys of votes conducted by two respected Nicaraguan electoral watchdog groups also both gave Ortega a similar margin.

Electoral observers have said the vote was mostly peaceful and orderly, despite long lines and angry confrontations by people who said polling stations closed before they could vote. Observers from the Organization of American States said 2 percent of potential voters weren't able to cast a ballot, and they estimated turnout around 70 percent.

The race generated intense international interest, including a visit by Oliver North, the former White House aide at the heart of the Iran-Contra controversy, which created a huge scandal when it emerged that Washington secretly sold arms to Iran and used the money to arm the Contras.

These days, U.S. money is flowing to Nicaragua in the form of investments by foreign companies drawn by the country's cheap labor, low crime rates and recent decision to join the Central American Free Trade Agreement.

Nicaraguan presidents cannot serve consecutive terms, and President Enrique Bolanos steps down Jan. 10.

Ortega Headed Back To Power In Nicaragua (LAT)

By Héctor Tobar

The Los Angeles Times, November 7, 2006

MANAGUA, NICARAGUA — Daniel Ortega, the rebel leader driven from power 16 years ago by a U.S.-backed war and the missteps of his own Sandinista movement, was cruising Monday toward victory and an unlikely political resurrection in Nicaragua's presidential vote.

The result was a blow to the Bush administration, which worked actively to discourage Nicaraguans from voting for Ortega, a 60-year-old former Marxist now allied with Venezuelan President Hugo Chavez, the bete noire of Latin American and U.S. conservatives.

With 62% of the ballots counted, Ortega was outpolling conservative challenger Eduardo Montealegre, 39% to 31%. Two separate "quick counts" that took samples of the vote found Ortega would win a clear and "irrefutable" first-round triumph.

Ortega's apparent victory was celebrated Monday evening in the impoverished neighborhoods of this and other Nicaraguan cities, where the Sandinista National Liberation Front's core supporters have remained loyal through years of revolution, counterrevolution and electoral defeats.

Cars cruised down Managua's main streets with horns honking and passengers waving the black and red flag of the Sandinista Front.

"I feel like I did in 1979, because this is a new revolution," said Violeta Mena, 44, remembering the day when the Sandinistas marched into Managua after defeating the army of dictator Anastasio Somoza. "This is not an armed revolution, it's a revolution for social justice."

Though his followers still call him el comandante, Ortega won by reinventing himself as a moderate and a dealmaker in the long tradition of Latin American populist politics.

Over the last two years, Ortega has forged a series of cunning alliances that have left his opponents on both ends of the political spectrum weak and divided.

Ortega reconciled with former enemies, including the hierarchy of the local Roman Catholic Church and former commanders of the right-wing Contra army who fought to overthrow him in the 1980s. And Sandinista legislators used their influence to change the rules of the electoral contest to make a first-round victory easier.

"He's a smart man and a shrewd politician, obviously," former President Carter said. Carter, who as president met Ortega when the Sandinistas came to power in the 1979 revolution, was leading a 62-observer delegation here.

Having pulled off an unlikely political second act, Ortega "has an opportunity to heal his country and to heal the disparity between his country and the United States," Carter said.

Ortega was winning a first-round victory in Sunday's vote thanks in large measure to a constitutional amendment the Sandinistas negotiated with one of Nicaragua's most powerful politicians — former President Arnoldo Aleman, now serving a 20-year sentence for fraud and money laundering.

The amendment lowered the threshold for a first-round victory from 45% to 35%. Aleman, in exchange, received a loosening of the conditions of his house arrest.

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In 1990, 1996 and 2001 Ortega lost presidential elections to conservative candidates even though he won a greater percentage of the votes in each of those races than he did Sunday.

Carter and other international and Nicaraguan observers said the voting had proceeded normally, despite claims by conservative candidates and the dissident Sandinista Renovation Movement of widespread irregularities.

"The election has taken place in a climate of tranquillity," said Claudio Fava, head of the European Union's team of election monitors. "Above all, it is a victory for the Nicaraguan people…. There was no fraud."

U.S. officials, who had strongly urged Nicaraguans not to vote for Ortega and threatened economic consequences, responded cautiously Monday, saying they would withhold comment pending final results.

"The Nicaraguan electorate has responsibility for choosing its leaders," a State Department statement said. "We will work with those leaders based on their commitment to actions in support of Nicaragua's democratic future."

After meeting with Carter at a Managua hotel Monday night, Ortega told reporters that Nicaragua would continue to "give security to the private sector, protect foreign and national investors … and work to eradicate poverty in the country."

Ortega's opponents were not prepared to concede defeat.

"This is a battle to transform Nicaragua," Montealegre, a Harvard-educated banker, said Monday morning. "It won't be over until the last vote is counted."

Another conservative candidate, Jose Rizo of the Liberal Constitutional Party, was running third in the official count, with 23% of the vote.

Oscar Rene Vargas, a sociologist and political analyst here, said the split in the conservative vote, along with a lingering crisis of poverty, immigration and unemployment, helped deliver a Sandinista victory.

Between 1990 and 2005, he said, the number of Nicaraguans living in poverty increased from 2 million to 4 million.

"People had a lot of expectations that life would get better" with conservative governments, Vargas said. "Instead, life got worse." Hundreds of thousands of Nicaraguans emigrated to neighboring Costa Rica, El Salvador and other countries in search of work.

With Ortega looking strong in polls before the election, Paul Trivelli, the U.S. ambassador in Managua, worked behind the scenes to unite Nicaragua's conservative politicians behind a single, anti-Ortega candidate.

Trivelli warned that $220 million in U.S. aid to Nicaragua could be imperiled in the event of an Ortega victory, and U.S. Commerce Secretary Carlos M. Gutierrez said U.S. aid to the country would be endangered if "anti-democratic forces" prevailed in Nicaragua. Three Republican congressmen called on the Bush administration to stop people in the U.S. from sending money to Nicaragua should Ortega win.

The American lobbying has been enough to alarm the Organization of American States, which in October said it "regretted" the U.S. intervention. "The future of Nicaragua's political institutions should depend only on the decisions of the people of this nation," an OAS observer mission said in a statement.

The European Union and watchdog groups have been critical of Venezuelan attempts to influence the Nicaraguan vote. Chavez is widely believed to have helped fund the Ortega campaign, which dominated the airwaves here.

Michael Shifter, vice president of Inter-American Dialogue, a Washington research group, said U.S. officials have been disturbed at the prospect of Ortega's return. But he said the U.S. effort to prevent Nicaragua from turning to Ortega was out of proportion to any threat the politician could pose to the country and region.

"It's a setback to U.S. policy, but sort of a self-inflicted one, since he's not crucial to U.S. security interests, as they set him up to be," Shifter said.

He said Ortega was not likely to try to push Nicaragua far to the left, and would have to remain closer to the center to accomplish his goals in the country and the region. Ortega will be an ally of the left-leaning regimes in Venezuela, Cuba and Bolivia, but "his capacity to extend his influence is limited," he said.

Who is Ortega?

1945: Born in La Libertad, Nicaragua, to middle-class parents.

1963: Joins Marxist Sandinista National Liberation Front.

1967: Arrested and imprisoned on bank robbery charges.

1974: Released in exchange for hostages, becomes a Sandinista commander.

1979: Sandinistas overthrow dictator Anastasio Somoza and form five-person Junta of National Reconstruction. Under the junta, Nicaragua makes advances in literacy, healthcare, women's rights and working conditions, but sparks opposition with land seizures, economic controls and forced relocation of Miskito Indians.

1984: Elected president, amid boycott by opposition groups.

1986: President Reagan warns that defeat of the U.S.-funded Contra rebels would create "a privileged sanctuary for terrorists and subversives just two days' driving time from Harlingen, Texas."

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1990: Loses presidential election to former junta member Violeta Barrios de Chamorro amid spiraling inflation, a U.S. trade embargo and widespread discontent over conscription to fight the U.S.-supported Contra war.

Nicaragua's Ortega Ready For Comeback (USAT)

By Sara Miller Llana

USA Today, November 7, 2006

MANAGUA, Nicaragua — Daniel Ortega, the Marxist who led the fight against U.S.-backed Contra rebels in the 1980s, appeared to be heading to victory in Nicaragua's presidential election, according to partial results released Monday.

The Bush administration openly supported his two conservative opponents to block the election of another leader in Latin America with anti-U.S. leanings. Venezuela and Bolivia have elected anti-American leftists. Brazil also has a leftist president.

U.S. officials, including Commerce Secretary Carlos Gutierrez and Paul Trivelli, the U.S. ambassador to Nicaragua, warned that foreign investors might move elsewhere if Ortega won. Trivelli has called Ortega's democratic credentials “very doubtful.”

During his campaign, Ortega called for unity and reconciliation and vowed he would maintain the country's vital economic ties with the United States, which has provided $1.2 billion in aid since 1990. But he also said he would strengthen relations with Latin American leaders such as Venezuelan President Hugo Chávez.

With more than 60% of the vote counted, the Supreme Electoral Council said Ortega had 39% of the vote and Eduardo Montealegre, a U.S.-backed, Harvard-educated banker, had 31%. Three other candidates in the race trailed. Ortega needed 35% and a 5-point lead to avoid a runoff.

It would be a remarkable comeback for the former president and Sandinista leader who for the past 16 years has tried and failed to recapture leadership.

Jubilant Ortega supporters filled the capital's streets late Sunday after the vote. Opponents said the celebration was premature. “This isn't over until the last vote has been counted,” Montealegre said.

Ortega, 60, was elected president in 1984. The next year, a five-year war broke out against U.S.-backed contra rebels. Nicaragua is the poorest country in the Western Hemisphere after Haiti, according to the U.S. State Department.

Asked by reporters in Washington on Monday whether it was possible Ortega had changed since his Marxist days, U.S. Secretary of State Condoleezza Rice appeared skeptical. “We'll see,” she said.

Nations Fight Perceived Corruption Image (AP)

By David Rising

AP, November 7, 2006

Nearly three-quarters of 163 countries ranked in a new survey suffer from a perception of serious corruption, while in nearly half it is seen as rampant, a watchdog group reported Monday.

Transparency International's 2006 Corruption Perceptions Index gives the worst scores to many of the world's poorest countries, including almost all African nations, indicating a strong correlation between corruption and poverty.

The stragglers also included several so-called "failed states," including Iraq, which dropped from place 137 last year to second-last as the situation there continues to deteriorate.

"Corruption traps millions in poverty," the agency's international chairman Huguette Labelle said in a statement. "Despite a decade of progress in establishing anti-corruption laws and regulations, today's results indicate that much remains to be done."

The agency's scale is based on the perceptions of the degree of corruption by businesspeople and country analysts. Countries are ranked out of 10, and anything below five indicates "serious" perceived levels of corruption, and anything below 3 "rampant," the agency said.

Several former Soviet republics fared relatively well, with Estonia ranking 24th with a 6.7 rating, Lithuania with 4.8 in 46th and Latvia with 4.7 in 49th. Estonia's place was the highest of the 10 mostly former communist countries that joined the EU in 2004.

In contrast, the perception of corruption in Russia was a dismal 2.5, putting it in a 121st place tie with several other nations including Rwanda and Swaziland. Even Kazakhstan fared better, scoring 2.6.

Faring the best were Finland, Iceland and New Zealand, in a first-place tie with rankings of 9.6.

Filling out the top 10 were Denmark, Singapore, Sweden, Switzerland, Norway, Australia, and the Netherlands.

Britain was 11th with an 8.6 rating, Germany 16th at 8.0 and the United States 20th with 7.3.

France tied with Ireland with a 7.4 rating in 18th place, while Italy mustered only 4.9 in 45th place.

The only African countries to score more than 5 were Botswana and Mauritius.

At the bottom of the list in place 163 was Haiti with a 1.8 rating, just slightly worse than Guinea, Iraq and Myanmar which tied in second-last with a 1.9.

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Transparency International did not rank countries for which not enough data was available, including Afghanistan, Somalia and North Korea.

US Suffers Fall In Corruption Ranking (FT)

By Hugh Williamson In Berlin

Financial Times, November 7, 2006

The US has suffered a "significant worsening" in its perceived levels of corruption following a series of business scandals and increasing worries over political party funding, Transparency International, the anti-corruption watchdog, said on Monday.

In an international ranking of countries released ahead of Tuesday's mid-term congressional elections, the US fell to 20th place from 17th last year.

Its score fell from 7.6 to 7.3, with 10 representing "least corrupt" and 0 "rampant corruption".

The Berlin-based pressure group's annual Corruption Perceptions Index ranks 163 countries based on opinion polls and expert assessments.

Huguette Labelle, TI's global chairwoman, said the reasons could include the greater awareness of corruption after the Enron and Worldcom business scandals, and growing concern in the US that private and business donations to politicians was having a corrupting influence on political affairs.

"Issues of ethics and corruption have been on the front-burner for some time with the US electorate and have played a role in the election," Nancy Boswell, president of the group's US chapter, said in an interview from Washington DC.

Finland, Iceland and New Zealand are the world's least corrupt countries, while Haiti, Burma, and Iraq are most corrupt, according to the index.

This year's index score for Iraq of 1.9 is based only on surveys made after the invasion. The score in 2004, based largely on pre-invasion surveys, was 2.1.

"The systems for upholding integrity in Iraq, the rule of law and courts, are not functioning, or have been destroyed," said David Nussbaum, TI chief executive.

The index also revealed a link between corruption and poverty, TI said, with all low-income countries scoring below 5.0.

Such high levels of corruption could also have very serious consequences, for instance when food and vaccines did not reach poor people. "Corruption kills," Ms Labelle said.

Hilary Benn, British development minister, said: "In poor countries corruption harms the poorest people most of all.

"It is shocking that, according to Transparency International Kenya, bribery costs Kenyans about US$1bn [€787m, £526m] each year, yet more than half of all Kenyans live on less than $2 per day."

Mr Nussbaum said the index highlighted the need for associations of bankers, accountants and company lawyers to pay more attention to corruption.

These were failing to clamp down on members who provided a "veneer of legitimacy" to corrupt politicians in developing and transition countries, he said.

Such professional groups should be doing more to tackle bribery on a grand scale that was facilitated by some of their members.

He cited the International Bar Association, and the International Compliance Association as examples of organisations that should act more convincingly.

He urged professional associations to launch their own investigations into bankers, accountants or others who allegedly "provide the arteries through which corrupt money can flow", or provided offshore facilities to invest stolen funds.

He said anti-corruption codes of conduct of such associations were often "too vague" to be effective, and training programmes were outdated.

"For companies, thinking just in terms of compliance in not enough," he said.

Source: Transparency International

Kidnappings Return To Haunt Long Ethnic War In Sri Lanka (NYT)

By Somini Sengupta

The New York Times, November 7, 2006

COLOMBO, Sri Lanka — Like a returning ghost, a rash of mysterious abductions has come to haunt this country once more.

Men and women are being grabbed from their homes, sometimes after dark, sometimes in broad daylight. Ransom is demanded in some cases; in others, political intimidation seems to be the point. A few have been freed, but corpses have also turned up. With rare exceptions, the crimes remain unsolved.

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The abductions are a terrifying sideshow in Sri Lanka's newly revived ethnic conflict, and they contain eerie echoes of the horrors of a generation ago, when this island nation achieved notoriety for tens of thousands of disappearances.

For nearly a quarter of a century, the ethnic Sinhalese-dominated government has been locked in battle with Tamil separatist guerrillas. A new menace has come in the form of a breakaway Tamil rebel faction, widely accused of being allied with the government and — say kidnapping victims lucky enough to tell their tales — of having a hand in the abductions.

The government denies having any link to the group, called the Karuna faction, and describes the latest abductions as a law-and-order problem that it can tackle.

It is difficult to know who is responsible, or exactly how many people have been seized.

The International Committee of the Red Cross says it received more than 350 reports of disappeared persons through late October. The National Human Rights Commission logged 419 such complaints between last December and September.

A private human rights advocacy group, called Home for Human Rights, has documented 203 cases of missing persons in the first nine months of this year, using newspaper clippings and other reports. It lists 965 more extrajudicial killings, some of whose victims might also have been abducted.

The victims come from all walks of life: a radio reporter, a university dean, a fish trader. For the most part, they are Tamil, the country's main ethnic minority. Many of the abductions have been carried out in government-controlled territory — sometimes in the heart of this highly fortified capital, at other times in the north and east, close to military installations. Some of those kidnapped have won release only after their families appealed to the highest echelons of the state.

A white van appears repeatedly in their recollections: it is the iconic symbol of the late 1980's, when white vans were used in a wave of abductions as the government fought a violent leftist insurrection.

Despite the official denials, the abductions have spread a cloud over the administration of President Mahinda Rajapakse, including a recommendation by the United Nations high commissioner for human rights, Louise Arbour, to dispatch foreign monitors to investigate rights abuses here.

[Instead, on Nov. 6, Mr. Rajapakse's government announced formation of a government commission of inquiry, to be aided by foreign observers. Ms. Arbour's office cautiously welcomed the plan but warned of the need to "establish not only individual responsibility for crimes, but the broader patterns and context in which they occur."]

The spike in rights abuses corresponds to the swift deterioration of a 2002 cease-fire between the Sri Lankan military and the ethnic rebels, the Liberation Tigers of Tamil Eelam.

The rights record of the Tamil Tigers has hardly been exemplary. They have been repeatedly accused of abductions, including of children whom they draft into military service. The rebels are also implicated in a rash of assassinations, in particular attacks on ethnic Tamils who work with the state.

The terror of this war has grown ever sharper with the emergence of the Karuna faction, which broke away from the Tamil Tigers.

Sathasivam Kumararatnam, the fish trader, was packed into a white van on a Thursday morning in late September from a street corner near his house. His captors, he said, pistol-whipped him, blindfolded and gagged him, bound his wrists and took his cash.

He was beaten and interrogated about his links to the Tamil Tigers. His family was then pressed for nearly $10,000 for his release. The Kumararatnams bargained his captors down to half that amount, and when a courier came to pick up the ransom, Mr. Kumararatnam's first-born son, Ravindran, beat him to a pulp. He also forced a confession out of him. "I'm with the Karuna faction," Ravindran said he heard him say.

The police confirmed that a man arrested in connection with Mr. Kumararatnam's kidnapping had confessed to links to the rebel faction. They gave no further details.

His captors have since released Mr. Kumararatnam. But he is not yet free. He still receives threatening phone calls, he says. "This time, we will kill you," the callers tell him.

The political nature of many of the abductions, even in cases where the kidnappers' identities are hard to pin down, seems clear.

Nadaraja Kuruparan, a Tamil radio reporter, said he was not asked for a single rupee after he was yanked from his car one early morning in August. He was held overnight at what appeared to be a private house, he said, and told he would have to "clarify" some of his reports. He was released on the outskirts of Colombo the following day, and given taxi money to return home.

The government had previously warned the station about Mr. Kuruparan's popular talk show, on which he had interviewed a Tamil Tiger leader this year. Since his kidnapping, he has decided to take the talk show off the air.

In another case, Balasingam Sugumar, the dean of arts at the main public university in Batticaloa, in the east, was plucked from his house and detained for 10 days, despite his family's quiet efforts to buy off his captors, the family said.

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In exchange for his release, his abductors demanded the resignation of a senior university administrator, whom they accused of having links to the Tamil Tiger rebels. It remains a mystery how the white van that came to get him on a Saturday night in late September managed to pass through the military checkpoints that sit on both ends of his road.

His family says they do not know what ultimately led to Mr. Sugumar's release, only that they reached out to representatives of each of the warring parties, including President Rajapakse, who promised to investigate.

Mr. Sugumar refused to be interviewed. [He has since fled the country, his family said.]

For now, there seems to be little consensus within the government on who is behind the abductions, let alone what to do about them.

A senior negotiator for the government, Palitha T. B. Kohona, said the kidnappings represented a law-and-order challenge for the state. "We would like to get to the bottom of this," he said. "We will intensify investigations if necessary."

Gotabaya Rajapakse, the president's brother, who also serves as defense secretary, said in late October that "lots of people" had been apprehended in connection with the abductions. But he did not have details on how many and in what period.

His claim was contradicted by a retired judge whom the president appointed to look into the abductions. The judge, Mahanama Tilakaratne, said the police had made virtually no arrests. He also said he believed many of the recent abductions were a result of personal grudges and had little to do with the ethnic conflict.

By way of example, he took out the file of one victim and pointed out that he was suspected of an extramarital affair. The judge said he could not share details of any other cases.

Many of those who disappeared a generation ago are still unaccounted for. Their faces stare out from a simple memorial erected on the outskirts of Colombo. Once a year, their families come to lay flowers.

In late October came a weeping father, W. A. W. Weerasinghe, to remember his son, Krishantha, who was stuffed into a white van one afternoon more than 16 years ago and has not been heard from since.

Along with dozens of other parents, Mr. Weerasinghe, 68, laid flowers and wept. "Disappearance is a crime against humanity," reads a tablet at the base of the memorial. "Let us not allow it to happen again."

At the time of those disappearances, President Rajapakse was an opposition lawmaker and a human rights activist whose colleagues were among the thousands abducted and killed. Nine months after Mr. Weerasinghe's son disappeared, Mr. Rajapakse headed to Geneva to draw the attention of the United Nations to human rights abuses in his country, carrying with him reams of files on missing persons.

According to human rights groups and news reports from that time, the Sri Lankan police seized the documents at the airport.

Will Bush Lose Lebanon, Too? (WSJ)

By Bret Stephens

The Wall Street Journal, November 7, 2006

President Bush learns tonight whether Republicans will lose control of the House, the Senate, or both. But what's a mere midterm when his administration is on the verge of losing an entire country?

That country is Lebanon. Twenty months ago, when Syrian troops were abruptly forced out in the so-called Cedar Revolution after a 29-year occupation, the Levantine state was a byword for the ascendancy of the Bush Doctrine. "It's strange for me to say this," the Lebanese Druze leader Walid Jumblatt told columnist David Ignatius in February 2005, "but this process of change has started because of the American invasion of Iraq. I was cynical about Iraq. But when I saw the Iraqi people voting three weeks ago, eight million of them, it was the start of a new Arab world."

Fast-forward to the present and then watch as the Cedar Revolution gets played in reverse. The White House issued a remarkable statement last Wednesday warning of "mounting evidence that the Syrian and Iranian governments, Hezbollah and their Lebanese allies are preparing to topple Lebanon's democratically elected government." That evidence includes recent threats on the lives of leading anti-Syrian figures, about a dozen of whom were assassinated last year. Hezbollah leader Hassan Nasrallah has also promised massive demonstrations if his demand for a "national unity" government -- in which he and his allies would gain enough seats in the cabinet to exercise a veto -- is not met by the end of this week.

This could be scene-setting for another civil war, if the Lebanese have the appetite for it. Mr. Nasrallah's opponents, including the notorious Christian militiaman Samir Geagea, have put it about that if Hezbollah goes ahead with its demonstrations they will stage massive counterprotests and perhaps barricade the roads into Beirut.

What would Mr. Nasrallah do then? "He's going to push the troops of others to bring about an incident," speculates Lebanese commentator Walid Phares of the Foundation for Defense of Democracies. "He'll start a massive demonstration in front of [Prime Minister Fuad Siniora's] office and demand his resignation. He'll portray himself as the opposition. What he would love most of all is to have the media broadcast the downfall of the Bush-allied government."

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That's one scenario, though it probably won't come to that: Mr. Nasrallah would prefer maximum autonomy within the country than actual responsibility over it. Instead, Lebanon's political classes are likely to settle on a compromise that would sacrifice at least one of the three most cherished goals of the Cedar Revolution. The first is disarming Hezbollah, as required by the 1989 Taif Accords and demanded by U.N. Resolutions 1559 and 1701. But that latter resolution, part of the cease-fire agreement arranged by Condoleezza Rice last summer, does more to shield Hezbollah from Israel than the other way around.

Second is a successful conclusion to the U.N. investigation into the murder of former Lebanese Prime Minister Rafik Hariri. The investigation, led by low-key Belgian prosecutor Serge Brammertz, is said to be within weeks of wrapping up, and informed U.S. diplomatic sources expect that it will indict senior figures in the Syrian regime, including relatives of President Bashar Assad. But the indictments must be followed by a trial in Lebanon, which Mr. Assad is desperate to quash. Hence the Hezbollah power play: If Mr. Nasrallah and his allies can gain a third of the cabinet's seats, they can prevent the Hariri case from ever going to trial.

Finally, the Cedar Revolution was supposed to put an end to Syria's meddling in Lebanon. But that won't happen if at the end of this week's political negotiations the Lebanese government allows President Emile Lahoud, still and forever a Syrian puppet, to remain in office even as the country moves to early elections. Nor does it help that Mr. Assad continues to prove his worth to Mr. Nasrallah by serving as his main conduit of arms.

In all this, Hezbollah has been helped by the weakness of its domestic opponents. The Cedar Revolution demonstrated that Lebanon's anti-Syrian forces were a majority in the country. But those forces are fractious and unsure of themselves, and Mr. Nasrallah was able to draw down their support by striking a deal with the opportunistic Maronite leader Michel Aoun. Israel's incompetent military campaign last summer was another boon for Mr. Nasrallah, since anything less than his complete defeat in war was bound to embolden him politically.

Then there is the forthcoming report of former Secretary of State James Baker's Iraq Study Group, which is rumored to urge the Bush administration to re-engage Damascus diplomatically. In recent days Mr. Assad has been talking a blue streak about his willingness to make peace with Israel, a signal that he might be willing to play ball on that front and maybe in Iraq if only the administration lets him have his way in Lebanon.

The term for Mr. Baker's advice is "sell-out," and it is entirely characteristic of his past Mideast diplomacy. As an alternative, Mr. Phares argues that Ms. Rice should convene a conference of Lebanese NGOs in Washington as a way of bracing them for what he calls a "second Cedar Revolution." Also noteworthy is the internal Shiite opposition to Hezbollah: "The Shiite community never gave anyone the right to wage war in its name," Sayed Ali al-Amin, the Shiite mufti of Tyre, recently told Beirut's An-Nahar newspaper. With winter approaching and Hezbollah reportedly sharply cutting back on its reconstruction funds to homeless Shiites, there's an opportunity here to discredit Mr. Nasrallah and separate his organization from its religious base.

Saving Lebanon will require focus, nerve and imagination, qualities hitherto absent from Ms. Rice's tenure at State. Maybe if her boss loses his majority in Congress, he'll be less inclined to let the remainder of his legacy go down the drain with it.

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Miller, Charles S

From: Miller, Charles S
Sent: Tuesday, November 07, 2006 9:55 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 11/7/06 Civil Division News

Charge or Release Posada, Judge Orders

Appeals Court Weighs Prisoners' Right to Fight Detention

Court Hears of American's Iraq Sentence

Gov't says U.S. Taliban soldier Lindh deserves documents privacy

Detroit judge dismisses House Democrats' lawsuit over $39B budget bill

HealthSouth to pay $4M to settle Medicare case

Abortion Cases Pit Justices vs. Congress

Legal System Gives Boost To Chinese Asylum Seekers

Creekstone answers USDA in court over mad cow testing

Press Release: United States Files Brief Supporting Utah's Right to Keep Children Safe From Adult-Oriented Electronic Messages; The CAN-SPAM Act Does Not Preempt State Child Protection Registry Laws

Los Angeles Times

November 7, 2006

Charge or Release Posada, Judge Orders

By Carol J. Williams

MIAMI -- He has admitted to bombing Havana hotels, served time for plotting to assassinate Fidel Castro and for more than 20 years was a fugitive from charges of blowing up a Cuban airliner.

But 17 months after Luis Posada Carriles was arrested and sent to a Texas immigration lockup, U.S. officials have declined to label him a terrorist or charge him with a crime. Friday, a federal judge in El Paso, Texas, gave the U.S. government until Feb. 1 to bring a case against Posada or the reputed bomber will be freed.

He has become a political liability for the Bush administration in its declared global war on terrorism.

As a veteran of nearly five decades of covert operations in Latin America, including the Bay of Pigs invasion, clandestine Cold War actions and the Iran-Contra affair, Posada knows where Washington's bodies are buried.

If Posada were to be prosecuted, he probably would seek to defend himself against any criminal charges by arguing that his violent actions were on behalf of his CIA masters.

His Miami lawyer, Eduardo Soto, alluded to his client's past collaboration with U.S. intelligence services as he pressed the 78-year-old Cuban militant's unsuccessful quest for political asylum.

``A public trial of Luis Posada would certainly reveal embarrassing details on the degree to which U.S. covert operatives used terrorism as a tool in the 1960s," said Peter Kornbluh of the independent National Security Archive at George Washington University.

Kornbluh has compiled declassified CIA and FBI evidence of Posada's role in the 1976 plane bombing, near Barbados, of a Cuban airliner in which all 73 people on board died. Among the documents in the archive's online dossier is one recently obtained through Freedom of Information Act litigation that shows Posada informed his CIA minders of the plot to blow up the airliner three months ahead of the attack.

The administration has avoided bringing a criminal case against Posada, who enjoys strong support among Miami's politically powerful Cuban exiles, by handling him like any other immigration offender and simply seeking his deportation.

Posada returned to Florida in March 2005, reportedly on a fellow exile's shrimp boat sent to fetch him from an island off the Yucatan Peninsula. He'd made his way there six months after being pardoned by outgoing Panamanian President Mireya Moscoso in August 2004 after serving four years for attempting to kill Castro at a Panama summit in 2000.

Moscoso's clemency decree for Posada and three U.S. militants was seen as a favor to the Bush administration in a presidential election year when the Cuban exile vote in Florida was vital.

Posada moved about Miami with impunity, despite indignant demands for his extradition by Cuba and Venezuela, where he is a naturalized citizen. Authorities finally arrested him two months after his arrival when he invited journalists to his Miami residence for a news conference.

A federal immigration judge in El Paso, where Posada has been held since May 2005, ruled last year that he should be deported to a country other than Venezuela or Cuba, which want to try him for the jetliner bombing. The federal government has spurned those countries' extradition requests, contending Posada would be at risk of torture or execution.

The State Department approached at least six friendly foreign governments to take Posada, but Canada, Mexico, Guatemala, Panama, Costa Rica and El Salvador all refused. The Mexican government later said it would hand Posada over to Cuba if he re-entered Mexico.

Soto argued in August that U.S. authorities couldn't hold Posada indefinitely after abandoning efforts to send him abroad. U.S. Magistrate Norbert Garney agreed and recommended in September that Posada be released.

In October, the Justice Department urged the court to keep Posada in jail.

``Luis Posada Carriles is an admitted mastermind of terrorist plots and attacks. The Department of Justice believes that Posada is a flight risk and that his release would be a danger to the community," spokeswoman Tasia Scolinos said.

U.S. Immigration and Customs Enforcement notified Posada that the government had decided to prolong his detention because of concerns that his release ``would have serious foreign-policy consequences," according to an agency statement.

Under anti-terrorism powers claimed by the administration, Secretary of State Condoleezza Rice needs only to ask Attorney General Alberto R. Gonzales to brand Posada a terrorist to keep him locked up while the government pursues criminal action, said David Sebastian, Soto's paralegal on the case.

Much as the administration can indefinitely detain terrorism suspects at the U.S. military base in Guantanamo Bay, Cuba, without legal recourse or formal charges, so, too, can it hold Posada with unilateral certification that he poses a threat to national security. The Justice\l "l" Department\l "l" missive makes clear that the administration considers Posada a terrorist but has yet to pursue that formal designation.

Soto has filed a writ of habeas corpus challenging the government's continued jailing of Posada on the immigration violation. That move presents a dilemma for the administration: It could be forced to let a man officials call a terrorist walk free or prosecute him and risk public airing of some of Washington's darkest secrets.

U.S. District Judge Philip Martinez on Friday gave the administration the Feb. 1 deadline to prosecute or release Posada.

Neither the State Department nor the Justice Department would say what, if any, actions were being taken to ensure Posada remains in detention.

END

New York Times

November 7, 2006

Appeals Court Weighs Prisoners' Right to Fight Detention

NEIL A. LEWIS

WASHINGTON, Nov. 6 The Bush administration's successful effort to have Congress eliminate the right of Guantanamo prisoners to challenge their detentions before federal judges is now moving toward what may be an epic battle in the courts.

And while lawsuits on the topic are spread across the judiciary, the principal battleground, legal experts say, is the federal appeals court in Washington. That court has been considering for three years whether the hundreds of prisoners at Guantanamo Bay, Cuba, have the right of habeas corpus -- that is, the ability to ask a federal judge to review the reasons for their detention.

But the law passed by Congress last month eliminating the habeas right supersedes almost all of the arguments that have gone before and is now the focus of the legal confrontation, government and civil liberties lawyers agree. In a ruling last June, the Supreme Court had said that an earlier measure did not eliminate habeas lawsuits that were already in the courts. However, in October, the administration used more explicit language, saying the new law retroactively blocked federal courts from entertaining habeas lawsuits by Guantanamo detainees.

The three-judge appeals court panel will have to decide whether the pending lawsuits brought by the 430 or so remaining detainees at Guantanamo should be thrown out, as the Bush administration has argued, or whether the new law is unconstitutional, as civil liberties groups have contended.

Whatever resolution is reached by the three appellate judges -- David B. Sentelle and A. Raymond Randolph, both appointees of Republican presidents, and Judith W. Rogers, appointed by a Democrat -- it will almost certainly end up before the Supreme Court. A decision could come from the appeals court before the end of the year.

Lawyers for the detainees said in a recent brief that despite the wording of the new law, Congress could not take away the right to bring such habeas corpus lawsuits because that would violate the Constitution.

Their brief notes that the Constitution provides that Congress may suspend the right only in cases of rebellion or invasion, as President Abraham Lincoln did during the Civil War. Congress may provide a substitute, but only one that is equivalent to a full-blown habeas action, the lawyers said in their brief.

Justice Department officials said they would argue that the law is constitutional when they issue their formal reply in a brief due next Monday.

David B. Rivkin Jr., a White House counsel in the administration of the first President Bush, said he believed the department would emphasize that the new law provided an adequate substitute method for a detainee to challenge his confinement.

A proceeding held for each prisoner at Guantanamo, called a Combatant Status Review Tribunal, is presumed to provide a legally sufficient justification for detention, under the new law. That proceeding, in which three military officers decide if a prisoner is rightfully deemed to be an unlawful enemy combatant, may be appealed directly to the Court of Appeals for the District of Columbia Circuit.

Mr. Rivkin, an authority on national security law who supports the administration, said the law did not suspend habeas corpus but instead provided a new way for it to be exercised.

"The government is saying, 'Look, we're not denying anyone's chance to get habeas,' " he said. "We're just providing a different way."

Mr. Rivkin said the judges on the appeals court panel should be especially receptive to the idea that the process is fair because the law provides for that very court to hear any appeals from the military tribunals.

But the detainees' lawyers have argued that the law provides for only a limited review of the military tribunals by the appeals court. Under the new law, they said, the appeals court may not look behind the record of the military tribunal, and the judges, in effect, are required to accept all of the military's assertions.

Similar objections to the law are contained in a brief filed by seven former federal judges, who were appointed by both Democratic and Republican administrations. The judges say in their brief that the law has "one specific and fundamental flaw," namely that the military tribunals may accept evidence obtained by torture. The judges said the limited review for the appeals court in the new law "cannot remove the stain of torture because the court, at least according to the government, cannot alter or expand the record created by the military."

They said that "no habeas court would permit detentions based on evidence obtained in this manner."

END

AP**Error! Hyperlink reference not valid.**November 7, 2006

Court Hears of American's Iraq Sentence

WASHINGTON_An American facing a death sentence in Iraq turned to the Supreme Court Monday in a late effort to keep the military from handing him over to Iraqi authorities.

Papers filed with Chief Justice John Roberts asked the court to allow Mohammad Munaf to remain in military custody until U.S. courts resolve whether U.S. forces can turn over Americans who are suspected terrorists to the Iraqi government .

Munaf was convicted and sentenced to death by an Iraqi judge last month on charges he helped in the 2005 kidnapping of three Romanian journalists in Baghdad. He claimed his trial was flawed and his confession was coerced.

Munaf sought a federal court order to prevent his transfer.

U.S. District Judge Royce Lamberth said last month that he had no authority to intervene because the Iraqi-born Munaf, who became a U.S. citizen in 2000, was being held by coalition military forces, not by the U.S. military alone.

The U.S. Appeals Court for the District of Columbia Circuit also declined to step in, but ordered the military to hold off on handing Munaf over to the Iraqis until the Supreme Court rules in his case.

Whether the U.S. military or coalition forces have custody of Munaf is at the heart of a legal fight over the fate of American citizens being held in Iraq. Critics say it is disingenuous because the prisons Munaf and others are being held in are operated by the U.S. military.

The appeals court in Washington is considering the similar case of Shawqi Omar, an American citizen accused of being a top al-Qaida lieutenant in Iraq. A different federal judge blocked Omar's transfer and the appeals court, which heard arguments in September, has yet to rule.

END

AP**Error! Hyperlink reference not valid.**November 7, 2006

Gov't says U.S. Taliban soldier Lindh deserves documents privacy

NEW YORK_The government is opposing a move to have the written arguments seeking a shorter prison term by American-born Taliban soldier John Walker Lindh made public.

At a hearing in Manhattan yesterday, a government lawyer urged a judge to reject arguments by The

Associated Press that Lindh's reasoning for a reduced sentence should be public because there is high public interest in his case.

An attorney for A-P disagreed, telling the judge it was the government's burden to prove it has a compelling reason for keeping sealed court papers that might reveal what happened to Lindh after he was captured.

The 25-year-old Lindh -- who grew up in Marin County -- is seeking to have his 20-year prison sentence shortened. His lawyer says because the conditions of his confinement have been so harsh, he should get a shorter prison term.

Lindh was captured in Afghanistan when U-S forces invaded the country to topple the Taliban.

END

AP

November 7, 2006

Detroit judge dismisses House Democrats' lawsuit over $39B budget bill

DETROIT_A federal judge on Monday dismissed a lawsuit filed by U.S. House Democrats trying to stop a $39 billion budget bill because the House and Senate did not approve identical versions.

House Democrats accused GOP leaders of abusing the legislative process and contend they were denied their right to vote on legislation signed into law by President Bush in February. Rep. John Conyers, D-Mich., the ranking member of the House Judiciary Committee, sued in April along with 10 other House members to prevent the law from being implemented.

The Senate version of the bill said Medicare can pay to rent some types of medical equipment for 13 months. A clerk erroneously wrote down 36 months before the bill was sent back to the House for a final vote, and the language was approved by the House on Feb. 1.

When the bill was sent to Bush for his signature, the number was back to 13 months. The lawsuit said the oversight amounted to an additional $2 billion in spending, and the plaintiffs claimed that because they never had the chance to vote on the version signed into law, the law was invalid.

The Department of Justice had sought the lawsuit's dismissal, claiming the 11 House members lacked standing because they are not renters of medical equipment and were not in "any way personally affected or injured."

Messages seeking comment were left Monday night with Conyers' office and the Justice Department.

The White House and Republican leaders in Congress have said the matter is settled because the mistake was technical and top House and Senate leaders certified the bill before transmitting it to the White House.

END

Memphis Business Journal

2:10 PM CST Monday

HealthSouth to pay $4M to settle Medicare case

HealthSouth Corp. has agreed to pay $4 million to the U.S. to settle a case of double dipping at the Medicare bucket, the U.S. attorney announced Monday.

David Kustoff, U.S. attorney for Western Tennessee in Memphis, said the payment will settle civil allegations that HealthSouth was involved in a scheme from 1994-2004 to charge Medicare twice for the same prosthetic devices. Prosecutors alleged that HealthSouth would get some devices, such as braces and artificial limbs, at no charge for inpatient therapeutic purposes, and then turn around and bill Medicare for the devices. In some cases, Medicare paid both the supplier and HealthSouth for the same device.

HealthSouth was prosecuted under the federal False Claims Act. The case was brought by the Justice Department's Civil Division in Memphis, in conjunction with the inspector general of Health and Human Services, and the FBI.

Birmingham, Ala.-based HealthSouth (OTCBB: HLSH) is a nationwide rehabilitation company. In Memphis, it operates two rehab hospitals; one is adjacent to Methodist-University Hospital in Midtown, and the other is near Methodist-North in Raleigh. HealthSouth also has several outpatient clinics providing physical rehab, occupational medicine and sports medicine.

END

The National Law Journal
11-07-2006

Abortion Cases Pit Justices vs. Congress

Marcia Coyle

In weighing the constitutionality of a federal law, the U.S. Supreme Court sometimes gives deference to congressional findings of fact. How will it view the critical finding at the heart of its latest abortion challenge?

The justices this week will hear arguments in two cases testing the constitutionality of the federal Partial-Birth Abortion Act of 2003. *Gonzales v. Carhart*, No. 05-380; *Gonzales v. Planned Parenthood*, No. 05-1382. Partial-birth abortion is a term used for an abortion procedure, intact dilation and extraction, infrequently used in second-trimester pregnancies.

Although the high court's abortion precedents and the future of a woman's right to choose abortion will dominate discussions, the cases also are very much about separation of powers and the roles of the legislative and judicial branches in making and interpreting laws, say scholars on both sides.

"Our concern is [that] the Court's dislike of *Roe v. Wade* will drive the amount of deference it's willing to give to Congress," said Mark Moller, senior fellow in constitutional studies at the Cato Institute, which filed an amicus brief on the issue. "We think this is a much larger issue that goes far beyond *Roe*. It's about who gets to decide what the law is."

The Court's approach to deference in these cases, he added, can affect "a whole array of different rights."

In enacting the 2003 law, Congress made explicit findings in the statute that partial-birth abortion "is never medically indicated to preserve the health of the mother." A health exception to abortion restrictions has been central to the court's abortion jurisprudence since the landmark *Roe v. Wade*. The lack of such an exception was a key basis for a 5-4 majority's decision to strike down a Nebraska partial-birth abortion law, very similar to the federal law, just six years ago. *Stenberg v. Carhart*, 530 U.S. 914.

In the 2003 law, Congress criticizes *Stenberg* and the findings of the trial judge that gave rise to the Stenberg high court case. The federal lawmakers call for a "high degree" of deference to their own findings, a call echoed by the Bush administration and its supporters in briefs defending the federal law.

NEUTRAL FACT-FINDING?

But opponents contend that that type of deference is not due because Congress did not engage in neutral fact-finding. A fundamental right, requiring heightened court scrutiny and independent review of congressional findings, is at issue, and two district judges, in extensive trials in the two cases, made findings contrary to those of Congress.

The heart of the congressional fact-finding process -- and the reason Congress receives its greatest deference on economic or sociological facts -- is its ability to use a diverse array of means to collect and analyze information, said Charles Tiefer of the University of Baltimore School of Law, a former solicitor to the U.S. House of Representatives.

However, he added, "Where the issue is a matter of weighing social values against civil liberties, Congress may or may not have a good feel for the viewpoint of the voting population, but it doesn't have some superior method of somehow factually establishing where the balance point is."

The high court, with some ups and downs, gave considerable deference to congressional findings from the late 1930s to the mid-1990s and the advance of the Rehnquist Court's federalism movement, said Tiefer and others. In the last decade, a divided court struck down a number of applications of federal laws to the states, often because of a lack of congressional findings or despite extensive congressional findings.

Some lawmakers have voiced considerable unhappiness with the court's "lack of respect," most recently in the confirmation hearings for Chief Justice John G. Roberts Jr. and Justice Samuel A. Alito Jr.

While scholars agree that it's hard to find a consistent approach across the justices' rulings, Neal Devins of the College of William and Mary Marshall-Whythe School of Law suggests that where the court generally applies a rational-basis standard of review to a law affecting a right or classification, the court gives extreme deference to Congress.

"The whole theory of rational-basis review is essentially these are matters the legislative process will self-correct if mistakes were made," said Devins, who has studied the findings issue. "But then, there are fundamental rights cases, like cases involving abortion, where the court says the nature of the right or the classification involved is such we can't defer to the government."

The government argues that a series of First Amendment rulings by the high court "confirm that the degree of deference owed to congressional findings does not turn on the right at issue or the applicable level of scrutiny."

That position is "astounding and ridiculous," said David Faigman of the University of California Hastings College of the Law, who, with other scholars, filed an amicus brief on the findings issue on behalf of the law's opponents.

When legislation is subject to heightened scrutiny because it burdens a basic right, he said, the court has always made an independent review of factual findings. The government's position -- deference in all cases -- would permit legislative bodies to effectively overrule, through the guise of "fact-finding," the court's most critical decisions, he added, thereby undermining the court's pre-eminent role in

constitutional interpretation mandated by *Marbury v. Madison*, 5 U.S. 137 (1803).

Ultimately, all agree, the pivotal figure is Justice Anthony M. Kennedy, who dissented in *Stenberg* but holds a very strong view of the Supreme Court's role in the Constitution's scheme.

"He could view what Congress did as an affront to the court," said Devins. "This is where the rubber meets the road for Kennedy -- to find out which is the bigger pull -- the disapproval of *Stenberg* pull or the judicial supremacy pull."

END

New York Sun

November 7, 2006

Legal System Gives Boost To Chinese Asylum Seekers

BY JOSEPH GOLDSTEIN - Staff Reporter of the Sun

A thorny legal issue in many asylum cases involving illegal immigrants from China arises from a simple biological fact: once here, immigrants frequently have children. Often they have more children than they would be permitted in China, where strict family-planning practices limit married couples to one or two children. When threatened with deportation, some of them claim asylum on the grounds that if returned to China, they could be sterilized for the reproductive freedom they had here.

Such asylum requests received a significant boost by two recent decisions from a federal appellate court in New York. The decisions represent a judicial about-face for the 2nd U.S. Circuit Court of Appeals, which in August, 2005 had told a Chinese immigrant who fathered two American-born children that his fear of sterilization upon deportation was "speculative at best."

With the decisions — one was issued in September and the other a week ago yesterday — the court allows for the possibility that regional governments in China count the American-born children of Chinese immigrants against the quota of children each couple can have. In the decisions, the court ordered the Justice Department's Board of Immigration Appeals to review Chinese documents suggesting Chinese nationals can be punished for the children they have abroad.

China's family planning policies have produced a flow of asylum cases since Congress broadened the definition of a refugee in 1996 to include those persecuted under their home country's family planning policies. Last year, Congress lifted a cap that limited to 1,000 the number of immigrants who could receive asylum on the basis of family planning claims.

China accounts for the vast majority of asylum claims involving claims that deportation could ultimately mean sterilization. Because family planning regulations and enforcement vary by region, the courts have had difficulty judging the likelihood that a Chinese immigrant would be sterilized.

The 2nd Circuit's recent about-face followed its review of several purported Chinese documents submitted as part of an asylum application. The documents suggest that forced sterilization is in effect in the Fujian Province, which is opposite Taiwan and is a source of emigrants from China. The documents, purportedly from family planning administrations in the Fujian province, say "the reproductive behavior" of Chinese nationals abroad will be sanctioned according to family-planning rules back home in China, according to the decision.

Another document that the court considered was the Q&A handbook from the Family Planning Administration of Changle City in the Fujian Province. This document, the court ruled, "lends powerful

potential support to" to the claim for asylum " because it states that a parent of two children … would, on her return, be subject to forced sterilization, even if one were born outside of China," the decision reads.

In light of the documents, the 2nd Circuit ordered the Board of Immigration Appeals to review again the case of an immigrant, Shou Yung Guo, a mother of two, including an American-born child. Previously, the BIA had rejected her asylum claim. The court also chastised the BIA for ignoring the documents.

"Since the documents Guo submitted are so self-evidently material, we are hard-pressed to understand how the BIA could have dismissed them so casually," the judges on the panel, Thomas Meskill, Robert Sack, and Barrington Parker, wrote.

The Guo decision was followed last week by a decision much talked about by immigration attorneys. The latest case, which cites the same documents, suggests the court is taking a new approach to these asylum cases.

In that decision, a different panel of three judges considered the case of Tian Ming Lin, the father of two American-born children, also from Fujian Province. Lin, afraid he himself would be sterilized, said that his own mother had been sterilized following the birth of her third child, according to court documents. The court sided with Lin.

"Returning a person to a part of China where he or she will face an officially sanctioned policy of forced sterilization, however, would appear to violate United States law, which expressly holds that a person with a well-founded fear of forced sterilization is a refugee eligible for asylum," the court wrote. The judges deciding the Lin case were Rosemary Pooler, Sonia Sotomayor, and Robert Katzmann.

The court's decisions in the two cases caused at least one anti-immigration activist to question whether courts should be benefiting immigrants who manage to evade authorities or appeal deportation orders for long enough to have large families.

The director of special projects for the Federation of American Immigration Reform, Jack Martin, said the cases gave illegal immigrants from China "a new option."

"The illegal immigrant from China can protect himself from deportation by managing to stay in the United States long enough to have children," Mr. Martin said.

But a New York lawyer who represents Chinese immigrants facing deportation, Gary Yerman, said it would be a mistake to see these decisions as a reward for illegal immigrants who manage to evade authorities.

"People aren't having children so they can use them as props." Mr. Yerman said. "We're talking about people who are in their 20s or 30s and through the natural matriculation of life they are having children. They are not trying to dupe the law."

Mr. Yerman praised the decisions in Lin and Guo as establishing "a modicum of consistency."

The 2nd Circuit has expressed some discomfort with its recent approach to these cases. In another case involving a Chinese asylum seeker, decided last month, the court asked the BIA to decide, as a matter of policy, whether having two children was enough alone to support an asylum application based on fear of sterilization.

END

Wichita Eagle (KS)

November 7, 2006

Creekstone answers USDA in court over mad cow testing

BY PHYLLIS JACOBS GRIEKSPOOR, The Wichita Eagle

Creekstone Farms Premium Beef has answered the U.S . Department of Agriculture's court documents opposing the company's motion for summary judgment in its lawsuit againstUSDA.

Creekstone sued the USDA in March for refusing to allow the Arkansas City beef processor to voluntarily test all the cattle it slaughters for BSE, commonly called mad cow disease.

USDA officials have told the U.S. District Court for the District of Columbia that Creekstone's case is now largely moot because Japan and Korea have re-opened their borders to U.S. imports. Several countries had banned imports of U.S. beef because of concerns over mad cow.

The USDA maintains that it has the right to regulate private testing for BSE on the basis of a 100-year-old law intended to stop the sale of bogus hog cholera serums to Midwest farmers.

In its filing, Creekstone maintains that the USDA is using the law in a way it was never intended, not to protect ranchers from suppliers of bogus serums but to regulate competition among beef processors.

Creekstone's filing also maintains that the company is seeking to test 100 percent of its beef for BSE to enhance its brand reputation and to make it possible to sell beef for higher prices in both domestic and foreign markets.

The filing supports Creekstone's claim of serious economic harm both in the main document and in several friend of the court briefs filed in support of Creekstone's case.

Testing all the cattle processed at the Arkansas City plant would cost Creekstone about $6 million annually, but officials have contended that regaining lost markets would more than pay for the additional cost.

Creekstone, founded more than 10 years ago, produces premium Black Angus beef and, in addition to the export market, sells to retail outlets and restaurants. It also produces natural beef, with no added hormones or antibiotics.

Before the Japanese ban, sales to Japan accounted for about 30 percent of Creekstone's production.

END

Market Wire News

November 5, 2006

Press Release: United States Files Brief Supporting Utah's Right to Keep Children Safe From Adult-Oriented Electronic Messages; The CAN-SPAM Act Does Not Preempt State Child Protection Registry Laws

SALT LAKE CITY, UT -- (MARKET WIRE) -- 11/05/2006 -- The U.S. Department of Justice filed a Statement of Interest in "Free Speech Coalition v. Shurtleff," a case brought by a lobbying group for the pornography industry to overturn the Utah Child Protection Registry. The Statement, written on behalf of the United States, unequivocally supports the State of Utah and its right to implement a Child Protection Registry law.

The United States writes: "With this statement, the United States seeks to ensure that the preemption provision in the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 ('the CAN-SPAM Act') is interpreted correctly so as to provide due regard for the traditional police power of the states, without depriving the preemption provision of its intended effect. Contrary to plaintiff's position, the CAN-SPAM Act does not preempt the Utah Child Protection Registry Act."

The United States also refutes the pornography industry's claim that the Utah Child Protection Registry violates the First Amendment: "This claim, if successful, would unjustifiably favor the dubious 'right' to send unsolicited sexually-oriented material directly and indiscriminately to personal e-mail addresses, heedless of whether they belong to adults or children, and regardless of the expressed wishes of the owner of the addresses, over (1) the fundamental right of individuals to decline to receive unwanted material (sexually-oriented and otherwise) and (2) the right of parents to direct the rearing of their children -- a right that the Supreme Court has recognized to be 'basic in the structure of our society.'"

The United States concludes its 21-page legal argument: "It is a virtue of our federal system that states can, in Justice Brandeis' words, provide the 'laboratories' for experiments that the federal government is not prepared to implement on a national basis. … The protection of the fundamental right of parents to protect their children from harmful sexually-oriented material is indisputably a worthy goal. At this preliminary stage, [the Free Speech Coalition] has not provided the Court with any basis for its request that the Court halt Utah's experiment in its tracks."

The Utah Child Protection Registry was enacted by the Utah legislature in March of 2004. The law went into effect in July of 2005. The law allows e-mail addresses, mobile phone numbers, instant messenger IDs, and fax numbers that may be accessible to children to be registered for free with the State of Utah. Once registered, the addresses become off-limits to solicitations for adult-oriented materials. To date, more than 170,000 electronic addresses have been protected under the law. More information about Utah's law may be found online at: www.kidsregistry.utah.gov. The State of Michigan maintains a similar program (www.Michigan.gov/protectmichild/) which has not been challenged.

The pornography industry filed suit in November of 2005 against both those officials in the State of Utah charged with enforcing the law, and also Unspam Registry Services, Inc., the Park City, Utah-based company that administers the laws on behalf of both Utah and Michigan. "The Department of Justice has clarified the CAN-SPAM Act and effectively closed the potential legal loophole pornographers were trying to use in order justify sending adult-oriented material to Utah's children," said Matthew Prince, CEO of Unspam Registry Services, Inc. "The United States has affirmed that even in the age of the Internet, states have the right to help parents keep unwanted material out of their homes."

The case is currently pending before Judge Dale Kimball in U.S. District Court. The first hearing in the case, to decide the pornography industry's motion for preliminary injunction, is scheduled for Wednesday, November 8, 2006 at 3:00pm in Room 220 of the Frank E. Moss Federal Courthouse.

END

USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Wednesday, November 08, 2006 8:32 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Wednesday, November 08, 2006
Attachments:	agnb061108.pdf

THE ATTORNEY GENERAL'S NEWS BRIEFING

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: WEDNESDAY, NOVEMBER 8, 2006 7:45 AM EST

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TERRORISM NEWS:

Al Qaeda Plotter Sentenced In UK. ABC World News (11/7, story 9, 2:35, Gibson, 8.78M) reported, "In a London courtroom, chilling evidence of al Qaeda plans to attack US targets was made public for the first time at the sentencing of one of the conspirators. High-profile targets were in the crosshairs, part of what was supposed to be a second wave of post 9/11 terror designed to inflict mass casualties."

The CBS Evening News (11/7, story 10, 2:15, Couric, 7.66M) reported, "In London the sentence is life in prison for confessed al Qaeda terrorist Dhiren Barot. The judge also released chilling videotape shot by Barot as he plans attacks on the New York Stock Exchange and other targets in this country."

NBC Nightly News (11/7, story 8, 2:15, P. Williams, 9.87M) reported, "Five months before the 9/11 attacks, al Qaeda terror planners shot this video of potential targets. Prominent financial buildings in New York City. At one point the camera tilts over and zooms in on the World Trade Center as the photographer imitates the sound of an explosion. When police found this video in London two years ago, alarmed US authorities raised the terror threat level in several cities. Today, it's man who led the US surveillance operation for al Qaeda, Dherin Barot, was sentenced to prison." Peter Clarke, Scotland Yard: "What he wanted to do was collapse those buildings with everybody inside them. The destruction is almost unimaginable. The scale of the carnage would be immense."

The New York Times (11/8, Cowell, 1.21M) reports Barot was "said by the police to have been the most senior figure of Al Qaeda brought to trial in Britain. The sentence he received was one of the longest handed down in recent years, reflecting claims by British counterterrorism officers that they had thwarted major conspiracies when they arrested him in August 2004, after he made detailed observations to plan synchronized attacks in New York, Newark, London and Washington, D.C." Barot's "plans for attacks in the United States were put on hold after the Sept. 11 attacks, and he began to focus on Britain. He planned attacks using so-called dirty bomb radiation devices and the detonation of a subway train under the River Thames."

The Washington Post (11/8, A16, Jordan, 748K) reports Barot, "a former airline ticket clerk and Muslim convert, was arrested in London in 2004 and pleaded guilty to conspiring to commit mass murder." His "sentence provides the possibility of parole after 40 years. According to prosecutors who read from Barot's notes and computer files, Barot was pleased by the Sept. 11, 2001, attacks and planned to kill hundreds, if not thousands, of people in the United States and Britain to create 'another memorable black day for the enemies of Islam.' Concern about his plots led President Bush to heighten security alerts and tighten security at financial buildings in the Northeast in 2004. British police seized documents that included detailed drawings of the World Bank, the International Monetary Fund and other buildings."

FBI Disputes Report On Terrorism Prosecutions. The Washington Times (11/8, Seper, 88K) reports, "The FBI rejected as 'inaccurate' a report by a research organization that said federal prosecutors turned down the vast majority of the international terrorism cases brought by the bureau during the first nine months of fiscal 2006." The Syracuse University Transactional Records Access Clearinghouse analysis "said the percentage of FBI referrals involving suspected terrorists that were rejected by Justice Department lawyers in the past few years has been generally increasing and reached a peak of 87 percent in fiscal 2006, which ended Sept. 30." However, the FBI said in a statement, "It is astonishing that TRAC continues to present statistics that demonstrate a fundamental misunderstanding of the basic principles on how federal investigations and prosecutions work."

DOJ_NMG_0091775

CIA Seeks Information Limits On Al-Qaeda Suspects At Guantanamo. The Miami Herald (11/8, Rosenberg) reports, "Even as 14 top al Qaeda suspects are in U.S. military custody, the CIA is still trying to impose secrecy around the high-value detainees now held at the Guantánamo Bay detention center, including alleged 9/11 mastermind Khalid Sheik Mohammed." The Herald continues, "The arena for the effort is the U.S. District Court of Judge Reggie Walton, in Washington, D.C., where the government is seeking a still-undefined restriction on the attorney-client relationship in the case of Guantánamo captive Majid Khan, one of the 14." The Herald adds, "The CIA argues that details of the man's three years of detention and interrogation at so-called 'black sites,' out of reach of the International Red Cross, are national security secrets. … Khan's attorney, Gita Gutierrez, argues that the Bush administration's intent is not to safeguard national security but to cover up three years of extra-judicial detention of her client, to 'conceal illegal or embarrassing Executive conduct.'" The Herald notes, "Khan, 26, was captured in his native Pakistan in 2003. The White House says he is linked to a series of unhatched plots: to blow up gas stations in the United States, to poison U.S. water supplies and to assassinate Pakistani President Pervez Musharraf. … It is not known where he was held or how he was interrogated to establish these links; and he has so far not been charged with a crime."

US, EU Bolster Antiterror Cooperation. AFP (11/8) reports, "The United States and the European Union have created a group to bolster cooperation in the battle against terrorism and other crime-fighting initiatives. … 'We decided to establish a high-level contact group, not to carry out a bureaucratic exercise, but to try to identify how our common values, our common principles, can be translated to common proposals,' European Justice Commissioner Franco Frattini told reporters here Monday. … 'We need a positive spirit of cooperation, ... not focus on divisions and different approaches,' added Frattini, who was at the center of tense negotiations with Washington last month regarding the transfer of airline passenger data." AFP adds, "For his part, US Attorney General Alberto Gonzales said the creation of a contact group 'will improve the cooperation between prosecutors in the United States and prosecutors and magistrates in EU member states, and it will enhance our ability to fight international crime.' … Gonzales said such cooperation has already taken place on a case-by-case basis when states' laws have allowed officials to share pertinent information in criminal cases, but he would not specify what types of information would be shared more freely under the new agreement."

HOMELAND RESPONSE:

WPost Says Security Background Checks Should Be Fast, Thorough. The Washington Post (11/8, A26, 748K) editorializes, "Anywhere from 900,000 to 1.8 million workers will leave the government in the next six years. But according to a recent report from the Government Accountability Office, the government isn't filling positions that require security background checks fast enough -- and the delay is costing federal agencies money and talent." Meanwhile, "The Post's Stephen Barr reported last week that the Bush administration appears to be in danger of violating the 2004 Intelligence Reform and Terrorism Prevention Act, which stipulates that 80 percent of applications for federal security clearances must be completed in an average of 120 days by Dec. 17. The GAO warns that such delays may increase costs and pose risks to national security." The Post states, "Competent background checks are ultimately more valuable than fast ones, but there is no reason the government can't have both."

WAR NEWS:

Iraqi Interior Ministry Aides Face Torture Charges. ABC World News (11/7, story 7, 0:15, Gibson, 8.78M) reported, "For the first time since the fall of Baghdad, the government of Iraq is charging Iraqi police with torture. The Interior Ministry has charged 57 of its employees, including a police general, with torturing hundreds of detainees at a Baghdad prison."

The New York Times (11/8, Semple, 1.21M) reports, "Some of the 55 Interior Ministry employees charged with torturing prisoners at a detention center in eastern Baghdad remain free, even though arrest warrants for them were issued as long as two months ago. ... While Western officials and some Iraqi officials say [Interior Minister] Bolani has already gone much further than his predecessors, they worry that he lacks enough political support to conduct all the necessary purges, particularly at the ministry's upper levels."

US Losses Rising In Iraq. UPI (11/7, Sieff) reports in a bleak article, "Insurgents and militias in Iraq are continuing to inflict significantly higher rates of casualties per day on US forces. ... Therefore, 71 U.S. soldiers were killed during the 22 days from Oct. 16 through Nov. 6, at an average rate of just below 3.23 per day. ... Also, if the even higher rate of wounded casualties of the Sept. 19-Sept. 27 period is factored in, the rate of U.S. wounded has now been running as high, or higher, than the seven day July 'spike' for seven weeks in succession. These figures too bear witness to a deteriorating and widening war."

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ABC World News (11/7, story 8, 0:10, Gibson, 8.78M) reported, "An American soldier has been killed by a roadside bomb in Baghdad. That brings the death toll in the first week of November, to 19."

Saddam Calls For Reconciliation. Coverage of Saddam's court appearance after his death sentence noted his changed demeanor, coming after a truculent reaction to the sentence. The CBS Evening News (11/7, story 9, 0:20, Couric, 7.66M) reported, "From overseas tonight a call for peace and forgive forgiveness in Iraq. Saddam Hussein's former second in command called on Baath Party leaders to end their attacks and Saddam himself called on Iraqis, and Kurds to forgive, reconcile and shake hands. He was back in court as testimony resumed at his second genocide trial. Two days ago at his first trial, Saddam was sentenced to death by hanging."

The Chicago Tribune (11/7, Daragahi, 623K) reports a "subdued Saddam Hussein, already sentenced to death in a human rights trial that concluded Sunday, walked into a courtroom again today and called on warring Iraqis outside to let bygones be bygones." Hussein said, "I call upon all Iraqis, Arabs and Kurds, to forgive, reconcile, and shake hands." The Tribune adds Hussein and "six other defendants face charges of crimes against humanity for their role in orchestrating the 1988 Anfal campaign, in which Iraqi forces attempted to crush a Kurdish rebellion in the north by destroying countryside villages that harbored anti-government guerrillas." Hussein and "two other co-defendants already face the death penalty for crimes against humanity for their roles in targeting the Shiite village of Dujayl. That case is subject to an automatic appellate review which begins in no later than four weeks."

USA Today (11/8, Jervis, 2.27M) calls him "somber," reporting, "Saddam has often used his appearances in court as a platform to make speeches, attempting to divert attention from the charges he faces and rally public opinion."

The Washington Post (11/8, Anderson, 748K) calls him "subdued," adding that he "took an active role in his trial Tuesday, minus the theatrical bluster and tirades that have marked many of his other court appearances."

The New York Times (11/8, Burns, 1.21M) reports that he had become "a courteous arguer of legal points who seemed to have put his tempestuous performance on Sunday aside so as to concentrate on his continuing legal battles. ... Court officials have said they expect the case to last well into next year, possibly into the spring or summer. But the question now is whether Mr. Hussein will live to see its conclusion — or, as Iraqi officials say is now more likely, be taken to the gallows weeks or even months before the Anfal verdicts are delivered." Initial plans to hold a "series of trials" of Saddam have given way to the "worsening war. Senior Iraqi officials, including the prime minister, Nuri Kamal al-Maliki, believe that Mr. Hussein, alive, remains a potent rallying point for Sunni insurgents fighting American troops and the American-backed, Shiite-led government."

The AP (11/8, Salaheddin, Reid) reports on the "somber and subdued" Saddam, adding, "Saddam's goal in making the statement was unclear. However, the remarks followed at least two other public declarations by Saddam in recent weeks in which he urged national unity — perhaps to secure a more favorable place in history or to encourage contacts between the Americans and his supporters."

Maliki's "Resistance" To US Praised. In an op-ed for the New York Times (11/8, 1.21M), CSIS scholar Frederick Barton writes, "American authorities view Mr. Maliki's resistance as worrisome. But it's just the opposite: his independence is our last best chance for a sustainable Iraq. For the first time, a real politician appears to be fighting for his life. ... The table is now set for the prime minister to demand the phased withdrawal of United States forces from Iraq. In taking that single bold step, Mr. Maliki will do more to develop a political base than any recent Iraqi leader. ... The United States has suggested in the past that if the Iraqi government invited us to leave, we would oblige. We must prepare ourselves for this event."

Army Revamps Procedure For Classifying Information. The Washington Post (11/8, Pincus, 748K) reports, "U.S. Army intelligence has developed a new blueprint for standardizing the way national security information is classified, recognizing that determining whether a particular document is 'confidential' or 'top secret' is ultimately up to the judgment of individuals, according to a memo distributed last month by Lt. Gen. John F. Kimmons, the Army's deputy chief of staff. ... The comments offer a rare view of one service's methods for classifying information at a time of debate over government openness."

CORPORATE SCANDALS:

Auditing Firms Call For Financial Reporting Reforms. The Wall Street Journal (11/8, C3, Reilly) reports, "The heads of the world's biggest accounting firms want investors and regulators to consider new ways of reporting financial information and clamping down on fraud, even as companies protest increased costs related to corporate overhauls." The Journal continues, "In a paper to be released today at a public-policy conference in Paris, chief executives of the six biggest accounting firms suggest considering whether companies should be subject to forensic audits specifically designed to root out fraud every three or five years, whether stock exchanges should require companies to randomly undergo these tests, or if investors

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should choose the intensity of the audit they want for a company." The Journal adds, "The heads of PricewaterhouseCoopers, Deloitte & Touche, Ernst & Young, KPMG, Grant Thornton and BDO Seidman say they hope their proposals will kick off a debate over what investors should expect from an audit in terms of fraud detection. The firms have long contended that while standard audits are designed to detect errors that could lead to fraud, the checks can't pick up all corporate wrongdoing. … But many investors believe auditors' main job is to detect fraud and that the firms failed miserably by not catching the huge corporate scandals that rocked markets earlier this decade. And any discussion of additional audit requirements is sure to raise the ire of companies who claim that new internal-control rules in the U.S. are already an unnecessarily costly burden."

The Financial Times (11/8, Jopson) reports, "Heads of the 'big four' accounting firms and two others plan to say the financial reporting model of the 20th century has become redundant. … PwC, Deloitte, KPMG and Ernst & Young will call for static quarterly financial statements to be replaced by real-time, internet-based reporting encompassing a wider range of performance measures." The Times adds, "With Grant Thornton and BDO, the firms are seeking to provoke regulators and policy-makers. There is rising anger over the cost and perceived irrelevance of much financial reporting. The proposed changes are likely to meet resistance from companies and scepticism from some market watchdogs." The Times notes, "The wave of corporate scandals that began with Enron's collapse in 2001 sparked a raft of regulatory changes. Most, including the Sarbanes-Oxley Act, attempted to shore up the reporting model rather than create a new one."

The New York Times (11/8, Norris) reports, "In a report, the executives said that they supported efforts to standardize accounting and auditing standards around the world and that eventually, 'a new business reporting model' should be developed that would provide better financial information more rapidly. … But while the report, entitled 'Serving Global Capital Markets and the Global Economy,' offered little detail in that area, it was most detailed in its warnings that auditor liability needed to be restricted and in mounting the arguments for that outcome. … It did not offer specific proposals on how liability could be restricted while continuing to protect investors if auditors failed to do a conscientious job. Instead, it pointed to a restriction on auditor liability as being essential to solve many problems of the industry, and suggested that if investors were worried about fraud, they should be willing to pay for more detailed and more expensive audits than those prepared now."

FBI Raids Manhattan Offices Of Sky Capital LLC. Dow Jones/AP (11/8, Remond) reports, "Agents from the Federal Bureau of Investigation raided the Manhattan offices of brokerage firm Sky Capital LLC Monday. A person answering the telephone at Sky Capital Tuesday said that Chief Executive Ross Mandell had no comment on the matter. FBI special agents executed a search warrant at Sky and left with boxes of documents, according to a person familiar with the matter. The probe appears related to share offerings to foreign investors."

Michigan Lawyer Sentenced To Five Years In Prison For Investment Fraud. The Detroit News (11/2, Egan) reported US District Judge Victoria Roberts last week "sentenced a Northville lawyer who defrauded friends and neighbors of millions of dollars to five years and four months in federal prison." Roberts "rejected testimony from an expert witness who said Charles G. Mady was a pathological gambler who played the commodities market instead of the slot machines and was not fully responsible for his actions. Roberts sentenced Mady…at the top of the federal sentencing guidelines range for embezzlement, and ordered him to pay about $8.5 million in restitution to his victims." The News noted, "The court heard from victims who said they trusted Mady and lost millions of dollars while he sent them statements showing their investments were increasing in value. Some even paid taxes on income they thought they had earned, while they were losing money."

CRIMINAL LAW:

High Court To Consider Retroactive Application Of Sentencing Rule. USA Today (11/8, Biskupic) reports, "A lawyer for a convicted rapist seeking to cut his client's prison time urged the U.S. Supreme Court on Tuesday to retroactively apply its 2004 decision that limited judges' discretion in sentencing." USA continues, "A decision, which could affect thousands of criminal cases, might clarify complicated sentencing standards and affect when convicts are able to appeal their cases based on any favorable high court ruling that comes after their trial." USA adds, "The 2004 ruling (Blakely v. Washington) said that judges cannot boost a defendant's sentence based on factors, such as cruelty, that were not determined by a jury. The court said the Sixth Amendment right to a jury trial requires that any fact essential to a defendant's prison time be proved to a jury beyond a reasonable doubt. The decision has become part of a series of court cases bolstering the role of the jury. … Until the justices started down this path, trial judges had regularly enhanced a defendant's time behind bars based on weapons, drugs or other factors that the judge determined made the crime worse. The court's trend has spawned uncertainty in federal and state criminal systems, and a new generation of disputes is before the justices." USA notes, "Tuesday's case

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tested whether the rule of Blakely should be applied retroactively to convicts who were sentenced before 2004 but whose appeals were not yet over. … The Justice Department urged the court not to apply the 2004 rule to past cases. It argues that the decision merely altered criminal procedure and did not rise to the level of a 'watershed' rule affecting the fundamental fairness of a trial."

The AP (11/8) reports, "At issue is whether a 2004 ruling that limits a judge's discretion in sentencing should apply to older cases. … A Washington state judge sentenced Lonnie Lee Burton in 1998 for rape of a 15-year-old boy, robbery and burglary. Defendants convicted of multiple crimes ordinarily receive sentences that run concurrently, but the judge added together prison time Burton could have received for each crime to form the lengthy sentence." The AP adds, "Eighteen states joined Washington in asking the court to refrain from applying the ruling to older cases, saying that to do otherwise 'would potentially open a staggering and immeasurable number of sentences' to challenges." The AP adds, "The 2004 decision in a case that also came from Washington held that a defendant's constitutional right to a jury trial forbids a judge from deciding facts that add to a prison sentence. … Burton's lawyer, Stanford University law professor Jeffrey Fisher, told justices that the 9th U.S. Circuit Court of Appeals was wrong to conclude that the 2-year-old decision was not retroactive. … Justices appeared more concerned Tuesday with procedural issues that could doom the case rather than the larger issue of retroactivity."

Jury Convicts Pennsylvania Man Of Robbing Gun Store. The Easton Express-Times (NJ/PA) (11/8, Flanagan) reports, "A federal jury in Philadelphia on Tuesday convicted a man of robbery and related gun charges for sticking up a Palmer Township gun dealer in 2004, according to the U.S. Justice Department." The Express-Times continues, "Under federal gun laws, Frank Berryman of Philadelphia faces a maximum sentence of life in prison. He is scheduled to be sentenced in federal court in February. … 'We sought the conviction and the jury returned a guilty verdict on all counts,' Assistant U.S. Attorney Eric Henson said after the verdict." The Express-Times adds, "Records say Berryman left his home in the 900 block of Flanders Road on March 9 and traveled with three other men to John's Gun and Tackle Room at 2604 Freemansburg Ave. While Berryman, 27, was inside, one accomplice waited in the car, and two others waited outside the shop, authorities said."

FBI, Mississippi Police Investigating Copper Theft Ring. The Jackson Clarion-Ledger (11/7) reported, "The FBI and Hinds County Sheriff's Department are asking for the public's assistance in locating five Jackson residents who are suspecting of stealing copper and other metals." Larry McGee, Shirley McGee, Herbert Smith, Casey Torry and Jerry Lee James "have outstanding warrants for receipt of stolen goods, according to the FBI. They are suspected of being in a scheme that involves stealing, receiving, selling and transporting metals across state lines." The Clarion-Ledger notes, "A reward of $1,000 is being offered for information leading to the location and arrest of each individual, according to authorities."

At Least Three States Investigating Acorn Voter Registrations. The Wall Street Journal's John Fund (11/8) writes that Acorn, "a feisty, union-backed" activist group, "after years of scandal involving its election efforts and misuse of government grants…is finally coming under scrutiny, with four of its Kansas City, Mo., workers under indictment for submitting false voter registrations. (As of this writing, all are at large.) Other states -- including Pennsylvania and Maryland -- are also conducting probes." St. Louis election officials "were so inundated with bogus Acorn-generated voter registrants that they mailed a letter to 5,000 registrants, requesting the recipients to contact them. Fewer than 40 responded."

NYC School Administrator Sentenced To 10 Years In Prison For Internet Solicitation. The Poughkeepsie Journal (11/7, Fisher-Hertz) reported US District Court Judge Colleen McMahon on Monday sentenced former New York City assistant principal Steven M. Rubinstein to 10 years in prison" for trying to solicit young girls over the Internet." Rubinstein "was arrested by FBI agents last spring following an eight-month sting operation targeting would-be sexual predators. A search of Rubinstein's computers revealed images of child pornography. Federal investigators said Rubinstein had sexually explicit conversations with two undercover agents who were posing as 13-year-old girls." Assistant US Attorney Cynthia Dunne "noted there was evidence Rubinstein had used a computer at his school office to engage in some of the chats."

French Court Clears Six Of Criminal Charges In 1992 Jetliner Crash. The New York Times (11/8, Clark, Phillips) reports, "A French court on Tuesday cleared five former aviation officials and an ex-Airbus executive of all criminal charges linked to the crash of a passenger jet in the mountains near the German border almost 15 years ago." The Times continues, "The six men went on trial in the northeastern city of Colmar in May on charges of involuntary manslaughter in the 1992 crash of an A320 owned by Air Inter, a now-defunct unit of Air France, in which 87 people died. The defendants faced up to two years in prison." The Times adds, "The verdict on Tuesday was greeted by the

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aviation industry as a victory in its effort to decriminalize air crashes. … The trial gained a high profile partly because the industry decided to push back against legal systems around the world that had increasingly sought to assign criminal responsibility in crashes. … The defendants were Bernard Ziegler, 73, who was technical director of Airbus at the time; Pierre-Henri Gourgeon, 60, then the head of the French civil aviation agency, DGAC, and now chief financial officer of Air France-KLM; Claude Frantzen, 69, head of training at DGAC; two former Air Inter officials; and Eric Lammari, 50, an air traffic controller."

Inmates At Texas Prison On Hunger Strike To Protest Conditions. The New York Times (11/7, Blumenthal) reports from Houston, "Likening themselves to prisoners at Abu Ghraib and Guantánamo Bay, a dozen inmates on death row in Texas have staged hunger strikes over the last month to protest what they call abusive conditions, including 23 hours a day of isolation in their cells." The Times continues, "The Texas Department of Criminal Justice said that the first inmates began refusing food Oct. 8 and that two were still on hunger strikes in the Polunsky prison unit in Livingston, about 45 miles east of the execution unit in Huntsville. The Polunsky Unit houses death-row inmates until their executions. As of Tuesday, one inmate had missed 35 consecutive meals and one 17 meals, but no one has yet been force-fed, said a department spokeswoman, Michelle Lyons." The Times adds, "Two other prisoners who had not eaten since Oct. 8 began taking food Oct. 27 and Nov. 4, Ms. Lyons said, and others abandoned their protests after a short time. … But Vickie McCuistion, program coordinator of the Texas Coalition to Abolish the Death Penalty, said some inmates had been reported as eating when they were still refusing food. Ms. Lyons said that a prisoner needed to miss nine meals to be considered on hunger strike and that some who had refused meals had eaten snacks at visiting sessions." The Times notes, "The protests are the latest disruptions at the nation's busiest execution complex, where 23 inmates have been put to death by lethal injection so far this year and another is scheduled to die Wednesday. Although California leads the nation in prisoners on death row, Texas executes them far more frequently, with 378 put to death since capital punishment was reintroduced in 1982. Virginia is second with 97."

CIVIL LAW:

Dana Seeks Court Approval For New Bonus Plan. Dow Jones (11/8, Hopkins) reports, "Dana Corp. is pitching a toned-down version of an executive bonus plan that it hopes won't strike out with Judge Burton Lifland a second time." Dow Jones continues, "As part of an effort to entice senior managers to stay, Dana wants to pay Chief Executive Michael J. Burns up to $4.5 million during 2007 and up to $2.25 million in 2008, the company said in court papers Monday. … The payments are tied to reaching various benchmarks for earnings before interest, taxes, depreciation, amortization and restructuring costs." Dow Jones adds, "The plan is a step down from a previous proposal that entitled Burns to $9.1 million over the next few years, including a $6 million bonus once the auto-parts supplier emerged from bankruptcy protection. … Dana, of Toledo, Ohio, makes axles, frames and other large components for cars and commercial trucks and is highly dependent on General Motors Corp. and Ford Motor Co. … The company is one of at least a half-dozen large U.S. auto-parts companies that have fallen into bankruptcy amid production cutbacks by the country's biggest auto makers. … The company said that under the new plan, five other top managers would share a pool of up to $3.18 million in 2007 and would be entitled to a pool of at least $1.59 million the year after. The company didn't disclose the benchmarks that would trigger payments." Dow Jones notes, "U.S. Trustee Diana G. Adams said Dana crossed the line in making the request because the Bankruptcy Code doesn't allow the court to offer advice on how to frame legal arguments."

Supreme Court To Hear "Partial-Birth" Abortion Case Today. The Wall Street Journal (11/8, A8, Bravin, 2.03M) reports, "Today, the Supreme Court will hear a Bush administration appeal to reinstate the Partial-Birth Abortion Ban Act, a 2003 law struck down by lower courts because it included no exception for the woman's health. The partial-birth ban fits with a national strategy to impose greater restrictions on the procedure while deferring a direct challenge to Roe v. Wade, the 1973 decision that first located a right to abortion within the Constitution's privacy provisions. … Abortion foes feel confident that the federal partial-birth ban will pass muster with the required five justices. The question is whether the court will rule narrowly…or will use the opportunity to…significantly expand legislative authority to restrict abortion." The Christian Science Monitor (11/8, Richey, 58K) reports, "In their confirmation hearings last year, John Roberts and Samuel Alito sidestepped pointed questions about whether they would overturn abortion precedents. Now, a year later, the country is about to get some answers. … While the Partial-Birth Abortion Ban Act poses no direct threat to major abortion precedents like Planned Parenthood v. Casey and Roe v. Wade, activists on both sides of the debate are watching closely to see if the two federal ban cases - and new justices on the court - trigger a turning point in abortion jurisprudence permitting more rigorous regulations at the state and federal level."

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The Washington Post (11/8, A3, Lane, 748K) reports, "As the Supreme Court prepares for today's oral arguments on the federal 'partial birth' abortion ban, both sides are focusing on the same question: 'What will Kennedy do?' … The pivotal figure in the biggest Supreme Court abortion battle in half a decade is Justice Anthony M. Kennedy, the 70-year-old centrist with an 18-year record of eclecticism on abortion and other social issues. Abortion rights advocates believe that, despite his past support of a state ban on the late-term procedure that opponents call 'partial birth,' he may now assume the moderating 'swing vote' role that retired Justice Sandra Day O'Connor formerly played. Kennedy's performance may not only determine the fate of this federal abortion law but also foreshadow the overall balance of power on a court that is still defining itself after the addition of two conservatives picked by President Bush."

Insiders To Argue PBA Ban Before Supreme Court. The Legal Times (11/8, Mauro) reports, "When a high-stakes Supreme Court argument looms, litigants often turn to the heavy-hitting veterans of high court advocacy. Not so for the abortion rights groups who will be fighting the federal Partial Birth Abortion Ban Act of 2003 before the Court on Thursday." The Times continues, "When the pair of cases on the issue is called, staff attorneys Eve Gartner of Planned Parenthood and Priscilla Smith of the Center for Reproductive Rights will rise to the occasion. It's Gartner's first high court argument and Smith's second, but their bosses are confident about sending them into the fray. … 'I didn't think about it for more than five seconds,' says Planned Parenthood's Roger Evans, who adds that Gartner is the first staff lawyer to argue before the high court for the organization, which has been party to many of the major abortion cases in history. 'She knows the issues better than anyone walking,' says Evans, noting that Gartner has handled the case from the beginning." The Times adds, "Same story from Nancy Northup, president of the Center for Reproductive Rights, who says Smith was the only lawyer considered. Smith represented Nebraska physician LeRoy Carhart, who sued the state for prohibiting him from performing certain types of abortions, all the way through district court and the 8th U.S. Circuit Court of Appeals. 'The facts really matter in this case,' says Northup."

"Partial Birth" Abortions Equated With Infanticide. In an op-ed for USA Today (11/8, 2.27M) Jay Sekulow, chief counsel of the American Center for Law and Justice, writes, "There is no reason to keep partial-birth abortion legal. It's a gruesome, barbaric procedure that occurs partly outside the mother's body, typically by inserting scissors into the back of the baby's head. As several of the justices hearing the cases today have acknowledged, it's hard not to label this procedure 'infanticide.'"

CIVIL RIGHTS:

FBI Investigating Allegations Of Voting Irregularities. The AP (11/8, Sampson) reports, "The FBI said Tuesday that it is looking into complaints that callers tried to intimidate or confuse Virginia voters in the hard-fought race between GOP Sen. George Allen and Democratic challenger Jim Webb. State Board of Elections Secretary Jean Jensen said her office had forwarded several reports to the FBI of voters receiving phone calls intended to discourage them from voting or directing them to the wrong polling place. … The FBI is checking the reports, agent Stephen Kodak Jr. said." The AP notes, "New Mexico Democrats have filed court complaints similar to those in Virginia, accusing GOP callers of providing voters with incorrect information on polling locations in Albuquerque. … In Ohio, a prosecutor also warned voters to be wary of fraudulent calls claiming that their voting precincts had been changed." USA Today (11/8, 9A, Hall, 2.27M) notes the Virginia investigation in its story about the Allen-Webb race, and the Washington Post (11/8, A29, Davenport, Barr, 748K) notes it in a story focusing on the lack of problems in the Maryland election. Meanwhile, CNN.com (11/7, Arena, 9:19 p.m.) reported on the FBI Virginia probe, based on broadcast reports during the day yesterday.

The AP (11/8, Hastings) reports, "Election Day was tainted by complaints of dirty tricks that led to FBI investigations in at least two states, with some voters reporting intimidating phone calls, misleading sample ballots and even an armed man outside a polling place. Nonetheless, poll watchers said voting across American went relatively well, despite machine malfunctions and long waits in some states." This AP story also notes the Virginia probe and adds, "In Indiana, the FBI was investigating allegations that a Democratic volunteer at a polling site in the college town of Bloomington was found with absentee ballots after counting had begun. … In Arizona, three men, one of them armed, stopped Hispanic voters and questioned them outside a Tucson polling place, according to voting monitors for the Mexican American Legal Defense and Educational Fund, which photographed the incidents and reported them to the FBI."

The AP (11/8, Brunt) reports, "Poll closings and results were delayed in several counties and the FBI investigated possible ballot tampering in a crucial county as Indiana decided key races for Congress and the General Assembly. But the catastrophic Election Day that Democrats predicted because of Indiana's new voter ID law didn't come to pass, election officials said." The AP adds, "In Monroe County…state police, election officials and the FBI looked into allegations that a Democratic volunteer was found with

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unprocessed absentee ballots in her possession after the county began tallying absentee votes."

The New York Daily News (11/8, Meek, 729K) reports, "The FBI yesterday was investigating reports of Election Day dirty tricks amid allegations of padlocked offices, cut phone lines, threats of arrest, "robo-calls" and hacked Web sites around the country. Justice Department spokesman Brian Roehrkasse said there was no indication of widespread fraud, but FBI officials confirmed agents were probing several incidents. 'We'll look into these matters to see if there are any potential violations,' one FBI official said. Both Republicans and Democrats flung allegations, denials and counteraccusations."

Additionally, USA Today (11/8, 5A, Wolf, Gomez, 2.27M), the Wall Street Journal (11/8, A5, Kronholz, Conkey, Dreazen, 2.03M) and the Washington Post (11/8, A29, Davenport, Barr, 748K) note the FBI investigations in their stories focusing on the relatively few glitches at polling places across the country yesterday, despite the wide-spread use of new electronic voting machines.

Number Of Voting Rights Complaints Said To Be Low. CNN.com (11/8, Frieden) reports, "As polls began to close in the East, Justice Department officials said voter complaints to federal officials had been 'low' on Tuesday." CNN continues, "Fewer than 200 calls were received by the Civil Rights Division hotline in Washington, down from about 1,200 complaints received during the 2004 elections. … 'Nearly all of the civil rights and access problems dealt with minority language voting issues,' said one Justice Department official familiar with federal election monitoring. The official was unaware of any cases in which voters were denied the right to vote based on race or ethnicity." CNN adds, "A second Justice Department official described the number of voting access issues as 'low to normal.' … 'Every election there are always going to be problems, and there were some this time, but there was nothing really out of the ordinary,' the official said. … The officials asked not to be identified because the Justice Department does not comment officially on election-related issues." CNN notes, "Justice officials also described criminal fraud issues as relatively low. The officials confirmed there had been scattered complaints relating to alleged intentional acts directed at voters. Although they provided no specific numbers, they said the scope of such allegations were not out of the ordinary for recent election cycles. … 'It will take a day to sort out exactly what complaints were received,'one of the officials said. Justice Department officials would not comment on any specific problems that arose Tuesday."

Voting Irregularities Alleged In Detroit. WXYZ-TV, ABC 7, Detroit (11/8) reports, "With just a few hours before the polls close there are allegations of voting irregularities. Tuesday afternoon, the NAACP called for an emergency news conference in Detroit." WXYZ-TV continues, "The NAACP said they received approximately 74 complaints on their voter hotline by voters who believe they were registered, but were turned away at the polls because their names did not appear on the registration list. … Rev. Wendell Anthony, Detroit NAACP, said 'The constitution guarantees every American the right to vote and when you're one of the 74 and your vote is not counted, you have a problem. We in the NAACP have a responsibility; we have a duty to make certain that every vote counts. That's why we have monitors out, that's why we have challengers out. We have 108 lawyers out in every precinct in this city. That's why we cannot sit by and wait for a barrage of complaints to come in.'" WXYZ-TV adds, "The NAACP has also accused two people of posing as election officials in polling places. … Rev. Anthony said the election is too critical for voters to be turned away. The NAACP has filed complaints with the U.S. Justice Department."

House Democrats Seek Probe Of GOP Campaign Tactics. Bloomberg (11/8, Peterson) reports, "Two Democratic U.S. lawmakers accused Republicans of 'possibly illegal' campaign tactics, claiming they arranged automated, late-night telephone calls to spark voter anger against Democrats running in today's election." Bloomberg continues, "The so-called robo-calls may have violated federal and state laws, Representatives John Conyers and John Dingell, both of Michigan, said in a letter that urged the Justice Department, the Federal Election Commission and the Federal Communications Commission to investigate." Bloomberg adds, "The often-repeated calls were designed to 'generate anger' at Democratic candidates by leading voters to believe Democrats made them, the lawmakers said yesterday in the letter. With control of Congress on the line in today's voting, both parties are watching the other's last-minute campaign tactics. … 'In fact, the calls are being funded' by the National Republican Congressional Committee, 'which has reportedly provided $600,000 to fund this deception,' Conyers and Dingell wrote. … NRCC spokesman Ed Patru said the group wasn't associated with any illegal calls. There are 'hundreds of groups' from various political parties that could make such calls, he said."

DOJ, OPM Monitor Polling Places. Federal Computer Week (11/8, Hubler) reports, "The Justice Department has sent more that 500 federal observers and more than 350 other employees to 69 jurisdictions in 22 states to monitor today's midterm elections. The record-breaking effort partially reflects voters' concerns about the balloting process, namely the accuracy and functioning of electronic voting machines." FCW continues, "The number of federal workers dispersed for the election is more than double the total sent on Election Day 2002, the previous record for observers at a midterm election, according to a Nov. 6 Justice statement." FCW adds, "Since passage of the Voting Rights Act of 1965, Justice has regularly sent observers and

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monitors around the country to protect election-related civil rights, the statement reads. This summer, President Bush signed the reauthorized Voting Rights Act, which protects Americans' rights to participate in the electoral process without discrimination. … Under the law, Justice is authorized to ask the Office of Personnel Management to send federal observers to areas that have been certified for coverage by a federal court or the attorney general. … Included among the 69 jurisdictions in 22 states where OPM observers and/or Justice employees are monitoring polling places today are: Chambers, Lee and Tuscaloosa counties in Alabama; Broward, Duval, Hillsborough, Osceola and Palm Beach countries in Florida; Chicago and Cook County, Ill.; Boston and Springfield, Mass.; Bergen, Essex, Hudson, Middlesex and Salem counties in New Jersey; Kings, Queens, Richmond and Westchester counties in New York; and Cuyahoga County, Ohio."

The Federal Times (11/8) reports, "The Justice Department deployed an unprecedented number of federal employees to monitor today's midterm election. More than 500 observers assigned by the Office of Personnel Management and more than 350 Justice employees were sent to 69 jurisdictions in 22 states." The Times continues, "The figures more than double the total sent on election day in 2002, which was the previous record for a midterm election, according to a department news release." The Times adds, "Under the 1965 Voting Rights Act, which President Bush reauthorized this summer, Justice can ask OPM to send federal observers to areas that have been certified for coverage by a federal court or the attorney general. … The observers and monitors will watch and record activities during voting hours at select polling locations. Justice's Civil Rights Division is coordinating the federal activities and contact with local election officials. In addition, the department has deployed observers and monitors who speak Spanish, Arabic, and a variety of Asian and Native American languages."

Government Executive (11/8, Shoop) reports, "OPM has a pool of 900 intermittent employees who are called into service as monitors on an as-needed basis, according to Nancy Randa, OPM's deputy associate director for human resources products and services, who testified on the agency's role before a House subcommittee in November 2005. The pool includes federal retirees, students, private sector workers and full-time employees of other federal agencies. … The observers 'serve as neutral monitors, who do not intervene if there are violations,' Randa testified. 'They only watch, listen and record events that occur at particular polling sites on election days.' They participate in one-day classroom training sessions prior to serving, and attend pre-briefing sessions the day before elections."

Local Television. KTVU- TV San Francisco, Oakland, San Jose (11/7, 7:00 a.m.) broadcasts, "The Feds are sending observers to polling sites in 22 states, more than double the amount in 2002. We talked about it with Attorney General Alberto Gonzalez who said they are there to prevent voter fraud and intimidation and other problems. Not gonna guarantee we have perfect elections. We won't have perfect elections going forward." This story received moderate coverage all across the country in both major and smaller cities. Some examples include:

NC8- TV Washington, DC (11/7, 8:00 a.m.) broadcasts, "The Justice Department says it will help state and local officials make sure that today's voting is honest. Attorney General Alberto Gonzales says the department will have monitors at polling stations across the country to watch for voter fraud or anyone denied voting rights."

WSB- TV Atlanta (11/7, 12:00 p.m.) broadcasts, "Attorney General Alberto Gonzales says the monitors are there to prevent voter fraud, intimidation and other problems. We're not going to guarantee we'll have a perfect election. Problems do arise but our jobs for those of us is to ensure we try to minimize the problems to the extent we can."

WKRN- TV Nashville (11/7, 5:30 a.m.) broadcasts, "The Justice Department says it will help state and local officials make sure that today's voting is honest. Attorney General Alberto Gonzales says they'll have monitors around the country to watch for voter fraud or disenfranchisement."

WAPT- TV Jackson, KFOX- TV El Paso, WBTW- TV Florence, Myrtle Beach, KELO- TV Sioux Falls, Mitchell, KAUZ- TV Wichita Falls, Lawton, KPLC- TV Lake Charles, KMSB- TV Tucson, WWL- TV New Orleans also reported the same story starting from 11/6 evening news at 9:00 p.m.

Virginia Approves Amendment Banning Same-Sex Marriage, Civil Unions. The Washington Post (11/8, A46, Jenkins, 748K) reports, "A constitutional amendment banning same-sex marriage and civil unions in Virginia passed easily yesterday, adding the state to more than 20 others that have prohibited the practice. The measure was strongly backed in all parts of the state except for Northern Virginia, where a majority of voters appeared to agree with the argument that the amendment would affect all unmarried couples, not just gay ones."

Macon, GA, To Pursue City-County Consolidation. The Macon Telegraph (11/8, Fain) reports, "Macon-Bibb County consolidation took a small step forward, the City Council approved a new method for collecting garbage fees and city officials increased the 911 surcharge for cellular telephones today." The Telegraph continues, "During today's Macon City Council meeting, the council voted 9-6 to push toward unification of the Bibb County and city governments and ask the Middle Georgia Regional Development Center to draw new voting district

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lines. … 'This is the time for consolidating our governments,' said Councilwoman Filomena Mullis, who sponsored the resolution. … 'From what I'm hearing in the community, a vote would not pass,' countered Councilwoman Elaine Lucas." The Telegraph notes, "There are several more steps before consolidation could become a reality. The Bibb County Commission also is expected to take up the issue before the RDC draws new voting districts for a proposed nine-member, countywide governing body. Then the commission and council would vote again on those districts, and the state Legislature would need to approve them. The U.S. Justice Department would have to sign off on the districts before a countywide referendum would be held. Similar consolidation efforts have been rejected in Bibb County."

Texas Water District Challenges Voting Rights Act. The Austin (TX) American-Statesman (11/8, Toohey) reports, "Four years ago, a water utility in Northwest Austin wanted to move its polling place out of a garage but was required to ask the federal government for permission and wound up paying $1,250 in legal fees. … Now, in response, the Northwest Austin Municipal Utility District No. 1 has filed a lawsuit against the Department of Justice that could wind up eliminating portions of the Voting Rights Act." The American-Statesman continues, "The lawsuit, filed Aug. 4, challenges the federal government's authority to require certain areas with a history of discrimination at the polls, including Texas, to get 'preclearance' before changing aspects of how they conduct their elections. … The lawsuit says that the district should be released from the requirement because it has no history of racial discrimination and that if not exempted on those grounds, it should be released because the requirement is unconstitutional." The American-Statesman adds, "The lawsuit has the support of people who say the provision is a holdover from a bygone era and does not protect the rights of minority voters. … The lawsuit has alarmed civil-rights and minority-rights groups, who say all portions of the Voting Rights Act are still necessary. The act was passed in 1965 but was re-authorized by Congress this summer, an action that advocacy groups point to as proof of its relevancy. … The case is now before a U.S. District Court in Washington, although many expect it to go to the Supreme Court."

WSJournal Says Vouchers Produce More Integrated Schools. The Wall Street Journal (11/8, 2.03M) writes in an editorial, "One frequent, and nasty, argument against school vouchers is that they will end up resegregating public schools." Yet "the truth is the opposite." In contrast to claims by the Urban League and Senator Hillary Rodham Clinton, a new study by the Milton and Rose Friedman Foundation found that in 2003 in Milwaukee, voucher schools were "13% more racially diverse," while those in Cleveland were "18% more diverse, than their public school counterparts." So, "vouchers increase racial mixing in schools."

ANTITRUST:

DOJ Seeks Information On Private Equity Firms' "Club Deals." The Financial Times (11/8, Guerrera, Masters, Politi) reports, "The US antitrust authorities are seeking comprehensive information on all 'club deals' involving five of the world's largest private equity firms since 2003 – a sign that the informal probe into alleged collusion in the buyout industry is broader than expected." The Times continues, "News of the details of the investigation, which began in September with a letter from the Department of Justice to the buyout funds, will quash widespread speculation the government is focusing only on a handful of recent high-profile deals such as last year's $15bn takeover of Hertz rent-a-car business." The Times adds, "People who have seen the letter, sent to Carlyle Group, Clayton Dubilier & Rice, Kohlberg Kravis Roberts, Merrill Lynch and Silver Lake Partners, said it requested a list of all the documents related to consortium deals since January 2003. The authorities are also believed to be seeking e-mail communications. … E-mails have proven useful to investigators in recent financial probes because they can provide real-time evidence of a person's intent to commit a crime - a crucial element in prosecutors' decision on whether to bring charges against individuals. … Contrary to previous speculation, which focused only on successful deals, the letter is believed to be asking for information on all bids by groups of buyout funds for US companies, even when the consortium ended up on the losing side." The Times notes, "The investigation has shaken a buyout sector that had been revelling in the ability to raise unprecedented amounts of capital from investors and exploit favourable conditions in the debt and equity markets to clinch ever-larger deals. … However, the breadth of the request suggests that the authorities may take a long time to narrow the focus of the probe. Often government investigators will come back with a grand jury subpoena seeking more detailed information if they believe they are on the track of something specific, lawyers familiar with the process said. But they cautioned that not every investigation ever reaches that stage."

EU Approves Philips Purchase Of Intermagnetics. The AP (11/8) reports, "EU regulators gave Royal Philips Electronics NV the go-ahead Tuesday for its euro1 billion (US$1.26 billion) purchase of a major supplier, U.S. magnet maker Intermagnetics General Corp., that will boost its medical equipment unit." The AP continues,

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"The European Commission said an investigation found the tie-up would not damage competition in Europe, after examining whether the new company would be able to control the supply of radio-frequency coils to Philips' rivals that also make magnetic resonance imaging, or MRI, systems. … 'The market investigation has shown that these risks are minimal, mainly due to economic incentives and the presence of several other suppliers of coils for MRI systems,' regulators said. … They found that MRI system manufacturers could also make coils themselves if they had to, so Philips would not be in a position to cause antitrust problems." The AP adds, "Philips, the second largest maker of medical equipment globally after General Electric Co., said in June it expects the acquisition will win customers in the short run, and improve the company's supply chain and development of new products in the long run. … Philips offered US$27.50 (euro21.87) per share for Intermagnetics in a bid unanimously supported by the company's boards."

Visa Will Stay On The World Cup Sponsorship Sidelines. The Wall Street Journal (11/8, C3, Sidel) reports, "Visa International will have to stay on the sidelines during a legal tussle over its sponsorship of the World Cup soccer tournament." The Journal continues, A U.S. appeals court has denied an attempt by the payments network to join litigation between rival MasterCard Inc. and the Federation Internationale de Football Association about the way the sponsorship was awarded last spring. The decision, handed down late Monday, upholds a September decision by the U.S. District Court in New York, which is handling the case." The Journal adds, "MasterCard has sued the soccer association, known as FIFA, for awarding the coveted eight-year sponsorship to Visa. MasterCard, which has sponsored the tournament and other World Cup events for the past 16 years, contends that it had right of first refusal for a new pact. … Although it wasn't named in the MasterCard case, Visa sought to join the litigation, because it will be affected by the outcome. … 'While it is true that our request to join the suit has been denied, we are confident that our contract rights will be honored, and look forward to activating this sponsorship in January 2007,' Visa said in a statement."

ENVIRONMENT:

Experts Agree Hurricane Season "Already Over." USA Today (11/8, 3A, O'Driscoll, 2.27M) reports, "The quietest hurricane year in a decade officially ends in three weeks, but meteorologists and disaster managers on the Gulf and Florida coasts agree that the season is already over. 'We dodged a bullet this year,' says meteorologist Gerry Bell of the National Weather Service's Climate Prediction Center. 'If there was ever a time that we needed a break, we got one.' … In Louisiana, where complete recovery from hurricanes Katrina and Rita is years away, 'the longer the hurricanes miss us, the better off we'll be,' says Mark Smith of the state emergency preparedness office. 'No one has ever been as prepared for the worst as we were this year. Thank God we didn't have to touch on that.'"

Forest Service Welcomes Small, Preventive Forest Fires. USA Today (11/8, Kenworthy, 2.27M) reports, "In the worst year for wildfires in nearly half a century, it may seem odd to celebrate how well some of them burned. But the Payette National Forest in central Idaho is doing just that. 'It was a real long season, but we got some nice fire effects,' says Sam Hescock, a fire management officer on the 2.3-million-acre forest where more than 150 fires this summer and fall burned about 70,000 acres. … Hescock's satisfaction reflects a shift in how the federal government approaches fire management. That shift began in earnest a decade ago and is gaining momentum. Land managers at the U.S. Forest Service and other agencies are becoming more comfortable co-existing with fire rather than reflexively trying to stomp it out with all the men and materiel at their command. Their reasoning is that fire is a natural part of the landscape that clears out underbrush and small trees and creates forest openings in a mosaic pattern. Such conditions help keep small fires from growing into the kind of large, catastrophic blazes that have become increasingly common in recent years."

High-Flying Missouri River Carp Post Threat To Fishermen. The Wall Street Journal (11/8, A1) reports from Columbia, MO, "Fishermen used to joke that when the fish are biting on the Missouri River, 'they're practically jumping into the boat.' … To Duane Chapman, this isn't funny any more. Almost every time he goes out in his 22-foot skiff, fish jump in or over his boat. He has been repeatedly battered by 20-pound flying fish, which he compares to slimy bowling balls. Not long ago, an incoming fish slammed into the boat's throttle, sending the skiff roaring into a mud bank." The Journal continues, "These fish -- called Asian silver carp -- were imported to the U.S. in the 1960s. Now, the U.S. Fish and Wildlife Service is taking aim at the species. It's proposing a ban on the importation and interstate transportation of the fish, saying, 'Silver carp have leaped into moving boats injuring people and damaging equipment.'" The Journal adds, "Mr. Chapman and other fish biologists, however, say more needs to be done. They believe only one biological mechanism can get rid of the carp: the American stomach. But convincing U.S. diners to eat these fish may be a challenge. … The skittish, torpedo-shaped carp reproduce faster than native fish and beat them out for food. They also have a peculiar habit: Upon hearing the rumble of a

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motorboat, or any other noise they deem strange, they leap as high as eight feet in the air, arcing into and around boats like silvery missiles. … The native habitat for the Asian silver carp is the Yangtze River in China. The fish were brought to the U.S. to help clean up algae and other microscopic wastes at fish farms and municipal waste-treatment plants. Some escaped into the Mississippi River and migrated to the Missouri and the Ohio rivers. Now, they inhabit the waters of 15 states, and experts worry the Great Lakes will be next."

WSJournal Says SCOTUS Will Make Key Ruling With Duke Energy Pollution Case. The Wall Street Journal (11/8, 2.03M), in an editorial, writes that Environmental Defense v. Duke Energy "is shaping up to be one of the more important environmental law cases the U.S. Supreme Court has heard. Among the potential stakes: $100 billion (yes, billion) or more in redundant pollution controls at refineries and power plants around the country; the future of the market-based approach to environmental regulation; and, broadly, whether there are any limits on what federal agencies like the EPA can do with the powers delegated to them by Congress. The central issue is a set of rules dating back to the 1970s Clean Air Act known as New Source Review (NSR). … If the Supreme Court ends up siding with Duke Energy, don't be surprised to see headlines accusing it of making common cause with polluters. But the truth is this would be a victory for the rule of law. It would also help the country get on with a market-based approach to pollution control, which almost all honest observers acknowledge is more efficient anyway."

FBI/DEA/ATF/USMS:

Defeat Declared For Marijuana Measures In Colorado, Nevada, South Dakota. In a story about voting around the nation, the AP (11/8) notes Colorado and Nevada voters "rejected measures that would have legalized possession of up to an ounce of marijuana by anyone 21 and older."

In a separate story the AP (11/8) reports, "Facing the second-longest ballot in Colorado history, voters also overwhelmingly rejected a proposal to legalize the possession of up to an ounce of marijuana, a proposal which Denver voters approved last year. Amendment 44 lost with 62% voting against it." The New York Times, Wall Street Journal, Washington Post, USA Today, Time magazine, and Greeley Colorado Tribune used a version of the AP story.

In Reno, the AP (11/8) writes that Nevadans "seemed poised to reject legalization of small amounts of marijuana. … Question 7 to legalize adult possession of up to 1 ounce of marijuana and require the state to set up procedures to tax and regulate its sale was failing, 58 percent to 42 percent, in early returns." The Las Vegas Sun used this AP story.

The Denver Post (11/8) reports Mason Tvert, SAFER's campaign director, "argued through the election season that marijuana is a safer alternative to alcohol. On Tuesday, he said he knew that it would be a tough battle to change '75 years of marijuana prohibition overnight.' … Amendment 44 opponents were pleased Tuesday that the initiative failed, saying legalization would increase teen drug use."

The Rocky Mountain News (11/7) writes, "Even if it had passed, Amendment 44 wouldn't technically have made pot smoking legal in Colorado. It is still a violation of federal drug laws - though federal drug enforcement officials have said publicly they will not actively seek to arrest, try and convict users in possession of an ounce or less." Federal drug enforcement officials "said they feared drug traffickers would begin shipping more pot to Colorado because it would have been viewed as 'a drug tourist spot.' But Tvert argued that the current fines - a misdemeanor offense and a $100 ticket - show that the government doesn't really consider possession of an ounce of marijuana a serious problem anyway. 'If they did, they wouldn't have such light penalties,' he said."

The Rocky Mountain News (11/8) also writes that through Robert McGuire, spokesman for the Colorado Chapter of Save Our Society from Drugs, they "successfully brought the director of the White House Office of National Drug Control Policy to campaign against [the measure] as well as employing the help of Colorado Attorney General John Suthers. Suthers said he was pleased to see the amendment go down to defeat and said voters never bought the argument made by Tvert that marijuana was safer than alcohol."

The Colorado Daily (11/8) reports Tvert "said SAFER will continue to work to change marijuana laws nationwide and here in Colorado with the principle that 'it's time that the government stops punishing adults who make the rational, safer choice to use marijuana instead of alcohol,' he said."

In a report on Colorado's gubernatorial race, the Washington Times (11/8) notes that Amendment 44 "was behind 53 percent to 47 percent. Two years ago, Denver voters approved an identical measure, paving the way for the statewide campaign."

The Grand Junction (CO) Daily Sentinel (11/8) notes how kids viewed Amendment 44.

On its Web site, KMGH-TV, Denver (11/7) reports, "After 32 percent of precincts reporting, early results show that voters are against legalizing marijuana possession, with 62 percent voting no and 38 percent voting yes."

The Las Vegas Journal Review (11/8) reports Las Vegas police Lt. Stan Olsen, who "worked against Question 7, said the measure, the latest in a string of failed efforts to legalize the drug here, was pushed by outsiders rather than Nevadans. 'They were trying to use us as a social

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experiment, as lab rats. Voters are engaged. They're bright. This was a bad bill of goods, and they knew it,' Olsen said. … Despite the apparent loss, backers of the measure were heartened by the turnout in favor of the measure."

On its Web site, KOLO-TV, Reno, Nevada (11/8) writes, "Question 7 (legalization of marijuana), was voted down."

The Sioux Falls (SD) Argus Leader (11/8) reports a movement to "legalize the use of marijuana for medical uses was headed for defeat with partial election results available late Tuesday. South Dakota's Initiated Measure 4 was patterned after laws in 11 states. Passage looked doubtful at 11 p.m. with 141,734 votes against legalized use compared with 127,713 votes in favor, a 53-47 margin, with 743 precincts out of 818 reporting."

The AP (11/8) reports proponents "wanted South Dakota to become the 12th state to allow some medical patients to smoke marijuana to ease their pain. Opponents, led by law enforcement officials, said allowing medical marijuana would send a mixed message to children concerning drug use."

Local TV Coverage. KCNC-TV, Denver (11/7, 10:00 p.m.) aired, "Amendment 44 asked voters to approve one ounce or less of marijuana to be legal for people over the age of 21 across the state. Right now that one is failing. Sixty-two percent voting against that, 38% voting in support of that."

KLAS-TV, Las Vegas (11/7, 11:00 p.m.) aired, "There were a number of important ballot initiatives on this year's ballot. Including one in particular, the marijuana initiative that had the entire country looking to what voters would do. … The fight to legalize an ounce of marijuana lost tonight. Question 7 was crushed with over 55 percent of voters saying 'No' to making the drug legal."

DEA Assists In Investigation Of Massachusetts Prescription Drug Theft. The Boston Globe (11/8) The FBI "joined the investigation yesterday into a sophisticated weekend theft of about 1.8 million prescription drug pills from a Mansfield warehouse. … State Police and the federal Drug Enforcement Administration are also involved, though a DEA spokesman said the agency is taking an advisory role. … Mansfield Police Sergeant Detective Sam Thompson said the stolen drugs, which included painkillers and anxiety medications, could have a street value of $10 a pill. … 'Prescription drug abuse is a serious area that has been expanding,' said Anthony Pettigrew, DEA New England spokesman. 'People don't believe anything you can get from a doctor can be harmful.'"

States Grapple With Meth Lab Cleanups. The Christian Science Monitor (11/8, Arnoldy) reports some states, "led by Colorado, have enacted tough regulations that require former [meth] lab sites to undergo a formal safety assessment - and more cleanup, if needed - before they can be reinhabited. … Other states mandate home sellers to disclose the presence of former meth labs. The patchwork of state approaches reflects the uneven spread of the drug, the potential costs of cleanup, and concerns about setting safety standards in the absence of definitive scientific research, experts say." The Monitor says federal money "is also going to assessments and cleanups. … The DEA offers free training and equipment to first responders and shoulders much of the bill for a contractor to remove lab materials whenever called to a scene. 'Technically the contractor has cleaned it out,' says Steve Robertson. 'If it was my property I would rip out the carpet, I would scrub the floors, I would repaint everything, because these ... are very hazardous chemicals.'"

Report: USADA Puts Track Coaches On Notice About Doping Allegations. The AP (11/8) reports track coach Trevor Graham "received notice from the U.S. Anti-Doping Agency that he is accused of violating doping rules. Graham…was indicted by a grand jury last week on three counts of making false statements to federal agents. Now, he has 10 days to respond to USADA's allegation letter. The case then will be presented to a review panel that recommends whether sanctions should be levied. … Also receiving an allegation letter, sources said, was track coach Remi Korchemny, who pleaded guilty to one misdemeanor count of doling out the sleep-disorder drug modafinil in the BALCO steroids scandal."

Investigation Of Purported Drug Kingpin In Pennsylvania Nets $2.2 Million. The Pittsburgh Tribune-Review (11/8) reports on $2.2 million found in a cocaine investigation involving Terrance Cole who "was sentenced in March to life in prison for running a drug organization that distributed more than 2,500 kilograms of cocaine from 1991-2003. That's 25 million doses, or about two doses for every man, woman and child in Pennsylvania, according to 2005 census figures." According to the Tribune-Review Cole is the "biggest cocaine kingpin in Western Pennsylvania history."

KDKA-TV, Pittsburgh (11/7) reports, "The Feds won't say why they searched a house, only that they have continued to investigate Cole even after his conviction in March of running a ring that distributed over $50 million worth of cocaine in the Pittsburgh area since 1993."

Texas Man Pleads Guilty To Explosives Charge. The Dallas Morning News (11/8, Yan, 500K) reports, "A Cedar Hill man accused of delivering a military rocket to a drug dealer pleaded guilty Tuesday to distribution of explosive material to a convicted felon." Eric Duane

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McNairy "faces up to 10 years in prison and a $250,000 fine after the November 2004 discovery of a luggage bag containing a U.S. military 66 mm M74 incendiary rocket with a rocket launcher and Vietnam War-era explosives at a Duncanville convenience store." The Morning News notes, "A few months after Mr. McNairy denied knowing about the rocket and grenades, he told FBI agents that the explosives belonged to his brother, who was serving a drug sentence. … So he contacted an associate of his brother, Charles Andrew Brunston…who had recently been released after serving time for a felony drug conviction."

TAX:

Merck Discloses Tax Disputes With US, Canada. The AP (11/8) reports, "Merck & Co. has disclosed four separate tax disputes in the U.S. and Canada with potential liabilities totaling $5.58 billion, as the drug maker faces tens of thousands of lawsuits over its withdrawn painkiller Vioxx, The Wall Street Journal reported on its Web site Tuesday." The AP continues, "Whitehouse Station, N.J.-based Merck says it is fighting the assessments disclosed in a filing with the Securities and Exchange Commission, the Journal said." The AP adds, "Merck isn't the only drugmaker hit with steep tax bills. In September, GlaxoSmithKline PLC agreed to pay the U.S. government $3.4 billion to settle a dispute over how to tax deals between the London-based company and its American subsidiary. … As of Sept. 30, Merck had $15.22 billion in current assets, including $6.22 billion in cash. At least one of the transactions in dispute also includes an income statement benefit, which could potentially be reversed depending on the outcome. In the third quarter, Merck earned $940.6 million on $5.41 billion in sales." The AP notes, "Merck already is facing liabilities that could reach tens of billions of dollars related to Vioxx, the painkiller it withdrew from the market in September 2004 after evidence that it increased the risk of heart attacks and strokes. Merck has been fighting the cases one by one. It has won five cases and lost four."

CONGRESS-ADMINISTRATION:

Democrats Capture House; Senate Control Hinges On Virginia, Montana Races. The AP (11/8, Sidoti) reports this morning, "Democrats won control of the House early Wednesday after a dozen years of Republican rule in a resounding repudiation of a war, a president and a scandal-scarred Congress. … By early Wednesday, Democrats had won 227 seats, enough for control, and were leading for another 6, which would give them 233. Republicans, who hold 229 seats in the current House, won 186 and were leading in another 16, which would give them 202." Democrats "had captured 26 Republican-controlled seats, and no Democratic incumbent had lost by early Wednesday." Republicans, adds the AP, "surrendered the Texas seat of former Majority Leader Tom DeLay, who left the House after being charged in a campaign finance scheme, the Ohio seat once held by Bob Ney, who resigned after pleading guilty in a lobbying scandal, and the Florida district of Mark Foley." In Pennsylvania, "Democrats defeated Curt Weldon in the fallout from a federal corruption investigation and Don Sherwood who admitted to a long-term affair with a much younger woman who says he choked her."

USA Today (11/8, Kiely, 2.27M) reports that "Arizona's J.D. Hayworth, Indiana's John Hostettler and New Hampshire's Charlie Bass, in the class of 'Republican revolutionaries' who helped bring their party into power that year, were among Republican casualties." In addition, "longtime Republican incumbents Nancy Johnson of Connecticut, Anne Northup of Kentucky, Charles Taylor of North Carolina, Jim Ryun of Kansas and Clay Shaw of Florida lost their seats. So did New Hampshire's Republican congressmen, Bass and Jeb Bradley." USA Today (11/8, 2.27M) also notes Indiana "was particularly cruel to House Republicans. Reps. John Hostettler, Chris Chocola and Mike Sodrel all lost in a state where Republican Gov. Mitch Daniels' unpopularity compounded the dissatisfaction" with President Bush.

In the Senate, says another AP story (11/8, Raum), Democrats "captured four of the six Republican-held seats they needed to take control of the Senate, winning critical contests in Ohio, Rhode Island, Pennsylvania and Missouri, and inched closer Wednesday to erasing the GOP's majority." Democrats also "mounted challenges for two remaining Republican-held seats in Virginia and Montana -- and were ahead in both. But in Virginia, Democratic challenger James Webb's lead over Republican incumbent George Allen was razor thin and a recount was likely." Republicans and Democrats both "dispatched lawyers to Virginia to tally uncounted absentee ballots Wednesday, as well as canvass votes counted on Election Day."

The Financial Times (11/8, Pruzan) says "voter sentiment also returned Democrats to power in a number of state governors' mansions. In Ohio, a batch of Republican scandals helped Democratic congressman Ted Strickland defeat Ken Blackwell, the Republican secretary of state." In Massachusetts, "Deval Patrick easily won election as the left-voting state's first Democratic governor since 1991. Mr Patrick will also become the north-eastern state's first black governor. Eliot Spitzer's long-expected victory in the New York governor's race also puts that seat in Democratic hands for the first time since 1994. … And in Maryland, Martin O'Malley, Baltimore's Democratic mayor, ousted Republican Robert Ehrlich as governor."

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USA Today (11/8, Nichols, Welch, 2.27M) reports Karl Rove "informed Bush around 11:15 p.m. ET that the House was lost, according to White House spokeswoman Dana Perino. 'Of course he's disappointed,' she said, but 'he's looking forward to working with the Democrats.'" The AP (11/8, Loven) quotes White House press secretary Tony Snow saying of the election results, "The president's not the kind of guy who is going to be somber about things. … They have not gone the way he would have liked." The AP adds, "Bush, unaccustomed to political defeat…watched the results in the White House residence, where Snow described the mood as 'businesslike.' Asked if the president was surprised that the House was shifting to the Democrats, Snow said it wasn't 'a slap-on-the-forehead kind of shock.'"

The New York Times (11/8, Nagourney, 1.21M) reports Bush "has called a press conference for Wednesday afternoon." Asked if Bush "had made phone calls to Nancy Pelosi, the Democratic leader and likely Speaker of the House, Pelosi," White House spokesman Tony Fratto "said the president would not make any phone calls until Wednesday morning and that he was still hopeful late Tuesday that the Senate would remain under Republican control." Fox News' Bret Baier (11/8, 12:15 am. ET) said at the news conference, the President "will continue to call on democrats to help him win the war and keep the economy going but clearly it's going to be a different sound out of this White House." Bier added that Snow said the White House "was encouraged by what they heard from top Democrats today, that essentially Democrats would not stop funding for the war in Iraq but clearly are going to be pushing for a change in policy."

Before the results we known, the CBS Evening News (11/7, story 2, 1:15, Axelrod, 7.66M) reported, "For the last several weeks, President Bush has said he would not be reaching out to Democrats prior to the election because Republicans were going to win. Well, we're now told that the White House is looking for a phone number for the Senate's top Democrat, Harry Reid, just in case they have to reach him. After slamming Democrats nonstop in 13 states during the last 10 days of campaigning, this morning, Mr. Bush made a nonpartisan appeal after voting in Crawford, Texas." President Bush: "No matter what your party affiliation or if you don't have a party affiliation, do your duty. Cast your ballot, and let your voice be heard."

Media commentators are portraying the election results as a referendum on Bush and his Iraq policies. On ABC News (11/7), correspondent Martha Raddatz said, "The bad news that the Republicans are getting tonight points straight to the President. This President has defined himself by national security and his Iraq policy, he's been trying to sell his so-called strategy for victory in Iraq for the last year. He has made so many speeches around Iraq. Tried to tie it in the global war on terrorism. It hasn't worked." Also on ABC News (11/7), George Stephanopoulos said, "This is really shaping up as a protest vote against President Bush and a protest vote against the Iraq war."

On CBS News (11/7), former Bill Clinton spokesman Mike McCurry said, "This is really a referendum on George Bush. He is on the minds of voters in a way that most Presidents really aren't, not even Bill Clinton in his midterm elections was as much a factor in those elections as George Bush is tonight. I think one way or another, the White House is going to have to get some he's message from this election"

In the Los Angeles Times, Ronald Brownstein writes that "for six tumultuous years…Bush has provoked intense opposition while mobilizing passionate support for an ambitious conservative agenda. On Tuesday, that perilous strategy crumbled -- and triggered his party's abrupt fall from power. … In the long run, the results raise fundamental questions about the viability of the strategy Bush and his chief political advisor, Karl Rove, have pursued to build a lasting Republican political majority. … Especially ominous for the GOP may have been the reopening of the gender gap."

On its front-page, the Washington Post (11/8, A1, Baker, VandeHei, 748K) runs an analysis piece titled "A Voter Rebuke For Bush, the War And the Right," in which it calls the midterm contests "a sharp rebuke of…Bush and the Iraq war." The GOP "reign in the House that began with Newt Gingrich in a burst of vision and confrontation in 1994 came crashing down amid voter disaffection with congressional corruption." The New York Times (11/8, A1, Toner, 1.21M) headlines its front-page analysis "A Loud Message for Bush," and says voters have put "a proudly unyielding president on notice that the voters want change, especially on the war in Iraq."

National Review's Editor in Chief Rich Lowry, on Fox News (11/8, 12:10 a.m. ET) said, "I think people have the sense that George Bush doesn't listen. That's always a deadly sin for...a leader."

The Hotline's Chuck Todd, on MSNBC (11/8, 3:30 a.m. ET) claimed that President Bush's recent visit to Missouri may have "doomed" Sen. Jim Talent. According to Todd, Republicans in Missouri "begged" the Talent campaign to ask the President not to come to the state late in the campaign.

The Wall Street Journal (11/8, Fry, 2.03M) reports, "An early wave of exit-poll data, compiled and analyzed by a media consortium, suggested that voters went to polling places frustrated with an increasingly unpopular president, the war in Iraq and a Republican-led Congress that hadn't provided the checks and balances Americans seem to want. … Some six in 10 voters said they disapproved of Mr. Bush's performance as president and of the way Congress is handling its job. Those voters were overwhelmingly giving their support to Democrats."

The Washington Times (11/8, Hurt, 88K) reports "both sides said Mr. Bush's low popularity and voter anger over the

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war in Iraq were the leading contributors to Republican losses." Under the headline "Republican Blame Game Begins," another Washington Times piece (11/8, Hallow) says "recriminations flew from every which way against Republican leaders as voters turned out yesterday for the culmination of an election campaign that had…Bush's party on the defensive. With the party fighting to avert a midterm meltdown, conservatives were critical of Republicans on both ideological and tactical grounds." The Rev. Richard Land, president of the Southern Baptist Convention's Ethics and Religious Liberties Commission, said, "Republicans would have been better off with Mr. Bush heading the ticket, as if it were a presidential year, because Southern Baptists and evangelicals don't feel the same frustration toward Mr. Bush as they feel toward Republicans in Congress. They have much more affection for him than for Republicans in the House and the Senate."

USA Today (11/8, Page, 2.27M) reports Bush "won re-election and Republicans bolstered their control of Congress courtesy of a coalition that included fiscal conservatives, 'values voters' and independents who were worried about terrorism." Yesterday, "that coalition was fractured by opposition to the war in Iraq, disgust about corruption and unease over the economy." George Will, on ABC News (11/7), said the election was "absolutely" a referendum on the Iraq war, adding, "When you shared an earlier graphic that showed disapproval of George Bush and disapproval of the Iraq war, I think they were one percentage point apart. It is a referendum. It means the Democrats succeeded in their plan not to turn it into a choice locally between one candidate and another but a referendum on the war on the national issue." On NBC News (11/7), Campbell Brown echoed those themes, saying, "Even though he wasn't on the ballot, George Bush was a big factor today. President Bush and anger over the war in Iraq."

The Los Angeles Times (11/8, Havemann, Neuman, 918K) reports, "This election is six years into Bush's presidency; the last big Democratic win in congressional elections was in 1986, a comparable juncture in Ronald Reagan's administration. Democrats won control of the Senate by picking up eight seats. They added only five House seats, although they already had a huge majority of 253 seats to the Republicans' 182." In a similar story, the Washington Post (11/8, A1, Balz, 748K) says "the sixth year of two-term presidencies often has produced sizable losses and shifts in power in the House or Senate for the party controlling the White House. That was true in 1958, 1974 and 1986. … Presidents hovering in the mid-40s…have seen their parties suffer major setbacks. That was the case for Bill Clinton in 1994, Ronald Reagan in 1982, Lyndon B. Johnson in 1966, and Harry S. Truman in 1946 and 1950. Jimmy Carter had an approval rating of 49 percent in 1978 and Democrats lost 15 House seats that year."

McClatchy (11/8, Thomma) says "it's normal for a president's party to lose seats in the sixth year of a two-term presidency. Over the last 100 years, the president's party has lost an average of 32 seats in the House and five in the Senate in such sixth-year elections."

On CBS News (11/7), former White House communications director Nicole Wallace said White House aides were talking "a lot about history. You look at midterm elections and historically the President's party takes a big hit. President Clinton lost 54 seats in his first midterm. There is a tide of history that every president swims against. You also look at the climate where there's been a, you know, a plethora of scandals that have plagued House Republicans. There's also obviously a lot of angst in the country about Iraq. So they understand this climate. They are at this hour very cautiously optimistic about their chances in some of these very tight races so they say wait-and-see. Let's not analyze the results until we see what's going to happen tonight."

Webb Slightly Ahead In Virginia, Recount Likely. The Washington Post (11/8, Shear, 748K) reports that Allen and Webb were "locked in a dead heat last night, raising the possibility that a recount will decide Virginia's U.S. Senate race later this month." With "most" votes in by midnight, Webb "claimed a slim lead of about 1,800 votes among more than 2.3 million cast -- a difference of less than a tenth of a percent. Some absentee ballots in Fairfax and Arlington counties were still being counted at midnight, and some counties planned to finish those ballots this morning." The Post adds, "The nail-biter left the candidates in limbo as their campaign advisers began to talk about a recount, which could consume Virginia for weeks and raise doubts about which party will control the U.S. Senate." The Post says a recount "would seem a fitting end to a campaign that was filled with scandals, personal revelations and racial accusations."

The Washington Times (11/8, Bellantoni, 88K) reports that Web and Allen "were locked in a razor-thin race in Virginia last night as the nation watched to see whether the contest would change which party controls the Senate." Webb "declared victory before several hundred supporters," while Allen "had no plans to concede, and reminded supporters gathered for him here in Richmond that he has won close elections before."

USA Today (11/8, Hall, 2.27M) reports, "Allen piled up big voting margins in conservative, rural counties across Virginia, but as election night wore on, the incumbent's support throughout the countryside was offset by Webb's strong showing in urban areas."

The Richmond Times-Dispatch (11/8, Whitley) reports, "Only 17 precincts remained to be counted shortly after midnight. Most of the uncounted ballots are absentee. The Republican Party mounted a strong absentee ballot effort.

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Many absentee ballots are cast by business people, who tend to be Republicans."

According to the Virginia State Board of Elections Web site (11/8, 3:26 a.m.), with 99.75% of precincts reporting, Webb held 49.58 percent of the vote to Allen's 49.22 percent, with Independent Green candidate Gail Parker held 1.11 percent of the vote.

Tester Leading, But Outcome Said To Remain Uncertain In Montana. The Billings Gazette (11/8, 47K) reports that Jon Tester (D) "clung to a lead over" Sen. Conrad Burns (R) Tuesday, "but vote-counting delays prevented a winner from being named.." The Gazette adds, "Despite his lead, Tester was not declaring victory shortly before midnight." In a brief report, the Great Falls Tribune (11/8) reports that with 81 percent of the precincts reporting, Burns was "making a late push." Tester held 49 percent of the vote to Burns's 48 percent, while Libertarian Stan Jones had 3 percent of the vote.

Many Veterans Didn't Win On Election Day. USA Today (11/8, Keen, 2.27M) reports, "Veterans of Iraq and Afghanistan brought unique perspectives on the wars to their campaigns for the House of Representatives. Their military service, though, was not enough to propel most of them to victories." Among the races: IL6 candidate Tammy Duckworth (D), a veteran who lost both legs in Iraq, lost to Peter Roskam (R). MD6 candidate Andrew Duck (D), a "former Army intelligence officer in Iraq," lost to Rep. Roscoe Bartlett (R). MN1 hopeful Tim Walz (D) , who "served in Afghanistan as a member of an Army National Guard artillery battalion," lost to Rep. Gil Gutknecht. PA8 hopeful Patrick Murphy (D), who "deployed to Iraq as an Army lawyer," was in a virtual tie with Rep. Michael Fitzpatrick (R), and TX17 Rep. Chet Edwards (D) beat Van Taylor (R), a former Marine captain. However, PA7 hopeful Joseph Sestak, a "retired Navy admiral who led battle groups in Iraq," beat Rep. Curt Weldon (R).

2006 Emerges As Another "Year Of The Woman." The Wall Street Journal (11/8, A1, Lueck, 2.03M) reports the Democrats' "success stands to make" Rep. Nancy Pelosi "the most powerful woman ever to sit in Congress. … Meanwhile" Sen. Hillary Rodham Clinton "is the Democrats' presidential front-runner for 2008, preparing for what may become the most serious run for the White House yet by a woman. But the advances by women are hardly limited to those two headline-grabbing leaders. Across the nation, record numbers of women sought political office this year. Buoyed in part by the public's desire for change and the perception that women will bring it, many of them battled their way through primaries to make it into yesterday's general election." The Journal notes, "At the state level, a record 2,433 women were running for seats as state lawmakers, according to Rutgers University's Center for American Women and Politics. That breaks a record set in 1992, the so-called Year of the Woman because of vast numbers of wins by female politicians that year. In the Senate, a record 12 women candidates made it through their primaries. … A total of 138 female candidates were running for the House, just short of the record 141 in 2004. In the final tally, women are likely to gain some ground there, though not as much as in 1992, when 19 were elected."

McCain Says GOP Rebuked For Not Adhering To "Conservative Principles." On NBC News (11/7), Brian Williams asked Sen. John McCain "what message" he took "away from these returns, these Republican losses in the Senate, specifically, so far where it pertains to the war in Iraq?" McCain said, "Well, I think the overall results are directly related to a number of things, including the war in Iraq, including the fact that we haven't been careful stewards of the taxpayers' dollars, that many of our base believe we value power over principle. And we haven't adhered to the conservative principles, which I think still the majority of Americans feel it's in their priorities. But on the war in Iraq, of course, it's frustrating. It's frustrating to all of us. Americans are very frustrated. And yet at the same time, I've not heard of a recipe as to how we can work this out. I am hopeful that once we go back into session that we could sit down and work some of this out, because it is terribly frustrating. We know that it's not going well. But I still believe that if you leave at a date certain, or precipitously that the chaos would ensue. Most every military expert I know feels the same way. So we've got to prevail here. But I understand the frustration Americans feel. But I think it's spending, I think it's not keeping to our conservative principles, and I think that the scandals have something to do with it as well."

Parties' Differing Priorities To Come To Fore On Hill. The Wall Street Journal (11/8, A4, Rogers, McKinnon, 2.03M) reports, "Democrats were rolling up election victories last night driven by public concern over the war in Iraq, just as the Army was preparing a new emergency-funding request for $49.2 billion more to pay for overseas operations for the remainder of this fiscal year. The juxtaposition illustrates the new political reality in Washington, a challenge both for newly powerful Democrats and the Republican president: With the Democrats poised to take control of the House in the next Congress, each will be forced to deal with each other if the government is to function over the next two years." House Democrats "have stuck to a modest agenda, such as increasing the minimum wage, toughening ethics rules and reviving stem-cell legislation previously vetoed by the president. Now they inherit a backlog of unfinished spending bills for the current fiscal year, which began Oct. 1, as well as new demands for funding the war." The White House "is braced for subpoenas from hostile committees led by Democrats and for Republicans now more interested in identifying Mr. Bush's successor than in rallying behind a waning presidency. At a Philadelphia-area fund-raiser a few

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weeks ago, former President George H.W. Bush said he would 'hate to think what...my son's life would be like' if Democrats won enough seats to take over Congress." The Journal adds, "The conventional wisdom is that two years of gridlock are likely."

More Commentary. In an editorial, the Washington Post (11/8, 748K) says "the apparent Democratic takeover of the House of Representatives yesterday is a good thing. Republicans won control of the House in 1994 promising a change from Washington business as usual. Instead, entrenched by gerrymandered redistricting into what they envisioned would be a permanent majority, Republicans slid toward lax oversight, unbridled partisanship and rampant sleaziness, if not outright corruption. … Though we regret the loss of some of the most talented Republican moderates, the GOP deserved to lose its majority." The Post concludes, "As they prepare to wield power, Democrats don't have capital from voters; at most, they enjoy a line of credit."

The New York Times (11/8, 1.21M) editorializes, "Whatever this election accomplished, it did nothing to end the rancor and distrust that define current American politics. Yet, as the campaign went on (and on) there was one issue on which people from both parties appeared to be finding common ground: Donald Rumsfeld has to go. … There is absolutely nothing more for Mr. Rumsfeld to do as secretary of defense except continue to defend failed policies and tinker with unworkable strategies. Most of the men and women who will be part of the 110th Congress in January have come to that conclusion, whatever their party affiliation. They simply need to share it with President Bush."

Ross K. Baker, a political science professor at Rutgers University, writes in USA Today (11/8, 2.27M), "The congressional elections that bisect a president's last term has been a grim marker, a place where many a presidency have gone to die. But it doesn't have to be this way." Baker adds that "perhaps in the last two years of President Bush's term, he can shake off the lame-duck curse and redeem a pledge to the American people that he made in the 2000 campaign. He vowed then to be 'a uniter, not a divider,' and indeed he was for a brief period after the 9/11 terrorist attacks. … It is Bush who must take the initiative or face two years that are barren of accomplishment and a poor foundation for the favorable judgment of history."

Medicare Drug Benefit Struggles To Resolve Billing Errors. USA Today (11/8, Appleby, 2.27M) reports, "Just days before enrollment for next year's Medicare drug benefit begins, federal agencies are still trying to fix a long-running billing problem that at its peak this summer ensnared about half a million people. Despite those efforts, about 50,000 people who chose to have their monthly Medicare drug premiums taken out of their Social Security checks are still having incorrect amounts withheld." Medicare "fixed about 100,000 cases last month, leaving about 50,000 unresolved, says Jim Kerr, an acting deputy director at Medicare." But he added, "It has taken a great deal of time to resolve some of them, unfortunately."

Study Finds More States Offering Plans With Little Drug Coverage. The Wall Street Journal (11/8, D7, Gerencher, 2.03M) reports a new study by Families USA found that "the number of states with stand-alone Medicare prescription drug plans that will offer no substantial coverage for the top drugs prescribed to older Americans in the insurance gap known as the 'doughnut hole' will increase to 13 next year from four this year." According to the report, "beneficiaries in many of the 37 states and District of Columbia with plans that will extend substantial coverage in the gap starting next year will see starkly higher premiums." The findings, "which the health-insurance industry disputes as incomplete, come two weeks before Medicare beneficiaries can start choosing Part D plans for next year."

Gingrich Criticizes Families USA Study. Former speaker of the House Newt Gingrich, in an op-ed in the Washington Times (11/8, 88K) that "radical left's" strategy is to score political points through "Medi-scare." Gingrich adds that Families USA's study "does not reflect reality." It "defines 'meaningful coverage' as only 25 medications," and "four of the drugs are listed twice because they are prescribed in different doses." Also, it doesn't notethatgeneric drugs can treat the same conditions. Additionally, It only "focuses on the narrow issue known as the 'doughnut hole,'" but "the 'doughnut hole' in general will not be an issue for 71 percent of Medicare beneficiaries." Besides, "every beneficiary in every state can choose an affordable drug plan that offers gap coverage for both generic and brand-name drugs," and "the small minority that reaches the 'doughnut hole' without gap coverage still has workable options."

Members Of Congress Set To Receive Another Pay Raise. The Washington Post's Stephen Barr, in his "Federal Diary" column (11/8), writes, "The prickly issue of congressional pay showed up in a number of anti-incumbent, shake-up-the-establishment campaign ads that ran prior to yesterday's election. They usually included an assertion that the members of Congress had voted to give themselves pay raises. … But congressional pay is also linked to government salary scales. Under the rules, if white-collar federal employees get an annual base pay raise that is less than the formula's suggested increase for Congress, members are paid at the lower rate. Because Congress has not wrapped up negotiations on a 2007 federal employee raise, lawmakers probably won't know the size of their raise until late December, when the president issues pay scales for government workers, diplomats, Cabinet officials and others."

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Dorgan Seen As Spokesman For Democrats' "Antimarket, Antibusiness Protectionism." The Wall Street Journal's Alan Murray (11/8) writes, "If you want to be optimistic about how Democratic victories may affect Washington, you should read Illinois Sen. Barack Obama's book 'The Audacity of Hope.' It is an eloquent appeal for sanity and civility in government. If you prefer pessimism, take a look at Sen. Byron Dorgan's new book, 'Take This Job and Ship It.' Or save yourself $24.95 and just glance at the cover. The subtitle tells all: 'How Corporate Greed and Brain-Dead Politics are Selling Out America.' The book is a Lou Dobbsian rant against corporate outsourcing, trade agreements, Wal-Mart, big pharma, big oil and all the other hot-button antimarket, antibusiness issues that Mr. Dobbs, a CNN talk-show host, has used in recent years to boost his nightly ratings. … Sen. Dorgan's screed raises a much more dangerous specter of broad-brush, antimarket, antibusiness protectionism. He isn't alone, as anyone who has heard Sherrod Brown's pitch in Ohi o or watched Bruce Braley's campaign in Iowa now knows. If there is one thing politicians are good at, it is sensing the public mood. If Messrs. Dorgan, Brown and Braley are correctly sensing that mood, business may be headed for a tough ride."

Ignatius Says Hayden Still Has Much To Accomplish At CIA. The Washington Post's David Ignatius (11/8) writes, "When Gen. Michael Hayden became CIA director six months ago, his mission was to calm a troubled agency, get it out of the headlines and restore its professionalism. … Hayden is doing many things right, according to CIA officers and foreigners who work closely with the agency. He is a low-key change agent, communicating well with a workforce bruised by years as a political football." However, Ignatius adds, "there are still too many things wrong at the CIA, which Hayden needs to fix. Officials at other agencies say the quality of CIA analysis varies widely, from top-notch to very ordinary. CIA officers in the field complain about a bureaucratic culture that still punishes risk-takers and rewards those who play it safe. Agency gossip has it that a long line of officers recently bid for a plush station chief's job in Scandinavia, while there were only several applicants each to run the big stations in Baghdad, Kabul and Islamabad."

OTHER NEWS:

Federal Reserve Reports Drop In Consumer Borrowing. The Wall Street Journal (11/8, Whitehouse, 2.03M) reports, "American consumers eased off on borrowing in September, though a persistent rise in credit-card balances suggests some are feeling the impact of the housing market's downturn. The Federal Reserve reported U.S. consumer credit, which excludes mortgage debt, fell at an annualized rate of 0.6% in September to $2.366 trillion, or about $21,000 a household. That was up 3.7% from a year earlier, well below the average year-to-year rise of 7.1% over the past decade."

New Home Orders Continue Steep Decline. The Los Angeles Times/Bloomberg (11/8) reports, "Home builders Toll Bros. Inc. and Beazer Homes USA Inc. said Tuesday that orders for new homes declined and customer cancellations rose as the housing slump deepened. Toll, the largest U.S. luxury home builder, said fiscal fourth-quarter home building revenue fell 10% and orders tumbled 58%. Beazer, the seventh-largest home builder by revenue, said orders dropped 58%." The New York Times (11/8, Porter, 1.21M) reports, "Toll Brothers' backlog of projects declined 25 percent and its signed contracts plunged 55 percent as the company suffered from a rash of cancellations concentrated in the formerly hot markets of Florida and Northern California." USA Today/AP (11/8, Yao) reports Robert Toll, CEO of Toll Bros. "said that at one point, he thought the housing market was nearing the bottom, but business continued to worsen."

Dow Closes Up 50 Points, Just Seven Short Of Record High. The Wall Street Journal (11/8, C1, McKay, 2.03M) reports, "Cheaper fuel and a big order for Boeing jets kept the stock market's ascent going for a second straight day. The Dow Jones Industrial Average climbed 51.22 points, or 0.4%, to 12156.77. It is up 13.4% this year. The Dow during the day crossed its Oct. 26 record close but ended less than seven points shy of it. … Yesterday, the S&P 500 gained 0.2%, or 3.06 points, to 1382.84, up 10.8% so far this year. The Nasdaq Composite Index rallied 0.4%, or 9.93 points, to 2375.88, up 7.7% this year."

USA Today (11/8, 2.27M) reports, "Stocks turned in their second-consecutive day of gains on belief that Tuesday's midterm elections will create legislative congestion and maintain the status quo for US companies. 'Gridlock is good; Wall Street doesn't like change,' says Charles Gabriel, senior Washington analyst at Prudential Securities."

Schwarzenegger Wins Re-Election. The Los Angeles Times (11/8, Finnegan, 918K) reports, "A year after his crushing defeat in the special election, Gov. Arnold Schwarzenegger won a second term today in a landslide over Democrat Phil Angelides." The Times adds, "The state expected 4.9 million Californians to vote at polling stations and another 3.8 million to cast absentee ballots, but the final turnout number - likely to be just over half of registered voters - is weeks away."

The San Francisco Chronicle (11/8, Egelko, 405K) reports that Schwarzenegger "bucked a nationwide Democratic tide" as he "overwhelmingly" won over Angelides

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58 percent to 38 percent, with 60 percent of precincts reporting.

The USA Today (11/8, Ritter, 2.27M) reports, "Gov. Arnold Schwarzenegger's cruise to re-election confirms his bipartisan popularity in the nation's most populous state and positions him to tackle an issue that has long stymied national policymakers: health care reform. Political analysts and the governor's staff say a bid to provide coverage for some or all of California's estimated 6.5 million uninsured residents, particularly children, would be the early focus of a second term, which would be his last because of term limits."

Report Says Oil Industry Has Barely Increased Investment In Production. The Wall Street Journal (11/8, A11, Bahree, 2.03M) reports, "The world oil industry has barely increased its investment in oil and natural-gas production during the past five years after accounting for inflation, a new study finds, suggesting global energy prices are likely to encounter upward pressure in the years ahead." The Journal says, "Data compiled by the International Energy Agency show that investment in the oil-and-gas industry was $340 billion in 2005, up 70% from 2000. But cost inflation for goods and services used by the industry accounted for almost all of that increase, according to the IEA... . Adjusted for inflation, the oil industry's investment increased by 5% between 2000 and 2005, the IEA...said." The Journal reports, "Because oil and gas projects take many years to complete, the results of any scrimping on investment during the first half of the decade will become evident only toward the end of the second half. If world demand for oil rises faster than projected, or if production-capacity gains are less than expected, the result would be upward pressure on prices."

Advances In Technology Push Oil Frontier To Gulf Of Mexico's Deepest Waters. The New York Times (11/8, Mouawad, 1.21M) reports, "As oil consumption grows and access to most oil-rich regions becomes increasingly restricted, companies are venturing farther out to sea, drilling deeper... . The next oil frontier — and the next great challenge for oil explorers — lies below 10,000 feet of water, through five miles of hard rock, thick salt and tightly packed sands." The Times says, "Even after hitting pay dirt, it will take another decade and billions of dollars to transform oil from these ultra-deep reserves into gasoline. Some of the technology to pump the sludge from these depths, at these pressures and temperatures, has not yet been developed; only about a dozen ships can drill wells that deep, and no one knows for sure how much oil is down there." Some "argue that the industry is nearing the limits of what it can do to maintain a growing supply of fossil fuels. But for the geologists, scientists and explorers who work here in the Gulf of Mexico, the history of the deep water holds another lesson: technological breakthroughs have always breathed new life into the energy industry. ...Thanks to advances in offshore technology, and tremendous leaps in supercomputers and three-dimensional imaging, this region's deepest waters have become the hottest exploration prospects in the nation."

Parties Said To Undermine Themselves With Negative Advertising. In an op-ed for the Wall Street Journal (11/8, 2.03M) John Ellis, a former columnist for the Boston Globe, writes, "What makes our politics so sensationally awful is not just the amount of money spent denigrating the category and the profession, but the equally stunning amount of energy that is expended by party apparatchiks to amplify the negative in news-media coverage of politics. … Ultimately, the reaction to this ceaseless negative barrage, if it continues unchecked, will be the rejection of both major political parties. As more and more people are repulsed by the political process, their number will at some point reach a critical mass. Americans share two overriding beliefs: Tomorrow will be a better day and the idea of America is fundamentally important. That critical mass will eventually embrace a party of hope and mission. A new political party that speaks to those beliefs will emerge."

Academics Criticize Widespread Caricature Of Evangelicals. In an op-ed for the Washington Post (11/8, 748K) Joseph Loconte, a professor at Pepperdine University's School of Public Policy, and Michael Cromartie, vice chair of the U.S. Commission on International Religious Freedom, write, "Critics have been warning about the theocratic takeover of America ever since" Jimmy Carter's victory in 1976. According to the authors, "This theme is a gross caricature of the 100 million or more people who could be called evangelicals. But the real problem is that it denies the profoundly democratic ideals of Protestant Christianity, while ignoring evangelicalism's deepening social conscience."

NYTimes Urges Spitzer To Pursue Ambitious Agenda. The New York Times (11/8, 1.21M) reports, "New Yorkers could be forgiven for thinking that Eliot Spitzer has already been governor for some time now, given the way every poll has predicted his victory since last summer. Now that voters have finally confirmed his election, change can't come too soon for a powerful and proud state that has allowed its government to become a national embarrassment. … Mr. Spitzer will hardly be doing it all in his first hundred days. But we do expect to see immediate action on his central promise to make state government more responsive to the people and to clean up the way special-interest money distorts policy in the state."

UN Still Deadlocked Over Iran Sanctions Resolution. The New York Times (11/8, Hoge, 1.21M)

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reports that "a meeting of six nations working on a resolution to curb Iran's nuclear ambitions broke up Tuesday evening with the ambassadors reporting widening disagreements and lessening prospects of a swift accord." China's Ambassador, Wang Guangya, said the "mood is not right for serious discussions," emerging from the meeting of the five permanent members of the Security Council and Germany. "Clearly, I think in a number of difficult areas that the differences cannot be bridged," Wang said. "So I believe there ought to be more reflections in the capitals, and also I believe that we need to talk to each other," he added. The Times reports that Ambassador Bolton "left the session hurriedly without making his customary comment. … Earlier in the day, Mr. Bolton charged that Russia had pulled back from an agreement made in July by the foreign ministers of the six nations to impose sanctions on Iran if it did not meet an Aug. 31 deadline to suspend its uranium enrichment." Bolton was quoted as saying, "I don't know how we're going to work it out because the Russian version is very different than what we think the foreign ministers agreed to."

The Washington Times (11/8, Kralev, 88K) adds, "Ending months of publicly expressed confidence that Moscow would support Washington's campaign to punish Tehran as long as all other diplomatic options had been exhausted, John R. Bolton, the US ambassador to the United Nations, cast doubt on prospects for a UN resolution in the near future." However, State Department spokesman Sean McCormack "played down" the disagreement, saying that negotiations will be long and have their "ups and downs." The spokesman said, "The Russians have their own views on how hard to press the Iranians and how fast to do that. We understand that. We think it is important, however, for the credibility of the Security Council and the entire international community that we now go to a sanctions resolution."

WSJournal Says Iran's Ballistic Missiles Are Threat To Region. In an editorial, the Wall Street Journal (11/8, 2.03M) warns, "Iran continues to claim it has a 'right' to its uranium-enrichment program. But one clue that the ruling mullahs have something other than peaceful nuclear energy in mind is the huge investment they're making in ballistic-missile technology, which is far from the most efficient means of delivering a non-nuclear explosive payload. Just last week, Iran test-fired dozens of Shahab-2 and Shahab-3 missiles, which have ranges up to about 2,000 kilometers." The Journal also cite comments made over the weekend by Iranian Revolutionary Guards Commander Yahya Rahim Safavi, who said "he did not anticipate any US interference" in his country's nuclear program because "they know that Iran has missiles with the range of 2000 km which will put their interests in danger." The Journal said is "surprised that more Western Europeans, who will soon be within range of Iranian missiles, don't seem worried about this threat. But let's hope at least President Bush and the next US Congress can make stopping Iran's bomb and missile programs a bipartisan project."

Hughes' Internal Memo On Media Relations Leaked To WPost. The Washington Post (11/8, A25, Williamson, 748K) reports Karen Hughes, the State Department's undersecretary for public diplomacy and public affairs, "sent a long memo to chief diplomats, top deputies and public affairs officers worldwide Friday, spelling out 'Karen's Rules' for working with the media." The Post says the rules "offer a window into how State's chief communicator communicates with her minions across the world. Hint: The memo was given to The Washington Post by a recipient who points out that if all were well, nobody would have leaked it." In the memo, which the Post printed in full, Hughes "encourages diplomats to engage with the media, but it is apparent that the message enforcer does not share control easily."

Border Fence Expected To Overshadow Bush-Calderon Meeting. USA Today (11/8, Llana, 2.27M) reports, "The nearly 700 miles of fencing President Bush authorized for the U.S.-Mexican border two weeks ago could overshadow other issues when Mexican President-elect Felipe Calderón makes his first visit to the White House on Thursday." USA Today notes that although Calderón "is a pro-business, U.S.-friendly candidate" the fence "threatens to create a political barrier even before Calderón officially takes office Dec. 1. On a recent trip to Canada, Mexico's president-elect compared the fence to the Berlin Wall." On Monday Calderón "did not say whether he would reiterate Mexico's objection to the law authorizing a major extension of the fence, which Mexican officials say will cause more deaths by making it even harder for would-be immigrants to cross the border. … Immigration was not among the issues on the original agenda for Thursday's meeting. White House spokesman Tony Snow said last month that the discussion would focus on competitiveness, free trade, economic growth and security in North America. Calderón may have wanted to avoid immigration altogether given the failure of outgoing president and fellow National Action Party member Vicente Fox to get what he called the 'whole enchilada.'"

State Department Official Named Head Of UN Food Program. The Washington Post (11/8, A13, Lynch, 748K) reports Undersecretary of State Josette Sheeran "was chosen Tuesday to head the United Nations' Rome-based World Food Program for a five-year term." The Post notes that Sheeran is "the latest Bush administration nominee to secure a senior position in the world's most prominent international agencies." Ambassador Bolton "welcomed the appointment," saying, "She's obviously an extraordinarily

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well-qualified candidate." According to the Post, "The State Department mounted an intensive campaign, including a slick election brochure, to ensure continuing US leadership in the organization. … Sheeran overcame challenges from Switzerland's top aid official, Walter Fust; a former Canadian ambassador to the United Nations, Robert Fowler; and American Tony Banbury, the head of the World Food Program in Asia and formerly a national security aide in the administrations of President Bill Clinton and President Bush. The Bush administration was sensitive to the possibility that Sheeran's former membership in the Rev. Sun Myung Moon's Unification Church would emerge as an issue in the race. A US official pressed The Washington Post not to mention Sheeran's past links to the church, saying it was inappropriate to describe her religious affiliation."

The Los Angeles Times (11/8, Farley, 918K) says Sheeran's selection "reveals the influence of the United States on the UN's top jobs. With a new secretary-general scheduled to start a five-year term in January, non-American applicants were reassured that the competition this year would be based on merit and experience." Diplomatic sources told the Post "they had heard that Fust and Banbury were at the top of the list. But Sheeran, not Banbury, was the official State Department candidate, and Secretary of State Condoleezza Rice called UN Secretary-General Kofi Annan to remind him of that," said a US diplomat who asked not to be identified. According to the source, "Rice's message was that the US government should have a say in the selection of the WFP director proportionate to its contribution to the program." The Wall Street Journal/AP (11/8, B12) also reports on Sheeran's selection.

Israel Withdraws Most Forces From Gaza Strip, But Fighting Continues. The New York Times (11/8, Fisher, 1.21M) reports, "In theory, today should have been quiet" in Gaza as "Israeli tanks and soldiers withdrew from Beit Hanun early on Tuesday, saying their six-day operation to stop the firing of rockets into Israel was over and had been successful. They said they killed dozens of armed militants, recovered 'large amounts' of weaponry and showed the Palestinians the price of such attacks. But Palestinians and the United Nations said the price was too high. In the first glimpse of Beit Hanun since the operation began—the largest in Gaza since July—it was apparent that large swaths of the northern Gaza neighborhood from where most of the rockets were fired had been devastated." A leader of the United Nations survey team, John Ging, said he was "gravely concerned" by the extent of the damage. The Times notes that although the Israeli operation was "intended to stop the rocket fire, and although it was reduced, it did not stop."

The Washington Post (11/8, A3, Wilson, 748K) notes that Israeli Defense Minister Amir Peretz "said military operations, usually airstrikes and artillery fire, would continue until the rocket attacks end."

Ortega Declared Victor In Nicaragua. The New York Times (11/8, McKinley, 1.21M) reports, "As election officials finished the final vote tallies on Tuesday and his leading opponent conceded defeat, Daniel Ortega, the onetime cold-war nemesis of the United States, was assured of winning the presidency [in Nicaragua] and fulfilling his 16-year struggle to regain power." The Times notes that Ortega "maintains that both he and the country have changed since the 1980s… While Mr. Ortega still rails against "savage capitalism" and the failure of free trade to alleviate poverty, he has become a more pragmatic leftist over the past decade and a half."

The Washington Post (11/8, A18, Aizenman, 748K) notes, "In the waning weeks of the campaign, Bush administration officials issued veiled threats that the United States might impose punitive measures such as a trade embargo if Ortega was elected." In Washington, Assistant Secretary McCormack "spoke in more measured tones" about the results, saying the US has "made a commitment to the Nicaraguan people" and that certain portions of US aid agreements to Nicaragua were negotiated "with some areas of Nicaragua which I think are actually under the...political leadership of Mr. Ortega's party. So they have an interest in continuing that relationship." But McCormack cautioned that the results were "not yet final."

The Chicago Tribune (11/8, Avila, 623K) calls Ortega's victory "a remarkable comeback" that US officials "fear will give them a new left-wing antagonist in Latin America." It also says his victory "poses a new challenge in the region for the Bush administration, which must decide whether to treat Ortega as an enemy or accept his assurances that he has moderated his views." The State Department "said Tuesday that the Bush administration would wait to see the shape of a new Nicaraguan government. But several US officials warned that aid and immigrant remittances to the hemisphere's second-poorest nation would be in jeopardy if Ortega became president and aligned himself with leftist President Hugo Chavez of Venezuela."

Similarly, the Christian Science Monitor (11/8, Llana, 58K) says Ortega's win "would deal a blow to the US, which has been keeping a close eye on their old cold war foe. US politicians warned that US aid and investment would wane in this Central American country—one of the hemisphere's poorest—if Ortega, an ally of Venezuela's president Hugo Chávez, retook the helm of Nicaragua." Although Ortega has declared victory, the US Embassy released a statement saying it was too soon to "make an overall judgment on the fairness and transparency of the process," it read. "We are receiving reports of some anomalies in the electoral process," the statement added.

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Panama Wins UN Security Council Seat. The Los Angeles Times (11/8, Farley, 918K) reports, "Panama won a two-year term on the Security Council on Tuesday, making the powerful body's composition for 2007 much less contrarian than the US had feared should Venezuela have won the Latin American seat. But the new council still will include voices that could challenge the United States, such as South Africa, a leader of developing nations." Panama emerged last week as a compromise, "ending a protracted standoff between US-backed Guatemala and Venezuela, a vocal critic of Washington's policies." However, "active US lobbying on behalf of Guatemala cost that country some support, diplomats say."

WTO Entry Said To Be No Cure-All For Vietnam's Economy. On the front page of its Asia edition, the Wall Street Journal (11/8, A1, Hookway, 2.03M) reports, "Vietnam was formally invited to join the World Trade Organization after more than a decade of entry talks in which it steadily reduced its tariffs and pledged to open its banking sector. But the Communist-run country still faces obstacles to expanding its trade: The world's major trading nations, for now, continue to consider it a 'nonmarket economy.' That means Hanoi is vulnerable to claims that it subsidizes its exports and dumps them on the world's markets, analysts say." As a member of the WTO, the Journal says Vietnam" will likely attract more foreign investment, analysts say. In particular, the country will benefit from the removal of quotas that limit its textile exports to Europe and the US. But with WTO membership, which is expected around year's end, Hanoi will have to give up subsidies and tax breaks for domestic companies, as well as open up its markets to foreign competition."

Vietnam Schedules Terror Trial Of Three US Citizens Ahead Of Bush Visit. The Washington Post (11/8, A23, Kessler, 748K) reports, "Three US citizens, including a Florida woman whose case has thwarted passage of a major trade deal between Vietnam and the United States, will be tried on charges of terrorism in Ho Chi Minh City People's Court on Friday, a Vietnamese judge announced yesterday." The Post notes that the trial "will take place just a week before President Bush is to due to arrive in Hanoi for an Asian economic summit. Bush hopes to win congressional approval for the trade bill before departure, but Sen. Mel Martinez (R-Fla.) has prevented the bill from coming to the floor of the Senate until the woman's case is resolved."

Aid Workers Say Some Returning Home To Darfur. The New York Times (11/8, Gettleman, 1.21M) reports that villagers in a "corner of southwestern Darfur" have "begun to take halting steps toward reconciliation." According to the Times, "Much of Darfur, a vast swath of territory in western Sudan, is still a battlefield, with vicious fighting between the Sudanese government and rebel forces, and masses of people fleeing their villages each day. But there are other parts, lesser known, where people are heading the other way, going home. It is a journey that is also difficult, with homecomings that may prove to be short-lived. But aid workers estimate that there are several thousand returnees...and many more on their way."

EU-Turkey Relations Seen As Fraying. The New York Times (11/8, Bilefsky, 1.21M) reports, "The already reluctant partnership between Turkey and the European Union looks increasingly as if it may be headed for a messy breakup, prompting many in Europe and the United States to ask an uncomfortable question: will the large, secular Muslim country then look east instead of west? It is a question with potentially great consequences" and the European Commission today is to release a report "critical of the progress Turkey has made toward conforming to European standards and toward qualifying for membership." However, "A more important deadline looms next month at a European summit meeting, where leaders could decide to suspend talks with Turkey on a number of problems, while continuing in other areas. This is something the group never did as it was expanding to its current 25 members."

NYTimes Urges Turkey, EU To Continue Negotiations. The New York Times (11/8, 1.21M) editorializes, "Turkey's negotiations to join the European Union—begun with high hopes—have become a sour affair. The latest blow will fall today, when the European Commission releases a report criticizing Turkey for slowing the pace of domestic reforms and refusing to normalize relations with Cyprus. There is no mystery to either side's waning enthusiasm. Europeans, confronting the rise of violent Islamic radicalism, are wary about letting a huge Muslim country into the club. In Turkey, nationalists in and out of the military and Islamic fundamentalists are pressuring Prime Minister Recep Tayyip Erdogan to slow reforms." Although "these are tough issues," the Times says they are "not intractable" and "certainly not a reason to abandon a process that is still very much in everyone's interest."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"A Landslide For Feinstein And Governor.""
"GOP Ceded The Center And Paid The Price."
"Democrats Capture House."
"Times Editor Is Out After Fighting Cuts."
"Schwarzenegger Can Focus On Legacy."

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USA Today:
"GOP Coalition Fractured By Opposition To War."
"Tight Va. Race Could Hold Senate Key."

New York Times:
"Candidates Make Dash For Finish Line."
"Leftist Headed Toward Victory In Nicaragua."
"In Arizona, 'For Sale' Is A Sign Of The Times."
"Kidnappings Return To Haunt Long Ethnic War In Sri Lanka."
"New York Plans To Make Gender Personal Choice."

Washington Post:
"Democrats Take House."
"A Voter Rebuke For Bush, the War And The Right."
"Webb-Allen Race Too Tight To Call; Recount Possible."
"Cardin, O'Malley Claim Victory As Tally Trickles In."

Washington Times:
"Democrats Take Control Of House; Senate Hinges On Race In Virginia."
"18 Seats Switch In Early Results."
"Cardin Leads Steels For Senate."
"Allen Webb In Tight Finish."
"McCain gains Political Capital In Elections."

Detroit Free Press:
"Grandholm: 'Work Begins…At 8A.M.' Rehired Affirmation Action Ban Approved."
"Governor's Win Means She Must Pick Up Pace."

Atlanta Journal-Constitution:
"Dems Take U.S. House; Perdue Coast To Win."
"U.S. House & Senate."
"Governor."

Houston Chronicle:
"Perry Re-Elected Easily; Dems Gain In Congress."
"Republicans Lose House; Senate May Also Slip."
"Drama Fizzles Out In Governors Race."
"GOP Handily Retains The Top Spots In Texas."
"Lampson Beats Write-In Capture DeLay Seat."

Story Lineup From Last Night's Network News:
ABC: Election Day; Election Day Analysis; New Voting Machines; Tennessee Senate Race; Montana Senate Race; Races Without Scandal; Iraq Police Charged With Torture; US Death Toll-Iraq; Terror Plot Unfolded; Runway Incident; Record Flooding; Presidential Aspirations.
CBS: Election Day Analysis; Bush's Election Day; Close Races; House Races; Election Day; New Voting Machines; Ballot Initiatives; Election Day Analysis; Saddam Calls For Forgiveness; Terrorist Plot Unfolded; Severe Flooding; Voting Capital.
NBC: Election Day; New Voting Machines; Election Day Analysis; Battleground States; Voting Trends; Severe Flooding; Iraqi Police Charged With Torture; Terrorist Plot Unfolded; The Clinton Thumb.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — No public schedule.
VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: WAR-ELECTIONS _ 10 a.m. - 10 p.m. Anti-war activist Cindy Sheehan leads a protest against the war in Iraq and possibly against election results. Highlights: 11 a.m. Delivery to the White House of signatures and comments from a petition opposing an attack on Iran. Location: Lafayette Park.

STEM CELL RESEARCH _ The Institute of Medicine and the National Research Council hold a symposium on developments in the field of stem cell research. Location: National Academies, 2100 C St. NW.

HEALTH CARE _ Two-day meeting of the Consumer-Centric Healthcare Congress. Highlights: 8:30 a.m. CIGNA CEO Edward Hanway. 9:45 a.m. Allan Hubbard, National Economic Council. Location: L'Enfant Plaza Hotel, 480 L'Enfant Plaza, SW.

CAPITAL REGION HOMELAND SECURITY CONFERENCE _ 8 a.m. - 4:50 p.m. National Capital Region Incident Management and Homeland Security Conference. Highlights: 8:10 a.m. Keynote address by David Ekern, Commissioner, Virginia Dept. of Transportation; Michelle Pourciau, Director, District Dept. of Transportation; John Contestabile, Acting Asst. Secretary of Transportation, MD Dept of Transportation; and Tom Lockwood, director, Office of National Capital Region Coordination, Department of Homeland Security. 10:35 a.m. Remarks by Kevin Gordon, London Resilience Team Government Office for London; and Clive Wright, First Secretary, Global Issues Group, British Embassy 3 p.m. Remarks on Maryland's Evacuation Planning Program, with Tom Tran, MdSHA; followed by WMATA's Emergency Management Plans, with acting director Dan Tangherlini. Location: Dulles Expo Center, 4368 Chantilly Shopping Center, Chantilly, VA.

SPACE SHUTTLE _ 9 a.m. Joy Bryant of the Boeing International Space Station program and former astronaut Steve Osald hold a media availability to discuss the upcoming space shuttle mission. Location: Boeing offices, 1200 Wilson Blvd., Rosslyn. Notes: Available via callin: 866-560-2879; passcode: 5162471.

ETHANOL _ 9:30 a.m. - 12 p.m. The American Enterprise Institute hosts a program, ``Ethanol: Boon or

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Boondoggle?" The pane; will discuss of the benefits and detriments of ethanol fuel, which is held up as a solution to reducing conventional air pollutants, minimizing greenhouse-gas emissions, ending foreign oil dependency, and reinvigorating the family farm. Panelists: Bruce Dale, Department of Chemical Engineering and Materials Science, Michigan State University; David Pimentel, College of Agriculture and Life Sciences, Cornell University; and Lester Lave, Carnegie Mellon University. Moderator: Kenneth P. Green, AEI. Location: Wohlstetter Conference Center, 12th floor, AEI, 1150 Seventeenth St. NW.

AFGHANISTAN _ 10 a.m. The U.S. Institute of Peace holds a meeting on Afghanistan five years after the fall of the Taliban, with Seth Jones of Rand Corp., Hekmat Karzai of the Center for Conflict and Peace Studies in Kabul, others. Location: 2nd floor conference room, 1200 17th St. NW.

CONSERVATIVES-MIDTERMS _ 10 a.m. Conservative leaders look at the mid-term election results and ask: What is the future of the conservative movement? What is the future of the Republican Party? What should be the future relationship between conservatives and the GOP? They will discuss a battle plan for the conservative movement between now and the 2008 presidential election. Location: National Press Club, Holeman Lounge.

ELECTION ANALYSIS _ 10 a.m. MoveOn.org holds a post-election teleconference call with an analysis of battleground races and what Congress should do next on Iraq. With Anna Greenberg, VP, Greenberg Quinlan & Rosner; Eli Pariser, executive director, MoveOn Political Action; and Tom Matzzie, Washington director, MoveOn Political Action. Contacts: Trevor Fitzgibbon, 202-822-5200. Notes: Journalists only dial in 877-707-9632. Passcode: Results.

ELECTION-CONSERVATIVES _ 10 a.m. The American Conservative Union holds a news conference to discuss the election results, with Chairman David Keene, former House Speaker Dick Armey, others. Location: National Press Club.

ELECTION-NAM _ 11 a.m. The National Association of Manufacturers and the Business Industry Political Action Committee hold a review of election results, with Jay Timmons, NAM Senior Vice President; Pat Cleary, NAM Senior Vice President; Greg Casey, BIPAC President; Bernadette Budde, BIPAC Senior Vice President; Darrell Shull, BIPAC Senior Vice President. Location: Garfield Room, Willard Inter-Continental Hotel, 1401 Pennsylvania Ave. NW.

ELECTIONS-REYNOLDS _ 11:30 a.m. National Republican Congressional Committee Chairman Rep. Tom Reynolds holds a news conference to discuss the election results. Location: Capitol Hill Club, 300 1st St. SE.

GOP-ELECTION REAX _ 11:30 a.m. The Chairman of the National Republican Congressional Committee Rep. Tom Reynolds holds a press conference to discuss the 2006 midterm elections. Location: Capitol Hill Club, Eisenhower Room, 300 First St. SE.

ECONOMY _ 12 p.m. US Treasurer Anna Escobedo Cabral gives keynote remarks on the economy at a US Chamber of Commerce luncheon for the Council on Small Business. Location: 1615 H St. NW.

ELECTION RESULTS _ 12 p.m. Freedom Works hosts a post-election luncheon discussion for congressional staff and the media. With Dick Armey, former House Majority leader; Ed Goeas, president, Tarrance Group; and Kim Strassel, editorial board, Wall Street Journal. Location: Rayburn Building, Room B369.

ELECTION-BUDGET _ 12 p.m. The National Economist Club holds a program on the midterm elections, with budget expert Stan Collender of Qorvis Communications. Location: Chinatown Garden Restaurant, 618 H St. NW.

ELECTION AFTERMATH _ 12:30 p.m. The Institute for Policy Studies holds a program on the election results and aftermath and the impact on the progressive movement, with Jamin Raskin, author Michael Fauntroy and political strategist Steve Cobble. Location: Suite 600, 1112 16th St. NW.

ELECTION-LABOR _ 12:30 p.m. AFL-CIO President John Sweeney, others, hold a post-election news conference. Release of poll on impact of union voters. Location: AFL-CIO, 815 16th St. NW. Notes: Phone feed available. Call 202-637-5018 for dial in number.

ISRAEL PROJECT-MIDTERMS _ 12:30 p.m. The Israel Project hosts a lunch and Two Post-Election Panels live in Washington, D.C. or by conference call. Highlights: 1 p.m. - 2 p.m. Panel I: Political Journalists and Communications Experts: Eleanor Clift: Contributing editor and columnist for Newsweek; Clarence Page: Pulitzer-Prize winning columnist for the Chicago Tribune; Jonathan D. Salant: Reporter for Bloomberg News; Dan Hazelwood, President of Targeted Creative Communications, Inc. 2 p.m. - 3 p.m. Panel II: Political Consultants. Stan Greenberg: Chairman and CEO of Greenberg Quinlan Rosner; Neil Newhouse: Partner and co-founder of Public Opinion Strategies; Patrick McCarthy, political consultant and analyst; Marshall Wittmann: Senior fellow at the Democratic Leadership Council. Location: The Israel Project, 2020 K Street NW, 7th Floor Conference Room.

CALDERON-LATINOS _ 12:30 p.m. - 2 p.m. Latino leadership organizations host a luncheon for Mexico's president-elect Felipe Calderon. Location: Ritz-Carlton Hotel, 1150 22nd St. NW.

ETHANOL _ 12:30 p.m. - 2 p.m. The Christine Mirzayan Science and Technology Policy Graduate Fellowship Program hosts a seminar, ``Should the Government Drive Us Down the Ethanol Road." Speakers include Dr. David Pimentel, professor of ecology and

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agricultural science, Cornell University; and Bill Holmberg, chairman, Biomass Coordinating Council for the American Council on Renewable Energy. Location: Keck Center of thje National Academies, 500 Fifth St. NW.

ELECTION-ENVIRONMENT _ 1 p.m. David Hayes, former Deputy Secretary of the Interior and partner and Global Chair of Latham & Watkins LLP Environment, Land & Resources Practice, holds a telephone briefing to discuss the possible impact of the election on climate change policy, reform of the Endangered Species Act, as well as public lands policy and environmental funding priorities. Contacts: Greg McCarthy, 202-637-3319.

ELECTION-ENVIRONMENT _ 1 p.m. Leaders from the League of Conservation Voters, Sierra Club, Defenders of Wildlife Action Fund and the Federation of State Conservation Voter Leagues will hold a post-electoral press conference to discuss the election results. Location: National Press Club.

CHAO-ERISA _ 1:30 p.m. Labor Secretary Chao speaks at the final meeting of the 2006 ERISA Advisory Council. Location: Secretary's Conference Room, Labor Department.

DEMOCRATIC GOVERNORS-MIDTERMS _ 1:30 p.m. Democratic Governors Association (DGA) Chair New Mexico Gov. Bill Richardson will be joined at a press conference by Democratic National Committee (DNC) Chairman Gov. Howard Dean to discuss their reactions to Election Day 2006. Location: The Washington Court Hotel, Lower Lobby Level, Sagamore Hill I, 525 New Jersey Ave. NW.

ELECTION-CHRISTIANS _ 2 p.m. Christian evangelical and Catholic leaders hold a press teleconference to discuss how faith and values impacted the evangelical and Catholic vote in the 2006 election. Participants include Ewec. Jim Wallis, Tony Campolo of the Evangelical Association for the Promotion of Education, others. Notes: Callin number: 800-658-0035; passcode: Common Good.

ELECTION-AARP _ 2:30 p.m. AARP sponsors a post-election panel discussion, with former Clinton press secretary Mike McCurry, Bush media adviser Mark McKinnon, pollsters Ed Goeas and Celinda Lake, others. Location: National Press Club.

MIDTERMS-TRADE _ 2:30 p.m. There will be a press call to discuss role of trade issue in 2006 elections and what new composition of Congress means for Bush trade agenda, prospects for reform. Participants include Leo Gerard, President, United Steelworkers; and Lori Wallach, Director, Public Citizen's Global Trade Watch. Notes: Dial-In Press Call -- (800) 762-4758. (Identify as: ``Post Election Trade Issue Call'')

TAIWAN _ 3:30 p.m. The Wilson International Center for Scholars holds a program on a U.S.-Taiwan Free Trade Agreement, with Tain-Jy Chen of National Taiwan University, Dick Nanto of Congressional Research Service and Scott Kastner of the University of Maryland. Location: 5th floor auditorium, at the center, Reagan Trade Building.

CHINA-U.S. _ 5:15 p.m. The School of Advanced International Studies holds a program on China policy from the White House's view, with Kenneth Lieberthal, senior director for Asia Affairs at the National Security Council from 1998 to 2000, and Michael Green, senior director for Asia Affairs at the NSC from 2004 to 2005. Location: Kenney Auditorium, 1740 Massachusetts Ave. NW.

RUMSFELD DOCUMENTARY _ 7 p.m. Screening of the CNN documentary, ``Donald Rumsfeld: Man of War,'' followed by a panel discussion with retired Army Gen. John Batiste, documentary correspondent Frank Sesno, others. Location: Morton Auditorium, 805 21st St. NW.

CORPORATE CITIZENSHIP _ 9 p.m. Commerce Secretary Gutierrez, others. present the Corporate Citizenship Award at the 7th Annual Corporate Citizenship Awards. Location: Mellon Auditorium, 13th St. and Constitution Ave. NW.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: WEDNESDAY, NOVEMBER 8, 2006 7:45 AM EST

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TERRORISM NEWS:

British Muslim Sentenced In Terror Attacks (NYT)

By Alan Cowell

The New York Times, November 8, 2006

LONDON, Nov. 7 — A British Muslim was sentenced Tuesday to a minimum of 40 years for planning terror attacks in the United States and Britain intended to bring what the judge in the case called carnage "on a colossal and unprecedented scale."

The defendant, Dhiren Barot, 34, was said by the police to have been the most senior figure of Al Qaeda brought to trial in Britain. The sentence he received was one of the longest handed down in recent years, reflecting claims by British counterterrorism officers that they had thwarted major conspiracies when they arrested him in August 2004, after he made detailed observations to plan synchronized attacks in New York, Newark, London and Washington, D.C.

Peter Clarke, the head of London's counterterrorism police, called him "a determined and experienced terrorist" who was "a very important Al Qaeda figure."

He added, "If he had succeeded, hundreds, if not thousands, could have died."

No evidence was presented at trial, however, that Mr. Barot was on the brink of carrying out an attack when he was arrested.

At that time, his ability to temporarily evade British surveillance set off a major terrorism alert in the United States. According to accounts by the British police, Mr. Barot eluded surveillance teams in Britain in July 2004, just as evidence emerged in Pakistan that he planned to attack buildings using limousines packed with gas canisters.

When counterintelligence operatives caught up with him a few days later, he was arrested, according to police accounts.

"This was no noble cause," Judge Neil Butterfield told Mr. Barot during sentencing at Woolwich Crown Court. He added: "Your intention was not simply to cause damage, panic or fear. Your intention was to murder, but it went further. It was designed to strike at the very heart of democracy and the security of the state."

As outlined by prosecutors, Mr. Barot was born in India, but moved to Britain with his parents while still an infant. He converted to Islam in his early 20s, worked for a while as an airline ticketing clerk and attended terrorism training facilities in Pakistan and possibly Afghanistan, the prosecutors said.

His plans for attacks in the United States were put on hold after the Sept. 11 attacks, and he began to focus on Britain. He planned attacks using so-called dirty bomb radiation devices and the detonation of a subway train under the River Thames.

The authorities on Tuesday released a huge array of documents, many of them blacked out to prevent other terrorists from using the same information, including photographs and video clips that the police contended were used in Mr. Barot's research for the planned attacks.

One clip, shot in April 2001, shows the World Trade Center in Manhattan. A person can be heard making a sound like an explosion, but prosecutors offered no evidence linking Mr. Barot to 9/11.

A map, also released Tuesday by the British police, showed a route reportedly taken in Lower Manhattan by Mr. Barot as he filmed reconnaissance video between Broadway and South Street.

The video had been hidden by splicing it into a copy of the Bruce Willis movie "Die Hard: With a Vengeance" about bombings in New York, the police said.

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The prosecution said Mr. Barot's targets included the New York Stock Exchange and Citigroup buildings in New York, the World Bank and International Monetary Fund headquarters in Washington and the Prudential building in Newark.

The documents — many of them from computer hard drives — include cost assessments, detailed plans for detonating explosives and other assessments relating to potential terror attacks.

After describing his plans to use limousines packed with explosives, in one document released Tuesday, Mr. Barot wrote, "Projects are planned to be coordinated back to back as they were with 9/11, thus forming another memorable black day for the enemies of Islam."

He pleaded guilty last month to a charge of conspiracy to murder. Seven other people are to be tried in connection with the case next year.

Al-Qaeda Figure Gets Life For Plots Targeting U.S., Britain (WP)

By Mary Jordan

The Washington Post, November 8, 2006

LONDON, Nov. 7 -- An al-Qaeda operative who planned to bomb the World Bank in Washington and the New York Stock Exchange as well as other landmarks in the United States and Britain was sentenced to life in prison Tuesday.

Dhiren Barot, 34, a former airline ticket clerk and Muslim convert, was arrested in London in 2004 and pleaded guilty to conspiring to commit mass murder.

"You have chosen to use your life to bring death and destruction to the Western world," Judge Neil Butterfield told an impassive Barot in a London courtroom. "You were planning to bring indiscriminate carnage, bloodshed and butchery . . . on a colossal and unprecedented scale." His sentence provides the possibility of parole after 40 years.

According to prosecutors who read from Barot's notes and computer files, Barot was pleased by the Sept. 11, 2001, attacks and planned to kill hundreds, if not thousands, of people in the United States and Britain to create "another memorable black day for the enemies of Islam."

Concern about his plots led President Bush to heighten security alerts and tighten security at financial buildings in the Northeast in 2004. British police seized documents that included detailed drawings of the World Bank, the International Monetary Fund and other buildings.

Prosecutors said Barot's planned attacks in Britain were more imminent than those in the United States. He was drawing several plans for synchronized attacks in London, including blowing up a subway train as it passed in a tunnel under the Thames River and exploding limousines loaded with gas cylinders near the Savoy, Ritz and other London hotels.

Prosecutor Edmund Lawson said Barot also kept documents in which he said he wanted to add napalm and nails to the bombs to "heighten the terror and chaos."

"I quote Barot's own words," Lawson said. " 'Imagine the chaos that would be caused if a powerful explosion were to rip through here and actually rupture the river itself. This would cause pandemonium, what with the explosions, flooding, drowning, et cetera, that would occur.' "

Lawson said Barot made a detailed proposal to al-Qaeda financiers in Pakistan, laying out, for example, that he wanted to use a six-man team to blow up the limousines.

"The fact that he wanted to do so many things at once was part of his downfall," said Michael Clarke, a terrorism expert at King's College in London. "It was so big that it would have been very difficult to carry out."

Clarke said Barot might be the "most ambitious" al-Qaeda operative captured in Britain, because he was planning a series of attacks that would create public panic.

Barot, who sat expressionless taking notes as evidence was presented against him, was born in India and raised in Britain. He now faces extradition to the United States, where he has been indicted on terror charges, including conspiring to use unconventional weapons to murder.

Barot's attorney, Ian Macdonald, said Barot's plans were "rough" and far from a point at which they could be executed.

But prosecutors said he was determined and thorough, having trained in terror camps in Afghanistan, Pakistan and other countries. On a trip to the United States in 2001, they said, he researched and filmed his targets, at one point shooting footage from a tourist helicopter flight over Manhattan. His targets included the Citigroup headquarters in New York and the Prudential building in Newark, N.J.

In the courtroom, Lawson showed clips of a video taken by Barot during a visit to New York. When the camera zoomed in on the World Trade Center's towers, a man is heard mimicking the sound of an explosion. According to the Associated Press, the footage was found spliced into a videotape of the Bruce Willis movie "Die Hard With a Vengeance."

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The AP, the BBC and Times Newspapers Ltd. successfully challenged a court ruling that threatened to prevent news media from reporting details of Barot's two-day sentencing hearing, opening the way for the public to hear the details of his terror plot.

The court had originally ruled that publishing details of the case could prejudice trials of seven other defendants linked to Barot who are to be tried next year.

"For well over two years we have been unable to show the British public the reality of the threat they faced from this man. Now they can see for themselves the full horror of his plan," said Peter Clarke, the head of Scotland Yard's anti-terrorist branch.

FBI Rejects Report On Dropped Terror Cases (WT)

By Jerry Seper

The Washington Times, November 8, 2006

The FBI rejected as "inaccurate" a report by a research organization that said federal prosecutors turned down the vast majority of the international terrorism cases brought by the bureau during the first nine months of fiscal 2006.

The report, by Syracuse University's Transactional Records Access Clearinghouse (TRAC), raised what it called "troubling questions" about the FBI's investigation of criminal matters involving persons the government has identified as international terrorists.

The TRAC report said the percentage of FBI referrals involving suspected terrorists that were rejected by Justice Department lawyers in the past few years has been generally increasing and reached a peak of 87 percent in fiscal 2006, which ended Sept. 30.

As a result of decisions by prosecutors to turn down international terrorism referrals, especially in the past few years, the report said the annual number of terrorism prosecutions was down from 118 in fiscal 2002 to "only 19 in the first nine months" of fiscal 2006 based on the latest FBI data available.

"It is astonishing that TRAC continues to present statistics that demonstrate a fundamental misunderstanding of the basic principles on how federal investigations and prosecutions work," the FBI said in a statement.

"This report contains inaccurate figures, relies on a faulty assumption that every referral from an investigative agency should result in a criminal prosecution and ignores the reality of how the war on terrorism is being conducted, particularly the value of early disruption of potential terrorist acts with proactive investigation and prosecution," it said.

The FBI said that while the TRAC report specifically questions the number of international terrorism referrals from the FBI that were not prosecuted, "the reality is that a referral does not mean that criminal charges should be filed."

"Often, matters are referred to prosecutors to assist in further investigation through the use of criminal investigative tools that require legal process such as a subpoena or surveillance order," the FBI said.

The TRAC report said that prior to September 11, Justice Department lawyers prosecuted two out of three referrals for international terrorism but that in the 12 months immediately following the terrorist attacks on the World Trade Center and the Pentagon, the prosecutions surged sharply higher than in the previous year but has since significantly declined.

The bureau also said there were a number of factual reporting errors in the TRAC report.

"Specifically, TRAC is not clear what its declination rate refers to, but the actual matter declination rate for international terrorism cases is 67 percent," the FBI said. "Instead of referring to the actual 36 defendants charged with international terrorism offenses in FY 06 (up to June; 40 during the full year), TRAC mysteriously comes up with 19.

"In addition, 20 defendants were charged with terrorist hoaxes in FY 06," the FBI said.

CIA Seeks More Restrictions On Senior Al Qaeda Suspects At Guantánamo (MH)

By Carol Rosenberg

The Miami Herald, November 8, 2006

Even as 14 top al Qaeda suspects are in U.S. military custody, the CIA is still trying to impose secrecy around the high-value detainees now held at the Guantánamo Bay detention center, including alleged 9/11 mastermind Khalid Sheik Mohammed.

The arena for the effort is the U.S. District Court of Judge Reggie Walton, in Washington, D.C., where the government is seeking a still-undefined restriction on the attorney-client relationship in the case of Guantánamo captive Majid Khan, one of the 14.

The CIA argues that details of the man's three years of detention and interrogation at so-called "black sites," out of reach of the International Red Cross, are national security secrets.

Khan's attorney, Gita Gutierrez, argues that the Bush administration's intent is not to safeguard national security but to cover up three years of extra-judicial detention of her client, to ``conceal illegal or embarrassing Executive conduct."

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Khan, 26, was captured in his native Pakistan in 2003. The White House says he is linked to a series of unhatched plots: to blow up gas stations in the United States, to poison U.S. water supplies and to assassinate Pakistani President Pervez Musharraf.

It is not known where he was held or how he was interrogated to establish these links; and he has so far not been charged with a crime.

At least some of the 14 men whom President Bush ordered handed over to the military this summer were reportedly submitted to harsh, classified interrogation techniques, including a simulated drowning to break their will, called ``water-boarding."

Moreover, court documents filed by the government suggest that the 14 newest arrivals at Guantánamo, among them alleged Osama bin Laden deputies, would never be integrated into the general population of 437 or so captives -- for fear they would tell other captives about their secret confinement, who could in turn pass on the details to their lawyers.

In seeking to redefine attorney-client contacts, Justice Department lawyers offered a seven-page affidavit from a CIA officer named Marilyn Dorn, who describes herself as ``the Information Review Officer for the National Clandestine Service."

Her office, she says, decides what secret CIA documents can be provided to civilian U.S. courts without jeopardizing ``CIA interests, personnel or facilities."

Because Khan was held for three years in a "top secret" program, she says ``he may have come into possession of information, including locations of detention, conditions of detention and alternative interrogation techniques."

Attorney disclosure in court records of those details, she argues, could compromise clandestine relationships between the U.S. and its foreign allies.

All civilian lawyers at Guantánamo already go through a rigorous security screening before they are allowed to visit; they then must turn over their notes to the military before they can leave the remote Navy base in southeast Cuba. They can only disclose their contents by permission of a classification review team set up by the federal courts.

Now, the CIA seeks a more restrictive review and disclosure process whose "particulars . . . are still being worked out," says Justice Department spokeswoman Kathleen Blomquist.

She could not say whether the government will again propose to eavesdrop on attorney-client meetings, authority a court refused to grant three years ago.

The Khan case also illustrates the ongoing Bush administration effort to curb civilian court intrusion at Guantánamo, a process that has evolved fitfully around two and a half years of court rulings on detainee rights:

First, it says, Khan, a Maryland high school graduate, cannot sue for his freedom in U.S. District Court because Congress has stripped Guantánamo captives of standard habeas corpus recourse.

If he does see a civilian lawyer, it adds, the contents of what he says should be subject to top-secret-style protections more severe than current, ongoing secrecy reviews.

"As each day passes, the likelihood increases that Petitioner Khan will suffer from memory loss and other psychological injuries that will impede his capacity to assist in his representation," his lawyer argues.

Counters Blomquist, the Justice Department spokeswoman: ``Khan's and other cases may involve unique, potentially highly classified information not involved in prior Guantánamo cases."

Gutierrez is already acquainted with the Bush administration's tough interrogation policies through an earlier Guantánamo client -- a Saudi named Mohammed al Qahtani whom the Pentagon subjected to such severe interrogation techniques at the Navy base that FBI agents protested to headquarters.

President Bush identified the 14 men, with 10 different nationalities, around Labor Day as part of a campaign to promote a new plan for holding war crimes trials at Guantánamo to replace an earlier scheme ruled unconstitutional by the U.S. Supreme Court.

None have been charged and none have yet seen lawyers, although they were described by the White House two months ago as the masterminds and financiers of the Sept. 11, 2001, terrorist attacks, the October 2000 suicide bombing of the USS Cole that killed 17 American sailors in Yemen and the Oct. 12, 2002, bomb attack that killed 202 people at a popular resort area in Bali.

The filing also reflects government concerns that the new arrivals might broadcast CIA secrets among the captives, through what commanders call the DIN, Detainee Information Network.

Guantánamo commanders and guards have noted for some time that captives spread the news as they have been shuttled between cellblocks, the hospitals and different accommodations designed to reward good behavior.

Prison camp commanders won't say where Khan and the other new arrivals are being housed, but say their prison conditions are the same as longer-held captives at Guantánamo.

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US, EU Establish 'Contact Group' To Improve Antiterror Cooperation (AFP-Y)

AFP, November 8, 2006

The United States and the European Union have created a group to bolster cooperation in the battle against terrorism and other crime-fighting initiatives.

"We decided to establish a high-level contact group, not to carry out a bureaucratic exercise, but to try to identify how our common values, our common principles, can be translated to common proposals," European Justice Commissioner Franco Frattini told reporters here Monday.

"We need a positive spirit of cooperation, ... not focus on divisions and different approaches," added Frattini, who was at the center of tense negotiations with Washington last month regarding the transfer of airline passenger data.

For his part, US Attorney General Alberto Gonzales said the creation of a contact group "will improve the cooperation between prosecutors in the United States and prosecutors and magistrates in EU member states, and it will enhance our ability to fight international crime."

Gonzales said such cooperation has already taken place on a case-by-case basis when states' laws have allowed officials to share pertinent information in criminal cases, but he would not specify what types of information would be shared more freely under the new agreement.

HOMELAND RESPONSE:

Top Secret! (WP)

The Washington Post, November 8, 2006

AGENERATION of baby boom bureaucrats is retiring from the federal government. Anywhere from 900,000 to 1.8 million workers will leave the government in the next six years. But according to a recent report from the Government Accountability Office, the government isn't filling positions that require security background checks fast enough -- and the delay is costing federal agencies money and talent.

The average wait for applications for the top-secret security clearances that the GAO examined was 446 days. The Post's Stephen Barr reported last week that the Bush administration appears to be in danger of violating the 2004 Intelligence Reform and Terrorism Prevention Act, which stipulates that 80 percent of applications for federal security clearances must be completed in an average of 120 days by Dec. 17.

The GAO warns that such delays may increase costs and pose risks to national security. The Post's Karen DeYoung and Walter Pincus reported last month that government contractors -- which employ an increasingly large contingent of the Homeland Security and Defense Department workforce because of federal hiring caps -- are offering bonuses and perks to lure workers who already hold clearances away from direct government employment, significantly increasing the cost of hiring the same people. Long waits for security clearances also drive away talent.

Linda M. Springer, director of the Office of Personnel Management, says that the wait time has been cut since the GAO gathered its data. Ms. Springer said that in the past quarter, her agency, which conducts roughly 90 percent of the background investigations in the security clearance process, finished 34 percent of its investigations in the time required by law. That is encouraging, but the rate needs to more than double.

Finishing investigations quickly and doing a good job can be competing goals. Ms. Springer's agency has to complete basic administrative reforms that would decrease the time investigations take without harming their quality, which too often is poor. Some of the best reforms the Office of Personnel Management could make would improve both efficiency and quality, such as retraining a crop of inexperienced new investigators brought in to handle the high number of security clearance requests after Sept. 11, 2001, or conducting serious, regular audits of investigators' work. Competent background checks are ultimately more valuable than fast ones, but there is no reason the government can't have both.

WAR NEWS:

Suspects Still At Large In Iraqi Torture Case (NYT)

By Kirk Semple

The New York Times, November 8, 2006

DOJ_NMG_0091808

BAGHDAD, Nov. 7 — Some of the 55 Interior Ministry employees charged with torturing prisoners at a detention center in eastern Baghdad remain free, even though arrest warrants for them were issued as long as two months ago, officials said Tuesday.

Ministry officials announced Monday that the employees, including 18 officers, had been charged after more than five months of investigations into the center, known as Site 4, which was run by an Interior Ministry police unit. A joint Iraqi-American inspection of the prison in May found more than 1,400 prisoners, including at least 37 teenagers or children, jammed into a small area. Some had been beaten or bound and hung by their arms.

Some employees have already been arrested, according to ministry officials. A police general was also implicated; he was demoted and does not face criminal charges, officials said. Another officer accused in the case had been killed in the line of duty, they added.

Searing violence continued in Iraq on Tuesday, including an attack by a suicide bomber inside a Baghdad coffee shop late in the day, killing at least 17 civilians and wounding at least 20, an Interior Ministry official said.

Warrants for the arrest of at least 52 of the suspects in the Site 4 case were issued by the end of August, according to the United Nations Assistance Mission for Iraq, though Iraqi officials at the Interior Ministry refused to confirm that assertion. Ministry officials said all the implicated employees had been suspended from their posts, though the officials refused to explain why some employees remained free, leaving open the possibility that they may have fled.

Iraq's police forces, which are overseen by the Interior Ministry, have long been accused of operating torture chambers inside detention centers, but the charges are the first against the ministry's employees in connection with such allegations, said Gen. Abdel Karim Khalaf, the ministry spokesman.

Sunni Arab detainees have accused members of the Shiite-led security forces of seeking sectarian revenge inside ministry-run prisons. Ministry officials acknowledged Tuesday that a majority of the detainees in Site 4 were Sunni Arabs, but they denied that those suspected of torturing them were operatives for Shiite militias.

The American ambassador to Iraq, Zalmay Khalilzad, said in September that he had warned Iraqi leaders that unless they pursued the Site 4 case vigorously, the United States might be forced to suspend aid to the police under the so-called Leahy Law, which prohibits the financing of foreign security forces that commit "gross violations of human rights."

But it remained unclear why the Interior Ministry decided to disclose the prosecution of its employees this week, as was first reported by The Washington Post. General Khalaf said an investigative committee inside the ministry had finally concluded its inquest into the case, prompting the prosecutions and allowing Interior Minister Jawad al-Bolani to publicize the charges.

When he took office in late May, Mr. Bolani vowed to clean house. Last month, he began reorganizing the ministry's police forces in response to concerns about militia influence and abuse.

On Oct. 4, he suspended an entire Iraqi police brigade on suspicion that members may have permitted or participated in death squad killings. And on Oct. 17, he removed the two top commanders overseeing police units widely criticized as being heavily infiltrated by Shiite militias.

Mr. Bolani also says he has fired more than 3,000 employees since he took over, some for corruption and human rights violations, and has referred 300 to 600 of those cases to the Iraqi court system.

While Western officials and some Iraqi officials say Mr. Bolani has already gone much further than his predecessors, they worry that he lacks enough political support to conduct all the necessary purges, particularly at the ministry's upper levels.

Last November, American soldiers entered the basement of a different Interior Ministry building in Baghdad and found 169 malnourished prisoners, some of whom, the Americans said, had been tortured. Most of those prisoners were Sunni Arabs. A senior ministry official said Tuesday that the investigative files regarding that case were still under review.

In December, a surprise American-Iraqi search of yet another Baghdad detention center, which was run by an Iraqi commando unit attached to the Interior Ministry, uncovered an even larger number of prisoners in severely overcrowded conditions, with 13 of the prisoners needing to be hospitalized. An inquiry showed that no abuses had been committed there, according to the senior ministry official, who was not authorized to speak publicly about the investigations.

The authorities said Tuesday that at least 25 people were killed and dozens wounded in Baghdad and in Diyala Province.

The American military command said an American soldier was killed by a bomb on Monday in Baghdad. A day earlier, the military announced the deaths of five other American service members, two in a helicopter crash north of Baghdad and three in fighting west of the capital. A British soldier was killed in an attack on Monday in the southern city of Basra; his was the first British death this month, officials said.

Sheik Bashir al-Najafi, a member of the marjaiah, the Shiite religious council of four grand ayatollahs in Najaf, said Tuesday that the council had supported the largest Shiite bloc in the last national elections to ensure Shiite dominance.

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The statement was the marjaiah's first admission that it had backed the bloc, the United Iraqi Alliance; during the elections, the council had refused to openly endorse any party. Grand Ayatollah Najafi's statement appeared to be motivated in part by concern that the bloc was fracturing, saying that disagreement between the Shiite parties "will serve the enemies of Iraq."

Defense Issues, War In Iraq Await The New Congress (WSJ)

By Rebecca Christie

The Wall Street Journal, November 8, 2006

WASHINGTON -- National-defense questions and the war in Iraq await the new Congress once the election is over, no matter how the Republicans and Democrats will share power, analysts said.

On Election Day, the most common prediction was that Democrats would take over the House, with Republicans keeping the Senate. This scenario doesn't pit a unified Congress against the White House, but it is expected to turn up the heat nonetheless.

House Armed Services Committee Democrats have a stack of military credentials, based on their own service and that of their children, said Jim Wiltraut, a director of government relations at Washington law firm Buchanan, Ingersoll & Rooney. On the Senate side, a Republican victory points toward Sen. John McCain (R., Ariz.), a prominent Vietnam War veteran, as Senate Armed Services Committee chairman.

Both will seek to prove themselves in the two years leading up to the 2008 presidential election, Mr. Wiltraut said. As a result, the White House may face a stream of oversight and accountability hearings amid the search for a new solution to Iraq and the war on terrorism.

"I don't think that you come up to a solution to the problem unless you look at what got you to where you are. That's the only way you'll be able to get a clear look at the battlefield," said Mr. Wiltraut, a military veteran who also has worked as a congressional staffer.

Analysts generally expect defense spending patterns won't change all that much. However, there could be a shift from Republican priorities like missile defense to areas like body armor and combat vehicles that have a more immediate connection to Iraq and Afghanistan operations.

If Democrats take control of at least one house in Congress, they will have much more power to seek documents and other data from a reluctant administration, said Center for Defense Information senior adviser Philip Coyle, who was the Pentagon's chief weapons tester under former President Bill Clinton. The House generally has supported the Bush White House, making it hard for critics to seek information.

But a McCain-led Senate panel also would put new pressure on the Pentagon. Mr. McCain has been a longtime critic of Defense Department weapons buying practices, such as the Air Force's ill-fated attempt to lease Boeing Co. tankers and Lockheed Martin Corp.'s former practice of selling military cargo planes through a commercial-style multiyear contract.

Mr. McCain has repeatedly called in the Government Accountability Office and other watchdog groups for advice on how to make the Pentagon's system less prone to cost overruns and conflicts of interest. GAO chief David Walker, the U.S. comptroller general, said Mr. McCain is dedicated to improving the system.

Some defense insiders cautioned that the Democrats must be wary of squandering any new power they gain in yesterday's election. Lexington Institute defense consultant Loren Thompson said Democrats shouldn't make any big cuts without military advice, nor should they push for an immediate pullout.

Write to Rebecca Christie at rebecca.christie@dowjones.com1

In The Shadow Of The Noose, Saddam Softens (CHIT)

By Borzou Daragahi

Chicago Tribune, November 8, 2006

BAGHDAD -- A subdued Saddam Hussein, already sentenced to death in a human rights trial that concluded Sunday, walked into a courtroom again today and called on warring Iraqis outside to let bygones be bygones.

"I call upon all Iraqis, Arabs and Kurds, to forgive, reconcile, and shake hands," the former dictator said after recounting tales of how both the Prophet Mohammad and Jesus Christ both showed forgiveness to their enemies.

Hussein and six other defendants face charges of crimes against humanity for their role in orchestrating the 1988 Anfal campaign, in which Iraqi forces attempted to crush a Kurdish rebellion in the north by destroying countryside villages that harbored anti-government guerrillas.

In the months-long campaign, Hussein's government allegedly killed tens of thousands of Kurds, many of them women and children buried in mass graves after being riddled with bullets.

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Hussein and two other co-defendants already face the death penalty for crimes against humanity for their roles in targeting the Shiite village of Dujayl. That case is subject to an automatic appellate review which begins in no later than four weeks.

Today's court session came amid continued violence in Iraq.

A U.S. soldier in the capital was reported killed, the military said today. He died at approximately 10:40 p.m. Monday of wounds he sustained after the vehicle he was in was struck by a bomb in northwest Baghdad. Authorities in the capital also discovered the bodies of at least 10 men likely killed in sectarian attacks.

In the southern city of Basra, a British soldier was killed Monday by gunmen in city's downtown, said British army Capt. Tane Dunlop said today.

The defendants in the Anfal case include Hussein's cousin, Ali Hassan Majid, known popularly as "Chemical" Ali for his alleged role in dropping bombs loaded with mustard and nerve gas on Kurdish villages and towns during the late 1980s.

Witnesses today described an August 25, 1988 incident in the village of Koreme near the far northern Iraqi city of Dohuk, where three Kurdish dozen villagers were shot by firing squad. At least five survived.

Saddam, who lambasted the judge and the court Sunday and jabbed his finger at the air as the charges were read against him, kept cool today. One witness described escaping from a firing squad, eventually escaping to a cave where he recovered from gunshot wounds.

"I saw 16 soldiers standing, and one of the two officers said sit down,' and the other said 'shoot,'" said Qahar Khaleel Mohammed, a 52-year-old Kurd. "As the shooting started, we fell to the ground."

Hussein stood to complain that witness testimony was not supported by other evidence.

"These two officers [who led the firing squad], what are their names?" he demanded of one witness. "All the complainants took us on a tour, but there is no one to check, only [the witness's] name. Who supports his claim? Nobody. No one."

Hussein's privately retained lawyers continued to boycott the courtroom. They have refused to attend the Anfal trial, arguing that Judge Mohammed Orabi Khalefa was predisposed against the defense. Court-appointed lawyers have taken their place.

Back In Court After Death Sentence, Saddam Calls On Iraqis To 'reconcile' (USAT)

By Rick Jervis,

USA Today, November 8, 2006

BAGHDAD — In his first public appearance since being condemned to the gallows, a somber Saddam Hussein pleaded for peace Tuesday.

"I call upon all Iraqis — Arabs and Kurds — to forgive, reconcile and shake hands," he said in court here.

Saddam, 69, is on trial for his role in a 1988 crackdown on Kurds known as the Anfal campaign. He was found guilty and sentenced to death Sunday in a separate trial. In that case, he was convicted of war crimes in connection with the deaths of 148 Shiites in the village of Dujail following an attempt on his life in 1982.

Iraq's former dictator will continue to be tried in the Anfal case while an automatic appeals process plays out in the Dujail conviction.

Saddam has often used his appearances in court as a platform to make speeches, attempting to divert attention from the charges he faces and rally public opinion.

Some Iraqis applauded Saddam's courtroom remarks. "This is a great call," said Haval Anwar, 46, a Kurdish Iraqi who lives in Baghdad. "I hope Arabs and Kurds comply with it and get rid of all these problems," he said.

During the 10 months of the Dujail trial, Saddam was consistently defiant. He often shouted over the judge's demands and occasionally called on Iraqis to resist U.S. and Iraqi military forces.

He has also called for sectarian killings to stop. "I call upon you, the Iraqi people, to stop wounding each other," he said during a court session March 15.

His manner was subdued Tuesday. Saddam, dressed in a dark suit and white shirt, sat quietly along with the other six defendants and calmly took notes as four Kurdish witnesses gave testimony.

Saddam and his cousin Ali Hassan al-Majid — dubbed "Chemical Ali" for his alleged role in poison gas attacks in the Anfal campaign — are charged with genocide. The other defendants are accused of crimes against humanity and war crimes. All could be sentenced to death by hanging if convicted.

In other Iraq news:

·Iraq's Interior Ministry said it has charged 57 members of the Iraqi police in the alleged torture of hundreds of detainees at a prison in eastern Baghdad known as Site No. 4. Among those charged were a general, 19 officers, 20 non-commissioned officers and 17 patrolmen or civilian employees.

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·Police told the Associated Press that two mortar shells slammed into a coffee shop in a Shiite neighborhood in north Baghdad, killing at least 14 people and wounding 16. The attack followed mortar fire on a Sunni neighborhood across the Tigris River earlier in the day that killed seven people and wounded 25.

Hussein Asks Iraqi Factions To Reconcile (WP)

By John Ward Anderson

The Washington Post, November 8, 2006

BAGHDAD, Nov. 7 -- A subdued Saddam Hussein returned to his Kurdish genocide trial in Baghdad on Tuesday, two days after another court sentenced him to death for war crimes, and in an unusually conciliatory moment called for the people of war-torn Iraq to forgive one another.

Hussein, 69, was sentenced on Sunday to hang for the killings of 148 Shiite men and boys from the town of Dujail, north of Baghdad, in the 1980s. The sentence, which sparked a long, vitriolic outburst from Hussein, is being appealed while the former dictator continues to stand trial in another case involving the deaths of as many as 100,000 Kurds, many in poison gas attacks, in the so-called Anfal campaign of 1987-88.

Hussein, in his trademark, ill-fitting charcoal gray suit and open-collared white shirt, took an active role in his trial Tuesday, minus the theatrical bluster and tirades that have marked many of his other court appearances.

After one witness testified that Hussein had said all Kurds were saboteurs, Hussein raised a finger to ask a question.

"Saddam Hussein has written more than 70 books, small ones, big ones," he said, referring to himself in the third person. "When did Saddam say that the Kurds, all of them, were saboteurs?"

That question prompted a five-minute back-and-forth between the judge and the witness about the veracity of the allegation. When attention finally returned to Hussein, he explained how Jesus and the prophet Muhammad believed in forgiveness.

"I call on all Iraqis -- Arabs and Kurds -- to forgive, reconcile and make up," he said.

Hussein also occasionally challenged a witness from a small village in Dahuk province, in the extreme north of Iraq on the border with Turkey, who described living in a cave during the Anfal campaign and surrendering to Iraqi soldiers after hearing that an amnesty had been declared. The soldiers separated the townspeople by age and gender, then led a group of 37 men into the woods and shot them repeatedly, he said.

"I was standing then. There were 16 soldiers facing us with two lieutenants," said Qahar Khalil Mohammed, a farmer who now is 61. "One of the lieutenants said, 'Sit down,' and immediately the other one said, 'Shoot.' The soldiers all fired on us, and we collapsed on the ground."

"When they finished the bullets in the Kalashnikovs, they reloaded with new bullets. This happened three times," Mohammed testified. "The officer asked an older soldier to administer the coup de grace to all the bodies," but when it was his turn, Mohammed indicated, the bullet only grazed his head. His father and two brothers lay dead nearby, he said.

Witnesses said 27 people died in the incident.

"These two officers [the lieutenants], what are their names?" Hussein asked. "When he says there are two officers, what do they look like? Does this bring us to the truth?"

The hearing began as a two-day curfew in Baghdad and other areas of Iraq was lifted and life returned to normal.

The rash of brutal killings continued in the capital, where security authorities said Tuesday they had found 23 bodies in seven locations in the previous 24 hours. The victims, including one woman, ranged from 20 to 30 years old, and all had been shot in the head or chest. Two were decapitated.

Separately, an attack at a coffee shop in the Shiite neighborhood of Greyat killed at least 14 people, according to news services. There were conflicting reports on whether the shop had been hit by mortar shells or by a suicide bomber.

The Associated Press reported that former Iraqi vice president Izzat Ibrahim al-Douri, Hussein's former second-in-command who is now a fugitive with a $10 million bounty on his head, has ordered Sunni insurgents loyal to the former president to cease attacks, according to government and parliamentary officials who claimed knowledge of the developments.

The U.S. military said in a statement that an American soldier died late Monday of wounds he received when the vehicle in which he was riding was struck by a roadside bomb in northwest Baghdad. No further details were available. His death brought to 19 the number of U.S. soldiers killed in Iraq in November.

A British soldier also was killed Monday by small-arms fire during an insurgent attack on a British army base in Basra, in southern Iraq, the British Defense Ministry said. His death brought to 121 the number of British soldiers killed in Iraq since the March 2003 invasion, second only to the number of U.S. fatalities, according to iCasualties.org, a Web site that tracks casualties in Iraq. According to a Pentagon account, the United States has lost 2,834 service members.

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Hussein Displays Courtesy After Death Sentence Fury (NYT)

By John F. Burns

The New York Times, November 8, 2006

BAGHDAD, Nov. 7 — Saddam Hussein returned to court on Tuesday, to the dock where he erupted in fury against the death sentence imposed on him 48 hours earlier. But this time, it was a different Saddam who showed up, a courteous arguer of legal points who seemed to have put his tempestuous performance on Sunday aside so as to concentrate on his continuing legal battles.

Mr. Hussein was back before the Iraqi High Tribunal, but in a different case, involving the so-called Anfal military campaign in the late 1980s in which, prosecutors contend, as many as 180,000 Kurdish civilians were killed. The Anfal case has been in progress since August, again with Mr. Hussein as the principal defendant, as he was in the narrower Dujail case that brought him and two associates verdicts of death by hanging.

The resumption of the Anfal case brought the 21st day of testimony by Iraqi Kurds who survived the chemical weapons attacks and mass graves that marked the campaign. Court officials have said they expect the case to last well into next year, possibly into the spring or summer. But the question now is whether Mr. Hussein will live to see its conclusion — or, as Iraqi officials say is now more likely, be taken to the gallows weeks or even months before the Anfal verdicts are delivered.

None of this seemed to greatly trouble Mr. Hussein as he rose from his seat on Tuesday to press for more detail from a Kurdish witness who testified that he survived a massacre by Mr. Hussein's troops in 1987. The witness, Qahar Khalil, now 61, said he was one of 37 men and boys who were lured from a hiding place in caves above their village by an Iraqi Army promise of amnesty, only to be rounded up, taken behind a nearby hill, lined up and gunned down. His younger brother was killed.

"There were 16 soldiers facing us, with two officers," Mr. Khalil said.

"One of the officers said, 'Sit down,' and immediately the other one said, 'Shoot.' The soldiers all fired on us, and we collapsed on the ground. When they had finished the bullets in their Kalashnikovs they reloaded, and they did this three times. One of the officers asked an older soldier to administer the coup de grâce to all the bodies." Gesturing to a scar on his forehead, he added, "This is my coup de grâce."

Mr. Hussein, who has often reminded the court that he studied law in Cairo during three years in exile in the early 1960s, raised a finger to catch the judge's eye, then rose in the dock. The court, he said, should ask Mr. Khalil to be more specific.

"He said there were two officers involved," Mr. Hussein said. "You should ask, 'What did they look like? What was their rank? What were their names?' The court should be able to find at least one of these officers. What we have here is a witness who takes us on a tour, but offers no details."

"Is this the way to get at the truth?" Mr. Hussein asked.

Then, turning to sit down, he nodded to the judge, Muhammad al-Uraibi.

"Thank you," he said.

As prosecution lawyers rose to counter Mr. Hussein's argument, the judge, seemingly keen to avoid the angry testing of wills that has marked many of Mr. Hussein's interventions in the trials, closed off the exchange.

"The defendant Saddam has raised a purely legal point," he said. "Under the law, the witness can say what he wants. But it is the court's responsibility to weigh the validity of witness testimony."

At another point, Mr. Hussein took exception to testimony by a second witness, Aba Bakr Ali Saeed, 52, who said he, too, had survived the mass killing described by Mr. Khalil, running away with two bullets in his legs. Asked by the defense counsel why his village had been attacked, Mr. Saeed blamed Mr. Hussein. "He said that all Kurds were saboteurs," he said.

Mr. Hussein, rising again, referred the court to "more than 70 books" issued during his rule containing his speeches and writings, and challenged the court to review them for anything demeaning to the Kurds. "When did Saddam say that all Kurds were saboteurs?" he asked. Mr. Saeed said Mr. Hussein had made the remark to a gathering of tribal sheiks, and that "everyone knows it."

Mr. Hussein then offered a brief discourse on tolerance and forgiveness, citing the teachings of the Prophet Muhammad and of Jesus. He went on to what sounded like an oblique appeal for an end to the country's current slide toward civil war.

"I call on all Iraqis, Arabs and Kurds, to practice tolerance and forgiveness, and to shake hands with each other," he said.

Mr. Hussein's shifting mood has been a feature of both trials. As he did on Sunday, he has dismissed them as show trials with an outcome — his execution — preordained by the Americans.

Often he has used outbursts from the dock to call on Sunni insurgents to continue their battle to drive out the Americans. But he has also shifted, sometimes within minutes, to his lawyerly mode, counseling the judges on points of law, pressing for more cross-examination of witnesses, and even, on rare occasions, advising his own defense team to calm down.

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But events outside the court appear to have moved sharply against his prospects of seeing the Anfal trial through. When plans for the trials were laid in 2004, American and Iraqi officials envisaged a series of trials at which the full range of brutalities committed during his 24 years in power would be laid out in court. The plan called for Mr. Hussein to appear as the principal defendant in at least three or four cases, along with a shifting cast of associates drawn from 80 other so-called high-value detainees held with him in American custody at the Camp Cropper military detention center near Baghdad airport.

What has changed the plan is the worsening war. Senior Iraqi officials, including the prime minister, Nuri Kamal al-Maliki, believe that Mr. Hussein, alive, remains a potent rallying point for Sunni insurgents fighting American troops and the American-backed, Shiite-led government. Senior American officials, too, say that using a series of trials to fix Mr. Hussein's personal responsibility for a wide range of atrocities is now a lower priority in face of the Sunni rebels' unrelenting fight to regain the power the Sunni minority lost with Mr. Hussein's ouster.

Beginning 30 days after Sunday's verdicts in the Dujail trial, a nine-judge appellate court will automatically review the death sentences passed against Mr. Hussein, his half-brother Barzan Ibrahim al-Tikriti, a former head of the Mukhabarat intelligence agency, and Awad al-Bandar, the former head of Mr. Hussein's revolutionary court. The three were found guilty of crimes against humanity for the persecution of the townspeople of Dujail, north of Baghdad, after what was said to be an assassination attempt against Mr. Hussein in 1982. A total of 148 men and youths were executed, and hundreds of others banished for years to a remote desert camp in southern Iraq.

Iraqi court officials have said since Sunday's verdicts that they foresee few reasons for a protracted delay in the appeal court's review of the case, and that they expect a ruling upholding the death sentences within two or three months. That, they have said, could clear the way for Mr. Hussein's execution as early as March. Since the death penalty in Iraq was restored by Iraq's interim government in 2004, more than 30 men, many convicted of insurgent offenses, have been hanged, and more than 300 others are on death row, Iraqi officials say.

Saddam Calls For Reconciliation In Court (AP)

By Sinan Salaheddin And Robert H. Reid

AP, November 8, 2006

A somber and subdued Saddam Hussein called on Iraqis to "forgive, reconcile and shake hands" as he returned to court Tuesday for his Kurdish genocide trial two days after being sentenced to death in a separate case.

Iran urged Iraq to disregard calls for clemency and hang the ousted president, saying Saddam's "very existence is anti-human."

The startling call from Saddam came after he rose during the afternoon session to question the testimony of the witnesses, who told of a mass killing of Iraqi Kurds in the 1987-88 Operation Anfal crackdown on Kurdish guerrillas.

Saddam then calmly spoke about how the Prophet Muhammad and Jesus Christ asked for forgiveness for those who had opposed them.

"I call on all Iraqis, Arabs and Kurds, to forgive, reconcile and shake hands," Saddam said before resuming his seat.

The former president's demeanor was far different from his combative performance Sunday, when another court convicted him in the deaths of about 150 Shiite Muslims following an assassination attempt against him in the town of Dujail in 1982.

Saddam and two others were sentenced to death by hanging. Four co-defendants received lesser sentences and one was acquitted. Saddam thundered "Long live the people and death to their enemies" when the sentence was imposed.

On Tuesday, however, Saddam, dressed in a dark suit and white shirt, sat quietly along with the six other defendants in the Anfal case, calmly taking notes as four Kurdish witnesses gave their testimony.

Saddam's goal in making the statement was unclear.

However, the remarks followed at least two other public declarations by Saddam in recent weeks in which he urged national unity — perhaps to secure a more favorable place in history or to encourage contacts between the Americans and his supporters.

One statement, released last month by his lawyers, urged Iraqis to remember that their goal should be to free the country "from the forces of occupation and their followers" and not "settling scores."

In a statement Sunday, Saddam urged Iraqis not to "take revenge on the invading nations and their people" and to unite "in the face of sectarian strife."

A nine-judge appeals panel is expected to rule on Saddam's guilty verdict and death sentence in the Dujail case by the middle of January, the chief prosecutor said. That could set in motion a possible execution by mid-February.

The death sentence has drawn criticism from European and human rights officials who oppose capital punishment — regardless of the crime.

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"Even a person like Saddam Hussein should not be sentenced to death," Manfred Nowak, the U.N. special investigator on torture, said during a human rights forum in Vienna.

In Tehran, however, the Iranian government called for the death sentence to be carried out, saying that Saddam was a criminal who deserved to die.

"We hope the fair, correct and legal verdict against this criminal ... is enforced," government spokesman Gholam Hossein Elham said. "Saddam has both Shiite and Sunni blood on his hands. His very existence is anti-human."

Iran and Iraq waged a bitter eight-year war after Saddam invaded the country in 1980.

On Tuesday, the court heard testimony from survivors of an Aug. 28, 1988 massacre of more than 30 Kurdish men, who had surrendered after hearing that Saddam offered amnesty to Kurdish rebels.

Instead, the witnesses said they were herded together at the base of a hill, where Iraqi soldiers opened fire on them. Only a handful survived.

"When they fired in our direction, we all fell to the ground," Qahar Khalil Mohammed testified. "When I went back, I saw my father and two brothers had been killed, as well as 18 of my relatives."

Mohammed said an Iraqi medical officer used a broken bottle to clean his wound.

Witness Abdul-Karim Nayif said the men had been hiding in caves after an attack on their village near the Turkish border and some had considered suicide.

But they decided instead to surrender after Iraqi officers "swore on the Quran" that Saddam's offer of amnesty was genuine, Nayif said.

Another survivor, Abdul-Karim Nayif, submitted a video of a mass grave found near the site of the massacre after Kurds gained self-rule in 1991. The video showed numerous human remains.

Saddam and his cousin "Chemical Ali" al-Majid are charged with genocide in the Anfal case. The other defendants are accused of crimes against humanity and war crimes. All could be sentenced to death by hanging if convicted.

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Salaheddin reported from Baghdad, and Reid from Amman, Jordan. Some material from a pool report was included.

Help Iraq Help Itself (NYT)

By Frederick D. Barton

The New York Times, November 8, 2006

Washington

IN recent days, Prime Minister Nuri Kamal al-Maliki of Iraq has made public his disagreement with the dictates and tactics of the United States, including its proposed benchmarks for progress and the presence of military checkpoints around Sadr City.

American authorities view Mr. Maliki's resistance as worrisome. But it's just the opposite: his independence is our last best chance for a sustainable Iraq.

For the first time, a real politician appears to be fighting for his life. Whatever Mr. Maliki's limitations, we may be seeing the emergence of a leader who puts Iraqi concerns above America's blessing.

The table is now set for the prime minister to demand the phased withdrawal of United States forces from Iraq. In taking that single bold step, Mr. Maliki will do more to develop a political base than any recent Iraqi leader.

By delivering on a key Iraqi aspiration, Mr. Maliki will finally give his people a reason to believe in their government. Iraqi soldiers and police officers will not risk their lives for leaders perceived as Green Zone operatives.

Until recently, Mr. Maliki has run a government in name only. He could not fix a pothole, let alone deliver electricity, a functioning bureaucracy or a broader national strategy. His promises — including a new plan to make Baghdad safe — went unfulfilled. His only prospective allies were Shiite militias, which have their own narrow interests.

But he does have one friend who is eager to be responsive. As America moves away from its Iraq engagement, the United States government is in need of being saved from itself. The administration cannot find a way to leave because of its own early rhetoric and the advocacy of many Democrats for a timetable.

When Mr. Maliki demanded the removal of American checkpoints last week, they were taken down within four hours. When Mr. Maliki declined to sign on to an American timetable for stabilizing Iraq last week, he found himself talking as a peer with President Bush. Iraqis welcome a leader who takes responsibility and stands up to an unpopular foreign force.

The United States has suggested in the past that if the Iraqi government invited us to leave, we would oblige. We must prepare ourselves for this event. While being shown the door is never comfortable, the United States is ready to leave and the conditions are not likely to get better.

The next two years will not be easy, even following this course. Calling for the withdrawal of foreign troops is only a necessary first step to enable Mr. Maliki to deal with Iraq's enormous challenges. The most pressing are holding the country

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together, making people safe and distributing Iraq's oil wealth. Dealing equitably with these issues and delivering results is the best way to expand a political base.

Insurgencies are defeated only when the politics are right. Mr. Maliki must share the authorship of a withdrawal plan with Iraq's major factions in order to take on the militias and foreign terrorists. Engaging the Sunni nationalists, whose stated opposition to foreign troops has been their central argument, is a start. With the future presence of American forces determined, their role during the coming months would be more likely to enjoy the support of rank-and-file citizens.

The oil deal must get beyond traditional divides. The most promising approach is a tripartite arrangement that splits oil revenues among the national and regional governments and provides a direct benefit to Iraq's 26 million people. If Mr. Maliki pursues this course, he may well become the leader that Iraq needs.

Mr. Maliki's new independence is America's best chance to salvage the muddle Iraq has become. Let's not get in his way.

Army Revamps How Information Is Deemed Classified (WP)

By Walter Pincus

The Washington Post, November 8, 2006

U.S. Army intelligence has developed a new blueprint for standardizing the way national security information is classified, recognizing that determining whether a particular document is "confidential" or "top secret" is ultimately up to the judgment of individuals, according to a memo distributed last month by Lt. Gen. John F. Kimmons, the Army's deputy chief of staff.

The memo states that presidential directives and Army regulations that provide the basis for classification of security information are "broad and not clearly defined," so that the responsible individual's "determination of security classification is purely subjective."

The comments offer a rare view of one service's methods for classifying information at a time of debate over government openness. In the past few years, the leaking of classified information has been the subject of congressional investigations, criminal indictments and Supreme Court decisions, but almost no attention has been focused on what information has become classified and how that system works.

"Over classification is costly, inefficient and can cause slow downs to development/operation," the Army memo says. "Under classification," it adds, "can cause compromise, inadvertent disclosures and confusion."

The memo notes that even when a document within the Army system is deemed unclassified, that "does not mean that it is automatically releaseable to the public." A category called "Controlled Unclassified Information" allows information to be protected from public view. This category includes the label "For Official Use Only," which can involve things such as "internal rules and practices of the agency," trade secrets, intra-agency memos that "are part of the decision-making process" and records that invade a person's privacy.

The memo also says a compilation of individually unclassified items can be considered classified "if the compiled information reveals an additional association or relationship" that otherwise would not be apparent.

But before even unclassified information can be released, according to the memo, "a competent authority, specifically the Public Affairs Officer, must review and determine that the information is releasable to the public."

The Army memorandum attempts to describe the harm to national security or to U.S. foreign relations that would result from unauthorized disclosure of various types of classified information. The label "confidential" is put on information that, if disclosed, would result in "damage" to national security; "secret" when disclosure would result in "serious damage"; or "top secret" when it would cause "exceptionally grave damage."

These categories do not include even higher levels of classification, such as "Sensitive Compartmented Information," which normally refers to intelligence gathered electronically that, if disclosed, could result in the loss of sensitive sources or methods of collection.

"Failure to classify correctly has consequences," said Steven Aftergood, who disclosed the Army memo on his Secrecy News Web site (http://www.fas.org/blog/secrecy). "But getting it right is easier said than done, because it involves the conscious exercise of informed judgment."

Many of the criteria for classification are obvious, such as if the information's loss would reveal military plans or open senior leadership to a terrorist attack. But others are much more ambiguous.

For example, the memo states that information would be "confidential" if its loss "could threaten the international position of the U.S.," an outcome it further defines as damaging "U.S. credibility with a foreign government."

Information would be "secret" if its disclosure "would weaken the international position of the U.S.," which is defined as causing a "negative impact to the international position of the U.S. and its ability to negotiate with foreign governments." Information would be considered "top secret" if disclosure would "significantly weaken" the U.S. position, meaning it would result in the "inability of the U.S. to successfully negotiate with a foreign government for a significant period of time."

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Another element in the Army memorandum is the suggestion that if a document contains information meeting two different categories of "confidential," it could be classified as "secret." And if it has two different "secret" pieces of information, it could be classified as "top secret."

The Army is seeking to set its classification standards at the same time that Director of National Intelligence John D. Negroponte has part of his staff working to establish common classification standards for the 16 agencies that make up the intelligence community so they can share one another's secret information.

A spokesman for Negroponte's office declined to comment on the Army document.

CORPORATE SCANDALS:

Auditing Firms Urge New Ways To Detect Fraud Forensic Audit Designed To Root Out Wrongdoing Is Suggested In Policy Paper (WSJ)

By David Reilly

The Wall Street Journal, November 8, 2006

The heads of the world's biggest accounting firms want investors and regulators to consider new ways of reporting financial information and clamping down on fraud, even as companies protest increased costs related to corporate overhauls.

In a paper to be released today at a public-policy conference in Paris, chief executives of the six biggest accounting firms suggest considering whether companies should be subject to forensic audits specifically designed to root out fraud every three or five years, whether stock exchanges should require companies to randomly undergo these tests, or if investors should choose the intensity of the audit they want for a company.

The heads of PricewaterhouseCoopers, Deloitte & Touche, Ernst & Young, KPMG, Grant Thornton and BDO Seidman say they hope their proposals will kick off a debate over what investors should expect from an audit in terms of fraud detection. The firms have long contended that while standard audits are designed to detect errors that could lead to fraud, the checks can't pick up all corporate wrongdoing.

"We need to get a good understanding of what the investing community wants the audit to do," said William G. Parrett, chief executive of Deloitte Touche Tohmatsu, Deloitte's international organization. "Do they want the auditors to catch all frauds? We know the cost of that could be prohibitive. From a cost-benefit-analysis point, it's quite possible they would say we don't need to change what we're doing at all."

But many investors believe auditors' main job is to detect fraud and that the firms failed miserably by not catching the huge corporate scandals that rocked markets earlier this decade. And any discussion of additional audit requirements is sure to raise the ire of companies who claim that new internal-control rules in the U.S. are already an unnecessarily costly burden.

Some accounting observers suggest the big firms are trying to shift attention away from the fact that their current audits aren't stringent enough. Mandating forensic audits "would imply there is a high probability that if there's fraud they're not finding it," said Mary Ellen Oliverio, a former accounting professor at Pace University in New York who is writing a book about corporate auditing. It is an "unnecessary expense," she added, because a normal audit should "discover fraud. We've got to get the regular audit done properly."

The accounting firms' policy paper also calls for discussion of new financial-reporting models using technology to provide more up-to-date information that investors could tailor to their own needs, along with disclosures of nonfinancial aspects of a business that aren't included in current corporate reports.

Securities and Exchange Commission Chairman Christopher Cox already is pushing use of technology to "tag" financial data so that investors can use it in new ways. The firms say this project, as well as other technological developments "are likely at some point to revolutionize the entire company reporting model -- what information is presented and how, and how it is audited."

To aid in this "revolution," the firms say regulators need to speed moves to align U.S. and international accounting standards and rules governing how audits are conducted.

While emphasizing measures to protect investors, the heads of the accounting firms also use the policy paper to press their argument that any changes to improve the functioning of global capital markets have to include moves to limit the liability audit firms face both from civil litigation and criminal prosecution. "Individual auditors who engage in wrongdoing must be punished but without threatening the financial viability of their firms," the policy paper argues.

Big Four Call For Financial Reports Shake-up (FT)

By Barney Jopson In London

DOJ_NMG_0091817

Financial Times, November 8, 2006

The world's biggest accounting firms will join forces on Wednesday to call for a radical overhaul of how companies report performance, declaring the system used to communicate with investors "broken".

They will propose changes that would result in the most significant shake-up of data flows that sustain markets since the US introduced accounting standards and independent auditing in the 1930s.

Heads of the "big four" accounting firms and two others plan to say the financial reporting model of the 20th century has become redundant.

PwC, Deloitte, KPMG and Ernst & Young will call for static quarterly financial statements to be replaced by real-time, internet-based reporting encompassing a wider range of performance measures.

With Grant Thornton and BDO, the firms are seeking to provoke regulators and policy-makers. There is rising anger over the cost and perceived irrelevance of much financial reporting. The proposed changes are likely to meet resistance from companies and scepticism from some market watchdogs.

The wave of corporate scandals that began with Enron's collapse in 2001 sparked a raft of regulatory changes. Most, including the Sarbanes-Oxley Act, attempted to shore up the reporting model rather than create a new one.

"We all believe the current model is broken," said Mike Rake, chairman of KPMG International, who will unveil a joint paper with his five counterparts in Paris on Wednesday.

"There are significant shortcomings to US GAAP and issues of concern with international financial reporting standards," he said. "We're not in a very happy situation."

Corporate reporting has been largely untouched by the internet and digitisation, both of which have revolutionised the way companies operate.

The paper says: "Current systems of reporting and auditing company information will need to change – toward the public release of more non-financial information customised to the user, and accessed far more frequently than is currently done."

The large discrepancy between the "book" and "market" values of many listed companies is clear evidence that the content of traditional financial statements is of limited use, the firms say.

Non-financial measures that would provide more valuable indications of a company's future prospects include customer satisfaction, product or service defects, employee turnover and patent awards, they say.

Mr Rake noted that quarterly reporting and the short-term focus on companies' ability to meet Wall Street earnings expectations had helped foster accounting scandals.

The firms have been working on their proposals for over a year. The end of the first year of Sarbanes-Oxley implementation in the US and of IFRS in Europe crystallised many problems in the minds of senior accountants.

"In the next five years you may see a lot of change in this area," said Mr Rake.

A Report By The World's Largest Auditors Urges Relaxed Standards For Liability (NYT)

By Floyd Norris

The New York Times, November 8, 2006

The heads of the six largest auditing firms in the world issued a call for relaxed liability standards for their companies yesterday, in what appears to be the start of a campaign to protect their franchises while reducing the risk that bad audits could bankrupt one or more of them.

In a report, the executives said that they supported efforts to standardize accounting and auditing standards around the world and that eventually, "a new business reporting model" should be developed that would provide better financial information more rapidly.

But while the report, entitled "Serving Global Capital Markets and the Global Economy," offered little detail in that area, it was most detailed in its warnings that auditor liability needed to be restricted and in mounting the arguments for that outcome.

It did not offer specific proposals on how liability could be restricted while continuing to protect investors if auditors failed to do a conscientious job. Instead, it pointed to a restriction on auditor liability as being essential to solve many problems of the industry, and suggested that if investors were worried about fraud, they should be willing to pay for more detailed and more expensive audits than those prepared now.

"Our firms are not and can never be the insurers of last resort for the capital markets," the report said. It cited an "expectations gap" between what investors wanted from an audit in detecting fraud "and what audit networks are actually capable of doing, at the prices that companies or investors are willing to pay for audits."

One idea the report raised, which could bring in more revenue with less risk for auditing firms, was to create a separate category of forensic audits, which would cost more than ordinary ones and be more likely to uncover fraud. It said companies

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might be required to have such an audit every five years, or to face such audits on a random basis. Or, it said, investors could choose whether they wanted their companies to face that additional cost.

Since the collapse of Arthur Andersen in the wake of the Enron scandal, there has been worry over excessive concentration of business in the Big Four firms — PricewaterhouseCoopers, KPMG, Deloitte & Touche and Ernst & Young. The report, signed by the heads of those four firms as well as of the next two, much smaller firms — Grant Thornton and BDO International — suggested that more competition would appear if liability concerns were eased.

It argued that fear of lawsuits had led to detailed accounting rules in the United States that encouraged a "check the box" style of auditing and accounting that in some cases made fraud more likely and information less useful. It endorsed the idea of accounting rules that are more "standards based," with fewer details and more responsibility for auditors to interpret them.

The report acknowledged that the big firms had often sought detailed rules in the hope that would protect them from lawsuits, but said that had not worked.

While the largest firms in major countries bear the same or similar names, they are organized as partnerships in each country, reflecting differing regulations on what accountants and auditors can do. The firms asked for more consistent global rules and for ways to allow the heads of the international firms to enforce standards on all those in a network without making all the firms in the network liable for a firm's errors.

FBI Raids New York Brokerage Sky Capital (HC)

By Carol S. Remond, Dow Jones Newswires

Houston Chronicle, November 8, 2006

NEW YORK — Agents from the Federal Bureau of Investigation raided the Manhattan offices of brokerage firm Sky Capital LLC Monday.

A person answering the telephone at Sky Capital Tuesday said that Chief Executive Ross Mandell had no comment on the matter.

FBI special agents executed a search warrant at Sky and left with boxes of documents, according to a person familiar with the matter. The probe appears related to share offerings to foreign investors.

A spokeswoman for the District Court for the Southern District of New York declined to comment, citing a policy of not discussing the possibility of an investigation.

Sky Capital LLC is a subsidiary of London-based Sky Capital Holdings Ltd., which is also the parent company of Sky Capital UK Ltd., a British brokerage firm.

Sky Capital LLC continued to make a limited market in U.S. shares Tuesday. According to information on Nasdaq's Web site, the firm made a market in nine shares Monday.

Sky Capital Holdings reported on Sept. 29 a loss of $14 million in the year to March 31, compared with a loss of $12.1 million for the same period last year. Disappointing results have been a drag on the share price, with the company's shares dropping from almost a pound ($1.90) early this year to mere pence.

According to information posted on its Web site, Sky Capital Holdings was formed by Mandell in 2001.

Fraud Lands Man In Prison (DEN)

Detroit News, November 8, 2006

Northville lawyer also ordered to pay $8.5M in restitution for embezzling from friends, neighbors.

A federal judge on Wednesday sentenced a Northville lawyer who defrauded friends and neighbors of millions of dollars to five years and four months in federal prison.

U.S. District Judge Victoria A. Roberts rejected testimony from an expert witness who said Charles G. Mady was a pathological gambler who played the commodities market instead of the slot machines and was not fully responsible for his actions.

Roberts sentenced Mady, 36, at the top of the federal sentencing guidelines range for embezzlement, and ordered him to pay about $8.5 million in restitution to his victims.

"What you did to the victims in this case is just a horrific set of circumstances," Roberts told Mady.

"The court finds you to be totally unsympathetic."

The court heard from victims who said they trusted Mady and lost millions of dollars while he sent them statements showing their investments were increasing in value. Some even paid taxes on income they thought they had earned, while they were losing money.

The government alleged Mady converted more than $3 million of investors' money to his own uses, including buying racehorses and luxury cars.

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Mady, a Canadian citizen, is expected to be deported after he completes his sentence.

CRIMINAL LAW:

Supreme Court Asked To Apply Sentencing Rule Retroactively (USAT)

By Joan Biskupic, Usa Today

USA Today, November 8, 2006

WASHINGTON — A lawyer for a convicted rapist seeking to cut his client's prison time urged the U.S. Supreme Court on Tuesday to retroactively apply its 2004 decision that limited judges' discretion in sentencing.

A decision, which could affect thousands of criminal cases, might clarify complicated sentencing standards and affect when convicts are able to appeal their cases based on any favorable high court ruling that comes after their trial.

The 2004 ruling (Blakely v. Washington) said that judges cannot boost a defendant's sentence based on factors, such as cruelty, that were not determined by a jury. The court said the Sixth Amendment right to a jury trial requires that any fact essential to a defendant's prison time be proved to a jury beyond a reasonable doubt. The decision has become part of a series of court cases bolstering the role of the jury.

Until the justices started down this path, trial judges had regularly enhanced a defendant's time behind bars based on weapons, drugs or other factors that the judge determined made the crime worse. The court's trend has spawned uncertainty in federal and state criminal systems, and a new generation of disputes is before the justices.

Tuesday's case tested whether the rule of Blakely should be applied retroactively to convicts who were sentenced before 2004 but whose appeals were not yet over.

The Justice Department urged the court not to apply the 2004 rule to past cases. It argues that the decision merely altered criminal procedure and did not rise to the level of a "watershed" rule affecting the fundamental fairness of a trial.

In Tuesday's dispute, Lonnie Lee Burton followed a 15-year-old boy home from school, forced his way into the house at gunpoint, raped the boy, then took $160. A jury found him guilty of rape, robbery and burglary. A judge sentenced him to 304 months for the rape, 153 months for the robbery and 105 months for the burglary — a total of nearly 47 years — and ordered the sentences to run consecutively, rather than the norm of concurrently, based on Burton's criminal record and other factors. Those factors were not put to a jury.

Stanford University law professor Jeffrey Fisher, representing Burton, said he should get the benefit of Blakely. He added that a defendant must not be "sentenced for a greater crime than the jury actually found him guilty of."

Washington Deputy Solicitor General William Collins argued that the 2004 case should not be applied retroactively and insisted that Burton had failed to meet state and federal requirements for even challenging his sentence at this point.

The justices focused on the intricacies of sentencing law, as well as on technical rules that could affect Burton's particular case.

Chief Justice John Roberts suggested that even if the Blakely rule rose to the level of a watershed, Burton might not be able to claim it in a last-ditch appeal of his case. Justices Anthony Kennedy and Stephen Breyer noted in their questions that the court has remained deeply divided over sentencing and that the dissenters in Blakely remain unhappy with the trend.

Supreme Court Debates Two Cases Involving Long Prison Terms (AP)

AP, November 8, 2006

WASHINGTON - The Supreme Court was asked Tuesday to lop 21 years off the 46-year sentence of a Washington state man for raping a teenager, in one of two cases the court dealt with involving long prison terms.

At issue is whether a 2004 ruling that limits a judge's discretion in sentencing should apply to older cases.

A Washington state judge sentenced Lonnie Lee Burton in 1998 for rape of a 15-year-old boy, robbery and burglary. Defendants convicted of multiple crimes ordinarily receive sentences that run concurrently, but the judge added together prison time Burton could have received for each crime to form the lengthy sentence.

Eighteen states joined Washington in asking the court to refrain from applying the ruling to older cases, saying that to do otherwise "would potentially open a staggering and immeasurable number of sentences" to challenges.

The 2004 decision in a case that also came from Washington held that a defendant's constitutional right to a jury trial forbids a judge from deciding facts that add to a prison sentence.

Burton's lawyer, Stanford University law professor Jeffrey Fisher, told justices that the 9th U.S. Circuit Court of Appeals was wrong to conclude that the 2-year-old decision was not retroactive.

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Justices appeared more concerned Tuesday with procedural issues that could doom the case rather than the larger issue of retroactivity.

In Tuesday's other case, the court debated the scope of a powerful federal law enforcement tool that lengthens prison terms of repeat offenders who commit violent crimes.

The federal government argued that a Florida man's jail term should be increased from no more than six years under federal sentencing guidelines to a mandatory minimum of 15 years under the Armed Career Criminal Act.

The federal law calls for harsher penalties when a defendant has three prior violent felony convictions. Congress enacted the law during the crack cocaine epidemic of the 1980s as police struggled with high levels of gun violence.

But one of Alphonso James Jr.'s convictions was for attempted burglary, which his lawyer argued should not automatically be considered a violent crime. Craig Crawford, an assistant public defender in Orlando, Fla., asked justices to overrule the 11th U.S. Circuit Court of Appeals on this issue.

The Supreme Court could broaden the law's impact by finding that all attempted burglaries meet the law's requirements.

To be included under the career criminal law, conduct must involve a "serious potential risk of physical injury to another person."

Justices asked attorneys on both sides at what point someone attempting to commit a burglary presents a serious potential risk of physically injuring someone else.

When a would-be burglar is climbing a ladder leaning up against a building? asked Justice David Souter. "That's a lot closer" than simply setting up the ladder, Crawford responded.

Is a hammer thrown through a window enough? asked Justice John Paul Stevens, describing the circumstances in James's attempted burglary.

"Congress wanted to treat the frustrated burglar the same" as the burglar who completed his crime, said Jonathan Marcus, an assistant in the Justice Department solicitor general's office.

Decisions in both cases are expected before July.

The cases are Burton v. Stewart, 05-9222, and James v. U.S., 05-9264.

Jurors Convict Man Who Robbed Palmer Gun Store (PAET)

By Russ Flanagan, The Express-times

Easton Express-Times (NJ/PA), November 8, 2006

A federal jury in Philadelphia on Tuesday convicted a man of robbery and related gun charges for sticking up a Palmer Township gun dealer in 2004, according to the U.S. Justice Department.

Under federal gun laws, Frank Berryman of Philadelphia faces a maximum sentence of life in prison. He is scheduled to be sentenced in federal court in February.

"We sought the conviction and the jury returned a guilty verdict on all counts," Assistant U.S. Attorney Eric Henson said after the verdict.

Records say Berryman left his home in the 900 block of Flanders Road on March 9 and traveled with three other men to John's Gun and Tackle Room at 2604 Freemansburg Ave. While Berryman, 27, was inside, one accomplice waited in the car, and two others waited outside the shop, authorities said.

Reporter Russ Flanagan can be reached at 610-258-7171 or by e-mail at rflanagan@express-times.com.

Hinds Co., FBI Looking For Suspected Copper Thieves The Clarion-Ledger (JCL)

Jackson Clarion-Ledger, November 8, 2006

The FBI and Hinds County Sheriff's Department are asking for the public's assistance in locating five Jackson residents who are suspecting of stealing copper and other metals.

Authorities are looking for Larry McGee, 38, of 1409 W. Mayes Street; Shirley McGee, 42, of 1928 Corley Avenue; Herbert Smith Jr., 51, of 236 Hartfield Street; Casey Torry, 40, of 3152 Tudor Street or 3720 Fontaine; and Jerry Lee James, 46, of 940 Rose Street.

All five have outstanding warrants for receipt of stolen goods, according to the FBI. They are suspected of being in a scheme that involves stealing, receiving, selling and transporting metals across state lines.

A reward of $1,000 is being offered for information leading to the location and arrest of each individual, according to authorities.

Anyone with information is asked to contact the FBI at (601) 948-5000 or the Hinds County Sheriff's Department at (601) 974-2904.

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Grapes Of Rathke By JOHN H. FUND (WSJ)

The Wall Street Journal, November 8, 2006

The Democratic oak has grown, in part, from Acorn, a feisty, union-backed activist group. The organization says on its Web site that it "registered over 540,000 low-income and minority voters" and deployed over 4,000 get-out-the-vote workers for yesterday's elections. But after years of scandal involving its election efforts and misuse of government grants, Acorn is finally coming under scrutiny, with four of its Kansas City, Mo., workers under indictment for submitting false voter registrations. (As of this writing, all are at large.) Other states -- including Pennsylvania and Maryland -- are also conducting probes. Notes the U.S. attorney's office in Kansas City: "This national investigation is very much ongoing."

Founded by union organizer Wade Rathke in 1970, Acorn boasts an annual budget of some $40 million and operates everything from "social justice" radio stations to an affordable-housing arm. Still run after 36 years by Mr. Rathke as "chief organizer," it is best known for its campaigns against Wal-Mart, and for leading initiatives in six states to raise the minimum wage.

One of those states is Missouri. St. Louis election officials were so inundated with bogus Acorn-generated voter registrants that they mailed a letter to 5,000 registrants, requesting the recipients to contact them. Fewer than 40 responded. Mr. Rathke attacked the officials as "slop buckets" and claimed they had "broken the law in trying to discourage new voters illegally."

City officials scoff at that. They say it's up to Acorn to explain why over 1,000 addresses listed on its registrations don't exist. "We met twice with Acorn before their drive, but our requests completely fell by the wayside," says Democrat Matt Potter, the city's deputy elections director. His election clerks were already putting in 13-hour work days and "dumping this on them isn't fair." In the past, several Democrats, including Mayor Francis Slay, have complained about bloated voter rolls leading to stolen votes.

Acorn insists any problems stem from dishonest former employees. Mr. Rathke says he is actively cooperating with the probe in Kansas City, and has alerted prosecutors in other states about registration problems. That doesn't satisfy Melody Powell, the Republican chairwoman of the Kansas City Board of Elections, who says Acorn's claim that it brought the fraud to light is "seriously misleading." She says her staff first took the evidence to the FBI, and Acorn only then helped identify the perpetrators. According to Ms. Powell, 40% of the 35,000 registrations it submitted appear bogus. "It's a potential recipe for fraud," she says, noting that "anyone can find a voter card mailed to a false apartment building address lying around a lobby and use it to vote." Ms. Powell worries legitimate voters who were registered a second time by someone else under a false address will find it difficult to vote.

Mr. Rathke explains that Missouri's problems came about because his organizers were required to turn in all registrations within seven days of being collected "even if the name on them was Donald Duck," and that state law discouraged them from sending copies of the forms out of state to Acorn's Little Rock office, which would have done quality-control checks. Election officials say Acorn was responsible for policing its own work.

Current and former Acorn employees say the problems in Kansas City and St. Louis are no accident. "There's no quality control on purpose, no checks and balances," says Nate Toler, currently head organizer of an Acorn campaign against Wal-Mart in Merced, Calif. In 2004 he worked on an Acorn voter drive in Missouri, and says Acorn statements aren't to be taken at face value: "The internal motto is 'We don't care if it's a lie, just so long as it stirs up the conversation.'" Mr. Toler expects to be attacked as a disgruntled employee, and that "I may have my head chopped off for telling the truth." Indeed, he has this year filed an Equal Employment Opportunity Commission complaint alleging that Acorn has consistently promoted whites to management positions over equally qualified blacks. But his allegations are backed by three former Acorn employees who have filed similar EEOC complaints.

One of them, Sashanti Bryant of Detroit, Mich., was a community organizer for Acorn. She told me it has a problem paying employees on time and has almost no minorities in its upper echelons. Loretta Barton, until June of this year a lead Acorn organizer from Dayton, Ohio, and another EEOC complainant, told me that "all Acorn wanted from registration drives was results." Ms. Barton alleges that when she and her co-workers asked about forming a union they were slapped down: "We were told if you get a union, you won't have a job." There is some history here: In 2003, the National Labor Relations Board ordered Acorn to rehire and pay restitution to three employees it had illegally fired for trying to organize a union.

In response, Mr. Rathke says he is neutral on internal union-organizing efforts and that "when you're dealing with thousands of employees a year you'll have some who complain." He also said the four complaints lodged with the EEOC had all been dismissed. When told that wasn't the case, he said "there may be some loose ends to be tied up . . . I'm not going to impugn any of the people involved."

Still, Acorn is vulnerable to charges it doesn't practice what it preaches. Its manual for minimum-wage campaigns says it intends "to push for as high a wage as possible." But it doesn't pay those wages. In 2004 Acorn won a $9.50 an hour minimum

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wage in Santa Fe, N.M., for example, but pays its organizers $25,000 a year for a required 54-hour week -- $8.90 an hour. This year Acorn had workers in Missouri sign contracts saying they would be "working up to 80 hours over seven days of work." Mr. Rathke says "We pay as much as we can. If people can get more elsewhere, we wish them well."

In 1995 Acorn unsuccessfully sued California to be exempt from the minimum wage, claiming that "the more that Acorn must pay each individual outreach worker . . . the fewer outreach workers it will be able to hire." Mr. Rathke acknowledges higher wages can cost some jobs but that the raises for other workers are worth it. * * *

Last year, Acorn helped convince the House to create an "affordable housing trust fund," allocating up to 5% of the profits generated by Fannie Mae and Freddie Mac to groups such as Acorn that build affordable housing. The Senate failed to act on the bill, but it will surely be reintroduced.

But previous federal grants to Acorn have been highly controversial. In 1994 the Acorn Housing Corporation was given a $1.1 million grant by AmeriCorps, the federal volunteer agency. An inspector-general found the nonprofit had improperly used AmeriCorps recruits for political purposes; the grant was terminated. A guaranteed stream of federal cash to a group that so often fails audits would invite trouble. Today, Senate Finance Committee Chairman Charles Grassley will send a letter to the IRS asking the agency to investigate Acorn and allied groups for possibly misusing their tax status for political purposes.

On his blog Mr. Rathke dismisses criticism as "major league political harassment . . . crazy words." Lashing out at critics, says Mr. Toler, is "just Wade being Wade, engaging in the politics of distraction." Another former Acorn employee says the group has become a "cult" under Mr. Rathke, and must increasingly take bigger risks in order to grow. What risks it might take in pursuit of its agenda can only be surmised -- though some clues may emerge from the ongoing federal investigations of Acorn's electoral activities.

Mr. Fund is a columnist for OpinionJournal.com1.

Ex-educator Gets 10 Years For Soliciting Sex (POUGHJ)

By Larry Fisher-Hertz, Poughkeepsie Journal

Poughkeepsie Journal, November 8, 2006

Town man targeted teens online

WHITE PLAINS — A former New York City school administrator from the Town of Poughkeepsie faced family members in a federal courtroom Monday and apologized for trying to solicit young girls over the Internet.

"I have robbed you of the life you expected to have with me," 49-year-old Steven M. Rubinstein told his wife, Meryl, before he was sentenced in federal court. "Please try to find some way to forgive me."

U.S. District Court Judge Colleen McMahon then sentenced Rubinstein to 10 years in prison.

"You have committed an offense I can only describe as vile," McMahon told Rubinstein, of Tree Top Lane, during an hourlong proceeding in the federal courthouse.

Rubinstein, who worked in the New York City school system for 20 years, was an assistant principal at Murry Bergtraum High School in Manhattan. He was arrested by FBI agents last spring following an eight-month sting operation targeting would-be sexual predators. A search of Rubinstein's computers re-vealed images of child pornography.

Federal investigators said Rubinstein had sexually explicit conversations with two undercover agents who were posing as 13-year-old girls.

The conversations oc-curred between June of last year and March 6, when investigators seized computers from his Poughkeepsie home and his office at the high school in Lower Manhattan.

Assistant U.S. Attorney Cynthia Dunne characterized transcripts of conversations Rubinstein had with the undercover agents as "explicit in the extreme," containing "page after page in which he boasted about having sex with a 15-year-old and a 17-year-old girl."

Dunne said federal investigators had never determined whether Rubinstein's claims were true, and following his arrest he denied ever having sex with young girls.

Dunne noted there was evidence Rubinstein had used a computer at his school office to engage in some of the chats.

"This was extreme conduct indeed, Judge," Dunne said.

Wearing khaki pants, a yellow dress shirt and an olive sport jacket, Rubinstein cried as he spoke to his wife, his mother and four other members of his family in the courtroom.

"I don't know what to say to you other than I am so sorry for what I have done," he said. "Mom, I have become an embarrassment to you."

Rubinstein told McMahon he had accepted "full responsibility" for his crimes.

"I make no excuses," he said. "I did it, I admit it, and I want to get help to understand why I did it."

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As she imposed the sentence, McMahon said she would recommend Rubinstein be sent to the Devins Medical Center in Massachusetts, a secure federal facility that specializes in the treatment of sex offenders.

McMahon said she believed Rubinstein deserved to be confined for a lengthy period of time in part because of his position as an assistant principal.

"This defendant is every parent's nightmare," she said, "an individual in a responsible position in an educational establishment who worked on a daily basis with young people."

Rubinstein was fired shortly before he entered guilty pleas April 10 to one count each of enticement of a minor to engage in sexual conduct and distribution of child pornography.

McMahon sentenced Rubinstein to 10 years in prison on each of the two counts. The sentences will run concurrently.

The judge also fined Rubinstein $1,000 and ordered him to undergo five years of supervision by federal parole authorities after he is released from prison.

Court Clears 6 Of Criminal Charges In Crash Of French Jetliner In 1992 (NYT)

By Nicola Clark And Don Phillips

The New York Times, November 8, 2006

PARIS, Nov. 7 — A French court on Tuesday cleared five former aviation officials and an ex-Airbus executive of all criminal charges linked to the crash of a passenger jet in the mountains near the German border almost 15 years ago.

The six men went on trial in the northeastern city of Colmar in May on charges of involuntary manslaughter in the 1992 crash of an A320 owned by Air Inter, a now-defunct unit of Air France, in which 87 people died. The defendants faced up to two years in prison.

The verdict on Tuesday was greeted by the aviation industry as a victory in its effort to decriminalize air crashes.

The trial gained a high profile partly because the industry decided to push back against legal systems around the world that had increasingly sought to assign criminal responsibility in crashes.

The defendants were Bernard Ziegler, 73, who was technical director of Airbus at the time; Pierre-Henri Gourgeon, 60, then the head of the French civil aviation agency, DGAC, and now chief financial officer of Air France-KLM; Claude Frantzen, 69, head of training at DGAC; two former Air Inter officials; and Eric Lammari, 50, an air traffic controller.

The court found Airbus and Air France liable for the pain and suffering of the victims' families. The amount of damages was not specified in the ruling. Air France has already paid $27 million in compensation to the victims' families.

Twelve years ago, French air safety investigators found that the crash of the twin-engine Airbus A320 had probably been caused by human error. Their report concluded that the pilots had probably misprogrammed the plane's flight computer to descend at a rapid rate, and that it then slammed into the 2,500-foot-high Mont Ste.-Odile near Strasbourg.

Airbus ultimately made changes to the A320's cockpit display panels based on recommendations of the accident investigators.

Texas Inmates Protest Conditions With Hunger Strikes (NYT)

By Ralph Blumenthal

The New York Times, November 8, 2006

HOUSTON, Nov. 7 — Likening themselves to prisoners at Abu Ghraib and Guantánamo Bay, a dozen inmates on death row in Texas have staged hunger strikes over the last month to protest what they call abusive conditions, including 23 hours a day of isolation in their cells.

The Texas Department of Criminal Justice said that the first inmates began refusing food Oct. 8 and that two were still on hunger strikes in the Polunsky prison unit in Livingston, about 45 miles east of the execution unit in Huntsville. The Polunsky Unit houses death-row inmates until their executions. As of Tuesday, one inmate had missed 35 consecutive meals and one 17 meals, but no one has yet been force-fed, said a department spokeswoman, Michelle Lyons.

Two other prisoners who had not eaten since Oct. 8 began taking food Oct. 27 and Nov. 4, Ms. Lyons said, and others abandoned their protests after a short time.

But Vickie McCuistion, program coordinator of the Texas Coalition to Abolish the Death Penalty, said some inmates had been reported as eating when they were still refusing food. Ms. Lyons said that a prisoner needed to miss nine meals to be considered on hunger strike and that some who had refused meals had eaten snacks at visiting sessions.

"Either conditions will improve, or we will starve to death," vowed one of the first hunger strikers, Steven Woods, in an Internet posting put up by groups opposed to the death penalty. Since death row was moved from an older and more open facility in 2000, he said, "We lost all our group recreation, art programs, and supplies" in addition to "work programs, televisions and religious services."

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Because the inmates are not allowed to have contact visits, "the only physical contact we'll get until they kill us is when the C.O.'s hold our restrained arms while escorting us," he wrote, referring to corrections officers.

The protests are the latest disruptions at the nation's busiest execution complex, where 23 inmates have been put to death by lethal injection so far this year and another is scheduled to die Wednesday. Although California leads the nation in prisoners on death row, Texas executes them far more frequently, with 378 put to death since capital punishment was reintroduced in 1982. Virginia is second with 97.

Prison officials say the harsher conditions on death row came in response to a notorious escape in 1998 and a move to the more secure Polunsky Unit. Ms. Lyons said Mr. Woods had refused meals the longest but began eating again on Saturday.

Mr. Woods, 26, was convicted with a co-defendant of killing a man and woman in a robbery north of Dallas in 2001.

The hunger strikes in the Polunsky Unit were already under way when Michael D. Johnson, a 29-year-old convicted killer protesting his innocence, used a razor blade to slash a vein and an artery on Oct. 20, committing suicide in his cell hours before his scheduled execution for the murder of a convenience store clerk. He used his blood to scrawl a message on the wall: "I didn't shoot him."

John Moriarty, the inspector general for the prison system, said an inquiry was continuing into how Mr. Johnson had secreted the blade and used it in the 15 minutes between checks by officers on "death watch."

The longest-striking inmate still refusing food, Ms. Lyons said, is William M. Mason, 52, who was convicted of murdering his wife and dumping her body in the San Jacinto River after he complained that she had played the radio too loud. After refusing 35 meals over 17 days, Ms. Lyons said, Mr. Mason has lost 20 pounds and now weighs 239.

Also on a hunger strike, Ms. Lyons said, was Larry Estrada, 27, who was convicted with a co-defendant of killing a Houston convenience store clerk and shooting another during a robbery in 1997. Mr. Estrada has refused 17 meals over a week, she said. But she said neither inmate was at the point of needing to be force-fed, a determination made by doctors from the University of Texas Medical Branch.

Mary Felts, a civil lawyer in Austin who helps the inmates with wills and other personal legal services, said she found many of the complaints valid. "Sensory deprivation is the worst kind of abuse," Ms. Felts said. "If I were the warden I'd want the men to have TVs; the women have TVs. It would cut down on mischief."

Ms. Lyons, the prisons spokeswoman, said that while television sets could alleviate the monotony of solitary confinement, there was no place to hang the sets outside the cells where the men could see them. The old Ellis Unit, where death row was housed from 1965 to 1999, had a wall opposite the cells where the sets could be installed.

"It's not something we've made a priority," she added. "We have not sought funding, and not many taxpayers would approve." Prison activists say the state has rejected offers of donated sets.

Ms. Lyons also said the inmates "have not made any formal request" to have grievances heard, "so there's no formal response."

Most of what officials know about the complaints, she said, "we've gleaned from the antideath-penalty postings."

CIVIL LAW:

Dana Seeks Court OK For New Bonus Plan (DOW)

By Marc Hopkins, Dow Jones Newswires

Dow Jones, November 8, 2006

Dana Seeks Court OK for Scaled-Down Executive Bonus Plan

WASHINGTON (AP) -- Dana Corp. is pitching a toned-down version of an executive bonus plan that it hopes won't strike out with Judge Burton Lifland a second time.

As part of an effort to entice senior managers to stay, Dana wants to pay Chief Executive Michael J. Burns up to $4.5 million during 2007 and up to $2.25 million in 2008, the company said in court papers Monday.

The payments are tied to reaching various benchmarks for earnings before interest, taxes, depreciation, amortization and restructuring costs.

The plan is a step down from a previous proposal that entitled Burns to $9.1 million over the next few years, including a $6 million bonus once the auto-parts supplier emerged from bankruptcy protection.

Dana, of Toledo, Ohio, makes axles, frames and other large components for cars and commercial trucks and is highly dependent on General Motors Corp. and Ford Motor Co.

The company is one of at least a half-dozen large U.S. auto-parts companies that have fallen into bankruptcy amid production cutbacks by the country's biggest auto makers.

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The company said that under the new plan, five other top managers would share a pool of up to $3.18 million in 2007 and would be entitled to a pool of at least $1.59 million the year after. The company didn't disclose the benchmarks that would trigger payments.

About 40 percent of Burns' pension benefits will be classified as an allowed unsecured claim under the company's plan of reorganization. Additionally, court papers said if Burns is terminated after his contract is accepted by the company, he will waive claims valued at up to $9 million.

Under Burns' contract with Dana before its bankruptcy filing, he was entitled to additional retirement benefits to replace benefits from his prior employer that he gave up upon joining Dana, court papers said.

Dana said it started retirement benefits for Burns in 2004 with an account balance of $5.9 million. After the company's bankruptcy filing in March, Burns was eligible for a general unsecured claim for his retirement benefits.

As in other requests stressing the importance of the bonus payments, Dana said Burns and the other executives have extensive experience and contacts in the automotive sector and other industries.

"If any of the senior executives were terminated, it is highly likely that they would quickly find another position with the automotive industry, potentially to the direct competitive detriment of Dana," the company said.

But many parties initially objected to giving top managers bonuses, including the Justice Department representative, who called the plan "extravagant" at a time when the auto-parts supplier is considering cuts to employee health benefits.

And former employees like Robert E. Snyder of Fort Myers, Fla., still aren't happy with the plan. The Dana retiree with 39 years of service wrote a letter to Lifland asking him to strike down the proposal again.

"It sounds and appears to me that Mr. Burns is out for himself and to heck with the rest of the company, workers, retirees and creditors," Snyder wrote. "Mr Burns has not been with Dana very long, so I question why he should be entitled to any outrageous bonus."

Judge Lifland, of the U.S. Bankruptcy Court in Manhattan, is scheduled to consider Dana's request at a Nov. 21 hearing.

Lifland agreed to let Dana take another swing at the plan after the company asked him to explain why the original bonus plan violated provisions of the 2005 bankruptcy law. Those provisions allow retention bonuses only if the employee has a competing offer for equal or higher pay.

At the time, Dana's bonus request was widely viewed as a litmus test for the 503(c) section of the Bankruptcy Abuse Prevention and Consumer Protection Act, enacted a year ago.

U.S. Trustee Diana G. Adams said Dana crossed the line in making the request because the Bankruptcy Code doesn't allow the court to offer advice on how to frame legal arguments.

"Under the guise of requesting 'clarification' of the court's ruling on numerous grounds, the debtors are now seeking a 'second bite at the apple' by re-arguing the compensation motion that was already denied by the court," Adams said. "The debtor should not rely on the court to structure a remuneration program for executives that is statutorily permissible."

Lifland instead gave Dana more time to craft a legal strategy that would get the bonus plan approved.

Abortion Foes Face Pair Of Big Tests (WSJ)

By Jess Bravin

The Wall Street Journal, November 8, 2006

WASHINGTON -- Within 24 hours, the antiabortion movement's two central strategies are receiving high-profile tests -- one in the marble chamber of the U.S. Supreme Court, the other in far-flung polling stations across South Dakota.

Today, the Supreme Court will hear a Bush administration appeal to reinstate the Partial-Birth Abortion Ban Act, a 2003 law struck down by lower courts because it included no exception for the woman's health. The partial-birth ban fits with a national strategy to impose greater restrictions on the procedure while deferring a direct challenge to Roe v. Wade, the 1973 decision that first located a right to abortion within the Constitution's privacy provisions.

The strategy recognizes that a majority of the current court has accepted Roe's fundamental holding that a woman has at least some discretion over whether to bring a pregnancy to term. But since the justices have left unclear the precise limits of that discretion, leading abortion foes have taken an incremental approach. That follows the model used by civil rights lawyers decades ago to chip away at state-imposed segregation case by case, rather than mount a frontal assault headlong into existing precedent.

In South Dakota, the Republican-controlled Legislature didn't want to quibble over which abortion restrictions might square with Roe. In February, it passed a ban on all abortions except those necessary to save the woman's life -- a clear violation of federal precedent -- hoping to spark a test case that could lead the Supreme Court to reverse Roe.

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The plan hit an obstacle when some residents, including some abortion critics who felt the law went too far by leaving no exception for rape or incest, qualified a referendum to let voters ratify or repeal the ban, and they voted to repeal it on yesterday's ballot, according to the Associated Press.

The ban's defeat could sap momentum from the antiabortion movement, undercutting the argument that the Supreme Court has imposed abortion rights on states dead set against it. "People in South Dakota don't like government telling them what to do," says Jan Nicolay, a retiree from Chester, S.D., and co-chairwoman of the campaign against the ban.

Even if South Dakotans had ratified the ban, some national antiabortion activists considered it a fool's errand. When the Supreme Court previously has upheld abortion restrictions, it has never rejected Roe's basic holding, and lower courts are bound to follow. Of the court's current justices, only Antonin Scalia and Clarence Thomas have indicated they would reverse Roe outright.

The case being heard today reaches a court likely to be more receptive to abortion restrictions than in the past. In a 2000 case, Stenberg v. Carhart, the justices voted 5 to 4 to strike down a Nebraska law banning "partial birth" abortions, which the state defined as partially delivering from the uterus "a living unborn child before killing the unborn child and completing the delivery."

The majority found the law violated precedent forbidding regulations that place an "undue burden" on women seeking abortions. The court ruled that Nebraska had defined the prohibited procedure too vaguely and failed to allow its use when the woman's health was in jeopardy. Three federal circuit courts cited Stenberg to invalidate the similar 2003 law signed by President Bush.

But two Bush appointees have since joined the Supreme Court, with one succeeding a member of the Stenberg majority, Justice Sandra Day O'Connor. Both Chief Justice John Roberts and Justice Samuel Alito bring records suggesting deep skepticism, if not outright hostility, to precedent on abortion rights.

Abortion foes feel confident that the federal partial-birth ban will pass muster with the required five justices. The question is whether the court will rule narrowly to find the federal law comports with Stenberg -- or, as they hope, will use the opportunity to overrule the 2000 case and significantly expand legislative authority to restrict abortion.

The Bush administration contends that the 2003 law was carefully drafted to avoid the flaws the court found in Nebraska's ban. Congress defined the prohibited procedure in more detail and, after holding hearings, declared that "partial-birth abortion is never medically indicated to preserve the health of the mother." Although lower courts found that such an assertion wasn't adequately supported by medical evidence, the Justice Department argues that the court should defer to the congressional finding.

The procedure critics call partial-birth abortion generally is used later in pregnancy and is a small fraction of abortions performed. But both sides agree that if the federal law survives, more abortion restrictions are in the offing.

"I'm looking to see what kind of relaxed standard the court may come up with," says Clarke Forsythe, an attorney with the advocacy group Americans United for Life, which filed a friend-of-court brief supporting the government. "It all comes down to how you define 'undue burden.' If Justice [Ruth Bader] Ginsburg defines it, virtually anything is an undue burden. If you look at Justice [Anthony] Kennedy's position, most things you might do are not an undue burden."

Both justices have voted to affirm Roe's central holding, but were on opposite sides in the Stenberg case. Justice Ginsburg joined Justices Stevens, O'Connor, David Souter and Stephen Breyer in the majority. Justice Kennedy dissented, as did Justices Scalia, Thomas and the late chief justice, William Rehnquist.

Mr. Forsythe predicts that a relaxation of the Stenberg standard could lead some states, and perhaps Congress, to impose additional regulations to discourage abortions, such as requiring doctors to tell patients about their "medically documented risk to women" or that they cause "fetal pain."

Nancy Northup, president of the Center for Reproductive Rights, expects that a government victory would prompt antiabortion lawmakers to go further and ban other specific procedures by declaring they are never medically necessary.

"Throughout the 30-plus years of abortion jurisprudence, there has been a very clear standard that abortion restrictions not endanger a woman's health," as determined in consultation with her doctor, says Ms. Northup. Her group represents Dr. LeRoy Carhart, a Nebraska physician who successfully challenged his state's ban and prevailed in lower courts over the federal effort. "The question is whether this new Roberts court is going to follow this longstanding precedent."

Roberts Court Faces First Abortion Cases (CSM)

By Warren Richey
The Christian Science Monitor, November 8, 2006
WASHINGTON

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In their confirmation hearings last year, John Roberts and Samuel Alito sidestepped pointed questions about whether they would overturn abortion precedents. Now, a year later, the country is about to get some answers.

Wednesday, the US Supreme Court takes up two cases challenging the constitutionality of the federal Partial-Birth Abortion Ban Act of 2003.

The cases offer a first look at how the high court under Chief Justice Roberts will approach the divisive issue of abortion. While the Partial-Birth Abortion Ban Act poses no direct threat to major abortion precedents like Planned Parenthood v. Casey and Roe v. Wade, activists on both sides of the debate are watching closely to see if the two federal ban cases - and new justices on the court - trigger a turning point in abortion jurisprudence permitting more rigorous regulations at the state and federal level.

At issue in Gonzales v. Carhart and Gonzales v. Planned Parenthood is whether Congress acted within its authority when it mandated a national ban of so-called partial-birth abortions without including an exception to protect a woman's health.

Protection of a woman's health has been a paramount concern of the high court since Roe v. Wade. But the Partial-Birth Abortion Ban Act introduces a second concern - as the law puts it: "protecting the life of the partially-born child."

Supporters say the law is necessary to foster respect for human life by outlawing what they call a gruesome abortion procedure that approaches infanticide. Opponents see the federal ban as part of an agenda to gut and eventually overturn abortion precedents all the way back to Roe v. Wade.

That's why, during their confirmation hearings, Judges Roberts and Alito were asked early and often about abortion and the legal concept of enforcing existing precedents known as stare decisis.

"I do think it is a jolt to the legal system when you overrule a precedent," Roberts told the Senate Judiciary Committee in September 2005. But he added, "The principles of stare decisis [also] recognize that there are situations when that's the price that has to be paid."

His cautious answers extolling the virtues of both upholding and overturning precedents thus set the stage for what could become a dramatic moment of truth at the high court in the two cases to be argued Wednesday.

"No law has ever been upheld where it is understood that part and parcel of the regulation is a requirement that a woman absorb an increased risk to her health," says Roger Evans, legal director of Planned Parenthood Federation of America, which is challenging the law.

US Solicitor General Paul Clement says the law does not impose an undue burden on a woman's access to abortion. "The act simply eliminates a disfavored and rarely used late-term abortion procedure," he says in his brief to the court. "No precedent of this court requires the judicial invalidation of that legislative measure."

With the retirement of Justice Sandra Day O'Connor, there is much speculation about how the new lineup of justices will rule on the issue. The last time the court considered a similar case, in 2000, it split 5-to-4. Justice O'Connor cast the deciding vote to strike down a similar partial-birth abortion ban enacted in Nebraska. Now, O'Connor has been replaced by Justice Alito. Many analysts say that Alito and Roberts will align with conservatives Antonin Scalia and Clarence Thomas.

On the other side, the liberal wing of Justices John Paul Stevens, David Souter, Ruth Bader Ginsburg, and Stephen Breyer is expected to hold firm. That would place Justice Anthony Kennedy in position to cast the deciding vote. Approving ban doesn't end abortion

But a vote by Justice Kennedy to uphold the statute wouldn't signal the potential demise of Roe, analysts say.

"There is a tremendous amount of space and a tremendous amount of time in years between the upholding of this statute [if the court votes to uphold it] and any direct threat to Roe," says David Garrow, a US legal historian who teaches at Britain's Cambridge University.

Although he might join the court's conservative wing to uphold the statute, Kennedy nonetheless remains a centrist who voted with Justices O'Connor and Souter to affirm the central holding of Roe in the 1992 Casey decision. Rather than enabling an all-out conservative assault on liberal abortion precedents, Kennedy is more likely to use his swing-vote power to moderate the more aggressive preferences of his conservative colleagues, some analysts say.

At issue in the two cases now before the court is to what extent states and the federal government can pass laws restricting abortions without including a health exception.

When Congress passed its partial-birth abortion statute in October 2003, lawmakers announced that they intentionally did not include a health exception in the statute because "a partial-birth abortion is never necessary to preserve the health of a woman."

That conclusion directly conflicts with the holding of the five-justice majority in the 2000 Nebraska case. Lawmakers said they reached a different conclusion based on evidence presented at various trials and at congressional hearings.

The law was immediately challenged in three federal courts. All three struck it down as unconstitutional, in part because it lacked a health exception as required in the high court's 2000 Nebraska decision. Abortion providers and other medical experts

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testified at the trials and disputed the congressional finding that the procedure was never necessary to preserve a woman's health. Rare procedure, sometimes safest

So-called partial-birth abortion is not a common procedure, but in certain instances, medical authorities say, it can be the safest option for women in their second trimester of pregnancy. The procedure involves widening the cervix, using forceps to extract the fetus, and then killing the fetus once it is partially removed from the woman.

The Partial-Birth Abortion Ban Act does not use medical terms to identify the outlawed procedure. It subjects doctors to two years in prison and imposes fines if during the course of performing an abortion either the head or the lower half of the fetus's body to the navel is outside the mother at the time the doctor kills the fetus.

Under the terms of the law, a doctor would avoid liability by killing the fetus prior to extracting it, rather than extracting it first.

Abortion supporters say the new law, if upheld, would force doctors to alter their abortion procedures to comply with a congressional mandate rather than having the flexibility to follow their professional judgment about the best treatment option.

"When a woman's health is at stake, women would like their physicians to make appropriate medical decisions - not their representatives in Congress," says Vicki Saporta of the National Abortion Federation.

In addition, the law places doctors in the difficult position of potentially having to consider their own legal liability rather than focusing exclusively on their patients' well-being, abortion-rights activists say. This could deter some doctors from performing second trimester abortions, they add.

Abortion opponents say that the law reflects the legal reality that the process of birth converts a fetus into a person with rights independent of the rights of the mother. The partial-birth abortion law draws a bright line to prevent a procedure that comes dangerously close to infanticide, they say.

In their written briefs to the high court, both sides are directing the thrust of their arguments at Kennedy. Kennedy upholds states' rights

In the 2000 Nebraska case, Kennedy didn't just issue a dissent. He launched an impassioned 25-page attack on the majority's position. He accused his fellow justices of betraying his understanding of the 1992 landmark Casey decision.

"When the court reaffirmed the essential holding of Roe, a central premise was that the states retain a critical and legitimate role in legislating on the subject of abortion," Kennedy wrote in his Nebraska dissent. He said the state's partial-birth abortion law was "well within the state's competence to enact."

Solicitor General Clement echoes that argument in his brief saying that Congress shares the same legislative power as the states to enact a ban. He says that Congress's legislative finding that partial-birth abortion is never medically necessary is entitled to deference by the courts.

Lawyers challenging the law are also reaching out to Kennedy in a different way. They are appealing to the Justice Kennedy who has taken a firm stance against Congress encroaching into what Kennedy views as the domain of the Supreme Court to identify and enforce the boundaries of constitutional rights.

In the partial-birth abortion law, the lawyers say, Congress is attempting to redefine abortion rights in open defiance of Supreme Court rulings protecting those rights.

"Congress has not merely promulgated a measure that poses a significant threat to women's health. Of equal concern, Congress has issued a rebuke to this court, challenging its pre-eminence as the branch of government whose duty it is to say what the law is," writes Priscilla Smith of the Center for Reproductive Rights in her brief. Key abortion cases

Roe v. Wade (1973) - The Supreme Court's 7-to-2 ruling established that a woman has a constitutional right to choose to end her pregnancy.

Planned Parenthood v. Casey (1992) - The high court's 5-to-4 decision reaffirmed the central holding of Roe v. Wade, while allowing that states may regulate abortion procedures as long as they don't put an undue burden in the path of a woman seeking an abortion.

Stenberg v. Carhart (2000) - In a 5-to-4 vote, the high court struck down a Nebraska statute that banned so-called partial-birth abortions. The court said the state law did not include an exception to protect the health of a woman and thus created an undue burden on the right to an abortion.

All Eyes On Kennedy In Court Debate On Abortion (WP)

By Charles Lane

The Washington Post, November 8, 2006

As the Supreme Court prepares for today's oral arguments on the federal "partial birth" abortion ban, both sides are focusing on the same question: "What will Kennedy do?"

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Four liberal justices are considered certain votes against the law, legal analysts said, and four conservatives are expected to uphold it. The pivotal figure in the biggest Supreme Court abortion battle in half a decade is Justice Anthony M. Kennedy, the 70-year-old centrist with an 18-year record of eclecticism on abortion and other social issues.

Abortion rights advocates believe that, despite his past support of a state ban on the late-term procedure that opponents call "partial birth," he may now assume the moderating "swing vote" role that retired Justice Sandra Day O'Connor formerly played. Kennedy's performance may not only determine the fate of this federal abortion law but also foreshadow the overall balance of power on a court that is still defining itself after the addition of two conservatives picked by President Bush.

"If he is the fifth vote, which is the conventional wisdom, we have to come up with something that explains why this case isn't like Stenberg v. Carhart ," the 2000 case striking down a state ban, in which Kennedy dissented, said Stanford University law professor Pamela S. Karlan, who co-wrote a friend-of-the-court brief for California doctors opposing the ban.

Supporters of the ban are attempting to convince Kennedy of the opposite. "If you look at all the briefs, they are all written to Justice Kennedy," said Benjamin W. Bull, chief counsel of the Alliance Defense Fund, an antiabortion legal organization.

Solicitor General Paul D. Clement quotes Kennedy's Stenberg dissent 22 times in his briefs defending the federal law, which was adopted by a wide margin in Congress and signed by Bush in 2003.

Bush's conservative appointees, Chief Justice John G. Roberts Jr. and Justice Samuel A. Alito Jr., have thin track records on abortion, and some court-watchers say they may not be sure to vote to support the ban.

As chief justice, Roberts might have institutional concerns if the court appears to abandon a major abortion ruling that has been on the books for only six years.

"Roberts might be convinced by stare decisis," the legal principle that favors sticking with established precedent, Karlan said.

Liberal Justices John Paul Stevens, David H. Souter, Ruth Bader Ginsburg and Stephen G. Breyer were in the majority in Stenberg and are unlikely to switch.

Conservative Justices Antonin Scalia and Clarence Thomas are firm opponents of Roe v. Wade , the 1973 case that legalized abortion nationwide.

But Kennedy has been known to change his position on big issues.

Last year, Kennedy wrote the majority opinion in a 5 to 4 ruling that banned the death penalty for juvenile offenders. He had voted to uphold it 16 years earlier.

In a major 1992 abortion case, Planned Parenthood v. Casey , Kennedy voted at the justices' conference to uphold Pennsylvania's strict abortion regulations but later switched and cast a fifth vote to reaffirm Roe v. Wade , according to internal court documents in the late Justice Harry A. Blackmun's papers at the Library of Congress.

This time, though, opponents of the ban must overcome not only Kennedy's vote in Stenberg v. Carhart but also the emotional dissenting opinion that accompanied it, in which he blasted "a procedure many decent and civilized people find so abhorrent as to be among the most serious of crimes against human life."

The procedure, known medically as "intact dilation and extraction," or "D & X," usually occurs in the second trimester of pregnancy. A doctor partially delivers a fetus, then suctions out its brain and collapses its skull to permit the head to exit.

The Guttmacher Institute, a reproductive-health organization affiliated with Planned Parenthood, has called the procedure rare and said only 2,200 were performed in 2000. Abortion rights advocates say the procedure is necessary in a relatively few cases when a fetus has a fatal birth defect such as anencephaly.

But abortion opponents say that estimate is too low and that the operation is tantamount to infanticide. In 1997, Nebraska, like many other states, outlawed it except when necessary to save a mother's life.

But the Supreme Court, by a vote of 5 to 4, struck down Nebraska's law, because it lacked an exception to preserve a mother's health. The court also ruled it was so vaguely worded that it might also criminalize other second-trimester abortion procedures.

In his dissent, Kennedy argued that the court had violated his understanding of the compromise forged in the Casey ruling: that the core right established in Roe would remain but states would have meaningful power to regulate abortion.

Like Nebraska's, the federal ban lacks a health exception. The Republican-controlled House and Senate instead issued "findings," based on congressional testimony, that the procedure is never necessary to protect a woman's health. Supporters of the law say the Supreme Court must defer to those findings.

Abortion rights advocates say the findings are wrong because "D & X" sometimes poses less risk of infection or surgical mishap than a common alternative, "dilation and evacuation," in which the fetus is pulled apart before being removed from the uterus.

So far all federal lower courts to rule on the law have said its lack of a health exception violates Stenberg . As a result, the ban has never been in effect.

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At the Supreme Court, abortion rights advocates hope Kennedy also feels bound by Stenberg , even though he opposed it at the time. They also believe Kennedy could be persuaded by new information about the need for a health exception that the court did not have before it ruled in 2000.

"This will appeal to Justice Kennedy's sense of wanting to look at the medical evidence," said Nancy Northup, president of the Center for Reproductive Rights, which represents Leroy Carhart, the Nebraska physician who also challenged that state's law six years ago.

The California Medical Association is trying another tack -- appealing to Kennedy's belief in states' rights.

The federal ban invokes Congress's authority to regulate interstate commerce. But the CMA's friend-of-the-court brief argues that Congress's commerce authority cannot trump the states' traditional regulation of medical practice -- a tradition Kennedy cited earlier this year in striking down a Justice Department effort to prevent Oregon doctors from prescribing lethal doses under that state's assisted-suicide law.

The CMA brief quotes passages from Kennedy's opinion noting that "regulation of health and safety is 'primarily, and historically, a matter of local concern,' " particularly when it comes to "the practice of medicine."

"If it weren't abortion, his opinion in the Oregon case would apply," said Karlan, who co-wrote the brief. "The hard thing in partial-birth abortion is that he has a visceral feeling and has already expressed distaste for the procedure."

Abortion Rights Groups Choose Insiders To Argue High Court Cases (LAW)

By Tony Mauro, Legal Times

Legal Times, November 8, 2006

When a high-stakes Supreme Court argument looms, litigants often turn to the heavy-hitting veterans of high court advocacy. Not so for the abortion rights groups who will be fighting the federal Partial Birth Abortion Ban Act of 2003 before the Court on Thursday.

When the pair of cases on the issue is called, staff attorneys Eve Gartner of Planned Parenthood and Priscilla Smith of the Center for Reproductive Rights will rise to the occasion. It's Gartner's first high court argument and Smith's second, but their bosses are confident about sending them into the fray.

"I didn't think about it for more than five seconds," says Planned Parenthood's Roger Evans, who adds that Gartner is the first staff lawyer to argue before the high court for the organization, which has been party to many of the major abortion cases in history. "She knows the issues better than anyone walking," says Evans, noting that Gartner has handled the case from the beginning.

Same story from Nancy Northup, president of the Center for Reproductive Rights, who says Smith was the only lawyer considered. Smith represented Nebraska physician LeRoy Carhart, who sued the state for prohibiting him from performing certain types of abortions, all the way through district court and the 8th U.S. Circuit Court of Appeals. "The facts really matter in this case," says Northup.

Smith won her first high court case in 2001: Ferguson v. City of Charleston strengthened privacy rights for pregnant women. Smith has "a cool head and a warm heart," says Northup. Smith is a Yale Law School grad; Gartner's from Columbia. They sat in on oral arguments recently, along with Kathryn Kolbert, who argued and won Planned Parenthood v. Casey in 1992.

Cambridge University professor David Garrow, a leading chronicler of the Court's abortion jurisprudence, thinks going in house was the right move. "Lawyers who've dealt with these issues for years have a mastery of abortion-specific issues and facts that no big-foot Supreme Court specialist could hope to equal."

Defending the law for the Bush administration in both cases will be a veteran: Solicitor General Paul Clement, who has argued 34 cases before the Court. He's had extra time to prepare; he did not argue any cases in October. One sign of the high interest in the case: The Court has authorized same-day release of argument audiotapes to the media.

Keep ‘partial-birth' Ban (USAT)

By Jay Sekulow

USA Today, November 8, 2006

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There is no reason to keep partial-birth abortion legal. It's a gruesome, barbaric procedure that occurs partly outside the mother's body, typically by inserting scissors into the back of the baby's head. As several of the justices hearing the cases today have acknowledged, it's hard not to label this procedure “infanticide.”

In 2000, the Supreme Court voted 5-4 to strike down Nebraska's ban on partial-birth abortion. Now — with two new justices — the court is considering whether the federal Partial-Birth Abortion Ban Act of 2003 is constitutional.

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Before passing the measure with wide bipartisan support, Congress spent more than eight years deliberating this issue and reached substantial factual findings. Congress held extensive hearings that included the presentation of medical testimony that graphically depicted the procedure's horror and highlighted that there is never a medical need for this procedure.

The Supreme Court must permit Congress to ban this nightmarish practice. Partial-birth abortion represents the bridge between abortion and infanticide. The government has a vital interest in preventing the spread of abortion into infanticide.

We view the challengers' argument as a claim that partial-birth abortion might in some cases be marginally safer for some women when compared with other abortion procedures. Such strained hypothetical scenarios do not justify knocking down the wall between abortion and infanticide. As Justice Anthony Kennedy wrote in dissent in the Nebraska case in 2000, such an argument "views the procedures from the perspective of the abortionist, rather than from the perspective of a society shocked when confronted with a new method of ending human life."

The Supreme Court has an important opportunity to do what it failed to do six years ago: allow an end to this horrific procedure. The truth is that the federal ban on partial-birth abortion is a valid — indeed essential — barrier against infanticide.

Jay Sekulow is chief counsel of the American Center for Law and Justice, which filed a brief with the Supreme Court on behalf of members of Congress who support the ban.

CIVIL RIGHTS:

FBI Investigating Va. Voter Calls (SLOT)

By Zinie Chen Sampson

AP, November 8, 2006

RICHMOND, Va. - The FBI said Tuesday that it is looking into complaints that callers tried to intimidate or confuse Virginia voters in the hard-fought race between GOP Sen. George Allen and Democratic challenger Jim Webb.

State Board of Elections Secretary Jean Jensen said her office had forwarded several reports to the FBI of voters receiving phone calls intended to discourage them from voting or directing them to the wrong polling place.

"If something is going on that worries and alarms voters enough that I'm contacted to look into it, I have a responsibility to do that," Jensen said.

The FBI is checking the reports, agent Stephen Kodak Jr. said.

Voters in several cities and counties across the state reported getting deceptive telephone calls in the days before the election informing them falsely that their voting places had changed, Jensen said.

According to a sworn statement filed with the Board of Elections, a man said he got a phone message from the "Virginia Elections Commission" telling him that he was registered to vote in New York and would be "charged criminally" if he voted in Virginia.

Another man said in an affidavit that he got a call from a woman claiming to be helping Webb. He said the woman gave him an incorrect polling place address after he told her he planned to vote for Webb.

Chris LaCivita, a consultant to the Allen campaign, said the calls did not originate with the GOP. "And it's sure as heck not coming from the Allen campaign," LaCivita said.

The Webb campaign said the calls were intended to confuse and discourage Virginians from voting.

"We've seen this tactic before and it is about time the Republicans learned that it will not work," said Jay B. Myerson, general counsel of the Virginia Democratic Party.

In the 2002 midterm elections in New Hampshire, Democratic get-out-the-vote phone banks and a ride-to-the-polls line run by firefighters were swamped by hang-up calls. James Tobin, a former top GOP official, was convicted in December of telephone harassment for his role in the effort.

New Mexico Democrats have filed court complaints similar to those in Virginia, accusing GOP callers of providing voters with incorrect information on polling locations in Albuquerque. A judge Monday refused to prohibit Republicans from calling voters.

In Ohio, a prosecutor also warned voters to be wary of fraudulent calls claiming that their voting precincts had been changed.

Bitter Webb-Allen Contest Goes Down To The Wire (USAT)

By Mimi Hall

USA Today, November 8, 2006

DOJ_NMG_0091832

RICHMOND, Va. — Democrat Jim Webb held a razor-thin lead over Republican Sen. George Allen early Wednesday, raising the likelihood that their bitter fight for Allen's seat would lead to a recount that could last into December.

Allen, a folksy senator with presidential ambitions, seemed to be on his way to an easy re-election just a few months ago — before Democrats began portraying him as a racist and criticizing him for supporting President Bush's war in Iraq.

Allen piled up big voting margins in conservative, rural counties across Virginia, but as election night wore on, the incumbent's support throughout the countryside was offset by Webb's strong showing in urban areas.

Webb, a low-key former secretary of the Navy who criticized Bush and Allen over the war, did particularly well in Northern Virginia's suburbs of Washington, D.C., in Richmond and in the Tidewater area, which is home to several military bases.

As it became clear that the outcome would be in doubt well into Wednesday and beyond, both sides reflected a mix of anxiety and confidence.

Allen noted that a few thousand votes were still to be tallied, and told cheering supporters here that "I know the counting will continue" and that "accuracy in elections will prevail."

At a hotel ballroom in northern Virginia, Democrats expressed growing confidence that Allen's seat — key to Democrats' efforts to take over the Senate — might become theirs.

Webb told more than 600 supporters that "it's going to take awhile, but some point very soon, I think we're going to be on top."

On TV, news commentators began talking recount.

In Virginia, the presumed loser can request a recount if the margin between the candidates is less than 1%, and late Tuesday it was nearly certain that would be the case — raising the possibility that it could be December before a winner is finally declared.

The State Board of Elections plans to meet late this month to certify a winner; after that the apparent losing candidate will have 10 days to ask for a recount.

The close finish capped a campaign that wound down in the same spirit in which it was waged for months: with rancor and accusations of wrongdoing, this time over whether voters were getting last-minute calls aimed at keeping them from the polls.

The FBI was investigating complaints from voters in several counties who reported receiving phone calls falsely telling them that their polling places had changed.

Allen, an affable and popular former governor often compared to Ronald Reagan in temperament and style, saw a healthy lead begin to evaporate in August when he called a Webb campaign volunteer of Indian heritage "macaca," a slur referring to a type of monkey. Allen said he made up the word on the spot and didn't know it was a slur.

The story prompted other reports that Allen, who once displayed a noose and hung Confederate flags in his home and office, had used racial slurs against blacks as a young man. He denied it.

In turn, Republicans denounced Webb as a near-pornographic writer for some steamy scenes in his best-selling war novels.

Webb also came under fire for comments he made about women in 1979. A former Reagan administration appointee, Webb wrote a magazine article in which he complained about women being admitted to the U.S. Naval Academy.

Allen used the article in TV ads in which women expressed anger over what Webb had said. Allen's campaign also referred to Webb as a "Hollywood novelist" and ran TV ads denouncing him for refusing to "be ashamed" of his novels.

The fact that late polls showed Allen and Webb neck-and-neck in a state that is home to the Pentagon and several big military bases was heartening to Democrats.

Although Allen has long held the support of the state's military, exit polls showed Webb, a onetime Republican who switched parties because of his opposition to the war, doing well around the bases.

As results came in, jittery Allen supporters filed into a hotel ballroom here.

When Fox News announced that the state's voters had approve a gay-marriage ban amendment, there was only subdued applause, a reflection of the anxiety in the room.

An Enormous Sigh Of Relief From Md. Election Officials (WP)

By Christian Davenport And Cameron W. Barr, Washington Post Staff Writers

The Washington Post, November 8, 2006

This time, the machines worked.

For the most part, anyway.

Despite scattered problems across Maryland, voting went off relatively well yesterday, as embattled state election officials avoided a reprise of the troubled September primary.

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Local election boards were almost gleeful that the electronic voting apparatus -- and the legions of election judges who operate it -- were able to bear the weight of a general election in which a high-profile U.S. Senate and governor's race brought out voters in droves.

In the District, where voter turnout was light, few problems were reported. And in Virginia, the FBI was investigating allegations of voter intimidation in several jurisdictions.

In the weeks before yesterday's elections, several top Maryland lawmakers said their confidence in the state's voting system had been badly shaken by human and technical mishaps in the Sept. 12 primary. And some, including Gov. Robert L. Ehrlich Jr. (R) and Montgomery County Executive Douglas M. Duncan (D), urged voters to stay away from the electronic machines and vote by paper absentee ballot instead.

By yesterday afternoon, however, Linda H. Lamone, administrator of the Maryland State Board of Elections, declared, "We're in good shape." And she said the reports of problems were "minuscule when you look at the whole enterprise."

"In many jurisdictions, we had a wake-up call on primary day, and I think everybody benefited from that," she said. "As a result, we got more training for our election judges so they could handle the equipment on Election Day."

Linda Schade, a spokeswoman for the election watchdog group TrueVoteMD, reported about 75 incidents of delays, check-in problems and technical issues, such as frozen screens and malfunctioning voting cards. But she had not heard of any broad failures such as the ones during the September primary.

During the primary, the electronic poll books, used to check in voters, repeatedly crashed -- a problem that officials said they had since resolved. Election judges in several jurisdictions showed up late or not at all. And in Montgomery, officials forgot to deliver the plastic automated cards needed to operate the electronic voting machines.

Since then, election officials wanted "to regain our good reputation in the election world, and I think we've proved that we did," said county election spokeswoman Marjorie Roher.

In Virginia, with the tight race between Sen. George Allen (R) and Democratic challenger James Webb, a handful of voters in at least eight parts of the state, including Arlington and Fairfax counties, complained of attempts to mislead them into not voting or going to the wrong polling place, said Jean Jensen, secretary of the State Board of Elections. Most of the voters received phone calls incorrectly telling them their polling places had changed.

The matter was referred to the FBI, which said it was investigating. An Arlington man, Timothy Daly, said in an affidavit that someone purporting to be from the "Virginia Elections Commission" left him a phone message Sunday saying he would be criminally charged if he voted in Virginia because he is registered in New York. In fact, Daly is registered in Arlington.

A computer glitch that cut off candidates' last names on the final summary page of ballots in Alexandria, Falls Church and Charlottesville did not cause major problems at the polls, officials said. Candidates names were visible in full on the page where voters made their selections.

But that didn't satisfy everyone. "It's inexcusable," said Falls Church resident Michael Slonim, 47, after casting his ballot. "It's criminal."

In Maryland, yesterday's election was "perfect" compared with the primary, said Bernice Gordon, an election judge at a Chevy Chase precinct. "This is a good system -- when it works," she said.

But there were scattered reports of problems.

Electronic voting machines at some precincts -- including polling places in Friendship Heights and Chevy Chase -- had to be taken off-line because they malfunctioned.

Some voters complained of "vote inversion," where a vote in favor of one candidate somehow was switched to another before the ballot was cast. Other voters said that they requested absentee ballots but said they didn't receive them on time and thus couldn't vote. And long lines -- particularly in Prince George's County -- lasting up to an hour or longer drove some voters away from the polls.

About a dozen Montgomery polling places had an early-morning scare when election judges realized that power cords for the poll books were missing. But the books were able to run on backup battery power, and election officials were able to deliver the cords within 90 minutes, Roher said.

Some voters complained that the touch-screen machines didn't record their votes correctly. Rytis Grybauskas, 49, a systems analyst for the Department of Labor from Carroll County, said he put his finger "squarely" on the box for the congressional candidate he wished to vote for. "But the candidate above got the 'X,' " he said.

He was able to correct the mistake, but it happened again when he tried to cast his vote for state delegate.

"It was very unsettling," he said.

Concerns about the electronic voting equipment drove a record number of voters to cast absentee ballots. But election officials underestimated the number of absentee ballots that would be needed, so some voters who requested the ballots did not receive them.

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Elizabeth Crowley of College Park said a ballot requested by her husband, David, on Oct. 24 arrived Monday -- too late, she said, because he had left for a temporary Air Force deployment three days before.

"I just think it's deplorable," Crowley said. "You'd think that after the botched presidential election [of 2000] we'd have this figured out by now."

FBI Launches Probe Of Virginia Pre-election Calls (CNN)

CNN.com, November 8, 2006

RICHMOND, Virginia (CNN) -- The FBI is taking a preliminary look at allegations that some voters in eight Virginia counties received deceptive phone calls before Election Day, law enforcement sources said.

State election officials expressed concern about the calls Monday but said they were hesitant to launch an immediate investigation for fear of politicizing the vote.

The Virginia State Board of Elections notified the U.S. Justice Department and state attorney general's office on Monday, said James Alcorn, the board's policy adviser.

He said neither state nor federal officials were likely to "get involved" until after the election. The immediate response to the allegations was voter education, he said.

Alcorn said the state board had received a "handful" of calls and complaints about alleged deceptive phone calls made to potential voters. Jean Jensen, secretary of the board, said it had received two notarized complaints, one from a voter in Arlington and the second from Northampton County.

The affidavit from Timothy Daly of Arlington, provided by the Board of Elections, said he got a message on his answering service Sunday in which the caller claimed to be from the Virginia elections commission.

The caller said that it had been determined Daly was registered to vote in New York and would not be allowed to cast a vote Tuesday in Virginia. If he did, he would be criminally charged, the caller reportedly said.

Jay Meyerson, an attorney advising Virginia Democrats, said late Tuesday it was determined Daly had been the victim of a hoax. The Democrats notified the FBI agent in charge of the investigation, Meyerson said.

In another affidavit, Lawrence Baumann stated that he was contacted Friday by a woman who said she worked for the campaign of Democrat Jim Webb, who is running for the Senate against Republican Sen. George Allen.

The woman told Baumann that his polling place had changed to West Reed Street. Baumann told her there was no such street in his city, and "that if she was supposed to be helping Webb, she needed to give correct information."

The woman didn't give the correct precinct or offer to get back to him with that information, Baumann stated. She said she was calling from California.

The Webb campaign said it does not make calls of that nature. Jensen, the election board secretary, said that any such communication would come in writing from election officials.

"Voters should not be intimidated or deceived by phone messages purporting to be from election officials," Jensen said. "Any communication from federal, state or local election officials will always be in written form clearly identifying the official source."

By Tuesday, reports had come from voters or elections board officials in eight counties about similar calls, the State Board of Elections said.

CNN's Kelli Arena and Ronni Berke contributed to this report

Voter Intimidation, Dirty Tricks Alleged (BSUN/AP)

By Deborah Hastings, The Associated Press

The Baltimore Sun, November 8, 2006

Problems reported with new electronic voting machines in some states

Election Day was tainted by complaints of dirty tricks that led to FBI investigations in at least two states, with some voters reporting intimidating phone calls, misleading sample ballots and even an armed man outside a polling place.

Nonetheless, poll watchers said voting across American went relatively well, despite machine malfunctions and long waits in some states.

"For 7,800 jurisdictions in this country, it looked like things came out pretty cotton-pickin' well," said Doug Lewis, executive director of Election Center, an nonpartisan organization of state election officials. "There were some problems, in some states, but overall it looks like all the predictions of disaster turned out wrong."

As polls closed nationwide, one of the worst waits appeared to be in Denver, where hundreds waited long past sunset at beseiged polling centers. They continued to wait, 90 minutes after the 7 p.m. close of voting. It was a miserable end to a day fraught with new voting machine problems and the longest statewide ballot in decades.

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"This is positively ridiculous," said Jack McCroskey, who leaned on a cane while waiting to vote. "At 82, I don't deserve to have to stand out here."

Voter intimidation accusations prompted others to claim that some voters were bullied from getting a chance to vote.

In Virginia, the FBI was looking at complaints of an apparently orchestrated series of phone calls in the hard-fought U.S. Senate race between Republican George Allen and Democrat Jim Webb. Some voters reported they got calls telling them to stay home on Election Day, or face criminal charges.

The liberal voter group MoveOn.org offered a $250,000 reward for information leading to a conviction for voter interference, which is a federal crime.

In Indiana, the FBI was investigating allegations that a Democratic volunteer at a polling site in the college town of Bloomington was found with absentee ballots after counting had begun.

Other states reported similar problems.

In Arizona, three men, one of them armed, stopped Hispanic voters and questioned them outside a Tucson polling place, according to voting monitors for the Mexican American Legal Defense and Educational Fund, which photographed the incidents and reported them to the FBI.

In Maryland, sample ballots suggesting Republican Gov. Robert L. Ehrlich Jr. and Senate candidate Michael S. Steele were Democrats were handed out by people bused in from out of state. Democrats outnumber Republicans in Maryland by nearly 2-to-1.

An Ehrlich spokeswoman said the fliers were meant to show the candidates had the support of some state Democrats. They were paid for by the campaigns of Ehrlich, Steele and the GOP. Some of the fliers include pictures of Ehrlich with Democrat Kweisi Mfume, a former NAACP president.

More than 80 percent of the nation's voters were expected to cast some type of electronic ballot today, which was the deadline for major reforms mandated by the federal Help America Vote Act, passed by Congress to prevent a rerun of the 2000 election debacle.

In some states, the effort to improve the integrity of the election system got off to a shaky start. Long lines formed, prompting appeals to judges to keep the polls open longer.

Kevin Caffrey, a 43-year-old school teacher from Denver and a registered Republican, was furious after he was forced to stand in line for more than an hour.

"Every individual who put me in line, I'm voting against them. I've been waiting in line like an animal. This is a nightmare," he said.

Some politicians, and their offspring, also were turned from the polls.

Sen. Hillary Rodham Clinton told reporters at a campaign stop near her home in Chappaqua that her daughter, Chelsea, had been turned away at a Manhattan polling site because her name did not appear in a book of registered voters. She was offered an affidavit vote, similar to provisional ballots used in other states.

In South Carolina, Gov. Mark Sanford was sent away away because he didn't have a voter registration card. He went back with the right identification.

Computer glitches and poll workers' unfamiliarity with the new equipment were also blamed for long lines in states including Ohio, Tennessee, South Carolina and Illinois.

U.S. District Court Judge Dan A. Polster in Ohio ordered polls stay open until 9 p.m., 90 minutes after closing time, after the Ohio Democratic Party sued Cuyahoga County because of crowded precincts.

Cuyahoga County, home to Cleveland, suffered 14-hour voting lines in 2004. Today, problems with ballot-reading machines caused delays of more than an hour. For the first time, all 88 Ohio counties used electronic voting -- either touch-screens or paper ballots that are electronically scanned.

Machine Problems, Ballot Probe Mar Voting In Indiana Counties (FWNS)

By Cliff Brunt

The Fort Wayne News-Sentinel, November 8, 2006

Problems with electronic voting overshadowed concerns over Indiana's new voter ID law in its first general election test.

Neither, however, turned into the disastrous Election Day some critics had predicted.

"It has not been a perfect election, but I believe it has been a fair election that will produce accurate results," Secretary of State Todd Rokita said Tuesday.

Democrats who have challenged the voter ID law in court argued it would deter participation by certain groups, including the poor and elderly, but few problems were reported.

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Instead, many of the election problems stemmed from new voting machines Indiana counties were required to use under the Help America Vote Act, which was passed after the 2000 presidential race.

In Monroe County, however, state police, election officials and the FBI looked into allegations that a Democratic volunteer was found with unprocessed absentee ballots in her possession after the county began tallying absentee votes.

The county is the largest in the 9th Congressional District, where Democrat Baron Hill regained the seat he lost to Rep. Mike Sodrel in 2004.

Both campaigns expressed concern that improper activity had occurred.

"It would be really unfortunate that anybody from any party would expose themselves to possible violations of the law to win elections. That's not how you conduct an election," Sodrel said, hours before conceding defeat in the hotly contested race.

About 20 ballots were in question, Jack Schmit, a Republican member of the county election board, told The Herald-Times of Bloomington.

County Clerk Jim Fielder told The Associated Press late Tuesday that the incident had been blown out of proportion. He said election officials had not discovered any irregularities in the precincts that they had counted.

In Delaware County, blue start cards that activate the push-button machines were programmed incorrectly in 75 Delaware County precincts by MicroVote General Corp., the company that installed software in 47 Indiana counties, County Clerk Karen Wenger said.

The problems were fixed by late morning, but a court order extended voting to 8:40 p.m. local time.

In northern Indiana's LaPorte County, two polling places stayed open late because of difficulties getting machines to operate properly.

In Marion County, Indiana's largest, electronic optical-scan machines that read paper ballots did not work correctly for early voting in more than 100 precincts. Some workers had trouble connecting optical-scan machines to new touch-screen models, which handicapped voters use, said Marion County Clerk Doris Anne Sadler.

Despite the glitches, officials were pleased with the turnout, which Rokita had predicted would exceed the 38 percent in the 2002 midterm election.

Officials in northern Indiana's St. Joseph County said more than 8,500 people cast absentee ballots, nearly a 55 percent increase over 2002, county officials said.

"Everyone is saddened by what they've seen over the past few years in regards to this country," said Democrat Joe Donnelly, who unseated Rep. Chris Chocola. "Everyone loves this country so much they are flocking to the polls to vote for change and for a new direction."

Cheating To Avoid A Beating? (NYDN)

By James Gordon Meek, Daily News Washington Bureau

New York Daily News, November 8, 2006

WASHINGTON - The FBI yesterday was investigating reports of Election Day dirty tricks amid allegations of padlocked offices, cut phone lines, threats of arrest, "robo-calls" and hacked Web sites around the country.

Justice Department spokesman Brian Roehrkasse said there was no indication of widespread fraud, but FBI officials confirmed agents were probing several incidents.

"We'll look into these matters to see if there are any potential violations," one FBI official said.

Both Republicans and Democrats flung allegations, denials and counteraccusations.

"Why do we need Jimmy Carter observing overseas elections when there's so much work for him here at home?" said Carl Tobias, a University of Richmond political analyst.

There were also reports of problems with electronic voting systems and scanners that record paper ballots in several states, including Colorado, Indiana, Ohio, Pennsylvania and Utah.

Voters complained of long lines in several states. In North Carolina, about 100 voters were left waiting at a church because the poll worker who had the key showed up nearly an hour late.

South Carolina Gov. Mark Sanford was turned away from the polls because he had forgotten to bring his voter identification card. He had to go home and get it before poll workers would let him cast a ballot.

But some of the glitches reported around the country seemed far from accidental.

In New Jersey, GOP Senate contender Tom Kean Jr.'s campaign office was allegedly chained shut with padlocks and keys broken off in locks.

In upstate New York, Democrat Dan Maffei, who is challenging Republican Rep. Jim Walsh, said a GOP operative claiming to be a Maffei staffer shooed away voters at a polling site.

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Voters also reported getting slammed with automated "robo-calls" that began, "I'm calling with information about Dan Maffei." The calls were not made by his campaign, but were intended to get voters annoyed with Maffei.

In Virginia, Democratic Senate hopeful Jim Webb's campaign released a taped message left for an Arlington County Democrat by the nonexistent "Virginia Elections Commission." The caller said the resident was registered to vote in another state and could be jailed if he tried to cast a ballot in Virginia.

Efforts also were made to steer voters to the wrong polling site.

"A call was made to voters saying, 'This is your new voting location,' and it was not the person's voting location," election official Valarie Jones said.

Sen. George Allen (R-Va.), Webb's opponent, reported phone lines at his office went dead for the second day.

In Michigan, GOP officials said Mike Bouchard's Senate campaign Web site was attacked.

In Kentucky, a poll worker was arrested after allegedly choking a voter after arguing over a ballot issue.

Voting monitors in Arizona said three men, one of them armed, stopped Hispanic voters and questioned them outside a Tucson polling place.

News Wire Services

Glitches Made Voting Tough For Some (USAT)

By Richard Wolf And Alan Gomez

USA Today, November 8, 2006

Voters in many states endured long lines, complex rules, balky machines and confused poll workers Tuesday — but most election experts called it progress.

Problems at polling places were widespread, forcing eight states to extend voting hours. None of the problems, however, rose to the level that plagued the 2000 presidential election in Florida. Primary election meltdowns in Illinois, Ohio, Maryland and elsewhere also were not repeated.

“It looks like it actually went better than everybody expected,” said Doug Lewis of the Election Center, which represents state and local elections officials. “My God, it's a big country, and you'd expect some glitches.”

The worst problems were caused by computers, such as Denver's adventure with a digital voter verification system. Others were caused by fast-changing laws and court decisions that had voters and poll workers confused about what identification was required to vote. Still others were caused by a good thing: heavy turnout.

“We had several people say it's like the longest airport security line they've ever been in,” said Julie Bowen of Denver, where voters waited two to three hours to vote. The upside? A chance “to meet lots of new neighbors.”

Even elected officials had trouble negotiating the voting process. Missouri Secretary of State Robin Carnahan was asked for identification that wasn't required. South Carolina Gov. Mark Sanford was turned away because he didn't have his voter registration card. Ohio Rep. Steve Chabot had to go home for better ID; fellow Rep. Jean Schmidt had trouble with her optical-scan voting machine.

Exit polls showed 88% of voters were confident the votes in their states would be counted accurately. Still, Chellie Pingree of Common Cause, which ran a hotline for aggrieved voters, said, “Many of our calls are from people who just don't trust their vote anymore.”

In Denver, 55 centralized vote centers that replaced 400 neighborhood precincts caused traffic jams, made worse by the slow operation of the county's digital database and ballots crowded with initiatives. Even Democratic gubernatorial candidate Bill Ritter waited nearly two hours to vote.

In Delaware and Marion counties in Indiana, computer errors caused problems in nearly 200 precincts. A court order extended voting for nearly three hours in Delaware County to make up for late starts.

In Cuyahoga County, Ohio, which includes Cleveland, a federal judge ordered polls kept open an extra 90 minutes because of long lines and late openings caused by machine problems. The county was the scene of the worst voting problems during this year's primaries and had taken extensive steps to improve training for poll workers. County elections chief Michael Vu said some machines didn't work, and some technicians didn't show up or couldn't fix them.

Those and other problems were not unexpected in a system that has changed dramatically since Florida's adventure with “hanging chads

on punch cards in 2000. About 30% of the nation was working with new equipment this year under deadlines imposed by the Help America Vote Act of 2002. Many experts viewed it as a test run for the 2008 presidential election and deemed it a success.

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"We said there were going to be a few glitches, and there are," said Paul DeGregorio, chairman of the U.S. Election Assistance Commission, which was created after the 2000 voting debacle. "We're using technology. We're using electronics. At times, machines do break. But there's backups — paper backups, provisional voting."

Tova Wang, an elections expert at the Century Foundation, a non-partisan think tank, said, "There's no national meltdown. There's the kind of isolated problems that do disenfranchise people. None of this should come as a shock to anyone."

The FBI was called into Virginia to investigate possible voting irregularities after it received a call from state Elections Board Secretary Jean Jensen on Monday night. Federal investigators were reviewing reports that some voters received telephone calls directing them to the wrong polling places or discouraging them from voting, FBI spokesman Stephen Kodak said.

Problems crossed state lines:

·Some touch-screen machines didn't start. Others recorded votes incorrectly. "It's like a car or any other machines," said Tuscarawas County, Ohio, deputy elections director Sarah Kneuss. "Sometimes some … don't work."

·Voters were turned away for lack of proper identification, even where strict laws requiring photo ID had been struck down by courts. The problem was reported in Arizona, Georgia, Missouri and other states with laws blocked by judges.

·Polling places ran out of paper ballots. In Jefferson County, Mo., voter Scott Brotherton said he had to wait an hour for more ballots. "I've counted 20 people walk away," he said.

Voting hours were extended because of delayed openings, long lines or machine malfunctions in parts of seven states: Georgia, Illinois, Indiana, North Carolina, Ohio, Pennsylvania and South Carolina. Voting at one site in Madison, Wis., was extended because of delays caused by a bomb threat.

There were other reports of suspected dirty tricks. In Arizona, three men, one of them armed, questioned Hispanic voters outside a Tucson polling place. In New Jersey, vandals attacked Republican Senate candidate Thomas Kean's headquarters.

In Maryland, Republicans paid for sample ballots meant to link GOP candidates for governor and Senate to the state's dominant Democratic Party.

"Things appear to have gone much more smoothly than a lot of people feared," said Dan Tokaji, an Ohio State law professor. "It certainly could have been a lot worse."

Minor Glitches Beset Some Polling Locations Worker Miscues, Long Lines And New Machines Abound; Voter Suppression Is Alleged By JUNE KRONHOLZ, CHRISTOPHER CONKEY And YOCHI J. DREAZEN (WSJ)

The Wall Street Journal, November 8, 2006

It was messy: There were complaints of computer glitches, long lines, problematic voter rolls, poll-worker errors and even missing extension cords.

But fears that new voting equipment and high turnout might lead to a massive breakdown of the election system seemed, at least initially, to go unrealized.

In DeKalb County, Ga., Latitia Naghise, a human-resources technician, said she attempted to vote for Mark Taylor, the Democratic candidate for governor, but her touch-screen voting machine twice tried to record her as voting for Republican Sonny Perdue.

A polling place in Will County, Ill., south of Chicago, was ordered by a court to stay open when the election judge didn't show up with the ballots. "I still haven't heard from him," said clerk Nancy Schultz Voots, who said she collected the ballots from his daughter hours later.

In Cleveland, a federal judge extended voting hours at 16 polling places because machine problems prevented polls from opening on time. Polls in seven other states were kept open late, generally because of voting-machine problems.

Heavy demand for absentee ballots apparently overwhelmed clerks. Voters complained they hadn't received their ballots, prompting an initially unsuccessful legal attempt by some voters in Anne Arundel County, Md., to extend the deadline. Both parties -- and even Maryland Gov. Robert Ehrlich -- had advised residents to vote absentee out of wariness of new electronic machines.

Republicans complained about voting irregularities and campaign vandalism in more than a dozen states throughout the day, an apparent effort to counterbalance election-problem complaints from Democrats. Missouri Republicans alleged that liberal-activist groups were buying votes in Kansas City by offering free lunches to voters and then driving them to the polls.

In a radio interview, Republican National Committee Chairman Ken Mehlman said Democrats are "always crying wolf when in fact, if you look historically, they have been the ones that very often have been responsible for the irregularity."

Democrats were concerned about what they regarded as misleading sample ballots being distributed in Maryland that allegedly represented top Republican candidates as Democrats, and suggested they had been endorsed by African-American

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leaders. In Virginia, the party said the Federal Bureau of Investigation was investigating allegations of voter suppression from automatic calls warning voters to stay away from the polls. Stacie Paxton, Democratic National Committee press secretary, charged that "Republicans have a history of using voter suppression and intimidation tactics and this election is no different."

In other places, high turnout created its own problems. Election officials raced across St. Louis to deliver additional voting machines, as lines grew long and tempers ran short.

"We've never had this kind of turnout -- ever," Matt Potter, deputy director of the St. Louis Board of Election Supervisors, told a restive crowd of about 100 would-be voters as he helped install two new touch screens along with the four in use at the West Pine apartment complex.

Many of the problems seemed to result from new equipment, identification requirements and voter-registration lists required by the Help America Vote Act. That 2002 law made billions of dollars available to assist states in replacing their punch-card and lever voting machines and assemble statewide voter databases by this year.

Many states were late meeting the deadlines, and about 55 million voters were using new voting equipment this year. In many states, voter databases -- which tell poll workers who is eligible to vote and where -- haven't been cleaned of misspelled names and other simple errors that could keep voters from being able to cast ballots.

Liberal activists have worried that transition problems could cause elderly and minority voters to give up in the face of long waits. "I said, 'Stick around, they might get something going,' " said Fred Neal, a retired auto worker who was monitoring voting in an East Cleveland, Ohio, polling place for a clean-election advocacy group. Mr. Neal said only four of a dozen or more voting machines were working early in the day, and voters were beginning to leave.

The Election Protection Coalition, a group of mostly liberal-activist organizations, said it had received 17,000 calls to its complaint line by 6 p.m., with more complaints from Ohio than any other state. Most calls were informational, including questions about the location of polling stations.

Public interest focused on the voting machines, and calls to Election Protection and other hotlines pointed to programming glitches and training problems. There were numerous examples of vote "jumping" -- when a vote cast one way on a touch screen registers the other way on a machine's summary page.

Carol Marchant, a Fairfax, Va., lawyer, said her vote jumped on the state's gay-marriage amendment, although she was able to correct her choice. "I voted 'No,' it came up 'Yes.' Somehow it switched," she said. Bridget Williams, a DeKalb County, Ga., communications worker, said her Democratic votes jumped to the Republicans in races for governor, secretary of agriculture and state supreme court.

Republicans had the same complaint. Mark Sheridan, a lawyer for the Republican committee in New Jersey, said some voters complained that machines had been "preset" with votes for Sen. Robert Menendez, the Democrat, and wouldn't register votes for Tom Kean Jr., the Republican. In Ohio, Republicans complained that Democratic poll watchers were trying to help or talk with voters as they cast their ballots.

There were numerous reports of machines that wouldn't work, and poll workers who didn't know how to fix them.

A Broward County, Fla., polling place opened three hours late because a poll worker inserted the ballots for one precinct into the machines of another.

"Everything they were doing, they were doing incorrectly." said Mary Cooney, spokesperson for Broward County's election supervisor.

In Clinton, Md., Rene Ballard, a government worker, said long lines formed at her polling place at a Moose Lodge because only four of 16 touch screens were working. "A lot of people were leaving -- they had to get to work," she said.

The Board of Elections in Baltimore County, Md., said "six or seven" precincts were short on extension cords used to plug in touch-screen machines. Deputy Director Katie Brown said the machines could have run on backup batteries, but some voters complained they were taken out of service until cords were delivered.

Elections officials characterized machine snafus as rare and manageable, but some advocates and voters said poll-worker mistakes painted a more troubling picture. "It all sounds innocuous, but the sum total is enormous," said Pamela Haengel, head of the Voting Integrity Alliance of Tampa Bay, Fla., a nonpartisan-activist group.

--Gary Fields and John D. McKinnon contributed to this article.

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Number Of Civil Rights Voting Complaints 'low' (CNN)

By Terry Frieden, CNN Washington Bureau
CNN.com, November 8, 2006

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WASHINGTON (CNN) -- As polls began to close in the East, Justice Department officials said voter complaints to federal officials had been "low" on Tuesday.

Fewer than 200 calls were received by the Civil Rights Division hotline in Washington, down from about 1,200 complaints received during the 2004 elections.

"Nearly all of the civil rights and access problems dealt with minority language voting issues," said one Justice Department official familiar with federal election monitoring. The official was unaware of any cases in which voters were denied the right to vote based on race or ethnicity.

A second Justice Department official described the number of voting access issues as "low to normal."

"Every election there are always going to be problems, and there were some this time, but there was nothing really out of the ordinary," the official said.

The officials asked not to be identified because the Justice Department does not comment officially on election-related issues.

Justice officials also described criminal fraud issues as relatively low. The officials confirmed there had been scattered complaints relating to alleged intentional acts directed at voters. Although they provided no specific numbers, they said the scope of such allegations were not out of the ordinary for recent election cycles.

"It will take a day to sort out exactly what complaints were received," one of the officials said. Justice Department officials would not comment on any specific problems that arose Tuesday.

The FBI confirmed agents had conducted a preliminary inquiry into allegations of possibly fraudulent telephone calls to several dozen voters allegedly aimed voter suppression. (Full story)

NAACP Alleges Voting Irregularities (WXYZ)

WXYZ-TV, ABC 7, Detroit, November 8, 2006

With just a few hours before the polls close there are allegations of voting irregularities. Tuesday afternoon, the NAACP called for an emergency news conference in Detroit.

The NAACP said they received approximately 74 complaints on their voter hotline by voters who believe they were registered, but were turned away at the polls because their names did not appear on the registration list.

Rev. Wendell Anthony, Detroit NAACP, said "The constitution guarantees every American the right to vote and when you’re one of the 74 and your vote is not counted, you have a problem. We in the NAACP have a responsibility; we have a duty to make certain that every vote counts. That’s why we have monitors out, that’s why we have challengers out. We have 108 lawyers out in every precinct in this city. That’s why we cannot sit by and wait for a barrage of complaints to come in."

The NAACP has also accused two people of posing as election officials in polling places.

Rev. Anthony said the election is too critical for voters to be turned away. The NAACP has filed complaints with the U.S. Justice Department.

House Democrats Seek Probe Of Republican Campaigning (Update1) (BLOOM)

By Molly Peterson

Bloomberg, November 8, 2006

Nov. 7 (Bloomberg) -- Two Democratic U.S. lawmakers accused Republicans of ``possibly illegal'' campaign tactics, claiming they arranged automated, late-night telephone calls to spark voter anger against Democrats running in today's election.

The so-called robo-calls may have violated federal and state laws, Representatives John Conyers and John Dingell, both of Michigan, said in a letter that urged the Justice Department, the Federal Election Commission and the Federal Communications Commission to investigate.

The often-repeated calls were designed to ``generate anger'' at Democratic candidates by leading voters to believe Democrats made them, the lawmakers said yesterday in the letter. With control of Congress on the line in today's voting, both parties are watching the other's last-minute campaign tactics.

``In fact, the calls are being funded'' by the National Republican Congressional Committee, ``which has reportedly provided $600,000 to fund this deception,'' Conyers and Dingell wrote.

NRCC spokesman Ed Patru said the group wasn't associated with any illegal calls. There are ``hundreds of groups'' from various political parties that could make such calls, he said.

All NRCC-sponsored calls ``are in adherence with all the laws pertaining to political calls,'' Patru said. ``All of our calls have NRCC disclaimers, and they're made between the hours of 9 a.m. and 8 p.m.''

Justice, OPM Send Observers To Polling Places (FCW)

By David Hubler

Federal Computer Week, November 8, 2006

The Justice Department has sent more that 500 federal observers and more than 350 other employees to 69 jurisdictions in 22 states to monitor today's midterm elections. The record-breaking effort partially reflects voters' concerns about the balloting process, namely the accuracy and functioning of electronic voting machines.

The number of federal workers dispersed for the election is more than double the total sent on Election Day 2002, the previous record for observers at a midterm election, according to a Nov. 6 Justice statement.

Since passage of the Voting Rights Act of 1965, Justice has regularly sent observers and monitors around the country to protect election-related civil rights, the statement reads. This summer, President Bush signed the reauthorized Voting Rights Act, which protects Americans' rights to participate in the electoral process without discrimination.

Under the law, Justice is authorized to ask the Office of Personnel Management to send federal observers to areas that have been certified for coverage by a federal court or the attorney general.

Included among the 69 jurisdictions in 22 states where OPM observers and/or Justice employees are monitoring polling places today are: Chambers, Lee and Tuscaloosa counties in Alabama; Broward, Duval, Hillsborough, Osceola and Palm Beach countries in Florida; Chicago and Cook County, Ill.; Boston and Springfield, Mass.; Bergen, Essex, Hudson, Middlesex and Salem counties in New Jersey; Kings, Queens, Richmond and Westchester counties in New York; and Cuyahoga County, Ohio.

News reports today state that the FBI is looking into possible voter intimidation in the Virginia Senate race between Republican Sen. George Allen and Democrat Jim Webb.

State election officials alerted Justice Nov. 6 to several complaints of suspicious phone calls to voters that attempted to misdirect or confuse them about Election Day. They said the FBI is investigating.

DOD re-signs Stanley contract

The $63 million prime contract calls for the systems integrator to continue providing end-to-end IT and information assurance support for the Joint Strike Fighter Program Office.

CDW-G adds 5 companies to small-business consortium

The company selected five new members for the Small Business Partner Consortium through a competitive process after it solicited small businesses to partner on federal business opportunities.

Record Number Of Feds Monitor Elections (FEDTIMES)

Federal Times, November 8, 2006

The Justice Department deployed an unprecedented number of federal employees to monitor today's midterm election. More than 500 observers assigned by the Office of Personnel Management and more than 350 Justice employees were sent to 69 jurisdictions in 22 states.

The figures more than double the total sent on election day in 2002, which was the previous record for a midterm election, according to a department news release.

Under the 1965 Voting Rights Act, which President Bush reauthorized this summer, Justice can ask OPM to send federal observers to areas that have been certified for coverage by a federal court or the attorney general.

The observers and monitors will watch and record activities during voting hours at select polling locations. Justice's Civil Rights Division is coordinating the federal activities and contact with local election officials. In addition, the department has deployed observers and monitors who speak Spanish, Arabic, and a variety of Asian and Native American languages.

The OPM observers and Justice employees will monitor whether certain counties and localities are complying with federal voting laws by, for example, determining whether any voters are challenged improperly on the basis of their race, color or membership in a language minority group; whether polling places are complying with the language minority provisions of the Voting Rights Act; whether voters who are blind, have disabilities, or are unable to read or write are allowed assistance by a person of their choice; and whether all eligible voters are allowed to cast a ballot, or at least a provisional ballot.

Justice, OPM Dispatch Hundreds Of Poll Watchers (GOVEXEC)

By Tom Shoop

Government Executive, November 8, 2006

The Justice Department and the Office of Personnel Management have dispatched more than 850 people to monitor Tuesday's voting -- a record number for a midterm election.

Under the 1965 Voting Rights Act, Justice is authorized to ask OPM to send observers to specific locations that have been certified by a federal court or the attorney general after allegations of civil rights violations surfaced. Justice officials announced

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Monday that they had requested 500 such observers, and that more than 350 of the department's own employees also would serve as monitors.

The observers have been sent to 69 locations in 22 states. Before 1976, monitors concentrated their efforts in just five states: Alabama, Georgia, Louisiana, Mississippi and South Carolina. Now observers are dispatched to polling places ranging from Kings County, N.Y., to Orange County, Calif.

OPM has a pool of 900 intermittent employees who are called into service as monitors on an as-needed basis, according to Nancy Randa, OPM's deputy associate director for human resources products and services, who testified on the agency's role before a House subcommittee in November 2005. The pool includes federal retirees, students, private sector workers and full-time employees of other federal agencies.

The observers "serve as neutral monitors, who do not intervene if there are violations," Randa testified. "They only watch, listen and record events that occur at particular polling sites on election days." They participate in one-day classroom training sessions prior to serving, and attend pre-briefing sessions the day before elections.

Between 1966 and this year, OPM sent a total of more than 26,000 observers to election sites.

Ban On Same-Sex Unions Added To Va. Constitution (WP)

By Chris L. Jenkins

The Washington Post, November 8, 2006

A constitutional amendment banning same-sex marriage and civil unions in Virginia passed easily yesterday, adding the state to more than 20 others that have prohibited the practice.

The measure was strongly backed in all parts of the state except for Northern Virginia, where a majority of voters appeared to agree with the argument that the amendment would affect all unmarried couples, not just gay ones.

Amendment supporters in Virginia said the early returns demonstrated that their message of protecting traditional marriage had resonated with voters, despite efforts of opponents to characterize the amendment as writing discrimination into the state Bill of Rights.

"Despite an incredibly difficult political environment, a closer-than-anticipated Senate race, a well-funded opposition and a media that ignored the real question on the ballot, the measure passed," said Victoria Cobb, executive director of the Family Foundation, which helped organize support for the amendment. "All that matters tonight is that marriage is protected in the commonwealth. We can say once and for all that Virginians have rejected redefining marriage."

Voters who backed the amendment said they saw the measure as an opportunity to enshrine their belief in traditional marriage in the state's fundamental document. Several also said that they had no animosity toward gay people but that marriage was an institution that should be reserved for heterosexual couples.

"I'm not an ultraconservative when it comes to homosexuals. I have some wonderful friends who are homosexual, but I think marriage is between a man and a woman," said Ann Potocnak, 37, of Prince William County.

Opponents suggested that the effort to explain their position -- that the amendment would harm a broad swath of Virginians -- would have benefited from more time and advertising.

"Obviously, we're disappointed," said Claire Guthrie Gasta?aga, campaign director for the Commonwealth Coalition, the group leading the opposition. "Even though we reached out as much as we could, the bottom line is that we ran out of time and money that we needed to convert as many voters as we needed. I remain convinced that an informed voter was a no voter."

Virginia was one of eight states to have constitutional amendments banning same-sex marriage on ballots yesterday, and voters in South Carolina and Tennessee approved them. Early returns showed support for the proposals in Idaho, Wisconsin and Colorado. Opponents in Arizona were hopeful that that state would be the first in the country to defeat a constitutional ban on same-sex marriage.

Two other Virginia constitutional amendments -- one that would allow churches to incorporate and another that would give the General Assembly authority to allow local governments to offer tax breaks to certain homeowners -- also gained voter approval by wide margins.

Even though same-sex marriages and civil unions are illegal in Virginia, supporters said the amendment was necessary to protect against judges who might rule that the current statute is unconstitutional, as happened in Massachusetts in 2003. They also pointed to a decision late last month by the New Jersey Supreme Court requiring that state to provide gay couples with the same rights as heterosexual ones as reason to back the proposal.

Opponents of the measure, who raised more than $1 million during the race, focused their campaign on the second and third lines of the ballot question, which read in part that Virginia would not create a legal status for unmarried couples that sought to "approximate . . . the effects of marriage."

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They said that the wording was too broad and that once Virginians understood that the amendment would also ban civil unions and domestic partnerships, they would vote against it. They were backed by a slew of legal experts and Democratic state politicians, including Gov. Timothy M. Kaine, who campaigned against the measure throughout the fall. Kaine also raised concerns about the amendment's effect on the state's business climate.

Supporters rejected the argument that the measure would affect all couples, citing a legal brief prepared by Attorney General Robert F. McDonnell (R) that argued that the rights of unwed couples to enter into contracts would not be threatened by the amendment because such rights flow from common law, not solely from marriage.

Voters who supported the amendment appeared to be unconcerned about -- or unaware of -- the opponents' argument. In many cases, supporters said that their belief in traditional marriage overrode any concerns about potential impacts.

"I feel [same-sex couples] should have rights as far as benefits are concerned, but I feel marriage should be between a man and a woman," said Chris Murray, 36, a mortgage broker from Fairfax County. He said he realized that there was a chance the amendment would lead to the loss of legal rights for same-sex couples, but "you can't vote 'maybe' or 'kind of,' " he said.

Those who voted against the ballot question said they believed that the amendment was unnecessary, with several calling it a cynical distraction from real issues affecting residents.

"It's already there. Why go on and drag this out, just because some religious groups want to exclude certain things from certain people that have different lifestyles?" asked Frans Hagen, 72, a retired restaurant executive from Annandale who runs an education foundation.

Macon Council Votes To Pursue City-county Consolidation (MACT)

By Travis Fain

The Macon Telegraph, November 8, 2006

Macon-Bibb County consolidation took a small step forward, the City Council approved a new method for collecting garbage fees and city officials increased the 911 surcharge for cellular telephones today.

During today's Macon City Council meeting, the council voted 9-6 to push toward unification of the Bibb County and city governments and ask the Middle Georgia Regional Development Center to draw new voting district lines.

"This is the time for consolidating our governments," said Councilwoman Filomena Mullis, who sponsored the resolution.

"From what I'm hearing in the community, a vote would not pass," countered Councilwoman Elaine Lucas.

There are several more steps before consolidation could become a reality. The Bibb County Commission also is expected to take up the issue before the RDC draws new voting districts for a proposed nine-member, countywide governing body. Then the commission and council would vote again on those districts, and the state Legislature would need to approve them. The U.S. Justice Department would have to sign off on the districts before a countywide referendum would be held. Similar consolidation efforts have been rejected in Bibb County.

Though Tuesday's vote was a first step of sorts, it generated more debate than any of the other 34 items on the council's agenda. In the end, council members Mullis, Rick Hutto, Mike Cranford, Ed DeFore, Anita Ponder, Willette Hill-Chambliss, Miriam Paris, Nancy White and Cole Thomason voted for the measure. Council members Lucas, Brenda Youmas, Alveno Ross, Henry Ficklin, Charles Jones and James Timley voted against it.

Tiny Austin Water District Challenging Voting Rights Act (AAS)

By Marty Toohey, AMERICAN-STATESMAN STAFF

Austin (TX) American-Statesman, November 8, 2006

MUD claims provisions may be unconstitutional

Four years ago, a water utility in Northwest Austin wanted to move its polling place out of a garage but was required to ask the federal government for permission and wound up paying $1,250 in legal fees.

Now, in response, the Northwest Austin Municipal Utility District No. 1 has filed a lawsuit against the Department of Justice that could wind up eliminating portions of the Voting Rights Act.

The lawsuit, filed Aug. 4, challenges the federal government's authority to require certain areas with a history of discrimination at the polls, including Texas, to get "preclearance" before changing aspects of how they conduct their elections.

The lawsuit says that the district should be released from the requirement because it has no history of racial discrimination and that if not exempted on those grounds, it should be released because the requirement is unconstitutional.

The lawsuit has the support of people who say the provision is a holdover from a bygone era and does not protect the rights of minority voters.

Edward Blum, a fellow at the American Enterprise Institute and critic of the Voting Rights Act, wrote a paper in July that predicted legal challenges would soon overturn preclearance.

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Blum, who earned a bachelor's degree from the University of Texas, concluded his paper by writing, "It simply isn't 1965 anymore in the Deep South. But it may take the Supreme Court to tell that to Congress."

The lawsuit has alarmed civil-rights and minority-rights groups, who say all portions of the Voting Rights Act are still necessary. The act was passed in 1965 but was re-authorized by Congress this summer, an action that advocacy groups point to as proof of its relevancy.

"This is not really about this little MUD," said Rolando Rios, a San Antonio attorney who often represents the League of United Latin American Citizens, which is considering intervening in the lawsuit. "It's about the rights of minority voters."

The case is now before a U.S. District Court in Washington, although many expect it to go to the Supreme Court.

'This little MUD'

Northwest Austin MUD No. 1 was established in 1987 to provide water and sewer to the Canyon Creek neighborhood in far Northwest Austin. It serves about 1,300 homes, as well as a few office buildings and apartment complexes, charging 30 cents per $100 of assessed property value.

Four years ago, the district wanted to move its polling place from a garage to a nearby school in the hopes of boosting voter turnout. But it had to pay Austin attorney Greg Coleman $1,250 to handle an application to the Justice Department, which did not reply for two months.

In most cases, permission simply requires a letter. The Justice Department has the authority to turn down a request. Coleman said it's an unnecessary process that takes time and money and targets states for long-past transgressions.

Coleman, who does occasional work for the MUD, suggested that the MUD challenge the requirement for authorization and volunteered to work the case pro bono.

"The Supreme Court has always recognized (authorization) as a burden on local sovereignties," said Coleman, a former law clerk for U.S. Supreme Court Justice Clarence Thomas. Coleman said civil-rights groups are acting hypocritically by opposing the MUD after they argued that the Voting Rights Act should be renewed because it includes a "bailout clause" from government authorization for governments that can prove they do not have a history of discrimination.

"The district fully supports all voting rights for everybody," Coleman said. "It has never discriminated against anyone."

Other players

On Monday, the American Civil Liberties Union filed paperwork to intervene in the lawsuit, which would allow it to submit arguments to the court and possibly give testimony.

Lisa Graybill, the legal director for the ACLU's Texas affiliate, said the organization would probably not get involved if the case concerned only the MUD. She said the ACLU is worried about a constitutional precedent that could lead to overturning of the rule requiring authorization. She said that if that happened, the Justice Department would lose valuable oversight in areas where discrimination could still happen.

Preclearance "doesn't mean they can't change how they do their elections; it just means they have to ask the Justice Department for permission," Graybill said. "We don't consider that burdensome."

The National Association for the Advancement of Colored People and the Mexican American Legal Defense and Educational Fund also have filed to intervene in the case, representing an African American and Hispanic couple, respectively.

The groups expect the lawsuit to take more than two years to resolve.

Rios, the lawyer representing the Latin American League, said it is considering joining the fray in part because it does not trust the Justice Department to properly argue the case. As an example, he pointed to a congressional redistricting plan in Texas that the Justice Department had blessed. The Supreme Court recently overturned part of that map on the grounds that it was unfair to minority voters.

"Needless to say," Rios said, "we are somewhat reticent about having (Attorney General) Alberto Gonzales represent the rights of minorities."

On Oct. 16, the Department of Justice filed a blanket denial of the charges brought in the lawsuit. The Justice Department's press office did not respond to interview requests.

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Vouchers In Black And White (WSJ)

The Wall Street Journal, November 8, 2006

One frequent, and nasty, argument against school vouchers is that they will end up resegregating public schools. It's all the nastier because the truth is the opposite, as some new evidence shows.

The liberal Urban League has charged that school vouchers -- which go mostly to minority families -- would "subsidize segregation." And the theme has been picked up by no less than Senator Hillary Rodham Clinton, who according to Newsday explained her opposition to school choice this way to liberal activists in the Bronx earlier this year: "First family that comes and

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says 'I want to send my daughter to St. Peter's Roman Catholic School,' and you say, 'Great, wonderful school, here's your voucher.' Next parent that comes and says, 'I want to send my child to the school of the Church of the White Supremacist . . .'"

Yes, she really said that. We doubt many inner-city black and Latino families that benefit from vouchers are demanding that their kids attend white supremacy schools, even if there were such schools. Come to think of it, what specific schools is Mrs. Clinton referring to? She and her husband of course sent their daughter to one of Washington, D.C.'s most elite, and mostly white, private schools.

She can't mean the schools in Milwaukee and Cleveland, where a new study by Greg Foster of the Milton and Rose Friedman Foundation finds that vouchers have allowed students to move to more racially integrated private schools. The Friedman Foundation favors school choice, but its data here seem unassailable and the Foundation is challenging anyone to refute it. The study finds that in 2003 private voucher schools in Milwaukee were 13% more racially diverse, and the Cleveland voucher schools 18% more diverse, than their public school counterparts.

America's inner-city public schools remain highly segregated primarily because the neighborhoods and school districts are themselves divided by race or ethnicity. The public urban schools, Mr. Foster finds, tend to "reproduce the segregation that arises from housing patterns." Vouchers increase racial mixing in schools, the study concludes, because "they break down geographic barriers, drawing together students across neighborhood boundaries in a way the government school monopoly cannot match even when it tries to do so."

In the 50 years since Brown v. Board of Education, educators have thought that if they could integrate the schools, even using such detested strategies as forced busing, school quality would improve. It hasn't. School vouchers give inner-city and other kids a chance to escape failing public schools, and it's a nice bonus to know that this choice will produce classrooms that, to borrow a famous phrase, look like America.

ANTITRUST:

Private Equity Deals Face Wider Probe (FT)

By Francesco Guerrera, Brooke Masters And James Politi In New York

Financial Times, November 8, 2006

The US antitrust authorities are seeking comprehensive information on all “club deals” involving five of the world’s largest private equity firms since 2003 – a sign that the informal probe into alleged collusion in the buyout industry is broader than expected.

News of the details of the investigation, which began in September with a letter from the Department of Justice to the buyout funds, will quash widespread speculation the government is focusing only on a handful of recent high-profile deals such as last year’s $15bn takeover of Hertz rent-a-car business.

People who have seen the letter, sent to Carlyle Group, Clayton Dubilier & Rice, Kohlberg Kravis Roberts, Merrill Lynch and Silver Lake Partners, said it requested a list of all the documents related to consortium deals since January 2003. The authorities are also believed to be seeking e-mail communications.

E-mails have proven useful to investigators in recent financial probes because they can provide real-time evidence of a person’s intent to commit a crime - a crucial element in prosecutors’ decision on whether to bring charges against individuals.

Contrary to previous speculation, which focused only on successful deals, the letter is believed to be asking for information on all bids by groups of buyout funds for US companies, even when the consortium ended up on the losing side.

The investigation has shaken a buyout sector that had been revelling in the ability to raise unprecedented amounts of capital from investors and exploit favourable conditions in the debt and equity markets to clinch ever-larger deals.

However, the breadth of the request suggests that the authorities may take a long time to narrow the focus of the probe. Often government investigators will come back with a grand jury subpoena seeking more detailed information if they believe they are on the track of something specific, lawyers familiar with the process said. But they cautioned that not every investigation ever reaches that stage.

“Club deals”, which see rival buyout funds team up to mount multi-billion dollars bids, have fuelled the private-equity-led takeover boom of the past few years.

The five buyout funds touched by the informal probe clinched more than 20 club deals worth over $100bn in 2005-2006 alone, according to figures from Dealogic.

The private equity groups have not spoken publicly about the informal probe and neither has the DoJ’s Manhattan antitrust office, which is leading the investigation.

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However, some antitrust experts say that it could be difficult for the antitrust authorities to prove that buyout funds colluded to keep takeover prices lower or to refrain from bidding against rival consortia.

Some lawyers argue that “club deals” could be seen as pro-competitive as they enable private equity groups to buy companies they could not buy on their own.

Others point out that the large buyout funds compete fiercely for companies and they often team up with different partners on different bids.The US antitrust authorities are seeking comprehensive information on all “club deals” involving five of the world’s largest private equity firms since 2003 – a sign that the informal probe into alleged collusion in the buyout industry is broader than expected.

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EU Clears Philips To Buy Intermagnetics (AP-YBIZ)

AP, November 8, 2006

EU Clears Philips to Buy Medical Systems Supplier Intermagnetics

BRUSSELS, Belgium (AP) -- EU regulators gave Royal Philips Electronics NV the go-ahead Tuesday for its euro1 billion (US$1.26 billion) purchase of a major supplier, U.S. magnet maker Intermagnetics General Corp., that will boost its medical equipment unit.

The European Commission said an investigation found the tie-up would not damage competition in Europe, after examining whether the new company would be able to control the supply of radio-frequency coils to Philips' rivals that also make magnetic resonance imaging, or MRI, systems.

"The market investigation has shown that these risks are minimal, mainly due to economic incentives and the presence of several other suppliers of coils for MRI systems," regulators said.

They found that MRI system manufacturers could also make coils themselves if they had to, so Philips would not be in a position to cause antitrust problems.

Philips, the second largest maker of medical equipment globally after General Electric Co., said in June it expects the acquisition will win customers in the short run, and improve the company's supply chain and development of new products in the long run.

Philips offered US$27.50 (euro21.87) per share for Intermagnetics in a bid unanimously supported by the company's boards.

Latham, New York-based Intermagnetics also makes superconducting magnets for MRI systems. It had sales of US$304 million (euro242 million) in the last year ended in February.

In 2005, Philips bought U.S.-based medical company Stentor Inc. for US$280 million to strengthen its position in the fast-growing market for clinical information technology. It also bought Lifeline Systems Inc. of the U.S. for US$750 million to strengthen its consumer health business.

Intermagnetics employs 1,150 people. Chief Executive Glenn Epstein will remain and lead the companies' merged MRI businesses with Latham as the new headquarters.

World Cup Won't Get Visa's Help In MasterCard Sponsorship Suit (WSJ)

By Robin Sidel

The Wall Street Journal, November 8, 2006

Visa International will have to stay on the sidelines during a legal tussle over its sponsorship of the World Cup soccer tournament.

A U.S. appeals court has denied an attempt by the payments network to join litigation between rival MasterCard Inc. and the Federation Internationale de Football Association about the way the sponsorship was awarded last spring. The decision, handed down late Monday, upholds a September decision by the U.S. District Court in New York, which is handling the case.

MasterCard has sued the soccer association, known as FIFA, for awarding the coveted eight-year sponsorship to Visa. MasterCard, which has sponsored the tournament and other World Cup events for the past 16 years, contends that it had right of first refusal for a new pact.

Although it wasn't named in the MasterCard case, Visa sought to join the litigation, because it will be affected by the outcome.

"While it is true that our request to join the suit has been denied, we are confident that our contract rights will be honored, and look forward to activating this sponsorship in January 2007," Visa said in a statement.

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MasterCard is seeking a preliminary injunction to stop the Visa sponsorship from moving forward.

"We maintain our belief that we have a strong legal basis to compel FIFA to grant MasterCard the right to be an official sponsor of the next two FIFA World Cup tournaments," said Noah Hanft, MasterCard's general counsel, in a statement.

ENVIRONMENT:

'We Dodged A Bullet' In This Hurricane Season (USAT)

By Patrick O'driscoll

USA Today, November 8, 2006

The quietest hurricane year in a decade officially ends in three weeks, but meteorologists and disaster managers on the Gulf and Florida coasts agree that the season is already over.

"We dodged a bullet this year," says meteorologist Gerry Bell of the National Weather Service's Climate Prediction Center. "If there was ever a time that we needed a break, we got one."

After nine Atlantic storms that mostly stayed out to sea, there hasn't been another since Hurricane Isaac in late September.

The month of November, last of the season's six months, is also its lightest, averaging less than one storm every two years since the 1850s. Forecasters see little likelihood of another storm this year.

Bell and other scientists credit two factors for the mild season. They say a shift in atmospheric pressure over the Atlantic steered most storms away from land. Only Tropical Storms Alberto and Ernesto hit the U.S. mainland. A third, Tropical Storm Beryl, barely brushed Nantucket Island, Mass.

Scientists also say the arrival of a new El Niño climate pattern has knocked down systems in the Atlantic and Caribbean with shearing winds before they could form into storms or hurricanes.

The El Niño weather phenomenon occurs when water temperatures in the eastern Pacific rise. The result: close to an average number of storms, but with far less effect than usual on the USA.

In Louisiana, where complete recovery from hurricanes Katrina and Rita is years away, "the longer the hurricanes miss us, the better off we'll be," says Mark Smith of the state emergency preparedness office. "No one has ever been as prepared for the worst as we were this year. Thank God we didn't have to touch on that."

In Florida, "it's given most communities a chance to really focus on getting caught up from the last two seasons," says Craig Fugate, head of state emergency management.

Eight hurricanes struck the Sunshine State in 2004 and 2005. Last week, the state wrapped up its temporary housing program for 17,000 families displaced in the 2004 season. All but 60 are in permanent dwellings.

Meteorologists caution those in hurricane zones not to let down their guard.

"Anybody foolhardy enough to think this is the end of it has got to be nuts," says Stephen Leatherman of the International Hurricane Research Center at Florida International University in Miami. "The high cycle of Atlantic hurricane activity is probably going to go for another 20 years."

After last year's record 28 hurricanes and tropical storms, the weather service and other forecasters had predicted another big season this year: up to 17 tropical storms, nine or 10 of them hurricanes and four to six major ones.

Forest Fire Strategy: Just Let It Go (USAT)

By Tom Kenworthy

USA Today, November 8, 2006

Officials limit
damage from
tomorrow's
blazes by not
fighting today's

In the worst year for wildfires in nearly half a century, it may seem odd to celebrate how well some of them burned. But the Payette National Forest in central Idaho is doing just that.

"It was a real long season, but we got some nice fire effects," says Sam Hescock, a fire management officer on the 2.3-million-acre forest where more than 150 fires this summer and fall burned about 70,000 acres. "We're pretty happy with what we got."

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Hescock's satisfaction reflects a shift in how the federal government approaches fire management. That shift began in earnest a decade ago and is gaining momentum. Land managers at the U.S. Forest Service and other agencies are becoming more comfortable co-existing with fire rather than reflexively trying to stomp it out with all the men and materiel at their command.

Their reasoning is that fire is a natural part of the landscape that clears out underbrush and small trees and creates forest openings in a mosaic pattern. Such conditions help keep small fires from growing into the kind of large, catastrophic blazes that have become increasingly common in recent years. They now say that decades of aggressively fighting fires was a mistake because it allowed forests to become overcrowded and ripe for fires nearly impossible to control.

"The mentality is changing," says Greg Aplet, a Denver-based fire scientist with The Wilderness Society, a national environmental group. As fires have burned more acres in recent years and the cost of fighting them has soared, "the obvious answer is not to fight fires we don't need to fight," Aplet says. Almost 9.5 million acres have burned so far in 2006.

The shift in thinking was formalized in a 1995 statement of federal fire policy, and strengthened in a 2001 revision. The policy recognizes that fire is "an essential ecological process," and that decades of trying to keep fires from burning have led, ironically, to "larger and more severe" conflagrations because of the buildup of underbrush and other fuel.

"The task before us — reintroducing fire — is both urgent and enormous," the 1995 policy concludes.

The Forest Service, National Park Service and Bureau of Land Management now routinely have detailed fire management plans that show where fires don't have to be fought. The transition has been easiest in unpopulated blocks of land, but increasingly land managers are learning to regulate fires near communities.

Nationally, the goal over the next few years is "to increase our use of wildland fire," says Tom Harbour, director of fire and aviation management for the U.S. Forest Service.

With a little bit of luck from the weather, Payette officials this summer allowed 21 of the fires to burn more than 16,000 acres of forest without trying to put them out. Six occurred outside wilderness areas. Idaho statewide had more than 39,000 acres of fires that were managed but not suppressed, or about a quarter of the national total of 165,000 acres.

Even on Payette fires that were largely allowed to burn this summer, crews of trained firefighters frequently intervened, building fire lines, guarding perimeters and helping "steer" the fires away from homes, roads, ranches and other areas that need protection.

Some of the fires burned for weeks while being watched by special teams trained to manage blazes near homes and ranches. Partly because forested areas near communities had been thinned previously by intentionally set fires and by cutting small trees, those blazes never threatened homes.

For instance, the tiny village of Yellow Pine, population 36, was surrounded by fire for much of the summer. Several years of brush-cutting and intentionally set fires thinned the forest and helped keep the flames at bay.

The intentional use of fire for forest benefits can be dangerous. In 2000, a fire intentionally set by federal officials to thin New Mexico forests escaped and destroyed 235 homes in Los Alamos. A 2003 fire that officials let burn in Colorado's San Juan National Forest drew sharp criticism from then-senator Ben Nighthorse Campbell. "This is not the time to 'monitor potentially dangerous fires,' " Campbell wrote the chief of the Forest Service. "It is the time to put them out."

Prior to this summer, Payette officials had considerable experience managing fires in the 800,000 acres of their forest that lie within the Frank Church River of No Return Wilderness. This year they expanded their methods outside of wilderness areas and close to communities. "They learned in the wilderness how to have 10,000-acre fires and not freak out about it," says John McCarthy, an Idaho-based representative of The Wilderness Society.

"The biggest change is the change in mind-set," says Ken Kerr, a senior officer with a Colorado-based wildland fire use team that spent weeks on the Payette this summer monitoring fires with sophisticated computer programs and using crews on the ground to direct them away from homes and ranches. "You have to fight smarter, not harder."

This year's success in the Payette will multiply in the years to come because the 2006 fires thinned forests and created openings that will help "reduce the size of fires in the future," Payette forest supervisor Suzanne Rainville says.

Hescock, the fire management officer, sees less arduous fire seasons ahead. "My next four years are going to be real easy," he says.

Boaters Beware: Things Are Jumping On Missouri River High-Flying Carp Pose Threat To Fishermen, U.S. Says; Solution: Eat Them (WSJ)

By JOHN J. FIALKA

The Wall Street Journal, November 8, 2006

COLUMBIA, Mo. -- Fishermen used to joke that when the fish are biting on the Missouri River, "they're practically jumping into the boat."

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To Duane Chapman, this isn't funny any more. Almost every time he goes out in his 22-foot skiff, fish jump in or over his boat. He has been repeatedly battered by 20-pound flying fish, which he compares to slimy bowling balls. Not long ago, an incoming fish slammed into the boat's throttle, sending the skiff roaring into a mud bank.

These fish -- called Asian silver carp -- were imported to the U.S. in the 1960s. Now, the U.S. Fish and Wildlife Service is taking aim at the species. It's proposing a ban on the importation and interstate transportation of the fish, saying, "Silver carp have leaped into moving boats injuring people and damaging equipment."

Mr. Chapman and other fish biologists, however, say more needs to be done. They believe only one biological mechanism can get rid of the carp: the American stomach. But convincing U.S. diners to eat these fish may be a challenge.

The skittish, torpedo-shaped carp reproduce faster than native fish and beat them out for food. They also have a peculiar habit: Upon hearing the rumble of a motorboat, or any other noise they deem strange, they leap as high as eight feet in the air, arcing into and around boats like silvery missiles.

Mr. Chapman, a 41-year-old fish biologist for the U.S. Geological Survey who studies the silver carp as part of his job, has a love-hate relationship with the fish. He admires their toughness and ability to survive. They're so good at finding food that they grow bigger than most of their predators. And they're hard to catch. "They're much more net-savvy than native fish," he says, and not interested in bait put on hooks.

Watch amateur video of Asian silver carp launching out of a tributary of the Missouri River near Easley, Mo. John Fialka reports2 on how the U.S. government is taking aim at the fish.

But the biologist also sees them as a dangerous nuisance, a view shared by most boaters, fishermen, water-skiers, conservationists -- and their representatives in Congress. "If I could snap my fingers and kill every one in the U.S., I would do it in a second," Mr. Chapman says.

The native habitat for the Asian silver carp is the Yangtze River in China. The fish were brought to the U.S. to help clean up algae and other microscopic wastes at fish farms and municipal waste-treatment plants. Some escaped into the Mississippi River and migrated to the Missouri and the Ohio rivers. Now, they inhabit the waters of 15 states, and experts worry the Great Lakes will be next.

Depending on how it's cooked, Asian silver carp can taste like fried chicken. Ning Wang, another U.S. Geological Survey biologist here, grew up in Wuhan, China, eating the delicate fish, which he says is so prized that the Yangtze is nearly fished out. "Chinese love it," he says. "They eat the whole fish, from the head to the tail."

After listening to Mr. Wang and visiting China to study how the Chinese raise and catch silver carp in fish farms, Mr. Chapman began teaching some of the techniques to the Boy Scout troop he leads. In June, he and the scouts strung a net across the entrance to a nearby backwater of the Missouri. Then, he revved up his boat and zipped around the water. Fleeing the noise, the fish soared over the net -- and landed in a second boat waiting to catch them.

"We fried them up and ate them," says Mr. Chapman of the 42 fish they caught. "I had catfish, too, but my scouts prefer the Asian carp."

Landing the fish on U.S. dinner tables will be difficult. Other species of carp have swum in U.S. rivers since the early 1800s, but most fish eaters shun them. The silver carp is even less appealing; it has a peculiar network of needlelike bones running through its flesh that many find repellent.

"To tell you the truth, they're pretty good, but I personally don't like to clean the nasty things," says Betty DeFord, an avid fisherman and the owner of a tavern in Bath, Ill. Silver carp first began jumping into her boat on the Illinois River four years ago. She thought it was funny until one day when she and her husband ran into a school of them. "We had these fish flying out of the water so fast and so viciously," she recalls. "One slammed into my lap. Another nearly knocked me out of the boat. Then another knocked me back into it. When it was over, we had 32 fish in the boat. We were slimed from head to toe. It was really scary."

Mrs. DeFord's revenge: She organized the "Redneck Rodeo," a fishing tournament on a backwater of the Illinois River near her tavern. Fishermen wearing protective gear ranging from garbage bags to football helmets compete in small boats, using hand-held nets. The crew that snatches the most fish out of the air in three hours wins $300. In September, at the third annual rodeo, 78 boats caught 1,840 of the fish.

Mrs. DeFord says that a man from Springfield, Ill., holding his dip net and peering into the water got smacked in the face by a carp and went to the local hospital with a broken nose and blackened eyes. "But then he came back, finished the tournament and vowed he would be back next year," she says.

At the end of the day, the contestants went back to her tavern to drink beer and dine on catfish and other native fish. The silver carp, she says, were carted off to the dump or ground up for fertilizer.

The fish's unsavory reputation as a food may be undeserved. In a recent taste test conducted by the University of Arkansas, consumers rated canned silver carp equal to or better than canned tuna fish and salmon. Carole Engle, a university

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fish researcher who canned the carp, told tasters only that they were nibbling on "a new freshwater fish." Identifying it as silver carp, she worried, would skew her study. "This fish has been demonized," she says.

James Sneed, a retired computer engineer from Hollywood, S.C., thinks there is money to be made in silver carp. He is lining up investors and scouting sites for a processing facility that would turn the carp into surimi, a popular fish puree flavored to taste like crab or lobster meat. "We want to harvest in the tens of millions of pounds per year," he says. "That's the only way you can really knock these populations down."

Clean And Sober (WSJ)

The Wall Street Journal, November 8, 2006

Election season has a way of overshadowing other important news. And so it was with last week's oral arguments in Environmental Defense v. Duke Energy, which is shaping up to be one of the more important environmental law cases the U.S. Supreme Court has heard.

Among the potential stakes: $100 billion (yes, billion) or more in redundant pollution controls at refineries and power plants around the country; the future of the market-based approach to environmental regulation; and, broadly, whether there are any limits on what federal agencies like the EPA can do with the powers delegated to them by Congress.

The central issue is a set of rules dating back to the 1970s Clean Air Act known as New Source Review (NSR). The idea was that new pollution sources such as power plants would be required to install the "best available" pollution-control technologies such as scrubbers. But existing plants, which were (and are) subject to emissions caps in any case, would not be required to make the upgrade unless their original design was changed. Among those who attest to this understanding of NSR is former Carter Energy Secretary James Schlesinger. So too did about 20 years of EPA practice and guidance to state regulators.

But in the 1990s, the EPA reversed course and sued utilities around the country claiming that maintenance such as replacing a turbine blade or a boiler tube were "major modifications," thereby triggering the "best available" requirement. Not only did this appear to be a retroactive rewrite of the rules, but the U.S. was already moving away (after the 1990 Clean Air Act revisions) from a command-and-control approach to environmental regulation and toward a system allowing industry to figure out how best to achieve overall emissions limits.

After 2000, the Bush Administration moved to re-embrace the "cap and trade" approach to pollution control and restored the pre-Clinton interpretation of NSR. But it declined to drop the Clinton-era lawsuits, fearing a backlash from environmentalists. The result is what District Judge Virginia Hopkins described (in a case involving Alabama Power) as "the anomaly of utilities, like APC, being prosecuted for conduct that, if engaged in now, would not be prosecuted."

In another ruling involving the Tennessee Valley Authority, Judge Hopkins wrote scathingly that "under the 1999 enforcement theory, EPA deliberately failed to enforce the Act for almost two decades, with all the state environmental agencies and national environmental groups standing idly by while the industry spent billions on 'life extension' projects that EPA and the state attorneys general now say were modifications that required permitting."

The issues in Duke are pretty much the same as in these other cases. Environmentalists and the EPA argue that failing to enforce NSR would amount to a "license to pollute" because utilities needing maintenance generally increase output (and emissions) after it is done. This argument apparently swayed the Seventh Circuit Court of Appeals, which recently ruled against Cinergy Corp. in another NSR case.

But it is important to remember that all utilities are subject to overall pollution caps. And as the Fourth Circuit recognized in Duke, Congress did not intend to subject existing pollution to NSR, only to curb future emissions. This was one of the fundamental compromises of the original Clean Air Act and not contradicted by the fiercely debated 1990 amendments. If the government wants pollution levels still lower than emissions caps alone now achieve, the proper remedy is to set lower targets, not for EPA to come up with novel theories on which to sue.

It's not just industry that's worried about the EPA's clean air tactics, by the way. So too are America's labor unions, which wrote to Congress under the banner of Unions for Jobs and the Environment that "by reducing the useful economic life of boilers or by inaccurately setting baselines, the existing NSR confusion undermines the competitiveness of American job sites. The result is that some of the almost 20 million manufacturing jobs at stake in heavy industry are placed at risk."

If the Supreme Court ends up siding with Duke Energy, don't be surprised to see headlines accusing it of making common cause with polluters. But the truth is this would be a victory for the rule of law. It would also help the country get on with a market-based approach to pollution control, which almost all honest observers acknowledge is more efficient anyway.

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FBI/DEA/ATF/USMS:

South Dakotans Reject Tough Abortion Ban (AP)

AP, November 8, 2006

South Dakotans rejected a toughest-in-the-nation law that would have banned virtually all abortions, even in cases of rape and incest -- defeating one of the most high-profile state measures facing voters Tuesday.

The outcome was a blow to conservatives, who also had cause for worry in Arizona. An amendment to ban gay marriage was trailing there with returns nearly complete; it would be the first defeat for such a measure after prevailing in more than two dozen states in recent years.

Five states approved increases in their minimum wage, while Arizona passed four measures targeting illegal immigrants, including one making English the state's official language. In Michigan, voters took a swipe at affirmative action, deciding that race and gender should not be factors in deciding who gets into public universities or who gets hired for government work.

In Missouri, returns were too close to call on a proposed amendment allowing stem cell research. It had been a factor in the crucial Senate race there, with incumbent Republican Jim Talent opposing the measure and Democratic challenger Claire McCaskill supporting it.

Nationwide, a total of 205 measures were on the ballots in 37 states, but none had riveted political activists across the country like the South Dakota abortion measure. Passed overwhelmingly by the legislature earlier this year, it would have allowed abortion only to save a pregnant woman's life.

Lawmakers had hoped the ban would be challenged in court, provoking litigation that might eventually lead to a U.S. Supreme Court reversal of the 1973 Roe v. Wade decision legalizing abortion.

Jan Nicolay, a leader of the state's anti-ban campaign, said voters viewed the measure as too intrusive.

"We believe South Dakotans can make these decisions themselves," she said. "They don't have to have somebody telling them what that decision needs to be."

Eight states had ban-gay-marriage amendments on their ballots: Idaho, South Carolina, Tennessee, Virginia and Wisconsin approved them, while results were pending in Arizona, Colorado and South Dakota. Similar amendments have passed previously in all 20 states to consider them.

Colorado voters had an extra option -- a measure that would grant domestic-partnership rights to same-sex couples.

Conservatives had hoped the same-sex marriage bans might increase turnout for Republicans. Democrats looked for a boost from low-income voters turning out on behalf of measures to raise the state minimum wage in six states. The wage hike passed in Arizona, Missouri, Montana, Ohio and Nevada; results were pending in Colorado.

In Missouri, a proposed amendment allowing stem cell research was a factor in the crucial Senate race there; incumbent Republican Jim Talent opposed the measure, while Democratic challenger Claire McCaskill supported it.

In Ohio and Arizona, anti-smoking activists won showdowns with R.J. Reynolds Tobacco. Voters in each state approved a tough ban on smoking in public places and rejected rival, Reynolds-backed measures that would have exempted bars.

Nevada and Colorado voters rejected measures that would have legalized possession of up to an ounce of marijuana by anyone 21 and older. A winning measure in Rhode Island will restore voting rights to felons on probation and parole.

Elsewhere, land use was a hot issue, part of a backlash against a 2005 Supreme Court ruling allowing the city of New London, Conn., to buy up homes to make way for a private commercial development.

Seven states approved eminent-domain measures barring the government from taking private property for a private use. Arizona's winning measure went a step further, requiring state and local authorities to compensate property owners if land-use regulations lowered the value of their property.

South Dakota voters defeated a measure that would have made their state the first to strip immunity from judges, exposing them to the possibility of lawsuits. In Maine, Nebraska and Oregon, voters defeated measures that would cap increases in state spending.

Arizona voters were deciding on the most ballot measures -- 19 -- including four that were approved out of frustration over the influx of illegal immigrants. One measure makes English the state's official language; another expands the list of government benefits denied to illegal immigrants.

Voters weren't keen about another, more quirky Arizona measure: They defeated a proposal that would have awarded $1 million to a randomly selected voter in each general election.

Pennsylvania voters gave the state the go-ahead to borrow $20 million so that nearly 33,000 veterans in the state who participated in the Persian Gulf War could collect one-time payments up to $525.

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Gay Marriage Ban Backed In Colorado, Gay Benefits Failing (AP)

AP, November 7, 2006

DENVER (AP) — A proposal to outlaw gay marriage in Colorado appeared headed for victory Tuesday while a separate measure to give same-sex couples some of the same benefits as married spouses was failing.

With 44% of the projected vote counted, the gay marriage ban Amendment 43 had 57% support to 43% against it, or 545,018 votes to 409,932. Referendum I, the domestic partnerships proposal, was losing 55% to 45%, or 505,858 votes to 418,752.

Colorado was one of eight states where voters were deciding whether to amend their state constitutions to ban gay marriage. Twenty states have already done so and five more joined them on Tuesday.

Jon Paul, director of the pro-43 group Coloradans for Marriage, said he knew it would be a tight race in part because of the money poured into the race by Colorado-based software millionaire Tim Gill.

"We knew we were in for a fight from the beginning. But we also knew that Coloradans believed marriage was between one man and won woman. We just had to make sure that people got to vote for it," Paul said.

Facing the second-longest ballot in Colorado history, voters also overwhelmingly rejected a proposal to legalize the possession of up to an ounce of marijuana, a proposal which Denver voters approved last year. Amendment 44 lost with 62% voting against it.

They also approved a ban on all gifts over $50 to any lawmaker or government employee. Experts at the National Conference of State Legislatures said Amendment 41 gives Colorado one of the toughest government ethics laws in the nation.

The other high-profile issues on the 14-item state ballot included:

· Amendment 42, which would raise Colorado's minimum wage from $5.15 to $6.85 per hour, adjusted annually for inflation.

· Amendment 40, which would limit judges on the Colorado Court of Appeals and the Colorado Supreme Court to three, four-year terms.

The dominant issue for many was gay marriage.

Business owner John Lindsey, 48, of Glenwood Springs voted for Amendment 43 and against Referendum I.

"I'm not anti-gay, so to speak, but there are a lot of ramifications that go around that," said Lindsey, a married Republican who described himself as a traditionalist.

Among other things, Referendum I would allow the couples to adopt children and require alimony and child support if they separate. It would also ensure that their partners can make medical decisions for them and the right to inherit property even without a will.

Referendum I says domestic partnerships are not marriages, though opponents said it delivered the same benefits enjoyed by spouses.

Supporters of Amendment 43 hoped a recent court decision in New Jersey ordering lawmakers to endorse gay marriage or civil unions would boost turnout here. Yet Colorado was rocked last week by the resignation of evangelical leader Ted Haggard — a prominent backer of the amendment — amid allegations that he paid for gay sex.

Joshua Tafoya, 22, a literature major at Mesa State College in Grand Junction, voted against the marriage amendment and yes on Referendum I. He said whatever goes on in someone's bedroom isn't his business or the government's.

"Personally if it were me, and I was on my deathbed, I would want to give what I want to who I want without the state intervening," said Tafoya, a single Democrat.

Gill contributed some $3 million in backing Referendum I and fighting Amendment 43. On the other side was Focus on the Family, the Colorado Springs-based evangelical Christian organization and its public policy arm contributed at least $874,000.

State law already defines marriage as being between one man and one woman, but Amendment 43 supporters said that could be overturned by a judge and the better move was a constitutional amendment.

Nevada Voters Raise Minimum Wage, Curb Eminent Domain (AP)

AP, November 7, 2006

RENO, Nev. (AP) - Constitutional amendments raising Nevada's minimum wage to $1 above the federal standard and curbing the power of government to seize private property were approved by voters Tuesday.

Question 6, the minimum wage law, was given final approval after it was overwhelming embraced by voters in 2004. Question 2, setting new restrictions on eminent domain, must be approved against in 2008 to take effect.

Nevadans appeared to favor the more restrictive of competing measures to limit exposure to secondhand and seemed poised to reject legalization of small amounts of marijuana.

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Questions 4 and 5 both sought to restrict smoking in public places, but to varying degrees. In early tallies, Question 4 was narrowly failing, while Question 5, which imposes tougher limits on secondhand smoke, was passing.

Question 7 to legalize adult possession of up to 1 ounce of marijuana and require the state to set up procedures to tax and regulate its sale was failing, 58 percent to 42 percent, in early returns.

Question 1, requiring lawmakers fund education before other state budgets, was favored in early returns, 52 percent to 48 percent.

Three other proposed constitutional amendments were passed by the 2003 and 2005 legislatures and put to voters Tuesday for final approval.

Question 11, allowing lawmakers to be paid for each day they are in session instead of the current 60-day limit, was rejected. Question 10 authorizing lawmakers to call themselves into special session was failing in early returns, as was Question 9 to reduce the size of the Board of Regents from 13 members to nine, with six of those being appointed by the governor.

Question 8 to amend the state's sales tax to exempt farm machinery while expanding exemptions for the trade-in value of used vehicles also was approved by an overwhelming margin.

44: Legalization Bid Falls Flat (DENP)

Denver Post, November 8, 2006

Most Colorado voters just said no Tuesday to legalizing small amounts of marijuana for recreational use.

Under Amendment 44, adults ages 21 and over would have been allowed to possess and use up to an ounce of marijuana without facing a $100 fine.

Safer Alternative for Enjoyable Recreation, or SAFER, launched the campaign to legalize pot after a successful initiative in Denver last year.

Although the Denver measure made pot technically legal in the city, Denver police are using state law to continue to fine people $100 who are caught with marijuana.

The only Coloradans currently allowed to possess up to an ounce of marijuana are people who need it for medicinal purposes, under a state law

Mason Tvert, SAFER's campaign director, argued through the election season that marijuana is a safer alternative to alcohol.

On Tuesday, he said he knew it would be a tough battle to change "75 years of marijuana prohibition overnight.

"It's quite clear that a number of people in Colorado are in agreement that marijuana prohibition is not working," Tvert said. "We think this is the first step in a 5- to 10-year process."

SAFER dropped $60,000 into the campaign, and Tvert sees the money as well spent because Coloradans began to have a conversation about whether marijuana should be legalized.

"It's not a issue that is going away," he said. "There is a big effort to change these laws."

Opponents to Amendment 44 were pleased Tuesday that the initiative failed, saying legalization would increase teen drug use.

"I think the people of Colorado have spoken," said Beverly Kinard, founder of Guarding Our Children Against Marijuana. "They care about Colorado, they care about the families of Colorado and they are taking a stand against the drug movement."

Kinard said if another effort is made to legalize any drugs in Colorado, her group will continue to fight it.

"They are constantly battering us with these messages about these drugs," she said. "We are sending a message back to the movement: 'We don't want you here and we don't want you damaging our state'."

Marijuana Amendment Goes Up In Smoke (RMN)

Rocky Mountain News, November 7, 2006

Colorado voters snuffed out a ballot measure seeking to legalize possession of up to an ounce of marijuana for those 21 and older, according to a projection by the Rocky Mountain News.

Amendment 44 would have made Colorado the first state to legalize marijuana use for recreational purposes. Previously, several states - including Colorado - passed medical marijuana initiatives that allowed for the distribution of the drug for those battling illness.

Colorado was one of two states considering a recreational use provision regarding pot this election. The other state was Nevada.

But many voters stood in the way.

Barbara Reed, a 65-year-old retiree who lives in Denver, voted against the amendment, saying "we have enough that's legal. I've known people who have used drugs, and it started with marijuana."

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Even if it had passed, Amendment 44 wouldn't technically have made pot smoking legal in Colorado. It is still a violation of federal drug laws - though federal drug enforcement officials have said publicly they will not actively seek to arrest, try and convict users in possession of an ounce or less.

Mason Tvert, campaign manager for Amendment 44, said he believed the success of Denver's passage of an initiative seeking to legalize pot possession last year signaled the mood of citizens of the state. But voters didn't back the statewide initiative.

"I wish I knew (why it failed). I think years of marijuana prohibition happened and people have heard half-truths about it all their lives," Tvert said. "Now we're seeing in several counties a majority of people who want to change marijuana laws."

"Our goal is about changing people, not laws."

He said he sees legalization happening in "five to 10 years perhaps." He said he's not sure what his next step is, but he did say, "I do live in Colorado and I'd like ot see the laws change where I live."

"Why shouldn't adults over the age of 21 be able to make a safer choice by choosing to smoke marijuana instead of consuming alcohol?" he asked.

"That's all we're trying to accomplish - to give adults the right to make a safer choice."

Some voters supported the move.

"It should be a non-issue," said Quentin Schermerhorn, 23, a Democrat who voted at the Colorado Convention Center. "Any war on drugs should be done on other substances instead of marijuana."

The campaign has been opposed largely by Save Our Society from Drugs. Its Colorado-based spokesman, Robert McGuire, said the Amendment 44 campaign is simply trying to use Colorado as the first step toward legalizing all drugs nationally.

He said he thought that voters would "see through" the pro-pot agenda and would defeat the statewide ballot measure.

"People are smart enough to understand what's at stake here," he said. "People don't want their children growing up in a society that says drug use is OK."

Federal drug enforcement officials said they feared drug traffickers would begin shipping more pot to Colorado because it would have been viewed as "a drug tourist spot." But Tvert argued that the current fines - a misdemeanor offense and a $100 ticket - show that the government doesn't really consider possession of an ounce of marijuana a serious problem anyway.

"If they did, they wouldn't have such light penalties," he said.

Tvert's campaign strategy relied heavily on penetrating markets not normally targeted in politics. Advertising on alternative radio stations, using text messaging and pushing a massive voter registration drive on the three largest college campuses appeared to make a difference.

But he admitted registering the youth wasn't enough. They actually would have to show up and vote - not something that can always be relied upon. And some of those they registered at Colorado State University said they wouldn't support the measure.

Most students opposed to the ballot measure suggested that pot was so readily available anyway that they simply didn't see a need to legalize it. But student supporters said they felt it was a waste of resources to continue to try to prosecute those in possession of less than an ounce.

Even some Republican activists joined the pro-44 campaign, saying it is a question of personal freedom and the government should stay out of it.

Among Republicans to support the measure were activist Jessica Cory and talk show host Mike Rosen.

Attorney General John Suthers said the passage of an initiative in Denver last year was misleading in projecting statewide support for legalizing pot.

"This time around, we were able to educate the voters on what it meant and I don't think people were ready to embrace the legalization of marijuana," Suthers said.

Pro-pot Proposal Takes A Big Hit (RMN)

Rocky Mountain News, November 8, 2006

By about a 2-1 ratio, voters snuffed out a measure that would have allowed adults 21 and over to possess up to an ounce of marijuana.

With 701 precincts reporting, it appeared to be doomed to defeat, especially since it was barely getting a split vote in traditionally liberal Boulder County.

That was the news Robert McGuire, spokesman for the Colorado Chapter of Save Our Society from Drugs, had been waiting to hear.

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"We're pretty happy with the way things turned out," he said. "Our goal was to beat it badly enough so we don't see it again on the ballot.

Mason Tvert, campaign manager for Amendment 44, said he "wasn't disappointed by the results" and conceded defeat early in the evening.

"We had a yearlong conversation about marijuana," he said. "We still believe there are a larger number of people in favor of changing the laws."

"We think the writing is on the wall," he added.

If the initiative passed, it would have made Colorado the first state to legalize marijuana use for recreational purposes. Previously, several states - including Colorado - passed medical marijuana initiatives that allowed for the distribution of the drug for those battling illness.

Colorado was one of two states considering a recreational use provision on pot this election. The other state was Nevada.

Even if it had passed, Amendment 44 wouldn't have technically made pot smoking legal in Colorado. It is still a violation of federal drug laws - though federal drug enforcement officials said publicly they will not actively seek to arrest, try and convict users in possession of an ounce or less.

Some supporters of the amendment thought the success of Denver's passage of an initiative seeking to legalize pot possession last year signaled the mood of citizens of the state. Tvert led that successful campaign.

The campaign had been opposed largely by Save Our Society from Drugs - a Florida-based group that made several sojourns to the state to drum up opposition against the measure.

Through McGuire, they successfully brought the director of the White House Office of National Drug Control Policy to campaign against it as well as employing the help of Colorado Attorney General John Suthers.

Suthers said he was pleased to see the amendment go down to defeat and said voters never bought the argument made by Tvert that marijuana was safer than alcohol.

"Usually when this issue comes up, the debate centers on Libertarian values," he said. "This was a different approach and one that didn't work."

The opponents of the amendment also believed, along with federal drug enforcement officials, that passage would bring more drug traffickers to Colorado because it would be seen as "a drug tourist spot."

But Tvert argued that the current fines - a misdemeanor offense and a $100 ticket - show that the government doesn't really consider possession of an ounce of marijuana a serious problem anyway.

"If they did, they wouldn't have such light penalties," he said.

Voters from both parties were unimpressed with the campaign's strategy to declare the war on drugs as failed.

Jared Klarquist, 24, and a registered Democrat, couldn't bring himself to cast a ballot for it.

"I think pot is bad, it's a real de-motivator," he said. "As poorly as the war on drugs is going, I don't feel legalizing it is the way to make things better."

Amendment 44

Would have legalized the adult possession of an ounce or less or marijuana

· Winners: John Suthers. He became the face of the anti-44 movement and used his clout to push against legalization. The campaign group, Florida-based Save Our Society from Drugs, received $37,000 in contributions - the largest from Denver resident Kevin Kaufman who gave $20,000.

· Losers: Mason Tvert, campaign manager for Amendment 44. He was able to spearhead legalization in Denver last year but couldn't muster enough support statewide. The campaign was mostly funded by the SAFER Voter Education Fund, which poured more than $148,000 into the losing effort.

· What's next? It's possible Tvert could try again, but for now, pot is still illegal.

A-44 Shot Down (CD)

Colorado Daily, November 8, 2006

Colorado State Amendment 44, which proposed to change the Colorado Statutes, not the Constitution, to legalize the possession of up to one ounce of marijuana for adults 21 years of age or older, was failing as of press time Tuesday night.

According to the Rocky Mountain News Web site, 61.9 percent of Colorado voters shot down the amendment with 38.1 percent who voted for the amendment with 1,338 of 3,161 precincts reported.

While individuals who grow, transfer, possess, sell or consume marijuana violate federal, state and in some cases local laws, A-44 addressed state law for possession only.

“I am very proud of the citizens of Colorado for taking a stand against the illegal drug movement. We as a community have taken a stance and I am just so very pleased that people put forth the effort to vote and show they really care,” said Beverly

Kinard on Tuesday. She is the CEO and founder of Guarding Our Children Against Marijuana (GOCAM), the leading group of opponents of A-44..

Kinard said by voting down A-44, the parents and citizens of Colorado were protecting children and not providing benefits for drug dealers, which Kinard said of the amendment. If the amendment had passed, Colorado would have "become a haven for drug users and that families would have turned their back on Colorado because they would not have wanted to bring their children here on vacation," Kinard said.

The proponents for A-44, Denver-based Safer Alternative for Enjoyable Recreation (SAFER), a non-profit organization led by Mason Tvert, supported Amendment 44 by saying that marijuana is a safer alternative to alcohol. SAFER's campaign says marijuana is far less addictive, less harmful than alcohol and other narcotics. SAFER also points to studies that have shown that while alcohol contributes to violence and aggressive behavior, they say marijuana does not.

SAFER also attributes marijuana to be a safer alternative to alcohol as there are numerous overdose deaths each year while there has not been a marijuana overdose death in recorded history. This point, however, is not correct, according to GOCAM.

Kinard has argued that there have been many incidents of drug overdose deaths in which marijuana was the only drug in the body. Kinard also said recent research that shown marijuana use is linked with cardiovascular strokes, bladder cancer and schizophrenia strengthens her argument that marijuana is in fact a dangerous drug.

Tvert, however, said he was not disappointed by Tuesday nights' election results.

"We said from the very beginning that we are not out to necessarily change the law but to change the people because we know that once people learn that marijuana is less harmful than alcohol, they will certainly come around and we will see a much greater number in the future," Tvert said Tuesday night. "This is probably one of the first steps in a much greater movement in Colorado towards achieving some sanity in our marijuana laws."

Tvert said SAFER will continue to work to change marijuana laws nationwide and here in Colorado with the principle that "it's time that the government stops punishing adults who make the rational, safer choice to use marijuana instead of alcohol," he said.

Governor's Race Leads Colorado Tip From Red To Blue (WT)

By Valerie Richardson, The Washington Times

The Washington Times, November 8, 2006

DENVER -- This once reliably red state was teetering on the brink of going blue last night, starting with the governor's race.

With 4 percent of the vote counted, Democrat Bill Ritter was the projected winner over Republican Rep. Bob Beauprez in the contest to succeed Republican Gov. Bill Owens, who is leaving office after serving the maximum two terms.

Mr. Ritter, a former Denver district attorney, emphasized his moderate stances, including his personal opposition to abortion and pride as a hunter and gun owner, in an effort to lure independent voters.

His popularity was expected to buoy the rest of the Democratic ticket, which has also benefited this year from the deep pockets of liberal Colorado multimillionaires Pat Stryker and Tim Gill.

"It's very likely Colorado is going to be solidly blue state after tonight," Denver pollster Floyd Ciruli said. "It looks like a complete flip from four years ago. Democrats will probably hold the governor's office, both houses of the legislature and most of the congressional seats for the first time since the early 1960s."

Republicans now hold a 4-3 advantage in the state's House districts, but that was expected to change last night as the party's candidates struggled to stop Democrats from flipping three Republican seats. Only one Republican, Rep. Tom Tancredo, was considered safe.

In the normally Republican-friendly 4th District, incumbent Republican Rep. Marilyn Musgrave was running in a statistical tie with Democratic state Rep. Angie Paccione with 4 percent of the vote counted.

Miss Paccione criticized the Republican incumbent for her close relationship with President Bush and emphasis on social issues such as traditional marriage. Mrs. Musgrave ran ads saying her Democratic challenger had declared bankruptcy rather than pay off her student loans.

In Colorado Springs, home of the staunchly conservative 5th District, former Republican state Sen. Doug Lamborn was leading Democrat Jay Fawcett -- by 55 percent to 45 percent -- with 4 percent of the vote counted.

The outgoing incumbent, Republican Rep. Joel Hefley, threw the race into turmoil in August when he refused to support Mr. Lamborn, the winner of a tight six-candidate primary, saying he had run a "sleazy and dishonest" campaign.

In the race to succeed Mr. Beauprez in the 7th District, Democrat Ed Perlmutter, the former state senator, was ahead -- 56 percent to 42 percent with 4 percent of the vote counted -- in his battle with Republican Rick O'Donnell, Mr. Owens' former policy adviser.

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The suburban Denver district is known as one of the most evenly divided in the nation. Mr. Beauprez won the seat in 2002 by just 126 votes, earning him the nickname "Landslide Bob."

But Mr. Perlmutter, benefiting from his greater name recognition from his legislative career, led his Republican opponent from the start. Democrats also hit hard with ads on some of Mr. O'Donnell's early policy pronouncements, such as a 2004 article in which he suggested that 17-year-old boys forgo their senior years in high school to patrol the Mexican border.

Early returns showed the state's three Democratic congressional incumbents -- Reps. Diana DeGette, John Salazar and Mark Udall -- were coasting to victory.

Meanwhile, on the state's crowded initiative ballot, Amendment 44, which would legalize possession of up to 1 ounce of marijuana for people 21 and older, was behind 53 percent to 47 percent. Two years ago, Denver voters approved an identical measure, paving the way for the statewide campaign.

Democrats were expected to hold both houses of the state legislature. The party captured the state House and Senate, formerly held by Republicans, in 2004, touching off the state's Democratic surge.

Mesa County Kids Voting Tabs Differ From Polls On Many Issues (GJDS)

Grand Junction (CO) Daily Sentinel, November 8, 2006

Students throughout School District 51 participating in Kids Voting Mesa County displayed a contrary streak to voters statewide and, in some cases, adult voters in Mesa County.

If the elections were up to them, a Republican would still be governor. GOP gubernatorial candidate Bob Beauprez, according to unofficial Kids Voting results, tallied 2,442 votes while Democratic candidate Bill Ritter collected 2,086. Official statewide election results saw the former Denver district attorney defeat the outgoing 7th District Republican congressman in a virtual landslide.

Mesa County students also differed from their parents by electing Bob Caskey to the District 55 seat in the Colorado House of Representatives. Caskey, a retired Division of Wildlife regional administrator, collected 1,836 votes to incumbent Democrat Bernie Buescher's 1,595. In official Mesa County polling results, incumbent Democrat Bernie Buescher was elected to his second term.

The one race in which the youth vote closely reflected that of their elders was for the District 7 Senate race between first-term Rep. Josh Penry and Dana Barker, a Battlement Mesa Democrat and retired U.S. Postal Service financial analyst. Penry, a Grand Junction High School graduate and former small college All-American quarterback at Mesa State College, collected a strong 68 percent of the Kids Voting vote.

Interviewed early in the evening amid what was largely a celebration atmosphere of the GOP faithful gathered at the downtown Blue Moon restaurant, Penry said, "These elections are about the kids ... I am happy to have their support."

Referendum I, the ballot question providing for domestic partner benefits for gay couples, and Amendment 43, defining marriage in Colorado as between a man and a woman, passed by slim margins with student voters.

"Amendment 43 and Referendum I are important issues to teens. They will affect us all later," said Kevin Hurd, a Grand Junction High School senior.

Hurd cast his ballot in Kids Voting but believes that more emphasis should be taken by schools in teaching kids about the various ballot issues and candidates.

"(Kids Voting) causes the children to become aware of issues," Hurd said. "I hope that improves."

Amendment 44, legalizing an ounce of marijuana, was also a hot topic among teens this fall.

"If there were stronger (governmental) holds on marijuana, it wouldn't be under the table as much," Marie De Puey, a senior at Grand Junction High School said. Despite its high profile among youth voters, Amendment 44 failed at the Kids Voting booth, with 2,121 against it while 1,566 students voted in support of it.

Emily Orbanek is a Grand Junction High School senior.

Voters Say No To Legalizing Marijuana (KMGH)

KMGH-TV, November 7, 2006

After 32 percent of precincts reporting, early results show that voters are against legalizing marijuana possession, with 62 percent voting no and 38 percent voting yes.

The measure would make possession of one ounce of marijuana legal in Colorado for those 21 or older.

Members of the group Safer Alternative For Enjoyable Recreation collected enough signatures to get the measure placed on the ballot.

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SAFER helped get a similar measure on last fall's ballot that made the same amount of marijuana legal in Denver. Initiative 100 was approved by a majority of Denver voters and made the city the first in the country to vote to remove all penalties for private adult marijuana possession.

However, state authorities had said Denver's Initiative 100 was virtually meaningless because of state and federal laws that make even small amounts of marijuana illegal.

Voters Reject Marijuana Measure (LVJR)

Las Vegas Journal Review, November 8, 2006

Nevada voters were just saying no to legalizing marijuana, welcoming a hike in the state's minimum wage and keeping alive eminent domain reform, among other decisions on ballot initiatives on Tuesday's ballot.

With at least 1,620 of 1,913 precincts statewide reporting, Question 7, which would have allowed Nevada residents 21 years of age or older to possess an ounce of marijuana or less, was being rejected by 56 percent of voters. Only 44 percent were in support.

Las Vegas police Lt. Stan Olsen, who oversees legislative affairs for the department and who worked against Question 7, said the measure, the latest in a string of failed efforts to legalize the drug here, was pushed by outsiders rather than Nevadans.

"They were trying to use us as a social experiment, as lab rats. Voters are engaged. They're bright. This was a bad bill of goods, and they knew it," Olsen said. "The voters didn't want it. The community didn't want it. There's nothing good that can come out of legalizing marijuana."

Despite the apparent loss, backers of the measure were heartened by the turnout in favor of the measure.

"This will be the all-time biggest vote for ending marijuana prohibition in the history of this country," said Neal Levine, Committee to Regulate and Control Marijuana campaign manager. "This is an enormous amount of progress. Unfortunately, we fell a little bit short."

Levine said his group would continue its efforts to win over Silver State voters and "it is a 100 percent certainty this will be back on the ballot" in 2008 or 2010.

Outside a Henderson polling place, Jim Taylor, a 50-year-old Henderson Republican, said he was strongly against Question 7. "They want to legalize marijuana, but I think that's not a solution, it actually makes more of a problem," he said.

But 25-year-old Larry McKenzie, a Henderson voter who described himself as independent, said he wanted the measure to pass.

"They waste so much time arresting people who smoke weed when they could invest that cop time and jail space in worse crimes," McKenzie said. "I have friends who are potheads. They're not going to change, and they're not hurting anybody. My friends are very harmless."

Voters were backing Question 6, which would raise the minimum wage by $1 an hour, to $6.15, on Jan. 1. Those in favor of passage led those against, 69 percent to 31 percent.

Question 6 also would automatically tie future increases to changes in the consumer price index.

"People know you can't live off of the minimum wage, much less eat off the minimum wage," said Danny Thompson, executive secretary-treasurer of the Nevada AFL-CIO labor union, which supported the measure. "That's reflected in the (voting) numbers."

Thompson believes the increase is modest, and "is not going to destroy any businesses. It's not going to drive people out of Nevada."

Even though voters were supporting Question 2 by a 62 percent to 38 percent margin, the measure restricting how and when local and state governments can forcibly seize private land using eminent domain won't become law anytime soon.

The measure -- also known as the People's Initiative to Stop the Taking of Our Land, or PISTOL -- is a proposed constitutional amendment and, as such, must pass voter muster again in 2008 before it can take effect.

"The people know we need to have some kind of harness put on government to make sure there are not these technical ways to use eminent domain and take people's property," said Don Chairez, a PISTOL backer. "The people really feel we can't trust the politicians" to fix the problem.

Nonetheless, Clark County Commissioner Bruce Woodbury, who headed the PISTOL opposition and also chairs the Regional Transportation Commission, is urging the 2007 Legislature to enact its own eminent domain restrictions prior to the 2008 vote, in hopes of nixing the need for PISTOL.

Both Woodbury and Chairez said they are amenable to discussions on how to rewrite law to match PISTOL's intent while addressing governmental concerns that PISTOL would cripple public works projects. That doesn't mean Chairez is willing to sacrifice PISTOL, though.

"The bottom line is, we need PISTOL as a safety valve," Chairez said.

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In other ballot questions Tuesday, voters were in support of Question 1, which would require the Legislature to fund public education before other state programs. The measure, which would go into effect in time for the 2007 Legislature, led with 55 percent of the vote, with 45 percent against.

Question 8, which would end sales taxes on the value of a trade-in when buying a vehicle at an auto dealership, was winning by a wide margin, 69 percent to 31 percent. It would also exempt farm equipment from sales tax.

Question 11, which would lift pay limits on legislators, was opposed by 70 percent of voters. Only 30 percent supported the idea of paying legislators for up to 120 days worked, rather than capping pay at the regular session's 60-day limit.

Voters were tightly split on Question 10, which would allow the Legislature to call itself into special session. It was being rejected by 52 percent of voters, with 48 percent behind it. Currently, only the governor can call a special session.

Question 9, which would shrink the size of the state's Board of Regents that oversees state colleges and allow the governor to appoint some of its members, also was closely contested, with 51 percent against and 49 percent in favor.

Big Wins For Gibbons, Ensign, And Heller (KOLO)

KOLO-TV,, November 8, 2006

Republicans bucked the national trend yesterday, with Gibbons, Ensign, Heller, Porter, and Krolicki all winning their races. However, Democrats took over the Secretary of State, Attorney General, Treasurer, and State Controller.

The anti-smoking initiatives were answered, with Question 4 being voted down while the much more restrictive Question 5 was passed. The other smoking question, Question 7 (legalization of marijuana), was voted down.

Support Short For Medical Marijuana (SFAL)

Sioux Falls (SD) Argus Leader, November 8, 2006

A movement to legalize the use of marijuana for medical uses was headed for defeat with partial election results available late Tuesday.

South Dakota's Initiated Measure 4 was patterned after laws in 11 states. Passage looked doubtful at 11 p.m. with 141,734 votes against legalized use compared with 127,713 votes in favor, a 53-47 margin, with 743 precincts out of 818 reporting.

Those against the measure said approval would have led to open use, and the public might think that it is the only medicine effective for certain ailments.

Sioux Falls police chief Doug Barthel said he feared that people would abuse the privilege.

"I think the state will be glad they voted against it, because from an enforcement aspect, I think it would have been a nightmare for us," Barthel said Tuesday night.

"Look at an event like JazzFest where you have thousands of people," he said. "Some who would have been allowed to smoke it would be doing that openly. How would we differentiate between who can and can't?"

Those in favor argued in part that marijuana can relieve seriously ill patients' discomfort and even save lives. But under South Dakota law, patients who use it face a year in prison and a $2,000 fine.

Support came from a group called South Dakotans for Medical Marijuana. A spokesman, Tony Ryan of Sioux Falls, was a police officer in Denver for 36 years. He has family members who suffer from cerebral palsy and multiple sclerosis.

"It would be an option," Ryan said. "They don't need it now, but there might be a day when they need it."

Valerie Hannah of Deerfield supported passage. She uses marijuana in a vaporized form to ease chronic pain of nerve damage she suffered from nerve gas in the Gulf War.

Hannah said legal drugs such as morphine make her feel "like a zombie" and put her in a stupor.

"If it fails, of course it's a disappointment, and very terrifying," she said. "I think we need to provide voters with a better education."

South Dakotans Defeat Medical Marijuana Measure (AP)

AP, November 8, 2006

SIOUX FALLS, S.D. - South Dakota's medical marijuana measure went up in smoke Tuesday, as voters decided not to allow patients to use the substance as a relief from chronic pain.

With 96 percent of precincts reporting, 158,206 people or 53 percent of voters, shot down the ballot measure, with 142,247 voters, or 47 percent, showing their support.

Proponents wanted South Dakota to become the 12th state to allow some medical patients to smoke marijuana to ease their pain.

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Opponents, led by law enforcement officials, said allowing medical marijuana would send a mixed message to children concerning drug use. They also said people other than the patient could get their hands on the marijuana - as many teens do now with alcohol.

The law would have allowed each patient and caregiver up to six plants, which could produce from 2,700 to more than 13,000 joints every year.

FBI Probing Theft Of 1.8m Pills From Warehouse In Mansfield (BOS)

By Mac Daniel, Globe Staff

The Boston Globe, November 8, 2006

The FBI joined the investigation yesterday into a sophisticated weekend theft of about 1.8 million prescription drug pills from a Mansfield warehouse, officials said.

A spokeswoman for the Federal Bureau of Investigation said the weekend burglary at the AmerisourceBergen facility likely involves the interstate transfer of stolen property, triggering the federal probe. State Police and the federal Drug Enforcement Administration are also involved, though a DEA spokesman said the agency is taking an advisory role.

The break-in at the 185,000-square-foot warehouse in an industrial park was discovered Sunday afternoon. The facility was unoccupied at the time of the break-in; police said no security guards were on duty. Police said no one had reported anything suspicious.

A company spokesman said the stolen drugs have a retail value of about $500,000. Mansfield Police Sergeant Detective Sam Thompson said the stolen drugs, which included painkillers and anxiety medications, could have a street value of $10 a pill.

A team of burglars -- police believe between three and five -- probably entered the facility between Saturday and Sunday afternoon by cutting a well-placed hole in the roof after deactivating the warehouse's security camera and alarm system, Thompson said. The thieves avoided a nearby hatch in the roof, which was attached to an alarm, he said.

The burglars then shimmied down a series of water pipes to the warehouse floor and went straight for the controlled substances, which are kept in separate parts of the building away from over-the-counter medicines and health and beauty products, Thompson said.

The burglars also tried to drill open a vault containing drugs but were unsuccessful, he said. Based on the amount of drugs stolen, Thompson said investigators believe the burglars had a large pickup or box truck waiting.

When asked if the burglary looked like an inside job, Thompson said "it would lead me to believe there is that possibility but we're not totally sticking to that."

"We're going to try to turn over every leaf," he added. "It was someone who knew what they were doing. It's not your average rip a door open and go in."

He said detectives are seeking security video footage from other businesses in the industrial park to check for any suspicious vehicles or any other evidence.

Michael Kilpatric , AmerisourceBergen spokesman, said the company is reviewing security at its distribution centers. The Mansfield facility, one of 28 the company has around the country, distributes to the New England states.

Under DEA guidelines, buildings used to store drugs on the federal controlled substance list must have alarm systems and steel vaults to hold the most restricted drugs. If a ceiling is not made of 1-inch-thick steel, a wire mesh cage must be used to secure access. "We met all DEA guidelines," Kilpatric said.

An October report by the US Department of Justice's National Drug Intelligence Center found that millions of dollars in prescription drugs are stolen annually from pharmacies, manufacturers, distributors, importers/exporters, and individuals with legitimate prescriptions. Employees of drug manufacturers and commercial distributors are most of the culprits, the report found.

The report found the availability and abuse of opiates, particularly heroin but also stolen painkillers such as OxyContin, Percocet, and Vicodin, pose the most significant drug threats to the New England region.

"Prescription drug abuse is a serious area that has been expanding," said Anthony Pettigrew , DEA New England spokesman. "People don't believe anything you can get from a doctor can be harmful."

Pennsylvania-based AmerisourceBergen is the third largest US drug distributor. The Mansfield facility employs between 90 and 100 people, according to a company spokesman.

An AmerisourceBergen warehouse in Grand Prairie, Texas, was hit by a similar theft in January 2003 when $800,000 in merchandise was stolen. About 1,600 Viagra tablets from that theft were resold nine days later to a government informant, eventually leading to the federal conviction of the leader of a Texas retail theft ring. Kilpatric said there was a similar burglary at another company facility in 2004, but said the break-ins are not a trend.

States Confront Meth-lab Threat To Environment (CSM)

DOJ_NMG_0091861

By Ben Arnoldy, Staff Writer Of The Christian Science Monitor

The Christian Science Monitor, November 8, 2006

Do-it-yourself labs can turn homes into hazmat zones. Some US states have enacted laws to address the risks.

BOSTON

Hotel rooms, apartment complexes, and homes aren't your typical toxic waste sites. But then, methamphetamine isn't your typical drug.

The drug - which makers often cook up in their kitchens using household chemicals and tools - is potent enough to transform homes into hazmat zones. When law officers bust a meth lab, the drugmaking materials are carted away. But what happens next to such former sites - numbering more than 100,000 across the country - varies dramatically.

Some states, led by Colorado, have enacted tough regulations that require former lab sites to undergo a formal safety assessment - and more cleanup, if needed - before they can be reinhabited. The laws are prompted by the extreme toxicity of the chemicals used to cook meth, and suspicions about the long-term effects of chemical remnants in the air and on surfaces. Other states mandate home sellers to disclose the presence of former meth labs.

The patchwork of state approaches reflects the uneven spread of the drug, the potential costs of cleanup, and concerns about setting safety standards in the absence of definitive scientific research, experts say.

"Until we fully understand what the potential health effects can be, we feel that it's better that states are more proactive as opposed to reactive," says Shawn Arbuckle with the National Jewish Medical and Research Center in Denver. Better safe than sorry, he adds.

Cooking meth just once contaminates a building with traces of acids and iodine in the air, as well as large amounts of meth on surfaces ranging from sofas to ventilation ducts, according to research done at National Jewish. Hydrochloric acid is an irritant to the eyes, skin, and respiratory tract, and iodine can trigger asthmatic reactions, says Mr. Arbuckle.

Business contractors have sprung up to assess and decontaminate former meth labs. Basic cleanup involves hauling away carpets, furniture, drapes, and other items that can absorb airborne particles. Then all surfaces are thoroughly cleaned, including ceilings and walls. Sometimes dry wall must be replaced.

Meth Lab Cleanup Co., based in Texas, charges about $300 to $500 for a consultation, assessment, and site sampling. Basic decontamination costs from $4,000 to $6,000 for a modest home. But expenses can quickly skyrocket when further work is required.

Joseph Mazzuca, the company's operation director, says cooks sometimes disconnect stove vents to prevent neighbors from smelling suspicious fumes. Instead the vent pipe is stuffed into the insulation, creating a bigger mess. He's also had to move a home to remove topsoil contaminated by dumped chemicals. While he has yet to see a well contaminated by dumping, he has seen PVC piping melted away.

Three-quarters of his calls are to sites that never involved law enforcement, suggesting there are many labs beyond the 100,000 reported to the Drug Enforcement Agency since 1998.

"Our estimate is that there are about a million and a half meth labs in America, and less than 1 percent of them have been decontaminated," he says.

He's noticed other disturbing trends. He sees children's clothing or toys at most sites. And 75 percent of labs are rentals. "Typically landlords, especially on the bad side of town, don't worry about [cleanup] so much unless there's a law," he says.

Increasingly, states are addressing that, particularly those that have dealt with the problem the longest, such as in the Midwest and West. Colorado has been at the forefront, forcing property owners not only to have the mess cleaned up but to adhere to a very specific set of procedures and testing requirements.

Northeastern states - which have yet to see high numbers of home labs (see map, page 2) - have been slower to adopt new laws.

Connecticut released a new set of nonbinding guidelines following a bust last year of two labs in East Hampton. After federal authorities came and went, the landlord of one of the properties, a small ranch house on a wooded road, began his own cleanup. He then sold the home, according to a local public health official and a former resident, without notifying the health department or telling the buyer beforehand of the existence of the former lab. (The attorney involved in the sale declined to comment, and neither the current owner nor the selling landowner could be reached.)

Connecticut still does not compel an owner to decontaminate except in serious cases, and property sellers still are not required to disclose former meth labs - a requirement now in 14 states.

"There is not uniformity across all of the states, and frequently people look to the federal government to step in at that point [to put] out something that can serve as a standard for all states to at least consider," says Kevin Teichman, a scientist with the Environmental Protection Agency.

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The EPA aims to offer standards by 2011 tied to demonstrated health risks. Arbuckle says that determining what is a healthy level of exposure over a long period of time will require more research - something Mr. Teichman says the agency is pushing.

Federal money is also going to assessments and cleanups. The EPA has revised its definition of brownfields to include former meth labs, though grants can go only to groups such as nonprofit organizations, not homeowners. The DEA offers free training and equipment to first responders and shoulders much of the bill for a contractor to remove lab materials whenever called to a scene.

"Technically the contractor has cleaned it out," says Steve Robertson, a special agent assigned to DEA headquarters. "If it was my property I would rip out the carpet, I would scrub the floors, I would repaint everything, because these ... are very hazardous chemicals."

Source: Graham Gets Letter From USADA (AP)

AP, November 8, 2006

Track coach Trevor Graham received notice from the U.S. Anti-Doping Agency that he is accused of violating doping rules, sources familiar with the investigation told The Associated Press on Tuesday.

Graham, whose star athletes included Marion Jones, Tim Montgomery and Justin Gatlin, was indicted by a grand jury last week on three counts of making false statements to federal agents. Now, he has 10 days to respond to USADA's allegation letter. The case then will be presented to a review panel that recommends whether sanctions should be levied.

The sources, who spoke to AP on condition they not be identified because the charges have not been announced, said the letter informed Graham that he is being accused on a "non-analytical" basis, meaning the doping violation isn't predicated on positive drug tests, but rather on other evidence.

Also receiving an allegation letter, sources said, was track coach Remi Korchemny, who pleaded guilty to one misdemeanor count of doling out the sleep-disorder drug modafinil in the BALCO steroids scandal.

USADA general counsel Travis Tygart said he could not comment on ongoing cases.

The accusations mark the first time a coach has been targeted for punishment by USADA.

Athletes guilty of first-time doping offenses often are given two-year suspensions. Any penalty recommended by the review panel would be subject to arbitration.

Evidence in USADA's case against Graham includes testimony from athletes, as well as information that became public last week when federal authorities released details of his indictment, the sources said. USADA long has been pursuing Graham, and the timing of the letter came after the indictments, so as not to hinder the federal investigation.

Graham always has denied providing banned substances to his athletes. His Raleigh, N.C.-based attorney Joseph Zeszotarski did not return phone calls or an e-mail.

The Jamaican-born Graham operates Raleigh-based Sprint Capitol USA, a team of about 10 athletes that includes Gatlin, the 100-meter co-world record holder who tested positive for testosterone and other steroids in April. He was the latest of a handful of athletes coached by Graham who have tested positive for banned substances.

Graham also coached Jones at the Sydney Games in 2000, when she became the first woman to win five medals in a single Olympics.

Gatlin's positive test led the U.S. Olympic Committee to ban Graham from its training sites, and Nike terminated its contract with the coach.

In the federal indictment, prosecutors said Graham lied to investigators in 2004 about his ties to the Bay Area Laboratory Co-Operative at the center of the steroids scandal.

He is scheduled for arraignment Nov. 16 in U.S. District Court and faces a maximum penalty of 15 years in prison and a $750,000 fine if convicted.

Three years ago, Graham mailed a syringe containing "the clear," a previously undetectable steroid, to USADA. At the 2004 Athens Olympics, Graham acknowledged mailing the drug, saying: "I was just a coach doing the right thing at the time." He did not say why he turned in the syringe or how he got the material.

Korchemny, who did not return phone calls Tuesday, coached sprinters Kelli White and Dwain Chambers, both of whom tested positive for banned substances and subsequently were suspended. White, who has retired from the sport, cooperated with investigators and has become an outspoken anti-doping advocate.

$2.2M Found In Probe Of Cocaine Kingpin (PTR)

By Jason Cato, TRIBUNE-REVIEW

Pittsburgh Tribune-Review, November 8, 2006

DOJ_NMG_0091863

Tucked inside a closet in a Penn Hills home rested a large, padlocked suitcase with a US Airways name tag bearing the name "Terrance Cole" scrawled in black ink.

Inside the suitcase was a black duffel bag. Inside the bag was $2.2 million in $50 and $100 denominations, divvied into neat stacks of $10,000, U.S. Attorney Mary Beth Buchanan said Tuesday.

"This is the largest cash seizure in the history of Western Pennsylvania," Buchanan said, announcing the recovery of the money last week at the Dollman Street address.

No arrests were made, and Buchanan would not say how federal authorities became aware of its existence. But the seizure came in connection with an investigation into Cole, the biggest cocaine kingpin in Western Pennsylvania history.

Cole, 39, formerly of Hazelwood and Penn Hills, was sentenced in March to life in prison for running a drug organization that distributed more than 2,500 kilograms of cocaine from 1991-2003. That's 25 million doses, or about two doses for every man, woman and child in Pennsylvania, according to 2005 census figures.

The drug enterprise was believed to have grossed $50 million, which yielded $10 million to $15 million in profits, Buchanan said.

Cole, often referred to as "The Boss" or "Big Head, " spent much of the proceeds, federal prosecutors said. He took frequent trips to Las Vegas, where he socialized with celebrities, including Bobby Brown and Whitney Houston, while gambling to launder drug money through winnings, prosecutors said, adding he bought numerous homes, fancy cars, trips to the Super Bowl and a pair of $2,000 blue alligator shoes.

But state and federal investigators believe more of Cole's stash remains hidden.

"This is just a down payment," state Attorney General Tom Corbett said of the money seized from the house where one of Cole's ex-girlfriends lives. "We're looking for the rest of it."

Federal agents said they found nothing when they dug up a safe in the backyard of another Penn Hills house where Cole's mother lives. The safe, buried about 8 feet deep, was empty.

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$2 Milliion In Cash Found In Penn Hills Home (KDKA)

KDKA-TV, November 7, 2006

(KDKA) PENN HILLS Local and federal agents hit the jackpot when they discovered more than $2 million in cash hidden in a bedroom closet of a Penn Hills home.

The house may look unassuming, but investigators say the house belongs to a woman who dated Hazelwood cocaine kingpin Terrance Cole before he began serving a life sentence in federal prison this past march.

Penn Hills police joined with federal and state agents in a raid on that house where Cole apparently stashed some of his cash before he went to jail.

"During the search of a bedroom closet agents recovered this locked suitcase," said U.S. Attorney Mary Beth Buchanan. "Inside the suitcase was this duffel bag. Agents found $2,250,150. The suitcase had the name Terrance Cole on the luggage tag."

The Feds won't say why they searched the house, only that they have continued to investigate Cole even after his conviction in March of running a ring that distributed over $50 million worth of cocaine in the Pittsburgh area since 1993.

Agents have reason to believe there may be more money out there.

They found a safe buried in Cole's mother's backyard.

As for the girlfriend who had the suitcase of cash in her closet, agents aren't sure she knew it was there and for now she won't be charged.

Man Pleads Guilty In Explosives Case (DMN)

By Holly Yan, The Dallas Morning News

The Dallas Morning News, November 8, 2006

Cedar Hill: He faces 10 years in delivery of a rocket to a drug dealer

A Cedar Hill man accused of delivering a military rocket to a drug dealer pleaded guilty Tuesday to distribution of explosive material to a convicted felon.

Eric Duane McNairy, 41, faces up to 10 years in prison and a $250,000 fine after the November 2004 discovery of a luggage bag containing a U.S. military 66 mm M74 incendiary rocket with a rocket launcher and Vietnam War-era explosives at a Duncanville convenience store.

"Affixed to the strap of the bag was an American Airlines luggage tag bearing Mr. McNairy's home address," Kathy Colvin, spokeswoman for the U.S. attorney's office in Dallas, said in a news release.

Investigators executed a search warrant at Mr. McNairy's home and found a matching luggage bag.

A few months after Mr. McNairy denied knowing about the rocket and grenades, he told FBI agents that the explosives belonged to his brother, who was serving a drug sentence.

Mr. McNairy told authorities he had been keeping the explosives in his backyard shed for two or three years and didn't want to keep them anymore. So he contacted an associate of his brother, Charles Andrew Brunston, 42, who had recently been released after serving time for a felony drug conviction.

Providing firearms or explosive devices to a convicted felon is a federal offense, as is possessing such weapons as a convicted felon.

Mr. Brunston, of Dallas, admitted in January 2005 that he received the bag from Mr. McNairy. He pleaded guilty in September to receipt and possession of explosive material by a convicted felon. He faces up to 10 years in prison and a $250,000 fine and is to be sentenced in January.

Mr. McNairy is to be sentenced in February.

TAX:

Report: Merck Discloses 4 Tax Disputes In U.S. And Canada With $5.58B Potential Liabilities (AP)

AP, November 8, 2006

NEW YORK (AP) - Merck & Co. has disclosed four separate tax disputes in the U.S. and Canada with potential liabilities totaling $5.58 billion, as the drug maker faces tens of thousands of lawsuits over its withdrawn painkiller Vioxx, The Wall Street Journal reported on its Web site Tuesday.

Whitehouse Station, N.J.-based Merck says it is fighting the assessments disclosed in a filing with the Securities and Exchange Commission, the Journal said.

Merck isn't the only drugmaker hit with steep tax bills. In September, GlaxoSmithKline PLC agreed to pay the U.S. government $3.4 billion to settle a dispute over how to tax deals between the London-based company and its American subsidiary.

As of Sept. 30, Merck had $15.22 billion in current assets, including $6.22 billion in cash. At least one of the transactions in dispute also includes an income statement benefit, which could potentially be reversed depending on the outcome. In the third quarter, Merck earned $940.6 million on $5.41 billion in sales.

Merck already is facing liabilities that could reach tens of billions of dollars related to Vioxx, the painkiller it withdrew from the market in September 2004 after evidence that it increased the risk of heart attacks and strokes. Merck has been fighting the cases one by one. It has won five cases and lost four.

In a recent interview, Merck Chief Executive Officer Richard Clark said the company was "very conservative" in its tax practices, the Journal said. He also said the potential liabilities weren't a concern, given Merck's finances. "I don't lose any sleep over that," he said.

A Merck spokesman said the company believed the transactions are in "full compliance with IRS rules" and that it plans to contest the matter, the Journal said.

According to Merck's SEC filing, the Canada Revenue Agency issued the company a notice on Oct. 10 for $1.76 billion in back taxes and interest "related to certain intercompany pricing matters."

The dispute involves revenue Merck had in 1998 to 2004 on its asthma and allergy drug Singulair, the Journal said, citing an unnamed person familiar with the matter. Singulair was originally developed by Merck's Canadian subsidiary in Montreal, entitling the Canadian government to tax revenue on the drug, the person said.

U.S. Patent & Trademark Office records show that, in December 1998, Merck transferred patents associated with Singulair to a Barbados subsidiary called Tradewinds Manufacturing SRL. At the time, Barbados was considered a tax haven because of a variety of favorable tax provisions it offered.

In its SEC filing, Merck said it disagrees with Canadian tax authorities, but said it could be "required to post a deposit of up to one-half the tax and interest assessed which could have a material adverse effect on the Company's cash flows in the quarter in which the deposit is made."

GlaxoSmithKline's settlement with the IRS came after the agency alleged Glaxo's American unit overpaid its British parent for drugs, largely for antiulcer drug Zantac. Those overpayments reduced the company's U.S. profit, and its U.S. tax bill. The IRS said the settlement was the largest ever.

DOJ_NMG_0091865

Software maker Symantec Corp. and telecom equipment manufacturer Motorola Inc. have also disclosed sizable transfer pricing disputes with the IRS. Symantec and Motorola disagree with the IRS's position. Symantec is suing the IRS over the proposed adjustments and Motorola says it is planning to dispute the finding.

Of the $5.58 billion in potential liabilities disclosed Tuesday, Merck had previously disclosed $2.3 billion related to a partnership deal dating back to 1993, the Journal said. The newspaper reported in September on how the transaction allowed Merck to shift taxable income to a subsidiary of a United Kingdom bank, Abbey National PLC, but avoid the financial loss of shifting comparable book income. The disputed $2.3 billion in taxes cover the years 1993 to 2001. The liability could be higher if the IRS assesses additional penalties.

Merck said the two other disputes, which are with the IRS, stem from "minority equity financing" deals.

Dow Chemical Co. is in a similar dispute with the IRS and Justice Department. Dow has called that deal a "minority equity financing" as well. Dow is suing the government over the IRS's proposed adjustments.

CONGRESS-ADMINISTRATION:

Resurgent Democrats Win Control Of House (AP-Y)

By Liz Sidoti

AP, November 8, 2006

Democrats won control of the House early Wednesday after a dozen years of Republican rule in a resounding repudiation of a war, a president and a scandal-scarred Congress.

"From sea to shining sea, the American people voted for change," declared Rep. Nancy Pelosi, the hard-charging California Democrat in line to become the nation's first female House speaker.

"Today we have made history," she said, "now let us make progress."

Lameduck Speaker Dennis Hastert, R-Ill., was elected to an 11th term, but several GOP officials said they expected him to step down as party leader and possibly even retire from Congress.

The White House made plans for President Bush to call the speaker-in-waiting, Pelosi, first thing in the morning; he will enter his final two years in office with at least half of Congress in the opposition party's hands.

"It's been kind of tough out there," Hastert said. Presidential spokesman Tony Snow observed: "It's not like a slap on the forehead kind of shock."

By 4 a.m. Wednesday, Democrats had won 228 seats, enough for control, and were leading for another 4, which would give them 232. Republicans, who hold 229 seats in the current House, won 191 and were leading in another 12, which would give them 203.

Democrats had captured 27 Republican-controlled seats, and no Democratic incumbent had lost thus far. Races were too close to call in more than a dozen seats, making it impossible to determine exactly how large the Democratic margin would be.

Still, 2006 already was an eerie reversal of 1994, when the GOP gained 54 seats in a wave that toppled Democrats after four decades. No Republican incumbent lost that year.

This time, Republicans fell from power in nearly every region of the country — conservative, liberal and moderate — as well as in every type of district — urban, rural and suburban. Exit polls showed middle class voters who fled to the GOP a dozen years ago appeared to return to the Democrats.

Casualties of a Democratic call for change, three GOP congressmen lost in Indiana, three more in Pennsylvania, two in New Hampshire, one in North Carolina, one in Kansas, one in California and more elsewhere. Democrats won open seats, which were held by Republicans, in New York, Ohio, Florida, Arizona, Colorado, Wisconsin, Iowa and Texas.

Scandals that have dogged Republicans appeared to hurt GOP incumbents even more than Bush's unpopularity and the nearly four-year-old war in Iraq.

Republicans surrendered the Texas seat of former Majority Leader Tom DeLay, who left the House after being charged in a campaign finance scheme, the Ohio seat once held by Bob Ney, who resigned after pleading guilty in a lobbying scandal, and the Florida district of Mark Foley, who stepped down after the disclosure that he sent sexually explicit messages to male congressional pages.

In Pennsylvania, Democrats defeated Curt Weldon in the fallout from a federal corruption investigation and Don Sherwood who admitted to a long-term affair with a much younger woman who says he choked her.

"Today the American people voted for change and they voted for Democrats to take their country in a new direction, and that is exactly what we intend to do," Pelosi, who won an 11th term, told several hundred people celebrating in a Washington hotel ballroom.

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A grandmother five times over, Pelosi vowed to restore integrity, civility and honesty to Capitol Hill and said: "Democrats promise to work together in a bipartisan way for all Americans."

As her remarks ended, U2's "Beautiful Day" blared and red, white and blue confetti drifted from above.

"You have given us a chance to turn this country around, and we'll give you the government that no longer lets you down." Rep. Rahm Emanuel, the head of the Democrats' House campaign, told the crowd.

Ethics woes, the war and overall anger toward Bush appeared to drive voters to the Democrats, according to surveys by The Associated Press and the television networks of voters as they left voting places. Several traditionally hard-fought demographic groups were choosing Democrats, including independents, moderates, and suburban women.

Those exit polls also showed that three in four voters said corruption was very important to their vote, and they tended to vote Democratic. In a sign of a dispirited GOP base, most white evangelicals said corruption was very important to their vote — and almost a third of them turned to the Democrats.

Two out of three voters called the war very important to them and said they leaned toward the Democrats, while six in ten voters said they disapproved of the war. About the same number said they were dissatisfied with the president — and they were far more likely to vote Democratic.

Additionally, eight in ten voters called the economy very important to their House vote, and those who said it was extremely important — about four in ten voters — turned to Democrats.

All 435 House seats were on the ballot, and most incumbents won easy re-election. The current lineup: 229 Republicans, 201 Democrats, one independent who lines up with the Democrats for organizational purposes, and four vacancies, three of them in seats formerly held by Republicans.

The fight for control came down to 50 or so seats, nearly half in a swath from Connecticut through New York, Pennsylvania, Ohio, Indiana and Kentucky. All were in Republican hands, a blend of seats coming open and incumbents in trouble.

For months, national surveys showed Democrats favored over Republicans by margins unseen since 1990 as voters grew restless with the Bush administration and seemed more ready to end one-party rule on Capitol Hill.

American casualties and costs climbed in Iraq, and public support for the war fell, as did approval ratings for Congress along with the president.

Scandals dogged the ruling party as well.

DeLay, R-Texas, was charged with participating in a campaign finance scheme and resigned from the House. Ney, R-Ohio, resigned, too, after pleading guilty in the Jack Abramoff influence-peddling investigation. A month before the election, Foley, R-Fla., left office when it was disclosed that he had sent sexually explicit electronic communications to male, former congressional pages.

Through it all, Democrats cast the race as a national referendum on Bush and Iraq, accusing Republicans of walking in lockstep with the president and rubber stamping his policies.

Republicans insisted the elections came down to choices between individual candidates from coast to coast — and that Democrats were liberals who would raise taxes, flee from Iraq and be soft on terrorists.

Initially, Democrats targeted GOP-held seats left open by retiring Republicans as well as districts where Bush won by close margins in 2004 — many in the Northeast and Midwest. In recent weeks, Democrats were able to expand the battlefield, mounting plays for seats long in Republican hands, such as in Wyoming and Idaho.

The GOP made serious bids for only a handful of Democratic-held seats, including two districts in Georgia that the Republican legislature redrew to make more hospitable to the GOP. The only two endangered Democrats appeared to be in those districts, where the vote totals were so close the races appeared to be headed to recounts.

One of the Democratic victories was in Louisiana, where scandal-tarred Rep. William Jefferson was forced into a runoff against another Democrat.

Along with elections for the next Congress, there were two contests to fill vacancies for the remaining few months of this Congress.

Republican Shelley Sekula-Gibbs will fill DeLay's unexpired term in the Houston suburbs, but only until DeLay's successor, Democrat Nick Lampson, is sworn in come January. And in New Jersey, Democrat Albio Sires will be seated early as a replacement for Bob Menendez who left his House seat for the Senate.

GOP's '94 'revolutionaries' Among The Fallen (USAT)

By Kathy Kiely

USA Today, November 8, 2006

DOJ_NMG_0091867

WASHINGTON — Among the Republican losses Tuesday, the most symbolic were those of several lawmakers who first arrived in Congress in 1994, the year their party took control of the House of Representatives for the first time in 40 years.

Arizona's J.D. Hayworth, Indiana's John Hostettler and New Hampshire's Charlie Bass, in the class of "Republican revolutionaries" who helped bring their party into power that year, were among Republican casualties as Democrats scored victory after victory in districts they had targeted, winning back the House.

Longtime Republican incumbents Nancy Johnson of Connecticut, Anne Northup of Kentucky, Charles Taylor of North Carolina, Jim Ryun of Kansas and Clay Shaw of Florida lost their seats. So did New Hampshire's Republican congressmen, Bass and Jeb Bradley.

Besides the likelihood of the first female speaker of the House, Nancy Pelosi, the 110th Congress in January will have a host of new faces.

Among them: a former NFL quarterback, Heath Shuler; the first Muslim member, Keith Ellison of Minnesota; a Buddhist, Hank Johnson of Georgia; and New Hampshire's first congresswoman, social worker Carol Shea-Porter.

The defeat of many moderate Republicans does not necessarily forecast a polarized House, says Morris Fiorina, a political scientist with the Hoover Institution.

"Even though a lot of Republicans pulled through, they pulled through with drastically diminished margins. There's going to be a sense even among a lot of survivors that we need to change course," Fiorina said. "There will be a lot of pressure to push Bush in a less confrontational direction."

Even some conservative districts rejected Republicans. In Indiana, where three Republican incumbents were ousted, Vanderburgh County Sheriff Brad Ellsworth unseated Republican Rep. Hostettler, a six-term incumbent, in a district where President Bush got 62% of the vote in 2004.

Elsewhere in the state, Democratic businessman Joe Donnelly defeated Republican Rep. Chris Chocola, and former congressman Baron Hill took back his seat from Republican Mike Sodrel.

Surveys of voters leaving polling places showed that three in four considered scandals and corruption in government an important factor when they cast their votes.

In Ohio, Democrats picked up a GOP seat when lawyer Zack Space won the seat Bob Ney vacated after he pleaded guilty to taking bribes. Ditto in Pennsylvania, where Democrat Joe Sestak defeated Rep. Curt Weldon, under investigation for helping a firm that employed his daughter's lobbying company. Another Pennsylvania Republican, Don Sherwood, lost to Navy reservist Chris Carney. Sherwood admitted to an extramarital affair.

The same scenario played out in Florida, where Democrat Tim Mahoney won the seat vacated when Rep. Mark Foley resigned after being accused of sending sexually explicit e-mails to teenage boys. Foley quit the race too late for his name to be taken off the ballot.

Democrats fended off a challenge in Vermont, where state Sen. Peter Welch defeated Martha Rainville for the seat vacated by Bernie Sanders, an independent who generally votes with Democrats. Sanders won a seat in the U.S. Senate.

Virginia Rep. Thelma Drake was one of the few Republicans targeted by Democrats to keep her seat.

For the past century, every two-term president but one has seen his party lose House seats in his sixth year in office. The exception: Bill Clinton, whose Democratic Party picked up five House seats in 1998.

New members of Congress include John Yarmuth, publisher of the Louisville Eccentric Observer. He's the Democrat who defeated Northup in Kentucky. Connecticut state Sen. Chris Murphy replaces Johnson, who entered Congress in 1982. Replacing New Hampshire's Bass will be Democratic prosecutor Paul Hodes.

Georgia Republicans had a chance of taking Democratic House seats.

Reps. Jim Marshall and John Barrow fought to hold districts that the Legislature redrew to give Republicans a better shot this year.

Nowhere was the GOP's task more daunting than in Ohio, where five House seats were at risk. Among the endangered Republicans: Deborah Pryce, the party's No. 4 House leader.

Elsewhere in the Midwest, Democrats showed unexpected strength in usually Republican districts. In Illinois, Iraq war veteran Tammy Duckworth made a strong bid for the seat retiring Republican Rep. Henry Hyde held for 32 years.

In Kansas, a late visit by Bush failed to save the seat of Rep. Ryun, a 10-year incumbent and former Olympic track star, who lost to chemist Nancy Boyda.

In Wisconsin and Minnesota, the departure of two Republican incumbents created opportunities for Democrats.

Some races in the once solidly Republican Rocky Mountain region tightened late in the campaign.

In Arizona, pre-election polls showed Democratic state Sen. Gabrielle Giffords with a comfortable lead for the seat being vacated by retiring Republican Jim Kolbe.

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In Colorado, Democrat Ed Perlmutter, a former state senator, and Republican Rick O'Donnell, a former member of Republican Gov. Bill Owens' Cabinet, competed in a district where voters are almost evenly split among Republicans, Democrats and independents. Incumbent Bob Beauprez, a Republican, won by 121 votes in 2004; he left to run for governor.

The region's other marquee race was in New Mexico, where Democrat Heather Wilson was being challenged by the state's attorney general, Patricia Madrid.

In California, ties to Jack Abramoff, a former lobbyist who pleaded guilty to influence-peddling, threatened two veteran House Republicans, Richard Pombo and John Doolittle. Both received campaign contributions from Abramoff, and Doolittle's wife, Julie, was employed by one of his personal charities.

Pombo faced Democrat Jerry McNerney, an alternative-energy entrepreneur and novelist. Doolittle's opponent was Charles Brown, a career Air Force officer who went to work for a local police department after his retirement.

In Washington state, Republican Rep. Dave Reichert, a popular former sheriff, tried to fight off a surprisingly strong challenge from Darcy Burner, a former Microsoft employee who made an issue of Reichert's support for Bush's Iraq war policy.

Democrats Win House Control In Midterm Elections; Senate Still In Doubt (USAT)

USA Today, November 8, 2006

Democrats took over the House in Tuesday's midterm elections but Senate control might take weeks to decide, in an election shaped by voter discontent with President Bush and the direction of the Iraq war.

The fate of the Senate increasingly looks like it might rest on a few thousand votes in Virginia, but the House is not in doubt, with Democrats winning more than 230 seats and a House majority by early Wednesday.

"The campaign is over. Democrats are ready to lead," House Democratic Leader Nancy Pelosi of California said Tuesday night. The election results mean Pelosi almost certainly will become the first female speaker in House history.

ELECTIONLINE: Latest developments | Your voting experience?

Democrat Claire McCaskill's victory over incumbent Sen. Jim Talent in Missouri has put Senate control within her party's grasp. Two Senate races remained undecided early Wednesday — Montana, where a Democratic challenger led, and Virginia, where another Democratic challenger was ahead by the slimmest of margins. Democrats must win both to seize Senate control.

The Virginia race between incumbent Republican Sen. George Allen Jr. and Democratic challenger Jim Webb was separated by a few thousand votes early Wednesday out of more than 2.2 million cast, with Webb holding the slight lead.

The slim margin raised the possibility of a recount and legal action, which could take weeks to resolve.

Adviser Karl Rove informed President Bush about 11:15 p.m. ET that the House was lost, according to White House spokeswoman Dana Perino.

"Of course he's disappointed," she said of the president, but "he's looking forward to working with the Democrats."

Bush will discuss the results at a 1 p.m. ET news conference Wednesday, she said. He will also be making a series of congratulatory phone calls, including one to Pelosi.

Four incumbent Republicans lost in the Senate. Pennsylvanians voted out conservative stalwart Rick Santorum — the No. 3 GOP leader in the Senate — in favor of Democrat Bob Casey; Rhode Island voters picked Democratic challenger Sheldon Whitehouse over incumbent Republican Sen. Lincoln Chafee; Ohio voters chose Democratic Rep. Sherrod Brown over Republican incumbent Mike Dewine; and McCaskill beat Talent.

Democrats also won major House races in Indiana, Pennsylvania and Kentucky and the closely contested governor's race in Ohio, the AP projected. And Democrats seized a majority of the nation's governorships for the first time in 12 years.

And Sen. Joseph Lieberman, the incumbent from Connecticut who was defeated earlier this year in that state's Democratic primary, has won re-election as an independent, according to projections.

Up for grabs in the midterm elections are all 435 House seats, 33 Senate seats and governorships in 36 states as well as ballot initiatives in some states on such topics as gay marriage and stem-cell research.

Following are key developments and projected election winners. All projections are made by the AP using a combination of election results and exit polls.

House races

Indiana was particularly cruel to House Republicans. Reps. John Hostettler, Chris Chocola and Mike Sodrel all lost in a state where Republican Gov. Mitch Daniels' unpopularity compounded the dissatisfaction with Bush.

In Florida, state Rep. Joe Negron, a Republican, conceded to Democrat Tim Mahoney in the race to replace disgraced former Rep. Mark Foley, R-Fla. Foley resigned in September after being confronted with sexually explicit computer messages and inappropriate e-mails that he allegedly sent to male House pages.

At least two dozen Republican House seats are at risk. Among GOP-held open seats, those in Arizona, Colorado, New York, Ohio and Iowa seemed most vulnerable. More on House races

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If Democrats should win the House, Rep. Nancy Pelosi of California, would be in line to become the first female House speaker in history.

The fight for control came down to 50 or so seats, nearly half of them in a string stretching from Connecticut through New York, Pennsylvania, Ohio, Indiana and Kentucky. All were in Republican hands, a blend of seats coming open and incumbents in trouble.

Other Senate races

In one of the night's key races, Republican Bob Corker, a former mayor of Chattanooga, defeated Democratic Rep. Harold Ford for the Tennessee seat held by retiring Senate Majority Leader Bill Frist. Ford had sought to become the first black southerner elected to the Senate in more than a century.

In other races, Rep. Ben Cardin, D-Md., won his state's Senate race over Lt. Gov. Michael Steele; West Virginia's Robert Byrd, a Democrat, won a record ninth Senate term; Democratic incumbent Bill Nelson defeated Republican challenger Katherine Harris in their U.S. Senate race in Florida; and incumbent Democrat Debbie Stabenow won re-election in Michigan.

Incumbent Democrat Robert Menendez won a tough New Jersey race against Republican state senator Tom Kean Jr. — one of the few races where a Democratic Senate incumbent appeared in trouble. Political independent Bernie Sanders won the Vermont seat now held by another independent, retiring Sen. James Jeffords.

The Senate will have two independents, thanks to Lieberman's victory. Both Sanders and Lieberman are expected to vote for Democrats when the Senate's leaders are elected.

Governors

In Ohio, Rep. Ted Strickland defeated Republican Ken Blackwell with ease to become the first Democrat elected governor there in 16 years., Deval Patrick triumphed over Republican Kerry Healey in Massachusetts and will become the state's first black chief executive. Democrat Elliot Spitzer, New York's high-profile attorney general, won the state's gubernatorial election. More on governors

In another Democratic pickup, Baltimore Mayor Martin O'Malley was elected Maryland's governor, beating incumbent Republican Robert Ehrlich.

In Michigan, Democratic Gov. Jennifer Granholm, long targeted by the GOP, defeated millionaire Dick DeVos, even though he put more than $35 million of his own money toward his campaign.

In California, incumbent Gov. Arnold Schwarzenegger was re-elected; Republican Charlie Crist, the state attorney general of Florida, defeated Democratic Rep. Jim Davis in the contest to replace term-limited GOP Gov. Jeb Bush.

Ten states had open seats because of retirements, term limits and primary defeat. Five other states were so competitive that incumbent governors were fighting hard to avoid being unseated. In all, 36 states chose their top leaders.

The Democrats were hoping to reverse the Republican majority among governorships that the GOP has held ever since the landslide of 1994.

Ballot measures

Amendments to ban gay marriage won approval Tuesday in three states — including Wisconsin, where gay-rights activists had nursed hopes of engineering the first defeat of such a ban. More on ballot measures

Nationwide, a total of 205 measures were on the ballots in 37 states — ranging from routine bond issues to a riveting contest in South Dakota, where voters chose whether to uphold or reject a toughest-in-the-nation law that would ban virtually all abortions.

Activists on both sides of the abortion debate were on edge over the campaign, and early returns showed a close contest. If the ban is upheld, abortion-rights supporters are likely to launch a legal challenge that could lead all the way to the U.S. Supreme Court.

Exit polls

For voters in House races, national issues trumped local ones, according to national exit poll results released by the Associated Press.

About six in 10 voters disapproved of the war in Iraq, and they strongly favored Democratic House candidates. Less than a third said the war has improved the long-term security of the United States, down from 46% in the 2004 national exit poll.

While voters considered Iraq a very important factor in their decision, it lagged behind the economy, government corruption and scandal as a factor. Terrorism was rated at least as important as Iraq.

More than twice as many voters said they felt angry toward President Bush as felt enthusiastic. About four in 10 voters approved of how Bush is handling his job, slightly more than for Congress .

Eight states had ban-gay-marriage amendments on their ballots; South Carolina and Virginia joined Wisconsin in approving them, while results were pending in Arizona, Colorado, Idaho, South Dakota and Tennessee. Similar amendments have passed previously in all 20 states to consider them.

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Voting problems

At St. John's United Methodist Church in St. Charles, Mo., 35 people waiting outside at 6 a.m. Tuesday to vote when polls opened. Turnout was heavy through the day, said Denise Jensen, a poll worker who has worked the past past several elections at the precinct.

"It's the highest I've ever worked," she said. "If we continue at this pace, we'll be at 80% turnout."

As both parties revved up their massive get-out-the-vote operations, programming errors and inexperience dealing with electronic voting machines caused some problems:

· A federal judge ordered an Ohio county to keep 16 Cleveland-area polling locations open until 9 p.m. ET because of long lines and earlier problems with voting machines.There were reports some machines wouldn't function. "We got five machines — one of them's got to work," said Willette Scullank, a troubleshooter from the Cuyahoga County, Ohio, elections board.

·In Indiana's Marion County, about 175 of 914 precincts turned to paper because poll workers didn't know how to run the machines, said Marion County Clerk Doris Ann Sadler. Election officials in Delaware County, planned to seek a court order to extend voting after an apparent computer error prevented voters from casting ballots in 75 precincts.

· In Florida, voting was briefly delayed at four districts because of either mixed up ballots or electronic activators being unintentionally wiped out, according to Mary Cooney, spokeswoman for the Broward County Supervisor of Elections. Voters were forced to use paper ballots after an electronic machine broke in the Jacksonville suburb of Orange Park.

"This is largely what I expected," said Doug Chapin, director of Electionline.org, a non-partisan group that tracks voting changes and procedures. "With as much change as we had, expecting things to go absolutely smoothly at the beginning of the day is too optimistic."

Contributing: Douglas Stanglin, Bill Nichols, Kathy Kiely, David Jackson, Andrea Stone, Randy Lilleston and the Associated Press.

GOP Loses 4 Key Senate Races, Wins Tenn. (AP-Y)

By Tom Raum

AP, November 8, 2006

Democrats captured four of the six Republican-held seats they needed to take control of the Senate, winning critical contests in Ohio, Rhode Island, Pennsylvania and Missouri, and inched closer Wednesday to erasing the GOP's majority.

Seizing on voter discontent with President Bush and the war in Iraq, Democrats mounted challenges for two remaining Republican-held seats in Virginia and Montana — and were ahead in both. But in Virginia, Democratic challenger James Webb's lead over Republican incumbent George Allen was razor thin and a recount was likely.

Republicans and Democrats both dispatched lawyers to Virginia to tally uncounted absentee ballots Wednesday, as well as canvass votes counted on Election Day.

GOP incumbent Sen. Jim Talent in Missouri conceded defeat early Wednesday to Democrat Claire McCaskill, the state auditor. "It was not for lack of effort, the headwind was just very, very strong this year," Talent told subdued supporters.

In Pennsylvania, Democrat Bob Casey, son of a popular former governor, soundly defeated incumbent Sen. Rick Santorum, a conservative and third-ranking member of the Senate GOP leadership. Democratic Rep. Sherrod Brown easily beat GOP incumbent Mike DeWine in Ohio, a state where Republican scandals were devastating for the party.

Former state Attorney General Sheldon Whitehouse defeated incumbent Sen. Lincoln Chafee in Rhode Island. Chafee is an openly anti-war Republican who consistently voted against President Bush on legislation.

But Republican Bob Corker, a former mayor of Chattanooga, defeated Democratic Rep. Harold Ford for the seat held by retiring Senate Majority Leader Bill Frist. Ford had sought to become the first black southerner elected to the Senate in more than a century.

Democrats needed just one more seat to produce a 50-50 Senate, like the one that existed in early 2001, when Vice President Dick Cheney wielded tie-breaking authority.

Americans "have come to the conclusion, as we did some time ago, that a one-party town simply doesn't work," Senate Minority Leader Harry Reid, D-Nev., told party workers early Wednesday.

Reid said a strong Democratic turnout in both Senate and House races shows "we must change course in Iraq."

Webb, a former Navy secretary under President Reagan, claimed victory early Wednesday but Allen, behind by fewer than 8,000 votes, urged his supporters to watch the remaining returns carefully.

"The election continues," Allen told them. "The counting will continue through the night. It will continue tomorrow."

A Democrat also was ahead in Montana. Democrat Jon Tester held a narrow margin of just 3,317 votes over incumbent Republican Sen. Conrad Burns with nearly 83 percent of the vote counted. Election officials in Yellowstone County, Mont., said voting machine problems were delaying reporting of any votes in the Montana Senate race until later Wednesday.

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Sen. Joseph Lieberman, the Democrats' vice presidential candidate in 2000 but running as an independent after losing the Democratic primary, kept his seat from Connecticut.

In New Jersey, Sen. Bob Menendez held off a strong challenge from Republican Tom Kean Jr., son of a former governor, to keep the seat in Democratic hands. Menendez, appointed to the seat in January after Jon Corzine gave it up to become governor, had been viewed as the most vulnerable of 17 Senate Democratic incumbents.

Democrats also kept their seat in another important race in Maryland, where Rep. Ben Cardin held off a late surge by Republican Lt. Gov. Michael Steele to succeed retiring Sen. Paul Sarbanes.

Former First Lady Hillary Rodham Clinton, considering a Democratic bid for the White House in 2008, easily won re-election to a second term from New York.

Lieberman will be one of two independents in the new Senate. Rep. Bernie Sanders, an eight-terms congressman who calls himself a socialist, won the seat of retiring Sen. Jim Jeffords, also an independent. Both Lieberman and Sanders have said they will align themselves with Democrats.

Democratic Sens. Dianne Feinstein of California, Maria Cantwell of Washington and Debbie Stabenow of Michigan were re-elected. Democrats also kept seats in Wisconsin, North Dakota, New Mexico, Michigan, Nebraska, West Virginia, Massachusetts, Florida, Delaware, Wisconsin and Hawaii.

Republican Sen. John Kyl won re-election in Arizona despite Democratic hopes for an upset by wealthy businessman Jim Pederson.

Republicans also won re-election in Indiana, Maine, Mississippi, Wyoming, Texas, Utah and Nevada.

In Florida, Democratic Sen. Bill Nelson handily rebuffed a challenge from Republican Rep. Katherine Harris, a two-term House member.

Harris came to national attention in 2000 when, as Florida secretary of state, she certified Bush as the Florida winner in his nearly deadlocked presidential race with Democrat Al Gore. However, she fell out of favor with Florida Republicans, and was even urged by Florida Gov. Jeb Bush, the president's brother, not to run.

Democrats needed a net gain of six seats to take control of the Senate, which, except for a 19-month period in 2001 and 2002, has been run by Republicans since 1995.

Exit polls showed that almost six in ten voters disapproved of the war in Iraq, and an equal percentage said they disapproved of how President Bush was handling his job.

In Pennsylvania, about half of those who said in exit polls that they voted for Casey characterized their votes being primarily against Santorum rather than a vote for Casey. Casey also got a boost from one-third of voters who said they were angry with Bush. One-fourth of them said they were mad at GOP leaders in Congress.

Ohio voters expressed similar views. About six in 10 Brown voters said their vote was intended to register opposition to Bush. Two-thirds of Brown voters said they disapproved of the way Congress was handling its job.

Amy Klobuchar, a prosecutor, kept the seat of retiring Sen. Mark Dayton in Minnesota in Democratic hands, defeating Republican Rep. Mark Kennedy.

Among incumbents who coasted to re-election were liberal Democratic lion Edward M. Kennedy of Massachusetts West Virginia Sen. Robert C. Byrd, who has spent more than half of his 88 years in the Senate.

Veteran Republican senators coasted to re-election in five states: Richard Lugar in Indiana, Olympia Snowe in Maine, Trent Lott in Mississippi, Kay Bailey Hutchison in Texas and Orrin Hatch in Utah.

In Wyoming, Republican Craig Thomas, though hospitalized with pneumonia, won re-election to a third term. And Republican Sen. John Ensign in Nevada turned back a challenge from Democrat Jack Carter, son of former President Jimmy Carter.

Other Democrats winning re-election included Tom Carper in Delaware, Jeff Bingaman in New Mexico, Ben Nelson in Nebraska, Herb Kohl in Wisconsin, Kent Conrad in North Dakota and Daniel Akaka in Hawaii.

Democrats Seize Control Of US House (FT)

By Jeff Pruzan In New York

Financial Times, November 8, 2006

The Democratic party ended 12 years as the minority group in the House of Representatives on Tuesday night, seizing the 15 seats needed to retake control from the Republicans with many races still to be counted.

Control of the Senate remained in the balance, with contests in four critically important Republican-held seats still considered too close to call by late Tuesday. Democratic victories in three of those races would yield the Senate to that party as well.

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But control of the House was seen as critically important to the Democrats' efforts to put the brakes on a White House that has enjoyed the assistance of a friendly Republican Congress for four years.

The Democratic takeover installs Nancy Pelosi, the San Francisco congresswoman, as the first woman House Speaker in US history.

In Washington, a roar went up at 11.10pm in the ballroom of the Hyatt hotel, where the Democrats were holding their election night party as CNN declared that they had taken the House. Activists cheered and jumped in the air, some pulled out cigars to celebrate.

A second roar came minutes later, as the news station predicted a net gain of 29 House seats for the Dems. "It feels great. It's been a long time coming," said Democrat supporter Barry Featherman.

"This is a huge moment," said Sid Wolf, a Senate staffer. "It will bring the balance back to government."

The long-anticipated wave of Democratic support - much of it seen as an anti-Iraq war, anti-White House or anti-Congress vote - outsted a number of Republican House veterans, including Nancy Johnson of Connecticut, Curt Weldon and Don Sherwood of Pennsylvania, Charles Taylor of North Carolina and Clay Shaw of Florida.

Early on, Democrats picked up three out of the six seats they need to regain control of the Senate from the Republican party.

In Pennsylvania, Senator Rick Santorum - a longtime conservative standard-bearer - lost his seat to Bob Casey Jr, the conservative son of a popular former Democratic governor. Mike DeWine, a moderate two-term senator, lost to Sherrod Brown, a Democratic congressman.

In Rhode Island, Lincoln Chafee, the Senate's most liberal Republican, lost a close race to Sheldon Whitehouse, his Democratic challenger. The Rhode Island seat had been widely seen as a toss-up after Mr Chafee defeated a conservative challenger in an August primary election.

In Indiana, Republican congressman John Hostettler lost to Brad Ellsworth, a Democratic sheriff, in a race long seen as a national indicator of voter mood. Mr Ellsworth was the first challenger of the evening widely reported to have unseated a member of Congress.

Anne Northup, a Republican congresswoman from Kentucky, was also projected to have lost to her Democratic challenger, John Yarmuth.

At the outset, no Democratic seats had yet switched to Republican hands. In New Jersey, Democratic senator Bob Menendez fought back a challenge from Tom Kean Jr, Republican son of a popular former governor, to protect what has been seen as one of the Democratic party's few vulnerable Senate seats.

Another Senate slot viewed by many as a potential Republican pick-up - the Maryland seat being vacated by retiring Democrat Paul Sarbanes - appeared to have tipped to Ben Cardin, a Democratic congressman, over Michael Steele, the state's Republican lieutenant governor.

A number of the most hotly contested races - including the Virginia Senate race between George Allen, the Republican incumbent, and Jim Webb, his conservative Democratic challenger - remained undecided early in the evening.

Voter sentiment also returned Democrats to power in a number of state governors' mansions.

In Ohio, a batch of Republican scandals helped Democratic congressman Ted Strickland defeat Ken Blackwell, the Republican secretary of state. In Massachusetts, Deval Patrick easily won election as the left-voting state's first Democratic governor since 1991. Mr Patrick will also become the north-eastern state's first black governor.

Eliot Spitzer's long-expected victory in the New York governor's race also puts that seat in Democratic hands for the first time since 1994. Mr Spitzer gained notoriety as the state's attorney-general - particularly for his pursuit of white-collar crime on Wall Street - and a serious Republican challenge to defend the seat never surfaced this year.

And in Maryland, Martin O'Malley, Baltimore's Democratic mayor, ousted Republican Robert Ehrlich as governor.

Analysts have long predicted that Democrats would enjoy gains in this year's midterm election, in which all House seats and a third of Senate seats are up for grabs. Few of the seats were seen as competitive during the election cycle, but Democrats had long been tipped as well within reach of recapturing the 15 seats needed to retake the House for the first time since 1994, and the six seats to wrest the Senate from Republicans for the first time since 2002.

Additional reporting by Krishna Guha and Jeremy Grant in Washington

Tight Va. Race Could Hold Senate Key (USAT)

By Bill Nichols And William M. Welch

USA Today, November 8, 2006

Democrats won at least 23 Republican-held seats Tuesday in the House of Representatives, gaining majority control for the first time since 1994. They also ousted three Republican senators as voters delivered a message of dissatisfaction to President Bush and his party.

"We are on the brink of a great Democratic victory," said Rep. Nancy Pelosi of California, who is in line to become the first female speaker of the House.

Democrats were claiming victories over Republicans across the USA in midterm elections dominated by voter concern about the war in Iraq, in which more than 2,800 U.S. troops have died, and congressional scandals. The results amounted to a political reversal for Bush as he plots a course for the final two years of his administration.

Presidential adviser Karl Rove informed Bush around 11:15 p.m. ET that the House was lost, according to White House spokeswoman Dana Perino.

"Of course he's disappointed," she said, but "he's looking forward to working with the Democrats."

Democrats needed a net gain of 15 seats to retake the House. In the Senate, they needed to win six-GOP held seats to regain majority control. Democrats defeated incumbent Republicans in Rhode Island, Pennsylvania and Ohio. Republicans held the Tennessee seat of retiring Majority Leader Bill Frist.

Republicans have controlled the House since 1995 and the Senate since 2001.

Among the hot-button issues decided on ballots across the country, South Dakota voters rejected a state law that would have banned nearly all abortions in the state.

Confusion and problems with electronic voting machines and new ID procedures were reported in Ohio, Indiana and many other states. Turnout appeared strong as voters decided on all U.S. House seats, 33 Senate seats, governorships in 36 states.

·In the House, Democrats ousted some veteran GOP incumbents, including Reps. Clay Shaw of Florida and Nancy Johnson of Connecticut, leaders on Social Security and health care. Republicans also lost seats in Arizona, Indiana, Kansas, Kentucky, New Hampshire, New York, North Carolina, Ohio, Pennsylvania and Texas.

·In the Senate, Democrats ousted Pennyslvania's Rick Santorum, a conservative lightning rod who was the No. 3 Republican leader in the Senate. Democrats held seats in New Jersey, Maryland, Washington and Minnesota that were the best chances for GOP gains. Virginia's race, which could decide control of the Senate, was too close to call.

The Senate was assured of having two independents who will vote with Democrats: Vermont's Bernie Sanders and Connecticut's Joe Lieberman, who left the party after losing the primary.

·Democrats were on their way to a majority of governor's offices, gaining the top jobs in Massachusetts, Ohio, New York, Arkansas and Colorado. Republicans went into the election holding a 28-22 majority.

In Massachusetts, Democrat Deval Patrick defeated Republican Kerry Healey to become the state's first African-American governor.

Already dealing with a divisive war, Bush would face newly empowered Democrats who want U.S. troops to begin leaving Iraq and would have subpoena power to investigate Bush's conduct of the war and the overall fight against terrorism.

Loss Of House Is Rare Defeat For Bush (AP-Y)

By Jennifer Loven

AP, November 8, 2006

Resigned to Democratic control of the House, President Bush struck a businesslike tone Tuesday night and made plans to call the woman poised to become speaker of a Democratic House majority.

"The president's not the kind of guy who is going to be somber about things," said press secretary Tony Snow. But he added: "They have not gone the way he would have liked."

Bush, unaccustomed to political defeat, planned a morning phone call to House Democratic leader Nancy Pelosi and made plans to give his take on the midterm election results at an afternoon news conference.

The president watched the results in the White House residence, where Snow described the mood as "businesslike."

Asked if the president was surprised that the House was shifting to the Democrats, Snow said it wasn't "a slap-on-the-forehead kind of shock."

Determined to stave off a Democratic-controlled Congress, Bush raised millions of dollars, flew thousands of miles, shook hands, kissed babies, praised fellow Republicans and blasted Democrats — in private at first, lately before cheering crowds.

From huge hotel ballrooms in Washington to luxury homes across the country, Bush collected more than $193 million for the GOP at about 90 fundraisers over 20 months. Switching to traditional campaign rallies only at the last, he raced through 15 cities in 11 days.

Despite Republican fears and Democratic hopes that Election Day would place the House, the Senate and a majority of governors' mansions in Democratic hands, Bush remained relentlessly optimistic.

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"We've had quite a week," he said in Texas. "We're closing strong."

Tuesday morning in his adopted hometown of Crawford, Bush cheerfully voted in the local firehouse. Outside, an "I voted" sticker on his jacket, he put aside the partisan attacks and appealed to Americans to vote, whichever party they favored.

The president then returned to the White House to await the results so pivotal to the last two years of his presidency.

He was joined for dinner by political strategist Karl Rove, GOP chairman Ken Mehlman, White House chief of staff Josh Bolten, former Commerce Secretary Don Evans and Brad Freeman, a California venture capitalist and top Bush fundraiser.

A Capitol Hill even half dominated by Democrats would erect a bedeviling barrier to the remaining items on his presidential agenda. It would also raise the specter of possible investigations into his pre-Iraq war use of intelligence, post-Sept. 11 expansion of executive power and other issues.

From a famous family of politicians, Bush first entered the electoral fray on his own behalf in 1978 when he ran, and lost, for Congress from West Texas.

He has not lost since, not for governor of Texas in 1994 and again in 1998, not in two runs for the White House, and not in 2002, when — with his help — his party bucked historical trends and not only kept but expanded its majorities in the House and the Senate.

For this year's midterm elections, Bush headlined at least as many political events as before the voting in 2002. But the nature of his effort was much different.

With the war growing unpopular and his approval ratings 25 points lower than four years ago, Bush kept his political appearances more out of the public eye.

When the public rallies did start, two months later than in the 2002 election cycle, they were exclusively in GOP-friendly states he won in 2004, most in small or rural communities less likely to have a boisterous anti-Bush presence.

He didn't stay away from contested races. But by jetting into the reddest of states, such as Nebraska, Kansas and Montana, the president was playing defense. His assignment was not to lure undecideds, but to coax a dispirited GOP base to turn out.

White House political strategists said the president helped.

But some in Bush's party made a point of distancing themselves from his policies, even while they eagerly accepted his behind-closed-doors fundraising help. Others said "No, thank you" to any presidential involvement.

Democrats Take Control Of House; Decisive Races In Senate Are Tight (NYT)

By Adam Nagourney

The New York Times, November 8, 2006

Democrats seized control of the House of Representatives and ousted at least three Republican senators yesterday, riding a wave of voter discontent with President Bush and the war in Iraq in the most contested Congressional battle since Republicans captured Congress 12 years ago.

The Democrats seemed to be falling short of winning the six seats they need to win the Senate, officials in both parties said early this morning. But their victory in the House — overcoming a legendarily efficient White House political machine, directed by Karl Rove — represented a dramatic turnaround in the fortunes of the Democratic Party and signaled a sea change in the political dynamics of a government that has been dominated by Republicans for a decade.

No less significant for the long-term political fortunes of their party, Democrats were winning governors' seats across the country — notably in Ohio, Arkansas and New York.

By early this morning, Democrats had picked up more than the 15 seats they needed to win control, knocking off Republican incumbents from New Hampshire to Indiana to Florida, officials in both parties said. Although results from the West Coast had not yet come in, neither party expected those contests would alter the basic outcome.

Among the faces who will be absent from the halls of Congress next year are some of the more moderate members of the party — Representatives Charles Bass of New Hampshire and Clay Shaw of Florida and Senator Lincoln Chafee of Rhode Island.

Mr. Rove, the president's top political strategist, alerted the president that the House was lost at around 11 p.m., the White House said.

"His reaction was he was disappointed in the results in the House," Tony Fratto, a White House spokesman, said late last night. "But he's eager to work with both parties on his priorities over the next two years — he's got an agenda of important issues he wants to work on, and he's going to work with both parties."

Mr. Bush has called a press conference for Wednesday afternoon. Asked if Mr. Bush had made phone calls to Nancy Pelosi, the Democratic leader and likely Speaker of the House, Pelosi, Mr. Fratto said the president would not make any phone

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calls until Wednesday morning and that he was still hopeful late Tuesday that the Senate would remain under Republican control.

In addition to Mr. Chafee of Rhode Island, the other defeated Republican senators were Mike DeWine of Ohio and Rick Santorum of Pennsylvania.

At the same time, one of the Republicans' top targets — Senator Robert Menendez, Democrat of New Jersey — survived a nearly $5 million onslaught by the Republican Party to defeat Thomas H. Kean Jr.

In New York, Eliot Spitzer breezed to victory, becoming the first Democrat in 12 years to move into the governor's mansion in Albany, and Senator Hillary Rodham Clinton won easy re-election. In Connecticut, Senator Joseph I. Lieberman, running as an independent, defeated the man who beat him in the Democratic primary, Ned Lamont.

Democrats scored one crucial win in governors' races as Representative Ted Strickland won in Ohio. His victory, along with the defeat of Mr. DeWine by Sherrod Brown, signaled that Ohio was no longer the Republican bulwark that it has long been. Democrats also took control of the governor's mansion in Massachusetts, and Gov. Edward G. Rendell, a Democrat, won a second term in Pennsylvania.

Despite the early Democratic gains, tension gripped officials in both parties as the evening unfolded.

"We're on the brink of a great Democratic victory," Ms. Pelosi said as she appeared before an enthusiastic crowd of Democrats in Washington early this evening.

Senator Charles E. Schumer, the New York Democrat who headed his party's effort to win the Senate, appeared in a ballroom full of supporters in Washington at 8:45 p.m. to claim victory in Pennsylvania and Ohio.

"So far, we're up two" Mr. Schumer said to great applause, adding, "We're biting our nails on Virginia."

"We're not breaking out the Champagne bottles yet," he said. "But so far, so good."

Four other closely watched Senate races were still undecided by late evening. They were in Virginia, where Senator George Allen, the Republican, was in a dead heat with Jim Webb; in Missouri, where Republican Jim Talent was leading State Auditor Claire McCaskill; in Tennessee, where the Republican Bob Corker was ahead of Representative Harold Ford Jr., for the seat being vacated by Senator Bill Frist, and in Montana, where the Republican, Conrad Burns, was in a close race with State Senator Jon Tester.

In Virginia, only a few thousand votes separated the two candidates after 98 percent of the votes were counted. With more than 100,000 absentee ballots still uncounted, the result was not expected for hours. Republicans said they were confident they would be able to withstand the Democratic assault and hold on to at least the Senate. "I think it's going to be a fairly late night for both the House and the Senate," Ken Mehlman, the chairman of the Republican National Committee, said on CNN.

Despite the Democratic victories, two Georgia Democrats struggled for re-election — Representatives Jim Marshall and John Barrow — had been important to the Republican strategy of holding on to the House. President Bush flew to both their districts last week to campaign for their Republican challengers.

But early in the evening, some closely watched Republican incumbents went down to defeat. In Kentucky, Representative Anne M. Northup, who had a history of withstanding tough challenges, was defeated by John Yarmuth. And in Indiana, three Republicans were defeated: Representatives John Hostettler, Mike Sodrel and Chris Chocola. In Connecticut, Representative Nancy L. Johnson, a veteran Republican, was defeated.

Mr. Hostettler's defeat was particularly noteworthy, because he was defeated by a conservative Democratic sheriff, Brad Ellsworth, who, if ideologically a fit for his district, will stand out in the Democratic caucus next year.

At stake was Republican control of both the House and the Senate in the most competitive midterm election since Republicans seized control in 1994. That was the last time one party took control of both houses away from the other. This year, Democrats were looking to win 15 seats to capture the House and 6 to win the Senate.

The election to a large extent became a national referendum on President Bush and the war in Iraq, according to exit polls.

Sixty percent of voters interviewed as they left the polls today said they opposed the war in Iraq, and 40 percent said their vote was a vote against Mr. Bush. In addition, a significant number of voters said corruption was a crucial issue in their decision, in a year in which Republicans have struggled with scandal in their ranks.

Independent voters, a closely watched group in a polarized country, broke heavily for Democrats over Republicans, the exit polls showed.

The day included concerns about electronic voting machines being used for the first time in many parts of the country, as well as about often strict new voter registration laws. Problems were reported in a dozen states, including Indiana and Ohio. Polling hours in parts of eight states were extended to make up for the problems.

President Bush cast his vote in Crawford, Tex., then returned to Washington to watch the returns at the White House with a group that included Mr. Mehlman, and Karl Rove, the president's senior adviser.

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Throughout the day, Republican Party officials said they were encouraged by reports of what they said was high turnout in typically Republican parts of the country, as well as counts of early votes and absentee ballots. They disputed early exit poll findings that suggested that Republican candidates might be in trouble, though they acknowledged the problems the party's candidates faced this year.

"We are in a challenging year," Mr. Mehlman said on CNN.

The voting finished an often bitter campaign that pitted a Democratic Party frustrated by years of losses against a White House and a Republican Party acutely aware that losing control of the House or the Senate would fundamentally alter the remainder of Mr. Bush's presidency.

The Republicans went into the campaign with institutional advantages.

Because of redistricting, few incumbents appeared vulnerable initially. Republicans also had what both parties viewed as the considerable advantage of a powerful and sophisticated get-out-the-vote machine the Republican Party began putting together as soon as Mr. Bush took office in 2001.

Once again, Republicans had a financial advantage, even though vigorous fund-raising efforts by Democrats narrowed the historic gap. Over all, Republicans spent $559 million, compared with $456 million by Democrats, according to records filed with the Federal Election Commission. And Mr. Rove made clear that he believed Republicans could again roll to victory by emphasizing terrorism and national security issues, as they have in both national elections since the attacks of Sept. 11, 2001.

But by the middle of October, Republicans found they were struggling with what several described as the worst political environment in a generation, making it easier, according to exit polls on Tuesday, for Democrats to achieve their central strategic objective: Turning this election into a national referendum on Mr. Bush's leadership and, more generally, on Republican stewardship.

The war in Iraq deteriorated throughout the fall, the American death toll spiked in October, and public opinion turned more firmly against the conflict. Eight in 10 voters who said they approved of the war in Iraq voted Republican, and 8 in 10 voters who said they disapproved voted Democratic, the exit polls said.

In contrast to 2004 and 2002, when the president was sought after by Republican candidates throughout the country, Mr. Bush was extremely unpopular in many parts of the country this year, limiting the places where he was welcome to campaign. He was shunned by his party's candidate for governor in Florida on Monday, and Democrats ran hundreds of advertisements featuring their Republican opponents standing or sitting next to Mr. Bush. Nearly 4 in 10 voters leaving the polls said their vote on Tuesday was cast against Mr. Bush.

The Republicans also struggled with corruption scandals, including the resignation in September of Representative Mark Foley of Florida, after he admitted sending sexually inappropriate messages to teenage pages.

By the end of the campaign, Republicans said they had been forced to spend money in races that should never have been in play, including the one to replace Mr. Foley and another for the seat once held by Tom DeLay of Texas, the former Republican majority leader who resigned from Congress after being indicted on charges of conspiring to violate Texas election laws.

GOP Ceded The Middle And Paid The Price (LAT)

By Ronald Brownstein

The Los Angeles Times, November 8, 2006

For six tumultuous years President Bush has provoked intense opposition while mobilizing passionate support for an ambitious conservative agenda.

On Tuesday, that perilous strategy crumbled — and triggered his party's abrupt fall from power.

Republicans lost control of the House, and at best face a weakened grip in the Senate. The widespread losses will present Bush and the GOP with a sharpened challenge from congressional Democrats eager to command attention for their policy priorities, such as raising the national minimum wage, and to investigate the administration's performance on Iraq, global warming and other issues.

In the long run, the results raise fundamental questions about the viability of the strategy Bush and his chief political advisor, Karl Rove, have pursued to build a lasting Republican political majority.

Bush and Rove placed their main emphasis on unifying and energizing Republicans and right-leaning independents with an agenda that focused squarely on the goals of conservatives.

But Tuesday's broad Democratic advance underscored the risks in that approach: In many races, Republicans were overwhelmed by an energized Democratic base and a sharp turn toward the Democrats by moderate swing voters unhappy with the president's performance.

"The story line really is that the Democrats are winning the middle," said Democratic pollster Al Quinlan.

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Veteran GOP pollster Bill McInturff said: "Iraq is front and center of this election, and people voted for change. The GOP base held — was motivated and voted — but the margins among independents and moderates [for Democrats] was too much to overcome."

The National Election Pool exit polls conducted by Edison Media Research and Mitofsky International showed that 80% of voters who disapproved of the Iraq war voted Democratic for Congress, while 80% who approved voted Republican. But only about two in five voters approved of the war, while nearly three-fifths disapproved, according to figures posted by CNN.

A mirror revolt

Tuesday's election may represent a bookend to the historic Republican landslide in 1994.

In that election, Republicans captured the Senate by gaining eight seats and won the House for the first time in 40 years by gaining 52 seats. The engine for the GOP advance was a widespread backlash, both among its core supporters and independent swing voters, when Democratic President Clinton veered left on several key issues after promising to govern as a centrist.

Republicans have controlled the House since then, and the Senate for all but 18 months. But on Tuesday, a political uprising that looked like the mirror image of the voter revolt against Clinton broke the GOP's grip on the House and left the Senate split basically in half.

The election saw Democrats strengthen their hold over the regions in the country where they are already strong, with Senate victories in Maryland, New York, New Jersey and Rhode Island, and House gains in Pennsylvania, Connecticut and New York.

At the same time, Democrats pushed into Republican territory with a big Senate win in Ohio, a pick up of three House seats in Indiana, as well as gains in the interior West.

The Democratic successes in such places chipped away at one of the most powerful patterns of the last few decades: a tendency for each party to consolidate its control of House and Senate seats from states it usually carries in the presidential races.

Republicans continued to enjoy strong support from their core supporters, based on the results from several key races and exit polls.

That helped the GOP restrain its losses in many "red" states, even as they suffered erosion in "blue" states such as Pennsylvania and New York.

In Virginia's tight Senate race, for instance, Republican Sen. George Allen stayed step-for-step with Democrat Jim Webb partly by capturing nearly 60% of the vote in Chesterfield County, a traditional GOP stronghold outside Richmond, and running slightly better than he did six years ago in Chesapeake, a conservative military-influenced community in the state's far southeast corner.

Republicans also held hotly contested GOP-leaning districts in Florida and Virginia and mounted strong challenges against Democratic House incumbents in Georgia.

The determination of the Democratic base to strike a blow against Bush was evident in the large turnout in party strongholds like Philadelphia and Cleveland.

At the same time, Democrats registered gains among two groups of swing voters.

Swinging to the left

In many places, the results suggested that socially moderate, upscale voters were breaking clearly for the Democrats.

In Pennsylvania, Republican Sen. Rick Santorum six years ago carried all three of the large suburban counties outside Philadelphia by a combined total of nearly 100,000 votes. But on Tuesday, the overall victory margin for Democrat Bob Casey Jr. in these counties exceeded 120,000 as he cruised to victory.

The same trend was evident in Virginia. In that dead-heat contest, Webb pulverized Allen in the affluent suburbs outside Washington.

Democrats also made gains among more socially conservative, economically strained swing voters, who have provided critical votes for Republicans in recent years.

In Indiana, Democrat Brad Ellsworth convincingly defeated Rep. John Hostettler in a heavily rural district where Bush captured over three-fifths of the vote two years ago.

Beaver and Westmoreland counties in Pennsylvania's southwest corner, considered strongholds of blue-collar conservative "Reagan Democrats," split about evenly in Santorum's reelection six years ago. But Casey carried them by nearly 25,000 votes on Tuesday.

John C. Green, a political scientist at the University of Akron, said the erosion Republicans faced among affluent and working-class swing voters underscored the risks of Bush's decision to push an agenda opposed by nearly half the country on even his best days.

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"The Bush people chose to put up with a very high level of conflict," Green said. "They didn't try to build a large consensus majority."

Bush wasn't on the ballot Tuesday, but he loomed as a decisive factor. Attitudes toward Bush powerfully shaped the results.

In Missouri, for instance, site of the nail-biting contest between Sen. Jim Talent and Democrat Claire McCaskill, the exit poll showed that almost 90% of those who approved of Bush's performance backed Talent, while nearly 85% of those who disapproved backed McCaskill.

In other states such as Ohio, Rhode Island, New Jersey and Maryland, exit polls found much more lopsided majorities than in Missouri disapproving of Bush's performance — a trend that created hurdles for GOP candidates.

Especially ominous for the GOP may have been the reopening of the gender gap. In 2004, Bush used security issues to narrow the traditional Democratic advantage among women.

But with surveys for months showing women especially dismayed over the Iraq war, Democrats ran up large margins with female voters, according to the exit polls.

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A Voter Rebuke For Bush, The War And The Right (WP)

By Peter Baker And Jim VandeHei

The Washington Post, November 8, 2006

The political pendulum in American politics swung away from the right yesterday, putting an end to the 12-year Republican Revolution on Capitol Hill and delivering a sharp rebuke of President Bush and the Iraq war.

The GOP reign in the House that began with Newt Gingrich in a burst of vision and confrontation in 1994 came crashing down amid voter disaffection with congressional corruption. The collapse of one-party rule in Washington will transform Bush's final two years in office and challenge Democrats to make the leap from angry opposition to partners in power.

How far the balance shifts to the left remains to be seen. The passion of the antiwar movement helped propel party activists in this election year, and the House leadership under the likely new speaker, Nancy Pelosi (D-Calif.), hails from the party's liberal wing. But the Democrats' victory was built on the back of more centrist candidates seizing Republican-leaning districts, and Pelosi emphasized that she will try to lead without becoming the ideological mirror of Gingrich.

"We have learned from watching the Republicans -- they would not allow moderates a voice in their party," Senate Minority Leader Harry M. Reid (D-Nev.) said in an interview as he waited to see if Democrats would take control of the upper chamber as well. "We must work from the middle."

The Democrats' return to power in at least one house and gains in the other mean Bush will almost certainly face powerful pressure to reassess his Iraq policy -- not just from Democrats but from within his own party. Even many Republicans hanging on last night emerged from a bruising election restive and looking for a fresh direction.

By the end of the campaign, Republicans were airing ads distancing themselves from Bush's wartime leadership, and the president himself abandoned the phrase "stay the course." The White House is placing hope on a study group headed by former secretary of state James A. Baker III, a longtime Bush family intimate, to offer a new approach to the war. Yet Vice President Cheney laid down a marker last week, saying "it doesn't matter" if the war is unpopular and vowing to continue "full speed ahead."

During a victory speech last night, Pelosi made clear that would not suffice: "We cannot continue down this catastrophic path. And so we say to the president, 'Mr. President, we need a new direction in Iraq. Let us work together to find a solution to the war in Iraq.' "

The results represented the first defeat at the polls for Bush politics since he came to power after the 2000 presidential election ended with a recount battle. In back-to-back elections after that, he defied conventional wisdom to pull out victories, tapping into a strain of anxiety that has flavored the national electorate since the terrorist attacks of Sept. 11, 2001.

Bush and senior adviser Karl Rove tried to replicate that strategy this fall, hoping to keep the election from becoming a referendum on the president's leadership and instead make it a choice between two parties with different governing philosophies. "One thing that's true is this will have been a referendum election," said Gary Jacobson, a political science professor at the University of California at San Diego.

Overall, 59 percent of voters surveyed in a news media consortium series of exit polls yesterday expressed dissatisfaction or anger with the Bush administration; 36 percent said they cast their vote to express opposition to Bush, compared with 22 percent who were voting to support him. Fifty-six percent of voters support withdrawing some or all U.S. troops from Iraq, which will embolden Democrats pushing for a pullout.

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Corruption proved to be a more potent issue than it had appeared even weeks ago. After 12 years in control, the Republicans who took power with Gingrich promising to sweep out a calcified and ethically bankrupt Democratic leadership found themselves perceived as becoming what they had tried to expunge. Exit polls found 41 percent of voters rated corruption "extremely important" to their decision.

"What you saw was the voters speak out very loudly on the way Congress conducted itself," said Rep. Eric I. Cantor (R-Va.). "We really have to take stock of where we are and we have to go about doing things different." Cantor said this includes a renewed emphasis on fiscal discipline and ethics reform.

"Republicans should have been more diligent in locating instances of individual corruption and handled those appropriately," said former representative Vin Weber (R-Minn.), an adviser to GOP leaders and the White House. "We did not need to lose all those seats."

The loss provoked the start of what could be a painful period of self-examination among Republicans eager to find answers, or place blame. With moderates in the Northeast falling, the Republican conference will grow more conservative. Some said they expect Speaker J. Dennis Hastert (Ill.) to step aside as party leader after the fallout from the page scandal and a new younger generation vowing to return to the promise and principles of the Gingrich revolution hopes to take the reins. Rep. Mike Pence (R-Ind.), one of several younger conservatives who has lashed out at his party's veering from core fiscal and social principles, is planning to run for leadership.

"It's not an affirmation of a Democratic agenda; I think that's clear, because they didn't offer one," said John Weaver, a strategist for Sen. John McCain (R-Ariz.). "It's about how we as Republicans set aside our principles to try to stay in power. We decided to try to spend money like Democrats, we decided not to reform or tackle big issues. And at the end of the day, the American voters said, 'Enough is enough.' "

The complexion of the Democratic presence in Congress will change as well. Party politics will be shaped by the resurgence of "Blue Dog" Democrats, who come mainly from the South and from rural districts in the Midwest and often vote like Republicans. Top Democrats such as Rep. Rahm Emanuel (Ill.) see these middle-of-the-road lawmakers as the future of the party in a nation that leans slightly right of center.

In private talks before the election, Emanuel and other top Democrats told their members they cannot allow the party's liberal wing to dominate the agenda next year. Democrats will hold 30 or 35 seats that went for Bush in the past, meaning that Democratic candidates such as Brad Ellsworth in rural Indiana are likely to face competitive races again in 2008. Still, their interests are likely to collide with those of veteran liberals such as Reps. Henry A. Waxman (Calif.) and John Conyers Jr., (Mich.), who will chair committees.

With that in mind, there is a chance the 110th Congress could begin on a bipartisan note. Democrats have vowed to move quickly to tighten ethics laws and require offsets for new spending -- two plans many Republicans will probably support in light of yesterday's results. Democrats also plan to push next year to raise the minimum wage, increase spending for cargo inspection at ports and reduce rates on student loans, all issues likely to draw some GOP support.

Partisan standoffs are likely over the war and any Democratic efforts to repeal Bush's tax cuts for upper-income America. In both cases, Democratic divisions could complicate Pelosi's plans. Democrats largely avoided detailed positions on a new Iraq strategy, but votes over spending for the military and the Iraq operation will force them to take a position.

At the center of all this will be Bush, who enters the final phase of his presidency with an opposition House and the sting of a campaign in which he was deemed to be an albatross. Bush arrived at Election Day with a lower approval rating than any other president in a midterm since Harry S. Truman in 1946. Aides took some consolation that the losses approximated the average for the sixth year of a two-term presidency.

For weeks, the White House maintained it was doing no contingency planning in case of Democratic gains. But Bush advisers are mapping out an agenda for his final two years that would include legislation that might win bipartisan support, such as extending and expanding the No Child Left Behind education program and creating a guest-worker program for illegal immigrants. Other priorities, such as adding investment accounts to Social Security, would seem virtually impossible in a Democratic House.

As the election approached, the White House said it would not trim its sails no matter who won. But as they absorbed the losses last night, Bush aides said he will return to his style of governance in Texas, when he forged a strong working relationship with a legislature led by conservative Democrats. "Obviously, we are disappointed with what happened in the House," said White House counselor Dan Bartlett. Bush, he added, will reach out to Democrats at a news conference today. "He will do his part."

A Loud Message For Bush (NYT)

By Robin Toner

The New York Times, November 8, 2006

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Everything is different now for President Bush. The era of one-party Republican rule in Washington ended with a crash in yesterday's midterm elections, putting a proudly unyielding president on notice that the voters want change, especially on the war in Iraq.

Mr. Bush now confronts the first Democratic majority in the House in 12 years and a significantly bigger Democratic caucus in the Senate that were largely elected on the promise to act as a strong check on his administration. Almost any major initiative in his final two years in office will now, like it or not, have to be bipartisan to some degree.

For six years, Mr. Bush has often governed, and almost always campaigned, with his attention focused on his conservative base. But yesterday's voting showed the limits of those politics, as practiced — and many thought perfected — by Mr. Bush and his chief political adviser, Karl Rove.

In the bellwether states of Ohio and Pennsylvania, two Republican senators, both members of the legendary freshman class of 1994, were defeated by large margins. Across the Northeast, Republican moderates were barely surviving or, like Senator Lincoln Chafee of Rhode Island, falling to Democrats who had argued that they were simply too close to a conservative president.

Most critically, perhaps, Republicans lost the political center on the Iraq war, according to national exit polls. Voters who identified themselves as independents broke strongly for the Democrats, the exit polls showed, as did those who described themselves as moderates.

Senator Olympia J. Snowe, a Maine Republican who was re-elected yesterday, said that with the election's results, the administration's Iraq policy "has to change."

"It absolutely has to change," Ms. Snowe said. "And that message should have been conveyed by the administration much sooner."

Mr. Bush's allies could argue that history was working against Republicans, that in a president's sixth year in office, his party was ripe for big losses. They could also argue that Congressional Republicans brought their own vulnerabilities and scandals to the table. But this was a nationalized election, and Mr. Bush and Iraq were at the center of it.

Nearly 4 in 10 voters said they saw their ballot as a vote against Mr. Bush, about twice as many as those who said they had cast their ballots for him. It was a remarkable turnaround for a president who just two years ago emerged triumphant from his re-election campaign, declaring that he had earned political capital and intended to spend it.

That capital slowly drained away with an ill-fated fight on Social Security, a furor over the government's mishandling of Hurricane Katrina, an aggressive intervention for conservative causes like the right-to-die case of Terri Schiavo, and, more than anything, pollsters said, the war in Iraq. In the final days of the campaign, Mr. Bush's travels to some of the most Republican and least competitive regions in the country were a portrait of his political isolation.

Geoffrey Garin, a Democratic pollster, said, "An important feature of this election, with implications for 2008, is that the center of the electorate clearly doesn't like to be ignored in an era of base politics. The Republicans played to the base at their great peril among the middle."

After a campaign that only escalated the tension between Mr. Bush and Congressional Democrats, the president will now face overwhelming pressure to take a more conciliatory approach. For example, he will be under increasing pressure to re-evaluate his support for Defense Secretary Donald H. Rumsfeld, which he so publicly restated in the closing days of the campaign.

Bruce Buchanan, a political scientist at the University of Texas at Austin, said Mr. Bush certainly had the capability to practice more bipartisan politics; he governed that way often in Texas, and also occasionally in Washington, on legislation like the No Child Left Behind Act.

Other analysts pointed out that on issues like energy and immigration, Mr. Bush can find common ground with many Democrats. Vin Weber, a former Republican congressman and lobbyist who is close to the administration, said, "They'll be able to pivot quite easily on this and adapt to political reality."

But much of Mr. Bush's domestic agenda, which was not exactly gliding through the current Congress, will face even tougher prospects now. That includes any effort to overhaul entitlement programs like Social Security, already heavily shadowed by his failed effort to push through private investment accounts for Social Security in 2005, as well as any effort to extend all of his tax cuts, which Democrats say were heavily skewed to the most affluent.

Moreover, with a greater Democratic presence in the Senate, Mr. Bush will have far less latitude in his judicial nominees.

Even if Mr. Bush makes the grand gestures, Democrats heading into the 2008 presidential campaign may not be in the mood to reciprocate. Still, on Iraq, some change is almost inevitable, analysts say.

There is already a vehicle for a new bipartisanship, experts noted. A commission headed by James A. Baker III, former secretary of state, and Lee H. Hamilton, former Democratic representative from Indiana, is exploring policy alternatives for Iraq and is expected to make recommendations this winter.

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House Democratic leaders have already indicated that they will not cut off financing for the war; in many ways, their greatest power will be their ability to investigate, hold hearings and provide the oversight that they asserted was so lacking in recent years.

Experts point out that Mr. Bush is hardly the first president to confront a House controlled by the opposition; since World War II, some form of divided government has been the norm. President Bill Clinton, through a combination of negotiation, brinksmanship and bluffs, produced major legislation with the Republican Congress after 1994, including an overhaul of the welfare system and a huge balanced budget law.

Mr. Bush could try to do the same. But first he would have to abandon the political worldview that he drew, by many accounts, from his father's defeat — to never cross his base. President George H. W. Bush lost conservatives when he broke his "no new taxes pledge."

The younger Bush has rarely made that mistake. His circle had clearly hoped that the conservative base would come through in the end, saving the Republican majority even in the face of an unpopular war. But this time, it was not enough.

Democrats Take Control Of House; Virginia Could Determine Senate (WSJ)

By Jason Fry

The Wall Street Journal, November 8, 2006

Democrats took control of the House, riding a surge of voter anger that ended 12 years of GOP rule. A very close race in Virginia could determine control of the Senate, with the distinct possibility of yet another electoral season ending in recounts and rancor.

By early Wednesday, Democrats had picked up more than 20 House seats from Republicans -- sufficient turnover to make California Democrat Nancy Pelosi the House's first female speaker.

Democratic challengers capitalized on voter anger to oust numerous Republican incumbents from the House. In Indiana, Brad Ellsworth defeated John Hostettler, Baron Hill ousted Mike Sodrel, and Joe Donnelly beat Chris Chocola. In Kentucky, Democrat John Yarmuth ousted Kentucky Republican Anne Northup. In Ohio, Democrat Zack Space beat Joy Padgett to fill the seat vacated when the GOP's Robert Ney resigned. Twelve-term Connecticut Republican Nancy Johnson was defeated by Democrat Chris Murphy. New Hampshire Republican Charles Bass, a six-termer, was ousted by Democrat Paul Hodes. In Florida, Tim Mahoney beat the GOP's Joe Negron to fill the seat vacated by disgraced Republican Rep. Mark Foley, and Ron Klein ousted veteran Republican Clay Shaw Jr. In Pennsylvania, Republican incumbents Curt Weldon and Don Sherwood were ousted by Joe Sestak and Christopher Carney. (See article1.)

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In the Senate, Democrats defeated a trio of incumbent Republicans, but had to win three remaining races to take control of that body. The outcome might not be determined until the early-morning hours -- or later. In Tennessee, Harold Ford failed in his bid to beat Republican Bob Corker for the seat vacated by Bill Frist. But Democrats believed that Montana challenger Jon Tester would oust Conrad Burns and Claire McCaskill would narrowly prevail in Missouri against GOP incumbent Jim Talent. That would leave control of the Senate hinging on Virginia, where the race between Sen. George Allen and Democratic challenger Jim Webb was too close to call and certainly headed for a recount.

"The votes are in and we won," Mr. Webb told a crowd of jubilant supporters at a northern Virginia hotel ballroom early Wednesday.

About an hour earlier, Mr. Allen sounded a rather different note in an appearance before his supporters: "The election continues," he said. "The counting will continue through the night, and will continue tomorrow, and I know you will all be like eagles and hawks watching as every one of these votes are counted."

In Pennsylvania, Democrat Bob Casey defeated Rick Santorum, the third-ranking member of the Senate GOP leadership. Democratic Rep. Sherrod Brown beat GOP incumbent Mike DeWine in Ohio, a state where Republican scandals were devastating for the party. And former state Attorney General Sheldon Whitehouse defeated Lincoln Chafee, an openly anti-war Republican, in Rhode Island. In Maryland, Democrat Ben Cardin beat Michael Steele to keep an open seat in Democratic hands -- though Mr. Steele refused to concede. And in New Jersey, incumbent Robert Menendez held off challenger Thomas Kean Jr. for another seat Democrats had to keep. (See article21.)

All 435 House seats were on the ballot, as were 33 Senate races. In addition, 36 states were electing governors and voters were set to decide hundreds of statewide ballot initiatives on everything from gay marriage and embryonic stem-cell research to the minimum wage. Voting delays due to equipment malfunctions were reported in a number of states.

In the gubernatorial ranks, Democrat Ted Strickland claimed the governor's mansion in Ohio and Democrats Deval Patrick and Eliot Spitzer followed suit in Massachusetts and New York, respectively. All three governorships had been vacated by Republicans. Mr. Strickland's win returns a Democrat to the governorship for the first time since the 1980s; Mr. Patrick will become just the second black governor in the U.S. since Reconstruction, following former Virginia Gov. L. Douglas Wilder. A bright spot for Republicans was Charlie Crist, who kept the Florida governorship now held by the president's brother Jeb in GOP hands. (See article22.)

Republicans won control of the House and Senate in a 1994 landslide and have held it ever since, except for a 19-month period in 2001 and 2002 following Mr. Jeffords' switch from the GOP to independent. (The Democrats surrendered that majority in the 2002 elections.)

An early wave of exit-poll data, compiled and analyzed by a media consortium, suggested that voters went to polling places frustrated with an increasingly unpopular president, the war in Iraq and a Republican-led Congress that hadn't provided the checks and balances Americans seem to want. The results were compiled and released early in the evening, before polls in any states had closed. While early exit-poll results in past elections have, at times, proved inaccurate at projecting final results and have been too heavily weighted toward Democratic voters, the early data suggested a country feeling deep dissatisfaction and seeking change.

Some six in 10 voters said they disapproved of Mr. Bush's performance as president and of the way Congress is handling its job. Those voters were overwhelmingly giving their support to Democrats. Even 15% of people who voted for Mr. Bush in 2004 were giving their votes to Democrats running for Congress. Just 5% of John Kerry's supporters were crossing over this year to vote Republican.

More than half of voters surveyed said they disapproved of Congress's handling of the scandal surrounding former Rep. Mark Foley, and they went for the Democrats by a three-to-one margin. Republican leaders argued this election would be about local, not national issues, but voters disagreed. By nearly a two-to-one margin, they said national issues were more important than local issues in casting their ballot for the House.

Exit polls showed that terrorism and the war with Iraq were nearly equal in voters' minds as important issues. That suggested something of a draw in the battle between Democrats, who wanted the focus to be on Iraq, and Republicans, who wanted voters thinking about the broader war against terrorism. Among those responding to the national exit poll, 69% called the war in Iraq either extremely important or very important in determining their vote for their local congressional representative, while 73% said the issue of terrorism was extremely or very important.

There were also signs that Republicans' hopes for a last-minute turn of public opinion in their favor were dashed. In the early exit polls, voters who said they made their choice for House elections in the past three days broke decidedly for Democrats.

While the president wasn't on yesterday's ballots, he was on many voters' minds. Just as the 1994 midterms were an outlet for voters disillusioned with President Clinton and his party controlling Congress, the 2006 election shaped up as a referendum

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on Mr. Bush and what Democrats derided as "a rubber-stamp Republican Congress." Hanging over everything was public dismay with the deteriorating course of the Iraq war.

Then there's history: Since World War II, the party in control of the White House has lost an average of 31 House seats and six Senate seats in the second midterm election of a president's tenure in office. If history repeats itself tonight, Democrats would take over the House and Senate.

Overall, turnout was reported to be high across the country. From Virginia to Missouri to California, poll workers recorded levels normally seen in a presidential-election year.

Patrick Burns, who works at a nonprofit group in Washington, said neighbors swamped his polling place in Arlington, Va. The state has a hotly contested Senate race. "I've been voting there for 10 years and this was the heaviest I've seen," said Mr. Burns.

Reports of Voting Glitches

Election Day saw complaints of computer glitches, long lines, problematic voter rolls, poll-worker errors and even missing extension cords. But fears that new voting equipment and high turnout might lead to a massive breakdown of the election system seemed, at least initially, to go unrealized.

In DeKalb County, Ga., Latitia Naghise said she attempted to vote for Mark Taylor, the Democratic candidate for governor, but her touch-screen voting machine twice tried to record her as voting for Republican Sonny Perdue.

A polling place in Mills County, Ill., south of Chicago, was ordered by a court to stay open when the election judge didn't show up with the ballots. "I still haven't heard from him," said clerk Nancy Schultz Voots, who said she collected the ballots from his daughter hours later.

Heavy demand for absentee ballots apparently overwhelmed clerks. Voters complained they hadn't received their ballots, prompting an initially unsuccessful legal attempt by some voters in Anne Arundel County, Md., to extend the deadline. Both parties -- and even Maryland Gov. Robert Ehrlich -- had advised residents to vote absentee out of wariness of new electronic machines.

Republicans complained about voting irregularities and campaign vandalism in about a dozen states throughout the day, an apparent effort to counterbalance complaints from Democrats about election problems. In an interview with conservative radio talk-show host Rush Limbaugh, Republican National Committee Chairman Ken Mehlman told listeners that Democrats are "always crying wolf when in fact, if you look historically, they have been the ones that very often have been responsible for the irregularity."

Democrats were particularly concerned about what they regarded as misleading sample ballots being distributed in Maryland that allegedly represented top Republican candidates as Democrats, and suggested they had been endorsed by African-American leaders. Other complaints involved voting problems and Republican tactics in a total of 10 states, including allegedly misleading automated phone calls to voters. In Virginia, the party said the FBI was investigating allegations of voter suppression "stemming from calls directed at keeping voters from voting, or giving them incorrect information on their polling locations."

In other places, high turnout created its own problems. Election officials raced across St. Louis to deliver additional voting machines, as lines grew long and tempers ran short. Missouri is one of this election's key battleground states, and also has questions on the ballot about the contentious embryonic stem-cell issue.

Many of the problems seemed to result from new equipment, identification requirements and voter-registration lists required by the Help America Vote Act. That 2002 law made billions of dollars available to assist states in replacing their punch-card and lever voting machines, assemble statewide voter databases and make other election improvements by this year.

Many states were late meeting the deadlines, though, and about 55 million voters were using new voting equipment this year. In many states, voter databases -- which tell poll workers who is eligible to vote and where -- haven't been cleaned of misspelled names and other simple errors that could keep voters from being able to cast ballots.

The Election Protection Coalition, a group of mostly liberal activist organizations, said it had received 12,300 calls to its complaint line by midafternoon, with complaints from Ohio accounting for more than half. Most calls were "informational," it added, including questions about the location of their polling station.

Public interest focused on the voting machines, and calls to Election Protection and other hotlines pointed to programming glitches and training problems. There were numerous examples of vote "jumping" -- when a vote cast one way on a touch screen registers the other way on a machine's summary page.

Other problems seemed caused by a lack of training or preparation. There were numerous reports of machines that wouldn't work, and poll workers who didn't know how to fix them.

In South Carolina, Republican Gov. Mark Sanford stood in line at his Sullivan's Island precinct, then was turned away because he didn't bring a voter registration card -- unable to vote for himself or anyone else. Eyes red and watery from being

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exposed to too much light at an event two days earlier, he waited with his four boys while his wife voted, then went to the registration office to get a new card. "I hope my luck turns," Mr. Sanford said. (It did -- Mr. Sanford was re-elected.)

2006's has been by far the costliest campaign in American history, with more than $1.4 billion spent by candidates, parties and outside interest groups. Much of the money went to television commercials that attacked one candidate or another.

The two political parties spent an estimated $225 million on congressional races: The Democratic Congressional Campaign Committee spent about $64 million in 56 races, while Republicans spent more than $70 million on 52 races.

-- The Journal's Jackie Calmes, Christopher Conkey, Christopher Cooper, Yochi J. Dreazen, Greg Hitt, June Kronholz, John D. McKinnon, Laura Meckler and David Rogers contributed to this article, as did the Associated Press.

Democrats Take Control Of House; Senate Hinges On Race In Virginia (WT)

By Charles Hurt

The Washington Times, November 8, 2006

Democrats captured control of the House last night for the first time in more than a decade while control of the Senate remains up for grabs.

In early results, Democrats had stripped from Republicans at least 18 seats in the House, with at least nine more Republican seats in danger of takeover. The wins were three more than the 15 needed to win the chamber and set the stage for Rep. Nancy Pelosi, California Democrat, to become the nation's first female speaker of the House.

"We are on the brink of a great Democratic victory," Mrs. Pelosi said last night.

In the Senate, Democrats captured three Republican seats but still needed to sweep the three seats still in doubt this morning -- Virginia, Missouri and Montana -- to take control.

Control of the Senate may turn on Virginia, where Republican Sen. George Allen stumbled badly and was virtually tied with James H. Webb Jr., a little-known Democrat who had raised hardly any money before Labor Day. In his speech last night, Mr. Allen said "this election continues" and reminisced about his first election victory, won on a recount.

Also, Missouri Democrat Claire McCaskill led Republican Sen. Jim Talent by fewer than 1,200 votes, with 74 percent of that state's votes counted.

The Republican losses were the first electoral setback for President Bush since winning the White House six years ago. Both sides said Mr. Bush's low popularity and voter anger over the war in Iraq were the leading contributors to Republican losses.

The biggest giant to fall last night was Sen. Rick Santorum of Pennsylvania, who is the Republican Conference chairman, his party's No. 3 Senate post. He was felled by state Treasurer Bob Casey Jr., the son of a popular former governor.

"This was just a little too steep a mountain to climb but it was not for want of people to help us climb it," said Mr. Santorum, with his tearful family gathered around him, after early returns showed him about 20 percentage points behind.

Mr. Casey's famous name and cautious campaign prevailed over the conservative Mr. Santorum in the reliably Democratic state. Conservative leaders last night mourned the loss of Mr. Santorum as one of their most devoted and effective champions.

Rep. Sherrod Brown, Ohio Democrat, also denied Republican incumbent Sen. Mike DeWine re-election to a third term. Mr. Brown, a seven-term liberal in the House, rode a wave of anti-Republican sentiment in the state to easy victory last night. In Rhode Island, liberal Republican Sen. Lincoln Chaffee was projected to lose to Democrat Sheldon Whitehouse.

The Republicans' best hope for a pickup -- Lt. Gov. Michael S. Steele in Maryland -- was trailing in a close race. Republicans had dreamed of picking off Democratic held seats in New Jersey and Michigan, as well, but the states returned, respectively, Sens. Robert Menendez and Debbie Stabenow to the Senate.

In the House, Democrats needed to gain 15 seats to win control, which they will do but likely will have a relatively small majority.

Rep. Eric Cantor of Virginia, the deputy Republican whip who won overwhelming re-election last night, said the race wasn't so much a mandate for Democrats as it was a message to Republicans.

"This is a message from the voters that we really need to step up and reclaim the mantle of reform that propelled us to power 12 years ago," he said, citing the need to return the party to fiscal discipline and honest government.

Asked whether voters could expect a shake-up in House Republican leadership, Mr. Cantor said, "We got to let the dust settle."

Rep. John Hostettler, Indiana Republican, was last night's first casualty, losing a devastating defeat last night to conservative Democrat Brad Ellsworth in his maiden run for Congress. With over half of precincts reporting, Mr. Ellsworth had captured more than 60 percent of the vote. Republican Rep. Chris Chocola lost to lawyer Joe Donnelly.

In Kentucky, Democrat John Yarmuth picked off Republican Rep. Anne M. Northup in a close race. She was seeking her sixth term in Congress.

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Republicans appeared to managed to contain fallout from the scandal involving former Rep. Mark Foley and the sexually explicit Internet messages that he sent to teenage boys he had met through the congressional page program, but in the end could not hold onto Mr. Foley's Florida district. It was narrowly captured by Democrat Tim Mahoney, despite great efforts by Republicans.

Because of state election rules, Mr. Foley's name could not be replaced with the new Republican candidate, Joe Negron. To smooth discomfort of voters having to still cast ballots for Mr. Foley, Republicans began a campaign with signs that read: "Punch Foley for Joe!"

But the only other race that was directly tied to the scandal, Rep. Thomas M. Reynolds of New York, had pulled far ahead of his opponent in polls going into yesterday's election.

Rep. Deborah Pryce, Ohio Republican who was tied only tangentially to Mr. Foley as his friend, narrowly won re-election.

Republicans were far less successful at easing the damage caused by their association with former casino lobbyist Jack Abramoff, a scandal that earlier this year led to the resignation of Majority Leader Tom DeLay of Texas and landed Rep. Bob Ney of Ohio with a 27-month prison sentence. Democrats captured both of those reliably Republican seats.

Sen. Joe Lieberman, independent of Connecticut, was re-elected to the Senate for a fourth term after losing the Democratic nomination earlier this year to anti-war candidate Ned Lamont.

The Senate also got its first self-described socialist in Rep. Bernard Sanders of Vermont, who was easily elected to the seat being vacated by independent Sen. James M. Jeffords.

Republican operatives in Washington privately lamented last night having spent millions trying to salvage what they termed the year's worst-run campaign. They said that money would have better spent on races in Maryland, Michigan and New Jersey.

Last night also saw the comfortable re-election of several political icons whose campaigns got very little press attention amid the din.

Sen. Robert C. Byrd, West Virginia Democrat, and Sen. Edward M. Kennedy, Massachusetts Democrat, won overwhelming re-elections to their ninth terms. Sen. Hillary Rodham Clinton, New York Democrat, also cruised to a second term with ease.

"I voted for change, except for me," the former first lady said, casting her ballot in Chappaqua, N.Y.

Voter turnout nationwide was huge, with election officials from Connecticut to Tennessee saying the number of ballots cast was comparable to the number cast in a presidential election year. But there was no shortage of frustration at polling precincts, many of which were using electronic voting machines for the first time.

In Louisville, Ky., a poll worker was arrested after he was accused of choking a voter and pushing him out the door. In Allentown, Pa., a voter was accused of smashing a touch-screen voting machine with a paperweight. A Madison, Wis., polling site was closed briefly after a bomb threat was called in.

As expected, both sides began calling fouls early in the day yesterday.

In Virginia, the State Board of Elections asked the FBI to investigate a series of complaints about phone calls to Democratic voters that gave them the wrong polling-place information or told them that they couldn't vote. In Michigan, Republican candidate for Senate Mike Bouchard reported that hackers had crashed his campaign Web site, which remained down through the end of the day.

Judges in Indiana and Ohio ordered polling stations that had reported problems to remain open last night to give voters more time to cast ballots.

Republican Blame Game Begins (WT)

By Ralph Z. Hallow

The Washington Times, November 8, 2006

Recriminations flew from every which way against Republican leaders as voters turned out yesterday for the culmination of an election campaign that had President Bush's party on the defensive.

With the party fighting to avert a midterm meltdown, conservatives were critical of Republicans on both ideological and tactical grounds.

"This election is not a defeat for conservatives but for Republicans -- they thought they could desert core conservative principles, become the party of big government and get away with it," said Republican media consultant Craig Shirley.

The Rev. Richard Land, president of the Southern Baptist Convention's Ethics and Religious Liberties Commission, said, "Republicans would have been better off with Mr. Bush heading the ticket, as if it were a presidential year, because Southern Baptists and evangelicals don't feel the same frustration toward Mr. Bush as they feel toward Republicans in Congress. They have much more affection for him than for Republicans in the House and the Senate."

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Republicans failed to keep the Democrats from "nationalizing" the election, as exit polls indicated that voters considered the Iraq war their top priority. Yet Mr. Land said conservative voters moved toward the Republicans as a result of that "nationalizing" trend.

"Everywhere I've traveled, I've heard evangelicals say, 'The Republicans don't deserve to be re-elected, but we don't deserve to have Nancy Pelosi as speaker or Harry Reid as Senate majority leader either,' " the Baptist spokesman said, referring to the current congressional Democratic leaders.

For many, the election was what Republican National Committee Chairman Ken Mehlman said he didn't want it to be -- a referendum on Mr. Bush and the Iraq war. Mr. Mehlman had stressed a Republican strategy of emphasizing local candidates and local issues.

"There was general revulsion in the country, particularly among Democrats and independents, against the conduct of the war in Iraq," said pollster John Zogby. "This was, at the grass roots, a referendum against the war and the president. For Republicans, there was significant disappointment about opportunities lost through enormous budget deficits, threats to civil liberties, a failed social agenda, and the war."

The war was a serious drag on Republican prospects, said Charles Gerow, a Pennsylvania-based Republican strategist.

"There aren't many explanations for the Republican's poor showing in the polls around the country other than the war in Iraq," Mr. Gerow said. "The economy is doing well, gas prices are down ... but there's no doubt that there's growing bitterness over the handling of the war -- and the messages that are being used to communicate the administrations position aren't working."

Longtime conservative activist Paul M. Weyrich agreed.

"The war in Iraq had to be what went most wrong for Republicans," said Mr. Weyrich, president of the Free Congress Foundation. "The public didn't like it and blamed the Republican Party for it. A good portion of the disaffected vote was, I think, made up of conservatives. When you add dissatisfaction over the issues of immigration and spending, it was just too much."

Even conservatives with close ties to the White House were critical of the Republican Party's recent performance.

"What went wrong for Republicans? Everything," said American Conservative Union President David A. Keene. "Republicans will blame everyone but themselves, but this will have been a referendum not on the ideas that brought them to power, but on the sorry way in which they've gone about either ignoring or implementing those ideas as well as on their competence, integrity and morals."

Tactical errors on the legislative front abounded, Republican strategists said.

"Our side botched immigration, botched the whole Mark Foley-congressional pages affair," Mr. Shirley said. "The Republicans in Congress became so insulated from the grass roots and understanding how angry it was over the deviation from Republican principles."

Richard A. Viguerie, whose direct-mail operations helped build the modern conservative movement, explained Republican woes by noting that in the 2002 and 2004 elections, Mr. Bush and Republicans were "able to make a nexus between Iraq and the war against terrorism. However, that connection has now been broken, and the American people do not see that Iraq has anything to do with fighting the global war against radical Islam."

Analyzing the party's troubled campaign season, outgoing Arkansas Gov. Mike Huckabee said, "What went right was a very focused get-out-the-vote effort and what went wrong is that our party went into this election without having rallied around a single message and direction, the way we did under Ronald Reagan. We splintered over the little things and didn't unite over the big things."

GOP Coalition Fractured By Opposition To War (USAT)

By Susan Page

USA Today, November 8, 2006

WASHINGTON — Two years ago, President Bush won re-election and Republicans bolstered their control of Congress courtesy of a coalition that included fiscal conservatives, “values voters” and independents who were worried about terrorism.

In Tuesday's congressional elections, that coalition was fractured by opposition to the war in Iraq, disgust about corruption and unease over the economy. Fueled by dissatisfaction with Bush's leadership by nearly 6 in 10 voters, Democrats scored significant gains in the Senate and won control of the House for the first time since 1994.

Democrats also gained governorships, including in the mega-states of Ohio and New York.

“Remember that song, ‘I feel the earth move under my feet?' ” says Bernadette Budde of BIPAC, a business-oriented political action committee. She likens the midterm elections not to a tidal wave, with floodwaters that recede, but to an earthquake that permanently alters the political landscape.

Officials will find themselves “standing on a tectonic plate,” she says.

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Compared with the last midterm election, in 2002, Republicans lost significant support among independents and suburbanites — prime groups of swing voters that both parties pursue. Young people, voters with college degrees and secular voters also moved decisively to Democrats.

Surveys of voters as they left polling places on Tuesday showed fissures among some groups the Republicans have long counted on and others they are trying to cultivate:

·Hispanics, a group Bush has reached out to since his days as governor of Texas, voted nearly 3-1 for Democrats. In 2004, Republicans won 44% of the votes cast by Hispanics, the nation's fastest-growing ethnic group. GOP candidates received just 29% of their votes Tuesday. That could reflect a reaction to efforts by Republicans, especially in the House, to crack down on illegal immigration. Last month, Bush signed legislation to build a 700-mile-long fence along the U.S.-Mexican border.

·White evangelical Christians remained a bulwark: Seven in 10 voted for Republicans. But the focus on issues important to the Christian Right, including banning same-sex marriage and embryonic stem-cell research, apparently alienated less religious voters. Those who attend church only occasionally moved to the Democrats by 9 points, compared with 2004. Those who never attend church moved away from the GOP by 11 points.

·White men's support was crucial in the Republican sweep of Congress in 1994. Their margin for Republicans was cut in half, to 8 points, compared to 2002. “They see themselves squeezed in this economy,” Democratic pollster Stan Greenberg says of many white men and other voters who began shifting to the GOP in 1980. “They're ambitious and they work hard for their families, but they're watching jobs with fewer assured benefits, and there's great resentment about rising health-care costs and energy costs. And all of this comes together with the war.”

The election returns transformed the political landscape in Washington from one in which Republicans for most of the past six years have held all the levers of power.

After the worst setback on Capitol Hill for Republicans since the Watergate debacle in 1974, the White House presumably will be forced to revamp its legislative strategy and learn to deal with a Democratic speaker, expected to be Rep. Nancy Pelosi of California. Bush is likely to face investigations into the lead-up to the Iraq war and Iraq's reconstruction. In the Senate, resistance to conservative judicial nominations presumably will stiffen. The pressure to alter course in Iraq will surely intensify.

In the GOP, recriminations began even before the polls opened.

“There's going to be a lot of folks in the party who are going to want an assessment of who we are … and what our priorities are,” says Dick Armey, a former House majority leader and architect of the GOP's 1994 takeover of Congress. Armey and James Dobson have sparred publicly in recent days over whether the GOP's woes are due in part to excessive influence by Christian conservative groups like Dobson's Denver-based Focus on the Family.

Republican members of Congress are likely to delay the election of their congressional leaders, scheduled for Nov. 15, to give them time to consider what to do.

Corruption was the top-ranked issue: 41% called it “extremely important.” Six in 10 of those voters favored Democrats. Republicans lost the Florida district that had been represented by Mark Foley, who resigned in the wake of the congressional-page scandal. In Pennsylvania, Rep. Don Sherwood, accused by his mistress of trying to strangle her, lost, too.

Terrorism, rated “extremely important” by 39%, worked to Republicans' advantage, but by just 7 points — not the slam-dunk that the White House envisioned. Bush repeatedly argued during the campaign that Democrats couldn't be trusted to keep the nation safe. On Tuesday, 29% of voters said that Republicans alone could protect the country from terrorism — only somewhat more than the 22% who said only the Democrats could.

In the end, views on the Iraq war did the most to determine how people voted. Eight in 10 of those who opposed the war voted for Democrats; eight in 10 of those who supported the war voted for Republicans.

“It was like that old Charlie Brown cartoon, with Pig Pen” shadowed by a cloud of dust, says Frank Fahrenkopf, former Republican national chairman. With the war, “every Republican had that black cloud over him regardless of what they did. It was pretty tough to get out from under that.”

A majority of voters surveyed said the United States should withdraw all or some of its troops from Iraq now. By 24 points, they said the war hadn't improved the long-term security of the United States.

And the economy?

The pocketbook issues that often shape elections were trumped by concern about the war. Two years ago, voters with a positive view of the economy heavily favored Republicans. This time, voters who thought the economy was good but opposed the war voted by nearly 2-1 for Democrats.

“There's no doubt that Iraq is a big piece of why people want change,” says Illinois Rep. Rahm Emanuel, chairman of the Democratic Congressional Campaign Committee. “The economy is also there. How Congress works is there. But Iraq is your first piece of evidence in the case you make for change.”

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Despite some evidence in the USA TODAY/Gallup Poll and others that the gap Republicans faced was narrowing in the campaign's final days, the exit polls dispute that. Voters who decided whom to support in the last three days favored Democrats by 16 points.

For Democrats, gains on election night offer the opportunity to forge an electoral majority that would hold together through more than one election — but no guarantees.

For one thing, Democrats won in some congressional districts that were designed to be predominantly Republican. The GOP can "really go back very hard at those seats and cherry-pick them all back" in two years, vows Ken Khachigian, a Republican strategist in California.

For another, much of the electorate was driven to the Democrats by opposition to Bush, who will be on his way home to Texas after the 2008 election. More than a third of voters said they cast ballots to express their opposition to the president. Just one in five said they cast them to support him.

Some Republicans argue that weariness over the war and Bush, not some underlying weakness in the GOP coalition, darkened the party's prospects this year.

"This is sort of 2006-specific; it's sort of Iraq-specific," says Khachigian, a onetime adviser to President Reagan. "There's no question the guy's in a rough patch and it mainly revolves around the war," he says of Bush. But he argues that the party's underlying message and voter alliance are intact.

Bush, an asset for congressional candidates four years ago, was a liability for many this time. His approval rating was 42% in the exit polls. That's 10 percentage points lower than on Election Day in 2004 and 24 points lower than in 2002.

Still, some Republicans see strains in the party coalition that go beyond Bush. Ryan Sager, author of The Elephant in the Room: Evangelicals, Libertarians and the Battle to Control the Republican Party, published in August, sees a growing clash between Southern social conservatives who care most about moral values and Western libertarians who want a small government that leaves them alone.

Eroding support for Republican candidates in the West forced Bush and Vice President Cheney to stump in states including Montana, Colorado and Idaho. Republican Sen. Conrad Burns in Montana was one of the nation's most vulnerable Republican incumbents. Democrat Bill Ritter won the governorship in Colorado, and races in Nevada and Idaho, where Republican candidates once were favored, went down to the wire.

"This could mark the beginning of the end" of the Reagan coalition, Sager says. "If Republicans are handed a pretty big loss on Tuesday, they're going to have to decide whether to get their act together and work things out, to use that marriage metaphor."

"The strains in the Republican Party I would say are definitely showing," says John Mark Hansen, a political scientist at the University of Chicago. He likens it to the fraying of the New Deal coalition that became apparent in the 1960s.

Some Democrats hope the Iraq war will define the parties for years, just as the GOP's faltering response to the Great Depression tainted it for a generation and President Johnson's Great Society branded Democrats as the party of big social programs and civil rights.

During the 2004 election, 35.5% of those surveyed in Gallup polls identified themselves as Republicans. Since then, that proportion has dropped to 30.2%, a decline of more than 5 percentage points.

The proportion of Americans who call themselves Democrats has grown from 34.2% in 2004 to 36.3% now, a gain of more than 2 points. Independents, just 29.5% of the electorate in 2004, have now surpassed the GOP share, at 33.4% — an increase of nearly 4 points.

So far, though, the Democratic Party's favorable rating hasn't exactly soared. It is 52%, below its standing through the 1990s. Even Comedy Central's left-leaning The Daily Show with Jon Stewart mocked the Democratic message to voters this year as a 30-second TV ad that consisted of a blank screen with sounds of birds trilling in the background.

"To say the election is an affirmation of them instead of a rejection of Republicans would be a stretch for me," scoffs former Republican national chairman Rich Bond. "They just happen to be standing there when it happened."

William Galston, a former White House adviser to President Clinton, agrees. "Right now the American people see one party which has an agenda they believe doesn't work, and one party which they believe doesn't have an agenda."

Democratic congressional leaders insist that they have outlined specifics. A "Six for '06" platform includes raising the minimum wage, lowering interest rates on student loans and expanding research using embryonic stem-cell research. It promises a "new direction" and "redeployment" in Iraq without many specifics.

This election "is quite properly a referendum election on Bush and not a referendum on Democrats," says Matt Bennett of centrist Third Way. He says the voters' marching orders are an "open question," more of a demand for a new direction than a specific platform. "The mandate is, 'Do something different, for God's sake,' " he says.

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Democrats Wrest Control Of The House (LAT)

By Joel Havemann And Johanna Neuman

The Los Angeles Times, November 8, 2006

WASHINGTON — The Democratic Party wrested control of the House from the Republicans in today's congressional elections and were within reach of taking the Senate as well.

The Democrats won more than the net 15 seats they needed by winning 25 seats now held by the Republicans and losing none of their own. They left the political landscape littered with 17 defeated Republican incumbents and captured eight more seats held by retiring Republicans.

The Senate posed a much greater challenge to the Democrats

Just about every close race had to fall the Democrats' way if they were to gain the six seats they needed to take control. They rolled half way to their goal by knocking off incumbent Republicans in Ohio, Pennsylvania and Rhode Island, and they needed to win three of the three undecided races in Missouri, Montana and Virginia.

Making the Democratic takeover possible was the fact that the Republicans could not take a single Democratic-held Senate seat. In the toughest races, incumbent Robert Menendez fended off a stiff challenge and Maryland's Ben Cardin won a closely contested race in a seat held by a retiring Democrat.

"There's a wind of change blowing out there," said an exuberant Senate Minority Leader Harry Reid (D-Nev.), who was within shouting distance of becoming the majority leader.

A Democratic takeover of either chamber would complicate President Bush's final two years in the White House. The Congress that will go out of business shortly after the first of the year was recalcitrant enough, forcing Bush to veto his first bill, authorizing embryonic stem cell research, and enacting few of his top-priority legislative requests. A Democratic Congress that took office in January might not be able to accomplish much legislatively over his veto, but it could block Bush's agenda and conduct public investigations of controversial administration policies from the war in Iraq to alleged corruption in the No Child Left Behind program.

Not since the Republican landslide of 1994 have the Democrats controlled the House. It was then that Rep. Newt Gingrich of Georgia, who since made a scandal-ridden exit from Congress, engineered one of the great landslides of recent decades. Republicans gained 53 seats in the House, defeating 34 Democratic incumbents in the process.

Republicans also gained control of the Senate that year by picking up eight seats. Since then, Democrats twice regained control of the Senate, although Republicans have enjoyed a majority since 2003.

This election is six years into Bush's presidency; the last big Democratic win in congressional elections was in 1986, a comparable juncture in Ronald Reagan's administration. Democrats won control of the Senate by picking up eight seats. They added only five House seats, although they already had a huge majority of 253 seats to the Republicans' 182.

As the polls close sequentially from east to west, vote counts will reveal whether the Democrats will control zero, one or two chambers in the next Congress.

Democrats Take House (WP)

By Dan Balz

The Washington Post, November 8, 2006

Democrats recaptured the House last night, defeating Republican incumbents in every region of the country, and were close to gaining control of the Senate in midterm elections dominated by war, scandal and President Bush's leadership.

By early this morning, Democrats had picked up more than two dozen Republican-held House seats without losing any of their own, putting Minority Leader Nancy Pelosi (D-Calif.) into position to become the nation's first female speaker.

In an increasingly tense battle for control of the Senate, Democrats won seats in Missouri, Ohio, Pennsylvania and Rhode Island. Virginia and Montana remained undecided, but Democrats were leading in those states, both needed to win power.

In Virginia, Sen. George Allen (R) trailed former Navy secretary James Webb by fewer than 7,800 votes. In Montana, Sen. Conrad Burns (R) was running about 10,000 votes behind state Senate President Jon Tester.

Democrats also scored heavily in gubernatorial races, picking up at least seven states to claim a majority nationally.

The upheaval in the House and the changing balance in the Senate signaled a dramatic power shift in Washington that will alter the final two years of Bush's presidency, with resurgent Democrats expected to challenge the administration on its domestic priorities and the Iraq war.

Pelosi joined other Democratic leaders at a boisterous rally just after midnight and sounded themes that others in her party echoed throughout the night.

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"Today the American people voted for change and they voted for Democrats to take our country in a new direction, and that is exactly what we intend to do," she said. "The American people voted for a new direction to restore civility and bipartisanship in Washington, D.C., and Democrats promise to work together in a bipartisan way for all Americans."

Bush remained at the White House and will speak to reporters at a news conference at 1 p.m. today. House Speaker J. Dennis Hastert (R-Ill.) won reelection but acknowledged the inevitable when he told supporters in Illinois, "It's kind of tough out there."

Republicans lost almost regardless of their ideology or support for the president. Conservative Sen. Rick Santorum (R-Pa.), the most vulnerable incumbent throughout the year, was the first senator to fall, losing to state Treasurer Robert P. Casey Jr. Not long after, Ohio Sen. Mike DeWine (R), known for working across party lines, fell to Rep. Sherrod Brown after being caught up in the undertow of state GOP scandals, economic woes and the impact of the Iraq war on Buckeye State voters.

Then came Rhode Island, where Sen. Lincoln D. Chafee, the son of a beloved former senator and one of the most liberal Republicans in Washington, lost to former attorney general Sheldon Whitehouse in a state where Bush's popularity is among the lowest in the nation.

Early this morning, Missouri state Auditor Claire McCaskill (D) defeated Sen. James M. Talent in one of the year's closest races.

But in Tennessee, Republicans claimed one of the other premier races when former Chattanooga mayor Bob Corker (R) defeated Rep. Harold E. Ford Jr. in the election to succeed retiring Senate Majority Leader Bill Frist (R).

In one of the most-watched Senate races, Sen. Joseph I. Lieberman of Connecticut, who lost the Democratic primary to businessman Ned Lamont because of his support for the war and the president, turned the tables and easily won reelection.

In New York, Sen. Hillary Rodham Clinton (D) rolled up a big margin as she cruised to a reelection victory that is widely seen as a step toward a presidential campaign in 2008.

In New Jersey, appointed Sen. Robert Menendez (D) overcame a challenge from state Sen. Thomas H. Kean Jr., robbing Republicans of a seat that not long ago they thought they may be able to win. In Minnesota, a newcomer, Hennepin County Attorney Amy Klobuchar, held on to the seat of a retiring Democratic senator. In Maryland, Rep. Benjamin L. Cardin (D) was the winner over Lt. Gov. Michael S. Steele in the contest to succeed retiring Sen. Paul S. Sarbanes (D).

In Massachusetts, Sen. Edward M. Kennedy (D) won an eighth term. Democrats also held Senate seats in Delaware, Florida, Hawaii, Michigan, Nebraska, New Mexico, North Dakota, Washington, West Virginia and Wisconsin. In Vermont, Rep. Bernard Sanders (I) won the seat of retiring Independent Sen. James M. Jeffords.

Republicans held on to their Senate seats in Arizona, Indiana, Maine, Mississippi, Texas, Utah and Wyoming.

House results trickled in at first and then came in a torrent. Some of the most prominent Republicans were among the losers last night.

One was Rep. Nancy L. Johnson (Conn.), who won her first race in 1982 when Republicans were losing two dozen districts. She lost to state Sen. Chris Murphy. In Kentucky, Rep. Anne M. Northup has been targeted by Democrats in virtually every election but until last night was a survivor. She was defeated by John Yarmuth, editor of an alternative newspaper.

In Iowa, Rep. Jim Leach (R), who was not considered particularly vulnerable, lost to Dave Loebsack in a district that Sen. John F. Kerry won in the 2004 presidential election.

In Florida, Rep. E. Clay Shaw Jr., one of the most powerful Republicans in the House, lost his reelection bid to state Sen. Ron Klein. Republicans also lost the seat of former congressman Mark Foley (R), who resigned in disgrace over sexually explicit Internet messages sent to a former House page.

In Arizona, Rep. J.D. Hayworth, one of the GOP's most vocal and visible conservatives and a hard-liner on immigration, lost his reelection bid to former state senator Harry Mitchell. The Arizona Republic newspaper had endorsed Mitchell, referring to Hayworth as a "bully."

Republicans lost the scandal-scarred seats of former congressman Robert W. Ney in Ohio and former House majority leader Tom DeLay in Texas. Scandal also contributed to the defeat of two Pennsylvania incumbents, Rep. Curt Weldon (R), who lost to retired Navy Vice Adm. Joseph Sestak, and Rep. Don Sherwood (R), who fell to Christopher Carney.

The Northeast proved particularly difficult for Republicans. New Hampshire voters defeated both of their GOP incumbents. Only a few weeks ago, Reps. Charles Bass and Jeb Bradley appeared headed for reelection, but their races changed almost overnight. Bass was defeated by lawyer Paul Hodes, while Bradley lost to Carol Shea-Porter, a county chairman. She won a second straight upset last night after riding opposition to the war to a surprise primary victory.

In gubernatorial races, Democrats gained seven states and now control a majority nationwide. Big prizes included New York, where Attorney General Eliot L. Spitzer won handily against weak opposition, and Ohio, where Rep. Ted Strickland swamped Secretary of State J. Kenneth Blackwell. In Massachusetts, Clinton administration assistant attorney general Deval Patrick defeated Lt. Gov. Kerry Healey, who was attempting to succeed Gov. Mitt Romney (R).

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Republicans had controlled all three states for more than a decade.

Democrats picked up a Southern seat when Arkansas Attorney General Mike Beebe defeated Asa Hutchinson for the post of retiring Gov. Mike Huckabee (R). They also added to their impressive strength among governors in the Rocky Mountains when Denver prosecutor Bill Ritter defeated Rep. Bob Beauprez in Colorado.

The gubernatorial contest in Minnesota remained undecided early this morning.

A national exit poll of voters in House races, conducted by Edison/Mitofsky for the National Election Pool, showed Democrats carrying independent voters, who emerged this fall as a critically important constituency in the midterm elections, by a wide margin. Meanwhile, about 90 percent of Republicans and Democrats were supporting candidates from their own parties, but independents were siding decisively with Democrats.

The divides that have defined the nation's politics over the past two years shaped yesterday's vote, but those hostile to the Bush administration, unhappy with Congress or pessimistic about the direction of the country far outnumbered those who approve of the performance of Bush and Congress or who think the country is heading in the right direction.

Four in five voters who approve of Bush's performance were supporting Republicans in House races, while an equal number of those who disapprove of his performance were supporting Democrats. But those who disapprove of the way the president has handled his job outnumber those who approve by about three to two.

Voters cited a series of issues that were extremely important in determining their candidate preferences, according to the national exit poll. They were not asked the most important issue affecting their votes.

About four in 10 voters called corruption and scandals in government an important issue and said they were voting heavily for Democratic candidates in the House. Forty percent said that the issue of terrorism was extremely important in their vote and that they were narrowly supporting Republican House candidates.

About four in 10 also cited the economy and said they were backing Democratic House candidates by a wide margin. Iraq, which has dominated much of the fall debate, was another issue that about four in 10 called extremely important in their votes, and they were also heavily backing Democrats.

Immigration reform was an issue that Republicans counted on to help their candidates. The three in 10 who called immigration reform extremely important in determining their votes split in favor of GOP House candidates, but not by as much as Republicans may have hoped. The strongest support for Republican House candidates was from those who cited values issues such as abortion and same-sex marriage.

Bush voted yesterday morning in Crawford, Tex., then flew back to Washington for a dinner with friends and aides. The group included first lady Laura Bush, White House Chief of Staff Joshua B. Bolten, top strategist Karl Rove, counselor Dan Bartlett, Republican National Committee Chairman Ken Mehlman, former commerce secretary Donald L. Evans and Bush friend Brad Freeman. After dinner, they watched election results come in upstairs in the White House residence.

The history of midterm elections put Republicans on the defensive from the start of the campaigns. The sixth year of two-term presidencies often has produced sizable losses and shifts in power in the House or Senate for the party controlling the White House. That was true in 1958, 1974 and 1986.

Dissatisfaction with the war and the administration compounded GOP worries, turning the campaign into a referendum on the president and his Iraq policies.

Bush's ratings began to slump more than a year ago and attitudes hardened after the administration's sluggish response to Hurricane Katrina in August 2005. By May of this year, the president's approval rating had plunged to 33 percent in a Washington Post-ABC News poll. Bush has struggled since to break 40 percent, and in the Post-ABC final preelection survey, his approval rating was 40 percent among all Americans and 43 percent among registered voters.

Even those numbers, however, were low by historical standards on the eve of midterm elections. Presidents hovering in the mid-40s or below at that point have seen their parties suffer major setbacks. That was the case for Bill Clinton in 1994, Ronald Reagan in 1982, Lyndon B. Johnson in 1966, and Harry S. Truman in 1946 and 1950. Jimmy Carter had an approval rating of 49 percent in 1978 and Democrats lost 15 House seats that year -- precisely the number Democrats needed to gain yesterday to win the House.

At the beginning of September, Bush sought to shift the focus from Iraq to the campaign against terrorism. He used the fifth anniversary of the Sept. 11 attacks to elevate his argument and throughout the campaign portrayed Democrats as weak on fighting terrorism. Most polls, however, showed the public far more focused on Iraq than on terrorism and until the very end expressed greater confidence in Democrats to deal with Iraq.

Unhappiness with the Republican-controlled Congress also contributed to the party's woes throughout most of the fall, with the 109th Congress recording some of the lowest approval ratings of any Congress in a decade.

Staff writer Lyndsey Layton, political researcher Zachary A. Goldfarb and staff researcher Madonna Lebling contributed to this report.

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Vote Seen As A Poll On Bush (MINNST)

By Steven Thomma

Minneapolis Star Tribune, November 8, 2006

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Last update: November 08, 2006 – 12:39 AM Vote seen as a poll on Bush

Steven Thomma, McClatchy News Service WASHINGTON - Democrats captured a coveted Senate seat in Pennsylvania on Tuesday, an early landmark victory in their bid to regain power in the U.S. Senate and the House of Representatives.

Democrat Bob Casey was declared the winner over Republican Sen. Rick Santorum of Pennsylvania, a one-time conservative icon who'd hoped to run for the presidency.

Next door in Ohio, Republican Sen. Mike DeWine lost to U.S. Rep. Sherrod Brown, a Democrat.

Democrats also held on to one of their most-endangered Senate seats, as Sen. Bob Menendez of New Jersey fought off allegations of corruption and defeated Republican Tom Kean, the son of a popular former governor.

In another sign of trouble for Republicans, this one in the House, Democrat Brad Ellsworth defeated Republican Rep. John Hostettler in a solidly Republican district in Indiana. Hostettler was a leader among the social conservatives who came to power in the Republican takeover of the House in 1994.

In yet another striking gain, the Democrats won the governor's office in Ohio for the first time in 20 years. U.S. Rep. Ted Strickland defeated Republican Secretary of State Ken Blackwell to seize the governor's office being vacated by Republican Gov. Bob Taft.

The Ohio statehouse was a coveted prize in a state that could be as important to the 2008 presidential campaign as it was when it put George W. Bush over the top for a second term in 2004.

Early results also showed a razor's-edge election for a pivotal Senate seat in Virginia, where incumbent Republican Sen. George Allen fought both allegations of racism and a tough challenge from Democrat James Webb, who was Ronald Reagan's Navy secretary and who based his campaign on opposition to the war in Iraq.

At stake onTuesday:

· All 435 seats in the U.S. House, where Democrats needed to gain 15 seats to take control for the first time since 1994.

· Thirty-three seats in the Senate, where Democrats needed to gain six to take control for the first time since 2002.

· Thirty-six governors' offices, where Republicans entered the election with a 22-14 edge, including control of the four largest states -- California, Florida, New York and Texas -- plus Ohio.

Voting problems were reported at scattered sites around the country, as millions faced new voting machines bought to alleviate problems such as those that turned the 2000 presidential election in Florida into a mess.

Extra eyes at the polls

The Department of Justice had 850 poll watchers in 22 states looking for signs of discrimination or other efforts to interfere with voting.

The two major political parties also had attorneys and poll watchers around the country. The AFL-CIO sent poll watchers to Michigan, Missouri, Nevada, Ohio, Pennsylvania and Washington.

Republicans warned of the threat of vote fraud throughout the day, citing reports of double voting and the loss of computer activation cards in Tennessee. They also cited fraudulent registration cards filed in Colorado, Missouri, Ohio and Pennsylvania. Republican-friendly talk radio echoed the complaints.

"There have been some reports about attempted voter fraud, and certainly we hope any and all voter fraud in any way is detected and dealt with before Election Day," White House spokesman Tony Snow said Tuesday.

Democrats started the day warning of problems, then backed off as the day went on.

President Bush watched the returns in the second-floor residence of the White House with longtime friend Brad Freeman and political aide Karl Rove.

In a footnote to the Bush presidency, Tuesday's elections defeated the two state secretaries of state who oversaw controversial election decisions that helped Bush: Ohio's Blackwell, whose rulings benefited Bush in 2004, and former Florida Secretary of State Katherine Harris, whose actions helped Bush in 2000.

Harris was defeated in a bid for a U.S. Senate seat from Florida.

Rep. Nancy Pelosi, D-Calif., also watched the returns from Washington, where she awaited both the fate of her party and the birth of a grandchild. Pelosi would become the first female speaker of the House if Democrats win the House and second in line of succession to the presidency, behind Vice President Dick Cheney.

In many ways, Tuesday's voting was a referendum on Bush, an unpopular president leading an unpopular war.

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He entered the final weekend of campaigning with an approval rating of 38 percent in the Gallup Poll, the lowest since Harry Truman had an approval rating of 36 percent in the fall of 1950. Truman's Democratic Party went on to lose the presidency two years later.

The Iraq war dominated this year's political landscape, despite Bush's early attempts to change the subject to the broader -- and more politically popular -- war on terror.

About six in 10 voters said Tuesday that they didn't like the way Bush was doing his job. A similar percentage said they opposed the war, according to exit polls conducted by the television networks and the Associated Press.

Democrats didn't offer a clear alternative policy on Iraq, gambling that voters were sufficiently unhappy with the Republicans who started the war and have managed it since.

Stiff-arming the president

If Democrats ran against Bush this year, many Republicans ran away from him.

Candidates such as DeWine stressed their independence rather than their loyalty to party or president.

And in one stark example that angered the White House on Monday, Bush flew to Florida to campaign specifically for Republican gubernatorial candidate Charlie Crist -- only to find that Crist had left town to campaign by himself somewhere else.

Scandals also hurt Republicans: first, the tales of payoffs from disgraced lobbyist Jack Abramoff, then the still-evolving story of House Republican leaders not stopping former Republican Rep. Mark Foley of Florida from sending inappropriate messages to teenage pages working in the House.

About three out of four voters said Tuesday that scandals influenced how they voted -- and that the news pushed them toward the Democrats.

Republicans had braced for losses for months. It's normal for a president's party to lose seats in the sixth year of a two-term presidency.

Over the last 100 years, the president's party has lost an average of 32 seats in the House and five in the Senate in such sixth-year elections.

Webb Has A Slim Edge Over Allen, But Recount Likely (WP)

By Michael D. Shear

The Washington Post, November 8, 2006

Democratic challenger James Webb held a slim lead over Republican Sen. George Allen early today in Virginia's U.S. Senate race, a dramatic and nasty battle that almost certainly will be decided by a recount next month.

With more than 99 percent of the votes tallied by about 2 a.m. today, Webb claimed victory with a lead of about 7,800 votes among the more than 2.3 million cast -- a difference of three-tenths of a percent. Some absentee ballots in Loudoun County, Richmond and Virginia Beach were still being counted in the early morning.

Meanwhile, Virginia voters overwhelmingly approved a constitutional amendment banning same-sex marriage and civil unions and returned all the state's incumbents to the U.S. House. Republicans won in two local elections in Prince William County.

Webb captured a huge amount of support in Northern Virginia, while Allen was beating him across large swaths of the rest of the state. Those differences confirmed a widening gulf between voters in the Washington suburbs and the rest of the state, which also drove approval of the same-sex marriage amendment over Northern Virginia's opposition.

Shortly after 1 a.m. today, after he took the lead in the count, Webb told supporters at a Tysons Corner hotel: "I'd also like to say the votes are in, and we won. This is a great moment for all of us."

But Allen did not show signs of giving up. In Richmond, Allen emerged after midnight to tell his supporters to "Stay strong for freedom . . . and accuracy in elections will prevail." He said he would call on them in the days ahead.

"This has been an interesting election, and the election continues," he said.

When Webb claimed victory, he did it as a Marine. He came into the Vienna hotel ballroom accompanied by his brother Gary playing the bagpipes, and about a dozen of his Marine buddies emerged from behind the stage. He stood at attention, ramrod straight, as they filed in.

The nail-biter left the candidates in limbo as their campaign advisers began to talk about a recount, which could consume Virginia for weeks and raise doubts about which party will control the U.S. Senate. A recount would seem a fittingly dramatic end to a campaign that was filled with scandals, personal revelations and racial accusations.

"I guess I know how I'll be spending my Thanksgiving and Christmas vacations," joked Jean Jensen, the secretary of the State Board of Elections, who a year ago oversaw a recount that awarded the state attorney general's job to the Republican candidate, Bob McDonnell, who had a 360-vote edge. Gov. Timothy D. Kaine (D) controls the Board of Elections.

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Under Virginia law, a margin of less than a half-percent can trigger a recount which the state pays for. A losing candidate can also request -- and pay for -- a recount if the margin is less than 1 percent. As of early Wednesday, the state-financed recount seemed all but certain.

A recount would not officially start until the state board of elections certifies the election-day results, which is scheduled to happen on the fourth Monday in November. Results of a recount may not come until December.

Webb jumped into the lead early, but by 10 p.m., Allen claimed a tiny advantage. As the night stretched on, the margin between the two widened and shrunk, adding to the drama. Then, around midnight, Webb jumped into the lead, after some absentee ballots were counted in Fairfax County.

An independent candidate, Gail Parker, claimed about 25,000 votes, or a little more than 1 percent. Parker, who campaigned as an Independent Green candidate, spent almost no money on her campaign and made increasing support for building mass transit the exclusive issue of her campaign. Analysts said it was unclear whose votes her presence might have affected more.

Despite steady rain in many parts of the state, election officials said turnout across Virginia was high and could end up rivaling participation usually seen during presidential contests. Nearly half of the state's 4.5 million registered voters cast ballots.

Webb appeared to be doing well among women, African Americans and independents, according to exit polls. Allen had a significant lead among white voters, religious voters and veterans.

In other state elections, 13-term Rep. Frank R. Wolf (R) fought off a well-funded challenge by Democratic health care expert Judy Feder in the 10th Congressional District of Northern Virginia. Feder had raised more money than Wolf and made his support of President Bush an issue.

U.S. Representatives Thomas M. Davis III (R) and James P. Moran (D) were easily reelected. In Virginia Beach, Democratic challenger Phil Kellam was leading in a close race against freshman Republican Rep. Thelma D. Drake in a nationally watched contest.

In Prince William, Republican Corey A. Stewart beat Democrat Sharon E. Pandak in the race for chairman of the Board of County Supervisors. And in Manassas, Republican Jackson H. Miller beat Democrat Jeanette M. Rishell for the House seat held by the late Harry Parrish (R).

Chris Zimmerman (D) was reelected Arlington County Board chairman.

For Allen, 54, a win would represent a stunning recovery. Six months ago, he was actively exploring a bid for the Republican presidential nomination in 2008. But his Senate reelection campaign faltered after he called a Webb volunteer of Indian American descent a "macaca," which is a slur in some cultures.

Webb, 60, is a former Marine and first-time candidate who rarely seemed at ease on the campaign trail. In his campaign, Webb vowed to change the debate surrounding the Iraq war, which he opposed.

Voters yesterday expressed anger over President Bush's policies, especially in Iraq, with 52 percent saying they don't like the war and 53 percent disapproving of the job Bush is doing, according to the poll of 1,986 Virginia voters conducted by Edison Media Research and Mitofsky International. The responses suggested that Allen's staunch support for the president cost him some votes.

"Two words," said Mark Early, 46, an independent from Arlington County, explaining his vote for Webb. " 'Neuter Bush.' With a Democratic Congress, the best we can do is limit the damage."

A majority of voters said they believe that Allen respects racial minorities despite accusations that he used racial slurs. But some voters also said they were turned off by Allen's macaca comment.

"That pretty much did it for me," said Sheryl Mason, 42, of Prince William, who voted for Webb. "You kind of think that if he makes that kind of slip-up . . . what's he been saying in private?"

But Allen was apparently successful in convincing voters that their taxes would go up if Webb was elected to the Senate. Almost two-thirds of voters questioned in the exit polls who said taxes were an extremely important issue said they voted for Allen.

"I really don't want my taxes raised," said Anne Harrell, 39, who voted for Allen in her Annandale precinct. "It's the money that's driving me."

When Allen formally announced his reelection bid in April, the biggest challenge appeared to be how to balance his Senate campaign with his presidential ambitions. Allen, who had just returned from speeches in Iowa, New Hampshire and South Carolina, declined to say whether he would serve a full six-year term if he were reelected.

"When we get to the future, I'll determine the future," he told reporters that day.

At the time, Webb was locked in a bitter primary with Fairfax lobbyist Harris Miller, a favorite among the Democratic Party establishment. But Webb's campaign was already focused on Allen.

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"We'd like to think this seat in the Senate means more than a place holder for George Allen," Webb spokeswoman Kristian Denny Todd said then.

Webb beat Miller in June, but heading into the summer, he trailed Allen by 16 percentage points in one poll. Worse for Webb, his campaign was virtually broke, and he had little patience for the hard work of fundraising. With no experience in politics, Webb appeared stiff on the stump. Democrats said privately that they doubted their candidate could win.

"If you had asked anybody about this election on Aug. 10, they would have told you it was effectively over," said Robert D. Holsworth, director of the Center for Public Policy at Virginia Commonwealth University.

But everything changed Aug. 11, when Allen mocked the Indian American Webb volunteer, who was shooting video of Allen at a campaign stop in Breaks, Va., a rural town near the Kentucky border.

The videotape sped across the country on the video-sharing site YouTube, creating negative headlines for more than a week. Indian American groups called Allen a bully, and he became fodder for late-night comedians.

The macaca incident raised fresh questions about Allen's racial sensitivity, an issue that has dogged him since the beginning of his political career. News organizations began probing anew his fondness for the Confederate flag while serving as governor.

The fallout from the macaca incident knocked Allen and his campaign off stride for weeks. He hit back, helping organize a news conference with several female U.S. Naval Academy graduates who said a 1979 magazine article by Webb had contributed to an atmosphere of men harassing women at Annapolis.

But even with headlines about Webb's article, which said a dormitory at the academy was "a horny woman's dream," Allen's lead had been whittled to four points by early September, which meant the race was a virtual dead heat.

Just as he appeared to be recovering, Allen made another headline-producing gaffe at a debate Sept. 19 in Fairfax County. Asked by a television reporter about reports that his mother was Jewish, Allen replied angrily, chiding the reporter for "making aspersions" about his religious background.

The next week, Allen was hit with accusations from former college football teammates and other past acquaintances who said they recalled him using the "n-word" during and after college. Allen denied it, but other accusations continued to surface for more than a week. A poll at the end of September showed the race tied, with each at 43 percent.

The Allen controversies and the tightening poll numbers gave Democrats hope, and money began pouring into Webb's campaign. The day after a debate on NBC's "Meet the Press" Sept. 17, Webb raised $100,000 in online contributions. The Democratic Senatorial Campaign Committee began pouring money into Webb's campaign, which eventually topped $6 million.

By October, both candidates and their national-party backers were in attack mode, airing tough ads on television and radio.

Late in the month, the Allen campaign leaked accusations about sexually explicit passages in Webb's novels to the Drudge Report, an Internet gossip site, and the Fox News Channel.

Allen's attacks on Webb's attitudes toward women took a toll. Polls in mid-October showed Allen with a slight lead and Webb's support among women below that of previous Democrats in Virginia.

But the Oct. 27 attack on Webb's novels seemed to backfire, as several polls taken just afterward indicated momentum for Webb.

By yesterday, the Virginia Senate race had become one of the most closely watched in the nation, as Allen struggled in the campaign's final days to overcome a politically devastating summer.

But longtime political observers in Virginia said Allen's long history in the state and especially his term as a popular governor made the contest a difficult one to predict.

"George Allen stood a 50-50 chance of being the Republican nominee for president," Holsworth said. "Less than three months later, he [stood] a 50-50 chance of retaining his own seat. It's been simply astonishing to watch."

Allen, Webb In Tight Finish (WT)

By Christina Bellantoni

The Washington Times, November 8, 2006

RICHMOND -- Republican Sen. George Allen and Democratic challenger James H. Webb Jr. were locked in a razor-thin race in Virginia last night as the nation watched to see whether the contest would change which party controls the Senate.

The race was too close to call and seemed to be headed for a recount. Mr. Webb, a Vietnam War veteran who served as President Reagan's Navy secretary, held a lead of 7,815 votes as of 2:30 a.m., and declared victory before several hundred supporters.

All but 9 of 2,443 precincts had been counted. "I would like to say the votes are in and we won," the former Marine said with a huge smile. "This is a great moment for all of us that believe in an inclusive society and all of us that believe we need to bring true economic fairness back to economic system."

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Mr. Allen had no plans to concede, and reminded supporters gathered for him here in Richmond that he has won close elections before.

"The first time I ever won an election ... it was 18 votes. We had to have a recount," Mr. Allen said, to huge cheers from those who were still left in the room at about 12:30 a.m.

"So, the point of the matter is, we're still counting votes." In that 1983 race for a House of Delegates seat, Mr. Allen ultimately won by less than 30 votes.

He later went on to be a member of Congress and governor, and then unseated Democratic Sen. Charles S. Robb in 2000.

"I know the counting will continue through the night, it will continue tomorrow," he said. "I know you are going to be like a bunch of eagles and hawks watching how everyone one of these votes are accurately counted."

It will take weeks before the results are certified, and the margin is highly likely to change as volunteers canvas the tallies and triple check their math in each precinct.

After that, the loser can request a recount if the margin remains less than 1 percent. Secretary of State Jean Jensen, a nonpartisan official who works under Democratic Gov. Timothy M. Kaine, will be in the spotlight tomorrow to explain the process.

Independent Gail Parker, who said Monday that she supports Mr. Webb, received 25,604 votes, or 1.11 percent.

Voters also approved a state constitutional amendment that defines marriage as the union of one man and one woman. The amendment passed 58 percent to 42 percent, with 2,380 of 2,443 precincts reporting.

Webb's Margin Grows (RTD)

By Tyler Whitley

Richmond Times-Dispatch, November 8, 2006

Democrat Jim Webb leads George Allen in a Senate race that appears headed to a recount, but his margin grew as more returns were tallied early this morning.

Allen led for most of the night, but late returns from Prince William County moved Webb in front, at first narrowly.

Out of more than 2.3 million votes cast, Webb led by about 7,500 votes, compared with a lead of less than 2,000 earlier in the morning, according to unofficial returns compiled by The Associated Press, with 2,407 of 2,411 precincts reporting.

It was not immediately clear how many absentee ballots remained to be counted across the state; the GOP mounted a strong effort in that area.

Virginia law allows a recount if a candidate's margin of loss comes within one percentage point or less of the total vote cast.

Still, Webb was confident of victory.

"The votes are in, and we've won," Webb told revelers shortly after 1 a.m. at a celebration in Vienna.

"The point of the matter is, I've been through it," Allen said about 12:30 a.m. when he spoke at his campaign celebration in Richmond. "I know the counting will continue through the night. It will continue tomorrow."

The outcome could decide which party will control the Senate when it convenes next year.

Webb went on television about 11 p.m. to say he thought he would win when all the votes were tallied.

"It's going to take awhile. But at some point very soon, I think we're going to be on top," Webb told a cheering audience at the campaign celebration. in Vienna shortly after 11 p.m. He appeared with his wife, Hong Le Webb, former Gov. Mark R. Warner and Gov. Timothy M. Kaine; he held hands aloft with the governors as if poised for victory.

"When we look where the votes are that have yet to be counted, it looks very, very good for our side," he said. "I've been in a lot of fights in my life. This is nothing new."

Allen easily won rural and suburban areas, while Webb won big in vote-rich Northern Virginia.

Glenda Gail Parker of Alexandria, running as an Independent Green Party candidate, was picking up 1 percent of the vote.

The race had national implications because Allen needed to keep his seat for the Republicans to retain a majority in the U.S. Senate.

Allen, 54, was seeking re-election to a second six-year term. Webb, 60, was making his first run for elective office.

A supposed shoo-in when the race began, Allen saw the race narrow as he made key missteps and as the war in Iraq became increasingly unpopular.

An exit poll by The Associated Press showed that a majority of Virginia voters disapproved of the war and said the U.S. should withdraw some or all of its troops. Of those, a majority favored Webb. Those who disapproved of President Bush voted overwhelmingly for Webb.

Allen won support among religious voters, those who have served in the military and those who believe fighting terrorism is important. Surprisingly, Webb was the favorite among those who thought the economy was important. The economy, in a state with a low unemployment rate, was supposed to benefit Republicans.

Blacks and women favored Webb, the exit poll showed.

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Allen may have been helped by the so-called same-sex marriage amendment, which appeared heading toward easy passage. Allen supported the amendment;. Webb thought it was unnecessary.

Turnout was strong, with long lines reported in some areas.

The contest was classified as one of the nastiest in Virginia history, but that did not deter voters from going to the polls.

Webb, a published author and a Vietnam War veteran who was wounded in that war, was recruited to the race as an opponent of the war in Iraq. Allen defended Bush's war policy but began backing away from it at the end of the race.

Webb is a former Republican who served for 10 months as a Navy secretary under President Ronald Reagan. He said he switched to the Democratic Party because of dissatisfaction with the war and with Republican economic policies.

Allen defeated Democratic U.S. Sen. Charles S. Robb six years ago and was immediately touted as a rising star in the Republican Party. Allen had served earlier as Virginia's governor, in the House of Representatives and in the House of Delegates.

Although running for re-election, Allen let it be known that he did not like the slow pace of the Senate.

Allen sought to paint Webb as a tax-raiser who did not know Virginia. Webb sought to portray Allen as a lackey for President Bush.

Both used misleading ads against the other.

Webb drew big crowds in the closing days of the campaign, while Allen drew much smaller crowds. Allen aides said they had a superior get-out-the-vote operation.

Allen began the race with a big lead in the polls and in fundraising. He hoped to use a big victory in Virginia to propel him to the Republican presidential nomination in 2008.

He already had made trips to Iowa and New Hampshire, the early presidential nominating states, where he offered himself as the conservative alternative to the front-runner, Arizona Sen. John McCain.

Because of his sunny demeanor, some were comparing him to Reagan.

Webb, meanwhile, got into the race late and finished a bitter Democratic primary battle with Northern Virginia lobbyist Harris Miller almost broke.

But things started going downhill for Allen on Aug. 11 when he pointed to a volunteer tracker with the Webb campaign and called him "macaca." The word refers to a type of monkey and is considered a slur in some countries. The young tracker, S.R. Sidarth, a native of Fairfax County native who is of Indian-American descent, recorded the moment on camera.

The comment, circulated widely over the "YouTube" Web site, became a worldwide embarrassment for Allen and quickly put him on the defensive.

Allen apologized personally to Sidarth 10 days later.

Allen then battled questions about his Jewish heritage and long ago use of the n-word.

The Allen campaign also turned to the past, bringing up Webb writings in 1979 when he demeaned the role of women in the military. Later the Allen campaign disseminated smutty passages from Webb's six war novels.

In October, as Webb closed in on Allen in the polls, national Democrats poured money into the Webb race through the Democratic Senatorial Campaign Committee.

Webb, a reluctant campaigner at first, became more adept on the stump. He was helped by former Gov. Mark R. Warner and Gov. Timothy M. Kaine, plus such national Democrats as former President Bill Clinton, Sen. Barrack Barack Obama of Illinois and Sen. Hillary Rodham Clinton of New York.

Allen received campaign visits from McCain and Bush. Virginia's senior senator, John W. Warner, campaigned for Allen and joined him in two campaign commercials.

Bush and Clinton raised about $500,000 each for Allen and Webb. Allen tried to put Webb on the defensive over taxes. Webb questioned Allen's financial dealings.

Webb stressed a message of economic populism. Allen stressed his record as governor and senator. He was governor from 1994 to 1998.

Tester Leads Burns As Count Drags On (BG)

Billings Gazette, November 8, 2006

HELENA - Democratic challenger Jon Tester clung to a lead over Republican U.S. Sen. Conrad Burns on Tuesday night, but vote-counting delays prevented a winner from being named.

Tester jumped to an early lead over Burns, but Republicans weren't ready to concede because of delays in vote-counting in Flathead County, a Republican stronghold, and Gallatin County, which Burns carried in his 2000 re-election.

At press time, with 65 percent of the precincts counted, the unofficial tally showed Tester with 127,342 votes or 51 percent, while Burns had 116,751 or 47 percent. Libertarian Stan Jones trailed with 6,168 votes for 2 percent.

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Despite his lead, Tester was not declaring victory shortly before midnight.

Tester, speaking to a roomful of supporters at a Great Falls hotel, urged them to remain at what they hope will be a victory party.

"We'll be coming out here in an hour, maybe two, maybe a half-hour and then we'll be able to party, OK," Tester said. "Stick around. I guarantee you it will be worth the wait."

He then pumped his fist to supporters.

Burns clung to the hope that he can reverse Tester's lead when the full vote count comes in from heavily Republican Flathead County. The vote-tallying machine in Flathead County broke down, so officials there were counting votes by hand.

And Gallatin County, another heavily populated area that is a political battleground, hadn't reported any vote totals by midnight.

The Burns campaign's senior adviser, Erik Iverson, was preparing for a long night.

"It's slow-going, that's for sure," he said.

Although Burns trailed in the early returns, Iverson said the Burns was not giving up hope.

We're likely in for a long night," Iverson said.

"We're anxious to see what happens up in the Flathead," Iverson added, saying that election officials had tallied only five of 35 precincts - by hand. Burns led in the early Flathead returns.

Gallatin County, which had people register to vote and cast their ballots past the 8 p.m. poll closing time, also hadn't reported any results. Iverson said Burns believes he can win that county.

Although Tester led in Yellowstone, Iverson said the campaign doesn't know yet which precincts the votes have been counted.

"We know that turnout in Republican precincts (in Yellowstone County) was huge," Iverson said. "Thirteen precincts turned out more voters than in 2004, a presidential election year."

The cornerstone of Burns' campaign was his seniority and his ability to bring home the bacon for Montana. He cited his 18 years in the Senate, particularly his membership on the Senate Appropriations Committee, which approves federal spending.

Running on a campaign theme of "delivering for Montana," Burns said he had brought $2.2 billion in federal funds to Montana, a figure challenged as inaccurate by the state's senior senator, Max Baucus, and Gov. Brian Schweitzer, both Democrats.

Burns, rated as one of the most vulnerable Republican Senate incumbents, trailed in the public polls the entire race until closing the gap in at least one poll last week.

The Republican was under fire for the entire campaign, initially for his ties to disgraced and admitted-felon Washington lobbyist Jack Abramoff. Burns accepted nearly $150,000 in campaign funds from Abramoff, his associates and his tribal clients. Burns, under fire, returned the money or donated it to charity in December 2005.

Starting in August 2005, Montana Democrats began running negative ads against Burns over Abramoff and never let up.

Burns insisted he had done nothing wrong. Although some national newspapers said Burns was under investigation by the U.S. Justice Department in the Abramoff influence-peddling scandal, Burns insisted he was not under investigation and had not been questioned by the federal agency.

Tester said it was time for a change and criticized Burns for losing touch with Montana and taking on Washington values. The flat-topped farmer said he wanted to make the U.S. Senate "look more like Montana."

The Democrat, underfunded and trailing, came roaring back in the June primary election to defeat state Auditor John Morrison, who had twice run for state office.

Tester called on President Bush to develop a plan to remove U.S. troops for Iraq. He also called for repeal of the U.S. Patriot Act, a law passed after the Sept. 11, 2001, terrorist attacks. Supporters said the law gave the federal government tools to stop future terrorist activities, while critics like Tester said it amounted to a breach of Americans' right to privacy.

Burns branded Tester as a tax-and-spender, while Tester said Democrats, who controlled the state Senate in 2005, helped spend a budget surplus on education, health care and social services, which were neglected by a decade of Republican control of the Legislature and the governor's office.

The two men debated seven times around the state. In the last six debates, Tester supporters, many of them dressed in bright yellow T-shirts that said "Fire Burns," greatly outnumbered Burns backers.

Burns, 71, was first elected to the U.S. Senate in 1988 two years after he won a seat on the Yellowstone County commissioner. He easily won re-election in 1994 and survived a tough re-election in 2000 against Democrat Brian Schweitzer, then a political unknown and today Montana's governor.

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A Missouri native who attended the University of Missouri for two years before joining the Marines, Burns moved to Billings in the 1960s. A cattle auctioneer, Burns also worked for a cattle magazine. He started an agricultural radio network that still exists today.

Tester, 50, was first elected to the Montana Senate in 1988 and is completing his eighth year. He elected president of the state Senate in 2005, the first time Democrats controlled the body in a decade.

He is an organic grain farmer on the land homesteaded on by his grandparents and farmed by his parents. Tester is a music graduate of the University of Great Falls and taught music in Big Sandy but later concentrated on farming full time.

Tester ran on a platform of promoting alternative energy, expanding health care, and enacting middle class tax cuts. He and his wife criss-crossed the state in their red pickup truck.

Burns Narrows Gap, Trails Tester By 1 Percent (GFT)

Great Falls Tribune, November 8, 2006

Republican incumbent U.S. Sen. Conrad Burns is making a late push as more precincts report, narrowing the gap between himself and Democrat Jon Tester.

With 704 of 867 precincts, or 81 percent, Tester leads Burns by about 4,000 votes. Tester has 144,544 votes, or 49 percent; Burns has 140,547 votes or 48 percent and Libertarian Stan Jones has 7,532, or 3 percent.

Some Vets Of Iraq, Afghanistan Lose Their Election Day Battles (USAT)

By Judy Keen

USA Today, November 8, 2006

WHEATON, Ill. — Veterans of Iraq and Afghanistan brought unique perspectives on the wars to their campaigns for the House of Representatives. Their military service, though, was not enough to propel most of them to victories.

Veterans brought “firsthand credibility” to the year's biggest issue, said Paul Rieckhoff of Iraq and Afghanistan Veterans of America, a group that has criticized the Bush administration's handling of the Iraq war. Vets could give Congress insights on deployments and fighting the Iraq insurgency, he said.

But Democrat Paul Hackett, an Iraq veteran who lost a House election in Ohio last year, said veteran candidates' “stamp of credibility” isn't always enough: “They need to have other bona fides.”

The Democratic Party recruited veterans to counter perceptions that the GOP is tougher on national security. More than 60 veterans ran for Congress as Democrats; about 40 ran as Republicans. One in four House members and one in three senators served in the military.

“It's hard to call these candidates soft on defense when they put their lives on the line,” said Christopher Borick, a political scientist at Muhlenberg College in Allentown, Pa.

Most Iraq and Afghanistan veterans took on incumbents and lost:

·Illinois. Democrat Tammy Duckworth, an Illinois National Guard helicopter pilot who lost both legs in a 2004 attack in Iraq, was defeated in Chicago's western suburbs by Peter Roskam, a Republican state senator.

The Veterans of Foreign Wars political committee endorsed Roskam over Duckworth. Without her military background, the race wouldn't have been competitive, said Paul Green, a political scientist at Chicago's Roosevelt University. “The Republican Party threw a ton of money into that race.”

·Maryland. Democrat Andrew Duck, a former Army intelligence officer in Iraq, lost to Republican Rep. Roscoe Bartlett.

·Minnesota. Democrat Tim Walz defeated Republican Rep. Gil Gutknecht. Walz served in Afghanistan as a member of an Army National Guard artillery battalion.

·Pennsylvania. Democrat Patrick Murphy, who deployed to Iraq as an Army lawyer, was in a virtual tie with Republican Rep. Michael Fitzpatrick early Wednesday.

Democrat Joseph Sestak beat GOP Rep. Curt Weldon. Sestak is a retired Navy admiral who led battle groups in Iraq. The Justice Department is probing whether Weldon used his influence to help his daughter's lobbying company.

·Texas. In President Bush's district, Republican Van Taylor lost toDemocratic Rep. Chet Edwards. Taylor is a former Marine captain. Taylor underestimated Edward's popularity among the military, said Thomas Myers, a political scientist at Baylor University in Waco. Voters, Myers said, were focused on “how the war has been managed,” not on veterans' performance.

Other vets on ballots Tuesday: Ex-National Guard general Martha Rainville, a Republican, lost to Democrat Peter Welch for Vermont's House seat. Democrat and former naval officer Eric Massa lost to Rep. Randy Kuhl, R-N.Y.

Election Leaves Women Poised To Play A Greater Role In Politics (WSJ)

By Sarah Lueck

DOJ_NMG_0091900

The Wall Street Journal, November 8, 2006

WASHINGTON -- Even before the final tally in election 2006, one group already stood out as victors: women in politics.

The Democrats last night were poised to take control of the House, and their success stands to make California Rep. Nancy Pelosi the first female House speaker and the most powerful woman ever to sit in Congress. (As of early Wednesday morning, the Democrats had been projected to win enough seats for control of the House.)

Last night's Democratic gains immediately will turn attention to the priorities Ms. Pelosi would set for the House's expanded Democratic contingent. She has said Democrats should, among other things, push to increase the minimum wage and give the federal government new power to negotiate for lower drug prices in the Medicare health program, while warding off any attempts to privatize Social Security and beginning to withdraw troops from Iraq. 1

"Let us work together to find a solution to the war in Iraq," Ms. Pelosi said at a Democratic rally. "The campaign is over. Democrats are ready to lead."

Another prominent woman in Congress, New York Sen. Hillary Rodham Clinton, is the Democrats' presidential front-runner for 2008, preparing for what may become the most serious run for the White House yet by a woman.

But the advances by women are hardly limited to those two headline-grabbing leaders. Across the nation, record numbers of women sought political office this year. Buoyed in part by the public's desire for change and the perception that women will bring it, many of them battled their way through primaries to make it into yesterday's general election.

Several of those women were poised to win last night, increasing their overall numbers in Congress, as well as in state legislatures, depending on the outcomes of some tight races.

At the state level, a record 2,433 women were running for seats as state lawmakers, according to Rutgers University's Center for American Women and Politics. That breaks a record set in 1992, the so-called Year of the Woman because of vast numbers of wins by female politicians that year.

In the Senate, a record 12 women candidates made it through their primaries this year, and two -- Amy Klobuchar in Minnesota and Claire McCaskill in Missouri -- were in competitive races that could increase the number of women in the Senate to a new high of 16. Based on exit polls, Ms. Klobuchar appeared to be on her way last night to victory as Minnesota's first woman senator.

ELECTION 2006

· For complete coverage, see WSJ.com/Election20062.

Gaining Ground

A total of 138 female candidates were running for the House, just short of the record 141 in 2004. In the final tally, women are likely to gain some ground there, though not as much as in 1992, when 19 were elected.

Exit polls showed Democrat Kirsten Gillibrand beating Republican Rep. John Sweeney of New York, and Democrats Kathy Castor in Florida and Yvette Clarke in New York were headed toward taking over seats previously held by male Democrats. Those gains, of course, would be tempered by a loss of seats held by incumbent Republican women. Based on exit polls, Republican Reps. Nancy Johnson of Connecticut and Anne Northup of Kentucky were headed for defeat last night.

In the current environment, with the public holding Congress in generally low esteem and many incumbents tainted by scandal, women candidates often are perceived as "agents of change," says Debbie Walsh, director of the Rutgers center.

In addition, an atmosphere favoring Democrats improves the outlook for women candidates, who tend to be disproportionately Democratic. Of the 12 women who ran for Senate seats yesterday, eight are Democrats; of the 138 women who ran for the House, 97 are Democrats.

"It's going to be a huge year for Democratic women in particular, but for all women," says Karen White, national political director of Emily's List, an organization that recruits and supports Democratic women candidates who favor abortion rights.

Ms. Pelosi, who hails from a politically prominent Catholic family in Baltimore, will be under an intense spotlight as she tries to bridge differences in her own party and make good on her promise to increase bipartisan cooperation in the House.

Republicans have painted Ms. Pelosi, who represents a decidedly liberal district in San Francisco, as a liberal extremist. But she has used the campaign to fight that portrayal, and has sought to cast herself -- and her party -- as more moderate in the waning weeks of the election season. Under Democratic control of the House, Ms. Pelosi has promised fiscal restraint and has emphasized budget cuts over tax increases as a way to fund any new spending.

As is her custom, Ms. Pelosi returned to Washington this week to watch the election results, while Speaker Dennis Hastert remained in Illinois.

"It's going to be fun; it's going to be fun," Ms. Pelosi said in a brief hallway interview Monday night in the Capitol, conveying her optimism that voters would return her party to power.

Huge Challenge

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Ms. Pelosi has vowed that, as speaker, she would restore civility to the House, a huge challenge after an emotional 2006 campaign in which she herself became a favorite target of Republicans.

"This fierce partisanship has really no place," she said. "The election's over, we go to govern, we find common ground. If you don't find it, you stand your ground, but it's in the world of ideas. It doesn't say, 'I don't agree with you, so you can't even have your idea discussed on the floor of the House.' "

Ms. Pelosi's posture may be smart politics, given what is likely to be a close balance between Democrats and Republicans in Congress over the next two years. But it is also an example of what researchers say is a style common among women legislators: They tend to prefer transparency and inclusiveness.

Rep. Louise McIntosh Slaughter, a New York Democrat, who potentially will head the committee that sets rules for legislative debates, said Democrats would "open up the political process" and "bring transparency, integrity and democracy back to the legislative process."

The strides made by women in Congress and state government are no accident. Numerous programs, run by both partisan and nonpartisan organizations, seek to increase their numbers. Emily's List has a Political Opportunity Program that trains and donates funds to women candidates at the state and federal levels.

The group had a longstanding relationship with several candidates in this election cycle, including Gabrielle Giffords, the former Arizona state legislator who campaigned for the seat left by retiring Republican Rep. Jim Kolbe, as well as Mary Jo Kilroy, a county commissioner who mounted a strong challenge in Ohio against Deborah Pryce, the highest-ranking woman in the House Republican leadership.

"We've been working hard to put these women in the pipeline for almost a decade," said Emily's List's Ms. White. "Here in 2006 the opportunity is there, and many of these women have taken it."

On the Republican side similar efforts exist but so far haven't been as fruitful. Democrats "obviously have done a better job in recruiting women," says Beverly Davis, president of the National Federation of Republican Women, which is based in Alexandria, Va. "We have to get more Republican women to step up and realize that they do have the qualifications and they would make good candidates."

For all the gains women are poised to make this year, government remains a field dominated by men. Even in 1992, the number of females elected to the House went to just 47 from 28. This year, 67 women were serving in the House, bringing the total number of women in Congress to 81.

Election Juxtaposes Ballots And Bullets (WSJ)

By David Rogers And John D. Mckinnon

The Wall Street Journal, November 8, 2006

Democrats were rolling up election victories last night driven by public concern over the war in Iraq, just as the Army was preparing a new emergency-funding request for $49.2 billion more to pay for overseas operations for the remainder of this fiscal year.

The juxtaposition illustrates the new political reality in Washington, a challenge both for newly powerful Democrats and the Republican president: With the Democrats poised to take control of the House in the next Congress, each will be forced to deal with each other if the government is to function over the next two years.

Mindful that Republicans still have the votes to filibuster them in the Senate as well as a presidential veto, House Democrats have stuck to a modest agenda, such as increasing the minimum wage, toughening ethics rules and reviving stem-cell legislation previously vetoed by the president. Now they inherit a backlog of unfinished spending bills for the current fiscal year, which began Oct. 1, as well as new demands for funding the war.

ELECTION 2006

· For complete coverage, see WSJ.com/Election20061.

The Army request is part of a larger war supplemental bill that the administration had considered asking Republicans to take up in a postelection session. Together with other services, the total request is expected to be in the range of $75 billion on top of $70 billion provided by Congress in September.

Congress has the power to cut the request, though there is resistance among many Democrats -- fearful of hurting the troops in the field -- to use the appropriations process to force change in the administration's Iraq policy. But Democrats may demand a stricter interpretation of what qualifies as emergency funds. Within the Army's request, for example, about $18 billion is for procurement, and Democrats may ask that the White House submit that as part of the regular defense budget.

An early test for Rep. Nancy Pelosi of California, who is expected to be the new House speaker, will be delivering on promises to enact tougher ethics rules. Speaker Dennis Hastert of Illinois tried that a year ago, but ran into opposition from Republicans who argued the public impact of scandals had been exaggerated.

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Outside watchdogs are pressing hard. "All of the late polling shows that corruption is one of the top issues with voters," said Fred Wertheimer, a longtime proponent of tighter restrictions on travel, meals and entertainment paid for by lobbyists. "If you don't move quickly when the mandate's there, then the Washington money culture starts moving back in."

The White House is braced for subpoenas from hostile committees led by Democrats and for Republicans now more interested in identifying Mr. Bush's successor than in rallying behind a waning presidency. At a Philadelphia-area fund-raiser a few weeks ago, former President George H.W. Bush said he would "hate to think what...my son's life would be like" if Democrats won enough seats to take over Congress.

The conventional wisdom is that two years of gridlock are likely. "I don't see the recipe for anything to happen," said Republican lobbyist Ed Rogers. "Bush will be back in true Republican mode -- vetoing spending bills that didn't come from his own party."

But in an interview this week, Ms. Pelosi said: "The election's over; we go to govern." And others are hopeful that somehow the election will change the partisan atmosphere that has paralyzed Congress. "Clearly there's a desire [among voters] for change, not just on a policy level but in how the relationship works," said Sen. Christopher Dodd (D., Conn.) "If the president says, 'I got the message; we've got to start to work together,' you could have a productive two years," he said. "If not, it's going to be a rough two years."

There are hints that the administration may hold out an olive branch, particularly in areas of concern for Democrats -- such as alternative energy and education. "We'll work with both sides of the aisle," White House budget director Rob Portman, a former House member, said in an interview. "There will be an open dialogue, [and] we'll agree on some of the areas."

The weakening of House Republicans -- who were a major obstacle to an immigration compromise before the election -- has bred optimism that Congress can send the president a bill he will sign early next year.

The immediate impact of the election could be short-term chaos on Capitol Hill. The Republican leadership left so much unfinished work, there is no time for a cooling-off period before lawmakers return next week for a lame-duck session.

Pending are major appropriations bills for the current fiscal year. The Internal Revenue Service, preparing 2006 tax forms, needs answers soon on whether popular tax breaks will be extended. The White House is pressing for quick action on a Vietnam-trade bill before the president flies to Hanoi next week. The administration is pressing for some of its priorities, potentially still including the Iraq funds. But Republicans could prefer to go home. In the best of times, the budget decisions facing them are difficult: the Senate Appropriations Committee wants $5 billion more than its House counterpart for domestic spending on education, medical research and public works.

Most of the government is operating under a stopgap funding resolution due to expire Nov. 17, and already there are discussions about extending that until Dec. 8. "This is an institution of human beings, and people aren't going to want to be here. If the Republicans do not win, I predict they will not stay longer than a day," said one longtime House Democratic aide who lived through the Republican takeover of Congress in 1994.

That year, too, there was a short lame-duck session to deal with a major trade agreement, but the memories are more of shocked committee chairmen wandering the House floor talking of the staff they would have to fire.

The Voters' Message (WP)

The Washington Post, November 8, 2006

SIX YEARS OF nearly unbroken one-party rule have not been healthy for the country. The apparent Democratic takeover of the House of Representatives yesterday is a good thing. Republicans won control of the House in 1994 promising a change from Washington business as usual. Instead, entrenched by gerrymandered redistricting into what they envisioned would be a permanent majority, Republicans slid toward lax oversight, unbridled partisanship and rampant sleaziness, if not outright corruption. Voters yesterday expressed their anger at President Bush and their frustration with the war in Iraq, as well as their disgust with the arrogant misbehavior of House Republicans. Though we regret the loss of some of the most talented Republican moderates, the GOP deserved to lose its majority.

Less clear is that Democrats deserved to win -- or that they would have done so absent Republican missteps. The Democrats won the House, and, as of this writing, at least narrowed the GOP majority in the Senate, but not because voters necessarily agreed with their program. How many voters, we wonder, could name even one of the Democrats' vaunted "Six for '06" legislative proposals? As they prepare to wield power, Democrats don't have capital from voters; at most, they enjoy a line of credit.

The right way to draw on that will be to resist the partisan temptation to act as the other side did, highhandedly and unilaterally. Instead, Democrats need to reach out to congressional Republicans as well as to Mr. Bush; the increased presence of conservatives in the Democratic ranks ought to help presumptive-Speaker Nancy Pelosi (Calif.) forge bipartisan majorities. The Democrats should swiftly enact promised ethics and lobbying reforms that Republicans slighted. They should conduct

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vigorous oversight but not incessant, backward-looking investigations; subpoena power should be used sparingly. It was easy for Democrats to offer campaign promises of fiscal discipline; it will be harder -- given the raft of new spending they have proposed -- to live up to promises of pay-as-you-go budget constraints.

After six years of belligerent partisanship, the president would do well to change course dramatically in his final two years. In this, Mr. Bush has a good role model: Gov. George W. Bush of Texas, who managed to work across party lines to achieve results. Granted, Democrats in Congress aren't the same as Democrats in Texas, but the new congressional Democrats share a common interest with the president in demonstrating an ability to overcome bickering to achieve results. There's opportunity on issues ranging from immigration and climate change to entitlement reform and education.

As for Iraq, the president and his party need to be mindful of the passionate voter discontent with the war. Some Democratic candidates advocated prompt withdrawal, which we believe would be perilous to U.S. and Iraqi interests, but many were pressing for adjustment, not the "cut and run" of Mr. Bush's caricature. The president's lofty campaign rhetoric is bearing decreasing resemblance to the grim reality in Iraq. With the election over, he needs to show more flexibility and deftness to address the deteriorating situation.

Post-Election Job Number One (NYT)

The New York Times, November 8, 2006

Whatever this election accomplished, it did nothing to end the rancor and distrust that define current American politics. Yet, as the campaign went on (and on) there was one issue on which people from both parties appeared to be finding common ground: Donald Rumsfeld has to go.

While Democrats have been demanding a new secretary of defense for a long time, Republicans — worried about re-election as well as the course of the war — began to join the outcry this fall. Some made it part of their campaign mantras. Many others have been complaining in quiet about Mr. Rumsfeld's continued job security. Even people who are strong supporters of the continued presence of American troops in Iraq acknowledge that there needs to be a change.

It's possible that no one could have turned the invasion into a success, given the fissures in Iraqi society that the fall of Saddam Hussein have exposed. But we will never know, since the shortage of American troops and the lack of postwar planning made disaster inevitable. Mr. Rumsfeld deserves to go simply because he has failed at his job. Denying that reality is presumably why the president is so bent on keeping him.

Still, at a time when even the Bush administration admits the need for a change of tactics, it should be easy to see that a new team at the Defense Department would be better equipped to rethink the way the war is being conducted. The president has a degree in business. He should understand how difficult it is for managers to come up with creative ways of getting out of problems that their ideas created in the first place.

Before he presided over the Iraq invasion, Mr. Rumsfeld promised that as secretary of defense he was going to transform America's military so it was prepared to fight the conflicts of the 21st century. Mr. Bush has cited the progress being made on that front as one of the reasons he wants Mr. Rumsfeld to stay. But — in a familiar pattern for this administration — the changes have been more rhetorical than real.

Truly transforming the military would have meant trading in expensive cold war weaponry, like attack submarines and stealth fighters, for pilotless drones, swifter ships and lighter, more mobile ground forces. Mr. Rumsfeld never had the interest — or the political will — to take on that fight. Instead, he bought peace with Congress and the military brass by holding down the size of ground forces in order to continue paying the ballooning cost of unnecessary weaponry. He created a smaller, more mobile force that was too small to successfully pacify Iraq.

There is absolutely nothing more for Mr. Rumsfeld to do as secretary of defense except continue to defend failed policies and tinker with unworkable strategies. Most of the men and women who will be part of the 110th Congress in January have come to that conclusion, whatever their party affiliation. They simply need to share it with President Bush.

Can Bush Salvage His 2nd Term? (USAT)

By Ross K. Baker

USA Today, November 8, 2006

Nineteen fifty-eight was a miserable year for congressional Republicans, the worst for them since the 1930s. The Democrats gained 49 seats in the House and defeated a remarkable 15 GOP senators. More than even the numbers, the very political complexion of the Senate changed with the replacement of a number of very conservative Republicans with some very liberal Democrats. It was the election that set the stage for the New Frontier and Great Society initiatives of the 1960s.

For the next two years of President Eisenhower's term, 1958 would stand out as the low point in the fortunes of a Republican president whose personal popularity usually exceeded that of his party. Eisenhower would struggle to achieve the

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completion of his dream, the Interstate Highway System, but could manage little else. Without the cooperation of friendly Democrats in Congress, he would not even have gotten that.

History tells us that the likelihood of great accomplishments for a re-elected president is not great whether or not his party enjoys a majority in Congress. In the aftermath of the 2006 elections, President Bush will face the fate of other two-term presidents — two years in which achievements are likely to be few and frustrations many. But if he could emulate Eisenhower and reach out to his congressional adversaries, he may be able to salvage the last remnant of his incumbency.

The presidential life cycle can be likened to the ages of man: vigorous youth followed by middle age and its efforts to fend off senescence and, finally, the inevitable onset of fragility and the trips and falls of a body that is no longer agile. There is even a kind of midlife crisis that occurs when a re-elected president faces his last midterm elections. Hoping in vain for the restoration of youthful sinew, presidents find instead that the administration has lost its intellectual adroitness, that its running gear is shot, and that all that remains is a desperate quest for a legacy that emphasizes its early successes.

President Truman, who served out most of Franklin D. Roosevelt's unprecedented fourth term and one term won in his own right, is the president whose situation most closely resembles the political environment in which President Bush finds himself: bogged down in an unpopular war, this one in Korea, and suffering from diminished personal popularity. The 1950 congressional elections had slashed Democratic strength in Congress, but Truman's party managed to hang on to the Senate by two seats and to the House by 36. Truman had survived an assassination attempt just before Election Day, the kind of early-November surprise that might have generated sympathy for him, but it did little to help the Democrats. Truman, like Bush, was besieged by calls for the firing of one of the principal figures in the administration who was being held responsible for the unpopular war.

Demands for the head of Secretary of State Dean Acheson sound remarkably like those today calling for the removal of Secretary of Defense Donald Rumsfeld. And the blunt refusals of Bush to dismiss Rumsfeld could have been uttered by Truman in his defense of Acheson.

It only got worse.

Truman's standing in the eyes of the public was diminished by incidents ranging from his vulgar attack on a music critic who panned the concert performance of Truman's daughter, Margaret, to his firing of a national hero, Gen. Douglas MacArthur, for insubordination.

Similarly, President Reagan's post-midterm troubles began almost immediately after the 1986 elections, in which the Democrats recaptured the Senate that they had lost when Reagan was first elected in 1980. The “bicoastal economy” was the big issue. At the time, serious hardship in the Midwest was starkly contrasted with the vigorous economies on both seaboards.

It was in the aftermath of this electoral setback that the Iran-contra scandal — in which the United States secretly sold arms to Iran in the hopes of freeing U.S. hostages and then diverted most of the profits to support the anti-Communist insurgency in Nicaragua — was revealed. Reagan's approval rating in The New York Times/CBS Poll plummeted from 67% to 46% between Election Day and the first week in December. It was the steepest one-month drop in presidential support in polling history.

President Clinton, in his last two years in the White House, offers a rare example of a relatively propitious last quarter of a presidential term, paradoxically because of the very agonies that he was suffering in his impeachment. In large measure, it was because of revulsion against the efforts to remove Clinton that the Democrats pulled off something of a surprise in 1998 by incurring no Senate losses and actually gaining five seats in the House. Republicans blamed the Democrats' surprise showing on Clinton's nemesis, House Speaker Newt Gingrich, R-Ga., who was deposed from the speakership for the loss suffered by the party.

The nation seemed ready for a political truce.

Bush, unlike Clinton, has a major war on his hands. Clinton had only Kosovo, a far less perilous involvement than Iraq. But perhaps in the last two years of President Bush's term, he can shake off the lame-duck curse and redeem a pledge to the American people that he made in the 2000 campaign. He vowed then to be “a uniter, not a divider,” and indeed he was for a brief period after the 9/11 terrorist attacks.

Democrats might be understandably reluctant to accept an olive branch, and even some in his own party in Congress continue to resent the sometimes overbearing dominance of his administration. But the alternative to cleaning the slate is two years of continued partisan strife. It is Bush who must take the initiative or face two years that are barren of accomplishment and a poor foundation for the favorable judgment of history.

Ross K. Baker is a political science professor at Rutgers University. He also is a member of USA TODAY's board of contributors.

Billing Errors Dog Medicare Drug Benefit Since Its Start (USAT)

By Julie Appleby

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USA Today, November 8, 2006

Just days before enrollment for next year's Medicare drug benefit begins, federal agencies are still trying to fix a long-running billing problem that at its peak this summer ensnared about half a million people.

Despite those efforts, about 50,000 people who chose to have their monthly Medicare drug premiums taken out of their Social Security checks are still having incorrect amounts withheld.

It's been almost a year since Social Security began taking $33 a month out of Anita Preitauer's monthly check to cover her enrollment in a Medicare drug plan. But the 85-year-old Red Bluff, Calif., woman dropped the drug plan in February.

Despite repeated calls over the months to Medicare, Social Security and the insurer, Preitauer has not been able to get the problem resolved. Medicare owes her $330.

"It makes me feel very frustrated and worried, wondering each month how I can make all my bills," she says.

Problems with the amounts taken out of Social Security checks for the drug benefit have been ongoing since the program began, advocate groups say. Some people have been charged for plans they are not in. Others have not had any money taken out. "We have cases that go back as far as July and have not been resolved," says Deane Beebe at the Medicare Rights Center in New York, an advocacy group.

Medicare fixed about 100,000 cases last month, leaving about 50,000 unresolved, says Jim Kerr, an acting deputy director at Medicare.

"It has taken a great deal of time to resolve some of them, unfortunately," Kerr says.

In all, about 4.7 million Medicare members elected to have drug program premiums withheld from Social Security. Most others who signed up for the drug benefit send a check each month to their insurer or have the money automatically deducted by the insurer from a bank account or credit card.

To avoid problems for next year, Kerr suggests that enrollees who want to use Social Security withholding sign up before Dec. 8, well before the Dec. 31 deadline. Advocacy groups, such as the Medicare Rights Center, suggest enrollees avoid Social Security withholding for the drug plan and choose one of the other options.

Doris Oja, 71, of Placentia, Calif., has had $68.50 taken out of her Social Security check monthly since January, even though she signed up for a Medicare Advantage program that has no monthly premium.

She called Social Security, which told her to call Medicare. She called Medicare, which promised to get back to her in three days.

Ten days later, she got "a recorded message on my answering machine from Medicare wanting to know if the problem had been solved." It had not. She went back to Medicare, which promised a prompt response. Sixteen days later, she got a call telling her they were working on it.

"They just pass the buck," Oja says:. " 'It's Social Security's problem'; 'It's Medicare's problem.' "

States With Insurance Holes In Medicare Drug Plans On Rise By KRISTEN GERENCHER (WSJ)

The Wall Street Journal, November 8, 2006

The number of states with stand-alone Medicare prescription drug plans that will offer no substantial coverage for the top drugs prescribed to older Americans in the insurance gap known as the "doughnut hole" will increase to 13 next year from four this year, according to a new study.

Beneficiaries in many of the 37 states and District of Columbia with plans that will extend substantial coverage in the gap starting next year will see starkly higher premiums, according to a report from Families USA, a health-care consumer advocacy group that analyzed data from the Centers for Medicare & Medicaid Services.

Premium growth among plans that offer "meaningful" doughnut-hole coverage varies widely across states, but the median rise for the lowest-priced Part D plans is 87.4%, the study found.

The findings, which the health-insurance industry disputes as incomplete, come two weeks before Medicare beneficiaries can start choosing Part D plans for next year. Open enrollment begins Nov. 15 and runs through Dec. 31.

This year, Alaska, Hawaii, Maine and New Hampshire are states that don't have plans offering meaningful coverage of both the most commonly prescribed brand and generic drugs in the gap, said Ron Pollack, executive director of Families USA. Next year, those states will be joined by Connecticut, Florida, Massachusetts, Michigan, New York, North Carolina, Rhode Island, Vermont and Wisconsin. That means the total of potentially affected Medicare beneficiaries will increase to 6.6 million from 375,000, the report said. Low-income beneficiaries weren't included in the count since they typically don't have insurance designed with a gap.

"The doughnut hole, which is a major structural problem with this Part D program, is not ameliorated by plans in 13 states in any meaningful manner," Mr. Pollack said.

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The doughnut hole is a gap in coverage for beneficiaries who have drug expenses exceeding $2,250 for the year. Under the standard benefit for 2006, those beneficiaries are responsible for paying the full cost of their drugs until they hit $5,100, putting them on the hook for as much as $2,850 in addition to monthly premiums, which can be hard on those who need maintenance medications for chronic conditions. In 2007, the doughnut hole will increase to $3,051, the report said.

Families USA deemed "meaningful" to be coverage of the most routinely prescribed brand-name and generic drugs. It found 18 of the 25 most commonly prescribed drugs to seniors aren't available in generic form, the report said. Heartburn and acid reflux agents Prevacid and Protonix and osteoporosis drug Fosamax are only available in brand form, making them more costly.

Mohit Ghose, spokesman for America's Health Insurance Plans, a trade group representing companies that provide health benefits for more than 200 million people, including Medicare Part D and Medicare Advantage, said competition between plans is holding costs down and giving beneficiaries the flexibility to shop for the plan that's right for them.

"The bids by Part D plans that have been made are 10% lower on average in 2007 than in 2006, which points to one very important thing: that the program is working," Mr. Ghose said.

"The level of flexibility in the program has provided better benefits and lower out-of-pocket costs than the framers envisioned in the legislation," he said. "For this year, you had consistently lower premiums than were envisioned at the time the legislation passed."

"Under a one-size-fits-all government program, none of these top 25 drugs, regardless of the methodology in calculating them, would be covered," Mr. Ghose added.

He questioned the study's use of 2004 data, which he called potentially outdated, on the most commonly prescribed drugs. Some were counted twice in different dosages such as Lipitor, which appeared once in the 10-milligram formulation and once in the 20-milligram dosage.

Mr. Pollack said the group took the most recent data available from the Pennsylvania PACE program, which is widely used as a benchmark for determining the most heavily prescribed drugs, and made no modifications to it.

Mr. Ghose questioned why the 6.4 million beneficiaries in Medicare Advantage plans with drug coverage weren't included in the study. "It's important to include every single Medicare beneficiary experience if we're going to critique or enhance this program."

Mr. Pollack disagreed. "There isn't a significant number of Medicare Advantage plans that provides meaningful coverage in the doughnut hole," he said. "It would not have made an appreciable difference."

About 10.3 million Medicare beneficiaries are in stand-alone drug plans out of a total 38.2 million beneficiaries with drug coverage, according to the Centers for Medicare & Medicaid Services.

As to why meaningful coverage in the doughnut hole is becoming scarcer and premiums prices are rising in many places where there still is coverage, Mr. Pollack speculated several factors may contribute. First, plans may have found the people attracted to policies offering doughnut-hole coverage tended to be sicker and turned out to be more costly than expected, he said. Or Part D's first year may have brought intense competition that kept prices down as insurers battled for market share. Thirdly, plans could have decided doughnut-hole coverage of both brand and generic drugs simply wasn't profitable, Mr. Pollack said.

Playing Medi-scare Again (WT)

By Newt Gingrich

The Washington Times, November 8, 2006

The liberal activist group Families USA issued a flawed study last week on the Medicare prescription drug benefit that simply does not reflect reality. The report says the drug benefit as currently designed endangers millions of seniors by imposing financial penalties and creating considerable anxiety.

By ignoring the overwhelming approval millions of beneficiaries give the Medicare prescription drug benefit, the radical left has shown again its sole strategy is to score political points -- particularly before the election -- by scaring seniors.

Consider the skewed study by Families USA. Though 90 percent of Medicare beneficiaries now have broad and affordable prescription drug coverage, when four years ago only a quarter did so, the report focuses on the narrow issue known as the "doughnut hole." This is the period in coverage where beneficiaries, having used $2,250 worth of medications, might not have their medications covered until they use $5,100 worth. During this time, they might pay for their drugs out of their own pocket.

Labeling the coverage gap as "bizarre" and "troublesome" is misleading, as their analysis is based on several fundamental flaws. It defines "meaningful coverage" as only 25 medications, which amount to 0.6 percent of about 4,000 drugs the typical Medicare drug plan covers. They also fail to note there are other generic drugs available to treat the same conditions as those in the 25 drugs they list.

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In fact, many of the high-priced blockbuster drugs listed have therapeutic alternatives not mentioned in the study. Also, four of the drugs are listed twice because they are prescribed in different doses. Such double-counting is a major analytic flaw that unfairly skews the results for the worse.

Beyond these flaws, the "doughnut hole" in general will not be an issue for 71 percent of Medicare beneficiaries. They either will not spend enough to hit the gap or will be covered under a low-income subsidy program, existing coverage, or Part D plan with partial or full gap coverage. Of the remaining 29 percent potentially subject to the gap, every beneficiary in every state can choose an affordable drug plan that offers gap coverage for both generic and brand-name drugs.

Most will find coverage. Only 8 percent of beneficiaries will actually hit the "doughnut hole" with no coverage, according to PricewaterhouseCoopers. For them, they will still be far better off than prior to the new benefit. The first $2,250 they will have spent on prescription drugs has been covered. And beyond that direct savings, competition among private insurers has dramatically reduced the prices of Medicare drug plans. Competition has saved the average beneficiary nearly $1,500 a year off of their drug costs, according to the Centers for Medicare and Medicaid Services.

The small minority that reaches the "doughnut hole" without gap coverage still has workable options. In 27 states, Wal-Mart now offers nearly 300 generic drugs for as low as $4 for a one-month supply, regardless of insurance status. Other major retailers have announced similar programs. Meijer pharmacies now offer leading generic antibiotics absolutely free. Other options include prescription drug assistance programs through national and community-based charities, pharmaceutical manufacturers, and many states. Medicare has a section on its Web site called "Bridging the Coverage Gap" that details many options.

By trotting out flawed studies on the "doughnut hole" days before the election and focusing campaign rhetoric on drug reimportation and federal negotiation with drug manufacturers, the left shows once again it would rather scare seniors and vilify pharmaceutical companies than discuss real structural improvements in Medicare -- ones that would undoubtedly cover the "doughnut hole."

For instance, creating a Travelocity model of drug purchasing, like that used in air travel pricing or on eBay, would empower seniors and dramatically reduce costs. Choice and open access to real-time information creates competition, and competition drives down price. Reduced drug prices in a Travelocity model, which some estimate to be between 20 percent and 40 percent, would more than cover the "doughnut hole."

Reimbursing physicians, hospitals and others based on the value or quality of care they deliver, rather than how many transactions they process, would dramatically improve the health of all seniors in Medicare. Healthier beneficiaries are cheaper beneficiaries. Incentivizing the adoption of health information technology, which undoubtedly improves care, would also reap dramatic savings.

Let's agree there are serious problems to solve in Medicare. But rather than exchanging ideas, the left would rather play "Medi-scare." This might have provided a good sound byte before Election Day, but it does nothing to transform the program to work for all beneficiaries -- and the taxpayers who fund it.

Newt Gingrich, former speaker of the House of Representatives, is founder of the Center for Health Transformation. David Merritt is a project director at the Center. PricewaterhouseCoopers is a member of the Center.

No Simple Formula For Understanding Lawmakers' Pay (WP)

By Stephen Barr

The Washington Post, November 8, 2006

The prickly issue of congressional pay showed up in a number of anti-incumbent, shake-up-the-establishment campaign ads that ran prior to yesterday's election. They usually included an assertion that the members of Congress had voted to give themselves pay raises.

Well, yes and no.

Since 1989, when members of Congress adopted a formula for adjusting their pay, they have turned down pay raises five times and accepted raises 11 times, according to a report by the Congressional Research Service, part of the Library of Congress.

The congressional pay formula is based on certain elements of the Labor Department's Employment Cost Index. The pay increase for 2007, for example, would be 0.5 percent less than the percentage change in private-sector wage growth for the fourth quarter of 2005 and the same quarter of 2004.

In theory, the formula would put members of Congress on track for a 2 percent pay raise in January.

But congressional pay is also linked to government salary scales. Under the rules, if white-collar federal employees get an annual base pay raise that is less than the formula's suggested increase for Congress, members are paid at the lower rate.

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Because Congress has not wrapped up negotiations on a 2007 federal employee raise, lawmakers probably won't know the size of their raise until late December, when the president issues pay scales for government workers, diplomats, Cabinet officials and others.

For example, if Congress and the president decide to give federal employees a 2.2 percent pay raise next year, members of Congress will probably end up with a 1.2 percent raise.

That's because the president will split the federal raise into two parts -- a base raise and a locality raise. In recent years, about one percentage point of the raise has been allocated for the locality raise. Such a split would limit the congressional pay raise to the federal employee base raise -- 1.2 percent in this scenario.

Members of Congress are paid $165,200 -- the same salary as federal district court judges, deputy Cabinet secretaries and federal executives in a number of agencies.

Critics have pointed out that Congress prefers to rely on an automatic formula and keep its pay tied to other government officials as a way to avoid annual debates on whether lawmakers deserve higher pay. Some members of Congress defend the automatic raises as cost-of-living adjustments that are modest and appropriate for a board of directors.

Citizens Against Government Waste, a nonprofit organization that tries to expose pork-barrel spending and bureaucratic mismanagement, would like Congress to take an up-or-down vote on its pay each year and justify the raise on meeting some goal, such as lowering a deficit or maintaining a budget surplus, said Tom Schatz , the group's president.

"There is no other evaluation, other than the voting booth, for whether members are doing a good job," he said.

Most organizations "do base pay on merit," Schatz added. "That has been the argument for teacher pay and other government worker pay. Why not Congress?"

The political debate over congressional pay, however, masks a more serious compensation problem in government, which is finding it more difficult to compete against large corporations for top-notch talent.

According to a recent study by the Government Accountability Office, salaries for the government's senior officials, including judges, have not kept pace with inflation or the growth of wages over the past 30 years. Some House members have expressed interest in rethinking federal executive compensation practices, but only one hearing on the issue was held this year.

Schatz said the campaign ads questioning congressional pay raises probably did not sway voters yesterday, but "at least in the ads, people are raising the issue," he said.

"I would be interested if the candidates who complained about the pay raise will deny themselves the pay raise when they get here," he added.Shifting Titles at the OMB

Robert Shea , who heads a White House initiative that seeks to gauge the effectiveness of federal programs, has been named associate director for management at the Office of Management and Budget.

Shea's previous title was counselor to the OMB deputy director for management. The new title appears to reflect Shea's expanding duties, which include administering the Program Assessment Rating Tool, an attempt to link budget recommendations to the performance of specific programs; overseeing key parts of the president's federal management agenda; and providing advice on personnel policy issues.

Two Books, Two Different Democratic Tones (WSJ)

By Alan Murray

The Wall Street Journal, November 8, 2006

Sen. Dorgan told me yesterday that he found this an "interesting fact," and indicative of the sad state of our trade relations. But I find it baffling. Why should anyone care, in a world of microchips and nanotechnology, what our largest export by "volume" is? It's money that matters. The Commerce Department says waste- and scrap-paper exports have totaled $1.3 billion this year. That's a drop in the bucket compared with U.S. exports of more than $35 billion of semiconductors, $43 billion of food and $71 billion of automobiles and auto parts -- just to cite a few. So what's the point?

Not all Democrats, of course, buy into Sen. Dorgan's antitrade agenda. Indeed, as a group, the Democrats have managed to get through this election without buying into much of any agenda at all.

House Democratic leader Nancy Pelosi even seems proud of that fact. On more than one occasion, she has noted that during the fight over President Bush's plan to overhaul Social Security, she was "taking heat from everyone who said, 'Why don't you have a plan? You can't beat something with nothing.' And we said, 'Yes, we can.' "

That lack of an agenda distinguishes today's Democrats from the Republicans who rode to control of the U.S. House of Representatives and Senate 12 years ago on their explicit "Contract with America." It is far from clear that the contract had much to do with Republican victories that year. Still, it did provide a rough road map for governing once the election was over. (In subsequent years, the party wandered far from its map.)

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When it comes to economic policy, there seem to be only two discernible planks on which Democrats agree. One is raising the U.S. minimum wage -- a proposition on the ballot in a number of states with tight races yesterday. The other is allowing the government to negotiate drug prices directly with pharmaceutical companies.

Both would undercut the workings of the marketplace, but in limited ways. Economic research on the minimum-wage is mixed but suggests that while it may cause some teenagers to lose jobs, the effects are relatively small. The economic effects of allowing the government to negotiate drug prices -- which is just another way of imposing price controls -- could be more damaging but are limited to one intensely unpopular industry.

Sen. Dorgan's screed raises a much more dangerous specter of broad-brush, antimarket, antibusiness protectionism. He isn't alone, as anyone who has heard Sherrod Brown's pitch in Ohio or watched Bruce Braley's campaign in Iowa now knows. If there is one thing politicians are good at, it is sensing the public mood. If Messrs. Dorgan, Brown and Braley are correctly sensing that mood, business may be headed for a tough ride.

For now, though, there is one fact to provide comfort. Sen. Obama's book is No. 4 on the Amazon.com bestseller list. Sen. Dorgan's is No. 5,920. Big business had better hope book buyers have it right.

OTHER NEWS:

Borrowing By Consumers Eases, But Credit-Card Balances Jump (WSJ)

By Mark Whitehouse

The Wall Street Journal, November 8, 2006

American consumers eased off on borrowing in September, though a persistent rise in credit-card balances suggests some are feeling the impact of the housing market's downturn.

The Federal Reserve reported U.S. consumer credit, which excludes mortgage debt, fell at an annualized rate of 0.6% in September to $2.366 trillion, or about $21,000 a household. That was up 3.7% from a year earlier, well below the average year-to-year rise of 7.1% over the past decade.

Nonrevolving credit -- mostly auto loans -- fell at an annualized rate of 3.2% in September, reflecting slow auto sales.

Credit-card balances and other so-called revolving credit, however, rose significantly, at a 4% annualized rate. That suggests that as housing prices fall, people are less able to extract cash through home-equity loans and cash-out refinancings, causing some financially stretched folks to turn to their credit cards.

"It's a pretty benign story, but it's one that we need to stay on top of," said Stephen Stanley, chief economist at RBS Greenwich Capital in Greenwich, Conn. He noted that consumers as a whole are doing pretty well: Personal income, which was up 6.8% in September from a year earlier, has outpaced growth in both credit-card and other consumer debt.

In recent years, rising home prices, easy credit and tax breaks on mortgages have motivated people to borrow against their homes instead of running up credit-card balances and taking out auto loans. As a result, total mortgage debt has almost doubled over the past five years, while consumer credit has risen by less than a third.

As of the second quarter, mortgage payments had reached 11.6% of disposable income, the highest level since at least 1980. Consumer-debt payments had fallen to 6.5% of disposable income, the lowest level since late 2000.

Orders For New Homes Tumble (LAT/BLOOM)

The Los Angeles Times, November 8, 2006

Home builders Toll Bros. Inc. and Beazer Homes USA Inc. said Tuesday that orders for new homes declined and customer cancellations rose as the housing slump deepened.

Toll, the largest U.S. luxury home builder, said fiscal fourth-quarter home building revenue fell 10% and orders tumbled 58%. Beazer, the seventh-largest home builder by revenue, said orders dropped 58%.

"We continue to look for signs that a recovery is imminent but can't say that one is in sight," said Robert Toll, chief executive of Toll Bros. Buyers have lost confidence in the home market and are delaying purchases, convinced that prices will continue to fall, he said.

Toll's home building sales declined to $1.81 billion in the three months that ended Oct. 31 from $2.01 billion a year earlier, the Horsham, Pa.-based company said. Toll cut its forecast for the number of houses it plans to build in the next year and is also reevaluating plans to acquire additional land for subdivisions.

The home builders' reports coincided with a two-week, $1.3-million newspaper ad campaign by the National Assn. of Realtors to persuade people that now is a good time to buy a home.

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Toll, the sixth-largest home builder by revenue, said it would complete 6,300 to 7,300 homes in the current fiscal year, less than its previous forecast in August of 7,000 to 8,000, because of cancellations and fewer contracts.

The value of contracts signed fell 55% to $710 million in the quarter, down from a $1.59-billion record in the same period a year ago. The company said the contract signings were hurt by a "higher than normal 585 cancellations." Almost 25% of the cancellations came in the Orlando, Fla., and Northern California markets, Toll said.

During the quarter, Toll Bros. sold 2,502 homes, compared with 2,957 houses last year.

Net income at Atlanta-based Beazer fell to $91.9 million, or $2.19 a share, from $164.4 million, or $3.61, a year earlier. Revenue rose 3.8% to $1.9 billion in the quarter ended Sept. 30, the company said in a statement.

Also on Tuesday, Hovnanian Enterprises Inc., New Jersey's largest home builder, said new contracts for its fiscal fourth quarter dropped 36% to 3,100, reflecting a "continued high level of contract cancellations." Cancellations for the quarter were 35% of gross contracts, up from 25% a year earlier.

Shares of Toll Bros. fell a penny to $28.04 while Beazer rose 13 cents to $42.07 and Hovanian fell 57 cents to $29.04.

High-End Or Starter Homes, Builders Remain In A Slump (NYT)

By Eduardo Porter

The New York Times, November 8, 2006

Two of the nation's major home builders reported dismal results in their most recent quarters yesterday, confirming that the slump in the once-hot housing market is far from over.

Toll Brothers, the country's largest builder of luxury homes, said revenue from home building fell 10 percent, to $1.81 billion in its fourth quarter, ended Oct. 31, compared with $2.01 billion in the period a year earlier. The results are preliminary; the company will report earnings on Dec. 5.

Toll Brothers' backlog of projects declined 25 percent and its signed contracts plunged 55 percent as the company suffered from a rash of cancellations concentrated in the formerly hot markets of Florida and Northern California.

"I don't think we can call where the floor is," said Joel Rassman, chief financial officer of Toll Brothers. "We have not seen a turnaround yet."

The decline was not limited to the luxury segment of the housing market. The Atlanta-based Beazer Homes USA, a smaller rival that builds many homes for first-time buyers, reported that net income fell 44 percent, to $91.9 million, or $2.19 a share, in the quarter ended Sept. 30, from $164.4 million, or $3.61 a share, in the period in 2005.

Revenue increased 4 percent, to $1.88 billion. But new orders plummeted 58 percent, and the company forecast a substantial decline in earnings for 2007.

More than a year into a housing market bust, the home builders' deteriorating fortunes are hardly a surprise. In September, sales of both new and existing homes were running around 14 percent below their level a year earlier.

Home prices have not fallen uniformly across the nation; in some areas, they have, however, declined steeply. By September, the average price of a newly built home was about 2 percent below the price of a year earlier, according to government figures.

Stuck with unsold inventory that is the equivalent of more than six months of sales, builders have slammed on the brakes. New-housing starts in September were running about 18 percent below their level in September 2005.

Toll Brothers, which is based in Horsham, Pa., cut its forecast for home deliveries in 2007 by 9 percent to 10 percent, compared with its previous forecast. And it trimmed its portfolio of land to 74,000 lots, 19 percent below its high in the fiscal second quarter, which ran from February through April.

James O'Leary, chief financial officer at Beazer Homes, said the company reduced its number of lots by 15 percent in the quarter. It also cut about 1,000 jobs in September and October, about 25 percent of the company head count.

The slump in construction has hurt the broader economy. Residential investment, which accounts for about 5 percent of the nation's total economic production, plummeted 17.4 percent in the third quarter of the year, according to government data. It was the biggest quarterly decline in more than 15 years, single-handedly reducing the growth in gross domestic product by roughly 1.1 percentage points.

Mr. Rassman at Toll Brothers argued that the housing market's chill is a question of confidence, "led by the consumer being afraid" that prices might fall. But he argued that still-low interest rates combined with continued employment growth should eventually feed through into growing demand for homes.

Economists, however, point out that it will take some time for builders to clear out their bloated inventory of unsold houses — a requisite for them to break their fall. With home prices still high by historical standards compared with potential buyers' incomes, this may be a protracted process, requiring more income gains or price declines.

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Richard DeKaser, chief economist at the National City Corporation, predicted that it would take about 9 to 12 months for the supply and demand of homes to come back into balance. “We are probably two-thirds of the way down the slope,” Mr. DeKaser said. “The bulk of the decline is behind us, but we are not yet out of the woods.”

Home Builders Report Declines (USAT/AP)

By Deborah Yao

USA Today, November 8, 2006

PHILADELPHIA — In a sign of a deepening housing slump, two major home builders reported steep declines Tuesday in new orders, and weaker fourth-quarter results.

Toll Bros., a luxury builder based in Horsham, Pa., said home-building revenue fell 10%, and signed contracts dropped 55% compared with a year ago. The company, which released its quarterly outlook ahead of earnings, also said it will incur a hefty charge against profits as it pares the number of lots it controls.

Beazer Homes USA of Atlanta reported a 44% decline in profit as higher revenue was offset by squeezed margins. The company said there was “significant” discounting in most markets.

New orders for Beazer fell 58% to 2,064 homes from 4,937 last year, as the housing market slowed further. It's cut 1,000 jobs, or 25% of its workforce.

Robert Toll, CEO of Toll Bros., said: “It's a loss of confidence in the buyers. Nobody wants to buy something that they think will cost less two weeks later.”

He said that at one point, he thought the housing market was nearing the bottom, but business continued to worsen. Toll noted that the company has absorbed two rounds of layoffs but didn't say how many people were let go.

“I am surprised,” Toll said, noting that the current low unemployment and interest rates would typically bolster the housing market.

The average rate on 30-year fixed-rate mortgages was 6.3% last week, according to Freddie Mac. The rate has fallen from 6.8% in July.

For the quarter, Toll Bros.' home-building revenue fell to $1.8 billion from last year's $2 billion. Signed contracts — a gauge of future business — fell to $710 million from last year's record $1.6 billion.

Toll Bros. said its fourth quarter was hurt by an above-average 585 cancellations. One-fourth of the quarter's cancellations came from Orlando and Northern California. The Southeast region saw the biggest drop in signed contracts, down 78%.

Toll Bros. now expects to deliver between 6,300 and 7,300 homes for fiscal 2007, off from its previous outlook of 7,000 to 8,000.

Beazer's fourth-quarter net income fell to $91.9 million, or $2.19 a share, from $164.4 million, or $3.61 a share, a year ago. Revenue rose 4% to $1.9 billion. On average, analysts surveyed by Thomson Financial had forecast profit of $1.65 a share on sales of $1.5 billion.

Dow Rises Again, Nearly A Record, On Boeing Rally Predictions Of A Divided Congress Gave Investors A Reason To Buy, Along With A Drop In Oil Futures By PETER A. MCKAY (WSJ)

The Wall Street Journal, November 8, 2006

Cheaper fuel and a big order for Boeing jets kept the stock market's ascent going for a second straight day.

The Dow Jones Industrial Average climbed 51.22 points, or 0.4%, to 12156.77. It is up 13.4% this year. The Dow during the day crossed its Oct. 26 record close but ended less than seven points shy of it.

Shares in Boeing, one of the Dow's 30 components, soared 5.4% after FedEx said it would cancel a $3.5 billion order for cargo planes from Airbus because of production delays. Instead, the shipper said it will buy aircraft from Boeing.

Although the outcome of congressional elections was still unclear at the end of Wall Street's regular trading hours, predictions that Democrats could gain control of the House (though not the Senate) probably motivated many investors to buy stocks, said strategist Ron Papanek of research firm RiskMetrics Group, one of several groups that have analyzed postelection gains in the stock market.

The studies have reached different conclusions. According to the RiskMetrics analysis, which goes back to 1900, the S&P 500-stock index gained 7.9% on average in the six months following an election that left at least one house of Congress controlled by a different party than the president's. The average gain was 3.8% following elections in which the presidency and both houses of Congress were in one party's hands.

"All you need is one house of Congress to go to a different party to reduce the likelihood of some dramatic piece of legislation going through that will affect companies," said Mr. Papanek. "That seems to decrease investors' worries about bad outcomes for the stocks that they buy."

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Yesterday, the S&P 500 gained 0.2%, or 3.06 points, to 1382.84, up 10.8% so far this year. The Nasdaq Composite Index rallied 0.4%, or 9.93 points, to 2375.88, up 7.7% this year.

A pullback in several major energy investments also helped stocks. Crude-oil futures for December delivery slid 1.8%, or $1.09, to $58.93 a barrel, off 3.5% so far this year, after Kuwait's oil minister expressed doubt that the Organization of Petroleum Exporting Countries will make a production cut next month. The crude-oil selloff pushed down prices of refined fuels like gasoline and heating oil. But natural-gas prices rose on forecasts of colder weather in Northeastern U.S.

In major U.S. market action:

Stocks and bonds rose. The 10-year Treasury note gained 13/32 point, or $4.0625 for each $1,000 invested, pushing the yield down to 4.661%. The 30-year bond rose 19/32 to yield 4.756%.

The dollar weakened. Against the Japanese currency, the dollar fell to 117.70 yen, compared with 118.29 yen. The euro rose to $1.2771 from $1.2723.

Stocks Climb On Gridlock Expectations (USAT)

USA Today, November 8, 2006

NEW YORK — This week's stock rebound gained traction Tuesday as growing optimism about potential gridlock in Congress nearly pushed the Dow Jones industrials to a record close.

The Dow Jones industrials gained 51.22 points, or 0.4%, to 12,156.77, just short of its record 12,163.66 close on Oct. 26. The Nasdaq composite index and Standard & Poor's 500 both nearly set 2006 highs. The Nasdaq rose 9.93 points, or 0.4%, to 2375.88, and the S&P added 3.06 points, or 0.2%, to 1382.84.

One index that did set a record was the USA TODAY Internet 50, as it rose 0.44 points, or 0.3%, to 137.02.

Stocks turned in their second-consecutive day of gains on belief that Tuesday's midterm elections will create legislative congestion and maintain the status quo for U.S. companies.

“Gridlock is good; Wall Street doesn't like change,” says Charles Gabriel, senior Washington analyst at Prudential Securities. “You're not going to have runaway spending increases, you won't have a repeal of (President Bush's) tax cuts, and there's no legislative change that will roil industries.”

Coming into the week, the Dow had fallen six-consecutive sessions. But the 201 points the Dow gained on Monday and Tuesday wiped out all but 7 of the points lost in what was its longest losing streak in more than a year.

Highlights:

Boeing rose $4.37 to $84.85 and was the single biggest gainer in the Dow, accounting for 34 points of its rise. The world's No. 2 aircraft maker signed a $2.3 billion contract to deliver freight airplanes to FedEx.

·Technical Olympic USA plunged $3.79, or 35%, to $7.00 and was the biggest loser on the New York Stock Exchange, on market speculation that the home builder might be forced to bail out of a foundering Florida joint venture and file for Chapter 11 bankruptcy protection. Meanwhile, Toll Bros. and Beazer Homes both reported disappointing quarterly results (story, 2B).

·Emerson Electric climbed $4.87 to $87.43. The diversified manufacturer posted 26% higher fiscal fourth-quarter earnings, raised its dividend 18% and announced a 2-for-1 stock split.

·EchoStar Communications rose 67 cents to $35.98. The satellite television provider reported lower third-quarter profit, but said that subscribers rose 295,000 to 12.8 million.

·Fuel Tech rallied $4.34, or 22%, to $23.68. The maker of industrial pollution reduction systems said third-quarter profit nearly doubled.

Gov. Arnold Schwarzenegger Wins Reelection (LAT)

By Michael Finnegan

The Los Angeles Times, November 8, 2006

A year after his crushing defeat in the special election, Gov. Arnold Schwarzenegger won a second term today in a landslide over Democrat Phil Angelides. Voters were also leaning toward approval of most - if not all - of a bond package that would launch California's biggest public construction boom in decades, according to early returns.

At a celebration in Beverly Hills, confetti rained on the governor and his family as Schwarzenegger thanked supporters.

"Wow, this is really exciting," he said. "What a fantastic evening. I love doing sequels, I love doing sequels, I tell you," Schwarzenegger said.

"But this without any doubt is my favorite sequel. What a great night and what a great victory."

The governor said he believed he had been given a mandate and pledged to move the state ahead in the next four years.

"I will protect your values and I will protect your dreams," he pledged.

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Schwarzenegger praised Angelides and said the Democrat had telephoned to concede. It was a gracious call, the governor said, adding that he looked forward to working with Angelides in the future.

The state expected 4.9 million Californians to vote at polling stations and another 3.8 million to cast absentee ballots, but the final turnout number - likely to be just over half of registered voters - is weeks away.

Overall, minimal disruptions occurred, most of them snafus such as paper jams and polling places that opened late, said Ashley Snee Giovannettone, a spokeswoman for the secretary of state's office.

For many Californians, the election's main draw was the national midterm vote, even if the state's political map offered few opportunities to influence which party controls Congress.

"I'm anti-Bush and wanted to stick it to him," said Santa Monica resident Sandy Jones, a woman in her 30s who voted a straight Democratic ticket.

But the highest profile race was the contest for governor.

Schwarzenegger's reelection caps a remarkable comeback from the political collapse he suffered last year, when he pursued a combative agenda that enraged organized labor and the Democrats who control the Legislature.

His moves to curb their clout and restrain state spending touched off a television ad assault that badly damaged his image. For months, teachers, nurses and firefighters told viewers that Schwarzenegger had broken his word - mainly his vow to champion public education. In the special election one year ago, voters roundly rejected his four ballot measures.

Chastened by defeat, Schwarzenegger launched his reelection drive with profuse public apologies that ultimately led many Californians to forgive him.

The governor also shook up his staff, hiring a tightly disciplined bipartisan team to chart his path to a second term. He named a no-nonsense Democrat, Susan Kennedy, to run his administration as chief of staff, a job she once held under Gov. Gray Davis. And he named two Republican veterans of President Bush's political operation to oversee his reelection team: chief strategist Matthew Dowd and campaign manager Steve Schmidt.

By all accounts, they ran a nearly flawless campaign. Schwarzenegger's communications shop choreographed virtually every moment he spent in public, whether in a cornfield with farmers outside Bakersfield or on "The Tonight Show with Jay Leno."

Key to his winning formula was bipartisan cooperation with state lawmakers. For the first time in six years, California's governor and Legislature met the deadline for passing a budget. They agreed to put the historic $37-billion, public-works package on the November ballot. Together, they raised the state's minimum wage, approved prescription-drug discounts and agreed to mandatory cuts in greenhouse gas emissions, putting California in the vanguard of efforts to fight global warming.

The bipartisanship enabled Schwarzenegger to broaden his appeal to Democrats and independents, an essential task in a state where just over a third of registered voters are Republican.

Luck too played an important role in Schwarzenegger's recovery - most of all a brutal Democratic primary that crowned Angelides as his challenger. The treasurer was popular with liberals, a huge voting bloc in the primary. But he was poorly suited to compete on the broader terrain of a general election, given his long record of supporting tax hikes.

"All Democrats have to take stock of this devastating defeat," said Garry South, chief strategist for Angelides' more moderate primary rival, state Controller Steve Westly. "This is not an unremittingly liberal state."

The primary also sullied Angelides on the environment, with Westly's ads highlighting his background as a former developer with a history of run-ins with regulators over wetlands pollution. And the primary left him nearly broke, unable to respond effectively to Schwarzenegger ads that showed Angelides walking backward as an announcer mocked his record on taxes, the environment and crime.

Compounding the Democrat's troubles was his failure to articulate a coherent message or market a personality that Sacramento insiders of both major parties have long described as prickly and arrogant. To soften his image, his early ads featured testimonials from his three daughters, two of whom accompanied him Tuesday to a polling station near the family's Sacramento home.

"I'm so proud of my dad," Christina Angelides told reporters as the family arrived to cast ballots at an apartment complex for retirees.

As for the candidate, he said he was "immensely proud of the campaign we have waged."

"I have no regrets in this race," Angelides said. "I have nothing but fullness in my heart. I know we stood up for what is right. We stood up without retreat, without backing down, without looking at the polls. We stood up for the people who needed a voice."

Schwarzenegger struck a similar note of satisfaction after he and his wife, Maria Shriver, voted at a recreation center near their Brentwood compound.

"I think that the campaign was, in comparison to other campaigns, very positive, very upbeat," Schwarzenegger said.

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With polls showing him holding his wide lead to the end, Schwarzenegger spent much of the campaign's final weeks promoting the bond package. Its vast sweep of public construction projects offered him not just a platform for reelection, but also for his legacy.

What Schwarzenegger did not do was campaign in any visible way for fellow Republicans, many of whom would have welcomed the swarms of television cameras that he tended to draw. After voting, Schwarzenegger played down the importance of the distance he kept from the more conservative candidates who ran with him on the Republican ticket.

"They're all great candidates," he said, "and I'm very proud of them."

Schwarzenegger Easily Beats Angelides To Win Second Term (SFC)

By Bob Egelko

San Francisco Chronicle, November 8, 2006

(11-08) 00:45 PST -- (11-08) SACRAMENTO - Gov. Arnold Schwarzenegger has bucked a nationwide Democratic tide and routed challenger Phil Angelides to win a second term. Fellow Republicans, who were shut out of statewide offices four years ago, have won the insurance commissioner's post and trail narrowly in races for lieutenant governor and secretary of state. Californians also returned Democrat Jerry Brown to statewide office as attorney general.

In other statewide results, an initiative to require parental notification for minors' abortions -- similar to a measure that was defeated last November -- was trailing with two-thirds of the votes counted. Proposed tax increases on cigarettes and oil were also losing.

In a year of record campaign spending, Californians emphatically rejected a proposal to tighten limits on political contributions and provide public funding to candidates for state and legislative offices. Voters also turned down a statewide $50 parcel tax for school construction.

A property rights initiative that would restrict government authority to regulate land use was narrowly trailing. A series of public works bond measures was leading.

With 1 a.m. approaching, Schwarzenegger had received 57 percent of the vote to 38 percent for Angelides, the state treasurer. His victory caps a strong comeback by the governor, whose political future looked bleak last year when voters rejected all four measures he backed in a special election.

In his victory speech, the governor indicated he would continue to work with the Legislature's Democratic majority, an approach that helped to revive his political fortunes.

"Tonight the people have given us a mandate," Schwarzenegger said in Beverly Hills. "Not a mandate for me, not a mandate for any specific party - but a mandate to move the state ahead. A mandate for leadership, a mandate for a bigger and brighter future for California."

In the lieutenant governor's race, Democrat John Garamendi, the state insurance commissioner, led Republican state Sen. Tom McClintock by 48 to 46 percent.

In the race for secretary of state, the state's top elections officer, Democratic state Sen. Debra Bowen led incumbent Republican Bruce McPherson, who was appointed to the post by Schwarzenegger, by 47 to 56 percent, or 54,000 votes out of more than 4.6 million counted.

Republican Steve Poizner was headed for an easy victory in the insurance commissioner's race, leading his Democratic opponent, Lt. Gov. Cruz Bustamante, by 52 to 38 percent.

In the attorney general's race, Brown, the former governor now completing his second term as mayor of Oakland, held a 56 to 39 percent lead over Republican Assemblyman Chuck Poochigian.

Brown told reporters his experience as governor and mayor have prepared him well to become the state's top law enforcement officer.

"This gives me a unique perspective on the big picture of how laws are enacted in California, and it gives me a streetwise level of how laws that are formulated in Sacramento play out on the streets of our cities," he said.

Democrat Bill Lockyer, the outgoing attorney general, was headed for election as state treasurer, leading Republican Claude Parrish by 54 to 38 percent. Lockyer, a former lawmaker from San Leandro, said he plans to seek legislation to strengthen pension plans. He also plans to lobby for more federal funds for California with the help of Rep. Nancy Pelosi, the San Francisco Democrat who is in line to become speaker of the House.

"For years we have watched as California sends more money and taxes to Washington than we get back in spending," Lockyer said. "I'd like to see that change. I'm looking forward to working with Speaker Pelosi on that."

In the state controller's race, Democrat John Chiang led Republican Assemblyman Tony Strickland by 50 to 42 percent.

Among the ballot measures, Proposition 85, sponsored by anti-abortion groups, trailed by 54 to 46 percent. It would require unmarried minors to notify their parents or obtain approval from a judge to get an abortion.

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Prop. 86, a $2.60-a-pack cigarette tax increase to fund an assortment of health programs, trailed by 53 percent to 47 percent. Prop. 87, a $4 billion tax on oil producers to pay for research on alternative fuels and energy sources, was trailing by 56 to 44 percent.

The campaign finance measure, Prop. 89, was receiving only 25 percent of the vote. It would have set strict new ceilings for individual campaign donations -- $500 for legislative candidates and $500 for statewide officers -- and provided public funding for candidates who agreed to place additional limits on private contributions.

Prop. 88, which would have imposed a $50 tax on every real estate parcel in California to pay for a variety of school facilities and materials, was being buried with only 22 percent of the vote.

The property rights initiative, Prop. 90, was trailing by 52 to 48 percent. One of a string of state initiatives drafted in response to a U.S. Supreme Court ruling on eminent domain, it would prohibit state and local governments from condemning property for a private development, like a shopping center or hotel. Another, more far-reaching provision would prohibit any government regulation, such as zoning, that substantially reduces property values unless the government compensates the property owner.

The bond package, Props. 1B through 1E, held majorities of between 56 and 64 percent. Placed on the ballot by the Legislature and Schwarzenegger, they would raise $37 billion for transportation, housing, schools and levees. Prop. 1A, which would require gas tax funds to be spent on transportation, was getting 77 percent of the vote. A separate $5.4 billion clean-water bond initiative, Prop. 84, was receiving 53 percent.

Prop. 83, which would require registered sex offenders to move at least 2,000 feet away from any school or park, was headed for victory with 70 percent support. That measure would also require more than 100,000 sex offenders in California to carry global positioning devices with them for life so that officers could track their whereabouts.

In the governor's race, Schwarzenegger's victory seemed improbable a year ago, when state voters resoundingly rejected all four initiatives he backed in a special election -- measures aimed at curbing labor unions and increasing the governor's power at legislators' expense -- and his approval rating sank to 33 percent.

He responded by apologizing to the public and making peaceful overtures to Democratic lawmakers, whom he had previously dismissed as "girlie men" and "losers." The result was legislation increasing the minimum wage, which Schwarzenegger had previously opposed, as well as a bipartisan plan for emergency funding on prescription drugs and a landmark law to curb global warming.

The governor's newfound bipartisanship also produced the $37 billion bond package on the ballot, and left Democratic legislative leaders in the awkward position of campaigning side-by-side with Schwarzenegger to promote the bond measures in the middle of his re-election campaign.

Angelides, meanwhile, was wounded by a bruising primary battle with state Controller Steve Westly -- whose ads were gleefully quoted by the Schwarzenegger camp -- and entered the fall campaign with a cash shortage and a divided party.

The governor also faced skepticism within his own party as he swung toward the center. But he largely mollified conservatives by vetoing a same-sex marriage bill and by maintaining a hard line on taxes, crime and immigration, including praise for the armed border-watch group known as the Minutemen.

Angelides made taxes his central issue, saying the state should close its $5 billion budget deficit by repealing tax breaks for its wealthiest citizens. The two-term state treasurer sought to label Schwarzenegger a tool of the same special interests that the former film star had denounced while running against Gov. Gray Davis in the 2003 recall election.

But while Angelides insisted he would cut taxes for the middle class, Schwarzenegger portrayed his rival's plan as a $10 billion tax increase for all Californians, and hammered the message home in well-funded campaign commercials.

The governor's race was by no means the most expensive on the ballot, however. That distinction belonged to Prop. 87, the $4 billion tax on oil production to fund alternative energy research and development. Opponents, mainly oil companies, have reported raising over $90 million, while the Yes on 87 campaign has drawn $51 million from a single donor, Hollywood mogul Stephen Bing.

Tobacco companies and their allies poured $58 million into the campaign against Prop. 86, the tax increase on cigarettes to fund health programs.

Schwarzenegger Could Use Win To Take On Health Care Revisions (USAT)

By John Ritter

USA Today, November 8, 2006

SAN FRANCISCO — Gov. Arnold Schwarzenegger's cruise to re-election confirms his bipartisan popularity in the nation's most populous state and positions him to tackle an issue that has long stymied national policymakers: health care reform.

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Political analysts and the governor's staff say a bid to provide coverage for some or all of California's estimated 6.5 million uninsured residents, particularly children, would be the early focus of a second term, which would be his last because of term limits.

However, his immediate attention is on a two-day trade mission to Mexico starting today.

"He's against universal health care. That won't be in the mix," says Sherry Bebitch Jeffe, a University of Southern California political analyst. "But that sets him up for a confrontation with the Democratic legislature."

Schwarzenegger learned the hard way that partisan politics achieve little in this majority Democrat state when voters rejected his special election proposals last year. He'll seek consensus on health care, deputy chief of staff Adam Mendelsohn says.

"He's saying everyone needs to be at the table: unions, employers, health plans, hospitals, doctors, consumer advocates," Mendelsohn says.

Schwarzenegger says reform can't be based on old assumptions.

"The health care paradigm of the '50s and '60s doesn't fit the California of today," Mendelsohn says. "The governor is saying, 'Bring me new ideas. Find new solutions.' "

California's landmark law this year requiring businesses to reduce "greenhouse gases" came after Schwarzenegger and Democratic lawmakers compromised on key features. He has said a goal is to develop alternative energy sources and cut Californians' dependence on fossil fuels.

"There's been a green tint to his whole agenda, and I don't think he did that just for an election year," says Mark Baldassare, a senior fellow at the Public Policy Institute of California.

Much depends on the state's financial health and budget projections due in January, Baldassare says. A $16 billion deficit Schwarzenegger inherited has been cut to $4 billion.

The governor's staff avoids talk about his legacy this early. But Schwarzenegger has spoken approvingly of former governors Earl Warren and Pat Brown and the economic prosperity they fostered.

"My guess is he'd like to be seen as a future-oriented governor who laid the groundwork that 20, 30, 40 years from now, people look back and say, 'That happened during the Schwarzenegger era,' " Baldassare says.

Investment By Oil Industry Stalls (WSJ)

By Bhushan Bahree

The Wall Street Journal, November 8, 2006

The world oil industry has barely increased its investment in oil and natural-gas production during the past five years after accounting for inflation, a new study finds, suggesting global energy prices are likely to encounter upward pressure in the years ahead.

Data compiled by the International Energy Agency show that investment in the oil-and-gas industry was $340 billion in 2005, up 70% from 2000. But cost inflation for goods and services used by the industry accounted for almost all of that increase, according to the IEA, the energy club of 26 of the world's major industrial nations. Adjusted for inflation, the oil industry's investment increased by 5% between 2000 and 2005, the IEA, based in Paris, said.

"That's almost nothing; it's inadequate," said Fatih Birol, the IEA's chief economist and principal author of the agency's latest annual World Economic Outlook.

The IEA's survey, published Tuesday, reflects the actual and planned investment of international oil companies, independent producers and national oil companies. Altogether, those companies plan to spend $470 billion in 2010, up 38% from 2005. Two-thirds of the industry's spending is expected to be directed into oil and gas production.

Because oil and gas projects take many years to complete, the results of any scrimping on investment during the first half of the decade will become evident only toward the end of the second half.

If world demand for oil rises faster than projected, or if production-capacity gains are less than expected, the result would be upward pressure on prices. But even if demand-and-supply trends conform to projections, which is unlikely, the oil industry's investments won't significantly add to the world's spare oil-production capacity, a buffer that is needed to offset supply disruptions that periodically occur because of political, natural or industrial upheaval.

Oil prices nearly doubled between 2000 and 2005, leading to a gusher of revenue and profits for oil-producing countries and companies. Among the reasons for the sharp price increase was the industry's inability to increase production capacity to match the surge in demand. That was the result of self-imposed investment restraints during the industry's lean years in previous decades, when oil prices crashed twice because of excess supply.

From 2000 to 2005, world oil consumption rose 9.3% to 83.6 million barrels a day, testing the world oil industry's ability to produce and refine so much petroleum.

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By the winter of 2004, the pumping and refining of oil was almost at capacity, raising fears the world would have to tap strategic stockpiles of oil, if not face actual shortages, if something went wrong in the complex system of producing and transporting huge volumes of oil.

Mr. Birol, the IEA economist, said in an interview that he expects the oil industry's production capacity will slightly outstrip demand through the end of this decade -- or by 1.3 million barrels a day -- "if all the projects see the light of day."

Even then, when added to current spare oil-production capacity of roughly two million barrels a day, the total reserve of 3.3 million barrels a day still would be well short of the five million barrels a day needed to put the world into the comfort zone, he said.

The industry has faced fierce inflation in recent years, with the cost of items from cement and steel to drilling rigs and services soaring because of global demand. Among oil projects taking a huge cost hit was Royal Dutch Shell PLC's massive undertaking in Sakhalin, in Russia's far east. Investment needed for this project rose to $85,000 per barrel of oil-production capacity from the originally planned outlay of $50,000 a barrel, Mr. Birol said.

The latest per-barrel development cost in Sakhalin is more than 10 times the cost in the oil-rich Middle East. But the Middle East's huge oil reserves are largely closed to international oil companies, forcing them to go elsewhere to develop much more expensive oil resources, such as deep offshore West Africa and the Gulf of Mexico, and oil sands and heavy-oil deposits in Canada and Venezuela.

Drilling Deep In The Gulf Of Mexico (NYT)

By Jad Mouawad

The New York Times, November 8, 2006

ABOARD THE WESTERN NEPTUNE, Gulf of Mexico — Every 17 seconds, a small armada of ships trawling 130 miles from the Louisiana coast fire powerful air guns toward the bottom of the sea in a hunt for the next big oil discovery.

The Neptune and three other ships are on a three-month mission to map one of the most remote regions of the United States. The data they collect from the vibrations set off by the guns in the gulf's deepest waters will help engineers form a picture of some of the world's newest petroleum prospects.

As oil consumption grows and access to most oil-rich regions becomes increasingly restricted, companies are venturing farther out to sea, drilling deeper than ever in their quest for energy. The next oil frontier — and the next great challenge for oil explorers — lies below 10,000 feet of water, through five miles of hard rock, thick salt and tightly packed sands.

"It's not a place for the timid," said Paul K. Siegele, the vice president for deepwater exploration at Chevron, which commissioned a survey by the Neptune. "It's a place where a lot of people have lost their shirts."

To picture the challenge, imagine flying above New York City at 30,000 feet and aiming a drill tip the size of a coffee can at the pitcher's mound in Yankee Stadium. Then imagine doing it in the dark, at $100 million a go.

Even after hitting pay dirt, it will take another decade and billions of dollars to transform oil from these ultra-deep reserves into gasoline. Some of the technology to pump the sludge from these depths, at these pressures and temperatures, has not yet been developed; only about a dozen ships can drill wells that deep, and no one knows for sure how much oil is down there.

While most people regard affordable and abundant supplies as an essential element of the nation's prosperity, few realize how complex and costly the quest has become, even in the nation's own backyard. At the same time, some experts argue that the industry is nearing the limits of what it can do to maintain a growing supply of fossil fuels.

But for the geologists, scientists and explorers who work here in the Gulf of Mexico, the history of the deep water holds another lesson: technological breakthroughs have always breathed new life into the energy industry.

"This is as close as we get to the space age on earth," said Kenny Lang, BP's vice president for gulf production.

Thanks to advances in offshore technology, and tremendous leaps in supercomputers and three-dimensional imaging, this region's deepest waters have become the hottest exploration prospects in the nation.

Barely more than a decade ago, the area was called the Dead Sea and was nearly abandoned as the major energy companies left for better prospects in Russia and the Caspian Sea basin.

In fact, the region's output would have peaked and started slipping long ago without the leaps that have driven the search for offshore oil and natural gas. While production from the Gulf's shallow waters is declining, deepwater production is on an upswing. Altogether, the Gulf of Mexico accounts for more than 25 percent of the nation's oil production and 20 percent of its natural gas output.

According to the most optimistic estimates, there could be 40 billion barrels of undiscovered reserves in the deep water, which starts at about 1,500 feet, enough to satisfy American consumption for more than five years.

These reserves might lift the offshore output to 2.2 million barrels a day by 2012, up from 1.5 million barrels today.

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Still, that's a drop in the bucket. Even as the deepwater resources are developed, the nation is expected to continue to import more than two-thirds of the 20 million barrels of oil it consumes each day.

Since 2001, there have been 12 discoveries in waters 5,000 feet deep, drilling into older rock formations known as the Lower Tertiary. Those point to the presence of a region that might hold as much as 15 billion barrels of reserves.

The latest and largest find in the Lower Tertiary, about 250 miles south of New Orleans, was announced in August by BP. The find is a layer of 800 feet of oil-bearing sands, more than five miles under the ocean floor.

"The deep water in the Gulf of Mexico is a textbook application of where technology drove opportunity," said Barney Issen, a geologist with Chevron. "It's been known for quite some time that there were huge resources out there but we didn't have the seismic data to have the nerve to drill. And even if we did, we didn't have the drilling tools until recently."

Last month, Royal Dutch Shell announced that it would develop three ultradeep discoveries 200 miles south of the Texas coastline. The project, called Perdido, will tie together fields called Great White, Tobago and Silvertip, and is projected to have a daily capacity of the equivalent of 130,000 barrels of oil by the turn of the decade.

Some of the earlier doubts about production in the Lower Tertiary were recently lifted when Chevron successfully tested its Jack field. The test proved that oil could flow in commercial quantities from sediments deposited as long as 65 million years ago.

"The geology has been proven, the oil is present," said Renato Bertani, the chief executive of the American unit of Petrobras, Brazil's national oil company. His company plans to produce from Lower Tertiary discoveries in 2009.

"The result really encouraged us tremendously," he said. "There is nevertheless some level of uncertainty."

Part of the problem for deep exploration in the Gulf of Mexico is a thick layer of salt — 15,000 feet deep in some places — that extends unevenly under the Gulf's waters. The salt acts like frosted glass when geologists try to see through it, blurring their view of untapped oil reserves thought to lie below.

A clear image of the subsea salt can make the difference between a successful discovery and a dry well.

"This is an industry that has to manage risk," said Rocco Detomo Jr., a senior geophysicist at Shell. "And it's much too risky and too expensive to look for oil the old-fashioned way."

At BP's sprawling campus in a Houston suburb, geologists take many years looking for oil before drilling a single well. They are counting on huge leaps in processing power from computer networks that allow scientists to make sense of the complex seismic data acquired by ships like the Neptune.

The more sophisticated data is necessary because drilling costs have soared in recent years and can now reach as much as $800,000 a day, or up to $100 million for a single well. Those costs raise the risks when, on average, only one in every three to five wells turns up oil.

Chevron, for example, expects to spend $3.5 billion on its Tahiti project, which should start production in 2008. BP invests more than $2 billion a year in the Gulf and devotes 40 percent of its global exploration budget here.

"When you're living in that place where you're constantly on the edge, occasionally you're going to stub your toe," Mr. Lang of BP said.

That recently happened at BP's Thunder Horse, the world's largest offshore platform, with a planned oil capacity of 250,000 barrels a day. The platform, dwarfing anything else in the Gulf, was supposed to start production last year, but ran into problems, including being left listing after Hurricane Dennis passed in 2005. The latest mishap involves replacing critical pieces of equipment at the bottom of the ocean, a lengthy process that will delay production until 2008.

Thunder Horse has been more than a decade in the making, according to Cindy A. Yeilding, the company's chief geologist in Houston. Back in the early 1990s, Ms. Yeilding and other BP scientists used better technology, including the new three-dimensional seismic mapping, and more powerful computers to focus on big fields, which are referred to as "elephants" in the industry.

"We went on an elephant hunt," she said. "To test a new play, we needed to find a huge accumulation of hydrocarbons and we needed a rig that could drill in 5,000 or 6,000 feet of water. It was a combination of geology and technology."

From 1992 to 1997, the company acquired dozens of new leases from the government, spurred by a new royalty relief program that provided extra incentives to encourage deepwater exploration.

On the first day of 1999, the company finally began drilling a well in the Mississippi Canyon's Block 778, a lease in the northeast region of the Gulf, about 125 miles from New Orleans. The drilling team, led by Ms. Yeilding, was confident it had found the giant field it was looking for but was nervous at the prospect of drilling through salt in deep waters.

"We were petrified," Ms. Yeilding recalled. "We were so afraid of salt, we wanted to go around it."

But the efforts paid off. On July 4 that year, the BP well reached its final depth of 29,000 feet, after having gone through 6,000 feet of water and 2,500 feet of salt. There, BP made the biggest discovery in the Gulf of Mexico. The field, holding one billion barrels of reserves, became known as Thunder Horse.

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The wider hunt has been on ever since. On the Neptune's deck, the repetitive beat of the air guns can barely be heard. But below the sea, the vibrations travel deep inside the earth's crust. Then they bounce back and are picked up by streamers of densely packed electronic sensors, stretching four miles behind the ship.

Inside, working in cool temperature-controlled rooms, dozens of engineers control the ship's position, collect the seismic data and begin forming a picture of the earth's geological layers.

"The easy oil is running out because it has already been found," said Ezio Plenizio, an Italian geophysicist aboard the Neptune, which belongs to the oil services company Schlumberger. "But 20 years ago, when I started in the business, people were already saying that oil is going to run out soon."

All Slander All The Time (WSJ)

By John Ellis

The Wall Street Journal, November 8, 2006

Glad it's over? You're not the only one. Voters in six states with closely contested U.S. Senate races were recently asked by the Gallup Organization their opinion of the political advertising they'd seen this year. The vast majority, in every state surveyed, described it as either "somewhat negative," "very negative" or "extremely negative." Roughly a third of those surveyed in each state said "extremely negative."

According to Advertising Age magazine, the total amount spent this year on political advertising will reach $2 billion, a hefty increase over 2004. If one conservatively estimates that at least half of all political advertising can be fairly described as "negative," then 2006 will be the first year that negative political advertising expenditures reached the $1 billion mark. That's a dollar amount greater than all of the television, radio and print advertising buys done by Anheuser-Busch (estimated by Ad Age to be $919 million) in 2005.

Imagine, if you will, what your taste for Miller beer would be if Anheuser-Busch spent half of its annual advertising budget describing all of the various Miller brands in the most unsavory terms. Or, what your taste for a Budweiser would be if the lads at Miller unleashed a $500 million negative ad campaign against "the King of Beers." Imagine both at the same time and you get some idea of what domestic politics is like for most Americans.

Look through the list of the major advertisers in the U.S. and what strikes you is that all of them spend vast sums of money building and strengthening brands. The nation's leading advertiser, Procter & Gamble, spends over $4.5 billion annually doing just that. P&G spends not one dime on negative advertising because they understand that it is ultimately self-destructive.

What makes our politics so sensationally awful is not just the amount of money spent denigrating the category and the profession, but the equally stunning amount of energy that is expended by party apparatchiks to amplify the negative in news-media coverage of politics. And the news media are only to happy to comply. The truth is they can't get enough of it.

The net effect of this constant and unrelenting assault on politicians and the political process is voter resignation and ultimately a kind of doomed acceptance. It must be true. They must all be hypocrites, fools, thieves and scoundrels. They're talking about themselves, after all. It's $1 billion of self-portraiture.

A general rule of politics is: It's not the action, it's the reaction. The reaction to the onslaught is aversion; qualified, capable people avoid politics and the political process at all costs, thus diminishing the talent pool. The New York Republican Party was unable to recruit a qualified candidate for state comptroller, even though the race was there for the taking, because they literally couldn't find a qualified candidate to run. Nor could the Republican Party find a qualified candidate for the U.S. Senate in Connecticut. No sensible person would do it. Part of corporate advertising contains a subtextual message; come work for us, we're in an exciting business. We're growing and it will only get better. The subtextual message of political advertising is: You'd be crazy to get involved. It's bad and it's only going to get worse.

One would think that the major parties would grasp the concept that they are destroying the very profession they purport to love, and act accordingly. In the midst of all these negative messages, one would expect to find a broad, thematic campaign that aspired to something bigger than "he voted for toxic waste dumps and against your unborn child." When the Labour Party in Britain finally got tired of losing elections to Maggie Thatcher's Tories, they hired the best advertising minds in that nation to relaunch the Labour Party brand. The results were impressive. Tony Blair rose to power and rules to this day.

But in America, the major parties don't ever think in broad, national terms. They're all tactics and no strategy. They don't advertise themselves at all. Instead, they spend the hundreds of millions of dollars they raise microtargeting supposedly single-issue voters and bombarding them with negative messages about the opposite party's alleged disdain for those concerns. Put more simply, they send you junk mail you don't open, and leave robo-calls on your answering machine that you immediately erase.

Ultimately, the reaction to this ceaseless negative barrage, if it continues unchecked, will be the rejection of both major political parties. As more and more people are repulsed by the political process, their number will at some point reach a critical

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mass. Americans share two overriding beliefs: Tomorrow will be a better day and the idea of America is fundamentally important. That critical mass will eventually embrace a party of hope and mission. A new political party that speaks to those beliefs will emerge. The alternative, after all, is a new record every two years -- $2 billion of negative advertising, then $4 billion, then $8 billion. All slander all the time eventually collapses of its own foul weight.

Mr. Ellis, a former columnist for the Boston Globe, is a partner in Sand Hill Partners, a venture-capital firm.

Let's Stop Stereotyping Evangelicals (WP)

By Joseph Loconte And Michael Cromartie

The Washington Post, November 8, 2006

It was in 1976 -- the "year of the evangelical," according to Newsweek -- that conservative Christians burst upon the political landscape. Critics have been warning about the theocratic takeover of America ever since. Thus the plaintive cry of a Cabinet member in the Carter administration: "I am beginning to fear that we could have an Ayatollah Khomeini in this country, but that he will not have a beard . . . he will have a television program."

This election season produced similar lamentations -- Howard Dean's warning about Christian "extremism," Kevin Phillips's catalogue of fears in "American Theocracy" and brooding documentaries such as "Jesus Camp," to name a few. This theme is a gross caricature of the 100 million or more people who could be called evangelicals. But the real problem is that it denies the profoundly democratic ideals of Protestant Christianity, while ignoring evangelicalism's deepening social conscience.

Evangelicals led the grass-roots campaigns for religious liberty, the abolition of slavery and women's suffrage. Even the Moral Majority in its most belligerent form amounted to nothing more terrifying than churchgoers flocking peacefully to the polls on Election Day. The only people who want a biblical theocracy in America are completely outside the evangelical mainstream, their influence negligible.

So as Jerry Falwell and other ministers were jumping into politics, leaders such as Charles Colson -- former Nixon aide turned born-again Christian -- were charting another path. In 1976 Colson launched Prison Fellowship, a ministry to inmates, to address the soaring crime problem. Today it ranks as the largest prison ministry in the world, active in most U.S. prisons and in 112 countries. "Crime and violence frustrate every political answer," he has said, "because there can be no solution apart from character and creed." No organization has done more to bring redemption and hope to inmates and their families.

Evangelical megachurches, virtually unheard of 30 years ago, are now vital sources of social welfare in urban America. African American congregations such as the Potter's House in Dallas, founded by Bishop T.D. Jakes, can engage a volunteer army of 28,000 believers in ministries ranging from literacy to drug rehabilitation. Rick Warren, author of "The Purpose-Driven Life," has organized a vast network of churches to confront the issue of AIDS. "Because of their longevity and trust in the community," Warren has said, "churches can actually do a better job long-term than either governments or" nongovernmental organizations in tackling the pandemic.

Whether or not that's true, these evangelicals -- Bible-believing and socially conservative -- are redefining social justice. They're mindful of the material conditions that breed poverty and despair, but they emphasize spiritual rebirth. Though willing to partner with government agencies, they prefer to work at the grass roots, one family at a time.

Meanwhile, churches and faith-based organizations are growing enormously in their international outreach. Groups such as World Vision are often the first responders to natural disasters. The Association of Evangelical Relief and Development Organizations, founded in 1978, now boasts 47 member groups in dozens of countries. As anyone familiar with these organizations knows, they help people regardless of creed, race or sexual orientation -- another democratic (and evangelical) ideal.

It is surely no thirst for theocracy but rather a love for their neighbor that sends American evangelicals into harm's way: into refugee camps in Sudan; into AIDS clinics in Somalia, South Africa and Uganda; into brothels to help women forced into sexual slavery; and into prisons and courts to advocate for the victims of political and religious repression.

Indeed, probably no other religious community in the United States is more connected to the poverty and suffering of people in Africa, the Middle East and Southeast Asia. Walter Russell Mead of the Council on Foreign Relations argues that evangelicals offer moral ballast to American foreign policy. "[E]vangelicals who began by opposing Sudanese violence and slave raids against Christians in southern Sudan," he wrote recently in Foreign Affairs, "have gone on to broaden the coalition working to protect Muslims in Darfur."

Of course it's true that a handful of Christian figures reinforce the worst stereotypes of the movement. Their loopy and triumphalist claims are seized upon by lazy journalists and the direct-mail operatives of political opponents.

Yet it is dishonest to disparage the massive civic and democratic contribution of evangelicals by invoking the excesses of a tiny few. As we recall from the Gospels, even Jesus had a few disciples who, after encountering some critics, wanted to call

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down fire from heaven to dispose of them. Jesus disabused them of that impulse. The overwhelming majority of evangelicals have dispensed with it as well. Maybe it's time more of their critics did the same.

Joseph Loconte is a distinguished visiting professor at Pepperdine University's School of Public Policy. Michael Cromartie is vice chair of the U.S. Commission on International Religious Freedom. They co-direct the Evangelicals and Civic Life program at the Ethics and Public Policy Center.

The Task For Mr. Spitzer (NYT)

The New York Times, November 8, 2006

New Yorkers could be forgiven for thinking that Eliot Spitzer has already been governor for some time now, given the way every poll has predicted his victory since last summer. Now that voters have finally confirmed his election, change can't come too soon for a powerful and proud state that has allowed its government to become a national embarrassment.

Mr. Spitzer has repeatedly promised to do in Albany what he did on Wall Street as attorney general. That means cleaning up cronyism and the culture of secrecy. But his plans for reform are by no means limited to the way the political game is played. He promises Medicaid reform, debt reform and court reform — each one involving entrenched interests that benefit from the status quo. At the same time, he vows to make New York a national leader in the areas where leadership has failed in Washington, like education, civil rights, the environment and housing.

Mr. Spitzer will hardly be doing it all in his first hundred days. But we do expect to see immediate action on his central promise to make state government more responsive to the people and to clean up the way special-interest money distorts policy in the state.

That won't be easy. Mr. Spitzer sees himself as a 21st-century politician who wears his party affiliation loosely. He enjoys comparing his proposed methods for reforming Albany to the famous "bull in the china closet" system used by another former governor, Teddy Roosevelt. "Where there is resistance I will stand up to it — Democrat or Republican, it won't matter," he told Newsweek recently.

Albany regulars, on the other hand, seem to feel that they can grind the new governor down the same way they did his recent predecessors. The legislative leaders, who have no statewide constituency, put their chief loyalty in their party, which they regard as a sort of combination clan, business and street gang. Their ability to hold out for what they want by simply refusing to do anything at all until their needs are satisfied is legendary.

The public has little idea of how Mr. Spitzer is going to make things better in Albany, but the general desire for reform may be the most important thing he has going for him. New York does not want a governor who has so raised hopes to cave in to Albany's secretive, undemocratic ways. But it will take enormous skill and resources for Mr. Spitzer to keep appealing directly to the public in order to force the old guard into accepting change. Watching to see whether the next governor succeeds will be quite a spectacle — but a serious one that will determine the future of New York State.

At The U.N., Discord Over Confronting Iran's Nuclear Ambitions (NYT)

By Warren Hoge

The New York Times, November 8, 2006

UNITED NATIONS, Nov. 7 — A meeting of six nations working on a resolution to curb Iran's nuclear ambitions broke up Tuesday evening with the ambassadors reporting widening disagreements and lessening prospects of a swift accord.

"The mood is not right for serious discussions," said Wang Guangya, the ambassador of China, emerging from the meeting of the five permanent members of the Security Council and Germany, whose envoys had gathered at the French Mission.

"Clearly, I think in a number of difficult areas that the differences cannot be bridged," he said. "So I believe there ought to be more reflections in the capitals, and also I believe that we need to talk to each other."

John R. Bolton, the American ambassador, left the session hurriedly without making his customary comment. "Gotta go, gotta go," he said, as he brushed by reporters and entered his limousine.

Asked how the session had gone, Vitaly I. Churkin, the Russian ambassador, had a flippant response: "Nothing spectacular. Another day at the office."

Earlier in the day, Mr. Bolton charged that Russia had pulled back from an agreement made in July by the foreign ministers of the six nations to impose sanctions on Iran if it did not meet an Aug. 31 deadline to suspend its uranium enrichment. That meeting was held in St. Petersburg, Russia.

"I don't know how we're going to work it out because the Russian version is very different than what we think the foreign ministers agreed to," Mr. Bolton said.

Told of Mr. Bolton's comments, Mr. Churkin chided the American. "You know, after our last meeting our colleagues asked me not to criticize their draft," he said. "I said I would not, on the condition that they would not be criticizing our approach."

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Contesting Mr. Bolton's point, Mr. Churkin said, "We believe that our attitude, approach and our proposals are fully in conformity with the understanding by the ministers."

Siding with the Russian, Mr. Wang said, "The readout that we are hearing from the ambassadors here is not the same that we agreed to."

Mr. Churkin also disputed an American attempt to insert into the text a description of Iran's action as a threat to international peace and security, a phrase used in Security Council resolutions to justify harsher action.

"We don't see it that way," Mr. Churkin said. "We don't believe we're at that stage."

The ambassadors were working from a draft resolution drawn up two weeks ago by Britain, France and Germany, with amendments suggested by Russia and the United States.

The resolution would prohibit any technical or financial assistance that could benefit Iran's nuclear and ballistic missile programs, freeze the assets of any Iranians involved in nuclear activities and bar them from international travel.

In general, the Russian changes seek to limit punitive actions against the Iranians and stress the need for further negotiation with Tehran, and the proposals from Washington broaden the measure's sweep and toughen the punishment.

"The problem is that we think that our tool kit is full of tools," Mr. Churkin said, "and for some reason, for some people, there is only demand and sanctions — the hammer and sickle.

"In our view it's much more than that. So we are trying to use the entire diplomatic tool kit in order to address the situation."

U.S. Hits Russia On Erosion Of Nuclear Sanctions (WT)

By Nicholas Kralev

The Washington Times, November 8, 2006

The United States accused Russia yesterday of undermining the U.N. Security Council's effort to impose nuclear-related sanctions on Iran and of backing away from an agreement with the other permanent council members earlier this year.

Ending months of publicly expressed confidence that Moscow would support Washington's campaign to punish Tehran as long as all other diplomatic options had been exhausted, John R. Bolton, the U.S. ambassador to the United Nations, cast doubt on prospects for a U.N. resolution in the near future.

"I don't know how we are going to work it out, because the Russian version [of the resolution] is very different than what we think the foreign ministers agreed to," Mr. Bolton told reporters in New York.

"We don't think the Russian text is consistent with what foreign ministers had agreed previously," he said, referring to a July meeting in Paris where Secretary of State Condoleezza Rice, Russian Foreign Minister Sergey Lavrov and their colleagues decided to push for sanctions if Iran did not suspend uranium enrichment.

Britain, France and Germany circulated a draft resolution last week and formally introduced it in the council yesterday. Germany is not a permanent council member but has been involved in the Iran issue since the beginning.

The draft demands that all countries prevent the financing, sale and supply of equipment or technology contributing to Iran's nuclear and ballistic missile programs. It also would ban travel and freeze the assets of individuals and entities involved in the programs.

But Russia, backed by China, suggested numerous changes on Friday that would delete some sanctions and weaken the rest.

Earlier last week, Mr. Lavrov said the European draft was too harsh. He later said he would agree to some penalties if they had a defined time frame and a mechanism for lifting them once they had achieved their goal.

Russia's U.N. ambassador, Vitaly Churkin, accused Mr. Bolton yesterday of breaking a private agreement among the permanent Security Council members not to criticize one another publicly.

"We think our tool kit is full of tools," he said. "For some reason, for some people, there is only demands and sanctions, only hammer and sickle."

Mr. Churkin objected to a U.S.-proposed amendment to the European draft that would label Iran's nuclear program a "threat to international peace and security."

"We have taken out of that draft all things that we believe aren't timely and not proper for this particular resolution," he said.

At the State Department, spokesman Sean McCormack played down the disagreement, saying that negotiations will be long and have their "ups and downs."

"We are going to get there," he said. "The Russians have their own views on how hard to press the Iranians and how fast to do that. We understand that. We think it is important, however, for the credibility of the Security Council and the entire international community that we now go to a sanctions resolution."

c This article is based in part on wire service reports.

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Iran's Target Practice (WSJ)

The Wall Street Journal, November 8, 2006

Iran continues to claim it has a "right" to its uranium-enrichment program. But one clue that the ruling mullahs have something other than peaceful nuclear energy in mind is the huge investment they're making in ballistic-missile technology, which is far from the most efficient means of delivering a non-nuclear explosive payload. Just last week, Iran test-fired dozens of Shahab-2 and Shahab-3 missiles, which have ranges up to about 2,000 kilometers.

We thought readers might be interested in seeing the large swath of Middle Eastern, South Asian and Eastern European real estate already within range of these Iranian missiles, so we offer the map nearby. Among the potential targets are India, Pakistan, Saudi Arabia, Egypt, Israel and Turkey. The missiles can also hit southern Russia, which seems less concerned about Iran's nuclear ambitions than about blocking any serious U.N. response. And of course the missiles pose a direct threat to the many U.S. bases and troop deployments in the region, especially in Iraq.

This threat is being talked up by the Iranians themselves. Iranian Revolutionary Guards Commander Yahya Rahim Safavi told Iran's Al-Alam TV on Sunday that he did not anticipate any U.S. interference in his country's nuclear program because "they know that Iran has missiles with the range of 2000 km which will put their interests in danger." In the same interview, he also boasted of having thousands of operatives trained for suicide operations and said Iran might be willing to give its missiles to "friendly" countries. "We have military weapons which we have not shown off, but we will do in the next maneuvers," Mr. Safavi said.

We're surprised that more Western Europeans, who will soon be within range of Iranian missiles, don't seem worried about this threat. But let's hope at least President Bush and the next U.S. Congress can make stopping Iran's bomb and missile programs a bipartisan project.

Karen's Rules On Diplomacy: Talk To The Media -- If You Dare (WP)

By Elizabeth Williamson

The Washington Post, November 8, 2006

Karen Hughes, the State Department's undersecretary for public diplomacy and public affairs, sent a long memo to chief diplomats, top deputies and public affairs officers worldwide Friday, spelling out "Karen's Rules" for working with the media.

The rules offer a window into how State's chief communicator communicates with her minions across the world. Hint: The memo was given to The Washington Post by a recipient who points out that if all were well, nobody would have leaked it.

In her previous role as a Bush adviser, Hughes was known for keeping ironclad control over message, whether on the campaign trail or in the White House. Does this simply reflect disciplined political strategy, or is there something psychological in play?

In this newest memo, which appears below, Hughes encourages diplomats to engage with the media, but it is apparent that the message enforcer does not share control easily. As a service to public diplomacy (partly, anyway), we consulted with a couple of organizational psychologists about what Karen's Rules suggest about Hughes.

Tulsa-based psychologist Robert Hogan offered several observations, including:

"I think it is smart for her to give folks permission in advance to make a mistake, to take some risks in order to be proactive. I wonder if anyone will believe it. . . .

"It is a good example of micromanagement, although done in a pretty nice way. Good leadership involves recruiting talented people and letting them do their job. Here she tries to provide rules for every imaginable case. She presents a thicket of rules, and if all the guidelines are followed, a person won't be able to say much of anything.

"It is also a mixed message: Go out there and communicate freely and vigorously, but be very careful what you say.

"The combination of micromanagement and mixed message will lead to learned helplessness on the part of the recipient. They will feel obliged to do something but unable to decide what. . . .

"The only thing a recipient can do is spout the preexisting words of senior officials. There is no possibility to exercise initiative -- which is another way of saying this is an exercise in micromanagement."

Marlin S. Potash, a New York-based psychologist who specializes in organizational behavior, focused on "a tone that came across as somewhat condescending or first-grade-teacher-like." She added, "I think it's meant to communicate that this is a terribly important thing that's meant to be attended to, but the impression the recipient gets is 'You question my dedication, my experience and my ability to handle this situation.' "

And now the memo:SUBJECT: ALDAC [All Diplomatic and Consular Posts] Speaking on the Record

1. Last year, I sent out a message detailing some guidelines for speaking on the record and engaging with media. With the launch of our regional hub effort, it is especially timely to reissue this message so that my policy on this is crystal clear. I also

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want to reiterate up front that media outreach, especially television interviews, should be a top priority in mission activities and when developing the schedules for visiting USG [U.S. government] officials.

2. I want you to know that my office and I are here to support you as you go out and do media. I know that doing any media, especially television, is a challenging endeavor. But it is a challenge we must address in order to effectively advocate our policies to foreign audiences. I also believe it is critical for Chiefs of Mission to get out on the media and to support their staff who do appear on television. When you do media, the stakes are high, but it's important. No one is perfect and there is always the chance that any of us will occasionally make mistakes -- that doesn't mean we should stop appearing on television or participating in press conferences. We need people out there giving our side of the story. The real risk is not that we occasionally misspeak, it's that we miss opportunities to present our views, and leave the field to our critics and detractors.

3. During my recent trips and meetings with many of you, I have heard concerns about problems with getting clearance to speak on the record to reporters. I promised I would send out a message clarifying my policy on this issue, and providing what I hope is clear guidance for you all in dealing with the press. In this message, I want to share "Karen's Rules" in the hope that you all will have a better idea of what I expect, and how you can react.

4. Rule #1: Think Advocacy. I want all of you to think of yourselves as advocates for America's story each day. I encourage you to have regular sessions with your senior team to think about the public diplomacy themes of each event or initiative. As a communicator, I know that it is important to get out in front of an issue or at best have a strong response to a negative story. One of my goals during my tenure at the State Department is to change our culture from one in which risk is avoided with respect to the press to one where speaking out and engaging with the media is encouraged and rewarded. I want you out speaking to the press, on television interviews preparing and executing a media strategy, and providing our points on issues. As President Bush and Secretary Rice have stated, public diplomacy is the job of every ambassador and every Foreign Service Officer. We want you out there on television, in the news, and on the radio a couple of times a week and certainly on major news stations in your country and region.

5. Rule #2: Use What's Out There. You are always on sure ground if you use what the President, Secretary Rice, Sean McCormack or Senior USG spokesmen have already said on a particular subject. I always read recent statements by key officials on important subjects before I do press events. My Echo Chamber messages are meant to provide you clear talking points in a conversational format on the "hot" issues of the day. You never need clearance to background a journalist though you should certainly pay careful attention to how your comments may be used.

6. Rule #3: Think local. Because your key audience is your local -- or regional -- audience you do not need clearance to speak to any local media, print or television. And, you do not need clearance to speak to media in your country, even if it is US based or from a US publication, if you are quoting a senior official who has spoken on the record on a particular subject. The rule of thumb to keep in mind is "don't make policy or pre-empt the Secretary or a senior Washington policy-maker."

7. Rule #4: Use Common Sense to respond to natural disasters or tragedies. You do not need to get Department clearance to express condolences in the event of a loss, or express sympathy and support in response to a natural disaster. Obviously in the latter case do not commit USG resources for support or relief without approval from the Department; but do not wait for Department authorization to offer a statement of sympathy unless the individual or incident is controversial. Your regional hubs can help you in these instances as well.

8. Rule #5: Don't Make Policy. This is a sensitive area about which you need to be careful. Do not get out in front of USG policymakers on an issue, even if you are speaking to local press. When in doubt on a policy shift, seek urgent guidance from your regional hub, PA [public affairs] or your regional public diplomacy office. Use your judgment and err on the side of caution.

9. Rule #6: No Surprises. You should always give PA a heads-up in the event that you speak to U.S.-based media. This ensures that those who should know are in the loop on what is happening.

10. Rule #7: Enlist the help of the hubs (for those who have regional media presence) or my office if you don't get a quick response for clearance or help. The hub network is an extension of my staff, and we are here to support you in your efforts to get the USG position on the record and out in the media. Both Sean McCormack and I are committed to making sure you have what you need to advocate a US position on the key issues at your post.

11. I know this is a departure from how you all have operated over the years. But forceful advocacy of US interests and positions is critical to our effort to marginalize the extremists and share a positive vision of hope for all countries and people. I encourage you to take advantage of opportunities to speak out, and look forward to our aggressive promotion of US policy.

Fence Could Wear On U.S., Mexico Issues (USAT)

By Sara Miller Llana
USA Today, November 8, 2006

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MEXICO CITY — The nearly 700 miles of fencing President Bush authorized for the U.S.-Mexican border two weeks ago could overshadow other issues when Mexican President-elect Felipe Calderón makes his first visit to the White House on Thursday.

Unlike recently elected leftist leaders in Latin America, Calderón, 44, is a pro-business, U.S.-friendly candidate who narrowly won July's presidential election against a leftist leader.

Yet, the additional fencing Bush approved threatens to create a political barrier even before Calderón officially takes office Dec. 1.

On a recent trip to Canada, Mexico's president-elect compared the fence to the Berlin Wall, the former barrier between communist east and democratic west Berlin.

"The most important thing for him is to … end the mono-thematic tone (between the two nations)," says Luis Rubio, president of the Center of Research for Development, a think tank in Mexico City. He says the U.S.-Mexican relationship, dominated by drug trafficking in the 1980s, now is being driven by differences over U.S. immigration policy.

The U.S. border fence, meant to enhance security and deter illegal immigration, is one step in a comprehensive immigration reform plan that Bush hopes can later include a "guest worker" program and amnesty plan for some undocumented immigrants. Half of the estimated 12 million undocumented migrants living in the USA are believed to be Mexican.

On Tuesday, Evaristo Perez, the mayor of Ciudad Acuna on the Texas border, led about 400 people on a 55-mile march to protest the fences. The march also hoped to capture the attention of Hispanics voting in Tuesday's U.S. midterm elections, Perez said.

Calderón said Monday that the U.S.-Mexican relationship is the "most complex and most important" in terms of Mexican foreign policy.

He did not say whether he would reiterate Mexico's objection to the law authorizing a major extension of the fence, which Mexican officials say will cause more deaths by making it even harder for would-be immigrants to cross the border. "The only thing (the wall) will do is create more death," says legislator Jose Edmundo Ramirez Martinez, an opposition Institutional Revolutionary Party member and secretary of the immigration committee in Mexico's Congress.

Immigration was not among the issues on the original agenda for Thursday's meeting. White House spokesman Tony Snow said last month that the discussion would focus on competitiveness, free trade, economic growth and security in North America.

Calderón may have wanted to avoid immigration altogether given the failure of outgoing president and fellow National Action Party member Vicente Fox to get what he called the "whole enchilada." He had hoped to convince the Bush administration to push through the guest-worker plan and a path to citizenship for many undocumented Mexican workers.

Bush's move to authorize the fence underscored the Fox administration's failure to help Mexicans working illegally in the USA and appears to have forced his successor to make it a priority. "If the U.S. had not passed a law authorizing 700 miles of fencing, he could almost ignore immigration entirely. It was such a failure for Fox," says David Shirkof the Transborder Institute at the University of San Diego.

Shirk says Calderón's No. 1 task should be to address the economic inequality in Mexico underscored by the country's July presidential race. Leftist candidate Andrés Manuel López Obrador, who attracted the nation's poor, lost by half a percentage point and challenged the legitimacy of the election.

"The way (Calderón) rose to power requires his single-minded focus be on economic development if he is to legitimate his presidency," Shirk says.

Calderón has floated a plan to put the country on the list of the world's fastest growing economies. "Mexico 2030" aims to help reduce extreme poverty by boosting annual per-capita income over the next 25 years. Calderón hopes that improving conditions at home will reduce the number of Mexicans seeking opportunities in the USA.

Calderón's top foreign adviser, Arturo Sarukhan, said the president-elect plans to meet in Washington with officials at the Inter-American Development Bank and the World Bank. Under discussion: programs to create infrastructure and capitalize on the $19 billion Sarukhan says Mexican immigrants in the USA send home each year.

Ramirez Martinez, the lawmaker, says it is imperative that the president-elect discusses the wall with U.S. officials. "We want him to go to the meeting with an agenda to talk about a migration policy — not just economics, commerce and free trade, but a new discussion about a migration policy."

State Department Official Picked To Run U.N. Food Program (WP)

By Colum Lynch

The Washington Post, November 8, 2006

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UNITED NATIONS, Nov. 7 -- Josette Sheeran, a senior U.S. State Department official and former managing editor of the Washington Times, was chosen Tuesday to head the United Nations' Rome-based World Food Program for a five-year term.

Sheeran, the U.S. undersecretary of state for economics, business and agricultural affairs, will replace American James T. Morris, who plans to step down around the end of the year. She will take charge of the United Nations' largest humanitarian institution, which feeds about 90 million people in about 80 of the world's poorest countries.

Sheeran is the latest Bush administration nominee to secure a senior position in the world's most prominent international agencies. Others include World Bank President Paul D. Wolfowitz, who had been deputy secretary of defense, and former Agriculture Department secretary Ann M. Veneman, now the executive director of UNICEF, the U.N. Children's Fund.

Sheeran said she "couldn't be more honored" to lead the 44-year-old relief agency. She said she would focus on meeting U.N. targets to end hunger, which accounts for 25,000 daily deaths, by the year 2015.

U.N. Secretary General Kofi Annan and Jacques Diouf, the head of the Food and Agriculture Organization, named Sheeran after consulting with Annan's successor, South Korean Foreign Minister Ban Ki Moon, who takes the helm of the United Nations on Jan. 1. In a joint statement, they said Sheeran has "a 20-year proven track record as a management leader."

John R. Bolton, the U.S. ambassador to the United Nations, welcomed the appointment, saying he looked forward to Sheeran's leadership of the World Food Program. "She's obviously an extraordinarily well-qualified candidate," Bolton said.

The State Department mounted an intensive campaign, including a slick election brochure, to ensure continuing U.S. leadership in the organization. The U.N. food agency, which receives nearly half of its $2 billion budget from the United States, is traditionally run by an American.

But the United Nations opened the race this year to outsiders and placed an ad in Britain's Economist magazine urging qualified potential candidates to put their names forward. Sheeran overcame challenges from Switzerland's top aid official, Walter Fust; a former Canadian ambassador to the United Nations, Robert Fowler; and American Tony Banbury, the head of the World Food Program in Asia and formerly a national security aide in the administrations of President Bill Clinton and President Bush.

The Bush administration was sensitive to the possibility that Sheeran's former membership in the Rev. Sun Myung Moon's Unification Church would emerge as an issue in the race. A U.S. official pressed The Washington Post not to mention Sheeran's past links to the church, saying it was inappropriate to describe her religious affiliation.

Sheeran said of her candidacy, "I don't know why personal faith has any relation or bearing," adding: "It is a matter of record that I have no association with the Unification Church."

U.S. Pick Gets U.N. Agency Position (LAT)

By Maggie Farley

The Los Angeles Times, November 8, 2006

UNITED NATIONS — American diplomat Josette Sheeran has been chosen to head the U.N. World Food Program, which assists millions of hungry people around the world. The selection of the former conservative newspaper editor to a post traditionally held by an American reveals the influence of the United States on the U.N.'s top jobs.

With a new secretary-general scheduled to start a five-year term in January, non-American applicants were reassured that the competition this year would be based on merit and experience. For the first time, the United Nations placed an ad in Economist magazine to attract nongovernmental candidates.

A panel in Rome, where the food program is based, screened more than 60 applicants, and flew several of them to New York for more extensive interviews. A short list of candidates emerged: Walter Fust, the Swiss development minister; Robert Fowler, a former Canadian ambassador to the U.N.; Tony Banbury, the WFP's director in Asia with ties to the Clinton administration; and Sheeran, the U.S. undersecretary of State for economic, business and agricultural affairs.

Diplomatic sources said they had heard that Fust and Banbury were at the top of the list. But Sheeran, not Banbury, was the official State Department candidate, and Secretary of State Condoleezza Rice called U.N. Secretary-General Kofi Annan to remind him of that, said a U.S. diplomat who asked not to be identified.

Rice's message was that the U.S. government should have a say in the selection of the WFP director proportionate to its contribution to the program. The U.S. provides more than 40% of its budget, and for 14 years an American has run the program, which helps feed about 90 million people.

"Kofi and [his deputy] Mark Malloch Brown didn't know what to do," the diplomat said. "But it's a fact that the U.S. pays the bills, and so the U.S. has a say."

Annan also consulted incoming Secretary-General Ban Ki-moon, because Sheeran's five-year contract will fall under his watch. Ban had no objections and did not try to influence the selection.

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Swiss Ambassador Peter Maurer, who closely followed the selection process, said he had no complaints about it and noted that although Fust is highly qualified, Switzerland is not a major contributor to the WFP.

Sheeran, 52, had strong backing from the Bush administration from the outset. Before her current State Department job handling development and trade issues, she was deputy U.S. trade representative. She previously served as managing director of Starpoint Solutions, a technology firm, and as president and chief executive of Empower America, a think tank founded by Republican Jack Kemp, a former congressman.

She said Tuesday that she was pleased to be selected to head the food program.

"It's a tremendous honor. It's a fantastic organization that saves lives everyday," she said.

Sheeran, who will take over Jan. 1, will oversee a worldwide staff of 10,500 who deliver food staples to people in 80 countries.

U.N. Names Head Of Food Program (WSJ/AP)

The Associated Press

The Wall Street Journal, November 8, 2006

Josette Sheeran, a U.S. undersecretary of state and a former editor at the Washington Times, has been selected as the next head of the U.N. World Food Program, which provides assistance to millions of people around the world.

Ms. Sheeran, who is undersecretary of state for economics, business and agricultural affairs, will succeed American James T. Morris for a five-year term as head of the world's largest humanitarian agency.

Founded in 1962, WFP provides food aid to an average of 90 million poor people, including 58 million children, in at least 80 of the world's poorest countries. The U.S. provides more than 40% of the agency's budget.

Ms. Sheeran, 52 years old, is a former managing editor at the Washington Times. She also served in the office of the U.S. Trade Representative and was one of 13 members of an independent panel that just finished a report on streamlining U.N. development, humanitarian and environment operations.

U.N. Secretary-General Kofi Annan and Jacques Diouf, director-general of the Food and Agriculture Organization, announced their appointment. It was supported by the WFP's executive board in Rome, said U.N. spokesman Stephane Dujarric, and by Ban Ki-moon, who takes over as secretary-general on Jan. 1.

In her current State Department job, Ms. Sheeran is responsible for economic issues including development, trade, agriculture, finance, energy, telecommunications and transportation. Prior to that, she served as the deputy U.S. trade representative.

Israel Declares End To Gaza Mission, But Firing Continues (NYT)

By Ian Fisher

The New York Times, November 8, 2006

BEIT HANUN, Gaza, Nov. 7 — “My heart is bouncing,” Hiam Yazgi, 24, said Tuesday, and for good reason: Palestinian militants had just fired four homemade rockets, and the Israelis were rattling down retaliatory shells dangerously close to her toppled house here.

One resident of Gaza seemed unfazed, and maybe because she has known only fighting in her short life: Ms. Yazgi’s daughter, who was born in the middle of the street just three days ago, halfway through a major Israeli military operation to stop the ongoing rocket fire from Gaza.

As the older children flinched at every shell, the baby, Fairouz, lay sleeping in a turquoise blanket.

“This is our fate,” Ms. Yazgi said.

In theory, today should have been quiet, at last. Israeli tanks and soldiers withdrew from Beit Hanun early on Tuesday, saying their six-day operation to stop the firing of rockets into Israel was over and had been successful. They said they killed dozens of armed militants, recovered “large amounts” of weaponry and showed the Palestinians the price of such attacks.

But Palestinians and the United Nations said the price was too high. In the first glimpse of Beit Hanun since the operation began — the largest in Gaza since July — it was apparent that large swaths of the northern Gaza neighborhood from where most of the rockets were fired had been devastated.

At least 30 houses were destroyed, or nearly so, with 100 more damaged, a United Nations team that surveyed the damage reported. The stench of sewage wafted over streets churned up and sopping after Israeli bulldozers crunched through water mains. Scores of trees and lampposts were uprooted. At least 52 Palestinians were dead; the Israelis insisted that most were fighters, while Palestinians emphasized the civilians who were killed.

A leader of the United Nations survey team, John Ging, said he was “gravely concerned” by the extent of the damage.

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"The scale of destruction that is now evident to anybody who wishes to go to Beit Hanun underscores the impossibility of conducting large-scale military operations in intensely built-up areas without creating this result," said Mr. Ging, operations director for the United Nations Relief and Works Agency for Palestinian Refugees.

As Palestinian leaders worked to form a new national unity government that could ease the hardships here, the violence continued elsewhere in Gaza. In scattered incidents around the strip, the Israeli military said it had hit as many as 10 Palestinian fighters. [A news service] reported that at least eight people were killed.

Among them were two people, including a woman, Nahla Shanti, killed after Israeli tank fire hit the house of Jamila Shanti, a Palestinian legislator from the militant faction Hamas.

The military said it had responded to two rocket-propelled grenades fired from the house. Ms. Shanti was reported to have been in the house at the time but was not wounded. The dead woman was her sister-in-law.

"The Israelis leave one area and enter another," [a news service] quoted the Palestinian Authority president, Mahmoud Abbas, as saying. "We have spoken to the American administration and to the Europeans that such a situation cannot help restore security and stability."

In all, the day seemed an illustration of the situation here at this stalemated moment in which there seems no plan to go forward on either the Palestinian or Israeli side, with deep internal divides on both.

The Israeli operation was intended to stop the rocket fire, and although it was reduced, it did not stop. In midafternoon, just hours after the Israeli troops left, four of the crude Qassam rockets sputtered up into the sky out of the destruction of Beit Hanun, leaving behind jagged trails of black smoke.

The rockets hit deeper into Israel than they have in months, landing in the city of Ashkelon, about six miles north of Gaza, but there were no injuries, the Israeli military reported. A fifth rocket landed harmlessly in the Negev desert.

Israel responded rapidly, hammering Beit Hanun with dozens of artillery rounds.

The rounds fell as Yousef Seweil, 47, greeted mourners for his son, Ayman, 18, killed by Israelis on Friday in front of the Nasir mosque here — now leveled except for the minaret. Ayman, his father said, was killed along with two women after the Israelis opened fire on a crowd during a standoff between Israelis and fighters in the mosque.

Palestinians say it was a peaceful demonstration. Israelis counter that the women were acting as human shields to allow the fighters to escape and that there was fire from the crowd.

Mr. Seweil was unable to bury his son until Tuesday, he said, because the soldiers in tanks outside his house would not let him go to the hospital to retrieve the body. Mr. Seweil — who had another son, a fighter for the militant group Islamic Jihad, killed two years ago — said he was not sure whether he supported the firing of the rockets if the cost was so much destruction.

But he said he was furious with Israel.

"They kill," he said. "They do whatever they want. They demolish houses. They arrest people. This time, they had no mercy."

In a week when a Palestinian newspaper issued a rare public questioning of the wisdom of firing the rockets, many on the streets said they strongly supported it, no matter the price, simply because it scared the Israelis.

"We fire rockets to respond to what Israel is doing to our people," said Ibrahim Seweil, Yousef Seweil's brother, a policeman who said he was arrested during the operation and whose son was arrested, and let go, four times. "We are not sheep they can just slaughter."

Israel says the rocket attacks are unprovoked, particularly because the government emptied all settlements and military outposts from Gaza last year.

On Tuesday evening, Mr. Abbas, who is based in the West Bank, remained in Gaza for a second night in a row to try to form a national unity government that would put technocrats approved by both his Fatah party and Hamas, which controls the government, into cabinet posts.

The new government would seek to end the Palestinians' international isolation and win a restoration of Western aid, which was cut off after Hamas came to power this spring.

But the efforts had not yet produced a solution. Mr. Abbas reportedly rejected Hamas's proposed candidate to succeed Ismail Haniya, the current Hamas prime minister, and Hamas met for internal talks.

Israel Withdraws Most Forces From Gaza Strip (WP)

By Scott Wilson

The Washington Post, November 8, 2006

JERUSALEM, Nov. 7 -- Israeli forces that had been engaged in operations in the northern Gaza Strip largely withdrew before dawn Tuesday, ending a military campaign that killed more than 60 Palestinians, more than half of them from the armed groups at war with the Jewish state.

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Some Israeli soldiers remain in northern Gaza, the main launch site for crude rockets that Palestinian guerrillas frequently fire into Israel, and armed Palestinians and Israeli forces clashed several times in the hours after the pullout, leaving at least seven Palestinians dead.

The six-day Israeli push into Beit Hanoun, an agricultural town of roughly 28,000 people, was designed to stop the rocket fire into Israel. The rockets, known as Qassams, pack little explosive force and rarely kill Israelis.

Although the rocket fire has been declining in recent months, it is still a daily menace to tens of thousands of Israelis who live near the Gaza border. The number of rockets that landed in and around the city of Sderot spiked during the operation, lightly injuring several Israelis.

Defense Minister Amir Peretz said military operations, usually airstrikes and artillery fire, would continue until the rocket attacks end. The Israeli military reported that five rockets landed in southern Israel -- four in the city of Ashkelon north of Gaza -- after it declared the operation over.

In a statement announcing the troop withdrawal, the Israeli military said it had seized "large amounts of weaponry" during the operation, which it dubbed Autumn Clouds. The war materiel seized included Qassam launchers, rocket-propelled grenades and launchers, mines, assault rifles and ammunition.

Israeli forces did not recover any sophisticated antitank weapons, or the Katyusha rockets that military officials have warned are being smuggled into Gaza through tunnels by the military wing of Hamas, the Izzedine al-Qassam Brigades. Hamas controls the Palestinian ministries.

The Israeli military said "dozens" of Palestinians were taken to Israel for questioning.

Palestinian health officials said 62 Palestinians, more than a third of them civilians, were killed in the Israeli operation.

The four largest armed groups said 37 of their gunmen were killed, the majority from Hamas's military wing. More than 250 other Palestinians were wounded, health officials said. Palestinian leaders described the operation as a massacre.

A 21-year-old Israeli soldier was killed on the first day of fighting. Several other soldiers were wounded, including two by a female suicide bomber.

A small number of Israeli tanks remained around the edge of Beit Hanoun, and Palestinian witnesses said a column of tanks and bulldozers moved into a coastal strip west of the city of Beit Lahiya, where forces operated in June and July against rocket launch sites.

After most tanks left the strip, Israeli military officials said, soldiers fired at two armed Palestinians near Beit Lahiya. The two men, identified as members of the radical Islamic Jihad movement, were killed.

Soon after, near the Jabalya refugee camp, Palestinian gunmen fired rocket-propelled grenades at Israeli forces, military officials said. The troops responded with tank fire, military officials said.

Palestinian witnesses said a shell hit the home of Jamila al-Shanti, a Hamas legislator who helped organize a women's demonstration last week at a mosque in Beit Hanoun that allowed dozens of gunmen to slip through an Israeli military cordon. Palestinian witnesses said Shanti's sister-in-law and two men belonging to Hamas's military wing were killed inside the house.

Israeli military officials said troops fired later at an armed Palestinian near Beit Lahiya. Palestinian health officials said the man, Nadar Abu al-Amreen, was killed, although it could not be immediately determined if he was affiliated with one of the armed groups.

An Israeli airstrike Tuesday afternoon on a car in northern Gaza killed one member of al-Aqsa Martyrs Brigades, an armed wing of the Fatah movement of Mahmoud Abbas, president of the Palestinian Authority. Three others in the car were wounded.

Nicaraguans' Votes Are In, And Ortega Is Back (NYT)

By James C. McKinley Jr.

The New York Times, November 8, 2006

MANAGUA, Nicaragua, Nov. 7 — As election officials finished the final vote tallies on Tuesday and his leading opponent conceded defeat, Daniel Ortega, the onetime cold-war nemesis of the United States, was assured of winning the presidency here and fulfilling his 16-year struggle to regain power.

With 91 percent of the vote counted from Sunday's balloting, Mr. Ortega led five other candidates with 38 percent of the vote, while the second-place candidate, Eduardo Montealegre, a conservative, trailed with 29 percent, election officials said Tuesday night. The third-place candidate, José Rizo, received 26 percent.

"With his triumph, he has taken on an enormous responsibility," Mr. Montealegre, a 51-year-old Harvard-trained banker, said as he stepped aside moments after the results were announced. "He has to govern democratically."

Later in the evening, Mr. Ortega and Mr. Montealegre appeared together at the Sandinista headquarters, where they pledged to put aside past differences. Mr. Ortega promised to keep the country open to foreign investment and to seek consensus with his political opponents to battle poverty.

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"Here we cannot talk about winners or losers," he said. "Here simply we have a process where really everyone will work together for the good of Nicaragua."

About 300 of Mr. Ortega's supporters rallied outside the headquarters, waving their party's black and red flags and chanting "The people united will never be defeated." Across the city, fireworks and car horns went off in celebration.

Mr. Ortega, who is 60, maintains that both he and the country have changed since the 1980s, when he was a hard-line Marxist president accepting Soviet aid and fighting a United States-backed insurgency. The cold war is over, and Nicaragua's economy now depends heavily on exports to the United States and free markets.

While Mr. Ortega still rails against "savage capitalism" and the failure of free trade to alleviate poverty, he has become a more pragmatic leftist over the past decade and a half. Gone is the fiery Marxist oratory, replaced with talk of reconciliation, peace and God. He has traded his anti-American campaign songs for John Lennon's "Give Peace a Chance."

He has also become openly religious, regularly attending church and often asking people at his rallies to pray. He even pushed through a bill to ban abortion recently, in part to attract Catholic support.

Still, no one is sure how much of the change in Mr. Ortega's political outlook is real. Many business leaders and political analysts say the future of this impoverished country may hinge not just on whether Mr. Ortega's style has evolved, but whether Nicaragua's democracy is strong enough to keep a leftist president with an authoritarian past in check.

"If he hasn't changed, he will have to change, because it's not the same Nicaragua in 2006 as the Nicaragua in which he came to power at the head of a revolutionary movement," said Carlos Tunnerman, a political analyst.

The United States has made it clear that it does not like the prospect of its cold war foe returning to power, especially in light of Mr. Ortega's close relationship with President Hugo Chávez of Venezuela. Still, Secretary of State Condoleezza Rice said the United States would respect the decision of the Nicaraguan people and see what policies the next government follows before making decisions about future relations. Bush administration officials had threatened before the vote to suspend aid if Mr. Ortega won.

Former President Jimmy Carter monitored the polling here and said the election was clean and fair. He said Mr. Ortega had given him assurances Monday night that he would respect property rights, civil liberties, free enterprise and the free trade agreement with the United States.

Business leaders said they were confident Mr. Ortega would not roll back the free-market reforms in the Nicaraguan government since 1990, when he agreed to hold an election to end the civil war and lost to Violeta Chamorro.

Since then, the government has sold off more than 360 state-owned enterprises, liberalized its markets, privatized the banks and entered a free trade agreement with the United States and its neighbors.

Erwin J. Kruger, president of the Superior Council of the Private Sector, the nation's largest business group, said Mr. Ortega and his party, the Sandinista National Liberation Front, had given assurances they would not dismantle the free-market economy.

"We don't know how he's going to be tomorrow, or next month, or next year, but we are going to give it a chance," Mr. Kruger said. "We paid a high price for our freedom and neither side wants to lose that."

Most political strategists said Mr. Ortega won because the conservative anti-Sandinista vote split in two.

After former President Arnoldo Alemán was convicted on corruption charges, Mr. Montealegre and other conservatives broke away from the governing Constitutionalist Liberal Party and formed the Nicaraguan Liberal Alliance. As a result, Mr. Montealegre and Mr. Rizo, who carried the banner for the old ruling party, divided the voters who had consistently opposed Mr. Ortega and the Sandinistas in past elections, defeating him three times.

Mr. Ortega's ability to enact radical challenges is severely hampered by the National Assembly, which remains divided between four parties. To rule, he must reach agreements with the two conservative parties. What is more, the president's power has been curbed by constitutional changes pushed through in recent years, giving the assembly more say over cabinet positions.

Even members of Mr. Ortega's party said he had not won a popular mandate to make radical changes, like the expropriation of private businesses or the redistribution of land, as he did in the late 1980s.

"The important point is not what he wants to do, the important thing is what is feasible to do," said Alejandro Martínez Cuenca, an economist and member of the Sandinista party. "Nicaragua has changed tremendously. The mandate he has received does not give him the opportunity to do his will."

Ortega Wins Back Presidency Of Nicaragua (WP)

By N.C. Aizenman

The Washington Post, November 8, 2006

MANAGUA, Nicaragua, Nov. 7 -- Former Marxist revolutionary Daniel Ortega won back Nicaragua's presidency, according to updated results released Tuesday.

DOJ_NMG_0091931

With 91 percent of precincts reporting, the Cold War icon continued his lead with 38 percent of the ballots cast in Sunday's vote, assuring a first-round victory. Under Nicaraguan election law, a candidate can win a first-round with 35 percent of ballots and a five-point lead.

Ortega's closest contender, Eduardo Montealegre of the Nicaraguan Liberal Alliance, conceded the election late Tuesday after garnering 29 percent of the vote.

Jos? Rizo of the Constitutionalist Liberal Party had 26 percent, Edmundo Jarquin of the Sandinista Renovation Movement had 6 percent, and Eden Pastora, a Sandinista commander who turned against his former comrades and led an anti-Sandinista rebel force in the 1980s, had less than 1 percent.

Ortega was more solemn than jubilant as he accepted Montealegre's congratulations at a joint appearance Tuesday night.

"We can't talk of winners or of losers," he said. "This is simply a process in which we all need to work together for the good of Nicaragua."

The results indicated that Ortega's Sandinista National Liberation Front will hold the largest number of seats in the National Assembly, but will not have a majority, forcing the party to form alliances with three other political factions to pass legislation, according to analysts.

In the waning weeks of the campaign, Bush administration officials issued veiled threats that the United States might impose punitive measures such as a trade embargo if Ortega was elected.

At his daily briefing Tuesday, State Department spokesman Sean McCormack spoke in more measured tones.

"We, in the United States, have made a commitment to the Nicaraguan people," he said. He added that certain portions of U.S. aid agreements to Nicaragua were negotiated "with some areas of Nicaragua which I think are actually under the . . . political leadership of Mr. Ortega's party. So they have an interest in continuing that relationship."

But McCormack cautioned that the results were not yet final. "We'll see what government this election produces. We'll see what the platform of that government is," he concluded.

Former Marxist Elected President In Nicaragua (CHIT)

By Oscar Avila

Chicago Tribune, November 8, 2006

MANAGUA, Nicaragua -- Daniel Ortega completed a remarkable comeback Tuesday when the former Marxist revolutionary leader came out on top in a bitter presidential election that U.S. officials fear will give them a new left-wing antagonist in Latin America.

Nearly two decades after the U.S.-financed contra rebels helped drive Ortega from office, the Sandinista leader's victory poses a new challenge in the region for the Bush administration, which must decide whether to treat Ortega as an enemy or accept his assurances that he has moderated his views.

The U.S. State Department said Tuesday that the Bush administration would wait to see the shape of a new Nicaraguan government. But several U.S. officials warned that aid and immigrant remittances to the hemisphere's second-poorest nation would be in jeopardy if Ortega became president and aligned himself with leftist President Hugo Chavez of Venezuela.

In his fourth attempt to return to power, Ortega won a comfortable victory over four rivals, including Eduardo Montealegre, a Harvard-educated banker and former government minister who enjoyed U.S. backing.

The Supreme Electoral Council said Tuesday evening that with 91.5 percent of the votes counted, Ortega had 38.1 percent, followed by Montealegre with 29 percent and former Vice President Jose Rizo of the ruling right-wing party with 26.2 percent. Two other candidates trailed far behind.

Roberto Rivas, president of the Supreme Electoral Council, told a national television audience that he expected the margin to increase when the final votes are counted. He urged the losing parties not to question the results.

"Our candidates should have a reasonable attitude and accept the will of the people," Rivas said.

To win, Ortega needed only 35 percent of the vote and a margin of 5 percentage points over his nearest rival under new election rules he helped enact through his influence in congress. He benefited from a split on the right between Rizo and Montealegre, who had enough combined votes to defeat him.

Most observers said he was certain to lose in a December runoff if his opponents united around one candidate against him.

Two respected independent watchdogs, the Institute for Development and Democracy and the civic group Ethics and Transparency, already declared Ortega the winner.

After a full day of counting, Montealegre appeared Tuesday evening and said he called Ortega to congratulate him. "With this triumph, he acquires an enormous responsibility," Montealegre said.

He urged Ortega and the other political parties to reconcile. "We invite them to work to build this diverse alliance to elevate Nicaragua toward its maximum social and economic development."

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During the campaign, Montealegre and Ortega's other opponents warned voters that voting for Ortega would return them to the dark days of the 1980s civil war and a crippled economy.

But during the campaign, Ortega reinvented himself as the candidate of reconciliation, welcoming a former contra leader as his running mate and sounding more like an evangelist when he urged massive crowds to vote for love and peace.

He reassured business leaders that he had shed his socialist ideas and would honor the Central American Free Trade Agreement with the U.S.

Since the first results came in early Monday, Sandinista loyalists in the capital have rejoiced by launching fireworks and waving the party's black-and-red flags in slums and around upscale shopping centers. National and international observers praised Sunday's election and its aftermath as remarkably peaceful and orderly.

Representatives from an estimated 16,000 national and international observers noted voting glitches, such as the delay of results from rural areas, polling sites that opened late or closed early, and observers being denied entry.

But the consensus of the observers, which included the Carter Center, European Union and the Organization of American States, was that the glitches would not affect the outcome.

As Ortega surged to a lead in pre-election opinion surveys, U.S. officials reacted with dismay. The commerce secretary warned Nicaraguan voters that foreign aid was in jeopardy if Ortega won. Even Oliver North, the former Reagan administration official at the center of the Iran-contra scandal, traveled here to try to stave off an Ortega victory.

Some U.S. officials and lawmakers had expressed fears that Ortega will reject the nascent Central American Free Trade Agreement, work with states linked to terrorism and align with Venezuelan President Hugo Chavez, who has pursued an ardently anti-American foreign policy.

Cuban and Venezuelan officials greeted news of an Ortega victory as a step forward for their vision to integrate nations in the region that oppose U.S. policy and influence there.

"Latin America is ceasing to be … a backyard of U.S. imperialism. Yankee, go home!" Chavez said in Venezuela.

Earlier Tuesday, State Department spokesman Sean McCormack toned down some of the anti-Ortega rhetoric some U.S. officials used in recent days, noting that the Sandinistas played a role in ratifying CAFTA and working with the U.S. on issues such as debt relief. He reserved further comment until the final election results.

"We'll see what government this election produces. We'll see what the platform of that government is. But we have very clearly demonstrated our commitment to the Nicaraguan people," he said.

Former President Jimmy Carter, who headed the Carter Center's observation team and criticized U.S. threats related to the election, said he hopes Ortega's domestic and international opponents give him the time to restore the bridges burned during the campaign.

"He has an opportunity here to heal this country and to heal the disparity between Nicaragua and the United States," Carter said. "It will be up to him to make that happen."

Manuel Orozco, an analyst with the Inter-American Dialogue, a Washington think tank, added that Washington's hostility could push Ortega into Venezuela's arms.

"If the U.S. wants to make Nicaragua out to be an evil country, it will turn into one," Orozco said. "We have made so many mistakes in creating enemies. Nicaragua is a prime candidate."

Orozco agreed with Carter that the burden also rests on Ortega, the self-described candidate of reconciliation. "The next few weeks will test the sincerity of that rhetoric," he said.

Ortega Appears Set For Nicaragua's Presidency (CSM)

By Sara Miller Llana

The Christian Science Monitor, November 8, 2006

MANAGUA, NICARAGUA

Sixteen years after falling from power, Daniel Ortega, the former Marxist revolutionary who battled US-backed rebel forces in Nicaragua throughout the 1980s, appeared to emerge victorious in Sunday's presidential election, according to preliminary results and quick counts by two of the country's respected observer groups.

With official results in from more than 60 percent of polling stations, Mr. Ortega has 38.6 percent of the vote. He needs to win at least 35 percent and hold a lead of 5 points to avoid a December runoff election. Eduardo Montealegre, a Harvard-educated conservative backed by Washington, trails him by 8 percentage points.

The win would deal a blow to the US, which has been keeping a close eye on their old cold war foe. US politicians warned that US aid and investment would wane in this Central American country - one of the hemisphere's poorest - if Ortega, an ally of Venezuela's president Hugo Chávez, retook the helm of Nicaragua.

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It would be a remarkable win for Ortega, who had lost three consecutive bids for the presidency and has, over the years, made just as many enemies in Nicaragua as in Washington. The two leading conservative candidates splintered the vote - boosting Ortega's chances to acquire enough support to avoid a runoff, which most analysts say he would lose.

But Ortega has also drawn many voters who say that 16 years of conservative, Washington-backed administrations here have left them poorer than they were. Many say they have put the war behind them and believe Ortega when he says he has evolved into the only candidate who can bring the nation together.

"The split between the conservatives is fundamental to the outcome," says Wilmar Cuarezma, who studies Nicaragua's governability at the nonprofit Institute for Nicaraguan Studies in Managua. "But most important is people feel that the conservatives abandoned the poor, that poverty has increased. Public services have gotten too expensive and are not accessible to most of the people anymore."

This sentiment mirrors a leftward trend in the region, where voters in Brazil, Bolivia, Peru, and elsewhere have demonstrated their fatigue with conservative policies.

"Countries are choosing a national capitalism," says Oscar-Rene Vargas, a political analyst in Managua who supports Ortega. Image makeover

Campaign ads by Ortega's opponents depicted him in army fatigues, a reminder of the war that wreaked havoc on Nicaragua throughout the '80s. But Ortega fashioned an image makeover, touting reconciliation and solidarity. On the campaign trail, he often said the war was buried forever. He spoke often of God, said the country needed a spiritual revolution, and even adopted John Lennon's "Give Peace a Chance" as his theme song.

Apparently, the new Ortega resonated with voters. Ilario López, a retired city worker, voted for conservative candidates throughout the '90s because he says he felt they would improve the country's economy. But he has been disappointed. "I am willing to give him [Ortega] another chance," says Mr. López. "If we don't have work, we don't have money, and we all suffer. He is not a guerrilla; he is our only hope to live in peace."

Sunday night and Monday, Ortega supporters took to the streets, setting off celebratory fireworks and waving black-and-red flags of the Sandinista National Liberation Front (FSLN), from the backs of pickup trucks.

Analysts say that Ortega would have a difficult run in a second round, since the vote between the two conservative candidates was split. Indeed many of those voting for Mr. Montealegre or José Rizo, the other conservative, who is currently in third place with 22.93 percent, say they felt more strongly about Ortega losing than their own candidate of choice winning.

"I wouldn't mind if this went into a second round, because it would mean Ortega wouldn't win," says Manuel Cabrera, an accountant in Managua who cast his ballot for runner-up Montealegre. "The US has helped us a lot, and we are going to continue needing their economic assistance. I'm afraid an Ortega victory will ruin those relationships. He will care more about Venezuela and Cuba, and not our friends who have helped us." Crying foul

The race saw a huge voter turnout, at over 70 percent. But Montealegre said the celebrations were premature. "No one has won here," he said as initial results trickled in. "The Nicaraguan people, in a runoff, will determine the next president."

The US Embassy released a statement saying it was too soon to "make an overall judgment on the fairness and transparency of the process," it read. "We are receiving reports of some anomalies in the electoral process."

Some here say the election was unfair at the outset because Ortega helped to lower the threshold for victory from 45 to 35 percent, with a five-point difference between the two leading candidates. He pushed through electoral-law changes with former president Arnoldo Alemán, who is now serving a 20-year sentence for embezzlement. "That can only happen in a country run by two gangsters," says Otto Reich, who was a senior official in the Reagan administration when it backed the Contra rebels against Ortega. "Ortega was willing to throw his country to the wolves" in order to win the presidency.

The US was not shy about voicing its dissatisfaction with an Ortega win, saying that aid and investment were likely to wane if he were in power. Some here now wonder whether US threats to block remittances or rethink free-trade agreements backfired.

"For Washington, it's clear that a lot of bravado and warnings did not really pay off," says Michael Shifter, vice president for policy at the Inter-American Dialogue in Washington. If Ortega does emerge victorious, he says that "there is a lot of uncertainty about what direction he'll take. He is clearly an ally of Chávez, but what does that mean being the president of Nicaragua?"

Mr. Chávez sent fertilizer and cheap fuel to Nicaragua ahead of the election in what many claimed was a bid to bring voters into Ortega's fold, especially since Nicaragua has suffered an energy crisis in part because of the high cost of oil.

Ortega has promised to work with business leaders and has backed a trade deal with the US. He stopped short of claiming victory Monday night but said that, whoever wins, he's ready to work with other parties to "eradicate poverty and reassure the private sector and international investors."

Panama To Join Security Council (LAT)

By Maggie Farley, Times Staff Writer

DOJ_NMG_0091934

The Los Angeles Times, November 8, 2006

It wins the two-year seat that Guatemala and Venezuela had sought.

UNITED NATIONS — Panama won a two-year term on the Security Council on Tuesday, making the powerful body's composition for 2007 much less contrarian than the U.S. had feared should Venezuela have won the Latin American seat.

But the new council still will include voices that could challenge the United States, such as South Africa, a leader of developing nations.

Panama emerged last week as the compromise candidate to fill the regional seat, ending a protracted standoff between U.S.-backed Guatemala and Venezuela, a vocal critic of Washington's policies. Panama received 164 votes in the 48th round of voting in the General Assembly, to applause and cheers in the vaulted chamber.

Venezuela had portrayed itself as a challenger to U.S. dominance at the United Nations and a champion of developing nations. But it lost backing after its leader, Hugo Chavez, called President Bush "the devil" and decried the world body as "useless" in a speech here in September.

However, active U.S. lobbying on behalf of Guatemala cost that country some support, diplomats say. Neither Latin American nation could garner the two-thirds majority among the 192 U.N. members needed to be elected, leading them to withdraw in favor of Panama.

Venezuela's ambassador to the U.N., Francisco Javier Arias Cardenas, said that the United States' support for Guatemala turned out to be a "fatal embrace" and that Washington should learn not to intervene in regional affairs. But he said that Panama was a good choice and served as "bridge between Central and South America."

Guatemalan Ambassador Jorge Skinner-Klee said that his country carried out its campaign with dignity and regretted being embroiled in a proxy battle. Guatemala will seek a seat in 2012, he said.

U.S. Ambassador John R. Bolton welcomed Panama to the council. The "risk of disruption" posed by Venezuela had been eliminated, he said, and therefore Bush administration objectives achieved.

The U.S. and other countries had feared that Venezuela would use the Security Council as a stage to vocally oppose developed countries and to block action on its allies, North Korea and Iran.

Panama, though a small country, is seen as a unifier of the disparate parts of the region, and its ambassador at the world body, Ricardo Alberto Arias, has been active in the reform of the U.N. human rights commission.

Panama will take the seat Jan. 1, as one of five new nonpermanent members of the Security Council. The others, in addition to South Africa, are Belgium, Indonesia and Italy. The five countries that will serve one more year in the 10 rotating council seats are Congo, Ghana, Peru, Qatar and Slovakia.

The council has five permanent members: the U.S., Britain, China, France and Russia. They have veto power and compete for the support of rotating members during disagreements.

With Venezuela sidelined, the new council should function smoothly, analysts said Tuesday.

"It is a pretty lively crew. They are not rubber stamps," said Edward Luck, director of the Center on International Organization at Columbia University. "South Africa will have their differences with the United States. It is important to have states with a strong voice and real regional security role, which South Africa does."

Indonesia, which has the world's largest Muslim population, will be an additional voice for Islamic interests, along with the Persian Gulf nation of Qatar.

Italy has been striving for a greater role in the U.N. system and is sharing with France the command of peacekeeping forces in Lebanon. "Italy is clearly trying to show it could be a political player," Luck said.

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WTO Entry No Cure-All For Vietnam Hanoi's 'Nonmarket' Status Will Give Trading Partners A Leg Up In Negotiations By JAMES HOOKWAY (WSJ)

The Wall Street Journal, November 8, 2006

Vietnam was formally invited to join the World Trade Organization after more than a decade of entry talks in which it steadily reduced its tariffs and pledged to open its banking sector.

But the Communist-run country still faces obstacles to expanding its trade: The world's major trading nations, for now, continue to consider it a "nonmarket economy." That means Hanoi is vulnerable to claims that it subsidizes its exports and dumps them on the world's markets, analysts say.

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Vietnam, the fastest-growing Asian economy after China in recent years, has already concluded bilateral trade deals with major trading partners such as the European Union, Japan and Australia. Since the U.S. normalized trading relations with its former adversary in 2001, trade between the two has quadrupled to almost $8 billion a year.

Congress is expected to vote on whether to grant Vietnam "permanent normal trading relations" by year's end.

With 84 million people, Vietnam has been the second-largest economy, after Russia, that wasn't a member of the global trade group. The country is an increasingly attractive destination for foreign investment. Intel Corp., for instance, has begun work on a $300 million semiconductor factory in southern Vietnam and is considering increasing that investment, Vietnamese officials say. The Asian Development Bank expects Vietnam's economy to grow 7.8% this year.

As the WTO's 150th member, Vietnam will likely attract more foreign investment, analysts say. In particular, the country will benefit from the removal of quotas that limit its textile exports to Europe and the U.S.

But with WTO membership, which is expected around year's end, Hanoi will have to give up subsidies and tax breaks for domestic companies, as well as open up its markets to foreign competition.

Until Vietnam takes these steps -- something that could take years -- it will be regarded as a nonmarket economy, enabling rivals to accuse it of using state subsidies to give domestic companies an unfair advantage.

In the past few years, the U.S. has imposed antidumping tariffs on Vietnam's catfish and shrimp exports; in October, the EU decided to impose antidumping duties on Vietnamese shoe imports. Although joining the WTO won't necessarily remove those tariffs, Vietnam will have the option of challenging their legality within the WTO.

Vietnam suffers from other homegrown impediments to its continued strong economic growth. The quality of its infrastructure lags behind that of regional competitors such as China and Thailand. Corruption also is endemic, affecting nearly every aspect of life in the country.

Vietnam's human-rights record grates with some of its trading partners, too. On Friday, a court in Ho Chi Minh City will try seven people, including three Americans of Vietnamese descent, for an alleged attempt to take over state radio stations to call for a popular revolt against the country's Communist leaders. Penalties for conviction could range from 12 years in prison to execution by firing squad. Yesterday, the Bush administration urged Vietnam to give the three U.S. citizens a fair trial.

Sen. Mel Martinez (R., Fla.) has raised the case of one of the defendants in an attempt to block the latest trade bill on Vietnam, which President Bush hopes to sign before visiting the country during a summit of Asia and Pacific leaders in mid-November.

Prime Minister Nguyen Tan Dung told a visiting American business delegation in Hanoi yesterday that during Mr. Bush's visit, he would like Vietnam to be granted the status of a country with "permanent normal trade relations" with the U.S.

Certain issues continue to worry foreign investors. They are keeping a close watch on a government investigation into Dutch bank ABN Amro Holding NV. Vietnamese authorities allege ABN Amro employees illegally traded with officials from a state-owned bank, resulting in a loss of $5.4 million for the state bank. Two ABN Amro employees have been detained in jail pending charges, while two others are under house arrest.

ABN Amro officials have said the bank did nothing wrong and it stands by the trades, which took place over the course of three years and have already been settled. Other foreign banks have voiced concern about how Vietnamese authorities appear to be criminalizing normal trading practices, raising questions about whether Vietnam is ready to join the international trading community.

In a directive last week, Mr. Dung urged police to complete their investigation. He also indicated no one would be convicted if ABN Amro repays the state bank's foreign-exchange losses.

Vietnam Schedules Terror Trial Of Three U.S. Citizens For Friday (WP)

By Glenn Kessler

The Washington Post, November 8, 2006

Three U.S. citizens, including a Florida woman whose case has thwarted passage of a major trade deal between Vietnam and the United States, will be tried on charges of terrorism in Ho Chi Minh City People's Court on Friday, a Vietnamese judge announced yesterday.

The trial, expected to last a day, will take place just a week before President Bush is to due to arrive in Hanoi for an Asian economic summit. Bush hopes to win congressional approval for the trade bill before departure, but Sen. Mel Martinez (R-Fla.) has prevented the bill from coming to the floor of the Senate until the woman's case is resolved.

Thong Nguyen "Cuc" Foshee, 58, of Orlando, was arrested 13 months ago and held without charges until last week, after news reports of Martinez's action appeared. The two other U.S. citizens are Le Van "Phu" Binh and Huynh Bich "Linda" Lien. They will be tried with four Vietnamese nationals charged with similar crimes.

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Bui Hoang Danh, the court's chief judge, said in a statement that the terrorism charges could result in sentences of at least 12 years, or even death.

Nhan Dan, the Communist Party newspaper, said the defendants were accused of bringing 14 radio transmitters and five generators into Vietnam, planning to seize control of the official Voice of Vietnam radio, and calling for an uprising against the government. The government accuses the seven defendants of working on behalf of the Government of Free Vietnam, a virulently anti-government group based in California that Vietnam considers a terrorist organization.

Elizabeth McCausland, Foshee's daughter, said her mother is associated with the group. McCausland said she did not know the extent of her mother's involvement or whether she is a member. She said her mother helped teach members about public speaking and democracy.

McCausland said yesterday that the local lawyer handling the case for her mother has still not been able to see Foshee or review the charges. "I don't know how it works there," she said, but she expected the lawyer to get access to his client and court documents before the trial.

"I'm hoping for a positive phone call on Friday," she said.

State Department spokesman Sean McCormack said yesterday that the Bush administration was monitoring the trial closely. "We have, for some time, asked that the judicial process move forward in one direction or another," with the defendants either charged or released, he said. "We want to make sure that these people, now that they have been charged, proceed through the judicial process in a way that is transparent, that fully respects their rights and that is done in a relatively speedy manner."

In A Calm Corner Of Darfur, Villagers Rebuild Ties (NYT)

By Jeffrey Gettleman

The New York Times, November 8, 2006

ARTALA, Sudan — Omar Abdul Aziz Gader cupped his hand over his eyes and scanned a landscape of scorched fields and mud huts reduced to rings of ash.

Where others might have seen a wasteland, Mr. Gader saw home.

“It’s good to be back,” he said.

As a displaced person from Darfur, Mr. Gader found his options were not great. He could have stayed in the packed, increasingly unruly camp where he had been living for the past two years, or he could have ventured back to Artala, his native village, which was burned to the ground by nomadic raiders.

He decided to go home in September after learning that his corner of southwestern Darfur was actually rather peaceful, a place where nomads and farmers had begun to take halting steps toward reconciliation.

Much of Darfur, a vast swath of territory in western Sudan, is still a battlefield, with vicious fighting between the Sudanese government and rebel forces, and masses of people fleeing their villages each day.

But there are other parts, lesser known, where people are heading the other way, going home.

It is a journey that is also difficult, with homecomings that may prove to be short-lived. But aid workers estimate that there are several thousand returnees like Mr. Gader — and many more on their way.

Mr. Gader says he is looking ahead, building a new hut and planting onions, though at times the past seizes him.

“When I look at my old house,” he said, “I don’t feel fear. I feel shame.”

A vast majority of those who are returning are farmers, the primary victims of the bloodshed in Darfur. In this part of the world, lifestyle and ethnicity are closely connected, with most farmers belonging to non-Arab tribes, while most nomads consider themselves full-blooded Arabs.

The conflict has pitted these two groups against each other, though it wasn’t always like that.

Not so long ago, in the village of Wastani, near Artala, nomadic women and women from farms would meet in the fields halfway between their homes and share little glasses of tea.

The nomads, who herded camels and cows, would bring meat, and the farmers would bring grain, and they would trade with one another in a fragile tapestry of interdependence between two peoples surviving off the same slice of dry, unforgiving land.

“Sometimes I would sit for two days with them and steal jokes,” said Hawa Abdullah, a villager.

But then war came. Nomadic gunmen on horses — some of whom the farmers recognized, some they did not — raided Wastani in 2003, burning huts and shooting people in the chest. It was a nightmare that recurred countless times across Darfur, an area the size of France.

But now, for the first time since then, Wastani’s farmers are moving back, and the nomads are trying to make amends.

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Ms. Abdullah said that shortly after she returned, an old Arab friend came to her house with a bundle of food in her arms and tears in her eyes.

"She said she was sorry, and was crying even more than I was," Ms. Abdullah said.

It is easy to oversimplify Darfur. The broad outlines of the conflict are that non-Arab tribes felt excluded from Sudan's Arab-led central government, and formed rebel groups to attack government forces. The government responded by arming Arab militias, who did not confront the rebels directly, but instead brutalized civilians who belonged to the same tribal groups as the rebels.

The conflict had been simmering for years, but major fighting erupted in 2003. Since then more than 200,000 people have been killed, and 2.5 million have fled their homes to seek shelter in camps. Despite a peace treaty signed this spring with one of the rebel groups, the killing continues, especially in northern Darfur, and many diplomats and aid experts have forecast a humanitarian disaster.

The American government and European allies have tried to press Sudan to allow United Nations peacekeepers to replace the relatively small force of African Union peacekeepers here, but the Sudanese government has refused, saying the situation in Darfur was not as dire as it has often been portrayed.

Some aspects of life appear to be getting better. A United Nations study released in October found that malnutrition and child mortality had decreased since 2004, and that people who were farming were better off than those squeezed into camps without any land.

Camp dwellers are watching all this cautiously. They have schools, water towers and medical clinics — the very things missing from Darfur's villages, and which planted the seeds of resentment in the first place. But many camps have morphed into giant villages, with thousands of huts packed together in long rows like streets.

Suleiman Ibrahim, an elder in Mukjar, a camp near Artala with 10,000 displaced people, said that he had heard about people returning home, some just 30 miles away, but that he still worried about armed bandits. "It's not safe out there," he said.

But many camps are not so safe either, with unchecked violence and rising tension between supporters of different rebel factions.

Mr. Gader, 32, spoke in hushed tones of camp politics and how some of the displaced people had called him a traitor for even thinking of going home, because they said it bolstered the government's claim that things were not so bad. Mr. Gader, who lived in a huge camp in southern Darfur called Kalma, with an estimated population of 100,000, said he, his wife and his two children had to leave in the middle of the night.

"We basically escaped," he said.

Aid workers and camp dwellers say camp elders have a vested financial interest in keeping as many people as possible in the camp, because the elders can make money by siphoning food aid and selling it in local markets. But the returnees are learning that home is a complicated place, too.

Artala, like Wastani, is a mixed community of farmers and nomads, and there is an unspoken rule not to talk about the conflict.

"What's the point?" said one of the elders, a man named Adam Adam.

Wastani used to have a vibrant market every Sunday, when thousands of farmers flocked in from the fields, and nomads rode in from miles around to trade crops, livestock, tea, sugar, gossip and sometimes even the hands of their daughters.

During the years of conflict, the market emptied. James Wole, a team leader for CARE International, the large aid organization that was one of the first to go into Darfur, said the nomads eventually realized that they were hurting their own businesses, which is one reason they were eager for their old farming friends to come home.

"The truth is these people are very interdependent, in many practical ways," Mr. Wole said. Mohammed Ibrahim Dibba, the commander of an African Union peacekeeping base in Mukjar, said: "I hear these reports on the radio about genocide, but I don't see that coming, at least not here. The people are coming together — gradually."

Security remains a touchy issue. Farmers here said nobody had been killed in months, but many grumbled that the same bandits who raided their villages are now the policemen in town. Several farmers identified Adam Medani Hamad, a nomad who roams the area around Wastani with his two wives and dozens of cattle, as a janjaweed, a bandit. He denied that, and said he was a member of the local defense force. He even has a laminated yellow card to prove it.

"We didn't just welcome the farmers home, we brought them home," Mr. Hamad said, referring to the escorts that nomads provided for some of the returning farmers. In a nearby village, aid workers said a policeman had been killed trying to protect farmers from bandits.

CARE is trying to build on this momentum by helping farmers and nomads form joint committees to oversee agricultural and water issues.

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But many farmers are still suspicious. Mr. Gader said his new hut would be made from straw, not mud. "You never know when we might be leaving again," he said.

And Ms. Abdullah said the food her Arab friend brought her in a fit of tears was very good. But it has been more than six months. And she has not seen the woman again.

Turkey And Europe: Why Strained Friendship Is Fraying (NYT)

By Dan Bilefsky

The New York Times, November 8, 2006

ISTANBUL, Nov. 7 — The already reluctant partnership between Turkey and the European Union looks increasingly as if it may be headed for a messy breakup, prompting many in Europe and the United States to ask an uncomfortable question: will the large, secular Muslim country then look east instead of west?

It is a question with potentially great consequences.

"If the E.U. turns its back on Turkey, it is the West that will be the big loser," warns Mehmet Dulger of the ruling Justice and Development Party and the chairman of the foreign affairs committee in Parliament. "The West would risk losing a vital bridge with the Islamic world at a time when having this bridge is more important than ever."

The mutual suspicion is reaching a crisis point. On Wednesday, the European Commission is to release a report critical of the progress Turkey has made toward conforming to European standards and toward qualifying for membership.

A more important deadline looms next month at a European summit meeting, where leaders could decide to suspend talks with Turkey on a number of problems, while continuing in other areas. This is something the group never did as it was expanding to its current 25 members.

Political analysts in Turkey say such a rebuff would intensify an anti-European backlash and play into the hands of nationalists and Islamists, some of whom are already asking whether the country should reject Europe before it rejects Turkey.

"Until recently, Turkey has been able to pursue pro-Western policies because public opinion believed this was in the national interest," said Soner Cagaptay, director of the Turkish research program at the Washington Institute for Near East Policy. "But with the E.U. constantly raising the bar for Turkey, Turks are questioning this accepted wisdom."

From Europe there are equal measures of exasperation.

"Patience with Turkey is running out," says Joost Lagendijk, a member of the Dutch Green Party and co-chairman of a committee dealing with Turkish issues in the European Parliament. It is not only the question of Turkey's reforming to meet European standards, but a wariness of admitting a poor, overwhelmingly Muslim country of 70 million with only 3 percent of its land geographically a part of Europe.

Those positions may harden with the European Commission report on Wednesday, which is expected to rebuke Turkey for the sluggish pace of political reforms. A draft of the report cited Turkey's refusal to meet a deadline this year to open its ports to the Greek-speaking part of Cyprus, an issue on which Turkey refuses to move. It also complains about the treatment of minorities, and a law limiting free speech that has made "insulting Turkishness" a crime.

The enlargement commissioner of the European Union, Olli Rehn of Finland, welcomed signals this week from Prime Minister Recep Tayyip Erdogan that he would consider reforming Turkey's code on free speech. But European officials say Turkish intransigence over Cyprus, a member of the union, leaves them with few alternatives other than to consider a partial suspension of entry talks.

But even a partial collapse of talks would have far-reaching consequences. Bordered by Iran, Iraq and Syria, secular Turkey is a powerful symbol of how democracy, capitalism and Islam can co-exist. At a time when Europe is struggling to integrate its 12 million Muslims, rejecting Turkey would give fodder to those Muslims who argue that the West will never accept them.

Faced with a barrage of criticism, some analysts say a dejected Turkey would look to the Middle East, Central Asia and North Africa as alternatives to Europe and the United States. A June poll by the Pew Research Center found that Turkish support for the United States had plummeted to 12 percent, from 23 percent last year. Support for the European Union plunged to 35 percent, half what it was two years ago.

Mr. Cagaptay argues that the Justice and Development Party, which has religious roots, has already been reorienting the country toward the Middle East and criticizing the United States. As an example he points to the American-led attack on Iraqi insurgents in Falluja, an attack that was labeled genocide by senior Turkish officials.

At the same time, he says, the European Union's continual snubbing of Turkey has played into the hands of Muslim conservatives, and all the while Prime Minister Erdogan "is preaching Muslim solidarity and consciousness," Mr. Cagaptay said.

At the beginning of the conflict in Lebanon in the summer, Mr. Erdogan criticized Israel for trying to "wipe out the Palestinians" in Lebanon. In the spring he invited top Palestinian officials to the capital, Ankara. A recent demonstration in

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Istanbul against Israel, which has maintained strong relations with Turkey, drew around 100,000 people; before the Erdogan era, Mr. Cagaptay said, a few hundred might have attended.

The appeal of the East was evident on a recent day at Cemberlitas Hamam, a monumental 16th-century Turkish bath, where a dozen men lay on a giant slab of steaming marble as they were pummeled by pot-bellied masseurs in an Ottoman tradition rooted in the Orient.

Kadir Uzun, 21, a Turkish engineer who lives in Germany, said the European Union's hardening stance was prompting Turks to question whether the Arab world would be more welcoming. "Many Turks feel like we are just wasting our time with the E.U., which will never accept a Muslim country," he said. "We are too Western to look toward Iran, but we are also too Eastern for the E.U."

Many Turkish analysts, officials and executives argue that looking to the East is not an option. For one thing, Turkey is viewed with deep suspicion there.

"We do not want to become overextended in the Middle East," says Sinan Ulgen, a former Turkish diplomat in Tripoli. "At the same time, the countries that were ruled by the Ottoman empire — Egypt, Jordan, Syria — are reluctant about Turkey having a leading role in the region."

Also, secularism is established in its Constitution, and Turkey is inextricably tied to the West, economically and strategically, by, among other things, a trade agreement with the European Union and membership in NATO. To these analysts and executives, it is less imperative to join Europe than it is to anchor Turkey to a membership process that assures political and economic reform.

But there are obvious signs that Islam is strengthening its grip on daily life. Members of Mr. Erdogan's party have set up zones where liquor is banned in accordance with Islam, though drinking has long been accepted in Turkish society. Secularists have looked with alarm at proposals for women-only parks in Istanbul and the introduction of government-recommended textbooks with Islamic themes, including a character in a Hans Christian Andersen story who wears a head scarf.

Rather than choosing between the Middle East or the West, a wounded Turkey could turn to the emerging economic giants of Russia, India and China in search of allies. Russia has expressed keen interest in using Turkey as a distribution point for energy supplies to the Middle East and the southern Mediterranean.

But Egemen Bagis, a senior adviser to Mr. Erdogan, counters that Turkey will stay moored to Europe, with or without the European Union.

"If the talks with the E.U. fail," he said, "we can be a prosperous, Western-looking democracy outside the E.U. Norway has done this, and so why can't we? We are undertaking reforms not for the E.U., but for the Turkish people."

Turkey And The European Union (NYT)

The New York Times, November 8, 2006

Turkey's negotiations to join the European Union — begun with high hopes — have become a sour affair. The latest blow will fall today, when the European Commission releases a report criticizing Turkey for slowing the pace of domestic reforms and refusing to normalize relations with Cyprus.

There is no mystery to either side's waning enthusiasm. Europeans, confronting the rise of violent Islamic radicalism, are wary about letting a huge Muslim country into the club. In Turkey, nationalists in and out of the military and Islamic fundamentalists are pressuring Prime Minister Recep Tayyip Erdogan to slow reforms. Their hand, in turn, has been strengthened by the anti-Turkey rhetoric spouting from some European politicians.

But none of that alters the fact that Turkey's basic trajectory remains westward, and that the European Union accession talks provide the strongest incentive to keep it on course.

On Sunday, Mr. Erdogan made an important conciliatory gesture, saying he was prepared to alter the infamous Article 301 of the Turkish penal code, which makes it illegal to insult Turkishness. Turkish nationalists have used the measure to harass pro-Western intellectuals — knowing that it will lessen Turkey's chances of joining the E.U. We urge Mr. Erdogan to scrap Article 301 as fast as he can.

That still leaves the vexed issue of Cyprus, which has become even harder to untangle now that the part of the island run by Greek Cypriots has been admitted to the European Union, leaving the Turkish enclave out in the cold. Turkey has valid grievances over that decision.

But the hard fact — as German Chancellor Angela Merkel warned this week — is that there can be no "business as usual" so long as Turkey keeps its ports closed to ships and planes coming from Cyprus. These are tough issues, but not intractable. They are certainly not a reason to abandon a process that is still very much in everyone's interest.

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From: Miller, Charles S
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Subject: 11/8/06 Civil Division News

Appeals court to hear Bush appeal in domestic spying case

CIA seeks more secrecy for key terrorism cases; The CIA is seeking special restrictions on lawyer-detainee relationships for high-value terrorism suspects who were recently dispatched to Guantánamo Bay, Cuba.

Supreme Court Will Hear Arguments On 'Partial-Birth' Abortion Ban

Cancer center fined for Medicare charges; PALM SPRINGS: The whistle-blower alleged the Los Angeles firm overcharged the program.

AP

November 8, 2006

Appeals court to hear Bush appeal in domestic spying case

By DAVID KRAVETS

AP Legal Affairs Writer

SAN FRANCISCO_A federal appeals court agreed Tuesday to review a lower court's refusal to dismiss a lawsuit challenging President Bush's domestic eavesdropping program.

The government is appealing U.S. District Judge Vaughn Walker's decision to keep the suit alive, despite assertions from the Bush administration that the case could expose government secrets and put the nation at risk. Walker ruled that warrantless eavesdropping has been so widely reported that there appears to be no danger of spilling secrets.

Tuesday's decision by the 9th U.S. Circuit Court of Appeals, based in San Francisco, means the appeals court will decide whether Walker was correct to allow the case to proceed to trial.

The lawsuit, brought by the Electronic Frontier Foundation, challenges President Bush's assertion that he can use his wartime powers to eavesdrop on Americans without a warrant. It accuses AT&T Inc. of illegally making communications on its networks available to the National Security Agency without warrants.

In its two-line order, the appeals court did not indicate when it would rule.

The president confirmed in December that the NSA has been conducting warrantless surveillance of calls and e-mails

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thought to involve al-Qaida terrorists if at least one of the parties to the communication is outside the United States.

The administration contends the program is legal and necessary, but has been mum on whether purely domestic calls and electronic communications are being monitored, as the lawsuit alleges.

About two dozen cases with similar allegations against other telecommunication companies have been consolidated in Walker's court. A hearing on how to proceed with those is scheduled before Walker later this month.

The case is Hepting v. United States, 06-8-0109.

END

Miami Herald

Wed, Nov. 08, 2006

CIA seeks more secrecy for key terrorism cases; The CIA is seeking special restrictions on lawyer-detainee relationships for high-value terrorism suspects who were recently dispatched to Guantánamo Bay, Cuba.

BY CAROL ROSENBERG

Even as 14 top al Qaeda suspects are in U.S. military custody, the CIA is still trying to impose secrecy around the high-value detainees now held at the Guantánamo Bay, Cuba, detention center, including alleged 9/11 mastermind Khalid Sheik Mohammed.

The arena for the effort is the U.S. District Court of Judge Reggie Walton in Washington, D.C., where the government is seeking a still-undefined restriction on the attorney-client relationship in the case of Guantánamo captive Majid Khan, one of the 14.

The CIA argues that details of the man's three years of detention and interrogation at so-called black sites -- out of reach of the International Red Cross -- are national security secrets.

Khan's attorney, Gita Gutierrez, argues that the Bush administration's intent is not to safeguard national security but to cover up three years of extrajudicial detention of her client -- to ``conceal illegal or embarrassing executive conduct.''

LINKED TO PLOTS

Khan, 26, was captured in his native Pakistan in 2003. The White House says he is linked to a series of unsuccessful plots to blow up gas stations in the United States, poison U.S. water supplies and assassinate Pakistani President Pervez Musharraf.

It is not known where he was held or how he was interrogated to establish these links. He has not been charged with a crime.

At least some of the 14 men whom President Bush ordered handed over to the military this summer were reportedly submitted to harsh, classified interrogation techniques, including simulated drownings -- known as water-boarding -- to break their will.

Court documents filed by the government suggest that the 14 newest arrivals at Guantánamo, among them alleged Osama bin Laden deputies, would never be integrated into the general population of 437 or so captives for fear they would talk about their secret confinement to other captives, who could, in turn, pass on the details to their lawyers.

SECRET INFORMATION

In seeking to redefine attorney-client contacts, Justice Department lawyers offered a seven-page affidavit from CIA officer Marilyn Dorn, who describes herself as ''the information review officer for the National Clandestine Service.'' Her office, she says, decides what secret CIA documents can be provided to civilian U.S. courts without jeopardizing ``CIA interests, personnel or facilities.''

Because Khan was held for three years in a ''top secret'' program, she says ``he may have come into possession of information, including locations of detention, conditions of detention and alternative interrogation techniques.''

Attorney disclosure in court records of those details, she argues, could compromise clandestine relationships between the United States and its foreign allies.

SECURITY PROCESS

All civilian lawyers at the Guantánamo naval base already go through a rigorous security screening before they are allowed to visit; they then must turn over their notes to the military before they can leave the base. They can only disclose their contents by permission of a classification review team set up by the federal courts.

Now the CIA seeks a more restrictive review and disclosure process whose "particulars . . . are still being worked out," said Justice Department spokeswoman Kathleen Blomquist.

She could not say whether the government will again propose to eavesdrop on attorney-client meetings, authority a court refused to grant three years ago.

NO CIVILIAN COURTS

The Khan case also illustrates the ongoing Bush administration effort to curb civilian court intrusion at Guantánamo, a process that has evolved fitfully around 2 ½ years of court rulings on detainee rights:

First, it says, Khan, a Maryland high school graduate, cannot sue for his freedom in U.S. District Court because Congress has stripped Guantánamo captives of standard habeas corpus recourse.

If he does see a civilian lawyer, it adds, the contents of what he says should be subject to top-secret-style protections more severe than current secrecy reviews.

"As each day passes, the likelihood increases that petitioner Khan will suffer from memory loss and other psychological injuries that will impede his capacity to assist in his representation," Khan's lawyer argues.

Counters Blomquist: ``Khan's and other cases may involve unique, potentially highly classified information not involved in prior Guantánamo cases."

Gutierrez is already acquainted with the Bush administration's tough interrogation policies through an earlier Guantánamo client -- a Saudi named Mohammed al Qahtani whom the Pentagon subjected to such severe interrogation techniques at the naval base that FBI agents protested to headquarters.

END

New York Sun

November 8, 2006

Supreme Court Will Hear Arguments On 'Partial-Birth' Abortion Ban

BY JOSEPH GOLDSTEIN - Staff Reporter of the Sun

November 8, 2006The U.S. Supreme Court will hear arguments in two cases today on the legality of the federal ban on "partial-birth" abortions.

The court is asked to decide whether a 2003 law outlawing the procedure is unconstitutional because it lacks an exception for the pregnant woman's health. This is not a new question for the court, which six years ago struck down, 5–4, a Nebraska law that also lacked a health exception.

But the Supreme Court's roster has changed dramatically since the court decided Stenberg v. Carhart, the Nebraska case. Justice O'Connor, who sided with the majority in the case, retired this year.

Her replacement, Justice Alito, could cast the deciding vote to uphold the Partial-Birth Abortion Ban Act. Alternatively, Justice Kennedy may switch from his position as a dissenter in Stenberg to vote against the law if he finds the question worth deciding to be how much deference the Supreme Court owes Congress.

In some ways, it is surprising that legal observers could be most interested in Justice Kennedy's response to today's arguments, which are scheduled to last two hours.

Justice Kennedy wrote a mournful dissent in Stenberg, chiding the majority for considering the "partial birth" abortion procedure from the vantage of the "abortionist" instead of from "the perspective of a society shocked when confronted with a new method of ending human life."

The "partial birth" abortion debate returns to the Supreme Court this time laden with constitutional questions that were absent from Stenberg. One of the questions is how much deference the court must give to Congress's finding that a health exception is unnecessary because the procedure is never required to protect a pregnant woman.

In Stenberg, the Supreme Court did not arrive at that conclusion. The court could question whether Congress chose to substitute its own constitutional judgment when it should have deferred to the court's findings in Stenberg.

In cases in other areas, Justice Kennedy has carefully protected the court's role as the arbiter of the Constitution.

In an effort to cast doubt on the integrity of Congress's findings, 52 members of Congress who oppose the federal ban submitted an amicus brief saying that Congress's investigation of medical data was results-driven.

"The decision to omit a health exception was not based on any intervening change in medical fact, but founded upon a desire to challenge the prevailing constitutional standard that Stenberg affirmed," the brief reads.

Whether "partial birth" abortions are ever called for to preserve the health of the pregnant woman is debated by both sides. So is the precise definition of "partial birth" abortions and the frequency with which they are performed.

Whether the court is inclined to take offense at Congress's efforts to write over Stenberg is uncertain. There is nothing necessarily illegitimate with Congress asking the court to take a second look at a issue, one observer, law professor Eugene Volokh at the University of California at Los Angeles, said.

Also, the Supreme Court may be inclined to give more deference to a law of Congress than the laws of state legislatures, Mr. Volokh said.

The deciding factor, legal observers say, could be more mundane: a court takes its precedent seriously and is hesitant to overturn itself.

With that in mind, attorneys for Planned Parenthood Federation of America submitted a brief to the court, urging the justices to stand by Stenberg "regardless of whether a majority of this court agreed" with that decision.

The two cases are Gonzales v. Planned Parenthood and Gonzales v. Carhart. Both federal appeals courts to have heard one of the cases ruled the federal ban was unconstitutional.

END

Riverside, CA Press-Enterprise

Nov. 7, 2006

Cancer center fined for Medicare charges; PALM SPRINGS: The whistle-blower alleged the Los Angeles firm overcharged the program.

By KIMBERLY PIERCEALL
The Press-Enterprise

An outpatient cancer center at Desert Regional Medical Center in Palm Springs will pay $900,000 to settle "whistle-blower" allegations it overcharged Medicare, according to the U.S. Department of Justice and lawyers with the case.

Los Angeles-based Comprehensive Cancer Centers Inc. paid $450,000 on Oct. 25 and is expected to pay the remainder by Dec. 8. The company had contracted with Desert Regional Medical Center and has admitted no wrongdoing.

According to the Justice Department, the company overcharged Medicare by $450,000 between 1997 and 2003 when it would "upcode" services, turning a simple exam into a full-blown physical by changing the computer code.

David Marshall, the company's lawyer, described it as a "mistake", not a malicious attempt to bilk Medicare.

"They are decent people and they're trying to work with a very complicated subject and they made a mistake," he said, referring to the employees that enter in the codes.

"Seventy-five thousand dollars annually over a six-year period doesn't sound like a comprehensive plan to in any way defraud the government."

A Desert Regional Medical Center official could not be reached to comment Tuesday.

As part of the settlement, the original lawsuit has been dismissed.

Tenet Healthcare Corp., owner of Desert Regional Medical Center and JFK Memorial Hospital in Indio, reached a $900 million settlement with Medicare in July on charges it overcharged the insurance program.

As a part of that settlement, Tenet agreed to pay Medicare $452,417 in connection with accusations it allowed the Comprehensive Cancer Center at Desert Regional to overcharge Medicare.

The case was filed in July 2003 by Kay Green after the former Desert Regional Medical Center hospital administrator had discovered the excessive charges through an internal e-mail and alerted her supervisors, according to her lawyer, Nanci Nishimura. She said the hospital fired Green in mid-2003 after working at the hospital since 1986, although Nishimura could not confirm Green's dismissal was retaliatory.

"It was with tremendous trepidation and fear and stress to do this," Nishimura said of Green's lawsuit.

Green will receive $189,000 of the settlement for her role in the case.

END

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In observance of the federal Veterans Day holiday, the Attorney General's News Briefing and Department of Justice News Clips will not be published on Friday, November 10.

This morning's Department of Justice News Clips is attached.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

3 Alleged Hamas Militants Go On Trial For Terror Plot (FINDLAW/AP)

AP, November 9, 2006

(AP) - AMMAN, Jordan-Three Hamas militants went on trial Wednesday for conspiring to attack Israeli businessmen, Jordanian intelligence officers and various other locations in Jordan.

Ayman Naji Daraghmeh, 34, Ahmed Abu Rabee, 27, and Ahmed Abu Thiyab, appeared in court but did not submit pleas because they have not appointed lawyers. The trial adjourned to Nov. 15 to allow the defendants time to obtain counsel.

The defendants were also charged with illegal possession of weapons and ammunition.

In April, Jordanian authorities arrested 20 alleged Hamas militants on suspicion of monitoring Jordanian intelligence officers and foreigner tourists to plan for possible attacks. Authorities released all but the three, apparently for lack of evidence.

Al-Daraghmeh gave authorities the location of several weapons caches, the indictment sheet said.

The three, Jordanians of Palestinian origin, confessed in May on Jordanian state TV to conspiring to carry out terrorist attacks and to acquiring weapons and ammunition for Hamas. Al-Daraghmeh said he received he received orders from a high level Hamas leader living in Syria.

Hamas denied the accusations, claiming Jordan was attempting to undermine the Palestinian government, which it leads.

The militants were also charged with monitoring and photographing the Israeli embassy, the residences of the ambassador and other staff, as well as the offices of Jordanian businesses that have dealings with Israeli companies.

If convicted the three men could face the death penalty.

Four To Change Pleas In Northwest Ecoterrorism Case (AP)

DOJ_NMG_0091951

By Jeff Barnard

AP, November 9, 2006

GRANTS PASS, Ore. (AP) — Four people awaiting trial on charges they were part of an ecoterrorism cell that caused $20 million in damages from firebombings around the Northwest are due in federal court on Thursday to change their pleas.

Attorneys for the defendants and the prosecution refused to comment on terms of the plea agreements that will be put before Judge Ann Aiken in U.S. District Court in Eugene.

A total of 13 people were indicted out of Eugene as part of an investigation known as Operation Backfire. Six have pleaded guilty, agreeing to testify against the others, and three are fugitives. A 14th person, Prescott, Ariz., bookstore owner William C. Rodgers, described as the leader of the cell, committed suicide in jail just before he was to be sent to Oregon to face charges.

Related cases are being prosecuted out of Washington and California.

The Oregon defendants were charged with arsons from 1996 to 2001 that were claimed by the Earth Liberation Front and the Animal Liberation Front in Oregon, Washington, California, Wyoming and Colorado.

Authorities said a Eugene-based group calling itself The Family set firebombs around the Northwest to stop logging, wild horse roundups, genetic engineering of plants, sport utility vehicle sales and the expansion of a Vail, Colo., ski resort into endangered lynx habitat.

For years, investigators came up with little more than the remains of five-gallon plastic buckets that had been filled with diesel and ignited with homemade timing devices.

The firebombings stopped after the terrorist attacks of Sept. 11, 2001.

Then a special taskforce adopted a cold case approach and convinced an informant to go to members of The Family with a hidden recording device.

Nathan Frazer Block, 25, of Olympia, Wash., is charged with conspiring to commit arson and topple a high-voltage electric transmission tower in Central Oregon just before the change of the millennium, setting fire to SUVs at the Romania Chevrolet Truck Center in Eugene in 2001 and attempted arson and arson at the Jefferson Poplar Farm in Clatskanie in 2001.

Jonathan Christopher Mark Paul, 40, of Ashland, a wildland firefighter and animal rights activist, is charged with conspiracy to commit arson and topple the electrical tower, and setting fire to a horse slaughterhouse in Redmond in 1997.

Daniel McGowan, 32, of New York City, who was working for a nonprofit law firm helping abused women when he was arrested, is charged with conspiracy to commit arson and toppling the electrical tower, setting fire to the Superior Lumber Co. office in Glendale in 2001, and attempted arson and arson at the tree farm.

Joyanna L. Zacher, 28, of Olympia, Wash., is charged with conspiracy to commit arson, toppling the electric tower, firebombing the SUV dealership, and attempted arson and arson at the tree farm.

AP staffer Typh Tucker contributed to this report from Portland

PATRIOT ACT:

Democratic Victory May Kill Surveillance Bills (GOVEXEC)

By Andrew Noyes, National Journal's Technology Daily

Government Executive, November 9, 2006

The new Democratic-led House could bode well for the civil-liberties crowd. The most pressing issue for the 110th Congress will be quashing efforts they say would allow the continuation of an eavesdropping program authorized by President Bush after the Sept. 11, 2001, terrorist attacks.

Caroline Fredrickson, director of the Washington office for the American Civil Liberties Union, said the shift in leadership may mean "a very profound change" in how lawmakers address the electronic wiretapping initiative of the National Security Agency.

Before recessing for the mid-term election, the House passed a bill, H.R. 5825, to overhaul rules for wiretaps without warrants. The Senate companion measure, S. 2453, did not get a floor vote.

Bush pushed hard in the run-up to the election for Congress to codify the program, Fredrickson said. "I think that is dead."

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The House now can move ahead with "what it should have been doing right from the beginning," she said, which is figuring out the broadness of the program's scope, how many Americans have been spied on and what has been done with the information.

Lawmakers first must return for a short, post-election session, which she said could be "rife with danger." "It provides the greatest opportunity for late-night maneuvers," she said, adding that the ACLU will be vigilant in "scrubbing" any bills that pass.

Leslie Harris, executive director of the Center for Democracy and Technology, said her group will look to the new Congress to "be more skeptical of the president's claims that it's necessary to sacrifice civil liberties for national security."

Before House Intelligence or Judiciary committees take action on NSA spying or similar proposals that arise, she said she hopes they will "engage in the kind of vigorous oversight, investigation and fact-finding that really has been absent in the last four years."

There will probably not be "dramatic rollbacks of national-security-related legislation," like the controversial sections of the USA PATRIOT Act that were reinstated by the 109th Congress, Harris said. One provision involves a special subpoena power that lets the FBI scour library and Internet provider files without search warrants.

George Washington University law professor Jonathan Turley said he looks to the new House to exercise meaningful "oversight after a long and dangerous hiatus." Given the "largely comatose" status of the current Congress, a "great deal of improper or potentially criminal conduct" could have been ignored, he said.

The question of whether Democrats will fight hard on issues like torture and criminal rights for detainees also was on the minds of civil-liberties advocates. Fredrickson said the party will be "pretty cautious" with an eye toward winning the 2008 presidential election, and Turley agreed.

The party may be calculating "how they can avoid doing anything that's controversial," Fredrickson said, which would be "a real shame" because voters asked for change. "They don't want just a passive Democratic Party," she said.

Lisa Graves, deputy director for the Center for National Security Studies, said missteps that have been taken by the Joint Terrorism Task Force, a partnership between the FBI and local law enforcement agencies aimed at tackling terrorism, also must be examined. In particular, she cited reports revealed through Freedom of Information Act requests that the task force has spied on Americans who oppose the Iraq war and other administration policies.

One proposal offered this year would halt funding for the NSA's warrantless wiretapping and "help restore the rule of law," Graves said.

HOMELAND RESPONSE:

Rights Panel Weighs FBI Tactics In Hamoodi Search (COLTRIB)

By MATTHEW LeBLANC

Columbia (MO) Tribune, November 9, 2006

The Columbia Human Rights Commission will consider asking the city council to approve a resolution in support of an Iraqi-American man whose southwest Columbia home was raided by the FBI.

Hamoodi

Federal agents in September searched the Woodberry Court home of Shakir Hamoodi. The FBI has since repeatedly declined to give a reason for the search involving the 54-year-old grocery store owner who also has been an outspoken critic of the Iraq war.

At a meeting last night, supporters of Hamoodi urged commission members to accept a draft resolution that calls for the government to speed up its investigation and publicly release its findings. The measure also asks the FBI to apologize to Hamoodi and his family for searching the home.

Steve Jacobs, a peace activist who spoke last night at the meeting, said the resolution does not claim Hamoodi did nothing wrong. He said the measure was designed to show support for Hamoodi and the local Muslim community.

"We feel like one of our own is being unnecessarily targeted for harassment," Jacobs said. "We think these sort of symbolic actions would go far to show the FBI that we support" Hamoodi.

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After hearing a speech by Jacobs that portrayed Hamoodi as a business owner and charity worker caught in a web of investigative excess, commission members expressed some reservations about whether forwarding the resolution to the city council would be appropriate.

In the end, the human rights panel agreed to consider the measure - but only with the consent of Hamoodi, who was not present.

Glenn Glasgow, who represents the Fifth Ward on the commission, said commissioners typically receive complaints from those who believe their rights have been violated. After that, he said, an investigation is conducted.

Hamoodi has not contacted the commission.

"Even in the absence of a complaint, all we really have are a lot of conclusions about what happened to Shakir, but nothing from him," Glasgow said.

Commission Chairwoman Marie Glaze said the panel would contact Hamoodi and then review the resolution. A report would later be sent to the city council.

"We're going to do this as quickly as we can," Glaze said.

Hamoodi said yesterday he was "surprised" at the show of support, but did not say whether he would agree to the resolution.

It is also unclear whether the city council would agree to accept the resolution. In the past, the panel has been reluctant to vote on issues that do not directly involve things related to city policy.

City Counselor Fred Boeckmann cautioned that "the commission does not have jurisdiction over the FBI" and questioned the usefulness of a resolution.

"It seems like the right thing to do in our society," Hamoodi supporter Jeff Stack said yesterday.

Jeff Lanza, a spokesman for the FBI office in Kansas City, declined to offer more information on the Hamoodi case.

Reach Matthew LeBlanc at (573) 815-1720 or mleblanc@tribmail.com.

F.B.I. Evacuates Part Fort Hood Housing Development (NBC6CTX)

NBC 6 Central Texas, November 9, 2006

Part of a housing development on Fort Hood remained evacuated through Wednesday night.

An F.B.I. spokesperson said a soldier returned from Iraq and noticed items missing from his luggage.

Replacing those items was a jar filled with an unfamiliar substance. The soldier called Fort Hood authorities.

Initial testing by the F.B.I. and Fort Hood showed it might have dangerous materials, but upon further testing, it was found not to be hazardous.

Fort Hood is still investigating its origins. Residents from the Kuma Village were housed off post for the night, but are allowed to return home Thursday.

Agency Considers A-Plants' Vulnerability (NYT)

By Matthew L. Wald

The New York Times, November 9, 2006

WASHINGTON, Nov 8 — With construction of many new nuclear reactors under discussion, the Nuclear Regulatory Commission is grappling with the question of whether they should be designed to withstand a Sept. 11-style airplane attack.

The commission has told its staff to study the vulnerabilities of the four new reactor designs, two of which it has already approved. But it has decided not to make the nuclear power industry meet security requirements any tougher than those for existing plants, which were designed before suicide airliner attacks, and even before the development of such airplanes.

Planes are not on the list of weapons that reactors must be prepared to survive. One of the five commissioners, Gregory B. Jaczko, has called for the panel to require design changes to reduce vulnerability, but the other four seem unpersuaded.

Speaking about protection against aircraft attacks, Mr. Jaczko said in an interview, "We've left it in the hands of Transportation Security Administration, the Federal Aviation Administration and the reactor vendors, who are building these plants, to do what they think is right in this area, and to me that's clearly not the answer."

"We should be requiring they design these plants to withstand such attacks," he said.

DOJ_NMG_0091954

One of one of the four new reactor designs, called the European Pressurized Reactor, is advertised as being less vulnerable to planes.

The commission has required that operators of reactors that are already producing electricity plan what steps they would take in case of airplane attacks to mitigate the effect and minimize releases of radiation. Mr. Jaczko said that improving the new designs before concrete was poured could sharply reduce the number of "mitigating actions" the operators would have to take a plane.attack.

But another member of the commission, Edward McGaffigan Jr., said, "We think we've done enough."

In analyzing security, nuclear engineers talk about multiple components that an attacker would have to reach and disable, which they call "target sets." New reactors, Mr. McGaffigan said, have "a terribly complex set of target sets that makes it highly improbable that a terrorist would succeed."

The commission should not make companies that want licenses to build and operate plants treat an airplane attack the way they would treat an earthquake, flood or other external threat for which they are already designed, he said.

A senior staff member of the commission said, "We want to be able to stand up to answer the logical question: 'Guys, did you look at the aircraft?' We want to be able to say yes, and we're confident that there is no issue, or if there is an issue, we've taken appropriate measures."

The staff member said the commission was stopping short of setting new requirements. He said he could not be identified because he was talking about matters that the five commissioners had not yet settled on.

At the Nuclear Energy Institute, the industry's trade association, Adrian Heymer, senior director for new plant deployment, said designers had analyzed existing plants and made many changes that cost little but made the new designs more difficult to attack. But, in general, Mr. Heymer said, protecting against terrorism was a government function.

"Refineries, tall buildings, those are the responsibility of federal government to protect," he said.

The commission is scheduled to meet on Thursday at its headquarters in Rockville, Md., to discuss licensing procedures for new reactors.

At the Union of Concerned Scientists, an advocacy group, David Lochbaum, a nuclear engineer, said that in the early 1980s the commission had convened outside experts to talk about hardening new reactors against plane crashes.

Industry experts, Mr. Lochbaum said, talked about some simple steps. For example, backup electricity generators could be positioned on two sides of the plant instead of in one place. Control rooms could be put in less vulnerable spots, and the pools that hold radioactive spent fuel could be hardened. The studies were classified after the attacks of Sept. 11, 2001, he said.

Representative Edward J. Markey, Democrat of Massachusetts, a critic of the nuclear power industry and the commission, says more should be done. In a statement, Mr. Markey said the commission should not only require design features to protect against airplane attacks but should also consider attacks by large truck bombs.

The commission has required substantial changes at existing reactors but has been reluctant to consider the threat of terrorism in the same way it handles other risks. For example, it has refused to consider the risk of terrorism in environmental impact statements, arguing that in contrast to earthquakes or mechanical failures, it does not know what probability to apply to attacks.

A California group, San Luis Obispo Mothers for Peace, won a decision in the United States Court of Appeals for the Ninth Circuit saying the regulatory commission must consider terrorism.

Pacific Gas & Electric, a California utility, has asked the Supreme Court to hear the case.

WAR NEWS:

Bush Ousts Embattled Rumsfeld; Democrats Near Control Of Senate (WP)

By Michael A. Fletcher, Peter Baker

The Washington Post, November 9, 2006

DOJ_NMG_0091955

President Bush emerged from an election in which his party took what he described as a "thumping" and ousted Defense Secretary Donald H. Rumsfeld yesterday, saying that a "fresh perspective" is needed to guide the military through the difficult war in Iraq.

Speaking at a White House news conference the day after Democrats took control of the House of Representatives, and possibly the Senate, an apparently chastened and conciliatory Bush said he was nominating former CIA director Robert M. Gates to replace the long-embattled Rumsfeld.

After six years of a presidency that has been about drawing lines against the Democrats and taunting them as weak, Bush presented a sharp about-face in an appearance in the White House East Room. "What's changed today is the election is over," he said, "and the Democrats won."

Acknowledging that the elections amounted to a rebuke of Republican leadership, Bush said voters had signaled they wanted cooperation and problem-solving in Washington.

If anything, he seemed to greet defeat with an air of relief, as though the results had allowed him to abandon an all-is-well pretense that was increasingly at odds with his actual political circumstances.

He said that he had begun to contemplate Rumsfeld's exit before the election -- even while he was publicly vowing that he would keep the defense secretary through the end of his term and insisting that polls forecasting Republican defeat were wrong. "I thought we were going to do fine yesterday," Bush insisted. "Shows what I know." But "win or lose, Bob Gates was going to become the nominee."

Rumsfeld understood as well as he did, Bush said, that "Iraq is not working well enough, fast enough."

The defense secretary's removal was part of a broader White House effort to restructure Bush's presidency in the wake of the Democratic victory. Beyond the switch at the Pentagon, White House aides in recent weeks developed an agenda designed to attract bipartisan support, including an increase in the minimum wage -- a longtime Democratic priority -- as well as comprehensive immigration legislation, energy measures, and the extension of the No Child Left Behind education program.

"The message yesterday was clear," Bush said. "The American people want their leaders in Washington to set aside partisan differences, conduct ourselves in an ethical manner, and work together to address the challenges facing our nation."

Despite the sharp confrontation that has characterized his tenure, Bush "will make the best of the situation he finds," predicted Ari Fleischer, his former press secretary. "If that means he'll compromise, he'll do so. The question is, will the Republican base let him? And will the Democratic base let Nancy Pelosi and Harry Reid compromise?"

Some senior voices from the Republican base already are urging Bush to forget cooperation. "I guess you're supposed to say that, regardless of whether you're actually planning on doing it. I hope he doesn't really mean it," said Grover G. Norquist, president of Americans for Tax Reform. Instead, he said, Bush should use the next two years to define differences between the parties heading into the 2008 election.

Although the White House had insisted repeatedly that it was not making contingency plans for a Democratic victory, an official said yesterday that Chief of Staff Joshua B. Bolten assigned deputies Karl Rove and Joel D. Kaplan, national security adviser Stephen J. Hadley, counselor Dan Bartlett, and other aides to begin "quietly preparing in case this eventuality came," the official said.

The removal of Rumsfeld stunned Washington, because Bush had stubbornly resisted calls to dump his Pentagon chief for years despite rising pressure from within his own party and the ranks of retired generals. He had twice refused Rumsfeld's offered resignation during scandals over military detainment and interrogation methods, and he had rebuffed bids by his chief of staff to remove the defense secretary. Just last week, Bush declared publicly that he wanted Rumsfeld to remain at the Pentagon for two more years.

Gates served as CIA director and deputy national security adviser in the administration of Bush's father, whose foreign and defense policies have long been implicitly criticized as weak by some senior officials of the current administration. He is currently a member of a bipartisan panel headed by the former president's secretary of state, James A. Baker III, that is studying the Iraq situation and is scheduled to make policy recommendations in the next few weeks. Signaling a likely shift in Iraq policy for an administration that has been loath to make significant changes in how it wages the increasingly unpopular war, Bush yesterday made several references to the upcoming Baker report.

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While emphasizing his campaign insistence that the United States cannot leave Iraq without achieving victory, Bush said that Gates "can help make the necessary adjustments in our approach." He said his national security team would meet with members of both parties in coming weeks to brief them on developments in Iraq and listen to their ideas for moving forward.

Rumsfeld earned a small army of enemies inside and outside the Pentagon during his tumultuous tenure, and his critics rejoiced at his departure yesterday. Just minutes before Bush announced the defense secretary's departure, Rep. Nancy Pelosi (D-Calif.), suggested at her inaugural news conference as likely the next House speaker that the president dump Rumsfeld in response to the election. She and other Democratic leaders later welcomed the move and said they hoped it would prove to be the beginning, not the end, of change in Bush's leadership in Iraq.

"I hope the departure of Mr. Rumsfeld will mark a fresh start toward a new policy in Iraq," Pelosi said.

A number of Republicans were equally hopeful that the president's apparent openness would culminate in policy changes.

"This change in leadership at the Pentagon is the right opportunity for the administration to develop a new strategy," said Sen. Susan Collins (R-Maine). "The current approach has not led to a reduction in the insurgent violence that our troops and the Iraqi people face every day."

Bush cautioned the nation's enemies not to take heart from Rumsfeld's removal or the election results. "Do not be joyful," he said. "Do not confuse the workings of our democracy with a lack of will."

Still, some of those waging the insurgency in Iraq reacted with glee to Rumsfeld's ouster. "We hope that Bush will go next, after this butcher, who's responsible for killing tens of thousands of civilian people in Iraq and Afghanistan," Abu al-Zubeir Dulami, a member of the Mujaheddin Shura Council, an umbrella organization for al-Qaeda in Iraq and other Sunni insurgent groups, said by telephone from Ramadi. "We consider it a big accomplishment for the people of al-Qaeda in Iraq."

Bush said that Rumsfeld would serve until Gates is confirmed. White House officials were exploring yesterday whether the current Senate could act on his nomination during a lame-duck session later this month or if the matter would have to wait until the new Senate convenes Jan. 3. His confirmation would raise questions about the fate of other top Pentagon officials, particularly Deputy Defense Secretary Gordon England and Undersecretary of Defense for Intelligence Stephen A. Cambone. Cabinet secretaries typically get to bring in their own teams.

Gates has privately expressed deep reservations about the situation in Iraq, according to at least one person who has spoken to him about it in the context of the Baker group's deliberations. "He is basically very concerned about what is happening over there, and he thought that bad mistakes were made -- and he was frustrated that the administration was unable to adjust and make the changes that he feels needed to be made."

A Meek Departure From The War Cabinet (WP)

By Thomas E. Ricks, Michael Abramowitz

The Washington Post, November 9, 2006

With a wry smile, Donald H. Rumsfeld gently alluded to the controversies of his tenure as defense secretary, perhaps the most consequential since that of Robert S. McNamara during the Vietnam War.

Thanking the president for the opportunity to serve, Rumsfeld said in a brief Oval Office session yesterday afternoon that the experience brought to mind the words of Winston Churchill -- "something to the effect," he quipped, "that I have benefited greatly from criticism, and at no time have I suffered a lack thereof."

It was a rare melancholy moment for the alpha male and onetime Princeton wrestler who ran roughshod over the military brass, sparred bitterly with the media and mounted fierce rear-guard battles against the State Department during a six-year run that saw him become, first, an unlikely television celebrity and then the face of an unpopular war.

Though Bush affectionately patted Rumsfeld on the shoulder as he ushered him out of the Oval Office, there was little sugarcoating the reality that the defense chief, 74, was being offered as a sacrificial lamb amid the repudiation of Bush and his Iraq policy that the American electorate delivered on Tuesday.

Andrew H. Card Jr., then the White House chief of staff, had actually recommended this course of action to Bush two years ago. The fact that the defense chief lasted so long in the job was essentially a reflection of the fact that, in firing Rumsfeld, "you

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are basically admitting you made some serious mistakes in the conduct of the war," observed former White House chief of staff Leon E. Panetta.

What is certain to be long debated is Rumsfeld's legacy at the Pentagon, which involved two tours. The first lasted 14 months in 1975 and 1976, when, at just 43, he served as the youngest defense secretary ever under President Gerald R. Ford and as a close ally of then-White House chief of staff Dick Cheney. (It was Rumsfeld who first recruited Cheney into the Nixon administration.)

Admirers and detractors alike credit Rumsfeld with an unusual willingness to question prevailing assumptions, such as where U.S. troops should be deployed overseas, and to shake up a Pentagon bureaucracy that he regarded as an impediment to making changes necessary to confront new and evolving threats to the United States.

Where they split is over whether Rumsfeld had the capacity to carry out true institutional change at the Pentagon, since from Day One he alienated top military brass and powerful congressional figures with his brusque manner and confusing decision-making process.

On Iraq, Rumsfeld found himself increasingly questioned by generals, lawmakers and others over miscalculations that included not planning adequately for the post-invasion occupation and failing to recognize soon enough the nature of the insurgency, as well as what they regarded as his derelict handling over the past five years of the detainee and interrogation controversies at the Pentagon.

With Rumsfeld's departure, most of the top Pentagon civilians responsible for planning the invasion and early occupation of Iraq are gone.

Early into the Iraq occupation, Rumsfeld was being compared by many military men to McNamara, resented by the military for the perception that he micromanaged matters during the Vietnam War.

"McNamara, for four years of Vietnam going down the toilet, was absolutely convinced with a religious zeal that what he was doing was the right thing," Thomas E. White, who was Rumsfeld's first Army secretary, once said. "It wasn't until 30 years later that it dawned on him that he was dead wrong. And I think you have the same thing with Don Rumsfeld."

Aides said Bush began thinking about making a change about a month ago, increasingly convinced that he needed to do something dramatic to shake up an Iraq situation that was deteriorating by the day.

"It was an evolving process," said one senior administration official, who spoke on the condition of anonymity to discuss internal deliberations. "It was a cumulative effect of where we are in the war, where the president wants to take us in the next two years."

Bush brought up the subject at one of his regularly scheduled weekly meetings with Rumsfeld, the first of several searching conversations about what to do in Iraq. But the president resisted making the change until after the elections out of concern that it would get caught up in the white-hot campaigns.

In the past, Vice President Cheney resisted proposals to dump Rumsfeld, according to a book by The Washington Post's Bob Woodward. White House officials said they did not know whether he did so again this time. Cheney spokeswoman Lea Anne McBride said the vice president "doesn't discuss the advice given to the president."

Bush was already thinking about sacking Rumsfeld when he met with news service reporters on Nov. 1, but, by his own account, he decided to mislead them to preserve the secret. One reporter asked Bush if he wanted Cheney and Rumsfeld to remain through the end of his term, on Jan. 20, 2009. The president answered yes.

In fact, Bush was then busily searching for a replacement for Rumsfeld. Former secretary of state James A. Baker III, a close friend and ally of Bush's father who is heading a blue-ribbon commission studying options for Iraq, had praised Robert M. Gates to the president, but he did not recommend him for the Pentagon job, nor did he recommend that Rumsfeld be ousted, the senior official said.

Other candidates were considered, but Bush met only with Gates, on Sunday at his Texas ranch. After flying back to Washington on Election Day, Bush met with Rumsfeld in the Oval Office to tell him that he was going forward with the move. The president sat down with Gates again at the White House yesterday morning before announcing the appointment.

Although Rumsfeld contributed position papers to the Bush campaign in 2000, he was not a close member of the Texas governor's brain trust; and he was not the president-elect's first choice for defense secretary. But Bush turned to him at Cheney's

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suggestion, made in part as a way of providing a counterweight to Colin L. Powell, who had already been chosen as secretary of state. Conservatives were nervous about the power that the moderate, multilateralist Powell, a former chairman of the Joint Chiefs of Staff, might wield over defense as well as foreign policy.

Rumsfeld's assertive voice on foreign policy matters stems from the early days of the Bush administration, when he advised the new president to limit his involvement in the Israeli-Palestinian conflict, and to adopt a tough line on issues including North Korea and China. Although Rumsfeld was considered less an ideologue than an unyielding iconoclast, he brought with him to the Pentagon's executive suites and advisory councils a collection of neoconservatives with strong views on the Middle East, Russia, China and other foreign policy issues. They clashed at nearly every turn with officials of Powell's State Department, setting up an internal conflict that would run through Bush's entire first term.

Rumsfeld's early efforts to speed military transformation were stymied by resistance to requested budget increases. Many in Congress -- in both parties -- were put off by his abrasive style, and he had already alienated many in the Defense Department. There were widespread rumors in the summer of 2001 that he would not last through Bush's first year. Then came the Sept. 11, 2001, attacks, and Rumsfeld suddenly appeared on the cover of the conservative National Review, drawn with bulging muscles and wearing a Superman costume. Once the Taliban and al-Qaeda were vanquished in Afghanistan, he quickly turned his attention to Iraq as a testing ground for his transformation ideas.

"There is an upside and a downside to Rumsfeld," said one retired four-star general who had been close to Rumsfeld and who spoke on the condition of anonymity to speak more candidly. "The upside is that he came to the job with a valid vision of the need for, and ideas about how to transform the military and to make it more suitable for the new century. The downside is that he muddled the [Iraq] war so badly that nobody is ever going to remember the upside."

Rumsfeld seemed uninterested in the ideas of others around him, particularly those within the uniformed services. By numerous accounts of those who worked with him, he did not encourage the questioning of his ideas or orders and was quick to ridicule ideas with which he did not agree.

Eliot A. Cohen, a professor of strategic studies at Johns Hopkins University who closely follows the Pentagon, offered a more sympathetic account of Rumsfeld's tenure.

"This is a guy who has devoted an enormous amount of his career to service and doing his best as he understood it," said Cohen. "To a large extent, he got turned into a scapegoat and also a caricature -- the fire-breathing bully. My experience with him is that he could be an excellent listener.

"He deserves his share of the blame for what happened," Cohen added. "but to think that it is entirely his fault . . . would be missing the point."

Rumsfeld's account yesterday in the Oval Office of the fighting in Iraq and Afghanistan might also stand as his defense of his record: "The first war of the 21st century . . . is not well known, it was not well understood. It is complex for people to comprehend."

Rumsfeld Resigns; Bush Vows "To Find Common Ground"; Focus Is On Virginia (NYT)

By Sheryl Gay Stolberg, Jim Rutenberg

The New York Times, November 9, 2006

WASHINGTON, Nov. 8 — Faced with the collapse of his Republican majority in Congress, President Bush responded swiftly on Wednesday by announcing the departure of Defense Secretary Donald H. Rumsfeld and vowing to work with Democrats “to find common ground” on the war in Iraq and domestic issues.

With Democrats having recaptured the House and control of the Senate depending on the outcome of a single unsettled contest in Virginia, Mr. Bush, sounding alternately testy and conciliatory at a White House news conference, said he was “obviously disappointed.” He portrayed the results as a cumulative “thumping” of Republicans and conceded that as head of the party, he bore some responsibility.

In Virginia, though Senator George Allen had not conceded Wednesday night, the Democrat, Jim Webb, was confident enough of victory to begin talking about transition. Mr. Allen’s defeat would mean that the Democrats would control the Senate for the first time since 2002 and would control both houses of Congress.

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Just days after telling reporters that he would keep Mr. Rumsfeld on for the rest of his term, Mr. Bush said that the two had agreed "after a series of thoughtful conversations" that it was time for Mr. Rumsfeld, a magnet for criticism about management of the war, to go.

The president asked Robert M. Gates, who was director of central intelligence under Mr. Bush's father, to take over at the Pentagon at a time when the administration is under intense pressure to develop a new approach in Iraq.

Senior White House officials said the Rumsfeld resignation had been discussed for weeks, coming as the violence intensified in Iraq and a growing number of critics — including Republicans — called for the secretary's firing.

Several weeks ago, with the White House's own internal polls showing Democrats making gains on antiwar sentiment, Mr. Bush and a few top aides began a series of secret meetings to discuss what he knew would be an explosive announcement.

Meanwhile, the president was holding heart-to-heart talks with Mr. Rumsfeld. As the longest-serving member of Mr. Bush's cabinet — and a member of Mr. Bush's father's cabinet as well — the defense secretary had always enjoyed Mr. Bush's unconditional public support.

The impending resignation was so closely held that the chairman of the Senate Armed Services Committee, Senator John W. Warner of Virginia, did not learn of it until Mr. Rumsfeld called him 45 minutes before it was announced. The White House was also wary about how the news might affect the election.

"It's like when you get asked about the dollar," one senior White House official said in describing why Mr. Bush gave no hint of the resignation when asked directly about it last week. "If you don't give the same answer every time, the markets move."

The timing of the announcement left no doubt that Mr. Bush wanted to make a dramatic demonstration of flexibility in dealing with a war that has come to define his presidency.

The White House said it had not yet determined whether to ask the departing Republican-controlled Senate to take up the Gates nomination or to wait for the new Senate, potentially in the hands of Democrats, to take it up next year. But Mr. Warner said he would like to see Mr. Gates confirmed by the end of the year, if possible.

Tuesday's vote ripped apart the political landscape in Washington just two years after Mr. Bush won re-election and declared that he intended to expend his political capital on behalf of an ambitious agenda.

While members of both parties said the election was about the war as much as anything, Republicans opened a debate about whether they had also been undone by failing to stick closely enough to conservative principles. Republicans in the House moved toward overhauling their leadership, and presidential contenders in both parties began preparing for an almost immediate start to the 2008 campaign.

Democrats picked up at least 28 seats in the House, putting them in control of that chamber for the first time in 12 years.

By midday Wednesday, Democrats had won one of the two Senate races that had been left undecided overnight, claiming a seat in Montana from the incumbent Republican, Conrad Burns.

In Virginia, the Democrat, Mr. Webb, held a lead of less than 0.5 percent of the 2.3 million votes cast, aides to Mr. Allen suggested on Wednesday evening that he could acknowledge defeat as early as Thursday afternoon.

After spending weeks questioning Democratic approaches to the economy and national security as dangerous for the nation, Mr. Bush said he recognized "that many Americans voted last night to register their displeasure with the lack of progress" in Iraq. He said he intended to "work with the new Congress in a bipartisan way" and invited leading Democrats to meet with him at the White House beginning on Thursday.

Representative Nancy Pelosi, the California Democrat who is now expected to become the first female speaker of the House, said Mr. Bush had invited her to lunch, calling her "Madam Speaker-elect."

Senator Charles E. Schumer, the New York Democrat who spearheaded his party's campaign to take back the Senate, said he had received calls from Mr. Bush's press secretary, Tony Snow, and his chief political adviser, Karl Rove, as well as the president himself. Mr. Schumer said he thought it meant the White House was serious about reaching out.

"He was gracious," the senator said of Mr. Bush. "He said, 'You did an amazing job, congratulations.' He said, 'I wish you were on my team.' And I said, 'No you don't, Mr. President.' "

In the Capitol, Ms. Pelosi vowed to use the first 100 hours of the new Congress to push through what Democrats dubbed their "Six for '06" agenda.

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That program includes calls to raise the minimum wage, repeal subsidies for oil companies and incentives for companies to send jobs overseas, cut interest rates on student loans, give the government the authority to negotiate with pharmaceutical companies for lower prescription drug prices, and expand opportunities for embryonic stem cell research. On one of those issues, the minimum wage, Mr. Bush signaled there was room for a deal, as he also did on immigration.

But Democrats made it clear that their first order of business, even before taking over in January, would be pressing the Bush White House to change course in Iraq.

Senator Harry Reid of Nevada, the Democratic leader, called for Mr. Bush to convene a bipartisan summit meeting on Iraq. Ms. Pelosi, apparently unaware that Mr. Rumsfeld's resignation was about to be announced, called pointedly on Mr. Bush to get rid of the secretary of defense, saying it would "signal an openness to new, fresh ideas."

As Democrats turned their attention to governing, Republicans — including Mr. Bush — grappled with their losses. Although Mr. Bush had been insisting in public that he was confident Republicans would retain control of both houses of Congress, his aides said privately on Wednesday that the president knew as early as several weeks ago that Democrats were likely to capture the House, even as he hoped for an upset.

"If you look at it race by race, it was close," the president told reporters in the East Room of the White House. "The cumulative effect, however, was not close. It was a thumping."

Washington has been a one-party Republican town for almost the entire six years Mr. Bush has been president. Tuesday's election ended any talk about Republicans establishing a permanent majority in the capital and upset a power structure that extended from Congress and the White House through the network of lobbyists, interest groups and donors who have supported Republicans and their agenda for years.

"We're going to take a two-year hiatus," Representative Thomas M. Reynolds of New York, chairman of the National Republican Congressional Committee, told reporters at a morning news briefing. Of Ms. Pelosi, he said: "My goal and job will be to make sure she never sets the record that Denny Hastert set."

Mr. Reynolds was referring to the current speaker, Representative J. Dennis Hastert of Illinois, who has held the job longer than any other Republican in the nation's history. Mr. Hastert issued a statement on Tuesday saying he would not seek the role of minority leader in the new Democratic-controlled House.

In addition to upending the balance of power between the parties in Washington, Tuesday's election also set up a leadership scramble within the parties themselves. Two Democrats, Representative Steny H. Hoyer of Maryland and Representative John P. Murtha of Pennsylvania have both said they will seek the position of majority leader, to replace Ms. Pelosi if, as expected, she moves up to speaker.

And there has been speculation that Representative Rahm Emanuel, the chairman of the Democratic Congressional Campaign Committee who is widely viewed as an architect of Tuesday's House victory, would seek the position of Democratic whip. Mr. Emanuel said Wednesday that he had not made any decision about the whip's race but would do so "in short order."

At the other end of Pennsylvania Avenue, Mr. Bush gathered his senior aides — Mr. Rove; Joshua B. Bolten, the White House chief of staff; and Dan Bartlett, counselor to the president — in the Oval Office before 7 a.m. Wednesday to assess the new power structure on Capitol Hill.

Although the White House had been insisting for weeks that it was not planning for a Democratic takeover, those in the room were part of a small cadre of presidential advisers, also including the national security adviser, Stephen J. Hadley, and the domestic policy adviser, Joel D. Kaplan, who had already been doing just that.

"We got thumped, it's time, let's go," Mr. Bush said, according to one person who was present at the early morning meeting. "Let's get them on the phone. Is it too early?"

Aides to Mr. Bush said they wanted to make some fast moves to show they were nimble in the face of the new challenge and to seize at least some of the stage on a day that belonged to Democrats. At the same time, they said, they wanted to show they had heard the voters' message that it was time for a new direction in Iraq.

And they said Mr. Gates was someone the president was comfortable with; Mr. Bush considered him for the position of director of intelligence, now held by John D. Negroponte.

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Mr. Gates and the president met secretly on Sunday at Mr. Bush's ranch in Crawford, Tex.; to avoid the prying eyes of reporters and low-level White House officials who were camped out in nearby Waco, Mr. Gates met senior aides to Mr. Bush in the little town of McGregor and was then spirited into the ranch, aides said.

Mr. Gates, the president of Texas A&M University, had a difficult confirmation as director of central intelligence 15 years ago because of accusations that he had slanted intelligence. Senator Carl Levin of Michigan, the senior Democrat on the Senate Armed Services Committee, pledged to give Mr. Gates "a fair and fresh look," despite voting against his confirmation in 1991.

Despite the pronouncements of bipartisanship on both sides, there were questions about how Mr. Bush would work with a party whose Senate leader, Mr. Reid, has called him "a liar," and whose House leader, Ms. Pelosi, has called him "incompetent."

Asked in an interview on ABC News about her comments that Mr. Bush was incompetent, Ms. Pelosi replied, "Incompetence in the implementation of a war is dangerous," but she quickly added that it was time to move past old conflicts.

Mr. Bush, meanwhile, was asked at his news conference how he could have been so hopeful of Republican victory in the face of polls predicting such serious losses.

"I thought when it was all said and done, the American people would understand the importance of taxes and the importance of security," the president said. "But the people have spoken, and now it's time for us to move on."

Nomination Offers "fresh Perspective" On Iraq (USAT)

By Susan Page, Matt Kelley

USA Today, November 9, 2006

WASHINGTON — Stay the course?

The White House announced two weeks ago that President Bush no longer planned to utter that signature phrase about the war in Iraq, and with a stunning White House announcement Wednesday that signal went beyond rhetoric: Defense Secretary Donald Rumsfeld, an architect of the Iraq war, was stepping down.

To replace him, President Bush turned to an adviser to his father's administration, former CIA director Robert Gates, a member of the bipartisan commission that is now putting the final touches on a report with recommendations on what to do about Iraq.

Endorsing the need for a "fresh perspective," the president opened the door to changing tactics in the war, though he didn't back away from its justification.

"I recognize that many Americans voted last night to register their displeasure with the lack of progress being made there," Bush told an East Room news conference. He said voters, increasing the ranks of Democrats in the House and Senate, had delivered his party a "thumpin'. "

The morning after the worst setback for Republicans on Capitol Hill since Watergate, the president sought to rescue the final two years of his tenure from being paralyzed by an increasingly violent and unpopular war.

He gave what military analyst Charles Pena calls "a peace offering" to Democratic congressional leaders who have been demanding Rumsfeld's departure for months. An hour before news of the resignation began to leak Wednesday, Rep. Rahm Emanuel, D-Ill, chairman of the triumphant Democratic Congressional Campaign Committee, had declared the Pentagon chief's ouster a priority for the incoming Democratic majority.

"It's clear that what we're doing (in Iraq) is not working," Emanuel said at his first news conference of the day. "We need both a new strategy and a management team, at least in the secretary, that does that."

In January, with control of one or both houses of Congress, the Democrats would have been in a position to do more than complain about Rumsfeld. Rep. Ike Skelton, D-Mo., in line to become chairman of the House Armed Services Committee, told reporters Wednesday that he planned to create a subcommittee to focus on oversight and investigations of the Pentagon.

"Will this change the policy?" Skelton asked of Rumsfeld's departure. "I don't know. I certainly hope so." He added, "I'd rather have that than have a new face with the old policies of stay-the-course and keep feeding young people into the cauldron of Iraq."

Rumsfeld was characteristically wry as he stood between his boss and his intended successor in the Oval Office Wednesday afternoon.

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"It's been quite a time," he said. "It recalls to mind the statement by Winston Churchill — something to the effect that 'I have benefited greatly from criticism, and at no time have I suffered a lack thereof.' " Bush laughed at that.

The brusque Pentagon chief was also uncharacteristically emotional as he finished his comments. There was an audible catch in his voice when he said the "young men and women in uniform … remain in my prayers always." Bush gave him three hearty slaps on the back as the men walked out.

A former Eagle Scout and Navy pilot, Rumsfeld was elected four times as a congressman from suburban Chicago, then served in the Nixon White House. (There, he gave a young congressional fellow named Dick Cheney a job; Cheney as vice president returned the favor a quarter-century later by putting forward Rumsfeld's name for the Pentagon post.) As President Ford's chief of staff, Rumsfeld struggled to manage the repercussions of a Watergate scandal that decimated GOP ranks in Congress in the 1974 midterm elections.

In 1975, at 43, he became the youngest secretary of Defense.

In 2001, at 68, after earning a fortune at J.D. Searle Co. and elsewhere, he became the oldest secretary of Defense. It was, he told Bush Wednesday, "a wholly unexpected opportunity."

Skelton says Rumsfeld plans to stay on the job until Gates' nomination can be confirmed by the Senate. If he does, Rumsfeld late next month will add one more milestone to his resume: the longest-serving secretary of Defense. He'll surpass the tenure of Robert McNamara, who was pushed to resign in 1968 as President Johnson struggled to manage an unpopular war in Vietnam.

Rumsfeld's legacy at the Pentagon during this tour of duty is mixed, analysts say.

"There's much that Rumsfeld did that's commendable: His focus on transformation of the military, on quicker responses, on a variety of new thinking," says Kurt Campbell, a former Pentagon and National Security Council official for President Clinton. He is now a scholar at the non-partisan Center for Strategic and International Studies. "But because of Iraq, much of his legacy is likely to be considered tragic."

Rumsfeld returned to the Pentagon determined to transform the U.S. military into a leaner, more agile and technologically sophisticated force. Critics say his insistence on a "lean" invasion force in Iraq — despite the views of Army Chief of Staff Gen. Eric Shinseki and others — and the failure of U.S. forces to control the looting and disorder that followed Saddam Hussein's ouster contributed to the current impasse in Iraq.

During the months after the 2001 terrorist attacks, when the United States invaded Afghanistan, Rumsfeld was a media star and a calming and unifying leader, says Barry Blechman, head of the military consulting firm DFI International and a member of the secretary's policy advisory board.

"The president made some excellent speeches, but on a day-to-day basis, it was Rumsfeld's steadfastness, determination and involvement that people saw," says Blechman. Rumsfeld's sharp rejoinders to reporters and his ruminations about "known knowns, known unknowns and unknown unknowns" made the Pentagon's televised briefings fodder for comedy routines on late-night TV.

But Rumsfeld made a "tragic mistake" in Iraq, Blechman said. "He made one big mistake, in that he believed those who said that all we had to do is get rid of (Saddam) Hussein and we didn't have to worry much about what would happen afterwards. As a result, we didn't plan properly for the period that followed Hussein's demise and made some bad decisions about how to conduct the occupation."

A half-dozen retired generals this year began publicly criticizing Rumsfeld's leadership, among them, three who had served in Iraq under Rumsfeld. An editorial in the Army Times, Navy Times, Air Force Times and Marine Corps Times (publications owned by Gannett, which also owns USA TODAY) last week called for his resignation.

Rumsfeld's resignation comes after a spike in sectarian violence during the Muslim holy month of Ramadan helped push the death toll for U.S. troops to 105 in October, the fourth-deadliest month since the invasion in March 2003.

Military commanders have shifted hundreds of American forces to Baghdad to crack down on Sunni and Shiite militias, but U.S. generals acknowledge that effort has fallen short of expectations.

Rumsfeld's departure doesn't make the policy options any less problematic, however.

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"If there were easy solutions, we would have figured out what they were a long time ago," says Ivo Daalder, a national-security aide in the Clinton White House. "Everyone is looking for the Holy Grail, to withdraw with honor, to not leave the mess worse than it is today."

That may not be possible, he says. "Basically, it seems to me we either accept defeat and its consequences, or we just in one form or another continue down a course that makes us accept defeat down the road, and the consequences being larger."

The 10-member bipartisan panel is due to issue recommendations soon. Chaired by former secretary of State James Baker and Lee Hamilton, former House International Relations Committee chairman, the committee has worked with four task forces studying Iraq's "strategic environment," military and security situation, political development, and economy and reconstruction.

The members include Gates, former Supreme Court justice Sandra Day O'Connor and Vernon Jordan, a former adviser to President Clinton.

Sen. Joseph Biden, D-Del., the ranking Democrat on the Senate Foreign Relations Committee, predicts the commission's options will include the substantial redeployment of U.S. forces, consultation with Iraq's neighbors, including Iran and Syria, and increased political independence for Iraq's ethnic regions. The panel "will give the administration the necessary political room to be able to make a radical change," Biden says, especially with a new secretary of Defense in charge.

Rep. John Murtha, D-Pa., a critic of the war who testified before the commission, says he believes it will propose deploying U.S. troops away from the daily crossfire between Iraqi factions. "I see signals that they are talking about benchmarks and redeployment sooner rather than later," he says.

Gates is a 26-year veteran of the CIA, named by the first President Bush to head the agency. A native of Wichita, Gates is now president of Texas A&M University, where the elder Bush's presidential library is located. While Rumsfeld sometimes flares with drama, Gates personifies the circumspect analyst.

John McLaughlin, a former CIA deputy director who worked for Gates, says "it's not inconsequential" that Gates is a member of the commission.

"What we're seeing is a convergence of pragmatic people from Bush I, Bush II and Congress on the next steps" in Iraq, he says.

An unscientific sampling of opinion from members of the military who have served in Iraq and their families found a range of views about Rumsfeld.

"To be honest with you, I thought we were doing a good job in Iraq helping the Iraqi people liberate themselves from the few people who don't want us there," says Luis Valdovinos of Riverside, Calif. He left the Marine Corps last year after two tours in Iraq. He proudly remembers shaking Rumsfeld's hand when the secretary visited troops at the Al Asad base in Iraq in 2004.

Army Reserve Sgt. 1st Class Carl Church, of Hemet, Calif., is ambivalent. "My reaction is, hopefully, some good will come of it," he says of Rumsfeld's departure. "There's some good decisions (in Iraq) and there's some bad decisions. They say the commanders in the field are running things, and some people say the politicians are running things. I have no idea."

"I think we need a change and maybe some fresh perspective," says Gailo Bodenhamer of Belton, Texas, outside Fort Hood. Her husband, Army Capt. Jonathan Bodenhamer, is a company commander slated to come home next week after a second year-long combat tour in Iraq.

Maybe new leadership will mean he won't have to return a third time, Bodenhamer says.

Rumsfeld Quits; Bush Taps Gates For Post (AP)

By Robert Burns, Katherine Shrader

AP, November 8, 2006

After years of defending his secretary of defense, President Bush on Wednesday announced Donald H. Rumsfeld's resignation within hours of the Democrats' triumph in congressional elections. Bush reached back to his father's administration to tap a former CIA director to run the Pentagon.

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The Iraq war was the central issue of Rumsfeld's nearly six-year tenure, and unhappiness with the war was a major element of voter dissatisfaction Tuesday — and the main impetus for his departure. Even some GOP lawmakers became critical of the war's management, and growing numbers of politicians were urging Bush to replace Rumsfeld.

Bush said Robert Gates, 63, who has served in a variety of national security jobs under six previous presidents, would be nominated to replace Rumsfeld. Gates, currently the president of Texas A&M University, is a Bush family friend and a member of an independent group studying the way ahead in Iraq.

The White House hopes that replacing Rumsfeld with Gates can help refresh U.S. policy on the deeply unpopular war and perhaps establish a stronger rapport with the new Congress. Rumsfeld had a rocky relationship with many lawmakers.

"Secretary Rumsfeld and I agreed that sometimes it's necessary to have a fresh perspective," Bush said in the abrupt announcement during a postelection news conference.

In a later appearance at the White House with Rumsfeld and Gates at his side, Bush praised both men, thanked Rumsfeld for his service and predicted that Gates would bring fresh ideas.

"The secretary of defense must be a man of vision who can see threats still over the horizon and prepare our nation to meet them. Bob Gates is the right man to meet both of these critical challenges," Bush said.

But underscoring that he would not bow to those pushing for a quick U.S. withdrawal, Bush also said, "I'd like our troops to come home, too, but I want them to come home with victory."

In brief remarks, Rumsfeld described the Iraq conflict as a "little understood, unfamiliar war" that is "complex for people to comprehend." Upon his return to the Pentagon after appearing with Bush and Gates, Rumsfeld said it was a good time for him to leave.

"It will be a different Congress, a different environment, moving toward a presidential election and a lot of partisanship, and it struck me that this would be a good thing for everybody," Rumsfeld told reporters.

There was little outward reaction among officials at the Pentagon, beyond surprise at the abrupt announcement.

Asked whether Rumsfeld's departure signaled a new direction in a war that has claimed the lives of more than 2,800 U.S. troops and cost more than $300 billion, Bush said, "Well, there's certainly going to be new leadership at the Pentagon."

Voters appeared to be telling politicians that the sooner the war ends the better. Surveys at polling places showed that about six in 10 voters disapproved of the war and only a third believed it had improved long-term security in the United States.

Pentagon spokesman Bryan Whitman said Rumsfeld was not leaving immediately. Rumsfeld planned to deliver a speech on the global war on terrorism at Kansas State University on Thursday.

Just last week Bush told reporters that he expected Rumsfeld, 74, to remain until the end of the administration's term. And although Bush said Wednesday that his decision to replace Rumsfeld was not based on politics, the announcement of a Pentagon shake-up came on the heels of Tuesday's voting.

With his often-combative defense of the war in Iraq, Rumsfeld had been the administration's face of the conflict. He became more of a target — and more politically vulnerable — as the war grew increasingly unpopular at home amid rising violence and with no end in sight.

Gates ran the CIA under the first President Bush during the first Gulf war. He retired from government in 1993.

He joined the CIA in 1966 and is the only agency employee to rise from an entry level job to become director. A native of Kansas, he made a name for himself as an analyst specializing in the former Soviet Union and he served in the intelligence community for more than a quarter century, under six presidents.

Numerous Democrats in Congress had been calling for Rumsfeld's resignation for many months, asserting that his management of the war and of the military had been a resounding failure. Critics also accused Rumsfeld of not fully considering the advice of his generals and of refusing to consider alternative courses of action.

Sen. Carl Levin of Michigan and Rep. Ike Skelton of Missouri — the top Democrats on the Armed Services committees — said the resignation would be a positive step only if accompanied by a change in policy.

"I think it is critical that this change be more than just a different face on the old policy," Skelton said.

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Rumsfeld, 74, has served in the job longer than anyone except Robert McNamara, who became secretary of defense during the Kennedy administration and remained until 1968. Rumsfeld is the only person to have served in the job twice; his previous tour was during the Ford administration.

Rumsfeld had twice previously offered his resignation to Bush — once during the Abu Ghraib prisoner abuse scandal in spring 2004 and again shortly after that. Both times the president refused to let him leave.

Gates took over the CIA as acting director in 1987, when William Casey was terminally ill with cancer. Questions were raised about Gates' knowledge of the Iran-Contra affair, and he withdrew from consideration to take over the CIA permanently. Yet he stayed on as deputy director.

Then-National Security Adviser Brent Scowcroft, who has been a critic of the younger Bush's policies, asked Gates to be his deputy in 1989 during the administration of Bush's father. The elder President Bush, a former CIA director himself, asked Gates to run the CIA two years later.

Gates won confirmation, but only after hearings in which he was accused by CIA officials of manipulating intelligence as a senior analyst in the 1980s.

Melvin Goodman, a former CIA division chief for Soviet affairs, testified that Gates politicized the intelligence on Iran, Nicaragua, Afghanistan and the Soviet Union. "Gates' role in this activity was to corrupt the process and the ethics of intelligence on all of these issues," Goodman testified.

The Bush administration's use of intelligence on Iraq has been a central theme of criticism from Democrats who say the White House stretched faulty intelligence from U.S. spy agencies to justify invading Iraq in 2003.

Gates has taken a much lower profile since leaving government. He joined corporate boards and wrote a memoir, "From The Shadows: The Ultimate Insider's Story of Five Presidents and How They Won the Cold War." It was published in 1996.

Gates is a close friend of the Bush family, and particularly the first President Bush. He became the president of Texas A&M University in August 2002. The university is home to the presidential library of the elder Bush.

Rumsfeld Steps Down (CHIT)

By Stephen J. Hedges, Mark Silva

Chicago Tribune, November 9, 2006

WASHINGTON -- Defense Secretary Donald Rumsfeld resigned Wednesday within hours of a stunning Republican setback in nationwide midterm elections, a vote that became a referendum on President Bush's strategy for the war in Iraq and on Rumsfeld's stormy stewardship of the Pentagon.

Bush announced Rumsfeld's departure during a news conference, stating that he had nominated former CIA Director Robert Gates as his next secretary of defense. All three men convened later in the Oval Office of the White House to discuss the changing of the guard.

While Bush explained his decision as a need to put "fresh eyes" on his Iraq policy, it came after voters Tuesday turned over control of the House to Democrats, who had made the military stalemate in Iraq a campaign priority. The Senate may fall to Democratic hands as well, pending the outcome of a close race in Virginia.

Rumsfeld's sudden departure was the clearest signal yet that Bush may soon make a dramatic shift in his Iraq war strategy.

Rumsfeld, the Pentagon chief since Bush took office in January 2001, was viewed as the key architect of the 2003 military invasion of Iraq, and in more recent times the public face of the failures there. His ouster could both embolden the military, with which he was often at odds, and those who have pressed for solutions that Rumsfeld strongly opposed, such as a partitioning of Iraq.

Rumsfeld's primary strategy of having U.S. troops train Iraqi military and police units to take over security in Iraq was viewed by critics as progressing slowly and poorly managed. There were also complaints about the soaring cost of reconstructing Iraq's neglected infrastructure, overcharges by private Pentagon contractors and a perceived lack of adequate U.S. troop strength.

Iraq panel's report due soon

During his news conference, Bush seemed almost eager to meet with a congressionally mandated group of experts who are soon to make recommendations on options for the U.S. forces in Iraq; the president said that session will occur next week.

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That panel, known as the Iraqi Study Group, is co-chaired by James Baker, a Bush family friend who served as secretary of state during Bush's father's presidency, and former Indiana Democratic Rep. Lee Hamilton.

Gates, now president of Texas A&M University, also is a member of its board.

Bush assured Iraqis and members of the U.S. military that Rumsfeld's departure would not cause ripples of uncertainty about the U.S. mission in Iraq, but at the same time he signaled a willingness to pursue a new strategy.

Washington caught by surprise

The speed of Rumsfeld's resignation caught official Washington by surprise. A combative bureaucrat with a razor-sharp wit, Rumsfeld was expected by many to depart only when conditions in Iraq improved. Bush only last week offered assurances that Rumsfeld would stay, and that Rumsfeld and Vice President Dick Cheney, another enthusiastic proponent of the Iraq war, were doing a "fantastic job."

Rumsfeld's combative nature made him a target for those who oppose the war in Iraq, and for Democrats and some Republicans in Congress who came to question the Bush administration's assessment of the U.S. military mission there.

Rumsfeld offered to resign twice before, both times during the scandal that erupted in April 2004 over the abuse of Iraqi prisoners by U.S. soldiers. Bush then refused to accept Rumsfeld's offers to quit.

But Tuesday's elections, and the struggle in Iraq, appear to have eroded Bush's confidence in Rumsfeld, who is expected to remain at his post until the Senate confirms Gates' nomination.

After Tuesday's vote, Rep. Nancy Pelosi (D-Calif.), the presumptive House speaker when Democrats assume control of the chamber in January, called on Bush to fire Rumsfeld to demonstrate a change in the administration's Iraq policy. The White House announcement of Rumsfeld's resignation came an hour later.

The president said he already had set in motion the process of replacing Rumsfeld before the election, although Bush had maintained in an interview with reporters just last week that he expected to keep his defense secretary through his second term.

He said, though, that he had not met with Gates until Sunday and didn't have a final meeting with Rumsfeld until Tuesday. Bush met with Gates at the president's Prairie Chapel Ranch outside Crawford, Texas, before heading out for a day of campaigning in Nebraska and Kansas.

Bush said Wednesday that he misled reporters on the Rumsfeld question because "I didn't want to inject a major decision about this war in the final days of a campaign. And so the only way to answer that question and to get you on to another question was to give you that answer."

Denying that Rumsfeld's replacement is a result of the election that has handed Democrats control of the House and possibly the Senate, Bush said: "Actually, I thought we were going to do fine yesterday. That shows what I know."

The election was not close, he said. "It was a thumpin'."

Bush directly acknowledged the role that public unrest over the war played in the midterm elections and voiced a willingness to discuss war strategy with the new Democratic leaders. But he also made clear that any new tactics must be aimed at achieving his unswerving goal of "victory" in Iraq.

Bush: 'Committed to victory'

"I'd like our troops to come home, too, but I want them to come home with victory, and that [Iraq] is a country that can govern itself, sustain itself and defend itself," Bush said. "I'm committed to victory. I'm committed to helping this country so that we can come home."

Bush said that Gates would bring "a fresh perspective during a critical period in this war."

Congressional Democrats instantly hailed Rumsfeld's removal.

"The American people spoke yesterday with great force and great clarity on the need to change direction in Iraq," said Sen. Carl Levin (D-Mich.), the influential ranking member of the Senate Armed Services Committee.

"I hope that Secretary Rumsfeld's departure will lead to a change in policy."

Levin said he will do "everything I can to facilitate" consideration of Gates as Rumsfeld's replacement.

Sen. Jack Reed (D-R.I.), a member of the Armed Services Committee, said he would ask Gates to describe the administration's new plan for Iraq during the confirmation process.

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"I think I'd ask him to try to define the mission in Iraq today … ask him to show us how he is going to help engage the Iraqis more aggressively in seeking out militias," Reid said.

Bush Replaces Rumsfeld (BSUN)

By Julie Hirschfeld Davis

The Baltimore Sun, November 9, 2006

WASHINGTON -- President Bush, stung by election losses that he acknowledged were a rebuke of the Iraq war, dismissed Secretary of Defense Donald H. Rumsfeld Wednesday and named former CIA Director Robert M. Gates to replace him.

Conceding that voters spurned Republicans in part "to register their displeasure with the lack of progress" in Iraq, Bush said at a White House news conference that there was a need for "new leadership" and "fresh perspective" at the Pentagon. Gates sits on a panel that is expected to present Bush with a new Iraq policy next week.

Replacing Rumsfeld, the longest-serving member of his Cabinet, was a stunning turn for a president who has staked his legacy -- and, to some degree, the fortunes of his party -- on a war plan that has lost the support of most Americans.

Bush said he had been ready to replace Rumsfeld regardless of the election's outcome, but the move was widely viewed as a bow to the new reality in Washington, in which the president will be forced to work with Democrats to find a way out of Iraq and advance his domestic agenda.

Bush said he would meet early next week with a bipartisan commission of which Gates is a member -- co-chaired by Republican former Secretary of State James A. Baker III and former Democratic Rep. Lee H. Hamilton of Indiana -- in what could be the start of a substantial change in the U.S. approach to Iraq.

Democrats greeted Rumsfeld's replacement as a sign that Bush was heeding a call from voters for a course change in Iraq and said they hoped that the president would follow it with concrete shifts in strategy.

"I welcome the long-overdue change in leadership at the Pentagon. Now we need a change in policy," Rep. Nancy Pelosi of California, the Democratic leader, said in a statement.

It was unclear, however, how far Bush was willing to go in reconsidering his policy, particularly in hastening a U.S. troop withdrawal. The president touted his selection of Gates as proof that he was open to new ideas but he rejected the idea of a quick pullout, saying that voters had not demanded such a move.

"I can understand Americans saying, 'Come home.' But I don't know if they said, 'Come home and leave behind an Iraq that could end up being a safe haven for al-Qaida.' I don't believe they said that," Bush said.

The president said that replacing Rumsfeld was a way of showing the public that he is not locked into a failed approach.

"'Stay the course' means, 'Let's get the job done,' but it doesn't mean staying stuck on a strategy or tactics that may not be working. So, perhaps I need to do a better job of explaining that we're constantly adjusting," Bush said. "What the American people hear today is, we're constantly looking for fresh perspective."

Rumsfeld's ouster came just a week after Bush issued his most recent endorsement of the Pentagon chief, telling reporters that the 74-year-old defense secretary -- a lightning rod for criticism of Bush's Iraq policy, including among retired military brass and a growing chorus of Republicans -- was performing well and would stay on.

The president acknowledged that he had lied earlier about Rumsfeld's impending departure so as not to "inject a major decision about this war in the final days of a campaign" and because he had not yet had a chance to speak with Gates or conclude his discussions with the defense secretary. Those talks, Bush said, had been going on for some time.

In naming Gates, an experienced Washington hand who served in Republican and Democratic administrations, including that of Bush's father, the president was signaling a willingness to make substantial changes to his war plan, analysts, strategists and lawmakers said.

Bush "recognizes -- certainly, this election documented -- the fact that there's a great deal of concern, deep concern among the people of the United States" about Iraq and Afghanistan, said Republican Sen. John W. Warner of Virginia, the chairman of the Armed Services Committee. The "convergence" of a new defense secretary and the Baker commission's report will influence the administration's thinking on Iraq, he said. <

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Republican Sen. Susan M. Collins of Maine called Rumsfeld's departure "the right opportunity for the administration to develop a new strategy," adding that Bush's approach thus far has failed to curb the violence in Iraq.

"It strikes me as inevitable that there will be serious discussions almost immediately about a nontrivial change in our [Iraq] policy," said William A. Galston, a former domestic adviser to President Bill Clinton.

Gates "knows that by accepting this job he's stepping into a very difficult situation that could disrupt his life and blemish his reputation," said Galston, adding that he would be unlikely to do so merely "in order to preside over the continuation of a failed policy."

Republican moderates who have long questioned Bush's war strategy said Rumsfeld's departure would be a chance for a much-needed re-evaluation.

"This midterm election and Don Rumsfeld resigning sends a powerful signal to the rest of the world that the U.S. is ready for a change of course," said Rep. Wayne T. Gilchrest of the Eastern Shore.

"We're turning the ship around, we've come to our senses. I hope [Bush] is ready to sit down for serious conversations, and I have some hope that that will happen" because of the Baker-Hamilton commission, the Maryland Republican added.

Republican moderates will join Democrats, Gilchrest said, in demanding better oversight of the war in Iraq.

Some Republican strategists said privately that Rumsfeld's departure was overdue, and that an earlier exit might have staved off or minimized the heavy losses the party took in Tuesday's balloting.

Thomas H. Kean, the former Republican governor of New Jersey who headed the 9/11 commission, said Rumsfeld "should have resigned two years ago."

Bush's emerging shift on Iraq is just the first sign, analysts said, that his presidency has been transformed by the midterm elections, from one of audacious plans backed up by sharp rhetoric to one defined by cooperation where possible to achieve far smaller goals, some of which could evaporate once he leaves office.

Democrats are all but certain to block extension of Bush's tax cuts, and with renewed focus on a timetable for withdrawal from Iraq, Bush's "legacy could very well be a time-limited one," said Michael Franc of the conservative Heritage Foundation. "There will be no permanent victories for Bush."

The president cracked his customary jokes with reporters in the ornate East Room during an afternoon news conference. But he appeared chastened by the election outcome, for which he said he bears "a large part of the responsibility."

Stressing bipartisanship, Bush said he would now work with Democrats to renew his signature No Child Left Behind education law and an immigration plan spurned by many in his party. He said he would consider an increase in the minimum wage, a top Democratic priority that he has opposed in the past.

"I believe on a lot of issues we can find common ground," Bush said.

Democrats also have reason to work with Bush, analysts said, though many predict two years of gridlock.

"A new Democratic majority is going to have to calibrate its stance toward the president very carefully -- so, obviously, they can't just roll over and play dead. But they also can't simply say, 'We're here to oppose you,'" Galston said.

Still, Bush's collegial talk could not mask his obvious disappointment that the public rejected his campaign trail argument that putting Democrats in charge would mean a huge tax increase and a less-safe country.

"I thought when it was all said and done, the American people would understand the importance of taxes and the importance of security," Bush said. "But the people have spoken, and now it's time for us to move on."

Democrats Fell Rumsfeld And Close In On Senate (FT)

By Edward Luce, Caroline Daniel, Demetri Sevastopulo

Financial Times, November 9, 2006

Donald Rumsfeld, the architect of America's Iraq war strategy, became a casualty of the Republican party's unexpectedly heavy defeat in the mid-term congressional elections when George W. Bush said on Wednesday it was time for "new leadership at the Pentagon".

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In his first public statement since the result Mr Bush said he accepted a "large part of the responsibility" for his party's defeat. But it was his defence secretary, who paid the price for failure as the President admitted that "many Americans voted to register their displeasure at the lack of progress we are making [in Iraq]".

With the announcement of Mr Rumsfeld's departure, Mr Bush will be hoping to draw a line under the election results, by seeming to bow to the public anger over the strategic failures in Iraq. The war proved the dominant issue in the campaign which cost the Republicans control of the House of Representatives and left their control of the Senate hanging on the outcome of a desperately close contest in Virginia.

Saying he needed a "fresh perspective" at the Pentagon, Mr Bush named Robert Gates, a former director of the Central Intelligence Agency under the first President Bush – would replace Mr Rumsfeld, whose previous offers of resignation had been turned down.

But Mr Bush ruled out any fundamental change of strategy in Iraq. "I recognise that many Americans voted last night to register their displeasure with the lack of progress being made there [in Iraq]," Mr Bush said in a televised press conference.

"Yet I also believe most Americans and leaders here in Washington from both political parties understand we cannot accept defeat."

Mr Bush presented the secretary of defence's departure as part of a larger reinvention of his presidency in which he would seek to restore a "bipartisan tone" to Washington DC, as he had promised in his first presidential campaign in 2000. In a surprisingly upbeat account of an election that others believe could render the Mr Bush a lame duck president in his last two years in office, he promised to work with the new Democratic leadership in Congress.

On Tuesday the Democrats gained as many as 27 seats in the House of Representatives, which will give them a working majority of up to 15 seats. Control of the Senate hung in the balance on Wednesday, with Democrats having 50 confirmed seats to the Republicans' 49 but with the Democrats' wafer-thin victory in the Virginia Senate race subject to a recount.

As the extent of the Democrat victory became apparent, Nancy Pelosi, the Democrat House leader who is set to become the first female speaker in America's history, and other leading Democrats, moved swiftly to reassure Americans that they would work with Republicans to pursue a moderate centrist agenda.

On Wednesday Mr Bush warmly welcomed Ms Pelosi's offer and said there were many areas, including immigration reform, energy independence and reform of social security where the two parties could find common ground. But Mr Bush said he would not waver from his objective of achieving "success" in Iraq and winning the "war on terror".

Rumsfeld Resigns Under Pressure (WT)

By Rowan Scarborough

The Washington Times, November 9, 2006

Defense Secretary Donald H. Rumsfeld, the icon of the U.S. war on Islamic terrorists, succumbed to mounting pressure to resign, allowing the Bush administration to begin examining a new course on the bogged-down Iraq war where the American death toll exceeds 2,800.

Appearing with President Bush at the White House yesterday, Mr. Rumsfeld referred to his many critics on Iraq by paraphrasing a hero, Winston Churchill: "I have benefited greatly from criticism, and at no time have I suffered a lack thereof."

He then talked of "this little understood, unfamiliar war," a conflict the Pentagon has dubbed "the long war" because of the time it will take to dismantle al Qaeda worldwide.

"The first war of the 21st century is not well-known, it was not well-understood, it is complex for people to comprehend," he said.

Mr. Bush, appearing the day after many Americans registered a protest vote against his Iraq policy, said, "As the secretary of defense, he has been dedicated to his mission, loyal to his president and devoted to the courageous men and women of our armed forces."

He was flanked by his the defense secretary-designate, former CIA Director Robert M. Gates, who will take a fresh look at Iraq policy.

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White House press secretary Tony Snow told The Washington Times that Mr. Bush and Mr. Rumsfeld had been talking about future operations in Iraq for months, but he did not know who first raised the issue of the departure.

"It wasn't like, 'come see the principal,' " Mr. Snow said, who noted Mr. Rumsfeld had offered twice to resign two years ago.

He said they both agreed that "Iraq is not working well enough and fast enough." He referred to Mr. Gates' "new energy."

He said Mr. Rumsfeld formally submitted his resignation on Election Day.

A defense source said Mr. Rumsfeld knew he was leaving at least several weeks ago.

Another factor in the two men's thinking was that a Democratic victory likely means hours of inquisitions on Iraq policy by several House and Senate committees.

"If he'd have to go up to the Hill three times a week to answer another request, how effective would he really be?" said a former Pentagon official. "I think that's got to be a factor on some level."

His resignation ends the Rumsfeld era in the Pentagon that saw a supremely confident dynamic manager tear up years of static processes and war-fighting strategy to build a faster, lighter military with better intelligence and precision power. Along the way, he alienated some people at the Pentagon, especially senior Army officials.

Mr. Rumsfeld prided himself in management skills. But in the end, it was his perceived management failures in the three-year Iraq war that did him in.

Mr. Gates, an intelligence analyst by trade, is expected to do a top-to-bottom review of Iraq strategy and of the generals executing it. He will also consult with the two officers whom Mr. Rumsfeld had handpicked to run the war, Army Gens. George Casey, the top commander in Iraq, and John Abizaid, who heads U.S. Central Command.

Mr. Rumsfeld, 74, who will stay in office until Mr. Gates' Senate confirmation, became more than a paper-pushing bureaucrat. The September 11, 2001, attacks on New York and the Pentagon thrust him into becoming the face, and some say, the chief strategist for a global campaign to find and kill al Qaeda terrorists.

After the attacks, Mr. Rumsfeld became a regular fixture on global television networks, talking about how he would be happy to have his troops kill members of the Taliban regime. His poll numbers soared to 70 percent job approval in late 2001 and early 2002 as U.S. troops ousted the Taliban in Afghanistan just a few months after the attack on America and as he secretly planned for war in Iraq.

Months after Iraqi dictator Saddam Hussein fell in April 2003, a deadly and vibrant insurgency began killing American troops with regularity. They used what the military calls "asymmetrical" weapons -- roadside bombs and suicide bombers. Joined by al Qaeda jihadists, the enemy grew in strength and intelligence. It was able retake cities once held by the U.S. This year, insurgents controlled wide areas of Baghdad, descending the capital into daily sectarian violence as 140,000 American troops changed tactics to try to keep up.

As the U.S. death toll mounted and progress was hard to discern, a growing number of lawmakers called on him to quit. During the election, as Democrats elevated Iraq to their top issue, even a few Republicans made the same demand.

Sen. John McCain, Arizona Republican and an influential spokesman on defense issues, declared he had lost confidence in Mr. Rumsfeld.

"This important change offers the administration and Congress a fresh opportunity to examine all aspects of our strategy and tactics in Iraq and make whatever changes are necessary to succeed there," Mr. McCain said yesterday. "I look forward to discussing with Secretary-designate Gates his ideas for correcting the mistakes of the past."

One big mistake in the Iraq war was that the insurgency was not predicted or planned for. Because of this, critics said, the invasion force was too small. And it did not have the proper body or vehicle armor.

A scandal over the mistreatment of some inmates at Saddam's infamous Abu Ghraib prison also made headlines. A human rights groups soon stuck Mr. Rumsfeld with the charge of "the architect of torture." Mr. Rumsfeld's job-approval numbers dipped into the low 30s.

During his tenure as defense secretary, Mr. Rumsfeld transformed and empowered U.S. Special Operations Command as the lead player in the global war. He signed a secret directive in 2003 giving them authority to secretly penetrate foreign lands to hunt down and kill or capture al Qaeda members. Skeptical of the CIA's spying ability, he also gave commandos broader mandate to collect intelligence.

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Mr. Bush picked Mr. Rumsfeld not to wage war, but to transform a military still stuck in the Cold War. He focused on the Army, killing some of its pet weapons projects and breaking the Army division system into what became known as combat brigade teams. He also shook up how and where U.S. troops are based abroad, reducing ground forces in both Europe and Asia.

Rumsfeld's Ouster Transforms Iraq Debate (WSJ)

By Neil King Jr., Yochi Dreazen, Greg Jaffe

The Wall Street Journal, November 9, 2006

WASHINGTON -- The resignation yesterday of Defense Secretary Donald Rumsfeld, in the wake of the Democrats' decisive electoral victory, now opens the door for the biggest change of U.S. policy in Iraq since American troops got bogged down there three years ago.

After gaining substantial power in Congress, Democrats indicated that they intend to push for a different course in Iraq. The planned departure of Mr. Rumsfeld, one of the war's chief architects, signaled that President Bush might be open to far-reaching changes. To his critics, Mr. Rumsfeld had become a symbol of an administration that they saw as unbending and defensive in its handling of the war.

Now come two decisive questions: Can Democrats agree on a unified approach for pulling U.S. troops out? And will Mr. Bush show willingness to weigh those ideas, which he has dismissed for months on the grounds that they would essentially hand victory to the terrorists? Mr. Bush's appointment of Robert Gates, a former head of the Central Intelligence Agency, to replace Mr. Rumsfeld signaled to some that the president might be open to changes.

Triumphant Democrats argue that their victory in Tuesday's congressional elections showed how strongly the U.S. public wants a new approach toward Iraq. But they still aren't clear about how to get the U.S. out of a war that has cost more than 2,800 American lives.

"Nowhere was the call for a new direction more clear from the American people than in the war in Iraq," said the incoming speaker of the House, Democratic Rep. Nancy Pelosi. "Hopefully, we can work with the president for a new direction, one that solves the problems in Iraq."

Democrats, while divided over details on how to proceed, have coalesced around some core concepts. These include a belief that the U.S. should begin by pulling its forces in Iraq, which currently total about 150,000 troops, off the streets within months and push Iraqi troops to the fore. That would be followed by a gradual withdrawal of the majority of troops from the country. Some of the 50,000 U.S. troops that would be left in Iraq would focus on advising and mentoring Iraqi forces. The majority of those remaining would serve as an emergency force that could swoop in to help Iraqi forces in trouble. Many Democrats also support the idea of holding negotiations with regional powerhouses like Iran and Syria, which maintain deep influence in Iraq.

Other critics of Mr. Rumsfeld's handling of the war, such as Sen. John McCain, the Arizona Republican, likely will continue to call on the U.S. to beef up its military presence in a bid to resolve Iraq's problems once and for all. The drawback of such an approach is that the badly strained U.S. Army and Marine Corps simply don't have enough available troops.

In remarks to reporters at the White House yesterday, President Bush didn't give a clear sense of how he intends to proceed in coming weeks. He hinted he was open to suggestions, but also vowed he wouldn't leave Iraq in the lurch. Mr. Bush said he is seeking "fresh perspective" on Iraq, but that the U.S. "cannot accept defeat." The president said he would bring back the troops only when Iraq has become "a country that can govern itself, sustain itself and defend itself."

White House officials say the events that led to Mr. Rumsfeld's replacement began several weeks ago when Mr. Bush held a series of discussions with his defense secretary about the deteriorating situation in Iraq. A senior administration official says Mr. Bush had planned to replace Mr. Rumsfeld regardless of how the elections played out. White House aides brought Mr. Gates to the presidential compound in Crawford, Texas, for an interview on Sunday.

When Mr. Rumsfeld submitted his resignation early Tuesday afternoon, Mr. Bush accepted it. As polls began closing in parts of the country, the president offered the job to Mr. Gates, officials say. Several White House officials say Mr. Rumsfeld wasn't forced out, although one added: "It was clear to Don that the president wanted him out." At a brief Oval Office ceremony

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yesterday, Mr. Rumsfeld thanked Mr. Bush for the chance to have served a second tour at the Pentagon, but took no questions about his resignation.

The most important figure at the moment may be a man who comes from neither party's leadership. Former Secretary of State James Baker, an old Bush family friend, is heading a bipartisan task force that is expected soon to issue recommendations for future U.S. policy in Iraq. Mr. Bush has said he plans to take seriously the proposals of the task force, which is co-chaired by former Rep. Lee Hamilton, a Democrat. The president yesterday said he plans to meet with task force members next week.

The commission's influence is likely to be bolstered by the fact that one of its members is Mr. Gates, who will take over for Mr. Rumsfeld. The arrival of Mr. Gates in the upper echelons of the Bush national-security team marks the return to prominence of someone closely associated with the Iraq policy views of the president's father, who took a markedly different approach to Iraq during the Gulf War 15 years ago.

During that conflict, the U.S. drove Iraqi troops out of Kuwait. But the senior Mr. Bush's team decided not to invade Iraq or drive to Baghdad to oust Saddam Hussein. The first Bush team was afraid that such a move would throw the country into turmoil, splinter it into Sunni, Shiite and Kurdish sections and compel the U.S. to stay in Iraq to put the nation back together.

Mr. Gates's boss at that time was Brent Scowcroft, then national security adviser, who argued that driving into Iraq would be a mistake. The first President Bush apparently agreed, as did Mr. Baker, then secretary of state.

The Baker commission is widely expected to call for talking directly to Iran and Syria, both American foes, about problems in Iraq, in hopes of getting their help in quelling the violence.

Mr. Gates had earlier advocated direct talks with Iran. In the summer of 2004, Mr. Gates and President Carter's former national security adviser Zbigniew Brzezinski co-chaired a task force that called for direct dialogue, arguing that a lack of American engagement with Iran had harmed American interests.

In a statement yesterday, Mr. Brzezinski, a critic of the war in Iraq, hailed Mr. Gates's appointment and said it may mark "the beginning of a major corrective in American policy towards the Middle East."

Mr. Rumsfeld had long resisted efforts to increase the number of U.S. troops in Iraq. Even after his resignation, it isn't likely that there will be a surge in U.S. ground forces into Iraq, as some people have sought.

The new defense secretary is more likely to oversee a shift of the U.S. effort away from providing security in urban areas such as Baghdad to a more advisory role -- in keeping with many Democrats' proposals. In such a scenario, the Pentagon would turn big U.S. units into quick reaction forces to bail out Iraqi soldiers and advisers who get overrun. Teams of American advisers who live and work with Iraqi units would increase in number. U.S. commanders are also debating how to increase the size and number of provincial reconstruction teams, which oversee economic development and local governance.

That would represent a scaling back of U.S. ambitions. Instead of trying to transform Iraq into a model democracy, the U.S. would try to use the largely Shiite Iraqi Army, which has been beset by corruption and allegations of human-rights abuses, to stabilize the country. Police forces, which have been widely infiltrated by Shiite militias, likely would get less support.

Senior military officials say a push to bolster the U.S. advisory effort in Iraq has been in the works for several weeks and would have occurred even if Mr. Rumsfeld remained in office. There are no plans to reduce U.S. force levels in the country in the next 12 months, nor are there plans to move troops out of urban areas.

But the focus of U.S. troops appears on the verge of shifting. Lt. Gen. Ray Odieno, who will deploy to Iraq in the coming weeks to serve as the second-highest ranking U.S. officer there, said in an interview that a move to restructure and possibly increase the size of the advisory effort would likely happen "sooner rather than later."

In pushing for a new approach in Iraq, the Democrats have public opinion on their side, a fact that President Bush acknowledged yesterday. In exit polls on Tuesday, nearly 60% of voters said the war had not improved the long-term security of the U.S., and 55% said the U.S. should move to pull out some or all troops from Iraq. After Tuesday's defeat, some Republicans may join Democrats in pushing for change.

It may be difficult for Democrats to force the president to change policy. Democratic leaders have said they will not resort to the ultimate cudgel: their grip over wartime appropriations. Yet control of the House -- and likely the Senate -- will give Democrats other tools.

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Two Democratic congressmen have said they will introduce bills to increase oversight of the troubled U.S.-led efforts to rebuild Iraq's infrastructure and train its security personnel. Democrats have also said they will subpoena information from the White House and Pentagon and force administration officials to appear at public hearings.

Because the Bush administration may be reluctant to appear too open to Democratic proposals, policy recommendations from the commission headed by Messrs. Baker and Hamilton, known as the Iraq Study Group, could be critical. The panel is set to release its proposal within weeks.

"I predict that the vehicle for a change in Iraq policy will be the Baker-Hamilton commission. It gives Bush a way of saving face," says Democratic Sen. Joseph Biden of Delaware. In a Democratic Senate, Mr. Biden becomes chairman of its Foreign Relations Committee. "You have to give Bush a way out, because if you back him into a corner, he gets too blindly stubborn to change course," he says.

Democrats are almost certain to back the commission's recommendations, which are expected to include calls for a regional summit with Iraq's neighbors. Several leading Republicans, such as Sen. John Warner of Virginia, the outgoing chairman of the Senate Armed Services Committee, have also said they are likely to back the panel's proposals.

Still, Democrats and Republicans remain deeply divided about both the path forward in Iraq and the conditions on the ground there.

The administration and many Republicans in Congress argue that for all the problems, progress is being made. The White House says withdrawing U.S. forces before Iraqis are ready to take over security responsibility would lead to greater violence -- and possibly full-scale civil war. Some Republicans also say a U.S. withdrawal would play to Islamic extremists' belief that the U.S. could be driven out of the Middle East through guerrilla violence, and would give terrorists a new haven in the heart of the oil-rich region.

"I can understand Americans saying, 'Come home,'" Mr. Bush said yesterday. "But I don't know if they said, 'Come home and leave behind an Iraq that could end up being a safe haven for al Qaeda.'"

Many Democrats argue that Iraq is spiraling further out of control, with little prospect of improvement. They say the open-ended U.S. military commitment is harming morale and reducing the armed forces' ability to prepare for potential future conflicts with countries like Iran or North Korea. To prevent further damage to the American military and to jolt the Iraqi government to make compromises needed to pacify the country, Democrats assert, the U.S. must move soon to diminish its troop presence in Iraq.

Mr. Biden is championing a proposal he drafted with Leslie Gelb, president emeritus of the Council on Foreign Relations. Democratic Sens. Carl Levin of Michigan and Jack Reed of Rhode Island have hatched another plan, which has received the backing of nearly all Senate Democrats. House Democrats like Rep. Jack Murtha of Pennsylvania have proposed yet other redeployment plans.

Virtually all the Democrats' proposals call for a regional summit to engage Iraq's neighbors, including Iran and Syria, to help stabilize the country. They call for a national reconciliation effort within Iraq designed to bridge the gaping divisions between Iraq's Sunnis, Shiites and Kurds, especially over control of the country's future oil revenues. There is also a shared appeal among the Democrats' plans for more reconstruction work at a time when U.S. funds are drying up and major companies engaged there, such as Bechtel Corp., are pulling out. And all advocate the gradual redeployment, or pulling out, of U.S. forces, with wide variations on numbers and timing.

Looking to give a catchy ring to these proposals, Democratic Rep. Rahm Emanuel of Illinois calls them "the five R's: reconciliation of the warring parties, reconstruction, responsibility for results, recognizing the parties in the region and then redeployment."

Top Democrats disagree on some important points. The central plank of Sen. Biden's plan calls for Iraq to be divided into three semiautonomous regions -- one largely Shiite, one Sunni and the last Kurdish -- each with its own proportionate share of Iraq's oil wealth. Some prominent Democrats have called that a recipe for massive sectarian strife.

New York's Sen. Hillary Clinton backs the idea of an oil trust that would guarantee that each Iraqi gets a cut from the country's oil revenues instead of divvying it up by region or ethnic identity.

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Washington Shake-up, Part 2: Rumsfeld Departs (CSM)

By Peter Grier

The Christian Science Monitor, November 9, 2006

By changing the leadership of the Department of Defense, President Bush has not necessarily changed his policies in Iraq. But he may have changed the tone of Washington's debate about Iraq, at least for now.

It's not yet clear whether Secretary of Defense Donald Rumsfeld chose to leave on his own, or whether he was pushed. It's quite possible that it was a mutual decision, as Mr. Bush implied in his press conference Wednesday afternoon.

But Secretary Rumsfeld, a pugnacious former wrestler and fighter pilot, has long been a symbol of intransigence to the administration's critics. Now, newly empowered Democrats won't have him to kick around during any oversight hearings into the preparation for, and conduct of, the Iraq conflict.

"Don Rumsfeld has been a superb leader during a time of change," said Bush in announcing the change. "Yet he also appreciates the value of bringing in a fresh perspective during a critical period in this war."

From the outset, Rumsfeld was a controversial choice to lead the Pentagon. His abrasive style did not sit well with many in the military, including some of the nation's top uniformed generals and admirals. Bob Woodward's new book, "State of Denial," contains a scene in which Gen. Richard Myers, chairman of the Joint Chiefs, when asked how to decode his new boss, simply lays his head down on his desk in frustration.

Rumsfeld was not a secretary the military could easily distract by dispatching him to foreign bases on goodwill tours. His "snowflakes" - short action memos or questions about a particular subject - drifted through Pentagon offices by the dozens, causing many to work late as they drafted replies.

Critics said that Rumsfeld's views on the need for the military to transform itself into a light, lightning-strike force led to the US becoming embroiled in Iraq with too few troops. Rumsfeld himself disputed this notion, saying that he listened to his generals when it came to troop levels, and that if they had asked him for more, he would have provided them.

Initial reaction from Democrats on Rumsfeld's departure was positive, with Senate minority leader Harry Reid of Nevada, among others, saying that Bush had "taken a step in the right direction."

Senator Reid went on to call for a rethinking of the administration's overall approach to Iraq, however. There is no indication yet whether that is in the works.

Given the timing of Rumsfeld's departure, it is difficult to see it as anything less than a concession on Bush's part to the results of Tuesday's Democratic victories. "The American people have spoken," says Cal Jillson, a political scientist at Southern Methodist University in Dallas. "President Bush has listened, and Mr. Rumsfeld is gone."

Robert Gates, the man Bush intends to nominate as Rumsfeld's replacement, is perhaps a more restrained personality. Currently president of Texas A&M University, he was a longtime Washington intelligence and security-affairs official.

Mr. Gates directed the Central Intelligence Agency from 1991 to 1993, having risen through its ranks from an entry-level position. He had joined the agency during the Vietnam War, straight from Indiana University.

He is not a Rumsfeld-level thrower of bombs. He served at the CIA under Stansfield Turner, for instance, whom he later criticized for not cultivating enough of a constituency for the changes at the agency that Mr. Turner wanted to make.

He has been serving as a member of the commission on Iraq policy that includes former Secretary of State James Baker III, among others. That commission is expected to report its findings and possible recommendations for changes in policy to the president in coming weeks.

Stage Set For Iraq Policy Shift (WP)

By Glenn Kessler, Thomas E. Ricks

The Washington Post, November 9, 2006

Democratic control of the House and possibly the Senate, combined with the resignation of Defense Secretary Donald H. Rumsfeld, has set the stage for a dramatic shift in the Bush administration's policy toward the Iraq war, lawmakers and experts said. The contours of a new policy are not clear, but there is likely to be more pressure on the Iraqi government to rein in sectarian violence and a growing clamor from Democrats to begin a drawdown of U.S. troops.

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Rumsfeld is slated to be replaced by Robert M. Gates, a member of the bipartisan Iraq Study Group who has spent recent weeks learning the problems of the administration's current approach. Unlike Rumsfeld, who was widely seen as a roadblock to a shift in strategy, Gates is expected to be much more receptive to implementing the group's recommendations, due to be made public about Dec. 7.

Gates has been frustrated that the administration has been unable to adjust to changing circumstances in Iraq, according to one person who has spoken to him about the administration's management of the war. Gates, he said, believes "you can't be afraid to adjust your action to adjust to the realities on the ground."

Sen. Joseph R. Biden Jr. (D-Del.), who would chair the Senate Foreign Relations Committee if Democrats capture the Virginia Senate seat and control of the Senate, said he understood that Gates "has a much more pragmatic and realistic view of the place we find ourselves" in Iraq and is much more willing to work with the uniformed military than Rumsfeld was.

Even before the election, both Democrats and Republicans had been eagerly awaiting the recommendations of the study group, which is headed by former secretary of state James A. Baker III, a Republican, and former Democratic representative Lee Hamilton of Indiana. The group of mainstream foreign policy experts is not poised to make radical suggestions when it unveils its report, but official Washington has expected both parties to seize on its ideas for political cover.

One senior Senate aide said both parties are looking for an exit from Iraq out of "pure political interests." After their devastating losses, Republicans do not want Iraq to be an electoral albatross in 2008; Democrats, meanwhile, do not want it to still be the first order of business if they reoccupy the White House in 2009.

Biden said that a number of Republicans have told him privately that they are willing to push for a change in course on Iraq after the election. "We have a narrow window before 2008 kicks in to get a bipartisan consensus on Iraq," he said.

The administration has long set a goal of a stable, democratic Iraq, suggesting that major troop withdrawals could not be expected until the Iraqi government was capable of sustaining that enterprise itself.

"I'd like our troops to come home, too, but I want them to come home with victory, and that is a country that can govern itself, sustain itself and defend itself," President Bush said yesterday at a news conference. But he added that "Iraq is not working well enough, fast enough."

The Baker-Hamilton study group is not expected to call for pulling out of Iraq quickly. Rather, insiders say, the most likely recommendation will be to curtail the goal of democratizing Iraq and instead emphasize stability. That might entail devoting more resources to training and equipping Iraq's military, perhaps by radically increasing the size of the U.S. training and advisory effort.

Bush, who will meet with the Baker-Hamilton group next week, told reporters he is awaiting its report, mentioning twice more in his news conference that he would "work" with them. In announcing the nomination of Gates, Bush said that "he will provide the department with a fresh perspective and new ideas on how America can achieve our goals in Iraq."

Democrats served notice that they will push for a change in approach, such as beginning a phased withdrawal of U.S. troops soon. "The American people have spoken," said Rep. Nancy Pelosi (Calif.), who is in line to become House speaker in January. "It's important for us to work in a bipartisan way with the president, again, to solve the problem, not to stay the course. That's not working. That's clear."

Specifically, Pelosi said, the administration and Congress need to work together "to send a clear message to the Iraqi government and people that they must disarm the militias, they must amend their constitution, they must engage in regional diplomacy to bring more stability and reconstruction to Iraq, and that we must begin the responsible redeployment of our troops outside of Iraq."

Rep. Ike Skelton (D-Mo.), who likely will take over as chairman of the House Armed Services Committee, last year sent Bush a letter calling for the removal of one U.S. brigade -- about 3,500 troops -- for every three Iraqi brigades deemed capable. He said Bush told him his formula was "too rigid," but Skelton said he will press for this approach from his new position of power. "I think this is an important opportunity to begin a new policy direction," he said.

Rep. Tom Lantos (D-Calif.), in line to head the House International Relations Committee in the next Congress, said there are few new ideas left to be tried and wasn't sure how much the Baker-Hamilton report would alter the debate.

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"You can't unscramble the omelet and the tremendous mistakes that were made after major military operations," he said. "I don't see any magical solutions, but the president may be sending a signal of a change in course" by removing Rumsfeld immediately after the election, he said. "We are willing to meet him halfway."

Democrats yesterday appeared to have little interest in mandating a reduction in U.S. forces through spending cuts, a politically risky step.

Michael O'Hanlon, a defense expert at the Brookings Institution, said congressional Democrats will face some difficult choices as they try to move Bush toward a new approach to the war. He said they could rhetorically put pressure on Bush, but not enough to sound defeatist, keeping blame for policy failures on the GOP.

Democrats also could work with Bush to jointly pressure Iraqi Prime Minister Nouri al-Maliki to take more action to end the violence in Iraq, but that would directly associate the Democrats with administration policy.

O'Hanlon said the Baker-Hamilton report might help frame the debate by delivering a diagnosis of the problem that both sides can accept, in contrast to rhetoric from Bush that he said was often "divorced from reality."

Rumsfeld's Tenure A Long, Hard Slog (AP)

By Lolita C. Baldor

AP, November 8, 2006

He has been the square-jawed face of the war, the man behind the wars in Iraq and Afghanistan that he predicted were just the beginnings of a long, hard slog.

On Wednesday, Defense Secretary Donald H. Rumsfeld resigned from his post and became the latest casualty of those conflicts — a victim of a war he steadfastly contended the American public simply did not understand.

Standing next to President Bush in a brief White House appearance, Rumsfeld, 74, offered no regret for a war gone wrong that mushroomed into an issue that helped carry Democrats in Tuesday's elections to control of the House and the Senate. Instead, he provided a glimmer of the trademark temperament that has prompted some critics to call him arrogant.

The war, he said, "is not well known. It was not well understood. It is complex for people to comprehend." And he alluded to the crescendo of calls for his ouster, quoting Winston Churchill: "I have benefited greatly from criticism, and at no time have I suffered a lack thereof."

In the days after Sept. 11, 2001 — when he helped carry victims of the terrorist attack out of the burning Pentagon — Rumsfeld was hailed by some as a visionary who was smartly shaping the military into a new, agile force for the 21st century.

His adept management of the attack on Afghanistan in October 2001 was deemed a success, as U.S. forces drove out the ruling Taliban. His stock rose over the next year as he delivered televised war briefings from the Pentagon.

The high point may have come as Rumsfeld introduced America to "shock and awe" bombing during the ferocious assault on Baghdad in the opening days of Operation Iraqi Freedom — a tactic meant to force a quick surrender by the Iraqis.

Rumsfeld's plunge from hero soon after the spring 2003 fall of Iraqi leader Saddam Hussein to war wounded began in the murky aftermath of the fall of Baghdad. After the initial assault was over, the harder, bloodier struggle for peace began.

U.S. casualties began to mount, war costs ballooned past $300 billion and scandals over the abuse of prisoners in Iraq and elsewhere began to broaden. The calls for his resignation began with a few senior Democrats during the 2004 campaign, but slowly military leaders — mostly some who had already retired — started adding their criticism for his conduct of the war.

In response, Rumsfeld told interviewers that criticism in time of war was to be expected. He dismissed much of it as complaints from "naysayers" reluctant to confront the tough realities of a global conflict pitting Islamic extremists against forces of moderation.

He often told troops in the field that in the future, they would look back on their effort in Iraq or Afghanistan and feel proud that they were part of a historic effort to promote freedom.

While some blame him for having no plans for postwar Iraq and misjudging the strength of the insurgency, others say he served as the lightning rod for criticism of the president's war.

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"He really has made some very hard calls in the Department of Defense that needed to be made that he hasn't gotten credit for, and he catches a helluva lot of criticism that he personally probably hasn't earned," said Lt. Gen. H. Steven Blum , chief of the National Guard. "He just ends up being a convenient target for somebody's frustration or disenchantment."

Rumsfeld's tenure at the Pentagon parallels that of another man whose legacy is also tied to an unpopular war — Robert McNamara, who led the Pentagon during the Vietnam conflict.

"They became identified with the war and the war with them," said Andrew Krepinevich, executive director of the Center for Strategic and Budgetary Assessments in Washington. "Ultimately they departed as a consequence of the crisis in the field and politics here at home."

Rumsfeld offered his resignation twice to Bush during the furor over prisoner abuse at Abu Ghraib prison in Iraq, but Bush repeatedly declared his support for his embattled secretary. As recently as last month, when the latest in a series of critical books on the war was published, Rumsfeld snapped at reporters asking about his future.

"No, no, no," he said, he was not resigning.

Even Bush, when questioned by reporters a week ago, again declared his support for the secretary and insisted Rumsfeld would stay through the end of his term.

But with casualties climbing beyond 2,800 and U.S. troop levels in Iraq stuck at about 152,000 with little hope of significant reductions anytime soon, Rumsfeld became a political liability the administration could no longer endure. Even the independent Army Times, which serves the armed forces, called for him to resign earlier this week.

And as the announcement sent shock waves through Washington on Wednesday, Bush acknowledged that, in truth, he had been considering the change for at least two weeks.

Rumsfeld remained closed-mouthed about his departure until the very end. Early morning meetings went on as scheduled Wednesday, with no visible inkling of the announcement that was coming.

Then, at 10 a.m., he told the news to Gen. Peter Pace, chairman of the Joint Chiefs of Staff. He asked Pace to let all of the senior military commanders know, shortly before Bush's 1 p.m. address. Rumsfeld also told a few other close senior staff, but much of the Pentagon learned it when it broke in the news.

Walking back into the Pentagon after a late afternoon meeting with Bush, Rumsfeld was circumspect about his departure.

"I've been here six years and I think it's probably good for this department to have a change in leadership that is fresh, that is supportive of the president, as I am," he said. "It will be a different Congress, a different environment, moving towards a presidential election and a lot of partisanship, and it struck me that this would be a good thing for everybody."

Democrats Vow Not To Block Gates Hearings (RC)

By John Stanton, Emily Yehle

Roll Call, November 9, 2006

Senate Democrats on Wednesday said they would not look to block hearings on President Bush's nomination of Robert Gates to replace Defense Secretary Donald Rumsfeld, although they stopped short of pledging to confirm Gates during the upcoming lame-duck session of Congress.

Bush announced Gates' nomination after Rumsfeld resigned Wednesday morning. Although Bush in a press conference said he had been preparing for Rumsfeld's departure for at least several days, the timing was viewed by Democrats and political observers as a response to Tuesday's election results.

Senate Minority Leader Harry Reid (D-Nev.) said in an interview with Roll Call that he thought the Senate could address the nomination during the lame duck, so long as Gates is qualified and is not controversial. "I think we should do it as quickly as we can," Reid said, adding that "the country needs a Secretary of Defense."

Similarly, Senate Armed Services ranking member Sen. Carl Levin (D-Mich.) said he would like to move the nomination as quickly as possible and dismissed any possibility that Democrats would look to hold up the nomination until next year.

"I wouldn't do it for that reason. If we can get the information we need ... I think we ought to then expedite the Senate consideration of that nomination. I would not want to hold it up until next year," Levin said.

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Levin and fellow Armed Services member Sen. Jack Reed (D-R.I.) also said the nominee himself may not be as important as whether Rumsfeld's departure signals an actual change in administration policy on Iraq. "What we need is a change in direction," Levin said. "That's what counts regardless of who the secretary of Defense is."

Reed added, "What we don't want to see is repetition of the Rumsfeld situation where relevant information was not forthcoming [to Congress] and it in fact undercut our ability to our job."

Gates, a longtime friend of both President Bush and his father, former President George H.W. Bush, has had a long history of political and business ties to the Bush family.

He served as the director of the Central Intelligence Agency under former President Bush, and has acknowledged deciding to begin his current academic career with Texas A&M at the request of the Bush family, according to press reports in the 1990s covering his arrival at the university.

Although Gates has only given a small amount of money to federal campaigns — including $2,000 to President Bush's re-election campaign in 2004, he sits on the boards of directors for several high-profile companies that have been generous GOP donors.

Executives for NACCO International, Brinker Industries and Parker Drilling Company, as well as Brinker's federal political action committee, have given millions of dollars in contributions to federal candidates and PACs since 2000, the vast majority going to Republicans, according to federal campaign finance records.

Gates also is no stranger to controversy in Washington, D.C. During his time with the CIA under former President Ronald Reagan he became involved in the Iran-Contra scandal, and was accused of overseeing a program which spied on Members of Congress as part of the elaborate guns-for-drugs scheme. Gates, however, denied any knowledge of the program during his confirmation hearings in 1991, and a Democratically controlled Senate confirmed him.

Gates Nomination Marks Change Of Direction For Bush (LAT)

By Greg Miller

The Los Angeles Times, November 9, 2006

WASHINGTON — In turning to former CIA Director Robert M. Gates to take the reins at the Pentagon, President Bush has selected a low-key loyalist who is in many ways the opposite of outgoing Defense Secretary Donald H. Rumsfeld.

Whereas Rumsfeld often seemed bent on running roughshod over the Pentagon brass, Gates is described by longtime associates as collegial and a consensus-builder.

If Rumsfeld had little regard for President George H.W. Bush and many of his pragmatic security advisers, including Brent Scowcroft, Gates was part of that inner circle. He remains close not only to Scowcroft but to other Rumsfeld rivals, including Secretary of State Condoleezza Rice.

Rumsfeld placed little trust in intelligence agencies and pushed the military to encroach on their turf. In a turning of the tables, a 27-year veteran of the CIA and the National Security Council is poised to take charge of the military.

Democrats praised Gates' nomination, hoping for a less combative Pentagon chief. But Gates has proved controversial in the past. He was forced to withdraw from his first nomination as CIA director before winning a split-vote confirmation four years later.

Across the national-security community Wednesday, the deep contrasts between Rumsfeld and Gates were a subject of conversation.

Rumsfeld "is a guy who is kind of burdened with his own certitude at times," said John Gannon, a former high-ranking CIA official who worked with Rumsfeld and Gates. "That is not Bob Gates. He came out of an analytic culture where listening to the ideas of others and questioning your own assumptions is part of the tradecraft."

In announcing the changes Wednesday, Bush praised Gates' experience, but he also made clear that he expected the nominee to find fresh approaches in Iraq.

"He's a steady, solid leader who can help make the necessary adjustments in our approach to meet our current challenges," Bush said.

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Gates is a member of a White House panel, led by former Secretary of State James A. Baker III and former Rep. Lee Hamilton, D-Ind., that has been charged with developing an array of alternatives to foundering Iraq policies. Gates recently traveled to Iraq as part of that team, according to the White House, and met with Iraqi leaders and U.S. military commanders.

Whereas Rumsfeld was a leading advocate for invading Iraq in the aftermath of the Sept. 11 terrorist attacks -- part of an ideological team that regarded deposing Saddam Hussein as unfinished business -- Gates was among those who cautioned the first President Bush not to press toward Baghdad after expelling the Iraqi army from Kuwait in 1992.

Gates, 63, started out at the CIA fresh out of college as a Soviet analyst and is the only agency officer to rise through the analytic ranks to take the top job. He served as CIA director under the elder Bush for a little more than a year before President Clinton was elected.

Gates, who has been president of Texas A&M University since 2002, is not without detractors. He was first nominated to be CIA director by President Reagan in 1987, but he withdrew amid congressional opposition. Gates was considered too closely tied to the Iran-Contra scandal, which had been engineered by former CIA Director William J. Casey while Gates was his deputy.

Rather than taking the helm at the CIA, Gates joined the National Security Council staff at the White House, where he made connections with Scowcroft and Rice.

After the Iran-Contra scandal faded, Gates was nominated to be CIA director by President George H.W. Bush. His 1991 confirmation turned into a battle. Gates was accused of politicizing intelligence -- a charge that has been repeatedly aimed at the White House of George W. Bush. Agency analysts testified that he was heavy-handed in seeking to influence assessments of the Soviet Union. Helater was accused of failing to anticipate that communist regime's collapse.

Gates was confirmed, but his margin of approval -- 64-31 -- represented the largest expression of Senate opposition to a nominee for intelligence director.

One of Gates' first initiatives as director was to confront perceptions that intelligence had been politicized within the agency. He appointed a task force on "analytic objectivity" and implemented all its recommendations.

While CIA director, Gates became embroiled in a controversy over an investigation of questionable financial dealings between a U.S. branch of an Italian government-owned bank and the Iraqi government before the 1991 Persian Gulf War. The Senate Intelligence Committee faulted CIA and Justice Department officials but found no criminal wrongdoing.

Sen. John D. Rockefeller IV, D-W.Va., ranking Democrat on the Senate Intelligence Committee, said Wednesday that the Gates nomination suggested Bush was "searching for a realistic and pragmatic approach in Iraq and the war on terror, rather than continuing on a course driven by ideology."

Bush's Choice Of Gates Sets Stage For Shift On Iraq War Policy (BLOOM)

By Janine Zacharia

Bloomberg, November 9, 2006

Nov. 9 (Bloomberg) -- President George W. Bush's decision to tap one of his father's old advisers, former CIA chief Robert Gates, to replace Defense Secretary Donald Rumsfeld suggests a readiness to examine a new strategy in Iraq.

Bush's announcement yesterday came after congressional elections swept Democrats to power in the U.S. House on a wave of public discontent about the war in Iraq. The president wanted to move quickly to defuse criticism of his handling of the war effort, analysts said.

Gates is one of 10 members of the Iraq Study Group, a bipartisan panel trying to devise a blueprint for stabilizing the country that can be embraced by Bush. Gates ``will certainly try to extricate us from Iraq, but how fast that can be done I don't know," said Admiral Stansfield Turner, who headed the Central Intelligence Agency from 1977 to 1981.

Zbigniew Brzezinski, former President Jimmy Carter's national security adviser, called Gates' nomination ``the best appointment that President Bush has made" and said it ``may be marking the beginning of a major correction in American policy toward the Middle East."

Gates, 63, who has served in both Democratic and Republican administrations, is known in defense and foreign policy circles as a pragmatist and an advocate of positions Rumsfeld resisted, such as direct negotiations with Iran, Iraq's Shiite neighbor.

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Two years ago, Gates co-chaired with Brzezinski a task force on Iran policy that called for selective engagement with Iran ``to promote regional stability."

Father's Team

Gates has remained close to former President George H.W. Bush, and is president of Texas A&M University, which hosts the Bush presidential library. In addition to Gates, the current President Bush is turning to another of his father's elder statesmen for help on Iraq: James Baker.

The former secretary of state is co-chairman of the Iraq Study Group along with ex-Representative Lee Hamilton, an Indiana Democrat. Bush said he will meet next week with the panel.

``I recognize that many Americans voted last night to register their displeasure with the lack of progress" in Iraq, Bush said yesterday.

The Baker panel, which includes officials from President Bill Clinton's administration, is reviewing options for a U.S. withdrawal as Sunni resistance hardens and American influence wanes in Iraq. Bush affirmed yesterday that he wouldn't pull troops out prematurely amid mounting violence.

Civil War

A U.S. intelligence official familiar with the Iraqi insurgency said in an interview that the attempt to create a democracy in Iraq is failing in an atmosphere the official described as a civil war. The official said to restore order and undercut the rebellion, Iraq may have to declare an emergency and install an authoritarian Shiite government to replace what he characterized as the ineffectual Prime Minister Nuri al-Maliki.

The U.S. needs to train and equip as many as 900,000 Iraqi security forces, almost three times the number now planned, and must find a way to persuade Sunni Arab governments such as Saudi Arabia to come off the sidelines and help stabilize Iraq, the official said.

Gates has experience on Iraq, having served as National Security Adviser Brent Scowcroft's deputy during the Persian Gulf war in 1991. He has a doctorate in Soviet and Russian history and worked in the 1980s with CIA director William Casey, who led President Ronald Reagan's covert wars to oppose communism in Central America.

Andrew Krepinevich, who heads the non-partisan Center for Strategic and Budgetary Assessments in Washington and has briefed Pentagon officials on Iraq, sees changes coming.

``One can make a plausible case that the White House has some insight into the conclusions of the Iraq Study Group, they know what is coming and Gates is comfortable with it," Krepinevich said.

Democrats Rejoice

Democrats rallied around the nomination, saying it was a chance for a new direction.

Senator Jay Rockefeller of West Virginia, the senior Democrat on the Intelligence Committee, said Gates' nomination may indicate Bush ``is searching for a realistic and pragmatic approach in Iraq and the war on terror, rather than continuing on a course driven by ideology."

Michigan's Carl Levin, who would be chairman of the Armed Services Committee if Democrats take control of the Senate, said he will work to confirm Gates before the end of the year.

In remarks at the White House, Gates spoke about challenges beyond Iraq, including Afghanistan and the broader fight against terrorism. ``I believe the outcome of these conflicts will shape our world for decades to come," he said.

Criticism of Gates

Former White House counterterrorism czar Richard Clarke accused Gates, in testimony before the commission that investigated the Sept. 11 attacks, of weakening the CIA's spying capabilities. U.S. officials were slow to learn of al-Qaeda's rise because of that, Clarke said.

Melvin Goodman, a former CIA analyst who testified against Gates' confirmation as director in 1991, accused Gates of doctoring intelligence reports to meet administration goals.

``When it comes to telling truth to power, this guy never did," said Goodman, now a senior fellow with the Center for International Policy in Washington. ``He serves a master. He will be very loyal. But will that be good for the country? Will that be good at getting out accurate information on Iraq?"

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`Open Minded'

If confirmed, Gates would replace a defense chief known for a brusque and energetic management style, a zeal to transform the military and an unwillingness to admit mistakes -- all of which made Rumsfeld one of the most divisive figures in Bush's cabinet.

By contrast, Gates has proven he is ``open minded and he can work with Democrats," said Michael O'Hanlon, a defense analyst for the non-partisan Brookings Institution.

``Gates has a daunting job, but if I was going to make a list of my top five favorite Republicans with the sheer intellectual firepower to come up with new ideas, Gates would be on that list," O'Hanlon said.

David Boren, a Democrat who chaired the Senate Intelligence Committee from 1987 through 1992, said Gates would be a welcomed change from Rumsfeld's polarizing style. Gates ``always gave members of both parties an equal seat at the table," he said.

Rumsfeld Era

Rumsfeld, 74, oversaw the global fight against terrorism that followed the Sept. 11 attacks. While the wars in Afghanistan and Iraq initially enjoyed broad support, the public's outlook on the conflicts has soured amid sectarian and insurgent violence.

Bush said he met Gates two days before the election at his Crawford, Texas, ranch to discuss the job. Gates ``understands that defeat is not an option in Iraq," Bush said.

Prior to his nomination yesterday, Gates was perhaps best remembered in Washington for his role in the 1980s Iran-Contra scandal. As deputy CIA director under Reagan, he was examined by a special prosecutor who declined to bring criminal charges.

Gates was investigated about whether he misled Congress about when he first learned that White House aides were secretly diverting profits of arms sales to Iran to buy weapons for rebels fighting Nicaragua's anti-American government. The arms sales were intended to persuade Iran to help free hostages held by terrorists in Lebanon.

Levin, who voted against Gates when he was nominated for CIA director, said it would be ``premature" to discuss which way he is leaning now. ``I want to give him a fair and fresh look," he said.

Robert Gates, A Cautious Player From A Past Bush Team (NYT)

By Scott Shane

The New York Times, November 9, 2006

WASHINGTON, Nov. 8 — In choosing Robert M. Gates as his next defense secretary, President Bush reached back to an earlier era in Republican foreign policy, one marked more by caution and pragmatism than that of the neoconservatives who have shaped the Bush administration's war in Iraq and confrontations with Iran and North Korea.

Soft-spoken but tough-minded, Mr. Gates, 63, is in many ways the antithesis of Donald H. Rumsfeld, the brash leader he would replace. He has been privately critical of the administration's failure to execute its military and political plans for Iraq, and he has spent the last six months quietly debating new approaches to the war, as a member of the Iraq Study Group run by James A. Baker III and Lee H. Hamilton.

Mr. Gates last served in Washington 13 years ago, and Mr. Bush made clear on Wednesday that he regarded his nominee as someone who would bring new perspective to the final two years of his tenure.

It was under Mr. Bush's father that Mr. Gates first rose to influence, as deputy national security adviser and then director of central intelligence. He was not part of the group that advised the current President Bush during his 2000 campaign, and he has publicly questioned the administration's approach to Iran, saying in a 2004 report for the Council on Foreign Relations that its refusal to talk to the Tehran government was ultimately self-defeating.

"This is a signal that there will be a major effort to avoid confrontation on national security issues," said Dov Zakheim, a former senior official in Mr. Rumsfeld's Pentagon who left the administration in 2004. He described Mr. Gates as "a pragmatist and a realist" who would be "no lightning rod."

A longtime Soviet analyst who spent two decades at the Central Intelligence Agency, Mr. Gates served as deputy to Brent Scowcroft, the national security adviser, during the administration of George H. W. Bush. There, he worked closely with Mr. Baker

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and Condoleezza Rice. Gen. Michael V. Hayden, now the C.I.A. director, also served on the staff of the National Security Council at the time.

Mr. Gates was confirmed in 1991 as director of central intelligence after a bruising confirmation fight in which subordinates alleged that he had politicized reporting on the Soviet Union. He has spent the last 13 years outside of government, in lucrative business posts and at Texas A&M University, first as dean of the George H. W. Bush School of Government and since 2002 as president.

Only 22 months ago, Mr. Gates turned down President Bush's invitation to become the first director of national intelligence. After agonizing for more than two weeks, Mr. Gates later recounted, he decided during a tearful, late-night walk that he "could not leave" the university to return to Washington.

But since March, as a member of Mr. Baker's Iraq Study Group, Mr. Gates has been pondering the central defense policy quandary facing the administration. Summoned to the president's ranch over the weekend and offered the defense secretary's job, this time Mr. Gates said yes.

"Because so many of America's sons and daughters in our armed forces are in harm's way, I did not hesitate when the president asked me to return to duty," Mr. Gates said at the White House ceremony on Wednesday.

Zbigniew Brzezinski, national security adviser under President Carter and co-author with Mr. Gates of the report on Iran policy, said he hoped the appointment would mean "a major corrective in American policy toward the Middle East."

Born and raised in Wichita, Kan., Robert Michael Gates, whose father sold wholesale auto parts, became an Eagle Scout (he is currently president of the National Eagle Scout Association) and studied European history at the College of William and Mary. He was recruited by the intelligence agency while completing a master's degree at Indiana University and in 1974 finished a doctorate at Georgetown University, writing his dissertation on Soviet views of China.

He first served on the National Security Council staff from 1974 to 1979 under Presidents Nixon, Ford and Carter. After returning to the C.I.A., he was given a series of pivotal jobs by Director William Casey, including deputy director and chairman of the National Intelligence Council.

If Mr. Gates was initially reluctant to return to Washington, it may be because he knows what it means to be at the center of political crossfire. First picked by President Reagan in 1987 to succeed Mr. Casey, Mr. Gates withdrew in the face of senators' concern that he had not been candid about his knowledge of the Iran-contra affair.

In 1991, re-nominated by the first President Bush, he faced a grueling confirmation involving not only Iran-contra but also some colleagues' accusation that he had skewed intelligence reporting on the Soviet Union to suit the Reagan White House. Mr. Gates was confirmed, 61 to 31, as the youngest C.I.A. director in history and oversaw the agency's initial effort to tackle post-cold-war threats.

He later defended his C.I.A. record in a 1996 memoir, "From the Shadows: The Ultimate Insider's Story of Five Presidents and How They Won the Cold War."

On Wednesday, a C.I.A. subordinate who had clashed with him offered a harsh assessment. "This is not a person with a history of telling truth to power," said the former subordinate, Melvin A. Goodman, a Soviet analyst from 1966 to 1990. Mr. Goodman called Mr. Gates a micromanager and "not a big-picture person," though he also called him "a hard-working, disciplined person who's totally loyal to his bosses."

David Boren, a former Democratic chairman of the Senate intelligence committee, had warm praise for Mr. Gates's service. "I found him to be highly intelligent, an excellent manager of the large and complex intelligence community, and totally bipartisan in his approach," Mr. Boren said in a statement.

Bobby R. Inman, a former C.I.A. deputy director and National Security Agency director and an old friend of Mr. Gates, called him "a good listener" who, "after he makes up his mind, is very decisive."

"He's impatient with those whose minds don't move as fast as his does, but he's not arrogant," Mr. Inman said. He compared Mr. Gates's nomination to President Johnson's choice of Clark Clifford, another unflappable old Washington hand, to replace the lightning rod Robert S. McNamara as defense secretary in 1968 at the height of the Vietnam war.

A hint of the approach Mr. Gates might bring to the job, drawing on his experience at the end of the cold war, can be found in his remarks in 2004 at the release of the Council on Foreign Relations report, called "Iran: Time for a New Approach."

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"One of our recommendations is that the U.S. government lift its ban in terms of nongovernmental organizations being able to operate in Iran," Mr. Gates said. "Greater interaction between Iranians and the rest of the world," he said, "sets the stage for the kind of internal change that we all hope will happen there."

Gates To Inherit Challenges On Multiple Fronts (WSJ)

By Greg Jaffe

The Wall Street Journal, November 9, 2006

Robert Gates, the former director of the Central Intelligence Agency nominated as defense secretary, will inherit a military badly strained by the Iraq and Afghanistan wars and increasingly skeptical of the transformative vision of his predecessor, Donald Rumsfeld.

But it remains to be seen what kind of long-term vision Mr. Gates, the 63-year-old former director of the Central Intelligence Agency nominated yesterday, will bring to that military if he's confirmed.

Mr. Gates is known as a master operator of the national-security bureaucracy. He is a specialist in Soviet affairs who moved between CIA and National Security Council staff jobs early in his career. He rose in the CIA bureaucracy despite the fact that his background was as an analyst rather than a covert operative, which then was the more normal route to the top.

In the Reagan administration, Mr. Gates had brushes with controversy because of his role as deputy to then-CIA director William Casey, who was deeply involved in sending arms covertly to Nicaragua's Contra rebels. That controversy kept Mr. Gates for a while from being elevated to the job he had always most coveted, director of central intelligence. He ultimately got that job after working as deputy national security adviser for President Bush's father. During his time in the first Bush administration, he was one of the architects of the first Persian Gulf war against Iraq, and helped manage the collapse of the Soviet Union.

Mr. Gates, a Kansan with a flat Midwestern accent, became a close and trusted adviser to the first President Bush along the way, and also worked closely with the current secretary of state, Condoleezza Rice, who worked below him as an NSC staff member. He had a natural link with Ms. Rice because both are, by background, specialists in Russia and the former Soviet Union. He also developed a close relationship with Brent Scowcroft, the first President Bush's national security adviser, who now has a strained relationship with the Bush White House because of his criticisms of the current approach to Iraq.

A principal question facing Mr. Gates, currently president of Texas A&M University, is what role he will play in policy formulation, as opposed to more narrow management of the Defense Department. People who know him say he is more of a pragmatist who is likely to adopt a more measured approach to the wars in Iraq and Afghanistan.

Inside the Defense Department, the major issue facing him will be whether to shift money from the Air Force and the navy to buttress the Army. Some Army generals -- as well as Sen. John McCain -- have begun to call for a dramatic increase in their budget to reflect a future they believe will be dominated by messy guerrilla wars. Earlier this year, Gen. Peter Schoomaker called for increasing the Army's budget in 2008 to about $140 billion, up from a planned budget of about $114 billion. Such a large increase to the Army budget isn't likely to occur without at least some scaling back of big weapons programs like missile defense, major ships or some of the next-generation fighter-jet programs.

Mr. Rumsfeld had led an ambitious effort to remake the U.S. military into a faster, leaner force. His vision was driven by the belief that communications technology and precision weapons had the capacity to change some fundamental rules of war. The rapid toppling of the Taliban in 2001 and the three-week push that displaced Saddam Hussein in 2003 seemed to confirm his belief that speed and precision could substitute for large ground forces.

But Iraq and Afghanistan have since revealed the limits of a relatively small, high-tech force in bringing security and stability to chaotic lands that could become havens for terrorists. Criticism of Mr. Rumsfeld had been building steadily for almost three years. At first, Democrats excoriated him for failing to more quickly obtain protective armor for troops in Iraq. Then a chorus of retired generals called for his firing, saying his micromanaging of the war planning had resulted in too small a force being sent to Iraq. As U.S. deaths in Iraq surged in the last six weeks, many Republicans jumped on the bandwagon.

It is likely that a Democratic-controlled House of Representatives would have subpoenaed Mr. Rumsfeld early and often as the prominent face of an increasingly unpopular war. His resignation robs opponents of the war of a chance to revisit mistakes in the conflict and make theater of his congressional appearances. It also could make it easier for the administration to hammer out

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a compromise with moderate critics of the war -- somewhere between its early vow of total victory and opponents' calls for quick withdrawal.

Though killing or delaying big weapons programs is never popular in Congress, some Democrats yesterday suggested they would be open to shifting away from the high-tech weapons systems that made up the core of the Rumsfeld vision to a military more oriented to prevailing in messy guerrilla wars like Iraq, where the premium is on large formations of trained soldiers with more basic equipment.

Asked how he would balance defense-spending pressures, Missouri Rep. Ike Skelton, the likely new chairman of the House Armed Services Committee, said, "The first thing you have to do is take care of the troops. You can have all the fancy weapons systems in the world, but if you don't have the people, you don't gain a great deal."

Gates To Offer "Fresh Perspective" On Iraq (WT)

By Bill Gertz

The Washington Times, November 9, 2006

Former CIA Director Robert M. Gates, President Bush's choice to be the new defense secretary, is a retired career intelligence analyst with little experience in military and defense affairs.

If confirmed by the Senate, the university president will take over the Pentagon at a time when U.S. troops are fighting the global war against terrorism, with its most visible and costly battlefront in Iraq.

Mr. Bush, introducing his nominee yesterday, said Mr. Gates "will provide the department with a fresh perspective and new ideas on how America can achieve our goals in Iraq."

Mr. Gates said: "The United States is at war in Iraq and Afghanistan, we are fighting against terrorism worldwide, and we face other serious challenges to peace and our security. I believe the outcome of these conflicts will shape our world for decades to come."

Noting that long-term U.S. strategic interests and security are at risk and U.S. armed forces are in harm's way, Mr. Gates said he did not hesitate to accept Mr. Bush's request to take the Pentagon post.

Iraq looms large in his new position and remains a major focus of political and other critics, including some in the U.S. military and especially the Army who oppose current strategy and tactics, but who have offered few alternatives.

Mr. Gates, 63, currently is part of a special review panel on Iraq headed by former Secretary of State James A. Baker III and former Rep. Lee H. Hamilton, Indiana Democrat. The panel is expected to present recommendations soon for sharply revamping the current policy on the Iraq counterinsurgency campaign.

An aide to former President George H.W. Bush, on whose National Security Council staff he served, Mr. Gates is currently president of Texas A&M University, a position he has held since 2002. Before that he headed the George Bush School of Government and Public Service at Texas A&M from 1999 to 2001.

Little is known of Mr. Gates' views on defense and military affairs, other than that he initiated a reform effort to increase intelligence support to the military after shortcomings were found after the 1991 Persian Gulf War. He spent two years as an Air Force intelligence officer from 1966 to 1968, and his career in intelligence focused on the Soviet Union.

He is expected to bring new defense and military policies to the Bush administration that likely will be more moderate than the generally conservative Defense Secretary Donald H. Rumsfeld, whom he would replace. Based on recent public statements, he is also likely to favor intelligence-based solutions over military ones. By contrast, Mr. Rumsfeld has been a longtime skeptic of U.S. intelligence capabilities, often referring to intelligence products as incomplete or inadequate.

Mr. Gates, as co-chairman of a recent Council on Foreign Relations task force on Iran, stated that forcing regime change in Iran without military action is "highly unlikely" to succeed, and that military action also will not work because of U.S. commitments in Iraq and Afghanistan. The former CIA chief said he favors a policy of "engagement" with Iran on its refusal to abide by international agreements on its nuclear program.

He said in a speech last year that U.S. intelligence agencies had been unfairly criticized for failures, such as those related to the September 11 attacks and Iraq's weapons of mass destruction. Intelligence during the Cold War played an auxiliary role, but is a main element of the war on terrorism and is also more difficult, Mr. Gates said.

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Mr. Gates' intelligence career and views were examined in detail during a contentious Senate nomination battle in 1991 for his CIA directorship, which he held from 1991 to 1993. He joined the CIA in 1966. From 1989 to 1991, he was deputy national security adviser in the White House National Security Council.

Senate hearings on the matter revealed Mr. Gates as a seasoned if clean-cut bureaucrat, a view confirmed by his 1996 memoir, "From the Shadows," which revealed his bureaucrat-spy career under five presidents.

Defense Nominee Can Do The Job Without 'having Rocks Thrown At Him' (USAT)

By Richard Willing

USA Today, November 9, 2006

WASHINGTON — Defense Secretary nominee Robert Gates served more than two decades in intelligence, has served on corporate boards and done a stint as a presidential adviser on national security affairs.

But those who have observed Gates in his most recent incarnation, as president of Texas A&M University since 2002, say that job may have provided the best test of the skills he'll need to succeed if he's confirmed to succeed Donald Rumsfeld as defense secretary.

"He undertook big changes, and evidently did it with good nature and without too many bad feelings," says Felix Moos, an anthropology professor at the University of Kansas and an adviser to the intelligence community.

"He got accomplished what he felt needed to be accomplished" — including firing a football coach and ending admission preferences for children of alumni — "without being picketed or having rocks thrown at him."

Before Texas A&M, the 63-year-old Gates' career revolved around national security.

Raised in Wichita, he joined the CIA shortly after graduating from the College of William and Mary in 1965. Gates, short and round-faced, was no "James Bond type," as he told the Houston Chronicle in 2004. Instead, he was an intelligence analyst specializing in the Soviet Union; spent three years as a deputy director and ran the CIA for 14 months ending in January 1993.

At the CIA, Gates was known as a committed Cold Warrior who believed the Soviet Union was unlikely to become a Western-style market democracy despite Community Party leader Mikhail Gorbachev's reforms of the 1980s.

Gates was alleged by former CIA subordinates to have slanted intelligence about the Soviet threat, Newsweek reported Wednesday on its website. As CIA director, however, he won the respect of liberals for a speech challenging the notion that intelligence collection should serve an administration's goals.

"Bob Gates … said that national security professionals were duty bound to speak the truth to power, telling political leadership when their policies had veered off course," Rep. Jane Harman, D-Calif., a ranking member of the House Intelligence Committee, said Wednesday.

During the 1980s, Gates was involved in the Reagan administration's plan to sell arms to the government of Iran in return for Iran's help in freeing Americans held hostage in the Middle East.

Those deals were at the heart of the Iran-contra scandal. Lawrence Walsh, the independent counsel investigating the affair, concluded in 1993 that Gates had not been truthful about when he learned money from the Iran sales had been diverted to help the rebels fighting Nicaragua's Soviet-backed government.

Gates claimed he had forgotten an earlier meeting to discuss the funds. He was not prosecuted.

If confirmed, Gates will take over a Pentagon where Rumsfeld's well-documented crustiness has heightened tensions already flowing from a difficult and controversial war. Military analyst Charles Pena says Gates will likely have a much smoother relationship with senior military leaders and with Congress than Rumsfeld did.

"Gates is more likely to be willing to reach across the aisle and find bipartisan consensus, rather than the Rumsfeld approach, which was more or less 'my way or the highway,' " said Pena, of the Independence Institute in Oakland, Calif.

Gates will enter the Pentagon soon after working with Bush's Iraq Study Group to help develop a new U.S. strategy for the war.

Gates' work on the panel is "not inconsequential," says John McLaughlin, a former CIA deputy director and Gates colleague. "What we're seeing is a convergence of pragmatic people … on the next steps."

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Two years ago, Gates and Democrat Zbigniew Brzezinski chaired a commission that urged a new approach to Iran that stressed negotiating areas of mutual interest, such as security in Iraq, before tackling nuclear issues.

This isn't the first time Bush has come calling. In January 2005, Gates turned down an offer to take the newly created post of director of national intelligence.

At the time, Gates said he wanted to fulfill a five-year plan at Texas A&M that included $500 million in new construction and the hiring of 450 new faculty members.

"Much has happened both here and around the world since then," he wrote on the university's website Wednesday afternoon.

"I love Texas A&M deeply, but I love our country more, and like the many Aggies in uniform, I am obligated to do my duty."

Gates Well-armed For Tough Job (DMN)

By Jim Landers

The Dallas Morning News, November 9, 2006

WASHINGTON – Robert Gates leaves Texas A&M for one of the most thankless jobs in the country.

But he returns to Washington with powerful, pragmatic allies for the battles ahead with a new Congress and within the White House itself over Iraq policy.

Dr. Gates comes from the circle of national security aides who counseled President Bush's father from 1989 to 1992, including Gen. Brent Scowcroft, Secretary of State James A. Baker III and Gen. Colin Powell, who was chairman of the Joint Chiefs of Staff.

They urged the elder President Bush not to go on to Baghdad after the defeat of Saddam Hussein's forces in Kuwait.

They have sometimes criticized the current administration's decision to go to war in Iraq, but more often have kept silent about the conduct of the war.

In the current administration's first term, Mr. Powell – then secretary of state – "was a pragmatist, but he got swamped by Don Rumsfeld and Dick Cheney," said one former GOP national security aide, speaking on condition of anonymity.

"Whether Gates will be able to come out against them or the boss himself, that remains to be seen. But he will have someone else to point to as a source of wisdom."

Dr. Gates, 63, said Wednesday that he hadn't anticipated returning to public service.

But he'd already been called back into the national security arena in April as a member of the Iraq Study Group headed by Mr. Baker and former Democratic Rep. Lee Hamilton.

Mr. Bush said he'd be meeting with Mr. Baker next week.

The Iraq Study Group's report is thought to be nearing completion.

"I understand their report is not quite ready yet, but the members pretty much know what it's going to say," said Richard Stoll, a Rice University political science professor.

"It's interesting he [Mr. Bush] would pick somebody familiar with the study group's deliberations."

Dr. Gates can call on Mr. Baker, Mr. Scowcroft and others from the first Bush administration, but he can also seek support from Democrats.

Zbigniew Brzezinski, national security adviser to former President Jimmy Carter, brought Dr. Gates to the White House from the CIA as a Soviet specialist.

"I think the Gates appointment is the best appointment that President Bush has made in the course of his six years in office," Mr. Brzezinski said.

"I co-chaired with him [Dr. Gates] two years ago a study on American policy towards Iran.

"He is a remarkably intelligent, responsible and balanced individual whose judgment can be trusted and whose common sense is reassuring. This appointment may be marking the beginning of a major corrective in American policy towards the Middle East."

Mr. Bush said Dr. Gates will bring a "fresh perspective" to the Defense Department.

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After an election in which the country made clear that it isn't happy with the course of the war, Mr. Stoll said he finds it hard to believe Dr. Gates is eager for the assignment.

"I don't think he or anyone would relish this task, but somebody's got to do it, and I'm sure the president prevailed on his patriotism and sense of duty," Mr. Stoll said.

Dr. Gates, a native of Kansas, was recruited to the CIA in 1966 while studying for his master's degree at Indiana University.

He was commissioned an officer in the Air Force in 1967 and served in the Strategic Air Command.

Dr. Gates got a doctorate in Soviet and Russian history from Georgetown University in 1974 and went on to become the spy agency's top analyst on Soviet affairs.

During the Reagan administration, Dr. Gates was deputy to CIA Director Robert Casey, whose aggressive and clandestine foreign policy forays helped lead the White House into a scandal known as the Iran-Contra affair.

White House aides and CIA agents sold weapons to the revolutionary Islamic regime in Iran in an effort to win release of Americans held captive by Shiite radicals in Lebanon, and they then used the money to supply the Contra rebels fighting the leftist Sandinista regime in Nicaragua.

Mr. Casey died just as the scandal came to light, and President Reagan nominated Dr. Gates to take over as CIA director. But the scandal ruined his chances of confirmation by the Senate.

A special prosecutor investigated Dr. Gates' role, but no charges were brought against him.

The first President Bush named Dr. Gates to head the CIA in 1991, and he held that position until 1993.

At the urging of Gen. Scowcroft, Dr. Gates was named interim dean of the George Bush School of Government and Public Service at Texas A&M. He held that post from 1999 until 2001, and became president of Texas A&M in 2002.

James Mann, author of the 2004 book The Rise of the Vulcans: The History of Bush's War Cabinet, said Dr. Gates was "one of the charter members of the Bush 41 team."

"Gates fit right in, and was close to Scowcroft," Mr. Mann said.

Gen. Scowcroft has publicly criticized the current administration's Middle East policies and the war in Iraq.

Sen. John Cornyn, R-Texas, a member of the Senate Armed Services Committee, said that while Dr. Gates may be close to Gen. Scowcroft, Mr. Bush still has the final say.

"Clearly if confirmed, Secretary Gates will serve at the president's pleasure, just as Secretary Rumsfeld did," Mr. Cornyn said.

"But what will be useful is to hear sort of a fresh set of ideas, and somebody who has not been burdened by the daily conduct of the global war on terror."

Whether Dr. Gates brings a different view, he at least won't be a lightning rod, said Rep. Mac Thornberry, R-Clarendon, a member of the House Armed Services Committee.

"Rumsfeld's not the issue anymore. He was going to be a continuing target for attacks, and just by having a new person there is a chance, with the Baker-Hamilton group, to try to have some bipartisan work ... on the path ahead," Mr. Thornberry said.

Robert Gates Lauded As Breaker Of Barriers (WP)

By Ann Scott Tyson, Walter Pincus

The Washington Post, November 9, 2006

Robert M. Gates, a veteran intelligence official whom President Bush nominated to become his new secretary of defense, is widely viewed as a consensus-builder who may break down barriers between civilian and military leaders -- as well as between the Pentagon and other agencies -- that grew legendary under Donald H. Rumsfeld.

Gates, 63, is a close associate of former president George H.W. Bush and was deputy national security adviser during the Persian Gulf War. He rose rapidly through CIA ranks as a Soviet expert with extensive White House experience to become director of central intelligence from 1991 to 1993. The only setback in his career came in 1987 when he withdrew as President Ronald Reagan's nominee to be CIA director because of his involvement in the Iran-contra affair. In all, Gates has served six presidents in both Republican and Democratic administrations.

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A native Kansan with shrewd bureaucratic instincts, Gates lacks the top-down, take-no-prisoners managerial style that won Rumsfeld enemies and instead is more likely to set up task forces and forge agreements behind the scenes, associates said. While Rumsfeld issues flurries of directives and memos, nicknamed "snowflakes," in keeping with his business-executive past, Gates is a listener and leads with the inherent circumspection of an intelligence analyst, they said.

"Rumsfeld's a wrestler. Bob Gates likes to hike," said Richard Haver, a former senior official who has worked closely with both men. "Gates is not about to get on a mat with someone and pin him. With Rumsfeld, pinning is the name of the game."

At the Pentagon, senior military officers said that while Rumsfeld is perceived as arrogant and a fierce turf-battler, Gates is viewed as a far less combative and more conciliatory figure. "Gates has a track record of bipartisan support and being respected and accepted by . . . different parties," said a senior Army general, adding, "I think he'll be fine."

Gates could help ease the tensions that arose as Rumsfeld moved to impose greater civilian control on military services and operations, active and retired military officers said.

Military leaders "will find their voice in a way that they were never going to find it with Rumsfeld. My guess is that he'll listen," a retired four-star general said of Gates, whom he knows. Still, while Gates is expected to handle dissent with more finesse, "he won't be snowed or bamboozled" by senior military officers, said a former official who knows Gates well. "Gates will listen, but he will not always take their advice," he said.

Zbigniew Brzezinski, who was Gates's boss as national security adviser in the Carter White House and today is one of the sharpest critics of the Iraq war, described the appointment yesterday as "the best . . . that President Bush has made in the course of his six years in office." Brzezinski described Gates as someone "whose judgment can be trusted and whose common sense is reassuring," and said that "this appointment may be marking the beginning of a major corrective in American policy towards the Middle East."

Former senator Sam Nunn (D-Ga.), whose questioning of Gates in 1987 led to the withdrawal of his nomination to be CIA director, praised his "ability to work closely with Congress on a bipartisan basis" and said he "has a well-deserved reputation on both sides of the aisle for competency and integrity."

Gates is a member of the Iraq Study Group, a congressionally mandated bipartisan commission headed by former secretary of state James A. Baker III and former congressman Lee H. Hamilton (D-Ind.). The group's review of the situation in Iraq over the past several weeks will give Gates momentum going into his new job, observers said. "Gates is going to have to move pretty fast. He doesn't have a lot of time to study this," said the retired four-star general.

Several associates stressed that Gates is a pragmatist and not an ideologue, and characterized him as being the same type of moderate Republican on foreign policy issues as Baker. A senior intelligence officer who has known Gates for 30 years described him as tough, brilliant and hard-working, but said Gates has sharp elbows for those who get in his way.

Gates has experience with Iraq as well as Afghanistan. He was deputy national security adviser during the 1991 Gulf War and helped oversee U.S.-sponsored operations in Afghanistan under Reagan in the 1980s.

Gates, who holds a PhD in Soviet history from Georgetown University, left government in 1993 for academia. He became president of Texas A&M University in 2002, a post he described yesterday as the most enjoyable of his career.

"I had not anticipated returning to government service," he said at a White House announcement ceremony, flanked by Bush and Rumsfeld. But he said that the United States is engaged in wars that "will shape our world for decades to come," and that with "so many of America's sons and daughters . . . in harm's way, I did not hesitate when the president asked me to return to duty."

Gates appeared to get a cordial reception from members of the Senate Armed Services Committee, which will have to confirm his appointment. "I think he will be a very pleasant change from Secretary Rumsfeld" in his dealings with Congress, said Sen. Jack Reed (D-R.I.), a vocal member of the panel.

But Rep. Rush D. Holt (D-N.J.), a member of the House intelligence panel, called the Gates nomination "deeply troubling."

Holt, a retired intelligence officer and a nuclear physicist, said that while at the CIA's helm, "Gates developed a reputation for pressuring analysts and managers to shape analytical conclusions to fit administration positions." Holt said Gates's confirmation hearing "should be thorough and probing."

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While Gates contrasts sharply with Rumsfeld in style, the two are comparable in intellect and energy, associates said. Only hours after a recent knee surgery, for example, Gates took part in the Texas A&M football weekend tradition known as the "midnight yell," said Michael C. Desch, a professor of intelligence at the university. One of Gates's major initiatives at the university was to muster support for a 25 percent increase in the size of the faculty, which was "huge," Desch said, and won Gates admiration.

A former Eagle Scout, Gates is an avid hiker who enjoys spending time at his vacation house in the Pacific Northwest. He is married and has two children.

Rumsfeld, A Force For Change, Did Not Change With The Times Amid Iraq Tumult (NYT)

By Michael R. Gordon

The New York Times, November 9, 2006

WASHINGTON, Nov. 8 — From the day he took control at the Pentagon, Donald H. Rumsfeld was determined to reassert civilian control of the defense establishment and create a leaner, more lethal American military.

With President Bush's endorsement, he pursued his goals with a vengeance, emerging as the most powerful secretary of defense since Robert S. McNamara more than three decades earlier.

Like his predecessor, Mr. Rumsfeld was undone by policies that resulted in a quagmire in a distant land. The defense secretary's resistance to deploying a large number of troops in Iraq, his skepticism of nation-building and his reluctance to acknowledge a potent insurgency made an already challenging situation all the more difficult. As the turmoil grew in Iraq, the defense secretary who once described himself as "genetically impatient" and a force for change was slow to adapt.

"The ironic thing is that he may end up being criticized for not being more on top of Iraq," said Eliot A. Cohen, a military historian and professor at the Paul H. Nitze School of Advanced International Studies of Johns Hopkins University. "Blame needs to be shared all around on Iraq, but he bears his share of responsibility by not being willing to make the kinds of corrections early on that were necessary."

Mr. Rumsfeld did not acknowledge missteps on Iraq in his appearance with President Bush on Wednesday, but obliquely accepted that he had become a lightning rod for criticism of the war. Paraphrasing Winston Churchill, he said, "I have benefited greatly from criticism, and at no time have I suffered a lack thereof."

Mr. Rumsfeld came to the Pentagon as a consummate insider. Among an array of important government posts, he had been defense secretary under President Ford, developing a reputation as a ruthlessly effective bureaucratic infighter.

After a career as a corporate chief executive, he returned to the Pentagon after George W. Bush was elected president. Mr. Bush had vowed during his campaign to appoint a powerful defense secretary with a mandate to overhaul the American military. Mr. Rumsfeld was to be that man.

At the Pentagon, Mr. Rumsfeld's program was called "transformation," and it acquired the status of an official ideology. Mr. Rumsfeld was enamored of missile defense and space-based systems, issues he had worked on during his years out of office. Like many conservatives, he was wary about the Army leadership, which he considered to be too wedded to heavy forces and too slow to change.

In his trademark blunt style, Mr. Rumsfeld convened a Pentagon "town hall" meeting on Sept. 10, 2001. "The topic today is an adversary that poses a threat, a serious threat, to the security of the United States of America," he pronounced. "It's the Pentagon bureaucracy."

After the terror attacks in Washington and New York the next day, Mr. Rumsfeld focused on the new war on terrorism. The defense secretary was a solid ally of Vice President Dick Cheney, who worked for Mr. Rumsfeld during the Nixon and Ford years. And he soon emerged as a spokesman for the administration's national security policies, presiding over news conferences at which he issued pithy observations about the need to be prepared for the "unknown unknowns."

Within the military establishment, however, the defense secretary quickly became a contentious figure as his penchant for hands-on management and his theories on military transformation were given a field test. Mr. Rumsfeld did not decide how many troops would be deployed for the war in Iraq, but he helped pick the generals who did. He never hesitated to push, prod and ask questions to shape their recommendations.

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It was Mr. Rumsfeld who complained that the plan for invading and securing Iraq that had been left behind by Gen. Anthony C. Zinni, Tommy Franks's predecessor at the United States Central Command, called for more troops. As many as 500,000 troops would be sent to secure Iraq. Mr. Rumsfeld dismissed it as old thinking, according to retired Lt. Gen. Greg Newbold.

According to General Franks, Mr. Rumsfeld was the impetus behind one of the most contentious decisions of the war: canceling the deployment of the First Cavalry Division, which was to reinforce the initial invasion force. That left the American military with fewer troops as the insurgency was beginning to develop.

It was also Mr. Rumsfeld who insisted that the Pentagon take the lead in overseeing postwar planning and the administration of Iraq in the first critical months of the occupation after the ouster of Saddam Hussein from power. When Baghdad was gripped by looting in April 2003, the defense secretary dismissed the disorder as little more than the pent-up frustrations of an oppressed people: "Stuff happens."

According to L. Paul Bremer III, the American civilian administrator in Iraq, and his aides, Mr. Rumsfeld was consulted on the controversial decision to formally disband the Iraqi Army.

Iraq, of course, is just part of Mr. Rumsfeld's legacy. In terms of his management style, he clearly succeeded in consolidating his authority as defense secretary. More than any of his predecessors, Mr. Rumsfeld influenced the appointment of three- and four-star officers, installing military leaders whom he could count on to carry out his agenda. But senior officers complained that his insistence on loyalty came at a cost: a dearth of senior officers willing to offer independent advice.

In terms of his transformation agenda, Mr. Rumsfeld enjoyed, at best, mixed success. He overhauled the cold-war-era system of military bases around the world, a decision that has led to the reduction in American forces in Europe and Korea. He also insisted on greater cooperation among the military services.

"On the positive side he brought the armed forces to a much higher degree of joint thinking and integration," said Barry M. Blechman, a member of the Defense Policy Board, which advises Mr. Rumsfeld, and the president of DFI International, a consulting firm.

Still, despite Mr. Rumsfeld's avowed intention to challenge orthodox Pentagon thinking, few major weapons programs were canceled and the military's force structure and spending patterns were not radically altered.

"At the end of the day you would have to say that for Rumsfeld, transformation was more promise than reality," said Andrew F. Krepinevich Jr., the executive director of the Center for Strategic and Budgetary Assessments. "He made a start, but these things take time, and it is clear now that Iraq has denied him that time."

Rumsfeld Sought A New Role For Pentagon (LAT)

By Julian E. Barnes

The Los Angeles Times, November 9, 2006

The secretary's strategy led him to dominate national security policy more than any figure since Henry Kissinger.

Donald H. Rumsfeld came to the job of Defense secretary determined not only to remake the U.S. military, but to recast the Pentagon's role in national security.

He arrived with a prescription for what he believed ailed the Pentagon. As he later put it in one of his famous "snowflake" memos — so named by staffers because they arrived in a constant blizzard — the department was "tangled in its anchor chain." Rumsfeld saw the military as paralyzed by old thinking, outdated policies, service rivalries and a love of slow-moving tanks and aircraft carriers.

The Pentagon, State Department, National Security Council and intelligence community have always jockeyed for influence. But in the Bush Cabinet, Rumsfeld — in part through the force of his personality — established himself and his department as the first among equals, coming to dominate national security policy more thoroughly than any figure since Henry Kissinger.

"He was the Olympic athlete of interagency ruthless bureaucrats," said retired Army Gen. Barry McCaffrey. "He was charming, determined and absolutely brutal to those who opposed his ideas."

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Rumsfeld's insistence that the Pentagon take the lead left him with responsibility for the course of the war in Iraq. And after a stunning repudiation by voters of the administration's policy on the war, Rumsfeld is leaving at what is arguably a low point in the U.S. effort.

President Bush's new Defense nominee, Robert M. Gates, is likely to be the first member of an entirely new team on Iraq. Senior State Department officials have said in recent days that Zalmay Khalilzad, the U.S. ambassador to Iraq, also is expected to resign. And senior Army officials have said they expect Army Gen. George W. Casey Jr., the top American commander in Iraq, to leave his post by early next year.

Bush said Wednesday that he had come to the conclusion before the election that a new Defense secretary was needed.

"Secretary Rumsfeld and I agreed that sometimes it's necessary to have a fresh perspective," he said.

As a result, the Pentagon chief known for lightning-rod comments about the Iraq conflict — such as his observation in 2004 that "you go to war with the Army you have, not the Army you might want or wish to have" — stepped down Wednesday.

According to two associates, Rumsfeld had wanted to serve as Defense chief as long as he could get things done. With criticism of the president's Iraq policy mounting and the U.S. prospects in the war worsening, he concluded he could no longer be effective.

"He came to accept that the scales had tipped the other way," said an associate who spoke on condition of anonymity to avoid any appearance of violating a confidence.

In brief remarks at the White House, Rumsfeld alluded to the rising criticism of the war of which he was a prime architect. Quoting Winston Churchill, he said, "I have benefited greatly from criticism, and at no time have I suffered a lack thereof."

After the 2001 invasion of Afghanistan, led primarily by special operations forces and CIA paramilitary fighters, Rumsfeld emerged with a reputation as a decisive leader. The seemingly successful invasion of Iraq in 2003 further burnished that image.

But public perception of Rumsfeld began to change as the war in Iraq dragged on and American casualties mounted. Critics charged that he had ignored or downplayed the insurgency until it was too late and Iraq had descended into sectarian conflict.

His six years under Bush were Rumsfeld's second tour in the job. He was Pentagon chief for a little over a year in the Ford administration. If he remains in office until Dec. 29, he will best the record of Robert S. McNamara, who oversaw the Vietnam War and served for more than seven years.

Rumsfeld exerted huge influence in the Pentagon because he mastered both the sweeping revolutionary ideas that so enamored Bush as well as the sometimes arcane bureaucratic fine points on which Washington runs.

"He had such an influence on the department, by the sheer force of his personality.... His rule and dictates drilled way down into the bureaucracy in the Pentagon," said James J. Townsend Jr., a civilian Pentagon official who helped direct North Atlantic Treaty Organization policy before retiring last month.

Though Townsend acknowledged that Rumsfeld is likely to be judged first by the Iraq war, he added that it is important to acknowledge that the secretary changed how the Defense Department does business.

"He really did go in with a broom and shake out a lot of cobwebs and force people to think differently," said Townsend, now the international security program director at the Atlantic Council, a Washington organization that supports NATO projects.

It is hard to imagine a more controversial leader within the department. Few in the Pentagon were ambivalent Wednesday about Rumsfeld's leadership.

His many supporters credit him with making tough decisions, speeding up the transformation of the military, cutting outdated weapons systems, advancing the missile defense system, creating a new focus on domestic security, repositioning forces out of Germany and South Korea, and reorganizing the Army to make it more adaptable.

But critics shook their heads in dismay as he considered cutting the Army by two divisions early in his tenure. They also charge that he allowed strong-willed deputies to drop the military's adherence to the baseline standards of the Geneva Convention and created a military prison at Guantanamo Bay beyond the reach of American courts.

The critics said he equated long experience with antiquated thinking, and ran roughshod over people who offered alternate ideas. To these critics, the difficulties of the Iraq war are the natural result of Rumsfeld's tendency to ignore the warnings of others.

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Lawrence DiRita, a former advisor to Rumsfeld, disputed the criticism and argued that his former boss accelerated the military's move toward a more nimble and faster-moving force.

"Adversaries around the world understand how much more capable we are today," DiRita said. "There has been a paradigm shift at the Department of Defense toward speed, agility and precision."

DiRita said Rumsfeld is not to blame for the problems in Iraq.

"I think it would be counter-factual for people to conclude that but for Don Rumsfeld, things in Iraq would be very different," he said.

But many believe that the setbacks in the war have much to do with Rumsfeld's insistence on a small invasion force and his early dismissal of the idea that the U.S. military has a duty to help rebuild nations.

McCaffrey, a Rumsfeld critic, said the outgoing secretary was blinded by his view that the military was antiquated and by his decision not to listen to military experts.

"This very determined man managed, through arrogance and misjudgment, to put the country's armed forces in a strategically perilous position," McCaffrey said. "He thought we were a colossal group of lower-class minds rooted in World War II, and he was going to help us to understand the nature of warfare."

Rumsfeld's supporters argue that his emphasis on precision strikes and the power of expeditionary forces will have the most lasting impact.

But other officers believe Rumsfeld's transformation of the military will be overshadowed by the experience in Iraq, a war that stands to profoundly reshape America's armed forces in other ways.

Rumsfeld, A Newsmaker Who's Certainly Hard To Follow (WP)

By Linton Weeks

The Washington Post, November 9, 2006

Is he stepping down? You bet. Does he admit defeat? Not by a long shot. Is the country going to miss the way he acted smarter than everyone else and often preempted media questions by interrogating himself as a rhetorical device? Sort of -- the way you might miss your father's spankings.

Goodness gracious! Donald Rumsfeld, who resigned yesterday, not only has been secretary of defense for six years, he's been secretary of offense. During his tenure, briefings by the head of the armed forces became tours de force. He would clap his hands, lick his lips, narrow his eyes into a squinty gaze and extemporize, patronize, chastise, sermonize and crack wise all at the same time.

He had his admirers. "Reporters often told me that he raised the levels of their performances," says former Pentagon spokeswoman Torie Clarke. "He forced them to be more precise in the way they asked questions." She says he obviously respected the role of the media in society.

"He tries very hard not to talk before he's thought through his answer," she says. "He thinks before he speaks."

And he had his detractors. Calvin Trillin, a writer for the New Yorker and author of "A Heckuva Job: More of the Bush Administration in Rhyme," says he has been amazed at Rumsfeld's ability to be at once brashly know-it-all and disarmingly homespun. "It was a wonderful mixture of arrogance and 'Aunt Harriet' language" like goodness gracious, Trillin says. "I don't think anybody can match that."

In the introduction to his book, Trillin writes that Rumsfeld conducted his press briefings "as if trying patiently to explain the obvious to a class of slow third-graders. (Might you prefer to be briefed by someone less arrogant and condescending? Yes. Do we always get what we want? Of course not.)"

Late-night comedians will miss him. He was an easy mark.

And for a while, back in the early days of the fighting in Afghanistan, he was considered a rock star, a sex symbol to some. But the country's fascination with him flagged as more and more people began to question the war in Iraq.

Rumsfeld always had an answer. He will be remembered as a master at holding up a word or a phrase as if it were Silly Putty, then twisting it, bouncing it, stretching it to his own liking. For instance, the time he decided that people should eschew the word "insurgents" and call them "enemies of the legitimate Iraqi government" instead.

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Or the time he spoke of the precariousness of the contemporary world. "Reports that say that something hasn't happened are always interesting to me," Rumsfeld said, "because as we know, there are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns -- the ones we don't know we don't know."

He said, "The absence of evidence is not evidence of absence."

If you missed his briefings, you can still find some fragments on the Internet. God bless YouTube. It's a rip-roaring repository of Rummified irascibility.

In one video snippet he uses a high-in-the-throat, marmish tone to tell a Pentagon reporter that he is "wrong!" The reporter tries to speak and Rumsfeld wags his finger. "Just a minute, just a minute!"

There's a clip in which he mimics a dropping guillotine with his hand and says, "This is complicated stuff."

For six years, Rumsfeld was the civilian rooster in the military henhouse -- the alpha male. Yesterday, he was the omega male, giving his last briefing as the unequivocal secretary of defense. Bush spoke first. Then Robert Gates, the newly nominated secretary of defense. Then Rumsfeld. He had the last word.

He stood at a funereal black lectern in the Oval Office and explained things one last time. He clapped his hands to get things started. He licked his lips. He narrowed his eyes into a squinty gaze and recalled the words of Winston Churchill, who said, "I have benefited greatly from criticism, and at no time have I suffered a lack thereof."

And Rumsfeld reminded the nation one more time about "this little understood, unfamiliar war, the first war of the 21st century -- it is not well known, it was not well understood."

Australia Hails Rumsfeld, Pledges To Stay In Iraq (AFP)

AFP, November 9, 2006

Australia hailed outgoing US Defence Secretary Donald Rumsfeld as a "champion of freedom" and pledged that Canberra would keep its troops in Iraq.

Defence Minister Brendan Nelson made the commitment shortly after US President George W. Bush sacrificed Rumsfeld when mid-term elections revealed the depth of voter anger over the war in Iraq.

"Mr Rumsfeld has a long and distinguished record of service to his country," Nelson said in a statement.

"He has been a true champion of freedom. I greatly appreciated working with him. Equally, I look forward to working with his successor.

"The government remains committed to supporting the people of Iraq and their democratically elected government against the insurgents and terrorists working to destroy that democracy.

"We will continue to work with our allies and the Iraqi Security Forces until Iraq can handle its own security."

Prime Minister John Howard, a close ally of Washington, has repeatedly rejected opposition calls for Australian troops to be withdrawn from Iraq, saying the country would not "cut and run".

Howard deployed Australian troops as part of the US-led invasion of Iraq. Some 1,400 troops are now involved in Iraqi operations.

Rumsfeld's Departure (NYT)

The New York Times, November 9, 2006

Whatever this election accomplished -- and it remains to be seen if it ended the rancor and distrust that define current American politics -- voters made it crystal clear that they want a change in direction in Iraq. Democratic and Republican leaders alike agreed that it had to begin with replacing Donald Rumsfeld as Secretary of Defense.

President Bush showed that he had heard the second half of that message and finally rid himself of the man whose bad judgments and inept leadership had done so much to create the mess in Iraq. But it still was not clear that he has yet heard the first, and more important part of the message. At his press conference, Mr. Bush was still talking about victory in precisely the same terms he had used before the election, and offered no clear sense that he was prepared to open his mind to a real change in strategy.

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The challenge for Mr. Rumsfeld's chosen successor, Robert Gates, who was a deputy national security adviser to Mr. Bush's father and then served as Director of Central Intelligence, will be to make Mr. Bush realize how desperate the situation is in Iraq and that the conduct of the war should be dictated by reality and not ideology.

It's possible that no one could have turned the invasion of Iraq into a success, given the fissures in Iraqi society that the fall of Saddam Hussein exposed. But we will never know, since the shortage of American troops and the lack of postwar planning made disaster inevitable. Mr. Rumsfeld deserved to go simply because he failed at his job. Denying that reality is presumably why the president was so bent on keeping him until the Republicans' huge losses at the polls on Tuesday forced his hand.

Before he presided over the Iraq invasion, Mr. Rumsfeld promised that as secretary of defense he was going to transform America's military so it was prepared to fight the conflicts of the 21st century. Mr. Bush has cited the progress being made on that front as one of the reasons he wants Mr. Rumsfeld to stay. But -- in a familiar pattern for this administration -- the changes have been more rhetorical than real.

Truly transforming the military would have meant trading in expensive cold war weaponry, like attack submarines and stealth fighters, for pilotless drones, swifter ships and lighter, more mobile ground forces. Mr. Rumsfeld never had the interest -- or the political will -- to take on that fight. Instead, he bought peace with Congress and the military brass by holding down the size of ground forces in order to continue paying the ballooning cost of unnecessary weaponry. He created a smaller, more mobile force that was too small to successfully pacify Iraq.

There was absolutely nothing more left for Mr. Rumsfeld to do as secretary of defense except continue to defend failed policies and tinker with unworkable strategies. Most of the men and women who will be part of the new Congress came to that conclusion, whatever their party affiliation. Mr. Bush was claiming yesterday to be open to changes, talking repeatedly of a report from a bipartisan commission on Iraq that is due out soon. But we're still waiting for a sign that Mr. Bush has grasped the urgency of the unfolding disaster in Iraq as anything beyond a political problem. Mr. Rumsfeld's departure is merely the first step. It has to be followed by a major change in policy if American troops can be brought home without leaving a disaster behind.

A Bush Retreat? (WSJ)

The Wall Street Journal, November 9, 2006

President Bush made a crucial point at his press conference yesterday when he warned America's "enemies" not to read the vicissitudes of our democracy as "a lack of will." Too bad he then undermined that message by accepting the "resignation" of Donald Rumsfeld a day after his party's election defeat -- and only a week after saying he wanted his defense secretary to serve out his term.

We realize Mr. Rumsfeld had become a political lightening rod, and that after six years Mr. Bush may want someone else to engage on defense policy with Democrats who have demanded the Pentagon chief's head. But the timing of the secretary's dispatch, and Mr. Bush's flustered explanation about the cause and timing, sent a message of retreat, rather than resolve. His nomination of Robert Gates also doesn't reassure us about Mr. Bush's policy direction.

When the history of this era is written, Mr. Rumsfeld is likely to fare much better than his many critics assert. The secretary has been a convenient political foil -- for Democrats, for generals who didn't like the way he exercised civilian control at the Pentagon, and especially for erstwhile war supporters who wanted to blame the Iraqi insurgency on some individual rather than on the inevitable complications and setbacks of any war.

Everyone now takes for granted the ease with which U.S. forces ousted the Taliban in Afghanistan, so it's worth recalling the many predictions at the time of Soviet-style "quagmire." There was also the speed with which Saddam Hussein's regime was toppled, in part because Mr. Rumsfeld's insistence of a light-and-fast strategy prevented what might have been a protracted siege of Baghdad. The military historian John Keegan has called this campaign "the farthest advance at speed over distance ever recorded" in a military operation, and at the time it saved thousands of lives.

Mr. Rumsfeld was also a strong leader inside the Pentagon, insisting that the Armed Services learn to operate jointly, and taking on service chiefs over outmoded ideas and weapons systems. For years American editorialists screamed about Pentagon pork, only to criticize Mr. Rumsfeld for alienating some Army generals when he actually did something about it.

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The defense secretary can be faulted for underestimating the Iraq insurgency, but he has plenty of company, especially the CIA. The "small footprint" strategy for U.S. forces was as much General John Abizaid's as Mr. Rumsfeld's. And the worst mistake in Iraq -- the needlessly slow development of Iraq's political and security institutions -- was much more the fault of L. Paul Bremer, Condoleezza Rice and CIA and State Department officials including current Deputy National Security Adviser Meghan O'Sullivan.

They refused to support an Iraqi government of "exiles" early enough, only to end up with a government made up largely of those same exiles after elections were finally held. For reasons we will someday learn, Mr. Bush poorly managed the disputes on his national security team over strategy toward post-invasion Iraq. In any case, the President may soon miss having Mr. Rumsfeld as his chief flak-catcher on Iraq; perhaps Ms. Rice will now volunteer for that duty.

Which brings us back to Mr. Gates, whose nomination makes us wonder if Mr. Bush is signaling a change in policy, or worse, a new resignation toward Iraq. Mr. Gates is a capable public servant with broad security experience. But much of that experience is with the CIA, which has misjudged the nature of the enemy throughout this conflict. Mr. Gates is also on the Baker-Hamilton study group that Congress established to examine policy options for Iraq, and we hope his nomination doesn't mean Mr. Bush has already signed onto its soon-to-be-released recommendations. One of those proposals is reportedly a new engagement with Iran and Syria, which would make a hash of the President's "freedom agenda."

Most troubling regarding Iraq, Mr. Gates was deputy national security adviser under Brent Scowcroft in 1991, when President Bush's father abandoned the Shiite uprising that followed the first Gulf War. One reason the Iraqi government of Nouri al-Maliki has had such a hard time dismantling Shiite militias is because Shiites fear that it's only a matter of time before the U.S. abandons them again and they will have to confront the Sunni Baathist insurgency on their own. If President Bush wants to reassure Shiites on this score and about Mr. Gates, he should announce that the recent efforts to appease the Sunni terrorist political fronts in Iraq have failed.

We presume Mr. Gates will be grilled about these and other issues during his confirmation hearings. He should be.

Exit Strategy, Post-Rumsfeld (LAT)

The Los Angeles Times, November 9, 2006

BETTER LATE THAN never. More than two years after Secretary of Defense Donald H. Rumsfeld offered to resign in the aftermath of the Abu Ghraib prison scandal, President Bush finally agreed to let Rumsfeld go, to make room for a "fresh perspective." It's an easy gesture at this point — the political equivalent of bringing down the piñata once it's been battered beyond recognition.

The "fresh perspective" will be provided by a close confidant of Bush's father, former CIA Director Robert M. Gates. Gates is everything Rumsfeld isn't: an understated, consensus-seeking Washington operator.

When Bush took office, his diplomatic and national security team of Vice President Dick Cheney, Secretary of State Colin L. Powell, National Security Advisor Condoleezza Rice and Rumsfeld exuded a sense of seasoned competence. Yet they presided over a faith-based policymaking that has proved disastrous to the national interest.

Rumsfeld was right to embrace the need for a technology-driven military revolution. But he confused the need to modernize weapons systems and create a more nimble military with a license to wage war on the cheap, famously dismissing advice that it would take several hundred thousand troops to secure Iraq. The occupation was ill-planned because of a reliance on the assumptions of overzealous neocon thinkers.

Now, after the gains made by Democrats in an election rightly viewed as a referendum on Iraq, Bush needs to do more than accept Rumsfeld's resignation. Characteristically, Bush sent a mixed message at Wednesday's news conference. He emphasized the "fresh perspective" that Gates would bring to the job, but he continued to define "victory" in utopian terms: a democratic Iraq "that can defend, govern and sustain itself, and [be] an ally in the war on terror."

Bush also suggested that he might find "common ground" with victorious congressional Democrats who had demanded a new approach to Iraq. The circle may be squared by the elder Bush's chief consigliere, James A. Baker III, who is presiding over the so-called Iraq Study Group — which not coincidentally counts one Robert Gates among its members.

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Even before the election, administration officials and some Democrats were predicting that the Baker panel would provide a rationale for the president to scale down his ambitions for Iraq and expedite the implementation of his promise that "as the Iraqis stand up, we will stand down" — even if the posture of Iraqi forces (or of Iraqi democracy) leaves something to be desired.

It still would be preferable if Washington could find a way to induce Iraqi factions to pull back from civil strife and establish a stable, democratic and multi-religious state. But that may be impossible. If Bush feels he must camouflage lowered expectations in the language of "victory," his newfound collaborators in the Democratic Party — and the voters who selected them — are unlikely to object.

Rumsfeld's Out But Way Too Late (BOSH)

Boston Herald, November 9, 2006

Well, better late than never, as they say.

Defense Secretary Donald Rumsfeld should have been out the door two years ago, but President Bush has been loyal to a fault. Tuesday he and his party paid an enormous price for that with the voters. But they spoke and Bush - finally - listened.

The departure of Rumsfeld alone won't immediately reverse course in Iraq. But it is a long overdue acknowledgment that that policy has endangered and betrayed the very troops now assigned to pacify that fractured nation.

The appointment of Robert Gates, a former director of the CIA and current president of Texas A&M University, bodes well for a national security team that can, as the president indicated, bring a fresh perspective to a war the American people have clearly grown weary of.

Gates as a member of the Iraq Study Group, which is scheduled to issue its report to the nation at the end of this month, is already well versed in what will be his main mission. He will need no on-the-job training. And he enters the Pentagon with something Rumsfeld lost long, long ago - the confidence of the military's own leaders who know him and are more likely to trust his judgment.

But lest this internal dispute over strategy be mistaken, Bush said yesterday, "To our enemies, do not be joyful. Do not confuse the workings of our democracy with a lack of will. Our nation is committed to bringing you to justice. Liberty and democracy are the source of America's strength . . . "

And so they have been this week, even as voters made known their obvious displeasure with this administration and with the conduct of the war in Iraq. Now the man who led that effort is gone. Good riddance.

Right Warrior, Wrong War (AR)

The Arizona Republic, November 9, 2006

Generals are forever fighting the last war. If ever there was a truism embedded in military critics, this is it.

Secretary of Defense Donald Rumsfeld, who resigned on Wednesday, believed it with every ounce of iron in his hardened soul. From the start of his second shift as civilian director of America's military on Jan. 20, 2001, Rumsfeld sought to remake the nation's fighting forces lighter, faster, more integrated and more responsive.

The lightning invasion of Saddam Hussein's Iraq in early 2003 helped vindicate Rumsfeld's judgment that forces smaller and faster than the massive army arrayed against Saddam in 1991 in Kuwait could do the job.

Unfortunately, from that point forward Rumsfeld, too, was fighting the last war. Neither Rumsfeld nor President Bush seemed to see that the invasion was one war, the struggle against the bloody insurgency quite another.

The fact that shortly after the invasion the Defense secretary contemplated reducing the U.S. military presence in Iraq to less than half the size of the 160,000-member invasion force says all about his inability to distinguish one operation from the next. He was fighting the insurgency with the strike force. He was fighting the last war.

Much has been made of Rumsfeld's steely resistance to criticism of the administration's pacification plans in Iraq - plans that thus far have failed to quell insurgent violence there.

Earlier this year, eight retired generals called for his resignation, and just a day before the election, the nation's independent military newspapers, published by Gannett, jointly called for the same.

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Democrats, until Tuesday the minority party in Congress, railed against his lack of an Iraq plan. But they were hardly alone. Among the secretary's most adamant critics was Sen. John McCain, R-Ariz., one of the staunchest defenders of the war to depose Saddam. It didn't seem to make a dent.

Firmness in wartime is a virtue, certainly. As is consistency of leadership. And in his six years as Defense secretary - a record tenure, by the way - Rumsfeld demonstrated both. A war against a merciless foe needed to be won, and for all his hardheaded faults, Rumsfeld clearly had the determination to see it through.

Following the scandalous revelations of prisoner abuse at the Abu Ghraib prison in Baghdad, many outraged supporters of ousting Saddam, including this newspaper, called for Rumsfeld to step down. To take responsibility for the reckless betrayals of decency perpetrated on his watch.

Later, as Iraqis by the millions appeared to be moving forward - establishing a federal constitution, electing a parliament - the need for resolution, for consistency, re-emerged. But the primary task of the American force in Iraq, under Rumsfeld, has been to establish and maintain the peace necessary for that nascent democracy to assert itself. And that has not come to pass.

With Rumsfeld's resignation, Bush has extended an enticing olive branch to incoming House Speaker Nancy Pelosi, who as recently as Wednesday called for Rumsfeld to leave.

Presumably, designated successor Robert M. Gates, a former CIA director, will offer a more detailed plan for completing the job in Iraq. Presumably, too, the now-empowered Democrats will offer their own, more detailed plan for the sort of changes in Iraq that they envision.

Their often-elusive demand for "change of direction" in Iraq, after all, is a battle cry of the last political war . . . the one fought before their victories on Tuesday. The American people deserve a clearer plan from their new congressional leaders as well.

A Come-to-Daddy Moment (NYT)

By Maureen Dowd

The New York Times, November 9, 2006

Poppy Bush and James Baker gave Sonny the presidency to play with and he broke it. So now they're taking it back.

They are dragging W. away from those reckless older guys who have been such a bad influence and getting him some new minders who are a lot more practical.

In a scene that might be called "Murder on the Oval Express," Rummy turned up dead with so many knives in him that it's impossible to say who actually finished off the man billed as Washington's most skilled infighter. (Poppy? Scowcroft? Baker? Laura? Condi? The Silver Fox? Retired generals? Serving generals? Future generals? Troops returning to Iraq for the umpteenth time without a decent strategy? Democrats? Republicans? Joe Lieberman?)

The defense chief got hung out to dry before Saddam got hung. The president and Karl Rove, underestimating the public's hunger for change or overestimating the loyalty of a fed-up base, did not ice Rummy in time to save the Senate from teetering Democratic. But once Sonny managed to heedlessly dynamite the Republican majority — as well as the Middle East, the Atlantic alliance and the U.S. Army — then Bush Inc., the family firm that snatched the presidency for W. in 2000, had to step in. Two trusted members of the Bush 41 war council, Mr. Baker and Robert Gates, have been dispatched to discipline the delinquent juvenile and extricate him from the mother of all messes.

Mr. Gates, already on Mr. Baker's "How Do We Get Sonny Out of Deep Doo Doo in Iraq?" study group, left his job protecting 41's papers at Texas A&M to return to Washington and pry the fingers of Poppy's old nemesis, Rummy, off the Pentagon.

"They had to bring in someone from the old gang," said someone from the old gang. "That has to make Junior uneasy. With Bob, the door is opened again to 41 and Baker and Brent."

W. had no choice but to make an Oedipal U-turn. He couldn't let Nancy Pelosi subpoena the cranky Rummy for hearings on Iraq. "He's not exactly Mr. Charming or Mr. Truthful, and he'd be on TV saying something stupid," said a Bush 41 official. "Bob can just go up to the Hill and say: 'I don't know. I wasn't there when that happened.' "

Bob Gates, his friends say, had been worried about the belligerent, arrogant, ideological style of Rummy & Cheney from the start. He fretted at the way W.'s so-called foreign policy "dream team" — including his old staffer and fellow Soviet expert Condi — made it up as they went along, even though that had been their complaint about the Clinton foreign policy team. A realpolitik

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advocate like his mentor, General Scowcroft, he was critical of a linear, moralizing style that disdained nuance, demoted diplomacy and inflated villains. In 2004, he publicly questioned the administration's approach to Iran.

While Vice went off to a corner to lick his wounds, W. was forced to do his best imitation of his dad yesterday, talking about "bipartisan outreach," "people have spoken," blah-blah-blah — after he'd been out on the trail saying that electing Democrats would mean that "the terrorists win and America loses."

"I share a large part of the responsibility" for the "thumpin' " of Republicans, he told reporters. Actually, he gets full responsibility.

W. has stopped talking about democracy as a standard of success in Iraq; yesterday, he said that Iraq had to "govern itself, sustain itself and defend itself."

He was asked if his surprise at the election results showed he was out of touch with Americans. "I thought when it was all said and done," he replied, "the American people would understand the importance of taxes and the importance of security."

So it was just that the American people were too dumb to understand? W. also managed to bash Vietnam vets, saying that this war isn't similar because there's a volunteer army, so "the troops understand the consequences of Iraq in the global war on terror." Is that why W. stayed out of Vietnam? Because he understood it?

An ashen Rummy was also condescending during his uncomfortable tableau with W. and Bob Gates in the Oval Office, implying that he was dumped because Americans just didn't "comprehend" what was going on in Iraq. Actually, Rummy, we get it. You don't get it.

"Baker's no fool," a Bush 41 official said. "He wasn't going to go out there with a plan for Iraq and have Rummy shoot it down. He wanted a receptive audience. Everyone had to be on the same page before the plan is unveiled."

They don't call him the Velvet Hammer for nothing. R.I.P., Rummy.

The Defense Secretary We Had (WP)

By David Ignatius

The Washington Post, November 9, 2006

Senior military officers referred to it as "the 7,000-mile screwdriver." That was their way of describing Donald Rumsfeld's penchant for micromanaging aspects of the Iraq war that interested him. And it's one reason the military has to be happy that Rumsfeld is leaving -- even happier, maybe, than Democrats, who have claimed an early scalp for their election victory.

To the end, even when Rumsfeld must have known that his time in the job was short, he wouldn't give up that option to meddle with his field commanders. When Marine Gen. James Jones, the retiring NATO commander, went to see Rumsfeld a few weeks ago to talk about becoming commander of Centcom, he asked whether the defense secretary intended to continue his direct line of communication with the theater commander, Gen. George Casey, sometimes bypassing Centcom. When Rumsfeld wouldn't rule out such contacts, Jones began to doubt the Centcom job would work. And when Rumsfeld said he didn't foresee significant changes in Iraq strategy, Jones withdrew his name from consideration.

Changes in Iraq are coming, and Rumsfeld's departure is, to paraphrase the prayer book, one outward and visible sign of an inward and spiritual process. Another is the choice as his successor of Robert Gates, a very different sort of figure from Don Rumsfeld in a number of ways.

The Bush administration in recent weeks has -- very much in secret -- begun to ask itself the tough questions: Is the Iraq strategy working? Can we achieve our goals with the tools we have? If not, how do we adjust them so that they fit? One top-level policymaker tried to explain the mood a few days ago by quoting the Rolling Stones: "You can't always get what you want."

Rumsfeld long ago became the symbol for a war he began to doubt at least three years ago when he wrote his famous memo predicting that Iraq would be a "long, hard slog." That illustrated the best of Rumsfeld's intellectual style: He asked whether U.S. tactics were creating new terrorists faster than we were killing the existing ones and mused: "Are the changes we have and are making too modest and incremental? My impression is that we have not yet made truly bold moves, although we have made many sensible, logical moves in the right direction, but are they enough?"

Rumsfeld showed a willingness to question received wisdom, a penchant for challenging the pet projects of the military, such as the Army's plan for a monster artillery piece, inaptly named the Crusader, which would be difficult to move quickly to any

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modern battlefield. Rumsfeld was convinced that the Army needed to became more mobile, agile and expeditionary. Some of his ideas about transformation were accepted, but deep down, the Army's senior generals were convinced that his policies would break their branch of the service. The biggest smiles at the Pentagon yesterday were probably in the corridors inhabited by Army officers.

Oddly enough, it was the generals who helped keep Rumsfeld in his job. The White House had decided in the spring that it was time to make a change at the Pentagon, and officials were steeling themselves to break the news to Rumsfeld when the "generals' revolt" erupted on newspaper op-ed pages, with former officers lining up to denounce their ex-boss. The White House decided it couldn't appear to bow to pressure and retreated.

Rumsfeld's gift was his brilliance and intellectual toughness. He kept his head up even as the war in Iraq went from bad to awful. In that, he was a harder man even than one of his predecessors, Robert McNamara, who in his final year running the Vietnam War began to crack privately under the pressure. Rumsfeld embodied an old injunction: Never let them see you sweat.

But the downside with Rumsfeld was so great that few people are likely to remember the upside. He came to symbolize not simply the failure of the Iraq war but also the arrogance and lack of accountability. He had a knack for dropping phrases that came to symbolize what was wrong: "You go to war with the Army you have" and "Back off."

Robert Gates will bring to the job the attentive style of a listener. He rose at the CIA in the 1980s by making himself indispensable to his boss, William Casey. He was the brightest Soviet analyst in the shop, so Casey soon appointed him deputy director overseeing his fellow analysts. I once waded through Gates's graduate dissertation for his doctorate in Soviet studies at Georgetown. It was a work of solid, earnest scholarship -- good, but not flashy. Rumsfeld might have described it as a long, hard slog. But it illustrates Gates's best qualities: his intellectual seriousness, his professionalism, his lack of "side," as the British say of good civil servants.

Gates represents the return of Bush 41 people and ideas to the Bush 43 administration. The elder Bush rescued Gates after he was rejected as CIA director in 1987 because of his role in the Iran-contra scandal, bringing him to the National Security Council staff and then appointing him CIA director in 1991. Gates is not a turfy person -- he works well with others -- a quality that Rumsfeld often lacked.

The new secretary will bring something else to the table, and it may be a crucial factor in the months ahead. He came back into the Bush administration's spotlight because of his work as a member of the Iraq Study Group, headed by Bush 41's secretary of state, James A. Baker III, and former representative Lee Hamilton. Gates embodies the group's effort to find a bipartisan policy for Iraq. In that sense, he will go to the Pentagon with an invisible mission statement that can be summed up in two words: "exit strategy." He won't want to leave Iraq quickly or dangerously, but unlike Rumsfeld, he won't fight the problem.

Election Results May Lead To Easing U.S. Alienation Abroad (USAT)

By Jeffrey Stinson

USA Today, November 9, 2006

LONDON — From Tokyo to Baghdad, Istanbul to Nairobi, Toronto to the British capital, many people said they hoped the Democratic wins in Tuesday's U.S. elections would pressure President Bush to alter course in Iraq and abandon what some called an arrogant foreign policy.

Some typical reactions:

•"I want the Bush government to be crushed. And I want the Democrats to … get rid of the (Iraq) war," said Fumiko Watanabe, 35, who works for an information technology firm in Tokyo.

•"We're going to see some change in the Bush administration's global policies now," said Samuel Odhiambo, 29, a Nairobi banker.

These hopes may have been addressed by Bush's acknowledgment Wednesday that the U.S. electorate wanted change and his announcement that Defense Secretary Donald Rumsfeld was stepping down.

"Finally, something is happening," said Peter Paczius, 27, a Hungarian who works as a bartender in London.

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However, the American envoy to Iraq said Wednesday that the election results would not necessarily mean a dramatic shift in U.S. policy. Ambassador Zalmay Khalilzad reminded reporters in Baghdad, “The president is the architect of U.S. foreign policy. He is the commander in chief of our armed forces.”

While Rumsfeld's resignation may not change U.S. policy, some American expatriates said the election results might dispel a belief abroad that Bush administration policies are widely endorsed at home. And, they said, it could ease the anti-Americanism on the rise since the 2003 invasion of Iraq.

“This tells the world that Americans aren't happy about President Bush and many of his policies,” said Allyson Stewart-Allen, an American in London who advises U.S. and European businesses on how to avoid culture clashes. “This absolutely will ease anti-American views.”

A Pew Research Center survey of global attitudes in June found that the USA's image slipped again in 2005 after a slight uptick in 2004, when the United States helped tsunami victims in Asia.

The survey of attitudes in 15 nations from Europe to Asia found support for the war on terror also had declined, even among close allies such as Japan, which had the highest opinion of America at 63%.

Iraq isn't the only reason for Bush's unpopularity and the low opinions of U.S. policy overseas. Yet for many, especially those who are close to it, the war provided a touchstone for judging U.S. actions.

“The Democrats are better than Bush's people,” said Zeki Nayif, a Sunni Muslim in Baghdad. “We want security and peace.”

In Istanbul, civil engineer Aysen Bora, 27, said, “Bush made our country unsafe, and many Turks died in Iraq. So it's good that the American people have finally said that they've had enough of those policies.”

On the flip side: “George Bush saved our people and created a space for us to live and breathe without Saddam Hussein policing us,” said Can Ozturk, 47, of Istanbul, a Kurdish taxi driver who has relatives in Mosul in northern Iraq.

U.S. foreign policy, even with its closest neighbors, may not affect ordinary people's lives, said Jason Cameron, a Toronto restaurant owner. “Day-to-day, (U.S. politics) don't really affect us as much as we believe it does,” he said.

Other Bush administration policies have contributed to alienation abroad: Keeping the Guantanamo Bay prison camp open, rejecting the Kyoto Protocol to reduce greenhouse gases and support for Israel.

A Marshall Fund survey in September found only 18% of Europeans backed Bush's foreign policy.

However, Bush cannot be held entirely responsible for all anti-American sentiment abroad, said Stewart-Allen in London. She said Americans don't help their cause if they come across as “arrogant, unilateral and insular.”

“Americans think they are the No. 1,” said Watanabe in Tokyo. “Actually, they don't know much about other parts of the world.”

Envoy: U.S. Vote Won't Alter Iraq Policy (AP)

By Christopher Bodeen

AP, November 8, 2006

The American ambassador told Iraqis on Wednesday the sharp political realignment in Congress would not provoke upheaval in U.S. policy, but many in the battered capital had hoped otherwise on a day when at least 66 more people were killed in vicious sectarian attacks.

As the U.S. House of Representatives returned to Democratic control and the Senate hung in the balance, Iraqis noted the election outcome — seen by many as a referendum on the Bush administration's Iraq policy — but seemed unable to find much hope in the results.

"I expect a major change in (U.S.) military commands in Iraq. We have to wait and see the strategy of the new secretary and how we will deal with him. We hope he will be more effective and more serious in achieving security in Iraq," he added.

Ambassador Zalmay Khalilzad acknowledged "the effort to help Iraq succeed was a major issue" in the election during brief remarks to a group of Iraqi journalists at an embassy reception.

But he reminded the journalists that U.S. policy in Iraq and elsewhere had not been wrenched from the administration's hands by the major shift on Capitol Hill:

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"The president is the architect of U.S. foreign policy. He is the commander in chief of our armed forces. He understands what is at stake in Iraq. He sees success as an imperative for America's national interest. He is committed to working with both Houses of the American Congress to get support needed for the mission in Iraq to succeed."

Later, after President Bush announced the resignation of Defense Secretary Donald H. Rumsfeld, a Shiite lawmaker said he expected a major change in policy.

Hassan al-Sunnaid, a member of the Security and Defense Committee in parliament, said "the Bush administration including Rumsfeld was able to topple Saddam Hussein's regime but it did not succeed in administering Iraq."

"Defense officials, on top of them Rumsfeld, failed and so did the American ambassador. Changing Rumsfeld should have happened a year ago because their work in Iraq did not achieve any results," said al-Sunnaid, a member of Prime Minister Nouri al-Maliki's Dawa party.

A Shiite woman, who identified herself as Um Assad, mother of Assad, probably spoke for most Iraqis when questioned about the election as she shopped near the National Museum. Security was uppermost in nearly everyone's mind.

"We hope that they (the Democrats) will be kind to our people and understand our problems," she said.

Zeki Nayif, a Sunni dressed in traditional Arab garb, spoke bluntly as a group of men at a newspaper kiosk gathered around.

"The Democrats are better than Bush's people. We want security and peace to prevail," he said, then walked off.

Ala Abid Ali, a Shiite among the group, was of the same mind: "As far as I'm concerned I hope that the Democrats will work for providing security for the Iraqi people, who are suffering greatly."

Iraqi politicians opposed to the continued U.S. presence in the country were delighted with the outcome.

"The vote shows the Iraqi and American people are of one mind about withdrawing U.S. troops," said Falah Hassan Shanshal, who leads the parliamentary bloc of radical anti-American Shiite cleric Muqtada al-Sadr.

"We hope the Democrats don't forget their campaign promises. If they don't, we will deal with them in a brotherly way once the last American soldier pulls out from Iraq," he said.

Even moderate Kurdish lawmaker Mohamoud Othman saw the shift to Democrats as a result of the Bush administration's "bad policy of spending too many lives in Iraq and too many billions of Americans' tax money."

"Today he (Bush) was taught a lesson," said Othman, whose fellow Kurds are deeply indebted to the U.S. for allowing the ethnic group to establish a virtually autonomous region in the north of Iraq.

In the final days before the election, Bush dispatched two top officials to Iraq in a bid to pressure al-Maliki to quickly disband Shiite militia groups and death squads that have killed thousands of Sunni Muslims.

National Intelligence Director John Negroponte was rebuffed by al-Maliki, however, when he demanded the Iraqi leader disband militias and wipe out death squads this year.

A top aide to al-Maliki aide, who refused to allow use of his name because of the sensitive nature of the information, told The Associated Press the prime minister flatly refused and said the task could not be taken up until next year.

Al-Maliki's refusal to act against the militias has caused deepening anger among Sunni politicians who took enormous risks in joining the political process.

Sunni lawmaker Salim Abdullah said the Iraqi Accordance Front bloc had sent messages to other political groups warning that if there is no balance and the militias are not dissolved "we will withdraw from the government."

"We are under political pressure, and if these demands are not met we will abandon politics," Abdullah said. "And this will leave us with only one alternative, which is carrying arms, and then it will be civil war. And we are against the civil war."

Envoy Seeks To Reassure Wary Iraqis (WP)

By John Ward Anderson

The Washington Post, November 9, 2006

BAGHDAD, Nov. 8 -- The U.S. ambassador in Baghdad sought to reassure Iraqis on Wednesday that major Democratic gains in Tuesday's elections did not herald an immediate or dramatic change in U.S. policy, saying President Bush "is the architect of U.S. foreign policy" and committed to success here.

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In a speech to Iraqi journalists and a few government officials, Ambassador Zalmay Khalilzad explained that there would be a change in the balance of power in the U.S. Congress but that "Americans understand that Iraq is important" and "have made great sacrifices" for the country and its people.

While continued violence "sometimes causes some, understandably, to wonder whether Iraqis can succeed," he said, "it is clear that Americans want Iraq to succeed" and would continue supporting efforts to bring peace and security to the country. Khalilzad said Bush "is committed to working with both houses of the American Congress to get support needed for the mission in Iraq to succeed."

But many Iraqis expressed concern that a political sea change in Washington could leave them and their country in even worse shape than it is today, while others said they hoped the Democrats would be more forceful in demanding that Iraq's government curb militias and improve security.

"We are concerned that there might be a quick withdrawal from Iraq, which would seriously affect the security situation," said Kashim Mohammed, director of the Fallujah Development Center in the city of Fallujah, a Sunni Arab stronghold 35 miles west of Baghdad. "In reality, the new situation in America is a matter of concern and interest for Iraqis more than it is for Americans themselves."

"I'm optimistic. I think the Democrats will not accept the chaos in Iraq," said Saad Obeidi, 38, a Sunni who owns a fashion shop in the central Baghdad neighborhood of Karrada.

But some Iraqis said they saw little difference between Democrats and Republicans.

"It will be the same policy and the same ideas. Only the faces will change," said Firas Saleh, 33, a Baghdad shop owner.

"Relations with the Americans will not change with a Democratic victory, because in America, there are strategic interests that will never be abandoned by any party, and those are America's security and interests and international affairs," said Esmail al-Hadidi, a tribal leader in the northern city of Kirkuk. "The Americans will never leave Iraq in the hands of the terrorists and the extremists, but we will see a new agenda on the military front -- there will be more diplomatic and political options."

Others said that any defeat for Bush was a victory for them.

"I was so happy when the Democrats won, because I saw Bush's face when he gave a speech after the failure of his party, and he was so angry," said Ban Muhammad 24, a student in Tikrit, the home town of ousted leader Saddam Hussein. "We hope he and his party always lose."

In violence Wednesday, a suicide bomber blew himself up in a cafe in a Shiite Muslim neighborhood in northern Baghdad, killing 16 people and wounding 18. In addition, 14 people were killed and 70 were wounded in a series of mortar attacks and car bombings in the capital.

Outside Baghdad, 27 people were killed and 32 were injured in car bombings, gun battles, roadside explosions and other violence, local security officials and news services reported.

The U.S. military said troops killed 10 fighters from the insurgent group al-Qaeda in Iraq on Wednesday and freed a kidnapped Iraqi police officer being held by them near Muqdadiyah, about 50 miles northeast of Baghdad. The officer was found after the troops searched the insurgent cell's hideout, a military statement said.

"Once inside the building, Coalition Forces found a hostage blindfolded and shackled to the floor," the statement said. "The hostage revealed he was an Iraqi Policeman that was taken hostage six days before with two other Iraqi Policemen and was being held ransom to raise money for the terrorist cell. He said the two other policemen had been ransomed earlier by the terrorists."

In another operation, four al-Qaeda in Iraq members were killed and 48 were captured when forces raided a known insurgent meeting place on Tuesday near Ramadi, about 60 miles west of Baghdad, the U.S. military said.

No U.S. or Iraqi soldiers were reported killed or injured in either operation.

Separately, a Marine was killed in Anbar province west of Baghdad on Wednesday and a soldier was killed Tuesday in Kirkuk province, the U.S. military reported, bringing to 21 the number of U.S. service members killed in November.

In Iraq, New Calculations Of The U.S. Role (NYT)

By John F. Burns, Michael Luo

DOJ_NMG_0092003

The New York Times, November 9, 2006

BAGHDAD, Nov. 8 — Iraq's political leaders scrambled Wednesday to interpret what a sharply altered American political landscape might mean for the future of this war-ravaged country.

Initial reactions to the sweeping Democratic gains and the replacement of Secretary of Defense Donald H. Rumsfeld appeared to leave Iraqis, like many Americans, unsure of the likely impact on America's policy on the war.

Some Iraqi politicians said they hoped for major changes, while others seemed more concerned about reassuring Iraq's 27 million people that America would not abandon its commitments here and order American troops home.

Mr. Rumsfeld, though, has long been reviled by Iraqis and blamed for everything from the uncontrolled looting after the invasion in 2003 to the collapse of public services and the mounting wave of sectarian violence.

That view was particularly strong among the minority Sunnis, who lost power with the toppling of Saddam Hussein, and who now waver between a subordinate role in the new power structure and an insurgency against American troops and the American-backed politicians who now hold power.

Sadoon al-Zubaidi, who was Mr. Hussein's chief English-speaking interpreter and now acts as an adviser to the Sunni bloc in Parliament, said the setback for Republicans in the elections was a moment for Americans to realize what "a total failure" the invasion of Iraq had been.

"The Americans came to Iraq three and a half years ago to do something good for Iraqis, to free them from dictatorship," he said. "That has failed. The Americans helped, encouraged and planted civil disorder and sectarianism. Now, I would like to see all American troops taken out. I'd like to see all the reins of power placed in Iraqi hands."

But calls for the withdrawal of American troops were rare, with most politicians saying they expected no radical shift as a result of the United States elections. Prime Minister Nuri Kamal al-Maliki, in a recorded interview on BBC that was broadcast as the election results were becoming known, sought to play down the shift to the Democrats.

"In the remaining two years of President Bush's term, I don't think there will be any major changes in the American policy," he said. "Nobody is talking about a timetable for the withdrawal of American troops."

Many Iraqis, while disliking what is widely referred to here as the occupation, now say the 150,000 American troops here are a vital bulwark between the deepening chaos and outright civil war. The only major political figure now calling for an immediate American pullout is the powerful Shiite cleric Moktada al-Sadr, who led two uprisings against American troops in 2004.

Mr. Maliki has been harshly critical of some aspects of American policy in recent weeks, demanding greater Iraqi control of the war effort and blaming the United States for the worsening of the security situation.

But in the BBC interview he appeared to shift tack, saying that Iraq could rely on President Bush and that even the Democrats were not advocating a withdrawal schedule.

Adnan Pachachi, a prominent secular Sunni politician, said most Iraqis had already identified the most pressing problem here — the rampant violence by sectarian militias — and knew that American forces were essential to any hope of bringing them under control.

"All of us, Iraqis and Americans, have to face facts instead of putting our heads in the sand," he said. "We have to do something about the militias."

The only ones who could do that, he said, were the Americans or other foreign troops, because Iraq's own security forces were heavily infiltrated by the militias.

"If that requires additional troops," Mr. Pachachi said, "then so be it. But if the British or the Americans are unable or unwilling, then we will have to go to the United Nations and see whether we can get help from other countries."

In a hall hung with red, white and blue election bunting, Zalmay Khalilzad, the American ambassador, said Iraqis could rest assured that America would stand by its commitments.

Sunni politicians, many of them harsh critics of American troops at earlier stages of the war, have said they consider the American troops as their only reliable protection against the Shiite militias that have struck back at Sunni insurgents' attacks on Shiite civilians by dispatching death squads that have killed thousands of Sunnis.

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Adnan al-Dulaimi, a leading figure in the Iraqi Islamic Party, a major Sunni group in Parliament, said he was worried about what the newly empowered Democrats in Washington might do.

"We do not expect anything good from their side and we have our own fears," he said. "As to the Republicans, their stance in Iraq is stable and they have a realistic background. We have gotten used to the Republicans and become familiar with their intentions."

Although serious ruptures have opened between the Shiite-led government and the Bush administration in recent months, several prominent Shiites were at pains on Wednesday to emphasize that no one among the Shiites — aside from Mr. Sadr, presumably — wanted an immediate withdrawal of American troops.

"Nobody is asking for the withdrawal of the multinational forces," said Qasim Dawood, security minister in the interim government that ruled for a year after the end of the formal period of American occupation in 2004.

Among ordinary Iraqis, views on the elections differed widely. One Shiite cleric, Sheik Adel Ibrahim Subihawi, awoke at 4 a.m. on Wednesday to watch the election returns, and offered an explanation for his early rising that spoke for the widespread interest in the returns. "Our future is connected to it," he said.

As the morning wore on and the Democrats picked up more seats, his enthusiasm grew.

"A Democratic victory will change the politics of Bush's Iraq," he said, sitting on a couch, machine guns propped casually in the corner. "He'll set a timetable for withdrawal because that's what the Democrats want. And when they set a withdrawal date, the resistance will stop."

But other Iraqis fretted about what the Democrats might do. "We do care if Congress pressures the president of the United States to pull out troops because we don't have yet highly trained forces," said Muhammad Nerous, a paramedic. "We don't have yet adequate equipment by which we can challenge the terrorists."

Tolerable Or Awful: The Roads Left In Iraq (NYT)

By Thomas L. Friedman

The New York Times, November 9, 2006

I had to submit this column before knowing the results of yesterday's election, but here is one thing I know already: this needs to be our last election about Iraq.

The Iraq war has turned into a sucking chest wound for our country — infecting its unity at home and its standing abroad. No one can predict what Iraq will look like 10 years from now. I wish it well. But in the near term, it is clear, nothing that we'll feel particularly proud of, nothing that we'll feel justifies the vast expenditure of lives and treasure, is going to come out of Iraq.

Our only two options left today in Iraq are "tolerable" and "awful." "Good" is no longer on the menu. When you read stories from Iraq saying that all we need to do is get rid of all the police there, get one-third of the soldiers in the Iraqi Army to actually report to duty regularly, and replace all the ministers who are corrupt, you know why "good" is not on the menu anymore.

It's time to make a final push for the tolerable, and if that fails, quit Iraq and insulate ourselves and our allies from the awful. This can't go on.

That's sad. Iraq was always a struggle of hope against history. After 9/11, and the Arab Human Development Report detailing the increasingly dysfunctional Arab-Muslim world — which produces way too many terrorists — we had a real interest in collaborating with Iraqis to try to build one decent, progressive, democratizing society in the heart of the Arab East.

But to succeed we needed to establish a secure order in Iraq and prevent the murderous Sunni/Baathist attacks on Shiites. The Bush team, arriving in Iraq with too few troops and no plans, failed to do either. And therefore the natural tribalism of Iraqis surfaced and the minimal trust between citizens needed to forge a real democracy never emerged. Now we have a tit-for-tat civil war.

The "tolerable" outcome that might be self-sustaining and stable would require reshaping Iraq as a loose federation of predominantly Kurdish, Shiite and Sunni zones. To make even that work, though, would probably require cutting a new deal with Iran and its Iraqi Shiite clients, and Syria and its Sunni Baathist allies, and the Kurds. Iraq would retain a central government in Baghdad, but power and oil income would be more radically decentralized among the different sects. Democracy would be subordinated to stability.

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A small U.S. or U.N. force could remain in Iraq to police the boundaries between the three communities and make sure the ongoing violence is contained. To produce even this, though, the U.S. will probably need to set a date and threaten to leave. Otherwise, the parties won't negotiate seriously.

"Awful" would be carrying out that threat to leave Iraq by a fixed date because Iraqis prove too angry and atomized to reach any deal. The fires of madness now raging in Iraq — people beheading each other, blowing up each other's mosques — would all intensify.

A U.S. withdrawal under such conditions would be messy and shameful. But when people are that intent on killing each other there's not much we can do. As bad as we've performed in Iraq, what Iraqis have done to each other, and the little that other Muslims have done to stop them, is an even bigger travesty.

Still, we'd need to give visas to Iraqis who wanted to flee the madness; we'd need to give a security umbrella to the Kurds, so that Syria, Turkey or Iran did not invade them if we left; and we'd need to protect Jordan from the spillover.

But there would be some strategic benefits. Syria would have to support the Sunnis in Iraq, and Iran would have to back the Shiites, so these two "allies" would be on opposite sides of the civil war. Iran would also have to manage the chaos in southern Iraq, particularly the Shiite militias, and this would be a permanent migraine for Tehran. U.S. troops would no longer be in range of Iranian retaliation, and therefore would be much freer to confront Iran's nuclear challenge. The U.S. would also be able to extract itself from the Abu Ghraib/occupation syndrome and could start combating Islamist radicalism by being the best America rather than the worst.

Finally, Iraqi instability would push oil to $80 a barrel. That would mean more people buying hybrid cars and investing in alternative energy, so that we end our dependence on this region sooner.

These are our real choices in Iraq now: tolerable and awful. It's time we choose. No more expending lives and treasure for nothing good. The only way we can pursue good in the world again is by either shrinking our presence in Iraq, if Iraqis will step up, or leaving entirely, if they won't.

Youths Playing Ball Killed In Baghdad (LAT)

By Borzou Daragahi

The Los Angeles Times, November 9, 2006

BAGHDAD — Explosives rained down on a dusty soccer field in the Shiite Muslim slum of Sadr City on Wednesday, killing eight Iraqi youths and injuring dozens.

Around the country, bombings and shootings left dozens of other Iraqis dead. The U.S. military reported that two of its troops had been killed, raising to at least 2,839 the number of American service members killed in Iraq.

Mortar and rocket battles reminiscent of the urban civil warfare that engulfed Sarajevo, Beirut and Kabul in previous decades have erupted occasionally throughout Baghdad's patchwork of religiously mixed neighborhoods.

The latest fighting in northern and eastern Baghdad began Sunday, with sporadic fire between adjacent districts.

The attack on the soccer field, carried out with rockets or mortar shells, occurred about 4:30 p.m. The explosives carved deep craters into the surface and scattered shrapnel, human flesh and pieces of clothing. The injured and dying were taken to hospitals.

Exchanges of mortar fire between Shiite and Sunni neighborhoods left three other people dead and five injured in the northern district of Kadhimiya and one dead and 20 injured in the neighboring Adhamiya district.

Kadhimiya, a mostly Shiite area west of the Tigris River, is home to a golden-domed shrine that is among the most revered by Shiites. Adhamiya, a heavily Sunni neighborhood on the opposite bank of the Tigris, is the site of a famous Sunni shrine.

A suicide bombing at a cafe the night before in the nearby Shiite neighborhood of Grayat killed 21 people and injured 25, officials said. That bombing followed a mortar attack that killed seven in Adhamiya.

Iraq's Shiite-led government, apparently discounting evidence that the violence was between Shiite and Sunni neighborhoods, blamed the outbreak of shelling on Sunni insurgents firing from the city of Taji, about 20 miles north of the capital.

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"Baathists and [religious extremists] are launching mortars from Taji onto Adhamiya and Kadhimiya," a statement said. The Russian-made mortars used by Iraqi insurgents, however, generally have a maximum range of five miles.

Explosions shook the capital throughout much of the day. A car bomb in the mostly Sunni neighborhood of Waziriya killed one person and injured six.

Another car bomb targeting a passing Iraqi police commando patrol in east Baghdad killed one police officer and injured four.

Mortar rounds struck the downtown Shorja wholesale market, killing two people and injuring eight. A mortar round also struck near the Health Ministry, killing three and injuring six.

At least 29 bodies were found around Baghdad. Many of the victims had been bound, beaten and shot in apparent sectarian reprisal killings.

Outside the capital, violence raged on.

A car bomb in a crowded market near Muqdadiya killed four people and injured six. The area is in the volatile, religiously mixed agricultural province of Diyala, northeast of Baghdad.

A roadside bomb exploded near a girls high school in Fallouja, 35 miles west of Baghdad, killing two students and injuring 12.

The most seriously wounded were rushed to the capital because the Fallouja hospital lacks resources, said Kamal Issawi, director of the facility.

"We are calling on international organizations and the government to solve our problems," he said.

An explosion in a residential neighborhood of Hillah, about 60 miles south of the capital, left at least four people dead.

A city councilman in Hillah said Sunni insurgents had driven 75 Shiite families out of the nearby district of Iskandariya over the last two days.

He alleged that the insurgents kidnapped eight young Shiite men and killed an old man who confronted them.

They also destroyed two small Shiite shrines.

"They consider Iskandariya part of their Islamic state," said Mohammed Masoudi, head of the Hillah City Council.

The Americans were killed in separate incidents. A Marine assigned to serve with the Army's 1st Armored Division died Wednesday of wounds sustained "due to enemy action" in Al Anbar province, the military said.

A soldier with the 25th Infantry Division was killed Tuesday in combat near the northern city of Kirkuk. Three soldiers were also wounded during the operation, the military said.

Meanwhile, the trial of Saddam Hussein on genocide charges resumed with witness testimony and a defense allegation that the prosecution had broken into its offices and stolen files.

In a heavily guarded courtroom, Hussein's accusers recounted the alleged crimes of the former regime in the infamous Anfal campaign, in which Iraqi security forces waged war on rebellious Kurdish villagers.

Badie Aref, an attorney for one defendant, accused the court of stealing documents crucial to its case.

"There were 23 files of documents that have disappeared," he said. "I think that they were taken by the Americans, and I think that they might have given them to somebody from the prosecution."

The judge dismissed the accusation.

The case was adjourned until Nov. 27.

Iraqi Predicts The Hanging Of Hussein By Year's End (NYT)

By Kirk Semple

The New York Times, November 9, 2006

BAGHDAD, Nov. 8 — Prime Minister Nuri Kamal al-Maliki predicted in a televised interview on Wednesday that former President Saddam Hussein would be hanged by the end of the year.

Court officials said, however, that the prime minister's prediction was unrealistic, considering the timing of the appeals process and the sheer volume of evidence the appellate judges would have to review. It was far more likely, they said, that the hanging would not take place until January at the earliest, and probably later.

DOJ_NMG_0092007

The authorities reported the killing on Wednesday of more than 30 people in various attacks around Iraq. And the American military command described a major attack on an American military base in northeastern Baghdad on Sunday that lasted for an hour and a half and left at least 38 insurgents dead.

Under Iraqi law, a nine-judge appellate court will begin its review of the death sentences against Mr. Hussein and two of his co-defendants 30 days from Sunday, when the sentences were handed down. If the appellate judges uphold the rulings, the executions must be carried out within 30 days.

The appellate judges are not bound by a deadline for their deliberation, but Mr. Maliki and other Shiite leaders have made no secret of their desire to see Mr. Hussein executed as soon as possible. They say that Mr. Hussein's survival could help to rally the Sunni Arab-led insurgency that has been trying to drive American forces out of the country and topple the Shiite-dominated government. He periodically issues written messages from his cell at an American military detention center here exhorting insurgents to continue their resistance.

Mr. Hussein was found guilty of crimes against humanity for the persecution of the townspeople of Dujail, north of Baghdad, after what was said to be an assassination attempt against him there in 1982. A total of 148 men and youths were killed, and hundreds of others banished for years to a remote desert camp in southern Iraq.

American and Iraqi officials had originally planned to prosecute Mr. Hussein in a series of trials that, they said, would describe his long rule of terror. He is the principal defendant in a second trial involving the so-called Anfal military campaign in the late 1980s in which, prosecutors contend, as many as 180,000 Kurdish civilians were killed.

But with the conflict worsening, senior Iraqi officials, including Mr. Maliki, now say they would rather eliminate Mr. Hussein as a source of inspiration for the Sunni insurgents than use the trials to prove his personal responsibility for atrocities during his 24-year rule. According to Iraqi court officials, nothing in Iraqi law would prevent Mr. Hussein being executed before the Anfal trial ends.

In an interview televised by the BBC on Wednesday, Mr. Maliki said, "I think the court is determined to pursue this case that they are looking at, but we will not interfere."

When asked to specify when he expected Mr. Hussein to be executed, Mr. Maliki said, "I expect it to happen before the end of the year."

The Constitution mandates that President Jalal Talabani and his two vice presidents must approve the execution. But Mr. Maliki raised the possibility during the interview that because the decision was rendered by a special tribunal, it might not be subject to that constitutional provision. Mr. Hussein was tried before the Iraqi High Tribunal, the court set up to prosecute the top officials of the ousted government.

President Talabani, a Kurd, has said publicly that he is opposed to the death penalty, suggesting that he would not approve the execution. But according to court officials, the president has said he is prepared to designate Adel Abdul-Mahdi, one of his vice presidents and a Shiite, as his proxy in the vote.

Court officials said they also did not anticipate opposition from Vice President Tariq al-Hashemi, a Sunni Arab. Mr. Hashemi, they contend, accepted his post on the assurance that he would not oppose the court's findings.

The insurgent blitz against the American military base on Sunday began when attackers opened fire from the north and south with assault rifles and rocket-propelled grenades, the military said Wednesday in a statement.

The garrison, called Forward Operating Base Apache, is in Adhamiya, a heavily Sunni Arab neighborhood.

Iraqi Kurds Accused Of Spying For Iran (AP)

By Sameer N. Yacoub, Jamal Halaby

AP, November 8, 2006

A co-defendant in Saddam Hussein's genocide trial accused Iraqi Kurds on Wednesday of spying for the Iranians at the time of the government crackdown on the Kurdish population.

Former military intelligence chief Sabir al-Douri made the accusation after listening to Kurdish witnesses testify about chemical attacks against their villages in northern Dahuk province in August 1988.

DOJ_NMG_0092008

Saddam, al-Douri and five other former members of Saddam's regime have pleaded innocent to charges of war crimes and crimes against humanity for their role in the military offensive against the Kurds, known as Operation Anfal. The prosecution says about 180,000 people, mostly civilians, were killed in the 1987-88 crackdown. Saddam and one other defendant are also charged with genocide.

Al-Douri told the court the Iranians, who fought an eight-year war with Iraq starting in 1980, had asked Kurdish guerrillas to provide intelligence about a prison camp near Mosul and about the homes of two senior Iraqi commanders in the north.

"The (Kurdish) rebels and the Iranians were working together there," he said.

The presiding judge did not respond to the remark.

The trial adjourned until Nov. 27 to give time for the defense to assemble its list of witnesses. But court spokesman Raed Juhi said the prosecution still had more witnesses to call.

If convicted, Saddam and his co-defendants could be sentenced to death.

Saddam is already under a death sentence imposed by another court Sunday for the deaths of more than 140 Shiite Muslims after an assassination attempt against him in the town of Dujail in 1982.

His trial for the Kurdish crackdown will continue while an appeals court reviews the Dujail case.

Prime Minister Nouri al-Maliki was quoted as telling the British Broadcasting Corp. that if an appeals panel upholds the Dujail sentence, Saddam could be executed before the end of the year.

With the likelihood of his execution increasing, Saddam rose in the dock Tuesday and called on all Iraqis to "forgive, reconcile and shake hands."

On Wednesday, witness Ayoub Abdellah Mohammed said his village was attacked with chemical weapons on Aug. 24, 1988 — four days after a cease-fire in the war with Iran.

"After this, we had difficulty breathing and I told the villagers that the village was hit by chemical weapons," he said. "I could see birds falling and liquids coming out of people's noses."

Another witness, Tawfeeq Abdul-Aziz Mustafa, said he and other villagers fled to Turkey after a chemical attack on their community and remained there until a Kurdish self-ruled area was established in northern Iraq in 1991.

"We looked at the villages and there was yellow smoke coming out," he said. "Our eyes became red, itchy and teary. We knew it was a chemical attack."

Mustafa said his uncle died in Turkey from the effects of the attack, and he lost about 40 percent of his vision because of exposure to the chemical weapons.

The session opened with a demand from defense lawyer Badee Izzat Aref for the court to order an investigation into the alleged ransacking of the defense team's office in the U.S.-controlled Green Zone last month.

Aref said intruders damaged and stole dozens of documents, undermining the defense's effort in the trial. Chief judge Mohammed Oreibi al-Khalifa ordered the prosecution to give a new set of documents to the defense.

"I demand the opening of an investigation on the American side because the area of the offices is guarded by the Americans, who would shoot anybody who comes near," Aref said.

It was the first time that Aref appeared in the court since Sept. 21, when the defense team announced a boycott of the trial to protest the court's rejection of many of their motions.

Suicide Bomber Kills 42 Pakistani Soldiers (NYT)

By Carlotta Gall, Salman Masood

The New York Times, November 9, 2006

ISLAMABAD, Pakistan, Nov. 8 — A suicide bomber detonated explosives on a military training ground in northwestern Pakistan on Wednesday morning, killing at least 42 army recruits and wounding about 20 more in the deadliest terrorist attack against the Pakistani military on record, government officials said.

Suspicion immediately fell on Pakistani militants who had vowed vengeance for an airstrike on a madrasa, or religious school, that killed 83 people near the Afghan border in the Bajaur district on Oct. 30.

DOJ_NMG_0092009

The Pakistani military claimed responsibility for that attack, which it said was against militants in terrorist training. But residents and opposition politicians contend that the strike was conducted by an American drone aircraft, though the Pakistani government denies it.

The sudden escalation of casualties in Pakistan's fight against militants is likely to further polarize public opinion, which is already broadly opposed to President Pervez Musharraf's cooperation with the United States and his military campaign against tribes in border regions. It may also raise questions in the military about the campaign, in which about 600 soldiers have been killed in the past two years.

Interior Minister Aftab Ahmed Khan Sherpao said a suicide bomber wrapped in a shawl ran onto the military training ground, in Dargai, a town in North-West Frontier Province, and detonated his bomb amid about 130 recruits around 8:40 a.m. The military reported that 42 soldiers had been killed, but that number may rise, because some of the wounded were in critical condition.

"It was a guy with a short beard, wearing a shawl," Khalid Mehmood, 18, a student who was walking on a road nearby and was wounded by shrapnel, told a local journalist.

Gulam Younas, a shopkeeper across the parade ground, said he was working when he heard a big explosion. "Amidst the rising dust, I saw bodies lying on the ground, wounded soldiers, limbs, shoes," he said. "It was horrible."

The military was pursuing a man suspected of being an accomplice Wednesday night who was chased to sugar cane fields several miles away. The man, described as in his mid-20s with a short beard, had been was spotted close to the scene of the blast by townspeople who said he was behaving suspiciously, military and security officials said. When someone fired on him, the officials said, he pulled out a hand grenade and threatened to hurl it at them, then disappeared into fields in a nearby village.

About 400 Pakistan Army soldiers and paramilitary Frontier Constabulary set up a cordon around the thick cane fields, which cover a little more than a square mile. Army tracking dogs, helicopters, searchlights and flares were brought in to help.

An unidentified caller told a local journalist on Wednesday that "Pakistani Taliban" were behind the suicide bombing and were retaliating for the airstrike in Bajaur on Oct. 30. The strike has been followed by daily demonstrations and protests against the government and the perceived American involvement in the strike. At least one militant leader from the Bajaur area, Maulana Faqir Muhammad, threatened to carry out revenge attacks.

Government officials in Islamabad, the capital, said Wednesday that the suicide bombing was linked to Bajaur, but emphasized that rather than a revenge attack, it was a proof of terrorist training in the region.

"We can trace back the linkage with Bajaur," said Maj. Gen. Shaukat Sultan, the chief military spokesman, [a news service] reported. "We have been receiving intelligence reports about militants being trained for such activities," he said.

"It is linked with the Bajaur incident. It is not a consequence," said Mr. Sherpao, the interior minister. "It is linked in the sense that suicide bombers were trained in the area."

Foreign fighters and operatives for Al Qaeda are known to be at large in the mountainous tribal regions adjoining Afghanistan. Local fighters and the militants are accused of training bombers and orchestrating attacks in Afghanistan and Pakistan from their hide-outs.

A senior Pakistani intelligence official said Monday at a briefing that the madrasa in Bajaur had been receiving money from Al Qaeda to train militants and send them to Afghanistan to fight American and Afghan forces. Abu Faraj al-Libbi, an important Qaeda operative who was arrested in May 2005, disclosed under interrogation that he and other Qaeda members had visited the madrasa, said the official, who spoke on condition of anonymity.

The anonymous telephone caller on Wednesday, who called the journalist Rahimullah Yusufzai of The News, a national newspaper, said that the suicide bombing had been carried out by a group led by Abu Kalim Muhammad Ansari, an otherwise unknown figure. The caller contended that the group had 274 more volunteers ready to be suicide bombers, Mr. Yusufzai said.

Yet while Pashtun tribesmen in border areas have sympathized with the Afghan Taliban and Al Qaeda, suicide bombing is new to them. Many Pashtuns say such attacks are alien to their tribal code, Pashtunwali, which forbids the killing of innocent people, and to their understanding of Islam, which forbids suicide.

General Musharraf has vowed to continue to fight such militants and to crush terrorism in almost daily comments since the Bajaur strike. Yet the suicide bombing is likely to increase the pressure on him to end military action in the tribal areas.

DOJ_NMG_0092010

"There are very few now who think the military is an instrument that will work," said Talat Masood, a military analyst and retired general.

Suicide Bombing Kills 41 Troops At Pakistani Army Base (WP)

By Pamela Constable, Kamran Khan

The Washington Post, November 9, 2006

PESHAWAR, Pakistan, Nov. 8 -- A suicide bomber detonated explosives on a field filled with army recruits doing exercises in northwest Pakistan on Wednesday morning, killing at least 41 soldiers and wounding dozens in one of the worst such attacks in Pakistan's recent history.

Officials immediately blamed the bombing on al-Qaeda and local Islamic extremists. They said it appeared to be an act of reprisal for a government missile attack Oct. 30 that killed 82 people at an Islamic school in the nearby Bajaur tribal region. Officials suspected that the school was being used as a training camp for guerrillas.

"It seems that this was linked to the action by our forces against militants in Bajaur last week. Al-Qaeda and its followers in this region are getting desperate because of our actions," Interior Minister Aftab Khan Sherpao said from Islamabad, the capital. "I am afraid this is a beginning of a new phase of terrorism in Pakistan. The terrorists are now pitched directly against our security forces."

Military officials said the bomber, wrapped in a cloak, wandered onto the unguarded training field and detonated explosives before anyone noticed him. They said a second intended suicide bomber escaped on a motorbike from the military training camp, located in Dargai village near the semiautonomous tribal areas that border eastern Afghanistan.

Several hours later, a man called the office of Geo television in Peshawar, the provincial capital of North-West Frontier Province. He identified himself as the second suicide bomber and claimed that the attack had been carried out by local insurgents from the Islamic Taliban movement, which operates on both sides of the border.

"Our martyr has clearly stated that this attack is our response to the Pakistan army attack in Bajaur," the caller said in Afghan Pashto, according to journalists at Geo. "This attack marks the end of our commitment not to target the Pakistan army. We have enrolled 275 people as suicide bombers, and now they will take revenge."

Dargai is a stronghold of a banned Islamic militant group, the Movement for the Enforcement of Islamic Law, which ran the religious school that was bombed by the military in Bajaur. The group has been fighting government troops in the tribal areas for months and was banned in 2002 after trying to impose Taliban-style rule in the tribal areas.

After Wednesday's attack, security was heightened at all military facilities in Pakistan and soldiers in the northwest region were told not to visit public places in uniform, a senior army official said. On Tuesday, the North-West Frontier provincial governor was forced to cut short a visit to the South Waziristan tribal area when two rockets were fired near a meeting he was attending with local elders.

The tribal areas are plagued by violence and Islamic extremism, and U.S. and Afghan officials believe both Taliban and al-Qaeda fighters have taken refuge there. Recently the Pakistani government made two peace agreements in South and North Waziristan, hoping to end the conflict that has pitted Islamic insurgents against Pakistani troops on one side of the border and NATO and Afghan forces on the other. A third agreement was due to be signed in Bajaur last week.

But the Oct. 30 missile attack, which Pakistani officials said was based on U.S. intelligence and carried out by Pakistani forces, appears to have sabotaged that effort. News of the attack has convulsed the tribal region, with daily demonstrations taking place and local politicians resigning from parliament in protest.

According to Pakistani and U.S. officials, the Islamic school in Bajaur had been under suspicion for some time as a training place for insurgents, and there were reports of senior al-Qaeda figures visiting there.

Pakistani officials have strongly defended the attack and continued to assert responsibility for it despite widespread public protest. On Tuesday, the army's powerful corps commanders met with Pakistan's military president, Gen. Pervez Musharraf, and resolved to continue the campaign to free Pakistan from armed Islamic militancy, according to a military press statement.

DOJ_NMG_0092011

But many Pakistanis in the volatile tribal region are convinced that the missile attack killed only innocent young religious students, that it was carried out by U.S. Predator drones and that U.S. officials pressured Pakistan into supporting it. U.S. officials have said the United States did not carry out the attack.

If it did, however, analysts said, that would mean Musharraf's government, already tarred as a U.S. puppet by many Pakistanis, chose the lesser evil of claiming it had carried out an attack that was bound to create enormous domestic anger, unleash the kind of violent reaction that occurred Wednesday and undermine a reconciliation policy it had worked hard to promote.

Sayed Sahibzada Haroon Rashid, a resident of Bajaur and member of the National Assembly from Pakistan's largest legal Islamic party, said in an interview Wednesday in Peshawar that he personally knew the names, relatives and tribes of most of the victims and that all were teenage students. He said a government list of purported national ID cards showing many to be in their 20s was a fabrication.

"This was not a training camp, it was a school where boys study the Koran. They didn't even find a knife," said Rashid, who reached the blast site within minutes and helped collect pieces of bodies. "We all recognized the American drone planes because they fly over every day. There was no al-Qaeda there; it was just an excuse to destroy our peace process. This will unite the whole country against the Musharraf dictatorship and America."

Taliban Fighters Talk Tactics - While Safe In Pakistan (CSM)

By Suzanna Koster

The Christian Science Monitor, November 9, 2006

The 22-year-old doesn't look like the traditional turbaned Taliban commander. His black hair shoots out at all angles from beneath a red cap. He smiles easily and has a neatly trimmed beard.

But Hilal says he is the co-leader of 200 Taliban fighters who operate across the border in Afghanistan. "Two years ago, we only attacked Afghan officials, but now we have so many Talibs that we can attack Americans," he boasts.

In a rare interview with a Western reporter, Hilal and three other Afghan Taliban fighters describe how they slip into Afghanistan, attack NATO and Afghan forces, and return to Pakistan to rest.

"Everybody in the neighborhood knows we are Talibs," says Noman, a 19-year-old fighter with a blue-white block-printed turban. "Paki-stan is a little bit free for us."

The interview was conducted over two days in a small house made of yellow mud in Pakistan's Balochistan Province. The fighters, who won't give their real names, say they are here for a refresher course in Taliban ideology in a Pakistani religious school.

"We are enormously organized," brags Mustafa, a 20-year-old wearing a black turban usually favored by conservative Muslims.

"Even British defense officials say they face a lot of problems from the Taliban."

A year ago, such confident talk from Taliban fighters could have been chalked up to bravado. But with more than 50 suicide attacks in the past six months, resistance by large Taliban units in the increasingly volatile provinces of Kandahar and Helmand in the south, and a greater willingness of Taliban fighters to come out into the open and speak their minds are all indications that the Taliban resurgence is no longer a matter of conjecture.

This year has been a difficult one for the US, coalition, and Afghan forces. With US commanders handing control of the south over to its British, Canadian, Dutch, and other allies in NATO, the Taliban are making the transfer a bloody one. How NATO forces fare in the south could determine whether the democratically elected government of President Hamid Karzai - and indeed, the experiment in Afghan democracy itself - succeeds or fails.

Commander Hilal says that currently 40 of his troops are in Afghanistan fighting, and 160 are "refreshing their ideology" in Pakistan. Hilal says that he discusses military plans by cellphone and satellite phone with higher Taliban commanders who are all in Afghanistan.

Hilal says his fighters operate in groups of 20 to 25 men in the Afghan provinces Ghazni and Zabul. There are 35 groups active in Zabul's capital, Qalat, and 20 to 25 in the rest of by American forces controlled province.

DOJ_NMG_0092012

Mustafa, in the black turban, says that the Talibs cross the border alone or in twos. Depending on the crossing point, he says - listing Pakistan border cities of Chaman, Badini, and Torkham - it takes one or two nights to join up with other Taliban fighters, he says. "The majority have Pakistani identity cards, so crossing the border is no problem," he says.

The Taliban fighters return to a different house in Pakistan every month, but say that they must be very careful in Afghanistan, says Noman, a gaunt-faced young man who says he wants to learn English. But Mustafa adds that they are no longer in hiding in Afghanistan. "We are now 200 to 300 at a time and can roam around freely," he says.

Prior to every mission, they get training in one of the many training camps in the Afghan mountains, says the 22-year-old Ali, who is quiet through most of the interview.

Afghanistan and NATO officials regularly accuse Pakistan of harboring Taliban leaders. Pakistan officials say they are doing everything they can to remove them.

On Wednesday, a suicide bomber killed 35 Pakistani soldiers in a brazen attack at a military base in Pakistan's North West Frontier Province, leaving the Army shaken and a Taliban peace deal in tatters.

"Never has there been so many military casualties in one attack," says Ramiullah Yusufzai, a Peshawar-based journalist who has covered the Pakistan military's campaign against militants since 2001.

Hours after the attack, an organization calling itself the Pakistan Taliban, which had never come forward before, phoned Mr. Yusufzai to claim responsibility. The caller told Yusufzai that the bomber prepared a suicide video before carrying out the strike, suggesting a parallel in tactics used by Taliban militants in Afghanistan.

The four fighters say they all studied at an Afghan madrassah (religious school) before the American forces entered Afghanistan in 2001. Hilal fled to Pakistan when his fellow students at the madrassah were arrested after the Taliban regime was toppled. In 2003, he says, he joined the jihad.

In their Afghan camps, "we get training, even suicide education. There are many groups saying how we suicide bomb, lay mines, or use Kalashnikovs," he says. Suicide attacks are not for him, he says. "It takes a lot of training. You have to think about target time, because maybe you blow up yourself but nobody else."

All of their ammunition is inside Afghanistan and is used against non-Muslims, says Mustafa. "There is a lot of ammunition in Afghanistan to use against the non-Muslims. We hid it in depots after the fall of the Taliban."

The Afghan forces are the targets are considered "non-Muslims" because they work with the Americans. "All the checkpoints are covered by Afghan troops, so we go for them first," he says.

A month ago, Hilal says his forces attacked a military convoy in Zabul's provincial capital, Qalat. He says they killed 35 Afghan troops. Two Taliban fighters were injured.

The Taliban fighters also pride themselves on blocking the main highway between Kandahar and Kabul.

Mustafa says he's in favor of the international reconstruction work in Afghanistan. But Noman interrupts, raising a finger. "We are not in favor of reconstruction work, because it happens in the name of Christianity. This is why we close the schools. The government completely changed the books. A was for Allah, now it stands for Aass [mule in Pashto], J was for Jihad, now it stands for Jawary [maiz in Pashto]. With pamphlets, letters, and by taking the teachers "into confidence," Noman says they try to close down the schools - if necessary, by force.

More than 160 Afghan schools have been attacked this year, according to The Associated Press.

The fighters say ordinary Afghans give them vehicles, fuel, food, medicine, and information. "There are many business men who help us. We were given 10 vehicles in Kandahar and 15 in Helmand. Sometimes they give us security. They say, 'He is not a Talib, he is my family member.' That is jihad," says Noman.

The interview has been watched by a silent little observer: an 11-year-old boy on a wooden seat. His parents have sent him to Noman for religious training. He brings food to the Taliban fighters in the house. When he is grown, he says shyly, he wants to be a fighter. "Now I am still a kid, but when I have a beard I can join."

Poll: Afghans Express Confidence In Country's Direction, Security (USAT)

By Paul Wiseman

USA Today, November 9, 2006

DOJ_NMG_0092013

Most of the 6,200 surveyed say they are satisfied with democracy, but corruption is a major problem

Despite a raging pro-Taliban insurgency, the people of Afghanistan say they are optimistic about the future, satisfied with their young democracy and rank security low on their list of everyday concerns, according to a survey out today.

In what it is billing as the widest opinion poll conducted in Afghanistan, the non-profit, San Francisco-based Asia Foundation surveyed 6,226 Afghans 18 and older in person in 32 of the country's 34 provinces over the summer.

Polling couldn't be conducted safely or reliably in two areas: southern Afghanistan's strife-torn Zabul and Uruzgan provinces, which together account for 2.3% of the country's population. The survey's margin of error was +/-2.5%.

The poll, financed by the U.S. Agency for International Development, suggests that Afghans are surprisingly confident about the direction of their country even as NATO forces battle a pro-Taliban insurgency in southern and eastern provinces and the violence begins to threaten other places that previously had been considered safe.

While violence has increased, Afghanistan has made some progress in the nearly five years since U.S.-led forces overthrew the fundamentalist Islamic Taliban regime.

Afghans finally got a chance to vote — in presidential elections in 2004 and parliamentary elections in 2005. Roads have been paved and schools reopened after three decades of anarchy.

Outside the south, major Afghan cities such as Mazar-e-Sharif in the north, Herat in the west and the capital, Kabul, have been largely free of political violence.

Frederick Starr, chairman of the Central Asia-Caucasus Institute at Johns Hopkins University's School of Advanced International Studies in Washington, said he was not surprised by the survey. “These findings … in no way contradict the larger conclusion that this is a country still desperately poor and desperately in need of help,” Starr said. “What they affirm is that help produces results, which in turn generates appreciation.”

The poll found that:

•Afghans were more than twice as likely (44% to 21%) to think their country was headed in the right direction, rather than the wrong direction; 29% had mixed feelings. Still, the optimists were down from 64% in a smaller Asia Foundation survey conducted in 2004.

By contrast, Iraqis have a bleaker outlook. A Sept. 1-4 World Public Opinion Poll of more than 1,000 Iraqis showed that 47% thought their country was going in the right direction, while 52% thought it was going the wrong way.

•77% said they were satisfied with the way democracy is working in Afghanistan.

•Only 6% ranked security as the biggest problem in their area, behind unemployment (18%), electricity shortages (12%), poverty (10%), a weak economy (10%) and scarce water supplies (9%). Sixty percent said they rarely or never worried about their own safety. However, 22% said security was the biggest problem facing the nation.

•54% said they were more prosperous than they were under the Taliban, which governed Afghanistan from 1996 to 2001; 26% felt less prosperous.

•42% said corruption was a major problem in their daily lives, and 77% called it a major national problem; 51% of those who dealt with public health care officials reported paying bribes for health service.

•Afghans had contradictory attitudes toward political tolerance: 85% said the government should allow peaceful opposition, but 64% said they would not allow political parties they personally opposed to meet in their areas.

•Nearly one-tenth of men and one-eighth of women felt that women should occupy most political positions in a country where women traditionally have been barred from schools and jobs.

•87% said they trusted the Afghan national army, and 86% said they trusted the Afghan national police. The police, in particular, have been widely criticized for being corrupt, brutal and beholden to local warlords. A report released this month by the International Crisis Group, a Brussels-based non-profit group devoted to conflict prevention, called the Afghan police “little more than private militias … regarded in nearly every district more as a source of insecurity than protection.”

“I have never met one person, including the minister of the Interior, who trusted the Afghan national police,” Barnett Rubin, who studies Afghanistan at New York University's Center on International Cooperation, said in an e-mail. “I think this is not a very reliable survey.”

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Starr counters: “For a country that didn't have a national army and had only local militias, the fact that one exists — no matter its absolute level — is a breakthrough.”

George Varughese, who directed the poll for the Asia Foundation, which supports programs in Asia that help improve governance and law and encourage economic development, agrees that some of the results “appear to challenge the current wisdom on issues in Afghanistan,” but says, “We feel it is a solid, important piece of work, completed during a difficult time.”

CORPORATE SCANDALS:

Ex-U.S. Foodservice Executive Convicted (WP)

By Carrie Johnson

The Washington Post, November 9, 2006

A New York jury convicted former U.S. Foodservice Inc. marketing chief Mark P. Kaiser yesterday of conspiracy, securities fraud and false filing charges, all but bringing to a close a three-year, $800 million accounting fraud probe at the Columbia food distribution company.

Kaiser, 49, remains free on bond until his sentencing Feb. 8. He is the only former official at U.S. Foodservice, a unit of the Dutch grocery retailer Royal Ahold NV, who presented his case to a jury.

A few weeks before the trial began last month, former finance chief Michael J. Resnick pleaded guilty to conspiracy for his role in the scheme, which boosted earnings by inflating the amount of promotional rebates U.S. Foodservice received from suppliers.

Kaiser's deputy, Timothy J. Lee, also pleaded guilty and testified against his former boss in the course of the case, which spanned about four weeks. In closing arguments, Kaiser's lawyer, Richard J. Morvillo of the District, labored to paint Lee as a liar trying to curry favor with the government and win a lighter prison sentence.

"Nothing has changed in terms of our view of Mr. Kaiser's innocence, and we plan to pursue what we believe is a meritorious appeal," Morvillo said in an e-mail yesterday.

Through a spokeswoman, Manhattan U.S. Attorney Michael J. Garcia declined to comment.

The conviction came two days after Ahold said it would put U.S. Foodservice up for sale, even as it retains control of local supermarket chain Giant Food.

Earlier this year, Ahold reached a nonprosecution agreement with the Justice Department over the accounting problems at the Columbia unit. Ahold's stock plummeted more than 60 percent when the problems were disclosed in early 2003. Ahold, which did not pay fines to the government because of its extensive cooperation with investigators, later paid $1.1 billion to resolve shareholder claims.

In all, more than a dozen executives at U.S. Foodservice and its supplier companies have pleaded guilty and settled related civil charges with the Securities and Exchange Commission.

Conviction In U.S. Foodservice Trial (WSJ)

By Chad Bray

The Wall Street Journal, November 9, 2006

NEW YORK -- The former marketing chief of Ahold NV's U.S. Foodservice Inc. unit was convicted of participating in a scheme to create millions of dollars in fake supplier rebates in order to artificially increase the unit's operating results by hundreds of millions of dollars.

After about a day of deliberations, a jury in U.S. District Court in Manhattan found Mark Kaiser guilty of conspiracy, securities fraud and four counts of making false filings. Mr. Kaiser faces a maximum of 20 years in prison on the most serious charge of securities fraud. Sentencing is set for Feb. 8.

"We'll do our talking in the Court of Appeals," said Richard J. Morvillo, Mr. Kaiser's lawyer, when asked for a comment on the verdicts.

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The government alleged Mr. Kaiser and others misrepresented to U.S. Foodservice's auditors and the public how much the company was receiving in supplier rebates, known as promotional allowances, by hundreds of millions of dollars in order to meet income targets.

More than a dozen U.S. Foodservice vendors and three former executives, including former U.S. Foodservice Chief Financial Officer Michael Resnick, have pleaded guilty to criminal charges in the matter.

On Monday, the Amsterdam-based retailer said it will put the U.S. Foodservice unit and its Tops supermarkets in New York and Pennsylvania up for sale.

UnitedHealth Executives Forfeit $390 Million In Options (WSJ)

By STEVE STECKLOW And VANESSA FUHRMANS

Wall Street Journal, November 9, 2006

The two top executives of UnitedHealth Group Inc. agreed to forfeit about $390 million in stock-option compensation, by far the biggest sum returned to a company under scrutiny for backdating options awards.

The giveback was announced at the same time the giant health insurer disavowed more than a decade's worth of earnings statements.

Last month, an internal inquiry found that the two executives -- outgoing Chief Executive William W. McGuire and his successor, Stephen J. Hemsley -- received options that carried dates prior to the dates on which they were actually granted, making them more valuable than they otherwise would have been.

Other senior UnitedHealth executives will also return unspecified options gains. Paul Hodgson, senior research associate at Corporate Library, a corporate-governance research group in Portland, Maine, said the $390 million giveback by Dr. McGuire and Mr. Hemsley may be the largest voluntary forfeiture by corporate executives ever. "This is certainly the biggest that I'm aware of," he said.

UnitedHealth is one of the largest companies to be ensnared in the options-backdating scandal, in which companies manipulated the dates that options were awarded to provide additional compensation to executives. More than 130 companies are under investigation by the Securities and Exchange Commission, and many of those are also being probed by the Justice Department.

UnitedHealth also disclosed that it would have to take "significantly greater" charges related to its backdated stock options than it had previously estimated and that it expects the charges to affect the past 12 years of previously reported earnings. The Minnetonka, Minn.-based health-insurance giant didn't specify what the new charges would be. It had previously said it might have to restate up to $286 million in earnings, stemming from three years' worth of earnings.

UnitedHealth also said its chief financial officer, Patrick Erlandson, resigned his post and will be succeeded by G. Mike Mikan, the company's senior vice president of finance. Mr. Erlandson will be reassigned to other "operational duties," the company said. A UnitedHealth spokesman declined to say whether Mr. Erlandson's move was related to the stock-options issue.

More than 40 executives have lost their jobs to date in the options imbroglio, including Dr. McGuire, who agreed last month to step down as UnitedHealth's chairman. He will leave his post as chief executive by Dec. 1, after 15 years at the company. UnitedHealth's internal probe concluded that Mr. Hemsley, the company's chief operating officer, received backdated grants, but it made no finding that he had a role in their creation.

UnitedHealth's options troubles followed a page-one article in The Wall Street Journal in March that showed that Dr. McGuire had received stock options grants at favorable times, including awards received in 1997, 1999 and 2000 whose dates coincided with those years' lowest closing share price. The article reported that the odds of such a favorable pattern occurring by chance were at least one in 200 million. At the time, UnitedHealth called its options-granting process "appropriate."

Options are intended to give recipients the opportunity to profit if the company's share price rises in the future. Usually, the recipient can buy shares in the future at the price of the stock on the day the option was awarded. Backdating involves pretending that the grant was awarded on an earlier day, when the share price was lower, giving the recipient the potential for greater profit. If not disclosed to shareholders, the practice can result in serious accounting and tax consequences.

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UnitedHealth, in fact, faces a slew of noncash charges related to stock-based compensation, as well as cash charges resulting from tax liabilities. It said yesterday it would have to further delay filing its third quarter Form 10-Q to the SEC.

Both Mr. Hemsley and Dr. McGuire agreed last month to allow the exercise prices of previously granted options to be reset to the highest share price during the grant year after a board-commissioned review concluded that several option grants had likely been backdated.

The company said Mr. Hemsley and other unnamed senior executives had agreed not only to give up paper gains on unrealized stock options with questionable grant dates, but also to forfeit some money already made on previously exercised options. For Mr. Hemsley, the actions -- including forfeiting a complex tranche of grants that were suspended and then reactivated in August 2000 -- will reduce his past stock compensation by $190 million in both unrealized gains and money he would return. "My decision is in keeping with my personal goal of avoiding even the appearance of any unintended benefit from any past option grants to me," he said in a statement. Before joining UnitedHealth in 1997, Mr. Hemsley was chief financial officer at the accounting firm Arthur Andersen LLP.

Dr. McGuire has also agreed not to benefit from any grants with problematic dates that he has already exercised, although it isn't yet clear how this will be done, according to a person familiar with the situation. His attorney, David Brodsky, said, "Dr. McGuire is pleased to have reached an agreement to reprice his options. The agreement to forgo approximately $200 million means that Dr. McGuire will receive no benefit at all from dating issues in connection with his options."

But Dr. McGuire hasn't yet agreed to forfeit the reactivated options in which he and other employees were effectively able to get the same options twice, at favorable prices. For Dr. McGuire alone, those extra options are now valued at about $250 million. The issue of those options hasn't been resolved between Dr. McGuire and the company, according to people familiar with the situation.

At the end of 2005, Dr. McGuire had a cache of unexercised options valued at $1.78 billion. Mr. Hemsley's options at the time were valued at more than $650 million.

UnitedHealth spokesman Mark Lindsay wouldn't provide any details on the formula the company is using to determine how much executives have to return to the company from previously exercised grants. He added that the company was still working out the details on how the money would be paid back.

However the payback is handled, executive compensation experts said the move to undo past compensation is likely to complicate the tax liabilities that UnitedHealth faces from backdated grants. "The IRS doesn't like that sort of thing," said James Reda, managing director of a New York-based pay consulting firm James F. Reda & Associates.

The company's board also set new rules for its independent directors, prohibiting business relationships that involve payments from company executives or any direct compensation from the company, other than for board service, within the prior three years. That is tougher than New York Stock Exchange requirements, which limit other direct compensation for independent directors to less than $100,000. The more stringent rules come amid the resignation last month of William Spears, a UnitedHealth board member for 15 years, after the company's probe revealed undisclosed financial entanglements with Dr. McGuire.

UnitedHealth also said it reached a new, four-year employment agreement with Mr. Hemsley that is remarkably spartan compared with his and Dr. McGuire's previous contracts. Under its terms, Mr. Hemsley will receive a base salary of $1.3 million, $1 million less than Dr. McGuire earned as CEO. Far from the power Dr. McGuire enjoyed to negotiate and, in some years, set the date for his own option awards, Mr. Hemsley's contract doesn't set any minimum or target level for bonuses or other incentive-linked compensation. Rather, any additional bonuses are "solely at the discretion" of the board's compensation committee, the company reported in a filing with the SEC. "It's unusual for someone to relinquish that much control over how his bonus gets set," Mr. Reda said.

Shares in UnitedHealth fell $1.57 to $48 in 4 p.m. composite trading on the New York Stock Exchange.

UnitedHealth Options Probe Cost Higher Than Expected (Update7) (BLOOM)

By Lisa Rapaport

Bloomberg, November 9, 2006

DOJ_NMG_0092017

Nov. 8 (Bloomberg) -- UnitedHealth Group Inc., the largest U.S. health insurer, said its restatement of earnings to correct accounting for stock-based compensation ``will be significantly greater'' than the $286 million it estimated in May.

The insurer also said today it will reduce the value of stock options awarded to two top executives and delay filing third-quarter earnings to U.S. regulators. UnitedHealth is among at least 167 companies that have disclosed probes into backdated options in a broadening U.S. scandal, including 71 which changed previously reported financial results.

Departing Chief Executive Officer William McGuire will lose about $200 million because of the restatements, said his lawyer, David Brodsky. Stephen Hemsley, who replaces McGuire on Dec. 1, will give up about $190 million, Minnetonka, Minnesota-based UnitedHealth said. Last month, both agreed to let their option dates be reset to the highest share price in the grant year.

The repricing ``probably removes one more overhang on the stock, but you can't draw any more conclusions at this point about what McGuire has or hasn't done wrong,'' said Les Funtleyder, an analyst at Miller Tabak in New York, in a telephone interview.

UnitedHealth said its financial statements from 1994 through September this year ``should no longer be relied upon'' because they may not reflect costs of stock-based compensation.

Oct. 15 Agreement

McGuire agreed Oct. 15 to be replaced by Hemsley, the current president and chief operating officer, after an independent inquiry found evidence that company options were backdated during the past 12 years.

Investigators are trying to determine whether companies inflated the value of options awarded to senior executives by backdating or timing the grants to coincide with days when the stock price was low.

The shares fell $1.57, or 3.2 percent, to $48 at 4 p.m. in New York Stock Exchange composite trading.

Brodsky, with Latham & Watkins in Washington, said today in a statement that his client's agreement to reprice options ``means McGuire will receive no benefit at all from dating issues in connection with the options.''

``All of the remaining value of his options are the result of the outstanding performance of the company, which saw 8,400% growth under his leadership,'' Brodsky said.

Chief Financial Officer

Patrick Erlandson resigned as chief financial officer of UnitedHealth and will be succeeded by G. Mike Mikan, the company said. Forrest Burke was named acting general counsel, replacing David Lubben, who resigned Oct. 15.

The company also said it strengthened its requirements for defining the independence of its directors and restricted charitable contributions to organizations run by independent directors. UnitedHealth also prohibited business relationships between the independent board members and executives employed by the company.

An internal inquiry by Washington law firm Wilmer Cutler Pickering Hale and Dorr LLP examined 29 option grants from 1994 through 2006 and found that the measurement dates for most were incorrect and many ``were likely backdated,'' according to a summary of the report, released Oct. 15.

`Central To'

McGuire was ``central to'' a process that set many option dates ``at or near'' the lowest price in a quarter or year, raising his potential profit over 12 years, the law firm said.

In the WilmerHale report, McGuire stated that grant dates on the CEO's options ``typically coincided with'' a memo, phone call, meeting or discussion with at least one member of the board's compensation committee.

The report's authors responded that there were ``relatively few instances in which there are either direct or circumstantial evidence to establish that a grant date was selected on that particular day.''

McGuire is under investigation by the U.S. Securities and Exchange Commission, the U.S. Department of Justice and the Minnesota Attorney General. The company also faces shareholder lawsuits.

UnitedHealth on Oct. 19 said third-quarter net income rose 38 percent after acquisitions raised the number of policyholders. Earnings climbed to $1.1 billion, or 79 cents a share, beating analysts' estimates by 3 cents, and the company increased its forecast for next year.

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Revenue rose 55 percent to $18 billion after the acquisition of PacifiCare Health Systems Inc., with 3.3 million members in medical plans, helped push the number of people covered by UnitedHealth policies to more than 70 million, up 24 percent in a year.

UnitedHealth's Options Just Got Messier (BSWK)

By Sonja Ryst

BusinessWeek, November 9, 2006

The health insurer says costs for backdated stock options will balloon beyond its prior estimates. The new CEO has his work cut out for him

UnitedHealth Group (UNH) faces a whopper of a bill from backdated stock options. It's also hoping to renew favor with investors by repricing options for several executives and bringing new leaders into its executive suite.

Less than a month after ousting its CEO over the options scandal, the suburban Minneapolis health insurer told investors Nov. 8 that it expects to take "significantly greater" charges than the $286 million it had previously predicted. The company also said its financial statements for the past dozen years are suspect and shouldn't be relied on, pending restatements. The reviews also will cause the company to delay filing its third-quarter report with the Securities & Exchange Commission.

The news came as UnitedHealth announced that its new chief executive, Stephen Hemsley, has agreed to have his options from 1997 and 2002 reset to the highest share price in the year in which they were granted. He also agreed to give up gains from options that were suspended in 1999 and reinstituted in August, 2000. The decision cuts the value of his options by $190 million. "My decision is in keeping with my personal goal of avoiding even the appearance of any unintended benefit from any past option grants to me," Hemsley said in a press release. Under Hemsley's new four-year employment agreement with UnitedHealth, he's guaranteed only a base salary. Widespread Restatements

Hemsley replaces company founder and current CEO, Dr. William McGuire, who will have the exercise prices reset for all of his options with recorded grant dates between 1994 and 2002. McGuire resigned as board chairman on Oct. 15 after an external review found that many of his stock options were most likely backdated (see BusinessWeek.com, 10/16/06, "Hard Times for UnitedHealth").

McGuire is scheduled to leave the company on Dec. 1. The terms of his severance are still being negotiated. At the end of last year, McGuire's options were worth $1.78 billion. He has agreed to have them repriced to their highest point in the grant year. That will shave about $200 million from the value of McGuire's options, his attorney, David Brodsky, told The Associated Press on Wednesday.

The options backdating scandal has snared more than 120 companies to date, many of which will need to restate results to account for the compensation expense and pay taxes for options that were mishandled. The practice of backdating, which is allowed under accounting rules as long as it's disclosed, allows the recipient of a stock option to snag an immediate paper gain, since the strike price is set below the current share price. First Priority

UnitedHealth also ousted its chief financial officer, Patrick Erlandson, who has been in that position since 2001. Erlandson will remain with the company, and be succeeded by G. Mike Mikan, a senior vice-president of finance. In addition, UnitedHealth designated Forrest Burke as acting general counsel, from his former role as general counsel for UnitedHealthcare, Uniprise, and specialized-care services.

The company says senior executives and its former general counsel, David Lubben, have agreed to reset the dates on all options from 1994 to 2002 to the day they were actually granted. They also have agreed to a formula to account for income on options they have already exercised. "The effect of these changes is to remove any potential whatsoever for these individuals to have financially benefited from any option misdating," the company said.

Cleaning up the options mess is Job No. 1 for Hemsley, who joined the company in 1997. In a conference call with analysts last month, he apologized for the fiasco and promised new managers with "stature, expertise, and integrity. We will be unrelenting in achieving the highest standards for governance and integrity" (see BusinessWeek.com, 10/18/06, "The Ties UnitedHealth Failed to Disclose"). Changing the Culture

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Still, some analysts want to see results—and the debacle's costs—before saying the company has found its way. "Their corporate governance has been abysmal, and they've made a few changes over the last couple months," said Brandon Troegle, an analyst at research firm Morningstar in Chicago. "I think they're all very positive changes, but they're reactionary. There's always more they could do."

The latest options news, coupled with uncertainty over what newly empowered Democrats in Washington might plan for the privatized health industry, sent UnitedHealth shares down 3.2% on Nov. 8, to $48, on the New York Stock Exchange. The stock is down by more than a third from its 52-week high of $64.61 in December.

"They have to prove there's a cultural change in the organization," says Sheryl Skolnick, a senior vice-president at investment bank CRT Capital Group. She's watching to see what sort of retirement package McGuire will get. The whole mess, Skolnick predicts, will be largely closed by the spring. Investors will be hoping that estimate proves accurate.

Ryst is a reporter for BusinessWeek.com in New York.

UnitedHealth Expects Greater Charges Due To Options (LABIZ)

Los Angeles Business, November 9, 2006

UnitedHealth Group Inc. announced Wednesday a series of actions to address the problems of backdating stock options at the company.

The company said in a statement that it cannot yet determine the amount of "cash charges resulting from potential tax liabilities," but that it will be "significantly greater" than the $286 million initially anticipated.

The board of the Golden Valley, Minn.-based health insurer said that due to the adjustments necessary to correct the backdating of stock options, its quarterly reports from 1994 to September 2006 "should no longer be relied upon."

The company also is withholding the filing of its 10-Q report for the third quarter of 2006.

Here are some of the additional actions taken by UnitedHealth:

New President and CEO Stephen Hemsley signed a four-year employment agreement, and voluntarily agreed to reprice any stock options questioned by the independent WilmerHale report of the company's internal finances. This will reduce the value of Hemsley's past compensation by $190 million.

Outgoing CEO William McGuire also agreed to reset his options dates from 1994 to 2002 to the highest stock price during those years, but the company did not indicate the reduced dollar value of that recalculation.

The board named Mike Mekan as executive vice president and chief financial officer (CFO) to replace CFO Patrick Erlandson, who resigned.

The board strengthened requirements for ensuring the independence of its directors, going further than the standards of the Securities and Exchange Commission and the New York Stock Exchange.

After this announcement, shares of UnitedHealth's (NYSE: UNH) stock dropped $1.96, or 3.95 percent, to $47.61 in mid-day trading on the New York Stock Exchange. It closed at $48, down $1.57 from Tuesday's $49.57 closing price.

UnitedHealth is the parent company of Cypress' PacifiCare Health Systems.

Fannie Mae Spending Over $1B On Review (AP)

By Marcy Gordon, AP Business Writer

AP, November 9, 2006

WASHINGTON (AP) -- Fannie Mae said Wednesday it expects to spend more than $1 billion this year on the massive review of its accounting and preparing financial statements as the mortgage giant pushes to complete it by year's end.

The government-sponsored company, which finances one of every five home loans in the United States, is emerging from an accounting scandal that brought the ouster of top executives and a record $400 million civil fine in a settlement with federal regulators. Fannie Mae also said it would miss a regulatory deadline Wednesday for filing its financial report for the third quarter of 2006. The company hasn't filed an earnings statement since late 2004.

Federal regulators that year accused Fannie Mae of serious accounting problems and earnings manipulation to meet Wall Street targets, and the Securities and Exchange Commission ordered the company to restate earnings back to 2001.

Washington-based Fannie Mae is the second-largest U.S. financial institution after Citigroup Inc.

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The anticipated restatement has been estimated at $10.8 billion, though Fannie Mae says it expects the final amount could be lower. The company said in August it believes that the accounting review has uncovered the last of the errors.

In its third-quarter filing Wednesday, Fannie Mae said it expects to spend about $850 million this year on the complex reworking of its accounting and related expenses - including legal fees for its defense against suits filed by shareholders - and more than $200 million on preparing financial statements for periods after 2004 to bring its reporting current.

The process "has required, and continues to require, a substantial amount of time and resources because the restatement entails significant complexities," the company said in its filing with the SEC.

Last May, the federal agency that regulates Fannie Mae and its smaller government-sponsored sibling, Freddie Mac, issued a blistering report alleging a six-year accounting fraud at Fannie Mae. Regulators said the scheme included manipulations to reach quarterly earnings targets so that company executives could pocket hundreds of millions in bonuses from 1998 to 2004.

The Justice Department had pursued a criminal investigation, but federal prosecutors said in August they had shut down their probe. The SEC still could bring civil actions against individual executives, including people no longer at Fannie Mae, with the burden of proof less stringent than in criminal prosecutions.

In May, the company disclosed new accounting problems that had been uncovered in its business of issuing securities backed by the billions of dollars of home mortgages annually that it buys from lenders and bundles together for resale to investors worldwide.

Similarly, Fannie Mae in March disclosed new accounting problems that had been uncovered in several areas, including loans, investment securities, houses acquired through foreclosures, interest on delinquent home loans, and reverse mortgages.

They all are in addition to the accounting-rule violations that came to light in September 2004 involving derivatives, the financial instruments that Fannie Mae and Freddie Mac use to hedge against swings in interest rates, and its mortgage commitments.

The two were created by Congress to pump money into the $8 trillion home-mortgage market to keep interest rates low and make home ownership affordable for low- and moderate-income people. Freddie Mac has been emerging from its own accounting scandal, which surfaced in mid-2003.

Fannie Mae shares rose $1.74, or 2.9 percent, to $41.64 in midday trading on the New York Stock Exchange.

S.E.C. Is Seeking To Help Small Companies On Audits (NYT)

By Floyd Norris

The New York Times, November 9, 2006

Regulators are seeking a way to lighten the burden of the Sarbanes-Oxley law on smaller companies by addressing the focus and cost of audits of internal controls, Christopher Cox, the chairman of the Securities and Exchange Commission, said yesterday.

Mr. Cox said in an interview that the goal was to focus the attention of auditors on only those controls that could be important to assuring the accuracy of financial records, a measure required by Section 404 of the Sarbanes-Oxley law, and to hold down the cost of the audits.

“There will be an audit for everybody, which is a major decision we took,” he said, adding that the nature of the audit could change. “It is supposed to be risk-based, so that the auditor’s time is focused on the areas of greatest risk.”

He said that was particularly important for smaller companies, some of which have complained that costs are excessive. The burden of such audits has also been blamed for a reluctance of foreign companies to list their securities on American markets.

Mr. Cox said his goal was to smooth the way for the Public Company Accounting Oversight Board to propose a new auditing standard in the area, and for the S.E.C. to approve it, by this spring. To do that, he said, he has held extensive consultations with Mark Olsen, the chairman of the oversight board.

The commission appears to be seeking a middle road in a contentious fight that pits advocates of strong controls on corporate misbehavior — who fear any weakening of the law that was passed in the wake of the Enron and WorldCom scandals

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— against corporate executives who see an opportunity to roll back what they see as overregulation and, at the same time, perhaps adopt other business-friendly policies. A committee appointed by the previous chairman of the commission, William H. Donaldson, urged the S.E.C. to eliminate audits for many smaller companies.

Some members of Congress have said they will push for legislation next year, and commissions appointed by business interests are planning to produce proposals for legislation soon. But other legislators have urged regulators to find ways to cut costs without having to reopen the law.

Mr. Cox said that many were taken by surprise by the cost, noting that Section 404, which requires company managements to assess the state of internal financial controls, was based on existing legislation affecting financial institutions.

"That did not cause the sky to fall," he said of the earlier rule, "and there was no advance warning that the sky would fall" when Section 404 was adopted.

But, he said, the accounting oversight board decided to go further than bank regulators had gone. He said he expected the revised audit standard to be easier to comply with, but added: "I am very concerned that no matter what we do in this audit standard, we will not have much impact on audit fees. But it is our intention to do so, in a way that gives investors far more bang for the buck."

Mr. Cox said the commission would propose new rules to provide guidance to companies on how to evaluate internal controls.

And, he said, it is likely to accept the size categories proposed by the small-business advisory committee, even while requiring audits of all companies. For two years, companies with market capitalizations under $75 million would be required to evaluate their own internal controls but not to have the results audited.

Audits would begin in the third year, and continue every year thereafter. But, he said, they would most likely focus on the "suitability of the design of internal controls," noting that in many cases the auditor would in any case have to go beyond those controls to conduct the financial audit.

Somewhat larger companies, with capitalizations of up to $700 million, would also get less expensive audits, he said, although he conceded that details were still up in the air. The S.E.C. hopes to encourage auditors to use the work of others, and work they did in previous years, to reduce current costs, and not to focus on control issues that are unlikely to create problems even if the controls are weak.

The goal, he said, was to "relieve investors of unnecessary costs" while providing "higher-quality risk-based audits that will focus on what is truly material to a company's financial statements."

CRIMINAL LAW:

Jefferson, Carter Go On The Attack As New Orleans Runoff Campaign Starts (AP)

By Cain Burdeau

AP, November 9, 2006

NEW ORLEANS (AP) — U.S. Rep. William Jefferson, handicapped by an FBI bribery investigation, embarked Wednesday on a monthlong and grueling contest against a young but politically experienced challenger seeking to end his 16-year turn as this city's face in Congress.

State Rep. Karen Carter played up the old-versus-new dynamic at a Wednesday news conference, keying on the hurricane-battered city's recovery.

"We are tomorrow's leaders," she said. "We will stop waiting for someone to save us, because we're going to save ourselves. We're going to stand up for what is still good about New Orleans and embrace new visions and change.

"The torch of leadership is passing — pay attention — it's passing. Change is coming."

"I've heard that before," Jefferson said later at his own news conference. "It took place in a speech in 1960 by President Kennedy. So, it's a time of youth phrase. Right now, it's simply a bunch of catch words."

The eight-term congressman faces his toughest political test yet as he attempts to energize a base of supporters cast afar by Hurricane Katrina.

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Jefferson, 59, won about 30 percent of the vote in the multiparty primary Tuesday, outpacing 12 challengers lured into the race because of his vulnerability stemming from the FBI bribery investigation into his African business dealings.

Carter, 37, got about 22 percent of the vote, finishing second to earn a spot in the Dec. 9 runoff. But analysts said Jefferson's showing was poor for an incumbent.

"We can assume that the voters who voted for other candidates will not vote for Jefferson" in the runoff, said Susan Howell, a political analyst at the University of New Orleans.

"At this point, frankly, it's Karen Carter's to lose," said Larry Powell, a politics professor at Tulane University. "She has a lot of corn-fed earnestness about her and she will be attractive."

Both candidates are black. Carter drew from a more diverse crowd of voters, analysts said. Jefferson received nearly 72 percent of his roughly 27,700 votes in predominantly black precincts, according to an analysis by Edward Chervenak, a politics professor at the University of New Orleans.

Carter found her votes in both predominantly white and black precincts and she had a strong showing in more racially mixed neighborhoods, Chervenak said.

Jefferson said he will seek to shore up the black vote by canvassing in the heavily populated West Bank, which was not struck by Katrina's flood waters, and traveling to Atlanta, Houston and other places where people were displaced.

Carter said she will strive to keep her "gumbo" of political allies — whites, blacks, Republican backers — intact while attempting to draw in people who voted for the 11 other candidates in the primary.

Jefferson's legal troubles — including allegations in an FBI affidavit that he hid bribe money in a freezer — came to light shortly before Katrina hit on Aug. 29, 2005. Though he has not been charged with a crime, the allegations led to his loss of a spot on the House Ways and Means Committee.

The scandal has hurt the city's recovery efforts, Carter charged at her morning news conference.

A few hours later a tired-looking Jefferson, flanked by his wife, a minister and trade union representatives, touted his record in Congress and declared his re-election bid alive and well.

"Seventy-nine percent of the people haven't voted for her," he said. "By miles I'm better able to do the job."

Carter, Jefferson Gear Up For Runoff (NOTP)

By Frank Donze, And Michelle Krupa%%par%%staff Writers

New Orleans Times-Picayune, November 9, 2006

They must scramble to plug vote gaps

Conventional political wisdom says that a congressman who lands in a runoff, particularly after 16 years in office, should seriously consider cleaning out his desk.

For U.S. Rep. William Jefferson, the adage may be even more apropos, given that Hurricane Katrina scattered much of his traditional voter base last year just as FBI agents were ramping up their federal bribery probe into his business dealings in Africa.

But maybe not.

A day after running ahead of 12 challengers with 30 percent of the vote in Tuesday's 2nd Congressional District primary, the New Orleans Democrat wasn't talking like someone preparing to pack up.

In fact, his voice hoarse from weeks of nonstop campaigning, Jefferson said he is looking forward to the Dec. 9 runoff with state Rep. Karen Carter, D-New Orleans, who finished second with 22 percent.

Asked to comment on Carter's election-night observation that 70 percent of the electorate rejected him Tuesday, the eight-term incumbent noted that nearly eight in 10 voters in the district "haven't voted for her either."

As for Carter's call for a passing of the torch "to a new generation of leadership," Jefferson said, "It's a time-used phrase. "But right now it's simply just a bunch of catchwords. I don't know that one ought to pass off an effective, active leader for someone who has some philosophical notion that there ought to be a passing of the torch."

But political observers say the situation he finds himself in is less than ideal.

"He got 30 percent. For an incumbent, that's terrible," said Ed Renwick, director of Loyola University's Institute of Politics.

But Renwick noted that Carter has work to do if she is to replace Jefferson as the representative of a district that spans Orleans and Jefferson parishes.

Votes up for grabs

A precinct analysis of the election results by University of New Orleans political scientist Ed Chervenak, who broke down the vote by race, reveals the challenges that lie ahead for both candidates.

Jefferson, the numbers show, will have to expand his African-American base, much of which remains displaced more than a year after the storm. In addition, he must pick up support from voters who chose one of two West Bank Democrats -- state Sen. Derrick Shepherd of Marrero or former New Orleans City Councilman Troy Carter.

Perhaps the most daunting task facing Jefferson is how to increase his share of the white vote, which largely abandoned him on Tuesday, the analysis shows.

Carter, who fared well among white voters, is likely to pick up the lion's share of support that went to lawyer Joe Lavigne, a white New Orleans Republican who finished fourth on the strength of numbers that rivaled Carter's in majority white precincts.

"Republicans are going to vote for Karen Carter. There's no doubt," UNO political scientist Susan Howell said. "And they're going to turn out to vote. If you're going to vote the anti-corruption ticket, she's the reform candidate."

Meanwhile, Carter also must improve her numbers among black voters and, to a larger degree, across Jefferson Parish, where she failed to win a single precinct. As expected, Shepherd led the way in his home parish with 34 percent.

Though Jefferson Parish residents across most of the West Bank and a sliver of south Kenner comprised only about a third of the 91,000 voters who cast ballots Tuesday, their influence will be crucial in the runoff, political observers said.

The other candidates

Almost 70 percent of suburban ballots went to candidates other than Jefferson and Karen Carter.

The bulk -- more than 10,000 of 31,381 votes -- were won by Shepherd, who enjoyed widespread backing from the Jefferson Parish political establishment, which seized on his candidacy as its best chance to exploit New Orleans' reduced population and send a Jeffersonian to represent the 2nd District.

Also in the mix was Algiers resident Troy Carter, who failed to win a significant number of precincts but nevertheless surpassed Karen Carter in his Jefferson Parish take. Lavigne, meanwhile, earned nearly as many suburban votes as Troy Carter and Karen Carter combined.

All those votes are now up for grabs, and they could provide a substantial boost to Karen Carter to tip the scales in her favor, Chervenak said.

"One of the wild cards is Shepherd," he said. "He does very well in the white precincts in Jefferson Parish, and he does well in the heavily black precincts as well. The key is whether Karen Carter can tap into the Derrick Shepherd/Troy Carter vote, especially in heavily white precincts."

Shepherd did not return calls Wednesday, and it is unclear whether he intends to endorse a candidate in the runoff.

But at an unusual joint session of the Jefferson Parish Council and the New Orleans City Council aimed at fostering regional unity, several top suburban politicians who backed Shepherd in the primary suggested Wednesday that they may stay out of the runoff. Their neutrality could well be viewed as a tacit endorsement of the sitting congressman.

A Jefferson victory, of course, would give the incumbent two more years in Congress, during which he could be indicted in the federal bribery case. Such a scenario has the potential to lead to a special election to fill the seat.

In one gambit being discussed among Jefferson Parish power brokers, Shepherd then would get the chance to run again, giving Jefferson Parish another shot at installing a native son to represent them in the 2nd District.

Treatment of evacuees

Parish President Aaron Broussard said the "chess pieces" are still in play regarding an across-the-board runoff endorsement by the Jefferson Parish guard.

He said Karen Carter's comments to Spike Lee in the filmmaker's Katrina documentary could be a liability with suburban voters. Carter labeled as unjust, inhumane and un-American the decision by Jefferson Parish law enforcement leaders to block New Orleans evacuees from walking across the Crescent City Connection in an effort to flee the devastated city.

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"My observation is there is a friction factor between a number of segments and their experience in dealing with Karen Carter," he said, adding that the conflict went beyond the bridge debate to incidents in the Legislature. He would not be specific.

Meanwhile, Sheriff Harry Lee, who endorsed Troy Carter in the primary, railed against Karen Carter on Wednesday. Lee said he would not support Jefferson in light of his reduced effectiveness since news of the federal probe broke.

But the sheriff said he may work to defeat Carter because of her criticism of his deputies, who he says blocked the bridge to protect property and because there were no supplies or shelter for the evacuees on the West Bank. Evacuees countered that they had no intention of looting, and were simply seeking safety, but were stopped at gunpoint by Jefferson Parish law enforcement officers.

"It's personal between her and me," Lee said. "I'm thinking of getting some people together who she so severely affronted by running her foul mouth. I may spend some money and get the clip of Spike Lee's film and show what she said about those of us on this side of the river."

Carter said she is prepared for a rough-and-tumble runoff, especially in light of the grueling primary in which she said Jefferson and others "tried to distort and slander my record," forcing her to spend money to defend herself on TV and radio.

"I'm armored," she said, "and I'm ready."

Who's backing whom

Carter stuck to her campaign mantra that she would re-establish credibility in the 2nd District. She said her message is bolstered by the political watershed of Tuesday's elections that put Democrats in control of the U.S. House of Representatives. The presumptive Speaker of the House, U.S. Rep. Nancy Pelosi, D-Calif., took to the national airwaves Wednesday promising to clean up Congress' sullied image.

"I expect this to be a discussion about ethics . . . and the statement that Ms. Pelosi made this morning that will be the most open and transparent Congress in the history of this country," Carter said.

Howell said Jefferson is likely to paint Carter as too aligned with white interests by continuing to highlight her connections with the city's two leading Republican power brokers, developer Joe Canizaro and shipbuilder Donald "Boysie" Bollinger, who have pumped money into her campaign.

At the same time, Howell expects Jefferson to try to persuade voters that he alone has the interests of African-American voters at heart, a strategy New Orleans Mayor Ray Nagin used effectively in his May re-election bid.

In the mayor's race, however, Nagin was able to play on fears circulating through the diaspora that the city's white elite were actively working to prevent the return of black residents; such anxiety largely has abated. Nagin also was facing a white opponent, Lt. Gov. Mitch Landrieu.

"But when the faces are both African-American, it's much harder to pull that off," Howell said, adding that Carter could defend herself against such claims by pointing to her political pedigree: Her father, Ken Carter, was one of New Orleans' first black property assessors, and she is a long-standing standard-bearer of BOLD, the black political organization based in Central City.

The controversy swirling around Jefferson also makes his predicament starkly different than the one Nagin faced.

"Nagin didn't have quite the anchor on his back that Jefferson does," pollster Bernie Pinsonat said.

. . . . . .

Richard Russell, Meghan Gordon and Kate Moran contributed to this report.

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Letten: New Orleans' Future Depends On Tackling Crime, Corruption (AP)

AP, November 9, 2006

The city's survival depends on getting a handle on violent crime and corruption and creating opportunities for young people, a federal prosecutor said Wednesday. "And that's a heck of a tall order, but that's something we need to do," Jim Letten said.

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Letten, U.S. attorney for the eastern district of Louisiana, spoke during a think-tank's briefing series. He was joined by state Supreme Court Justice Catherine Kimball in addressing the rebuilding of New Orleans' criminal justice system after Hurricane Katrina.

The system faces considerable challenges. For example, there's a backlog of court cases; the chief of trials for the Orleans public defender's office has asked for additional resources, saying constitutional rights of defendants are being violated; and a depleted police force has been dealing with violent crime.

Last month, a district court judge ordered that four inmates be released and their trials postponed until the defender's office can adequately represent them.

Kimball told the Bureau of Governmental Research breakfast there were problems with the system long before the August 2005 storm, particularly in how the city and state funded it. Court fines and fees have helped fund programs, but Katrina, which sharply reduced the city's population, exposed problems with relying on that, she said.

Over the last 14 years, the Supreme Court has funded "considerable programs," including juvenile justice programs, for New Orleans, because the city hasn't taken the initiative, she said. "How that goes about changing, I don't know."

Mayor Ray Nagin, in his 2007 budget proposal, listed public safety and bolstering the police department as priorities. A budget must be approved by Dec. 1.

Kimball and Letten, attending the breakfast meeting with members of the City Council and the police chief, said funding alone won't fix the problems the city faces. Katrina just laid bare problems that have existed in the community for years, Letten said. There are now concentrations of "disenfranchised" residents, and people with guns, in areas like New Orleans' Central City and Jefferson Parish, "rampantly killing each other," Letten said. Police are doing the best they can, he said.

"It's not going to be tomorrow that we solve this; it's not going to be next week or next year," said Letten, who serves on a task force on rebuilding the system with Kimball and others. But unless nonpolitical decisions are made - and money is put where it's needed - "we're not even going to get the ball rolling."

"The survival of this town depends on getting a handle on violent crime, corruption, so we can keep and attract industry - diversifying our economy and, for God's sake, building a decent school system so that kids who grow up in public housing, poor neighborhoods and Section 8 housing can get the opportunities they need to actually get jobs and not go into the drug trade," Letten said.

FBI Searches Office Of Knox Judge-executive (LEXHL)

SOUTH-CENTRAL KENTUCKY BUREAU

Lexington Herald-Leader (KY), November 9, 2006

FBI agents searched the offices of Knox County Judge-Executive Raymond C. Smith on Wednesday.

Bruce Murphy, Smith's deputy judge-executive, said four agents accompanied by a Kentucky State Police trooper served a search warrant at the office Wednesday morning.

The warrant sought audiotapes and other records concerning fiscal court meetings in 2004 and 2005 and documents related to four companies: Grade All Construction, Partin Construction, BKW Wood Products and Kentucky Phoenix, according to a copy Murphy released to the Herald-Leader.

Those four companies won contracts to provide goods or services to the county, Murphy said.

Smith had an ownership interest with his brother in at least one of the companies, BKW Wood Products. The company won a bid during Smith's term to provide equipment services to the county, Murphy said.

But Murphy said that when Smith took office, he essentially turned the company over to his brother. The warrant could indicate the FBI is investigating bids awarded by the county.

A spokesperson for the agency was not immediately available.

Murphy said there was nothing improper about the contracts related to the four companies. The companies won county business through a competitive, sealed bid process, the deputy judge-executive said.

Murphy said agents searched through records for two to three hours. Smith was not in at the time; they did not ask to see him and did not question anyone before leaving with a variety of records, Murphy said.

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A state audit released this year raised questions about $2.7 million in county spending. Smith has said there is no money missing from the county and that it finished the fiscal year in June with a healthy surplus.

Smith, a Democrat, was beaten by a substantial margin in Tuesday's election by Republican J.M. Hall.

Bath Co. Judge Exec Indicted In Vote-Buying Scheme (WTVQ)

By Bennett Haeberle

WTVQ-TV, November 9, 2006

OWINGSVILLE, KY -- Bath County Judge Executive Walter B. Shrout has been indicted on charges he took part in a vote-buying scheme during this year's primary election.

In a federal indictment unsealed Wednesday, Shrout, 54, was charged with conspiracy, making a false statement to a federal agent and obstruction of justice.

Shrout now becomes the 10th person indicted in relation to the vote-buying scheme that started weeks before the May primary.

In the days leading up to the election, prosecutors allege Shrout gave several thousand dollars to five people so they could then use cash to pay would-be voters to vote for Shrout.

Among those given money were: Norman Lewis Crouch, William Mike Butcher, Anthony "Buck" White, Steven R. Crouch and Belinda Crouch. All five were indicted in July, and have since been arraigned on federal charges.

This latest indictment, dated Nov. 3, also states Shrout lied to an FBI investigator last month about being involved in the scheme and offering $100,000 to Steven R. Crouch and Butcher to "keep quiet about his involvement."

Shrout, an incumbent who won Tuesday's midterm election unopposed, defeated Mike Swartz in the May primary. Swartz was also among those indicted on vote fraud charges in July.

In a May interview with Action News 36, Walter Shrout defended some of those indicted, calling them "good people." He also denied having any involvement in the scheme. Calls to his office Wednesday went unreturned, and Shrout failed to show up for FEMA meeting with local administrators. He is scheduled to be arraigned later this month in U.S. District Court in Lexington.

Feds After Clout Sick List (CHIST)

By Fran Spielman And Tim Novak, Staff Reporters

Chicago Sun-Times, November 9, 2006

A federal grand jury is demanding records from City Hall regarding injury claims of city workers, a move that comes two weeks after the Sun-Times reported Chicago patronage workers claim to be hurt at a rate that exceeds the nation's most dangerous jobs.

Grand jurors have issued a subpoena to the City Council Finance Committee, headed by Ald. Edward M. Burke, seeking an array of records on injured city workers, many who have been off work for years and collecting disability checks.

The subpoenas, according to City Hall sources, demanded that the city turn over:

• A list of all city workers receiving workers' compensation payments as of Sept. 1.

• A list of all city workers who have been declared to be "permanently and totally disabled" -- a designation that entitles them to disability payments as long as they live, as well as other benefits, including a city pension.

• A copy of a Sept. 11, 2002, memo written by Burke's then-top administrator, Stephen Murray, who, the Sun-Times has reported, suggested several measures to ferret out fraudulent injury claims and cut the city's costs.

• Copies of all workplace-accident reports filed since Jan. 1, 2005.

• Copies of any audits and reviews of City Hall's workers' compensation program.

A spokesman for the U.S. attorney's office declined to comment. A spokesman for Burke said the Finance Committee "will cooperate fully with any requests for documents and/or information."

The Sun-Times' "Clout's Sick List" investigation -- published Oct. 19, 20 and 22 -- reported that one in five patronage workers listed on the once-secret clout list kept by Mayor Daley's former patronage director had filed workers' compensation claims. That injury rate far outpaces those for any occupation tracked by the U.S. Department of Labor, including underground

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coal miners and foundry workers. Most of those patronage workers had filed at least two claims. Some had filed more than a dozen.

Able-bodied stay at homeThe city has spent more than $38.9 million to resolve 1,719 injury claims filed by those workers; another 708 claims are still pending.

Many of the records sought by the federal subpoenas also were sought by the Sun-Times under the Illinois Freedom of Information Act. But Burke's staff refused to release any records that identified injured city workers.

Under a city ordinance that dates to 1913, the Finance Committee has sole authority to settle injury claims filed by city of Chicago employees. Those claims typically are settled for less than $100,000, though the city never discloses those settlements.

The Sun-Times also reported that the city estimated 91 workers -- including relatives of public officials -- have been deemed able to return to work in less physically demanding jobs but remain off, collecting disability checks worth as much as $40,000 a year, because the Daley administration hasn't found them suitable jobs.

Malvo Apologizes At Md. Sentencing (WP)

By Ernesto Londono

The Washington Post, November 9, 2006

Sniper Lee Boyd Malvo offered a tearful apology yesterday to relatives of the six people he and his accomplice killed in Montgomery County, minutes before he was sentenced to six consecutive terms of life in prison without the possibility of parole.

"I'm truly sorry, grieved and ashamed of what I've done to the families and friends," Malvo said as he listed the names of the Montgomery victims he and John Allen Muhammad shot from afar with a powerful rifle in October 2002. "Each of you relive this every morning, every birthday, every anniversary, every time you look in your children's eyes."

A handful of relatives attended the afternoon hearing in Rockville, which marked the last chapter of the snipers' legal proceedings in Maryland.

Malvo said he was most haunted by the death of Ride On bus driver Conrad Johnson, 35, the sniper's last victim. According to Malvo's testimony, his death was the only fatal shooting in Maryland in which Malvo pulled the trigger.

"I thought of his sons, who just for once would like to play basketball with their father," Malvo said. "Just one more time see his face."

Sonia Wills, Johnson's mother, stood a few feet from Malvo in the well of the courtroom, looked into his eyes and spoke in a low, booming voice.

"I must say for the past four years I have hated you," Wills said. "Right now, I, Conrad's mother, forgive you. . . . I have to, my dear. I can't go on hating you. That won't bring Conrad back."

Victoria Snider, sister of sniper victim James L. "Sonny" Buchanan, 39, was more stern.

"I have watched Lee Boyd Malvo express enjoyment of killing, to feeling bad about it, to admitting killing my brother, Sonny, to denying it," she said. "I say to you, Mr. Malvo: You were old enough to know right from wrong."

The other four Montgomery victims were Lori Lewis Rivera, 25; Sarah Ramos, 34; Premkumar A. Walekar, 54; and James D. Martin, 55.

Prosecutors and Malvo's attorneys said Malvo, 21, has experienced a transformation during his months in Maryland. They said his remorse is genuine, and they commended him for cooperating with prosecutors in Muhammad's May trial in Montgomery, in which Malvo took the stand to offer the first public, firsthand account of the shootings.

"Before the Montgomery County trial of Mr. Muhammad, we certainly knew the what," Assistant State's Attorney Vivek Chopra said. "But it was only after Mr. Muhammad's testimony that we knew so much more about the how and the why."

Malvo testified that he fell under the spell of Muhammad as a young and vulnerable teenager who had all but been abandoned by his parents in Jamaica. The elder sniper took him on a cross-country trip in 2002 that began in Washington state, terrorized the District and its suburbs for three weeks in October and ended in suburban Maryland, where they were arrested. Malvo told law enforcement officials in Maryland this year that the pair shot 27 people, 17 of whom died.

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Malvo has cooperated with law enforcement officials in recent months to close some of the unresolved cases in jurisdictions outside the Washington area. Last month, he met with detectives from Tucson, who offered him immunity from prosecution in exchange for a detailed account of the slaying of a man shot while playing golf in March 2002.

William C. Brennan, one of Malvo's attorneys, said yesterday that he had been contacted by authorities in another state where the pair are suspects in a homicide. He declined to identify the case but highlighted Malvo's continued willingness to cooperate with law enforcement officials.

Malvo and Muhammad were also convicted of murder in separate trials in Virginia in 2003. Muhammad, who is on death row in Virginia, acted as his own attorney during the month-long Maryland trial, was convicted of six counts of murder and was also given six consecutive life terms. Malvo was sentenced to life in prison in Virginia.

Montgomery County Circuit Court Judge James L. Ryan praised Malvo for cooperating with authorities and for apologizing to victims' relatives. He told him that crossing paths with Muhammad had significantly worsened his already bleak prospects.

"You could have been somebody different. You could have been better," Ryan said. "What you are is a convicted murderer. You will think of that for the rest of your life. You knowingly, willfully and voluntarily participated in the cowardly murders of innocent, defenseless human beings."

PI Arrested On Charges Of Defrauding Top Litigation Firms (LAW)

By Anthony Lin, New York Law Journal

New York Law Journal, November 9, 2006

Federal law enforcement officials in New York have announced the arrest on wire fraud charges of a Montana private investigator who allegedly defrauded two of Manhattan's top litigation firms by promising to sell them "proof" of misconduct by opposing parties and counsel.

The criminal complaint filed Wednesday by the Southern District of New York U.S. Attorney's Office charged that Michael Lair had approached New York lawyers working on two high-profile cases and received more than $80,000 to provide information he ultimately failed to produce.

Lair, 46, is the president of Bozeman, Mont.-based consumerdefense.com Inc., a company that claims to investigate consumer complaints and conduct research in connection with fraud cases.

The complaint, sworn out by Special Agent B.J. Kang of the Federal Bureau of Investigation, did not identify any matters or lawyers by name, only describing one case as involving a large insurance company engaged in litigation with its former chairman and the other as involving a pharmaceutical company's suit against a hedge fund.

Sources familiar with both matters confirmed that the insurance company case was the dispute between AIG Inc. and its former chairman, Maurice R. Greenberg, and that the hedge fund matter was Biovail Corp.'s securities fraud suit against SAC Capital Management.

The lawyers who dealt with Lair included Robert G. Morvillo of Morvillo, Abramowitz, Grand, Iason, Anello & Bohrer, which is one of a team of firms representing Greenberg, and Michael J. Bowe of Kasowitz, Benson, Torres & Friedman. Morvillo is one of the city's most well-known white-collar litigators and the Kasowitz firm, led by Marc E. Kasowitz, is also regarded as a top litigation shop.

In both cases, prosecutors allege Lair offered to sell one party sensitive information, then turned around and offered to sell the other side the information that their opponents had hired him to perform illegal and unethical acts.

The Morvillo firm paid Lair $75,000 on behalf of Greenberg, whose dispute with AIG centers on his efforts to place AIG clients with his C.V. Starr & Co. group of insurance brokerages. A source familiar with the matter said Lair had offered to provide information about alleged misconduct by PricewaterhouseCoopers, AIG's auditor, but had never provided any information.

According to the criminal complaint, Lair then approached lawyers for AIG and told them he had been hired by the Morvillo firm to hack into AIG's computers to obtain telephone and e-mail records.

The complaint states that a search of documents stored by Lair in Montana provided no evidence that any law firms contacted by Lair had requested he conduct any illegal or unethical conduct.

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"On the contrary, the documents I reviewed demonstrated that Lair had reached out on numerous occasions to attorneys involved in highly publicized cases ... with a promise to provide them with existing incriminating evidence in exchange for money," Kang stated in the complaint.

The complaint also states that an individual who used to work for Lair told the FBI that Lair "spent time looking for reports concerning highly publicized cases on the Internet." He would then reportedly ask the companies involved to retain him but would never actually do any work.

Bowe of Kasowitz Benson said Wednesday that Lair had contacted him in March 2006, claiming to have information relevant to Biovail's suit, which charges that SAC Capital, a powerful hedge fund led by Steven A. Cohen, colluded with analysts to publish misleading reports that damaged the pharmaceutical company's stock. Bowe said the firm paid Lair less than $5,000 to cover travel expenses to New York but never received any information and ceased communications with him.

According to the complaint, Lair then tried in September to get SAC Capital's lawyers to pay $50,000 for the "information" that the Kasowitz firm had hired him to hack into computers at SAC Capital. By this time, the FBI had been alerted and Lair's communications with SAC Capital's lawyers were monitored.

Bowe said Wednesday it was not unusual for lawyers in high-profile cases to be approached by dubious individuals claiming to have information. Boies, Schiller & Flexner partner Nicholas A. Gravante echoed that sentiment in a statement issued on behalf of Greenberg's legal team.

"We are cooperating with the government's investigation." Gravante said. "Lair held himself out as an investigator who could help lawyers assemble facts necessary to defend their clients' interests. Although hiring investigative firms is routine practice in complex cases, in this case Lair failed to honor his obligations."

Both SAC Capital and AIG are represented by the firm of Paul, Weiss, Rifkind, Wharton & Garrison but lawyers at the firm declined to comment on the matter Wednesday.

Lair, who was expected to present himself today in federal court in Montana, could not be reached for comment. If convicted, he faces up to a maximum of 20 years in prison and a $250,000 fine.

Ex-Penn Prof Charged With Child Porn (AP)

AP, November 9, 2006

PHILADELPHIA — A former University of Pennsylvania business professor who was previously convicted in a teen sex sting was indicted Wednesday on charges he produced and distributed child pornography.

Lawrence Scott Ward, 64, was arrested in August as he returned from Brazil through Washington Dulles International Airport.

Federal authorities who searched his laptop computer said it contained a video of young children engaged in sexual activity. They also said they found videos showing the defendant involved in sex acts with teenage boys.

The three-count indictment charges that Ward produced, imported, and possessed child pornography. His arraignment was set for Thursday in Virginia.

Ward's attorney, Peter Greenspun, did not immediately return a telephone call seeking comment. He previously called the government's case "horribly weak."

Ward was convicted in 1999 of soliciting sex from a Pennsylvania state trooper posing as a 15-year-old male prostitute, a prosecutor said at Ward's recent bail hearing.

Mobsters Would Call Reality TV Show 'Throwing Up Gotti' (NYS)

By Jerry Capeci

New York Sun, November 9, 2006

It was the week before Christmas in 2004. There was food and wine on the table and an FBI bug hidden underneath. A trio of veteran wiseguys was trashing a reality TV show that struck close to their hearts, "Growing Up Gotti," the saga of John Gotti's racy, platinum blonde daughter, Victoria, and her three teenage sons, dubbed "Hotti Gottis" for their well-gelled good looks.

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"It's a soap opera, and the kids look like girls," the host, Genovese capo Ciro Perrone, 85, thundered. He is owner of a popular Italian restaurant in Ozone Park, Don Peppe, where the men regularly gathered at a big round table in the back for dinner and discussion.

"It's one of the most disgusting, insulting shows" on television, the aging capo's longtime right-hand-man, John Yannucci, said, according to a report about the discussion written by FBI agent John Penza.

Colombo soldier Ralph Scopo, a close Howard Beach pal of the late Gambino boss, was "so embarrassed" for his late friend's family that he said he couldn't talk about it, Mr. Penza wrote in an affidavit that was filed last year with the federal judge who approved the bugging.

Worse, Scopo noted, the Gotti boys in the show were incomprehensible. "The kids can't even talk," he said.

In fact, the vocabulary and diction of sons John, Carmine, and Frank was so poor that A&E ultimately resorted to subtitles to help viewers figure out what they were saying.

The wiseguys, of course, weren't alone in their distaste. The conversation took place on December 14, two days after the New York Post's Phil Mushnick wrote in his "Prime Time" column that "you don't have to be Italian to be offended" by the crude, vulgar, and negative stereotypes that fueled "Growing Up Gotti."

Federal Grand Jury Charges Ex-Muvico Worker (MH)

By Patrick Danner

The Miami Herald, November 9, 2006

Fort Lauderdale-based Muvico Theaters' former information-technology director faces a federal charge of sabotaging the movie-chain's ticketing-sales system last spring on the opening weekend of Mission Impossible III.

Joseph Harlen Shook, 36, of Broward County, was charged in a one-count grand jury indictment of hacking Muvico's computer system to disrupt ticket sales in May -- which the company says cost it about $100,000.

Shook could face up to 10 years in prison and a maximum fine of $250,000 if convicted. Shook couldn't be reached for comment.

Shook worked for Muvico for nearly three years, the last as its director of information technology. But Shook was dismissed in February as part of some cutbacks, according to Muvico spokesman John Spano.

"We're really happy that justice has been served," Spano said.

Shook made an initial appearance Wednesday in federal court but did not enter a plea and was released on $100,000 bail, the Associated Press reported.

Muvico had said its computer system was disrupted at 5:55 p.m. on May 5, a Friday, paralyzing the operations of the 233-screen chain. It was unable to sell tickets either online or by credit card at six theaters, according to the indictment.

AFFECTED THEATERS

The theaters affected were in Davie, Boca Raton, West Palm Beach, St. Petersburg, Tampa and Hanover, Md., the five-page indictment reads. The incident happened during what the chain says is its busiest time of the year.

Shook is accused of using a wireless-networking adapter to gain access to Muvico's computer system. The investigation was conducted by the FBI.

In an unrelated case, another former Muvico employee was arrested in December by the Broward Sheriff's Office on two felony counts of computer-related offenses against the company.

Spano said the former employee took a plea and is on probation.

RECENT TURMOIL

Muvico has faced considerable turmoil in recent months and has been at the center of lawsuits and countersuits. Its founder and chief executive, Hamid Hashemi, was fired in January. Hashemi and his wife then sued the privately held theater chain, claiming he was ousted in a power struggle with Muvico's new owners.

The company, however, said he was fired because of malfeasance.

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In court documents, Muvico accused Hashemi of submitting personal expenses with no apparent business purpose, using company resources and funds for personal benefit and placing people on the payroll and health plan who didn't work for the company.

CIVIL LAW:

Judge: Group Can Subpoena White House (AP-Y)

AP, November 9, 2006

A federal magistrate judge has ruled that a reproductive rights group can seek White House e-mails and other documents as part of its lawsuit promoting broader access to the morning-after pill.

The ruling by Viktor Pohorelsky allows the Center for Reproductive Rights to subpoena more than three years of Plan B-related communications between the White House's domestic policy office and select Food and Drug Administration officials. The documents include e-mails, letters and records of conversations.

The group sued the FDA seeking to lift all age restrictions on nonprescription sales of the Plan B emergency contraceptive pills. It seeks the documents to determine whether the White House interfered with the FDA's handling of a request by manufacturer Barr Pharmaceuticals Inc. to allow over-the-counter sales.

The ruling issued Monday but disclosed Wednesday rejected a government effort to block the group from trying to subpoena the records.

Pohorelsky also allowed the group to take testimony from Dr. Sandra Kweder, deputy director of the FDA's office of new drugs, and Jay Lefkowitz, a former White House domestic policy aide.

Former FDA Commissioner Mark McClellan said in an earlier deposition that he gave Lefkowitz "occasional updates" on Barr's Plan B application, according to a transcript released by the group.

In August, the FDA said it would let women 18 and older buy Plan B without a prescription, but younger women would still need a doctor's note. Barr expects pharmacies nationwide to begin selling the pills over the counter to adults by the middle of November.

The morning-after pill is a high dose of the most common ingredient in regular birth control pills. When taken within 72 hours of unprotected sex, the two-pill series can lower the risk of pregnancy by up to 89 percent.

High Court Weighs Ban On Late-Term Abortions (WSJ)

By Jess Bravin

The Wall Street Journal, November 9, 2006

WASHINGTON -- One day after voters in three states rejected ballot measures to restrict abortions, the Supreme Court took up the Bush administration's appeal to reinstate the first federal ban of a specific abortion procedure.

Three federal appeals courts struck down the Partial-Birth Abortion Ban Act of 2003, finding it violated a five-to-four Supreme Court opinion in 2000 that invalidated a similar Nebraska law because it made no exception to preserve the woman's health. Solicitor General Paul Clement told the justices that Congress had avoided the flaws of the Nebraska statute, by making official findings that the procedure was never medically necessary and defining the procedure itself more specifically.

WSJ reporter Jess Bravin2 discusses arguments in today's Supreme Court hearing on partial birth abortions, including what are the issues in the case and the potential impact of Tuesday's elections. MORE

• Abortion Foes Face Pair of Big Tests3

11/8/06

• Plus, read the case docket4 in Gonzales v. Planned Parenthood and the Partial Birth Abortion Ban Act of 20035, provided by FindLaw6.

But the biggest change may have been on the court, where antiabortion activists hope two Bush appointees will uphold restrictions on the procedure and, perhaps someday, an outright ban. Justice Sandra Day O'Connor, who voted with the majority in the 2000 Nebraska case, has since retired, and her successor, Justice Samuel Alito, brings a record of skepticism toward

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abortion-rights arguments. Justice Alito said nothing through two hours of arguments yesterday. The other Bush appointee, Chief Justice John Roberts, vigorously questioned lawyers for both sides, as he typically does.

Justice Anthony Kennedy, one of the dissenters in 2000, asked probing questions of both sides, suggesting concerns the federal law may overreach and prohibit procedures that could be medically necessary. That could portend another fractured court opinion.

Mr. Clement argued that the federal ban, signed by President Bush after two similar bills passed by a Republican-controlled Congress were vetoed by President Clinton, draws a "bright line" between lawful abortions, where fetal demise is induced in the uterus, and those where it takes place "when the living fetus is over halfway outside of the womb." Safe alternatives were always available, he said, so the measure would not deter a single abortion, but rather abolish an aberrant practice favored by a minority of physicians.

But those facts were disputed by several justices, who pointed out that lower courts, after exhaustive hearings, had established no medical consensus on the procedure and that some of Congress' findings were inaccurate.

Justice David Souter said the government's position required the court to overrule its 2000 opinion or overrule the lower courts' finding on the medical evidence, or conclude that when courts and Congress find different facts, Congress is right. "Which of the three do we take?" he asked.

"Well, we would urge you to take any one of them," Mr. Clement said.

With Tuesday's election results, the court may be the best opportunity for abortion foes to restrict the procedure. Voters in California and Oregon rejected measures requiring parental notification before pregnant minors could obtain abortions, while South Dakotans repealed a law the Legislature adopted that banned all abortions except when the woman's life is in jeopardy.

Justices Have Pointed Abortion Discourse (AP)

By Mark Sherman

AP, November 9, 2006

WASHINGTON (AP) - Supreme Court justices Wednesday sharply questioned attorneys on both sides of the legal battle over what opponents call partial-birth abortions as the high court weighed whether to uphold Congress's ban on the procedure.

In an intense morning of arguments, lawyers for the Bush administration and supporters of abortion rights gave starkly contrasting views: A law passed by Congress labels it a gruesome and inhumane practice. Supporters argue that such abortions in the second trimester of pregnancy sometimes are the safest for women.

A man in the audience began shouting midway through the proceedings, disrupting the hearing briefly before police dragged him away.

Seven justices took part in questioning both sides about whether the court should defer to congressional findings that these abortions are never medically necessary. Abortion advocates disagree, saying there is strong medical evidence to the contrary.

(AP) Anti-abortion activist Mountain MacGillivray, right, speaks to fellow activist Cheryl Conrad,...

Full ImageJustice Samuel Alito, hearing his first abortion cases since joing the court earlier this year, sat silently through two hours of arguments. Justice Clarence Thomas was sick and did not attend, Chief Justice John Roberts announced.

"We have no evidence in the record" as to how often such a situation arises? Roberts asked.

"No, your honor," replied attorney Priscilla Smith, who argued for striking down the federal law.

Justice Ruth Bader Ginsburg questioned the rationale that abortion opponents are using in the case, pointing out that the assertion that partial-birth abortion is a particularly gruesome procedure also could apply to the most commonly used method of abortion in the second trimester.

"I don't think so, Justice Ginsburg," Solicitor General Paul Clement replied.

(AP) Anti-abortion activist Grant Crum, stands in front of the Supreme Court in Washington, Wednesday,...

Full ImageGinsburg asked whether the procedures in the two types of abortions are "basically the same," making it hard to distinguish whether a doctor could be prosecuted for performing the banned method.

"I just don't think the record supports" that notion, Clement responded.

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At issue is the fate of the Partial-Birth Abortion Ban Act, which Congress passed and President Bush signed into law in 2003.

Six federal courts on both coasts and in the Midwest have struck down the law as an impermissible restriction on a woman's constitutional right to an abortion that the Supreme Court established in its landmark Roe v. Wade ruling in 1973.

A day earlier, abortion was on several state ballots. In South Dakota, voters repealed a state law that virtually outlaws abortions, an issue that itself could end up before the court.

(AP) A line forms outside the Supreme Court in Washington, Wednesday, Nov. 8, 2006 where the court will...

Full ImageCalifornia and Oregon voters rejected measures that would have required that teenagers get their parents' consent before having an abortion.

A long line of people hoping for a seat inside stretched across the court's plaza hours before the session was to begin. Dozens of people camped through a rainy night in Washington to ensure their place near the head of the line.

Partial-birth abortion is not a medical term, but abortion opponents say it accurately describes "a rarely used and gruesome late-term abortion procedure that resembles infanticide," as Solicitor General Paul Clement said in court papers. Clement will argue the case for the administration.

Abortion-rights proponents dispute almost every aspect of the government's case, including the name for the procedure. They say the law has a much broader reach than the government claims and would threaten almost all abortions that take place after the third month of pregnancy.

Doctors most often refer to the procedure as a dilation and extraction or an intact dilation and evacuation abortion. It involves partially extracting a fetus from the uterus, then cutting or crushing its skull.

(AP) Anti-abortion activist Mary Lou Greenberg, right, speaks to people gathered outside the Supreme...

Full ImageThe procedure appears to take place most often in the middle third of pregnancy. There are a few thousand such abortions, according to rough estimates, out of more than 1.25 million abortions in the United States annually. Ninety percent of all abortions occur in the first 12 weeks of pregnancy, and are not at issue.

By a 5-4 vote, the court invalidated a similar law in Nebraska in 2000 because it encompassed other abortion methods and did not contain an exception that would allow the procedure to preserve a woman's health, an underpinning of Supreme Court abortion rulings.

Two things have changed in the past six years, the composition of the court and Congress' involvement in the issue by tailoring a law to overcome the objections raised by justices in the Nebraska case.

Abortion opponents are optimistic the court will uphold the law because Justice Sandra Day O'Connor, part of the majority in the 2000 case, has retired and her place was taken by Justice Samuel Alito.

Bush appointed both Roberts and Alito, and most legal analysts believe that neither man will be especially supportive of abortion rights.

Justice Anthony Kennedy, the court's swing voter following O'Connor's departure, dissented so strongly in the Nebraska case that many court observers believe he is unlikely to switch sides.

The cases are Gonzales v. Carhart, 05-380, and Gonzales v. Planned Parenthood, 05-1382.

Justices Hear Arguments On Late-Term Abortion (NYT)

By Linda Greenhouse

The New York Times, November 9, 2006

WASHINGTON, Nov. 8 — There were moments on Wednesday, during Supreme Court arguments on a federal law that bans a disputed method of abortion, that the proceedings seemed more like a medical school seminar than an appellate argument.

Such familiar constitutional concepts as the right to privacy were not mentioned during the two hours, but the methods doctors use to dilate a pregnant woman’s cervix were discussed in detail, repeatedly.

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What exactly was the procedure that the law, the Partial-Birth Abortion Ban Act of 2003, sought to prohibit, the justices wanted to know. When, if ever, was the procedure necessary? What would be the impact of banning it? What alternatives were available to women seeking second-trimester abortions and to doctors performing them?

Among the justices most interested in the medical details was the one whom both sides consider most likely to be in a position to control the outcome, Anthony M. Kennedy.

Justice Kennedy's questioning suggested that he had not made up his mind, despite his strongly worded dissenting opinion when the court struck down Nebraska's version of the federal law six years ago, and despite his obvious distaste for the procedure at issue. Instead, his questions suggested that he remained open to persuasion that the law placed doctors in legal jeopardy and imposed an unconstitutional burden on their patients' right to terminate their pregnancies.

One example was his response to the assertion by Solicitor General Paul D. Clement that it was never necessary for doctors to use the banned procedure because a more common procedure, one not covered by the statute, "has been well tested and works every single time as a way to terminate the pregnancy."

Justice Kennedy responded: "Well, but there is a risk if the uterine wall is compromised by cancer or some forms of pre-eclampsia and it's very thin. There's a risk of being punctured."

His comment reflected arguments that the doctors challenging the law have made. They say that "partial-birth abortion" — known medically as both "intact dilation and evacuation" and "D and X," for dilation and extraction — is often safer because the removal of an intact fetus avoids injury to the uterus. The more common method of second-trimester abortion, in which the fetus is dismembered, can leave behind bone fragments.

Whether Justice Kennedy was eventually persuaded remained unclear. In some respects, the arguments were as interesting for what did not occur as for what did.

For example, no member of the court appeared particularly interested in the plaintiffs' effort to depict the federal law as a violation of the separation of powers and a threat to the "independence of the judiciary," as Priscilla Smith, a lawyer for the Center for Reproductive Rights, described it. Ms. Smith's point was that, since the court held in the Nebraska decision that a ban on the procedure must include a health exception, Congress should not be permitted to defy the court by failing to provide such an exception.

Ms. Smith represented doctors who successfully challenged the law in Federal District Court in Nebraska and before the United States Court of Appeals for the Eighth Circuit, in St. Louis. That case is Gonzales v. Carhart, No. 05-380. Eve C. Gartner, a senior staff attorney at Planned Parenthood, represented the clinics that successfully challenged the law in the federal courts in California. That case is Gonzales v. Planned Parenthood, No. 05-1382. The Bush administration appealed the two rulings to the Supreme Court.

Justice Samuel A. Alito Jr. did not ask any questions during the arguments. As the successor to Justice Sandra Day O'Connor, who voted with the 5-to-4 majority in the Nebraska case, Justice Alito is obviously in a position to play a central role. Justice Antonin Scalia, who can usually be counted on to carry the anti-abortion side of the argument, appeared unusually disengaged, limiting his intervention to a few comments.

Chief Justice John G. Roberts Jr., on the other hand, was active throughout the arguments. At times, he appeared to be trying to bolster the defense of the statute by the solicitor general. At other times, the chief justice appeared eager to find differences between the federal law and the Nebraska law. Differences in the way the state and federal laws defined the procedure could be the basis for a decision that upholds the federal law without disavowing a recent precedent.

Solicitor General Clement urged the justices to defer to the findings Congress made when it passed the law, including that the procedure is never medically necessary. "Those determinations should be upheld as long as they represent reasonable inferences based on substantial evidence in the Congressional record," Mr. Clement said, adding that "that standard is amply satisfied here."

Justice John Paul Stevens challenged the solicitor general. "Are not some of the findings by Congress clearly erroneous?" he asked. Justice Stevens gave the example of a finding that no medical schools provide instruction in the procedure, while in fact, a number of medical schools do teach it.

"I think the district court could effectively undermine that one finding," Mr. Clement conceded.

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With the court's precedents requiring that abortion restrictions include an exception for medical necessity, the outcome of these cases may depend on how the majority defines necessity. There was considerable discussion of whether the procedure's safety advantage was "significant" or only "marginal" and there was a constitutional difference between the two.

Justice Stephen G. Breyer, who wrote the court's decision in the Nebraska case, asked whether the court might rule that the procedure could be used "only where appropriate medical opinion finds it necessary." Justice Breyer added: "Now, if Congress is right, there will be no such case, so it's no problem. But if Congress is wrong, then the doctor will be able to perform the procedure and Congress couldn't object."

No Pointers To Ruling In Abortion Case (WP)

By Charles Lane

The Washington Post, November 9, 2006

Two hours of oral argument on a federal "partial birth" abortion ban at the Supreme Court yesterday showed that the justices are intensely focused on the procedure's medical details and health implications -- but produced few clues as to how they might rule.

As expected, the court's four most liberal members, Justices John Paul Stevens, David H. Souter, Ruth Bader Ginsburg and Stephen G. Breyer, sounded skeptical about the statute. Of the court's conservatives, only Chief Justice John G. Roberts Jr. said much at all, asking questions that implied the law should be upheld.

That left plenty of time for Justice Anthony M. Kennedy, whom both sides in the case consider the likely swing vote, to listen to the lawyers and air his concerns -- though he did not tip his hand.

At one point, Kennedy, who dissented when the court struck down a similar state ban in 2000, repeated a concern he voiced in that case. "Your argument," he told Priscilla Smith, a lawyer for doctors challenging the law, "is that there is always a constitutional right to use what the physician thinks is the safest procedure."

But later, Kennedy expressed worry that the federal ban might leave some women at "risk if the uterine wall is compromised by cancer or some forms of preeclampsia," a dangerous spike in blood pressure.

Such health questions are central to the most important abortion case to reach the court in half a decade.

The federal law, passed by Congress and signed by President Bush in 2003, bans the procedure known medically as "intact dilation and extraction," which usually occurs in the second trimester of pregnancy. It generally involves the breech delivery of a fetus, followed by the collapsing of its skull to permit removal. The term "partial birth abortion" is preferred by opponents of the procedure.

The ban does not apply when a woman's life is at risk, but Congress made no exception to preserve a woman's health. Abortion rights advocates say this omission is unconstitutional under the 2000 Supreme Court ruling. All lower federal courts to consider the matter have agreed, so the law has not yet been enforced.

But Solicitor General Paul D. Clement, defending the law, told the court yesterday that Congress properly found that "partial birth abortions were never medically necessary, and that safe alternatives were always available such that no woman would be prevented from terminating her pregnancy."

As a result, he said, Congress had authority to ban what he called "a particularly gruesome procedure that blurred the line between abortion and infanticide."

That argument drew a sharp response from Stevens, who noted that the alternative procedure, dilation and evacuation, requires the dismemberment of the fetus before removal. "Congress has made the judgment that it is far preferable to ensure that fetal demise takes place before any delivery begins," Stevens noted sardonically. "That's the big issue."

"The basic point of this statute is to draw a bright line between a procedure that induces fetal demise in utero and one where the lethal act occurs when the child or the fetus, whichever you want to call it, is more than halfway outside of the mother's womb," Clement replied.

Clement said that Congress is entitled to legislate the distinction. "The one is abortion," he said. "The other is murder."

But Smith noted that there is no such bright line because doctors performing dilation and evacuation sometimes bring out a fetus up to the midsection while trying to dismember it in utero.

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Depicting the federal ban as a direct challenge to the court's authority, Smith told the court, "The only course here that preserves independence of the judiciary, that exemplifies the importance of [settled precedent], not to mention the only course that will protect women from needless risks of uterine perforation, infertility, sepsis and hemorrhage, is to hold this act unconstitutional."

The most dramatic moment of the morning came moments later, at about 10:40 a.m., when a loud voice cried out from the back of the courtroom.

"Abortion is the shedding of innocent blood!" shouted a man later identified by the court as Rives Miller Grogan, 40, of Los Angeles. He was immediately tackled and dragged out by Supreme Court police, who charged him with violating a federal law against disrupting court sessions, as well as with offenses related to resisting arrest.

Grogan's protest, the first such incident in recent memory at the court, momentarily stunned the spectators and justices and interrupted Smith, who was explaining that Congress's findings that the procedure is never medically necessary were "simply unreasonable" and so thoroughly contradicted by medical experts as to carry no legal weight.

Roberts challenged that claim, asking Smith if the "marginal benefit in safety" from using the procedure is "enough to override the state's articulated interest?"

Smith responded that doctors have testified "that the reduction in risk" from using the procedure is "significant."

Kennedy had earlier asked Smith how often in practice such risks arose, but she conceded that there were no statistics.

As if to reinforce Kennedy's concern on that point, Roberts returned to it several times during the argument, telling Smith at one point that "we don't have any record evidence about how often the complications arise, so it's hard to get a handle on exactly what the difference is in terms of safety."

High Court Hears Cases On Ban Of Abortion Method (LAT)

By David G. Savage

The Los Angeles Times, November 9, 2006

WASHINGTON — A Bush administration lawyer urged the Supreme Court on Wednesday to uphold the nation's first criminal ban on an abortion method, saying so-called partial-birth abortions are "too close to infanticide" and not a medical necessity.

Safe alternatives are always available, U.S. Solicitor General Paul D. Clement said in defending a law passed by Congress in 2003.

But two abortion-rights advocates argued that the ban, if put into effect, would unwisely limit the options of doctors who perform abortions in the second trimester and would expose some pregnant women to more dangerous surgery.

These doctors believe that the procedure medically known as dilation and extraction, or D&X — in which the fetus is removed intact — "reduces the risk of serious complications," including bleeding and infection in the uterus, said Priscilla Smith, a lawyer for the Center for Reproductive Rights in New York.

"What Congress has done here is take away from women the option of what may be the safest procedure for her," said Eve Gartner, a lawyer for the Planned Parenthood Federation of America.

The case could prove a turning point for the Supreme Court on abortion. With the arrival of President Bush's two conservative appointees, there appears to be a five-vote majority, including Justice Anthony M. Kennedy, to uphold stricter regulation of abortion.

Six years ago when the court struck down a Nebraska ban on the practice, Kennedy wrote an impassioned dissent, describing D&X as "abhorrent."

Abortion-rights advocates hope he will switch sides. But Wednesday, Kennedy suggested that the disputed procedure might be "purely elective and not medically necessary."

New Justice Samuel A. Alito Jr. said nothing. But he and Chief Justice John G. Roberts Jr. have been counted as likely to uphold the federal Partial Birth Abortion Ban Act.

The measure, a proud achievement of Bush and the Republican-controlled Congress, coincidentally came before the court the day after its prime sponsor Sen. Rick Santorum (R-Pa.) went down to defeat and the GOP lost control of Congress.

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Most of the two-hour argument Wednesday was about the scope of the law, which would ban a procedure used only after the 16th week of pregnancy. Critics call it "partial-birth" abortion because doctors extract the living fetus partway from the uterus, then collapse its skull before pulling the fetus the rest of the way out.

Minimizing the law's impact, Clement described D&X as a "very aberrant, atypical procedure" and said a ban would affect "a very small minority of second-trimester abortions."

Most such abortions use "dilation and evacuation," or D&E, in which the fetus is dismembered in the uterus before it is removed.

Moreover, a doctor who planned to remove the fetus intact could "induce fetal demise at the outset" — injecting it with a drug to stop its heart — without violating the law, Clement said, because the fetus would emerge dead.

Some medical experts, however, say such injections pose too great a risk of exposing the woman to a deadly chemical.

Even if the law is upheld, Clement said, doctors can go to court and ask for an exception that "focuses on particular medical conditions" that call for the D&X procedure.

Several liberal justices objected during the argument to talk of "infanticide." They stressed that most second-trimester abortions involved fetuses that could not live on their own.

Some "are only 4 or 5 inches long. They are very different from fully formed babies," Justice John Paul Stevens said.

"So anything about infanticide, babies, all that, is just beside the point because what this bans is a method of abortion," added Justice Ruth Bader Ginsburg.

Clement refused to back down. Congress was interested in "maintaining a bright line between abortion and infanticide," he said.

Once a fetus emerged alive from the uterus, if it were killed, "I think we'd call that murder," he added.

The two lawyers arguing against the law sought to portray its reach as broad. They stressed that the ban does not use medical terms, such as D&X or D&E.

It could "place doctors at risk of prosecution" for D&E abortions if they removed a large part of the fetus, said Gartner, Planned Parenthood's lawyer. Rather than banning only one procedure, the law could ban the most common second-trimester procedure, she said.

Roberts disagreed. What counts is the doctor's intent, he said. A doctor who intends to do a D&E "wouldn't be covered by this law," he said.

Roberts conceded the D&X procedure might have "a marginal impact on safety" for patients, but he questioned whether that should be enough to strike down the entire law.

Smith replied that medical experts said the issue went well beyond marginal benefits.

"The reduction in risk is significant," she said, saying the D&X method "reduces the risk of serious complications, such as uterine perforation, which … lead to hysterectomies and infertility."

After Congress passed the law, judges in San Francisco, New York and Omaha barred it from taking effect. The Supreme Court heard the government's appeal in two cases Wednesday and will issue a ruling in several months.

Supreme Court Abortion Hearing Disrupted (SH)

By Hannah Guillaume

Scripps Howard, November 9, 2006

WASHINGTON -- A screaming man charged through the main doors of the Supreme Court's chambers during a hearing in a contentious abortion case Wednesday.

"Abortion is a sin," shouted the man, later identified by court officials as Rives Miller Grogan. Four court employees dragged him out of the courtroom.

Grogan's last known residence is in Los Angeles. He was taken to the U.S. Capitol Booking Center before being transported to D.C. Superior Court.

He was charged with creating a noise disturbance, resisting arrest and other related offenses, a Supreme Court spokesman said.

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Some spectators left their seats and headed toward the door. None of the justices said anything about the disturbance. Such disturbances are rare in the well-guarded court chamber. Court regulars said the last one they remembered was in1983 when Hustler publisher Larry Flynt shouted obscenities during a hearing in his own case.

In less than a minute, the lawyer who had been speaking resumed her remarks, although the man's screams could still be heard in the hallway.

The court was hearing two abortion cases, Gonzales v. Carhart and Gonzales v. Planned Parenthood, both challenging the constitutionality of the Partial Birth Abortion Ban Act of 2003.

Opponents argue the law is invalid because it does not allow an exemption to preserve a woman's health. It does contain an exemption to preserve a woman's life.

Justices Anthony Kennedy and Stephen Breyer asked the most questions during the two-hours of argument. Both asked about possible harm to women because of the lack of a health exemption.

Kennedy voted to uphold Nebraska's late term abortion law in 2000, even though it did not contain a health exemption. The court ruled the law unconstitutional for that reason. Kennedy is thought to be a likely swing vote in the cases argued Wednesday.

Since that decision, the court's frequent swing vote, Justice Sandra Day O'Connor, has retired and two new conservative justices have joined the court.

Breyer asked technical questions about the procedure and the statute's language.

Kennedy said, "It doesn't make sense to say there is an alternative procedure if you can't get access to it."

Representing Attorney General Alberto Gonzales, Solicitor General Paul Clement argued the law would not affect a woman's health or her right to choose an abortion.

Lawyers for Dr. Leroy Carhart and Planned Parenthood argued that banning "intact dilation and extraction" abortions will endanger women's lives and limit their ability to choose.

In adopting the law, Congress heard from medical experts and issued findings that a ban would not harm women's health.

Lawyer Eve Gartner, representing Planned Parenthood, said Congress' findings were inaccurate. She said women need to make decisions about procedures with their doctors, not with the slow-moving courts.

She and Carhart's lawyer listed health concerns not raised during congressional hearings, including death, kidney disease and liver disease.

Justice Clarence Thomas was not in court because he was ill, Chief Justice John Roberts said. Thomas is expected to vote in the case. A decision is expected by next summer.

CIVIL RIGHTS:

Voting Booth Glitches Show Where Fixes Needed Ahead (USAT)

By Richard Wolf, Usa Today

USA Today, November 9, 2006

WASHINGTON — As a dress rehearsal for the 2008 presidential election, Tuesday's experiences at the nation's 183,000 polling places succeeded by failing.

Where voters encountered balky equipment, it pointed up the need to examine paper trails and other methods for verifying their votes.

Where voters weren't helped by struggling poll workers, it illuminated the need for increased recruitment and better training.

And where they were misinformed or misdirected by automated "robocalls" and leaflets, it reignited calls for laws that would crack down on such practices.

All of those problems and more surfaced Tuesday in what state and federal officials said was a practice run for the 2008 election. And while none of the problems caused nearly as much trouble as the "hanging chads" of 2000, they laid bare the election system's growing pains.

"There continue to be deep concerns about the patterns of voting in our country," Chellie Pingree, president of the civic group Common Cause, said. "The level of problems that we heard about out there is still completely unacceptable."

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A hotline run by Common Cause received 16,000 calls. Another headed by the Lawyers' Committee for Civil Rights Under Law got 20,000. The Justice Department received only about 250 calls and e-mails, down from 1,200 in 2004.

"There was nothing out of the ordinary," Justice Department spokeswoman Cynthia Magnuson said. "They tended to be routine problems, and fairly isolated."

The 2002 Help America Vote Act authorized $3.9 billion in federal aid to states to overhaul their antiquated voting systems. Since then, most states have ditched punch-card, lever and paper voting methods in favor of electronic machines or those that scan paper ballots.

This was the first election in which all the mandates of the federal law came into play. That included states developing statewide databases to determine voters' eligibility. A number of states also enacted laws requiring certain types of identification, only to have courts overturn many of them.

The combination of new machines, new databases and new ID requirements, along with poll workers who average 72 years of age, was expected to lead to problems.

In turn, those problems were expected to show the way to reforms needed by 2008, when more than one in four election officials will be new to the job.

With Democrats coming to power in Congress, elections experts say the following changes should be debated, beginning with a December hearing of the U.S. Election Assistance Commission:

•Legislation sponsored by Sen. Barack Obama, D-Ill., that would impose harsh penalties on people who deceive voters. "We need to have clear laws that create some criminal penalty and perhaps fines for that type of behavior," says Jon Greenbaum of the Lawyers' Committee for Civil Rights Under Law.

•Legislation sponsored by Rep. Rush Holt, D-N.J., that would mandate paper trails on electronic voting machines. Virginia, facing a recount in a Senate race that will determine which party controls the Senate, has no paper trails.

"You couldn't have a better example about why we need to do things differently," Pingree says.

•More money for states to purchase machines and train poll workers. About $800 million of the $3.9 billion authorized in 2002 never was appropriated. States "have spent their wad," said Kimball Brace of Election Data Services.

•Making Election Day a federal holiday, which would free up poll workers and polling stations.

•Pushing more states to allow same-day voter registration. That would eliminate much of the need for provisional ballots, which often are not counted. Six states allow it now. Congress also could set standards for when those ballots should be counted.

•Standards for equitable distribution of voting machines, so that some voters don't wait for hours. Says Paul DeGregorio, chairman of the Election Assistance Commission: "It may be 2010 before we really see the full promise of all

Monitors Report Smooth Election (BRADV)

By Richard Burgess

Baton Rouge Advocate, November 9, 2006

OPELOUSAS — Poll watchers from the Justice Department and the NAACP reported a smooth election day in St. Landry Parish, despite concerns of voting irregularities in a close contest between a black female interim sheriff and her white male opponent.

Former State Police Trooper Bobby Guidroz won election over interim Sheriff Laura Balthazar on Tuesday with 20,210 votes, or 51 percent, according to complete but unofficial returns.

U.S. Attorney Donald Washington said Wednesday that the roughly 24 Justice Department monitors who roamed parish precincts Tuesday reported no issues with voter access or intimidation.

He said some routine election problems arose, such as a few names mistakenly left off voter rolls, but the issues were quickly resolved by the Clerk of Court's Office.

"It was quiet, and people who wanted to get out and vote got out and voted," said St. Landry Parish First Assistant District Attorney Frank Trosclair, whose office manned phones Tuesday to field election-day complaints.

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Poll watchers for the National Association for the Advancement of Colored People Legal Defense and Education Fund also reported no problems.

Clifton Lemelle Sr., a retired educator from Eunice who helped organize the NAACP monitors, said he heard scattered complaints of people campaigning too close to the polls but no confirmed reports of intimidation.

or of voters being wrongly turned away from the polls.

Lemelle said he believed the biggest issue was the reaction of some parish officials last week to news that the National Association for the Advancement of Colored People planned to monitor the elections.

Clerk of Court Charles Jagneaux, citing information he had received from state officials, initially said that the NAACP had no legal right to bring in poll watchers, which are generally allowed only as representatives of a candidate or a government agency.

The poll watchers were allowed in after the NAACP presented a court order in a lawsuit filed over voting rights in post-Katrina New Orleans that stipulates the organization can monitor elections in several parishes, including St. Landry.

Lemelle said the confusion most likely spurred a backlash vote.

"I think it inflamed the white voters, and it created a 1960s, 1970s climate of 'nobody from the North is going to tell us how to vote,'" Lemelle said.

Kristen Clarke-Avery, assistant counsel for the NAACP Legal Defense and Education Fund, said the election monitors focused on Opelousas and Grand Coteau, where Friday night someone attempted to set fire to a 5-foot-tall wooden cross in front of town hall.

The incident remains under investigation.

"Although we did not encounter major defects in the process, the election makes clear that race is still a divisive issue," she said.

Touch-screen Voting Will Be Reviewed (SLPD)

By Stephen Deere, ST. LOUIS POST-DISPATCH

St. Louis Post-Dispatch, November 9, 2006

Now that the votes have been tallied, St. Louis County election officials and voter rights advocates will begin counting the number of problems voters had casting them.

High on the list of priorities: the county's touch-screen voting machines, which had their first major test on Tuesday.

John Diehl, chairman of the county's Election Board, said most problems with the machines were confined to 20 or fewer of the county's 450 polling sites.

Diehl, a Republican, admitted that lines were long in some places, but said it was mostly due to heavy voter turnout and a lengthy ballot.

As for the new equipment, he said the problems with the touch-screen machines happened when paper rolls jammed after poll workers had replaced them. The machines are equipped to print voters' choices on paper as the picks are made.

He said the turnout for the August primary, when the county introduced the touch screens, was so low comparatively that few polling places required paper-roll replacements.

"We had to change them three and four times, and we could see by two in the afternoon that calls multiplied about paper jams," he said. "That accounted for 90 percent of the issues we had to deal with."

But one voting rights advocate argued that problems were more widespread and were the result of poorly trained election judges and a lack of specialists to monitor the touch-screen machines.

"There wasn't enough (specialists) to meet the need," said Denise Lieberman, an attorney with the voter advocacy group Advancement Project and former legal director of the ACLU of Eastern Missouri. "The election judges simply didn't have the skills."

Diehl said the county had trained 200 poll workers to boot up and shut down the machines, as well as 25 specialists assigned to locations throughout the county and 28 pairs of roving specialists to respond to problems.

Both Diehl and Lieberman said they had yet to compile comprehensive lists of the problems and their locations.

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The midterm election marked sort of a role reversal for the county — where reports of voting problems have typically been uncommon — and the city of St. Louis, where elections have been marred by lawsuits and an inquiry from the U.S. Justice Department.

On Tuesday, the county also had some malfunctions with paper ballots.

Diehl said the long (19-inch) ballots stressed some optical scanners that read them.

In some cases, people feeding the ballots into the scanners tried forcing them and got error messages in response.

"That's just a training issue that we are going to have to go over with some of our poll judges," he said.

Lieberman said some people reported that when the scanners broke down, judges began stacking ballots in the open.

Diehl said he didn't know if the report was true, but said many of the Advancement Project's complaints during the day only added to the difficulties.

Tim O'Neil of the Post-Dispatch contributed to this report.

Secretary Of State To Take Over Supervision Of Boston Elections (BOS)

The Boston Globe, November 9, 2006

BOSTON --Secretary of State William Galvin said Wednesday he would take over the supervision of the city's election department after some precincts ran out of ballots during Tuesday's election, forcing voters to wait as police cruisers rushed to bring more.

"I can't have 'We'll try to do better next time.' That's not acceptable," Galvin said Wednesday. "What they did yesterday was put the rights of voters at risk and that's unacceptable."

Galvin said the law required him to determine a pattern of misconduct -- which he believes there is -- then create a solution to the problems.

"My view of the remedy is there has to be some supervision," he said. "I have no desire to micromanage the operations of the city of Boston. ... I'm interested in making sure that the basic function of the department is carried out."

Galvin said a similar move was made in Boston in the 1980s, when the Secretary of State's Office appointed a monitor to review, control and direct the department.

Jennifer Mehigan, a spokeswoman for Mayor Thomas Menino, said the city would cooperate with the state. Menino also is drawing from other sources to help fix election problems.

"He is speaking with different outside consultants," Mehigan said. "We're looking at the communication between the wardens and the city, the elections department and other procedures like that."

Galvin said late Tuesday he was considering the move, after being forced to tell Menino to send ballots in police cruisers to a half-dozen polling places where ballots ran low.

The mayor's office said problems began in the evening, when the after-work crowd was larger than expected, and city vehicles used to replenish ballot supplies ran into traffic. Menino said Wednesday that precincts were given enough ballots for 50 percent turnout, but some had turnouts that were higher.

He denied the shortages were in only poor or minority neighborhoods -- a contention made by some anxious voters waiting Tuesday.

Boston also had problems in September during the primary, when ballots in eight precincts were inadvertently uncounted.

The U.S. Justice Department also filed a lawsuit in July 2005, alleging that Boston's election practices discriminated against Hispanic and Asian voters. The department dropped the lawsuit later that year, when city officials agreed to provide voting materials in Chinese and Vietnamese and to allow federal observers to monitor polling places through 2008.

Heads May Roll Over Ballot Bungle (BOSH)

By Michele McPhee, Boston Herald Police Bureau Chief

Boston Herald, November 9, 2006

Mayor Thomas M. Menino said city staffers face “reassignment” as the state seeks legal oversight of Boston’s Elections Department after a ballot shortage forced police to make rush deliveries to angry voters at the polls.

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"I am very, very angry. This should not have happened," Menino told the Herald. "Will people be reassigned? It's possible. We certainly need a management plan for the Elections Department."

Secretary of State William Galvin told city officials he plans to utilize his legal right to manage the city Elections Department.

Meanwhile the mayor has said he will hire a consultant to "shake up" the department and file quarterly progress reports to Galvin.

The state printed more than 300,000 ballots for Hub voters, but just half those were delivered to polling locations, leaving largely minority strongholds such as East Boston, Hyde Park, Mattapan, Roxbury and Dorchester without enough ballots, infuriating voters who were forced to wait for hours to cast their ballots.

Some precinct wardens began handing English-speaking voters ballots printed in other languages, or told voters to leave their phone numbers and they would be called when there were ballots available. Officials estimate that 2.2 million people voted in Tuesday's election.

"How can we not be prepared for people who wanted to exercise their right to participate in democracy? We need to know what went on out there," City Councilor Felix Arroyo said.

Arroyo joined fellow councilors Sam Yoon, Chuck Turner and Charles Yancey in filing an order to hold a public hearing on election issues.

City Council President Michael F. Flaherty said he does not believe Elections Department officials engaged in malfeasance, but believes an investigation is warranted.

"The breakdown that occurred needs to be addressed to ensure the public's confidence in their election system. Voters are a precious commodity," he said.

This is the second voting snafu this year. Eight precinct wardens, who are paid $150 on Election Day, were fired after they were "too tired" to tally votes in the Senate race between incumbent Sen. Dianne Wilkerson and her challenger, Sonia Chang-Diaz, prompting a recount, Menino said.

In 2003, a lawsuit was filed about voting problems in the city, issues severe enough that the U.S. Justice Department is now supervising Boston elections.

Michigan Turns Back College Affirmative Action (WSJ)

By Suzanne Sataline And John Hechinger

The Wall Street Journal, November 9, 2006

In 2003, when the Supreme Court upheld affirmative action in college admissions, many observers felt that the issue had been settled for years to come.

Think again.

Voters in Michigan, where the state university successfully fought in that Supreme Court case to preserve minority preference, repudiated it in a ballot initiative Tuesday. An initiative passed by Michigan voters will ban affirmative action in admissions to public colleges and in government hiring. Currently, the University of Michigan and other selective public institutions in the state consider race as one of many factors in admissions decisions. The ban takes effect 45 days after the vote.

Ward Connerly, the California businessman behind the Michigan initiative, yesterday said he is exploring bringing similar proposals to other states, including Illinois, Missouri and Oregon. And next month, the Supreme Court will revisit the question of race-based enrollment, this time in the context of K-12 public-school assignments.

"If we can win in Michigan, a blue state with a Democratic governor...this initiative would pass" anywhere, said Mr. Connerly, a former University of California regent who led successful campaigns to ban racial preferences in college admissions in California and Washington. "If you give the American people a chance to decide whether they want everybody treated equal regardless of race, nine times out 10 they would vote for it."

Late yesterday, an affirmative-action group known as By Any Means Necessary filed a lawsuit in U.S. District Court for the Eastern District of Michigan against Gov. Jennifer Granholm claiming that the ban is unconstitutional, said the group's attorney George B. Washington. A spokesman for the governor couldn't be reached to comment.

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Affirmative-action supporters said the initiative will reduce black and Hispanic enrollment at the University of Michigan and Michigan State University and said they hope to challenge it in court. "We believe affirmative action is a positive tool for society," University of Michigan President Mary Sue Coleman said in an interview. Depending on the court's interpretation, she said, the initiative could stymie the university's efforts to attract more black students overall, and more women into science and engineering programs. She said the university will seek legal permission to judge current applicants under its old criteria, which take race into account.

John C. Brittain, chief counsel of the Lawyers' Committee for Civil Rights under Law, a Washington, group that has defended affirmative action before the Supreme Court, called the initiative "a very dangerous step that turns back the clock on civil rights." He said he expected civil-rights lawyers to figure out ways to mount a constitutional attack on the initiative -- perhaps using the language of the U.S. Supreme Court's Michigan decision permitting affirmative action.

In its decision, the Supreme Court allowed colleges to use preferences, but didn't require that they do so, which left room for Michigan voters to impose a ban.

Polls had indicated that the vote on the initiative would be close. But Michigan voters on Tuesday approved the measure, called Proposal 2, by a margin of 58% to 42%, with 100% of precincts reporting.

"We won in places no one ever expected we'd win," said Doug Tietz, campaign manager for the Michigan Civil Rights Initiative, the group that sponsored the referendum. Analysts said voters may have been reluctant to tell pollsters that they supported the initiative for fear of being tagged as racist by the state's academic, political and business establishment, which largely opposed it.

Linda Chavez, chairman of the Center for Equal Opportunity, a Sterling, Va., nonprofit that opposes racial preferences and campaigned for the initiative, said such initiatives are most successful in states like Michigan that have flagship public campuses where white applicants are angry about losing competitive spots.

The Michigan vote could also draw more attention to pending cases before the Supreme Court. It will hear arguments Dec. 4 on the constitutionality of using race as a factor in school assignments in Louisville, Ky., and Seattle. In both cases, white parents whose children were passed over for entry to sought-after public schools sued the school districts.

Mr. Tietz said his next target may be the college admissions preference sometimes referred to as "white affirmative action" -- the edge given to children of alumni. During the campaign, he said, his group was "forceful and straightforward" in opposing so-called legacy preference, while supporters of affirmative action dodged that issue.

He said he would "work hand-in-hand" with affirmative-action supporters to end legacy preference. "My kids someday will not need a legacy boost," said Mr. Tietz, an alumnus of the University of Michigan, which considers legacy status in admissions decisions. "I want them to work hard and earn their spot, so no one will say, 'You got in because of your dad.'"

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Black Firefighter Settles Suit Over Racial Prank (LAT)

By Sandy Banks, Times Staff Writer

The Los Angeles Times, November 9, 2006

A black firefighter who was served dog food in his dinner by fellow firefighters at the Westchester station will receive $2.7 million.

A black firefighter who was served dog food in his spaghetti by fellow firefighters will be paid more than $2.7 million to settle a lawsuit alleging racial harassment within the Los Angeles Fire Department.

The award, approved on an 11-1 vote Wednesday by the Los Angeles City Council, is the latest in a recent string of settlements of lawsuits by firefighters claiming discrimination and harassment and retaliation against those who complain.

It is believed to be the largest payout for misconduct in the department's history, which was long considered among the nation's finest, but has often been the target of complaints about hostility toward African American and female firefighters.

Firefighter Tennie Pierce, 51, alleged in his lawsuit that Firefighter Jorge Arevalo mixed canned dog food into Pierce's dinner at their Westchester station two years ago; that Capt. John Tohill purchased the dog food; and that Capt. Chris Burton knew about the prank but didn't warn Pierce. All three men were present when Pierce ate the dog food.

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Pierce "took a large bite, at which time he noticed the other firefighters were laughing and making noises," the lawsuit says. He took a second bite, then demanded to know what was in his food, "but no one would tell him." Pierce then left the kitchen "with his co-workers laughing at him."

A Fire Department investigation suggested the incident was intended to "humble" Pierce — who stands 6 feet 5 — after his team won a fire station volleyball game. A lawyer for one of the defendants initially called the incident "a good-natured prank … [not] in any way motivated by race."

But a UC Santa Cruz professor who was hired by Pierce's attorney to review department records of discrimination complaints said the prank was clearly intended to "humiliate and dehumanize" Pierce.

"The association of a black man and dog food resonates with the deep historical roots of slavery and the corresponding dehumanization," said sociologist David Wellman, co-author of "Whitewashing Race: Colorblind Policies in a Color Conscious America."

"It's not just silly stuff. It's racially motivated…. The organization labels it as macho, 'boys will be boys' behavior. I think it's more about keeping blacks out by making their lives so miserable that they don't want to stay."

In addition to the three firefighters, the lawsuit named the city as a defendant because the fire captains allegedly allowed a hostile workplace to exist in violation of department policies forbidding harassment. The two captains were given one month off without pay as punishment. Arevalo was ordered off work for three days without pay. As part of the settlement, they were dismissed from the lawsuit, so they are not liable financially.

Fire Chief William Bamattre admitted the incident was "intolerable" and violates department "guidelines on what's professional performance.... That type of harassment or prank or whatever you call it is not consistent with what the public expects from the Fire Department, the confidence the public has in us."

But Councilman Dennis Zine, a police officer for 38 years and the lone vote against the settlement, said he thought the $2.7-million award was "outrageous for something that caused no serious injury, no permanent harm…. "

"That's not to say it was right, not to justify what they did. But $2.7 million?…. I don't think it was a racial deal. It was a prank that turned sour, but did it go bad to the point that he's harmed for life? That it should cost the taxpayers $2.7 million?"

In his lawsuit, Pierce said that for more than a year after the October 2004 incident he was subjected to "verbal slurs, insults [and] derogatory remarks" — including taunting by firefighters "barking like dogs [and] asking him how dog food tasted" — in the presence of supervisors.

In addition to the payout, the settlement provides for Pierce to remain on fully-paid administrative leave until April, when he reaches his 20-year service anniversary. Then he can retire with an annual pension amounting to half of his salary for life.

Pierce was out of town and could not be reached for comment Wednesday. But his attorney, Genie Harrison, said the incident — and the unwillingness of other firefighters at the table to intervene — was a "shocking betrayal" for Pierce, who grew up in South Los Angeles.

"He was targeted by people he considered brothers and then was mercilessly harassed out of the job that meant so much to him," Harrison said. "Now he's calling for the public's help to change the working environment for African Americans who remain on the department."

The department hired its first black firefighter in 1897, but for almost 60 years blacks were assigned only to segregated stations in black neighborhoods. As the city's black population grew, all-black crews began displacing white firefighters, who often responded with animosity. In 1936, white firefighters at a Central Avenue station who were forced to move to accommodate a black crew responded by trashing the station with garbage and human waste.

In the 1940s, pressure mounted to integrate the force. But then-Chief John H. Alderson declared integration a "social experiment" and refused; 90% of white firefighters joined a fund-raising campaign to support him. Those who expressed a willingness to live and work alongside blacks were ostracized by peers and often disciplined for insubordination.

The city's fire stations were officially integrated in 1956, but blacks were denied kitchen privileges and subjected to such vicious hazing that off-duty black firefighters began patrolling integrated stations, some carrying guns.

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In 1974, the department entered into a federal consent decree that required half of all new recruits to be black, Latino or Asian American. The decree was lifted in 2001, but some blame it for lowering morale and stoking resentment among white male firefighters who considered it reverse discrimination and complained that it allowed the hiring of unqualified minorities.

Today the 3,600-member department is 53% white, 29% Latino, 12% black and 5% Asian American. Women make up 2.7% of the department.

But some say the diversity masks problems that has continued to hold minorities back.

In 1994, complaints of discrimination reached such a fever pitch, the City Council ordered an audit of the department and held hearings that led to the resignation of Chief Donald Manning. The audit found that women and minorities were frozen out of management positions and often drummed out of the department as rookies.

An audit earlier this year by City Controller Laura Chick revealed similar findings. Among black firefighters, 87% said they had experienced or witnessed discrimination.

Some firefighters say pranks are part of the firehouse culture and not directed specifically at blacks. But black firefighters report much of the teasing they experience involves racial slurs, offensive comments or pranks aimed at humiliation.

"Blacks have experienced this for over 300 years," sociologist Wellman said. "They have a gyroscope that picks up hostile stuff that somebody else would not see as hostile.

"Culture becomes very important," he said. "In the black community people come together and talk about the way they've been treated. They run it up the flagpole … 'Tell me if I'm off the wall here.'

"Their group picks it up and your group doesn't because their group has a history that yours doesn't share."

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Stun Guns Avert Trouble, Harford Police Say (BSUN)

By Justin Fenton, Sun Reporter

The Baltimore Sun, November 9, 2006

From a suicidal teenager to a suspected car thief who flees on foot, some people who have refused to cooperate with Harford County police have been getting a wake-up call -- the 50,000-volt variety.

The Harford County Sheriff's Office is believed to be among the first police agencies in Maryland to issue Taser stun guns to its deputies, who have used the devices to stop people who flee or refuse to comply with orders, and for the mentally ill who become violent.

The agency has been issuing stun guns to patrol deputies since last year, and they have used them on at least 28 occasions since January. One incident involved a 50-year-old schizophrenic woman who had barricaded herself in a closet and was shocked with a stun gun because a deputy feared she could get to weapons in another room.

The agency says the devices, which have been criticized for causing fatalities, have been most effective as a deterrent to violence and limit injuries to suspects and officers. A spokesman said assaults on officers were down.

"It is far more useful than engaging someone in hand-to-hand combat or taking action with a baton," said Robert B. Thomas, a spokesman for the agency.

The agency first purchased stun guns in 2002 and has been phasing them into the arsenal of weapons used by all patrol deputies. Harford is not alone -- more than 7,000 of the 18,000 police agencies in the United States use the weapons, according to a March report by Amnesty International, and 1,700 police departments have purchased them for every officer.

With increased use, however, has come greater scrutiny. Amnesty International said there had been at least 156 deaths across the country related to police stun guns in the past five years, and dozens of excessive-force lawsuits have been brought by people who say they were injured by officers.

"The good part about having all officers equipped is that when they encounter a threat, they don't have to call for assistance or wait for a SWAT team to arrive," said Doug Ward, associate director of the Johns Hopkins University's Division of Public Safety Leadership. "The downside is that they tend to find ways to use them, and there are horror stories from across the country where people encounter medical issues after getting [stunned] multiple times."

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Other area jurisdictions are considering purchasing stun guns or are using them on a limited basis. The Anne Arundel County Council approved the use of the weapons in the spring, and police there are researching the technology.

Baltimore County officers are testing 10 of the devices on the streets and have used them more than two dozen times since April, said Maj. Mark Warren, who spent six months as a fellow at the Police Executive Research Forum in Washington studying stun-gun policies across the country.

In Harford County, Sheriff R. Thomas Golding has authorized deputies to use the devices for the past two years. Deputies take an eight-hour training course and are issued the devices along with their service weapons. The agency, which has about 130 patrol deputies, has 149 stun guns in use, and 32 more have been ordered.

Reports on 12 incidents that were provided to The Sun showed that the stun guns were used primarily in domestic situations, two of which did not result in arrests. The most recent incident in which a stun gun was used occurred during the drunken-driving arrest of a 38-year-old woman who had driven her car into a utility pole and fought four deputies as they tried to arrest her.

In another incident, Columbus Mosby, 51, of Edgewood said he could feel the electricity coursing through him when deputies used a stun gun on him in August. He had questioned why his 15-year-old was in handcuffs after receiving a littering citation. Mosby was arrested after he ignored an officer's command to keep quiet.

The shock "lifted me to the tip of my toes, and my wife was telling me, 'Just lay down' -- I couldn't even lay down on the ground," Mosby said. He was shocked again when he didn't lie down, and he said the stun gun left a small scar on his back where the darts landed.

When shocked with the devices, suspects lose control of their muscles and collapse. The effects usually last long enough for an officer to put handcuffs on a suspect, although some recover quickly and could continue to resist. The Taser X26 model, which Harford deputies use, shoots barbed darts attached to wires that pass electricity into a person's body.

Mosby disputes a report of the incident in which he was involved, which says he swung at an officer, and he adds that he was unarmed. "I don't understand it," he said. "I wasn't fighting them."

The agency's policy on when to use Tasers and stun devices does not describe the circumstances in which they should be used, saying only that they "may be utilized as an alternative to lethal force and shall be maintained consistent with the manufacturer's training and recommendations."

When a stun gun is used, the deputy must fill out a use-of-force report, which is reviewed by a six-member committee.

Golding said the devices have helped deputies avert dangerous situations many times.

"We've heard a lot of stories where, when the deputy pulls that out and [aims it at] the individual, they become compliant," Golding said. "When you have that, it's served its purpose."

A research arm of the Justice Department is conducting a two-year study of cases in which a suspect died after being subdued with a stun gun. The National Institute of Justice said there have been more than 180 deaths in the past 10 years, with most occurring since 2000.

The Police Executive Research Forum studied 96 stun gun-related deaths between 1999 and 2005. In four out of five cases, the person had taken some type of drug, which might have contributed to the deaths.

"We think they're very good when used properly," said Joshua Ederheimer, director of the forum's Center on Force and Accountability. "They appear to have a minimal effect in the overwhelming majority of uses."

Despite his work researching and developing guidelines with the research forum, Warren, the major with the Baltimore County Police Department, said his agency wants to continue to study how stun guns are used by its officers before issuing them.

"We're hoping we can gain a full understanding of the practical positives and negatives," Warren said. "It's easy to say on paper how others do it and what we expect, but you need to determine the impact on your particular department or community. A trial program will help us deal with those issues."

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ANTITRUST:

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Business May Face Democrats' Scrutiny (AP)

AP, November 9, 2006

Democrats are expected to turn a harsher light on business. A call for a delay in an FCC vote on a big merger might be the start.

WASHINGTON - John Dingell, the incoming chairman of the House Energy and Commerce Committee, said Wednesday that he wants the Federal Communications Commission to delay its vote on the AT&T Inc. acquisition of BellSouth Corp.

Dingell, saying the combination raises a "significant antitrust question," sent a letter to the FCC asking that it hold off on the vote until after the new Congress convenes in January. The agency has delayed a vote on the merger three times.

Dingell's request might be an opening shot in the House Democrats' new oversight of big business. California Rep. Nancy Pelosi, who is in line to become speaker, has promised to fight early on in the next Congress to lower the price of prescription drugs available through Medicare. Efforts to curb military spending are also likely, political and financial analysts said, after an election whose outcome was influenced in large part by voters' dissatisfaction with the war in Iraq.

But with the two parties stalemated in the Senate, where it usually takes 60 votes to pass major legislation, the pharmaceutical and defense industries might find themselves beset more by unwelcome rhetoric in Congress than any changes in law.

Few substantial changes in corporate America are expected to result from Democratic-led initiatives during the next two years -- with the exception of a proposed increase in the minimum wage that might get substantial Republican support.

The long-term outlook for the biotechnology and homeland security businesses might benefit, analysts said, from anticipated Democratic efforts to promote stem-cell research and inspect more cargo containers at ports. And the alternative energy sector could also get a boost.

But heightened scrutiny of other sectors, ranging from drugs to defense to hedge funds, could darken their prospects on Wall Street.

Yet despite the Democrats' victories, the Dow Jones industrials rose 19.77, or 0.16 percent, to 12,176.54. The blue chips closed above the intraday record of 12,167.02 set on Oct. 26. The Standard & Poor's 500 index was up 2.88, or 0.21 percent, at 1,385.72, and the Nasdaq composite index rose 9.06, or 0.38 percent, to 2,384.94.

Liz Claiborne To Buy Kate Spade For $124M (FINDLAW/AP)

AP, November 9, 2006

(AP) - NEW YORK-Liz Claiborne Inc., moving to expand its reach into luxury department stores, Wednesday said it agreed to acquire privately held Kate Spade LLC, a maker of high-end fashion accessories, for $124 million (â‚¬97 million) in cash.

The deal, expected to close late this year, includes an undisclosed amount of assumed debt.

New York-based Kate Spade, which makes the kate spade and Jack Spade brands, had net sales of about $84 million (â‚¬65.75 million) for the year ended July 30. Its product line includes handbags, small leather goods, accessories, luggage and baby products.

Kate Spade sells in U.S. department stores, including Neiman Marcus, Saks Fifth Avenue, Nordstrom, and Bloomingdale's, as well as 19 Kate Spade stores, four Kate Spade outlets and one Jack Spade store.

Kate Spade also has distributors in Asia and licensing agreements for shoes, eyewear, tabletop and paper products.

Despite having more than $5 billion (â‚¬3.9 billion) in annual sales and more than 40 brands in its stable, Liz Claiborne, also based in New York, so far has been a limited player in handbags and accessories. Its brands include Ellen Tracy, Dana Buchman, Lucky Brand, and Juicy Couture.

Neiman Marcus Group Inc., which owned a majority stake in Kate Spade, put the company on the market in September 2005.

In morning trading, shares of Liz Claiborne edged up 7 cents to $42.12 on the New York Stock Exchange.

Spanish Utility Approaches Scottish Power For Deal (WSJ)

By Jason Singer In London And Keith Johnson In Madrid

DOJ_NMG_0092048

The Wall Street Journal, November 9, 2006

The latest effort by a European energy giant to strike a major deal -- Iberdrola SA's preliminary approach to Scottish Power PLC -- signals that utilities believe they need to be larger to survive in a future dominated by the search for newer and cleaner ways of producing energy.

Iberdrola of Spain made an approach to Scottish Power, which has a market value of £10.9 billion ($20.8 billion), as a prelude to a possible offer, according to people close to the situation. Scottish Power said in a statement that its board "has received an approach which may or may not lead to an offer being made." It added that the board would study any offer at the appropriate time.

An Iberdrola spokesman said the company "has not presented any offer." At 4 p.m. in New York Stock Exchange composite trading, Scottish Power's American depositary receipts were up 14% to $58.37.

A potential deal would mark the latest in a series of deals and attempted acquisitions involving some of Europe's biggest electricity producers in Spain, France, Germany, Italy and the United Kingdom. The consolidation comes as European companies from several industries have been linking up across national boundaries. The willingness of banks to finance big deals and the end of a long period of restructuring at many companies have made the current wave of mergers and acquisitions among the busiest Europe has seen.

The fit with Scottish Power, which has a dozen onshore wind farms in the U.K., could be good for Iberdrola, which has significant interests in hydro and wind power, at a time when utilities are scrambling to meet stringent European emissions regulations and environmental targets. Renewable energies, which enjoy price supports in nearly every European country, also offer better-than-average returns for power companies. Scotland is one of Europe's windiest locales, and Scottish Power's modest wind-farm development would leave scope for Iberdrola to install bigger turbines as well as offshore wind farms, which offer greater economies of scale.

Another possible attraction for Iberdrola is the potential to be a part of a new generation of nuclear-power plants in the U.K. While Scottish Power has no nuclear profile, Iberdrola could use its U.K. base as a platform for expanding its nuclear operations. Iberdrola operates all or part of six nuclear plants in Spain.

Scottish Power's retail arm has more than 5.2 million U.K. customers. It also operates electricity generation, natural-gas storage facilities and energy-management activities in the U.K., U.S. and Canada. In the year ended March 31, it had profit of £1.54 billion on revenue of £5.45 billion. Scottish Power was the subject of takeover offers from E.On AG of Germany last year but rebuffed them.

Iberdrola could be seeking a defensive move to safeguard it from a hostile approach. Iberdrola was part of a failed bid by Gas Natural SDG SA in September 2005 for Endesa SA. In that deal, Iberdrola had agreed to purchase some of Endesa's power-generating assets that would have been hived off by Gas Natural if its bid was successful.

Spanish builder Actividades de Construccion y Servicios SA, which owns a 35% stake in Spanish utility Union Fenosa SA, acquired a 10% stake in Iberdrola late last month. Bankers and analysts said the sudden share-buying swoop was designed to facilitate the merger of Fenosa and Iberdrola and create a new national champion in electricity.

FBI/DEA/ATF/USMS:

Judge Sends Hub Officer In Drug Case Back To Jail (BOS)

By Shelley Murphy, Globe Staff

The Boston Globe, November 9, 2006

Says he violated bail conditions

To be released on bail last month, Boston police Officer Carlos A. Pizarro agreed to extraordinarily strict conditions: a search of his home, no cellphone, no computer, house arrest, and only preapproved visitors.

His wife promised to alert the court if Pizarro violated any conditions.

Yesterday, a federal judge put Pizarro, 36, back behind bars after ruling that he had immediately broken the rules. Pizarro, one of three officers facing federal cocaine and heroin charges in one of the biggest corruption cases in the department's history, was ordered held without bail until the case is resolved.

US District Judge William G. Young found that Pizarro violated his bail conditions by agreeing to let the government search his Dorchester home for contraband before he was released, then quickly calling his wife to "change the situation in that house."

On Sept. 22, after Pizarro agreed to the search during a bail hearing, he telephoned his wife from the Barnstable County jail and warned her to toss certain items, including "little pink things" and "a brown little bottle."

Prosecutors allege that Pizarro, who knew jail calls are monitored, used code words to warn his wife to get rid of illegal drugs.

Pizarro told his wife, Michele Joyce , that she was "not all set" for the search and warned her to throw out "the little pink things," according to a transcript of the telephone call that was filed in federal court. Prosecutors allege Pizarro was talking about steroids.

He also made reference to a "hospital thing," which prosecutors allege was a syringe, and to "a brown little bottle," which the government believes meant injectable testosterone.

Pizarro's lawyers, however, disputed the government's contention that Pizarro was talking about illegal drugs. They say he was talking about sex-enhancing drugs, including Viagra, and other prescription drugs during the call. At one point, he told his wife to save something he'd left in his top dresser drawer because he'd need it when he came home.

"It would be pure speculation to try to figure out from the transcript what he was talking about, and there's certainly no evidence of contraband," said Jeffrey Denner , one of Pizarro's lawyers.

Denner said Pizarro had also warned his wife during the call that he had lawfully-owned guns in the house, which she should turn over to the police. Denner said a transcript of that portion of the call wasn't filed with the court.

Prosecutors suggested that the judge ask Pizarro's wife about what she had allegedly removed from the home.

Young apparently decided he had heard enough and opted not to question her.

Young said he had warned Pizarro before releasing him on bail Oct. 11 that "I would police the bail restrictions strictly."

He ordered Pizarro, who was seated in the courtroom, taken into custody immediately, saying that while prosecutors and defense lawyers may argue over what Pizarro was talking about during the recorded call, it was undisputed that the officer "called his wife to dispose of something."

Pizarro, a 10-year department veteran, was arrested July 20 in Miami on charges that he and two other officers, Roberto Pulido and Nelson Carrasquillo , protected 100 kilograms of cocaine while it was being trucked to Boston in June by undercover FBI agents posing as drug dealers. Pulido, 41, a 10-year veteran of the force, and Carrasquillo, a seven-year veteran, are also charged with protecting an earlier shipment of 40 kilograms of cocaine.

Carrasquillo is free on bail. Pulido, the alleged ringleader of the group, has been ordered jailed without bail pending trial.

An FBI affidavit filed in the case alleges that Pulido was involved in a wide array of crimes, including identity theft, steroid trafficking, and protecting illegal after-hours parties where uniformed officers mingled with drug dealers and prostitutes.

Judge Tosses Cop Back In Jail For Call About Hard Evidence (BOSH)

By Laurel J. Sweet

Boston Herald, November 9, 2006

The dirty laundry of an alleged dirty cop spilled out in federal court yesterday when Boston patrolman Carlos Pizarro raised sexual impairment as his defense for a damning call to his wife.

A furious U.S. District Court Judge William G. Young yesterday yanked Pizarro's house-arrest privileges and sent him back to the slammer after learning Pizarro was recorded on a prison phone allegedly instructing his wife, Michele Joyce, to destroy criminal evidence in their Dorchester home.

The 20-minute call was placed on Sept. 22 from the Barnstable House of Correction just three hours after Pizarro - who was busted by the FBI in July with fellow officers Roberto Pulido and Nelson Carrasquillo - learned authorities would search his home prior to his Oct. 11 pre-trial release.

"He called his wife and told her to dispose of something," Young said. "One can draw inferences from those undisputed facts."

But Pizarro's lawyer, Jeffrey Denner, argued the disgraced officer knew he was being recorded and, when speaking in code to Joyce, was referring to natural and doctor-prescribed remedies for "sexual issues" he was embarrassed about.

"He did not want to bring it up over the telephone," said Denner, who declined to explain those "issues" to the Herald.

Prosecutors, according to court documents, believe Pizarro and Joyce were actually discussing getting rid of steroids and testosterone shots.

Pizarro directs Joyce to a "rack of clothes," "little pink things" and the "top drawer in my dresser," according to a transcript of the conversation.

"Did you throw them out?" he asks her at one point.

"No," Joyce answers.

"Those are, save 'em, because I'm gonna nail someone and be home with you," Pizarro said in what prosecutors suspect is a nod to Viagra.

Joyce laughs. "Oh, that's good," she said. "No, hopefully you won't have a hard time. My God, at least once anyways!"

Joyce wept uncontrollably after her husband was remanded back into custody.

Pizarro, Pulido and Carrasquillo are alleged to have hired themselves out as muscle for cocaine shipments and to have hosted orgies with hookers, among other betrayals of their badges.

Operation 'Burn Down' Leads To Charges Against 17 (AP)

AP, November 9, 2006

Chicago police and the FBI arrested and charged 17 people in a Wests Side gang roundup Wednesday.

Following an investigation by the Joint Task Force on Gangs, FBI special agents and Police narcotics investigators arrested 11 suspected members and associates of the Satan Disciples, according to an FBI release.

After over two years of investigation, Operation "Burn Down" led to charges against 17 suspects including four who were already in local custody on unrelated charges. "Burn Down," which began in September 2004, included undercover operations to purchase drugs and court-authorized electronic surveillance of phones used by one or more of the defendants, the release said.

The suspects were charged in criminal complaints filed Tuesday in U.S. District Court in Chicago with numerous felony counts of conspiracy and possession of a controlled substance with intent to distribute, the release said.

Of the 17 charged, 15 were arrested, including suspects ranging in age from 19 to 45. Charges were also filed against two suspects, now the subject of a nationwide manhunt -- Charles Spauding, aka "Wedo," 25; and Celeste Melendez, 20, both with a last know address of 1718 W. 33rd Pl. in Chicago, the release said.

Among those arrested were the defacto head of the Chicago chapter of the Satan Disciples, Kenneth Gayton, the release said. He is accused of overseeing an operation that controlled distribution of both powder and crack cocaine in and around the Southwest Side, primarily in the vicinity of 18th Street and California Avenue, and 42nd Street and Campbell, the release said.

One of the city's oldest street gangs, the Satan Disciples were formed in the 1960's, with widespread presence in Chicago, northwest Indiana and southern Wisconsin and factions in Texas, Oklahoma and Florida.

All of the suspects in custody are being held at the Metropolitan Correctional Center until scheduled appearance before Magistrate Judge Michael Mason in U.S. District Court on Thursday.

If convicted of the charges, those in custody face a possible life sentence in prison.

Anti-gang Sweep Snares 19 On Drug, Weapons Charges (COLDISP)

By Kevin Kidder

Columbus Dispatch, November 9, 2006

Multi-agency force fans out in search for 63 suspects

Nineteen suspected gang members from across Columbus were arrested yesterday, as police conducted a methodical sweep as part of the mayor's anti-gang initiative, officials announced.

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They were some of the 63 suspects that police, the DEA, the U.S. marshal's office and parole officers were searching for last night, said Columbus police Sgt. Chantay Boxill.

Those arrested yesterday were mainly wanted for drug or weapons charges and had been identified by police as members of gangs that did business on the South Side, though they live all over the Columbus area, she said.

All those arrested were in the Franklin County jail at Jackson Pike last night, she said.

Mayor Michael B. Coleman joined police for several hours yesterday as they rounded up the suspects.

"This is an ongoing effort," Coleman said. "It's the worst of the worst, or some of the worst of the worst."

Coleman had been hoping that one particular gang member — whom he wouldn't name — would be arrested. "I describe him as an animal," he said. That man wasn't in custody as of late last night.

"The message is, we will not accept gang violence in the city of Columbus. I can't tolerate this," the mayor said.

Police hoped for more arrests last night and the sweep likely is to continue through this weekend, Boxill said.

The anti-gang initiative was inaugurated by Coleman in 2005 to combat gang-related violence. Scores of gang members have been arrested since then.

It features a three-pronged approach: Police crack down on crime in the targeted neighborhood, other city agencies descend on the neighborhood to clean it up and social-service agencies work to help youths find alternatives to gangs, Coleman has said.

Trial For Newport Alderman Gets Underway (NEWPIND)

By Melissa Lore, Independent Reporter

Newport Independent, November 9, 2006

"Now, the rest of the story," Newport Alderman Pinky McFarlin's attorney said Monday afternoon, quoting Paul Harvey, to begin his opening statements. McFarlin's trial began Monday after jury selection was completed.

Prosecutor Anne Gardner's opening statements explained that McFarlin is charged with selling Xanax and crack cocaine on 20 different dates to an informant from May through November of 2004. Evidence expected to be introduced will include tape recordings of conversations held between the informant and the defendant in the defendant's home.

Gardner told the jury that they would hear several drug terms and conversations in which McFarlin would say "bringing the game to town," referring to bringing drugs to Newport. She said that there would be conversations in which McFarlin would educate the informant about how to hide crack cocaine and when not to take money because it could be "federali money."

Witnesses expected to testify against McFarlin will include an expert witness for the DEA, who took the stand Monday afternoon to explain the procedure for the use of an informant; a Fred's pharmacist; a bondswoman; and Lucas Hardaway, McFarlin's nephew.

McFarlin's attorney, Melvin Thompson, told the jury that the defendant was enticed by the drug task force. He continued by giving a brief history of McFarlin's life and various injuries he has sustained by working that require him to regularly use pain killers Lortab and Lorcet, prescribed by doctors, adding that, after the birth of his daughter, McFarlin realized he was addicted to the drugs and admitted himself into a drug rehab program for three or four months, which resulted in his staying clean and sober for three or four years.

"It was fairly common knowledge he was addicted," Thompson said, offering that others in the community knew that McFarlin was in pain and would offer their own pain medication to help him get relief.

The attorney continued the scenario by explaining McFarlin's relationship with the informant, Debra Johnson, who came to him for legal help and discovered that he was using pain killers on a regular basis and wanted to swap the hydrocodones she had for a neck injury.

Thompson finished his statements by telling the jury that the DTF knew Johnson was selling drugs to McFarlin. "The government played on his addiction."

Missoula County Approves Marijuana Initiative (MIS)

By Tristan Scott

Missoulian, November 8, 2006

DOJ_NMG_0092052

A ballot measure recommending Missoula County law enforcement officials make adult marijuana offenses their lowest priority passed Tuesday night.

The measure, dubbed Initiative 2, won the support of 22,502 Missoula voters, or 53 percent. Opponents of the initiative totaled 19,565, or 46 percent, and included some of Missoula County's top law enforcement officials.

The initiative will make marijuana crimes the single lowest priority for Missoula County authorities, but won't include marijuana sales or drug use by minors as low-priority offenses.

In no way will Tuesday's passage of Initiative 2 legalize the drug, according to Angela Goodhope, a spokeswoman with Citizens for Responsible Crime Policy, the group that proposed the measure and landed it on the ballot.

Proponents of the initiative, sponsored by Citizens for Responsible Crime Policy, say Initiative 2 strives to place increased emphasis on crimes that threaten people's lives and property and on other, more pressing drug issues. The proposal calls for a Community Oversight Committee that would consist of community members, criminal defense attorneys and a drug rehabilitation counselor who would investigate marijuana arrests and produce a report on the initiative's effects seven months after its passage.

"We are very pleased that Missoula voters approved a clearer, safer and smarter crime policy," Goodhope said.

Police Chief Rusty Wickman and Sheriff Mike McMeekin have publicly voiced their concern about the initiative, saying they worry federal dollars could be yanked from Missoula's drug enforcement programs in retaliation to the measure.

Goodhope said all evidence suggested the contrary, pointing to Seattle's passage of a similar measure several years ago as evidence.

In Missoula, like Seattle, the measure strives to place increased emphasis on crimes that threaten people's lives and property and on other, more pressing drug issues.

"None of the negative outcomes our opponents predicted will come true," Goodhope said. "We know

Missoula OKs Initiative Relaxing Enforcement Of Marijuana Laws (AP)

AP, November 9, 2006

MISSOULA (AP) — An initiative that makes enforcing marijuana offenses against adults the lowest priority for Missoula County law enforcement passed Tuesday night.

Initiative 2 won the support of 22,502 Missoula voters, or 53 percent. Opponents totaled 19,565, or 46 percent, and included some of the county's top law enforcement officials.

The measure leans on local law enforcement to make ''citations, arrests, property seizures and prosecutions for adult marijuana offenses Missoula County's lowest law enforcement priority.''

It does not include marijuana sales or drug use by minors as low-priority offenses. And in no way will it legalize the drug, said Angela Goodhope, a spokeswoman for Citizens for Responsible Crime Policy, the group that proposed the measure and landed it on the ballot.

Proponents say Initiative 2 strives to place increased emphasis on crimes that threaten people's lives and property and on other, more pressing drug issues.

''We are very pleased that Missoula voters approved a clearer, safer and smarter crime policy,'' Goodhope said.

The proposal calls for a Community Oversight Committee — consisting of community members, criminal defense attorneys and a drug rehabilitation counselor — to investigate marijuana arrests and produce a report on the initiative's effects seven months after its passage

Police Chief Rusty Wickman and Sheriff Mike McMeekin have publicly voiced their concern about the initiative, saying they worry the measure's passage could lead to the loss of federal dollars from Missoula's drug enforcement programs.

Goodhope said all evidence points to the contrary, citing a similar measure that passed in Seattle several years ago.

''None of the negative outcomes our opponents predicted will come true,'' Goodhope said. ''We know that for a fact.''

Voters Take On Pot, Sick Pay, Minimum Wage And Healthcare (LAT)

By Lee Romney And Steve Chawkins , Times Staff Writers, Times Staff Writers

The Los Angeles Times, November 9, 2006

DOJ_NMG_0092053

Voters on Tuesday weighed in on a vast array of local issues, with three cities leaning toward relaxed marijuana enforcement and San Francisco on the verge of becoming the first U.S. city to require all employers — regardless of size — to provide paid sick leave.

In San Francisco and Berkeley, voters were voicing their disapproval of the current administration in measures calling for the impeachment of President George W. Bush and Vice President Dick Cheney on grounds including warrantless spying and what were presented as other wartime civil rights violations.

In returns from Santa Monica, Santa Barbara and Santa Cruz, voters were siding with proposals requiring local police to make marijuana arrests their lowest priority. Financed largely by Ohio insurance magnate Peter Lewis, the measures were opposed by many police officers, who described the issues as unnecessary and a possible obstacle to investigating major crimes.

"I think voters here have sent a really clear message — that the war on drugs has failed and it's time for a new approach," said Lara Cassell, an organizer of the effort in Santa Barbara.

In San Francisco and Santa Cruz, worker advocates pushed measures that alarmed small business owners. The San Francisco sick leave measure — which would apply even to part-time and temporary help — was placed on the ballot on the last possible day by four county supervisors and is backed by the group Young Workers United. As the evening wore on, the measure appeared to be headed for victory, to the chagrin of some business groups.

"For this to end up on the ballot, let alone passing without any public comment, without any discussion, is more than unfortunate. It's outrageous," said San Francisco Chamber of Commerce President Steve Falk. "This amounts to a 3.5% increase in costs for all businesses that don't provide sick days now, without any discussion of alternatives."

Voters in Santa Cruz, meanwhile, seemed doubtful about a citywide boost in the minimum wage, to $9.25, with automatic yearly increases. San Francisco, Santa Fe, N.M., and Washington, D.C., have similar citywide minimums, and proponent Nora Hochman said Santa Cruz needs one because it has "Burger King wage levels" with some of the steepest housing and gas prices in the country.

"My nickname is Nora 'You're ruining Santa Cruz' Hochman," she said. "The perception is business is going to fail wholesale. Well, that hasn't happened in any other community, and it's not going to happen here."

Also in Santa Cruz, voters were picking sides in a nasty town versus gown dispute, with the city seeking to curtail campus growth. On Tuesday, they appeared to heavily favor a measure barring the city from providing services to UC Santa Cruz until the university agrees to offset environmental strains.

Development measures in San Luis Obispo and Santa Clara counties also were bitterly debated before Tuesday's election. In San Luis Obispo County, voters were on the way to approving a long-debated shopping center that was designed to placate environmentalists with a butterfly preserve, an organic farm and more.

In Santa Clara County, a measure that would restrict development on ranchland and open hillsides was trailing late in the evening. Proponents called it a key to smart-growth policies, while opponents saw it as an attack on private property rights.

In several areas across the state, rural hospitals captured the attention of voters.

Nowhere was the situation as stark as in Trinity County, where officials had said that if two tax measures failed, they would be forced to begin shutting down the public hospital Wednesday.

That would have left no emergency room in the remote county, hours from the nearest hospital. On Tuesday night, the measures were approved by a wide margin.

"It's a huge thing for the community," said County Administrator Larry Layton, who said layoff notices had already been drafted. "They got what they need to keep the hospital in continuous operation."

In Mendocino County, voters were asked to choose between the recently deceased longtime incumbent, Norm Vroman, and his challenger, attorney Meredith Lintott. If Vroman wins, the Board of Supervisors will appoint a successor. Meanwhile, the acting district attorney has gone to court seeking a special election.

No matter the outcome, the 1st District Court of Appeal has ordered the results sealed, for now.

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Many Local Measures Approved (LAT)

By Andrew Blankstein And Martha Groves, Times Staff Writers

The Los Angeles Times, November 9, 2006

Santa Monica residents vote for clean beaches, clean government. Pasadenans opt to strengthen campaign finance reforms.

Voters in several Los Angeles County cities approved a slew of local ballot measures in Tuesday's election, addressing issues ranging from political reform and street parking to preserving open space and clean beaches.

Nearly a dozen municipalities put a total of 18 measures on local ballots.

Claremont voters approved Measure S, a $12.5-million bond measure to purchase and preserve a 183-acre parcel of open space that has long been a favorite of hikers and nature lovers in eastern Los Angeles County.

Residents had rejected an earlier attempt by city officials to pass a special assessment to buy the land, known as Johnson's Pasture. On Tuesday, the bond measure, backed by the mayor and three City Council members, passed with 70% of the vote.

To the west, Pasadena voters approved clarifications to a 2001 City Charter reform intended to tighten campaign contributions. Measure B, which passed on a 61% to 39% vote, would ban those bidding for city contracts worth more than $25,000 from making political contributions and give county prosecutors power to call witnesses and bring charges in political corruption cases.

More important, the vote settles a bitter legal fight led by the Pasadena City Council, which argued that political reforms passed in 2001 were unclear and overly burdensome.

Those casting ballots in Pasadena were far less kind to Measure A, which proposed allowing the National Football League to renovate the landmark Rose Bowl for use by a pro football team. Voters threw the measure for a big loss, defeating it 72% to 28%.

In Santa Monica, voters defeated an effort to alter one of the nation's toughest clean-government laws, which bans politicians from taking campaign cash or employment from anyone doing business with the city.

With all of the votes counted, 53% of the city's voters rejected Proposition W, which the City Council had backed. The measure would have overturned the Oaks Amendment, passed in 2000.

"At the end of a very long ballot, the public rejected undue influence by developers and other special interests in local government," said Carmen Balber of Election Watchdog, a political action committee sponsored by the Campaign for Consumer Rights.

An overwhelming majority — 71% — voted for Proposition U, which gives the Santa Monica city manager the power to hire and fire city department heads without having to get approval from boards and commissions. In doing so, Santa Monica followed such cities as Beverly Hills, Burbank, Culver City and Long Beach, which have exempted department heads from Civil Service employment rules in an effort to make government more responsive.

Two-thirds of voters favored Proposition V, which would levy a parcel tax for cleaning up heavily polluted beaches and Santa Monica Bay.

And a resounding 65% of voters approved Proposition Y, which would make the personal use of marijuana by adults on private property the city's lowest police enforcement priority. Santa Monicans for Sensible Marijuana Policy had said the measure would send a message to Sacramento and Washington that voters want more common-sense marijuana laws.

Inglewood residents turned away a proposed 0.5% increase in the city sales tax to raise money for police and emergency services.

Lakewood voters overwhelmingly approved two measures to keep their streets clear by making it illegal to park a recreational vehicle or trailer on a public street without a permit.

And in Westlake Village, 55% of voters rejected a measure to amend the city's general plan to develop 22 acres of private land into a retail complex anchored by a home improvement store.

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Voters Not High On Pot Amendment (GJS)

Grand Junction Sentinel, November 8, 2006

Colorado voters have pitched Amendment 44 aside like an assortment of stems and seeds found at the bottom of an empty bag of weed.

Tuesday's election results showed that the amendment failed by a wide margin statewide. Across Colorado 688,987 or 60.7 percent voted against the amendment, compared to 445,280 votes or 39.3 percent, in favor.

In Mesa County, voters turned the amendment down by an even greater margin. Results were 31,637 votes or 68.2 percent against Amendment 44 and 14,240 or 30.7 percent in favor.

The amendment would have decriminalized possession of less than one ounce of marijuana by adults over the age of 21. Currently state law makes possession of an ounce or less of pot a class 2 petty offense punishable by a fine of up to $100.

Though David Cox of Palisade and Rex Newkirk of Grand Junction are among the minority of voters in this year's election, they say they will continue breaking the law partaking of the green herb where and when they choose.

For them the amendment was never about personal use, it was about reforming a system.

"The idea of this wasn't to change our personal lives, but to dismantle a criminal infrastructure by moving toward regulation," said Cox, a member of SAFER Colorado, the organization that got Amendment 44 onto this year's ballot.

"I never expected it to pass the first time," he said. "Everyone who was working on this was hoping it would pass, but anyone who is realistic knew it wouldn't."

Cox, 25, says he has been smoking pot for the last seven years. But it wasn't always that way.

"My mom caught me trying to smoke marijuana when I was 12," said Cox, who works on his father's peach farm in Palisade. "And she put a stop to it."

It wasn't until six years later that he got high.

"It was the most terrifying experience I ever had," Cox said. "I could tell that this substance was a strong step away from reality."

Then, sometime before graduating from the University of Colorado at Boulder with a bachelor's degree in electrical engineering, he got stoned again.

"We had a fantastic time, a phenomenal time," he said.

Now Cox, will smoke up to four times in a week, but never to excess, he said.

"I got too many dreams. I got too many other things to do with my life then get high all day," Cox said.

Newkirk, 51, is the owner of a tower painting company, ABC Tower Services, said he has been smoking since the eighth grade. "Marijuana is not a drug; it's an herb, a plant," Newkirk said shortly before torching a bowl of weed at Lincoln Park.

He got his start smoking marijuana when he and a friend scored some bud and smoked it off the top of an empty can of chewing tobacco, he said. Newkirk says these days an ounce of weed, which costs him $25, will last a week or two. Nearly everyone he knows smokes marijuana.

"At least 85 percent of them smoke marijuana," Newkirk said. "I meet very few people who don't smoke marijuana."

But there are people who begin smoking and find the smoke too thick to handle. Those are the people Carol Mulligan, co-owner of Inner Journey Counseling in Grand Junction, sees daily. She said the use of marijuana pulls people into social circles they might not otherwise be involved with, because in order to buy marijuana, you have to visit a criminal.

"It could be putting you into that lifestyle," she said. "It could be the start of experimenting with other drugs and into another lifestyle."

But that is why people like Cox and Newkirk say it is time to legalize marijuana.

Decriminalizing marijuana and making it available to purchase legally could break up existing social circles. It could eliminate the "us vs. them" feeling experienced by those who regularly break the law to buy and smoke marijuana, Cox and Newkirk said.

"I like policemen; I fear bad laws," Newkirk said. "This is all about liberty."

Voters Decide On Ballot Initiatives, Proposals On Social Issues (WINS)

DOJ_NMG_0092056

WINS Radio, November 8, 2006

NEW YORK (1010 WINS) -- The House, Senate and Gubernatorial races were not the only choices facing voters Tuesday.

A score of initiatives, proposals and amendments appeared on ballots in 37 states, including gay marriage bans, gay marriage definitions, marijuana legalization and animal rights.

South Dakota voters Tuesday rejected a sweeping abortion ban that would outlaw the procedure under almost any circumstances, effectively blocking a challenge to Roe v. Wade.

Earlier this year the state legislature in South Dakota voted to pass a similar measure, which would ban abortion even of pregnancies resulting from incest or rape, except if the mother's life was at stake, but opponents of the ban pushed to allow South Dakotans to decide the measure at the voting booth instead. The measure was struck down 56 percent to 44 percent. It would have been the toughest abortion law in the nation, allowing the procedure only to save a pregnant woman's life.

In Arizona alone, voters were met with 19 separate measures, more than any other state.

Arizona voted against gestation crates for pigs and sheep, which some say are too small for pregnant animals to turn around. Michigan voted to ban any hunt of the state's "bird of peace," the mourning dove.

Michigan residents also voted to bar affirmative action with respect to employment in public institutions such as education.

Arizona voters approved four proposals that arose out of frustration over the influx of illegal immigrants: one measure makes English the state's official language, while another expands the list of government benefits denied to illegal immigrants.

Voters weren't keen about another, more quirky Arizona measure: They defeated a proposal that would have awarded $1 million to a randomly selected voter in each general election.

Arizona also bucked a strong national trend by refusing to change its constitution to define marriage as a one-man, one-woman institution. The measure also would have forbidden civil unions and domestic partnerships.

A total of eight states voted on amendments to ban gay marriage: Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin approved them. Similar amendments have passed previously in all 20 states to consider them.

In Colorado specifically, voters supported the definition of marriage into the state's constitution by a wide margin. Many votes from Colorado counties have yet to be counted, but according to the Denver Post so far Wednesday many suburban Colorado areas outside Denver opposed giving same-sex couples the same rights as heterosexual married couples, like legal rights for inheritance and medical purposes. Denver itself has yet to be counted.

The wage hikes passed in Arizona, Colorado. Missouri, Montana, Ohio and Nevada.

Minimum wage increase proposals varied. In Ohio the increase would raise the minimum wage of $5.15 an hour to $6.85 an hour, with an annual cost of living increase.

Nevada decided Tuesday they didn't want legalized marijuana sold at state-sanctioned pot shops and approved constitutional amendments raising Nevada's minimum wage and curbing government seizures of private property.

The question to legalize adult possession of up to 1 ounce of marijuana and require the state to set up procedures to tax and regulate its sale failed 58 percent to 42 percent.

The setting of Nevada's minimum wage at $1 above the federal standard was given final approval. It previously had been well-received by Nevandans in 2004.

Nevadans also appeared to favor the more restrictive of measures to limit exposure to secondhand smoke.

The questions on secondhand smoke both sought to restrict smoking in public places, but to varying degrees. With about half the votes tallied, the lesser of the two options was narrowly failing, while more restrictive, which imposes tougher limits on secondhand smoke, was passing.

A question on the Nevada ballot requiring lawmakers to fund education before other state budgets, also was favored in partial returns.

The Missouri stem cell measure passed by a narrow margin. It had become a key factor in the state's crucial Senate race, won by Democratic challenger Claire McCaskill, who supported it, over incumbent Republican Jim Talent, who opposed it.

In Ohio and Arizona, anti-smoking activists won showdowns with R.J. Reynolds Tobacco company. Voters in each state approved a tough ban on smoking in public places and rejected rival, Reynolds-backed measures that would have exempted

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bars. Voters in Arizona and South Dakota approved increases in tobacco taxes, while similar proposals were voted down in Missouri and California.

Colorado voters joined Nevada in rejecting measures that would have legalized possession of up to an ounce of marijuana by anyone 21 and older. South Dakotans voted down a proposal that would have allowed marijuana use for some medical purposes. A winning measure in Rhode Island will restore voting rights to felons on probation and parole.

Elsewhere, land use was a hot issue, part of a backlash against a 2005 Supreme Court ruling allowing the city of New London, Conn., to buy up homes to make way for a private commercial development.

The concept of "eminent domain" was prevalent on ballots in Florida, Georgia, Arizona, California, South Carolina, Oregon, Arizona, North Dakota, Michigan and New Hampshire. Voters approved measures in all these states to restrict the government's power to use eminent domain to seize privately owned land for other private development.

California rejected the restriction on eminent domain. Arizona's winning measure went beyond the others, requiring state and local authorities to compensate property owners if land-use regulations lowered the value of their property: Idaho rejected a similar measure.

South Dakota voters defeated a measure that would have made their state the first to strip immunity from judges, exposing them to the possibility of lawsuits. In Maine, Nebraska and Oregon, voters defeated measures that would cap increases in state spending.

Pennsylvania voters gave the state the go-ahead to borrow $20 million so that nearly 33,000 veterans in the state who participated in the Persian Gulf War could collect one-time payments up to $525.

In Alaska, voters rejected a proposal to tax North Slope oil companies $1 billion a year until a natural gas pipeline is built. The tax would have been levied against the leaseholders of the North Slope's 35 trillion cubic feet of natural gas reserves until the gas starts flowing to market. Opponents of the measure said the tax would have killed the $25 billion pipeline project; proponents said it was the only way to force oil companies to commit to building a pipeline.

Nevadans: Say No To Pot, Raise Minimum Wage, Restrict Smoking (AP)

AP, November 8, 2006

RENO, Nev. (AP) - Nevadans on Tuesday rejected selling legalized marijuana at state-sanctioned pot shops, approved the tougher of two competing anti-smoking measures, raised the minimum wage and took steps to curb government seizures of private property.

At the same time, voters denied a measure twice approved by the Legislature to pay lawmakers for every day they work, instead of capping salaries at the current 60-day limit.

Question 7, to legalize adult possession of up to 1 ounce of marijuana and require the state to set up procedures to tax and regulate its sale failed, 56 percent to 44 percent.

The dueling anti-smoking initiatives had different outcomes.

Polls showed early support for both anti-smoking measures slipping as Election Day approached, and proponents acknowledged voters seemed confused by similar ballot language.

Question 4, a business-backed initiative called the Responsibly Protect Nevadans from Second-Hand Smoke Act, would have imposed minimal restrictions on smoking in areas of bars and restaurants that allow children. It failed 52 percent to 48 percent.

Instead voters approved the Clean Indoor Air Act backed by public health groups. It bans smoking in any bars that serve meals, as well as in slot machine sections of grocery and convenience stores, video arcades, shopping malls, school grounds and day-care centers. Question 5, which still permits smoking in gambling areas of casinos, was approved 54 percent to 46 percent.

Voters gave final approval to setting Nevada's minimum wage $1 above the federal standard, currently $5.15 an hour, with 69 percent voting yes and 31 percent voting no. The measure, which provides an exemption for employers to offer health insurance, passed by a similar margin in 2004.

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It also includes automatic cost-of-living increases based on inflation, capped at 3 percent a year, unless the federal government raises its minimum wage - something that hasn't happened since 1997.

A measure placing restrictions on government use of eminent domain was approved 63 percent to 37 percent. It will appear again on the ballot in 2008.

Another constitutional amendment requiring lawmakers to fund education before other state budgets also received final voter approval, 55 percent to 45 percent.

Two other proposed constitutional amendments passed by the 2003 and 2005 legislatures were put to voters and rejected.

One allowing state lawmakers to call themselves into special session failed 52 percent to 48 percent. Another reducing the size of the Board of Regents and changing how they are selected was narrowly defeated, 51 percent to 49 percent.

Voters also overwhelming amended the state's sales tax to exempt farm machinery while expanding exemptions for the trade-in value of used vehicles. That measure passed 69 percent to 31 percent.

While other states and local governments have decriminalized possession of small amounts of marijuana, the Nevada measure sponsored by the Committee to Regulate and Control Marijuana went further. It directed the state Department of Taxation to set up procedures to license and regulate pot growers, distributors and retailers.

Backers argued law enforcement spends too much time and money arresting small-time dope smokers, and that legalizing marijuana would not only raise tax dollars for the state, but free officers to concentrate on more violent crimes.

Critics - including law enforcement, civic groups and the nation's drug czar - countered that marijuana is a gateway drug that could lead to harsher substances and negate anti-drug efforts.

Regardless, they argued that possession, sale and cultivation would still be illegal under federal law and likely not be tolerated by federal authorities.

Voters Say No To Legalizing Marijuana, Yes To Hiking Minimum Wage And Eminent Domain (EN)

Ely News, November 8, 2006

Nevada voters were just saying no to legalizing marijuana, welcoming a hike in the state's minimum wage and keeping alive eminent domain reform, among other decisions on ballot initiatives on Tuesday's ballot.

With at least 1,620 of 1,913 precincts statewide reporting, Question 7, which would have allowed Nevada residents 21 years of age or older to possess an ounce of marijuana or less, was being rejected by 56 percent of voters. Only 44 percent were in support.

Las Vegas police Lt. Stan Olsen, who oversees legislative affairs for the department and who worked against Question 7, said the measure, the latest in a string of failed efforts to legalize the drug here, was pushed by outsiders rather than Nevadans.

"They were trying to use us as a social experiment, as lab rats. Voters are engaged. They're bright. This was a bad bill of goods, and they knew it," Olsen said. "The voters didn't want it. The community didn't want it. There's nothing good that can come out of legalizing marijuana."

Despite the apparent loss, backers of the measure were heartened by the turnout in favor of the measure.

"This will be the all-time biggest vote for ending marijuana prohibition in the history of this country," said Neal Levine, Committee to Regulate and Control Marijuana campaign manager. "This is an enormous amount of progress. Unfortunately, we fell a little bit short."

Levine said his group would continue its efforts to win over Silver State voters and "it is a 100 percent certainty this will be back on the ballot" in 2008 or 2010.

Outside a Henderson polling place, Jim Taylor, a 50-year-old Henderson Republican, said he was strongly against Question 7.

"They want to legalize marijuana, but I think that's not a solution, it actually makes more of a problem," he said.

But 25-year-old Larry McKenzie, a Henderson voter who described himself as independent, said he wanted the measure to pass.

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"They waste so much time arresting people who smoke weed when they could invest that cop time and jail space in worse crimes," McKenzie said. "I have friends who are potheads. They're not going to change, and they're not hurting anybody. My friends are very harmless."

Voters were backing Question 6, which would raise the minimum wage by $1 an hour, to $6.15, on Jan. 1. Those in favor of passage led those against, 69 percent to 31 percent.

Question 6 also would automatically tie future increases to changes in the consumer price index.

"People know you can't live off of the minimum wage, much less eat off the minimum wage," said Danny Thompson, executive secretary-treasurer of the Nevada AFL-CIO labor union, which supported the measure. "That's reflected in the (voting) numbers."

Thompson believes the increase is modest, and "is not going to destroy any businesses. It's not going to drive people out of Nevada."

Even though voters were supporting Question 2 by a 62 percent to 38 percent margin, the measure restricting how and when local and state governments can forcibly seize private land using eminent domain won't become law anytime soon.

The measure -- also known as the People's Initiative to Stop the Taking of Our Land, or PISTOL -- is a proposed constitutional amendment and, as such, must pass voter muster again in 2008 before it can take effect.

"The people know we need to have some kind of harness put on government to make sure there are not these technical ways to use eminent domain and take people's property," said Don Chairez, a PISTOL backer. "The people really feel we can't trust the politicians" to fix the problem.

Nonetheless, Clark County Commissioner Bruce Woodbury, who headed the PISTOL opposition and also chairs the Regional Transportation Commission, is urging the 2007 Legislature to enact its own eminent domain restrictions prior to the 2008 vote, in hopes of nixing the need for PISTOL.

Both Woodbury and Chairez said they are amenable to discussions on how to rewrite law to match PISTOL's intent while addressing governmental concerns that PISTOL would cripple public works projects. That doesn't mean Chairez is willing to sacrifice PISTOL, though.

"The bottom line is, we need PISTOL as a safety valve," Chairez said.

In other ballot questions Tuesday, voters were in support of Question 1, which would require the Legislature to fund public education before other state programs. The measure, which would go into effect in time for the 2007 Legislature, led with 55 percent of the vote, with 45 percent against.

Question 8, which would end sales taxes on the value of a trade-in when buying a vehicle at an auto dealership, was winning by a wide margin, 69 percent to 31 percent. It would also exempt farm equipment from sales tax.

Question 11, which would lift pay limits on legislators, was opposed by 70 percent of voters. Only 30 percent supported the idea of paying legislators for up to 120 days worked, rather than capping pay at the regular session's 60-day limit.

Voters were tightly split on Question 10, which would allow the Legislature to call itself into special session. It was being rejected by 52 percent of voters, with 48 percent behind it. Currently, only the governor can call a special session.

Question 9, which would shrink the size of the state's Board of Regents that oversees state colleges and allow the governor to appoint some of its members, also was closely contested, with 51 percent against and 49 percent in favor.

Lyon Says No To Stricter Smoking Laws, Legal Marijuana (RGJ)

Reno Gazette Journal, November 8, 2006

With Lyon's polls closed and votes tallied late Tuesday night, questions Nos. 4 and 5, regarding creation of stricter smoking bans in various public places were both voted down on the County level alongside Question No. 7 regarding legalization and regulation of one ounce or less of marijuana.

In Lyon, Question No. 4 was answered with 57.60% "no" (42.40% "yes") while Question No. 5's margin was slimmer with 51.23% "no" (48.77% "yes"). Question No. 7 stood at 59.01% "no" and 40.99% "yes".

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As of 11:20 p.m., with all but three counties reporting numbers and nearly all reporting at 100 percent, related questions on the state level were looking favorable for approval to Question No. 5 and close but not as favorable for No. 4. Also No. 7 was leaning toward "no" by nearly 10 percent

All Lyon precincts had reported in and votes counted near 11 p.m. with ballot questions in tow. Other Lyon-specific ballot questions and results are as follows:

-Question No. 14: Regarding authorization to issue general obligation school bonds to finance construction, improvement and equipping of school facilities; Yes (59.17%) No (40.83%)

-Question No. 15: Regarding the Lyon County Board of Commissioners adopting an ordinance to increase sales tax in Lyon one quarter of one percent; Yes (44.28%) No (55.72%)

-Question No. 16 regarding formation of a mosquito abatement general improvement district within Smith Valley; Yes (50.34%) No (49.66%)

Results for remaining ballot questions, as reported in Lyon County, are as follows:

-Question No. 1: Regarding the State Legislature funding public schools before any other item in the State budget; Yes (45.23%) No (54.77%)

-Question No. 2: Regarding property valuation in eminent domain cases; Yes (60.32%) No (39.68%)

-Question No. 6: Regarding increase of minimum wage; Yes (63.70%) No (36.30%)

-Question No. 8: Regarding exemption from tax on the value of used automobiles and farm equipment; Yes (68.52%) No (31.48%)

-Question No. 9: Regarding the election of certain members to the Board of Regents of the University of Nevada; Yes (44.20%) No (55.80%)

-Question No. 10: Regarding convening, limiting time and limiting matters for discussion with in a special session of the Legislature; Yes (43.58%) No (56.42%)

-Question No. 11: Regarding payment of compensation to members of the Nevada Legislature during regular and special sessions; Yes (24.53%) No (75.47%)

On the State Level, as of 11:20, trends were as follows:

-Question 1: Yes by nearly 10 percent

-Question 2: Yes

-Question 6: Yes

-Question 8: Yes

-Question 9: No by just more than 1 percent

-Question 10: No by just less than 5 percent

-Question 11: No

Voters Reject Eight Of Eleven Issues (AP)

AP, November 9, 2006

SIOUX FALLS (AP) -- Whatever the reason -- too many issues, too long, too confusing -- South Dakota voters rejected eight of the 11 issues on Tuesday's general election ballot.

The one that attracted the most attention was the referral of the 2006 state law that would have banned all abortions. That law was rejected 55 percent to 45 percent.

Other measures that failed would have repealed video lottery, legalized medical marijuana, changed how property taxes are assessed, allowed people to sue judges, opened up legislative hearings, lowered the tax on cell phones, and required school to start after Aug. 31.

Ballot measures that passed Tuesday raise the tax on cigarettes, limit the use of state aircraft and change the state constitution to ban gay marriage.

The long ballot and controversy over some of the issues forced voters to do their homework.

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Dale Baker, 77, a retired mechanic from Burke, said he prepared for the long ballot by studying a sample ballot and the attorney general's explanation of the measures before voting on Tuesday.

The same with Ron Kjellson, 70, of Watertown. He read newspaper stories about the long list of ballot measures before deciding how to vote.

"I made a little cheat sheet for myself and listed out everything I wanted to do," he said.

VIDEO LOTTERY

For the fourth time since it began 17 years ago, South Dakota voters said they want to keep the state-sanctioned video lottery -- and the millions of dollars it raises.

This time, the measure passed 67 percent to 33 percent.

Video lottery supporters said dumping the games would cut $112 million a year from the state budget, creating a financial crisis for state government and jeopardizing state funding of schools.

Martha Berry, a 70-year-old retiree from Box Elder, said she voted to keep the games because they have benefited more than they have harmed. She said removing the funding source could have forced legislators to implement an income tax.

"Income tax wouldn't affect us, basically, but I see young couples that can't afford another tax," she said.

Berry said she thinks more of the proceeds should go to education.

SUING JUDGES

A constitutional amendment that opponents said would create chaos in the courthouses and halls of local government was soundly defeated.

A ballot issue that would have let people seek criminal charges or file lawsuits against judges and other government officials they believe have violated their rights failed 89 percent to 11 percent.

Supporters said it would apply only to judges. But opponents said it would include members of school boards, county commissions and city councils because those officials sometimes make decisions of a judicial nature.

Cathy Bultsma, 62, of Platte, said she voted against the amendment because she believes it would have provided too many opportunities for people unhappy with court decisions to make trouble.

GAY MARRIAGE

South Dakota's constitution will be getting new language that says only a marriage between a man and a woman is valid.

The amendment, which passed voters 52 percent to 48 percent, invalidates civil unions, domestic partnerships or other "quasi-marital" relationships in South Dakota.

A gay marriage ban already is in state law, but proponents of the amendment said putting it in the constitution makes it harder for judges to mess with it.

MEDICAL MARIJUANA

South Dakotans have rejected a proposed law that would have let some people smoke marijuana to provide relief from pain.

Supporters of the proposal wanted South Dakota to become the 12th state to allow some medical patients to smoke marijuana.

But it was defeated 52 percent to 48 percent.

Law officers said allowing medical marijuana would send a mixed message to children concerning drug use.

PROPERTY TAXES

A plan to change the way homes and other real estate are assessed for tax purposes was defeated Tuesday.

Opponents of Amendment D garnered 80 percent, while the plan received 20 percent support.

The plan would have used the sales price of each piece of real estate as its assessed value in the future.

State Sen. Bill Napoli of Rapid City, who promoted the amendment, had said the measure would prevent large increases in assessments that are caused when similar property is sold for inflated prices.

CELL PHONES

An attempt to repeal a 4 percent tax on the gross receipts of cellular telephone companies went begging Tuesday.

Opponents of the repeal outnumbered supporters 61 percent to 39 percent.

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Verizon Wireless forced the public vote after losing a court challenge of the gross receipts tax.

The 2003 Legislature passed the tax to help balance South Dakota's budget, with the state getting 60 percent and counties 40 percent. Lawmakers at the time said it was fair because other kinds of phone companies already pay property taxes or a gross receipts tax.

Ron Kjellson said he voted against the proposal, partly because it was pushed by an out-of-state company. "I don't think they're being taxed unfairly," he said.

OTHERS

-- South Dakota schools will not be forced to wait until at least Aug. 31 to start classes. Voters defeated Initiated Measure 3 by a margin of 57 percent to 43 percent.

-- State-owned aircraft should be limited to official business, voters decided. Initiated Measure 5 passed 55 percent to 45 percent.

-- The state tax on cigarettes will nearly triple, thanks to approval of Initiated Measure 2. The tobacco tax increase had 61 percent support to 39 percent opposition. The state tax on cigarettes goes to $1.53 a pack.

-- A special commission's recommendations dealing with the Legislature was defeated 68 percent to 32 percent.

Liberal Activists Hail Referendum Votes On Abortion, Gays (WT)

By Cheryl Wetzstein, The Washington Times

The Washington Times, November 9, 2006

Democratic social values prevailed in many state elections, as voters rejected pro-life measures on abortion, passed a measure supporting embryonic stem-cell research and, for the first time, defeated a measure to restrict marriage to one man-one woman unions.

"Women voters cleaned house. Women are fed up" with Iraq policy, the "so-called economic recovery" and the "relentless efforts to limit women's reproductive rights," the liberal National Organization for Women said.

"American voters sent a clear message yesterday that the era of gay-bashing to win elections is over, as voters flatly rejected anti-gay and divisive candidates," said Joe Solmonese, president of Human Rights Campaign, which spent $5 million on election-related activities.

The elections show "that supporting fairness for gay and lesbian families is not a liability, while aligning with the extreme Christian right is," said the National Gay and Lesbian Task Force (NGLTF), which is meeting this week with 2,000 homosexual rights activists in Kansas City, Mo., to review the elections and plan strategies.

Referring to the defeat of Arizona's Proposition 107, which would have defined marriage as only the union of one man and one woman, NGLTF leader Matt Foreman said the marriage issue "just doesn't have the juice it had just two years ago."

"People are getting sick of it," he said.

Tuesday wasn't a full sweep for liberal social issues -- measures to legalize marijuana failed in three states, a well-funded Colorado measure to create a domestic-partner system didn't survive and seven state marriage amendments passed.

Still, the results were sobering to leaders of social conservatives.

"The values voters of 2004 could be called the integrity voters of 2006," Family Research Council President Tony Perkins said. "The message is that values are not just something you talk about at election time. Values should guide public policies and personal conduct. This should be a clear message to both parties that values voters vote values, not party.

"That revelation may be an inescapable reality for Republicans, but it should serve as a warning to the many Democrats who leveraged the values gap by running as pro-life, pro-family candidates," Mr. Perkins added. "Those integrity voters will be back at the polls in two short years."

Among the Democrat victories were passage of a Missouri measure to allow embryonic stem-cell research and defeats of "parent notification" abortion measures in California and Oregon and a ban on abortions in South Dakota. In Kansas, voters also failed to re-elect Attorney General Phill Kline, who has been in a court battle to obtain 90 abortion records as evidence of illegal late-term abortions, child rape and other crimes. Democrat Paul Morrison said Tuesday he will look at Mr. Kline's evidence, but he is expected to drop the case.

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Democrats lost measures to legalize marijuana in Nevada, South Dakota and Colorado, and lost marriage amendment battles in Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin.

Winners & Losers (USAT)

USA Today, November 9, 2006

There's more to the election results than just Democrats winning and Republicans losing.

Thumbs up

Uncertainty: Once again, Americans woke up the day after an election with key races still undecided.

Vice President Cheney: He spent Election Day in South Dakota, hunting for the first time since he accidentally shot a companion in February. This time, there were no reports of injuries.

Sen. Barack Obama: The Illinois Democrat wasn't on Tuesday's ballot, but he barnstormed the country to help candidates, published a best-selling book, landed on the covers of Time and Newsweek— and mentioned that he just might run for president in 2008.

Sen. Joe Lieberman: This year's Comeback Kid, he won another term in Connecticut as an independent after losing the Democratic primary.

Michael J. Fox: The actor, who has Parkinson's disease, campaigned for candidates who support stem-cell research and was accused of exaggerating his symptoms by conservative radio host Rush Limbaugh. Candidates backed by Fox in Missouri, Wisconsin and Maryland won, and Missouri voters approved protections on the research.

YouTube: The video-sharing Internet site was the place to debut campaign ads this year. A clip of Sen. George Allen, R-Va., calling a rival's volunteer "macaca" was viewed almost 300,000 times.

Presidential vetoes: President Bush vetoed just one bill in his first six years. Democrats' new clout on Capitol Hill means he might be wielding his veto pen more often.

Howard Dean: The Democratic Party chairman feuded with top Democrats in Congress over his plan to send cash to states where his party typically doesn't win much. It paid off with victories in red states such as Montana and Colorado.

James Madison High School in Brooklyn: Graduates include New York Sen. Charles Schumer, who ran Senate Democrats' campaign operation, Vermont Sen.-elect Bernie Sanders and Supreme Court Justice Ruth Bader Ginsburg.

Voting and drinking: Oklahoma voters approved a referendum allowing liquor stores to stay open on Election Day; they had been limited to sales from 7-9 p.m. only.

Dead candidates: In Texas, Republican state Rep. Glenda Dawson died two months ago but easily defeated Democratic challenger Anthony Dinovo. In South Dakota, Democrat Marie Steichen, also dead for two months, defeated incumbent Republican county commissioner Merlin Feistner.

Thumbs down

Defense Secretary Donald Rumsfeld: Somebody in the administration had to take a hit in the wake of Tuesday's Democratic wins, although one might wonder if things would have turned out better for Bush if Rumsfeld had left a week earlier.

The Bush dynasty: George H.W. Bush is happily retired; George W. Bush can't run again; term limits precluded brother Jeb from another campaign for Florida governor. When will George P. Bush, 30, Jeb's son and the likeliest candidate from the next generation, be ready?

Karl Rove: The "architect" of Bush's campaigns predicted GOP victories on Tuesday and was wrong. So much for his hopes of a permanent Republican majority.

The GOP's vaunted get-out-the-vote plan: Democrats figured out how to do it, too.

Conspiracy theorists: Warnings that voting machines were rigged to favor Republicans didn't pan out.

Washington Redskins fans: Former quarterback Heath Shuler, reviled during his 1990s tenure as a Redskin, heads back to town after winning a North Carolina seat in the House of Representatives. Shuler, a Democrat, was 4-15 in games he played in three losing seasons with the Redskins.

The Ten Commandments: Voters in Boise rejected a proposal to return a 40-year-old granite monument inscribed with the rules to a public park.

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Sen. John Kerry: The Massachusetts Democrat's botched joke implying that the uneducated end up in Iraq might have reminded people why they didn't vote for him two years ago.

Famous voters: Chelsea Clinton, South Carolina Gov. Mark Sanford, Republican Congressman Steve Chabot of Ohio and Missouri Secretary of State Robin Carnahan all had problems when they tried to vote.

Potheads: Voters in Colorado and Nevada rejected proposals to legalize adult possession of up to an ounce of marijuana. South Dakotans voted against medical use of marijuana.

Written by Judy Keen. Contributing: David Jackson, Martin Kasindorf, Tom Kenworthy, Jill Lawrence, Patrick O'Driscoll, Andrea Stone, Richard Wolf and wire reports.

Claim Under Marijuana Act Denied (WPI)

By Richard Hanners

Whitefish Pilot, November 8, 2006

A Kalispell man who claimed protection under the state's Medical Marijuana Act after he was caught smoking marijuana at a downtown Whitefish bar will have his day in court later this month.

But he may have to seek another line of defense or appeal to a higher court, now that Whitefish City Court Judge Bradley Johnson has denied the man's motion to dismiss the charge based on the act.

According to court records, on Sept. 8, Flathead County sheriff's deputy Travis Bruyer observed Lucas Venters, 23, of Kalispell, on the upstairs deck at Flanagan's Central Station lighting marijuana in a glass pipe. Venters then allegedly passed the pipe on to Andrew Nuckles, who then allegedly passed it on to Christopher Brann, both of Kalispell.

Bruyer reported that he seized the pipe and a container of marijuana from Venters. Venters told Bruyer his possession and use of marijuana was allowed under the state's Medical Marijuana Act. He was charged with possession of dangerous drugs and drug paraphernalia.

Nuckles and Brann were charged with misdemeanor possession of dangerous drugs. They received deferred sentences in Whitefish City Court and paid a $100 fine.

In a two-page document submitted to city court, Venters claims to have a "debilitating medical condition." He said he has been "in pain every day for the past 10 years due to my spinal, thoracic and neck injuries/conditions," and that he has severe or persistent muscle spasms.

"These spasms limit what type of work I can do, and what types of recreational activities/sports I can participate in," he said. "Some days, just bending my neck downward to tie my shoes, etc. causes my back to spasm quite painfully."

Venters claimed that state law allows individuals who suffer from a debilitating medical condition to smoke marijuana, and "that even if a user is not registered with the state Department of Public Health and Human Services, a medical defense may be raised under the Montana Medical Marijuana Act."

In his brief in opposition to Venters' motion to dismiss, Whitefish city prosecutor Clif Hayden set aside the possibility that federal law may preempt the state's Medical Marijuana Act in order to address Venters' case.

Hayden argued that Venters' conduct "does not fall within the parameters of the act" because he did not possess a registry identification card from the Montana Department of Public Health and Human Services.

Such a card may be obtained through application by providing the department with a written certification that the person is a qualifying patient; the name, address and date of birth of the qualifying patient; the name, address and phone number of the qualifying patient's physician; and the appropriate fee, Hayden said.

"According to the MMMA definitions, 'qualifying patient' means a person who has been diagnosed with a debilitating condition by a physician," he said. "In other words, you need an opinion from a licensed physician to register."

Hayden noted that according to the MMMA, evidence must be presented "that a physician has made a determination that the benefits of use of marijuana outweigh the potential harms for a given patient."

"In this case, the defendant offers nothing but his own analysis of how his alleged symptom fits the MMMA definitions," Hayden said. "He has offered no medical evidence, physician's opinion or otherwise that the benefits outweigh the potential harmful effects."

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Johnson ruled on Venters' motion on Oct. 25, saying Venters "failed to assert facts that are vital to claiming protected status under the act."

"Recognizing the scrutiny that the act will invite from both state and federal authorities, the standard may require strict compliance by anyone attempting to invoke the act as a shield to prosecution," Johnson said.

Johnson agreed with Hayden that Venters had failed to satisfy the criteria of the act by not being officially designated as a qualifying patient. But Johnson went further, noting how Venters shared his pipe with two others on Flanagan's deck.

"Assuming that the defendant contends that his open smoking of marijuana was within the scope of 'medical use' as defined within section 50-46-102(5), his 'sharing' of his personal-use medical marijuana with others would tend to negate the limited protection granted by the legislature," Johnson said. "His actions would exceed the purpose of merely alleviating his personal symptoms or effects of his debilitating medical condition. Such activity would encompass criminal conduct not protected by the statutes."

Lawndale To Initiate Ban Of Marijuana Dispensaries (TORDB)

By Shirley Hsu

Torrence (CA) Daily Breeze, November 9, 2006

Leaders reject a recommendation to allow but regulate facilities that distribute pot for medicinal purposes.

Lawndale City Council members this week quickly shot down a proposal to regulate medical marijuana dispensaries in the city, opting instead to direct staff to look into banning the establishments altogether.

Without much discussion on the topic, the City Council voted unanimously Monday to reject the recommendation from the Planning Commission that it adopt the ordinance regulating dispensaries, praised by one medical marijuana advocate for being the most comprehensive set of regulations he had ever seen.

"This ordinance covers everything," said Chris Fusco, a field coordinator for medical marijuana advocacy group Americans for Safe Access, before the council's decision. "I think it perfectly addresses the concerns of the community and the needs of medical cannabis patients."

The ordinance would have required dispensaries not be located within 600 feet of schools, playgrounds, parks, churches and similar community centers; that they close before 7 p.m.; that they not allow minors without a parent; and that they have security guards to patrol the dispensary and a two-block radius surrounding it. Patrons must immediately leave the site and not consume medical marijuana until they return home.

Councilman Larry Rudolph made the motion to reject the ordinance and instead look into a ban.

"I don't think it's appropriate anywhere," he said, adding that because other South Bay cities have banned them, Lawndale would become a magnet for dispensaries. He said he believed drugs would get in the hands of children and that it was too easy to get a doctor's recommendation.

"Until the court sorts this one out, I don't want one here," he said, referring to the conflict between state law, which permits usage of the drug by "seriously ill" patients with doctors' recommendations, and federal law, which classifies the drug as a controlled substance.

Dispensaries have recently met with a cold reception in the South Bay, with Torrance, Gardena, Hawthorne, Hermosa Beach, Lomita, Rancho Palos Verdes and Redondo Beach issuing temporary or permanent bans. Lawndale in June enacted a temporary ban on the establishments.

The regulations Lawndale rejected would have prohibited alcohol, allowed the distribution of plant cuttings, and limited the amount of marijuana provided to individuals to amounts consistent with state law, a provision Fusco said showed foresight. Many of the regulations were similar to those approved in May by Los Angeles County supervisors for unincorporated areas of the county.

City staff disagreed with the Planning Commission on one point, recommending prohibiting the consumption of marijuana on dispensary property.

Two Lawndale residents spoke in opposition of marijuana dispensaries, and two others spoke in support.

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Bob Burrill of San Pedro, who with his wife had hoped to open a dispensary in Lawndale, said on-site consumption is necessary for employees and volunteers because many are patients themselves.

ATF Arrests Arkansas Man For Possessing Illegal Guns (NAMN)

By Trish Mehaffey

Northwest Arkansas Morning News, November 9, 2006

FAYETTEVILLE -- A Fayetteville militia member was arrested Wednesday by teams of special agents from the Bureau of Alcohol, Tobacco, Firearms and Explosives and other federal and state agencies and local police in connection with illegal firearms.

Fayetteville police Lt. Mike Reynolds said 14 search warrants were executed Wednesday in Fort Smith and Fayetteville and one of the warrants was for a lieutenant commander of the Militia of Washington County, Hollis "Wayne" Fincher, of 16085 East Black Oak Road.

"We assisted ATF and several other agencies in arresting Fincher. I don't believe he has a criminal history with us. That's all I can tell you," Reynolds said.

Washington County Sheriff Tim Helder said he couldn't comment on the arrest or Fincher.

Fincher was arrested without incident at his residence, according to an ATF news release.

Senior ATF Special Agent Austin R. Banks said he was restricted to releasing anything beyond the news release. He did confirm Fincher has no criminal record and he was the only person arrested.

The arrest and search warrants were the result of an eight-month investigation relating to the unlawful manufacture, possession and transfer of machine guns, Banks said.

A machine gun that can fire 550 rounds a minute and assorted 9 mm Sten submachine guns are stored in the Washington County militia's concrete and steel vault, according to information gathered from an interview conducted by The Morning News in March. Each weapon is stamped with the word "non-commercial" to prove the group holds the arms for militia purchases only and not for trade or sale.

Owners of automatic weapons must pay $200 to license each automatic weapon they own. Militia members avoided that by re-building government-destroyed automatic weapons for their own use, Paul Smith, militia commander said in March.

Fincher said in the March interview he believes Americans should proudly uphold the right to bear arms, stand up for land rights and not always accept the federal government as the supreme law of the land.

"What we've got to do today is hold our ground," Fincher said in March.

According to the militia's Web site, the headquarters is down the road from Fincher's address at 15566 E. Black Oak Road. The militia was formed July 4, 1994.

Thirteen additional federal search warrants were executed at different places in the Fort Smith-Fayetteville area, Banks said. The warrants are under seal at the direction of the U.S. Attorney for the Western Judicial District of Arkansas. All evidence seized during the execution of the warrants will be submitted to the U.S. Attorney's Office for the preparation of indictments in this investigation.

ATF, FBI, Washington County Sheriff's Department, Fayetteville Police Department, Springdale Police Department, Arkansas State Police, Arkansas State Bomb Squad and the Madison County Sheriff's Department all participated in the investigation.

The investigation was conducted under Project Safe Neighborhoods, the U.S. Department of Justice initiative that combines federal, state and local resources to combat violent gun crime. The U.S. Attorney's Office for the Western District of Arkansas will prosecute the case.

IMMIGRATION:

Va. Case Highlights Fraudulent Marriages (USAT)

By Wendy Koch

DOJ_NMG_0092067

USA Today, November 9, 2006

A Virginia man's guilty plea Wednesday to arranging sham marriages between U.S. citizens and Ghanaian immigrants reflects the government's increased focus on marriage fraud.

Eric Amoah, 42, a pharmacy technician from Ghana, was one of 22 people charged in the Washington, D.C., area two months ago with participating in a marriage and immigration fraud scheme. His sentence is pending.

Similar busts have occurred in the past year in California, New York and Utah. An investigation is underway in Gwinnett County, Ga., where two men are charged with bigamy for marrying at least 13 African women.

"We're definitely seeing more organizations" involved in marriage fraud, says James Spero, head of the Identity and Benefits Fraud Unit at U.S. Immigration and Customs Enforcement (ICE). "We're stepping up our efforts."

Sham marriages for immigrants seeking citizenship have long been a problem. A marriage license can be the quickest way to gain the temporary legal status conferred by a green card, the title of a 1990 movie about two people who enter into such a marriage of convenience only to — surprise — fall in love.

Since 9/11, marriage fraud has taken on more serious implications. Half of 36 foreign-born suspected terrorists who were in the USA from the early 1990s to 2004 gained legal status by marrying Americans — 10 of them through sham marriages — according to the Center for Immigration Studies, which promotes tighter immigration controls.

Janice Kephart, former counsel to the 9/11 Commission, which produced the center's research, says the government is not doing enough to crack down on marriage fraud.

"They simply don't have the resources," Kephart says. She says U.S. officials go after ringleaders of schemes more than the immigrants who marry.

Alfred Robertson, the attorney representing Amoah, agrees that immigration laws need better enforcement. He says immigration officials lack funding to hire enough agents to investigate applications for legal status.

Spero says ICE is working with other agencies in 11 new task forces and has increased the number of identity and benefit fraud cases it is investigating, from 2,300 in fiscal 2004 to 3,434 in fiscal 2006, including about 700 involving marriage fraud.

Spero says some U.S. citizens are duped into marrying an immigrant who simply wants a green card. Others, he says, commit a felony, punishable by jail time and a $250,000 fine, by knowingly entering into a sham marriage.

He says organizations typically charge $2,500 to $6,000 to arrange a marriage. Amassing evidence that a couple has taken the next steps toward permanent residency or citizenship, such as living together, costs more. On the West Coast, he says, one full-service scheme charged $60,000.

Robertson says Amoah, who married a U.S. citizen himself, helped arranged 75 to 300 marriages, most of which were fraudulent. "He knew what he was doing was wrong," Robertson says, adding that Amoah faces possible deportation.

'No' To Immigration Hard-liners (LAT)

The Los Angeles Times, November 9, 2006

ARIZONA HELD A referendum on immigration policy Tuesday. The winner was John McCain.

McCain, the state's senior senator, wasn't actually on the ballot. Rather, candidates across the state campaigned for or against an idea that McCain and a few other Arizonans in Congress have championed: a comprehensive approach to immigration reform that provides more visas for guest workers, modifies the path to citizenship for illegal immigrants already in the country and improves border security.

Critics of this approach, including Republican candidates for governor, attorney general and two of Arizona's eight House seats, argued instead for sealing the borders and enforcing current immigration laws. They all were defeated, despite the frustration and anger expressed by many Arizonans about the torrent of border jumpers.

Those emotions were evident in the overwhelming support Tuesday for ballot initiatives to deny bail, curtail subsidies for education and childcare, limit civil damage awards for illegal immigrants and make English the state's official language. Voters backed all these proposals, reflecting a widespread belief that illegal immigrants impose a variety of burdens on taxpayers.

Nevertheless, voters in the state demanded a more nuanced and pragmatic solution than that being offered by the most virulently anti-illegal immigration candidates. The best illustrations came in the races for two House seats, one representing the

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sparsely populated border counties in southeastern Arizona and the other representing some upscale suburbs east of Phoenix. A six-term Republican incumbent, J.D. Hayworth, and a former Republican state representative, Randy Graf — both known for their firebrand stances on border security — lost to Democrats Harry Mitchell and Gabrielle Giffords, who had aligned themselves on immigration with McCain.

Graf was trying to win the seat occupied by retiring Republican Rep. Jim Kolbe, a longtime advocate for comprehensive reform. While McCain and Sen. Edward M. Kennedy (D-Mass.) were steering their plan through the Senate, Kolbe and colleague Rep. Jeff Flake (R-Ariz.) were trying to push a similar approach through the House, with significant Democratic support. But they were rebuffed by Republican leaders who wanted to use immigration as a campaign issue — in particular, by slamming Democrats for supporting "amnesty" and being soft on border security.

Now McCain and Flake may get their way. With Democrats in control of the House next year, the prospects for a comprehensive overhaul have improved dramatically. In fact, President Bush (who also supports that approach) singled out immigration Wednesday as an issue ripe for bipartisanship. The voters of Arizona have pushed a comprehensive solution one step closer to reality.

TAX:

TAXES: Can The Middle Class Expect Some Relief ? (WP)

The Washington Post, November 9, 2006

Democrats have pledged "fiscal discipline," starting with pay-as-you-go rules to prohibit the House from approving new spending or tax measures unless the costs are offset by tax increases or spending cuts.

"There's not going to be, frankly, room for some grand new adventure in federal spending," said Rep. Earl Pomeroy (D-N.D.), a member of the House Ways and Means Committee.

Still, there's plenty on the Democratic wish list, starting with relief for the growing number of middle-class families hit by the alternative minimum tax, which jacks up their tax bills. Rep. Charles B. Rangel (D-N.Y.), likely to be the next Ways and Means chairman, said yesterday that "tackling this very complex problem would be a good test of bipartisanship."

Rangel said he would not roll back tax cuts that President Bush won from the Republican Congress. But budget experts predict that Democrats will revisit at least some of them, such as lower rates for the richest Americans, lower rates on capital gains and dividends, and partial repeal of the estate tax, to pay for other priorities.

On the growing costs of programs such as Social Security, Medicare and Medicaid, Rangel said he would work with the administration. But political analysts say reform of those programs is unlikely until after the 2008 presidential election.

Ways And Means To A Position Of Power (USAT)

By Kevin Mccoy

USA Today, November 9, 2006

NEW YORK — Three days after waging a war of words with Vice President Cheney last week, Rep. Charles Rangel, D-N.Y., swept into the Manhattan offices of powerhouse law firm Akin Gump Strauss Hauer & Feld.

Fresh from an MSNBC interview that reprised the battle — Cheney declared Rangel “doesn't understand how the economy works,” prompting Rangel to call Cheney a “son of a bitch” — the raspy-voiced Democrat launched into a less visible, yet even more pointed response.

Rangel, hand-shaking and hugging his way through dozens of lawyers and executives, was one of the political stars of a private gathering that raised thousands of dollars for Tim Mahoney, the Florida Democrat who captured disgraced GOP Rep. Mark Foley's seat in Tuesday's midterm elections.

By raising money for Mahoney — and distributing more than $500,000 to more than 80 congressional Democrats in this year's races — Rangel helped his party regain control of the House and prepared to grasp the elusive prize that prompted Cheney's taunt: chairmanship of the powerful Ways and Means Committee.

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Only six New Yorkers have held the post; the last, Daniel Reed, more than 50 years ago. Rangel gives no sign he's any more awed by becoming the House point man on all tax and finance legislation than he is of taking on Cheney — or President Bush.

He made just one concession Wednesday at a celebratory news conference, saying he should have confronted Cheney privately. But he couldn't resist a final dig.

"Mr. Cheney enjoys an office on the second floor of the House of Representatives that historically has been designated for the Ways and Means Committee chairman," said Rangel with a smile, as supporters laughed and clapped. "I talked with (expected new House Speaker) Nancy Pelosi this morning, and I'm trying to find some way to be gentle as I restore the dignity to that office."

Although he's known as warm and witty, even with most opponents, the 76-year-old Korean War veteran has relished political combat since first elected to the House in 1970. As Robert Greenstein, executive director of the Center on Budget and Policy Priorities puts it, "He has a backbone of steel for the things he believes in."

Yet, surprisingly for some who have tangled with the pugnacious Harlem Democrat, his priority list starts with at least a promise of bipartisanship.

"I enjoy working together with Republicans," said Rangel, seated in his congressional Cadillac en route to the Mahoney fundraiser. "I enjoy a finished legislative product that you can get on the floor in a civil way and say, 'We worked on this together.' I think that's what the Congress is all about."

That cooperation was lost during the Republican Party's 12-year control of the House, says Rangel, describing a political wandering-in-the-desert, when it wasn't odd for Ways and Means Democrats to learn about the committee's plans only after final decisions had been made. Rangel says his predecessor, retiring GOP Rep. William Thomas of California, never spoke to him about U.S. trade legislation apart from bills the New Yorker championed.

One of Rangel's first moves will be to reach out to the panel's GOP members in the style of former Rep. Dan Rostenkowski when the Illinois Democrat chaired Ways and Means before losing his seat in a corruption scandal.

"I'm hoping to take the full committee on retreat out of Washington, out of the District anyway, for two or three days, with (Bush) administration people and other economists and see whether we can find some basic agreement, perhaps with low-hanging fruit, so that we can learn to work together," says Rangel.

Treasury Secretary Henry Paulson, IRS Commissioner Mark Everson and other administration officials have signaled tentative plans to attend, Rangel said. The agenda, he said, would include non-controversial legislation backed by both parties, including extension of the research and development tax credit for businesses and the college tuition tax deduction for families.

What Rangel says he won't consider is the package of Bush tax cuts set to expire in 2010. Cheney used the looming expiration and Rangel's well-known disdain for many administration tax policies in a bid to rally Republican Party faithful in the midterm elections.

"At 76 years old, I don't buy green bananas. What the hell do I know (about what) the economy's going to look like in 2010?" Rangel asks. "Why should I make a commitment to extend these tax cuts when the expiration date was put on there by the Republicans?"

Nonetheless, he makes clear he won't pick a fight by trying to repeal the tax cuts, either. "I think it's bad tax policy and bad politics to do that."

Bill Miller, vice president for congressional affairs at the U.S. Chamber of Commerce, which has often backed the GOP White House and Congress, welcomes that view. "The rhetoric that has come from Congressman Rangel has been encouraging," he said. "The Republican Congress has been very good to the business community. But at the end of the day, you need bipartisanship to get anything done."

At least at first glance, Rangel wouldn't necessarily seem to be a model for political evenhandedness.

He's used his National Leadership Political Action Committee to collect millions of dollars, largely from Democratic Party donors. By virtue of holding a safe political seat — he first met his unsuccessful 2006 GOP challenger, Edward Daniels, at a candidate forum last week — Rangel has been able to distribute the funds to congressional Democratic candidates across the country.

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At least one of Rangel's PAC donors appeared to benefit from giving: New York attorney Melvyn Weiss, whose law firm was renowned for filing securities class-action lawsuits. A federal indictment filed this year accused the firm of paying kickbacks to clients who served as plaintiffs in class-action cases.

Federal Election Commission records show Weiss gave $4,200 to Rangel's re-election campaign in March and $5,000 to his National Leadership PAC in September. In June, Rangel was one of four House members who issued a statement that described the indictment as part of "the Justice Department's crusade against trial lawyers."

Separately, some GOP-oriented lobbyists this year got calls seeking donations to Rangel's PAC, a move that conservative columnist Robert Novak reported was interpreted by some "as a requirement for a ticket to enter" the office of the incoming Ways and Means chairman.

Rangel has not commented publicly on Weiss' contributions. As for the lobbyist calls, he said he has never required donations from those seeking access to him, "nor has there ever been a suggestion that my conduct has been influenced by any contributions."

Greenstein characterized the newly re-elected 19-term Democrat as far too pragmatic to practice bare-knuckle politics as Ways and Means chairman.

"Charles Rangel hasn't waited all this time to play games. He wants to get some things done," says Greenstein, predicting that the new chairman "would probably be less sharply partisan" than his GOP predecessor.

Asked how his style would differ, Rangel said: "I don't have the option that Chairman Thomas has, that is, just to look for a majority. Democrats wouldn't allow me to do it. I wouldn't want to do it. And anything we did do wouldn't pass the Senate, and the president would veto."

After holding the committee retreat, Rangel said, he hopes to begin seeking common ground with Republicans on more contentious tax and finance issues he considers important. At the top of the list are an increase in the federal minimum wage and relief from the Alternative Minimum Tax for millions of middle-class and upper-income Americans for whom the levy means higher federal tax bills. "While it's expensive to do, I think it's one thing that we agree on that should be done," said Rangel.

He also hopes to become what he terms the "new best friend" of the traditionally GOP-backing business community by considering industry tax credits and international trade legislation, while also re-examining tax incentives that encourage some businesses to operate offshore.

Rangel said he has already talked to some manufacturing industry leaders about foreign nations that subsidize their businesses with education, training and health care assistance, "while we allow the private sector, without federal assistance, to do it" alone.

"It doesn't make economic sense," said Rangel, adding that he has encouraged business leaders to submit federal aid proposals.

Rangel acknowledges he's given some thought to a potential goal raised by Miller: major financial legislation that would enable the new chairman to put a "stamp" on Ways and Means.

He cautions it's too early for such plans, but readily allows that a federal financing plan to guarantee Social Security "would be a great coup."

"A great tax reform bill that would simplify the system would be a chairman's goal," Rangel adds. "Medicare, I don't even know where to start with that, but having discussions would be a great beginning."

With Dems In Control: Gridlock Or Change? (USAT)

By Sue Kirchhoff

USA Today, November 9, 2006

WASHINGTON — Democrats' stunning electoral gains will broaden the economic agenda beyond President Bush's focus on tax cuts to more populist debates over income inequality, globalization, budget deficits and health care coverage, among other issues.

But the big question is whether Democratic control of the House — and possibly the Senate — will result in substantive change or merely political stalemate and posturing for the next presidential election.

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"The theme for the next two years is showcase '08," says Dan Mica, a former GOP congressman who heads the Credit Union National Association. "America thinks the elections were over yesterday, but we just had a … break from commercials."

The first hint of what the Democratic gains mean could come this month when Congress reconvenes, still under GOP control, for a lame-duck session to wrap up spending bills and other legislation. Given the election shock, Republicans could just do the minimum and go home, Mica says.

The Democratic push begins next year with an agenda that includes proposals to raise the minimum wage, eliminate some tax breaks for oil companies and let the government negotiate prices under the Medicare prescription-drug program. Democrats will also try to find other bipartisan measures to pass, such as extending a business research tax credit.

Because Democrats don't have a veto-proof majority in the House, or the 60 votes needed to limit Senate debate, some observers predict gridlock. Robert Van Batenburg of Louis Capital Markets notes impasse means less spending and is generally bullish for bonds.

Business groups, such as the Business Roundtable and the U.S. Chamber of Commerce, urged the two parties to work together to address economic issues. Democrats promised Wednesday to reach out to Republicans, and Bush also vowed bipartisanship. That could be short-lived.

"There's a chance to get some things done, but they'd have to be done quickly," says Nigel Gault of Global Insight. "The closer we get to the elections, the less likely it is."

Even if passing laws is difficult, Democrats still have plenty of power to shape the agenda.

Democrats can affect the economy by declining to schedule votes on pending trade deals or expiring Bush tax cuts. There are also must-pass measures to fund the government and the war in Iraq, where Bush has less flexibility. Those bills could be a vehicle for adding other Democratic priorities.

Some observers say politicians do not have the luxury of dithering, given high trade and budget deficits and a low savings rate.

"There are times when government can, indeed, get in the way. But there are also circumstances which demand leadership and decisive policy actions. This is one of those times," says Stephen Roach of Morgan Stanley.

What Business Should Expect In Next Congress Minimum-Wage Increase, Drug Prices Top The Agenda; New Hurdles For Free Trade (WSJ)

By Kara Scannell, Brody Mullins, James R. Hagerty, Anna Wilde Mathews, Laura Meckler And Anne Marie Chaker

The Wall Street Journal, November 9, 2006

WASHINGTON -- Democrats' election victory Tuesday ended a six-year partnership between a business-friendly White House and Congress that enacted free-trade agreements, cut taxes on corporations and investors and -- with the significant exception of the Sarbanes-Oxley corporate-reform bill -- avoided new regulations.

Now, the question is how far the Democrats, tempered by a Republican president and a closely divided Senate, can push the pendulum in the other direction.

The party has yet to spell out its entire legislative agenda, but its leaders are talking about quickly boosting the minimum wage, seeking to curb executive pay and pushing for higher taxes on business, particularly oil companies. Many stocks, especially health-care shares, took a hit early yesterday as investors weighed the new political uncertainties, but the market went on to finish higher (see related article1.)

Rep. Charles Rangel, the New York Democrat who is expected to become chairman of the tax-writing House Ways and Means Committee, cites "ending tax shelters for companies that move American jobs overseas" as one of his main objectives. He is also expected to complicate the White House's efforts to further liberalize trade by demanding strong protections for labor in any trade deals.

California Rep. Nancy Pelosi, the probable new speaker of the House, has already called for ending "tax giveaways" to oil companies, negotiating with pharmaceutical companies for better drug prices for federal health programs and rolling back tax cuts for the wealthiest Americans.

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Many political observers, however, doubt the Democrats can gain traction on more than a few of these issues, especially with business groups and their political allies keen to avoid losing any ground on trade and taxes.

Raising the minimum wage is one fight the Democrats are expected to win. That would be a victory for organized labor, which has pushed for an increase for years, but a defeat for the restaurant and retail industries and small-business owners, who argue it would hurt the economy by forcing them to hire fewer workers.

Mrs. Pelosi has promised to bring legislation to the floor within the first 24 hours of the new Congress to boost the minimum wage to $7.25 an hour from the current $5.15. The idea is popular with voters: Six states overwhelmingly passed ballot initiatives Tuesday to raise the minimum wage and tie future increases to inflation. Republicans may feel hard-pressed to oppose the move.

At a news conference yesterday, President Bush cited the minimum wage as "an area where we can ... find common ground."

On the trade front, businesses face the growing threat of protectionism. Several victorious Democrats campaigned as trade skeptics, arguing that U.S. manufacturers are being battered unfairly by companies in China and other low-wage countries with weaker environmental and labor protections. Trade watchers on both sides of the issue say President Bush will have a tough time winning a free hand from Congress to negotiate trade accords. The president's "fast track" authority -- under which Congress has to vote up or down on trade agreements, forgoing amendments -- expires in July, and a Democrat-led House is less likely to grant him such sweeping powers again.

Leo Gerard, president of the United Steelworkers union, told reporters yesterday that the coming showdown over Mr. Bush's fast-track authority is "the first battle that we're going to win."

U.S. trading partners are reluctant to negotiate new trade accords if they think Congress will change the terms before ratifying them, and the current Doha round of global trade talks is already considered to be in deep trouble. European Commission President José Manuel Barroso appealed yesterday to the new U.S. Congress to help revive the stalled talks.

The trade debate is particularly heated when it comes to China, with its fast-growing export industries. Lawmakers could take steps to press China to improve its enforcement of intellectual-property rights and other trade rules. Yesterday, Mr. Rangel, the New York Democrat, said the U.S. needs to "be angry as hell and try to protect American industry....We have to protect American jobs and American manufacturers."

Robert Portman, the former U.S. Trade Representative who now heads the White House budget office, says the Democrats could create "a real nervousness among people who invest in and look at our economy closely. The trade dynamic has been very good. Export-driven growth is important, and if we're not knocking down barriers to trade that's a concern."

Democratic control of the House also will end the Republican Party's drive to lower taxes and could frustrate President Bush's hopes of extending the reduced 15% tax rates on capital gains and dividends, which expire in 2010. Republicans' decade-long push to scrap estate taxes is also likely to be halted.

Democrats are expected to support some tax sweeteners for business, such as the research and development tax credit. Mr. Rangel also said one of his priorities is to ease the burden of the so-called alternative minimum tax, which is designed to keep wealthy taxpayers from taking so many deductions and credits they escape taxes altogether. Easing the burden of the AMT, which has begun to ensnare many middle-class families, could cost the government $1 trillion over 10 years, and many policy watchers expect Democrats to rescind tax breaks for corporations and the wealthy to help offset any tax cuts or new spending.

At the same time, Democrats have vowed to force pharmaceutical companies to charge less for drugs sold to Medicare beneficiaries -- an idea strongly opposed by the drug industry. Mrs. Pelosi is expected to push a bill to allow direct price negotiations between the government and the drug industry. Though such a measure might not clear the Senate or the White House, it could give Democrats traction to advance other ways of driving down drug prices, such as widening the availability of imported drugs.

Drug prices are also likely to be a major focus for investigations, reports and hearings by the new Democratic House committee chairmen, particularly California Rep. Henry Waxman, who will head the House Government Reform Committee. A favorite drug-industry benefit -- six months of exclusive marketing of medications in return for studies on their effects in children --

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is up for renewal and likely to draw scrutiny from Mr. Waxman and others. In an interview, Mr. Waxman says his priorities will include "reducing the price of prescription drugs."

Similarly, investors who own stock in student-loan providers like Sallie Mae worry about Democratic campaign promises to significantly reduce student-loan interest rates and speculation that they'll promote the William D. Ford Federal Direct Loan Program, in which students borrow directly from the federal government, rather than banks. That direct-lending program competes with the other federal student-loan program, Federal Family Education Loan Program, in which students borrow through a middleman such as Sallie Mae. In 4 p.m. New York Stock Exchange composite trading, shares of SLM Corp. -- better known as Sallie Mae -- were down 4.8% at $47.21.

The Democrat takeover of the House is expected to put outsize executive pay back in the spotlight, with a push toward giving shareholders a vote to approve pay packages. Massachusetts Democrat Barney Frank, who is expected to head the House Financial Services Committee, says he will hold hearings on executive pay and plans to move forward on a bill he introduced last year.

However, Mr. Frank and other Democrats have been receptive to business efforts to review the Sarbanes-Oxley corporate-governance law and to have regulators adjust some of the more controversial provisions. Sen. Charles Schumer, a New York Democrat, has spoken recently about curbing some aspects of the law, which he says is driving business away from U.S. financial markets.

Mr. Frank also has a strong interest in affordable housing and his chairmanship could shift the odds in the three-year-old struggle to tighten regulation of mortgage giants Fannie Mae and Freddie Mac. The Bush administration's efforts to persuade Congress to force the companies to slash their mortgage holdings had already sputtered before the election, and Treasury Secretary Henry Paulson has been looking for possible compromises. Now almost any legislative language to rein in the two companies may be politically impossible to sell.

Fannie and Freddie shares gained 2.9% and 2%, respectively, to $61.25 and $71.23 yesterday in 4 p.m. Big Board trading.

Still, Mr. Frank is expected to push hard for the legislation to require Fannie and Freddie to use more of their resources for financing loans to low-income people. That may hurt the companies' profitability. And both parties still want to create a more powerful regulatory agency to oversee Fannie and Freddie in light of their violations of accounting rules in recent years.

Another industry that could both benefit and suffer from the Democratic takeover of the House is the auto industry. Democrats are likely to push for greater use of alternative fuels, which could hurt or help Detroit depending on how legislation is structured. The industry is sharply opposed to tougher fuel economy standards supported by Democrats. But domestic auto makers are bullish on the potential for ethanol to partly replace oil as a transportation fuel and would support efforts to build the ethanol infrastructure and production capacity.

More perilous for the industry is Democratic interest in addressing climate change by limiting carbon dioxide emissions. Automobiles are among the worst offenders, and car companies could be hurt by new taxes or regulations aimed at limiting carbon emissions.

President Bush is said to be interested in climate change as well, and he has repeatedly spoken in favor of alternative fuels, making them an area where potential exists for successful legislation.

What The New Congress Will Mean For Business (WP)

By Lori Montgomery And Steven Mufson

The Washington Post, November 9, 2006

Democrats wasted no time yesterday proclaiming a new era in Washington, pledging to put middle-class economic issues at the top of their agenda. They promised fresh scrutiny of drug prices, corporate profits, international trade and more.

While President Bush and Democratic leaders pledged to cooperate, the presumptive chairmen of key House committees laid out plans to challenge the president on many issues important to business interests.

For instance, an exuberant Rep. John D. Dingell (D-Mich.) rattled off a to-do list for the powerful Energy and Commerce Committee, including regulating dietary supplements, promoting electric cars and examining drug-safety procedures at the Food and Drug Administration. "We'll kill the closest snake first," he said when asked about his priorities.

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Rep. Charles B. Rangel (D-N.Y.) said he would act quickly as Ways and Means chairman to authorize Medicare to haggle with drug companies over prices. Asked about White House opposition, Rangel wondered whether the president "has any idea of how frustrated the voters were and how much he was responsible for that frustration."

Analysts say that Democrats may find chastened Republicans receptive to some ideas, such as raising the minimum wage, but that compromise will be tough on many issues.

"There's nothing more important on either party's mind than winning the presidency in 2008," said Mark Weinberger, a partner at Ernst & Young LLP and a former Bush Treasury official. "The window for bipartisan cooperation is very small."

Business Prepares For Heightened Scrutiny (FT)

By Stephanie Kirchgaessner In Washington And Christopher Bowe And Ben White

Financial Times, November 9, 2006

Democratic victories in the US mid-term elections set the stage for heightened congressional scrutiny of pharmaceutical companies, oil and gas groups and government contractors such as Halliburton.

Shares in Merck, Schering-Plough and other big drugmakers fell on Wednesday in response to the polls, but the overall stock market rose, reflecting an emerging consensus among lobbyists that Democrats would take a selective approach in pushing for regulatory changes.

During the campaign, Democrats signalled their desire to reform Medicare, the US healthcare programme for the elderly, by pushing legislation that would give the government – as opposed to private insurers – the power to set drug prices, potentially adding pressure to the cornerstone of industry profitability.

Democrats will also strongly support alternative fuel at the expense of oil and gas companies, whose record profits and tax breaks will be scrutinised.

Government contractors such as Halliburton and Bechtel are also likely to come under fire for their work in Iraq, which has cost billions in taxpayer dollars. But the election of a significant number of moderate “pro-growth” Democrats mean that the party’s approach will be measured.

Although the incoming leaders of some of the most important committees in the House of Representatives and, potentially, the Senate – people such as John Dingell, Barney Frank, and Charles Rangel – represent the liberal wing of the Democratic party, most business lobbyists say they believe the lawmakers will espouse a “reasonable” agenda.

In part that is because left-leaning lawmakers will be reined in by moderates and because any sweeping legislative reform aimed at business could face a veto by President George W. Bush.

The lack of anxiety among some business lobbyists about the election results also reflects that, apart from a few industries that could be a target for congressional investigations, many companies, particularly on Wall Street, have strengthened their ties to Democrats in anticipation of a swing in control.

Such veteran lawmakers as Mr Frank and Mr Rangel are viewed as liberal lions, but also pragmatists who will seek out compromises to pass incremental reform. Charles Schumer, the New York senator who led his party’s campaign to recapture the Senate, and Senator Hillary Clinton, also have long-standing ties to Wall Street.

“A growth-oriented agenda is now a core Democratic party tenant,” said Blair Effron, a Democratic donor and partner at Centerview Partners, a financial advisory firm.

Mr Frank, the incoming chairman of the influential House financial services committee, appeared on Wednesday to give a nod to investment banks that are hopeful Democrats will support modest revisions of the Sarbanes-Oxley law, by emphasising his willingness to dilute some provisions in the corporate reform bill.

“I can promise you that this time next year, Section 404 will be much less of a burden without diminishing its central purpose of avoiding abuses,” he said in a speech in Boston, referring to a controversial provision that requires companies to disclose the adequacy of their internal financial controls.

The Democratic leadership has also struck a broad-brush deal with Republicans on trade liberalisation in an effort to establish the party’s bipartisan credentials.

Big Pharma Catches A Chill, Fearing Democrats' Prescriptions On Pricing (WSJ)

By Avery Johnson And Anna Wilde Mathews

The Wall Street Journal, November 9, 2006

Fears that Democrats will tackle drug pricing have investors reconsidering the pricing of drug stocks, too.

Shares of major pharmaceutical companies slipped yesterday amid concerns that Democrats will push for changes that could cut prices paid under Medicare for some medications, among other things. Still, analysts cautioned that Democratic control of the House of Representatives is unlikely to bring much immediate change for the industry. For one thing, many proposals on the Democrats' agenda could face a veto from a Bush White House, if they make it that far.

Even as the Dow Jones Industrial Average hit a record, the Dow Jones Wilshire U.S. Pharmaceuticals Index fell 1.7%, a reversal from the upward trend that has lifted the group about 17% in the past 12 months. Merck shares fell 3.4%, Schering-Plough lost 2.5% and Pfizer dropped 1.6%. (Options on drug stocks also stir. See article.1)

Also weighing on drug stocks was Merck's disclosure Tuesday that U.S. and Canadian authorities are requesting an additional $5.58 billion in taxes and interest going back to 1993. GlaxoSmithKline, the British pharmaceuticals company, agreed to settle a similar dispute with the Internal Revenue Service two months ago, which cost it roughly $3.1 billion.

Analysts stress that the major challenge to the industry isn't Washington rhetoric but issues that drug makers have struggled with for years -- few new drugs in the pipelines and threats from generic competitors. Although Big Pharma hasn't freed itself from those concerns, signs of progress have driven drug stocks' strong performance so far this year.

At least some drug companies appear to be refilling their pipelines with products that can take the place of blockbusters that will lose patent protection and taking other steps to ameliorate the situation. Merck, Schering-Plough and Pfizer are in varying stages of aggressive restructuring programs. Merck has had five new drugs approved this year alone.

The rumblings in Washington may be a short-term distraction. "We continue to view a potential recovery in the sector's pipeline as a more important long-term value driver" than the elections, Banc of America Securities analyst Chris Schott wrote in a recent note to clients. "We see many near-term positive pipeline catalysts."

Catherine Arnold, a pharmaceutical analyst at Credit Suisse, says next year's earnings look to benefit from favorable comparisons to this year, which saw profits hit by generic competition, and by increased benefits from cost-cutting programs. But she is neutral on drug stocks, noting that clouds loom with a presidential election in 2008 and potentially lower prices.

Democratic leader Nancy Pelosi of California, who is expected to become speaker of the House, has said Democrats will introduce legislation allowing the government to negotiate directly with drug companies to secure better prices for medications offered to senior citizens under Medicare. Democrats also have backed making generic drugs more accessible and expanding the ability to import cheaper drugs from overseas.

Democrats' new dominance in the House -- and possibly the Senate -- could bolster drug-safety efforts at the Food and Drug Administration. Democrats have a chance to put their stamp on critical legislation that must be renewed next year, including FDA user fees and the law that gives drug companies extended protection against generic competition if they study the use of their medications in children. Democrats will be able to launch and lead investigations and oversight hearings that will likely focus on drug pricing and safety.

Rep. Henry Waxman of California, who will now be chairman of the House Government Reform Committee, has introduced a bill to create a pathway for generic versions of biotech drugs. Though the complexity of the issue makes quick legislative changes unlikely, it will likely find more traction with Democrats in charge. Democrats are also eyeing other moves, including boosting funding for the FDA's generics-drug office. They may also look to discourage some tactics that the branded drug makers use to protect their turf, such as deals for so-called "authorized generics."

"There's no question that the world just changed for us, but it's not a big surprise, and no one's panicking," said Ken Johnson, senior vice president at the Pharmaceutical Research and Manufacturers of America, the industry trade group. He vowed to redouble public-relations efforts leading up to the 2008 presidential election, which he called "even more important" than most elections for the drug industry.

Implementation of the Medicare prescription-drug benefit shored up drug-company revenues during a research and development drought, and fed healthy profits, especially toward the end of this year. Industry executives say the Medicare drug benefit has served patients well, with high satisfaction and lower costs than originally forecast. "The free market has created

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competition and prices are going in the right direction," said Tony Zook, president and chief executive of AstraZeneca's North American unit.

Analysts said yesterday's stock-price declines reflected a psychological defeat for the drug companies rather than anything immediate that could affect their businesses. "The stocks are reacting to the perception that Democrats are in charge, and Democrats are mean to the drug industry," said Richard Evans, a pharmaceutical analyst at Sanford C. Bernstein & Co.

Some on Wall Street are concerned about whether the election results foretell a Republican loss in 2008. "If this is an indictment of the Republicans, then it does not give the industry a warm-and-fuzzy feeling for the presidential election in 2008," said Barbara Ryan, a pharmaceutical analyst at Deutsche Bank.

In the near-term, Democrats are likely to support new powers for the FDA. A senior Democratic House staffer with experience in health care says Democratic lawmakers are likely to be "very receptive to the recommendations" in a recent report from the Institute of Medicine, an independent research organization that advises the federal government. Changes called for in the report include restrictions on direct-to-consumer advertising for the first two years a drug is on the market.

New Congress Expected To Scrutinize Government Management (column) (WP)

By Stephen Barr

The Washington Post, November 8, 2006

The new Congress will take a more skeptical view of the Bush administration's approach to managing the federal government, in particular efforts to contract out federal jobs and link employee pay raises more closely to job performance.

Those were the post-election predictions offered by a number of public policy experts, union leaders and Democrats yesterday.

Policy analysts said they expected that the Democratic takeover of the House and possible capture of the Senate would lead to more-rigorous oversight to root out waste, fraud and abuse in government. Federal union leaders saw the election results as an opportunity to roll back some of the administration's workforce initiatives.

Key members of Congress from both parties traditionally put aside partisan differences and work closely with one another on civil-service issues. More than likely, the same House and Senate members will continue to cooperate on issues important to federal employees, such as pay, benefits and retirement.

Rep. Henry A. Waxman (D-Calif.) is in line to take the chair of the House Government Reform Committee, replacing Rep. Thomas M. Davis III (R-Va.). Before the election, Waxman said his priorities would be to tighten restrictions on lobbyists, clean up federal contracting, improve whistle-blower protections for federal employees and reduce cronyism in political appointments.

Some employee groups said yesterday that they expect to see Rep. Chris Van Hollen (D-Md.) serve as a bridge between Waxman and Davis on federal employee issues. Van Hollen said he "would be happy to work with both of them," adding that he hopes to find "some long-term resolution" that ends annual legislative fights over contracting out of federal work.

Outsourcing efforts "have demoralized people throughout the federal workforce," Van Hollen said. "The amount of time, energy and anxiety spent going through this process has far outweighed any benefit."

If the Senate changes party control, Sen. Joseph I. Lieberman of Connecticut, a career Democrat who won as an independent, seems likely to take the helm of the Senate Homeland Security and Governmental Affairs Committee.

The committee is chaired by Sen. Susan Collins (R-Maine), and she and Lieberman have enjoyed a collegial relationship on a number of issues, including how to restructure the Federal Emergency Management Agency after the administration's sluggish response to Hurricane Katrina.

The shift to a divided government could make it difficult for either side to launch initiatives that directly affect federal employees, analysts said.

"Federal employees should expect that things will go slow on the president's agenda, and they have gotten a two-year break in the action," said Paul C. Light , a New York University professor who studies public-service issues.

George Nesterczuk , a Republican policy adviser on civil-service issues, said the election results would not stop the White House from continuing with its management changes inside agencies. Still, he added, "Quite frankly, I don't see much happening in the next two years."

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Robert M. Levi , director of government relations at the National Association of Postmasters, noted that a number of moderate Republicans lost Tuesday, raising the prospect that the next Congress may be more interested in fiscal discipline.

"When the House considers whether it wants to reduce the budget deficit, what are they going to look at, and how are federal and postal employees going to be impacted by the desire to reduce the budget deficit?" Levi asked.

But congressional aides said Washington area advocates for federal employees will resist any deficit solutions that carve into federal benefits.

Those members include Rep. Steny H. Hoyer (D-Md.), who may be the next majority leader of the House, Reps. James P. Moran Jr. (D-Va.), Frank R. Wolf (R-Va.), Van Hollen and Davis and Del. Eleanor Holmes Norton (D-D.C.).

John Gage , president of the American Federation of Government Employees, and Colleen M. Kelley , president of the National Treasury Employees Union, said they would redouble efforts to block contracting plans at agencies where they represent workers.

Gage and Ron Ault , president of the Metal Trades Department, AFL-CIO, said defense unions will lobby the next Congress to repeal the new National Security Personnel System, which overhauls pay and workplace rules for Defense Department civilians.

"We need to kill NSPS once and for all," Ault wrote to union leaders yesterday.

Light and others said they doubted Congress would abolish a personnel system only two years after authorizing its creation. But Light said the election means the NSPS will continue "at a much slower pace" and under more rigorous oversight by Congress.

Power Cleaning (WP)

By Libby Copeland

The Washington Post, November 9, 2006

Revenge belongs to the Democrats on Capitol Hill, not that they'd ever take advantage of such a thing. They say they're going to be fair. And nice.

But on the off chance that they might desire just an itty bit of payback, things could get interesting in the House over the next two years. There are a lot of things a newly anointed majority party can do to annoy a minority party, and plenty of reasons they'd want to -- particularly if they've been under the other party's thumb for 12 long years.

Perhaps we shouldn't call this revenge. Perhaps this is just what a party in power does. Dogs chase squirrels, and the majority party in the U.S. House gets to throw its weight around a little.

Here's Dick Armey describing it. Armey, of course, was a big wheel in the Republican leadership the last time this happened, in 1994, when the Republicans won the House after 40 years of being out of power. They were primed for retribution. They had suffered the Democrats' abuse. But Armey doesn't call it abuse. He calls it "good-natured stuff."

For example, the time in the late '80s when Armey asked House Speaker Jim Wright if he could have a small vacant space that was just sitting there, next to Armey's office, and the speaker acted surprised that any such empty room existed, and promised he'd look into it, and a few days later some Democrat started moving his belongings into that space? That, says Armey, was "kind of funny."

It was in this spirit of joviality, once the Republicans took over, that Armey went to the new speaker, Newt Gingrich, and suggested that the Texas Democrats who had been gathering weekly to lunch, year after year, in the speaker's dining room should be assigned a more fitting space.

Perhaps something in the basement.

"Newt thought I was being mean," Armey says. But it wasn't meanness. "This is Tevye in 'Fiddler on the Roof.' It's tradition."Cellar Dwellers

Tradition!

"The first thing you've got to learn is that from now on, you don't get upstairs," says former Democratic congressman and former West Virginia governor Bob Wise, recalling how some of the meeting rooms for Democrats were downgraded when the

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Republicans took over after '94. Members' personal offices are doled out on a seniority basis, but control over many other rooms falls to the majority.

No more "charming" meeting rooms with "ornate paneling," Wise says. Hello, "sterile white walls." During the first months of the Republican takeover, Wise wrote a piece called "Diary of a Congressman" for Washington Monthly. Here's the entry for Feb. 22, 1995: "The President comes to the Hill. Republicans give us a basement room. Classy."

It's just no fun being the minority party. Not when you've gotten used to the feeling of power. Suddenly, Cabinet officials who once conferred with you are now calling someone in the other party. Now, you call a news conference and no one comes.

"Twelve years later, all of my former staffers still call it the Great Depression," says Rep. Ed Markey (D-Mass.). "You're in the majority, you have the gavel, the staff's much larger than the minority's, you control the agenda and then the next day . . ."

The next day, the gavel disappears in a puff of smoke. (Okay, not really. You get to hold on to it till January. Cradle it in your arms, if it helps you feel better.)

"Quite often, the minority is given much less useful work space," says Scott Lilly, who used to be the Democratic staff director on the House Appropriations Committee. Minority committee staff may find themselves in a cramped, windowless office, far from that beautiful view of Rayburn Park. Far from everything, really.

Office space may seem petty, but it counts for a lot. It is both a practical and a psychic burden when an office manager's space is so small she can't even push her chair back to stand up. After the '94 elections, a Republican congressional aide bought her colleagues tape measures in anticipation of their new, grander offices. The Republicans were tasked with figuring out just what property, exactly, they were now in charge of doling out.

"That cracked us up," Armey says. "In one case, we found a whole building we didn't know we owned."Arrogance or Gamesmanship?

Revenge is in the eye of the beholder. It may be that power is innately corrupting, or perhaps it only appears that way from the outside. It may also be -- and this is key -- that the things a party must do to pass legislation and stay in power are inherently unpleasant for the other party. In any case, it turns out that Democrats and Republicans have something in common. They both think the other guys are arrogant when they're in charge.

"They had been pretty arrogant about their use of power," former congressman Bob Walker (R-Pa.) says about the Democrats.

They had "an arrogant disregard for the House as an institution," former congressman Martin Frost (D-Tex.) says about the Republicans.

The House under a Democratic majority was at times "run like an old Southern plantation," says Thomas E. Mann, a senior fellow at the Brookings Institution. He says the Democrats saw themselves as a permanent majority, and could be stingy and abusive. One Republican staffer said in '94 that the Democrats had treated his party like "scullery maids." Former Democratic speaker Tip O'Neill was suspected of deliberately mispronouncing certain Republicans' names. Republicans took to calling the institution an "imperial Congress."

As for the just-demoted Republican majority, Mann says, they abused the rules to keep the Democrats from being heard or from participating in the crafting of legislation. He and Norman J. Ornstein of the American Enterprise Institute have written a book called "The Broken Branch," about the intense partisanship they say the Democratic majority started and the Republican majority continued and, in some cases, made worse. They and others list practices such as closed-door sessions that shut Democrats out of negotiations, "closed rules" that don't permit members to offer amendments to legislation, and the majority party's practice of holding votes open past the traditional 15-minute period to persuade more members to vote its way.

When the Republicans came to power after '94, they promised they would not try to get "even," promised they would be more fair and magnanimous than the Democrats had been.

Recent highlights from a most unhappy union:

2003: A session on pension legislation devolves into name-calling when Democrats say they haven't had enough time to read a substitute measure. Republican Bill Thomas, chairman of Ways and Means, refuses to delay a vote. Democrats march out to a nearby House library. Thomas calls the cops to evict them.

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2005: Republican F. James Sensenbrenner, chairman of the Judiciary Committee, becomes impatient with Democrats criticizing the USA Patriot Act. He bangs his gavel, adjourns the hearing and walks out. Democrats continue to testify with their microphones shut off.

Nancy Pelosi, who is primed to become the new speaker once the Democrats take over in January, has been promising a new era of civility and bipartisanship in the House. Those good intentions will presumably be the angel on her shoulder. On her other shoulder, however, there may be temptation . . .

"It's in our mutual political interest to try to work out a bipartisan agreement on legislation," says Charles Rangel (D-N.Y.), who is slated to become the new chairman of Ways and Means. "It's up to me and the Democratic leadership to convince those new Democrats who don't know what it's like to legislate that if they want to get even they can never get anything done."

"I think there are going to be two strains of thought in the caucus," says former representative Vic Fazio (D-Calif.). "One will be 'Let's get the bastards.' And the other will be . . . 'Why don't we try to get this place more livable, more workable?' "

Fazio says he thinks Pelosi is sincere when she says she wants to make things better. On the other hand, "should the Republicans go into a kamikaze mode trying to exploit every opportunity . . . who knows how long the Democratic patience will last?"

Who knows? Maybe, just maybe, they'll find some way to get along. Maybe Pelosi won't send Republicans down to basement meeting rooms.

That incident in 1995 when Armey managed to get the Texas Democrats banished from the speaker's dining room? It turns out Gingrich relented in the end, according to Texas Democrat Gene Green, who says several Democrats appealed to the new speaker. Green himself made an appeal. Back then, he was a relative newbie, a "low person on the totem pole," but one day circumstances conspired to allow him to talk to Gingrich.

"He and I were in the men's restroom on the second floor," Green says. "And I said, 'Mr. Speaker, what's the problem with the Texas Democrats having the speaker's dining room?' And he said, 'I have no idea.' "

CONGRESS-ADMINISTRATION:

The New House Majority Offers Bipartisanship -- And An Ambitious Agenda (WP)

By Jonathan Weisman And Charles Babington

The Washington Post, November 9, 2006

Congressional Democrats savoring their return to power pledged yesterday to work closely with President Bush on a legislative agenda but demanded a change in course on Iraq and new directions on policies such as the minimum wage and stem cell research.

Democrats were on the verge of capturing the Senate last night to go along with the House majority they won on Tuesday. In Virginia, former Navy secretary James Webb appeared to have defeated incumbent George Allen (R) in the last remaining Senate race, although Allen had yet to say whether he would ask for a recount.

In the House, Rep. Nancy Pelosi (D-Calif.), who is poised to succeed J. Dennis Hastert (R-Ill.) as speaker, promised swift action early next year on a Democratic package that includes an increase of $2.10 an hour in the minimum wage, full implementation of the recommendations of the bipartisan Sept. 11, 2001, commission, and making some college tuition payments tax-deductible.

Pelosi said she will not heed the calls of some activists on the left to explore impeaching the president. But with subpoena power and committee chairmanships, Democrats will ensure that Bush's anti-terrorism and war policies receive tough scrutiny in the last two years of his presidency. "Democrats are not about getting even; Democrats are about getting results," Pelosi said at a news conference. "I have said before and I say again, impeachment is off the table."

Voters on Tuesday handed Democrats control of the House for the first time since 1994, giving the party a gain of 28 to 30 seats. In January, Pelosi will become the first female House speaker. Hastert, the longest-serving Republican speaker, announced he will step aside and let a new generation of party leaders emerge after this week's losses.

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Montana Democrat Jon Tester was declared the winner yesterday in his race with Conrad Burns, the fifth incumbent Republican to fall in the Senate. Democrats need to pick up six seats to gain the majority. As for the Virginia race, with Webb leading by 6,697 votes, even Senate Republican aides were quietly saying their majority was over.

In morning phone calls, Bush congratulated Pelosi, the House minority leader, and Senate Minority Leader Harry M. Reid (D-Nev.), and invited them to a White House lunch today. Bush and Pelosi pledged to put behind them a bitter campaign, in which the president had asserted that a Democratic victory would be a victory for terrorists and Pelosi repeatedly questioned his competence.

"I've been around politics a long time," Bush told reporters. "I understand when campaigns end and when the governing begins."

But policy clashes are inevitable. Control of both houses of Congress would ramp up pressure on Democrats to turn their calls for change into quick legislative accomplishments.

Beyond the Democrats' planned 100-hour blitz to pass most of their legislative agenda, Pelosi reiterated her pledge to restore fiscal discipline to Congress. That could pit her promises of federal largesse against Democratic desires not to roll back the president's tax cuts before their scheduled 2011 expiration dates. She also vowed to enact far-reaching controls on lobbying and ethics that Republican leaders promised this year but did not deliver.

The Democrats' victories also spell trouble for Senate confirmation of interim U.N. Ambassador John R. Bolton and greatly complicate Bush's efforts to appoint conservatives to the federal bench. The administration is virtually certain to face greater congressional scrutiny -- and possibly new legislative restrictions -- on warrantless wiretaps, trade pacts, interrogation techniques for detainees and other controversial policies.

Rep. Thomas M. Davis III (R-Va.) said in an interview on Washington Post Radio (WTWP-FM) that Bush will be "reacting to subpoenas flying, investigations."

"If we tended to underinvestigate, I think you'll see Democrats tend to overinvestigate," Davis said.

Tuesday's election results could be a boon for backers of wide-ranging changes to U.S. immigration laws, one of the few areas in which Bush differed with House Republicans and sided with a bipartisan Senate approach. The GOP-controlled House had insisted on dealing only with measures calling for tougher border and workplace enforcement, rejecting calls by Bush and the Senate for an expanded guest-worker program and possible pathways to legal status for millions of illegal immigrants. A Pelosi-led House is far more likely to embrace some or all of the Bush-Senate approach, lawmakers said.

"A great deal will depend on whether the president is committed to getting this done," Sen. Edward M. Kennedy (D-Mass.), a champion of the broader immigration rewrite, said in an interview. He said Republicans have overestimated the appeal of a punitive approach to immigration problems, noting the defeat of Rep. J.D. Hayworth (R-Ariz.) -- a chief proponent of deportations and border crackdowns.

Yesterday, Bush said of comprehensive changes to immigration laws: "I think we have a good chance. . . . It's an important issue, and I hope we can get something done on it."

Among the many possible clashes between Bush and the new Congress is the question of whether to permit federal funding for research involving new lines of embryonic stem cells. Bush used his only veto this year to block such legislation, which passed both houses comfortably but not by the two-thirds majority needed to override a veto. The new Democratic-controlled House would appear to remain short of a two-thirds majority favoring more embryonic stem cell research, but the revised political dynamics might force the administration to reconsider its position.

And there will be investigations and hearings, especially into the conduct of the war in Iraq and waste in contracting. Rep. Ike Skelton (D-Mo.) said yesterday the first move he will make as chairman of the House Armed Services Committee will be the reestablishment of the subcommittee on oversight and investigations, abandoned by Republicans when they took the majority.

More than anything else, public unhappiness over the Iraq war powered the Democrats' success Tuesday, according to exit polls, but it was unclear yesterday how much the new Congress will or can do about the conflict. Reid called on Bush to "convene a summit of congressional leaders" to discuss the war. "We've got to work together to change direction in Iraq," he said.

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But before such tasks can be tackled, both parties will have to decide who will lead them in a transformed Congress. Rep. Steny H. Hoyer (D-Md.), the House minority whip, launched his battle for the post of majority leader yesterday against Rep. John P. Murtha (D-Pa.), who became a hero to many liberal Democrats with his early calls for a withdrawal from Iraq.

Rahm Emanuel (Ill.), chairman of the Democratic Congressional Campaign Committee, said he would announce today whether he will challenge House Democratic Caucus Chairman James E. Clyburn (S.C.) for the post of House majority whip. If he does, that race would pit the person who can claim a large share of the credit for Tuesday's electoral victories against the only African American in Democratic leadership.

Meanwhile, Hastert, who has been criticized by some for not intervening in the Mark Foley page scandal, announced he will not seek the position of House minority leader next year.

In his wake, a scramble began immediately. Majority Leader John A. Boehner (R-Ohio) will square off with conservative Rep. Mike Pence (R-Ind.), who took a shot at the current leadership in a letter to colleagues saying that "we did not just lose our Majority -- We lost our way. We are in the wilderness because we walked away from the limited government principles that minted the Republican Congress." Rep. Joe Barton (R-Tex.), chairman of the Energy and Commerce Committee, said he may also run.

In Montana, Tester, the state Senate president, held a lead of 2,847 votes -- or 0.7 percent -- over Burns, a three-term senator. Tester declared victory yesterday morning. Burns did not concede, saying, "There is no need to rush to a conclusion when the voters are this close."

"Senator Burns's campaign will do what they think is right when they think it is right," Tester told reporters in Great Falls, Mont. "And I am okay with that. We won this thing."

A spokesman for Secretary of State Brad Johnson, a Republican, said all votes had been counted, except for about 1,000 provisional ballots and an unknown number of military ballots from overseas that could still arrive. The spokesman, Bowen Greenwood, said it is unlikely but not impossible those uncounted votes could bring Burns within a 0.5 percent margin -- approximately 2,000 votes -- and thus allow him to ask for a recount.

Democrats Looking Ahead To January (AP-Y)

By David Espo

AP, November 9, 2006

Restored to power, congressional Democrats pledged Wednesday to press for a new course in Iraq and move promptly to raise the minimum wage. "We will not disappoint" the American people, said Rep. Nancy Pelosi, speaker-in-waiting.

At a news conference in the Capitol, Pelosi pledged that Democrats will make the next Congress "the most honest, ethical and open" one in history.

She made her comments with the extent of the Democrats' triumph in Tuesday's midterm elections still unclear.

Several House races remained too close to call, and the size of the new Democratic majority seemed likely to grow by a few seats. The battle for Senate control hinged on the outcome of a tight Virginia election. There, Democrat Jim Webb led Republican Sen. George Allen by more than 7,000 votes as state election officials canvassed the returns.

Pelosi and Senate Democratic Leader Harry Reid of Nevada both said they would work with President Bush in a bipartisan manner, and made the same commitment with respect to congressional Republicans.

"If Democrats go in and seek retribution, we lose," agreed Sen.-elect Sherrod Brown, D-Ohio, who defeated two-term Sen. Mike DeWine.

At the same time, Democrats made clear they intend to use their power.

Several Democrats suggested during the day that Bush meet with leaders to conduct a high-level review of the war in Iraq, a conflict that is unpopular with the public and that polls said had contributed to the Republicans' electoral defeats.

Rep. John Dingell, D-Mich., in line to take back the chairmanship of one powerful committee, told reporters he wants the Federal Communications Commission to hold off on its vote on AT&T Inc.'s proposed acquisition of BellSouth Corp.

Dingell said the acquisition raises a "significant antitrust question," and sent a letter to the FCC asking that it hold off on the vote until after the new Congress convenes in January.

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"I think it would be in their interest, I think it would be in the interest of the committee and I think it would be in the interest of the public," he said.

Rep. Charles Rangel, D-N.Y., in line to head the tax-writing Ways and Means Committee, declined to discuss possible tax increases or changes in Medicare in an interview with reporters.

He said his top priority was to close the tax gap — referring to money that taxpayers owe the government but do not pay. "My only fear is that Republicans might call this an increase in taxes," he said.

He also criticized an IRS program that makes use of private tax collectors rather than government employees to seek taxes owed. "I think it is terrible for taxpayers to believe they are going to be hounded by the same kind of debt collectors," he added.

The minimum wage increase is one of a handful of measures Pelosi had promised to bring to the floor of the House in the first 100 hours it is in session under Democratic control next January.

Republican congressional leaders have maneuvered successfully to block passage of a minimum wage increase in recent years, but voters in six states approved ballot measures on Tuesday mandating raises. "When Washington doesn't act, then America does," said Sen. Edward M. Kennedy, D-Mass., who would become chairman of the committee with jurisdiction over the issue if his party wins the Senate.

The current federal minimum wage is $5.15 an hour. Legislation backed by Democrats in the House and Senate would increase it to $7.25 in three steps, although Pelosi has not yet said precisely what bill she intends to bring to a vote.

Pelosi, following up on a campaign promise, said Democrats would seek passage of several bills in the first days of the new session.

In addition to the minimum wage hike, Democrats will push to implement the recommendations of the commission that investigated the terrorist attacks of Sept. 11, 2001 and a reduction in the interest rate on student loans. Other items include legislation to promote energy independence, allow expanded stem cell research with federal funds and a call for lower drug prices under the Medicare prescription drug program.

Apart from a legislative agenda, Democrats awoke to a leadership election. While Pelosi's selection as speaker is unlikely to be contested, two senior Democrats maneuvered for election as majority leader.

Rep. Steny Hoyer of Maryland is the second-ranking member of the leadership, and said as the election returns were counted on Tuesday night that he would run for leader. Rep. John Murtha, D-Pa., a prominent critic of the war, said he, too, will run.

Murtha is close to Pelosi, while Hoyer and she have clashed in the past. Pelosi sidestepped a question during the day when asked whether she would intervene in the race.

If Democrats were dividing up the spoils of victory, Republicans were sorting out their own future.

Rep. Dennis Hastert, R-Ill., announced he will not run for party leader when the new Congress convenes under Democratic control. That leaves Ohio Rep. John Boehner, the current majority leader, and Indiana Rep. Mike Pence, a prominent conservative, as rivals for the post. Rep. Joe Barton of Texas is another potential contender.

Hastert said he intends to remain in Congress, but other Republicans suggested that may not last long, adding that Bush may want to make the Illinois Republican an ambassador.

Pelosi Promises To Be A Bipartisan House Speaker (MERCN)

By Margaret Talev And William Douglas

The San Jose Mercury News, November 9, 2006

WASHINGTON - Nancy Pelosi, who's expected to be the next speaker of the U.S. House of Representatives, signaled Wednesday that she intends to steer a centrist course and work across party lines with President Bush to shape policy on Iraq, energy, Social Security and immigration.

Pelosi acknowledged that her party's return to the House majority after a dozen years in exile occurred largely because at least nine fairly conservative "Blue Dog" Democrats won Republican seats. The liberal-tilting House Democratic caucus must accommodate them - and the centrist voters they represent - she conceded.

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"Impeachment is off the table," she declared, spiking one dream that many liberal activists cherished. "Democrats are not about getting even . . . This election is about the future, not about the Republicans."

Pelosi's great challenge is to keep her party's liberal and more conservative wings united behind achievements that win the respect of voters in the presidential election year 2008, especially the great centrist bloc that abandoned Republicans across the country Tuesday. If Democrats pursue an excessively partisan agenda over the next two years, President Bush can block them with his veto, and centrist swing voters could be repelled by Democratic partisanship just as they apparently were by Republicans this year.

Sen. Harry Reid, D-Nev., who's likely to become Senate majority leader, echoed Pelosi's conciliatory tone. "We are not going to treat the Republicans like they've treated us," he said. Reid will become majority leader if Democrat James Webb's 7,000-vote lead over Republican Sen. George Allen in Virginia survives an expected recount.

Al From, the founder of the Democratic Leadership Council, the centrist wing of the Democratic Party, said that between now and 2008, "if Democrats act as problem solvers, not polarizers, that future will be very bright."

Pelosi, a 66-year-old San Francisco liberal who'll be the first female House speaker in history, used her first post-election news conference to quell speculation about how she intends to govern her fractious caucus.

Even as she pledged bipartisanship however, she challenged Bush to "signal an openness to new, fresh ideas," especially on Iraq, by dumping Defense Secretary Donald H. Rumsfeld, a move that, as it turned out, the president announced an hour later.

Pelosi also reiterated the Democrats' consensus agenda for the 110th Congress, which convenes in January:

_Raising the minimum wage.

_Repealing oil company subsidies.

_Expanding stem cell research.

_Allowing the federal government to negotiate lower prices from pharmaceutical companies for Medicare and Medicaid beneficiaries.

_Reducing college loan rates.

_Tightening lobbying restrictions.

_Adopting the 9-11 commission's anti-terrorism recommendations.

Rep. Thomas Reynolds, R-N.Y., the chairman of the Republican National Congressional Committee, who narrowly survived a stiff re-election challenge, said that while he was willing to work with Democrats in theory, "I never saw many opportunities to count Democratic votes that wanted to come in partnership with us." He predicted that Democrats would try to raise taxes and Republicans would fight such efforts and quickly regain a majority.

"We're going to take a two-year hiatus," Reynolds said.

"She has to figure out how to tear down a wall that exists between the Republican and Democratic parties," said Rep. Allen Boyd, D-Fla. "That's the failure of the Republican Party in the last 12 years . . . They've really tried to govern and had their speaker try to be a speaker of the Republican Party and not the whole House and not for all Americans. And you see what's happening."

Scott Lilly, a veteran House Democratic staffer who's now at the Center for American Progress, a liberal research center, said House Democrats must resist the impulse to pursue big ambitions such as a comprehensive health-care plan or an education overhaul.

"There's an appetite for major health-care reform, in doing something substantial in elementary and secondary education," he said. "That's not going to happen. The president would veto a number of those things."

Pat Toomey, the president for the Club for Growth, a pro-business conservative group, predicts that Pelosi "is going to find it hard to hold that caucus together. It is an ideologically very diverse caucus and the extremes are very, very far apart. I think she's gonna find she's got a tough job ahead."

Pelosi, who's now the House Democratic leader, and Reid, who's now Senate minority leader, are expected to win the top leadership posts in caucus elections next week.

New Democrats Pose Challenge (NYT)

By Carl Hulse

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The New York Times, November 9, 2006

WASHINGTON, Nov. 8 — Carol Shea-Porter is a New Hampshire social worker who campaigned on the cheap and ran hard against the war in Iraq. Heath Shuler is a North Carolina football star who is pro-gun and anti-abortion. Jerry McNerney is a California alternative-energy entrepreneur with a doctorate in mathematics.

Together they are part of the new mosaic of the Democratic Party in the House of Representatives — incoming lawmakers who will make a diverse group of political officeholders even more eclectic. While much of the focus in the campaign was on the more moderate tendencies of Democratic contenders, the scope of Tuesday's Democratic surge makes for a more complex picture and a broader mix of ideologies.

"Every type of Democrat won last night, Northeastern, Midwestern, Southern, Texan, Western, liberal, moderate, conservative and many whose ideology defies easy description and should be best described just as a Democrat," said Simon Rosenberg, head of the New Democrat Network, an advocacy group.

The results of some close races remained in question Wednesday but Democratic officials said they thought they would be seating at least 28 new members, bringing the party's totals to at least 230 in the 435-member House. They are still trying to get a handle on exactly who some of these people are, but it is clear they present a different tableau from the liberal lions who will be taking and retaking the chairmanships of some important House committees.

The diverse viewpoints and backgrounds they are bringing to Washington could pose problems for Representative Nancy Pelosi of California and Senator Harry Reid of Nevada, the newly empowered Democratic leaders of the House and Senate, as they quickly move to line up lawmakers behind the party's stances on national security, economic and social issues. The rank and file was eager to be unified when it meant a chance to overturn Republican rule; now Democrats must set the agenda and deliver.

"How are Senator Reid and Speaker Pelosi going to forge consensus on Iraq and on a budget?" Mr. Rosenberg asked. "Where are we going to end up on these two vital things, given the extraordinary diversity of this new Democratic majority?"

Mr. McNerney is a giant killer who, with help from the party and environmental groups, knocked off Representative Richard Pombo, chairman of the Natural Resources Committee. Mr. Shuler, one of the most conservative incoming Democrats, defeated Representative Charles H. Taylor, an eight-term Republican who had served on the Appropriations Committee since 1993. Ms. Shea-Porter, with no help from the party, pulled off one of the upsets of the night in defeating Jeb Bradley.

Keith Ellison of Minnesota, a state lawmaker and the first Muslim elected to the House, sees himself as a champion of economic justice. John Hall of New York, a rock musician and writer of pop hits like "Still the One," is a longtime critic of the nation's energy policy. Harry Mitchell, the former mayor of Tucson, is a veteran politician with a keen interest in immigration policy who is already the subject of a statue in his hometown.

"We are the most diversified caucus in the world and we think that is the great strength of the Democratic Party," said Representative John B. Larson of Connecticut, chairman of the Democratic caucus.

As they strode triumphantly through the Capitol on Wednesday, celebrating Democrats said that they were not worried about the party — which benefited from the support of independent voters who want to see legislative gains instead of gridlock — finding common ground.

"We have to get things done for the American people," said Senator Charles E. Schumer of New York, who oversaw the Democratic campaign effort for the Senate. "The greatness of this country is being stalled as we are unable to move forward on education and on energy and on Iraq and so many other issues."

The stands some new Democratic senators take could pose difficulties for their own party. Bob Casey of Pennsylvania, who beat Senator Rick Santorum, is an ardent opponent of abortion; Jon Tester, the Montana farmer with a trademark flattop who claimed victory over Senator Conrad Burns, could also emerge as a maverick.

Mr. Reid played down possible divisions, saying that Senate Democrats have shown they can overcome ideological differences. "We have widely varying political philosophies within this team," he said. "And what we've done is we've used these team members with their strengths, and we're going to continue to do that."

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In the House, Democratic unity could also be tested in relations between the new committee chairmen — many of whom are liberal veterans who wielded power years ago, when the party last controlled the House — and new lawmakers who have no recollection of the days when chairmen ran the show and the rank and file followed along.

Representative Rahm Emanuel of Illinois, the chairman of the Democratic Congressional Campaign Committee, said that while there were ideological distinctions among the new Democrats entering Congress, most could fit in the centrist part of the spectrum. And all, he said, have an overriding political bond.

"They are reformers in spirit and temperament," Mr. Emanuel said.

About half the incoming Democratic freshmen are already planning on joining the New Democrat Coalition — a generally centrist group that emphasizes economic competitiveness and national security issues. They include Ed Perlmutter of Colorado, a former state senator who had a legislative reputation for working with Republicans; Michael A. Arcuri of upstate New York, a seasoned district attorney; and Tim Mahoney, the Florida businessman who won the seat that the Republican representative Mark Foley resigned because of the Congressional page scandal.

Other Democrats in the group intend to enlist with the Blue Dog Coalition, a more conservative group viewed as having a more rural outlook and a focus on balancing the budget.

But both groups emphasize trying to find legislative consensus.

"The message from the American people is clear," said Representative Ellen Tauscher, a moderate from California who is chairwoman of the New Democrat Coalition. "They want leaders who will fight for pragmatic policies that improve their lives, whether the issue is Iraq, health care or anything in between."

Ms. Shea-Porter, relishing her victory Wednesday, said she shared that view and was coming to the House eager to try to fix problems despite differences in outlook she might have with her colleagues or the opposition.

"People are so tired of the factions of party and they have been begging us to get together and work things out," she said. "I have the soul of a Democrat, but I also come from a Republican family, and I know we have to reach out."

The 'Thumping' Of The GOP (WP)

The Washington Post, November 9, 2006

PRESIDENT BUSH responded swiftly to Tuesday's electoral "thumping," as he put it at yesterday's news conference. The president's decision to replace Defense Secretary Donald H. Rumsfeld is late but welcome, especially insofar as it reflects a willingness to bring a "fresh perspective" to the increasingly troubled situation in Iraq. Mr. Bush's choice of former CIA director Robert M. Gates to take over at the Defense Department increases the likelihood that this shift is more than a political bone thrown to an unhappy electorate. Mr. Gates is a member of the Iraq Study Group, chaired by former secretary of state James A. Baker III and former Indiana Democratic House member Lee Hamilton; he is also a seasoned national security professional who could press the president to embrace options he has resisted, such as reaching out to Iraq's neighbors.

"I recognize that many Americans voted last night to register their displeasure with the lack of progress being made" in Iraq, Mr. Bush said. It's good that he heard their message; he ought to consult congressional Democrats about a course correction. But Mr. Bush was right yesterday in signaling the limits of such cooperation: "If the goal is success, then we can work together. If the goal is get out now regardless, then that's going to be hard to work together."

If the president said many of the right things yesterday, so, too, did the incoming House speaker, Rep. Nancy Pelosi (D-Calif.), and Nevada Sen. Harry M. Reid, who is on the cusp of becoming majority leader. In a procession of news conferences, it seemed at times that the politicians were vying to see who could mention bipartisanship most often and pledge civility most passionately. Given that Mr. Bush came to Washington promising to "change the tone" and instead presided over six years of almost unrelenting partisanship -- not to mention his out-of-bounds campaign rhetoric equating a Democratic victory with a win for terrorists -- it's a bit hard to take all this post-election happy talk too seriously. The same goes for Democrats, given their similarly over-the-top venom toward Mr. Bush. But both sides clearly heard voters' disgust with Washington politics-as-roller-derby, and they may share an interest in avoiding a replay of such brawling.

Indeed, the greatest opportunities for real bipartisan cooperation may involve not Iraq but domestic issues. Yesterday Mr. Bush mentioned raising the minimum wage, at the top of Democrats' immediate agenda; reauthorizing the No Child Left Behind

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law, one of the president's early, and rare, moments of bipartisan cooperation with Democrats; and immigration reform, a subject on which the president has been more in sync with congressional Democrats than with his own party. The contours of a comprehensive immigration compromise were well defined last year; Mr. Bush and the new congressional majority should act swiftly to make that law. Much harder, but even more important, will be finding bipartisan will to tackle the growth of entitlement programs such as Social Security and Medicare, a subject that Mr. Bush raised yesterday. If Democrats aren't responsible enough to stop using those issues as political footballs and start considering the future fiscal health of the country, they won't deserve to remain in the majority.

Pelosi To Be First Woman To Lead Congress (USAT)

By Andrea Stone

USA Today, November 9, 2006

WASHINGTON — Nancy Pelosi wasted no time making clear who's in charge now.

"Democrats are ready to lead," the San Francisco congresswoman declared at a news conference Wednesday, hours after her party reclaimed control of the House of Representatives to end 12 years of Republican rule.

And prepared to lead the Democrats is an Armani-clad daughter of an old-fashioned Baltimore politician about to become the first female speaker of the House — two heartbeats from the presidency.

Voters "spoke out for a new direction," said Pelosi, who promised to be "the speaker of the House, not the speaker of the Democrats." She reached out to Republicans, saying she seeks bipartisanship: "Democrats are not about getting even."

President Bush responded in kind. He pledged to work with Democrats and leave behind the harsh campaign attacks exchanged by both sides. "If you hold grudges in this line of work, you'll never get anything done," he said.

How the two will get along is anyone's guess, given their diverse personal and political backgrounds. What is clear is that Pelosi has been preparing for this day.

During a campaign stop in Albuquerque on Oct. 28, a man asked what a female speaker is called. "They say 'Madame,'" she replied, "but you can call me Nancy."

Next week, the new Democratic majority elected on Tuesday plans to choose Pelosi to wield the speaker's gavel. She would officially take it from Republican Rep. Dennis Hastert of Illinois in January.

That would put her in the constitutional line of presidential succession behind Vice President Cheney and make Pelosi, 66, the highest-ranking woman in U.S. history.

"My first excitement is that there will be a Democratic speaker," Pelosi said in a pre-election interview.

She learned politics in the front room of her family's corner row house in Baltimore's working-class Little Italy. Like her five older brothers, "Little Nancy," as they called her, took turns keeping a "favor file" for her father, Thomas D'Alesandro Jr., a Democratic congressman and mayor.

Now, Pelosi is about to reach the top rung of a ladder that Montana's Jeannette Rankin began climbing 90 years ago when she became the first woman elected to Congress.

"It's tough. You talk about the glass ceiling. This is the marble ceiling," Pelosi said. Her ascendance, she said, tells women "they can handle power at any level, that we can breathe air at this altitude," and it "bodes well" for a woman to be elected president.

As polls in the campaign's final days pointed to a Democratic victory, Republican TV ads and e-mails demonized the House minority leader as a San Francisco liberal.

Former House speaker Newt Gingrich, who led the GOP revolution that ended 40 years of Democratic rule in 1994, circulated an e-mail to news organizations and Republican activists that said her "left-wing values are rejected by most Americans."

The message apparently didn't resonate. Nearly half of those surveyed in a USA TODAY/Gallup Poll last month never heard of Pelosi or had no opinion about her.

Pelosi's San Francisco district is one of the most liberal in the country — 14% voted for Bush in 2004 — and she makes no apologies for her constituents' values.

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She says conservative critics are “afraid of the fact that every child in San Francisco has health insurance, that our minimum wage is over $8 an hour.” As one of her first acts, she has vowed to push for a hike in the federal minimum wage, now $5.15 an hour.

Vin Weber, a GOP strategist and former Minnesota congressman, warns, “If Republicans believe this caricature of Nancy Pelosi as a wacked-out San Francisco liberal, they're going to find out it's not true and (will) underestimate her. … She comes out of a family famous for having extraordinary practical political skills.”

Thomas D'Alesandro III, Pelosi's brother and also a former Baltimore mayor, says, “She knows how to read people. She got that from my father. She's not confrontational. She tries to seek a consensus.”

That doesn't mean the mother of five (who awaits the birth of her sixth grandchild this week) is a pushover, according to those who've worked with her.

Former Texas congressman Martin Frost says he learned that firsthand when he opposed the then-No. 2 minority leader for the top Democratic post in 2002. Pelosi easily defeated the moderate lawmaker. He compares her to Margaret Thatcher, Britain's first female prime minister, who he says was “very steely.”

Pelosi moved into the leader's office promising a four-year plan to move back into the majority. She made good on her vow in part by raising more than $50 million this election cycle, the most of any Democrat other than former president Bill Clinton and his wife, New York Sen. Hillary Rodham Clinton.

She let Democrats know that their chances to chair plum committees “would be determined by how loyal they were and how active in fundraising,” Frost says. She made it clear there would “be consequences” if they weren't, he says.

It was a change from Pelosi's predecessor, Missouri congressman Dick Gephardt. Frost said Gephardt would “try to get (Democrats) to do the right thing with the carrot rather than the stick. She's more into the stick.”

Gephardt, whom Pelosi criticized for supporting the resolution in 2002 that authorized military force in Iraq, said in an interview that when he stepped down from his post to run for president, “the caucus was ready for a little more disciplined approach, and she brought that.”

House Democrats under Pelosi's prodding voted together 88% last year, according to Congressional Quarterly, the most unified stance in the past half-century.

Michael Franc of the conservative Heritage Foundation says Pelosi “found ways to inject an animal spirit that melded together the moderates with the most traditional liberals in ways I have not seen before. It was the shared mission that if we all stick together, our odds of recapturing the House go up immeasurably.”

It wasn't easy. Pelosi and other Democrats clashed over:

•Social Security. When the White House pushed for Social Security individual accounts last year, some Democrats such as Florida's Robert Wexler wanted to present their own plans to fix the retirement program. Pelosi brushed them aside to focus on defeating Bush's plan. She succeeded: It was shelved without coming to a vote.

•Iraq. The war has divided Democrats, but Pelosi put the best public face she could find — that of a highly decorated former Marine, John Murtha of Pennsylvania — out front. Murtha, a strong supporter of the military, called last year for a swift withdrawal of U.S. troops from Iraq. He said the war was wearing out the military.

Murtha had the behind-the-scenes blessing of Pelosi, who he says kept liberals “quiet” so the Vietnam War veteran could neutralize GOP charges that Democrats were weak on defense. “She's tougher than hell,” Murtha says. “I heard her tell one guy, ‘If you're not with us, we're not with you.' ”

•Ethics. Pelosi angered the Congressional Black Caucus when she pushed to remove caucus member William Jefferson of Louisiana from a powerful committee. She acted after the FBI said it found $90,000 in a freezer during a search of his home for a bribery investigation. She said she wanted to contrast her action with GOP leaders. They did not punish any members tied to lobbyist Jack Abramoff, who has pleaded guilty to corruption charges.

•Payback. When John Conyers of Michigan, in line to chair the Judiciary Committee, suggested Bush be impeached, she squelched the idea. “There's not going to be any impeachment. That would make the Republicans' day,” she says. “What we are about is the future.”

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Pelosi says she won't emulate Republicans who froze out her party from shaping legislation. “We're talking about opening Congress. It may have worked for them to consolidate their power, but it isn't right and it isn't what the American people expected.”

Dick Armey, a former Republican House majority leader who worked with Pelosi, says of her and the Democrats, “She will try to be more inclusive. One of their complaints is they've been left out of the process, cut off, ignored. They are going to try to demonstrate we are bigger than that.”

Some moderate Democrats hope they won't be left out, either. “There (have) been instances where she hasn't been as inclusive as she should have,” says Rep. Adam Smith of Washington. “It would be a mistake, but I'm optimistic that won't happen.”

Pelosi says she has big plans for the first 100 hours of a Democratic majority. Among them: “Sever unethical ties between lawmakers and lobbyists,” enact the recommendations of the 9/11 Commission and negotiate lower prices for Medicare prescription drugs.

Political scholar Stephen Hess of the Brookings Institution, a Washington think tank, says Pelosi “is no Newt Gingrich. She really isn't intellectually interesting. Gingrich came up with ideas. … With her, I don't know whether that's true or not. We have to see if she is really ready for prime time.”

Weber says Pelosi “is capable of being an effective speaker but faces significant constraints” from “the very energized, very angry” liberal base of her party, some of whom are in no mood to work with Republicans. “There's a good chance almost nothing will get done in the next couple of years,” he says.

A divided Senate, even a narrowly Democratic one, and the need to attract independent voters for the party to win the White House in two years will require Pelosi to reach out to Republicans. “The way she governs will be absolutely critical for the Democratic Party in '08,” says Bruce Cain, a political scientist at the University of California, Berkeley. “She's got to find the right balance.”

That means working with a still-Republican White House. Pelosi appealed to Bush “to work together to find a solution to the war in Iraq.”

Days before the election, she said three letters she and Senate Minority Leader Harry Reid, D-Nev., sent Bush offering to do that went unanswered. “I feel a little bit like Paul to the Corinthians. Paul wrote to the Corinthians all the time, but it's a mystery to all of us whether the Corinthians ever wrote back,” said Pelosi, who attended Catholic school. “I hope (Bush) would respect the office of speaker” and write back next time.

Wednesday, Bush picked up the phone and invited Pelosi to lunch today at the White House.

America's First Madam Speaker (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, November 9, 2006

WASHINGTON

Vilified in Republican campaigns across the nation as a "San Francisco liberal," Nancy Pelosi - the speaker presumptive of the 110th Congress - actually lives politics closer to her roots in the precincts and wards of Baltimore's Democratic Party machine.

That's not to say she's a backslapping, cigar-champing pol. The totems in Representative Pelosi's office are white Casablanca lilies and San Francisco's Ghirardelli chocolates. Like many Democrats of her generation, she keeps a photograph of herself - then, a credible stand-in for Audrey Hepburn - with President Kennedy on a table in her office.

But what helped Pelosi become the first female speaker - and second in line to the presidency - is old-school pragmatism: a practical sense of how to build power and no qualms about using it.

"The campaign is over. Democrats are ready to lead," she told cheering supporters in Washington on Tuesday.

A prodigious fundraiser with a family fortune, Pelosi openly split with the House's former Democratic leader, Richard Gephardt of Missouri, over the 2002 vote to authorize the use of force in Iraq, which she opposed. When Mr. Gephardt stepped down after Democratic setbacks in that year's midterm election, Pelosi quickly consolidated support to replace him.

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She insists that she would not hesitate to defend the nation, if needed. A woman in power is like "a lioness in the jungle," she said at a Monitor breakfast in March. "You know you're dead if you go near the cubs.... If you pose a real threat to the people of our country, you can count on hearing from us very soon," she added.

As minority leader in the House, Pelosi united a diverse and fractious Democratic caucus on more key votes than any leader in the past half century, according to a survey by Congressional Quarterly. She did it by setting clear lines and holding party members to them on the argument that a united caucus had a better shot at winning back the House than did a divided one.

But behind the unity is fear - mostly that she will strip projects or plum assignments from Democrats seen as working too conspicuously with Republican lawmakers.

Critics also charge that Pelosi has let partisanship interfere with legitimate oversight activities of Congress. Last September, when a House committee held a hearing on the government response to hurricane Katrina, she dubbed it a "a partisan whitewash" and urged Democrats not to attend. Two Gulf region Democrats went anyway, and the hearing turned out to be a grilling of Bush administration officials.

Former Speaker Newt Gingrich minced no words in stating his view of a Pelosi-led House. It would be, he said in August, a "disaster" for the country. A bigger tent to manage

As speaker, Pelosi will preside over a very diverse majority - broadened by the influx of red-state Democrats, many of them fiscal conservatives, that gave House Democrats their victory. Most newcomers are expected to line up with the moderate, "blue dog" wing of the caucus. With an expected margin about 30 votes, she will need all her pragmatic smarts to hold the new Democratic majority together.

"Pelosi has been able to maintain unity among Democrats, keep legislators on the same page and on message, count votes effectively, and cause problems for House Republicans. She clearly inherited her father's political skills," says Julian Zelizer, a congressional historian at Boston University, referring to former Baltimore mayor and US Rep. Thomas D'Alesandro. "Now, she will have no choice but to focus on keeping the Democratic machine intact, pushing her party to focus on politically effective issues and finding policies that will attract some Republican support."

In her first 100 legislative hours at the helm, Pelosi says, she aims to "drain the swamp" by passing a new rules package, including pay-as-you-go budgeting; raise the minimum wage; pass all the independent 9/11 commission recommendations; cut the interest rate on student loans by half; negotiate for lower drug prices in the Medicare prescription-drug program; end subsidies for Big Oil; and allow federal support of embryonic stem-cell research. All these items have at least some support across the aisle but involve bypassing the usual committee-hearing process to gain quick votes on the floor. It's an agenda that will test Pelosi's ability to hold her own majority while winning enough GOP support to get bills to the president's desk. Diversity counts

While current Speaker Dennis Hastert characterizes his role as that of a coach, Pelosi often describes herself as presiding over a room in her "mother-of-five voice." (In fact, she is a mother of five and awaits the arrival of her sixth grandchild.) And there's no word more important in the Pelosi lexicon than "diversity."

Bypassing more senior colleagues, Pelosi appointed Rep. Stephanie Tubbs Jones (D) of Ohio to be the first African-American woman to serve on the Ways and Means Committee, Rep. Hilda Solis (D) of California to be the first Latina on the Energy and Commerce Committee, and Rep. Linda Sanchez (D) of California to be the first Latina to serve on the Judiciary Committee.

"She understands the importance of diversity ... of having all groups represented in the decisionmaking process," says Rep. G.K. Butterfield of North Carolina, who serves on the steering committee for the Democratic caucus.

In the next Congress, that committee will consider new rules for committee assignments within the caucus, including whether to downgrade the importance of seniority. "While seniority is important, other factors are as important in a committee assignment or chairmanship, such as geography, race, and political philosophy," he adds.

In a move that has already generated controversy, Pelosi has signaled that she is unlikely to name Rep. Jane Harman of California, the ranking Democrat on the Permanent Select Committee on Intelligence, to the chairmanship, in favor of Rep. Alcee Hastings of Florida, next in line and a member of the Congressional Black Caucus. Respected in the intelligence community,

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Representative Harman often worked with the committee's GOP chairman, Rep. Peter Hoekstra of Michigan, even as Pelosi urged Democrats to hold ranks.

Caucus moderates are urging Pelosi to embrace the new freshman moderates.

Her "challenge is to wrap her arms around all aspects of the different philosophies that exist in this big Democratic tent, which is much larger as a result of this election," says Rep. Allen Boyd of Florida, a moderate Democrat. "I've tried to encourage ... Pelosi to put them in the room with her when she makes ... decisions."

Meanwhile, feminist activists hailed the historic moment of the first woman speaker ever. "This is the highest political leadership post ever held by a woman and puts Pelosi in the driver's seat as we begin to fulfill the will of the electorate and reshape the national agenda," says Ellen Malcolm, president of Emily's List, a group that supports abortion-rights candidates.

"Seeing this smart, tough, effective woman leading the Congress will help pave the way for the future of all women in politics," she added in a statement. Pelosi basics

• Career: House Democratic leader, 2002-present; Democratic whip, 2001-2002; House of Representatives, 1987-present; Democratic Senatorial Campaign Committee, 1984-1986; chairwoman, California Democratic Party, 1983-1984.

• Birthplace: Baltimore, Md.

• Current Hometown: San Francisco.

• Education: Bachelor of arts, Trinity College, 1962.

• Family: Husband, Paul; five children; five grandchildren.

• Self-description: "An Italian Catholic mother of five, grandmother of five, going on six."

• Former G.O.P. Speaker Newt Gingrich's description: "A hyperpartisan obstructionist."

• Miscellaneous: Pelosi stuffs cotton in her ears when she takes her grandkids to rock concerts. And she's so petite, a policeman once lifted her out of her shoes during an evacuation of the Capitol.

• What to expect with Pelosi as Speaker: Democrats could be expected to let most of President Bush's tax cuts expire and to block any new effort to privatize parts of Social Security.

• Quote: "I think targeting me [during the election] - most people don't even know who I am - is an act of desperation on the part of the Republicans. We're going to keep the focus in a very optimistic way on our new direction."

Source: The Associated Press

Pelosi Says Democrats Are Ready To Lead (AP-Y)

By Nancy Zuckerbrod, Associated Press Writer

AP, November 9, 2006

House Democratic Leader Nancy Pelosi — soon to be Madam Speaker — says she had something other than politics on her mind when her phone rang early Wednesday morning.

"I thought it might have been Alexandra calling with some news," Pelosi said, talking about her daughter and the impending arrival of a sixth grandchild. "I picked up the phone and said, 'Do we have a baby coming?'"

"Leader Pelosi?" the voice on the other end inquired.

It wasn't her daughter with news of an overdue baby but rather a White House staffer trying to connect her with President Bush. The president wanted to congratulate her after Democrats upended his party's 12-year reign in the House and put her in charge next year as the first female speaker in the nation's history.

"The call was so very, very early in the morning," an ebullient Pelosi recalled, saying that Bush referred to her as "Madam speaker-elect, and I referred to him as president."

Rep. George Miller, a California Democratic colleague, said Pelosi had been telling him for three weeks that "everything stops when the baby's coming."

Would a man in her position of power make the same choice? "The record's probably not very good on that," Miller quipped. Alas, the baby didn't come Wednesday.

Such was Pelosi's morning the day after voters gave Democrats at least a 25-seat majority in the House, and put her, a 10-term lawmaker, in the No. 2 spot in the line of succession to the presidency, behind only Vice President Dick Cheney.

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She was greeted outside the Capitol by cameras and seventh-graders from Flushing, N.Y., who happened to be there for a tour and ended up getting a hands-on civics lesson from the California Democrat.

"On the day of Jan. 3rd, I'll receive the gavel on behalf of all of the young people in America," Pelosi told the kids. "We're responsible to you."

At more buttoned-down media events throughout the day, Pelosi made it a point to promise repeatedly to work with the Republicans who her party had just drummed.

"Democrats are ready to lead, prepared to govern, and looking forward to working in a bipartisan way with the Republicans in Congress and with the president of the United States," Pelosi said. She planned to have lunch Thursday at the White House with Bush.

Any effort to impeach the president "is off the table," she assured the nation before TV cameras, but she also said American voters "spoke for change and they spoke for a new direction for all Americans."

In an appearance with Senate Democratic Leader Harry Reid of Nevada, Pelosi welcomed Bush's announcement he was replacing Donald H. Rumsfeld as secretary of Defense. "It will give a fresh start to finding a solution to Iraq, rather than staying the course," she said.

She said Democrats would return to power without rancor, but with a forward-looking vision, outlining an agenda that includes enacting recommendations of a commission impaneled after the Sept. 11 attacks to look at terrorist threats, raising the minimum wage, reducing college costs, pushing for more stem-cell research and working for lower medicine prices.

Pelosi will be formally re-elected as her party's leader, and its nominee to be speaker, when the Democratic caucus meets on Nov. 16. The actual speaker's election will occur in January.

While Pelosi is unopposed, other leadership posts are being hotly contested. Current minority whip Steny Hoyer of Maryland and leading Iraq war critic John Murtha of Pennsylvania are vying for the position of majority leader.

Rep. James Clyburn of South Carolina, a former chairman of the Congressional Black Caucus, is in line to become majority whip, but might be challenged by Rahm Emanuel of Illinois, who as party campaign committee chairman directed the Democrats' successful election effort.

Pelosi, 66, made history four years ago when she became the first woman to lead a party caucus in either house of Congress.

Her next history-making move is a huge step for women in America, Miller said.

"I think it's just an incredible role model. When I came to Congress (in 1974), there were very few women ... and now a woman is the speaker of the United States House of Representatives. It's really quite something," Miller said.

Pelosi is a liberal who represents one of the most left-leaning districts of San Francisco. Republicans had tried to use that against her. In races around the country, GOP partisans said the possibility of a "Speaker Pelosi" was reason enough to keep the House in Republican hands.

It's not clear which Republican will serve as minority leader. House Speaker Dennis Hastert announced Wednesday he will not run for Republican leader when Democrats take control in January.

The daughter and sister of Baltimore mayors, Pelosi grew up immersed in politics and moved west in her 20s when her investment banker husband wanted to return to his roots. She managed to work herself into California's Democratic political structure while raising five children who were born over six years.

She didn't run for Congress until she was 46, when her youngest daughter reached high school.

Nancy Pelosi Is Ready To Be Voice Of The Majority (NYT)

By Kate Zernike

The New York Times, November 9, 2006

WASHINGTON, Nov. 8 — As Representative Nancy Pelosi faced the cameras Wednesday morning, after the Democrats had taken a majority in the House and put her on the brink of becoming the first female speaker, she spoke so softly at first that some reporters insisted they could not hear her.

“I’m not in charge of the technical arrangements,” Ms. Pelosi said quietly, fiddling with the microphone.

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Then suddenly, she was commanding: "But I could use my mother-of-five voice!"

It is a line Ms. Pelosi uses often, and a voice she may have to rely on frequently as she tries to ensure that the new Democratic majority lasts more than two years.

As speaker, she would be second in line to the presidency — the closest a woman in elective office has come to the White House. And while she has been a leader in Congress for years, and the target of Republican attacks, many Americans still do not know who she is. Her new job places her on a more visible stage, with much greater stakes.

Ms. Pelosi, 66, who has been a San Francisco congresswoman for 20 years, became minority leader and then guided her caucus to victory by enforcing remarkable party discipline. She curbed the demands of those who share her often-caricatured liberal values, while making a place for the party's conservatives, for whom San Francisco is sometimes as distant as the moon.

She finds herself now with a more diverse caucus than before, some of its liberal members elected on a pledge to pull out of Iraq immediately, some members so conservative they often sounded like Republicans during their campaigns. She also has to work with Republican House members and a president she blasted — and took a blasting from — during a bitter two-year campaign.

Her friends say her background — as the daughter of a Baltimore mayor and congressman, the youngest and only girl in a family of six children, and the mother of five — has prepared her perfectly.

"I'll say to her, 'Nancy, I'd blow up if I had to deal what you deal with,' and she says, 'I had five children in six years,' " said Representative Anna G. Eshoo, Democrat of California, an old friend of Ms. Pelosi. "If there wasn't discipline in her house, there would have been chaos. She knows how important that is."

Ms. Pelosi's colleagues and friends describe her as a person of singular focus. That was evident as the House worked its final night before breaking to campaign for the midterm elections, significantly distracted by the resignation of Representative Mark Foley, Republican of Florida, after he was revealed to have sent sexually explicit electronic messages to Congressional pages.

Toward midnight, Ms. Pelosi took the floor. "As a mother and grandmother and the leader of the House Democrats," she began, demanding an investigation into what House leaders knew about the Foley messages. Republicans booed, a rarity even in the raucous House chamber. She pressed on, however, smiling her unbudging smile.

"Mr. Speaker, once again, as a mother and a grandmother," she continued, demanding that the votes be recorded.

Representative George Miller, Democrat of California, said, one of the things that motivated her to run for leadership "was that people didn't want to win."

"They were all going through the motions, but they weren't kicking it into gear." he said. "She looked around and said, 'What is this? I didn't come here to hang out.' "

After the Democrats lost in 2004, Ms. Pelosi talked to consultants about how the party could win, rather than resigning itself to minority status. Their suggestion, her advisers said, was to "take down" the president; it was not enough to simply kick him in the shins. Then, the consultants advised, she had to differentiate between the two parties, and finally, articulate the positive things that the Democrats would do.

She fought the president first on Social Security, sending Democratic lawmakers to tell the elderly in town-hall-style meetings that the president's plan for change would reward Wall Street at their expense.

While she had long opposed the war, she also realized that a liberal congresswoman from California would have little impact in speaking out against it. And she pushed back against liberal members of her party who wanted to protest by denying financing for the war. Instead, she worked quietly with Representative John P. Murtha, a conservative Democrat from Pennsylvania and a veteran who had supported the war, to get him to express his growing doubts about it.

Representative Edward J. Markey, Democrat of Massachusetts, said: "The most credible person in the Democratic Party would be the face of the party on this issue. She knew that because he had supported it, he had the greatest credibility to critique it."

Mr. Markey called Ms. Pelosi a liberal pragmatist: "San Francisco on the inside, Baltimore on the outside."

When Ms. Pelosi and Senate Democratic leaders were drafting their "Six for '06" platform going into the campaign, she pushed back on including traditionally liberal ideas like universal health care.

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“She realizes that you cannot make everyone happy,” said Senator Harry Reid of Nevada, the Democratic leader.

Ms. Pelosi has used a style that one Democratic aide characterized as “chocolate and the gavel” to bring party members along. As she rose through the ranks, she would often deliver chocolate cakes to supporters or helpful staff members, and now her meetings are characterized by bowls of Ghirardelli chocolate. Representative Gene Taylor, a conservative Democrat from Mississippi, was heartened when Ms. Pelosi called to encourage his efforts after Republicans had refused to extend health benefits to reservists in a military appropriations bill. Mr. Taylor had voted against her in the leadership elections, but the gesture was the start of a positive relationship.

“She puts a very big premium on people who have ideas, but not if you think your idea is to the exclusion of everyone else’s input,” Mr. Taylor said.

Where the history is not so clear is whether Ms. Pelosi can find common ground with Republicans, if they let her. Her advisers say she wants to work in a bipartisan manner, but that does not mean agreeing to everything.

The biggest question is how Ms. Pelosi will define her relationship with President Bush. Her staff says the two already have some rapport because of the documentary film that her youngest child, Alexandra, made about the president’s 2000 campaign. But that is different from a working political relationship.

She will have her first chance on Thursday, when she has lunch with Mr. Bush.

In a rare unscripted moment Wednesday, Ms. Pelosi noted that Mr. Bush had telephoned her that morning. “He called to congratulate me, referred to me as Madam Speaker-elect,” she said, smiling. She paused, then — still smiling — added, “I referred to him as Mr. President.”

Democrats To Usher In Change In Judicial Nominations, Investigations (LAW)

By T.r. Goldman, Legal Times

Legal Times, November 9, 2006

Democrats, as widely expected, wrested control of the House of Representatives from the Republicans, after 12 years of Republican rule, in elections across the country Tuesday, setting the stage for a series of intensive investigations of the Bush administration by several different House committees.

But it appears Democrats also carried the Senate -- radically changing the politics of federal judge-picking as well -- and that victory was something of a surprise, even to them. As of Wednesday afternoon, Democrat James Webb had claimed victory in the Virginia Senate race over incumbent Sen. George Allen, but a recount that could take several weeks appeared likely. If Webb is indeed the winner, Democrats will have a 51-49 edge.

"There just wasn't a firm sense this would happen," says a senior Democratic staffer. "It could have been as few as two pickups," the staffer adds, referring to previously Republican seats won by Democrats. "But six was at the high end."

The Democratic Senate victory, assuming it holds, could also have profound implications for the next Supreme Court pick, if 86-year-old Justice John Paul Stevens dies or resigns, or another justice resigns or falls ill, during the last two years of the Bush administration.

"The biggest thing [about the Democratic takeover] is judges," notes David Hoppe, former chief of staff to Sen. Trent Lott, R-Miss. "Everything else has a way of working itself out," adds Hoppe, now a lobbyist at Quinn Gillespie & Associates.

By midday Wednesday, Senate Judiciary Committee Democrats had already plunged into discussions over the agenda they planned to carry out in their expected majority status.

If they are indeed the majority, then when the 110th Congress begins in January, the Senate Judiciary Committee will be led by Vermont's Patrick Leahy, a 32-year veteran who had previously chaired the committee for 18 months, from mid-2001 until just after the 2002 elections, after the departure of Vermont's James Jeffords from the Republican Party.

Legislatively, the changes between a Leahy-controlled committee and the current committee, under Chairman Arlen Specter, R-Pa., shouldn't be that extreme; the men are relatively close ideologically.

The major difference will be the politically contentious issue of federal judges, especially federal circuit judges, as well as a possible Supreme Court replacement.

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At the very least, a Democratically controlled Senate Judiciary Committee would make it unlikely that President George W. Bush's most conservative choices will even get out of the committee. That would leave Bush with two choices: He could pick more moderate conservatives that would pass Democratic muster, or he could pick highly conservative judges who would not get a majority committee vote, a choice that would give the Republicans' ultraconservative base an energizing issue.

That strategy may be difficult, however, in the event there is a Supreme Court replacement, notes Hoppe.

"If there is a vacancy on the Supreme Court, it will be harder to say, 'Gee, golly, I won't fill it,'" he says.

In both the Senate and House, Democratic majorities will almost certainly translate into one major change: more oversight.

The Senate Judiciary Committee will revisit the lack of habeas corpus rights for Guantanamo Bay detainees, the administration's warrantless surveillance program, and patent reform, according to lobbyists who follow the committee.

In the House Judiciary Committee, the gavel will move to Michigan Rep. John Conyers, a mercurial veteran who on Tuesday was elected to his 21st House term.

Conyers' staff were in meetings all day Wednesday, so a future agenda for the upcoming majority staff was difficult to determine.

But Conyers will certainly share certain oversight duties with Henry Waxman, the California Democrat who will chair the House Committee on Government Reform. That committee, which was expanded during the years of the Clinton impeachment, has maintained a large staff. And Waxman has a reputation as an aggressive investigator.

While in the minority, Waxman has continued to produce investigative reports; one of the most recent, documenting the links between ex-lobbyist Jack Abramoff and the Bush White House, resulted in the resignation of Susan Ralston, then a White House aide to Karl Rove.

Hoyer, Murtha Battle (RC)

By Jennifer Yachnin And John Bresnahan

Roll Call, November 9, 2006

As Rep. Nancy Pelosi (D-Calif.) pledged Wednesday to rule the House fairly in the 110th Congress as the first-ever female Speaker, a handful of senior Democrats moved aggressively to secure other leadership posts in their nascent majority.

One day after Democrats decisively seized control of the chamber from the GOP, one of the architects of that victory — Democratic Congressional Campaign Committee Chairman Rahm Emanuel (Ill.) — remained mum about his plans despite speculation that he could run for Majority Whip.

Current Minority Whip Steny Hoyer (D-Md.) was not similarly hesitant, formally announcing his bid for the Majority Leader's office early Wednesday morning and confidently predicting that he will secure the post when Democrats vote in leadership election on Nov. 16.

"I think I'm going to win," Hoyer said in an interview Wednesday. The Maryland lawmaker, who has served as Minority Whip since 2003, said "over a majority" of House incumbents as well as newly-elected lawmakers "have indicated that they would be supportive of me."

But Rep. John Murtha (D-Pa.) — who stunned fellow lawmakers when he announced in June that he would campaign for the Majority Leader post against Hoyer — re-affirmed his own interest in the office Wednesday.

"I'm working diligently now trying to convince people that I'd make a good balance" to the leadership team, Murtha said in an interview with National Public Radio.

The Pennsylvania lawmaker declined to be interviewed for this article.

Murtha, who is the ranking member of the House Appropriations subcommittee on Defense, also defended his decision to seek the leadership post, asserting that not only is the office an "open seat" in the new Congress, but arguing that he outranks Hoyer in the Caucus hierarchy.

"There's Nancy Pelosi, [Appropriations Committee ranking member Rep.] Dave Obey (D-Wis.) and myself, and then Hoyer is listed after me in the power plays," Murtha said on NPR.

That assertion bewildered at least one Democratic House lawmaker, who spoke on the condition of anonymity: "In my mind that shows a lack of understanding. I like Mr. Murtha but that's not just the way it is."

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"There is real genuine concern that we don't want to see a divisive leadership fight, just at the time that we're seeing tremendous success and tremendous unity and harmony and good feelings in the Caucus," the lawmaker added.

Although some Democratic lawmakers have acknowledged their support for one of the would-be Majority Leaders, neither Hoyer nor Murtha have released lists of backers.

Hoyer asserted Wednesday that doing so could create unnecessary divisions in the Caucus heading into the new session.

"My object is to keep our Caucus unified ... so I'm not going to put out any lists," added Hoyer, who is expected to receive the support of the fiscally conservative Blue Dog Coalition, as well as the New Democratic Coalition.

A group of senior lawmakers representing a broad cross-section of the Caucus — including Reps. Barney Frank (Mass.), John Dingell (Mich.), Henry Waxman (Calif.), Ellen Tauscher (Calif.), Ike Skelton (Mo.), John Lewis (Ga.), Lucille Roybal-Allard (Calif.) and James Oberstar (Minn.) — issued their own letter Wednesday urging fellow Democrats to back Hoyer's bid.

"Steny ... has been an instrumental part of our leadership team, reaching out to all elements of our diverse Caucus and helping to bring Democrats together," the letter stated. "Our continued unity is imperative, and we believe that the leadership team that brought us to this point should continue to lead us in the new Majority."

In addition, the significant time Hoyer has spent over the past two years building a base of support among junior Democrats, including challengers and open-seat candidates, by raising money and making campaign visits to 80 districts, appears ready to pay dividends, as several Members-elect confirmed Wednesday that they will cast ballots for the Maryland lawmaker next week.

"I watched Steny Hoyer for the last few months," said Rep.-elect Albio Sires (D-N.J.), one of several incoming House Democrats who now support Hoyer's bid. "He has worked very hard to keep the Caucus unified and worked on electing new Members. ... I think he has real authentic qualities that earn him a lot of support."

Rep.-elect Brad Ellsworth (D-Ind.) said Murtha called him on Tuesday night, but he was still backing Hoyer, whom he first met in early 2005.

"It's like in anything — when you establish a relationship of trust, it makes the decision easier," Ellsworth said. "Congressman Hoyer was one of the first people in April '05 that I met with when I went to [Washington, D.C.] to decide if I was going to run. Since that time, I have been in contact with him a dozen times or more. ... It just feels more natural due to the relationship that we have that I would support him."

Ellsworth said Murtha called him on Tuesday night to congratulate him on his victory over Rep. John Hostettler (R-Ind.), but has had no other contact with the Pennsylvania Democrat. "It was on Election Night, a short conversation to congratulate me," Ellsworth said.

Hoyer gave nearly $14,000 to Ellsworth's campaign, while Murtha donated $4,000.

While House lawmakers backing Murtha acknowledge that he does not have one particular base of support, they claim that Murtha will instead draw endorsements from across the Caucus.

"It's not a factionalized race," Rep. Mike Capuano (D-Mass.), a Murtha backer, said Wednesday.

The Massachusetts lawmaker also added that he has advised Members-elect not to offer endorsements in the race prior to arriving in Washington next week for an organizational meeting of the Caucus

"My hope is that not a single new Member would spend a single second thinking about these leadership races before Tuesday," Capuano said.

In addition to the Majority Leader competition, Democrats could see a contest for control of the third-ranking post of Majority Whip.

Although House Democratic Caucus Chairman James Clyburn (D-S.C.) remained the only active candidate for the post Wednesday evening it is possible that Emanuel, who has said he will not serve a second term as DCCC chairman, will make a bid for the office.

Appearing at a press briefing Wednesday, Emanuel declined to discuss his plans, asserting that he wanted to confer with fellow lawmakers before issuing a decision. "Give me 24 hours more to decide," he said.

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But even if Emanuel decides against challenging Clyburn for the post, the South Carolina lawmaker could still face competition. Rep. Diana DeGette (D-Colo.), the current Chief Deputy Minority Whip, has not spoken publicly about her interest in the post, but is nonetheless expected to enter the race if Emanuel does not.

Clyburn officially announced his bid Wednesday in a letter to fellow lawmakers — although he began actively seeking endorsements in mid-October — touting his previous leadership experience, including chairing the Congressional Black Caucus as well as serving three years as the Democratic Caucus vice chairman.

"You run for the next office by serving well in the office you hold," Clyburn said during the DCCC's election watch party Tuesday night.

In the meantime, Pelosi, who is expected to ascend to the Speaker's office in January when Democrats take control of the House, has demurred on whether she will offer her own endorsement in the leadership races, asserting at a Wednesday press conference that Democrats first needed to finalize the outcome of several races.

"Democrats pledge civility and bipartisanship," Pelosi said at a midday press conference, her first in the wake of the Tuesday victory. "Democrats are not about getting even," she later added. "Democrats are about helping America get ahead."

Some Democratic strategists have suggested Pelosi should intervene in the Hoyer-Murtha contest in order to avoid a divisive inter-party squabble so soon after a major electoral victory, but the California Democrat has not done so yet.

"I think that this has to play out on its own," said a top House Democratic staffer, speaking on the condition of anonymity. Another senior House aide said Pelosi "was staying on the sidelines" and has not indicated any willingness to take sides.

Murtha has won kudos from many in the party for his opposition to President Bush on the Iraq War, despite intense criticism from House and Senate GOP leaders, as well as conservative commentators. Hoyer, while not close to Pelosi personally, has raised millions of dollars for Democratic candidates and incumbents, and spent extensive time on the road this election cycle, all of which earned him support within the Democratic Caucus.

In the interim, Democrats will hold an organizational meeting Tuesday, one of the first steps as the Caucus prepare to take over the majority party role it last held in 1994.

According to Capuano, who has overseen a review of the internal Caucus rules in recent months, Democrats will vote Tuesday on a new package of guidelines, covering everything from the selection of committee chairmen to more mundane regulations.

"There's no real shake-up in these rules, the real shake-up will come in the House rules," Capuano said.

Senior House Democratic aides said Pelosi and other Democratic leaders have otherwise done almost no preparatory work on taking over physical control of the House.

Pelosi has not appointed a trusted Democrat to oversee the transition to Democratic rule, a tactic former Speaker Newt Gingrich (R-Ga.) employed when the GOP won control of the House in the 1994 midterm elections.

Pelosi was very sensitive to accusations by President Bush and other Republican leaders that Democrats "were measuring the drapes" at the Capitol for a takeover, they purposely delayed any transition planning.

"[Pelosi] put the nix on anyone doing the transition," said a high-ranking Democratic aide.

Bush did telephone both Pelosi and Hoyer early Wednesday morning — he joked at a press conference that he had given Pelosi "the name of some Republican interior decorators who can help her pick out the drapes in her new office" — and the Democratic leaders are scheduled to have lunch at the White House today.

"I had a very cordial conversation," Hoyer said of his conversation with Bush. "Over the next two years, he wants to work together. If that's the posture he takes, we want to do the same."

Blue Regime Augurs A Shift In Chairs (WSJ)

By Brody Mullins

The Wall Street Journal, November 9, 2006

WASHINGTON -- A day after winning control of the House, Democrats appear on the verge of taking over the Senate as well, giving them the ability to steer the agenda across Capitol Hill.

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Though the Virginia outcome isn't official yet, it appeared last night that Democrat Jim Webb was about to prevail in the final Senate race Democrats needed to take effective, though exceedingly, narrow control. The Associated Press, after a statewide check of local election officials, declared Mr. Webb the winner after determining his razor-thin lead would hold up after a canvassing of the statewide vote.

The Republican, Sen. George Allen, isn't yet conceding. The Senator "wants to be sure all the votes are counted," said Dan Allen, a spokesman, last night. Republican officials said Sen. Allen is likely to want to wait until an initial canvassing of the results reported by the state's voting districts is completed before considering a concession. That canvassing might be completed today, they said.

If the canvassing doesn't show any anomalies, Sen. Allen might not seek the full, statewide recount he could request under state law, officials said. The new AP count showed Webb with 1,172,538 votes and Allen with 1,165,302, a difference of 7,236.

Earlier yesterday, Democrats also prevailed in the other Senate race that was too close to call on Tuesday night after the polls closed, the contest in Montana. Democrat Jon Tester was declared the narrow winner there when all votes were in.

The victories in Montana and Virginia would give Democrats an effective 51-49 majority. It would elevate Nevada's Harry Reid to the post of Senate Majority Leader, and he would then oversee Congress with Nancy Pelosi of California, who is poised to become Speaker of the House. Democrats would control both the House and Senate for the first time since 1994, when Republicans won a landslide election.

Technically, the Senate would be divided 49-49 between Republicans and Democrats. But the chamber also will include two Senators -- Joseph Lieberman of Connecticut and Bernie Sanders of Vermont, both of whom say they will align with Democrats.

Despite that, Democrats face a challenge translating the gains at the polls into wins on Capitol Hill. With the threat of a filibuster always possible, most legislation needs 60 votes to pass the Senate. President Bush also holds veto power.

Still, the Democrats' victory will have broad impact on how Congress conducts business. Democrats will take over dozens of congressional committees and will have the power to set the agenda for those panels. Some in line to become chairmen have suggested that, even if they can't pass legislation that Mr. Bush would sign into law, they would use the power of the gavel to conduct oversight hearings and investigations into the administration and some of its corporate allies.

In the Senate, Pat Leahy of Vermont would take over the Judiciary Committee; Hawaii's Dan Inouye would take the reins of the Commerce Committee; Edward Kennedy of Massachusetts would inherit the Health, Education, Labor and Pensions Committee; and Jeff Bingaman of New Mexico would run the Energy and Natural Resources panel.

A former lawyer, Mr. Leahy has talked about removing the antitrust exemption for some insurance companies. Mr. Kennedy has plans to lead the charge on raising the minimum wage and expanding health care to the poor and needy.

At the Commerce Committee, Mr. Inouye champions many of the maritime and telecommunications policies of current chairman Republican Sen. Ted Stevens of Alaska. A major rewrite of the telecommunications law isn't likely to be affected by the changeover.

Likewise, Mr. Bingaman likely wouldn't bring major changes to energy legislation. The current chairman, Pete Domenici, joins him in representing New Mexico in the Senate. One difference is that Mr. Bingaman is a stronger supporter of renewable fuel and alternative energy sources.

The same goes for the Senate Banking Committee, where Connecticut's Chris Dodd is in line to be chairman. Few industry watchers expect a significant shakeup in the tone coming from the committee, which oversees the Securities and Exchange Commission and Federal Reserve, among others. The impact may be felt around the margins, with credit-card companies and big business potentially losing ground to insurers and retail investors.

In the House, the incoming chairman of the Energy and Commerce Committee, John Dingell (D., Mich.), has told the Federal Communications Commission to hold off on approving the merger between AT&T Inc. and BellSouth Corp. until he formally takes control of the panel next year. Mr. Dingell may ask for conditions on the merger that his predecessor, Texas Republican Joe Barton, didn't.

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Rep. Barney Frank (D., Mass.), expected to take over the Financial Services Committee, will focus attention on affordable housing and predatory lending. But Mr. Frank also hopes to enact new regulations on government-sponsored enterprises, such as Fannie Mae and Freddie Mac, that were endorsed by the current chairman, Mike Oxley (R., Ohio).

Rep. Charles Rangel, (D., N.Y.), who inherits the Ways and Means Committee, said he is inclined not to try to repeal Republican-passed tax cuts which are set to expire in 2010. In a conference call with reporters yesterday afternoon, Mr. Rangel said he wants to close the so-called tax gap between the amount of money the Internal Revenue Service is owed and how much it collects.

The IRS relies on private-sector companies to help it collect revenues that it is owed. Mr. Rangel said using private debt collectors is "terrible." Mr. Rangel said he would like to approve legislation as early as next week to exempt million of taxpayers from paying higher taxes under the alternative minimum tax.

Rep. Henry Waxman, (D., Calif.), who will run the Government Reform Committee plans to probe oil-company prices, government contracting in Iraq and massive growth in homeland-security expenditures.

Others assuming committee chairmanships in the House include Michigan's John Conyers at the Judiciary Committee; California's George Miller at the Education and Workforce Committee; and Wisconsin's David Obey at the Appropriations Committee. They are among the longest-serving lawmakers on Capitol Hill. Mr. Conyers, 77, began his career in Congress as an intern to Mr. Dingell, 80, about a half-century ago.

Write to Brody Mullins at brody.mullins@wsj.com1

Democrats Promise Radical Reform (FT)

By Holly Yeager In Washington

Financial Times, November 9, 2006

Democrats in the House of Representatives on Wednesday declared themselves ready to press forward with an ambitious agenda and promised to enact the kind of change that they said voters demanded on Tuesday.

But they also tried to deflect attention from the liberal records of those set to ascend to top jobs in Congress, vowing to work with Republicans.

“We extend a hand of co-operation to the president, our colleagues across the aisle,” said Rahm Emanuel, the Chicago Democrat who led the party’s campaign committee. “We’ll work with you when we agree, we will challenge you when we don’t. But our goal will always be the best interests of our country.”

Uncertainty over which party would control the Senate – and the possibility that President George W. Bush could use his veto – necessitated such an approach. But so too did the growing strength of moderate Democrats, who expect to hold considerable sway in the new House.

“We will be the group that gave the Democrats the majority,” said John Tanner, a Tennessee congressman who is among the leaders of the Blue Dog coalition, a group of moderate Democrats who stress fiscal responsibility and often come from socially conservative districts.

Public expectations are also likely to shape the Democrats’ agenda. “This Democratic majority has heard the voices of the American people,” Nancy Pelosi, who will become the first female speaker of the House, said on Wednesday, with Iraq the place where the demand for change is most clear. Despite pleas from some on the left of their party, Democrats have ruled out impeachment proceedings against Mr Bush for his conduct of the war. They have also vowed not to cut off funding for US troops in Iraq.

A CBS News/New York Times poll this week found that 41 per cent of voters – and 50 per cent of Democrats – said that the war in Iraq would be the Democrats’ top priority if they controlled Congress. While Democrats portrayed the election as a referendum on Mr Bush and the war in Iraq, the difficult situation on the ground and divided views about what to do there, as well as the need to avoid appearing weak on national security and the White House’s power in this area will make quick, tangible progress difficult to achieve.

Mrs Pelosi has focused immediate attention on an aggressive package of measures that she said Democrats would enact in their first 100 hours in the majority.

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Prompted by a series of recent ethics scandals, the top item in that "Six in '06" platform is a set of rules changes, which Mrs Pelosi said would "make this the most honest and open Congress in history". After Democrat complaints that Republican leaders frequently excluded them from debate and other House functions, she also pledged to restore civility and give the minority party a broader role.

The early agenda also includes increasing the federal minimum wage, enacting the homeland security recommendations of the bipartisan 9/11 commission, promoting stem-cell research and reducing university costs, by making tuition tax deductible and halving interest rates on student loans. Other priorities include giving the government the power to negotiate with drugs companies to lower prices in the Medicare prescription drug programme, eliminating what they say are Republican-backed incentives to shift jobs overseas and rolling back subsidies for big oil companies, using those funds to promote alternative energy sources instead.

"Jobs, healthcare, education, energy independence, a safer America, a dignified retirement – that's what the Democrats are all about and we're going to do that in the first 100 hours," Mrs Pelosi said on the campaign trail.

Democrats also pledged to adopt so-called "pay-go" rules, which re-quire any new spending or tax cuts to be offset by changes elsewhere in the budget.

Such a move would be popular with the Blue Dogs, who take their name from the Southern description of a party loyalist – one who would vote for a yellow dog if it were on the ballot, as long as it was running as a Democrat. The Blue Dogs were moderate and conservative Democrats who claim to have been "choked blue" by their party in the late 1980s and early 1990s, when liberals were in control.

"It helps force choices," said Mr Tanner.

Tuesday's vote saw the number of Blue Dogs in the House increase from 37 to 44, including several in the Ohio River Valley. Their new ranks include some lawmakers who are likely to become quick celebrities in the capital, such as Heath Shuler, a former Washington Redskins professional football quarterback. Mr Shuler, elected in North Carolina, opposes abortion and gun control.

Mr Tanner said Blue Dogs would also push for a financial audit of all government agencies and for including the costs of the war in Iraq within the federal budget, rather than treating it as a supplemental cost that is not included with other budget calculations.

Mrs Pelosi has earned a reputation as a San Francisco liberal and several Democrats poised to take over as chairmen of key committees have long records on the left of their party.

But James Thurber, director of the Center for Congressional and Presidential Studies at American University in Washington, said a Democratic majority would not be able to base its work on strictly liberal policies. "Elections have mandates, and the number of moderates elected means they'll have to go to the middle."

Finance's New Chair Has Equality On Agenda (USAT)

By Sue Kirchhoff

USA Today, November 9, 2006

WASHINGTON — Expect keen wit, tough oversight and a sharply different emphasis when Massachusetts Democratic Rep. Barney Frank, 66, becomes chairman of the House Financial Services Committee, overseeing banking, housing and corporate governance.

One of the few openly gay House members, the Harvard-educated Frank is a liberal on social issues. He advocates tougher regulation in areas than current Chairman Michael Oxley, R-Ohio, but insists he's not anti-business. Frank's goal is to ensure that economic benefits are better distributed.

"We're getting economic growth, but it's coming at very great increases in inequality," Frank said in a recent interview. "How do you do a better job promoting growth without exacerbating" the widening gap between the rich and less well-off?

Among Frank's priorities: expanding affordable housing, enhancing consumer privacy rights and going after predatory mortgage lending. He has introduced legislation to force public companies to get shareholder approval for lavish CEO pay

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packages and to provide the Securities and Exchange Commission greater authority over hedge funds. Frank has opposed efforts by Wal-Mart and other firms to delve into financial services by acquiring a type of bank.

"He is a liberal who understands markets," says Floyd Stoner, chief lobbyist for the American Bankers Association. "When you work with Mr. Frank you have to be knowledgeable, organized and succinct."

Frank said Wednesday he will wait to announce an agenda for next year. In the short term, one big unknown is whether there will be a push to impose new oversight of Fannie Mae and Freddie Mac when Congress reconvenes this month, still under GOP control. The House has passed a bill letting a new regulator cap the mortgage giants' $1.4 trillion portfolios. The Senate Banking Committee has a tougher stance.

Democratic gains could take some wind out of a business-backed drive to relax provisions of the Sarbanes-Oxley Act, passed in reaction to the Enron accounting scandal. Businesses say the act, particularly tighter accounting provisions, is onerous. A Frank spokesman said he is not interested in changing Sarbanes-Oxley but would rather let the SEC use discretion in enforcing its costlier provisions.

Stoner and Sheila Crowley, president of the National Low Income Housing Coalition, note that there has long been bipartisan support on the committee for many issues that Frank champions, such as regulatory relief and housing. With Democrats in control, some of these bills — stymied under the GOP leadership — could have a full House vote.

"He'll hit the ground running, and we'll be there to help that happen," says Crowley, adding that along with Frank's efforts to build low-income housing, she hopes the committee will provide more oversight of rebuilding on the hurricane-battered Gulf Coast.

Gay rights advocates say Frank's chairmanship has symbolic, as well as substantive, meaning.

"Having him in a chairman's role is important, because I think one of the most important things we should be looking for is that Congress looks a lot more like America," says Joe Solmonese, president of the Human Rights Campaign, a gay rights group.

The first member of Congress to announce he was gay, Frank has sponsored legislation to provide benefits to domestic partners of federal employees.

Frank was reprimanded by the House in 1990 after revelations that a male prostitute he hired as a household employee had run a prostitution business from Frank's home. He survived politically by coming clean to the Ethics Committee.

One of the House's fastest-talking, and fastest-thinking, lawmakers, Frank looks impatient even when sitting still. He is widely viewed as one of the premier speakers in Congress.

"He's one of the best I've ever seen," says Dan Mica, a former GOP congressman and now head of the Credit Union National Association. "I would never want to debate him on the other side."

Frank's prickly demeanor can put people off. He told his hometown paper, The Boston Globe, that he would try to tone down his comments if Democrats won the majority, to ensure he doesn't say anything to upset the markets.

Easily re-elected from a district that includes liberal strongholds as well as aging industrial and coastal areas, Frank has secured funds for defense contractors, the fishing industry and tech firms.

A native of Bayonne, N.J., Frank stayed in Boston after graduating from Harvard. He was first elected to Congress in 1980, succeeding Democratic Rep. Robert Drinan, a Catholic priest, who gave up his seat in the face of a Vatican ban on clergy in public office.

Dingell Cautions Fellow Democrats Not To Seek Revenge On Republicans By JOHN J. FIALKA (WSJ)

The Wall Street Journal, November 9, 2006

Rep. John Dingell, who has long had a reputation as a partisan investigative bulldog, is in the unusual position of cautioning younger Democrats to resist the impulse to seek revenge on their Republican colleagues.

"Revenge makes you feel good," says Mr. Dingell, the Michigan Democrat who, at 80 years old, is the most seasoned member of the committee chairmen taking control in the House. "It ain't the right way to go, but it's going to cause me some problems."

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In taking back the reins of the Energy and Commerce Committee, for which he was chairman from 1981-94, Rep. Dingell says he plans to run his panel "from the center" and work out a formula for comity that allows Republicans to participate in the panel's decisions and investigations.

But he and other Democrats who want to reach out to Republicans to avoid gridlock may encounter some resistance from younger Democrats, half of whom have never served in a House controlled by Democrats. Many are smarting from being shut out of debates by Republican leaders and see the coming Democratic takeover as payback time.

Mr. Dingell has set an ambitious agenda for his committee, which has jurisdiction over a vast array of issues from climate-change regulations to prescription-drug prices for the elderly to foreign-currency manipulations that, he says, hurts the auto industry and other U.S. manufacturers.

A senior Republican House aide, who recalls the way Mr. Dingell ran the energy panel before, says Republicans see Mr. Dingell as "a very hard driver for his position," but also someone who "generally believes he works with both sides of the aisle."

Michael Kitzmiller, one of Mr. Dingell's former committee staff directors, cautions that Mr. Dingell's approach was far from free of partisan rancor. "We had these conflicts [with Republicans] that were just horrendous, but he had a way of not letting it explode to destroy the basic comity of the committee," he said.

Mr. Dingell also brought Republicans in on his investigations. In 1994, when Democrats lost control, some Dingell aides wrote down the formula he used to coach his investigative staff: "We learned the etiquette of dealing with our enemies: to be gentle, to treat them with the greatest care, to ask them a few nice questions, and then give them exactly what they deserve." Mr. Dingell has it hanging on the wall of his office.

Mr. Dingell governed with a sense of humor. Peter Stockton, one of his chief investigators, remembers his pouncing on a subpoenaed invoice that showed a defense-industry official once billed the Pentagon for kennel charges for a dog named Furston. "Who is Furston?" Mr. Dingell asked the hapless witness, who said he didn't know. "Well, let me read you a voucher here. Is Furston a dog?"

He also used patience. Mr. Kitzmiller recalls becoming so outraged at Mr. Dingell's penchant for protecting the auto industry and resisting gun-control measures that he resigned several times. "He would always call me back later and say 'Well, you don't have to deal with that anymore.' " When one younger member of the committee proved troublesome and always complained about assignments, Mr. Dingell tolerated him. "I said why do you put up with that?" recalls Mr. Kitzmiller. He said "because he reminds me of me."

Some younger Democrats are excited about the man some of them call "Big John" climbing back into the saddle. "He's legendary, well-known for using the committee to really get to the bottom of significant changes facing our nation," says Rep. Tammy Baldwin, (D., Wis.), who joined the panel in 1998 to work on health-care issues.

To some of the younger Democrats, the name Rayburn simply denotes the office building where the committee's office is located. To Mr. Dingell, it means Sam Rayburn, the former speaker of the House who was one of his first mentors when he arrived in Congress in 1955 at the age of 29. Mr. Rayburn's motto was "those who go along, get along."

Mr. Dingell's memories of the ways of Congress go back well before that. According to his aides, he breaks out in archaic language to brand enemies as "blackguards" "know-nothings" "pantywaists" and "lickspittles." This puzzled some of them until one came across a speech given by Mr. Dingell's father, who was also named John Dingell. He came to Congress in 1933 and his son inherited his seat. "The boss sometimes quotes from his father's old speeches," said an aide, who asked not to be identified.

Republicans Blame Their Party Leadership For Tuesday's Losses (MCT)

By Steven Thomma

McClatchy Newspapers, November 9, 2006

WASHINGTON — Republicans turned on one another Wednesday after losing control of power in Congress - blaming an out-of-touch, self-promoting party leadership for abandoning ethics and conservative principles and turning off the country.

The first political casualty was House Speaker Dennis Hastert, R-Ill., who announced he'd step down from the party's leadership.

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More casualties were possible. At least one conservative movement leader demanded that Republicans in the House of Representatives delay electing leaders for the next Congress beyond the scheduled date of next Wednesday, presumably to allow time to reconsider the current slate.

Discontent could spread to the Senate, where Republicans lost a fifth seat Wednesday in Montana. There, Democrat Jon Tester defeated Republican Sen. Conrad Burns, who was tarred by his ties to disgraced lobbyist Jack Abramoff.

That put Democrats into at least a 50-50 tie with Republicans for Senate control.

That left Virginia, where Democrat James Webb led Republican Sen. George Allen by about 7,000 votes out of 2.3 million cast. Allen refused to concede, saying he'd wait to see final official results on Nov. 27 before deciding whether to seek a recount.

If Webb's lead holds, Democrats will control the Senate. If Allen wins a recount, then Vice President Dick Cheney would break the tie to let Republicans control the Senate, though their grip on power would be much diminished compared with the past five years.

Regardless of the final outcome in the Senate, Republicans knew they lost power Tuesday, and their leading voices found plenty to blame in their party.

Veteran conservative strategist Richard A. Viguerie was especially caustic.

"Every single member of the Republican leadership in the House should be replaced. They have failed the conservatives who put them in office, and they have failed the people of this country," Viguerie said.

"This election was also a referendum on the so-called `neoconservatives' - the big-government Republicans who took us into a nation-building war while they busted the budget and enriched big business and its K Street lobbyists."

"I feel liberated," said conservative radio talk show host Rush Limbaugh, one of the party's biggest cheerleaders. "I no longer am going to have to carry water for people who I don't think deserve having their water carried."

In one of the most stinging indictments, David Keene, the longtime president of the American Conservative Union - the nation's oldest grass-roots conservative lobby, founded in 1964 - ripped Republicans for spending more taxpayer money than Democrats had and for weak ethics.

"We have watched Republicans elected by promising the highest standards in terms of integrity come to Washington to do good and stay to do well for themselves, their families and their friends, and demean the offices to which they were elected in the process," Keene said.

"We have witnessed the hypocrisy of Republican leaders who came to Washington swearing an allegiance to upholding traditional values work to protect those among their number who have flaunted those values, morals and standards.

"We have stood by as Republicans have flaunted, twisted and ignored rules to achieve their own partisan, rather than principled, ends; leaders who have used earmarks to seduce reluctant members to vote for legislation they knew was wrong and kept votes open for hours while they and their White House allies bludgeoned their colleagues into line in support of such legislation," Keene said.

Keene joined Rep. Eric Cantor, R-Va., in urging House Republicans to postpone their leadership elections until January. Cantor is a member of the existing House Republican leadership as chief deputy whip. Among the many Republicans mentioned as a possible challenger was Rep. Mike Pence, R-Ind., leader of a large bloc of both social and economic conservatives.

Others argued that voters were turned off by the climate in Congress, particularly by its partisanship and a sense that Republican leaders looked the other way at scandals, from Abramoff's lobbying corruption to former Florida Rep. Mark Foley's sexual harassment of teenage male aides.

Hastert presided over a partisan, one-party rule that shut Democrats out of negotiations. He wouldn't even allow the House to vote on an issue unless it could pass solely with Republican votes.

Voters "believed that we came to Washington to change government and government changed us," said Sen. John McCain, R-Ariz.

Voters also rebelled at the sense that the Republican Congress didn't get anything done.

"There was a feeling of a do-nothing Congress," Republican pollster Ed Goeas said.

He said voters wanted "bipartisan solutions rather than the partisan bickering we've seen" and that Republicans want the party "to make sure our leaders have public service as their highest calling, not personal enrichment."

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Conservative Talkers, Feeling Just A Little Blue (WP)

By Howard Kurtz

The Washington Post, November 9, 2006

Conservative commentators were bloodied but unbowed yesterday.

After a day in which Republicans lost their grip on the House and appeared on the verge of forfeiting control in the Senate, some of the right's most prominent voices found little cause for discouragement.

"Democrats, in my mind, don't have a mandate because they stood for nothing," radio host Laura Ingraham told her listeners yesterday.

"Republicans lost last night, but conservatism did not," Rush Limbaugh said on the 600 stations that carry his program. "The Democrats beat something last night with nothing. They advanced no agenda, other than their usual antiwar position."

Two distinct camps quickly emerged among the columnists, talkers and bloggers who spent much of the last six years defending the administration. One carried an air of defiance, the other a mood of resignation that what President Bush yesterday called an electoral "thumping" was perhaps deserved.

"People are obviously depressed, but there's also been a sense among conservatives for a long time that Republicans deserved to be taken to the woodshed, and perhaps this will be cathartic," said Rich Lowry, editor of National Review. The Democrats "had the virtue of not being the Republicans and benefiting from an unpopular war and not having high-profile corruption issues hung around their necks, but they also made themselves acceptable to voters."

Moments after the interview, as the president announced that he was replacing Defense Secretary Donald Rumsfeld, Lowry wrote on his magazine's Web site that "a lot of Republicans are probably yelling right now, 'Why didn't you do it BEFORE the election?' Of course, he couldn't have done it right before the election, but a few months ago it might have been a step toward giving the public the fresh look/approach it wanted with regard to Iraq."

Ingraham said after her show that she is "very confused. Wasn't it just last week that the president said Rumsfeld was doing an 'excellent' job? And hasn't the president consistently said that his war policy is driven by what is happening on the ground in Iraq -- not politics or polls?

"Six months ago the White House could have replaced Rumsfeld, tying the decision to lack of adequate progress in the war -- but doing it the day after the election looks weak and defensive, and a move aimed at placating Speaker-to-be [Nancy] Pelosi."

Beyond the Pentagon and politics, there was simply the trauma, known to every high school athlete, of losing the big game. Commentator Sean Hannity sounded like a therapist as he addressed his followers yesterday: "I know a lot of you are sad. I know a lot of you are bummed. I know a lot of you are depressed. . . . I'll give you 24 hours and then I'm going to tell you to get over it. Don't let yourself wallow in what has happened here."

Brian Maloney struck an equally upbeat note on his Radio Equalizer blog: "Unlike Democrats after their 2004 election debacle, it doesn't seem likely that many conservatives will threaten to move to Canada, spend months in therapy, or engage in angry, unhinged public meltdowns. Welcome to the No-Sulk Zone!"

Some pontificators weren't in mourning for their formerly favorite political party.

"The voters gave the Republicans a well-earned kick in the gut," Atlanta radio host Neal Boortz wrote on his blog, adding that the GOP "bore little resemblance to the Republican majority that rode to power 12 years ago. In 1994 we were promised less government. Over the next 12 years the Republicans more than doubled the size of the government. . . . We were promised fiscal responsibility. We got a bridge to nowhere in Alaska."

Liberals are accustomed to dealing with big political defeats, having gotten plenty of practice in 2000, 2002 and 2004 as Democrats were relegated to minority status. Left-wing blogs have flourished, and liberal radio programs have gotten a foothold. Now conservative pundits, who have been riding high for so long, will be getting some practice.

After months of arguing that a Democratic victory would hand over the House to such scary figures as John Conyers, Barney Frank and Charlie Rangel, some conservatives now say that the winners are not just a collection of loony libs.

Attorney Scott Johnson, who writes for the popular Power Line blog, said from Minneapolis that he is "disappointed" in the voting but takes solace in the fact that "a number of conservative Democrats were elected in the House and Senate. I don't know how that plays with the antiwar, McGovernite thrust of the critique of administration foreign policy."

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In certain conservative quarters, there was little effort to dispel the aura of gloom. Blogger Dean Barnett acknowledged online: "We made a case to the American people. They didn't buy it because they thought it was a weak case. And you know what? They were right. In the closing weeks of the campaign season, I felt like I was a lawyer who had a bad client while writing this blog."

But Limbaugh said he felt liberated at no longer having to "carry the water" of Republicans who don't deserve it.

For some, though, there may be a financial silver lining. Lowry noted that National Review's circulation tends to jump when the other side is in power, surging to 280,000 during the Clinton administration, only to decline to 150,000 during the Bush reign. He now expects another bump as conservatives get agitated about the Democrats' new clout in Congress.

"That doesn't mean I was rooting for Nancy Pelosi to be speaker," Lowry insists.

GOP Starts To Play The 'blame Game' Over Its Big Losses (USAT)

By Emily Bazar

USA Today, November 9, 2006

When a political party suffers a major defeat, soul-searching and ideological bickering follow.

Republicans continued that tradition Wednesday, launching a period of self-reflection by trading barbs and pointing fingers.

Commentator Rush Limbaugh accused the Republican Party of straying from its conservative ideology, saying, "This non-partisan Republican identity, that's what went down in flames." Former House majority leader Tom DeLay referred to his party's losses as a "Texas whooping" on MSNBC. He said Republicans had failed to fight for their core beliefs on such issues as tax reform and immigration.

Dick Armey, former House majority leader and an architect of the Republicans' 1994 takeover of Congress, told National Public Radio's Diane Rehm that the GOP had become the big government party. "They actually grew the government," he said.

President Bush took a jocular swipe at his top political adviser, Karl Rove, who is credited with Bush's victories in 2000 and 2004 and GOP gains in the 2002 congressional elections. "I obviously was working harder in the campaign than he was," Bush said.

Post-election finger-pointing is normal, Republican strategist Scott Reed said. "This is a big party made up of economic conservatives and social conservatives, and there will be an attempt to play the blame game," he said.

The party's self-analysis began about a month ago, when polls predicted Democratic wins, Reed said. "These efforts usually make the party go back to its fundamentals, make it more focused," he said.

Democrats went through a similar period in the late 1980s, when the presidency seemed out of reach, said Will Marshall, president of the Progressive Policy Institute.

"Parties that don't engage in honest self-scrutiny rarely reform themselves," he said.

The Republican Majority for Choice, a lobbying group for Republicans who support abortion rights and embryonic stem cell research, blamed the losses Tuesday on Iraq and "social extremism," Co-chairwoman Jennifer Stockman said. "Moderates have been alienated for years. This was the last straw."

Today, the group planned to unveil a campaign and website, modeled after the liberal MoveOn.org site, called RealRepublicanMajority.org. It will begin running TV ads in Pennsylvania on Sunday, contrasting images of Republican icons like Ronald Reagan with social conservatives such as Sen. Rick Santorum, who lost his seat Tuesday.

The campaign will continue through the 2008 presidential election, Stockman said. She said, "It's all focused on making sure the Republican Party returns to the center if there's any chance of keeping the presidency and getting some of these seats back."

End Of The Revolution (WSJ)

By Dick Armey

The Wall Street Journal, November 9, 2006

If there was still any doubt, the Republican Revolution of 1994 officially ended Tuesday night with the loss of at least 28 seats and majority control of the House of Representatives. As I write this, the race in Virginia that will determine if the Republicans also lose control of the Senate is too close to call, but leaning Democrat.

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It was a rout.

How did we get here? The war in Iraq and historical voting patterns that favor the opposition party in off-year elections are factors suggested by many post-election pundits. Certainly, the mounting problems in Iraq were on voters' minds, but responsibility for the conduct of the war lies with the executive branch, and President Bush was not on the ballot.

That said, this was a national election, driven by national issues. One big issue in exit polls suggests widespread voter backlash against the "culture of corruption." There is something to this, I think. Over time, too many Republicans in the governing majority forgot or abandoned their national vision, letting parochial interests dominate the decision-making process.

All enterprises have a life-cycle. The Republican takeover in 1994 was the culmination of years of agitation by a relatively small group of political entrepreneurs in the House. Before we could beat the Democrats and their "culture of corruption," we had to beat the old bulls of our own party. They too were driven by a parochial vision, and had grown complacent with the crumbs offered them by the majority. It is often said that Newt Gingrich and I "nationalized" the election in 1994, but what the Contract with America really did was establish a national (as opposed to a parochial) vision for the Republican Party. When we took control, that positive Reagan vision of limited government and individual responsibility provided a great deal of discipline and allowed us to govern accordingly. Our primary question in those early years was: How do we reform government and return money and power back to the American people?

Eventually, the policy innovators and the "Spirit of '94" were largely replaced by political bureaucrats driven by a narrow vision. Their question became: How do we hold onto political power? The aberrant behavior and scandals that ended up defining the Republican majority in 2006 were a direct consequence of this shift in choice criteria from policy to political power.

Nowhere was this turn more evident than in the complete collapse of fiscal discipline in the budgeting process. For most Republican candidates, fiscal responsibility is our political bread and butter. No matter how voters view other, more divisive issues from abortion to stem-cell research, Republicans have traditionally enjoyed a clear advantage with a majority of Americans on basic pocketbook issues. "We will spend your money carefully and we will keep your taxes low." That was our commitment. This year, no incumbent Republican (even those who fought for restraint) could credibly make that claim. The national vision -- less government and lower taxes -- was replaced with what Jack Abramoff infamously called his "favor factory." One Republican leader actually defended a questionable appropriation of taxpayer dollars, saying it was a reasonable price to pay for holding a Republican seat. What was most remarkable was not even the admission itself, but that it was acknowledged so openly. Wasn't that the attitude we were fighting against in 1994?

I've always wondered why Republicans insist on acting like Democrats in hopes of retaining political power, while Democrats act like us in order to win.

I've also wondered why Republicans let their fears and insecurities get in the way of important reforms. They missed the opportunity of a lifetime by failing to embrace retirement security based on personal ownership. Instead, from both parties we heard about "saving Social Security" -- to the extent we heard anything at all. Republicans should be for reforms that free individuals and their families from failed government programs. We should not be for "saving" failed government programs. When we took on welfare reform in 1995, we knew we were taking on a Goliath. Once we threw the first rock, we knew we had to finish the job. Otherwise, the worst claims of our opponents would have stuck with us in future elections. With legislative success, the horrible accusations of our opponents were replaced with reduced welfare roles, and the individual dignity and self-sufficiency that naturally followed.

In 2006, instead of heavy lifting on substantial reforms, House and Senate leaders attempted to rally their political base on wedge issues like illegal immigration and gay marriage. Instead of dealing with spending bills or retirement security, the Senate dedicated two full legislative days to a constitutional ban on gay marriage that no one expected to pass. No substantive legislation was passed dealing seriously with border security and legitimate guest workers (funding for a 700 mile fence was finally authorized, but no funds were appropriated). In both instances, it was pure politics, designed to appeal to angry factions of the GOP base. While Republicans managed to hold conservative Christians, they alienated independents, who represent 26% of the voting population. For the first time in 10 years, independents sided with Democrats by a wide margin. Candidates that bet on the high demagogy coefficient associated with illegal immigration, notably in Arizona, lost.

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You can't build a winning constituency based on anger. The American people expect more. That is a lesson Democrats will soon learn if they wrongly interpret the election results as a mandate to "get even."

Moving forward, my advice to Republicans is simple: Don't go back and check on a dead skunk. The question Republicans now need to answer is: How do we once again convince the public that we are in fact the party many Democrats successfully pretended to be in this election? To do so, Republicans will need to shed their dominant insecurities that the public just won't understand a positive, national vision that is defined by economic opportunity, limited government and individual responsibility.

We need to remember Ronald Reagan's legacy and again stand for positive, big ideas that get power and money out of politics and government bureaucracy and back into the hands of individuals. We also need again to demonstrate an ability to be good stewards of the taxpayers' hard-earned money. If Republicans do these things, they will also restore the public's faith in our standards of personal conduct. Personal responsibility in public life follows naturally if your goal is good public policy.

Besides the obvious impact on the House and Senate, Tuesday's elections will no doubt redefine the Republican field going into early presidential primary states like Iowa, New Hampshire and South Carolina. It will be up to grassroots activists in those battlegrounds to establish a constituency of expectations that anyone aspiring to be the next president of the United States must satisfy. To voters I say: Demand substance and you will get it. To Republican candidates for office I say: Offer good policy and you will create a winning constituency for lower taxes, less government and more freedom.

Mr. Armey, House majority leader between 1995 and 2002, is chairman of FreedomWorks, a national grass-roots advocacy organization.

After Losses, GOP Asks: Now What? (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, November 9, 2006

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WASHINGTON

Even before the votes were counted, the 2006 election set off a sweeping critique of what went wrong both within the Republican Party and among groups that once backed it.

On Capitol Hill, the power struggle to lead the new Republican minority is already under way. On Wednesday, Speaker Dennis Hastert announced he will not to seek the minority leader post in the next Congress.

Those with close ties to disgraced lobbyist Jack Abramoff - or who knew about disgraced former Rep. Mark Foley's e-mails to pages and failed to act - need not apply. Lawmakers are awaiting the results of a bipartisan ethics investigation on a possible coverup in the page scandal, which could produce more openings in GOP leadership.

But GOP self-critics say that the bad environment - scandals, war, the economy, or the president - doesn't account for this historic GOP defeat. The need, they say, is to get back to the principles that won them their majority in 1994.

Call it a bridge to the insurgent past. While the Republican Class of '94 campaigned to balance federal budgets, the GOP in power has racked up massive deficits. The party that campaigned to limit the size of government instead vastly expanded it. And the party that railed against entitlements created the biggest expansion of one, the 2003 Medicare prescription drug program, in a generation.

"We did not just lost our majority, we lost our way," said Rep. Mike Pence (R) of Indiana, one of 25 Republicans who voted against the prescription drug plan. He also chairs the conservative Republican Study Group, the largest group in the caucus.

"While the scandals of the 109th Congress harmed our cause, the greatest scandal in Washington, D.C., is runaway federal spending," he added in a statement within hours of the historic defeat. Mr. Pence sat out the fight in January to replace Rep. Tom DeLay of Texas as majority leader, but he is now widely seen as a top contender. On Wednesday he announced his candidacy for the top GOP post. "Only by making a dramatic turn in the direction of the Republican Revolution can we hope to attain majority status," he wrote in a letter to his GOP colleagues.

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In a separate statement, Rep. Jeb Hensarling (R) of Texas, who has drawn fire from fellow Republicans for his outspoken opposition to members' pork projects, called for a "return to Republican principles by renewing our commitment to limited government, individual empowerment, a strong national defense and traditional American values."

Along the same lines, the current GOP majority leader, Rep. John Boehner (R) of Ohio, called on the GOP to "recommit ourselves to the principles that brought us to the majority and renew our drive for smaller, more accountable government."

At stake in the next leadership fight is whether the GOP continues as a party of big conservative government or returns to its ideological roots in the Goldwater and Reagan eras, say libertarian critics.

"This is all a debate leading up to 2008, which is when we really get to make our decisions: Are we going to continue to follow the George W. Bush path of big government conservatism or the path of Reagan, Goldwater, and - to some extent - Newt Gingrich," says Ryan Sager, author of the recent book, "The Elephant in the Room: Evangelicals, Libertarians, and the Battle to Control the Republican Party."

Libertarians say the GOP's commitment to a social agenda that bans gay marriage and limits government funding for embryonic stem-cell research also contributed to its defeat this week. If there are new leadership elections, the party's conservative base is "going to be looking to clean house," and wipe away remnants of a leadership machine that "presided over the explosion of earmarks and petty corruption and worse," says Mr. Sager.

Meanwhile, business groups that work with the current GOP leadership are prospecting new ties with the incoming Democratic majority. One thing that Republicans and their critics are missing in the postelection analysis is that "this Congress, though well-intentioned, did not achieve a lot of legislative progress," says Jay Timmons, of the National Association of Manufacturers.

Of the many agenda items left incomplete at the end of the 109th Congress, those that most concern the business community include a permanent extension of the estate tax, renewal of research-and-development tax credits, and plans to bring down the high cost of oil and natural gas by increasing the domestic supply.

"They still have time to do this in the lame duck session," he adds.

Conservatism Is Alive And Well (USAT)

By Jonah Goldberg

USA Today, November 9, 2006

The great irony of the post-election spin fest is that Republicans and Democrats are switching their talking points.

For a year, the Republicans tried to frame the elections as a “choice” between the parties and their respective philosophies. The Democrats insisted that the elections were really just a “referendum” on President Bush, GOP corruption and the war. For most of the campaign season, Democratic leaders Rep. Nancy Pelosi of California and Sen. Harry Reid of Nevada hid in their respective spider holes. Later, Democratic National Committee Chairman Howard Dean refused to debate Republican National Committee Chairman Ken Mehlman — all for fear of reminding voters that the Democrats are Democrats. This just wasn't part of their playbook and was one reason Massachusetts Sen. John Kerry's “botched” joke seemed so deadly: It threatened to remind people that a vote against the Republicans was a vote for the Democrats.

Now that the midterm elections are over, and the GOP has lost the House and possibly the Senate, the Republicans like the referendum spin after all. This was just a year to throw the bums out, they say, and a few scandal-plagued bad apples cost the barrel a whole bunch. Meanwhile, the Democrats insist that voters made a bold “choice for change,” whereas before, change merely meant “not Bush.”

Now change means whatever Pelosi, Reid, New York's Sen. Charles Schumer and Co. want. This is a major bait and switch. If I tell my waiter, “I don't want to eat this hamburger,” I've made a choice for change. That doesn't mean I've automatically embraced whatever he brings me in its place. A moldering pottage of road-killed badger is no less change than a steak. But it's not necessarily what most diners have in mind.

Republicans will have a tougher time winning the spin war, not because they have the worse argument, but because they have a worse environment to make it in. America has been moving to the right since at least 1980 with the election of Ronald Reagan. Since then, the GOP has seen its power and popularity grow as a result, albeit not in perfect tandem. Bill Clinton beat

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the first George Bush largely because he ran as a centrist Democrat. When he wavered in his centrism, the increasingly conservative electorate punished him with the 1994 Republican takeover of both the House and the Senate, which lasted until this week (not counting the 2002 switch in the Senate caused by the defection of Vermont's Sen. Jim Jeffords). And, of course, in 2000 and 2004, George W. Bush won back to back elections. In other words, the GOP was due for a shellacking, and any shellacking would seem like a sea change. But in a historical sense, this week's shellacking was a bit lacking.

Since the direct election of senators (i.e. the past nine relevant midterm elections), the average losses in a president's sixth year have been 34 House seats and seven Senate seats. By that standard, the Democrats came up just shy of average. Republican losses in the Senate in 1986 were worse, but few now remember those elections as a national repudiation of conservatism. Yet that's how we're supposed to interpret this week's news. That's hard to do if you look at the candidates who put the Democrats over the top.

Sen. Joe Lieberman's win in Connecticut was hardly a victory for the progressive base.

If Sen. George Allen of Virginia loses, it will be partly because he contracted a terrible case of Dukakisitis — a debilitating disease that causes the victim to run cartoonishly awful campaigns — and because Democrats threw in former Republican Jim Webb, a gun-toting, big-military, anti-affirmative action, right-leaning populist type who quit the Reagan administration as secretary of the Navy because it wasn't hawkish enough.

In Pennsylvania, Democrat Bob Casey unseated Sen. Rick Santorum because he's a nominally pro-life Democrat. Indeed, according to data collected by the leftwing Media Matters for America, 16% of the Democratic candidates in the most competitive races described themselves as “pro-life.”

There are other telling indicators. A Fox News election day poll suggests that perhaps a third of supporters of the gay-marriage ban on Virginia's ballot voted for Webb, while similar bans passed in several other states as did a ban on racial preferences in Michigan. Shortly before the elections, one in five self-described independents were “very enthusiastically” voting Democratic.

These are hardly indications of a sudden lurch to the left in American politics. The GOP got thrown out of office because it got fat and lazy and because Democrats — with the help of a transmission-belt media — convinced a lot of voters that they could simply change the channel on the war by voting for “change.”

The great irony is that the best thing in the world for the Republicans — though perhaps not the country — would be if the Democrats actually believed their spin and tried to act on a mandate that isn't there. Given the underlying historical trends in conservatism's favor, that would ensure another victory in 2008 for the GOP — as the party of change.

Jonah Goldberg is editor at large of National Review Online. He is a syndicated columnist and a member of USA TODAY's board of contributors.

A Loss's Silver Lining (WP)

By George F. Will

The Washington Post, November 8, 2006

At least Republicans now know where the "Bridge to Nowhere" leads: to the political wilderness. But there are three reasons for conservatives to temper their despondency.

First, they were punished not for pursuing but for forgetting conservatism. Second, they admire market rationality, and the political market has worked. Third, on various important fronts, conservatism continued its advance Tuesday.

And Now, Back to the War

» Sebastian Mallaby The news has been dominated by elections and Iraq. After tomorrow, there will be only Iraq -- and an agonizing choice between soldiering on, scaling back or pulling out.

Of course the election-turning issue was not that $223 million bridge in Alaska or even the vice of which it is emblematic -- incontinent spending by a Republican-controlled Congress trying to purchase permanent power. Crass spending (the farm and highway bills, the nearly eightfold increase in the number of earmarks since 1994) and other pandering (e.g., the Terri Schiavo intervention) have intensified as Republicans' memories of why they originally sought power have faded.

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But Republicans sank beneath the weight of Iraq, the lesson of which is patent: Wars of choice should be won swiftly rather than lost protractedly. On election eve the president, perhaps thinking one should not tinker with success, promised that his secretary of defense would remain. That promise perished yesterday as a result of Tuesday's repudiation of Republican stewardship, which, although emphatic, was not inordinate, considering the offense that provoked it -- war leadership even worse than during the War of 1812.

Tuesday's House result -- the end of 12 years of Republican control -- was normal; the reason for it was unprecedented. The Democrats' 40 years of control of the House before 1994 was aberrant: In the 140 years since 1866, the first post-Civil War election, party control of the House has now changed 15 times -- an average of once every 9.3 years. But never before has a midterm election so severely repudiated a president for a single policy.

The Iraq war, like the Alaska bridge, pungently proclaims how Republicans earned their rebuke. They are guilty of apostasy from conservative principles at home (frugality, limited government) and embrace of anti-conservative principles abroad (nation-building grandiosity pursued incompetently).

About $2.6 billion was spent on the 468 House and Senate races. (Scandalized? Don't be. Americans spend that much on chocolate every two months .) Although Republicans had more money, its effectiveness was blunted because Democrats at last practiced what they incessantly preach to others -- diversity. Diversity of thought, no less: Some of their winners even respect the Second Amendment.

Free markets, including political markets, equilibrate, producing supplies to meet demands. The Democratic Party, a slow learner but educable, has dropped the subject of gun control and welcomed candidates opposed to parts or even all of the abortion rights agenda. This vindicates the candidate recruitment by Rep. Rahm Emanuel and Sen. Chuck Schumer, chairmen of the Democratic House and Senate campaign committees, respectively. Karl Rove fancies himself a second iteration of Mark Hanna, architect of the Republican ascendancy secured by William McKinley's 1896 election. In Emanuel, Democrats may have found another Jim Farley, the political mechanic who kept FDR's potentially discordant coalition running smoothly through the 1930s.

Making the Democratic House majority run smoothly will require delicacy. The six elections beginning with 1994 produced Republican majorities averaging just 10 seats. The six elections before 1994 produced Democratic majorities averaging 44. Nancy Pelosi's majority will be less than half that. The most left-wing speaker in U.S. history will return to being minority leader in 2009 unless she eschews an agenda that cannot be enacted without requiring the many Democrats elected from Republican-leaning districts to jeopardize their seats.

This year Democrats tacitly accepted much of the country's rightward movement over the past quarter-century. They did not call for restoring the 70 percent marginal tax rates that Ronald Reagan repealed. And although Pelosi and 15 of the 21 likely chairmen of committees in the coming Congress voted against the 1996 welfare reform, which has helped reduce welfare rolls by roughly 60 percent, Democrats this year did not talk about repealing it.

The property rights movement gained ground Tuesday as voters in nine states passed measures to restrict governments from exercising eminent domain in order to enlarge their tax revenue. In Michigan, opponents of racial preferences in public hiring, education and contracting easily passed their referendum, 58 to 42 percent, in spite of being outspent more than three to one. In Minnesota -- the only state Democrats have carried in each of the past eight presidential elections, but one that is becoming a swing state -- Republican Gov. Tim Pawlenty was reelected. And, come January, the number of Republicans in the House (at least 200) will still be larger than the largest number during the Reagan years (192 in 1981-83).

The country remains receptive to conservatism. That doctrine -- were it to become constraining on, rather than merely avowed by, congressional Republicans -- can be their bridge back from the wilderness.

AP: Hastert Won't Seek House Leader Post (AP-Y)

By David Espo, Ap Special Correspondent

AP, November 9, 2006

Triggering a post-election shake-up, Dennis Hastert announced Wednesday he will not run for leader of House Republicans when Democrats take control in January.

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"Obviously I wish my party had won," the House Speaker said in a statement that added he intends to return to the "full-time task" of representing his Illinois constituents.

His decision to step down from the leadership cleared the way for a likely succession battle among lawmakers who face the sudden loss of power after a dozen years in the majority.

Rep. John Boehner of Ohio, currently the majority leader, is expected to run for leader, and Rep. Mike Pence of Indiana announced during the day he also will seek the post. Joe Barton of Texas has signaled he may join the field.

Hastert first conveyed word of his plans in a conference call with fellow GOP leaders one day after Republicans lost control of the House in midterm elections.

There is no recent precedent for Hastert's situation. The last time control of the House changed hands, in 1994, the speaker at the time, Democratic Rep. Tom Foley of Washington, lost his House seat.

Hastert, 64, became speaker nearly eight years ago, stepping up after Newt Gingrich resigned and the next-in-line lawmaker, Bob Livingston, quit after saying he had had an extramarital affair.

A former high school wrestling coach, Hastert was the perfect tonic for Republicans at the time, studiously avoiding the controversy that Gingrich often seemed to court.

He worked closely with President Bush, and originally had indicated he would retire rather than seek re-election this fall. The president prevailed on him to run again though, and Hastert agreed.

In the final weeks of the campaign, fellow Republicans questioned whether he or his aides had failed to act more quickly to force Rep. Mark Foley to resign. The Florida Republican quit Congress on Sept. 29 after being confronted with sexually explicit computer messages he had sent to teenage Capitol pages.

Hastert's tenacious — but plodding — approach to his tenure received mixed reviews. He largely shunned the talk-show circuit. He pushed much of Bush's legislative agenda to passage, although critics said he occasionally failed to line up GOP support for key legislation, including a 1999 resolution supporting U.S. intervention in Kosovo and gun-control measures.

Although conservative, Hastert became known more as a legislative tactician with a pragmatic, consensus-building style than as an ideological purist.

In an effort to keep his fragile, fractured Republican majority — and himself — in charge of the House, Hastert maintained a dizzying fundraising pace as speaker that rivaled the legendary cash-collecting abilities of his predecessor, Gingrich.

He took steps to decentralize the House, allowing policy to bubble up through the committees rather than being dictated down from the top.

Hastert won 10 terms by concentrating on issues important to his north central Illinois district, a mix of far-out Chicago suburbs, farmland and high-tech industry.

On Tuesday, Hastert was easily re-elected to his congressional seat over a relatively unknown challenger, but Democratic wins nationwide gave them control of the House and put California Democrat Nancy Pelosi in line to be the next speaker.

"It's been kind of tough out there," Hastert said during a brief appearance at his election headquarters.

Several officials said Rep. Roy Blunt of Missouri would seek a new term as whip, the second-ranking leadership position. Rep. John Shadegg of Arizona circulated a letter to fellow Republicans announcing he would run for the post.

Rep. Deborah Pryce, R-Ohio, issued a statement saying she would not seek to remain in leadership. She is locked in a tough re-election race in her district around Columbus.

Players Begin Jockeying For Leadership Posts (USAT)

By Kathy Kiely

USA Today, November 9, 2006

WASHINGTON — Republicans' loss of power in Congress set off a leadership shuffle Wednesday as the new minority party faced remaking itself after its election losses and Democrats scrambled to divide the spoils of victory.

House Speaker Dennis Hastert announced that he will step down as leader of the House Republicans at the end of the year after an election night that saw his party lose at least 28 seats and control of the chamber. As of Wednesday evening, no Democratic incumbent had lost.

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Nine races remained too close to call. Rep. Deborah Pryce, an Ohio Republican, was in one of them. Pryce, the only female member of the House GOP leadership team, told colleagues in a letter that she would also give up her leadership post even if she wins re-election.

"I believe it is in the best interest of the party … that I keep my focus on my district for the next two years and ensure this seat remains safely in Republican hands," Pryce wrote.

House members in both parties celebrated the end of the congressional campaign by cranking up new campaigns for party leadership positions. Elections will be next week, when members of the current Congress return for a lame-duck session to complete work on spending bills and next year's freshmen arrive for orientation.

In the Senate, Virginia Democrat Jim Webb was declared the winner Wednesday night by the Associated Press over incumbent George Allen. That would elevate Harry Reid of Nevada to majority leader. Mitch McConnell of Kentucky has no opposition to succeed retiring Sen. Bill Frist as the new Senate Republican leader.

Former Senate GOP leader Trent Lott of Mississippi, forced from his post in 2002 after a controversy over a remark he made at Sen. Strom Thurmond's 100th birthday party, has said he may try for a comeback as McConnell's deputy.

The outlook is less certain in the House. Although even President Bush acknowledged Democratic leader Nancy Pelosi's role (she said at a news conference that he called her "speaker-elect" during a phone call), competition for the remaining slots on her team is intense.

After 12 years when Democrats were out of power, "there's a lot of pent-up ambition," says Democratic Rep. Zoe Lofgren of California.

A fight is underway for the job of Democratic majority leader. Pennsylvania Rep. John Murtha, a longtime Pelosi ally and critic of the Iraq war, has announced plans to challenge Rep. Steny Hoyer of Maryland. Hoyer, currently the No. 2 Democratic House leader, is a onetime Pelosi rival who has the support of many party centrists.

Another confrontation is looming over the third-ranking Democratic post. Rep. Rahm Emanuel of Illinois, who engineered the party's House takeover as head of the congressional campaign committee, says he has not ruled out a challenge to Rep. James Clyburn of South Carolina, a senior member of the Congressional Black Caucus.

Congressional analyst Norman Ornstein says that would pose a "tricky" challenge for Pelosi. Emanuel has "a strong and legitimate claim to a reward," he says, but blocking an African-American from the first rung on the leadership ladder could anger a key constituency.

House Republican leadership contests are shaping up as a wide-open, intensely ideological fight over what direction the party should take in the aftermath of its losses. Reps. Joe Barton of Texas and Mike Pence of Indiana are challenging Rep. John Boehner of Ohio, the current majority leader, for the post of minority leader. Rep. John Shadegg of Arizona, a conservative closely allied with Pence, said he will oppose Roy Blunt of Missouri for House minority whip, the second-ranking GOP leadership post.

All of the candidates for top Republican posts are advocating a turn to the right. "We must seize this opportunity to reaffirm our conservative principles," Blunt said in a letter to colleagues. Party moderates read the returns differently. "The majority of the American people are centrists, and our party lost many seats because the party was not in touch with what the American people care about," said Rep. Mike Castle of Delaware.

Former New Jersey governor Christine Todd Whitman said Republicans lost ground because of a "hard-edged" image and emphasis on divisive issues such as abortion and gay marriage. She urged GOP leaders to recruit another woman to replace Pryce on the leadership team. "It's important for Republicans to have a woman there, because the gender gap is still an issue and women are more than 50% of the American people," she said.

The infighting got underway as election returns were still being counted. Among the late-decided races, Rep. Richard Pombo, a seven-term California Republican and a leading critic of environmental regulations, lost to Democrat Jerry McNerney, the chief executive of a wind-power company. Still-undecided races in Connecticut, New Mexico, North Carolina, Ohio, Texas, Washington and Wyoming would determine the fates of eight Republican incumbents. One Democrat, Rep. John Barrow of Georgia, remained locked in a close race with Republican Max Burns.

Alexander Says He's Close To Getting Votes Needed To Win GOP Whip (AP)

DOJ_NMG_0092112

By Rose French

AP, November 9, 2006

Tennessean

U.S. Sen. Lamar Alexander said today he's confident his Republican colleagues will select him to be GOP whip, the party's No. 2 leadership position in the Senate.

Alexander said he's close to a majority and "working on a consensus" to win the post now that his closest rival, Pennsylvania Sen. Rick Santorum, lost his re-election bid.

"I'm encouraged by the response I'm receiving from my fellow senators," Alexander said in a conference call with reporters. He also said he was disappointed by Santorum's loss and had looked forward to a "spirited contest."

Alexander for months has been meeting with Senate Republicans in hopes they will select him to be the GOP whip. The current whip, Sen. Mitch McConnell of Kentucky, is expected to succeed Sen. Bill Frist as GOP leader. Frist, a Republican from Nashville, is leaving at the end of the year to consider a 2008 presidential campaign.

The whip counts votes and tries to maintain party unity. McConnell also has used the leadership job to prioritize projects back home in Kentucky, something Alexander has said he would try to do, too.

The closed-door House and Senate leadership elections are scheduled for Nov. 15.

Even though Tennessee Republicans avoided the fate of their GOP colleagues in several states when Bob Corker beat Democrat Harold Ford Jr. to capture Frist's seat on Tuesday, Alexander said Republicans need to listen to American voters.

"We'd be tone deaf if we didn't hear the message Americans were sending to Congress," Alexander said. "We've (Republicans) drifted from our core values. We haven't gotten control on entitlement spending. We've forgotten that we're opposed to the idea of Washington knows best."

Suggesting that President Bush should work more closely with Congress, Alexander said, "I think we need to remind ourselves and the country that Pennsylvania Avenue is a two-way street."

Democratic Majority May Grow (RC)

By Lauren W. Whittington

Roll Call, November 9, 2006

Democrats claimed a comfortable House majority in Tuesday's midterm elections and appear poised to also capture control of the Senate pending a final vote tally in Virginia, as voters across the country voiced widespread frustration with President Bush and the Republican Party's leadership.

In the House, Democrats picked up a minimum of 28 seats, with the potential for at least one more gain pending final vote confirmation or recounts. In the Senate, Democratic challengers defeated Sens. Rick Santorum (Pa.), Mike DeWine (Ohio), Jim Talent (Mo.) and Lincoln Chafee (R.I.).

Sen. Conrad Burns (R-Mont.) narrowly trailed state Senate President Jon Tester (D) into the wee hours Wednesday morning and the race was called for Tester by mid-day, although Burns has yet to concede.

That leaves Virginia as the contest to decide whether Democrats will have 51 Senate seats next Congress.

Surrogates for Sen. George Allen (R) said Wednesday they were unwilling to concede defeat before all the votes were counted and the tally becomes official next week. Unofficial results late Wednesday afternoon showed Allen trailing former Reagan Navy Secretary Jim Webb (D) by 7,217 votes.

But even as the official Senate outcome and several House races remained up in the air and recount teams were being deployed Wednesday morning, strategists in both parties already were shifting their focus to the 2008 landscape and assessing how sustainable the new Democratic majorities might be.

At a briefing Wednesday to discuss the election results, National Republican Congressional Committee Chairman Tom Reynolds (N.Y.) conceded that the seats held by GOP Reps. Anne Northup (Ky.) and Jim Leach (Iowa) — two of the biggest upsets Tuesday — would be all but impossible to return to the GOP fold. Leach had held his seat for 15 terms.

Sen. John Kerry (D-Mass.) carried both districts in the 2004 presidential contest, and he also won the districts held by defeated Reps. Clay Shaw (Fla.), Curt Weldon (Pa.), Nancy Johnson (Conn.) and Charles Bass (N.H.).

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All six seats would appear to be difficult for the GOP to regain before the next round of reapportionment and redistricting after the 2010 Census.

Northup has faced tough challenges ever since winning the Democratic-leaning Louisville-based seat in 1996 and, in more favorable climates, has always held on.

"It's a tough seat," Reynolds said. "She's the only person I know that can hold it [for Republicans]. We watched it and it just was a year where she ran a good race and the Democratic numbers of the city were able to prevail."

But Reynolds also sounded confident that his party would be able to recapture some of the GOP-friendly territory lost in 2006.

He held out the seats of Reps. John Sweeney (N.Y.) and Jim Ryun (Kan.), both of whom were defeated on Tuesday, as prime pickup opportunities in 2008.

Sweeney's upstate New York seat has a Republican registration advantage of almost 100,000, Reynolds said, and he described Kansas' 2nd district as a "pretty darn good seat." President Bush won 59 percent of the vote in Ryun's district in 2004.

Democrats, however, likened their strong performance in the Democratic-friendly Northeast to the political realignment that occurred in the GOP tidal wave of 1994, when Democrats lost a disproportionate number of seats in the South — most of which they have not since reclaimed.

The Democrats picked up a minimum of 10 seats with victories in Connecticut, New Hampshire, New York and Pennsylvania on Tuesday. In Connecticut's 2nd district, Rep. Rob Simmons (R) trailed former state Rep. Joe Courtney (D) by less than 200 votes as of late Wednesday and the race had yet to be called.

"Blue states got really blue," Democratic Congressional Campaign Committee Chairman Rahm Emanuel (Ill.) said in meeting with reporters Wednesday. "We were halfway [to the majority] before we even left the Northeast. [Early in the cycle] we talked about building a strategy in the Northeast that would be for us what the South was for Republicans in 1994."

Several races still were too close to call on Wednesday, but at minimum 20 House Republicans were tossed from office Tuesday — including Resources Chairman Richard Pombo (Calif.) — and Democrats picked up eight GOP-held open seats.

Retaking many of those seats in GOP-leaning territory next cycle may prove to be a more daunting task for Republicans than it might appear, even with the pull of the presidential ticket at the top of 2008 ballots.

For instance, Democrats picked up three seats in Indiana, all of which are districts that voted strongly for Bush in 2004. But Vanderburgh County Sheriff Brad Ellsworth's (D) more than 20-point blowout of Rep. John Hostettler (R-Ind.) would appear to make him a less-than-appealing target for any would-be opponents, despite the lackluster campaign that Hostettler ran.

In the neighboring 9th district, former Rep. Baron Hill (D-Ind.) reclaimed his old seat from Rep. Mike Sodrel (R), making him seem less susceptible to a first-term challenge than most average freshmen lawmakers.

In addition, Sen. Evan Bayh (D-Ind.) has spent the past year preparing for a White House bid in 2008. If he is on the national ticket next cycle, it would only further boost the re-election prospects of Ellsworth, Hill and attorney Joe Donnelly (D), who defeated Rep. Chris Chocola (R-Ind.) on Tuesday.

Even winning back a conservative-leaning district such as North Carolina's 11th district, where former NFL quarterback Heath Shuler (D) defeated eight-term Rep. Charles Taylor (R), is far from a sure thing for the GOP.

DCCC spokesman Bill Burton argued that new Members like Shuler, a conservative on social issues, are a genuine reflection of their constituencies and will vote their districts.

If that proves to be the case, Democrats also would have a good shot of holding onto GOP-leaning seats they picked up Tuesday such as Arizona's 5th district, Minnesota's 1st district and New York's 24th district.

Other Republican targets are more obvious. Just as Rep. Melissa Bean (D-Ill.) began the 2006 cycle as the No. 1 target for the GOP, that distinction for 2008 goes to former Rep. Nick Lampson (D-Texas). Lampson won the seat vacated by former Rep. Tom DeLay (R-Texas) after the Republican nominee was forced to mount a write-in campaign. The district voted 64 percent for Bush in 2004, and Lampson faces an uphill battle in holding the seat two years from now.

Bean, however, won re-election Tuesday by a comfortable 51 percent to 44 percent margin in a district where Bush won 56 percent two years ago.

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Another challenge for Republican leaders heading into next cycle will be to motivate their House Members to stick around, given their new minority status. Both parties have done a good job of holding retirements to a minimum for the past two cycles.

Democratic strategist Steve Elmendorf, a one-time top aide to ex-House Democratic Leader Richard Gephardt (Mo.), recalled the shock within the party ranks when Democrats lost control of the House in 1994.

"I think there's a whole bunch of their people who have never really contemplated the idea that they were going to lose," Elmendorf said. "They're going to be depressed. They're not going to like being in the minority, and they're not going to like being taken off their exclusive committees, and they're going to think twice about whether they should stay here or not."

Meanwhile, if Democrats do claim a one-seat majority in the Senate, the 2008 landscape already is tilted in their favor because of the sheer number of seats the GOP is defending.

Twenty-one Republican-held seats and only 12 Democratic-held Senate seats are up for re-election next cycle, and the playing field does not overlap with any of the biggest presidential battlegrounds: Florida, Ohio, Missouri and Pennsylvania.

Retirement worries also appear to be a more prominent problem for the GOP. Topping the party's potential retirement list are Sens. Pete Domenici (N.M.), John Warner (Va.), Ted Stevens (Alaska), Thad Cochran (Miss.) and Chuck Hagel (Neb.). Sen. Wayne Allard (Colo.) must decide whether to adhere to a term-limits pledge.

Competitive contests are all but assured in Colorado, Minnesota, Louisiana and South Dakota, and open-seat races in New Mexico and Virginia also would draw much attention.

Republicans' best pickup opportunities appear to rest on their ability to generate competitive races against Sens. Mary Landrieu (D-La.), Tim Johnson (D-S.D.) and Max Baucus (D-Mont.).

Sen. John Ensign (Nev.) is set to take the helm of the National Republican Senatorial Committee next cycle. Democrats have not decided who will chair the Democratic Senatorial Campaign Committee in 2008, although current Chairman Charles Schumer (N.Y.) is heavily favored to do a return engagement.

Nicole Duran and Susan Davis contributed to this report.

Democrats Recast U.S. Political Landscape (LAT)

By Ronald Brownstein

The Los Angeles Times, November 9, 2006

WASHINGTON -- The rolling realignment of U.S. politics accelerated Tuesday, as Democrats strengthened their hold over the Northeast and opened new beachheads in the Midwest and Mountain West that could prove critical to their hopes of winning the White House two years from now.

These and other political changes, illuminated by the 2006 election like a late-night flash of lightning, could signal a new stage in the competition between the two major parties.

For Democrats, the watchword Tuesday was growth: the party expanded its reach with key groups of swing voters as it made notable advancements on previously GOP-leaning terrain.

The results sent Republicans a message of retrenchment: the Democratic surge reversed President Bush's gains in the 2004 vote among women and Hispanic voters and saw the GOP virtually obliterated across the Northeast and mid-Atlantic.

In all, the election dealt a powerful blow to Republican hopes that Bush's re-election in 2004 had established a narrow but lasting political majority for the party. Instead, the U.S. appears to have reverted back toward a 50-50 political nation, with Democrats, if anything, claiming the momentum.

"Heading into the 2008 election, neither party holds a significant advantage," argued political strategist Simon Rosenberg, head of centrist Democratic group known as NDN, in a memo Wednesday. "It is a 'jump ball' for control in 2008 . . . "

The most emphatic Democratic gains came in the 11 Eastern states stretching from Maryland to Maine. Many of these states were once a foundation of the GOP, but they have drifted toward the Democrats over the last 50 years as Republicans have become more closely identified with a Southern-flavored social conservatism and small-government ideology.

That trend, mixed with antipathy toward President Bush and the war in Iraq, produced explosive gains for Democrats in the East on Tuesday.

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Pending final results in two tight contests, Democrats gained as many as 12 House seats in the region, ousted GOP senators in Pennsylvania and Rhode Island and seized Republican-held governorships in Massachusetts, New York and Maryland.

When the next Congress convenes, Democrats could hold 68 of the region's 92 House seats. They also will control 17 of the region's 22 Senate seats (Bernie Sanders of Vermont and Joe Lieberman of Connecticut, who were elected as independents, plan to caucus with the party.)

Two other Democratic breakthroughs turned heads. One was their success in smaller, economically struggling Midwestern communities where Bush ran well in 2000 and 2004. Democrats beat three GOP House members from Indiana in districts with those characteristics, and Democrat Sherrod Brown showed strength in such places in routing Republican Sen. Mike DeWine in Ohio.

The other important Democratic breakthrough came in the Mountain West. Democrats captured one GOP-held House seat in Colorado and two in Arizona. In Montana, Democrat Jon Tester apparently defeated Republican Sen. Conrad Burns, pending a final vote count. Democratic governors won landslide re-elections in New Mexico, Arizona and Wyoming. Democrat Bill Ritter scored a landslide victory in the race for Colorado's governor's office, which a Republican had held.

After Tuesday's results, Republicans "should be terrified" about holding Colorado in the 2008 presidential race, said Walt Klein, a veteran GOP consultant in the state.

Still, Democrats excited by their gains may be overlooking signs of continued resistance in the region. They came close, but failed to defeat, targeted GOP House incumbents in Nevada and Colorado, lost the Nevada governor's race, failed in a bid against Sen. Jon Kyl, R-Ariz., and saw Colorado voters reject a ballot initiative to authorize civil unions for homosexuals while approving a state constitutional amendment to ban gay marriage.

One reason Democrats generally ran well across the Southwest was the GOP's poor showing among Hispanics.

In 2004, exit polls showed Bush carrying about 40 percent of Hispanic voters. But with many Republicans pushing a hard-line message on immigration, National Election Pool exit polls showed GOP congressional candidates winning just 29 percent of the Hispanic vote.

Republican support also suffered among independent voters, after running about even with them in 2002 and 2004. Democrats won independents, often by commanding margins, in each of the 11 most competitive Senate races except in Rhode Island and New Jersey, where the GOP nominated moderate candidates.

Women voters, who moved toward Bush in 2004, turned away from the GOP. Women preferred the Democratic candidates in the 11 top Senate races, often by huge margins.

One big reason for that success: exit polls found women considerably less supportive of the Iraq war than men. Similarly, the exit polls found that independents were nearly as unhappy about the war as Democrats.

Those findings suggest that without progress in stabilizing Iraq, Republicans may find it difficult to regain the support they lost Tuesday. The White House understands that after the election, the clock is ticking more loudly.

"The president believes in this war and everything that is at stake in this war, and so it's very difficult, even impossible, to envision that he would just give up on it," said a senior GOP strategist who requested anonymity when discussing administration policy. "On the other hand, the White House and Republicans are aware this is an unpopular war, and there is certainly pressure to turn things around. It's no secret that public patience is being taxed."

Half-Dozen House Races Could Move To Recounts (RC)

By Matthew Murray And David M. Drucker

Roll Call, November 9, 2006

Election Day may stretch well in to mid-November or beyond, as a bumper crop of midterm nail-biters mean that state elections officials may re-tally the vote in perhaps a half dozen or more House races.

Several of the candidates involved in potential recounts have consulted lawyers to make sure they know their options, though none went so far as to predict that a recount was likely to change the outcome of a race.

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As of Wednesday afternoon, Carl Forti, spokesman for the National Republican Congressional Committee, said the GOP was keeping a watchful eye on races involving incumbents Reps. Rob Simmons (Conn.), Robin Hayes (N.C.), Barbara Cubin (Wyo,), Heather Wilson (N.M.) and J.D. Hayworth (Ariz.) — and GOP House campaign leadership hinted that the list may not be fixed.

"We will assist in any recount that we are asked to assist in," said NRCC Chairman Tom Reynolds (N.Y.).

By late Wednesday, Democrat Joe Courtney's narrow lead over Simmons appeared to trip a Connecticut state law requiring recounts.

With 100 percent of precincts reporting, the total vote in Connecticut's 2nd district had Courtney besting the three-term incumbent by less than 200 votes. Although Simmons' campaign declined requests to indicate whether he would waive a recount, Simmons readied himself Wednesday for a recount, as he said on a GOP conference call, according to a source familiar with the call.

Courtney declared himself the winner on Wednesday. "Right now there is no reason to believe this will get narrower," said Courtney campaign spokesman Brian Farber.

In addition to those races flagged by the GOP, Democratic Congressional Campaign Committee spokesman Bill Burton said Democrats were keeping tabs on Franklin County Commissioner Mary Jo Kilroy's (D) attempt to oust the House GOP's fourth-ranking Member, Rep. Deborah Pryce (Ohio). Burton also said Democrats were concerned about alleged voting irregularities in Florida's 13th district, where automobile dealer Vern Buchanan (R) narrowly defeated banker Christine Jennings (D) in the race to replace Rep. Katherine Harris (R).

David Kochman, a Buchanan campaign spokesman, said Wednesday afternoon that Jennings was trailing Buchanan by 367 votes.

However, Jennings sounded more optimistic that a turnaround could be afoot, saying in a statement that the Supervisor of Elections has reported 18,382 undervotes, and that that number indicated something had gone awry in the vote counting. An undervote is when a ballot registers votes for other offices but not the office in question — in this case these ballots did not include a vote for Congress.

Jennings also talked of complaints coming into her campaign office from concerned voters, and by Wednesday Democrats already were asking for donations to pay for a recount.

In many states, margins of less than 1 percent can trigger an automatic recount, negating the need for a campaign to lawyer up and demand one from the courts. Such is the case in the 12th district of Georgia, where former Rep. Max Burns (R) believes that is the next step in his challenge to Rep. John Barrow (D).

"We think right now the election could go either way," Burns campaign spokesman John Stone said, saying his candidate received a big boost Wednesday when the votes from Republican-leaning Effingham County came in, dropping Barrow's lead from 2,387 on Tuesday night to around 1,000.

"Whoever wins this race will win it with a few hundred votes," Stone said, explaining that military and provisional ballots, as well as regular ballots that had yet to be counted, could help put Burns over the top.

In another seat where Republicans were hoping for a pickup — Georgia's 8th district — the margin also remains too close to call, with Rep. Jim Marshall (D) leading former Rep. Mac Collins by 1,700 votes. Collins spokesman Ed Prill said the process in his race to determine the winner could be long and drawn out.

Prill said that exploring every option was much more than an exercise for its own sake.

"We're not in the business of wasting our time," he said.

Bush To Meet With Big 3 Automakers (AP-Y)

AP, November 9, 2006

President Bush's long-promised meeting with the heads of Detroit's Big Three automakers will be held Tuesday at the White House.

The auto executives tentatively were scheduled to meet with Bush in May, but in September, the meeting was pushed back until after the election.

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That prompted criticism from Michigan's Gov. Jennifer Granholm and other Democrats who said the administration had neglected the problems of the Big Three automakers and its workers.

The White House said the president talks to the automakers all the time, and promised that Bush will hold his meeting with the heads of General Motors Corp., Ford Motor Co., and DaimlerChrysler AG's Chrysler Group in mid-November. White House spokesman Tony Fratto said Bush would meet with the automakers before leaving on a trip to Asia.

Bush declined an opportunity to have the meeting in Detroit when he was there in early September to attend a fundraiser for a GOP Senate candidate about 40 miles northwest of Detroit. The Big Three automakers all have headquarters in or near Detroit.

Bush To Study Bill That Would Give D.C. Full Voting Rights (WP)

By Yolanda Woodlee

The Washington Post, November 9, 2006

President Bush said yesterday that he will review a bill to give District residents full voting rights in the House, marking the first time he has spoken about a measure that local lawmakers are trying to win approval for over the next few weeks.

The bill, introduced six months ago, also would add a congressional seat for Utah. Proponents of D.C. voting rights have waged a major push to get the bill passed this year.

"It's the first I've heard of it," Bush responded to a question during a news conference at the White House. "I didn't know that's going to come up from the lame duck."

The president was referring to the last few days of the current Congress, which returns to session next week and will adjourn before Thanksgiving. He did not say whether he would support the bill.

"Well, it may or may not come up. . . . But I'll take a look at it," he said.

Emily Lawrimore, a White House spokeswoman, said Bush was aware of the bill but wants to study it.

U.S. Rep. Thomas M. Davis III (R-Va.), who introduced the measure with Del. Eleanor Holmes Norton (D-D.C.) in the spring, said he has talked about the issue with the president.

"The congressman said that he had a conversation with the president months ago and followed up with a lengthy memo on it to the White House office that deals with policy matters," said Brian McNicoll, a Davis spokesman. "This is a legacy issue. We're working hard on it. We're not done, and I do not see the president vetoing this."

Bush's comments come a week after prominent D.C. politicians and business leaders met to determine how they can get the bill passed this year.

Voting rights advocates want Rep. F. James Sensenbrenner Jr. (R-Wis.), chairman of the Judiciary Committee, to move the bill to the floor for a vote. But before that, Utah lawmakers would have to approve a redistricting map that would create a fourth congressional seat for the state.

The bill would expand the House from 435 to 437 members. In hopes of winning broad bipartisan support, Davis and Norton proposed that one seat go to Utah, which is predominantly Republican, and the other to the District, which is overwhelmingly Democratic.

Chris Bleak, chief of staff to Utah House Speaker Greg J. Curtis (R), said the legislation creating the congressional seat for his state could be moved in a day.

"If we get the signal that this bill is going to move forward, we will move quickly to pass that bill," Bleak said. "We just need to get the thumbs-up from Representative Sensenbrenner or our congressional delegation telling us to move forward."

Norton predicted that Bush would sign the bill if it cleared Congress because it benefits both parties. "The president will take his cue from what the Congress does," Norton said.

OTHER NEWS:

Bush Pledges To Seek Common Ground, Work With Democrats (USAT)

By David Jackson

DOJ_NMG_0092118

USA Today, November 9, 2006

WASHINGTON — President Bush began rebooting his agenda on Wednesday, ticking off a revised list of priorities that include education, an immigration overhaul and maybe even an increase in the minimum wage.

After his party lost control of the House of Representatives and was in danger of losing the Senate, too — which appeared to prove true Wednesday evening when the Associated Press declared Virginia Democrat Jim Webb the victor over incumbent Sen. George Allen — Bush pledged to "work through our differences" with incoming House speaker Nancy Pelosi and other Democratic leaders. He said that includes the conduct of the Iraq war.

"The challenges and opportunities are plain for all to see," Bush said at a news conference.

To jump-start the final two years of his presidency, Bush said he would draw on his experience as governor of Texas, where he developed a reputation for working well with Democrats who controlled the Legislature on such issues as raising education standards and toughening penalties for juvenile crimes.

Bush said there may be some "common ground" on a Democratic proposal to increase the minimum wage from $5.15 an hour to $7.25 as long as there is "compensation" for small business owners. He and other Republicans say small businesses are hurt the most by such increases because they employ hourly workers. "There's a significant difference between common ground and abandoning principle," he said.

Bush also expressed hope for a more "comprehensive" immigration bill that includes expanded employment opportunities for temporary "guest workers." In December 2005, 164 House Democrats voted against a GOP-sponsored bill that was tough on border protection but did not include provisions for guest workers and a path to citizenship for some illegal immigrants as Bush supports.

Among other agenda items Bush cited: an extension of his signature No Child Left Behind education law, promoting alternatives to oil and dealing with unfunded liabilities in entitlement programs, including Social Security. Bush failed last year in an attempt to restructure Social Security to provide for private accounts.

Democrat Jim Turner, a former member of both the Texas Legislature and the U.S. House, said both parties could profit from working together. He cautioned that it would not be easy for Bush.

For one thing, he said, Bush lacks the partner he had in Texas with Lt. Gov. Bob Bullock, who liked Bush and exercised major influence with the Democratic legislators. Another Texan noted the partisanship in Washington is much worse than it was in the Austin of the 1990s, notably because of the Iraq war.

The war "will hover over everything," said former congressman Martin Frost, a Democrat who represented the Dallas area. "That will color the relationship."

Frost said Democrats won the election because of dissatisfaction with the war, and their supporters will expect them to deliver a plan to get U.S. troops out of Iraq. Bush said he remains committed to victory in Iraq and will listen to Democratic ideas.

"If the goal is success, then we can work together," Bush said. "If the goal is 'get out now regardless,' then that's going to be hard to work together."'

The president acknowledged his administration's handling of the Iraq war was a factor in the election, as voters registered "their displeasure with the lack of progress being made there." He also cited a desire for "congressmen to be honest and ethical."

Still, Bush was optimistic about the new political environment, even joking about Tuesday's setbacks.

"Actually, I thought we were going to do fine," Bush said. "Shows what I know."

Power Shift In Washington (CSM)

By Linda Feldmann And Peter Grier

The Christian Science Monitor, November 9, 2006

WASHINGTON

The tectonic plates of Washington power have shifted, presenting both President Bush and the new Democratic majority in Congress with an opportunity to work together and leave behind the politics of confrontation.

DOJ_NMG_0092119

The day after the historic midterm elections of 2006 - in which the Democrats won considerably more than the 15-seat net gain needed to take over the House of Representatives and were heading toward a possible majority in the Senate - leaders from both parties pledged to work together and avoid the intense partisanship of recent years.

"The message yesterday was clear: The American people want their leaders in Washington to set aside partisan differences, conduct ourselves in an ethical manner, and work together to address the challenges facing our nation," Mr. Bush said Wednesday in a press conference.

The reality, analysts say, is that the next two years are likely to offer a blend of confrontation and common ground. The Democrats, after 12 years in congressional opposition, don't want their hard-fought majority to vanish in the next election. The incentive for Bush, entering the final two years of his presidency, is to leave his party in a position to compete effectively in 2008. He can take a page from his earlier days as governor of Texas, when he gained a reputation for working well with Democrats.

"Early indications are that he's doing what he's done before and can do again, if he can get over his hurt and his pique, which it sounds like he already has, or at least he's working on it," says Bruce Buchanan, a political scientist at the University of Texas, Austin. "That is, this is not the time to get confrontational and dig in his heels."

Yesterday morning, Bush was on the phone, congratulating the Democratic leadership of Congress, and inviting the presumptive next speaker of the House, Rep. Nancy Pelosi of California, over for lunch.

From the Democrats' end, Ms. Pelosi already has appeared to clamp down on talk of impeaching the president by some of the more vocal liberals in the House. Still, life under the Democrats is expected to include hearings and inquiries into aspects of the Iraq war and the larger war on terror. The challenge will be for the Democrats not to appear on a witch hunt.

By Wednesday morning, the contours of the new House and Senate were becoming clear, but not definitive. At press time, the Democrats had made a net gain of 27 House seats and five Senate seats. One Senate race remained too close to call - but the Republican incumbent, George Allen of Virginia, was slightly behind. If the challenger wins, Democrats will control a majority in the Senate.

In Tuesday's wave, some longtime Republican members were defeated, including Reps. Nancy Johnson of Connecticut, Clay Shaw of Florida, and Curt Weldon of Pennsylvania. In the Senate, incumbent Republicans Lincoln Chafee of Rhode Island, Rick Santorum of Pennsylvania, and Mike DeWine all lost.

For the foot soldiers of both parties, who worked overtime to turn out their voters, such loyalty breeds demands on leaders - and it is among those base constituencies that common ground could be most elusive. For Bush, extending the tax cuts that he says have boosted the US economy will be an important goal. Democrats have pledged to raise the minimum wage as one of their first acts in the majority, presenting Bush with the choice of going along with or vetoing legislation that the public supports.

Some elements of Bush's agenda, such as his plan to partially privatize Social Security, now appear dead while others, such as his plan for comprehensive immigration reform - enhanced enforcement twinned with a guest-worker program - may gain new life.

Generally, voters were in a sour mood. Six in 10 said the nation was on the wrong track, according to exit polls conducted by the Associated Press and other news organizations. Scandals played a role. More than half of voters said they were dissatisfied with the way the GOP House leadership handled the matter of Rep. Mark Foley (R) of Florida, who has been accused of improper behavior toward teenage House pages.

But if one issue was the most important in the vote, it was Iraq. Six in 10 voters said they disapproved of the war. In the end, "the election became a referendum on the war," says Michael McDonald, a visiting fellow at the Brookings Institution in Washington and assistant professor of government and politics at George Mason University.

Whether Bush will read the election results as a mandate to change course in Iraq remains to be seen. If he chooses, he could take cover under the forthcoming recommendations of the bipartisan Iraq Study Group, a government-sponsored commission.

Considering both the Iraq war and the halting federal response to hurricane Katrina, voters have become skeptical of the ability of the White House to run important matters of US policy, says George C. Edwards III, a scholar of the presidency at Texas A&M University. "They're not confident in the competence of Republicans to govern. That may, or may not, be fair," he says.

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Many newly elected Democratic representatives come from swing districts, and are likely to be more moderate than liberals from safe Democratic seats. Congressional Republicans, for their part, may be dissatisfied with their current leaders, such as Speaker Dennis Hastert (R) of Illinois, and may tack away from a president they increasingly see as a lame duck.

Meanwhile, House Democrats will find it hard to push their own legislative agenda over Republican Senate filibusters and a potential White House veto.

Democrats may have won big Tuesday. "But we still have separation of powers," notes Dr. Edwards.

A New Bush? Yes And No (LAT)

By Doyle Mcmanus

The Los Angeles Times, November 9, 2006

WASHINGTON — As President Bush launched the final two-year stretch of his presidency Wednesday, his effort to secure his legacy was encumbered by two inflexible factors: the loss of a once-supportive congressional majority, and the weight of an unpopular war that he has so far found no way to win.

Fielding questions from reporters in the White House's East Room, the president reeled off a list of domestic issues on which he thought he could find common ground with Democrats, just as he had as governor of Texas six years ago and during his brief honeymoon with Congress in the first year of his presidency — the economy, education, energy, immigration, Social Security and Medicare.

But on Iraq, Bush warned that he was in no mood for a major change of course. "Looking at this election, the enemy is going to say, 'Well, it must mean America is going to leave.' And the answer is, no, it doesn't," he said. The goal, Bush repeated several times, remained the same: "Victory."

He said he'd work with Congress, but not on a timetable for withdrawing troops.

What lies ahead, Bush's remarks suggested, may be a two-sided presidency, one open to compromise on domestic legislation but committed to its basic strategy in Iraq and the war on terrorism — one-half Austin, Texas, one-half Sept. 11.

"On foreign policy, the new Bush is the old Bush, and he doesn't seem likely to change much," said Stanley A. Renshon, a political scientist at the City University of New York who has written a largely admiring biography of Bush.

"On domestic affairs, he's never entirely been a 'movement' conservative; he's always been willing to go the extra mile…. But he's always been tough on defense and foreign policy, even before 9/11."

Aware that Tuesday's balloting signaled voters' desire for new approaches to the war, aides insisted Bush was willing to look at policy alternatives.

They pointed to his nomination of former CIA director Robert M. Gates to replace Defense Secretary Donald H. Rumsfeld and his promise to consider the recommendations of an independent commission on the war.

"Of course the president is going to remain principled about [opposing] a massive withdrawal, just like he will about tax increases," said one aide, who requested anonymity because he was not authorized to speak for the White House. "But there is a lot of room in between."

At Bush's news conference, however, when a reporter asked whether Rumsfeld's resignation would lead to "a new direction in Iraq," the president rejected the phrase.

"New direction," he mused. "Well, there's certainly going to be new leadership at the Pentagon…. Bob Gates will bring a fresh perspective."

But the president added that when he talked with the Defense Department nominee last weekend, "I found him to be of like mind. He understands that we're in a global war with these terrorists. He understands that defeat is not an option in Iraq."

When another reporter asked whether the president believed he could work with the Democrats on Iraq, he said: "Well, I think we're going to have to work with them" — then described the job principally as persuading Democrats that his policies are right.

"We're not going to leave [Iraq] before the job is done," he said.

"And obviously we've got a lot of work to do with some members of Congress…. If the goal is success, then we can work together. If the goal is 'get out now, regardless,' then that's going to be hard to work together."

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That was a polite way for Bush to step around the most important conflict between his approach to Iraq and that of many House Democrats.

The new Democratic majority may have problems of its own on Iraq, which could give the president some room to maneuver.

Officially, the Democrats campaigned for "the responsible redeployment of U.S. forces" — a phrase Rep. Nancy Pelosi (D-San Francisco), the incoming speaker of the House, repeated on Wednesday. But they never agreed on when or where that redeployment would occur.

Some want the phrase to mean an immediate removal of most U.S. troops from Iraq, but others say they don't support a fixed timetable for withdrawal.

Administration officials say they plan to press the Democrats, now that they hold the majority, to specify what their proposals for pacifying Iraq would be. "If there are any good new options out there, we'll take them," said one aide, who asked for anonymity because he was speaking unofficially. "But most of them don't have any good new options."

Similarly, Bush challenged Democrats to come forward with proposals to bolster the finances of Social Security and Medicare — problems whose solutions are unlikely to be politically popular because they usually require tax increases or reductions in benefits.

"This is bipartisanship of a special kind: 'We have this problem, and what do you propose to do about it?' " Renshon said of the administration's position.

A former aide to Rumsfeld, Torie Clarke, agreed that it would be easier for Bush to work with Democrats on domestic issues than on national security.

"He does share some common ground with a lot of Democrats on some issues, especially domestic issues," she said.

"But there's a canyon between him and some others on Iraq and the principles of the war on terror."

As for the prospects of bipartisan cooperation becoming the rule in Washington, instead of the exception, Clarke said she was skeptical.

"With very few exceptions, policymakers and politicians operate in their own self-interest," she said. "If bipartisanship is in their interest, they will be bipartisan. If it's not, they won't. It will happen on a case-by-case basis."

Presidents often have faced the problem of Congress falling into opposition hands, and they invariably say — with as much enthusiasm as they can muster — that they welcome the opportunity for bipartisanship.

Ronald Reagan scrapped furiously with a Democratic Congress over legislation but invited its leaders to the White House for drinks. George H.W. Bush compromised with Democrats on a tax increase and, in his son's view, lost his job as a result. Bill Clinton promised to work with the conservative Republican majority that swept into power in 1994 and joined with it to pass a landmark welfare reform bill, but battled it on most other issues.

President Bush's problems may be greater than theirs.

For one, he and his staff have had little experience in trying to govern with Democrats since they arrived from Texas in 2001; for most of that time, they have known nothing but solid GOP majorities.

For another, Bush and his chief political advisor, Karl Rove, have long pursued a strategy aimed mainly at maximizing their support among conservative Republicans, not at reaching out to moderate Democrats and independents; declaring that the president has decided to be a centrist looks impractical at this late date.

"Politicians develop a style of leadership over many years, and it becomes consolidated," Renshon said. "It's very hard to turn on a dime."

Republican Blindness (WP)

By Robert D. Novak

The Washington Post, November 9, 2006

With one Republican bastion after another falling as returns poured in for Democrats Tuesday night, the GOP's carefully constructed defenses crumbled. The party's barriers failed to prevent the election from being a referendum on Iraq, George W. Bush and the Republican-controlled Congress. It was a failure of concept as well as execution.

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That failed concept relied on friendly, familiar Republican incumbents, who had delivered government pork for their districts, negating intense voter hostility by using the party's time-tested machinery to get out its vote. These tactics proved useless in the face of a wave that was not so much pro-Democrat as anti-Republican. Only gerrymandered House districts prevented a landslide that would have given the Democrats a House majority of historic proportions, approaching 50 seats.

The apparent Democratic takeover of both houses of Congress left Republicans stunned and divided, unable to comprehend that the nation's political realignment creating a GOP majority had crested and reversed. The confidence that relied on generously funded Election Day organization now looks like mindless arrogance. The party's cocksure political mechanics simply could not believe the outcome as the results poured in.

Even up to the last minute, the Republicans never really saw overall defeat coming. Republican Sen. Lindsey Graham of South Carolina used a golfer's language in telling me in July that his colleagues failed to appreciate how close the Republicans were to losing control of the Senate: "It's like we think we'll get by with pars on the last two holes when we really need birdies," he said then. On Wednesday Graham told me: "Actually, we bogeyed the 17th hole and picked up on the 18th."

Republican leaders are still in denial in the wake of their crushing defeat. They blame individual losing candidates for failing to prepare themselves for the election. In contrast, the private reaction by the candidates was anger at President Bush and his political team. That includes a rising GOP undercurrent against Iraq policy. The unpleasant truth is that Republicans lost almost everywhere the president campaigned during the past week. An exception was Florida, where state Attorney General Charlie Crist kept out of Bush's way and won the election for governor.

The bellwether of defeats to come was the Louisville district where the respected Rep. Anne Northup, who won 60 percent of the vote two years ago, was defeated for a sixth term. There was nothing she had done wrong or that her opponent had done right to cause her defeat. The same was true of other highly regarded Republican congressional veterans who were defeated Tuesday, headed by Nancy Johnson of Connecticut, Clay Shaw of Florida and Jim Leach of Iowa.

Exit polls confirmed what had been clear to anyone who spent time on the campaign circuit this year. Opposition to the war and the president had produced a virulent anti-Republican mood. About two weeks before the election, political technicians running the campaign of Rep. Charles Bass in New Hampshire suddenly realized that the popular six-termer was in deep trouble. His moderate voting and record of pork delivery (including a federal prison for his district) meant nothing. He was swept under by the anti-Iraq voting tide.

Bass at least had some warning. New Hampshire's other House member, Rep. Jeb Bradley, won with 63 percent of the vote in 2004 and never felt threatened this year until the results came in. This was a nationalized election about Iraq in which individual characteristics did not count.

Rep. J.D. Hayworth of Arizona, a stalwart of the famous Republican Class of '94, did not seem seriously endangered until word came back to Washington election morning that he looked like a loser. Representing a district that is not as Republican as it used to be, Hayworth had become an enforcement-only immigration hard-liner. It did not help him at the polls.

Sen. John McCain, the putative front-runner for the Republican presidential nomination in 2008, reacted to defeat with the typically blunt comment that his party had lost its way with earmarked pork-barrel spending. If party leaders in Congress at long last heed McCain's counsel, it would mark the beginning of wisdom.

Facing Up To Reality (WP)

By David S. Broder

The Washington Post, November 9, 2006

Never was a political wipeout better advertised in advance than the one that hit the Republican Party on Tuesday and cost Don Rumsfeld his job. From the first of my political soundings in the Midwest in early spring, it was clear that the public's frustration with the war in Iraq, the inept performance of the Bush administration after Hurricane Katrina, and the stunning partisanship and tawdriness of the Republican Congress was reaching explosive levels.

When Congress quit work without addressing immigration, energy prices or health-care inflation in any serious way, the majority Republicans were clearly asking for trouble. And the scandals that kept erupting just added to the public disgust.

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A few days before the election, Bernadette Budde, political director of BIPAC, the Republican-friendly Business Industry Political Action Committee, was quoted here as warning of the imminence of what she correctly predicted would be "an earthquake."

The only people who seemed oblivious to the warning signs were President Bush and his political adviser, Karl Rove. Against all evidence, including the warnings of other Republicans, they kept insisting that Republicans would hold the House and Senate. Bush said at his news conference yesterday, "I knew we were going to lose seats," but he acknowledged he was shocked that the twin themes he kept pushing -- taxes and security -- didn't save the GOP from "a thumping."

The Republican Party paid a heavy price for Bush and Rove's obduracy -- and for the miserable performance of the GOP congressional leadership. The vaunted Republican "base," on which the White House has relied to support the president's agenda, splintered on Election Day. In exit polls, one-fifth of self-described Republicans and three out of 10 white evangelicals or "born-again" Christians said they voted Democratic for Congress.

Meanwhile, independents and moderates went Democratic by margins of 18 and 23 points, respectively. Democrats broadened their coalition, winning the cities and splitting even in suburbs and rural areas, while capturing majorities in all age groups and every income level up to $100,000 a year. That same range is reflected in the expanded Democratic caucuses in the House and Senate, with notable victories from New Hampshire to Arizona.

So Bush was simply acknowledging reality when he reversed himself and bade farewell to his controversial Pentagon chief. He said he had made the decision in the final hours before Election Day, when he still believed he'd have a Republican Congress. In reality it was announced less than half an hour after speaker-to-be Nancy Pelosi had said at her own news conference that firing Rumsfeld would be the clearest way for Bush to signal that the election constituted a call for a new policy in Iraq.

Pelosi's performance at her debut as leader of a congressional majority was pitch-perfect, calm, confident and blessedly free of the screeching tone of some of her stump speeches. She is leading a formidable political force in this revived Democratic Party. Bush has every reason to treat her with respect -- and a degree of deference. He is right in thinking that they could well find common ground on immigration, education and perhaps even entitlements if they tried. But the acid test will be his willingness to open a genuine dialogue on Iraq.

Pelosi, who spent October out campaigning, showed a clearer grasp of the public mood than did Bush. He was still halfway between avowing a new open-minded readiness to listen and learn and his more familiar insistence on living in a world of moral absolutes. Thus the conflict between his welcoming fresh ideas on Iraq and insisting single-mindedly that "victory" is the only acceptable outcome for the military intervention that most of the voting public now judges a mistake.

The Democrats will offer Bush alternatives for Iraq and so, presumably, will the Baker-Hamilton commission when it meets with him next week and issues its report in December. James A. Baker III and Lee Hamilton and their colleagues are perfectly positioned to help break the deadlock on that policy -- if Bush is looking for an out.

The question is whether a president who couldn't recognize the reality of an approaching political landslide is any more discerning about spotting a policy and political disaster in the making in a far-off land.

As Predicted, A Wave Washes Republicans Out To Sea (RC)

By Stuart Rothenberg

Roll Call, November 9, 2006

Well, don't say we didn't warn you.

Tuesday's balloting was about what we expected. A relatively large political wave swept almost 30 House Republicans out of office and appears to have delivered the Senate to Democrats. Of course, we won't know the status of control of the Senate for a while, but whatever happens in Virginia and Montana, Democrats had a big night in that chamber, as well.

Actually, Republicans got lucky on Election Day. Many of the close House contests went to the GOP. Had squeakers in districts such as New Mexico's 1st, Virginia's 2nd, New York's 25th and 29th, North Carolina's 8th, Nevada's 3rd, Ohio's 1st, New Jersey's 7th, Connecticut's 4th and Wyoming's at-large seat gone Democratic, we could be talking about a 38- to 40-seat swing.

There were a lot of noteworthy things about Tuesday's voting, so let me touch on a few of them.

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First, what the South was to Democrats in 1994, the Northeast was to Republicans this year. Two seats in Connecticut appear to have fallen, along with another pair in New Hampshire, three in New York and four in Pennsylvania.

The New England and Mid-Atlantic landscape is littered with moderate Republicans, from Charles Bass and Jeb Bradley to Sue Kelly to Nancy Johnson and, possibly, Rob Simmons, and Republicans may find that it was easier to lose those seats than it will be to get them back. Add liberal Republican Rep. Jim Leach (Iowa) to the mix, and you have a national weeding out of moderates that impacted the northeast corner of the nation greatly.

True, moderates such as Reps. Christopher Shays (R-Conn.) and Jim Walsh (R-N.Y.) survived, but even their wins were ugly, and they stand out as exceptions to the rule.

Second, partisan voting devastated Republicans in Democratic-leaning districts. When Leach loses to an underfunded, fourth-tier Democratic challenger, you know that districts carried by Sen. John Kerry (D-Mass.) in 2004 saw plenty of straight-ticket voting by Democrats.

But these elections weren't about partisans after all. Exit polls showed that few partisans defected on Tuesday, and the real story was independents. While independents constituted only about 26 percent of the electorate, those voters went Democratic 57 percent to 39 percent. That 18-point margin is gigantic when it comes to normal independent voting patterns.

Third, all of the talk about a Republican surge during the final days of the campaign was bunk, as I believed (and wrote in this space) at the time.

You aren't likely to have large moves in public opinion after a lengthy campaign without events that force people to change their assessments and intentions. And given the likelihood that late deciders would move toward Democrats (which is exactly what happened), it was hard to see a Republican surge.

Once again, people overreacted to a couple of polls, particularly the generic ballot in the first Washington Post/ABC News survey and then, even more importantly, the late Pew Research poll, ignoring contradictory polling that suggested Democrats still held a significant advantage in the generic ballot going into Election Day.

It was stunning how quickly people jumped on the "Chafee Resurgent in Rhode Island Senate" bandwagon after seeing just one poll.

That's not to say there wasn't any closing toward the end. Montana tightened up in the final week, and there was data showing some increased GOP interest in the elections and likelihood to vote as Nov. 7 neared.

Fourth, we seem to have discovered the base Republican vote in many districts, and we found out where and how the Republicans' structural advantages from redistricting sheltered some Republican candidates from the wave.

Allegedly vulnerable Republicans in what appeared to be bulletproof GOP districts, such as Reps. John Doolittle (Calif.), Cathy McMorris (Wash.) and Mark Souder (Ind.) and incoming Reps. Doug Lamborn (Colo.), Bill Sali (Idaho), Adrian Smith (Neb.) and Tim Walberg (Mich.) held on despite the wave. Their margins were down, of course, but they survived, some even comfortably.

Republicans now must figure out what they are going to do. They can expect a number of retirements of senior Members now that the party is in the minority, and many GOP House Members will have to deal with being in the minority for the first time in their Congressional tenures.

President Bush, of course, is the biggest loser in a number of ways. He loses at least one chamber, and he is the reason Republicans took a bath on Tuesday. He may console himself by believing that he has the right policy in Iraq and history will judge him kindly. But his performance in office has destroyed a number of noteworthy political careers, and he would be wise to never forget that.

The Middle Muscles In (NYT)

By David Brooks

The New York Times, November 9, 2006

For decades, moderates have been the cowardly lions of American politics. You'd see them quivering in the corner as the anti-establishment left exchanged culture war mortar fire with the anti-establishment right. You'd see them passed over and dissed as the parties mobilized their bases and played to their primary voters.

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Well, somebody's been on steroids, because on Tuesday the muscular middle took control of America. Say goodbye to the era of Rovian base mobilization. Say goodbye to the era of conservative dominance that began in 1980. On Tuesday, 47 percent of the voters were self-described moderates, according to exit polls, and they asserted their power by voting for the Democrats in landslide proportions.

About a year ago, these angry moderates lost confidence in Republican rule. The tens of millions of dollars spent since then — the ads, the robocalls, the microtargeting — did nothing to change that basic decision.

Their disaffection with the G.O.P. was not philosophical. It was about competence and accountability. It was about the accumulation of Rumsfeld, Katrina, Abramoff, the bridge to nowhere and the failure to quarantine Mark Foley. Bill Clinton captured the electorate's central complaint about the G.O.P.: "They can't run anything right."

So voters kicked out Republicans but did not swing to the left. For the most part they exchanged moderate Republicans for conservative Democrats. It was a great day for the centrist Joe Lieberman, who defeated the scion of the Daily Kos net roots, Ned Lamont. It was a great day for anti-abortion Democrats like Bob Casey and probably for pro-gun Democrats like Jim Webb. It was a great day for conservative Democrats like Heath Shuler in North Carolina and Brad Ellsworth in Indiana.

It was even a good day for some moderate Republicans, like Chris Shays in Connecticut, Deborah Pryce in Ohio and Arnold Schwarzenegger in California, who held on because they are independent.

It was a terrible day for anti-immigration restrictionists on the right of the G.O.P., like J.D. Hayworth and Randy Graf in Arizona.

If you wanted to pick out a stereotypical swing voter in this election, it would be a white evangelical suburban office park mom in a blue state suburb. She's part of the one-third of white evangelicals who voted Democratic this year, as did 20 percent of self-described conservatives. She supported the Iraq war once but believes it has been conducted terribly. She doesn't have a lot of faith in government generally — 54 percent of voters believe government interferes too much, while only 37 percent want it to do more, according to a recent CNN survey — but she does think government should be able to accomplish its core missions.

She embodies the message of E. J. Dionne's 1991 book, "Why Americans Hate Politics," which argues that Americans are sick of symbolic politics, dying ideologies and false choices. Most of all, she's angry that politicians behave in ways that would be unacceptable in every realm of her life, and she thinks they're endangering her country.

In some ways, this election reminds me of the 1974 Democratic sweep. The Republicans have screwed up. Democrats have surged in. But the result leads not to a liberal tide but to Jimmy Carter, who in 1976 ran as a conservative anti-political reformer who won on fiscal discipline and with the support of Pat Robertson.

This election didn't define a new era, but it marks the end of an old one. If Democrats are going to take advantage of their victory, they will have to do two things. They will have to show they have not been taken over by their bloggers or their economic nationalists, who will alienate them from the suburban office park moms. Second, they'll have to come up with ideas as big as the problems we face. Their current platform consists of small-bore tax credits and foreign policy vagaries about, say, "redoubling" our efforts to get Osama bin Laden. (Why not retripling or requadrupling?)

Realignments are achieved by parties that define big new approaches to problems (see F.D.R.'s Commonwealth Club speech), and neither party has done that yet. In the meantime, if I were a Democrat I'd be like Lee Hamilton, the former Indiana congressman and serial commission member. The country is hungering for leaders like him: open-minded, unassuming centrists who are interested in government more than politics. If the Democrats are smart, this could be the beginning of a new Hamiltonian age.

The Thumpees Try Their Luck At The Blame Game (WP)

By Dana Milbank

The Washington Post, November 9, 2006

President Bush had many explanations for what he called the "thumping" his party took on Tuesday, but the most creative was the notion that his chief strategist, Karl Rove, had spent too much time reading books.

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"I obviously was working harder on the campaign than he was," the president said at yesterday's East Room news conference. The reporters laughed. The Architect, who had challenged Bush to a reading contest, wore a sheepish grin and stared at his lap.

True, Rove will have to surrender his "genius" credentials after the GOP lost the House and apparently the Senate. But the recriminations weren't stopping at Rove's door. The president, who started his appearance with an admission that "I share a large part of the responsibility," went on to blame everybody else.

He blamed corruption: "People want their congressmen to be honest and ethical, so in some races that was the primary factor."

He blamed Mark Foley, whose name remained on the Florida ballot: "People couldn't vote directly for the Republican candidate."

He blamed ballot rules. "You could have the greatest positions in the world . . . but to try to get to win on a write-in is really hard to do."

He blamed Democratic organization: "I'm sure Iraq had something to do with the voters' mind, but so did a very strong turnout mechanism."

He blamed bad luck: "If you look at race by race, it was close."

Implicitly, of course, he blamed Donald Rumsfeld, by firing him as defense secretary in favor of the "fresh perspective" of Robert Gates.

And, not least, he blamed the uncomprehending voters: "I thought when it was all said and done, the American people would understand the importance of taxes and the importance of security. But the people have spoken, and now it's time for us to move on."

The president's performance fit neatly into yesterday's version of the post-election ritual in Washington: The winning side gloated, and the losing side pointed fingers every which way.

Democratic National Committee Chairman Howard Dean, the party's bantam rooster, barely waited until sunrise to start crowing. In a morning news conference at the National Press Club, he stood with hands in his pants pockets and used the word "extraordinary" nine times and "huge" 12 times to explain the triumph: "Huge night!" "Huge achievement!" "Huge step forward!" "Huge mark!" "Huge piece!" "Huge breakthrough!" Dean, who spent much of the election season squabbling over strategy with his fellow Democrats, boasted: "We all worked together, and it came out great."

Republicans were equally determined to show their disunity. While Dean spoke, conservative leaders held dueling news conferences in other rooms at the press club. Their theme: Blame the party, not us. "This was not a repudiation of conservatives," said Pat Toomey, a former GOP congressman. "It was a rejection of the Republican Party." At the rival conservative event across the hall, Richard Viguerie was condemning "the failed big-government policies of President Bush."

GOP officials pointed the finger elsewhere. On Fox News, Republican National Committee Chairman Ken Mehlman said the party's vaunted turnout operation works only "in the very close races." Rep. Tom Reynolds (N.Y.), who led House Republicans' campaign efforts, said more Republicans could have won -- if they had acted more like him. "Just take a look at my race," he suggested. He blamed his colleagues for "self-inflicted wounds" and being "caught unprepared," and he blamed the "stiff wind" blowing in Republicans' faces.

The creator of this stiff wind, however, was in no mood for contrition. "Say, why all the glum faces?" Bush asked when he entered the East Room. In fact, his aides had worn exaggerated grins as they took their seats.

Clearly, Bush was trying to tone down the rhetoric from the campaign, when he said the Democratic "approach comes down to this: The terrorists win, and America loses." Yesterday, he voiced soothing notions of "consultations" and "bipartisanship."

But he seemed unsure how much to concede. He began by saying "Iraq had a lot to do with the election." He amended that to "Iraq had something to do with it." And finally he cited cases where "I'm not sure Iraq had much to do with the outcome." While he said "many Americans voted last night to register their displeasure" with Iraq, he looked puzzled when a reporter suggested that voters wanted the troops withdrawn. He said he was "making a change" at the Pentagon to respond to the voters, but he also said he was going to sack Rumsfeld "win or lose."

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Likewise, he wrestled with the message voters sent on Tuesday. "If you look at race by race, it was close," he reasoned. "The cumulative effect, however, was not too close. It was a thumping." But when the New York Times' Jim Rutenberg repeated the "thumping" description, Bush bristled. "Let's make sure we get the facts," he said. "I said that the elections were close. The cumulative effect: thumping."

Ken Herman of Cox News teased the wounded president. "That was 'thumpin',' without a 'g,' correct?" he queried. "I just want to make sure we have it right for the transcript."

For Bush's New Direction, Cooperation Is The Challenge (WP)

By Dan Balz

The Washington Post, November 9, 2006

Tuesday's electoral earthquake triggered an equally seismic reaction in Washington yesterday, one that signaled more clearly than ever that a politically humbled President Bush now agrees with a resurgent Democratic Party on the need for a change of course in Iraq. What was not clear was whether the two sides are genuinely prepared to work together to produce one.

In the wake of an election that swept Republicans from power in the House and left them on the brink of surrendering their Senate majority as well, both parties have greater incentives to reach accommodation than at any time since Bush was elected in 2000. Iraq will provide the critical test of whether either can overcome the ingrained habits and bad blood of six years of partisan warfare that have often left the Capitol in gridlock.

The president took the most dramatic step yesterday in acknowledging how much the landscape has changed. At a midday news conference he announced that he had accepted the resignation of Defense Secretary Donald H. Rumsfeld, who has come to symbolize the administration's apparent unwillingness to change a policy that has failed to bring order to Iraq and that has lost popular support at home. Bush said it is time for "a fresh perspective" on the war.

"I recognize that many Americans voted last night to register their displeasure with the lack of progress being made there," he said. "Yet I also believe that most Americans and leaders here in Washington from both political parties understand we cannot accept defeat."

If Bush was willing to dismiss Rumsfeld, which the president said only a week ago that he had no intention of doing, it was in part because he and his party have so much at risk. Tuesday's elections proved to be a reaction not only against the war and the corruption scandals that have scarred Congress but also against the kind of base-driven politics that Bush used in 2004 to win a second term.

That model has often elevated policies and tactics designed to energize conservative activists over an appeal to what many GOP strategists saw as a shrinking middle of the electorate. But on Tuesday, the center struck back, voting decisively for Democratic candidates in House races.

The president responded with a renewed call for bipartisan cooperation, saying leaders on both sides should resist the temptation to divide the country into red and blue. "By putting this election and partisanship behind us, we can launch a new era of cooperation and make these next two years productive ones for the American people," he said.

House Minority Leader Nancy Pelosi (D-Calif.), in line to become the nation's first female speaker in January, also spoke to what is now widely seen among leaders in both parties as a rejection of partisan polarization.

"The American people spoke out for a return to civility to the Capitol in Washington and how Congress conducts its work," she said in her first news conference after the election. "And Democrats pledge civility and bipartisanship in the conduct of the work here, and we pledge partnerships with the Republicans in Congress and the president, not partisanship."

Bush and Pelosi will meet today to try to begin to forge a relationship that could be critical to both their parties' futures and that will color the atmosphere as the 2008 campaigns take shape.

There are any number of areas where the two sides might begin to try to work together. Immigration policy is one, an area where the president was more at odds with his own party than with some Democrats.

But Iraq will provide the acid test. On that issue, there are significant differences yet to be bridged. Many Democrats favor a shift that would begin to draw down U.S. troop levels. But Sen. John McCain (R-Ariz.), who has been critical of Rumsfeld and the

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mistakes made by the administration in prosecuting the war, said again yesterday that he favors sending in more troops to try once and for all to suppress the sectarian violence.

William Kristol, editor of the Weekly Standard and an early advocate of the war, said Bush was wise to let Rumsfeld go, but he cautioned against reading into the decision any move by Bush to begin a withdrawal of U.S. forces. He said a hawkish shift in policy is just as likely as one that calls for the United States to begin to get out.

For there to be any chance at rebuilding public support, Kristol said, "Rumsfeld had to go. . . . For the sake of the war, he had to go. I don't interpret his going as a step toward withdrawal or redeployment," and he does not foresee Bush "looking for a way out."

Democrats said they expect to find many Republican allies on Capitol Hill in pushing Bush closer to their views.

"I know it sounds trite, but elections have profound consequence," said Sen. Joseph R. Biden Jr. (Del.). He said the president "would be absolutely not tone deaf but stone deaf" to ignore the meaning of Tuesday's elections, adding that Republicans "are not going to allow this president" to stick with the current policy.

Democrats have an agenda of issues other than the war that they will push at the beginning of the new Congress. The list includes raising the minimum wage, providing college-tuition assistance, letting the government negotiate with drug companies over prices for Medicare patients, and implementing the recommendations of the Sept. 11, 2001, commission.

But they recognize, as does the White House, that all those proposals pale in comparison to finding a solution to Iraq. Pelosi said yesterday that the election demonstrated the public's desire for a new direction, but she and other party leaders have been circumspect about exactly what that might entail, other than to begin withdrawing U.S. troops at some point.

Many of the party's newly elected House members campaigned on explicit platforms of withdrawing U.S. forces. Party leaders and prospective Democratic presidential candidates, including Sen. Hillary Rodham Clinton (N.Y.), will be under growing pressure to clarify their and the party's position in coming months.

Many Democrats now look to the Iraq commission chaired by former secretary of state James A. Baker III and former congressman Lee H. Hamilton (D-Ind.) to find a solution that will satisfy both president and Democrats. Robert M. Gates, named yesterday as the next defense secretary, sits on that commission.

William A. Galston, a Brookings Institution scholar who served in the Clinton administration, said the experience of the Vietnam War should give Democrats a powerful incentive to cooperate with Republicans to develop a new policy. "This is a matter of great consequence," he said.

In the early 1970s, he said, Democrats ended up blamed for "ending an unpopular war in the wrong way. We paid a price for decades, and to some extent we're struggling against that legacy. The very worst thing we could do is repeat that mistake."

Democrats Close In On Senate (LAT)

By Janet Hook

The Los Angeles Times, November 9, 2006

WASHINGTON — A day after discontent with the Iraq war prompted sweeping election defeats for the Republican Party, President Bush on Wednesday acknowledged voters had given him "a thumping" and said the chief architect of his military strategy, Defense Secretary Donald H. Rumsfeld, had resigned.

The announcement came hours after Democrats won a majority in the House for the first time in 12 years and seemed all but certain to take control of the Senate — barring unexpected changes in the vote totals in two states.

In the past, Bush repeatedly defended Rumsfeld, even as progress in the war stalled and as the Defense secretary, known for his confident and bristling manner, piled up critics in both parties. But on Wednesday, the president said he and Rumsfeld agreed that the Pentagon needed "fresh eyes."

"He himself understands that Iraq is not working well enough, fast enough," Bush said. He said he would nominate Robert M. Gates — who served as CIA director under Bush's father — as his new Defense secretary.

News that one of the most powerful figures in Washington was leaving office came as GOP hopes faded that they could win two close Senate races, in Virginia and Montana, that would decide control of the Senate.

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Virginia officials had not confirmed final results, but the Associated Press declared that Democratic candidate Jim Webb had pulled off an upset victory based on new data from election officials in all 134 voting localities. But GOP Sen. George Allen refused to concede. His aides said they wanted to wait for election officials to complete a routine review of the vote totals, expected this week.

Earlier in the day, Montana officials declared Democrat Jon Tester the Senate race winner, but GOP Sen. Conrad Burns had not given in.

In Washington, Democratic leaders were expected to hold a news conference today to celebrate their apparent victories in the two races — which would give them 51 Senate seats to the Republicans' 49. The party has not held both chambers of Congress since 1994.

"I'm obviously disappointed with the outcome of the election," Bush said. "And as the head of the Republican Party, I share a large part of the responsibility."

As House Republicans began to grapple with their loss of at least 28 seats, Speaker J. Dennis Hastert (R-Ill.) said he would quit the party's leadership. That set off a struggle to lead the new House minority party and sparked a round of recriminations over the cause of the defeat.

GOP losses in the House could climb, since about half a dozen races are not yet final.

Bush said he was surprised by how many seats his party lost, even if many defeats were narrow. He spoke at a White House news conference with a chastened tone. "If you look at race by race, it was close," he said. "The cumulative effect, however, was not too close. It was a thumping. But nevertheless, the people expect us to work together."

The ritual of postelection fence-mending began early Wednesday, when Bush began dialing congressional leaders, including Democratic chieftains he rarely consulted while they were in the minority.

"I welcomed the president's call as a sign of respect for the votes of the American people," said House Minority Leader Nancy Pelosi (D-San Francisco), the likely next speaker, who was sleeping when Bush called at 7:15 a.m. She and other congressional leaders are to meet with Bush over lunch today.

At her inaugural news conference as presumptive speaker, Pelosi tried to set a conciliatory tone. But she said the election returns were a mandate for change in Iraq.

Bush insisted that the personnel change had been in the works even before he had learned of the election returns.

"After a series of thoughtful conversations, Secretary Rumsfeld and I agreed that the timing is right for a change of leadership at the Pentagon," he said.

That marked a 180-degree turn from Bush's comments to reporters a week ago, when he insisted that Rumsfeld and Vice President Dick Cheney would remain in the administration for the rest of his tenure.

Rumsfeld's resignation was welcomed by his critics — Democrats who opposed Bush's Iraq policy as well as Republican allies who faulted the secretary's handling of the Iraq mission.

"This important change offers the administration and Congress a fresh opportunity to examine all aspects of our strategy and tactics in Iraq, and make whatever changes are necessary to succeed there," said Sen. John McCain (R-Ariz.), a war supporter who has clashed with Rumsfeld.

A key question is whether the shift in Pentagon leadership signals a willingness make policy changes as well. Bush said he was open to a "different approach," but only if the goal was victory in Iraq.

"If the goal is success, then we can work together," he said of the new Democratic majority. "If the goal is 'get out now, regardless,' then that's going to be hard to work together."

However, the election is likely to intensify the pressure for a shift in Bush's Iraq policy.

Coming after months of military setbacks, the election demonstrated that both Democrats and independents were weary of making sacrifices while stability in Iraq remains elusive. More Republicans now are likely to join the effort to press Bush to find another approach, hoping they will not have to face the 2008 election with 140,000 troops still in Iraq, strategists in both parties say.

Meanwhile, in the next few months, a congressionally appointed study panel headed by former Secretary of State James A. Baker III and former Rep. Lee H. Hamilton (D-Ind.) is expected to report its suggestions for a new direction on Iraq policy.

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In his comments, Bush left himself room to maneuver in the face of these pressures. While insisting he would accept nothing less than victory in Iraq, he said he was eager to talk to the new Democratic leadership, and the study group, about how to achieve that goal.

Some top Democrats have insisted they will not try to push through a cutoff of war funds, as lawmakers did in 1973 to end U.S. participation in Vietnam. But Democrats are likely to wrangle with the White House on how money will be spent on the war.

The first shot in that battle may be over an expected fiscal 2007 supplemental spending request for the Iraq and Afghanistan wars. The services are preparing to ask for a record $160 billion for that purpose, defense analysts say.

In other policy areas, Bush suggested that compromise might be possible with a Democratic-controlled Congress, despite the bitter rhetoric of the campaign.

"I believe we can find some common ground with the Democrats" on a broad rewrite of immigration laws, he said. Bush's vision of the overhaul is supported by more Democrats than Republicans, because many conservatives oppose his plan to offer a path to citizenship for illegal immigrants already in the U.S.

In another olive branch, Bush suggested he might be willing to back an increase in the federal minimum wage, an idea that was a key plank in Democrats' 2006 campaign platform.

Julian Zelizer, a congressional historian at Boston University, said Bush might be more willing to work with Democrats in the final two years of his presidency. "He might feel more compelled to build his legislative record fast so he is not remembered just for a failed war in Iraq and losing Congress to the Democrats," Zelizer said.

But amid the talk in Washington of renewed bipartisanship, there were already signs of the distrust and bickering that had plagued Congress throughout Bush's tenure.

"Contrary to public statements [by Pelosi] that we're entering a time of 'partnership, not partisanship,' let's be honest," said Rep. Patrick T. McHenry (R-N.C.). "Pelosi's House will be marked by two years of partisan warfare, complete with infighting, intrigue, investigation, incompetence and inaction,"

Recriminations were flying as Republicans debated why and how they lost so badly. Many Republicans said the election returns did not represent a landslide mandate for Democrats or for a liberal agenda. They contended that many of the defeated Republicans had been injured by scandal, rather than rejected for their conservative views.

But many conservative activists said the GOP suffered at the polls because it had lost its commitment to controlling spending and limiting government.

"We did not just lose our majority, we lost our way," said Rep. Mike Pence (R-Ind.), leader of a large faction of House conservatives.

The finger-pointing is likely to intensify in the power struggle set off by Hastert's decision to step down as the longest-serving Republican speaker. Pence is challenging Rep. John A. Boehner (R-Ohio), the current majority leader, for the post of minority leader, which will be the No. 1 post for House Republicans.

Another possible contender for minority leader is House Energy and Commerce Committee Chairman Joe L. Barton (R-Texas).

Democrats' post-victory unity will be tested by leadership struggles as well. Pelosi is expected to become speaker without contest, but the No. 2 leadership position will be sought by Rep. Steny H. Hoyer of Maryland, a favorite of party moderates, and Rep. John Murtha of Pennsylvania, who has thrilled liberals with his opposition to the Iraq war.

House Democratic Caucus Chairman James E. Clyburn of South Carolina launched a campaign for majority whip, the No. 3 slot. But Rep. Rahm Emanuel (D-Ill.), chief engineer of Tuesday's Democratic victory, is said to be considering running for the post too.

That could put Pelosi in a difficult spot: She might want to reward Emanuel, but she is under pressure from black lawmakers to elevate Clyburn, a former head of the Congressional Black Caucus.

Bush, Pelosi Face Challenge How Much Compromising Can Each Stand To Do? Democrats Close In On Senate By NEIL KING JR., YOCHI J. DREAZEN And GREG JAFFE (WSJ)

The Wall Street Journal, November 9, 2006

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WASHINGTON -- She has called him "oblivious, in denial, dangerous" and "not a leader." He has mocked her self-proclaimed "love" of tax cuts. "If this is... love, I don't want to see what hate looks like," he said recently, drawing roars of laughter from a crowd of supporters.

Now Nancy Pelosi and George W. Bush -- the Democrat representing San Francisco, a city often painted as the country's liberal extreme, and the Republican president from ultraconservative Midland, Texas -- will be forced to work together.

It now appears likely that Mr. Bush will face both a House and a Senate controlled by Democrats, as new projections indicated that the final Senate seat Democrats need for control of that chamber was falling their way. That would make Nevada Democrat Harry Reid the new Senate majority leader in January.

But of all the relationships between the president and Congress's new leaders, the most important will be with Mrs. Pelosi, who now will be the speaker of the House and stand third in line for the presidency. In separate news conferences yesterday, she and the president both said they took the same message from Tuesday's elections: The American people want them to set aside their differences and cooperate for the good of the country.

Years of personal and political animosity, however, will make cooperation between the two political leaders difficult -- as will pressures from their very different, and antagonistic, political bases. The president is going to face new demands from conservatives, who, with the election behind them, are giving free voice to their frustrations with high spending, scandals and social issues. They will be strengthened because a number of Republican moderates got wiped out in Tuesday's vote.

Mrs. Pelosi will get an earful from fellow liberals, emboldened by the party's first big political win in a decade. Many are eager to force the U.S. out of Iraq while boosting spending for a range of social programs. Many old-guard liberals in Congress will assume committee chairmanships, though Ms. Pelosi will be shepherding a majority made possible by the victories of more conservative Democrats from Republican-leaning districts.

Mr. Bush yesterday underscored the potential difficulties of his future relations with the House speaker-to-be: "There's a significant difference between common ground and abandoning principle. She's not going to abandon her principles, and I'm not going to abandon mine."

When the two meet for lunch at the White House today, Mr. Bush and his party will come to the table significantly weakened, and Mrs. Pelosi's Democrats considerably strengthened. Unhappy voters on Tuesday ended the president's six years of mostly unfettered rule with a Republican-led Congress and gave Democrats a majority of the seats in the House of Representatives for the first time in a dozen years. Already yesterday, Mr. Bush took a big first step toward appeasing Democrats by announcing the resignation of Defense Secretary Donald Rumsfeld, a move repeatedly demanded by Mrs. Pelosi and other Democrats.

Bush Accepts Role In Losses (WT)

By Joseph Curl

The Washington Times, November 9, 2006

A contrite President Bush said yesterday that he shares "a large part" of the responsibility for the "thumping" suffered by Republicans on Election Day, but called on his party's lawmakers to work with the new Democratic leadership in Congress to advance his agenda.

In a press conference just hours after Democrats took control of the House for the first time in 12 years -- and appeared poised to seize the Senate as well -- the president seemed at times glum, at other times pugnacious, as he said the American people had spoken.

"Yesterday, the people went to the polls, and they cast their vote for a new direction in the House of Representatives. And while the ballots are still being counted in the Senate, it is clear the Democrat Party had a good night last night," he said in the White House's East Room.

"I'm obviously disappointed with the outcome of the election, and as the head of the Republican Party, I share a large part of the responsibility. I told my party's leaders that it is now our duty to put the elections behind us and work together with the Democrats and independents on the great issues facing this country," he said.

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Although he spent the past few weeks traveling across the country to excoriate Democrats as weak on national security and bent on raising taxes, Mr. Bush said it is time to move past partisan politics and work hard for the American people.

"I believe that the leaders of both political parties must try to work through our differences, and I believe we will be able to work through differences. I've reassured the House and Senate leaders that I intend to work with the new Congress in a bipartisan way to address issues confronting this country. I invited them to come to the White House in the coming days to discuss the important work remaining this year and to begin conversations about the agenda for next year," he said.

Asked about his ability to work with House Minority Leader Nancy Pelosi, the California Democrat expected to become House speaker in the next Congress, Mr. Bush said, "If you hold grudges in this line of work, you're never going to get anything done." And he acknowledged that the victory by Mrs. Pelosi's party would have policy consequences.

"Look, this was a close election. If you look at it race by race, it was close. The cumulative effect, however, was not too close. It was a thumping," Mr. Bush said. "But, nevertheless, the people expect us to work together. That's what they expect."

The president immediately granted a key demand of Democrats by announcing the resignation of Defense Secretary Donald H. Rumsfeld.

Mr. Bush praised Democrats for a "disciplined campaign" and a "superb job of turning out their votes," but he lobbed a barb at his chief White House political strategist, Karl Rove, who failed for the first time in three elections to deliver a win for the president.

For months, Mr. Bush has publicly joked about an informal contest between himself and Mr. Rove as to who could read the most books. When asked yesterday about who was winning the contest, Mr. Bush said: "I'm losing. I obviously was working harder on the campaign than he was."

The remark drew a tight smile from Mr. Rove at the press conference -- and a collective "oooh" from the White House press corps.

Mr. Rove, who orchestrated a historic Republican gain of congressional seats during the 2002 midterm elections, had told The Washington Times late last month that he was "confident we're going to keep the Senate; I'm confident we're going to keep the House." Instead, Democrats gained at least 29 House seats and at least four Senate seats, pending delayed results, recounts and any court challenges.

Mr. Bush also had made optimistic predictions during the campaign's final weeks. He said yesterday that those mistaken forecasts did not show that he was "out of touch."

"I'm an optimistic person, is what I am. I knew we were going to lose seats, I just didn't know how many," he said. "But the people have spoken, and now it's time for us to move on."

Still, although Mr. Bush said he realized that the American people "voted last night to register their displeasure with the lack of progress being made" in Iraq, he asserted that his strategy -- and his responsibility -- will not change.

"The election has changed many things in Washington, but it has not changed my fundamental responsibility, and that is to protect the American people from attack. As the commander in chief, I take these responsibilities seriously," he said.

Mr. Bush acknowledged that the Iraq policy was "not working well enough, fast enough," but he also sought to warn U.S. enemies, while making assurances to Iraqis and U.S. troops.

"To our enemies: Do not be joyful. Do not confuse the workings of our democracies with a lack of will," he said. "To the people of Iraq: Do not be fearful. As you take the difficult steps toward democracy and peace, America's going to stand with you. We know you want a better way of life, and now is the time to seize it."

And to U.S. troops, he said: "Don't be doubtful. America will always support you."

The president also said that Democrats, who he said on the campaign trail lacked a cohesive plan for Iraq, must now "make up their minds."

"I can understand Americans saying, 'Come home.' But I don't know if they said: 'Come home and leave behind an Iraq that could end up being a safe haven for al Qaeda,' " he said. "I don't believe they said that."

Bush Pledges To Work With Democrats (AP-Y)

By Deb Riechmann And Tom Raum, Associated Press Writers

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AP, November 9, 2006

President Bush pledged Wednesday to work with Democrats after the "thumping" that Republicans took on Election Day. He named a new defense secretary to oversee the war in Iraq, a change the president said was going to happen regardless of which party won the election.

Bush said former CIA Director Robert Gates, if confirmed by the Senate, would replace Donald H. Rumsfeld at the Pentagon.

Gates is a "patriot" and "strategic thinker" with a transformational spirit, Bush said from the Oval Office.

"He's a man of integrity, candor and sound judgment," the president said. "He knows that the challenge of protecting our country is larger than any political party. He has a record of working with leaders on both sides of the aisle to strengthen our national security. He has my confidence and my trust."

Bush praised Rumsfeld, in the Cabinet from the start of the Bush presidency, saying, "America is safer and the world is more secure because of the leadership and the service of Don Rumsfeld."

Bush said he had been talking with Rumsfeld about whether it was time for a fresh perspective at the department, and the two agreed Tuesday it was appropriate for Rumsfeld to resign.

"It's been quite a time," Rumsfeld said. Then, quoting Winston Churchill, he said: "I have benefited greatly from criticism, and at no time have I suffered a lack thereof."

The announcement came the day after Democrats captured control of the House after 12 years of GOP rule and erased the Republican majority in the Senate. One Senate race remained to be decided — in Virginia, where Democrat James Webb held a slight lead of Republican Sen. George Allen. If Democrats win that seat, they would hold a 51-49 edge in the Senate; an Allen victory would split the Senate 50-50, with Vice President Dick Cheney, as president of the Senate, in position with a tie-breaking vote.

Bush called Democratic leaders to congratulate them and he expressed both disappointment and surprise over the vote.

"I thought we were going to do fine yesterday, shows what I know," Bush said at a news conference hours before introducing Gates as his nominee. "But I thought we were going to be fine in the election. My point to you is that, win or lose, Bob Gates was going to become the nominee."

Bush seemed stoic about the election, proclaiming: "This isn't my first rodeo."

"I recognize that many Americans voted last night to register their displeasure with the lack of progress being made" in Iraq, the president said. "Yet I also believe most Americans — and leaders here in Washington from both political parties — understand we cannot accept defeat."

Gates led the CIA from November 1991 to January 1993 under former President George H.W. Bush. The president said he met with Gates over the weekend at Bush's ranch in Crawford, Texas.

"Bob Gates will bring a fresh perspective and great managerial experience," Bush said.

Bush was asked by reporters whether he retained full confidence in Cheney, a chief advocate of the war, and whether the vice president would serve out the rest of his term.

"Yes he does, yes he will," Bush replied.

Yet only a week ago, Bush told The Associated Press and other reporters in an interview that he expected Rumsfeld and Cheney to stay through the end of his last two years in the White House. Asked Wednesday about that comment, Bush acknowledged he intentionally misled reporters because he want to avoid a change at the Pentagon during a hotly contested election.

"I didn't want to inject a major decision about this war in the final days of a campaign," Bush said. "And so the only way to answer that question, and to get you onto another question was to give you that answer. ... The other reason why is I hadn't had a chance to visit with Bob Gates yet, and I hadn't had my final conversation with Don Rumsfeld yet, at that point."

The president joked that he had given House Minority Leader Nancy Pelosi, in line to become the first female speaker of the House, the name of a Republican interior decorator to help her pick out drapes for her new office. The comment was poke at the California Democrat's pre-election remark about having her pick of Capitol suites.

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As to the role played in Tuesday's widespread GOP losses, Bush said, "I believe Iraq had a lot to do with the election, but I think there were other factors as well." He suggested that a variety of congressional scandals may also have played a role.

He said he would seek to find common ground with Pelosi, but without either of them compromising their principles.

Bush was asked at his East Room news conference about Pelosi's past derogatory comments describing him as a liar and dangerous.

"I know when campaigns end and governing begins," he said. "If you hold grudges in this line of work, you never get anything done."

Bush also got in a dig at his trusted top political adviser, Karl Rove. Rove is widely credited with Bush's presidential victories in 2000 and 2004 and GOP gains in the 2002 congressional elections. As recently as last week, Rove predicted Republican would retain both House and Senate.

"I obviously was working harder in the campaign than he was," said Bush, who stumped hard for GOP candidates, especially troubled ones in traditionally Republican states.

Bush said he wanted to hear other views on Iraq, and was looking forward to recommendations by a commission headed by former Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton of Indiana. Bush said expected to meet with the group, which includes Gates, early next week.

Still, Bush added, "We're not going to leave before the job is done."

Power Shift Begins As New Congress Emerges (CHIT)

By Jill Zuckman, Tribune National Correspondent

Chicago Tribune, November 9, 2006

As the extent of the Democratic rout became apparent Wednesday with Republicans likely losing control of the Senate, President Bush promised to work with the new leaders of Congress and Democrats moved quickly to consolidate power and pushed for a new path in Iraq.

"I'm, obviously, disappointed with the outcome of the election, and as the head of the Republican Party, I share a large part of the responsibility," said Bush, who described the results as "a thumpin'." "I told my party's leaders that it is now our duty to put the elections behind us and work together with the Democrats and Independents on the great issues facing this country."

The Associated Press reported late Wednesday the Democrats had won the pivotal Virginia Senate race, claiming Democrat Jim Webb had unseated Republican George Allen and that had given the Democrats total control of Congress for the first time in 12 years. AP contacted election officials in all 134 localities where voting occurred, obtaining updated numbers Wednesday. The new AP count showed Webb with 1,172,538 votes and Allen with 1,165,302, a difference of 7,236.

But the official canvass was not complete, and a senior adviser to the Allen campaign, who spoke on the condition he not be named, said, "The senator is going to see the canvass through. It should wrap up by mid to late afternoon tomorrow. He has no intention of dragging this out. If the numbers hold true to what they were on election night and there is no dramatic movement, he is disinclined to pursue a recount."

At the top of the issues facing Bush and Congress is the war in Iraq, and Democratic leaders expressed a measure of conciliation toward Bush and the Republicans as they began to lay out their agenda.

"This is something that we must work together with the president," said Rep. Nancy Pelosi (D-Calif.), who is expected to be the next Speaker of the House, replacing Speaker Dennis Hastert (R-Ill.).

Sen. Harry Reid (D-Nev.), who would become the Senate majority leader assuming the Virginia race is finally called for Democrat Jim Webb, said the election confirmed Democrats' call for a change in direction, particularly on Iraq.

"Without getting into the details of what we want to do legislatively, the main point is that we want to do things on a bipartisan basis," Reid said.

Bush himself acknowledged the need for some sort of change regarding the war when he fired Defense Secretary Donald Rumsfeld.

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"I recognize that many Americans voted last night to register their displeasure with the lack of progress being made," Bush said. "Yet I also believe most Americans - and leaders here in Washington from both political parties - understand we cannot accept defeat."

The historic midterm election provided a sharp rebuke to Bush and his policies, as well as to a congressional Republican leadership that allowed runaway federal spending and suffered ethical lapses in its ranks.

Rep. Jeb Hensarling (R-Texas), for example, said it was time for Republicans to look in the mirror and reflect on where they went wrong.

"Over the last several years, Republicans have experimented with big government, and we have now seen the result," he said, pointing to the war in Iraq, scandals and unnecessary pork-barrel spending projects.

In the House, Republicans lost 29 seats, Democrats gained 30 and several races were still being counted or recounted the day after the election.

In the Senate, five Republican senators lost their seats-- in Rhode Island, Pennsylvania, Ohio, Missouri, and Montana. In Virginia, Sen. George Allen sought a recount, but his opponent, Webb, appeared to have won by about 7,000 votes. If Virginia ultimately goes to the Democrats, the Senate would be divided 51-49 with Republicans in the minority.

The new balance of power in Washington immediately kicked off behind-the-scenes battles for power in the ranks of Democratic and Republican House members.

Hastert, for example, said he would not seek a Republican leadership post after he hands the gavel over to Pelosi. But House Majority Leader John Boehner (R-Ohio) is expected to face challenges for the top GOP leadership spot from Rep. Mike Pence (R-Ind.) and possibly Rep. Joe Barton (R-Texas).

"I am running for Republican leader, because I believe that we did not just lose our majority-we lost our way," Pence wrote in a letter to Republican colleagues Wednesday. "We are in the wilderness because we walked away from the limited government principles that minted the Republican Congress."

On the other side of the aisle, the Democratic whip, Steny Hoyer of Maryland, announced he would run for House majority leader, touting his skills as a vote counter, as well as his role bringing Democrats to the majority.

"We have a two-year period in which to demonstrate that we can govern and lead - and our success will be critical to our ability to retain the majority," Hoyer, who is expecting a challenge from Rep. Jack Murtha (D-Pa.), said in a letter to colleagues.

Meanwhile, Democrats may find themselves embroiled in another battle to choose a successor to Hoyer as the majority whip. Rep. James Clyburn (D-S.C.), a member of the Congressional Black Caucus, has thrown his hat in the ring, but Rep. Rahm Emanuel (D-Ill.) is also mulling a bid.

At a press conference early Wednesday, Emanuel said he has not made a decision yet and is consulting with colleagues. He said he would have to evaluate both his professional responsibilities, as well as his family responsibilities. "I'll be making a decision in short order," he said.

A senior Democratic leadership aide acknowledged that the caucus owed Emanuel a debt for his work running the Democratic Congressional Campaign Committee, but said Emanuel would have to decide whether he wanted to alienate the black caucus by running against Clyburn, a popular and easygoing lawmaker.

Still, the official said, "We wouldn't be here today if it weren't for him."

According to exit polls, Democrats made gains with moderates, swing voters, independents, Catholics, Hispanics and people who live in the suburbs. Republicans hung onto conservative voters, but it was not enough to fend off the aggressive challenge waged by Democrats in every region of the country.

As Democrats celebrated their victory and vowed to work across party lines to accomplish results, Republicans engaged in a bout of self-flagellation and recriminations.

"We came to Washington to change government and government changed us," said Sen. John McCain (R-Ariz.), who had spent the last year campaigning for Republicans throughout the country. "We departed rather tragically from our conservative principles."

In Delaware, Republican Rep. Mike Castle echoed what Democrats had been saying all along: "It is clear the American people are frustrated with the war in Iraq and with this administration and they voted for change."

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But GOP Rep. John Shimkus of Illinois placed blame with the corruption and scandals that led to the resignation of former Rep. Mark Foley of Florida, former Majority Leader Tom DeLay of Texas, and former Rep. Bob Ney of Ohio.

"That's not policy, that's in essence a party that imploded because of personal problems," Shimkus said.

With votes still being counted, Democrats appeared to have picked up another seat in Pennsylvania. Patrick Murphy, an Iraq war veteran, ousted Rep. Mike Fitzpatrick, a freshman Republican, by just 1,500 votes.

In Ohio, the fate of two Republicans, Reps. Deborah Pryce and Jean Schmidt, remained in doubt as election officials worked to tally provisional and absentee ballots. Pryce is chairman of the House GOP Conference, the fourth-ranking Republican. Schmidt put her seat in jeopardy after suggesting on the floor that Murtha, a decorated Marine and Vietnam veteran, was a coward for suggesting that American troops should leave Iraq.

Other House race results were inconclusive in Arizona, Wyoming, Washington, North Carolina and Florida.

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With Control Of The Senate In The Balance, All Eyes Turn To Virginia (NYT)

By John M. Broder And Ian Urbina

The New York Times, November 9, 2006

RICHMOND, Va., Nov. 8 — Never mind that Senator George Allen of Virginia had not conceded. Jim Webb, his Democratic opponent, claimed victory Wednesday on the strength of a roughly 7,000-vote margin.

And The Associated Press, a widely accepted authority for calling elections, agreed with Mr. Webb, declaring Mr. Allen, a Republican, the loser.

For the first full day after the balloting, Virginia remained the focal point of American politics, with a race whose outcome will determine which party controls the United States Senate. Mr. Allen's advisers said Wednesday night that he would do nothing until a canvass of ballots was completed. But Democrats — ecstatic at the prospect that they might have swept both houses of Congress — were not waiting.

"It is virtually 100 percent that Webb is going to win the race," said Senator Charles E. Schumer of New York, who is leading the Democratic effort to take back the Senate. "I think you can say without any hesitancy or doubt that Democrats are going to be the majority party in the Senate."

Mr. Webb began planning his transition, and aides to Mr. Allen suggested that he could acknowledge defeat as early as Thursday afternoon.

If they hold up, the victories of Mr. Webb and Jon Tester, the Democratic Senate challenger in Montana, would give the Democrats control of the Senate for the first time since 2002 and control of the entire Congress for the first time in a dozen years.

Mr. Webb, taking a page from the Republican playbook in the contested presidential vote count in Florida in 2000, tried to cast his victory as inevitable. But Mr. Allen's advisers on Wednesday still held out the possibility of a recount.

Aides to Mr. Webb began referring to him as Virginia's senator-elect, and this afternoon he issued a news release naming three members of his transition team.

Democratic Party officials and some news organizations, including MSNBC and The A.P., declared Mr. Webb the winner of the election with a margin of less than one-half of 1 percent out of more than 2.3 million ballots cast. A candidate can request a recount in Virginia if the vote difference is less than one percentage point.

State officials were conducting a rapid canvass of the vote as part of a formal certification of the result. They could be done by Thursday afternoon, officials said.

Members of the Allen camp said earlier in the day that they expected the review would cut into Mr. Webb's lead, but stopped short of predicting that it would reverse the outcome.

Mr. Allen will speak as soon as the canvass is done, said a senior Allen adviser who spoke on the condition of anonymity. The adviser made it clear that if the margin did not narrow significantly, Mr. Allen would not challenge the result.

"He has no intention of dragging this out," the adviser said.

Democratic leaders expressed certainty that their margins in Virginia and Montana would hold, giving them unquestioned control of the Senate, to accompany the grasp of the House, which they won convincingly on Tuesday.

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A concession by Mr. Allen would end a rough campaign marked by accusations of racism against him and sexism against Mr. Webb in a contest that alienated many voters, particularly women, and has apparently left the senator's once-promising political career in tatters.

Mr. Webb, a former Republican who was secretary of the Navy in the Reagan administration, ran a fairly listless campaign until the final weeks, when he adopted the persona of the warrior he was in the Marine Corps.

A spokeswoman for him, Kristian Denny Todd, said Wednesday that Virginia's vote-counting procedure was methodical and accurate, and expressed confidence that Mr. Webb's margin would hold .

"The bottom line," Ms. Denny Todd said, "is the votes have been counted and Jim Webb has won. It could have gone the other way, but it didn't. We're on top, and that's the way it's going to stay."

Virginia election results "rarely, rarely, rarely" change after certification, Ms. Denny Todd said, citing a recount in a race for attorney general last year in which the margin was fewer than 400 votes both before and after a recount.

At least one other race faced the possibility of a recount. In Florida, Vern Buchanan, a Republican, and Christine Jennings, the Democrat opposing him in the race for the Congressional seat being vacated by Representative Katherine Harris, appear headed for a recount with Mr. Buchanan ahead by 368 votes.

Last Chance By DAVID FRUM (WSJ)

The Wall Street Journal, November 9, 2006

The Bush administration woke up yesterday morning to a deeply ugly political situation. Those polls that show the president below 40% approval? They would look even worse if they surveyed only Republican members of Congress. As for the president's opponents: They are slavering for a nice two-year-long munch on the administration's haunches.

Worst of all, the administration seems to have exhausted its energy. Frustrated by Iraq, wounded by Katrina, thwarted in its two most recent major domestic initiatives (Social Security and immigration), the administration looks baffled, uncertain and often strangely passive.

But President Bush can yet regain the initiative. His opponents in Congress are badly divided amongst themselves: Witness Nancy Pelosi's attempt last spring to engineer the ouster of her own No. 2, Steny Hoyer, in favor of John Murtha.

Mr. Bush's Democratic opponents are also burdened with a very visible extremist wing. There is a real possibility that Alcee Hastings will be named chairman of the extremely important Intelligence Committee -- he of course being the Florida ex-judge impeached and removed in 1989 on corruption charges. The Democrats are also haunted by gnawing fears that crucial segments of the American electorate distrust them as cultural aliens and foreign-policy weaklings, as demonstrated by the panicked Democratic reaction to John Kerry's inadvertent slur against the troops in Iraq.

With a little ingenuity, the Bush administration could take advantage of these weaknesses -- and make yesterday's defeat work to its own advantage. President Bush should prepare to bombard Congress and the media with new ideas and proposals that rally his own party, divide his opponents and drive a wedge between left-wing Democrats and the voting public. So long as he is acting, he forces Congress to react.

The president's critics complain that the administration has lacked accomplishments over these past two years. The new Congress offers an opportunity to prove that Republicans remain the party of ideas -- and that their opponents still lack them. The nomination of Robert Gates to replace Donald Rumsfeld as secretary of defense offers a new start. The serene and knowledgeable Mr. Gates is in for a grilling, but by standing his ground and insisting on the importance of succeeding in Iraq, he can expose to the TV-watching public the real beliefs and purposes of left-leaning Democrats like Carl Levin.

At home, the administration should seek less to pass legislation -- although legislative success is always welcome -- than to clarify the differences between the parties for 2008. For instance: The president talked vaguely in 2005 of a grand new tax reform, but never gave enough detail to interest anybody in his ideas. What he had in mind, of course, was a shift away from taxing work, savings and investment toward taxing consumption. Good idea, but awfully abstract. The next Congress offers an opportunity to make it clear what this reform means.

President Bush has repeatedly asked Congress to make permanent his cuts in the income, dividend, estate and capital-gains taxes, as well as his doubling of the child tax credit. Congress has hesitated, citing fears of the impact of permanent tax

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cuts on the U.S. fiscal balance. These cuts constitute the most valuable element of Mr. Bush's domestic legacy. It's worth fighting to remind the country that Democrats would allow the president's tax relief to lapse -- and that if Democrats are allowed to return to power, taxes will shoot back up in 2010.

The president should send Congress a tax-reform proposal now, shaping it so that it appeals to enough Democrats to split the opposition. Here's one way to do that: Democrats have made a great theme of "energy independence." The president has likewise denounced America's "addiction to oil" and often presented nuclear power as a crucial element of an ideal energy policy. What if he baited the Democrats with some kind of energy tax (or, better, a carbon tax -- which exempts nuclear-generated energy) in exchange for permanent cuts in taxes on work, savings and investment. "Tax waste, not work" is not a bad slogan.

The Congressional Budget Office has estimated that a carbon tax that began at $12 per ton emitted and rose gradually to $17 would raise $208 billion over 10 years. That's enough to fully compensate for the cost to the Treasury of making permanent the president's cuts to taxes on capital gains and dividends -- and leave over almost $40 billion to balance the budget.

Education reform offers another opportunity for the administration to display energy and highlight opponents' divisions. The testing system instituted by the No Child Left Behind law will soon begin delivering its five-year report cards. Many American schools will be rated as failing -- and very likely the majority of these schools will be found in Democratic congressional districts. Over the past five years -- and over the 20 years before that -- hundreds of billions of dollars have been poured into America's worst schools, without discernible improvement.

George Bush entered politics as an educational reformer. Now, he can return to the good fight by scooping an idea from an opponent. Former Labor Secretary Robert Reich has proposed a voucher system that would grant progressively larger vouchers to children from poorer families. Given how much taxpayers already pay to support the nation's worst schools -- the District of Columbia spends more per child than any other jurisdiction -- Mr. Reich's idea might even save money. But it would certainly put the cat among the Democratic pigeons, especially if the president recruited Mr. Reich to lobby for it.

Democrats have effectively used ethics as a political lever against Republicans. With the election behind them, they will surely welcome the chance to transform their slogans into reality. The president might take the lead in calling for a voluntary ban on lobbyist-paid travel by members of Congress. And since we should want to encourage members of Congress to travel abroad, the president should propose a formal congressional travel fund. Make the fund big -- at least double what is being spent now -- and propose a special joint House-Senate subcommittee to oversee it based on the principle: oversight yes, golf no.

Over the next two years, executive energy must be more than a doctrine. It may prove the key to Republican survival -- and the coming conservative resurgence.

Mr. Frum, a former speechwriter for President Bush, is a resident fellow at the American Enterprise Institute.

After The Thumpin' (NYT)

By William Safire

The New York Times, November 9, 2006

Washington

WHY all the glum faces?" President Bush asked at the opening of yesterday's news conference.

Though the assembled reporters were hardly glum, conservatives of every stripe can console themselves by considering the limited scope of the Democrats' midterm sweep.

Despite the pervasive weariness with the war and the high tide of irritation at Bush's steadfastness; despite the general disgust at the policy paralysis and ethical laxity in the wake of muscle-bound one-party control — the result was only the average loss of House and Senate seats of the party in power midway in the second term of a president.

A political shakeup every dozen years is a necessary cathartic for the two-party system. What's more, the rightward cast of many Democrats in the freshman class is hardly bad news for conservativism. And the heartening victory of Joe Lieberman over the angry far left in liberal Connecticut augurs a renewal of a brief period of bipartisanship at the water's edge.

Where does our renewed two-party nation go from here?

First, leadership is never weakened by a little humility. After what he called "the thumpin'," the president showed he got the voters' message on Iraq: "I recognize that many Americans voted last night to register their displeasure with the lack of progress

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being made there." But in acknowledging that "they cast their vote for a new direction," he didn't wring his hands: "The people have spoken and now it's time to move on."

Months ago, he had made provision for that "new direction" response — a phrase acceptable to hawks provided the direction is not out, quick — in the post-election report to be made by James Baker and Lee Hamilton's Iraq study group. The report should give cover to increased pressure on elected Iraqi leaders to confront the urgent needs of nationhood.

By placing Robert "Fresh Eyes" Gates, a former C.I.A. chief, on that panel, Bush paved the way for Donald Rumsfeld to absorb the need of opposition politicians for bureaucratic punishment. The loyal SecDef's resignation after the poll results was Bush's act of contrition.

Now the president should take the Democratic leaders up on their fine post-election expressions of bipartisanship. He's headed to Asia for an economic meeting in Hanoi. In its lame-duck session beginning next week, Congress should pass the $67 million earmark to Vietnam called for by Bush primarily for AIDS treatment. Then he should seize the initiative to get some cooperation on domestic progress during the final days of the outgoing, unlamented 109th Congress. In addition to the usual budgetary housekeeping between Thanksgiving and Christmas, both parties should make a concerted effort to deal with the most doable urgent domestic need: to resolve the fears of 12 million Hispanic "illegals" living in the United States.

Bush has already proposed a comprehensive compromise: a guest worker program with earnable citizenship for those here now, as well as a border fence to stop the influx of Mexicans. But Republicans — fearful of nativist voters shouting "no amnesty" — passed only the harsh half, and that unfunded fence is a joke. Now Bush, with many Democrats already supporting his approach, should get recalcitrant Republicans to pass his fair-minded immigration package. It would be a test of both new Republican discipline and Democrats' sincerity on bipartisanship.

The window of bipartisan compromise can also fit a minimum wage increase tied to inheritance tax reduction; energy drilling tied to mileage standards and alternative fuels subsidy. But the window won't be open long. That's because the committees of the 110th Congress will be headed by the liberal Old Bulls eager to pass "one-house bills" useful only to provide hearings and make headlines.

Committee chairmen like Charles Rangel of Ways and Means, John Dingell of Energy and Commerce, Barney Frank of Financial Services and others will crowd the airwaves with hearings grilling contractors and torturing accused torturers.

After a few months of this posturing, a newly emboldened Bush, emulating F.D.R.'s derision of the isolationists "Martin, Barton and Fish," will be moved to denounce "Rangel, Dingell and Frank." This will be the signal for new Republican leaders, like Mike Pence of Indiana, to take up the tactic of Harry Truman by denouncing "the do-nothing 110th Congress." At the same time, as the 2008 primaries loom, the Trumanesque Bush will measure his reduction of troops in Iraq by the ability of the Iraqis to take over their own defense.

That's when the new Democratic majority will suffer great stress. Senator Hillary Clinton evoked "the vital, dynamic center" in her victory speech, and Representative Rahm Emanuel was the model of non-hubristic responsibility during the delighted Democratic deluge. But it's hard to imagine Nancy Pelosi, Howard Dean, Kerry-Gore-Edwards campaigners and the whole loser left holding still into the snows of New Hampshire.

Into that incipient split of the new Congressional majority will march John McCain, Rudy Giuliani, Mitt Romney and the other conservative, internationalist hopes. So cheer up, my fellow right-wingers, especially those of you who have grown too accustomed to winning every election night. Sometimes we have to suffer a loud, corrective slap before readying the political counterpunch.

Speaker Pelosi (WSJ)

The Wall Street Journal, November 9, 2006

Tuesday's Democratic election victory was by any measure decisive, yet in the perspective of history also unsurprising. In the sixth year of a two-term Presidency, Americans rebuked Republicans on Capitol Hill who had forgotten their principles and a President who hasn't won the Iraq war he started. While a thumping defeat for the GOP, the vote was about competence, not ideological change.

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This is not to minimize the Democrats' victory, which they deserve to savor after several frustrating election nights. Credit in particular goes to Rahm Emanuel and Chuck Schumer, who led the House and Senate efforts to pick candidates who could win in GOP-leaning states. Their leaders, notably Speaker-in-waiting Nancy Pelosi, also kept in check their ideological ambitions to make Tuesday a referendum on Republican governance. It was a shrewd strategy.

All the more so because the GOP gave them so much ammunition. By our count, at least eight GOP House seats fell largely due to scandal; campaign-finance ties to disgraced lobbyist Jack Abramoff probably cost Conrad Burns his Senate seat in Montana. These columns have spent several years warning Republicans that their overspending, corrupt "earmarks" and policy drift would undermine their claim as the party of reform. On Tuesday they did.

The GOP "base" voted in respectable numbers, but enough of it voted for Democrats to make the difference. At 32%, the self-identified conservative share of the electorate was down only slightly from 2004 (34%), and the liberal share of 21% stayed the same. What changed is that the GOP won fewer conservative and independent votes. * * *

Democrats were able to exploit this frustration even without offering much of their own agenda. While this worked in the campaign, it leaves in doubt how Democrats will use their new power. In the minority, they could assail "George Bush's war" and threaten impeachment to mobilize their base without fear of being held responsible. Now they will have to govern. For Ms. Pelosi, this will mean deciding how much deference to give to the Great Society liberals who will soon run most House committees. Henry Waxman, David Obey, Pete Stark, Ed Markey, John Conyers, Barney Frank: These are sons of the Sixties who helped drive the Carter and Clinton Presidencies off a cliff.

They represent the soul of the Democratic House but not the desires of most voters in the 15 seats or so that provided their margin of victory on Tuesday. To sustain their majority in 2008 and beyond, Democrats will have to hold such seats as those won in eastern Pennsylvania by pro-military veterans Admiral Joe Sestak and Chris Carney, or in North Carolina by pro-life, anti-gun control Heath Shuler.

We doubt voters in those seats chose Democrats with a goal of "censuring" Mr. Bush, much less impeaching him, or because they want a tax increase or an unseemly retreat from Iraq. Flooding the Beltway with subpoenas and partisan hearings may be cathartic for the Bush-hating left, but it won't send a signal that Democrats are different from the DeLay Republicans. If Ms. Pelosi sides with the antiwar Jack Murtha against Maryland's moderate Steny Hoyer in the race for House Majority Leader, Republicans will be overjoyed at this signal that the old liberals are back in charge.

In the Senate, probable Majority Leader Harry Reid faces a comparable choice. His predecessor, Tom Daschle, lost the majority and later his own seat in large part because he played the role of obstructionist, especially on judges. Democrats might note that they gained Senate seats this year after having confirmed two Supreme Court Justices and taking judges off the table as a dominant election issue. At the very least, immigration and education are two areas where Democrats should be able to find common ground with Mr. Bush.

The biggest question mark, and responsibility, for Democrats is on Iraq and the war on terror. They could do themselves and the country much good by working with Mr. Bush on a strategy toward achieving victory in Iraq as well as against al Qaeda. This means more than bromides about a "phased withdrawal" of troops next year, which won't encourage Iraq's militias to disarm; and it means more than Mr. Murtha's "redeployment" to Okinawa or somewhere else where the world would see that the U.S. has given up on Iraq.

The Democrats could be most constructive by taking up the call of Senators Joe Lieberman and John McCain to do whatever it takes to win in Iraq. If this means more troops, Iraqi or American, they should call for them. And if it means spending more to build a larger American military in this era of the global terrorist threat, they should do that too. This would not sit well with many on the antiwar left, but then Ned Lamont lost to Mr. Lieberman once their contest moved to an electorate larger than the Democratic primaries.

In Tuesday's exit polls, for all of their other woes, Republicans still had an advantage over Democrats of seven percentage points as the party more likely to keep the country safer from terrorism. Since this threat isn't going away, Democrats won't help their image going into 2008 by opposing warrantless wiretaps against al Qaeda or the rest of the antiwar agenda. They would be smarter to make themselves partners in giving institutional permanence to Mr. Bush's best post-9/11 policies.

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All told, the Republicans deserved the electoral drubbing they received. Democrats will now have to prove they deserved the majority that GOP failure has handed them.

The Democratic House (NYT)

The New York Times, November 9, 2006

There was only one explanation for the crazy-quilt combination of victories around the country that gave the Democrats control of the House of Representatives last night: an angry shout of repudiation of the Bush White House and the abysmal way the Republican majority has run Congress.

It was a satisfying expression of the basic democratic principle of accountability. A government that performs badly is supposed to be punished by the electorate. And this government has performed badly on so many counts.

The Republicans created their defeat by focusing obsessively on the right-wing "base," ostracizing not only the Democrats but their own party's more moderate legislators. The conflict between the extremist House and the conservative Senate created a phony center, far to the right of the general public's idea of where the middle ought to be. Yesterday, moderate Republicans in heavily Democratic states were done in by their party's excesses. In Rhode Island, more than 60 percent of the voters told pollsters that they liked their Republican senator, Lincoln Chafee. But he was soundly defeated anyway.

The Democrats won a negative victory, riding on the wave of public anger about Republicans. The new House majority will certainly call the administration to account on any number of issues, but it will have to do far more than run investigations if it is to build on its victory.

For years now, the Democrats have been not only the minority party, but a particularly powerless minority, elbowed out of virtually any role other than that of critic. The House Democrats will have to shift from the role of tactical opposition to shadow government. They will have to pass bills — bills that might not make it into law, but that would provide a clear idea of what their party would do if it were really in control.

And while they are trying to build a new majority, the Democrats need to remember what happens when a party in power loses its way.

Message Of 2006: Moderates Fed Up With Polarization (RC)

By Morton M. Kondracke

Roll Call, November 9, 2006

The 2006 election results were a rebuke not just to President Bush and Congressional Republicans but to radio talk-show hosts and other right-wing polarizers.

The right managed to win seven more anti-gay marriage referendums across the country, but it was repudiated on Iraq, immigration and excessive religiosity.

At the same time, while Democrats won control of the House and possibly the Senate, they did so by capturing the votes of moderates and independents, whom they could lose easily with demonstrations of wretched excess.

It's encouraging that Bush and incoming Speaker Nancy Pelosi (D-Calif.) and likely Senate Majority Leader Harry Reid (D-Nev.) are talking the language of bipartisan cooperation, but Democrats will be strongly tempted to exercise their passions against the president and his policies.

Exit polls showed that, once again, self-identified moderates made up a near-majority of the electorate — 47 percent — and this group split 62 percent to 36 percent Democratic — a 9-point Democratic gain from 2002 and 8 points above 2004.

Only 21 percent of voters identified themselves as liberals and 32 percent as conservatives. Liberals supported Democrats nearly 90 percent of the time, while conservatives voted Republican by less than 80 percent.

While Republican and Democratic candidates held their partisan base voters by margins above 90 percent, independents went Democratic by a margin of 58 percent to 38 percent, a 10-point gain over 2002 and 9 points over 2004.

Clearly, these elections were a classic "six-year itch" referendum on the incumbent president — and that Bush lost.

The scale of this loss was on par with the post-war average for such elections: close to 30 House seats versus the average of 32, and likely six Senate seats compared to the average of eight.

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In elections when the president's popularity was low because of war, scandal or recession, however, the average is 47 House seats and eight Senate seats.

Democrats did not campaign on a distinct positive agenda, but rather against Bush and the Iraq War and for an ill-defined "new direction."

Bush, of course, failed to win a majority of the popular vote in 2000, yet began governing as though he had won a smashing mandate. Largely because of his response to terrorism, he managed to defy history by increasing his party's majorities in two subsequent elections.

But he has turned himself into one of the most polarizing presidents in American history. And history has at last caught up with him.

The loudest message from the elections is that the nation wants a change of policy in Iraq. By a margin of 57 percent to 41 percent, voters said they oppose the war.

By 59 percent to 34 percent, voters said the war has not improved American security, and by 56 percent to 37 percent, they called for withdrawal of some or all U.S. troops, as opposed to maintaining current levels or sending more.

Yet full withdrawal is a distinct minority position — 30 percent — and Democrats won't have the country's support if they force it. Encouragingly, they say they won't.

The clearest repudiation of the loud right came on the issue of immigration. By a margin of 57 percent to 38 percent, voters said they wanted illegal immigrants who work in the U.S. to be allowed a chance to apply for legal status and not be deported.

Voters in Arizona rejected two of the nation's most vociferous immigration restrictionists, Rep. J.D. Hayworth (R) and Minuteman founder Randy Graf (R).

House Republicans massively bought into the talk-show claque's agenda by rejecting Bush's Latino-friendly proposal for comprehensive immigration reform, and they've suffered important damage as a result.

Bush managed to capture 44 percent of the Latino vote in 2004, according to disputed exit polls, but this year Hispanics went Democratic by a margin of 72 percent to 27 percent, 10 points higher than in 2002.

If Republicans and Democrats are looking for an issue around which to demonstrate they can unify and accomplish something, they could use the lame-duck session of Congress to pass the comprehensive Senate immigration bill.

The exit polls also suggest that a revolt took place this year against the right's infusion of religious dogma into politics — as in the effort to keep brain-damaged Terri Schiavo alive and Bush's veto of expanded federal funding for embryonic stem-cell research.

Some of the biggest gains scored by Democrats over 2002 election results were among people who attend church a few times a month (a 16 percent Democratic gain), a few times a year (10 percent) or never (13 percent).

At the same time, the rapid spread of anti-gay-marriage constitutional amendments in the states is the consequence of overreaching by liberal courts that have short-circuited the political process on a deeply felt social issue.

Democrats also gained 10 points among white males, possibly reflecting the fact that only 29 percent of voters said their personal finances were in better shape than they were two years ago and that 68 percent said they were barely maintaining their standard of living or were falling behind.

Democrats and Republicans have to work together to improve workers' ability to cope with the high-tech global economy. Democrats will be tempted to be as isolationist on trade as Republicans have been restrictionist on immigration, but that would be a losing proposition.

Democrats and Republicans have a lot of tasks they can unite around — reauthorizing the State Children's Health Insurance Program and No Child Left Behind, redirecting oil company subsidies to alternative energy research, trying to reach an accommodation on out-of-control entitlements and expanding opportunities to attend college.

Possibly the most arresting single statistic in the exit polls was the finding that a plurality of voters — 40 percent — believe that the next generation of Americans will experience a life "worse than today," while only 30 percent expect it to be better and 28 percent about the same.

This means that voters are discouraged not only about America's present but also its future. The message of the elections is that the country wants its politicians to stop squabbling for partisan advantage and restore the American dream.

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Chastened Ike Provides Worthy Model For Bush (USAT)

By Dewayne Wickham

USA Today, November 9, 2006

In the days leading up to the midterm elections, the president sounded a dire warning. The nation would face "innumerable obstacles to steady progress" if Democrats wrested control of Congress from Republicans, he said in a speech to supporters.

But when the votes were counted the American electorate didn't heed his words, and the president quickly tried to position himself as a healer, not a divider. "If there are any roadblocks thrown in the way of cooperation, I am not going to be responsible," he said at a post-election news conference.

If none of this sounds familiar to you, that's understandable. The president I'm talking about is Dwight D. Eisenhower, not George W. Bush. And the midterm elections were in 1954, not the ones held two days ago.

In that political sea change, Democrats picked up 19 seats in taking over the House and two seats in seizing the Senate. Like Eisenhower 52 years earlier, Bush tried to frighten voters in order to keep Republicans in power. Democrats "want to take more of your own money because they think they can spend it better than you can spend it," he said in Billings, Mont., five days before the elections.

That kind of talk might have rallied the base, but it didn't win the day for Republicans.

Maybe that's because a lot of voters thought Bush was being disingenuous with such criticism of Democrats. After all, it has been on his watch that a record federal surplus has turned into a huge deficit. Or it might be that while Bush was trotting out that old Republican scare tactic, voters worried more about the quagmire he's gotten us into in Iraq. He should not be tone deaf to this reality.

It's not enough for the president to try to appease voters with grudging talk of his willingness to work with a Democratic majority in the House, and possibly the Senate — as he did at his news conference Wednesday. Nor will having Defense Secretary Donald Rumsfeld walk the plank do it. He must accept the judgment of the voters that this nation must get out of Iraq — and their expectation that he reach a quick compromise with Congress on how to withdraw from this unpopular war.

"We shall have much to do together; I am sure that we shall get it done, and that we shall do it in harmony and goodwill," Eisenhower told the freshly minted Democratically controlled Congress during his 1955 State of the Union address.

And he apparently kept his word. Six months after that speech, Time magazine said of him: "No U.S. president has worked harder than Dwight Eisenhower to maintain friendly and constitutionally proper relationships with Congress."

When Congress challenged some of his proposals, the magazine reported that same July that "Eisenhower has resolutely resisted efforts to drag him into every political dogfight on and off Capitol Hill. He has always remained a step above the scuffle. This has dismayed some of his closest supporters, who thought that he would gain more by getting into the fight. There is every evidence, however, that this position above the brawl is a strong point in his popularity with U.S. voters."

Bush, who is far from popular with the electorate, would do well to be guided by Eisenhower's behavior rather than any urge he might have to go toe-to-toe with the Democrats. He needs to start acting more like the Texas governor he once was — a politician who was a lot better at bridging this nation's political divide — than the combative president he has been.

Many lessons can be learned from the drubbing that Republicans took at the polls this week. But none is more compelling than this: Americans don't want the fate of this nation to rest solely in the hands of George W. Bush and the Republican Party he leads.

Meeting At The Middle (WP)

By E. J. Dionne Jr.

The Washington Post, November 9, 2006

American voters, in their wisdom, ended an era on Tuesday. They rejected a poorly conceived war policy in Iraq that has weakened the United States. They rejected a harshly ideological approach to politics that cast opponents as enemies of the country's survival. They rejected a president so determined to win an election that he was willing to slander his opponents by saying: "The Democrat approach in Iraq comes down to this: The terrorists win and America loses." The voters decided there was no decency in that.

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No longer will the national tragedy of Sept. 11, 2001, be used to undermine the opposition party. It was only after he was forced to do so by an electoral defeat that President Bush called for genuine bipartisanship yesterday. Imagine what the world would look like if he had done that a year or two ago.

And no longer will we pay attention to political strategists who assert that swing voters aren't important and that independents and moderates don't matter. If Democrats are to make good use of the power they have been granted, they need to remember that last point. This election was the revenge of the center no less than it was the revenge of the left. The decisive votes cast on Tuesday came from moderates and independents, whom the exit polls showed favoring Democratic House candidates by about 3 to 2.

Nancy Pelosi and the other Democratic leaders face a genuinely complicated political calculus. On the one hand, Democrats would not have won without the intense dedication of their partisan and ideological base. Among self-identified Democrats, the party's House candidates won by about 13 to 1. Liberals went about 8 to 1 Democratic. This energy was critical to the outcome.

But many of the party's successful candidates ran as moderates, and Democrats hold power on the basis of a loan of votes from middle-of-the-road Americans who simply could not stomach Bush Republicanism anymore. The loan can be recalled at any moment.

The good news for Democrats is that their candidates, moderates and liberals alike, ran on two common themes: that the Bush Iraq policy had to change and that the Washington establishment simply does not understand the personal struggles and economic insecurities confronting so many Americans.

On Iraq, the president, not Congress, controls the essential levers of power, especially since Democrats have made clear that they will not use the one instrument they have, to cut off funding for the war, and they are right not to do so.

What they should do is use the coming report from the commission headed by former secretary of state James A. Baker III and Lee Hamilton, the former Democratic House member, to force a genuinely bipartisan approach to extricate us from Iraq at the lowest cost possible.

Tuesday's vote can help by making clear to the Iraqi government that there is a limit to American patience. The Shiite majority in Iraq must take more steps to reconcile with the Sunni minority. Our allies in the Arab world need to step up and help, because the American people will not tolerate endless engagement in Iraq. And the Democrats should encourage the administration to engage with all the nations in the region that have reason to fear an Iraqi civil war. That includes Syria and Iran.

The other obligation of this new majority is to answer the economic discontent that helped build its victory. Republicans prayed that the economy would matter in this election. Their prayers were answered in an odd way: Two-fifths of the voters told the pollsters that the economy was "extremely important" in their voting decision -- and they voted 3 to 2 for Democratic House candidates. A lot of Americans are losing ground, and they spoke up.

As long as Republicans control the White House, Democrats will not be able to pass far-reaching measures to deal with worries about pension benefits, health insurance and job security. What needs to begin is a long struggle to create a new social contract that will protect and lift up the tens of millions of Americans for whom globalization is more threat than promise.

It's worth pushing hard-to-veto legislation increasing the minimum wage, expanding health-care coverage and fixing the Medicare drug benefit. These steps need to be combined with hearings on more ambitious measures that would force the Washington establishment to come to terms with grass-roots economic discontents.

This election creates an exceptional opportunity to move from blind ideology to problem-solving and from stupid divisiveness to a politics of remedy and reconciliation. The Democrats had better make it work.

Lobbying Firms Preparing For Major Hill Realignment (RC)

By Tory Newmyer

Roll Call, November 9, 2006

Democratic lobbyists, flush with the excitement of a victorious Election Day, already are looking to share in the spoils.

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The Democratic rout of Republican rule in Congress also spelled a definitive end of years of GOP dominance of K Street. Jubilant Democratic lobbyists spent the day after the elections basking in their glow, but also beginning to ponder a new order that restores them to relevance.

"It's started," said veteran Democratic lobbyist Chuck Brain. "Within a couple days, it will be full-fledged, with companies asking, 'What are we doing?' and 'Can we still represent our interests?'"

Companies will have some adjusting to do, lobbyists from both parties agreed. Many have spent the better part of a decade responding to a Republican pressure campaign to hire more Republican lobbyists and to direct more of their campaign contributions back to the GOP. But the movers behind that effort were pushed off the stage during this Congress, when former House Majority Leader Tom DeLay (R-Texas) was forced to resign and Sen. Rick Santorum (R-Pa.) fell short in his re-election bid.

Several Democratic lobbyists agreed that the program, dubbed the K Street Project, created an inertia that now will benefit their ranks, as corporate offices seek to ramp up contacts with the new party in control. But even so, many Democratic K Streeters were careful to say their party — which made lobbying and ethics a major campaign issue this year — will not seek to impose its own similar effort to help that process along.

Marty Russo, a former Democratic Congressman who's now CEO of lobbying giant Cassidy & Associates, said the nature of lobbying itself will change under Democratic rule.

"We're going to go back to a system where you have to work your way through the legislative process," he said. "Lobbyists are going to have to be able to talk to more Members of Congress about more substance, and that's the way it should be. It's going to make us work harder."

Nevertheless, even in the past several weeks before the election outcomes were certain, Democratic lobbyists for hire reported a surge in interest among potential clients.

"Over the last 10 days, there's been a significant uptick in incoming calls and interest in finding out more about what we're doing," said Dan Tate, a veteran of former President Bill Clinton's administration who now lobbies at Capitol Solutions. "It's clear that people are assessing their needs and starting to put together what their prospective teams are going to look like."

Lobbyists said that interest is coming in part from the energy and pharmaceutical industries, both of which have invested heavily in Republican majorities. Over the course of this campaign cycle, both sectors were cast by Democrats as corporate bogeymen, and party leaders have promised a number of measures to roll back GOP-sponsored favors.

Scrambling to throw up some defenses, companies in those sectors have made a number of strategic hires in recent months. Among others, ExxonMobil added Louis Finkel, a former Democratic House aide, to its in-house staff. Shell Oil inked a deal with former Democratic House leadership aide Steve Elmendorf. And the all-Democratic firm Nueva Vista Group has signed on to represent the Pharmaceutical Research and Manufacturers of America.

One Democratic lobbyist said it is unclear whether those hires will put off Democratic lawmakers who are determined to rein in the industries. "In the pharma and energy fields, you can help them prepare for the likely assault, but it's too early to tell whether or not you can actually demonstrably help them," he said.

Meanwhile, all-Republican lobbying firms that have enjoyed robust growth under the GOP Congress must decide whether to rewrite their business plans or stay the course. While lobbyists at these shops acknowledged the situation will remain fluid as the dust settles from the election, several added that they are considering upending their partisan models by adding Democrats.

"We're talking to our clients and trying to figure out what their needs are, and we'll meet their needs, whatever they are," said Matt Keelen, a partner at Valis & Keelen. The firm currently contracts out certain projects to Democrats. The American Continental Group, which already has a full-time Democrat on staff, likewise said it is examining its options.

"We're always looking at ways to evolve so that we can continue to help our clients achieve their government relations objectives in the 110th Congress," said partner Carl Thorsen.

Others pledged to stick with their all-Republican format. Barbour Griffith & Rogers, the largest firm of this type, was founded in the early 1990s, when Republicans were out of power on both ends of Pennsylvania Avenue. Loren Monroe, a top lobbyist at the shop, said the firm can continue to grow by helping companies block Democratic-sponsored legislation they oppose.

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Similarly, the all-GOP firm Fierce, Isakowitz & Blalock has no plans to alter its strategy. “We like to be part of the extended Republican family,” partner Mark Isakowitz said. “That’s who we are and that’s not going to change.”

And the Ashcroft Group, the firm founded by former Attorney General John Ashcroft, will stay busy helping companies and their top executives prepare for tough hearings and investigations they expect Democrats to conduct. “It will be a subpoena-rich environment,” said senior adviser Juleanna Glover Weiss.

But firms that are already bipartisan signaled that they will be looking to adjust the partisan balance in their ranks by adding new Democrats. At Clark & Weinstock, said Ed Kutler, a top lobbyist and a former House Republican leadership aide, the partners have been looking to add high-caliber Democrats.

“We have already been talking to senior level Democrats and plan to talk to more to augment our strong offering on the Democratic side of the aisle,” he said.

Word Of The Day: 'Bipartisan' (WP)

By Judy Sarasohn

The Washington Post, November 9, 2006

As former House member Gerry Sikorski (D-Minn.), now head of the government practice at Holland & Knight , put it, some of his fellow Democratic lobbyists have a nice "jump to their step" today after the Democratic takeover of the House.

But then, he said, everyone must get down to the fact that "it's a bipartisan process largely."

No one seems to be echoing the bipartisan-lobbying mantra more than the business community, which, while not monolithically Republican, tended to support more Republicans than Democrats, not leaving it with such great credentials with the new Democratic leadership in the House.

Indeed, today, Harold McGraw III , chairman of the Business Roundtable and chief executive of McGraw-Hill Cos., is talking to the Wharton School of Business on "The Real World Is Neither Red Nor Blue" and laying out the group's agenda for Congress.

BRT is also taking out newspaper ads today on the theme, one of which is a photo of former presidents George H.W. Bush and Bill Clinton with the line: "If they can put aside their differences after an election, so can you."

John Castellani , president of BRT, said the group of CEOs is not partisan and notes that officials recently met with members of the "Blue Dog" Democrats, a group of conservative party members, over breakfast.

Bill Miller , political director of the U.S. Chamber of Commerce, acknowledged that "yesterday was a down day for the business community," but he added that the chamber has supported some Democrats, particularly Rep. Melissa L. Bean (Ill.), and Democrat-turned-independent Sen. Joseph I. Lieberman (Conn.).

He also noted that many of the new Democrats have a "Blue Dog" profile, or are at least moderates, and said the chamber is eager to work with the Democratic leadership. "Our door is open, and we hope their door is open as well," Miller said.

Todd Stottlemyer , chief executive of the National Federation of Independent Business, said in a statement after the elections that such small-business issues as affordable health care, a complex tax code and burdensome regulation are not partisan issues.

"We're committed to doing our part to work with all lawmakers to find real solutions for America's job creators. NFIB supported pro-small-business candidates in both parties, and small-business owners will now look to the Congress to get the job done," he said.

NFIB, which was active in the campaigns, endorsed 268 candidates for the House and Senate, mostly incumbents -- overwhelmingly Republicans. NFIB spokesman Michael J. Donohue said the group endorsed 12 Democrats.

The new leadership and lawmakers will also provide "new opportunities," according to James Greenwood , head of the Biotechnology Industry Organization -- BIO -- and a former GOP House member from Pennsylvania. Greenwood said that BIO has emphasized a bipartisan lobbying operation. "If we can explain the science and the economics, reason will prevail," he said.Democrats Change Face of New York

Winds of Democratic change have most certainly hit New York.

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McK enna Long & Aldridge recently snagged Richard S. Gordon , a national and New York Democratic figure, for its national government affairs practice and New York law office. Earlier this year, McKenna Long merged New York's Plunkett & Jaffe , a GOP law firm where Gov. George Pataki (R) was a partner. William F. Plunkett Jr. is one of Pataki's top political advisers.

Gordon has served as director of policy and planning for then-Indiana Gov. Evan Bayh and is a senior adviser to the All-American PAC, chaired by now-Sen. Bayh. Part of his New York connection: Gordon was executive director of Friends of Mario M. Cuomo, directing the former New York governor's political activities in the state. Most recently, Gordon ran his own law firm in New York.

Other members of the firm's government affairs group include: Marcia Hale and Keith Mason , former Clinton White House director and deputy director, respectively, of intergovernmental affairs; Eric Tanenblatt , former chief of staff to Georgia Gov. Sonny Perdue (R); former House member Buddy Darden (D-Ga.); and former senator Zell Miller (D-Ga.).Here and There

Also moving around . . . Amy McKennis Mistri left the legislative affairs office at the Department of Homeland Security, where she was a deputy assistant secretary, to join Global USA Inc. She is chairing the government relations and consulting shop's homeland security group, naturally. Earlier, she worked for the Cellular Telecommunications and Internet Association and for Sen. Kay Bailey Hutchison (R-Tex.).

GOP Hill veterans R. Adam Shepherd and Christopher L. Minakowski have signed on with Alcalde & Fay. Shepherd was legislative director for Rep. Charles H. Taylor (R-N.C.); Minakowski was legislative counsel for Rep. Dana Rohrabacher (R-Calif.).

Catherine P. Bennett has left Pfizer Inc., after 27 years as a government affairs lawyer, and joined the Venable law firm. Before joining Pfizer, she worked on legislative issues for the National Security Council. (Odd fact: After the NSC, she did research for "The White House Years," a Henry Kissinger memoir.)

Josh Gottheimer , a former Clinton White House speechwriter and most recently director of strategic communications at Ford Motor Co., has been named worldwide executive vice president at Burson-Marsteller , where he will be global chair of the corporate and public affairs practices.

Dems Win VA, Senate (AP)

AP, November 9, 2006

Democrats wrested control of the Senate from Republicans Wednesday with an upset victory in Virginia, giving the party complete domination of Capitol Hill for the first time since 1994.

Jim Webb's squeaker win over incumbent Sen. George Allen gave Democrats their 51st seat in the Senate, an astonishing turnabout at the hands of voters unhappy with Republican scandal and unabated violence in Iraq. Allen was the sixth Republican incumbent senator defeated in Tuesday's elections.

The Senate had teetered at 50 Democrats, 49 Republicans for most of Wednesday, with Virginia hanging in the balance. Webb's victory ended Republican hopes of eking out a 50-50 split, with Vice President Dick Cheney wielding tie-breaking authority.

The Associated Press contacted election officials in all 134 localities where voting occurred, obtaining updated numbers Wednesday. About half the localities said they had completed their postelection canvassing and nearly all had counted outstanding absentees. Most were expected to be finished by Friday.

The new AP count showed Webb with 1,172,538 votes and Allen with 1,165,302, a difference of 7,236. Virginia has had two statewide vote recounts in modern history, but both resulted in vote changes of no more than a few hundred votes.

An adviser to Allen, speaking on condition of anonymity because his boss had not formally decided to end the campaign, said the senator wanted to wait until most of canvassing was completed before announcing his decision, possibly as early as Thursday evening.

The adviser said that Allen was disinclined to request a recount if the final vote spread was similar to that of election night.

The victory puts Sen. Harry Reid, D-Nev., in line to become Senate majority leader. He has led the Democrats since Tom Daschle, D-S.D., was defeated two years ago.

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Report: Allen Set To Concede (WT)

The Washington Times, November 9, 2006

U.S. Sen. George Allen, R-Va., reportedly plans to concede, as news organizations late Thursday projected Democrat Jim Webb has won their Senate contest.

A Webb victory would hand control of the Senate over to the Democrats.

NBC News Wednesday said Webb had enough votes to win. Sources within the Allen campaign told CNN Wednesday that Allen might concede Thursday because a Wednesday canvas of votes suggested there was little chance that a recount would change the outcome.

"The senator has no intention of dragging this out," the source told CNN.

Webb appeared before supporters early Wednesday and told them, "I'd like to say the votes are counted, and we won."

With 99 percent of the vote in, Webb led Allen by 50 percent to 49 percent with just a few thousand separating the two. Under Virginia law, the second-place vote-getter is entitled to a recount if the winning margin is less than 1 percent of all the votes cast.

The Washington Post said voter turnout was moderate to heavy in the Washington suburbs of Northern Virginia, which would be good news for Webb.

In Alexandria, Arlington and Falls Church, registrars said voter turnout may have broken records for a midterm election.

Allen was expected to show strength in the other areas of Virginia, where returns are traditionally slow.

The war in Iraq was a central issue in the race, the Post said. Webb portrayed Allen as a rubber-stamp senator for President George W. Bush's war strategy -- forcing Allen to moderate his support for the war and say "mistakes have been made."

Virginia's Next Senator (WP)

The Washington Post, November 9, 2006

CONTROL OF the U.S. Senate now hangs precariously on Democrat James Webb's slim lead over Republican Sen. George Allen in Virginia -- an edge of about 7,000 votes out of more than 2.3 million cast. Unsurprisingly, for those who remember the Florida playbook from 2000, the party that's ahead is acting as if the result is a foregone conclusion, while the party that's trailing is positioning itself for challenges by raising doubts about malfunctioning voting machines and other supposed problems. Only this time, with the Democrats poised for victory and the Republicans on the ropes, the roles are reversed.

There is cause for concern here but also reason for relative confidence. The concern stems from the fact that with the stakes so high, lawyers from both parties will be pouring into the state, threatening to make a spectacle of an election that -- so far, at least -- seems to have been well run, fair and an accurate measure of the voters' will. The good news is that recent history in Virginia suggests the state knows a thing or two about how to conduct an orderly, circumscribed, confidence-building election review -- and produce an unblemished winner.

Just a year ago, the campaign for Virginia's attorney general yielded a Republican victory in a race much closer than the Webb-Allen contest. But even after six weeks of post-election scrutiny, retabulation, double-checking, error-spotting and an official recount, the victor's final margin -- 360 votes out of 1.94 million cast -- had shifted by scarcely 1,000 votes from that recorded 24 hours after the polls closed. Compared with that, Mr. Webb has chalked up a landslide. Moreover, Virginia's procedures for reviewing, verifying and recounting the vote, spelled out in state law, leave precious little room for mischief and far-fetched legal challenges.

Yesterday, Ed Gillespie, the former Republican National Committee chairman who is advising Mr. Allen, suggested that the GOP is not ready to concede a victory by Mr. Webb. Despite the absence of any reported major irregularities in Tuesday's vote, he mentioned unspecified problems with voting machines; power outages in some polling stations; and a vote shift in Stafford County's tally that favored Mr. Allen. "Let the process play itself out in a dignified manner," said Mr. Gillespie, who was a key GOP strategist during the Florida recount of 2000. "The votes need to be accurately counted. Only at the end of that process is a winner declared."

Fine: The canvassing should proceed. State law allows for a recount in tight races, and that might be justified providing Mr. Allen can show some real reason for it. Inevitably as the votes are retallied, some human error will turn up -- it always does. But it

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is critical to bear in mind that not a scrap of evidence has emerged so far to challenge the basic integrity of Virginia's Senate vote on Tuesday. Barring some significant error or surprise, Mr. Webb will be the state's next junior senator.

Democrats Claim Senate Control (WT)

By Charles Hurt

The Washington Times, November 9, 2006

House Democratic leader Nancy Pelosi, expected to become the next speaker, vowed yesterday to put aside partisanship and usher into Congress fiscal discipline and ethical integrity, while her party put the final touch on its electoral victory by apparently winning control of the Senate.

Democratic electoral gains grew yesterday to 29 House seats, with 10 other races still in doubt. On the Senate side, they claimed victory yesterday in the last three states needed to take their gains to six seats.

Missouri Sen. Jim Talent conceded defeat to Democrat Claire McCaskill this morning.

Montana Republican Sen. Conrad Burns did not throw in the towel despite trailing Jon Tester in the final unofficial tally. Virginia Sen. George Allen was close enough to Democrat James H. Webb Jr. that he could demand a recount. But several news organizations, including the Associated Press, called the two races for the Democrats.

"This new Democratic majority has heard the voices of the American people," Mrs. Pelosi said yesterday, one day after Democrats stripped Republicans of about 30 House seats and staked a claim to the final three seats needed to take the Senate.

"We will make this the most honest, ethical and open Congress in history," she said, alluding to promises the Republican class of 1994 made but failed to deliver on.

As Mrs. Pelosi laid out her vision for the 110th Congress, stunned House Republicans began behind-the-scenes maneuvers for a major shake-up of their leadership.

By midafternoon, House Speaker J. Dennis Hastert said he would quit the top post and other Republicans emerged to challenge current party leaders.

"The days of the do-nothing Congress are over," Sen. Harry Reid, Nevada Democrat, in line to become majority leader, said in a statement issued after the AP called the Virginia race for Mr. Webb.

Earlier yesterday, Sen. Mitch McConnell of Kentucky, the Republican whip and in line to head his party because Majority Leader Bill Frist is retiring, played down the impact of possibly losing the chamber.

"In the Senate, the minority is never irrelevant unless it falls down into the very small numbers. I don't think, as a practical matter, it's going to make a whole lot of difference in the Senate, being at 49," he said.

Republicans, including party leaders, acknowledged yesterday that the party had wandered far from its commitment 12 years ago to clean up corruption, shrink the federal government and slash irresponsible spending. Majority Leader John A. Boehner, who announced yesterday that he would run for minority leader in Republican leadership elections next week, said the party must recommit itself to those principles.

"Our voters stopped thinking of us as the party of principle because we lost our commitment to and confidence in our core principles," the Ohio Republican said in a letter to his colleagues yesterday. "We fell into the trap of exploiting the marginal advantages of majority control instead of constantly advancing those principles.

"Many of our voters wondered whether instead of changing Washington, Washington had changed us," he said, reminding fellow Republicans that he'd been part of the 1994 takeover of Congress. "And the [Rep. Mark] Foley scandal, along with other brazen betrayals of the public trust by other members, cemented in voters' minds the picture of a party that had lost its way. The renewal of our reform commitment was too late, and too limited, to reverse our party's fate."

Rep. Mike Pence, an Indiana Republican who announced yesterday that he would challenge Mr. Boehner for the party's top post in the House, was no less scathing.

"We did not just lose our majority, we lost our way," he said. "While the scandals of the 109th Congress harmed our cause, the greatest scandal in Washington, D.C., is runaway federal spending."

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Sen. Tom Coburn, the Oklahoma Republican who has railed against Republican-sponsored pork barrel spending such as the $200 million "bridge to nowhere," said this week's election results were "a rejection of corrupt, complacent and incompetent government."

"This election does not show that voters have abandoned their belief in limited government; it shows that the Republican Party has abandoned them," Mr. Coburn said. "In fact, these results represent the total failure of big-government Republicanism."

Mrs. Pelosi, California Democrat, yesterday restated her commitment to accomplishing five major goals within the first 100 hours of Democratic reign in the House. Democrats promise to immediately enact all the September 11 commission recommendations for fighting terrorism, raise the minimum wage, cut interest rates on student loans, provide more funding for embryonic stem-cell research and repeal some subsidies for the oil industry.

She also promised to include Republicans in the process of drafting and passing legislation more than the Republican majority had included Democrats.

"Democrats are not about getting even," she said. "Democrats are about helping the American people get ahead, and that's what our agenda is about."

The San Francisco lawmaker repeated her previous warnings that calls by some liberals to impeach President Bush are "off the table." She and Mr. Bush plan to have lunch today at the White House.

She will also have to contend with a caucus that includes many more conservative Democrats who bridle at many of her liberal positions. In his statement announcing that he would step down, Mr. Hastert gave a nod to those Democrats who toppled so many Republicans.

"I take some comfort in the fact that a majority of the winning candidates ran on a platform of common-sense conservatism, be they Republican or Democrat," said the Illinois Republican. "That bodes well for the future of our nation."

Mrs. Pelosi is expected to be formally re-elected as House Democratic leader and nominated for speaker when the party caucus meets Nov. 16. Mrs. Pelosi is likely to be unopposed, but other Democratic leadership posts may be contested. Minority Whip Steny H. Hoyer of Maryland and John P. Murtha of Pennsylvania are expected to vie for the majority leader post.

Rep. Rahm Emanuel, who led the Democratic Congressional Campaign Committee, blamed the Republican losses on a number of factors, including ethics and their "blind loyalty" to Mr. Bush.

"Every member or district that had an issue related to the professional conduct of that member switched and became Democratic," the Illinois Democrat said. "That was eight seats, half of the 15 you needed" for Democrats to take control.

As clearly elated as Mr. Emanuel was yesterday, he couldn't help but enjoy a bit of self-deprecating humor.

"Democrats haven't been this happy since 2000 when CNN declared Florida for Al Gore," he said. But "that only lasted an hour for us."

Mr. Emanuel's counterpart, New York Republican Rep. Thomas M. Reynolds, had far less to celebrate but took a stab of his own at humor when he arrived late for a press conference.

"I would have been here just a little quicker, but I had to get my life preserver, life jacket, off," he said, intended as a reference to the downpour outside. Reporters assumed, however, it was an analogy for his own electoral survival.

Asked whatever happened to the "permanent majority" Republicans have promised, Mr. Reynolds replied: "We're going to take a two-year hiatus."

Webb's Small Lead Holding Up As 'Senator-Elect' Starts Staffing (WP)

By Michael D. Shear And Lisa Rein

The Washington Post, November 9, 2006

RICHMOND, Nov. 8 -- Virginia's Democratic Senate candidate, James Webb, claimed the title of senator-elect Wednesday and began organizing his congressional staff, while Republican incumbent George Allen declined to concede but was described as "realistic" about the outcome if he seeks a recount challenging Webb's thin lead.

With control of the U.S. Senate hanging in the balance, Allen dispatched teams of lawyers and operatives across Virginia in search of the votes he would need to win. Early in the day, Allen did not appear ready to relinquish his claim to an office he once saw as a springboard to the White House.

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"Let the process play itself out in a dignified manner," said Ed Gillespie, a former national Republican Party chairman, speaking for the Allen campaign in front of the Virginia party headquarters. "The votes need to be accurately counted. Only at the end of that process is a winner declared."

But Webb continued to lead by approximately 7,300 votes with virtually all of Virginia's 2.3 million ballots counted Wednesday evening, and Republicans said there appeared to be little hope that glitches or math errors might uncover new GOP votes. Gillespie said Allen was "realistic," and an e-mail sent late Wednesday said the senator would make a statement "at the conclusion" of the statewide canvass of votes. The e-mail said "more details will follow from the campaign" early Thursday.

Several Republicans who are close to Allen or involved in a potential recount said privately that they doubted Allen could overcome Webb's lead, which stood at 13 times as large as George W. Bush's lead over Al Gore in Florida in 2000.

"I don't see the votes there," said one Washington Republican who has been advising Allen and spoke on condition of anonymity because he didn't want to undermine the senator's message. "It's like the old saying: 'If you're not the lead dog, the view doesn't change.' "

On Wednesday night, the Associated Press called the election for Webb, after the wire service contacted election officials in all of Virginia's 134 localities and said about half had completed their post-election canvass. The AP showed Webb beating Allen by 7,236 votes.

At Webb headquarters in Arlington, sleepy volunteers answered constantly ringing phones with a cheery new greeting: "Hello, Senator-elect Webb's office."

Still, teams of Democratic and Republican lawyers and volunteers traveled across Virginia to monitor the canvass, in which the preliminary tallies from Tuesday night are confirmed or adjusted over the next several days.

Jean Jensen, the secretary of the State Board of Elections, said the local boards would mail the final results to her by 5 p.m. Monday. There is not likely to be much significant movement in the vote totals until then, if at all. Jensen must officially certify the results by Nov. 27.

Aides said a weary Webb was spending time with his family and friends. Former Virginia governor Mark R. Warner (D) spoke with reporters on Webb's behalf.

"I know that Senator-elect Webb is looking forward to joining Senator John Warner [R-Va.] and, I think, working on the issues he talked about in the campaign, ranging from how we deal with Iraq to economic fairness to trying to make sure we get our country fixed," Warner said. "I think he will be a great addition to the United States Senate."

Warner said Webb was moving forward as a newly elected senator, despite the fact that Allen had not conceded. "Our expectation is that this will continue to be a margin of thousands," Warner said.

Late Wednesday afternoon, Webb announced that his transition team would include state Del. A. Donald McEachin (D-Richmond); Owen Pickett, who represented the Hampton Roads area in Congress from 1987 to 2000; and Tom Lehner, who was chief of staff to former senator Charles S. Robb (D-Va.).

Within hours, Webb issued his first official statement, praising President Bush's decision to accept the resignation of Defense Secretary Donald H. Rumsfeld. Webb's campaign platform included a new course in Iraq, but he had declined to call for Rumsfeld's firing.

"I am pleased that we will have a new secretary of defense, but I believe that the new Senate should be the body that examines Bob Gates' qualifications for confirmation," he said in a reference to Bush's choice to succeed Rumsfeld.

Gillespie declined to say whether he thought Webb's quick action was appropriate. "The fact is, we always knew this was going to be close," he said. "It's a closely divided commonwealth. We're not surprised by the outcome."

County election boards throughout the state began the canvass Wednesday, a procedure that state officials said is undertaken regardless of the margin of victory or the possibility of a recount.

In a stuffy third-floor conference room at the Fairfax County Government Center, 12 two-person teams started examining returns generated by 1,230 voting machines in the county's 225 precincts. The process is expected to take three days, and officials plan to certify the results and ship them to the state by Sunday.

"The canvass is not over until everything has been checked and double-checked," said Margaret Luca, secretary of the Fairfax Electoral Board.

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Seated at four rows of desks, the canvassers examined piles of paper strips that looked like last week's grocery receipts -- printouts of vote totals from each machine.

They were checked against tallies kept in poll books, the computer printouts listing everyone registered in a given precinct, and a form called the official statement of results, which is filled out by the chief election officer at the end of the evening.

Statewide, things seemed to be moving along with only minor incidents. In the basement of the Prince William County courthouse, for example, election workers found that one precinct had underreported its Webb vote by 10.

Lawyers for both parties said those kinds of tiny changes would not alter the election's outcome. But Gillespie charged that the Allen campaign had received initial word of other, more serious problems, including broken-down voting machines, power outages and other irregularities.

He noted that a precinct in Stafford had overstated votes for Webb by about 1,300 votes Tuesday night. The error was corrected Wednesday morning, leaving Webb with his 7,300-vote lead. "It was me," said Stafford County Registrar Ray Davis, who acknowledged accidentally writing the wrong number onto his tally sheet. "I was fatigued. We didn't check the figures last night."

Jensen, a Democrat appointed by Warner, denied the Allen camp's claims of voting machine breakdowns and other serious problems, calling them routine Election Day glitches that were quickly resolved.

"I get a little concerned that they're exaggerating, when there were lawyers for both parties in my office all day and into the night," Jensen said. Reported problems ranged from sample ballots printed in the wrong color to scattered malfunctions of voting machines that were replaced with backups. "They all got fixed."

The last of the absentee votes was counted by Wednesday afternoon, Jensen said. The only community that still had not reported complete results by last night was Isle of Wight, a county on the James River in Tidewater where a voting machine froze and has not been able to print out the tallies. About 200 votes are outstanding, officials said.

Also outstanding are provisional ballots, which are given to voters whose names do not appear on voter rolls but who say they should. Such people are allowed to vote on a paper ballot, subject to later verification of their right to vote. In last year's governor's race, there were about 5,000 provisional ballots cast, but only 18 percent were confirmed, Gillespie said.

Jensen said she did not know how many provisional ballots had been cast on Tuesday.

Some alarmed observers called the Board of Elections late Wednesday to report that several counties suddenly showed new, unreported precincts. Jensen said the precincts were added in preparation for tallying provisional ballots.

But the frantic questions from the public highlighted the intensity and the stakes of the Virginia race. Asked how she would handle a possible recount in a race the country is watching closely, Jensen said, "Sure, I'm nervous." But she said last year's recount in the contest for attorney general would serve as a dry run.

"I'm nervous about dealing with all the lawyers," she said. "They will FOIA [submit Freedom of Information Act requests for] everything but the pictures on the wall. That will be the biggest challenge."

Webb Claims Victory, But Counting Continues In Va. (USAT)

By Mimi Hall And Laura Parker

USA Today, November 9, 2006

RICHMOND, Va. — Democrat Jim Webb laid claim to a Virginia Senate seat Wednesday, but Republican Sen. George Allen refused to yield as elections workers across the state double-checked returns in a razor-close election.

The Associated Press declared Webb the winner late Wednesday after canvassing elections officials statewide. That result would leave Democrats with control of the Senate — and therefore the entire Congress. If Allen prevailed in a vote challenge, the houses would be split between the parties.

Both candidates kept quiet Wednesday after an emotional and frustrating election night that saw them trading miniscule leads hour-by-hour. Webb inched ahead at the very end, culminating a sometimes vicious campaign marked by character attacks and negative ads.

On Wednesday morning, Allen's supporters were quick to point out that Webb had an exceptionally thin lead — the Associated Press reported 7,236 votes separated the two out of 2.3 million cast, just three-tenths of 1%. Unofficial tallies on the Commonwealth of Virginia's website indicated late Tuesday that roughly 5% of precincts hadn't yet reported.

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Michael Traugott, a University of Michigan political science professor who worked for the now-defunct Voter News Service, pointed out that the AP relied on actual votes for its call, not exit polls. That, he said, is reassuring.

But Traugott said he is concerned that about half the localities contacted by the AP had not completed their canvassing. He said the political leanings of those localities are crucial in determining whether the call for Webb was a smart one.

Former Virginia governor Mark Warner, a Democrat, declared that Webb "will be a great addition to the United States Senate."

And in a page from President Bush's political playbook from the contested 2000 election, Webb took steps to try to seize victory before it had been officially declared. Early in the day Wednesday he named three members of his transition team, and his campaign headquarters staff started referring to him as "Senator-elect."

Even after the Associated Press called the race in Webb's favor, Allen said he wouldn't back down until a canvassing effort by state officials was over.

"At the conclusion of those efforts, Senator George Allen plans to make a statement regarding the outcome," read a statement released by the Allen campaign.

Allen adviser Ed Gillespie said Allen picked up nearly 1,500 votes that had inadvertently been awarded to Webb in one county.

Allen's "mood is realistic," Gillespie said of the one-term senator who saw a solid lead evaporate in August amid charges of racism. But "obviously when you're operating with a margin of three-tenths of 1%, there's reason for hope."

Once the canvassing operation is complete, the state's elections board will prepare to meet on Nov. 27 to certify the election. Only after that can the presumed loser request a recount.

Gillespie wouldn't say whether Allen would demand a recount.

"It's conceivable to me that on Nov. 27, you'll be asking Mr. Webb whether he will be seeking a recount," he said.

No candidate who has gone into a statewide recount ahead by several thousand votes has ever come out on the losing end when it was over, Warner said.

In Virginia Race, 'Gail For Rail' May Be A Spoiler Candidate Says She Offered To Endorse Webb, Allen; 26,000 Votes Went Green (WSJ)

By JUNE KRONHOLZ And AMY SCHATZ

The Wall Street Journal, November 9, 2006

Gail Parker may have helped decide which of two Virginia gentlemen goes to Washington, which goes home and who controls the U.S. Senate.

Two weeks ago, Ms. Parker, a 59-year-old Independent Green Party of Virginia candidate, says she offered to swing her support in the Virginia Senate race to either the Democratic or Republican candidate. In return, she wanted them to back her pet issue: high-speed rail across the traffic-clogged state.

"I was willing to endorse the candidate who would earn it the old-fashioned way," says Ms. Parker.

But neither man was much interested in her offer, she says. Now it looks like her "Gail for Rail" campaign could have been a factor in deciding which party controls the U.S. Senate.

On Tuesday, Ms. Parker collected about 26,000 votes -- which could have given either Republican Sen. George Allen or Democratic challenger Jim Webb a decisive victory.

As it is, Mr. Webb seems set to replace Mr. Allen after taking a lead of just 7,000 or so votes. With most precincts reporting, Mr. Webb led Mr. Allen with a vote of 1,173,805 to 1,166,488, and the Associated Press last night declared Mr. Webb the winner, based on its survey and analysis of votes counted and ballots remaining. A Webb victory would give Democrats control of the Senate.

Mr. Allen refused to concede yesterday and said he would wait for a full review of the vote, but it didn't seem likely that the totals could change significantly. Absentee ballots have already been counted. That leaves in doubt only the provisional ballots -- that is, those cast by voters who, for one reason or another, may not be eligible to vote.

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Such votes are collected locally, so there was no way to know yesterday how many are outstanding. In the 2004 presidential election, the Virginia state elections board says, 4,000 provisional ballots were cast, and only 700 accepted -- not enough to overcome Mr. Webb's lead.

Ms. Parker acknowledged from the beginning that her campaign lacked the steam to win, but says she hoped it would work up enough noise about rail travel to prompt the two leading candidates to pledge support.

Transportation is a hot topic in Virginia, where rapid growth has left taxpayers sitting in traffic. The Census Bureau says the typical Northern Virginia commute is at least a half hour. Virginia's budget for rail transport is $23 million a year.

Since January, Ms. Parker, a retired Air Force Reserves major, says she has logged more than 40,000 miles campaigning around the state in her gray Volkswagen Jetta. She had no paid staffers and personally collected 8,000 of the 10,000 signatures that she needed to get on the ballot.

She says she raised just $1,200 in donations and according to a Federal Election Commission report, she financed much of her campaign through an $18,472 personal loan. "Maybe I should have spent more time trying to raise money," she said yesterday.

Ms. Parker, who ran unsuccessfully for the Virginia General Assembly last year, says she ran a few radio ads during her Senate bid, but mostly campaigned by greeting voters personally. She printed her pamphlets at Staples and ran the campaign from her Alexandria condo. Her campaign photo was taken last December at Glamour Shots, a mall photo studio that specializes in soft-focus, windswept portraits. Even before the last votes were counted yesterday, Ms. Parker and her Jetta had left the state to visit her daughter in Oklahoma.

"Our campaign was about faith, about family and about being fiscally conservative. I have faith we can balance the budget and also build high-speed rail in Virginia," she said in an interview, staying on message even after the campaign had ended.

The Webb campaign says it did try negotiating with Ms. Parker but came to the conclusion she wasn't seriously interested in endorsing him. "There never seemed to be any clear intent on her part to endorse," says Webb campaign spokeswoman Kristian Denny Todd. She says that Mr. Webb is in favor of finding ways to improve the state's traffic congestion and "obviously, he respects [Ms. Parker's] opinion on the matter and her passion for the issue."

Calls to Mr. Allen's campaign, press and Senate offices weren't returned.

Ms. Parker attended Mr. Webb's pre-election rally Monday in Roanoke in a subtle show of support, she says, but didn't endorse him. She bristles at suggestions that her quixotic campaign might help decide control of the Senate. "This is politics," she says. "This country is about discussing issues and informing voters."

Ralph Nader, whose own third-party candidacy in 2000 is thought by some commentators to have helped swing that race to President Bush, agrees with her.

"Everyone has an equal right to run," he says. "Obviously, Webb and Allen took a lot more votes from her than she took from them."

Ms. Parker's votes represent 1% of the state's total.

The congressional elections' most successful independent candidates were Connecticut Sen. Joe Lieberman and Vermont's Bernie Sanders. An Illinois Green Party candidate, Rich Whitney, also turned in a respectable performance with 342,000 votes, or 10% of the state's total. Maryland Green Party candidate, Kevin Zeese, director of a national antiwar group, collected 2% of the state's vote.

Mr. Allen's chances of overturning his apparent loss seem unlikely. In Virginia, a recount "is largely about checking the math," says James Alcorn, a lawyer with the Virginia State Board of Elections.

Voters in much of the state used touch-screen voting machines, which record votes on memory cards with a backup count on an internal memory. The state's 2006 election law says that in a recount, the vote totals from the memory cards are to be looked at again to make sure they were read correctly the first time.

The memory cards in each machine record an image or "screen shot" of each ballot. But there's no provision in the law for looking at the image during a recount. And in any event, only the machine makers could do that because they have kept access to their software a trade secret.

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Challenges based on the state's voting equipment also seem fairly remote. Mr. Webb's last name didn't appear on the summary page of many voting machines -- a glitch that brought howls from his campaign before the election. But at least initially, Mr. Allen seems to have faced no similar disadvantage that might be the basis for a challenge.

Ms. Parker says she plans to write thank-you notes to supporters when she returns from Oklahoma and will run for office again -- although she's not sure for what job. "Politics in Virginia is a noble pursuit," she says.

Elections Help Sort Out Playing Field For 2008 (USAT)

By Jill Lawrence

USA Today, November 9, 2006

WASHINGTON — The elections this week transformed not only Congress but the playing field for the 2008 presidential race. Some contenders self-destructed, one went home and a meteor streaked onto the radar in the form of Illinois Sen. Barack Obama.

There were two things, however, that didn't change: the contenders leading the polls on both sides.

Sen. Hillary Rodham Clinton, D-N.Y., won a resounding re-election victory after raising nearly $40 million — more than any other Senate candidate this year. She isn't yet talking about her future, which is widely presumed to include a presidential bid but could involve a leadership role in a possibly Democratic Senate.

Some analysts praise her campaign skills but say they wouldn't be surprised if she chooses the latter, given the difficulties of a White House run. “She comes with baggage that no other candidate has and the ability to mobilize Republicans against her that none of the other Democrats can match,” says Peverill Squire, a political scientist at the University of Iowa.

The Republican front-runner, Arizona Sen. John McCain, campaigned and raised money for candidates nationwide while also building a network for his White House bid. Though supportive of President Bush on Iraq, his disagreements with Bush about immigration policy, prisoner abuse and Defense Secretary Donald Rumsfeld's performance kept his maverick image alive.

While former New York mayor Rudy Giuliani also does well in polls and barnstormed the country, “right now it's hard to see another Republican who has similar stature” to McCain, Squire says.

A lesser known Democratic hopeful, Iowa Gov. Tom Vilsack, is forming a presidential campaign committee today, the Des Moines Register reported, making him first into the race on either side. “He wanted to make sure we had a good result in Iowa before taking the official step,” Vilsack aide Jeff Link told the paper. Democrats took over the Iowa Legislature and Democrat Chet Culver was elected to succeed Vilsack.

One Republican who had laid foundations for a national campaign now faces political oblivion: Virginia Sen. George Allen, whom the Associated Press declared the loser Wednesday in his re-election race against Democrat Jim Webb, based on a canvass of election officials. Allen's candidacy unraveled after he called an Indian-American “macaca,” triggering examinations of his racial views, and reacted with anger and bad jokes to questions about his mother's newly revealed Jewish roots.

Another politician who pushed the self-destruct button: Massachusetts Sen. John Kerry. His remark appearing to denigrate the education level of troops in Iraq, which he called a bungled joke, reminded Democrats of Kerry's shortcomings as their 2004 nominee. The Iraq comment was “the final straw” for some, says Dean Spiliotes, a political scientist at Saint Anselm College in Manchester, N.H.

Senate Majority Leader Bill Frist, who is going home to Tennessee in January to ponder a GOP presidential run, presided over a loss of seats and controversies such as congressional intervention in end-of-life decisions for Terri Schiavo, the Florida woman in a vegetative state. Frist's association with Bush and his performance as leader also could hurt him. “He handled the job badly,” Squire says.

Republicans lost governorships under Massachusetts Gov. Mitt Romney's leadership of the Republican Governors Association. At home, Romney is being succeeded by a Democrat, Deval Patrick.

Two red-state Democrats, former North Carolina senator John Edwards and Indiana Sen. Evan Bayh, solidified their standing in ways that may pay off later.

Edwards fought for minimum-wage hikes and strengthened ties with labor. Bayh helped Indiana Democrats oust three House Republicans and helped Democrats capture the legislature in Iowa, a key primary-season state.

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Illinois' Obama, who is half Kansan and half Kenyan, generated big crowds even as his short résumé raised questions.

If the freshman senator decides to proceed, says Squire, "he's going to find out that it's a tough business. He's had the fun part already, and the painful part is coming up."

Outcome Shakes Up '08 Calculus For McCain, Clinton And Others (WSJ)

By Jeanne Cummings

The Wall Street Journal, November 9, 2006

WASHINGTON -- Tuesday's election earthquake is recasting the 2008 campaign landscape, leaving both parties' early presidential front-runners on firmer ground while exposing fault lines that could upend their campaigns.

The power shift that gave Democrats control of the House of Representatives and possibly the Senate was a clear call by voters for new -- and bipartisan -- approaches on issues ranging from the Iraq war to fiscal discipline to ethics in government. That realignment could open the door to candidates who are independent, unorthodox or have a history of working across party lines.

Sen. John McCain, an early Republican favorite, proved more popular on the stump with his party's candidates than President Bush did -- newly-elected Republican Gov. Charlie Crist skipped a last-minute rally in Florida with the president to tour that state with the Arizona lawmaker. Mr. McCain also raised millions of dollars for his colleagues. But his advocacy for continuing the Iraq campaign -- and perhaps sending in more troops -- sharply conflicts with the antiwar message sent by voters this week.

Democratic Sen. Hillary Clinton was also a popular fundraiser on the campaign stump, and she transferred millions of dollars from her bulging campaign account to candidates and party committees to help the Democratic team. She was re-elected in New York by a landslide, with 67% of the vote -- including support from 20% of Republicans and 25% of conservatives, demonstrating a potential for broad appeal. But the sudden rise of Illinois Democratic Sen. Barack Obama threatens her superstar status and could produce a formidable primary challenger for the nomination. And she too has some baggage from her vote to authorize the Iraq invasion.

The 2008 presidential campaign landscape was changed in other substantial ways by this week's midterm elections. Voters showed impatience with partisanship, negative attacks and corruption, which ranked in exit polls on a par with Iraq among voters. Nearly every candidate tainted by scandal was vanquished by voters bent on sending Washington a message and cleaning house.

Indeed, the results could be seen as an opening for a third-party presidential campaign, and one politician who has generated considerable speculation about his intentions is New York City Mayor Michael Bloomberg. The Republican mayor of a majority Democratic city is a social moderate and a fiscal conservative, who is seen as having a successful record of management and coalition-building. And he has a large personal fortune to underwrite a campaign.

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The internal forces in the Democratic and Republican parties were also shaken up by the campaign. Democratic presidential primaries tend to force candidates to cater to the liberal base, but the party won big Tuesday in part by recruiting more-conservative candidates. And party leaders think the election gives them an opening to build stronger links with the white and Hispanic voters who backed their candidates in greater numbers in this election.

The Republican coalition appears to be fracturing, with social conservatives possibly weakened. Indeed, the two leading social-conservative candidates in the Republicans' presidential-contender roster -- Pennsylvania Sen. Rick Santorum and Virginia Sen. George Allen -- were knocked out of the running. Mr. Santorum was defeated; Mr. Allen is trailing and the Associated Press last night predicted from returns that he had lost, even though he has yet to concede. "The picture is pretty obscure for '08 from our perspective," said Tom Minnery, an aide to Focus on the Family founder James C. Dobson, a leading voice in the party's social-conservative wing.

Mr. Allen's diminished standing also removes the favorite candidate of many fiscal conservatives. He is one of only two senators endorsed by Club for Growth, an activist Republican antitax group. "We're waiting" to see a new candidate emerge, says Pat Toomey, the club's president. Mr. McCain, who initially opposed the Bush tax cuts, is deemed insufficiently reliable.

Mr. Toomey said his wing of the party is still reviewing the record of Massachusetts Gov. Mitt Romney, who also impressed party activists with his midterm campaigning. They remain skeptical that a law adopted on Mr. Romney's watch penalizing businesses that don't provide health-care coverage will meet their standards.

To fill those holes, social conservatives began taking another look at Kansas Sen. Sam Brownback and former Arkansas Gov. Mike Huckabee, both of whom would have to drastically ratchet up their presidential-campaign machinery to become competitive. On the fiscal side, activists may try to recruit South Carolina Gov. Mark Sanford, who was re-elected on Tuesday and hails from a state in the party's early primary lineup.

The election fallout also could encourage a long-shot candidate such as former House Speaker Newt Gingrich to jump into the race. On the flip side, the diminished influence of the religious right on the midterms could buoy the camp of moderate former New York Mayor Rudy Giuliani, another sought-after personality this cycle.

The Democrats' candidate roster was also rearranged some.

An eleventh-hour gaffe by Massachusetts Sen. John Kerry hurt his positioning as the alternative to Sen. Clinton. In a campaign rally, Mr. Kerry seemed to suggest the soldiers in Iraq are uneducated. Conservatives and the White House seized on the comment, which the senator said was actually a botched joke about the brainpower of President Bush. Still, he was forced to apologize and his party was knocked off its message in the critical final week of the campaign.

"John Kerry was scoring a lot of points in New Hampshire," says party activist Jim Demers. "He was helping out candidates and doing very well. His statement just sent shockwaves through the party."

The Democrats also are without a high-profile antiwar candidate who could harness the activist and voter support for that position evident in the campaigns. North Carolina's John Edwards could be best positioned to do that. He has forthrightly said his vote authorizing the war was a mistake and he was a popular fund-raising headliner throughout the midterm campaign.

Mr. Obama could also try to woo that constituency. He wasn't in the Senate at the time of the war vote. Bob Borosage, co-director of the Campaign for America's Future, a liberal activist group, said Mr. Obama had his members "eating out of his hand" during one recent appearance, but the senator gave little hint of his ideas on Iraq. "Once he starts taking positions, it might get more difficult," Mr. Borosage said.

Beyond the personalities, the results could recolor the 2008 electoral map.

A string of Democratic gubernatorial victories in the Midwest could provide a Democratic nominee with strong allies and networks in Republican strongholds. The most notable victory was in Ohio, a state Mr. Bush won by a tiny margin in 2004.

Democrat Eliot Spitzer's victory in New York is likely to help boost the party's coffers, Republican finance experts concede. That could be critical because political-money experts are predicting that serious contenders are expected to have raised $100

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million by the end of next year -- nearly $10 million a month. The reason for the escalating cost is that no serious candidate is expected to sign up for matching public dollars, which are given to candidates who agree to limit their spending.

The rise of a Democratic-controlled Congress also means the debate over dominant issues such as Iraq will necessarily change. John Samples, an analyst at the libertarian-leaning CATO Institute, said Republicans may be more anxious to find a way to resolve the Iraq situation "so they don't have to go through this again in 2008, so they can take it off the table."

Iraq makes the campaign tricky for both Mr. McCain and Ms. Clinton. In 2004, Mr. McCain appeared with Mr. Bush on the campaign trail, lending his considerable credibility on war issues to the Iraq mission. This cycle, the former Navy officer and Vietnam War prisoner did so again on behalf of fellow Republican incumbents.

Tuesday night, Mr. McCain acknowledged the antiwar sentiment evident in the returns and said he shared voters' "frustration." But Mark McKinnon, a leading adviser to the Bush-Cheney campaigns, said it is unlikely Mr. McCain will drastically shift his call for continued involvement in Iraq.

"He's not taking a popular position on it, which is typical of McCain," Mr. McKinnon said.

Ms. Clinton, who has become a vocal critic of the White House's management of Iraq, could also face pressure to adjust her stance. "Someone in the Democratic Party is going to have to take the lead in changing the policy if they are going to be perceived as acceptable leader on the issue," said Mr. Demers, the party activist.

In Victory For Stocks, Dow Posts Another Record By KAREN RICHARDSON (WSJ)

The Wall Street Journal, November 9, 2006

The Dow Jones Industrial Average, shaking off early postelection declines, rallied to a record close following the news of Defense Secretary Donald Rumsfeld's resignation.

Stocks initially traded lower -- particularly health-care-related shares -- as investors weighed the impact and remaining uncertainty surrounding the results of the midterm elections. But the momentum reversed to the upside after the first headlines about the resignation of Mr. Rumsfeld, who has come in for criticism for his handling of the war in Iraq; after a pause, stocks rose again after President Bush's subsequent news conference discussing the election and pledging to work with the new Congress.

The Dow, down nearly 55 points before the news developments, erased that loss and more, closing up 19.77 points, or 0.2%, to 12176.54 -- handily beating its previous record, set Oct. 26. It is up nearly 14% this year. Dow components American Express, Boeing and DuPont each rose more than 1%.

The S&P 500 edged up 2.88 points, or 0.2%, to 1385.72, up 11% this year. The Nasdaq Composite Index rose 9.06 points, or 0.4%, to 2384.94, up 8.1% this year.

"The fact that a new secretary of defense could help bring the war to some kind of resolution opens the door for change," said Larry Peruzzi, stock trader at Boston Company Asset Management. "Even more than the economy, the war and the housing sector are the biggest negatives for the Republicans."

News of the sweeping Democratic congressional victories had an effect in many corners of the market. SLM, a firm better known as Sallie Mae that facilitates loans between borrowers and student-loan providers, sank 4.8% to $47.21 as investors worried that a Congress controlled by Democrats might reduce student-loan interest rates and cut out middlemen like SLM.

Health-care and pharmaceutical stocks also took a hit over jitters that the Democrats would keep their vow to cut drug costs in federal health plans. Pfizer sank 1.6%, Eli Lilly fell 0.9%, and Johnson & Johnson fell 1.1%. Merck stock slid 3.4%, but was also weighed down by its disclosure of tax disputes involving billions of dollars.

Investors bid up some alternative-energy and biotechnology stocks they expected would benefit from Democratic support. VeraSun Energy, which produces and markets ethanol, rose 9%, while StemCells, a microcap firm that specializes in stem-cell research, gained 10%. Some Dow energy companies also rallied, such as power-generator AES, Duke Energy, FirstEnergy, PG&E and TXU.

The day's stock movements aren't likely to be sustained over the longer term, since the new legislation and regulations investors are anticipating to affect certain stocks and sectors could take far longer than expected.

"Generally, it's been a classic knee-jerk, postelection reaction," said Ken Fisher, chief executive of Fisher Investments, which manages about $30 billion. "We've moved out of a period of extreme political hostility into a short-term afterglow."

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Outside the U.S., stocks rose in dollar terms. The Dow Jones World Stock Index, not including the U.S., rose 1.37 points, or 0.59%, to 230.80.

In major U.S. market action:

Stocks were up. Total trading volume for stocks listed on the New York Stock Exchange was 2.86 billion shares, as 2,082 issues advanced and 1,201 declined.

Bond prices rose. The 10-year Treasury note gained 6/32, or $1.88 for each $1,000 invested, pushing the yield down to 4.639%. The 30-year bond rose 13/32 to yield 4.731%.

The dollar strengthened. In late New York trading, the currency rose to 117.80 yen, from 117.70, while the euro fell against the dollar to $1.2760 from $1.2771.

Write to Karen Richardson at karen.richardson@awsj.com1

Gridlock Not Good For Stocks After All? (USAT)

By Adam Shell

USA Today, November 9, 2006

NEW YORK — The rallying cry on Wall Street after the Democrats' power grab is that political gridlock caused by divided government is good for financial markets.

Stock market action Wednesday supported that line of thinking. In the first day of trading after the Democrats regained control of at least one branch of Congress, the Dow Jones industrial average rose 20 points and finished with a record closing high of 12,176.54.

But some Wall Street economists and investment strategists contend that two years of potential legislative inertia might not be the best thing for financial markets in the long run. In a report titled "Wrong Time for Gridlock," for example, Stephen Roach, chief economist at Morgan Stanley, says the U.S. can't afford not to tackle pressing economic concerns, the major one being the bulging budget deficit.

"It is just smug to say that no action is good news," Roach says. "We have major issues on the agenda, and we can't afford to have Washington asleep at the switch."

Conventional wisdom on Wall Street says it is unlikely that any major legislation would get passed in the next two years, given the Democrats' slim majority in Congress and the ability of President Bush to veto any bills he does not favor. As a result, the status quo would be maintained, reducing the threat to the investor community as well as specific stocks or industry sectors that could be adversely affected by new laws that take a bite out of profit.

For example, there is little chance that Democrats will be successful in boosting the investor-friendly tax rates on dividends and capital gains that are set to expire in 2010. It also means Democrats would have difficulty pushing through a bill that would allow the government to negotiate Medicaid drug prices with pharmaceutical companies or slapping a windfall profits tax on big oil companies.

"This election doesn't mean much," says Greg Valliere, chief political strategist at Stanford Washington Research Group. "Congress is still basically tied, and Bush has a veto. The big change would come in the 2008 presidential election."

Two years of uncertainty and gridlock would "come with a price," says Joseph Quinlan, chief market strategist at Bank of America. Key risks to markets — the Iraq war, the possibility that foreign investors will reduce their holdings in U.S. securities, a looming health care crisis and our dependence on foreign oil — all require the attention of Washington now, he says.

If these challenges are not addressed soon, Quinlan adds, it "will come back to haunt the U.S. financial markets at some point."

McCain Quits Post At College For The Deaf (NYT/AP)

By The Associated Press

The New York Times, November 9, 2006

WASHINGTON, Nov. 8 (AP) — Senator John McCain has resigned from the board of trustees of Gallaudet University, the world's premier university for the deaf, after disagreeing with its decision to revoke the appointment of its incoming president, a university spokeswoman said.

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The chairwoman of the Gallaudet University board, Brenda Jo Brueggemann, has also resigned, the spokeswoman, Mercy Coogan, said.

Mr. McCain, an Arizona Republican, wrote to outgoing President I. King Jordan on Monday, describing the board's decision as unfair, Ms. Coogan said.

The Washington Post reported Wednesday that Ms. Brueggemann, a professor at Ohio State University, resigned and that she said in an e-mail message that she had thought about quitting since Oct. 29, when the board voted to revoke the appointment of the president, Jane K. Fernandes, after a month of demonstrations and hunger strikes by students.

Ms. Brueggemann, who had supported Ms. Fernandes, wrote in a message posted Wednesday on the university's Web site that her personal life and work had suffered since May, when she became the board's chairwoman. She took the job after the interim board chairwoman, Celia May Baldwin, resigned after protests over Ms. Fernandes's appointment in May.

Students and faculty members had criticized Ms. Fernandes, saying she was autocratic and unable to tackle some of the university's long-term problems as provost.

Ms. Fernandes, 50, has said she became a lightning rod for those frustrated about changes in deaf culture. She had spoken about expanding Gallaudet, known for its expertise in and adherence to American Sign Language, to all kinds of deaf people — those with cochlear implants, those who speak and those who do not sign very well.

But some students were worried about preserving sign language and perhaps being left behind if other forms of communication became more prevalent on campus.

The board is scheduled to meet Saturday on campus to discuss the process of choosing an interim president.

'A Better Way' (WP)

The Washington Post, November 9, 2006

IT IS TOO BAD that Rep. Harold E. Ford Jr.'s concession speech in his failed Democratic bid for the U.S. Senate came at an hour when most people had gone to bed. Not only was he gracious, but Mr. Ford delivered an important plea for a bettering of the American political process:

"What people want more than anything, and what I heard and I know candidates all around the country heard . . . [was] a hunger, and they sensed a great appetite on the part of the American people for something much better and far more dignified and greater than what we'd given them."

Mr. Ford knows firsthand -- to use his phrase -- how "demeaning and debasing" politics can be, having been the target of a scurrilous ad in which a suggestively dressed white woman is seen coming on to him. Mr. Ford is black. Unfortunately, that ad was not an aberration but rather an embodiment of the seedy standards that infected this political year.

Consider the Election Day disgrace of Maryland's top two elected officials sanctioning the use of a clearly false campaign flier and then compounding the insult to the targeted Prince George's County audience by using out-of-state homeless people to distribute the material. Or Sen. George Allen's misuse of fictional writings to impugn the character of his Democratic opponent in Virginia. There also has been the introduction of sleazy new practices such as robo-calls designed to annoy and deceive voters and a greater use of push polls aimed at spreading inaccurate information about candidates.

Politics is rough and tumble, and negative campaigning has always had a place in American campaigns. But, as The Post's Michael Grunwald recently reported, an ugly low was established this year, partly because candidates could pretend they had nothing to do with the more disgraceful practices financed through independent expenditures by national parties and other groups. The worst offenders this year were Republicans, but that probably was because they were the ones on the defensive.

Once the votes are counted, memories fade -- until the next election cycle. Mr. Ford laid out a challenge to both the winners and the losers to figure out "a better way." That's not a bad start for a Democratic agenda.

Russia Rejects European Iran Sanctions (AP)

By Henry Meyer

AP, November 9, 2006

Russia has rejected European-proposed U.N. sanctions aimed at forcing Iran to halt its suspected nuclear weapons drive, but Moscow appears to be applying its own pressure by threatening to delay a key nuclear power project.

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Analysts say the Kremlin is determined not to push Iran into a corner like North Korea — blaming tough U.S. policies for Pyongyang's recent nuclear test — but Tehran's refusal to compromise has led to growing impatience in Moscow despite the two countries' close commercial ties.

"President Putin is angry at (Iranian President Mahmoud) Ahmadinejad but he understands that it's probably too late to do anything now," said Georgy Mirsky, chief researcher at the Institute for World Economics and International Relations in Moscow.

A planned visit to Moscow by Iran's Foreign Minister Manouchehr Mottaki was abruptly postponed on Wednesday, a move seen as a diplomatic snub reflecting Iranian annoyance at Russian hints of a delay to the construction of the country's first nuclear power station.

However, Iran's top nuclear negotiator, Ali Larijani, said later Wednesday that he will visit Russia in a day or two, describing Russia's position on the proposed sanctions as "logical and principled." He did not say with whom he would hold talks in Moscow.

In a speech to supporters in northern Iran, meanwhile, supreme leader Ayatollah Ali Khamenei remained defiant, saying his country would continue to acquire nuclear technology.

"The Americans open their mouth and close their eyes and say whatever they want, such as 'the world opposes enrichment,'" Khamenei said, referring to Iran's enrichment of uranium, which the United Nations has said must cease.

"In a glorious way, the Iranian nation — with awareness, an informed generation and reason — has challenged Western fabrications and will go ahead strongly," Khamenei added in his address to thousands in Semnan, 155 miles east of Tehran.

Experts say Moscow could be using its $1 billion contract to build the plant in the southern city of Bushehr as a lever of pressure on Tehran.

"Russia is not ready to support fully-fledged sanctions against Iran but it is looking for ways to persuade the Iranians to be more transparent in their nuclear research activities," said Anton Khlopkov, deputy director of the Moscow-based PIR Center, which specializes in nonproliferation.

Russia, which along with China has veto power as a permanent member of the U.N. Security Council, has been the main obstacle to efforts by Western nations to punish Iran for its refusal to halt sensitive uranium enrichment activity.

Moscow has crossed out large sections of a U.S.-backed U.N. Security Council draft resolution proposing broad sanctions on Tehran's nuclear and missile programs, according to a document obtained by The Associated Press.

Russia's changes would weaken demands that Tehran stop working on a separate reactor that can produce plutonium and that Iran allow tougher U.N. inspections of its nuclear program. They also would delete any reference to Iran's Bushehr nuclear plant, said U.N. diplomats in Vienna, Austria, who demanded anonymity because the Russian amendments had not been officially announced.

The announcement that Mottaki's trip was postponed came after a senior Russian nuclear official said Wednesday that Russia would shortly review the timetable for completing construction of Bushehr, which already has been repeatedly delayed.

Sergei Shmatko, head of Russian state company Atomstroiexport, which is in charge of the project, said that work so far was on schedule.

He added, however, that an assessment of the targets for Bushehr to be conducted later this month "will determine the final timetable for its launch," according to the ITAR-Tass news agency.

In September, Russia agreed to ship fuel to Bushehr by March 2007 and launch the facility in September. Fuel from the plant potentially could be diverted and used to produce bombs. Iran claims its nuclear program is peaceful.

But on Tuesday an unidentified Russian nuclear industry official was quoted as saying by Russian news agencies that Russia could postpone the timetable if Iran fails to meet commitments that were not specified. According to ITAR-Tass, the official said one of the problems is that Iran has not adhered to a payment schedule.

Russia Proposes Weakened Iran Sanctions (AP)

By George Jahn

AP, November 9, 2006

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Russia has crossed out large sections of a U.N. Security Council draft proposing broad U.S.-backed sanctions on Tehran's nuclear and missile programs, according to a document obtained Wednesday by The Associated Press.

The paper outlines Moscow's proposed amendments to a Security Council draft resolution drawn up by Britain and France and broadly endorsed by the United States. Russia's changes weaken the draft resolution's demands that Tehran stop working on a reactor that can produce plutonium and that Iran allow tougher U.N. inspections of its nuclear program. They also delete any reference to Iran's Bushehr nuclear plant, which Russia is helping build.

In a draft presented earlier this month, the United States reluctantly agreed to European proposals to exempt Bushehr from sanctions, in attempts to placate Moscow and gain its support for sanctions meant to punish Tehran's refusal to freeze uranium enrichment.

But U.N. diplomats, who spoke on condition of anonymity because the Russian amendments had not been officially announced, said the Kremlin wanted no mention whatsoever of Bushehr. That stance was meant to reflect Russia's view that the plant should not be linked to international concerns that Tehran might be trying to develop nuclear arms.

Much of Moscow's 11-page document consists of passages in the original Western draft struck through by Russian negotiators, reflecting Moscow's insistence on reducing sanctions to the minimum needed to directly target enrichment, which can generate both nuclear energy or be used to make the fissile core of warheads.

John Bolton, the U.S. ambassador to the United Nations, said he did not want to discuss specifics of the dispute but told reporters: "There are a lot of differences, no doubt about it."

"Obviously we've got to get some direction from capitals, given the disparity," he said, adding that the five permanent U.N. Security Council members — the United States, Russia, China, Britain and France — planned another meeting later in the week.

Other senior Security Council diplomats also acknowledged the divide.

"Clearly, I think in a number of difficult areas the differences cannot be bridged, so I believe there should be more reflections in the capitals," China's Ambassador Wang Guangya said Tuesday.

In contrast to the Russian amendments, the European draft resolution orders all countries to ban the supply of material and technology that could contribute to Iran's nuclear and missile programs and to impose a travel ban and asset freeze on companies, individuals and organizations involved in those programs.

It would exempt from restrictions the initial nuclear power plant being built by the Russians at Bushehr but not the nuclear fuel needed for the reactor. It also would limit assistance to Iran by the International Atomic Energy Agency, the U.N. nuclear watchdog, to food, agriculture, medical and humanitarian programs. And it would ban countries from teaching or training Iranians in disciplines that would contribute to Iran's nuclear and ballistic missile programs.

Sharpening the dispute with Russia, the United States has proposed amendments that would strengthen the measures proposed by Britain and France.

In September, Russia agreed to ship fuel to Bushehr by March 2007, adding to concerns of the U.S. and others over Tehran's nuclear ambitions.

Moscow's draft also was lenient on Arak, an Iranian heavy water research reactor scheduled for completion in 2009.

One of the byproducts of heavy-water reactors is plutonium, which can be used in building nuclear weapons. In the Western draft, the council "decides that Iran shall suspend work" on the Arak facility. The Russian version instead "calls upon Iran to reconsider" its construction.

Similarly, while the Western draft "decides ... that Iran shall without delay" implement its Additional Protocol with the IAEA, the Russian version only "urges" Iran to implement the agreement that would allow the International Atomic Energy Agency to more thoroughly probe Tehran's nuclear program.

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Associated Press writers Edith M. Lederer at the United Nations, Henry Meyer in Moscow and Nasser Karimi in Tehran, Iran, contributed to this report.

Israeli Shelling Kills 18 Gazans; Anger Boils Up (NYT)

By Ian Fisher And Steven Erlanger

DOJ_NMG_0092163

The New York Times, November 9, 2006

BEIT HANUN, Gaza Strip, Nov. 8 — Israeli tank shells killed 18 Palestinians, including 8 children and 6 women, at a cluster of houses here on Wednesday, one of the largest single losses of life in Gaza in years.

Some Hamas leaders called for a suicide-bombing retaliation inside Israel and, unusually, for the United States to be taught "hard lessons" as well.

"Nothing happened," mumbled Isra Athamnah, 5 years old, who was pocked with shrapnel and in shock. The news that her widowed mother, Sanaa, 35, was dead and that she was now an orphan did not sink in.

Others described how a tank shell had hit a home here in northern Gaza, sending members of the extended Athamnah family outside before dawn. The next volleys struck them as they crowded in a narrow alley between the houses. The dead ranged from less than a year old to 70 years old, witnesses said.

Israeli leaders expressed regret. They have been on the defensive over their performance in the war against Hezbollah in Lebanon and the more than 300 Palestinians killed in operations in Gaza since the summer.

Defense Minister Amir Peretz ordered a halt to artillery attacks in the densely populated Gaza Strip, which are intended to prevent Palestinians from launching rockets into nearby Israeli cities, and an immediate investigation. Initial findings suggested a misfire, the commander of the south, Gen. Yoav Galant, told Israel's Channel 2 television.

After largely observing a unilateral truce that it declared a year and a half ago, Hamas called for renewed suicide bombings. Khaled Meshal, the leader of Hamas's political bureau exiled in Syria, said Hamas would answer the deaths with "deeds, not words."

Hamas's military wing also said in a statement that the United States should be taught "hard lessons" for supporting Israel. The threat, though vague, was an unusual escalation for Hamas, an Islamic-based militant group that has pointedly portrayed its fight as being against Israel alone. It was immediately disavowed by Ghazi Hamad, the spokesman for the Hamas-led Palestinian government in Gaza.

The Israelis had just pulled out of Beit Hanun on Tuesday morning after a six-day operation in which they effectively occupied the town and fought battles with militants, many of them from Hamas. At least 52 Palestinians were killed, some 22 of them believed to be civilians, and one Israeli soldier was killed in the operation, which was aimed at stopping Palestinian rocket fire into Israel.

Nonetheless on Wednesday, according to the army, 13 rockets were fired into Israel.

The Israeli military said it had launched a preventive artillery barrage in response to about 10 rockets fired in the previous 24 hours.

This is not the first time Israeli shelling has gone awry, hitting houses in Beit Hanun and nearby Beit Lahiya. And it is not the first time that errant rounds have led to a halt or delay in efforts to find new paths of dialogue between Israel and the Palestinians, and among the Palestinian factions themselves.

The Palestinian president, Mahmoud Abbas, and Prime Minister Ismail Haniya, both of whom gave blood for the victims and visited them in hospitals, have been engaged in two days of supposedly climactic talks on a government to replace the one run by Hamas, which is isolated internationally.

The intention is to have a government of "national unity," made up of experts and technocrats approved by the various parties, in the hope that Western aid and Palestinian tax money will again begin to flow. The Palestinian Authority has been unable to pay full salaries for nine months.

The idea was also to have the new government release an Israeli soldier captured on June 25, which would prompt Israel to free hundreds of Palestinian prisoners and to arrange a long-delayed meeting between Mr. Abbas and Prime Minister Ehud Olmert.

But this latest shelling, on top of the Beit Hanun operation, which Mr. Abbas and Mr. Haniya had already called a "massacre," caused Mr. Haniya to request a pause in the talks for three days of mourning.

In June, a similar cycle followed another apparently errant Israeli shell that killed Palestinian civilians, including seven members of a single family, the Ghaliyas, who were enjoying a day at the beach. The Israelis said they were shelling areas where rocket teams had fired into Israel, and denied that the shell that killed the Ghaliyas was theirs.

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But no Palestinian believed the Israeli denial, there was never any conclusive alternative explanation and the military wing of Hamas announced that it was ending the cease-fire against Israel. The Hamas government belatedly went along, and Hamas started firing rockets again toward Israel, instead of simply supplying them to others.

More important, the Hamas military wing took part in the capture of the Israeli soldier, Cpl. Gilad Shalit, later in June, setting off the political crisis that surrounded — and has outlasted — Israel's summertime war against Hezbollah in Lebanon.

Only days before the June shelling, Mr. Abbas and Mr. Olmert met together informally in Petra, Jordan, and promised to have a formal meeting within two weeks, actually setting a date for June 28, to begin their relationship afresh. Mr. Olmert promised Mr. Abbas to release 600 prisoners then. But with the capture of Corporal Shalit, the Hamas government found itself unable to repudiate the actions of its own military wing, apparently directed from Syria by Mr. Meshal.

Hamas later said it would reinstate the truce with Israel, but it might now break it again, and more decisively, because its experiment in government appeared to be foundering.

"I don't believe in the rockets, but their reactions cannot be justified," Mr. Abbas said of the Israelis. "We totally condem n the international silence and any acts that can be used as justification for the Israeli massacres."

Leaders at the United Nations and the European Union, and in Russia, Britain and Italy, did condemn the incident. "It is hard to see what this action was meant to achieve and how it can be justified," said the British foreign secretary, Margaret Beckett.

Gordon Johndroe, a spokesman for the White House National Security Council, called for restraint by all parties, adding: "We deeply regret the injuries and loss of life in Gaza today. We have seen the Israeli government's apology and hope their investigation will be completed quickly."

A similar statement was issued in President Bush's name.

Witnesses said the shelling began about 5:30 a.m. Ali Athamnah, 29, a doctor, said he heard the crash of a shell, then glass from a window spattered on his face. He looked down from his second-story balcony and saw one relative, Ahmad, wounded and scores of other family members running outside.

Then the other shells hit, and he did not see the crowd standing anymore. "They just left — they withdrew," he said, walking over puddles filled with blood, spattered human remains and sandals, many belonging to children.

"Children! Women! Parents!" said Abu Ahman, 42, a rescue worker who lives on the street and arrived right after the rockets hit. "I can't find the words that describe this action — legs of children, head of a small girl."

At the Kamal Adwan Hospital, Maali Athamnah, 27, the aunt of the newly orphaned Isra and two other siblings who survived, Islam, 14, and Muhammad, 3, who broke both his legs, broke into tears reading a list of the dead, nearly all of them relatives. Another 80 people were wounded.

Ms. Athamnah said she did not support the militants' firing rockets into Israel. But she said: "Just think who is firing them: those who lost family members to Israel. And think about these kids now. They will be the rocket firers in the future. No mother, no father. No house. They will be the next ones to fire the rockets."

On Wednesday night, Israeli rockets killed Ahmed Awad and another Hamas member in Gaza City. Mr. Awad was said to be a rocket maker and the son-in-law of the Hamas foreign minister, Mahmoud Zahar.

In the West Bank on Wednesday, Israeli soldiers killed four gunmen and a civilian during a raid near Jenin, Palestinian security officials said.

Israeli forces also killed a Hamas gunman and a 17-year-old civilian near the Jabaliya refugee camp in Gaza, hospital officials said. The Israeli Army said soldiers had shot three gunmen after being attacked with an antitank missile.

'Shells Kept Falling' On Gaza Apartment, Killing 17 In Family (WP)

By Scott Wilson

The Washington Post, November 9, 2006

BEIT HANOUN, Gaza Strip, Nov. 8 -- Islam al-Athamnah was asleep on a foam mattress next to her brothers and sisters, crowded together like puzzle pieces on the floor of their top-story apartment. Uncles and cousins slept in the levels beneath, her mother and father in an adjoining room.

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"Then something hit us," Islam, 14, recalled from a hospital room with sky-blue walls. "The windows shattered, and then a second shell hit the house. It was all smoky. We were using our hands to find the kids."

Palestinian emergency workers and frightened neighbors pulled scores of Islam's wounded relatives from the ruins of their home in the frantic hours after the 5:30 a.m. blasts, which witnesses here said came from Israeli artillery fire.

Palestinian health officials said 20 civilians were killed, 17 of them from Islam's extended family. At least seven of the dead were children asleep at the time of the blasts, which left heavy jagged shrapnel on rooftops and in living rooms.

More than 60 people were wounded, including Islam's 5-year-old sister, Israh, and 3-year-old brother, Mohammed, who tossed in a hospital bed here with thickly bandaged legs, crying for his wounded mother. Islam's father, two grandparents, an uncle and many cousins were among the dead.

"I just grabbed who I could and ran," said Islam, her face freckled with dozens of pinprick shrapnel wounds. "I was lucky because more shells kept falling."

The blasts along Hamad Street, which witnesses said numbered between four and 10, ripped through several generations of a family of farmers, doctors and taxi drivers who live near fruit orchards on the northern edge of this town. A grandfather died along with his 23-year-old son and 1-year-old granddaughter. Three brothers died. So did two sisters.

The mourning tents that appeared throughout this agricultural town became the venues for public despair, nationalist fervor and strident anger toward the Jewish state and its ally, the United States, which provides Israel with roughly $2 billion annually in military aid. Palestinian leaders called for three days of mourning across the Gaza Strip and the West Bank, as well as international pressure to stop Israel's operations in this town of 28,000 people.

"We expect the international community to intervene," said Ghazi Hamad, spokesman for the Hamas-led Palestinian government. "But the United States bears direct responsibility for this by giving Israel the green light. We don't expect anything from them."

Israeli Prime Minister Ehud Olmert expressed regret for the incident, and the Israeli military announced a suspension of artillery fire into Gaza, designed to suppress the frequent Palestinian rocket fire directed at Israeli cities, pending an investigation.

The inquiry will be led by Maj. Gen. Meir Kalifi, deputy chief of ground forces, who headed the June investigation into an explosion on a Gaza beach that killed six members of the Ghaliyah family. He concluded that Israel was not responsible for the blast, although a Human Rights Watch investigator said the explosion most likely came from a fired artillery shell.

In a statement, Israel's military said that "the responsibility for any civilian casualties lies with the terrorist organizations" firing rockets toward Israel. Six of the crude rockets landed in Israel on Wednesday despite the recent intensive military operation here intended to stop them.

In a separate incident in the West Bank town of Yamoun, near Jenin, Israeli soldiers in civilian clothes killed four fighters from the military wing of the Fatah movement and one civilian. As night fell here, an Israeli airstrike on a car in northern Gaza killed two gunmen from Hamas's military wing, the Izzedine al-Qassam Brigades, bringing the day's toll to 27 dead.

"Our response to these crimes and these massacres has to be unity," said Mahmoud Abbas, president of the Palestinian Authority and head of Fatah. "I condemn anyone who launches rockets. It is fruitless and gives an excuse, not a reason, for the Israeli massacres, which have no justification."

Abbas is in Gaza for talks with Hamas to form a national unity government, hoping to end economic sanctions that have been in place against the Palestinian Authority since the radical Islamic movement took power over its ministries in March. The United States, the European Union and Israel classify Hamas, which does not recognize the Jewish state's right to exist, as a terrorist organization.

Palestinian officials warned that the deaths in Beit Hanoun would increase tensions between Fatah and Hamas, especially the harder-line Hamas leaders in exile.

Khaled Meshal, head of Hamas's political wing in Damascus, Syria, called on "all the factions of the resistance, despite the difficulties on the ground, to respond."

"This is an Israeli act of escalation and provocation that will have a negative impact both internally and bilaterally," said Hanan Ashrawi, a Palestinian legislator from the Third Way movement. "The consequence of this unleashed violence against a civilian population will be yet, unfortunately, another circle of violence."

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In a statement faxed to news agencies here, the Izzedine al-Qassam Brigades said that "America is providing the political and financial cover" for Israel's military operations. It called on supporters "around the world to teach the American enemy a hard lesson."

Abu Obaida, a spokesman for Hamas's military wing, said in a telephone interview later that "our only theater of operation is in Palestine and only against the Israeli occupation." He added, "We appeal to the American administration to apply one standard of humanity to Israelis and Palestinians."

In Washington, President Bush said in a statement: "We send our condolences to the families of all those affected. . . . We call on all parties to act with care and restraint so as to avoid any harm to innocent civilians."

Israel withdrew most of its forces here Tuesday after a six-day operation that left dozens of homes in ruins, sidewalks crumbled, lampposts toppled and backyard orchards torn up by bulldozers. Al-Nasser Mosque, site of a standoff between Israeli forces and Palestinian gunmen, lay in ruins, only its turquoise-tipped minaret still standing.

Israeli Group Demands Inquiry Into Attack (FT)

By Harvey Morris In Jerusalem

Financial Times, November 9, 2006

Israel's leading human rights organisation has demanded a criminal investigation into the army's shelling of northern Gaza on Wednesday that killed 18 Palestinian civilians, most of them women and children.

As international leaders expressed a mixture of concern and outrage at the latest additions to a mounting death toll in the Gaza Strip, the B'tselem organisation said it was gravely concerned that the action constituted a war crime.

Amir Peretz, Israeli defence minister, ordered a halt to shelling pending an internal military inquiry to determine whether tank fire had strayed from its intended target.

Whatever the outcome of the investigation, the incident prompted fresh questions about Israel's military tactics in Gaza where hundreds of people, including 96 children, have died this year while the number of Israeli civilian casualties of Palestinian attacks has dwindled to a handful. Israeli tanks had ostensibly been targeting areas used by militants to fire rockets into southern Israel.

Instead, up to 10 shells hit a residential area of the town of Beit Hanoun, blasting two apartment buildings in the early morning. Sixteen members of a single family were among the dead.

Some of the casualties were hit by secondary shellfire as they left their beds to survey the scene of the initial explosions.

In a statement, the army said: "Initial information shows that the artillery fire was directed at a location distant from the one reportedly hit."

Mr Peretz and Ehud Olmert, Israeli prime minister, issued a statement that referred to the "tragic results" of the action and offered humanitarian aid.

The shelling was denounced as a massacre by Palestinian officials. In a rare public display of unity, Mahmoud Abbas, the Palestinian Authority's Fatah president, and Ismail Haniyeh, its Hamas prime minister, donated blood during a joint visit to a hospital where some of more than 50 wounded were being treated.

Mr Haniyeh earlier called off a formal meeting with Mr Abbas at which they were to have had further talks on the formation of a national unity government. The PA declared three days of mourning for the victims.

Javier Solana, European Union foreign policy chief, said in a statement he deplored the Israeli military operation. "These military operations must be halted."

Margaret Beckett, UK foreign minister, said she was "gravely disturbed" by the deaths and that Israel must respect its obligation to avoid harming civilians. "It is hard to see what this action was meant to achieve and how it can be justified."

Alvaro de Soto, UN special envoy in the region, said he was "shocked and appalled".

Foreign leaders had previously expressed concern at a week-long Israeli invasion of Beit Hanoun that ended on Tuesday in which more than 50 Palestinians were killed.

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The army opted for a ground operation after intensive shellfire failed to stem the launching of rockets into southern Israel. The almost daily barrage of home-made missiles continued on Wednesday, with two striking the southern Israeli town of Sderot and injuring one person.

Although the relatively crude weapons have caused few injuries, the Israeli government has vowed to continue its efforts to stamp out the attacks. Officials say no state would allow its citizens to be targeted in such a way without responding.

Some Hamas officials warned on Wednesday that militants now would resume suicide bombings inside Israel. Khaled Maashal, head of the movement's Damascus-based exiled leadership that controls its military wing, said the response to the Beit Hanoun killings would be "by deed not words".

Hamas Leader Calls Off Israel Cease-fire (AP)

By Diaa Hadid

AP, November 9, 2006

Hamas' exiled leader on Wednesday called off a cease-fire with Israel and militants threatened to attack Americans after 18 members of a family, including eight children, were killed in an Israeli artillery barrage on a densely populated Gaza neighborhood.

It was the highest number of Palestinian civilians killed in a single strike since fighting erupted six years ago, and undermined Palestinian President Mahmoud Abbas's attempts to form a more moderate government and renew a peace process with Israel.

Abbas condemned the "terrible, despicable crime," and the international community criticized the deaths. Israel, promising a swift inquiry, expressed regret for harming civilians.

The shelling occurred early Wednesday as residents were sleeping in the northern Gaza town of Beit Hanoun, the focus of a weeklong military offensive aimed at stopping rocket fire. Israeli troops had pulled out of the town just 24 hours earlier, and the rocket attacks resumed almost immediately.

The Israeli shells landed around a compound of four apartment buildings on a small side street. The explosions left holes in the buildings, owned by four brothers from the al-Athamna family, and sent panicked residents scurrying outside. Additional salvos landed, hitting the people and flooding a dusty alleyway in a pool of blood.

"Shells were fired directly onto the people who were rushing out of the house," said Akram al-Athamna, a relative of the victims. "There was blood everywhere."

Another family member, 14-year-old Asma al-Athamna, said she saw her mother, older sister and brother-in-law die as they fled their home. "I was behind them and I was wounded," the weeping girl said from her hospital bed. Her 2-year-old niece, Malak, lay in an adjacent bed, recovering from shrapnel wounds to her face.

The family is prominent in Beit Hanoun and includes several doctors and professionals. Family members said they had fled during the Israeli offensive, returning home after Tuesday's pullout.

Bits of dismembered bodies were plastered to walls of the damaged buildings and lying on the ground. A woman's head scarf, children's boots and slippers, and a pair of jeans — all burnt — were strewn outside.

Weeping relatives gathered outside the homes. One man dipped his hand in victims' blood and smeared it over his face. "God avenge us, God avenge us," he wailed.

A young man, standing in the bloodied alleyway, said an infant girl had been blown to pieces. "I tried to look for her head, I tried to look for her head," he shrieked, then sank to the ground, weeping.

Health workers said some 60 people were wounded, including 26 children.

In Damascus, Syria, Khaled Mashaal, the exiled leader of Hamas, said the group would no longer honor a February 2005 truce and called for renewed attacks on Israel. He urged other militant groups to join the struggle.

"The armed struggle is free to resume, and the resistance is dictated by local circumstances," he told a news conference. "There must be a roaring reaction so that we avenge all those victims." Other major militant groups pledged to follow suit.

The declarations raised the prospect of a new wave of suicide bombings and large-scale fighting with Israel. Although violence has persisted since the truce declaration, including the kidnapping of an Israeli soldier by Hamas-linked militants in

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June, there has been a sharp drop in fighting. Hamas has not carried out a suicide bombing since August 2004, after killing scores of Israelis in such attacks over the previous four years.

Despite the rhetoric, Hamas would be taking a gamble by resuming large-scale violence. The group won legislative elections this year and has been struggling to win international legitimacy. Already boycotted by the U.S., Europe and Israel, Hamas would risk further international isolation.

Perhaps with this in mind, Hamas leaders in Gaza quickly distanced themselves from a call by the group's military wing for Muslims around the world to strike at "the American enemy." Hamas has historically confined attacks to Israeli targets.

Israeli Prime Minister Ehud Olmert expressed regret at the loss of civilian life and offered humanitarian aid.

"The unintentional tragedy that happened today in Beit Hanoun is one that the Israel Defense Forces will investigate to make sure that such events do not recur," said Miri Eisin, Olmert's spokeswoman.

She said, however, that Israel would press on with its efforts to halt Palestinian rocket attacks. She also dismissed the latest Hamas threats, saying militants have continually tried to attack Israelis. Six rockets landed in Israel on Wednesday, wounding two people, the army said.

Initial findings showed that the army had fired artillery at a target some 500 yards away from the residential area.

"Our estimate is that it was something connected with the aiming devices, or the alignment, or the balance between them, or our radar's location of the shell hit," Maj. Gen. Yoav Galant, head of Israel's southern command, told Channel 2 TV. "Our investigation is concentrating on these points," he said.

In Gaza, Abbas said the killings jeopardized peace prospects. "We tell the Israelis, you are not seeking peace at all, but are destroying all chances for peace. You must therefore bear all the consequences of these crimes," he told Palestine TV.

However, Abbas also criticized the Palestinian rocket launchers, saying they invited tough Israeli reprisals. "We are against those that justify Israeli actions," he said. Hamas angrily accused Abbas of caving in to Israeli pressure.

Despite the attack, Prime Minister Ismail Haniyeh of Hamas met Abbas for talks on forming a coalition government, but no agreement was reached. Haniyeh had called for suspending the talks after the shelling.

In a rare gesture of unity, the rival leaders also visited victims in a Gaza hospital together and donated blood. Both men also declared three-day mourning periods throughout the West Bank and Gaza.

The civilian deaths drew swift condemnations around the world. France and Russia warned of an escalation of hostilities, and the British foreign secretary, Margaret Beckett, said "it was hard to see what this action was meant to achieve and how it can be justified."

President Bush called on "all parties" to act with restraint. Noting that Israel has begun an investigation, he said, "We hope it will be completed quickly and that appropriate steps will be taken to avoid a repetition of this tragic incident."

The U.N. Security Council scheduled an open meeting Thursday at the Palestinians request. Palestinian U.N. observer Riyad Mansour said Palestinians want a resolution that condemns recent Israeli attacks and calls for an Israeli withdrawal from Gaza, a cease-fire, and deployment of U.N. observers.

Spontaneous demonstrations erupted across Gaza and the West Bank. Black smoke billowed into the skies of northern Gaza as protesters set tires ablaze. A mass funeral was expected Thursday.

Israeli police, fearing revenge attacks, stepped up their alert level, mobilizing forces across the country.

In separate fighting Wednesday, Israeli troops killed four Palestinian militants in northern Gaza. And in the West Bank, Israeli forces ambushed a group of Palestinian gunmen, killing four militants. A 30-year-old civilian also died in the shootout.

Hamas Ends Truce Following Israeli Bombing Campaign In Gaza (MCT)

By Dion Nissenbaum

McClatchy Newspapers, November 9, 2006

BEIT HANOUN, Gaza Strip - Omar Athamna and his family crawled into their beds Tuesday night in the quiet following an Israeli military campaign that killed more than 60 Palestinians in their small farming town.

Their sense of calm proved to be short-lived. Just before dawn on Wednesday, an Israeli artillery barrage slammed into the Athamnas' neighborhood, killing at least 17 members of the extended family, including seven children, as they tried to escape.

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The attack decimated the Athamna clan, stunned the Gaza Strip and threatened to spark a renewed suicide bombing campaign in Israel.

"I am not a militant, but I will be a militant to fight them now," Omar Athamna said as he sat near the spot where three of his brothers, two cousins, aunt, uncle, grandmother and other relatives were killed.

In Syria, exiled Hamas leader Khaled Mashaal declared an end to the group's self-imposed 18-month-old cease-fire with Israel and said the group would respond with "deeds, not words."

As international condemnation mounted, Israel halted its artillery shelling of the Gaza Strip and vowed to launch a swift investigation.

"It is clear a serious mistake was made and it is being examined," Deputy Defense Minister Efraim Sneh told Israel Radio. "Artillery needs to be used in cases where it is helpful, but it needs to be used carefully, as it is not accurate."

Israeli Prime Minister Ehud Olmert and Defense Minister Amir Peretz expressed regret as the military worked to figure out what happened.

Yoav Galant, the head of Israel's southern command, told Israel's Channel 2 that the artillery was supposed to hit fields 500 yards from the homes and said the investigation would look into whether the radar or targeting systems had failed.

The shelling surprised the residents of Beit Hanoun, who'd just emerged that morning to survey damage caused by a six-day Israeli operation meant to quash Palestinian militants who fire rudimentary rockets into southern Israel. The operation ravaged parts of the town of 30,000 near the Israeli border.

Survivors of Wednesday's shelling described a morning of carnage and confusion:

The first shell slammed into the roof of the four-story Athamna home on the outskirts of Beit Hanoun around 5:30 a.m.

Frightened parents bundled up their children as a second shell slammed into one of the children's rooms. One mother tossed her infant daughter to relatives from a second-story window and rushed to grab her other children before being felled by another blast. The third shell slammed into a concrete stairwell as family members were trying to escape. But it was the fourth shell that caused the most damage. It exploded in the narrow street outside the home where the family members were gathering.

A sense of profound shock, grief and anger rippled through Beit Hanoun as word spread that at least 17 people had been killed in the attack.

In the hours after the shelling, witnesses said, one relative slumped by a large pool of bloody water in the street and wailed as he smeared it on his face.

The four-story home was ravaged. Dust covered teddy bears in one room while shards of concrete coated scattered mattresses in another.

The attack briefly united Palestinian Authority President Mahmoud Abbas and Prime Minister Ismail Haniyeh, who set aside their differences over the formation of a new unity government to visit survivors of the attack.

Ghazi Hamad, a spokesman for Haniyeh, echoed Hamas leader Mashaal's appeal for renewed attacks on Israel.

"It is not fair that people in Tel Aviv are sleeping quietly," Hamad said after visiting the blast sites. "It is our right that they should taste the same pain that we feel here in Gaza."

Hillel Frisch, a senior research associate at the Begin-Sadat Center for Strategic Studies, said the attack could push frustrated Palestinians toward the hard-line groups Israel is trying to undermine.

"I would say this action, and others like it, are intensifying a process that has been going on for four years of strengthening Hamas at the expense of Fatah and turning the Palestinian movement into a religious nationalist or even religious-revolutionary movement - distancing the Palestinians from any peace process," he said.

Israel's shelling is part of a months-long campaign against Palestinian militants who've fired hundreds of rudimentary rockets into southern Israel. While the rocket attacks haven't killed any Israelis in the past 15 months, the persistent threat hangs over Israeli towns close to the Gaza border.

In response, Israel has fired tens of thousands of shells into the northern Gaza Strip fields and towns that the Palestinian militants have used as launching pads.

"We are launching these metal pipes which we call rockets, which do not hurt them at all," said Zakaria Kafarna as he stood in a hospital room where one of his cousins was being treated for shrapnel wounds. "It is not worth all this."

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In the past year, more than 53 Palestinians who weren't involved in fighting Israel have been killed by Israeli artillery and tank fire, according to statistics compiled by the Israeli human rights group B'Tselem.

Until Wednesday, the most contentious incident took place in June when eight Palestinians picnicking on a Gaza Strip beach were killed while Israel was shelling the waterfront. An Israeli military investigation concluded that the victims weren't killed by shells fired that day, but American human rights researchers strongly challenged the official findings.

Democratic Leader In Senate Calls Bush's India Deal A Priority (BLM)

By Judy Mathewson And Nicholas Johnston

Bloomberg, November 9, 2006

``India is the largest democracy in the world," the Nevada Democrat told reporters today in Washington. ``We want to work with them, and this is important we move along that line." At the White House, President George W. Bush said securing congressional approval for the accord is also high on his agenda.

``I'm trying to get the Indian deal done," Bush said.

The agreement is a major initiative of Bush's foreign policy, an effort to expand a strategic relationship with the fastest-growing major economy after China. While the measure enjoys bipartisan support, the agreement was mired in a procedural squabble in the Senate when lawmakers adjourned at the end of September.

Passage in the lame-duck session would be a win for nuclear-industry suppliers such as Fairfield, Connecticut-based General Electric Co. and Monroeville, Pennsylvania-based Westinghouse Electric Co., which are in line to supply India with equipment. The bill exempts India from U.S. laws that bar technology transfers to countries that haven't signed the Nuclear Non-Proliferation Treaty.

Reid said the India accord is one of five things he wants to accomplish in the lame-duck session before the new Congress begins in January. However, the agreement still faces additional hurdles before it can go into effect.

House Version

If it passes, the Senate measure would have to be reconciled with a version the House passed in July, or else the legislation will have to be introduced again next year.

``We just have to keep our fingers crossed," said Graham Wisner, who lobbied Congress to pass the bill on behalf of the U.S.-India Business Council in Washington. ``The thought of having to go through the whole process again is enough to make me want to jump off a cliff."

A U.S. State Department delegation is in New Delhi this week to address possible sticking points, including whether India must cede the right to conduct nuclear weapons tests, a person familiar with the negotiations said.

The U.S. has said cooperation would end if India conducts a nuclear test, while the Indian government has said it will only agree to a voluntary ban.

Another step that must be cleared is agreement between the SEARCH

News | News Photos | Images | Web" /> United Nations nuclear watchdog and India on a regimen for international inspections. And the Nuclear Suppliers Group, a 45-nation forum dedicated to limiting the spread of atomic weapons, must also sign off on the deal.

India and the U.S. agreed to the deal's broad outlines on March 2. It would require India, for the first time, to open some of its power plants to UN inspectors.

The agreement also marks a turnabout for the U.S., which has barred nuclear exports to India since that country tested an atomic bomb in 1974 without signing the nonproliferation treaty.

U.N. Urges U.S. To End Cuba Embargo (AP)

By Edith M. Lederer

AP, November 9, 2006

The U.N. General Assembly voted overwhelmingly Wednesday to urge the United States to end its 45-year-old trade embargo against Cuba after defeating an amendment calling on Fidel Castro's government to free political prisoners and respect human rights.

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It was the 15th straight year that the 192-member world body approved a resolution calling for the U.S. economic and commercial embargo against Cuba to be repealed "as soon as possible."

Cuba's Foreign Minister Felipe Perez Roque told the assembly "the economic war unleashed by the U.S. against Cuba, the longest and most ruthless ever known, qualifies as an act of genocide and constitutes a flagrant violation of international law and the charter of the United Nations."

Perez Roque said the embargo has caused $86 billion in economic damage to Cuba since it began.

U.S. deputy ambassador Ronald Godard later said that to claim the embargo adversely affects the Cuban people ignores "the truth" that the Cuban government has systematically denied "the human, economic, labor and political rights of its people over 47 years."

"We maintain this embargo to demonstrate our continuing call for economic and political freedom for all Cubans," Godard said.

The embargo, aimed at toppling Castro's socialist system, was imposed after the failed CIA-backed Bay of Pigs invasion in 1961. It has been steadily tightened under President Bush.

Delegates in the General Assembly chamber burst into applause when the vote flashed on the screen — 183 in favor to 4 opposed, with 1 abstention. Joining the United States in voting "no" were Israel and the South Pacific nations of the Marshall Islands and Palau. Micronesia, also in the South Pacific, abstained.

In Cuba, state-run television showed Foreign Ministry officials cheering when the vote was announced.

"This confirms once again by the U.N. itself that the embargo is totally illegal and wrong and needs to be suspended," said Hipolito Rodriguez, a customs worker in Havana.

The General Assembly voted on the resolution soon after defeating an amendment by Australia stating that the U.S. laws and measures "were motivated by valid concerns about the continued lack of democracy and political freedom in Cuba."

It also would have called on Cuba to release all political prisoners, cooperate with international human rights bodies, respect the Universal Declaration of Human Rights and comply with all human rights treaties to which it is a signatory.

Australia's U.N. Ambassador Robert Hill said his country proposed the amendment in hopes that if Cuba met its obligations, "we would not need to return to this issue every year," he said.

Perez Roque called Australia the "lackeys" of the United States for introducing the amendment, which he claimed was drafted in Washington.

U.S. Seeks To Form Ties With Nicaragua (AP)

By George Gedda

AP, November 9, 2006

The State Department said Wednesday that it looks to establish "positive relations" with the Nicaraguan government of President-elect Daniel Ortega, a former rival who won Sunday's presidential elections.

Spokesman Gonzalo Gallegos said cooperation with Ortega and his Sandinista colleagues will be "based on their action in support of Nicaragua's democratic future."

Ortega has said he wants to maintain relations with Washington while forging closer ties with Cuba and Venezuela. During the campaign, he also projected a far more moderate image compared with his days as a Marxist-Leninist firebrand.

The Reagan administration forcefully opposed Ortega when he was president during the 1980s, backing anti-communist rebels who took up arms against him. Both Washington and Managua seem intent on a more amicable relationship during Ortega's second time around.

"We respect the decision of the Nicaraguan people," Gallegos said, alluding to the elections.

On Tuesday, State Department spokesman Sean McCormack suggested that Ortega may have a stake in maintaining good relations with the United States.

He noted that Nicaragua is part of a U.S.-Central American free trade agreement. In addition, he said the United States has a $175 million program aimed at rural development in a northeastern Nicaraguan region sprinkled with strong pro-Sandinista sentiment.

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In Havana, Cuban President Fidel Castro welcomed Ortega's victory. He said the outcome "fills our people with joy, at the same time filling the terrorist and genocidal government of the United States with opprobrium."

In Caracas, Venezuelan President Hugo Chavez said he and Ortega would be "uniting as never before" to construct a socialist future.

In the runup to the election, administration officials issued warnings that Nicaraguan democracy could be imperiled if Ortega prevailed in the balloting. The comments seemed to contradict the professed neutrality of the State Department in the election.

U.S. Commerce Secretary Carlos Gutierrez said in October that Nicaraguans "must reject the politics of corrupt and discredited caudillos (strongmen) who robbed Nicaragua of its prosperity and who still pose a threat to the bright future that Nicaragua has before it today."

He said U.S. aid and trade programs "will be endangered" if "anti-democratic forces prevail."

Paul Trivelli, the U.S. ambassador in Nicaragua, said Ortega "is a tiger that has not changed his stripes." He added that the Sandinistas and an allied party "hijacked" Nicaraguan democracy by manipulating the election ground rules in ways that favored them.

Chavez Leads Gloating Over Vote (WT)

By David R. Sands

The Washington Times, November 9, 2006

Venezuelan President Hugo Chavez yesterday led a global chorus of Bush administration critics gloating over the outcome of Tuesday's midterm elections, but some foreign leaders expressed concern over what the Democratic victory will mean on issues such as global trade and the Middle East.

Latin American populists, European leftists and Islamic fundamentalists were all quick to point to the U.S. vote as a repudiation of Mr. Bush's aggressive, go-it-alone approach on Iraq and the global war on terror.

The resignation of Defense Secretary Donald H. Rumsfeld also sparked praise from leaders of countries from the heart of what Mr. Rumsfeld once memorably dismissed as "Old Europe."

The Democratic sweep ranks as "the beginning of the end of a six-year nightmare for the world," 200 members of the Socialist bloc in the European Parliament declared in a joint statement yesterday.

Said Italian Foreign Minister Massimo D'Alema, "A cycle has ended. The cycle of pre-emptive wars, of unilateralism, ends in great failure."

With Mr. Bush still in charge of U.S. foreign policy for another two years, the pugnacious Mr. Chavez was one of the few world leaders to comment publicly on the elections.

"It's a reprisal vote against the war in Iraq, against the corruption" inside the Bush administration, he told reporters in Caracas. "All this fills us with optimism."

Informed of Mr. Rumsfeld's resignation as he was speaking, Mr. Chavez said, "Heads have started to roll. The president should resign on moral grounds, and Rumsfeld should go to jail."

Iran's state-controlled television said in a commentary that U.S. voters were rejecting "Bush's wrong strategy in the Middle East," as well as "financial corruption in the United States."

Sudan, which has clashed with the United States over the humanitarian crisis in its Darfur region, is hoping for "relations of cooperation, not confrontation" with the chastened U.S. administration, Minister of State for Foreign Affairs al-Samani al-Wasiyla said.

The celebration was not universal, with some foreign commentators worrying that the new Democrat-led Congress will be more protectionist on trade and will disappoint those hoping for a major U.S. shift on issues such as Iraq, North Korea, global warming and the International Criminal Court.

Jose Manuel Barroso, president of the European Commission, the European Union's executive arm, urged the United States to make a "renewed commitment" to revive faltering World Trade Organization talks for a new global trade pact.

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A spokesman for Mexican President Vicente Fox said the Democratic gains could soften the U.S. stand in talks on illegal immigration.

"We hope this new makeup of Congress can be a catalyst for the U.S. government working toward a migration reform with the characteristics proposed by Mexico," spokesman Ruben Aguilar said.

Mr. Bush's diminished clout also was a cause of concern for some allies.

Japanese press commentators worried that a weakened Mr. Bush will not be able to push through major trade deals or stick to the hard line he has taken against North Korea's nuclear-weapons programs. Analysts in India predicted Democrats may demand new concessions in the massive civilian nuclear pact Mr. Bush has championed, putting the deal in doubt.

Alexander Pikayev of the Moscow-based think tank Scholars for Global Security noted that U.S.-Russian relations historically fared better under Republicans than Democrats.

"As a result of the election, we expect the political struggle in the United States to toughen, and this may lead to sudden, spontaneous jumps of the American elephant in the international arena," he told a Moscow radio interviewer yesterday.

Foreign leaders closely aligned with Mr. Bush, including British Prime Minister Tony Blair and Australian Prime Minister John Howard, were undercut by the U.S. vote.

John McDonnell, a leftist member of Mr. Blair's ruling Labor Party and a critic of the Iraq war, said the U.S. results "mean that Blair is now totally isolated in the international community."

Venezuela Groups Get U.S. Aid Amid Meddling Charges (NYT)

By Simon Romero

The New York Times, November 9, 2006

CARACAS, Venezuela, Nov. 8 — Since President Hugo Chávez returned to power after a brief coup in 2002, the United States has channeled millions of dollars to Venezuelan organizations, many of them critical of his government. This aid has become a key issue in the presidential election next month amid claims of American interference in the domestic political system.

“Washington thinks it can buy regime change in Venezuela,” said Carlos Escarrá, a constitutional lawyer and a leading legislator in the National Assembly who has been pushing for tighter regulation over the American financing of Venezuelan groups. “This is an affront to our sovereignty as a nation that is not docile to Washington’s interests.”

He echoed recent comments from other high-ranking officials and from Mr. Chávez, who has a double-digit lead in most polls over his main opponent, Manuel Rosales, the governor of Zulia State. Mr. Chávez rarely refers in public to Mr. Rosales by name, instead framing his campaign as a choice between his government and the Bush administration.

American diplomats here have remained largely quiet in commenting on the election, which is scheduled for Dec. 3, in contrast to the active role American officials played in Nicaragua before the election of Daniel Ortega earlier this week. Government officials here exploit any example of American efforts to counter Mr. Chávez’s influence as evidence of what they see as a looming confrontation with Washington.

For instance, Vice President José Vicente Rangel has organized an event this week to publicize the release of “Bush vs. Chávez: Washington’s War Against Venezuela,” a book by Eva Golinger, an American lawyer who has become famous in Venezuela for detailing the American financing of groups here.

The United States Agency for International Development has distributed about $25 million to various Venezuelan organizations over the last five years, according to officials involved in the projects. The funds have been channeled to the Venezuelan groups through private and public entities from the United States that have opened offices in Caracas.

These include Development Alternatives Inc., a Bethesda, Md., company that works closely with the State Department in dispersing funds around the world, and the International Republican Institute and the National Democratic Institute for International Affairs, two Washington groups that have carried out training for emerging political leaders in Venezuela.

Documents obtained from the United States government under the Freedom of Information Act point to numerous grants made by the United States in the past two years to groups whose activities are viewed as critical of Mr. Chávez’s government. The

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international development agency withheld the names of many of the grant recipients, saying that the disclosure of their identities could put them at risk of political retaliation.

All of the grants were channeled through Development Alternatives, which worked on behalf of the Office of Transition Initiatives, a little-known branch of the international development agency that started operating in Venezuela after the April 2002 coup.

O.T.I., which was created in the 1990s to push for democratic change in the former Soviet Union, normally finances activities in strife-torn countries like Liberia, Nepal and Sri Lanka. Its only operations in Latin America are in Venezuela and Bolivia, two countries that have developed an alliance based in part on shared distrust of the United States.

Mr. Chávez has repeatedly lashed out at the United States government's activities, mixing his attacks with unsubstantiated claims that the Bush administration is financing covert intelligence operations aimed at strengthening his opponent's campaign. This criticism has played well among the president's political base, where anti-American sentiment has flourished since Mr. Chávez was briefly removed from power in a coup in 2002 with the Bush administration's tacit approval.

Officials from the agency for international development did not withhold all of the identities of its grant recipients in Venezuela, as if to point out that some of the aid went to groups receiving charity in the form of baseball equipment and roofing materials. One $15,728 grant for a nutrition program went to the municipal government of Baruta, an area of Caracas whose mayor, Henrique Capriles Radonski, is an outspoken critic of Mr. Chávez.

American officials here and in Washington say the aim of the assistance is to bring opponents and supporters of Mr. Chávez together to discuss ways to prevent the erosion of democratic freedoms.

"U.S. activities, as has been publicly discussed on numerous occasions, focus on strengthening civil society in Venezuela, which is a critical element for any healthy democracy," David Snider, an international development agency spokesman in Washington, said in a statement.

"These nonpartisan activities are no different than those activities that U.S.A.I.D. supports in many other countries throughout the world," he added.

But some grants were directed at organizations whose stated objectives seemed to look for potential weaknesses in Mr. Chávez's administration. One $33,304 grant in March 2005 was called "Land Redistribution Dos and Don'ts," and required its unidentified recipient to investigate agricultural policies in areas where the federal government had been carrying out land expropriations.

Other grants had what appeared to be an objective of building support for potential rivals to Mr. Chávez. A $47,459 grant, for instance, was made in July 2005 to an organization whose goal was to meet with organizations to build a "democratic leadership campaign."

The agency's grants in Venezuela have raised concern among some political analysts who see parallels in efforts by Washington to destabilize the socialist government of Salvador Allende in Chile in the early 1970s or attempts to influence the domestic political system of Nicaragua in the 1980s.

"I wouldn't feel comfortable with the Chinese government doing something like this in the U.S.," said Jeremy Bigwood, an international policy analyst at the Center for Economic Policy and Research in Washington. Mr. Bigwood filed a pending lawsuit against the agency for international development this year asking that it name its recipients. He said not doing so changed it from a "civilian to a clandestine service."

Meanwhile, a backlash to the American financing has been building. Prosecutors filed conspiracy charges against leaders of Súmate, a voter education group, after it received $31,000 from the National Endowment for Democracy, another entity backed by the United States government that distributes money to groups in Venezuela.

A proposed law is also making its way through the National Assembly that would regulate international financing of nongovernmental organizations. The bill, which has been criticized by anticorruption groups like Transparency International, has been held up until after the election.

Increased scrutiny by the government here of the American financing has been described as hypocritical by some analysts at a time when Venezuela has increased its own foreign aid in an attempt to influence the political direction of countries like Bolivia and Nicaragua.

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"The thinking goes that if it's for the revolution, then by definition it is correct," said Aníbal Romero, a professor of political science at Simón Bolívar University. "But if the money comes from Washington, then it's definitely wrong."

Mexico's Calderon Heartened By Outcome Of U.S. Elections (WP)

By Nora Boustany

The Washington Post, November 9, 2006

Mexican President-elect Felipe Calderon said yesterday that Democratic gains in Congress could lead to "room for improvement" in U.S.-Mexican relations, a suggestion that headway may be made on immigration and other bilateral issues.

At a White House meeting with President Bush today, Calderon, who takes office on Dec. 1, is expected to express Mexico's disappointment with the decision by the outgoing Republican-controlled House and Senate to approve a 700-mile fence along the Mexican-American border, an effort to stem the flow of millions of migrant workers.

During a meeting yesterday with Washington Post reporters and editors, Calderon said the outcome of Tuesday's midterm elections allowed for "some room for improvement in terms of bilateral relations."

"I know President Bush is facing a difficult moment," he said. "But I think there is an opportunity. After the elections, I hope Americans and Congress will have a chance for rational debate."

Calderon, a Harvard-educated economist and a member of the conservative National Action Party, made job creation a central platform of his campaign. He returned to that theme yesterday, saying that new jobs and foreign investment in Mexico would be more effective than a fence as a tool against migration.

His predecessor, current President Vicente Fox, made the same arguments against the fence, to no avail.

"Now maybe you have people crossing the border looking for capital," Calderon said. "We need capital crossing the border looking for people."

Calderon also said that the North American Free Trade Agreement had been a boon for Mexico but that more needed to be done to make the economy more competitive. He said that only by reducing tariffs, eliminating other regulations and enforcing the rule of law could Mexico be seen as a destination for foreign investment.

Mexico also has recently been suffering from increased violence. Calder?n acknowledged the months-long protests that have shut down the city of Oaxaca and expressed hopes that order would be restored. His home state of Michoacan, as well as the neighboring state of Guerrero, have seen a wave of violence, including decapitations, shootings and bombings. Much of that violence has appeared to be drug-related.

Yesterday, the president-elect acknowledged that there had been "a deterioration in the environment in Mexico."

"Probably, the main challenge I will have to face is how to strengthen institutions and the rule of law and to stop the loss of respect in authority."

Calderon, 44, waged an intense campaign against Andres Manuel Lopez Obrador, the populist former mayor of Mexico City. The results of the July 2 vote were contested, leading to weeks of appeals to electoral courts and protests in the capital's streets by Lopez Obrador supporters. Calderon was declared president-elect Sept. 5.

Yesterday, Calderon suggested that divisions created by the controversy were fading. He also expressed hope that, as a former member of the National Congress, he would be well-positioned to reach out to the opposition.

Bush To Meet Mexican President-elect (WT)

By Stephen Dinan

The Washington Times, November 9, 2006

President Bush will find out today if good fences do make good neighbors when he sits down with Mexican President-elect Felipe Calderon for their first face-to-face conversation.

The two men say they will talk about free trade, economic growth and security -- but the hottest topic is likely to be immigration, and Mr. Bush's signature two weeks ago on a bill to erect 698 miles of fence on the international boundary between the two nations.

Mr. Calderon criticized the fence yesterday in a meeting with Hispanic groups, saying he sees "the U.S.-Mexico border not covered in walls and barbed wire, but as an area of opportunity and prosperity for Mexicans and Americans both."

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Neither side would say whether the fence was specifically on today's agenda. Mexican officials said it was more important at this stage that the two men have a chance to meet and establish a relationship, and Mr. Calderon tried to play down expectations this week, calling it a chance "to establish a first contact."

A White House official said having the meeting even before Mr. Calderon's Dec. 1 inauguration "reflects the importance we attach to continued strong ties with our hemispheric partner and neighbor."

The Mexican president-elect made his first international visit last month to Canada to meet with Prime Minister Stephen Harper on the day Mr. Bush signed the fence act. The visit was a clear signal, said Larry Birns, director of the Council on Hemispheric Affairs, a Washington-based think tank.

"That was noted by everyone. That was noted as almost a sign of aggressive sovereignty on Calderon's part," Mr. Birns said.

At a press conference after that meeting, Mr. Calderon was harshly critical of the fence, and he isn't the only leader protesting. Over the weekend, leaders from Latin America, Spain and Portugal, meeting in an Ibero-American summit, said the fence "incites discrimination and xenophobia."

Mr. Bush previously has spoken with Mr. Calderon by phone, calling in the days after Mexico's election to congratulate him on securing the most votes, even though he had not yet been declared the winner.

At 44, Mr. Calderon will be among the youngest presidents in Mexico's history. He is from the same party as outgoing President Vicente Fox, who is leaving because of Mexico's one-term limit on the office.

Like Mr. Fox and, for that matter, Mr. Bush, Mr. Calderon studied at Harvard, earning a master's degree in public administration from the Kennedy School of Government.

Mr. Birns said today's meeting could be the beginning of a productive working relationship because the two men need each other. In addition to border issues, he said Mr. Bush also might take the opportunity to sound out Mr. Calderon, a former energy secretary, on energy policy.

"They can help each other, and the help is largely on the border, but I also think Bush may very well make a reference to energy because that in a sense is even more important to Bush right now," Mr. Birns said.

Asked recently about Mr. Calderon's statements on the fence, White House press secretary Tony Snow focused on the cooperation both nations have shown on the border in fighting drug trafficking. Mr. Snow also said Mr. Bush is considering a host of measures on the border.

"The president understands the sensitivities, but on the other hand, he also understands the importance of securing the border," Mr. Snow said.

Immigration Expected To Dominate Calderón-Bush Talks (CSM)

By Sara Miller Llana

The Christian Science Monitor, November 9, 2006

Posted November 09, 2006 - http://www.csmonitor.com/2006/1109/p25s01-woam.html Immigration expected to dominate Calder?n-Bush talks Mexico's conservative president-elect, Felipe Calder?n, makes his first White House visit Thursday.

By Sara Miller Llana | Staff writer of The Christian Science Monitor

MEXICO CITY

The nearly 700 miles of fencing President Bush authorized for the US-Mexican border two weeks ago could overshadow other issues when Mexican president-elect Felipe Calderón makes his first visit to the White House on Thursday.

Unlike recently elected leftist leaders in Latin America, Mr. Calderón is a pro-business, US-friendly candidate who narrowly won July's presidential election against a leftist leader.

Yet, the additional fencing Mr. Bush approved threatens to create a political barrier even before Calderón officially takes office on Dec. 1.

On a recent trip to Canada, Mexico's president-elect compared the fence to the "Berlin Wall," the former barrier between Communist East and democratic West Berlin.

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"The most important thing for him is to end the monothematic tone [between the two nations]," says Luis Rubio, president of the Center of Research for Development, a think tank in Mexico City. He says the US-Mexican relationship, dominated by drug trafficking in the 1980s, now is being driven by differences over US immigration policy.

The US border fence, meant to enhance security and deter illegal immigration, is one step in a comprehensive immigration reform plan that Bush hopes can later include a guest-worker program and amnesty plan for some undocumented immigrants. Half of the estimated 11 million undocumented migrants living in the US are believed to be Mexican.

Monday, Calderón said the US-Mexican relationship is the "most delicate, most complex, and most important" in terms of Mexican foreign policy.

He did not say whether he would reiterate Mexico's objection to the law authorizing a major extension of the fence, which Mexican officials say will cause more deaths by making it even harder for would-be immigrants to cross the border. "The only thing [the wall] will do is create more death," says legislator José Edmundo Ramírez Martínez, an opposition Institutional Revolutionary Party (PRI) member and secretary of the immigration committee in Mexico's Congress.

Immigration was not among the main issues on the original agenda for Thursday's meeting. White House spokesman Tony Snow said last month that the discussion would focus on competitiveness, free trade, economic growth, and security in North America.

Calderón may have wanted to avoid immigration altogether given the failure of outgoing president and fellow National Action Party (PAN) party member Vicente Fox to get what he called the "whole enchilada": Mexico's leader had hoped to convince the Bush administration to push through the guest-worker plan and a path to citizenship for many undocumented Mexican workers.

"We didn't even get a nacho," says Mr. Ramírez Martínez.

Bush's move to authorize the fence underscored the Fox administration's failure to help Mexicans working illegally in the US and appears to have forced his successor to make it a priority. "If the US had not passed a law authorizing 700 miles of fencing, he could almost ignore immigration entirely. It was such a failure for Fox," says David Shirk, director of the Transborder Institute at the University of San Diego. "Now he can't ignore it."

Mr. Shirk says Calderón's No. 1 task should be to address the economic inequality in Mexico underscored by the country's July presidential race. Leftist candidate Andrés Manuel López Obrador, who attracted the nation's poor, lost by half a percentage point and challenged the legitimacy of the election during a seven-week sit-in in Mexico City.

"The way [Calderón] rose to power requires his single-minded focus be on economic development if he is to legitimatize his presidency," says Shirk. He'll need to "enlist US support in a variety of ways to make it happen."

Calderón has floated a plan to put the country on the list of the world's fastest growing economies. "Mexico 2030" aims to help reduce extreme poverty by boosting annual per-capita income from $8,000 today to $30,000 over the next 25 years. Calderón hopes that improving conditions at home will reduce the number of Mexicans seeking opportunities in the US.

Calderón's top foreign adviser, Arturo Sarukhan, said Friday that the president-elect plans to meet in Washington with officials at the Inter-American Development Bank and the World Bank. Under discussion: programs that will create infrastructure and capitalize on the $19 billion Mexican immigrants in the US send home each year.

Ramírez Martínez, the lawmaker, says it is imperative that the president-elect discuss the wall with US officials. "We want him to go to the meeting with an agenda to talk about a migration policy - not just economics, commerce and free trade, but a new discussion about a migration policy."

Mexican Leader Assails Border Fence Plan (AP-Y)

By George Gedda

AP, November 9, 2006

Preparing for a meeting with President Bush, Mexican President-elect Felipe Calderon made clear Wednesday his unhappiness with U.S. border security measures, saying the two countries need "bridges for progress and not walls that isolate and divide."

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U.S. steps to stem the flow of migrants across the border were expected to dominate Bush's discussions with Calderon, who takes office Dec. 1.

Mexico has been highly critical of the U.S. plan to build a 700-mile fence along the border. Bush signed the law authorizing the fence on Oct. 26.

Calderon noted that barbed wire is also part of the U.S. border control apparatus.

The border region "should not be a zone of barbed wire but a zone of opportunities," Calderon said, according to a translation of his remarks.

He spoke to a gathering of some 200 Hispanic leaders here. He meets with Bush on Thursday after a breakfast meeting with Secretary of State Condoleezza Rice.

Also scheduled to attend the breakfast were Treasury Secretary Henry Paulson, Commerce Secretary Carlos Gutierrez and Homeland Security Secretary Michael Chertoff.

Calderon acknowledged Wednesday that illegal border-crossings into the United States are an unpleasant issue for both countries.

"Migration is not a desirable issue for anybody," he said. "It awakens enormous sensibilities in the United States and was at the center of the debate in the (Tuesday) elections.

And, he said, "it takes away the most daring part of our population and divides our families."

In a statement issued Wednesday from Mexico City, U.S. ambassador Antonio Garza said Bush and Calderon planned to discuss border problems caused by criminals and narco-traffickers.

Other possible topics, Garza said, include further reductions in limits to free trade and finding ways to ensure "how both people and goods can cross our border in a legal, orderly, and more efficient way."

Turkey Given Month To Rescue EU Bid (FT)

By Daniel Dombey And George Parker In Brussels And Vincent Boland In Ankara

Financial Times, November 9, 2006

Turkey was on Wednesday given a month to rescue its bid to join the European Union, as Brussels sought to allay public concerns that the EU is expanding too far and too fast. In response, Ankara said it was up to the 25-nation bloc to keep the negotiations alive.

“It is clear that Turkey is not fulfilling its obligations,” Philippe Douste-Blazy, France’s foreign minister, said yesterday. Unless Ankara changed its behaviour, “it seems to me necessary to review Turkey’s EU membership timetable”.

The issue is set to come to a head at an EU summit next month. But Olli Rehn, EU enlargement commissioner, held out hope that the looming “train wreck” over Turkey’s membership could yet be averted. “While there’s a will, there’s a way,” he said.

The European Commission had been considering whether to recommend the formal suspension of three or more of the 34 remaining negotiating “chapters” of Turkey’s membership talks because of Ankara’s failure to meet a key EU demand over Cyprus.

On Wednesday Mr Rehn announced that the Commission would not make a recommendation at this stage.

Officials said that Brussels would probably set out the likely penalties for Turkey in early to mid-December, ahead of the EU summit. But Mr Rehn’s staff fears that if the EU takes too tough a stance with Ankara, either the talks will prove impossible to revive or Turkey will choose to walk away.

“At this point, much of the responsibility for continuing the [EU] accession process lies with the EU rather than with Turkey,” said the Turkish government in an official statement. Ankara added that the issue of Cyprus should not be linked to its own membership bid.

But the Turkish statement appeared to acknowledge that its preparations for EU membership needed to be stepped up. “We will correct the problems stemming from implementation,” said Abdullah Gul, Turkish foreign minister.

Wednesday’s Commission report highlighted the issue that could bring the negotiations to a halt – the country’s refusal to open up its ports to vessels from Cyprus, which is an EU member but which does not have diplomatic ties with Ankara.

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The report also criticised Turkey for letting the pace of reform slow and expressed its concern over prosecutions of writers and journalists for criticising "Turkishness" and the Turkish state. The report voiced the Commission's concern that Turkey's judiciary was not yet sufficiently independent, that its military was not fully under civilian control and that some cases of torture were still being reported.

Mr Rehn said he hoped the Turkish parliament would amend the article in the country's penal code that the Commission believes restricts freedom of speech. He added that a Finnish attempt to broker a deal between Turkey, Cyprus and the self-styled Republic of Northern Cyprus was "the last opportunity to make serious progress for some years to come on this issue".

Such a deal would remove the biggest threat to Turkey's candidacy. However, many EU diplomats believe the likelihood of a Finnish breakthrough is slim. A ministerial meeting scheduled for last Sunday to reach a deal was cancelled.

Under the Finnish proposal, the Northern Cypriot port of Famagusta would come under EU management and be opened to trade with the rest of the EU. At the same time, the UN would take charge of the neighbouring town of Varosha, to which the internationally recognised Greek Cypriot government lays claim.

Mr Rehn also addressed wider public fears about the pace of EU expansion with new guidelines for future enlargements, but insisted the EU should not slam the door on any country with ambitions to join the club.

His paper on the union's "capacity to integrate new members" said any future enlargement should only come after the union had modernised its creaking institutions, probably by salvaging parts of the moribund EU constitution.

Learning the lessons of the difficult negotiations with Bulgaria and Romania – which will join the EU on January 1 – Mr Rehn said that future talks would have to tackle crime and corruption at an earlier stage.

But both he and José Manuel Barroso, European Commission president, have resisted pressure from politicians in France, Germany and elsewhere to make the EU's "absorption capacity" a new condition for membership and have refused to define the eventual eastern borders of the club.

Turks' Bid To Join Europe Stalls On Cyprus And Rights, Official Warns (NYT)

By Dan Bilefsky And James Kanter

The New York Times, November 9, 2006

ISTANBUL, Nov. 8 — The governing commission of the European Union on Wednesday issued its strongest warning yet to Turkey to open its ports to Cyprus and make more progress on human rights or face a possible suspension of talks over allowing the country to join the organization.

Speaking after the release of a report highly critical of Turkey's efforts to make changes requested by the European Union, Olli Rehn, the union's expansion commissioner, delivered what appeared to be an ultimatum to Turkey: soften the intransigence over Cyprus or risk the collapse of the European Union bid.

"Failure to implement obligations will affect the overall progress of negotiations," Mr. Rehn warned. "This is likely to be the last opportunity to make real, serious progress for some years to come on the issue of Cyprus."

Turkey has refused to meet an end-of-year deadline set by the European Union to open its ports and airports to the Greek-speaking part of Cyprus, which belongs to the organization. Turkey insists it will not compromise on Cyprus unless the European Union lifts a trade embargo against the northern Turkish side of Cyprus.

The report, which also highlighted shortcomings on issues like minority rights and freedom of speech, did not call for an immediate halt in the talks with Turkey. But European Union officials said the harsh tone of the report made it increasingly likely that a summit meeting of European Union leaders in mid-December would at least consider a partial suspension of the negotiations.

"The pace has slowed during the past year and significant further efforts are needed," the report said.

The Turkish prime minister, Recep Tayyip Erdogan, sought to play down the criticism. "For us, the E.U. process maintains its importance," he said. "Our aim is to achieve the maximum possible. Our struggle will continue."

A poll published here on Tuesday by the International Strategic Research Organization showed that two-thirds of Turks would rather suspend membership talks with the European Union than give ground over Cyprus. "If the E.U. fulfills its promise to end the isolation of Northern Cyprus, then we will open our ports," said Egemen Bagis, a senior adviser to Mr. Erdogan and a

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member of the governing Justice and Development Party. “If European leaders want reforms to continue in Turkey, if they want their safety to be assured in an unstable region, if they want to assure an alternative energy supply, then they should show us some encouragement,” he said.

In the cafes, mosques and streets of Istanbul, the overwhelming feeling was indifference. “Here we go again, yet another report from the E.U. criticizing us,” said Gurol Yilmaz, 24, a waiter at a cafe in the bustling Taksim neighborhood. “Most Turks don’t really care. The E.U. will never accept a Muslim country.”

Membership talks between Turkey, with 70 million people, and the European Union cannot continue apace if Turkey fails to meet its obligations toward the organization by the end of the year, the German chancellor, Angela Merkel, warned Wednesday. “Otherwise, the E.U. will have to draw the appropriate consequences,” she said. “A simple ‘Let’s keep on going as before’ will not be possible.”

The report also rebuked Turkey for its failure to meet minimum standards on human rights and cited concerns over the rights of women, Kurds and religious minorities.

Disease Expert From China Is Nominated As WHO Director (WSJ)

By Betsy McKay

Wall Street Journal, November 9, 2006

The World Health Organization nominated Chinese infectious-diseases expert Margaret Chan to lead the United Nations health agency, underscoring China's rising prominence and mounting pressure on the Chinese government to improve its cooperation on global health crises such as avian flu.

The landslide victory by Dr. Chan, 59 years old, over four other finalists in voting by WHO's 34-country executive board essentially assures her of a 5½-year term as the next director-general of the agency, one of the most important leadership positions in public health. The nomination faces a vote today by the full WHO governing body; no one proposed by the executive board has ever been rejected for the top job.

China campaigned hard for Dr. Chan. The push, led by Vice Premier Wu Yi and President Hu Jintao, was unusual because the five permanent-member countries of the U.N.'s Security Council, which includes China, traditionally haven't backed candidates to lead WHO. Sha Zukang, China's ambassador to Switzerland, said Dr. Chan's selection is a landmark for China. "We know there are great responsibilities and high expectations," he said.

While it isn't clear exactly what swayed 24 of 34 countries to support Dr. Chan in four rapid rounds of voting in a closed-door meeting in Geneva, she is known for having a combination of scientific skill, on-the-ground experience and political dexterity that will be needed to navigate challenges such as halting the spread of pandemic flu.

China has been criticized for failing to disclose cases of avian flu and severe acute respiratory syndrome, and for not sharing virus samples that could speed research and vaccine development. The Chinese government has been more forthcoming recently, and its staunch support of Dr. Chan's candidacy suggests officials are willing to make further changes.

"This is a moment of personal honor and deep personal responsibility," Dr. Chan said in a brief speech yesterday. "I do not take this lightly." She insisted during her campaign that she wouldn't bend to Chinese political interests.

A top official at China's Ministry of Health said yesterday that government officials "try our best to cooperate with the international community."

When asked whether China would try to influence Dr. Chan, a former schoolteacher who got a medical degree from the University of Western Ontario in Canada, the official responded: "No one from China will say we will sacrifice ourselves to meet the expectations of other parties...If the WHO, when they are dealing with the relations with China...don't take into consideration the Chinese people, there will be a problem."

The U.S. is one of the countries believed to have voted for Dr. Chan, who emerged as the heavy favorite in five rounds of voting Monday that narrowed the field to five finalists.

Mike Leavitt, U.S. Secretary of Health and Human Services and leader of the U.S. delegation in Geneva, said he is "confident she will ensure WHO's role as the premier global health agency, guided by scientific excellence and well-prepared to meet the many challenges it faces."

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As Hong Kong's top health official, Dr. Chan showed the mettle to make controversial decisions, including culling 1.5 million poultry feared to be spreading the H5N1 avian-flu virus to humans in 1997. The move exacted a brutal economic toll on farmers but helped stamp out the world's first outbreak of the virus. That strategy now is the standard approach to controlling avian flu.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

3 Alleged Hamas Militants Go On Trial For Terror Plot (FINDLAW/AP)

AP, November 9, 2006

DOJ_NMG_0092185

(AP) - AMMAN, Jordan-Three Hamas militants went on trial Wednesday for conspiring to attack Israeli businessmen, Jordanian intelligence officers and various other locations in Jordan.

Ayman Naji Daraghmeh, 34, Ahmed Abu Rabee, 27, and Ahmed Abu Thiyab, appeared in court but did not submit pleas because they have not appointed lawyers. The trial adjourned to Nov. 15 to allow the defendants time to obtain counsel.

The defendants were also charged with illegal possession of weapons and ammunition.

In April, Jordanian authorities arrested 20 alleged Hamas militants on suspicion of monitoring Jordanian intelligence officers and foreigner tourists to plan for possible attacks. Authorities released all but the three, apparently for lack of evidence.

Al-Daraghmeh gave authorities the location of several weapons caches, the indictment sheet said.

The three, Jordanians of Palestinian origin, confessed in May on Jordanian state TV to conspiring to carry out terrorist attacks and to acquiring weapons and ammunition for Hamas. Al-Daraghmeh said he received he received orders from a high level Hamas leader living in Syria.

Hamas denied the accusations, claiming Jordan was attempting to undermine the Palestinian government, which it leads.

The militants were also charged with monitoring and photographing the Israeli embassy, the residences of the ambassador and other staff, as well as the offices of Jordanian businesses that have dealings with Israeli companies.

If convicted the three men could face the death penalty.

Four To Change Pleas In Northwest Ecoterrorism Case (AP)

By Jeff Barnard

AP, November 9, 2006

GRANTS PASS, Ore. (AP) — Four people awaiting trial on charges they were part of an ecoterrorism cell that caused $20 million in damages from firebombings around the Northwest are due in federal court on Thursday to change their pleas.

Attorneys for the defendants and the prosecution refused to comment on terms of the plea agreements that will be put before Judge Ann Aiken in U.S. District Court in Eugene.

A total of 13 people were indicted out of Eugene as part of an investigation known as Operation Backfire. Six have pleaded guilty, agreeing to testify against the others, and three are fugitives. A 14th person, Prescott, Ariz., bookstore owner William C. Rodgers, described as the leader of the cell, committed suicide in jail just before he was to be sent to Oregon to face charges.

Related cases are being prosecuted out of Washington and California.

The Oregon defendants were charged with arsons from 1996 to 2001 that were claimed by the Earth Liberation Front and the Animal Liberation Front in Oregon, Washington, California, Wyoming and Colorado.

Authorities said a Eugene-based group calling itself The Family set firebombs around the Northwest to stop logging, wild horse roundups, genetic engineering of plants, sport utility vehicle sales and the expansion of a Vail, Colo., ski resort into endangered lynx habitat.

For years, investigators came up with little more than the remains of five-gallon plastic buckets that had been filled with diesel and ignited with homemade timing devices.

The firebombings stopped after the terrorist attacks of Sept. 11, 2001.

Then a special taskforce adopted a cold case approach and convinced an informant to go to members of The Family with a hidden recording device.

Nathan Frazer Block, 25, of Olympia, Wash., is charged with conspiring to commit arson and topple a high-voltage electric transmission tower in Central Oregon just before the change of the millennium, setting fire to SUVs at the Romania Chevrolet Truck Center in Eugene in 2001 and attempted arson and arson at the Jefferson Poplar Farm in Clatskanie in 2001.

Jonathan Christopher Mark Paul, 40, of Ashland, a wildland firefighter and animal rights activist, is charged with conspiracy to commit arson and topple the electrical tower, and setting fire to a horse slaughterhouse in Redmond in 1997.

Daniel McGowan, 32, of New York City, who was working for a nonprofit law firm helping abused women when he was arrested, is charged with conspiracy to commit arson and toppling the electrical tower, setting fire to the Superior Lumber Co. office in Glendale in 2001, and attempted arson and arson at the tree farm.

Joyanna L. Zacher, 28, of Olympia, Wash., is charged with conspiracy to commit arson, toppling the electric tower, firebombing the SUV dealership, and attempted arson and arson at the tree farm.

AP staffer Typh Tucker contributed to this report from Portland

PATRIOT ACT:

Democratic Victory May Kill Surveillance Bills (GOVEXEC)

DOJ_NMG_0092186

By Andrew Noyes, National Journal's Technology Daily

Government Executive, November 9, 2006

The new Democratic-led House could bode well for the civil-liberties crowd. The most pressing issue for the 110th Congress will be quashing efforts they say would allow the continuation of an eavesdropping program authorized by President Bush after the Sept. 11, 2001, terrorist attacks.

Caroline Fredrickson, director of the Washington office for the American Civil Liberties Union, said the shift in leadership may mean "a very profound change" in how lawmakers address the electronic wiretapping initiative of the National Security Agency.

Before recessing for the mid-term election, the House passed a bill, H.R. 5825, to overhaul rules for wiretaps without warrants. The Senate companion measure, S. 2453, did not get a floor vote.

Bush pushed hard in the run-up to the election for Congress to codify the program, Fredrickson said. "I think that is dead."

The House now can move ahead with "what it should have been doing right from the beginning," she said, which is figuring out the broadness of the program's scope, how many Americans have been spied on and what has been done with the information.

Lawmakers first must return for a short, post-election session, which she said could be "rife with danger." "It provides the greatest opportunity for late-night maneuvers," she said, adding that the ACLU will be vigilant in "scrubbing" any bills that pass.

Leslie Harris, executive director of the Center for Democracy and Technology, said her group will look to the new Congress to "be more skeptical of the president's claims that it's necessary to sacrifice civil liberties for national security."

Before House Intelligence or Judiciary committees take action on NSA spying or similar proposals that arise, she said she hopes they will "engage in the kind of vigorous oversight, investigation and fact-finding that really has been absent in the last four years."

There will probably not be "dramatic rollbacks of national-security-related legislation," like the controversial sections of the USA PATRIOT Act that were reinstated by the 109th Congress, Harris said. One provision involves a special subpoena power that lets the FBI scour library and Internet provider files without search warrants.

George Washington University law professor Jonathan Turley said he looks to the new House to exercise meaningful "oversight after a long and dangerous hiatus." Given the "largely comatose" status of the current Congress, a "great deal of improper or potentially criminal conduct" could have been ignored, he said.

The question of whether Democrats will fight hard on issues like torture and criminal rights for detainees also was on the minds of civil-liberties advocates. Fredrickson said the party will be "pretty cautious" with an eye toward winning the 2008 presidential election, and Turley agreed.

The party may be calculating "how they can avoid doing anything that's controversial," Fredrickson said, which would be "a real shame" because voters asked for change. "They don't want just a passive Democratic Party," she said.

Lisa Graves, deputy director for the Center for National Security Studies, said missteps that have been taken by the Joint Terrorism Task Force, a partnership between the FBI and local law enforcement agencies aimed at tackling terrorism, also must be examined. In particular, she cited reports revealed through Freedom of Information Act requests that the task force has spied on Americans who oppose the Iraq war and other administration policies.

One proposal offered this year would halt funding for the NSA's warrantless wiretapping and "help restore the rule of law," Graves said.

HOMELAND RESPONSE:

Rights Panel Weighs FBI Tactics In Hamoodi Search (COLTRIB)

By MATTHEW LeBLANC

Columbia (MO) Tribune, November 9, 2006

The Columbia Human Rights Commission will consider asking the city council to approve a resolution in support of an Iraqi-American man whose southwest Columbia home was raided by the FBI.

Hamoodi

Federal agents in September searched the Woodberry Court home of Shakir Hamoodi. The FBI has since repeatedly declined to give a reason for the search involving the 54-year-old grocery store owner who also has been an outspoken critic of the Iraq war.

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At a meeting last night, supporters of Hamoodi urged commission members to accept a draft resolution that calls for the government to speed up its investigation and publicly release its findings. The measure also asks the FBI to apologize to Hamoodi and his family for searching the home.

Steve Jacobs, a peace activist who spoke last night at the meeting, said the resolution does not claim Hamoodi did nothing wrong. He said the measure was designed to show support for Hamoodi and the local Muslim community.

"We feel like one of our own is being unnecessarily targeted for harassment," Jacobs said. "We think these sort of symbolic actions would go far to show the FBI that we support" Hamoodi.

After hearing a speech by Jacobs that portrayed Hamoodi as a business owner and charity worker caught in a web of investigative excess, commission members expressed some reservations about whether forwarding the resolution to the city council would be appropriate.

In the end, the human rights panel agreed to consider the measure - but only with the consent of Hamoodi, who was not present.

Glenn Glasgow, who represents the Fifth Ward on the commission, said commissioners typically receive complaints from those who believe their rights have been violated. After that, he said, an investigation is conducted.

Hamoodi has not contacted the commission.

"Even in the absence of a complaint, all we really have are a lot of conclusions about what happened to Shakir, but nothing from him," Glasgow said.

Commission Chairwoman Marie Glaze said the panel would contact Hamoodi and then review the resolution. A report would later be sent to the city council.

"We're going to do this as quickly as we can," Glaze said.

Hamoodi said yesterday he was "surprised" at the show of support, but did not say whether he would agree to the resolution.

It is also unclear whether the city council would agree to accept the resolution. In the past, the panel has been reluctant to vote on issues that do not directly involve things related to city policy.

City Counselor Fred Boeckmann cautioned that "the commission does not have jurisdiction over the FBI" and questioned the usefulness of a resolution.

"It seems like the right thing to do in our society," Hamoodi supporter Jeff Stack said yesterday.

Jeff Lanza, a spokesman for the FBI office in Kansas City, declined to offer more information on the Hamoodi case.

Reach Matthew LeBlanc at (573) 815-1720 or mleblanc@tribmail.com.

F.B.I. Evacuates Part Fort Hood Housing Development (NBC6CTX)

NBC 6 Central Texas, November 9, 2006

Part of a housing development on Fort Hood remained evacuated through Wednesday night.

An F.B.I. spokesperson said a soldier returned from Iraq and noticed items missing from his luggage.

Replacing those items was a jar filled with an unfamiliar substance. The soldier called Fort Hood authorities.

Initial testing by the F.B.I. and Fort Hood showed it might have dangerous materials, but upon further testing, it was found not to be hazardous.

Fort Hood is still investigating its origins. Residents from the Kuma Village were housed off post for the night, but are allowed to return home Thursday.

Agency Considers A-Plants' Vulnerability (NYT)

By Matthew L. Wald

The New York Times, November 9, 2006

WASHINGTON, Nov 8 — With construction of many new nuclear reactors under discussion, the Nuclear Regulatory Commission is grappling with the question of whether they should be designed to withstand a Sept. 11-style airplane attack.

The commission has told its staff to study the vulnerabilities of the four new reactor designs, two of which it has already approved. But it has decided not to make the nuclear power industry meet security requirements any tougher than those for existing plants, which were designed before suicide airliner attacks, and even before the development of such airplanes.

Planes are not on the list of weapons that reactors must be prepared to survive. One of the five commissioners, Gregory B. Jaczko, has called for the panel to require design changes to reduce vulnerability, but the other four seem unpersuaded.

Speaking about protection against aircraft attacks, Mr. Jaczko said in an interview, "We've left it in the hands of Transportation Security Administration, the Federal Aviation Administration and the reactor vendors, who are building these plants, to do what they think is right in this area, and to me that's clearly not the answer."

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"We should be requiring they design these plants to withstand such attacks," he said.

One of one of the four new reactor designs, called the European Pressurized Reactor, is advertised as being less vulnerable to planes.

The commission has required that operators of reactors that are already producing electricity plan what steps they would take in case of airplane attacks to mitigate the effect and minimize releases of radiation. Mr. Jaczko said that improving the new designs before concrete was poured could sharply reduce the number of "mitigating actions" the operators would have to take a plane.attack.

But another member of the commission, Edward McGaffigan Jr., said, "We think we've done enough."

In analyzing security, nuclear engineers talk about multiple components that an attacker would have to reach and disable, which they call "target sets." New reactors, Mr. McGaffigan said, have "a terribly complex set of target sets that makes it highly improbable that a terrorist would succeed."

The commission should not make companies that want licenses to build and operate plants treat an airplane attack the way they would treat an earthquake, flood or other external threat for which they are already designed, he said.

A senior staff member of the commission said, "We want to be able to stand up to answer the logical question: 'Guys, did you look at the aircraft?' We want to be able to say yes, and we're confident that there is no issue, or if there is an issue, we've taken appropriate measures."

The staff member said the commission was stopping short of setting new requirements. He said he could not be identified because he was talking about matters that the five commissioners had not yet settled on.

At the Nuclear Energy Institute, the industry's trade association, Adrian Heymer, senior director for new plant deployment, said designers had analyzed existing plants and made many changes that cost little but made the new designs more difficult to attack. But, in general, Mr. Heymer said, protecting against terrorism was a government function.

"Refineries, tall buildings, those are the responsibility of federal government to protect," he said.

The commission is scheduled to meet on Thursday at its headquarters in Rockville, Md., to discuss licensing procedures for new reactors.

At the Union of Concerned Scientists, an advocacy group, David Lochbaum, a nuclear engineer, said that in the early 1980s the commission had convened outside experts to talk about hardening new reactors against plane crashes.

Industry experts, Mr. Lochbaum said, talked about some simple steps. For example, backup electricity generators could be positioned on two sides of the plant instead of in one place. Control rooms could be put in less vulnerable spots, and the pools that hold radioactive spent fuel could be hardened. The studies were classified after the attacks of Sept. 11, 2001, he said.

Representative Edward J. Markey, Democrat of Massachusetts, a critic of the nuclear power industry and the commission, says more should be done. In a statement, Mr. Markey said the commission should not only require design features to protect against airplane attacks but should also consider attacks by large truck bombs.

The commission has required substantial changes at existing reactors but has been reluctant to consider the threat of terrorism in the same way it handles other risks. For example, it has refused to consider the risk of terrorism in environmental impact statements, arguing that in contrast to earthquakes or mechanical failures, it does not know what probability to apply to attacks.

A California group, San Luis Obispo Mothers for Peace, won a decision in the United States Court of Appeals for the Ninth Circuit saying the regulatory commission must consider terrorism.

Pacific Gas & Electric, a California utility, has asked the Supreme Court to hear the case.

WAR NEWS:

Bush Ousts Embattled Rumsfeld; Democrats Near Control Of Senate (WP)

By Michael A. Fletcher, Peter Baker

The Washington Post, November 9, 2006

President Bush emerged from an election in which his party took what he described as a "thumping" and ousted Defense Secretary Donald H. Rumsfeld yesterday, saying that a "fresh perspective" is needed to guide the military through the difficult war in Iraq.

Speaking at a White House news conference the day after Democrats took control of the House of Representatives, and possibly the Senate, an apparently chastened and conciliatory Bush said he was nominating former CIA director Robert M. Gates to replace the long-embattled Rumsfeld.

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After six years of a presidency that has been about drawing lines against the Democrats and taunting them as weak, Bush presented a sharp about-face in an appearance in the White House East Room. "What's changed today is the election is over," he said, "and the Democrats won."

Acknowledging that the elections amounted to a rebuke of Republican leadership, Bush said voters had signaled they wanted cooperation and problem-solving in Washington.

If anything, he seemed to greet defeat with an air of relief, as though the results had allowed him to abandon an all-is-well pretense that was increasingly at odds with his actual political circumstances.

He said that he had begun to contemplate Rumsfeld's exit before the election -- even while he was publicly vowing that he would keep the defense secretary through the end of his term and insisting that polls forecasting Republican defeat were wrong. "I thought we were going to do fine yesterday," Bush insisted. "Shows what I know." But "win or lose, Bob Gates was going to become the nominee."

Rumsfeld understood as well as he did, Bush said, that "Iraq is not working well enough, fast enough."

The defense secretary's removal was part of a broader White House effort to restructure Bush's presidency in the wake of the Democratic victory. Beyond the switch at the Pentagon, White House aides in recent weeks developed an agenda designed to attract bipartisan support, including an increase in the minimum wage -- a longtime Democratic priority -- as well as comprehensive immigration legislation, energy measures, and the extension of the No Child Left Behind education program.

"The message yesterday was clear," Bush said. "The American people want their leaders in Washington to set aside partisan differences, conduct ourselves in an ethical manner, and work together to address the challenges facing our nation."

Despite the sharp confrontation that has characterized his tenure, Bush "will make the best of the situation he finds," predicted Ari Fleischer, his former press secretary. "If that means he'll compromise, he'll do so. The question is, will the Republican base let him? And will the Democratic base let Nancy Pelosi and Harry Reid compromise?"

Some senior voices from the Republican base already are urging Bush to forget cooperation. "I guess you're supposed to say that, regardless of whether you're actually planning on doing it. I hope he doesn't really mean it," said Grover G. Norquist, president of Americans for Tax Reform. Instead, he said, Bush should use the next two years to define differences between the parties heading into the 2008 election.

Although the White House had insisted repeatedly that it was not making contingency plans for a Democratic victory, an official said yesterday that Chief of Staff Joshua B. Bolten assigned deputies Karl Rove and Joel D. Kaplan, national security adviser Stephen J. Hadley, counselor Dan Bartlett, and other aides to begin "quietly preparing in case this eventuality came," the official said.

The removal of Rumsfeld stunned Washington, because Bush had stubbornly resisted calls to dump his Pentagon chief for years despite rising pressure from within his own party and the ranks of retired generals. He had twice refused Rumsfeld's offered resignation during scandals over military detainment and interrogation methods, and he had rebuffed bids by his chief of staff to remove the defense secretary. Just last week, Bush declared publicly that he wanted Rumsfeld to remain at the Pentagon for two more years.

Gates served as CIA director and deputy national security adviser in the administration of Bush's father, whose foreign and defense policies have long been implicitly criticized as weak by some senior officials of the current administration. He is currently a member of a bipartisan panel headed by the former president's secretary of state, James A. Baker III, that is studying the Iraq situation and is scheduled to make policy recommendations in the next few weeks. Signaling a likely shift in Iraq policy for an administration that has been loath to make significant changes in how it wages the increasingly unpopular war, Bush yesterday made several references to the upcoming Baker report.

While emphasizing his campaign insistence that the United States cannot leave Iraq without achieving victory, Bush said that Gates "can help make the necessary adjustments in our approach." He said his national security team would meet with members of both parties in coming weeks to brief them on developments in Iraq and listen to their ideas for moving forward.

Rumsfeld earned a small army of enemies inside and outside the Pentagon during his tumultuous tenure, and his critics rejoiced at his departure yesterday. Just minutes before Bush announced the defense secretary's departure, Rep. Nancy Pelosi (D-Calif.), suggested at her inaugural news conference as likely the next House speaker that the president dump Rumsfeld in response to the election. She and other Democratic leaders later welcomed the move and said they hoped it would prove to be the beginning, not the end, of change in Bush's leadership in Iraq.

"I hope the departure of Mr. Rumsfeld will mark a fresh start toward a new policy in Iraq," Pelosi said.

A number of Republicans were equally hopeful that the president's apparent openness would culminate in policy changes.

"This change in leadership at the Pentagon is the right opportunity for the administration to develop a new strategy," said Sen. Susan Collins (R-Maine). "The current approach has not led to a reduction in the insurgent violence that our troops and the Iraqi people face every day."

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Bush cautioned the nation's enemies not to take heart from Rumsfeld's removal or the election results. "Do not be joyful," he said. "Do not confuse the workings of our democracy with a lack of will."

Still, some of those waging the insurgency in Iraq reacted with glee to Rumsfeld's ouster. "We hope that Bush will go next, after this butcher, who's responsible for killing tens of thousands of civilian people in Iraq and Afghanistan," Abu al-Zubeir Dulami, a member of the Mujaheddin Shura Council, an umbrella organization for al-Qaeda in Iraq and other Sunni insurgent groups, said by telephone from Ramadi. "We consider it a big accomplishment for the people of al-Qaeda in Iraq."

Bush said that Rumsfeld would serve until Gates is confirmed. White House officials were exploring yesterday whether the current Senate could act on his nomination during a lame-duck session later this month or if the matter would have to wait until the new Senate convenes Jan. 3. His confirmation would raise questions about the fate of other top Pentagon officials, particularly Deputy Defense Secretary Gordon England and Undersecretary of Defense for Intelligence Stephen A. Cambone. Cabinet secretaries typically get to bring in their own teams.

Gates has privately expressed deep reservations about the situation in Iraq, according to at least one person who has spoken to him about it in the context of the Baker group's deliberations. "He is basically very concerned about what is happening over there, and he thought that bad mistakes were made -- and he was frustrated that the administration was unable to adjust and make the changes that he feels needed to be made."

A Meek Departure From The War Cabinet (WP)

By Thomas E. Ricks, Michael Abramowitz

The Washington Post, November 9, 2006

With a wry smile, Donald H. Rumsfeld gently alluded to the controversies of his tenure as defense secretary, perhaps the most consequential since that of Robert S. McNamara during the Vietnam War.

Thanking the president for the opportunity to serve, Rumsfeld said in a brief Oval Office session yesterday afternoon that the experience brought to mind the words of Winston Churchill -- "something to the effect," he quipped, "that I have benefited greatly from criticism, and at no time have I suffered a lack thereof."

It was a rare melancholy moment for the alpha male and onetime Princeton wrestler who ran roughshod over the military brass, sparred bitterly with the media and mounted fierce rear-guard battles against the State Department during a six-year run that saw him become, first, an unlikely television celebrity and then the face of an unpopular war.

Though Bush affectionately patted Rumsfeld on the shoulder as he ushered him out of the Oval Office, there was little sugarcoating the reality that the defense chief, 74, was being offered as a sacrificial lamb amid the repudiation of Bush and his Iraq policy that the American electorate delivered on Tuesday.

Andrew H. Card Jr., then the White House chief of staff, had actually recommended this course of action to Bush two years ago. The fact that the defense chief lasted so long in the job was essentially a reflection of the fact that, in firing Rumsfeld, "you are basically admitting you made some serious mistakes in the conduct of the war," observed former White House chief of staff Leon E. Panetta.

What is certain to be long debated is Rumsfeld's legacy at the Pentagon, which involved two tours. The first lasted 14 months in 1975 and 1976, when, at just 43, he served as the youngest defense secretary ever under President Gerald R. Ford and as a close ally of then-White House chief of staff Dick Cheney. (It was Rumsfeld who first recruited Cheney into the Nixon administration.)

Admirers and detractors alike credit Rumsfeld with an unusual willingness to question prevailing assumptions, such as where U.S. troops should be deployed overseas, and to shake up a Pentagon bureaucracy that he regarded as an impediment to making changes necessary to confront new and evolving threats to the United States.

Where they split is over whether Rumsfeld had the capacity to carry out true institutional change at the Pentagon, since from Day One he alienated top military brass and powerful congressional figures with his brusque manner and confusing decision-making process.

On Iraq, Rumsfeld found himself increasingly questioned by generals, lawmakers and others over miscalculations that included not planning adequately for the post-invasion occupation and failing to recognize soon enough the nature of the insurgency, as well as what they regarded as his derelict handling over the past five years of the detainee and interrogation controversies at the Pentagon.

With Rumsfeld's departure, most of the top Pentagon civilians responsible for planning the invasion and early occupation of Iraq are gone.

Early into the Iraq occupation, Rumsfeld was being compared by many military men to McNamara, resented by the military for the perception that he micromanaged matters during the Vietnam War.

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"McNamara, for four years of Vietnam going down the toilet, was absolutely convinced with a religious zeal that what he was doing was the right thing," Thomas E. White, who was Rumsfeld's first Army secretary, once said. "It wasn't until 30 years later that it dawned on him that he was dead wrong. And I think you have the same thing with Don Rumsfeld."

Aides said Bush began thinking about making a change about a month ago, increasingly convinced that he needed to do something dramatic to shake up an Iraq situation that was deteriorating by the day.

"It was an evolving process," said one senior administration official, who spoke on the condition of anonymity to discuss internal deliberations. "It was a cumulative effect of where we are in the war, where the president wants to take us in the next two years."

Bush brought up the subject at one of his regularly scheduled weekly meetings with Rumsfeld, the first of several searching conversations about what to do in Iraq. But the president resisted making the change until after the elections out of concern that it would get caught up in the white-hot campaigns.

In the past, Vice President Cheney resisted proposals to dump Rumsfeld, according to a book by The Washington Post's Bob Woodward. White House officials said they did not know whether he did so again this time. Cheney spokeswoman Lea Anne McBride said the vice president "doesn't discuss the advice given to the president."

Bush was already thinking about sacking Rumsfeld when he met with news service reporters on Nov. 1, but, by his own account, he decided to mislead them to preserve the secret. One reporter asked Bush if he wanted Cheney and Rumsfeld to remain through the end of his term, on Jan. 20, 2009. The president answered yes.

In fact, Bush was then busily searching for a replacement for Rumsfeld. Former secretary of state James A. Baker III, a close friend and ally of Bush's father who is heading a blue-ribbon commission studying options for Iraq, had praised Robert M. Gates to the president, but he did not recommend him for the Pentagon job, nor did he recommend that Rumsfeld be ousted, the senior official said.

Other candidates were considered, but Bush met only with Gates, on Sunday at his Texas ranch. After flying back to Washington on Election Day, Bush met with Rumsfeld in the Oval Office to tell him that he was going forward with the move. The president sat down with Gates again at the White House yesterday morning before announcing the appointment.

Although Rumsfeld contributed position papers to the Bush campaign in 2000, he was not a close member of the Texas governor's brain trust; and he was not the president-elect's first choice for defense secretary. But Bush turned to him at Cheney's suggestion, made in part as a way of providing a counterweight to Colin L. Powell, who had already been chosen as secretary of state. Conservatives were nervous about the power that the moderate, multilateralist Powell, a former chairman of the Joint Chiefs of Staff, might wield over defense as well as foreign policy.

Rumsfeld's assertive voice on foreign policy matters stems from the early days of the Bush administration, when he advised the new president to limit his involvement in the Israeli-Palestinian conflict, and to adopt a tough line on issues including North Korea and China. Although Rumsfeld was considered less an ideologue than an unyielding iconoclast, he brought with him to the Pentagon's executive suites and advisory councils a collection of neoconservatives with strong views on the Middle East, Russia, China and other foreign policy issues. They clashed at nearly every turn with officials of Powell's State Department, setting up an internal conflict that would run through Bush's entire first term.

Rumsfeld's early efforts to speed military transformation were stymied by resistance to requested budget increases. Many in Congress -- in both parties -- were put off by his abrasive style, and he had already alienated many in the Defense Department. There were widespread rumors in the summer of 2001 that he would not last through Bush's first year. Then came the Sept. 11, 2001, attacks, and Rumsfeld suddenly appeared on the cover of the conservative National Review, drawn with bulging muscles and wearing a Superman costume. Once the Taliban and al-Qaeda were vanquished in Afghanistan, he quickly turned his attention to Iraq as a testing ground for his transformation ideas.

"There is an upside and a downside to Rumsfeld," said one retired four-star general who had been close to Rumsfeld and who spoke on the condition of anonymity to speak more candidly. "The upside is that he came to the job with a valid vision of the need for, and ideas about how to transform the military and to make it more suitable for the new century. The downside is that he muddled the [Iraq] war so badly that nobody is ever going to remember the upside."

Rumsfeld seemed uninterested in the ideas of others around him, particularly those within the uniformed services. By numerous accounts of those who worked with him, he did not encourage the questioning of his ideas or orders and was quick to ridicule ideas with which he did not agree.

Eliot A. Cohen, a professor of strategic studies at Johns Hopkins University who closely follows the Pentagon, offered a more sympathetic account of Rumsfeld's tenure.

"This is a guy who has devoted an enormous amount of his career to service and doing his best as he understood it," said Cohen. "To a large extent, he got turned into a scapegoat and also a caricature -- the fire-breathing bully. My experience with him is that he could be an excellent listener.

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"He deserves his share of the blame for what happened," Cohen added. "but to think that it is entirely his fault . . . would be missing the point."

Rumsfeld's account yesterday in the Oval Office of the fighting in Iraq and Afghanistan might also stand as his defense of his record: "The first war of the 21st century . . . is not well known, it was not well understood. It is complex for people to comprehend."

Rumsfeld Resigns; Bush Vows "To Find Common Ground"; Focus Is On Virginia (NYT)

By Sheryl Gay Stolberg, Jim Rutenberg

The New York Times, November 9, 2006

WASHINGTON, Nov. 8 — Faced with the collapse of his Republican majority in Congress, President Bush responded swiftly on Wednesday by announcing the departure of Defense Secretary Donald H. Rumsfeld and vowing to work with Democrats "to find common ground" on the war in Iraq and domestic issues.

With Democrats having recaptured the House and control of the Senate depending on the outcome of a single unsettled contest in Virginia, Mr. Bush, sounding alternately testy and conciliatory at a White House news conference, said he was "obviously disappointed." He portrayed the results as a cumulative "thumping" of Republicans and conceded that as head of the party, he bore some responsibility.

In Virginia, though Senator George Allen had not conceded Wednesday night, the Democrat, Jim Webb, was confident enough of victory to begin talking about transition. Mr. Allen's defeat would mean that the Democrats would control the Senate for the first time since 2002 and would control both houses of Congress.

Just days after telling reporters that he would keep Mr. Rumsfeld on for the rest of his term, Mr. Bush said that the two had agreed "after a series of thoughtful conversations" that it was time for Mr. Rumsfeld, a magnet for criticism about management of the war, to go.

The president asked Robert M. Gates, who was director of central intelligence under Mr. Bush's father, to take over at the Pentagon at a time when the administration is under intense pressure to develop a new approach in Iraq.

Senior White House officials said the Rumsfeld resignation had been discussed for weeks, coming as the violence intensified in Iraq and a growing number of critics — including Republicans — called for the secretary's firing.

Several weeks ago, with the White House's own internal polls showing Democrats making gains on antiwar sentiment, Mr. Bush and a few top aides began a series of secret meetings to discuss what he knew would be an explosive announcement.

Meanwhile, the president was holding heart-to-heart talks with Mr. Rumsfeld. As the longest-serving member of Mr. Bush's cabinet — and a member of Mr. Bush's father's cabinet as well — the defense secretary had always enjoyed Mr. Bush's unconditional public support.

The impending resignation was so closely held that the chairman of the Senate Armed Services Committee, Senator John W. Warner of Virginia, did not learn of it until Mr. Rumsfeld called him 45 minutes before it was announced. The White House was also wary about how the news might affect the election.

"It's like when you get asked about the dollar," one senior White House official said in describing why Mr. Bush gave no hint of the resignation when asked directly about it last week. "If you don't give the same answer every time, the markets move."

The timing of the announcement left no doubt that Mr. Bush wanted to make a dramatic demonstration of flexibility in dealing with a war that has come to define his presidency.

The White House said it had not yet determined whether to ask the departing Republican-controlled Senate to take up the Gates nomination or to wait for the new Senate, potentially in the hands of Democrats, to take it up next year. But Mr. Warner said he would like to see Mr. Gates confirmed by the end of the year, if possible.

Tuesday's vote ripped apart the political landscape in Washington just two years after Mr. Bush won re-election and declared that he intended to expend his political capital on behalf of an ambitious agenda.

While members of both parties said the election was about the war as much as anything, Republicans opened a debate about whether they had also been undone by failing to stick closely enough to conservative principles. Republicans in the House moved toward overhauling their leadership, and presidential contenders in both parties began preparing for an almost immediate start to the 2008 campaign.

Democrats picked up at least 28 seats in the House, putting them in control of that chamber for the first time in 12 years.

By midday Wednesday, Democrats had won one of the two Senate races that had been left undecided overnight, claiming a seat in Montana from the incumbent Republican, Conrad Burns.

In Virginia, the Democrat, Mr. Webb, held a lead of less than 0.5 percent of the 2.3 million votes cast, aides to Mr. Allen suggested on Wednesday evening that he could acknowledge defeat as early as Thursday afternoon.

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After spending weeks questioning Democratic approaches to the economy and national security as dangerous for the nation, Mr. Bush said he recognized "that many Americans voted last night to register their displeasure with the lack of progress" in Iraq. He said he intended to "work with the new Congress in a bipartisan way" and invited leading Democrats to meet with him at the White House beginning on Thursday.

Representative Nancy Pelosi, the California Democrat who is now expected to become the first female speaker of the House, said Mr. Bush had invited her to lunch, calling her "Madam Speaker-elect."

Senator Charles E. Schumer, the New York Democrat who spearheaded his party's campaign to take back the Senate, said he had received calls from Mr. Bush's press secretary, Tony Snow, and his chief political adviser, Karl Rove, as well as the president himself. Mr. Schumer said he thought it meant the White House was serious about reaching out.

"He was gracious," the senator said of Mr. Bush. "He said, 'You did an amazing job, congratulations.' He said, 'I wish you were on my team.' And I said, 'No you don't, Mr. President.' "

In the Capitol, Ms. Pelosi vowed to use the first 100 hours of the new Congress to push through what Democrats dubbed their "Six for '06" agenda.

That program includes calls to raise the minimum wage, repeal subsidies for oil companies and incentives for companies to send jobs overseas, cut interest rates on student loans, give the government the authority to negotiate with pharmaceutical companies for lower prescription drug prices, and expand opportunities for embryonic stem cell research. On one of those issues, the minimum wage, Mr. Bush signaled there was room for a deal, as he also did on immigration.

But Democrats made it clear that their first order of business, even before taking over in January, would be pressing the Bush White House to change course in Iraq.

Senator Harry Reid of Nevada, the Democratic leader, called for Mr. Bush to convene a bipartisan summit meeting on Iraq. Ms. Pelosi, apparently unaware that Mr. Rumsfeld's resignation was about to be announced, called pointedly on Mr. Bush to get rid of the secretary of defense, saying it would "signal an openness to new, fresh ideas."

As Democrats turned their attention to governing, Republicans — including Mr. Bush — grappled with their losses. Although Mr. Bush had been insisting in public that he was confident Republicans would retain control of both houses of Congress, his aides said privately on Wednesday that the president knew as early as several weeks ago that Democrats were likely to capture the House, even as he hoped for an upset.

"If you look at it race by race, it was close," the president told reporters in the East Room of the White House. "The cumulative effect, however, was not close. It was a thumping."

Washington has been a one-party Republican town for almost the entire six years Mr. Bush has been president. Tuesday's election ended any talk about Republicans establishing a permanent majority in the capital and upset a power structure that extended from Congress and the White House through the network of lobbyists, interest groups and donors who have supported Republicans and their agenda for years.

"We're going to take a two-year hiatus," Representative Thomas M. Reynolds of New York, chairman of the National Republican Congressional Committee, told reporters at a morning news briefing. Of Ms. Pelosi, he said: "My goal and job will be to make sure she never sets the record that Denny Hastert set."

Mr. Reynolds was referring to the current speaker, Representative J. Dennis Hastert of Illinois, who has held the job longer than any other Republican in the nation's history. Mr. Hastert issued a statement on Tuesday saying he would not seek the role of minority leader in the new Democratic-controlled House.

In addition to upending the balance of power between the parties in Washington, Tuesday's election also set up a leadership scramble within the parties themselves. Two Democrats, Representative Steny H. Hoyer of Maryland and Representative John P. Murtha of Pennsylvania have both said they will seek the position of majority leader, to replace Ms. Pelosi if, as expected, she moves up to speaker.

And there has been speculation that Representative Rahm Emanuel, the chairman of the Democratic Congressional Campaign Committee who is widely viewed as an architect of Tuesday's House victory, would seek the position of Democratic whip. Mr. Emanuel said Wednesday that he had not made any decision about the whip's race but would do so "in short order."

At the other end of Pennsylvania Avenue, Mr. Bush gathered his senior aides — Mr. Rove; Joshua B. Bolten, the White House chief of staff; and Dan Bartlett, counselor to the president — in the Oval Office before 7 a.m. Wednesday to assess the new power structure on Capitol Hill.

Although the White House had been insisting for weeks that it was not planning for a Democratic takeover, those in the room were part of a small cadre of presidential advisers, also including the national security adviser, Stephen J. Hadley, and the domestic policy adviser, Joel D. Kaplan, who had already been doing just that.

"We got thumped, it's time, let's go," Mr. Bush said, according to one person who was present at the early morning meeting. "Let's get them on the phone. Is it too early?"

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Aides to Mr. Bush said they wanted to make some fast moves to show they were nimble in the face of the new challenge and to seize at least some of the stage on a day that belonged to Democrats. At the same time, they said, they wanted to show they had heard the voters' message that it was time for a new direction in Iraq.

And they said Mr. Gates was someone the president was comfortable with; Mr. Bush considered him for the position of director of intelligence, now held by John D. Negroponte.

Mr. Gates and the president met secretly on Sunday at Mr. Bush's ranch in Crawford, Tex.; to avoid the prying eyes of reporters and low-level White House officials who were camped out in nearby Waco, Mr. Gates met senior aides to Mr. Bush in the little town of McGregor and was then spirited into the ranch, aides said.

Mr. Gates, the president of Texas A&M University, had a difficult confirmation as director of central intelligence 15 years ago because of accusations that he had slanted intelligence. Senator Carl Levin of Michigan, the senior Democrat on the Senate Armed Services Committee, pledged to give Mr. Gates "a fair and fresh look," despite voting against his confirmation in 1991.

Despite the pronouncements of bipartisanship on both sides, there were questions about how Mr. Bush would work with a party whose Senate leader, Mr. Reid, has called him "a liar," and whose House leader, Ms. Pelosi, has called him "incompetent."

Asked in an interview on ABC News about her comments that Mr. Bush was incompetent, Ms. Pelosi replied, "Incompetence in the implementation of a war is dangerous," but she quickly added that it was time to move past old conflicts.

Mr. Bush, meanwhile, was asked at his news conference how he could have been so hopeful of Republican victory in the face of polls predicting such serious losses.

"I thought when it was all said and done, the American people would understand the importance of taxes and the importance of security," the president said. "But the people have spoken, and now it's time for us to move on."

Nomination Offers "fresh Perspective" On Iraq (USAT)

By Susan Page, Matt Kelley

USA Today, November 9, 2006

WASHINGTON — Stay the course?

The White House announced two weeks ago that President Bush no longer planned to utter that signature phrase about the war in Iraq, and with a stunning White House announcement Wednesday that signal went beyond rhetoric: Defense Secretary Donald Rumsfeld, an architect of the Iraq war, was stepping down.

To replace him, President Bush turned to an adviser to his father's administration, former CIA director Robert Gates, a member of the bipartisan commission that is now putting the final touches on a report with recommendations on what to do about Iraq.

Endorsing the need for a "fresh perspective," the president opened the door to changing tactics in the war, though he didn't back away from its justification.

"I recognize that many Americans voted last night to register their displeasure with the lack of progress being made there," Bush told an East Room news conference. He said voters, increasing the ranks of Democrats in the House and Senate, had delivered his party a "thumpin'. "

The morning after the worst setback for Republicans on Capitol Hill since Watergate, the president sought to rescue the final two years of his tenure from being paralyzed by an increasingly violent and unpopular war.

He gave what military analyst Charles Pena calls "a peace offering" to Democratic congressional leaders who have been demanding Rumsfeld's departure for months. An hour before news of the resignation began to leak Wednesday, Rep. Rahm Emanuel, D-Ill, chairman of the triumphant Democratic Congressional Campaign Committee, had declared the Pentagon chief's ouster a priority for the incoming Democratic majority.

"It's clear that what we're doing (in Iraq) is not working," Emanuel said at his first news conference of the day. "We need both a new strategy and a management team, at least in the secretary, that does that."

In January, with control of one or both houses of Congress, the Democrats would have been in a position to do more than complain about Rumsfeld. Rep. Ike Skelton, D-Mo., in line to become chairman of the House Armed Services Committee, told reporters Wednesday that he planned to create a subcommittee to focus on oversight and investigations of the Pentagon.

"Will this change the policy?" Skelton asked of Rumsfeld's departure. "I don't know. I certainly hope so." He added, "I'd rather have that than have a new face with the old policies of stay-the-course and keep feeding young people into the cauldron of Iraq."

Rumsfeld was characteristically wry as he stood between his boss and his intended successor in the Oval Office Wednesday afternoon.

"It's been quite a time," he said. "It recalls to mind the statement by Winston Churchill — something to the effect that 'I have benefited greatly from criticism, and at no time have I suffered a lack thereof.' " Bush laughed at that.

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The brusque Pentagon chief was also uncharacteristically emotional as he finished his comments. There was an audible catch in his voice when he said the "young men and women in uniform … remain in my prayers always." Bush gave him three hearty slaps on the back as the men walked out.

A former Eagle Scout and Navy pilot, Rumsfeld was elected four times as a congressman from suburban Chicago, then served in the Nixon White House. (There, he gave a young congressional fellow named Dick Cheney a job; Cheney as vice president returned the favor a quarter-century later by putting forward Rumsfeld's name for the Pentagon post.) As President Ford's chief of staff, Rumsfeld struggled to manage the repercussions of a Watergate scandal that decimated GOP ranks in Congress in the 1974 midterm elections.

In 1975, at 43, he became the youngest secretary of Defense.

In 2001, at 68, after earning a fortune at J.D. Searle Co. and elsewhere, he became the oldest secretary of Defense. It was, he told Bush Wednesday, "a wholly unexpected opportunity."

Skelton says Rumsfeld plans to stay on the job until Gates' nomination can be confirmed by the Senate. If he does, Rumsfeld late next month will add one more milestone to his resume: the longest-serving secretary of Defense. He'll surpass the tenure of Robert McNamara, who was pushed to resign in 1968 as President Johnson struggled to manage an unpopular war in Vietnam.

Rumsfeld's legacy at the Pentagon during this tour of duty is mixed, analysts say.

"There's much that Rumsfeld did that's commendable: His focus on transformation of the military, on quicker responses, on a variety of new thinking," says Kurt Campbell, a former Pentagon and National Security Council official for President Clinton. He is now a scholar at the non-partisan Center for Strategic and International Studies. "But because of Iraq, much of his legacy is likely to be considered tragic."

Rumsfeld returned to the Pentagon determined to transform the U.S. military into a leaner, more agile and technologically sophisticated force. Critics say his insistence on a "lean" invasion force in Iraq — despite the views of Army Chief of Staff Gen. Eric Shinseki and others — and the failure of U.S. forces to control the looting and disorder that followed Saddam Hussein's ouster contributed to the current impasse in Iraq.

During the months after the 2001 terrorist attacks, when the United States invaded Afghanistan, Rumsfeld was a media star and a calming and unifying leader, says Barry Blechman, head of the military consulting firm DFI International and a member of the secretary's policy advisory board.

"The president made some excellent speeches, but on a day-to-day basis, it was Rumsfeld's steadfastness, determination and involvement that people saw," says Blechman. Rumsfeld's sharp rejoinders to reporters and his ruminations about "known knowns, known unknowns and unknown unknowns" made the Pentagon's televised briefings fodder for comedy routines on late-night TV.

But Rumsfeld made a "tragic mistake" in Iraq, Blechman said. "He made one big mistake, in that he believed those who said that all we had to do is get rid of (Saddam) Hussein and we didn't have to worry much about what would happen afterwards. As a result, we didn't plan properly for the period that followed Hussein's demise and made some bad decisions about how to conduct the occupation."

A half-dozen retired generals this year began publicly criticizing Rumsfeld's leadership, among them, three who had served in Iraq under Rumsfeld. An editorial in the Army Times, Navy Times, Air Force Times and Marine Corps Times (publications owned by Gannett, which also owns USA TODAY) last week called for his resignation.

Rumsfeld's resignation comes after a spike in sectarian violence during the Muslim holy month of Ramadan helped push the death toll for U.S. troops to 105 in October, the fourth-deadliest month since the invasion in March 2003.

Military commanders have shifted hundreds of American forces to Baghdad to crack down on Sunni and Shiite militias, but U.S. generals acknowledge that effort has fallen short of expectations.

Rumsfeld's departure doesn't make the policy options any less problematic, however.

"If there were easy solutions, we would have figured out what they were a long time ago," says Ivo Daalder, a national-security aide in the Clinton White House. "Everyone is looking for the Holy Grail, to withdraw with honor, to not leave the mess worse than it is today."

That may not be possible, he says. "Basically, it seems to me we either accept defeat and its consequences, or we just in one form or another continue down a course that makes us accept defeat down the road, and the consequences being larger."

The 10-member bipartisan panel is due to issue recommendations soon. Chaired by former secretary of State James Baker and Lee Hamilton, former House International Relations Committee chairman, the committee has worked with four task forces studying Iraq's "strategic environment," military and security situation, political development, and economy and reconstruction.

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The members include Gates, former Supreme Court justice Sandra Day O'Connor and Vernon Jordan, a former adviser to President Clinton.

Sen. Joseph Biden, D-Del., the ranking Democrat on the Senate Foreign Relations Committee, predicts the commission's options will include the substantial redeployment of U.S. forces, consultation with Iraq's neighbors, including Iran and Syria, and increased political independence for Iraq's ethnic regions. The panel "will give the administration the necessary political room to be able to make a radical change," Biden says, especially with a new secretary of Defense in charge.

Rep. John Murtha, D-Pa., a critic of the war who testified before the commission, says he believes it will propose deploying U.S. troops away from the daily crossfire between Iraqi factions. "I see signals that they are talking about benchmarks and redeployment sooner rather than later," he says.

Gates is a 26-year veteran of the CIA, named by the first President Bush to head the agency. A native of Wichita, Gates is now president of Texas A&M University, where the elder Bush's presidential library is located. While Rumsfeld sometimes flares with drama, Gates personifies the circumspect analyst.

John McLaughlin, a former CIA deputy director who worked for Gates, says "it's not inconsequential" that Gates is a member of the commission.

"What we're seeing is a convergence of pragmatic people from Bush I, Bush II and Congress on the next steps" in Iraq, he says.

An unscientific sampling of opinion from members of the military who have served in Iraq and their families found a range of views about Rumsfeld.

"To be honest with you, I thought we were doing a good job in Iraq helping the Iraqi people liberate themselves from the few people who don't want us there," says Luis Valdovinos of Riverside, Calif. He left the Marine Corps last year after two tours in Iraq. He proudly remembers shaking Rumsfeld's hand when the secretary visited troops at the Al Asad base in Iraq in 2004.

Army Reserve Sgt. 1st Class Carl Church, of Hemet, Calif., is ambivalent. "My reaction is, hopefully, some good will come of it," he says of Rumsfeld's departure. "There's some good decisions (in Iraq) and there's some bad decisions. They say the commanders in the field are running things, and some people say the politicians are running things. I have no idea."

"I think we need a change and maybe some fresh perspective," says Gailo Bodenhamer of Belton, Texas, outside Fort Hood. Her husband, Army Capt. Jonathan Bodenhamer, is a company commander slated to come home next week after a second year-long combat tour in Iraq.

Maybe new leadership will mean he won't have to return a third time, Bodenhamer says.

Rumsfeld Quits; Bush Taps Gates For Post (AP)

By Robert Burns, Katherine Shrader

AP, November 8, 2006

After years of defending his secretary of defense, President Bush on Wednesday announced Donald H. Rumsfeld's resignation within hours of the Democrats' triumph in congressional elections. Bush reached back to his father's administration to tap a former CIA director to run the Pentagon.

The Iraq war was the central issue of Rumsfeld's nearly six-year tenure, and unhappiness with the war was a major element of voter dissatisfaction Tuesday — and the main impetus for his departure. Even some GOP lawmakers became critical of the war's management, and growing numbers of politicians were urging Bush to replace Rumsfeld.

Bush said Robert Gates, 63, who has served in a variety of national security jobs under six previous presidents, would be nominated to replace Rumsfeld. Gates, currently the president of Texas A&M University, is a Bush family friend and a member of an independent group studying the way ahead in Iraq.

The White House hopes that replacing Rumsfeld with Gates can help refresh U.S. policy on the deeply unpopular war and perhaps establish a stronger rapport with the new Congress. Rumsfeld had a rocky relationship with many lawmakers.

"Secretary Rumsfeld and I agreed that sometimes it's necessary to have a fresh perspective," Bush said in the abrupt announcement during a postelection news conference.

In a later appearance at the White House with Rumsfeld and Gates at his side, Bush praised both men, thanked Rumsfeld for his service and predicted that Gates would bring fresh ideas.

"The secretary of defense must be a man of vision who can see threats still over the horizon and prepare our nation to meet them. Bob Gates is the right man to meet both of these critical challenges," Bush said.

But underscoring that he would not bow to those pushing for a quick U.S. withdrawal, Bush also said, "I'd like our troops to come home, too, but I want them to come home with victory."

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In brief remarks, Rumsfeld described the Iraq conflict as a "little understood, unfamiliar war" that is "complex for people to comprehend." Upon his return to the Pentagon after appearing with Bush and Gates, Rumsfeld said it was a good time for him to leave.

"It will be a different Congress, a different environment, moving toward a presidential election and a lot of partisanship, and it struck me that this would be a good thing for everybody," Rumsfeld told reporters.

There was little outward reaction among officials at the Pentagon, beyond surprise at the abrupt announcement.

Asked whether Rumsfeld's departure signaled a new direction in a war that has claimed the lives of more than 2,800 U.S. troops and cost more than $300 billion, Bush said, "Well, there's certainly going to be new leadership at the Pentagon."

Voters appeared to be telling politicians that the sooner the war ends the better. Surveys at polling places showed that about six in 10 voters disapproved of the war and only a third believed it had improved long-term security in the United States.

Pentagon spokesman Bryan Whitman said Rumsfeld was not leaving immediately. Rumsfeld planned to deliver a speech on the global war on terrorism at Kansas State University on Thursday.

Just last week Bush told reporters that he expected Rumsfeld, 74, to remain until the end of the administration's term. And although Bush said Wednesday that his decision to replace Rumsfeld was not based on politics, the announcement of a Pentagon shake-up came on the heels of Tuesday's voting.

With his often-combative defense of the war in Iraq, Rumsfeld had been the administration's face of the conflict. He became more of a target — and more politically vulnerable — as the war grew increasingly unpopular at home amid rising violence and with no end in sight.

Gates ran the CIA under the first President Bush during the first Gulf war. He retired from government in 1993.

He joined the CIA in 1966 and is the only agency employee to rise from an entry level job to become director. A native of Kansas, he made a name for himself as an analyst specializing in the former Soviet Union and he served in the intelligence community for more than a quarter century, under six presidents.

Numerous Democrats in Congress had been calling for Rumsfeld's resignation for many months, asserting that his management of the war and of the military had been a resounding failure. Critics also accused Rumsfeld of not fully considering the advice of his generals and of refusing to consider alternative courses of action.

Sen. Carl Levin of Michigan and Rep. Ike Skelton of Missouri — the top Democrats on the Armed Services committees — said the resignation would be a positive step only if accompanied by a change in policy.

"I think it is critical that this change be more than just a different face on the old policy," Skelton said.

Rumsfeld, 74, has served in the job longer than anyone except Robert McNamara, who became secretary of defense during the Kennedy administration and remained until 1968. Rumsfeld is the only person to have served in the job twice; his previous tour was during the Ford administration.

Rumsfeld had twice previously offered his resignation to Bush — once during the Abu Ghraib prisoner abuse scandal in spring 2004 and again shortly after that. Both times the president refused to let him leave.

Gates took over the CIA as acting director in 1987, when William Casey was terminally ill with cancer. Questions were raised about Gates' knowledge of the Iran-Contra affair, and he withdrew from consideration to take over the CIA permanently. Yet he stayed on as deputy director.

Then-National Security Adviser Brent Scowcroft, who has been a critic of the younger Bush's policies, asked Gates to be his deputy in 1989 during the administration of Bush's father. The elder President Bush, a former CIA director himself, asked Gates to run the CIA two years later.

Gates won confirmation, but only after hearings in which he was accused by CIA officials of manipulating intelligence as a senior analyst in the 1980s.

Melvin Goodman, a former CIA division chief for Soviet affairs, testified that Gates politicized the intelligence on Iran, Nicaragua, Afghanistan and the Soviet Union. "Gates' role in this activity was to corrupt the process and the ethics of intelligence on all of these issues," Goodman testified.

The Bush administration's use of intelligence on Iraq has been a central theme of criticism from Democrats who say the White House stretched faulty intelligence from U.S. spy agencies to justify invading Iraq in 2003.

Gates has taken a much lower profile since leaving government. He joined corporate boards and wrote a memoir, "From The Shadows: The Ultimate Insider's Story of Five Presidents and How They Won the Cold War." It was published in 1996.

Gates is a close friend of the Bush family, and particularly the first President Bush. He became the president of Texas A&M University in August 2002. The university is home to the presidential library of the elder Bush.

Rumsfeld Steps Down (CHIT)

By Stephen J. Hedges, Mark Silva

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Chicago Tribune, November 9, 2006

WASHINGTON -- Defense Secretary Donald Rumsfeld resigned Wednesday within hours of a stunning Republican setback in nationwide midterm elections, a vote that became a referendum on President Bush's strategy for the war in Iraq and on Rumsfeld's stormy stewardship of the Pentagon.

Bush announced Rumsfeld's departure during a news conference, stating that he had nominated former CIA Director Robert Gates as his next secretary of defense. All three men convened later in the Oval Office of the White House to discuss the changing of the guard.

While Bush explained his decision as a need to put "fresh eyes" on his Iraq policy, it came after voters Tuesday turned over control of the House to Democrats, who had made the military stalemate in Iraq a campaign priority. The Senate may fall to Democratic hands as well, pending the outcome of a close race in Virginia.

Rumsfeld's sudden departure was the clearest signal yet that Bush may soon make a dramatic shift in his Iraq war strategy.

Rumsfeld, the Pentagon chief since Bush took office in January 2001, was viewed as the key architect of the 2003 military invasion of Iraq, and in more recent times the public face of the failures there. His ouster could both embolden the military, with which he was often at odds, and those who have pressed for solutions that Rumsfeld strongly opposed, such as a partitioning of Iraq.

Rumsfeld's primary strategy of having U.S. troops train Iraqi military and police units to take over security in Iraq was viewed by critics as progressing slowly and poorly managed. There were also complaints about the soaring cost of reconstructing Iraq's neglected infrastructure, overcharges by private Pentagon contractors and a perceived lack of adequate U.S. troop strength.

Iraq panel's report due soon

During his news conference, Bush seemed almost eager to meet with a congressionally mandated group of experts who are soon to make recommendations on options for the U.S. forces in Iraq; the president said that session will occur next week.

That panel, known as the Iraqi Study Group, is co-chaired by James Baker, a Bush family friend who served as secretary of state during Bush's father's presidency, and former Indiana Democratic Rep. Lee Hamilton.

Gates, now president of Texas A&M University, also is a member of its board.

Bush assured Iraqis and members of the U.S. military that Rumsfeld's departure would not cause ripples of uncertainty about the U.S. mission in Iraq, but at the same time he signaled a willingness to pursue a new strategy.

Washington caught by surprise

The speed of Rumsfeld's resignation caught official Washington by surprise. A combative bureaucrat with a razor-sharp wit, Rumsfeld was expected by many to depart only when conditions in Iraq improved. Bush only last week offered assurances that Rumsfeld would stay, and that Rumsfeld and Vice President Dick Cheney, another enthusiastic proponent of the Iraq war, were doing a "fantastic job."

Rumsfeld's combative nature made him a target for those who oppose the war in Iraq, and for Democrats and some Republicans in Congress who came to question the Bush administration's assessment of the U.S. military mission there.

Rumsfeld offered to resign twice before, both times during the scandal that erupted in April 2004 over the abuse of Iraqi prisoners by U.S. soldiers. Bush then refused to accept Rumsfeld's offers to quit.

But Tuesday's elections, and the struggle in Iraq, appear to have eroded Bush's confidence in Rumsfeld, who is expected to remain at his post until the Senate confirms Gates' nomination.

After Tuesday's vote, Rep. Nancy Pelosi (D-Calif.), the presumptive House speaker when Democrats assume control of the chamber in January, called on Bush to fire Rumsfeld to demonstrate a change in the administration's Iraq policy. The White House announcement of Rumsfeld's resignation came an hour later.

The president said he already had set in motion the process of replacing Rumsfeld before the election, although Bush had maintained in an interview with reporters just last week that he expected to keep his defense secretary through his second term.

He said, though, that he had not met with Gates until Sunday and didn't have a final meeting with Rumsfeld until Tuesday. Bush met with Gates at the president's Prairie Chapel Ranch outside Crawford, Texas, before heading out for a day of campaigning in Nebraska and Kansas.

Bush said Wednesday that he misled reporters on the Rumsfeld question because "I didn't want to inject a major decision about this war in the final days of a campaign. And so the only way to answer that question and to get you on to another question was to give you that answer."

Denying that Rumsfeld's replacement is a result of the election that has handed Democrats control of the House and possibly the Senate, Bush said: "Actually, I thought we were going to do fine yesterday. That shows what I know."

The election was not close, he said. "It was a thumpin'."

Bush directly acknowledged the role that public unrest over the war played in the midterm elections and voiced a willingness to discuss war strategy with the new Democratic leaders. But he also made clear that any new tactics must be aimed at achieving his unswerving goal of "victory" in Iraq.

Bush: 'Committed to victory'

"I'd like our troops to come home, too, but I want them to come home with victory, and that [Iraq] is a country that can govern itself, sustain itself and defend itself," Bush said. "I'm committed to victory. I'm committed to helping this country so that we can come home."

Bush said that Gates would bring "a fresh perspective during a critical period in this war."

Congressional Democrats instantly hailed Rumsfeld's removal.

"The American people spoke yesterday with great force and great clarity on the need to change direction in Iraq," said Sen. Carl Levin (D-Mich.), the influential ranking member of the Senate Armed Services Committee.

"I hope that Secretary Rumsfeld's departure will lead to a change in policy."

Levin said he will do "everything I can to facilitate" consideration of Gates as Rumsfeld's replacement.

Sen. Jack Reed (D-R.I.), a member of the Armed Services Committee, said he would ask Gates to describe the administration's new plan for Iraq during the confirmation process.

"I think I'd ask him to try to define the mission in Iraq today … ask him to show us how he is going to help engage the Iraqis more aggressively in seeking out militias," Reid said.

Bush Replaces Rumsfeld (BSUN)

By Julie Hirschfeld Davis

The Baltimore Sun, November 9, 2006

WASHINGTON -- President Bush, stung by election losses that he acknowledged were a rebuke of the Iraq war, dismissed Secretary of Defense Donald H. Rumsfeld Wednesday and named former CIA Director Robert M. Gates to replace him.

Conceding that voters spurned Republicans in part "to register their displeasure with the lack of progress" in Iraq, Bush said at a White House news conference that there was a need for "new leadership" and "fresh perspective" at the Pentagon. Gates sits on a panel that is expected to present Bush with a new Iraq policy next week.

Replacing Rumsfeld, the longest-serving member of his Cabinet, was a stunning turn for a president who has staked his legacy -- and, to some degree, the fortunes of his party -- on a war plan that has lost the support of most Americans.

Bush said he had been ready to replace Rumsfeld regardless of the election's outcome, but the move was widely viewed as a bow to the new reality in Washington, in which the president will be forced to work with Democrats to find a way out of Iraq and advance his domestic agenda.

Bush said he would meet early next week with a bipartisan commission of which Gates is a member -- co-chaired by Republican former Secretary of State James A. Baker III and former Democratic Rep. Lee H. Hamilton of Indiana -- in what could be the start of a substantial change in the U.S. approach to Iraq.

Democrats greeted Rumsfeld's replacement as a sign that Bush was heeding a call from voters for a course change in Iraq and said they hoped that the president would follow it with concrete shifts in strategy.

"I welcome the long-overdue change in leadership at the Pentagon. Now we need a change in policy," Rep. Nancy Pelosi of California, the Democratic leader, said in a statement.

It was unclear, however, how far Bush was willing to go in reconsidering his policy, particularly in hastening a U.S. troop withdrawal. The president touted his selection of Gates as proof that he was open to new ideas but he rejected the idea of a quick pullout, saying that voters had not demanded such a move.

"I can understand Americans saying, 'Come home.' But I don't know if they said, 'Come home and leave behind an Iraq that could end up being a safe haven for al-Qaida.' I don't believe they said that," Bush said.

The president said that replacing Rumsfeld was a way of showing the public that he is not locked into a failed approach.

"'Stay the course' means, 'Let's get the job done,' but it doesn't mean staying stuck on a strategy or tactics that may not be working. So, perhaps I need to do a better job of explaining that we're constantly adjusting," Bush said. "What the American people hear today is, we're constantly looking for fresh perspective."

Rumsfeld's ouster came just a week after Bush issued his most recent endorsement of the Pentagon chief, telling reporters that the 74-year-old defense secretary -- a lightning rod for criticism of Bush's Iraq policy, including among retired military brass and a growing chorus of Republicans -- was performing well and would stay on.

The president acknowledged that he had lied earlier about Rumsfeld's impending departure so as not to "inject a major decision about this war in the final days of a campaign" and because he had not yet had a chance to speak with Gates or conclude his discussions with the defense secretary. Those talks, Bush said, had been going on for some time.

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In naming Gates, an experienced Washington hand who served in Republican and Democratic administrations, including that of Bush's father, the president was signaling a willingness to make substantial changes to his war plan, analysts, strategists and lawmakers said.

Bush "recognizes -- certainly, this election documented -- the fact that there's a great deal of concern, deep concern among the people of the United States" about Iraq and Afghanistan, said Republican Sen. John W. Warner of Virginia, the chairman of the Armed Services Committee. The "convergence" of a new defense secretary and the Baker commission's report will influence the administration's thinking on Iraq, he said. <

Republican Sen. Susan M. Collins of Maine called Rumsfeld's departure "the right opportunity for the administration to develop a new strategy," adding that Bush's approach thus far has failed to curb the violence in Iraq.

"It strikes me as inevitable that there will be serious discussions almost immediately about a nontrivial change in our [Iraq] policy," said William A. Galston, a former domestic adviser to President Bill Clinton.

Gates "knows that by accepting this job he's stepping into a very difficult situation that could disrupt his life and blemish his reputation," said Galston, adding that he would be unlikely to do so merely "in order to preside over the continuation of a failed policy."

Republican moderates who have long questioned Bush's war strategy said Rumsfeld's departure would be a chance for a much-needed re-evaluation.

"This midterm election and Don Rumsfeld resigning sends a powerful signal to the rest of the world that the U.S. is ready for a change of course," said Rep. Wayne T. Gilchrest of the Eastern Shore.

"We're turning the ship around, we've come to our senses. I hope [Bush] is ready to sit down for serious conversations, and I have some hope that that will happen" because of the Baker-Hamilton commission, the Maryland Republican added.

Republican moderates will join Democrats, Gilchrest said, in demanding better oversight of the war in Iraq.

Some Republican strategists said privately that Rumsfeld's departure was overdue, and that an earlier exit might have staved off or minimized the heavy losses the party took in Tuesday's balloting.

Thomas H. Kean, the former Republican governor of New Jersey who headed the 9/11 commission, said Rumsfeld "should have resigned two years ago."

Bush's emerging shift on Iraq is just the first sign, analysts said, that his presidency has been transformed by the midterm elections, from one of audacious plans backed up by sharp rhetoric to one defined by cooperation where possible to achieve far smaller goals, some of which could evaporate once he leaves office.

Democrats are all but certain to block extension of Bush's tax cuts, and with renewed focus on a timetable for withdrawal from Iraq, Bush's "legacy could very well be a time-limited one," said Michael Franc of the conservative Heritage Foundation. "There will be no permanent victories for Bush."

The president cracked his customary jokes with reporters in the ornate East Room during an afternoon news conference. But he appeared chastened by the election outcome, for which he said he bears "a large part of the responsibility."

Stressing bipartisanship, Bush said he would now work with Democrats to renew his signature No Child Left Behind education law and an immigration plan spurned by many in his party. He said he would consider an increase in the minimum wage, a top Democratic priority that he has opposed in the past.

"I believe on a lot of issues we can find common ground," Bush said.

Democrats also have reason to work with Bush, analysts said, though many predict two years of gridlock.

"A new Democratic majority is going to have to calibrate its stance toward the president very carefully -- so, obviously, they can't just roll over and play dead. But they also can't simply say, 'We're here to oppose you,'" Galston said.

Still, Bush's collegial talk could not mask his obvious disappointment that the public rejected his campaign trail argument that putting Democrats in charge would mean a huge tax increase and a less-safe country.

"I thought when it was all said and done, the American people would understand the importance of taxes and the importance of security," Bush said. "But the people have spoken, and now it's time for us to move on."

Democrats Fell Rumsfeld And Close In On Senate (FT)

By Edward Luce, Caroline Daniel, Demetri Sevastopulo

Financial Times, November 9, 2006

Donald Rumsfeld, the architect of America's Iraq war strategy, became a casualty of the Republican party's unexpectedly heavy defeat in the mid-term congressional elections when George W. Bush said on Wednesday it was time for "new leadership at the Pentagon".

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In his first public statement since the result Mr Bush said he accepted a "large part of the responsibility" for his party's defeat. But it was his defence secretary, who paid the price for failure as the President admitted that "many Americans voted to register their displeasure at the lack of progress we are making [in Iraq]".

With the announcement of Mr Rumsfeld's departure, Mr Bush will be hoping to draw a line under the election results, by seeming to bow to the public anger over the strategic failures in Iraq. The war proved the dominant issue in the campaign which cost the Republicans control of the House of Representatives and left their control of the Senate hanging on the outcome of a desperately close contest in Virginia.

Saying he needed a "fresh perspective" at the Pentagon, Mr Bush named Robert Gates, a former director of the Central Intelligence Agency under the first President Bush – would replace Mr Rumsfeld, whose previous offers of resignation had been turned down.

But Mr Bush ruled out any fundamental change of strategy in Iraq. "I recognise that many Americans voted last night to register their displeasure with the lack of progress being made there [in Iraq]," Mr Bush said in a televised press conference.

"Yet I also believe most Americans and leaders here in Washington from both political parties understand we cannot accept defeat."

Mr Bush presented the secretary of defence's departure as part of a larger reinvention of his presidency in which he would seek to restore a "bipartisan tone" to Washington DC, as he had promised in his first presidential campaign in 2000. In a surprisingly upbeat account of an election that others believe could render the Mr Bush a lame duck president in his last two years in office, he promised to work with the new Democratic leadership in Congress.

On Tuesday the Democrats gained as many as 27 seats in the House of Representatives, which will give them a working majority of up to 15 seats. Control of the Senate hung in the balance on Wednesday, with Democrats having 50 confirmed seats to the Republicans' 49 but with the Democrats' wafer-thin victory in the Virginia Senate race subject to a recount.

As the extent of the Democrat victory became apparent, Nancy Pelosi, the Democrat House leader who is set to become the first female speaker in America's history, and other leading Democrats, moved swiftly to reassure Americans that they would work with Republicans to pursue a moderate centrist agenda.

On Wednesday Mr Bush warmly welcomed Ms Pelosi's offer and said there were many areas, including immigration reform, energy independence and reform of social security where the two parties could find common ground. But Mr Bush said he would not waver from his objective of achieving "success" in Iraq and winning the "war on terror".

Rumsfeld Resigns Under Pressure (WT)

By Rowan Scarborough

The Washington Times, November 9, 2006

Defense Secretary Donald H. Rumsfeld, the icon of the U.S. war on Islamic terrorists, succumbed to mounting pressure to resign, allowing the Bush administration to begin examining a new course on the bogged-down Iraq war where the American death toll exceeds 2,800.

Appearing with President Bush at the White House yesterday, Mr. Rumsfeld referred to his many critics on Iraq by paraphrasing a hero, Winston Churchill: "I have benefited greatly from criticism, and at no time have I suffered a lack thereof."

He then talked of "this little understood, unfamiliar war," a conflict the Pentagon has dubbed "the long war" because of the time it will take to dismantle al Qaeda worldwide.

"The first war of the 21st century is not well-known, it was not well-understood, it is complex for people to comprehend," he said.

Mr. Bush, appearing the day after many Americans registered a protest vote against his Iraq policy, said, "As the secretary of defense, he has been dedicated to his mission, loyal to his president and devoted to the courageous men and women of our armed forces."

He was flanked by his the defense secretary-designate, former CIA Director Robert M. Gates, who will take a fresh look at Iraq policy.

White House press secretary Tony Snow told The Washington Times that Mr. Bush and Mr. Rumsfeld had been talking about future operations in Iraq for months, but he did not know who first raised the issue of the departure.

"It wasn't like, 'come see the principal,' " Mr. Snow said, who noted Mr. Rumsfeld had offered twice to resign two years ago.

He said they both agreed that "Iraq is not working well enough and fast enough." He referred to Mr. Gates' "new energy."

He said Mr. Rumsfeld formally submitted his resignation on Election Day.

A defense source said Mr. Rumsfeld knew he was leaving at least several weeks ago.

Another factor in the two men's thinking was that a Democratic victory likely means hours of inquisitions on Iraq policy by several House and Senate committees.

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"If he'd have to go up to the Hill three times a week to answer another request, how effective would he really be?" said a former Pentagon official. "I think that's got to be a factor on some level."

His resignation ends the Rumsfeld era in the Pentagon that saw a supremely confident dynamic manager tear up years of static processes and war-fighting strategy to build a faster, lighter military with better intelligence and precision power. Along the way, he alienated some people at the Pentagon, especially senior Army officials.

Mr. Rumsfeld prided himself in management skills. But in the end, it was his perceived management failures in the three-year Iraq war that did him in.

Mr. Gates, an intelligence analyst by trade, is expected to do a top-to-bottom review of Iraq strategy and of the generals executing it. He will also consult with the two officers whom Mr. Rumsfeld had handpicked to run the war, Army Gens. George Casey, the top commander in Iraq, and John Abizaid, who heads U.S. Central Command.

Mr. Rumsfeld, 74, who will stay in office until Mr. Gates' Senate confirmation, became more than a paper-pushing bureaucrat. The September 11, 2001, attacks on New York and the Pentagon thrust him into becoming the face, and some say, the chief strategist for a global campaign to find and kill al Qaeda terrorists.

After the attacks, Mr. Rumsfeld became a regular fixture on global television networks, talking about how he would be happy to have his troops kill members of the Taliban regime. His poll numbers soared to 70 percent job approval in late 2001 and early 2002 as U.S. troops ousted the Taliban in Afghanistan just a few months after the attack on America and as he secretly planned for war in Iraq.

Months after Iraqi dictator Saddam Hussein fell in April 2003, a deadly and vibrant insurgency began killing American troops with regularity. They used what the military calls "asymmetrical" weapons -- roadside bombs and suicide bombers. Joined by al Qaeda jihadists, the enemy grew in strength and intelligence. It was able retake cities once held by the U.S. This year, insurgents controlled wide areas of Baghdad, descending the capital into daily sectarian violence as 140,000 American troops changed tactics to try to keep up.

As the U.S. death toll mounted and progress was hard to discern, a growing number of lawmakers called on him to quit. During the election, as Democrats elevated Iraq to their top issue, even a few Republicans made the same demand.

Sen. John McCain, Arizona Republican and an influential spokesman on defense issues, declared he had lost confidence in Mr. Rumsfeld.

"This important change offers the administration and Congress a fresh opportunity to examine all aspects of our strategy and tactics in Iraq and make whatever changes are necessary to succeed there," Mr. McCain said yesterday. "I look forward to discussing with Secretary-designate Gates his ideas for correcting the mistakes of the past."

One big mistake in the Iraq war was that the insurgency was not predicted or planned for. Because of this, critics said, the invasion force was too small. And it did not have the proper body or vehicle armor.

A scandal over the mistreatment of some inmates at Saddam's infamous Abu Ghraib prison also made headlines. A human rights groups soon stuck Mr. Rumsfeld with the charge of "the architect of torture." Mr. Rumsfeld's job-approval numbers dipped into the low 30s.

During his tenure as defense secretary, Mr. Rumsfeld transformed and empowered U.S. Special Operations Command as the lead player in the global war. He signed a secret directive in 2003 giving them authority to secretly penetrate foreign lands to hunt down and kill or capture al Qaeda members. Skeptical of the CIA's spying ability, he also gave commandos broader mandate to collect intelligence.

Mr. Bush picked Mr. Rumsfeld not to wage war, but to transform a military still stuck in the Cold War. He focused on the Army, killing some of its pet weapons projects and breaking the Army division system into what became known as combat brigade teams. He also shook up how and where U.S. troops are based abroad, reducing ground forces in both Europe and Asia.

Rumsfeld's Ouster Transforms Iraq Debate (WSJ)

By Neil King Jr., Yochi Dreazen, Greg Jaffe

The Wall Street Journal, November 9, 2006

WASHINGTON -- The resignation yesterday of Defense Secretary Donald Rumsfeld, in the wake of the Democrats' decisive electoral victory, now opens the door for the biggest change of U.S. policy in Iraq since American troops got bogged down there three years ago.

After gaining substantial power in Congress, Democrats indicated that they intend to push for a different course in Iraq. The planned departure of Mr. Rumsfeld, one of the war's chief architects, signaled that President Bush might be open to far-reaching changes. To his critics, Mr. Rumsfeld had become a symbol of an administration that they saw as unbending and defensive in its handling of the war.

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Now come two decisive questions: Can Democrats agree on a unified approach for pulling U.S. troops out? And will Mr. Bush show willingness to weigh those ideas, which he has dismissed for months on the grounds that they would essentially hand victory to the terrorists? Mr. Bush's appointment of Robert Gates, a former head of the Central Intelligence Agency, to replace Mr. Rumsfeld signaled to some that the president might be open to changes.

Triumphant Democrats argue that their victory in Tuesday's congressional elections showed how strongly the U.S. public wants a new approach toward Iraq. But they still aren't clear about how to get the U.S. out of a war that has cost more than 2,800 American lives.

"Nowhere was the call for a new direction more clear from the American people than in the war in Iraq," said the incoming speaker of the House, Democratic Rep. Nancy Pelosi. "Hopefully, we can work with the president for a new direction, one that solves the problems in Iraq."

Democrats, while divided over details on how to proceed, have coalesced around some core concepts. These include a belief that the U.S. should begin by pulling its forces in Iraq, which currently total about 150,000 troops, off the streets within months and push Iraqi troops to the fore. That would be followed by a gradual withdrawal of the majority of troops from the country. Some of the 50,000 U.S. troops that would be left in Iraq would focus on advising and mentoring Iraqi forces. The majority of those remaining would serve as an emergency force that could swoop in to help Iraqi forces in trouble. Many Democrats also support the idea of holding negotiations with regional powerhouses like Iran and Syria, which maintain deep influence in Iraq.

Other critics of Mr. Rumsfeld's handling of the war, such as Sen. John McCain, the Arizona Republican, likely will continue to call on the U.S. to beef up its military presence in a bid to resolve Iraq's problems once and for all. The drawback of such an approach is that the badly strained U.S. Army and Marine Corps simply don't have enough available troops.

In remarks to reporters at the White House yesterday, President Bush didn't give a clear sense of how he intends to proceed in coming weeks. He hinted he was open to suggestions, but also vowed he wouldn't leave Iraq in the lurch. Mr. Bush said he is seeking "fresh perspective" on Iraq, but that the U.S. "cannot accept defeat." The president said he would bring back the troops only when Iraq has become "a country that can govern itself, sustain itself and defend itself."

White House officials say the events that led to Mr. Rumsfeld's replacement began several weeks ago when Mr. Bush held a series of discussions with his defense secretary about the deteriorating situation in Iraq. A senior administration official says Mr. Bush had planned to replace Mr. Rumsfeld regardless of how the elections played out. White House aides brought Mr. Gates to the presidential compound in Crawford, Texas, for an interview on Sunday.

When Mr. Rumsfeld submitted his resignation early Tuesday afternoon, Mr. Bush accepted it. As polls began closing in parts of the country, the president offered the job to Mr. Gates, officials say. Several White House officials say Mr. Rumsfeld wasn't forced out, although one added: "It was clear to Don that the president wanted him out." At a brief Oval Office ceremony yesterday, Mr. Rumsfeld thanked Mr. Bush for the chance to have served a second tour at the Pentagon, but took no questions about his resignation.

The most important figure at the moment may be a man who comes from neither party's leadership. Former Secretary of State James Baker, an old Bush family friend, is heading a bipartisan task force that is expected soon to issue recommendations for future U.S. policy in Iraq. Mr. Bush has said he plans to take seriously the proposals of the task force, which is co-chaired by former Rep. Lee Hamilton, a Democrat. The president yesterday said he plans to meet with task force members next week.

The commission's influence is likely to be bolstered by the fact that one of its members is Mr. Gates, who will take over for Mr. Rumsfeld. The arrival of Mr. Gates in the upper echelons of the Bush national-security team marks the return to prominence of someone closely associated with the Iraq policy views of the president's father, who took a markedly different approach to Iraq during the Gulf War 15 years ago.

During that conflict, the U.S. drove Iraqi troops out of Kuwait. But the senior Mr. Bush's team decided not to invade Iraq or drive to Baghdad to oust Saddam Hussein. The first Bush team was afraid that such a move would throw the country into turmoil, splinter it into Sunni, Shiite and Kurdish sections and compel the U.S. to stay in Iraq to put the nation back together.

Mr. Gates's boss at that time was Brent Scowcroft, then national security adviser, who argued that driving into Iraq would be a mistake. The first President Bush apparently agreed, as did Mr. Baker, then secretary of state.

The Baker commission is widely expected to call for talking directly to Iran and Syria, both American foes, about problems in Iraq, in hopes of getting their help in quelling the violence.

Mr. Gates had earlier advocated direct talks with Iran. In the summer of 2004, Mr. Gates and President Carter's former national security adviser Zbigniew Brzezinski co-chaired a task force that called for direct dialogue, arguing that a lack of American engagement with Iran had harmed American interests.

In a statement yesterday, Mr. Brzezinski, a critic of the war in Iraq, hailed Mr. Gates's appointment and said it may mark "the beginning of a major corrective in American policy towards the Middle East."

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Mr. Rumsfeld had long resisted efforts to increase the number of U.S. troops in Iraq. Even after his resignation, it isn't likely that there will be a surge in U.S. ground forces into Iraq, as some people have sought.

The new defense secretary is more likely to oversee a shift of the U.S. effort away from providing security in urban areas such as Baghdad to a more advisory role -- in keeping with many Democrats' proposals. In such a scenario, the Pentagon would turn big U.S. units into quick reaction forces to bail out Iraqi soldiers and advisers who get overrun. Teams of American advisers who live and work with Iraqi units would increase in number. U.S. commanders are also debating how to increase the size and number of provincial reconstruction teams, which oversee economic development and local governance.

That would represent a scaling back of U.S. ambitions. Instead of trying to transform Iraq into a model democracy, the U.S. would try to use the largely Shiite Iraqi Army, which has been beset by corruption and allegations of human-rights abuses, to stabilize the country. Police forces, which have been widely infiltrated by Shiite militias, likely would get less support.

Senior military officials say a push to bolster the U.S. advisory effort in Iraq has been in the works for several weeks and would have occurred even if Mr. Rumsfeld remained in office. There are no plans to reduce U.S. force levels in the country in the next 12 months, nor are there plans to move troops out of urban areas.

But the focus of U.S. troops appears on the verge of shifting. Lt. Gen. Ray Odieno, who will deploy to Iraq in the coming weeks to serve as the second-highest ranking U.S. officer there, said in an interview that a move to restructure and possibly increase the size of the advisory effort would likely happen "sooner rather than later."

In pushing for a new approach in Iraq, the Democrats have public opinion on their side, a fact that President Bush acknowledged yesterday. In exit polls on Tuesday, nearly 60% of voters said the war had not improved the long-term security of the U.S., and 55% said the U.S. should move to pull out some or all troops from Iraq. After Tuesday's defeat, some Republicans may join Democrats in pushing for change.

It may be difficult for Democrats to force the president to change policy. Democratic leaders have said they will not resort to the ultimate cudgel: their grip over wartime appropriations. Yet control of the House -- and likely the Senate -- will give Democrats other tools.

Two Democratic congressmen have said they will introduce bills to increase oversight of the troubled U.S.-led efforts to rebuild Iraq's infrastructure and train its security personnel. Democrats have also said they will subpoena information from the White House and Pentagon and force administration officials to appear at public hearings.

Because the Bush administration may be reluctant to appear too open to Democratic proposals, policy recommendations from the commission headed by Messrs. Baker and Hamilton, known as the Iraq Study Group, could be critical. The panel is set to release its proposal within weeks.

"I predict that the vehicle for a change in Iraq policy will be the Baker-Hamilton commission. It gives Bush a way of saving face," says Democratic Sen. Joseph Biden of Delaware. In a Democratic Senate, Mr. Biden becomes chairman of its Foreign Relations Committee. "You have to give Bush a way out, because if you back him into a corner, he gets too blindly stubborn to change course," he says.

Democrats are almost certain to back the commission's recommendations, which are expected to include calls for a regional summit with Iraq's neighbors. Several leading Republicans, such as Sen. John Warner of Virginia, the outgoing chairman of the Senate Armed Services Committee, have also said they are likely to back the panel's proposals.

Still, Democrats and Republicans remain deeply divided about both the path forward in Iraq and the conditions on the ground there.

The administration and many Republicans in Congress argue that for all the problems, progress is being made. The White House says withdrawing U.S. forces before Iraqis are ready to take over security responsibility would lead to greater violence -- and possibly full-scale civil war. Some Republicans also say a U.S. withdrawal would play to Islamic extremists' belief that the U.S. could be driven out of the Middle East through guerrilla violence, and would give terrorists a new haven in the heart of the oil-rich region.

"I can understand Americans saying, 'Come home,'" Mr. Bush said yesterday. "But I don't know if they said, 'Come home and leave behind an Iraq that could end up being a safe haven for al Qaeda.'"

Many Democrats argue that Iraq is spiraling further out of control, with little prospect of improvement. They say the open-ended U.S. military commitment is harming morale and reducing the armed forces' ability to prepare for potential future conflicts with countries like Iran or North Korea. To prevent further damage to the American military and to jolt the Iraqi government to make compromises needed to pacify the country, Democrats assert, the U.S. must move soon to diminish its troop presence in Iraq.

Mr. Biden is championing a proposal he drafted with Leslie Gelb, president emeritus of the Council on Foreign Relations. Democratic Sens. Carl Levin of Michigan and Jack Reed of Rhode Island have hatched another plan, which has received the

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backing of nearly all Senate Democrats. House Democrats like Rep. Jack Murtha of Pennsylvania have proposed yet other redeployment plans.

Virtually all the Democrats' proposals call for a regional summit to engage Iraq's neighbors, including Iran and Syria, to help stabilize the country. They call for a national reconciliation effort within Iraq designed to bridge the gaping divisions between Iraq's Sunnis, Shiites and Kurds, especially over control of the country's future oil revenues. There is also a shared appeal among the Democrats' plans for more reconstruction work at a time when U.S. funds are drying up and major companies engaged there, such as Bechtel Corp., are pulling out. And all advocate the gradual redeployment, or pulling out, of U.S. forces, with wide variations on numbers and timing.

Looking to give a catchy ring to these proposals, Democratic Rep. Rahm Emanuel of Illinois calls them "the five R's: reconciliation of the warring parties, reconstruction, responsibility for results, recognizing the parties in the region and then redeployment."

Top Democrats disagree on some important points. The central plank of Sen. Biden's plan calls for Iraq to be divided into three semiautonomous regions -- one largely Shiite, one Sunni and the last Kurdish -- each with its own proportionate share of Iraq's oil wealth. Some prominent Democrats have called that a recipe for massive sectarian strife.

New York's Sen. Hillary Clinton backs the idea of an oil trust that would guarantee that each Iraqi gets a cut from the country's oil revenues instead of divvying it up by region or ethnic identity.

Washington Shake-up, Part 2: Rumsfeld Departs (CSM)

By Peter Grier

The Christian Science Monitor, November 9, 2006

By changing the leadership of the Department of Defense, President Bush has not necessarily changed his policies in Iraq. But he may have changed the tone of Washington's debate about Iraq, at least for now.

It's not yet clear whether Secretary of Defense Donald Rumsfeld chose to leave on his own, or whether he was pushed. It's quite possible that it was a mutual decision, as Mr. Bush implied in his press conference Wednesday afternoon.

But Secretary Rumsfeld, a pugnacious former wrestler and fighter pilot, has long been a symbol of intransigence to the administration's critics. Now, newly empowered Democrats won't have him to kick around during any oversight hearings into the preparation for, and conduct of, the Iraq conflict.

"Don Rumsfeld has been a superb leader during a time of change," said Bush in announcing the change. "Yet he also appreciates the value of bringing in a fresh perspective during a critical period in this war."

From the outset, Rumsfeld was a controversial choice to lead the Pentagon. His abrasive style did not sit well with many in the military, including some of the nation's top uniformed generals and admirals. Bob Woodward's new book, "State of Denial," contains a scene in which Gen. Richard Myers, chairman of the Joint Chiefs, when asked how to decode his new boss, simply lays his head down on his desk in frustration.

Rumsfeld was not a secretary the military could easily distract by dispatching him to foreign bases on goodwill tours. His "snowflakes" - short action memos or questions about a particular subject - drifted through Pentagon offices by the dozens, causing many to work late as they drafted replies.

Critics said that Rumsfeld's views on the need for the military to transform itself into a light, lightning-strike force led to the US becoming embroiled in Iraq with too few troops. Rumsfeld himself disputed this notion, saying that he listened to his generals when it came to troop levels, and that if they had asked him for more, he would have provided them.

Initial reaction from Democrats on Rumsfeld's departure was positive, with Senate minority leader Harry Reid of Nevada, among others, saying that Bush had "taken a step in the right direction."

Senator Reid went on to call for a rethinking of the administration's overall approach to Iraq, however. There is no indication yet whether that is in the works.

Given the timing of Rumsfeld's departure, it is difficult to see it as anything less than a concession on Bush's part to the results of Tuesday's Democratic victories. "The American people have spoken," says Cal Jillson, a political scientist at Southern Methodist University in Dallas. "President Bush has listened, and Mr. Rumsfeld is gone."

Robert Gates, the man Bush intends to nominate as Rumsfeld's replacement, is perhaps a more restrained personality. Currently president of Texas A&M University, he was a longtime Washington intelligence and security-affairs official.

Mr. Gates directed the Central Intelligence Agency from 1991 to 1993, having risen through its ranks from an entry-level position. He had joined the agency during the Vietnam War, straight from Indiana University.

He is not a Rumsfeld-level thrower of bombs. He served at the CIA under Stansfield Turner, for instance, whom he later criticized for not cultivating enough of a constituency for the changes at the agency that Mr. Turner wanted to make.

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He has been serving as a member of the commission on Iraq policy that includes former Secretary of State James Baker III, among others. That commission is expected to report its findings and possible recommendations for changes in policy to the president in coming weeks.

Stage Set For Iraq Policy Shift (WP)

By Glenn Kessler, Thomas E. Ricks

The Washington Post, November 9, 2006

Democratic control of the House and possibly the Senate, combined with the resignation of Defense Secretary Donald H. Rumsfeld, has set the stage for a dramatic shift in the Bush administration's policy toward the Iraq war, lawmakers and experts said. The contours of a new policy are not clear, but there is likely to be more pressure on the Iraqi government to rein in sectarian violence and a growing clamor from Democrats to begin a drawdown of U.S. troops.

Rumsfeld is slated to be replaced by Robert M. Gates, a member of the bipartisan Iraq Study Group who has spent recent weeks learning the problems of the administration's current approach. Unlike Rumsfeld, who was widely seen as a roadblock to a shift in strategy, Gates is expected to be much more receptive to implementing the group's recommendations, due to be made public about Dec. 7.

Gates has been frustrated that the administration has been unable to adjust to changing circumstances in Iraq, according to one person who has spoken to him about the administration's management of the war. Gates, he said, believes "you can't be afraid to adjust your action to adjust to the realities on the ground."

Sen. Joseph R. Biden Jr. (D-Del.), who would chair the Senate Foreign Relations Committee if Democrats capture the Virginia Senate seat and control of the Senate, said he understood that Gates "has a much more pragmatic and realistic view of the place we find ourselves" in Iraq and is much more willing to work with the uniformed military than Rumsfeld was.

Even before the election, both Democrats and Republicans had been eagerly awaiting the recommendations of the study group, which is headed by former secretary of state James A. Baker III, a Republican, and former Democratic representative Lee Hamilton of Indiana. The group of mainstream foreign policy experts is not poised to make radical suggestions when it unveils its report, but official Washington has expected both parties to seize on its ideas for political cover.

One senior Senate aide said both parties are looking for an exit from Iraq out of "pure political interests." After their devastating losses, Republicans do not want Iraq to be an electoral albatross in 2008; Democrats, meanwhile, do not want it to still be the first order of business if they reoccupy the White House in 2009.

Biden said that a number of Republicans have told him privately that they are willing to push for a change in course on Iraq after the election. "We have a narrow window before 2008 kicks in to get a bipartisan consensus on Iraq," he said.

The administration has long set a goal of a stable, democratic Iraq, suggesting that major troop withdrawals could not be expected until the Iraqi government was capable of sustaining that enterprise itself.

"I'd like our troops to come home, too, but I want them to come home with victory, and that is a country that can govern itself, sustain itself and defend itself," President Bush said yesterday at a news conference. But he added that "Iraq is not working well enough, fast enough."

The Baker-Hamilton study group is not expected to call for pulling out of Iraq quickly. Rather, insiders say, the most likely recommendation will be to curtail the goal of democratizing Iraq and instead emphasize stability. That might entail devoting more resources to training and equipping Iraq's military, perhaps by radically increasing the size of the U.S. training and advisory effort.

Bush, who will meet with the Baker-Hamilton group next week, told reporters he is awaiting its report, mentioning twice more in his news conference that he would "work" with them. In announcing the nomination of Gates, Bush said that "he will provide the department with a fresh perspective and new ideas on how America can achieve our goals in Iraq."

Democrats served notice that they will push for a change in approach, such as beginning a phased withdrawal of U.S. troops soon. "The American people have spoken," said Rep. Nancy Pelosi (Calif.), who is in line to become House speaker in January. "It's important for us to work in a bipartisan way with the president, again, to solve the problem, not to stay the course. That's not working. That's clear."

Specifically, Pelosi said, the administration and Congress need to work together "to send a clear message to the Iraqi government and people that they must disarm the militias, they must amend their constitution, they must engage in regional diplomacy to bring more stability and reconstruction to Iraq, and that we must begin the responsible redeployment of our troops outside of Iraq."

Rep. Ike Skelton (D-Mo.), who likely will take over as chairman of the House Armed Services Committee, last year sent Bush a letter calling for the removal of one U.S. brigade -- about 3,500 troops -- for every three Iraqi brigades deemed capable. He said Bush told him his formula was "too rigid," but Skelton said he will press for this approach from his new position of power. "I think this is an important opportunity to begin a new policy direction," he said.

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Rep. Tom Lantos (D-Calif.), in line to head the House International Relations Committee in the next Congress, said there are few new ideas left to be tried and wasn't sure how much the Baker-Hamilton report would alter the debate.

"You can't unscramble the omelet and the tremendous mistakes that were made after major military operations," he said. "I don't see any magical solutions, but the president may be sending a signal of a change in course" by removing Rumsfeld immediately after the election, he said. "We are willing to meet him halfway."

Democrats yesterday appeared to have little interest in mandating a reduction in U.S. forces through spending cuts, a politically risky step.

Michael O'Hanlon, a defense expert at the Brookings Institution, said congressional Democrats will face some difficult choices as they try to move Bush toward a new approach to the war. He said they could rhetorically put pressure on Bush, but not enough to sound defeatist, keeping blame for policy failures on the GOP.

Democrats also could work with Bush to jointly pressure Iraqi Prime Minister Nouri al-Maliki to take more action to end the violence in Iraq, but that would directly associate the Democrats with administration policy.

O'Hanlon said the Baker-Hamilton report might help frame the debate by delivering a diagnosis of the problem that both sides can accept, in contrast to rhetoric from Bush that he said was often "divorced from reality."

Rumsfeld's Tenure A Long, Hard Slog (AP)

By Lolita C. Baldor

AP, November 8, 2006

He has been the square-jawed face of the war, the man behind the wars in Iraq and Afghanistan that he predicted were just the beginnings of a long, hard slog.

On Wednesday, Defense Secretary Donald H. Rumsfeld resigned from his post and became the latest casualty of those conflicts — a victim of a war he steadfastly contended the American public simply did not understand.

Standing next to President Bush in a brief White House appearance, Rumsfeld, 74, offered no regret for a war gone wrong that mushroomed into an issue that helped carry Democrats in Tuesday's elections to control of the House and the Senate. Instead, he provided a glimmer of the trademark temperament that has prompted some critics to call him arrogant.

The war, he said, "is not well known. It was not well understood. It is complex for people to comprehend." And he alluded to the crescendo of calls for his ouster, quoting Winston Churchill: "I have benefited greatly from criticism, and at no time have I suffered a lack thereof."

In the days after Sept. 11, 2001 — when he helped carry victims of the terrorist attack out of the burning Pentagon — Rumsfeld was hailed by some as a visionary who was smartly shaping the military into a new, agile force for the 21st century.

His adept management of the attack on Afghanistan in October 2001 was deemed a success, as U.S. forces drove out the ruling Taliban. His stock rose over the next year as he delivered televised war briefings from the Pentagon.

The high point may have come as Rumsfeld introduced America to "shock and awe" bombing during the ferocious assault on Baghdad in the opening days of Operation Iraqi Freedom — a tactic meant to force a quick surrender by the Iraqis.

Rumsfeld's plunge from hero soon after the spring 2003 fall of Iraqi leader Saddam Hussein to war wounded began in the murky aftermath of the fall of Baghdad. After the initial assault was over, the harder, bloodier struggle for peace began.

U.S. casualties began to mount, war costs ballooned past $300 billion and scandals over the abuse of prisoners in Iraq and elsewhere began to broaden. The calls for his resignation began with a few senior Democrats during the 2004 campaign, but slowly military leaders — mostly some who had already retired — started adding their criticism for his conduct of the war.

In response, Rumsfeld told interviewers that criticism in time of war was to be expected. He dismissed much of it as complaints from "naysayers" reluctant to confront the tough realities of a global conflict pitting Islamic extremists against forces of moderation.

He often told troops in the field that in the future, they would look back on their effort in Iraq or Afghanistan and feel proud that they were part of a historic effort to promote freedom.

While some blame him for having no plans for postwar Iraq and misjudging the strength of the insurgency, others say he served as the lightning rod for criticism of the president's war.

"He really has made some very hard calls in the Department of Defense that needed to be made that he hasn't gotten credit for, and he catches a helluva lot of criticism that he personally probably hasn't earned," said Lt. Gen. H. Steven Blum, chief of the National Guard. "He just ends up being a convenient target for somebody's frustration or disenchantment."

Rumsfeld's tenure at the Pentagon parallels that of another man whose legacy is also tied to an unpopular war — Robert McNamara, who led the Pentagon during the Vietnam conflict.

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"They became identified with the war and the war with them," said Andrew Krepinevich, executive director of the Center for Strategic and Budgetary Assessments in Washington. "Ultimately they departed as a consequence of the crisis in the field and politics here at home."

Rumsfeld offered his resignation twice to Bush during the furor over prisoner abuse at Abu Ghraib prison in Iraq, but Bush repeatedly declared his support for his embattled secretary. As recently as last month, when the latest in a series of critical books on the war was published, Rumsfeld snapped at reporters asking about his future.

"No, no, no," he said, he was not resigning.

Even Bush, when questioned by reporters a week ago, again declared his support for the secretary and insisted Rumsfeld would stay through the end of his term.

But with casualties climbing beyond 2,800 and U.S. troop levels in Iraq stuck at about 152,000 with little hope of significant reductions anytime soon, Rumsfeld became a political liability the administration could no longer endure. Even the independent Army Times, which serves the armed forces, called for him to resign earlier this week.

And as the announcement sent shock waves through Washington on Wednesday, Bush acknowledged that, in truth, he had been considering the change for at least two weeks.

Rumsfeld remained closed-mouthed about his departure until the very end. Early morning meetings went on as scheduled Wednesday, with no visible inkling of the announcement that was coming.

Then, at 10 a.m., he told the news to Gen. Peter Pace, chairman of the Joint Chiefs of Staff. He asked Pace to let all of the senior military commanders know, shortly before Bush's 1 p.m. address. Rumsfeld also told a few other close senior staff, but much of the Pentagon learned it when it broke in the news.

Walking back into the Pentagon after a late afternoon meeting with Bush, Rumsfeld was circumspect about his departure.

"I've been here six years and I think it's probably good for this department to have a change in leadership that is fresh, that is supportive of the president, as I am," he said. "It will be a different Congress, a different environment, moving towards a presidential election and a lot of partisanship, and it struck me that this would be a good thing for everybody."

Democrats Vow Not To Block Gates Hearings (RC)

By John Stanton, Emily Yehle

Roll Call, November 9, 2006

Senate Democrats on Wednesday said they would not look to block hearings on President Bush's nomination of Robert Gates to replace Defense Secretary Donald Rumsfeld, although they stopped short of pledging to confirm Gates during the upcoming lame-duck session of Congress.

Bush announced Gates' nomination after Rumsfeld resigned Wednesday morning. Although Bush in a press conference said he had been preparing for Rumsfeld's departure for at least several days, the timing was viewed by Democrats and political observers as a response to Tuesday's election results.

Senate Minority Leader Harry Reid (D-Nev.) said in an interview with Roll Call that he thought the Senate could address the nomination during the lame duck, so long as Gates is qualified and is not controversial. "I think we should do it as quickly as we can," Reid said, adding that "the country needs a Secretary of Defense."

Similarly, Senate Armed Services ranking member Sen. Carl Levin (D-Mich.) said he would like to move the nomination as quickly as possible and dismissed any possibility that Democrats would look to hold up the nomination until next year.

"I wouldn't do it for that reason. If we can get the information we need ... I think we ought to then expedite the Senate consideration of that nomination. I would not want to hold it up until next year," Levin said.

Levin and fellow Armed Services member Sen. Jack Reed (D-R.I.) also said the nominee himself may not be as important as whether Rumsfeld's departure signals an actual change in administration policy on Iraq. "What we need is a change in direction," Levin said. "That's what counts regardless of who the secretary of Defense is."

Reed added, "What we don't want to see is repetition of the Rumsfeld situation where relevant information was not forthcoming [to Congress] and it in fact undercut our ability to our job."

Gates, a longtime friend of both President Bush and his father, former President George H.W. Bush, has had a long history of political and business ties to the Bush family.

He served as the director of the Central Intelligence Agency under former President Bush, and has acknowledged deciding to begin his current academic career with Texas A&M at the request of the Bush family, according to press reports in the 1990s covering his arrival at the university.

Although Gates has only given a small amount of money to federal campaigns — including $2,000 to President Bush's re-election campaign in 2004, he sits on the boards of directors for several high-profile companies that have been generous GOP donors.

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Executives for NACCO International, Brinker Industries and Parker Drilling Company, as well as Brinker's federal political action committee, have given millions of dollars in contributions to federal candidates and PACs since 2000, the vast majority going to Republicans, according to federal campaign finance records.

Gates also is no stranger to controversy in Washington, D.C. During his time with the CIA under former President Ronald Reagan he became involved in the Iran-Contra scandal, and was accused of overseeing a program which spied on Members of Congress as part of the elaborate guns-for-drugs scheme. Gates, however, denied any knowledge of the program during his confirmation hearings in 1991, and a Democratically controlled Senate confirmed him.

Gates Nomination Marks Change Of Direction For Bush (LAT)

By Greg Miller

The Los Angeles Times, November 9, 2006

WASHINGTON — In turning to former CIA Director Robert M. Gates to take the reins at the Pentagon, President Bush has selected a low-key loyalist who is in many ways the opposite of outgoing Defense Secretary Donald H. Rumsfeld.

Whereas Rumsfeld often seemed bent on running roughshod over the Pentagon brass, Gates is described by longtime associates as collegial and a consensus-builder.

If Rumsfeld had little regard for President George H.W. Bush and many of his pragmatic security advisers, including Brent Scowcroft, Gates was part of that inner circle. He remains close not only to Scowcroft but to other Rumsfeld rivals, including Secretary of State Condoleezza Rice.

Rumsfeld placed little trust in intelligence agencies and pushed the military to encroach on their turf. In a turning of the tables, a 27-year veteran of the CIA and the National Security Council is poised to take charge of the military.

Democrats praised Gates' nomination, hoping for a less combative Pentagon chief. But Gates has proved controversial in the past. He was forced to withdraw from his first nomination as CIA director before winning a split-vote confirmation four years later.

Across the national-security community Wednesday, the deep contrasts between Rumsfeld and Gates were a subject of conversation.

Rumsfeld "is a guy who is kind of burdened with his own certitude at times," said John Gannon, a former high-ranking CIA official who worked with Rumsfeld and Gates. "That is not Bob Gates. He came out of an analytic culture where listening to the ideas of others and questioning your own assumptions is part of the tradecraft."

In announcing the changes Wednesday, Bush praised Gates' experience, but he also made clear that he expected the nominee to find fresh approaches in Iraq.

"He's a steady, solid leader who can help make the necessary adjustments in our approach to meet our current challenges," Bush said.

Gates is a member of a White House panel, led by former Secretary of State James A. Baker III and former Rep. Lee Hamilton, D-Ind., that has been charged with developing an array of alternatives to foundering Iraq policies. Gates recently traveled to Iraq as part of that team, according to the White House, and met with Iraqi leaders and U.S. military commanders.

Whereas Rumsfeld was a leading advocate for invading Iraq in the aftermath of the Sept. 11 terrorist attacks -- part of an ideological team that regarded deposing Saddam Hussein as unfinished business -- Gates was among those who cautioned the first President Bush not to press toward Baghdad after expelling the Iraqi army from Kuwait in 1992.

Gates, 63, started out at the CIA fresh out of college as a Soviet analyst and is the only agency officer to rise through the analytic ranks to take the top job. He served as CIA director under the elder Bush for a little more than a year before President Clinton was elected.

Gates, who has been president of Texas A&M University since 2002, is not without detractors. He was first nominated to be CIA director by President Reagan in 1987, but he withdrew amid congressional opposition. Gates was considered too closely tied to the Iran-Contra scandal, which had been engineered by former CIA Director William J. Casey while Gates was his deputy.

Rather than taking the helm at the CIA, Gates joined the National Security Council staff at the White House, where he made connections with Scowcroft and Rice.

After the Iran-Contra scandal faded, Gates was nominated to be CIA director by President George H.W. Bush. His 1991 confirmation turned into a battle. Gates was accused of politicizing intelligence -- a charge that has been repeatedly aimed at the White House of George W. Bush. Agency analysts testified that he was heavy-handed in seeking to influence assessments of the Soviet Union. Helater was accused of failing to anticipate that communist regime's collapse.

Gates was confirmed, but his margin of approval -- 64-31 -- represented the largest expression of Senate opposition to a nominee for intelligence director.

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One of Gates' first initiatives as director was to confront perceptions that intelligence had been politicized within the agency. He appointed a task force on "analytic objectivity" and implemented all its recommendations.

While CIA director, Gates became embroiled in a controversy over an investigation of questionable financial dealings between a U.S. branch of an Italian government-owned bank and the Iraqi government before the 1991 Persian Gulf War. The Senate Intelligence Committee faulted CIA and Justice Department officials but found no criminal wrongdoing.

Sen. John D. Rockefeller IV, D-W.Va., ranking Democrat on the Senate Intelligence Committee, said Wednesday that the Gates nomination suggested Bush was "searching for a realistic and pragmatic approach in Iraq and the war on terror, rather than continuing on a course driven by ideology."

Bush's Choice Of Gates Sets Stage For Shift On Iraq War Policy (BLOOM)

By Janine Zacharia

Bloomberg, November 9, 2006

Nov. 9 (Bloomberg) -- President George W. Bush's decision to tap one of his father's old advisers, former CIA chief Robert Gates, to replace Defense Secretary Donald Rumsfeld suggests a readiness to examine a new strategy in Iraq.

Bush's announcement yesterday came after congressional elections swept Democrats to power in the U.S. House on a wave of public discontent about the war in Iraq. The president wanted to move quickly to defuse criticism of his handling of the war effort, analysts said.

Gates is one of 10 members of the Iraq Study Group, a bipartisan panel trying to devise a blueprint for stabilizing the country that can be embraced by Bush. Gates ``will certainly try to extricate us from Iraq, but how fast that can be done I don't know," said Admiral Stansfield Turner, who headed the Central Intelligence Agency from 1977 to 1981.

Zbigniew Brzezinski, former President Jimmy Carter's national security adviser, called Gates' nomination ``the best appointment that President Bush has made" and said it ``may be marking the beginning of a major correction in American policy toward the Middle East."

Gates, 63, who has served in both Democratic and Republican administrations, is known in defense and foreign policy circles as a pragmatist and an advocate of positions Rumsfeld resisted, such as direct negotiations with Iran, Iraq's Shiite neighbor.

Two years ago, Gates co-chaired with Brzezinski a task force on Iran policy that called for selective engagement with Iran ``to promote regional stability."

Father's Team

Gates has remained close to former President George H.W. Bush, and is president of Texas A&M University, which hosts the Bush presidential library. In addition to Gates, the current President Bush is turning to another of his father's elder statesmen for help on Iraq: James Baker.

The former secretary of state is co-chairman of the Iraq Study Group along with ex-Representative Lee Hamilton, an Indiana Democrat. Bush said he will meet next week with the panel.

``I recognize that many Americans voted last night to register their displeasure with the lack of progress" in Iraq, Bush said yesterday.

The Baker panel, which includes officials from President Bill Clinton's administration, is reviewing options for a U.S. withdrawal as Sunni resistance hardens and American influence wanes in Iraq. Bush affirmed yesterday that he wouldn't pull troops out prematurely amid mounting violence.

Civil War

A U.S. intelligence official familiar with the Iraqi insurgency said in an interview that the attempt to create a democracy in Iraq is failing in an atmosphere the official described as a civil war. The official said to restore order and undercut the rebellion, Iraq may have to declare an emergency and install an authoritarian Shiite government to replace what he characterized as the ineffectual Prime Minister Nuri al-Maliki.

The U.S. needs to train and equip as many as 900,000 Iraqi security forces, almost three times the number now planned, and must find a way to persuade Sunni Arab governments such as Saudi Arabia to come off the sidelines and help stabilize Iraq, the official said.

Gates has experience on Iraq, having served as National Security Adviser Brent Scowcroft's deputy during the Persian Gulf war in 1991. He has a doctorate in Soviet and Russian history and worked in the 1980s with CIA director William Casey, who led President Ronald Reagan's covert wars to oppose communism in Central America.

Andrew Krepinevich, who heads the non-partisan Center for Strategic and Budgetary Assessments in Washington and has briefed Pentagon officials on Iraq, sees changes coming.

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``One can make a plausible case that the White House has some insight into the conclusions of the Iraq Study Group, they know what is coming and Gates is comfortable with it," Krepinevich said.

Democrats Rejoice

Democrats rallied around the nomination, saying it was a chance for a new direction.

Senator Jay Rockefeller of West Virginia, the senior Democrat on the Intelligence Committee, said Gates' nomination may indicate Bush ``is searching for a realistic and pragmatic approach in Iraq and the war on terror, rather than continuing on a course driven by ideology."

Michigan's Carl Levin, who would be chairman of the Armed Services Committee if Democrats take control of the Senate, said he will work to confirm Gates before the end of the year.

In remarks at the White House, Gates spoke about challenges beyond Iraq, including Afghanistan and the broader fight against terrorism. ``I believe the outcome of these conflicts will shape our world for decades to come," he said.

Criticism of Gates

Former White House counterterrorism czar Richard Clarke accused Gates, in testimony before the commission that investigated the Sept. 11 attacks, of weakening the CIA's spying capabilities. U.S. officials were slow to learn of al-Qaeda's rise because of that, Clarke said.

Melvin Goodman, a former CIA analyst who testified against Gates' confirmation as director in 1991, accused Gates of doctoring intelligence reports to meet administration goals.

``When it comes to telling truth to power, this guy never did," said Goodman, now a senior fellow with the Center for International Policy in Washington. ``He serves a master. He will be very loyal. But will that be good for the country? Will that be good at getting out accurate information on Iraq?"

`Open Minded'

If confirmed, Gates would replace a defense chief known for a brusque and energetic management style, a zeal to transform the military and an unwillingness to admit mistakes -- all of which made Rumsfeld one of the most divisive figures in Bush's cabinet.

By contrast, Gates has proven he is ``open minded and he can work with Democrats," said Michael O'Hanlon, a defense analyst for the non-partisan Brookings Institution.

``Gates has a daunting job, but if I was going to make a list of my top five favorite Republicans with the sheer intellectual firepower to come up with new ideas, Gates would be on that list," O'Hanlon said.

David Boren, a Democrat who chaired the Senate Intelligence Committee from 1987 through 1992, said Gates would be a welcomed change from Rumsfeld's polarizing style. Gates ``always gave members of both parties an equal seat at the table," he said.

Rumsfeld Era

Rumsfeld, 74, oversaw the global fight against terrorism that followed the Sept. 11 attacks. While the wars in Afghanistan and Iraq initially enjoyed broad support, the public's outlook on the conflicts has soured amid sectarian and insurgent violence.

Bush said he met Gates two days before the election at his Crawford, Texas, ranch to discuss the job. Gates ``understands that defeat is not an option in Iraq," Bush said.

Prior to his nomination yesterday, Gates was perhaps best remembered in Washington for his role in the 1980s Iran-Contra scandal. As deputy CIA director under Reagan, he was examined by a special prosecutor who declined to bring criminal charges.

Gates was investigated about whether he misled Congress about when he first learned that White House aides were secretly diverting profits of arms sales to Iran to buy weapons for rebels fighting Nicaragua's anti-American government. The arms sales were intended to persuade Iran to help free hostages held by terrorists in Lebanon.

Levin, who voted against Gates when he was nominated for CIA director, said it would be ``premature" to discuss which way he is leaning now. ``I want to give him a fair and fresh look," he said.

Robert Gates, A Cautious Player From A Past Bush Team (NYT)

By Scott Shane

The New York Times, November 9, 2006

WASHINGTON, Nov. 8 — In choosing Robert M. Gates as his next defense secretary, President Bush reached back to an earlier era in Republican foreign policy, one marked more by caution and pragmatism than that of the neoconservatives who have shaped the Bush administration's war in Iraq and confrontations with Iran and North Korea.

Soft-spoken but tough-minded, Mr. Gates, 63, is in many ways the antithesis of Donald H. Rumsfeld, the brash leader he would replace. He has been privately critical of the administration's failure to execute its military and political plans for Iraq, and

he has spent the last six months quietly debating new approaches to the war, as a member of the Iraq Study Group run by James A. Baker III and Lee H. Hamilton.

Mr. Gates last served in Washington 13 years ago, and Mr. Bush made clear on Wednesday that he regarded his nominee as someone who would bring new perspective to the final two years of his tenure.

It was under Mr. Bush's father that Mr. Gates first rose to influence, as deputy national security adviser and then director of central intelligence. He was not part of the group that advised the current President Bush during his 2000 campaign, and he has publicly questioned the administration's approach to Iran, saying in a 2004 report for the Council on Foreign Relations that its refusal to talk to the Tehran government was ultimately self-defeating.

"This is a signal that there will be a major effort to avoid confrontation on national security issues," said Dov Zakheim, a former senior official in Mr. Rumsfeld's Pentagon who left the administration in 2004. He described Mr. Gates as "a pragmatist and a realist" who would be "no lightning rod."

A longtime Soviet analyst who spent two decades at the Central Intelligence Agency, Mr. Gates served as deputy to Brent Scowcroft, the national security adviser, during the administration of George H. W. Bush. There, he worked closely with Mr. Baker and Condoleezza Rice. Gen. Michael V. Hayden, now the C.I.A. director, also served on the staff of the National Security Council at the time.

Mr. Gates was confirmed in 1991 as director of central intelligence after a bruising confirmation fight in which subordinates alleged that he had politicized reporting on the Soviet Union. He has spent the last 13 years outside of government, in lucrative business posts and at Texas A&M University, first as dean of the George H. W. Bush School of Government and since 2002 as president.

Only 22 months ago, Mr. Gates turned down President Bush's invitation to become the first director of national intelligence. After agonizing for more than two weeks, Mr. Gates later recounted, he decided during a tearful, late-night walk that he "could not leave" the university to return to Washington.

But since March, as a member of Mr. Baker's Iraq Study Group, Mr. Gates has been pondering the central defense policy quandary facing the administration. Summoned to the president's ranch over the weekend and offered the defense secretary's job, this time Mr. Gates said yes.

"Because so many of America's sons and daughters in our armed forces are in harm's way, I did not hesitate when the president asked me to return to duty," Mr. Gates said at the White House ceremony on Wednesday.

Zbigniew Brzezinski, national security adviser under President Carter and co-author with Mr. Gates of the report on Iran policy, said he hoped the appointment would mean "a major corrective in American policy toward the Middle East."

Born and raised in Wichita, Kan., Robert Michael Gates, whose father sold wholesale auto parts, became an Eagle Scout (he is currently president of the National Eagle Scout Association) and studied European history at the College of William and Mary. He was recruited by the intelligence agency while completing a master's degree at Indiana University and in 1974 finished a doctorate at Georgetown University, writing his dissertation on Soviet views of China.

He first served on the National Security Council staff from 1974 to 1979 under Presidents Nixon, Ford and Carter. After returning to the C.I.A., he was given a series of pivotal jobs by Director William Casey, including deputy director and chairman of the National Intelligence Council.

If Mr. Gates was initially reluctant to return to Washington, it may be because he knows what it means to be at the center of political crossfire. First picked by President Reagan in 1987 to succeed Mr. Casey, Mr. Gates withdrew in the face of senators' concern that he had not been candid about his knowledge of the Iran-contra affair.

In 1991, re-nominated by the first President Bush, he faced a grueling confirmation involving not only Iran-contra but also some colleagues' accusation that he had skewed intelligence reporting on the Soviet Union to suit the Reagan White House. Mr. Gates was confirmed, 61 to 31, as the youngest C.I.A. director in history and oversaw the agency's initial effort to tackle post-cold-war threats.

He later defended his C.I.A. record in a 1996 memoir, "From the Shadows: The Ultimate Insider's Story of Five Presidents and How They Won the Cold War."

On Wednesday, a C.I.A. subordinate who had clashed with him offered a harsh assessment. "This is not a person with a history of telling truth to power," said the former subordinate, Melvin A. Goodman, a Soviet analyst from 1966 to 1990. Mr. Goodman called Mr. Gates a micromanager and "not a big-picture person," though he also called him "a hard-working, disciplined person who's totally loyal to his bosses."

David Boren, a former Democratic chairman of the Senate intelligence committee, had warm praise for Mr. Gates's service. "I found him to be highly intelligent, an excellent manager of the large and complex intelligence community, and totally bipartisan in his approach," Mr. Boren said in a statement.

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Bobby R. Inman, a former C.I.A. deputy director and National Security Agency director and an old friend of Mr. Gates, called him "a good listener" who, "after he makes up his mind, is very decisive."

"He's impatient with those whose minds don't move as fast as his does, but he's not arrogant," Mr. Inman said. He compared Mr. Gates's nomination to President Johnson's choice of Clark Clifford, another unflappable old Washington hand, to replace the lightning rod Robert S. McNamara as defense secretary in 1968 at the height of the Vietnam war.

A hint of the approach Mr. Gates might bring to the job, drawing on his experience at the end of the cold war, can be found in his remarks in 2004 at the release of the Council on Foreign Relations report, called "Iran: Time for a New Approach."

"One of our recommendations is that the U.S. government lift its ban in terms of nongovernmental organizations being able to operate in Iran," Mr. Gates said. "Greater interaction between Iranians and the rest of the world," he said, "sets the stage for the kind of internal change that we all hope will happen there."

Gates To Inherit Challenges On Multiple Fronts (WSJ)

By Greg Jaffe

The Wall Street Journal, November 9, 2006

Robert Gates, the former director of the Central Intelligence Agency nominated as defense secretary, will inherit a military badly strained by the Iraq and Afghanistan wars and increasingly skeptical of the transformative vision of his predecessor, Donald Rumsfeld.

But it remains to be seen what kind of long-term vision Mr. Gates, the 63-year-old former director of the Central Intelligence Agency nominated yesterday, will bring to that military if he's confirmed.

Mr. Gates is known as a master operator of the national-security bureaucracy. He is a specialist in Soviet affairs who moved between CIA and National Security Council staff jobs early in his career. He rose in the CIA bureaucracy despite the fact that his background was as an analyst rather than a covert operative, which then was the more normal route to the top.

In the Reagan administration, Mr. Gates had brushes with controversy because of his role as deputy to then-CIA director William Casey, who was deeply involved in sending arms covertly to Nicaragua's Contra rebels. That controversy kept Mr. Gates for a while from being elevated to the job he had always most coveted, director of central intelligence. He ultimately got that job after working as deputy national security adviser for President Bush's father. During his time in the first Bush administration, he was one of the architects of the first Persian Gulf war against Iraq, and helped manage the collapse of the Soviet Union.

Mr. Gates, a Kansan with a flat Midwestern accent, became a close and trusted adviser to the first President Bush along the way, and also worked closely with the current secretary of state, Condoleezza Rice, who worked below him as an NSC staff member. He had a natural link with Ms. Rice because both are, by background, specialists in Russia and the former Soviet Union. He also developed a close relationship with Brent Scowcroft, the first President Bush's national security adviser, who now has a strained relationship with the Bush White House because of his criticisms of the current approach to Iraq.

A principal question facing Mr. Gates, currently president of Texas A&M University, is what role he will play in policy formulation, as opposed to more narrow management of the Defense Department. People who know him say he is more of a pragmatist who is likely to adopt a more measured approach to the wars in Iraq and Afghanistan.

Inside the Defense Department, the major issue facing him will be whether to shift money from the Air Force and the navy to buttress the Army. Some Army generals -- as well as Sen. John McCain -- have begun to call for a dramatic increase in their budget to reflect a future they believe will be dominated by messy guerrilla wars. Earlier this year, Gen. Peter Schoomaker called for increasing the Army's budget in 2008 to about $140 billion, up from a planned budget of about $114 billion. Such a large increase to the Army budget isn't likely to occur without at least some scaling back of big weapons programs like missile defense, major ships or some of the next-generation fighter-jet programs.

Mr. Rumsfeld had led an ambitious effort to remake the U.S. military into a faster, leaner force. His vision was driven by the belief that communications technology and precision weapons had the capacity to change some fundamental rules of war. The rapid toppling of the Taliban in 2001 and the three-week push that displaced Saddam Hussein in 2003 seemed to confirm his belief that speed and precision could substitute for large ground forces.

But Iraq and Afghanistan have since revealed the limits of a relatively small, high-tech force in bringing security and stability to chaotic lands that could become havens for terrorists. Criticism of Mr. Rumsfeld had been building steadily for almost three years. At first, Democrats excoriated him for failing to more quickly obtain protective armor for troops in Iraq. Then a chorus of retired generals called for his firing, saying his micromanaging of the war planning had resulted in too small a force being sent to Iraq. As U.S. deaths in Iraq surged in the last six weeks, many Republicans jumped on the bandwagon.

It is likely that a Democratic-controlled House of Representatives would have subpoenaed Mr. Rumsfeld early and often as the prominent face of an increasingly unpopular war. His resignation robs opponents of the war of a chance to revisit mistakes in the conflict and make theater of his congressional appearances. It also could make it easier for the administration to hammer out

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a compromise with moderate critics of the war -- somewhere between its early vow of total victory and opponents' calls for quick withdrawal.

Though killing or delaying big weapons programs is never popular in Congress, some Democrats yesterday suggested they would be open to shifting away from the high-tech weapons systems that made up the core of the Rumsfeld vision to a military more oriented to prevailing in messy guerrilla wars like Iraq, where the premium is on large formations of trained soldiers with more basic equipment.

Asked how he would balance defense-spending pressures, Missouri Rep. Ike Skelton, the likely new chairman of the House Armed Services Committee, said, "The first thing you have to do is take care of the troops. You can have all the fancy weapons systems in the world, but if you don't have the people, you don't gain a great deal."

Gates To Offer "Fresh Perspective" On Iraq (WT)

By Bill Gertz

The Washington Times, November 9, 2006

Former CIA Director Robert M. Gates, President Bush's choice to be the new defense secretary, is a retired career intelligence analyst with little experience in military and defense affairs.

If confirmed by the Senate, the university president will take over the Pentagon at a time when U.S. troops are fighting the global war against terrorism, with its most visible and costly battlefront in Iraq.

Mr. Bush, introducing his nominee yesterday, said Mr. Gates "will provide the department with a fresh perspective and new ideas on how America can achieve our goals in Iraq."

Mr. Gates said: "The United States is at war in Iraq and Afghanistan, we are fighting against terrorism worldwide, and we face other serious challenges to peace and our security. I believe the outcome of these conflicts will shape our world for decades to come."

Noting that long-term U.S. strategic interests and security are at risk and U.S. armed forces are in harm's way, Mr. Gates said he did not hesitate to accept Mr. Bush's request to take the Pentagon post.

Iraq looms large in his new position and remains a major focus of political and other critics, including some in the U.S. military and especially the Army who oppose current strategy and tactics, but who have offered few alternatives.

Mr. Gates, 63, currently is part of a special review panel on Iraq headed by former Secretary of State James A. Baker III and former Rep. Lee H. Hamilton, Indiana Democrat. The panel is expected to present recommendations soon for sharply revamping the current policy on the Iraq counterinsurgency campaign.

An aide to former President George H.W. Bush, on whose National Security Council staff he served, Mr. Gates is currently president of Texas A&M University, a position he has held since 2002. Before that he headed the George Bush School of Government and Public Service at Texas A&M from 1999 to 2001.

Little is known of Mr. Gates' views on defense and military affairs, other than that he initiated a reform effort to increase intelligence support to the military after shortcomings were found after the 1991 Persian Gulf War. He spent two years as an Air Force intelligence officer from 1966 to 1968, and his career in intelligence focused on the Soviet Union.

He is expected to bring new defense and military policies to the Bush administration that likely will be more moderate than the generally conservative Defense Secretary Donald H. Rumsfeld, whom he would replace. Based on recent public statements, he is also likely to favor intelligence-based solutions over military ones. By contrast, Mr. Rumsfeld has been a longtime skeptic of U.S. intelligence capabilities, often referring to intelligence products as incomplete or inadequate.

Mr. Gates, as co-chairman of a recent Council on Foreign Relations task force on Iran, stated that forcing regime change in Iran without military action is "highly unlikely" to succeed, and that military action also will not work because of U.S. commitments in Iraq and Afghanistan. The former CIA chief said he favors a policy of "engagement" with Iran on its refusal to abide by international agreements on its nuclear program.

He said in a speech last year that U.S. intelligence agencies had been unfairly criticized for failures, such as those related to the September 11 attacks and Iraq's weapons of mass destruction. Intelligence during the Cold War played an auxiliary role, but is a main element of the war on terrorism and is also more difficult, Mr. Gates said.

Mr. Gates' intelligence career and views were examined in detail during a contentious Senate nomination battle in 1991 for his CIA directorship, which he held from 1991 to 1993. He joined the CIA in 1966. From 1989 to 1991, he was deputy national security adviser in the White House National Security Council.

Senate hearings on the matter revealed Mr. Gates as a seasoned if clean-cut bureaucrat, a view confirmed by his 1996 memoir, "From the Shadows," which revealed his bureaucrat-spy career under five presidents.

Defense Nominee Can Do The Job Without ‘having Rocks Thrown At Him' (USAT)

By Richard Willing

USA Today, November 9, 2006

WASHINGTON — Defense Secretary nominee Robert Gates served more than two decades in intelligence, has served on corporate boards and done a stint as a presidential adviser on national security affairs.

But those who have observed Gates in his most recent incarnation, as president of Texas A&M University since 2002, say that job may have provided the best test of the skills he'll need to succeed if he's confirmed to succeed Donald Rumsfeld as defense secretary.

"He undertook big changes, and evidently did it with good nature and without too many bad feelings," says Felix Moos, an anthropology professor at the University of Kansas and an adviser to the intelligence community.

"He got accomplished what he felt needed to be accomplished" — including firing a football coach and ending admission preferences for children of alumni — "without being picketed or having rocks thrown at him."

Before Texas A&M, the 63-year-old Gates' career revolved around national security.

Raised in Wichita, he joined the CIA shortly after graduating from the College of William and Mary in 1965. Gates, short and round-faced, was no "James Bond type," as he told the Houston Chronicle in 2004. Instead, he was an intelligence analyst specializing in the Soviet Union; spent three years as a deputy director and ran the CIA for 14 months ending in January 1993.

At the CIA, Gates was known as a committed Cold Warrior who believed the Soviet Union was unlikely to become a Western-style market democracy despite Community Party leader Mikhail Gorbachev's reforms of the 1980s.

Gates was alleged by former CIA subordinates to have slanted intelligence about the Soviet threat, Newsweek reported Wednesday on its website. As CIA director, however, he won the respect of liberals for a speech challenging the notion that intelligence collection should serve an administration's goals.

"Bob Gates … said that national security professionals were duty bound to speak the truth to power, telling political leadership when their policies had veered off course," Rep. Jane Harman, D-Calif., a ranking member of the House Intelligence Committee, said Wednesday.

During the 1980s, Gates was involved in the Reagan administration's plan to sell arms to the government of Iran in return for Iran's help in freeing Americans held hostage in the Middle East.

Those deals were at the heart of the Iran-contra scandal. Lawrence Walsh, the independent counsel investigating the affair, concluded in 1993 that Gates had not been truthful about when he learned money from the Iran sales had been diverted to help the rebels fighting Nicaragua's Soviet-backed government.

Gates claimed he had forgotten an earlier meeting to discuss the funds. He was not prosecuted.

If confirmed, Gates will take over a Pentagon where Rumsfeld's well-documented crustiness has heightened tensions already flowing from a difficult and controversial war. Military analyst Charles Pena says Gates will likely have a much smoother relationship with senior military leaders and with Congress than Rumsfeld did.

"Gates is more likely to be willing to reach across the aisle and find bipartisan consensus, rather than the Rumsfeld approach, which was more or less 'my way or the highway,' " said Pena, of the Independence Institute in Oakland, Calif.

Gates will enter the Pentagon soon after working with Bush's Iraq Study Group to help develop a new U.S. strategy for the war.

Gates' work on the panel is "not inconsequential," says John McLaughlin, a former CIA deputy director and Gates colleague. "What we're seeing is a convergence of pragmatic people … on the next steps."

Two years ago, Gates and Democrat Zbigniew Brzezinski chaired a commission that urged a new approach to Iran that stressed negotiating areas of mutual interest, such as security in Iraq, before tackling nuclear issues.

This isn't the first time Bush has come calling. In January 2005, Gates turned down an offer to take the newly created post of director of national intelligence.

At the time, Gates said he wanted to fulfill a five-year plan at Texas A&M that included $500 million in new construction and the hiring of 450 new faculty members.

"Much has happened both here and around the world since then," he wrote on the university's website Wednesday afternoon.

"I love Texas A&M deeply, but I love our country more, and like the many Aggies in uniform, I am obligated to do my duty."

Gates Well-armed For Tough Job (DMN)

By Jim Landers

The Dallas Morning News, November 9, 2006

WASHINGTON – Robert Gates leaves Texas A&M for one of the most thankless jobs in the country.

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But he returns to Washington with powerful, pragmatic allies for the battles ahead with a new Congress and within the White House itself over Iraq policy.

Dr. Gates comes from the circle of national security aides who counseled President Bush's father from 1989 to 1992, including Gen. Brent Scowcroft, Secretary of State James A. Baker III and Gen. Colin Powell, who was chairman of the Joint Chiefs of Staff.

They urged the elder President Bush not to go on to Baghdad after the defeat of Saddam Hussein's forces in Kuwait.

They have sometimes criticized the current administration's decision to go to war in Iraq, but more often have kept silent about the conduct of the war.

In the current administration's first term, Mr. Powell – then secretary of state – "was a pragmatist, but he got swamped by Don Rumsfeld and Dick Cheney," said one former GOP national security aide, speaking on condition of anonymity.

"Whether Gates will be able to come out against them or the boss himself, that remains to be seen. But he will have someone else to point to as a source of wisdom."

Dr. Gates, 63, said Wednesday that he hadn't anticipated returning to public service.

But he'd already been called back into the national security arena in April as a member of the Iraq Study Group headed by Mr. Baker and former Democratic Rep. Lee Hamilton.

Mr. Bush said he'd be meeting with Mr. Baker next week.

The Iraq Study Group's report is thought to be nearing completion.

"I understand their report is not quite ready yet, but the members pretty much know what it's going to say," said Richard Stoll, a Rice University political science professor.

"It's interesting he [Mr. Bush] would pick somebody familiar with the study group's deliberations."

Dr. Gates can call on Mr. Baker, Mr. Scowcroft and others from the first Bush administration, but he can also seek support from Democrats.

Zbigniew Brzezinski, national security adviser to former President Jimmy Carter, brought Dr. Gates to the White House from the CIA as a Soviet specialist.

"I think the Gates appointment is the best appointment that President Bush has made in the course of his six years in office," Mr. Brzezinski said.

"I co-chaired with him [Dr. Gates] two years ago a study on American policy towards Iran.

"He is a remarkably intelligent, responsible and balanced individual whose judgment can be trusted and whose common sense is reassuring. This appointment may be marking the beginning of a major corrective in American policy towards the Middle East."

Mr. Bush said Dr. Gates will bring a "fresh perspective" to the Defense Department.

After an election in which the country made clear that it isn't happy with the course of the war, Mr. Stoll said he finds it hard to believe Dr. Gates is eager for the assignment.

"I don't think he or anyone would relish this task, but somebody's got to do it, and I'm sure the president prevailed on his patriotism and sense of duty," Mr. Stoll said.

Dr. Gates, a native of Kansas, was recruited to the CIA in 1966 while studying for his master's degree at Indiana University.

He was commissioned an officer in the Air Force in 1967 and served in the Strategic Air Command.

Dr. Gates got a doctorate in Soviet and Russian history from Georgetown University in 1974 and went on to become the spy agency's top analyst on Soviet affairs.

During the Reagan administration, Dr. Gates was deputy to CIA Director Robert Casey, whose aggressive and clandestine foreign policy forays helped lead the White House into a scandal known as the Iran-Contra affair.

White House aides and CIA agents sold weapons to the revolutionary Islamic regime in Iran in an effort to win release of Americans held captive by Shiite radicals in Lebanon, and they then used the money to supply the Contra rebels fighting the leftist Sandinista regime in Nicaragua.

Mr. Casey died just as the scandal came to light, and President Reagan nominated Dr. Gates to take over as CIA director. But the scandal ruined his chances of confirmation by the Senate.

A special prosecutor investigated Dr. Gates' role, but no charges were brought against him.

The first President Bush named Dr. Gates to head the CIA in 1991, and he held that position until 1993.

At the urging of Gen. Scowcroft, Dr. Gates was named interim dean of the George Bush School of Government and Public Service at Texas A&M. He held that post from 1999 until 2001, and became president of Texas A&M in 2002.

James Mann, author of the 2004 book The Rise of the Vulcans: The History of Bush's War Cabinet, said Dr. Gates was "one of the charter members of the Bush 41 team."

"Gates fit right in, and was close to Scowcroft," Mr. Mann said.

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Gen. Scowcroft has publicly criticized the current administration's Middle East policies and the war in Iraq.

Sen. John Cornyn, R-Texas, a member of the Senate Armed Services Committee, said that while Dr. Gates may be close to Gen. Scowcroft, Mr. Bush still has the final say.

"Clearly if confirmed, Secretary Gates will serve at the president's pleasure, just as Secretary Rumsfeld did," Mr. Cornyn said.

"But what will be useful is to hear sort of a fresh set of ideas, and somebody who has not been burdened by the daily conduct of the global war on terror."

Whether Dr. Gates brings a different view, he at least won't be a lightning rod, said Rep. Mac Thornberry, R-Clarendon, a member of the House Armed Services Committee.

"Rumsfeld's not the issue anymore. He was going to be a continuing target for attacks, and just by having a new person there is a chance, with the Baker-Hamilton group, to try to have some bipartisan work ... on the path ahead," Mr. Thornberry said.

Robert Gates Lauded As Breaker Of Barriers (WP)

By Ann Scott Tyson, Walter Pincus

The Washington Post, November 9, 2006

Robert M. Gates, a veteran intelligence official whom President Bush nominated to become his new secretary of defense, is widely viewed as a consensus-builder who may break down barriers between civilian and military leaders -- as well as between the Pentagon and other agencies -- that grew legendary under Donald H. Rumsfeld.

Gates, 63, is a close associate of former president George H.W. Bush and was deputy national security adviser during the Persian Gulf War. He rose rapidly through CIA ranks as a Soviet expert with extensive White House experience to become director of central intelligence from 1991 to 1993. The only setback in his career came in 1987 when he withdrew as President Ronald Reagan's nominee to be CIA director because of his involvement in the Iran-contra affair. In all, Gates has served six presidents in both Republican and Democratic administrations.

A native Kansan with shrewd bureaucratic instincts, Gates lacks the top-down, take-no-prisoners managerial style that won Rumsfeld enemies and instead is more likely to set up task forces and forge agreements behind the scenes, associates said. While Rumsfeld issues flurries of directives and memos, nicknamed "snowflakes," in keeping with his business-executive past, Gates is a listener and leads with the inherent circumspection of an intelligence analyst, they said.

"Rumsfeld's a wrestler. Bob Gates likes to hike," said Richard Haver, a former senior official who has worked closely with both men. "Gates is not about to get on a mat with someone and pin him. With Rumsfeld, pinning is the name of the game."

At the Pentagon, senior military officers said that while Rumsfeld is perceived as arrogant and a fierce turf-battler, Gates is viewed as a far less combative and more conciliatory figure. "Gates has a track record of bipartisan support and being respected and accepted by . . . different parties," said a senior Army general, adding, "I think he'll be fine."

Gates could help ease the tensions that arose as Rumsfeld moved to impose greater civilian control on military services and operations, active and retired military officers said.

Military leaders "will find their voice in a way that they were never going to find it with Rumsfeld. My guess is that he'll listen," a retired four-star general said of Gates, whom he knows. Still, while Gates is expected to handle dissent with more finesse, "he won't be snowed or bamboozled" by senior military officers, said a former official who knows Gates well. "Gates will listen, but he will not always take their advice," he said.

Zbigniew Brzezinski, who was Gates's boss as national security adviser in the Carter White House and today is one of the sharpest critics of the Iraq war, described the appointment yesterday as "the best . . . that President Bush has made in the course of his six years in office." Brzezinski described Gates as someone "whose judgment can be trusted and whose common sense is reassuring," and said that "this appointment may be marking the beginning of a major corrective in American policy towards the Middle East."

Former senator Sam Nunn (D-Ga.), whose questioning of Gates in 1987 led to the withdrawal of his nomination to be CIA director, praised his "ability to work closely with Congress on a bipartisan basis" and said he "has a well-deserved reputation on both sides of the aisle for competency and integrity."

Gates is a member of the Iraq Study Group, a congressionally mandated bipartisan commission headed by former secretary of state James A. Baker III and former congressman Lee H. Hamilton (D-Ind.). The group's review of the situation in Iraq over the past several weeks will give Gates momentum going into his new job, observers said. "Gates is going to have to move pretty fast. He doesn't have a lot of time to study this," said the retired four-star general.

Several associates stressed that Gates is a pragmatist and not an ideologue, and characterized him as being the same type of moderate Republican on foreign policy issues as Baker. A senior intelligence officer who has known Gates for 30 years described him as tough, brilliant and hard-working, but said Gates has sharp elbows for those who get in his way.

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Gates has experience with Iraq as well as Afghanistan. He was deputy national security adviser during the 1991 Gulf War and helped oversee U.S.-sponsored operations in Afghanistan under Reagan in the 1980s.

Gates, who holds a PhD in Soviet history from Georgetown University, left government in 1993 for academia. He became president of Texas A&M University in 2002, a post he described yesterday as the most enjoyable of his career.

"I had not anticipated returning to government service," he said at a White House announcement ceremony, flanked by Bush and Rumsfeld. But he said that the United States is engaged in wars that "will shape our world for decades to come," and that with "so many of America's sons and daughters . . . in harm's way, I did not hesitate when the president asked me to return to duty."

Gates appeared to get a cordial reception from members of the Senate Armed Services Committee, which will have to confirm his appointment. "I think he will be a very pleasant change from Secretary Rumsfeld" in his dealings with Congress, said Sen. Jack Reed (D-R.I.), a vocal member of the panel.

But Rep. Rush D. Holt (D-N.J.), a member of the House intelligence panel, called the Gates nomination "deeply troubling."

Holt, a retired intelligence officer and a nuclear physicist, said that while at the CIA's helm, "Gates developed a reputation for pressuring analysts and managers to shape analytical conclusions to fit administration positions." Holt said Gates's confirmation hearing "should be thorough and probing."

While Gates contrasts sharply with Rumsfeld in style, the two are comparable in intellect and energy, associates said. Only hours after a recent knee surgery, for example, Gates took part in the Texas A&M football weekend tradition known as the "midnight yell," said Michael C. Desch, a professor of intelligence at the university. One of Gates's major initiatives at the university was to muster support for a 25 percent increase in the size of the faculty, which was "huge," Desch said, and won Gates admiration.

A former Eagle Scout, Gates is an avid hiker who enjoys spending time at his vacation house in the Pacific Northwest. He is married and has two children.

Rumsfeld, A Force For Change, Did Not Change With The Times Amid Iraq Tumult (NYT)

By Michael R. Gordon

The New York Times, November 9, 2006

WASHINGTON, Nov. 8 — From the day he took control at the Pentagon, Donald H. Rumsfeld was determined to reassert civilian control of the defense establishment and create a leaner, more lethal American military.

With President Bush's endorsement, he pursued his goals with a vengeance, emerging as the most powerful secretary of defense since Robert S. McNamara more than three decades earlier.

Like his predecessor, Mr. Rumsfeld was undone by policies that resulted in a quagmire in a distant land. The defense secretary's resistance to deploying a large number of troops in Iraq, his skepticism of nation-building and his reluctance to acknowledge a potent insurgency made an already challenging situation all the more difficult. As the turmoil grew in Iraq, the defense secretary who once described himself as "genetically impatient" and a force for change was slow to adapt.

"The ironic thing is that he may end up being criticized for not being more on top of Iraq," said Eliot A. Cohen, a military historian and professor at the Paul H. Nitze School of Advanced International Studies of Johns Hopkins University. "Blame needs to be shared all around on Iraq, but he bears his share of responsibility by not being willing to make the kinds of corrections early on that were necessary."

Mr. Rumsfeld did not acknowledge missteps on Iraq in his appearance with President Bush on Wednesday, but obliquely accepted that he had become a lightning rod for criticism of the war. Paraphrasing Winston Churchill, he said, "I have benefited greatly from criticism, and at no time have I suffered a lack thereof."

Mr. Rumsfeld came to the Pentagon as a consummate insider. Among an array of important government posts, he had been defense secretary under President Ford, developing a reputation as a ruthlessly effective bureaucratic infighter.

After a career as a corporate chief executive, he returned to the Pentagon after George W. Bush was elected president. Mr. Bush had vowed during his campaign to appoint a powerful defense secretary with a mandate to overhaul the American military. Mr. Rumsfeld was to be that man.

At the Pentagon, Mr. Rumsfeld's program was called "transformation," and it acquired the status of an official ideology. Mr. Rumsfeld was enamored of missile defense and space-based systems, issues he had worked on during his years out of office. Like many conservatives, he was wary about the Army leadership, which he considered to be too wedded to heavy forces and too slow to change.

In his trademark blunt style, Mr. Rumsfeld convened a Pentagon "town hall" meeting on Sept. 10, 2001. "The topic today is an adversary that poses a threat, a serious threat, to the security of the United States of America," he pronounced. "It's the Pentagon bureaucracy."

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After the terror attacks in Washington and New York the next day, Mr. Rumsfeld focused on the new war on terrorism. The defense secretary was a solid ally of Vice President Dick Cheney, who worked for Mr. Rumsfeld during the Nixon and Ford years. And he soon emerged as a spokesman for the administration's national security policies, presiding over news conferences at which he issued pithy observations about the need to be prepared for the "unknown unknowns."

Within the military establishment, however, the defense secretary quickly became a contentious figure as his penchant for hands-on management and his theories on military transformation were given a field test. Mr. Rumsfeld did not decide how many troops would be deployed for the war in Iraq, but he helped pick the generals who did. He never hesitated to push, prod and ask questions to shape their recommendations.

It was Mr. Rumsfeld who complained that the plan for invading and securing Iraq that had been left behind by Gen. Anthony C. Zinni, Tommy Franks's predecessor at the United States Central Command, called for more troops. As many as 500,000 troops would be sent to secure Iraq. Mr. Rumsfeld dismissed it as old thinking, according to retired Lt. Gen. Greg Newbold.

According to General Franks, Mr. Rumsfeld was the impetus behind one of the most contentious decisions of the war: canceling the deployment of the First Cavalry Division, which was to reinforce the initial invasion force. That left the American military with fewer troops as the insurgency was beginning to develop.

It was also Mr. Rumsfeld who insisted that the Pentagon take the lead in overseeing postwar planning and the administration of Iraq in the first critical months of the occupation after the ouster of Saddam Hussein from power. When Baghdad was gripped by looting in April 2003, the defense secretary dismissed the disorder as little more than the pent-up frustrations of an oppressed people: "Stuff happens."

According to L. Paul Bremer III, the American civilian administrator in Iraq, and his aides, Mr. Rumsfeld was consulted on the controversial decision to formally disband the Iraqi Army.

Iraq, of course, is just part of Mr. Rumsfeld's legacy. In terms of his management style, he clearly succeeded in consolidating his authority as defense secretary. More than any of his predecessors, Mr. Rumsfeld influenced the appointment of three- and four-star officers, installing military leaders whom he could count on to carry out his agenda. But senior officers complained that his insistence on loyalty came at a cost: a dearth of senior officers willing to offer independent advice.

In terms of his transformation agenda, Mr. Rumsfeld enjoyed, at best, mixed success. He overhauled the cold-war-era system of military bases around the world, a decision that has led to the reduction in American forces in Europe and Korea. He also insisted on greater cooperation among the military services.

"On the positive side he brought the armed forces to a much higher degree of joint thinking and integration," said Barry M. Blechman, a member of the Defense Policy Board, which advises Mr. Rumsfeld, and the president of DFI International, a consulting firm.

Still, despite Mr. Rumsfeld's avowed intention to challenge orthodox Pentagon thinking, few major weapons programs were canceled and the military's force structure and spending patterns were not radically altered.

"At the end of the day you would have to say that for Rumsfeld, transformation was more promise than reality," said Andrew F. Krepinevich Jr., the executive director of the Center for Strategic and Budgetary Assessments. "He made a start, but these things take time, and it is clear now that Iraq has denied him that time."

Rumsfeld Sought A New Role For Pentagon (LAT)

By Julian E. Barnes

The Los Angeles Times, November 9, 2006

The secretary's strategy led him to dominate national security policy more than any figure since Henry Kissinger.

Donald H. Rumsfeld came to the job of Defense secretary determined not only to remake the U.S. military, but to recast the Pentagon's role in national security.

He arrived with a prescription for what he believed ailed the Pentagon. As he later put it in one of his famous "snowflake" memos — so named by staffers because they arrived in a constant blizzard — the department was "tangled in its anchor chain." Rumsfeld saw the military as paralyzed by old thinking, outdated policies, service rivalries and a love of slow-moving tanks and aircraft carriers.

The Pentagon, State Department, National Security Council and intelligence community have always jockeyed for influence. But in the Bush Cabinet, Rumsfeld — in part through the force of his personality — established himself and his department as the first among equals, coming to dominate national security policy more thoroughly than any figure since Henry Kissinger.

"He was the Olympic athlete of interagency ruthless bureaucrats," said retired Army Gen. Barry McCaffrey. "He was charming, determined and absolutely brutal to those who opposed his ideas."

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Rumsfeld's insistence that the Pentagon take the lead left him with responsibility for the course of the war in Iraq. And after a stunning repudiation by voters of the administration's policy on the war, Rumsfeld is leaving at what is arguably a low point in the U.S. effort.

President Bush's new Defense nominee, Robert M. Gates, is likely to be the first member of an entirely new team on Iraq. Senior State Department officials have said in recent days that Zalmay Khalilzad, the U.S. ambassador to Iraq, also is expected to resign. And senior Army officials have said they expect Army Gen. George W. Casey Jr., the top American commander in Iraq, to leave his post by early next year.

Bush said Wednesday that he had come to the conclusion before the election that a new Defense secretary was needed.

"Secretary Rumsfeld and I agreed that sometimes it's necessary to have a fresh perspective," he said.

As a result, the Pentagon chief known for lightning-rod comments about the Iraq conflict — such as his observation in 2004 that "you go to war with the Army you have, not the Army you might want or wish to have" — stepped down Wednesday.

According to two associates, Rumsfeld had wanted to serve as Defense chief as long as he could get things done. With criticism of the president's Iraq policy mounting and the U.S. prospects in the war worsening, he concluded he could no longer be effective.

"He came to accept that the scales had tipped the other way," said an associate who spoke on condition of anonymity to avoid any appearance of violating a confidence.

In brief remarks at the White House, Rumsfeld alluded to the rising criticism of the war of which he was a prime architect. Quoting Winston Churchill, he said, "I have benefited greatly from criticism, and at no time have I suffered a lack thereof."

After the 2001 invasion of Afghanistan, led primarily by special operations forces and CIA paramilitary fighters, Rumsfeld emerged with a reputation as a decisive leader. The seemingly successful invasion of Iraq in 2003 further burnished that image.

But public perception of Rumsfeld began to change as the war in Iraq dragged on and American casualties mounted. Critics charged that he had ignored or downplayed the insurgency until it was too late and Iraq had descended into sectarian conflict.

His six years under Bush were Rumsfeld's second tour in the job. He was Pentagon chief for a little over a year in the Ford administration. If he remains in office until Dec. 29, he will best the record of Robert S. McNamara, who oversaw the Vietnam War and served for more than seven years.

Rumsfeld exerted huge influence in the Pentagon because he mastered both the sweeping revolutionary ideas that so enamored Bush as well as the sometimes arcane bureaucratic fine points on which Washington runs.

"He had such an influence on the department, by the sheer force of his personality.... His rule and dictates drilled way down into the bureaucracy in the Pentagon," said James J. Townsend Jr., a civilian Pentagon official who helped direct North Atlantic Treaty Organization policy before retiring last month.

Though Townsend acknowledged that Rumsfeld is likely to be judged first by the Iraq war, he added that it is important to acknowledge that the secretary changed how the Defense Department does business.

"He really did go in with a broom and shake out a lot of cobwebs and force people to think differently," said Townsend, now the international security program director at the Atlantic Council, a Washington organization that supports NATO projects.

It is hard to imagine a more controversial leader within the department. Few in the Pentagon were ambivalent Wednesday about Rumsfeld's leadership.

His many supporters credit him with making tough decisions, speeding up the transformation of the military, cutting outdated weapons systems, advancing the missile defense system, creating a new focus on domestic security, repositioning forces out of Germany and South Korea, and reorganizing the Army to make it more adaptable.

But critics shook their heads in dismay as he considered cutting the Army by two divisions early in his tenure. They also charge that he allowed strong-willed deputies to drop the military's adherence to the baseline standards of the Geneva Convention and created a military prison at Guantanamo Bay beyond the reach of American courts.

The critics said he equated long experience with antiquated thinking, and ran roughshod over people who offered alternate ideas. To these critics, the difficulties of the Iraq war are the natural result of Rumsfeld's tendency to ignore the warnings of others.

Lawrence DiRita, a former advisor to Rumsfeld, disputed the criticism and argued that his former boss accelerated the military's move toward a more nimble and faster-moving force.

"Adversaries around the world understand how much more capable we are today," DiRita said. "There has been a paradigm shift at the Department of Defense toward speed, agility and precision."

DiRita said Rumsfeld is not to blame for the problems in Iraq.

"I think it would be counter-factual for people to conclude that but for Don Rumsfeld, things in Iraq would be very different," he said.

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But many believe that the setbacks in the war have much to do with Rumsfeld's insistence on a small invasion force and his early dismissal of the idea that the U.S. military has a duty to help rebuild nations.

McCaffrey, a Rumsfeld critic, said the outgoing secretary was blinded by his view that the military was antiquated and by his decision not to listen to military experts.

"This very determined man managed, through arrogance and misjudgment, to put the country's armed forces in a strategically perilous position," McCaffrey said. "He thought we were a colossal group of lower-class minds rooted in World War II, and he was going to help us to understand the nature of warfare."

Rumsfeld's supporters argue that his emphasis on precision strikes and the power of expeditionary forces will have the most lasting impact.

But other officers believe Rumsfeld's transformation of the military will be overshadowed by the experience in Iraq, a war that stands to profoundly reshape America's armed forces in other ways.

Rumsfeld, A Newsmaker Who's Certainly Hard To Follow (WP)

By Linton Weeks

The Washington Post, November 9, 2006

Is he stepping down? You bet. Does he admit defeat? Not by a long shot. Is the country going to miss the way he acted smarter than everyone else and often preempted media questions by interrogating himself as a rhetorical device? Sort of -- the way you might miss your father's spankings.

Goodness gracious! Donald Rumsfeld, who resigned yesterday, not only has been secretary of defense for six years, he's been secretary of offense. During his tenure, briefings by the head of the armed forces became tours de force. He would clap his hands, lick his lips, narrow his eyes into a squinty gaze and extemporize, patronize, chastise, sermonize and crack wise all at the same time.

He had his admirers. "Reporters often told me that he raised the levels of their performances," says former Pentagon spokeswoman Torie Clarke. "He forced them to be more precise in the way they asked questions." She says he obviously respected the role of the media in society.

"He tries very hard not to talk before he's thought through his answer," she says. "He thinks before he speaks."

And he had his detractors. Calvin Trillin, a writer for the New Yorker and author of "A Heckuva Job: More of the Bush Administration in Rhyme," says he has been amazed at Rumsfeld's ability to be at once brashly know-it-all and disarmingly homespun. "It was a wonderful mixture of arrogance and 'Aunt Harriet' language" like goodness gracious, Trillin says. "I don't think anybody can match that."

In the introduction to his book, Trillin writes that Rumsfeld conducted his press briefings "as if trying patiently to explain the obvious to a class of slow third-graders. (Might you prefer to be briefed by someone less arrogant and condescending? Yes. Do we always get what we want? Of course not.)"

Late-night comedians will miss him. He was an easy mark.

And for a while, back in the early days of the fighting in Afghanistan, he was considered a rock star, a sex symbol to some. But the country's fascination with him flagged as more and more people began to question the war in Iraq.

Rumsfeld always had an answer. He will be remembered as a master at holding up a word or a phrase as if it were Silly Putty, then twisting it, bouncing it, stretching it to his own liking. For instance, the time he decided that people should eschew the word "insurgents" and call them "enemies of the legitimate Iraqi government" instead.

Or the time he spoke of the precariousness of the contemporary world. "Reports that say that something hasn't happened are always interesting to me," Rumsfeld said, "because as we know, there are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns -- the ones we don't know we don't know."

He said, "The absence of evidence is not evidence of absence."

If you missed his briefings, you can still find some fragments on the Internet. God bless YouTube. It's a rip-roaring repository of Rummified irascibility.

In one video snippet he uses a high-in-the-throat, marmish tone to tell a Pentagon reporter that he is "wrong!" The reporter tries to speak and Rumsfeld wags his finger. "Just a minute, just a minute!"

There's a clip in which he mimics a dropping guillotine with his hand and says, "This is complicated stuff."

For six years, Rumsfeld was the civilian rooster in the military henhouse -- the alpha male. Yesterday, he was the omega male, giving his last briefing as the unequivocal secretary of defense. Bush spoke first. Then Robert Gates, the newly nominated secretary of defense. Then Rumsfeld. He had the last word.

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He stood at a funereal black lectern in the Oval Office and explained things one last time. He clapped his hands to get things started. He licked his lips. He narrowed his eyes into a squinty gaze and recalled the words of Winston Churchill, who said, "I have benefited greatly from criticism, and at no time have I suffered a lack thereof."

And Rumsfeld reminded the nation one more time about "this little understood, unfamiliar war, the first war of the 21st century -- it is not well known, it was not well understood."

Australia Hails Rumsfeld, Pledges To Stay In Iraq (AFP)

AFP, November 9, 2006

Australia hailed outgoing US Defence Secretary Donald Rumsfeld as a "champion of freedom" and pledged that Canberra would keep its troops in Iraq.

Defence Minister Brendan Nelson made the commitment shortly after US President George W. Bush sacrificed Rumsfeld when mid-term elections revealed the depth of voter anger over the war in Iraq.

"Mr Rumsfeld has a long and distinguished record of service to his country," Nelson said in a statement.

"He has been a true champion of freedom. I greatly appreciated working with him. Equally, I look forward to working with his successor.

"The government remains committed to supporting the people of Iraq and their democratically elected government against the insurgents and terrorists working to destroy that democracy.

"We will continue to work with our allies and the Iraqi Security Forces until Iraq can handle its own security."

Prime Minister John Howard, a close ally of Washington, has repeatedly rejected opposition calls for Australian troops to be withdrawn from Iraq, saying the country would not "cut and run".

Howard deployed Australian troops as part of the US-led invasion of Iraq. Some 1,400 troops are now involved in Iraqi operations.

Rumsfeld's Departure (NYT)

The New York Times, November 9, 2006

Whatever this election accomplished -- and it remains to be seen if it ended the rancor and distrust that define current American politics -- voters made it crystal clear that they want a change in direction in Iraq. Democratic and Republican leaders alike agreed that it had to begin with replacing Donald Rumsfeld as Secretary of Defense.

President Bush showed that he had heard the second half of that message and finally rid himself of the man whose bad judgments and inept leadership had done so much to create the mess in Iraq. But it still was not clear that he has yet heard the first, and more important part of the message. At his press conference, Mr. Bush was still talking about victory in precisely the same terms he had used before the election, and offered no clear sense that he was prepared to open his mind to a real change in strategy.

The challenge for Mr. Rumsfeld's chosen successor, Robert Gates, who was a deputy national security adviser to Mr. Bush's father and then served as Director of Central Intelligence, will be to make Mr. Bush realize how desperate the situation is in Iraq and that the conduct of the war should be dictated by reality and not ideology.

It's possible that no one could have turned the invasion of Iraq into a success, given the fissures in Iraqi society that the fall of Saddam Hussein exposed. But we will never know, since the shortage of American troops and the lack of postwar planning made disaster inevitable. Mr. Rumsfeld deserved to go simply because he failed at his job. Denying that reality is presumably why the president was so bent on keeping him until the Republicans' huge losses at the polls on Tuesday forced his hand.

Before he presided over the Iraq invasion, Mr. Rumsfeld promised that as secretary of defense he was going to transform America's military so it was prepared to fight the conflicts of the 21st century. Mr. Bush has cited the progress being made on that front as one of the reasons he wants Mr. Rumsfeld to stay. But -- in a familiar pattern for this administration -- the changes have been more rhetorical than real.

Truly transforming the military would have meant trading in expensive cold war weaponry, like attack submarines and stealth fighters, for pilotless drones, swifter ships and lighter, more mobile ground forces. Mr. Rumsfeld never had the interest -- or the political will -- to take on that fight. Instead, he bought peace with Congress and the military brass by holding down the size of ground forces in order to continue paying the ballooning cost of unnecessary weaponry. He created a smaller, more mobile force that was too small to successfully pacify Iraq.

There was absolutely nothing more left for Mr. Rumsfeld to do as secretary of defense except continue to defend failed policies and tinker with unworkable strategies. Most of the men and women who will be part of the new Congress came to that conclusion, whatever their party affiliation. Mr. Bush was claiming yesterday to be open to changes, talking repeatedly of a report from a bipartisan commission on Iraq that is due out soon. But we're still waiting for a sign that Mr. Bush has grasped the

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urgency of the unfolding disaster in Iraq as anything beyond a political problem. Mr. Rumsfeld's departure is merely the first step. It has to be followed by a major change in policy if American troops can be brought home without leaving a disaster behind.

A Bush Retreat? (WSJ)

The Wall Street Journal, November 9, 2006

President Bush made a crucial point at his press conference yesterday when he warned America's "enemies" not to read the vicissitudes of our democracy as "a lack of will." Too bad he then undermined that message by accepting the "resignation" of Donald Rumsfeld a day after his party's election defeat -- and only a week after saying he wanted his defense secretary to serve out his term.

We realize Mr. Rumsfeld had become a political lightening rod, and that after six years Mr. Bush may want someone else to engage on defense policy with Democrats who have demanded the Pentagon chief's head. But the timing of the secretary's dispatch, and Mr. Bush's flustered explanation about the cause and timing, sent a message of retreat, rather than resolve. His nomination of Robert Gates also doesn't reassure us about Mr. Bush's policy direction.

When the history of this era is written, Mr. Rumsfeld is likely to fare much better than his many critics assert. The secretary has been a convenient political foil -- for Democrats, for generals who didn't like the way he exercised civilian control at the Pentagon, and especially for erstwhile war supporters who wanted to blame the Iraqi insurgency on some individual rather than on the inevitable complications and setbacks of any war.

Everyone now takes for granted the ease with which U.S. forces ousted the Taliban in Afghanistan, so it's worth recalling the many predictions at the time of Soviet-style "quagmire." There was also the speed with which Saddam Hussein's regime was toppled, in part because Mr. Rumsfeld's insistence of a light-and-fast strategy prevented what might have been a protracted siege of Baghdad. The military historian John Keegan has called this campaign "the farthest advance at speed over distance ever recorded" in a military operation, and at the time it saved thousands of lives.

Mr. Rumsfeld was also a strong leader inside the Pentagon, insisting that the Armed Services learn to operate jointly, and taking on service chiefs over outmoded ideas and weapons systems. For years American editorialists screamed about Pentagon pork, only to criticize Mr. Rumsfeld for alienating some Army generals when he actually did something about it.

The defense secretary can be faulted for underestimating the Iraq insurgency, but he has plenty of company, especially the CIA. The "small footprint" strategy for U.S. forces was as much General John Abizaid's as Mr. Rumsfeld's. And the worst mistake in Iraq -- the needlessly slow development of Iraq's political and security institutions -- was much more the fault of L. Paul Bremer, Condoleezza Rice and CIA and State Department officials including current Deputy National Security Adviser Meghan O'Sullivan.

They refused to support an Iraqi government of "exiles" early enough, only to end up with a government made up largely of those same exiles after elections were finally held. For reasons we will someday learn, Mr. Bush poorly managed the disputes on his national security team over strategy toward post-invasion Iraq. In any case, the President may soon miss having Mr. Rumsfeld as his chief flak-catcher on Iraq; perhaps Ms. Rice will now volunteer for that duty.

Which brings us back to Mr. Gates, whose nomination makes us wonder if Mr. Bush is signaling a change in policy, or worse, a new resignation toward Iraq. Mr. Gates is a capable public servant with broad security experience. But much of that experience is with the CIA, which has misjudged the nature of the enemy throughout this conflict. Mr. Gates is also on the Baker-Hamilton study group that Congress established to examine policy options for Iraq, and we hope his nomination doesn't mean Mr. Bush has already signed onto its soon-to-be-released recommendations. One of those proposals is reportedly a new engagement with Iran and Syria, which would make a hash of the President's "freedom agenda."

Most troubling regarding Iraq, Mr. Gates was deputy national security adviser under Brent Scowcroft in 1991, when President Bush's father abandoned the Shiite uprising that followed the first Gulf War. One reason the Iraqi government of Nouri al-Maliki has had such a hard time dismantling Shiite militias is because Shiites fear that it's only a matter of time before the U.S. abandons them again and they will have to confront the Sunni Baathist insurgency on their own. If President Bush wants to reassure Shiites on this score and about Mr. Gates, he should announce that the recent efforts to appease the Sunni terrorist political fronts in Iraq have failed.

We presume Mr. Gates will be grilled about these and other issues during his confirmation hearings. He should be.

Exit Strategy, Post-Rumsfeld (LAT)

The Los Angeles Times, November 9, 2006

BETTER LATE THAN never. More than two years after Secretary of Defense Donald H. Rumsfeld offered to resign in the aftermath of the Abu Ghraib prison scandal, President Bush finally agreed to let Rumsfeld go, to make room for a "fresh

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perspective." It's an easy gesture at this point — the political equivalent of bringing down the piñata once it's been battered beyond recognition.

The "fresh perspective" will be provided by a close confidant of Bush's father, former CIA Director Robert M. Gates. Gates is everything Rumsfeld isn't: an understated, consensus-seeking Washington operator.

When Bush took office, his diplomatic and national security team of Vice President Dick Cheney, Secretary of State Colin L. Powell, National Security Advisor Condoleezza Rice and Rumsfeld exuded a sense of seasoned competence. Yet they presided over a faith-based policymaking that has proved disastrous to the national interest.

Rumsfeld was right to embrace the need for a technology-driven military revolution. But he confused the need to modernize weapons systems and create a more nimble military with a license to wage war on the cheap, famously dismissing advice that it would take several hundred thousand troops to secure Iraq. The occupation was ill-planned because of a reliance on the assumptions of overzealous neocon thinkers.

Now, after the gains made by Democrats in an election rightly viewed as a referendum on Iraq, Bush needs to do more than accept Rumsfeld's resignation. Characteristically, Bush sent a mixed message at Wednesday's news conference. He emphasized the "fresh perspective" that Gates would bring to the job, but he continued to define "victory" in utopian terms: a democratic Iraq "that can defend, govern and sustain itself, and [be] an ally in the war on terror."

Bush also suggested that he might find "common ground" with victorious congressional Democrats who had demanded a new approach to Iraq. The circle may be squared by the elder Bush's chief consigliere, James A. Baker III, who is presiding over the so-called Iraq Study Group — which not coincidentally counts one Robert Gates among its members.

Even before the election, administration officials and some Democrats were predicting that the Baker panel would provide a rationale for the president to scale down his ambitions for Iraq and expedite the implementation of his promise that "as the Iraqis stand up, we will stand down" — even if the posture of Iraqi forces (or of Iraqi democracy) leaves something to be desired.

It still would be preferable if Washington could find a way to induce Iraqi factions to pull back from civil strife and establish a stable, democratic and multi-religious state. But that may be impossible. If Bush feels he must camouflage lowered expectations in the language of "victory," his newfound collaborators in the Democratic Party — and the voters who selected them — are unlikely to object.

Rumsfeld's Out But Way Too Late (BOSH)

Boston Herald, November 9, 2006

Well, better late than never, as they say.

Defense Secretary Donald Rumsfeld should have been out the door two years ago, but President Bush has been loyal to a fault. Tuesday he and his party paid an enormous price for that with the voters. But they spoke and Bush - finally - listened.

The departure of Rumsfeld alone won't immediately reverse course in Iraq. But it is a long overdue acknowledgment that that policy has endangered and betrayed the very troops now assigned to pacify that fractured nation.

The appointment of Robert Gates, a former director of the CIA and current president of Texas A&M University, bodes well for a national security team that can, as the president indicated, bring a fresh perspective to a war the American people have clearly grown weary of.

Gates as a member of the Iraq Study Group, which is scheduled to issue its report to the nation at the end of this month, is already well versed in what will be his main mission. He will need no on-the-job training. And he enters the Pentagon with something Rumsfeld lost long, long ago - the confidence of the military's own leaders who know him and are more likely to trust his judgment.

But lest this internal dispute over strategy be mistaken, Bush said yesterday, "To our enemies, do not be joyful. Do not confuse the workings of our democracy with a lack of will. Our nation is committed to bringing you to justice. Liberty and democracy are the source of America's strength . . . "

And so they have been this week, even as voters made known their obvious displeasure with this administration and with the conduct of the war in Iraq. Now the man who led that effort is gone. Good riddance.

Right Warrior, Wrong War (AR)

The Arizona Republic, November 9, 2006

Generals are forever fighting the last war. If ever there was a truism embedded in military critics, this is it.

Secretary of Defense Donald Rumsfeld, who resigned on Wednesday, believed it with every ounce of iron in his hardened soul. From the start of his second shift as civilian director of America's military on Jan. 20, 2001, Rumsfeld sought to remake the nation's fighting forces lighter, faster, more integrated and more responsive.

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The lightning invasion of Saddam Hussein's Iraq in early 2003 helped vindicate Rumsfeld's judgment that forces smaller and faster than the massive army arrayed against Saddam in 1991 in Kuwait could do the job.

Unfortunately, from that point forward Rumsfeld, too, was fighting the last war. Neither Rumsfeld nor President Bush seemed to see that the invasion was one war, the struggle against the bloody insurgency quite another.

The fact that shortly after the invasion the Defense secretary contemplated reducing the U.S. military presence in Iraq to less than half the size of the 160,000-member invasion force says all about his inability to distinguish one operation from the next. He was fighting the insurgency with the strike force. He was fighting the last war.

Much has been made of Rumsfeld's steely resistance to criticism of the administration's pacification plans in Iraq - plans that thus far have failed to quell insurgent violence there.

Earlier this year, eight retired generals called for his resignation, and just a day before the election, the nation's independent military newspapers, published by Gannett, jointly called for the same.

Democrats, until Tuesday the minority party in Congress, railed against his lack of an Iraq plan. But they were hardly alone. Among the secretary's most adamant critics was Sen. John McCain, R-Ariz., one of the staunchest defenders of the war to depose Saddam. It didn't seem to make a dent.

Firmness in wartime is a virtue, certainly. As is consistency of leadership. And in his six years as Defense secretary - a record tenure, by the way - Rumsfeld demonstrated both. A war against a merciless foe needed to be won, and for all his hardheaded faults, Rumsfeld clearly had the determination to see it through.

Following the scandalous revelations of prisoner abuse at the Abu Ghraib prison in Baghdad, many outraged supporters of ousting Saddam, including this newspaper, called for Rumsfeld to step down. To take responsibility for the reckless betrayals of decency perpetrated on his watch.

Later, as Iraqis by the millions appeared to be moving forward - establishing a federal constitution, electing a parliament - the need for resolution, for consistency, re-emerged. But the primary task of the American force in Iraq, under Rumsfeld, has been to establish and maintain the peace necessary for that nascent democracy to assert itself. And that has not come to pass.

With Rumsfeld's resignation, Bush has extended an enticing olive branch to incoming House Speaker Nancy Pelosi, who as recently as Wednesday called for Rumsfeld to leave.

Presumably, designated successor Robert M. Gates, a former CIA director, will offer a more detailed plan for completing the job in Iraq. Presumably, too, the now-empowered Democrats will offer their own, more detailed plan for the sort of changes in Iraq that they envision.

Their often-elusive demand for "change of direction" in Iraq, after all, is a battle cry of the last political war . . . the one fought before their victories on Tuesday. The American people deserve a clearer plan from their new congressional leaders as well.

A Come-to-Daddy Moment (NYT)

By Maureen Dowd

The New York Times, November 9, 2006

Poppy Bush and James Baker gave Sonny the presidency to play with and he broke it. So now they're taking it back.

They are dragging W. away from those reckless older guys who have been such a bad influence and getting him some new minders who are a lot more practical.

In a scene that might be called "Murder on the Oval Express," Rummy turned up dead with so many knives in him that it's impossible to say who actually finished off the man billed as Washington's most skilled infighter. (Poppy? Scowcroft? Baker? Laura? Condi? The Silver Fox? Retired generals? Serving generals? Future generals? Troops returning to Iraq for the umpteenth time without a decent strategy? Democrats? Republicans? Joe Lieberman?)

The defense chief got hung out to dry before Saddam got hung. The president and Karl Rove, underestimating the public's hunger for change or overestimating the loyalty of a fed-up base, did not ice Rummy in time to save the Senate from teetering Democratic. But once Sonny managed to heedlessly dynamite the Republican majority — as well as the Middle East, the Atlantic alliance and the U.S. Army — then Bush Inc., the family firm that snatched the presidency for W. in 2000, had to step in. Two trusted members of the Bush 41 war council, Mr. Baker and Robert Gates, have been dispatched to discipline the delinquent juvenile and extricate him from the mother of all messes.

Mr. Gates, already on Mr. Baker's "How Do We Get Sonny Out of Deep Doo Doo in Iraq?" study group, left his job protecting 41's papers at Texas A&M to return to Washington and pry the fingers of Poppy's old nemesis, Rummy, off the Pentagon.

"They had to bring in someone from the old gang," said someone from the old gang. "That has to make Junior uneasy. With Bob, the door is opened again to 41 and Baker and Brent."

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W. had no choice but to make an Oedipal U-turn. He couldn't let Nancy Pelosi subpoena the cranky Rummy for hearings on Iraq. "He's not exactly Mr. Charming or Mr. Truthful, and he'd be on TV saying something stupid," said a Bush 41 official. "Bob can just go up to the Hill and say: 'I don't know. I wasn't there when that happened.' "

Bob Gates, his friends say, had been worried about the belligerent, arrogant, ideological style of Rummy & Cheney from the start. He fretted at the way W.'s so-called foreign policy "dream team" — including his old staffer and fellow Soviet expert Condi — made it up as they went along, even though that had been their complaint about the Clinton foreign policy team. A realpolitik advocate like his mentor, General Scowcroft, he was critical of a linear, moralizing style that disdained nuance, demoted diplomacy and inflated villains. In 2004, he publicly questioned the administration's approach to Iran.

While Vice went off to a corner to lick his wounds, W. was forced to do his best imitation of his dad yesterday, talking about "bipartisan outreach," "people have spoken," blah-blah-blah — after he'd been out on the trail saying that electing Democrats would mean that "the terrorists win and America loses."

"I share a large part of the responsibility" for the "thumpin' " of Republicans, he told reporters. Actually, he gets full responsibility.

W. has stopped talking about democracy as a standard of success in Iraq; yesterday, he said that Iraq had to "govern itself, sustain itself and defend itself."

He was asked if his surprise at the election results showed he was out of touch with Americans. "I thought when it was all said and done," he replied, "the American people would understand the importance of taxes and the importance of security."

So it was just that the American people were too dumb to understand? W. also managed to bash Vietnam vets, saying that this war isn't similar because there's a volunteer army, so "the troops understand the consequences of Iraq in the global war on terror." Is that why W. stayed out of Vietnam? Because he understood it?

An ashen Rummy was also condescending during his uncomfortable tableau with W. and Bob Gates in the Oval Office, implying that he was dumped because Americans just didn't "comprehend" what was going on in Iraq. Actually, Rummy, we get it. You don't get it.

"Baker's no fool," a Bush 41 official said. "He wasn't going to go out there with a plan for Iraq and have Rummy shoot it down. He wanted a receptive audience. Everyone had to be on the same page before the plan is unveiled."

They don't call him the Velvet Hammer for nothing. R.I.P., Rummy.

The Defense Secretary We Had (WP)

By David Ignatius

The Washington Post, November 9, 2006

Senior military officers referred to it as "the 7,000-mile screwdriver." That was their way of describing Donald Rumsfeld's penchant for micromanaging aspects of the Iraq war that interested him. And it's one reason the military has to be happy that Rumsfeld is leaving -- even happier, maybe, than Democrats, who have claimed an early scalp for their election victory.

To the end, even when Rumsfeld must have known that his time in the job was short, he wouldn't give up that option to meddle with his field commanders. When Marine Gen. James Jones, the retiring NATO commander, went to see Rumsfeld a few weeks ago to talk about becoming commander of Centcom, he asked whether the defense secretary intended to continue his direct line of communication with the theater commander, Gen. George Casey, sometimes bypassing Centcom. When Rumsfeld wouldn't rule out such contacts, Jones began to doubt the Centcom job would work. And when Rumsfeld said he didn't foresee significant changes in Iraq strategy, Jones withdrew his name from consideration.

Changes in Iraq are coming, and Rumsfeld's departure is, to paraphrase the prayer book, one outward and visible sign of an inward and spiritual process. Another is the choice as his successor of Robert Gates, a very different sort of figure from Don Rumsfeld in a number of ways.

The Bush administration in recent weeks has -- very much in secret -- begun to ask itself the tough questions: Is the Iraq strategy working? Can we achieve our goals with the tools we have? If not, how do we adjust them so that they fit? One top-level policymaker tried to explain the mood a few days ago by quoting the Rolling Stones: "You can't always get what you want."

Rumsfeld long ago became the symbol for a war he began to doubt at least three years ago when he wrote his famous memo predicting that Iraq would be a "long, hard slog." That illustrated the best of Rumsfeld's intellectual style: He asked whether U.S. tactics were creating new terrorists faster than we were killing the existing ones and mused: "Are the changes we have and are making too modest and incremental? My impression is that we have not yet made truly bold moves, although we have made many sensible, logical moves in the right direction, but are they enough?"

Rumsfeld showed a willingness to question received wisdom, a penchant for challenging the pet projects of the military, such as the Army's plan for a monster artillery piece, inaptly named the Crusader, which would be difficult to move quickly to any modern battlefield. Rumsfeld was convinced that the Army needed to became more mobile, agile and expeditionary. Some of his

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ideas about transformation were accepted, but deep down, the Army's senior generals were convinced that his policies would break their branch of the service. The biggest smiles at the Pentagon yesterday were probably in the corridors inhabited by Army officers.

Oddly enough, it was the generals who helped keep Rumsfeld in his job. The White House had decided in the spring that it was time to make a change at the Pentagon, and officials were steeling themselves to break the news to Rumsfeld when the "generals' revolt" erupted on newspaper op-ed pages, with former officers lining up to denounce their ex-boss. The White House decided it couldn't appear to bow to pressure and retreated.

Rumsfeld's gift was his brilliance and intellectual toughness. He kept his head up even as the war in Iraq went from bad to awful. In that, he was a harder man even than one of his predecessors, Robert McNamara, who in his final year running the Vietnam War began to crack privately under the pressure. Rumsfeld embodied an old injunction: Never let them see you sweat.

But the downside with Rumsfeld was so great that few people are likely to remember the upside. He came to symbolize not simply the failure of the Iraq war but also the arrogance and lack of accountability. He had a knack for dropping phrases that came to symbolize what was wrong: "You go to war with the Army you have" and "Back off."

Robert Gates will bring to the job the attentive style of a listener. He rose at the CIA in the 1980s by making himself indispensable to his boss, William Casey. He was the brightest Soviet analyst in the shop, so Casey soon appointed him deputy director overseeing his fellow analysts. I once waded through Gates's graduate dissertation for his doctorate in Soviet studies at Georgetown. It was a work of solid, earnest scholarship -- good, but not flashy. Rumsfeld might have described it as a long, hard slog. But it illustrates Gates's best qualities: his intellectual seriousness, his professionalism, his lack of "side," as the British say of good civil servants.

Gates represents the return of Bush 41 people and ideas to the Bush 43 administration. The elder Bush rescued Gates after he was rejected as CIA director in 1987 because of his role in the Iran-contra scandal, bringing him to the National Security Council staff and then appointing him CIA director in 1991. Gates is not a turfy person -- he works well with others -- a quality that Rumsfeld often lacked.

The new secretary will bring something else to the table, and it may be a crucial factor in the months ahead. He came back into the Bush administration's spotlight because of his work as a member of the Iraq Study Group, headed by Bush 41's secretary of state, James A. Baker III, and former representative Lee Hamilton. Gates embodies the group's effort to find a bipartisan policy for Iraq. In that sense, he will go to the Pentagon with an invisible mission statement that can be summed up in two words: "exit strategy." He won't want to leave Iraq quickly or dangerously, but unlike Rumsfeld, he won't fight the problem.

Election Results May Lead To Easing U.S. Alienation Abroad (USAT)

By Jeffrey Stinson

USA Today, November 9, 2006

LONDON — From Tokyo to Baghdad, Istanbul to Nairobi, Toronto to the British capital, many people said they hoped the Democratic wins in Tuesday's U.S. elections would pressure President Bush to alter course in Iraq and abandon what some called an arrogant foreign policy.

Some typical reactions:

·"I want the Bush government to be crushed. And I want the Democrats to … get rid of the (Iraq) war," said Fumiko Watanabe, 35, who works for an information technology firm in Tokyo.

·"We're going to see some change in the Bush administration's global policies now," said Samuel Odhiambo, 29, a Nairobi banker.

These hopes may have been addressed by Bush's acknowledgment Wednesday that the U.S. electorate wanted change and his announcement that Defense Secretary Donald Rumsfeld was stepping down.

"Finally, something is happening," said Peter Paczius, 27, a Hungarian who works as a bartender in London.

However, the American envoy to Iraq said Wednesday that the election results would not necessarily mean a dramatic shift in U.S. policy. Ambassador Zalmay Khalilzad reminded reporters in Baghdad, "The president is the architect of U.S. foreign policy. He is the commander in chief of our armed forces."

While Rumsfeld's resignation may not change U.S. policy, some American expatriates said the election results might dispel a belief abroad that Bush administration policies are widely endorsed at home. And, they said, it could ease the anti-Americanism on the rise since the 2003 invasion of Iraq.

"This tells the world that Americans aren't happy about President Bush and many of his policies," said Allyson Stewart-Allen, an American in London who advises U.S. and European businesses on how to avoid culture clashes. "This absolutely will ease anti-American views."

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A Pew Research Center survey of global attitudes in June found that the USA's image slipped again in 2005 after a slight uptick in 2004, when the United States helped tsunami victims in Asia.

The survey of attitudes in 15 nations from Europe to Asia found support for the war on terror also had declined, even among close allies such as Japan, which had the highest opinion of America at 63%.

Iraq isn't the only reason for Bush's unpopularity and the low opinions of U.S. policy overseas. Yet for many, especially those who are close to it, the war provided a touchstone for judging U.S. actions.

“The Democrats are better than Bush's people,” said Zeki Nayif, a Sunni Muslim in Baghdad. “We want security and peace.”

In Istanbul, civil engineer Aysen Bora, 27, said, “Bush made our country unsafe, and many Turks died in Iraq. So it's good that the American people have finally said that they've had enough of those policies.”

On the flip side: “George Bush saved our people and created a space for us to live and breathe without Saddam Hussein policing us,” said Can Ozturk, 47, of Istanbul, a Kurdish taxi driver who has relatives in Mosul in northern Iraq.

U.S. foreign policy, even with its closest neighbors, may not affect ordinary people's lives, said Jason Cameron, a Toronto restaurant owner. “Day-to-day, (U.S. politics) don't really affect us as much as we believe it does,” he said.

Other Bush administration policies have contributed to alienation abroad: Keeping the Guantanamo Bay prison camp open, rejecting the Kyoto Protocol to reduce greenhouse gases and support for Israel.

A Marshall Fund survey in September found only 18% of Europeans backed Bush's foreign policy.

However, Bush cannot be held entirely responsible for all anti-American sentiment abroad, said Stewart-Allen in London. She said Americans don't help their cause if they come across as “arrogant, unilateral and insular.”

“Americans think they are the No. 1,” said Watanabe in Tokyo. “Actually, they don't know much about other parts of the world.”

Envoy: U.S. Vote Won't Alter Iraq Policy (AP)

By Christopher Bodeen

AP, November 8, 2006

The American ambassador told Iraqis on Wednesday the sharp political realignment in Congress would not provoke upheaval in U.S. policy, but many in the battered capital had hoped otherwise on a day when at least 66 more people were killed in vicious sectarian attacks.

As the U.S. House of Representatives returned to Democratic control and the Senate hung in the balance, Iraqis noted the election outcome — seen by many as a referendum on the Bush administration's Iraq policy — but seemed unable to find much hope in the results.

"I expect a major change in (U.S.) military commands in Iraq. We have to wait and see the strategy of the new secretary and how we will deal with him. We hope he will be more effective and more serious in achieving security in Iraq," he added.

Ambassador Zalmay Khalilzad acknowledged "the effort to help Iraq succeed was a major issue" in the election during brief remarks to a group of Iraqi journalists at an embassy reception.

But he reminded the journalists that U.S. policy in Iraq and elsewhere had not been wrenched from the administration's hands by the major shift on Capitol Hill:

"The president is the architect of U.S. foreign policy. He is the commander in chief of our armed forces. He understands what is at stake in Iraq. He sees success as an imperative for America's national interest. He is committed to working with both Houses of the American Congress to get support needed for the mission in Iraq to succeed."

Later, after President Bush announced the resignation of Defense Secretary Donald H. Rumsfeld, a Shiite lawmaker said he expected a major change in policy.

Hassan al-Sunnaid, a member of the Security and Defense Committee in parliament, said "the Bush administration including Rumsfeld was able to topple Saddam Hussein's regime but it did not succeed in administering Iraq."

"Defense officials, on top of them Rumsfeld, failed and so did the American ambassador. Changing Rumsfeld should have happened a year ago because their work in Iraq did not achieve any results," said al-Sunnaid, a member of Prime Minister Nouri al-Maliki's Dawa party.

A Shiite woman, who identified herself as Um Assad, mother of Assad, probably spoke for most Iraqis when questioned about the election as she shopped near the National Museum. Security was uppermost in nearly everyone's mind.

"We hope that they (the Democrats) will be kind to our people and understand our problems," she said.

Zeki Nayif, a Sunni dressed in traditional Arab garb, spoke bluntly as a group of men at a newspaper kiosk gathered around.

"The Democrats are better than Bush's people. We want security and peace to prevail," he said, then walked off.

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Ala Abid Ali, a Shiite among the group, was of the same mind: "As far as I'm concerned I hope that the Democrats will work for providing security for the Iraqi people, who are suffering greatly."

Iraqi politicians opposed to the continued U.S. presence in the country were delighted with the outcome.

"The vote shows the Iraqi and American people are of one mind about withdrawing U.S. troops," said Falah Hassan Shanshal, who leads the parliamentary bloc of radical anti-American Shiite cleric Muqtada al-Sadr.

"We hope the Democrats don't forget their campaign promises. If they don't, we will deal with them in a brotherly way once the last American soldier pulls out from Iraq," he said.

Even moderate Kurdish lawmaker Mohamoud Othman saw the shift to Democrats as a result of the Bush administration's "bad policy of spending too many lives in Iraq and too many billions of Americans' tax money."

"Today he (Bush) was taught a lesson," said Othman, whose fellow Kurds are deeply indebted to the U.S. for allowing the ethnic group to establish a virtually autonomous region in the north of Iraq.

In the final days before the election, Bush dispatched two top officials to Iraq in a bid to pressure al-Maliki to quickly disband Shiite militia groups and death squads that have killed thousands of Sunni Muslims.

National Intelligence Director John Negroponte was rebuffed by al-Maliki, however, when he demanded the Iraqi leader disband militias and wipe out death squads this year.

A top aide to al-Maliki aide, who refused to allow use of his name because of the sensitive nature of the information, told The Associated Press the prime minister flatly refused and said the task could not be taken up until next year.

Al-Maliki's refusal to act against the militias has caused deepening anger among Sunni politicians who took enormous risks in joining the political process.

Sunni lawmaker Salim Abdullah said the Iraqi Accordance Front bloc had sent messages to other political groups warning that if there is no balance and the militias are not dissolved "we will withdraw from the government."

"We are under political pressure, and if these demands are not met we will abandon politics," Abdullah said. "And this will leave us with only one alternative, which is carrying arms, and then it will be civil war. And we are against the civil war."

Envoy Seeks To Reassure Wary Iraqis (WP)

By John Ward Anderson

The Washington Post, November 9, 2006

BAGHDAD, Nov. 8 -- The U.S. ambassador in Baghdad sought to reassure Iraqis on Wednesday that major Democratic gains in Tuesday's elections did not herald an immediate or dramatic change in U.S. policy, saying President Bush "is the architect of U.S. foreign policy" and committed to success here.

In a speech to Iraqi journalists and a few government officials, Ambassador Zalmay Khalilzad explained that there would be a change in the balance of power in the U.S. Congress but that "Americans understand that Iraq is important" and "have made great sacrifices" for the country and its people.

While continued violence "sometimes causes some, understandably, to wonder whether Iraqis can succeed," he said, "it is clear that Americans want Iraq to succeed" and would continue supporting efforts to bring peace and security to the country. Khalilzad said Bush "is committed to working with both houses of the American Congress to get support needed for the mission in Iraq to succeed."

But many Iraqis expressed concern that a political sea change in Washington could leave them and their country in even worse shape than it is today, while others said they hoped the Democrats would be more forceful in demanding that Iraq's government curb militias and improve security.

"We are concerned that there might be a quick withdrawal from Iraq, which would seriously affect the security situation," said Kashim Mohammed, director of the Fallujah Development Center in the city of Fallujah, a Sunni Arab stronghold 35 miles west of Baghdad. "In reality, the new situation in America is a matter of concern and interest for Iraqis more than it is for Americans themselves."

"I'm optimistic. I think the Democrats will not accept the chaos in Iraq," said Saad Obeidi, 38, a Sunni who owns a fashion shop in the central Baghdad neighborhood of Karrada.

But some Iraqis said they saw little difference between Democrats and Republicans.

"It will be the same policy and the same ideas. Only the faces will change," said Firas Saleh, 33, a Baghdad shop owner.

"Relations with the Americans will not change with a Democratic victory, because in America, there are strategic interests that will never be abandoned by any party, and those are America's security and interests and international affairs," said Esmail al-Hadidi, a tribal leader in the northern city of Kirkuk. "The Americans will never leave Iraq in the hands of the terrorists and the extremists, but we will see a new agenda on the military front -- there will be more diplomatic and political options."

Others said that any defeat for Bush was a victory for them.

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"I was so happy when the Democrats won, because I saw Bush's face when he gave a speech after the failure of his party, and he was so angry," said Ban Muhammad 24, a student in Tikrit, the home town of ousted leader Saddam Hussein. "We hope he and his party always lose."

In violence Wednesday, a suicide bomber blew himself up in a cafe in a Shiite Muslim neighborhood in northern Baghdad, killing 16 people and wounding 18. In addition, 14 people were killed and 70 were wounded in a series of mortar attacks and car bombings in the capital.

Outside Baghdad, 27 people were killed and 32 were injured in car bombings, gun battles, roadside explosions and other violence, local security officials and news services reported.

The U.S. military said troops killed 10 fighters from the insurgent group al-Qaeda in Iraq on Wednesday and freed a kidnapped Iraqi police officer being held by them near Muqdadiyah, about 50 miles northeast of Baghdad. The officer was found after the troops searched the insurgent cell's hideout, a military statement said.

"Once inside the building, Coalition Forces found a hostage blindfolded and shackled to the floor," the statement said. "The hostage revealed he was an Iraqi Policeman that was taken hostage six days before with two other Iraqi Policemen and was being held ransom to raise money for the terrorist cell. He said the two other policemen had been ransomed earlier by the terrorists."

In another operation, four al-Qaeda in Iraq members were killed and 48 were captured when forces raided a known insurgent meeting place on Tuesday near Ramadi, about 60 miles west of Baghdad, the U.S. military said.

No U.S. or Iraqi soldiers were reported killed or injured in either operation.

Separately, a Marine was killed in Anbar province west of Baghdad on Wednesday and a soldier was killed Tuesday in Kirkuk province, the U.S. military reported, bringing to 21 the number of U.S. service members killed in November.

In Iraq, New Calculations Of The U.S. Role (NYT)

By John F. Burns, Michael Luo

The New York Times, November 9, 2006

BAGHDAD, Nov. 8 — Iraq's political leaders scrambled Wednesday to interpret what a sharply altered American political landscape might mean for the future of this war-ravaged country.

Initial reactions to the sweeping Democratic gains and the replacement of Secretary of Defense Donald H. Rumsfeld appeared to leave Iraqis, like many Americans, unsure of the likely impact on America's policy on the war.

Some Iraqi politicians said they hoped for major changes, while others seemed more concerned about reassuring Iraq's 27 million people that America would not abandon its commitments here and order American troops home.

Mr. Rumsfeld, though, has long been reviled by Iraqis and blamed for everything from the uncontrolled looting after the invasion in 2003 to the collapse of public services and the mounting wave of sectarian violence.

That view was particularly strong among the minority Sunnis, who lost power with the toppling of Saddam Hussein, and who now waver between a subordinate role in the new power structure and an insurgency against American troops and the American-backed politicians who now hold power.

Sadoon al-Zubaidi, who was Mr. Hussein's chief English-speaking interpreter and now acts as an adviser to the Sunni bloc in Parliament, said the setback for Republicans in the elections was a moment for Americans to realize what "a total failure" the invasion of Iraq had been.

"The Americans came to Iraq three and a half years ago to do something good for Iraqis, to free them from dictatorship," he said. "That has failed. The Americans helped, encouraged and planted civil disorder and sectarianism. Now, I would like to see all American troops taken out. I'd like to see all the reins of power placed in Iraqi hands."

But calls for the withdrawal of American troops were rare, with most politicians saying they expected no radical shift as a result of the United States elections. Prime Minister Nuri Kamal al-Maliki, in a recorded interview on BBC that was broadcast as the election results were becoming known, sought to play down the shift to the Democrats.

"In the remaining two years of President Bush's term, I don't think there will be any major changes in the American policy," he said. "Nobody is talking about a timetable for the withdrawal of American troops."

Many Iraqis, while disliking what is widely referred to here as the occupation, now say the 150,000 American troops here are a vital bulwark between the deepening chaos and outright civil war. The only major political figure now calling for an immediate American pullout is the powerful Shiite cleric Moktada al-Sadr, who led two uprisings against American troops in 2004.

Mr. Maliki has been harshly critical of some aspects of American policy in recent weeks, demanding greater Iraqi control of the war effort and blaming the United States for the worsening of the security situation.

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But in the BBC interview he appeared to shift tack, saying that Iraq could rely on President Bush and that even the Democrats were not advocating a withdrawal schedule.

Adnan Pachachi, a prominent secular Sunni politician, said most Iraqis had already identified the most pressing problem here — the rampant violence by sectarian militias — and knew that American forces were essential to any hope of bringing them under control.

"All of us, Iraqis and Americans, have to face facts instead of putting our heads in the sand," he said. "We have to do something about the militias."

The only ones who could do that, he said, were the Americans or other foreign troops, because Iraq's own security forces were heavily infiltrated by the militias.

"If that requires additional troops," Mr. Pachachi said, "then so be it. But if the British or the Americans are unable or unwilling, then we will have to go to the United Nations and see whether we can get help from other countries."

In a hall hung with red, white and blue election bunting, Zalmay Khalilzad, the American ambassador, said Iraqis could rest assured that America would stand by its commitments.

Sunni politicians, many of them harsh critics of American troops at earlier stages of the war, have said they consider the American troops as their only reliable protection against the Shiite militias that have struck back at Sunni insurgents' attacks on Shiite civilians by dispatching death squads that have killed thousands of Sunnis.

Adnan al-Dulaimi, a leading figure in the Iraqi Islamic Party, a major Sunni group in Parliament, said he was worried about what the newly empowered Democrats in Washington might do.

"We do not expect anything good from their side and we have our own fears," he said. "As to the Republicans, their stance in Iraq is stable and they have a realistic background. We have gotten used to the Republicans and become familiar with their intentions."

Although serious ruptures have opened between the Shiite-led government and the Bush administration in recent months, several prominent Shiites were at pains on Wednesday to emphasize that no one among the Shiites — aside from Mr. Sadr, presumably — wanted an immediate withdrawal of American troops.

"Nobody is asking for the withdrawal of the multinational forces," said Qasim Dawood, security minister in the interim government that ruled for a year after the end of the formal period of American occupation in 2004.

Among ordinary Iraqis, views on the elections differed widely. One Shiite cleric, Sheik Adel Ibrahim Subihawi, awoke at 4 a.m. on Wednesday to watch the election returns, and offered an explanation for his early rising that spoke for the widespread interest in the returns. "Our future is connected to it," he said.

As the morning wore on and the Democrats picked up more seats, his enthusiasm grew.

"A Democratic victory will change the politics of Bush's Iraq," he said, sitting on a couch, machine guns propped casually in the corner. "He'll set a timetable for withdrawal because that's what the Democrats want. And when they set a withdrawal date, the resistance will stop."

But other Iraqis fretted about what the Democrats might do. "We do care if Congress pressures the president of the United States to pull out troops because we don't have yet highly trained forces," said Muhammad Nerous, a paramedic. "We don't have yet adequate equipment by which we can challenge the terrorists."

Tolerable Or Awful: The Roads Left In Iraq (NYT)

By Thomas L. Friedman

The New York Times, November 9, 2006

I had to submit this column before knowing the results of yesterday's election, but here is one thing I know already: this needs to be our last election about Iraq.

The Iraq war has turned into a sucking chest wound for our country — infecting its unity at home and its standing abroad. No one can predict what Iraq will look like 10 years from now. I wish it well. But in the near term, it is clear, nothing that we'll feel particularly proud of, nothing that we'll feel justifies the vast expenditure of lives and treasure, is going to come out of Iraq.

Our only two options left today in Iraq are "tolerable" and "awful." "Good" is no longer on the menu. When you read stories from Iraq saying that all we need to do is get rid of all the police there, get one-third of the soldiers in the Iraqi Army to actually report to duty regularly, and replace all the ministers who are corrupt, you know why "good" is not on the menu anymore.

It's time to make a final push for the tolerable, and if that fails, quit Iraq and insulate ourselves and our allies from the awful. This can't go on.

That's sad. Iraq was always a struggle of hope against history. After 9/11, and the Arab Human Development Report detailing the increasingly dysfunctional Arab-Muslim world — which produces way too many terrorists — we had a real interest in collaborating with Iraqis to try to build one decent, progressive, democratizing society in the heart of the Arab East.

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But to succeed we needed to establish a secure order in Iraq and prevent the murderous Sunni/Baathist attacks on Shiites. The Bush team, arriving in Iraq with too few troops and no plans, failed to do either. And therefore the natural tribalism of Iraqis surfaced and the minimal trust between citizens needed to forge a real democracy never emerged. Now we have a tit-for-tat civil war.

The "tolerable" outcome that might be self-sustaining and stable would require reshaping Iraq as a loose federation of predominantly Kurdish, Shiite and Sunni zones. To make even that work, though, would probably require cutting a new deal with Iran and its Iraqi Shiite clients, and Syria and its Sunni Baathist allies, and the Kurds. Iraq would retain a central government in Baghdad, but power and oil income would be more radically decentralized among the different sects. Democracy would be subordinated to stability.

A small U.S. or U.N. force could remain in Iraq to police the boundaries between the three communities and make sure the ongoing violence is contained. To produce even this, though, the U.S. will probably need to set a date and threaten to leave. Otherwise, the parties won't negotiate seriously.

"Awful" would be carrying out that threat to leave Iraq by a fixed date because Iraqis prove too angry and atomized to reach any deal. The fires of madness now raging in Iraq — people beheading each other, blowing up each other's mosques — would all intensify.

A U.S. withdrawal under such conditions would be messy and shameful. But when people are that intent on killing each other there's not much we can do. As bad as we've performed in Iraq, what Iraqis have done to each other, and the little that other Muslims have done to stop them, is an even bigger travesty.

Still, we'd need to give visas to Iraqis who wanted to flee the madness; we'd need to give a security umbrella to the Kurds, so that Syria, Turkey or Iran did not invade them if we left; and we'd need to protect Jordan from the spillover.

But there would be some strategic benefits. Syria would have to support the Sunnis in Iraq, and Iran would have to back the Shiites, so these two "allies" would be on opposite sides of the civil war. Iran would also have to manage the chaos in southern Iraq, particularly the Shiite militias, and this would be a permanent migraine for Tehran. U.S. troops would no longer be in range of Iranian retaliation, and therefore would be much freer to confront Iran's nuclear challenge. The U.S. would also be able to extract itself from the Abu Ghraib/occupation syndrome and could start combating Islamist radicalism by being the best America rather than the worst.

Finally, Iraqi instability would push oil to $80 a barrel. That would mean more people buying hybrid cars and investing in alternative energy, so that we end our dependence on this region sooner.

These are our real choices in Iraq now: tolerable and awful. It's time we choose. No more expending lives and treasure for nothing good. The only way we can pursue good in the world again is by either shrinking our presence in Iraq, if Iraqis will step up, or leaving entirely, if they won't.

Youths Playing Ball Killed In Baghdad (LAT)

By Borzou Daragahi

The Los Angeles Times, November 9, 2006

BAGHDAD — Explosives rained down on a dusty soccer field in the Shiite Muslim slum of Sadr City on Wednesday, killing eight Iraqi youths and injuring dozens.

Around the country, bombings and shootings left dozens of other Iraqis dead. The U.S. military reported that two of its troops had been killed, raising to at least 2,839 the number of American service members killed in Iraq.

Mortar and rocket battles reminiscent of the urban civil warfare that engulfed Sarajevo, Beirut and Kabul in previous decades have erupted occasionally throughout Baghdad's patchwork of religiously mixed neighborhoods.

The latest fighting in northern and eastern Baghdad began Sunday, with sporadic fire between adjacent districts.

The attack on the soccer field, carried out with rockets or mortar shells, occurred about 4:30 p.m. The explosives carved deep craters into the surface and scattered shrapnel, human flesh and pieces of clothing. The injured and dying were taken to hospitals.

Exchanges of mortar fire between Shiite and Sunni neighborhoods left three other people dead and five injured in the northern district of Kadhimiya and one dead and 20 injured in the neighboring Adhamiya district.

Kadhimiya, a mostly Shiite area west of the Tigris River, is home to a golden-domed shrine that is among the most revered by Shiites. Adhamiya, a heavily Sunni neighborhood on the opposite bank of the Tigris, is the site of a famous Sunni shrine.

A suicide bombing at a cafe the night before in the nearby Shiite neighborhood of Grayat killed 21 people and injured 25, officials said. That bombing followed a mortar attack that killed seven in Adhamiya.

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Iraq's Shiite-led government, apparently discounting evidence that the violence was between Shiite and Sunni neighborhoods, blamed the outbreak of shelling on Sunni insurgents firing from the city of Taji, about 20 miles north of the capital.

"Baathists and [religious extremists] are launching mortars from Taji onto Adhamiya and Kadhimiya," a statement said. The Russian-made mortars used by Iraqi insurgents, however, generally have a maximum range of five miles.

Explosions shook the capital throughout much of the day. A car bomb in the mostly Sunni neighborhood of Waziriya killed one person and injured six.

Another car bomb targeting a passing Iraqi police commando patrol in east Baghdad killed one police officer and injured four.

Mortar rounds struck the downtown Shorja wholesale market, killing two people and injuring eight. A mortar round also struck near the Health Ministry, killing three and injuring six.

At least 29 bodies were found around Baghdad. Many of the victims had been bound, beaten and shot in apparent sectarian reprisal killings.

Outside the capital, violence raged on.

A car bomb in a crowded market near Muqdadiya killed four people and injured six. The area is in the volatile, religiously mixed agricultural province of Diyala, northeast of Baghdad.

A roadside bomb exploded near a girls high school in Fallouja, 35 miles west of Baghdad, killing two students and injuring 12.

The most seriously wounded were rushed to the capital because the Fallouja hospital lacks resources, said Kamal Issawi, director of the facility.

"We are calling on international organizations and the government to solve our problems," he said.

An explosion in a residential neighborhood of Hillah, about 60 miles south of the capital, left at least four people dead.

A city councilman in Hillah said Sunni insurgents had driven 75 Shiite families out of the nearby district of Iskandariya over the last two days.

He alleged that the insurgents kidnapped eight young Shiite men and killed an old man who confronted them.

They also destroyed two small Shiite shrines.

"They consider Iskandariya part of their Islamic state," said Mohammed Masoudi, head of the Hillah City Council.

The Americans were killed in separate incidents. A Marine assigned to serve with the Army's 1st Armored Division died Wednesday of wounds sustained "due to enemy action" in Al Anbar province, the military said.

A soldier with the 25th Infantry Division was killed Tuesday in combat near the northern city of Kirkuk. Three soldiers were also wounded during the operation, the military said.

Meanwhile, the trial of Saddam Hussein on genocide charges resumed with witness testimony and a defense allegation that the prosecution had broken into its offices and stolen files.

In a heavily guarded courtroom, Hussein's accusers recounted the alleged crimes of the former regime in the infamous Anfal campaign, in which Iraqi security forces waged war on rebellious Kurdish villagers.

Badie Aref, an attorney for one defendant, accused the court of stealing documents crucial to its case.

"There were 23 files of documents that have disappeared," he said. "I think that they were taken by the Americans, and I think that they might have given them to somebody from the prosecution."

The judge dismissed the accusation.

The case was adjourned until Nov. 27.

Iraqi Predicts The Hanging Of Hussein By Year's End (NYT)

By Kirk Semple

The New York Times, November 9, 2006

BAGHDAD, Nov. 8 — Prime Minister Nuri Kamal al-Maliki predicted in a televised interview on Wednesday that former President Saddam Hussein would be hanged by the end of the year.

Court officials said, however, that the prime minister's prediction was unrealistic, considering the timing of the appeals process and the sheer volume of evidence the appellate judges would have to review. It was far more likely, they said, that the hanging would not take place until January at the earliest, and probably later.

The authorities reported the killing on Wednesday of more than 30 people in various attacks around Iraq. And the American military command described a major attack on an American military base in northeastern Baghdad on Sunday that lasted for an hour and a half and left at least 38 insurgents dead.

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Under Iraqi law, a nine-judge appellate court will begin its review of the death sentences against Mr. Hussein and two of his co-defendants 30 days from Sunday, when the sentences were handed down. If the appellate judges uphold the rulings, the executions must be carried out within 30 days.

The appellate judges are not bound by a deadline for their deliberation, but Mr. Maliki and other Shiite leaders have made no secret of their desire to see Mr. Hussein executed as soon as possible. They say that Mr. Hussein's survival could help to rally the Sunni Arab-led insurgency that has been trying to drive American forces out of the country and topple the Shiite-dominated government. He periodically issues written messages from his cell at an American military detention center here exhorting insurgents to continue their resistance.

Mr. Hussein was found guilty of crimes against humanity for the persecution of the townspeople of Dujail, north of Baghdad, after what was said to be an assassination attempt against him there in 1982. A total of 148 men and youths were killed, and hundreds of others banished for years to a remote desert camp in southern Iraq.

American and Iraqi officials had originally planned to prosecute Mr. Hussein in a series of trials that, they said, would describe his long rule of terror. He is the principal defendant in a second trial involving the so-called Anfal military campaign in the late 1980s in which, prosecutors contend, as many as 180,000 Kurdish civilians were killed.

But with the conflict worsening, senior Iraqi officials, including Mr. Maliki, now say they would rather eliminate Mr. Hussein as a source of inspiration for the Sunni insurgents than use the trials to prove his personal responsibility for atrocities during his 24-year rule. According to Iraqi court officials, nothing in Iraqi law would prevent Mr. Hussein being executed before the Anfal trial ends.

In an interview televised by the BBC on Wednesday, Mr. Maliki said, "I think the court is determined to pursue this case that they are looking at, but we will not interfere."

When asked to specify when he expected Mr. Hussein to be executed, Mr. Maliki said, "I expect it to happen before the end of the year."

The Constitution mandates that President Jalal Talabani and his two vice presidents must approve the execution. But Mr. Maliki raised the possibility during the interview that because the decision was rendered by a special tribunal, it might not be subject to that constitutional provision. Mr. Hussein was tried before the Iraqi High Tribunal, the court set up to prosecute the top officials of the ousted government.

President Talabani, a Kurd, has said publicly that he is opposed to the death penalty, suggesting that he would not approve the execution. But according to court officials, the president has said he is prepared to designate Adel Abdul-Mahdi, one of his vice presidents and a Shiite, as his proxy in the vote.

Court officials said they also did not anticipate opposition from Vice President Tariq al-Hashemi, a Sunni Arab. Mr. Hashemi, they contend, accepted his post on the assurance that he would not oppose the court's findings.

The insurgent blitz against the American military base on Sunday began when attackers opened fire from the north and south with assault rifles and rocket-propelled grenades, the military said Wednesday in a statement.

The garrison, called Forward Operating Base Apache, is in Adhamiya, a heavily Sunni Arab neighborhood.

Iraqi Kurds Accused Of Spying For Iran (AP)

By Sameer N. Yacoub, Jamal Halaby

AP, November 8, 2006

A co-defendant in Saddam Hussein's genocide trial accused Iraqi Kurds on Wednesday of spying for the Iranians at the time of the government crackdown on the Kurdish population.

Former military intelligence chief Sabir al-Douri made the accusation after listening to Kurdish witnesses testify about chemical attacks against their villages in northern Dahuk province in August 1988.

Saddam, al-Douri and five other former members of Saddam's regime have pleaded innocent to charges of war crimes and crimes against humanity for their role in the military offensive against the Kurds, known as Operation Anfal. The prosecution says about 180,000 people, mostly civilians, were killed in the 1987-88 crackdown. Saddam and one other defendant are also charged with genocide.

Al-Douri told the court the Iranians, who fought an eight-year war with Iraq starting in 1980, had asked Kurdish guerrillas to provide intelligence about a prison camp near Mosul and about the homes of two senior Iraqi commanders in the north.

"The (Kurdish) rebels and the Iranians were working together there," he said.

The presiding judge did not respond to the remark.

The trial adjourned until Nov. 27 to give time for the defense to assemble its list of witnesses. But court spokesman Raed Juhi said the prosecution still had more witnesses to call.

If convicted, Saddam and his co-defendants could be sentenced to death.

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Saddam is already under a death sentence imposed by another court Sunday for the deaths of more than 140 Shiite Muslims after an assassination attempt against him in the town of Dujail in 1982.

His trial for the Kurdish crackdown will continue while an appeals court reviews the Dujail case.

Prime Minister Nouri al-Maliki was quoted as telling the British Broadcasting Corp. that if an appeals panel upholds the Dujail sentence, Saddam could be executed before the end of the year.

With the likelihood of his execution increasing, Saddam rose in the dock Tuesday and called on all Iraqis to "forgive, reconcile and shake hands."

On Wednesday, witness Ayoub Abdellah Mohammed said his village was attacked with chemical weapons on Aug. 24, 1988 — four days after a cease-fire in the war with Iran.

"After this, we had difficulty breathing and I told the villagers that the village was hit by chemical weapons," he said. "I could see birds falling and liquids coming out of people's noses."

Another witness, Tawfeeq Abdul-Aziz Mustafa, said he and other villagers fled to Turkey after a chemical attack on their community and remained there until a Kurdish self-ruled area was established in northern Iraq in 1991.

"We looked at the villages and there was yellow smoke coming out," he said. "Our eyes became red, itchy and teary. We knew it was a chemical attack."

Mustafa said his uncle died in Turkey from the effects of the attack, and he lost about 40 percent of his vision because of exposure to the chemical weapons.

The session opened with a demand from defense lawyer Badee Izzat Aref for the court to order an investigation into the alleged ransacking of the defense team's office in the U.S.-controlled Green Zone last month.

Aref said intruders damaged and stole dozens of documents, undermining the defense's effort in the trial. Chief judge Mohammed Oreibi al-Khalifa ordered the prosecution to give a new set of documents to the defense.

"I demand the opening of an investigation on the American side because the area of the offices is guarded by the Americans, who would shoot anybody who comes near," Aref said.

It was the first time that Aref appeared in the court since Sept. 21, when the defense team announced a boycott of the trial to protest the court's rejection of many of their motions.

Suicide Bomber Kills 42 Pakistani Soldiers (NYT)

By Carlotta Gall, Salman Masood

The New York Times, November 9, 2006

ISLAMABAD, Pakistan, Nov. 8 — A suicide bomber detonated explosives on a military training ground in northwestern Pakistan on Wednesday morning, killing at least 42 army recruits and wounding about 20 more in the deadliest terrorist attack against the Pakistani military on record, government officials said.

Suspicion immediately fell on Pakistani militants who had vowed vengeance for an airstrike on a madrasa, or religious school, that killed 83 people near the Afghan border in the Bajaur district on Oct. 30.

The Pakistani military claimed responsibility for that attack, which it said was against militants in terrorist training. But residents and opposition politicians contend that the strike was conducted by an American drone aircraft, though the Pakistani government denies it.

The sudden escalation of casualties in Pakistan's fight against militants is likely to further polarize public opinion, which is already broadly opposed to President Pervez Musharraf's cooperation with the United States and his military campaign against tribes in border regions. It may also raise questions in the military about the campaign, in which about 600 soldiers have been killed in the past two years.

Interior Minister Aftab Ahmed Khan Sherpao said a suicide bomber wrapped in a shawl ran onto the military training ground, in Dargai, a town in North-West Frontier Province, and detonated his bomb amid about 130 recruits around 8:40 a.m. The military reported that 42 soldiers had been killed, but that number may rise, because some of the wounded were in critical condition.

"It was a guy with a short beard, wearing a shawl," Khalid Mehmood, 18, a student who was walking on a road nearby and was wounded by shrapnel, told a local journalist.

Gulam Younas, a shopkeeper across the parade ground, said he was working when he heard a big explosion. "Amidst the rising dust, I saw bodies lying on the ground, wounded soldiers, limbs, shoes," he said. "It was horrible."

The military was pursuing a man suspected of being an accomplice Wednesday night who was chased to sugar cane fields several miles away. The man, described as in his mid-20s with a short beard, had been was spotted close to the scene of the blast by townspeople who said he was behaving suspiciously, military and security officials said. When someone fired on him, the officials said, he pulled out a hand grenade and threatened to hurl it at them, then disappeared into fields in a nearby village.

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About 400 Pakistan Army soldiers and paramilitary Frontier Constabulary set up a cordon around the thick cane fields, which cover a little more than a square mile. Army tracking dogs, helicopters, searchlights and flares were brought in to help.

An unidentified caller told a local journalist on Wednesday that "Pakistani Taliban" were behind the suicide bombing and were retaliating for the airstrike in Bajaur on Oct. 30. The strike has been followed by daily demonstrations and protests against the government and the perceived American involvement in the strike. At least one militant leader from the Bajaur area, Maulana Faqir Muhammad, threatened to carry out revenge attacks.

Government officials in Islamabad, the capital, said Wednesday that the suicide bombing was linked to Bajaur, but emphasized that rather than a revenge attack, it was a proof of terrorist training in the region.

"We can trace back the linkage with Bajaur," said Maj. Gen. Shaukat Sultan, the chief military spokesman, [a news service] reported. "We have been receiving intelligence reports about militants being trained for such activities," he said.

"It is linked with the Bajaur incident. It is not a consequence," said Mr. Sherpao, the interior minister. "It is linked in the sense that suicide bombers were trained in the area."

Foreign fighters and operatives for Al Qaeda are known to be at large in the mountainous tribal regions adjoining Afghanistan. Local fighters and the militants are accused of training bombers and orchestrating attacks in Afghanistan and Pakistan from their hide-outs.

A senior Pakistani intelligence official said Monday at a briefing that the madrasa in Bajaur had been receiving money from Al Qaeda to train militants and send them to Afghanistan to fight American and Afghan forces. Abu Faraj al-Libbi, an important Qaeda operative who was arrested in May 2005, disclosed under interrogation that he and other Qaeda members had visited the madrasa, said the official, who spoke on condition of anonymity.

The anonymous telephone caller on Wednesday, who called the journalist Rahimullah Yusufzai of The News, a national newspaper, said that the suicide bombing had been carried out by a group led by Abu Kalim Muhammad Ansari, an otherwise unknown figure. The caller contended that the group had 274 more volunteers ready to be suicide bombers, Mr. Yusufzai said.

Yet while Pashtun tribesmen in border areas have sympathized with the Afghan Taliban and Al Qaeda, suicide bombing is new to them. Many Pashtuns say such attacks are alien to their tribal code, Pashtunwali, which forbids the killing of innocent people, and to their understanding of Islam, which forbids suicide.

General Musharraf has vowed to continue to fight such militants and to crush terrorism in almost daily comments since the Bajaur strike. Yet the suicide bombing is likely to increase the pressure on him to end military action in the tribal areas.

"There are very few now who think the military is an instrument that will work," said Talat Masood, a military analyst and retired general.

Suicide Bombing Kills 41 Troops At Pakistani Army Base (WP)

By Pamela Constable, Kamran Khan

The Washington Post, November 9, 2006

PESHAWAR, Pakistan, Nov. 8 -- A suicide bomber detonated explosives on a field filled with army recruits doing exercises in northwest Pakistan on Wednesday morning, killing at least 41 soldiers and wounding dozens in one of the worst such attacks in Pakistan's recent history.

Officials immediately blamed the bombing on al-Qaeda and local Islamic extremists. They said it appeared to be an act of reprisal for a government missile attack Oct. 30 that killed 82 people at an Islamic school in the nearby Bajaur tribal region. Officials suspected that the school was being used as a training camp for guerrillas.

"It seems that this was linked to the action by our forces against militants in Bajaur last week. Al-Qaeda and its followers in this region are getting desperate because of our actions," Interior Minister Aftab Khan Sherpao said from Islamabad, the capital. "I am afraid this is a beginning of a new phase of terrorism in Pakistan. The terrorists are now pitched directly against our security forces."

Military officials said the bomber, wrapped in a cloak, wandered onto the unguarded training field and detonated explosives before anyone noticed him. They said a second intended suicide bomber escaped on a motorbike from the military training camp, located in Dargai village near the semiautonomous tribal areas that border eastern Afghanistan.

Several hours later, a man called the office of Geo television in Peshawar, the provincial capital of North-West Frontier Province. He identified himself as the second suicide bomber and claimed that the attack had been carried out by local insurgents from the Islamic Taliban movement, which operates on both sides of the border.

"Our martyr has clearly stated that this attack is our response to the Pakistan army attack in Bajaur," the caller said in Afghan Pashto, according to journalists at Geo. "This attack marks the end of our commitment not to target the Pakistan army. We have enrolled 275 people as suicide bombers, and now they will take revenge."

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Dargai is a stronghold of a banned Islamic militant group, the Movement for the Enforcement of Islamic Law, which ran the religious school that was bombed by the military in Bajaur. The group has been fighting government troops in the tribal areas for months and was banned in 2002 after trying to impose Taliban-style rule in the tribal areas.

After Wednesday's attack, security was heightened at all military facilities in Pakistan and soldiers in the northwest region were told not to visit public places in uniform, a senior army official said. On Tuesday, the North-West Frontier provincial governor was forced to cut short a visit to the South Waziristan tribal area when two rockets were fired near a meeting he was attending with local elders.

The tribal areas are plagued by violence and Islamic extremism, and U.S. and Afghan officials believe both Taliban and al-Qaeda fighters have taken refuge there. Recently the Pakistani government made two peace agreements in South and North Waziristan, hoping to end the conflict that has pitted Islamic insurgents against Pakistani troops on one side of the border and NATO and Afghan forces on the other. A third agreement was due to be signed in Bajaur last week.

But the Oct. 30 missile attack, which Pakistani officials said was based on U.S. intelligence and carried out by Pakistani forces, appears to have sabotaged that effort. News of the attack has convulsed the tribal region, with daily demonstrations taking place and local politicians resigning from parliament in protest.

According to Pakistani and U.S. officials, the Islamic school in Bajaur had been under suspicion for some time as a training place for insurgents, and there were reports of senior al-Qaeda figures visiting there.

Pakistani officials have strongly defended the attack and continued to assert responsibility for it despite widespread public protest. On Tuesday, the army's powerful corps commanders met with Pakistan's military president, Gen. Pervez Musharraf, and resolved to continue the campaign to free Pakistan from armed Islamic militancy, according to a military press statement.

But many Pakistanis in the volatile tribal region are convinced that the missile attack killed only innocent young religious students, that it was carried out by U.S. Predator drones and that U.S. officials pressured Pakistan into supporting it. U.S. officials have said the United States did not carry out the attack.

If it did, however, analysts said, that would mean Musharraf's government, already tarred as a U.S. puppet by many Pakistanis, chose the lesser evil of claiming it had carried out an attack that was bound to create enormous domestic anger, unleash the kind of violent reaction that occurred Wednesday and undermine a reconciliation policy it had worked hard to promote.

Sayed Sahibzada Haroon Rashid, a resident of Bajaur and member of the National Assembly from Pakistan's largest legal Islamic party, said in an interview Wednesday in Peshawar that he personally knew the names, relatives and tribes of most of the victims and that all were teenage students. He said a government list of purported national ID cards showing many to be in their 20s was a fabrication.

"This was not a training camp, it was a school where boys study the Koran. They didn't even find a knife," said Rashid, who reached the blast site within minutes and helped collect pieces of bodies. "We all recognized the American drone planes because they fly over every day. There was no al-Qaeda there; it was just an excuse to destroy our peace process. This will unite the whole country against the Musharraf dictatorship and America."

Taliban Fighters Talk Tactics - While Safe In Pakistan (CSM)

By Suzanna Koster

The Christian Science Monitor, November 9, 2006

The 22-year-old doesn't look like the traditional turbaned Taliban commander. His black hair shoots out at all angles from beneath a red cap. He smiles easily and has a neatly trimmed beard.

But Hilal says he is the co-leader of 200 Taliban fighters who operate across the border in Afghanistan. "Two years ago, we only attacked Afghan officials, but now we have so many Talibs that we can attack Americans," he boasts.

In a rare interview with a Western reporter, Hilal and three other Afghan Taliban fighters describe how they slip into Afghanistan, attack NATO and Afghan forces, and return to Pakistan to rest.

"Everybody in the neighborhood knows we are Talibs," says Noman, a 19-year-old fighter with a blue-white block-printed turban. "Paki-stan is a little bit free for us."

The interview was conducted over two days in a small house made of yellow mud in Pakistan's Balochistan Province. The fighters, who won't give their real names, say they are here for a refresher course in Taliban ideology in a Pakistani religious school.

"We are enormously organized," brags Mustafa, a 20-year-old wearing a black turban usually favored by conservative Muslims.

"Even British defense officials say they face a lot of problems from the Taliban."

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A year ago, such confident talk from Taliban fighters could have been chalked up to bravado. But with more than 50 suicide attacks in the past six months, resistance by large Taliban units in the increasingly volatile provinces of Kandahar and Helmand in the south, and a greater willingness of Taliban fighters to come out into the open and speak their minds are all indications that the Taliban resurgence is no longer a matter of conjecture.

This year has been a difficult one for the US, coalition, and Afghan forces. With US commanders handing control of the south over to its British, Canadian, Dutch, and other allies in NATO, the Taliban are making the transfer a bloody one. How NATO forces fare in the south could determine whether the democratically elected government of President Hamid Karzai - and indeed, the experiment in Afghan democracy itself - succeeds or fails.

Commander Hilal says that currently 40 of his troops are in Afghanistan fighting, and 160 are "refreshing their ideology" in Pakistan. Hilal says that he discusses military plans by cellphone and satellite phone with higher Taliban commanders who are all in Afghanistan.

Hilal says his fighters operate in groups of 20 to 25 men in the Afghan provinces Ghazni and Zabul. There are 35 groups active in Zabul's capital, Qalat, and 20 to 25 in the rest of by American forces controlled province.

Mustafa, in the black turban, says that the Talibs cross the border alone or in twos. Depending on the crossing point, he says - listing Pakistan border cities of Chaman, Badini, and Torkham - it takes one or two nights to join up with other Taliban fighters, he says. "The majority have Pakistani identity cards, so crossing the border is no problem," he says.

The Taliban fighters return to a different house in Pakistan every month, but say that they must be very careful in Afghanistan, says Noman, a gaunt-faced young man who says he wants to learn English. But Mustafa adds that they are no longer in hiding in Afghanistan. "We are now 200 to 300 at a time and can roam around freely," he says.

Prior to every mission, they get training in one of the many training camps in the Afghan mountains, says the 22-year-old Ali, who is quiet through most of the interview.

Afghanistan and NATO officials regularly accuse Pakistan of harboring Taliban leaders. Pakistan officials say they are doing everything they can to remove them.

On Wednesday, a suicide bomber killed 35 Pakistani soldiers in a brazen attack at a military base in Pakistan's North West Frontier Province, leaving the Army shaken and a Taliban peace deal in tatters.

"Never has there been so many military casualties in one attack," says Ramiullah Yusufzai, a Peshawar-based journalist who has covered the Pakistan military's campaign against militants since 2001.

Hours after the attack, an organization calling itself the Pakistan Taliban, which had never come forward before, phoned Mr. Yusufzai to claim responsibility. The caller told Yusufzai that the bomber prepared a suicide video before carrying out the strike, suggesting a parallel in tactics used by Taliban militants in Afghanistan.

The four fighters say they all studied at an Afghan madrassah (religious school) before the American forces entered Afghanistan in 2001. Hilal fled to Pakistan when his fellow students at the madrassah were arrested after the Taliban regime was toppled. In 2003, he says, he joined the jihad.

In their Afghan camps, "we get training, even suicide education. There are many groups saying how we suicide bomb, lay mines, or use Kalashnikovs," he says. Suicide attacks are not for him, he says. "It takes a lot of training. You have to think about target time, because maybe you blow up yourself but nobody else."

All of their ammunition is inside Afghanistan and is used against non-Muslims, says Mustafa. "There is a lot of ammunition in Afghanistan to use against the non-Muslims. We hid it in depots after the fall of the Taliban."

The Afghan forces are the targets are considered "non-Muslims" because they work with the Americans. "All the checkpoints are covered by Afghan troops, so we go for them first," he says.

A month ago, Hilal says his forces attacked a military convoy in Zabul's provincial capital, Qalat. He says they killed 35 Afghan troops. Two Taliban fighters were injured.

The Taliban fighters also pride themselves on blocking the main highway between Kandahar and Kabul.

Mustafa says he's in favor of the international reconstruction work in Afghanistan. But Noman interrupts, raising a finger. "We are not in favor of reconstruction work, because it happens in the name of Christianity. This is why we close the schools. The government completely changed the books. A was for Allah, now it stands for Aass [mule in Pashto], J was for Jihad, now it stands for Jawary [maiz in Pashto]. With pamphlets, letters, and by taking the teachers "into confidence," Noman says they try to close down the schools - if necessary, by force.

More than 160 Afghan schools have been attacked this year, according to The Associated Press.

The fighters say ordinary Afghans give them vehicles, fuel, food, medicine, and information. "There are many business men who help us. We were given 10 vehicles in Kandahar and 15 in Helmand. Sometimes they give us security. They say, 'He is not a Talib, he is my family member.' That is jihad," says Noman.

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The interview has been watched by a silent little observer: an 11-year-old boy on a wooden seat. His parents have sent him to Noman for religious training. He brings food to the Taliban fighters in the house. When he is grown, he says shyly, he wants to be a fighter. "Now I am still a kid, but when I have a beard I can join."

Poll: Afghans Express Confidence In Country's Direction, Security (USAT)

By Paul Wiseman

USA Today, November 9, 2006

Most of the 6,200 surveyed say they are satisfied with democracy, but corruption is a major problem

Despite a raging pro-Taliban insurgency, the people of Afghanistan say they are optimistic about the future, satisfied with their young democracy and rank security low on their list of everyday concerns, according to a survey out today.

In what it is billing as the widest opinion poll conducted in Afghanistan, the non-profit, San Francisco-based Asia Foundation surveyed 6,226 Afghans 18 and older in person in 32 of the country's 34 provinces over the summer.

Polling couldn't be conducted safely or reliably in two areas: southern Afghanistan's strife-torn Zabul and Uruzgan provinces, which together account for 2.3% of the country's population. The survey's margin of error was +/-2.5%.

The poll, financed by the U.S. Agency for International Development, suggests that Afghans are surprisingly confident about the direction of their country even as NATO forces battle a pro-Taliban insurgency in southern and eastern provinces and the violence begins to threaten other places that previously had been considered safe.

While violence has increased, Afghanistan has made some progress in the nearly five years since U.S.-led forces overthrew the fundamentalist Islamic Taliban regime.

Afghans finally got a chance to vote — in presidential elections in 2004 and parliamentary elections in 2005. Roads have been paved and schools reopened after three decades of anarchy.

Outside the south, major Afghan cities such as Mazar-e-Sharif in the north, Herat in the west and the capital, Kabul, have been largely free of political violence.

Frederick Starr, chairman of the Central Asia-Caucasus Institute at Johns Hopkins University's School of Advanced International Studies in Washington, said he was not surprised by the survey. “These findings … in no way contradict the larger conclusion that this is a country still desperately poor and desperately in need of help,” Starr said. “What they affirm is that help produces results, which in turn generates appreciation.”

The poll found that:

·Afghans were more than twice as likely (44% to 21%) to think their country was headed in the right direction, rather than the wrong direction; 29% had mixed feelings. Still, the optimists were down from 64% in a smaller Asia Foundation survey conducted in 2004.

By contrast, Iraqis have a bleaker outlook. A Sept. 1-4 World Public Opinion Poll of more than 1,000 Iraqis showed that 47% thought their country was going in the right direction, while 52% thought it was going the wrong way.

·77% said they were satisfied with the way democracy is working in Afghanistan.

·Only 6% ranked security as the biggest problem in their area, behind unemployment (18%), electricity shortages (12%), poverty (10%), a weak economy (10%) and scarce water supplies (9%). Sixty percent said they rarely or never worried about their own safety. However, 22% said security was the biggest problem facing the nation.

·54% said they were more prosperous than they were under the Taliban, which governed Afghanistan from 1996 to 2001; 26% felt less prosperous.

·42% said corruption was a major problem in their daily lives, and 77% called it a major national problem; 51% of those who dealt with public health care officials reported paying bribes for health service.

·Afghans had contradictory attitudes toward political tolerance: 85% said the government should allow peaceful opposition, but 64% said they would not allow political parties they personally opposed to meet in their areas.

·Nearly one-tenth of men and one-eighth of women felt that women should occupy most political positions in a country where women traditionally have been barred from schools and jobs.

·87% said they trusted the Afghan national army, and 86% said they trusted the Afghan national police. The police, in particular, have been widely criticized for being corrupt, brutal and beholden to local warlords. A report released this month by the International Crisis Group, a Brussels-based non-profit group devoted to conflict prevention, called the Afghan police “little more than private militias … regarded in nearly every district more as a source of insecurity than protection.”

“I have never met one person, including the minister of the Interior, who trusted the Afghan national police,” Barnett Rubin, who studies Afghanistan at New York University's Center on International Cooperation, said in an e-mail. “I think this is not a very reliable survey.”

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Starr counters: “For a country that didn't have a national army and had only local militias, the fact that one exists — no matter its absolute level — is a breakthrough.”

George Varughese, who directed the poll for the Asia Foundation, which supports programs in Asia that help improve governance and law and encourage economic development, agrees that some of the results “appear to challenge the current wisdom on issues in Afghanistan,” but says, “We feel it is a solid, important piece of work, completed during a difficult time.”

CORPORATE SCANDALS:

Ex-U.S. Foodservice Executive Convicted (WP)

By Carrie Johnson

The Washington Post, November 9, 2006

A New York jury convicted former U.S. Foodservice Inc. marketing chief Mark P. Kaiser yesterday of conspiracy, securities fraud and false filing charges, all but bringing to a close a three-year, $800 million accounting fraud probe at the Columbia food distribution company.

Kaiser, 49, remains free on bond until his sentencing Feb. 8. He is the only former official at U.S. Foodservice, a unit of the Dutch grocery retailer Royal Ahold NV, who presented his case to a jury.

A few weeks before the trial began last month, former finance chief Michael J. Resnick pleaded guilty to conspiracy for his role in the scheme, which boosted earnings by inflating the amount of promotional rebates U.S. Foodservice received from suppliers.

Kaiser's deputy, Timothy J. Lee, also pleaded guilty and testified against his former boss in the course of the case, which spanned about four weeks. In closing arguments, Kaiser's lawyer, Richard J. Morvillo of the District, labored to paint Lee as a liar trying to curry favor with the government and win a lighter prison sentence.

"Nothing has changed in terms of our view of Mr. Kaiser's innocence, and we plan to pursue what we believe is a meritorious appeal," Morvillo said in an e-mail yesterday.

Through a spokeswoman, Manhattan U.S. Attorney Michael J. Garcia declined to comment.

The conviction came two days after Ahold said it would put U.S. Foodservice up for sale, even as it retains control of local supermarket chain Giant Food.

Earlier this year, Ahold reached a nonprosecution agreement with the Justice Department over the accounting problems at the Columbia unit. Ahold's stock plummeted more than 60 percent when the problems were disclosed in early 2003. Ahold, which did not pay fines to the government because of its extensive cooperation with investigators, later paid $1.1 billion to resolve shareholder claims.

In all, more than a dozen executives at U.S. Foodservice and its supplier companies have pleaded guilty and settled related civil charges with the Securities and Exchange Commission.

Conviction In U.S. Foodservice Trial (WSJ)

By Chad Bray

The Wall Street Journal, November 9, 2006

NEW YORK -- The former marketing chief of Ahold NV's U.S. Foodservice Inc. unit was convicted of participating in a scheme to create millions of dollars in fake supplier rebates in order to artificially increase the unit's operating results by hundreds of millions of dollars.

After about a day of deliberations, a jury in U.S. District Court in Manhattan found Mark Kaiser guilty of conspiracy, securities fraud and four counts of making false filings. Mr. Kaiser faces a maximum of 20 years in prison on the most serious charge of securities fraud. Sentencing is set for Feb. 8.

"We'll do our talking in the Court of Appeals," said Richard J. Morvillo, Mr. Kaiser's lawyer, when asked for a comment on the verdicts.

The government alleged Mr. Kaiser and others misrepresented to U.S. Foodservice's auditors and the public how much the company was receiving in supplier rebates, known as promotional allowances, by hundreds of millions of dollars in order to meet income targets.

More than a dozen U.S. Foodservice vendors and three former executives, including former U.S. Foodservice Chief Financial Officer Michael Resnick, have pleaded guilty to criminal charges in the matter.

On Monday, the Amsterdam-based retailer said it will put the U.S. Foodservice unit and its Tops supermarkets in New York and Pennsylvania up for sale.

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UnitedHealth Executives Forfeit $390 Million In Options (WSJ)

By STEVE STECKLOW And VANESSA FUHRMANS

Wall Street Journal, November 9, 2006

The two top executives of UnitedHealth Group Inc. agreed to forfeit about $390 million in stock-option compensation, by far the biggest sum returned to a company under scrutiny for backdating options awards.

The giveback was announced at the same time the giant health insurer disavowed more than a decade's worth of earnings statements.

Last month, an internal inquiry found that the two executives -- outgoing Chief Executive William W. McGuire and his successor, Stephen J. Hemsley -- received options that carried dates prior to the dates on which they were actually granted, making them more valuable than they otherwise would have been.

Other senior UnitedHealth executives will also return unspecified options gains. Paul Hodgson, senior research associate at Corporate Library, a corporate-governance research group in Portland, Maine, said the $390 million giveback by Dr. McGuire and Mr. Hemsley may be the largest voluntary forfeiture by corporate executives ever. "This is certainly the biggest that I'm aware of," he said.

UnitedHealth is one of the largest companies to be ensnared in the options-backdating scandal, in which companies manipulated the dates that options were awarded to provide additional compensation to executives. More than 130 companies are under investigation by the Securities and Exchange Commission, and many of those are also being probed by the Justice Department.

UnitedHealth also disclosed that it would have to take "significantly greater" charges related to its backdated stock options than it had previously estimated and that it expects the charges to affect the past 12 years of previously reported earnings. The Minnetonka, Minn.-based health-insurance giant didn't specify what the new charges would be. It had previously said it might have to restate up to $286 million in earnings, stemming from three years' worth of earnings.

UnitedHealth also said its chief financial officer, Patrick Erlandson, resigned his post and will be succeeded by G. Mike Mikan, the company's senior vice president of finance. Mr. Erlandson will be reassigned to other "operational duties," the company said. A UnitedHealth spokesman declined to say whether Mr. Erlandson's move was related to the stock-options issue.

More than 40 executives have lost their jobs to date in the options imbroglio, including Dr. McGuire, who agreed last month to step down as UnitedHealth's chairman. He will leave his post as chief executive by Dec. 1, after 15 years at the company. UnitedHealth's internal probe concluded that Mr. Hemsley, the company's chief operating officer, received backdated grants, but it made no finding that he had a role in their creation.

UnitedHealth's options troubles followed a page-one article in The Wall Street Journal in March that showed that Dr. McGuire had received stock options grants at favorable times, including awards received in 1997, 1999 and 2000 whose dates coincided with those years' lowest closing share price. The article reported that the odds of such a favorable pattern occurring by chance were at least one in 200 million. At the time, UnitedHealth called its options-granting process "appropriate."

Options are intended to give recipients the opportunity to profit if the company's share price rises in the future. Usually, the recipient can buy shares in the future at the price of the stock on the day the option was awarded. Backdating involves pretending that the grant was awarded on an earlier day, when the share price was lower, giving the recipient the potential for greater profit. If not disclosed to shareholders, the practice can result in serious accounting and tax consequences.

UnitedHealth, in fact, faces a slew of noncash charges related to stock-based compensation, as well as cash charges resulting from tax liabilities. It said yesterday it would have to further delay filing its third quarter Form 10-Q to the SEC.

Both Mr. Hemsley and Dr. McGuire agreed last month to allow the exercise prices of previously granted options to be reset to the highest share price during the grant year after a board-commissioned review concluded that several option grants had likely been backdated.

The company said Mr. Hemsley and other unnamed senior executives had agreed not only to give up paper gains on unrealized stock options with questionable grant dates, but also to forfeit some money already made on previously exercised options. For Mr. Hemsley, the actions -- including forfeiting a complex tranche of grants that were suspended and then reactivated in August 2000 -- will reduce his past stock compensation by $190 million in both unrealized gains and money he would return. "My decision is in keeping with my personal goal of avoiding even the appearance of any unintended benefit from any past option grants to me," he said in a statement. Before joining UnitedHealth in 1997, Mr. Hemsley was chief financial officer at the accounting firm Arthur Andersen LLP.

Dr. McGuire has also agreed not to benefit from any grants with problematic dates that he has already exercised, although it isn't yet clear how this will be done, according to a person familiar with the situation. His attorney, David Brodsky, said, "Dr.

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McGuire is pleased to have reached an agreement to reprice his options. The agreement to forgo approximately $200 million means that Dr. McGuire will receive no benefit at all from dating issues in connection with his options."

But Dr. McGuire hasn't yet agreed to forfeit the reactivated options in which he and other employees were effectively able to get the same options twice, at favorable prices. For Dr. McGuire alone, those extra options are now valued at about $250 million. The issue of those options hasn't been resolved between Dr. McGuire and the company, according to people familiar with the situation.

At the end of 2005, Dr. McGuire had a cache of unexercised options valued at $1.78 billion. Mr. Hemsley's options at the time were valued at more than $650 million.

UnitedHealth spokesman Mark Lindsay wouldn't provide any details on the formula the company is using to determine how much executives have to return to the company from previously exercised grants. He added that the company was still working out the details on how the money would be paid back.

However the payback is handled, executive compensation experts said the move to undo past compensation is likely to complicate the tax liabilities that UnitedHealth faces from backdated grants. "The IRS doesn't like that sort of thing," said James Reda, managing director of a New York-based pay consulting firm James F. Reda & Associates.

The company's board also set new rules for its independent directors, prohibiting business relationships that involve payments from company executives or any direct compensation from the company, other than for board service, within the prior three years. That is tougher than New York Stock Exchange requirements, which limit other direct compensation for independent directors to less than $100,000. The more stringent rules come amid the resignation last month of William Spears, a UnitedHealth board member for 15 years, after the company's probe revealed undisclosed financial entanglements with Dr. McGuire.

UnitedHealth also said it reached a new, four-year employment agreement with Mr. Hemsley that is remarkably spartan compared with his and Dr. McGuire's previous contracts. Under its terms, Mr. Hemsley will receive a base salary of $1.3 million, $1 million less than Dr. McGuire earned as CEO. Far from the power Dr. McGuire enjoyed to negotiate and, in some years, set the date for his own option awards, Mr. Hemsley's contract doesn't set any minimum or target level for bonuses or other incentive-linked compensation. Rather, any additional bonuses are "solely at the discretion" of the board's compensation committee, the company reported in a filing with the SEC. "It's unusual for someone to relinquish that much control over how his bonus gets set," Mr. Reda said.

Shares in UnitedHealth fell $1.57 to $48 in 4 p.m. composite trading on the New York Stock Exchange.

UnitedHealth Options Probe Cost Higher Than Expected (Update7) (BLOOM)

By Lisa Rapaport

Bloomberg, November 9, 2006

Nov. 8 (Bloomberg) -- UnitedHealth Group Inc., the largest U.S. health insurer, said its restatement of earnings to correct accounting for stock-based compensation ``will be significantly greater'' than the $286 million it estimated in May.

The insurer also said today it will reduce the value of stock options awarded to two top executives and delay filing third-quarter earnings to U.S. regulators. UnitedHealth is among at least 167 companies that have disclosed probes into backdated options in a broadening U.S. scandal, including 71 which changed previously reported financial results.

Departing Chief Executive Officer William McGuire will lose about $200 million because of the restatements, said his lawyer, David Brodsky. Stephen Hemsley, who replaces McGuire on Dec. 1, will give up about $190 million, Minnetonka, Minnesota-based UnitedHealth said. Last month, both agreed to let their option dates be reset to the highest share price in the grant year.

The repricing ``probably removes one more overhang on the stock, but you can't draw any more conclusions at this point about what McGuire has or hasn't done wrong,'' said Les Funtleyder, an analyst at Miller Tabak in New York, in a telephone interview.

UnitedHealth said its financial statements from 1994 through September this year ``should no longer be relied upon'' because they may not reflect costs of stock-based compensation.

Oct. 15 Agreement

McGuire agreed Oct. 15 to be replaced by Hemsley, the current president and chief operating officer, after an independent inquiry found evidence that company options were backdated during the past 12 years.

Investigators are trying to determine whether companies inflated the value of options awarded to senior executives by backdating or timing the grants to coincide with days when the stock price was low.

The shares fell $1.57, or 3.2 percent, to $48 at 4 p.m. in New York Stock Exchange composite trading.

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Brodsky, with Latham & Watkins in Washington, said today in a statement that his client's agreement to reprice options ``means McGuire will receive no benefit at all from dating issues in connection with the options."

``All of the remaining value of his options are the result of the outstanding performance of the company, which saw 8,400% growth under his leadership," Brodsky said.

Chief Financial Officer

Patrick Erlandson resigned as chief financial officer of UnitedHealth and will be succeeded by G. Mike Mikan, the company said. Forrest Burke was named acting general counsel, replacing David Lubben, who resigned Oct. 15.

The company also said it strengthened its requirements for defining the independence of its directors and restricted charitable contributions to organizations run by independent directors. UnitedHealth also prohibited business relationships between the independent board members and executives employed by the company.

An internal inquiry by Washington law firm Wilmer Cutler Pickering Hale and Dorr LLP examined 29 option grants from 1994 through 2006 and found that the measurement dates for most were incorrect and many ``were likely backdated," according to a summary of the report, released Oct. 15.

`Central To'

McGuire was ``central to" a process that set many option dates ``at or near" the lowest price in a quarter or year, raising his potential profit over 12 years, the law firm said.

In the WilmerHale report, McGuire stated that grant dates on the CEO's options ``typically coincided with" a memo, phone call, meeting or discussion with at least one member of the board's compensation committee.

The report's authors responded that there were ``relatively few instances in which there are either direct or circumstantial evidence to establish that a grant date was selected on that particular day."

McGuire is under investigation by the U.S. Securities and Exchange Commission, the U.S. Department of Justice and the Minnesota Attorney General. The company also faces shareholder lawsuits.

UnitedHealth on Oct. 19 said third-quarter net income rose 38 percent after acquisitions raised the number of policyholders. Earnings climbed to $1.1 billion, or 79 cents a share, beating analysts' estimates by 3 cents, and the company increased its forecast for next year.

Revenue rose 55 percent to $18 billion after the acquisition of PacifiCare Health Systems Inc., with 3.3 million members in medical plans, helped push the number of people covered by UnitedHealth policies to more than 70 million, up 24 percent in a year.

UnitedHealth's Options Just Got Messier (BSWK)

By Sonja Ryst

BusinessWeek, November 9, 2006

The health insurer says costs for backdated stock options will balloon beyond its prior estimates. The new CEO has his work cut out for him

UnitedHealth Group (UNH) faces a whopper of a bill from backdated stock options. It's also hoping to renew favor with investors by repricing options for several executives and bringing new leaders into its executive suite.

Less than a month after ousting its CEO over the options scandal, the suburban Minneapolis health insurer told investors Nov. 8 that it expects to take "significantly greater" charges than the $286 million it had previously predicted. The company also said its financial statements for the past dozen years are suspect and shouldn't be relied on, pending restatements. The reviews also will cause the company to delay filing its third-quarter report with the Securities & Exchange Commission.

The news came as UnitedHealth announced that its new chief executive, Stephen Hemsley, has agreed to have his options from 1997 and 2002 reset to the highest share price in the year in which they were granted. He also agreed to give up gains from options that were suspended in 1999 and reinstituted in August, 2000. The decision cuts the value of his options by $190 million. "My decision is in keeping with my personal goal of avoiding even the appearance of any unintended benefit from any past option grants to me," Hemsley said in a press release. Under Hemsley's new four-year employment agreement with UnitedHealth, he's guaranteed only a base salary. Widespread Restatements

Hemsley replaces company founder and current CEO, Dr. William McGuire, who will have the exercise prices reset for all of his options with recorded grant dates between 1994 and 2002. McGuire resigned as board chairman on Oct. 15 after an external review found that many of his stock options were most likely backdated (see BusinessWeek.com, 10/16/06, "Hard Times for UnitedHealth").

McGuire is scheduled to leave the company on Dec. 1. The terms of his severance are still being negotiated. At the end of last year, McGuire's options were worth $1.78 billion. He has agreed to have them repriced to their highest point in the grant

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year. That will shave about $200 million from the value of McGuire's options, his attorney, David Brodsky, told The Associated Press on Wednesday.

The options backdating scandal has snared more than 120 companies to date, many of which will need to restate results to account for the compensation expense and pay taxes for options that were mishandled. The practice of backdating, which is allowed under accounting rules as long as it's disclosed, allows the recipient of a stock option to snag an immediate paper gain, since the strike price is set below the current share price. First Priority

UnitedHealth also ousted its chief financial officer, Patrick Erlandson, who has been in that position since 2001. Erlandson will remain with the company, and be succeeded by G. Mike Mikan, a senior vice-president of finance. In addition, UnitedHealth designated Forrest Burke as acting general counsel, from his former role as general counsel for UnitedHealthcare, Uniprise, and specialized-care services.

The company says senior executives and its former general counsel, David Lubben, have agreed to reset the dates on all options from 1994 to 2002 to the day they were actually granted. They also have agreed to a formula to account for income on options they have already exercised. "The effect of these changes is to remove any potential whatsoever for these individuals to have financially benefited from any option misdating," the company said.

Cleaning up the options mess is Job No. 1 for Hemsley, who joined the company in 1997. In a conference call with analysts last month, he apologized for the fiasco and promised new managers with "stature, expertise, and integrity. We will be unrelenting in achieving the highest standards for governance and integrity" (see BusinessWeek.com, 10/18/06, "The Ties UnitedHealth Failed to Disclose"). Changing the Culture

Still, some analysts want to see results—and the debacle's costs—before saying the company has found its way. "Their corporate governance has been abysmal, and they've made a few changes over the last couple months," said Brandon Troegle, an analyst at research firm Morningstar in Chicago. "I think they're all very positive changes, but they're reactionary. There's always more they could do."

The latest options news, coupled with uncertainty over what newly empowered Democrats in Washington might plan for the privatized health industry, sent UnitedHealth shares down 3.2% on Nov. 8, to $48, on the New York Stock Exchange. The stock is down by more than a third from its 52-week high of $64.61 in December.

"They have to prove there's a cultural change in the organization," says Sheryl Skolnick, a senior vice-president at investment bank CRT Capital Group. She's watching to see what sort of retirement package McGuire will get. The whole mess, Skolnick predicts, will be largely closed by the spring. Investors will be hoping that estimate proves accurate.

Ryst is a reporter for BusinessWeek.com in New York.

UnitedHealth Expects Greater Charges Due To Options (LABIZ)

Los Angeles Business, November 9, 2006

UnitedHealth Group Inc. announced Wednesday a series of actions to address the problems of backdating stock options at the company.

The company said in a statement that it cannot yet determine the amount of "cash charges resulting from potential tax liabilities," but that it will be "significantly greater" than the $286 million initially anticipated.

The board of the Golden Valley, Minn.-based health insurer said that due to the adjustments necessary to correct the backdating of stock options, its quarterly reports from 1994 to September 2006 "should no longer be relied upon."

The company also is withholding the filing of its 10-Q report for the third quarter of 2006.

Here are some of the additional actions taken by UnitedHealth:

New President and CEO Stephen Hemsley signed a four-year employment agreement, and voluntarily agreed to reprice any stock options questioned by the independent WilmerHale report of the company's internal finances. This will reduce the value of Hemsley's past compensation by $190 million.

Outgoing CEO William McGuire also agreed to reset his options dates from 1994 to 2002 to the highest stock price during those years, but the company did not indicate the reduced dollar value of that recalculation.

The board named Mike Mekan as executive vice president and chief financial officer (CFO) to replace CFO Patrick Erlandson, who resigned.

The board strengthened requirements for ensuring the independence of its directors, going further than the standards of the Securities and Exchange Commission and the New York Stock Exchange.

After this announcement, shares of UnitedHealth's (NYSE: UNH) stock dropped $1.96, or 3.95 percent, to $47.61 in mid-day trading on the New York Stock Exchange. It closed at $48, down $1.57 from Tuesday's $49.57 closing price.

UnitedHealth is the parent company of Cypress' PacifiCare Health Systems.

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Fannie Mae Spending Over $1B On Review (AP)

By Marcy Gordon, AP Business Writer

AP, November 9, 2006

WASHINGTON (AP) -- Fannie Mae said Wednesday it expects to spend more than $1 billion this year on the massive review of its accounting and preparing financial statements as the mortgage giant pushes to complete it by year's end.

The government-sponsored company, which finances one of every five home loans in the United States, is emerging from an accounting scandal that brought the ouster of top executives and a record $400 million civil fine in a settlement with federal regulators. Fannie Mae also said it would miss a regulatory deadline Wednesday for filing its financial report for the third quarter of 2006. The company hasn't filed an earnings statement since late 2004.

Federal regulators that year accused Fannie Mae of serious accounting problems and earnings manipulation to meet Wall Street targets, and the Securities and Exchange Commission ordered the company to restate earnings back to 2001.

Washington-based Fannie Mae is the second-largest U.S. financial institution after Citigroup Inc.

The anticipated restatement has been estimated at $10.8 billion, though Fannie Mae says it expects the final amount could be lower. The company said in August it believes that the accounting review has uncovered the last of the errors.

In its third-quarter filing Wednesday, Fannie Mae said it expects to spend about $850 million this year on the complex reworking of its accounting and related expenses - including legal fees for its defense against suits filed by shareholders - and more than $200 million on preparing financial statements for periods after 2004 to bring its reporting current.

The process "has required, and continues to require, a substantial amount of time and resources because the restatement entails significant complexities," the company said in its filing with the SEC.

Last May, the federal agency that regulates Fannie Mae and its smaller government-sponsored sibling, Freddie Mac, issued a blistering report alleging a six-year accounting fraud at Fannie Mae. Regulators said the scheme included manipulations to reach quarterly earnings targets so that company executives could pocket hundreds of millions in bonuses from 1998 to 2004.

The Justice Department had pursued a criminal investigation, but federal prosecutors said in August they had shut down their probe. The SEC still could bring civil actions against individual executives, including people no longer at Fannie Mae, with the burden of proof less stringent than in criminal prosecutions.

In May, the company disclosed new accounting problems that had been uncovered in its business of issuing securities backed by the billions of dollars of home mortgages annually that it buys from lenders and bundles together for resale to investors worldwide.

Similarly, Fannie Mae in March disclosed new accounting problems that had been uncovered in several areas, including loans, investment securities, houses acquired through foreclosures, interest on delinquent home loans, and reverse mortgages.

They all are in addition to the accounting-rule violations that came to light in September 2004 involving derivatives, the financial instruments that Fannie Mae and Freddie Mac use to hedge against swings in interest rates, and its mortgage commitments.

The two were created by Congress to pump money into the $8 trillion home-mortgage market to keep interest rates low and make home ownership affordable for low- and moderate-income people. Freddie Mac has been emerging from its own accounting scandal, which surfaced in mid-2003.

Fannie Mae shares rose $1.74, or 2.9 percent, to $41.64 in midday trading on the New York Stock Exchange.

S.E.C. Is Seeking To Help Small Companies On Audits (NYT)

By Floyd Norris

The New York Times, November 9, 2006

Regulators are seeking a way to lighten the burden of the Sarbanes-Oxley law on smaller companies by addressing the focus and cost of audits of internal controls, Christopher Cox, the chairman of the Securities and Exchange Commission, said yesterday.

Mr. Cox said in an interview that the goal was to focus the attention of auditors on only those controls that could be important to assuring the accuracy of financial records, a measure required by Section 404 of the Sarbanes-Oxley law, and to hold down the cost of the audits.

“There will be an audit for everybody, which is a major decision we took,” he said, adding that the nature of the audit could change. “It is supposed to be risk-based, so that the auditor’s time is focused on the areas of greatest risk.”

He said that was particularly important for smaller companies, some of which have complained that costs are excessive. The burden of such audits has also been blamed for a reluctance of foreign companies to list their securities on American markets.

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Mr. Cox said his goal was to smooth the way for the Public Company Accounting Oversight Board to propose a new auditing standard in the area, and for the S.E.C. to approve it, by this spring. To do that, he said, he has held extensive consultations with Mark Olsen, the chairman of the oversight board.

The commission appears to be seeking a middle road in a contentious fight that pits advocates of strong controls on corporate misbehavior — who fear any weakening of the law that was passed in the wake of the Enron and WorldCom scandals — against corporate executives who see an opportunity to roll back what they see as overregulation and, at the same time, perhaps adopt other business-friendly policies. A committee appointed by the previous chairman of the commission, William H. Donaldson, urged the S.E.C. to eliminate audits for many smaller companies.

Some members of Congress have said they will push for legislation next year, and commissions appointed by business interests are planning to produce proposals for legislation soon. But other legislators have urged regulators to find ways to cut costs without having to reopen the law.

Mr. Cox said that many were taken by surprise by the cost, noting that Section 404, which requires company managements to assess the state of internal financial controls, was based on existing legislation affecting financial institutions.

"That did not cause the sky to fall," he said of the earlier rule, "and there was no advance warning that the sky would fall" when Section 404 was adopted.

But, he said, the accounting oversight board decided to go further than bank regulators had gone. He said he expected the revised audit standard to be easier to comply with, but added: "I am very concerned that no matter what we do in this audit standard, we will not have much impact on audit fees. But it is our intention to do so, in a way that gives investors far more bang for the buck."

Mr. Cox said the commission would propose new rules to provide guidance to companies on how to evaluate internal controls.

And, he said, it is likely to accept the size categories proposed by the small-business advisory committee, even while requiring audits of all companies. For two years, companies with market capitalizations under $75 million would be required to evaluate their own internal controls but not to have the results audited.

Audits would begin in the third year, and continue every year thereafter. But, he said, they would most likely focus on the "suitability of the design of internal controls," noting that in many cases the auditor would in any case have to go beyond those controls to conduct the financial audit.

Somewhat larger companies, with capitalizations of up to $700 million, would also get less expensive audits, he said, although he conceded that details were still up in the air. The S.E.C. hopes to encourage auditors to use the work of others, and work they did in previous years, to reduce current costs, and not to focus on control issues that are unlikely to create problems even if the controls are weak.

The goal, he said, was to "relieve investors of unnecessary costs" while providing "higher-quality risk-based audits that will focus on what is truly material to a company's financial statements."

CRIMINAL LAW:

Jefferson, Carter Go On The Attack As New Orleans Runoff Campaign Starts (AP)

By Cain Burdeau

AP, November 9, 2006

NEW ORLEANS (AP) — U.S. Rep. William Jefferson, handicapped by an FBI bribery investigation, embarked Wednesday on a monthlong and grueling contest against a young but politically experienced challenger seeking to end his 16-year turn as this city's face in Congress.

State Rep. Karen Carter played up the old-versus-new dynamic at a Wednesday news conference, keying on the hurricane-battered city's recovery.

"We are tomorrow's leaders," she said. "We will stop waiting for someone to save us, because we're going to save ourselves. We're going to stand up for what is still good about New Orleans and embrace new visions and change.

"The torch of leadership is passing — pay attention — it's passing. Change is coming."

"I've heard that before," Jefferson said later at his own news conference. "It took place in a speech in 1960 by President Kennedy. So, it's a time of youth phrase. Right now, it's simply a bunch of catch words."

The eight-term congressman faces his toughest political test yet as he attempts to energize a base of supporters cast afar by Hurricane Katrina.

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Jefferson, 59, won about 30 percent of the vote in the multiparty primary Tuesday, outpacing 12 challengers lured into the race because of his vulnerability stemming from the FBI bribery investigation into his African business dealings.

Carter, 37, got about 22 percent of the vote, finishing second to earn a spot in the Dec. 9 runoff. But analysts said Jefferson's showing was poor for an incumbent.

"We can assume that the voters who voted for other candidates will not vote for Jefferson" in the runoff, said Susan Howell, a political analyst at the University of New Orleans.

"At this point, frankly, it's Karen Carter's to lose," said Larry Powell, a politics professor at Tulane University. "She has a lot of corn-fed earnestness about her and she will be attractive."

Both candidates are black. Carter drew from a more diverse crowd of voters, analysts said. Jefferson received nearly 72 percent of his roughly 27,700 votes in predominantly black precincts, according to an analysis by Edward Chervenak, a politics professor at the University of New Orleans.

Carter found her votes in both predominantly white and black precincts and she had a strong showing in more racially mixed neighborhoods, Chervenak said.

Jefferson said he will seek to shore up the black vote by canvassing in the heavily populated West Bank, which was not struck by Katrina's flood waters, and traveling to Atlanta, Houston and other places where people were displaced.

Carter said she will strive to keep her "gumbo" of political allies — whites, blacks, Republican backers — intact while attempting to draw in people who voted for the 11 other candidates in the primary.

Jefferson's legal troubles — including allegations in an FBI affidavit that he hid bribe money in a freezer — came to light shortly before Katrina hit on Aug. 29, 2005. Though he has not been charged with a crime, the allegations led to his loss of a spot on the House Ways and Means Committee.

The scandal has hurt the city's recovery efforts, Carter charged at her morning news conference.

A few hours later a tired-looking Jefferson, flanked by his wife, a minister and trade union representatives, touted his record in Congress and declared his re-election bid alive and well.

"Seventy-nine percent of the people haven't voted for her," he said. "By miles I'm better able to do the job."

Carter, Jefferson Gear Up For Runoff (NOTP)

By Frank Donze, And Michelle Krupa%%par%%staff Writers

New Orleans Times-Picayune, November 9, 2006

They must scramble to plug vote gaps

Conventional political wisdom says that a congressman who lands in a runoff, particularly after 16 years in office, should seriously consider cleaning out his desk.

For U.S. Rep. William Jefferson, the adage may be even more apropos, given that Hurricane Katrina scattered much of his traditional voter base last year just as FBI agents were ramping up their federal bribery probe into his business dealings in Africa.

But maybe not.

A day after running ahead of 12 challengers with 30 percent of the vote in Tuesday's 2nd Congressional District primary, the New Orleans Democrat wasn't talking like someone preparing to pack up.

In fact, his voice hoarse from weeks of nonstop campaigning, Jefferson said he is looking forward to the Dec. 9 runoff with state Rep. Karen Carter, D-New Orleans, who finished second with 22 percent.

Asked to comment on Carter's election-night observation that 70 percent of the electorate rejected him Tuesday, the eight-term incumbent noted that nearly eight in 10 voters in the district "haven't voted for her either."

As for Carter's call for a passing of the torch "to a new generation of leadership," Jefferson said, "It's a time-used phrase. "But right now it's simply just a bunch of catchwords. I don't know that one ought to pass off an effective, active leader for someone who has some philosophical notion that there ought to be a passing of the torch."

But political observers say the situation he finds himself in is less than ideal.

"He got 30 percent. For an incumbent, that's terrible," said Ed Renwick, director of Loyola University's Institute of Politics.

But Renwick noted that Carter has work to do if she is to replace Jefferson as the representative of a district that spans Orleans and Jefferson parishes.

Votes up for grabs

A precinct analysis of the election results by University of New Orleans political scientist Ed Chervenak, who broke down the vote by race, reveals the challenges that lie ahead for both candidates.

Jefferson, the numbers show, will have to expand his African-American base, much of which remains displaced more than a year after the storm. In addition, he must pick up support from voters who chose one of two West Bank Democrats -- state Sen. Derrick Shepherd of Marrero or former New Orleans City Councilman Troy Carter.

Perhaps the most daunting task facing Jefferson is how to increase his share of the white vote, which largely abandoned him on Tuesday, the analysis shows.

Carter, who fared well among white voters, is likely to pick up the lion's share of support that went to lawyer Joe Lavigne, a white New Orleans Republican who finished fourth on the strength of numbers that rivaled Carter's in majority white precincts.

"Republicans are going to vote for Karen Carter. There's no doubt," UNO political scientist Susan Howell said. "And they're going to turn out to vote. If you're going to vote the anti-corruption ticket, she's the reform candidate."

Meanwhile, Carter also must improve her numbers among black voters and, to a larger degree, across Jefferson Parish, where she failed to win a single precinct. As expected, Shepherd led the way in his home parish with 34 percent.

Though Jefferson Parish residents across most of the West Bank and a sliver of south Kenner comprised only about a third of the 91,000 voters who cast ballots Tuesday, their influence will be crucial in the runoff, political observers said.

The other candidates

Almost 70 percent of suburban ballots went to candidates other than Jefferson and Karen Carter.

The bulk -- more than 10,000 of 31,381 votes -- were won by Shepherd, who enjoyed widespread backing from the Jefferson Parish political establishment, which seized on his candidacy as its best chance to exploit New Orleans' reduced population and send a Jeffersonian to represent the 2nd District.

Also in the mix was Algiers resident Troy Carter, who failed to win a significant number of precincts but nevertheless surpassed Karen Carter in his Jefferson Parish take. Lavigne, meanwhile, earned nearly as many suburban votes as Troy Carter and Karen Carter combined.

All those votes are now up for grabs, and they could provide a substantial boost to Karen Carter to tip the scales in her favor, Chervenak said.

"One of the wild cards is Shepherd," he said. "He does very well in the white precincts in Jefferson Parish, and he does well in the heavily black precincts as well. The key is whether Karen Carter can tap into the Derrick Shepherd/Troy Carter vote, especially in heavily white precincts."

Shepherd did not return calls Wednesday, and it is unclear whether he intends to endorse a candidate in the runoff.

But at an unusual joint session of the Jefferson Parish Council and the New Orleans City Council aimed at fostering regional unity, several top suburban politicians who backed Shepherd in the primary suggested Wednesday that they may stay out of the runoff. Their neutrality could well be viewed as a tacit endorsement of the sitting congressman.

A Jefferson victory, of course, would give the incumbent two more years in Congress, during which he could be indicted in the federal bribery case. Such a scenario has the potential to lead to a special election to fill the seat.

In one gambit being discussed among Jefferson Parish power brokers, Shepherd then would get the chance to run again, giving Jefferson Parish another shot at installing a native son to represent them in the 2nd District.

Treatment of evacuees

Parish President Aaron Broussard said the "chess pieces" are still in play regarding an across-the-board runoff endorsement by the Jefferson Parish guard.

He said Karen Carter's comments to Spike Lee in the filmmaker's Katrina documentary could be a liability with suburban voters. Carter labeled as unjust, inhumane and un-American the decision by Jefferson Parish law enforcement leaders to block New Orleans evacuees from walking across the Crescent City Connection in an effort to flee the devastated city.

"My observation is there is a friction factor between a number of segments and their experience in dealing with Karen Carter," he said, adding that the conflict went beyond the bridge debate to incidents in the Legislature. He would not be specific.

Meanwhile, Sheriff Harry Lee, who endorsed Troy Carter in the primary, railed against Karen Carter on Wednesday. Lee said he would not support Jefferson in light of his reduced effectiveness since news of the federal probe broke.

But the sheriff said he may work to defeat Carter because of her criticism of his deputies, who he says blocked the bridge to protect property and because there were no supplies or shelter for the evacuees on the West Bank. Evacuees countered that they had no intention of looting, and were simply seeking safety, but were stopped at gunpoint by Jefferson Parish law enforcement officers.

"It's personal between her and me," Lee said. "I'm thinking of getting some people together who she so severely affronted by running her foul mouth. I may spend some money and get the clip of Spike Lee's film and show what she said about those of us on this side of the river."

Carter said she is prepared for a rough-and-tumble runoff, especially in light of the grueling primary in which she said Jefferson and others "tried to distort and slander my record," forcing her to spend money to defend herself on TV and radio.

"I'm armored," she said, "and I'm ready."

Who's backing whom

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Carter stuck to her campaign mantra that she would re-establish credibility in the 2nd District. She said her message is bolstered by the political watershed of Tuesday's elections that put Democrats in control of the U.S. House of Representatives. The presumptive Speaker of the House, U.S. Rep. Nancy Pelosi, D-Calif., took to the national airwaves Wednesday promising to clean up Congress' sullied image.

"I expect this to be a discussion about ethics . . . and the statement that Ms. Pelosi made this morning that will be the most open and transparent Congress in the history of this country," Carter said.

Howell said Jefferson is likely to paint Carter as too aligned with white interests by continuing to highlight her connections with the city's two leading Republican power brokers, developer Joe Canizaro and shipbuilder Donald "Boysie" Bollinger, who have pumped money into her campaign.

At the same time, Howell expects Jefferson to try to persuade voters that he alone has the interests of African-American voters at heart, a strategy New Orleans Mayor Ray Nagin used effectively in his May re-election bid.

In the mayor's race, however, Nagin was able to play on fears circulating through the diaspora that the city's white elite were actively working to prevent the return of black residents; such anxiety largely has abated. Nagin also was facing a white opponent, Lt. Gov. Mitch Landrieu.

"But when the faces are both African-American, it's much harder to pull that off," Howell said, adding that Carter could defend herself against such claims by pointing to her political pedigree: Her father, Ken Carter, was one of New Orleans' first black property assessors, and she is a long-standing standard-bearer of BOLD, the black political organization based in Central City.

The controversy swirling around Jefferson also makes his predicament starkly different than the one Nagin faced.

"Nagin didn't have quite the anchor on his back that Jefferson does," pollster Bernie Pinsonat said.

. . . . . .

Richard Russell, Meghan Gordon and Kate Moran contributed to this report.

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Letten: New Orleans' Future Depends On Tackling Crime, Corruption (AP)

AP, November 9, 2006

The city's survival depends on getting a handle on violent crime and corruption and creating opportunities for young people, a federal prosecutor said Wednesday. "And that's a heck of a tall order, but that's something we need to do," Jim Letten said.

Letten, U.S. attorney for the eastern district of Louisiana, spoke during a think-tank's briefing series. He was joined by state Supreme Court Justice Catherine Kimball in addressing the rebuilding of New Orleans' criminal justice system after Hurricane Katrina.

The system faces considerable challenges. For example, there's a backlog of court cases; the chief of trials for the Orleans public defender's office has asked for additional resources, saying constitutional rights of defendants are being violated; and a depleted police force has been dealing with violent crime.

Last month, a district court judge ordered that four inmates be released and their trials postponed until the defender's office can adequately represent them.

Kimball told the Bureau of Governmental Research breakfast there were problems with the system long before the August 2005 storm, particularly in how the city and state funded it. Court fines and fees have helped fund programs, but Katrina, which sharply reduced the city's population, exposed problems with relying on that, she said.

Over the last 14 years, the Supreme Court has funded "considerable programs," including juvenile justice programs, for New Orleans, because the city hasn't taken the initiative, she said. "How that goes about changing, I don't know."

Mayor Ray Nagin, in his 2007 budget proposal, listed public safety and bolstering the police department as priorities. A budget must be approved by Dec. 1.

Kimball and Letten, attending the breakfast meeting with members of the City Council and the police chief, said funding alone won't fix the problems the city faces. Katrina just laid bare problems that have existed in the community for years, Letten said. There are now concentrations of "disenfranchised" residents, and people with guns, in areas like New Orleans' Central City and Jefferson Parish, "rampantly killing each other," Letten said. Police are doing the best they can, he said.

"It's not going to be tomorrow that we solve this; it's not going to be next week or next year," said Letten, who serves on a task force on rebuilding the system with Kimball and others. But unless nonpolitical decisions are made - and money is put where it's needed - "we're not even going to get the ball rolling."

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"The survival of this town depends on getting a handle on violent crime, corruption, so we can keep and attract industry - diversifying our economy and, for God's sake, building a decent school system so that kids who grow up in public housing, poor neighborhoods and Section 8 housing can get the opportunities they need to actually get jobs and not go into the drug trade," Letten said.

FBI Searches Office Of Knox Judge-executive (LEXHL)

SOUTH-CENTRAL KENTUCKY BUREAU

Lexington Herald-Leader (KY), November 9, 2006

FBI agents searched the offices of Knox County Judge-Executive Raymond C. Smith on Wednesday.

Bruce Murphy, Smith's deputy judge-executive, said four agents accompanied by a Kentucky State Police trooper served a search warrant at the office Wednesday morning.

The warrant sought audiotapes and other records concerning fiscal court meetings in 2004 and 2005 and documents related to four companies: Grade All Construction, Partin Construction, BKW Wood Products and Kentucky Phoenix, according to a copy Murphy released to the Herald-Leader.

Those four companies won contracts to provide goods or services to the county, Murphy said.

Smith had an ownership interest with his brother in at least one of the companies, BKW Wood Products. The company won a bid during Smith's term to provide equipment services to the county, Murphy said.

But Murphy said that when Smith took office, he essentially turned the company over to his brother. The warrant could indicate the FBI is investigating bids awarded by the county.

A spokesperson for the agency was not immediately available.

Murphy said there was nothing improper about the contracts related to the four companies. The companies won county business through a competitive, sealed bid process, the deputy judge-executive said.

Murphy said agents searched through records for two to three hours. Smith was not in at the time; they did not ask to see him and did not question anyone before leaving with a variety of records, Murphy said.

A state audit released this year raised questions about $2.7 million in county spending. Smith has said there is no money missing from the county and that it finished the fiscal year in June with a healthy surplus.

Smith, a Democrat, was beaten by a substantial margin in Tuesday's election by Republican J.M. Hall.

Bath Co. Judge Exec Indicted In Vote-Buying Scheme (WTVQ)

By Bennett Haeberle

WTVQ-TV, November 9, 2006

OWINGSVILLE, KY -- Bath County Judge Executive Walter B. Shrout has been indicted on charges he took part in a vote-buying scheme during this year's primary election.

In a federal indictment unsealed Wednesday, Shrout, 54, was charged with conspiracy, making a false statement to a federal agent and obstruction of justice.

Shrout now becomes the 10th person indicted in relation to the vote-buying scheme that started weeks before the May primary.

In the days leading up to the election, prosecutors allege Shrout gave several thousand dollars to five people so they could then use cash to pay would-be voters to vote for Shrout.

Among those given money were: Norman Lewis Crouch, William Mike Butcher, Anthony "Buck" White, Steven R. Crouch and Belinda Crouch. All five were indicted in July, and have since been arraigned on federal charges.

This latest indictment, dated Nov. 3, also states Shrout lied to an FBI investigator last month about being involved in the scheme and offering $100,000 to Steven R. Crouch and Butcher to "keep quiet about his involvement."

Shrout, an incumbent who won Tuesday's midterm election unopposed, defeated Mike Swartz in the May primary. Swartz was also among those indicted on vote fraud charges in July.

In a May interview with Action News 36, Walter Shrout defended some of those indicted, calling them "good people." He also denied having any involvement in the scheme. Calls to his office Wednesday went unreturned, and Shrout failed to show up for FEMA meeting with local administrators. He is scheduled to be arraigned later this month in U.S. District Court in Lexington.

Feds After Clout Sick List (CHIST)

By Fran Spielman And Tim Novak, Staff Reporters

Chicago Sun-Times, November 9, 2006

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A federal grand jury is demanding records from City Hall regarding injury claims of city workers, a move that comes two weeks after the Sun-Times reported Chicago patronage workers claim to be hurt at a rate that exceeds the nation's most dangerous jobs.

Grand jurors have issued a subpoena to the City Council Finance Committee, headed by Ald. Edward M. Burke, seeking an array of records on injured city workers, many who have been off work for years and collecting disability checks.

The subpoenas, according to City Hall sources, demanded that the city turn over:

· A list of all city workers receiving workers' compensation payments as of Sept. 1.

· A list of all city workers who have been declared to be "permanently and totally disabled" -- a designation that entitles them to disability payments as long as they live, as well as other benefits, including a city pension.

· A copy of a Sept. 11, 2002, memo written by Burke's then-top administrator, Stephen Murray, who, the Sun-Times has reported, suggested several measures to ferret out fraudulent injury claims and cut the city's costs.

· Copies of all workplace-accident reports filed since Jan. 1, 2005.

· Copies of any audits and reviews of City Hall's workers' compensation program.

A spokesman for the U.S. attorney's office declined to comment. A spokesman for Burke said the Finance Committee "will cooperate fully with any requests for documents and/or information."

The Sun-Times' "Clout's Sick List" investigation -- published Oct. 19, 20 and 22 -- reported that one in five patronage workers listed on the once-secret clout list kept by Mayor Daley's former patronage director had filed workers' compensation claims. That injury rate far outpaces those for any occupation tracked by the U.S. Department of Labor, including underground coal miners and foundry workers. Most of those patronage workers had filed at least two claims. Some had filed more than a dozen.

Able-bodied stay at homeThe city has spent more than $38.9 million to resolve 1,719 injury claims filed by those workers; another 708 claims are still pending.

Many of the records sought by the federal subpoenas also were sought by the Sun-Times under the Illinois Freedom of Information Act. But Burke's staff refused to release any records that identified injured city workers.

Under a city ordinance that dates to 1913, the Finance Committee has sole authority to settle injury claims filed by city of Chicago employees. Those claims typically are settled for less than $100,000, though the city never discloses those settlements.

The Sun-Times also reported that the city estimated 91 workers -- including relatives of public officials -- have been deemed able to return to work in less physically demanding jobs but remain off, collecting disability checks worth as much as $40,000 a year, because the Daley administration hasn't found them suitable jobs.

Malvo Apologizes At Md. Sentencing (WP)

By Ernesto Londono

The Washington Post, November 9, 2006

Sniper Lee Boyd Malvo offered a tearful apology yesterday to relatives of the six people he and his accomplice killed in Montgomery County, minutes before he was sentenced to six consecutive terms of life in prison without the possibility of parole.

"I'm truly sorry, grieved and ashamed of what I've done to the families and friends," Malvo said as he listed the names of the Montgomery victims he and John Allen Muhammad shot from afar with a powerful rifle in October 2002. "Each of you relive this every morning, every birthday, every anniversary, every time you look in your children's eyes."

A handful of relatives attended the afternoon hearing in Rockville, which marked the last chapter of the snipers' legal proceedings in Maryland.

Malvo said he was most haunted by the death of Ride On bus driver Conrad Johnson, 35, the sniper's last victim. According to Malvo's testimony, his death was the only fatal shooting in Maryland in which Malvo pulled the trigger.

"I thought of his sons, who just for once would like to play basketball with their father," Malvo said. "Just one more time see his face."

Sonia Wills, Johnson's mother, stood a few feet from Malvo in the well of the courtroom, looked into his eyes and spoke in a low, booming voice.

"I must say for the past four years I have hated you," Wills said. "Right now, I, Conrad's mother, forgive you. . . . I have to, my dear. I can't go on hating you. That won't bring Conrad back."

Victoria Snider, sister of sniper victim James L. "Sonny" Buchanan, 39, was more stern.

"I have watched Lee Boyd Malvo express enjoyment of killing, to feeling bad about it, to admitting killing my brother, Sonny, to denying it," she said. "I say to you, Mr. Malvo: You were old enough to know right from wrong."

The other four Montgomery victims were Lori Lewis Rivera, 25; Sarah Ramos, 34; Premkumar A. Walekar, 54; and James D. Martin, 55.

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Prosecutors and Malvo's attorneys said Malvo, 21, has experienced a transformation during his months in Maryland. They said his remorse is genuine, and they commended him for cooperating with prosecutors in Muhammad's May trial in Montgomery, in which Malvo took the stand to offer the first public, firsthand account of the shootings.

"Before the Montgomery County trial of Mr. Muhammad, we certainly knew the what," Assistant State's Attorney Vivek Chopra said. "But it was only after Mr. Muhammad's testimony that we knew so much more about the how and the why."

Malvo testified that he fell under the spell of Muhammad as a young and vulnerable teenager who had all but been abandoned by his parents in Jamaica. The elder sniper took him on a cross-country trip in 2002 that began in Washington state, terrorized the District and its suburbs for three weeks in October and ended in suburban Maryland, where they were arrested. Malvo told law enforcement officials in Maryland this year that the pair shot 27 people, 17 of whom died.

Malvo has cooperated with law enforcement officials in recent months to close some of the unresolved cases in jurisdictions outside the Washington area. Last month, he met with detectives from Tucson, who offered him immunity from prosecution in exchange for a detailed account of the slaying of a man shot while playing golf in March 2002.

William C. Brennan, one of Malvo's attorneys, said yesterday that he had been contacted by authorities in another state where the pair are suspects in a homicide. He declined to identify the case but highlighted Malvo's continued willingness to cooperate with law enforcement officials.

Malvo and Muhammad were also convicted of murder in separate trials in Virginia in 2003. Muhammad, who is on death row in Virginia, acted as his own attorney during the month-long Maryland trial, was convicted of six counts of murder and was also given six consecutive life terms. Malvo was sentenced to life in prison in Virginia.

Montgomery County Circuit Court Judge James L. Ryan praised Malvo for cooperating with authorities and for apologizing to victims' relatives. He told him that crossing paths with Muhammad had significantly worsened his already bleak prospects.

"You could have been somebody different. You could have been better," Ryan said. "What you are is a convicted murderer. You will think of that for the rest of your life. You knowingly, willfully and voluntarily participated in the cowardly murders of innocent, defenseless human beings."

PI Arrested On Charges Of Defrauding Top Litigation Firms (LAW)

By Anthony Lin, New York Law Journal

New York Law Journal, November 9, 2006

Federal law enforcement officials in New York have announced the arrest on wire fraud charges of a Montana private investigator who allegedly defrauded two of Manhattan's top litigation firms by promising to sell them "proof" of misconduct by opposing parties and counsel.

The criminal complaint filed Wednesday by the Southern District of New York U.S. Attorney's Office charged that Michael Lair had approached New York lawyers working on two high-profile cases and received more than $80,000 to provide information he ultimately failed to produce.

Lair, 46, is the president of Bozeman, Mont.-based consumerdefense.com Inc., a company that claims to investigate consumer complaints and conduct research in connection with fraud cases.

The complaint, sworn out by Special Agent B.J. Kang of the Federal Bureau of Investigation, did not identify any matters or lawyers by name, only describing one case as involving a large insurance company engaged in litigation with its former chairman and the other as involving a pharmaceutical company's suit against a hedge fund.

Sources familiar with both matters confirmed that the insurance company case was the dispute between AIG Inc. and its former chairman, Maurice R. Greenberg, and that the hedge fund matter was Biovail Corp.'s securities fraud suit against SAC Capital Management.

The lawyers who dealt with Lair included Robert G. Morvillo of Morvillo, Abramowitz, Grand, Iason, Anello & Bohrer, which is one of a team of firms representing Greenberg, and Michael J. Bowe of Kasowitz, Benson, Torres & Friedman. Morvillo is one of the city's most well-known white-collar litigators and the Kasowitz firm, led by Marc E. Kasowitz, is also regarded as a top litigation shop.

In both cases, prosecutors allege Lair offered to sell one party sensitive information, then turned around and offered to sell the other side the information that their opponents had hired him to perform illegal and unethical acts.

The Morvillo firm paid Lair $75,000 on behalf of Greenberg, whose dispute with AIG centers on his efforts to place AIG clients with his C.V. Starr & Co. group of insurance brokerages. A source familiar with the matter said Lair had offered to provide information about alleged misconduct by PricewaterhouseCoopers, AIG's auditor, but had never provided any information.

According to the criminal complaint, Lair then approached lawyers for AIG and told them he had been hired by the Morvillo firm to hack into AIG's computers to obtain telephone and e-mail records.

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The complaint states that a search of documents stored by Lair in Montana provided no evidence that any law firms contacted by Lair had requested he conduct any illegal or unethical conduct.

"On the contrary, the documents I reviewed demonstrated that Lair had reached out on numerous occasions to attorneys involved in highly publicized cases ... with a promise to provide them with existing incriminating evidence in exchange for money," Kang stated in the complaint.

The complaint also states that an individual who used to work for Lair told the FBI that Lair "spent time looking for reports concerning highly publicized cases on the Internet." He would then reportedly ask the companies involved to retain him but would never actually do any work.

Bowe of Kasowitz Benson said Wednesday that Lair had contacted him in March 2006, claiming to have information relevant to Biovail's suit, which charges that SAC Capital, a powerful hedge fund led by Steven A. Cohen, colluded with analysts to publish misleading reports that damaged the pharmaceutical company's stock. Bowe said the firm paid Lair less than $5,000 to cover travel expenses to New York but never received any information and ceased communications with him.

According to the complaint, Lair then tried in September to get SAC Capital's lawyers to pay $50,000 for the "information" that the Kasowitz firm had hired him to hack into computers at SAC Capital. By this time, the FBI had been alerted and Lair's communications with SAC Capital's lawyers were monitored.

Bowe said Wednesday it was not unusual for lawyers in high-profile cases to be approached by dubious individuals claiming to have information. Boies, Schiller & Flexner partner Nicholas A. Gravante echoed that sentiment in a statement issued on behalf of Greenberg's legal team.

"We are cooperating with the government's investigation." Gravante said. "Lair held himself out as an investigator who could help lawyers assemble facts necessary to defend their clients' interests. Although hiring investigative firms is routine practice in complex cases, in this case Lair failed to honor his obligations."

Both SAC Capital and AIG are represented by the firm of Paul, Weiss, Rifkind, Wharton & Garrison but lawyers at the firm declined to comment on the matter Wednesday.

Lair, who was expected to present himself today in federal court in Montana, could not be reached for comment. If convicted, he faces up to a maximum of 20 years in prison and a $250,000 fine.

Ex-Penn Prof Charged With Child Porn (AP)

AP, November 9, 2006

PHILADELPHIA — A former University of Pennsylvania business professor who was previously convicted in a teen sex sting was indicted Wednesday on charges he produced and distributed child pornography.

Lawrence Scott Ward, 64, was arrested in August as he returned from Brazil through Washington Dulles International Airport.

Federal authorities who searched his laptop computer said it contained a video of young children engaged in sexual activity. They also said they found videos showing the defendant involved in sex acts with teenage boys.

The three-count indictment charges that Ward produced, imported, and possessed child pornography. His arraignment was set for Thursday in Virginia.

Ward's attorney, Peter Greenspun, did not immediately return a telephone call seeking comment. He previously called the government's case "horribly weak."

Ward was convicted in 1999 of soliciting sex from a Pennsylvania state trooper posing as a 15-year-old male prostitute, a prosecutor said at Ward's recent bail hearing.

Mobsters Would Call Reality TV Show 'Throwing Up Gotti' (NYS)

By Jerry Capeci

New York Sun, November 9, 2006

It was the week before Christmas in 2004. There was food and wine on the table and an FBI bug hidden underneath. A trio of veteran wiseguys was trashing a reality TV show that struck close to their hearts, "Growing Up Gotti," the saga of John Gotti's racy, platinum blonde daughter, Victoria, and her three teenage sons, dubbed "Hotti Gottis" for their well-gelled good looks.

"It's a soap opera, and the kids look like girls," the host, Genovese capo Ciro Perrone, 85, thundered. He is owner of a popular Italian restaurant in Ozone Park, Don Peppe, where the men regularly gathered at a big round table in the back for dinner and discussion.

"It's one of the most disgusting, insulting shows" on television, the aging capo's longtime right-hand-man, John Yannucci, said, according to a report about the discussion written by FBI agent John Penza.

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Colombo soldier Ralph Scopo, a close Howard Beach pal of the late Gambino boss, was "so embarrassed" for his late friend's family that he said he couldn't talk about it, Mr. Penza wrote in an affidavit that was filed last year with the federal judge who approved the bugging.

Worse, Scopo noted, the Gotti boys in the show were incomprehensible. "The kids can't even talk," he said.

In fact, the vocabulary and diction of sons John, Carmine, and Frank was so poor that A&E ultimately resorted to subtitles to help viewers figure out what they were saying.

The wiseguys, of course, weren't alone in their distaste. The conversation took place on December 14, two days after the New York Post's Phil Mushnick wrote in his "Prime Time" column that "you don't have to be Italian to be offended" by the crude, vulgar, and negative stereotypes that fueled "Growing Up Gotti."

Federal Grand Jury Charges Ex-Muvico Worker (MH)

By Patrick Danner

The Miami Herald, November 9, 2006

Fort Lauderdale-based Muvico Theaters' former information-technology director faces a federal charge of sabotaging the movie-chain's ticketing-sales system last spring on the opening weekend of Mission Impossible III.

Joseph Harlen Shook, 36, of Broward County, was charged in a one-count grand jury indictment of hacking Muvico's computer system to disrupt ticket sales in May -- which the company says cost it about $100,000.

Shook could face up to 10 years in prison and a maximum fine of $250,000 if convicted. Shook couldn't be reached for comment.

Shook worked for Muvico for nearly three years, the last as its director of information technology. But Shook was dismissed in February as part of some cutbacks, according to Muvico spokesman John Spano.

"We're really happy that justice has been served," Spano said.

Shook made an initial appearance Wednesday in federal court but did not enter a plea and was released on $100,000 bail, the Associated Press reported.

Muvico had said its computer system was disrupted at 5:55 p.m. on May 5, a Friday, paralyzing the operations of the 233-screen chain. It was unable to sell tickets either online or by credit card at six theaters, according to the indictment.

AFFECTED THEATERS

The theaters affected were in Davie, Boca Raton, West Palm Beach, St. Petersburg, Tampa and Hanover, Md., the five-page indictment reads. The incident happened during what the chain says is its busiest time of the year.

Shook is accused of using a wireless-networking adapter to gain access to Muvico's computer system. The investigation was conducted by the FBI.

In an unrelated case, another former Muvico employee was arrested in December by the Broward Sheriff's Office on two felony counts of computer-related offenses against the company.

Spano said the former employee took a plea and is on probation.

RECENT TURMOIL

Muvico has faced considerable turmoil in recent months and has been at the center of lawsuits and countersuits. Its founder and chief executive, Hamid Hashemi, was fired in January. Hashemi and his wife then sued the privately held theater chain, claiming he was ousted in a power struggle with Muvico's new owners.

The company, however, said he was fired because of malfeasance.

In court documents, Muvico accused Hashemi of submitting personal expenses with no apparent business purpose, using company resources and funds for personal benefit and placing people on the payroll and health plan who didn't work for the company.

CIVIL LAW:

Judge: Group Can Subpoena White House (AP-Y)

AP, November 9, 2006

A federal magistrate judge has ruled that a reproductive rights group can seek White House e-mails and other documents as part of its lawsuit promoting broader access to the morning-after pill.

The ruling by Viktor Pohorelsky allows the Center for Reproductive Rights to subpoena more than three years of Plan B-related communications between the White House's domestic policy office and select Food and Drug Administration officials. The documents include e-mails, letters and records of conversations.

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The group sued the FDA seeking to lift all age restrictions on nonprescription sales of the Plan B emergency contraceptive pills. It seeks the documents to determine whether the White House interfered with the FDA's handling of a request by manufacturer Barr Pharmaceuticals Inc. to allow over-the-counter sales.

The ruling issued Monday but disclosed Wednesday rejected a government effort to block the group from trying to subpoena the records.

Pohorelsky also allowed the group to take testimony from Dr. Sandra Kweder, deputy director of the FDA's office of new drugs, and Jay Lefkowitz, a former White House domestic policy aide.

Former FDA Commissioner Mark McClellan said in an earlier deposition that he gave Lefkowitz "occasional updates" on Barr's Plan B application, according to a transcript released by the group.

In August, the FDA said it would let women 18 and older buy Plan B without a prescription, but younger women would still need a doctor's note. Barr expects pharmacies nationwide to begin selling the pills over the counter to adults by the middle of November.

The morning-after pill is a high dose of the most common ingredient in regular birth control pills. When taken within 72 hours of unprotected sex, the two-pill series can lower the risk of pregnancy by up to 89 percent.

High Court Weighs Ban On Late-Term Abortions (WSJ)

By Jess Bravin

The Wall Street Journal, November 9, 2006

WASHINGTON -- One day after voters in three states rejected ballot measures to restrict abortions, the Supreme Court took up the Bush administration's appeal to reinstate the first federal ban of a specific abortion procedure.

Three federal appeals courts struck down the Partial-Birth Abortion Ban Act of 2003, finding it violated a five-to-four Supreme Court opinion in 2000 that invalidated a similar Nebraska law because it made no exception to preserve the woman's health. Solicitor General Paul Clement told the justices that Congress had avoided the flaws of the Nebraska statute, by making official findings that the procedure was never medically necessary and defining the procedure itself more specifically.

WSJ reporter Jess Bravin2 discusses arguments in today's Supreme Court hearing on partial birth abortions, including what are the issues in the case and the potential impact of Tuesday's elections. MORE

· Abortion Foes Face Pair of Big Tests3

11/8/06

· Plus, read the case docket4 in Gonzales v. Planned Parenthood and the Partial Birth Abortion Ban Act of 20035, provided by FindLaw6.

But the biggest change may have been on the court, where antiabortion activists hope two Bush appointees will uphold restrictions on the procedure and, perhaps someday, an outright ban. Justice Sandra Day O'Connor, who voted with the majority in the 2000 Nebraska case, has since retired, and her successor, Justice Samuel Alito, brings a record of skepticism toward abortion-rights arguments. Justice Alito said nothing through two hours of arguments yesterday. The other Bush appointee, Chief Justice John Roberts, vigorously questioned lawyers for both sides, as he typically does.

Justice Anthony Kennedy, one of the dissenters in 2000, asked probing questions of both sides, suggesting concerns the federal law may overreach and prohibit procedures that could be medically necessary. That could portend another fractured court opinion.

Mr. Clement argued that the federal ban, signed by President Bush after two similar bills passed by a Republican-controlled Congress were vetoed by President Clinton, draws a "bright line" between lawful abortions, where fetal demise is induced in the uterus, and those where it takes place "when the living fetus is over halfway outside of the womb." Safe alternatives were always available, he said, so the measure would not deter a single abortion, but rather abolish an aberrant practice favored by a minority of physicians.

But those facts were disputed by several justices, who pointed out that lower courts, after exhaustive hearings, had established no medical consensus on the procedure and that some of Congress' findings were inaccurate.

Justice David Souter said the government's position required the court to overrule its 2000 opinion or overrule the lower courts' finding on the medical evidence, or conclude that when courts and Congress find different facts, Congress is right. "Which of the three do we take?" he asked.

"Well, we would urge you to take any one of them," Mr. Clement said.

With Tuesday's election results, the court may be the best opportunity for abortion foes to restrict the procedure. Voters in California and Oregon rejected measures requiring parental notification before pregnant minors could obtain abortions, while South Dakotans repealed a law the Legislature adopted that banned all abortions except when the woman's life is in jeopardy.

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Justices Have Pointed Abortion Discourse (AP)

By Mark Sherman

AP, November 9, 2006

WASHINGTON (AP) - Supreme Court justices Wednesday sharply questioned attorneys on both sides of the legal battle over what opponents call partial-birth abortions as the high court weighed whether to uphold Congress's ban on the procedure.

In an intense morning of arguments, lawyers for the Bush administration and supporters of abortion rights gave starkly contrasting views: A law passed by Congress labels it a gruesome and inhumane practice. Supporters argue that such abortions in the second trimester of pregnancy sometimes are the safest for women.

A man in the audience began shouting midway through the proceedings, disrupting the hearing briefly before police dragged him away.

Seven justices took part in questioning both sides about whether the court should defer to congressional findings that these abortions are never medically necessary. Abortion advocates disagree, saying there is strong medical evidence to the contrary.

(AP) Anti-abortion activist Mountain MacGillivray, right, speaks to fellow activist Cheryl Conrad,...

Full ImageJustice Samuel Alito, hearing his first abortion cases since joing the court earlier this year, sat silently through two hours of arguments. Justice Clarence Thomas was sick and did not attend, Chief Justice John Roberts announced.

"We have no evidence in the record" as to how often such a situation arises? Roberts asked.

"No, your honor," replied attorney Priscilla Smith, who argued for striking down the federal law.

Justice Ruth Bader Ginsburg questioned the rationale that abortion opponents are using in the case, pointing out that the assertion that partial-birth abortion is a particularly gruesome procedure also could apply to the most commonly used method of abortion in the second trimester.

"I don't think so, Justice Ginsburg," Solicitor General Paul Clement replied.

(AP) Anti-abortion activist Grant Crum, stands in front of the Supreme Court in Washington, Wednesday,...

Full ImageGinsburg asked whether the procedures in the two types of abortions are "basically the same," making it hard to distinguish whether a doctor could be prosecuted for performing the banned method.

"I just don't think the record supports" that notion, Clement responded.

At issue is the fate of the Partial-Birth Abortion Ban Act, which Congress passed and President Bush signed into law in 2003.

Six federal courts on both coasts and in the Midwest have struck down the law as an impermissible restriction on a woman's constitutional right to an abortion that the Supreme Court established in its landmark Roe v. Wade ruling in 1973.

A day earlier, abortion was on several state ballots. In South Dakota, voters repealed a state law that virtually outlaws abortions, an issue that itself could end up before the court.

(AP) A line forms outside the Supreme Court in Washington, Wednesday, Nov. 8, 2006 where the court will...

Full ImageCalifornia and Oregon voters rejected measures that would have required that teenagers get their parents' consent before having an abortion.

A long line of people hoping for a seat inside stretched across the court's plaza hours before the session was to begin. Dozens of people camped through a rainy night in Washington to ensure their place near the head of the line.

Partial-birth abortion is not a medical term, but abortion opponents say it accurately describes "a rarely used and gruesome late-term abortion procedure that resembles infanticide," as Solicitor General Paul Clement said in court papers. Clement will argue the case for the administration.

Abortion-rights proponents dispute almost every aspect of the government's case, including the name for the procedure. They say the law has a much broader reach than the government claims and would threaten almost all abortions that take place after the third month of pregnancy.

Doctors most often refer to the procedure as a dilation and extraction or an intact dilation and evacuation abortion. It involves partially extracting a fetus from the uterus, then cutting or crushing its skull.

(AP) Anti-abortion activist Mary Lou Greenberg, right, speaks to people gathered outside the Supreme...

Full ImageThe procedure appears to take place most often in the middle third of pregnancy. There are a few thousand such abortions, according to rough estimates, out of more than 1.25 million abortions in the United States annually. Ninety percent of all abortions occur in the first 12 weeks of pregnancy, and are not at issue.

By a 5-4 vote, the court invalidated a similar law in Nebraska in 2000 because it encompassed other abortion methods and did not contain an exception that would allow the procedure to preserve a woman's health, an underpinning of Supreme Court abortion rulings.

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Two things have changed in the past six years, the composition of the court and Congress' involvement in the issue by tailoring a law to overcome the objections raised by justices in the Nebraska case.

Abortion opponents are optimistic the court will uphold the law because Justice Sandra Day O'Connor, part of the majority in the 2000 case, has retired and her place was taken by Justice Samuel Alito.

Bush appointed both Roberts and Alito, and most legal analysts believe that neither man will be especially supportive of abortion rights.

Justice Anthony Kennedy, the court's swing voter following O'Connor's departure, dissented so strongly in the Nebraska case that many court observers believe he is unlikely to switch sides.

The cases are Gonzales v. Carhart, 05-380, and Gonzales v. Planned Parenthood, 05-1382.

Justices Hear Arguments On Late-Term Abortion (NYT)

By Linda Greenhouse

The New York Times, November 9, 2006

WASHINGTON, Nov. 8 — There were moments on Wednesday, during Supreme Court arguments on a federal law that bans a disputed method of abortion, that the proceedings seemed more like a medical school seminar than an appellate argument.

Such familiar constitutional concepts as the right to privacy were not mentioned during the two hours, but the methods doctors use to dilate a pregnant woman's cervix were discussed in detail, repeatedly.

What exactly was the procedure that the law, the Partial-Birth Abortion Ban Act of 2003, sought to prohibit, the justices wanted to know. When, if ever, was the procedure necessary? What would be the impact of banning it? What alternatives were available to women seeking second-trimester abortions and to doctors performing them?

Among the justices most interested in the medical details was the one whom both sides consider most likely to be in a position to control the outcome, Anthony M. Kennedy.

Justice Kennedy's questioning suggested that he had not made up his mind, despite his strongly worded dissenting opinion when the court struck down Nebraska's version of the federal law six years ago, and despite his obvious distaste for the procedure at issue. Instead, his questions suggested that he remained open to persuasion that the law placed doctors in legal jeopardy and imposed an unconstitutional burden on their patients' right to terminate their pregnancies.

One example was his response to the assertion by Solicitor General Paul D. Clement that it was never necessary for doctors to use the banned procedure because a more common procedure, one not covered by the statute, "has been well tested and works every single time as a way to terminate the pregnancy."

Justice Kennedy responded: "Well, but there is a risk if the uterine wall is compromised by cancer or some forms of pre-eclampsia and it's very thin. There's a risk of being punctured."

His comment reflected arguments that the doctors challenging the law have made. They say that "partial-birth abortion" — known medically as both "intact dilation and evacuation" and "D and X," for dilation and extraction — is often safer because the removal of an intact fetus avoids injury to the uterus. The more common method of second-trimester abortion, in which the fetus is dismembered, can leave behind bone fragments.

Whether Justice Kennedy was eventually persuaded remained unclear. In some respects, the arguments were as interesting for what did not occur as for what did.

For example, no member of the court appeared particularly interested in the plaintiffs' effort to depict the federal law as a violation of the separation of powers and a threat to the "independence of the judiciary," as Priscilla Smith, a lawyer for the Center for Reproductive Rights, described it. Ms. Smith's point was that, since the court held in the Nebraska decision that a ban on the procedure must include a health exception, Congress should not be permitted to defy the court by failing to provide such an exception.

Ms. Smith represented doctors who successfully challenged the law in Federal District Court in Nebraska and before the United States Court of Appeals for the Eighth Circuit, in St. Louis. That case is Gonzales v. Carhart, No. 05-380. Eve C. Gartner, a senior staff attorney at Planned Parenthood, represented the clinics that successfully challenged the law in the federal courts in California. That case is Gonzales v. Planned Parenthood, No. 05-1382. The Bush administration appealed the two rulings to the Supreme Court.

Justice Samuel A. Alito Jr. did not ask any questions during the arguments. As the successor to Justice Sandra Day O'Connor, who voted with the 5-to-4 majority in the Nebraska case, Justice Alito is obviously in a position to play a central role. Justice Antonin Scalia, who can usually be counted on to carry the anti-abortion side of the argument, appeared unusually disengaged, limiting his intervention to a few comments.

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Chief Justice John G. Roberts Jr., on the other hand, was active throughout the arguments. At times, he appeared to be trying to bolster the defense of the statute by the solicitor general. At other times, the chief justice appeared eager to find differences between the federal law and the Nebraska law. Differences in the way the state and federal laws defined the procedure could be the basis for a decision that upholds the federal law without disavowing a recent precedent.

Solicitor General Clement urged the justices to defer to the findings Congress made when it passed the law, including that the procedure is never medically necessary. “Those determinations should be upheld as long as they represent reasonable inferences based on substantial evidence in the Congressional record,” Mr. Clement said, adding that “that standard is amply satisfied here.”

Justice John Paul Stevens challenged the solicitor general. “Are not some of the findings by Congress clearly erroneous?” he asked. Justice Stevens gave the example of a finding that no medical schools provide instruction in the procedure, while in fact, a number of medical schools do teach it.

“I think the district court could effectively undermine that one finding,” Mr. Clement conceded.

With the court’s precedents requiring that abortion restrictions include an exception for medical necessity, the outcome of these cases may depend on how the majority defines necessity. There was considerable discussion of whether the procedure’s safety advantage was “significant” or only “marginal” and there was a constitutional difference between the two.

Justice Stephen G. Breyer, who wrote the court’s decision in the Nebraska case, asked whether the court might rule that the procedure could be used “only where appropriate medical opinion finds it necessary.” Justice Breyer added: “Now, if Congress is right, there will be no such case, so it’s no problem. But if Congress is wrong, then the doctor will be able to perform the procedure and Congress couldn’t object.”

No Pointers To Ruling In Abortion Case (WP)

By Charles Lane

The Washington Post, November 9, 2006

Two hours of oral argument on a federal "partial birth" abortion ban at the Supreme Court yesterday showed that the justices are intensely focused on the procedure's medical details and health implications -- but produced few clues as to how they might rule.

As expected, the court's four most liberal members, Justices John Paul Stevens, David H. Souter, Ruth Bader Ginsburg and Stephen G. Breyer, sounded skeptical about the statute. Of the court's conservatives, only Chief Justice John G. Roberts Jr. said much at all, asking questions that implied the law should be upheld.

That left plenty of time for Justice Anthony M. Kennedy, whom both sides in the case consider the likely swing vote, to listen to the lawyers and air his concerns -- though he did not tip his hand.

At one point, Kennedy, who dissented when the court struck down a similar state ban in 2000, repeated a concern he voiced in that case. "Your argument," he told Priscilla Smith, a lawyer for doctors challenging the law, "is that there is always a constitutional right to use what the physician thinks is the safest procedure."

But later, Kennedy expressed worry that the federal ban might leave some women at "risk if the uterine wall is compromised by cancer or some forms of preeclampsia," a dangerous spike in blood pressure.

Such health questions are central to the most important abortion case to reach the court in half a decade.

The federal law, passed by Congress and signed by President Bush in 2003, bans the procedure known medically as "intact dilation and extraction," which usually occurs in the second trimester of pregnancy. It generally involves the breech delivery of a fetus, followed by the collapsing of its skull to permit removal. The term "partial birth abortion" is preferred by opponents of the procedure.

The ban does not apply when a woman's life is at risk, but Congress made no exception to preserve a woman's health. Abortion rights advocates say this omission is unconstitutional under the 2000 Supreme Court ruling. All lower federal courts to consider the matter have agreed, so the law has not yet been enforced.

But Solicitor General Paul D. Clement, defending the law, told the court yesterday that Congress properly found that "partial birth abortions were never medically necessary, and that safe alternatives were always available such that no woman would be prevented from terminating her pregnancy."

As a result, he said, Congress had authority to ban what he called "a particularly gruesome procedure that blurred the line between abortion and infanticide."

That argument drew a sharp response from Stevens, who noted that the alternative procedure, dilation and evacuation, requires the dismemberment of the fetus before removal. "Congress has made the judgment that it is far preferable to ensure that fetal demise takes place before any delivery begins," Stevens noted sardonically. "That's the big issue."

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"The basic point of this statute is to draw a bright line between a procedure that induces fetal demise in utero and one where the lethal act occurs when the child or the fetus, whichever you want to call it, is more than halfway outside of the mother's womb," Clement replied.

Clement said that Congress is entitled to legislate the distinction. "The one is abortion," he said. "The other is murder."

But Smith noted that there is no such bright line because doctors performing dilation and evacuation sometimes bring out a fetus up to the midsection while trying to dismember it in utero.

Depicting the federal ban as a direct challenge to the court's authority, Smith told the court, "The only course here that preserves independence of the judiciary, that exemplifies the importance of [settled precedent], not to mention the only course that will protect women from needless risks of uterine perforation, infertility, sepsis and hemorrhage, is to hold this act unconstitutional."

The most dramatic moment of the morning came moments later, at about 10:40 a.m., when a loud voice cried out from the back of the courtroom.

"Abortion is the shedding of innocent blood!" shouted a man later identified by the court as Rives Miller Grogan, 40, of Los Angeles. He was immediately tackled and dragged out by Supreme Court police, who charged him with violating a federal law against disrupting court sessions, as well as with offenses related to resisting arrest.

Grogan's protest, the first such incident in recent memory at the court, momentarily stunned the spectators and justices and interrupted Smith, who was explaining that Congress's findings that the procedure is never medically necessary were "simply unreasonable" and so thoroughly contradicted by medical experts as to carry no legal weight.

Roberts challenged that claim, asking Smith if the "marginal benefit in safety" from using the procedure is "enough to override the state's articulated interest?"

Smith responded that doctors have testified "that the reduction in risk" from using the procedure is "significant."

Kennedy had earlier asked Smith how often in practice such risks arose, but she conceded that there were no statistics.

As if to reinforce Kennedy's concern on that point, Roberts returned to it several times during the argument, telling Smith at one point that "we don't have any record evidence about how often the complications arise, so it's hard to get a handle on exactly what the difference is in terms of safety."

High Court Hears Cases On Ban Of Abortion Method (LAT)

By David G. Savage

The Los Angeles Times, November 9, 2006

WASHINGTON — A Bush administration lawyer urged the Supreme Court on Wednesday to uphold the nation's first criminal ban on an abortion method, saying so-called partial-birth abortions are "too close to infanticide" and not a medical necessity.

Safe alternatives are always available, U.S. Solicitor General Paul D. Clement said in defending a law passed by Congress in 2003.

But two abortion-rights advocates argued that the ban, if put into effect, would unwisely limit the options of doctors who perform abortions in the second trimester and would expose some pregnant women to more dangerous surgery.

These doctors believe that the procedure medically known as dilation and extraction, or D&X — in which the fetus is removed intact — "reduces the risk of serious complications," including bleeding and infection in the uterus, said Priscilla Smith, a lawyer for the Center for Reproductive Rights in New York.

"What Congress has done here is take away from women the option of what may be the safest procedure for her," said Eve Gartner, a lawyer for the Planned Parenthood Federation of America.

The case could prove a turning point for the Supreme Court on abortion. With the arrival of President Bush's two conservative appointees, there appears to be a five-vote majority, including Justice Anthony M. Kennedy, to uphold stricter regulation of abortion.

Six years ago when the court struck down a Nebraska ban on the practice, Kennedy wrote an impassioned dissent, describing D&X as "abhorrent."

Abortion-rights advocates hope he will switch sides. But Wednesday, Kennedy suggested that the disputed procedure might be "purely elective and not medically necessary."

New Justice Samuel A. Alito Jr. said nothing. But he and Chief Justice John G. Roberts Jr. have been counted as likely to uphold the federal Partial Birth Abortion Ban Act.

The measure, a proud achievement of Bush and the Republican-controlled Congress, coincidentally came before the court the day after its prime sponsor Sen. Rick Santorum (R-Pa.) went down to defeat and the GOP lost control of Congress.

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Most of the two-hour argument Wednesday was about the scope of the law, which would ban a procedure used only after the 16th week of pregnancy. Critics call it "partial-birth" abortion because doctors extract the living fetus partway from the uterus, then collapse its skull before pulling the fetus the rest of the way out.

Minimizing the law's impact, Clement described D&X as a "very aberrant, atypical procedure" and said a ban would affect "a very small minority of second-trimester abortions."

Most such abortions use "dilation and evacuation," or D&E, in which the fetus is dismembered in the uterus before it is removed.

Moreover, a doctor who planned to remove the fetus intact could "induce fetal demise at the outset" — injecting it with a drug to stop its heart — without violating the law, Clement said, because the fetus would emerge dead.

Some medical experts, however, say such injections pose too great a risk of exposing the woman to a deadly chemical.

Even if the law is upheld, Clement said, doctors can go to court and ask for an exception that "focuses on particular medical conditions" that call for the D&X procedure.

Several liberal justices objected during the argument to talk of "infanticide." They stressed that most second-trimester abortions involved fetuses that could not live on their own.

Some "are only 4 or 5 inches long. They are very different from fully formed babies," Justice John Paul Stevens said.

"So anything about infanticide, babies, all that, is just beside the point because what this bans is a method of abortion," added Justice Ruth Bader Ginsburg.

Clement refused to back down. Congress was interested in "maintaining a bright line between abortion and infanticide," he said.

Once a fetus emerged alive from the uterus, if it were killed, "I think we'd call that murder," he added.

The two lawyers arguing against the law sought to portray its reach as broad. They stressed that the ban does not use medical terms, such as D&X or D&E.

It could "place doctors at risk of prosecution" for D&E abortions if they removed a large part of the fetus, said Gartner, Planned Parenthood's lawyer. Rather than banning only one procedure, the law could ban the most common second-trimester procedure, she said.

Roberts disagreed. What counts is the doctor's intent, he said. A doctor who intends to do a D&E "wouldn't be covered by this law," he said.

Roberts conceded the D&X procedure might have "a marginal impact on safety" for patients, but he questioned whether that should be enough to strike down the entire law.

Smith replied that medical experts said the issue went well beyond marginal benefits.

"The reduction in risk is significant," she said, saying the D&X method "reduces the risk of serious complications, such as uterine perforation, which … lead to hysterectomies and infertility."

After Congress passed the law, judges in San Francisco, New York and Omaha barred it from taking effect. The Supreme Court heard the government's appeal in two cases Wednesday and will issue a ruling in several months.

Supreme Court Abortion Hearing Disrupted (SH)

By Hannah Guillaume

Scripps Howard, November 9, 2006

WASHINGTON -- A screaming man charged through the main doors of the Supreme Court's chambers during a hearing in a contentious abortion case Wednesday.

"Abortion is a sin," shouted the man, later identified by court officials as Rives Miller Grogan. Four court employees dragged him out of the courtroom.

Grogan's last known residence is in Los Angeles. He was taken to the U.S. Capitol Booking Center before being transported to D.C. Superior Court.

He was charged with creating a noise disturbance, resisting arrest and other related offenses, a Supreme Court spokesman said.

Some spectators left their seats and headed toward the door. None of the justices said anything about the disturbance. Such disturbances are rare in the well-guarded court chamber. Court regulars said the last one they remembered was in1983 when Hustler publisher Larry Flynt shouted obscenities during a hearing in his own case.

In less than a minute, the lawyer who had been speaking resumed her remarks, although the man's screams could still be heard in the hallway.

The court was hearing two abortion cases, Gonzales v. Carhart and Gonzales v. Planned Parenthood, both challenging the constitutionality of the Partial Birth Abortion Ban Act of 2003.

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Opponents argue the law is invalid because it does not allow an exemption to preserve a woman's health. It does contain an exemption to preserve a woman's life.

Justices Anthony Kennedy and Stephen Breyer asked the most questions during the two-hours of argument. Both asked about possible harm to women because of the lack of a health exemption.

Kennedy voted to uphold Nebraska's late term abortion law in 2000, even though it did not contain a health exemption. The court ruled the law unconstitutional for that reason. Kennedy is thought to be a likely swing vote in the cases argued Wednesday.

Since that decision, the court's frequent swing vote, Justice Sandra Day O'Connor, has retired and two new conservative justices have joined the court.

Breyer asked technical questions about the procedure and the statute's language.

Kennedy said, "It doesn't make sense to say there is an alternative procedure if you can't get access to it."

Representing Attorney General Alberto Gonzales, Solicitor General Paul Clement argued the law would not affect a woman's health or her right to choose an abortion.

Lawyers for Dr. Leroy Carhart and Planned Parenthood argued that banning "intact dilation and extraction" abortions will endanger women's lives and limit their ability to choose.

In adopting the law, Congress heard from medical experts and issued findings that a ban would not harm women's health.

Lawyer Eve Gartner, representing Planned Parenthood, said Congress' findings were inaccurate. She said women need to make decisions about procedures with their doctors, not with the slow-moving courts.

She and Carhart's lawyer listed health concerns not raised during congressional hearings, including death, kidney disease and liver disease.

Justice Clarence Thomas was not in court because he was ill, Chief Justice John Roberts said. Thomas is expected to vote in the case. A decision is expected by next summer.

CIVIL RIGHTS:

Voting Booth Glitches Show Where Fixes Needed Ahead (USAT)

By Richard Wolf, Usa Today

USA Today, November 9, 2006

WASHINGTON — As a dress rehearsal for the 2008 presidential election, Tuesday's experiences at the nation's 183,000 polling places succeeded by failing.

Where voters encountered balky equipment, it pointed up the need to examine paper trails and other methods for verifying their votes.

Where voters weren't helped by struggling poll workers, it illuminated the need for increased recruitment and better training.

And where they were misinformed or misdirected by automated "robocalls" and leaflets, it reignited calls for laws that would crack down on such practices.

All of those problems and more surfaced Tuesday in what state and federal officials said was a practice run for the 2008 election. And while none of the problems caused nearly as much trouble as the "hanging chads" of 2000, they laid bare the election system's growing pains.

"There continue to be deep concerns about the patterns of voting in our country," Chellie Pingree, president of the civic group Common Cause, said. "The level of problems that we heard about out there is still completely unacceptable."

A hotline run by Common Cause received 16,000 calls. Another headed by the Lawyers' Committee for Civil Rights Under Law got 20,000. The Justice Department received only about 250 calls and e-mails, down from 1,200 in 2004.

"There was nothing out of the ordinary," Justice Department spokeswoman Cynthia Magnuson said. "They tended to be routine problems, and fairly isolated."

The 2002 Help America Vote Act authorized $3.9 billion in federal aid to states to overhaul their antiquated voting systems. Since then, most states have ditched punch-card, lever and paper voting methods in favor of electronic machines or those that scan paper ballots.

This was the first election in which all the mandates of the federal law came into play. That included states developing statewide databases to determine voters' eligibility. A number of states also enacted laws requiring certain types of identification, only to have courts overturn many of them.

The combination of new machines, new databases and new ID requirements, along with poll workers who average 72 years of age, was expected to lead to problems.

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In turn, those problems were expected to show the way to reforms needed by 2008, when more than one in four election officials will be new to the job.

With Democrats coming to power in Congress, elections experts say the following changes should be debated, beginning with a December hearing of the U.S. Election Assistance Commission:

·Legislation sponsored by Sen. Barack Obama, D-Ill., that would impose harsh penalties on people who deceive voters. "We need to have clear laws that create some criminal penalty and perhaps fines for that type of behavior," says Jon Greenbaum of the Lawyers' Committee for Civil Rights Under Law.

·Legislation sponsored by Rep. Rush Holt, D-N.J., that would mandate paper trails on electronic voting machines. Virginia, facing a recount in a Senate race that will determine which party controls the Senate, has no paper trails.

"You couldn't have a better example about why we need to do things differently," Pingree says.

·More money for states to purchase machines and train poll workers. About $800 million of the $3.9 billion authorized in 2002 never was appropriated. States "have spent their wad," said Kimball Brace of Election Data Services.

·Making Election Day a federal holiday, which would free up poll workers and polling stations.

·Pushing more states to allow same-day voter registration. That would eliminate much of the need for provisional ballots, which often are not counted. Six states allow it now. Congress also could set standards for when those ballots should be counted.

·Standards for equitable distribution of voting machines, so that some voters don't wait for hours. Says Paul DeGregorio, chairman of the Election Assistance Commission: "It may be 2010 before we really see the full promise of all

Monitors Report Smooth Election (BRADV)

By Richard Burgess

Baton Rouge Advocate, November 9, 2006

OPELOUSAS — Poll watchers from the Justice Department and the NAACP reported a smooth election day in St. Landry Parish, despite concerns of voting irregularities in a close contest between a black female interim sheriff and her white male opponent.

Former State Police Trooper Bobby Guidroz won election over interim Sheriff Laura Balthazar on Tuesday with 20,210 votes, or 51 percent, according to complete but unofficial returns.

U.S. Attorney Donald Washington said Wednesday that the roughly 24 Justice Department monitors who roamed parish precincts Tuesday reported no issues with voter access or intimidation.

He said some routine election problems arose, such as a few names mistakenly left off voter rolls, but the issues were quickly resolved by the Clerk of Court's Office.

"It was quiet, and people who wanted to get out and vote got out and voted," said St. Landry Parish First Assistant District Attorney Frank Trosclair, whose office manned phones Tuesday to field election-day complaints.

Poll watchers for the National Association for the Advancement of Colored People Legal Defense and Education Fund also reported no problems.

Clifton Lemelle Sr., a retired educator from Eunice who helped organize the NAACP monitors, said he heard scattered complaints of people campaigning too close to the polls but no confirmed reports of intimidation.

or of voters being wrongly turned away from the polls.

Lemelle said he believed the biggest issue was the reaction of some parish officials last week to news that the National Association for the Advancement of Colored People planned to monitor the elections.

Clerk of Court Charles Jagneaux, citing information he had received from state officials, initially said that the NAACP had no legal right to bring in poll watchers, which are generally allowed only as representatives of a candidate or a government agency.

The poll watchers were allowed in after the NAACP presented a court order in a lawsuit filed over voting rights in post-Katrina New Orleans that stipulates the organization can monitor elections in several parishes, including St. Landry.

Lemelle said the confusion most likely spurred a backlash vote.

"I think it inflamed the white voters, and it created a 1960s, 1970s climate of 'nobody from the North is going to tell us how to vote,'" Lemelle said.

Kristen Clarke-Avery, assistant counsel for the NAACP Legal Defense and Education Fund, said the election monitors focused on Opelousas and Grand Coteau, where Friday night someone attempted to set fire to a 5-foot-tall wooden cross in front of town hall.

The incident remains under investigation.

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“Although we did not encounter major defects in the process, the election makes clear that race is still a divisive issue,” she said.

Touch-screen Voting Will Be Reviewed (SLPD)

By Stephen Deere, ST. LOUIS POST-DISPATCH

St. Louis Post-Dispatch, November 9, 2006

Now that the votes have been tallied, St. Louis County election officials and voter rights advocates will begin counting the number of problems voters had casting them.

High on the list of priorities: the county's touch-screen voting machines, which had their first major test on Tuesday.

John Diehl, chairman of the county's Election Board, said most problems with the machines were confined to 20 or fewer of the county's 450 polling sites.

Diehl, a Republican, admitted that lines were long in some places, but said it was mostly due to heavy voter turnout and a lengthy ballot.

As for the new equipment, he said the problems with the touch-screen machines happened when paper rolls jammed after poll workers had replaced them. The machines are equipped to print voters' choices on paper as the picks are made.

He said the turnout for the August primary, when the county introduced the touch screens, was so low comparatively that few polling places required paper-roll replacements.

"We had to change them three and four times, and we could see by two in the afternoon that calls multiplied about paper jams," he said. "That accounted for 90 percent of the issues we had to deal with."

But one voting rights advocate argued that problems were more widespread and were the result of poorly trained election judges and a lack of specialists to monitor the touch-screen machines.

"There wasn't enough (specialists) to meet the need," said Denise Lieberman, an attorney with the voter advocacy group Advancement Project and former legal director of the ACLU of Eastern Missouri. "The election judges simply didn't have the skills."

Diehl said the county had trained 200 poll workers to boot up and shut down the machines, as well as 25 specialists assigned to locations throughout the county and 28 pairs of roving specialists to respond to problems.

Both Diehl and Lieberman said they had yet to compile comprehensive lists of the problems and their locations.

The midterm election marked sort of a role reversal for the county — where reports of voting problems have typically been uncommon — and the city of St. Louis, where elections have been marred by lawsuits and an inquiry from the U.S. Justice Department.

On Tuesday, the county also had some malfunctions with paper ballots.

Diehl said the long (19-inch) ballots stressed some optical scanners that read them.

In some cases, people feeding the ballots into the scanners tried forcing them and got error messages in response.

"That's just a training issue that we are going to have to go over with some of our poll judges," he said.

Lieberman said some people reported that when the scanners broke down, judges began stacking ballots in the open.

Diehl said he didn't know if the report was true, but said many of the Advancement Project's complaints during the day only added to the difficulties.

Tim O'Neil of the Post-Dispatch contributed to this report.

Secretary Of State To Take Over Supervision Of Boston Elections (BOS)

The Boston Globe, November 9, 2006

BOSTON --Secretary of State William Galvin said Wednesday he would take over the supervision of the city's election department after some precincts ran out of ballots during Tuesday's election, forcing voters to wait as police cruisers rushed to bring more.

"I can't have 'We'll try to do better next time.' That's not acceptable," Galvin said Wednesday. "What they did yesterday was put the rights of voters at risk and that's unacceptable."

Galvin said the law required him to determine a pattern of misconduct -- which he believes there is -- then create a solution to the problems.

"My view of the remedy is there has to be some supervision," he said. "I have no desire to micromanage the operations of the city of Boston. ... I'm interested in making sure that the basic function of the department is carried out."

Galvin said a similar move was made in Boston in the 1980s, when the Secretary of State's Office appointed a monitor to review, control and direct the department.

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Jennifer Mehigan, a spokeswoman for Mayor Thomas Menino, said the city would cooperate with the state. Menino also is drawing from other sources to help fix election problems.

"He is speaking with different outside consultants," Mehigan said. "We're looking at the communication between the wardens and the city, the elections department and other procedures like that."

Galvin said late Tuesday he was considering the move, after being forced to tell Menino to send ballots in police cruisers to a half-dozen polling places where ballots ran low.

The mayor's office said problems began in the evening, when the after-work crowd was larger than expected, and city vehicles used to replenish ballot supplies ran into traffic. Menino said Wednesday that precincts were given enough ballots for 50 percent turnout, but some had turnouts that were higher.

He denied the shortages were in only poor or minority neighborhoods -- a contention made by some anxious voters waiting Tuesday.

Boston also had problems in September during the primary, when ballots in eight precincts were inadvertently uncounted.

The U.S. Justice Department also filed a lawsuit in July 2005, alleging that Boston's election practices discriminated against Hispanic and Asian voters. The department dropped the lawsuit later that year, when city officials agreed to provide voting materials in Chinese and Vietnamese and to allow federal observers to monitor polling places through 2008.

Heads May Roll Over Ballot Bungle (BOSH)

By Michele McPhee, Boston Herald Police Bureau Chief

Boston Herald, November 9, 2006

Mayor Thomas M. Menino said city staffers face “reassignment” as the state seeks legal oversight of Boston’s Elections Department after a ballot shortage forced police to make rush deliveries to angry voters at the polls.

“I am very, very angry. This should not have happened,” Menino told the Herald. “Will people be reassigned? It’s possible. We certainly need a management plan for the Elections Department.”

Secretary of State William Galvin told city officials he plans to utilize his legal right to manage the city Elections Department.

Meanwhile the mayor has said he will hire a consultant to “shake up” the department and file quarterly progress reports to Galvin.

The state printed more than 300,000 ballots for Hub voters, but just half those were delivered to polling locations, leaving largely minority strongholds such as East Boston, Hyde Park, Mattapan, Roxbury and Dorchester without enough ballots, infuriating voters who were forced to wait for hours to cast their ballots.

Some precinct wardens began handing English-speaking voters ballots printed in other languages, or told voters to leave their phone numbers and they would be called when there were ballots available. Officials estimate that 2.2 million people voted in Tuesday’s election.

“How can we not be prepared for people who wanted to exercise their right to participate in democracy? We need to know what went on out there,” City Councilor Felix Arroyo said.

Arroyo joined fellow councilors Sam Yoon, Chuck Turner and Charles Yancey in filing an order to hold a public hearing on election issues.

City Council President Michael F. Flaherty said he does not believe Elections Department officials engaged in malfeasance, but believes an investigation is warranted.

“The breakdown that occurred needs to be addressed to ensure the public’s confidence in their election system. Voters are a precious commodity,” he said.

This is the second voting snafu this year. Eight precinct wardens, who are paid $150 on Election Day, were fired after they were “too tired” to tally votes in the Senate race between incumbent Sen. Dianne Wilkerson and her challenger, Sonia Chang-Diaz, prompting a recount, Menino said.

In 2003, a lawsuit was filed about voting problems in the city, issues severe enough that the U.S. Justice Department is now supervising Boston elections.

Michigan Turns Back College Affirmative Action (WSJ)

By Suzanne Sataline And John Hechinger

The Wall Street Journal, November 9, 2006

In 2003, when the Supreme Court upheld affirmative action in college admissions, many observers felt that the issue had been settled for years to come.

Think again.

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Voters in Michigan, where the state university successfully fought in that Supreme Court case to preserve minority preference, repudiated it in a ballot initiative Tuesday. An initiative passed by Michigan voters will ban affirmative action in admissions to public colleges and in government hiring. Currently, the University of Michigan and other selective public institutions in the state consider race as one of many factors in admissions decisions. The ban takes effect 45 days after the vote.

Ward Connerly, the California businessman behind the Michigan initiative, yesterday said he is exploring bringing similar proposals to other states, including Illinois, Missouri and Oregon. And next month, the Supreme Court will revisit the question of race-based enrollment, this time in the context of K-12 public-school assignments.

"If we can win in Michigan, a blue state with a Democratic governor...this initiative would pass" anywhere, said Mr. Connerly, a former University of California regent who led successful campaigns to ban racial preferences in college admissions in California and Washington. "If you give the American people a chance to decide whether they want everybody treated equal regardless of race, nine times out 10 they would vote for it."

Late yesterday, an affirmative-action group known as By Any Means Necessary filed a lawsuit in U.S. District Court for the Eastern District of Michigan against Gov. Jennifer Granholm claiming that the ban is unconstitutional, said the group's attorney George B. Washington. A spokesman for the governor couldn't be reached to comment.

Affirmative-action supporters said the initiative will reduce black and Hispanic enrollment at the University of Michigan and Michigan State University and said they hope to challenge it in court. "We believe affirmative action is a positive tool for society," University of Michigan President Mary Sue Coleman said in an interview. Depending on the court's interpretation, she said, the initiative could stymie the university's efforts to attract more black students overall, and more women into science and engineering programs. She said the university will seek legal permission to judge current applicants under its old criteria, which take race into account.

John C. Brittain, chief counsel of the Lawyers' Committee for Civil Rights under Law, a Washington, group that has defended affirmative action before the Supreme Court, called the initiative "a very dangerous step that turns back the clock on civil rights." He said he expected civil-rights lawyers to figure out ways to mount a constitutional attack on the initiative -- perhaps using the language of the U.S. Supreme Court's Michigan decision permitting affirmative action.

In its decision, the Supreme Court allowed colleges to use preferences, but didn't require that they do so, which left room for Michigan voters to impose a ban.

Polls had indicated that the vote on the initiative would be close. But Michigan voters on Tuesday approved the measure, called Proposal 2, by a margin of 58% to 42%, with 100% of precincts reporting.

"We won in places no one ever expected we'd win," said Doug Tietz, campaign manager for the Michigan Civil Rights Initiative, the group that sponsored the referendum. Analysts said voters may have been reluctant to tell pollsters that they supported the initiative for fear of being tagged as racist by the state's academic, political and business establishment, which largely opposed it.

Linda Chavez, chairman of the Center for Equal Opportunity, a Sterling, Va., nonprofit that opposes racial preferences and campaigned for the initiative, said such initiatives are most successful in states like Michigan that have flagship public campuses where white applicants are angry about losing competitive spots.

The Michigan vote could also draw more attention to pending cases before the Supreme Court. It will hear arguments Dec. 4 on the constitutionality of using race as a factor in school assignments in Louisville, Ky., and Seattle. In both cases, white parents whose children were passed over for entry to sought-after public schools sued the school districts.

Mr. Tietz said his next target may be the college admissions preference sometimes referred to as "white affirmative action" -- the edge given to children of alumni. During the campaign, he said, his group was "forceful and straightforward" in opposing so-called legacy preference, while supporters of affirmative action dodged that issue.

He said he would "work hand-in-hand" with affirmative-action supporters to end legacy preference. "My kids someday will not need a legacy boost," said Mr. Tietz, an alumnus of the University of Michigan, which considers legacy status in admissions decisions. "I want them to work hard and earn their spot, so no one will say, 'You got in because of your dad.'"

Write to Suzanne Sataline at suzanne.sataline@wsj.com1 and John Hechinger at john.hechinger@wsj.com2

Black Firefighter Settles Suit Over Racial Prank (LAT)

By Sandy Banks, Times Staff Writer

The Los Angeles Times, November 9, 2006

A black firefighter who was served dog food in his dinner by fellow firefighters at the Westchester station will receive $2.7 million.

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A black firefighter who was served dog food in his spaghetti by fellow firefighters will be paid more than $2.7 million to settle a lawsuit alleging racial harassment within the Los Angeles Fire Department.

The award, approved on an 11-1 vote Wednesday by the Los Angeles City Council, is the latest in a recent string of settlements of lawsuits by firefighters claiming discrimination and harassment and retaliation against those who complain.

It is believed to be the largest payout for misconduct in the department's history, which was long considered among the nation's finest, but has often been the target of complaints about hostility toward African American and female firefighters.

Firefighter Tennie Pierce, 51, alleged in his lawsuit that Firefighter Jorge Arevalo mixed canned dog food into Pierce's dinner at their Westchester station two years ago; that Capt. John Tohill purchased the dog food; and that Capt. Chris Burton knew about the prank but didn't warn Pierce. All three men were present when Pierce ate the dog food.

Pierce "took a large bite, at which time he noticed the other firefighters were laughing and making noises," the lawsuit says. He took a second bite, then demanded to know what was in his food, "but no one would tell him." Pierce then left the kitchen "with his co-workers laughing at him."

A Fire Department investigation suggested the incident was intended to "humble" Pierce — who stands 6 feet 5 — after his team won a fire station volleyball game. A lawyer for one of the defendants initially called the incident "a good-natured prank … [not] in any way motivated by race."

But a UC Santa Cruz professor who was hired by Pierce's attorney to review department records of discrimination complaints said the prank was clearly intended to "humiliate and dehumanize" Pierce.

"The association of a black man and dog food resonates with the deep historical roots of slavery and the corresponding dehumanization," said sociologist David Wellman, co-author of "Whitewashing Race: Colorblind Policies in a Color Conscious America."

"It's not just silly stuff. It's racially motivated…. The organization labels it as macho, 'boys will be boys' behavior. I think it's more about keeping blacks out by making their lives so miserable that they don't want to stay."

In addition to the three firefighters, the lawsuit named the city as a defendant because the fire captains allegedly allowed a hostile workplace to exist in violation of department policies forbidding harassment. The two captains were given one month off without pay as punishment. Arevalo was ordered off work for three days without pay. As part of the settlement, they were dismissed from the lawsuit, so they are not liable financially.

Fire Chief William Bamattre admitted the incident was "intolerable" and violates department "guidelines on what's professional performance.... That type of harassment or prank or whatever you call it is not consistent with what the public expects from the Fire Department, the confidence the public has in us."

But Councilman Dennis Zine, a police officer for 38 years and the lone vote against the settlement, said he thought the $2.7-million award was "outrageous for something that caused no serious injury, no permanent harm…. "

"That's not to say it was right, not to justify what they did. But $2.7 million?…. I don't think it was a racial deal. It was a prank that turned sour, but did it go bad to the point that he's harmed for life? That it should cost the taxpayers $2.7 million?"

In his lawsuit, Pierce said that for more than a year after the October 2004 incident he was subjected to "verbal slurs, insults [and] derogatory remarks" — including taunting by firefighters "barking like dogs [and] asking him how dog food tasted" — in the presence of supervisors.

In addition to the payout, the settlement provides for Pierce to remain on fully-paid administrative leave until April, when he reaches his 20-year service anniversary. Then he can retire with an annual pension amounting to half of his salary for life.

Pierce was out of town and could not be reached for comment Wednesday. But his attorney, Genie Harrison, said the incident — and the unwillingness of other firefighters at the table to intervene — was a "shocking betrayal" for Pierce, who grew up in South Los Angeles.

"He was targeted by people he considered brothers and then was mercilessly harassed out of the job that meant so much to him," Harrison said. "Now he's calling for the public's help to change the working environment for African Americans who remain on the department."

The department hired its first black firefighter in 1897, but for almost 60 years blacks were assigned only to segregated stations in black neighborhoods. As the city's black population grew, all-black crews began displacing white firefighters, who often responded with animosity. In 1936, white firefighters at a Central Avenue station who were forced to move to accommodate a black crew responded by trashing the station with garbage and human waste.

In the 1940s, pressure mounted to integrate the force. But then-Chief John H. Alderson declared integration a "social experiment" and refused; 90% of white firefighters joined a fund-raising campaign to support him. Those who expressed a willingness to live and work alongside blacks were ostracized by peers and often disciplined for insubordination.

The city's fire stations were officially integrated in 1956, but blacks were denied kitchen privileges and subjected to such vicious hazing that off-duty black firefighters began patrolling integrated stations, some carrying guns.

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In 1974, the department entered into a federal consent decree that required half of all new recruits to be black, Latino or Asian American. The decree was lifted in 2001, but some blame it for lowering morale and stoking resentment among white male firefighters who considered it reverse discrimination and complained that it allowed the hiring of unqualified minorities.

Today the 3,600-member department is 53% white, 29% Latino, 12% black and 5% Asian American. Women make up 2.7% of the department.

But some say the diversity masks problems that has continued to hold minorities back.

In 1994, complaints of discrimination reached such a fever pitch, the City Council ordered an audit of the department and held hearings that led to the resignation of Chief Donald Manning. The audit found that women and minorities were frozen out of management positions and often drummed out of the department as rookies.

An audit earlier this year by City Controller Laura Chick revealed similar findings. Among black firefighters, 87% said they had experienced or witnessed discrimination.

Some firefighters say pranks are part of the firehouse culture and not directed specifically at blacks. But black firefighters report much of the teasing they experience involves racial slurs, offensive comments or pranks aimed at humiliation.

"Blacks have experienced this for over 300 years," sociologist Wellman said. "They have a gyroscope that picks up hostile stuff that somebody else would not see as hostile.

"Culture becomes very important," he said. "In the black community people come together and talk about the way they've been treated. They run it up the flagpole … 'Tell me if I'm off the wall here.'

"Their group picks it up and your group doesn't because their group has a history that yours doesn't share."

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Stun Guns Avert Trouble, Harford Police Say (BSUN)

By Justin Fenton, Sun Reporter

The Baltimore Sun, November 9, 2006

From a suicidal teenager to a suspected car thief who flees on foot, some people who have refused to cooperate with Harford County police have been getting a wake-up call -- the 50,000-volt variety.

The Harford County Sheriff's Office is believed to be among the first police agencies in Maryland to issue Taser stun guns to its deputies, who have used the devices to stop people who flee or refuse to comply with orders, and for the mentally ill who become violent.

The agency has been issuing stun guns to patrol deputies since last year, and they have used them on at least 28 occasions since January. One incident involved a 50-year-old schizophrenic woman who had barricaded herself in a closet and was shocked with a stun gun because a deputy feared she could get to weapons in another room.

The agency says the devices, which have been criticized for causing fatalities, have been most effective as a deterrent to violence and limit injuries to suspects and officers. A spokesman said assaults on officers were down.

"It is far more useful than engaging someone in hand-to-hand combat or taking action with a baton," said Robert B. Thomas, a spokesman for the agency.

The agency first purchased stun guns in 2002 and has been phasing them into the arsenal of weapons used by all patrol deputies. Harford is not alone -- more than 7,000 of the 18,000 police agencies in the United States use the weapons, according to a March report by Amnesty International, and 1,700 police departments have purchased them for every officer.

With increased use, however, has come greater scrutiny. Amnesty International said there had been at least 156 deaths across the country related to police stun guns in the past five years, and dozens of excessive-force lawsuits have been brought by people who say they were injured by officers.

"The good part about having all officers equipped is that when they encounter a threat, they don't have to call for assistance or wait for a SWAT team to arrive," said Doug Ward, associate director of the Johns Hopkins University's Division of Public Safety Leadership. "The downside is that they tend to find ways to use them, and there are horror stories from across the country where people encounter medical issues after getting [stunned] multiple times."

Other area jurisdictions are considering purchasing stun guns or are using them on a limited basis. The Anne Arundel County Council approved the use of the weapons in the spring, and police there are researching the technology.

Baltimore County officers are testing 10 of the devices on the streets and have used them more than two dozen times since April, said Maj. Mark Warren, who spent six months as a fellow at the Police Executive Research Forum in Washington studying stun-gun policies across the country.

In Harford County, Sheriff R. Thomas Golding has authorized deputies to use the devices for the past two years. Deputies take an eight-hour training course and are issued the devices along with their service weapons. The agency, which has about 130 patrol deputies, has 149 stun guns in use, and 32 more have been ordered.

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Reports on 12 incidents that were provided to The Sun showed that the stun guns were used primarily in domestic situations, two of which did not result in arrests. The most recent incident in which a stun gun was used occurred during the drunken-driving arrest of a 38-year-old woman who had driven her car into a utility pole and fought four deputies as they tried to arrest her.

In another incident, Columbus Mosby, 51, of Edgewood said he could feel the electricity coursing through him when deputies used a stun gun on him in August. He had questioned why his 15-year-old was in handcuffs after receiving a littering citation. Mosby was arrested after he ignored an officer's command to keep quiet.

The shock "lifted me to the tip of my toes, and my wife was telling me, 'Just lay down' -- I couldn't even lay down on the ground," Mosby said. He was shocked again when he didn't lie down, and he said the stun gun left a small scar on his back where the darts landed.

When shocked with the devices, suspects lose control of their muscles and collapse. The effects usually last long enough for an officer to put handcuffs on a suspect, although some recover quickly and could continue to resist. The Taser X26 model, which Harford deputies use, shoots barbed darts attached to wires that pass electricity into a person's body.

Mosby disputes a report of the incident in which he was involved, which says he swung at an officer, and he adds that he was unarmed. "I don't understand it," he said. "I wasn't fighting them."

The agency's policy on when to use Tasers and stun devices does not describe the circumstances in which they should be used, saying only that they "may be utilized as an alternative to lethal force and shall be maintained consistent with the manufacturer's training and recommendations."

When a stun gun is used, the deputy must fill out a use-of-force report, which is reviewed by a six-member committee.

Golding said the devices have helped deputies avert dangerous situations many times.

"We've heard a lot of stories where, when the deputy pulls that out and [aims it at] the individual, they become compliant," Golding said. "When you have that, it's served its purpose."

A research arm of the Justice Department is conducting a two-year study of cases in which a suspect died after being subdued with a stun gun. The National Institute of Justice said there have been more than 180 deaths in the past 10 years, with most occurring since 2000.

The Police Executive Research Forum studied 96 stun gun-related deaths between 1999 and 2005. In four out of five cases, the person had taken some type of drug, which might have contributed to the deaths.

"We think they're very good when used properly," said Joshua Ederheimer, director of the forum's Center on Force and Accountability. "They appear to have a minimal effect in the overwhelming majority of uses."

Despite his work researching and developing guidelines with the research forum, Warren, the major with the Baltimore County Police Department, said his agency wants to continue to study how stun guns are used by its officers before issuing them.

"We're hoping we can gain a full understanding of the practical positives and negatives," Warren said. "It's easy to say on paper how others do it and what we expect, but you need to determine the impact on your particular department or community. A trial program will help us deal with those issues."

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ANTITRUST:

Business May Face Democrats' Scrutiny (AP)

AP, November 9, 2006

Democrats are expected to turn a harsher light on business. A call for a delay in an FCC vote on a big merger might be the start.

WASHINGTON - John Dingell, the incoming chairman of the House Energy and Commerce Committee, said Wednesday that he wants the Federal Communications Commission to delay its vote on the AT&T Inc. acquisition of BellSouth Corp.

Dingell, saying the combination raises a "significant antitrust question," sent a letter to the FCC asking that it hold off on the vote until after the new Congress convenes in January. The agency has delayed a vote on the merger three times.

Dingell's request might be an opening shot in the House Democrats' new oversight of big business. California Rep. Nancy Pelosi, who is in line to become speaker, has promised to fight early on in the next Congress to lower the price of prescription drugs available through Medicare. Efforts to curb military spending are also likely, political and financial analysts said, after an election whose outcome was influenced in large part by voters' dissatisfaction with the war in Iraq.

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But with the two parties stalemated in the Senate, where it usually takes 60 votes to pass major legislation, the pharmaceutical and defense industries might find themselves beset more by unwelcome rhetoric in Congress than any changes in law.

Few substantial changes in corporate America are expected to result from Democratic-led initiatives during the next two years -- with the exception of a proposed increase in the minimum wage that might get substantial Republican support.

The long-term outlook for the biotechnology and homeland security businesses might benefit, analysts said, from anticipated Democratic efforts to promote stem-cell research and inspect more cargo containers at ports. And the alternative energy sector could also get a boost.

But heightened scrutiny of other sectors, ranging from drugs to defense to hedge funds, could darken their prospects on Wall Street.

Yet despite the Democrats' victories, the Dow Jones industrials rose 19.77, or 0.16 percent, to 12,176.54. The blue chips closed above the intraday record of 12,167.02 set on Oct. 26. The Standard & Poor's 500 index was up 2.88, or 0.21 percent, at 1,385.72, and the Nasdaq composite index rose 9.06, or 0.38 percent, to 2,384.94.

Liz Claiborne To Buy Kate Spade For $124M (FINDLAW/AP)

AP, November 9, 2006

(AP) - NEW YORK-Liz Claiborne Inc., moving to expand its reach into luxury department stores, Wednesday said it agreed to acquire privately held Kate Spade LLC, a maker of high-end fashion accessories, for $124 million (â,¬97 million) in cash.

The deal, expected to close late this year, includes an undisclosed amount of assumed debt.

New York-based Kate Spade, which makes the kate spade and Jack Spade brands, had net sales of about $84 million (â,¬65.75 million) for the year ended July 30. Its product line includes handbags, small leather goods, accessories, luggage and baby products.

Kate Spade sells in U.S. department stores, including Neiman Marcus, Saks Fifth Avenue, Nordstrom, and Bloomingdale's, as well as 19 Kate Spade stores, four Kate Spade outlets and one Jack Spade store.

Kate Spade also has distributors in Asia and licensing agreements for shoes, eyewear, tabletop and paper products.

Despite having more than $5 billion (â,¬3.9 billion) in annual sales and more than 40 brands in its stable, Liz Claiborne, also based in New York, so far has been a limited player in handbags and accessories. Its brands include Ellen Tracy, Dana Buchman, Lucky Brand, and Juicy Couture.

Neiman Marcus Group Inc., which owned a majority stake in Kate Spade, put the company on the market in September 2005.

In morning trading, shares of Liz Claiborne edged up 7 cents to $42.12 on the New York Stock Exchange.

Spanish Utility Approaches Scottish Power For Deal (WSJ)

By Jason Singer In London And Keith Johnson In Madrid

The Wall Street Journal, November 9, 2006

The latest effort by a European energy giant to strike a major deal -- Iberdrola SA's preliminary approach to Scottish Power PLC -- signals that utilities believe they need to be larger to survive in a future dominated by the search for newer and cleaner ways of producing energy.

Iberdrola of Spain made an approach to Scottish Power, which has a market value of £10.9 billion ($20.8 billion), as a prelude to a possible offer, according to people close to the situation. Scottish Power said in a statement that its board "has received an approach which may or may not lead to an offer being made." It added that the board would study any offer at the appropriate time.

An Iberdrola spokesman said the company "has not presented any offer." At 4 p.m. in New York Stock Exchange composite trading, Scottish Power's American depositary receipts were up 14% to $58.37.

A potential deal would mark the latest in a series of deals and attempted acquisitions involving some of Europe's biggest electricity producers in Spain, France, Germany, Italy and the United Kingdom. The consolidation comes as European companies from several industries have been linking up across national boundaries. The willingness of banks to finance big deals and the end of a long period of restructuring at many companies have made the current wave of mergers and acquisitions among the busiest Europe has seen.

The fit with Scottish Power, which has a dozen onshore wind farms in the U.K., could be good for Iberdrola, which has significant interests in hydro and wind power, at a time when utilities are scrambling to meet stringent European emissions regulations and environmental targets. Renewable energies, which enjoy price supports in nearly every European country, also offer better-than-average returns for power companies. Scotland is one of Europe's windiest locales, and Scottish Power's

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modest wind-farm development would leave scope for Iberdrola to install bigger turbines as well as offshore wind farms, which offer greater economies of scale.

Another possible attraction for Iberdrola is the potential to be a part of a new generation of nuclear-power plants in the U.K. While Scottish Power has no nuclear profile, Iberdrola could use its U.K. base as a platform for expanding its nuclear operations. Iberdrola operates all or part of six nuclear plants in Spain.

Scottish Power's retail arm has more than 5.2 million U.K. customers. It also operates electricity generation, natural-gas storage facilities and energy-management activities in the U.K., U.S. and Canada. In the year ended March 31, it had profit of £1.54 billion on revenue of £5.45 billion. Scottish Power was the subject of takeover offers from E.On AG of Germany last year but rebuffed them.

Iberdrola could be seeking a defensive move to safeguard it from a hostile approach. Iberdrola was part of a failed bid by Gas Natural SDG SA in September 2005 for Endesa SA. In that deal, Iberdrola had agreed to purchase some of Endesa's power-generating assets that would have been hived off by Gas Natural if its bid was successful.

Spanish builder Actividades de Construccion y Servicios SA, which owns a 35% stake in Spanish utility Union Fenosa SA, acquired a 10% stake in Iberdrola late last month. Bankers and analysts said the sudden share-buying swoop was designed to facilitate the merger of Fenosa and Iberdrola and create a new national champion in electricity.

FBI/DEA/ATF/USMS:

Judge Sends Hub Officer In Drug Case Back To Jail (BOS)

By Shelley Murphy, Globe Staff

The Boston Globe, November 9, 2006

Says he violated bail conditions

To be released on bail last month, Boston police Officer Carlos A. Pizarro agreed to extraordinarily strict conditions: a search of his home, no cellphone, no computer, house arrest, and only preapproved visitors.

His wife promised to alert the court if Pizarro violated any conditions.

Yesterday, a federal judge put Pizarro, 36, back behind bars after ruling that he had immediately broken the rules. Pizarro, one of three officers facing federal cocaine and heroin charges in one of the biggest corruption cases in the department's history, was ordered held without bail until the case is resolved.

US District Judge William G. Young found that Pizarro violated his bail conditions by agreeing to let the government search his Dorchester home for contraband before he was released, then quickly calling his wife to "change the situation in that house."

On Sept. 22, after Pizarro agreed to the search during a bail hearing, he telephoned his wife from the Barnstable County jail and warned her to toss certain items, including "little pink things" and "a brown little bottle."

Prosecutors allege that Pizarro, who knew jail calls are monitored, used code words to warn his wife to get rid of illegal drugs.

Pizarro told his wife, Michele Joyce , that she was "not all set" for the search and warned her to throw out "the little pink things," according to a transcript of the telephone call that was filed in federal court. Prosecutors allege Pizarro was talking about steroids.

He also made reference to a "hospital thing," which prosecutors allege was a syringe, and to "a brown little bottle," which the government believes meant injectable testosterone.

Pizarro's lawyers, however, disputed the government's contention that Pizarro was talking about illegal drugs. They say he was talking about sex-enhancing drugs, including Viagra, and other prescription drugs during the call. At one point, he told his wife to save something he'd left in his top dresser drawer because he'd need it when he came home.

"It would be pure speculation to try to figure out from the transcript what he was talking about, and there's certainly no evidence of contraband," said Jeffrey Denner , one of Pizarro's lawyers.

Denner said Pizarro had also warned his wife during the call that he had lawfully-owned guns in the house, which she should turn over to the police. Denner said a transcript of that portion of the call wasn't filed with the court.

Prosecutors suggested that the judge ask Pizarro's wife about what she had allegedly removed from the home.

Young apparently decided he had heard enough and opted not to question her.

Young said he had warned Pizarro before releasing him on bail Oct. 11 that "I would police the bail restrictions strictly."

He ordered Pizarro, who was seated in the courtroom, taken into custody immediately, saying that while prosecutors and defense lawyers may argue over what Pizarro was talking about during the recorded call, it was undisputed that the officer "called his wife to dispose of something."

Pizarro, a 10-year department veteran, was arrested July 20 in Miami on charges that he and two other officers, Roberto Pulido and Nelson Carrasquillo , protected 100 kilograms of cocaine while it was being trucked to Boston in June by undercover FBI agents posing as drug dealers. Pulido, 41, a 10-year veteran of the force, and Carrasquillo, a seven-year veteran, are also charged with protecting an earlier shipment of 40 kilograms of cocaine.

Carrasquillo is free on bail. Pulido, the alleged ringleader of the group, has been ordered jailed without bail pending trial.

An FBI affidavit filed in the case alleges that Pulido was involved in a wide array of crimes, including identity theft, steroid trafficking, and protecting illegal after-hours parties where uniformed officers mingled with drug dealers and prostitutes.

Judge Tosses Cop Back In Jail For Call About Hard Evidence (BOSH)

By Laurel J. Sweet

Boston Herald, November 9, 2006

The dirty laundry of an alleged dirty cop spilled out in federal court yesterday when Boston patrolman Carlos Pizarro raised sexual impairment as his defense for a damning call to his wife.

A furious U.S. District Court Judge William G. Young yesterday yanked Pizarro's house-arrest privileges and sent him back to the slammer after learning Pizarro was recorded on a prison phone allegedly instructing his wife, Michele Joyce, to destroy criminal evidence in their Dorchester home.

The 20-minute call was placed on Sept. 22 from the Barnstable House of Correction just three hours after Pizarro - who was busted by the FBI in July with fellow officers Roberto Pulido and Nelson Carrasquillo - learned authorities would search his home prior to his Oct. 11 pre-trial release.

"He called his wife and told her to dispose of something," Young said. "One can draw inferences from those undisputed facts."

But Pizarro's lawyer, Jeffrey Denner, argued the disgraced officer knew he was being recorded and, when speaking in code to Joyce, was referring to natural and doctor-prescribed remedies for "sexual issues" he was embarrassed about.

"He did not want to bring it up over the telephone," said Denner, who declined to explain those "issues" to the Herald.

Prosecutors, according to court documents, believe Pizarro and Joyce were actually discussing getting rid of steroids and testosterone shots.

Pizarro directs Joyce to a "rack of clothes," "little pink things" and the "top drawer in my dresser," according to a transcript of the conversation.

"Did you throw them out?" he asks her at one point.

"No," Joyce answers.

"Those are, save 'em, because I'm gonna nail someone and be home with you," Pizarro said in what prosecutors suspect is a nod to Viagra.

Joyce laughs. "Oh, that's good," she said. "No, hopefully you won't have a hard time. My God, at least once anyways!"

Joyce wept uncontrollably after her husband was remanded back into custody.

Pizarro, Pulido and Carrasquillo are alleged to have hired themselves out as muscle for cocaine shipments and to have hosted orgies with hookers, among other betrayals of their badges.

Operation 'Burn Down' Leads To Charges Against 17 (AP)

AP, November 9, 2006

Chicago police and the FBI arrested and charged 17 people in a Wests Side gang roundup Wednesday.

Following an investigation by the Joint Task Force on Gangs, FBI special agents and Police narcotics investigators arrested 11 suspected members and associates of the Satan Disciples, according to an FBI release.

After over two years of investigation, Operation "Burn Down" led to charges against 17 suspects including four who were already in local custody on unrelated charges. "Burn Down," which began in September 2004, included undercover operations to purchase drugs and court-authorized electronic surveillance of phones used by one or more of the defendants, the release said.

The suspects were charged in criminal complaints filed Tuesday in U.S. District Court in Chicago with numerous felony counts of conspiracy and possession of a controlled substance with intent to distribute, the release said.

Of the 17 charged, 15 were arrested, including suspects ranging in age from 19 to 45. Charges were also filed against two suspects, now the subject of a nationwide manhunt -- Charles Spauding, aka "Wedo," 25; and Celeste Melendez, 20, both with a last know address of 1718 W. 33rd Pl. in Chicago, the release said.

Among those arrested were the defacto head of the Chicago chapter of the Satan Disciples, Kenneth Gayton, the release said. He is accused of overseeing an operation that controlled distribution of both powder and crack cocaine in and around the Southwest Side, primarily in the vicinity of 18th Street and California Avenue, and 42nd Street and Campbell, the release said.

One of the city's oldest street gangs, the Satan Disciples were formed in the 1960's, with widespread presence in Chicago, northwest Indiana and southern Wisconsin and factions in Texas, Oklahoma and Florida.

All of the suspects in custody are being held at the Metropolitan Correctional Center until scheduled appearance before Magistrate Judge Michael Mason in U.S. District Court on Thursday.

If convicted of the charges, those in custody face a possible life sentence in prison.

Anti-gang Sweep Snares 19 On Drug, Weapons Charges (COLDISP)

By Kevin Kidder

Columbus Dispatch, November 9, 2006

Multi-agency force fans out in search for 63 suspects

Nineteen suspected gang members from across Columbus were arrested yesterday, as police conducted a methodical sweep as part of the mayor's anti-gang initiative, officials announced.

They were some of the 63 suspects that police, the DEA, the U.S. marshal's office and parole officers were searching for last night, said Columbus police Sgt. Chantay Boxill.

Those arrested yesterday were mainly wanted for drug or weapons charges and had been identified by police as members of gangs that did business on the South Side, though they live all over the Columbus area, she said.

All those arrested were in the Franklin County jail at Jackson Pike last night, she said.

Mayor Michael B. Coleman joined police for several hours yesterday as they rounded up the suspects.

"This is an ongoing effort," Coleman said. "It's the worst of the worst, or some of the worst of the worst."

Coleman had been hoping that one particular gang member — whom he wouldn't name — would be arrested. "I describe him as an animal," he said. That man wasn't in custody as of late last night.

"The message is, we will not accept gang violence in the city of Columbus. I can't tolerate this," the mayor said.

Police hoped for more arrests last night and the sweep likely is to continue through this weekend, Boxill said.

The anti-gang initiative was inaugurated by Coleman in 2005 to combat gang-related violence. Scores of gang members have been arrested since then.

It features a three-pronged approach: Police crack down on crime in the targeted neighborhood, other city agencies descend on the neighborhood to clean it up and social-service agencies work to help youths find alternatives to gangs, Coleman has said.

Trial For Newport Alderman Gets Underway (NEWPIND)

By Melissa Lore, Independent Reporter

Newport Independent, November 9, 2006

"Now, the rest of the story," Newport Alderman Pinky McFarlin's attorney said Monday afternoon, quoting Paul Harvey, to begin his opening statements. McFarlin's trial began Monday after jury selection was completed.

Prosecutor Anne Gardner's opening statements explained that McFarlin is charged with selling Xanax and crack cocaine on 20 different dates to an informant from May through November of 2004. Evidence expected to be introduced will include tape recordings of conversations held between the informant and the defendant in the defendant's home.

Gardner told the jury that they would hear several drug terms and conversations in which McFarlin would say "bringing the game to town," referring to bringing drugs to Newport. She said that there would be conversations in which McFarlin would educate the informant about how to hide crack cocaine and when not to take money because it could be "federali money."

Witnesses expected to testify against McFarlin will include an expert witness for the DEA, who took the stand Monday afternoon to explain the procedure for the use of an informant; a Fred's pharmacist; a bondswoman; and Lucas Hardaway, McFarlin's nephew.

McFarlin's attorney, Melvin Thompson, told the jury that the defendant was enticed by the drug task force. He continued by giving a brief history of McFarlin's life and various injuries he has sustained by working that require him to regularly use pain killers Lortab and Lorcet, prescribed by doctors, adding that, after the birth of his daughter, McFarlin realized he was addicted to the drugs and admitted himself into a drug rehab program for three or four months, which resulted in his staying clean and sober for three or four years.

"It was fairly common knowledge he was addicted," Thompson said, offering that others in the community knew that McFarlin was in pain and would offer their own pain medication to help him get relief.

The attorney continued the scenario by explaining McFarlin's relationship with the informant, Debra Johnson, who came to him for legal help and discovered that he was using pain killers on a regular basis and wanted to swap the hydrocodones she had for a neck injury.

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Thompson finished his statements by telling the jury that the DTF knew Johnson was selling drugs to McFarlin. "The government played on his addiction."

Missoula County Approves Marijuana Initiative (MIS)

By Tristan Scott

Missoulian, November 8, 2006

A ballot measure recommending Missoula County law enforcement officials make adult marijuana offenses their lowest priority passed Tuesday night.

The measure, dubbed Initiative 2, won the support of 22,502 Missoula voters, or 53 percent. Opponents of the initiative totaled 19,565, or 46 percent, and included some of Missoula County's top law enforcement officials.

The initiative will make marijuana crimes the single lowest priority for Missoula County authorities, but won't include marijuana sales or drug use by minors as low-priority offenses.

In no way will Tuesday's passage of Initiative 2 legalize the drug, according to Angela Goodhope, a spokeswoman with Citizens for Responsible Crime Policy, the group that proposed the measure and landed it on the ballot.

Proponents of the initiative, sponsored by Citizens for Responsible Crime Policy, say Initiative 2 strives to place increased emphasis on crimes that threaten people's lives and property and on other, more pressing drug issues. The proposal calls for a Community Oversight Committee that would consist of community members, criminal defense attorneys and a drug rehabilitation counselor who would investigate marijuana arrests and produce a report on the initiative's effects seven months after its passage.

"We are very pleased that Missoula voters approved a clearer, safer and smarter crime policy," Goodhope said.

Police Chief Rusty Wickman and Sheriff Mike McMeekin have publicly voiced their concern about the initiative, saying they worry federal dollars could be yanked from Missoula's drug enforcement programs in retaliation to the measure.

Goodhope said all evidence suggested the contrary, pointing to Seattle's passage of a similar measure several years ago as evidence.

In Missoula, like Seattle, the measure strives to place increased emphasis on crimes that threaten people's lives and property and on other, more pressing drug issues.

"None of the negative outcomes our opponents predicted will come true," Goodhope said. "We know

Missoula OKs Initiative Relaxing Enforcement Of Marijuana Laws (AP)

AP, November 9, 2006

MISSOULA (AP) — An initiative that makes enforcing marijuana offenses against adults the lowest priority for Missoula County law enforcement passed Tuesday night.

Initiative 2 won the support of 22,502 Missoula voters, or 53 percent. Opponents totaled 19,565, or 46 percent, and included some of the county's top law enforcement officials.

The measure leans on local law enforcement to make ''citations, arrests, property seizures and prosecutions for adult marijuana offenses Missoula County's lowest law enforcement priority.''

It does not include marijuana sales or drug use by minors as low-priority offenses. And in no way will it legalize the drug, said Angela Goodhope, a spokeswoman for Citizens for Responsible Crime Policy, the group that proposed the measure and landed it on the ballot.

Proponents say Initiative 2 strives to place increased emphasis on crimes that threaten people's lives and property and on other, more pressing drug issues.

''We are very pleased that Missoula voters approved a clearer, safer and smarter crime policy,'' Goodhope said.

The proposal calls for a Community Oversight Committee — consisting of community members, criminal defense attorneys and a drug rehabilitation counselor — to investigate marijuana arrests and produce a report on the initiative's effects seven months after its passage

Police Chief Rusty Wickman and Sheriff Mike McMeekin have publicly voiced their concern about the initiative, saying they worry the measure's passage could lead to the loss of federal dollars from Missoula's drug enforcement programs.

Goodhope said all evidence points to the contrary, citing a similar measure that passed in Seattle several years ago.

''None of the negative outcomes our opponents predicted will come true,'' Goodhope said. ''We know that for a fact.''

Voters Take On Pot, Sick Pay, Minimum Wage And Healthcare (LAT)

By Lee Romney And Steve Chawkins , Times Staff Writers, Times Staff Writers

The Los Angeles Times, November 9, 2006

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Voters on Tuesday weighed in on a vast array of local issues, with three cities leaning toward relaxed marijuana enforcement and San Francisco on the verge of becoming the first U.S. city to require all employers — regardless of size — to provide paid sick leave.

In San Francisco and Berkeley, voters were voicing their disapproval of the current administration in measures calling for the impeachment of President George W. Bush and Vice President Dick Cheney on grounds including warrantless spying and what were presented as other wartime civil rights violations.

In returns from Santa Monica, Santa Barbara and Santa Cruz, voters were siding with proposals requiring local police to make marijuana arrests their lowest priority. Financed largely by Ohio insurance magnate Peter Lewis, the measures were opposed by many police officers, who described the issues as unnecessary and a possible obstacle to investigating major crimes.

"I think voters here have sent a really clear message — that the war on drugs has failed and it's time for a new approach," said Lara Cassell, an organizer of the effort in Santa Barbara.

In San Francisco and Santa Cruz, worker advocates pushed measures that alarmed small business owners. The San Francisco sick leave measure — which would apply even to part-time and temporary help — was placed on the ballot on the last possible day by four county supervisors and is backed by the group Young Workers United. As the evening wore on, the measure appeared to be headed for victory, to the chagrin of some business groups.

"For this to end up on the ballot, let alone passing without any public comment, without any discussion, is more than unfortunate. It's outrageous," said San Francisco Chamber of Commerce President Steve Falk. "This amounts to a 3.5% increase in costs for all businesses that don't provide sick days now, without any discussion of alternatives."

Voters in Santa Cruz, meanwhile, seemed doubtful about a citywide boost in the minimum wage, to $9.25, with automatic yearly increases. San Francisco, Santa Fe, N.M., and Washington, D.C., have similar citywide minimums, and proponent Nora Hochman said Santa Cruz needs one because it has "Burger King wage levels" with some of the steepest housing and gas prices in the country.

"My nickname is Nora 'You're ruining Santa Cruz' Hochman," she said. "The perception is business is going to fail wholesale. Well, that hasn't happened in any other community, and it's not going to happen here."

Also in Santa Cruz, voters were picking sides in a nasty town versus gown dispute, with the city seeking to curtail campus growth. On Tuesday, they appeared to heavily favor a measure barring the city from providing services to UC Santa Cruz until the university agrees to offset environmental strains.

Development measures in San Luis Obispo and Santa Clara counties also were bitterly debated before Tuesday's election. In San Luis Obispo County, voters were on the way to approving a long-debated shopping center that was designed to placate environmentalists with a butterfly preserve, an organic farm and more.

In Santa Clara County, a measure that would restrict development on ranchland and open hillsides was trailing late in the evening. Proponents called it a key to smart-growth policies, while opponents saw it as an attack on private property rights.

In several areas across the state, rural hospitals captured the attention of voters.

Nowhere was the situation as stark as in Trinity County, where officials had said that if two tax measures failed, they would be forced to begin shutting down the public hospital Wednesday.

That would have left no emergency room in the remote county, hours from the nearest hospital. On Tuesday night, the measures were approved by a wide margin.

"It's a huge thing for the community," said County Administrator Larry Layton, who said layoff notices had already been drafted. "They got what they need to keep the hospital in continuous operation."

In Mendocino County, voters were asked to choose between the recently deceased longtime incumbent, Norm Vroman, and his challenger, attorney Meredith Lintott. If Vroman wins, the Board of Supervisors will appoint a successor. Meanwhile, the acting district attorney has gone to court seeking a special election.

No matter the outcome, the 1st District Court of Appeal has ordered the results sealed, for now.

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Many Local Measures Approved (LAT)

By Andrew Blankstein And Martha Groves, Times Staff Writers

The Los Angeles Times, November 9, 2006

Santa Monica residents vote for clean beaches, clean government. Pasadenans opt to strengthen campaign finance reforms.

Voters in several Los Angeles County cities approved a slew of local ballot measures in Tuesday's election, addressing issues ranging from political reform and street parking to preserving open space and clean beaches.

Nearly a dozen municipalities put a total of 18 measures on local ballots.

Claremont voters approved Measure S, a $12.5-million bond measure to purchase and preserve a 183-acre parcel of open space that has long been a favorite of hikers and nature lovers in eastern Los Angeles County.

Residents had rejected an earlier attempt by city officials to pass a special assessment to buy the land, known as Johnson's Pasture. On Tuesday, the bond measure, backed by the mayor and three City Council members, passed with 70% of the vote.

To the west, Pasadena voters approved clarifications to a 2001 City Charter reform intended to tighten campaign contributions. Measure B, which passed on a 61% to 39% vote, would ban those bidding for city contracts worth more than $25,000 from making political contributions and give county prosecutors power to call witnesses and bring charges in political corruption cases.

More important, the vote settles a bitter legal fight led by the Pasadena City Council, which argued that political reforms passed in 2001 were unclear and overly burdensome.

Those casting ballots in Pasadena were far less kind to Measure A, which proposed allowing the National Football League to renovate the landmark Rose Bowl for use by a pro football team. Voters threw the measure for a big loss, defeating it 72% to 28%.

In Santa Monica, voters defeated an effort to alter one of the nation's toughest clean-government laws, which bans politicians from taking campaign cash or employment from anyone doing business with the city.

With all of the votes counted, 53% of the city's voters rejected Proposition W, which the City Council had backed. The measure would have overturned the Oaks Amendment, passed in 2000.

"At the end of a very long ballot, the public rejected undue influence by developers and other special interests in local government," said Carmen Balber of Election Watchdog, a political action committee sponsored by the Campaign for Consumer Rights.

An overwhelming majority — 71% — voted for Proposition U, which gives the Santa Monica city manager the power to hire and fire city department heads without having to get approval from boards and commissions. In doing so, Santa Monica followed such cities as Beverly Hills, Burbank, Culver City and Long Beach, which have exempted department heads from Civil Service employment rules in an effort to make government more responsive.

Two-thirds of voters favored Proposition V, which would levy a parcel tax for cleaning up heavily polluted beaches and Santa Monica Bay.

And a resounding 65% of voters approved Proposition Y, which would make the personal use of marijuana by adults on private property the city's lowest police enforcement priority. Santa Monicans for Sensible Marijuana Policy had said the measure would send a message to Sacramento and Washington that voters want more common-sense marijuana laws.

Inglewood residents turned away a proposed 0.5% increase in the city sales tax to raise money for police and emergency services.

Lakewood voters overwhelmingly approved two measures to keep their streets clear by making it illegal to park a recreational vehicle or trailer on a public street without a permit.

And in Westlake Village, 55% of voters rejected a measure to amend the city's general plan to develop 22 acres of private land into a retail complex anchored by a home improvement store.

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Voters Not High On Pot Amendment (GJS)

Grand Junction Sentinel, November 8, 2006

Colorado voters have pitched Amendment 44 aside like an assortment of stems and seeds found at the bottom of an empty bag of weed.

Tuesday's election results showed that the amendment failed by a wide margin statewide. Across Colorado 688,987 or 60.7 percent voted against the amendment, compared to 445,280 votes or 39.3 percent, in favor.

In Mesa County, voters turned the amendment down by an even greater margin. Results were 31,637 votes or 68.2 percent against Amendment 44 and 14,240 or 30.7 percent in favor.

The amendment would have decriminalized possession of less than one ounce of marijuana by adults over the age of 21. Currently state law makes possession of an ounce or less of pot a class 2 petty offense punishable by a fine of up to $100.

Though David Cox of Palisade and Rex Newkirk of Grand Junction are among the minority of voters in this year's election, they say they will continue breaking the law partaking of the green herb where and when they choose.

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For them the amendment was never about personal use, it was about reforming a system.

"The idea of this wasn't to change our personal lives, but to dismantle a criminal infrastructure by moving toward regulation," said Cox, a member of SAFER Colorado, the organization that got Amendment 44 onto this year's ballot.

"I never expected it to pass the first time," he said. "Everyone who was working on this was hoping it would pass, but anyone who is realistic knew it wouldn't."

Cox, 25, says he has been smoking pot for the last seven years. But it wasn't always that way.

"My mom caught me trying to smoke marijuana when I was 12," said Cox, who works on his father's peach farm in Palisade. "And she put a stop to it."

It wasn't until six years later that he got high.

"It was the most terrifying experience I ever had," Cox said. "I could tell that this substance was a strong step away from reality."

Then, sometime before graduating from the University of Colorado at Boulder with a bachelor's degree in electrical engineering, he got stoned again.

"We had a fantastic time, a phenomenal time," he said.

Now Cox, will smoke up to four times in a week, but never to excess, he said.

"I got too many dreams. I got too many other things to do with my life then get high all day," Cox said.

Newkirk, 51, is the owner of a tower painting company, ABC Tower Services, said he has been smoking since the eighth grade. "Marijuana is not a drug; it's an herb, a plant," Newkirk said shortly before torching a bowl of weed at Lincoln Park.

He got his start smoking marijuana when he and a friend scored some bud and smoked it off the top of an empty can of chewing tobacco, he said. Newkirk says these days an ounce of weed, which costs him $25, will last a week or two. Nearly everyone he knows smokes marijuana.

"At least 85 percent of them smoke marijuana," Newkirk said. "I meet very few people who don't smoke marijuana."

But there are people who begin smoking and find the smoke too thick to handle. Those are the people Carol Mulligan, co-owner of Inner Journey Counseling in Grand Junction, sees daily. She said the use of marijuana pulls people into social circles they might not otherwise be involved with, because in order to buy marijuana, you have to visit a criminal.

"It could be putting you into that lifestyle," she said. "It could be the start of experimenting with other drugs and into another lifestyle."

But that is why people like Cox and Newkirk say it is time to legalize marijuana.

Decriminalizing marijuana and making it available to purchase legally could break up existing social circles. It could eliminate the "us vs. them" feeling experienced by those who regularly break the law to buy and smoke marijuana, Cox and Newkirk said.

"I like policemen; I fear bad laws," Newkirk said. "This is all about liberty."

Voters Decide On Ballot Initiatives, Proposals On Social Issues (WINS)

WINS Radio, November 8, 2006

NEW YORK (1010 WINS) -- The House, Senate and Gubernatorial races were not the only choices facing voters Tuesday.

A score of initiatives, proposals and amendments appeared on ballots in 37 states, including gay marriage bans, gay marriage definitions, marijuana legalization and animal rights.

South Dakota voters Tuesday rejected a sweeping abortion ban that would outlaw the procedure under almost any circumstances, effectively blocking a challenge to Roe v. Wade.

Earlier this year the state legislature in South Dakota voted to pass a similar measure, which would ban abortion even of pregnancies resulting from incest or rape, except if the mother's life was at stake, but opponents of the ban pushed to allow South Dakotans to decide the measure at the voting booth instead. The measure was struck down 56 percent to 44 percent. It would have been the toughest abortion law in the nation, allowing the procedure only to save a pregnant woman's life.

In Arizona alone, voters were met with 19 separate measures, more than any other state.

Arizona voted against gestation crates for pigs and sheep, which some say are too small for pregnant animals to turn around. Michigan voted to ban any hunt of the state's "bird of peace," the mourning dove.

Michigan residents also voted to bar affirmative action with respect to employment in public institutions such as education.

Arizona voters approved four proposals that arose out of frustration over the influx of illegal immigrants: one measure makes English the state's official language, while another expands the list of government benefits denied to illegal immigrants.

Voters weren't keen about another, more quirky Arizona measure: They defeated a proposal that would have awarded $1 million to a randomly selected voter in each general election.

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Arizona also bucked a strong national trend by refusing to change its constitution to define marriage as a one-man, one-woman institution. The measure also would have forbidden civil unions and domestic partnerships.

A total of eight states voted on amendments to ban gay marriage: Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin approved them. Similar amendments have passed previously in all 20 states to consider them.

In Colorado specifically, voters supported the definition of marriage into the state's constitution by a wide margin. Many votes from Colorado counties have yet to be counted, but according to the Denver Post so far Wednesday many suburban Colorado areas outside Denver opposed giving same-sex couples the same rights as heterosexual married couples, like legal rights for inheritance and medical purposes. Denver itself has yet to be counted.

The wage hikes passed in Arizona, Colorado. Missouri, Montana, Ohio and Nevada.

Minimum wage increase proposals varied. In Ohio the increase would raise the minimum wage of $5.15 an hour to $6.85 an hour, with an annual cost of living increase.

Nevada decided Tuesday they didn't want legalized marijuana sold at state-sanctioned pot shops and approved constitutional amendments raising Nevada's minimum wage and curbing government seizures of private property.

The question to legalize adult possession of up to 1 ounce of marijuana and require the state to set up procedures to tax and regulate its sale failed 58 percent to 42 percent.

The setting of Nevada's minimum wage at $1 above the federal standard was given final approval. It previously had been well-received by Nevandans in 2004.

Nevadans also appeared to favor the more restrictive of measures to limit exposure to secondhand smoke.

The questions on secondhand smoke both sought to restrict smoking in public places, but to varying degrees. With about half the votes tallied, the lesser of the two options was narrowly failing, while more restrictive, which imposes tougher limits on secondhand smoke, was passing.

A question on the Nevada ballot requiring lawmakers to fund education before other state budgets, also was favored in partial returns.

The Missouri stem cell measure passed by a narrow margin. It had become a key factor in the state's crucial Senate race, won by Democratic challenger Claire McCaskill, who supported it, over incumbent Republican Jim Talent, who opposed it.

In Ohio and Arizona, anti-smoking activists won showdowns with R.J. Reynolds Tobacco company. Voters in each state approved a tough ban on smoking in public places and rejected rival, Reynolds-backed measures that would have exempted bars. Voters in Arizona and South Dakota approved increases in tobacco taxes, while similar proposals were voted down in Missouri and California.

Colorado voters joined Nevada in rejecting measures that would have legalized possession of up to an ounce of marijuana by anyone 21 and older. South Dakotans voted down a proposal that would have allowed marijuana use for some medical purposes. A winning measure in Rhode Island will restore voting rights to felons on probation and parole.

Elsewhere, land use was a hot issue, part of a backlash against a 2005 Supreme Court ruling allowing the city of New London, Conn., to buy up homes to make way for a private commercial development.

The concept of "eminent domain" was prevalent on ballots in Florida, Georgia, Arizona, California, South Carolina, Oregon, Arizona, North Dakota, Michigan and New Hampshire. Voters approved measures in all these states to restrict the government's power to use eminent domain to seize privately owned land for other private development.

California rejected the restriction on eminent domain. Arizona's winning measure went beyond the others, requiring state and local authorities to compensate property owners if land-use regulations lowered the value of their property: Idaho rejected a similar measure.

South Dakota voters defeated a measure that would have made their state the first to strip immunity from judges, exposing them to the possibility of lawsuits. In Maine, Nebraska and Oregon, voters defeated measures that would cap increases in state spending.

Pennsylvania voters gave the state the go-ahead to borrow $20 million so that nearly 33,000 veterans in the state who participated in the Persian Gulf War could collect one-time payments up to $525.

In Alaska, voters rejected a proposal to tax North Slope oil companies $1 billion a year until a natural gas pipeline is built. The tax would have been levied against the leaseholders of the North Slope's 35 trillion cubic feet of natural gas reserves until the gas starts flowing to market. Opponents of the measure said the tax would have killed the $25 billion pipeline project; proponents said it was the only way to force oil companies to commit to building a pipeline.

Nevadans: Say No To Pot, Raise Minimum Wage, Restrict Smoking (AP)

AP, November 8, 2006

DOJ_NMG_0092278

RENO, Nev. (AP) - Nevadans on Tuesday rejected selling legalized marijuana at state-sanctioned pot shops, approved the tougher of two competing anti-smoking measures, raised the minimum wage and took steps to curb government seizures of private property.

At the same time, voters denied a measure twice approved by the Legislature to pay lawmakers for every day they work, instead of capping salaries at the current 60-day limit.

Question 7, to legalize adult possession of up to 1 ounce of marijuana and require the state to set up procedures to tax and regulate its sale failed, 56 percent to 44 percent.

The dueling anti-smoking initiatives had different outcomes.

Polls showed early support for both anti-smoking measures slipping as Election Day approached, and proponents acknowledged voters seemed confused by similar ballot language.

Question 4, a business-backed initiative called the Responsibly Protect Nevadans from Second-Hand Smoke Act, would have imposed minimal restrictions on smoking in areas of bars and restaurants that allow children. It failed 52 percent to 48 percent.

Instead voters approved the Clean Indoor Air Act backed by public health groups. It bans smoking in any bars that serve meals, as well as in slot machine sections of grocery and convenience stores, video arcades, shopping malls, school grounds and day-care centers. Question 5, which still permits smoking in gambling areas of casinos, was approved 54 percent to 46 percent.

Voters gave final approval to setting Nevada's minimum wage $1 above the federal standard, currently $5.15 an hour, with 69 percent voting yes and 31 percent voting no. The measure, which provides an exemption for employers to offer health insurance, passed by a similar margin in 2004.

It also includes automatic cost-of-living increases based on inflation, capped at 3 percent a year, unless the federal government raises its minimum wage - something that hasn't happened since 1997.

A measure placing restrictions on government use of eminent domain was approved 63 percent to 37 percent. It will appear again on the ballot in 2008.

Another constitutional amendment requiring lawmakers to fund education before other state budgets also received final voter approval, 55 percent to 45 percent.

Two other proposed constitutional amendments passed by the 2003 and 2005 legislatures were put to voters and rejected.

One allowing state lawmakers to call themselves into special session failed 52 percent to 48 percent. Another reducing the size of the Board of Regents and changing how they are selected was narrowly defeated, 51 percent to 49 percent.

Voters also overwhelming amended the state's sales tax to exempt farm machinery while expanding exemptions for the trade-in value of used vehicles. That measure passed 69 percent to 31 percent.

While other states and local governments have decriminalized possession of small amounts of marijuana, the Nevada measure sponsored by the Committee to Regulate and Control Marijuana went further. It directed the state Department of Taxation to set up procedures to license and regulate pot growers, distributors and retailers.

Backers argued law enforcement spends too much time and money arresting small-time dope smokers, and that legalizing marijuana would not only raise tax dollars for the state, but free officers to concentrate on more violent crimes.

Critics - including law enforcement, civic groups and the nation's drug czar - countered that marijuana is a gateway drug that could lead to harsher substances and negate anti-drug efforts.

Regardless, they argued that possession, sale and cultivation would still be illegal under federal law and likely not be tolerated by federal authorities.

Voters Say No To Legalizing Marijuana, Yes To Hiking Minimum Wage And Eminent Domain (EN)

Ely News, November 8, 2006

Nevada voters were just saying no to legalizing marijuana, welcoming a hike in the state's minimum wage and keeping alive eminent domain reform, among other decisions on ballot initiatives on Tuesday's ballot.

With at least 1,620 of 1,913 precincts statewide reporting, Question 7, which would have allowed Nevada residents 21 years of age or older to possess an ounce of marijuana or less, was being rejected by 56 percent of voters. Only 44 percent were in support.

Las Vegas police Lt. Stan Olsen, who oversees legislative affairs for the department and who worked against Question 7, said the measure, the latest in a string of failed efforts to legalize the drug here, was pushed by outsiders rather than Nevadans.

"They were trying to use us as a social experiment, as lab rats. Voters are engaged. They're bright. This was a bad bill of goods, and they knew it," Olsen said. "The voters didn't want it. The community didn't want it. There's nothing good that can come out of legalizing marijuana."

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Despite the apparent loss, backers of the measure were heartened by the turnout in favor of the measure.

"This will be the all-time biggest vote for ending marijuana prohibition in the history of this country," said Neal Levine, Committee to Regulate and Control Marijuana campaign manager. "This is an enormous amount of progress. Unfortunately, we fell a little bit short."

Levine said his group would continue its efforts to win over Silver State voters and "it is a 100 percent certainty this will be back on the ballot" in 2008 or 2010.

Outside a Henderson polling place, Jim Taylor, a 50-year-old Henderson Republican, said he was strongly against Question 7.

"They want to legalize marijuana, but I think that's not a solution, it actually makes more of a problem," he said.

But 25-year-old Larry McKenzie, a Henderson voter who described himself as independent, said he wanted the measure to pass.

"They waste so much time arresting people who smoke weed when they could invest that cop time and jail space in worse crimes," McKenzie said. "I have friends who are potheads. They're not going to change, and they're not hurting anybody. My friends are very harmless."

Voters were backing Question 6, which would raise the minimum wage by $1 an hour, to $6.15, on Jan. 1. Those in favor of passage led those against, 69 percent to 31 percent.

Question 6 also would automatically tie future increases to changes in the consumer price index.

"People know you can't live off of the minimum wage, much less eat off the minimum wage," said Danny Thompson, executive secretary-treasurer of the Nevada AFL-CIO labor union, which supported the measure. "That's reflected in the (voting) numbers."

Thompson believes the increase is modest, and "is not going to destroy any businesses. It's not going to drive people out of Nevada."

Even though voters were supporting Question 2 by a 62 percent to 38 percent margin, the measure restricting how and when local and state governments can forcibly seize private land using eminent domain won't become law anytime soon.

The measure -- also known as the People's Initiative to Stop the Taking of Our Land, or PISTOL -- is a proposed constitutional amendment and, as such, must pass voter muster again in 2008 before it can take effect.

"The people know we need to have some kind of harness put on government to make sure there are not these technical ways to use eminent domain and take people's property," said Don Chairez, a PISTOL backer. "The people really feel we can't trust the politicians" to fix the problem.

Nonetheless, Clark County Commissioner Bruce Woodbury, who headed the PISTOL opposition and also chairs the Regional Transportation Commission, is urging the 2007 Legislature to enact its own eminent domain restrictions prior to the 2008 vote, in hopes of nixing the need for PISTOL.

Both Woodbury and Chairez said they are amenable to discussions on how to rewrite law to match PISTOL's intent while addressing governmental concerns that PISTOL would cripple public works projects. That doesn't mean Chairez is willing to sacrifice PISTOL, though.

"The bottom line is, we need PISTOL as a safety valve," Chairez said.

In other ballot questions Tuesday, voters were in support of Question 1, which would require the Legislature to fund public education before other state programs. The measure, which would go into effect in time for the 2007 Legislature, led with 55 percent of the vote, with 45 percent against.

Question 8, which would end sales taxes on the value of a trade-in when buying a vehicle at an auto dealership, was winning by a wide margin, 69 percent to 31 percent. It would also exempt farm equipment from sales tax.

Question 11, which would lift pay limits on legislators, was opposed by 70 percent of voters. Only 30 percent supported the idea of paying legislators for up to 120 days worked, rather than capping pay at the regular session's 60-day limit.

Voters were tightly split on Question 10, which would allow the Legislature to call itself into special session. It was being rejected by 52 percent of voters, with 48 percent behind it. Currently, only the governor can call a special session.

Question 9, which would shrink the size of the state's Board of Regents that oversees state colleges and allow the governor to appoint some of its members, also was closely contested, with 51 percent against and 49 percent in favor.

Lyon Says No To Stricter Smoking Laws, Legal Marijuana (RGJ)

Reno Gazette Journal, November 8, 2006

With Lyon's polls closed and votes tallied late Tuesday night, questions Nos. 4 and 5, regarding creation of stricter smoking bans in various public places were both voted down on the County level alongside Question No. 7 regarding legalization and regulation of one ounce or less of marijuana.

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In Lyon, Question No. 4 was answered with 57.60% “no” (42.40% “yes”) while Question No. 5’s margin was slimmer with 51.23% “no” (48.77% “yes”). Question No. 7 stood at 59.01% “no” and 40.99% “yes”.

As of 11:20 p.m., with all but three counties reporting numbers and nearly all reporting at 100 percent, related questions on the state level were looking favorable for approval to Question No. 5 and close but not as favorable for No. 4. Also No. 7 was leaning toward “no” by nearly 10 percent

All Lyon precincts had reported in and votes counted near 11 p.m. with ballot questions in tow. Other Lyon-specific ballot questions and results are as follows:

-Question No. 14: Regarding authorization to issue general obligation school bonds to finance construction, improvement and equipping of school facilities; Yes (59.17%) No (40.83%)

-Question No. 15: Regarding the Lyon County Board of Commissioners adopting an ordinance to increase sales tax in Lyon one quarter of one percent; Yes (44.28%) No (55.72%)

-Question No. 16 regarding formation of a mosquito abatement general improvement district within Smith Valley; Yes (50.34%) No (49.66%)

Results for remaining ballot questions, as reported in Lyon County, are as follows:

-Question No. 1: Regarding the State Legislature funding public schools before any other item in the State budget; Yes (45.23%) No (54.77%)

-Question No. 2: Regarding property valuation in eminent domain cases; Yes (60.32%) No (39.68%)

-Question No. 6: Regarding increase of minimum wage; Yes (63.70%) No (36.30%)

-Question No. 8: Regarding exemption from tax on the value of used automobiles and farm equipment; Yes (68.52%) No (31.48%)

-Question No. 9: Regarding the election of certain members to the Board of Regents of the University of Nevada; Yes (44.20%) No (55.80%)

-Question No. 10: Regarding convening, limiting time and limiting matters for discussion with in a special session of the Legislature; Yes (43.58%) No (56.42%)

-Question No. 11: Regarding payment of compensation to members of the Nevada Legislature during regular and special sessions; Yes (24.53%) No (75.47%)

On the State Level, as of 11:20, trends were as follows:

-Question 1: Yes by nearly 10 percent

-Question 2: Yes

-Question 6: Yes

-Question 8: Yes

-Question 9: No by just more than 1 percent

-Question 10: No by just less than 5 percent

-Question 11: No

Voters Reject Eight Of Eleven Issues (AP)

AP, November 9, 2006

SIOUX FALLS (AP) -- Whatever the reason -- too many issues, too long, too confusing -- South Dakota voters rejected eight of the 11 issues on Tuesday's general election ballot.

The one that attracted the most attention was the referral of the 2006 state law that would have banned all abortions. That law was rejected 55 percent to 45 percent.

Other measures that failed would have repealed video lottery, legalized medical marijuana, changed how property taxes are assessed, allowed people to sue judges, opened up legislative hearings, lowered the tax on cell phones, and required school to start after Aug. 31.

Ballot measures that passed Tuesday raise the tax on cigarettes, limit the use of state aircraft and change the state constitution to ban gay marriage.

The long ballot and controversy over some of the issues forced voters to do their homework.

Dale Baker, 77, a retired mechanic from Burke, said he prepared for the long ballot by studying a sample ballot and the attorney general's explanation of the measures before voting on Tuesday.

The same with Ron Kjellson, 70, of Watertown. He read newspaper stories about the long list of ballot measures before deciding how to vote.

"I made a little cheat sheet for myself and listed out everything I wanted to do," he said.

VIDEO LOTTERY

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For the fourth time since it began 17 years ago, South Dakota voters said they want to keep the state-sanctioned video lottery -- and the millions of dollars it raises.

This time, the measure passed 67 percent to 33 percent.

Video lottery supporters said dumping the games would cut $112 million a year from the state budget, creating a financial crisis for state government and jeopardizing state funding of schools.

Martha Berry, a 70-year-old retiree from Box Elder, said she voted to keep the games because they have benefited more than they have harmed. She said removing the funding source could have forced legislators to implement an income tax.

"Income tax wouldn't affect us, basically, but I see young couples that can't afford another tax," she said.

Berry said she thinks more of the proceeds should go to education.

SUING JUDGES

A constitutional amendment that opponents said would create chaos in the courthouses and halls of local government was soundly defeated.

A ballot issue that would have let people seek criminal charges or file lawsuits against judges and other government officials they believe have violated their rights failed 89 percent to 11 percent.

Supporters said it would apply only to judges. But opponents said it would include members of school boards, county commissions and city councils because those officials sometimes make decisions of a judicial nature.

Cathy Bultsma, 62, of Platte, said she voted against the amendment because she believes it would have provided too many opportunities for people unhappy with court decisions to make trouble.

GAY MARRIAGE

South Dakota's constitution will be getting new language that says only a marriage between a man and a woman is valid.

The amendment, which passed voters 52 percent to 48 percent, invalidates civil unions, domestic partnerships or other "quasi-marital" relationships in South Dakota.

A gay marriage ban already is in state law, but proponents of the amendment said putting it in the constitution makes it harder for judges to mess with it.

MEDICAL MARIJUANA

South Dakotans have rejected a proposed law that would have let some people smoke marijuana to provide relief from pain.

Supporters of the proposal wanted South Dakota to become the 12th state to allow some medical patients to smoke marijuana.

But it was defeated 52 percent to 48 percent.

Law officers said allowing medical marijuana would send a mixed message to children concerning drug use.

PROPERTY TAXES

A plan to change the way homes and other real estate are assessed for tax purposes was defeated Tuesday.

Opponents of Amendment D garnered 80 percent, while the plan received 20 percent support.

The plan would have used the sales price of each piece of real estate as its assessed value in the future.

State Sen. Bill Napoli of Rapid City, who promoted the amendment, had said the measure would prevent large increases in assessments that are caused when similar property is sold for inflated prices.

CELL PHONES

An attempt to repeal a 4 percent tax on the gross receipts of cellular telephone companies went begging Tuesday.

Opponents of the repeal outnumbered supporters 61 percent to 39 percent.

Verizon Wireless forced the public vote after losing a court challenge of the gross receipts tax.

The 2003 Legislature passed the tax to help balance South Dakota's budget, with the state getting 60 percent and counties 40 percent. Lawmakers at the time said it was fair because other kinds of phone companies already pay property taxes or a gross receipts tax.

Ron Kjellson said he voted against the proposal, partly because it was pushed by an out-of-state company. "I don't think they're being taxed unfairly," he said.

OTHERS

-- South Dakota schools will not be forced to wait until at least Aug. 31 to start classes. Voters defeated Initiated Measure 3 by a margin of 57 percent to 43 percent.

-- State-owned aircraft should be limited to official business, voters decided. Initiated Measure 5 passed 55 percent to 45 percent.

-- The state tax on cigarettes will nearly triple, thanks to approval of Initiated Measure 2. The tobacco tax increase had 61 percent support to 39 percent opposition. The state tax on cigarettes goes to $1.53 a pack.

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-- A special commission's recommendations dealing with the Legislature was defeated 68 percent to 32 percent.

Liberal Activists Hail Referendum Votes On Abortion, Gays (WT)

By Cheryl Wetzstein, The Washington Times

The Washington Times, November 9, 2006

Democratic social values prevailed in many state elections, as voters rejected pro-life measures on abortion, passed a measure supporting embryonic stem-cell research and, for the first time, defeated a measure to restrict marriage to one man-one woman unions.

"Women voters cleaned house. Women are fed up" with Iraq policy, the "so-called economic recovery" and the "relentless efforts to limit women's reproductive rights," the liberal National Organization for Women said.

"American voters sent a clear message yesterday that the era of gay-bashing to win elections is over, as voters flatly rejected anti-gay and divisive candidates," said Joe Solmonese, president of Human Rights Campaign, which spent $5 million on election-related activities.

The elections show "that supporting fairness for gay and lesbian families is not a liability, while aligning with the extreme Christian right is," said the National Gay and Lesbian Task Force (NGLTF), which is meeting this week with 2,000 homosexual rights activists in Kansas City, Mo., to review the elections and plan strategies.

Referring to the defeat of Arizona's Proposition 107, which would have defined marriage as only the union of one man and one woman, NGLTF leader Matt Foreman said the marriage issue "just doesn't have the juice it had just two years ago."

"People are getting sick of it," he said.

Tuesday wasn't a full sweep for liberal social issues -- measures to legalize marijuana failed in three states, a well-funded Colorado measure to create a domestic-partner system didn't survive and seven state marriage amendments passed.

Still, the results were sobering to leaders of social conservatives.

"The values voters of 2004 could be called the integrity voters of 2006," Family Research Council President Tony Perkins said. "The message is that values are not just something you talk about at election time. Values should guide public policies and personal conduct. This should be a clear message to both parties that values voters vote values, not party.

"That revelation may be an inescapable reality for Republicans, but it should serve as a warning to the many Democrats who leveraged the values gap by running as pro-life, pro-family candidates," Mr. Perkins added. "Those integrity voters will be back at the polls in two short years."

Among the Democrat victories were passage of a Missouri measure to allow embryonic stem-cell research and defeats of "parent notification" abortion measures in California and Oregon and a ban on abortions in South Dakota. In Kansas, voters also failed to re-elect Attorney General Phill Kline, who has been in a court battle to obtain 90 abortion records as evidence of illegal late-term abortions, child rape and other crimes. Democrat Paul Morrison said Tuesday he will look at Mr. Kline's evidence, but he is expected to drop the case.

Democrats lost measures to legalize marijuana in Nevada, South Dakota and Colorado, and lost marriage amendment battles in Colorado, Idaho, South Carolina, South Dakota, Tennessee, Virginia and Wisconsin.

Winners & Losers (USAT)

USA Today, November 9, 2006

There's more to the election results than just Democrats winning and Republicans losing.

Thumbs up

Uncertainty: Once again, Americans woke up the day after an election with key races still undecided.

Vice President Cheney: He spent Election Day in South Dakota, hunting for the first time since he accidentally shot a companion in February. This time, there were no reports of injuries.

Sen. Barack Obama: The Illinois Democrat wasn't on Tuesday's ballot, but he barnstormed the country to help candidates, published a best-selling book, landed on the covers of Time and Newsweek— and mentioned that he just might run for president in 2008.

Sen. Joe Lieberman: This year's Comeback Kid, he won another term in Connecticut as an independent after losing the Democratic primary.

Michael J. Fox: The actor, who has Parkinson's disease, campaigned for candidates who support stem-cell research and was accused of exaggerating his symptoms by conservative radio host Rush Limbaugh. Candidates backed by Fox in Missouri, Wisconsin and Maryland won, and Missouri voters approved protections on the research.

YouTube: The video-sharing Internet site was the place to debut campaign ads this year. A clip of Sen. George Allen, R-Va., calling a rival's volunteer "macaca" was viewed almost 300,000 times.

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Presidential vetoes: President Bush vetoed just one bill in his first six years. Democrats' new clout on Capitol Hill means he might be wielding his veto pen more often.

Howard Dean: The Democratic Party chairman feuded with top Democrats in Congress over his plan to send cash to states where his party typically doesn't win much. It paid off with victories in red states such as Montana and Colorado.

James Madison High School in Brooklyn: Graduates include New York Sen. Charles Schumer, who ran Senate Democrats' campaign operation, Vermont Sen.-elect Bernie Sanders and Supreme Court Justice Ruth Bader Ginsburg.

Voting and drinking: Oklahoma voters approved a referendum allowing liquor stores to stay open on Election Day; they had been limited to sales from 7-9 p.m. only.

Dead candidates: In Texas, Republican state Rep. Glenda Dawson died two months ago but easily defeated Democratic challenger Anthony Dinovo. In South Dakota, Democrat Marie Steichen, also dead for two months, defeated incumbent Republican county commissioner Merlin Feistner.

Thumbs down

Defense Secretary Donald Rumsfeld: Somebody in the administration had to take a hit in the wake of Tuesday's Democratic wins, although one might wonder if things would have turned out better for Bush if Rumsfeld had left a week earlier.

The Bush dynasty: George H.W. Bush is happily retired; George W. Bush can't run again; term limits precluded brother Jeb from another campaign for Florida governor. When will George P. Bush, 30, Jeb's son and the likeliest candidate from the next generation, be ready?

Karl Rove: The "architect" of Bush's campaigns predicted GOP victories on Tuesday and was wrong. So much for his hopes of a permanent Republican majority.

The GOP's vaunted get-out-the-vote plan: Democrats figured out how to do it, too.

Conspiracy theorists: Warnings that voting machines were rigged to favor Republicans didn't pan out.

Washington Redskins fans: Former quarterback Heath Shuler, reviled during his 1990s tenure as a Redskin, heads back to town after winning a North Carolina seat in the House of Representatives. Shuler, a Democrat, was 4-15 in games he played in three losing seasons with the Redskins.

The Ten Commandments: Voters in Boise rejected a proposal to return a 40-year-old granite monument inscribed with the rules to a public park.

Sen. John Kerry: The Massachusetts Democrat's botched joke implying that the uneducated end up in Iraq might have reminded people why they didn't vote for him two years ago.

Famous voters: Chelsea Clinton, South Carolina Gov. Mark Sanford, Republican Congressman Steve Chabot of Ohio and Missouri Secretary of State Robin Carnahan all had problems when they tried to vote.

Potheads: Voters in Colorado and Nevada rejected proposals to legalize adult possession of up to an ounce of marijuana. South Dakotans voted against medical use of marijuana.

Written by Judy Keen. Contributing: David Jackson, Martin Kasindorf, Tom Kenworthy, Jill Lawrence, Patrick O'Driscoll, Andrea Stone, Richard Wolf and wire reports.

Claim Under Marijuana Act Denied (WPI)

By Richard Hanners

Whitefish Pilot, November 8, 2006

A Kalispell man who claimed protection under the state's Medical Marijuana Act after he was caught smoking marijuana at a downtown Whitefish bar will have his day in court later this month.

But he may have to seek another line of defense or appeal to a higher court, now that Whitefish City Court Judge Bradley Johnson has denied the man's motion to dismiss the charge based on the act.

According to court records, on Sept. 8, Flathead County sheriff's deputy Travis Bruyer observed Lucas Venters, 23, of Kalispell, on the upstairs deck at Flanagan's Central Station lighting marijuana in a glass pipe. Venters then allegedly passed the pipe on to Andrew Nuckles, who then allegedly passed it on to Christopher Brann, both of Kalispell.

Bruyer reported that he seized the pipe and a container of marijuana from Venters. Venters told Bruyer his possession and use of marijuana was allowed under the state's Medical Marijuana Act. He was charged with possession of dangerous drugs and drug paraphernalia.

Nuckles and Brann were charged with misdemeanor possession of dangerous drugs. They received deferred sentences in Whitefish City Court and paid a $100 fine.

In a two-page document submitted to city court, Venters claims to have a "debilitating medical condition." He said he has been "in pain every day for the past 10 years due to my spinal, thoracic and neck injuries/conditions," and that he has severe or persistent muscle spasms.

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"These spasms limit what type of work I can do, and what types of recreational activities/sports I can participate in," he said. "Some days, just bending my neck downward to tie my shoes, etc. causes my back to spasm quite painfully."

Venters claimed that state law allows individuals who suffer from a debilitating medical condition to smoke marijuana, and "that even if a user is not registered with the state Department of Public Health and Human Services, a medical defense may be raised under the Montana Medical Marijuana Act."

In his brief in opposition to Venters' motion to dismiss, Whitefish city prosecutor Clif Hayden set aside the possibility that federal law may preempt the state's Medical Marijuana Act in order to address Venters' case.

Hayden argued that Venters' conduct "does not fall within the parameters of the act" because he did not possess a registry identification card from the Montana Department of Public Health and Human Services.

Such a card may be obtained through application by providing the department with a written certification that the person is a qualifying patient; the name, address and date of birth of the qualifying patient; the name, address and phone number of the qualifying patient's physician; and the appropriate fee, Hayden said.

"According to the MMMA definitions, 'qualifying patient' means a person who has been diagnosed with a debilitating condition by a physician," he said. "In other words, you need an opinion from a licensed physician to register."

Hayden noted that according to the MMMA, evidence must be presented "that a physician has made a determination that the benefits of use of marijuana outweigh the potential harms for a given patient."

"In this case, the defendant offers nothing but his own analysis of how his alleged symptom fits the MMMA definitions," Hayden said. "He has offered no medical evidence, physician's opinion or otherwise that the benefits outweigh the potential harmful effects."

Johnson ruled on Venters' motion on Oct. 25, saying Venters "failed to assert facts that are vital to claiming protected status under the act."

"Recognizing the scrutiny that the act will invite from both state and federal authorities, the standard may require strict compliance by anyone attempting to invoke the act as a shield to prosecution," Johnson said.

Johnson agreed with Hayden that Venters had failed to satisfy the criteria of the act by not being officially designated as a qualifying patient. But Johnson went further, noting how Venters shared his pipe with two others on Flanagan's deck.

"Assuming that the defendant contends that his open smoking of marijuana was within the scope of 'medical use' as defined within section 50-46-102(5), his 'sharing' of his personal-use medical marijuana with others would tend to negate the limited protection granted by the legislature," Johnson said. "His actions would exceed the purpose of merely alleviating his personal symptoms or effects of his debilitating medical condition. Such activity would encompass criminal conduct not protected by the statutes."

Lawndale To Initiate Ban Of Marijuana Dispensaries (TORDB)

By Shirley Hsu

Torrence (CA) Daily Breeze, November 9, 2006

Leaders reject a recommendation to allow but regulate facilities that distribute pot for medicinal purposes.

Lawndale City Council members this week quickly shot down a proposal to regulate medical marijuana dispensaries in the city, opting instead to direct staff to look into banning the establishments altogether.

Without much discussion on the topic, the City Council voted unanimously Monday to reject the recommendation from the Planning Commission that it adopt the ordinance regulating dispensaries, praised by one medical marijuana advocate for being the most comprehensive set of regulations he had ever seen.

"This ordinance covers everything," said Chris Fusco, a field coordinator for medical marijuana advocacy group Americans for Safe Access, before the council's decision. "I think it perfectly addresses the concerns of the community and the needs of medical cannabis patients."

The ordinance would have required dispensaries not be located within 600 feet of schools, playgrounds, parks, churches and similar community centers; that they close before 7 p.m.; that they not allow minors without a parent; and that they have security guards to patrol the dispensary and a two-block radius surrounding it. Patrons must immediately leave the site and not consume medical marijuana until they return home.

Councilman Larry Rudolph made the motion to reject the ordinance and instead look into a ban.

"I don't think it's appropriate anywhere," he said, adding that because other South Bay cities have banned them, Lawndale would become a magnet for dispensaries. He said he believed drugs would get in the hands of children and that it was too easy to get a doctor's recommendation.

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"Until the court sorts this one out, I don't want one here," he said, referring to the conflict between state law, which permits usage of the drug by "seriously ill" patients with doctors' recommendations, and federal law, which classifies the drug as a controlled substance.

Dispensaries have recently met with a cold reception in the South Bay, with Torrance, Gardena, Hawthorne, Hermosa Beach, Lomita, Rancho Palos Verdes and Redondo Beach issuing temporary or permanent bans. Lawndale in June enacted a temporary ban on the establishments.

The regulations Lawndale rejected would have prohibited alcohol, allowed the distribution of plant cuttings, and limited the amount of marijuana provided to individuals to amounts consistent with state law, a provision Fusco said showed foresight. Many of the regulations were similar to those approved in May by Los Angeles County supervisors for unincorporated areas of the county.

City staff disagreed with the Planning Commission on one point, recommending prohibiting the consumption of marijuana on dispensary property.

Two Lawndale residents spoke in opposition of marijuana dispensaries, and two others spoke in support.

Bob Burrill of San Pedro, who with his wife had hoped to open a dispensary in Lawndale, said on-site consumption is necessary for employees and volunteers because many are patients themselves.

ATF Arrests Arkansas Man For Possessing Illegal Guns (NAMN)

By Trish Mehaffey

Northwest Arkansas Morning News, November 9, 2006

FAYETTEVILLE -- A Fayetteville militia member was arrested Wednesday by teams of special agents from the Bureau of Alcohol, Tobacco, Firearms and Explosives and other federal and state agencies and local police in connection with illegal firearms.

Fayetteville police Lt. Mike Reynolds said 14 search warrants were executed Wednesday in Fort Smith and Fayetteville and one of the warrants was for a lieutenant commander of the Militia of Washington County, Hollis "Wayne" Fincher, of 16085 East Black Oak Road.

"We assisted ATF and several other agencies in arresting Fincher. I don't believe he has a criminal history with us. That's all I can tell you," Reynolds said.

Washington County Sheriff Tim Helder said he couldn't comment on the arrest or Fincher.

Fincher was arrested without incident at his residence, according to an ATF news release.

Senior ATF Special Agent Austin R. Banks said he was restricted to releasing anything beyond the news release. He did confirm Fincher has no criminal record and he was the only person arrested.

The arrest and search warrants were the result of an eight-month investigation relating to the unlawful manufacture, possession and transfer of machine guns, Banks said.

A machine gun that can fire 550 rounds a minute and assorted 9 mm Sten submachine guns are stored in the Washington County militia's concrete and steel vault, according to information gathered from an interview conducted by The Morning News in March. Each weapon is stamped with the word "non-commercial" to prove the group holds the arms for militia purchases only and not for trade or sale.

Owners of automatic weapons must pay $200 to license each automatic weapon they own. Militia members avoided that by re-building government-destroyed automatic weapons for their own use, Paul Smith, militia commander said in March.

Fincher said in the March interview he believes Americans should proudly uphold the right to bear arms, stand up for land rights and not always accept the federal government as the supreme law of the land.

"What we've got to do today is hold our ground," Fincher said in March.

According to the militia's Web site, the headquarters is down the road from Fincher's address at 15566 E. Black Oak Road. The militia was formed July 4, 1994.

Thirteen additional federal search warrants were executed at different places in the Fort Smith-Fayetteville area, Banks said. The warrants are under seal at the direction of the U.S. Attorney for the Western Judicial District of Arkansas. All evidence seized during the execution of the warrants will be submitted to the U.S. Attorney's Office for the preparation of indictments in this investigation.

ATF, FBI, Washington County Sheriff's Department, Fayetteville Police Department, Springdale Police Department, Arkansas State Police, Arkansas State Bomb Squad and the Madison County Sheriff's Department all participated in the investigation.

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The investigation was conducted under Project Safe Neighborhoods, the U.S. Department of Justice initiative that combines federal, state and local resources to combat violent gun crime. The U.S. Attorney's Office for the Western District of Arkansas will prosecute the case.

IMMIGRATION:

Va. Case Highlights Fraudulent Marriages (USAT)

By Wendy Koch

USA Today, November 9, 2006

A Virginia man's guilty plea Wednesday to arranging sham marriages between U.S. citizens and Ghanaian immigrants reflects the government's increased focus on marriage fraud.

Eric Amoah, 42, a pharmacy technician from Ghana, was one of 22 people charged in the Washington, D.C., area two months ago with participating in a marriage and immigration fraud scheme. His sentence is pending.

Similar busts have occurred in the past year in California, New York and Utah. An investigation is underway in Gwinnett County, Ga., where two men are charged with bigamy for marrying at least 13 African women.

"We're definitely seeing more organizations" involved in marriage fraud, says James Spero, head of the Identity and Benefits Fraud Unit at U.S. Immigration and Customs Enforcement (ICE). "We're stepping up our efforts."

Sham marriages for immigrants seeking citizenship have long been a problem. A marriage license can be the quickest way to gain the temporary legal status conferred by a green card, the title of a 1990 movie about two people who enter into such a marriage of convenience only to — surprise — fall in love.

Since 9/11, marriage fraud has taken on more serious implications. Half of 36 foreign-born suspected terrorists who were in the USA from the early 1990s to 2004 gained legal status by marrying Americans — 10 of them through sham marriages — according to the Center for Immigration Studies, which promotes tighter immigration controls.

Janice Kephart, former counsel to the 9/11 Commission, which produced the center's research, says the government is not doing enough to crack down on marriage fraud.

"They simply don't have the resources," Kephart says. She says U.S. officials go after ringleaders of schemes more than the immigrants who marry.

Alfred Robertson, the attorney representing Amoah, agrees that immigration laws need better enforcement. He says immigration officials lack funding to hire enough agents to investigate applications for legal status.

Spero says ICE is working with other agencies in 11 new task forces and has increased the number of identity and benefit fraud cases it is investigating, from 2,300 in fiscal 2004 to 3,434 in fiscal 2006, including about 700 involving marriage fraud.

Spero says some U.S. citizens are duped into marrying an immigrant who simply wants a green card. Others, he says, commit a felony, punishable by jail time and a $250,000 fine, by knowingly entering into a sham marriage.

He says organizations typically charge $2,500 to $6,000 to arrange a marriage. Amassing evidence that a couple has taken the next steps toward permanent residency or citizenship, such as living together, costs more. On the West Coast, he says, one full-service scheme charged $60,000.

Robertson says Amoah, who married a U.S. citizen himself, helped arranged 75 to 300 marriages, most of which were fraudulent. "He knew what he was doing was wrong," Robertson says, adding that Amoah faces possible deportation.

'No' To Immigration Hard-liners (LAT)

The Los Angeles Times, November 9, 2006

ARIZONA HELD A referendum on immigration policy Tuesday. The winner was John McCain.

McCain, the state's senior senator, wasn't actually on the ballot. Rather, candidates across the state campaigned for or against an idea that McCain and a few other Arizonans in Congress have championed: a comprehensive approach to immigration reform that provides more visas for guest workers, modifies the path to citizenship for illegal immigrants already in the country and improves border security.

Critics of this approach, including Republican candidates for governor, attorney general and two of Arizona's eight House seats, argued instead for sealing the borders and enforcing current immigration laws. They all were defeated, despite the frustration and anger expressed by many Arizonans about the torrent of border jumpers.

Those emotions were evident in the overwhelming support Tuesday for ballot initiatives to deny bail, curtail subsidies for education and childcare, limit civil damage awards for illegal immigrants and make English the state's official language. Voters backed all these proposals, reflecting a widespread belief that illegal immigrants impose a variety of burdens on taxpayers.

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Nevertheless, voters in the state demanded a more nuanced and pragmatic solution than that being offered by the most virulently anti-illegal immigration candidates. The best illustrations came in the races for two House seats, one representing the sparsely populated border counties in southeastern Arizona and the other representing some upscale suburbs east of Phoenix. A six-term Republican incumbent, J.D. Hayworth, and a former Republican state representative, Randy Graf — both known for their firebrand stances on border security — lost to Democrats Harry Mitchell and Gabrielle Giffords, who had aligned themselves on immigration with McCain.

Graf was trying to win the seat occupied by retiring Republican Rep. Jim Kolbe, a longtime advocate for comprehensive reform. While McCain and Sen. Edward M. Kennedy (D-Mass.) were steering their plan through the Senate, Kolbe and colleague Rep. Jeff Flake (R-Ariz.) were trying to push a similar approach through the House, with significant Democratic support. But they were rebuffed by Republican leaders who wanted to use immigration as a campaign issue — in particular, by slamming Democrats for supporting "amnesty" and being soft on border security.

Now McCain and Flake may get their way. With Democrats in control of the House next year, the prospects for a comprehensive overhaul have improved dramatically. In fact, President Bush (who also supports that approach) singled out immigration Wednesday as an issue ripe for bipartisanship. The voters of Arizona have pushed a comprehensive solution one step closer to reality.

TAX:

TAXES: Can The Middle Class Expect Some Relief ? (WP)

The Washington Post, November 9, 2006

Democrats have pledged "fiscal discipline," starting with pay-as-you-go rules to prohibit the House from approving new spending or tax measures unless the costs are offset by tax increases or spending cuts.

"There's not going to be, frankly, room for some grand new adventure in federal spending," said Rep. Earl Pomeroy (D-N.D.), a member of the House Ways and Means Committee.

Still, there's plenty on the Democratic wish list, starting with relief for the growing number of middle-class families hit by the alternative minimum tax, which jacks up their tax bills. Rep. Charles B. Rangel (D-N.Y.), likely to be the next Ways and Means chairman, said yesterday that "tackling this very complex problem would be a good test of bipartisanship."

Rangel said he would not roll back tax cuts that President Bush won from the Republican Congress. But budget experts predict that Democrats will revisit at least some of them, such as lower rates for the richest Americans, lower rates on capital gains and dividends, and partial repeal of the estate tax, to pay for other priorities.

On the growing costs of programs such as Social Security, Medicare and Medicaid, Rangel said he would work with the administration. But political analysts say reform of those programs is unlikely until after the 2008 presidential election.

Ways And Means To A Position Of Power (USAT)

By Kevin Mccoy

USA Today, November 9, 2006

NEW YORK — Three days after waging a war of words with Vice President Cheney last week, Rep. Charles Rangel, D-N.Y., swept into the Manhattan offices of powerhouse law firm Akin Gump Strauss Hauer & Feld.

Fresh from an MSNBC interview that reprised the battle — Cheney declared Rangel “doesn't understand how the economy works,” prompting Rangel to call Cheney a “son of a bitch” — the raspy-voiced Democrat launched into a less visible, yet even more pointed response.

Rangel, hand-shaking and hugging his way through dozens of lawyers and executives, was one of the political stars of a private gathering that raised thousands of dollars for Tim Mahoney, the Florida Democrat who captured disgraced GOP Rep. Mark Foley's seat in Tuesday's midterm elections.

By raising money for Mahoney — and distributing more than $500,000 to more than 80 congressional Democrats in this year's races — Rangel helped his party regain control of the House and prepared to grasp the elusive prize that prompted Cheney's taunt: chairmanship of the powerful Ways and Means Committee.

Only six New Yorkers have held the post; the last, Daniel Reed, more than 50 years ago. Rangel gives no sign he's any more awed by becoming the House point man on all tax and finance legislation than he is of taking on Cheney — or President Bush.

He made just one concession Wednesday at a celebratory news conference, saying he should have confronted Cheney privately. But he couldn't resist a final dig.

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“Mr. Cheney enjoys an office on the second floor of the House of Representatives that historically has been designated for the Ways and Means Committee chairman,” said Rangel with a smile, as supporters laughed and clapped. “I talked with (expected new House Speaker) Nancy Pelosi this morning, and I'm trying to find some way to be gentle as I restore the dignity to that office.”

Although he's known as warm and witty, even with most opponents, the 76-year-old Korean War veteran has relished political combat since first elected to the House in 1970. As Robert Greenstein, executive director of the Center on Budget and Policy Priorities puts it, “He has a backbone of steel for the things he believes in.”

Yet, surprisingly for some who have tangled with the pugnacious Harlem Democrat, his priority list starts with at least a promise of bipartisanship.

“I enjoy working together with Republicans,” said Rangel, seated in his congressional Cadillac en route to the Mahoney fundraiser. “I enjoy a finished legislative product that you can get on the floor in a civil way and say, ‘We worked on this together.' I think that's what the Congress is all about.”

That cooperation was lost during the Republican Party's 12-year control of the House, says Rangel, describing a political wandering-in-the-desert, when it wasn't odd for Ways and Means Democrats to learn about the committee's plans only after final decisions had been made. Rangel says his predecessor, retiring GOP Rep. William Thomas of California, never spoke to him about U.S. trade legislation apart from bills the New Yorker championed.

One of Rangel's first moves will be to reach out to the panel's GOP members in the style of former Rep. Dan Rostenkowski when the Illinois Democrat chaired Ways and Means before losing his seat in a corruption scandal.

“I'm hoping to take the full committee on retreat out of Washington, out of the District anyway, for two or three days, with (Bush) administration people and other economists and see whether we can find some basic agreement, perhaps with low-hanging fruit, so that we can learn to work together,” says Rangel.

Treasury Secretary Henry Paulson, IRS Commissioner Mark Everson and other administration officials have signaled tentative plans to attend, Rangel said. The agenda, he said, would include non-controversial legislation backed by both parties, including extension of the research and development tax credit for businesses and the college tuition tax deduction for families.

What Rangel says he won't consider is the package of Bush tax cuts set to expire in 2010. Cheney used the looming expiration and Rangel's well-known disdain for many administration tax policies in a bid to rally Republican Party faithful in the midterm elections.

“At 76 years old, I don't buy green bananas. What the hell do I know (about what) the economy's going to look like in 2010?” Rangel asks. “Why should I make a commitment to extend these tax cuts when the expiration date was put on there by the Republicans?”

Nonetheless, he makes clear he won't pick a fight by trying to repeal the tax cuts, either. “I think it's bad tax policy and bad politics to do that.”

Bill Miller, vice president for congressional affairs at the U.S. Chamber of Commerce, which has often backed the GOP White House and Congress, welcomes that view. “The rhetoric that has come from Congressman Rangel has been encouraging,” he said. “The Republican Congress has been very good to the business community. But at the end of the day, you need bipartisanship to get anything done.”

At least at first glance, Rangel wouldn't necessarily seem to be a model for political evenhandedness.

He's used his National Leadership Political Action Committee to collect millions of dollars, largely from Democratic Party donors. By virtue of holding a safe political seat — he first met his unsuccessful 2006 GOP challenger, Edward Daniels, at a candidate forum last week — Rangel has been able to distribute the funds to congressional Democratic candidates across the country.

At least one of Rangel's PAC donors appeared to benefit from giving: New York attorney Melvyn Weiss, whose law firm was renowned for filing securities class-action lawsuits. A federal indictment filed this year accused the firm of paying kickbacks to clients who served as plaintiffs in class-action cases.

Federal Election Commission records show Weiss gave $4,200 to Rangel's re-election campaign in March and $5,000 to his National Leadership PAC in September. In June, Rangel was one of four House members who issued a statement that described the indictment as part of “the Justice Department's crusade against trial lawyers.”

Separately, some GOP-oriented lobbyists this year got calls seeking donations to Rangel's PAC, a move that conservative columnist Robert Novak reported was interpreted by some “as a requirement for a ticket to enter” the office of the incoming Ways and Means chairman.

Rangel has not commented publicly on Weiss' contributions. As for the lobbyist calls, he said he has never required donations from those seeking access to him, “nor has there ever been a suggestion that my conduct has been influenced by any contributions.”

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Greenstein characterized the newly re-elected 19-term Democrat as far too pragmatic to practice bare-knuckle politics as Ways and Means chairman.

"Charles Rangel hasn't waited all this time to play games. He wants to get some things done," says Greenstein, predicting that the new chairman "would probably be less sharply partisan" than his GOP predecessor.

Asked how his style would differ, Rangel said: "I don't have the option that Chairman Thomas has, that is, just to look for a majority. Democrats wouldn't allow me to do it. I wouldn't want to do it. And anything we did do wouldn't pass the Senate, and the president would veto."

After holding the committee retreat, Rangel said, he hopes to begin seeking common ground with Republicans on more contentious tax and finance issues he considers important. At the top of the list are an increase in the federal minimum wage and relief from the Alternative Minimum Tax for millions of middle-class and upper-income Americans for whom the levy means higher federal tax bills. "While it's expensive to do, I think it's one thing that we agree on that should be done," said Rangel.

He also hopes to become what he terms the "new best friend" of the traditionally GOP-backing business community by considering industry tax credits and international trade legislation, while also re-examining tax incentives that encourage some businesses to operate offshore.

Rangel said he has already talked to some manufacturing industry leaders about foreign nations that subsidize their businesses with education, training and health care assistance, "while we allow the private sector, without federal assistance, to do it" alone.

"It doesn't make economic sense," said Rangel, adding that he has encouraged business leaders to submit federal aid proposals.

Rangel acknowledges he's given some thought to a potential goal raised by Miller: major financial legislation that would enable the new chairman to put a "stamp" on Ways and Means.

He cautions it's too early for such plans, but readily allows that a federal financing plan to guarantee Social Security "would be a great coup."

"A great tax reform bill that would simplify the system would be a chairman's goal," Rangel adds. "Medicare, I don't even know where to start with that, but having discussions would be a great beginning."

With Dems In Control: Gridlock Or Change? (USAT)

By Sue Kirchhoff

USA Today, November 9, 2006

WASHINGTON — Democrats' stunning electoral gains will broaden the economic agenda beyond President Bush's focus on tax cuts to more populist debates over income inequality, globalization, budget deficits and health care coverage, among other issues.

But the big question is whether Democratic control of the House — and possibly the Senate — will result in substantive change or merely political stalemate and posturing for the next presidential election.

"The theme for the next two years is showcase '08," says Dan Mica, a former GOP congressman who heads the Credit Union National Association. "America thinks the elections were over yesterday, but we just had a … break from commercials."

The first hint of what the Democratic gains mean could come this month when Congress reconvenes, still under GOP control, for a lame-duck session to wrap up spending bills and other legislation. Given the election shock, Republicans could just do the minimum and go home, Mica says.

The Democratic push begins next year with an agenda that includes proposals to raise the minimum wage, eliminate some tax breaks for oil companies and let the government negotiate prices under the Medicare prescription-drug program. Democrats will also try to find other bipartisan measures to pass, such as extending a business research tax credit.

Because Democrats don't have a veto-proof majority in the House, or the 60 votes needed to limit Senate debate, some observers predict gridlock. Robert Van Batenburg of Louis Capital Markets notes impasse means less spending and is generally bullish for bonds.

Business groups, such as the Business Roundtable and the U.S. Chamber of Commerce, urged the two parties to work together to address economic issues. Democrats promised Wednesday to reach out to Republicans, and Bush also vowed bipartisanship. That could be short-lived.

"There's a chance to get some things done, but they'd have to be done quickly," says Nigel Gault of Global Insight. "The closer we get to the elections, the less likely it is."

Even if passing laws is difficult, Democrats still have plenty of power to shape the agenda.

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Democrats can affect the economy by declining to schedule votes on pending trade deals or expiring Bush tax cuts. There are also must-pass measures to fund the government and the war in Iraq, where Bush has less flexibility. Those bills could be a vehicle for adding other Democratic priorities.

Some observers say politicians do not have the luxury of dithering, given high trade and budget deficits and a low savings rate.

"There are times when government can, indeed, get in the way. But there are also circumstances which demand leadership and decisive policy actions. This is one of those times," says Stephen Roach of Morgan Stanley.

What Business Should Expect In Next Congress Minimum-Wage Increase, Drug Prices Top The Agenda; New Hurdles For Free Trade (WSJ)

By Kara Scannell, Brody Mullins, James R. Hagerty, Anna Wilde Mathews, Laura Meckler And Anne Marie Chaker

The Wall Street Journal, November 9, 2006

WASHINGTON -- Democrats' election victory Tuesday ended a six-year partnership between a business-friendly White House and Congress that enacted free-trade agreements, cut taxes on corporations and investors and -- with the significant exception of the Sarbanes-Oxley corporate-reform bill -- avoided new regulations.

Now, the question is how far the Democrats, tempered by a Republican president and a closely divided Senate, can push the pendulum in the other direction.

The party has yet to spell out its entire legislative agenda, but its leaders are talking about quickly boosting the minimum wage, seeking to curb executive pay and pushing for higher taxes on business, particularly oil companies. Many stocks, especially health-care shares, took a hit early yesterday as investors weighed the new political uncertainties, but the market went on to finish higher (see related article1.)

Rep. Charles Rangel, the New York Democrat who is expected to become chairman of the tax-writing House Ways and Means Committee, cites "ending tax shelters for companies that move American jobs overseas" as one of his main objectives. He is also expected to complicate the White House's efforts to further liberalize trade by demanding strong protections for labor in any trade deals.

California Rep. Nancy Pelosi, the probable new speaker of the House, has already called for ending "tax giveaways" to oil companies, negotiating with pharmaceutical companies for better drug prices for federal health programs and rolling back tax cuts for the wealthiest Americans.

Many political observers, however, doubt the Democrats can gain traction on more than a few of these issues, especially with business groups and their political allies keen to avoid losing any ground on trade and taxes.

Raising the minimum wage is one fight the Democrats are expected to win. That would be a victory for organized labor, which has pushed for an increase for years, but a defeat for the restaurant and retail industries and small-business owners, who argue it would hurt the economy by forcing them to hire fewer workers.

Mrs. Pelosi has promised to bring legislation to the floor within the first 24 hours of the new Congress to boost the minimum wage to $7.25 an hour from the current $5.15. The idea is popular with voters: Six states overwhelmingly passed ballot initiatives Tuesday to raise the minimum wage and tie future increases to inflation. Republicans may feel hard-pressed to oppose the move.

At a news conference yesterday, President Bush cited the minimum wage as "an area where we can ... find common ground."

On the trade front, businesses face the growing threat of protectionism. Several victorious Democrats campaigned as trade skeptics, arguing that U.S. manufacturers are being battered unfairly by companies in China and other low-wage countries with weaker environmental and labor protections. Trade watchers on both sides of the issue say President Bush will have a tough time winning a free hand from Congress to negotiate trade accords. The president's "fast track" authority -- under which Congress has to vote up or down on trade agreements, forgoing amendments -- expires in July, and a Democrat-led House is less likely to grant him such sweeping powers again.

Leo Gerard, president of the United Steelworkers union, told reporters yesterday that the coming showdown over Mr. Bush's fast-track authority is "the first battle that we're going to win."

U.S. trading partners are reluctant to negotiate new trade accords if they think Congress will change the terms before ratifying them, and the current Doha round of global trade talks is already considered to be in deep trouble. European Commission President José Manuel Barroso appealed yesterday to the new U.S. Congress to help revive the stalled talks.

The trade debate is particularly heated when it comes to China, with its fast-growing export industries. Lawmakers could take steps to press China to improve its enforcement of intellectual-property rights and other trade rules. Yesterday, Mr. Rangel,

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the New York Democrat, said the U.S. needs to "be angry as hell and try to protect American industry....We have to protect American jobs and American manufacturers."

Robert Portman, the former U.S. Trade Representative who now heads the White House budget office, says the Democrats could create "a real nervousness among people who invest in and look at our economy closely. The trade dynamic has been very good. Export-driven growth is important, and if we're not knocking down barriers to trade that's a concern."

Democratic control of the House also will end the Republican Party's drive to lower taxes and could frustrate President Bush's hopes of extending the reduced 15% tax rates on capital gains and dividends, which expire in 2010. Republicans' decade-long push to scrap estate taxes is also likely to be halted.

Democrats are expected to support some tax sweeteners for business, such as the research and development tax credit. Mr. Rangel also said one of his priorities is to ease the burden of the so-called alternative minimum tax, which is designed to keep wealthy taxpayers from taking so many deductions and credits they escape taxes altogether. Easing the burden of the AMT, which has begun to ensnare many middle-class families, could cost the government $1 trillion over 10 years, and many policy watchers expect Democrats to rescind tax breaks for corporations and the wealthy to help offset any tax cuts or new spending.

At the same time, Democrats have vowed to force pharmaceutical companies to charge less for drugs sold to Medicare beneficiaries -- an idea strongly opposed by the drug industry. Mrs. Pelosi is expected to push a bill to allow direct price negotiations between the government and the drug industry. Though such a measure might not clear the Senate or the White House, it could give Democrats traction to advance other ways of driving down drug prices, such as widening the availability of imported drugs.

Drug prices are also likely to be a major focus for investigations, reports and hearings by the new Democratic House committee chairmen, particularly California Rep. Henry Waxman, who will head the House Government Reform Committee. A favorite drug-industry benefit -- six months of exclusive marketing of medications in return for studies on their effects in children -- is up for renewal and likely to draw scrutiny from Mr. Waxman and others. In an interview, Mr. Waxman says his priorities will include "reducing the price of prescription drugs."

Similarly, investors who own stock in student-loan providers like Sallie Mae worry about Democratic campaign promises to significantly reduce student-loan interest rates and speculation that they'll promote the William D. Ford Federal Direct Loan Program, in which students borrow directly from the federal government, rather than banks. That direct-lending program competes with the other federal student-loan program, Federal Family Education Loan Program, in which students borrow through a middleman such as Sallie Mae. In 4 p.m. New York Stock Exchange composite trading, shares of SLM Corp. -- better known as Sallie Mae -- were down 4.8% at $47.21.

The Democrat takeover of the House is expected to put outsize executive pay back in the spotlight, with a push toward giving shareholders a vote to approve pay packages. Massachusetts Democrat Barney Frank, who is expected to head the House Financial Services Committee, says he will hold hearings on executive pay and plans to move forward on a bill he introduced last year.

However, Mr. Frank and other Democrats have been receptive to business efforts to review the Sarbanes-Oxley corporate-governance law and to have regulators adjust some of the more controversial provisions. Sen. Charles Schumer, a New York Democrat, has spoken recently about curbing some aspects of the law, which he says is driving business away from U.S. financial markets.

Mr. Frank also has a strong interest in affordable housing and his chairmanship could shift the odds in the three-year-old struggle to tighten regulation of mortgage giants Fannie Mae and Freddie Mac. The Bush administration's efforts to persuade Congress to force the companies to slash their mortgage holdings had already sputtered before the election, and Treasury Secretary Henry Paulson has been looking for possible compromises. Now almost any legislative language to rein in the two companies may be politically impossible to sell.

Fannie and Freddie shares gained 2.9% and 2%, respectively, to $61.25 and $71.23 yesterday in 4 p.m. Big Board trading.

Still, Mr. Frank is expected to push hard for the legislation to require Fannie and Freddie to use more of their resources for financing loans to low-income people. That may hurt the companies' profitability. And both parties still want to create a more powerful regulatory agency to oversee Fannie and Freddie in light of their violations of accounting rules in recent years.

Another industry that could both benefit and suffer from the Democratic takeover of the House is the auto industry. Democrats are likely to push for greater use of alternative fuels, which could hurt or help Detroit depending on how legislation is structured. The industry is sharply opposed to tougher fuel economy standards supported by Democrats. But domestic auto makers are bullish on the potential for ethanol to partly replace oil as a transportation fuel and would support efforts to build the ethanol infrastructure and production capacity.

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More perilous for the industry is Democratic interest in addressing climate change by limiting carbon dioxide emissions. Automobiles are among the worst offenders, and car companies could be hurt by new taxes or regulations aimed at limiting carbon emissions.

President Bush is said to be interested in climate change as well, and he has repeatedly spoken in favor of alternative fuels, making them an area where potential exists for successful legislation.

What The New Congress Will Mean For Business (WP)

By Lori Montgomery And Steven Mufson

The Washington Post, November 9, 2006

Democrats wasted no time yesterday proclaiming a new era in Washington, pledging to put middle-class economic issues at the top of their agenda. They promised fresh scrutiny of drug prices, corporate profits, international trade and more.

While President Bush and Democratic leaders pledged to cooperate, the presumptive chairmen of key House committees laid out plans to challenge the president on many issues important to business interests.

For instance, an exuberant Rep. John D. Dingell (D-Mich.) rattled off a to-do list for the powerful Energy and Commerce Committee, including regulating dietary supplements, promoting electric cars and examining drug-safety procedures at the Food and Drug Administration. "We'll kill the closest snake first," he said when asked about his priorities.

Rep. Charles B. Rangel (D-N.Y.) said he would act quickly as Ways and Means chairman to authorize Medicare to haggle with drug companies over prices. Asked about White House opposition, Rangel wondered whether the president "has any idea of how frustrated the voters were and how much he was responsible for that frustration."

Analysts say that Democrats may find chastened Republicans receptive to some ideas, such as raising the minimum wage, but that compromise will be tough on many issues.

"There's nothing more important on either party's mind than winning the presidency in 2008," said Mark Weinberger, a partner at Ernst & Young LLP and a former Bush Treasury official. "The window for bipartisan cooperation is very small."

Business Prepares For Heightened Scrutiny (FT)

By Stephanie Kirchgaessner In Washington And Christopher Bowe And Ben White

Financial Times, November 9, 2006

Democratic victories in the US mid-term elections set the stage for heightened congressional scrutiny of pharmaceutical companies, oil and gas groups and government contractors such as Halliburton.

Shares in Merck, Schering-Plough and other big drugmakers fell on Wednesday in response to the polls, but the overall stock market rose, reflecting an emerging consensus among lobbyists that Democrats would take a selective approach in pushing for regulatory changes.

During the campaign, Democrats signalled their desire to reform Medicare, the US healthcare programme for the elderly, by pushing legislation that would give the government – as opposed to private insurers – the power to set drug prices, potentially adding pressure to the cornerstone of industry profitability.

Democrats will also strongly support alternative fuel at the expense of oil and gas companies, whose record profits and tax breaks will be scrutinised.

Government contractors such as Halliburton and Bechtel are also likely to come under fire for their work in Iraq, which has cost billions in taxpayer dollars. But the election of a significant number of moderate “pro-growth” Democrats mean that the party’s approach will be measured.

Although the incoming leaders of some of the most important committees in the House of Representatives and, potentially, the Senate – people such as John Dingell, Barney Frank, and Charles Rangel – represent the liberal wing of the Democratic party, most business lobbyists say they believe the lawmakers will espouse a “reasonable” agenda.

In part that is because left-leaning lawmakers will be reined in by moderates and because any sweeping legislative reform aimed at business could face a veto by President George W. Bush.

The lack of anxiety among some business lobbyists about the election results also reflects that, apart from a few industries that could be a target for congressional investigations, many companies, particularly on Wall Street, have strengthened their ties to Democrats in anticipation of a swing in control.

Such veteran lawmakers as Mr Frank and Mr Rangel are viewed as liberal lions, but also pragmatists who will seek out compromises to pass incremental reform. Charles Schumer, the New York senator who led his party’s campaign to recapture the Senate, and Senator Hillary Clinton, also have long-standing ties to Wall Street.

“A growth-oriented agenda is now a core Democratic party tenant,” said Blair Effron, a Democratic donor and partner at Centerview Partners, a financial advisory firm.

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Mr Frank, the incoming chairman of the influential House financial services committee, appeared on Wednesday to give a nod to investment banks that are hopeful Democrats will support modest revisions of the Sarbanes-Oxley law, by emphasising his willingness to dilute some provisions in the corporate reform bill.

"I can promise you that this time next year, Section 404 will be much less of a burden without diminishing its central purpose of avoiding abuses," he said in a speech in Boston, referring to a controversial provision that requires companies to disclose the adequacy of their internal financial controls.

The Democratic leadership has also struck a broad-brush deal with Republicans on trade liberalisation in an effort to establish the party's bipartisan credentials.

Big Pharma Catches A Chill, Fearing Democrats' Prescriptions On Pricing (WSJ)

By Avery Johnson And Anna Wilde Mathews

The Wall Street Journal, November 9, 2006

Fears that Democrats will tackle drug pricing have investors reconsidering the pricing of drug stocks, too.

Shares of major pharmaceutical companies slipped yesterday amid concerns that Democrats will push for changes that could cut prices paid under Medicare for some medications, among other things. Still, analysts cautioned that Democratic control of the House of Representatives is unlikely to bring much immediate change for the industry. For one thing, many proposals on the Democrats' agenda could face a veto from a Bush White House, if they make it that far.

Even as the Dow Jones Industrial Average hit a record, the Dow Jones Wilshire U.S. Pharmaceuticals Index fell 1.7%, a reversal from the upward trend that has lifted the group about 17% in the past 12 months. Merck shares fell 3.4%, Schering-Plough lost 2.5% and Pfizer dropped 1.6%. (Options on drug stocks also stir. See article.1)

Also weighing on drug stocks was Merck's disclosure Tuesday that U.S. and Canadian authorities are requesting an additional $5.58 billion in taxes and interest going back to 1993. GlaxoSmithKline, the British pharmaceuticals company, agreed to settle a similar dispute with the Internal Revenue Service two months ago, which cost it roughly $3.1 billion.

Analysts stress that the major challenge to the industry isn't Washington rhetoric but issues that drug makers have struggled with for years -- few new drugs in the pipelines and threats from generic competitors. Although Big Pharma hasn't freed itself from those concerns, signs of progress have driven drug stocks' strong performance so far this year.

At least some drug companies appear to be refilling their pipelines with products that can take the place of blockbusters that will lose patent protection and taking other steps to ameliorate the situation. Merck, Schering-Plough and Pfizer are in varying stages of aggressive restructuring programs. Merck has had five new drugs approved this year alone.

The rumblings in Washington may be a short-term distraction. "We continue to view a potential recovery in the sector's pipeline as a more important long-term value driver" than the elections, Banc of America Securities analyst Chris Schott wrote in a recent note to clients. "We see many near-term positive pipeline catalysts."

Catherine Arnold, a pharmaceutical analyst at Credit Suisse, says next year's earnings look to benefit from favorable comparisons to this year, which saw profits hit by generic competition, and by increased benefits from cost-cutting programs. But she is neutral on drug stocks, noting that clouds loom with a presidential election in 2008 and potentially lower prices.

Democratic leader Nancy Pelosi of California, who is expected to become speaker of the House, has said Democrats will introduce legislation allowing the government to negotiate directly with drug companies to secure better prices for medications offered to senior citizens under Medicare. Democrats also have backed making generic drugs more accessible and expanding the ability to import cheaper drugs from overseas.

Democrats' new dominance in the House -- and possibly the Senate -- could bolster drug-safety efforts at the Food and Drug Administration. Democrats have a chance to put their stamp on critical legislation that must be renewed next year, including FDA user fees and the law that gives drug companies extended protection against generic competition if they study the use of their medications in children. Democrats will be able to launch and lead investigations and oversight hearings that will likely focus on drug pricing and safety.

Rep. Henry Waxman of California, who will now be chairman of the House Government Reform Committee, has introduced a bill to create a pathway for generic versions of biotech drugs. Though the complexity of the issue makes quick legislative changes unlikely, it will likely find more traction with Democrats in charge. Democrats are also eyeing other moves, including boosting funding for the FDA's generics-drug office. They may also look to discourage some tactics that the branded drug makers use to protect their turf, such as deals for so-called "authorized generics."

"There's no question that the world just changed for us, but it's not a big surprise, and no one's panicking," said Ken Johnson, senior vice president at the Pharmaceutical Research and Manufacturers of America, the industry trade group. He vowed to redouble public-relations efforts leading up to the 2008 presidential election, which he called "even more important" than most elections for the drug industry.

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Implementation of the Medicare prescription-drug benefit shored up drug-company revenues during a research and development drought, and fed healthy profits, especially toward the end of this year. Industry executives say the Medicare drug benefit has served patients well, with high satisfaction and lower costs than originally forecast. "The free market has created competition and prices are going in the right direction," said Tony Zook, president and chief executive of AstraZeneca's North American unit.

Analysts said yesterday's stock-price declines reflected a psychological defeat for the drug companies rather than anything immediate that could affect their businesses. "The stocks are reacting to the perception that Democrats are in charge, and Democrats are mean to the drug industry," said Richard Evans, a pharmaceutical analyst at Sanford C. Bernstein & Co.

Some on Wall Street are concerned about whether the election results foretell a Republican loss in 2008. "If this is an indictment of the Republicans, then it does not give the industry a warm-and-fuzzy feeling for the presidential election in 2008," said Barbara Ryan, a pharmaceutical analyst at Deutsche Bank.

In the near-term, Democrats are likely to support new powers for the FDA. A senior Democratic House staffer with experience in health care says Democratic lawmakers are likely to be "very receptive to the recommendations" in a recent report from the Institute of Medicine, an independent research organization that advises the federal government. Changes called for in the report include restrictions on direct-to-consumer advertising for the first two years a drug is on the market.

New Congress Expected To Scrutinize Government Management (column) (WP)

By Stephen Barr

The Washington Post, November 8, 2006

The new Congress will take a more skeptical view of the Bush administration's approach to managing the federal government, in particular efforts to contract out federal jobs and link employee pay raises more closely to job performance.

Those were the post-election predictions offered by a number of public policy experts, union leaders and Democrats yesterday.

Policy analysts said they expected that the Democratic takeover of the House and possible capture of the Senate would lead to more-rigorous oversight to root out waste, fraud and abuse in government. Federal union leaders saw the election results as an opportunity to roll back some of the administration's workforce initiatives.

Key members of Congress from both parties traditionally put aside partisan differences and work closely with one another on civil-service issues. More than likely, the same House and Senate members will continue to cooperate on issues important to federal employees, such as pay, benefits and retirement.

Rep. Henry A. Waxman (D-Calif.) is in line to take the chair of the House Government Reform Committee, replacing Rep. Thomas M. Davis III (R-Va.). Before the election, Waxman said his priorities would be to tighten restrictions on lobbyists, clean up federal contracting, improve whistle-blower protections for federal employees and reduce cronyism in political appointments.

Some employee groups said yesterday that they expect to see Rep. Chris Van Hollen (D-Md.) serve as a bridge between Waxman and Davis on federal employee issues. Van Hollen said he "would be happy to work with both of them," adding that he hopes to find "some long-term resolution" that ends annual legislative fights over contracting out of federal work.

Outsourcing efforts "have demoralized people throughout the federal workforce," Van Hollen said. "The amount of time, energy and anxiety spent going through this process has far outweighed any benefit."

If the Senate changes party control, Sen. Joseph I. Lieberman of Connecticut, a career Democrat who won as an independent, seems likely to take the helm of the Senate Homeland Security and Governmental Affairs Committee.

The committee is chaired by Sen. Susan Collins (R-Maine), and she and Lieberman have enjoyed a collegial relationship on a number of issues, including how to restructure the Federal Emergency Management Agency after the administration's sluggish response to Hurricane Katrina.

The shift to a divided government could make it difficult for either side to launch initiatives that directly affect federal employees, analysts said.

"Federal employees should expect that things will go slow on the president's agenda, and they have gotten a two-year break in the action," said Paul C. Light , a New York University professor who studies public-service issues.

George Nesterczuk , a Republican policy adviser on civil-service issues, said the election results would not stop the White House from continuing with its management changes inside agencies. Still, he added, "Quite frankly, I don't see much happening in the next two years."

Robert M. Levi , director of government relations at the National Association of Postmasters, noted that a number of moderate Republicans lost Tuesday, raising the prospect that the next Congress may be more interested in fiscal discipline.

"When the House considers whether it wants to reduce the budget deficit, what are they going to look at, and how are federal and postal employees going to be impacted by the desire to reduce the budget deficit?" Levi asked.

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But congressional aides said Washington area advocates for federal employees will resist any deficit solutions that carve into federal benefits.

Those members include Rep. Steny H. Hoyer (D-Md.), who may be the next majority leader of the House, Reps. James P. Moran Jr. (D-Va.), Frank R. Wolf (R-Va.), Van Hollen and Davis and Del. Eleanor Holmes Norton (D-D.C.).

John Gage , president of the American Federation of Government Employees, and Colleen M. Kelley , president of the National Treasury Employees Union, said they would redouble efforts to block contracting plans at agencies where they represent workers.

Gage and Ron Ault , president of the Metal Trades Department, AFL-CIO, said defense unions will lobby the next Congress to repeal the new National Security Personnel System, which overhauls pay and workplace rules for Defense Department civilians.

"We need to kill NSPS once and for all," Ault wrote to union leaders yesterday.

Light and others said they doubted Congress would abolish a personnel system only two years after authorizing its creation. But Light said the election means the NSPS will continue "at a much slower pace" and under more rigorous oversight by Congress.

Power Cleaning (WP)

By Libby Copeland

The Washington Post, November 9, 2006

Revenge belongs to the Democrats on Capitol Hill, not that they'd ever take advantage of such a thing. They say they're going to be fair. And nice.

But on the off chance that they might desire just an itty bit of payback, things could get interesting in the House over the next two years. There are a lot of things a newly anointed majority party can do to annoy a minority party, and plenty of reasons they'd want to -- particularly if they've been under the other party's thumb for 12 long years.

Perhaps we shouldn't call this revenge. Perhaps this is just what a party in power does. Dogs chase squirrels, and the majority party in the U.S. House gets to throw its weight around a little.

Here's Dick Armey describing it. Armey, of course, was a big wheel in the Republican leadership the last time this happened, in 1994, when the Republicans won the House after 40 years of being out of power. They were primed for retribution. They had suffered the Democrats' abuse. But Armey doesn't call it abuse. He calls it "good-natured stuff."

For example, the time in the late '80s when Armey asked House Speaker Jim Wright if he could have a small vacant space that was just sitting there, next to Armey's office, and the speaker acted surprised that any such empty room existed, and promised he'd look into it, and a few days later some Democrat started moving his belongings into that space? That, says Armey, was "kind of funny."

It was in this spirit of joviality, once the Republicans took over, that Armey went to the new speaker, Newt Gingrich, and suggested that the Texas Democrats who had been gathering weekly to lunch, year after year, in the speaker's dining room should be assigned a more fitting space.

Perhaps something in the basement.

"Newt thought I was being mean," Armey says. But it wasn't meanness. "This is Tevye in 'Fiddler on the Roof.' It's tradition."Cellar Dwellers

Tradition!

"The first thing you've got to learn is that from now on, you don't get upstairs," says former Democratic congressman and former West Virginia governor Bob Wise, recalling how some of the meeting rooms for Democrats were downgraded when the Republicans took over after '94. Members' personal offices are doled out on a seniority basis, but control over many other rooms falls to the majority.

No more "charming" meeting rooms with "ornate paneling," Wise says. Hello, "sterile white walls." During the first months of the Republican takeover, Wise wrote a piece called "Diary of a Congressman" for Washington Monthly. Here's the entry for Feb. 22, 1995: "The President comes to the Hill. Republicans give us a basement room. Classy."

It's just no fun being the minority party. Not when you've gotten used to the feeling of power. Suddenly, Cabinet officials who once conferred with you are now calling someone in the other party. Now, you call a news conference and no one comes.

"Twelve years later, all of my former staffers still call it the Great Depression," says Rep. Ed Markey (D-Mass.). "You're in the majority, you have the gavel, the staff's much larger than the minority's, you control the agenda and then the next day . . ."

The next day, the gavel disappears in a puff of smoke. (Okay, not really. You get to hold on to it till January. Cradle it in your arms, if it helps you feel better.)

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"Quite often, the minority is given much less useful work space," says Scott Lilly, who used to be the Democratic staff director on the House Appropriations Committee. Minority committee staff may find themselves in a cramped, windowless office, far from that beautiful view of Rayburn Park. Far from everything, really.

Office space may seem petty, but it counts for a lot. It is both a practical and a psychic burden when an office manager's space is so small she can't even push her chair back to stand up. After the '94 elections, a Republican congressional aide bought her colleagues tape measures in anticipation of their new, grander offices. The Republicans were tasked with figuring out just what property, exactly, they were now in charge of doling out.

"That cracked us up," Armey says. "In one case, we found a whole building we didn't know we owned."Arrogance or Gamesmanship?

Revenge is in the eye of the beholder. It may be that power is innately corrupting, or perhaps it only appears that way from the outside. It may also be -- and this is key -- that the things a party must do to pass legislation and stay in power are inherently unpleasant for the other party. In any case, it turns out that Democrats and Republicans have something in common. They both think the other guys are arrogant when they're in charge.

"They had been pretty arrogant about their use of power," former congressman Bob Walker (R-Pa.) says about the Democrats.

They had "an arrogant disregard for the House as an institution," former congressman Martin Frost (D-Tex.) says about the Republicans.

The House under a Democratic majority was at times "run like an old Southern plantation," says Thomas E. Mann, a senior fellow at the Brookings Institution. He says the Democrats saw themselves as a permanent majority, and could be stingy and abusive. One Republican staffer said in '94 that the Democrats had treated his party like "scullery maids." Former Democratic speaker Tip O'Neill was suspected of deliberately mispronouncing certain Republicans' names. Republicans took to calling the institution an "imperial Congress."

As for the just-demoted Republican majority, Mann says, they abused the rules to keep the Democrats from being heard or from participating in the crafting of legislation. He and Norman J. Ornstein of the American Enterprise Institute have written a book called "The Broken Branch," about the intense partisanship they say the Democratic majority started and the Republican majority continued and, in some cases, made worse. They and others list practices such as closed-door sessions that shut Democrats out of negotiations, "closed rules" that don't permit members to offer amendments to legislation, and the majority party's practice of holding votes open past the traditional 15-minute period to persuade more members to vote its way.

When the Republicans came to power after '94, they promised they would not try to get "even," promised they would be more fair and magnanimous than the Democrats had been.

Recent highlights from a most unhappy union:

2003: A session on pension legislation devolves into name-calling when Democrats say they haven't had enough time to read a substitute measure. Republican Bill Thomas, chairman of Ways and Means, refuses to delay a vote. Democrats march out to a nearby House library. Thomas calls the cops to evict them.

2005: Republican F. James Sensenbrenner, chairman of the Judiciary Committee, becomes impatient with Democrats criticizing the USA Patriot Act. He bangs his gavel, adjourns the hearing and walks out. Democrats continue to testify with their microphones shut off.

Nancy Pelosi, who is primed to become the new speaker once the Democrats take over in January, has been promising a new era of civility and bipartisanship in the House. Those good intentions will presumably be the angel on her shoulder. On her other shoulder, however, there may be temptation . . .

"It's in our mutual political interest to try to work out a bipartisan agreement on legislation," says Charles Rangel (D-N.Y.), who is slated to become the new chairman of Ways and Means. "It's up to me and the Democratic leadership to convince those new Democrats who don't know what it's like to legislate that if they want to get even they can never get anything done."

"I think there are going to be two strains of thought in the caucus," says former representative Vic Fazio (D-Calif.). "One will be 'Let's get the bastards.' And the other will be . . . 'Why don't we try to get this place more livable, more workable?' "

Fazio says he thinks Pelosi is sincere when she says she wants to make things better. On the other hand, "should the Republicans go into a kamikaze mode trying to exploit every opportunity . . . who knows how long the Democratic patience will last?"

Who knows? Maybe, just maybe, they'll find some way to get along. Maybe Pelosi won't send Republicans down to basement meeting rooms.

That incident in 1995 when Armey managed to get the Texas Democrats banished from the speaker's dining room? It turns out Gingrich relented in the end, according to Texas Democrat Gene Green, who says several Democrats appealed to the new

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speaker. Green himself made an appeal. Back then, he was a relative newbie, a "low person on the totem pole," but one day circumstances conspired to allow him to talk to Gingrich.

"He and I were in the men's restroom on the second floor," Green says. "And I said, 'Mr. Speaker, what's the problem with the Texas Democrats having the speaker's dining room?' And he said, 'I have no idea.' "

CONGRESS-ADMINISTRATION:

The New House Majority Offers Bipartisanship -- And An Ambitious Agenda (WP)

By Jonathan Weisman And Charles Babington

The Washington Post, November 9, 2006

Congressional Democrats savoring their return to power pledged yesterday to work closely with President Bush on a legislative agenda but demanded a change in course on Iraq and new directions on policies such as the minimum wage and stem cell research.

Democrats were on the verge of capturing the Senate last night to go along with the House majority they won on Tuesday. In Virginia, former Navy secretary James Webb appeared to have defeated incumbent George Allen (R) in the last remaining Senate race, although Allen had yet to say whether he would ask for a recount.

In the House, Rep. Nancy Pelosi (D-Calif.), who is poised to succeed J. Dennis Hastert (R-Ill.) as speaker, promised swift action early next year on a Democratic package that includes an increase of $2.10 an hour in the minimum wage, full implementation of the recommendations of the bipartisan Sept. 11, 2001, commission, and making some college tuition payments tax-deductible.

Pelosi said she will not heed the calls of some activists on the left to explore impeaching the president. But with subpoena power and committee chairmanships, Democrats will ensure that Bush's anti-terrorism and war policies receive tough scrutiny in the last two years of his presidency. "Democrats are not about getting even; Democrats are about getting results," Pelosi said at a news conference. "I have said before and I say again, impeachment is off the table."

Voters on Tuesday handed Democrats control of the House for the first time since 1994, giving the party a gain of 28 to 30 seats. In January, Pelosi will become the first female House speaker. Hastert, the longest-serving Republican speaker, announced he will step aside and let a new generation of party leaders emerge after this week's losses.

Montana Democrat Jon Tester was declared the winner yesterday in his race with Conrad Burns, the fifth incumbent Republican to fall in the Senate. Democrats need to pick up six seats to gain the majority. As for the Virginia race, with Webb leading by 6,697 votes, even Senate Republican aides were quietly saying their majority was over.

In morning phone calls, Bush congratulated Pelosi, the House minority leader, and Senate Minority Leader Harry M. Reid (D-Nev.), and invited them to a White House lunch today. Bush and Pelosi pledged to put behind them a bitter campaign, in which the president had asserted that a Democratic victory would be a victory for terrorists and Pelosi repeatedly questioned his competence.

"I've been around politics a long time," Bush told reporters. "I understand when campaigns end and when the governing begins."

But policy clashes are inevitable. Control of both houses of Congress would ramp up pressure on Democrats to turn their calls for change into quick legislative accomplishments.

Beyond the Democrats' planned 100-hour blitz to pass most of their legislative agenda, Pelosi reiterated her pledge to restore fiscal discipline to Congress. That could pit her promises of federal largesse against Democratic desires not to roll back the president's tax cuts before their scheduled 2011 expiration dates. She also vowed to enact far-reaching controls on lobbying and ethics that Republican leaders promised this year but did not deliver.

The Democrats' victories also spell trouble for Senate confirmation of interim U.N. Ambassador John R. Bolton and greatly complicate Bush's efforts to appoint conservatives to the federal bench. The administration is virtually certain to face greater congressional scrutiny -- and possibly new legislative restrictions -- on warrantless wiretaps, trade pacts, interrogation techniques for detainees and other controversial policies.

Rep. Thomas M. Davis III (R-Va.) said in an interview on Washington Post Radio (WTWP-FM) that Bush will be "reacting to subpoenas flying, investigations."

"If we tended to underinvestigate, I think you'll see Democrats tend to overinvestigate," Davis said.

Tuesday's election results could be a boon for backers of wide-ranging changes to U.S. immigration laws, one of the few areas in which Bush differed with House Republicans and sided with a bipartisan Senate approach. The GOP-controlled House had insisted on dealing only with measures calling for tougher border and workplace enforcement, rejecting calls by Bush and

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the Senate for an expanded guest-worker program and possible pathways to legal status for millions of illegal immigrants. A Pelosi-led House is far more likely to embrace some or all of the Bush-Senate approach, lawmakers said.

"A great deal will depend on whether the president is committed to getting this done," Sen. Edward M. Kennedy (D-Mass.), a champion of the broader immigration rewrite, said in an interview. He said Republicans have overestimated the appeal of a punitive approach to immigration problems, noting the defeat of Rep. J.D. Hayworth (R-Ariz.) -- a chief proponent of deportations and border crackdowns.

Yesterday, Bush said of comprehensive changes to immigration laws: "I think we have a good chance. . . . It's an important issue, and I hope we can get something done on it."

Among the many possible clashes between Bush and the new Congress is the question of whether to permit federal funding for research involving new lines of embryonic stem cells. Bush used his only veto this year to block such legislation, which passed both houses comfortably but not by the two-thirds majority needed to override a veto. The new Democratic-controlled House would appear to remain short of a two-thirds majority favoring more embryonic stem cell research, but the revised political dynamics might force the administration to reconsider its position.

And there will be investigations and hearings, especially into the conduct of the war in Iraq and waste in contracting. Rep. Ike Skelton (D-Mo.) said yesterday the first move he will make as chairman of the House Armed Services Committee will be the reestablishment of the subcommittee on oversight and investigations, abandoned by Republicans when they took the majority.

More than anything else, public unhappiness over the Iraq war powered the Democrats' success Tuesday, according to exit polls, but it was unclear yesterday how much the new Congress will or can do about the conflict. Reid called on Bush to "convene a summit of congressional leaders" to discuss the war. "We've got to work together to change direction in Iraq," he said.

But before such tasks can be tackled, both parties will have to decide who will lead them in a transformed Congress. Rep. Steny H. Hoyer (D-Md.), the House minority whip, launched his battle for the post of majority leader yesterday against Rep. John P. Murtha (D-Pa.), who became a hero to many liberal Democrats with his early calls for a withdrawal from Iraq.

Rahm Emanuel (Ill.), chairman of the Democratic Congressional Campaign Committee, said he would announce today whether he will challenge House Democratic Caucus Chairman James E. Clyburn (S.C.) for the post of House majority whip. If he does, that race would pit the person who can claim a large share of the credit for Tuesday's electoral victories against the only African American in Democratic leadership.

Meanwhile, Hastert, who has been criticized by some for not intervening in the Mark Foley page scandal, announced he will not seek the position of House minority leader next year.

In his wake, a scramble began immediately. Majority Leader John A. Boehner (R-Ohio) will square off with conservative Rep. Mike Pence (R-Ind.), who took a shot at the current leadership in a letter to colleagues saying that "we did not just lose our Majority -- We lost our way. We are in the wilderness because we walked away from the limited government principles that minted the Republican Congress." Rep. Joe Barton (R-Tex.), chairman of the Energy and Commerce Committee, said he may also run.

In Montana, Tester, the state Senate president, held a lead of 2,847 votes -- or 0.7 percent -- over Burns, a three-term senator. Tester declared victory yesterday morning. Burns did not concede, saying, "There is no need to rush to a conclusion when the voters are this close."

"Senator Burns's campaign will do what they think is right when they think it is right," Tester told reporters in Great Falls, Mont. "And I am okay with that. We won this thing."

A spokesman for Secretary of State Brad Johnson, a Republican, said all votes had been counted, except for about 1,000 provisional ballots and an unknown number of military ballots from overseas that could still arrive. The spokesman, Bowen Greenwood, said it is unlikely but not impossible those uncounted votes could bring Burns within a 0.5 percent margin -- approximately 2,000 votes -- and thus allow him to ask for a recount.

Democrats Looking Ahead To January (AP-Y)

By David Espo

AP, November 9, 2006

Restored to power, congressional Democrats pledged Wednesday to press for a new course in Iraq and move promptly to raise the minimum wage. "We will not disappoint" the American people, said Rep. Nancy Pelosi, speaker-in-waiting.

At a news conference in the Capitol, Pelosi pledged that Democrats will make the next Congress "the most honest, ethical and open" one in history.

She made her comments with the extent of the Democrats' triumph in Tuesday's midterm elections still unclear.

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Several House races remained too close to call, and the size of the new Democratic majority seemed likely to grow by a few seats. The battle for Senate control hinged on the outcome of a tight Virginia election. There, Democrat Jim Webb led Republican Sen. George Allen by more than 7,000 votes as state election officials canvassed the returns.

Pelosi and Senate Democratic Leader Harry Reid of Nevada both said they would work with President Bush in a bipartisan manner, and made the same commitment with respect to congressional Republicans.

"If Democrats go in and seek retribution, we lose," agreed Sen.-elect Sherrod Brown, D-Ohio, who defeated two-term Sen. Mike DeWine.

At the same time, Democrats made clear they intend to use their power.

Several Democrats suggested during the day that Bush meet with leaders to conduct a high-level review of the war in Iraq, a conflict that is unpopular with the public and that polls said had contributed to the Republicans' electoral defeats.

Rep. John Dingell, D-Mich., in line to take back the chairmanship of one powerful committee, told reporters he wants the Federal Communications Commission to hold off on its vote on AT&T Inc.'s proposed acquisition of BellSouth Corp.

Dingell said the acquisition raises a "significant antitrust question," and sent a letter to the FCC asking that it hold off on the vote until after the new Congress convenes in January.

"I think it would be in their interest, I think it would be in the interest of the committee and I think it would be in the interest of the public," he said.

Rep. Charles Rangel, D-N.Y., in line to head the tax-writing Ways and Means Committee, declined to discuss possible tax increases or changes in Medicare in an interview with reporters.

He said his top priority was to close the tax gap — referring to money that taxpayers owe the government but do not pay. "My only fear is that Republicans might call this an increase in taxes," he said.

He also criticized an IRS program that makes use of private tax collectors rather than government employees to seek taxes owed. "I think it is terrible for taxpayers to believe they are going to be hounded by the same kind of debt collectors," he added.

The minimum wage increase is one of a handful of measures Pelosi had promised to bring to the floor of the House in the first 100 hours it is in session under Democratic control next January.

Republican congressional leaders have maneuvered successfully to block passage of a minimum wage increase in recent years, but voters in six states approved ballot measures on Tuesday mandating raises. "When Washington doesn't act, then America does," said Sen. Edward M. Kennedy, D-Mass., who would become chairman of the committee with jurisdiction over the issue if his party wins the Senate.

The current federal minimum wage is $5.15 an hour. Legislation backed by Democrats in the House and Senate would increase it to $7.25 in three steps, although Pelosi has not yet said precisely what bill she intends to bring to a vote.

Pelosi, following up on a campaign promise, said Democrats would seek passage of several bills in the first days of the new session.

In addition to the minimum wage hike, Democrats will push to implement the recommendations of the commission that investigated the terrorist attacks of Sept. 11, 2001 and a reduction in the interest rate on student loans. Other items include legislation to promote energy independence, allow expanded stem cell research with federal funds and a call for lower drug prices under the Medicare prescription drug program.

Apart from a legislative agenda, Democrats awoke to a leadership election. While Pelosi's selection as speaker is unlikely to be contested, two senior Democrats maneuvered for election as majority leader.

Rep. Steny Hoyer of Maryland is the second-ranking member of the leadership, and said as the election returns were counted on Tuesday night that he would run for leader. Rep. John Murtha, D-Pa., a prominent critic of the war, said he, too, will run.

Murtha is close to Pelosi, while Hoyer and she have clashed in the past. Pelosi sidestepped a question during the day when asked whether she would intervene in the race.

If Democrats were dividing up the spoils of victory, Republicans were sorting out their own future.

Rep. Dennis Hastert, R-Ill., announced he will not run for party leader when the new Congress convenes under Democratic control. That leaves Ohio Rep. John Boehner, the current majority leader, and Indiana Rep. Mike Pence, a prominent conservative, as rivals for the post. Rep. Joe Barton of Texas is another potential contender.

Hastert said he intends to remain in Congress, but other Republicans suggested that may not last long, adding that Bush may want to make the Illinois Republican an ambassador.

Pelosi Promises To Be A Bipartisan House Speaker (MERCN)

By Margaret Talev And William Douglas

The San Jose Mercury News, November 9, 2006

DOJ_NMG_0092300

WASHINGTON - Nancy Pelosi, who's expected to be the next speaker of the U.S. House of Representatives, signaled Wednesday that she intends to steer a centrist course and work across party lines with President Bush to shape policy on Iraq, energy, Social Security and immigration.

Pelosi acknowledged that her party's return to the House majority after a dozen years in exile occurred largely because at least nine fairly conservative "Blue Dog" Democrats won Republican seats. The liberal-tilting House Democratic caucus must accommodate them - and the centrist voters they represent - she conceded.

"Impeachment is off the table," she declared, spiking one dream that many liberal activists cherished. "Democrats are not about getting even . . . This election is about the future, not about the Republicans."

Pelosi's great challenge is to keep her party's liberal and more conservative wings united behind achievements that win the respect of voters in the presidential election year 2008, especially the great centrist bloc that abandoned Republicans across the country Tuesday. If Democrats pursue an excessively partisan agenda over the next two years, President Bush can block them with his veto, and centrist swing voters could be repelled by Democratic partisanship just as they apparently were by Republicans this year.

Sen. Harry Reid, D-Nev., who's likely to become Senate majority leader, echoed Pelosi's conciliatory tone. "We are not going to treat the Republicans like they've treated us," he said. Reid will become majority leader if Democrat James Webb's 7,000-vote lead over Republican Sen. George Allen in Virginia survives an expected recount.

Al From, the founder of the Democratic Leadership Council, the centrist wing of the Democratic Party, said that between now and 2008, "if Democrats act as problem solvers, not polarizers, that future will be very bright."

Pelosi, a 66-year-old San Francisco liberal who'll be the first female House speaker in history, used her first post-election news conference to quell speculation about how she intends to govern her fractious caucus.

Even as she pledged bipartisanship however, she challenged Bush to "signal an openness to new, fresh ideas," especially on Iraq, by dumping Defense Secretary Donald H. Rumsfeld, a move that, as it turned out, the president announced an hour later.

Pelosi also reiterated the Democrats' consensus agenda for the 110th Congress, which convenes in January:

_Raising the minimum wage.

_Repealing oil company subsidies.

_Expanding stem cell research.

_Allowing the federal government to negotiate lower prices from pharmaceutical companies for Medicare and Medicaid beneficiaries.

_Reducing college loan rates.

_Tightening lobbying restrictions.

_Adopting the 9-11 commission's anti-terrorism recommendations.

Rep. Thomas Reynolds, R-N.Y., the chairman of the Republican National Congressional Committee, who narrowly survived a stiff re-election challenge, said that while he was willing to work with Democrats in theory, "I never saw many opportunities to count Democratic votes that wanted to come in partnership with us." He predicted that Democrats would try to raise taxes and Republicans would fight such efforts and quickly regain a majority.

"We're going to take a two-year hiatus," Reynolds said.

"She has to figure out how to tear down a wall that exists between the Republican and Democratic parties," said Rep. Allen Boyd, D-Fla. "That's the failure of the Republican Party in the last 12 years . . . They've really tried to govern and had their speaker try to be a speaker of the Republican Party and not the whole House and not for all Americans. And you see what's happening."

Scott Lilly, a veteran House Democratic staffer who's now at the Center for American Progress, a liberal research center, said House Democrats must resist the impulse to pursue big ambitions such as a comprehensive health-care plan or an education overhaul.

"There's an appetite for major health-care reform, in doing something substantial in elementary and secondary education," he said. "That's not going to happen. The president would veto a number of those things."

Pat Toomey, the president for the Club for Growth, a pro-business conservative group, predicts that Pelosi "is going to find it hard to hold that caucus together. It is an ideologically very diverse caucus and the extremes are very, very far apart. I think she's gonna find she's got a tough job ahead."

Pelosi, who's now the House Democratic leader, and Reid, who's now Senate minority leader, are expected to win the top leadership posts in caucus elections next week.

New Democrats Pose Challenge (NYT)

DOJ_NMG_0092301

By Carl Hulse

The New York Times, November 9, 2006

WASHINGTON, Nov. 8 — Carol Shea-Porter is a New Hampshire social worker who campaigned on the cheap and ran hard against the war in Iraq. Heath Shuler is a North Carolina football star who is pro-gun and anti-abortion. Jerry McNerney is a California alternative-energy entrepreneur with a doctorate in mathematics.

Together they are part of the new mosaic of the Democratic Party in the House of Representatives — incoming lawmakers who will make a diverse group of political officeholders even more eclectic. While much of the focus in the campaign was on the more moderate tendencies of Democratic contenders, the scope of Tuesday's Democratic surge makes for a more complex picture and a broader mix of ideologies.

"Every type of Democrat won last night, Northeastern, Midwestern, Southern, Texan, Western, liberal, moderate, conservative and many whose ideology defies easy description and should be best described just as a Democrat," said Simon Rosenberg, head of the New Democrat Network, an advocacy group.

The results of some close races remained in question Wednesday but Democratic officials said they thought they would be seating at least 28 new members, bringing the party's totals to at least 230 in the 435-member House. They are still trying to get a handle on exactly who some of these people are, but it is clear they present a different tableau from the liberal lions who will be taking and retaking the chairmanships of some important House committees.

The diverse viewpoints and backgrounds they are bringing to Washington could pose problems for Representative Nancy Pelosi of California and Senator Harry Reid of Nevada, the newly empowered Democratic leaders of the House and Senate, as they quickly move to line up lawmakers behind the party's stances on national security, economic and social issues. The rank and file was eager to be unified when it meant a chance to overturn Republican rule; now Democrats must set the agenda and deliver.

"How are Senator Reid and Speaker Pelosi going to forge consensus on Iraq and on a budget?" Mr. Rosenberg asked. "Where are we going to end up on these two vital things, given the extraordinary diversity of this new Democratic majority?"

Mr. McNerney is a giant killer who, with help from the party and environmental groups, knocked off Representative Richard Pombo, chairman of the Natural Resources Committee. Mr. Shuler, one of the most conservative incoming Democrats, defeated Representative Charles H. Taylor, an eight-term Republican who had served on the Appropriations Committee since 1993. Ms. Shea-Porter, with no help from the party, pulled off one of the upsets of the night in defeating Jeb Bradley.

Keith Ellison of Minnesota, a state lawmaker and the first Muslim elected to the House, sees himself as a champion of economic justice. John Hall of New York, a rock musician and writer of pop hits like "Still the One," is a longtime critic of the nation's energy policy. Harry Mitchell, the former mayor of Tucson, is a veteran politician with a keen interest in immigration policy who is already the subject of a statue in his hometown.

"We are the most diversified caucus in the world and we think that is the great strength of the Democratic Party," said Representative John B. Larson of Connecticut, chairman of the Democratic caucus.

As they strode triumphantly through the Capitol on Wednesday, celebrating Democrats said that they were not worried about the party — which benefited from the support of independent voters who want to see legislative gains instead of gridlock — finding common ground.

"We have to get things done for the American people," said Senator Charles E. Schumer of New York, who oversaw the Democratic campaign effort for the Senate. "The greatness of this country is being stalled as we are unable to move forward on education and on energy and on Iraq and so many other issues."

The stands some new Democratic senators take could pose difficulties for their own party. Bob Casey of Pennsylvania, who beat Senator Rick Santorum, is an ardent opponent of abortion; Jon Tester, the Montana farmer with a trademark flattop who claimed victory over Senator Conrad Burns, could also emerge as a maverick.

Mr. Reid played down possible divisions, saying that Senate Democrats have shown they can overcome ideological differences. "We have widely varying political philosophies within this team," he said. "And what we've done is we've used these team members with their strengths, and we're going to continue to do that."

In the House, Democratic unity could also be tested in relations between the new committee chairmen — many of whom are liberal veterans who wielded power years ago, when the party last controlled the House — and new lawmakers who have no recollection of the days when chairmen ran the show and the rank and file followed along.

Representative Rahm Emanuel of Illinois, the chairman of the Democratic Congressional Campaign Committee, said that while there were ideological distinctions among the new Democrats entering Congress, most could fit in the centrist part of the spectrum. And all, he said, have an overriding political bond.

"They are reformers in spirit and temperament," Mr. Emanuel said.

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About half the incoming Democratic freshmen are already planning on joining the New Democrat Coalition — a generally centrist group that emphasizes economic competitiveness and national security issues. They include Ed Perlmutter of Colorado, a former state senator who had a legislative reputation for working with Republicans; Michael A. Arcuri of upstate New York, a seasoned district attorney; and Tim Mahoney, the Florida businessman who won the seat that the Republican representative Mark Foley resigned because of the Congressional page scandal.

Other Democrats in the group intend to enlist with the Blue Dog Coalition, a more conservative group viewed as having a more rural outlook and a focus on balancing the budget.

But both groups emphasize trying to find legislative consensus.

“The message from the American people is clear,” said Representative Ellen Tauscher, a moderate from California who is chairwoman of the New Democrat Coalition. “They want leaders who will fight for pragmatic policies that improve their lives, whether the issue is Iraq, health care or anything in between.”

Ms. Shea-Porter, relishing her victory Wednesday, said she shared that view and was coming to the House eager to try to fix problems despite differences in outlook she might have with her colleagues or the opposition.

“People are so tired of the factions of party and they have been begging us to get together and work things out,” she said. “I have the soul of a Democrat, but I also come from a Republican family, and I know we have to reach out.”

The 'Thumping' Of The GOP (WP)

The Washington Post, November 9, 2006

PRESIDENT BUSH responded swiftly to Tuesday's electoral "thumping," as he put it at yesterday's news conference. The president's decision to replace Defense Secretary Donald H. Rumsfeld is late but welcome, especially insofar as it reflects a willingness to bring a "fresh perspective" to the increasingly troubled situation in Iraq. Mr. Bush's choice of former CIA director Robert M. Gates to take over at the Defense Department increases the likelihood that this shift is more than a political bone thrown to an unhappy electorate. Mr. Gates is a member of the Iraq Study Group, chaired by former secretary of state James A. Baker III and former Indiana Democratic House member Lee Hamilton; he is also a seasoned national security professional who could press the president to embrace options he has resisted, such as reaching out to Iraq's neighbors.

"I recognize that many Americans voted last night to register their displeasure with the lack of progress being made" in Iraq, Mr. Bush said. It's good that he heard their message; he ought to consult congressional Democrats about a course correction. But Mr. Bush was right yesterday in signaling the limits of such cooperation: "If the goal is success, then we can work together. If the goal is get out now regardless, then that's going to be hard to work together."

If the president said many of the right things yesterday, so, too, did the incoming House speaker, Rep. Nancy Pelosi (D-Calif.), and Nevada Sen. Harry M. Reid, who is on the cusp of becoming majority leader. In a procession of news conferences, it seemed at times that the politicians were vying to see who could mention bipartisanship most often and pledge civility most passionately. Given that Mr. Bush came to Washington promising to "change the tone" and instead presided over six years of almost unrelenting partisanship -- not to mention his out-of-bounds campaign rhetoric equating a Democratic victory with a win for terrorists -- it's a bit hard to take all this post-election happy talk too seriously. The same goes for Democrats, given their similarly over-the-top venom toward Mr. Bush. But both sides clearly heard voters' disgust with Washington politics-as-roller-derby, and they may share an interest in avoiding a replay of such brawling.

Indeed, the greatest opportunities for real bipartisan cooperation may involve not Iraq but domestic issues. Yesterday Mr. Bush mentioned raising the minimum wage, at the top of Democrats' immediate agenda; reauthorizing the No Child Left Behind law, one of the president's early, and rare, moments of bipartisan cooperation with Democrats; and immigration reform, a subject on which the president has been more in sync with congressional Democrats than with his own party. The contours of a comprehensive immigration compromise were well defined last year; Mr. Bush and the new congressional majority should act swiftly to make that law. Much harder, but even more important, will be finding bipartisan will to tackle the growth of entitlement programs such as Social Security and Medicare, a subject that Mr. Bush raised yesterday. If Democrats aren't responsible enough to stop using those issues as political footballs and start considering the future fiscal health of the country, they won't deserve to remain in the majority.

Pelosi To Be First Woman To Lead Congress (USAT)

By Andrea Stone

USA Today, November 9, 2006

WASHINGTON — Nancy Pelosi wasted no time making clear who's in charge now.

“Democrats are ready to lead,” the San Francisco congresswoman declared at a news conference Wednesday, hours after her party reclaimed control of the House of Representatives to end 12 years of Republican rule.

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And prepared to lead the Democrats is an Armani-clad daughter of an old-fashioned Baltimore politician about to become the first female speaker of the House — two heartbeats from the presidency.

Voters "spoke out for a new direction," said Pelosi, who promised to be "the speaker of the House, not the speaker of the Democrats." She reached out to Republicans, saying she seeks bipartisanship: "Democrats are not about getting even."

President Bush responded in kind. He pledged to work with Democrats and leave behind the harsh campaign attacks exchanged by both sides. "If you hold grudges in this line of work, you'll never get anything done," he said.

How the two will get along is anyone's guess, given their diverse personal and political backgrounds. What is clear is that Pelosi has been preparing for this day.

During a campaign stop in Albuquerque on Oct. 28, a man asked what a female speaker is called. "They say 'Madame,' " she replied, "but you can call me Nancy."

Next week, the new Democratic majority elected on Tuesday plans to choose Pelosi to wield the speaker's gavel. She would officially take it from Republican Rep. Dennis Hastert of Illinois in January.

That would put her in the constitutional line of presidential succession behind Vice President Cheney and make Pelosi, 66, the highest-ranking woman in U.S. history.

"My first excitement is that there will be a Democratic speaker," Pelosi said in a pre-election interview.

She learned politics in the front room of her family's corner row house in Baltimore's working-class Little Italy. Like her five older brothers, "Little Nancy," as they called her, took turns keeping a "favor file" for her father, Thomas D'Alesandro Jr., a Democratic congressman and mayor.

Now, Pelosi is about to reach the top rung of a ladder that Montana's Jeannette Rankin began climbing 90 years ago when she became the first woman elected to Congress.

"It's tough. You talk about the glass ceiling. This is the marble ceiling," Pelosi said. Her ascendance, she said, tells women "they can handle power at any level, that we can breathe air at this altitude," and it "bodes well" for a woman to be elected president.

As polls in the campaign's final days pointed to a Democratic victory, Republican TV ads and e-mails demonized the House minority leader as a San Francisco liberal.

Former House speaker Newt Gingrich, who led the GOP revolution that ended 40 years of Democratic rule in 1994, circulated an e-mail to news organizations and Republican activists that said her "left-wing values are rejected by most Americans."

The message apparently didn't resonate. Nearly half of those surveyed in a USA TODAY/Gallup Poll last month never heard of Pelosi or had no opinion about her.

Pelosi's San Francisco district is one of the most liberal in the country — 14% voted for Bush in 2004 — and she makes no apologies for her constituents' values.

She says conservative critics are "afraid of the fact that every child in San Francisco has health insurance, that our minimum wage is over $8 an hour." As one of her first acts, she has vowed to push for a hike in the federal minimum wage, now $5.15 an hour.

Vin Weber, a GOP strategist and former Minnesota congressman, warns, "If Republicans believe this caricature of Nancy Pelosi as a wacked-out San Francisco liberal, they're going to find out it's not true and (will) underestimate her. … She comes out of a family famous for having extraordinary practical political skills."

Thomas D'Alesandro III, Pelosi's brother and also a former Baltimore mayor, says, "She knows how to read people. She got that from my father. She's not confrontational. She tries to seek a consensus."

That doesn't mean the mother of five (who awaits the birth of her sixth grandchild this week) is a pushover, according to those who've worked with her.

Former Texas congressman Martin Frost says he learned that firsthand when he opposed the then-No. 2 minority leader for the top Democratic post in 2002. Pelosi easily defeated the moderate lawmaker. He compares her to Margaret Thatcher, Britain's first female prime minister, who he says was "very steely."

Pelosi moved into the leader's office promising a four-year plan to move back into the majority. She made good on her vow in part by raising more than $50 million this election cycle, the most of any Democrat other than former president Bill Clinton and his wife, New York Sen. Hillary Rodham Clinton.

She let Democrats know that their chances to chair plum committees "would be determined by how loyal they were and how active in fundraising," Frost says. She made it clear there would "be consequences" if they weren't, he says.

It was a change from Pelosi's predecessor, Missouri congressman Dick Gephardt. Frost said Gephardt would "try to get (Democrats) to do the right thing with the carrot rather than the stick. She's more into the stick."

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Gephardt, whom Pelosi criticized for supporting the resolution in 2002 that authorized military force in Iraq, said in an interview that when he stepped down from his post to run for president, “the caucus was ready for a little more disciplined approach, and she brought that.”

House Democrats under Pelosi's prodding voted together 88% last year, according to Congressional Quarterly, the most unified stance in the past half-century.

Michael Franc of the conservative Heritage Foundation says Pelosi “found ways to inject an animal spirit that melded together the moderates with the most traditional liberals in ways I have not seen before. It was the shared mission that if we all stick together, our odds of recapturing the House go up immeasurably.”

It wasn't easy. Pelosi and other Democrats clashed over:

·Social Security. When the White House pushed for Social Security individual accounts last year, some Democrats such as Florida's Robert Wexler wanted to present their own plans to fix the retirement program. Pelosi brushed them aside to focus on defeating Bush's plan. She succeeded: It was shelved without coming to a vote.

·Iraq. The war has divided Democrats, but Pelosi put the best public face she could find — that of a highly decorated former Marine, John Murtha of Pennsylvania — out front. Murtha, a strong supporter of the military, called last year for a swift withdrawal of U.S. troops from Iraq. He said the war was wearing out the military.

Murtha had the behind-the-scenes blessing of Pelosi, who he says kept liberals “quiet” so the Vietnam War veteran could neutralize GOP charges that Democrats were weak on defense. “She's tougher than hell,” Murtha says. “I heard her tell one guy, ‘If you're not with us, we're not with you.' ”

·Ethics. Pelosi angered the Congressional Black Caucus when she pushed to remove caucus member William Jefferson of Louisiana from a powerful committee. She acted after the FBI said it found $90,000 in a freezer during a search of his home for a bribery investigation. She said she wanted to contrast her action with GOP leaders. They did not punish any members tied to lobbyist Jack Abramoff, who has pleaded guilty to corruption charges.

·Payback. When John Conyers of Michigan, in line to chair the Judiciary Committee, suggested Bush be impeached, she squelched the idea. “There's not going to be any impeachment. That would make the Republicans' day,” she says. “What we are about is the future.”

Pelosi says she won't emulate Republicans who froze out her party from shaping legislation. “We're talking about opening Congress. It may have worked for them to consolidate their power, but it isn't right and it isn't what the American people expected.”

Dick Armey, a former Republican House majority leader who worked with Pelosi, says of her and the Democrats, “She will try to be more inclusive. One of their complaints is they've been left out of the process, cut off, ignored. They are going to try to demonstrate we are bigger than that.”

Some moderate Democrats hope they won't be left out, either. “There (have) been instances where she hasn't been as inclusive as she should have,” says Rep. Adam Smith of Washington. “It would be a mistake, but I'm optimistic that won't happen.”

Pelosi says she has big plans for the first 100 hours of a Democratic majority. Among them: “Sever unethical ties between lawmakers and lobbyists,” enact the recommendations of the 9/11 Commission and negotiate lower prices for Medicare prescription drugs.

Political scholar Stephen Hess of the Brookings Institution, a Washington think tank, says Pelosi “is no Newt Gingrich. She really isn't intellectually interesting. Gingrich came up with ideas. … With her, I don't know whether that's true or not. We have to see if she is really ready for prime time.”

Weber says Pelosi “is capable of being an effective speaker but faces significant constraints” from “the very energized, very angry” liberal base of her party, some of whom are in no mood to work with Republicans. “There's a good chance almost nothing will get done in the next couple of years,” he says.

A divided Senate, even a narrowly Democratic one, and the need to attract independent voters for the party to win the White House in two years will require Pelosi to reach out to Republicans. “The way she governs will be absolutely critical for the Democratic Party in '08,” says Bruce Cain, a political scientist at the University of California, Berkeley. “She's got to find the right balance.”

That means working with a still-Republican White House. Pelosi appealed to Bush “to work together to find a solution to the war in Iraq.”

Days before the election, she said three letters she and Senate Minority Leader Harry Reid, D-Nev., sent Bush offering to do that went unanswered. “I feel a little bit like Paul to the Corinthians. Paul wrote to the Corinthians all the time, but it's a mystery to all of us whether the Corinthians ever wrote back,” said Pelosi, who attended Catholic school. “I hope (Bush) would respect the office of speaker” and write back next time.

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Wednesday, Bush picked up the phone and invited Pelosi to lunch today at the White House.

America's First Madam Speaker (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, November 9, 2006

WASHINGTON

Vilified in Republican campaigns across the nation as a "San Francisco liberal," Nancy Pelosi - the speaker presumptive of the 110th Congress - actually lives politics closer to her roots in the precincts and wards of Baltimore's Democratic Party machine.

That's not to say she's a backslapping, cigar-champing pol. The totems in Representative Pelosi's office are white Casablanca lilies and San Francisco's Ghirardelli chocolates. Like many Democrats of her generation, she keeps a photograph of herself - then, a credible stand-in for Audrey Hepburn - with President Kennedy on a table in her office.

But what helped Pelosi become the first female speaker - and second in line to the presidency - is old-school pragmatism: a practical sense of how to build power and no qualms about using it.

"The campaign is over. Democrats are ready to lead," she told cheering supporters in Washington on Tuesday.

A prodigious fundraiser with a family fortune, Pelosi openly split with the House's former Democratic leader, Richard Gephardt of Missouri, over the 2002 vote to authorize the use of force in Iraq, which she opposed. When Mr. Gephardt stepped down after Democratic setbacks in that year's midterm election, Pelosi quickly consolidated support to replace him.

She insists that she would not hesitate to defend the nation, if needed. A woman in power is like "a lioness in the jungle," she said at a Monitor breakfast in March. "You know you're dead if you go near the cubs.... If you pose a real threat to the people of our country, you can count on hearing from us very soon," she added.

As minority leader in the House, Pelosi united a diverse and fractious Democratic caucus on more key votes than any leader in the past half century, according to a survey by Congressional Quarterly. She did it by setting clear lines and holding party members to them on the argument that a united caucus had a better shot at winning back the House than did a divided one.

But behind the unity is fear - mostly that she will strip projects or plum assignments from Democrats seen as working too conspicuously with Republican lawmakers.

Critics also charge that Pelosi has let partisanship interfere with legitimate oversight activities of Congress. Last September, when a House committee held a hearing on the government response to hurricane Katrina, she dubbed it a "a partisan whitewash" and urged Democrats not to attend. Two Gulf region Democrats went anyway, and the hearing turned out to be a grilling of Bush administration officials.

Former Speaker Newt Gingrich minced no words in stating his view of a Pelosi-led House. It would be, he said in August, a "disaster" for the country. A bigger tent to manage

As speaker, Pelosi will preside over a very diverse majority - broadened by the influx of red-state Democrats, many of them fiscal conservatives, that gave House Democrats their victory. Most newcomers are expected to line up with the moderate, "blue dog" wing of the caucus. With an expected margin about 30 votes, she will need all her pragmatic smarts to hold the new Democratic majority together.

"Pelosi has been able to maintain unity among Democrats, keep legislators on the same page and on message, count votes effectively, and cause problems for House Republicans. She clearly inherited her father's political skills," says Julian Zelizer, a congressional historian at Boston University, referring to former Baltimore mayor and US Rep. Thomas D'Alesandro. "Now, she will have no choice but to focus on keeping the Democratic machine intact, pushing her party to focus on politically effective issues and finding policies that will attract some Republican support."

In her first 100 legislative hours at the helm, Pelosi says, she aims to "drain the swamp" by passing a new rules package, including pay-as-you-go budgeting; raise the minimum wage; pass all the independent 9/11 commission recommendations; cut the interest rate on student loans by half; negotiate for lower drug prices in the Medicare prescription-drug program; end subsidies for Big Oil; and allow federal support of embryonic stem-cell research. All these items have at least some support across the aisle but involve bypassing the usual committee-hearing process to gain quick votes on the floor. It's an agenda that will test Pelosi's ability to hold her own majority while winning enough GOP support to get bills to the president's desk. Diversity counts

While current Speaker Dennis Hastert characterizes his role as that of a coach, Pelosi often describes herself as presiding over a room in her "mother-of-five voice." (In fact, she is a mother of five and awaits the arrival of her sixth grandchild.) And there's no word more important in the Pelosi lexicon than "diversity."

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Bypassing more senior colleagues, Pelosi appointed Rep. Stephanie Tubbs Jones (D) of Ohio to be the first African-American woman to serve on the Ways and Means Committee, Rep. Hilda Solis (D) of California to be the first Latina on the Energy and Commerce Committee, and Rep. Linda Sanchez (D) of California to be the first Latina to serve on the Judiciary Committee.

"She understands the importance of diversity ... of having all groups represented in the decisionmaking process," says Rep. G.K. Butterfield of North Carolina, who serves on the steering committee for the Democratic caucus.

In the next Congress, that committee will consider new rules for committee assignments within the caucus, including whether to downgrade the importance of seniority. "While seniority is important, other factors are as important in a committee assignment or chairmanship, such as geography, race, and political philosophy," he adds.

In a move that has already generated controversy, Pelosi has signaled that she is unlikely to name Rep. Jane Harman of California, the ranking Democrat on the Permanent Select Committee on Intelligence, to the chairmanship, in favor of Rep. Alcee Hastings of Florida, next in line and a member of the Congressional Black Caucus. Respected in the intelligence community, Representative Harman often worked with the committee's GOP chairman, Rep. Peter Hoekstra of Michigan, even as Pelosi urged Democrats to hold ranks.

Caucus moderates are urging Pelosi to embrace the new freshman moderates.

Her "challenge is to wrap her arms around all aspects of the different philosophies that exist in this big Democratic tent, which is much larger as a result of this election," says Rep. Allen Boyd of Florida, a moderate Democrat. "I've tried to encourage ... Pelosi to put them in the room with her when she makes ... decisions."

Meanwhile, feminist activists hailed the historic moment of the first woman speaker ever. "This is the highest political leadership post ever held by a woman and puts Pelosi in the driver's seat as we begin to fulfill the will of the electorate and reshape the national agenda," says Ellen Malcolm, president of Emily's List, a group that supports abortion-rights candidates.

"Seeing this smart, tough, effective woman leading the Congress will help pave the way for the future of all women in politics," she added in a statement. Pelosi basics

· Career: House Democratic leader, 2002-present; Democratic whip, 2001-2002; House of Representatives, 1987-present; Democratic Senatorial Campaign Committee, 1984-1986; chairwoman, California Democratic Party, 1983-1984.

· Birthplace: Baltimore, Md.

· Current Hometown: San Francisco.

· Education: Bachelor of arts, Trinity College, 1962.

· Family: Husband, Paul; five children; five grandchildren.

· Self-description: "An Italian Catholic mother of five, grandmother of five, going on six."

· Former G.O.P. Speaker Newt Gingrich's description: "A hyperpartisan obstructionist."

· Miscellaneous: Pelosi stuffs cotton in her ears when she takes her grandkids to rock concerts. And she's so petite, a policeman once lifted her out of her shoes during an evacuation of the Capitol.

· What to expect with Pelosi as Speaker: Democrats could be expected to let most of President Bush's tax cuts expire and to block any new effort to privatize parts of Social Security.

· Quote: "I think targeting me [during the election] - most people don't even know who I am - is an act of desperation on the part of the Republicans. We're going to keep the focus in a very optimistic way on our new direction."

Source: The Associated Press

Pelosi Says Democrats Are Ready To Lead (AP-Y)

By Nancy Zuckerbrod, Associated Press Writer

AP, November 9, 2006

House Democratic Leader Nancy Pelosi — soon to be Madam Speaker — says she had something other than politics on her mind when her phone rang early Wednesday morning.

"I thought it might have been Alexandra calling with some news," Pelosi said, talking about her daughter and the impending arrival of a sixth grandchild. "I picked up the phone and said, 'Do we have a baby coming?'"

"Leader Pelosi?" the voice on the other end inquired.

It wasn't her daughter with news of an overdue baby but rather a White House staffer trying to connect her with President Bush. The president wanted to congratulate her after Democrats upended his party's 12-year reign in the House and put her in charge next year as the first female speaker in the nation's history.

"The call was so very, very early in the morning," an ebullient Pelosi recalled, saying that Bush referred to her as "Madam speaker-elect, and I referred to him as president."

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Rep. George Miller, a California Democratic colleague, said Pelosi had been telling him for three weeks that "everything stops when the baby's coming."

Would a man in her position of power make the same choice? "The record's probably not very good on that," Miller quipped. Alas, the baby didn't come Wednesday.

Such was Pelosi's morning the day after voters gave Democrats at least a 25-seat majority in the House, and put her, a 10-term lawmaker, in the No. 2 spot in the line of succession to the presidency, behind only Vice President Dick Cheney.

She was greeted outside the Capitol by cameras and seventh-graders from Flushing, N.Y., who happened to be there for a tour and ended up getting a hands-on civics lesson from the California Democrat.

"On the day of Jan. 3rd, I'll receive the gavel on behalf of all of the young people in America," Pelosi told the kids. "We're responsible to you."

At more buttoned-down media events throughout the day, Pelosi made it a point to promise repeatedly to work with the Republicans who her party had just drummed.

"Democrats are ready to lead, prepared to govern, and looking forward to working in a bipartisan way with the Republicans in Congress and with the president of the United States," Pelosi said. She planned to have lunch Thursday at the White House with Bush.

Any effort to impeach the president "is off the table," she assured the nation before TV cameras, but she also said American voters "spoke for change and they spoke for a new direction for all Americans."

In an appearance with Senate Democratic Leader Harry Reid of Nevada, Pelosi welcomed Bush's announcement he was replacing Donald H. Rumsfeld as secretary of Defense. "It will give a fresh start to finding a solution to Iraq, rather than staying the course," she said.

She said Democrats would return to power without rancor, but with a forward-looking vision, outlining an agenda that includes enacting recommendations of a commission impaneled after the Sept. 11 attacks to look at terrorist threats, raising the minimum wage, reducing college costs, pushing for more stem-cell research and working for lower medicine prices.

Pelosi will be formally re-elected as her party's leader, and its nominee to be speaker, when the Democratic caucus meets on Nov. 16. The actual speaker's election will occur in January.

While Pelosi is unopposed, other leadership posts are being hotly contested. Current minority whip Steny Hoyer of Maryland and leading Iraq war critic John Murtha of Pennsylvania are vying for the position of majority leader.

Rep. James Clyburn of South Carolina, a former chairman of the Congressional Black Caucus, is in line to become majority whip, but might be challenged by Rahm Emanuel of Illinois, who as party campaign committee chairman directed the Democrats' successful election effort.

Pelosi, 66, made history four years ago when she became the first woman to lead a party caucus in either house of Congress.

Her next history-making move is a huge step for women in America, Miller said.

"I think it's just an incredible role model. When I came to Congress (in 1974), there were very few women ... and now a woman is the speaker of the United States House of Representatives. It's really quite something," Miller said.

Pelosi is a liberal who represents one of the most left-leaning districts of San Francisco. Republicans had tried to use that against her. In races around the country, GOP partisans said the possibility of a "Speaker Pelosi" was reason enough to keep the House in Republican hands.

It's not clear which Republican will serve as minority leader. House Speaker Dennis Hastert announced Wednesday he will not run for Republican leader when Democrats take control in January.

The daughter and sister of Baltimore mayors, Pelosi grew up immersed in politics and moved west in her 20s when her investment banker husband wanted to return to his roots. She managed to work herself into California's Democratic political structure while raising five children who were born over six years.

She didn't run for Congress until she was 46, when her youngest daughter reached high school.

Nancy Pelosi Is Ready To Be Voice Of The Majority (NYT)

By Kate Zernike

The New York Times, November 9, 2006

WASHINGTON, Nov. 8 — As Representative Nancy Pelosi faced the cameras Wednesday morning, after the Democrats had taken a majority in the House and put her on the brink of becoming the first female speaker, she spoke so softly at first that some reporters insisted they could not hear her.

“I’m not in charge of the technical arrangements,” Ms. Pelosi said quietly, fiddling with the microphone.

Then suddenly, she was commanding: “But I could use my mother-of-five voice!”

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It is a line Ms. Pelosi uses often, and a voice she may have to rely on frequently as she tries to ensure that the new Democratic majority lasts more than two years.

As speaker, she would be second in line to the presidency — the closest a woman in elective office has come to the White House. And while she has been a leader in Congress for years, and the target of Republican attacks, many Americans still do not know who she is. Her new job places her on a more visible stage, with much greater stakes.

Ms. Pelosi, 66, who has been a San Francisco congresswoman for 20 years, became minority leader and then guided her caucus to victory by enforcing remarkable party discipline. She curbed the demands of those who share her often-caricatured liberal values, while making a place for the party's conservatives, for whom San Francisco is sometimes as distant as the moon.

She finds herself now with a more diverse caucus than before, some of its liberal members elected on a pledge to pull out of Iraq immediately, some members so conservative they often sounded like Republicans during their campaigns. She also has to work with Republican House members and a president she blasted — and took a blasting from — during a bitter two-year campaign.

Her friends say her background — as the daughter of a Baltimore mayor and congressman, the youngest and only girl in a family of six children, and the mother of five — has prepared her perfectly.

"I'll say to her, 'Nancy, I'd blow up if I had to deal what you deal with,' and she says, 'I had five children in six years,' " said Representative Anna G. Eshoo, Democrat of California, an old friend of Ms. Pelosi. "If there wasn't discipline in her house, there would have been chaos. She knows how important that is."

Ms. Pelosi's colleagues and friends describe her as a person of singular focus. That was evident as the House worked its final night before breaking to campaign for the midterm elections, significantly distracted by the resignation of Representative Mark Foley, Republican of Florida, after he was revealed to have sent sexually explicit electronic messages to Congressional pages.

Toward midnight, Ms. Pelosi took the floor. "As a mother and grandmother and the leader of the House Democrats," she began, demanding an investigation into what House leaders knew about the Foley messages. Republicans booed, a rarity even in the raucous House chamber. She pressed on, however, smiling her unbudging smile.

"Mr. Speaker, once again, as a mother and a grandmother," she continued, demanding that the votes be recorded.

Representative George Miller, Democrat of California, said, one of the things that motivated her to run for leadership "was that people didn't want to win."

"They were all going through the motions, but they weren't kicking it into gear." he said. "She looked around and said, 'What is this? I didn't come here to hang out.' "

After the Democrats lost in 2004, Ms. Pelosi talked to consultants about how the party could win, rather than resigning itself to minority status. Their suggestion, her advisers said, was to "take down" the president; it was not enough to simply kick him in the shins. Then, the consultants advised, she had to differentiate between the two parties, and finally, articulate the positive things that the Democrats would do.

She fought the president first on Social Security, sending Democratic lawmakers to tell the elderly in town-hall-style meetings that the president's plan for change would reward Wall Street at their expense.

While she had long opposed the war, she also realized that a liberal congresswoman from California would have little impact in speaking out against it. And she pushed back against liberal members of her party who wanted to protest by denying financing for the war. Instead, she worked quietly with Representative John P. Murtha, a conservative Democrat from Pennsylvania and a veteran who had supported the war, to get him to express his growing doubts about it.

Representative Edward J. Markey, Democrat of Massachusetts, said: "The most credible person in the Democratic Party would be the face of the party on this issue. She knew that because he had supported it, he had the greatest credibility to critique it."

Mr. Markey called Ms. Pelosi a liberal pragmatist: "San Francisco on the inside, Baltimore on the outside."

When Ms. Pelosi and Senate Democratic leaders were drafting their "Six for '06" platform going into the campaign, she pushed back on including traditionally liberal ideas like universal health care.

"She realizes that you cannot make everyone happy," said Senator Harry Reid of Nevada, the Democratic leader.

Ms. Pelosi has used a style that one Democratic aide characterized as "chocolate and the gavel" to bring party members along. As she rose through the ranks, she would often deliver chocolate cakes to supporters or helpful staff members, and now her meetings are characterized by bowls of Ghirardelli chocolate. Representative Gene Taylor, a conservative Democrat from Mississippi, was heartened when Ms. Pelosi called to encourage his efforts after Republicans had refused to extend health benefits to reservists in a military appropriations bill. Mr. Taylor had voted against her in the leadership elections, but the gesture was the start of a positive relationship.

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“She puts a very big premium on people who have ideas, but not if you think your idea is to the exclusion of everyone else’s input,” Mr. Taylor said.

Where the history is not so clear is whether Ms. Pelosi can find common ground with Republicans, if they let her. Her advisers say she wants to work in a bipartisan manner, but that does not mean agreeing to everything.

The biggest question is how Ms. Pelosi will define her relationship with President Bush. Her staff says the two already have some rapport because of the documentary film that her youngest child, Alexandra, made about the president’s 2000 campaign. But that is different from a working political relationship.

She will have her first chance on Thursday, when she has lunch with Mr. Bush.

In a rare unscripted moment Wednesday, Ms. Pelosi noted that Mr. Bush had telephoned her that morning. “He called to congratulate me, referred to me as Madam Speaker-elect,” she said, smiling. She paused, then — still smiling — added, “I referred to him as Mr. President.”

Democrats To Usher In Change In Judicial Nominations, Investigations (LAW)

By T.r. Goldman, Legal Times

Legal Times, November 9, 2006

Democrats, as widely expected, wrested control of the House of Representatives from the Republicans, after 12 years of Republican rule, in elections across the country Tuesday, setting the stage for a series of intensive investigations of the Bush administration by several different House committees.

But it appears Democrats also carried the Senate -- radically changing the politics of federal judge-picking as well -- and that victory was something of a surprise, even to them. As of Wednesday afternoon, Democrat James Webb had claimed victory in the Virginia Senate race over incumbent Sen. George Allen, but a recount that could take several weeks appeared likely. If Webb is indeed the winner, Democrats will have a 51-49 edge.

"There just wasn't a firm sense this would happen," says a senior Democratic staffer. "It could have been as few as two pickups," the staffer adds, referring to previously Republican seats won by Democrats. "But six was at the high end."

The Democratic Senate victory, assuming it holds, could also have profound implications for the next Supreme Court pick, if 86-year-old Justice John Paul Stevens dies or resigns, or another justice resigns or falls ill, during the last two years of the Bush administration.

"The biggest thing [about the Democratic takeover] is judges," notes David Hoppe, former chief of staff to Sen. Trent Lott, R-Miss. "Everything else has a way of working itself out," adds Hoppe, now a lobbyist at Quinn Gillespie & Associates.

By midday Wednesday, Senate Judiciary Committee Democrats had already plunged into discussions over the agenda they planned to carry out in their expected majority status.

If they are indeed the majority, then when the 110th Congress begins in January, the Senate Judiciary Committee will be led by Vermont's Patrick Leahy, a 32-year veteran who had previously chaired the committee for 18 months, from mid-2001 until just after the 2002 elections, after the departure of Vermont's James Jeffords from the Republican Party.

Legislatively, the changes between a Leahy-controlled committee and the current committee, under Chairman Arlen Specter, R-Pa., shouldn't be that extreme; the men are relatively close ideologically.

The major difference will be the politically contentious issue of federal judges, especially federal circuit judges, as well as a possible Supreme Court replacement.

At the very least, a Democratically controlled Senate Judiciary Committee would make it unlikely that President George W. Bush's most conservative choices will even get out of the committee. That would leave Bush with two choices: He could pick more moderate conservatives that would pass Democratic muster, or he could pick highly conservative judges who would not get a majority committee vote, a choice that would give the Republicans' ultraconservative base an energizing issue.

That strategy may be difficult, however, in the event there is a Supreme Court replacement, notes Hoppe.

"If there is a vacancy on the Supreme Court, it will be harder to say, 'Gee, golly, I won’t fill it,'" he says.

In both the Senate and House, Democratic majorities will almost certainly translate into one major change: more oversight.

The Senate Judiciary Committee will revisit the lack of habeas corpus rights for Guantanamo Bay detainees, the administration's warrantless surveillance program, and patent reform, according to lobbyists who follow the committee.

In the House Judiciary Committee, the gavel will move to Michigan Rep. John Conyers, a mercurial veteran who on Tuesday was elected to his 21st House term.

Conyers' staff were in meetings all day Wednesday, so a future agenda for the upcoming majority staff was difficult to determine.

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But Conyers will certainly share certain oversight duties with Henry Waxman, the California Democrat who will chair the House Committee on Government Reform. That committee, which was expanded during the years of the Clinton impeachment, has maintained a large staff. And Waxman has a reputation as an aggressive investigator.

While in the minority, Waxman has continued to produce investigative reports; one of the most recent, documenting the links between ex-lobbyist Jack Abramoff and the Bush White House, resulted in the resignation of Susan Ralston, then a White House aide to Karl Rove.

Hoyer, Murtha Battle (RC)

By Jennifer Yachnin And John Bresnahan

Roll Call, November 9, 2006

As Rep. Nancy Pelosi (D-Calif.) pledged Wednesday to rule the House fairly in the 110th Congress as the first-ever female Speaker, a handful of senior Democrats moved aggressively to secure other leadership posts in their nascent majority.

One day after Democrats decisively seized control of the chamber from the GOP, one of the architects of that victory — Democratic Congressional Campaign Committee Chairman Rahm Emanuel (Ill.) — remained mum about his plans despite speculation that he could run for Majority Whip.

Current Minority Whip Steny Hoyer (D-Md.) was not similarly hesitant, formally announcing his bid for the Majority Leader's office early Wednesday morning and confidently predicting that he will secure the post when Democrats vote in leadership election on Nov. 16.

"I think I'm going to win," Hoyer said in an interview Wednesday. The Maryland lawmaker, who has served as Minority Whip since 2003, said "over a majority" of House incumbents as well as newly-elected lawmakers "have indicated that they would be supportive of me."

But Rep. John Murtha (D-Pa.) — who stunned fellow lawmakers when he announced in June that he would campaign for the Majority Leader post against Hoyer — re-affirmed his own interest in the office Wednesday.

"I'm working diligently now trying to convince people that I'd make a good balance" to the leadership team, Murtha said in an interview with National Public Radio.

The Pennsylvania lawmaker declined to be interviewed for this article.

Murtha, who is the ranking member of the House Appropriations subcommittee on Defense, also defended his decision to seek the leadership post, asserting that not only is the office an "open seat" in the new Congress, but arguing that he outranks Hoyer in the Caucus hierarchy.

"There's Nancy Pelosi, [Appropriations Committee ranking member Rep.] Dave Obey (D-Wis.) and myself, and then Hoyer is listed after me in the power plays," Murtha said on NPR.

That assertion bewildered at least one Democratic House lawmaker, who spoke on the condition of anonymity: "In my mind that shows a lack of understanding. I like Mr. Murtha but that's not just the way it is."

"There is real genuine concern that we don't want to see a divisive leadership fight, just at the time that we're seeing tremendous success and tremendous unity and harmony and good feelings in the Caucus," the lawmaker added.

Although some Democratic lawmakers have acknowledged their support for one of the would-be Majority Leaders, neither Hoyer nor Murtha have released lists of backers.

Hoyer asserted Wednesday that doing so could create unnecessary divisions in the Caucus heading into the new session.

"My object is to keep our Caucus unified ... so I'm not going to put out any lists," added Hoyer, who is expected to receive the support of the fiscally conservative Blue Dog Coalition, as well as the New Democratic Coalition.

A group of senior lawmakers representing a broad cross-section of the Caucus — including Reps. Barney Frank (Mass.), John Dingell (Mich.), Henry Waxman (Calif.), Ellen Tauscher (Calif.), Ike Skelton (Mo.), John Lewis (Ga.), Lucille Roybal-Allard (Calif.) and James Oberstar (Minn.) — issued their own letter Wednesday urging fellow Democrats to back Hoyer's bid.

"Steny ... has been an instrumental part of our leadership team, reaching out to all elements of our diverse Caucus and helping to bring Democrats together," the letter stated. "Our continued unity is imperative, and we believe that the leadership team that brought us to this point should continue to lead us in the new Majority."

In addition, the significant time Hoyer has spent over the past two years building a base of support among junior Democrats, including challengers and open-seat candidates, by raising money and making campaign visits to 80 districts, appears ready to pay dividends, as several Members-elect confirmed Wednesday that they will cast ballots for the Maryland lawmaker next week.

"I watched Steny Hoyer for the last few months," said Rep.-elect Albio Sires (D-N.J.), one of several incoming House Democrats who now support Hoyer's bid. "He has worked very hard to keep the Caucus unified and worked on electing new Members. ... I think he has real authentic qualities that earn him a lot of support."

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Rep.-elect Brad Ellsworth (D-Ind.) said Murtha called him on Tuesday night, but he was still backing Hoyer, whom he first met in early 2005.

"It's like in anything — when you establish a relationship of trust, it makes the decision easier," Ellsworth said. "Congressman Hoyer was one of the first people in April '05 that I met with when I went to [Washington, D.C.] to decide if I was going to run. Since that time, I have been in contact with him a dozen times or more. ... It just feels more natural due to the relationship that we have that I would support him."

Ellsworth said Murtha called him on Tuesday night to congratulate him on his victory over Rep. John Hostettler (R-Ind.), but has had no other contact with the Pennsylvania Democrat. "It was on Election Night, a short conversation to congratulate me," Ellsworth said.

Hoyer gave nearly $14,000 to Ellsworth's campaign, while Murtha donated $4,000.

While House lawmakers backing Murtha acknowledge that he does not have one particular base of support, they claim that Murtha will instead draw endorsements from across the Caucus.

"It's not a factionalized race," Rep. Mike Capuano (D-Mass.), a Murtha backer, said Wednesday.

The Massachusetts lawmaker also added that he has advised Members-elect not to offer endorsements in the race prior to arriving in Washington next week for an organizational meeting of the Caucus

"My hope is that not a single new Member would spend a single second thinking about these leadership races before Tuesday," Capuano said.

In addition to the Majority Leader competition, Democrats could see a contest for control of the third-ranking post of Majority Whip.

Although House Democratic Caucus Chairman James Clyburn (D-S.C.) remained the only active candidate for the post Wednesday evening it is possible that Emanuel, who has said he will not serve a second term as DCCC chairman, will make a bid for the office.

Appearing at a press briefing Wednesday, Emanuel declined to discuss his plans, asserting that he wanted to confer with fellow lawmakers before issuing a decision. "Give me 24 hours more to decide," he said.

But even if Emanuel decides against challenging Clyburn for the post, the South Carolina lawmaker could still face competition. Rep. Diana DeGette (D-Colo.), the current Chief Deputy Minority Whip, has not spoken publicly about her interest in the post, but is nonetheless expected to enter the race if Emanuel does not.

Clyburn officially announced his bid Wednesday in a letter to fellow lawmakers — although he began actively seeking endorsements in mid-October — touting his previous leadership experience, including chairing the Congressional Black Caucus as well as serving three years as the Democratic Caucus vice chairman.

"You run for the next office by serving well in the office you hold," Clyburn said during the DCCC's election watch party Tuesday night.

In the meantime, Pelosi, who is expected to ascend to the Speaker's office in January when Democrats take control of the House, has demurred on whether she will offer her own endorsement in the leadership races, asserting at a Wednesday press conference that Democrats first needed to finalize the outcome of several races.

"Democrats pledge civility and bipartisanship," Pelosi said at a midday press conference, her first in the wake of the Tuesday victory. "Democrats are not about getting even," she later added. "Democrats are about helping America get ahead."

Some Democratic strategists have suggested Pelosi should intervene in the Hoyer-Murtha contest in order to avoid a divisive inter-party squabble so soon after a major electoral victory, but the California Democrat has not done so yet.

"I think that this has to play out on its own," said a top House Democratic staffer, speaking on the condition of anonymity. Another senior House aide said Pelosi "was staying on the sidelines" and has not indicated any willingness to take sides.

Murtha has won kudos from many in the party for his opposition to President Bush on the Iraq War, despite intense criticism from House and Senate GOP leaders, as well as conservative commentators. Hoyer, while not close to Pelosi personally, has raised millions of dollars for Democratic candidates and incumbents, and spent extensive time on the road this election cycle, all of which earned him support within the Democratic Caucus.

In the interim, Democrats will hold an organizational meeting Tuesday, one of the first steps as the Caucus prepare to take over the majority party role it last held in 1994.

According to Capuano, who has overseen a review of the internal Caucus rules in recent months, Democrats will vote Tuesday on a new package of guidelines, covering everything from the selection of committee chairmen to more mundane regulations.

"There's no real shake-up in these rules, the real shake-up will come in the House rules," Capuano said.

Senior House Democratic aides said Pelosi and other Democratic leaders have otherwise done almost no preparatory work on taking over physical control of the House.

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Pelosi has not appointed a trusted Democrat to oversee the transition to Democratic rule, a tactic former Speaker Newt Gingrich (R-Ga.) employed when the GOP won control of the House in the 1994 midterm elections.

Pelosi was very sensitive to accusations by President Bush and other Republican leaders that Democrats "were measuring the drapes" at the Capitol for a takeover, they purposely delayed any transition planning.

"[Pelosi] put the nix on anyone doing the transition," said a high-ranking Democratic aide.

Bush did telephone both Pelosi and Hoyer early Wednesday morning — he joked at a press conference that he had given Pelosi "the name of some Republican interior decorators who can help her pick out the drapes in her new office" — and the Democratic leaders are scheduled to have lunch at the White House today.

"I had a very cordial conversation," Hoyer said of his conversation with Bush. "Over the next two years, he wants to work together. If that's the posture he takes, we want to do the same."

Blue Regime Augurs A Shift In Chairs (WSJ)

By Brody Mullins

The Wall Street Journal, November 9, 2006

WASHINGTON -- A day after winning control of the House, Democrats appear on the verge of taking over the Senate as well, giving them the ability to steer the agenda across Capitol Hill.

Though the Virginia outcome isn't official yet, it appeared last night that Democrat Jim Webb was about to prevail in the final Senate race Democrats needed to take effective, though exceedingly, narrow control. The Associated Press, after a statewide check of local election officials, declared Mr. Webb the winner after determining his razor-thin lead would hold up after a canvassing of the statewide vote.

The Republican, Sen. George Allen, isn't yet conceding. The Senator "wants to be sure all the votes are counted," said Dan Allen, a spokesman, last night. Republican officials said Sen. Allen is likely to want to wait until an initial canvassing of the results reported by the state's voting districts is completed before considering a concession. That canvassing might be completed today, they said.

If the canvassing doesn't show any anomalies, Sen. Allen might not seek the full, statewide recount he could request under state law, officials said. The new AP count showed Webb with 1,172,538 votes and Allen with 1,165,302, a difference of 7,236.

Earlier yesterday, Democrats also prevailed in the other Senate race that was too close to call on Tuesday night after the polls closed, the contest in Montana. Democrat Jon Tester was declared the narrow winner there when all votes were in.

The victories in Montana and Virginia would give Democrats an effective 51-49 majority. It would elevate Nevada's Harry Reid to the post of Senate Majority Leader, and he would then oversee Congress with Nancy Pelosi of California, who is poised to become Speaker of the House. Democrats would control both the House and Senate for the first time since 1994, when Republicans won a landslide election.

Technically, the Senate would be divided 49-49 between Republicans and Democrats. But the chamber also will include two Senators -- Joseph Lieberman of Connecticut and Bernie Sanders of Vermont, both of whom say they will align with Democrats.

Despite that, Democrats face a challenge translating the gains at the polls into wins on Capitol Hill. With the threat of a filibuster always possible, most legislation needs 60 votes to pass the Senate. President Bush also holds veto power.

Still, the Democrats' victory will have broad impact on how Congress conducts business. Democrats will take over dozens of congressional committees and will have the power to set the agenda for those panels. Some in line to become chairmen have suggested that, even if they can't pass legislation that Mr. Bush would sign into law, they would use the power of the gavel to conduct oversight hearings and investigations into the administration and some of its corporate allies.

In the Senate, Pat Leahy of Vermont would take over the Judiciary Committee; Hawaii's Dan Inouye would take the reins of the Commerce Committee; Edward Kennedy of Massachusetts would inherit the Health, Education, Labor and Pensions Committee; and Jeff Bingaman of New Mexico would run the Energy and Natural Resources panel.

A former lawyer, Mr. Leahy has talked about removing the antitrust exemption for some insurance companies. Mr. Kennedy has plans to lead the charge on raising the minimum wage and expanding health care to the poor and needy.

At the Commerce Committee, Mr. Inouye champions many of the maritime and telecommunications policies of current chairman Republican Sen. Ted Stevens of Alaska. A major rewrite of the telecommunications law isn't likely to be affected by the changeover.

Likewise, Mr. Bingaman likely wouldn't bring major changes to energy legislation. The current chairman, Pete Domenici, joins him in representing New Mexico in the Senate. One difference is that Mr. Bingaman is a stronger supporter of renewable fuel and alternative energy sources.

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The same goes for the Senate Banking Committee, where Connecticut's Chris Dodd is in line to be chairman. Few industry watchers expect a significant shakeup in the tone coming from the committee, which oversees the Securities and Exchange Commission and Federal Reserve, among others. The impact may be felt around the margins, with credit-card companies and big business potentially losing ground to insurers and retail investors.

In the House, the incoming chairman of the Energy and Commerce Committee, John Dingell (D., Mich.), has told the Federal Communications Commission to hold off on approving the merger between AT&T Inc. and BellSouth Corp. until he formally takes control of the panel next year. Mr. Dingell may ask for conditions on the merger that his predecessor, Texas Republican Joe Barton, didn't.

Rep. Barney Frank (D., Mass.), expected to take over the Financial Services Committee, will focus attention on affordable housing and predatory lending. But Mr. Frank also hopes to enact new regulations on government-sponsored enterprises, such as Fannie Mae and Freddie Mac, that were endorsed by the current chairman, Mike Oxley (R., Ohio).

Rep. Charles Rangel, (D., N.Y.), who inherits the Ways and Means Committee, said he is inclined not to try to repeal Republican-passed tax cuts which are set to expire in 2010. In a conference call with reporters yesterday afternoon, Mr. Rangel said he wants to close the so-called tax gap between the amount of money the Internal Revenue Service is owed and how much it collects.

The IRS relies on private-sector companies to help it collect revenues that it is owed. Mr. Rangel said using private debt collectors is "terrible." Mr. Rangel said he would like to approve legislation as early as next week to exempt million of taxpayers from paying higher taxes under the alternative minimum tax.

Rep. Henry Waxman, (D., Calif.), who will run the Government Reform Committee plans to probe oil-company prices, government contracting in Iraq and massive growth in homeland-security expenditures.

Others assuming committee chairmanships in the House include Michigan's John Conyers at the Judiciary Committee; California's George Miller at the Education and Workforce Committee; and Wisconsin's David Obey at the Appropriations Committee. They are among the longest-serving lawmakers on Capitol Hill. Mr. Conyers, 77, began his career in Congress as an intern to Mr. Dingell, 80, about a half-century ago.

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Democrats Promise Radical Reform (FT)

By Holly Yeager In Washington

Financial Times, November 9, 2006

Democrats in the House of Representatives on Wednesday declared themselves ready to press forward with an ambitious agenda and promised to enact the kind of change that they said voters demanded on Tuesday.

But they also tried to deflect attention from the liberal records of those set to ascend to top jobs in Congress, vowing to work with Republicans.

“We extend a hand of co-operation to the president, our colleagues across the aisle,” said Rahm Emanuel, the Chicago Democrat who led the party’s campaign committee. “We’ll work with you when we agree, we will challenge you when we don’t. But our goal will always be the best interests of our country.”

Uncertainty over which party would control the Senate – and the possibility that President George W. Bush could use his veto – necessitated such an approach. But so too did the growing strength of moderate Democrats, who expect to hold considerable sway in the new House.

“We will be the group that gave the Democrats the majority,” said John Tanner, a Tennessee congressman who is among the leaders of the Blue Dog coalition, a group of moderate Democrats who stress fiscal responsibility and often come from socially conservative districts.

Public expectations are also likely to shape the Democrats’ agenda. “This Democratic majority has heard the voices of the American people,” Nancy Pelosi, who will become the first female speaker of the House, said on Wednesday, with Iraq the place where the demand for change is most clear. Despite pleas from some on the left of their party, Democrats have ruled out impeachment proceedings against Mr Bush for his conduct of the war. They have also vowed not to cut off funding for US troops in Iraq.

A CBS News/New York Times poll this week found that 41 per cent of voters – and 50 per cent of Democrats – said that the war in Iraq would be the Democrats’ top priority if they controlled Congress. While Democrats portrayed the election as a referendum on Mr Bush and the war in Iraq, the difficult situation on the ground and divided views about what to do there, as well as the need to avoid appearing weak on national security and the White House’s power in this area will make quick, tangible progress difficult to achieve.

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Mrs Pelosi has focused immediate attention on an aggressive package of measures that she said Democrats would enact in their first 100 hours in the majority.

Prompted by a series of recent ethics scandals, the top item in that "Six in '06" platform is a set of rules changes, which Mrs Pelosi said would "make this the most honest and open Congress in history". After Democrat complaints that Republican leaders frequently excluded them from debate and other House functions, she also pledged to restore civility and give the minority party a broader role.

The early agenda also includes increasing the federal minimum wage, enacting the homeland security recommendations of the bipartisan 9/11 commission, promoting stem-cell research and reducing university costs, by making tuition tax deductible and halving interest rates on student loans. Other priorities include giving the government the power to negotiate with drugs companies to lower prices in the Medicare prescription drug programme, eliminating what they say are Republican-backed incentives to shift jobs overseas and rolling back subsidies for big oil companies, using those funds to promote alternative energy sources instead.

"Jobs, healthcare, education, energy independence, a safer America, a dignified retirement – that's what the Democrats are all about and we're going to do that in the first 100 hours," Mrs Pelosi said on the campaign trail.

Democrats also pledged to adopt so-called "pay-go" rules, which re-quire any new spending or tax cuts to be offset by changes elsewhere in the budget.

Such a move would be popular with the Blue Dogs, who take their name from the Southern description of a party loyalist – one who would vote for a yellow dog if it were on the ballot, as long as it was running as a Democrat. The Blue Dogs were moderate and conservative Democrats who claim to have been "choked blue" by their party in the late 1980s and early 1990s, when liberals were in control.

"It helps force choices," said Mr Tanner.

Tuesday's vote saw the number of Blue Dogs in the House increase from 37 to 44, including several in the Ohio River Valley. Their new ranks include some lawmakers who are likely to become quick celebrities in the capital, such as Heath Shuler, a former Washington Redskins professional football quarterback. Mr Shuler, elected in North Carolina, opposes abortion and gun control.

Mr Tanner said Blue Dogs would also push for a financial audit of all government agencies and for including the costs of the war in Iraq within the federal budget, rather than treating it as a supplemental cost that is not included with other budget calculations.

Mrs Pelosi has earned a reputation as a San Francisco liberal and several Democrats poised to take over as chairmen of key committees have long records on the left of their party.

But James Thurber, director of the Center for Congressional and Presidential Studies at American University in Washington, said a Democratic majority would not be able to base its work on strictly liberal policies. "Elections have mandates, and the number of moderates elected means they'll have to go to the middle."

Finance's New Chair Has Equality On Agenda (USAT)

By Sue Kirchhoff

USA Today, November 9, 2006

WASHINGTON — Expect keen wit, tough oversight and a sharply different emphasis when Massachusetts Democratic Rep. Barney Frank, 66, becomes chairman of the House Financial Services Committee, overseeing banking, housing and corporate governance.

One of the few openly gay House members, the Harvard-educated Frank is a liberal on social issues. He advocates tougher regulation in areas than current Chairman Michael Oxley, R-Ohio, but insists he's not anti-business. Frank's goal is to ensure that economic benefits are better distributed.

"We're getting economic growth, but it's coming at very great increases in inequality," Frank said in a recent interview. "How do you do a better job promoting growth without exacerbating" the widening gap between the rich and less well-off?

Among Frank's priorities: expanding affordable housing, enhancing consumer privacy rights and going after predatory mortgage lending. He has introduced legislation to force public companies to get shareholder approval for lavish CEO pay packages and to provide the Securities and Exchange Commission greater authority over hedge funds. Frank has opposed efforts by Wal-Mart and other firms to delve into financial services by acquiring a type of bank.

"He is a liberal who understands markets," says Floyd Stoner, chief lobbyist for the American Bankers Association. "When you work with Mr. Frank you have to be knowledgeable, organized and succinct."

Frank said Wednesday he will wait to announce an agenda for next year. In the short term, one big unknown is whether there will be a push to impose new oversight of Fannie Mae and Freddie Mac when Congress reconvenes this month, still under

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GOP control. The House has passed a bill letting a new regulator cap the mortgage giants' $1.4 trillion portfolios. The Senate Banking Committee has a tougher stance.

Democratic gains could take some wind out of a business-backed drive to relax provisions of the Sarbanes-Oxley Act, passed in reaction to the Enron accounting scandal. Businesses say the act, particularly tighter accounting provisions, is onerous. A Frank spokesman said he is not interested in changing Sarbanes-Oxley but would rather let the SEC use discretion in enforcing its costlier provisions.

Stoner and Sheila Crowley, president of the National Low Income Housing Coalition, note that there has long been bipartisan support on the committee for many issues that Frank champions, such as regulatory relief and housing. With Democrats in control, some of these bills — stymied under the GOP leadership — could have a full House vote.

“He'll hit the ground running, and we'll be there to help that happen,” says Crowley, adding that along with Frank's efforts to build low-income housing, she hopes the committee will provide more oversight of rebuilding on the hurricane-battered Gulf Coast.

Gay rights advocates say Frank's chairmanship has symbolic, as well as substantive, meaning.

“Having him in a chairman's role is important, because I think one of the most important things we should be looking for is that Congress looks a lot more like America,” says Joe Solmonese, president of the Human Rights Campaign, a gay rights group.

The first member of Congress to announce he was gay, Frank has sponsored legislation to provide benefits to domestic partners of federal employees.

Frank was reprimanded by the House in 1990 after revelations that a male prostitute he hired as a household employee had run a prostitution business from Frank's home. He survived politically by coming clean to the Ethics Committee.

One of the House's fastest-talking, and fastest-thinking, lawmakers, Frank looks impatient even when sitting still. He is widely viewed as one of the premier speakers in Congress.

“He's one of the best I've ever seen,” says Dan Mica, a former GOP congressman and now head of the Credit Union National Association. “I would never want to debate him on the other side.”

Frank's prickly demeanor can put people off. He told his hometown paper, The Boston Globe, that he would try to tone down his comments if Democrats won the majority, to ensure he doesn't say anything to upset the markets.

Easily re-elected from a district that includes liberal strongholds as well as aging industrial and coastal areas, Frank has secured funds for defense contractors, the fishing industry and tech firms.

A native of Bayonne, N.J., Frank stayed in Boston after graduating from Harvard. He was first elected to Congress in 1980, succeeding Democratic Rep. Robert Drinan, a Catholic priest, who gave up his seat in the face of a Vatican ban on clergy in public office.

Dingell Cautions Fellow Democrats Not To Seek Revenge On Republicans By JOHN J. FIALKA (WSJ)

The Wall Street Journal, November 9, 2006

Rep. John Dingell, who has long had a reputation as a partisan investigative bulldog, is in the unusual position of cautioning younger Democrats to resist the impulse to seek revenge on their Republican colleagues.

"Revenge makes you feel good," says Mr. Dingell, the Michigan Democrat who, at 80 years old, is the most seasoned member of the committee chairmen taking control in the House. "It ain't the right way to go, but it's going to cause me some problems."

In taking back the reins of the Energy and Commerce Committee, for which he was chairman from 1981-94, Rep. Dingell says he plans to run his panel "from the center" and work out a formula for comity that allows Republicans to participate in the panel's decisions and investigations.

But he and other Democrats who want to reach out to Republicans to avoid gridlock may encounter some resistance from younger Democrats, half of whom have never served in a House controlled by Democrats. Many are smarting from being shut out of debates by Republican leaders and see the coming Democratic takeover as payback time.

Mr. Dingell has set an ambitious agenda for his committee, which has jurisdiction over a vast array of issues from climate-change regulations to prescription-drug prices for the elderly to foreign-currency manipulations that, he says, hurts the auto industry and other U.S. manufacturers.

A senior Republican House aide, who recalls the way Mr. Dingell ran the energy panel before, says Republicans see Mr. Dingell as "a very hard driver for his position," but also someone who "generally believes he works with both sides of the aisle."

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Michael Kitzmiller, one of Mr. Dingell's former committee staff directors, cautions that Mr. Dingell's approach was far from free of partisan rancor. "We had these conflicts [with Republicans] that were just horrendous, but he had a way of not letting it explode to destroy the basic comity of the committee," he said.

Mr. Dingell also brought Republicans in on his investigations. In 1994, when Democrats lost control, some Dingell aides wrote down the formula he used to coach his investigative staff: "We learned the etiquette of dealing with our enemies: to be gentle, to treat them with the greatest care, to ask them a few nice questions, and then give them exactly what they deserve." Mr. Dingell has it hanging on the wall of his office.

Mr. Dingell governed with a sense of humor. Peter Stockton, one of his chief investigators, remembers his pouncing on a subpoenaed invoice that showed a defense-industry official once billed the Pentagon for kennel charges for a dog named Furston. "Who is Furston?" Mr. Dingell asked the hapless witness, who said he didn't know. "Well, let me read you a voucher here. Is Furston a dog?"

He also used patience. Mr. Kitzmiller recalls becoming so outraged at Mr. Dingell's penchant for protecting the auto industry and resisting gun-control measures that he resigned several times. "He would always call me back later and say 'Well, you don't have to deal with that anymore.' " When one younger member of the committee proved troublesome and always complained about assignments, Mr. Dingell tolerated him. "I said why do you put up with that?" recalls Mr. Kitzmiller. He said "because he reminds me of me."

Some younger Democrats are excited about the man some of them call "Big John" climbing back into the saddle. "He's legendary, well-known for using the committee to really get to the bottom of significant changes facing our nation," says Rep. Tammy Baldwin, (D., Wis.), who joined the panel in 1998 to work on health-care issues.

To some of the younger Democrats, the name Rayburn simply denotes the office building where the committee's office is located. To Mr. Dingell, it means Sam Rayburn, the former speaker of the House who was one of his first mentors when he arrived in Congress in 1955 at the age of 29. Mr. Rayburn's motto was "those who go along, get along."

Mr. Dingell's memories of the ways of Congress go back well before that. According to his aides, he breaks out in archaic language to brand enemies as "blackguards" "know-nothings" "pantywaists" and "lickspittles." This puzzled some of them until one came across a speech given by Mr. Dingell's father, who was also named John Dingell. He came to Congress in 1933 and his son inherited his seat. "The boss sometimes quotes from his father's old speeches," said an aide, who asked not to be identified.

Republicans Blame Their Party Leadership For Tuesday's Losses (MCT)

By Steven Thomma

McClatchy Newspapers, November 9, 2006

WASHINGTON — Republicans turned on one another Wednesday after losing control of power in Congress - blaming an out-of-touch, self-promoting party leadership for abandoning ethics and conservative principles and turning off the country.

The first political casualty was House Speaker Dennis Hastert, R-Ill., who announced he'd step down from the party's leadership.

More casualties were possible. At least one conservative movement leader demanded that Republicans in the House of Representatives delay electing leaders for the next Congress beyond the scheduled date of next Wednesday, presumably to allow time to reconsider the current slate.

Discontent could spread to the Senate, where Republicans lost a fifth seat Wednesday in Montana. There, Democrat Jon Tester defeated Republican Sen. Conrad Burns, who was tarred by his ties to disgraced lobbyist Jack Abramoff.

That put Democrats into at least a 50-50 tie with Republicans for Senate control.

That left Virginia, where Democrat James Webb led Republican Sen. George Allen by about 7,000 votes out of 2.3 million cast. Allen refused to concede, saying he'd wait to see final official results on Nov. 27 before deciding whether to seek a recount.

If Webb's lead holds, Democrats will control the Senate. If Allen wins a recount, then Vice President Dick Cheney would break the tie to let Republicans control the Senate, though their grip on power would be much diminished compared with the past five years.

Regardless of the final outcome in the Senate, Republicans knew they lost power Tuesday, and their leading voices found plenty to blame in their party.

Veteran conservative strategist Richard A. Viguerie was especially caustic.

"Every single member of the Republican leadership in the House should be replaced. They have failed the conservatives who put them in office, and they have failed the people of this country," Viguerie said.

"This election was also a referendum on the so-called `neoconservatives' - the big-government Republicans who took us into a nation-building war while they busted the budget and enriched big business and its K Street lobbyists."

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"I feel liberated," said conservative radio talk show host Rush Limbaugh, one of the party's biggest cheerleaders. "I no longer am going to have to carry water for people who I don't think deserve having their water carried."

In one of the most stinging indictments, David Keene, the longtime president of the American Conservative Union - the nation's oldest grass-roots conservative lobby, founded in 1964 - ripped Republicans for spending more taxpayer money than Democrats had and for weak ethics.

"We have watched Republicans elected by promising the highest standards in terms of integrity come to Washington to do good and stay to do well for themselves, their families and their friends, and demean the offices to which they were elected in the process," Keene said.

"We have witnessed the hypocrisy of Republican leaders who came to Washington swearing an allegiance to upholding traditional values work to protect those among their number who have flaunted those values, morals and standards.

"We have stood by as Republicans have flaunted, twisted and ignored rules to achieve their own partisan, rather than principled, ends; leaders who have used earmarks to seduce reluctant members to vote for legislation they knew was wrong and kept votes open for hours while they and their White House allies bludgeoned their colleagues into line in support of such legislation," Keene said.

Keene joined Rep. Eric Cantor, R-Va., in urging House Republicans to postpone their leadership elections until January. Cantor is a member of the existing House Republican leadership as chief deputy whip. Among the many Republicans mentioned as a possible challenger was Rep. Mike Pence, R-Ind., leader of a large bloc of both social and economic conservatives.

Others argued that voters were turned off by the climate in Congress, particularly by its partisanship and a sense that Republican leaders looked the other way at scandals, from Abramoff's lobbying corruption to former Florida Rep. Mark Foley's sexual harassment of teenage male aides.

Hastert presided over a partisan, one-party rule that shut Democrats out of negotiations. He wouldn't even allow the House to vote on an issue unless it could pass solely with Republican votes.

Voters "believed that we came to Washington to change government and government changed us," said Sen. John McCain, R-Ariz.

Voters also rebelled at the sense that the Republican Congress didn't get anything done.

"There was a feeling of a do-nothing Congress," Republican pollster Ed Goeas said.

He said voters wanted "bipartisan solutions rather than the partisan bickering we've seen" and that Republicans want the party "to make sure our leaders have public service as their highest calling, not personal enrichment."

Conservative Talkers, Feeling Just A Little Blue (WP)

By Howard Kurtz

The Washington Post, November 9, 2006

Conservative commentators were bloodied but unbowed yesterday.

After a day in which Republicans lost their grip on the House and appeared on the verge of forfeiting control in the Senate, some of the right's most prominent voices found little cause for discouragement.

"Democrats, in my mind, don't have a mandate because they stood for nothing," radio host Laura Ingraham told her listeners yesterday.

"Republicans lost last night, but conservatism did not," Rush Limbaugh said on the 600 stations that carry his program. "The Democrats beat something last night with nothing. They advanced no agenda, other than their usual antiwar position."

Two distinct camps quickly emerged among the columnists, talkers and bloggers who spent much of the last six years defending the administration. One carried an air of defiance, the other a mood of resignation that what President Bush yesterday called an electoral "thumping" was perhaps deserved.

"People are obviously depressed, but there's also been a sense among conservatives for a long time that Republicans deserved to be taken to the woodshed, and perhaps this will be cathartic," said Rich Lowry, editor of National Review. The Democrats "had the virtue of not being the Republicans and benefiting from an unpopular war and not having high-profile corruption issues hung around their necks, but they also made themselves acceptable to voters."

Moments after the interview, as the president announced that he was replacing Defense Secretary Donald Rumsfeld, Lowry wrote on his magazine's Web site that "a lot of Republicans are probably yelling right now, 'Why didn't you do it BEFORE the election?' Of course, he couldn't have done it right before the election, but a few months ago it might have been a step toward giving the public the fresh look/approach it wanted with regard to Iraq."

Ingraham said after her show that she is "very confused. Wasn't it just last week that the president said Rumsfeld was doing an 'excellent' job? And hasn't the president consistently said that his war policy is driven by what is happening on the ground in Iraq -- not politics or polls?

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"Six months ago the White House could have replaced Rumsfeld, tying the decision to lack of adequate progress in the war -- but doing it the day after the election looks weak and defensive, and a move aimed at placating Speaker-to-be [Nancy] Pelosi."

Beyond the Pentagon and politics, there was simply the trauma, known to every high school athlete, of losing the big game. Commentator Sean Hannity sounded like a therapist as he addressed his followers yesterday: "I know a lot of you are sad. I know a lot of you are bummed. I know a lot of you are depressed. . . . I'll give you 24 hours and then I'm going to tell you to get over it. Don't let yourself wallow in what has happened here."

Brian Maloney struck an equally upbeat note on his Radio Equalizer blog: "Unlike Democrats after their 2004 election debacle, it doesn't seem likely that many conservatives will threaten to move to Canada, spend months in therapy, or engage in angry, unhinged public meltdowns. Welcome to the No-Sulk Zone!"

Some pontificators weren't in mourning for their formerly favorite political party.

"The voters gave the Republicans a well-earned kick in the gut," Atlanta radio host Neal Boortz wrote on his blog, adding that the GOP "bore little resemblance to the Republican majority that rode to power 12 years ago. In 1994 we were promised less government. Over the next 12 years the Republicans more than doubled the size of the government. . . . We were promised fiscal responsibility. We got a bridge to nowhere in Alaska."

Liberals are accustomed to dealing with big political defeats, having gotten plenty of practice in 2000, 2002 and 2004 as Democrats were relegated to minority status. Left-wing blogs have flourished, and liberal radio programs have gotten a foothold. Now conservative pundits, who have been riding high for so long, will be getting some practice.

After months of arguing that a Democratic victory would hand over the House to such scary figures as John Conyers, Barney Frank and Charlie Rangel, some conservatives now say that the winners are not just a collection of loony libs.

Attorney Scott Johnson, who writes for the popular Power Line blog, said from Minneapolis that he is "disappointed" in the voting but takes solace in the fact that "a number of conservative Democrats were elected in the House and Senate. I don't know how that plays with the antiwar, McGovernite thrust of the critique of administration foreign policy."

In certain conservative quarters, there was little effort to dispel the aura of gloom. Blogger Dean Barnett acknowledged online: "We made a case to the American people. They didn't buy it because they thought it was a weak case. And you know what? They were right. In the closing weeks of the campaign season, I felt like I was a lawyer who had a bad client while writing this blog."

But Limbaugh said he felt liberated at no longer having to "carry the water" of Republicans who don't deserve it.

For some, though, there may be a financial silver lining. Lowry noted that National Review's circulation tends to jump when the other side is in power, surging to 280,000 during the Clinton administration, only to decline to 150,000 during the Bush reign. He now expects another bump as conservatives get agitated about the Democrats' new clout in Congress.

"That doesn't mean I was rooting for Nancy Pelosi to be speaker," Lowry insists.

GOP Starts To Play The 'blame Game' Over Its Big Losses (USAT)

By Emily Bazar

USA Today, November 9, 2006

When a political party suffers a major defeat, soul-searching and ideological bickering follow.

Republicans continued that tradition Wednesday, launching a period of self-reflection by trading barbs and pointing fingers.

Commentator Rush Limbaugh accused the Republican Party of straying from its conservative ideology, saying, "This non-partisan Republican identity, that's what went down in flames." Former House majority leader Tom DeLay referred to his party's losses as a "Texas whooping" on MSNBC. He said Republicans had failed to fight for their core beliefs on such issues as tax reform and immigration.

Dick Armey, former House majority leader and an architect of the Republicans' 1994 takeover of Congress, told National Public Radio's Diane Rehm that the GOP had become the big government party. "They actually grew the government," he said.

President Bush took a jocular swipe at his top political adviser, Karl Rove, who is credited with Bush's victories in 2000 and 2004 and GOP gains in the 2002 congressional elections. "I obviously was working harder in the campaign than he was," Bush said.

Post-election finger-pointing is normal, Republican strategist Scott Reed said. "This is a big party made up of economic conservatives and social conservatives, and there will be an attempt to play the blame game," he said.

The party's self-analysis began about a month ago, when polls predicted Democratic wins, Reed said. "These efforts usually make the party go back to its fundamentals, make it more focused," he said.

Democrats went through a similar period in the late 1980s, when the presidency seemed out of reach, said Will Marshall, president of the Progressive Policy Institute.

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“Parties that don't engage in honest self-scrutiny rarely reform themselves,” he said.

The Republican Majority for Choice, a lobbying group for Republicans who support abortion rights and embryonic stem cell research, blamed the losses Tuesday on Iraq and “social extremism,” Co-chairwoman Jennifer Stockman said. “Moderates have been alienated for years. This was the last straw.”

Today, the group planned to unveil a campaign and website, modeled after the liberal MoveOn.org site, called RealRepublicanMajority.org. It will begin running TV ads in Pennsylvania on Sunday, contrasting images of Republican icons like Ronald Reagan with social conservatives such as Sen. Rick Santorum, who lost his seat Tuesday.

The campaign will continue through the 2008 presidential election, Stockman said. She said, “It's all focused on making sure the Republican Party returns to the center if there's any chance of keeping the presidency and getting some of these seats back.”

End Of The Revolution (WSJ)

By Dick Armey

The Wall Street Journal, November 9, 2006

If there was still any doubt, the Republican Revolution of 1994 officially ended Tuesday night with the loss of at least 28 seats and majority control of the House of Representatives. As I write this, the race in Virginia that will determine if the Republicans also lose control of the Senate is too close to call, but leaning Democrat.

It was a rout.

How did we get here? The war in Iraq and historical voting patterns that favor the opposition party in off-year elections are factors suggested by many post-election pundits. Certainly, the mounting problems in Iraq were on voters' minds, but responsibility for the conduct of the war lies with the executive branch, and President Bush was not on the ballot.

That said, this was a national election, driven by national issues. One big issue in exit polls suggests widespread voter backlash against the "culture of corruption." There is something to this, I think. Over time, too many Republicans in the governing majority forgot or abandoned their national vision, letting parochial interests dominate the decision-making process.

All enterprises have a life-cycle. The Republican takeover in 1994 was the culmination of years of agitation by a relatively small group of political entrepreneurs in the House. Before we could beat the Democrats and their "culture of corruption," we had to beat the old bulls of our own party. They too were driven by a parochial vision, and had grown complacent with the crumbs offered them by the majority. It is often said that Newt Gingrich and I "nationalized" the election in 1994, but what the Contract with America really did was establish a national (as opposed to a parochial) vision for the Republican Party. When we took control, that positive Reagan vision of limited government and individual responsibility provided a great deal of discipline and allowed us to govern accordingly. Our primary question in those early years was: How do we reform government and return money and power back to the American people?

Eventually, the policy innovators and the "Spirit of '94" were largely replaced by political bureaucrats driven by a narrow vision. Their question became: How do we hold onto political power? The aberrant behavior and scandals that ended up defining the Republican majority in 2006 were a direct consequence of this shift in choice criteria from policy to political power.

Nowhere was this turn more evident than in the complete collapse of fiscal discipline in the budgeting process. For most Republican candidates, fiscal responsibility is our political bread and butter. No matter how voters view other, more divisive issues from abortion to stem-cell research, Republicans have traditionally enjoyed a clear advantage with a majority of Americans on basic pocketbook issues. "We will spend your money carefully and we will keep your taxes low." That was our commitment. This year, no incumbent Republican (even those who fought for restraint) could credibly make that claim. The national vision -- less government and lower taxes -- was replaced with what Jack Abramoff infamously called his "favor factory." One Republican leader actually defended a questionable appropriation of taxpayer dollars, saying it was a reasonable price to pay for holding a Republican seat. What was most remarkable was not even the admission itself, but that it was acknowledged so openly. Wasn't that the attitude we were fighting against in 1994?

I've always wondered why Republicans insist on acting like Democrats in hopes of retaining political power, while Democrats act like us in order to win.

I've also wondered why Republicans let their fears and insecurities get in the way of important reforms. They missed the opportunity of a lifetime by failing to embrace retirement security based on personal ownership. Instead, from both parties we heard about "saving Social Security" -- to the extent we heard anything at all. Republicans should be for reforms that free individuals and their families from failed government programs. We should not be for "saving" failed government programs. When we took on welfare reform in 1995, we knew we were taking on a Goliath. Once we threw the first rock, we knew we had to finish the job. Otherwise, the worst claims of our opponents would have stuck with us in future elections. With legislative

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success, the horrible accusations of our opponents were replaced with reduced welfare roles, and the individual dignity and self-sufficiency that naturally followed.

In 2006, instead of heavy lifting on substantial reforms, House and Senate leaders attempted to rally their political base on wedge issues like illegal immigration and gay marriage. Instead of dealing with spending bills or retirement security, the Senate dedicated two full legislative days to a constitutional ban on gay marriage that no one expected to pass. No substantive legislation was passed dealing seriously with border security and legitimate guest workers (funding for a 700 mile fence was finally authorized, but no funds were appropriated). In both instances, it was pure politics, designed to appeal to angry factions of the GOP base. While Republicans managed to hold conservative Christians, they alienated independents, who represent 26% of the voting population. For the first time in 10 years, independents sided with Democrats by a wide margin. Candidates that bet on the high demagogy coefficient associated with illegal immigration, notably in Arizona, lost.

You can't build a winning constituency based on anger. The American people expect more. That is a lesson Democrats will soon learn if they wrongly interpret the election results as a mandate to "get even."

Moving forward, my advice to Republicans is simple: Don't go back and check on a dead skunk. The question Republicans now need to answer is: How do we once again convince the public that we are in fact the party many Democrats successfully pretended to be in this election? To do so, Republicans will need to shed their dominant insecurities that the public just won't understand a positive, national vision that is defined by economic opportunity, limited government and individual responsibility.

We need to remember Ronald Reagan's legacy and again stand for positive, big ideas that get power and money out of politics and government bureaucracy and back into the hands of individuals. We also need again to demonstrate an ability to be good stewards of the taxpayers' hard-earned money. If Republicans do these things, they will also restore the public's faith in our standards of personal conduct. Personal responsibility in public life follows naturally if your goal is good public policy.

Besides the obvious impact on the House and Senate, Tuesday's elections will no doubt redefine the Republican field going into early presidential primary states like Iowa, New Hampshire and South Carolina. It will be up to grassroots activists in those battlegrounds to establish a constituency of expectations that anyone aspiring to be the next president of the United States must satisfy. To voters I say: Demand substance and you will get it. To Republican candidates for office I say: Offer good policy and you will create a winning constituency for lower taxes, less government and more freedom.

Mr. Armey, House majority leader between 1995 and 2002, is chairman of FreedomWorks, a national grass-roots advocacy organization.

After Losses, GOP Asks: Now What? (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, November 9, 2006

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WASHINGTON

Even before the votes were counted, the 2006 election set off a sweeping critique of what went wrong both within the Republican Party and among groups that once backed it.

On Capitol Hill, the power struggle to lead the new Republican minority is already under way. On Wednesday, Speaker Dennis Hastert announced he will not to seek the minority leader post in the next Congress.

Those with close ties to disgraced lobbyist Jack Abramoff - or who knew about disgraced former Rep. Mark Foley's e-mails to pages and failed to act - need not apply. Lawmakers are awaiting the results of a bipartisan ethics investigation on a possible coverup in the page scandal, which could produce more openings in GOP leadership.

But GOP self-critics say that the bad environment - scandals, war, the economy, or the president - doesn't account for this historic GOP defeat. The need, they say, is to get back to the principles that won them their majority in 1994.

Call it a bridge to the insurgent past. While the Republican Class of '94 campaigned to balance federal budgets, the GOP in power has racked up massive deficits. The party that campaigned to limit the size of government instead vastly expanded it. And the party that railed against entitlements created the biggest expansion of one, the 2003 Medicare prescription drug program, in a generation.

"We did not just lost our majority, we lost our way," said Rep. Mike Pence (R) of Indiana, one of 25 Republicans who voted against the prescription drug plan. He also chairs the conservative Republican Study Group, the largest group in the caucus.

"While the scandals of the 109th Congress harmed our cause, the greatest scandal in Washington, D.C., is runaway federal spending," he added in a statement within hours of the historic defeat. Mr. Pence sat out the fight in January to replace Rep. Tom DeLay of Texas as majority leader, but he is now widely seen as a top contender. On Wednesday he announced his candidacy for the top GOP post. "Only by making a dramatic turn in the direction of the Republican Revolution can we hope to attain majority status," he wrote in a letter to his GOP colleagues.

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In a separate statement, Rep. Jeb Hensarling (R) of Texas, who has drawn fire from fellow Republicans for his outspoken opposition to members' pork projects, called for a "return to Republican principles by renewing our commitment to limited government, individual empowerment, a strong national defense and traditional American values."

Along the same lines, the current GOP majority leader, Rep. John Boehner (R) of Ohio, called on the GOP to "recommit ourselves to the principles that brought us to the majority and renew our drive for smaller, more accountable government."

At stake in the next leadership fight is whether the GOP continues as a party of big conservative government or returns to its ideological roots in the Goldwater and Reagan eras, say libertarian critics.

"This is all a debate leading up to 2008, which is when we really get to make our decisions: Are we going to continue to follow the George W. Bush path of big government conservatism or the path of Reagan, Goldwater, and - to some extent - Newt Gingrich," says Ryan Sager, author of the recent book, "The Elephant in the Room: Evangelicals, Libertarians, and the Battle to Control the Republican Party."

Libertarians say the GOP's commitment to a social agenda that bans gay marriage and limits government funding for embryonic stem-cell research also contributed to its defeat this week. If there are new leadership elections, the party's conservative base is "going to be looking to clean house," and wipe away remnants of a leadership machine that "presided over the explosion of earmarks and petty corruption and worse," says Mr. Sager.

Meanwhile, business groups that work with the current GOP leadership are prospecting new ties with the incoming Democratic majority. One thing that Republicans and their critics are missing in the postelection analysis is that "this Congress, though well-intentioned, did not achieve a lot of legislative progress," says Jay Timmons, of the National Association of Manufacturers.

Of the many agenda items left incomplete at the end of the 109th Congress, those that most concern the business community include a permanent extension of the estate tax, renewal of research-and-development tax credits, and plans to bring down the high cost of oil and natural gas by increasing the domestic supply.

"They still have time to do this in the lame duck session," he adds.

Conservatism Is Alive And Well (USAT)

By Jonah Goldberg

USA Today, November 9, 2006

The great irony of the post-election spin fest is that Republicans and Democrats are switching their talking points.

For a year, the Republicans tried to frame the elections as a “choice” between the parties and their respective philosophies. The Democrats insisted that the elections were really just a “referendum” on President Bush, GOP corruption and the war. For most of the campaign season, Democratic leaders Rep. Nancy Pelosi of California and Sen. Harry Reid of Nevada hid in their respective spider holes. Later, Democratic National Committee Chairman Howard Dean refused to debate Republican National Committee Chairman Ken Mehlman — all for fear of reminding voters that the Democrats are Democrats. This just wasn't part of their playbook and was one reason Massachusetts Sen. John Kerry's “botched” joke seemed so deadly: It threatened to remind people that a vote against the Republicans was a vote for the Democrats.

Now that the midterm elections are over, and the GOP has lost the House and possibly the Senate, the Republicans like the referendum spin after all. This was just a year to throw the bums out, they say, and a few scandal-plagued bad apples cost the barrel a whole bunch. Meanwhile, the Democrats insist that voters made a bold “choice for change,” whereas before, change merely meant “not Bush.”

Now change means whatever Pelosi, Reid, New York's Sen. Charles Schumer and Co. want. This is a major bait and switch. If I tell my waiter, “I don't want to eat this hamburger,” I've made a choice for change. That doesn't mean I've automatically embraced whatever he brings me in its place. A moldering pottage of road-killed badger is no less change than a steak. But it's not necessarily what most diners have in mind.

Republicans will have a tougher time winning the spin war, not because they have the worse argument, but because they have a worse environment to make it in. America has been moving to the right since at least 1980 with the election of Ronald Reagan. Since then, the GOP has seen its power and popularity grow as a result, albeit not in perfect tandem. Bill Clinton beat the first George Bush largely because he ran as a centrist Democrat. When he wavered in his centrism, the increasingly conservative electorate punished him with the 1994 Republican takeover of both the House and the Senate, which lasted until this week (not counting the 2002 switch in the Senate caused by the defection of Vermont's Sen. Jim Jeffords). And, of course, in 2000 and 2004, George W. Bush won back to back elections. In other words, the GOP was due for a shellacking, and any shellacking would seem like a sea change. But in a historical sense, this week's shellacking was a bit lacking.

Since the direct election of senators (i.e. the past nine relevant midterm elections), the average losses in a president's sixth year have been 34 House seats and seven Senate seats. By that standard, the Democrats came up just shy of average.

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Republican losses in the Senate in 1986 were worse, but few now remember those elections as a national repudiation of conservatism. Yet that's how we're supposed to interpret this week's news. That's hard to do if you look at the candidates who put the Democrats over the top.

Sen. Joe Lieberman's win in Connecticut was hardly a victory for the progressive base.

If Sen. George Allen of Virginia loses, it will be partly because he contracted a terrible case of Dukakisitis — a debilitating disease that causes the victim to run cartoonishly awful campaigns — and because Democrats threw in former Republican Jim Webb, a gun-toting, big-military, anti-affirmative action, right-leaning populist type who quit the Reagan administration as secretary of the Navy because it wasn't hawkish enough.

In Pennsylvania, Democrat Bob Casey unseated Sen. Rick Santorum because he's a nominally pro-life Democrat. Indeed, according to data collected by the leftwing Media Matters for America, 16% of the Democratic candidates in the most competitive races described themselves as "pro-life."

There are other telling indicators. A Fox News election day poll suggests that perhaps a third of supporters of the gay-marriage ban on Virginia's ballot voted for Webb, while similar bans passed in several other states as did a ban on racial preferences in Michigan. Shortly before the elections, one in five self-described independents were "very enthusiastically" voting Democratic.

These are hardly indications of a sudden lurch to the left in American politics. The GOP got thrown out of office because it got fat and lazy and because Democrats — with the help of a transmission-belt media — convinced a lot of voters that they could simply change the channel on the war by voting for "change."

The great irony is that the best thing in the world for the Republicans — though perhaps not the country — would be if the Democrats actually believed their spin and tried to act on a mandate that isn't there. Given the underlying historical trends in conservatism's favor, that would ensure another victory in 2008 for the GOP — as the party of change.

Jonah Goldberg is editor at large of National Review Online. He is a syndicated columnist and a member of USA TODAY's board of contributors.

A Loss's Silver Lining (WP)

By George F. Will

The Washington Post, November 8, 2006

At least Republicans now know where the "Bridge to Nowhere" leads: to the political wilderness. But there are three reasons for conservatives to temper their despondency.

First, they were punished not for pursuing but for forgetting conservatism. Second, they admire market rationality, and the political market has worked. Third, on various important fronts, conservatism continued its advance Tuesday.

And Now, Back to the War

» Sebastian Mallaby The news has been dominated by elections and Iraq. After tomorrow, there will be only Iraq -- and an agonizing choice between soldiering on, scaling back or pulling out.

Of course the election-turning issue was not that $223 million bridge in Alaska or even the vice of which it is emblematic -- incontinent spending by a Republican-controlled Congress trying to purchase permanent power. Crass spending (the farm and highway bills, the nearly eightfold increase in the number of earmarks since 1994) and other pandering (e.g., the Terri Schiavo intervention) have intensified as Republicans' memories of why they originally sought power have faded.

But Republicans sank beneath the weight of Iraq, the lesson of which is patent: Wars of choice should be won swiftly rather than lost protractedly. On election eve the president, perhaps thinking one should not tinker with success, promised that his secretary of defense would remain. That promise perished yesterday as a result of Tuesday's repudiation of Republican stewardship, which, although emphatic, was not inordinate, considering the offense that provoked it -- war leadership even worse than during the War of 1812.

Tuesday's House result -- the end of 12 years of Republican control -- was normal; the reason for it was unprecedented. The Democrats' 40 years of control of the House before 1994 was aberrant: In the 140 years since 1866, the first post-Civil War election, party control of the House has now changed 15 times -- an average of once every 9.3 years. But never before has a midterm election so severely repudiated a president for a single policy.

The Iraq war, like the Alaska bridge, pungently proclaims how Republicans earned their rebuke. They are guilty of apostasy from conservative principles at home (frugality, limited government) and embrace of anti-conservative principles abroad (nation-building grandiosity pursued incompetently).

About $2.6 billion was spent on the 468 House and Senate races. (Scandalized? Don't be. Americans spend that much on chocolate every two months .) Although Republicans had more money, its effectiveness was blunted because Democrats at last

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practiced what they incessantly preach to others -- diversity. Diversity of thought, no less: Some of their winners even respect the Second Amendment.

Free markets, including political markets, equilibrate, producing supplies to meet demands. The Democratic Party, a slow learner but educable, has dropped the subject of gun control and welcomed candidates opposed to parts or even all of the abortion rights agenda. This vindicates the candidate recruitment by Rep. Rahm Emanuel and Sen. Chuck Schumer, chairmen of the Democratic House and Senate campaign committees, respectively. Karl Rove fancies himself a second iteration of Mark Hanna, architect of the Republican ascendancy secured by William McKinley's 1896 election. In Emanuel, Democrats may have found another Jim Farley, the political mechanic who kept FDR's potentially discordant coalition running smoothly through the 1930s.

Making the Democratic House majority run smoothly will require delicacy. The six elections beginning with 1994 produced Republican majorities averaging just 10 seats. The six elections before 1994 produced Democratic majorities averaging 44. Nancy Pelosi's majority will be less than half that. The most left-wing speaker in U.S. history will return to being minority leader in 2009 unless she eschews an agenda that cannot be enacted without requiring the many Democrats elected from Republican-leaning districts to jeopardize their seats.

This year Democrats tacitly accepted much of the country's rightward movement over the past quarter-century. They did not call for restoring the 70 percent marginal tax rates that Ronald Reagan repealed. And although Pelosi and 15 of the 21 likely chairmen of committees in the coming Congress voted against the 1996 welfare reform, which has helped reduce welfare rolls by roughly 60 percent, Democrats this year did not talk about repealing it.

The property rights movement gained ground Tuesday as voters in nine states passed measures to restrict governments from exercising eminent domain in order to enlarge their tax revenue. In Michigan, opponents of racial preferences in public hiring, education and contracting easily passed their referendum, 58 to 42 percent, in spite of being outspent more than three to one. In Minnesota -- the only state Democrats have carried in each of the past eight presidential elections, but one that is becoming a swing state -- Republican Gov. Tim Pawlenty was reelected. And, come January, the number of Republicans in the House (at least 200) will still be larger than the largest number during the Reagan years (192 in 1981-83).

The country remains receptive to conservatism. That doctrine -- were it to become constraining on, rather than merely avowed by, congressional Republicans -- can be their bridge back from the wilderness.

AP: Hastert Won't Seek House Leader Post (AP-Y)

By David Espo, Ap Special Correspondent

AP, November 9, 2006

Triggering a post-election shake-up, Dennis Hastert announced Wednesday he will not run for leader of House Republicans when Democrats take control in January.

"Obviously I wish my party had won," the House Speaker said in a statement that added he intends to return to the "full-time task" of representing his Illinois constituents.

His decision to step down from the leadership cleared the way for a likely succession battle among lawmakers who face the sudden loss of power after a dozen years in the majority.

Rep. John Boehner of Ohio, currently the majority leader, is expected to run for leader, and Rep. Mike Pence of Indiana announced during the day he also will seek the post. Joe Barton of Texas has signaled he may join the field.

Hastert first conveyed word of his plans in a conference call with fellow GOP leaders one day after Republicans lost control of the House in midterm elections.

There is no recent precedent for Hastert's situation. The last time control of the House changed hands, in 1994, the speaker at the time, Democratic Rep. Tom Foley of Washington, lost his House seat.

Hastert, 64, became speaker nearly eight years ago, stepping up after Newt Gingrich resigned and the next-in-line lawmaker, Bob Livingston, quit after saying he had had an extramarital affair.

A former high school wrestling coach, Hastert was the perfect tonic for Republicans at the time, studiously avoiding the controversy that Gingrich often seemed to court.

He worked closely with President Bush, and originally had indicated he would retire rather than seek re-election this fall. The president prevailed on him to run again though, and Hastert agreed.

In the final weeks of the campaign, fellow Republicans questioned whether he or his aides had failed to act more quickly to force Rep. Mark Foley to resign. The Florida Republican quit Congress on Sept. 29 after being confronted with sexually explicit computer messages he had sent to teenage Capitol pages.

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Hastert's tenacious — but plodding — approach to his tenure received mixed reviews. He largely shunned the talk-show circuit. He pushed much of Bush's legislative agenda to passage, although critics said he occasionally failed to line up GOP support for key legislation, including a 1999 resolution supporting U.S. intervention in Kosovo and gun-control measures.

Although conservative, Hastert became known more as a legislative tactician with a pragmatic, consensus-building style than as an ideological purist.

In an effort to keep his fragile, fractured Republican majority — and himself — in charge of the House, Hastert maintained a dizzying fundraising pace as speaker that rivaled the legendary cash-collecting abilities of his predecessor, Gingrich.

He took steps to decentralize the House, allowing policy to bubble up through the committees rather than being dictated down from the top.

Hastert won 10 terms by concentrating on issues important to his north central Illinois district, a mix of far-out Chicago suburbs, farmland and high-tech industry.

On Tuesday, Hastert was easily re-elected to his congressional seat over a relatively unknown challenger, but Democratic wins nationwide gave them control of the House and put California Democrat Nancy Pelosi in line to be the next speaker.

"It's been kind of tough out there," Hastert said during a brief appearance at his election headquarters.

Several officials said Rep. Roy Blunt of Missouri would seek a new term as whip, the second-ranking leadership position. Rep. John Shadegg of Arizona circulated a letter to fellow Republicans announcing he would run for the post.

Rep. Deborah Pryce, R-Ohio, issued a statement saying she would not seek to remain in leadership. She is locked in a tough re-election race in her district around Columbus.

Players Begin Jockeying For Leadership Posts (USAT)

By Kathy Kiely

USA Today, November 9, 2006

WASHINGTON — Republicans' loss of power in Congress set off a leadership shuffle Wednesday as the new minority party faced remaking itself after its election losses and Democrats scrambled to divide the spoils of victory.

House Speaker Dennis Hastert announced that he will step down as leader of the House Republicans at the end of the year after an election night that saw his party lose at least 28 seats and control of the chamber. As of Wednesday evening, no Democratic incumbent had lost.

Nine races remained too close to call. Rep. Deborah Pryce, an Ohio Republican, was in one of them. Pryce, the only female member of the House GOP leadership team, told colleagues in a letter that she would also give up her leadership post even if she wins re-election.

“I believe it is in the best interest of the party … that I keep my focus on my district for the next two years and ensure this seat remains safely in Republican hands,” Pryce wrote.

House members in both parties celebrated the end of the congressional campaign by cranking up new campaigns for party leadership positions. Elections will be next week, when members of the current Congress return for a lame-duck session to complete work on spending bills and next year's freshmen arrive for orientation.

In the Senate, Virginia Democrat Jim Webb was declared the winner Wednesday night by the Associated Press over incumbent George Allen. That would elevate Harry Reid of Nevada to majority leader. Mitch McConnell of Kentucky has no opposition to succeed retiring Sen. Bill Frist as the new Senate Republican leader.

Former Senate GOP leader Trent Lott of Mississippi, forced from his post in 2002 after a controversy over a remark he made at Sen. Strom Thurmond's 100th birthday party, has said he may try for a comeback as McConnell's deputy.

The outlook is less certain in the House. Although even President Bush acknowledged Democratic leader Nancy Pelosi's role (she said at a news conference that he called her “speaker-elect” during a phone call), competition for the remaining slots on her team is intense.

After 12 years when Democrats were out of power, “there's a lot of pent-up ambition,” says Democratic Rep. Zoe Lofgren of California.

A fight is underway for the job of Democratic majority leader. Pennsylvania Rep. John Murtha, a longtime Pelosi ally and critic of the Iraq war, has announced plans to challenge Rep. Steny Hoyer of Maryland. Hoyer, currently the No. 2 Democratic House leader, is a onetime Pelosi rival who has the support of many party centrists.

Another confrontation is looming over the third-ranking Democratic post. Rep. Rahm Emanuel of Illinois, who engineered the party's House takeover as head of the congressional campaign committee, says he has not ruled out a challenge to Rep. James Clyburn of South Carolina, a senior member of the Congressional Black Caucus.

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Congressional analyst Norman Ornstein says that would pose a “tricky” challenge for Pelosi. Emanuel has “a strong and legitimate claim to a reward,” he says, but blocking an African-American from the first rung on the leadership ladder could anger a key constituency.

House Republican leadership contests are shaping up as a wide-open, intensely ideological fight over what direction the party should take in the aftermath of its losses. Reps. Joe Barton of Texas and Mike Pence of Indiana are challenging Rep. John Boehner of Ohio, the current majority leader, for the post of minority leader. Rep. John Shadegg of Arizona, a conservative closely allied with Pence, said he will oppose Roy Blunt of Missouri for House minority whip, the second-ranking GOP leadership post.

All of the candidates for top Republican posts are advocating a turn to the right. “We must seize this opportunity to reaffirm our conservative principles,” Blunt said in a letter to colleagues. Party moderates read the returns differently. “The majority of the American people are centrists, and our party lost many seats because the party was not in touch with what the American people care about,” said Rep. Mike Castle of Delaware.

Former New Jersey governor Christine Todd Whitman said Republicans lost ground because of a “hard-edged” image and emphasis on divisive issues such as abortion and gay marriage. She urged GOP leaders to recruit another woman to replace Pryce on the leadership team. “It's important for Republicans to have a woman there, because the gender gap is still an issue and women are more than 50% of the American people,” she said.

The infighting got underway as election returns were still being counted. Among the late-decided races, Rep. Richard Pombo, a seven-term California Republican and a leading critic of environmental regulations, lost to Democrat Jerry McNerney, the chief executive of a wind-power company. Still-undecided races in Connecticut, New Mexico, North Carolina, Ohio, Texas, Washington and Wyoming would determine the fates of eight Republican incumbents. One Democrat, Rep. John Barrow of Georgia, remained locked in a close race with Republican Max Burns.

Alexander Says He's Close To Getting Votes Needed To Win GOP Whip (AP)

By Rose French

AP, November 9, 2006

Tennessean

U.S. Sen. Lamar Alexander said today he's confident his Republican colleagues will select him to be GOP whip, the party's No. 2 leadership position in the Senate.

Alexander said he's close to a majority and "working on a consensus" to win the post now that his closest rival, Pennsylvania Sen. Rick Santorum, lost his re-election bid.

"I'm encouraged by the response I'm receiving from my fellow senators," Alexander said in a conference call with reporters. He also said he was disappointed by Santorum's loss and had looked forward to a "spirited contest."

Alexander for months has been meeting with Senate Republicans in hopes they will select him to be the GOP whip. The current whip, Sen. Mitch McConnell of Kentucky, is expected to succeed Sen. Bill Frist as GOP leader. Frist, a Republican from Nashville, is leaving at the end of the year to consider a 2008 presidential campaign.

The whip counts votes and tries to maintain party unity. McConnell also has used the leadership job to prioritize projects back home in Kentucky, something Alexander has said he would try to do, too.

The closed-door House and Senate leadership elections are scheduled for Nov. 15.

Even though Tennessee Republicans avoided the fate of their GOP colleagues in several states when Bob Corker beat Democrat Harold Ford Jr. to capture Frist's seat on Tuesday, Alexander said Republicans need to listen to American voters.

"We'd be tone deaf if we didn't hear the message Americans were sending to Congress," Alexander said. "We've (Republicans) drifted from our core values. We haven't gotten control on entitlement spending. We've forgotten that we're opposed to the idea of Washington knows best."

Suggesting that President Bush should work more closely with Congress, Alexander said, "I think we need to remind ourselves and the country that Pennsylvania Avenue is a two-way street."

Democratic Majority May Grow (RC)

By Lauren W. Whittington

Roll Call, November 9, 2006

Democrats claimed a comfortable House majority in Tuesday’s midterm elections and appear poised to also capture control of the Senate pending a final vote tally in Virginia, as voters across the country voiced widespread frustration with President Bush and the Republican Party’s leadership.

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In the House, Democrats picked up a minimum of 28 seats, with the potential for at least one more gain pending final vote confirmation or recounts. In the Senate, Democratic challengers defeated Sens. Rick Santorum (Pa.), Mike DeWine (Ohio), Jim Talent (Mo.) and Lincoln Chafee (R.I.).

Sen. Conrad Burns (R-Mont.) narrowly trailed state Senate President Jon Tester (D) into the wee hours Wednesday morning and the race was called for Tester by mid-day, although Burns has yet to concede.

That leaves Virginia as the contest to decide whether Democrats will have 51 Senate seats next Congress.

Surrogates for Sen. George Allen (R) said Wednesday they were unwilling to concede defeat before all the votes were counted and the tally becomes official next week. Unofficial results late Wednesday afternoon showed Allen trailing former Reagan Navy Secretary Jim Webb (D) by 7,217 votes.

But even as the official Senate outcome and several House races remained up in the air and recount teams were being deployed Wednesday morning, strategists in both parties already were shifting their focus to the 2008 landscape and assessing how sustainable the new Democratic majorities might be.

At a briefing Wednesday to discuss the election results, National Republican Congressional Committee Chairman Tom Reynolds (N.Y.) conceded that the seats held by GOP Reps. Anne Northup (Ky.) and Jim Leach (Iowa) — two of the biggest upsets Tuesday — would be all but impossible to return to the GOP fold. Leach had held his seat for 15 terms.

Sen. John Kerry (D-Mass.) carried both districts in the 2004 presidential contest, and he also won the districts held by defeated Reps. Clay Shaw (Fla.), Curt Weldon (Pa.), Nancy Johnson (Conn.) and Charles Bass (N.H.).

All six seats would appear to be difficult for the GOP to regain before the next round of reapportionment and redistricting after the 2010 Census.

Northup has faced tough challenges ever since winning the Democratic-leaning Louisville-based seat in 1996 and, in more favorable climates, has always held on.

"It's a tough seat," Reynolds said. "She's the only person I know that can hold it [for Republicans]. We watched it and it just was a year where she ran a good race and the Democratic numbers of the city were able to prevail."

But Reynolds also sounded confident that his party would be able to recapture some of the GOP-friendly territory lost in 2006.

He held out the seats of Reps. John Sweeney (N.Y.) and Jim Ryun (Kan.), both of whom were defeated on Tuesday, as prime pickup opportunities in 2008.

Sweeney's upstate New York seat has a Republican registration advantage of almost 100,000, Reynolds said, and he described Kansas' 2nd district as a "pretty darn good seat." President Bush won 59 percent of the vote in Ryun's district in 2004.

Democrats, however, likened their strong performance in the Democratic-friendly Northeast to the political realignment that occurred in the GOP tidal wave of 1994, when Democrats lost a disproportionate number of seats in the South — most of which they have not since reclaimed.

The Democrats picked up a minimum of 10 seats with victories in Connecticut, New Hampshire, New York and Pennsylvania on Tuesday. In Connecticut's 2nd district, Rep. Rob Simmons (R) trailed former state Rep. Joe Courtney (D) by less than 200 votes as of late Wednesday and the race had yet to be called.

"Blue states got really blue," Democratic Congressional Campaign Committee Chairman Rahm Emanuel (Ill.) said in meeting with reporters Wednesday. "We were halfway [to the majority] before we even left the Northeast. [Early in the cycle] we talked about building a strategy in the Northeast that would be for us what the South was for Republicans in 1994."

Several races still were too close to call on Wednesday, but at minimum 20 House Republicans were tossed from office Tuesday — including Resources Chairman Richard Pombo (Calif.) — and Democrats picked up eight GOP-held open seats.

Retaking many of those seats in GOP-leaning territory next cycle may prove to be a more daunting task for Republicans than it might appear, even with the pull of the presidential ticket at the top of 2008 ballots.

For instance, Democrats picked up three seats in Indiana, all of which are districts that voted strongly for Bush in 2004. But Vanderburgh County Sheriff Brad Ellsworth's (D) more than 20-point blowout of Rep. John Hostettler (R-Ind.) would appear to make him a less-than-appealing target for any would-be opponents, despite the lackluster campaign that Hostettler ran.

In the neighboring 9th district, former Rep. Baron Hill (D-Ind.) reclaimed his old seat from Rep. Mike Sodrel (R), making him seem less susceptible to a first-term challenge than most average freshmen lawmakers.

In addition, Sen. Evan Bayh (D-Ind.) has spent the past year preparing for a White House bid in 2008. If he is on the national ticket next cycle, it would only further boost the re-election prospects of Ellsworth, Hill and attorney Joe Donnelly (D), who defeated Rep. Chris Chocola (R-Ind.) on Tuesday.

Even winning back a conservative-leaning district such as North Carolina's 11th district, where former NFL quarterback Heath Shuler (D) defeated eight-term Rep. Charles Taylor (R), is far from a sure thing for the GOP.

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DCCC spokesman Bill Burton argued that new Members like Shuler, a conservative on social issues, are a genuine reflection of their constituencies and will vote their districts.

If that proves to be the case, Democrats also would have a good shot of holding onto GOP-leaning seats they picked up Tuesday such as Arizona's 5th district, Minnesota's 1st district and New York's 24th district.

Other Republican targets are more obvious. Just as Rep. Melissa Bean (D-Ill.) began the 2006 cycle as the No. 1 target for the GOP, that distinction for 2008 goes to former Rep. Nick Lampson (D-Texas). Lampson won the seat vacated by former Rep. Tom DeLay (R-Texas) after the Republican nominee was forced to mount a write-in campaign. The district voted 64 percent for Bush in 2004, and Lampson faces an uphill battle in holding the seat two years from now.

Bean, however, won re-election Tuesday by a comfortable 51 percent to 44 percent margin in a district where Bush won 56 percent two years ago.

Another challenge for Republican leaders heading into next cycle will be to motivate their House Members to stick around, given their new minority status. Both parties have done a good job of holding retirements to a minimum for the past two cycles.

Democratic strategist Steve Elmendorf, a one-time top aide to ex-House Democratic Leader Richard Gephardt (Mo.), recalled the shock within the party ranks when Democrats lost control of the House in 1994.

"I think there's a whole bunch of their people who have never really contemplated the idea that they were going to lose," Elmendorf said. "They're going to be depressed. They're not going to like being in the minority, and they're not going to like being taken off their exclusive committees, and they're going to think twice about whether they should stay here or not."

Meanwhile, if Democrats do claim a one-seat majority in the Senate, the 2008 landscape already is tilted in their favor because of the sheer number of seats the GOP is defending.

Twenty-one Republican-held seats and only 12 Democratic-held Senate seats are up for re-election next cycle, and the playing field does not overlap with any of the biggest presidential battlegrounds: Florida, Ohio, Missouri and Pennsylvania.

Retirement worries also appear to be a more prominent problem for the GOP. Topping the party's potential retirement list are Sens. Pete Domenici (N.M.), John Warner (Va.), Ted Stevens (Alaska), Thad Cochran (Miss.) and Chuck Hagel (Neb.). Sen. Wayne Allard (Colo.) must decide whether to adhere to a term-limits pledge.

Competitive contests are all but assured in Colorado, Minnesota, Louisiana and South Dakota, and open-seat races in New Mexico and Virginia also would draw much attention.

Republicans' best pickup opportunities appear to rest on their ability to generate competitive races against Sens. Mary Landrieu (D-La.), Tim Johnson (D-S.D.) and Max Baucus (D-Mont.).

Sen. John Ensign (Nev.) is set to take the helm of the National Republican Senatorial Committee next cycle. Democrats have not decided who will chair the Democratic Senatorial Campaign Committee in 2008, although current Chairman Charles Schumer (N.Y.) is heavily favored to do a return engagement.

Nicole Duran and Susan Davis contributed to this report.

Democrats Recast U.S. Political Landscape (LAT)

By Ronald Brownstein

The Los Angeles Times, November 9, 2006

WASHINGTON -- The rolling realignment of U.S. politics accelerated Tuesday, as Democrats strengthened their hold over the Northeast and opened new beachheads in the Midwest and Mountain West that could prove critical to their hopes of winning the White House two years from now.

These and other political changes, illuminated by the 2006 election like a late-night flash of lightning, could signal a new stage in the competition between the two major parties.

For Democrats, the watchword Tuesday was growth: the party expanded its reach with key groups of swing voters as it made notable advancements on previously GOP-leaning terrain.

The results sent Republicans a message of retrenchment: the Democratic surge reversed President Bush's gains in the 2004 vote among women and Hispanic voters and saw the GOP virtually obliterated across the Northeast and mid-Atlantic.

In all, the election dealt a powerful blow to Republican hopes that Bush's re-election in 2004 had established a narrow but lasting political majority for the party. Instead, the U.S. appears to have reverted back toward a 50-50 political nation, with Democrats, if anything, claiming the momentum.

"Heading into the 2008 election, neither party holds a significant advantage," argued political strategist Simon Rosenberg, head of centrist Democratic group known as NDN, in a memo Wednesday. "It is a 'jump ball' for control in 2008 . . . "

The most emphatic Democratic gains came in the 11 Eastern states stretching from Maryland to Maine. Many of these states were once a foundation of the GOP, but they have drifted toward the Democrats over the last 50 years as Republicans have become more closely identified with a Southern-flavored social conservatism and small-government ideology.

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That trend, mixed with antipathy toward President Bush and the war in Iraq, produced explosive gains for Democrats in the East on Tuesday.

Pending final results in two tight contests, Democrats gained as many as 12 House seats in the region, ousted GOP senators in Pennsylvania and Rhode Island and seized Republican-held governorships in Massachusetts, New York and Maryland.

When the next Congress convenes, Democrats could hold 68 of the region's 92 House seats. They also will control 17 of the region's 22 Senate seats (Bernie Sanders of Vermont and Joe Lieberman of Connecticut, who were elected as independents, plan to caucus with the party.)

Two other Democratic breakthroughs turned heads. One was their success in smaller, economically struggling Midwestern communities where Bush ran well in 2000 and 2004. Democrats beat three GOP House members from Indiana in districts with those characteristics, and Democrat Sherrod Brown showed strength in such places in routing Republican Sen. Mike DeWine in Ohio.

The other important Democratic breakthrough came in the Mountain West. Democrats captured one GOP-held House seat in Colorado and two in Arizona. In Montana, Democrat Jon Tester apparently defeated Republican Sen. Conrad Burns, pending a final vote count. Democratic governors won landslide re-elections in New Mexico, Arizona and Wyoming. Democrat Bill Ritter scored a landslide victory in the race for Colorado's governor's office, which a Republican had held.

After Tuesday's results, Republicans "should be terrified" about holding Colorado in the 2008 presidential race, said Walt Klein, a veteran GOP consultant in the state.

Still, Democrats excited by their gains may be overlooking signs of continued resistance in the region. They came close, but failed to defeat, targeted GOP House incumbents in Nevada and Colorado, lost the Nevada governor's race, failed in a bid against Sen. Jon Kyl, R-Ariz., and saw Colorado voters reject a ballot initiative to authorize civil unions for homosexuals while approving a state constitutional amendment to ban gay marriage.

One reason Democrats generally ran well across the Southwest was the GOP's poor showing among Hispanics.

In 2004, exit polls showed Bush carrying about 40 percent of Hispanic voters. But with many Republicans pushing a hard-line message on immigration, National Election Pool exit polls showed GOP congressional candidates winning just 29 percent of the Hispanic vote.

Republican support also suffered among independent voters, after running about even with them in 2002 and 2004. Democrats won independents, often by commanding margins, in each of the 11 most competitive Senate races except in Rhode Island and New Jersey, where the GOP nominated moderate candidates.

Women voters, who moved toward Bush in 2004, turned away from the GOP. Women preferred the Democratic candidates in the 11 top Senate races, often by huge margins.

One big reason for that success: exit polls found women considerably less supportive of the Iraq war than men. Similarly, the exit polls found that independents were nearly as unhappy about the war as Democrats.

Those findings suggest that without progress in stabilizing Iraq, Republicans may find it difficult to regain the support they lost Tuesday. The White House understands that after the election, the clock is ticking more loudly.

"The president believes in this war and everything that is at stake in this war, and so it's very difficult, even impossible, to envision that he would just give up on it," said a senior GOP strategist who requested anonymity when discussing administration policy. "On the other hand, the White House and Republicans are aware this is an unpopular war, and there is certainly pressure to turn things around. It's no secret that public patience is being taxed."

Half-Dozen House Races Could Move To Recounts (RC)

By Matthew Murray And David M. Drucker

Roll Call, November 9, 2006

Election Day may stretch well in to mid-November or beyond, as a bumper crop of midterm nail-biters mean that state elections officials may re-tally the vote in perhaps a half dozen or more House races.

Several of the candidates involved in potential recounts have consulted lawyers to make sure they know their options, though none went so far as to predict that a recount was likely to change the outcome of a race.

As of Wednesday afternoon, Carl Forti, spokesman for the National Republican Congressional Committee, said the GOP was keeping a watchful eye on races involving incumbents Reps. Rob Simmons (Conn.), Robin Hayes (N.C.), Barbara Cubin (Wyo,), Heather Wilson (N.M.) and J.D. Hayworth (Ariz.) — and GOP House campaign leadership hinted that the list may not be fixed.

“We will assist in any recount that we are asked to assist in,” said NRCC Chairman Tom Reynolds (N.Y.).

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By late Wednesday, Democrat Joe Courtney's narrow lead over Simmons appeared to trip a Connecticut state law requiring recounts.

With 100 percent of precincts reporting, the total vote in Connecticut's 2nd district had Courtney besting the three-term incumbent by less than 200 votes. Although Simmons' campaign declined requests to indicate whether he would waive a recount, Simmons readied himself Wednesday for a recount, as he said on a GOP conference call, according to a source familiar with the call.

Courtney declared himself the winner on Wednesday. "Right now there is no reason to believe this will get narrower," said Courtney campaign spokesman Brian Farber.

In addition to those races flagged by the GOP, Democratic Congressional Campaign Committee spokesman Bill Burton said Democrats were keeping tabs on Franklin County Commissioner Mary Jo Kilroy's (D) attempt to oust the House GOP's fourth-ranking Member, Rep. Deborah Pryce (Ohio). Burton also said Democrats were concerned about alleged voting irregularities in Florida's 13th district, where automobile dealer Vern Buchanan (R) narrowly defeated banker Christine Jennings (D) in the race to replace Rep. Katherine Harris (R).

David Kochman, a Buchanan campaign spokesman, said Wednesday afternoon that Jennings was trailing Buchanan by 367 votes.

However, Jennings sounded more optimistic that a turnaround could be afoot, saying in a statement that the Supervisor of Elections has reported 18,382 undervotes, and that that number indicated something had gone awry in the vote counting. An undervote is when a ballot registers votes for other offices but not the office in question — in this case these ballots did not include a vote for Congress.

Jennings also talked of complaints coming into her campaign office from concerned voters, and by Wednesday Democrats already were asking for donations to pay for a recount.

In many states, margins of less than 1 percent can trigger an automatic recount, negating the need for a campaign to lawyer up and demand one from the courts. Such is the case in the 12th district of Georgia, where former Rep. Max Burns (R) believes that is the next step in his challenge to Rep. John Barrow (D).

"We think right now the election could go either way," Burns campaign spokesman John Stone said, saying his candidate received a big boost Wednesday when the votes from Republican-leaning Effingham County came in, dropping Barrow's lead from 2,387 on Tuesday night to around 1,000.

"Whoever wins this race will win it with a few hundred votes," Stone said, explaining that military and provisional ballots, as well as regular ballots that had yet to be counted, could help put Burns over the top.

In another seat where Republicans were hoping for a pickup — Georgia's 8th district — the margin also remains too close to call, with Rep. Jim Marshall (D) leading former Rep. Mac Collins by 1,700 votes. Collins spokesman Ed Prill said the process in his race to determine the winner could be long and drawn out.

Prill said that exploring every option was much more than an exercise for its own sake.

"We're not in the business of wasting our time," he said.

Bush To Meet With Big 3 Automakers (AP-Y)

AP, November 9, 2006

President Bush's long-promised meeting with the heads of Detroit's Big Three automakers will be held Tuesday at the White House.

The auto executives tentatively were scheduled to meet with Bush in May, but in September, the meeting was pushed back until after the election.

That prompted criticism from Michigan's Gov. Jennifer Granholm and other Democrats who said the administration had neglected the problems of the Big Three automakers and its workers.

The White House said the president talks to the automakers all the time, and promised that Bush will hold his meeting with the heads of General Motors Corp., Ford Motor Co., and DaimlerChrysler AG's Chrysler Group in mid-November. White House spokesman Tony Fratto said Bush would meet with the automakers before leaving on a trip to Asia.

Bush declined an opportunity to have the meeting in Detroit when he was there in early September to attend a fundraiser for a GOP Senate candidate about 40 miles northwest of Detroit. The Big Three automakers all have headquarters in or near Detroit.

Bush To Study Bill That Would Give D.C. Full Voting Rights (WP)

By Yolanda Woodlee

The Washington Post, November 9, 2006

DOJ_NMG_0092330

President Bush said yesterday that he will review a bill to give District residents full voting rights in the House, marking the first time he has spoken about a measure that local lawmakers are trying to win approval for over the next few weeks.

The bill, introduced six months ago, also would add a congressional seat for Utah. Proponents of D.C. voting rights have waged a major push to get the bill passed this year.

"It's the first I've heard of it," Bush responded to a question during a news conference at the White House. "I didn't know that's going to come up from the lame duck."

The president was referring to the last few days of the current Congress, which returns to session next week and will adjourn before Thanksgiving. He did not say whether he would support the bill.

"Well, it may or may not come up. . . . But I'll take a look at it," he said.

Emily Lawrimore, a White House spokeswoman, said Bush was aware of the bill but wants to study it.

U.S. Rep. Thomas M. Davis III (R-Va.), who introduced the measure with Del. Eleanor Holmes Norton (D-D.C.) in the spring, said he has talked about the issue with the president.

"The congressman said that he had a conversation with the president months ago and followed up with a lengthy memo on it to the White House office that deals with policy matters," said Brian McNicoll, a Davis spokesman. "This is a legacy issue. We're working hard on it. We're not done, and I do not see the president vetoing this."

Bush's comments come a week after prominent D.C. politicians and business leaders met to determine how they can get the bill passed this year.

Voting rights advocates want Rep. F. James Sensenbrenner Jr. (R-Wis.), chairman of the Judiciary Committee, to move the bill to the floor for a vote. But before that, Utah lawmakers would have to approve a redistricting map that would create a fourth congressional seat for the state.

The bill would expand the House from 435 to 437 members. In hopes of winning broad bipartisan support, Davis and Norton proposed that one seat go to Utah, which is predominantly Republican, and the other to the District, which is overwhelmingly Democratic.

Chris Bleak, chief of staff to Utah House Speaker Greg J. Curtis (R), said the legislation creating the congressional seat for his state could be moved in a day.

"If we get the signal that this bill is going to move forward, we will move quickly to pass that bill," Bleak said. "We just need to get the thumbs-up from Representative Sensenbrenner or our congressional delegation telling us to move forward."

Norton predicted that Bush would sign the bill if it cleared Congress because it benefits both parties. "The president will take his cue from what the Congress does," Norton said.

OTHER NEWS:

Bush Pledges To Seek Common Ground, Work With Democrats (USAT)

By David Jackson

USA Today, November 9, 2006

WASHINGTON — President Bush began rebooting his agenda on Wednesday, ticking off a revised list of priorities that include education, an immigration overhaul and maybe even an increase in the minimum wage.

After his party lost control of the House of Representatives and was in danger of losing the Senate, too — which appeared to prove true Wednesday evening when the Associated Press declared Virginia Democrat Jim Webb the victor over incumbent Sen. George Allen — Bush pledged to “work through our differences” with incoming House speaker Nancy Pelosi and other Democratic leaders. He said that includes the conduct of the Iraq war.

“The challenges and opportunities are plain for all to see,” Bush said at a news conference.

To jump-start the final two years of his presidency, Bush said he would draw on his experience as governor of Texas, where he developed a reputation for working well with Democrats who controlled the Legislature on such issues as raising education standards and toughening penalties for juvenile crimes.

Bush said there may be some “common ground” on a Democratic proposal to increase the minimum wage from $5.15 an hour to $7.25 as long as there is “compensation” for small business owners. He and other Republicans say small businesses are hurt the most by such increases because they employ hourly workers. “There's a significant difference between common ground and abandoning principle,” he said.

Bush also expressed hope for a more “comprehensive” immigration bill that includes expanded employment opportunities for temporary “guest workers.” In December 2005, 164 House Democrats voted against a GOP-sponsored bill that was tough on

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border protection but did not include provisions for guest workers and a path to citizenship for some illegal immigrants as Bush supports.

Among other agenda items Bush cited: an extension of his signature No Child Left Behind education law, promoting alternatives to oil and dealing with unfunded liabilities in entitlement programs, including Social Security. Bush failed last year in an attempt to restructure Social Security to provide for private accounts.

Democrat Jim Turner, a former member of both the Texas Legislature and the U.S. House, said both parties could profit from working together. He cautioned that it would not be easy for Bush.

For one thing, he said, Bush lacks the partner he had in Texas with Lt. Gov. Bob Bullock, who liked Bush and exercised major influence with the Democratic legislators. Another Texan noted the partisanship in Washington is much worse than it was in the Austin of the 1990s, notably because of the Iraq war.

The war "will hover over everything," said former congressman Martin Frost, a Democrat who represented the Dallas area. "That will color the relationship."

Frost said Democrats won the election because of dissatisfaction with the war, and their supporters will expect them to deliver a plan to get U.S. troops out of Iraq. Bush said he remains committed to victory in Iraq and will listen to Democratic ideas.

"If the goal is success, then we can work together," Bush said. "If the goal is 'get out now regardless,' then that's going to be hard to work together."'

The president acknowledged his administration's handling of the Iraq war was a factor in the election, as voters registered "their displeasure with the lack of progress being made there." He also cited a desire for "congressmen to be honest and ethical."

Still, Bush was optimistic about the new political environment, even joking about Tuesday's setbacks.

"Actually, I thought we were going to do fine," Bush said. "Shows what I know."

Power Shift In Washington (CSM)

By Linda Feldmann And Peter Grier

The Christian Science Monitor, November 9, 2006

WASHINGTON

The tectonic plates of Washington power have shifted, presenting both President Bush and the new Democratic majority in Congress with an opportunity to work together and leave behind the politics of confrontation.

The day after the historic midterm elections of 2006 - in which the Democrats won considerably more than the 15-seat net gain needed to take over the House of Representatives and were heading toward a possible majority in the Senate - leaders from both parties pledged to work together and avoid the intense partisanship of recent years.

"The message yesterday was clear: The American people want their leaders in Washington to set aside partisan differences, conduct ourselves in an ethical manner, and work together to address the challenges facing our nation," Mr. Bush said Wednesday in a press conference.

The reality, analysts say, is that the next two years are likely to offer a blend of confrontation and common ground. The Democrats, after 12 years in congressional opposition, don't want their hard-fought majority to vanish in the next election. The incentive for Bush, entering the final two years of his presidency, is to leave his party in a position to compete effectively in 2008. He can take a page from his earlier days as governor of Texas, when he gained a reputation for working well with Democrats.

"Early indications are that he's doing what he's done before and can do again, if he can get over his hurt and his pique, which it sounds like he already has, or at least he's working on it," says Bruce Buchanan, a political scientist at the University of Texas, Austin. "That is, this is not the time to get confrontational and dig in his heels."

Yesterday morning, Bush was on the phone, congratulating the Democratic leadership of Congress, and inviting the presumptive next speaker of the House, Rep. Nancy Pelosi of California, over for lunch.

From the Democrats' end, Ms. Pelosi already has appeared to clamp down on talk of impeaching the president by some of the more vocal liberals in the House. Still, life under the Democrats is expected to include hearings and inquiries into aspects of the Iraq war and the larger war on terror. The challenge will be for the Democrats not to appear on a witch hunt.

By Wednesday morning, the contours of the new House and Senate were becoming clear, but not definitive. At press time, the Democrats had made a net gain of 27 House seats and five Senate seats. One Senate race remained too close to call - but the Republican incumbent, George Allen of Virginia, was slightly behind. If the challenger wins, Democrats will control a majority in the Senate.

In Tuesday's wave, some longtime Republican members were defeated, including Reps. Nancy Johnson of Connecticut, Clay Shaw of Florida, and Curt Weldon of Pennsylvania. In the Senate, incumbent Republicans Lincoln Chafee of Rhode Island, Rick Santorum of Pennsylvania, and Mike DeWine all lost.

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For the foot soldiers of both parties, who worked overtime to turn out their voters, such loyalty breeds demands on leaders - and it is among those base constituencies that common ground could be most elusive. For Bush, extending the tax cuts that he says have boosted the US economy will be an important goal. Democrats have pledged to raise the minimum wage as one of their first acts in the majority, presenting Bush with the choice of going along with or vetoing legislation that the public supports.

Some elements of Bush's agenda, such as his plan to partially privatize Social Security, now appear dead while others, such as his plan for comprehensive immigration reform - enhanced enforcement twinned with a guest-worker program - may gain new life.

Generally, voters were in a sour mood. Six in 10 said the nation was on the wrong track, according to exit polls conducted by the Associated Press and other news organizations. Scandals played a role. More than half of voters said they were dissatisfied with the way the GOP House leadership handled the matter of Rep. Mark Foley (R) of Florida, who has been accused of improper behavior toward teenage House pages.

But if one issue was the most important in the vote, it was Iraq. Six in 10 voters said they disapproved of the war. In the end, "the election became a referendum on the war," says Michael McDonald, a visiting fellow at the Brookings Institution in Washington and assistant professor of government and politics at George Mason University.

Whether Bush will read the election results as a mandate to change course in Iraq remains to be seen. If he chooses, he could take cover under the forthcoming recommendations of the bipartisan Iraq Study Group, a government-sponsored commission.

Considering both the Iraq war and the halting federal response to hurricane Katrina, voters have become skeptical of the ability of the White House to run important matters of US policy, says George C. Edwards III, a scholar of the presidency at Texas A&M University. "They're not confident in the competence of Republicans to govern. That may, or may not, be fair," he says.

Many newly elected Democratic representatives come from swing districts, and are likely to be more moderate than liberals from safe Democratic seats. Congressional Republicans, for their part, may be dissatisfied with their current leaders, such as Speaker Dennis Hastert (R) of Illinois, and may tack away from a president they increasingly see as a lame duck.

Meanwhile, House Democrats will find it hard to push their own legislative agenda over Republican Senate filibusters and a potential White House veto.

Democrats may have won big Tuesday. "But we still have separation of powers," notes Dr. Edwards.

A New Bush? Yes And No (LAT)

By Doyle Mcmanus

The Los Angeles Times, November 9, 2006

WASHINGTON — As President Bush launched the final two-year stretch of his presidency Wednesday, his effort to secure his legacy was encumbered by two inflexible factors: the loss of a once-supportive congressional majority, and the weight of an unpopular war that he has so far found no way to win.

Fielding questions from reporters in the White House's East Room, the president reeled off a list of domestic issues on which he thought he could find common ground with Democrats, just as he had as governor of Texas six years ago and during his brief honeymoon with Congress in the first year of his presidency — the economy, education, energy, immigration, Social Security and Medicare.

But on Iraq, Bush warned that he was in no mood for a major change of course. "Looking at this election, the enemy is going to say, 'Well, it must mean America is going to leave.' And the answer is, no, it doesn't," he said. The goal, Bush repeated several times, remained the same: "Victory."

He said he'd work with Congress, but not on a timetable for withdrawing troops.

What lies ahead, Bush's remarks suggested, may be a two-sided presidency, one open to compromise on domestic legislation but committed to its basic strategy in Iraq and the war on terrorism — one-half Austin, Texas, one-half Sept. 11.

"On foreign policy, the new Bush is the old Bush, and he doesn't seem likely to change much," said Stanley A. Renshon, a political scientist at the City University of New York who has written a largely admiring biography of Bush.

"On domestic affairs, he's never entirely been a 'movement' conservative; he's always been willing to go the extra mile…. But he's always been tough on defense and foreign policy, even before 9/11."

Aware that Tuesday's balloting signaled voters' desire for new approaches to the war, aides insisted Bush was willing to look at policy alternatives.

They pointed to his nomination of former CIA director Robert M. Gates to replace Defense Secretary Donald H. Rumsfeld and his promise to consider the recommendations of an independent commission on the war.

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"Of course the president is going to remain principled about [opposing] a massive withdrawal, just like he will about tax increases," said one aide, who requested anonymity because he was not authorized to speak for the White House. "But there is a lot of room in between."

At Bush's news conference, however, when a reporter asked whether Rumsfeld's resignation would lead to "a new direction in Iraq," the president rejected the phrase.

"New direction," he mused. "Well, there's certainly going to be new leadership at the Pentagon…. Bob Gates will bring a fresh perspective."

But the president added that when he talked with the Defense Department nominee last weekend, "I found him to be of like mind. He understands that we're in a global war with these terrorists. He understands that defeat is not an option in Iraq."

When another reporter asked whether the president believed he could work with the Democrats on Iraq, he said: "Well, I think we're going to have to work with them" — then described the job principally as persuading Democrats that his policies are right.

"We're not going to leave [Iraq] before the job is done," he said.

"And obviously we've got a lot of work to do with some members of Congress…. If the goal is success, then we can work together. If the goal is 'get out now, regardless,' then that's going to be hard to work together."

That was a polite way for Bush to step around the most important conflict between his approach to Iraq and that of many House Democrats.

The new Democratic majority may have problems of its own on Iraq, which could give the president some room to maneuver.

Officially, the Democrats campaigned for "the responsible redeployment of U.S. forces" — a phrase Rep. Nancy Pelosi (D-San Francisco), the incoming speaker of the House, repeated on Wednesday. But they never agreed on when or where that redeployment would occur.

Some want the phrase to mean an immediate removal of most U.S. troops from Iraq, but others say they don't support a fixed timetable for withdrawal.

Administration officials say they plan to press the Democrats, now that they hold the majority, to specify what their proposals for pacifying Iraq would be. "If there are any good new options out there, we'll take them," said one aide, who asked for anonymity because he was speaking unofficially. "But most of them don't have any good new options."

Similarly, Bush challenged Democrats to come forward with proposals to bolster the finances of Social Security and Medicare — problems whose solutions are unlikely to be politically popular because they usually require tax increases or reductions in benefits.

"This is bipartisanship of a special kind: 'We have this problem, and what do you propose to do about it?' " Renshon said of the administration's position.

A former aide to Rumsfeld, Torie Clarke, agreed that it would be easier for Bush to work with Democrats on domestic issues than on national security.

"He does share some common ground with a lot of Democrats on some issues, especially domestic issues," she said.

"But there's a canyon between him and some others on Iraq and the principles of the war on terror."

As for the prospects of bipartisan cooperation becoming the rule in Washington, instead of the exception, Clarke said she was skeptical.

"With very few exceptions, policymakers and politicians operate in their own self-interest," she said. "If bipartisanship is in their interest, they will be bipartisan. If it's not, they won't. It will happen on a case-by-case basis."

Presidents often have faced the problem of Congress falling into opposition hands, and they invariably say — with as much enthusiasm as they can muster — that they welcome the opportunity for bipartisanship.

Ronald Reagan scrapped furiously with a Democratic Congress over legislation but invited its leaders to the White House for drinks. George H.W. Bush compromised with Democrats on a tax increase and, in his son's view, lost his job as a result. Bill Clinton promised to work with the conservative Republican majority that swept into power in 1994 and joined with it to pass a landmark welfare reform bill, but battled it on most other issues.

President Bush's problems may be greater than theirs.

For one, he and his staff have had little experience in trying to govern with Democrats since they arrived from Texas in 2001; for most of that time, they have known nothing but solid GOP majorities.

For another, Bush and his chief political advisor, Karl Rove, have long pursued a strategy aimed mainly at maximizing their support among conservative Republicans, not at reaching out to moderate Democrats and independents; declaring that the president has decided to be a centrist looks impractical at this late date.

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"Politicians develop a style of leadership over many years, and it becomes consolidated," Renshon said. "It's very hard to turn on a dime."

Republican Blindness (WP)

By Robert D. Novak

The Washington Post, November 9, 2006

With one Republican bastion after another falling as returns poured in for Democrats Tuesday night, the GOP's carefully constructed defenses crumbled. The party's barriers failed to prevent the election from being a referendum on Iraq, George W. Bush and the Republican-controlled Congress. It was a failure of concept as well as execution.

That failed concept relied on friendly, familiar Republican incumbents, who had delivered government pork for their districts, negating intense voter hostility by using the party's time-tested machinery to get out its vote. These tactics proved useless in the face of a wave that was not so much pro-Democrat as anti-Republican. Only gerrymandered House districts prevented a landslide that would have given the Democrats a House majority of historic proportions, approaching 50 seats.

The apparent Democratic takeover of both houses of Congress left Republicans stunned and divided, unable to comprehend that the nation's political realignment creating a GOP majority had crested and reversed. The confidence that relied on generously funded Election Day organization now looks like mindless arrogance. The party's cocksure political mechanics simply could not believe the outcome as the results poured in.

Even up to the last minute, the Republicans never really saw overall defeat coming. Republican Sen. Lindsey Graham of South Carolina used a golfer's language in telling me in July that his colleagues failed to appreciate how close the Republicans were to losing control of the Senate: "It's like we think we'll get by with pars on the last two holes when we really need birdies," he said then. On Wednesday Graham told me: "Actually, we bogeyed the 17th hole and picked up on the 18th."

Republican leaders are still in denial in the wake of their crushing defeat. They blame individual losing candidates for failing to prepare themselves for the election. In contrast, the private reaction by the candidates was anger at President Bush and his political team. That includes a rising GOP undercurrent against Iraq policy. The unpleasant truth is that Republicans lost almost everywhere the president campaigned during the past week. An exception was Florida, where state Attorney General Charlie Crist kept out of Bush's way and won the election for governor.

The bellwether of defeats to come was the Louisville district where the respected Rep. Anne Northup, who won 60 percent of the vote two years ago, was defeated for a sixth term. There was nothing she had done wrong or that her opponent had done right to cause her defeat. The same was true of other highly regarded Republican congressional veterans who were defeated Tuesday, headed by Nancy Johnson of Connecticut, Clay Shaw of Florida and Jim Leach of Iowa.

Exit polls confirmed what had been clear to anyone who spent time on the campaign circuit this year. Opposition to the war and the president had produced a virulent anti-Republican mood. About two weeks before the election, political technicians running the campaign of Rep. Charles Bass in New Hampshire suddenly realized that the popular six-termer was in deep trouble. His moderate voting and record of pork delivery (including a federal prison for his district) meant nothing. He was swept under by the anti-Iraq voting tide.

Bass at least had some warning. New Hampshire's other House member, Rep. Jeb Bradley, won with 63 percent of the vote in 2004 and never felt threatened this year until the results came in. This was a nationalized election about Iraq in which individual characteristics did not count.

Rep. J.D. Hayworth of Arizona, a stalwart of the famous Republican Class of '94, did not seem seriously endangered until word came back to Washington election morning that he looked like a loser. Representing a district that is not as Republican as it used to be, Hayworth had become an enforcement-only immigration hard-liner. It did not help him at the polls.

Sen. John McCain, the putative front-runner for the Republican presidential nomination in 2008, reacted to defeat with the typically blunt comment that his party had lost its way with earmarked pork-barrel spending. If party leaders in Congress at long last heed McCain's counsel, it would mark the beginning of wisdom.

Facing Up To Reality (WP)

By David S. Broder

The Washington Post, November 9, 2006

Never was a political wipeout better advertised in advance than the one that hit the Republican Party on Tuesday and cost Don Rumsfeld his job. From the first of my political soundings in the Midwest in early spring, it was clear that the public's frustration with the war in Iraq, the inept performance of the Bush administration after Hurricane Katrina, and the stunning partisanship and tawdriness of the Republican Congress was reaching explosive levels.

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When Congress quit work without addressing immigration, energy prices or health-care inflation in any serious way, the majority Republicans were clearly asking for trouble. And the scandals that kept erupting just added to the public disgust.

A few days before the election, Bernadette Budde, political director of BIPAC, the Republican-friendly Business Industry Political Action Committee, was quoted here as warning of the imminence of what she correctly predicted would be "an earthquake."

The only people who seemed oblivious to the warning signs were President Bush and his political adviser, Karl Rove. Against all evidence, including the warnings of other Republicans, they kept insisting that Republicans would hold the House and Senate. Bush said at his news conference yesterday, "I knew we were going to lose seats," but he acknowledged he was shocked that the twin themes he kept pushing -- taxes and security -- didn't save the GOP from "a thumping."

The Republican Party paid a heavy price for Bush and Rove's obduracy -- and for the miserable performance of the GOP congressional leadership. The vaunted Republican "base," on which the White House has relied to support the president's agenda, splintered on Election Day. In exit polls, one-fifth of self-described Republicans and three out of 10 white evangelicals or "born-again" Christians said they voted Democratic for Congress.

Meanwhile, independents and moderates went Democratic by margins of 18 and 23 points, respectively. Democrats broadened their coalition, winning the cities and splitting even in suburbs and rural areas, while capturing majorities in all age groups and every income level up to $100,000 a year. That same range is reflected in the expanded Democratic caucuses in the House and Senate, with notable victories from New Hampshire to Arizona.

So Bush was simply acknowledging reality when he reversed himself and bade farewell to his controversial Pentagon chief. He said he had made the decision in the final hours before Election Day, when he still believed he'd have a Republican Congress. In reality it was announced less than half an hour after speaker-to-be Nancy Pelosi had said at her own news conference that firing Rumsfeld would be the clearest way for Bush to signal that the election constituted a call for a new policy in Iraq.

Pelosi's performance at her debut as leader of a congressional majority was pitch-perfect, calm, confident and blessedly free of the screeching tone of some of her stump speeches. She is leading a formidable political force in this revived Democratic Party. Bush has every reason to treat her with respect -- and a degree of deference. He is right in thinking that they could well find common ground on immigration, education and perhaps even entitlements if they tried. But the acid test will be his willingness to open a genuine dialogue on Iraq.

Pelosi, who spent October out campaigning, showed a clearer grasp of the public mood than did Bush. He was still halfway between avowing a new open-minded readiness to listen and learn and his more familiar insistence on living in a world of moral absolutes. Thus the conflict between his welcoming fresh ideas on Iraq and insisting single-mindedly that "victory" is the only acceptable outcome for the military intervention that most of the voting public now judges a mistake.

The Democrats will offer Bush alternatives for Iraq and so, presumably, will the Baker-Hamilton commission when it meets with him next week and issues its report in December. James A. Baker III and Lee Hamilton and their colleagues are perfectly positioned to help break the deadlock on that policy -- if Bush is looking for an out.

The question is whether a president who couldn't recognize the reality of an approaching political landslide is any more discerning about spotting a policy and political disaster in the making in a far-off land.

As Predicted, A Wave Washes Republicans Out To Sea (RC)

By Stuart Rothenberg

Roll Call, November 9, 2006

Well, don't say we didn't warn you.

Tuesday's balloting was about what we expected. A relatively large political wave swept almost 30 House Republicans out of office and appears to have delivered the Senate to Democrats. Of course, we won't know the status of control of the Senate for a while, but whatever happens in Virginia and Montana, Democrats had a big night in that chamber, as well.

Actually, Republicans got lucky on Election Day. Many of the close House contests went to the GOP. Had squeakers in districts such as New Mexico's 1st, Virginia's 2nd, New York's 25th and 29th, North Carolina's 8th, Nevada's 3rd, Ohio's 1st, New Jersey's 7th, Connecticut's 4th and Wyoming's at-large seat gone Democratic, we could be talking about a 38- to 40-seat swing.

There were a lot of noteworthy things about Tuesday's voting, so let me touch on a few of them.

First, what the South was to Democrats in 1994, the Northeast was to Republicans this year. Two seats in Connecticut appear to have fallen, along with another pair in New Hampshire, three in New York and four in Pennsylvania.

The New England and Mid-Atlantic landscape is littered with moderate Republicans, from Charles Bass and Jeb Bradley to Sue Kelly to Nancy Johnson and, possibly, Rob Simmons, and Republicans may find that it was easier to lose those seats than it

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will be to get them back. Add liberal Republican Rep. Jim Leach (Iowa) to the mix, and you have a national weeding out of moderates that impacted the northeast corner of the nation greatly.

True, moderates such as Reps. Christopher Shays (R-Conn.) and Jim Walsh (R-N.Y.) survived, but even their wins were ugly, and they stand out as exceptions to the rule.

Second, partisan voting devastated Republicans in Democratic-leaning districts. When Leach loses to an underfunded, fourth-tier Democratic challenger, you know that districts carried by Sen. John Kerry (D-Mass.) in 2004 saw plenty of straight-ticket voting by Democrats.

But these elections weren't about partisans after all. Exit polls showed that few partisans defected on Tuesday, and the real story was independents. While independents constituted only about 26 percent of the electorate, those voters went Democratic 57 percent to 39 percent. That 18-point margin is gigantic when it comes to normal independent voting patterns.

Third, all of the talk about a Republican surge during the final days of the campaign was bunk, as I believed (and wrote in this space) at the time.

You aren't likely to have large moves in public opinion after a lengthy campaign without events that force people to change their assessments and intentions. And given the likelihood that late deciders would move toward Democrats (which is exactly what happened), it was hard to see a Republican surge.

Once again, people overreacted to a couple of polls, particularly the generic ballot in the first Washington Post/ABC News survey and then, even more importantly, the late Pew Research poll, ignoring contradictory polling that suggested Democrats still held a significant advantage in the generic ballot going into Election Day.

It was stunning how quickly people jumped on the "Chafee Resurgent in Rhode Island Senate" bandwagon after seeing just one poll.

That's not to say there wasn't any closing toward the end. Montana tightened up in the final week, and there was data showing some increased GOP interest in the elections and likelihood to vote as Nov. 7 neared.

Fourth, we seem to have discovered the base Republican vote in many districts, and we found out where and how the Republicans' structural advantages from redistricting sheltered some Republican candidates from the wave.

Allegedly vulnerable Republicans in what appeared to be bulletproof GOP districts, such as Reps. John Doolittle (Calif.), Cathy McMorris (Wash.) and Mark Souder (Ind.) and incoming Reps. Doug Lamborn (Colo.), Bill Sali (Idaho), Adrian Smith (Neb.) and Tim Walberg (Mich.) held on despite the wave. Their margins were down, of course, but they survived, some even comfortably.

Republicans now must figure out what they are going to do. They can expect a number of retirements of senior Members now that the party is in the minority, and many GOP House Members will have to deal with being in the minority for the first time in their Congressional tenures.

President Bush, of course, is the biggest loser in a number of ways. He loses at least one chamber, and he is the reason Republicans took a bath on Tuesday. He may console himself by believing that he has the right policy in Iraq and history will judge him kindly. But his performance in office has destroyed a number of noteworthy political careers, and he would be wise to never forget that.

The Middle Muscles In (NYT)

By David Brooks

The New York Times, November 9, 2006

For decades, moderates have been the cowardly lions of American politics. You'd see them quivering in the corner as the anti-establishment left exchanged culture war mortar fire with the anti-establishment right. You'd see them passed over and dissed as the parties mobilized their bases and played to their primary voters.

Well, somebody's been on steroids, because on Tuesday the muscular middle took control of America. Say goodbye to the era of Rovian base mobilization. Say goodbye to the era of conservative dominance that began in 1980. On Tuesday, 47 percent of the voters were self-described moderates, according to exit polls, and they asserted their power by voting for the Democrats in landslide proportions.

About a year ago, these angry moderates lost confidence in Republican rule. The tens of millions of dollars spent since then — the ads, the robocalls, the microtargeting — did nothing to change that basic decision.

Their disaffection with the G.O.P. was not philosophical. It was about competence and accountability. It was about the accumulation of Rumsfeld, Katrina, Abramoff, the bridge to nowhere and the failure to quarantine Mark Foley. Bill Clinton captured the electorate's central complaint about the G.O.P.: "They can't run anything right."

So voters kicked out Republicans but did not swing to the left. For the most part they exchanged moderate Republicans for conservative Democrats. It was a great day for the centrist Joe Lieberman, who defeated the scion of the Daily Kos net roots,

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Ned Lamont. It was a great day for anti-abortion Democrats like Bob Casey and probably for pro-gun Democrats like Jim Webb. It was a great day for conservative Democrats like Heath Shuler in North Carolina and Brad Ellsworth in Indiana.

It was even a good day for some moderate Republicans, like Chris Shays in Connecticut, Deborah Pryce in Ohio and Arnold Schwarzenegger in California, who held on because they are independent.

It was a terrible day for anti-immigration restrictionists on the right of the G.O.P., like J.D. Hayworth and Randy Graf in Arizona.

If you wanted to pick out a stereotypical swing voter in this election, it would be a white evangelical suburban office park mom in a blue state suburb. She's part of the one-third of white evangelicals who voted Democratic this year, as did 20 percent of self-described conservatives. She supported the Iraq war once but believes it has been conducted terribly. She doesn't have a lot of faith in government generally — 54 percent of voters believe government interferes too much, while only 37 percent want it to do more, according to a recent CNN survey — but she does think government should be able to accomplish its core missions.

She embodies the message of E. J. Dionne's 1991 book, "Why Americans Hate Politics," which argues that Americans are sick of symbolic politics, dying ideologies and false choices. Most of all, she's angry that politicians behave in ways that would be unacceptable in every realm of her life, and she thinks they're endangering her country.

In some ways, this election reminds me of the 1974 Democratic sweep. The Republicans have screwed up. Democrats have surged in. But the result leads not to a liberal tide but to Jimmy Carter, who in 1976 ran as a conservative anti-political reformer who won on fiscal discipline and with the support of Pat Robertson.

This election didn't define a new era, but it marks the end of an old one. If Democrats are going to take advantage of their victory, they will have to do two things. They will have to show they have not been taken over by their bloggers or their economic nationalists, who will alienate them from the suburban office park moms. Second, they'll have to come up with ideas as big as the problems we face. Their current platform consists of small-bore tax credits and foreign policy vagaries about, say, "redoubling" our efforts to get Osama bin Laden. (Why not retripling or requadrupling?)

Realignments are achieved by parties that define big new approaches to problems (see F.D.R.'s Commonwealth Club speech), and neither party has done that yet. In the meantime, if I were a Democrat I'd be like Lee Hamilton, the former Indiana congressman and serial commission member. The country is hungering for leaders like him: open-minded, unassuming centrists who are interested in government more than politics. If the Democrats are smart, this could be the beginning of a new Hamiltonian age.

The Thumpees Try Their Luck At The Blame Game (WP)

By Dana Milbank

The Washington Post, November 9, 2006

President Bush had many explanations for what he called the "thumping" his party took on Tuesday, but the most creative was the notion that his chief strategist, Karl Rove, had spent too much time reading books.

"I obviously was working harder on the campaign than he was," the president said at yesterday's East Room news conference. The reporters laughed. The Architect, who had challenged Bush to a reading contest, wore a sheepish grin and stared at his lap.

True, Rove will have to surrender his "genius" credentials after the GOP lost the House and apparently the Senate. But the recriminations weren't stopping at Rove's door. The president, who started his appearance with an admission that "I share a large part of the responsibility," went on to blame everybody else.

He blamed corruption: "People want their congressmen to be honest and ethical, so in some races that was the primary factor."

He blamed Mark Foley, whose name remained on the Florida ballot: "People couldn't vote directly for the Republican candidate."

He blamed ballot rules. "You could have the greatest positions in the world . . . but to try to get to win on a write-in is really hard to do."

He blamed Democratic organization: "I'm sure Iraq had something to do with the voters' mind, but so did a very strong turnout mechanism."

He blamed bad luck: "If you look at race by race, it was close."

Implicitly, of course, he blamed Donald Rumsfeld, by firing him as defense secretary in favor of the "fresh perspective" of Robert Gates.

And, not least, he blamed the uncomprehending voters: "I thought when it was all said and done, the American people would understand the importance of taxes and the importance of security. But the people have spoken, and now it's time for us to move on."

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The president's performance fit neatly into yesterday's version of the post-election ritual in Washington: The winning side gloated, and the losing side pointed fingers every which way.

Democratic National Committee Chairman Howard Dean, the party's bantam rooster, barely waited until sunrise to start crowing. In a morning news conference at the National Press Club, he stood with hands in his pants pockets and used the word "extraordinary" nine times and "huge" 12 times to explain the triumph: "Huge night!" "Huge achievement!" "Huge step forward!" "Huge mark!" "Huge piece!" "Huge breakthrough!" Dean, who spent much of the election season squabbling over strategy with his fellow Democrats, boasted: "We all worked together, and it came out great."

Republicans were equally determined to show their disunity. While Dean spoke, conservative leaders held dueling news conferences in other rooms at the press club. Their theme: Blame the party, not us. "This was not a repudiation of conservatives," said Pat Toomey, a former GOP congressman. "It was a rejection of the Republican Party." At the rival conservative event across the hall, Richard Viguerie was condemning "the failed big-government policies of President Bush."

GOP officials pointed the finger elsewhere. On Fox News, Republican National Committee Chairman Ken Mehlman said the party's vaunted turnout operation works only "in the very close races." Rep. Tom Reynolds (N.Y.), who led House Republicans' campaign efforts, said more Republicans could have won -- if they had acted more like him. "Just take a look at my race," he suggested. He blamed his colleagues for "self-inflicted wounds" and being "caught unprepared," and he blamed the "stiff wind" blowing in Republicans' faces.

The creator of this stiff wind, however, was in no mood for contrition. "Say, why all the glum faces?" Bush asked when he entered the East Room. In fact, his aides had worn exaggerated grins as they took their seats.

Clearly, Bush was trying to tone down the rhetoric from the campaign, when he said the Democratic "approach comes down to this: The terrorists win, and America loses." Yesterday, he voiced soothing notions of "consultations" and "bipartisanship."

But he seemed unsure how much to concede. He began by saying "Iraq had a lot to do with the election." He amended that to "Iraq had something to do with it." And finally he cited cases where "I'm not sure Iraq had much to do with the outcome." While he said "many Americans voted last night to register their displeasure" with Iraq, he looked puzzled when a reporter suggested that voters wanted the troops withdrawn. He said he was "making a change" at the Pentagon to respond to the voters, but he also said he was going to sack Rumsfeld "win or lose."

Likewise, he wrestled with the message voters sent on Tuesday. "If you look at race by race, it was close," he reasoned. "The cumulative effect, however, was not too close. It was a thumping." But when the New York Times' Jim Rutenberg repeated the "thumping" description, Bush bristled. "Let's make sure we get the facts," he said. "I said that the elections were close. The cumulative effect: thumping."

Ken Herman of Cox News teased the wounded president. "That was 'thumpin',' without a 'g,' correct?" he queried. "I just want to make sure we have it right for the transcript."

For Bush's New Direction, Cooperation Is The Challenge (WP)

By Dan Balz

The Washington Post, November 9, 2006

Tuesday's electoral earthquake triggered an equally seismic reaction in Washington yesterday, one that signaled more clearly than ever that a politically humbled President Bush now agrees with a resurgent Democratic Party on the need for a change of course in Iraq. What was not clear was whether the two sides are genuinely prepared to work together to produce one.

In the wake of an election that swept Republicans from power in the House and left them on the brink of surrendering their Senate majority as well, both parties have greater incentives to reach accommodation than at any time since Bush was elected in 2000. Iraq will provide the critical test of whether either can overcome the ingrained habits and bad blood of six years of partisan warfare that have often left the Capitol in gridlock.

The president took the most dramatic step yesterday in acknowledging how much the landscape has changed. At a midday news conference he announced that he had accepted the resignation of Defense Secretary Donald H. Rumsfeld, who has come to symbolize the administration's apparent unwillingness to change a policy that has failed to bring order to Iraq and that has lost popular support at home. Bush said it is time for "a fresh perspective" on the war.

"I recognize that many Americans voted last night to register their displeasure with the lack of progress being made there," he said. "Yet I also believe that most Americans and leaders here in Washington from both political parties understand we cannot accept defeat."

If Bush was willing to dismiss Rumsfeld, which the president said only a week ago that he had no intention of doing, it was in part because he and his party have so much at risk. Tuesday's elections proved to be a reaction not only against the war and

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the corruption scandals that have scarred Congress but also against the kind of base-driven politics that Bush used in 2004 to win a second term.

That model has often elevated policies and tactics designed to energize conservative activists over an appeal to what many GOP strategists saw as a shrinking middle of the electorate. But on Tuesday, the center struck back, voting decisively for Democratic candidates in House races.

The president responded with a renewed call for bipartisan cooperation, saying leaders on both sides should resist the temptation to divide the country into red and blue. "By putting this election and partisanship behind us, we can launch a new era of cooperation and make these next two years productive ones for the American people," he said.

House Minority Leader Nancy Pelosi (D-Calif.), in line to become the nation's first female speaker in January, also spoke to what is now widely seen among leaders in both parties as a rejection of partisan polarization.

"The American people spoke out for a return to civility to the Capitol in Washington and how Congress conducts its work," she said in her first news conference after the election. "And Democrats pledge civility and bipartisanship in the conduct of the work here, and we pledge partnerships with the Republicans in Congress and the president, not partisanship."

Bush and Pelosi will meet today to try to begin to forge a relationship that could be critical to both their parties' futures and that will color the atmosphere as the 2008 campaigns take shape.

There are any number of areas where the two sides might begin to try to work together. Immigration policy is one, an area where the president was more at odds with his own party than with some Democrats.

But Iraq will provide the acid test. On that issue, there are significant differences yet to be bridged. Many Democrats favor a shift that would begin to draw down U.S. troop levels. But Sen. John McCain (R-Ariz.), who has been critical of Rumsfeld and the mistakes made by the administration in prosecuting the war, said again yesterday that he favors sending in more troops to try once and for all to suppress the sectarian violence.

William Kristol, editor of the Weekly Standard and an early advocate of the war, said Bush was wise to let Rumsfeld go, but he cautioned against reading into the decision any move by Bush to begin a withdrawal of U.S. forces. He said a hawkish shift in policy is just as likely as one that calls for the United States to begin to get out.

For there to be any chance at rebuilding public support, Kristol said, "Rumsfeld had to go. . . . For the sake of the war, he had to go. I don't interpret his going as a step toward withdrawal or redeployment," and he does not foresee Bush "looking for a way out."

Democrats said they expect to find many Republican allies on Capitol Hill in pushing Bush closer to their views.

"I know it sounds trite, but elections have profound consequence," said Sen. Joseph R. Biden Jr. (Del.). He said the president "would be absolutely not tone deaf but stone deaf" to ignore the meaning of Tuesday's elections, adding that Republicans "are not going to allow this president" to stick with the current policy.

Democrats have an agenda of issues other than the war that they will push at the beginning of the new Congress. The list includes raising the minimum wage, providing college-tuition assistance, letting the government negotiate with drug companies over prices for Medicare patients, and implementing the recommendations of the Sept. 11, 2001, commission.

But they recognize, as does the White House, that all those proposals pale in comparison to finding a solution to Iraq. Pelosi said yesterday that the election demonstrated the public's desire for a new direction, but she and other party leaders have been circumspect about exactly what that might entail, other than to begin withdrawing U.S. troops at some point.

Many of the party's newly elected House members campaigned on explicit platforms of withdrawing U.S. forces. Party leaders and prospective Democratic presidential candidates, including Sen. Hillary Rodham Clinton (N.Y.), will be under growing pressure to clarify their and the party's position in coming months.

Many Democrats now look to the Iraq commission chaired by former secretary of state James A. Baker III and former congressman Lee H. Hamilton (D-Ind.) to find a solution that will satisfy both president and Democrats. Robert M. Gates, named yesterday as the next defense secretary, sits on that commission.

William A. Galston, a Brookings Institution scholar who served in the Clinton administration, said the experience of the Vietnam War should give Democrats a powerful incentive to cooperate with Republicans to develop a new policy. "This is a matter of great consequence," he said.

In the early 1970s, he said, Democrats ended up blamed for "ending an unpopular war in the wrong way. We paid a price for decades, and to some extent we're struggling against that legacy. The very worst thing we could do is repeat that mistake."

Democrats Close In On Senate (LAT)

By Janet Hook

The Los Angeles Times, November 9, 2006

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WASHINGTON — A day after discontent with the Iraq war prompted sweeping election defeats for the Republican Party, President Bush on Wednesday acknowledged voters had given him "a thumping" and said the chief architect of his military strategy, Defense Secretary Donald H. Rumsfeld, had resigned.

The announcement came hours after Democrats won a majority in the House for the first time in 12 years and seemed all but certain to take control of the Senate — barring unexpected changes in the vote totals in two states.

In the past, Bush repeatedly defended Rumsfeld, even as progress in the war stalled and as the Defense secretary, known for his confident and bristling manner, piled up critics in both parties. But on Wednesday, the president said he and Rumsfeld agreed that the Pentagon needed "fresh eyes."

"He himself understands that Iraq is not working well enough, fast enough," Bush said. He said he would nominate Robert M. Gates — who served as CIA director under Bush's father — as his new Defense secretary.

News that one of the most powerful figures in Washington was leaving office came as GOP hopes faded that they could win two close Senate races, in Virginia and Montana, that would decide control of the Senate.

Virginia officials had not confirmed final results, but the Associated Press declared that Democratic candidate Jim Webb had pulled off an upset victory based on new data from election officials in all 134 voting localities. But GOP Sen. George Allen refused to concede. His aides said they wanted to wait for election officials to complete a routine review of the vote totals, expected this week.

Earlier in the day, Montana officials declared Democrat Jon Tester the Senate race winner, but GOP Sen. Conrad Burns had not given in.

In Washington, Democratic leaders were expected to hold a news conference today to celebrate their apparent victories in the two races — which would give them 51 Senate seats to the Republicans' 49. The party has not held both chambers of Congress since 1994.

"I'm obviously disappointed with the outcome of the election," Bush said. "And as the head of the Republican Party, I share a large part of the responsibility."

As House Republicans began to grapple with their loss of at least 28 seats, Speaker J. Dennis Hastert (R-Ill.) said he would quit the party's leadership. That set off a struggle to lead the new House minority party and sparked a round of recriminations over the cause of the defeat.

GOP losses in the House could climb, since about half a dozen races are not yet final.

Bush said he was surprised by how many seats his party lost, even if many defeats were narrow. He spoke at a White House news conference with a chastened tone. "If you look at race by race, it was close," he said. "The cumulative effect, however, was not too close. It was a thumping. But nevertheless, the people expect us to work together."

The ritual of postelection fence-mending began early Wednesday, when Bush began dialing congressional leaders, including Democratic chieftains he rarely consulted while they were in the minority.

"I welcomed the president's call as a sign of respect for the votes of the American people," said House Minority Leader Nancy Pelosi (D-San Francisco), the likely next speaker, who was sleeping when Bush called at 7:15 a.m. She and other congressional leaders are to meet with Bush over lunch today.

At her inaugural news conference as presumptive speaker, Pelosi tried to set a conciliatory tone. But she said the election returns were a mandate for change in Iraq.

Bush insisted that the personnel change had been in the works even before he had learned of the election returns.

"After a series of thoughtful conversations, Secretary Rumsfeld and I agreed that the timing is right for a change of leadership at the Pentagon," he said.

That marked a 180-degree turn from Bush's comments to reporters a week ago, when he insisted that Rumsfeld and Vice President Dick Cheney would remain in the administration for the rest of his tenure.

Rumsfeld's resignation was welcomed by his critics — Democrats who opposed Bush's Iraq policy as well as Republican allies who faulted the secretary's handling of the Iraq mission.

"This important change offers the administration and Congress a fresh opportunity to examine all aspects of our strategy and tactics in Iraq, and make whatever changes are necessary to succeed there," said Sen. John McCain (R-Ariz.), a war supporter who has clashed with Rumsfeld.

A key question is whether the shift in Pentagon leadership signals a willingness make policy changes as well. Bush said he was open to a "different approach," but only if the goal was victory in Iraq.

"If the goal is success, then we can work together," he said of the new Democratic majority. "If the goal is 'get out now, regardless,' then that's going to be hard to work together."

However, the election is likely to intensify the pressure for a shift in Bush's Iraq policy.

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Coming after months of military setbacks, the election demonstrated that both Democrats and independents were weary of making sacrifices while stability in Iraq remains elusive. More Republicans now are likely to join the effort to press Bush to find another approach, hoping they will not have to face the 2008 election with 140,000 troops still in Iraq, strategists in both parties say.

Meanwhile, in the next few months, a congressionally appointed study panel headed by former Secretary of State James A. Baker III and former Rep. Lee H. Hamilton (D-Ind.) is expected to report its suggestions for a new direction on Iraq policy.

In his comments, Bush left himself room to maneuver in the face of these pressures. While insisting he would accept nothing less than victory in Iraq, he said he was eager to talk to the new Democratic leadership, and the study group, about how to achieve that goal.

Some top Democrats have insisted they will not try to push through a cutoff of war funds, as lawmakers did in 1973 to end U.S. participation in Vietnam. But Democrats are likely to wrangle with the White House on how money will be spent on the war.

The first shot in that battle may be over an expected fiscal 2007 supplemental spending request for the Iraq and Afghanistan wars. The services are preparing to ask for a record $160 billion for that purpose, defense analysts say.

In other policy areas, Bush suggested that compromise might be possible with a Democratic-controlled Congress, despite the bitter rhetoric of the campaign.

"I believe we can find some common ground with the Democrats" on a broad rewrite of immigration laws, he said. Bush's vision of the overhaul is supported by more Democrats than Republicans, because many conservatives oppose his plan to offer a path to citizenship for illegal immigrants already in the U.S.

In another olive branch, Bush suggested he might be willing to back an increase in the federal minimum wage, an idea that was a key plank in Democrats' 2006 campaign platform.

Julian Zelizer, a congressional historian at Boston University, said Bush might be more willing to work with Democrats in the final two years of his presidency. "He might feel more compelled to build his legislative record fast so he is not remembered just for a failed war in Iraq and losing Congress to the Democrats," Zelizer said.

But amid the talk in Washington of renewed bipartisanship, there were already signs of the distrust and bickering that had plagued Congress throughout Bush's tenure.

"Contrary to public statements [by Pelosi] that we're entering a time of 'partnership, not partisanship,' let's be honest," said Rep. Patrick T. McHenry (R-N.C.). "Pelosi's House will be marked by two years of partisan warfare, complete with infighting, intrigue, investigation, incompetence and inaction,"

Recriminations were flying as Republicans debated why and how they lost so badly. Many Republicans said the election returns did not represent a landslide mandate for Democrats or for a liberal agenda. They contended that many of the defeated Republicans had been injured by scandal, rather than rejected for their conservative views.

But many conservative activists said the GOP suffered at the polls because it had lost its commitment to controlling spending and limiting government.

"We did not just lose our majority, we lost our way," said Rep. Mike Pence (R-Ind.), leader of a large faction of House conservatives.

The finger-pointing is likely to intensify in the power struggle set off by Hastert's decision to step down as the longest-serving Republican speaker. Pence is challenging Rep. John A. Boehner (R-Ohio), the current majority leader, for the post of minority leader, which will be the No. 1 post for House Republicans.

Another possible contender for minority leader is House Energy and Commerce Committee Chairman Joe L. Barton (R-Texas).

Democrats' post-victory unity will be tested by leadership struggles as well. Pelosi is expected to become speaker without contest, but the No. 2 leadership position will be sought by Rep. Steny H. Hoyer of Maryland, a favorite of party moderates, and Rep. John Murtha of Pennsylvania, who has thrilled liberals with his opposition to the Iraq war.

House Democratic Caucus Chairman James E. Clyburn of South Carolina launched a campaign for majority whip, the No. 3 slot. But Rep. Rahm Emanuel (D-Ill.), chief engineer of Tuesday's Democratic victory, is said to be considering running for the post too.

That could put Pelosi in a difficult spot: She might want to reward Emanuel, but she is under pressure from black lawmakers to elevate Clyburn, a former head of the Congressional Black Caucus.

Bush, Pelosi Face Challenge How Much Compromising Can Each Stand To Do? Democrats Close In On Senate By NEIL KING JR., YOCHI J. DREAZEN And GREG JAFFE (WSJ)

The Wall Street Journal, November 9, 2006

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WASHINGTON -- She has called him "oblivious, in denial, dangerous" and "not a leader." He has mocked her self-proclaimed "love" of tax cuts. "If this is... love, I don't want to see what hate looks like," he said recently, drawing roars of laughter from a crowd of supporters.

Now Nancy Pelosi and George W. Bush -- the Democrat representing San Francisco, a city often painted as the country's liberal extreme, and the Republican president from ultraconservative Midland, Texas -- will be forced to work together.

It now appears likely that Mr. Bush will face both a House and a Senate controlled by Democrats, as new projections indicated that the final Senate seat Democrats need for control of that chamber was falling their way. That would make Nevada Democrat Harry Reid the new Senate majority leader in January.

But of all the relationships between the president and Congress's new leaders, the most important will be with Mrs. Pelosi, who now will be the speaker of the House and stand third in line for the presidency. In separate news conferences yesterday, she and the president both said they took the same message from Tuesday's elections: The American people want them to set aside their differences and cooperate for the good of the country.

Years of personal and political animosity, however, will make cooperation between the two political leaders difficult -- as will pressures from their very different, and antagonistic, political bases. The president is going to face new demands from conservatives, who, with the election behind them, are giving free voice to their frustrations with high spending, scandals and social issues. They will be strengthened because a number of Republican moderates got wiped out in Tuesday's vote.

Mrs. Pelosi will get an earful from fellow liberals, emboldened by the party's first big political win in a decade. Many are eager to force the U.S. out of Iraq while boosting spending for a range of social programs. Many old-guard liberals in Congress will assume committee chairmanships, though Ms. Pelosi will be shepherding a majority made possible by the victories of more conservative Democrats from Republican-leaning districts.

Mr. Bush yesterday underscored the potential difficulties of his future relations with the House speaker-to-be: "There's a significant difference between common ground and abandoning principle. She's not going to abandon her principles, and I'm not going to abandon mine."

When the two meet for lunch at the White House today, Mr. Bush and his party will come to the table significantly weakened, and Mrs. Pelosi's Democrats considerably strengthened. Unhappy voters on Tuesday ended the president's six years of mostly unfettered rule with a Republican-led Congress and gave Democrats a majority of the seats in the House of Representatives for the first time in a dozen years. Already yesterday, Mr. Bush took a big first step toward appeasing Democrats by announcing the resignation of Defense Secretary Donald Rumsfeld, a move repeatedly demanded by Mrs. Pelosi and other Democrats.

Bush Accepts Role In Losses (WT)

By Joseph Curl

The Washington Times, November 9, 2006

A contrite President Bush said yesterday that he shares "a large part" of the responsibility for the "thumping" suffered by Republicans on Election Day, but called on his party's lawmakers to work with the new Democratic leadership in Congress to advance his agenda.

In a press conference just hours after Democrats took control of the House for the first time in 12 years -- and appeared poised to seize the Senate as well -- the president seemed at times glum, at other times pugnacious, as he said the American people had spoken.

"Yesterday, the people went to the polls, and they cast their vote for a new direction in the House of Representatives. And while the ballots are still being counted in the Senate, it is clear the Democrat Party had a good night last night," he said in the White House's East Room.

"I'm obviously disappointed with the outcome of the election, and as the head of the Republican Party, I share a large part of the responsibility. I told my party's leaders that it is now our duty to put the elections behind us and work together with the Democrats and independents on the great issues facing this country," he said.

Although he spent the past few weeks traveling across the country to excoriate Democrats as weak on national security and bent on raising taxes, Mr. Bush said it is time to move past partisan politics and work hard for the American people.

"I believe that the leaders of both political parties must try to work through our differences, and I believe we will be able to work through differences. I've reassured the House and Senate leaders that I intend to work with the new Congress in a bipartisan way to address issues confronting this country. I invited them to come to the White House in the coming days to discuss the important work remaining this year and to begin conversations about the agenda for next year," he said.

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Asked about his ability to work with House Minority Leader Nancy Pelosi, the California Democrat expected to become House speaker in the next Congress, Mr. Bush said, "If you hold grudges in this line of work, you're never going to get anything done." And he acknowledged that the victory by Mrs. Pelosi's party would have policy consequences.

"Look, this was a close election. If you look at it race by race, it was close. The cumulative effect, however, was not too close. It was a thumping," Mr. Bush said. "But, nevertheless, the people expect us to work together. That's what they expect."

The president immediately granted a key demand of Democrats by announcing the resignation of Defense Secretary Donald H. Rumsfeld.

Mr. Bush praised Democrats for a "disciplined campaign" and a "superb job of turning out their votes," but he lobbed a barb at his chief White House political strategist, Karl Rove, who failed for the first time in three elections to deliver a win for the president.

For months, Mr. Bush has publicly joked about an informal contest between himself and Mr. Rove as to who could read the most books. When asked yesterday about who was winning the contest, Mr. Bush said: "I'm losing. I obviously was working harder on the campaign than he was."

The remark drew a tight smile from Mr. Rove at the press conference -- and a collective "oooh" from the White House press corps.

Mr. Rove, who orchestrated a historic Republican gain of congressional seats during the 2002 midterm elections, had told The Washington Times late last month that he was "confident we're going to keep the Senate; I'm confident we're going to keep the House." Instead, Democrats gained at least 29 House seats and at least four Senate seats, pending delayed results, recounts and any court challenges.

Mr. Bush also had made optimistic predictions during the campaign's final weeks. He said yesterday that those mistaken forecasts did not show that he was "out of touch."

"I'm an optimistic person, is what I am. I knew we were going to lose seats, I just didn't know how many," he said. "But the people have spoken, and now it's time for us to move on."

Still, although Mr. Bush said he realized that the American people "voted last night to register their displeasure with the lack of progress being made" in Iraq, he asserted that his strategy -- and his responsibility -- will not change.

"The election has changed many things in Washington, but it has not changed my fundamental responsibility, and that is to protect the American people from attack. As the commander in chief, I take these responsibilities seriously," he said.

Mr. Bush acknowledged that the Iraq policy was "not working well enough, fast enough," but he also sought to warn U.S. enemies, while making assurances to Iraqis and U.S. troops.

"To our enemies: Do not be joyful. Do not confuse the workings of our democracies with a lack of will," he said. "To the people of Iraq: Do not be fearful. As you take the difficult steps toward democracy and peace, America's going to stand with you. We know you want a better way of life, and now is the time to seize it."

And to U.S. troops, he said: "Don't be doubtful. America will always support you."

The president also said that Democrats, who he said on the campaign trail lacked a cohesive plan for Iraq, must now "make up their minds."

"I can understand Americans saying, 'Come home.' But I don't know if they said: 'Come home and leave behind an Iraq that could end up being a safe haven for al Qaeda,' " he said. "I don't believe they said that."

Bush Pledges To Work With Democrats (AP-Y)

By Deb Riechmann And Tom Raum, Associated Press Writers

AP, November 9, 2006

President Bush pledged Wednesday to work with Democrats after the "thumping" that Republicans took on Election Day. He named a new defense secretary to oversee the war in Iraq, a change the president said was going to happen regardless of which party won the election.

Bush said former CIA Director Robert Gates, if confirmed by the Senate, would replace Donald H. Rumsfeld at the Pentagon.

Gates is a "patriot" and "strategic thinker" with a transformational spirit, Bush said from the Oval Office.

"He's a man of integrity, candor and sound judgment," the president said. "He knows that the challenge of protecting our country is larger than any political party. He has a record of working with leaders on both sides of the aisle to strengthen our national security. He has my confidence and my trust."

Bush praised Rumsfeld, in the Cabinet from the start of the Bush presidency, saying, "America is safer and the world is more secure because of the leadership and the service of Don Rumsfeld."

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Bush said he had been talking with Rumsfeld about whether it was time for a fresh perspective at the department, and the two agreed Tuesday it was appropriate for Rumsfeld to resign.

"It's been quite a time," Rumsfeld said. Then, quoting Winston Churchill, he said: "I have benefited greatly from criticism, and at no time have I suffered a lack thereof."

The announcement came the day after Democrats captured control of the House after 12 years of GOP rule and erased the Republican majority in the Senate. One Senate race remained to be decided — in Virginia, where Democrat James Webb held a slight lead of Republican Sen. George Allen. If Democrats win that seat, they would hold a 51-49 edge in the Senate; an Allen victory would split the Senate 50-50, with Vice President Dick Cheney, as president of the Senate, in position with a tie-breaking vote.

Bush called Democratic leaders to congratulate them and he expressed both disappointment and surprise over the vote.

"I thought we were going to do fine yesterday, shows what I know," Bush said at a news conference hours before introducing Gates as his nominee. "But I thought we were going to be fine in the election. My point to you is that, win or lose, Bob Gates was going to become the nominee."

Bush seemed stoic about the election, proclaiming: "This isn't my first rodeo."

"I recognize that many Americans voted last night to register their displeasure with the lack of progress being made" in Iraq, the president said. "Yet I also believe most Americans — and leaders here in Washington from both political parties — understand we cannot accept defeat."

Gates led the CIA from November 1991 to January 1993 under former President George H.W. Bush. The president said he met with Gates over the weekend at Bush's ranch in Crawford, Texas.

"Bob Gates will bring a fresh perspective and great managerial experience," Bush said.

Bush was asked by reporters whether he retained full confidence in Cheney, a chief advocate of the war, and whether the vice president would serve out the rest of his term.

"Yes he does, yes he will," Bush replied.

Yet only a week ago, Bush told The Associated Press and other reporters in an interview that he expected Rumsfeld and Cheney to stay through the end of his last two years in the White House. Asked Wednesday about that comment, Bush acknowledged he intentionally misled reporters because he want to avoid a change at the Pentagon during a hotly contested election.

"I didn't want to inject a major decision about this war in the final days of a campaign," Bush said. "And so the only way to answer that question, and to get you onto another question was to give you that answer. ... The other reason why is I hadn't had a chance to visit with Bob Gates yet, and I hadn't had my final conversation with Don Rumsfeld yet, at that point."

The president joked that he had given House Minority Leader Nancy Pelosi, in line to become the first female speaker of the House, the name of a Republican interior decorator to help her pick out drapes for her new office. The comment was poke at the California Democrat's pre-election remark about having her pick of Capitol suites.

As to the role played in Tuesday's widespread GOP losses, Bush said, "I believe Iraq had a lot to do with the election, but I think there were other factors as well." He suggested that a variety of congressional scandals may also have played a role.

He said he would seek to find common ground with Pelosi, but without either of them compromising their principles.

Bush was asked at his East Room news conference about Pelosi's past derogatory comments describing him as a liar and dangerous.

"I know when campaigns end and governing begins," he said. "If you hold grudges in this line of work, you never get anything done."

Bush also got in a dig at his trusted top political adviser, Karl Rove. Rove is widely credited with Bush's presidential victories in 2000 and 2004 and GOP gains in the 2002 congressional elections. As recently as last week, Rove predicted Republican would retain both House and Senate.

"I obviously was working harder in the campaign than he was," said Bush, who stumped hard for GOP candidates, especially troubled ones in traditionally Republican states.

Bush said he wanted to hear other views on Iraq, and was looking forward to recommendations by a commission headed by former Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton of Indiana. Bush said expected to meet with the group, which includes Gates, early next week.

Still, Bush added, "We're not going to leave before the job is done."

Power Shift Begins As New Congress Emerges (CHIT)

By Jill Zuckman, Tribune National Correspondent

Chicago Tribune, November 9, 2006

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As the extent of the Democratic rout became apparent Wednesday with Republicans likely losing control of the Senate, President Bush promised to work with the new leaders of Congress and Democrats moved quickly to consolidate power and pushed for a new path in Iraq.

"I'm, obviously, disappointed with the outcome of the election, and as the head of the Republican Party, I share a large part of the responsibility," said Bush, who described the results as "a thumpin'." "I told my party's leaders that it is now our duty to put the elections behind us and work together with the Democrats and Independents on the great issues facing this country."

The Associated Press reported late Wednesday the Democrats had won the pivotal Virginia Senate race, claiming Democrat Jim Webb had unseated Republican George Allen and that had given the Democrats total control of Congress for the first time in 12 years. AP contacted election officials in all 134 localities where voting occurred, obtaining updated numbers Wednesday. The new AP count showed Webb with 1,172,538 votes and Allen with 1,165,302, a difference of 7,236.

But the official canvass was not complete, and a senior adviser to the Allen campaign, who spoke on the condition he not be named, said, "The senator is going to see the canvass through. It should wrap up by mid to late afternoon tomorrow. He has no intention of dragging this out. If the numbers hold true to what they were on election night and there is no dramatic movement, he is disinclined to pursue a recount."

At the top of the issues facing Bush and Congress is the war in Iraq, and Democratic leaders expressed a measure of conciliation toward Bush and the Republicans as they began to lay out their agenda.

"This is something that we must work together with the president," said Rep. Nancy Pelosi (D-Calif.), who is expected to be the next Speaker of the House, replacing Speaker Dennis Hastert (R-Ill.).

Sen. Harry Reid (D-Nev.), who would become the Senate majority leader assuming the Virginia race is finally called for Democrat Jim Webb, said the election confirmed Democrats' call for a change in direction, particularly on Iraq.

"Without getting into the details of what we want to do legislatively, the main point is that we want to do things on a bipartisan basis," Reid said.

Bush himself acknowledged the need for some sort of change regarding the war when he fired Defense Secretary Donald Rumsfeld.

"I recognize that many Americans voted last night to register their displeasure with the lack of progress being made," Bush said. "Yet I also believe most Americans - and leaders here in Washington from both political parties - understand we cannot accept defeat."

The historic midterm election provided a sharp rebuke to Bush and his policies, as well as to a congressional Republican leadership that allowed runaway federal spending and suffered ethical lapses in its ranks.

Rep. Jeb Hensarling (R-Texas), for example, said it was time for Republicans to look in the mirror and reflect on where they went wrong.

"Over the last several years, Republicans have experimented with big government, and we have now seen the result," he said, pointing to the war in Iraq, scandals and unnecessary pork-barrel spending projects.

In the House, Republicans lost 29 seats, Democrats gained 30 and several races were still being counted or recounted the day after the election.

In the Senate, five Republican senators lost their seats-- in Rhode Island, Pennsylvania, Ohio, Missouri, and Montana. In Virginia, Sen. George Allen sought a recount, but his opponent, Webb, appeared to have won by about 7,000 votes. If Virginia ultimately goes to the Democrats, the Senate would be divided 51-49 with Republicans in the minority.

The new balance of power in Washington immediately kicked off behind-the-scenes battles for power in the ranks of Democratic and Republican House members.

Hastert, for example, said he would not seek a Republican leadership post after he hands the gavel over to Pelosi. But House Majority Leader John Boehner (R-Ohio) is expected to face challenges for the top GOP leadership spot from Rep. Mike Pence (R-Ind.) and possibly Rep. Joe Barton (R-Texas).

"I am running for Republican leader, because I believe that we did not just lose our majority-we lost our way," Pence wrote in a letter to Republican colleagues Wednesday. "We are in the wilderness because we walked away from the limited government principles that minted the Republican Congress."

On the other side of the aisle, the Democratic whip, Steny Hoyer of Maryland, announced he would run for House majority leader, touting his skills as a vote counter, as well as his role bringing Democrats to the majority.

"We have a two-year period in which to demonstrate that we can govern and lead - and our success will be critical to our ability to retain the majority," Hoyer, who is expecting a challenge from Rep. Jack Murtha (D-Pa.), said in a letter to colleagues.

Meanwhile, Democrats may find themselves embroiled in another battle to choose a successor to Hoyer as the majority whip. Rep. James Clyburn (D-S.C.), a member of the Congressional Black Caucus, has thrown his hat in the ring, but Rep. Rahm Emanuel (D-Ill.) is also mulling a bid.

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At a press conference early Wednesday, Emanuel said he has not made a decision yet and is consulting with colleagues. He said he would have to evaluate both his professional responsibilities, as well as his family responsibilities. "I'll be making a decision in short order," he said.

A senior Democratic leadership aide acknowledged that the caucus owed Emanuel a debt for his work running the Democratic Congressional Campaign Committee, but said Emanuel would have to decide whether he wanted to alienate the black caucus by running against Clyburn, a popular and easygoing lawmaker.

Still, the official said, "We wouldn't be here today if it weren't for him."

According to exit polls, Democrats made gains with moderates, swing voters, independents, Catholics, Hispanics and people who live in the suburbs. Republicans hung onto conservative voters, but it was not enough to fend off the aggressive challenge waged by Democrats in every region of the country.

As Democrats celebrated their victory and vowed to work across party lines to accomplish results, Republicans engaged in a bout of self-flagellation and recriminations.

"We came to Washington to change government and government changed us," said Sen. John McCain (R-Ariz.), who had spent the last year campaigning for Republicans throughout the country. "We departed rather tragically from our conservative principles."

In Delaware, Republican Rep. Mike Castle echoed what Democrats had been saying all along: "It is clear the American people are frustrated with the war in Iraq and with this administration and they voted for change."

But GOP Rep. John Shimkus of Illinois placed blame with the corruption and scandals that led to the resignation of former Rep. Mark Foley of Florida, former Majority Leader Tom DeLay of Texas, and former Rep. Bob Ney of Ohio.

"That's not policy, that's in essence a party that imploded because of personal problems," Shimkus said.

With votes still being counted, Democrats appeared to have picked up another seat in Pennsylvania. Patrick Murphy, an Iraq war veteran, ousted Rep. Mike Fitzpatrick, a freshman Republican, by just 1,500 votes.

In Ohio, the fate of two Republicans, Reps. Deborah Pryce and Jean Schmidt, remained in doubt as election officials worked to tally provisional and absentee ballots. Pryce is chairman of the House GOP Conference, the fourth-ranking Republican. Schmidt put her seat in jeopardy after suggesting on the floor that Murtha, a decorated Marine and Vietnam veteran, was a coward for suggesting that American troops should leave Iraq.

Other House race results were inconclusive in Arizona, Wyoming, Washington, North Carolina and Florida.

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With Control Of The Senate In The Balance, All Eyes Turn To Virginia (NYT)

By John M. Broder And Ian Urbina

The New York Times, November 9, 2006

RICHMOND, Va., Nov. 8 — Never mind that Senator George Allen of Virginia had not conceded. Jim Webb, his Democratic opponent, claimed victory Wednesday on the strength of a roughly 7,000-vote margin.

And The Associated Press, a widely accepted authority for calling elections, agreed with Mr. Webb, declaring Mr. Allen, a Republican, the loser.

For the first full day after the balloting, Virginia remained the focal point of American politics, with a race whose outcome will determine which party controls the United States Senate. Mr. Allen's advisers said Wednesday night that he would do nothing until a canvass of ballots was completed. But Democrats — ecstatic at the prospect that they might have swept both houses of Congress — were not waiting.

"It is virtually 100 percent that Webb is going to win the race," said Senator Charles E. Schumer of New York, who is leading the Democratic effort to take back the Senate. "I think you can say without any hesitancy or doubt that Democrats are going to be the majority party in the Senate."

Mr. Webb began planning his transition, and aides to Mr. Allen suggested that he could acknowledge defeat as early as Thursday afternoon.

If they hold up, the victories of Mr. Webb and Jon Tester, the Democratic Senate challenger in Montana, would give the Democrats control of the Senate for the first time since 2002 and control of the entire Congress for the first time in a dozen years.

Mr. Webb, taking a page from the Republican playbook in the contested presidential vote count in Florida in 2000, tried to cast his victory as inevitable. But Mr. Allen's advisers on Wednesday still held out the possibility of a recount.

Aides to Mr. Webb began referring to him as Virginia's senator-elect, and this afternoon he issued a news release naming three members of his transition team.

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Democratic Party officials and some news organizations, including MSNBC and The A.P., declared Mr. Webb the winner of the election with a margin of less than one-half of 1 percent out of more than 2.3 million ballots cast. A candidate can request a recount in Virginia if the vote difference is less than one percentage point.

State officials were conducting a rapid canvass of the vote as part of a formal certification of the result. They could be done by Thursday afternoon, officials said.

Members of the Allen camp said earlier in the day that they expected the review would cut into Mr. Webb's lead, but stopped short of predicting that it would reverse the outcome.

Mr. Allen will speak as soon as the canvass is done, said a senior Allen adviser who spoke on the condition of anonymity. The adviser made it clear that if the margin did not narrow significantly, Mr. Allen would not challenge the result.

"He has no intention of dragging this out," the adviser said.

Democratic leaders expressed certainty that their margins in Virginia and Montana would hold, giving them unquestioned control of the Senate, to accompany the grasp of the House, which they won convincingly on Tuesday.

A concession by Mr. Allen would end a rough campaign marked by accusations of racism against him and sexism against Mr. Webb in a contest that alienated many voters, particularly women, and has apparently left the senator's once-promising political career in tatters.

Mr. Webb, a former Republican who was secretary of the Navy in the Reagan administration, ran a fairly listless campaign until the final weeks, when he adopted the persona of the warrior he was in the Marine Corps.

A spokeswoman for him, Kristian Denny Todd, said Wednesday that Virginia's vote-counting procedure was methodical and accurate, and expressed confidence that Mr. Webb's margin would hold .

"The bottom line," Ms. Denny Todd said, "is the votes have been counted and Jim Webb has won. It could have gone the other way, but it didn't. We're on top, and that's the way it's going to stay."

Virginia election results "rarely, rarely, rarely" change after certification, Ms. Denny Todd said, citing a recount in a race for attorney general last year in which the margin was fewer than 400 votes both before and after a recount.

At least one other race faced the possibility of a recount. In Florida, Vern Buchanan, a Republican, and Christine Jennings, the Democrat opposing him in the race for the Congressional seat being vacated by Representative Katherine Harris, appear headed for a recount with Mr. Buchanan ahead by 368 votes.

Last Chance By DAVID FRUM (WSJ)

The Wall Street Journal, November 9, 2006

The Bush administration woke up yesterday morning to a deeply ugly political situation. Those polls that show the president below 40% approval? They would look even worse if they surveyed only Republican members of Congress. As for the president's opponents: They are slavering for a nice two-year-long munch on the administration's haunches.

Worst of all, the administration seems to have exhausted its energy. Frustrated by Iraq, wounded by Katrina, thwarted in its two most recent major domestic initiatives (Social Security and immigration), the administration looks baffled, uncertain and often strangely passive.

But President Bush can yet regain the initiative. His opponents in Congress are badly divided amongst themselves: Witness Nancy Pelosi's attempt last spring to engineer the ouster of her own No. 2, Steny Hoyer, in favor of John Murtha.

Mr. Bush's Democratic opponents are also burdened with a very visible extremist wing. There is a real possibility that Alcee Hastings will be named chairman of the extremely important Intelligence Committee -- he of course being the Florida ex-judge impeached and removed in 1989 on corruption charges. The Democrats are also haunted by gnawing fears that crucial segments of the American electorate distrust them as cultural aliens and foreign-policy weaklings, as demonstrated by the panicked Democratic reaction to John Kerry's inadvertent slur against the troops in Iraq.

With a little ingenuity, the Bush administration could take advantage of these weaknesses -- and make yesterday's defeat work to its own advantage. President Bush should prepare to bombard Congress and the media with new ideas and proposals that rally his own party, divide his opponents and drive a wedge between left-wing Democrats and the voting public. So long as he is acting, he forces Congress to react.

The president's critics complain that the administration has lacked accomplishments over these past two years. The new Congress offers an opportunity to prove that Republicans remain the party of ideas -- and that their opponents still lack them. The nomination of Robert Gates to replace Donald Rumsfeld as secretary of defense offers a new start. The serene and knowledgeable Mr. Gates is in for a grilling, but by standing his ground and insisting on the importance of succeeding in Iraq, he can expose to the TV-watching public the real beliefs and purposes of left-leaning Democrats like Carl Levin.

At home, the administration should seek less to pass legislation -- although legislative success is always welcome -- than to clarify the differences between the parties for 2008. For instance: The president talked vaguely in 2005 of a grand new tax

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reform, but never gave enough detail to interest anybody in his ideas. What he had in mind, of course, was a shift away from taxing work, savings and investment toward taxing consumption. Good idea, but awfully abstract. The next Congress offers an opportunity to make it clear what this reform means.

President Bush has repeatedly asked Congress to make permanent his cuts in the income, dividend, estate and capital-gains taxes, as well as his doubling of the child tax credit. Congress has hesitated, citing fears of the impact of permanent tax cuts on the U.S. fiscal balance. These cuts constitute the most valuable element of Mr. Bush's domestic legacy. It's worth fighting to remind the country that Democrats would allow the president's tax relief to lapse -- and that if Democrats are allowed to return to power, taxes will shoot back up in 2010.

The president should send Congress a tax-reform proposal now, shaping it so that it appeals to enough Democrats to split the opposition. Here's one way to do that: Democrats have made a great theme of "energy independence." The president has likewise denounced America's "addiction to oil" and often presented nuclear power as a crucial element of an ideal energy policy. What if he baited the Democrats with some kind of energy tax (or, better, a carbon tax -- which exempts nuclear-generated energy) in exchange for permanent cuts in taxes on work, savings and investment. "Tax waste, not work" is not a bad slogan.

The Congressional Budget Office has estimated that a carbon tax that began at $12 per ton emitted and rose gradually to $17 would raise $208 billion over 10 years. That's enough to fully compensate for the cost to the Treasury of making permanent the president's cuts to taxes on capital gains and dividends -- and leave over almost $40 billion to balance the budget.

Education reform offers another opportunity for the administration to display energy and highlight opponents' divisions. The testing system instituted by the No Child Left Behind law will soon begin delivering its five-year report cards. Many American schools will be rated as failing -- and very likely the majority of these schools will be found in Democratic congressional districts. Over the past five years -- and over the 20 years before that -- hundreds of billions of dollars have been poured into America's worst schools, without discernible improvement.

George Bush entered politics as an educational reformer. Now, he can return to the good fight by scooping an idea from an opponent. Former Labor Secretary Robert Reich has proposed a voucher system that would grant progressively larger vouchers to children from poorer families. Given how much taxpayers already pay to support the nation's worst schools -- the District of Columbia spends more per child than any other jurisdiction -- Mr. Reich's idea might even save money. But it would certainly put the cat among the Democratic pigeons, especially if the president recruited Mr. Reich to lobby for it.

Democrats have effectively used ethics as a political lever against Republicans. With the election behind them, they will surely welcome the chance to transform their slogans into reality. The president might take the lead in calling for a voluntary ban on lobbyist-paid travel by members of Congress. And since we should want to encourage members of Congress to travel abroad, the president should propose a formal congressional travel fund. Make the fund big -- at least double what is being spent now -- and propose a special joint House-Senate subcommittee to oversee it based on the principle: oversight yes, golf no.

Over the next two years, executive energy must be more than a doctrine. It may prove the key to Republican survival -- and the coming conservative resurgence.

Mr. Frum, a former speechwriter for President Bush, is a resident fellow at the American Enterprise Institute.

After The Thumpin' (NYT)

By William Safire

The New York Times, November 9, 2006

Washington

WHY all the glum faces?" President Bush asked at the opening of yesterday's news conference.

Though the assembled reporters were hardly glum, conservatives of every stripe can console themselves by considering the limited scope of the Democrats' midterm sweep.

Despite the pervasive weariness with the war and the high tide of irritation at Bush's steadfastness; despite the general disgust at the policy paralysis and ethical laxity in the wake of muscle-bound one-party control — the result was only the average loss of House and Senate seats of the party in power midway in the second term of a president.

A political shakeup every dozen years is a necessary cathartic for the two-party system. What's more, the rightward cast of many Democrats in the freshman class is hardly bad news for conservativism. And the heartening victory of Joe Lieberman over the angry far left in liberal Connecticut augurs a renewal of a brief period of bipartisanship at the water's edge.

Where does our renewed two-party nation go from here?

First, leadership is never weakened by a little humility. After what he called "the thumpin'," the president showed he got the voters' message on Iraq: "I recognize that many Americans voted last night to register their displeasure with the lack of progress being made there." But in acknowledging that "they cast their vote for a new direction," he didn't wring his hands: "The people have spoken and now it's time to move on."

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Months ago, he had made provision for that "new direction" response — a phrase acceptable to hawks provided the direction is not out, quick — in the post-election report to be made by James Baker and Lee Hamilton's Iraq study group. The report should give cover to increased pressure on elected Iraqi leaders to confront the urgent needs of nationhood.

By placing Robert "Fresh Eyes" Gates, a former C.I.A. chief, on that panel, Bush paved the way for Donald Rumsfeld to absorb the need of opposition politicians for bureaucratic punishment. The loyal SecDef's resignation after the poll results was Bush's act of contrition.

Now the president should take the Democratic leaders up on their fine post-election expressions of bipartisanship. He's headed to Asia for an economic meeting in Hanoi. In its lame-duck session beginning next week, Congress should pass the $67 million earmark to Vietnam called for by Bush primarily for AIDS treatment. Then he should seize the initiative to get some cooperation on domestic progress during the final days of the outgoing, unlamented 109th Congress. In addition to the usual budgetary housekeeping between Thanksgiving and Christmas, both parties should make a concerted effort to deal with the most doable urgent domestic need: to resolve the fears of 12 million Hispanic "illegals" living in the United States.

Bush has already proposed a comprehensive compromise: a guest worker program with earnable citizenship for those here now, as well as a border fence to stop the influx of Mexicans. But Republicans — fearful of nativist voters shouting "no amnesty" — passed only the harsh half, and that unfunded fence is a joke. Now Bush, with many Democrats already supporting his approach, should get recalcitrant Republicans to pass his fair-minded immigration package. It would be a test of both new Republican discipline and Democrats' sincerity on bipartisanship.

The window of bipartisan compromise can also fit a minimum wage increase tied to inheritance tax reduction; energy drilling tied to mileage standards and alternative fuels subsidy. But the window won't be open long. That's because the committees of the 110th Congress will be headed by the liberal Old Bulls eager to pass "one-house bills" useful only to provide hearings and make headlines.

Committee chairmen like Charles Rangel of Ways and Means, John Dingell of Energy and Commerce, Barney Frank of Financial Services and others will crowd the airwaves with hearings grilling contractors and torturing accused torturers.

After a few months of this posturing, a newly emboldened Bush, emulating F.D.R.'s derision of the isolationists "Martin, Barton and Fish," will be moved to denounce "Rangel, Dingell and Frank." This will be the signal for new Republican leaders, like Mike Pence of Indiana, to take up the tactic of Harry Truman by denouncing "the do-nothing 110th Congress." At the same time, as the 2008 primaries loom, the Trumanesque Bush will measure his reduction of troops in Iraq by the ability of the Iraqis to take over their own defense.

That's when the new Democratic majority will suffer great stress. Senator Hillary Clinton evoked "the vital, dynamic center" in her victory speech, and Representative Rahm Emanuel was the model of non-hubristic responsibility during the delighted Democratic deluge. But it's hard to imagine Nancy Pelosi, Howard Dean, Kerry-Gore-Edwards campaigners and the whole loser left holding still into the snows of New Hampshire.

Into that incipient split of the new Congressional majority will march John McCain, Rudy Giuliani, Mitt Romney and the other conservative, internationalist hopes. So cheer up, my fellow right-wingers, especially those of you who have grown too accustomed to winning every election night. Sometimes we have to suffer a loud, corrective slap before readying the political counterpunch.

Speaker Pelosi (WSJ)

The Wall Street Journal, November 9, 2006

Tuesday's Democratic election victory was by any measure decisive, yet in the perspective of history also unsurprising. In the sixth year of a two-term Presidency, Americans rebuked Republicans on Capitol Hill who had forgotten their principles and a President who hasn't won the Iraq war he started. While a thumping defeat for the GOP, the vote was about competence, not ideological change.

This is not to minimize the Democrats' victory, which they deserve to savor after several frustrating election nights. Credit in particular goes to Rahm Emanuel and Chuck Schumer, who led the House and Senate efforts to pick candidates who could win in GOP-leaning states. Their leaders, notably Speaker-in-waiting Nancy Pelosi, also kept in check their ideological ambitions to make Tuesday a referendum on Republican governance. It was a shrewd strategy.

All the more so because the GOP gave them so much ammunition. By our count, at least eight GOP House seats fell largely due to scandal; campaign-finance ties to disgraced lobbyist Jack Abramoff probably cost Conrad Burns his Senate seat in Montana. These columns have spent several years warning Republicans that their overspending, corrupt "earmarks" and policy drift would undermine their claim as the party of reform. On Tuesday they did.

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The GOP "base" voted in respectable numbers, but enough of it voted for Democrats to make the difference. At 32%, the self-identified conservative share of the electorate was down only slightly from 2004 (34%), and the liberal share of 21% stayed the same. What changed is that the GOP won fewer conservative and independent votes. * * *

Democrats were able to exploit this frustration even without offering much of their own agenda. While this worked in the campaign, it leaves in doubt how Democrats will use their new power. In the minority, they could assail "George Bush's war" and threaten impeachment to mobilize their base without fear of being held responsible. Now they will have to govern. For Ms. Pelosi, this will mean deciding how much deference to give to the Great Society liberals who will soon run most House committees. Henry Waxman, David Obey, Pete Stark, Ed Markey, John Conyers, Barney Frank: These are sons of the Sixties who helped drive the Carter and Clinton Presidencies off a cliff.

They represent the soul of the Democratic House but not the desires of most voters in the 15 seats or so that provided their margin of victory on Tuesday. To sustain their majority in 2008 and beyond, Democrats will have to hold such seats as those won in eastern Pennsylvania by pro-military veterans Admiral Joe Sestak and Chris Carney, or in North Carolina by pro-life, anti-gun control Heath Shuler.

We doubt voters in those seats chose Democrats with a goal of "censuring" Mr. Bush, much less impeaching him, or because they want a tax increase or an unseemly retreat from Iraq. Flooding the Beltway with subpoenas and partisan hearings may be cathartic for the Bush-hating left, but it won't send a signal that Democrats are different from the DeLay Republicans. If Ms. Pelosi sides with the antiwar Jack Murtha against Maryland's moderate Steny Hoyer in the race for House Majority Leader, Republicans will be overjoyed at this signal that the old liberals are back in charge.

In the Senate, probable Majority Leader Harry Reid faces a comparable choice. His predecessor, Tom Daschle, lost the majority and later his own seat in large part because he played the role of obstructionist, especially on judges. Democrats might note that they gained Senate seats this year after having confirmed two Supreme Court Justices and taking judges off the table as a dominant election issue. At the very least, immigration and education are two areas where Democrats should be able to find common ground with Mr. Bush.

The biggest question mark, and responsibility, for Democrats is on Iraq and the war on terror. They could do themselves and the country much good by working with Mr. Bush on a strategy toward achieving victory in Iraq as well as against al Qaeda. This means more than bromides about a "phased withdrawal" of troops next year, which won't encourage Iraq's militias to disarm; and it means more than Mr. Murtha's "redeployment" to Okinawa or somewhere else where the world would see that the U.S. has given up on Iraq.

The Democrats could be most constructive by taking up the call of Senators Joe Lieberman and John McCain to do whatever it takes to win in Iraq. If this means more troops, Iraqi or American, they should call for them. And if it means spending more to build a larger American military in this era of the global terrorist threat, they should do that too. This would not sit well with many on the antiwar left, but then Ned Lamont lost to Mr. Lieberman once their contest moved to an electorate larger than the Democratic primaries.

In Tuesday's exit polls, for all of their other woes, Republicans still had an advantage over Democrats of seven percentage points as the party more likely to keep the country safer from terrorism. Since this threat isn't going away, Democrats won't help their image going into 2008 by opposing warrantless wiretaps against al Qaeda or the rest of the antiwar agenda. They would be smarter to make themselves partners in giving institutional permanence to Mr. Bush's best post-9/11 policies.

All told, the Republicans deserved the electoral drubbing they received. Democrats will now have to prove they deserved the majority that GOP failure has handed them.

The Democratic House (NYT)

The New York Times, November 9, 2006

There was only one explanation for the crazy-quilt combination of victories around the country that gave the Democrats control of the House of Representatives last night: an angry shout of repudiation of the Bush White House and the abysmal way the Republican majority has run Congress.

It was a satisfying expression of the basic democratic principle of accountability. A government that performs badly is supposed to be punished by the electorate. And this government has performed badly on so many counts.

The Republicans created their defeat by focusing obsessively on the right-wing “base,” ostracizing not only the Democrats but their own party’s more moderate legislators. The conflict between the extremist House and the conservative Senate created a phony center, far to the right of the general public’s idea of where the middle ought to be. Yesterday, moderate Republicans in heavily Democratic states were done in by their party’s excesses. In Rhode Island, more than 60 percent of the voters told pollsters that they liked their Republican senator, Lincoln Chafee. But he was soundly defeated anyway.

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The Democrats won a negative victory, riding on the wave of public anger about Republicans. The new House majority will certainly call the administration to account on any number of issues, but it will have to do far more than run investigations if it is to build on its victory.

For years now, the Democrats have been not only the minority party, but a particularly powerless minority, elbowed out of virtually any role other than that of critic. The House Democrats will have to shift from the role of tactical opposition to shadow government. They will have to pass bills — bills that might not make it into law, but that would provide a clear idea of what their party would do if it were really in control.

And while they are trying to build a new majority, the Democrats need to remember what happens when a party in power loses its way.

Message Of 2006: Moderates Fed Up With Polarization (RC)

By Morton M. Kondracke

Roll Call, November 9, 2006

The 2006 election results were a rebuke not just to President Bush and Congressional Republicans but to radio talk-show hosts and other right-wing polarizers.

The right managed to win seven more anti-gay marriage referendums across the country, but it was repudiated on Iraq, immigration and excessive religiosity.

At the same time, while Democrats won control of the House and possibly the Senate, they did so by capturing the votes of moderates and independents, whom they could lose easily with demonstrations of wretched excess.

It's encouraging that Bush and incoming Speaker Nancy Pelosi (D-Calif.) and likely Senate Majority Leader Harry Reid (D-Nev.) are talking the language of bipartisan cooperation, but Democrats will be strongly tempted to exercise their passions against the president and his policies.

Exit polls showed that, once again, self-identified moderates made up a near-majority of the electorate — 47 percent — and this group split 62 percent to 36 percent Democratic — a 9-point Democratic gain from 2002 and 8 points above 2004.

Only 21 percent of voters identified themselves as liberals and 32 percent as conservatives. Liberals supported Democrats nearly 90 percent of the time, while conservatives voted Republican by less than 80 percent.

While Republican and Democratic candidates held their partisan base voters by margins above 90 percent, independents went Democratic by a margin of 58 percent to 38 percent, a 10-point gain over 2002 and 9 points over 2004.

Clearly, these elections were a classic "six-year itch" referendum on the incumbent president — and that Bush lost.

The scale of this loss was on par with the post-war average for such elections: close to 30 House seats versus the average of 32, and likely six Senate seats compared to the average of eight.

In elections when the president's popularity was low because of war, scandal or recession, however, the average is 47 House seats and eight Senate seats.

Democrats did not campaign on a distinct positive agenda, but rather against Bush and the Iraq War and for an ill-defined "new direction."

Bush, of course, failed to win a majority of the popular vote in 2000, yet began governing as though he had won a smashing mandate. Largely because of his response to terrorism, he managed to defy history by increasing his party's majorities in two subsequent elections.

But he has turned himself into one of the most polarizing presidents in American history. And history has at last caught up with him.

The loudest message from the elections is that the nation wants a change of policy in Iraq. By a margin of 57 percent to 41 percent, voters said they oppose the war.

By 59 percent to 34 percent, voters said the war has not improved American security, and by 56 percent to 37 percent, they called for withdrawal of some or all U.S. troops, as opposed to maintaining current levels or sending more.

Yet full withdrawal is a distinct minority position — 30 percent — and Democrats won't have the country's support if they force it. Encouragingly, they say they won't.

The clearest repudiation of the loud right came on the issue of immigration. By a margin of 57 percent to 38 percent, voters said they wanted illegal immigrants who work in the U.S. to be allowed a chance to apply for legal status and not be deported.

Voters in Arizona rejected two of the nation's most vociferous immigration restrictionists, Rep. J.D. Hayworth (R) and Minuteman founder Randy Graf (R).

House Republicans massively bought into the talk-show claque's agenda by rejecting Bush's Latino-friendly proposal for comprehensive immigration reform, and they've suffered important damage as a result.

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Bush managed to capture 44 percent of the Latino vote in 2004, according to disputed exit polls, but this year Hispanics went Democratic by a margin of 72 percent to 27 percent, 10 points higher than in 2002.

If Republicans and Democrats are looking for an issue around which to demonstrate they can unify and accomplish something, they could use the lame-duck session of Congress to pass the comprehensive Senate immigration bill.

The exit polls also suggest that a revolt took place this year against the right's infusion of religious dogma into politics — as in the effort to keep brain-damaged Terri Schiavo alive and Bush's veto of expanded federal funding for embryonic stem-cell research.

Some of the biggest gains scored by Democrats over 2002 election results were among people who attend church a few times a month (a 16 percent Democratic gain), a few times a year (10 percent) or never (13 percent).

At the same time, the rapid spread of anti-gay-marriage constitutional amendments in the states is the consequence of overreaching by liberal courts that have short-circuited the political process on a deeply felt social issue.

Democrats also gained 10 points among white males, possibly reflecting the fact that only 29 percent of voters said their personal finances were in better shape than they were two years ago and that 68 percent said they were barely maintaining their standard of living or were falling behind.

Democrats and Republicans have to work together to improve workers' ability to cope with the high-tech global economy. Democrats will be tempted to be as isolationist on trade as Republicans have been restrictionist on immigration, but that would be a losing proposition.

Democrats and Republicans have a lot of tasks they can unite around — reauthorizing the State Children's Health Insurance Program and No Child Left Behind, redirecting oil company subsidies to alternative energy research, trying to reach an accommodation on out-of-control entitlements and expanding opportunities to attend college.

Possibly the most arresting single statistic in the exit polls was the finding that a plurality of voters — 40 percent — believe that the next generation of Americans will experience a life "worse than today," while only 30 percent expect it to be better and 28 percent about the same.

This means that voters are discouraged not only about America's present but also its future. The message of the elections is that the country wants its politicians to stop squabbling for partisan advantage and restore the American dream.

Chastened Ike Provides Worthy Model For Bush (USAT)

By Dewayne Wickham

USA Today, November 9, 2006

In the days leading up to the midterm elections, the president sounded a dire warning. The nation would face "innumerable obstacles to steady progress" if Democrats wrested control of Congress from Republicans, he said in a speech to supporters.

But when the votes were counted the American electorate didn't heed his words, and the president quickly tried to position himself as a healer, not a divider. "If there are any roadblocks thrown in the way of cooperation, I am not going to be responsible," he said at a post-election news conference.

If none of this sounds familiar to you, that's understandable. The president I'm talking about is Dwight D. Eisenhower, not George W. Bush. And the midterm elections were in 1954, not the ones held two days ago.

In that political sea change, Democrats picked up 19 seats in taking over the House and two seats in seizing the Senate. Like Eisenhower 52 years earlier, Bush tried to frighten voters in order to keep Republicans in power. Democrats "want to take more of your own money because they think they can spend it better than you can spend it," he said in Billings, Mont., five days before the elections.

That kind of talk might have rallied the base, but it didn't win the day for Republicans.

Maybe that's because a lot of voters thought Bush was being disingenuous with such criticism of Democrats. After all, it has been on his watch that a record federal surplus has turned into a huge deficit. Or it might be that while Bush was trotting out that old Republican scare tactic, voters worried more about the quagmire he's gotten us into in Iraq. He should not be tone deaf to this reality.

It's not enough for the president to try to appease voters with grudging talk of his willingness to work with a Democratic majority in the House, and possibly the Senate — as he did at his news conference Wednesday. Nor will having Defense Secretary Donald Rumsfeld walk the plank do it. He must accept the judgment of the voters that this nation must get out of Iraq — and their expectation that he reach a quick compromise with Congress on how to withdraw from this unpopular war.

"We shall have much to do together; I am sure that we shall get it done, and that we shall do it in harmony and goodwill," Eisenhower told the freshly minted Democratically controlled Congress during his 1955 State of the Union address.

And he apparently kept his word. Six months after that speech, Time magazine said of him: "No U.S. president has worked harder than Dwight Eisenhower to maintain friendly and constitutionally proper relationships with Congress."

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When Congress challenged some of his proposals, the magazine reported that same July that "Eisenhower has resolutely resisted efforts to drag him into every political dogfight on and off Capitol Hill. He has always remained a step above the scuffle. This has dismayed some of his closest supporters, who thought that he would gain more by getting into the fight. There is every evidence, however, that this position above the brawl is a strong point in his popularity with U.S. voters."

Bush, who is far from popular with the electorate, would do well to be guided by Eisenhower's behavior rather than any urge he might have to go toe-to-toe with the Democrats. He needs to start acting more like the Texas governor he once was — a politician who was a lot better at bridging this nation's political divide — than the combative president he has been.

Many lessons can be learned from the drubbing that Republicans took at the polls this week. But none is more compelling than this: Americans don't want the fate of this nation to rest solely in the hands of George W. Bush and the Republican Party he leads.

Meeting At The Middle (WP)

By E. J. Dionne Jr.

The Washington Post, November 9, 2006

American voters, in their wisdom, ended an era on Tuesday. They rejected a poorly conceived war policy in Iraq that has weakened the United States. They rejected a harshly ideological approach to politics that cast opponents as enemies of the country's survival. They rejected a president so determined to win an election that he was willing to slander his opponents by saying: "The Democrat approach in Iraq comes down to this: The terrorists win and America loses." The voters decided there was no decency in that.

No longer will the national tragedy of Sept. 11, 2001, be used to undermine the opposition party. It was only after he was forced to do so by an electoral defeat that President Bush called for genuine bipartisanship yesterday. Imagine what the world would look like if he had done that a year or two ago.

And no longer will we pay attention to political strategists who assert that swing voters aren't important and that independents and moderates don't matter. If Democrats are to make good use of the power they have been granted, they need to remember that last point. This election was the revenge of the center no less than it was the revenge of the left. The decisive votes cast on Tuesday came from moderates and independents, whom the exit polls showed favoring Democratic House candidates by about 3 to 2.

Nancy Pelosi and the other Democratic leaders face a genuinely complicated political calculus. On the one hand, Democrats would not have won without the intense dedication of their partisan and ideological base. Among self-identified Democrats, the party's House candidates won by about 13 to 1. Liberals went about 8 to 1 Democratic. This energy was critical to the outcome.

But many of the party's successful candidates ran as moderates, and Democrats hold power on the basis of a loan of votes from middle-of-the-road Americans who simply could not stomach Bush Republicanism anymore. The loan can be recalled at any moment.

The good news for Democrats is that their candidates, moderates and liberals alike, ran on two common themes: that the Bush Iraq policy had to change and that the Washington establishment simply does not understand the personal struggles and economic insecurities confronting so many Americans.

On Iraq, the president, not Congress, controls the essential levers of power, especially since Democrats have made clear that they will not use the one instrument they have, to cut off funding for the war, and they are right not to do so.

What they should do is use the coming report from the commission headed by former secretary of state James A. Baker III and Lee Hamilton, the former Democratic House member, to force a genuinely bipartisan approach to extricate us from Iraq at the lowest cost possible.

Tuesday's vote can help by making clear to the Iraqi government that there is a limit to American patience. The Shiite majority in Iraq must take more steps to reconcile with the Sunni minority. Our allies in the Arab world need to step up and help, because the American people will not tolerate endless engagement in Iraq. And the Democrats should encourage the administration to engage with all the nations in the region that have reason to fear an Iraqi civil war. That includes Syria and Iran.

The other obligation of this new majority is to answer the economic discontent that helped build its victory. Republicans prayed that the economy would matter in this election. Their prayers were answered in an odd way: Two-fifths of the voters told the pollsters that the economy was "extremely important" in their voting decision -- and they voted 3 to 2 for Democratic House candidates. A lot of Americans are losing ground, and they spoke up.

As long as Republicans control the White House, Democrats will not be able to pass far-reaching measures to deal with worries about pension benefits, health insurance and job security. What needs to begin is a long struggle to create a new social contract that will protect and lift up the tens of millions of Americans for whom globalization is more threat than promise.

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It's worth pushing hard-to-veto legislation increasing the minimum wage, expanding health-care coverage and fixing the Medicare drug benefit. These steps need to be combined with hearings on more ambitious measures that would force the Washington establishment to come to terms with grass-roots economic discontents.

This election creates an exceptional opportunity to move from blind ideology to problem-solving and from stupid divisiveness to a politics of remedy and reconciliation. The Democrats had better make it work.

Lobbying Firms Preparing For Major Hill Realignment (RC)

By Tory Newmyer

Roll Call, November 9, 2006

Democratic lobbyists, flush with the excitement of a victorious Election Day, already are looking to share in the spoils.

The Democratic rout of Republican rule in Congress also spelled a definitive end of years of GOP dominance of K Street. Jubilant Democratic lobbyists spent the day after the elections basking in their glow, but also beginning to ponder a new order that restores them to relevance.

"It's started," said veteran Democratic lobbyist Chuck Brain. "Within a couple days, it will be full-fledged, with companies asking, 'What are we doing?' and 'Can we still represent our interests?'"

Companies will have some adjusting to do, lobbyists from both parties agreed. Many have spent the better part of a decade responding to a Republican pressure campaign to hire more Republican lobbyists and to direct more of their campaign contributions back to the GOP. But the movers behind that effort were pushed off the stage during this Congress, when former House Majority Leader Tom DeLay (R-Texas) was forced to resign and Sen. Rick Santorum (R-Pa.) fell short in his re-election bid.

Several Democratic lobbyists agreed that the program, dubbed the K Street Project, created an inertia that now will benefit their ranks, as corporate offices seek to ramp up contacts with the new party in control. But even so, many Democratic K Streeters were careful to say their party — which made lobbying and ethics a major campaign issue this year — will not seek to impose its own similar effort to help that process along.

Marty Russo, a former Democratic Congressman who's now CEO of lobbying giant Cassidy & Associates, said the nature of lobbying itself will change under Democratic rule.

"We're going to go back to a system where you have to work your way through the legislative process," he said. "Lobbyists are going to have to be able to talk to more Members of Congress about more substance, and that's the way it should be. It's going to make us work harder."

Nevertheless, even in the past several weeks before the election outcomes were certain, Democratic lobbyists for hire reported a surge in interest among potential clients.

"Over the last 10 days, there's been a significant uptick in incoming calls and interest in finding out more about what we're doing," said Dan Tate, a veteran of former President Bill Clinton's administration who now lobbies at Capitol Solutions. "It's clear that people are assessing their needs and starting to put together what their prospective teams are going to look like."

Lobbyists said that interest is coming in part from the energy and pharmaceutical industries, both of which have invested heavily in Republican majorities. Over the course of this campaign cycle, both sectors were cast by Democrats as corporate bogeymen, and party leaders have promised a number of measures to roll back GOP-sponsored favors.

Scrambling to throw up some defenses, companies in those sectors have made a number of strategic hires in recent months. Among others, ExxonMobil added Louis Finkel, a former Democratic House aide, to its in-house staff. Shell Oil inked a deal with former Democratic House leadership aide Steve Elmendorf. And the all-Democratic firm Nueva Vista Group has signed on to represent the Pharmaceutical Research and Manufacturers of America.

One Democratic lobbyist said it is unclear whether those hires will put off Democratic lawmakers who are determined to rein in the industries. "In the pharma and energy fields, you can help them prepare for the likely assault, but it's too early to tell whether or not you can actually demonstrably help them," he said.

Meanwhile, all-Republican lobbying firms that have enjoyed robust growth under the GOP Congress must decide whether to rewrite their business plans or stay the course. While lobbyists at these shops acknowledged the situation will remain fluid as the dust settles from the election, several added that they are considering upending their partisan models by adding Democrats.

"We're talking to our clients and trying to figure out what their needs are, and we'll meet their needs, whatever they are," said Matt Keelen, a partner at Valis & Keelen. The firm currently contracts out certain projects to Democrats. The American Continental Group, which already has a full-time Democrat on staff, likewise said it is examining its options.

"We're always looking at ways to evolve so that we can continue to help our clients achieve their government relations objectives in the 110th Congress," said partner Carl Thorsen.

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Others pledged to stick with their all-Republican format. Barbour Griffith & Rogers, the largest firm of this type, was founded in the early 1990s, when Republicans were out of power on both ends of Pennsylvania Avenue. Loren Monroe, a top lobbyist at the shop, said the firm can continue to grow by helping companies block Democratic-sponsored legislation they oppose.

Similarly, the all-GOP firm Fierce, Isakowitz & Blalock has no plans to alter its strategy. “We like to be part of the extended Republican family,” partner Mark Isakowitz said. “That’s who we are and that’s not going to change.”

And the Ashcroft Group, the firm founded by former Attorney General John Ashcroft, will stay busy helping companies and their top executives prepare for tough hearings and investigations they expect Democrats to conduct. “It will be a subpoena-rich environment,” said senior adviser Juleanna Glover Weiss.

But firms that are already bipartisan signaled that they will be looking to adjust the partisan balance in their ranks by adding new Democrats. At Clark & Weinstock, said Ed Kutler, a top lobbyist and a former House Republican leadership aide, the partners have been looking to add high-caliber Democrats.

“We have already been talking to senior level Democrats and plan to talk to more to augment our strong offering on the Democratic side of the aisle,” he said.

Word Of The Day: 'Bipartisan' (WP)

By Judy Sarasohn

The Washington Post, November 9, 2006

As former House member Gerry Sikorski (D-Minn.), now head of the government practice at Holland & Knight , put it, some of his fellow Democratic lobbyists have a nice "jump to their step" today after the Democratic takeover of the House.

But then, he said, everyone must get down to the fact that "it's a bipartisan process largely."

No one seems to be echoing the bipartisan-lobbying mantra more than the business community, which, while not monolithically Republican, tended to support more Republicans than Democrats, not leaving it with such great credentials with the new Democratic leadership in the House.

Indeed, today, Harold McGraw III , chairman of the Business Roundtable and chief executive of McGraw-Hill Cos., is talking to the Wharton School of Business on "The Real World Is Neither Red Nor Blue" and laying out the group's agenda for Congress.

BRT is also taking out newspaper ads today on the theme, one of which is a photo of former presidents George H.W. Bush and Bill Clinton with the line: "If they can put aside their differences after an election, so can you."

John Castellani , president of BRT, said the group of CEOs is not partisan and notes that officials recently met with members of the "Blue Dog" Democrats, a group of conservative party members, over breakfast.

Bill Miller , political director of the U.S. Chamber of Commerce, acknowledged that "yesterday was a down day for the business community," but he added that the chamber has supported some Democrats, particularly Rep. Melissa L. Bean (Ill.), and Democrat-turned-independent Sen. Joseph I. Lieberman (Conn.).

He also noted that many of the new Democrats have a "Blue Dog" profile, or are at least moderates, and said the chamber is eager to work with the Democratic leadership. "Our door is open, and we hope their door is open as well," Miller said.

Todd Stottlemyer , chief executive of the National Federation of Independent Business, said in a statement after the elections that such small-business issues as affordable health care, a complex tax code and burdensome regulation are not partisan issues.

"We're committed to doing our part to work with all lawmakers to find real solutions for America's job creators. NFIB supported pro-small-business candidates in both parties, and small-business owners will now look to the Congress to get the job done," he said.

NFIB, which was active in the campaigns, endorsed 268 candidates for the House and Senate, mostly incumbents -- overwhelmingly Republicans. NFIB spokesman Michael J. Donohue said the group endorsed 12 Democrats.

The new leadership and lawmakers will also provide "new opportunities," according to James Greenwood , head of the Biotechnology Industry Organization -- BIO -- and a former GOP House member from Pennsylvania. Greenwood said that BIO has emphasized a bipartisan lobbying operation. "If we can explain the science and the economics, reason will prevail," he said.Democrats Change Face of New York

Winds of Democratic change have most certainly hit New York.

McK enna Long & Aldridge recently snagged Richard S. Gordon , a national and New York Democratic figure, for its national government affairs practice and New York law office. Earlier this year, McKenna Long merged New York's Plunkett & Jaffe , a GOP law firm where Gov. George Pataki (R) was a partner. William F. Plunkett Jr. is one of Pataki's top political advisers.

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Gordon has served as director of policy and planning for then-Indiana Gov. Evan Bayh and is a senior adviser to the All-American PAC, chaired by now-Sen. Bayh. Part of his New York connection: Gordon was executive director of Friends of Mario M. Cuomo, directing the former New York governor's political activities in the state. Most recently, Gordon ran his own law firm in New York.

Other members of the firm's government affairs group include: Marcia Hale and Keith Mason , former Clinton White House director and deputy director, respectively, of intergovernmental affairs; Eric Tanenblatt , former chief of staff to Georgia Gov. Sonny Perdue (R); former House member Buddy Darden (D-Ga.); and former senator Zell Miller (D-Ga.).Here and There

Also moving around . . . Amy McKennis Mistri left the legislative affairs office at the Department of Homeland Security, where she was a deputy assistant secretary, to join Global USA Inc. She is chairing the government relations and consulting shop's homeland security group, naturally. Earlier, she worked for the Cellular Telecommunications and Internet Association and for Sen. Kay Bailey Hutchison (R-Tex.).

GOP Hill veterans R. Adam Shepherd and Christopher L. Minakowski have signed on with Alcalde & Fay . Shepherd was legislative director for Rep. Charles H. Taylor (R-N.C.); Minakowski was legislative counsel for Rep. Dana Rohrabacher (R-Calif.).

Catherine P. Bennett has left Pfizer Inc., after 27 years as a government affairs lawyer, and joined the Venable law firm. Before joining Pfizer, she worked on legislative issues for the National Security Council. (Odd fact: After the NSC, she did research for "The White House Years," a Henry Kissinger memoir.)

Josh Gottheimer , a former Clinton White House speechwriter and most recently director of strategic communications at Ford Motor Co., has been named worldwide executive vice president at Burson-Marsteller , where he will be global chair of the corporate and public affairs practices.

Dems Win VA, Senate (AP)

AP, November 9, 2006

Democrats wrested control of the Senate from Republicans Wednesday with an upset victory in Virginia, giving the party complete domination of Capitol Hill for the first time since 1994.

Jim Webb's squeaker win over incumbent Sen. George Allen gave Democrats their 51st seat in the Senate, an astonishing turnabout at the hands of voters unhappy with Republican scandal and unabated violence in Iraq. Allen was the sixth Republican incumbent senator defeated in Tuesday's elections.

The Senate had teetered at 50 Democrats, 49 Republicans for most of Wednesday, with Virginia hanging in the balance. Webb's victory ended Republican hopes of eking out a 50-50 split, with Vice President Dick Cheney wielding tie-breaking authority.

The Associated Press contacted election officials in all 134 localities where voting occurred, obtaining updated numbers Wednesday. About half the localities said they had completed their postelection canvassing and nearly all had counted outstanding absentees. Most were expected to be finished by Friday.

The new AP count showed Webb with 1,172,538 votes and Allen with 1,165,302, a difference of 7,236. Virginia has had two statewide vote recounts in modern history, but both resulted in vote changes of no more than a few hundred votes.

An adviser to Allen, speaking on condition of anonymity because his boss had not formally decided to end the campaign, said the senator wanted to wait until most of canvassing was completed before announcing his decision, possibly as early as Thursday evening.

The adviser said that Allen was disinclined to request a recount if the final vote spread was similar to that of election night.

The victory puts Sen. Harry Reid, D-Nev., in line to become Senate majority leader. He has led the Democrats since Tom Daschle, D-S.D., was defeated two years ago.

Report: Allen Set To Concede (WT)

The Washington Times, November 9, 2006

U.S. Sen. George Allen, R-Va., reportedly plans to concede, as news organizations late Thursday projected Democrat Jim Webb has won their Senate contest.

A Webb victory would hand control of the Senate over to the Democrats.

NBC News Wednesday said Webb had enough votes to win. Sources within the Allen campaign told CNN Wednesday that Allen might concede Thursday because a Wednesday canvas of votes suggested there was little chance that a recount would change the outcome.

"The senator has no intention of dragging this out," the source told CNN.

Webb appeared before supporters early Wednesday and told them, "I'd like to say the votes are counted, and we won."

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With 99 percent of the vote in, Webb led Allen by 50 percent to 49 percent with just a few thousand separating the two. Under Virginia law, the second-place vote-getter is entitled to a recount if the winning margin is less than 1 percent of all the votes cast.

The Washington Post said voter turnout was moderate to heavy in the Washington suburbs of Northern Virginia, which would be good news for Webb.

In Alexandria, Arlington and Falls Church, registrars said voter turnout may have broken records for a midterm election.

Allen was expected to show strength in the other areas of Virginia, where returns are traditionally slow.

The war in Iraq was a central issue in the race, the Post said. Webb portrayed Allen as a rubber-stamp senator for President George W. Bush's war strategy -- forcing Allen to moderate his support for the war and say "mistakes have been made."

Virginia's Next Senator (WP)

The Washington Post, November 9, 2006

CONTROL OF the U.S. Senate now hangs precariously on Democrat James Webb's slim lead over Republican Sen. George Allen in Virginia -- an edge of about 7,000 votes out of more than 2.3 million cast. Unsurprisingly, for those who remember the Florida playbook from 2000, the party that's ahead is acting as if the result is a foregone conclusion, while the party that's trailing is positioning itself for challenges by raising doubts about malfunctioning voting machines and other supposed problems. Only this time, with the Democrats poised for victory and the Republicans on the ropes, the roles are reversed.

There is cause for concern here but also reason for relative confidence. The concern stems from the fact that with the stakes so high, lawyers from both parties will be pouring into the state, threatening to make a spectacle of an election that -- so far, at least -- seems to have been well run, fair and an accurate measure of the voters' will. The good news is that recent history in Virginia suggests the state knows a thing or two about how to conduct an orderly, circumscribed, confidence-building election review -- and produce an unblemished winner.

Just a year ago, the campaign for Virginia's attorney general yielded a Republican victory in a race much closer than the Webb-Allen contest. But even after six weeks of post-election scrutiny, retabulation, double-checking, error-spotting and an official recount, the victor's final margin -- 360 votes out of 1.94 million cast -- had shifted by scarcely 1,000 votes from that recorded 24 hours after the polls closed. Compared with that, Mr. Webb has chalked up a landslide. Moreover, Virginia's procedures for reviewing, verifying and recounting the vote, spelled out in state law, leave precious little room for mischief and far-fetched legal challenges.

Yesterday, Ed Gillespie, the former Republican National Committee chairman who is advising Mr. Allen, suggested that the GOP is not ready to concede a victory by Mr. Webb. Despite the absence of any reported major irregularities in Tuesday's vote, he mentioned unspecified problems with voting machines; power outages in some polling stations; and a vote shift in Stafford County's tally that favored Mr. Allen. "Let the process play itself out in a dignified manner," said Mr. Gillespie, who was a key GOP strategist during the Florida recount of 2000. "The votes need to be accurately counted. Only at the end of that process is a winner declared."

Fine: The canvassing should proceed. State law allows for a recount in tight races, and that might be justified providing Mr. Allen can show some real reason for it. Inevitably as the votes are retallied, some human error will turn up -- it always does. But it is critical to bear in mind that not a scrap of evidence has emerged so far to challenge the basic integrity of Virginia's Senate vote on Tuesday. Barring some significant error or surprise, Mr. Webb will be the state's next junior senator.

Democrats Claim Senate Control (WT)

By Charles Hurt

The Washington Times, November 9, 2006

House Democratic leader Nancy Pelosi, expected to become the next speaker, vowed yesterday to put aside partisanship and usher into Congress fiscal discipline and ethical integrity, while her party put the final touch on its electoral victory by apparently winning control of the Senate.

Democratic electoral gains grew yesterday to 29 House seats, with 10 other races still in doubt. On the Senate side, they claimed victory yesterday in the last three states needed to take their gains to six seats.

Missouri Sen. Jim Talent conceded defeat to Democrat Claire McCaskill this morning.

Montana Republican Sen. Conrad Burns did not throw in the towel despite trailing Jon Tester in the final unofficial tally. Virginia Sen. George Allen was close enough to Democrat James H. Webb Jr. that he could demand a recount. But several news organizations, including the Associated Press, called the two races for the Democrats.

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"This new Democratic majority has heard the voices of the American people," Mrs. Pelosi said yesterday, one day after Democrats stripped Republicans of about 30 House seats and staked a claim to the final three seats needed to take the Senate.

"We will make this the most honest, ethical and open Congress in history," she said, alluding to promises the Republican class of 1994 made but failed to deliver on.

As Mrs. Pelosi laid out her vision for the 110th Congress, stunned House Republicans began behind-the-scenes maneuvers for a major shake-up of their leadership.

By midafternoon, House Speaker J. Dennis Hastert said he would quit the top post and other Republicans emerged to challenge current party leaders.

"The days of the do-nothing Congress are over," Sen. Harry Reid, Nevada Democrat, in line to become majority leader, said in a statement issued after the AP called the Virginia race for Mr. Webb.

Earlier yesterday, Sen. Mitch McConnell of Kentucky, the Republican whip and in line to head his party because Majority Leader Bill Frist is retiring, played down the impact of possibly losing the chamber.

"In the Senate, the minority is never irrelevant unless it falls down into the very small numbers. I don't think, as a practical matter, it's going to make a whole lot of difference in the Senate, being at 49," he said.

Republicans, including party leaders, acknowledged yesterday that the party had wandered far from its commitment 12 years ago to clean up corruption, shrink the federal government and slash irresponsible spending. Majority Leader John A. Boehner, who announced yesterday that he would run for minority leader in Republican leadership elections next week, said the party must recommit itself to those principles.

"Our voters stopped thinking of us as the party of principle because we lost our commitment to and confidence in our core principles," the Ohio Republican said in a letter to his colleagues yesterday. "We fell into the trap of exploiting the marginal advantages of majority control instead of constantly advancing those principles.

"Many of our voters wondered whether instead of changing Washington, Washington had changed us," he said, reminding fellow Republicans that he'd been part of the 1994 takeover of Congress. "And the [Rep. Mark] Foley scandal, along with other brazen betrayals of the public trust by other members, cemented in voters' minds the picture of a party that had lost its way. The renewal of our reform commitment was too late, and too limited, to reverse our party's fate."

Rep. Mike Pence, an Indiana Republican who announced yesterday that he would challenge Mr. Boehner for the party's top post in the House, was no less scathing.

"We did not just lose our majority, we lost our way," he said. "While the scandals of the 109th Congress harmed our cause, the greatest scandal in Washington, D.C., is runaway federal spending."

Sen. Tom Coburn, the Oklahoma Republican who has railed against Republican-sponsored pork barrel spending such as the $200 million "bridge to nowhere," said this week's election results were "a rejection of corrupt, complacent and incompetent government."

"This election does not show that voters have abandoned their belief in limited government; it shows that the Republican Party has abandoned them," Mr. Coburn said. "In fact, these results represent the total failure of big-government Republicanism."

Mrs. Pelosi, California Democrat, yesterday restated her commitment to accomplishing five major goals within the first 100 hours of Democratic reign in the House. Democrats promise to immediately enact all the September 11 commission recommendations for fighting terrorism, raise the minimum wage, cut interest rates on student loans, provide more funding for embryonic stem-cell research and repeal some subsidies for the oil industry.

She also promised to include Republicans in the process of drafting and passing legislation more than the Republican majority had included Democrats.

"Democrats are not about getting even," she said. "Democrats are about helping the American people get ahead, and that's what our agenda is about."

The San Francisco lawmaker repeated her previous warnings that calls by some liberals to impeach President Bush are "off the table." She and Mr. Bush plan to have lunch today at the White House.

She will also have to contend with a caucus that includes many more conservative Democrats who bridle at many of her liberal positions. In his statement announcing that he would step down, Mr. Hastert gave a nod to those Democrats who toppled so many Republicans.

"I take some comfort in the fact that a majority of the winning candidates ran on a platform of common-sense conservatism, be they Republican or Democrat," said the Illinois Republican. "That bodes well for the future of our nation."

Mrs. Pelosi is expected to be formally re-elected as House Democratic leader and nominated for speaker when the party caucus meets Nov. 16. Mrs. Pelosi is likely to be unopposed, but other Democratic leadership posts may be contested. Minority Whip Steny H. Hoyer of Maryland and John P. Murtha of Pennsylvania are expected to vie for the majority leader post.

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Rep. Rahm Emanuel, who led the Democratic Congressional Campaign Committee, blamed the Republican losses on a number of factors, including ethics and their "blind loyalty" to Mr. Bush.

"Every member or district that had an issue related to the professional conduct of that member switched and became Democratic," the Illinois Democrat said. "That was eight seats, half of the 15 you needed" for Democrats to take control.

As clearly elated as Mr. Emanuel was yesterday, he couldn't help but enjoy a bit of self-deprecating humor.

"Democrats haven't been this happy since 2000 when CNN declared Florida for Al Gore," he said. But "that only lasted an hour for us."

Mr. Emanuel's counterpart, New York Republican Rep. Thomas M. Reynolds, had far less to celebrate but took a stab of his own at humor when he arrived late for a press conference.

"I would have been here just a little quicker, but I had to get my life preserver, life jacket, off," he said, intended as a reference to the downpour outside. Reporters assumed, however, it was an analogy for his own electoral survival.

Asked whatever happened to the "permanent majority" Republicans have promised, Mr. Reynolds replied: "We're going to take a two-year hiatus."

Webb's Small Lead Holding Up As 'Senator-Elect' Starts Staffing (WP)

By Michael D. Shear And Lisa Rein

The Washington Post, November 9, 2006

RICHMOND, Nov. 8 -- Virginia's Democratic Senate candidate, James Webb, claimed the title of senator-elect Wednesday and began organizing his congressional staff, while Republican incumbent George Allen declined to concede but was described as "realistic" about the outcome if he seeks a recount challenging Webb's thin lead.

With control of the U.S. Senate hanging in the balance, Allen dispatched teams of lawyers and operatives across Virginia in search of the votes he would need to win. Early in the day, Allen did not appear ready to relinquish his claim to an office he once saw as a springboard to the White House.

"Let the process play itself out in a dignified manner," said Ed Gillespie, a former national Republican Party chairman, speaking for the Allen campaign in front of the Virginia party headquarters. "The votes need to be accurately counted. Only at the end of that process is a winner declared."

But Webb continued to lead by approximately 7,300 votes with virtually all of Virginia's 2.3 million ballots counted Wednesday evening, and Republicans said there appeared to be little hope that glitches or math errors might uncover new GOP votes. Gillespie said Allen was "realistic," and an e-mail sent late Wednesday said the senator would make a statement "at the conclusion" of the statewide canvass of votes. The e-mail said "more details will follow from the campaign" early Thursday.

Several Republicans who are close to Allen or involved in a potential recount said privately that they doubted Allen could overcome Webb's lead, which stood at 13 times as large as George W. Bush's lead over Al Gore in Florida in 2000.

"I don't see the votes there," said one Washington Republican who has been advising Allen and spoke on condition of anonymity because he didn't want to undermine the senator's message. "It's like the old saying: 'If you're not the lead dog, the view doesn't change.' "

On Wednesday night, the Associated Press called the election for Webb, after the wire service contacted election officials in all of Virginia's 134 localities and said about half had completed their post-election canvass. The AP showed Webb beating Allen by 7,236 votes.

At Webb headquarters in Arlington, sleepy volunteers answered constantly ringing phones with a cheery new greeting: "Hello, Senator-elect Webb's office."

Still, teams of Democratic and Republican lawyers and volunteers traveled across Virginia to monitor the canvass, in which the preliminary tallies from Tuesday night are confirmed or adjusted over the next several days.

Jean Jensen, the secretary of the State Board of Elections, said the local boards would mail the final results to her by 5 p.m. Monday. There is not likely to be much significant movement in the vote totals until then, if at all. Jensen must officially certify the results by Nov. 27.

Aides said a weary Webb was spending time with his family and friends. Former Virginia governor Mark R. Warner (D) spoke with reporters on Webb's behalf.

"I know that Senator-elect Webb is looking forward to joining Senator John Warner [R-Va.] and, I think, working on the issues he talked about in the campaign, ranging from how we deal with Iraq to economic fairness to trying to make sure we get our country fixed," Warner said. "I think he will be a great addition to the United States Senate."

Warner said Webb was moving forward as a newly elected senator, despite the fact that Allen had not conceded. "Our expectation is that this will continue to be a margin of thousands," Warner said.

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Late Wednesday afternoon, Webb announced that his transition team would include state Del. A. Donald McEachin (D-Richmond); Owen Pickett, who represented the Hampton Roads area in Congress from 1987 to 2000; and Tom Lehner, who was chief of staff to former senator Charles S. Robb (D-Va.).

Within hours, Webb issued his first official statement, praising President Bush's decision to accept the resignation of Defense Secretary Donald H. Rumsfeld. Webb's campaign platform included a new course in Iraq, but he had declined to call for Rumsfeld's firing.

"I am pleased that we will have a new secretary of defense, but I believe that the new Senate should be the body that examines Bob Gates' qualifications for confirmation," he said in a reference to Bush's choice to succeed Rumsfeld.

Gillespie declined to say whether he thought Webb's quick action was appropriate. "The fact is, we always knew this was going to be close," he said. "It's a closely divided commonwealth. We're not surprised by the outcome."

County election boards throughout the state began the canvass Wednesday, a procedure that state officials said is undertaken regardless of the margin of victory or the possibility of a recount.

In a stuffy third-floor conference room at the Fairfax County Government Center, 12 two-person teams started examining returns generated by 1,230 voting machines in the county's 225 precincts. The process is expected to take three days, and officials plan to certify the results and ship them to the state by Sunday.

"The canvass is not over until everything has been checked and double-checked," said Margaret Luca, secretary of the Fairfax Electoral Board.

Seated at four rows of desks, the canvassers examined piles of paper strips that looked like last week's grocery receipts -- printouts of vote totals from each machine.

They were checked against tallies kept in poll books, the computer printouts listing everyone registered in a given precinct, and a form called the official statement of results, which is filled out by the chief election officer at the end of the evening.

Statewide, things seemed to be moving along with only minor incidents. In the basement of the Prince William County courthouse, for example, election workers found that one precinct had underreported its Webb vote by 10.

Lawyers for both parties said those kinds of tiny changes would not alter the election's outcome. But Gillespie charged that the Allen campaign had received initial word of other, more serious problems, including broken-down voting machines, power outages and other irregularities.

He noted that a precinct in Stafford had overstated votes for Webb by about 1,300 votes Tuesday night. The error was corrected Wednesday morning, leaving Webb with his 7,300-vote lead. "It was me," said Stafford County Registrar Ray Davis, who acknowledged accidentally writing the wrong number onto his tally sheet. "I was fatigued. We didn't check the figures last night."

Jensen, a Democrat appointed by Warner, denied the Allen camp's claims of voting machine breakdowns and other serious problems, calling them routine Election Day glitches that were quickly resolved.

"I get a little concerned that they're exaggerating, when there were lawyers for both parties in my office all day and into the night," Jensen said. Reported problems ranged from sample ballots printed in the wrong color to scattered malfunctions of voting machines that were replaced with backups. "They all got fixed."

The last of the absentee votes was counted by Wednesday afternoon, Jensen said. The only community that still had not reported complete results by last night was Isle of Wight, a county on the James River in Tidewater where a voting machine froze and has not been able to print out the tallies. About 200 votes are outstanding, officials said.

Also outstanding are provisional ballots, which are given to voters whose names do not appear on voter rolls but who say they should. Such people are allowed to vote on a paper ballot, subject to later verification of their right to vote. In last year's governor's race, there were about 5,000 provisional ballots cast, but only 18 percent were confirmed, Gillespie said.

Jensen said she did not know how many provisional ballots had been cast on Tuesday.

Some alarmed observers called the Board of Elections late Wednesday to report that several counties suddenly showed new, unreported precincts. Jensen said the precincts were added in preparation for tallying provisional ballots.

But the frantic questions from the public highlighted the intensity and the stakes of the Virginia race. Asked how she would handle a possible recount in a race the country is watching closely, Jensen said, "Sure, I'm nervous." But she said last year's recount in the contest for attorney general would serve as a dry run.

"I'm nervous about dealing with all the lawyers," she said. "They will FOIA [submit Freedom of Information Act requests for] everything but the pictures on the wall. That will be the biggest challenge."

Webb Claims Victory, But Counting Continues In Va. (USAT)

By Mimi Hall And Laura Parker

USA Today, November 9, 2006

DOJ_NMG_0092361

RICHMOND, Va. — Democrat Jim Webb laid claim to a Virginia Senate seat Wednesday, but Republican Sen. George Allen refused to yield as elections workers across the state double-checked returns in a razor-close election.

The Associated Press declared Webb the winner late Wednesday after canvassing elections officials statewide. That result would leave Democrats with control of the Senate — and therefore the entire Congress. If Allen prevailed in a vote challenge, the houses would be split between the parties.

Both candidates kept quiet Wednesday after an emotional and frustrating election night that saw them trading miniscule leads hour-by-hour. Webb inched ahead at the very end, culminating a sometimes vicious campaign marked by character attacks and negative ads.

On Wednesday morning, Allen's supporters were quick to point out that Webb had an exceptionally thin lead — the Associated Press reported 7,236 votes separated the two out of 2.3 million cast, just three-tenths of 1%. Unofficial tallies on the Commonwealth of Virginia's website indicated late Tuesday that roughly 5% of precincts hadn't yet reported.

Michael Traugott, a University of Michigan political science professor who worked for the now-defunct Voter News Service, pointed out that the AP relied on actual votes for its call, not exit polls. That, he said, is reassuring.

But Traugott said he is concerned that about half the localities contacted by the AP had not completed their canvassing. He said the political leanings of those localities are crucial in determining whether the call for Webb was a smart one.

Former Virginia governor Mark Warner, a Democrat, declared that Webb "will be a great addition to the United States Senate."

And in a page from President Bush's political playbook from the contested 2000 election, Webb took steps to try to seize victory before it had been officially declared. Early in the day Wednesday he named three members of his transition team, and his campaign headquarters staff started referring to him as "Senator-elect."

Even after the Associated Press called the race in Webb's favor, Allen said he wouldn't back down until a canvassing effort by state officials was over.

"At the conclusion of those efforts, Senator George Allen plans to make a statement regarding the outcome," read a statement released by the Allen campaign.

Allen adviser Ed Gillespie said Allen picked up nearly 1,500 votes that had inadvertently been awarded to Webb in one county.

Allen's "mood is realistic," Gillespie said of the one-term senator who saw a solid lead evaporate in August amid charges of racism. But "obviously when you're operating with a margin of three-tenths of 1%, there's reason for hope."

Once the canvassing operation is complete, the state's elections board will prepare to meet on Nov. 27 to certify the election. Only after that can the presumed loser request a recount.

Gillespie wouldn't say whether Allen would demand a recount.

"It's conceivable to me that on Nov. 27, you'll be asking Mr. Webb whether he will be seeking a recount," he said.

No candidate who has gone into a statewide recount ahead by several thousand votes has ever come out on the losing end when it was over, Warner said.

In Virginia Race, 'Gail For Rail' May Be A Spoiler Candidate Says She Offered To Endorse Webb, Allen; 26,000 Votes Went Green (WSJ)

By JUNE KRONHOLZ And AMY SCHATZ

The Wall Street Journal, November 9, 2006

Gail Parker may have helped decide which of two Virginia gentlemen goes to Washington, which goes home and who controls the U.S. Senate.

Two weeks ago, Ms. Parker, a 59-year-old Independent Green Party of Virginia candidate, says she offered to swing her support in the Virginia Senate race to either the Democratic or Republican candidate. In return, she wanted them to back her pet issue: high-speed rail across the traffic-clogged state.

"I was willing to endorse the candidate who would earn it the old-fashioned way," says Ms. Parker.

But neither man was much interested in her offer, she says. Now it looks like her "Gail for Rail" campaign could have been a factor in deciding which party controls the U.S. Senate.

On Tuesday, Ms. Parker collected about 26,000 votes -- which could have given either Republican Sen. George Allen or Democratic challenger Jim Webb a decisive victory.

As it is, Mr. Webb seems set to replace Mr. Allen after taking a lead of just 7,000 or so votes. With most precincts reporting, Mr. Webb led Mr. Allen with a vote of 1,173,805 to 1,166,488, and the Associated Press last night declared Mr. Webb the winner,

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based on its survey and analysis of votes counted and ballots remaining. A Webb victory would give Democrats control of the Senate.

Mr. Allen refused to concede yesterday and said he would wait for a full review of the vote, but it didn't seem likely that the totals could change significantly. Absentee ballots have already been counted. That leaves in doubt only the provisional ballots -- that is, those cast by voters who, for one reason or another, may not be eligible to vote.

Such votes are collected locally, so there was no way to know yesterday how many are outstanding. In the 2004 presidential election, the Virginia state elections board says, 4,000 provisional ballots were cast, and only 700 accepted -- not enough to overcome Mr. Webb's lead.

Ms. Parker acknowledged from the beginning that her campaign lacked the steam to win, but says she hoped it would work up enough noise about rail travel to prompt the two leading candidates to pledge support.

Transportation is a hot topic in Virginia, where rapid growth has left taxpayers sitting in traffic. The Census Bureau says the typical Northern Virginia commute is at least a half hour. Virginia's budget for rail transport is $23 million a year.

Since January, Ms. Parker, a retired Air Force Reserves major, says she has logged more than 40,000 miles campaigning around the state in her gray Volkswagen Jetta. She had no paid staffers and personally collected 8,000 of the 10,000 signatures that she needed to get on the ballot.

She says she raised just $1,200 in donations and according to a Federal Election Commission report, she financed much of her campaign through an $18,472 personal loan. "Maybe I should have spent more time trying to raise money," she said yesterday.

Ms. Parker, who ran unsuccessfully for the Virginia General Assembly last year, says she ran a few radio ads during her Senate bid, but mostly campaigned by greeting voters personally. She printed her pamphlets at Staples and ran the campaign from her Alexandria condo. Her campaign photo was taken last December at Glamour Shots, a mall photo studio that specializes in soft-focus, windswept portraits. Even before the last votes were counted yesterday, Ms. Parker and her Jetta had left the state to visit her daughter in Oklahoma.

"Our campaign was about faith, about family and about being fiscally conservative. I have faith we can balance the budget and also build high-speed rail in Virginia," she said in an interview, staying on message even after the campaign had ended.

The Webb campaign says it did try negotiating with Ms. Parker but came to the conclusion she wasn't seriously interested in endorsing him. "There never seemed to be any clear intent on her part to endorse," says Webb campaign spokeswoman Kristian Denny Todd. She says that Mr. Webb is in favor of finding ways to improve the state's traffic congestion and "obviously, he respects [Ms. Parker's] opinion on the matter and her passion for the issue."

Calls to Mr. Allen's campaign, press and Senate offices weren't returned.

Ms. Parker attended Mr. Webb's pre-election rally Monday in Roanoke in a subtle show of support, she says, but didn't endorse him. She bristles at suggestions that her quixotic campaign might help decide control of the Senate. "This is politics," she says. "This country is about discussing issues and informing voters."

Ralph Nader, whose own third-party candidacy in 2000 is thought by some commentators to have helped swing that race to President Bush, agrees with her.

"Everyone has an equal right to run," he says. "Obviously, Webb and Allen took a lot more votes from her than she took from them."

Ms. Parker's votes represent 1% of the state's total.

The congressional elections' most successful independent candidates were Connecticut Sen. Joe Lieberman and Vermont's Bernie Sanders. An Illinois Green Party candidate, Rich Whitney, also turned in a respectable performance with 342,000 votes, or 10% of the state's total. Maryland Green Party candidate, Kevin Zeese, director of a national antiwar group, collected 2% of the state's vote.

Mr. Allen's chances of overturning his apparent loss seem unlikely. In Virginia, a recount "is largely about checking the math," says James Alcorn, a lawyer with the Virginia State Board of Elections.

Voters in much of the state used touch-screen voting machines, which record votes on memory cards with a backup count on an internal memory. The state's 2006 election law says that in a recount, the vote totals from the memory cards are to be looked at again to make sure they were read correctly the first time.

The memory cards in each machine record an image or "screen shot" of each ballot. But there's no provision in the law for looking at the image during a recount. And in any event, only the machine makers could do that because they have kept access to their software a trade secret.

Challenges based on the state's voting equipment also seem fairly remote. Mr. Webb's last name didn't appear on the summary page of many voting machines -- a glitch that brought howls from his campaign before the election. But at least initially, Mr. Allen seems to have faced no similar disadvantage that might be the basis for a challenge.

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Ms. Parker says she plans to write thank-you notes to supporters when she returns from Oklahoma and will run for office again -- although she's not sure for what job. "Politics in Virginia is a noble pursuit," she says.

Elections Help Sort Out Playing Field For 2008 (USAT)

By Jill Lawrence

USA Today, November 9, 2006

WASHINGTON — The elections this week transformed not only Congress but the playing field for the 2008 presidential race. Some contenders self-destructed, one went home and a meteor streaked onto the radar in the form of Illinois Sen. Barack Obama.

There were two things, however, that didn't change: the contenders leading the polls on both sides.

Sen. Hillary Rodham Clinton, D-N.Y., won a resounding re-election victory after raising nearly $40 million — more than any other Senate candidate this year. She isn't yet talking about her future, which is widely presumed to include a presidential bid but could involve a leadership role in a possibly Democratic Senate.

Some analysts praise her campaign skills but say they wouldn't be surprised if she chooses the latter, given the difficulties of a White House run. “She comes with baggage that no other candidate has and the ability to mobilize Republicans against her that none of the other Democrats can match,” says Peverill Squire, a political scientist at the University of Iowa.

The Republican front-runner, Arizona Sen. John McCain, campaigned and raised money for candidates nationwide while also building a network for his White House bid. Though supportive of President Bush on Iraq, his disagreements with Bush about immigration policy, prisoner abuse and Defense Secretary Donald Rumsfeld's performance kept his maverick image alive.

While former New York mayor Rudy Giuliani also does well in polls and barnstormed the country, “right now it's hard to see another Republican who has similar stature” to McCain, Squire says.

A lesser known Democratic hopeful, Iowa Gov. Tom Vilsack, is forming a presidential campaign committee today, the Des Moines Register reported, making him first into the race on either side. “He wanted to make sure we had a good result in Iowa before taking the official step,” Vilsack aide Jeff Link told the paper. Democrats took over the Iowa Legislature and Democrat Chet Culver was elected to succeed Vilsack.

One Republican who had laid foundations for a national campaign now faces political oblivion: Virginia Sen. George Allen, whom the Associated Press declared the loser Wednesday in his re-election race against Democrat Jim Webb, based on a canvass of election officials. Allen's candidacy unraveled after he called an Indian-American “macaca,” triggering examinations of his racial views, and reacted with anger and bad jokes to questions about his mother's newly revealed Jewish roots.

Another politician who pushed the self-destruct button: Massachusetts Sen. John Kerry. His remark appearing to denigrate the education level of troops in Iraq, which he called a bungled joke, reminded Democrats of Kerry's shortcomings as their 2004 nominee. The Iraq comment was “the final straw” for some, says Dean Spiliotes, a political scientist at Saint Anselm College in Manchester, N.H.

Senate Majority Leader Bill Frist, who is going home to Tennessee in January to ponder a GOP presidential run, presided over a loss of seats and controversies such as congressional intervention in end-of-life decisions for Terri Schiavo, the Florida woman in a vegetative state. Frist's association with Bush and his performance as leader also could hurt him. “He handled the job badly,” Squire says.

Republicans lost governorships under Massachusetts Gov. Mitt Romney's leadership of the Republican Governors Association. At home, Romney is being succeeded by a Democrat, Deval Patrick.

Two red-state Democrats, former North Carolina senator John Edwards and Indiana Sen. Evan Bayh, solidified their standing in ways that may pay off later.

Edwards fought for minimum-wage hikes and strengthened ties with labor. Bayh helped Indiana Democrats oust three House Republicans and helped Democrats capture the legislature in Iowa, a key primary-season state.

Illinois' Obama, who is half Kansan and half Kenyan, generated big crowds even as his short résumé raised questions.

If the freshman senator decides to proceed, says Squire, “he's going to find out that it's a tough business. He's had the fun part already, and the painful part is coming up.”

Outcome Shakes Up '08 Calculus For McCain, Clinton And Others (WSJ)

By Jeanne Cummings

The Wall Street Journal, November 9, 2006

WASHINGTON -- Tuesday's election earthquake is recasting the 2008 campaign landscape, leaving both parties' early presidential front-runners on firmer ground while exposing fault lines that could upend their campaigns.

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The power shift that gave Democrats control of the House of Representatives and possibly the Senate was a clear call by voters for new -- and bipartisan -- approaches on issues ranging from the Iraq war to fiscal discipline to ethics in government. That realignment could open the door to candidates who are independent, unorthodox or have a history of working across party lines.

Sen. John McCain, an early Republican favorite, proved more popular on the stump with his party's candidates than President Bush did -- newly-elected Republican Gov. Charlie Crist skipped a last-minute rally in Florida with the president to tour that state with the Arizona lawmaker. Mr. McCain also raised millions of dollars for his colleagues. But his advocacy for continuing the Iraq campaign -- and perhaps sending in more troops -- sharply conflicts with the antiwar message sent by voters this week.

Democratic Sen. Hillary Clinton was also a popular fundraiser on the campaign stump, and she transferred millions of dollars from her bulging campaign account to candidates and party committees to help the Democratic team. She was re-elected in New York by a landslide, with 67% of the vote -- including support from 20% of Republicans and 25% of conservatives, demonstrating a potential for broad appeal. But the sudden rise of Illinois Democratic Sen. Barack Obama threatens her superstar status and could produce a formidable primary challenger for the nomination. And she too has some baggage from her vote to authorize the Iraq invasion.

The 2008 presidential campaign landscape was changed in other substantial ways by this week's midterm elections. Voters showed impatience with partisanship, negative attacks and corruption, which ranked in exit polls on a par with Iraq among voters. Nearly every candidate tainted by scandal was vanquished by voters bent on sending Washington a message and cleaning house.

Indeed, the results could be seen as an opening for a third-party presidential campaign, and one politician who has generated considerable speculation about his intentions is New York City Mayor Michael Bloomberg. The Republican mayor of a majority Democratic city is a social moderate and a fiscal conservative, who is seen as having a successful record of management and coalition-building. And he has a large personal fortune to underwrite a campaign.

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The internal forces in the Democratic and Republican parties were also shaken up by the campaign. Democratic presidential primaries tend to force candidates to cater to the liberal base, but the party won big Tuesday in part by recruiting more-conservative candidates. And party leaders think the election gives them an opening to build stronger links with the white and Hispanic voters who backed their candidates in greater numbers in this election.

The Republican coalition appears to be fracturing, with social conservatives possibly weakened. Indeed, the two leading social-conservative candidates in the Republicans' presidential-contender roster -- Pennsylvania Sen. Rick Santorum and Virginia Sen. George Allen -- were knocked out of the running. Mr. Santorum was defeated; Mr. Allen is trailing and the Associated Press last night predicted from returns that he had lost, even though he has yet to concede. "The picture is pretty obscure for '08 from our perspective," said Tom Minnery, an aide to Focus on the Family founder James C. Dobson, a leading voice in the party's social-conservative wing.

Mr. Allen's diminished standing also removes the favorite candidate of many fiscal conservatives. He is one of only two senators endorsed by Club for Growth, an activist Republican antitax group. "We're waiting" to see a new candidate emerge, says Pat Toomey, the club's president. Mr. McCain, who initially opposed the Bush tax cuts, is deemed insufficiently reliable.

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Mr. Toomey said his wing of the party is still reviewing the record of Massachusetts Gov. Mitt Romney, who also impressed party activists with his midterm campaigning. They remain skeptical that a law adopted on Mr. Romney's watch penalizing businesses that don't provide health-care coverage will meet their standards.

To fill those holes, social conservatives began taking another look at Kansas Sen. Sam Brownback and former Arkansas Gov. Mike Huckabee, both of whom would have to drastically ratchet up their presidential-campaign machinery to become competitive. On the fiscal side, activists may try to recruit South Carolina Gov. Mark Sanford, who was re-elected on Tuesday and hails from a state in the party's early primary lineup.

The election fallout also could encourage a long-shot candidate such as former House Speaker Newt Gingrich to jump into the race. On the flip side, the diminished influence of the religious right on the midterms could buoy the camp of moderate former New York Mayor Rudy Giuliani, another sought-after personality this cycle.

The Democrats' candidate roster was also rearranged some.

An eleventh-hour gaffe by Massachusetts Sen. John Kerry hurt his positioning as the alternative to Sen. Clinton. In a campaign rally, Mr. Kerry seemed to suggest the soldiers in Iraq are uneducated. Conservatives and the White House seized on the comment, which the senator said was actually a botched joke about the brainpower of President Bush. Still, he was forced to apologize and his party was knocked off its message in the critical final week of the campaign.

"John Kerry was scoring a lot of points in New Hampshire," says party activist Jim Demers. "He was helping out candidates and doing very well. His statement just sent shockwaves through the party."

The Democrats also are without a high-profile antiwar candidate who could harness the activist and voter support for that position evident in the campaigns. North Carolina's John Edwards could be best positioned to do that. He has forthrightly said his vote authorizing the war was a mistake and he was a popular fund-raising headliner throughout the midterm campaign.

Mr. Obama could also try to woo that constituency. He wasn't in the Senate at the time of the war vote. Bob Borosage, co-director of the Campaign for America's Future, a liberal activist group, said Mr. Obama had his members "eating out of his hand" during one recent appearance, but the senator gave little hint of his ideas on Iraq. "Once he starts taking positions, it might get more difficult," Mr. Borosage said.

Beyond the personalities, the results could recolor the 2008 electoral map.

A string of Democratic gubernatorial victories in the Midwest could provide a Democratic nominee with strong allies and networks in Republican strongholds. The most notable victory was in Ohio, a state Mr. Bush won by a tiny margin in 2004.

Democrat Eliot Spitzer's victory in New York is likely to help boost the party's coffers, Republican finance experts concede. That could be critical because political-money experts are predicting that serious contenders are expected to have raised $100 million by the end of next year -- nearly $10 million a month. The reason for the escalating cost is that no serious candidate is expected to sign up for matching public dollars, which are given to candidates who agree to limit their spending.

The rise of a Democratic-controlled Congress also means the debate over dominant issues such as Iraq will necessarily change. John Samples, an analyst at the libertarian-leaning CATO Institute, said Republicans may be more anxious to find a way to resolve the Iraq situation "so they don't have to go through this again in 2008, so they can take it off the table."

Iraq makes the campaign tricky for both Mr. McCain and Ms. Clinton. In 2004, Mr. McCain appeared with Mr. Bush on the campaign trail, lending his considerable credibility on war issues to the Iraq mission. This cycle, the former Navy officer and Vietnam War prisoner did so again on behalf of fellow Republican incumbents.

Tuesday night, Mr. McCain acknowledged the antiwar sentiment evident in the returns and said he shared voters' "frustration." But Mark McKinnon, a leading adviser to the Bush-Cheney campaigns, said it is unlikely Mr. McCain will drastically shift his call for continued involvement in Iraq.

"He's not taking a popular position on it, which is typical of McCain," Mr. McKinnon said.

Ms. Clinton, who has become a vocal critic of the White House's management of Iraq, could also face pressure to adjust her stance. "Someone in the Democratic Party is going to have to take the lead in changing the policy if they are going to be perceived as acceptable leader on the issue," said Mr. Demers, the party activist.

In Victory For Stocks, Dow Posts Another Record By KAREN RICHARDSON (WSJ)

The Wall Street Journal, November 9, 2006

The Dow Jones Industrial Average, shaking off early postelection declines, rallied to a record close following the news of Defense Secretary Donald Rumsfeld's resignation.

Stocks initially traded lower -- particularly health-care-related shares -- as investors weighed the impact and remaining uncertainty surrounding the results of the midterm elections. But the momentum reversed to the upside after the first headlines about the resignation of Mr. Rumsfeld, who has come in for criticism for his handling of the war in Iraq; after a pause, stocks rose again after President Bush's subsequent news conference discussing the election and pledging to work with the new Congress.

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The Dow, down nearly 55 points before the news developments, erased that loss and more, closing up 19.77 points, or 0.2%, to 12176.54 -- handily beating its previous record, set Oct. 26. It is up nearly 14% this year. Dow components American Express, Boeing and DuPont each rose more than 1%.

The S&P 500 edged up 2.88 points, or 0.2%, to 1385.72, up 11% this year. The Nasdaq Composite Index rose 9.06 points, or 0.4%, to 2384.94, up 8.1% this year.

"The fact that a new secretary of defense could help bring the war to some kind of resolution opens the door for change," said Larry Peruzzi, stock trader at Boston Company Asset Management. "Even more than the economy, the war and the housing sector are the biggest negatives for the Republicans."

News of the sweeping Democratic congressional victories had an effect in many corners of the market. SLM, a firm better known as Sallie Mae that facilitates loans between borrowers and student-loan providers, sank 4.8% to $47.21 as investors worried that a Congress controlled by Democrats might reduce student-loan interest rates and cut out middlemen like SLM.

Health-care and pharmaceutical stocks also took a hit over jitters that the Democrats would keep their vow to cut drug costs in federal health plans. Pfizer sank 1.6%, Eli Lilly fell 0.9%, and Johnson & Johnson fell 1.1%. Merck stock slid 3.4%, but was also weighed down by its disclosure of tax disputes involving billions of dollars.

Investors bid up some alternative-energy and biotechnology stocks they expected would benefit from Democratic support. VeraSun Energy, which produces and markets ethanol, rose 9%, while StemCells, a microcap firm that specializes in stem-cell research, gained 10%. Some Dow energy companies also rallied, such as power-generator AES, Duke Energy, FirstEnergy, PG&E and TXU.

The day's stock movements aren't likely to be sustained over the longer term, since the new legislation and regulations investors are anticipating to affect certain stocks and sectors could take far longer than expected.

"Generally, it's been a classic knee-jerk, postelection reaction," said Ken Fisher, chief executive of Fisher Investments, which manages about $30 billion. "We've moved out of a period of extreme political hostility into a short-term afterglow."

Outside the U.S., stocks rose in dollar terms. The Dow Jones World Stock Index, not including the U.S., rose 1.37 points, or 0.59%, to 230.80.

In major U.S. market action:

Stocks were up. Total trading volume for stocks listed on the New York Stock Exchange was 2.86 billion shares, as 2,082 issues advanced and 1,201 declined.

Bond prices rose. The 10-year Treasury note gained 6/32, or $1.88 for each $1,000 invested, pushing the yield down to 4.639%. The 30-year bond rose 13/32 to yield 4.731%.

The dollar strengthened. In late New York trading, the currency rose to 117.80 yen, from 117.70, while the euro fell against the dollar to $1.2760 from $1.2771.

Write to Karen Richardson at karen.richardson@awsj.com1

Gridlock Not Good For Stocks After All? (USAT)

By Adam Shell

USA Today, November 9, 2006

NEW YORK — The rallying cry on Wall Street after the Democrats' power grab is that political gridlock caused by divided government is good for financial markets.

Stock market action Wednesday supported that line of thinking. In the first day of trading after the Democrats regained control of at least one branch of Congress, the Dow Jones industrial average rose 20 points and finished with a record closing high of 12,176.54.

But some Wall Street economists and investment strategists contend that two years of potential legislative inertia might not be the best thing for financial markets in the long run. In a report titled “Wrong Time for Gridlock,” for example, Stephen Roach, chief economist at Morgan Stanley, says the U.S. can't afford not to tackle pressing economic concerns, the major one being the bulging budget deficit.

“It is just smug to say that no action is good news,” Roach says. “We have major issues on the agenda, and we can't afford to have Washington asleep at the switch.”

Conventional wisdom on Wall Street says it is unlikely that any major legislation would get passed in the next two years, given the Democrats' slim majority in Congress and the ability of President Bush to veto any bills he does not favor. As a result, the status quo would be maintained, reducing the threat to the investor community as well as specific stocks or industry sectors that could be adversely affected by new laws that take a bite out of profit.

For example, there is little chance that Democrats will be successful in boosting the investor-friendly tax rates on dividends and capital gains that are set to expire in 2010. It also means Democrats would have difficulty pushing through a bill that would

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allow the government to negotiate Medicaid drug prices with pharmaceutical companies or slapping a windfall profits tax on big oil companies.

"This election doesn't mean much," says Greg Valliere, chief political strategist at Stanford Washington Research Group. "Congress is still basically tied, and Bush has a veto. The big change would come in the 2008 presidential election."

Two years of uncertainty and gridlock would "come with a price," says Joseph Quinlan, chief market strategist at Bank of America. Key risks to markets — the Iraq war, the possibility that foreign investors will reduce their holdings in U.S. securities, a looming health care crisis and our dependence on foreign oil — all require the attention of Washington now, he says.

If these challenges are not addressed soon, Quinlan adds, it "will come back to haunt the U.S. financial markets at some point."

McCain Quits Post At College For The Deaf (NYT/AP)

By The Associated Press

The New York Times, November 9, 2006

WASHINGTON, Nov. 8 (AP) — Senator John McCain has resigned from the board of trustees of Gallaudet University, the world's premier university for the deaf, after disagreeing with its decision to revoke the appointment of its incoming president, a university spokeswoman said.

The chairwoman of the Gallaudet University board, Brenda Jo Brueggemann, has also resigned, the spokeswoman, Mercy Coogan, said.

Mr. McCain, an Arizona Republican, wrote to outgoing President I. King Jordan on Monday, describing the board's decision as unfair, Ms. Coogan said.

The Washington Post reported Wednesday that Ms. Brueggemann, a professor at Ohio State University, resigned and that she said in an e-mail message that she had thought about quitting since Oct. 29, when the board voted to revoke the appointment of the president, Jane K. Fernandes, after a month of demonstrations and hunger strikes by students.

Ms. Brueggemann, who had supported Ms. Fernandes, wrote in a message posted Wednesday on the university's Web site that her personal life and work had suffered since May, when she became the board's chairwoman. She took the job after the interim board chairwoman, Celia May Baldwin, resigned after protests over Ms. Fernandes's appointment in May.

Students and faculty members had criticized Ms. Fernandes, saying she was autocratic and unable to tackle some of the university's long-term problems as provost.

Ms. Fernandes, 50, has said she became a lightning rod for those frustrated about changes in deaf culture. She had spoken about expanding Gallaudet, known for its expertise in and adherence to American Sign Language, to all kinds of deaf people — those with cochlear implants, those who speak and those who do not sign very well.

But some students were worried about preserving sign language and perhaps being left behind if other forms of communication became more prevalent on campus.

The board is scheduled to meet Saturday on campus to discuss the process of choosing an interim president.

'A Better Way' (WP)

The Washington Post, November 9, 2006

IT IS TOO BAD that Rep. Harold E. Ford Jr.'s concession speech in his failed Democratic bid for the U.S. Senate came at an hour when most people had gone to bed. Not only was he gracious, but Mr. Ford delivered an important plea for a bettering of the American political process:

"What people want more than anything, and what I heard and I know candidates all around the country heard . . . [was] a hunger, and they sensed a great appetite on the part of the American people for something much better and far more dignified and greater than what we'd given them."

Mr. Ford knows firsthand -- to use his phrase -- how "demeaning and debasing" politics can be, having been the target of a scurrilous ad in which a suggestively dressed white woman is seen coming on to him. Mr. Ford is black. Unfortunately, that ad was not an aberration but rather an embodiment of the seedy standards that infected this political year.

Consider the Election Day disgrace of Maryland's top two elected officials sanctioning the use of a clearly false campaign flier and then compounding the insult to the targeted Prince George's County audience by using out-of-state homeless people to distribute the material. Or Sen. George Allen's misuse of fictional writings to impugn the character of his Democratic opponent in Virginia. There also has been the introduction of sleazy new practices such as robo-calls designed to annoy and deceive voters and a greater use of push polls aimed at spreading inaccurate information about candidates.

Politics is rough and tumble, and negative campaigning has always had a place in American campaigns. But, as The Post's Michael Grunwald recently reported, an ugly low was established this year, partly because candidates could pretend they

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had nothing to do with the more disgraceful practices financed through independent expenditures by national parties and other groups. The worst offenders this year were Republicans, but that probably was because they were the ones on the defensive.

Once the votes are counted, memories fade -- until the next election cycle. Mr. Ford laid out a challenge to both the winners and the losers to figure out "a better way." That's not a bad start for a Democratic agenda.

Russia Rejects European Iran Sanctions (AP)

By Henry Meyer

AP, November 9, 2006

Russia has rejected European-proposed U.N. sanctions aimed at forcing Iran to halt its suspected nuclear weapons drive, but Moscow appears to be applying its own pressure by threatening to delay a key nuclear power project.

Analysts say the Kremlin is determined not to push Iran into a corner like North Korea — blaming tough U.S. policies for Pyongyang's recent nuclear test — but Tehran's refusal to compromise has led to growing impatience in Moscow despite the two countries' close commercial ties.

"President Putin is angry at (Iranian President Mahmoud) Ahmadinejad but he understands that it's probably too late to do anything now," said Georgy Mirsky, chief researcher at the Institute for World Economics and International Relations in Moscow.

A planned visit to Moscow by Iran's Foreign Minister Manouchehr Mottaki was abruptly postponed on Wednesday, a move seen as a diplomatic snub reflecting Iranian annoyance at Russian hints of a delay to the construction of the country's first nuclear power station.

However, Iran's top nuclear negotiator, Ali Larijani, said later Wednesday that he will visit Russia in a day or two, describing Russia's position on the proposed sanctions as "logical and principled." He did not say with whom he would hold talks in Moscow.

In a speech to supporters in northern Iran, meanwhile, supreme leader Ayatollah Ali Khamenei remained defiant, saying his country would continue to acquire nuclear technology.

"The Americans open their mouth and close their eyes and say whatever they want, such as 'the world opposes enrichment,'" Khamenei said, referring to Iran's enrichment of uranium, which the United Nations has said must cease.

"In a glorious way, the Iranian nation — with awareness, an informed generation and reason — has challenged Western fabrications and will go ahead strongly," Khamenei added in his address to thousands in Semnan, 155 miles east of Tehran.

Experts say Moscow could be using its $1 billion contract to build the plant in the southern city of Bushehr as a lever of pressure on Tehran.

"Russia is not ready to support fully-fledged sanctions against Iran but it is looking for ways to persuade the Iranians to be more transparent in their nuclear research activities," said Anton Khlopkov, deputy director of the Moscow-based PIR Center, which specializes in nonproliferation.

Russia, which along with China has veto power as a permanent member of the U.N. Security Council, has been the main obstacle to efforts by Western nations to punish Iran for its refusal to halt sensitive uranium enrichment activity.

Moscow has crossed out large sections of a U.S.-backed U.N. Security Council draft resolution proposing broad sanctions on Tehran's nuclear and missile programs, according to a document obtained by The Associated Press.

Russia's changes would weaken demands that Tehran stop working on a separate reactor that can produce plutonium and that Iran allow tougher U.N. inspections of its nuclear program. They also would delete any reference to Iran's Bushehr nuclear plant, said U.N. diplomats in Vienna, Austria, who demanded anonymity because the Russian amendments had not been officially announced.

The announcement that Mottaki's trip was postponed came after a senior Russian nuclear official said Wednesday that Russia would shortly review the timetable for completing construction of Bushehr, which already has been repeatedly delayed.

Sergei Shmatko, head of Russian state company Atomstroiexport, which is in charge of the project, said that work so far was on schedule.

He added, however, that an assessment of the targets for Bushehr to be conducted later this month "will determine the final timetable for its launch," according to the ITAR-Tass news agency.

In September, Russia agreed to ship fuel to Bushehr by March 2007 and launch the facility in September. Fuel from the plant potentially could be diverted and used to produce bombs. Iran claims its nuclear program is peaceful.

But on Tuesday an unidentified Russian nuclear industry official was quoted as saying by Russian news agencies that Russia could postpone the timetable if Iran fails to meet commitments that were not specified. According to ITAR-Tass, the official said one of the problems is that Iran has not adhered to a payment schedule.

Russia Proposes Weakened Iran Sanctions (AP)

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By George Jahn
AP, November 9, 2006

Russia has crossed out large sections of a U.N. Security Council draft proposing broad U.S.-backed sanctions on Tehran's nuclear and missile programs, according to a document obtained Wednesday by The Associated Press.

The paper outlines Moscow's proposed amendments to a Security Council draft resolution drawn up by Britain and France and broadly endorsed by the United States. Russia's changes weaken the draft resolution's demands that Tehran stop working on a reactor that can produce plutonium and that Iran allow tougher U.N. inspections of its nuclear program. They also delete any reference to Iran's Bushehr nuclear plant, which Russia is helping build.

In a draft presented earlier this month, the United States reluctantly agreed to European proposals to exempt Bushehr from sanctions, in attempts to placate Moscow and gain its support for sanctions meant to punish Tehran's refusal to freeze uranium enrichment.

But U.N. diplomats, who spoke on condition of anonymity because the Russian amendments had not been officially announced, said the Kremlin wanted no mention whatsoever of Bushehr. That stance was meant to reflect Russia's view that the plant should not be linked to international concerns that Tehran might be trying to develop nuclear arms.

Much of Moscow's 11-page document consists of passages in the original Western draft struck through by Russian negotiators, reflecting Moscow's insistence on reducing sanctions to the minimum needed to directly target enrichment, which can generate both nuclear energy or be used to make the fissile core of warheads.

John Bolton, the U.S. ambassador to the United Nations, said he did not want to discuss specifics of the dispute but told reporters: "There are a lot of differences, no doubt about it."

"Obviously we've got to get some direction from capitals, given the disparity," he said, adding that the five permanent U.N. Security Council members — the United States, Russia, China, Britain and France — planned another meeting later in the week.

Other senior Security Council diplomats also acknowledged the divide.

"Clearly, I think in a number of difficult areas the differences cannot be bridged, so I believe there should be more reflections in the capitals," China's Ambassador Wang Guangya said Tuesday.

In contrast to the Russian amendments, the European draft resolution orders all countries to ban the supply of material and technology that could contribute to Iran's nuclear and missile programs and to impose a travel ban and asset freeze on companies, individuals and organizations involved in those programs.

It would exempt from restrictions the initial nuclear power plant being built by the Russians at Bushehr but not the nuclear fuel needed for the reactor. It also would limit assistance to Iran by the International Atomic Energy Agency, the U.N. nuclear watchdog, to food, agriculture, medical and humanitarian programs. And it would ban countries from teaching or training Iranians in disciplines that would contribute to Iran's nuclear and ballistic missile programs.

Sharpening the dispute with Russia, the United States has proposed amendments that would strengthen the measures proposed by Britain and France.

In September, Russia agreed to ship fuel to Bushehr by March 2007, adding to concerns of the U.S. and others over Tehran's nuclear ambitions.

Moscow's draft also was lenient on Arak, an Iranian heavy water research reactor scheduled for completion in 2009.

One of the byproducts of heavy-water reactors is plutonium, which can be used in building nuclear weapons. In the Western draft, the council "decides that Iran shall suspend work" on the Arak facility. The Russian version instead "calls upon Iran to reconsider" its construction.

Similarly, while the Western draft "decides ... that Iran shall without delay" implement its Additional Protocol with the IAEA, the Russian version only "urges" Iran to implement the agreement that would allow the International Atomic Energy Agency to more thoroughly probe Tehran's nuclear program.

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Associated Press writers Edith M. Lederer at the United Nations, Henry Meyer in Moscow and Nasser Karimi in Tehran, Iran, contributed to this report.

Israeli Shelling Kills 18 Gazans; Anger Boils Up (NYT)

By Ian Fisher And Steven Erlanger
The New York Times, November 9, 2006

BEIT HANUN, Gaza Strip, Nov. 8 — Israeli tank shells killed 18 Palestinians, including 8 children and 6 women, at a cluster of houses here on Wednesday, one of the largest single losses of life in Gaza in years.

Some Hamas leaders called for a suicide-bombing retaliation inside Israel and, unusually, for the United States to be taught “hard lessons” as well.

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“Nothing happened,” mumbled Isra Athamnah, 5 years old, who was pocked with shrapnel and in shock. The news that her widowed mother, Sanaa, 35, was dead and that she was now an orphan did not sink in.

Others described how a tank shell had hit a home here in northern Gaza, sending members of the extended Athamnah family outside before dawn. The next volleys struck them as they crowded in a narrow alley between the houses. The dead ranged from less than a year old to 70 years old, witnesses said.

Israeli leaders expressed regret. They have been on the defensive over their performance in the war against Hezbollah in Lebanon and the more than 300 Palestinians killed in operations in Gaza since the summer.

Defense Minister Amir Peretz ordered a halt to artillery attacks in the densely populated Gaza Strip, which are intended to prevent Palestinians from launching rockets into nearby Israeli cities, and an immediate investigation. Initial findings suggested a misfire, the commander of the south, Gen. Yoav Galant, told Israel’s Channel 2 television.

After largely observing a unilateral truce that it declared a year and a half ago, Hamas called for renewed suicide bombings. Khaled Meshal, the leader of Hamas’s political bureau exiled in Syria, said Hamas would answer the deaths with “deeds, not words.”

Hamas’s military wing also said in a statement that the United States should be taught “hard lessons” for supporting Israel. The threat, though vague, was an unusual escalation for Hamas, an Islamic-based militant group that has pointedly portrayed its fight as being against Israel alone. It was immediately disavowed by Ghazi Hamad, the spokesman for the Hamas-led Palestinian government in Gaza.

The Israelis had just pulled out of Beit Hanun on Tuesday morning after a six-day operation in which they effectively occupied the town and fought battles with militants, many of them from Hamas. At least 52 Palestinians were killed, some 22 of them believed to be civilians, and one Israeli soldier was killed in the operation, which was aimed at stopping Palestinian rocket fire into Israel.

Nonetheless on Wednesday, according to the army, 13 rockets were fired into Israel.

The Israeli military said it had launched a preventive artillery barrage in response to about 10 rockets fired in the previous 24 hours.

This is not the first time Israeli shelling has gone awry, hitting houses in Beit Hanun and nearby Beit Lahiya. And it is not the first time that errant rounds have led to a halt or delay in efforts to find new paths of dialogue between Israel and the Palestinians, and among the Palestinian factions themselves.

The Palestinian president, Mahmoud Abbas, and Prime Minister Ismail Haniya, both of whom gave blood for the victims and visited them in hospitals, have been engaged in two days of supposedly climactic talks on a government to replace the one run by Hamas, which is isolated internationally.

The intention is to have a government of “national unity,” made up of experts and technocrats approved by the various parties, in the hope that Western aid and Palestinian tax money will again begin to flow. The Palestinian Authority has been unable to pay full salaries for nine months.

The idea was also to have the new government release an Israeli soldier captured on June 25, which would prompt Israel to free hundreds of Palestinian prisoners and to arrange a long-delayed meeting between Mr. Abbas and Prime Minister Ehud Olmert.

But this latest shelling, on top of the Beit Hanun operation, which Mr. Abbas and Mr. Haniya had already called a “massacre,” caused Mr. Haniya to request a pause in the talks for three days of mourning.

In June, a similar cycle followed another apparently errant Israeli shell that killed Palestinian civilians, including seven members of a single family, the Ghaliyas, who were enjoying a day at the beach. The Israelis said they were shelling areas where rocket teams had fired into Israel, and denied that the shell that killed the Ghaliyas was theirs.

But no Palestinian believed the Israeli denial, there was never any conclusive alternative explanation and the military wing of Hamas announced that it was ending the cease-fire against Israel. The Hamas government belatedly went along, and Hamas started firing rockets again toward Israel, instead of simply supplying them to others.

More important, the Hamas military wing took part in the capture of the Israeli soldier, Cpl. Gilad Shalit, later in June, setting off the political crisis that surrounded — and has outlasted — Israel’s summertime war against Hezbollah in Lebanon.

Only days before the June shelling, Mr. Abbas and Mr. Olmert met together informally in Petra, Jordan, and promised to have a formal meeting within two weeks, actually setting a date for June 28, to begin their relationship afresh. Mr. Olmert promised Mr. Abbas to release 600 prisoners then. But with the capture of Corporal Shalit, the Hamas government found itself unable to repudiate the actions of its own military wing, apparently directed from Syria by Mr. Meshal.

Hamas later said it would reinstate the truce with Israel, but it might now break it again, and more decisively, because its experiment in government appeared to be foundering.

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"I don't believe in the rockets, but their reactions cannot be justified," Mr. Abbas said of the Israelis. "We totally condemn the international silence and any acts that can be used as justification for the Israeli massacres."

Leaders at the United Nations and the European Union, and in Russia, Britain and Italy, did condemn the incident. "It is hard to see what this action was meant to achieve and how it can be justified," said the British foreign secretary, Margaret Beckett.

Gordon Johndroe, a spokesman for the White House National Security Council, called for restraint by all parties, adding: "We deeply regret the injuries and loss of life in Gaza today. We have seen the Israeli government's apology and hope their investigation will be completed quickly."

A similar statement was issued in President Bush's name.

Witnesses said the shelling began about 5:30 a.m. Ali Athamnah, 29, a doctor, said he heard the crash of a shell, then glass from a window spattered on his face. He looked down from his second-story balcony and saw one relative, Ahmad, wounded and scores of other family members running outside.

Then the other shells hit, and he did not see the crowd standing anymore. "They just left — they withdrew," he said, walking over puddles filled with blood, spattered human remains and sandals, many belonging to children.

"Children! Women! Parents!" said Abu Ahman, 42, a rescue worker who lives on the street and arrived right after the rockets hit. "I can't find the words that describe this action — legs of children, head of a small girl."

At the Kamal Adwan Hospital, Maali Athamnah, 27, the aunt of the newly orphaned Isra and two other siblings who survived, Islam, 14, and Muhammad, 3, who broke both his legs, broke into tears reading a list of the dead, nearly all of them relatives. Another 80 people were wounded.

Ms. Athamnah said she did not support the militants' firing rockets into Israel. But she said: "Just think who is firing them: those who lost family members to Israel. And think about these kids now. They will be the rocket firers in the future. No mother, no father. No house. They will be the next ones to fire the rockets."

On Wednesday night, Israeli rockets killed Ahmed Awad and another Hamas member in Gaza City. Mr. Awad was said to be a rocket maker and the son-in-law of the Hamas foreign minister, Mahmoud Zahar.

In the West Bank on Wednesday, Israeli soldiers killed four gunmen and a civilian during a raid near Jenin, Palestinian security officials said.

Israeli forces also killed a Hamas gunman and a 17-year-old civilian near the Jabaliya refugee camp in Gaza, hospital officials said. The Israeli Army said soldiers had shot three gunmen after being attacked with an antitank missile.

'Shells Kept Falling' On Gaza Apartment, Killing 17 In Family (WP)

By Scott Wilson

The Washington Post, November 9, 2006

BEIT HANOUN, Gaza Strip, Nov. 8 -- Islam al-Athamnah was asleep on a foam mattress next to her brothers and sisters, crowded together like puzzle pieces on the floor of their top-story apartment. Uncles and cousins slept in the levels beneath, her mother and father in an adjoining room.

"Then something hit us," Islam, 14, recalled from a hospital room with sky-blue walls. "The windows shattered, and then a second shell hit the house. It was all smoky. We were using our hands to find the kids."

Palestinian emergency workers and frightened neighbors pulled scores of Islam's wounded relatives from the ruins of their home in the frantic hours after the 5:30 a.m. blasts, which witnesses here said came from Israeli artillery fire.

Palestinian health officials said 20 civilians were killed, 17 of them from Islam's extended family. At least seven of the dead were children asleep at the time of the blasts, which left heavy jagged shrapnel on rooftops and in living rooms.

More than 60 people were wounded, including Islam's 5-year-old sister, Israh, and 3-year-old brother, Mohammed, who tossed in a hospital bed here with thickly bandaged legs, crying for his wounded mother. Islam's father, two grandparents, an uncle and many cousins were among the dead.

"I just grabbed who I could and ran," said Islam, her face freckled with dozens of pinprick shrapnel wounds. "I was lucky because more shells kept falling."

The blasts along Hamad Street, which witnesses said numbered between four and 10, ripped through several generations of a family of farmers, doctors and taxi drivers who live near fruit orchards on the northern edge of this town. A grandfather died along with his 23-year-old son and 1-year-old granddaughter. Three brothers died. So did two sisters.

The mourning tents that appeared throughout this agricultural town became the venues for public despair, nationalist fervor and strident anger toward the Jewish state and its ally, the United States, which provides Israel with roughly $2 billion annually in military aid. Palestinian leaders called for three days of mourning across the Gaza Strip and the West Bank, as well as international pressure to stop Israel's operations in this town of 28,000 people.

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"We expect the international community to intervene," said Ghazi Hamad, spokesman for the Hamas-led Palestinian government. "But the United States bears direct responsibility for this by giving Israel the green light. We don't expect anything from them."

Israeli Prime Minister Ehud Olmert expressed regret for the incident, and the Israeli military announced a suspension of artillery fire into Gaza, designed to suppress the frequent Palestinian rocket fire directed at Israeli cities, pending an investigation.

The inquiry will be led by Maj. Gen. Meir Kalifi, deputy chief of ground forces, who headed the June investigation into an explosion on a Gaza beach that killed six members of the Ghaliyah family. He concluded that Israel was not responsible for the blast, although a Human Rights Watch investigator said the explosion most likely came from a fired artillery shell.

In a statement, Israel's military said that "the responsibility for any civilian casualties lies with the terrorist organizations" firing rockets toward Israel. Six of the crude rockets landed in Israel on Wednesday despite the recent intensive military operation here intended to stop them.

In a separate incident in the West Bank town of Yamoun, near Jenin, Israeli soldiers in civilian clothes killed four fighters from the military wing of the Fatah movement and one civilian. As night fell here, an Israeli airstrike on a car in northern Gaza killed two gunmen from Hamas's military wing, the Izzedine al-Qassam Brigades, bringing the day's toll to 27 dead.

"Our response to these crimes and these massacres has to be unity," said Mahmoud Abbas, president of the Palestinian Authority and head of Fatah. "I condemn anyone who launches rockets. It is fruitless and gives an excuse, not a reason, for the Israeli massacres, which have no justification."

Abbas is in Gaza for talks with Hamas to form a national unity government, hoping to end economic sanctions that have been in place against the Palestinian Authority since the radical Islamic movement took power over its ministries in March. The United States, the European Union and Israel classify Hamas, which does not recognize the Jewish state's right to exist, as a terrorist organization.

Palestinian officials warned that the deaths in Beit Hanoun would increase tensions between Fatah and Hamas, especially the harder-line Hamas leaders in exile.

Khaled Meshal, head of Hamas's political wing in Damascus, Syria, called on "all the factions of the resistance, despite the difficulties on the ground, to respond."

"This is an Israeli act of escalation and provocation that will have a negative impact both internally and bilaterally," said Hanan Ashrawi, a Palestinian legislator from the Third Way movement. "The consequence of this unleashed violence against a civilian population will be yet, unfortunately, another circle of violence."

In a statement faxed to news agencies here, the Izzedine al-Qassam Brigades said that "America is providing the political and financial cover" for Israel's military operations. It called on supporters "around the world to teach the American enemy a hard lesson."

Abu Obaida, a spokesman for Hamas's military wing, said in a telephone interview later that "our only theater of operation is in Palestine and only against the Israeli occupation." He added, "We appeal to the American administration to apply one standard of humanity to Israelis and Palestinians."

In Washington, President Bush said in a statement: "We send our condolences to the families of all those affected. . . . We call on all parties to act with care and restraint so as to avoid any harm to innocent civilians."

Israel withdrew most of its forces here Tuesday after a six-day operation that left dozens of homes in ruins, sidewalks crumbled, lampposts toppled and backyard orchards torn up by bulldozers. Al-Nasser Mosque, site of a standoff between Israeli forces and Palestinian gunmen, lay in ruins, only its turquoise-tipped minaret still standing.

Israeli Group Demands Inquiry Into Attack (FT)

By Harvey Morris In Jerusalem

Financial Times, November 9, 2006

Israel's leading human rights organisation has demanded a criminal investigation into the army's shelling of northern Gaza on Wednesday that killed 18 Palestinian civilians, most of them women and children.

As international leaders expressed a mixture of concern and outrage at the latest additions to a mounting death toll in the Gaza Strip, the B'tselem organisation said it was gravely concerned that the action constituted a war crime.

Amir Peretz, Israeli defence minister, ordered a halt to shelling pending an internal military inquiry to determine whether tank fire had strayed from its intended target.

Whatever the outcome of the investigation, the incident prompted fresh questions about Israel's military tactics in Gaza where hundreds of people, including 96 children, have died this year while the number of Israeli civilian casualties of Palestinian attacks has dwindled to a handful. Israeli tanks had ostensibly been targeting areas used by militants to fire rockets into southern Israel.

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Instead, up to 10 shells hit a residential area of the town of Beit Hanoun, blasting two apartment buildings in the early morning. Sixteen members of a single family were among the dead.

Some of the casualties were hit by secondary shellfire as they left their beds to survey the scene of the initial explosions.

In a statement, the army said: “Initial information shows that the artillery fire was directed at a location distant from the one reportedly hit.”

Mr Peretz and Ehud Olmert, Israeli prime minister, issued a statement that referred to the “tragic results” of the action and offered humanitarian aid.

The shelling was denounced as a massacre by Palestinian officials. In a rare public display of unity, Mahmoud Abbas, the Palestinian Authority’s Fatah president, and Ismail Haniyeh, its Hamas prime minister, donated blood during a joint visit to a hospital where some of more than 50 wounded were being treated.

Mr Haniyeh earlier called off a formal meeting with Mr Abbas at which they were to have had further talks on the formation of a national unity government. The PA declared three days of mourning for the victims.

Javier Solana, European Union foreign policy chief, said in a statement he deplored the Israeli military operation. “These military operations must be halted.”

Margaret Beckett, UK foreign minister, said she was “gravely disturbed” by the deaths and that Israel must respect its obligation to avoid harming civilians. “It is hard to see what this action was meant to achieve and how it can be justified.”

Alvaro de Soto, UN special envoy in the region, said he was “shocked and appalled”.

Foreign leaders had previously expressed concern at a week-long Israeli invasion of Beit Hanoun that ended on Tuesday in which more than 50 Palestinians were killed.

The army opted for a ground operation after intensive shellfire failed to stem the launching of rockets into southern Israel. The almost daily barrage of home-made missiles continued on Wednesday, with two striking the southern Israeli town of Sderot and injuring one person.

Although the relatively crude weapons have caused few injuries, the Israeli government has vowed to continue its efforts to stamp out the attacks. Officials say no state would allow its citizens to be targeted in such a way without responding.

Some Hamas officials warned on Wednesday that militants now would resume suicide bombings inside Israel. Khaled Maashal, head of the movement’s Damascus-based exiled leadership that controls its military wing, said the response to the Beit Hanoun killings would be “by deed not words”.

Hamas Leader Calls Off Israel Cease-fire (AP)

By Diaa Hadid

AP, November 9, 2006

Hamas' exiled leader on Wednesday called off a cease-fire with Israel and militants threatened to attack Americans after 18 members of a family, including eight children, were killed in an Israeli artillery barrage on a densely populated Gaza neighborhood.

It was the highest number of Palestinian civilians killed in a single strike since fighting erupted six years ago, and undermined Palestinian President Mahmoud Abbas's attempts to form a more moderate government and renew a peace process with Israel.

Abbas condemned the "terrible, despicable crime," and the international community criticized the deaths. Israel, promising a swift inquiry, expressed regret for harming civilians.

The shelling occurred early Wednesday as residents were sleeping in the northern Gaza town of Beit Hanoun, the focus of a weeklong military offensive aimed at stopping rocket fire. Israeli troops had pulled out of the town just 24 hours earlier, and the rocket attacks resumed almost immediately.

The Israeli shells landed around a compound of four apartment buildings on a small side street. The explosions left holes in the buildings, owned by four brothers from the al-Athamna family, and sent panicked residents scurrying outside. Additional salvos landed, hitting the people and flooding a dusty alleyway in a pool of blood.

"Shells were fired directly onto the people who were rushing out of the house," said Akram al-Athamna, a relative of the victims. "There was blood everywhere."

Another family member, 14-year-old Asma al-Athamna, said she saw her mother, older sister and brother-in-law die as they fled their home. "I was behind them and I was wounded," the weeping girl said from her hospital bed. Her 2-year-old niece, Malak, lay in an adjacent bed, recovering from shrapnel wounds to her face.

The family is prominent in Beit Hanoun and includes several doctors and professionals. Family members said they had fled during the Israeli offensive, returning home after Tuesday's pullout.

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Bits of dismembered bodies were plastered to walls of the damaged buildings and lying on the ground. A woman's head scarf, children's boots and slippers, and a pair of jeans — all burnt — were strewn outside.

Weeping relatives gathered outside the homes. One man dipped his hand in victims' blood and smeared it over his face. "God avenge us, God avenge us," he wailed.

A young man, standing in the bloodied alleyway, said an infant girl had been blown to pieces. "I tried to look for her head, I tried to look for her head," he shrieked, then sank to the ground, weeping.

Health workers said some 60 people were wounded, including 26 children.

In Damascus, Syria, Khaled Mashaal, the exiled leader of Hamas, said the group would no longer honor a February 2005 truce and called for renewed attacks on Israel. He urged other militant groups to join the struggle.

"The armed struggle is free to resume, and the resistance is dictated by local circumstances," he told a news conference. "There must be a roaring reaction so that we avenge all those victims." Other major militant groups pledged to follow suit.

The declarations raised the prospect of a new wave of suicide bombings and large-scale fighting with Israel. Although violence has persisted since the truce declaration, including the kidnapping of an Israeli soldier by Hamas-linked militants in June, there has been a sharp drop in fighting. Hamas has not carried out a suicide bombing since August 2004, after killing scores of Israelis in such attacks over the previous four years.

Despite the rhetoric, Hamas would be taking a gamble by resuming large-scale violence. The group won legislative elections this year and has been struggling to win international legitimacy. Already boycotted by the U.S., Europe and Israel, Hamas would risk further international isolation.

Perhaps with this in mind, Hamas leaders in Gaza quickly distanced themselves from a call by the group's military wing for Muslims around the world to strike at "the American enemy." Hamas has historically confined attacks to Israeli targets.

Israeli Prime Minister Ehud Olmert expressed regret at the loss of civilian life and offered humanitarian aid.

"The unintentional tragedy that happened today in Beit Hanoun is one that the Israel Defense Forces will investigate to make sure that such events do not recur," said Miri Eisin, Olmert's spokeswoman.

She said, however, that Israel would press on with its efforts to halt Palestinian rocket attacks. She also dismissed the latest Hamas threats, saying militants have continually tried to attack Israelis. Six rockets landed in Israel on Wednesday, wounding two people, the army said.

Initial findings showed that the army had fired artillery at a target some 500 yards away from the residential area.

"Our estimate is that it was something connected with the aiming devices, or the alignment, or the balance between them, or our radar's location of the shell hit," Maj. Gen. Yoav Galant, head of Israel's southern command, told Channel 2 TV. "Our investigation is concentrating on these points," he said.

In Gaza, Abbas said the killings jeopardized peace prospects. "We tell the Israelis, you are not seeking peace at all, but are destroying all chances for peace. You must therefore bear all the consequences of these crimes," he told Palestine TV.

However, Abbas also criticized the Palestinian rocket launchers, saying they invited tough Israeli reprisals. "We are against those that justify Israeli actions," he said. Hamas angrily accused Abbas of caving in to Israeli pressure.

Despite the attack, Prime Minister Ismail Haniyeh of Hamas met Abbas for talks on forming a coalition government, but no agreement was reached. Haniyeh had called for suspending the talks after the shelling.

In a rare gesture of unity, the rival leaders also visited victims in a Gaza hospital together and donated blood. Both men also declared three-day mourning periods throughout the West Bank and Gaza.

The civilian deaths drew swift condemnations around the world. France and Russia warned of an escalation of hostilities, and the British foreign secretary, Margaret Beckett, said "it was hard to see what this action was meant to achieve and how it can be justified."

President Bush called on "all parties" to act with restraint. Noting that Israel has begun an investigation, he said, "We hope it will be completed quickly and that appropriate steps will be taken to avoid a repetition of this tragic incident."

The U.N. Security Council scheduled an open meeting Thursday at the Palestinians request. Palestinian U.N. observer Riyad Mansour said Palestinians want a resolution that condemns recent Israeli attacks and calls for an Israeli withdrawal from Gaza, a cease-fire, and deployment of U.N. observers.

Spontaneous demonstrations erupted across Gaza and the West Bank. Black smoke billowed into the skies of northern Gaza as protesters set tires ablaze. A mass funeral was expected Thursday.

Israeli police, fearing revenge attacks, stepped up their alert level, mobilizing forces across the country.

In separate fighting Wednesday, Israeli troops killed four Palestinian militants in northern Gaza. And in the West Bank, Israeli forces ambushed a group of Palestinian gunmen, killing four militants. A 30-year-old civilian also died in the shootout.

Hamas Ends Truce Following Israeli Bombing Campaign In Gaza (MCT)

DOJ_NMG_0092375

By Dion Nissenbaum

McClatchy Newspapers, November 9, 2006

BEIT HANOUN, Gaza Strip - Omar Athamna and his family crawled into their beds Tuesday night in the quiet following an Israeli military campaign that killed more than 60 Palestinians in their small farming town.

Their sense of calm proved to be short-lived. Just before dawn on Wednesday, an Israeli artillery barrage slammed into the Athamnas' neighborhood, killing at least 17 members of the extended family, including seven children, as they tried to escape.

The attack decimated the Athamna clan, stunned the Gaza Strip and threatened to spark a renewed suicide bombing campaign in Israel.

"I am not a militant, but I will be a militant to fight them now," Omar Athamna said as he sat near the spot where three of his brothers, two cousins, aunt, uncle, grandmother and other relatives were killed.

In Syria, exiled Hamas leader Khaled Mashaal declared an end to the group's self-imposed 18-month-old cease-fire with Israel and said the group would respond with "deeds, not words."

As international condemnation mounted, Israel halted its artillery shelling of the Gaza Strip and vowed to launch a swift investigation.

"It is clear a serious mistake was made and it is being examined," Deputy Defense Minister Efraim Sneh told Israel Radio. "Artillery needs to be used in cases where it is helpful, but it needs to be used carefully, as it is not accurate."

Israeli Prime Minister Ehud Olmert and Defense Minister Amir Peretz expressed regret as the military worked to figure out what happened.

Yoav Galant, the head of Israel's southern command, told Israel's Channel 2 that the artillery was supposed to hit fields 500 yards from the homes and said the investigation would look into whether the radar or targeting systems had failed.

The shelling surprised the residents of Beit Hanoun, who'd just emerged that morning to survey damage caused by a six-day Israeli operation meant to quash Palestinian militants who fire rudimentary rockets into southern Israel. The operation ravaged parts of the town of 30,000 near the Israeli border.

Survivors of Wednesday's shelling described a morning of carnage and confusion:

The first shell slammed into the roof of the four-story Athamna home on the outskirts of Beit Hanoun around 5:30 a.m.

Frightened parents bundled up their children as a second shell slammed into one of the children's rooms. One mother tossed her infant daughter to relatives from a second-story window and rushed to grab her other children before being felled by another blast. The third shell slammed into a concrete stairwell as family members were trying to escape. But it was the fourth shell that caused the most damage. It exploded in the narrow street outside the home where the family members were gathering.

A sense of profound shock, grief and anger rippled through Beit Hanoun as word spread that at least 17 people had been killed in the attack.

In the hours after the shelling, witnesses said, one relative slumped by a large pool of bloody water in the street and wailed as he smeared it on his face.

The four-story home was ravaged. Dust covered teddy bears in one room while shards of concrete coated scattered mattresses in another.

The attack briefly united Palestinian Authority President Mahmoud Abbas and Prime Minister Ismail Haniyeh, who set aside their differences over the formation of a new unity government to visit survivors of the attack.

Ghazi Hamad, a spokesman for Haniyeh, echoed Hamas leader Mashaal's appeal for renewed attacks on Israel.

"It is not fair that people in Tel Aviv are sleeping quietly," Hamad said after visiting the blast sites. "It is our right that they should taste the same pain that we feel here in Gaza."

Hillel Frisch, a senior research associate at the Begin-Sadat Center for Strategic Studies, said the attack could push frustrated Palestinians toward the hard-line groups Israel is trying to undermine.

"I would say this action, and others like it, are intensifying a process that has been going on for four years of strengthening Hamas at the expense of Fatah and turning the Palestinian movement into a religious nationalist or even religious-revolutionary movement - distancing the Palestinians from any peace process," he said.

Israel's shelling is part of a months-long campaign against Palestinian militants who've fired hundreds of rudimentary rockets into southern Israel. While the rocket attacks haven't killed any Israelis in the past 15 months, the persistent threat hangs over Israeli towns close to the Gaza border.

In response, Israel has fired tens of thousands of shells into the northern Gaza Strip fields and towns that the Palestinian militants have used as launching pads.

"We are launching these metal pipes which we call rockets, which do not hurt them at all," said Zakaria Kafarna as he stood in a hospital room where one of his cousins was being treated for shrapnel wounds. "It is not worth all this."

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In the past year, more than 53 Palestinians who weren't involved in fighting Israel have been killed by Israeli artillery and tank fire, according to statistics compiled by the Israeli human rights group B'Tselem.

Until Wednesday, the most contentious incident took place in June when eight Palestinians picnicking on a Gaza Strip beach were killed while Israel was shelling the waterfront. An Israeli military investigation concluded that the victims weren't killed by shells fired that day, but American human rights researchers strongly challenged the official findings.

Democratic Leader In Senate Calls Bush's India Deal A Priority (BLM)

By Judy Mathewson And Nicholas Johnston

Bloomberg, November 9, 2006

``India is the largest democracy in the world," the Nevada Democrat told reporters today in Washington. ``We want to work with them, and this is important we move along that line." At the White House, President George W. Bush said securing congressional approval for the accord is also high on his agenda.

``I'm trying to get the Indian deal done," Bush said.

The agreement is a major initiative of Bush's foreign policy, an effort to expand a strategic relationship with the fastest-growing major economy after China. While the measure enjoys bipartisan support, the agreement was mired in a procedural squabble in the Senate when lawmakers adjourned at the end of September.

Passage in the lame-duck session would be a win for nuclear-industry suppliers such as Fairfield, Connecticut-based General Electric Co. and Monroeville, Pennsylvania-based Westinghouse Electric Co., which are in line to supply India with equipment. The bill exempts India from U.S. laws that bar technology transfers to countries that haven't signed the Nuclear Non-Proliferation Treaty.

Reid said the India accord is one of five things he wants to accomplish in the lame-duck session before the new Congress begins in January. However, the agreement still faces additional hurdles before it can go into effect.

House Version

If it passes, the Senate measure would have to be reconciled with a version the House passed in July, or else the legislation will have to be introduced again next year.

``We just have to keep our fingers crossed," said Graham Wisner, who lobbied Congress to pass the bill on behalf of the U.S.-India Business Council in Washington. ``The thought of having to go through the whole process again is enough to make me want to jump off a cliff."

A U.S. State Department delegation is in New Delhi this week to address possible sticking points, including whether India must cede the right to conduct nuclear weapons tests, a person familiar with the negotiations said.

The U.S. has said cooperation would end if India conducts a nuclear test, while the Indian government has said it will only agree to a voluntary ban.

Another step that must be cleared is agreement between the SEARCH

News | News Photos | Images | Web" /> United Nations nuclear watchdog and India on a regimen for international inspections. And the Nuclear Suppliers Group, a 45-nation forum dedicated to limiting the spread of atomic weapons, must also sign off on the deal.

India and the U.S. agreed to the deal's broad outlines on March 2. It would require India, for the first time, to open some of its power plants to UN inspectors.

The agreement also marks a turnabout for the U.S., which has barred nuclear exports to India since that country tested an atomic bomb in 1974 without signing the nonproliferation treaty.

U.N. Urges U.S. To End Cuba Embargo (AP)

By Edith M. Lederer

AP, November 9, 2006

The U.N. General Assembly voted overwhelmingly Wednesday to urge the United States to end its 45-year-old trade embargo against Cuba after defeating an amendment calling on Fidel Castro's government to free political prisoners and respect human rights.

It was the 15th straight year that the 192-member world body approved a resolution calling for the U.S. economic and commercial embargo against Cuba to be repealed "as soon as possible."

Cuba's Foreign Minister Felipe Perez Roque told the assembly "the economic war unleashed by the U.S. against Cuba, the longest and most ruthless ever known, qualifies as an act of genocide and constitutes a flagrant violation of international law and the charter of the United Nations."

Perez Roque said the embargo has caused $86 billion in economic damage to Cuba since it began.

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U.S. deputy ambassador Ronald Godard later said that to claim the embargo adversely affects the Cuban people ignores "the truth" that the Cuban government has systematically denied "the human, economic, labor and political rights of its people over 47 years."

"We maintain this embargo to demonstrate our continuing call for economic and political freedom for all Cubans," Godard said.

The embargo, aimed at toppling Castro's socialist system, was imposed after the failed CIA-backed Bay of Pigs invasion in 1961. It has been steadily tightened under President Bush.

Delegates in the General Assembly chamber burst into applause when the vote flashed on the screen — 183 in favor to 4 opposed, with 1 abstention. Joining the United States in voting "no" were Israel and the South Pacific nations of the Marshall Islands and Palau. Micronesia, also in the South Pacific, abstained.

In Cuba, state-run television showed Foreign Ministry officials cheering when the vote was announced.

"This confirms once again by the U.N. itself that the embargo is totally illegal and wrong and needs to be suspended," said Hipolito Rodriguez, a customs worker in Havana.

The General Assembly voted on the resolution soon after defeating an amendment by Australia stating that the U.S. laws and measures "were motivated by valid concerns about the continued lack of democracy and political freedom in Cuba."

It also would have called on Cuba to release all political prisoners, cooperate with international human rights bodies, respect the Universal Declaration of Human Rights and comply with all human rights treaties to which it is a signatory.

Australia's U.N. Ambassador Robert Hill said his country proposed the amendment in hopes that if Cuba met its obligations, "we would not need to return to this issue every year," he said.

Perez Roque called Australia the "lackeys" of the United States for introducing the amendment, which he claimed was drafted in Washington.

U.S. Seeks To Form Ties With Nicaragua (AP)

By George Gedda

AP, November 9, 2006

The State Department said Wednesday that it looks to establish "positive relations" with the Nicaraguan government of President-elect Daniel Ortega, a former rival who won Sunday's presidential elections.

Spokesman Gonzalo Gallegos said cooperation with Ortega and his Sandinista colleagues will be "based on their action in support of Nicaragua's democratic future."

Ortega has said he wants to maintain relations with Washington while forging closer ties with Cuba and Venezuela. During the campaign, he also projected a far more moderate image compared with his days as a Marxist-Leninist firebrand.

The Reagan administration forcefully opposed Ortega when he was president during the 1980s, backing anti-communist rebels who took up arms against him. Both Washington and Managua seem intent on a more amicable relationship during Ortega's second time around.

"We respect the decision of the Nicaraguan people," Gallegos said, alluding to the elections.

On Tuesday, State Department spokesman Sean McCormack suggested that Ortega may have a stake in maintaining good relations with the United States.

He noted that Nicaragua is part of a U.S.-Central American free trade agreement. In addition, he said the United States has a $175 million program aimed at rural development in a northeastern Nicaraguan region sprinkled with strong pro-Sandinista sentiment.

In Havana, Cuban President Fidel Castro welcomed Ortega's victory. He said the outcome "fills our people with joy, at the same time filling the terrorist and genocidal government of the United States with opprobrium."

In Caracas, Venezuelan President Hugo Chavez said he and Ortega would be "uniting as never before" to construct a socialist future.

In the runup to the election, administration officials issued warnings that Nicaraguan democracy could be imperiled if Ortega prevailed in the balloting. The comments seemed to contradict the professed neutrality of the State Department in the election.

U.S. Commerce Secretary Carlos Gutierrez said in October that Nicaraguans "must reject the politics of corrupt and discredited caudillos (strongmen) who robbed Nicaragua of its prosperity and who still pose a threat to the bright future that Nicaragua has before it today."

He said U.S. aid and trade programs "will be endangered" if "anti-democratic forces prevail."

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Paul Trivelli, the U.S. ambassador in Nicaragua, said Ortega "is a tiger that has not changed his stripes." He added that the Sandinistas and an allied party "hijacked" Nicaraguan democracy by manipulating the election ground rules in ways that favored them.

Chavez Leads Gloating Over Vote (WT)

By David R. Sands

The Washington Times, November 9, 2006

Venezuelan President Hugo Chavez yesterday led a global chorus of Bush administration critics gloating over the outcome of Tuesday's midterm elections, but some foreign leaders expressed concern over what the Democratic victory will mean on issues such as global trade and the Middle East.

Latin American populists, European leftists and Islamic fundamentalists were all quick to point to the U.S. vote as a repudiation of Mr. Bush's aggressive, go-it-alone approach on Iraq and the global war on terror.

The resignation of Defense Secretary Donald H. Rumsfeld also sparked praise from leaders of countries from the heart of what Mr. Rumsfeld once memorably dismissed as "Old Europe."

The Democratic sweep ranks as "the beginning of the end of a six-year nightmare for the world," 200 members of the Socialist bloc in the European Parliament declared in a joint statement yesterday.

Said Italian Foreign Minister Massimo D'Alema, "A cycle has ended. The cycle of pre-emptive wars, of unilateralism, ends in great failure."

With Mr. Bush still in charge of U.S. foreign policy for another two years, the pugnacious Mr. Chavez was one of the few world leaders to comment publicly on the elections.

"It's a reprisal vote against the war in Iraq, against the corruption" inside the Bush administration, he told reporters in Caracas. "All this fills us with optimism."

Informed of Mr. Rumsfeld's resignation as he was speaking, Mr. Chavez said, "Heads have started to roll. The president should resign on moral grounds, and Rumsfeld should go to jail."

Iran's state-controlled television said in a commentary that U.S. voters were rejecting "Bush's wrong strategy in the Middle East," as well as "financial corruption in the United States."

Sudan, which has clashed with the United States over the humanitarian crisis in its Darfur region, is hoping for "relations of cooperation, not confrontation" with the chastened U.S. administration, Minister of State for Foreign Affairs al-Samani al-Wasiyla said.

The celebration was not universal, with some foreign commentators worrying that the new Democrat-led Congress will be more protectionist on trade and will disappoint those hoping for a major U.S. shift on issues such as Iraq, North Korea, global warming and the International Criminal Court.

Jose Manuel Barroso, president of the European Commission, the European Union's executive arm, urged the United States to make a "renewed commitment" to revive faltering World Trade Organization talks for a new global trade pact.

A spokesman for Mexican President Vicente Fox said the Democratic gains could soften the U.S. stand in talks on illegal immigration.

"We hope this new makeup of Congress can be a catalyst for the U.S. government working toward a migration reform with the characteristics proposed by Mexico," spokesman Ruben Aguilar said.

Mr. Bush's diminished clout also was a cause of concern for some allies.

Japanese press commentators worried that a weakened Mr. Bush will not be able to push through major trade deals or stick to the hard line he has taken against North Korea's nuclear-weapons programs. Analysts in India predicted Democrats may demand new concessions in the massive civilian nuclear pact Mr. Bush has championed, putting the deal in doubt.

Alexander Pikayev of the Moscow-based think tank Scholars for Global Security noted that U.S.-Russian relations historically fared better under Republicans than Democrats.

"As a result of the election, we expect the political struggle in the United States to toughen, and this may lead to sudden, spontaneous jumps of the American elephant in the international arena," he told a Moscow radio interviewer yesterday.

Foreign leaders closely aligned with Mr. Bush, including British Prime Minister Tony Blair and Australian Prime Minister John Howard, were undercut by the U.S. vote.

John McDonnell, a leftist member of Mr. Blair's ruling Labor Party and a critic of the Iraq war, said the U.S. results "mean that Blair is now totally isolated in the international community."

Venezuela Groups Get U.S. Aid Amid Meddling Charges (NYT)

By Simon Romero

DOJ_NMG_0092379

The New York Times, November 9, 2006

CARACAS, Venezuela, Nov. 8 — Since President Hugo Chávez returned to power after a brief coup in 2002, the United States has channeled millions of dollars to Venezuelan organizations, many of them critical of his government. This aid has become a key issue in the presidential election next month amid claims of American interference in the domestic political system.

"Washington thinks it can buy regime change in Venezuela," said Carlos Escarrá, a constitutional lawyer and a leading legislator in the National Assembly who has been pushing for tighter regulation over the American financing of Venezuelan groups. "This is an affront to our sovereignty as a nation that is not docile to Washington's interests."

He echoed recent comments from other high-ranking officials and from Mr. Chávez, who has a double-digit lead in most polls over his main opponent, Manuel Rosales, the governor of Zulia State. Mr. Chávez rarely refers in public to Mr. Rosales by name, instead framing his campaign as a choice between his government and the Bush administration.

American diplomats here have remained largely quiet in commenting on the election, which is scheduled for Dec. 3, in contrast to the active role American officials played in Nicaragua before the election of Daniel Ortega earlier this week. Government officials here exploit any example of American efforts to counter Mr. Chávez's influence as evidence of what they see as a looming confrontation with Washington.

For instance, Vice President José Vicente Rangel has organized an event this week to publicize the release of "Bush vs. Chávez: Washington's War Against Venezuela," a book by Eva Golinger, an American lawyer who has become famous in Venezuela for detailing the American financing of groups here.

The United States Agency for International Development has distributed about $25 million to various Venezuelan organizations over the last five years, according to officials involved in the projects. The funds have been channeled to the Venezuelan groups through private and public entities from the United States that have opened offices in Caracas.

These include Development Alternatives Inc., a Bethesda, Md., company that works closely with the State Department in dispersing funds around the world, and the International Republican Institute and the National Democratic Institute for International Affairs, two Washington groups that have carried out training for emerging political leaders in Venezuela.

Documents obtained from the United States government under the Freedom of Information Act point to numerous grants made by the United States in the past two years to groups whose activities are viewed as critical of Mr. Chávez's government. The international development agency withheld the names of many of the grant recipients, saying that the disclosure of their identities could put them at risk of political retaliation.

All of the grants were channeled through Development Alternatives, which worked on behalf of the Office of Transition Initiatives, a little-known branch of the international development agency that started operating in Venezuela after the April 2002 coup.

O.T.I., which was created in the 1990s to push for democratic change in the former Soviet Union, normally finances activities in strife-torn countries like Liberia, Nepal and Sri Lanka. Its only operations in Latin America are in Venezuela and Bolivia, two countries that have developed an alliance based in part on shared distrust of the United States.

Mr. Chávez has repeatedly lashed out at the United States government's activities, mixing his attacks with unsubstantiated claims that the Bush administration is financing covert intelligence operations aimed at strengthening his opponent's campaign. This criticism has played well among the president's political base, where anti-American sentiment has flourished since Mr. Chávez was briefly removed from power in a coup in 2002 with the Bush administration's tacit approval.

Officials from the agency for international development did not withhold all of the identities of its grant recipients in Venezuela, as if to point out that some of the aid went to groups receiving charity in the form of baseball equipment and roofing materials. One $15,728 grant for a nutrition program went to the municipal government of Baruta, an area of Caracas whose mayor, Henrique Capriles Radonski, is an outspoken critic of Mr. Chávez.

American officials here and in Washington say the aim of the assistance is to bring opponents and supporters of Mr. Chávez together to discuss ways to prevent the erosion of democratic freedoms.

"U.S. activities, as has been publicly discussed on numerous occasions, focus on strengthening civil society in Venezuela, which is a critical element for any healthy democracy," David Snider, an international development agency spokesman in Washington, said in a statement.

"These nonpartisan activities are no different than those activities that U.S.A.I.D. supports in many other countries throughout the world," he added.

But some grants were directed at organizations whose stated objectives seemed to look for potential weaknesses in Mr. Chávez's administration. One $33,304 grant in March 2005 was called "Land Redistribution Dos and Don'ts," and required its unidentified recipient to investigate agricultural policies in areas where the federal government had been carrying out land expropriations.

Other grants had what appeared to be an objective of building support for potential rivals to Mr. Chávez. A $47,459 grant, for instance, was made in July 2005 to an organization whose goal was to meet with organizations to build a "democratic leadership campaign."

The agency's grants in Venezuela have raised concern among some political analysts who see parallels in efforts by Washington to destabilize the socialist government of Salvador Allende in Chile in the early 1970s or attempts to influence the domestic political system of Nicaragua in the 1980s.

"I wouldn't feel comfortable with the Chinese government doing something like this in the U.S.," said Jeremy Bigwood, an international policy analyst at the Center for Economic Policy and Research in Washington. Mr. Bigwood filed a pending lawsuit against the agency for international development this year asking that it name its recipients. He said not doing so changed it from a "civilian to a clandestine service."

Meanwhile, a backlash to the American financing has been building. Prosecutors filed conspiracy charges against leaders of Súmate, a voter education group, after it received $31,000 from the National Endowment for Democracy, another entity backed by the United States government that distributes money to groups in Venezuela.

A proposed law is also making its way through the National Assembly that would regulate international financing of nongovernmental organizations. The bill, which has been criticized by anticorruption groups like Transparency International, has been held up until after the election.

Increased scrutiny by the government here of the American financing has been described as hypocritical by some analysts at a time when Venezuela has increased its own foreign aid in an attempt to influence the political direction of countries like Bolivia and Nicaragua.

"The thinking goes that if it's for the revolution, then by definition it is correct," said Aníbal Romero, a professor of political science at Simón Bolívar University. "But if the money comes from Washington, then it's definitely wrong."

Mexico's Calderon Heartened By Outcome Of U.S. Elections (WP)

By Nora Boustany

The Washington Post, November 9, 2006

Mexican President-elect Felipe Calderon said yesterday that Democratic gains in Congress could lead to "room for improvement" in U.S.-Mexican relations, a suggestion that headway may be made on immigration and other bilateral issues.

At a White House meeting with President Bush today, Calderon, who takes office on Dec. 1, is expected to express Mexico's disappointment with the decision by the outgoing Republican-controlled House and Senate to approve a 700-mile fence along the Mexican-American border, an effort to stem the flow of millions of migrant workers.

During a meeting yesterday with Washington Post reporters and editors, Calderon said the outcome of Tuesday's midterm elections allowed for "some room for improvement in terms of bilateral relations."

"I know President Bush is facing a difficult moment," he said. "But I think there is an opportunity. After the elections, I hope Americans and Congress will have a chance for rational debate."

Calderon, a Harvard-educated economist and a member of the conservative National Action Party, made job creation a central platform of his campaign. He returned to that theme yesterday, saying that new jobs and foreign investment in Mexico would be more effective than a fence as a tool against migration.

His predecessor, current President Vicente Fox, made the same arguments against the fence, to no avail.

"Now maybe you have people crossing the border looking for capital," Calderon said. "We need capital crossing the border looking for people."

Calderon also said that the North American Free Trade Agreement had been a boon for Mexico but that more needed to be done to make the economy more competitive. He said that only by reducing tariffs, eliminating other regulations and enforcing the rule of law could Mexico be seen as a destination for foreign investment.

Mexico also has recently been suffering from increased violence. Calder?n acknowledged the months-long protests that have shut down the city of Oaxaca and expressed hopes that order would be restored. His home state of Michoacan, as well as the neighboring state of Guerrero, have seen a wave of violence, including decapitations, shootings and bombings. Much of that violence has appeared to be drug-related.

Yesterday, the president-elect acknowledged that there had been "a deterioration in the environment in Mexico."

"Probably, the main challenge I will have to face is how to strengthen institutions and the rule of law and to stop the loss of respect in authority."

Calderon, 44, waged an intense campaign against Andres Manuel Lopez Obrador, the populist former mayor of Mexico City. The results of the July 2 vote were contested, leading to weeks of appeals to electoral courts and protests in the capital's streets by Lopez Obrador supporters. Calderon was declared president-elect Sept. 5.

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Yesterday, Calderon suggested that divisions created by the controversy were fading. He also expressed hope that, as a former member of the National Congress, he would be well-positioned to reach out to the opposition.

Bush To Meet Mexican President-elect (WT)

By Stephen Dinan

The Washington Times, November 9, 2006

President Bush will find out today if good fences do make good neighbors when he sits down with Mexican President-elect Felipe Calderon for their first face-to-face conversation.

The two men say they will talk about free trade, economic growth and security -- but the hottest topic is likely to be immigration, and Mr. Bush's signature two weeks ago on a bill to erect 698 miles of fence on the international boundary between the two nations.

Mr. Calderon criticized the fence yesterday in a meeting with Hispanic groups, saying he sees "the U.S.-Mexico border not covered in walls and barbed wire, but as an area of opportunity and prosperity for Mexicans and Americans both."

Neither side would say whether the fence was specifically on today's agenda. Mexican officials said it was more important at this stage that the two men have a chance to meet and establish a relationship, and Mr. Calderon tried to play down expectations this week, calling it a chance "to establish a first contact."

A White House official said having the meeting even before Mr. Calderon's Dec. 1 inauguration "reflects the importance we attach to continued strong ties with our hemispheric partner and neighbor."

The Mexican president-elect made his first international visit last month to Canada to meet with Prime Minister Stephen Harper on the day Mr. Bush signed the fence act. The visit was a clear signal, said Larry Birns, director of the Council on Hemispheric Affairs, a Washington-based think tank.

"That was noted by everyone. That was noted as almost a sign of aggressive sovereignty on Calderon's part," Mr. Birns said.

At a press conference after that meeting, Mr. Calderon was harshly critical of the fence, and he isn't the only leader protesting. Over the weekend, leaders from Latin America, Spain and Portugal, meeting in an Ibero-American summit, said the fence "incites discrimination and xenophobia."

Mr. Bush previously has spoken with Mr. Calderon by phone, calling in the days after Mexico's election to congratulate him on securing the most votes, even though he had not yet been declared the winner.

At 44, Mr. Calderon will be among the youngest presidents in Mexico's history. He is from the same party as outgoing President Vicente Fox, who is leaving because of Mexico's one-term limit on the office.

Like Mr. Fox and, for that matter, Mr. Bush, Mr. Calderon studied at Harvard, earning a master's degree in public administration from the Kennedy School of Government.

Mr. Birns said today's meeting could be the beginning of a productive working relationship because the two men need each other. In addition to border issues, he said Mr. Bush also might take the opportunity to sound out Mr. Calderon, a former energy secretary, on energy policy.

"They can help each other, and the help is largely on the border, but I also think Bush may very well make a reference to energy because that in a sense is even more important to Bush right now," Mr. Birns said.

Asked recently about Mr. Calderon's statements on the fence, White House press secretary Tony Snow focused on the cooperation both nations have shown on the border in fighting drug trafficking. Mr. Snow also said Mr. Bush is considering a host of measures on the border.

"The president understands the sensitivities, but on the other hand, he also understands the importance of securing the border," Mr. Snow said.

Immigration Expected To Dominate Calderón-Bush Talks (CSM)

By Sara Miller Llana

The Christian Science Monitor, November 9, 2006

Posted November 09, 2006 - http://www.csmonitor.com/2006/1109/p25s01-woam.html Immigration expected to dominate Calder?n-Bush talks Mexico's conservative president-elect, Felipe Calder?n, makes his first White House visit Thursday.

By Sara Miller Llana | Staff writer of The Christian Science Monitor

MEXICO CITY

The nearly 700 miles of fencing President Bush authorized for the US-Mexican border two weeks ago could overshadow other issues when Mexican president-elect Felipe Calderón makes his first visit to the White House on Thursday.

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Unlike recently elected leftist leaders in Latin America, Mr. Calderón is a pro-business, US-friendly candidate who narrowly won July's presidential election against a leftist leader.

Yet, the additional fencing Mr. Bush approved threatens to create a political barrier even before Calderón officially takes office on Dec. 1.

On a recent trip to Canada, Mexico's president-elect compared the fence to the "Berlin Wall," the former barrier between Communist East and democratic West Berlin.

"The most important thing for him is to end the monothematic tone [between the two nations]," says Luis Rubio, president of the Center of Research for Development, a think tank in Mexico City. He says the US-Mexican relationship, dominated by drug trafficking in the 1980s, now is being driven by differences over US immigration policy.

The US border fence, meant to enhance security and deter illegal immigration, is one step in a comprehensive immigration reform plan that Bush hopes can later include a guest-worker program and amnesty plan for some undocumented immigrants. Half of the estimated 11 million undocumented migrants living in the US are believed to be Mexican.

Monday, Calderón said the US-Mexican relationship is the "most delicate, most complex, and most important" in terms of Mexican foreign policy.

He did not say whether he would reiterate Mexico's objection to the law authorizing a major extension of the fence, which Mexican officials say will cause more deaths by making it even harder for would-be immigrants to cross the border. "The only thing [the wall] will do is create more death," says legislator José Edmundo Ramírez Martínez, an opposition Institutional Revolutionary Party (PRI) member and secretary of the immigration committee in Mexico's Congress.

Immigration was not among the main issues on the original agenda for Thursday's meeting. White House spokesman Tony Snow said last month that the discussion would focus on competitiveness, free trade, economic growth, and security in North America.

Calderón may have wanted to avoid immigration altogether given the failure of outgoing president and fellow National Action Party (PAN) party member Vicente Fox to get what he called the "whole enchilada": Mexico's leader had hoped to convince the Bush administration to push through the guest-worker plan and a path to citizenship for many undocumented Mexican workers.

"We didn't even get a nacho," says Mr. Ramírez Martínez.

Bush's move to authorize the fence underscored the Fox administration's failure to help Mexicans working illegally in the US and appears to have forced his successor to make it a priority. "If the US had not passed a law authorizing 700 miles of fencing, he could almost ignore immigration entirely. It was such a failure for Fox," says David Shirk, director of the Transborder Institute at the University of San Diego. "Now he can't ignore it."

Mr. Shirk says Calderón's No. 1 task should be to address the economic inequality in Mexico underscored by the country's July presidential race. Leftist candidate Andrés Manuel López Obrador, who attracted the nation's poor, lost by half a percentage point and challenged the legitimacy of the election during a seven-week sit-in in Mexico City.

"The way [Calderón] rose to power requires his single-minded focus be on economic development if he is to legitimatize his presidency," says Shirk. He'll need to "enlist US support in a variety of ways to make it happen."

Calderón has floated a plan to put the country on the list of the world's fastest growing economies. "Mexico 2030" aims to help reduce extreme poverty by boosting annual per-capita income from $8,000 today to $30,000 over the next 25 years. Calderón hopes that improving conditions at home will reduce the number of Mexicans seeking opportunities in the US.

Calderón's top foreign adviser, Arturo Sarukhan, said Friday that the president-elect plans to meet in Washington with officials at the Inter-American Development Bank and the World Bank. Under discussion: programs that will create infrastructure and capitalize on the $19 billion Mexican immigrants in the US send home each year.

Ramírez Martínez, the lawmaker, says it is imperative that the president-elect discuss the wall with US officials. "We want him to go to the meeting with an agenda to talk about a migration policy - not just economics, commerce and free trade, but a new discussion about a migration policy."

Mexican Leader Assails Border Fence Plan (AP-Y)

By George Gedda

AP, November 9, 2006

Preparing for a meeting with President Bush, Mexican President-elect Felipe Calderon made clear Wednesday his unhappiness with U.S. border security measures, saying the two countries need "bridges for progress and not walls that isolate and divide."

U.S. steps to stem the flow of migrants across the border were expected to dominate Bush's discussions with Calderon, who takes office Dec. 1.

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Mexico has been highly critical of the U.S. plan to build a 700-mile fence along the border. Bush signed the law authorizing the fence on Oct. 26.

Calderon noted that barbed wire is also part of the U.S. border control apparatus.

The border region "should not be a zone of barbed wire but a zone of opportunities," Calderon said, according to a translation of his remarks.

He spoke to a gathering of some 200 Hispanic leaders here. He meets with Bush on Thursday after a breakfast meeting with Secretary of State Condoleezza Rice.

Also scheduled to attend the breakfast were Treasury Secretary Henry Paulson, Commerce Secretary Carlos Gutierrez and Homeland Security Secretary Michael Chertoff.

Calderon acknowledged Wednesday that illegal border-crossings into the United States are an unpleasant issue for both countries.

"Migration is not a desirable issue for anybody," he said. "It awakens enormous sensibilities in the United States and was at the center of the debate in the (Tuesday) elections.

And, he said, "it takes away the most daring part of our population and divides our families."

In a statement issued Wednesday from Mexico City, U.S. ambassador Antonio Garza said Bush and Calderon planned to discuss border problems caused by criminals and narco-traffickers.

Other possible topics, Garza said, include further reductions in limits to free trade and finding ways to ensure "how both people and goods can cross our border in a legal, orderly, and more efficient way."

Turkey Given Month To Rescue EU Bid (FT)

By Daniel Dombey And George Parker In Brussels And Vincent Boland In Ankara

Financial Times, November 9, 2006

Turkey was on Wednesday given a month to rescue its bid to join the European Union, as Brussels sought to allay public concerns that the EU is expanding too far and too fast. In response, Ankara said it was up to the 25-nation bloc to keep the negotiations alive.

“It is clear that Turkey is not fulfilling its obligations,” Philippe Douste-Blazy, France’s foreign minister, said yesterday. Unless Ankara changed its behaviour, “it seems to me necessary to review Turkey’s EU membership timetable”.

The issue is set to come to a head at an EU summit next month. But Olli Rehn, EU enlargement commissioner, held out hope that the looming “train wreck” over Turkey’s membership could yet be averted. “While there’s a will, there’s a way,” he said.

The European Commission had been considering whether to recommend the formal suspension of three or more of the 34 remaining negotiating “chapters” of Turkey’s membership talks because of Ankara’s failure to meet a key EU demand over Cyprus.

On Wednesday Mr Rehn announced that the Commission would not make a recommendation at this stage.

Officials said that Brussels would probably set out the likely penalties for Turkey in early to mid-December, ahead of the EU summit. But Mr Rehn’s staff fears that if the EU takes too tough a stance with Ankara, either the talks will prove impossible to revive or Turkey will choose to walk away.

“At this point, much of the responsibility for continuing the [EU] accession process lies with the EU rather than with Turkey,” said the Turkish government in an official statement. Ankara added that the issue of Cyprus should not be linked to its own membership bid.

But the Turkish statement appeared to acknowledge that its preparations for EU membership needed to be stepped up. “We will correct the problems stemming from implementation,” said Abdullah Gul, Turkish foreign minister.

Wednesday’s Commission report highlighted the issue that could bring the negotiations to a halt – the country’s refusal to open up its ports to vessels from Cyprus, which is an EU member but which does not have diplomatic ties with Ankara.

The report also criticised Turkey for letting the pace of reform slow and expressed its concern over prosecutions of writers and journalists for criticising “Turkishness” and the Turkish state. The report voiced the Commission’s concern that Turkey’s judiciary was not yet sufficiently independent, that its military was not fully under civilian control and that some cases of torture were still being reported.

Mr Rehn said he hoped the Turkish parliament would amend the article in the country’s penal code that the Commission believes restricts freedom of speech. He added that a Finnish attempt to broker a deal between Turkey, Cyprus and the self-styled Republic of Northern Cyprus was “the last opportunity to make serious progress for some years to come on this issue”.

Such a deal would remove the biggest threat to Turkey’s candidacy. However, many EU diplomats believe the likelihood of a Finnish breakthrough is slim. A ministerial meeting scheduled for last Sunday to reach a deal was cancelled.

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Under the Finnish proposal, the Northern Cypriot port of Famagusta would come under EU management and be opened to trade with the rest of the EU. At the same time, the UN would take charge of the neighbouring town of Varosha, to which the internationally recognised Greek Cypriot government lays claim.

Mr Rehn also addressed wider public fears about the pace of EU expansion with new guidelines for future enlargements, but insisted the EU should not slam the door on any country with ambitions to join the club.

His paper on the union's "capacity to integrate new members" said any future enlargement should only come after the union had modernised its creaking institutions, probably by salvaging parts of the moribund EU constitution.

Learning the lessons of the difficult negotiations with Bulgaria and Romania – which will join the EU on January 1 – Mr Rehn said that future talks would have to tackle crime and corruption at an earlier stage.

But both he and José Manuel Barroso, European Commission president, have resisted pressure from politicians in France, Germany and elsewhere to make the EU's "absorption capacity" a new condition for membership and have refused to define the eventual eastern borders of the club.

Turks' Bid To Join Europe Stalls On Cyprus And Rights, Official Warns (NYT)

By Dan Bilefsky And James Kanter

The New York Times, November 9, 2006

ISTANBUL, Nov. 8 — The governing commission of the European Union on Wednesday issued its strongest warning yet to Turkey to open its ports to Cyprus and make more progress on human rights or face a possible suspension of talks over allowing the country to join the organization.

Speaking after the release of a report highly critical of Turkey's efforts to make changes requested by the European Union, Olli Rehn, the union's expansion commissioner, delivered what appeared to be an ultimatum to Turkey: soften the intransigence over Cyprus or risk the collapse of the European Union bid.

"Failure to implement obligations will affect the overall progress of negotiations," Mr. Rehn warned. "This is likely to be the last opportunity to make real, serious progress for some years to come on the issue of Cyprus."

Turkey has refused to meet an end-of-year deadline set by the European Union to open its ports and airports to the Greek-speaking part of Cyprus, which belongs to the organization. Turkey insists it will not compromise on Cyprus unless the European Union lifts a trade embargo against the northern Turkish side of Cyprus.

The report, which also highlighted shortcomings on issues like minority rights and freedom of speech, did not call for an immediate halt in the talks with Turkey. But European Union officials said the harsh tone of the report made it increasingly likely that a summit meeting of European Union leaders in mid-December would at least consider a partial suspension of the negotiations.

"The pace has slowed during the past year and significant further efforts are needed," the report said.

The Turkish prime minister, Recep Tayyip Erdogan, sought to play down the criticism. "For us, the E.U. process maintains its importance," he said. "Our aim is to achieve the maximum possible. Our struggle will continue."

A poll published here on Tuesday by the International Strategic Research Organization showed that two-thirds of Turks would rather suspend membership talks with the European Union than give ground over Cyprus. "If the E.U. fulfills its promise to end the isolation of Northern Cyprus, then we will open our ports," said Egemen Bagis, a senior adviser to Mr. Erdogan and a member of the governing Justice and Development Party. "If European leaders want reforms to continue in Turkey, if they want their safety to be assured in an unstable region, if they want to assure an alternative energy supply, then they should show us some encouragement," he said.

In the cafes, mosques and streets of Istanbul, the overwhelming feeling was indifference. "Here we go again, yet another report from the E.U. criticizing us," said Gurol Yilmaz, 24, a waiter at a cafe in the bustling Taksim neighborhood. "Most Turks don't really care. The E.U. will never accept a Muslim country."

Membership talks between Turkey, with 70 million people, and the European Union cannot continue apace if Turkey fails to meet its obligations toward the organization by the end of the year, the German chancellor, Angela Merkel, warned Wednesday. "Otherwise, the E.U. will have to draw the appropriate consequences," she said. "A simple 'Let's keep on going as before' will not be possible."

The report also rebuked Turkey for its failure to meet minimum standards on human rights and cited concerns over the rights of women, Kurds and religious minorities.

Disease Expert From China Is Nominated As WHO Director (WSJ)

By Betsy McKay

Wall Street Journal, November 9, 2006

DOJ_NMG_0092385

The World Health Organization nominated Chinese infectious-diseases expert Margaret Chan to lead the United Nations health agency, underscoring China's rising prominence and mounting pressure on the Chinese government to improve its cooperation on global health crises such as avian flu.

The landslide victory by Dr. Chan, 59 years old, over four other finalists in voting by WHO's 34-country executive board essentially assures her of a 5½-year term as the next director-general of the agency, one of the most important leadership positions in public health. The nomination faces a vote today by the full WHO governing body; no one proposed by the executive board has ever been rejected for the top job.

China campaigned hard for Dr. Chan. The push, led by Vice Premier Wu Yi and President Hu Jintao, was unusual because the five permanent-member countries of the U.N.'s Security Council, which includes China, traditionally haven't backed candidates to lead WHO. Sha Zukang, China's ambassador to Switzerland, said Dr. Chan's selection is a landmark for China. "We know there are great responsibilities and high expectations," he said.

While it isn't clear exactly what swayed 24 of 34 countries to support Dr. Chan in four rapid rounds of voting in a closed-door meeting in Geneva, she is known for having a combination of scientific skill, on-the-ground experience and political dexterity that will be needed to navigate challenges such as halting the spread of pandemic flu.

China has been criticized for failing to disclose cases of avian flu and severe acute respiratory syndrome, and for not sharing virus samples that could speed research and vaccine development. The Chinese government has been more forthcoming recently, and its staunch support of Dr. Chan's candidacy suggests officials are willing to make further changes.

"This is a moment of personal honor and deep personal responsibility," Dr. Chan said in a brief speech yesterday. "I do not take this lightly." She insisted during her campaign that she wouldn't bend to Chinese political interests.

A top official at China's Ministry of Health said yesterday that government officials "try our best to cooperate with the international community."

When asked whether China would try to influence Dr. Chan, a former schoolteacher who got a medical degree from the University of Western Ontario in Canada, the official responded: "No one from China will say we will sacrifice ourselves to meet the expectations of other parties...If the WHO, when they are dealing with the relations with China...don't take into consideration the Chinese people, there will be a problem."

The U.S. is one of the countries believed to have voted for Dr. Chan, who emerged as the heavy favorite in five rounds of voting Monday that narrowed the field to five finalists.

Mike Leavitt, U.S. Secretary of Health and Human Services and leader of the U.S. delegation in Geneva, said he is "confident she will ensure WHO's role as the premier global health agency, guided by scientific excellence and well-prepared to meet the many challenges it faces."

As Hong Kong's top health official, Dr. Chan showed the mettle to make controversial decisions, including culling 1.5 million poultry feared to be spreading the H5N1 avian-flu virus to humans in 1997. The move exacted a brutal economic toll on farmers but helped stamp out the world's first outbreak of the virus. That strategy now is the standard approach to controlling avian flu.

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In observance of the federal Veterans Day holiday, the Attorney General's News Briefing and Department of Justice News Clips will not be published on Friday, November 10.

This morning's Attorney General's News Briefing is attached.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: THURSDAY, NOVEMBER 9, 2006 7:45 AM EST

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TERRORISM NEWS:

Holiday Publishing Notice. In observance of the federal Veterans Day holiday, the Attorney General's News Briefing will not be published on Friday, November 10. News from the holiday will be included in your Monday, November 13 briefing.

Three Alleged Hamas Militants On Trial For Jordan Terror Plot. The AP (11/9) reports from Amman, Jordan, "Three Hamas militants went on trial Wednesday for conspiring to attack Israeli businessmen, Jordanian intelligence officers and various other locations in Jordan." The AP continues, "Ayman Naji Daraghmeh, 34, Ahmed Abu Rabee, 27, and Ahmed Abu Thiyab, appeared in court but did not submit pleas because they have not appointed lawyers. The trial adjourned to Nov. 15 to allow the defendants time to obtain counsel. … The defendants were also charged with illegal possession of weapons and ammunition." The AP adds, "In April, Jordanian authorities arrested 20 alleged Hamas militants on suspicion of monitoring Jordanian intelligence officers and foreigner tourists to plan for possible attacks. Authorities released all but the three, apparently for lack of evidence. … Al-Daraghmeh gave authorities the location of several weapons caches, the indictment sheet said. .. .The three, Jordanians of Palestinian origin, confessed in May on Jordanian state TV to conspiring to carry out terrorist attacks and to acquiring weapons and ammunition for Hamas. Al-Daraghmeh said he received he received orders from a high level Hamas leader living in Syria."

Four Northwest Ecoterror Suspects Reach Plea Agreements. In a widely-distributed story, the AP (11/9, Barnard) reports, "Four people awaiting trial on charges they were part of an ecoterrorism cell that caused $20 million in damages from firebombings around the Northwest are due in federal court on Thursday to change their pleas," although defense lawyers and prosecutors "refused to comment on terms of the plea agreements." The AP notes, "A total of 13 people were indicted out of Eugene as part of an investigation known as Operation Backfire. Six have pleaded guilty, agreeing to testify against the others, and three are fugitives. … The Oregon defendants were charged with arsons from 1996 to 2001 that were claimed by the Earth Liberation Front and the Animal Liberation Front in Oregon, Washington, California, Wyoming and Colorado."

PATRIOT ACT:

Civil Liberties Groups Foresee Democratic Action Against Surveillance Programs. Government Executive/National Journal's Technology Daily (11/8, Noyes) reported, "The new Democratic-led House could bode well for the civil-liberties crowd." ACLU Washington office director Caroline Fredrickson "said the shift in leadership may mean 'a very profound change' in how lawmakers address the electronic wiretapping initiative of the National Security Agency." However, Center for Democracy and Technology director Leslie Harris said that "there will probably not be 'dramatic rollbacks of national-security-related legislation,' like the controversial sections of the USA PATRIOT Act that were reinstated by the 109th Congress, Harris said. One provision involves a special subpoena power that lets the FBI scour library and Internet provider files without search warrants." Technology Daily added, "Lisa Graves, deputy director for the Center for National Security Studies, said missteps that have been taken by the Joint Terrorism Task Force, a partnership between the FBI and local law enforcement agencies aimed at tackling terrorism, also must be examined. In particular, she cited reports revealed through Freedom of Information Act requests that the task force has spied on Americans who oppose the Iraq war and other administration policies."

HOMELAND RESPONSE:

Human Rights Panel Considers Resolution Pressing FBI About Hamoodi Search. The Columbia (MO) Tribune (11/8, LeBlanc) reported, "The Columbia Human Rights Commission will consider asking the city council to approve a resolution in support of an Iraqi-American man whose southwest Columbia home was raided by the FBI. … The FBI has since repeatedly declined to give a reason for the search involving the 54-year-old grocery store owner," Shakir Hamoodi, "who also has been an outspoken critic of the Iraq war." At a Tuesday evening meeting, "supporters of Hamoodi urged commission members to

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accept a draft resolution that calls for the government to speed up its investigation and publicly release its findings. The measure also asks the FBI to apologize to Hamoodi and his family for searching the home." However, "commission members expressed some reservations about whether forwarding the resolution to the city council would be appropriate. In the end, the human rights panel agreed to consider the measure -- but only with the consent of Hamoodi, who was not present." The Tribune noted, "Jeff Lanza, a spokesman for the FBI office in Kansas City, declined to offer more information on the Hamoodi case."

FBI Evacuates Ft. Hood Housing Over Material Found In Iraq Soldier's Luggage. KCEN-TV Temple, TX (11/8) reported on its Web site from a story broadcast yesterday, "Part of a housing development on Fort Hood remained evacuated through Wednesday night. An F.B.I. spokesperson said a soldier returned from Iraq and noticed items missing from his luggage. Replacing those items was a jar filled with an unfamiliar substance." KCEN added, "Initial testing by the F.B.I. and Fort Hood showed it might have dangerous materials, but upon further testing, it was found not to be hazardous. Fort Hood is still investigating its origins."

NRC To Analyze Survivability Of New Reactor Designs. Under the headline, "Agency Considers A-Plants' Vulnerability," the New York Times (11/9, Wald, 1.16M) reports, "With construction of many new nuclear reactors under discussion, the Nuclear Regulatory Commission is grappling with the question of whether they should be designed to withstand a Sept. 11-style airplane attack. The commission has told its staff to study the vulnerabilities of the four new reactor designs, two of which it has already approved. But it has decided not to make the nuclear power industry meet security requirements any tougher than those for existing plants." The Times says NRC Commissioner Gregory "Jaczko said in an interview, 'We've left it in the hands of Transportation Security Administration, the Federal Aviation Administration and the reactor vendors, who are building these plants, to do what they think is right in this area, and to me that's clearly not the answer.'" But Commissioner "Edward McGaffigan Jr., said, 'We think we've done enough.'"

WAR NEWS:

Rumsfeld Resigns, Bush Nominates Gates To Succeed Him At Pentagon. Reports on the resignation of Defense Secretary Donald Rumsfeld after nearly six years in that job, and President Bush's nomination of Texas A&M University President Robert M. Gates, CIA director from 1991-1993, to replace him, are interspersed with overview stories on Bush's Wednesday news conference and on the aftermath of this week's midterm elections. The resignation leads many of these reports, which generally show Rumsfeld in a negative light, casting his "ouster" as a response to perceived voter rejection of the Bush Administration's Iraq policies. Several also suggest that Gates' service under the first President Bush and his participation in James Baker's Iraq Study Group indicate Baker will have a key behind-the-scenes role in reshaping the Iraq agenda.

ABC World News (11/8, lead story, 2:50, Gibson, 8.78M) opened by saying "all indications are that voters were looking for change yesterday...and change, they will get." ABC (Raddatz) added, "The President had a very different tone today. But as for that surprise Rumsfeld resignation, a White House official said it had been in the works for weeks. If the President was looking for a way to change the headlines, today, he found it." Sen. John McCain was shown saying, "There were many of us that expressed a lack of confidence in Rumsfeld for a long time."

The CBS Evening News (11/8, lead story, 3:00, Couric, 7.66M) led by saying, "The Democrats are in, Donald Rumsfeld is out. It's a tidal wave of change." CBS (Axelrod) added, "Bush met the big loss with a big change, firing" Rumsfeld, the "highly divisive and polarizing figure and replacing him with a veteran of his father's Administration."

NBC Nightly News (11/8, lead story, 4:00, Gregory, 9.87M) reported, "As if the election results...were not big enough, the President's response to them today overshadowed that news. Aides say the President decided to replace Rumsfeld now, hope to persuade Americans angry about the war that a change in course is coming. In the Oval Office this afternoon a grim-faced president took a step his critics say was overdue." In another report, NBC Nightly News (11/8, story 2, 2:00, Miklaszewski, 9.87M) said the "usually feisty if not combative Rumsfeld appeared subdued and

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reflective, calling it a privilege to serve with the young men and women of the military."

On CNN's The Situation Room (11/8), Pentagon correspondent Jamie McIntyre said, "Nobody saw this coming, as far as I can tell. Most of the key Rumsfeld aides who came in this morning were in meetings with him and he didn't give a clue that this was up until about mid-morning, when he started to brief some of the senior people. So, a big shock, particularly because President Bush had just given him another endorsement."

A front-page Washington Post (11/9, Fletcher, Baker, 690K) headline reads "Bush Ousts Embattled Rumsfeld; Democrats Near Control Of Senate," a prime example of how the media is connecting the elections with the Secretary's exit. The Post leads by saying Bush said his party "took what he described as a 'thumping'" Tuesday, and he "ousted" Rumsfeld, saying "a 'fresh perspective' is needed to guide the military through the difficult war in Iraq." Under the front-page headline "A Meek Departure From The War Cabinet," a second Washington Post (11/9, Ricks, Abramowitz, 690K) story says that "though Bush affectionately patted Rumsfeld on the shoulder as he ushered him out of the Oval Office, there was little sugarcoating the reality" that Rumsfeld "was being offered as a sacrificial lamb amid the repudiation of Bush and his Iraq policy that the American electorate delivered on Tuesday."

A front-page New York Times (11/9, Stolberg, Rutenberg, 1.16M) headline also connects the elections and the resignation, putting Rumsfeld's departure on the same line as the close Senate race in Virginia. That story says that "just days after telling reporters that he would keep Mr. Rumsfeld on for the rest of his term, Mr. Bush said that the two had agreed 'after a series of thoughtful conversations' that it was time for Mr. Rumsfeld, a magnet for criticism about management of the war, to go." USA Today (11/9, Page, Kelley, 2.27M) says in its front-page story that "after the worst setback for Republicans on Capitol Hill since Watergate, the president sought to rescue the final two years of his tenure from being paralyzed by an increasingly violent and unpopular war."

The AP (11/8, Burns, Shrader) reports Bush announced Rumsfeld's resignation "within hours of the Democrats' triumph in congressional elections," and "reached back to his father's administration" for a successor. The Chicago Tribune (11/9, Hedges, Silva, 617K) also puts the election's role in its lead, saying Rumsfeld resigned "within hours of a stunning Republican setback" in elections that "became a referendum on President Bush's strategy for the war in Iraq and on Rumsfeld's stormy stewardship of the Pentagon."

The Baltimore Sun (11/9, Davis, 257K) says replacing Rumsfeld "was a stunning turn for a president who has staked his legacy -- and, to some degree, the fortunes of his party -- on a war plan that has lost the support of most Americans." The Financial Times (11/9, Luce, Daniel, Sevastopulo) says Rumsfeld "became a casualty of the Republican party's unexpectedly heavy defeat." On Fox News' O'Reilly Factor (11/8), Dick Morris said, "I was surprised. How about September? How about doing it in August or July? If he'd done that months before, he could have won this election. … I think that the country was waiting for some indication from Bush that he got it. And there was no indication."

The Washington Times (11/9, Scarborough, 88K) headlines its story "Rumsfeld Resigns Under Pressure," saying in its lead that "the icon of the U.S. war on Islamic terrorists…succumbed to mounting pressure to resign." Rumsfeld "referred to his many critics on Iraq by paraphrasing a hero, Winston Churchill: 'I have benefited greatly from criticism, and at no time have I suffered a lack thereof.'"

The Wall Street Journal (11/9, King, Dreazen, Jaffe, 2.04M) says in the lead of its front-page story that Rumsfeld's resignation "opens the door for the biggest change of U.S. policy in Iraq since American troops got bogged down there three years ago." But as the Christian Science Monitor (11/9, Grier, 59K) writes, by "changing the leadership of the Department of Defense," Bush" has not necessarily changed his policies in Iraq." Still, he "may have changed the tone of Washington's debate about Iraq, at least for now." In an analysis, the Washington Post (11/9, A25, Kessler, Ricks, 690K) says Democratic control on Capitol Hill and Rumsfeld's exit have "set the stage for a dramatic shift in the Bush administration's policy toward the Iraq war."

The AP (11/8, Baldor) said the "square-jawed face of the war, the man behind the wars in Iraq and Afghanistan that he predicted were just the beginnings of a long, hard slog," became the "latest casualty of those conflicts -- a victim of a war he steadfastly contended the American public simply did not understand."

On the CBS Evening News (11/8, story 4, 0:45, Couric, 7.66M), retired Maj. Gen. John Batiste, an early Rumsfeld critic, called him "arrogant, dismissive. He would have been a great peacetime secretary of defense, but in wartime he was the wrong person."

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"Un-Rumsfeld" Gates To Take Center Stage. ABC World News (11/8, story 2, 0:30, Karl, 8.78M) said, "Robert Gates is in many ways the 'un-Rumsfeld.' Where Rumsfeld is combative and controversial, Gates is soft-spoken and diplomatic. And there are substantive differences as well. Gates was not among those who pushed for the Iraq war. In fact, he's seen as a protégé of Brent Scowcroft, who, although he has been associated with the first President Bush, has been one of the harshest critics of this President's handling of the Iraq war. And most importantly, Gates is on that Baker-Hamilton Commission, who has been searching for a new direction in Iraq."

The CBS Evening News (11/8, story 2, 0:45, Schieffer, 7.66M) said, "This is somebody who's been very close to" President Bush's father "for many, many years. We keep hearing all of these stories about how his father is very concerned about what Iraq has come to. The President's father's advisors have been very, very worried about all of this. The fact that he is going to that circle and he's been very reluctant to do that in the past suggests to me that we're about to see a major re-evaluation of what we're doing in Iraq and where we go from here. This is extremely significant."

Roll Call (11/9, Stanton, Yehle) reports Senate Democrats "said they would not look to block hearings" on Gates, "although they stopped short of pledging to confirm Gates during the upcoming lame-duck session."

The Los Angeles Times (11/9, Miller, 850K) says that in turning the Gates, President Bush "has selected a low-key loyalist who is in many ways the opposite" of Rumsfeld. While Rumsfeld "often seemed bent on running roughshod over the Pentagon brass, Gates is described by longtime associates as collegial and a consensus-builder," and if Rumsfeld "had little regard for President George H.W. Bush and many of his pragmatic security advisers, including Brent Scowcroft, Gates was part of that inner circle. He remains close not only to Scowcroft but to other Rumsfeld rivals, including Secretary of State Condoleezza Rice." Bloomberg (11/8, Zacharia) says Bush's selection of Gates "suggests a readiness to examine a new strategy in Iraq."

The New York Times (11/9, Shane, 1.16M) says on its front page that the Gates nomination marks a return "to an earlier era in Republican foreign policy, one marked more by caution and pragmatism than that of the neoconservatives who have shaped the Bush administration's war in Iraq and confrontations with Iran and North Korea." The Wall Street Journal (11/9, A6, Jaffe, 2.04M) says it "remains to be seen what kind of long-term vision" Gates will bring to the Pentagon if confirmed.

The Wall Street Journal goes on to say Gates "is known as a master operator of the national-security bureaucracy," though the Washington Times (11/9, Gertz, 88K) says Gates has "little experience in military and defense affairs." But USA Today (11/9, 2A, Willing, 2.27M) says "those who have observed Gates" say his job as Texas A&M president may actually "have provided the best test of the skills he'll need to succeed" at the Pentagon. One said, "He undertook big changes, and evidently did it with good nature and without too many bad feelings. He got accomplished what he felt needed to be accomplished without being picketed or having rocks thrown at him." The Dallas Morning News (11/9, Landers, 500K) says Gates will leave A&M "for one of the most thankless jobs in the country." The Washington Post (11/9, A24, Tyson, Pincus, 690K) calls Gates a "Breaker Of Barriers" in a headline, saying he "lacks the top-down, take-no-prisoners managerial style that won Rumsfeld enemies and instead is more likely to set up task forces and forge agreements behind the scenes."

On NPR's Talk Of The Nation (11/8, Conan), intelligence correspondent Mary Louise Kelly said of Gates, "This not the first time President Bush has tried to pull Gates into his administration." Gates "was actually the first choice for the new position of national intelligence director when that job was created last year, and Gates turned it down. At the time he made clear he thought the job was a pretty bad idea and would add a layer of bureaucracy. So it's interesting to see he's coming back to Washington to serve his president."

On NPR's Day To Day (11/8, Brand), retired admiral and Clinton Defense nominee Bobby Ray Inman said of Gates, "I'm comfortable he wouldn't be going into the job unless he had the President's assurances for supporting new policies." Inman noted that Gates has served as a member of James Baker's Iraq Study Group, "so he's obviously been very involved in putting together their ideas of how we should change direction."

Pelosi Pleased, But Says "President Makes The Policy." On the CBS Evening News (11/8, story 5, 0:35, Couric, 7.66M), likely incoming House Speaker Nancy Pelosi said, "I think it's good news. It signals, maybe, a change in attitude on the part of the President. The President is the policymaker, the Secretary of Defense is the implementer, and whatever you think of the policy, everyone agrees that the implementation of that policy has been a failure." On PBS'

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NewsHour (11/8, Warner), Pelosi said, "Yesterday, the American people spoke very clearly that there's one place they want a new direction: It's in the conduct of the war in Iraq. … So thank heavens the President has heard the message and has acted upon it. … I think it signals that he might be ready for change, but let's remember: He is the commander-in-chief. Rumsfeld or any secretary is an employee, an implementer of the policy. But the President makes the policy."

Capitol Hill Democrats Say Departure Just First Step. Sen. Joseph Biden said on MSNBC's Hardball (11/8, Matthews), "It is important that to demonstrate that" the President is "willing to change policy, the secretary of defense has to get out of the way. So he's done one of the things that's a precondition for changing policy. It would be impossible to change policy with Rumsfeld in place. It would just -- he could never do it."

On Fox News' O'Reilly Factor (11/8), Sen. Charles Schumer said, "I thought he should have done it months and months ago, but it showed that they're beginning to listen to new ideas. I think Donald Rumsfeld was just about the only person around that thought things in Iraq were going smoothly."

Sen. Dianne Feinstein, appearing on MSNBC's Hardball (11/8, Matthews), said, "People are very upset with the war. 'Stay the course' doesn't do it. And if this is going to be another stay-the-course secretary of defense, I think he'll run into trouble. … I hope we'll have a secretary of defense who has a new strategy, who will work with the Congress and we can put all of the kind of controversy about Mr. Rumsfeld behind us."

Rep. Jack Murtha said on MSNBC's Hardball (11/8, Matthews), "Bob Gates is a good friend of mine. … But if the policy doesn't change, it's not going to make any difference at all. And we got all kinds of money problems in the military. So this is not a change that I see making any difference at this point."

Rep. Charles Rangel, appearing on MSNBC's Tucker (11/8, Carlson), said, "I think the President actually counted the votes and saw that the American people were frustrated, not only with the policy but the personality of Rumsfeld. … What happens after him? If we've got to stay the course, it's not much of a change. But I think that it's a move in the right direction." On Fox News' Your World (11/8, Cavuto), Rangel said, "Rumsfeld had no policy. You cannot say this is the right thing to do, until you see what the new person is going to do."

Iraqis, US Troops Express Uncertainty About Pentagon Switch. NBC Nightly News (11/8, story 3, 0:45, Engel, 9.87M) reported that the view from Iraq "in a word is uncertainty, from the Iraqi government and from the American troops serving here." The CBS Evening News (11/8, story 3, 0:45, Logan, 7.66M) added that among "commanders and soldiers…perhaps the most damning reaction that I've heard is that this comes three years too late and that it won't change the reality on the ground for the troops here because they are on a course of action now as a result of decisions made by Secretary Rumsfeld and the results of that are plain for everyone to see."

Longest-Serving Pentagon Chief Played Major Role. The CBS Evening News (11/8, story 10, 2:15, Couric, 7.66M) closed with a retrospective on Rumsfeld's career, which noted that "by the time he leaves the Pentagon after his replacement is confirmed, Rumsfeld will be the longest-serving defense secretary ever. He served two presidents 25 years apart. Then 43 years old, now 75, he's both the youngest and oldest man to head the Pentagon."

The New York Times (11/9, A29, Gordon, 1.16M) and the Los Angeles Times (11/9, Barnes, 850K) both reflect on Rumsfeld's desire to transform the Pentagon, with the New York paper saying in a headline that "Rumsfeld, A Force For Change, Did Not Change With The Times Amid Iraq Tumult," and writing that "from the day he took control at the Pentagon," Rumsfeld "was determined to reassert civilian control of the defense establishment and create a leaner, more lethal American military," and "pursued his goals with a vengeance, emerging as the most powerful secretary of defense since Robert S. McNamara more than three decades earlier." In its similar story, the Los Angeles newspaper says Rumsfeld's "strategy led him to dominate national security policy more than any figure since Henry Kissinger."

In the Style section of the Washington Post (11/9, C1, 690K), Linton Weeks takes a tongue-in-cheek look at Rumsfeld's unique public style, writing, "Is he stepping down? You bet. Does he admit defeat? Not by a long shot. … Goodness gracious!" Rumsfeld "not only has been secretary of defense for six years, he's been secretary of offense. During his tenure, briefings by the head of the armed forces became tours de force. He would clap his hands, lick his lips, narrow his eyes into a squinty gaze and extemporize, patronize, chastise, sermonize and crack wise all at the same time."

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Hunter, Kissinger Laud Rumsfeld. On CNN (11/8), Rep. Duncan Hunter, described by anchor Don Lemon as "an ardent Rumsfeld supporter," said, "Don Rumsfeld has done a good job. He's managed a force of 2.5 million people, wars in two theaters, reformed the military, stood up our first incipient missile defense. So, he's had a broad array of challenges. He's handled those well. I talked to him before the resignation announcement. And I think he's really doing it, because he sees now, with the Democrat leadership in Congress, it's going to be hard to get past what I see as personal animosities toward him, and get the job done."

On CNN's The Situation Room (11/8, Blitzer), Henry Kissinger said, "Rumsfeld is a great patriot. And he must have decided he was drawing too much fire, it would be too difficult to carry out his tasks and that he wanted to provide a opportunity for a different perspective."

Australia Praises Rumsfeld, Vows To Stay In Iraq. AFP (11/9) reports Australia "hailed" Rumsfeld as a "'champion of freedom' and pledged that Canberra would keep its troops in Iraq."

More Commentary On Pentagon Leadership Change. Commentary on the Rumsfeld resignation follows a similar line as the coverage, saying Rumsfeld's departure was a near-certainty following the elections and saying the nomination of Gates hearkens back to the administration of President Bush's father. The New York Times (11/9, A32, 1.16M) editorializes, "There was absolutely nothing more left for Mr. Rumsfeld to do as secretary of defense except continue to defend failed policies and tinker with unworkable strategies. Most of the men and women who will be part of the new Congress came to that conclusion, whatever their party affiliation. … Rumsfeld's departure is merely the first step. It has to be followed by a major change in policy if American troops can be brought home without leaving a disaster behind."

The Wall Street Journal (11/9, 2.04M) editorializes, "When the history of this era is written, Mr. Rumsfeld is likely to fare much better than his many critics assert. The secretary has been a convenient political foil -- for Democrats, for generals who didn't like the way he exercised civilian control at the Pentagon, and especially for erstwhile war supporters who wanted to blame the Iraqi insurgency on some individual rather than on the inevitable complications and setbacks of any war." As for Gates, he "is a capable public servant with broad security experience. But much of that experience is with the CIA, which has misjudged the nature of the enemy throughout this conflict."

The Los Angeles Times (11/9, 850K) editorializes, "Better late than never." More than two years after Rumsfeld "offered to resign in the aftermath of the Abu Ghraib prison scandal, President Bush finally agreed to let Rumsfeld go, to make room for a 'fresh perspective.' It's an easy gesture at this point -- the political equivalent of bringing down the piñata once it's been battered beyond recognition."

The Boston Herald (11/9, 184K) editorializes, "Well, better late than never, as they say. … Rumsfeld should have been out the door two years ago, but President Bush has been loyal to a fault. Tuesday he and his party paid an enormous price for that with the voters. But they spoke and Bush -- finally -- listened. … Good riddance."

The Arizona Republic (11/9) editorializes, "Firmness in wartime is a virtue, certainly. As is consistency of leadership. And…Rumsfeld demonstrated both. A war against a merciless foe needed to be won, and for all his hardheaded faults, Rumsfeld clearly had the determination to see it through. … But the primary task of the American force in Iraq, under Rumsfeld, has been to establish and maintain the peace necessary for that nascent democracy to assert itself. And that has not come to pass."

In her New York Times (11/9, 1.16M) column, Maureen Dowd writes, "Poppy Bush and James Baker gave Sonny the presidency to play with and he broke it. So now they're taking it back. They are dragging W. away from those reckless older guys who have been such a bad influence and getting him some new minders who are a lot more practical. … Gates, his friends say, had been worried about the belligerent, arrogant, ideological style of Rummy & Cheney from the start."

In his Washington Post (11/9, A29, 690K) column, David Ignatius writes, "Senior military officers referred to it as 'the 7,000-mile screwdriver.' That was their way of describing Donald Rumsfeld's penchant for micromanaging aspects of the Iraq war that interested him. And it's one reason the military has to be happy that Rumsfeld is leaving -- even happier, maybe, than Democrats, who have claimed an early scalp for their election victory. … Changes in Iraq are coming, and Rumsfeld's departure is, to paraphrase the prayer book, one outward and visible sign of an inward and spiritual process."

Khalilzad Expects No Major Shift In US Iraq Policy. USA Today (11/9, 14A, Stinson, 2.27M) writes that

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"from Tokyo to Baghdad, Istanbul to Nairobi, Toronto to the British capital, many people said they hoped the Democratic wins in Tuesday's U.S. elections would pressure President Bush to alter course in Iraq and abandon what some called an arrogant foreign policy." But in Iraq, the AP (11/8, Bodeen) reports, US Ambassador Zalmay Khalilzad said the "sharp political realignment in Congress would not provoke upheaval" in US policy. Khalilzad said, "The President is the architect of US foreign policy. He is the commander in chief of our armed forces. He understands what is at stake in Iraq. … He is committed to working with both Houses of the American Congress to get support needed for the mission in Iraq to succeed." The Washington Post (11/9, A23, Anderson, 690K) also covers Khalizad's remarks.

The New York Times (11/9, A18, Burns, Luo, 1.16M) reports Iraq's political leaders "scrambled Wednesday to interpret what a sharply altered American political landscape might mean for the future of this war-ravaged country." Some Iraqi politicians said they "hoped for major changes, while others seemed more concerned about reassuring Iraq's 27 million people that America would not abandon its commitments here and order American troops home."

Friedman Says US Choices In Iraq Between "Tolerable" And "Awful." In his New York Times (11/9, A33, 1.16M), column, Thomas L. Friedman writes, "The Iraq war has turned into a sucking chest wound for our country -- infecting its unity at home and its standing abroad. No one can predict what Iraq will look like 10 years from now. I wish it well. But in the near term, it is clear, nothing that we'll feel particularly proud of, nothing that we'll feel justifies the vast expenditure of lives and treasure, is going to come out of Iraq. Our only two options left today in Iraq are 'tolerable' and 'awful.' 'Good' is no longer on the menu. … It's time to make a final push for the tolerable, and if that fails, quit Iraq and insulate ourselves and our allies from the awful. This can't go on."

Bombs Kill Eight Sadr City Youths On Soccer Field. In an evocative report, the Los Angeles Times (11/9, Daragahi, 850K) says explosives "rained down on a dusty soccer field" in Sadr City Wednesday, "killing eight Iraqi youths and injuring dozens. Around the country, bombings and shootings left dozens of other Iraqis dead," and the official number of US troops killed climbed to "at least 2,839. … Mortar and rocket battles reminiscent of the urban civil warfare that engulfed Sarajevo, Beirut and Kabul in previous decades have erupted occasionally throughout Baghdad's patchwork of religiously mixed neighborhoods."

Maliki Predicts Saddam Hanging This Year. The New York Times (11/9, A18, Semple, 1.16M) reports Iraqi PM Nouri al-Maliki "predicted in a televised interview on Wednesday that former President Saddam Hussein would be hanged by the end of the year." But court officials said Maliki's prediction "was unrealistic, considering the timing of the appeals process and the sheer volume of evidence the appellate judges would have to review. It was far more likely, they said, that the hanging would not take place until January at the earliest, and probably later."

Saddam Co-Defendant Says Kurds Spied For Iran During War. The AP (11/8, Yacoub, Halaby) reports Saddam-era military intelligence chief Sabir al-Douri "accused Iraqi Kurds on Wednesday of spying for the Iranians at the time of the government crackdown on the Kurdish population." Al-Douri, a co-defendant in the ex-dictator's genocide trial, "made the accusation after listening to Kurdish witnesses testify about chemical attacks against their villages in northern Dahuk province in August 1988."

Suicide Bombing Kills At Least 42 Pakistani Soldiers Near Afghan Border. ABC World News (11/8, story 13, 0:15, Gibson, 8.78M) and NBC Nightly News (11/8, story 9, 0:10, Williams, 9.87M) both briefly reported on a suicide bombing at a Pakistani army camp near the Afghanistan border, which killed at least 42 soldiers. The New York Times (11/9, A24, Gall, Masood, 1.16M) says it was the "deadliest terrorist attack against the Pakistani military on record." The Washington Post (11/9, A16, Constable, Khan, 690K) reports officials "immediately blamed the bombing on al-Qaeda and local Islamic extremists."

Pakistan-Based Taliban Fighters Describe Operations. The Christian Science Monitor (11/9, Koster, 59K) runs a "rare interview with a Western reporter" granted by Taliban fighters based in Pakistan's Balochistan Province. The four described "how they slip into Afghanistan, attack NATO and Afghan forces, and return to Pakistan to rest."

Poll Finds Afghanis Generally Optimistic. USA Today (11/9, 4A, Wiseman, 2.27M) reports that an Asia Foundation poll of 6,226 Afghan adults found that most "are optimistic about the future, satisfied with their young democracy and rank security low on their list of everyday concerns." The USAID-funded poll "suggests that Afghans

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are surprisingly confident about the direction of their country even as NATO forces battle a pro-Taliban insurgency in southern and eastern provinces."

CORPORATE SCANDALS:

Former US Foodservice Official Convicted Of Securities Fraud. The Washington Post (11/9, D01, Johnson) reports, "A New York jury convicted former U.S. Foodservice Inc. marketing chief Mark P. Kaiser yesterday of conspiracy, securities fraud and false filing charges, all but bringing to a close a three-year, $800 million accounting fraud probe at the Columbia food distribution company." The Post continues, "Kaiser, 49, remains free on bond until his sentencing Feb. 8. He is the only former official at U.S. Foodservice, a unit of the Dutch grocery retailer Royal Ahold NV, who presented his case to a jury." The Post adds, "A few weeks before the trial began last month, former finance chief Michael J. Resnick pleaded guilty to conspiracy for his role in the scheme, which boosted earnings by inflating the amount of promotional rebates U.S. Foodservice received from suppliers. … Kaiser's deputy, Timothy J. Lee, also pleaded guilty and testified against his former boss in the course of the case, which spanned about four weeks. In closing arguments, Kaiser's lawyer, Richard J. Morvillo of the District, labored to paint Lee as a liar trying to curry favor with the government and win a lighter prison sentence."

The Wall Street Journal (11/9, C3) reports, "The government alleged Mr. Kaiser and others misrepresented to U.S. Foodservice's auditors and the public how much the company was receiving in supplier rebates, known as promotional allowances, by hundreds of millions of dollars in order to meet income targets." The Journal adds, "More than a dozen U.S. Foodservice vendors and three former executives, including former U.S. Foodservice Chief Financial Officer Michael Resnick, have pleaded guilty to criminal charges in the matter. … On Monday, the Amsterdam-based retailer said it will put the U.S. Foodservice unit and its Tops supermarkets in New York and Pennsylvania up for sale."

UnitedHealth Executives Forfeit $390 Million In Stock Options. The Wall Street Journal (11/9, B1, Stecklow, Fuhrmans) reports, "The two top executives of UnitedHealth Group Inc." -- outgoing Chief Executive William W. McGuire and his successor, Stephen J. Hemsley – "agreed to forfeit about $390 million in stock-option compensation, by far the biggest sum returned to a company under scrutiny for backdating options awards." Other "senior UnitedHealth executives will also return unspecified options gains." UnitedHealth "also disclosed that it would have to take 'significantly greater' charges related to its backdated stock options than it had previously estimated and that it expects the charges to affect the past 12 years of previously reported earnings."

Bloomberg (11/8, Rapaport) added UnitedHealth Group Inc. "said its restatement of earnings to correct accounting for stock-based compensation ;will be significantly greater' than the $286 million it estimated in May." UnitedHealth "said its financial statements from 1994 through September this year 'should no longer be relied upon' because they may not reflect costs of stock-based compensation." Meanwhile, "Departing...McGuire will lose about $200 million because of the restatements, said his lawyer, David Brodsky." Hemsley "will give up about $190 million," UnitedHealth said. Last month, "both agreed to let their option dates be reset to the highest share price in the grant year."

Business Week (11/9, Ryst) reports UnitedHealth Group "faces a whopper of a bill from backdated stock options. It's also hoping to renew favor with investors by repricing options for several executives and bringing new leaders into its executive suite." UnitedHealth "also ousted its chief financial officer, Patrick Erlandson, who has been in that position since 2001. Erlandson will remain with the company, and be succeeded by G. Mike Mikan, a senior vice-president of finance. In addition, UnitedHealth designated Forrest Burke as acting general counsel, from his former role as general counsel for UnitedHealthcare, Uniprise, and specialized-care services."

The Los Angeles Business (11/9) adds UnitedHealth Group Inc. board also "strengthened requirements for ensuring the independence of its directors, going further than the standards of the Securities and Exchange Commission and the New York Stock Exchange."

Fannie Mae To Spend $1 Billion On Accounting Review. The AP (11/9, Gordon) reports, "Fannie Mae said Wednesday it expects to spend more than $1 billion this year on the massive review of its accounting and preparing financial statements as the mortgage giant pushes to complete it by year's end." The AP continues, "The government-sponsored company, which finances one of

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every five home loans in the United States, is emerging from an accounting scandal that brought the ouster of top executives and a record $400 million civil fine in a settlement with federal regulators. Fannie Mae also said it would miss a regulatory deadline Wednesday for filing its financial report for the third quarter of 2006. The company hasn't filed an earnings statement since late 2004." The AP adds, "Federal regulators that year accused Fannie Mae of serious accounting problems and earnings manipulation to meet Wall Street targets, and the Securities and Exchange Commission ordered the company to restate earnings back to 2001. … The anticipated restatement has been estimated at $10.8 billion, though Fannie Mae says it expects the final amount could be lower. The company said in August it believes that the accounting review has uncovered the last of the errors."

SEC To Relax Audit Rules For Small Firms. The New York Times (11/9, Norris) reports, "Regulators are seeking a way to lighten the burden of the Sarbanes-Oxley law on smaller companies by addressing the focus and cost of audits of internal controls, Christopher Cox, the chairman of the Securities and Exchange Commission, said yesterday." The Times continues, "Mr. Cox said in an interview that the goal was to focus the attention of auditors on only those controls that could be important to assuring the accuracy of financial records, a measure required by Section 404 of the Sarbanes-Oxley law, and to hold down the cost of the audits. … 'There will be an audit for everybody, which is a major decision we took,' he said, adding that the nature of the audit could change. 'It is supposed to be risk-based, so that the auditor's time is focused on the areas of greatest risk.' … He said that was particularly important for smaller companies, some of which have complained that costs are excessive. The burden of such audits has also been blamed for a reluctance of foreign companies to list their securities on American markets." The Times notes, "Mr. Cox said his goal was to smooth the way for the Public Company Accounting Oversight Board to propose a new auditing standard in the area, and for the S.E.C. to approve it, by this spring. To do that, he said, he has held extensive consultations with Mark Olsen, the chairman of the oversight board."

CRIMINAL LAW:

Jefferson, Carter Begin Month-Long Runoff Campaign. The AP (11/9, Burdeau) reports, "U.S. Rep. William Jefferson, handicapped by an FBI bribery investigation, embarked Wednesday on a monthlong and grueling contest against a young but politically experienced challenger seeking to end his 16-year turn as this city's face in Congress. State Rep. Karen Carter played up the old-versus-new dynamic at a Wednesday news conference, keying on the hurricane-battered city's recovery." The AP notes Jefferson "won about 30 percent of the vote in the multiparty primary Tuesday, outpacing 12 challengers lured into the race because of his vulnerability stemming from the FBI bribery investigation into his African business dealings." Carter "got about 22 percent of the vote, finishing second to earn a spot in the Dec. 9 runoff. … 'We can assume that the voters who voted for other candidates will not vote for Jefferson' in the runoff, said Susan Howell, a political analyst at the University of New Orleans."

The New Orleans Times-Picayune (11/9, Donze) reports, "Conventional political wisdom says that a congressman who lands in a runoff, particularly after 16 years in office, should seriously consider cleaning out his desk. For…Jefferson, the adage may be even more apropos, given that Hurricane Katrina scattered much of his traditional voter base last year just as FBI agents were ramping up their federal bribery probe into his business dealings in Africa." But campaigning for the runoff yesterday, Jefferson "wasn't talking like someone preparing to pack up." Still, "political observers say the situation he finds himself in is less than ideal."

Letten Says New Orleans Must Overcome Crime, Corruption. The AP (11/9, Bohrer) reports from New Orleans, "The city's survival depends on getting a handle on violent crime and corruption and creating opportunities for young people, a federal prosecutor said Wednesday. 'And that's a heck of a tall order, but that's something we need to do,' Jim Letten said." At the Bureau of Governmental Research breakfast, the US Attorney "joined Supreme Court Justice Catherine Kimball in addressing the rebuilding of New Orleans' criminal justice system after Hurricane Katrina." The AP adds that Kimball told the group, "The survival of this town depends on getting a handle on violent crime, corruption, so we can keep and attract industry -- diversifying our economy and, for God's sake, building a decent school

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system so that kids who grow up in public housing, poor neighborhoods and Section 8 housing can get the opportunities they need to actually get jobs and not go into the drug trade."

FBI Searches Offices Of Kentucky Judge-Executive. The Lexington Herald-Leader (11/9, 113K) reports, "FBI agents searched the offices of Knox County Judge-Executive Raymond C. Smith on Wednesday. Bruce Murphy, Smith's deputy judge-executive, said four agents accompanied by a Kentucky State Police trooper served a search warrant at the office Wednesday morning. The warrant sought audiotapes and other records concerning fiscal court meetings in 2004 and 2005 and documents related to four companies" which had "won contracts to provide goods or services to the county, Murphy said. Smith had an ownership interest with his brother in at least one of the companies," but "Murphy said that when Smith took office, he essentially turned the company over to his brother. The warrant could indicate the FBI is investigating bids awarded by the county."

Kentucky Judge Indicted On Vote-Buying Charges. WTVQ-TV Lexington (11/8, Haeberle) reported on its Web site from a story broadcast yesterday, "Bath County Judge Executive Walter B. Shrout has been indicted on charges he took part in a vote-buying scheme during this year's primary election. In a federal indictment unsealed Wednesday, Shrout…was charged with conspiracy, making a false statement to a federal agent and obstruction of justice. Shrout now becomes the 10th person indicted in relation to the vote-buying scheme that started weeks before the May primary." WTVQ added that the indictment "also states Shrout lied to an FBI investigator last month about being involved in the scheme and offering $100,000" to two conspirators "to 'keep quiet about his involvement.'"

Grand Jury Subpoenas Chicago City Worker Injury Claim Records. The Chicago Sun-Times (11/9, Spielman, Novak) reports, "A federal grand jury is demanding records from City Hall regarding injury claims of city workers, a move that comes two weeks after the Sun-Times reported Chicago patronage workers claim to be hurt at a rate that exceeds the nation's most dangerous jobs. Grand jurors have issued a subpoena to the City Council Finance Committee, headed by Ald. Edward M. Burke, seeking an array of records on injured city workers, many who have been off work for years and collecting disability checks." The Sun-Times notes, "The Sun-Times' 'Clout's Sick List' investigation…reported that one in five patronage workers listed on the once-secret clout list kept by Mayor Daley's former patronage director had filed workers' compensation claims. That injury rate far outpaces those for any occupation tracked by the U.S. Department of Labor, including underground coal miners and foundry workers. Most of those patronage workers had filed at least two claims."

Malvo Sentenced To Six Life Terms For DC-Area Sniper Shootings. The Washington Post (11/9, B01, Londo) reports, "Sniper Lee Boyd Malvo offered a tearful apology yesterday to relatives of the six people he and his accomplice killed in Montgomery County, minutes before he was sentenced to six consecutive terms of life in prison without the possibility of parole. … 'I'm truly sorry, grieved and ashamed of what I've done to the families and friends,' Malvo said as he listed the names of the Montgomery victims he and John Allen Muhammad shot from afar with a powerful rifle in October 2002. 'Each of you relive this every morning, every birthday, every anniversary, every time you look in your children's eyes.'" The Post continues, "A handful of relatives attended the afternoon hearing in Rockville, which marked the last chapter of the snipers' legal proceedings in Maryland. … Malvo said he was most haunted by the death of Ride On bus driver Conrad Johnson, 35, the sniper's last victim. According to Malvo's testimony, his death was the only fatal shooting in Maryland in which Malvo pulled the trigger. … 'I thought of his sons, who just for once would like to play basketball with their father,' Malvo said. 'Just one more time see his face.'" The Post notes, "Prosecutors and Malvo's attorneys said Malvo, 21, has experienced a transformation during his months in Maryland. They said his remorse is genuine, and they commended him for cooperating with prosecutors in Muhammad's May trial in Montgomery, in which Malvo took the stand to offer the first public, firsthand account of the shootings. … Malvo testified that he fell under the spell of Muhammad as a young and vulnerable teenager who had all but been abandoned by his parents in Jamaica. The elder sniper took him on a cross-country trip in 2002 that began in Washington state, terrorized the District and its suburbs for three weeks in October and ended in suburban Maryland, where they were arrested. Malvo told law enforcement officials in Maryland this year that the pair shot 27 people, 17 of whom died."

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US Charges Montana PI With Defrauding Law Firms. The New York Law Journal (11/9, Lin) reports, "Federal law enforcement officials in New York have announced the arrest on wire fraud charges of a Montana private investigator who allegedly defrauded two of Manhattan's top litigation firms by promising to sell them 'proof' of misconduct by opposing parties and counsel." The Journal continues, "The criminal complaint filed Wednesday by the Southern District of New York U.S. Attorney's Office charged that Michael Lair had approached New York lawyers working on two high-profile cases and received more than $80,000 to provide information he ultimately failed to produce." The Journal adds, "Lair, 46, is the president of Bozeman, Mont.-based consumerdefense.com Inc., a company that claims to investigate consumer complaints and conduct research in connection with fraud cases. … The complaint, sworn out by Special Agent B.J. Kang of the Federal Bureau of Investigation, did not identify any matters or lawyers by name, only describing one case as involving a large insurance company engaged in litigation with its former chairman and the other as involving a pharmaceutical company's suit against a hedge fund." The Journal notes, "Sources familiar with both matters confirmed that the insurance company case was the dispute between AIG Inc. and its former chairman, Maurice R. Greenberg, and that the hedge fund matter was Biovail Corp.'s securities fraud suit against SAC Capital Management. … The lawyers who dealt with Lair included Robert G. Morvillo of Morvillo, Abramowitz, Grand, Iason, Anello & Bohrer, which is one of a team of firms representing Greenberg, and Michael J. Bowe of Kasowitz, Benson, Torres & Friedman. Morvillo is one of the city's most well-known white-collar litigators and the Kasowitz firm, led by Marc E. Kasowitz, is also regarded as a top litigation shop."

Former Penn Professor Charged With Child Porn. The AP (11/9) reports, "A former University of Pennsylvania business professor who was previously convicted in a teen sex sting was indicted Wednesday on charges he produced and distributed child pornography." The AP continues, "Lawrence Scott Ward, 64, was arrested in August as he returned from Brazil through Washington Dulles International Airport. … Federal authorities who searched his laptop computer said it contained a video of young children engaged in sexual activity. They also said they found videos showing the defendant involved in sex acts with teenage boys." The AP adds, "The three-count indictment charges that Ward produced, imported, and possessed child pornography. His arraignment was set for Thursday in Virginia. … Ward was convicted in 1999 of soliciting sex from a Pennsylvania state trooper posing as a 15-year-old male prostitute, a prosecutor said at Ward's recent bail hearing."

Senior Gotti's Mob Allies Lambasted Victoria Gotti Reality Show. The New York Sun (11/9, Capeci) reports in its "Gang Land" column, "There was food and wine on the table and an FBI bug hidden underneath" at the 2004 dinner hosted by Genovese capo Ciro Perrone. "A trio of veteran wiseguys was trashing a reality TV show that struck close to their hearts, 'Growing Up Gotti,' the saga of John Gotti's racy, platinum blonde daughter, Victoria, and her three teenage sons." Perrone denounced the show, saying, "It's a soap opera, and the kids look like girls." The Sun adds, "'It's one of the most disgusting, insulting shows' on television, the aging capo's longtime right-hand-man, John Yannucci, said, according to a report about the discussion written by FBI agent John Penza. Colombo soldier Ralph Scopo, a close Howard Beach pal of the late Gambino boss, was 'so embarrassed' for his late friend's family that he said he couldn't talk about it, Mr. Penza wrote in an affidavit that was filed last year with the federal judge who approved the bugging.

Former Employee Charged With Sabotaging Florida Theater Chain Ticket System. The Miami Herald (11/9, Danner, 286K) reports, "Fort Lauderdale-based Muvico Theaters' former information-technology director faces a federal charge of sabotaging the movie-chain's ticketing-sales system last spring on the opening weekend of Mission Impossible III." Joseph Harlen Shook "was charged in a one-count grand jury indictment of hacking Muvico's computer system to disrupt ticket sales in May -- which the company says cost it about $100,000." Shook "was dismissed in February as part of some cutbacks, according to Muvico spokesman John Spano." The Herald notes, "The investigation was conducted by the FBI."

CIVIL LAW:

Judge Rules Group Can Subpoena White House Documents In Plan B Lawsuit. The AP (11/9) reports Federal Magistrate Judge Victor Pohorelsky "has ruled that a reproductive rights group can seek White

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House e-mails and other documents as part of its lawsuit promoting broader access to the morning-after pill." The ruling "allows the Center for Reproductive Rights to subpoena more than three years of Plan B-related communications between the White House's domestic policy office and select Food and Drug Administration officials. The documents include e-mails, letters and records of conversations." The group "sued the FDA seeking to lift all age restrictions on nonprescription sales of the Plan B emergency contraceptive pills. It seeks the documents to determine whether the White House interfered with the FDA's handling of a request by manufacturer Barr Pharmaceuticals Inc. to allow over-the-counter sales."

Supreme Court Hears Challenge To Federal Partial Birth Abortion Ban. The Wall Street Journal (11/9, Bravin, 2.04M) reports a day after "voters in three states rejected ballot measures to restrict abortions, the Supreme Court took up the Bush administration's appeal to reinstate the first federal ban of a specific abortion procedure." Three federal appeals courts "struck down the Partial-Birth Abortion Ban Act of 2003, finding it violated a five-to-four Supreme Court opinion in 2000 that invalidated a similar Nebraska law because it made no exception to preserve the woman's health." Solicitor General Paul Clement "told the justices that Congress had avoided the flaws of the Nebraska statute, by making official findings that the procedure was never medically necessary and defining the procedure itself more specifically." But the "biggest change may have been on the court, where antiabortion activists hope two Bush appointees will uphold restrictions on the procedure and, perhaps someday, an outright ban. Justice Sandra Day O'Connor, who voted with the majority in the 2000 Nebraska case, has since retired, and her successor, Justice Samuel Alito, brings a record of skepticism toward abortion-rights arguments."

ABC World News (11/8, story 11, 0:45, Gibson, 8.78M) reported, "Emotions ran high today, as the Supreme Court heard its first big abortion case since Chief Justice Roberts and Justice Alito joined the panel. Protesters on both sides of the so-called partial birth abortion issue marched outside. Inside, police dragged a man from the court after an outburst. The Supreme Court must decide whether to uphold a law banning the procedure. The Bush Administration called it infanticide. Abortion rights groups say the law would prohibit all abortions after the first trimester."

NBC Nightly News (11/8, story 7, 0:25, Williams, 9.87M) reported it was "an emotional day at the US Supreme Court as it took up one of the most important abortion cases. The justices heard arguments and must decide on what will become of the Federal ban on late term abortions. The term opponents use is partial birth abortions. Inside the courtroom by the way, there was a rare outburst by a protester who opposes this procedure. It was the first such disruption inside the Supreme Court chambers in two decades."

USA Today (11/9, Biskupic, 2.27M) reports the Supreme Court "was packed and demonstrators gathered outside under drizzly skies Wednesday as the justices heard arguments in what probably will be two of the most significant abortion rights cases in decades." The "disputes over Congress' ban of a procedure it calls 'partial birth' abortion represent a key test of whether the court led by Chief Justice John Roberts will take a harder line against abortion rights now that Justice Sandra Day O'Connor, a key supporter of such rights, has retired." But as the "two-hour court session played out, neither Roberts nor the conservative justice who replaced O'Connor, Samuel Alito, were the key players. Instead, everything seemed choreographed around Anthony Kennedy, the justice who is at the ideological center of the divided, nine-member court." Kennedy, who "has supported abortion rights but voted against striking down a state ban on 'partial birth' abortion six years ago, is widely viewed as the key vote in the cases."

The AP (11/9, Sherman) reports that in "an intense morning of arguments, lawyers for the Bush administration and supporters of abortion rights gave starkly contrasting views: A law passed by Congress labels it a gruesome and inhumane practice. Supporters argue that such abortions in the second trimester of pregnancy sometimes are the safest for women." Justice Kennedy, "the court's swing voter following O'Connor's departure, dissented so strongly in the Nebraska case that many court observers believe he is unlikely to switch sides."

The New York Times (11/9, Greenhouse, 1.16M) reports Justice Kennedy's "questioning suggested that he had not made up his mind, despite his strongly worded dissenting opinion when the court struck down Nebraska's version of the federal law six years ago, and despite his obvious distaste for the procedure at issue. Instead, his questions suggested that he remained open to persuasion that the law placed doctors in legal jeopardy and imposed an unconstitutional burden on their patients' right to terminate their pregnancies."

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The Washington Post (11/9, A3, Lane, 690K) reports the two hours of oral arguments "on a federal 'partial birth' abortion ban at the Supreme Court yesterday showed that the justices are intensely focused on the procedure's medical details and health implications -- but produced few clues as to how they might rule." As "expected, the court's four most liberal members, Justices John Paul Stevens, David H. Souter, Ruth Bader Ginsburg and Stephen G. Breyer, sounded skeptical about the statute. Of the court's conservatives, only Chief Justice John G. Roberts Jr. said much at all, asking questions that implied the law should be upheld." That left "plenty of time for Justice Anthony M. Kennedy, whom both sides in the case consider the likely swing vote, to listen to the lawyers and air his concerns -- though he did not tip his hand."

The Los Angeles Times (11/9, Savage, 850K) reports the case "could prove a turning point for the Supreme Court on abortion. With the arrival of President Bush's two conservative appointees, there appears to be a five-vote majority, including Justice Anthony M. Kennedy, to uphold stricter regulation of abortion." Six years ago, "when the court struck down a Nebraska ban on the practice, Kennedy wrote an impassioned dissent, describing D&X as 'abhorrent.' Abortion-rights advocates hope he will switch sides. But Wednesday, Kennedy suggested that the disputed procedure might be 'purely elective and not medically necessary.'"

Scripps Howard (11/9, Guillaume) reports, "A screaming man charged through the main doors of the Supreme Court's chambers during a hearing in a contentious abortion case Wednesday. … 'Abortion is a sin,' shouted the man, later identified by court officials as Rives Miller Grogan. Four court employees dragged him out of the courtroom." Scripps Howard continues, "Grogan's last known residence is in Los Angeles. He was taken to the U.S. Capitol Booking Center before being transported to D.C. Superior Court. … He was charged with creating a noise disturbance, resisting arrest and other related offenses, a Supreme Court spokesman said." Scripps Howard notes, "Some spectators left their seats and headed toward the door. None of the justices said anything about the disturbance. Such disturbances are rare in the well-guarded court chamber. Court regulars said the last one they remembered was in1983 when Hustler publisher Larry Flynt shouted obscenities during a hearing in his own case."

CIVIL RIGHTS:

Few Polling Problems Seen, Review Could Presage Changes For 2008. USA Today (11/9, Wolf) reports, "As a dress rehearsal for the 2008 presidential election, Tuesday's experiences at the nation's 183,000 polling places succeeded by failing." USA continues, "Where voters encountered balky equipment, it pointed up the need to examine paper trails and other methods for verifying their votes. … Where voters weren't helped by struggling poll workers, it illuminated the need for increased recruitment and better training. … And where they were misinformed or misdirected by automated 'robocalls' and leaflets, it reignited calls for laws that would crack down on such practices." USA adds, "All of those problems and more surfaced Tuesday in what state and federal officials said was a practice run for the 2008 election. And while none of the problems caused nearly as much trouble as the "hanging chads" of 2000, they laid bare the election system's growing pains. … 'There continue to be deep concerns about the patterns of voting in our country,' Chellie Pingree, president of the civic group Common Cause, said. 'The level of problems that we heard about out there is still completely unacceptable.'" USA notes, "A hotline run by Common Cause received 16,000 calls. Another headed by the Lawyers' Committee for Civil Rights Under Law got 20,000. The Justice Department received only about 250 calls and e-mails, down from 1,200 in 2004. … 'There was nothing out of the ordinary,' Justice Department spokeswoman Cynthia Magnuson said. 'They tended to be routine problems, and fairly isolated.'"

Monitors Report Few Problems At Louisiana Polls. The Baton Rouge (LA) Advocate (11/9, Burgess) reports, "Poll watchers from the Justice Department and the NAACP reported a smooth election day in St. Landry Parish, despite concerns of voting irregularities in a close contest between a black female interim sheriff and her white male opponent." The Advocate continues, "Former State Police Trooper Bobby Guidroz won election over interim Sheriff Laura Balthazar on Tuesday with 20,210 votes, or 51 percent, according to complete but unofficial returns." The Advocate adds, "U.S. Attorney Donald Washington said Wednesday that the roughly 24 Justice Department monitors who roamed parish precincts Tuesday reported no issues with voter access or intimidation. … He said some routine election problems arose, such as a few names mistakenly left off voter

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rolls, but the issues were quickly resolved by the Clerk of Court's Office. … 'It was quiet, and people who wanted to get out and vote got out and voted,' said St. Landry Parish First Assistant District Attorney Frank Trosclair, whose office manned phones Tuesday to field election-day complaints." The Advocate notes, "Poll watchers for the National Association for the Advancement of Colored People Legal Defense and Education Fund also reported no problems. … Clifton Lemelle Sr., a retired educator from Eunice who helped organize the NAACP monitors, said he heard scattered complaints of people campaigning too close to the polls but no confirmed reports of intimidation or of voters being wrongly turned away from the polls."

Touch-Screen Voting To Be Reviewed In St Louis. The St Louis Post-Dispatch (11/9, Deere) reports, "Now that the votes have been tallied, St. Louis County election officials and voter rights advocates will begin counting the number of problems voters had casting them. … High on the list of priorities: the county's touch-screen voting machines, which had their first major test on Tuesday." The Post-Dispatch continues, "John Diehl, chairman of the county's Election Board, said most problems with the machines were confined to 20 or fewer of the county's 450 polling sites. … Diehl, a Republican, admitted that lines were long in some places, but said it was mostly due to heavy voter turnout and a lengthy ballot. … But one voting rights advocate argued that problems were more widespread and were the result of poorly trained election judges and a lack of specialists to monitor the touch-screen machines. … 'There wasn't enough (specialists) to meet the need,' said Denise Lieberman, an attorney with the voter advocacy group Advancement Project and former legal director of the ACLU of Eastern Missouri. 'The election judges simply didn't have the skills.' … Diehl said the county had trained 200 poll workers to boot up and shut down the machines, as well as 25 specialists assigned to locations throughout the county and 28 pairs of roving specialists to respond to problems. … The midterm election marked sort of a role reversal for the county — where reports of voting problems have typically been uncommon — and the city of St. Louis, where elections have been marred by lawsuits and an inquiry from the U.S. Justice Department."

Massachusetts Secretary Of State To Oversee Boston Elections. The Boston Globe/AP (11/9) reports, "Secretary of State William Galvin said Wednesday he would take over the supervision of the city's election department after some precincts ran out of ballots during Tuesday's election, forcing voters to wait as police cruisers rushed to bring more. … 'I can't have "We'll try to do better next time." That's not acceptable,' Galvin said Wednesday. 'What they did yesterday was put the rights of voters at risk and that's unacceptable.'" The AP continues, "Galvin said the law required him to determine a pattern of misconduct -- which he believes there is -- then create a solution to the problems. … 'My view of the remedy is there has to be some supervision,' he said. 'I have no desire to micromanage the operations of the city of Boston. ... I'm interested in making sure that the basic function of the department is carried out.'" The AP adds, "Galvin said a similar move was made in Boston in the 1980s, when the Secretary of State's Office appointed a monitor to review, control and direct the department. … Jennifer Mehigan, a spokeswoman for Mayor Thomas Menino, said the city would cooperate with the state. Menino also is drawing from other sources to help fix election problems."

The Boston Herald (11/9, McPhee) reports, "Mayor Thomas M. Menino said city staffers face 'reassignment' as the state seeks legal oversight of Boston's Elections Department after a ballot shortage forced police to make rush deliveries to angry voters at the polls. … 'I am very, very angry. This should not have happened,' Menino told the Herald. 'Will people be reassigned? It's possible. We certainly need a management plan for the Elections Department.'" The Herald continues, "Secretary of State William Galvin told city officials he plans to utilize his legal right to manage the city Elections Department. … Meanwhile the mayor has said he will hire a consultant to "shake up" the department and file quarterly progress reports to Galvin." The Herald notes, "The state printed more than 300,000 ballots for Hub voters, but just half those were delivered to polling locations, leaving largely minority strongholds such as East Boston, Hyde Park, Mattapan, Roxbury and Dorchester without enough ballots, infuriating voters who were forced to wait for hours to cast their ballots. … Some precinct wardens began handing English-speaking voters ballots printed in other languages, or told voters to leave their phone numbers and they would be called when there were ballots available. Officials estimate that 2.2 million people voted in Tuesday's election."

Anti-Affirmative Action Initiative Passes By Wide Margin In Michigan. The Wall Street Journal (11/9, A13, Sataline, Hechinger, 2.04M) reports that in 2003, "when the Supreme Court upheld affirmative action in college

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admissions, many observers felt that the issue had been settled for years to come. Think again." Michigan voters, "where the state university successfully fought in that Supreme Court case to preserve minority preference, repudiated it in a ballot initiative Tuesday. An initiative passed by Michigan voters will ban affirmative action in admissions to public colleges and in government hiring. Currently, the University of Michigan and other selective public institutions in the state consider race as one of many factors in admissions decisions. The ban takes effect 45 days after the vote." Polls had "indicated that the vote on the initiative would be close. But Michigan voters on Tuesday approved the measure, called Proposal 2, by a margin of 58% to 42%, with 100% of precincts reporting."

Seven States Pass Marriage Definition Initiatives. ABC World News (11/8, story 6, 0:15, Gibson, 8.78M) reported, "Voters in seven out of eight states defining marriage as union between a man and a woman. Same-sex partnerships will be allowed in many of the states but they cannot be called marriage."

South Dakota Voters Reject Restrictive Abortion Ban. ABC World News (11/8, story 7, 0:15, Gibson, 8.78M) reported, "In South Dakota, voters rejected restricting abortions in cases of rape and incest. The creators said it would hope it would urge the Supreme Court to reverse its stance on allowing abortions."

Los Angeles Firefighter Settles Racial Harassment Suit. The Los Angeles Times (11/8, Banks) reports, "A black firefighter who was served dog food in his spaghetti by fellow firefighters will be paid more than $2.7 million to settle a lawsuit alleging racial harassment and discrimination within the Los Angeles Fire Department." The Times continues, "The award, approved 11-1 Wednesday by the Los Angeles City Council, is the latest in a recent string of settlements of lawsuits by firefighters claiming discrimination, harassment and retaliation against those who complain. … It is believed to be the largest payout for misconduct in the history of the department, which was long considered among the nation's finest, but has been dogged for years by complaints of hostility toward black and female firefighters." The Times adds, "The lawsuit, by firefighter Tennie Pierce, 51, alleges that firefighter Jorge Arevalo mixed canned dog food into Pierce's dinner at their station two years ago; that Capt. John Tohill purchased the dog food; and that Capt. Chris Burton knew about the trick but did nothing to warn Pierce. All three men were present when Pierce ate the dog food. … Pierce 'took a large bite, at which time he noticed the other firefighters were laughing and making noises,' the lawsuit says. He took a second bite, then demanded to know what was in his food, 'but no one would tell him. (Pierce) then left the kitchen with his co-workers laughing at him.' … A fire department investigation suggested the incident was intended to 'humble' Pierce -- who stands 6'5" -- after his team won a fire station volleyball game. A lawyer for one of the defendants initially called the incident 'a good-natured prank . . . (not) in any way motivated by race.' … But a University of California, Santa Cruz, professor who was hired by Pierce's attorney to review department records of discrimination complaints, said the prank was clearly intended to 'humiliate and dehumanize' Pierce."

Maryland Police Say Stun Guns Effective In Averting Trouble. The Baltimore Sun (11/9, Fenton) reports, "From a suicidal teenager to a suspected car thief who flees on foot, some people who have refused to cooperate with Harford County police have been getting a wake-up call -- the 50,000-volt variety." The Sun continues, "The Harford County Sheriff's Office is believed to be among the first police agencies in Maryland to issue Taser stun guns to its deputies, who have used the devices to stop people who flee or refuse to comply with orders, and for the mentally ill who become violent. … The agency has been issuing stun guns to patrol deputies since last year, and they have used them on at least 28 occasions since January. One incident involved a 50-year-old schizophrenic woman who had barricaded herself in a closet and was shocked with a stun gun because a deputy feared she could get to weapons in another room." The Sun adds, "The agency says the devices, which have been criticized for causing fatalities, have been most effective as a deterrent to violence and limit injuries to suspects and officers. A spokesman said assaults on officers were down. … The agency first purchased stun guns in 2002 and has been phasing them into the arsenal of weapons used by all patrol deputies. Harford is not alone -- more than 7,000 of the 18,000 police agencies in the United States use the weapons, according to a March report by Amnesty International, and 1,700 police departments have purchased them for every officer. … With increased use, however, has come greater scrutiny. Amnesty International said there had

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been at least 156 deaths across the country related to police stun guns in the past five years, and dozens of excessive-force lawsuits have been brought by people who say they were injured by officers." The Sun notes, "A research arm of the Justice Department is conducting a two-year study of cases in which a suspect died after being subdued with a stun gun. The National Institute of Justice said there have been more than 180 deaths in the past 10 years, with most occurring since 2000."

ANTITRUST:

Dingell Wants FCC To Delay AT&T-BellSouth Vote. The AP (11/9) reports, "John Dingell, the incoming chairman of the House Energy and Commerce Committee, said Wednesday that he wants the Federal Communications Commission to delay its vote on the AT&T Inc. acquisition of BellSouth Corp." The AP continues, "Dingell, saying the combination raises a 'significant antitrust question,' sent a letter to the FCC asking that it hold off on the vote until after the new Congress convenes in January. The agency has delayed a vote on the merger three times." The AP adds, 'Dingell's request might be an opening shot in the House Democrats' new oversight of big business. California Rep. Nancy Pelosi, who is in line to become speaker, has promised to fight early on in the next Congress to lower the price of prescription drugs available through Medicare. Efforts to curb military spending are also likely, political and financial analysts said, after an election whose outcome was influenced in large part by voters' dissatisfaction with the war in Iraq. … But with the two parties stalemated in the Senate, where it usually takes 60 votes to pass major legislation, the pharmaceutical and defense industries might find themselves beset more by unwelcome rhetoric in Congress than any changes in law."

Liz Clairborne To Purchase Kate Spade For $124 Million. The AP (11/9) reports, "Liz Claiborne Inc., moving to expand its reach into luxury department stores, Wednesday said it agreed to acquire privately held Kate Spade LLC, a maker of high-end fashion accessories, for $124 million in cash." The AP continues, "The deal, expected to close late this year, includes an undisclosed amount of assumed debt. … New York-based Kate Spade, which makes the kate spade and Jack Spade brands, had net sales of about $84 million for the year ended July 30. Its product line includes handbags, small leather goods, accessories, luggage and baby products." The AP adds, "Kate Spade sells in U.S. department stores, including Neiman Marcus, Saks Fifth Avenue, Nordstrom, and Bloomingdale's, as well as 19 Kate Spade stores, four Kate Spade outlets and one Jack Spade store. … Kate Spade also has distributors in Asia and licensing agreements for shoes, eyewear, tabletop and paper products. … Despite having more than $5 billion in annual sales and more than 40 brands in its stable, Liz Claiborne, also based in New York, so far has been a limited player in handbags and accessories. Its brands include Ellen Tracy, Dana Buchman, Lucky Brand, and Juicy Couture."

Spain's Iberdrola Considers Offer For Scottish Power. The Wall Street Journal (11/9, A3, Singer, Johnson) reports, "The latest effort by a European energy giant to strike a major deal -- Iberdrola SA's preliminary approach to Scottish Power PLC -- signals that utilities believe they need to be larger to survive in a future dominated by the search for newer and cleaner ways of producing energy. The Journal says, "Iberdrola of Spain made an approach to Scottish Power, which has a market value of £10.9 billion ($20.8 billion), as a prelude to a possible offer, according to people close to the situation." The Journal reports, "A potential deal would mark the latest in a series of deals and attempted acquisitions involving some of Europe's biggest electricity producers in Spain, France, Germany, Italy and the United Kingdom."

FBI/DEA/ATF/USMS:

Judge Revokes Boston Police Officer's Bail. The Boston Globe (11/9, Murphy, 413K) reports Boston Police Officer Carlos Pizarro, "one of three officers facing federal cocaine and heroin charges in one of the biggest corruption cases in the department's history," yesterday "was ordered held without bail until the case is resolved. US District Judge William G. Young found that Pizarro violated his bail conditions by agreeing to let the government search his Dorchester home for contraband before he was released, then quickly calling his wife to 'change the situation in that house.'" The Globe adds, "Prosecutors allege that Pizarro, who knew jail calls are monitored, used code words to warn his wife to get rid of illegal drugs. … Pizarro's lawyers, however, disputed the government's contention that Pizarro was talking about illegal drugs. They say he was talking

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about sex-enhancing drugs…and other prescription drugs during the call."

The Boston Herald (11/9, Sweet, 184K) reports, "The 20-minute call was placed on Sept. 22 from the Barnstable House of Correction just three hours after Pizarro -- who was busted by the FBI in July with fellow officers Roberto Pulido and Nelson Carrasquillo -- learned authorities would search his home prior to his Oct. 11 pre-trial release. … Pizarro directs Joyce to a 'rack of clothes,' 'little pink things' and the 'top drawer in my dresser,' according to a transcript of the conversation." The Herald notes, "Pizarro, Pulido and Carrasquillo are alleged to have hired themselves out as muscle for cocaine shipments and to have hosted orgies with hookers, among other betrayals of their badges."

FBI, Chicago Police Arrest 17 Alleged Drug Gang Members. The AP (11/9) reports, "Chicago police and the FBI arrested and charged 17 people in a West Side gang roundup Wednesday. Following an investigation by the Joint Task Force on Gangs, FBI special agents and Police narcotics investigators arrested 11 suspected members and associates of the Satan Disciples, according to an FBI release." Operation Burn Down, "which began in September 2004, included undercover operations to purchase drugs and court-authorized electronic surveillance of phones used by one or more of the defendants, the release said. The suspects were charged in criminal complaints filed Tuesday in U.S. District Court in Chicago with numerous felony counts of conspiracy and possession of a controlled substance with intent to distribute, the release said."

The Chicago Tribune (11/9, Coen, 617K) reports, "One of those charged is de facto head of the gang in Chicago, according to the FBI, and court documents named another as a local chief. … 'These are some of the worst offenders and biggest targets in the area,' said Mitchell Marrone, an assistant special agent in charge of the FBI in Chicago and the leader of the bureau's anti-gang efforts. 'They're dealing in quantities of drugs and also in violence.'" The Tribune notes, "The case came together after intelligence from beat officers was developed by the Chicago FBI's Joint Task Force on Gangs, FBI officials said. The investigation…involved undercover work and electronic surveillance, authorities said."

19 Suspected Gang Members Arrested In Ohio On Drug, Weapons Charges. The Columbus (OH) Dispatch (11/9) reports nineteen suspected gang members across Columbus "were arrested…as police conducted a methodical sweep as part of the mayor's anti-gang initiative. They were some of the 63 suspects that police, the DEA, the U.S. marshal's office and parole officers were searching for…said Columbus police Sgt. Chantay Boxill." Those arrested "were mainly wanted for drug or weapons charges."

Trial Begins For Arkansas Alderman Accused Of Selling Xanax, Crack. The Newport (AR) Independent (11/8) reports on the trial of Newport Alderman Pinky McFarlin, who "is charged with selling Xanax and crack cocaine on 20 different dates to an informant from May through November of 2004. Evidence expected to be introduced will include tape recordings of conversations held between the informant and the defendant in the defendant's home." Witnesses "expected to testify against McFarlin will include an expert witness for the DEA."

Marijuana Initiative Passes In Montana, Relaxes Enforcement Of Some Offenses. The Missoulian (11/8) reports a ballot measure recommending Missoula County law enforcement officials make adult marijuana offenses their lowest priority passed Tuesday night. The measure, dubbed Initiative 2, won the support of 22,502 Missoula voters, or 53 percent. Opponents of the initiative totaled 19,565, or 46 percent, and included some of Missoula County's top law enforcement officials. The initiative will make marijuana crimes the single lowest priority for Missoula County authorities, but won't include marijuana sales or drug use by minors as low-priority offenses."

The AP (11/9) reports Police Chief Rusty Wickman and Sheriff Mike McMeekin "have publicly voiced their concern about the initiative, saying they worry the measure's passage could lead to the loss of federal dollars from Missoula's drug enforcement programs." Proponents "say Initiative 2 strives to place increased emphasis on crimes that threaten people's lives and property and on other, more pressing drug issues." The Helena Montana Independent Record used the AP story.

Three California Cities Lean Toward Relaxing Marijuana Laws. The Los Angeles Times (11/9, Romney, Chawkins, Writers) reports voters on Tuesday "weighed in on a vast array of local issues, with three cities leaning toward relaxed marijuana enforcement. … In returns

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from Santa Monica, Santa Barbara and Santa Cruz, voters were siding with proposals requiring local police to make marijuana arrests their lowest priority. Financed largely by Ohio insurance magnate Peter Lewis, the measures were opposed by many police officers, who described the issues as unnecessary and a possible obstacle to investigating major crimes."

In a later story, the Los Angeles Times (11/9) writes, "And a resounding 65% of voters approved Proposition Y, which would make the personal use of marijuana by adults on private property [Santa Monica's] lowest police enforcement priority. Santa Monicans for Sensible Marijuana Policy had said the measure would send a message to Sacramento and Washington that voters want more common-sense marijuana laws."

Colorado Marijuana Measure Defeated By Wide Margin. In the Grand Junction (CO) Sentinel (11/8), Le Roy Standish writes, "Colorado voters have pitched Amendment 44 aside like an assortment of stems and seeds found at the bottom of an empty bag of weed. Tuesday's election results showed that the amendment failed by a wide margin statewide. Across Colorado 688,987 or 60.7 percent voted against the amendment, compared to 445,280 votes or 39.3 percent, in favor. In Mesa County, voters turned the amendment down by an even greater margin. Results were 31,637 votes or 68.2 percent against Amendment 44 and 14,240 or 30.7 percent in favor. The amendment would have decriminalized possession of less than one ounce of marijuana by adults over the age of 21."

On its Web site, WINS Radio, New York (11/8) reports Colorado voters "joined Nevada in rejecting measures that would have legalized possession of up to an ounce of marijuana by anyone 21 and older. South Dakotans voted down a proposal that would have allowed marijuana use for some medical purposes."

Reporting Continues On Nevada Marijuana Measure. In an updated story, the AP (11/8) writes, "Nevadans on Tuesday rejected selling legalized marijuana at state-sanctioned pot shops. … Question 7, to legalize adult possession of up to one ounce of marijuana and require the state to set up procedures to tax and regulate its sale failed, 56 percent to 44 percent. … While other states and local governments have decriminalized possession of small amounts of marijuana, the Nevada measure sponsored by the Committee to Regulate and Control Marijuana went further. It directed the state Department of Taxation to set up procedures to license and regulate pot growers, distributors and retailers." The AP adds, "Critics - including law enforcement, civic groups and the nation's drug czar [said] marijuana is a gateway drug that could lead to harsher substances and negate anti-drug efforts." This AP story was used by the Las Vegas Sun.

The Ely (NV)Times (11/8) has posted on its Web site the Las Vegas Review-Journal story included in yesterday's briefing which says, "With at least 1,620 of 1,913 precincts statewide reporting, Question 7, which would have allowed Nevada residents 21 years of age or older to possess an ounce of marijuana or less, was being rejected by 56 percent of voters."

The Reno (NV) Gazette Journal (11/8) reports, "With Lyon's polls closed and votes tallied late Tuesday night, questions Nos. 4 and 5, regarding creation of stricter smoking bans in various public places were both voted down on the County level alongside Question No. 7 regarding legalization and regulation of one ounce or less of marijuana."

South Dakotans Reject Proposed Marijuana Law. The AP (11/9) writes, "Whatever the reason -- too many issues, too long, too confusing -- South Dakota voters rejected eight of the 11 issues on Tuesday's general election ballot. … South Dakotans have rejected a proposed law that would have let some people smoke marijuana to provide relief from pain. … It was defeated 52 percent to 48 percent." This AP story was used by South Dakota's Yankton Daily.

Election Day No "Full Sweep" For Liberal Social Issues. In the Washington Times (11/9, Wetzstein), Cheryl Wetzstein writes, "Tuesday wasn't a full sweep for liberal social issues -- measures to legalize marijuana failed in three states. … Democrats lost measures to legalize marijuana in Nevada, South Dakota and Colorado."

In USA Today (11/9), Judy Keen writes, "There's more to the election results than just Democrats winning and Republicans losing. … Potheads: Voters in Colorado and Nevada rejected proposals to legalize adult possession of up to an ounce of marijuana. South Dakotans voted against medical use of marijuana."

Local TV Coverage. The fate of marijuana measures in Colorado, Nevada and South Dakota received wide local television coverage. Some examples: KDVR-TV, Denver (11/8, 6:00 a.m.) aired, "Another election, another defeat for the folks who want to legalize marijuana. Amendment 44 failed."

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KMGH-TV, Denver (11/8, 6:00 a.m.) aired, "Voters raised the minimum wage…and said no to marijuana with six out of ten voters rejecting that proposal to legalize possession of up to an ounce for anyone over the age of 21."

KUSA-TV, Denver (11/8, 6:00 a.m.) aired, "With 60% of the vote, Amendment 44 has failed."

KLAS-TV, Las Vegas (11/8, 4:00 p.m.) aired, "Nevada voters rejected Question 7, a proposal to legalize marijuana. Fifty-six percent of voters said they were against the initiative, which would have legalized taxed and regulated the purchase and sale of small amounts of marijuana for personal use. John Walters, the White House drug czar, issued a statement today saying the results of this election show that Americans simply do not want more drugs in their communities."

KTNV-TV, Las Vegas (11/8, 6:00 p.m.) aired, "Nevada voters said 'No way' to Question 7 to legalize marijuana for recreational use. Question 7 would have legalized adult possession of up to one ounce of marijuana; it would have required the state to set up procedures to tax and regulate its sale."

KVVU-TV, Las Vegas (11/8, 5:00 a.m.) aired, "Question 7 was one of the more controversial questions on the ballot. It asked voters if they wanted to legalize small amounts of marijuana for people over 21. Despite an effective campaign by supporters, the measure failed by more than 40-thousand votes. … FOX 5's Mike Doria joins us this morning with reaction to this issue. Governor-elect Jim Gibbons was one of the 40-thousand people who voted against the marijuana measure. … Supports of Question 7 say cops should focus on more serious crimes and more serious drugs."

KELO-TV, Sioux Falls, South Dakota (11/8, 9:00 a.m.) aired, "Voters rejected Initiated Measure 4, which would have legalized medical marijuana."

KSFY-TV, Sioux Falls, South Dakota (11/8, 6:00 p.m.) aired, "South Dakota voters rejected 8 of the eleven issues on yesterday's ballot. The failed measures include…legalizing marijuana."

Judge In Montana Denies Claim Under Medical Marijuana Act. The Whitefish (MT) Pilot (11/8) reports a Kalispell man who "claimed protection under the state's Medical Marijuana Act after he was caught smoking marijuana at a downtown Whitefish bar will have his day in court later this month. But he may have to seek another line of defense or appeal to a higher court, now that Whitefish City Court Judge Bradley Johnson has denied the man's motion to dismiss the charge based on the act. … In a two-page document submitted to city court, [Lucas] Venters claims to have a 'debilitating medical condition.' He said he has been 'in pain every day for the past 10 years due to my spinal, thoracic and neck injuries/conditions,' and that he has severe or persistent muscle spasms."

City Council In California Seeks To Ban Marijuana Dispensaries. Torrance, California's Daily Breeze (11/8) reports Lawndale City Council members this week "quickly shot down a proposal to regulate medical marijuana dispensaries in the city, opting instead to direct staff to look into banning the establishments altogether. … Dispensaries have recently met with a cold reception in the South Bay, with Torrance, Gardena, Hawthorne, Hermosa Beach, Lomita, Rancho Palos Verdes and Redondo Beach issuing temporary or permanent bans. Lawndale in June enacted a temporary ban on the establishments."

Federal, State Agents Arrest Arkansas Militia Member On Weapons Charges. The Northwest Arkansas Morning News (11/9, Mehaffey) reports Fayetteville militia member Hollis "Wayne" Fincher "was arrested Wednesday by teams of special agents from the Bureau of Alcohol, Tobacco, Firearms and Explosives and other federal and state agencies and local police in connection with illegal firearms." The News notes, "The arrest and search warrants were the result of an eight-month investigation relating to the unlawful manufacture, possession and transfer of machine guns," and "ATF, FBI, Washington County Sheriff's Department, Fayetteville Police Department, Springdale Police Department, Arkansas State Police, Arkansas State Bomb Squad and the Madison County Sheriff's Department all participated in the investigation."

IMMIGRATION:

US Cracks Down On Fraudulent Immigrant Marriages. USA Today (11/9, Koch) reports, "A Virginia man's guilty plea Wednesday to arranging sham marriages between U.S. citizens and Ghanaian immigrants reflects the government's increased focus on marriage fraud." USA continues, "Eric Amoah, 42, a pharmacy technician from Ghana, was one of 22 people charged in the Washington, D.C., area two months ago with participating in a marriage

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and immigration fraud scheme. His sentence is pending. … Similar busts have occurred in the past year in California, New York and Utah. An investigation is underway in Gwinnett County, Ga., where two men are charged with bigamy for marrying at least 13 African women. … 'We're definitely seeing more organizations' involved in marriage fraud, says James Spero, head of the Identity and Benefits Fraud Unit at U.S. Immigration and Customs Enforcement (ICE). 'We're stepping up our efforts.'" USA adds, "Sham marriages for immigrants seeking citizenship have long been a problem. A marriage license can be the quickest way to gain the temporary legal status conferred by a green card, the title of a 1990 movie about two people who enter into such a marriage of convenience only to — surprise — fall in love. … Since 9/11, marriage fraud has taken on more serious implications. Half of 36 foreign-born suspected terrorists who were in the USA from the early 1990s to 2004 gained legal status by marrying Americans — 10 of them through sham marriages — according to the Center for Immigration Studies, which promotes tighter immigration controls."

Arizona Voters Seen As Helping Boost Comprehensive Immigration Reform. The Los Angeles Times (11/9, 850K) says in an editorial, "Arizona held a referendum on immigration policy Tuesday. The winner was John McCain. McCain, the state's senior senator, wasn't actually on the ballot. Rather, candidates across the state campaigned for or against an idea that McCain and a few other Arizonans in Congress have championed: a comprehensive approach to immigration reform that provides more visas for guest workers, modifies the path to citizenship for illegal immigrants already in the country and improves border security. Critics of this approach, including Republican candidates for governor, attorney general and two of Arizona's eight House seats, argued instead for sealing the borders and enforcing current immigration laws. They all were defeated, despite the frustration and anger expressed by many Arizonans about the torrent of border jumpers." Now McCain and Rep. Jeff Flake "may get their way. With Democrats in control of the House next year, the prospects for a comprehensive overhaul have improved dramatically." The "voters of Arizona have pushed a comprehensive solution one step closer to reality."

TAX:

Rangel Says He Won't Roll Back Bush Tax Cuts. The Washington Post (11/9, D1, Montgomery, 690K) reports, "Democrats have pledged 'fiscal discipline,' starting with pay-as-you-go rules to prohibit the House from approving new spending or tax measures unless the costs are offset by tax increases or spending cuts." Democratic Rep. Earl Pomeroy, a member of the House Ways and Means Committee, said, "There's not going to be, frankly, room for some grand new adventure in federal spending." Still, "there's plenty on the Democratic wish list, starting with relief for the growing number of middle-class families hit by the alternative minimum tax, which jacks up their tax bills. Rep. Charles B. Rangel (D-N.Y.), likely to be the next Ways and Means chairman, said yesterday that 'tackling this very complex problem would be a good test of bipartisanship.'" Rangel "said he would not roll back tax cuts that President Bush won from the Republican Congress. But budget experts predict that Democrats will revisit at least some of them, such as lower rates for the richest Americans, lower rates on capital gains and dividends, and partial repeal of the estate tax, to pay for other priorities."

USA Today (11/9, McCoy, 2.27M) interviewed Rangel, who said, ""I enjoy working together with Republicans. … I enjoy a finished legislative product that you can get on the floor in a civil way and say, 'We worked on this together.' I think that's what the Congress is all about." USA Today adds, "That cooperation was lost during the Republican Party's 12-year control of the House, says Rangel, describing a political wandering-in-the-desert, when it wasn't odd for Ways and Means Democrats to learn about the committee's plans only after final decisions had been made." Rangel "says his predecessor, retiring GOP Rep. William Thomas of California, never spoke to him about US trade legislation apart from bills the New Yorker championed."

USA Today (11/9, Kirchhoff, 2.27M) also reports, "Because Democrats don't have a veto-proof majority in the House, or the 60 votes needed to limit Senate debate, some observers predict gridlock." But "even if passing laws is difficult, Democrats still have plenty of power to shape the agenda." Democrats "can affect the economy by declining to schedule votes on pending trade deals or expiring Bush tax cuts. There are also must-pass measures to fund the government and the war in Iraq, where Bush has less

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flexibility. Those bills could be a vehicle for adding other Democratic priorities."

Schumer Says Democrats May Raise "Some Taxes" On "Oil Companies And Things Like That." On Fox News' O'Reilly Factor (11/8), host Bill O'Reilly said to Sen. Charles Schumer, "I believe that Democrats are going to try to raise taxes. Am I wrong?" Schumer: "Well, you're mostly wrong. I mean, there will be some taxes. The loopholes for the oil companies that we'll attempt to close and things like that. But no, we're not going to raise taxes."

The Wall Street Journal (11/9, A1, 2.04M) reports Rangel "cites 'ending tax shelters for companies that move American jobs overseas' as one of his main objectives." Rep. Nancy Pelosi, "the probable new speaker of the House, has already called for ending 'tax giveaways' to oil companies, negotiating with pharmaceutical companies for better drug prices for federal health programs and rolling back tax cuts for the wealthiest Americans."

Rangel Open To Private Accounts "In Addition To Maintaining Social Security." On Fox News' Your World (11/8), host Neil Cavuto asked Rep. Charles Rangel, "The President talked a great deal today about private accounts" for Social Security. Is that "a non-starter to Charlie Rangel?" Rangel: "If it's in addition to maintaining Social Security as we know it, no, it's not a non-starter."

New Congress Expected To Scrutinize Some Industries. The Washington Post (11/9, S1, Montgomery, 690K) reports, "Democrats wasted no time yesterday proclaiming a new era in Washington, pledging to put middle-class economic issues at the top of their agenda. They promised fresh scrutiny of drug prices, corporate profits, international trade and more." The "presumptive chairmen of key House committees laid out plans to challenge the president on many issues important to business interests. For instance, an exuberant Rep. John D. Dingell (D-Mich.) rattled off a to-do list for the powerful Energy and Commerce Committee, including regulating dietary supplements, promoting electric cars and examining drug-safety procedures at the Food and Drug Administration. 'We'll kill the closest snake first,' he said when asked about his priorities."

The Financial Times (11/9, Kirchgaessner, Bowe, White) reports the elections "set the stage for heightened congressional scrutiny of pharmaceutical companies, oil and gas groups and government contractors such as Halliburton." Shares in Merck, Schering-Plough and other big drugmakers "fell on Wednesday in response to the polls," even as "the overall stock market rose, reflecting an emerging consensus among lobbyists that Democrats would take a selective approach in pushing for regulatory changes." The Wall Street Journal (11/9, C1, Johnson, Mathews, 2.04M) runs a similar report under the headline "Big Pharma Catches A Chill, Fearing Democrats' Prescriptions On Pricing."

New Congress To Revisit Some Bush Administration Federal Workforce Initiatives. The Washington Post's (11/9, D4, Barr) "Federal Diary" column reports, "The new Congress will take a more skeptical view of the Bush administration's approach to managing the federal government, in particular efforts to contract out federal jobs and link employee pay raises more closely to job performance. Those were the post-election predictions offered by a number of public policy experts, union leaders and Democrats yesterday." The Post adds, "Federal union leaders saw the election results as an opportunity to roll back some of the administration's workforce initiatives," and "some employee groups said yesterday that they expect to see Rep. Chris Van Hollen (D-Md.) serve as a bridge" on federal "employee issues." Outsourcing "efforts 'have demoralized people throughout the federal workforce,' Van Hollen said. 'The amount of time, energy and anxiety spent going through this process has far outweighed any benefit.'"

Democrats To Exact Office Space Revenge On GOP. The Washington Post (11/9, C1, Copeland, 690K) reports, "Perhaps we shouldn't call this revenge. Perhaps this is just what a party in power does. Dogs chase squirrels, and the majority party in the U.S. House gets to throw its weight around a little." Former Rep. Bob Wise said, "The first thing you've got to learn is that from now on, you don't get upstairs." Wise recalled "how some of the meeting rooms for Democrats were downgraded when the Republicans took over after '94. Members' personal offices are doled out on a seniority basis, but control over many other rooms falls to the majority."

CONGRESS-ADMINISTRATION:

Pelosi Vows Swift Action On Democratic Agenda. The Washington Post (11/9, A1, Weisman, Babington, 690K) reports Speaker-to-be Nancy Pelosi "promised swift action early next year on a Democratic package that includes an increase of $2.10 an hour in the minimum wage, full implementation of the recommendations

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of the bipartisan Sept. 11, 2001, commission, and making some college tuition payments tax-deductible." The AP (11/9, Espo) also notes Pelosi "pledged…to press for a new course in Iraq and move promptly to raise the minimum wage. 'We will not disappoint' the American people,'" she said. At a news conference in the Capitol, Pelosi also "pledged that Democrats will make the next Congress 'the most honest, ethical and open' one in history."

McClatchy (11/9) reports Pelosi "signaled Wednesday that she intends to steer a centrist course and work across party lines with President Bush to shape policy on Iraq, energy, Social Security and immigration." Pelosi "acknowledged that her party's return to the House majority after a dozen years in exile occurred largely because at least nine fairly conservative 'Blue Dog' Democrats won Republican seats. The liberal-tilting House Democratic caucus must accommodate them -- and the centrist voters they represent -- she conceded." Along similar lines, the New York Times (11/9, Hulse, 1.16M) reports on "the new mosaic of the Democratic Party in the House of Representatives -- incoming lawmakers who will make a diverse group of political officeholders even more eclectic. While much of the focus in the campaign was on the more moderate tendencies of Democratic contenders, the scope of Tuesday's Democratic surge makes for a more complex picture and a broader mix of ideologies. … The diverse viewpoints and backgrounds they are bringing to Washington could pose problems for…Pelosi."

On ABC World News (11/8, story 5, 1:50, 8.78M), George Stephanopoulos said a Democratic Congress "means an increase in the minimum wage. We saw six states pass initiatives for increase in the minimum wage. It is at the top of the Democrats' agenda. If they control both houses of the Congress, I think they'll be able to pass that. On the President's agenda I think it means he has a better chance of passing the immigration reform that died in the last Congress. Democrats like it more than Republicans do. … On the other hand, the President and his team are going to get investigated more by the Democrats and I think this is most important, if the Senate switches control, the Democrats will be able to block President Bush's judge nominations, including another one on the Supreme Court, if it came up." The Washington Post (11/9, 690K), in an editorial titled "The 'Thumping' of the GOP," lists the top Democratic issues and adds, "If Democrats aren't responsible enough to stop using those issues as political footballs and start considering the future fiscal health of the country, they won't deserve to remain in the majority."

Pelosi, who is receiving largely positive media coverage one day after the midterm elections, made several public appearances and granted interviews to all three network newscasts, PBS and CNN. Pelosi, says USA Today (11/9, Stone, 2.27M), "wasted no time making clear who's in charge now. 'Democrats are ready to lead,' the San Francisco congresswoman declared at a news conference Wednesday, hours after her party reclaimed control of the House of Representatives to end 12 years of Republican rule. And prepared to lead the Democrats is an Armani-clad daughter of an old-fashioned Baltimore politician about to become the first female speaker of the House -- two heartbeats from the presidency." And the Christian Science Monitor (11/9, Chaddock, 59K) reports that "what helped Pelosi become the first female speaker…is old-school pragmatism: a practical sense of how to build power and no qualms about using it."

ABC World News (11/8, story 10, 2:50, Gibson, 8.78M) described her as "a liberal Democrat from San Francisco, a grandmother many times over, awaiting another grandchild any day now. She comes from a political family but waited to enter politics herself until her kids were grown. As Speaker, she'll be third in line for the presidency." ABC (Moran) added Pelosi "is the woman of the moment in this city right now." In an interview with Pelosi, ABC asked her about the "bad blood built up" between her and President Bush. Is Bush, asked ABC, "still incompetent, shallow and dangerous and all the other things you have called him?" Pelosi: "Incompetence in the implementation of a war, it is dangerous. But again, the election is over. Right now, I'm the Speaker of the House of Representatives. I'm not the leader of the Democrats. I will be the Speaker of the whole House of Representatives." Moran: "There is one thing about Nancy Pelosi's rise that transcends politics, she'll be the most powerful woman in US history when she becomes speaker. Are you going to use the mother of five voice?" Pelosi said, "The mother of five voice comes in handy. My colleagues hear it coming, they know." ABC added, "And that voice works. Nancy Pelosi managed to instill discipline in Democratic ranks. She'll need to keep that up, as the country looks to her and Democrats as they take power in Congress."

The CBS Evening News (11/8, story 8, 2:55, Couric, 7.66M) noted Pelosi and the President "have said some pretty nasty things about each other." Pelosi told CBS, "I never called the President a liar. That I never did. I said it's time for

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the President to tell the truth to the American people. I think that much of the truth has been withheld from the American people." Asked about the fact that she's expected to become the first woman to be Speaker, Pelosi said, "I've broken the marble ceiling. This Congress is steeped in tradition and history. It's very hard for a woman to suck steed the level I have that and I think it send a message to all women that if this can happen, anything can happen." Pelosi repeated that message, almost word by word, on CNN's The Situation Room (11/8, Blitzer), "Congress is…an institution steeped in history and tradition. For a woman to break through what I call the 'marble ceiling' here is something quite remarkable. It sends a message that women can do anything. … I feel a very special responsibility. I feel a responsibility to have the most honest and open Congress, to have a Congress that has civility as its hallmark, bipartisanship in our debate and our deliberations, and fiscal soundness as a woman would want to have, not heaping mountains of debt on future generations. And as the first woman speaker, I would want to conduct myself, perform my duties, in a way that would be sure that it wouldn't be too long before we'd have another woman speaker of the House."

The AP (11/9, Zuckerbrod) reports Pelosi recounted that Bush's call was "so very, very early in the morning," and that "an ebullient Pelosi recalled…that Bush referred to her as 'Madam speaker-elect, and I referred to him as president.'"

NBC Nightly News (11/8, story 6, 3:35, Williams, 9.87M) reported Pelosi will be "the first woman in that job. As Nancy Pelosi reminded us as we sat down with her today, the first Italian American as well." In her interview with NBC, Pelosi discussed her morning phone call from President Bush, "The call was very friendly. He extended a hand of friendship. I told him what I said earlier in the evening that I looked forward to working with him in partnership, not partisanship." On PBS' NewsHour (11/8, Warner), Pelosi said of Bush, "He's the President of the United States. I respect the office, and I respect him. I don't respect his judgment on Katrina, on Iraq, and on a number of other issues."

The New York Times (11/9, Mills, 1.16M), in a piece titled "Nancy Pelosi Is Ready to Be Voice of the Majority," says that when she "faced the cameras Wednesday morning, after the Democrats had taken a majority in the House and put her on the brink of becoming the first female speaker, she spoke so softly at first that some reporters insisted they could not hear her. Then suddenly, she was commanding: 'But I could use my mother-of-five voice!'" It is "a line Ms. Pelosi uses often, and a voice she may have to rely on frequently as she tries to ensure that the new Democratic majority lasts more than two years."

Rep. Charles Rangel, appearing on MSNBC's Tucker (11/8, Carlson), said, "It's remarkable that I'm the first African-American to head the Ways and Means Committee. She's the first woman to become speaker. But it shows, in this great Republic, that there's progress. And it inspires other people to get involved in public life, hopefully."

On Fox News' O'Reilly Factor (11/8), Sen. Charles Schumer said of Pelosi, "She may vote her district, but she is going to run the Democratic Party in a way that's pragmatic."

Rep. Peter King said on Fox News' O'Reilly Factor (11/8), "I like Nancy Pelosi as a person. But her base is going to be very liberal wing of the Democratic Party. They in many ways just hate George Bush. It's almost irrational. And that's their base."

Pelosi Says Investigations Needed About Iraq, Halliburton, Katrina. On PBS' NewsHour (11/8, Warner), Pelosi said, "Investigations are needed in terms of -- I think the American people want to know about Katrina, about contracting and Halliburton in Iraq. They want to know how we have the energy policy that we do so that we go forward to protect the American people in case of natural disaster, to protect us in times of" war. She added, "That would be three places where I think hearings would be very necessary for us to go forward for better policy."

Pelosi said on CNN's The Situation Room (11/8, Blitzer), "Subpoena power is a last resort. We would hope that there would be cooperation from the executive branch in terms of investigating the pre-war intelligence. I don't know -- those decisions will be made by our caucus with the wisdom of the committees of jurisdiction."

The Washington Post (11/9, A1, Weisman, Babington, 690K) reports Pelosi also "said she will not heed the calls of some activists on the left to explore impeaching the president. But with subpoena power and committee chairmanships, Democrats will ensure that Bush's anti-terrorism and war policies receive tough scrutiny in the last two years of his presidency."

Pelosi Suggests "Troublemakers" Would Leave Iraq If US Pulled Out. ABC World News (11/8, story 10, 2:50, Moran, 8.78M) asked Pelosi about her position on the Iraq war, she said, "Our presence in Iraq has been provocative to our enemies. It is viewed as an occupation. And is resisted not only by Iraqis but others in the region. And those

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troublemakers, few in number, but nonetheless, a menace, would probably leave Iraq after we left Iraq. They're there because we're there.

New Congressional Democratic Majority Will Affect Judicial Nominations. The Legal Times (11/9, Goldman) reports, "Democrats, as widely expected, wrested control of the House of Representatives from the Republicans, after 12 years of Republican rule, in elections across the country Tuesday, setting the stage for a series of intensive investigations of the Bush administration by several different House committees. … But it appears Democrats also carried the Senate -- radically changing the politics of federal judge-picking as well -- and that victory was something of a surprise, even to them. As of Wednesday afternoon, Democrat James Webb had claimed victory in the Virginia Senate race over incumbent Sen. George Allen, but a recount that could take several weeks appeared likely. If Webb is indeed the winner, Democrats will have a 51-49 edge. … 'There just wasn't a firm sense this would happen,' says a senior Democratic staffer. 'It could have been as few as two pickups,' the staffer adds, referring to previously Republican seats won by Democrats. 'But six was at the high end.'" The Times continues, "The Democratic Senate victory, assuming it holds, could also have profound implications for the next Supreme Court pick, if 86-year-old Justice John Paul Stevens dies or resigns, or another justice resigns or falls ill, during the last two years of the Bush administration. .. 'The biggest thing [about the Democratic takeover] is judges,' notes David Hoppe, former chief of staff to Sen. Trent Lott, R-Miss. 'Everything else has a way of working itself out,' adds Hoppe, now a lobbyist at Quinn Gillespie & Associates." The Times notes, "By midday Wednesday, Senate Judiciary Committee Democrats had already plunged into discussions over the agenda they planned to carry out in their expected majority status. … If they are indeed the majority, then when the 110th Congress begins in January, the Senate Judiciary Committee will be led by Vermont's Patrick Leahy, a 32-year veteran who had previously chaired the committee for 18 months, from mid-2001 until just after the 2002 elections, after the departure of Vermont's James Jeffords from the Republican Party."

Murtha, Hoyer Line Up Support For Majority Leader Post. Roll Call (11/9, Yachnin, Bresnahan) reports that as Rep. Nancy Pelosi "pledged Wednesday to rule the House fairly in the 110th Congress as the first-ever female Speaker, a handful of senior Democrats moved aggressively to secure other leadership posts in their nascent majority." One of the "architects of that victory — Democratic Congressional Campaign Committee Chairman Rahm Emanuel (Ill.) — remained mum about his plans despite speculation that he could run for Majority Whip." Current Minority Whip Steny Hoyer (D-Md.) "was not similarly hesitant, formally announcing his bid for the Majority Leader's office early Wednesday morning and confidently predicting that he will secure the post when Democrats vote in leadership election on Nov. 16." But Rep. John Murtha (D-Pa.) — "who stunned fellow lawmakers when he announced in June that he would campaign for the Majority Leader post against Hoyer — re-affirmed his own interest in the office Wednesday." In addition to "the Majority Leader competition, Democrats could see a contest for control of the third-ranking post of Majority Whip. Although House Democratic Caucus Chairman James Clyburn (D-S.C.) remained the only active candidate for the post Wednesday evening it is possible that Emanuel, who has said he will not serve a second term as DCCC chairman, will make a bid for the office."

Hoyer discussed his bid on MSNBC's Hardball (11/8), saying, "I think I'm going to win the race. … I think my colleagues will be supporting me for the work that we've done in the past with Nancy Pelosi, who will be our next speaker, creating the kind of unity and consensus within our party that has led us to be the most unified we've been in a half a century. So I'm very confident." Host Chris Matthews later said, "I think Murtha could be a difficult challenger, but you seem to have the numbers now."

New Line-Up Of Committee Chairmen Noted. The Wall Street Journal (11/9, A4, Mullins, 2.04M) reports, "Some in line to become chairmen have suggested that, even if they can't pass legislation that Mr. Bush would sign into law, they would use the power of the gavel to conduct oversight hearings and investigations into the administration and some of its corporate allies." In the Senate, "Pat Leahy of Vermont would take over the Judiciary Committee; Hawaii's Dan Inouye would take the reins of the Commerce Committee; Edward Kennedy of Massachusetts would inherit the Health, Education, Labor and Pensions Committee; and Jeff Bingaman of New Mexico would run the Energy and Natural Resources panel." Rep. Barney Frank, "expected to take over the Financial Services Committee, will focus attention on affordable housing and predatory lending. But Mr. Frank also hopes to enact new regulations on government-sponsored

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enterprises, such as Fannie Mae and Freddie Mac, that were endorsed by the current chairman, Mike Oxley (R., Ohio)." Rep. Henry Waxman, "who will run the Government Reform Committee plans to probe oil-company prices, government contracting in Iraq and massive growth in homeland-security expenditures." The Journal adds, "Others assuming committee chairmanships in the House include Michigan's John Conyers at the Judiciary Committee; California's George Miller at the Education and Workforce Committee; and Wisconsin's David Obey at the Appropriations Committee."

The Financial Times (11/9, Yeager) reports Democrats yesterday "tried to deflect attention from the liberal records of those set to ascend to top jobs in Congress, vowing to work with Republicans. 'We extend a hand of co-operation to the president, our colleagues across the aisle,' said Rahm Emanuel, the Chicago Democrat who led the party's campaign committee. 'We'll work with you when we agree, we will challenge you when we don't. But our goal will always be the best interests of our country.'"

USA Today (11/9, Kirchhoff, 2.27M) reports, "One of the few openly gay House members, the Harvard-educated Frank is a liberal on social issues. He advocates tougher regulation in areas than current Chairman Michael Oxley, R-Ohio, but insists he's not anti-business. Frank's goal is to ensure that economic benefits are better distributed. … Among Frank's priorities: expanding affordable housing, enhancing consumer privacy rights and going after predatory mortgage lending."

The Wall Street Journal (11/9, A4, Fialka, 2.04M) reports that Dingell, "who has long had a reputation as a partisan investigative bulldog, is in the unusual position of cautioning younger Democrats to resist the impulse to seek revenge on their Republican colleagues. 'Revenge makes you feel good,' says Mr. Dingell, the Michigan Democrat who, at 80 years old, is the most seasoned member of the committee chairmen taking control in the House. 'It ain't the right way to go, but it's going to cause me some problems.'" Dingell "says he plans to run his panel 'from the center' and work out a formula for comity that allows Republicans to participate in the panel's decisions and investigations." But "he and other Democrats who want to reach out to Republicans to avoid gridlock may encounter some resistance from younger Democrats, half of whom have never served in a House controlled by Democrats."

Angry Conservatives Blame GOP Leadership For Losses. McClatchy (11/9, Thomma) reports, "Republicans turned on one another Wednesday after losing control of power in Congress -- blaming an out-of-touch, self-promoting party leadership for abandoning ethics and conservative principles and turning off the country." Conservative strategist Richard A. Viguerie "was especially caustic. 'Every single member of the Republican leadership in the House should be replaced. They have failed the conservatives who put them in office, and they have failed the people of this country,' Viguerie said. … 'I feel liberated,' said conservative radio talk show host Rush Limbaugh, one of the party's biggest cheerleaders. 'I no longer am going to have to carry water for people who I don't think deserve having their water carried.'" In "one of the most stinging indictments, David Keene, the longtime president of the American Conservative Union -- the nation's oldest grass-roots conservative lobby, founded in 1964 -- ripped Republicans for spending more taxpayer money than Democrats had and for weak ethics." Keene "joined Rep. Eric Cantor, R-Va., in urging House Republicans to postpone their leadership elections until January. Cantor is a member of the existing House Republican leadership as chief deputy whip." The Washington Post (11/9, D1, Kurtz, 690K) runs a similar story under the headline "Conservative Talkers, Feeling Just a Little Blue."

USA Today (11/9, Bazar, 2.27M), in a story headlined "GOP Starts To Play The 'Blame Game' Over Its Big Losses," notes Limbaugh's comment, as well as former majority leader Tom DeLay's contention that "Republicans had failed to fight for their core beliefs on such issues as tax reform and immigration." Dick Armey, "former House majority leader and an architect of the Republicans' 1994 takeover of Congress, told National Public Radio's Diane Rehm that the GOP had become the big government party. 'They actually grew the government,' he said." Dick Armey also writes in the Wall Street Journal this morning (11/9, A14), "It was a rout. … One big issue in exit polls suggests widespread voter backlash against the 'culture of corruption.' There is something to this, I think. Over time, too many Republicans in the governing majority forgot or abandoned their national vision, letting parochial interests dominate the decision-making process."

The Christian Science Monitor (11/9, Chaddock, 59K) reports "GOP self-critics say that the bad environment -- scandals, war, the economy, or the president -- doesn't account for this historic GOP defeat. The need, they say, is to

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get back to the principles that won them their majority in 1994. Call it a bridge to the insurgent past."

A couple of opinion pieces by conservatives offered a more benign reading of the election, and what it means for Republicans. Jonah Goldberg, who is editor at large of National Review Online, writes in USA Today (11/9, 2.27M) reports, "Don't let the spin fool you: These elections were neither a repudiation of conservative values nor an endorsement of the Democratic Party." The GOP "got thrown out of office because it got fat and lazy and because Democrats -- with the help of a transmission-belt media -- convinced a lot of voters that they could simply change the channel on the war by voting for 'change.'"

George Will, in Washington Post (11/9, 690K), also offered an optimistic assessment of the future of conservatism, listing "three reasons for conservatives to temper their despondency. First, they were punished not for pursuing but for forgetting conservatism. Second, they admire market rationality, and the political market has worked. Third, on various important fronts, conservatism continued its advance Tuesday. … The country remains receptive to conservatism. That doctrine -- were it to become constraining on, rather than merely avowed by, congressional Republicans -- can be their bridge back from the wilderness."

Hastert Won't Seek Minority Leader Post. The CBS Evening News (11/8, story 9, 2:15, Couric, 7.66M) reported, "With the Democrats soon to be the majority in the House, who will lead the Republican minority? The top Republican, Speaker Dennis Hastert, under fire in the Foley page scandal, said today he doesn't want the job." The AP (11/9, Espo) says Hastert's decision "cleared the way for a likely succession battle among lawmakers who face the sudden loss of power after a dozen years in the majority. Rep. John Boehner of Ohio, currently the majority leader, is expected to run for leader, and Rep. Mike Pence of Indiana announced during the day he also will seek the post. Joe Barton of Texas has signaled he may join the field."

USA Today (11/9, Kiely, 2.27M) reports, "Nine races remained too close to call," but "Rep. Deborah Pryce, an Ohio Republican, was in one of them. Pryce, the only female member of the House GOP leadership team, told colleagues in a letter that she would also give up her leadership post even if she wins re-election."

With Santorum Defeated, Alexander Confident Of Winning Senate Minority Whip Post. The AP (11/9, French) reports Sen. Lamar Alexander "said today he's confident his Republican colleagues will select him to be GOP whip, the party's No. 2 leadership position in the Senate." Alexander said he's "close to a majority and 'working on a consensus' to win the post now that his closest rival, Pennsylvania Sen. Rick Santorum, lost his re-election bid." Alexander "for months has been meeting with Senate Republicans in hopes they will select him to be the GOP whip. The current whip, Sen. Mitch McConnell of Kentucky, is expected to succeed Sen. Bill Frist as GOP leader."

Democratic House Majority Could Continue To Grow. Roll Call (11/9, Whittington) reports Democrats "claimed a comfortable House majority in Tuesday's midterm elections and appear poised to also capture control of the Senate pending a final vote tally in Virginia, as voters across the country voiced widespread frustration with President Bush and the Republican Party's leadership." In the House, Democrats "picked up a minimum of 28 seats, with the potential for at least one more gain pending final vote confirmation or recounts. In the Senate, Democratic challengers defeated Sens. Rick Santorum (Pa.), Mike DeWine (Ohio), Jim Talent (Mo.) and Lincoln Chafee (R.I.)." Sen. Conrad Burns (R-Mont.) "narrowly trailed state Senate President Jon Tester (D) into the wee hours Wednesday morning and the race was called for Tester by mid-day, although Burns has yet to concede." But even "as the official Senate outcome and several House races remained up in the air and recount teams were being deployed Wednesday morning, strategists in both parties already were shifting their focus to the 2008 landscape and assessing how sustainable the new Democratic majorities might be." National Republican Congressional Committee Chairman Tom Reynolds (N.Y.) "conceded that the seats held by GOP Reps. Anne Northup (Ky.) and Jim Leach (Iowa) — two of the biggest upsets Tuesday — would be all but impossible to return to the GOP fold. Leach had held his seat for 15 terms." Sen. John Kerry (D-Mass.) "carried both districts in the 2004 presidential contest, and he also won the districts held by defeated Reps. Clay Shaw (Fla.), Curt Weldon (Pa.), Nancy Johnson (Conn.) and Charles Bass (N.H.)." But Reynolds "also sounded confident that his party would be able to recapture some of the GOP-friendly territory lost in 2006. He held out the seats of Reps. John Sweeney (N.Y.) and Jim Ryun (Kan.), both of whom were defeated on Tuesday, as prime pickup opportunities in 2008." Democrats, however, "likened their strong performance in the Democratic-friendly

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Northeast to the political realignment that occurred in the GOP tidal wave of 1994, when Democrats lost a disproportionate number of seats in the South — most of which they have not since reclaimed."

Ronald Brownstein writes in the Los Angeles Times (11/9, 850K), "The rolling realignment of US politics accelerated Tuesday, as Democrats strengthened their hold over the Northeast and opened new beachheads in the Midwest and Mountain West that could prove critical to their hopes of winning the White House two years from now. These and other political changes, illuminated by the 2006 election like a late-night flash of lightning, could signal a new stage in the competition between the two major parties." For Democrats, "the watchword Tuesday was growth: the party expanded its reach with key groups of swing voters as it made notable advancements on previously GOP-leaning terrain." The results "sent Republicans a message of retrenchment: the Democratic surge reversed President Bush's gains in the 2004 vote among women and Hispanic voters and saw the GOP virtually obliterated across the Northeast and mid-Atlantic."

Close Races May Mean Recounts In Half Dozen Districts. Roll Call (11/9, Murray, Drucker) reports, "Election Day may stretch well in to mid-November or beyond, as a bumper crop of midterm nail-biters mean that state elections officials may re-tally the vote in perhaps a half dozen or more House races." As of Wednesday afternoon, Carl Forti, "spokesman for the National Republican Congressional Committee, said the GOP was keeping a watchful eye on races involving incumbents Reps. Rob Simmons (Conn.), Robin Hayes (N.C.), Barbara Cubin (Wyo,), Heather Wilson (N.M.) and J.D. Hayworth (Ariz.) — and GOP House campaign leadership hinted that the list may not be fixed." Roll Call adds that by "late Wednesday, Democrat Joe Courtney's narrow lead over Simmons appeared to trip a Connecticut state law requiring recounts. With 100 percent of precincts reporting, the total vote in Connecticut's 2nd district had Courtney besting the three-term incumbent by less than 200 votes." In addition "to those races flagged by the GOP, Democratic Congressional Campaign Committee spokesman Bill Burton said Democrats were keeping tabs on Franklin County Commissioner Mary Jo Kilroy's (D) attempt to oust the House GOP's fourth-ranking Member, Rep. Deborah Pryce (Ohio). Burton also said Democrats were concerned about alleged voting irregularities in Florida's 13th district, where automobile dealer Vern Buchanan (R) narrowly defeated banker Christine Jennings (D) in the race to replace Rep. Katherine Harris (R)."

Biden Says At Meetings, Bush Tells Cheney To "Shut Up" Or "Something To That Effect." Sen. Joseph Biden said on MSNBC's Hardball (11/8, Matthews), "One thing about this President, in my meetings with he and [Vice President] Cheney, there's no question who the boss is. He, the President, is the boss. … He'll just say, 'Shut up, Dick,' or something to that effect. … Here's what this President does: He delegates full authority and walks away. … He decided that Cheney was the guy, that he was the smartest guy to do this, and now I think he's decided Cheney ain't working. And so what he's saying is 'Dick, I'm changing. I'm the boss. Here's what we're doing.'"

Rep. Jack Murtha said on MSNBC's Hardball (11/8, Matthews), "I've felt for a long time that the Vice President doesn't have the influence that he had before."

Bush To Meet With Big Three Executives. The AP (11/9) reports President Bush's "long-promised meeting with the heads of Detroit's Big Three automakers will be held Tuesday at the White House." The auto executives "tentatively were scheduled to meet with Bush in May, but in September, the meeting was pushed back until after the election." The delay "prompted criticism from Michigan's Gov. Jennifer Granholm and other Democrats who said the administration had neglected the problems of the Big Three automakers and its workers."

Bush To Examine Bill To Give DC House Voting Rights. The Washington Post (11/9, B1, Woodlee, 690K) reports President Bush said "he will review a bill to give District residents full voting rights in the House, marking the first time he has spoken about a measure that local lawmakers are trying to win approval for over the next few weeks." The bill, "introduced six months ago, also would add a congressional seat for Utah. Proponents of D.C. voting rights have waged a major push to get the bill passed this year." Bush said, "It's the first I've heard of it. I didn't know that's going to come up from the lame duck." The Post adds, "Bush's comments come a week after prominent D.C. politicians and business leaders met to determine how they can get the bill passed this year."

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OTHER NEWS:

Bush Says Election Was A "Thumping." In a press conference yesterday, President Bush said that although the midterm elections were close on a race-by-race basis, overall they represented a "thumping." Bush's "thumping" quote was broadcast in all three network newscasts, and appears on the front-page headlines of several major newspapers. Bush also took his share of responsibility for the GOP loss, and reached out to Democrats. USA Today (11/9, Jackson, 2.27M) reports Bush "began rebooting his agenda on Wednesday, ticking off a revised list of priorities that include education, an immigration overhaul and maybe even an increase in the minimum wage." Bush "pledged to 'work through our differences' with incoming House speaker Nancy Pelosi and other Democratic leaders. He said that includes the conduct of the Iraq war. … To jump-start the final two years of his presidency, Bush said he would draw on his experience as governor of Texas, where he developed a reputation for working well with Democrats who controlled the Legislature on such issues as raising education standards and toughening penalties for juvenile crimes." Bush "said there may be some 'common ground' on a Democratic proposal to increase the minimum wage from $5.15 an hour to $7.25 as long as there is 'compensation' for small business owners. … Bush also expressed hope for a more 'comprehensive' immigration bill that includes expanded employment opportunities for temporary 'guest workers.'" USA Today adds, "Among other agenda items Bush cited: an extension of his signature No Child Left Behind education law, promoting alternatives to oil and dealing with unfunded liabilities in entitlement programs, including Social Security"

The Christian Science Monitor (11/9, Feldmann, Grier, 59K) reports, "The tectonic plates of Washington power have shifted, presenting both…Bush and the new Democratic majority in Congress with an opportunity to work together and leave behind the politics of confrontation. … The reality, analysts say, is that the next two years are likely to offer a blend of confrontation and common ground. The Democrats…don't want their hard-fought majority to vanish in the next election. The incentive for Bush, entering the final two years of his presidency, is to leave his party in a position to compete effectively in 2008." He "can take a page from his earlier days as governor of Texas, when he gained a reputation for working well with Democrats."

Media reports describe the President with terms such as "contrite" and "humble," and several newspaper stories and opinion pieces focus their election analyses on Bush's low popularity ratings. The Los Angeles Times (11/9, McManus, 850K), for example, says Bush's "effort to secure his legacy was encumbered by two inflexible factors: the loss of a once-supportive congressional majority and the weight of an unpopular war. … What lies ahead, Bush's remarks suggested, might be a presidency open to compromise on domestic legislation but committed to its basic strategy in Iraq and the war on terrorism -- one-half Austin, Texas, one-half Sept. 11." Robert Novak, in a syndicated column appearing in the Washington Post (11/9, 690K), writes "only gerrymandered House districts prevented a landslide that would have given the Democrats a House majority of historic proportions, approaching 50 seats." The reaction from losing "candidates was anger at…Bush and his political team. That includes a rising GOP undercurrent against Iraq policy. The unpleasant truth is that Republicans lost almost everywhere the president campaigned during the past week." Also in the Washington Post (11/9, 690K), David Broder notes "a few days before the election, Bernadette Budde, political director of BIPAC, the Republican-friendly Business Industry Political Action Committee, was quoted here as warning of the imminence of what she correctly predicted would be 'an earthquake.' The only people who seemed oblivious to the warning signs were…Bush and his political adviser, Karl Rove." The Republican Party "paid a heavy price for Bush and Rove's obduracy -- and for the miserable performance of the GOP congressional leadership."

Stuart Rothenberg, in Roll Call (11/9), says Bush, "of course, is the biggest loser" in this election "in a number of ways. He loses at least one chamber, and he is the reason Republicans took a bath on Tuesday. He may console himself by believing that he has the right policy in Iraq and history will judge him kindly." But "his performance in office has destroyed a number of noteworthy political careers, and he would be wise to never forget that."

David Brooks, in the New York Times (11/9, 1.16M), writes that "on Tuesday the muscular middle took control of America. Say goodbye to the era of Rovian base mobilization. Say goodbye to the era of conservative dominance that began in 1980."

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Dana Milbank, in his "Washington Sketch" column for the Washington Post (11/9, A2, 690K), says "Rove will have to surrender his 'genius' credentials after the GOP lost the House and apparently the Senate. But the recriminations weren't stopping at Rove's door. The president…went on to blame everybody else. He blamed corruption. … He blamed Mark Foley, whose name remained on the Florida ballot. … He blamed ballot rules. … He blamed bad luck: 'If you look at race by race, it was close.' … And, not least, he blamed the uncomprehending voters: 'I thought when it was all said and done, the American people would understand the importance of taxes and the importance of security. But the people have spoken, and now it's time for us to move on.'" Milbank adds, "The president's performance fit neatly into yesterday's version of the post-election ritual in Washington: The winning side gloated, and the losing side pointed fingers every which way."

On NBC Nightly News (11/8, story 5, 9.87M), Tim Russert said of the election results, "Some are saying it is typical of what happens in the midterm election. Bill Clinton gained five House seats in his second midterm, Ronald regular an lost a handful. This was much bigger than that. Where the White House is correct is war is hard on President's war parties. In the civil war, world war one, world war ii, Korea and Vietnam, the average loss to a party in an election year at war was 37 House seats and seven Senate seats. That's what we saw last night. People anxious about the war."

The Washington Post (11/9, A1, Balz, 690K) describes Bush as "politically humbled." The Post adds Bush and Rove's political model ""has often elevated policies and tactics designed to energize conservative activists over an appeal to what many GOP strategists saw as a shrinking middle of the electorate. But on Tuesday, the center struck back, voting decisively for Democratic candidates in House races." The President "responded with a renewed call for bipartisan cooperation."

ABC World News (11/8, lead story, 2:50, Raddatz, 8.78M) reported "the President seemed almost contrite about the impact this war had on the voters." Bush: "I recognize that many Americans voted last night to register their displeasure with the lack of progress being made there. It's very important that the people understand the consequences of failure." Bush "summed up what happened with one phrase." Bush was shown saying, "It was a thumping." NBC Nightly News (11/8, lead story, 4:00, Gregory, 9.87M) said, "The President appeared humble, admitting he heard the voter's message on Iraq." The CBS Evening News (11/8, lead story, 3:00, Axelrod, 7.66M) said "Bush didn't duck the drubbing in yesterday's election." He "was conflicted. Losing…had him extending his hand to Democrats." Bush was shown saying, "I understand when campaigns end and I know when governing begins and I'm going to work with the people of both parties." But "in the next breath, he was dug in as ever about the war in Iraq." Bush: "If the goal is success, we can work together. If the goal is get out now regardless, that's going to be hard to work together."

The Los Angeles Times (11/9, Hook, 850K) headlines its story "Bush Bows To Election Day 'Thumping' From Democrats," and says "the ritual of post-election fence-mending began early Wednesday morning, when Bush began dialing congressional leaders, including Democratic chieftains he only rarely consulted while they were in the minority." NBC Nightly News (11/8, story 4, 0:50, Williams, 9.87M) also noted the President said yesterday he plans to meet with the Democratic leadership. The Wall Street Journal (11/9, A1, 2.04M) says that when Bush and Pelosi "meet for lunch at the White House today, Mr. Bush and his party will come to the table significantly weakened, and Mrs. Pelosi's Democrats considerably strengthened." The Washington Post (11/9, 690K) run an editorial titled "The 'Thumping' of the GOP," in which it urged Bush and the Democrats to move on to the business of governing. If Democrats don't "stop using…issues as political footballs…they won't deserve to remain in the majority."

The Washington Times (11/9, Curl, 88K) says a "contrite" Bush said "he shares 'a large part' of the responsibility for the 'thumping' suffered by Republicans on Election Day." The AP (11/9, Riechmann, Raum) quotes Bush saying, "I thought we were going to do fine yesterday, shows what I know."

The Washington Times (11/9, Dinan, 88K), in a story titled "Bush Eyes Democrats For Help On Amnesty," says "Republican opponents" of Bush's immigration reform plan "predicted a bloody intraparty fight but said they cannot stop such a bill from passing."

The Chicago Tribune (11/9, Zuckman, 617K) says "the historic midterm election provided a sharp rebuke to Bush and his policies."

White House Handling Of Violence Upsurge In Iraq Seen As Key To Election Results. The New York Times (11/9, Nagourney, Rutenberg, Zeleny, 1.16M) reports the two

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weeks after President Bush's weeklong commemoration of September 11 were critical to the midterm election results: "The political world had turned, propelled by new bursts of violence in Iraq, new questions about incompetence in the waging of the war in Iraq, and an intelligence report suggesting that the American invasion had actually worsened the terrorist threat." As Republicans and Democrats "reviewed the outcome of a midterm election yesterday that upended political power in Washington, they pointed to this span of time as the most critical period of the campaign. Aides on both sides said that, as much as anything this year, the parties' contrasting reactions to the renewed violence in Iraq accounted for the breadth of a Democratic victory that cost Republicans close to 30 seats in the House and, it appears, control of the Senate." From October on, "in stump speeches and television advertisements, the Democrats moved the war front and center. Republican candidates began to avoid the issue. Yet to the increasing distress of Republican Party strategists, the White House appeared to play into Democratic hands, as Mr. Bush and Vice President Dick Cheney continued to offer arguments for victory."

Frum Offers Advice To Bush. David Frum, a former Bush speechwriter, writes in the Wall Street Journal (11/9, A14, 2.04M) that "the administration seems to have exhausted its energy. Frustrated by Iraq, wounded by Katrina, thwarted in its two most recent major domestic initiatives (Social Security and immigration), the administration looks baffled, uncertain and often strangely passive." But Bush "can yet regain the initiative." Bush "should prepare to bombard Congress and the media with new ideas and proposals that rally his own party, divide his opponents and drive a wedge between left-wing Democrats and the voting public. So long as he is acting, he forces Congress to react. … At home, the administration should seek less to pass legislation -- although legislative success is always welcome -- than to clarify the differences between the parties for 2008. For instance: The president talked vaguely in 2005 of a grand new tax reform, but never gave enough detail to interest anybody in his ideas. What he had in mind, of course, was a shift away from taxing work, savings and investment toward taxing consumption. Good idea, but awfully abstract. The next Congress offers an opportunity to make it clear what this reform means."

More Commentary On Election Results. Bill Safire, writing in the New York Times (11/9, 1.16M) under the headline "After The Thumping," says that "despite the pervasive weariness with the war and the high tide of irritation at Bush's steadfastness; despite the general disgust at the policy paralysis and ethical laxity in the wake of muscle-bound one-party control — the result was only the average loss of House and Senate seats of the party in power midway in the second term of a president." Safire adds, "A political shakeup every dozen years is a necessary cathartic for the two-party system. What's more, the rightward cast of many Democrats in the freshman class is hardly bad news for conservativism. And the heartening victory of Joe Lieberman over the angry far left in liberal Connecticut augurs a renewal of a brief period of bipartisanship at the water's edge. … So cheer up, my fellow right-wingers, especially those of you who have grown too accustomed to winning every election night. Sometimes we have to suffer a loud, corrective slap before readying the political counterpunch."

In an editorial, the Wall Street Journal (11/9, 2.04M) laments that the GOP gave "so much ammunition" to Democrats: "By our count, at least eight GOP House seats fell largely due to scandal; campaign-finance ties to disgraced lobbyist Jack Abramoff probably cost Conrad Burns his Senate seat in Montana. These columns have spent several years warning Republicans that their overspending, corrupt 'earmarks' and policy drift would undermine their claim as the party of reform. On Tuesday they did."

In an editorial, the New York Times (11/9, 1.16M) calls the election "a satisfying expression of the basic democratic principle of accountability. A government that performs badly is supposed to be punished by the electorate. And this government has performed badly on so many counts." The Times adds that "while they are trying to build a new majority, the Democrats need to remember what happens when a party in power loses its way."

Morton Kondracke writes in Roll Call (11/9, Kondracke), "The 2006 election results were a rebuke not just to President Bush and Congressional Republicans but to radio talk-show hosts and other right-wing polarizers."

DeWayne Wickham writes in USA Today (11/9, 2.27M), "In the days leading up to the midterm elections, the president sounded a dire warning. The nation would face 'innumerable obstacles to steady progress' if Democrats wrested control of Congress from Republicans, he said in a speech to supporters. But when the votes were counted the American electorate didn't heed his words, and the president quickly tried to position himself as a healer, not a divider. … If none of this sounds familiar to you, that's understandable. The president I'm talking about is Dwight D. Eisenhower, not

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George W. Bush. And the midterm elections were in 1954, not the ones held two days ago." Wickham adds, "Many lessons can be learned from the drubbing that Republicans took at the polls this week. But none is more compelling than this: Americans don't want the fate of this nation to rest solely in the hands of George W. Bush and the Republican Party he leads."

E.J. Dionne writes in the Washington Post (11/9, 690K), "American voters, in their wisdom, ended an era on Tuesday. They rejected a poorly conceived war policy in Iraq that has weakened the United States. They rejected a harshly ideological approach to politics that cast opponents as enemies of the country's survival. They rejected a president so determined to win an election that he was willing to slander his opponents by saying: 'The Democrat approach in Iraq comes down to this: The terrorists win and America loses.'" The voters "decided there was no decency in that."

Democratic Lobbyists Eager To Share Spoils Of Victory. Roll Call (11/9, Newmyer) reports Democratic lobbyists, "flush with the excitement of a victorious Election Day, already are looking to share in the spoils." The Democratic "rout of Republican rule in Congress also spelled a definitive end of years of GOP dominance of K Street. Jubilant Democratic lobbyists spent the day after the elections basking in their glow, but also beginning to ponder a new order that restores them to relevance." Veteran Democratic lobbyist Chuck Brain said, "It's started. Within a couple days, it will be full-fledged, with companies asking, 'What are we doing?' and 'Can we still represent our interests?'" Roll Call adds companies will "have some adjusting to do, lobbyists from both parties agreed. Many have spent the better part of a decade responding to a Republican pressure campaign to hire more Republican lobbyists and to direct more of their campaign contributions back to the GOP." But the "movers behind that effort were pushed off the stage during this Congress, when former House Majority Leader Tom DeLay (R-Texas) was forced to resign and Sen. Rick Santorum (R-Pa.) fell short in his re-election bid." Several Democratic lobbyists "agreed that the program, dubbed the K Street Project, created an inertia that now will benefit their ranks, as corporate offices seek to ramp up contacts with the new party in control. But even so, many Democratic K Streeters were careful to say their party — which made lobbying and ethics a major campaign issue this year — will not seek to impose its own similar effort to help that process along."

The Washington Post (11/9, A27, Sarasohn, 690K) reports as "former House member Gerry Sikorski (D-Minn.), now head of the government practice at Holland & Knight, put it, some of his fellow Democratic lobbyists have a nice 'jump to their step' today after the Democratic takeover of the House. But then, he said, everyone must get down to the fact that 'it's a bipartisan process largely.'" The Post adds, "No one seems to be echoing the bipartisan-lobbying mantra more than the business community, which, while not monolithically Republican, tended to support more Republicans than Democrats, not leaving it with such great credentials with the new Democratic leadership in the House." Indeed, "today, Harold McGraw III, chairman of the Business Roundtable and chief executive of McGraw-Hill Cos., is talking to the Wharton School of Business on "The Real World Is Neither Red Nor Blue" and laying out the group's agenda for Congress." BRT is "also taking out newspaper ads today on the theme, one of which is a photo of former presidents George H.W. Bush and Bill Clinton with the line: 'If they can put aside their differences after an election, so can you.'"

AP Declares Webb Victor, Allen Reportedly To Concede. The AP (11/9, Sidoti, Lewis) reports Democrats "wrested control of the Senate from Republicans Wednesday with an upset victory in Virginia, giving the party complete domination of Capitol Hill for the first time since 1994." Jim Webb's "squeaker win over incumbent Sen. George Allen gave Democrats their 51st seat in the Senate, an astonishing turnabout at the hands of voters unhappy with Republican scandal and unabated violence in Iraq. Allen was the sixth Republican incumbent senator defeated in Tuesday's elections." The new AP count "showed Webb with 1,172,538 votes and Allen with 1,165,302, a difference of 7,236. Virginia has had two statewide vote recounts in modern history, but both resulted in vote changes of no more than a few hundred votes."

The Washington Times/UPI (11/9) reports Sen. Allen "reportedly plans to concede, as news organizations late Thursday projected Democrat Jim Webb has won their Senate contest." Sources "within the Allen campaign told CNN Wednesday that Allen might concede Thursday because a Wednesday canvas of votes suggested there was little chance that a recount would change the outcome."

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The Washington Post (11/9, A28, 690K) says in an editorial, "Barring some significant error or surprise, Mr. Webb will be the state's next junior senator."

ABC World News (11/8, story 4, 2:30, Tapper, 8.78M) reported, "No one has called for a recount. That cannot happen until the election has been certified about 2 1/2 weeks from now. Starting today, a canvas, with lawyers from both sides watching every precinct retabulating their ballots. That should be completed in the next three to four days." Ed Gillespie, George Allen campaign advisor: "Votes may shift. You may be asking Mr. Webb if he'll be seeking a recount." Tapper: "But election experts have doubts."

The CBS Evening News (11/8, story 6, 0:15, Pitts, 7.66M) reported, "Poll watchers and lawyers from both campaigns stood by as election officials throughout the state reviewed vote totals, a process that will take at least two weeks. Under Virginia law, a candidate who finishes 1 percentage point or less behind can request a recount. A decision the Allen campaign will make after votes are certified November 27." Ed Gillespie, George Allen's campaign manager: "When you're operating in a margin of 0.3%, there's reason for hope those shifts could go our way." Pitts: "But Virginia political science professor Robert Holsworth says a bitter legal fight could damage Allen over the long term." Robert Holsworth, Virginia Commonwealth University: "I think what George Allen is going to have choose is whether he wants to have a political future in Virginia in another election or whether he's going to roll all the dice on this election."

The Washington Times (11/9, Hurt, 88K) reports Democratic electoral gains "grew yesterday to 29 House seats, with 10 other races still in doubt. On the Senate side, they claimed victory yesterday in the last three states needed to take their gains to six seats. Missouri Sen. Jim Talent conceded defeat to Democrat Claire McCaskill this morning." Montana Republican Sen. Conrad Burns "did not throw in the towel despite trailing Jon Tester in the final unofficial tally. Virginia Sen. George Allen was close enough to Democrat James H. Webb Jr. that he could demand a recount. But several news organizations, including the Associated Press, called the two races for the Democrats."

The Washington Post (11/9, Shear, Rein, 690K) reports Webb "claimed the title of senator-elect Wednesday and began organizing his congressional staff, while Republican incumbent George Allen declined to concede but was described as 'realistic' about the outcome if he seeks a recount challenging Webb's thin lead." Allen "dispatched teams of lawyers and operatives across Virginia in search of the votes he would need to win. Early in the day, Allen did not appear ready to relinquish his claim to an office he once saw as a springboard to the White House." But Webb "continued to lead by approximately 7,300 votes with virtually all of Virginia's 2.3 million ballots counted Wednesday evening, and Republicans said there appeared to be little hope that glitches or math errors might uncover new GOP votes." GOP strategist Ed Gillespie "said Allen was 'realistic,' and an e-mail sent late Wednesday said the senator would make a statement 'at the conclusion' of the statewide canvass of votes."

USA Today (11/8, Hall, Parker, 2.27M) reports Webb "laid claim to a Virginia Senate seat Wednesday, but" Allen "refused to yield as elections workers across the state double-checked returns in a razor-close election." The Associated Press "declared Webb the winner late Wednesday after canvassing elections officials statewide. That result would leave Democrats with control of the Senate — and therefore the entire Congress. If Allen prevailed in a vote challenge, the houses would be split between the parties." In a "page from President Bush's political playbook from the contested 2000 election, Webb took steps to try to seize victory before it had been officially declared. Early in the day Wednesday he named three members of his transition team, and his campaign headquarters staff started referring to him as 'Senator-elect.'"

The New York Times (11/8, Broder, Urbina, 1.16M) reports Allen's advisers "said Wednesday night that he would do nothing until a canvass of ballots was completed. But Democrats — ecstatic at the prospect that they might have swept both houses of Congress — were not waiting." Democratic Senatorial Campaign Committee Chairman Charles Schumer said, "It is virtually 100 percent that Webb is going to win the race. I think you can say without any hesitancy or doubt that Democrats are going to be the majority party in the Senate."

Independent Green Candidate Offered To Endorse Candidate Who Backed Railway Plan. The Wall Street Journal (11/9, A1, Kronholz, Schatz, 2.04M) reports Independent Green Party of Virginia candidate Gail Paker two weeks ago "offered to swing her support in the Virginia Senate race to either the Democratic or Republican candidate. In return, she wanted them to back her pet issue: high-speed rail across the traffic-clogged state." But "neither man was much

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interested in her offer, she says. Now it looks like her 'Gail for Rail' campaign could have been a factor in deciding which party controls the U.S. Senate." Parker "collected about 26,000 votes -- which could have given either Republican Sen. George Allen or Democratic challenger Jim Webb a decisive victory."

Midterm Elections Scramble 2008 Candidacies. USA Today (11/9, Lawrence, 2.27M) reports the elections "transformed not only Congress but the playing field for the 2008 presidential race. Some contenders self-destructed, one went home and a meteor streaked onto the radar in the form of Illinois Sen. Barack Obama. There were two things, however, that didn't change: the contenders leading the polls on both sides." Sen. Hillary Rodham Clinton, D-N.Y., "won a resounding re-election victory after raising nearly $40 million — more than any other Senate candidate this year. She isn't yet talking about her future, which is widely presumed to include a presidential bid but could involve a leadership role in a possibly Democratic Senate." The Republican front-runner, Arizona Sen. John McCain, "campaigned and raised money for candidates nationwide while also building a network for his White House bid. Though supportive of President Bush on Iraq, his disagreements with Bush about immigration policy, prisoner abuse and Defense Secretary Donald Rumsfeld's performance kept his maverick image alive." While former New York mayor Rudy Giuliani "also does well in polls and barnstormed the country, 'right now it's hard to see another Republican who has similar stature' to McCain," according to University of Iowa professor Peverill Squire. A "lesser known Democratic hopeful, Iowa Gov. Tom Vilsack, is forming a presidential campaign committee today, the Des Moines Register reported, making him first into the race on either side." But Republican Sen. George Allen, who had "laid foundations for a national campaign now faces political oblivion." Another politician "who pushed the self-destruct button: Massachusetts Sen. John Kerry."

The Wall Street Journal (11/9, A1, Cummings, 2.04M) reports McCain "proved more popular on the stump with his party's candidates than President Bush did -- newly-elected Republican Gov. Charlie Crist skipped a last-minute rally in Florida with the president to tour that state with the Arizona lawmaker." But his "advocacy for continuing the Iraq campaign -- and perhaps sending in more troops -- sharply conflicts with the antiwar message sent by voters this week." Sen. Clinton "was also a popular fundraiser on the campaign stump, and she transferred millions of dollars from her bulging campaign account to candidates and party committees to help the Democratic team." Pat Toomey of the Club for Growth views McCain as "insufficiently reliable," and said his "wing of the party is still reviewing the record of Massachusetts Gov. Mitt Romney, who also impressed party activists with his midterm campaigning. They remain skeptical that a law adopted on Mr. Romney's watch penalizing businesses that don't provide health-care coverage will meet their standards." To "fill those holes, social conservatives began taking another look at Kansas Sen. Sam Brownback and former Arkansas Gov. Mike Huckabee, both of whom would have to drastically ratchet up their presidential-campaign machinery to become competitive. On the fiscal side, activists may try to recruit South Carolina Gov. Mark Sanford, who was re-elected on Tuesday and hails from a state in the party's early primary lineup." The "election fallout also could encourage a long-shot candidate such as former House Speaker Newt Gingrich to jump into the race. On the flip side, the diminished influence of the religious right on the midterms could buoy the camp of moderate former New York Mayor Rudy Giuliani, another sought-after personality this cycle." The Democrats "also are without a high-profile antiwar candidate who could harness the activist and voter support for that position evident in the campaigns. North Carolina's John Edwards could be best positioned to do that."

Patrick To Become Nation's Second-Ever Black Governor. ABC World News (11/8, story 8, 0:10, Gibson, 8.78M) reported, "Massachusetts Democrat, Deval Patrick, became the second black person ever to be elected governor of any state. He is now the new governor of Massachusetts."

Minnesota Elects Nation's First Muslim Congressman. ABC World News (11/8, story 9, 0:15, Gibson, 8.78M) reported, "And the first Muslim Congressman will arrive on Capitol Hill for Minnesota. Keith Ellison, will represent a district who is predominantly Christian."

Stock Markets Make Gains. NBC Nightly News (11/8, story 11, 0:10, Williams, 9.87M) reported, "The Dow was up just under 20 points [to close at 12,176.54]. NASDAQ gained nine points [to close at 2,384.94] on today's trading.

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The Wall Street Journal (11/9, C1, Richardson, 2.04M) reports the Dow "rallied to a record close following the news of Defense Secretary Donald Rumsfeld's resignation. Stocks initially traded lower -- particularly health-care-related shares -- as investors weighed the impact and remaining uncertainty surrounding the results of the midterm elections. But the momentum reversed to the upside after the first headlines about the resignation of Mr. Rumsfeld, who has come in for criticism for his handling of the war in Iraq; after a pause, stocks rose again after President Bush's subsequent news conference discussing the election and pledging to work with the new Congress." The S&P 500 "edged up 2.88 points, or 0.2%, to 1385.72, up 11% this year. The Nasdaq Composite Index rose 9.06 points, or 0.4%, to 2384.94, up 8.1% this year."

USA Today (11/9, Shell, 2.27M) reports the "rallying cry on Wall Street after the Democrats' power grab is that political gridlock caused by divided government is good for financial markets." Stock market action Wednesday "supported that line of thinking. In the first day of trading after the Democrats regained control of at least one branch of Congress, the Dow Jones industrial average rose 20 points and finished with a record closing high of 12,176.54." But "some Wall Street economists and investment strategists contend that two years of potential legislative inertia might not be the best thing for financial markets in the long run. In a report titled 'Wrong Time for Gridlock,' for example, Stephen Roach, chief economist at Morgan Stanley, says the U.S. can't afford not to tackle pressing economic concerns, the major one being the bulging budget deficit."

McCain Resigns From Board Of Gallaudet Over Ouster Of Incoming President. The New York Times/AP (11/9) reports Sen. John McCain has resigned from the board of trustees of Gallaudet University, the world's premier university for the deaf, after disagreeing with its decision to revoke the appointment of its incoming president, a university spokeswoman said." The chairwoman "of the Gallaudet University board, Brenda Jo Brueggemann, has also resigned, the spokeswoman, Mercy Coogan, said." Mr. McCain "wrote to outgoing President I. King Jordan on Monday, describing the board's decision as unfair, Ms. Coogan said."

WPost Praises Ford's Call For More Civil Political Campaigns. The Washington Post (11/9, A28, 690K) reports that it is "too bad that Rep. Harold E. Ford Jr.'s concession speech in his failed Democratic bid for the U.S. Senate came at an hour when most people had gone to bed. Not only was he gracious, but Mr. Ford delivered an important plea for a bettering of the American political process: 'What people want more than anything, and what I heard and I know candidates all around the country heard . . . [was] a hunger, and they sensed a great appetite on the part of the American people for something much better and far more dignified and greater than what we'd given them.'" Ford "knows firsthand -- to use his phrase -- how 'demeaning and debasing' politics can be, having been the target of a scurrilous ad in which a suggestively dressed white woman is seen coming on to him. Mr. Ford is black. Unfortunately, that ad was not an aberration but rather an embodiment of the seedy standards that infected this political year."

Russia Rejects Proposed UN Sanctions On Iran. The AP (11/9, Meyer) reports Russia has "rejected European-proposed UN sanctions aimed at forcing Iran to halt its suspected nuclear weapons drive, but Moscow appears to be applying its own pressure by threatening to delay a key nuclear power project. Analysts say the Kremlin is determined not to push Iran into a corner like North Korea -- blaming tough US policies for Pyongyang's recent nuclear test -- but Tehran's refusal to compromise has led to growing impatience in Moscow despite the two countries' close commercial ties."

Separately, the AP (11/9, Jahn) reports Russia has "crossed out large sections of a UN Security Council draft proposing broad US-backed sanctions on Tehran's nuclear and missile programs," citing a document the news agency obtained Wednesday. The AP says Moscow has "delete[d] any reference to Iran's Bushehr nuclear plant, which Russia is helping build." UN diplomats "said the Kremlin wanted no mention whatsoever of Bushehr. That stance was meant to reflect Russia's view that the plant should not be linked to international concerns that Tehran might be trying to develop nuclear arms."

After Shelling Kills 18 In Gaza, Hamas Vows Retaliation Against US, Israel. NBC Nightly News (11/8, story 10, 0:15, Williams, 9.87M) reported, In the Middle East the leader of Hamas says the truce with Israel is over after 18 members of one family, including eight children were killed in an Israeli artillery attack in a crowded neighborhood

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on the Gaza strip during a military campaign aimed to stop rocket attacks. Israel's prime minister apologized for the deaths of innocent civilians." ABC World News (11/8, story 12, 0:50, Gibson, 8.78M) reported that the Israeli army said it "had missed its intended target by 500 yards. Tonight, the militant group Hamas ended its two-year truce with Israel, called for attacks against the US, and demanded revenge for this suffering."

In a front page article, the New York Times (11/9, A1, Fisher, Erlanger, 1.16M) calls the attacks "one of the largest single losses of life in Gaza in years" and notes that "some Hamas leaders called for a suicide-bombing retaliation inside Israel and, unusually, for the United States to be taught 'hard lessons' as well." Israeli leaders "expressed regret" for the incident and Defense Minister Amir Peretz "ordered a halt to artillery attacks" in Gaza. However, "After largely observing a unilateral truce that it declared a year and a half ago, Hamas called for renewed suicide bombings." The group's military wing also said in a statement that the US should be taught "hard lessons" for supporting Israel. The Times says the threat, "though vague, was an unusual escalation for Hamas…that has pointedly portrayed its fight as being against Israel alone." Meanwhile, "leaders at the United Nations and the European Union, and in Russia, Britain and Italy, did condemn the incident" and NSC spokesman Gordon Johndroe "called for restraint by all parties," adding: "We deeply regret the injuries and loss of life in Gaza today. We have seen the Israeli government's apology and hope their investigation will be completed quickly." A "similar statement was "issued in President Bush's name," the Times notes.

The Washington Post (11/9, A3, Wilson, 690K) notes that the inquiry into the attack "will be led by Maj. Gen. Meir Kalifi, deputy chief of ground forces, who headed the June investigation into an explosion on a Gaza beach that killed six" Palestinians. Kalifi "concluded that Israel was not responsible for the blast, although a Human Rights Watch investigator said the explosion most likely came from a fired artillery shell." And in a statement, Israel's military said that "the responsibility for any civilian casualties lies with the terrorist organizations" firing rockets toward Israel.

The Financial Times (11/9, Morris) adds, "Israel's leading human rights organization," B'tselem, has "demanded a criminal investigation" into the shelling, saying it "was gravely concerned that the action constituted a war crime." The Times notes that "whatever the outcome of the investigation, the incident prompted fresh questions about Israel's military tactics in Gaza where hundreds of people, including 96 children, have died this year while the number of Israeli civilian casualties of Palestinian attacks has dwindled to a handful. Israeli tanks had ostensibly been targeting areas used by militants to fire rockets into southern Israel."

The AP (11/9, Hadid) notes that the UNSC "scheduled an open meeting Thursday at the Palestinians request. Palestinian UN observer Riyad Mansour said Palestinians want a resolution that condemns recent Israeli attacks and calls for an Israeli withdrawal from Gaza, a cease-fire, and deployment of UN observers." Meanwhile, McClatchy (11/9, Nissenbaum) says the attack "briefly united Palestinian Authority President Mahmoud Abbas and Prime Minister Ismail Haniyeh, who set aside their differences over the formation of a new unity government to visit survivors of the attack."

Reid Calls Bush's India Nuke Deal A Priority. Bloomberg (11/9, Mathewson, Johnston) reports Senator Harry Reid said completion of President George W. Bush's nuclear agreement with India is "a priority during an anticipated post-election legislative session." Speaking to reporters in Washington, Reid said, "India is the largest democracy in the world. We want to work with them, and this is important we move along that line." At the White House, President Bush said securing congressional approval for the accord is "also high on his agenda." Bloomberg says the deal is "a major initiative of Bush's foreign policy" and "passage in the lame-duck session would be a win for nuclear-industry suppliers."

UN Urges US To End Cuba Embargo. The AP (11/9, Lederer) reports the UN General Assembly voted "overwhelmingly Wednesday to urge the United States to end its 45-year-old trade embargo against Cuba after defeating an amendment calling on Fidel Castro's government to free political prisoners and respect human rights." The AP notes that it was "the 15th straight year" the body approved a resolution calling for an end to the embargo "as soon as possible." After the vote, US deputy ambassador Ronald Godard "said that to claim the embargo adversely affects the Cuban people ignores 'the truth' that the Cuban government has systematically denied 'the human, economic, labor and political rights of its people over 47 years.'"

US Seeks To Establish "Positive Relations" With Ortega. The AP (11/9, Gedda) reports the State

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Department "said Wednesday that it looks to establish 'positive relations' with the Nicaraguan government of President-elect Daniel Ortega." Spokesman Gonzalo Gallegos said cooperation with Ortega will be "based on their action in support of Nicaragua's democratic future." On Tuesday, State Dept. spokesman Sean McCormack "suggested that Ortega may have a stake in maintaining good relations with the United States. He noted that Nicaragua is part of a US-Central American free trade agreement. In addition, he said the United States has a $175 million program aimed at rural development in a northeastern Nicaraguan region sprinkled with strong pro-Sandinista sentiment."

Chavez Leads "Global Chorus" Of Bush Critics In Democrats' Victory. The Washington Times (11/9, Sands, 88K) reports Venezuelan President Hugo Chavez yesterday "led a global chorus of Bush administration critics gloating over the outcome of Tuesday's midterm elections, but some foreign leaders expressed concern over what the Democratic victory will mean on issues such as global trade and the Middle East." The Time says "Latin American populists, European leftists and Islamic fundamentalists were all quick to point to the US vote as a repudiation of Mr. Bush's aggressive, go-it-alone approach on Iraq and the global war on terror." The resignation of Secretary Rumsfeld also "sparked praise from leaders of countries from the heart of what Mr. Rumsfeld once memorably dismissed as 'Old Europe.'"

Venezuela Groups Get US Aid Amid Meddling Charges. The New York Times (11/9, Romero, 1.16M) reports, "Since President Hugo Chávez returned to power after a brief coup in 2002, the United States has channeled millions of dollars to Venezuelan organizations, many of them critical of his government. This aid has become a key issue in the presidential election next month amid claims of American interference in the domestic political system." Although American diplomats in the country "have remained largely quiet in commenting on the election," the Times says the United States Agency for International Development "has distributed about $25 million to various Venezuelan organizations over the last five years, according to officials involved in the projects."

Immigration Expected To Dominate Calderon, Bush Talks. The Washington Post (11/9, A18, Boustany, 690K) reports that at a White House meeting with President Bush today, Mexican President-elect Felipe Calderon is "expected to express Mexico's disappointment with the decision by the outgoing Republican-controlled House and Senate to approve a 700-mile fence along the Mexican-American border." However, during a meeting yesterday with Washington Post reporters and editors, Calderon said yesterday that Democratic gains in Congress could lead to "room for improvement" in US-Mexican relations, "a suggestion that headway may be made on immigration and other bilateral issues." Calderon also said that the North American Free Trade Agreement "had been a boon for Mexico but that more needed to be done to make the economy more competitive."

The Washington Times (11/9, Dinan, 88K) says the "hottest topic" of today's meeting is "likely to be immigration, and Mr. Bush's signature two weeks ago" authorizing the border fence. Calderon criticized the fence yesterday in a meeting with Hispanic groups, saying he sees "the US-Mexico border not covered in walls and barbed wire, but as an area of opportunity and prosperity for Mexicans and Americans both." Meanwhile, a White House official said having the meeting before Calderon's Dec. 1 inauguration "reflects the importance we attach to continued strong ties with our hemispheric partner and neighbor."

Similarly, the Christian Science Monitor (11/9, Llana, 59K) says the subject of the fence "could overshadow other issues" at today's meeting, noting that immigration "was not among the main issues on the original agenda for Thursday's meeting." However, Bush's move to authorize the fence "underscored the Fox administration's failure to help Mexicans working illegally in the US and appears to have forced his successor to make it a priority," the Monitor writes.

The AP (11/9, Gedda) notes that during his address Wednesday Calderon "made clear...his unhappiness" with the fence, saying the two countries need "bridges for progress and not walls that isolate and divide."

EU Issues Warning To Turkey Over Bid. The Financial Times (11/9, Dombey, Parker, Boland) reports the EU Wednesday gave Turkey "a month to rescue its bid…as Brussels sought to allay public concerns that the EU is expanding too far and too fast. In response, Ankara said it was up to the 25-nation bloc to keep the negotiations alive." However, the issue is "set to come to a head at an EU summit next month. But Olli Rehn, EU enlargement commissioner,

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held out hope that the looming 'train wreck' over Turkey's membership could yet be averted." Officials said that Brussels "would probably set out the likely penalties for Turkey in early to mid-December, ahead of the EU summit. But Mr. Rehn's staff fears that if the EU takes too tough a stance with Ankara, either the talks will prove impossible to revive or Turkey will choose to walk away."

The New York Times (11/9, A5, Bilefsky, Kanter, 1.16M) calls the EU statement "its strongest warning yet to Turkey to open its ports to Cyprus and make more progress on human rights or face a possible suspension of talks." But a poll published Tuesday by the International Strategic Research Organization "showed that two-thirds of Turks would rather suspend membership talks with the European Union than give ground over Cyprus."

WHO Nominates Chinese Disease Expert As New Director. The Wall Street Journal (11/9, B7, McKay, 2.04M) reports the World Health Organization Wednesday nominated Chinese infectious-diseases expert Margaret Chan to lead the United Nations health agency, "underscoring China's rising prominence and mounting pressure on the Chinese government to improve its cooperation on global health crises such as avian flu." The "landslide victory" over four other finalists "assures her of a 5½-year term as the next director-general of the agency. The Journal notes that China "campaigned hard" for Dr. Chan in a push led by Vice Premier Wu Yi and President Hu Jintao. The move was "unusual because the five permanent-member countries of the UN's Security Council "traditionally haven't backed candidates to lead WHO," it notes.

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Democrats Close In On Senate."
"With Bonds Approved, The Line For Billions Forms."
"Senate On Verge Of New Agenda."
"A New Bush? Yes And No."
"L.A. Tycoons Join Bidding For Tribune."
"Election Shows State's True Colors: Pastel."

USA Today:
"Nomination Offers 'Fresh Perspective' On Iraq."

New York Times:
"Rumsfeld Resigns; Bush Vows 'To Find Common Ground'; Focus Is On Virginia."
"With Control Of The Senate In The Balance, All Eyes Turn to Virginia."
"Democrats Turned War Into An Ally."
"New Democrats Pose Challenge."
"Robert Gates, A Cautious Player From A Past Bush Team."
"Nancy Pelosi Is Ready To Be Voice Of The Majority."
"Israeli Shelling Kills 18 Gazans; Anger Boils Up."

Washington Post:
"Bush Ousts Embattled Rumsfeld; Democrats Near Control of Senate."
"A Meek Departure From the War Cabinet."
"House Majority Offers An Ambitious Agenda."
"For Bush's New Direction, Cooperation Is The Challenge."
"Governor And U.S. Senate Losses Just The Tip Of State GOP Collapse."
"Webb's Small Lead Holds Up In Virginia

Washington Times:
"Democrats Claim Senate Control."
"Bush Accepts Role In Losses."
"Bush Eyes Democrats For Help."
"Rumsfeld Resigns Under Pressure."
"Iraqi's See No Shift In U.S. Support."
"Ehrlich Steele Concede Defeat."
"Snubby Blacks In PG Sink Steele."

Detroit Free Press:
"Faces Of Chance."
"Who Is Nancy Pelosi?"
"Legal Assault Begins On Affirmative Action Ban."

Atlanta Journal-Constitution:
"Political Aftershock."

Houston Chronicle:
"A&M gates To replace Rumsfeld."
"A Unifying Tone After Shift In Congress."
"Chance To lead War Top love Of School."
"He Calls Move 'A Good Things For Everybody'."
"A Long Day's Journey To Victory."
"Warning For GOP In Harris County."

Story Lineup From Last Night's Network News:
ABC: Rumsfeld Is Leaving New Defense Secretary; Election 2006 Results; Virginia Senate Race; Senate Analysis; Same Sex Marriage; Abortion Not Banned; New Black Governor;

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First Muslim Congressman; New Speaker; Abortion Case; Violence-Gaza Strip; Pakistan Violence; Election Mistake.
CBS: Rumsfeld Is Leaving; New Defense Secretary Analysis; New Defense Secretary-Military Response; Rumsfeld Analysis; New Defense Secretary-Pelosi's Reaction; Virginia Senate Race; Election Results; Pelosi Interview; Hastert-Minority Leader Position; Rumsfeld's Legacy.
NBC: Rumsfeld Is Leaving; Rumsfeld's Legacy; New Defense Secretary-Military Reaction; Election Results; Election Results Analysis; Pelosi Interview; Abortion Case; Flood Waters; Pakistan Violence; Gaza Strip Violence; Stock Market; Democratic Sweep.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: AP-Webb Victory in VA; Bush-Meeting With House Democrats; Howard Dean-No Plans For Immediate Iraq Departure; Rumsfeld Resignation; Robert Gates-Bush's Choice To Replace Rumsfeld; San Francisco 49ers Moving To Suburbs; Stock Market Reaction To Elections; Federline-Spears Divorce; TX-State Representative's Assault Claim.
CBS: AP-Webb Victory in VA; Robert Gates-Bush's Choice To Replace Rumsfeld; US Troops in Iraq-Reaction To Rumsfeld's Resignation; Sen. Warner-Hoping To Confirm Gates By End Of Year; Tom Vilsack To Enter 2008 Presidential Race; Atkin's Diet Study; MA-Gay Marriage; Stock Markets
NPR: AP-Webb Victory in VA; Rumsfeld Resignation; Pelosi, Bush Meeting; CA-Sex Offender Proposition 83 Blocked By Judge; Tokyo Stock Market; Wall Street; Microsoft's Windows Vista Announcement; NATO Confrontation With Afghan Insurgents.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Participates in the presentation of the 2006 National Medals of Arts and the National Humanities Medals, Oval Office; meets with the Cabinet; meets with President-elect Felipe Calderon of Mexico.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: FLOOR SCHEDULE _ 10 a.m. Meets for the introduction of bills.

US House: FLOOR SCHEDULE _ 2 p.m. Meets for pro forma session.

Other: MEXICAN PRESIDENT-ELECT FELIPE CALDERON _ Highlights: 1:15 p.m. Meets with President Bush. White House.

WAR-ELECTIONS _ 10 a.m. - 10 p.m. Anti-war activist Cindy Sheehan leads a protest against the war in Iraq and possibly against election results. Location: Lafayette Park.

HEALTH CARE _ Two-day meeting of the Consumer-Centric Healthcare Congress. Highlights: 9:30 a.m. Adam Bosworth, VP, Google. Location: L'Enfant Plaza Hotel, 480 L'Enfant Plaza, SW.

US-EU _ The 2nd U.S.-EU Economic Ministerial will be held. Highlights: 1:45 p.m. Energy Secretary Bodman meets with the ministers to discuss energy security issues. Closed press. Location: Blair House.

ELECTIONS-HEALTH CARE _ The Employers Council on Flexible Compensation and member companies hold a two-day conference in which leaders from the benefits field will provide their immediate reaction to the 2006 elections and their impact on health care issues for employers and employees and strategies for 2007. Highlights: 2:30 p.m. Session on ``What do Elections Mean for Health Care Issues?" with John Castellani, President, Business Roundtable; Helen Darling, President, National Business Group on Health; Dr. Jeremy Mayer, George Mason University. Carnegie Institute of Washington, 16th and P Sts. NW.

VETERANS CONFERENCE _ The American Veterans Center's holds its Ninth Annual Conference. The event includes three full days of speakers devoted to each era from World War II through today; wreath laying ceremonies at the World War II, Korea and Vietnam War memorials; and evening receptions. Highlights: Location: Hyatt Regency-Crystal City, 2799 Jefferson Davis Highway, Arlington, Va.

ELECTION ANALYSIS _ 8 a.m. - 4:30 p.m. Congressional Quarterly and the Public Affairs Council hold a day-long briefing to provide analysis of the midterm elections. Location: Ronald Reagan Building, 1300 Pennsylvania Ave. NW.

POLITICS-ARAB WORLD _ 9:30 a.m. - 1 p.m. The U.S. Institute of Peace hosts an event, ``Political Oppositions in the Arab World: A New Path?" Participants include: Daniel Brumberg, Overview Special Adviser, Muslim World Initiative; Dina Shehata, Egypt Department of Government, Georgetown University; Maryam Montague, Morocco Democracy and Governance Specialist, Management Systems International; and Janine Clark, Jordan Associate

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Professor, University of Guelph. Location: U.S. Institute of Peace, 2nd Floor Conference Room, 1200 17th St. NW.

ELECTION-MIDEAST _ 9 a.m. The Middle East Institute holds a panel discussion on the Tuesday elections, with Joshua Muravchik of AEI, Mara Rudman of the Center for American Progress and p 1/8ollster James Zogby. Location: MEI, 1761 N St. NW.

VETERANS COMMISSION _ 9 a.m. Commission on the Future for America's Veterans holds its first meeting to discuss baseline issues report. Location: Room 334, Cannon.

VETERANS BENEFITS _ 9:30 a.m. AMVETS holds a news conference to release recommendations on reforming and modernizing the veterans' benefit system. Location: National Press Club.

DISABILITY REPORT _ 10 a.m. The National Council on Disability holds a media availability to release its annual ``National Disability Policy: A Progress Report." Location: Suite 850, 1331 F St. NW.

POST-ELECTION FORUM _ 10 a.m. - 12 p.m. NDN, the political action arm of the New Democrat movement, holds a post election forum with Pete Brodnitz, pollster and advisor to Senate candidates Jim Webb and Harold Ford; Tom Matzzie, Washington director for Moveon.org; Tom Schaller, professor, Univ. of Maryland, author, ``Whistling Past Dixie"; Maria Cardona, senior advisor, NDN's Hispanic Strategy Center; and others. Location: Phoenix Park Hotel, 525 New Jersey Ave., N.W.

MILLENNIUM CHALLENGE _ 10:30 a.m. Millennium Challenge Corp. Deputy Chief Executive officer Rodney Bent holds a meeting to discuss actions from Wednesday's board meting, followed by a panel to update the selection of eligible countries for FY07. Location: Millennium Challenge Corp. offices, 875 15th St. NW.

FAMILIES-IRAQ _ 11 a.m. The Military Families Speak Out organization holds a news conference to call for an end to the ``back door draft" and for all troops to be brought home. Location: News conference at the LBJ Memorial Grove parking lot near the pentagon, off the GW Parkway. March will then be to the Pentagon to deliver petitions to Secretary Rumsfeld.

ELECTION REAX _ 12 p.m. The Cato Institute holds a forum on the results of the 2006 election, with John Samples of the institute, Michael McDonald of Brookings Institution, others. Location: 1000 Masschusetts Ave. NW.

ELECTION-BLACK VOTE _ 12 p.m. The National Coalition on Black Civic Participation Unity '06 Coalition holds a briefing on the impact of the black vote on the election. Highlights: 12 p.m. Panel discussion on what happened. 1:30 p.m. Panel discussion on the future. Location: National Press Club.

NEW CONGRESS-ETHICS _ 12 p.m. News conference by Campaign Legal Center, Common Cause, Democracy 21, League of Women Voters, Public Citizen and US PIRG to call for immediate lobbying and ethics reforms in the new Congress. Location: National Press Club.

AEI-MIDTERMS _ 12 p.m. - 2 p.m. The American Enterprise Institute's Election Watch series hosts an assessment of the 2006 midterm elections by AEIs political team. Participants are AEI's Karlyn H. Bowman; John C. Fortier; Norman J. Ornstein; and James K. Glassman. Location: Wohlstetter Conference Center, Twelfth Floor, AEI, 1150 17th St. NW.

HEALTH CARE _ 12:15 p.m. The Alliance for Health Reform and the Robert Wood Johnson Foundation hold a briefing on the role of long-term care in the broader health insurance picture. Location: Room G-50, Dirksen.

POST-ELECTION ANALYSIS _ 12:15 p.m. Catholic University's Department of Politics hosts a post-election discussion. Location: Catholic Univeristy, Life Cycle Institute Auditorium, 620 Michigan Ave. NE.

MIDEAST _ 12:30 p.m. The New America Foundation holds a discussion with Yossi Beilin, member of the Israeli Knesset, on the Mideast peace prospects. Location: 7th floor, 1630 Connecticut Ave. NW.

ELECTION-POLL _ 1 p.m. Campaign for America's Future co-director Robert Borosage and Democratic pollster Stan Greenberg release a new post-election poll. Location: National Press Club.

ELECTION-RELIGION _ 1 p.m. The American Humanist Association holds a new conference to launch the Appignani Humanist Legal Center with the announcement of its first case, a lawsuit addressing a church-state separation violation that will be the product of a mid-term ballot initiative. Location: National Press Club.

MORIAL-ELECTIONS _ 2:30 p.m. Marc H. Morial, president and CEO National Urban League, holds a post election press briefing. Location: National Press Club, National Press Building, Holeman Lounge.

CHINA-MIDEAST-IRAN _ 3:30 p.m. Radio Free Europe/Radio Liberty hold a briefing with John Calabrese of

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American University on Chinese-Mideast relations and Iran. Location: 4th floor conference room, 1201 Connecticut Ave. NW.

EDUCATION _ 3:30 p.m. Deputy Secretary of Education Raymond Simon and Senior Policy Advisor in the Office of Elementary and Secondary Education Catherine Freeman hold a telephone conference to brief reporters on the updated status of the growth model pilot program. Notes: Call in number: 888-913-9969. Passcode: GROWTH.

US-INDONESIA _ 4 p.m.Ambassador of Indonesia to the U.S. Sudjadnan Parnohadiningrat addresses a National Press Club afternoon newsmaker. Topic: ``The U.S.-Indonesia Relationship: Bulding a Partnership Between Two Large Democracies." Location: National Press Club, Lisagor Room.

RUBIN _ 7 p.m. Former Labor Secretary Robert Rubin speaks to the Economic Club of Washington's dinner meeting on the U.S. economy. Location: Ritz-Carlton Hotel, 1150 22nd St. NW.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: THURSDAY, NOVEMBER 9, 2006 7:45 AM EST

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TERRORISM NEWS:

Holiday Publishing Notice. In observance of the federal Veterans Day holiday, the Attorney General's News Briefing will not be published on Friday, November 10. News from the holiday will be included in your Monday, November 13 briefing.

Three Alleged Hamas Militants On Trial For Jordan Terror Plot. The AP (11/9) reports from Amman, Jordan, "Three Hamas militants went on trial Wednesday for conspiring to attack Israeli businessmen, Jordanian intelligence officers and various other locations in Jordan." The AP continues, "Ayman Naji Daraghmeh, 34, Ahmed Abu Rabee, 27, and Ahmed Abu Thiyab, appeared in court but did not submit pleas because they have not appointed lawyers. The trial adjourned to Nov. 15 to allow the defendants time to obtain counsel. … The defendants were also charged with illegal possession of weapons and ammunition." The AP adds, "In April, Jordanian authorities arrested 20 alleged Hamas militants on suspicion of monitoring Jordanian intelligence officers and foreigner tourists to plan for possible attacks. Authorities released all but the three, apparently for lack of evidence. … Al-Daraghmeh gave authorities the location of several weapons caches, the indictment sheet said. .. .The three, Jordanians of Palestinian origin, confessed in May on Jordanian state TV to conspiring to carry out terrorist attacks and to acquiring weapons and ammunition for Hamas. Al-Daraghmeh said he received he received orders from a high level Hamas leader living in Syria."

Four Northwest Ecoterror Suspects Reach Plea Agreements. In a widely-distributed story, the AP (11/9, Barnard) reports, "Four people awaiting trial on charges they were part of an ecoterrorism cell that caused $20 million in damages from firebombings around the Northwest are due in federal court on Thursday to change their pleas," although defense lawyers and prosecutors "refused to comment on terms of the plea agreements." The AP notes, "A total of 13 people were indicted out of Eugene as part of an investigation known as Operation Backfire. Six have pleaded guilty, agreeing to testify against the others, and three are fugitives. … The Oregon defendants were charged with arsons from 1996 to 2001 that were claimed by the Earth Liberation Front and the Animal Liberation Front in Oregon, Washington, California, Wyoming and Colorado."

PATRIOT ACT:

Civil Liberties Groups Foresee Democratic Action Against Surveillance Programs. Government Executive/National Journal's Technology Daily (11/8, Noyes) reported, "The new Democratic-led House could bode well for the civil-liberties crowd." ACLU Washington office director Caroline Fredrickson "said the shift in leadership may mean 'a very profound change' in how lawmakers address the electronic wiretapping initiative of the National Security Agency." However, Center for Democracy and Technology director Leslie Harris said that "there will probably not be 'dramatic rollbacks of national-security-related legislation,' like the controversial sections of the USA PATRIOT Act that were reinstated by the 109th Congress, Harris said. One provision involves a special subpoena power that lets the FBI scour library and Internet provider files without search warrants." Technology Daily added, "Lisa Graves, deputy director for the Center for National Security Studies, said missteps that have been taken by the Joint Terrorism Task Force, a partnership between the FBI and local law enforcement agencies aimed at tackling terrorism, also must be examined. In particular, she cited reports revealed through Freedom of Information Act requests that the task force has spied on Americans who oppose the Iraq war and other administration policies."

HOMELAND RESPONSE:

Human Rights Panel Considers Resolution Pressing FBI About Hamoodi Search. The Columbia (MO) Tribune (11/8, LeBlanc) reported, "The Columbia Human Rights Commission will consider asking the city council to approve a resolution in support of an Iraqi-American man whose southwest Columbia home was raided by the FBI. … The FBI has since repeatedly declined to give a reason for the search involving the 54-year-old grocery store owner," Shakir Hamoodi, "who also has been an outspoken critic of the Iraq war." At a Tuesday evening meeting, "supporters of Hamoodi urged commission members to accept a draft resolution that calls for the government to speed up its investigation and publicly release its findings. The measure also asks the FBI to apologize to Hamoodi and his family for searching the home." However, "commission members expressed some reservations about whether forwarding the resolution to the city council would be appropriate. In the end, the human rights panel agreed to consider the measure -- but only with the consent of

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Hamoodi, who was not present." The Tribune noted, "Jeff Lanza, a spokesman for the FBI office in Kansas City, declined to offer more information on the Hamoodi case."

FBI Evacuates Ft. Hood Housing Over Material Found In Iraq Soldier's Luggage. KCEN-TV Temple, TX (11/8) reported on its Web site from a story broadcast yesterday, "Part of a housing development on Fort Hood remained evacuated through Wednesday night. An F.B.I. spokesperson said a soldier returned from Iraq and noticed items missing from his luggage. Replacing those items was a jar filled with an unfamiliar substance." KCEN added, "Initial testing by the F.B.I. and Fort Hood showed it might have dangerous materials, but upon further testing, it was found not to be hazardous. Fort Hood is still investigating its origins."

NRC To Analyze Survivability Of New Reactor Designs. Under the headline, "Agency Considers A-Plants' Vulnerability," the New York Times (11/9, Wald, 1.16M) reports, "With construction of many new nuclear reactors under discussion, the Nuclear Regulatory Commission is grappling with the question of whether they should be designed to withstand a Sept. 11-style airplane attack. The commission has told its staff to study the vulnerabilities of the four new reactor designs, two of which it has already approved. But it has decided not to make the nuclear power industry meet security requirements any tougher than those for existing plants." The Times says NRC Commissioner Gregory "Jaczko said in an interview, 'We've left it in the hands of Transportation Security Administration, the Federal Aviation Administration and the reactor vendors, who are building these plants, to do what they think is right in this area, and to me that's clearly not the answer.'" But Commissioner "Edward McGaffigan Jr., said, 'We think we've done enough.'"

WAR NEWS:

Rumsfeld Resigns, Bush Nominates Gates To Succeed Him At Pentagon. Reports on the resignation of Defense Secretary Donald Rumsfeld after nearly six years in that job, and President Bush's nomination of Texas A&M University President Robert M. Gates, CIA director from 1991-1993, to replace him, are interspersed with overview stories on Bush's Wednesday news conference and on the aftermath of this week's midterm elections. The resignation leads many of these reports, which generally show Rumsfeld in a negative light, casting his "ouster" as a response to perceived voter rejection of the Bush Administration's Iraq policies. Several also suggest that Gates' service under the first President Bush and his participation in James Baker's Iraq Study Group indicate Baker will have a key behind-the-scenes role in reshaping the Iraq agenda.

ABC World News (11/8, lead story, 2:50, Gibson, 8.78M) opened by saying "all indications are that voters were looking for change yesterday…and change, they will get." ABC (Raddatz) added, "The President had a very different tone today. But as for that surprise Rumsfeld resignation, a White House official said it had been in the works for weeks. If the President was looking for a way to change the headlines, today, he found it." Sen. John McCain was shown saying, "There were many of us that expressed a lack of confidence in Rumsfeld for a long time."

The CBS Evening News (11/8, lead story, 3:00, Couric, 7.66M) led by saying, "The Democrats are in, Donald Rumsfeld is out. It's a tidal wave of change." CBS (Axelrod) added, "Bush met the big loss with a big change, firing" Rumsfeld, the "highly divisive and polarizing figure and replacing him with a veteran of his father's Administration."

NBC Nightly News (11/8, lead story, 4:00, Gregory, 9.87M) reported, "As if the election results…were not big enough, the President's response to them today overshadowed that news. Aides say the President decided to replace Rumsfeld now, hope to persuade Americans angry about the war that a change in course is coming. In the Oval Office this afternoon a grim-faced president took a step his critics say was overdue." In another report, NBC Nightly News (11/8, story 2, 2:00, Miklaszewski, 9.87M) said the "usually feisty if not combative Rumsfeld appeared subdued and reflective, calling it a privilege to serve with the young men and women of the military."

On CNN's The Situation Room (11/8), Pentagon correspondent Jamie McIntyre said, "Nobody saw this coming, as far as I can tell. Most of the key Rumsfeld aides who came in this morning were in meetings with him and he didn't give a clue that this was up until about mid-morning, when he started to brief some of the senior people. So, a big shock, particularly because President Bush had just given him another endorsement."

A front-page Washington Post (11/9, Fletcher, Baker, 690K) headline reads "Bush Ousts Embattled Rumsfeld; Democrats Near Control Of Senate," a prime example of how the media is connecting the elections with the Secretary's exit. The Post leads by saying Bush said his party "took what he described as a 'thumping'" Tuesday, and he "ousted" Rumsfeld, saying "a 'fresh perspective' is needed to guide the military through the difficult war in Iraq." Under the front-page headline "A Meek Departure From The War Cabinet," a second Washington Post (11/9, Ricks, Abramowitz, 690K) story says that "though Bush affectionately patted Rumsfeld on the shoulder as he ushered him out of the Oval Office, there was little sugarcoating the reality" that Rumsfeld "was

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being offered as a sacrificial lamb amid the repudiation of Bush and his Iraq policy that the American electorate delivered on Tuesday."

A front-page New York Times (11/9, Stolberg, Rutenberg, 1.16M) headline also connects the elections and the resignation, putting Rumsfeld's departure on the same line as the close Senate race in Virginia. That story says that "just days after telling reporters that he would keep Mr. Rumsfeld on for the rest of his term, Mr. Bush said that the two had agreed 'after a series of thoughtful conversations' that it was time for Mr. Rumsfeld, a magnet for criticism about management of the war, to go." USA Today (11/9, Page, Kelley, 2.27M) says in its front-page story that "after the worst setback for Republicans on Capitol Hill since Watergate, the president sought to rescue the final two years of his tenure from being paralyzed by an increasingly violent and unpopular war."

The AP (11/8, Burns, Shrader) reports Bush announced Rumsfeld's resignation "within hours of the Democrats' triumph in congressional elections," and "reached back to his father's administration" for a successor. The Chicago Tribune (11/9, Hedges, Silva, 617K) also puts the election's role in its lead, saying Rumsfeld resigned "within hours of a stunning Republican setback" in elections that "became a referendum on President Bush's strategy for the war in Iraq and on Rumsfeld's stormy stewardship of the Pentagon."

The Baltimore Sun (11/9, Davis, 257K) says replacing Rumsfeld "was a stunning turn for a president who has staked his legacy -- and, to some degree, the fortunes of his party -- on a war plan that has lost the support of most Americans." The Financial Times (11/9, Luce, Daniel, Sevastopulo) says Rumsfeld "became a casualty of the Republican party's unexpectedly heavy defeat." On Fox News' O'Reilly Factor (11/8), Dick Morris said, "I was surprised. How about September? How about doing it in August or July? If he'd done that months before, he could have won this election. … I think that the country was waiting for some indication from Bush that he got it. And there was no indication."

The Washington Times (11/9, Scarborough, 88K) headlines its story "Rumsfeld Resigns Under Pressure," saying in its lead that "the icon of the U.S. war on Islamic terrorists…succumbed to mounting pressure to resign." Rumsfeld "referred to his many critics on Iraq by paraphrasing a hero, Winston Churchill: 'I have benefited greatly from criticism, and at no time have I suffered a lack thereof.'"

The Wall Street Journal (11/9, King, Dreazen, Jaffe, 2.04M) says in the lead of its front-page story that Rumsfeld's resignation "opens the door for the biggest change of U.S. policy in Iraq since American troops got bogged down there three years ago." But as the Christian Science Monitor (11/9, Grier, 59K) writes, by "changing the leadership of the Department of Defense," Bush" has not necessarily changed his policies in Iraq." Still, he "may have changed the tone of Washington's debate about Iraq, at least for now." In an analysis, the Washington Post (11/9, A25, Kessler, Ricks, 690K) says Democratic control on Capitol Hill and Rumsfeld's exit have "set the stage for a dramatic shift in the Bush administration's policy toward the Iraq war."

The AP (11/8, Baldor) said the "square-jawed face of the war, the man behind the wars in Iraq and Afghanistan that he predicted were just the beginnings of a long, hard slog," became the "latest casualty of those conflicts -- a victim of a war he steadfastly contended the American public simply did not understand."

On the CBS Evening News (11/8, story 4, 0:45, Couric, 7.66M), retired Maj. Gen. John Batiste, an early Rumsfeld critic, called him "arrogant, dismissive. He would have been a great peacetime secretary of defense, but in wartime he was the wrong person."

"Un-Rumsfeld" Gates To Take Center Stage. ABC World News (11/8, story 2, 0:30, Karl, 8.78M) said, "Robert Gates is in many ways the 'un-Rumsfeld.' Where Rumsfeld is combative and controversial, Gates is soft-spoken and diplomatic. And there are substantive differences as well. Gates was not among those who pushed for the Iraq war. In fact, he's seen as a protégé of Brent Scowcroft, who, although he has been associated with the first President Bush, has been one of the harshest critics of this President's handling of the Iraq war. And most importantly, Gates is on that Baker-Hamilton Commission, who has been searching for a new direction in Iraq."

The CBS Evening News (11/8, story 2, 0:45, Schieffer, 7.66M) said, "This is somebody who's been very close to" President Bush's father "for many, many years. We keep hearing all of these stories about how his father is very concerned about what Iraq has come to. The President's father's advisors have been very, very worried about all of this. The fact that he is going to that circle and he's been very reluctant to do that in the past suggests to me that we're about to see a major re-evaluation of what we're doing in Iraq and where we go from here. This is extremely significant."

Roll Call (11/9, Stanton, Yehle) reports Senate Democrats "said they would not look to block hearings" on Gates, "although they stopped short of pledging to confirm Gates during the upcoming lame-duck session."

The Los Angeles Times (11/9, Miller, 850K) says that in turning the Gates, President Bush "has selected a low-key loyalist who is in many ways the opposite" of Rumsfeld. While Rumsfeld "often seemed bent on running roughshod over the Pentagon brass, Gates is described by longtime associates as collegial and a consensus-builder," and if Rumsfeld "had little regard for President George H.W. Bush and many of his pragmatic security advisers, including Brent Scowcroft, Gates was part of that inner circle. He remains

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close not only to Scowcroft but to other Rumsfeld rivals, including Secretary of State Condoleezza Rice." Bloomberg (11/8, Zacharia) says Bush's selection of Gates "suggests a readiness to examine a new strategy in Iraq."

The New York Times (11/9, Shane, 1.16M) says on its front page that the Gates nomination marks a return "to an earlier era in Republican foreign policy, one marked more by caution and pragmatism than that of the neoconservatives who have shaped the Bush administration's war in Iraq and confrontations with Iran and North Korea." The Wall Street Journal (11/9, A6, Jaffe, 2.04M) says it "remains to be seen what kind of long-term vision" Gates will bring to the Pentagon if confirmed.

The Wall Street Journal goes on to say Gates "is known as a master operator of the national-security bureaucracy," though the Washington Times (11/9, Gertz, 88K) says Gates has "little experience in military and defense affairs." But USA Today (11/9, 2A, Willing, 2.27M) says "those who have observed Gates" say his job as Texas A&M president may actually "have provided the best test of the skills he'll need to succeed" at the Pentagon. One said, "He undertook big changes, and evidently did it with good nature and without too many bad feelings. He got accomplished what he felt needed to be accomplished without being picketed or having rocks thrown at him." The Dallas Morning News (11/9, Landers, 500K) says Gates will leave A&M "for one of the most thankless jobs in the country." The Washington Post (11/9, A24, Tyson, Pincus, 690K) calls Gates a "Breaker Of Barriers" in a headline, saying he "lacks the top-down, take-no-prisoners managerial style that won Rumsfeld enemies and instead is more likely to set up task forces and forge agreements behind the scenes."

On NPR's Talk Of The Nation (11/8, Conan), intelligence correspondent Mary Louise Kelly said of Gates, "This not the first time President Bush has tried to pull Gates into his administration." Gates "was actually the first choice for the new position of national intelligence director when that job was created last year, and Gates turned it down. At the time he made clear he thought the job was a pretty bad idea and would add a layer of bureaucracy. So it's interesting to see he's coming back to Washington to serve his president."

On NPR's Day To Day (11/8, Brand), retired admiral and Clinton Defense nominee Bobby Ray Inman said of Gates, "I'm comfortable he wouldn't be going into the job unless he had the President's assurances for supporting new policies." Inman noted that Gates has served as a member of James Baker's Iraq Study Group, "so he's obviously been very involved in putting together their ideas of how we should change direction."

Pelosi Pleased, But Says "President Makes The Policy." On the CBS Evening News (11/8, story 5, 0:35, Couric, 7.66M), likely incoming House Speaker Nancy Pelosi said, "I think it's good news. It signals, maybe, a change in attitude on the part of the President. The President is the policymaker, the Secretary of Defense is the implementer, and whatever you think of the policy, everyone agrees that the implementation of that policy has been a failure." On PBS' NewsHour (11/8, Warner), Pelosi said, "Yesterday, the American people spoke very clearly that there's one place they want a new direction: It's in the conduct of the war in Iraq. … So thank heavens the President has heard the message and has acted upon it. … I think it signals that he might be ready for change, but let's remember: He is the commander-in-chief. Rumsfeld or any secretary is an employee, an implementer of the policy. But the President makes the policy."

Capitol Hill Democrats Say Departure Just First Step. Sen. Joseph Biden said on MSNBC's Hardball (11/8, Matthews), "It is important that to demonstrate that" the President is "willing to change policy, the secretary of defense has to get out of the way. So he's done one of the things that's a precondition for changing policy. It would be impossible to change policy with Rumsfeld in place. It would just -- he could never do it."

On Fox News' O'Reilly Factor (11/8), Sen. Charles Schumer said, "I thought he should have done it months and months ago, but it showed that they're beginning to listen to new ideas. I think Donald Rumsfeld was just about the only person around that thought things in Iraq were going smoothly."

Sen. Dianne Feinstein, appearing on MSNBC's Hardball (11/8, Matthews), said, "People are very upset with the war. 'Stay the course' doesn't do it. And if this is going to be another stay-the-course secretary of defense, I think he'll run into trouble. … I hope we'll have a secretary of defense who has a new strategy, who will work with the Congress and we can put all of the kind of controversy about Mr. Rumsfeld behind us."

Rep. Jack Murtha said on MSNBC's Hardball (11/8, Matthews), "Bob Gates is a good friend of mine. … But if the policy doesn't change, it's not going to make any difference at all. And we got all kinds of money problems in the military. So this is not a change that I see making any difference at this point."

Rep. Charles Rangel, appearing on MSNBC's Tucker (11/8, Carlson), said, "I think the President actually counted the votes and saw that the American people were frustrated, not only with the policy but the personality of Rumsfeld. … What happens after him? If we've got to stay the course, it's not much of a change. But I think that it's a move in the right direction." On Fox News' Your World (11/8, Cavuto), Rangel said, "Rumsfeld had no policy. You cannot say this is the right thing to do, until you see what the new person is going to do."

Iraqis, US Troops Express Uncertainty About Pentagon Switch. NBC Nightly News (11/8, story 3, 0:45,

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Engel, 9.87M) reported that the view from Iraq "in a word is uncertainty, from the Iraqi government and from the American troops serving here." The CBS Evening News (11/8, story 3, 0:45, Logan, 7.66M) added that among "commanders and soldiers…perhaps the most damning reaction that I've heard is that this comes three years too late and that it won't change the reality on the ground for the troops here because they are on a course of action now as a result of decisions made by Secretary Rumsfeld and the results of that are plain for everyone to see."

Longest-Serving Pentagon Chief Played Major Role. The CBS Evening News (11/8, story 10, 2:15, Couric, 7.66M) closed with a retrospective on Rumsfeld's career, which noted that "by the time he leaves the Pentagon after his replacement is confirmed, Rumsfeld will be the longest-serving defense secretary ever. He served two presidents 25 years apart. Then 43 years old, now 75, he's both the youngest and oldest man to head the Pentagon."

The New York Times (11/9, A29, Gordon, 1.16M) and the Los Angeles Times (11/9, Barnes, 850K) both reflect on Rumsfeld's desire to transform the Pentagon, with the New York paper saying in a headline that "Rumsfeld, A Force For Change, Did Not Change With The Times Amid Iraq Tumult," and writing that "from the day he took control at the Pentagon," Rumsfeld "was determined to reassert civilian control of the defense establishment and create a leaner, more lethal American military," and "pursued his goals with a vengeance, emerging as the most powerful secretary of defense since Robert S. McNamara more than three decades earlier." In its similar story, the Los Angeles newspaper says Rumsfeld's "strategy led him to dominate national security policy more than any figure since Henry Kissinger."

In the Style section of the Washington Post (11/9, C1, 690K), Linton Weeks takes a tongue-in-cheek look at Rumsfeld's unique public style, writing, "Is he stepping down? You bet. Does he admit defeat? Not by a long shot. … Goodness gracious!" Rumsfeld "not only has been secretary of defense for six years, he's been secretary of offense. During his tenure, briefings by the head of the armed forces became tours de force. He would clap his hands, lick his lips, narrow his eyes into a squinty gaze and extemporize, patronize, chastise, sermonize and crack wise all at the same time."

Hunter, Kissinger Laud Rumsfeld. On CNN (11/8), Rep. Duncan Hunter, described by anchor Don Lemon as "an ardent Rumsfeld supporter," said, "Don Rumsfeld has done a good job. He's managed a force of 2.5 million people, wars in two theaters, reformed the military, stood up our first incipient missile defense. So, he's had a broad array of challenges. He's handled those well. I talked to him before the resignation announcement. And I think he's really doing it, because he sees now, with the Democrat leadership in Congress, it's going to be hard to get past what I see as personal animosities toward him, and get the job done."

On CNN's The Situation Room (11/8, Blitzer), Henry Kissinger said, "Rumsfeld is a great patriot. And he must have decided he was drawing too much fire, it would be too difficult to carry out his tasks and that he wanted to provide a opportunity for a different perspective."

Australia Praises Rumsfeld, Vows To Stay In Iraq. AFP (11/9) reports Australia "hailed" Rumsfeld as a "'champion of freedom' and pledged that Canberra would keep its troops in Iraq."

More Commentary On Pentagon Leadership Change. Commentary on the Rumsfeld resignation follows a similar line as the coverage, saying Rumsfeld's departure was a near-certainty following the elections and saying the nomination of Gates hearkens back to the administration of President Bush's father. The New York Times (11/9, A32, 1.16M) editorializes, "There was absolutely nothing more left for Mr. Rumsfeld to do as secretary of defense except continue to defend failed policies and tinker with unworkable strategies. Most of the men and women who will be part of the new Congress came to that conclusion, whatever their party affiliation. … Rumsfeld's departure is merely the first step. It has to be followed by a major change in policy if American troops can be brought home without leaving a disaster behind."

The Wall Street Journal (11/9, 2.04M) editorializes, "When the history of this era is written, Mr. Rumsfeld is likely to fare much better than his many critics assert. The secretary has been a convenient political foil -- for Democrats, for generals who didn't like the way he exercised civilian control at the Pentagon, and especially for erstwhile war supporters who wanted to blame the Iraqi insurgency on some individual rather than on the inevitable complications and setbacks of any war." As for Gates, he "is a capable public servant with broad security experience. But much of that experience is with the CIA, which has misjudged the nature of the enemy throughout this conflict."

The Los Angeles Times (11/9, 850K) editorializes, "Better late than never." More than two years after Rumsfeld "offered to resign in the aftermath of the Abu Ghraib prison scandal, President Bush finally agreed to let Rumsfeld go, to make room for a 'fresh perspective.' It's an easy gesture at this point -- the political equivalent of bringing down the piñata once it's been battered beyond recognition."

The Boston Herald (11/9, 184K) editorializes, "Well, better late than never, as they say. … Rumsfeld should have been out the door two years ago, but President Bush has been loyal to a fault. Tuesday he and his party paid an enormous price for that with the voters. But they spoke and Bush -- finally -- listened. … Good riddance."

The Arizona Republic (11/9) editorializes, "Firmness in wartime is a virtue, certainly. As is consistency of leadership.

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And…Rumsfeld demonstrated both. A war against a merciless foe needed to be won, and for all his hardheaded faults, Rumsfeld clearly had the determination to see it through. … But the primary task of the American force in Iraq, under Rumsfeld, has been to establish and maintain the peace necessary for that nascent democracy to assert itself. And that has not come to pass."

In her New York Times (11/9, 1.16M) column, Maureen Dowd writes, "Poppy Bush and James Baker gave Sonny the presidency to play with and he broke it. So now they're taking it back. They are dragging W. away from those reckless older guys who have been such a bad influence and getting him some new minders who are a lot more practical. … Gates, his friends say, had been worried about the belligerent, arrogant, ideological style of Rummy & Cheney from the start."

In his Washington Post (11/9, A29, 690K) column, David Ignatius writes, "Senior military officers referred to it as 'the 7,000-mile screwdriver.' That was their way of describing Donald Rumsfeld's penchant for micromanaging aspects of the Iraq war that interested him. And it's one reason the military has to be happy that Rumsfeld is leaving -- even happier, maybe, than Democrats, who have claimed an early scalp for their election victory. … Changes in Iraq are coming, and Rumsfeld's departure is, to paraphrase the prayer book, one outward and visible sign of an inward and spiritual process."

Khalilzad Expects No Major Shift In US Iraq Policy. USA Today (11/9, 14A, Stinson, 2.27M) writes that "from Tokyo to Baghdad, Istanbul to Nairobi, Toronto to the British capital, many people said they hoped the Democratic wins in Tuesday's U.S. elections would pressure President Bush to alter course in Iraq and abandon what some called an arrogant foreign policy." But in Iraq, the AP (11/8, Bodeen) reports, US Ambassador Zalmay Khalilzad said the "sharp political realignment in Congress would not provoke upheaval" in US policy. Khalilzad said, "The President is the architect of US foreign policy. He is the commander in chief of our armed forces. He understands what is at stake in Iraq. … He is committed to working with both Houses of the American Congress to get support needed for the mission in Iraq to succeed." The Washington Post (11/9, A23, Anderson, 690K) also covers Khalizad's remarks.

The New York Times (11/9, A18, Burns, Luo, 1.16M) reports Iraq's political leaders "scrambled Wednesday to interpret what a sharply altered American political landscape might mean for the future of this war-ravaged country." Some Iraqi politicians said they "hoped for major changes, while others seemed more concerned about reassuring Iraq's 27 million people that America would not abandon its commitments here and order American troops home."

Friedman Says US Choices In Iraq Between "Tolerable" And "Awful." In his New York Times (11/9, A33, 1.16M), column, Thomas L. Friedman writes, "The Iraq war has turned into a sucking chest wound for our country -- infecting its unity at home and its standing abroad. No one can predict what Iraq will look like 10 years from now. I wish it well. But in the near term, it is clear, nothing that we'll feel particularly proud of, nothing that we'll feel justifies the vast expenditure of lives and treasure, is going to come out of Iraq. Our only two options left today in Iraq are 'tolerable' and 'awful.' 'Good' is no longer on the menu. … It's time to make a final push for the tolerable, and if that fails, quit Iraq and insulate ourselves and our allies from the awful. This can't go on."

Bombs Kill Eight Sadr City Youths On Soccer Field. In an evocative report, the Los Angeles Times (11/9, Daragahi, 850K) says explosives "rained down on a dusty soccer field" in Sadr City Wednesday, "killing eight Iraqi youths and injuring dozens. Around the country, bombings and shootings left dozens of other Iraqis dead," and the official number of US troops killed climbed to "at least 2,839. … Mortar and rocket battles reminiscent of the urban civil warfare that engulfed Sarajevo, Beirut and Kabul in previous decades have erupted occasionally throughout Baghdad's patchwork of religiously mixed neighborhoods."

Maliki Predicts Saddam Hanging This Year. The New York Times (11/9, A18, Semple, 1.16M) reports Iraqi PM Nouri al-Maliki "predicted in a televised interview on Wednesday that former President Saddam Hussein would be hanged by the end of the year." But court officials said Maliki's prediction "was unrealistic, considering the timing of the appeals process and the sheer volume of evidence the appellate judges would have to review. It was far more likely, they said, that the hanging would not take place until January at the earliest, and probably later."

Saddam Co-Defendant Says Kurds Spied For Iran During War. The AP (11/8, Yacoub, Halaby) reports Saddam-era military intelligence chief Sabir al-Douri "accused Iraqi Kurds on Wednesday of spying for the Iranians at the time of the government crackdown on the Kurdish population." Al-Douri, a co-defendant in the ex-dictator's genocide trial, "made the accusation after listening to Kurdish witnesses testify about chemical attacks against their villages in northern Dahuk province in August 1988."

Suicide Bombing Kills At Least 42 Pakistani Soldiers Near Afghan Border. ABC World News (11/8, story 13, 0:15, Gibson, 8.78M) and NBC Nightly News (11/8, story 9, 0:10, Williams, 9.87M) both briefly reported on a suicide bombing at a Pakistani army camp near the Afghanistan border, which killed at least 42 soldiers. The

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New York Times (11/9, A24, Gall, Masood, 1.16M) says it was the "deadliest terrorist attack against the Pakistani military on record." The Washington Post (11/9, A16, Constable, Khan, 690K) reports officials "immediately blamed the bombing on al-Qaeda and local Islamic extremists."

Pakistan-Based Taliban Fighters Describe Operations. The Christian Science Monitor (11/9, Koster, 59K) runs a "rare interview with a Western reporter" granted by Taliban fighters based in Pakistan's Balochistan Province. The four described "how they slip into Afghanistan, attack NATO and Afghan forces, and return to Pakistan to rest."

Poll Finds Afghanis Generally Optimistic. USA Today (11/9, 4A, Wiseman, 2.27M) reports that an Asia Foundation poll of 6,226 Afghan adults found that most "are optimistic about the future, satisfied with their young democracy and rank security low on their list of everyday concerns." The USAID-funded poll "suggests that Afghans are surprisingly confident about the direction of their country even as NATO forces battle a pro-Taliban insurgency in southern and eastern provinces."

CORPORATE SCANDALS:

Former US Foodservice Official Convicted Of Securities Fraud. The Washington Post (11/9, D01, Johnson) reports, "A New York jury convicted former U.S. Foodservice Inc. marketing chief Mark P. Kaiser yesterday of conspiracy, securities fraud and false filing charges, all but bringing to a close a three-year, $800 million accounting fraud probe at the Columbia food distribution company." The Post continues, "Kaiser, 49, remains free on bond until his sentencing Feb. 8. He is the only former official at U.S. Foodservice, a unit of the Dutch grocery retailer Royal Ahold NV, who presented his case to a jury." The Post adds, "A few weeks before the trial began last month, former finance chief Michael J. Resnick pleaded guilty to conspiracy for his role in the scheme, which boosted earnings by inflating the amount of promotional rebates U.S. Foodservice received from suppliers. … Kaiser's deputy, Timothy J. Lee, also pleaded guilty and testified against his former boss in the course of the case, which spanned about four weeks. In closing arguments, Kaiser's lawyer, Richard J. Morvillo of the District, labored to paint Lee as a liar trying to curry favor with the government and win a lighter prison sentence."

The Wall Street Journal (11/9, C3) reports, "The government alleged Mr. Kaiser and others misrepresented to U.S. Foodservice's auditors and the public how much the company was receiving in supplier rebates, known as promotional allowances, by hundreds of millions of dollars in order to meet income targets." The Journal adds, "More than a dozen U.S. Foodservice vendors and three former executives, including former U.S. Foodservice Chief Financial Officer Michael Resnick, have pleaded guilty to criminal charges in the matter. … On Monday, the Amsterdam-based retailer said it will put the U.S. Foodservice unit and its Tops supermarkets in New York and Pennsylvania up for sale."

UnitedHealth Executives Forfeit $390 Million In Stock Options. The Wall Street Journal (11/9, B1, Stecklow, Fuhrmans) reports, "The two top executives of UnitedHealth Group Inc." -- outgoing Chief Executive William W. McGuire and his successor, Stephen J. Hemsley – "agreed to forfeit about $390 million in stock-option compensation, by far the biggest sum returned to a company under scrutiny for backdating options awards." Other "senior UnitedHealth executives will also return unspecified options gains." UnitedHealth "also disclosed that it would have to take 'significantly greater' charges related to its backdated stock options than it had previously estimated and that it expects the charges to affect the past 12 years of previously reported earnings."

Bloomberg (11/8, Rapaport) added UnitedHealth Group Inc. "said its restatement of earnings to correct accounting for stock-based compensation ;will be significantly greater' than the $286 million it estimated in May." UnitedHealth "said its financial statements from 1994 through September this year 'should no longer be relied upon' because they may not reflect costs of stock-based compensation." Meanwhile, "Departing...McGuire will lose about $200 million because of the restatements, said his lawyer, David Brodsky." Hemsley "will give up about $190 million," UnitedHealth said. Last month, "both agreed to let their option dates be reset to the highest share price in the grant year."

Business Week (11/9, Ryst) reports UnitedHealth Group "faces a whopper of a bill from backdated stock options. It's also hoping to renew favor with investors by repricing options for several executives and bringing new leaders into its executive suite." UnitedHealth "also ousted its chief financial officer, Patrick Erlandson, who has been in that position since 2001. Erlandson will remain with the company, and be succeeded by G. Mike Mikan, a senior vice-president of finance. In addition, UnitedHealth designated Forrest Burke as acting general counsel, from his former role as general counsel for UnitedHealthcare, Uniprise, and specialized-care services."

The Los Angeles Business (11/9) adds UnitedHealth Group Inc. board also "strengthened requirements for ensuring the independence of its directors, going further than the standards of the Securities and Exchange Commission and the New York Stock Exchange."

Fannie Mae To Spend $1 Billion On Accounting Review. The AP (11/9, Gordon) reports, "Fannie Mae said Wednesday it expects to spend more than $1 billion this year

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on the massive review of its accounting and preparing financial statements as the mortgage giant pushes to complete it by year's end." The AP continues, "The government-sponsored company, which finances one of every five home loans in the United States, is emerging from an accounting scandal that brought the ouster of top executives and a record $400 million civil fine in a settlement with federal regulators. Fannie Mae also said it would miss a regulatory deadline Wednesday for filing its financial report for the third quarter of 2006. The company hasn't filed an earnings statement since late 2004." The AP adds, "Federal regulators that year accused Fannie Mae of serious accounting problems and earnings manipulation to meet Wall Street targets, and the Securities and Exchange Commission ordered the company to restate earnings back to 2001. … The anticipated restatement has been estimated at $10.8 billion, though Fannie Mae says it expects the final amount could be lower. The company said in August it believes that the accounting review has uncovered the last of the errors."

SEC To Relax Audit Rules For Small Firms. The New York Times (11/9, Norris) reports, "Regulators are seeking a way to lighten the burden of the Sarbanes-Oxley law on smaller companies by addressing the focus and cost of audits of internal controls, Christopher Cox, the chairman of the Securities and Exchange Commission, said yesterday." The Times continues, "Mr. Cox said in an interview that the goal was to focus the attention of auditors on only those controls that could be important to assuring the accuracy of financial records, a measure required by Section 404 of the Sarbanes-Oxley law, and to hold down the cost of the audits. … 'There will be an audit for everybody, which is a major decision we took,' he said, adding that the nature of the audit could change. 'It is supposed to be risk-based, so that the auditor's time is focused on the areas of greatest risk.' … He said that was particularly important for smaller companies, some of which have complained that costs are excessive. The burden of such audits has also been blamed for a reluctance of foreign companies to list their securities on American markets." The Times notes, "Mr. Cox said his goal was to smooth the way for the Public Company Accounting Oversight Board to propose a new auditing standard in the area, and for the S.E.C. to approve it, by this spring. To do that, he said, he has held extensive consultations with Mark Olsen, the chairman of the oversight board."

CRIMINAL LAW:

Jefferson, Carter Begin Month-Long Runoff Campaign. The AP (11/9, Burdeau) reports, "U.S. Rep. William Jefferson, handicapped by an FBI bribery investigation, embarked Wednesday on a monthlong and grueling contest against a young but politically experienced challenger seeking to end his 16-year turn as this city's face in Congress. State Rep. Karen Carter played up the old-versus-new dynamic at a Wednesday news conference, keying on the hurricane-battered city's recovery." The AP notes Jefferson "won about 30 percent of the vote in the multiparty primary Tuesday, outpacing 12 challengers lured into the race because of his vulnerability stemming from the FBI bribery investigation into his African business dealings." Carter "got about 22 percent of the vote, finishing second to earn a spot in the Dec. 9 runoff. … 'We can assume that the voters who voted for other candidates will not vote for Jefferson' in the runoff, said Susan Howell, a political analyst at the University of New Orleans."

The New Orleans Times-Picayune (11/9, Donze) reports, "Conventional political wisdom says that a congressman who lands in a runoff, particularly after 16 years in office, should seriously consider cleaning out his desk. For…Jefferson, the adage may be even more apropos, given that Hurricane Katrina scattered much of his traditional voter base last year just as FBI agents were ramping up their federal bribery probe into his business dealings in Africa." But campaigning for the runoff yesterday, Jefferson "wasn't talking like someone preparing to pack up." Still, "political observers say the situation he finds himself in is less than ideal."

Letten Says New Orleans Must Overcome Crime, Corruption. The AP (11/9, Bohrer) reports from New Orleans, "The city's survival depends on getting a handle on violent crime and corruption and creating opportunities for young people, a federal prosecutor said Wednesday. 'And that's a heck of a tall order, but that's something we need to do,' Jim Letten said." At the Bureau of Governmental Research breakfast, the US Attorney "joined Supreme Court Justice Catherine Kimball in addressing the rebuilding of New Orleans' criminal justice system after Hurricane Katrina." The AP adds that Kimball told the group, "The survival of this town depends on getting a handle on violent crime, corruption, so we can keep and attract industry -- diversifying our economy and, for God's sake, building a decent school system so that kids who grow up in public housing, poor neighborhoods and Section 8 housing can get the opportunities they need to actually get jobs and not go into the drug trade."

FBI Searches Offices Of Kentucky Judge-Executive. The Lexington Herald-Leader (11/9, 113K) reports, "FBI agents searched the offices of Knox County Judge-Executive Raymond C. Smith on Wednesday. Bruce Murphy, Smith's deputy judge-executive, said four agents accompanied by a Kentucky State Police trooper served a search warrant at the office Wednesday morning. The warrant sought audiotapes and other records concerning

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fiscal court meetings in 2004 and 2005 and documents related to four companies" which had "won contracts to provide goods or services to the county, Murphy said. Smith had an ownership interest with his brother in at least one of the companies," but "Murphy said that when Smith took office, he essentially turned the company over to his brother. The warrant could indicate the FBI is investigating bids awarded by the county."

Kentucky Judge Indicted On Vote-Buying Charges. WTVQ-TV Lexington (11/8, Haeberle) reported on its Web site from a story broadcast yesterday, "Bath County Judge Executive Walter B. Shrout has been indicted on charges he took part in a vote-buying scheme during this year's primary election. In a federal indictment unsealed Wednesday, Shrout…was charged with conspiracy, making a false statement to a federal agent and obstruction of justice. Shrout now becomes the 10th person indicted in relation to the vote-buying scheme that started weeks before the May primary." WTVQ added that the indictment "also states Shrout lied to an FBI investigator last month about being involved in the scheme and offering $100,000" to two conspirators "to 'keep quiet about his involvement.'"

Grand Jury Subpoenas Chicago City Worker Injury Claim Records. The Chicago Sun-Times (11/9, Spielman, Novak) reports, "A federal grand jury is demanding records from City Hall regarding injury claims of city workers, a move that comes two weeks after the Sun-Times reported Chicago patronage workers claim to be hurt at a rate that exceeds the nation's most dangerous jobs. Grand jurors have issued a subpoena to the City Council Finance Committee, headed by Ald. Edward M. Burke, seeking an array of records on injured city workers, many who have been off work for years and collecting disability checks." The Sun-Times notes, "The Sun-Times' 'Clout's Sick List' investigation…reported that one in five patronage workers listed on the once-secret clout list kept by Mayor Daley's former patronage director had filed workers' compensation claims. That injury rate far outpaces those for any occupation tracked by the U.S. Department of Labor, including underground coal miners and foundry workers. Most of those patronage workers had filed at least two claims."

Malvo Sentenced To Six Life Terms For DC-Area Sniper Shootings. The Washington Post (11/9, B01, Londo) reports, "Sniper Lee Boyd Malvo offered a tearful apology yesterday to relatives of the six people he and his accomplice killed in Montgomery County, minutes before he was sentenced to six consecutive terms of life in prison without the possibility of parole. … 'I'm truly sorry, grieved and ashamed of what I've done to the families and friends,' Malvo said as he listed the names of the Montgomery victims he and John Allen Muhammad shot from afar with a powerful rifle in October 2002. 'Each of you relive this every morning, every birthday, every anniversary, every time you look in your children's eyes.'" The Post continues, "A handful of relatives attended the afternoon hearing in Rockville, which marked the last chapter of the snipers' legal proceedings in Maryland. … Malvo said he was most haunted by the death of Ride On bus driver Conrad Johnson, 35, the sniper's last victim. According to Malvo's testimony, his death was the only fatal shooting in Maryland in which Malvo pulled the trigger. … 'I thought of his sons, who just for once would like to play basketball with their father,' Malvo said. 'Just one more time see his face.'" The Post notes, "Prosecutors and Malvo's attorneys said Malvo, 21, has experienced a transformation during his months in Maryland. They said his remorse is genuine, and they commended him for cooperating with prosecutors in Muhammad's May trial in Montgomery, in which Malvo took the stand to offer the first public, firsthand account of the shootings. … Malvo testified that he fell under the spell of Muhammad as a young and vulnerable teenager who had all but been abandoned by his parents in Jamaica. The elder sniper took him on a cross-country trip in 2002 that began in Washington state, terrorized the District and its suburbs for three weeks in October and ended in suburban Maryland, where they were arrested. Malvo told law enforcement officials in Maryland this year that the pair shot 27 people, 17 of whom died."

US Charges Montana PI With Defrauding Law Firms. The New York Law Journal (11/9, Lin) reports, "Federal law enforcement officials in New York have announced the arrest on wire fraud charges of a Montana private investigator who allegedly defrauded two of Manhattan's top litigation firms by promising to sell them 'proof' of misconduct by opposing parties and counsel." The Journal continues, "The criminal complaint filed Wednesday by the Southern District of New York U.S. Attorney's Office charged that Michael Lair had approached New York lawyers working on two high-profile cases and received more than $80,000 to provide information he ultimately failed to produce." The Journal adds, "Lair, 46, is the president of Bozeman, Mont.-based consumerdefense.com Inc., a company that claims to investigate consumer complaints and conduct research in connection with fraud cases. … The complaint, sworn out by Special Agent B.J. Kang of the Federal Bureau of Investigation, did not identify any matters or lawyers by name, only describing one case as involving a large insurance company engaged in litigation with its former chairman and the other as involving a pharmaceutical company's suit against a hedge fund." The Journal notes, "Sources familiar with both matters confirmed that the insurance company case was the dispute between AIG Inc.

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and its former chairman, Maurice R. Greenberg, and that the hedge fund matter was Biovail Corp.'s securities fraud suit against SAC Capital Management. … The lawyers who dealt with Lair included Robert G. Morvillo of Morvillo, Abramowitz, Grand, Iason, Anello & Bohrer, which is one of a team of firms representing Greenberg, and Michael J. Bowe of Kasowitz, Benson, Torres & Friedman. Morvillo is one of the city's most well-known white-collar litigators and the Kasowitz firm, led by Marc E. Kasowitz, is also regarded as a top litigation shop."

Former Penn Professor Charged With Child Porn. The AP (11/9) reports, "A former University of Pennsylvania business professor who was previously convicted in a teen sex sting was indicted Wednesday on charges he produced and distributed child pornography." The AP continues, "Lawrence Scott Ward, 64, was arrested in August as he returned from Brazil through Washington Dulles International Airport. … Federal authorities who searched his laptop computer said it contained a video of young children engaged in sexual activity. They also said they found videos showing the defendant involved in sex acts with teenage boys." The AP adds, "The three-count indictment charges that Ward produced, imported, and possessed child pornography. His arraignment was set for Thursday in Virginia. … Ward was convicted in 1999 of soliciting sex from a Pennsylvania state trooper posing as a 15-year-old male prostitute, a prosecutor said at Ward's recent bail hearing."

Senior Gotti's Mob Allies Lambasted Victoria Gotti Reality Show. The New York Sun (11/9, Capeci) reports in its "Gang Land" column, "There was food and wine on the table and an FBI bug hidden underneath" at the 2004 dinner hosted by Genovese capo Ciro Perrone. "A trio of veteran wiseguys was trashing a reality TV show that struck close to their hearts, 'Growing Up Gotti,' the saga of John Gotti's racy, platinum blonde daughter, Victoria, and her three teenage sons." Perrone denounced the show, saying, "It's a soap opera, and the kids look like girls." The Sun adds, "'It's one of the most disgusting, insulting shows' on television, the aging capo's longtime right-hand-man, John Yannucci, said, according to a report about the discussion written by FBI agent John Penza. Colombo soldier Ralph Scopo, a close Howard Beach pal of the late Gambino boss, was 'so embarrassed' for his late friend's family that he said he couldn't talk about it, Mr. Penza wrote in an affidavit that was filed last year with the federal judge who approved the bugging.

Former Employee Charged With Sabotaging Florida Theater Chain Ticket System. The Miami Herald (11/9, Danner, 286K) reports, "Fort Lauderdale-based Muvico Theaters' former information-technology director faces a federal charge of sabotaging the movie-chain's ticketing-sales system last spring on the opening weekend of Mission Impossible III." Joseph Harlen Shook "was charged in a one-count grand jury indictment of hacking Muvico's computer system to disrupt ticket sales in May -- which the company says cost it about $100,000." Shook "was dismissed in February as part of some cutbacks, according to Muvico spokesman John Spano." The Herald notes, "The investigation was conducted by the FBI."

CIVIL LAW:

Judge Rules Group Can Subpoena White House Documents In Plan B Lawsuit. The AP (11/9) reports Federal Magistrate Judge Victor Pohorelsky "has ruled that a reproductive rights group can seek White House e-mails and other documents as part of its lawsuit promoting broader access to the morning-after pill." The ruling "allows the Center for Reproductive Rights to subpoena more than three years of Plan B-related communications between the White House's domestic policy office and select Food and Drug Administration officials. The documents include e-mails, letters and records of conversations." The group "sued the FDA seeking to lift all age restrictions on nonprescription sales of the Plan B emergency contraceptive pills. It seeks the documents to determine whether the White House interfered with the FDA's handling of a request by manufacturer Barr Pharmaceuticals Inc. to allow over-the-counter sales."

Supreme Court Hears Challenge To Federal Partial Birth Abortion Ban. The Wall Street Journal (11/9, Bravin, 2.04M) reports a day after "voters in three states rejected ballot measures to restrict abortions, the Supreme Court took up the Bush administration's appeal to reinstate the first federal ban of a specific abortion procedure." Three federal appeals courts "struck down the Partial-Birth Abortion Ban Act of 2003, finding it violated a five-to-four Supreme Court opinion in 2000 that invalidated a similar Nebraska law because it made no exception to preserve the woman's health." Solicitor General Paul Clement "told the justices that Congress had avoided the flaws of the Nebraska statute, by making official findings that the procedure was never medically necessary and defining the procedure itself more specifically." But the "biggest change may have been on the court, where antiabortion activists hope two Bush appointees will uphold restrictions on the procedure and, perhaps someday, an outright ban. Justice Sandra Day O'Connor, who voted with the majority in the 2000 Nebraska case, has since retired, and her

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successor, Justice Samuel Alito, brings a record of skepticism toward abortion-rights arguments."

ABC World News (11/8, story 11, 0:45, Gibson, 8.78M) reported, "Emotions ran high today, as the Supreme Court heard its first big abortion case since Chief Justice Roberts and Justice Alito joined the panel. Protesters on both sides of the so-called partial birth abortion issue marched outside. Inside, police dragged a man from the court after an outburst. The Supreme Court must decide whether to uphold a law banning the procedure. The Bush Administration called it infanticide. Abortion rights groups say the law would prohibit all abortions after the first trimester."

NBC Nightly News (11/8, story 7, 0:25, Williams, 9.87M) reported it was "an emotional day at the US Supreme Court as it took up one of the most important abortion cases. The justices heard arguments and must decide on what will become of the Federal ban on late term abortions. The term opponents use is partial birth abortions. Inside the courtroom by the way, there was a rare outburst by a protester who opposes this procedure. It was the first such disruption inside the Supreme Court chambers in two decades."

USA Today (11/9, Biskupic, 2.27M) reports the Supreme Court "was packed and demonstrators gathered outside under drizzly skies Wednesday as the justices heard arguments in what probably will be two of the most significant abortion rights cases in decades." The "disputes over Congress' ban of a procedure it calls 'partial birth' abortion represent a key test of whether the court led by Chief Justice John Roberts will take a harder line against abortion rights now that Justice Sandra Day O'Connor, a key supporter of such rights, has retired." But as the "two-hour court session played out, neither Roberts nor the conservative justice who replaced O'Connor, Samuel Alito, were the key players. Instead, everything seemed choreographed around Anthony Kennedy, the justice who is at the ideological center of the divided, nine-member court." Kennedy, who "has supported abortion rights but voted against striking down a state ban on 'partial birth' abortion six years ago, is widely viewed as the key vote in the cases."

The AP (11/9, Sherman) reports that in "an intense morning of arguments, lawyers for the Bush administration and supporters of abortion rights gave starkly contrasting views: A law passed by Congress labels it a gruesome and inhumane practice. Supporters argue that such abortions in the second trimester of pregnancy sometimes are the safest for women." Justice Kennedy, "the court's swing voter following O'Connor's departure, dissented so strongly in the Nebraska case that many court observers believe he is unlikely to switch sides."

The New York Times (11/9, Greenhouse, 1.16M) reports Justice Kennedy's "questioning suggested that he had not made up his mind, despite his strongly worded dissenting opinion when the court struck down Nebraska's version of the federal law six years ago, and despite his obvious distaste for the procedure at issue. Instead, his questions suggested that he remained open to persuasion that the law placed doctors in legal jeopardy and imposed an unconstitutional burden on their patients' right to terminate their pregnancies."

The Washington Post (11/9, A3, Lane, 690K) reports the two hours of oral arguments "on a federal 'partial birth' abortion ban at the Supreme Court yesterday showed that the justices are intensely focused on the procedure's medical details and health implications -- but produced few clues as to how they might rule." As "expected, the court's four most liberal members, Justices John Paul Stevens, David H. Souter, Ruth Bader Ginsburg and Stephen G. Breyer, sounded skeptical about the statute. Of the court's conservatives, only Chief Justice John G. Roberts Jr. said much at all, asking questions that implied the law should be upheld." That left "plenty of time for Justice Anthony M. Kennedy, whom both sides in the case consider the likely swing vote, to listen to the lawyers and air his concerns -- though he did not tip his hand."

The Los Angeles Times (11/9, Savage, 850K) reports the case "could prove a turning point for the Supreme Court on abortion. With the arrival of President Bush's two conservative appointees, there appears to be a five-vote majority, including Justice Anthony M. Kennedy, to uphold stricter regulation of abortion." Six years ago, "when the court struck down a Nebraska ban on the practice, Kennedy wrote an impassioned dissent, describing D&X as 'abhorrent.' Abortion-rights advocates hope he will switch sides. But Wednesday, Kennedy suggested that the disputed procedure might be 'purely elective and not medically necessary.'"

Scripps Howard (11/9, Guillaume) reports, "A screaming man charged through the main doors of the Supreme Court's chambers during a hearing in a contentious abortion case Wednesday. … 'Abortion is a sin,' shouted the man, later identified by court officials as Rives Miller Grogan. Four court employees dragged him out of the courtroom." Scripps Howard continues, "Grogan's last known residence is in Los Angeles. He was taken to the U.S. Capitol Booking Center before being transported to D.C. Superior Court. … He was charged with creating a noise disturbance, resisting arrest and other related offenses, a Supreme Court spokesman said." Scripps Howard notes, "Some spectators left their seats and headed toward the door. None of the justices said anything about the disturbance. Such disturbances are rare in the well-guarded court chamber. Court regulars said the last one they remembered was in1983 when Hustler publisher Larry Flynt shouted obscenities during a hearing in his own case."

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CIVIL RIGHTS:

Few Polling Problems Seen, Review Could Presage Changes For 2008. USA Today (11/9, Wolf) reports, "As a dress rehearsal for the 2008 presidential election, Tuesday's experiences at the nation's 183,000 polling places succeeded by failing." USA continues, "Where voters encountered balky equipment, it pointed up the need to examine paper trails and other methods for verifying their votes. … Where voters weren't helped by struggling poll workers, it illuminated the need for increased recruitment and better training. … And where they were misinformed or misdirected by automated 'robocalls' and leaflets, it reignited calls for laws that would crack down on such practices." USA adds, "All of those problems and more surfaced Tuesday in what state and federal officials said was a practice run for the 2008 election. And while none of the problems caused nearly as much trouble as the "hanging chads" of 2000, they laid bare the election system's growing pains. … 'There continue to be deep concerns about the patterns of voting in our country,' Chellie Pingree, president of the civic group Common Cause, said. 'The level of problems that we heard about out there is still completely unacceptable.'" USA notes, "A hotline run by Common Cause received 16,000 calls. Another headed by the Lawyers' Committee for Civil Rights Under Law got 20,000. The Justice Department received only about 250 calls and e-mails, down from 1,200 in 2004. … 'There was nothing out of the ordinary,' Justice Department spokeswoman Cynthia Magnuson said. 'They tended to be routine problems, and fairly isolated.'"

Monitors Report Few Problems At Louisiana Polls. The Baton Rouge (LA) Advocate (11/9, Burgess) reports, "Poll watchers from the Justice Department and the NAACP reported a smooth election day in St. Landry Parish, despite concerns of voting irregularities in a close contest between a black female interim sheriff and her white male opponent." The Advocate continues, "Former State Police Trooper Bobby Guidroz won election over interim Sheriff Laura Balthazar on Tuesday with 20,210 votes, or 51 percent, according to complete but unofficial returns." The Advocate adds, "U.S. Attorney Donald Washington said Wednesday that the roughly 24 Justice Department monitors who roamed parish precincts Tuesday reported no issues with voter access or intimidation. … He said some routine election problems arose, such as a few names mistakenly left off voter rolls, but the issues were quickly resolved by the Clerk of Court's Office. … 'It was quiet, and people who wanted to get out and vote got out and voted,' said St. Landry Parish First Assistant District Attorney Frank Trosclair, whose office manned phones Tuesday to field election-day complaints." The Advocate notes, "Poll watchers for the National Association for the Advancement of Colored People Legal Defense and Education Fund also reported no problems. … Clifton Lemelle Sr., a retired educator from Eunice who helped organize the NAACP monitors, said he heard scattered complaints of people campaigning too close to the polls but no confirmed reports of intimidation or of voters being wrongly turned away from the polls."

Touch-Screen Voting To Be Reviewed In St Louis. The St Louis Post-Dispatch (11/9, Deere) reports, "Now that the votes have been tallied, St. Louis County election officials and voter rights advocates will begin counting the number of problems voters had casting them. … High on the list of priorities: the county's touch-screen voting machines, which had their first major test on Tuesday." The Post-Dispatch continues, "John Diehl, chairman of the county's Election Board, said most problems with the machines were confined to 20 or fewer of the county's 450 polling sites. … Diehl, a Republican, admitted that lines were long in some places, but said it was mostly due to heavy voter turnout and a lengthy ballot. … But one voting rights advocate argued that problems were more widespread and were the result of poorly trained election judges and a lack of specialists to monitor the touch-screen machines. … 'There wasn't enough (specialists) to meet the need,' said Denise Lieberman, an attorney with the voter advocacy group Advancement Project and former legal director of the ACLU of Eastern Missouri. 'The election judges simply didn't have the skills.' … Diehl said the county had trained 200 poll workers to boot up and shut down the machines, as well as 25 specialists assigned to locations throughout the county and 28 pairs of roving specialists to respond to problems. … The midterm election marked sort of a role reversal for the county — where reports of voting problems have typically been uncommon — and the city of St. Louis, where elections have been marred by lawsuits and an inquiry from the U.S. Justice Department."

Massachusetts Secretary Of State To Oversee Boston Elections. The Boston Globe/AP (11/9) reports, "Secretary of State William Galvin said Wednesday he would take over the supervision of the city's election department after some precincts ran out of ballots during Tuesday's election, forcing voters to wait as police cruisers rushed to bring more. … 'I can't have "We'll try to do better next time." That's not acceptable,' Galvin said Wednesday. 'What they did yesterday was put the rights of voters at risk and that's unacceptable.'" The AP continues, "Galvin said the law required him to determine a pattern of misconduct -- which he believes there is -- then create a solution to the problems. … 'My view of the remedy is there has to be some supervision,' he said. 'I have no desire to micromanage the operations of the city of Boston. ... I'm interested in making sure that the basic function of the department is carried out.'" The AP adds, "Galvin said a similar move was made in Boston in the 1980s, when the Secretary of State's Office appointed a

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monitor to review, control and direct the department. … Jennifer Mehigan, a spokeswoman for Mayor Thomas Menino, said the city would cooperate with the state. Menino also is drawing from other sources to help fix election problems."

The Boston Herald (11/9, McPhee) reports, "Mayor Thomas M. Menino said city staffers face 'reassignment' as the state seeks legal oversight of Boston's Elections Department after a ballot shortage forced police to make rush deliveries to angry voters at the polls. … 'I am very, very angry. This should not have happened,' Menino told the Herald. 'Will people be reassigned? It's possible. We certainly need a management plan for the Elections Department.'" The Herald continues, "Secretary of State William Galvin told city officials he plans to utilize his legal right to manage the city Elections Department. … Meanwhile the mayor has said he will hire a consultant to "shake up" the department and file quarterly progress reports to Galvin." The Herald notes, "The state printed more than 300,000 ballots for Hub voters, but just half those were delivered to polling locations, leaving largely minority strongholds such as East Boston, Hyde Park, Mattapan, Roxbury and Dorchester without enough ballots, infuriating voters who were forced to wait for hours to cast their ballots. … Some precinct wardens began handing English-speaking voters ballots printed in other languages, or told voters to leave their phone numbers and they would be called when there were ballots available. Officials estimate that 2.2 million people voted in Tuesday's election."

Anti-Affirmative Action Initiative Passes By Wide Margin In Michigan. The Wall Street Journal (11/9, A13, Sataline, Hechinger, 2.04M) reports that in 2003, "when the Supreme Court upheld affirmative action in college admissions, many observers felt that the issue had been settled for years to come. Think again." Michigan voters, "where the state university successfully fought in that Supreme Court case to preserve minority preference, repudiated it in a ballot initiative Tuesday. An initiative passed by Michigan voters will ban affirmative action in admissions to public colleges and in government hiring. Currently, the University of Michigan and other selective public institutions in the state consider race as one of many factors in admissions decisions. The ban takes effect 45 days after the vote." Polls had "indicated that the vote on the initiative would be close. But Michigan voters on Tuesday approved the measure, called Proposal 2, by a margin of 58% to 42%, with 100% of precincts reporting."

Seven States Pass Marriage Definition Initiatives. ABC World News (11/8, story 6, 0:15, Gibson, 8.78M) reported, "Voters in seven out of eight states defining marriage as union between a man and a woman. Same-sex partnerships will be allowed in many of the states but they cannot be called marriage."

South Dakota Voters Reject Restrictive Abortion Ban. ABC World News (11/8, story 7, 0:15, Gibson, 8.78M) reported, "In South Dakota, voters rejected restricting abortions in cases of rape and incest. The creators said it would hope it would urge the Supreme Court to reverse its stance on allowing abortions."

Los Angeles Firefighter Settles Racial Harassment Suit. The Los Angeles Times (11/8, Banks) reports, "A black firefighter who was served dog food in his spaghetti by fellow firefighters will be paid more than $2.7 million to settle a lawsuit alleging racial harassment and discrimination within the Los Angeles Fire Department." The Times continues, "The award, approved 11-1 Wednesday by the Los Angeles City Council, is the latest in a recent string of settlements of lawsuits by firefighters claiming discrimination, harassment and retaliation against those who complain. … It is believed to be the largest payout for misconduct in the history of the department, which was long considered among the nation's finest, but has been dogged for years by complaints of hostility toward black and female firefighters." The Times adds, "The lawsuit, by firefighter Tennie Pierce, 51, alleges that firefighter Jorge Arevalo mixed canned dog food into Pierce's dinner at their station two years ago; that Capt. John Tohill purchased the dog food; and that Capt. Chris Burton knew about the trick but did nothing to warn Pierce. All three men were present when Pierce ate the dog food. … Pierce 'took a large bite, at which time he noticed the other firefighters were laughing and making noises,' the lawsuit says. He took a second bite, then demanded to know what was in his food, 'but no one would tell him. (Pierce) then left the kitchen with his co-workers laughing at him.' … A fire department investigation suggested the incident was intended to 'humble' Pierce -- who stands 6'5" -- after his team won a fire station volleyball game. A lawyer for one of the defendants initially called the incident 'a good-natured prank . . . (not) in any way motivated by race.' … But a University of California, Santa Cruz, professor who was hired by Pierce's attorney to review department records of discrimination complaints, said the prank was clearly intended to 'humiliate and dehumanize' Pierce."

Maryland Police Say Stun Guns Effective In Averting Trouble. The Baltimore Sun (11/9, Fenton) reports, "From a suicidal teenager to a suspected car thief who flees on foot, some people who have refused to cooperate with Harford County police have been getting a wake-up call -- the 50,000-volt variety." The Sun continues, "The Harford County Sheriff's Office is believed to be among

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the first police agencies in Maryland to issue Taser stun guns to its deputies, who have used the devices to stop people who flee or refuse to comply with orders, and for the mentally ill who become violent. … The agency has been issuing stun guns to patrol deputies since last year, and they have used them on at least 28 occasions since January. One incident involved a 50-year-old schizophrenic woman who had barricaded herself in a closet and was shocked with a stun gun because a deputy feared she could get to weapons in another room." The Sun adds, "The agency says the devices, which have been criticized for causing fatalities, have been most effective as a deterrent to violence and limit injuries to suspects and officers. A spokesman said assaults on officers were down. … The agency first purchased stun guns in 2002 and has been phasing them into the arsenal of weapons used by all patrol deputies. Harford is not alone -- more than 7,000 of the 18,000 police agencies in the United States use the weapons, according to a March report by Amnesty International, and 1,700 police departments have purchased them for every officer. … With increased use, however, has come greater scrutiny. Amnesty International said there had been at least 156 deaths across the country related to police stun guns in the past five years, and dozens of excessive-force lawsuits have been brought by people who say they were injured by officers." The Sun notes, "A research arm of the Justice Department is conducting a two-year study of cases in which a suspect died after being subdued with a stun gun. The National Institute of Justice said there have been more than 180 deaths in the past 10 years, with most occurring since 2000."

ANTITRUST:

Dingell Wants FCC To Delay AT&T-BellSouth Vote. The AP (11/9) reports, "John Dingell, the incoming chairman of the House Energy and Commerce Committee, said Wednesday that he wants the Federal Communications Commission to delay its vote on the AT&T Inc. acquisition of BellSouth Corp." The AP continues, "Dingell, saying the combination raises a 'significant antitrust question,' sent a letter to the FCC asking that it hold off on the vote until after the new Congress convenes in January. The agency has delayed a vote on the merger three times." The AP adds, 'Dingell's request might be an opening shot in the House Democrats' new oversight of big business. California Rep. Nancy Pelosi, who is in line to become speaker, has promised to fight early on in the next Congress to lower the price of prescription drugs available through Medicare. Efforts to curb military spending are also likely, political and financial analysts said, after an election whose outcome was influenced in large part by voters' dissatisfaction with the war in Iraq. … But with the two parties stalemated in the Senate, where it usually takes 60 votes to pass major legislation, the pharmaceutical and defense industries might find themselves beset more by unwelcome rhetoric in Congress than any changes in law."

Liz Clairborne To Purchase Kate Spade For $124 Million. The AP (11/9) reports, "Liz Claiborne Inc., moving to expand its reach into luxury department stores, Wednesday said it agreed to acquire privately held Kate Spade LLC, a maker of high-end fashion accessories, for $124 million in cash." The AP continues, "The deal, expected to close late this year, includes an undisclosed amount of assumed debt. … New York-based Kate Spade, which makes the kate spade and Jack Spade brands, had net sales of about $84 million for the year ended July 30. Its product line includes handbags, small leather goods, accessories, luggage and baby products." The AP adds, "Kate Spade sells in U.S. department stores, including Neiman Marcus, Saks Fifth Avenue, Nordstrom, and Bloomingdale's, as well as 19 Kate Spade stores, four Kate Spade outlets and one Jack Spade store. … Kate Spade also has distributors in Asia and licensing agreements for shoes, eyewear, tabletop and paper products. … Despite having more than $5 billion in annual sales and more than 40 brands in its stable, Liz Claiborne, also based in New York, so far has been a limited player in handbags and accessories. Its brands include Ellen Tracy, Dana Buchman, Lucky Brand, and Juicy Couture."

Spain's Iberdrola Considers Offer For Scottish Power. The Wall Street Journal (11/9, A3, Singer, Johnson) reports, "The latest effort by a European energy giant to strike a major deal -- Iberdrola SA's preliminary approach to Scottish Power PLC -- signals that utilities believe they need to be larger to survive in a future dominated by the search for newer and cleaner ways of producing energy. The Journal says, "Iberdrola of Spain made an approach to Scottish Power, which has a market value of £10.9 billion ($20.8 billion), as a prelude to a possible offer, according to people close to the situation." The Journal reports, "A potential deal would mark the latest in a series of deals and attempted acquisitions involving some of Europe's biggest electricity producers in Spain, France, Germany, Italy and the United Kingdom."

FBI/DEA/ATF/USMS:

Judge Revokes Boston Police Officer's Bail. The Boston Globe (11/9, Murphy, 413K) reports Boston Police Officer Carlos Pizarro, "one of three officers facing federal cocaine and heroin charges in one of the biggest corruption cases in the department's history," yesterday "was ordered held without bail until the case is resolved. US

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District Judge William G. Young found that Pizarro violated his bail conditions by agreeing to let the government search his Dorchester home for contraband before he was released, then quickly calling his wife to 'change the situation in that house.'" The Globe adds, "Prosecutors allege that Pizarro, who knew jail calls are monitored, used code words to warn his wife to get rid of illegal drugs. … Pizarro's lawyers, however, disputed the government's contention that Pizarro was talking about illegal drugs. They say he was talking about sex-enhancing drugs…and other prescription drugs during the call."

The Boston Herald (11/9, Sweet, 184K) reports, "The 20-minute call was placed on Sept. 22 from the Barnstable House of Correction just three hours after Pizarro -- who was busted by the FBI in July with fellow officers Roberto Pulido and Nelson Carrasquillo -- learned authorities would search his home prior to his Oct. 11 pre-trial release. … Pizarro directs Joyce to a 'rack of clothes,' 'little pink things' and the 'top drawer in my dresser,' according to a transcript of the conversation." The Herald notes, "Pizarro, Pulido and Carrasquillo are alleged to have hired themselves out as muscle for cocaine shipments and to have hosted orgies with hookers, among other betrayals of their badges."

FBI, Chicago Police Arrest 17 Alleged Drug Gang Members. The AP (11/9) reports, "Chicago police and the FBI arrested and charged 17 people in a West Side gang roundup Wednesday. Following an investigation by the Joint Task Force on Gangs, FBI special agents and Police narcotics investigators arrested 11 suspected members and associates of the Satan Disciples, according to an FBI release." Operation Burn Down, "which began in September 2004, included undercover operations to purchase drugs and court-authorized electronic surveillance of phones used by one or more of the defendants, the release said. The suspects were charged in criminal complaints filed Tuesday in U.S. District Court in Chicago with numerous felony counts of conspiracy and possession of a controlled substance with intent to distribute, the release said."

The Chicago Tribune (11/9, Coen, 617K) reports, "One of those charged is de facto head of the gang in Chicago, according to the FBI, and court documents named another as a local chief. … 'These are some of the worst offenders and biggest targets in the area,' said Mitchell Marrone, an assistant special agent in charge of the FBI in Chicago and the leader of the bureau's anti-gang efforts. 'They're dealing in quantities of drugs and also in violence.'" The Tribune notes, "The case came together after intelligence from beat officers was developed by the Chicago FBI's Joint Task Force on Gangs, FBI officials said. The investigation…involved undercover work and electronic surveillance, authorities said."

19 Suspected Gang Members Arrested In Ohio On Drug, Weapons Charges. The Columbus (OH) Dispatch (11/9) reports nineteen suspected gang members across Columbus "were arrested…as police conducted a methodical sweep as part of the mayor's anti-gang initiative. They were some of the 63 suspects that police, the DEA, the U.S. marshal's office and parole officers were searching for…said Columbus police Sgt. Chantay Boxill." Those arrested "were mainly wanted for drug or weapons charges."

Trial Begins For Arkansas Alderman Accused Of Selling Xanax, Crack. The Newport (AR) Independent (11/8) reports on the trial of Newport Alderman Pinky McFarlin, who "is charged with selling Xanax and crack cocaine on 20 different dates to an informant from May through November of 2004. Evidence expected to be introduced will include tape recordings of conversations held between the informant and the defendant in the defendant's home." Witnesses "expected to testify against McFarlin will include an expert witness for the DEA."

Marijuana Initiative Passes In Montana, Relaxes Enforcement Of Some Offenses. The Missoulian (11/8) reports a ballot measure recommending Missoula County law enforcement officials make adult marijuana offenses their lowest priority passed Tuesday night. The measure, dubbed Initiative 2, won the support of 22,502 Missoula voters, or 53 percent. Opponents of the initiative totaled 19,565, or 46 percent, and included some of Missoula County's top law enforcement officials. The initiative will make marijuana crimes the single lowest priority for Missoula County authorities, but won't include marijuana sales or drug use by minors as low-priority offenses."

The AP (11/9) reports Police Chief Rusty Wickman and Sheriff Mike McMeekin "have publicly voiced their concern about the initiative, saying they worry the measure's passage could lead to the loss of federal dollars from Missoula's drug enforcement programs." Proponents "say Initiative 2 strives to place increased emphasis on crimes that threaten people's lives and property and on other, more pressing drug issues." The Helena Montana Independent Record used the AP story.

Three California Cities Lean Toward Relaxing Marijuana Laws. The Los Angeles Times (11/9, Romney, Chawkins, Writers) reports voters on Tuesday "weighed in on a vast array of local issues, with three cities leaning toward relaxed marijuana enforcement. … In returns from Santa Monica, Santa Barbara and Santa Cruz, voters were siding with proposals requiring local police to make marijuana arrests their lowest priority. Financed largely by Ohio insurance magnate Peter Lewis, the measures were opposed by many police officers, who described the issues

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as unnecessary and a possible obstacle to investigating major crimes."

In a later story, the Los Angeles Times (11/9) writes, "And a resounding 65% of voters approved Proposition Y, which would make the personal use of marijuana by adults on private property [Santa Monica's] lowest police enforcement priority. Santa Monicans for Sensible Marijuana Policy had said the measure would send a message to Sacramento and Washington that voters want more common-sense marijuana laws."

Colorado Marijuana Measure Defeated By Wide Margin. In the Grand Junction (CO) Sentinel (11/8), Le Roy Standish writes, "Colorado voters have pitched Amendment 44 aside like an assortment of stems and seeds found at the bottom of an empty bag of weed. Tuesday's election results showed that the amendment failed by a wide margin statewide. Across Colorado 688,987 or 60.7 percent voted against the amendment, compared to 445,280 votes or 39.3 percent, in favor. In Mesa County, voters turned the amendment down by an even greater margin. Results were 31,637 votes or 68.2 percent against Amendment 44 and 14,240 or 30.7 percent in favor. The amendment would have decriminalized possession of less than one ounce of marijuana by adults over the age of 21."

On its Web site, WINS Radio, New York (11/8) reports Colorado voters "joined Nevada in rejecting measures that would have legalized possession of up to an ounce of marijuana by anyone 21 and older. South Dakotans voted down a proposal that would have allowed marijuana use for some medical purposes."

Reporting Continues On Nevada Marijuana Measure. In an updated story, the AP (11/8) writes, "Nevadans on Tuesday rejected selling legalized marijuana at state-sanctioned pot shops. … Question 7, to legalize adult possession of up to one ounce of marijuana and require the state to set up procedures to tax and regulate its sale failed, 56 percent to 44 percent. … While other states and local governments have decriminalized possession of small amounts of marijuana, the Nevada measure sponsored by the Committee to Regulate and Control Marijuana went further. It directed the state Department of Taxation to set up procedures to license and regulate pot growers, distributors and retailers." The AP adds, "Critics - including law enforcement, civic groups and the nation's drug czar [said] marijuana is a gateway drug that could lead to harsher substances and negate anti-drug efforts." This AP story was used by the Las Vegas Sun.

The Ely (NV)Times (11/8) has posted on its Web site the Las Vegas Review-Journal story included in yesterday's briefing which says, "With at least 1,620 of 1,913 precincts statewide reporting, Question 7, which would have allowed Nevada residents 21 years of age or older to possess an ounce of marijuana or less, was being rejected by 56 percent of voters."

The Reno (NV) Gazette Journal (11/8) reports, "With Lyon's polls closed and votes tallied late Tuesday night, questions Nos. 4 and 5, regarding creation of stricter smoking bans in various public places were both voted down on the County level alongside Question No. 7 regarding legalization and regulation of one ounce or less of marijuana."

South Dakotans Reject Proposed Marijuana Law. The AP (11/9) writes, "Whatever the reason -- too many issues, too long, too confusing -- South Dakota voters rejected eight of the 11 issues on Tuesday's general election ballot. … South Dakotans have rejected a proposed law that would have let some people smoke marijuana to provide relief from pain. … It was defeated 52 percent to 48 percent." This AP story was used by South Dakota's Yankton Daily.

Election Day No "Full Sweep" For Liberal Social Issues. In the Washington Times (11/9, Wetzstein), Cheryl Wetzstein writes, "Tuesday wasn't a full sweep for liberal social issues -- measures to legalize marijuana failed in three states. … Democrats lost measures to legalize marijuana in Nevada, South Dakota and Colorado."

In USA Today (11/9), Judy Keen writes, "There's more to the election results than just Democrats winning and Republicans losing. … Potheads: Voters in Colorado and Nevada rejected proposals to legalize adult possession of up to an ounce of marijuana. South Dakotans voted against medical use of marijuana."

Local TV Coverage. The fate of marijuana measures in Colorado, Nevada and South Dakota received wide local television coverage. Some examples: KDVR-TV, Denver (11/8, 6:00 a.m.) aired, "Another election, another defeat for the folks who want to legalize marijuana. Amendment 44 failed."

KMGH-TV, Denver (11/8, 6:00 a.m.) aired, "Voters raised the minimum wage…and said no to marijuana with six out of ten voters rejecting that proposal to legalize possession of up to an ounce for anyone over the age of 21."

KUSA-TV, Denver (11/8, 6:00 a.m.) aired, "With 60% of the vote, Amendment 44 has failed."

KLAS-TV, Las Vegas (11/8, 4:00 p.m.) aired, "Nevada voters rejected Question 7, a proposal to legalize marijuana. Fifty-six percent of voters said they were against the initiative, which would have legalized taxed and regulated the purchase and sale of small amounts of marijuana for personal use. John Walters, the White House drug czar, issued a statement today saying the results of this election show that Americans simply do not want more drugs in their communities."

KTNV-TV, Las Vegas (11/8, 6:00 p.m.) aired, "Nevada voters said 'No way' to Question 7 to legalize marijuana for recreational use. Question 7 would have legalized adult possession of up to one ounce of marijuana; it would have

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required the state to set up procedures to tax and regulate its sale."

KVVU-TV, Las Vegas (11/8, 5:00 a.m.) aired, "Question 7 was one of the more controversial questions on the ballot. It asked voters if they wanted to legalize small amounts of marijuana for people over 21. Despite an effective campaign by supporters, the measure failed by more than 40-thousand votes. … FOX 5's Mike Doria joins us this morning with reaction to this issue. Governor-elect Jim Gibbons was one of the 40-thousand people who voted against the marijuana measure. … Supports of Question 7 say cops should focus on more serious crimes and more serious drugs."

KELO-TV, Sioux Falls, South Dakota (11/8, 9:00 a.m.) aired, "Voters rejected Initiated Measure 4, which would have legalized medical marijuana."

KSFY-TV, Sioux Falls, South Dakota (11/8, 6:00 p.m.) aired, "South Dakota voters rejected 8 of the eleven issues on yesterday's ballot. The failed measures include…legalizing marijuana."

Judge In Montana Denies Claim Under Medical Marijuana Act. The Whitefish (MT) Pilot (11/8) reports a Kalispell man who "claimed protection under the state's Medical Marijuana Act after he was caught smoking marijuana at a downtown Whitefish bar will have his day in court later this month. But he may have to seek another line of defense or appeal to a higher court, now that Whitefish City Court Judge Bradley Johnson has denied the man's motion to dismiss the charge based on the act. … In a two-page document submitted to city court, [Lucas] Venters claims to have a 'debilitating medical condition.' He said he has been 'in pain every day for the past 10 years due to my spinal, thoracic and neck injuries/conditions,' and that he has severe or persistent muscle spasms."

City Council In California Seeks To Ban Marijuana Dispensaries. Torrance, California's Daily Breeze (11/8) reports Lawndale City Council members this week "quickly shot down a proposal to regulate medical marijuana dispensaries in the city, opting instead to direct staff to look into banning the establishments altogether. … Dispensaries have recently met with a cold reception in the South Bay, with Torrance, Gardena, Hawthorne, Hermosa Beach, Lomita, Rancho Palos Verdes and Redondo Beach issuing temporary or permanent bans. Lawndale in June enacted a temporary ban on the establishments."

Federal, State Agents Arrest Arkansas Militia Member On Weapons Charges. The Northwest Arkansas Morning News (11/9, Mehaffey) reports Fayetteville militia member Hollis "Wayne" Fincher "was arrested Wednesday by teams of special agents from the Bureau of Alcohol, Tobacco, Firearms and Explosives and other federal and state agencies and local police in connection with illegal firearms." The News notes, "The arrest and search warrants were the result of an eight-month investigation relating to the unlawful manufacture, possession and transfer of machine guns," and "ATF, FBI, Washington County Sheriff's Department, Fayetteville Police Department, Springdale Police Department, Arkansas State Police, Arkansas State Bomb Squad and the Madison County Sheriff's Department all participated in the investigation."

IMMIGRATION:

US Cracks Down On Fraudulent Immigrant Marriages. USA Today (11/9, Koch) reports, "A Virginia man's guilty plea Wednesday to arranging sham marriages between U.S. citizens and Ghanaian immigrants reflects the government's increased focus on marriage fraud." USA continues, "Eric Amoah, 42, a pharmacy technician from Ghana, was one of 22 people charged in the Washington, D.C., area two months ago with participating in a marriage and immigration fraud scheme. His sentence is pending. … Similar busts have occurred in the past year in California, New York and Utah. An investigation is underway in Gwinnett County, Ga., where two men are charged with bigamy for marrying at least 13 African women. … 'We're definitely seeing more organizations' involved in marriage fraud, says James Spero, head of the Identity and Benefits Fraud Unit at U.S. Immigration and Customs Enforcement (ICE). 'We're stepping up our efforts.'" USA adds, "Sham marriages for immigrants seeking citizenship have long been a problem. A marriage license can be the quickest way to gain the temporary legal status conferred by a green card, the title of a 1990 movie about two people who enter into such a marriage of convenience only to — surprise — fall in love. … Since 9/11, marriage fraud has taken on more serious implications. Half of 36 foreign-born suspected terrorists who were in the USA from the early 1990s to 2004 gained legal status by marrying Americans — 10 of them through sham marriages — according to the Center for Immigration Studies, which promotes tighter immigration controls."

Arizona Voters Seen As Helping Boost Comprehensive Immigration Reform. The Los Angeles Times (11/9, 850K) says in an editorial, "Arizona held a referendum on immigration policy Tuesday. The winner was John McCain. McCain, the state's senior senator, wasn't actually on the ballot. Rather, candidates across the state campaigned for or against an idea that McCain and a few other Arizonans in Congress have championed: a comprehensive approach to immigration reform that provides more visas for guest workers, modifies

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the path to citizenship for illegal immigrants already in the country and improves border security. Critics of this approach, including Republican candidates for governor, attorney general and two of Arizona's eight House seats, argued instead for sealing the borders and enforcing current immigration laws. They all were defeated, despite the frustration and anger expressed by many Arizonans about the torrent of border jumpers." Now McCain and Rep. Jeff Flake "may get their way. With Democrats in control of the House next year, the prospects for a comprehensive overhaul have improved dramatically." The "voters of Arizona have pushed a comprehensive solution one step closer to reality."

TAX:

Rangel Says He Won't Roll Back Bush Tax Cuts. The Washington Post (11/9, D1, Montgomery, 690K) reports, "Democrats have pledged 'fiscal discipline,' starting with pay-as-you-go rules to prohibit the House from approving new spending or tax measures unless the costs are offset by tax increases or spending cuts." Democratic Rep. Earl Pomeroy, a member of the House Ways and Means Committee, said, "There's not going to be, frankly, room for some grand new adventure in federal spending." Still, "there's plenty on the Democratic wish list, starting with relief for the growing number of middle-class families hit by the alternative minimum tax, which jacks up their tax bills. Rep. Charles B. Rangel (D-N.Y.), likely to be the next Ways and Means chairman, said yesterday that 'tackling this very complex problem would be a good test of bipartisanship.'" Rangel "said he would not roll back tax cuts that President Bush won from the Republican Congress. But budget experts predict that Democrats will revisit at least some of them, such as lower rates for the richest Americans, lower rates on capital gains and dividends, and partial repeal of the estate tax, to pay for other priorities."

USA Today (11/9, McCoy, 2.27M) interviewed Rangel, who said, ""I enjoy working together with Republicans. … I enjoy a finished legislative product that you can get on the floor in a civil way and say, 'We worked on this together.' I think that's what the Congress is all about." USA Today adds, "That cooperation was lost during the Republican Party's 12-year control of the House, says Rangel, describing a political wandering-in-the-desert, when it wasn't odd for Ways and Means Democrats to learn about the committee's plans only after final decisions had been made." Rangel "says his predecessor, retiring GOP Rep. William Thomas of California, never spoke to him about US trade legislation apart from bills the New Yorker championed."

USA Today (11/9, Kirchhoff, 2.27M) also reports, "Because Democrats don't have a veto-proof majority in the House, or the 60 votes needed to limit Senate debate, some observers predict gridlock." But "even if passing laws is difficult, Democrats still have plenty of power to shape the agenda." Democrats "can affect the economy by declining to schedule votes on pending trade deals or expiring Bush tax cuts. There are also must-pass measures to fund the government and the war in Iraq, where Bush has less flexibility. Those bills could be a vehicle for adding other Democratic priorities."

Schumer Says Democrats May Raise "Some Taxes" On "Oil Companies And Things Like That." On Fox News' O'Reilly Factor (11/8), host Bill O'Reilly said to Sen. Charles Schumer, "I believe that Democrats are going to try to raise taxes. Am I wrong?" Schumer: "Well, you're mostly wrong. I mean, there will be some taxes. The loopholes for the oil companies that we'll attempt to close and things like that. But no, we're not going to raise taxes."

The Wall Street Journal (11/9, A1, 2.04M) reports Rangel "cites 'ending tax shelters for companies that move American jobs overseas' as one of his main objectives." Rep. Nancy Pelosi, "the probable new speaker of the House, has already called for ending 'tax giveaways' to oil companies, negotiating with pharmaceutical companies for better drug prices for federal health programs and rolling back tax cuts for the wealthiest Americans."

Rangel Open To Private Accounts "In Addition To Maintaining Social Security." On Fox News' Your World (11/8), host Neil Cavuto asked Rep. Charles Rangel, "The President talked a great deal today about private accounts" for Social Security. Is that "a non-starter to Charlie Rangel?" Rangel: "If it's in addition to maintaining Social Security as we know it, no, it's not a non-starter."

New Congress Expected To Scrutinize Some Industries. The Washington Post (11/9, S1, Montgomery, 690K) reports, "Democrats wasted no time yesterday proclaiming a new era in Washington, pledging to put middle-class economic issues at the top of their agenda. They promised fresh scrutiny of drug prices, corporate profits, international trade and more." The "presumptive chairmen of key House committees laid out plans to challenge the president on many issues important to business interests. For instance, an exuberant Rep. John D. Dingell (D-Mich.) rattled off a to-do list for the powerful Energy and Commerce Committee, including regulating dietary supplements, promoting electric cars and examining drug-safety procedures at the Food and Drug Administration. 'We'll kill the closest snake first,' he said when asked about his priorities."

The Financial Times (11/9, Kirchgaessner, Bowe, White) reports the elections "set the stage for heightened congressional scrutiny of pharmaceutical companies, oil and gas groups and government contractors such as Halliburton." Shares in Merck, Schering-Plough and other big drugmakers "fell on Wednesday in response to the polls," even as "the

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overall stock market rose, reflecting an emerging consensus among lobbyists that Democrats would take a selective approach in pushing for regulatory changes." The Wall Street Journal (11/9, C1, Johnson, Mathews, 2.04M) runs a similar report under the headline "Big Pharma Catches A Chill, Fearing Democrats' Prescriptions On Pricing."

New Congress To Revisit Some Bush Administration Federal Workforce Initiatives. The Washington Post's (11/9, D4, Barr) "Federal Diary" column reports, "The new Congress will take a more skeptical view of the Bush administration's approach to managing the federal government, in particular efforts to contract out federal jobs and link employee pay raises more closely to job performance. Those were the post-election predictions offered by a number of public policy experts, union leaders and Democrats yesterday." The Post adds, "Federal union leaders saw the election results as an opportunity to roll back some of the administration's workforce initiatives," and "some employee groups said yesterday that they expect to see Rep. Chris Van Hollen (D-Md.) serve as a bridge" on federal "employee issues." Outsourcing "efforts 'have demoralized people throughout the federal workforce,' Van Hollen said. 'The amount of time, energy and anxiety spent going through this process has far outweighed any benefit.'"

Democrats To Exact Office Space Revenge On GOP. The Washington Post (11/9, C1, Copeland, 690K) reports, "Perhaps we shouldn't call this revenge. Perhaps this is just what a party in power does. Dogs chase squirrels, and the majority party in the U.S. House gets to throw its weight around a little." Former Rep. Bob Wise said, "The first thing you've got to learn is that from now on, you don't get upstairs." Wise recalled "how some of the meeting rooms for Democrats were downgraded when the Republicans took over after '94. Members' personal offices are doled out on a seniority basis, but control over many other rooms falls to the majority."

CONGRESS-ADMINISTRATION:

Pelosi Vows Swift Action On Democratic Agenda. The Washington Post (11/9, A1, Weisman, Babington, 690K) reports Speaker-to-be Nancy Pelosi "promised swift action early next year on a Democratic package that includes an increase of $2.10 an hour in the minimum wage, full implementation of the recommendations of the bipartisan Sept. 11, 2001, commission, and making some college tuition payments tax-deductible." The AP (11/9, Espo) also notes Pelosi "pledged…to press for a new course in Iraq and move promptly to raise the minimum wage. 'We will not disappoint' the American people,'" she said. At a news conference in the Capitol, Pelosi also "pledged that Democrats will make the next Congress 'the most honest, ethical and open' one in history."

McClatchy (11/9) reports Pelosi "signaled Wednesday that she intends to steer a centrist course and work across party lines with President Bush to shape policy on Iraq, energy, Social Security and immigration." Pelosi "acknowledged that her party's return to the House majority after a dozen years in exile occurred largely because at least nine fairly conservative 'Blue Dog' Democrats won Republican seats. The liberal-tilting House Democratic caucus must accommodate them -- and the centrist voters they represent -- she conceded." Along similar lines, the New York Times (11/9, Hulse, 1.16M) reports on "the new mosaic of the Democratic Party in the House of Representatives -- incoming lawmakers who will make a diverse group of political officeholders even more eclectic. While much of the focus in the campaign was on the more moderate tendencies of Democratic contenders, the scope of Tuesday's Democratic surge makes for a more complex picture and a broader mix of ideologies. … The diverse viewpoints and backgrounds they are bringing to Washington could pose problems for…Pelosi."

On ABC World News (11/8, story 5, 1:50, 8.78M), George Stephanopoulos said a Democratic Congress "means an increase in the minimum wage. We saw six states pass initiatives for increase in the minimum wage. It is at the top of the Democrats' agenda. If they control both houses of the Congress, I think they'll be able to pass that. On the President's agenda I think it means he has a better chance of passing the immigration reform that died in the last Congress. Democrats like it more than Republicans do. … On the other hand, the President and his team are going to get investigated more by the Democrats and I think this is most important, if the Senate switches control, the Democrats will be able to block President Bush's judge nominations, including another one on the Supreme Court, if it came up." The Washington Post (11/9, 690K), in an editorial titled "The 'Thumping' of the GOP," lists the top Democratic issues and adds, "If Democrats aren't responsible enough to stop using those issues as political footballs and start considering the future fiscal health of the country, they won't deserve to remain in the majority."

Pelosi, who is receiving largely positive media coverage one day after the midterm elections, made several public appearances and granted interviews to all three network newscasts, PBS and CNN. Pelosi, says USA Today (11/9, Stone, 2.27M), "wasted no time making clear who's in charge now. 'Democrats are ready to lead,' the San Francisco congresswoman declared at a news conference Wednesday, hours after her party reclaimed control of the House of Representatives to end 12 years of Republican rule. And prepared to lead the Democrats is an Armani-clad daughter of an old-fashioned Baltimore politician about to become the

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first female speaker of the House -- two heartbeats from the presidency." And the Christian Science Monitor (11/9, Chaddock, 59K) reports that "what helped Pelosi become the first female speaker…is old-school pragmatism: a practical sense of how to build power and no qualms about using it."

ABC World News (11/8, story 10, 2:50, Gibson, 8.78M) described her as "a liberal Democrat from San Francisco, a grandmother many times over, awaiting another grandchild any day now. She comes from a political family but waited to enter politics herself until her kids were grown. As Speaker, she'll be third in line for the presidency." ABC (Moran) added Pelosi "is the woman of the moment in this city right now." In an interview with Pelosi, ABC asked her about the "bad blood built up" between her and President Bush. Is Bush, asked ABC, "still incompetent, shallow and dangerous and all the other things you have called him?" Pelosi: "Incompetence in the implementation of a war, it is dangerous. But again, the election is over. Right now, I'm the Speaker of the House of Representatives. I'm not the leader of the Democrats. I will be the Speaker of the whole House of Representatives." Moran: "There is one thing about Nancy Pelosi's rise that transcends politics, she'll be the most powerful woman in US history when she becomes speaker. Are you going to use the mother of five voice?" Pelosi said, "The mother of five voice comes in handy. My colleagues hear it coming, they know." ABC added, "And that voice works. Nancy Pelosi managed to instill discipline in Democratic ranks. She'll need to keep that up, as the country looks to her and Democrats as they take power in Congress."

The CBS Evening News (11/8, story 8, 2:55, Couric, 7.66M) noted Pelosi and the President "have said some pretty nasty things about each other." Pelosi told CBS, "I never called the President a liar. That I never did. I said it's time for the President to tell the truth to the American people. I think that much of the truth has been withheld from the American people." Asked about the fact that she's expected to become the first woman to be Speaker, Pelosi said, "I've broken the marble ceiling. This Congress is steeped in tradition and history. It's very hard for a woman to suck steed the level I have that and I think it send a message to all women that if this can happen, anything can happen." Pelosi repeated that message, almost word by word, on CNN's The Situation Room (11/8, Blitzer), "Congress is…an institution steeped in history and tradition. For a woman to break through what I call the 'marble ceiling' here is something quite remarkable. It sends a message that women can do anything. … I feel a very special responsibility. I feel a responsibility to have the most honest and open Congress, to have a Congress that has civility as its hallmark, bipartisanship in our debate and our deliberations, and fiscal soundness as a woman would want to have, not heaping mountains of debt on future generations. And as the first woman speaker, I would want to conduct myself, perform my duties, in a way that would be sure that it wouldn't be too long before we'd have another woman speaker of the House."

The AP (11/9, Zuckerbrod) reports Pelosi recounted that Bush's call was "so very, very early in the morning," and that "an ebullient Pelosi recalled…that Bush referred to her as 'Madam speaker-elect, and I referred to him as president.'"

NBC Nightly News (11/8, story 6, 3:35, Williams, 9.87M) reported Pelosi will be "the first woman in that job. As Nancy Pelosi reminded us as we sat down with her today, the first Italian American as well." In her interview with NBC, Pelosi discussed her morning phone call from President Bush, "The call was very friendly. He extended a hand of friendship. I told him what I said earlier in the evening that I looked forward to working with him in partnership, not partisanship." On PBS' NewsHour (11/8, Warner), Pelosi said of Bush, "He's the President of the United States. I respect the office, and I respect him. I don't respect his judgment on Katrina, on Iraq, and on a number of other issues."

The New York Times (11/9, Mills, 1.16M), in a piece titled "Nancy Pelosi Is Ready to Be Voice of the Majority," says that when she "faced the cameras Wednesday morning, after the Democrats had taken a majority in the House and put her on the brink of becoming the first female speaker, she spoke so softly at first that some reporters insisted they could not hear her. Then suddenly, she was commanding: 'But I could use my mother-of-five voice!'" It is "a line Ms. Pelosi uses often, and a voice she may have to rely on frequently as she tries to ensure that the new Democratic majority lasts more than two years."

Rep. Charles Rangel, appearing on MSNBC's Tucker (11/8, Carlson), said, "It's remarkable that I'm the first African-American to head the Ways and Means Committee. She's the first woman to become speaker. But it shows, in this great Republic, that there's progress. And it inspires other people to get involved in public life, hopefully."

On Fox News' O'Reilly Factor (11/8), Sen. Charles Schumer said of Pelosi, "She may vote her district, but she is going to run the Democratic Party in a way that's pragmatic."

Rep. Peter King said on Fox News' O'Reilly Factor (11/8), "I like Nancy Pelosi as a person. But her base is going to be very liberal wing of the Democratic Party. They in many ways just hate George Bush. It's almost irrational. And that's their base."

Pelosi Says Investigations Needed About Iraq, Halliburton, Katrina. On PBS' NewsHour (11/8, Warner), Pelosi said, "Investigations are needed in terms of -- I think the American people want to know about Katrina, about contracting and Halliburton in Iraq. They want to know how we have the energy policy that we do so that we go forward to protect the American people in case of natural disaster, to protect us in times of" war. She added, "That would be three

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places where I think hearings would be very necessary for us to go forward for better policy."

Pelosi said on CNN's The Situation Room (11/8, Blitzer), "Subpoena power is a last resort. We would hope that there would be cooperation from the executive branch in terms of investigating the pre-war intelligence. I don't know -- those decisions will be made by our caucus with the wisdom of the committees of jurisdiction."

The Washington Post (11/9, A1, Weisman, Babington, 690K) reports Pelosi also "said she will not heed the calls of some activists on the left to explore impeaching the president. But with subpoena power and committee chairmanships, Democrats will ensure that Bush's anti-terrorism and war policies receive tough scrutiny in the last two years of his presidency."

Pelosi Suggests "Troublemakers" Would Leave Iraq If US Pulled Out. ABC World News (11/8, story 10, 2:50, Moran, 8.78M) asked Pelosi about her position on the Iraq war, she said, "Our presence in Iraq has been provocative to our enemies. It is viewed as an occupation. And is resisted not only by Iraqis but others in the region. And those troublemakers, few in number, but nonetheless, a menace, would probably leave Iraq after we left Iraq. They're there because we're there.

New Congressional Democratic Majority Will Affect Judicial Nominations. The Legal Times (11/9, Goldman) reports, "Democrats, as widely expected, wrested control of the House of Representatives from the Republicans, after 12 years of Republican rule, in elections across the country Tuesday, setting the stage for a series of intensive investigations of the Bush administration by several different House committees. … But it appears Democrats also carried the Senate -- radically changing the politics of federal judge-picking as well -- and that victory was something of a surprise, even to them. As of Wednesday afternoon, Democrat James Webb had claimed victory in the Virginia Senate race over incumbent Sen. George Allen, but a recount that could take several weeks appeared likely. If Webb is indeed the winner, Democrats will have a 51-49 edge. … 'There just wasn't a firm sense this would happen,' says a senior Democratic staffer. 'It could have been as few as two pickups,' the staffer adds, referring to previously Republican seats won by Democrats. 'But six was at the high end.'" The Times continues, "The Democratic Senate victory, assuming it holds, could also have profound implications for the next Supreme Court pick, if 86-year-old Justice John Paul Stevens dies or resigns, or another justice resigns or falls ill, during the last two years of the Bush administration. .. 'The biggest thing [about the Democratic takeover] is judges,' notes David Hoppe, former chief of staff to Sen. Trent Lott, R-Miss. 'Everything else has a way of working itself out,' adds Hoppe, now a lobbyist at Quinn Gillespie & Associates." The Times notes, "By midday Wednesday, Senate Judiciary Committee Democrats had already plunged into discussions over the agenda they planned to carry out in their expected majority status. … If they are indeed the majority, then when the 110th Congress begins in January, the Senate Judiciary Committee will be led by Vermont's Patrick Leahy, a 32-year veteran who had previously chaired the committee for 18 months, from mid-2001 until just after the 2002 elections, after the departure of Vermont's James Jeffords from the Republican Party."

Murtha, Hoyer Line Up Support For Majority Leader Post. Roll Call (11/9, Yachnin, Bresnahan) reports that as Rep. Nancy Pelosi "pledged Wednesday to rule the House fairly in the 110th Congress as the first-ever female Speaker, a handful of senior Democrats moved aggressively to secure other leadership posts in their nascent majority." One of the "architects of that victory — Democratic Congressional Campaign Committee Chairman Rahm Emanuel (Ill.) — remained mum about his plans despite speculation that he could run for Majority Whip." Current Minority Whip Steny Hoyer (D-Md.) "was not similarly hesitant, formally announcing his bid for the Majority Leader's office early Wednesday morning and confidently predicting that he will secure the post when Democrats vote in leadership election on Nov. 16." But Rep. John Murtha (D-Pa.) — "who stunned fellow lawmakers when he announced in June that he would campaign for the Majority Leader post against Hoyer — re-affirmed his own interest in the office Wednesday." In addition to "the Majority Leader competition, Democrats could see a contest for control of the third-ranking post of Majority Whip. Although House Democratic Caucus Chairman James Clyburn (D-S.C.) remained the only active candidate for the post Wednesday evening it is possible that Emanuel, who has said he will not serve a second term as DCCC chairman, will make a bid for the office."

Hoyer discussed his bid on MSNBC's Hardball (11/8), saying, "I think I'm going to win the race. … I think my colleagues will be supporting me for the work that we've done in the past with Nancy Pelosi, who will be our next speaker, creating the kind of unity and consensus within our party that has led us to be the most unified we've been in a half a century. So I'm very confident." Host Chris Matthews later said, "I think Murtha could be a difficult challenger, but you seem to have the numbers now."

New Line-Up Of Committee Chairmen Noted. The Wall Street Journal (11/9, A4, Mullins, 2.04M) reports, "Some in line to become chairmen have suggested that, even if they can't pass legislation that Mr. Bush would sign into law, they would use the power of the gavel to conduct oversight hearings and investigations into the administration and some of its corporate allies." In the Senate, "Pat Leahy of Vermont would take over the Judiciary Committee; Hawaii's Dan

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Inouye would take the reins of the Commerce Committee; Edward Kennedy of Massachusetts would inherit the Health, Education, Labor and Pensions Committee; and Jeff Bingaman of New Mexico would run the Energy and Natural Resources panel." Rep. Barney Frank, "expected to take over the Financial Services Committee, will focus attention on affordable housing and predatory lending. But Mr. Frank also hopes to enact new regulations on government-sponsored enterprises, such as Fannie Mae and Freddie Mac, that were endorsed by the current chairman, Mike Oxley (R., Ohio)." Rep. Henry Waxman, "who will run the Government Reform Committee plans to probe oil-company prices, government contracting in Iraq and massive growth in homeland-security expenditures." The Journal adds, "Others assuming committee chairmanships in the House include Michigan's John Conyers at the Judiciary Committee; California's George Miller at the Education and Workforce Committee; and Wisconsin's David Obey at the Appropriations Committee."

The Financial Times (11/9, Yeager) reports Democrats yesterday "tried to deflect attention from the liberal records of those set to ascend to top jobs in Congress, vowing to work with Republicans. 'We extend a hand of co-operation to the president, our colleagues across the aisle,' said Rahm Emanuel, the Chicago Democrat who led the party's campaign committee. 'We'll work with you when we agree, we will challenge you when we don't. But our goal will always be the best interests of our country.'"

USA Today (11/9, Kirchhoff, 2.27M) reports, "One of the few openly gay House members, the Harvard-educated Frank is a liberal on social issues. He advocates tougher regulation in areas than current Chairman Michael Oxley, R-Ohio, but insists he's not anti-business. Frank's goal is to ensure that economic benefits are better distributed. … Among Frank's priorities: expanding affordable housing, enhancing consumer privacy rights and going after predatory mortgage lending."

The Wall Street Journal (11/9, A4, Fialka, 2.04M) reports that Dingell, "who has long had a reputation as a partisan investigative bulldog, is in the unusual position of cautioning younger Democrats to resist the impulse to seek revenge on their Republican colleagues. 'Revenge makes you feel good,' says Mr. Dingell, the Michigan Democrat who, at 80 years old, is the most seasoned member of the committee chairmen taking control in the House. 'It ain't the right way to go, but it's going to cause me some problems.'" Dingell "says he plans to run his panel 'from the center' and work out a formula for comity that allows Republicans to participate in the panel's decisions and investigations." But "he and other Democrats who want to reach out to Republicans to avoid gridlock may encounter some resistance from younger Democrats, half of whom have never served in a House controlled by Democrats."

Angry Conservatives Blame GOP Leadership For Losses. McClatchy (11/9, Thomma) reports, "Republicans turned on one another Wednesday after losing control of power in Congress -- blaming an out-of-touch, self-promoting party leadership for abandoning ethics and conservative principles and turning off the country." Conservative strategist Richard A. Viguerie "was especially caustic. 'Every single member of the Republican leadership in the House should be replaced. They have failed the conservatives who put them in office, and they have failed the people of this country,' Viguerie said. … 'I feel liberated,' said conservative radio talk show host Rush Limbaugh, one of the party's biggest cheerleaders. 'I no longer am going to have to carry water for people who I don't think deserve having their water carried.'" In "one of the most stinging indictments, David Keene, the longtime president of the American Conservative Union -- the nation's oldest grass-roots conservative lobby, founded in 1964 -- ripped Republicans for spending more taxpayer money than Democrats had and for weak ethics." Keene "joined Rep. Eric Cantor, R-Va., in urging House Republicans to postpone their leadership elections until January. Cantor is a member of the existing House Republican leadership as chief deputy whip." The Washington Post (11/9, D1, Kurtz, 690K) runs a similar story under the headline "Conservative Talkers, Feeling Just a Little Blue."

USA Today (11/9, Bazar, 2.27M), in a story headlined "GOP Starts To Play The 'Blame Game' Over Its Big Losses," notes Limbaugh's comment, as well as former majority leader Tom DeLay's contention that "Republicans had failed to fight for their core beliefs on such issues as tax reform and immigration." Dick Armey, "former House majority leader and an architect of the Republicans' 1994 takeover of Congress, told National Public Radio's Diane Rehm that the GOP had become the big government party. 'They actually grew the government,' he said." Dick Armey also writes in the Wall Street Journal this morning (11/9, A14), "It was a rout. … One big issue in exit polls suggests widespread voter backlash against the 'culture of corruption.' There is something to this, I think. Over time, too many Republicans in the governing majority forgot or abandoned their national vision, letting parochial interests dominate the decision-making process."

The Christian Science Monitor (11/9, Chaddock, 59K) reports "GOP self-critics say that the bad environment -- scandals, war, the economy, or the president -- doesn't account for this historic GOP defeat. The need, they say, is to get back to the principles that won them their majority in 1994. Call it a bridge to the insurgent past."

A couple of opinion pieces by conservatives offered a more benign reading of the election, and what it means for Republicans. Jonah Goldberg, who is editor at large of

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National Review Online, writes in USA Today (11/9, 2.27M) reports, "Don't let the spin fool you: These elections were neither a repudiation of conservative values nor an endorsement of the Democratic Party." The GOP "got thrown out of office because it got fat and lazy and because Democrats -- with the help of a transmission-belt media -- convinced a lot of voters that they could simply change the channel on the war by voting for 'change.'"

George Will, in Washington Post (11/9, 690K), also offered an optimistic assessment of the future of conservatism, listing "three reasons for conservatives to temper their despondency. First, they were punished not for pursuing but for forgetting conservatism. Second, they admire market rationality, and the political market has worked. Third, on various important fronts, conservatism continued its advance Tuesday. … The country remains receptive to conservatism. That doctrine -- were it to become constraining on, rather than merely avowed by, congressional Republicans -- can be their bridge back from the wilderness."

Hastert Won't Seek Minority Leader Post. The CBS Evening News (11/8, story 9, 2:15, Couric, 7.66M) reported, "With the Democrats soon to be the majority in the House, who will lead the Republican minority? The top Republican, Speaker Dennis Hastert, under fire in the Foley page scandal, said today he doesn't want the job." The AP (11/9, Espo) says Hastert's decision "cleared the way for a likely succession battle among lawmakers who face the sudden loss of power after a dozen years in the majority. Rep. John Boehner of Ohio, currently the majority leader, is expected to run for leader, and Rep. Mike Pence of Indiana announced during the day he also will seek the post. Joe Barton of Texas has signaled he may join the field."

USA Today (11/9, Kiely, 2.27M) reports, "Nine races remained too close to call," but "Rep. Deborah Pryce, an Ohio Republican, was in one of them. Pryce, the only female member of the House GOP leadership team, told colleagues in a letter that she would also give up her leadership post even if she wins re-election."

With Santorum Defeated, Alexander Confident Of Winning Senate Minority Whip Post. The AP (11/9, French) reports Sen. Lamar Alexander "said today he's confident his Republican colleagues will select him to be GOP whip, the party's No. 2 leadership position in the Senate." Alexander said he's "close to a majority and 'working on a consensus' to win the post now that his closest rival, Pennsylvania Sen. Rick Santorum, lost his re-election bid." Alexander "for months has been meeting with Senate Republicans in hopes they will select him to be the GOP whip. The current whip, Sen. Mitch McConnell of Kentucky, is expected to succeed Sen. Bill Frist as GOP leader."

Democratic House Majority Could Continue To Grow. Roll Call (11/9, Whittington) reports Democrats "claimed a comfortable House majority in Tuesday's midterm elections and appear poised to also capture control of the Senate pending a final vote tally in Virginia, as voters across the country voiced widespread frustration with President Bush and the Republican Party's leadership." In the House, Democrats "picked up a minimum of 28 seats, with the potential for at least one more gain pending final vote confirmation or recounts. In the Senate, Democratic challengers defeated Sens. Rick Santorum (Pa.), Mike DeWine (Ohio), Jim Talent (Mo.) and Lincoln Chafee (R.I.)." Sen. Conrad Burns (R-Mont.) "narrowly trailed state Senate President Jon Tester (D) into the wee hours Wednesday morning and the race was called for Tester by mid-day, although Burns has yet to concede." But even "as the official Senate outcome and several House races remained up in the air and recount teams were being deployed Wednesday morning, strategists in both parties already were shifting their focus to the 2008 landscape and assessing how sustainable the new Democratic majorities might be." National Republican Congressional Committee Chairman Tom Reynolds (N.Y.) "conceded that the seats held by GOP Reps. Anne Northup (Ky.) and Jim Leach (Iowa) — two of the biggest upsets Tuesday — would be all but impossible to return to the GOP fold. Leach had held his seat for 15 terms." Sen. John Kerry (D-Mass.) "carried both districts in the 2004 presidential contest, and he also won the districts held by defeated Reps. Clay Shaw (Fla.), Curt Weldon (Pa.), Nancy Johnson (Conn.) and Charles Bass (N.H.)." But Reynolds "also sounded confident that his party would be able to recapture some of the GOP-friendly territory lost in 2006. He held out the seats of Reps. John Sweeney (N.Y.) and Jim Ryun (Kan.), both of whom were defeated on Tuesday, as prime pickup opportunities in 2008." Democrats, however, "likened their strong performance in the Democratic-friendly Northeast to the political realignment that occurred in the GOP tidal wave of 1994, when Democrats lost a disproportionate number of seats in the South — most of which they have not since reclaimed."

Ronald Brownstein writes in the Los Angeles Times (11/9, 850K), "The rolling realignment of US politics accelerated Tuesday, as Democrats strengthened their hold over the Northeast and opened new beachheads in the Midwest and Mountain West that could prove critical to their hopes of winning the White House two years from now. These and other political changes, illuminated by the 2006 election like a late-night flash of lightning, could signal a new stage in the competition between the two major parties." For Democrats, "the watchword Tuesday was growth: the party expanded its reach with key groups of swing voters as it made notable advancements on previously GOP-leaning

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terrain." The results "sent Republicans a message of retrenchment: the Democratic surge reversed President Bush's gains in the 2004 vote among women and Hispanic voters and saw the GOP virtually obliterated across the Northeast and mid-Atlantic."

Close Races May Mean Recounts In Half Dozen Districts. Roll Call (11/9, Murray, Drucker) reports, "Election Day may stretch well in to mid-November or beyond, as a bumper crop of midterm nail-biters mean that state elections officials may re-tally the vote in perhaps a half dozen or more House races." As of Wednesday afternoon, Carl Forti, "spokesman for the National Republican Congressional Committee, said the GOP was keeping a watchful eye on races involving incumbents Reps. Rob Simmons (Conn.), Robin Hayes (N.C.), Barbara Cubin (Wyo,), Heather Wilson (N.M.) and J.D. Hayworth (Ariz.) — and GOP House campaign leadership hinted that the list may not be fixed." Roll Call adds that by "late Wednesday, Democrat Joe Courtney's narrow lead over Simmons appeared to trip a Connecticut state law requiring recounts. With 100 percent of precincts reporting, the total vote in Connecticut's 2nd district had Courtney besting the three-term incumbent by less than 200 votes." In addition "to those races flagged by the GOP, Democratic Congressional Campaign Committee spokesman Bill Burton said Democrats were keeping tabs on Franklin County Commissioner Mary Jo Kilroy's (D) attempt to oust the House GOP's fourth-ranking Member, Rep. Deborah Pryce (Ohio). Burton also said Democrats were concerned about alleged voting irregularities in Florida's 13th district, where automobile dealer Vern Buchanan (R) narrowly defeated banker Christine Jennings (D) in the race to replace Rep. Katherine Harris (R)."

Biden Says At Meetings, Bush Tells Cheney To "Shut Up" Or "Something To That Effect." Sen. Joseph Biden said on MSNBC's Hardball (11/8, Matthews), "One thing about this President, in my meetings with he and [Vice President] Cheney, there's no question who the boss is. He, the President, is the boss. … He'll just say, 'Shut up, Dick,' or something to that effect. … Here's what this President does: He delegates full authority and walks away. … He decided that Cheney was the guy, that he was the smartest guy to do this, and now I think he's decided Cheney ain't working. And so what he's saying is 'Dick, I'm changing. I'm the boss. Here's what we're doing.'"

Rep. Jack Murtha said on MSNBC's Hardball (11/8, Matthews), "I've felt for a long time that the Vice President doesn't have the influence that he had before."

Bush To Meet With Big Three Executives. The AP (11/9) reports President Bush's "long-promised meeting with the heads of Detroit's Big Three automakers will be held Tuesday at the White House." The auto executives "tentatively were scheduled to meet with Bush in May, but in September, the meeting was pushed back until after the election." The delay "prompted criticism from Michigan's Gov. Jennifer Granholm and other Democrats who said the administration had neglected the problems of the Big Three automakers and its workers."

Bush To Examine Bill To Give DC House Voting Rights. The Washington Post (11/9, B1, Woodlee, 690K) reports President Bush said "he will review a bill to give District residents full voting rights in the House, marking the first time he has spoken about a measure that local lawmakers are trying to win approval for over the next few weeks." The bill, "introduced six months ago, also would add a congressional seat for Utah. Proponents of D.C. voting rights have waged a major push to get the bill passed this year." Bush said, "It's the first I've heard of it. I didn't know that's going to come up from the lame duck." The Post adds, "Bush's comments come a week after prominent D.C. politicians and business leaders met to determine how they can get the bill passed this year."

OTHER NEWS:

Bush Says Election Was A "Thumping." In a press conference yesterday, President Bush said that although the midterm elections were close on a race-by-race basis, overall they represented a "thumping." Bush's "thumping" quote was broadcast in all three network newscasts, and appears on the front-page headlines of several major newspapers. Bush also took his share of responsibility for the GOP loss, and reached out to Democrats. USA Today (11/9, Jackson, 2.27M) reports Bush "began rebooting his agenda on Wednesday, ticking off a revised list of priorities that include education, an immigration overhaul and maybe even an increase in the minimum wage." Bush "pledged to 'work through our differences' with incoming House speaker Nancy Pelosi and other Democratic leaders. He said that includes the conduct of the Iraq war. … To jump-start the final two years of his presidency, Bush said he would draw on his experience as governor of Texas, where he developed a reputation for working well with Democrats who controlled the Legislature on such issues as raising education standards and toughening penalties for juvenile crimes." Bush "said there may be some 'common ground' on a Democratic proposal to increase the minimum wage from $5.15 an hour to $7.25 as long as there is 'compensation' for small business owners. … Bush also expressed hope for a more 'comprehensive' immigration bill that includes expanded employment opportunities for temporary 'guest workers.'" USA Today adds, "Among other agenda items Bush cited: an extension of his signature No Child Left Behind education

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law, promoting alternatives to oil and dealing with unfunded liabilities in entitlement programs, including Social Security"

The Christian Science Monitor (11/9, Feldmann, Grier, 59K) reports, "The tectonic plates of Washington power have shifted, presenting both…Bush and the new Democratic majority in Congress with an opportunity to work together and leave behind the politics of confrontation. … The reality, analysts say, is that the next two years are likely to offer a blend of confrontation and common ground. The Democrats…don't want their hard-fought majority to vanish in the next election. The incentive for Bush, entering the final two years of his presidency, is to leave his party in a position to compete effectively in 2008." He "can take a page from his earlier days as governor of Texas, when he gained a reputation for working well with Democrats."

Media reports describe the President with terms such as "contrite" and "humble," and several newspaper stories and opinion pieces focus their election analyses on Bush's low popularity ratings. The Los Angeles Times (11/9, McManus, 850K), for example, says Bush's "effort to secure his legacy was encumbered by two inflexible factors: the loss of a once-supportive congressional majority and the weight of an unpopular war. … What lies ahead, Bush's remarks suggested, might be a presidency open to compromise on domestic legislation but committed to its basic strategy in Iraq and the war on terrorism -- one-half Austin, Texas, one-half Sept. 11." Robert Novak, in a syndicated column appearing in the Washington Post (11/9, 690K), writes "only gerrymandered House districts prevented a landslide that would have given the Democrats a House majority of historic proportions, approaching 50 seats." The reaction from losing "candidates was anger at…Bush and his political team. That includes a rising GOP undercurrent against Iraq policy. The unpleasant truth is that Republicans lost almost everywhere the president campaigned during the past week." Also in the Washington Post (11/9, 690K), David Broder notes "a few days before the election, Bernadette Budde, political director of BIPAC, the Republican-friendly Business Industry Political Action Committee, was quoted here as warning of the imminence of what she correctly predicted would be 'an earthquake.' The only people who seemed oblivious to the warning signs were…Bush and his political adviser, Karl Rove." The Republican Party "paid a heavy price for Bush and Rove's obduracy -- and for the miserable performance of the GOP congressional leadership."

Stuart Rothenberg, in Roll Call (11/9), says Bush, "of course, is the biggest loser" in this election "in a number of ways. He loses at least one chamber, and he is the reason Republicans took a bath on Tuesday. He may console himself by believing that he has the right policy in Iraq and history will judge him kindly." But "his performance in office has destroyed a number of noteworthy political careers, and he would be wise to never forget that."

David Brooks, in the New York Times (11/9, 1.16M), writes that "on Tuesday the muscular middle took control of America. Say goodbye to the era of Rovian base mobilization. Say goodbye to the era of conservative dominance that began in 1980."

Dana Milbank, in his "Washington Sketch" column for the Washington Post (11/9, A2, 690K), says "Rove will have to surrender his 'genius' credentials after the GOP lost the House and apparently the Senate. But the recriminations weren't stopping at Rove's door. The president…went on to blame everybody else. He blamed corruption. … He blamed Mark Foley, whose name remained on the Florida ballot. … He blamed ballot rules. … He blamed bad luck: 'If you look at race by race, it was close.' … And, not least, he blamed the uncomprehending voters: 'I thought when it was all said and done, the American people would understand the importance of taxes and the importance of security. But the people have spoken, and now it's time for us to move on.'" Milbank adds, "The president's performance fit neatly into yesterday's version of the post-election ritual in Washington: The winning side gloated, and the losing side pointed fingers every which way."

On NBC Nightly News (11/8, story 5, 9.87M), Tim Russert said of the election results, "Some are saying it is typical of what happens in the midterm election. Bill Clinton gained five House seats in his second midterm, Ronald regular an lost a handful. This was much bigger than that. Where the White House is correct is war is hard on President's war parties. In the civil war, world war one, world war ii, Korea and Vietnam, the average loss to a party in an election year at war was 37 House seats and seven Senate seats. That's what we saw last night. People anxious about the war."

The Washington Post (11/9, A1, Balz, 690K) describes Bush as "politically humbled." The Post adds Bush and Rove's political model ""has often elevated policies and tactics designed to energize conservative activists over an appeal to what many GOP strategists saw as a shrinking middle of the electorate. But on Tuesday, the center struck back, voting decisively for Democratic candidates in House races." The President "responded with a renewed call for bipartisan cooperation."

ABC World News (11/8, lead story, 2:50, Raddatz, 8.78M) reported "the President seemed almost contrite about the impact this war had on the voters." Bush: "I recognize that many Americans voted last night to register their displeasure with the lack of progress being made there. It's very important that the people understand the consequences of failure." Bush "summed up what happened with one phrase." Bush was shown saying, "It was a thumping." NBC Nightly News (11/8, lead story, 4:00, Gregory, 9.87M) said, "The President appeared humble, admitting he heard the voter's message on Iraq." The CBS Evening News (11/8,

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lead story, 3:00, Axelrod, 7.66M) said "Bush didn't duck the drubbing in yesterday's election." He "was conflicted. Losing…had him extending his hand to Democrats." Bush was shown saying, "I understand when campaigns end and I know when governing begins and I'm going to work with the people of both parties." But "in the next breath, he was dug in as ever about the war in Iraq." Bush: "If the goal is success, we can work together. If the goal is get out now regardless, that's going to be hard to work together."

The Los Angeles Times (11/9, Hook, 850K) headlines its story "Bush Bows To Election Day 'Thumping' From Democrats," and says "the ritual of post-election fence-mending began early Wednesday morning, when Bush began dialing congressional leaders, including Democratic chieftains he only rarely consulted while they were in the minority." NBC Nightly News (11/8, story 4, 0:50, Williams, 9.87M) also noted the President said yesterday he plans to meet with the Democratic leadership. The Wall Street Journal (11/9, A1, 2.04M) says that when Bush and Pelosi "meet for lunch at the White House today, Mr. Bush and his party will come to the table significantly weakened, and Mrs. Pelosi's Democrats considerably strengthened." The Washington Post (11/9, 690K) run an editorial titled "The 'Thumping' of the GOP," in which it urged Bush and the Democrats to move on to the business of governing. If Democrats don't "stop using…issues as political footballs…they won't deserve to remain in the majority."

The Washington Times (11/9, Curl, 88K) says a "contrite" Bush said "he shares 'a large part' of the responsibility for the 'thumping' suffered by Republicans on Election Day." The AP (11/9, Riechmann, Raum) quotes Bush saying, "I thought we were going to do fine yesterday, shows what I know."

The Washington Times (11/9, Dinan, 88K), in a story titled "Bush Eyes Democrats For Help On Amnesty," says "Republican opponents" of Bush's immigration reform plan "predicted a bloody intraparty fight but said they cannot stop such a bill from passing."

The Chicago Tribune (11/9, Zuckman, 617K) says "the historic midterm election provided a sharp rebuke to Bush and his policies."

White House Handling Of Violence Upsurge In Iraq Seen As Key To Election Results. The New York Times (11/9, Nagourney, Rutenberg, Zeleny, 1.16M) reports the two weeks after President Bush's weeklong commemoration of September 11 were critical to the midterm election results: "The political world had turned, propelled by new bursts of violence in Iraq, new questions about incompetence in the waging of the war in Iraq, and an intelligence report suggesting that the American invasion had actually worsened the terrorist threat." As Republicans and Democrats "reviewed the outcome of a midterm election yesterday that upended political power in Washington, they pointed to this span of time as the most critical period of the campaign. Aides on both sides said that, as much as anything this year, the parties' contrasting reactions to the renewed violence in Iraq accounted for the breadth of a Democratic victory that cost Republicans close to 30 seats in the House and, it appears, control of the Senate." From October on, "in stump speeches and television advertisements, the Democrats moved the war front and center. Republican candidates began to avoid the issue. Yet to the increasing distress of Republican Party strategists, the White House appeared to play into Democratic hands, as Mr. Bush and Vice President Dick Cheney continued to offer arguments for victory."

Frum Offers Advice To Bush. David Frum, a former Bush speechwriter, writes in the Wall Street Journal (11/9, A14, 2.04M) that "the administration seems to have exhausted its energy. Frustrated by Iraq, wounded by Katrina, thwarted in its two most recent major domestic initiatives (Social Security and immigration), the administration looks baffled, uncertain and often strangely passive." But Bush "can yet regain the initiative." Bush "should prepare to bombard Congress and the media with new ideas and proposals that rally his own party, divide his opponents and drive a wedge between left-wing Democrats and the voting public. So long as he is acting, he forces Congress to react. … At home, the administration should seek less to pass legislation -- although legislative success is always welcome -- than to clarify the differences between the parties for 2008. For instance: The president talked vaguely in 2005 of a grand new tax reform, but never gave enough detail to interest anybody in his ideas. What he had in mind, of course, was a shift away from taxing work, savings and investment toward taxing consumption. Good idea, but awfully abstract. The next Congress offers an opportunity to make it clear what this reform means."

More Commentary On Election Results. Bill Safire, writing in the New York Times (11/9, 1.16M) under the headline "After The Thumping," says that "despite the pervasive weariness with the war and the high tide of irritation at Bush's steadfastness; despite the general disgust at the policy paralysis and ethical laxity in the wake of muscle-bound one-party control — the result was only the average loss of House and Senate seats of the party in power midway in the second term of a president." Safire adds, "A political shakeup every dozen years is a necessary cathartic for the two-party system. What's more, the rightward cast of many Democrats in the freshman class is hardly bad news for conservativism. And the heartening victory of Joe Lieberman over the angry far left in liberal Connecticut augurs a renewal of a brief period of bipartisanship at the water's edge. … So cheer up, my fellow right-wingers, especially those of you who have grown too accustomed to winning every election night. Sometimes we have to suffer a loud, corrective slap before readying the political counterpunch."

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In an editorial, the Wall Street Journal (11/9, 2.04M) laments that the GOP gave "so much ammunition" to Democrats: "By our count, at least eight GOP House seats fell largely due to scandal; campaign-finance ties to disgraced lobbyist Jack Abramoff probably cost Conrad Burns his Senate seat in Montana. These columns have spent several years warning Republicans that their overspending, corrupt 'earmarks' and policy drift would undermine their claim as the party of reform. On Tuesday they did."

In an editorial, the New York Times (11/9, 1.16M) calls the election "a satisfying expression of the basic democratic principle of accountability. A government that performs badly is supposed to be punished by the electorate. And this government has performed badly on so many counts." The Times adds that "while they are trying to build a new majority, the Democrats need to remember what happens when a party in power loses its way."

Morton Kondracke writes in Roll Call (11/9, Kondracke), "The 2006 election results were a rebuke not just to President Bush and Congressional Republicans but to radio talk-show hosts and other right-wing polarizers."

DeWayne Wickham writes in USA Today (11/9, 2.27M), "In the days leading up to the midterm elections, the president sounded a dire warning. The nation would face 'innumerable obstacles to steady progress' if Democrats wrested control of Congress from Republicans, he said in a speech to supporters. But when the votes were counted the American electorate didn't heed his words, and the president quickly tried to position himself as a healer, not a divider. … If none of this sounds familiar to you, that's understandable. The president I'm talking about is Dwight D. Eisenhower, not George W. Bush. And the midterm elections were in 1954, not the ones held two days ago." Wickham adds, "Many lessons can be learned from the drubbing that Republicans took at the polls this week. But none is more compelling than this: Americans don't want the fate of this nation to rest solely in the hands of George W. Bush and the Republican Party he leads."

E.J. Dionne writes in the Washington Post (11/9, 690K), "American voters, in their wisdom, ended an era on Tuesday. They rejected a poorly conceived war policy in Iraq that has weakened the United States. They rejected a harshly ideological approach to politics that cast opponents as enemies of the country's survival. They rejected a president so determined to win an election that he was willing to slander his opponents by saying: 'The Democrat approach in Iraq comes down to this: The terrorists win and America loses.'" The voters "decided there was no decency in that."

Democratic Lobbyists Eager To Share Spoils Of Victory. Roll Call (11/9, Newmyer) reports Democratic lobbyists, "flush with the excitement of a victorious Election Day, already are looking to share in the spoils." The Democratic "rout of Republican rule in Congress also spelled a definitive end of years of GOP dominance of K Street. Jubilant Democratic lobbyists spent the day after the elections basking in their glow, but also beginning to ponder a new order that restores them to relevance." Veteran Democratic lobbyist Chuck Brain said, "It's started. Within a couple days, it will be full-fledged, with companies asking, 'What are we doing?' and 'Can we still represent our interests?'" Roll Call adds companies will "have some adjusting to do, lobbyists from both parties agreed. Many have spent the better part of a decade responding to a Republican pressure campaign to hire more Republican lobbyists and to direct more of their campaign contributions back to the GOP." But the "movers behind that effort were pushed off the stage during this Congress, when former House Majority Leader Tom DeLay (R-Texas) was forced to resign and Sen. Rick Santorum (R-Pa.) fell short in his re-election bid." Several Democratic lobbyists "agreed that the program, dubbed the K Street Project, created an inertia that now will benefit their ranks, as corporate offices seek to ramp up contacts with the new party in control. But even so, many Democratic K Streeters were careful to say their party — which made lobbying and ethics a major campaign issue this year — will not seek to impose its own similar effort to help that process along."

The Washington Post (11/9, A27, Sarasohn, 690K) reports as "former House member Gerry Sikorski (D-Minn.), now head of the government practice at Holland & Knight, put it, some of his fellow Democratic lobbyists have a nice 'jump to their step' today after the Democratic takeover of the House. But then, he said, everyone must get down to the fact that 'it's a bipartisan process largely.'" The Post adds, "No one seems to be echoing the bipartisan-lobbying mantra more than the business community, which, while not monolithically Republican, tended to support more Republicans than Democrats, not leaving it with such great credentials with the new Democratic leadership in the House." Indeed, "today, Harold McGraw III, chairman of the Business Roundtable and chief executive of McGraw-Hill Cos., is talking to the Wharton School of Business on "The Real World Is Neither Red Nor Blue" and laying out the group's agenda for Congress." BRT is "also taking out newspaper ads today on the theme, one of which is a photo of former presidents George H.W. Bush and Bill Clinton with the line: 'If they can put aside their differences after an election, so can you.'"

AP Declares Webb Victor, Allen Reportedly To Concede. The AP (11/9, Sidoti, Lewis) reports Democrats "wrested control of the Senate from Republicans Wednesday with an upset victory in Virginia, giving the party complete

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domination of Capitol Hill for the first time since 1994." Jim Webb's "squeaker win over incumbent Sen. George Allen gave Democrats their 51st seat in the Senate, an astonishing turnabout at the hands of voters unhappy with Republican scandal and unabated violence in Iraq. Allen was the sixth Republican incumbent senator defeated in Tuesday's elections." The new AP count "showed Webb with 1,172,538 votes and Allen with 1,165,302, a difference of 7,236. Virginia has had two statewide vote recounts in modern history, but both resulted in vote changes of no more than a few hundred votes."

The Washington Times/UPI (11/9) reports Sen. Allen "reportedly plans to concede, as news organizations late Thursday projected Democrat Jim Webb has won their Senate contest." Sources "within the Allen campaign told CNN Wednesday that Allen might concede Thursday because a Wednesday canvas of votes suggested there was little chance that a recount would change the outcome."

The Washington Post (11/9, A28, 690K) says in an editorial, "Barring some significant error or surprise, Mr. Webb will be the state's next junior senator."

ABC World News (11/8, story 4, 2:30, Tapper, 8.78M) reported, "No one has called for a recount. That cannot happen until the election has been certified about 2 1/2 weeks from now. Starting today, a canvas, with lawyers from both sides watching every precinct retabulating their ballots. That should be completed in the next three to four days." Ed Gillespie, George Allen campaign advisor: "Votes may shift. You may be asking Mr. Webb if he'll be seeking a recount." Tapper: "But election experts have doubts."

The CBS Evening News (11/8, story 6, 0:15, Pitts, 7.66M) reported, "Poll watchers and lawyers from both campaigns stood by as election officials throughout the state reviewed vote totals, a process that will take at least two weeks. Under Virginia law, a candidate who finishes 1 percentage point or less behind can request a recount. A decision the Allen campaign will make after votes are certified November 27." Ed Gillespie, George Allen's campaign manager: "When you're operating in a margin of 0.3%, there's reason for hope those shifts could go our way." Pitts: "But Virginia political science professor Robert Holsworth says a bitter legal fight could damage Allen over the long term." Robert Holsworth, Virginia Commonwealth University: "I think what George Allen is going to have choose is whether he wants to have a political future in Virginia in another election or whether he's going to roll all the dice on this election."

The Washington Times (11/9, Hurt, 88K) reports Democratic electoral gains "grew yesterday to 29 House seats, with 10 other races still in doubt. On the Senate side, they claimed victory yesterday in the last three states needed to take their gains to six seats. Missouri Sen. Jim Talent conceded defeat to Democrat Claire McCaskill this morning." Montana Republican Sen. Conrad Burns "did not throw in the towel despite trailing Jon Tester in the final unofficial tally. Virginia Sen. George Allen was close enough to Democrat James H. Webb Jr. that he could demand a recount. But several news organizations, including the Associated Press, called the two races for the Democrats."

The Washington Post (11/9, Shear, Rein, 690K) reports Webb "claimed the title of senator-elect Wednesday and began organizing his congressional staff, while Republican incumbent George Allen declined to concede but was described as 'realistic' about the outcome if he seeks a recount challenging Webb's thin lead." Allen "dispatched teams of lawyers and operatives across Virginia in search of the votes he would need to win. Early in the day, Allen did not appear ready to relinquish his claim to an office he once saw as a springboard to the White House." But Webb "continued to lead by approximately 7,300 votes with virtually all of Virginia's 2.3 million ballots counted Wednesday evening, and Republicans said there appeared to be little hope that glitches or math errors might uncover new GOP votes." GOP strategist Ed Gillespie "said Allen was 'realistic,' and an e-mail sent late Wednesday said the senator would make a statement 'at the conclusion' of the statewide canvass of votes."

USA Today (11/8, Hall, Parker, 2.27M) reports Webb "laid claim to a Virginia Senate seat Wednesday, but" Allen "refused to yield as elections workers across the state double-checked returns in a razor-close election." The Associated Press "declared Webb the winner late Wednesday after canvassing elections officials statewide. That result would leave Democrats with control of the Senate — and therefore the entire Congress. If Allen prevailed in a vote challenge, the houses would be split between the parties." In a "page from President Bush's political playbook from the contested 2000 election, Webb took steps to try to seize victory before it had been officially declared. Early in the day Wednesday he named three members of his transition team, and his campaign headquarters staff started referring to him as 'Senator-elect.'"

The New York Times (11/8, Broder, Urbina, 1.16M) reports Allen's advisers "said Wednesday night that he would do nothing until a canvass of ballots was completed. But Democrats — ecstatic at the prospect that they might have swept both houses of Congress — were not waiting." Democratic Senatorial Campaign Committee Chairman Charles Schumer said, "It is virtually 100 percent that Webb is going to win the race. I think you can say without any hesitancy or doubt that Democrats are going to be the majority party in the Senate."

Independent Green Candidate Offered To Endorse Candidate Who Backed Railway Plan. The Wall Street Journal (11/9, A1, Kronholz, Schatz, 2.04M) reports Independent Green Party of Virginia candidate Gail Paker

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two weeks ago "offered to swing her support in the Virginia Senate race to either the Democratic or Republican candidate. In return, she wanted them to back her pet issue: high-speed rail across the traffic-clogged state." But "neither man was much interested in her offer, she says. Now it looks like her 'Gail for Rail' campaign could have been a factor in deciding which party controls the U.S. Senate." Parker "collected about 26,000 votes -- which could have given either Republican Sen. George Allen or Democratic challenger Jim Webb a decisive victory."

Midterm Elections Scramble 2008 Candidacies. USA Today (11/9, Lawrence, 2.27M) reports the elections "transformed not only Congress but the playing field for the 2008 presidential race. Some contenders self-destructed, one went home and a meteor streaked onto the radar in the form of Illinois Sen. Barack Obama. There were two things, however, that didn't change: the contenders leading the polls on both sides." Sen. Hillary Rodham Clinton, D-N.Y., "won a resounding re-election victory after raising nearly $40 million — more than any other Senate candidate this year. She isn't yet talking about her future, which is widely presumed to include a presidential bid but could involve a leadership role in a possibly Democratic Senate." The Republican front-runner, Arizona Sen. John McCain, "campaigned and raised money for candidates nationwide while also building a network for his White House bid. Though supportive of President Bush on Iraq, his disagreements with Bush about immigration policy, prisoner abuse and Defense Secretary Donald Rumsfeld's performance kept his maverick image alive." While former New York mayor Rudy Giuliani "also does well in polls and barnstormed the country, 'right now it's hard to see another Republican who has similar stature' to McCain," according to University of Iowa professor Peverill Squire. A "lesser known Democratic hopeful, Iowa Gov. Tom Vilsack, is forming a presidential campaign committee today, the Des Moines Register reported, making him first into the race on either side." But Republican Sen. George Allen, who had "laid foundations for a national campaign now faces political oblivion." Another politician "who pushed the self-destruct button: Massachusetts Sen. John Kerry."

The Wall Street Journal (11/9, A1, Cummings, 2.04M) reports McCain "proved more popular on the stump with his party's candidates than President Bush did -- newly-elected Republican Gov. Charlie Crist skipped a last-minute rally in Florida with the president to tour that state with the Arizona lawmaker." But his "advocacy for continuing the Iraq campaign -- and perhaps sending in more troops -- sharply conflicts with the antiwar message sent by voters this week." Sen. Clinton "was also a popular fundraiser on the campaign stump, and she transferred millions of dollars from her bulging campaign account to candidates and party committees to help the Democratic team." Pat Toomey of the Club for Growth views McCain as "insufficiently reliable," and said his "wing of the party is still reviewing the record of Massachusetts Gov. Mitt Romney, who also impressed party activists with his midterm campaigning. They remain skeptical that a law adopted on Mr. Romney's watch penalizing businesses that don't provide health-care coverage will meet their standards." To "fill those holes, social conservatives began taking another look at Kansas Sen. Sam Brownback and former Arkansas Gov. Mike Huckabee, both of whom would have to drastically ratchet up their presidential-campaign machinery to become competitive. On the fiscal side, activists may try to recruit South Carolina Gov. Mark Sanford, who was re-elected on Tuesday and hails from a state in the party's early primary lineup." The "election fallout also could encourage a long-shot candidate such as former House Speaker Newt Gingrich to jump into the race. On the flip side, the diminished influence of the religious right on the midterms could buoy the camp of moderate former New York Mayor Rudy Giuliani, another sought-after personality this cycle." The Democrats "also are without a high-profile antiwar candidate who could harness the activist and voter support for that position evident in the campaigns. North Carolina's John Edwards could be best positioned to do that."

Patrick To Become Nation's Second-Ever Black Governor. ABC World News (11/8, story 8, 0:10, Gibson, 8.78M) reported, "Massachusetts Democrat, Deval Patrick, became the second black person ever to be elected governor of any state. He is now the new governor of Massachusetts."

Minnesota Elects Nation's First Muslim Congressman. ABC World News (11/8, story 9, 0:15, Gibson, 8.78M) reported, "And the first Muslim Congressman will arrive on Capitol Hill for Minnesota. Keith Ellison, will represent a district who is predominantly Christian."

Stock Markets Make Gains. NBC Nightly News (11/8, story 11, 0:10, Williams, 9.87M) reported, "The Dow was up just under 20 points [to close at 12,176.54]. NASDAQ gained nine points [to close at 2,384.94] on today's trading.

The Wall Street Journal (11/9, C1, Richardson, 2.04M) reports the Dow "rallied to a record close following the news of Defense Secretary Donald Rumsfeld's resignation. Stocks initially traded lower -- particularly health-care-related shares -- as investors weighed the impact and remaining uncertainty surrounding the results of the midterm elections. But the momentum reversed to the upside after the first headlines about the resignation of Mr. Rumsfeld, who has come in for criticism for his handling of the war in Iraq; after a pause, stocks rose again after President Bush's subsequent news conference discussing the election and pledging to work with the new Congress." The S&P 500 "edged up 2.88 points, or

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0.2%, to 1385.72, up 11% this year. The Nasdaq Composite Index rose 9.06 points, or 0.4%, to 2384.94, up 8.1% this year."

USA Today (11/9, Shell, 2.27M) reports the "rallying cry on Wall Street after the Democrats' power grab is that political gridlock caused by divided government is good for financial markets." Stock market action Wednesday "supported that line of thinking. In the first day of trading after the Democrats regained control of at least one branch of Congress, the Dow Jones industrial average rose 20 points and finished with a record closing high of 12,176.54." But "some Wall Street economists and investment strategists contend that two years of potential legislative inertia might not be the best thing for financial markets in the long run. In a report titled 'Wrong Time for Gridlock,' for example, Stephen Roach, chief economist at Morgan Stanley, says the U.S. can't afford not to tackle pressing economic concerns, the major one being the bulging budget deficit."

McCain Resigns From Board Of Gallaudet Over Ouster Of Incoming President. The New York Times/AP (11/9) reports Sen. John McCain has resigned from the board of trustees of Gallaudet University, the world's premier university for the deaf, after disagreeing with its decision to revoke the appointment of its incoming president, a university spokeswoman said." The chairwoman "of the Gallaudet University board, Brenda Jo Brueggemann, has also resigned, the spokeswoman, Mercy Coogan, said." Mr. McCain "wrote to outgoing President I. King Jordan on Monday, describing the board's decision as unfair, Ms. Coogan said."

WPost Praises Ford's Call For More Civil Political Campaigns. The Washington Post (11/9, A28, 690K) reports that it is "too bad that Rep. Harold E. Ford Jr.'s concession speech in his failed Democratic bid for the U.S. Senate came at an hour when most people had gone to bed. Not only was he gracious, but Mr. Ford delivered an important plea for a bettering of the American political process: 'What people want more than anything, and what I heard and I know candidates all around the country heard . . . [was] a hunger, and they sensed a great appetite on the part of the American people for something much better and far more dignified and greater than what we'd given them.'" Ford "knows firsthand -- to use his phrase -- how 'demeaning and debasing' politics can be, having been the target of a scurrilous ad in which a suggestively dressed white woman is seen coming on to him. Mr. Ford is black. Unfortunately, that ad was not an aberration but rather an embodiment of the seedy standards that infected this political year."

Russia Rejects Proposed UN Sanctions On Iran. The AP (11/9, Meyer) reports Russia has "rejected European-proposed UN sanctions aimed at forcing Iran to halt its suspected nuclear weapons drive, but Moscow appears to be applying its own pressure by threatening to delay a key nuclear power project. Analysts say the Kremlin is determined not to push Iran into a corner like North Korea -- blaming tough US policies for Pyongyang's recent nuclear test -- but Tehran's refusal to compromise has led to growing impatience in Moscow despite the two countries' close commercial ties."

Separately, the AP (11/9, Jahn) reports Russia has "crossed out large sections of a UN Security Council draft proposing broad US-backed sanctions on Tehran's nuclear and missile programs," citing a document the news agency obtained Wednesday. The AP says Moscow has "delete[d] any reference to Iran's Bushehr nuclear plant, which Russia is helping build." UN diplomats "said the Kremlin wanted no mention whatsoever of Bushehr. That stance was meant to reflect Russia's view that the plant should not be linked to international concerns that Tehran might be trying to develop nuclear arms."

After Shelling Kills 18 In Gaza, Hamas Vows Retaliation Against US, Israel. NBC Nightly News (11/8, story 10, 0:15, Williams, 9.87M) reported, In the Middle East the leader of Hamas says the truce with Israel is over after 18 members of one family, including eight children were killed in an Israeli artillery attack in a crowded neighborhood on the Gaza strip during a military campaign aimed to stop rocket attacks. Israel's prime minister apologized for the deaths of innocent civilians." ABC World News (11/8, story 12, 0:50, Gibson, 8.78M) reported that the Israeli army said it "had missed its intended target by 500 yards. Tonight, the militant group Hamas ended its two-year truce with Israel, called for attacks against the US, and demanded revenge for this suffering."

In a front page article, the New York Times (11/9, A1, Fisher, Erlanger, 1.16M) calls the attacks "one of the largest single losses of life in Gaza in years" and notes that "some Hamas leaders called for a suicide-bombing retaliation inside Israel and, unusually, for the United States to be taught 'hard lessons' as well." Israeli leaders "expressed regret" for the incident and Defense Minister Amir Peretz "ordered a halt to artillery attacks" in Gaza. However, "After largely observing a unilateral truce that it declared a year and a half ago, Hamas called for renewed suicide bombings." The group's military wing also said in a statement that the US should be taught "hard lessons" for supporting Israel. The Times says the threat, "though vague, was an unusual escalation for Hamas…that has pointedly portrayed its fight as being against Israel alone." Meanwhile, "leaders at the United

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Nations and the European Union, and in Russia, Britain and Italy, did condemn the incident" and NSC spokesman Gordon Johndroe "called for restraint by all parties," adding: "We deeply regret the injuries and loss of life in Gaza today. We have seen the Israeli government's apology and hope their investigation will be completed quickly." A "similar statement was "issued in President Bush's name," the Times notes.

The Washington Post (11/9, A3, Wilson, 690K) notes that the inquiry into the attack "will be led by Maj. Gen. Meir Kalifi, deputy chief of ground forces, who headed the June investigation into an explosion on a Gaza beach that killed six" Palestinians. Kalifi "concluded that Israel was not responsible for the blast, although a Human Rights Watch investigator said the explosion most likely came from a fired artillery shell." And in a statement, Israel's military said that "the responsibility for any civilian casualties lies with the terrorist organizations" firing rockets toward Israel.

The Financial Times (11/9, Morris) adds, "Israel's leading human rights organization," B'tselem, has "demanded a criminal investigation" into the shelling, saying it "was gravely concerned that the action constituted a war crime." The Times notes that "whatever the outcome of the investigation, the incident prompted fresh questions about Israel's military tactics in Gaza where hundreds of people, including 96 children, have died this year while the number of Israeli civilian casualties of Palestinian attacks has dwindled to a handful. Israeli tanks had ostensibly been targeting areas used by militants to fire rockets into southern Israel."

The AP (11/9, Hadid) notes that the UNSC "scheduled an open meeting Thursday at the Palestinians request. Palestinian UN observer Riyad Mansour said Palestinians want a resolution that condemns recent Israeli attacks and calls for an Israeli withdrawal from Gaza, a cease-fire, and deployment of UN observers." Meanwhile, McClatchy (11/9, Nissenbaum) says the attack "briefly united Palestinian Authority President Mahmoud Abbas and Prime Minister Ismail Haniyeh, who set aside their differences over the formation of a new unity government to visit survivors of the attack."

Reid Calls Bush's India Nuke Deal A Priority. Bloomberg (11/9, Mathewson, Johnston) reports Senator Harry Reid said completion of President George W. Bush's nuclear agreement with India is "a priority during an anticipated post-election legislative session." Speaking to reporters in Washington, Reid said, "India is the largest democracy in the world. We want to work with them, and this is important we move along that line." At the White House, President Bush said securing congressional approval for the accord is "also high on his agenda." Bloomberg says the deal is "a major initiative of Bush's foreign policy" and "passage in the lame-duck session would be a win for nuclear-industry suppliers."

UN Urges US To End Cuba Embargo. The AP (11/9, Lederer) reports the UN General Assembly voted "overwhelmingly Wednesday to urge the United States to end its 45-year-old trade embargo against Cuba after defeating an amendment calling on Fidel Castro's government to free political prisoners and respect human rights." The AP notes that it was "the 15th straight year" the body approved a resolution calling for an end to the embargo "as soon as possible." After the vote, US deputy ambassador Ronald Godard "said that to claim the embargo adversely affects the Cuban people ignores 'the truth' that the Cuban government has systematically denied 'the human, economic, labor and political rights of its people over 47 years.'"

US Seeks To Establish "Positive Relations" With Ortega. The AP (11/9, Gedda) reports the State Department "said Wednesday that it looks to establish 'positive relations' with the Nicaraguan government of President-elect Daniel Ortega." Spokesman Gonzalo Gallegos said cooperation with Ortega will be "based on their action in support of Nicaragua's democratic future." On Tuesday, State Dept. spokesman Sean McCormack "suggested that Ortega may have a stake in maintaining good relations with the United States. He noted that Nicaragua is part of a US-Central American free trade agreement. In addition, he said the United States has a $175 million program aimed at rural development in a northeastern Nicaraguan region sprinkled with strong pro-Sandinista sentiment."

Chavez Leads "Global Chorus" Of Bush Critics In Democrats' Victory. The Washington Times (11/9, Sands, 88K) reports Venezuelan President Hugo Chavez yesterday "led a global chorus of Bush administration critics gloating over the outcome of Tuesday's midterm elections, but some foreign leaders expressed concern over what the Democratic victory will mean on issues such as global trade and the Middle East." The Time says "Latin American populists, European leftists and Islamic fundamentalists were all quick to point to the US vote as a repudiation of Mr. Bush's aggressive, go-it-alone approach on Iraq and the global war on terror." The resignation of Secretary Rumsfeld also "sparked praise from leaders of countries from the heart of what Mr. Rumsfeld once memorably dismissed as 'Old Europe.'"

Venezuela Groups Get US Aid Amid Meddling Charges. The New York Times (11/9, Romero, 1.16M) reports, "Since President Hugo Chávez returned to power after a brief coup in 2002, the United States has channeled millions of dollars to Venezuelan organizations, many of them critical of his government. This aid has become a key issue in the presidential election next month amid claims of American

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interference in the domestic political system." Although American diplomats in the country "have remained largely quiet in commenting on the election," the Times says the United States Agency for International Development "has distributed about $25 million to various Venezuelan organizations over the last five years, according to officials involved in the projects."

Immigration Expected To Dominate Calderon, Bush Talks. The Washington Post (11/9, A18, Boustany, 690K) reports that at a White House meeting with President Bush today, Mexican President-elect Felipe Calderon is "expected to express Mexico's disappointment with the decision by the outgoing Republican-controlled House and Senate to approve a 700-mile fence along the Mexican-American border." However, during a meeting yesterday with Washington Post reporters and editors, Calderon said yesterday that Democratic gains in Congress could lead to "room for improvement" in US-Mexican relations, "a suggestion that headway may be made on immigration and other bilateral issues." Calderon also said that the North American Free Trade Agreement "had been a boon for Mexico but that more needed to be done to make the economy more competitive."

The Washington Times (11/9, Dinan, 88K) says the "hottest topic" of today's meeting is "likely to be immigration, and Mr. Bush's signature two weeks ago" authorizing the border fence. Calderon criticized the fence yesterday in a meeting with Hispanic groups, saying he sees "the US-Mexico border not covered in walls and barbed wire, but as an area of opportunity and prosperity for Mexicans and Americans both." Meanwhile, a White House official said having the meeting before Calderon's Dec. 1 inauguration "reflects the importance we attach to continued strong ties with our hemispheric partner and neighbor."

Similarly, the Christian Science Monitor (11/9, Llana, 59K) says the subject of the fence "could overshadow other issues" at today's meeting, noting that immigration "was not among the main issues on the original agenda for Thursday's meeting." However, Bush's move to authorize the fence "underscored the Fox administration's failure to help Mexicans working illegally in the US and appears to have forced his successor to make it a priority," the Monitor writes.

The AP (11/9, Gedda) notes that during his address Wednesday Calderon "made clear...his unhappiness" with the fence, saying the two countries need "bridges for progress and not walls that isolate and divide."

EU Issues Warning To Turkey Over Bid. The Financial Times (11/9, Dombey, Parker, Boland) reports the EU Wednesday gave Turkey "a month to rescue its bid…as Brussels sought to allay public concerns that the EU is expanding too far and too fast. In response, Ankara said it was up to the 25-nation bloc to keep the negotiations alive." However, the issue is "set to come to a head at an EU summit next month. But Olli Rehn, EU enlargement commissioner, held out hope that the looming 'train wreck' over Turkey's membership could yet be averted." Officials said that Brussels "would probably set out the likely penalties for Turkey in early to mid-December, ahead of the EU summit. But Mr. Rehn's staff fears that if the EU takes too tough a stance with Ankara, either the talks will prove impossible to revive or Turkey will choose to walk away."

The New York Times (11/9, A5, Bilefsky, Kanter, 1.16M) calls the EU statement "its strongest warning yet to Turkey to open its ports to Cyprus and make more progress on human rights or face a possible suspension of talks." But a poll published Tuesday by the International Strategic Research Organization "showed that two-thirds of Turks would rather suspend membership talks with the European Union than give ground over Cyprus."

WHO Nominates Chinese Disease Expert As New Director. The Wall Street Journal (11/9, B7, McKay, 2.04M) reports the World Health Organization Wednesday nominated Chinese infectious-diseases expert Margaret Chan to lead the United Nations health agency, "underscoring China's rising prominence and mounting pressure on the Chinese government to improve its cooperation on global health crises such as avian flu." The "landslide victory" over four other finalists "assures her of a 5½-year term as the next director-general of the agency. The Journal notes that China "campaigned hard" for Dr. Chan in a push led by Vice Premier Wu Yi and President Hu Jintao. The move was "unusual because the five permanent-member countries of the UN's Security Council "traditionally haven't backed candidates to lead WHO," it notes.

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Democrats Close In On Senate."
"With Bonds Approved, The Line For Billions Forms."
"Senate On Verge Of New Agenda."
"A New Bush? Yes And No."
"L.A. Tycoons Join Bidding For Tribune."
"Election Shows State's True Colors: Pastel."

USA Today:
"Nomination Offers 'Fresh Perspective' On Iraq."

New York Times:
"Rumsfeld Resigns; Bush Vows 'To Find Common Ground'; Focus Is On Virginia."

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"With Control Of The Senate In The Balance, All Eyes Turn to Virginia."
"Democrats Turned War Into An Ally."
"New Democrats Pose Challenge."
"Robert Gates, A Cautious Player From A Past Bush Team."
"Nancy Pelosi Is Ready To Be Voice Of The Majority."
"Israeli Shelling Kills 18 Gazans; Anger Boils Up."

Washington Post:
"Bush Ousts Embattled Rumsfeld; Democrats Near Control of Senate."
"A Meek Departure From the War Cabinet."
"House Majority Offers An Ambitious Agenda."
"For Bush's New Direction, Cooperation Is The Challenge."
"Governor And U.S. Senate Losses Just The Tip Of State GOP Collapse."
"Webb's Small Lead Holds Up In Virginia

Washington Times:
"Democrats Claim Senate Control."
"Bush Accepts Role In Losses."
"Bush Eyes Democrats For Help."
"Rumsfeld Resigns Under Pressure."
"Iraqi's See No Shift In U.S. Support."
"Ehrlich Steele Concede Defeat."
"Snubby Blacks In PG Sink Steele."

Detroit Free Press:
"Faces Of Chance."
"Who Is Nancy Pelosi?"
"Legal Assault Begins On Affirmative Action Ban."

Atlanta Journal-Constitution:
"Political Aftershock."

Houston Chronicle:
"A&M gates To replace Rumsfeld."
"A Unifying Tone After Shift In Congress."
"Chance To lead War Top love Of School."
"He Calls Move 'A Good Things For Everybody'."
"A Long Day's Journey To Victory."
"Warning For GOP In Harris County."

Story Lineup From Last Night's Network News:
ABC: Rumsfeld Is Leaving New Defense Secretary; Election 2006 Results; Virginia Senate Race; Senate Analysis; Same Sex Marriage; Abortion Not Banned; New Black Governor; First Muslim Congressman; New Speaker; Abortion Case; Violence-Gaza Strip; Pakistan Violence; Election Mistake.
CBS: Rumsfeld Is Leaving; New Defense Secretary Analysis; New Defense Secretary-Military Response; Rumsfeld Analysis; New Defense Secretary-Pelosi's Reaction; Virginia Senate Race; Election Results; Pelosi Interview; Hastert-Minority Leader Position; Rumsfeld's Legacy.
NBC: Rumsfeld Is Leaving; Rumsfeld's Legacy; New Defense Secretary-Military Reaction; Election Results; Election Results Analysis; Pelosi Interview; Abortion Case; Flood Waters; Pakistan Violence; Gaza Strip Violence; Stock Market; Democratic Sweep.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: AP-Webb Victory in VA; Bush-Meeting With House Democrats; Howard Dean-No Plans For Immediate Iraq Departure; Rumsfeld Resignation; Robert Gates-Bush's Choice To Replace Rumsfeld; San Francisco 49ers Moving To Suburbs; Stock Market Reaction To Elections; Federline-Spears Divorce; TX-State Representative's Assault Claim.
CBS: AP-Webb Victory in VA; Robert Gates-Bush's Choice To Replace Rumsfeld; US Troops in Iraq-Reaction To Rumsfeld's Resignation; Sen. Warner-Hoping To Confirm Gates By End Of Year; Tom Vilsack To Enter 2008 Presidential Race; Atkin's Diet Study; MA-Gay Marriage; Stock Markets
NPR: AP-Webb Victory in VA; Rumsfeld Resignation; Pelosi, Bush Meeting; CA-Sex Offender Proposition 83 Blocked By Judge; Tokyo Stock Market; Wall Street; Microsoft's Windows Vista Announcement; NATO Confrontation With Afghan Insurgents.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — Participates in the presentation of the 2006 National Medals of Arts and the National Humanities Medals, Oval Office; meets with the Cabinet; meets with President-elect Felipe Calderon of Mexico.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: FLOOR SCHEDULE _ 10 a.m. Meets for the introduction of bills.

US House: FLOOR SCHEDULE _ 2 p.m. Meets for pro forma session.

Other: MEXICAN PRESIDENT-ELECT FELIPE CALDERON _ Highlights: 1:15 p.m. Meets with President Bush. White House.

WAR-ELECTIONS _ 10 a.m. - 10 p.m. Anti-war activist Cindy Sheehan leads a protest against the war in Iraq and possibly against election results. Location: Lafayette Park.

HEALTH CARE _ Two-day meeting of the Consumer-Centric Healthcare Congress. Highlights: 9:30 a.m. Adam Bosworth, VP, Google. Location: L'Enfant Plaza Hotel, 480 L'Enfant Plaza, SW.

US-EU _ The 2nd U.S.-EU Economic Ministerial will be held. Highlights: 1:45 p.m. Energy Secretary Bodman meets with the ministers to discuss energy security issues. Closed press. Location: Blair House.

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ELECTIONS-HEALTH CARE _ The Employers Council on Flexible Compensation and member companies hold a two-day conference in which leaders from the benefits field will provide their immediate reaction to the 2006 elections and their impact on health care issues for employers and employees and strategies for 2007. Highlights: 2:30 p.m. Session on ``What do Elections Mean for Health Care Issues?'' with John Castellani, President, Business Roundtable; Helen Darling, President, National Business Group on Health; Dr. Jeremy Mayer, George Mason University. Carnegie Institute of Washington, 16th and P Sts. NW.

VETERANS CONFERENCE _ The American Veterans Center's holds its Ninth Annual Conference. The event includes three full days of speakers devoted to each era from World War II through today; wreath laying ceremonies at the World War II, Korea and Vietnam War memorials; and evening receptions. Highlights: Location: Hyatt Regency-Crystal City, 2799 Jefferson Davis Highway, Arlington, Va.

ELECTION ANALYSIS _ 8 a.m. - 4:30 p.m. Congressional Quarterly and the Public Affairs Council hold a day-long briefing to provide analysis of the midterm elections. Location: Ronald Reagan Building, 1300 Pennsylvania Ave. NW.

POLITICS-ARAB WORLD _ 9:30 a.m. - 1 p.m. The U.S. Institute of Peace hosts an event, ``Political Oppositions in the Arab World: A New Path?'' Participants include: Daniel Brumberg, Overview Special Adviser, Muslim World Initiative; Dina Shehata, Egypt Department of Government, Georgetown University; Maryam Montague, Morocco Democracy and Governance Specialist, Management Systems International; and Janine Clark, Jordan Associate Professor, University of Guelph. Location: U.S. Institute of Peace, 2nd Floor Conference Room, 1200 17th St. NW.

ELECTION-MIDEAST _ 9 a.m. The Middle East Institute holds a panel discussion on the Tuesday elections, with Joshua Muravchik of AEI, Mara Rudman of the Center for American Progress and p 1/8ollster James Zogby. Location: MEI, 1761 N St. NW.

VETERANS COMMISSION _ 9 a.m. Commission on the Future for America's Veterans holds its first meeting to discuss baseline issues report. Location: Room 334, Cannon.

VETERANS BENEFITS _ 9:30 a.m. AMVETS holds a news conference to release recommendations on reforming and modernizing the veterans' benefit system. Location: National Press Club.

DISABILITY REPORT _ 10 a.m. The National Council on Disability holds a media availability to release its annual ``National Disability Policy: A Progress Report.'' Location: Suite 850, 1331 F St. NW.

POST-ELECTION FORUM _ 10 a.m. - 12 p.m. NDN, the political action arm of the New Democrat movement, holds a post election forum with Pete Brodnitz, pollster and advisor to Senate candidates Jim Webb and Harold Ford; Tom Matzzie, Washington director for Moveon.org; Tom Schaller, professor, Univ. of Maryland, author, ``Whistling Past Dixie''; Maria Cardona, senior advisor, NDN's Hispanic Strategy Center; and others. Location: Phoenix Park Hotel, 525 New Jersey Ave., N.W.

MILLENNIUM CHALLENGE _ 10:30 a.m. Millennium Challenge Corp. Deputy Chief Executive officer Rodney Bent holds a meeting to discuss actions from Wednesday's board meting, followed by a panel to update the selection of eligible countries for FY07. Location: Millennium Challenge Corp. offices, 875 15th St. NW.

FAMILIES-IRAQ _ 11 a.m. The Military Families Speak Out organization holds a news conference to call for an end to the ``back door draft'' and for all troops to be brought home. Location: News conference at the LBJ Memorial Grove parking lot near the pentagon, off the GW Parkway. March will then be to the Pentagon to deliver petitions to Secretary Rumsfeld.

ELECTION REAX _ 12 p.m. The Cato Institute holds a forum on the results of the 2006 election, with John Samples of the institute, Michael McDonald of Brookings Institution, others. Location: 1000 Masschusetts Ave. NW.

ELECTION-BLACK VOTE _ 12 p.m. The National Coalition on Black Civic Participation Unity '06 Coalition holds a briefing on the impact of the black vote on the election. Highlights: 12 p.m. Panel discussion on what happened. 1:30 p.m. Panel discussion on the future. Location: National Press Club.

NEW CONGRESS-ETHICS _ 12 p.m. News conference by Campaign Legal Center, Common Cause, Democracy 21, League of Women Voters, Public Citizen and US PIRG to call for immediate lobbying and ethics reforms in the new Congress. Location: National Press Club.

AEI-MIDTERMS _ 12 p.m. - 2 p.m. The American Enterprise Institute's Election Watch series hosts an assessment of the 2006 midterm elections by AEIs political team. Participants are AEI's Karlyn H. Bowman; John C. Fortier; Norman J. Ornstein; and James K. Glassman. Location: Wohlstetter Conference Center, Twelfth Floor, AEI, 1150 17th St. NW.

HEALTH CARE _ 12:15 p.m. The Alliance for Health Reform and the Robert Wood Johnson Foundation hold a briefing on the role of long-term care in the broader health insurance picture. Location: Room G-50, Dirksen.

POST-ELECTION ANALYSIS _ 12:15 p.m. Catholic University's Department of Politics hosts a post-election discussion. Location: Catholic Univeristy, Life Cycle Institute Auditorium, 620 Michigan Ave. NE.

MIDEAST _ 12:30 p.m. The New America Foundation holds a discussion with Yossi Beilin, member of the Israeli

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Knesset, on the Mideast peace prospects. Location: 7th floor, 1630 Connecticut Ave. NW.

ELECTION-POLL _ 1 p.m. Campaign for America's Future co-director Robert Borosage and Democratic pollster Stan Greenberg release a new post-election poll. Location: National Press Club.

ELECTION-RELIGION _ 1 p.m. The American Humanist Association holds a new conference to launch the Appignani Humanist Legal Center with the announcement of its first case, a lawsuit addressing a church-state separation violation that will be the product of a mid-term ballot initiative. Location: National Press Club.

MORIAL-ELECTIONS _ 2:30 p.m. Marc H. Morial, president and CEO National Urban League, holds a post election press briefing. Location: National Press Club, National Press Building, Holeman Lounge.

CHINA-MIDEAST-IRAN _ 3:30 p.m. Radio Free Europe/Radio Liberty hold a briefing with John Calabrese of American University on Chinese-Mideast relations and Iran. Location: 4th floor conference room, 1201 Connecticut Ave. NW.

EDUCATION _ 3:30 p.m. Deputy Secretary of Education Raymond Simon and Senior Policy Advisor in the Office of Elementary and Secondary Education Catherine Freeman hold a telephone conference to brief reporters on the updated status of the growth model pilot program. Notes: Call in number: 888-913-9969. Passcode: GROWTH.

US-INDONESIA _ 4 p.m.Ambassador of Indonesia to the U.S. Sudjadnan Parnohadiningrat addresses a National Press Club afternoon newsmaker. Topic: ``The U.S.-Indonesia Relationship: Bulding a Partnership Between Two Large Democracies." Location: National Press Club, Lisagor Room.

RUBIN _ 7 p.m. Former Labor Secretary Robert Rubin speaks to the Economic Club of Washington's dinner meeting on the U.S. economy. Location: Ritz-Carlton Hotel, 1150 22nd St. NW.

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Subject: 11/9/06 Civil Division News

High court hears cases on ban of abortion method; The justices are to decide whether to uphold a 'partial-birth' prohibition passed by Congress in 2003.

Lawyers Prep for American Indians' Suit

Government will increase use of False Claims Act to combat health fraud

Settlement ends case vs. school

Census taker's tactics lead to federal lawsuit By Bruce Finley

Los Angeles Times

November 9, 2006

High court hears cases on ban of abortion method; The justices are to decide whether to uphold a 'partial-birth' prohibition passed by Congress in 2003.

By David G. Savage
Times Staff Writer

WASHINGTON — A Bush administration lawyer urged the Supreme Court on Wednesday to uphold the nation's first criminal ban on an abortion method, saying so-called partial-birth abortions are "too close to infanticide" and not a medical necessity.

Safe alternatives are always available, U.S. Solicitor General Paul D. Clement said in defending a law

passed by Congress in 2003.

But two abortion-rights advocates argued that the ban, if put into effect, would unwisely limit the options of doctors who perform abortions in the second trimester and would expose some pregnant women to more dangerous surgery.

These doctors believe that the procedure medically known as dilation and extraction, or D&X — in which the fetus is removed intact — "reduces the risk of serious complications," including bleeding and infection in the uterus, said Priscilla Smith, a lawyer for the Center for Reproductive Rights in New York.

"What Congress has done here is take away from women the option of what may be the safest procedure for her," said Eve Gartner, a lawyer for the Planned Parenthood Federation of America.

The case could prove a turning point for the Supreme Court on abortion. With the arrival of President Bush's two conservative appointees, there appears to be a five-vote majority, including Justice Anthony M. Kennedy, to uphold stricter regulation of abortion.

Six years ago when the court struck down a Nebraska ban on the practice, Kennedy wrote an impassioned dissent, describing D&X as "abhorrent."

Abortion-rights advocates hope he will switch sides. But Wednesday, Kennedy suggested that the disputed procedure might be "purely elective and not medically necessary."

New Justice Samuel A. Alito Jr. said nothing. But he and Chief Justice John G. Roberts Jr. have been counted as likely to uphold the federal Partial Birth Abortion Ban Act.

The measure, a proud achievement of Bush and the Republican-controlled Congress, coincidentally came before the court the day after its prime sponsor Sen. Rick Santorum (R-Pa.) went down to defeat and the GOP lost control of Congress.

Most of the two-hour argument Wednesday was about the scope of the law, which would ban a procedure used only after the 16th week of pregnancy. Critics call it "partial-birth" abortion because doctors extract the living fetus partway from the uterus, then collapse its skull before pulling the fetus the rest of the way out.

Minimizing the law's impact, Clement described D&X as a "very aberrant, atypical procedure" and said a ban would affect "a very small minority of second-trimester abortions."

Most such abortions use "dilation and evacuation," or D&E, in which the fetus is dismembered in the uterus before it is removed.

Moreover, a doctor who planned to remove the fetus intact could "induce fetal demise at the outset" — injecting it with a drug to stop its heart — without violating the law, Clement said, because the fetus would emerge dead.

Some medical experts, however, say such injections pose too great a risk of exposing the woman to a deadly chemical.

Even if the law is upheld, Clement said, doctors can go to court and ask for an exception that "focuses on particular medical conditions" that call for the D&X procedure.

Several liberal justices objected during the argument to talk of "infanticide." They stressed that most second-trimester abortions involved fetuses that could not live on their own.

Some "are only 4 or 5 inches long. They are very different from fully formed babies," Justice John Paul Stevens said.

"So anything about infanticide, babies, all that, is just beside the point because what this bans is a method of abortion," added Justice Ruth Bader Ginsburg.

Clement refused to back down. Congress was interested in "maintaining a bright line between abortion and infanticide," he said.

Once a fetus emerged alive from the uterus, if it were killed, "I think we'd call that murder," he added.

The two lawyers arguing against the law sought to portray its reach as broad. They stressed that the ban does not use medical terms, such as D&X or D&E.

It could "place doctors at risk of prosecution" for D&E abortions if they removed a large part of the fetus, said Gartner, Planned Parenthood's lawyer. Rather than banning only one procedure, the law could ban the most common second-trimester procedure, she said.

Roberts disagreed. What counts is the doctor's intent, he said. A doctor who intends to do a D&E "wouldn't be covered by this law," he said.

Roberts conceded the D&X procedure might have "a marginal impact on safety" for patients, but he questioned whether that should be enough to strike down the entire law.

Smith replied that medical experts said the issue went well beyond marginal benefits.

"The reduction in risk is significant," she said, saying the D&X method "reduces the risk of serious complications, such as uterine perforation, which … lead to hysterectomies and infertility."

After Congress passed the law, judges in San Francisco, New York and Omaha barred it from taking effect. The Supreme Court heard the government's appeal in two cases Wednesday and will issue a ruling in several months.

END

AP

November 9, 2006

Lawyers Prep for American Indians' Suit

By JAMES MacPHERSON Associated Press Writer

BISMARCK, N.D.-Attorneys for American Indian farmers and ranchers are gathering information and witnesses for a discrimination case against the federal government.

Attorneys planned to meet Thursday near Fort Yates near the South Dakota state line to collect data for the lawsuit, which was filed in 1999. The lawsuit alleges the U.S. Department of Agriculture discriminated against native Americans in the granting of loans beginning in 1981.

"This is an information-gathering trip - we want to reach out to people in South Dakota about the case," said Joe Sellers, lead attorney for the American Indians.

Sellers, said his Washington, D.C.-based firm will gather up to 100 Indian ranchers and farmers to serve as witnesses at trial. He said about 50 have been found so far, mostly in North Dakota, Montana and

Oklahoma.

The meeting near Fort Yates targets Indian producers from South Dakota who believe they have been discriminated against by the USDA, Sellers said.

The lawsuit was granted class-action status in 2001. It alleges the USDA denied or delayed loans, or did not approve enough money to keep farms afloat financially.

The case, Keepseagle vs. Johanns, formerly Veneman, refers to Fort Yates rancher George Keepseagle and Agriculture Secretary Mike Johanns. Ann Veneman was agriculture secretary when the lawsuit was filed.

Attorneys estimate the number of Indian plaintiffs could be in the tens of thousands. A settlement figure has not been calculated, but would likely be in the "hundreds of millions," Sellers said.

U.S. District Judge Emmet Sullivan said at a hearing in September that he believes Indian farmers and ranchers are entitled to a trial. The case mirrors a separate civil rights case brought by black farmers in 1997, and settled two years later.

Sellers said he and USDA lawyers have been meeting with a magistrate to resolve some of their differences and decide on a trial date, but no decision has been made.

USDA officials have not responded to questions about the allegations.

END

CCH® Medicare

11/9/06

Government will increase use of False Claims Act to combat health fraud

The federal False Claims Act (FCA) is the primary government weapon in combating health care fraud since it covers a broad range of activities and includes huge penalties and settlement potential, according to John Brennan, a Partner at Crowell & Moring LLP. He spoke at a Crowell & Moring seminar on October 26-27, 2006 in Washington, D.C.

Since 1986, $17 billion has been recovered under the FCA, including $12.4 billion in HHS-related cases alone. In 2004, 80 percent of all FCA recoveries were via whistleblower cases, he noted. "Whistleblower cases are rising exponentially," he said.

False claims prosecutions will “follow the money,” said Brennan, adding that prosecutions will increasingly involve Part D participants, the pharmaceutical product marketplace, medical device manufacturers, and fiscal intermediaries and carriers.

Contractor immunity decreasing. The scope of FCA immunity for Medicare contractors may be narrowing, said Brennan, who discussed recent case law. Prior to the Medicare Modernization Act of 2003, which eliminated the absolute immunity defense prospectively, immunity was available only in the "absence of gross negligence or intent to defraud the United States." But court cases have held that the 1965 Medicare Act did not preclude absolute immunity for contractors. No immunity is available now in situations where an intermediary or carrier acted with "reckless disregard or with intent to defraud the government," he said. Moreover, the government has agreed that qualified immunity was not intended to be applied retroactively to pre-MMA matters.

In U.S. ex rel., Parikh v. Premera Blue Cross (see ¶301,913), a program auditor, Parikh, alleged that his employer, a Part A fiscal intermediary, sought payment for services not rendered. DOJ did not intervene. Premera filed a motion to dismiss, saying it had "full pre-MMA immunity" based on prior case interpretations. The court found Congress' statutory language in MMA 2003, which provides only qualified immunity, indicative of its original Medicare Act intent and denied the motion to dismiss. "The door may now be open for pre-MMA false claims actions against contractors who acted with 'reckless disregard' or with 'intent to defraud' the government," Brennan said.

END

Tri-Town News (Howell, NJ)

Settlement ends case vs. school

Lakewood Cheder School, a New Jersey nonprofit corporation that operates a children's school in Lakewood, has agreed to pay the federal government more than $1.2 million to settle allegations that it submitted false certifications for payment under the National School Lunch Program, U.S. Attorney Christopher J. Christie announced.

The settlement resolves allegations against Lakewood Cheder School for violations of the False Claims Act, which permits recovery of triple the amount of damages to the government plus penalties, according to Assistant U.S. Attorney Rudolph A. Filko, deputy chief of the Civil Division of the U.S. Attorney's Office.

"This is an abuse of government funds that takes money away from other children who are truly in need and deserving of these resources," said Christie. "It is wrong, and we will continue to look for such misappropriations and recoup that money so that it can serve the intended recipients."

According to the settlement agreement, between 1996 and 2000, Lakewood Cheder School submitted false information and statements to the U.S. Depart-ment of Agriculture through the state of New Jersey, Department of Agriculture, Bureau of Child Nutrition.

The false information resulted in excessive payments to Lakewood Cheder School under the National School Lunch Program. Specifically, it was alleged that Lakewood Cheder School submitted claims for school lunches that were served at about 90 private residences which were ineligible and unapproved school sites under the program.

Under terms of the settlement, Lakewood Cheder School does not admit liability.

More than 1,100 preschool age children were claimed by Lakewood Cheder School to have received the lunches at the ineligible and unapproved sites. In this way, the school obtained an increased payment of $953,421 under the National School Lunch Program to which it was not entitled. The settlement amount is $1,295,549.

Christie credited special agents from the U.S. Department of Agriculture, Office of Inspector General, under the direction of Special Agent-in-Charge for Investigations Brian L. Haaser, and auditors from the U.S. Attorney's Office Affirmative Civil Enforcement Unit, with investigating the case.

The case was handled by Assistant U.S. Attorney Rudolph A. Filko, deputy chief of the Civil Division.

END

Denver Post

November 9, 2006

Census taker's tactics lead to federal lawsuit By Bruce Finley

Denver Post Staff Writer

A Colorado man who claims an overzealous U.S. census worker hit him with her vehicle after hounding him to complete a population survey took his case to federal court Wednesday.

In a civil lawsuit filed Wednesday against the government, Thomas Martinez claims former census worker Susan Dyck's tactics included peering through windows at his rental duplex in Wheat Ridge. Dyck at one point "misrepresented herself as a potential renter" and made late-night phone calls "attempting to convince him to complete a census inquiry," the lawsuit said.

On Feb. 14, 2005, Martinez confronted Dyck and told her he'd call police, according to the lawsuit. Then "in the process of attempting to flee," Dyck backed her vehicle into Martinez, the lawsuit said.

Dyck, in an interview, described her behavior as entirely within the scope of her duties as a census worker.

"The lawsuit is entirely without merit," she said.

Census officials recently rejected Martinez's claims. A Jefferson County jury last year acquitted Dyck on criminal charges.

Now federal attorneys "are in the process of reviewing the allegations," said Jeff Dorschner, spokesman for the U.S. attorney.

Dyck worked as a census field representative, dispatched with a laptop computer to gather data. The lawsuit accuses the government of negligence and seeks unspecified damages.

END

USDOJ- Office of Public Affairs

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DEPARTMENT OF JUSTICE *NEWS CLIPS*

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Lawyers To Argue Ressam Sentence Before Appeals Court (AP)

By Gene Johnson, AP Legal Affairs Writer

AP, November 13, 2006

SEATTLE (AP) -- The Justice Department says there is "precious little" to explain why Ahmed Ressam received a sentence of only 22 years for plotting to bomb Los Angeles International Airport on the eve of the millennium. Ressam's lawyers say the sentence was a decade too long.

A three-judge panel of the 9th U.S. Circuit Court of Appeals will hear their arguments Monday.

Both sides are challenging aspects of the punishment U.S. District Judge John C. Coughenour imposed last year. Ressam's lawyers, Thomas Hillier and Michael Filipovic, believe that one of the nine counts he was convicted of should be thrown out, which would reduce the sentence by 10 years.

The U.S. Attorney's Office has suggested that Coughenour's decision to sentence Ressam to less than the 35 years it requested may have been colored by a distaste for the Bush administration's treatment of "enemy combatants." In their appeal, prosecutors repeatedly cited Coughenour's comments at sentencing, when he said Ressam's case illustrated that U.S. courts are plenty capable of handling terrorism cases.

"We did not need to use a secret military tribunal," the judge said at the time, "or detain the defendant indefinitely as an enemy combatant, or deny him the right to counsel, or invoke any proceedings beyond those guaranteed by or contrary to the United States Constitution."

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Customs agents in Port Angeles, across the Strait of Juan de Fuca from Canada, caught Ressam with explosives in the trunk of his rental car when he arrived by ferry in December 1999. The arrest prompted the cancellation of millennium celebrations at Seattle's Space Needle. He was convicted of terrorism and explosives charges at trial in 2001, then decided to tell investigators what he knew about al-Qaida in an effort to win a shorter sentence.

"We believe the district court seriously erred in straying so far from what would have been the advisory guideline sentence, which was 65 years to life," U.S. Attorney John McKay said. "Even taking into account his cooperation, the sentence was far too short. Ressam has told us he intended to kill as many people as he could at the Los Angeles Airport. That's what he should be sentenced for."

Coughenour noted that before the trial, the government offered Ressam the chance to plead guilty in exchange for a sentence of 25 years, with no cooperation required; the judge reasoned that 25 years represented the government's assessment of Ressam's crime, and any cooperation he later provided should be discounted from that. The government disagreed, saying that since Ressam didn't accept the 25-year offer, it shouldn't factor into the court's decision.

Ressam's testimony helped convict one of his co-conspirators, but his cooperation came to a halt by early 2003. Years of solitary confinement, broken by periods of intense interrogation, had taken their toll on his mental health and corrupted his memory, his lawyers insisted.

The government didn't buy it and was furious that without further help, it had to dismiss cases against two of Ressam's alleged co-conspirators, Samir Ait Mohamed and Abu Doha.

On appeal, Ressam's lawyers are arguing against his conviction on one count of carrying explosives during a felony. The felony was providing a false name and other information to customs agents.

Hillier says that during trial, jurors were not asked to find that Ressam carried the explosives "in furtherance of" providing the false information, as he says the law requires. The crime carries a mandatory minimum of 10 years in prison.

Gene Johnson has been covering courts and legal affairs for the AP since 2000.

WAR NEWS:

Democrats To Press For Phased Withdrawal From Iraq (LAT)

By Greg Miller

The Los Angeles Times, November 13, 2006

WASHINGTON — Democrats poised to take control of Congress said Sunday that they would press to begin a phased U.S. military withdrawal from Iraq within four to six months, part of an agenda aimed at overhauling key aspects of U.S. policy in the Middle East.

"First order of business is to change the direction of Iraq policy," said Sen. Carl Levin (D-Mich.), who is in line to become chairman of the Senate Armed Services Committee next year when Democrats become the majority party in both chambers of Congress.

Senior White House officials countered that setting timetables for U.S. troop withdrawals would weaken the Iraq government and embolden insurgents, but they acknowledged a need for fresh ideas on Iraq and expressed a new willingness to negotiate with Democrats on an array of foreign policy issues.

White House Chief of Staff Josh Bolten indicated that the president would block legislation calling for a scheduled withdrawal.

"I don't think we're going to be receptive to the notion there's a fixed timetable at which we automatically pull out, because that could be a true disaster for the Iraqi people," Bolten said on ABC's "This Week," one of two Sunday talk shows on which he appeared.

Even so, he added, the White House is "willing to talk about anything" and is prepared to adjust tactics.

The developments came as President Bush and members of his national security team prepared to meet today with a panel of foreign policy experts who have been charged with developing proposals for how to proceed in Iraq. The panel is

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headed by James A. Baker III, who served as secretary of State when Bush's father was president, and Lee H. Hamilton, a former Democratic congressman who chaired the House Foreign Affairs Committee.

The urgency of the work of that commission was underscored Sunday by the continuing violence in Iraq, where nearly 100 people were killed in a 24-hour period, including 38 in twin suicide bombings at a police recruiting center, the deadliest strike on a police facility in months. In addition, Iraqi Prime Minister Nouri Maliki harshly criticized fellow lawmakers for placing partisan concerns above the national interest, and he promised major changes in his Cabinet.

The comments by Levin and others offered a glimpse of how the Democrats' control of Congress might alter foreign policy, which has been dominated by Republicans and the Bush administration since the Sept. 11 attacks more than five years ago.

Senior military officials have recently voiced increasing concern that the security benefits of keeping large numbers of troops in Iraq are outweighed by significant downsides to the heavy U.S. presence. Among them are a perceived reluctance by Iraqis to take the lead in stemming the violence as long as U.S. forces are there.

"We have to tell the Iraqis that the open-ended commitment is over and that we're going to begin to have a phased withdrawal in four to six months," said Levin, who also appeared on "This Week."

Levin was joined in his call for a phased pullout by Sen. Joseph R. Biden Jr. (D-Del.), who is in line to become chairman of the Senate Foreign Relations Committee.

Sen. Harry Reid of Nevada, the Democratic leader in the Senate, told NBC's "Meet the Press" that decisions on drawdowns should rest with U.S. military officers in Iraq. Still, Reid said that "we need to redeploy" and that a withdrawal should start within several months.

Given the results of last week's elections, the Baker-Hamilton panel, formally known as the Iraq Study Group, has become a focal point for members of both parties as they seek an upper hand in setting the Iraq agenda. The panel is expected to deliver its findings by the end of the year.

Levin said he hoped the commission would endorse calls for a phased pullout. But Bush is likely to use his meeting with the panel today to make the case for elements of the administration's approach.

Iraq was a key factor in Republican losses in last week's election, with nearly six in 10 voters participating in exit polls saying they disapproved of the war and a majority calling for a withdrawal of some or all U.S. troops.

Even so, it's unclear how far GOP lawmakers will be willing to go to challenge the White House and back calls for a drawdown. Sen. John McCain (R-Ariz.) said Sunday that he still believed the United States needed to send more troops to Iraq to curb sectarian violence and reduce the influence of heavily armed Shiite militias.

"I believe that there are a lot of things that we can do to salvage this, but they all require the presence of additional troops," he said on "Meet the Press."

"The question, then, before the American people is 'Are we ready to quit?' And I believe the consequences of failure are chaos in the region, which will spread," said McCain, who is widely seen as the front-runner for the 2008 GOP presidential nomination.

Members of both parties said they expected the Baker-Hamilton commission to recommend that the United States hold a conference with representatives from Iraq's neighbors to seek greater cooperation in pacifying the country and creating a stable government.

Biden told ABC that Iran and Syria should be included in such a conference because of their influence in the region. Baker recently met with an Iranian envoy at the United Nations to discuss the prospects for cooperation.

But a proposal that calls for joint meetings with Syria and Iran would pose thorny diplomatic problems for the administration, which has labeled Iran part of an "axis of evil" and has been reluctant to engage either country.

Bolten stopped short of rejecting such a conference, but made it clear that the White House doesn't believe dialogue with Iran and Syria would improve matters.

"I don't think there's been a communications problem. There's been a cooperation problem," he said. "Iran and Syria have been meddling in Iraq in a very unhelpful way."

Iran has ties to Shiite groups in Iraq, has large numbers of intelligence operatives in the country and has been accused of supplying components for bombs that have been used to strike Iraqi and U.S. troops.

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Democrats Push For Troop Cuts Within Months (NYT)

By Sheryl Gay Stolberg, Mark Mazzetti

The New York Times, November 13, 2006

WASHINGTON, Nov. 12 — Democratic leaders in the Senate vowed on Sunday to use their new Congressional majority to press for troop reductions in Iraq within a matter of months, stepping up pressure on the administration just as President Bush is to be interviewed by a bipartisan panel examining future strategy for the war.

The Democrats — the incoming majority leader, Senator Harry Reid of Nevada; the incoming Armed Services Committee chairman, Senator Carl Levin of Michigan; and the incoming Foreign Relations Committee chairman, Senator Joseph R. Biden Jr. of Delaware — said a phased redeployment of troops would be their top priority when the new Congress convenes in January, even before an investigation of the conduct of the war.

"We need to begin a phased redeployment of forces from Iraq in four to six months," Mr. Levin said in an appearance on the ABC News program "This Week." In a telephone interview later, Mr. Levin added, "The point of this is to signal to the Iraqis that the open-ended commitment is over and that they are going to have to solve their own problems."

The White House signaled a willingness to listen to the Democrats' proposals, with Joshua B. Bolten, the chief of staff, saying in two television appearances that the president was open to "fresh ideas" and a "fresh look." But Mr. Bolten said he could not envision the White House signing on to a plan setting a timetable for the withdrawal of troops.

"You know, we're willing to talk about anything," he said on "This Week." "I don't think we're going to be receptive to the notion there's a fixed timetable at which we automatically pull out, because that could be a true disaster for the Iraqi people. But what we've always been prepared to do, and remain prepared to do, is indeed what Senators Levin and Biden were talking about, is put pressure on the Iraqi government to take over themselves."

The spirited exchanges on the Sunday morning talk shows — a staple of weekend life for the political elite here, especially on the Sunday after an election that blew through Washington like a tornado — came at a delicate moment for the White House on Iraq. The bipartisan panel on strategy, led by James A. Baker III, the secretary of state under the first President Bush, and Lee Hamilton, a Democratic former congressman, will be at the White House on Monday to begin its final round of interviews.

The panel will meet separately with Mr. Bush and members of his foreign policy team, including the secretaries of state and defense, the director of the Central Intelligence Agency and the director of national intelligence, and will then interview Prime Minister Tony Blair of Britain by videoconference. On Tuesday, the group plans to meet with Democratic foreign policy leaders.

The panel is expected to make its recommendations by the end of the year, and Democrats said they did not intend to push a resolution for troop withdrawal until after the report was issued. But after Tuesday's election, in which Republicans took what Mr. Bush has called "a thumping," Democrats used their Sunday appearances to signal that they believed they had a mandate about Iraq and would seize on it.

"The people have spoken in a very, very strong way that they don't buy the administration policy," Mr. Levin said on ABC. Mr. Reid, in an appearance on CBS, said troop redeployment "should start within the next few months."

In June, the Republican-controlled Senate rejected two amendments on troop reductions backed by Democrats. One called for all United States combat troops to be withdrawn within a year. The other, whose sponsors included Mr. Levin, called for troop reductions to start by the end of the year without setting a deadline for complete withdrawal.

In the interview after his television appearance, Mr. Levin said that any resolution about troop reductions in the next session of Congress would not contain detailed benchmarks mandating how many troops should be withdrawn by specific dates.

As Democrats outlined their proposal to reduce the American presence in Iraq, Senator John McCain, Republican of Arizona and a likely presidential contender for 2008, reiterated his stance that there were not enough American troops there.

Appearing on the NBC program "Meet the Press," Mr. McCain said that "the present situation is unacceptable" but added that any withdrawal from Iraq would create chaos throughout the Middle East.

Mr. McCain, emphasizing the importance of breaking the back of the Mahdi Army, the militia allied with the Shiite cleric Moktada al-Sadr, said that the Iraqi prime minister "has to understand that we need to put down Sadr, and we need to take care of the Mahdi Army, and we need to stop the sectarian violence that is on the increase in a nonacceptable level, and I think that

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the best way to assure that is for him to know that we will do what's necessary to bolster the — train and equip the Iraqi army, et cetera."

Mr. McCain added, "If we send the signal that we are leaving, of course, he's going to try to make accommodations with others, because he knows what is going to be the inevitable result."

After a week in which both parties used the fallout from Tuesday's midterm elections to promise a new era of bipartisanship, the Sunday television interviews suggested that profound differences remained over Iraq, the issue that proved central in the elections.

But there was one area on which Democrats hinted they might find common ground with the White House: the confirmation of Robert M. Gates, the former C.I.A. director, to replace Defense Secretary Donald H. Rumsfeld, who had become a magnet for criticism about the war and whose departure was announced by Mr. Bush the day after voters handed Democrats majorities in both houses of Congress.

"I'm inclined to vote for him now," said Mr. Biden, who voted against Mr. Gates for the job of C.I.A. chief 15 years ago, adding, "To put it very, very bluntly, as long as he's not there, Rumsfeld is there."

The White House is clearly looking to the Baker-Hamilton group to provide a path toward progress in Iraq. Mr. Baker and Mr. Hamilton have already told committee staff members to begin drafting parts of the report. But other commissioners did not see any of those drafts before the election, two members of the commission said in interviews last week.

"I guess the thinking was that anything that gets circulated before the election would get leaked, and one side or the other might use that for electoral purposes," said one member, who was granted anonymity because the commission is supposed to operate in secrecy.

Other members of the commission speculated that Mr. Baker, in particular, had been waiting to see the outcome of the elections, perhaps calculating that a major victory for the Democrats would put the White House in less of a position to challenge the recommendations.

The commission will meet again the week after Thanksgiving, when many of the most critical debates about options are expected to take place among commission members.

Mr. Baker has already made some of his views known. In television interviews, some timed to promote a book he has just published, he has expressed skepticism that a rapid withdrawal can be accomplished without setting off chaos or civil war, and has been doubtful that partitioning the country will work.

The message from White House officials on Sunday was that the president was indeed open to new ideas on Iraq, as long as they did not involve a plan with a specific date for beginning the drawing down of troops.

Dan Bartlett, counselor to Mr. Bush, said on Fox News that the president had directed the chairman of the joint chiefs of staff, Gen. Peter Pace, to assess strategy in Iraq and would be open to listening to "good suggestions," regardless of where they came from.

But Dana Perino, the deputy White House press secretary, said in an interview that Mr. Bush remained adamant that decisions about how to deploy troops would be made by military commanders in Iraq.

"That didn't change overnight on November 7," Ms. Perino said.

Bush And Democrats Square Up Over Iraq (FT)

By Krishna Guha, Jean Eaglesham

Financial Times, November 13, 2006

The promise of bipartisan co-operation in Washington following the congressional mid-term elections came under immediate strain on Sunday as the White House squared up to the Democrats over the US ambassador to the United Nations and strategy for Iraq.

Josh Bolten, the White House chief of staff, told ABC's This Week that the administration would make a final attempt to have John Bolton, the controversial UN ambassador, confirmed during the lame duck session of the outgoing Republican-dominated Congress, which begins today.

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Meanwhile top Democrats stepped up calls for the US to adopt a timetable for a phased withdrawal from Iraq and backed direct talks with Iran and Syria.

Although courteous in tone, the renewed sparring shows how difficult it will be to sustain the bipartisan approach to government pledged by leaders of both parties following last week's vote, in which the Democrats won control of both houses of Congress for the first time in 12 years.

On Saturday, President George W. Bush told the nation: "We must put these elections behind us and work together on the great issues facing America."

Forging ahead with the confirmation of Mr Bolton, though, will be divisive.

Mr Bolton was given a temporary recess appointment by Mr Bush but needs Senate approval to continue in the job.

Joe Biden, the incoming Democrat chairman of the Senate foreign relations committee, said the confirmation bid would fail. He warned the White House not to try to find a procedural device to bypass the Senate and keep Mr Bolton in his job.

Carl Levin, the incoming Democrat chairman of the Senate armed services committee, told the same programme he would reintroduce his motion calling for a phased withdrawal from Iraq starting in four to six months, and claimed a number of Republicans would now support it.

Harry Reid, the incoming Senate majority leader, later endorsed the call for a redeployment beginning "in the next few months". But he hedged his bets saying he would not insist on a precise date.

For the White House Mr Bolten said: "I don't think we are going to be receptive to the notion that there's a fixed timetable at which we automatically pull out," he said. The US had to give the Iraqi government the support it needed to succeed, he said, warning that the alternative would be "truly disastrous".

Mr Bush on Monday meets James Baker and Lee Hamilton, leaders of the Iraq Study Group charged with finding ways forward in Iraq. Many experts predict the ISG will recommend that the US open direct talks with Iraq's neighbours Iran and Syria.

Mr Biden, the Democrat, said the US should talk to both countries, a position backed yesterday by moderate Republican Senators Arlen Specter and John McCain - who repeated his calls for more US troops to be sent to Iraq.

Mr Bolten continued to resist the idea of talks with Iran and Syria. "I don't think there has been a communication problem. There has been a co-operation problem," he said. "Iran and Syria have been meddling in Iraq in a very unhelpful way."

He reiterated the administration's charge that Iranian weapons are being used to kill US soldiers in Iraq and declared "that needs to stop."

But in a potentially important concession, he told CNN "nothing is off the table."

Tony Blair will seek to use the state of flux in Washington politics to try to persuade the US to include efforts towards a wider peace settlement in the Middle East – in particular Lebanon and Palestine, and including talks with Syria and Iran – as part of a revised Iraq strategy.

In a speech at the Guildhall on Monday, the prime minister will argue that the conflict in Iraq has evolved and the strategy to deal with it must also evolve.

He is expected to reinforce this message when he gives evidence to the ISG panel by video-link on Monday.

The UK's efforts to influence a change in Washington's approach to Iraq come amid continued bloodshed there.

Four British servicemen were killed and another three seriously hurt on Sunday in an attack on a patrol boat in Basra.

In a separate incident, the US military said three American soldiers had been killed in combat while operating in western Al-Anbar province.

Two suicide bombers killed 35 people and wounded 60 at a police commando recruiting centre in western Baghdad, according to reports.

Democrats To Propose Iraq Pullout (WT)

By Eric Pfeiffer

The Washington Times, November 13, 2006

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The two top Senate Democrats on foreign policy yesterday said they will introduce a resolution in January calling for troops to start being withdrawn from Iraq by this summer, a move that Sen. John McCain said would put the U.S. in the worst of both worlds.

Sen. Carl Levin, Michigan Democrat in line to lead the Senate Armed Services Committee, said his party's election victory last week vindicates calls for a change of strategy in Iraq and said withdrawals would need to start this year, despite White House opposition to any timetables, a stance it also reiterated on yesterday's political shows.

"The people spoke dramatically, overwhelmingly, resoundingly, to change the course in Iraq," he said during an appearance on ABC's "This Week." The Senate's "first order of business is to change the direction of Iraq policy."

"We need to begin a phased redeployment of forces from Iraq in four to six months, to begin that redeployment," he said. "We have to tell Iraqis that the open-ended commitment is over."

On the other hand, Mr. McCain said on NBC's "Meet the Press" that the U.S. troop presence in Iraq would need to be increased to achieve victory and said he would favor a total withdrawal if that didn't happen.

"I believe that there are a lot of things that we can do to salvage this, but they all require the presence of additional troops," he said.

Moderator Tim Russert said: "It sounds as if McCain is saying, 'Either send more troops in, secure the country and win, or make the decision and get out.' "

"I think that that's pretty much my position," said the Arizona Republican, who is considering a run for the White House in 2008. "Maybe it's more nuanced than that."

Sen. Joseph R. Biden Jr., who appeared on the same ABC segment as Mr. Levin, said he backed the Michigander's resolution and elaborated on some of its other details.

It also would call for "a political settlement in Iraq, put pressure on the Iraqis to insist upon a means to distribute the oil equitably, to make sure that there's some form of federalism and to deal with the militias, and call for an international conference," said the Delaware Democrat who is expected to take the reins at the Senate Foreign Relations Committee.

Besides Mr. Levin and Mr. Biden, Sen. Harry Reid of Nevada, the incoming majority leader, also called for a redeployment of troops from Iraq, which he said "should start within the next few months," although he said the withdrawal should be phased.

"We need to have a redeployment in Iraq. What does that mean? Pull everybody out now? Of course not," Mr. Reid said during an appearance on CBS' "Face the Nation."

White House officials said yesterday that President Bush opposes a specific timetable for withdrawal and partitioning of Iraq, but that he is willing to reconsider proposals on conducting the war.

"I don't think so. And I think it would be a very bad idea," White House Chief of Staff Joshua B. Bolten said when asked on CBS' "Face the Nation" whether his boss would support a timetable, although he added that "nobody is happy with what our situation in Iraq is now."

Still, Mr. Bolten told ABC's "This Week" that "the president's open to fresh ideas here."

"The president obviously wants to take a whole fresh look at what we're doing in Iraq," he said on CBS.

Mr. Bush will meet today with members of a commission, led by former Secretary of State James A. Baker III and former Rep. Lee Hamilton, that Congress appointed to make recommendations about U.S. policy in Iraq.

White House counselor Dan Bartlett also denied speculation that the administration, based on reports about the Baker-Hamilton panel, is considering a partitioning of Iraq into regions based on ethic or religious makeup.

"I think many observers and experts watching the political process in Iraq would say that that would be a mistake to go that route," he said during an appearance on "Fox News Sunday." "Most importantly, the sovereign government of Iraq believes that that would be the wrong way to go. To partition the country would only increase sectarian violence and strife, not call for reconciliation."

Mr. McCain added that he opposes a timetable for withdrawal of U.S. forces.

"I believe that a withdrawal, or a date for withdrawal, will lead to chaos in the region, and most military experts think the same thing," he said.

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However, Mr. Levin and Mr. Biden both said they would not support cutting off funds for the war, a move some liberals have demanded but which Rep. Nancy Pelosi, likely the next speaker of the House, ruled out the day after the election.

"As far as I'm concerned, it's absolutely off the table," Mr. Biden agreed.

Senators Push For Timetable For Withdrawal From Iraq (USAT)

USA Today, November 13, 2006

WASHINGTON — Congressional Democrats continued to press ahead on Sunday with proposals to start withdrawing U.S. troops from Iraq but faced resistance from the White House and a top Republican.

Democratic Sens. Carl Levin of Michigan and Joseph Biden of Delaware said they expect some Republican support for a resolution calling for troops to begin coming home as soon as March.

Levin is in line to be chairman of the Armed Services Committee when Democrats become the Senate majority in January; Biden is set to be chairman of the Foreign Relations Committee.

"We're going to urge the president on a bipartisan basis, hopefully, to change course in Iraq by doing a number of things," Levin said on ABC's This Week. "Not only telling Iraqis that we're not there in an open-ended way, but also to set some milestones here so that we can begin to withdraw in four to six months."

White House chief of staff Josh Bolten said President Bush wouldn't support that idea.

"We clearly need a fresh approach," Bolten said, but "I don't think we're going to be receptive to the notion that there's a fixed timetable at which we automatically pull out, because that could be a true disaster for the Iraqi people." Bolten appeared on talk shows on ABC, CBS and CNN.

Sen. John McCain, R-Ariz., meanwhile, called for more American forces to be sent to Iraq. "I believe that a withdrawal, or a date for withdrawal, will lead to chaos in the region, and most military experts think the same thing," said McCain on NBC's Meet the Press. "I believe that there are a lot of things that we can do to salvage this, but they all require the presence of additional troops."

Bush and his national security team are scheduled to meet today with the Iraq Study Group, a bipartisan panel formed to re-evaluate U.S. involvement in Iraq and propose policy changes. Bush removed Defense Secretary Donald Rumsfeld last week after Democrats won control of Congress, saying voters wanted new ideas on handling the war.

Before the elections, Bush had accused Democrats of being weak on national security, suggesting that a Democratic triumph on Election Day would amount to a victory for terrorists. Exit polls showed about six in ten voters disapproved of the war in Iraq, and they voted overwhelmingly for Democrats.

Not all Democrats were united behind Levin's idea of a withdrawal timetable. Democratic National Committee Chairman Howard Dean said on Fox News Sunday that a fixed timetable is "probably not the way it's going to work."

Democrats' Challenge: Stay In The Center (NSWK)

By Jonathan Darman

Newsweek, November 13, 2006

Nov. 20, 2006 issue - Like any newly elected congressman, Indiana's Brad Ellsworth has a lot to learn. Before he had even digested his victory over Republican incumbent John Hostettler last week, Ellsworth was poring over forms and factoids, shipped straight to Indiana from some new friends on Capitol Hill. "They're asking me what kind of BlackBerry I want," said a mildly exasperated Ellsworth. "I don't know what kind of BlackBerry I want. I've always just used a cell phone." As his campaign staffers caught up on sleep, Ellsworth worried over pension plans, travel arrangements and finding a home in the nation's capital. "Did you know that some [congressmen] live with seven or eight other guys?" he asked. "People back home would be amazed."

But wide-eyed as he may be, Ellsworth has already learned a crucial rule for survival in Washington: find allies you can trust. Two days after his victory, he placed a call to another newly elected Democratic congressman, North Carolina's Heath Shuler. Shuler is a former NFL quarterback; he and Ellsworth, a sheriff, had been two of the "macho Democrat" stars of the '06 cycle—manly men whose conservative positions on issues like abortion and gay marriage had helped them win in their Red States. Now Ellsworth was calling to congratulate his soon-to-be colleague and to say that the two should stick together in the new House. After all, he said, they both had to answer to the same kind of conservative constituents back home—and both know they won't

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last long in Congress if they go native in D.C. "We both won; now we're both in the same boat," Ellsworth said. "We've got to remember that the people back home put us here and they can take us back out."

Most Democrats in Washington weren't thinking so far ahead. After 12 years in the minority, the Democrats swept control of both houses of Congress—and the party leadership reveled in the exotic new pleasures of victory. Rahm Emanuel, the chairman of the Democratic Congressional Campaign Committee, danced on national television. Harry Reid, the usually staid Senate Democratic floor leader, kissed the television screen in his hotel suite when a network projected Claire McCaskill the winner in her hard-fought Missouri Senate race. Nancy Pelosi, soon to be the first female Speaker of the House, paraded across the broadcast networks, a proud grandma in an olive pantsuit, proclaiming herself "thrilled."

But Pelosi has been around long enough to know that in Washington the party never lasts too long. She will soon be judged on her ability to make the Congress work, no simple task for an incoming Speaker whose majority in the House is thin and is made up of members with loyalties to different generations, regions and ideologies. Fresh-faced conservatives like Ellsworth might say they don't "want our president to be viewed as weak," but they won't have much say about the matter with powerful Democratic committee chairmen like John Conyers and Henry Waxman mulling investigations on issues like Iraq-war contracts and NSA wiretaps. And while President George W. Bush was quick to say he'd offered Pelosi a list of "Republican interior decorators" to help her spruce up her new office, no one in either party expects the White House to bend over backward to help the Democratic Congress find its groove.

The challenges facing the Democrats are massive—changing the tone in Washington, working with a polarizing president, addressing the deficit and, ahem, coming up with some kind of new plan for Iraq. It is far from clear that Pelosi, Reid and their cohorts have the mettle to stick together and take them on. After all, they are Democrats. But if the party's 2006 performance proves anything, it's that discipline isn't a foreign concept to this crew. The leadership of the new majority has already put out word that members will pay a price if they jeopardize the party's attempts to place itself on a centrist footing. Liberal activists, who poured countless hours and millions of dollars into the '06 effort, are eager for the Dems to deliver on a progressive agenda. But the leadership is talking up a domestic program that steers clear of social issues and seeks consensus on the minimum wage, college tuition and trade. Thrilled as they may still be with their victory, many Democrats are now realizing that that their future depends on a tricky proposition: actually becoming the centrist, big-tent party they've spent two years claiming to be.

Pelosi is an odd champion of the center. Only 34 percent of respondents in the NEWSWEEK Poll had a favorable impression of her in part because, as the congresswoman from San Francisco, she has spent her career being lampooned by conservatives as the chief spokesperson for America's loony left. A strong supporter of abortion rights and same-sex marriage, she was a favorite target for Republicans this fall trying to portray her party as extreme. (Ellsworth's opponent ran an ad against him claiming a vote for Ellsworth would be a vote for Pelosi "and her radical plan to advance the homosexual agenda, led by Barney Frank.") The voters who re-elected Pelosi to her 11th term by an overwhelming margin also handily approved a measure calling for the impeachment of Bush and Vice President Dick Cheney.

Still, the "San Francisco liberal" label has never really quite fit Pelosi. She gained political entree in the city not by protesting in Haight-Ashbury but by holding fund-raisers in ritzy Presidio Heights. While others in her generation were burning their bras and draft cards, she was dressing her five children in plaid pinafores and marching them off to the Convent of the Sacred Heart. "There isn't one shred of evidence that she's veered off to the left with the Democratic caucus," says her friend, Washington Congressman Jim McDermott. "In fact, some of us on the left wish she would tilt a little more our way from time to time."

Pelosi developed her strategy for claiming the Speaker's gavel by consulting corporate America—not your typical liberal play. After the party's disastrous defeat in the 2004 elections, she began casting around for fresh ideas on how the Democrats could reintroduce themselves to the American people. "I decided to go to the private sector," she told NEWSWEEK, "and ask them how to become No. 1."

Through her staff, Pelosi found her way to a group of corporate-image consultants including high-tech entrepreneur Richard Yanowitch, computer-software marketer John Cullinane and Jack Trout, a marketing strategist who'd worked with big corporate clients like Merck and IBM. "I specialize in differentiation," Trout says. "I told her, 'That's your problem—you haven't found a way to differentiate the party from the Republican Party in a clear, simple way'." Trout encouraged Pelosi to take

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advantage of the weak points in Karl Rove's base-driven Republican strategy. "You've got to go the opposite way," he told her. "It's Marketing 101. Say 'We're about good governing for all, not a privileged few ... ' Bring back the big-tent idea."

Pelosi liked what she heard. The centrist messaging dovetailed nicely with Emanuel's strategy of recruiting candidates who could run in Red States and highlight conservative positions on cultural issues. As the elections approached, she made sure that the old bulls of Congress were onboard. In the final days of the campaign, she held conference calls with senior members, urging them not to deviate from the party's emphasis on restoring civility, integrity and fiscal responsibility in Congress. "She doesn't want to be Speaker for two years," says an aide. "We can do it," but "we have to keep our people together."

Already, Pelosi has made it clear that she will brook little dissent as Speaker. When Conyers, the presumed chairman of the House Judiciary Committee, raised the possibility of bringing articles of impeachment against President Bush earlier this year, Pelosi quickly chastised him, saying any talk of impeachment would distract from the Democrats' message.

Veteran House committee chairmen understand Pelosi's need for loyalty, and share her desire to win. But they are also eager to conduct a reality check on President Bush. No sooner were the election returns in than Henry Waxman, the soon-to-be chairman of the House Government Reform Committee, directed his aides to draw up an "oversight" plan for the panel. With a staff of more than 80 investigators, Waxman has instantly become the most formidable of White House adversaries. (Two top D.C. lobbyists and a white-collar defense lawyer, who asked to remain anonymous discussing still-hypothetical investigations, told NEWSWEEK they were already getting nervous phone calls from prospective Waxman targets, seeking counsel about what to do if they get hauled before his committee.) Waxman's interest in oversight could quickly lead him to the Jack Abramoff scandal. This worries some leadership aides who remember that Republicans frittered away their popularity in the '90s by persecuting the White House from Capitol Hill. (Waxman has said he's not interested in payback, but rather accountability).

The most difficult debate facing the Democrats will be over Iraq. After six years of decrying their lack of oversight on military policy, party leaders now have co-ownership of the Iraq account. Many Democrats say the party should focus its energy on pressing the White House for a change of course in current policy, rather than dredging up old debates over the manner in which the administration took the country to war. But Carl Levin, the new chairman of the Senate Armed Services Committee, says he also intends to demand access to some 58 internal Defense Department memos dealing with prewar Iraq intelligence and military planning. These memos involve the Pentagon's Office of Special Plans and the Counter-Terrorism Policy Evaluation Group, two secretive units that have been accused of cooking the books on Saddam's weapons of mass destruction and alleged ties to Al Qaeda. "There [is] still some significant unfinished business in the area of documents that have been denied us," Levin told NEWSWEEK.

Less likely to dominate and divide the party, at least for the moment, will be old debates over abortion. Many in the leadership are convinced that the party was successful in the midterms because it de-emphasized cultural issues and backed pro-life candidates like Pennsylvania's Bob Casey. "The reason this election went well for the Democrats is that [they] decided to have a bigger tent on abortion," says Rachel Laser of Third Way, a Democratic think tank. "Democrats should always be the party of abortion rights, but they should also become the party of reducing abortion."

Republicans, of course, will do their best to keep values issues on the table and search for other openings to exploit. But Bush is at least going through the motions of putting the bitter campaign behind him. "If I sit here and mope about it, what is that going to prove?" he asked a senior aide after the election results came in. (The aide declined to be identified discussing a private conversation with the president.) Bush lunched with Pelosi and peppered her with questions about her daughter Alexandra, a filmmaker Bush befriended when the younger Pelosi was making her documentary "Journeys With George." (Cheney was also present at the lunch, says an aide to Pelosi, but said hardly a word the whole time.)

No one expects the bipartisan era of good feeling to last. And it won't be long until Pelosi's ability to ride herd over her ranks will be tested. Eli Pariser, the executive director of the grass-roots organization MoveOn.org, says the party won votes not by tilting rightward but by backing "bold, populist, progressive candidates ... and by connecting with people around the formula of being for the little guy." MoveOn supports the agenda Pelosi and Reid have announced—but sees it as only a small start. The group wants the Democratic Congress to come up with comprehensive plans for alternative energy and global warming and wants U.S. troops out of Iraq by the end of next year. "People want responsible redeployment," Pariser says. Meanwhile, some Dems are already trying to oust MoveOn hero Howard Dean from his perch as party chairman. Clinton ally James Carville began floating

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rumors that defeated Tennessee Senate candidate Harold Ford Jr. could replace Dean—without consulting Ford, who says he isn't interested in the job.

Viewed from any partisan vantage point, many of the pending items on the Democratic agenda seem small-scale—harking back to President Bill Clinton's triangulation strategy. A baby-steps approach will be crucial to keeping the coalition together but may nonetheless prove frustrating to newcomers like Ellsworth, who ran on promises of big, fast change. For his part, Ellsworth says he doesn't have any plans to challenge the more liberal and more seasoned Democrats he'll soon be working beside. What will he say to Barney Frank, the congressman whose "homosexual agenda" Ellsworth's opponent tried to link him to in the campaign? "I don't know what I'll say to him," Ellsworth says. "He's got to represent his people and I've got to represent mine."

With Eleanor Clift, Michael Isikoff, Jonathan Alter, Debra Rosenberg, Karen Breslau and Richard Wolffe

We Won! Now What The Heck Do We Do? (USNEWS)

By Silla Brush

U.S. News and World Report, November 13, 2006

One hard job-winning-is over. Now for the much harder job-governing. Flushed with their narrow wins in the House and Senate, Democratic Party leaders couldn't strike a bipartisan chord fast enough: "Partnerships," said House Speaker-elect Nancy Pelosi, "not partisanship." In his first post-election press conference, Rep. Rahm Emanuel, the master tactician behind the House victory, called sternly for governing from the "vital center"-five times. Harry Reid, the Senate majority leader-elect, chimed in: "It's a time for results."

That won't be as easy as it sounds. Democrats hold a relatively modest 229-to-196-seat majority in the House (with 10 seats undecided at the end of last week) and an advantage of just one in the Senate. The president, of course, still has his trusty veto pen. To get results then, Democrats will have to hold the centrist and left wings of the party together and work with Republicans if they're going to get the kind of results they'll need to impress voters in '08.

The new crop of Democrats is a pretty varied lot-Iraq veterans, antiwar candidates, social conservatives, gun-control foes, fiscal hawks. In the House, Democrats picked up at least 29 seats, many of which are in traditionally red districts in states like Indiana and North Carolina that President Bush won handily in 2004. In the Senate, much the same is true, with new Democratic members from Montana, Missouri, and Virginia. Centrist Democrats, like the New Democrats and the Blue Dogs, will swell in numbers by up to around 20. Can the leadership deal with such a polyglot group and find a way to persuade them all to work together? "Pelosi is from a very liberal district and is a very liberal congressperson," says Democratic lobbyist Thomas Hale Boggs Jr. "But she is a very street-smart politician, and she is a pragmatist."

Despite their enthusiastic show of unity last week, some Democrats in the House are already squabbling. "Everyone recognizes why we're in the majority," says Matt Bennett, a Democratic strategist. "It's because of moderates." Not so fast, counters the left's Robert Borosage, head of the progressive Campaign for America's Future. The election results, he says, reflect "the increasing power of a populist anti-[Iraq]-war wing of the party." Indeed, the election of majority leader-a contest likely to pit John Murtha, the Pennsylvania Vietnam vet who called for troop redeployments, against current Minority Whip Steny Hoyer, who's more cautious on Iraq-is already exposing the deep tensions within the party. "It is a real division," says Julian Zelizer, a congressional historian at Boston University, "but I don't think it is insurmountable."

Others aren't so sure. While there may be some wrangling about the direction of the party, many of those in line to become committee chairmen are liberal old warhorses. Among them: 51-year House veteran John Dingell is set to take over the Energy and Commerce Committee; 31-year member Henry Waxman will chair the House Government Reform Committee; 25-year veteran Barney Frank is set to take over the committee that oversees Wall Street policy. "The American people want Democrats to provide real accountability to the Bush administration, not political payback," Waxman tells U.S. News. "There is an enormous difference between the two, and we'll stick to accountability."

The Peril Of Opportunity (USNEWS)

By Gloria Borger

U.S. News and World Report, November 13, 2006

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Now that it's the morning after, elated Democrats might take a moment to come to grips with the new reality: Their congressional takeover brings to Washington a wave of new members more like Bill Clinton than Howard Dean. They're largely more moderate than liberal, more fiscally conservative than old-fashioned big spenders. Some like the president's tax cuts. Others, like Sen.-elect Bob Casey of Pennsylvania, are antiabortion. Or pro-gun, like Virginia's newest senator, Jim Webb.

And one more reality check: This election wasn't really about the Democrats. It was about the other guys-and how they couldn't run Washington or manage the war. There was no Democratic agenda beyond their "Had Enough?" bumper sticker. Did it work? Yep. But did it produce a mandate? Nope-at least not beyond the marching orders to clean up Washington, fix Iraq, and get something done.

It's a huge opportunity for the Democrats. If they're smart, they'll find a way to grab it-and fast. Immigration reform and the minimum wage top the list. Then, of course, there's finding a way out of Iraq. That's what the voters want. What they do not want is a slew of subpoenas by Democratic committees, finger-pointing about intelligence failures, scapegoating, and more talk of filibusters. And now that Donald Rumsfeld is gone, how many more times can the president cry uncle? He lost; the Democrats won. Let the governing begin.

Those instructions apply to both parties: It's not going to be easy for an administration so used to cultivating its base to reach across the aisle. (Heck, Republicans in Congress say the White House never even reached out to them.) Nor will it be a cakewalk for Democrats to keep all those liberal committee chairmen from throwing darts at their favorite targets. But the public ordered cooperation, and those who refuse to listen do so at their own peril. Consider the numbers: More than a quarter of all voters called themselves independents, self-proclaimed refugees from both parties. And 47 percent said they are moderates—voting overwhelmingly Democratic. If Democrats turn left, they can forget about the White House.

The public will be watching their approach to Iraq. Voters don't want to relitigate the decision to go to war; most, in fact, were coconspirators. Nor are they interested in providing future Democratic presidential candidates with the proof that they were lied to about Iraq's weapons, so they can excuse their pro-war votes. Voters blamed the administration for mismanagement and incompetence, and that's what they want to end. And they want the war to end, too—but in the right way. If that doesn't happen, voters in 2008 could be looking for someone to take the fall. They'll ask: Whom do we blame? The people who got us into the war? Or the ones who got us out?

The first brawl? No doubt about it, Democrats now have some uncomfortable choices to make. Their base supporters want an immediate withdrawal from Iraq. Their newly enlarged moderate contingent is more open to finding some other way. Democrats papered over their differences during the campaign because being against Bush on Iraq was enough. That won't work now. But instead of seeking some kind of unified road map, House Democrats now seem intent on fighting among themselves. Consider the race for majority leader: Rep. John Murtha, who wants a near-immediate withdrawal from Iraq, is challenging colleague Steny Hoyer, who does not. "It's not a fight we should be having," confides a top House leadership aide. "Who wants the first brawl inside the Democratic caucus to be about the war?" Precisely.

Democrats have just months to reach consensus before they have to start voting on spending bills for the war. And if there's no plan, what will they do? Cut off funds for the troops? Hardly. The public wants to see Democrats working with Republicans to unravel the knot. That could well happen if the bipartisan Iraq Study Group comes up with a palatable exit strategy. At least that's what both sides are privately hoping.

It's all refreshing, for a change. After six years of base politics—in which each party appealed to its most partisan supporters—the middle is making a comeback. That's good news for 2008; expect the presidential wannabes to start preaching bipartisanship. After all, the public is already there. It just took some time for the political leaders to catch on to the voters' orders on governing: Just do it.

"We Have To Start From A Level Of Trust" (TIME)

By Perry Bacon Jr.

Time, November 13, 2006

TIME What will it mean to be the first woman Speaker of the House?

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PELOSI It is a sensational feeling. Women walk up to me on the street. Every place I go, they are so thrilled. It is a source of inspiration for a lot of people. What it means is, I have to uphold the highest ethical standards and to have the most open and bipartisan Congress, to do so in a way that makes women proud and makes sure that pretty soon we'll have another woman Speaker of the House.

TIME Can Democrats trust President George W. Bush enough to work with him?

PELOSI I think we have to start from a level of trust. On some issues where there is consensus, we can cooperate and build bridges of trust.

TIME Oblivious, in denial, incompetent, dangerous. Do you regret using any of these words to describe the President?

PELOSI No.

TIME Should at least 30,000 troops be home from Iraq by this time next year?

PELOSI Yes. I would hope at least that number would be out of harm's way. They are viewed as an occupation force. Our presence there is a magnet for terrorists.

TIME If President Bush had fired Defense Secretary Donald Rumsfeld two months ago, would you be in the position you are now?

PELOSI Yes. Donald Rumsfeld is an employee. The President of the United States makes the policy, and the more he campaigned, the better we did.

TIME If Bush vetoes one or two of the bills you pass in the House, will that be a sign that he's not prepared to work with you?

PELOSI No, it's just a sign he disagrees with us.

TIME Will Americans see their taxes raised by Democrats?

PELOSI Middle-income families in America will see their taxes reduced.

TIME Is it correct that you might have hearings about how Hurricane Katrina was handled, but looking forward?

PELOSI Yes, exactly. The point is, What are the lessons learned from Katrina? Katrina still lingers. The challenge is still there for us. We have to address the issue of natural disasters in a way that doesn't say that your survival depends on your economic well-being.

TIME Will your performance as Speaker have implications for Hillary Clinton if she runs for President?

PELOSI I'm not sure you would have asked a man that about another man. But since this is unusual, I will respect your question. I think it's really important for the people of our country to see that women can wield power and success in this rarefied and high altitude of power. I don't think Hillary Clinton, though, needs any validation from any other woman. She is an experienced Senator, articulate and a force in her own right.

Lieberman A Wild Card In Iraq Policy (WP)

By Shailagh Murray

The Washington Post, November 13, 2006

Voters seemed to be speaking loudly and clearly about Iraq last week when they elected war critics such as Bernard Sanders of Vermont, Sherrod Brown of Ohio and James Webb of Virginia to the Senate.

Yet they also gave a fourth term to Sen. Joseph I. Lieberman, a staunch supporter of the war, and in the narrowly divided Senate that will convene in January, the veteran Connecticut Democrat is positioning himself to become a key figure in discussions about U.S. policy in Iraq.

Yesterday, Lieberman -- who won as an independent last week -- spelled out his vision for a congressional working group of Democratic committee chairmen and senior Republicans to monitor the course of the war and work with President Bush to bring it to a successful end.

"We're not going to fix this and succeed in Iraq without working across party lines," he said on NBC's "Meet the Press."

As Congress returns this week to Washington for a post-election session -- the final stint with Republicans in charge -- Lieberman is already asserting his status as a self-described political freelancer, beholden to neither party.

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He has pledged to "sign up" with the Democrats for the 110th Congress but has made it clear that his motives are at least partly practical. By organizing with the party, even though he lost the Democratic primary to Ned Lamont, Lieberman will retain his 18 years of Senate seniority and rise to the chairmanship of the Senate Homeland Security and Governmental Affairs Committee.

Both sides are seeking to please this political wild card.

Republicans and the White House are indebted to Lieberman for supporting the unpopular war throughout his tough election campaign. They view him as a valuable bridge to their Democratic adversaries on national security issues.

Many Democrats remain angry with their former vice presidential nominee for not bowing out after his primary loss to the more liberal Lamont. Still, they recognize that he is crucial to their one-seat Senate majority.

Pro-war in an antiwar state, Lieberman is one of the few prominent war defenders to survive a tough challenge on Nov. 7, and with his victory comes a measure of validation.

Speaking in Hartford last Wednesday, Lieberman remained unwavering in his opposition to Democrats' calls for withdrawing troops from Iraq. "What we are doing now there is not working, but that doesn't mean in any sense that it is time for us to retreat," he said. "This is a test in a very difficult and dangerous hour in our history."

But his victory also was something of an aberration, and whatever the fate of Lieberman's proposed bipartisan group, which he pledges to introduce in January, his continued support of Bush's stay-the-course approach places him well outside the Democratic mainstream.

"The voters spoke on Tuesday that they're unhappy with the status quo," Lieberman said. However, he added, "I don't believe they want us to pick up and leave."

Yet Senate Democratic leader Harry M. Reid (Nev.) and other Democrats called yesterday for the Bush administration to begin withdrawing U.S. troops from Iraq in the next few months.

The new Congress, said Sen. Carl M. Levin (D-Mich.), in line to chair the Armed Services Committee, "is willing to implement the people's will and to put some pressure on this president to change course in Iraq, forget the stay-the-course policy that is no longer viable." Levin said on ABC's "This Week" that redeployment should begin within four to six months.

The Senate will include nine new members who are Democrats or who will organize with the party, and most of them either opposed the war or demanded a radical change of course.

Webb, a former Marine whose son is serving in Iraq, advanced a detailed plan to wind down U.S. involvement in the war by moving troops to other points in the region, such as Jordan and Kuwait, while beginning multilateral diplomatic talks. Jon Tester of Montana called for "a clear plan to give the Iraqi military control of their own country and bring our troops home."

Brown and Sanders, who opposed the war as members of the House, are seeking troop withdrawals. Claire McCaskill of Missouri was less vociferous in her opposition to the war but laid out a two-year timeline "to transition to a multinational security force and redeploy our troops."

Democratic leaders have promised a raft of initiatives as they take control of Congress, from a minimum-wage increase to alternative-energy incentives. But a major goal is to force Bush to reconsider his war strategy and his refusal to set a timetable for troop withdrawal. The current Republican leadership rarely challenged Bush in public, holding few of the hearings and floor debates that are mainstays of the legislative branch when it comes to major national events.

The ground could start shifting as early as next month. The independent Iraq Study Group, headed by former secretary of state James A. Baker III, a Republican, and former representative Lee H. Hamilton (D-Ind.), is expected to make a series of recommendations on the future course of the war.

Although some observers conjecture that the election results may have damaged the group's likelihood of reaching recommendations both parties can support, its report could become a catalyst for a free-flowing dialogue on the war.

"Democrats will say this is a bipartisan effort," said James B. Steinberg, a Democratic national security expert and former Clinton administration official. If the recommendations prove reasonable, he noted, "it's going to be hard to say no."

In the Senate, Levin and Sen. Jack Reed (D-R.I.) are certain to be major players in the war debate, along with the new Foreign Relations Committee chairman, Joseph R. Biden Jr. (D-Del.), a likely presidential candidate in 2008. Lieberman, according to Steinberg, is unlikely to be invited into the huddle.

"They're not going to turn the policy over to the guy who's the closest to the administration," he said.

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Relations within the party are a bit touchy. Some Democrats hope that Lieberman's collaborative spirit does not translate into going too lightly on the administration by failing to scrutinize spending and policy priorities that fall under the homeland security panel's jurisdiction. Reid, who is expected to become Senate majority leader, spoke to Lieberman after his reelection and is urging his colleagues to forgive and forget.

"The only way we're going to be successful is to stay together," Reid said.

One scenario is that Lieberman could emerge as an interparty broker on Iraq along with Sen. John McCain (R-Ariz.), the presumptive front-runner for the GOP presidential nomination in 2008.

"There's the potential there for some interesting coalitions," said Jennifer Duffy, who monitors the Senate for the independent Cook Political Report.

Bush Must Call For Reinforcements In Iraq (FT)

By Robert Kagan, William Kristol

Financial Times, November 13, 2006

President George W. Bush has just over two years left in office. The central question facing him is: what kind of Iraq will he bequeath to his successor? Will it be a metastasising mess dumped on the doorstep of the next president, or an Iraq on the path to stability and success? The answer will determine how this president should be remembered by future generations.

There are, of course, other grave issues that will consume the Bush administration over the next two years: the continuing need to defend Americans from terrorist threats; Iran's efforts to acquire nuclear weapons; containment and weakening of a nuclear-armed North Korea; an increasingly belligerent Russia; and manifold challenges presented by a rising China. But the fact remains that Mr Bush (correctly, in our view) took the nation to war to remove Saddam Hussein, and the success or failure of that war will be central to his legacy.

The trajectory is downward towards failure. Indeed, this has been the case for more than three years, ever since Pentagon officials decided to put far too few troops in Iraq to bring stability after Hussein's ousting. The result has been not only a consistently inadequate level of forces. The endless cycle of promised draw-downs, deteriorating security and cancellation of the proposed draw-downs has been politically disastrous in both Iraq and the US.

In Iraq, US policies have steadily undermined public confidence that America has either the will or capacity to provide the security Iraqis need. So they have turned to their own sectarian armed groups for protection. That, and not historical inevitability or the alleged failings of the Iraqi people, has brought Iraq closer to civil war.

These policies have been equally damaging in the US. The American people have rightly judged that the administration is floundering in Iraq and, worse, is not committed to doing what is necessary to succeed. This perception undoubtedly played a large part in last week's mid-term election. Now, many Americans are looking to the Iraq Study Group, the commission headed by James Baker and Lee Hamilton, for a face-saving, bipartisan way to withdraw from Iraq as quickly as possible. The great irony is that with nothing new to offer, the Baker commission's forthcoming report – if it takes the shape most observers predict – will probably suffer the same fate as similar past efforts.

There is a popular theory that the prospect of US withdrawal will force Iraqis to reach an accommodation with one another. This would be more plausible had it not been disproved by three years of painful experience. Instead of looking for a face-saving way to lose in Iraq, President Bush could finally demand of his top advisers a strategy to succeed: provide the US force levels necessary to achieve even minimal political objectives. This could begin by increasing US troops in Iraq by at least 50,000 in order to clear and hold Baghdad without shifting troops from other parts of Iraq. These operations could then be expanded into areas of insurgency. This strategy would not stabilise the country right away but could secure Iraq's vital centre and provide real hope for progress.

Those who claim that 50,000 more troops do not exist to send to Iraq are wrong. But it is true that US ground forces are stretched, and that steps are needed to increase their overall size.

If the president undertook to send the necessary troops, we have no doubt many likely recommendations from the Baker commission would make sense and could be supported. We share the commission's belief that the administration should actively seek bipartisan support for its approach to Iraq. Democratic hopefuls for the 2008 presidential elections should welcome

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any effort to ensure they are not left to deal with a collapsing country. There is much easy talk of how a victory strategy in Iraq has been rendered impossible by Tuesday's elections. This is nonsense. First, victory in Iraq is a national priority, and to abandon it because of a loss of House and Senate seats would be irresponsible. The Republican loss was largely due to lack of confidence that Mr Bush had a victory strategy for Iraq, not a belief that he was not exiting fast enough. If the president makes clear he has such a strategy, he will have the support to do what is necessary.

As for the Baker commission's likely recommendation that the US should engage Syria and Iran in the search for solutions in Iraq, we are sceptical these countries want to help. But it is one thing to seek their help while the US is losing and its negotiating position is weakest, and quite another to engage in such diplomacy while increasing US force levels to try to improve the security situation.

Finally, as others have noted, if the Iraqis choose to organise their country in a less "unified" and more "federated" way, that is fine – as long as it is peaceful and stable. A peaceful, federated Iraq will, however, require no less of a commitment of US troops to provide security than a unitary one.

The president has two years to turn things around and leave a viable Iraq to the next president. It should be obvious that "staying the course" is a recipe for failure. So are politically driven exit strategies. The president is left with the choice: quit, or do what is necessary to succeed. We trust he understands that the task before him in Iraq is to find a strategy for success.

Robert Kagan is author of "Dangerous Nation" (Alfred A. Knopf) and a contributing editor at The Weekly Standard. William Kristol is editor of The Weekly Standard. This article is based on a longer essay in this week's Standard.

Iraq Is Gone. Now What? (WP)

By Monica Duffy Toft

The Washington Post, November 13, 2006

Some 3 1/2 years after the U.S. invasion, most scholars and policy analysts accept that Iraq is now in a civil war. But many policymakers have not been willing to face up to the consequences. The key question is how Iraq will be stabilized.

It is an important question, because the stability and prosperity of a post-civil-war state depends in large measure on how the war ends. The fighting can stop in a variety of ways -- by military victory or negotiated settlement. Historically speaking, military victories have been the most common and have most often led to lasting resolutions. So while a negotiated settlement may seem the most desirable end point, this resolution is frequently short-lived even with third-party support.

A negotiated settlement is what the United States has attempted to implement for the past two years in Iraq, and it is failing.

The process of writing and adopting a constitution and electing a president and parliament were all designed to give each of Iraq's communities a say in the government. Although the Kurds and the Shiites participated fully in the process, the Sunnis did not. Consequently, the Sunnis do not see the government as representing, much less protecting, their interests. Although the Kurds participated in the formation of the government, they have maintained their distance while strengthening their own militia.

The trend lines in Iraq are toward a continuation of this fragmentation. So the argument in favor of a sustained U.S. presence to help enforce a peace settlement ignores both the situation there and past precedent.

Military victories, by contrast, historically result in the most stable outcomes. The reason is that typically a strong faction with a robust military is preserved. In these instances, problems with democratization, governance and political institutions certainly remain, but the state that survives retains its monopoly on the legitimate use of force and is able to leverage that legitimacy to stabilize and institute peace. Only after peace is achieved can issues of democracy, development and justice be dealt with.

Although the United States seemed to have forgotten the centrality of a state's monopoly on the legitimate use of force when it summarily disbanded Iraqi security forces, it subsequently relearned this lesson. The United States and its Iraqi partners are desperately trying to rebuild Iraq's security forces in order to have more effective policing. The problem is that it is already too late for "Iraqi" security forces to reestablish stability. The Iraqi government's forces are increasingly identified as "Shiite" forces. As it stands, schisms will continue to grow, neighbor will attack neighbor, quasi-states with their own militias will solidify and the challenges of stabilizing an Iraqi state will escalate by an order of magnitude.

What does all this mean for Iraq's end state? First, it means the end of the state of Iraq as we have known it. Iraq is rapidly disintegrating, and there is no longer anything that can stop the disintegration, save perhaps an invasion by Israel, Iran or Syria.

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Second, having missed a number of critical opportunities from the beginning of its campaign to topple Saddam Hussein and establish democratic government in Iraq (the latter proposition dubious at best), the United States is now faced with an awful choice: leave and allow events to run their course or lend its dwindling support to one or more of the emerging states.

If it leaves, the Shiites will brutally settle accounts with the Sunnis before, perhaps, opening hostilities against the Kurds (with tacit support from Iran and Turkey).

If it supports the Kurds and Shiites -- the two peoples most abused under Hussein, most betrayed by the United States since 1990 and, as a result, the two most worthy of our support on moral grounds -- it risks alienating important regional allies: Turkey, Egypt, Saudi Arabia and Pakistan. On the other hand, doing the right thing (supporting the Shiites) also means doing the most practical thing, which is ensuring a stable peace and establishing long-term prospects for democracy and economic development. As a bonus, it is possible that U.S. support of the Shiite majority might pay diplomatic dividends as regards Iran's impending nuclearization.

If the United States supports the Sunnis, it will be in a position very close to its Vietnam experience: struggling to underwrite the survival of a militarily untenable, corrupt and formerly brutal minority regime with no hope of gaining broader legitimacy in the territory of the former Iraq.

Moreover, even if successful, supporting the Sunnis -- in effect the incumbents in what was until recently a brutal dictatorship -- will result in a much greater likelihood of future war and regional instability (not to mention authoritarianism), even with a formidable U.S. military presence (and the less-than-formidable U.S. presence has already become politically untenable in the United States).

It is high time the United States and its allies began national discussions about the relative merits of leaving or staying and, if they stay, about the merits of supporting the Sunnis, Shiites or Kurds. Either way, what we now think of as Iraq is almost certainly as gone as what we once thought of as Yugoslavia, and for the same reasons.

The writer is an associate professor of public policy at Harvard's John F. Kennedy School of Government. She is the author of "The Geography of Ethnic Violence" and is finishing a book on the termination of civil wars.

Oh, The Humanities! (WP)

By Elizabeth Williamson

The Washington Post, November 13, 2006

Wednesday, on the hung-over morning after midterm voters told President Bush what they thought of the Iraq war, a White House news release arrived in our inbox, with the cryptic subject line "PERSONNEL ANNOUNCEMENT."

Hidden therein was a list of this year's National Medal of Arts and National Humanities Medal winners, to be honored the next day by the president and first lady Laura Bush in the Oval Office. No invite, no number to call for information, just a list.

Why so little fanfare? Could it have been because the humanities honorees included Middle East scholars-turned-Bush advisers Fouad Ajami and Bernard Lewis, whose views helped get us into Iraq in the first place?

On the day of the prestigious ceremony, the White House Web site featured -- nothing.

Iraqi Prime Minister Promises Government Shake-Up (NYT)

By Kirk Semple

The New York Times, November 13, 2006

BAGHDAD, Nov. 12 — Prime Minister Nuri Kamal al-Maliki said Sunday that he was planning a major shake-up of his cabinet, apparently to redress his six-month-old government's failure to curb widespread corruption, reduce sectarian violence and improve public services.

Speaking to a closed session of Parliament, Mr. Maliki suggested that some of his ministers were incompetent but said he had been forced to accept his cabinet under pressure from the country's major political blocs, according to several legislators. The prime minister asked for more independence in choosing new cabinet members.

The parliamentary session came on a day when at least 100 people were found dead or reported killed in mayhem throughout the country. In one attack, a pair of suicide bombers detonated themselves outside a police recruitment center in

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Baghdad, killing at least 35 potential recruits and wounding at least 56, the police said. Military officials reported that four British soldiers and three American soldiers died in attacks in Anbar and Basra provinces.

During the parliamentary session, Mr. Maliki did not disclose which ministers he planned to replace. But legislators close to the prime minister said he did not intend to change the political distribution of the cabinet seats. Mr. Maliki's cabinet is mostly Shiite, but includes representatives of Iraq's main ethnic and sectarian communities.

The proposed shake-up, coming as the Bush administration has begun a major reassessment of U.S. policy in Iraq, appeared to be an effort both to curry American favor and to placate Mr. Maliki's domestic detractors, including Sunni Arab leaders demanding a greater role in government and more action against Shiite militias accused of spawning death squads.

The Maliki administration has been facing mounting criticism from American officials and some Iraqi leaders impatient with the prime minister's inability — or unwillingness — to disarm militias, particularly those linked to the most powerful Shiite parties that form the basis of his ruling political alliance. Mr. Maliki has been so concerned about growing American disenchantment that last month he sought, and received, assurances from President Bush that the United States was not plotting to unseat him.

Several months ago, Mr. Maliki expressed his intention to replace several of his 36 ministers, but Sunday's announcement suggested far more sweeping changes that, according to some legislators, could involve more than half of the cabinet.

Mr. Maliki was nominated as prime minister on April 21 and his full cabinet was ratified by Parliament on May 20. But he told legislators on Sunday that he was essentially sidelined by the major political blocs during the ministerial selection process. In some cases, he said, a minister's name was presented to him only minutes before the nomination was made public.

Hassan al-Sined, a Shiite legislator and an adviser to Mr. Maliki, heralded Sunday's announcement as a "courageous move" because it represented an admission that the government's performance had been weak.

But others questioned the prime minister's sincerity and wondered whether Mr. Maliki was not simply trying to blame the political blocs for his lackluster progress.

"Now that he has not succeeded, he doesn't want to shoulder all the responsibility," said Mahmoud Othman, a Kurdish legislator.

According to a statement issued by his office, Mr. Maliki called on the legislators to unify behind his national reconciliation plan, a strategy he unveiled in June to reduce violence through amnesty and dialogue. He also asked them to suspend their criticism of the government and to declare their loyalty to a unified Iraq above religious and sectarian allegiances.

After the parliamentary session, Salman al-Jumaili, a Sunni Arab legislator, said: "Let me tell you, all this talk means nothing for us unless we see some decisions and practical moves taken on the ground. We hope that there will be a chance for reform before things get worse."

The attack outside the police recruitment center, in western Baghdad, came Sunday morning as scores of men were waiting to pass through checkpoints that led inside the building. The two bombers waded into the crowd and detonated their hidden explosive belts, spraying metal balls and shrapnel.

Recruiting centers have been an occasional target for insurgents trying to interfere with the government's efforts to build the Iraqi security forces. The chief spokesman for the Ministry of Interior, which oversees the police forces, said that in spite of measures adopted to safeguard recruits as they arrive at the centers, bottlenecks inevitably formed at the entrances. "There's no way to protect against such accidents," said the spokesman, Abdel Karim Khalaf.

A spokesman for Britain's Ministry of Defense said in London that the four British soldiers were killed and three wounded when their patrol boat was bombed Sunday on the Shatt al Arab waterway in the southern city of Basra. Military officials said it was unclear where the bomb had been hidden or how it was detonated.

At least 125 British troops have been killed in Iraq since the American-led invasion in 2003, officials said. Prime Minister Tony Blair has been under considerable public pressure in Britain to draw down British troops in Iraq. The American military command announced Sunday that three American soldiers were killed Saturday in an insurgent attack in Anbar Province, bringing the tally of American troops killed so far this month to 27.

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In addition to those killed at the recruitment center, at least 25 people were killed on Sunday and 65 wounded in more than a dozen other attacks reported by the authorities in Baghdad and Baquba. In addition, at least 33 bodies, all showing signs of torture and with gunshots to the head, were found in Baghdad and in Diyala Province, the ministry official said.

One of the bombs exploded near the house of Sheik Abu Ali, who works for the Grand Ayatollah Ali al-Sistani, the most revered Shiite cleric in Iraq, a police official said. Three of the sheik's children were killed in the blast, the official said.

Iraq Prime Minister Plans Big Reshuffle (FT)

By Steve Negus

Financial Times, November 13, 2006

Nouri al-Maliki, Iraq's prime minister, told parliamentarians on Sunday that he was planning a "comprehensive" reshuffle of ministers in his national unity government, and scolded lawmakers for failing to show their loyalty to a united Iraq.

The declaration is part of an apparent push to revive an initiative to bring the country's quarrelling sectarian blocs into a national pact, after the government was accused by both Sunni and Shia of failing to protect them.

"The prime minister has called for a comprehensive cabinet reshuffle appropriate for the current situation in the country," said a statement from the prime minister's office issued after the parliamentary session.

The statement came as violence continued to rage in and around Baghdad, with a suicide bombing outside a police recruiting centre in the capital yesterday killing at least 33 people.

Meanwhile, police were searching south of the capital for gunmen who killed 10 Shia travellers and kidnapped about 50 others late on Saturday.

A leading Shia politician warned that local tribes were heading to the area to join the search – a development that could herald a fresh round of violence.

Speaking before parliament, Abd al-Karim al-Anzi said the kidnappers had worn Iraqi army uniforms and complained that security forces were not doing enough to rescue the hostages.

The incident illustrates how each round of violence diminishes the public's already shaky confidence in the state.

This lack of confidence has led to a reluctance on the part of the country's different factions to compromise over control of security agencies deemed essential to their community's survival and explains the rise of local militias.

Yassin Majid, prime ministerial press adviser, said that the reshuffle could include between seven and nine ministers, but did not say what those ministries would be.

Iraqi parliamentarians have been forecasting a reshuffle for months, but this is the clearest indication from the government so far that a change in the government is imminent.

Criticisms have focused on the vital interior and defence ministries, which control the security forces. The interior ministry is held by independent Shia politician Jawad al-Bolani, who has attempted to purge officers connected with Shia militias and recently referred some others accused of torture to trial.

But according to many Sunni, the government has not moved quickly enough to fulfil its pledge to create a non-sectarian police force.

The defence portfolio is held by Abd al-Qader al-Ubaidi, an independent Sunni Arab.

In choosing new ministers, Mr Maliki will face the challenge of winning approval from parties that have seen little interest in reaching compromises, and instead appear to have sought control over government agencies to give them an edge in the country's sectarian conflict.

In the closed session, Mr Maliki told the attendant lawmakers: "You all have militias. I will not accept a government made up of militiamen," according to a parliamentarian quoted by the Associated Press.

Under pressure from the US, Mr Maliki is trying to reach consensus among Iraqi politicians on a range of divisive issues including control of the country's oil resources, disarming militias and insurgents and the scheduling of provincial elections.

Blasts Kill Dozens Of Iraqi Police Recruits (WP)

By Sudarsan Raghavan

The Washington Post, November 13, 2006

DOJ_NMG_0092494

BAGHDAD, Nov. 12 -- Two suicide bombers detonated explosives Sunday as a crowd of men gathered in front of a police recruiting center in central Baghdad, killing at least 35 people and wounding 56 in one of the deadliest suicide attacks in Iraq this year.

The blasts, coming hours before Prime Minister Nouri al-Maliki announced plans for a major cabinet shake-up, delivered the latest blow to U.S. and Iraqi efforts to strengthen the country's fledgling security forces. Such efforts are a key element of the U.S. strategy to draw down troop strength and contain the sectarian violence that is pushing the country toward civil war.

At Baghdad's Yarmouk Hospital, young men with bandaged limbs lay in small beds, writhing in pain. Some said they had come from as far away as the southern city of Basra to join the police force because they were unemployed and needed to feed their families.

"We were all sitting down waiting for instructions from the loudspeaker. Suddenly, there was a huge amount of fire and dust," said Ali Mutashir, 35, limping slowly across the cream-colored floor, his tan shirt splattered with dried blood. "We fled toward a side street. Then came another blast of fire. It threw me against a wall."

The bombers detonated explosives belts almost simultaneously around 9:30 a.m., Interior Ministry officials said. Some witnesses said two mortar shells fell minutes after the bombings, as they were fleeing the scene.

The officials said they expected the death toll to rise because many of the wounded were in critical condition. As of late Sunday, there were differing accounts of the toll, with one Interior Ministry official saying that as many as 42 people had been killed.

The attack comes as the Bush administration and the Iraqi government prepare for a shift in U.S. policy in Iraq in the wake of the Democratic takeover of both houses of Congress in elections last week. U.S. military commanders and the Iraq Study Group, headed by former secretary of state James A. Baker III and Lee H. Hamilton, a former congressman, plan to recommend alternative ways of dealing with Iraq as pressure mounts to withdraw U.S. troops.

Faced with his own pressures, Maliki called for a sweeping reorganization of his cabinet in a closed session with Iraqi lawmakers Sunday, echoing a similar statement he made earlier this month. His office said in a statement that Maliki had "called for a complete ministerial reshuffle in accordance with the current situation," but it provided no details of the shake-up, which had been rumored for weeks.

Maliki's six-month-old government is under pressure from the United States, its main patron, to stop sectarian strife, disarm militias that have infiltrated government ministries and root out widespread graft by government officials. The prime minister also faces growing criticism from Iraqis frustrated with the government's failure to provide basic services, employment and security.

Maliki's efforts have so far been ineffective, as he struggles to balance the needs of his diverse political allies inside the government -- some of whom operate the militias he is trying to disband -- against the demands of a politically weakened Bush administration.

On Sunday, Maliki had in effect acknowledged that his government was weak, said Hasan Suneid, a lawmaker and close aide of the prime minister's. Maliki told lawmakers in the closed session that he had been forced to accept ministers chosen by political blocs and that some were incompetent, said Suneid, who attended the meeting. Maliki asked the blocs to nominate new people for his cabinet, based more on their qualifications than on their political loyalties.

"From the first day, Maliki knew that his cabinet is not in a shape that can face all the challenges of the country," Suneid said. "But now he's seeing he cannot keep silent about some ministries. A new cabinet needs to rise. . . . Personally, I am expecting a reshuffling of more than half the cabinet."

Sunday's bombing was the bloodiest assault on a police recruitment center since January, when a suicide bomber killed 70 police recruits in the western city of Ramadi. Sunni Arab insurgents frequently target police, to deter recruitment and also because national police are widely believed to be infiltrated by Shiite militias keen on protecting the interests of their sect.

Less than a half-hour after the suicide attacks, two bombs targeting a national police patrol exploded on a main artery in central Baghdad, killing three policemen and wounding five others. The blasts also killed two civilians and wounded seven, said Col. Kareem Hamza, an Interior Ministry official. On Saturday, policemen were attacked in the cities of Baqubah and Kirkuk.

Brig. Abdul-Karim Khalaf, an Interior Ministry spokesman, said the recruits killed or injured Sunday would "receive all the salaries and rights of any other employee at the Ministry of Interior."

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In other violence, the U.S. military announced the combat-related deaths of three U.S. soldiers in Anbar province, bringing to 27 the number of American troops killed this month.

At least 50 bodies were found behind a regional electrical company in Baqubah and 25 others in Baghdad, the Associated Press reported.

A car bomb killed one civilian and wounded four in the central Karrada district of the capital, and a roadside bomb wounded four in the Radwaniyah district of southwestern Baghdad, Khalaf said.

At Yarmouk Hospital, Mutashir, the wounded recruit, said three of his relatives, also police recruits, had been killed in the bombing. One was burned so badly that his corpse could be identified only by a scar on his leg.

Two of his cousins were seriously wounded, including Ali Jumat, 23, who was lying in a bed. His body was peppered with pink shrapnel splotches. His hair was singed brown from the explosion's flames. His eyes were deep red.

When asked why he wanted to become a policeman, Jumat appeared to be in even more pain. "I am the only supporter of my family," he replied, before closing his eyes.

Iraqi Leader Scolds Parliament, Promises Change (LAT)

By Alexandra Zavis

The Los Angeles Times, November 13, 2006

BAGHDAD, Iraq — Prime Minister Nouri al-Maliki scolded lawmakers at a closed Parliament session Sunday for putting sectarian concerns over national interests, and promised sweeping Cabinet changes, following complaints that his unity government has been ineffective at containing violence that killed nearly 100 people in 24 hours.

He later told journalist he has authorized the use of "extreme force" against private militias blamed for surging bloodshed between Iraq's dominant Muslim sects that has claimed more lives lately than the anti-U.S. insurgency.

"There cannot be a government and militias together. One of the two should rule," al-Maliki said in a session Sunday with Iraqi newspaper editors that was broadcast on national television. "I personally will not be in a government based on militias."

It was unusually tough language for a leader widely criticized for not standing up to key members of his governing Shiite coalition, some of whom are backed by militias blamed for killing sprees against the Sunni Arab minority.

The bodies of at least 33 victims of sectarian killings, many of them cuffed and tortured, were found in parts of Baghdad and Baqubah in the 24 hours ending Sunday night, officials said.

At least 65 other people were killed in bombings, drive-by shootings and other attacks Sunday, including 38 who died in twin suicide bombings at a police recruitment center in Baghdad .

Frustration has been mounting on all sides at the unrelenting toll. Sunni political leaders in recent weeks have threatened to walk out of the government, undermining a multi-ethnic coalition that U.S. officials had hoped would blunt the violence. .

Shiites in Diwaniya, a strife-torn region south of Baghdad, threatened to take up arms Sunday and hunt down the kidnappers of at least 11 fellow tribesmen if the government failed to find them, provincial leaders said.

There also has been intense pressure from U.S. officials who want al-Maliki to commit to timelines to make the tough political and security decisions needed to contain the bloodshed.

Al-Maliki demanded in the closed session that lawmakers set aside personal interests and partisan loyalties for the sake of national stability, according to his office.

Al-Maliki's aides had previously indicated he planned to replace a few members of his Cabinet, but Sunday's statement suggested the changes would be broader.

Al-Maliki asked for a free hand in shaping the new government, complaining he had no say over current members, who were selected by the main political blocs after months of wrangling.

"He even said he was only given some of the names five minutes before he announced them," said Mahmoud Othman, a Kurdish legislator.

Othman did not expect the balance among Shiites, Sunnis and Kurds to change in a new government, but he said al-Maliki wanted to select names himself within those blocs.

There was no word on when the new Cabinet would be announced.

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Sunni lawmakers welcomed al-Maliki's tougher stance against militias but questioned whether he would be as effective against Shiite militias as Sunni groups.

"There will be selectivity in dealing with the sides that are carrying guns for and against the government," Sunni legislator Salim Abdalla predicted.

Underscoring the gravity of the violence, two suicide bombers joined a crowd waiting outside a Baghdad police recruitment center and detonated the charges strapped to their waists, said Interior Ministry spokesman Brig. Gen. Abdul Kareem Khalaf.

He said the coordinated attack had "the fingerprints" of al- Qaida in Iraq, the country's most feared terrorist group.

The near-simultaneous blasts killed 38 people and injured more than 50, according to officials at the nearby Yarmouk Hospital.

Salah Hasnawi, a 21-year-old Shiite, was among those waiting to clear security to enter the center when the attack happened.

"I was thrown to the ground," he said from a bed in Yarmouk Hospital, where he was being treated for shrapnel wounds to both legs. "I tried to run, fearing other explosions, but my legs wouldn't carry me."

He was saved, he said, by two Sunni men who survived the first blast unscathed only to be wounded by the second.

"We tried to carry him to the hospital, then we felt the second explosion," said one of the two, 23-year-old Mousa Zoubayi.

Zoubayi's face was burned and shrapnel sliced into his back, arm and one eye. He said he did not think Hasnawi's other rescuer survived the second blast.

South of the capital, in Najaf, a bomb planted in a pile of sand in front of the home of Sheikh Abbas Alsarraj killed two of the Shiite cleric's sons and injured a third, police said.

Iraqi Leader, Feeling Pressure, Promises To Remake Cabinet (USAT)

USA Today, November 13, 2006

BAGHDAD — Iraq's prime minister, a Shiite Muslim, promised Sunday to reshuffle his Cabinet after he accused lawmakers of disloyalty and blamed Sunni Muslims for sectarian violence that claimed at least 159 more lives.

Also Sunday, the country's defense minister challenged Prime Minister Nouri al-Maliki's contention that the U.S. military should pull back and let the Iraqi army take control of security all across the country. Defense Minister Abdul-Qadir al-Obaidi said his men are still too poorly equipped and trained to do the job.

“We are working hard to create a real army, and we ask our government not to try to move too quickly because of the political pressure it feels,” al-Obaidi said. “Our technical needs are real, and that is very important if we are to be a real force against insecurity.”

Al-Maliki has called for U.S. troops in Iraq to be confined to bases and to be called on only in emergencies. He predicted that the Iraqi army could crush violence within six months. Last month, the top U.S. commander in Iraq, Gen. George Casey said that it would take 12 to 18 months before Iraq's army was ready to take over — and that the Iraqis would still need some U.S. backup.

The prime minister promised a Cabinet shakeup during a closed session of the parliament Sunday, his office said in a statement.

“The government's performance has been unconvincing,” said Khaled al-Attiya, the Shiite deputy parliament speaker who chaired the closed session. “That's why the prime minister wishes to change the Cabinet.”

Al-Maliki is under pressure from both Washington and his fellow Iraqis to curb violence. The United States is leaning on him to disband Shiite militias believed responsible for many of the killings. His government, however, relies heavily on the support of parties tied to militias, such as that of Shiite cleric Muqtada al-Sadr.

In the latest violence, two suicide bombers blew themselves up simultaneously Sunday outside a police station in western Baghdad, police Lt. Maitham Abdul-Razaq said. The attack killed 35 police recruits. It was one of several bombings in the capital.

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In Baqouba, the Iraqi army's provincial public affairs office said troops found 50 bodies dumped behind the offices of the provincial electric company. Nineteen of the bodies were taken to a morgue. The army was waiting for U.S. bomb-disposal teams to arrive before moving the other 31, for fear that they were booby-trapped.

Abdul-Razaq said Baghdad police had found 25 bullet-riddled, handcuffed bodies in several parts of the capital. Dozens more bodies were found around the country.

After nearly 48 hours without reporting a death, the U.S. military said three soldiers assigned to the 1st Brigade, 1st Armored Division died Saturday of combat wounds in Anbar province, the insurgent stronghold west of the capital.

Four British servicemen died in an attack on a patrol boat in Basra's Shatt al-Arab waterway, the Defense Ministry said in London.

Iraqi Prime Minister Pledges To Reform Cabinet (LAT)

By Alexandra Zavis

The Los Angeles Times, November 13, 2006

BAGHDAD — Prime Minister Nouri Maliki scolded lawmakers Sunday for putting sectarian concerns over national interests and promised sweeping Cabinet changes after complaints that his unity government has been ineffective at containing violence.

Maliki later told journalists that he had authorized the use of "extreme force" against private militias blamed for the growing bloodshed between Iraq's dominant Muslim sects, including the deaths of nearly 100 people in 24 hours.

"There cannot be a government and militias together. One of the two should rule," Maliki said in a session Sunday with Iraqi newspaper editors broadcast on national television. "I personally will not be in a government based on militias."

It was unusually tough language for a leader widely criticized as failing to stand up to key members of his governing Shiite coalition, some of whom are backed by militias blamed for nightly killing rampages against the Sunni Arab minority.

The bodies of at least 33 victims of sectarian killings, many handcuffed and tortured, were found in Baghdad and Baqubah in the 24 hours ending Sunday night, officials said.

At least 66 other people were killed in bombings, drive-by shootings and other attacks Sunday, including 38 who died in twin suicide bombings at a police recruitment center in Baghdad.

Three U.S. soldiers assigned to the Army's 1st Brigade, 1st Armored Division died Saturday of wounds sustained in combat in Al Anbar province, the military said Sunday.

Frustration has been mounting on all sides over the unrelenting toll. Sunni political leaders in recent weeks have threatened to walk out of the government, undermining a multiethnic coalition that U.S. officials had hoped would blunt the violence.

Shiites in Diwaniya, south of Baghdad, threatened to take up arms Sunday and hunt down the kidnappers of at least 11 fellow tribesmen if the government failed to find them, provincial leaders said.

There also has been intense pressure from U.S. officials, who want Maliki to commit to timelines to make the tough political and security decisions needed to contain the bloodshed.

Maliki demanded in a closed session of parliament that lawmakers set aside personal interests and partisan loyalties for the sake of national stability, according to his office.

The prime minister's aides had previously indicated that he planned to replace a few members of his Cabinet, but Sunday's statement suggested the changes would be broader.

Maliki asked for a free hand in shaping the new government, complaining he had no say over current members, who were selected by the main political blocs after months of wrangling.

"He even said he was only given some of the names five minutes before he announced them," said Mahmoud Othman, a Kurdish legislator.

Othman did not expect the balance among Shiites, Sunnis and Kurds to change in a new government, but he said Maliki wanted to select the names within those blocs.

There was no word on when the new Cabinet would be announced.

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Sunni lawmakers welcomed Maliki's tougher stance against militias but questioned whether he would be as effective against Shiite militias as Sunni groups.

"There will be selectivity in dealing with the sides that are carrying guns for and against the government," predicted Sunni legislator Salim Abdalla.

Underscoring the gravity of the violence, two suicide bombers joined a crowd waiting outside a Baghdad police recruitment center and detonated charges strapped to their waists, said Interior Ministry spokesman Brig. Gen. Abdul Kareem Khalaf.

He said the coordinated attack had "the fingerprints" of Al Qaeda in Iraq, the country's most feared terrorist group.

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Salah Hasnawi, a 21-year-old Shiite, was among those waiting to clear security to enter the center when the attack occurred.

"I was thrown to the ground," he said from a bed at the hospital, where he was being treated for shrapnel wounds to both legs. "I tried to run, fearing other explosions, but my legs wouldn't carry me."

He was saved, he said, by two Sunni men who survived the first blast unscathed, only to be wounded by the second.

"We tried to carry him to the hospital, then we felt the second explosion," said one of the two, Mousa Zoubayi, 23. "I saw body parts scattered here and there, even in the trees and rooftops of houses that have been abandoned by their owners because of the danger in this area."

Zoubayi's face was burned and shrapnel had sliced into his back, arm and eye. He said he did not think Hasnawi's other rescuer survived the second blast.

Asked whether he knew that the man he helped save was a Shiite, Zoubayi said: "I saw a man who was in need of help and that is why I helped him. It makes no difference whether he is Shiite or Sunni."

South of the capital, in Najaf, a bomb planted in a pile of sand in front of the home of Sheik Abbas Alsarraj killed two of the Shiite cleric's sons and injured a third, police said.

Al-Maliki Vows Cabinet Shake-up (WT/AP)

By Steven R. Hurst

The Washington Times, November 13, 2006

BAGHDAD -- The Shi'ite prime minister promised yesterday to reshuffle his Cabinet after calling lawmakers disloyal and blaming Sunni Muslims for raging sectarian violence that has claimed at least 159 more lives -- including 35 men waiting to join Iraq's police force.

Among the unusually high number of dead were 50 bodies found behind a regional electrical company in Baqouba, 35 miles northeast of Baghdad, and 25 found scattered throughout the capital. Three U.S. troops were reported killed, as were four British service members.

Also yesterday, the Sunni defense minister challenged Prime Minister Nouri al-Maliki's contention that the U.S. military should quickly pull back into bases and let the Iraqi army take control of security countrywide. Defense Minister Abdul-Qadir al-Obaidi said his men still were too poorly equipped and trained to do the job.

"We are working hard to create a real army, and we ask our government not to try to move too quickly because of the political pressure it feels. Our technical needs are real, and that is very important if we are to be a real force against insecurity," Mr. al-Obaidi said.

Mr. al-Maliki wants the Americans confined to bases, where they can be called in emergencies, but he boldly predicted that his army could crush violence within six months if left alone to do the work.

The top U.S. commander in Iraq, Gen. George Casey, said last month that it would take 12 to 18 months before Iraq's army was ready to take control of the country with some U.S. backup.

Lawmakers from Mr. al-Maliki's Islamic Dawa party said Interior Minister Jawad al-Bolani was at the top of the list to lose his post in the coming Cabinet shake-up, which the prime minister promised during a closed-door parliament session yesterday, because that has reached civil war proportions in Baghdad and the center of the country.

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Mr. al-Bolani, a Shi'ite whose police and security forces have failed to halt unbridled sectarian killing, is an independent. The United States had demanded that the defense and interior posts be held by officials without ties to the Shi'ite political parties that control militia forces.

Mr. al-Maliki is under pressure both from his people and the United States to curb violence, with Washington leaning on him to disband Shi'ite militias, whose death squads are thought to be responsible for much of the killings.

The prime minister's hold on power depends on both the Supreme Council for the Islamic Revolution in Iraq, with its Badr Brigade military wing and radical Shi'ite cleric Muqtada al-Sadr's political movement.

The interior minister controls police and other security forces, which already are infiltrated by the Badr Brigade and the Mahdi Army, the armed wing of Sheik al-Sadr's political movement.

After nearly 48 hours without reporting a death, the U.S. military said three soldiers assigned to the 1st Brigade, 1st Armored Division died Saturday of combat wounds in Anbar province, the insurgent stronghold west of the capital. Their deaths raised to 2,848 the number of service members who have had died since the start of the war in March 2003.

Four British troops were killed in an attack on a patrol boat in Basra's Shatt al-Arab waterway in southern Iraq, the Ministry of Defense said in London.

Influence Rises But Base Frays For Iraqi Cleric (NYT)

By Sabrina Tavernise

The New York Times, November 13, 2006

BAGHDAD, Nov. 12 — Few have ever described Moktada al-Sadr, the mercurial leader of Iraq's mightiest Shiite militia, as a statesman.

Yet there he was last month sitting on a pristine couch with the prime minister (no longer cross-legged on the floor), making public calls as well as sending private text messages to aides discouraging sectarianism, and paying visits to the home of Iraq's most senior Shiite cleric.

For years an angry outsider, Mr. Sadr, 33, has moved deep into the inner sanctum of the Iraqi government largely because his followers make up the biggest and most volatile Shiite militia. Now, after more than a year in power, he and his top lieutenants are firmly part of the establishment, a position that has brought new comfort and wealth. That change has shifted the threat for the American military, which no longer faces mass uprisings by Mr. Sadr's fighters when it enters their turf.

But the taming of Mr. Sadr has produced a paradox: the more settled he becomes in the establishment, the looser his grip is over his fighters on the streets and those increasingly infiltrating the security forces. In the two years since they fought against American tanks at Mr. Sadr's command, many have broken away from the confines of compromise that bind him, and have taken a far more active role in killing, something his supporters say worries him. He says he is trying to weed them out — 40 were publicly dismissed last month.

The increasing violence of some of his followers mirrors the overall unraveling of Iraq, which has become less centrally controlled and far more criminal since the American invasion in 2003. The situation is one of the highest priorities for the incoming Democratic-controlled Congress in the United States.

The Sadrists "are really facing a problem," said one Shiite politician. "They formed a militia. It expanded. Now each one is a cell. This is the dangerous thing."

As always with the elusive Mr. Sadr, who has rarely granted interviews to foreign journalists, it is not clear whether his public pronouncements and efforts at reform are sincere, or how long they will last. But in Iraq, power flows from the barrel of a gun, and he, better than anyone, knows that.

Mr. Sadr's new prominence in politics is partly a result of intense American and Iraqi efforts. For most of 2004, Iraqi leaders shuttled south of Baghdad to Najaf, where he lives, to persuade him to get followers in his militia, the Mahdi Army, to disarm and also to ask him to enter the political process. Eventually, he did, though many of his followers kept their guns.

Now parties loyal to him control the single largest portion of seats in Parliament and elevated the prime minister to power. They control five government ministries.

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Mr. Sadr is often described as fickle, image-obsessed and having a short attention span. But lately, he has cut a more sophisticated image. He rented and refurbished a large house near his own for guests in Najaf, after returning from a monthlong trip early this year. It was his second visit abroad, and he met with princes and kings of Jordan, Saudi Arabia, Lebanon and Iran, according to a Shiite politician close to him.

"Now they can sit on couches," instead of rugs, he said. Perhaps most significant, Mr. Sadr has been paying visits to the son of Iraq's most senior Shiite cleric, Grand Ayatollah Ali al-Sistani, and apparently learning the arts of negotiation and compromise.

"Nowadays he's communicating better," said Mowaffak al-Rubaie, Iraq's national security adviser. "Grand Ayatollah Sistani is trying to bring him within the fold."

While all this is happening, however, the war has grown far deadlier for Iraqis on the street, and many of Mr. Sadr's supporters are following a fresh crop of more militant Mahdi commanders.

It is not that poor, young Shiites no longer follow Mr. Sadr; his image still adorns concrete walls. Religious rap songs play just as loudly on the streets of Sadr City, the sprawling Shiite slum in eastern Baghdad that is the heart of his support. But Mr. Sadr's new call for calm — one he is required to make as a part of the Iraqi establishment — is not satisfying to many, who are deeply angry at sectarian killings by Sunni militias.

"When a worker is killed because he's from Sadr City, what do you expect from his family?" said a 26-year-old graduate student from Sadr City. "It is a fact that he will try to take revenge."

One result is a small proliferation of senior militia leaders — a coalition intelligence official said in September there were at least six — striking out on their own. One new commander is a fishmonger who goes by the name Abu Dera, meaning "man of the shield." According to legend, an American tank fired directly on him and missed.

Although his supporters deny it, Sunnis say Abu Dera is one of the city's biggest killers, responsible for thousands of murders of Sunnis whose bodies are surfacing daily in a giant garbage dump less than a mile from his block. He is often referred to as "the Zarqawi of the Shiites," a reference to Abu Musab al-Zarqawi, the leader of Al Qaeda in Mesopotamia who was killed by American forces last June.

The Iraqi prime minister, Nuri Kamal al-Maliki, who is Shiite, has given the approval for the American military to arrest him. They have tried and failed at least twice.

Abu Dera clearly inspires Shiites who want to take the law into their own hands, or as they see it, carry out justice for Sunni aggression while their government looks on helplessly.

"Mahdi Army has killed the main insurgent figures," said the 26-year-old in Sadr City. "It did a favor for the Americans and the government."

The fracturing of Mr. Sadr's militia traces the arc of Iraq's history since the American invasion. In 2004, the American military was the common enemy, and Mr. Sadr's followers even joined Sunnis to fight in Falluja. But as vicious attacks by Sunni militias intensified, perception of the enemy shifted, and Iraq's two main sects began fighting each other.

One result has been a spectacular spike in killing — the monthly death toll in the capital has been double the rate of a year earlier — and Mr. Sadr's militia is being blamed.

At first, Mr. Sadr denied that his forces were responsible. Some Shiite Iraqi officials have said that many people claim Mahdi affiliations, even Sunni militants. Whatever the case, the killing has gotten so bad that he considers it a threat to his power, his supporters say.

"Now he's become very worried," said the politician who had discussed Mr. Sadr's trip abroad. "The violence has reached this point of being out of control." Even Mr. Maliki, the prime minister, has noted the predicament. "We don't know what Mahdi Army means any more," he remarked ruefully to a [news service] reporter recently.

Mr. Sadr has tried to fashion his organization after Hezbollah, the Lebanese Shiite militia commanded by Sheik Hassan Nasrallah, which showed its efficiency and unity of purpose during the war with Israel this summer, instituting exams for new members and dismissing wayward heads of his offices. In Basra, in the south, he is on his seventh since 2003. But Mr. Sadr has been thwarted by his undisciplined forces.

Mr. Sadr has disavowed a number of his commanders. At a Friday Prayer last month, the names of 40 dismissed Mahdi Army commanders were read aloud at a lectern in front of a sea of men holding umbrellas against the hot sun. Among them were

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Hassan Salim, the leader of the Mahdi Army in Baghdad, and Hajj Shimel, a prominent cleric. Abbas al-Kufi, Mr. Sadr's strongman enforcer, arrived from Najaf to attend the reading.

That public response fits snugly with the agenda of the American military, which is chipping away at the most corrupt edges of Mr. Sadr's empire through arrests.

Even though the military has made more than six forays into the area since early August, including an Oct. 25 attempt to arrest Abu Dera, Mr. Sadr has been largely silent, and the only repercussions were a few angry public remarks by Mr. Maliki.

Indeed, the challenge Mr. Sadr presented to the American military in 2004, when his followers fought tanks in flip-flops, seems to have melted away.

"We have arrested people who in 2004 we would have had to move M1 tanks to Sadr City to suppress an uprising over," said one intelligence official who spoke to reporters in September about Mr. Sadr's army. That is in part because Mr. Sadr is standing by a newly declared truce with the Americans and also because of the Sadrists' new proximity to power, well-connected local residents critical of the Mahdi militia say.

During a recent raid, area residents said, $4 million was found in the house of one militia member.

"Now Mahdi leaders have the money, they have the Parliament," said a merchant who asked not to be identified for safety reasons. "They do not want to risk it by fighting. Those who tasted the sweets will never give them up."

American and Iraqi officials say Iran is also a major financial source.

But while the unraveling of Mr. Sadr's unified militia takes away some problems for the military, it also creates new ones through the infiltration of the Iraqi security forces.

"You have more points of entry," said Lt. Col. Eric Schacht, whose soldiers patrol areas of largely Shiite eastern Baghdad.

American officials have urged Mr. Maliki to take up this problem with Mr. Sadr and, to some extent, he has. But sectarian divisions have hardened in politics, and Shiite leaders, incensed at what they say is an American obsession with militias, have treated Mr. Sadr gently.

"We find his arguments very true," said a Shiite lawmaker, Sami al-Askiri. "We agree with him."

Cleric Al-Sadr May Hold Iraq's Future In His Hands (USAT)

By Rick Jervis

USA Today, November 13, 2006

BAGHDAD — Muqtada al-Sadr, the anti-American cleric President Bush once dismissed as the head of a "band of thugs," has emerged as one of the most powerful forces in Iraq, commanding a large militia and a growing political organization.

U.S. and Iraqi forces passed on a chance to arrest al-Sadr two years ago. Instead, Iraq's Shiite leaders encouraged him to enter the political process. The idea was to co-opt a threat to the Iraqi government. Critics say the plan backfired, placing Iraq's future in the hands of a firebrand whose Mahdi Army militia has intensified religious warfare and threatened the country's stability.

"I believe that the Mahdi Army continues to pose a threat," Sen. John McCain said in Arizona last week. "I believe al-Sadr has to be taken out."

That may not be realistic. "There are no good options in dealing with al-Sadr," says Wayne White, who formerly headed the State Department's Iraq intelligence team and is now at the Middle East Institute. "He has grown too powerful to be addressed in any reasonable way."

As President Bush and the Democrats in charge of a new Congress plot a new direction in Iraq, al-Sadr remains a huge obstacle unless the Iraqi government does what it has been unwilling or unable to do so far: neutralize him through political negotiations or a military confrontation.

His political group, for example, controls the Health Ministry and has used it to harbor death squads, infiltrate hospitals and punish al-Sadr's enemies, says Ayad al-Samarrai, the deputy chairman of the Iraqi Islamic Party, a Sunni group.

The U.S. military estimates the Mahdi Army has between 6,000 and 10,000 militants in Baghdad. Al-Sadr's militia and al-Qaeda in Iraq are among the groups most responsible for religious warfare, according to the latest Defense Department report to Congress.

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The Bush administration has urged the government of Prime Minister Nouri al-Maliki to confront Shiite militias, including al-Sadr's Mahdi Army. Al-Maliki, who relies on al-Sadr for political support, has been slow to act, saying it may not be until next year before militias are disarmed. Al-Sadr's support was instrumental in putting al-Maliki in power.

Because of al-Sadr, "Al-Maliki was able to become prime minister despite the fact that other political parties had gained more seats in parliament," says Vali Nasr, author of The Shia Revival. "He is al-Sadr's prime minister."

Al-Sadr, 33, comes from one of Iraq's most prominent religious families. He's the fourth son of Ayatollah Mohammed Sadiq al-Sadr, one of the country's top religious leaders. The senior al-Sadr was gunned down along with two of his sons in 1999, allegedly by Saddam Hussein's henchmen.

Al-Sadr lacks his father's scholarly credentials, but he is charismatic, and his fiery sermons have attracted a large following among the country's Shiites, according to a 2004 report in the Middle East Quarterly. Al-Sadr's power is concentrated in Sadr City, a Shiite slum of about 2 million people in eastern Baghdad that was named for his father. Al-Sadr's followers include legions of poor, disaffected youths, who also make up the backbone of his armed militia.

"He's kind of a spokesman for the dispossessed," says Chris Toensing, editor of the Washington-based Middle East Report.

As early as July 2003, while most Iraqis were still celebrating the fall of Saddam's regime, al-Sadr was using his pulpit at a mosque in Kufa, south of Baghdad, to urge young recruits to join his new army. While Grand Ayatollah Ali al-Sistani, Iraq's most prominent Shiite religious leader, counseled patience, al-Sadr was whipping up his followers with anti-American speeches.

His forces clashed with U.S. forces in Najaf and Baghdad in 2004. Hundreds of his followers died in pitched battles with American troops. The militants were no match for superior U.S. training and firepower. But the revolt helped solidify al-Sadr's reputation.

In April 2004, an Iraqi judge issued an arrest warrant charging al-Sadr with the murder of a rival cleric, Abdul Majid al-Khoei. The U.S.-backed al-Khoei was hacked to death in April 2003, allegedly by al-Sadr's followers, as he left a Shiite shrine in Najaf.

Al-Sadr, however, was never arrested. Instead, he was invited to join the political process as part of the deal that ended his revolt.

Members of political parties loyal to al-Sadr won 30 seats in the 275-member parliament in elections last December. As a cleric, al-Sadr does not take a direct role in politics. But his supporters were given control of six Cabinet positions, including the Health Ministry.

On the streets, his militias have remained strong. "What makes him powerful is that he's the most effective military force in this sectarian conflict," Nasr says.

Al-Sadr has denied that his militia has been involved in criminal activity. Common criminals often identify themselves as Mahdi Army militants to carry out kidnappings and killings, says Bahaa al-Araji, a lawmaker loyal to al-Sadr.

Last month al-Sadr fired 41 members of the militia linked to illegal activities, al-Araji says, adding that there are rogue elements acting outside al-Sadr's control.

Iraq's Health Ministry is a case study in how al-Sadr used his government role to consolidate his political and military support.

Ministry-run hospitals have been used as a weapon against rival Sunnis, according to critics, such as Sunni lawmaker Mithal al-Alusi. "It's a jungle," al-Alusi says. "What (al-Sadr) has done with that ministry is criminal."

Last month, a Sunni man was taken to Kindi Hospital in central Baghdad for a gunshot wound, says Omar al-Jubouri, human rights director at the Iraqi Islamic Party.

He was shot and killed in his hospital bed, al-Jubouri says. His brother went to retrieve the body. He brought 17 male relatives along for protection, but they were quickly outgunned by an even larger group of armed men, believed to be the Mahdi Army, al-Jubouri says. The group was kidnapped and killed, he adds.

Two days later, the family picked up the 19 bodies, escorted by an Iraqi army convoy, from the Baghdad morgue. Al-Jubouri says some of the bodies showed signs of torture, including drill holes to the skull and electrocution burns.

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So many Sunnis have been followed and killed after picking up relatives at the ministry-controlled Baghdad morgue that al-Jubouri's party regularly coordinates Iraqi army convoys to escort the families, he says. “We'll wait until we have 17 or 18 bodies waiting,” he says. “Then we'll send for the convoy.”

Convoys are not always safe. On June 12, Ali al-Mahdawi, a physician and head of the Diyala Province health department, arrived at the Health Ministry headquarters with six bodyguards for an 8:30 a.m. meeting with Health Minister Ali al-Shemari, al-Samarrai says.

Al-Mahdawi had been nominated by Sunni political leaders to be deputy minister. After arriving at the ministry, three of the bodyguards waited in the parking lot, while three escorted the doctor to the meeting, al-Samarrai says. When the meeting ran late, a bodyguard in the parking lot called al-Mahdawi on his mobile phone.

“Don't worry, he's with friends,” a voice on the other end said before switching off the phone. Al-Mahdawi and the three guards haven't been seen since, al-Samarrai says. “Most probably, he's dead now,” he says. “It happens so often. Everybody knows about it. And they're not doing anything about it.”

Health Ministry spokesman Qasim Yahya would not comment on the allegations.

Mahdi Army militants have used Health Ministry and associated offices to detain and torture abductees, most of them Sunnis, according to U.S. officers.

Last month, U.S. and Iraqi troops raided a compound belonging to a social organization named for al-Sadr's father, says Lt. Col. Avanulas Smiley, commander of the Army's 1st Battalion, 23rd Infantry Regiment, which assisted in the raid. U.S. investigators believed the compound was run by al-Sadr loyalists, he says. One room contained a long wooden bench stained with blood and urine, indicating victims were tortured there, Smiley says.

Militia infiltration is not the ministry's only problem. The ministry also has become less effective since al-Sadr took over, says Jaleel Hadi al-Shamary, a physician and general director of the Karkh Health Department in western Baghdad.

Qualified bureaucrats have been replaced by party loyalists, leading to a steady exodus of qualified doctors and other officials, he says. About 600 of his department's 3,000 doctors have resigned or left the country, he says.

“The Health Ministry is in a real state of collapse,” al-Shamary says. “It's a scientific ministry and needs a scientific mind to run it. But … high-ranking officials are chosen due to their affiliation to the party.”

U.S. troops say a two-story complex linked to the al-Sadr organization in a nearby neighborhood also is being used as an illegal detention center. “Torturing, killing, everything under the sun happens there,” says 2nd Lt. David Michael Stroud, a platoon leader with the 1st Battalion, 23rd Infantry. “It's the heart of darkness.”

The complex is considered a “no-touch” zone, since it's aligned with al-Sadr, Stroud says. U.S. and Iraqi army units often need Iraqi government permission before raiding government offices. The Shiite-dominated government sometimes is reluctant to allow raids of al-Sadr associates. “It makes it difficult if someone is sponsoring or being complicit with criminal activity who's in a government position,” Smiley says. “It disrupts the essentials to making progress.”

Al-Maliki's government has targeted some Mahdi Army officials, and Iraqi security forces have clashed with the militants several times this year. In August, U.S. and Iraqi troops, working on a tip about a kidnapping ring, raided the Health Ministry offices and arrested five of al-Shemari's bodyguards.

Adil Muhsin Abdullah, the inspector general of the Health Ministry, says he has not received any reports of deaths squads or kidnapping cells linked to ministry-controlled hospitals or offices.

Al-Maliki has been reluctant to let U.S. troops launch large-scale attacks against the Mahdi Army because it would make the militia more popular and undermine rival Shiite parties, including his own Dawa Party, Nasr says. Recently al-Maliki's government ordered the removal of Iraqi and U.S. military checkpoints that had been placed around Sadr City.

“The government is paralyzed against these militias,” says Mahmoud Othman, a leading Kurdish lawmaker. “Groups in parliament are not working as a team and don't have a united agenda, making government and parliament unable to do much. The whole thing is getting more complicated by the day.”

Iraq's Secret Death Chambers (TIME)

By Brian Bennett

DOJ_NMG_0092504

Time, November 13, 2006

Before he is put to death, Saddam Hussein will be allowed one last phone call. He will be given a glass of water, a moment to pray and an opportunity to make a statement about his life and crimes. The entire event will be recorded on video to be stored in the Iraqi government archives. Then his neck will be slipped into the noose of a 2-in.-thick hemp rope. A few moments later, his life will end.

That's how recent executions have proceeded in Iraq--at least when the equipment works. Since the Iraqi government reintroduced capital punishment in 2004, several executions have been beset by glitches and logistical snafus. At first, executioners used an old rope left over from Saddam's regime that stretched too much to break the condemned's neck; it sometimes took as long as eight minutes for the hanged to die. New ropes brought in for later executions jerked harder on the convicted person's spine, but executioners soon noticed the cords fraying on the bend of the reinforced steel installed in the cement ceiling of the gallows. During a recent round of executions, on Sept. 6, the rope snapped after 12 hangings, sending a condemned man plummeting 15 ft. through the trap door onto the hard concrete floor below. Miraculously, he survived. "Allah saved me!" he shouted. "Allah saved me!" For 40 minutes, prison guards, officials and witnesses engaged in heated arguments over whether or not to interpret the broken rope as divine intervention.

It may not be an efficient process, but the death penalty is back in vogue in Iraq. After the U.S. invasion, capital punishment was suspended by L. Paul Bremer, head of the now-defunct Coalition Provisional Authority, but interim Prime Minster Iyad Allawi reinstated it a year later. Since September 2005, when three men were hanged in the southwestern city of Kut after being convicted of running a murder-and-kidnapping ring, the Iraqi government has executed 50 prisoners convicted of murder or kidnapping, says spokesman Ali al-Dabbagh. An adviser to Prime Minister Nouri al-Maliki says the government plans to execute "two or three more batches of 14 or 15 each" in the coming months. Al-Maliki told the BBC last week that Saddam too could be hanged "before the end of the year." For the beleaguered Iraqi government, the practice of executions plays a political role as well as a legal one: amid the inescapable violence on Iraq's streets, the death penalty plays well with Iraqis tired of seeing gangs commit murder with impunity. "From the Iraqi point of view," says al-Maliki's adviser, "they don't like to see a lot of people get killed every day and have a low number of executions."

And yet an examination of the way the death penalty is administered in Iraq casts doubt on the government's candor about the frequency of executions, and that raises questions about whether justice is being flouted in Iraq's rush to execute. According to an Iraqi official involved in coordinating executions, the hanging rope has been used more extensively than has been publicly acknowledged by the Iraqi government. Three days of secret executions took place between December 2005 and March 2006, says the official, who attended all three sets of hangings. When the additional executions are taken into account, according to an official in the Prime Minister's office who declined to give an exact number, approximately 90 have been executed, almost double the officially declared tally.

The government's underreporting of executions reflects a general lack of transparency in the process. Hangings are conducted in secret, at a heavily fortified location in Baghdad built by an American contractor. Only a few officials are notified beforehand, and the vast majority of the names of those executed are never made public. Human Rights Watch, which monitors the fairness of judicial systems around the world, is concerned about the ability of defendants in Iraq to get a fair trial and access to a thorough appeals process. Iraq has repeatedly rebuffed requests from the Office of the U.N. High Commissioner for Human Rights for statistics on the country's death-penalty cases, leading the high commissioner to request that Iraq commute all death sentences. The government has refused. In a written response to the U.N., the government said that suspending capital punishment would "undermine our policy on crime," citing capital punishment as a "public deterrence."

That was the objective when the Iraqi government announced in March that they had executed an infamous psychopath and insurgent hit man named Shukair Farid, "the butcher of Mosul," whose gang slaughtered more than 200 during a yearlong rampage in the northern city. Farid, a police lieutenant, had gained fame after appearing on the hit reality-TV interrogation show Terrorism in the Hands of Justice, on which he told in gruesome detail of the scores of Iraqi lives he took, often using his uniform to trap victims. Farid didn't go easily. On the morning the convoy of Iraqi officials drove out to oversee the execution, 30 cars ambushed them with gunmen firing PKC automatic weapons. After fighting their way through to the gallows, the executioners

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were surprised at how defiant Farid was as he faced his own death. When asked to verify his identity before they put the rope around his neck, Farid said, "That's me, so what." "That guy was ready to go to hell, I guess," says a government official.

But there are many others on death row who continue to profess their innocence. Women doing time for murder in Baghdad live in a single 10-bunk cell in Khadamiyah Women's Prison in the northern part of town near the Tigris River. There waits Zayneb, a brown-haired woman in her late 20s wearing a black head scarf, convicted in September of conspiring with her husband to murder three relatives. The judge gave her three death sentences, one for each relative who was murdered. She says she didn't have anything to do with their deaths. She has only one chance to appeal the ruling before she faces the noose. The reality of her predicament sinks in as Zayneb looks at the empty bunk across the room, until recently occupied by a friend of hers who has been transferred to another jail to wait for her own execution. "We spent a long time together here," Zayneb says, tears welling up in her copper-colored eyes. "They took her two days ago." She sees little hope for herself. "I am convicted of three crimes. If one is waived, what about the other two? For sure I will be hanged."

The saving grace for defendants like Zayneb is that Iraq's judicial system operates at a crawl. It's a "lethargic process," says Basam Ridha, an adviser who has been tasked by al-Maliki to hasten the punishment. Some cases, says Ridha, have taken a year or more just to be heard by the investigative judge, who decides if the case needs to go to trial or not. Other prisoners short-circuit the process and find ways to get out of prison, either by paying their jailers or, in some instances, bribing the judge to dismiss their case.

Saddam, though, is almost out of time. If his sentence is upheld by the appeals court, Iraqi and U.S. officials say the plan is for him to be hanged from the same gallows used for common criminals. That could change for security reasons, says a U.S. lawyer working closely with the court, but even a technical snafu probably won't be enough to save him now. Remember the man who slipped the noose, believing Allah had saved him? His reprieve didn't last long. "We hanged him," says an Iraqi official who watched as prison guards took down his body and wheeled it into the adjacent refrigerated morgue. "We followed the law." With reporting by M. Ezzat, Mark Kukis/Baghdad

Violence In Iraq Claims At Least 159 (AP)

By Steven R. Hurst

AP, November 13, 2006

The Shiite prime minister promised Sunday to reshuffle his Cabinet after calling lawmakers disloyal and blaming Sunni Muslims for raging sectarian violence that claimed at least 159 more lives, including 35 men blown apart while waiting to join Iraq's police force.

Among the unusually high number of dead were 50 bodies found behind a regional electrical company in Baqouba, 35 miles northeast of Baghdad, and 25 others found scattered throughout the capital. Three U.S. troops were reported killed, as were four British service members.

Also Sunday, the country's Sunni defense minister challenged Prime Minister Nouri al-Maliki's contention that the U.S. military should quickly pull back into bases and let the Iraqi army take control of security countrywide.

Defense Minister Abdul-Qadir al-Obaidi rejected calls by al-Maliki for the U.S. military to speed transfer of security operations throughout the country to the Iraqi army, saying his men still were too poorly equipped and trained to do the job.

"We are working hard to create a real army and we ask our government not to try to move too quickly because of the political pressure it feels. Our technical needs are real and that is very important, if we are to be a real force against insecurity," al-Obaidi said.

Al-Maliki wants the Americans confined to bases for him to call on in emergencies, but he boldly predicted his army could crush violence within six months if left alone to do the work.

The top U.S. commander in Iraq, Gen. George Casey last month said it would take 12 to 18 months before Iraq's army was ready to take control of the country with some U.S. backup.

Key lawmakers from al-Maliki's Islamic Dawa Party said that in the coming Cabinet shake up, which the prime minister promised during a closed-door parliament session Sunday, Interior Minister Jawad al-Bolani was at the top of the list to lose his

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post because police and security forces were failing to quell the unbridled sectarian killing that has reached civil war proportions in Baghdad and the center of the country.

Al-Bolani, a Shiite who was chosen in June and a month after al-Maliki's government was formed, is an independent. The United States demanded that the defense and interior posts be held by officials without ties to the Shiite political parties that control militia forces.

Al-Maliki is under pressure both from his people and the United States to curb violence, with Washington leaning on him to disband Shiite militias believed responsible, through their death squads, for much of the killings.

Al-Maliki is dependent on both Supreme Council for the Islamic Revolution in Iraq, with its Badr Brigade military wing, and radical Shiite cleric Muqtada al-Sadr's political movement for his hold on power.

The interior minister controls police and other security forces which already are infiltrated by the Badr Brigade and the Mahdi Army, the armed wing of al-Sadr's political movement.

After nearly 48 hours without reporting a death, the U.S. military said three soldiers assigned to the 1st Brigade, 1st Armored Division died Saturday of combat wounds in Anbar Province, the insurgent stronghold west of the capital. Their deaths raised to 2,848 the number of service members who have had died since the start of the war in March 2003.

Four British servicemen were killed in an attack on a patrol boat in Basra's Shatt al-Arab waterway, southern Iraq, the Ministry of Defense said in London.

In Sunday morning's bombing targeting police recruits, two men detonated explosives strapped to their bodies simultaneously, police Lt. Maitham Abdul-Razaq said. The attack, killing 35 men outside the police station near western Baghdad's Nissur Square, was one of several blasts in the capital.

Police and police recruits, who are largely Shiite Muslims, have been regularly targeted by Sunni insurgents, al-Qaida in Iraq and other terrorist organizations aligned with it.

In Baqouba, the Iraqi army's provincial public affairs office said troops found 50 bodies dumped behind the offices of the provincial electric company.

Nineteen of the bodies were taken to the morgue in Baqouba and the army was waiting for U.S. bomb disposal teams, fearing the 31 other bodies behind the electrical company were rigged with explosives.

Abdul-Razaq said Baghdad police had found 25 bullet-riddled, handcuffed bodies in several parts of the capital. Dozens more bodies were found around the country.

Al-Maliki confirmed an Associated Press report 10 days ago about the coming government shake-up during a closed-door parliament session in which he responded to public charges by lawmakers that the government was complicit in the killing of members of the Sunni minority, two parliamentarians told AP.

Some Shiites had complained al-Maliki was being unduly harsh in dealing with Shiite militia members. Al-Maliki told the lawmakers that their speeches were affecting the security situation, according to Shiite legislator Bassem al-Sharif.

Dhafer al-Ani, of the Sunni Iraqi Accordance Front, told AP that al-Maliki's comments "were disappointing because they were sidelining (Sunnis) and included threats." In remarks earlier in the week, al-Maliki blamed Sunnis alone for Iraq's violence.

On Saturday, al-Maliki told editors of local newspapers that Syria, which the U.S. and his government accuse of allowing foreign fighters to cross into Iraq, wants to start afresh with Iraq.

"We have the same desire," al-Maliki said in a videotape of the remarks to Iraqi journalists on Saturday.

Foreign Ministry Undersecretary Labib Abbawi said Sunday that Syria's Foreign Minister Walid Moallem had accepted an invitation to visit Iraq, though no date was set.

The opening to Syria comes with the expected release in the United States of recommendations of the bipartisan Iraq Study Group, headed by former Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton of Indiana.

It was believed the commission would recommend trying, among other things, to engage both Syria and Iran, Iraq's eastern neighbor.

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AP correspondent Qassim Abdul-Zahra contributed to this report.

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For Iraqis, News Is A Deadly Business (CSM)

By Scott Peterson

The Christian Science Monitor, November 13, 2006

BAGHDAD

At dawn, a guard at the fledgling Iraqi television station watched helplessly as a death squad - more than a dozen heavily armed men with silencers on their pistols and many with Iraqi police uniforms on their backs - rolled up in a convoy to Al Shabiya TV.

He immediately phoned the station's anchorman, Firas al-Rikabi, at his nearby home. The guard was beside himself, warning Mr. Rikabi to "try to run away." After 75 minutes, the gunmen left the station, and Rikabi arrived to find 11 of his journalist colleagues dead.

No one heard a single shot.

The professional hit, conducted last month, delivered one of this year's heaviest blows to Iraqi journalists. Amid the swirl of sectarian bloodletting and insurgent attacks, the Iraqi media faces the treacherous task of navigating the political differences between parties, and widespread ignorance about their role.

The label "independent" media in Iraq has become a death sentence, in what has become the world's most dangerous environment for local journalists. Already this year 55 Iraqi journalists have been killed - more than any other year - and four remain hostages.

"Now we are facing a crisis," says Rikabi, who was to be a news program host for the nascent Al Shabiya TV, which was attacked before it had even begun regular broadcasts.

"When they see their friends dead in front of their eyes, they are very angry, very sad," says Rikabi, who, like many, has taken heed of the threats and has decided he will no longer appear before the camera. Instead, he found another job in media. "We believe: If they want to kill us, even if we are working in the Green Zone, they will kill us because they have power."

The dangers of Baghdad were evident again Sunday, when 52 people lost their lives in the Iraqi capital - including 35 in a double suicide strike against police commando recruits. Prime Minister Nouri al-Maliki told a closed session of parliament he wanted a "comprehensive cabinet shake-up" and pledge of loyalty to a unified Iraq.

A growing number of incidents in recent months have demonstrated the insurgency and militia's power to target and intimidate. There have been a string of media murders against print, radio, and TV journalists. When Al Shabiya TV was hit, it was the second such attack in a fortnight.

"There is no progress. We are going backwards," says Ziad al-Ajili, head of the Iraqi Journalistic Freedoms Observatory, an Iraqi free speech watchdog group that tabulates attacks against Iraqi journalists.

"The level of freedom has dropped to a very low level, because the insurgents and militias have relations with the government," says Mr. Ajili.

"When they see the government close Al Sharqiya TV, Al Arabiya and Al Jazeera, [insurgents and militias] think they have a right to kill journalists."

The proof is in the numbers, which Ajili's group - formed in 2004, and now with a string of 30 observers reporting from across Iraq - keeps careful count of on-line, name by name.

Seven Iraqi journalists were killed in 2003. When the insurgency took root in 2004, the toll jumped to 50. In 2005 another 44 died; 2006 has already set a record, with 1-1/2 months to go. In many cases, attackers steal the mobile phones of their victims, and call and text message threats to all their colleagues in the address book.

When Nakhsin Hama Rashid, a woman who broadcast for a government-backed Kurdish TV program, was murdered two weeks ago, everyone in her phone list received this text warning on their mobile phones: "Today Nakhsin, tomorrow you."

The political dimension is also growing, as political parties - usually in the government, often with ties to their own powerful militias, and owners of their own sympathetic media outlets - seek to influence independent voices.

The number of court cases against journalists, for example, surged from just two or three last year to 10 so far this year. While there have been rumors that lawmakers have recently begun to draft a press law, no one has seen a copy nor expects it to uphold any freedoms.

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"Until now, there is a dictatorship in the Iraqi mind," says Ajili. "They are targeting independent journalists all the time." He points to the case of Sunni journalist Ahmad al-Rashid of Al Sharqiya TV. He was driving through a Sunni area, when a three-man hit squad in another car, almost certainly Sunnis, shot him dead.

"These results [tell us] politicians want journalists to be the voice of their parties. When you join parties, you get protection from them," says Ajili. Passage of any press law, he says, would "end many journalist freedoms."

"This is very difficult for journalists, even more difficult than the assassinations," says Ajili, noting that no case involving an attack on journalists has been solved. "We can't work, if we are giving all the sacrifices with no democracy."

The Al Shabiya TV attack, many journalists here believe, also has political motivations. If the killers were a Shiite death squad, as is widely believed, attacking a TV station with a largely Shiite staff and a Shiite manager, the reason may be that the station was calling for Iraq to stay unified.

That message is contrary to the position of some key Shiite parties, which demand a federal Iraq.

"The targeting of journalists is from the government itself, and parties in the government," says Rikabi, who also survived a brief capture by insurgents in 2004, was beaten heavily, and threatened repeatedly with death. Insurgent groups believe all journalists "work for the occupation."

And the third problem, he says, is that today's Iraq has left no room for dialogue. "There is not another opinion. But if there is a disagreement, they will kill you."

Which is why Ajili has spent much of his own money upgrading security at his home, and keeps his AK-47 assault rifle beside him at night "like a soldier going out on a mission." Sometimes his friends call him and ask if he will reserve space on his media freedom group's website, where photographs and details of all killed Iraqi journalists are posted.

Limitations of work in Iraq hit home for Ajili during a recent trip to Jordan. Ajili says he slept just three hours, overwhelmed by the ability to move safely anywhere.

"I felt free, using my microphone in the streets," he says. "I wanted to do so many stories."

Shi'ite Fanatic Rises In Iraq To Fill Void Left By Zarqawi (WT)

By Colin Freeman

The Washington Times, November 13, 2006

BAGHDAD -- Less than six months after an American air strike ended Abu Musab Zarqawi's campaign of Sunni terrorism, an equally brutal fanatic has emerged on the Shi'ite side of the religious divide.

Abu Deraa's trademark method of killing is a drill through the skull rather than a sword to the neck, but his work rate is just as prolific as the former al Qaeda in Iraq leader's and shows the same diabolical artistry.

In the past year, he and his followers are thought to have killed thousands of Sunnis, their victims' bodies symbolically dumped in road craters left by al Qaeda car bombs.

Stopping monsters such as Abu Deraa -- whose nom de guerre means "the shield" -- is a top U.S. priority as it tries to halt sectarian violence, which regularly claims 100 lives a day.

But the Shi'ite-dominated government has shown a marked reluctance to sanction the kind of large-scale operation necessary to arrest him in his stronghold of Sadr City, a vast Shi'ite slum in eastern Baghdad.

Taking action against him could cost it valuable support among other Shi'ite militias who, despite official disdain for Abu Deraa's bloodthirstiness, value the fear that such a loose cannon inspires in their enemies.

"We are proud of leaders like Abu Deraa," said Hassan Allami, 25, a fighter with the Shi'ite cleric Muqtada al-Sadr's Mahdi's Army, which Abu Deraa quit earlier this year to form his own faction. "His drills destroy the crazy minds of the Sunnis."

The worsening of interreligious bloodshed reflects badly on Prime Minister Nouri al-Maliki, whose chief task when he took power in June was to win back Sunni confidence in the political process by stamping out the tacit backing of Shi'ite militias such as the Mahdi's Army.

Yet, increasingly, men such as Abu Deraa appear to operate beyond anyone's control. He is among at least 20 former Mahdi's Army commanders who are pursuing their own agendas, sometimes sectarian, often simply criminal.

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Sheik al-Sadr may be a thug himself, coalition officials say, but at least he represented a single, identifiable authority. If dozens of freelance players emerge alongside him, negotiation becomes impossible.

"The whole thing is becoming increasingly localized, with people like Sadr being outflanked by extremists whom he can't control," said Eric Herring, the British author of "Iraq in Fragments," a study released last year that charts Iraq's breakup into innumerable competing factions. "It's possible that we may eventually remember Sadr as a moderate."

The emergence of local warlords with their own agendas is not confined to the sectarian front lines of Baghdad. In the city of Amara, in Shi'ite-dominated southern Iraq, local Sadrists are in a violent power struggle with the Badr Brigade, a rival Shi'ite militia backed by Iran.

In the capital, the two factions sit together as fellow members of the Shi'ite Unity parliamentary block. But in Amara, they have been fighting pitched battles since the British army ended its permanent presence in the city in August.

Both factions have tried to stake out political territory by introducing rafts of Taliban-style restrictions, including banning music at weddings, segregating schools, shutting Internet cafes and stopping people from watching Western satellite-TV channels.

"The Mahdi Army heard I had a satellite dish that was tuned to the Western channels," said Abu Fadl, 45, a teacher. "They went up to my roof, removed it and then beat me. Then they sold the receiver in the central market. They aren't doing this for God, just to show who is in power."

Maj. Charlie Burbridge, a British forces spokesman, insists that such complaints are not widespread. But he agreed that if they were happening, it was more a product of territorial squabbling than any genuine Islamization.

"I think if someone gets their satellite dish smashed up by the Mahdi Army, it is probably because they belonged to the Badr Brigade," he said.

Maj. Burbridge added that the situation in Amara was "a significant test of the Iraqi government and security forces, but we believe they can cope."

Mr. Fadl, however, said, "I wish the British would come back."

Dalai Lama Wants Saddam Spared (AFP-Y)

AFP, November 12, 2006

Tibet's exiled spiritual leader the Dalai Lama has appealed for Saddam Hussein's life to be spared, saying the deposed Iraqi president was not beyond redemption.

"The death penalty is said to fulfil a preventive function, yet it is clearly a form of revenge," the Nobel peace laureate told reporters as he ended a two-week visit to Japan.

"However horrible an act a person may have committed, everyone has the potential to improve and correct himself," he said.

"I hope that in the case of Saddam Hussein, as with all others, that human life will be respected and spared."

An Iraqi court sentenced Saddam, ousted in a US-led invasion in 2003, to hang on November 5 for the deaths of 148 Shiites in an Iraqi village in 1982, after an attempt to assassinate him.

Iraq's Prime Minister Nuri al-Maliki has said he expected Saddam to be hanged before the end of the year.

The Dalai Lama has been critical of the US-led invasion of Iraq despite his relationship with US President George W. Bush, who has met with him in defiance of China.

China, which sent troops into Tibet in 1950, accuses the Buddhist monk of being a "splittist" and opposes his frequent travels overseas.

The Dalai Lama has said he was seeking greater autonomy for the Himalayan region within China and opposed all forms of violence. He fled into exile in India in 1959.

Insurgent Activity Rising In Afghanistan (AP)

By Jason Straziuso

AP, November 13, 2006

DOJ_NMG_0092510

Insurgent activity in Afghanistan has risen fourfold this year, and militants now launch more than 600 attacks a month, a rising wave of violence that has resulted in 3,700 deaths in 2006, a bleak new report released Sunday found.

In the volatile border area near Pakistan, more than 20 Taliban militants — and possibly as many as 60 — were killed during several days of clashes, officials said Sunday.

The new report said insurgents were launching more than 600 attacks a month as of the end of September, up from 300 a month at the end of March this year. The violence has killed more than 3,700 people this year, it said.

Afghanistan saw about 130 insurgent attacks a month last year, said the report by the Joint Coordination and Monitoring Board, a body of Afghan and international officials charged with overseeing the implementation of the Afghanistan Compact, a five-year reconstruction and development blueprint signed in February.

The violence "threatens to reverse some of the gains made in the recent past, with development activities being especially hard hit in several areas, resulting in partial or total withdrawal of international agencies in a number of the worst-affected provinces."

The report said that the rising drug trade in Afghanistan is fueling the insurgency in four volatile southern provinces. The slow pace of development is contributing to popular disaffection and ineffective implementation of the drug fight, it said.

Afghanistan's poppy crop, which is used to make heroin, increased by 59 percent in Afghanistan this past year.

Insurgents have launched a record number of roadside bombs and suicide attacks this year, and there have been clashes all year between insurgents and Afghan and NATO security forces, particularly in the southern and eastern provinces near the border with Pakistan.

The 3,700 deaths the report attributes to insurgent-related violence is comparable to the number of deaths — about 3,500 — tallied by The Associated Press this year based on reports from the U.S. military, NATO and Afghan officials.

In the east, Gen. Murad Ali, the deputy Afghan army commander for Paktika province, said 20 bodies were recovered from fighting in Bermel district in the last several days. In addition, he said, two trucks carrying Taliban fighters were destroyed by airstrikes or artillery fire, and officials estimated 40 fighters were killed in those strikes.

Four NATO soldiers and three Afghan soldiers were injured, he said, though a spokesman for NATO's International Security Assistance Force said he was not aware of any serious injuries among NATO troops.

Maj. Luke Knittig said the operations in Bermel, which borders Pakistan, were part of an ongoing Afghan-NATO mission to root out Taliban militants before winter.

"We know we've engaged in successful operations in Bermel with a purpose, and we think those have had a very positive effect against insurgent activity there," Knittig said.

Knittig said Ali's estimate of 60 dead fighters "sounds about right to me," but he did not have an independent estimate of the number killed. "We are not into the numbers game here lately," he said.

Death tolls in remote areas of Afghanistan are almost impossible to verify and often vary widely.

Abdul Baqi Nuristani, the provincial police chief, said only 25 militants have been killed in Bermel the last couple days. He said three Afghan and three NATO soldiers were injured in what he called "a very big battle."

Ali said tribal elders took the bodies of eight Pakistani fighters back over the border to be buried.

Afghan officials have repeatedly accused Pakistan of not doing enough to prevent Pakistani or other foreign fighters from crossing the border to launch attacks. Pakistan says it does all it can, though border attacks have increased since a September agreement led the Pakistani military to pull out of its lawless tribal region.

Bermel is home to a military base that hosts both Afghan and U.S. soldiers. NATO-led troops aided by military aircraft killed 15 suspected insurgents in the district on Tuesday after troops on patrol came under attack.

Afghan Army Could Help Unify A Nation (LAT)

By David Zucchino

The Los Angeles Times, November 13, 2006

THE commander of Afghan troops confronting the Taliban here is a career officer with a clipped gray beard and a formal bearing who once fought for a Soviet-backed puppet government. His deputy is his former enemy.

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Many of their soldiers fought for or against the Russians, against the Taliban or for various warlords — except those so young they had never picked up a rifle.

From this unwieldy mix, the U.S. military and the Afghan government are attempting to create something Afghanistan has never had: a national army that is made up of all the country's ethnic groups and represents a unified central government.

Five years after the fall of the Taliban government, thousands of well-armed insurgents have reemerged to seize large swaths of southern Afghanistan.

In many districts, warlords, opium dealers and corrupt police help the religious extremists exert authority. Except for their fortified, American-built bases in the south, Afghan army units control virtually no territory, and they depend totally on the Americans for supplies and support.

The continued presence of foreign troops, who repeatedly have killed Afghan civilians by accident, and the U.S.-backed government's failure to improve the quality of life or rein in local warlords angers Afghans, pushing some of them back into the arms of the Taliban.

"People are very upset and disappointed with the government," said Col. Abdul Raziq, a brigade commander in southern Afghanistan.

Officers of the new Afghan army know that the Taliban hold will not be broken until they can establish enough security for the government to provide essential services. Until they do, U.S. and North Atlantic Treaty Organization forces won't be able to go home.

But with fighting escalating and the Afghan army entirely dependent on the U.S. military, the day when foreign troops can leave seems a long way off.

The army is important for reasons beyond security. Afghanistan has no unifying institutions. The government of President Hamid Karzai controls Kabul but little else. The national police force is notoriously corrupt and, in the hinterlands, often loyal to warlords or opium merchants.

Instilling loyalty to the national government will require changing the nature of Afghanistan. The army is a place to start.

"To the Afghan people, the words 'Afghan national army' are sweet words," said the Afghan commander here, Maj. Gen. Rahmatullah Roufi, 49, whose 205th Corps is responsible for six volatile southern provinces. "They've never had a real national army before, only tribes and militias. There's a hunger for it."

His deputy, Brig. Gen. Khair Mohammed, 50, said officers were willing to forget the past. Mohammed, a trim, energetic man, gestured toward one of his battalion commanders, who drew to attention and saluted.

"He was a communist, and I fought against him," Mohammed said. "But that was the past, and we Afghans don't look back. Now we're all brothers, all Afghans, and that's the way of the future."

Relying on Americans

THE army has been built from scratch since U.S. trainers arrived at the end of more than 20 years of warfare that swept up Roufi, Mohammed and many men of their generation.

It has grown in the last five years to 36,000 trained soldiers and officers, more than halfway to the goal of 70,000 men. The troops enjoy productive relations with 1,200 U.S. and NATO trainers at 85 bases. A few battalions now take the lead during combat operations. Searches of towns and villages are conducted by Afghan soldiers, not American troops.

But the army is still directed and supplied by U.S. and NATO forces. U.S. officers say they plan operations jointly with Afghan commanders, but some Afghan officers say the Americans dictate the scope of operations by controlling supplies, vehicles and air support.

Uniforms, trucks, fuel, food and ammunition are provided by the U.S. Equally important, the Afghans rely on Americans for air support, attack helicopters, artillery and air medical evacuation. And U.S. officers are clearly in command.

Nor do the Afghans control media coverage. U.S. officers blocked Times journalists from being embedded in an Afghan unit, despite approval by Roufi and the Afghan Defense Ministry.

Roufi complained that his authority had been undermined. "It's frustrating to me, and kind of shameful as well," he said.

Afghan privates and generals alike complain that they are sent into battle in ordinary Ford Ranger pickups with no body armor or helmets, while U.S. soldiers wear flak vests and travel in armored Humvees.

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Raziq said his military communications equipment was so bad that he relied on his own cellphone.

The Afghans disparage their weapons, generally old and balky AK-47s collected from the private armies of warlords.

"Our enemy's weapons are much more modern than ours," said Roufi, who commands about 7,000 men.

"We fight on the same ground and under the same threat as the Americans and the coalition, but we don't have what we need to operate independently. This has a poor effect on our soldiers' morale," said Gen. Zahir Azemi, the army's chief spokesman.

U.S. soldiers, except when sent out on combat missions, live in air-conditioned barracks with cable TV and Internet access. They eat in modern dining facilities that are more like shopping-mall food courts than mess halls.

By contrast, most Afghan soldiers live in poorly maintained buildings, where some men segregate themselves by ethnicity. In the barracks behind Roufi's headquarters in Kandahar, his men cooked lamb and rice on the floor, next to a laundry drain. In the bathroom, mud smeared the showers, and sinks were clogged with food scraps and garbage.

With their scruffy beards and slender frames, the Afghans appear to lack the fitness and discipline of their U.S. counterparts. Although their Afghan-made uniforms are paid for by the U.S. and similar to the ones worn by American troops, some Afghans are more comfortable wearing slip-on loafers than combat boots. Afghan soldiers also tend to prefer traditional scarves to helmets.

U.S. trainers, while praising Afghans for their courage, complain of lax discipline, petty thefts and poor maintenance of weapons and equipment. The Afghans will often run up hills or charge into caves wearing virtually no armor and without waiting for backup. And while U.S. troops are stoic and focused during combat missions, many Afghans are freewheeling and talkative.

The trainers constantly urge Afghan commanders to discipline their men. They say at least two bases have been abandoned by Afghan units after American trainers were transferred out.

For American troops, the Afghans' blase attitudes toward supply lines, coordinated planning or maintaining effective communications can be maddening.

"These guys fight magnificently. They run to the fight, not away from it," said Col. Michael "Jeff" Petrucci, who is Roufi's counterpart and mentor. "But they cannot sustain operations over a long period."

Lt. Jason Elphick, a U.S. trainer, said Afghan soldiers tended to operate "hour by hour" rather than planning ahead. They work hard in the mornings, he said, but in the afternoon, when U.S. trainers want them to clean and maintain their weapons, "all they want to do is nap."

Some critics say disbanding the Afghan militias that initially dominated the army robbed the force of experienced mujahedin fighters. Under a United Nations-sponsored disarmament program, the militiamen were demobilized and trained for civilian jobs. Critics say that left the army dependent on young recruits with no combat experience.

The roughly two years needed to replace militiamen with recruits has given the Taliban time to reestablish itself in the south, its traditional power base, said Ismail Khan, a Tajik warlord who commanded a powerful militia that was largely disbanded when he was appointed energy minister.

"The one force that knew how to defeat the Taliban was disarmed," he said.

Asked whether he had faith in the army to defeat the Taliban, Khan thought for a moment and replied, "No."

'Not just one tribe'

THE typical army recruit arrives at a training center in Kabul in a baggy tunic and trousers, his possessions crammed into plastic shopping bags. He has no other job prospects and no military experience. More likely than not he is illiterate.

Asadullah Jalal Abad, 19, a fresh-faced Pashtun from a rural eastern village, said he signed on because he was tired of working as a day laborer in Pakistan. But he also wants to serve his country by providing security for all of its ethnic groups, he said.

"In my village, people want the army to come there. They know it serves everybody, not just one tribe," Abad said the day he arrived at the Kabul training center, where he was eager to learn how to fire a rifle.

Lyagat, 25, a Pashtun who, like many Afghans, uses one name, arrived the same day, having given up a job as a driver.

"I don't even know how much the army pays, but it doesn't matter," he said. "I want to help protect my country. It's a very young country and needs my help."

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Lyagat said he had assumed that units were segregated by ethnic group but was pleased to learn that he would not be serving strictly with Pashtuns.

"I found out it's not the Pashtun army or the Tajik army," he said. "It's the national army."

The Kabul center turns out 1,000 trained recruits a month on hot, dusty fields where the Afghans flop on their bellies and fire at distant targets. Training has been increased from six weeks to 15 weeks, and the size of trained battalions from 400 men to 1,200.

More so than in Iraq, the Afghan army is designed to reflect the country's ethnic balance. U.S. and Afghan commanders say the army's ethnic makeup generally matches the national population — about 42% Pashtun, 27% Tajik, 9% each Hazara and Uzbek, and numerous smaller groups.

In Iraq, the national army is dominated by Shiite Muslims, many loyal to Shiite militia commanders. The Afghan army at first incorporated Tajik-led militias of the Northern Alliance, the U.S.-backed warlords who helped defeat the Taliban. And initially, the defense, interior and foreign ministries were held by Northern Alliance Tajiks. Now Pashtun, Hazara and Uzbek officers have filled some commands once held exclusively by Tajiks, U.S. and Afghan officers said.

Roufi and Mohammed are Pashtuns, as is Defense Minister Abdul Rahim Wardak.

Although many young men join to serve their country, Roufi said, the army's main attractions are steady, if low, wages, a place to live and ample food.

"These are very poor young men, and this is a good life for them," Roufi said. "And most Afghans have never had any discipline. They get discipline here, and they find it agreeable."

The pay is meager. A first-year Afghan soldier earns $70 a month, less than a common laborer. The top enlisted man makes $180 a month, a major $300, a colonel $400 and a general $530.

Although the army has attracted more than enough recruits, the low pay means that many of them won't reenlist when their three-year tours are up.

"For every 1,000 recruits who graduate from basic training, at least 500 will leave after three years to find other work — either in Afghanistan or Pakistan or Iran," Raziq said.

Soldiers often disappear for days or weeks while making their way home to give money to their families. Afghanistan has no national banking system, so soldiers are paid in cash. In some battalions, soldiers claim, commanders skim cash for themselves. In others, the cash arrives several weeks late.

Some soldiers return weeks later, expecting to rejoin their units and get paid as if they had never left.

Some soldiers have quit and returned home to protect their families from retaliation by the Taliban. Commanders say it is a pervasive threat.

Roufi said his wife and children lived in Kabul, protected by his extended family. Mohammed lives with his wife and eight children in a bombed-out former Soviet apartment complex, guarded by soldiers on the Afghan military base in Kandahar.

"Everyone in the command worries about threats to their families. These threats are very real," Roufi said. Several soldiers said an officer who recently returned to Kabul to check on his family was captured and hanged by the Taliban.

Brig. Gen. Douglas Pritt, a member of the Oregon National Guard who commands the training effort, said the low retention rate was the Afghan army's biggest problem. The U.S. is working to improve weapons and equipment, he said, and Afghans should be working to offer reenlistment bonuses and pay increases.

"Here's what I tell the [Afghan] corps commanders: 'I understand your desire for better and more equipment. That will happen. But right now the biggest issue facing you is retaining soldiers,' " Pritt said. " 'You need to focus on that … take care of them so that their basic needs are met so that they aren't inclined to leave.' "

A formidable enemy

FOR centuries, Afghans have adopted guerrilla tactics to defeat invaders. U.S. trainers want them to do the opposite, learning to fight as a modern counterinsurgency force. As the Afghans have absorbed those lessons, the insurgency has gained strength.

Fighting the Taliban on its home turf is proving troublesome. Even Afghan soldiers have difficulty distinguishing civilians from Taliban fighters.

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Taliban fighters have funneled weapons and supplies from Pakistan as they emerged from hiding in towns and villages across the south. They have built an elaborate network of caves and tunnels to ambush Afghan and foreign troops and then disappear. They attack in larger groups and are mounting bolder operations.

"The intensity of the [Taliban] threat is infinitely worse than just a year ago," Petrucci said. "Now the Taliban will mass, they will maneuver and they will not break contact like they used to. They'll grab you by the belt, and they won't let go."

The Taliban controls southern districts through intimidation and terror, Afghan commanders say, and the army cannot protect civilians from reprisals.

The Taliban also has built alliances of convenience with opium dealers and warlords. Corrupt district commissioners, nominally loyal to the central government, also help the insurgents, Roufi said.

"These are the real snakes in the sleeve," Roufi said of the commissioners.

Brigade Sgt. Maj. Kefaitullah, the top enlisted man in an Afghan unit here, said the Taliban capitalized on the frustration ordinary Afghans felt toward the government, particularly over civilians killed by U.S. forces.

Taliban spies and sympathizers have infiltrated the army, providing or selling information, U.S. and Afghan officers said. Local men monitor the main gate of the Kandahar base, using cellphones to alert Taliban fighters of approaching U.S. and Afghan army convoys.

Capt. Andre Sison, a U.S. trainer, said he didn't trust all Afghan soldiers. "But the ones I train in my company, I trust enough to go out with them every day on combat ops," he said.

Asked whether the army had been infiltrated, Pritt said: "Certainly I think so. But I know of no situations in which information was directly leaked that compromised an operation."

To help prevent leaks, rank-and-file soldiers are not told beforehand of the times, dates and locations of operations, Pritt said. The U.S. uses other countermeasures, he said, including putting out false information and monitoring communications to see if it's passed on.

Taliban fighters use call signs and code words in radio communications, something U.S. trainers are trying to teach the Afghan army to do, Sison said. Too often, Afghan officers simply shout commands into their radios.

Roufi said it worried him that his enemy had adopted successful tactics used by Iraqi insurgents, including roadside bombs, suicide bombings and assassinations of government officials.

There were just two suicide attacks in Afghanistan in 2002, six in 2004, 21 in 2005 — and 91 so far this year. Roadside bombs are becoming larger and more effective. Of the 29 soldiers in his corps killed in the previous month, Roufi said, most were hit by roadside bombs. Two days earlier, three of his men had been killed by a roadside bomb.

Kandahar and other southern provinces were the Taliban's stronghold.

"They'll do anything to get it back," Roufi said.

As he spoke, a convoy of Ford Rangers roared up to his command center, the trucks coated in dust as soldiers returned from a combat mission. The general pointed out that the men wore no vests or helmets and that the Rangers were ordinary pickups. He said his soldiers would need better equipment before they could even think about operating without U.S. support.

"That truck is like a piece of tissue paper," he said. "If a bomb explodes, everyone inside will die. An armored Humvee would be much better."

U.S. Pressed To Go Beyond Military Action (WT)

By Betsy Pisik

The Washington Times, November 13, 2006

NEW YORK -- Pakistan, a key ally in the war on terror, welcomes an expected reappraisal of U.S. policy in Iran and Afghanistan, and thinks military action alone is "not the answer" to the threat posed by extremists in the two countries, its prime minister says.

Shaukat Aziz told The Washington Times that he would like to see a more nuanced approach to battling extremism, which includes massive investment and economic assistance to the two countries in order to build a sense of well-being for the poor and disenfranchised.

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In New York for meetings at the United Nations, Mr. Aziz also said the world needs to focus more seriously on Afghanistan's narcotics trade, which is becoming an increasingly important source of terrorist financing. By some estimates, the trade accounts for half of Afghanistan's gross domestic product.

An American commission headed by former Secretary of State James A. Baker III and former Rep. Lee H. Hamilton is expected to recommend strategies for the Iraq war before year's end, a development that Mr. Aziz welcomed.

"We believe that conflicts like Iraq, Afghanistan and so on need to be carefully reviewed because military action is not the answer or the solution to such a crisis," he said.

"We must work on winning the hearts and minds of the people. We have to involve the people, to give them the sense that the world cares and their future tomorrow will be better than yesterday."

The United States has spent about $38 billion on infrastructure and development projects in Iraq since the invasion in 2003, but Mr. Aziz said more must be done to address "root causes," namely poverty and hopelessness, and to make extremist ideologies less attractive.

The prime minister gave an implicit reminder that the United States must leave Afghanistan eventually, in consultation with the Afghans, their neighbors and myriad stakeholders.

"History is full of examples where we didn't focus too much on exit strategy," Mr. Aziz said. "A good exit strategy is one which leaves that country, that area, peaceful, economically and politically empowered. ...

"We are the most important stakeholder, and we are there for life. We cannot take off; countries cannot change their neighbors."

Mr. Aziz declined to comment on the U.S. midterm elections last week or the resignation Wednesday of Defense Secretary Donald H. Rumsfeld.

He downplayed Washington's continued demands that Pakistan do more to prevent al Qaeda and Taliban fighters from crossing in and out of Pakistan, arguing that it is in Pakistan's national interest to fight narcotics, extremism and terrorism in Afghanistan.

With parliamentary elections due late next year, the Pakistan government faces a delicate balancing act, seeking to address U.S. demands without alienating a Pakistani public that could deliver its votes to a political coalition that is thought to be aligned with the Taliban.

"In our neighborhood, a lot of events are taking place that can impact us," said Mr. Aziz, whose military sustained more than 40 deaths in a suicide bombing last week. "We are not doing this to please anybody; we are doing this in our own national interest. ... Terrorism knows no borders."

The prime minister also defended his country's agreement to allow tribal leaders to take charge of one portion of the 1,700-mile border with Afghanistan, saying that the area is difficult to police.

Asked whether similar deals may be struck in other tribal, agencies, he said: "If we can restrict activity that is prejudicial to our security, it will be done. At the right time and right place we will do more."

Mr. Aziz is a member of an elite panel advising the United Nations on how to consolidate and better coordinate aid activities in the field. His staff said he had no official contacts with Washington during the visit, focusing instead on the local Pakistani community and economic business.

After repeated assassination attempts against Mr. Aziz and President Pervez Musharraf, the prime minister travels in a tight security cocoon that is noteworthy even by U.N. standards. A city block in front of his hotel was sealed off to automotive traffic during his stay.

CORPORATE SCANDALS:

KB Home CEO Resigns Over Backdated Options (WSJ)

By James Bandler And Charles Forelle

The Wall Street Journal, November 13, 2006

DOJ_NMG_0092516

The stock-options fraud scandal claimed one of the nation's most successful and highly paid chief executives, KB Home's Bruce Karatz, who agreed to leave the company after an internal investigation found that he backdated his own option grants to increase his pay.

KB Home, a home-construction company once known as Kaufman & Broad, said Mr. Karatz would immediately leave his posts as president, CEO and chairman. He will forfeit about $13 million in gains from the backdating as part of an agreement with the company, based in Los Angeles.

Also departing is Richard B. Hirst, executive vice president and chief legal officer, and Gary A. Ray, the head of human resources. Mr. Hirst resigned, and Mr. Ray was terminated, the company said. A person familiar with the investigation said both Mr. Karatz and Mr. Hirst cooperated with the internal investigation.

Messrs. Karatz, Hirst and Ray couldn't be reached to comment.

Mr. Karatz is one of the highest-profile casualties of the stock-options scandal, which has now claimed the jobs of more than 50 executives and directors, including William McGuire, the chief executive of UnitedHealth Group Inc. More than 130 companies, including KB Home, are under federal investigation in a wide government action. Five former executives at the companies have been charged with criminal wrongdoing.

KB Home didn't detail how the backdated options came to pass, though it said Mr. Karatz and Mr. Ray selected the dates for the options. A person familiar with the matter said that an investigation by KB Home's board determined that the dates were selected retroactively by the two men without permission of the board, though this person said the investigation didn't conclude that there had been intentional wrongdoing. The company said the misdated options were granted between 1998 and 2005.

KB Home said Mr. Karatz would be succeeded as CEO by Jeffrey T. Mezger, the company's chief operating officer. The company said Mr. Mezger wasn't involved in any options troubles. KB Home said it created the new post of nonexecutive chairman, and will conduct a search for the position.

Mr. Mezger takes the helm of the company amid a slow housing market, which has caused KB Home's sales and those of other home builders to plummet. He said in an interview that he expects the options investigation won't have any long-term effect on the company's operations or reputation and that its home-building brand remains "extremely strong." "I think this will be a seamless transition," Mr. Mezger said last night. "We see business as usual going forward."

MORE ON OPTIONS

• Options Scorecard: Companies under scrutiny1

• Perfect Payday: Complete coverage2

Options allow recipients to buy stock at a preset exercise price, generally set at the market price on the day they were granted. Backdating involves pretending that an option was granted on an earlier date when the market price was lower, conveying an opportunity for extra profit. The practice can lead to overstated profits and significant tax problems for the companies and executives involved.

Mr. Karatz, a 34-year veteran of KB Home, has been its chief executive since 1986. He has overseen tremendous growth, shepherding KB Home through a burgeoning real-estate market that had it building houses at a fast clip. From the end of 1995 through the end of last year, KB Home shares climbed tenfold. The company's stock has dived 40% this year as the property market rapidly chilled.

Along the way, Mr. Karatz has been among the nation's most highly compensated corporate executives. Since 1992, he has reaped nearly $180 million from exercising options, according to Standard & Poor's ExecuComp, a service that tracks executive compensation. Last year, he made more than $150 million from salary, bonus, restricted stock grants and options exercises, according to ExecuComp. The options exercises accounted for the bulk of his pay.

The backdating appears to have begun in 1998, when Mr. Karatz received more than 450,000 options. That year also apparently marked a shift to much larger options awards -- in each of several previous years, Mr. Karatz had received 100,000 options or fewer.

His grants between 1998 and 2001 appeared particularly well-timed. In that period, he recorded one grant dated the day the stock touched its lowest closing price of the year, another at a quarterly low, and two more at monthly lows.

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One grant of 450,000 shares carried the date of Oct. 25, 1999, and an exercise price of $17.75, the year's lowest close. KB Home shares subsequently rocketed upward, rising 25% by the end of November.

KB Home disclosed in August it was conducting an internal probe of its options grants, after being contacted by The Wall Street Journal about an unusual pattern of well-timed grants. The company also was the target of a shareholder lawsuit filed in July in Los Angeles County Superior Court alleging manipulation of past stock-options awards. The company has said it is studying the suit.

KB Home appears to have concentrated its options grants at the top. Mr. Karatz received 500,000 options in 2000, which was 30.9% of all the awards to employees. They were dated at a monthly low. Mr. Karatz has cashed all of those options out, for a total profit of about $54 million.

The $13 million he will forfeit is part of an agreement reached to refund the excess profit from backdating to the company, KB Home said. Mr. Karatz will repay the company to cover extra profit on already-cashed-out options, and his remaining outstanding options will be repriced.

The company said that it and Mr. Karatz haven't negotiated any terms of his departure other than the agreement to repay profits from backdating. To correct its accounting for the backdating, KB Home said it expected to take charges of no more than $50 million.

As of Nov. 30, 2005, Mr. Karatz had options for about three million KB Home shares, of which about 2.2 million he could immediately exercise, according to securities filings. The negotiations with the company over his departure will likely determine how much of that total he will walk away with. Under his employment agreement, some of his options remain in force if his departure is deemed a retirement. If he is terminated for cause, he could lose at least some of his outstanding options. Other severance terms also depend on how his departure is characterized.

The home-building industry isn't typically known for flash, but Mr. Karatz cultivated a high profile. He made a name for himself in the 1970s building a model house on the top of a department store in Paris to promote the company's homes in France.

Last year, he was instrumental in partnering with Martha Stewart to build and market homes together -- a move seen as increasing KB Home's name recognition in an industry that isn't known for having well-known brand names.

Convicted Executives Forced To Sell Homes (USAT)

By Greg Farrell

USA Today, November 13, 2006

When CEOs sell their multimillion-dollar homes, it's usually because they're relocating to a different market, or trading up to an even bigger house.

In the case of Walter Forbes, the former Cendant chairman whose baronial 8-acre estate in New Canaan, Conn., is on the market for $12.5 million, the reasons are a little different.

Forbes, 63, was convicted two weeks ago of conspiracy and making false statements in connection with a massive fraud that cost Cendant investors $14 billion when it was exposed in 1998. Unless his conviction is overturned on appeal, he'll be relocating, all right, but most likely to a property surrounded by thick walls and concertina wire.

As such, Forbes is poised to join the pantheon of convicted former executives who've had to sell their trophy properties or luxury toys to pay off legal bills, settle civil lawsuits or meet criminal forfeiture requirements mandated by judges. Among them:

Dennis Kozlowski, former CEO of Tyco International

Kozlowski was convicted last year of stealing approximately $500 million in cash and stock. Prior to his trial, Kozlowski became the poster child of corporate excess when it was revealed that he spent millions of dollars of Tyco funds on a luxury apartment in Manhattan, filled with exotic details such as a $6,000 shower curtain, and treated his wife to a $2 million party for her 40th birthday on the island of Sardinia. Tyco shareholders picked up half the tab for the party.

Kozlowski, who's currently serving an 81/2-to-25-year sentence in a New York state prison about an hour outside Manhattan, has been selling assets in an attempt to pay $167 million in fines and restitution imposed on him by the judge who presided over his trial.

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Last week, Kozlowski's luxury ski home in Beaver Creek, Colo., featuring three wine cellars, sold for $10 million. The house's furniture is being sold separately for $750,000. Another property, an oceanfront mansion on Nantucket called Sea Rose Farm, has been on the market for $23 million but has not yet found a buyer.

Two months ago, Kozlowski sold his luxury yacht, the Endeavour, for $13 million.

Bernie Ebbers, former CEO of WorldCom

Ebbers was convicted last year of ordering his subordinates to cook the books in what turned out to be an $11 billion fraud. Ebbers began serving a 25-year prison term in September, but prior to sentencing, he turned over almost all his assets to a trust fund established to pay damages to WorldCom investors.

Ebbers, whose fortune at one time topped $1.3 billion, once owned the largest cattle ranch in Canada, as well as thousands of acres of timberland in the southeast USA. But when WorldCom's stock floundered, he had to borrow $400 million from his board of directors to meet margin calls from his bank.

His Mississippi mansion was sold in June for $7.5 million, and in May, sports mogul Stanley Kroenke purchased the cattle ranch for $68.5 million. The proceeds of these and other asset sales went to funds to pay investors and creditors.

Scott Sullivan, former CFO of WorldCom

Sullivan pleaded guilty to manipulating the company's earnings in 2004 and cooperated with the government's prosecution of Ebbers. As a reward for that cooperation, he received only a five-year jail sentence, but he still lost his assets to the same class-action lawyers who reached a settlement with Ebbers.

Sullivan's 30,000-square-foot mansion in Boca Raton, Fla., was sold last year for $9 million.

John Coffey, the class-action lawyer at Bernstein Litowitz Berger & Grossmann who got Ebbers and Sullivan to hand over most of their assets to the investor fund, said that the trend of convicted executives turning over their property to settle civil actions is a new development.

“For years and years, it wasn't usual that white-collar criminals had to sell their homes,” he said. “One of the things we wanted to do at WorldCom is change that. We picked both Scott Sullivan and Bernie Ebbers clean.”

One of the high points of his negotiations with the two men, Coffey said, was when he got Sullivan to come into his office and sign over the remainder of his 401(k) plan, a sum between $200,000 and $300,000, to the class-action fund.

Coffey says he succeeded with Sullivan and Ebbers because both men wanted to make a good impression on U.S. District Judge Barbara Jones prior to their sentencing.

Jeff Skilling, former CEO of Enron

Skilling was convicted in May of lying to investors about the company's financial condition and sentenced last month to 24 years and 4 months in prison. Prior to sentencing, he settled criminal forfeiture proceedings with the government by agreeing to sell his home and transfer all his assets, as much as $45 million, to a fund for injured shareholders.

In the case of Cendant's Forbes, the fines and penalties he'd have to pay if his conviction stands up could be staggering. After his top lieutenant, E. Kirk Shelton, was convicted last year of securities fraud in the same case, a judge ordered him to pay $3.2 billion in restitution. Forbes could get similar treatment.

On top of that, Cendant says it will try to recover a $47 million severance package it paid Forbes to oust him in 1998, as well as $15 million in legal fees advanced to him. Cendant lawyers say they will argue that Forbes' conviction nullifies both contracts.

Technically, Forbes' home in New Canaan, as well as two other homes he owns in Florida and Colorado, are not in his name, but his wife's. But since he transferred the titles of the properties after the investigation into the Cendant fraud began, forfeiture experts think lawyers won't have much difficulty winning rights to those assets.

“That's easier,” says Steven Kessler, who specializes in forfeiture cases.

In high-profile white-collar criminal cases in general, Kessler adds, “I have noticed that the houses are worth so much money that the government, either through criminal forfeiture or money judgments or restitution agreements, are getting defendants to sell their homes.”

CRIMINAL LAW:

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Nigeria Bribery Case Heats Up Again (HC)

Houston Chronicle, November 13, 2006

Several probes active, but charges have not been filed in delta inquiry

PARIS — There are new signs of life in a sprawling four-year investigation of whether a unit of Houston's Halliburton Co. and other oil-services companies paid huge bribes in the 1990s to land a $5.6 billion construction project in the Nigerian delta.

French and Swiss investigators are trying to gain access to specific bank records in Switzerland and other European countries to determine if tens of millions of dollars in suspected bribe money ended up in accounts linked to Nigeria's former military dictator.

In Britain, police and agents from the Serious Fraud Office this summer searched four homes and a business looking for links to the case, which began in 2002 when a French oil-services executive facing corruption charges told a judge about a $175 million "slush fund" he claimed had been used to bribe Nigerian officials.

The U.S. Department of Justice is looking into possible criminal offenses, and the Securities and Exchange Commission is investigating possible financial misdeeds. The Nigerian government is also conducting a formal investigation.

In late October, Halliburton officials reported to the SEC that a third person has been dismissed as a result of its own investigation of possible corruption in overseas projects and indicated it had reason to believe improper payments may have been made.

Despite these forward steps, no charges have yet been filed, and investigators concede they do not yet have enough detailed financial information to build an airtight case. They say they cannot yet establish exactly where the money ended up.

The complex case, which spans the globe from Africa to Europe to Houston, drew attention during the 2004 presidential campaign, when Democratic candidates used the allegations about bribery in Nigeria to attack Vice President Dick Cheney for his close ties to Halliburton, where he was chief executive officer from 1995 to 2000.

When the inquiry began, French officials suspected that Cheney might have played a role because he was in charge when at least one of the questionable payments was made. But French officials and lawyers now say that their investigation has not turned up any evidence against the vice president.

In Washington, Justice Department officials declined to comment on the matter.

How inquiry startedThe inquiry developed from allegations that executives from M.W. Kellogg Co., which became part of Halliburton subsidiary KBR, and French, Japanese and Italian oil-services companies formed a consortium called TSKJ that bribed Nigerian officials.

In a lengthy statement to the SEC in late October, Halliburton officials said the possible wrongdoing extended beyond Nigeria.

"We have reason to believe, based on the ongoing investigations, that payments may have been made by agents of TSKJ to Nigerian officials," the company stated. "In addition, information recently uncovered suggests that, prior to 1998, plans may have been made by employees of the M.W. Kellogg Co. to make payments to government officials in connection with the pursuit of other projects in countries outside of Nigeria."

Investigators and lawyers handling the inquiries in France and Switzerland say the investigation has been slowed in recent months because of the difficulty of obtaining the financial records because of bank secrecy policies that protect account holders.

"The French investigating judge has requested information from the Swiss, from Monaco, and from Great Britain, and for the moment he is waiting for the answer on the financial data," said Olivier Schnerb, a French lawyer who represents the whistle-blower who first alerted officials to the possible bribe scheme. "The mystery is how much money has been hidden."

The French and Swiss inquiries are headed by powerful "investigating judges" who can use the European version of subpoenas to question witnesses and obtain records. There is no equivalent in the U.S. judicial system, where prosecutors and police build criminal cases and must seek subpoenas from magistrates, often in adversarial proceedings.

The two judges are seeking access to private bank accounts in several countries, but this process is slow because individuals and banks can appeal in court before records are opened.

U.S. officials also seek this data.

Most of the transactions under investigation took place during the regime of the late Nigerian military dictator Gen. Sani Abacha. During his brief five years in power he is suspected of embezzling more than $3 billion from his country's treasury.

Swiss officials say it was brazen larceny on a scale rarely seen before or since. The inquiry involving Halliburton's subsidiary represents only a small part of a much larger series of legal actions to track and recover Nigerian national assets from Abacha's family.

"We don't know in Geneva exactly how much he stole," said Judge Daniel Dumartheray, the Swiss judge charged with investigating the Abacha regime's financial affairs. "He stole money directly from the state, and he used fraud, substantially raising the prices of contracts and getting paybacks, and he got bribes from people who paid to get contracts."

Money scattered globallyDumartheray said in an interview that the unprecedented attack on Nigeria's oil-swollen cash reserves was difficult to trace because the dictator had scattered his money in a number of countries where banking secrecy laws make investigation painstakingly slow.

"He also had money in the United Kingdom, in Jersey, in Lichtenstein, in Luxembourg, in France and perhaps in Israel," the judge said. "We don't know if we have knowledge of all that he did. He had the assistance of a lot of different intermediaries in other countries, and all those people helped him open accounts in the name of other companies, so his name doesn't appear."

The judge said the dictator used his immediate family to create accounts that helped him launder his stolen billions and that his son used false names and false passports to make it easier to hide money in various offshore accounts.

"All this makes it very difficult to get a paper trail of his money," Dumartheray said. "For an investigation, each time the money moves you have to write for legal permission to get the information, and people can fight it and appeal it and stop the inquiry."

One of Abacha's suspected cronies, Abubakar Atiku Bagudu, was arrested in Houston in May 2003 on an international arrest warrant charging that he had helped the Abacha family loot hundreds of millions of dollars in public funds.

He has since been extradited to Nigeria.

The trail also led to Britain this summer.

Serious Fraud Office spokesman David Jones said last week that four homes and one business in London and Somerset were searched on July 20 as part of the ongoing bribery investigation.

The unit only takes on investigations involving allegations of major malfeasance when large sums of money are thought to be involved, he said.

Death stopped plunderingAbacha's theft of his country's vast oil wealth ended with his sudden death from a heart attack in 1998. His elected successor, Olusegun Obasanjo, launched a global search for the money Abacha and his family squirreled away in secret accounts.

Already, the new Nigerian government has been able to have more than $1.1 billion returned from Switzerland and other countries where Abacha's funds were located. It has become the biggest money-laundering case in Swiss history, lawyers said.

In addition, lawyers said that roughly $800 million in bank accounts linked to Abacha have been frozen in Lichtenstein, Luxembourg, Jersey, France and Britain.

Enrico Monfrini, a Swiss lawyer representing the Nigerian government, said the scale of the corruption was staggering because Nigeria's oil revenues were so huge.

"We know many of the ways Abacha stole money, including having boxes of cash containing $40 million to $60 million delivered to the presidential villa," he said. "But the bribes have proved the most difficult to investigate because they were paid offshore. So there is often no way to know how much money was paid."

He said Swiss law allows an investigating judge to get financial data from specific bank accounts with a judicial order. The process is somewhat similar to obtaining a search warrant in the United States.

This tactic can be effective in many cases, but it does not work well when money is placed in accounts opened by intermediaries who are not known to authorities, or opened under fictitious names.

No fishing expeditions"You can't go on a fishing expedition," Monfrini said. "You have to name the specific person with specific suspicions and say the account contains the proceedings from crime."

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The investigation opened in 2002 after Georges Krammer, a former oil-services company executive facing possible criminal charges for alleged corruption, told a French investigating judge that the TSKJ consortium had set up a substantial slush fund used for bribing Nigerian officials.

The consortium was able to obtain contracts worth roughly $5.6 billion to build a liquefied natural gas plant on Bonny Island in Nigeria.

At the time, Krammer was working for Technip, a major French oil-services company that was part of the consortium, which also included Japan's JGC and Italy's Snamprogretti. His disclosures prodded French Judge Renaud van Ruymbeke, known in France as an effective fighter against corporate corruption, to begin a full-scale investigation of the consortium and its finances.

Some investigators involved with the case expect the Swiss to deliver financial information within a month. This would allow investigators in the United States, France, Switzerland and Britain to decide whether to file criminal charges.

Others fear more delays will slow the inquiry for months or years.

Halliburton's role in the possible bribery case only began in 1998, when it took over M.W. Kellogg, the American component of the TSKJ consortium, as part of a larger acquisition of Dresser Industries. Some of the suspected corrupt activities took place before Halliburton was involved.

M.W. Kellogg, an engineering and construction firm, is now part of KBR, formerly known as Kellogg, Brown and Root, which is part of Halliburton.

Halliburton's SEC statement said that some of the employees suspected of making improper payments are still active Halliburton agents and consultants.

Halliburton cooperatingHalliburton's lengthy statement indicates that the company is cooperating with the Justice Department and SEC investigations in the United States and with the Nigerian government inquiry.

Many company records have been subpoenaed and made available to investigators, Halliburton said in its SEC filing. Halliburton spokesman Cathy Mann said the company has been forthcoming in releasing information about the Nigerian affair.

"We have provided public disclosure about this matter for some time, and we have provided updates as appropriate," she said in an e-mail response to questions.

The SEC filing states that the SEC has subpoenaed A. Jack Stanley, a former executive dismissed in 2004 for allegedly receiving "improper personal benefits" from Jeffrey Tesler, a British lawyer who set up a company called Tri-Star that received payments from the consortium. Lee Kaplan, Stanley's lawyer, declined to comment on the case.

Halliburton has also severed its relationship with Tesler, who is being investigated by a number of agencies but has not been charged with any crimes. He and his lawyer declined to be interviewed for this article.

In addition, Halliburton states that a number of current and former employees and former executives have been subpoenaed by the SEC.

Halliburton officials have also declined to name the employee who was recently suspended or to reveal the location outside Nigeria where they believe improper business practices may have been used to obtain contracts.

The company agreed to the SEC's request for a so-called tolling agreement extending the statute of limitations.

The agreement in essence gives the government more time to conduct its investigation and the company to make its case.

Halliburton also asserts in its SEC filing that its managers have been cooperating with investigators in France, Nigeria and Switzerland and are aware of the investigation by the Serious Fraud Office in Britain, where Tesler is practicing law.

Witness Against Murder Inc. Gang Gets Freedom (WT)

By Jim Mcelhatton

The Washington Times, November 13, 2006

A former high-ranking member of the Murder Inc. crime syndicate in the District, which was charged in 31 killings, has won a "very unusual" sentence that will keep him out of prison, newly unsealed court records show.

Maurice Andrews, 36, former confidant of D.C. drug kingpin Kevin Gray, faced 30 years to life in prison under federal sentencing guidelines after pleading guilty to racketeering charges related to several murders.

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However, in what prosecutors call a "very unusual" request, the U.S. Attorney's Office recently sought a sentence of time served and probation. Authorities cited Andrews' role as a key government witness in the prosecution of the violent street gang.

"He testified in dozens, literally dozens of criminal incidents that he was aware of, ranging from individual drug deals to murder," Assistant U.S. Attorney Matthew G. Olsen said at Andrews' Sept. 29 sentencing.

U.S. District Court Judge Royce C. Lamberth sentenced Andrews, who has been in the federal witness-protection program for five years, to time served and five years' probation, according to a transcript of the hearing.

The proceedings had remained sealed until last week.

Federal authorities have called Murder Inc. the most violent gang in the District's history. It ran much of the city's crack cocaine and heroin trade during the 1990s and killed potential government witnesses, authorities said.

Several leaders of the gang -- including Gray, convicted of 19 murders, and Rodney Moore, convicted of 10 murders -- are serving sentences of life in prison without parole. A jury deadlocked on giving them the death penalty.

The Murder Inc. case resurfaced last month when government witness Bethlehem Ayele was fatally shot after her car was stopped in Alexandria. Police have described the killing of Miss Ayele, a restaurant owner and real-estate agent, as a targeted hit. She was one of several people who cooperated in the case.

Andrews pleaded guilty in July 2000. Among other charges, he admitted to supplying the gun used to kill one man and assisting in plans to kill two others.

One victim, Carlos Cardoza, was suspected of cooperating with investigators. According to testimony, Andrews drove contract killer Oscar Veal Jr. to Cardoza's house to have him killed. Asked how he felt upon learning Veal killed Cardoza, Andrews testified, "It just another thing, I mean, it was the life I was living at the time."

Veal, who also cooperated, admitted that he committed seven killings. He is serving 25 years in prison.

At his sentencing, Andrews apologized by saying: "I just got myself into something I couldn't get out of. I was too far in and I wanted out. But I didn't know how to get out."

Andrews grew up in Southeast. He worked sporadically in carpentry and clerical jobs, meeting Gray sometime in 1994. The pair clicked. They spent nearly every day together for five years, Andrews testified.

Andrews testified that Gray got drunk and told him about committing numerous murders. But Andrews added that he knew better than to directly ask Gray such questions.

"He gets suspicious and thinks you're asking him questions for a reason, and he ends up killing you," Andrews testified.

However, defense attorneys sought to discredit Andrews, saying he repeatedly lied under oath to get a reduced sentence.

One defense theory held that Andrews testified for the government because he needed help paying his medical bills after learning in jail he was HIV positive.

Under cross-examination in 2002, Andrews told Moore's attorney that he received $1,200 to $1,800 a month at various times after joining the witness-protection program.

He also said that he got money for furniture, a car and a job and that the government paid more than $1,600 of his unpaid parking tickets.

In January, Sebastian Graber, an attorney for Larry Wilkerson, whom Andrews testified against, filed court papers stating Andrews and other cooperating witnesses conspired to "put murders" on Gray, Wilkerson and others.

Andrews was "known for not telling the truth," and associates knew him by the nickname "Lie-Lie." Mr. Graber stated in court filings.

"Mr. Andrews is willing to lie and lie about murders," Mr. Graber told Judge Lamberth during a hearing in 2004.

Yet prosecutors say Andrews was a reliable and truthful witness, despite his reputation.

"Although he was known on the streets as a partyer and drug dealer who could not be trusted, he took his cooperation ... very seriously," Assistant U.S. Attorney Amy Jeffress wrote in a Sept. 27 memo to Judge Lamberth.

"We understand that a departure of this magnitude is very unusual," Miss Jeffress wrote, referring to Andrews' sentence.

"We believe, however, that defendant Andrews' extraordinary cooperation justifies this significant benefit."

It is not clear what Andrews has been doing for the past five years.

"He's got a steady job, pays his taxes and stays out of trouble," his attorney, James Lyons, told Judge Lamberth.

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"I'm going to keep doing what I've been doing," Andrews added.

Identity Thief Is Often Found In Family Photo (NYT)

By John Leland

The New York Times, November 13, 2006

In the five years since his divorce, Eric Wagenhauser had moved on with his life. He had remarried and was sharing custody of the three children from his first marriage. Then, last year, Mr. Wagenhauser discovered a new wrinkle on American divorce: his former wife had used the children's Social Security numbers to apply for nine credit cards in their names. She obtained two.

Mr. Wagenhauser's ordeal over the next year, which involved police departments in two Texas counties, banks, credit bureaus and the Social Security Administration, is familiar to many identity theft victims — the crime often begins at home.

Though most victims never learn who stole their identities, half of those who do say the thief was a family member, a friend, a neighbor or an in-home employee, according to surveys by the Federal Trade Commission and Javelin Strategy and Research, a private research firm. The surveys estimate that 9 million to 10 million Americans have their identities stolen each year.

Mr. Wagenhauser's former wife, Ivy Ash, began applying for credit cards in the children's names soon after the divorce. She ran up about $200 in unpaid bills, he said, which grew to about $1,000 with late fees and interest penalties. She pleaded guilty to two counts of fraudulent use of a credit card this year and is now in a Texas prison.

But the effect of the thefts is still being felt in the Wagenhauser household. "This has been a financial strain, and to be quite honest, you can hear my wife and I bickering right now over this," said Mr. Wagenhauser, a Houston construction worker. "We've had to go into marriage counseling ourselves because this has been so stressful on our own marriage, just dealing with it, the fighting, the arguments.

"It has almost reached the point where my wife and I have gotten a divorce over all the stress related to having to fight the crime. It stretches out over so many things. That's what makes it so devastating and insidious."

Identity theft involving family members takes many forms, said Betsy Broder, assistant director of the Federal Trade Commission's division of privacy and identity protection. A child steals a parent's identity to buy drugs, one sibling steals another's identity to try to avoid arrest or debt.

Identity theft is often difficult to solve and prosecute, and, in the case of families, victims may be reluctant to report relatives to the police.

The fraud went on for five years before Mr. Wagenhauser became aware of what was happening. By then, the mother's actions had created credit histories for two of the under-age children, which Mr. Wagenhauser worries will cause them future trouble.

"When my kids turn 18 and go to college, they're not going to be able to buy a car or get a student loan because they've got bad credit," Mr. Wagenhauser said. "No one's going to rent them an apartment. They're going to be turned down for jobs because there's so many companies that run credit histories."

"They're kids," he added. "They don't have any idea what's going on. All the sudden they're adults, and they're left holding the baggage."

Suspicious parents can look out for clues that their children's identities have been compromised, said Jay Foley, a founder and director of the Identity Theft Resource Center, a nonprofit organization that helps victims.

"Let's say Mom and Dad are divorced, and Junior goes to stay with dad," Mr. Foley said. "When he calls Mom, she sees the kid's name on the caller ID instead of Dad's. If that was set up in the kid's name, what else was set up?"

If young children start to receive applications for credit cards in the mail, it is a sign that someone with access to their Social Security numbers has applied for credit in their names, Mr. Foley said.

After their mother went to prison, Mr. Wagenhauser's children moved in with him. He and his new wife, Tracey, have not decided how they will explain the crime, or the punishment, to their youngest children, who are 10 and 8.

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"It's definitely estranged me from my oldest daughter," who is 15, Mr. Wagenhauser said. "My oldest daughter, who is old enough to understand, has been told that I am the one who put her mother in jail. She's not accepting that her mother is the one who did this to her and to herself."

Identity theft by a family member or someone close to the family is probably underreported and raises thorny questions about trust, responsibility and loyalty, Ms. Broder said.

"We see parents taking advantage of their children, and children taking advantage of their older parents," she said. "We can tell consumers and businesses to be careful about how they safeguard their personal information, but it's hard to tell people to safeguard their information from the people that they love."

For Brenda Bare, of Snellville, Ga., the identity thief was a trusted friend whom Ms. Bare, 58, had known for 22 years. The friend, a woman, had been living in Ms. Bare's house.

When Ms. Bare returned home in August after being away for a month to care for her mother, she discovered that 10 checks and a recently expired driver's license were missing. A credit card offer in her name was in the woman's bedroom with the application form torn off.

"I said, 'You have to leave here tonight,' " Ms. Bare recalled.

For the next two weeks, Ms. Bare tried to repair the damage. She found helpful a checklist for identity theft victims; versions are available from the Federal Trade Commission and the Identity Theft Resource Center. Ms. Bare discovered that four checks had been cashed, for about $400 in all, and that an application had been made for a credit card, though it had not been approved.

Because the crime was committed in her home by someone she trusted, Ms. Bare said she felt vulnerable.

"The first two weeks I slept with the front and back porch lights on, and if I would hear a noise, I was awake," she said. "I have a dog, but my dog knows her. But I'm feeling better about it and going on with my life."

Ms. Bare's checks had been cashed in another county. She finally tracked down the stores and banks where the checks were cashed, and local police officers issued arrest warrants. But even after her bank cleared her of responsibility for the forged checks, she said, she was still not off the hook.

"After the bank reimbursed my money, they went back to the merchant and took the money back from the merchant because the check was no good," she said. "So the store thinks I wrote a bad check, so they come after me. I had to go prove I didn't do this. This was a nightmare. My bank was supposed to close my checking account, but when I went back in there it was still open."

Although she canceled her credit cards and registered a fraud alert with credit bureaus, she said she was concerned that there was little preventing the thief from using her information again or selling it to someone else.

"There's still four or five checks that were never retrieved," Ms. Bare said. "My license was never retrieved. She can sell all this information. The D.A. just said, 'Oh, she won't do that again.' "

Identity theft by family members can put special pressure on the victims when there is a possibility of children, parents or former spouses going to jail or prison. Many victims pay the debts and choose not to involve the police or the courts, said Mari J. Frank, a lawyer who works with people whose identities have been stolen.

"It's such a breach of trust," Ms. Frank said. "When someone you don't know steals your identity, it's very impersonal. They just want money. But when it's a family member, it's far more emotionally destructive."

For a Michigan couple, the problem began in August with a notice that a bank had received a credit card application in their name. The couple declined to be identified because they are hoping to resolve the matter privately.

The couple immediately suspected their son, who had tried the same thing four years earlier. This time they found that he had obtained two credit cards, run up debts of more than $22,000 and applied for new cards or higher credit limits.

"The explanation was that we never helped him when he wanted the money," the father said.

After much soul searching, the parents said, they did not want to see their son put in jail. They negotiated a plan for him to assume the debt on one card and resigned themselves to paying a debt of about $5,000 on the second card rather than reporting the crime to the police.

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"We'd make an arrangement for him to pay us, but I'm sure he wouldn't," the mother said. "He has a unique way of getting around anything. It doesn't send a very good message, but putting him in jail is not going to help either. There aren't too many good options out there. If he goes to jail, he's not going to learn anything except to wisen him up to be street smart. What choices do we have? All our life from now on we have to watch our credit."

She blamed herself for the way her son had turned out. "I don't know what went wrong, but in the end we have to say it's our fault, and that is terrible to live with," she said. "I can't think of anything worse for a parent."

Staving Off Modern-day Pirates (LAT)

By John M. Glionna

The Los Angeles Times, November 13, 2006

KUALA LUMPUR, Malaysia — Noel Choong was working late the night he got the distress call: Just off the Malaysian coast in the darkness, a Japanese tugboat and barge were being attacked by a dozen pirates armed with AK-47s and rocket launchers.

The 154-man crew aboard the barge Kuroshio was frantic. As the vessel churned slowly northward through choppy waters of the Strait of Malacca, headed for Myanmar, it had suddenly been surrounded by three fishing boats.

The armed men stormed the little tug. Shots were fired. The captain and two others were taken hostage. The desperate barge crew plotted a rescue mission to free their shipmates, who were being held with guns to their heads.

A slender, tough-to-ruffle figure in his mid-40s, Choong urged the crew not to try anything stupid. "The pirates had high-powered weapons," he said later. "We told them: 'You're unarmed. You can't fight guns.' "

As his staff radioed for help from Malaysian marine police, Choong stayed on the phone with the terrified seamen. Pirates may be oceangoing desperadoes driven by poverty or greed, he assured them, but they usually are not killers.

Unless, that is, they were cornered or provoked.

"For that crew, this was a night from hell," Choong recalled. "I was just trying to be their friendly voice of reason."

Choong is a pirate catcher, a maritime crisis negotiator who handles the high-anxiety drama of modern-day pirate attacks in real time. He's also a detective, a high-seas sleuth with a host of shadowy shipping industry informants he uses to run down hijacked ships.

In the outlaw Strait of Malacca, whose waters are considered the most pirated in the world, his services as director of the International Maritime Bureau's Piracy Reporting Center are in near-constant demand.

The 550-mile-long channel, flanked by Singapore and Malaysia to the east and the Indonesian island of Sumatra to the west, is one of the world's most strategic international waterways and its busiest shipping lane. Each year, 60,000 vessels, the equivalent of nearly half the world's entire merchant fleet, negotiate the funnel-shaped shortcut between the Pacific and Indian oceans. They range from mammoth supertankers as large as city skyscrapers to tugs and barges.

Such seaborne commercial traffic attracts a sophisticated brand of piracy that has moved far beyond the scabbards and cutlasses of the 17th century.

Many are opportunists, Choong said, impromptu gangs of poor fisherman who can't resist the allure of lumbering, unarmed vessels laden with cash and goods: "They realized that robbing unarmed sailors is a lot easier than robbing a bank." Others are more ambitious and well-organized, professionals who plunder ships for crime syndicates, warlords, corrupt government officials and even regional terrorist groups.

In recent years, Choong says, emboldened pirates have become more sophisticated. They forge passports and other documents to turn working maritime vessels into slave- and drug-running ships. They use satellite phones and global positioning systems.

With high-speed fiberglass boats, they creep up from behind, using the cover of the ship radar's blind spot. With grappling hooks and expert climbing skills, they scale the vessel's mooring ropes and overpower isolated and vulnerable crews.

The pirates don't just use the cover of darkness. They also take advantage of national sovereignty laws.

Knowing that marine police must observe territorial boundaries, flotillas of fishermen from such places as Sumatra or freelance commandos from the Indonesian navy ambush ships and then race back to the safety of their sovereign waters, often just a few miles away.

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In a trick from centuries ago, pirates may disguise themselves to approach wary vessels. Some pose as marine police, uniforms and all, doing routine checks.

Shippers have retaliated: In the Strait of Malacca, vessels use powerful water hoses to blast would-be boarders off the deck or to swamp the boats below. Some post mannequins dressed in overalls and hard hats to give the impression of a larger crew. Captains of smaller boats spread carpet tacks on their decks at night, hoping to slow pirates, who often attack barefoot to give themselves a better grip and to minimize sound.

Bigger boats illuminate decks with floodlights and travel in a zigzag to create a wake to sink small boats. Day and night, the more watchful captains use closed-circuit TV to monitor the water around them. Some hire armed commandos for security, because in the anarchy and take-care-of-your-own credo of the high seas, isolated ships in jeopardy know they cannot expect help from another unarmed craft.

Many pirate attacks are hit-and-run robberies. In others, crew members are kidnapped for ransom, even tortured and killed. Countless vessels have been hijacked, their nameplates and paperwork swiftly changed, and turned into ghost ships used by syndicates for drug and slave smuggling.

Authorities estimate that only 10% to 30% of pirate attacks are reported. Still, in the last five years, 195 attacks on seaborne vessels in the Strait of Malacca have been logged, including 49 kidnappings and seven deaths. More than $1 million in ransom was paid last year by owners of ships transiting the passageway, statistics show.

By 2005, the shipping gantlet had become so dangerous that Lloyd's of London declared the strait a high war-risk area for insurance purposes, citing its "war, strikes, terrorism and related perils." The advisory was lifted this year after Singapore and Indonesia began coordinated air and sea patrols.

Although the last 12 months have brought an uneasy hiatus, Choong says recent incidents suggest piracy may be back — with an ominous new wrinkle.

In July, armed attackers boarded two United Nations-chartered vessels carrying tsunami relief supplies. In the first incident, six men in military fatigues brazenly stormed the ship before noon, one of the first reported daylight raids.

The next day, a dozen heavily armed men claiming to be attached to the Free Aceh Movement, an Indonesian separatist group, commandeered another U.N. ship. That same week, a gang of 35 pirates armed with machine guns and rocket launchers seized a fully loaded gasoline tanker and kidnapped its captain. He was later released with the vessel.

Choong and others believe such instances suggest the possibility of a major terrorist attack in the Strait of Malacca, which slices through the heart of a region rife with political and religious unrest. International security experts also fear that militants might commandeer a giant crude oil tanker for use as a floating bomb.

Just a mile and a half wide at its narrowest point, the strait is a crucial maritime choke point. Experts say terrorists could sink a huge tanker at a narrow juncture, wreaking environmental havoc and bringing international maritime commerce to a halt.

Though experts differ on its likelihood, some say the idea is not farfetched.

"If someone in 2000 said people could hijack planes and fly them into the World Trade Center, critics would have said, 'Oh, that's not going to happen.' But some incidents suggest terrorists are looking at the Malacca Strait," said John Brandon, director of the Asia Foundation, which monitors U.S.-Southeast Asia relations.

"Pirates recently hijacked and tried to learn to steer an oil tanker in the Malacca Strait. That raises a troubling question: Why do they want to learn to steer?"

Choong has given briefings to global investigative agencies such as Interpol and to anti-terrorism officials from numerous countries, including the United States.

His assessment is troubling.

"Singapore is vulnerable — it's very pro-West and surrounded by Muslim nations," he said. "Militants could cause environmental damage and cripple the world economy. What more could a terrorist ask for? Everything is there."

Choong came to the piracy reporting center in 1997, no stranger to the sea. As a former chief officer and merchant marine, the soft-spoken Chinese-Malay, who grew up here, knows the fear that pirate attacks inspire.

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A religious man who doesn't drink or smoke, he maintains a coolly professional anger against sea robbers and bandits who torture, kidnap and kill his fellow seamen. His employer, the International Maritime Bureau, is part of the Paris-based International Chamber of Commerce, whose fight against piracy is mandated by the United Nations.

From his 35th-floor office in a Kuala Lumpur high-rise 100 miles from the choppy waters of the strait, Choong keeps a bunkered-down mentality, always ready for the next pirate attack. The walls of his reception area are covered with world maps that bear red pins to mark the latest plunders.

Choong's purview is worldwide, from the troubled waters off Somalia and Bangladesh to the ungoverned South China Sea, but the Strait of Malacca is his most constant headache.

His role is not to make arrests or conduct criminal post-mortems after attacks. Rather, he runs a sort of 911 service for seaborne vessels under siege. Through daily situation reports, his agency offers vessels an early-warning system, giving crews a heads-up that they are entering waters with recent pirate activity.

He has also developed a network of informants, shipyard workers and fishermen who peddle tips to help track down hijacked ships. Many contacts are criminals, so Choong takes precautions: He's never photographed. Some family members do not know his job. He changes his route to work.

In delving into Asian organized crime syndicates, he and his team meet shadowy characters in big-city airports and dense jungles.

He wants information and he's willing to pay, money that comes from ship owners and insurers. "We tell our informants we can't guarantee their safety — and some do get killed. There's nothing we can do about that," he said.

"We don't get personal with them. That way we can live with it if they die."

Choong has been threatened. One source told him he could have anyone killed for $500. "I knew what he meant, and it scared me," he said. "But I tell these people that if you kill us, new people will be hired. If you bomb our headquarters, a new one will be built. You can't close us down."

Despite such threats, Choong's war against piracy goes on. Some battles end better than others.

On that night in March 2005, when bandits attacked the Japanese tugboat Idaten and its construction barge, the Kuroshio, Choong urged the barge crew by phone to take pictures of the pirate vessels for evidence.

For nearly an hour, the pirates held the tugboat's captain, chief engineer and a crewman at gunpoint. Then, sometime before midnight, the armed invaders fled with the three men. As Malaysian marine police escorted the tug and barge to port, Choong alerted the ship owner to begin the delicate task of negotiating the release of the hostages.

Over the next few days, the owners, along with Japanese government officials, kept up a dialogue with the pirates. Meanwhile, the hostages were spirited among fishing boats, and finally taken to the jungles of southern Thailand.

After the ship owners paid an undisclosed ransom that Choong described as "way above market value," the men were released, but the pirates escaped. The saga made headlines — with scant mention of Choong. And that's the way he likes it.

"This time nobody died," he said. "Still, it's a dangerous game."

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Authorities Discredit Latest "sighting" Of James "Whitey" Bulger (BOS)

By David Abel

The Boston Globe, November 10, 2006

Authorities in California have investigated and discredited the latest reported sighting of fugitive Boston mobster James "Whitey" Bulger.

Bulger, 77, one of the FBI's 10 Most Wanted fugitives, fled a month before his 1995 federal racketeering indictment and was later revealed to be a longtime FBI informant and charged with the murder of 19 people.

Since he vanished, authorities have investigated reported sightings of the fugitive throughout the world.

Monica Munoz, a spokeswoman for the San Diego Police Department, said last night that a security guard reported seeing someone in the city who looked like Bulger on Oct. 8 or 9. The guard last reported seeing the man board a trolley. But local transit officials did not find anyone matching the description, Munoz said.

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"It wasn't a credible sighting. Someone called and said they saw him. San Diego trolley security did look, but they didn't find him. That's how we know it wasn't a legitimate sighting."

Darrell Foxworth, an FBI agent in San Diego, said he had received reports from police about the alleged sighting, but he also determined they were not legitimate. "The Police Department had responded down there, conducted a limited investigation, and after reviewing the description, they determined it wasn't credible," he said.

Authorities in Boston could not be reached last night about the latest reported sighting.

Was That Whitey Departing The Departed? (BOSH)

By Dave Wedge And Laurel J. Sweet

Boston Herald, November 13, 2006

California cop believes he saw Bulger flee flick

Notorious fugitive James J. "Whitey" Bulger may have starred in his own quick getaway scene after a cop spotted a man resembling the crime boss exiting a screening of the mob flick "The Departed" at a San Diego cinema.

Sources said an off-duty police officer spied the 77-year-old Bulger - or at least someone matching his description - leaving a downtown theater after watching the film, which stars Jack Nicholson as a dead ringer for the South Boston crime lord.

San Diego Police Department spokeswoman Monica Munoz confirmed the department responded to the report about three weeks ago.

The off-duty cop tailed the Bulger look-a-like out of the theater but lost him when the suspect hopped onto a trolley. San Diego transit cops searched the trolley system but were unable to find anyone matching the description, Munoz said.

A source told the Herald the cop recognized the man as Bulger from his "steely blue eyes" and muscular physique. A law enforcement source confirmed that authorities are probing the alleged sighting.

Samantha Martin, spokeswoman for the Massachusetts U.S. Attorney's Office, which is in charge of the Bulger Fugitive Task Force, declined comment.

The incident is the latest possible sighting of the crime boss who vanished in 1995 as an organized crime strike force made up of state police, the U.S. Drug Enforcement Administration and the Internal Revenue Service closed in. A longtime snitch, Bulger fled the night before he was indicted for 19 gruesome mob murders, thanks to a tip from his boyhood pal and longtime FBI handler John Connolly.

The last confirmed Bulger sighting was in London's Piccadilly Circus in September 2002.

The Task Force released a statement earlier this year saying authorities "run down every lead and exclude every look-a-like sighting." There were sightings reported in 19 countries in 2005.

In August, authorities released 25-year-old surveillance videos of Bulger in an attempt to ferret out more tips.

Bulger, who fled with longtime galpal Catherine Greig, has a $1 million bounty on his head and remains the FBI's No. 2 most wanted fugitive, behind only Sept. 11 mastermind Osama bin Laden. He has also remained a compelling media figure as stories about Bulger recently appeared in newspapers in England, where authorities once found Bulger's safety deposit boxes.

Police Believe Slaying At Md. FedEx Site Was Random (WP)

By Tara Bahrampour

The Washington Post, November 13, 2006

She had emigrated from Guyana 19 years ago to give her children, Reina and Colin, a better life. After raising them and a younger daughter, Chantal, in a townhouse in Silver Spring, she moved to a spacious two-story brick house in Bowie. In August, Reina moved in, with her own two children, to save money to pursue her dream of becoming a nurse, like her mother.

That dream ended Saturday when Reina Natasha Lynch, 26, was found dead of a gunshot wound at the FedEx Ground distribution center in Beltsville, where she worked as a security guard. A colleague discovered her body at 7 a.m. in the booth at the entrance to the fenced compound on Trolley Lane.

Prince George's County police said yesterday that they had not found a motive. "We believe this was a random event," said Cpl. Stephen Pacheco. Investigators are looking for clues in Lynch's car and in security camera footage, he said.

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As rain lashed Evans's living-room windows yesterday afternoon, she tried to absorb the fact that her eldest child, "Tasha," was not coming home. Heart-shaped silver balloons bobbed near the ceiling, left over from Tuesday, when the family celebrated Evans's 48th birthday. Lynch and her children, Alexia, 7, and Ethan, 4, had given Evans a handbag and a card telling her that they loved her.

"She was very willing, a very hardworking, loving, determined person," Evans said. "Being a single parent, it was so hard, so I told her she could come home. . . . I'm just trying to figure out who would do such a terrible thing."

Evans's sister, Desaree David, said, "This is quite new for us."

"We are from a society that is quite mild-mannered," she said in the Caribbean cadence she shares with her sister. "You try to get your kids away from this, and you think this is the kind of thing that happens to other people, on TV. When it happens to you, you're not, kind of, insulated for it."

Away from where the sisters sat on pristine white couches, Evans's other children padded around fielding calls. Lynch's children flitted about energetically, holding bags of potato chips and grabbing at the balloons.

David described her niece, a graduate of Montgomery Blair High School, as "a brilliant student" who loved legal thrillers and her mother's pepper pot soup. She rose early each morning to drive a Montgomery County school bus; the weekend security job was for extra money, said her mother, adding that Lynch sometimes heard strange noises near the guard booth but chalked it up to nerves.

Lynch worked for Ronin Risk International, a security firm contracted by FedEx. Evans expressed anger at the companies. "I don't know who would just have one lone female guard just working at night," she said. "It's dangerous even for a man."

FedEx Ground spokeswoman Alison Sobczak said she had never heard of an employee being shot onsite and added that guard booths are typically locked at night.

Evans's son, Colin Lynch, 23, a radiography student at Washington Hospital Center, also works as a guard at the FedEx facility. He had offered to work his sister's shift that night because she was tired. Now, to ease his mother's fears, he will stop working there, he said.

Evans took a sleeping pill Saturday night but woke up crying. "It's too hard," she said, her voice breaking. "It's too fresh." She wiped away new tears. "We came here and worked really hard so we could achieve what we had. I brought them here so they could have a better life."

Now she will transfer that hope to her grandchildren, who will continue to live with her. Sitting close by, Ethan said he wants to be "a firefighter man." Alexia wants to be a police officer. "Alexia's the one who said this morning she wished she was there to help her mommy call 911," Evans said.

No funeral arrangements have been made. A reward of up to $25,000 is being offered for information leading to an arrest and indictment.

"Things were hard for her lately, but they were supposed to be getting better," Colin said. "I was trying to help her the best I could, and it was supposed to get better."

On Saturday, the family had planned to go to Six Flags America.

Hearing this, Ethan looked up and brightly chirped, "Six Flags!" -- remembering the promise of a few days ago.

Petty Disputes Spur Most D.C. Killings (WT)

By Matthew Cella

The Washington Times, November 13, 2006

The motive for most homicides in the District are arguments and petty disputes over perceived slights, accounting for more killings last year than robberies, domestic disputes, gang activity and drug wars combined, according to the Metropolitan Police Department.

"It's a pretty big deal among some people," said Chief Charles H. Ramsey. "A guy gets upset -- you know, 'You're disrespecting me.' Or they don't like the way you're looking at them. You'd be surprised at how many silly homicides we see."

The police department last year attributed 57 of the city's 196 killings to arguments, compared with 50 such killings among the city's 198 in 2004, according to a recently released department report tracking homicide information from 2001 to 2005.

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During those five years, 1,126 persons were killed in the District, 901 of them fatally shot. The report also states that about 1,058 of the homicide victims were black, about 36 were Hispanic and about 32 were white.

Arguments have accounted for a steady increase in the percentage of overall killings in the city since 2001, when they were the primary motive in 19 percent of the 232 homicides.

Chief Ramsey said that guns are a big part of the problem.

"The guns make them feel like they're more powerful," he said. "They overreact."

As recently as 2002, drugs were the primary motive in more than one-third of the city's 262 killings. As a percentage of total homicides, that figure has declined each year, accounting for just 10 percent, or 19 killings, last year.

Chief Ramsey said the decline in homicides attributable to disputes over drugs proves how hard police have worked to eradicate the problem.

The ages of homicide victims have remained fairly consistent. About two-thirds of them each year are 18 to 44.

The report states that in 2005, "nearly all" homicide victims 25 to 34 had a prior-arrest record. The number of juvenile and adult homicides also increase sharply beginning at about 10 p.m., factors that the police chief said he considered when declaring the recent crime emergency, which ended less than two weeks ago.

"I look at numbers and trends every day," he said. "When you look at these things, you can't ignore them."

Other large U.S. cities are reporting a similar trend.

In Milwaukee, where homicides increased from 88 in 2004 to 122 in 2005, the number classified as arguments increased from 17 to 45. That was the largest category of killings, as the number of gang and drug-related slayings decreased, according to the New York Times.

Disputes also made up the largest category in Houston. Homicides increased there 24 percent in 2005, with 113 of 336 related to disputes.

There were 380 homicides in Philadelphia last year, with 208 dispute-related. Drug-related killings, which accounted for about 40 percent of homicides during the early 1990s, accounted for 13 percent, the newspaper reported in February.

The District's report also states that for three straight years detectives have closed 60 percent of cases, peaking with last year's closure rate of 61 percent.

So far this year, police have closed 85 homicide cases for a closure rate of 57.4 percent.

There were 148 killings through yesterday. That figure is down 11.4 percent from the 167 killings recorded at that point last year and on pace to end 2006 with 174 killings. That would be the lowest total since 147 killings were recorded in 1985.

In 1997, the year before Chief Ramsey took over the department, there were 301 killings. The highest total during his tenure was 262 in 2002.

Va. State Police Swap '10-4' For 'Message Understood' (WP)

By Mary Beth Sheridan

The Washington Post, November 13, 2006

Since the Sept. 11, 2001, attacks, local governments have spent millions on high-tech radios to improve communication among police forces. Now, Virginia is taking the next step: changing the very way cops talk.

Starting this month, Virginia State Police have banned the "10 codes" used by generations of officers to flag everything from murders to bathroom breaks. Gone is the language of "10-4" and "What's your 10-20 [location]?"

The codes are as much a part of police culture as badges and coffee. But over time, individual police departments have adapted the codes in their own ways, creating confusion when they have to work together -- such as on Sept. 11.

Eager to avoid such mix-ups, Virginia's government has become one of the first in the nation to try to eliminate traditional cop talk. For months, officials in Richmond have worked with police and firefighters to come up with a substitute for 10 codes, finally deciding on a statewide "common language protocol."

In other words, English.

Police have reacted with a certain amount of 10-32 (alarm).

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"My first reaction was, 'You've got to be kidding me,' " said Trooper Steve Mittendorff, 26, as he patrolled the Dulles Toll Road early this month. "How am I going to stop using something I've been using all these years?"

The switch reflects why it is so challenging for the U.S. Department of Homeland Security to create a national emergency response system. If someone sets off a dirty bomb at the Pentagon, Arlington County police might be on the radio with officers arriving from Fairfax County, Alexandria, the District or Maryland.

To Arlington police, "10-13" means "officer in trouble." To Montgomery County police, the same code means "request wrecker." Even everyday police commands can get lost in translation: In Alexandria, "10-54" refers to an alcohol sensor. For Virginia State Police, it's livestock on the highway.

"It's nuts," said Chris Essid, who is leading Virginia's campaign to get all police and firefighters to switch to plain English. "I had no idea how attached people became to codes."A Simpler Time

The 10-code system started catching on in the 1920s, when police radios had only one channel. Officers needed to bark out information succinctly to avoid tying up the system. But over time, a Babel of codes developed.

The jumble wasn't such a problem when police were on different radio systems, or were not as tuned in to the potential for apocalyptic disasters. But five years ago, as law enforcement agencies rushed to the Pentagon, they found that sometimes they were speaking in different tongues.

Local "police were talking 10 codes. So were the Pentagon police. The FBI have their own little 10 codes," said Capt. Richard Slusher, communications officer for the Arlington Fire Department. "You didn't know what they were talking about."

Usually such mix-ups are just an inconvenience. But the potential for trouble is clear. A few years ago, an agent with the federal Bureau of Alcohol, Tobacco, Firearms and Explosives called in a "10-50" while working in Maryland, police said. To Montgomery police, that means "officer down." Squad cars rushed to the scene -- to discover that, in the agent's code, "10-50" meant traffic accident.

After Sept. 11, federal Homeland Security officials required first responders to use plain English in events involving other agencies. But many officers like to keep the codes for day-to-day use within their departments.

Some officials, though, said they fear such officers will revert to their own 10 codes under the stress of a disaster. That's why Virginia Gov. Timothy M. Kaine (D) decided to urge all first responders to switch to plain language full time.

But getting rid of 10 codes has met considerable resistance from some officers. At stake are efficiency, safety and professionalism. Not to mention cool.

"The jargon is one of the things that sets the cops apart," said Tim Dees, a former police officer who is editor of Officer.com, a Web site run out of Beltsville. Not that police officers are alone, he noted: As shown by numerous TV shows, doctors and lawyers also love to snap out their jargon.

"It adds," he said, "a certain mystique."A Tough Transition

The day after Virginia State Police entered the plain-English era, Mittendorff was patrolling on the toll road. Night was falling, and the radio was squawking with news of rush-hour accidents.

Occasionally, a baritone voice would mutter a "10-46" (disabled vehicle) or "10-27" (requested license check).

"Everyone is trying to remember plain language," mused Mittendorff, an earnest officer with a Marine-style buzz cut. "I've been trying all day, and I keep slipping."

He pulled onto the side of the road, behind another cruiser with flashing red and blue lights. The driver, Trooper Jason Thomasson, 29, had just finished writing a traffic ticket. He and Mittendorff reminisced about the old 10 codes.

"I think they were a lot easier," said Thomasson, leaning on his friend's cruiser. "You can rattle it off a lot faster."

Mittendorff said he worries about troopers encountering greater danger now that their coded language has been stripped bare for anyone with a police scanner to understand.

"The public never knew what we were talking about," he said.

Virginia officials said they have created a simple set of four signals for cases in which police officers need to get radio information confidentially -- for example, if a suspect is on a terrorist list. As for the secrecy of the old 10 codes, Essid said, that's largely a myth.

"A lot of these codes are on the Internet," he said.

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Still, traditional cop talk will not disappear easily. Officials in the Washington area have been talking for months about taking a common approach to the issue, but it hasn't happened. Montgomery has gotten rid of codes, but Prince George's County hasn't. D.C. police have kept a handful of 10 codes.

Even in Virginia, the record is mixed. Alexandria police tried to abolish codes a decade ago but reverted. The codes were more effective, said Lt. James Bartlett, a spokesman, and they limited the time long-winded officers were on the radio.

But, clearly, the attraction goes beyond efficiency.

"It's just our own little language," said another officer on the Alexandria force, Capt. Hassan Aden. He uses 10 codes so instinctually that his 4-year-old son has picked them up. When the boy has soccer practice, for example, Aden says: "Hey, come on, we've got to 10-18," or hurry. Dinner is "10-7 time."

His police officers switch to common language when working with other departments. Still, after years of code, they must make a conscious effort to speak plain English.

"It's like a different language," he said.

CIVIL LAW:

Partial-Birth Replay (WP)

The Washington Post, November 13, 2006

IT ISN'T EVERY day that the Supreme Court confronts a law materially identical to one it has already struck down. But that is what the justices faced last week when they heard oral arguments over the federal ban on partial-birth abortions. Six years ago, the court struck down state partial-birth laws -- ruling that Nebraska's ban was overly broad and lacked an exception for situations in which protecting a woman's health required the use of the disfavored procedure. In response, Congress enacted its own version of the ban, complete with nearly all of the faults from which the Nebraska statute had suffered. The Justice Department contends that the new law can be reconciled with the court's prior ruling. This is laughable. The only way to uphold this law would be to overturn the prior decision -- a step that the justices should not take, in the interest of women's health and out of respect for precedent.

"Partial-birth abortion" is a political term, not a medical one. If Congress had wanted to pass a ban on either late-term abortions or on the particular procedure normally associated with the "partial-birth" label, it was free to do so as long as it defined it carefully and maintained a health exception. It did neither. Instead, it defined "partial-birth abortion" in a fashion that could once again include some abortions performed using the method most common in the second trimester. And it sought to get around the court's insistence on a health exception by asserting, in a purported factual finding, that the procedure is never medically necessary to protect a woman's health.

This, as several lower courts have found, isn't true. And while the Supreme Court generally owes deference to congressional fact-finding, that does not entitle the legislature to get around the high court's constitutional holdings with factual assertions at odds with both its own legislative record and voluminous testimony in the lower federal courts.

The real question this case presents is whether the court, with Justice Sandra Day O'Connor retired, will continue to honor its precedent. In that sense, the case will shed important light on the court's new members, Chief Justice John G. Roberts Jr. and Justice Samuel A. Alito Jr., neither of whom tipped their hands at oral arguments. Both men testified eloquently at their confirmation hearings about their high regard for stare decisis -- the principle that precedents should generally be permitted to stand. Both would send a powerful message of respect for the court's institutional work if, in a case so politically loaded and with so many people expecting a predictable ideological split, they declined the invitation to either contort or reverse a high-profile precedent and merely applied it instead.

CIVIL RIGHTS:

Sex Predators TV Show Raises Rights Issues (LAW)

DOJ_NMG_0092533

By Tresa Baldas, The National Law Journal

National Law Journal, November 13, 2006

The NBC television series "To Catch a Predator," which features confrontations with men allegedly seeking sex with minors online, may be popular with viewers, but not with criminal defense attorneys, who claim the show raises a range of civil rights issues.

Seating an unbiased jury when a client's face has been splashed all over national television is nearly impossible, they argue. Miranda rights and search-and-seizure issues are also compromised by the show, they add.

In the last two years, 183 alleged online sexual predators have been formally charged as a result of being caught on the show, which has run sting operations in California, Florida, Georgia, New York and Ohio with the help of an online predator-watchdog group. More than 20 of those cases have resulted in guilty pleas or convictions, with the remaining cases still pending.

'TOWN SQUARE' TRIAL?

"Without question, it tramples on their constitutional rights to due process and a fair trial," said Blair Berk of Tarlow & Berk in Los Angeles, who is representing a doctor featured on the show that aired on Oct. 6. The man allegedly showed up at a house hoping for a date with who he thought was a 13-year-old girl he met online. People v. Wolin, No. SCR 495892 (Sonoma Co., Calif., Super. Ct.).

Berk likened the show's tactics to "trying someone in town square without giving them due process.

"How do you, with a ratings-driven TV show, with a client as the poster child for the theme of the show -- which is that everyone featured on the show is a sexual predator by definition -- how do you have any chance at securing that person the presumption of innocence, due process or the right to a fair trial?" Berk said.

"They are being tried on TV from a purely prosecutorial prospective."

"Dateline NBC" correspondent Chris Hansen denied claims that the program fails to guard against entrapment and violates defendants' right to a fair trial. He noted that the sting operations always start with the alleged predators initiating the contact with the decoy, not the other way around.

"We are very cautious about this. We understand that everybody is due their day in court," Hansen said. "But at the end of the day, it's no different than if [the alleged predators] walked into an investigation that was run by law enforcement."

He said that "the reality is that the proof of intent in many cases is in the chat log. And the chat logs speak for themselves."

Gary Bostwick of Sheppard, Mullin, Richter & Hampton in Los Angeles, an attorney for NBC Universal Inc., was unavailable for comment.

Chat logs spoke loud and clear to one federal judge who, in August, convicted Maryland Rabbi David Kaye -- snared in an NBC investigation -- of traveling across state lines to have sex with who he thought was a 13-year-old boy he met on the Internet. U.S. v. Kaye, No. 1:06 cr205 (E.D. Va.).

In his opinion, U.S. District Judge James C. Cacheris cited chat logs as "providing more than sufficient evidence that defendant persuaded, enticed and induced the young boy to engage in a sexual act."

According to court documents, Kaye's lawyers argued that Kaye was " simply dirty talking," and that Kaye was induced and enticed by the sting volunteer.

Cacheris rejected both arguments. Kaye is scheduled to be sentenced on Dec. 1.

Steven Harmon, who is defending five California men caught on the NBC show, including a lawyer, a homeland security officer and a teacher, said his main concern is whether or not he can get a fair trial.

"I'm just anticipating that dreadful moment of being in the courtroom when the judge informs the prospective jurors that this is one of those 'Dateline NBC' cases, and hear all the groans and see the rolling of the eyes and stares at my client," said Harmon of Harmon and Harmon in Riverside, Calif. "It's going to be very difficult to find a jury that will be able to listen to the whole story."

But "To Catch a Predator" doesn't tell a full story, argued Ian Friedman, an Ohio criminal defense lawyer whose firm is currently representing some men featured on the show.

To do so, Friedman said, "they'd have defense lawyers on who can explain to the viewers that this isn't a one-sided story."

Friedman, of Ian N. Friedman & Associates in Cleveland, said his firm has represented and advised about 100 men arrested in online predator stings, including a handful caught on the NBC show.

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"This show makes our jobs more difficult, just like 'CSI' makes a prosecutor's job more difficult," Friedman said, referring to a popular CBS television show about crime scene investigations.

A New Way To Sue (WSJ)

The Wall Street Journal, November 13, 2006

We'll soon find out if that humongous gender discrimination class-action lawsuit pending against Wal-Mart is an aberration -- or the legal wave of the future. And rest assured the trial bar is hoping for the latter with dreams of riches.

Last week, a U.S. District Court in San Francisco heard arguments on whether a gender discrimination lawsuit against Costco should also proceed as a nationwide class action. A decision is expected in a few weeks, and the proceedings have an air of deja vu.

The same San Francisco District Court (though not the same judge) heard the Wal-Mart case, which was initiated by the same plaintiffs' lawyer, Brad Seligman. Mr. Seligman is seeking punitive damages, back pay and injunctive relief in both cases, and he is also pushing the same legal theory as to why the claims should be pooled into a class rather than handled individually. He even has some of the same "expert" witnesses.

The Wal-Mart case accuses the retail giant of not promoting women and systematically paying them less than their male counterparts for comparable jobs. Mr. Seligman presented the court with nationwide company data that supposedly shows gender disparities in Wal-Mart pay and promotions. Next came testimony from a sociologist who said corporations tend to engage in stereotyping, followed by a statistician claiming that widespread stereotyping was the likely cause of the alleged discrimination.

Commonality is supposed to be the essence of class actions. Yet the vast majority of Wal-Mart employment decisions are discretionary and made by individuals at thousands of locations across the country. But never mind. The San Francisco court said plaintiffs' statistics could justify class treatment and certified the largest private civil rights case in history, a decision that is currently on appeal to the Ninth Circuit.

In the Costco case, plaintiffs lawyers are again arguing that statistical analyses and formulas are enough to justify a nationwide class certification and deny Costco the chance to dispute whether any individual plaintiff actually suffered discrimination. But in addition, they're claiming that emotional distress -- a highly individualized harm, if it occurred -- can be determined on a class-wide basis as well.

Talk about stereotyping. The idea that a court should assume every female member of the class suffered the same amount of emotional distress seems, well, sexist. Mr. Seligman has also teamed up with specialists like Bill Lann Lee of Lieff Cabraser, a prominent plaintiffs firm that has brought its share of securities, tobacco and consumer class actions. And these lawyers are ready to tee up every deep-pocketed retailer in America on similar accusations if courts let them.

That's why the big game here is getting a large class certified. Companies as large as Wal-Mart can afford to fight a class-action case, assuming they don't mind the negative publicity. But the plaintiffs bar knows that most companies will be pressured to settle rather than risk a jackpot verdict that could put them out of business.

The precedent here is what happened with "strike suits," the Milberg Weiss invention that had lawsuits pre-packaged and ready to go whenever a company's stock price dropped. They were a source of extortion for years until Congress intervened (over Bill Clinton's veto). If mere statistical imbalances can trigger a class action, companies will be forced to make pay decisions based on statistics rather than performance and merit. Ultimately, that leads to racial and gender quotas, all in an effort to avoid frivolous lawsuits.

If these radical legal theories hold up in the Costco and Wal-Mart cases, the trial bar will gain tremendous leverage. The costs for business, employees and American consumers will be high.

ANTITRUST:

Are Private Buyouts Good For The Economy? (CSM)

By Mark Trumbull

DOJ_NMG_0092535

The Christian Science Monitor, November 13, 2006

The new birth of Burger King Corp. this year delivered the beef to the investing public: Under private management, the long-struggling company turned a corner and then made shares available on the New York Stock Exchange.

But the managers kept some major side orders to themselves. They took out a big loan and paid themselves a $367 million dividend and other fees as well. In all, they extracted cash worth about one-sixth of Burger King's market value.

That's one whopper of a payout, and it's not unusual these days.

Increasingly, investors with deep pockets are banding together to form "private equity funds." Just as the leveraged buyout firms did in the 1980s, they are buying up companies, restructuring them, and then selling them back on public stock exchanges - often for a supersized profit.

The practice isn't new, but it remains controversial. And the scale of the trend far exceeds what it was back when Henry Kravis and Michael Milken made their magazine cover debuts.

Hardly a week goes by without more major deals being announced. Meanwhile, the very success of these buyout funds is attracting billions more dollars from investors - raising the prospect of many more buyouts in coming months. In essence, the wealthy are deciding that if you want to make money in stocks, the stock market isn't the place to do it.

"Private equity is a very big deal. It has moved from the periphery of the capital markets 20 years ago much closer toward the center," says Robert Bruner, dean of the University of Virginia's Darden Graduate Business School.

With money pouring in from pension funds and other deep pockets, the trend shows no signs of stopping. It could end up engulfing companies as diverse as the Los Angeles Times newspaper and ailing automotive supplier Delphi Corp. Just last week, Bill Gates and a Saudi prince were among the investors backing a private buyout of Four Seasons hotels, while another buyout fund announced its plan to acquire the Outback Steakhouse.

Private equity is Wall Street jargon for massive funds - pools of money from large investors - used for owning and managing companies in private, rather than as companies listed on public stock exchanges.

Success begets more investment, especially at a time of rather tepid performance by traditional stocks and bonds. Like hedge funds, real estate, and commodities, private equity has become a new money magnet.

Sometimes the private equity funds pour their cash into young companies, but more of it has been going into buyouts of mature companies like Burger King or Hertz.

To supporters, the deals reflect the dynamism of America's capital markets, in which companies are made, remade, and sometimes broken into pieces by savvy investors. The result, arguably, is that capital finds its most efficient use. It not only enriches owners but helps to make companies more efficient and US workers among the most productive in the world. "We are all better off when companies operate well," Mr. Bruner says.

But skeptics, including some within the investment community, voice a number of concerns.

They say the deals are doing much more for the acquirers than for the economy at large, or even for the traditional shareholders who are forced to sell when the deals happen.

Indeed, the latest buyout wave may raise questions about both the virtue of private equity funds (are they really helping the companies that much?) and about the performance of traditional, publicly traded companies (why can't they do as well for their investors?).

"There is now little question that chief executives across America are increasingly content to allow private equity firms to somehow 'magically' deliver sparkling returns to their shareholders, which they themselves were incapable of producing during their time at the helm," write Henry McVey and David McNellis in a recent market strategy report for the investment bank Morgan Stanley in New York.

They argue that US corporations have essentially become too cautious about investing in new ideas to grow their business. The result is a buildup of cash, and a decline in debt.

That's one reason some of these public companies become tempting targets for private equity funds. The private buyers will plan to do some things that improve the business, so it can be resold later at a higher price. But they will also, often, tap free cash or borrow to provide dividends and fees that guarantee a high rate of return even before they sell.

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Burger King is a case in point. In 2002, a group of private equity funds bought the restaurant brand for $1.5 billion from its parent company, Diageo.

The private owners went through several CEOs, but finally got the hamburger chain sizzling again, with sales boosted by a value menu and new products. In the process, they made sure to get an early slice of the profits, with the $367 million dividend and other fees.

Clearly, the rich are getting richer here. But arguably the economy is also somewhat better off. Analysts see a larger, healthier company than in 2002. Burger King's market value is now more than $2 billion.

If the private equity had merely hollowed out the company with its cash extraction, it wouldn't be worth that much today, some experts point out.

But if private equity is helping corporate America be more productive, the returns may diminish at some point - partly because it's harder to find lucrative deals.

"I definitely think the returns [to private equity] are not going to be as robust as they've been," says Colin Blaydon , an expert on private equity at Dartmouth College's Tuck School of Business in Hanover, N.H.

ENVIRONMENT:

Inside The Beltway (WT)

By John Mccaslin

The Washington Times, November 13, 2006

Burning Rex

More reaction to the sharply critical letter that Republican Sen. Olympia J. Snowe of Maine and Democratic Sen. John D. Rockefeller IV of West Virginia sent recently to Rex W. Tillerson, otherwise welcoming him to his new post as chairman and chief executive officer of Exxon Mobil Corp.

The remainder of the three-page letter, shall we say, blasted a so-called "climate-change denial strategy carried out by and for Exxon Mobil" against global warming -- the senators accusing the oil giant of being "the primary funder of no fewer than 29 climate-change denial front groups in 2004 alone."

The bipartisan pair went so far as to request that Mr. Tillerson "publicly acknowledge both the reality of the climate change and the role of humans in causing or exacerbating it," even absent scientific proof of such a cause.

Now, one prominent Washington group is stepping forward to acknowledge receiving "modest funding from the energy sector, including from Exxon Mobil," although the National Center for Public Policy Research says such funding has never exceeded 1 percent of annual expenditures.

And while it "recognizes both that global temperatures have risen over the past 150 years and that anthropogenic greenhouse-gas emissions contribute to the greenhouse effect," the center calls attention to competing scientific data of the causes of global warming, and therefore believes that any anthropogenic signature is "likely to be modest."

And who can say they aren't right?

Nicolas Copernicus, as the center points out, was condemned for suggesting that the sun, rather than the earth, was the center of our universe. Giordano Bruno, meanwhile, was persecuted and ultimately burned at the stake for arguing that space extended beyond our solar system. And William Harvey was ridiculed by leading medical authorities of his day for suggesting that the heart was the center of the body's circulatory system.

"Copernicus, Bruno and Harvey were persecuted out of fear," it notes. "Each ultimately was proven to be correct."

As for Sens. Snowe and Rockefeller, the center charges they "are engaging in persecution of their own, attempting to silence dissenting voices ... and, as such, should be condemned by Americans of all political persuasions -- both left and right."

Eat your spinach

Still hesitate at the spinach counter, worried Popeye's leafy green bodybuilder will inflict harm instead of produce muscles?

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Dr. Henry I. Miller, a physician and fellow at the Hoover Institution, says while the recent outbreak (only 200 cases) of E. coli traced to fresh, bagged spinach garnered a lot of attention, it's only a drop in the bucket of 76 million cases and 5,000 deaths annually from food poisoning in the United States.

As far as the spinach contamination went, it seems some wild hogs rolled out of the mud and into the spinach patch. In fact, the good doctor prescribes in TCS (Technology, Commerce, Society) Daily that Americans' food is not only the least expensive, but the safest in the history of humankind.

"However, there is a limit to how safe we can make agriculture, given that it is an outdoor activity and subject to all manner of unpredictable challenges," states Dr. Miller. "If the goal is to make a field 100 percent safe from contamination, the only solution that guarantees this is to pave it over and build a parking lot on it."

Worth quoting

"Most of these markers stand over graves of Americans who came home to enjoy the peace they earned. Too many stand over the graves of those who gave their lives to protect that peace."

-- President Bush, in remarks this Veterans Day at Arlington National Cemetery

Buy a book

What do conservative commentator Pat Buchanan, North Dakota's Democratic Sen. Byron L. Dorgan, Republican former defense chief William S. Cohen, and Washington journalists Michael Isikoff and David Corn have in common?

Not a whole lot, quite frankly.

But they've each been selected as featured authors for Wednesday evening's (5:30 to 8:30 p.m.) National Press Club 29th annual Book Fair and Authors' Night, arguably Washington's most prestigious literary event.

Among this year's other authors on hand to sign their latest yarns will be John Dickerson, Ron Fournier, Doug Sosnik, David Maraniss, Helen Thomas and Frederic J. Frommer, whose book is perhaps the least controversial of this year's lineup: "The Washington Nationals 1859 to Today: The Story of Baseball in the Nation's Capital."

Then again ... .

•John McCaslin, whose column is nationally syndicated, can be reached at 202/636-3284 or jmccaslin @washingtontimes.com.

FBI/DEA/ATF/USMS:

Satellite Gear Aided In Finding Arellano (SDUT)

By Onell R. Soto, Union-tribune Staff Writer

The San Diego Union-Tribune, November 11, 2006

Equipment revealed in court documents

U.S. agents used satellite equipment to track and arrest the suspected leader of the Arellano Félix drug cartel in a boat off the coast of Baja California Sur this summer.

Law enforcement officials hailed the arrest of Francisco Javier Arellano Félix, accused of running the drug cartel in recent years, as a key blow to the organization they say moved tons of drugs between Mexico and California.

Arellano is charged with racketeering and conspiracy to launder money and import drugs.

The existence of the satellite-tracking equipment was revealed in court documents filed by prosecutors this week in response to a defense lawyer's challenge that the arrests took place in Mexican waters and therefore are illegal.

In the papers, prosecutors said the arrests took place in international waters.

Investigators, led by the Drug Enforcement Administration, have been investigating the Tijuana-based cartel for years. In April, they identified a yacht, the Dock Holiday, that authorities said was bought by high-ranking members of the organization.

“On August 14, 2006, agents determined from global positioning satellite equipment that the Dock Holiday was at sea,” prosecutors wrote in the papers.

“At agents' request, the U.S. Coast Guard stopped and boarded the vessel in international waters – according to the GPS equipment, about 13 nautical miles – off the coast of Mexico.”

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Mexico has jurisdiction in waters within 12 miles of land, the prosecutors said.

Because the boat was registered in Delaware and its designated home port was Newport Beach, it was a U.S. vessel that could be legally boarded by the Coast Guard in international waters, they said.

Although the boat was flying a Mexican flag at the time, prosecutors said it was not registered in Mexico and was "not entitled to fly Mexico's flag."

Lawyers for Arellano and a passenger charged with lying to the Coast Guard about his name said they were surprised by the mention of the GPS device.

"We're informed that they got notice the vessel was at sea," said David Bartick, one of Arellano's lawyers. "I don't know who gave them notice, I don't know how they knew."

Jeremy Warren represents Cesar Niebla Lerma, the passenger charged with lying about his name. He said existence of a GPS device on the boat raises questions of how it got there.

Depending on how the device was planted, defense lawyers could argue that their clients' rights were violated, he said.

A DEA spokesman was unavailable yesterday, a federal holiday.

In an August news conference announcing the arrests, the head of the San Diego DEA office hinted that no informant tipped agents off to the location of the boat, despite a $5 million reward for information leading to Arellano.

"No one will be collecting that reward," John Fernandes said.

He wouldn't say at the time how agents knew the boat's whereabouts.

"These kinds of operations take surveillance, surveillance, surveillance," Fernandes said. "That's . . . boots on the ground, or in this case, boots on the water."

Eight men and three boys were on the boat. The boys and two of the men have returned to Mexico, and six of the men remain in U.S. jails. Only Arellano and Niebla face charges in the United States.

One of the others, a suspected cartel leader, Manuel Arturo Villarreal Heredia, is facing extradition to Mexico, where he is wanted on racketeering and other charges.

The three others have refused a judge's order to testify before a federal grand jury here and are being held in contempt of court.

Accused Drug Dealer Reaches Plea Agreement After Laced Heroin Deaths (NBC10)

NBC 10.com, November 13, 2006

Dover Man To Spend At Least 20 Years In Prison

DOVER, Del. -- An accused drug dealer suspected of distributing fentanyl-laced heroin that killed a Dover man will spend at least 20 years in prison after agreeing to plead guilty to a federal drug charge.

A federal grand jury returned a six-count indictment in September against Joseph Bentley, 22, of New Castle.

On Wednesday in U.S. District Court in Wilmington, Bentley agreed to plead guilty to a single count of distribution of heroin and fentanyl resulting in the death of another individual. Prosecutors agreed to dismiss the other counts of the indictment.

The charge to which Bentley agreed to plead guilty carries a mandatory minimum 20-year prison sentence, and a maximum penalty of life in prison and $1 million fine. Federal prosecutors agreed to recommend a three-level reduction in the sentencing guideline range for his acceptance of responsibility in the death of Seth Boyd, 30, of Dover.

Bentley is the first person in Delaware prosecuted under a federal law that mandates prison time for a person who provides a drug that kills or seriously injures another person.

Boyd, who owned a business that sold vintage autographs and historical documents, was found dead in his home on April 28. An autopsy concluded that he died from respiratory failure due to inhalation of fentanyl.

Boyd's girlfriend told state investigators that Bentley had delivered 13 bags of heroin to Boyd's home on the day he died. State police found two empty heroin bags inside the home, one with a straw in it.

When state police arrested Bentley on May 5, he was carrying a copy of Boyd's obituary in his pocket.

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Authorities later obtained tape recordings of telephone conversations between Bentley and his father, Arthur Bentley, who was being held at Delaware Correctional Center in Smyrna on drug charges. According to an affidavit by a Drug Enforcement Administration special agent, Bentley told his father that a batch of heroin he had obtained had killed two of his customers.

As part of the plea agreement, Bentley will reimburse Boyd's estate for ambulance, medical, funeral and burial expenses.

7 Indicted In Prospect Heights Crack Sting (PROJO)

By Tatiana Pina, Journal Staff Writer

The Providence Journal, November 10, 2006

PAWTUCKET — After a 10-month investigation, a federal grand jury has charged seven men with drug trafficking for allegedly selling crack cocaine out of the Prospect Heights housing project.

During a news conference at Pawtucket police headquarters yesterday, U.S. Attorney Robert Clark Corrente said that four of the seven have been arrested. The others are considered fugitives.

Corrente said law-enforcement officers disrupted a large-scale cocaine-trafficking ring in Prospect Heights.

Some of the men who are charged are suspected of being part of a loosely knit gang known as the Prospect Heights Posse, which has no known national affiliation, Pawtucket Police Chief George L. Kelley III said.

A total of 22 ounces of crack cocaine was recovered, according to Corrente. It has a street value of $22,000. One of the men was also charged with being a felon in possession of a firearm. Law enforcement officers recovered a 25 calibre pistol.

The investigation was conducted by city police and the Drug Enforcement Administration Task Force. Teams of federal agents and city officers arrested three men last week. One man was already in custody for his alleged role in robbing a delivery man at Prospect Heights.

John L. Kimborough, 38, of Pawtucket, who is also known as “Country,” was charged with distributing crack cocaine and being a felon in possession of a firearm. Jorge Henriquez, 22, of Central Falls, was charged with two counts of distributing crack cocaine, one of them involving more than 50 grams. Samuel Ross, 27, of Pawtucket, was charged with distributing more than 50 grams of crack cocaine; he was already in custody. Francisco Arias, 25, and Braulio D. Henriquez, 19, both of Central Falls, were each charged conspiracy to distribute more than 50 grams of crack cocaine and possession with intent to distribute more than 50 grams of crack cocaine. Candido Rodriguez, also known as Jeilin Vasquez, 38, was charged with two counts of distributing more than 50 grams of crack cocaine. Fernando J. Torres, 22, of Pawtucket, was charged with distributing more than 50 grams of crack cocaine.

Arias, Rodriguez and Torres are considered fugitives. The other four men pleaded not guilty and are being held.

Another View: Smokescreen Of Medical Pot Clouds View Of The Dangers (SACBEE)

By Gordon D. Taylor, Special to the Bee

The Sacramento Bee, November 13, 2006

Pro-pot advocates often spread misinformation on the subject of so-called "medical marijuana." It's important to show the other side of the issue.

In the past 10 years, California has seen a surge of organized crime groups that have moved into the marijuana industry in a big way. Heavily armed drug cartels have made a multibillion-dollar business of going into our public lands and clear-cutting our pristine forests so they can cultivate enormous marijuana crops. Sophisticated criminal syndicates are buying homes in the Sacramento region and creating indoor marijuana factories in the midst of our family-oriented neighborhoods.

A rogue "pot club" industry has also developed throughout the state. Over the past two years, the DEA has participated in six enforcement actions against pot clubs operating in the Central Valley and inland Northern California. Shockingly, three of the six pot store owners were convicted felons, each of whom was armed with a handgun during the course of the investigations.

The largest of the six pot clubs sold marijuana to an astounding 400 people a day. Owned by two 26-year-old men, this Modesto pot club reported selling more than $3.4 million in marijuana within a six-month period. This pot club was going so well that the owners were paying their security guards $125 to $150 an hour.

Most of the people buying marijuana from these pot clubs do not appear to be seriously or terminally ill; they are able bodied, some even athletically fit, most in their 20s and some even in their late teens. These young people are purchasing

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marijuana not because they are seriously or terminally ill, but because they want to use marijuana for recreational purposes. To put it bluntly, they want to smoke marijuana to get high while using state laws as their shield.

Marijuana has no proven safe and effective medical use and therefore remains a prohibited substance under federal law. Contrary to misinformation spread by many medical marijuana advocates, pot is not a harmless or soft drug. In fact, it's eight times more potent today than it was in the early 1970s. Sadly, more teenagers enter drug treatment for marijuana dependency than for all other illegal drugs combined.

It's up to each of us to not only protect our public lands and neighborhoods, but to educate our young people about the dangers of marijuana and help them see through the "medical marijuana" smokescreen. About the writer:

Gordon D. Taylor, a veteran DEA agent, has oversight of Drug Enforcement Administration operations in 34 counties throughout the Central Valley and inland Northern California. He is responding to the Nov. 5 Forum article "What a long, strange trip for state's medical marijuana laws."

Jewelry Theft Ring Is Busted Up, FBI Says (SLPD)

By Robert Patrick, ST. LOUIS POST-DISPATCH

St. Louis Post-Dispatch, November 13, 2006

FBI agents and police say they have broken a ring of crooks believed to have taken more than $1 million worth of goods from traveling jewelry salesmen in Missouri, Illinois and elsewhere since 2003.

In a sworn statement made public in federal court in St. Louis this week, FBI Special Agent Mark Wood wrote that investigators had known for years that a group of Colombian nationals was responsible.

Included were crimes in Des Peres in 2003, Clayton and Columbia, Ill., in 2005, and in Chesterfield, Frontenac and Town and Country this year, Wood wrote.

Five suspects were arrested, and two have been charged so far. The two, Dairo deJesus Giraldo-Soto and Roldolfo Aristizabal-Munoz, appeared in federal court in St. Louis this week to face charges of interstate transportation of stolen goods. They remain in custody.

Court documents laid out the scheme this way:

The men watched jewelry stores to identify visiting brokers and salesmen. Then they followed selected victims and either confronted them with a weapon or snatched merchandise from their unattended vehicles.

A motel employee tipped off investigators last month that some guests might be drug dealers. Drug Enforcement Administration agents followed the men, determined they were watching jewelry stores, and turned the matter over to the FBI and St. Louis County police.

Using a minivan and sedan, the suspects watched multiple

jewelry stores in St. Louis County on Halloween. The next day,

as investigators' suspicions mounted, the men parked close to Saettele Jewelers, near the St. Louis Galleria.

The suspects followed a jeweler as he left the store carrying a case, but lost him in traffic. They then watched two other jewelry stores before investigators who had been trailing them closed in.

Inside the minivan, officers found three men, a stun gun, a glass cutter, a tool used to make a hole in glass, knives, cell phones, jewelry tools, a global positioning unit and UPS shipping supplies.

They also pulled over the sedan and found two men and similar equipment.

None of the missing jewelry has been recovered. Police said the robbers would ship the loot to Miami and quickly leave town.

Giraldo-Soto told investigators that the men had come to the St. Louis area from Chicago, intending to rob or steal from salesmen, including the man at Saettele's.

He admitted the suspects' role in multiple similar thefts or robberies and said the men had shipped or driven the jewels back to Florida, where they live, officials said.

The fingerprints of Aristizabal-Munoz linked him to a June 28 robbery in Town and Country, officials said.

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In that case, police said at the time, a salesman from New York left Novak Jewelry after about 20 minutes to find that his car wouldn't start. He got out and was confronted by three men with a stun gun, who took a case containing more than $425,000 in jewelry inside.

In the Frontenac case, two men took more than $250,000 from a jewelry salesman in a parking lot outside the Safe Deposit Co. at 515 Lindbergh Boulevard on July 11, police said at the time.

John Stobbs, the attorney for Aristizabal-Munoz, told a reporter Friday, "He maintains his innocence." Giraldo-Soto's public defender could not be reached for comment.

The three other men had not been charged as of Friday. Two of them had entered the country illegally, and one was an American citizen, police said.

Yet another Colombian native was sentenced to 22 months in prison in 2002 for the robbery of $500,000 in jewels from a salesman at a fast food restaurant in Glen Carbon in 2001. That Colombian, Leonardo Quintero of Florida, who also had Stobbs as his attorney, cooperated with investigators and spoke of a similar ring of thieves and robbers.

Heather Ratcliffe of the Post-Dispatch contributed to this report.

Insurgent Activity Spikes In Afghanistan (AP)

By Jason Straziuso, The Associated Press

AP, November 12, 2006

KABUL, Afghanistan -- Insurgent activity in Afghanistan has risen fourfold this year, and militants now launch more than 600 attacks a month, a rising wave of violence that has resulted in 3,700 deaths in 2006, a bleak new report released Sunday found.

In the volatile border area near Pakistan, more than 20 Taliban militants _ and possibly as many as 60 _ were killed during several days of clashes, officials said Sunday.

The new report said insurgents were launching more than 600 attacks a month as of the end of September, up from 300 a month at the end of March this year. The violence has killed more than 3,700 people this year, it said.

Afghanistan saw about 130 insurgent attacks a month last year, said the report by the Joint Coordination and Monitoring Board, a body of Afghan and international officials charged with overseeing the implementation of the Afghanistan Compact, a five-year reconstruction and development blueprint signed in February.

The violence "threatens to reverse some of the gains made in the recent past, with development activities being especially hard hit in several areas, resulting in partial or total withdrawal of international agencies in a number of the worst-affected provinces."

The report said that the rising drug trade in Afghanistan is fueling the insurgency in four volatile southern provinces. The slow pace of development is contributing to popular disaffection and ineffective implementation of the drug fight, it said.

Afghanistan's poppy crop, which is used to make heroin, increased by 59 percent in Afghanistan this past year.

Insurgents have launched a record number of roadside bombs and suicide attacks this year, and there have been clashes all year between insurgents and Afghan and NATO security forces, particularly in the southern and eastern provinces near the border with Pakistan.

The 3,700 deaths the report attributes to insurgent-related violence is comparable to the number of deaths _ about 3,500 _ tallied by The Associated Press this year based on reports from the U.S. military, NATO and Afghan officials.

In the east, Gen. Murad Ali, the deputy Afghan army commander for Paktika province, said 20 bodies were recovered from fighting in Bermel district in the last several days. In addition, he said, two trucks carrying Taliban fighters were destroyed by airstrikes or artillery fire, and officials estimated 40 fighters were killed in those strikes.

Four NATO soldiers and three Afghan soldiers were injured, he said, though a spokesman for NATO's International Security Assistance Force said he was not aware of any serious injuries among NATO troops.

Maj. Luke Knittig said the operations in Bermel, which borders Pakistan, were part of an ongoing Afghan-NATO mission to root out Taliban militants before winter.

"We know we've engaged in successful operations in Bermel with a purpose, and we think those have had a very positive effect against insurgent activity there," Knittig said.

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Knittig said Ali's estimate of 60 dead fighters "sounds about right to me," but he did not have an independent estimate of the number killed. "We are not into the numbers game here lately," he said.

Death tolls in remote areas of Afghanistan are almost impossible to verify and often vary widely.

Abdul Baqi Nuristani, the provincial police chief, said only 25 militants have been killed in Bermel the last couple days. He said three Afghan and three NATO soldiers were injured in what he called "a very big battle."

Ali said tribal elders took the bodies of eight Pakistani fighters back over the border to be buried.

Afghan officials have repeatedly accused Pakistan of not doing enough to prevent Pakistani or other foreign fighters from crossing the border to launch attacks. Pakistan says it does all it can, though border attacks have increased since a September agreement led the Pakistani military to pull out of its lawless tribal region.

Bermel is home to a military base that hosts both Afghan and U.S. soldiers. NATO-led troops aided by military aircraft killed 15 suspected insurgents in the district on Tuesday after troops on patrol came under attack.

UN: Iran, Afghanistan, Pakistan Need To Share Drugs Data (AP)

AP, November 13, 2006

TEHRAN (AP)--Iran and neighboring Pakistan and Afghanistan must share intelligence on drug smuggling, the head of the United Nations agency against drugs said Friday.

Antonio Maria Costa, the director of the U.N. Office on Drugs and Crime, finished a three-day visit to Iran by praising the government's efforts against drug trafficking, according to a statement issued by the agency.

Iran had seized 231 tons of opium in 2005, more than any other country in the world, the statement said.

But Costa warned the world's production of opium was far greater than what was being intercepted.

"Afghanistan has produced a record 6,100 tons of opium this year and about 80% of this will flow through Pakistan and Iran," he said in his statement. "Only about a quarter of this is likely to be intercepted - about half the success rate with the world cocaine trade.

"I urge these three countries, and their international partners, to establish an intelligence-sharing platform," he added. "If counter-narcotics police in Afghanistan, Pakistan and Iran share intelligence, they could really hit the traffickers hard."

While in Iran, Costa met President Mahmoud Ahmadinejad and other senior Iranian officials and made a helicopter trip to the Iranian border with Afghanistan and Pakistan, the statement said.

U.S. Reaffirms Support For Embattled Kabul Government (WP)

By Pamela Constable, Washington Post Foreign Service

The Washington Post, November 10, 2006

KABUL, Afghanistan, Nov. 9 -- A senior State Department official said Thursday that the Bush administration has been "surprised by the intensity of the violence" in Afghanistan over the past year, but he reiterated its "firm commitment" to support the embattled Kabul government.

Richard Boucher, the top State Department official on South and Central Asia, said this week's U.S. elections and the abrupt resignation of Defense Secretary Donald H. Rumsfeld would have "no impact" on U.S. military policy here.

His comments came as he was finishing a three-day visit to Pakistan and Afghanistan. The governments of both countries have recently faced rising violence from Islamic insurgents and a drop in domestic popularity.

Boucher described Afghan President Hamid Karzai as an "excellent partner" who faces "very difficult tasks," and he said Washington was "firmly with the government and the people of Pakistan" in their fight against Islamic extremists. He also noted the "very strong support among Republicans and Democrats for the mission" in Afghanistan.

U.S. military officials here echoed those comments, saying troop levels would remain at roughly 20,000 for the foreseeable future; currently, more than 10,000 of them operate under the NATO flag.

Boucher said the key to combating a revived Taliban insurgency on both sides of the Afghan-Pakistani border was to "extend the benefits of government" to areas of conflict.

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Many Afghans have expressed anger over the lack of government protection and services in rural provinces, a void that has helped fortify the Taliban and allowed for an upsurge in opium cultivation. There is also growing resentment against the presence of foreign military forces, and Taliban leaders have attracted support by calling for resistance.

Boucher acknowledged that U.S. officials had all been surprised by the level of violence in Afghanistan over the past year, during which more than 1,500 people have been killed and 70 suicide bombs have exploded. But he said two recent peace accords signed between Pakistan's government and tribal leaders in the country's violent border regions were "hopeful signs."

In separate meetings with journalists this week in Kabul and Islamabad, the Pakistani capital, Boucher deflected questions about rising anti-American and anti-government sentiment in the tribal regions. He declined to directly address the widespread public belief that the United States was behind an Oct. 30 missile attack on a religious school in the Bajaur tribal region of Pakistan. That attack killed 82 people.

"The Pakistani government said it carried out this action, initiated this action, and that it was necessary because militants, terrorists, were at a training center," Boucher said Tuesday. "I have no reason to doubt that, and frankly from what I have seen, I have every reason to believe it."

Pakistani officials have said they attacked the site, but many Pakistanis are convinced that the missiles were dropped by a U.S. drone plane and that the school contained only young religious students.

Boucher declined to say whether the airstrike was based on U.S. intelligence or whether Pakistan had acted because of U.S. concerns that it was not doing enough to fight terrorism.

The missile attack has convulsed the tribal region. After a suicide bombing at a military training camp Wednesday killed 42 recruits, Islamic extremists said it was a reprisal for the Bajaur attack.

IMMIGRATION:

Hunch Unravels Immigrant Wedding Scam (WP)

By Jerry Markon

The Washington Post, November 13, 2006

They didn't hug. They didn't kiss. They didn't even sit together.

Many couples going to the Arlington County Courthouse seemed more like strangers than people applying for marriage licenses. A man named Sam often escorted them to the sixth-floor clerk's office. Sometimes, there would be a furtive exchange of money in the elevator.

Before long, some of the same people would be back, filing for divorce, their court papers littered with mistakes -- always the same mistakes.

"They misspelled 'circuit,' " said David A. Bell, the longtime Circuit Court clerk. "It was obvious something was going on."

Bell tipped off police, triggering a nearly four-year investigation that recently broke up one of the Washington region's biggest and most brazen immigration scams: an estimated 1,000 fake marriages. The scheme was centered in the area's little-noticed but rapidly growing community of immigrants from Ghana.

For immigrants, marrying a U.S. citizen is a quick ticket to citizenship. Along the East Coast and all the way to West Africa, at car dealerships, malls, parties and even a Home Depot, the word had spread: If you are in the United States illegally, go to Arlington. It's easy to get married in Virginia, because marriage laws are relatively lax. Arlington, with its proximity to the Metro system and the District, is especially convenient.

In recent weeks, 19 of 22 people charged so far in the undercover investigation have pleaded guilty in federal court in Alexandria, including bank tellers, car salesmen and health-care workers. Court testimony and interviews document how Ghanaian immigrants married U.S. citizens they had met the same day, then were coached on how to fool immigration inspectors, usually months later, into believing that the marriage was real. All they wanted, they said, was to stay in the United States.

Now, they will have to leave.

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Caroline Chepkwony, who entered the United States in 1996 as an employee of the Kenyan Embassy, sobbed on the witness stand recently as she told the judge that she found a sham husband for the sake of her 3-year-old son.

"This is why I entered into this marriage, just hoping to give my son the best life he can get," said Chepkwony, 36, as she pleaded guilty to marriage fraud. "And I figured out the only place he can get a better life is here in America."'The Program' Grows

As Latinos have migrated in record numbers to the Washington region, there has been a quieter exodus: from Africa, especially the Republic of Ghana. The Northern Virginia and Maryland suburbs are home to the second-highest concentration of Ghanaians in the nation, about 20,000.

One of the first to arrive was Samuel "Sam" Acquah. Born in Ghana in 1949, Acquah came to the United States on a student visa. He got a master's degree, a law degree from George Mason University and a $112,000-a-year job in the chemical engineering section of the U.S. Patent and Trademark Office in Alexandria.

As more Ghanaians arrived, Acquah wanted to help them stay. Better yet, he thought, he could make money doing it by finding strangers to marry them quickly after their visas expired.

Informally, he named his business "the program." When a fellow Ghanaian called, Acquah would charge the immigrant $3,000 to $3,500. Two employees were Acquah's "contacts" and helped find U.S. citizens willing to get married for money. Acquah split the profit with his contact, who paid the U.S. citizen $500.

Acquah set up shop in his government office, using his government-owned fax machine to communicate about illicit marriages.

Word of the scheme spread to immigrants even before they left Ghana. "Those who were coming over here knew where to find an apartment, where to find a job and where to find a spouse," said one law enforcement official, who spoke on condition of anonymity because the investigation is ongoing.

The business became so lucrative -- Acquah has admitted pocketing $200,000 -- that it spawned competitors. One key rival was Eric Amoah, a Ghanaian immigrant whose own fraudulent marriage to a U.S. citizen had been arranged by Acquah.

A short, balding man with a calm demeanor and five children, Amoah, 43, came to the United States in 1999. Marriage fraud helped put him through pharmacy school, and he worked as a pharmacy technician at Prince William Hospital in Manassas, even as his marriage business continued to mushroom.

Amoah put out word among the U.S. Ghanaian community, which grew from 20,889 in 1990 to 101,169 in 2004, according to U.S. Census Bureau estimates. At his five-bedroom house in Woodbridge, Amoah threw elaborate parties. At one such gathering, he met Markey Simpkins, a supervisor at a Home Depot in the District.

Simpkins became a contact and asked co-workers if they wanted to marry an immigrant for money. Those interested would get to meet Amoah or another Ghanaian marriage arranger. Simpkins pocketed $50 per introduction.

Abena Nkrumah heard about Amoah when she needed an operation for abdominal problems. One way to get health insurance, her doctor's office suggested, was to marry a U.S. citizen.

At an Alexandria shopping center, Amoah and Nkrumah bonded through their shared Ghanaian heritage. "He told me he can help me get married," said Nkrumah, a health-care worker, as she entered her guilty plea last month. She told U.S. District Judge T.S. Ellis III that she could not have stayed with her sham husband, saying he smokes. Ellis smiled.

Occasionally, the men and women would decide they liked each other and would stay married. Far more often, they lived separate lives before reuniting, however briefly, at immigration offices in Fairfax County and Baltimore. There, they would recite their made-up stories about how they met or invent details such as which side of the bed their spouse slept on. Immigrants who marry U.S. citizens can get a visa to stay in the country immediately, instead of having to wait years, and can speed their citizenship by several years.

Ghanaians drawn to this prospect flocked to Arlington from as far as New York and South Carolina. "People would come here for two days to get married and then go back," said Robin Crumblin, one of Amoah's key lieutenants.

Northern Virginia was the obvious choice to center the scheme. Couples can get a license within minutes -- there are waiting periods in the District and Maryland -- and get married the same day.

Occasionally, the phony couples would go to courthouses in Alexandria, Fairfax County, Manassas, the District or Maryland. But the vast majority went to Arlington. The courthouse is on a Metro line, and plenty of civil magistrates nearby can

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perform a quick ceremony. "Everything was right there in the same spot," Crumblin said in an interview before pleading guilty last month to conspiracy to commit immigration fraud.

Crumblin, 44, can't read or write. She has eight children and lives in a public housing apartment in the District. But she achieved a position of prominence in Amoah's organization.

She met him through a friend, the first time in the parking lot of the Arlington courthouse. Her husband had been injured. She needed the work.

Crumblin's main job was to track down the U.S. citizens, up to a year after the actual marriage, so they could go with their Ghanaian spouse to the immigration office. Often, the search led her to a homeless shelter in the District or to a mother on welfare.

They often were not happy to see her. The U.S. citizens had been told that all they had to do for their $300 or so was get married. Now, they were demanding more money.

The Ghanaians, increasingly desperate, would have to pay. Crumblin felt caught in the middle. "They'd call my house at 4 a.m. and say, 'Where's my wife?' " said Crumblin, who says she regrets her role because of the example it set for her children.

Pressure was also building on Amoah, whose business had slowed in recent months. He suspected he was under scrutiny and became more secretive, working out of a Red Roof Inn in Springfield instead of his home.Prison, Deportation Loom

In early 2003, an Arlington courthouse clerk noticed the oddly distant behavior of some marriage license applicants. She compared notes with fellow clerks, who were noticing the same thing, then relayed her suspicions to her boss, Bell, who called Arlington authorities. Soon, a federal-state task force was infiltrating the various marriage fraud organizations through cooperators and undercover agents. The Arlington courthouse was put under surveillance. It took time to build the cases.

By this fall, prosecutors thought they had enough evidence. Most of those convicted probably will serve less than a year in prison. Acquah and Amoah, who recently pleaded guilty to conspiracies to commit immigration fraud and money laundering, are expected to spend more time there.

But the biggest price is yet to come. Virtually all of the Ghanaians and other West African immigrants convicted -- most of those charged were immigrants, although several U.S. citizens were charged as well -- will be deported. Some now face the agonizing choice of whether to leave their children born in the United States, who are U.S. citizens, or take them to Africa.

U.S. District Judge Gerald Bruce Lee offered a few words of comfort to Chepkwony at her recent plea hearing. But his sympathy only went so far.

"America is composed of -- is a nation of immigrants," he said. "Everyone here came from somewhere else. However . . . there are rules on how one can immigrate to live here permanently.

"You did not follow the rules."

Democrats May Proceed With Caution On Immigration (WP)

By Darryl Fears, Spencer S. Hsu

The Washington Post, November 13, 2006

When election results started rolling in Tuesday, Cecilia MuÃ±oz said that she and other immigration advocates were "holding our breath." One by one, Republicans who had fought tooth and nail for stricter immigration laws fell, turning control of Congress over to the Democrats.

By morning, a 700-mile Mexican border fence passed by Republicans in a pre-election gambit had fallen flat with voters. A sharply worded GOP bill that targeted illegal immigrants and spurred marches by millions of Latinos in the spring appeared likely to fade into memory.

"I think this is the best environment we've had on the issue in quite some time," said Cassandra Q. Butts, a senior vice president for the pro-immigration Center for American Progress.

But when it comes to immigration, things are never easy. In the days after the election, Democratic leaders surprised pro-immigration groups by not including the issue on their list of immediate priorities. Experts said the issue is so complicated, so sensitive and so explosive that it could easily blow up in the Democrats' faces and give control of Congress back to Republicans

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in the next election two years from now. And a number of Democrats who took a hard line on illegal immigration were also elected to Congress.

"It's not without its challenges, for sure," said Jeanne Butterfield, executive director of the American Immigration Lawyers Association. "You've got opposition in both parties. You still have restrictionists in the Republican Party. You have Democrats who've been reluctant to move on any kind of worker program."

Butterfield predicted that lobbyists and Democrats have less than a year to move legislation that could put some 12 million illegal immigrants on a path to legal residency, before the looming 2008 elections make a deal politically impossible. And analysts say the fate of President Bush's proposal to create a temporary worker program for 200,000 immigrants is in doubt, with labor's allies in charge.

In recent days, advocates have been burning up the phone lines talking to one another and to try to determine whom House Minority Leader Nancy Pelosi (D-Calif.), the presumed speaker of the next Congress, will appoint to key committees, and how the new Democratically controlled Congress will approach the issue.

Major challenges lay ahead. The Mexican border remains a sieve where an estimated 100,000 immigrants sneak into the country every year. Conservatives in the House, and some Democrats, want the border sealed with manpower, fencing and technological gadgets before they will even consider guest workers.

Mark Krikorian, executive director of the Center for Immigration Studies, which opposes increased immigration, said Democrats should implement an enforcement program first. Anything else might be political suicide.

"The Democrats need to get their majority reelected in the next two years," Krikorian said. "My sense is that the Democrats have grown up enough to know they can't get reelected trying to get everything they want."

Immigration experts are on the lookout for the kind of compromises that led to the flawed immigration reform laws of 1986 and 1996. In those years, a White House and Congress split between the two parties passed watered-down laws requiring employers to check the legal status of new hires to satisfy businesses and immigration advocates. They also failed to give enforcement agencies the money, staff, technology or practical ability to do the job.

The miscues paved the way for an explosion of illegal immigration.

"The question is, will this just be another split-the-baby approach, such as we saw in 1986," said Robert Bonner, commissioner of U.S. Customs and Border Protection from 2003 to 2005, "or are we actually going to do something that is going to seriously achieve the objectives of controlling the border?"

At the White House Friday, the Bush administration struck a bipartisan chord, trumpeting both border enforcement and a guest worker initiative. "The President believes a temporary guest worker program, where you will know if you're in or you're out, is going to relieve pressure on the border and also reduce the incentive for people to travel from Central America through Mexico in search of such jobs," said White House spokesman Tony Snow.

Bush supports a proposal by Sens. John McCain (R-Ariz.) and Edward M. Kennedy (D-Mass.) to allow foreign nationals currently outside the country to work in the United States temporarily. Illegal immigrants now in the country could work too, but only if they pay a $2,000 penalty for breaking the law, pay back taxes, undergo a criminal check, learn English, take civics lessons, go to the back of the employment line and then work six years with no legal problems.

The McCain-Kennedy bill would also strengthen the border and create a computerized system to check the legal status of workers. The Senate bill would authorize spending $400 million to expand a pilot program used by 5,000 employers to cover new hires by more than 8 million U.S. companies within 18 months.

But some experts are skeptical. The non-partisan Migration Policy Institute has said that the pilot system is flawed, will take at least three years to implement, and will fail unless it is made much more accurate. The MPI panel, co-chaired by former congressman Lee H. Hamilton (D-Ind.) and former senator Spencer Abraham (R-Mich.) also said other steps are needed, such as producing tamper-proof Social Security or other employment ID card based on fingerprints or other unique identifying features.

Others say thousands of immigration investigators are needed to verify legal workers and track down those who remain in the country illegally.

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James W. Ziglar, former commissioner of the Immigration and Naturalization Service, said if Congress does take up an overhaul, "the recognition that enforcement has to be of equal stature is something that will occur this time, because the lessons learned from the 1986 act are still burning very brightly in the minds of people on both sides of the debate."

MuÃ±oz, a vice president at the National Council of La Raza, the nation's largest Latino civil rights group, said Democrats should move carefully ahead with a plan that satisfies both sides.

"This notion that it's dangerous to vote to support comprehensive immigration reform I believe to be false," she said. In Arizona, she said, voters rejected anti-immigration Republicans Randy Graf and Rep. J.D. Hayworth.

But, to show how complicated the issue is, Arizona voters also approved three referenda to make life tougher for illegal immigrants.

Anti-immigration Rep. Tom Tancredo (R-Colo.), who was distraught after the election, believing a guest worker program was inevitable under the Democrats, now says he's changed his mind.

"It seemed to me that it was not going to be as easy for them as I had anticipated or feared," Tancredo said. "They're not putting it out there as their number one, out-of-the-box issue."

The more he thought about the issue, the more cloudy the future seemed.

"I don't know," he said. A temporary guest worker program "could certainly happen. I may be just skipping past the graveyard."

CONGRESS-ADMINISTRATION:

Can Bush Sr. And His Team Save Son's Presidency? (NSWK)

By Jon Meacham

Newsweek, November 13, 2006

Nov. 20, 2006 issue - George Herbert Walker Bush is a proud father; tears easily come to his eyes when he thinks of his children, all of them, and there is gracious deference in his tone when he talks about the son he calls, with emphasis, "The President." He is not given to boasting about or bragging on his family; he still hears his mother's voice warning him to avoid "the Great I Am," but several times over the past few years the 41st president has mentioned to visitors that the 43rd president has read the Bible in its entirety—not once, the father says, but twice, sticking two fingers in the air. If so, then the incumbent may recall the Song of Moses: "Remember the days of old, consider the years of many generations; ask thy father, and he will show thee; thy elders, and they will tell thee."

Ask thy father, and he will show thee: advice that, at long last, George W. Bush seems to be taking. Last week the president lost both houses of Congress and 16 more Americans died in Iraq, bringing the U.S. death toll to 2,844, with little discernible progress in sight. The war there has now lasted 44 months, the amount of time that elapsed between Pearl Harbor and VJ Day.

In a conference room filled with commemorative shotguns in his Houston offices last Wednesday, the father settled in to watch his son's post-election press conference on TV. Lunching on pizza, Bush Senior listened as George W. Bush said the loss of Congress was a "thumping," promised to "work with" a commission on Iraq chaired by James A. Baker III and Lee Hamilton, and announced that Secretary of Defense Donald Rumsfeld was resigning. Within two hours the president was in the Oval Office with Rumsfeld and his replacement: Robert M. Gates, Bush Senior's CIA director and the president of Texas A&M University, the home of Bush 41's presidential library.

In Houston the phones started ringing, and Bush 41 staffers were pulled away from their pizza. Reporters were calling and e-mailing: would 41 talk about 43's shake-up? The answer was no, though two perfunctory statements were issued (one for the College Station Eagle and one, as the former president put it, "for everybody else"). Still, the reality spoke for itself. Dad's team was back—a remarkable course correction in the political life of the son and, quite possibly, in the life of the nation.

The American people, as politicians like to say, spoke last week—and spoke in no uncertain terms. The 2006 vote does not suggest an eagerness for a sharp left turn. It seems, rather, to be a plea for a shift from the hard right of the neoconservatives to the center represented by the old man in Houston. The re-emergence of Iraq Study Group voices such as Baker, Gates and Alan Simpson—all longtime friends of Bush Senior—is not unlike the entrance of Fortinbras at the conclusion of "Hamlet." These

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are 41's men, and the removal of Rumsfeld—an ancient rival of Bush Senior's from the Ford days—is a move toward the broad middle. The apparent triumph of pragmatism over ideology on Iraq was welcome news, at least to the public. In the new NEWSWEEK Poll, 67 percent favor Bush Senior's internationalist approach to foreign policy over his son's more unilateral course.

Did 41 help bring Gates to the Pentagon? The White House denies it, but, as a Bush friend told NEWSWEEK, "his fingerprints are all over this." (The friend refused to be identified for fear of alienating the family.) Given the mists of secrecy that envelop the 41-43 relationship, it is striking that the broad Bush circle believes he had a hand in the Rumsfeld succession: as an old CIA director, 41 rarely leaves any clues at all.

What the two Bushes discuss has long been a subject of endless guesswork. "In my experience, the two men spent most of their time talking about family matters, about sports, about fishing," former White House chief of staff Andy Card told NEWSWEEK. "They spoke to each other much more as father and son rather than as president and former president." Still, politics and policy do come up. "It would be wrong to assume that they never discuss Iraq, the state of play in the world and some personalities," Card said. "But it would also be wrong to assume that they discuss these things all the time. They are mutually deferential to one another."

The Bush family psychodrama is the stuff of perennial speculation but little information, since the two people who know the most about it—the father and the son—speak of it so infrequently. Yet its complexity, its blend of love and rivalry, is rich analytical territory. (Maureen Dowd of The New York Times, an unlikely e-mail pal of 41's, has spent so much time contemplating the generational drama that she ultimately published an excellent book on the topic, "Bushworld"; it ran to 544 pages.) In perhaps the most revealing on-the-record remark about their relationship made by either man, the son once told Bob Woodward that his father is "the wrong father to appeal to in terms of strength. There is a higher father that I appeal to."

As the war has gone badly and the years have ticked by—2003, 2004, 2005 and now much of 2006—the senior President Bush, the man who managed to capture just 37 percent of the vote in 1992, has grown in stature. Raising taxes and capping domestic spending in 1990, refusing to exceed the United Nations mandate after expelling Saddam from Kuwait, and deftly managing the end of the cold war and the reunification of Germany loom ever larger. Given the midterm reaction to the son's inattention to alliances and to the details of postwar Iraq, it is clear that many Americans are nostalgic for the skills and sensibility the first President Bush brought to the Oval Office—a reversal of historical fortune that has come, sadly for the father, at the expense of his son.

In terms of foreign policy, it is true that 41 was more a realist than an ideologue—the prose to Reagan's cold-war poetry. And it is also true that the son would prefer to be remembered not as a second George Bush but as a second Gipper—a big, transformative president who confronted a mortal threat to the nation with steely soul and soaring words. Hence, it seems, the innate appeal of the neoconservative argument, advanced in part by Rumsfeld and Vice President Dick Cheney (a 41 figure who got neocon religion after 9/11), to strike Iraq in a noble bid to transform the Middle East.

In classical terms, the tragic figure is someone whose inherent flaws are evident from the beginning. In the wake of September 11, we knew our president's virtues. He was resolute, disdainful of dissent; like his hero Winston Churchill, Bush dismissed critics he believes spin around with "the alacrity of squirrels." But we also knew Bush's vices. Resolution can harden into stubbornness; a refusal to listen to criticism can breed isolation.

Hindsight, of course, is a luxury, and life often appears clearer in retrospect than it does at the time, in the arena. The bet Bush has made in the Middle East is a grand one, and history is made, and people are freed, by grand gambles. The American Founders gambled with Britain in 1776; Churchill gambled with Germany in 1940; Reagan gambled with the Soviet Union in the 1980s. The line between triumph and tragedy is a thin one, and things may yet work out.

Or so we must believe. Faith is important to the Bushes, always has been, and to return to the Bible the president knows so well, there is a New Testament verse familiar to patrician politicians from Theodore Roosevelt and his cousin Franklin to Prescott and George H.W. Bush: "To whom much is given," the Scriptures say, "much is expected." Much has been given to George W. Bush, and now, in the twilight of his term, as his father's men step in, he has been given another great gift: one more chance to set things right.

The Rescue Squad (NSWK)

DOJ_NMG_0092549

By Evan Thomas

Newsweek, November 13, 2006

Nov. 20, 2006 issue - The rendezvous in the supermarket parking lot was a secret. On the Sunday before the elections, Robert Gates, the president of Texas A&M University and the deputy national-security adviser and CIA director in the administration of President George H.W. Bush, drove two hours from College Station, Texas, to the small town of McGregor, where he switched from his own car to one driven by White House chief of staff Josh Bolten. Gates was quietly taken to President George W. Bush's office on his ranch at Crawford, where the two talked long enough to convince Bush that Gates was the man to replace Defense Secretary Donald Rumsfeld. Guests at the presidential ranch, assembled for the 60th birthday of First Lady Laura Bush and the First Couple's 29th wedding anniversary, didn't even notice Gates's coming and going.

Across the state of Texas, at his house in Houston, James A. Baker III was following his favorite Sunday-afternoon routine. He was taking a nap. Later, it would be widely speculated that Baker was somehow in on the secret, that he helped arrange the firing of Rumsfeld and the appointment of Gates as part of a fundamental power shift, a last-ditch rescue operation—by the old guard of Bush 41 to save Bush 43 from sinking ever deeper into the Iraq morass. Baker is the co-chairman of the Iraq Study Group, which is looking for a solution to the Iraq riddle, and Gates was a fellow commissioner, as well as a mutual friend of Baker and of Bush 41. Rumsfeld would have been a surefire obstacle to whatever Baker was proposing. Gates is likely to welcome the Iraq Study Group recommendations as if they were his own (which, in a manner of speaking, some of them are). Baker is one of the great behind-the-scenes manipulators of any age. So, NEWSWEEK asked the former secretary of State, Treasury secretary, White House chief of staff and all-around Wise Man, was he in on the deal?

"You don't have a virgin here," Baker said with his customary twang. Indeed not. He meant he wasn't about to be lured by a reporter into spilling any secrets—not, of course, that he had any secrets to spill. (The White House says that Baker had nothing to do with the Pentagon swap.) Baker warned against getting too optimistic about some sudden deliverance from the agonies of Iraq. "Look," he protested. "This is not a precooked deal. And there is no magic bullet."

Baker is known for lowering expectations shortly before he delivers the goods. But he has reason to want to downplay his role and the prospects for success. Over the next month or so, the Iraq Study Group must find a middle way, a plan of action that can be characterized neither as "cut and run" nor "stay the course." Judging by the election returns and the exit polls, it's what the people want—along with an end to rancorous partisan squabbling and ideological posturing. But getting a plan—and carrying it out—will be difficult to achieve.

For one thing, Baker still has to convince George W. Bush. At his post-election press conference, the president looked like a base runner trapped in a rundown, unable to go forward or scurry back. The president is probably stuck—he will have to embrace some kind of compromise approach on Iraq. He didn't look too happy about it. As he japed and mugged and fidgeted, he seemed worried by something more than Iraq or the election returns; his whole character appeared to be wrestling with some more personal, inner demon. Last week Bush's aides were resisting the story line that Bush was caught in a cosmic episode of "Father Knows Best." The president himself was said to be indifferent to the press chatter. "I don't care," he told his advisers when they asked him, the morning after the elections, how he wanted to deal publicly with the suggestion that he was picking one of his father's advisers. "He doesn't think the neocons ran him over a cliff and now he has to go to Dad," said a senior Bush aide, preferring to remain anonymous while discussing Oval Office conversations. "It's not the way he sees this. He wants the best and brightest."

It is an irony of history, and the tragedy of the Bush family saga, that President Bush has all along had the best and the brightest just a phone call away. His father is a deeply seasoned and wise foreign-policy expert. Had, say, Sen. John McCain been elected, Bush 41 would have been jetting around the globe helping to resolve conflicts. Instead, aside from some tsunami and Hurricane Katrina relief work, Bush Senior has been relegated to watching all those political talk shows his son refuses to watch, wincing each time he hears his son's name being mocked or criticized. George H.W. Bush has been, in effect, sidelined by nepotism. He has repeatedly told close friends that he does not believe it is appropriate or wise to second-guess his son, or even offer advice beyond loving support.

This time, however, was different. A source who declined to be identified discussing presidential confidences told NEWSWEEK that Bush 41 left "fingerprints" on the Rumsfeld-Gates decision, though the father's exact role remains shrouded in

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speculation. "This would have been done by nuance and indirection. Forty-one would have said to 43, 'One of the people who I've been talking to who might be helpful is Bob Gates'," said a veteran of previous GOP administrations who declined to be identified talking about the Bush family. A onetime director of the CIA and loyal member of Skull and Bones, his Yale secret society, Bush "is a master of deniability," says an old aide to Jim Baker, who asked for deniability while discussing Bush.

Baker's role in the affair remains shadowy. He was spotted with both Bush father and son, as well as Bob Gates, in early October at the launching of the new aircraft carrier USS George H.W. Bush. But the four men may have just been discussing the Texas A&M football team. Baker, like Bush, is not likely to have been plotting in public. "For a meeting like that," says the former Baker aide, "the maximum number of people involved is two."

It's not even clear that Baker ("Bakes," to Bush 41) and Bush (el jefe, to Baker) spoke to each other about the Rumsfeld-Gates switch. Baker's relationship with the Bush family is close but rivalrous, and it has endured jealousies and suspicions. The two men became friends while playing doubles at the Houston Country Club in the 1970s ("although I still preferred and continued to play singles," writes Baker in a typical aside in his just-published memoir, "Work Hard, Study ... and Keep Out of Politics"). The two dads and their eight boys played an annual Turkey Bowl at Thanksgiving. ("It was touch football, but the touching sometimes looked a lot like tackling.") Baker has, on occasion, wondered why he wasn't the one elected president. Barbara Bush was widely reported to be miffed at Baker for not trying hard enough to get her husband re-elected in 1992.

George W., who sometimes reflects his mother's resentments, did not call on Baker for advice when he was preparing for his presidential run. "That was okay with me," writes Baker, who nonetheless answered the call when George W. needed a good lawyer to take on the Florida voting fiasco in 2000. Baker's cleverness and diligence for the Bush clan in its hour of need were possibly decisive. But make no mistake: Baker is no mere lawyer for the Bushes. Trying to describe Baker's role and his true allegiances in the Iraq Study Group, the former Baker aide quotes Justice Louis Brandeis, who once said that in certain cases the lawyer has a responsibility to represent the situation, not the client. In this case, the situation is the national interest in getting a solution to the Iraq mess—not protecting the president or the Bush family. "It so happens that this also serves Baker's interests," says the aide. As his memoir makes clear, Baker cares deeply about being remembered as a statesman, not a pol or a hired gun.

When the Iraq Study Group was launched in March 2006, the inspiration of some retired Washington foreign-policy mavens, its conclusion seemed destined for a dusty shelf. Baker had been fairly quiet on Iraq. Though it was generally known that the Bush 41 crowd was skeptical about invading Iraq, most of the attention fell on Brent Scowcroft, who was outspoken in his disappointment with Bush 43's advisers. "Dick Cheney I don't know anymore," Scowcroft told The New Yorker. Baker signed on to the Iraq Study Group only after getting Bush 43's personal assurance that the White House wanted him to take the job. (According to a source knowledgeable about the study group who requested anonymity discussing sensitive negotiations, Baker also received a backstage promise that Rumsfeld would stay out of the way as the commissioners interviewed generals and diplomats.) Baker did not have high hopes or expectations, he says. But the group—in part because of Baker's winning aura, and in part because Baker had a hand in choosing them—attracted first-rate commissioners like former justice Sandra Day O'Connor and ex-New York mayor Rudy Giuliani. Baker's co-chairman is tailor-made for bipartisanship. Lee Hamilton, a longtime Democratic congressman and former chairman of the House foreign-affairs committee, was known for fair-mindedness and deep substantive knowledge, qualities he showed again as co-chair of the 9/11 Commission. Baker refused to pose for NEWSWEEK unless Hamilton was photographed as well. "This has got to be bipartisan," says Baker. "Or it's not going to happen." Baker knows that if newly emboldened Hill Democrats see the Iraq Study Group as a tool of the administration and wait until the new Congress in January to call for their own pullout plan, the hopes for a middle-way compromise could collapse.

Baker's style is to prearrange deals by patiently and quietly lining up the parties before going public. He has had more success at bringing together potential adversaries than any one Washington politician or statesman in modern history, at least since Clark Clifford. Baker's fingerprints are on many legislative accomplishments (for which congressmen took all the credit, like the Tax Reform Act of 1986). For the Iraq Study Group, he has reached out to Iranian, Syrian and Saudi diplomats; he has traveled to Iraq and met with local civilian and military leaders, and he has stroked the large and sometimes fractious egos of his own commissioners. He may have a difficult time with hard-liners like former attorney general Ed Meese, who stepped into a commissioner's slot vacated by Giuliani (who quit possibly to pursue his presidential ambitions). Baker will have a month or more to line up his commissioners before they make their final report in December. But "we can't wire it," he insists.

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The commissioners are just now receiving a draft of the recommendations. The contents are a closely guarded secret, but the commission is certain to call for some kind of diplomacy with Iraq's neighbors, reversing the Bush administration refusal to negotiate with enemies like Iran and Syria. "There are going to be some things in this report that the administration is not going to be excited about," says Baker, choosing his words carefully. There may also be some kind of call for a troop drawdown or redeployment, though Baker says he is very reluctant to dictate to the U.S. military.

Baker says he drops in on President Bush from time to time to "chew the fat." But he insists he has not discussed the work of the Iraq Study Group. "Timing is everything for Baker," says the former aide, and the timing was not right until Bush could see the public registering its dissatisfaction at the polls. Baker is an avid hunter of wild turkeys, a sport that requires endless patience. "You can wait all day and you only get one shot," says the former aide, who marvels at Baker's ability to sit for hours in the cold or heat, silent but watchful. "When the time comes, and it's only a split second, he doesn't hesitate to pull the trigger," says this aide.

Baker's powers of persuasion are formidable. James Carville, no slouch himself at the art of politics, once described him as "the gold standard." Although his tongue can be sharp—he once described Bush 43's core principles as "God and exercise"—Baker is probably the best pure flatterer in Washington, which is saying something. He is also always prepared. He was schooled by his father, a patrician Texas lawyer, in the "five P's": "Prior preparation prevents poor performance." Baker's father—who was known by his children, not always affectionately, as "the Warden"—did not tolerate weakness or excuse. When little Jimmy was slow to get out of bed in the morning, the Warden doused him with a bucket of cold water as he lay there.

Baker is at once earthy and genteel. He is the sort of Texan, one local writer once observed, who can be seen drinking beer out of a can while wearing black tie. One old Princetonian recalls, with a certain awe, that Baker was president of something called "the 21 Club." That meant that he had been chosen as the champion of his eating club (the most exclusive, of course) in a contest to drink 21 straight shots of hard liquor. Baker was the last man standing. This does not mean that he was a wild frat boy (Baker is the living antithesis of John Belushi)— just that he was willing to do what it takes. At the University of Texas Law School, to please his father, he pledged his dad's old fraternity. This required carrying a dead fish somewhere on his person for a week. He had been a Marine lieutenant and had a wife and a child at the time.

Baker is 76 years old, silver-haired, more easily tired, but still formidable. He would be the obvious choice to pursue the diplomatic initiative that the Iraq Study Group will surely call for. In fact, if President Bush is looking for a tag team of worldly, seasoned and persuasive ambassadors, he knows where to find a pair of old tennis partners who live not too far from each other in Houston. Would Baker take the job? "That's too hypothetical," answers the former secretary of State, who is no virgin.

With Richard Wolffe, Michael Isikoff and John Barry in Washington

Changing The Guard (USNEWS)

By Brian Duffy

U.S. News and World Report, November 13, 2006

"It does no harm to throw the occasional man overboard," observed British politician Ian Gilmour. "But it does not do much good if you are steering full-speed ahead for the rocks." One of the great lions of the London political scene in the middle of the last century, Gilmour would have been among the last people surprised by the sudden defenestration of Donald Rumsfeld by the man who, just days earlier, pronounced that his embattled defense secretary was doing a "fantastic" job. The course for the rocks in Iraq had been largely charted by Rumsfeld, with his failure to provide a post-invasion plan with even the remotest chance of success. To a gimlet-eyed observer like Gilmour, the ouster was all but inevitable. Yet such was the depth of the White House state of denial over Iraq-indeed, over the several glaring embarrassments that have blotted its second-term copybook—that even jaded observers wondered whether President Bush knew something they didn't know when he professed, on the very eve of his political Waterloo, confidence in an 11th-hour GOP triumph.

After his defeat in the general election in 1945, Churchill, another grizzled veteran of London's political fratricide, responded to his wife's vain efforts to comfort him. "If it is a blessing," he told her, "it is certainly very well disguised." The same, perhaps, may not be said for the voters' rebuke of the White House. A less chastening result and, who knows, the president might have been persuaded to stick with Rummy and, even if he had to refrain from using the actual words, to "stay the course." Blessings come in all sorts of strange packages, and this may prove one of the stranger but, in the end, more salutary.

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Psychobabble. One of Washington's more tedious parlor games has been the whispered wonderings about strains in the relationship between the younger Bush and his father. The return to center stage of one of the elder Bush's most trusted aides as Rumsfeld's replacement prompted a frenzied new round of psychobabble. Not only was Bob Gates the elder Bush's CIA director, but he also served as deputy to Brent Scowcroft, the older man's national security adviser and close friend. Scowcroft's break with the current White House over Iraq was offered as Exhibit A in the case for a rupture in the relationship between Bush père et fils. Hmm. If armchair psychology doesn't happen to be your thing, however, and you're one of the many millions of Americans whose vote seemed to express the belief that the Bush team has slipped its intellectual and political moorings, the casting of James Baker seemed to suggest a more simple if less charitable plotline: adult-supervision time!

To those most deeply cynical about the 43rd president, of course, such supervision was supposed to have been supplied by Dick Cheney. But when someone like Scowcroft, who has known and worked with the vice president for about 30 years, says the current Cheney is someone he "doesn't know," the evidence of something being seriously amiss is pretty hard to ignore. Which is why last week's White House drama seemed to offer more plots and tangled subplots than a Tolstoy novel, only without any of the brooding darkness. Nope, Rummy was out, Gates was in, good fellows all, smiles all around. Thus, it was on to lunch with House Speaker-to-be Nancy Pelosi, then a grip-and-grin with Harry Reid, the incoming Senate majority leader. Hatchets buried, knives sheathed—lots of work to do.

The cockeyed optimists among us would have us believe that elections offer a chance for renewal, a fresh start. Such hopes have been dashed countless times, of course, but voters spoke with such force and clarity last week that perhaps this time will be different. Old Gilmour would be having none of it.

Searching For A Strategy (TIME)

By Michael Duffy

Time, November 13, 2006

In the heady days after the first Gulf War, Robert Gates liked to tell a story about his boss, George Herbert Walker Bush. As Bush 41 was preparing to invade Kuwait in 1990 and free that nation from the clutches of Saddam Hussein, Pentagon generals came up with what they thought was a clever scheme that might prevent the President from going to war. Gates was in the Oval Office when the generals brought in maps, charts and pointers and told Bush that Kuwait could be liberated only if he was willing to spend six months deploying half a million troops halfway round the globe. The reluctant generals were betting, Gates explained, that no U.S. President would agree to such a crazy and expensive adventure. But what made Gates smile when he told the story was the cool and determined way Bush responded to the uniforms' rush job. "Sounds right," said the old Navy pilot. "Do it." The generals left the Oval Office looking pale and drawn. And the biggest and most successful U.S. military operation since World War II got under way.

Soon it will be Gates' job to go into the Oval Office with his own set of pointers, maps and charts, and run a very different briefing for a very different member of the Bush family about a very different conflict in Iraq. This time, Gates will be advising George W. Bush on how to get out of--not into--a war, even though the President still believes, in the face of a humbling electoral repudiation and a U.S. death toll approaching 3,000, that the invasion of Iraq was wise, worthy and well planned. Gates' task as the new Defense Secretary is to preach change to a leader who has stuck to his line--despite all kinds of evidence to the contrary--for years now.

The Greeks believed that the gods visit the sins of the fathers upon their sons. But when it comes to the Bush family and Iraq, the tragedy runs from stem to root. And so over the next few weeks, key members of Bush's father's vaunted foreign policy team--the real A-team of the Republican foreign policy establishment--will step in and conduct what amounts to a family intervention. Led by former CIA Director Gates and former Secretary of State James Baker, who co-heads a commission on Iraq, Dad's former aides will present the son with a plan for saving his presidency and, with it, some remnant of the family's brand name. None of those involved will call it an intervention, but it's fair to say the nation's future is at stake. Although Gates and Baker will be out front, others who worked for the patriarch are helping behind the scenes. Dynasties don't get to be dynasties by neglecting the line.

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The task facing the Old Guard is to fashion an exit strategy from Iraq that can salvage U.S. prestige and avoid turning the civil war into an even wider and more violent catastrophe. There are only a few known knowns here: it surely pains the father that it has come to this. It is just as galling to the son that he had to invite his father's most trusted consiglieres to step in and help clean up his mess overseas. Neither man appreciates the chortling sounds coming from the vast Bush 41 crowd, which has long harbored grave doubts about the soundness of 43's foreign policy team. The biggest question is how the object of the intervention will react. As one senior official in the 41 White House says of the President, "He can fight this and turn into a constantly warring figure, or he can turn back into the friendly wise guy who gets along with everyone. The latter will serve him much better."

It does help Bush that the return of the realists comes at the very moment when both parties are looking for political cover on the war that went wrong. Although the leaders of the new Democratic majority in Congress say they plan to hold the Administration accountable for the spiraling costs, mismanagement and graft associated with the war, the reality is that the party remains divided over what kind of military strategy to pursue now. Democrats who voted for the war and have been on the defensive with the party's antiwar base are anxious to get behind any sign that points to an exit. Those who voted against the war but who don't have a clue about how to stabilize Iraq want to find a program they can get behind without looking like silly skedaddlers. The Republicans are equally torn, between realists furious at the Administration for refusing to change course sooner and true believers who fret that the White House is about to abandon the neoconservative project to bring democracy to the Middle East.

Given all those diverging views, it's understandable that Bush talks about the commission headed by Baker and former Representative Lee Hamilton the way a child who can't wait for Christmas talks about Santa Claus. Bush mentioned the commission four times in his press conference last week. The President opposed the creation of the panel last fall but eventually came around, in part at the urging of Secretary of State Condoleezza Rice. Worried about whether the White House believed in the commission from the start, Baker insisted on meeting with the President before taking the job and insisted that Bush personally ask him to take it on. Baker told Bush in his private session that he was likely to come up with recommendations that Bush might not favor. Asked by Baker whether he truly backed an approach that would lead to a strategic change, Bush said he did.

Since then, relations between the White House and the study group haven't always been perfect. When a White House official made skeptical statements in early fall about the group's direction, angry Democrats on the panel warned Baker that they would not be part of a charade. Baker in turn went on TV and reported that the White House was still on board, while privately informing the West Wing to shut down the skeptics for good. Baker has been strict about stressing the bipartisan nature of the group--which includes Clinton advisers like Leon Panetta and William Perry as well as former Wyoming Senator Alan Simpson and Reagan Attorney General Edwin Meese--and he told TIME it will act only by consensus. Still, everyone agrees that Baker is the first among equals.

So far, the Baker group has convened a number of listening sessions; its deliberations as a group begin this week. It is already evident that the panel is not laboring under illusions about the grim outlook for the U.S. enterprise in Iraq. The commission returned from its brief trip to Baghdad in September collectively stunned by the chaos--which is interesting, since they barely got to see it. They apparently saw enough: the donning of the body armor, the corkscrew approach in the Air Force cargo plane, the harrowing treetop chopper flight into the Green Zone--it all left the commissioners shaken, according to an adviser to one member. There are no plans to go back.

Instead, something akin to a shadow State Department has sprung up to figure out how to extricate the U.S. from Iraq. Baker and Hamilton reached deep into the government's foreign policy ranks--active and retired--and plucked their favorite generals, spooks and analysts to work in complete secrecy, installing some in a nondescript building that houses the U.S. Institute of Peace. Some 50 advisers, both here and in Iraq, have kicked in reports and working papers; Baker and his team have fired questions back at those who are the most promising. Baker has been in touch with representatives from Iran and Syria, countries the U.S. isn't keen to cozy up to. And about a dozen longtime aides and diplomatic wizards, including Brent Scowcroft, the grand master of the foreign policy establishment, are in communication with Baker and Hamilton as they go down to the wire. The bipartisan pragmatism encouraged by the Baker-Hamilton group, says Clinton U.N. Ambassador Richard Holbrooke, marks an end to the era when U.S. foreign policy was crafted by people who looked at the world as they wanted it to be, not the world as

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it was. Says Holbrooke: "Now there is a tremendous wedge between the neoconservatives and the rest of the national-security community."

Getting out of Iraq will require the sort of hard choices between interests and ideals that the Bush Administration has been historically reluctant to make. The Baker group is considering a series of proposals that will include calling for intensive regional diplomacy, such as direct, high-level talks with Iran and Syria--something the Bush team has resisted for months. Most significant, the commission plans to outline a plan for redeploying--that is to say, pulling out--some U.S. troops over the next year. The group is also considering telling the Shi'ite-led government in Baghdad that U.S. troops will stay and help steady the country only if the government puts an end to sectarian violence. If the killings continue, the U.S. will pull out quickly. "If these things don't happen," said Les Gelb, president emeritus of the Council on Foreign Relations, "we're going to have to move out faster."

Baker has been talking to the President directly for months. The two men have a long history. It was Bush who installed himself in Washington in 1986 to keep an eye on his father's presidential campaign, then being run by Baker. And it was Baker who led the legal fight in Florida that handed W. his presidency in 2001. But if Baker is now laying the groundwork for another bailout of the man he once referred to as Junior, he can also thank Bush for bringing him back to center stage at a time of genuine national crisis. Baker has held three Cabinet posts, overseen a fourth agency and run five presidential campaigns. Untying the Gordian knot that is Iraq would cement his reputation as one of the nation's premier wise men of the past 30 years.

It is tantalizing to imagine that Baker, who plans to issue his report next month, pushed Bush to dump Rumsfeld for Gates. A former Baker aide last week called the coincidence of timing "painfully obvious" and noted the appointment of Gates to the Baker commission last year. There is also the fact that Rumsfeld has long been resented by many Bush 41 loyalists, who recall the way Rumsfeld schemed to get Bush appointed director of the CIA in 1976 to prevent him from becoming Gerald Ford's running mate that year. But there were more pressing reasons for Rumsfeld to go--and quickly. "Baker wasn't going to let his report come out," says a Gates aide, "so that Rummy could stomp all over it." As for Bush 41, he is staying above the nitty-gritty of the takeover, says one of 41's former aides, but "he's definitely in the loop."

It will fall to Gates to execute the Baker plan. Bush first approached Gates about joining his team more than a year ago, when he was looking for a new director of national intelligence. As a former CIA director, Gates found the offer tempting but declined after he decided that the job amounted to little more than overseeing a vast bureaucracy rather than running a real intelligence operation. Bush didn't offer the Pentagon job to Gates until early last week. A little cloak-and-dagger was used to sneak Gates onto the President's ranch for his job interview: he was instructed to meet White House chief of staff Joshua Bolten and his deputy, Joe Hagin, at a supermarket parking lot in nearby McGregor, Texas, for the drive to Crawford. The President slipped out to meet Gates at the new office that opened on the ranch in 2004.

Having worked at the White House and run the CIA, Gates will manage the budgets, bureaucrats, jargon and generals on the Pentagon's E-Ring easily enough. But he will be judged by only one rule: whether he can organize what a Baker aide calls "the orderly transition and exit from Iraq." Someone who has worked with him describes Gates as "serious, subtle, reflective, never curt or abrupt." Departing CIA directors are flooded with offers of corporate jobs and strategic intelligence posts. Instead, when Gates left government in early 1993, he fled to Washington State, where he spent the next few years in a library working on his memoirs.

That was, in many ways, a return to where he started. He rose through the CIA's analysis directorate as a Russia scholar during the 1970s until plucked for stardom by Reagan spymaster William Casey. Gates had a reputation as a tough-nosed hard-liner; in fact, Gates was never a mirror image of the shrewdly moderate Baker. During the first Bush Administration, Gates was far more skeptical of Mikhail Gorbachev and his perestroika program than was either Baker or the President. Gates' closest ally in that minor crusade was none other than then Defense Secretary Dick Cheney. Gates' nickname in the first Bush White House was Eyeore: no matter the topic, he always seemed to worry about the worst-case scenario. Gates, who has a healthy sense of humor, was usually the first to admit he was the in-house pessimist.

He has also seen his share of controversy. Partly because he worked for Casey, Gates was a minor player in the Iran-contra scandal and was criticized for skewing intelligence analysis on the Soviets to suit hard-liners in the Reagan White House. More than 30 Democrats--10 of whom are still in the Senate--opposed his nomination to be CIA director in 1991. Gates went into his confirmation that year carrying a small, white oblong stone in his pocket, a memento of a hike he had taken in the Olympic

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mountains the summer before. He wanted a reminder of what he had to look forward to in case his nomination failed. He may want to dig that stone out of his closet. Given the current Administration's record of laundering intelligence, Gates is sure to endure another round of questions about his past in his confirmation hearings next month.

But Bob Gates is probably under no illusions about the limitations he faces. He once told TIME that people who go to work at the White House pass through two distinct stages of astonishment. At first, they are amazed at what the place can do. But then they are quickly disillusioned by what it cannot accomplish. Putting an Iraqi exit plan in front of the President will be relatively simple. Winning Bush's full support may be harder. And executing it in a country where strategic planning is almost an oxymoron may prove beyond any man's--or any White House's--capability.

The New Face: A Spy With Fresh Eyes (NSWK)

By Dan Ephron And Mark Hosenball

Newsweek, November 13, 2006

Nov. 20, 2006 issue - How does the incoming Defense secretary really feel about the war in Iraq? At sessions of the Iraq Study Group over the past months, Robert Gates was careful not to show his cards. But on the commission's long flight home from a fact-finding mission to Baghdad in September, after several drinks had been poured, the Republican panelist let loose on the Bush team. "He said they really screwed up Iraq and, to a large extent, he couldn't figure out why it happened," a source close to Gates who was on the plane told NEWSWEEK. Particularly foolish, Gates thought, were the decisions to occupy Iraq with a relatively small force and to purge the Iraqi civil service of Baath Party members. "He couldn't believe there was such a degree of incompetence," said the source, who did not want to be named because panelists were trying to keep their discussions out of the media.

That's one side of Gates. Since retiring from public service in 1993, the career intelligence officer has shown a capacity to speak truth to Republican (and Democratic) power. His 1996 memoir, "From the Shadows," takes his former boss at the CIA, William Casey, to task for shutting out Congress and scorning oversight. A 2004 study he coauthored with Democrat Zbigniew Brzezinski criticized the Bush administration's policy of not speaking to Iran. But his record as a CIA analyst, as deputy national-security adviser to the first President Bush and as CIA chief in the early '90s shows another side as well. Melvin Goodman, who served under Gates in the CIA's Soviet division, says the boss knew how to spin raw intelligence into the kind of briefs politicians wanted to read. Goodman cites a Gates-ordered CIA analysis that supported allegations of Soviet involvement in the 1981 assassination attempt on the pope as a particularly glaring example of skewed intel. "He always serves his masters," Goodman told NEWSWEEK after Gates's appointment last week. (Gates could not be reached for comment).

So which side will he show President Bush? Gates owes a debt to Bush Senior. The former president helped erase the Iran-contra stain on Gates's record from the 1980s (when he was alleged to have been less than candid about when he learned of the illegal transfer of funds to Nicaraguan rebels from profits on arms sales to Iran) by picking him to head the CIA in 1991. Last week, four days before his appointment as secretary of Defense, Gates dined with Bush and wife Barbara at a football dinner at Texas A&M University, where Gates has served as president since 2002. He did not bite as readily when the son came calling. Twice, Gates turned down job offers from the younger Bush, first to be the National Intelligence director and later to serve as deputy secretary of State. And then there's Iraq. Though the panel Gates sat on until last week will probably stop short of calling for a troop withdrawal, it will certainly urge Bush to change course.

For Gates and others on the panel, the Iraq trip appears to have marked a turning point. After traveling in an airliner for 13 hours to Kuwait, the commission members boarded a military C-130 for the 90-minute flight to Baghdad. Most of the panelists sat in the hull, along with about 25 soldiers who were returning to the front. One commission member remarked how young they looked, according to a source who traveled with the group. "To see these young men really brought home the reality of the mess in Iraq and the price we're paying to be there," the source said. It's a mess Gates now owns.

A New Man. Next, A New Plan For Iraq? (USNEWS)

By Anna Mulrine And Kevin Whitelaw

U.S. News and World Report, November 13, 2006

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Defense Secretary Donald Rumsfeld didn't appear on any ballot last week, but the war that he and President Bush have waged in Iraq emerged as perhaps the most decisive factor in the Republican defeat. After a dreadful year of worsening sectarian violence and revenge attacks, polls have clearly shown a diminishing faith in the Bush administration's ability to turn things around in Iraq-nearly 6 in 10 voters said they disapprove of the war.

President Bush wasted no time in announcing Rumsfeld's resignation (though insisting that the departure was planned regardless of the election's outcome). The nomination of former CIA Director Robert Gates for the Pentagon post is a clear signal that the White House is trying to shake off its history of "stay the course" rhetoric. But while Bush's motivation might have more to do with politics than with military strategy, Gates could make a real difference. A member of the bipartisan Iraq Study Group led by former Rep. Lee Hamilton and former Secretary of State James Baker, who served in the first President Bush's administration, Gates could be a critical bridge between the White House and the clutch of foreign-policy graybeards many Republicans and Democrats are looking to as a lifeline— a last-gasp chance to reverse the downward trend in Iraq.

Shifting gears. The choice of Gates eases the way for Bush to latch on to at least some of Baker's proposals, due out soon. Baker's group could point to a strategy that "is a little different— or totally different," Lt. Gen. Raymond Odierno, who next month will become the No. 2 commander in Iraq, tells U.S. News. In any event, he adds, "it's going to be very much a factor."

The Baker report is expected to cement a shift in emphasis from creating a model democracy in the Middle East to simply achieving stability in Iraq-still no small feat. "Both the American people and the Congress don't want this to last a lot longer," says a senior U.S. military official. "You'll always get the party line of 'stay the course,' but everybody realizes that it's to a point." The question of an American troop surge, advocated by Republican Sen. John McCain, will come to the fore as well. "Do we need more people, or do they become a greater irritant?" asks Odierno. "There comes a time when you wear out your welcome."

Challenges. There are no magic bullets in Iraq. The underlying problem is that America's ability to change the dynamic there appears to be continually diminishing. The Sunni insurgents remain disturbingly strong—October was the deadliest month for U.S. soldiers in nearly two years. And troops have been unable to quell the sectarian violence. A vaunted security plan for Baghdad has failed to stem the bloodshed, Iraqi security forces remain unreliable, and U.S. officials have been unable to persuade Iraq's government to confront the Shiite militias or their leaders. The White House was particularly discouraged by what National Security Adviser Stephen Hadley found on his recent trip to Iraq. "The situation there is as complex as it's ever been and is getting more complicated every couple of weeks," says a senior administration official.

Rescue Squad (USNEWS)

By Kenneth T. Walsh

U.S. News and World Report, November 13, 2006

Within the tightknit world of Bush family and friends, it came as no surprise when the president named Robert Gates as his new defense secretary. President Bush has, after all, turned to members of his father's governing team on a regular basis to bail him out of jams or give him a lift. He chose Dick Cheney, his father's defense secretary, as his running mate in 2000. He brought in James Baker, his dad's secretary of state, to run the legal operation that gave him the presidency in 2000. He recruited Andrew Card, his father's transportation secretary and confidant, as his first White House chief of staff. He named Condoleezza Rice, his father's Russia expert, to be national security adviser and promoted her to secretary of state. Now James Baker is back at the center of the action as cochairman of the Iraq Study Group, which will make recommendations on a new Iraq policy in the next several weeks.

The choice of Gates allows the commander in chief to at least create the perception that he is looking for a fresh start in Iraq. Certainly Gates doesn't have the baggage of Donald Rumsfeld, the man he will replace at the Pentagon and widely considered the architect of the war. Equally important, as a private citizen, Gates has criticized the administration for failing to use diplomacy aggressively enough to extract the United States from Iraq. And Gates has a track record of success. He was part of George Herbert Walker Bush's national-security team, one of the best in recent years. "The father's team has a proven track record," says a member of 41's administration. "They handled the dissolution of communism, the falling apart of the Soviet Union, the Persian Gulf War, the liberation of Panama—and all were successes. These are people who knew what they were doing."

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Leaving the Aggies. Gates, president of Texas A&M University, site of the George Bush Presidential Library and Museum, was deputy national security adviser under George Herbert Walker Bush and director of central intelligence from 1991 to 1993. "He's pragmatic; he's a listener; he builds coalitions," says a former adviser to the father. That makes him a typical acolyte of the elder Bush—and the opposite of the arrogant Rumsfeld. The hallmarks of the elder Bush's national-security team were caution, pragmatism, and a commitment to diplomacy. This is far different from the central premises underlying the younger Bush's foreign policy—a belief in preventive war, a de-emphasis on international coalitions, and a campaign to spread democracy around the world.

Former aides to the father and some GOP advisers to the current White House think the departure of Rumsfeld, a longtime pal and ally of Dick Cheney, will leave the hard-line vice president isolated in the government. Others aren't so sure. No one knows whether Bush is ready to budge from his commitment to winning the war in Iraq and creating a democracy—a stance that Cheney strongly endorses.

Yet even if Bush does not make big changes in Iraq policy, there were many political and PR advantages to making the Pentagon move. Dumping Rumsfeld, 74, and naming Gates, 63, on the day after the election, Bush managed to shift the media's attention away from the GOP's disastrous losses on November 7. It also gave Bush some breathing room as he tries to rebuild public and congressional support for the Iraq war. Bush and his senior advisers acknowledge that a big reason for their setbacks at the polls was growing opposition to that conflict. By pushing Rumsfeld out, Bush removed the biggest symbol of his Iraq policy and a very divisive figure in Washington.

How History Will Judge Donald Rumsfeld (NSWK)

By John Barry And Michael Hirsh

Newsweek, November 13, 2006

Nov. 20, 2006 issue - There weren't many people in the Pentagon brave enough to give bad news to Donald Rumsfeld. Jim Roche, though, was one. The Air Force secretary and his boss shared Chicago roots and Washington ties going back 30 years—and, like Rummy, the white-haired Roche had made a lot of money in business. In the fall of 2002 it was becoming clear inside the Pentagon that George W. Bush intended to invade Iraq. A worried Roche dragooned the then Army secretary, Thomas White, to join him for a frank talk with Rumsfeld, according to a knowledgeable source who asked for anonymity because he was describing a private conversation. With some trepidation, the pair marched up to Rummy's elaborate dark-paneled office in the E-Ring, the power corridor of the Pentagon. "Don, you do realize that Iraq could be another Vietnam?" Roche asked. Rumsfeld, a political survivor of the Watergate era whose main goal was to exorcise the ghost of Vietnam forever—restoring American power and prestige in the world—was outraged at the very suggestion. "Vietnam? You think you have to tell me about Vietnam?" Rumsfeld sputtered. "Of course it won't be Vietnam. We are going to go in, overthrow Saddam, get out. That's it." Then he waved them out of his office.

Now Rumsfeld himself has been thrown out after six stormy years, a chastened if still-proud man who will spend the rest of his days grappling with the judgment of history. His tenure at the Pentagon is thick with irony. The squinty-eyed tough guy whom Bush once described as a "matinee idol," the podium wit who declared "I don't do quagmires," is now viewed as the author of one of the worst quagmires in American history. The "forward-leaning" ex-wrestler who wanted to project American strength abroad may now be blamed by historians for revealing the limits of American power—and weakening the nation's position in the critical Middle East.

When Rumsfeld arrived to take over the Pentagon for the second time in January 2001 he acted like a man on a mission. Rumsfeld came equipped with a glittering résumé: Princeton wrestling captain. Naval aviator. Congressman at 30. White House chief of staff at 42. Defense secretary at 43 (the youngest ever, way back in 1975). Fortune 500 CEO and turnaround specialist. And with 30 years of global experience, Rumsfeld had a clear vision for Defense. He wanted to draw down America's giant cold-war garrisons around the world and transform the U.S. military into a high-tech, "agile" force suited for expeditionary warfare around the globe.

Rumsfeld actually achieved a good part of this vision. He elevated the role and size of Special Forces, turning them into a separate worldwide command. He gave Special Operations—the global SWAT teams of the 21st century—the lead in the war

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against terrorism. He changed the way the Army and Navy operate worldwide, making both services more nimble. Finally, Rumsfeld began a profound shift of America's basic military approach to threats abroad, away from the old requirement of fighting three wars simultaneously (for example, in North Korea, Europe and the Mideast) and toward a new force organized to face unknowable contingencies.

But much of that transformational work may be forgotten in the history books. Instead, largely thanks to Iraq, Rumsfeld will likely go down as an erratic and arrogant manager who sullied America's reputation by allowing interrogation abuses at Abu Ghraib and other U.S.-run detention centers abroad; who haughtily dismissed advice from U.S. generals and senators alike to put in enough troops (in part because he didn't want another Vietnam), and who preferred to deny the reality of the Iraqi insurgency rather than confront it. Bush, in announcing Rumsfeld's departure last week, called him "a superb leader in a time of change." But that is a distinctly minority view in Washington, where it is hard to find any defenders of Rumsfeld, either Democrat or Republican. "He will be seen as the Robert McNamara of this generation," says retired Lt. Gen. William Odom, referring to the Vietnam-era Defense chief who has spent the last 40 years trying live down the carnage that occurred on his watch.

Rumsfeld himself is all too aware of this view, his associates say. That is one reason he wanted to stay on at the Pentagon through Bush's second term. Rumsfeld was hoping that by then things might have turned for the better in Iraq. Instead, Bush told Rumsfeld last week that enough was enough. If the violence in Iraq does abate over the last two years of Bush's term, credit will now go to Rummy's successor, Robert Gates, rather than to him.

Some of Rumsfeld's critics also say that much of his transformation was superficial. He was unable to pare down U.S. nuclear forces despite Bush's pledge to do so, sponsoring giant budgets filled with cold-war-era weapons. And they say he was unpardonably negligent in his handling of the central issue of his tenure, Iraq, which is likely to be the subject of fresh inquiries by the Democratic-controlled Congress. "Rumsfeld demanded responsibility for all of postwar Iraq and then did nothing with it," says a former senior Defense official who spoke anonymously "because I have to work in this town." "He tried to destroy the interagency process. And I think he was successful."

Historians will probably argue for decades over who gets most of the blame for the mistakes made in Iraq. But Rumsfeld's talent for bureaucratic infighting did work against success there. He offended allies, played down the State Department's role in planning for postwar Iraq and actively stymied Condoleezza Rice's efforts to do her first-term job as national-security adviser, which was to coordinate between agencies, according to numerous accounts. Sometimes he didn't even return her calls. "Rumsfeld treated Condi like the hired help," says a White House staffer who would discuss the relationship only if he was not identified. "He did everything he could to humiliate her. And the president never intervened." Two weeks ago, Iraq inspector general Stuart Bowen concluded that the Pentagon is still not working well with State in coordinating Provincial Reconstruction Teams, on which the administration once placed high hopes in Iraq.

Rumsfeld was not blind about Iraq. He foresaw clearly the pitfalls of a long foreign occupation. He planned to reduce the U.S. presence in Iraq to some 30,000 troops within months of the March 2003 invasion; if he'd had his way, he would have quickly handed over power to the Iraqis. "The secretary saw the Iraq war as his best chance to force the U.S. Army to abandon its cold-war model of a massive buildup taking months—what they did in Gulf War I—and move to a swifter, leaner way of operating," says one of his former top aides who would discuss him only anonymously. But once it became clear that Bush wanted a deeper democratic transformation of Iraq—one that would require a longer occupation—Rumsfeld failed to adjust. And that may be history's bottom line on his troubled tenure.

When "Oops" Isn't Enough (TIME)

By Michael Kinsley

Time, November 13, 2006

In the original film of Mel Brooks' The Producers, Zero Mostel advises a blithering Gene Wilder, who has just unintentionally observed Mostel's character trying to seduce an elderly woman: "You mean 'oops,' don't you? Just say 'oops' and get out!" Yet sometimes even "oops" is not enough.

Kenneth Adelman and Richard Perle said "oops" earlier this month. As personality types, these two longtime Washington hawks couldn't be more different. Adelman is relentlessly cheerful and upbeat, while Perle is legendarily gloomy and dark. But

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both played a role in pushing the U.S. into war in Iraq--Adelman in an influential Washington Post Op-Ed promising that the war would be "a cakewalk" and Perle warning of catastrophe if we left Saddam Hussein and his weapons unmolested. Now, interviewed in Vanity Fair, they say it all may have been a mistake. Oops!

Yet in Vanity Fair's quotes, there is no note of contrition. It's not their fault. In fact, dispensing with Saddam, establishing peace and democracy in Iraq and then watching those ideals spread throughout the Middle East is still a good idea. It's just that President George W. Bush bungled the job. Among other things, he failed to recognize the degree of "disloyalty" within his Administration, says Perle--who was chairman of Bush's Defense Policy Board--thus proving the accusation even as he makes it.

Opponents of the Iraq war ought to be happy for two such prominent converts. So why is their conversion so enraging? Well, first, howzabout an apology? It's maddening that there's no cost for being wrong, even when it translates into thousands of people dead and billions of dollars down the drain. In our culture of value-free celebrity, in which a famous ax murderer equals a famous actress equals a famous Nobel Peace Prize winner, Adelman and Perle have merely earned another 15 minutes as hot guests on the talk shows. They have reason to be pleased, having deserted the Bush Administration five minutes ahead of the other rats. But they should try not to show their pleasure.

Second, you don't get to assume the success of your intentions then plead a shrugging "Who knew?" when they don't pan out. I also am in favor of toppling dictators, establishing democracy and watching it spread painlessly throughout every region where there is no experience of it. Not only that: I am in favor of turning sand into ice cream and guaranteeing a cone to every child in the Middle East. But you can't turn sand into ice cream. That is not a defect in the execution of the idea. It is a defect in the idea itself. Although Perle and Adelman and others may think they are dissing the Bush Administration when they talk about its incompetence in failing to turn sand into ice cream, they are also displaying the Bush Administration's key vice, which is assuming that things are how you wish them to be and not how they are.

Third, condemning Bush's conduct of the Iraq war has become an overly handy cop-out for people who don't want to support the war but can't bring themselves to say it was wrong. This would include almost every Democratic candidate in last week's midterm elections. What would these Monday-morning quarterbacks have done differently? Sent in more American troops? Puh-leeze.

What is the proper way to act when you have made a boo-boo on the scale of what Perle and Adelman now admit to? A brief period of silence might be in order, followed by a bit of ideological spring cleaning. If this big idea has turned out to be wrong, isn't it possible that some of their other ideas are also wrong? In fact, maybe their whole philosophy is mistaken. Perle and Adelman are both neoconservatives, or neocons, a group that prides itself on being tough-minded and pragmatic while rejecting liberals as soft and romantic. Yet they managed to turn a President who was elected on a promise to eschew nation building into Woodrow Wilson in cowboy boots, promising democracy everywhere.

Adelman and Perle probably put on a better display of chagrin when they are 20 minutes late for a dinner party than they have managed to come up with so far in concluding that maybe the war was not such a great idea after all. "Just say 'oops' and get out" might be an excellent policy for the U.S. at this stage in the Iraq war. But it's not sufficient for the people who got us into it.

Zakaria: What The Baker Commission Is Ignoring (NSWK)

By Fareed Zakaria

Newsweek, November 13, 2006

Nov. 20, 2006 issue - Press accounts of its deliberations suggest that the much-anticipated Baker-Hamilton report will make some intelligent recommendations. The committee will point out that America's strategy in Iraq must be placed in a broader regional context. For three years, America's Iraq policy has largely ignored the rest of the Middle East. That was no accident. The neoconservative vision was always that Iraq would be made anew, shorn of the flaws and ailments of the Arab world. Before the invasion, senior policymakers speculated that Iraq's postwar government would recognize Israel. "The road to Jerusalem runs through Baghdad," they were fond of saying. Immediately after the war, a senior international diplomat attached to the Coalition Provisional Authority was embarking on a trip to Iraq's neighbors, and he asked Paul Bremer what message to deliver to them. The answer: none. The region was the problem, not the solution.

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This absence of a regional strategy left Iraq open to its neighbors' most irresponsible instincts. Iran and Syria have helped keep the violence there on the boil. Saudi groups and individuals have funded Sunni militants. None of the surrounding nations would benefit if Iraq actually did collapse, setting off territorial disputes, sending refugees into neighboring lands and exporting Iraq's instability. Such an outcome can still be avoided, but only with active support from these countries. The Baker-Hamilton commission can be expected to recommend a major regional effort.

The panel will also surely suggest intensive efforts to get the various groups in Iraq to forge a national compact. The elements of such a deal are clear—regional autonomy, a sharing of oil revenues, amnesty and the demobilization of armed groups or their incorporation into the Army. And this political settlement would go a long way toward reducing the violence in the country.

But if the commission stops there, it will have missed its moment. These recommendations are the easy ones, accepted by almost everyone but a few ideologues. Some are already being tried. The United States has been pushing hard to get the Iraqis to make a political deal. The administration has been talking more to the neighbors of late and has even made some small overtures to Iran.

That's not enough. Even if Iran and Syria actually agreed to help stabilize Iraq, there's no certainty that their efforts would bring dramatic changes to the country. The violence in Iraq has taken on a life of its own, and the entire structure of political authority has become fragmented and decentralized. If Prime Minister Maliki and Ayatollah Sistani cannot rein in the violence of their own fellow Shiites, is it likely that Iran and Syria could?

Here is the tough question: What are America's objectives in Iraq and how can we achieve them? More bluntly, what is to be done with the roughly 140,000 U.S. troops stationed there? What is their mission? If they have new goals, do these require more Americans or fewer? Not to tackle this issue is to present a doughnut document—all sides and no center.

In answering this question, we need to keep three factors in mind:

This is not our chessboard. The Iraqi government has authority over all the political issues in the country. We may have excellent ideas about federalism, revenue-sharing and amnesty, but the ruling coalition has to agree and then actually implement them. So far, despite our many efforts, they have refused. There is a desperate neoconservative plea for more troops to try one more time in Iraq. But a new military strategy, even with adequate forces, cannot work without political moves that reinforce it. The opposite is happening today. American military efforts are actually being undermined by Iraq's government. The stark truth is, we do not have an Iraqi partner willing to make the hard decisions. Wishing otherwise is, well, wishful thinking.

Time is not on America's side. Month by month, U.S. influence in Iraq is waning. Deals that we could have imposed on Iraq's rival factions in 2003 are now impossible. A year ago, America's ambassador to Iraq had real influence. Today he is being marginalized. Thus any new policy that requires new approaches to the neighbors and lengthy negotiations carries the cost associated with waiting.

America's only real leverage is the threat of withdrawal. Many outsiders fail to grasp how much political power the United States has handed over in Iraq. The Americans could not partition Iraq or distribute its revenues even if Bush decided to. But Washington can warn the ruling coalition that unless certain conditions are met, U.S. troops will begin a substantial drawdown, quit providing basic security on the streets of Iraq and instead take on a narrower role, akin to the Special Forces mission in Afghanistan.

And one last thing: for such a threat to be meaningful, we must be prepared to carry it out.

Democrats Signal Hope For Approval Of Gates (FT)

By Krishna Guha

Financial Times, November 13, 2006

Senior Democrats signalled on Sunday that they hoped to complete swiftly the confirmation process for Robert Gates to replace Donald Rumsfeld as the new US defence secretary during the "lame-duck" session of the outgoing Republican-dominated Congress which begins on Monday.

It may be one of the few concrete measures agreed over the coming weeks.

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Although packed with legislative initiatives, including bills on domestic wiretapping, the nuclear deal with India and a free trade agreement with Vietnam, political analysts are sceptical that the session will achieve much. They warn that many issues will have to wait until the new Democrat-controlled Congress convenes in January and some may disappear from the legislative agenda altogether.

The renewed effort by the White House also to win Senate confirmation for John Bolton, the US ambassador to the United Nations, during the lame-duck -session only complicates matters further.

Carl Levin, the incoming chairman of the Senate armed services committee, who voted against Mr Gates when he was nominated to be head of the Central Intelligence Agency in 1991, on Sunday told ABC's This Week: "I hope that his confirmation hearings can be held and that he will get a vote prior to the end of this Congress."

He reiterated his long-held reservations about the nominee but said: "I'm going to have a fresh look at him."

Joe Biden, the incoming chairman of the Senate foreign relations committee who also voted against Mr Gates in 1991, said: "I am inclined to vote for him now.

"I know some of his views on Iraq," he said. "I know he wasn't of the Rumsfeld school. And to put it very, very bluntly, as long as he is not there, Rumsfeld is."

Dan Bartlett, the White House counsellor, held out hope that the lame-duck session could pass substantial legislation.

"I'm not going to prejudge the outcome of this lame duck," he told Fox News Sunday. "On the terrorist surveillance programme, the president came to an agreement with key members of the US Senate and House."

Analysts, though, point out that the agreement was with Republicans critical of the wiretap programme and may not now be enough to satisfy victorious Democrats.

The White House wants the outgoing Congress to pass appropriations (spending) bills for 2007.

Political experts, though, doubt there is appetite on either side of the outgoing Congress for big legislation, following a decisive vote in favour of the Democrats in the mid-terms.

"Most lame-duck sessions amount to very little and that is especially true after a change in party control," said Larry Sabato, professor of politics at the University of Virginia. "Why would Democrats in the Senate permit the GOP [Republicans] to pass any significant legislation when they themselves will be taking charge in January?"

Norm Ornstein, a fellow at the American Enterprise Institute, a conservative think-tank, said many Republicans in the House probably just want to "get out of town".

He said Senate Republicans "would like to finish up several things they almost got through at the end of September – the India deal, the Vietnam free trade agreement, the extension of popular tax cuts, the oil drilling compromise" but added "one would not expect much".

Mr Ornstein said the India bill had a better chance of passing Congress during the lame-duck session than the Vietnam trade accord but said the odds were "less than 50 per cent for each".

Gates Would Leave Fidelity To Take Defense Post (WSJ)

By John Spence

The Wall Street Journal, November 13, 2006

Fidelity Investments said Robert Gates, the Bush administration's nominee for secretary of defense, is expected to resign as chairman of the mutual-fund company's independent trustees if his cabinet appointment is confirmed.

Fidelity also announced manager changes at several of its funds and said it will cut fees for the 529 college-savings plans it manages for Massachusetts and other states. "On behalf of Fidelity, we are grateful that Bob Gates has served the Fidelity funds and the funds' shareholders for the last nine years with distinction," said Fidelity Chief Operating Officer Robert Reynolds.

Mr. Gates would step down from his role at Fidelity to prevent any perceived conflicts of interest, observers said.

The closely held Boston company said on its Web site Thursday that Jennifer Uhrig was named portfolio manager of $20.4 billion Fidelity Blue Chip Growth Fund, taking over for John McDowell and Brian Hanson. Mr. McDowell is retiring from portfolio management, while Mr. Hanson will continue to oversee Fidelity Advisor Strategic Growth Fund and Fidelity VIP Growth Stock Portfolio, the mutual-fund firm said.

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The moves reverberated down the firm's management lineup, as Jason Weiner will succeed Ms. Uhrig at Fidelity Advisor Equity Growth Fund and Fidelity VIP Growth Portfolio. Mr. Weiner has managed Fidelity Independence Fund, Fidelity Fifty Fund and Fidelity Advisor Fifty Fund since 2003 and has worked as associate portfolio manager of Fidelity VIP Contrafund since March 2006, Fidelity said.

Meanwhile, Robert Bertelson will succeed Mr. Weiner at $4.6 billion Fidelity Independence Fund and Peter Saperstone was named portfolio manager of $1.2 billion Fidelity Fifty Fund and Fidelity Advisor Fifty Fund.

Fidelity said C. Robert Chow was named manager of Fidelity Equity Income II Fund, Scott Offen is in at Fidelity Advisor Equity Value Fund, and Richard Fentin was named portfolio manager of VIP Value Portfolio. The three are succeeding Stephen DuFour.

Finally, James Morrow is taking over for Timothy Cohen at Fidelity Advisor Diversified Stock Fund.

Some analysts were surprised at Mr. Bertelson's move to Fidelity Independence Fund given his unenviable record at Fidelity Aggressive Growth Fund, which he managed in the early 2000s. "He had a rough time of it between 2000 and 2002 when the fund lost about 75% and trailed the mid-cap growth peer group by a wide margin," said Dan Lefkovitz, an analyst at investment researcher Morningstar Inc.

Fidelity spokesman Vin Loporchio said Mr. Bertelson suffered from bad timing in taking over the fund right at the peak of the market for aggressive growth stocks in February 2000.

Mr. Lefkovitz said he was dismayed by the changes at Fidelity Blue Chip Growth Fund as well. "We've been sticking by this fund despite its underperformance because it was in an unloved part of market and had experienced managers with a good track record," the analyst said. "We were expecting better days ahead, but we don't have as much confidence in the new manager."

Fidelity Blue Chip Growth has a three-year annualized return of 6.2%, trailing the Standard & Poor's 500 by more than five percentage points, according to Morningstar.

Fidelity also is preparing to lower its fees and add more investment options for 529 college-savings plans it runs for Massachusetts and other states, a Fidelity spokeswoman confirmed.

The move, which was earlier reported by the Boston Globe, is expected to be formally announced this week. It comes as rivals such as Vanguard Group have unveiled similar fee reductions as money flows into 529 plans, driven by federal tax exemptions on the tuition plans becoming permanent. So-called 529 plans are investment programs run by states that help Americans contribute to college-tuition expenses. The plans are administered by asset managers who determine how the money is invested.

Fidelity spokeswoman Sophie Launay said the company is readying age-based index portfolios with fees capped at 0.5%, providing a cheaper option than those employing actively managed funds. She said Fidelity plans to do away with its $20 annual fee on all direct-sold plans, and is lowering the minimum monthly contribution to $15 from $50. Fidelity manages 529 plans in Massachusetts, New Hampshire, Delaware, Arizona and, soon, in California. The company manages about $7 billion in direct-sold 529 plans, Ms. Launay said.

Gates Likely To Sustain Terror War (WT)

By Rowan Scarborough

The Washington Times, November 13, 2006

Defense Secretary-designate Robert M. Gates is not expected to rein in the aggressive global war on al Qaeda started by predecessor Donald H. Rumsfeld or reverse the transformation of the Army, but instead focus on how to win in Iraq and get American troops home, current and former Pentagon officials say.

"He definitely is not seen as someone wimping out on the global war," said a Pentagon adviser. "How he does it, and what tools, and who he entrusts with them, that's a whole different issue."

Mr. Gates, once confirmed by what Republicans hope will be a December floor vote, will arrive at the Pentagon needing to replace a number of senior aides to Mr. Rumsfeld who set policy on intelligence, special operations and the war itself.

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Some other officials Mr. Rumsfeld eyed for senior posts may be discarded because they would not get through a Democrat-controlled Senate, Pentagon officials said.

President Bush introduced his new defense secretary Wednesday and said Saturday that Mr. Gates was an "agent of change" in a sign of the growing momentum for a new direction in Iraq policy after election defeat for Republicans.

"He has experience leading large and complex organizations, and he has shown that he is an agent of change," Mr. Bush said in his weekly radio address. "He will provide a fresh outlook on our strategy in Iraq, and what we need to do to prevail."

That task will be Mr. Gates' overriding focus in the administration's last two years. The quiet government staff man and former college president will be the Pentagon leader the president hopes will ensure that Iraq is not as damaging in the 2008 election to Republicans as it was in 2006.

Mr. Gates resigned Friday from the Iraq Study Group, a blue-ribbon panel established by Congress to find new solutions for Iraq. The bipartisan group is headed by former Secretary of State James A. Baker III and former Rep. Lee Hamilton, Indiana Democrat.

It is Mr. Gates' ties to Mr. Baker and Brent Scowcroft, former President Bush's national security adviser, that has Republican hawks worried. Mr. Gates worked with both in the first Bush administration as CIA director and deputy to Mr. Scowcroft.

Mr. Scowcroft opposed the war and is said to be cool to Mr. Rumsfeld's aggressive style of using the full force of the military to confront al Qaeda. He was among the team of aides who advised the first President Bush to end the fighting against Iraq in 1991 in the first Gulf war.

In an published interview two years ago in London's Financial Times, Mr. Scowcroft said Iraq was a "failing venture."

Mr. Baker's State Department practiced pragmatism at times over loftier goals. He already has said he supports talking to one's enemies, a sign the study group may recommend engaging in talks with Iraq's terrorist-sponsoring neighbors, Iran and Syria.

"I don't think you restrict your conversations to your friends," Mr. Baker told ABC News.

Some conservatives fear such language means Mr. Baker -- and Mr. Gates -- will urge a political agreement that rewards the two hard-line regimes that have supported the deadly Iraqi insurgency with millions in cash, training and weapons.

"Gates has no credentials as a military strategist or innovator," said Jed Babbin, a senior Pentagon official in the first Bush administration. "To replace Rumsfeld with someone lacking these credentials is more than worrisome. ... How will we proceed to win the war? It all comes down to how the president wants to proceed. That's the most important open question."

Mr. Gates will bring a new style to a Pentagon. While Mr. Rumsfeld is brash and combative, Mr. Gates is studious and measured.

He is not viewed as a conservative ideologue, but rather a career manager who rose through the ranks of the CIA's academic-style analytical branch at Langley headquarters. He is more bureaucrat than revolutionary like Mr. Rumsfeld, who pushed through more than 100 transformational reforms and policies.

Mr. Rumsfeld in particular brought special-operations forces off the shelf after the September 11 attacks and empowered commandos with money and manpower to become al Qaeda hunters.

"Rumsfeld understood modern war and real transformation," said an Army Special Forces soldier. "Let's hope Gates doesn't can Pentagon [intelligence] collection efforts in favor of his old alma mater. Let's also hope that generals don't convince Gates that true transformation means more artillery and bigger tanks."

The cupboard will be a bit bare at the Pentagon. Peter Rodman, the assistant secretary of defense who oversees Iraq and Afghanistan policy, told his staff last week he will leave with Mr. Rumsfeld. Stephen Cambone, a close aide to Mr. Rumsfeld and his top intelligence official, also will likely leave. Thomas O'Connell, the top policy-maker for special operations, already had said he would be leaving after the election.

Mr. Gates, who will bring in his own staff, is working out of the White House to prepare for confirmation hearings before the Senate Armed Services Committee. By law, he is not allowed to engage in policy-making until sworn in.

Will Rumsfeld's Reforms Last? (CSM)

By Keith S. Collins

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The Christian Science Monitor, November 13, 2006

Donald Rumsfeld's efforts as secretary of Defense to modernize the US military helped make American fighting forces more lean and muscular. He envisioned a military powered by information and relied on technology to deliver a more effective, more dominant, and more connected armed forces.

But not all experts believe the transformation has been helpful in the war on terror, and the sustainability of many of his reforms may ultimately depend on the ability of people to rise above intense negative feelings about him and see beyond his failings in the Iraq war.

"Rumsfeld made an impressive start [on military transformation]," says Andrew Krepinevich, executive director of the Center for Strategic and Budgetary Assessments in Washington. "He set out to restructure global basing posture and succeeded. He enlarged special operations. We have a strong precision-strike capability now."

From the beginning of his tenure in early 2001, Rumsfeld aimed to create a military firmly planted in the 21st century. He insisted that orders for powerful but, in his view, outdated weapons systems, such as the Comanche helicopter and the Crusader artillery, be canceled. He felt the 70-ton Crusader system, for example, was too cumbersome for the kind of rapid deployment needed in modern battlefield situations. After a bruising battle with Congress, he was able to kill the program in 2002.

Mr. Rumsfeld's intent was to change what he believed were old ways of thinking. Peter Singer, senior fellow at the Brookings Institution in Washington, says Rumsfeld wanted to send a message as much as to cancel programs. "He was telling the [armed] services: 'You have to have a new operating mentality,' " he says.

The military got the message. Discussions over designing the military of the future were once confined to universities and think tanks. But, Rumsfeld brought the debate to the Pentagon. Now, each branch of the military analyzes new ways to grow.

To help give his reforms momentum, Rumsfeld opened the Office of Force Transformation in late 2001, and he pushed the concept of "networkcentric warfare," the theory that a military can gain battlefield advantage through information advantage. The purpose, according to the Pentagon document "Elements of Defense Transformation," was to create "networked forces that operate with increased speed and synchronization and are capable of achieving massed effects, in many situations without the physical massing of forces required in the past."

Networkcentric warfare has been on display in Iraq. Singer points to a tale of marines under mortar fire during the second US offensive on Fallujah in November 2004. The soldiers' call for help went not to fellow marines but to an office in Nevada, which was controlling an unmanned Predator drone in the skies above Iraq. The "pilot" in Nevada steered the drone over the area and launched a missile that took out the mortar.

But not everyone was buying into Rumsfeld's vision. Fighting today's wars, some experts say, is not just about smarter technology but about smarter ways of handling people. Jim Dobbins, director of the RAND Corp.'s Security and Defense Policy Center and the Bush administration's first special envoy to Afghanistan, believes Rumsfeld's efforts at transforming the military are "largely irrelevant" to the counterinsurgency efforts in places like Iraq and Afghanistan, and in fact may be destructive.

Mr. Dobbins acknowledges that at the tactical level, networked weapons systems can be helpful. But computers can not gauge collateral damage. The drone's missile may take out the mortar, but it may also take out the entire house.

"If you substitute firepower for manpower, you kill innocent people and antagonize the population you are trying to help," Dobbins says.

The unexpected difficulties of the Iraq war ultimately soured many people on the value of Rumsfeld's reforms. Pinpoint attacks can effectively take out tanks and missile silos. But lightning strikes don't work in house-to-house raids or when rooting out guerrillas in caves. Those scenarios require manpower.

Rumsfeld's management style, often described as arrogant, also raised resistance to his ideas.

In some ways, the fate of many of Rumsfeld's reforms has already been determined.

"He was so preoccupied with transformation and wrong about Iraq, I don't think most of his concepts will be realized," predicts Loren Thompson, chief operating officer of the Lexington Institute, a think tank on military issues. "He had two [unsuccessful] challenges on his watch: finding Al Qaeda's leaders and the war in Iraq. So his achievement will be discredited."

Will the new nominee for Defense secretary, Robert Gates, continue with Rumsfeld's reforms? "My impression is that Gates is being hired to deal with Iraq," says Mr. Krepinevich. "I don't see him giving high priority to transformation."

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Bush Faces GOP Ire Over Rumsfeld Timing (AP)

By John Heilprin

AP, November 12, 2006

The White House is trying to soothe Republicans who say the party might have fared better on Election Day if President Bush had not waited until after the vote to oust Defense Secretary Donald H. Rumsfeld.

"You could argue that either way, of what political effect an earlier decision on Secretary Rumsfeld would have had. But it doesn't matter," White House chief of staff Josh Bolten said Sunday.

"The president correctly decided that this decision does not belong in the political realm. And a decision as important as your secretary of defense should not be made based on some partisan political advantage. It would send a terrible signal to our troops, to our allies, even to our enemies," Bolten said.

Former House Speaker Newt Gingrich has suggested that if Bush replaced Rumsfeld two weeks before the election, voters would not have been as angry about the unpopular Iraq war. Republicans would have gained the boost they needed, according to Gingrich, to retain their majority in the Senate and hold onto 10 to 15 more House seats.

Sen. Arlen Specter, R-Pa., the outgoing chairman of the Senate Judiciary Committee, agreed with that assessment.

Bush should have removed Rumsfeld "as soon as he had made up his mind. And that's a hard thing to calculate. But it's highly doubtful that he made up his mind between the time the election returns came in on Tuesday and Wednesday when Rumsfeld was out."

"And if Rumsfeld had been out, you bet it would have made a difference," Specter said. "I'd still be chairman of the Judiciary Committee."

The same thought occurred to veteran Rep. Clay Shaw, R-Fla., who was on the verge of becoming chairman of the House Ways and Means Committee. After the election, Shaw said that if Rumsfeld had stepped down before last Tuesday, Shaw and other Republicans might have won.

"It could have made a difference in who is running the Congress," said Shaw.

Bush said in an Oval Office interview with The Associated Press and other reporters on Nov. 1 that he expected Rumsfeld and Vice President Dick Cheney to stay in his administration until the end. A day after Democrats triumphed, Bush acknowledged he misled the reporters because he "didn't want to inject a major decision about this war in the final days of a campaign."

Bolten explained that when Bush spoke to the reporters, the president had begun seeking a replacement for Rumsfeld — but had yet to decide on a successor.

"The president was not going to replace Secretary Rumsfeld unless he was confident that he had a very strong replacement available to him to put in place," Bolten said.

More important, Bolten said, was that Bush's misdirection to the press was justified by military need.

"If he had said something other than what he said, if he had been equivocal about his support for Secretary Rumsfeld, that would have started an outbreak of then warranted speculation about Secretary Rumsfeld's tenure," Bolten said. "It would have undermined Secretary Rumsfeld's ability to lead the military in a time of war."

White House counselor Dan Bartlett said he did not buy the idea that the timing of the resignation would have made a difference with voters — but allowed that the president was concerned with appearances.

"Think about the signal it would have sent two weeks before the election if President Bush, desperate to change political polls, would have jettisoned his secretary of defense. It would have looked desperate," Bartlett said.

"It would have looked like it was made based on political motivations, not on the security interests of our country," he said. "And I think that would have weakened the president and Republican support going down the stretch of this campaign."

Rumsfeld's departure was a turning point in the administration's Iraq policy. Bolten and Bartlett, making the rounds of Sunday talk shows, said Bush will now welcome new ideas about the war, even from Democrats he once called soft on terrorism.

Some Democrats raised concerns about Bush's choice of former CIA Director Robert Gates to succeed Rumsfeld. The questions revolve around what Gates knew during the Iran-Contra affair, which involved two Reagan White House covert operations: selling arms to Iran to free U.S. hostages in Lebanon and supplying arms to the Contra guerrillas fighting the leftist government of Nicaragua.

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"I haven't decided what I'm going to do with Mr. Gates," said Sen. Carl Levin, D-Mich., the incoming chairman of the Senate Armed Services Committee.

Bolten and Levin spoke on ABC's "This Week." Specter appeared on CNN's "Late Edition." Bartlett and Dean were on "Fox News Sunday."

Rumsfeld And The Realists (WSJ)

By Michael Rubin

The Wall Street Journal, November 13, 2006

On Dec. 20, 1983, Donald Rumsfeld, then Ronald Reagan's Middle East envoy, met Iraqi President Saddam Hussein in Baghdad. According to declassified documents, the Reagan administration sought to re-establish long-severed relations with Baghdad amid concern about growing Iranian influence. While U.S. intelligence had earlier confirmed Saddam's use of chemical weapons, Mr. Rumsfeld did not broach the subject. His handshake with Saddam, caught on film by Iraqi television, represented a triumph for diplomatic realism.

Iran and Iraq would fight for five more years, leaving hundreds of thousands dead on the battlefield. Then, two years after a ceasefire ended the war, Saddam invaded Kuwait. In subsequent years, he would subsidize waves of Palestinian suicide-bombers, effectively ending the Oslo peace process. Saddam's career is a model of realist blowback.

On Sept. 23, 2002, as Saddam defied international inspectors and U.N. sanctions crumbled under the greed of Paris, Moscow and Iraq's neighbors, Newsweek published a cover story, "How we Helped Create Saddam," that once again thrust the forgotten handshake into public consciousness. Across both the U.S. and Britain, the story provoked press outrage. NPR conducted interviews outlining how the Reagan administration allowed Saddam to acquire dual-use equipment. Mr. Rumsfeld "helped Iraq get chemical weapons," headlined London's Daily Mail. British columnist Robert Fisk concluded that the handshake was evidence of Mr. Rumsfeld's disdain for human rights, and Amy and David Goodman of "Democracy Now!" condemned Mr. Rumsfeld for enabling Saddam's "lethal shopping spree." While 20 years too late, progressives decried the cold, realist calculations that sent people across the third world to their graves in the cause of U.S. national interest.

What a difference a war makes. Today, progressives and liberals celebrate not only Mr. Rumsfeld's departure, but the resurrection of realists like Secretary of Defense-nominee Robert Gates and James Baker. Mr. Gates was the CIA's deputy director for intelligence at the time of Mr. Rumsfeld's infamous handshake, deputy director of Central Intelligence when Saddam gassed the Kurds, and deputy national security advisor when Saddam crushed the Shiite uprising. Mr. Baker was as central. He was White House chief of staff when Reagan dispatched Mr. Rumsfeld to Baghdad and, as secretary of state, ensured Saddam's grip on power after Iraqis heeded President George H.W. Bush's Feb. 15, 1991, call for "the Iraqi people [to] take matters into their own hands and force Saddam Hussein the dictator to step aside." In the months that followed, Saddam massacred tens of thousands of civilians.

While Mr. Rumsfeld worked to right past wrongs, Messrs. Gates and Baker winked at the Iraqi dictator's continuing grip on power. For progressives, this is irrelevant. Today, progressivism places personal vendetta above principle. Mr. Rumsfeld is bad, Mr. Baker is good, and consistency irrelevant. * * *

Progressive inconsistency will only increase with the unveiling of the Baker-Hamilton commission recommendations calling for reconciliation with both Syria and Iran. In effect, Mr. Baker's proposals are to have the White House replicate the Rumsfeld-Saddam handshake with both Syrian President Bashar Assad and Iranian President Mahmoud Ahmadinejad.

The parallels are striking. First, just as Saddam denied Kuwait's right to exist, Mr. Assad refuses to recognize Lebanese independence (Damascus has no embassy in Beirut) and Mr. Ahmadinejad calls for Israel's eradication. Washington realpolitik enabled Saddam to act out his fantasies; evidence suggests both Mr. Assad and Mr. Ahmadinejad aspire to do likewise.

Second, just as the Reagan-era Rumsfeld turned a blind eye toward Iraqi chemical weapons, so too does Mr. Baker now counsel ignoring their embrace by the Syrian and Iranian leadership. Tehran used chemical munitions in its war against Iraq, and senior Iranian officials have also threatened first-strike use of nuclear weapons. Syria is just as dangerous: On April 20, 2004, Jordanian security intercepted Syrian-based terrorists planning to target Amman with 20 tons of chemical weapons. Mr. Assad has yet to explain the incident.

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And, third, there is the issue of detente enabling armament. Following his rapprochement with Washington, Saddam transformed investment into replenishment. The cost of ejecting Iraqi forces from Kuwait was far greater than any benefit borne of engagement.

Trade with Tehran has likewise backfired. Between 2000 and 2005, European Union trade with Iran almost tripled. During this same period, Iranian authorities used their hard currency windfall not to invest in schools and hospitals, but rather in uranium processing plants and anti-aircraft batteries. Mohammad Khatami, Mr. Ahmadinejad's predecessor and a man often labeled reformist by U.S. and European realists, showed the Islamic Republic's priorities when he spent two-thirds of his oil-boom windfall on the military. Said Mr. Khatami on April 18, 2002: "Today our army is one of the most powerful in the world. . . . It has become self-sufficient, and is on the road to further development." Subsequent discovery of Iran's covert nuclear facilities later that year clarified his boast. The Assad regime has shown its willingness to spend its discretionary income on a wide-range of weaponry and terror groups.

Realism promotes short-term gain, often at the expense of long-term security. With hindsight, it is clear that Mr. Rumsfeld's handshake with Saddam backfired. While it may have constrained Iran in the short-term, its blowback in terms of blood and treasure has been immense.

Why then do so many progressives then celebrate the return of realism? The reasons are multifold. First, having allowed personal animosities to dominate their ideology, they embrace change, regardless of how it impacts stated principles. Hatred of Mr. Rumsfeld became a principle in itself. Likewise, the same progressives who disparage John Bolton seldom explain why they feel forcing the U.N. to account for its inefficiencies or stick to its founding principles is bad. They complain not of his performance, but rather of his pedigree.

Second is a tendency to conflate analysis with advocacy. Progressives find themselves in a situation where they both embrace realism but deny reality. An Oct. 13 Chronicle of Higher Education article regarding a Columbia University professor's attacks on Azar Nafisi, author of "Reading Lolita in Tehran," highlighted the issue: "The conundrum, say these [Middle East studies] scholars, is how to voice opposition to the actions of the Islamic Republic without being co-opted by those who seek external regime change in Iran through a military attack." By embracing a canard, intellectuals convinced themselves of the nobility of ignoring evidence. Thus, Western feminists march alongside Islamists who seek their subjection while progressive labor activists join with Republican realists to ignore Tehran's attacks on bus drivers seeking an independent union, even as a Gdansk-type movement offers the best hope for peaceful change in Iran.

Both realism and progressivism have become misnomers. Realists deny reality, and embrace an ideology where talk is productive and governments are sincere. While 9/11 showed the consequences of chardonnay diplomacy, deal-cutting with dictators and a band-aid approach to national security, realists continue to discount the importance of adversaries' ideologies and the need for long-term strategies. And by embracing such realism, progressives sacrifice their core liberalism. Both may celebrate Mr. Rumsfeld's departure and the Baker-Hamilton recommendations, but at some point, it is fair to ask what are the lessons of history and what is the cost of abandoning principle.

Mr. Rubin, a resident scholar at the American Enterprise Institute, is editor of the Middle East Quarterly.

Places For Progress (TIME)

By Nathan Thornburgh

Time, November 13, 2006

Despite all the cordial luncheons and admissions that both sides love America, the President and the newly elected Democratic Congress aren't likely to find common ground on hot-button issues like stem-cell research and no-warrant wiretaps. Here's our pick of policies on which the two might actually do business:

Minimum Wage

The day after elections, the President's most prominent offer of cooperation came on this issue. Democrats have long made raising the federal minimum wage, which hasn't budged since 1997, a centerpiece of their platform. They want to boost it from $5.15 an hour to $7.25. The party's congressional members have pledged not to raise their own pay until the hike passes.

Education

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Democratic Senator Ted Kennedy is set to chair the Senate committee that oversees education. Although he has bitterly accused President Bush of underfunding the No Child Left Behind Act of 2002, Kennedy has said he still believes in its principle: using standards to lift every student's performance. Education Secretary Margaret Spellings told TIME last week that she and the Senator had made the act's reauthorization a joint priority even before the election. "Kennedy and I talked this summer about the need to get this done--win, lose or draw," she said.

Alternative Energy

The two parties have pledged to work together to develop alternative fuel sources. Look for more tax credits and subsidies to help companies develop green and renewable energy. The President, who said in his last State of the Union address that "America is addicted to oil," is scheduled to talk up hybrid and ethanol-powered flex-fuel cars this week. And his market-centric approach may find an ally in Michigan's John Dingell, the Democrat who will be in charge of the House Energy and Commerce Committee. Unlike many of his party colleagues, Dingell, a friend of his state's auto industry, is against mandating higher fuel-efficiency standards for carmakers.

Immigration

Members of Bush's party spent much of this year deriding and stonewalling his compromise plan for reforming immigration policy, which called for enhanced border security along with a path to citizenship for certain working immigrants. A Democratic Congress is much more likely to craft a Bush-style solution. Bush and the Democrats may well start with modest reforms like the AgJobs bill, an attempt by Senators from both parties to normalize the immigrant farm-labor economy. It stalled in the House this year.

After The Triumph, The Tribulations (TIME)

By Karen Tumulty

Time, November 13, 2006

Herding cats. Pushing a string. Making yourself heard in a preschool where no one has had a nap. The analogies that have been used to describe what it's like to be in charge of Congress have always suggested that the titles Speaker of the House and Senate majority leader were someone's idea of a joke. But now that the high fives and jubilant photo ops are behind them, Nancy Pelosi and Harry Reid have to run the place. Whether anything is actually accomplished on Capitol Hill over the next two years will depend largely on the skills these two leaders develop in maneuvering through the tricky challenges ahead.

Pelosi is known for her steel; no one crosses her without paying a price for it. And she will need every bit of that toughness to manage a caucus that promises to grow more fractious. Much has been made of the relatively conservative bent of the incoming freshman class of House Democrats, many of whom were recruited to run because they fit so well in districts that have been sending Republicans to Washington for years. Once they arrive, however, they will be working under a set of committee chairs who proudly and tenaciously represent the farthest-left edges of their party--and who have been chafing under the past dozen years of G.O.P. rule. Most of the rest of the Democratic caucus also tilts to the left and is just as anxious to reassert itself.

Filling the exceedingly sensitive post of House Intelligence Committee chairman will be a good test of how Pelosi works. Her fellow Californian Jane Harman, its ranking member, wants the job, but Pelosi doesn't particularly like Harman, so speculation is that Pelosi could go to the next in line, Florida's Alcee Hastings. That would please the black caucus, but there's no small political problem in the fact that in 1989 Hastings was impeached by the (Democratic) House and removed by the (Democratic) Senate from his federal judgeship for conspiring to take a $150,000 bribe (although he had been acquitted in court). Pelosi must also deal with a potentially bitter and ideological race for the majority leader's job, which is the No. 2 post in the Democratic leadership.

For all the internal intrigue, Pelosi's job at least gives her a tight command of the House floor and requires her to pull together only a simple majority to get things done. Reid must surely envy that. It takes the support of 60 Senators--enough to get past a filibuster--to get anything controversial passed in the Senate; he's nine short of that. And while the majority leader has power over the schedule, the Senate's arcane rules give any individual Senator the power to bollix up the works.

A person to watch will be incoming minority leader Mitch McConnell, one of the Senate's canniest operators. After wrangling with McConnell for years over campaign-finance reform, Senator John McCain declared, "There are few things more

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daunting in politics than the determined opposition of Senator McConnell." President Bush does not want to spend his last two years in office vetoing one Democratic measure after another. So McConnell will play a position much like the goalie in a hoc key game, blocking legislation from ever reaching Bush's desk.

And finally there is the reality that the 2008 presidential campaign will be under way, and Reid oversees a chamber that is brimming with potential contenders of both parties. Primary politics in both parties rewards grandstanding and ideological pu rity, not compromise and teamwork. That's hardly a formula for compromise-- or for getting much of anything done.

Post-Thumpin' Politics (USNEWS)

By Michael Barone

U.S. News and World Report, November 13, 2006

The "thumpin'" that the Republican Party received last week will make profound changes in policymaking in Washington and in presidential politics. On the policy side, we have already seen something in the nature of parliamentary g overnment: Defense Secretary Donald Rumsfeld lacked the confidence of the new congressional majority and promptly resigned. George W. Bush and the Speaker-to-be Nancy Pelosi both expressed a hitherto indiscernible desire to work together, either out of con viction or out of calculation that it was in their interest to do so.

Democrats, having won a small majority in the House and a paper-thin one in the Senate, now visibly share the responsibility for governance, and we can expect for a time less of the scathing rhetoric they routinely deployed. Bush clearly hopes to yoke the Democrats in support of a common changed approach to Iraq. On domestic policy, there will be constant negotiations between congressional leaders and Office of Management and Budget Direc tor Rob Portman, complete with veto threats-much like those between Bill Clinton and Newt Gingrich. One can foresee areas of agreement. Bush will concede a fig-leaved minimum wage. On immigration, House Democrats and a solid Senate majority favor the Bush approach blocked by House Republicans. Advancing alternative fuels is another possibility. Some Democrats want tax-free savings vehicles for lower-paid workers; that sounds a lot like the individual investment accounts Bush proposed for Social Security. On some issues there will be no agreement-tax reform, probably. But big issues have been addressed in the past by divided governments.

In the process, Bush is decoupling himself from the Republican Party. House Republicans, with little chance to affect outcomes, will be mostly ignored as House Democrats were under Clinton. Senate Republicans, with the leverage of filibuster threats, will be brought into the loop. But congressional Republicans will be on their own in setting a course for 2008.

Narrow margins. As for presidential politics, we are still in an era of roughly even division between the parties. In the five House elections from 1996 to 2004, both parties received between 46 and 51 percent of the popular vote; final 2006 results ar e not in, but if they're outside this narrow range, it won't be by much. Bill Clinton tried to create a natural majority for his party but fell short. George W. Bush attempted the same for his party but has also missed the mark. The 2002 and '04 Republican majorities were too small to withstand the winds of 2006.

For a dozen years, our politics has been bitterly polarized, dominated by two baby boomer presidents who happen to have personal characteristics that people on the other side of the cultural divide absolutely loathe. Clinton in 1992 and Bush in 2000 both made genuine efforts to run as unifiers, but once in office proved to be dividers. The 2008 cycle will bring a different cast of characters. The leaders in the polls-Rudolph Giuliani, John McCain, and Hillary Rodham Clinton-all are, to varying degrees, in tension with their parties' bases. That suggests that they have the capacity, to varying degrees, to appeal across the cultur al divide and pull their parties above the 51 percent ceilings they've been under for the past 10 years. Other potential candidates—Republican Mitt Romney and Democrat Barack Obama—may have similar potential. The culturally conservative Republican base and the vitriolically anti-war Democratic base don't seem to have strong candidates, unless you count Al Gore and John Edwards.

For the next two years, political governance and presidential politics seem likely to proceed on two separate tracks, with little relation between them. House and Senate Democratic leaders may want to avoid confrontation on issues that will put their presidential candidates on the defensive. Bush seems less likely to worry about the effect of his decisions on possible Republican nominees. That leaves the initiative on setting a post-Bush agenda to the presidential candidates of both parties. They start off closely matched. Pollster Scott Rasmussen, whose final Senate numbers were spot on, shows Hillary Clinton

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trailing John McCain 48 to 43 percent and tied 46 to 46 percent with Rudolph Giuliani. Democrats may have thumped Republicans last week, but the political future is very much up for grabs.

Health's Ailment (USNEWS)

By Josh Fischman

U.S. News and World Report, November 13, 2006

Last Wednesday morning, the clouds scudding over Lake Monona in Madison, Wis., did little to obscure Tammy Baldwin's bright view of the future. "I think we have the chance to make some real changes to healthcare," said the Democratic representative, who had celebrated her return to the U.S. House for a fifth term the night before on a terrace by the lake. The liberal Baldwin is cosponsor of a bill, with conservative Republican Tom Price of Georgia, to allow states to experiment with different ways to expand coverage and access. Not only does the bill enjoy broad bipartisan support, "but with the Democratic takeover of the House, we can move on the bigger issues. Democrats recognize healthcare is an immediate crisis," Baldwin says.

Indeed, crisis is a word being used more and more often to describe the U.S. healthcare system. Medicare is going to cost a staggering $30 trillion over the next 75 years, "and no one has any idea how we are going to pay for this," says Robert Moffit, head of health policy studies for the conservative Heritage Foundation. Plus we're not getting enough for the money: A 2003 study in the New England Journal of Medicine showed that only about half of all adults get the medical care recommended in established guidelines. And no one is doing anything about the more than 46 million Americans who are uninsured. "Congress has, in many ways, been asleep at the wheel," says Jeanne Lambrew, a health-policy expert at George Washington University.

Lawmakers are unlikely to wake up and enact major overhauls during the next two years, despite Baldwin's optimism. Big fixes will remain stuck in ideological gridlock, though small changes-such as allowing Americans to buy drugs from abroad or expanding state insurance coverage for low-income children-are possible, say a broad spectrum of policy analysts and congressional strategists. But larger reforms, such as incoming House Speaker Nancy Pelosi's proposal to let Medicare negotiate prices directly with drug companies, are likely to hit a wall in the Senate, where Republicans are still strong enough to hold up legislation and have genuine antipathy to expanding government programs. "Changing the drug benefit is not going to happen," says a high-ranking Senate aide.

The problem is that there are deep, genuine divisions in how to fix healthcare. It's not just playing politics, says Price, an orthopedic surgeon who just won his second term: "Representative Pelosi and Tammy Baldwin may believe that a single-payer system is the answer. I think it would be a complete disaster for medicine." Letting Medicare negotiate drug prices, many conservative analysts think, would simply reduce the supply—"That's what price controls do," says Moffit—not contain costs. Baldwin, on the other hand, points to countries like Canada "that buy in bulk for lower prices and don't have shortfalls."

States' rights. The beauty of the bill that she and Price put together, Baldwin adds, is that it gets away from theoretical debates: "We give states the ability to experiment with different systems. We'll actually get to see what works and what doesn't." States would propose plans for children's health insurance, elder care, or drug subsidies to a bipartisan congressional commission. It would pick a slate of proposals, and Congress would vote yes or no on the slate. States would then get money to try these things out for five years. A similar bill in the Senate, cosponsored by Ohio Republican George Voinovich and New Mexico Democrat Jeff Bingaman, is also on the table. "This is the first thing we're going to act on," says Voinovich spokesman Chris Paulitz. "We think it's important, and we think we can get it passed."

States, in fact, are becoming laboratories for health reform, says Mark McClellan, former head of the Centers for Medicare and Medicaid Services. "Massachusetts passed a way to expand insurance, and other states, like New Mexico, are considering it, too. I think states are where the action is now, and their experiments may eventually start some national movements."

Federally, there are some other opportunities for action come January. Funding for the State Children's Health Insurance Program has to be renewed, and that gives Congress the chance to broaden eligibility or shift funds for more preventive care. Drug reimportation is already beginning to garner bipartisan support. But anything more extensive, even if it moves through Congress, "is probably going to run into President Bush's veto pen," says Henry Aaron, a health policy analyst at the Brookings Institution. "And that pen may get quite a workout."

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My Mother, My President (TIME)

By Alexandra Pelosi

Time, November 13, 2006

Alexandra Pelosi is uniquely positioned to judge how the President and the future Democratic House Speaker will get along. At 36, she is the youngest of Nancy Pelosi's five children, and her famous HBO documentary, Journeys with George, was a backstage "video diary" of George W. Bush's 2000 campaign. She was the first to introduce the two. Her inside take on their relationship:

Back on the campaign plane when George W. Bush was a Governor running for President in 2000, he used to pass me notes to read to the Congresswoman from San Francisco. When a newspaper article touted her prowess at raising funds, he tore it out and wrote on it, "Ask her: Can I have some?" Or when a magazine ran its guesses for his vice-presidential short list, he wrote in "Pelosi," along with, "Can you get her to run with me?"

When my parents came to have lunch with me at an Oakland airport hotel where Bush was giving a speech in March 2000, he did what he did when any member of the traveling press corps was in his or her hometown: he summoned us to his room so he could meet the parents. As he talked about the rigors of life on the trail, my mother politely explained how she was working her heart out to help Al Gore win the state of California.

The next time I saw them together, George was in the White House, and he told me, "You ought to be proud of your mom." At the time she was fighting her heart out on the House floor against the Iraq war. On any occasion that I have seen them together in private, they have appeared to be the best of "frenemies"--campaign-trail speak for politicians who keep their friends close and their enemies closer.

They actually have a lot in common. His father was President, and her father served in Congress and then as mayor of Baltimore. They both came to politics later in life, and they both mean it when they say that elections are not everything; if they lose, life will go on. Bush has the ranch, and my mother has her grandkids. And, of course, some people have made the mistake of underestimating both of them.

During the 2000 campaign, George used to respond to the jabs from late-night comedians by saying, "Let them laugh at me. I am going to be their President." On the trail in 2006, as the doubters were calling the Democrats a permanent minority, my mother repeated her mantra: We have better candidates. When anyone used the tired phrase, "Where are the Democrats?", she explained that everything was going exactly as planned; she was like a submarine on a stealth mission to take back the House.

On the day the President first criticized her at a fund raiser, she knew that he had given her a gift. When the President of the United States mocks you, it puts you on the map. And when he mocks you publicly, the money rolls in. Sure, they have their ideological differences. By now you have heard everything they have said about each other. But plenty of presidential candidates have said worse things about their opponents before they have chosen them as their running mate or their designated successor (witness John McCain).

While reporters like to stir the pot and focus on the catfights, they don't seem to grasp that these are two seasoned professionals working at the highest level of American government with skin so much thicker than the rest of us. As Bush noted in his press conference on the day after the election, "This isn't my first rodeo." Or as my mother has always told me, "This business comes with a free head clipping. Every time you stick your neck out, they come around and cut it off."

George W. Bush and Nancy Pelosi both know that if you want to breathe the rarefied air at the highest echelons of the U.S. government, you have to ignore the media buzzards. When I was watching Fox News recently, and she walked into the room, I had to explain that Sean Hannity was spending the month leading up to the election warning America that Speaker Pelosi would destroy this nation. She asked, "Which one is Hannity?"

So as all of us spectators sit home on our couches watching the bloviators pontificate about the state of American politics, rest assured that George Bush and Nancy Pelosi are so busy that they do not hear a word of it. And if they did, they couldn't care less. They have a country to run.

Lame-duck Congress Takes Roost (LAT)

By Richard Simon, Joel Havemann

DOJ_NMG_0092572

The Los Angeles Times, November 13, 2006

WASHINGTON — The ousted Republican-led Congress returns to the Capitol this week to try one last time to shorten a long legislative to-do list, while the just-elected members will vote for new leaders in races that could signal the direction the parties will take next year.

The lame-duck session mixes a dispirited Republican Party and a Democratic Party that knows it will soon have the upper hand in both houses -- a potentially combustible cocktail.

At minimum, Congress must pass a temporary spending bill to keep the government running until the next Congress takes office. Getting much else accomplished could be difficult.

"Democrats won't allow anything to pass they don't like, and Republicans have little interest in starting the Democratic reign early," said Thomas Mann, a congressional scholar at the Brookings Institution. "It could be a very short lame-duck session."

As the old Congress wraps up, the freshman lawmakers will arrive. They won't be sworn in until January, but they will meet with President Bush, pick up congressional IDs and learn everything from the proper attire for the House and Senate chambers to the location of the members-only gym. And they will have a say in choosing leaders.

Two House races -- one Democratic and one Republican -- could reveal how the parties will position themselves in the next session.

Rep. Nancy Pelosi, D-Calif., is poised to become the first female speaker of the House. The choice for House majority leader, the No. 2 slot, is between a moderate and a leading anti-war Democrat.

Rep. Steny H. Hoyer of Maryland, the current minority whip, faces Rep. John Murtha of Pennsylvania, whose call for U.S. withdrawal from Iraq made him a favorite of party liberals.

Hoyer's supporters, including some of the new centrist Democrats, point to his tireless campaign to elect them. He visited 80 districts and raised more than $8 million. Murtha's backers say the former Marine's stance on the war was a significant factor in the Democratic victory.

Pelosi watchers are anxious to see how she finesses this one. Hoyer, although a committed Democratic soldier, fought Pelosi for the minority whip job in 2001, a race that left both bruised. Murtha has long been a Pelosi ally.

On the other side, three Republicans are battling to become their party's leader in the House, since the current House speaker, Rep. J. Dennis Hastert of Illinois, has said he will not seek a leadership position.

House Republicans will choose between a veteran leader, whom some may want to blame for the party's loss of the majority, and two conservative challengers. Rep. John Boehner of Ohio, the current majority leader, is facing Rep. Mike Pence of Indiana and Rep. Joe Barton of Texas.

The first order of business for the lame-duck Congress is to ensure that the government has money to run. Sen. Harry Reid of Nevada, the Senate Democratic leader, has advised current Senate Majority Leader Bill Frist, R-Tenn., who did not seek re-election, that Democrats would work with Republicans to clear spending bills for fiscal year 2007, which began Oct. 1, if they included "reasonable funding levels."

If Congress cannot finish the individual spending bills, lawmakers are likely to approve a "continuing resolution" that would keep the government operating at 2006 levels until the new Congress begins.

The session could extend some popular tax breaks that have expired or are due to expire, approve a U.S.-Vietnam trade pact in advance of Bush's visit to Hanoi on Friday, allow new offshore oil drilling and pass a nuclear deal with India, a Bush-administration priority.

Senate Republican leaders hope to win quick confirmation of Bush's nomination of former CIA chief Robert M. Gates to replace Donald H. Rumsfeld as Defense secretary.

The White House wants the Senate to confirm the nomination of John R. Bolton as United Nations ambassador -- his current recess appointment expires when this Congress adjourns -- but he faces Democratic opposition, and last week a key Republican on the Foreign Relations Committee, Sen. Lincoln Chafee of Rhode Island, said he would not support him.

Another Bush priority also hangs in the balance: legislation that would rewrite domestic wiretap laws to give investigators the power to monitor e-mail and phone communications between suspected terrorists overseas and people in the United States

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without having to obtain court approval in advance. The House passed such a bill before the election, but the Senate recessed without taking action.

"We hope that the Democrats would see the utility in having this critical tool in the war on terror," White House counselor Dan Bartlett told "Fox News Sunday." Reid told CBS's "Face the Nation" that "we'll be happy to take a look at it" but would not say whether action would be taken.

For Republicans, the session could offer the last chance to insert pet projects, or earmarks, into bills. "There may be a little bit of, `Oh my gosh, if I don't get it done in the lame-duck now, since I'm still in the majority, it will never get done,'" said William Hoagland, Frist's top budget aide.

A leading proponent of earmark reform, Sen. John McCain, R-Ariz., told NBC's "Meet the Press" that "elimination of earmarking" should be a high priority. "The system of earmarking is corrupting," he said.

Also this week, Sens. Russell D. Feingold, D-Wis., and Joe Lieberman, D-Conn., are expected to introduce a bill to rescind an Oct. 1, 2007, termination date for a special inspector general's office that monitors U.S. expenditures on Iraq reconstruction. "This is a proposal that enjoys broad bipartisan support," said Jim Manley, a Reid spokesman.

The inspector general has produced a series of reports highlighting waste and fraud in the Iraq rebuilding effort. Language that would shutter the investigative office was quietly included in a military authorization bill, in an apparent effort to prevent further embarrassment for the Pentagon and the administration.

Both parties still hope to hold a separate vote on a bill to extend the research-and-development tax credit, a college-tuition tax break and more than 40 other expiring provisions.

For Post-Election Congress, Extensive To-Do List Is Awaiting Action (NYT)

By Carl Hulse

The New York Times, November 13, 2006

WASHINGTON, Nov. 12 — The Democrats won the midterm elections, but time has not run out on the Republican majority in Congress.

Despite devastating losses at the polls, Republicans will control the post-election session that opens Monday as lawmakers return to try to finish 10 overdue spending bills and other legislation that stalled because of pre-election gamesmanship.

Republican leaders have compiled an ambitious to-do list, hoping to dispose of energy legislation, a trade deal or two, a civilian nuclear treaty with India and other favored bills before turning over the keys to the House and Senate chambers to the Democrats in January.

Democrats have some measures they want completed as well, most notably the spending bills, to save them the added work next year.

President Bush, hoping to get the most out of the remaining days of a Republican majority, is pressing two contentious matters: legislation authorizing domestic wiretapping by the National Security Agency and the nomination of John R. Bolton as ambassador to the United Nations. And the Senate has scheduled confirmation hearings for Robert M. Gates to be the new secretary of defense to begin the week of Dec 4.

Members of both parties in Congress have all but written off the wiretapping legislation and the Bolton nomination, given the strong Democratic opposition and the impending power shift. It is also uncertain how hard Congressional Republicans will be willing to press Mr. Bush's more divisive issues. Some have expressed anger at his decision to remove Defense Secretary Donald H. Rumsfeld the day after the election, contending that earlier action might have cut Republican losses.

"The only things that can get done in the lame duck are things that have the consent of both sides," said Senator Charles E. Schumer, Democrat of New York. "You can bluster around all you want, but it is not going to happen. Anything controversial just by definition won't get done."

The White House still intends to seek approval of Mr. Bolton and the eavesdropping program, said Mr. Bush's press secretary, Tony Snow, but it is not doing so to be "provocative" in the wake of the election.

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"Those are goals: an effective U.N. ambassador, also an effective way of going after terrorists," Mr. Snow said. "Those are both constructive and important goals, and we'll see how the lame duck works through it."

Besides tackling a legislative workload that may take Congress well into December, the parties will elect new leadership for the 110th Congress. House Democrats and Republicans will decide contested races for top positions.

Though they will not be sworn in until January, members elected last week will be on hand for the leadership battles and for freshman orientation, creating the potentially awkward situation of bumping into the lawmakers they defeated. It looms as a difficult period for the 6 Republican senators and more than 20 House members who will be casting their final votes in the last gasps of the 109th Congress.

"We lost some good friends on our side, and we are going to miss those folks," said Senator Mitch McConnell of Kentucky, who is expected to be elected the new Republican leader this week. "It will be sad."

Mr. McConnell said he thought that Senator Harry Reid, Democrat of Nevada and the incoming majority leader, laid out a reasonable agenda last week in a letter to Senator Bill Frist of Tennessee, the majority leader who is winding up his Senate career.

Mr. Reid urged Republicans to focus on the unfinished spending bills; a nuclear agreement with India; an offshore oil drilling bill; legislation to prepare for a potential flu pandemic and a biological attack; and a package of popular tax breaks.

"I think it is a good list, and if we can accomplish those things that would be a very productive lame duck," Mr. McConnell said, "and I like his attitude about it."

But the legislative agenda could shift quickly when lawmakers arrive with their own ideas of what should be on the table.

Senator Joseph I. Lieberman of Connecticut, elected as an independent, said Sunday on "Meet the Press" on NBC that he wanted Congress to take up the lobbying and ethics changes that died before the election. Some Democrats want to push changes in Iraq policy, and Republicans also expect Democrats to try to make early moves on domestic elements of their agenda.

In the first test of the bipartisan spirit that followed the elections, the House on Monday is set to approve a trade deal with Vietnam that Mr. Bush would like to have in his pocket as he travels to Hanoi this week for a regional trade meeting. But senators in both parties have raised objections to the deal that the administration is trying to resolve, and the fate of the trade pact is uncertain.

Washington Lame Ducks Have Heavy Agenda Bush, GOP Congress Take Last Try At Goals (AJC)

By Scott Shepard, The Atlanta Journal-constitution

Atlanta Journal-Constitution, November 13, 2006

Washington — The Republican-led Congress, which will yield to a new Democratic majority in January, reconvenes today for a lame-duck session with a long to-do list, including overdue spending bills and the election of new leaders.

But while President Bush hopes to push through some final measures and appointments before his GOP majority disappears, congressional Republicans may not be in much of a mood to legislate after the "thumping" they took in last week's elections.

The president's top priorities are legalizing his warrantless surveillance program, extending his tax cuts, Senate confirmation of John Bolton as United Nations ambassador and, the least controversial item, Senate approval of Robert Gates to succeed departing Defense Secretary Donald Rumsfeld.

With so much to do, the postelection session could last until shortly before Christmas.

The session will be complicated by the fact that it will include House and Senate members who were defeated in last week's elections, which resulted in complete Democratic control of Congress for the first time since 1994.

"I don't think they're going to be in much of a mood to legislate," said Norm Ornstein, co-author of a new book, "Broken Branch," which describes the current Congress as a dysfunctional, deeply divided institution. "Don't be surprised if they pass a continuing resolution [to temporarily keep government programs funded at their current levels] and get the hell out of town."

Budget battle

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That may be too much to expect from a Congress that has operated for more than a decade in an atmosphere of strong partisanship — and has yet to pass a budget for much of the federal government.

The fiscal year began Oct. 1, but Congress has passed only two of the 11 annual spending bills for the government, for defense and homeland security.

A "continuing resolution" for the other nine appropriations bills expires at the end of the week. One option is another stopgap measure to continue the current levels into January, when Democrats will take over. The president, however, has urged Republicans to complete work on the spending bills to prevent the Democrats from changing his spending priorities for various agencies before the next budget cycle in 2007.

Wiretap stalemate

Bush also wants Congress to pass legislation legalizing the program he secretly initiated through the National Security Agency after the terrorist attacks of 2001 to eavesdrop on terrorist suspects in the United States without a warrant.

Democrats have argued that the program, as currently constituted, violates existing laws. "It needs to be done lawfully and with adequate checks and balances," said Sen. Patrick Leahy (D-Vt.), who will take over as Senate Judiciary Committee chairman in January.

Even so, the administration plans to continue making its case that the program is a vital tool to fight terrorism. Attorney General Alberto Gonzales is set to argue the case next weekend in a speech at the U.S. Air Force Academy.

Bolton bash

Democrats have blocked Senate confirmation of John Bolton to be U.N. ambassador since he was nominated by Bush in March 2005, arguing he is ill-suited for such a diplomatic role. Bolton is serving on a temporary basis because Bush sidestepped the confirmation process by nominating him during a congressional recess.

Bush wants Bolton confirmed by the Senate before the Democratic takeover, and on Sunday, White House Chief of Staff Josh Bolten argued on ABC's "This Week" program that Bolton "has been a good ambassador" and "deserves confirmation."

Sen. Joe Biden (D-Del.), who will take over the Foreign Affairs Committee chairmanship in January, countered that if the president truly intends to be more cooperative with the new Congress, he should nominate someone else for the U.N. post. Bolton "doesn't even have the votes of a Republican-controlled committee" in the lame-duck Congress, Biden said, citing the opposition of Sen. Lincoln Chafee (R-R.I.), who was defeated Tuesday, to the nomination.

Rumsfeld replacement

Replacing Rumsfeld may be one area where Republicans and Democrats can agree before the end of the year. The Senate Armed Services Committee is scheduled the week of Dec. 4 to begin hearings on the confirmation of former CIA director Robert Gates. And Sen. Carl Levin (D-Mich.), who will replace Sen. John Warner (R-Va.) as the committee chairman in January, said he will work with Warner "to see if [Gates' confirmation] can be achieved."

In his weekend radio address, Bush said Gates is an "agent of change" and "will provide a fresh outlook on our strategy in Iraq." Gates has been a member of the Iraq Study Group, which is looking at alternative approaches to the increasingly unpopular war.

House leadership

With House Democratic Leader Nancy Pelosi of California in line to become speaker of the House in January, the race to fill the post of House majority leader under the Democrats pits the current No. 2 Democrat, Rep. Steny Hoyer of Maryland, against Rep. Robert Murtha of Pennsylvania. Hoyer claims most Democratic incumbents support his bid, but Murtha, who led the Democratic charge against the administration's war policies, says he is "working diligently" to win the post.

The job of House Majority Whip is expected to go to Rep. Jim Clyburn (D-S.C.), only the second African-American in U.S. history to rise to such a height in the Congress. Former Rep. William Gray (D-Pa.) served as majority whip in the early 1990s.

Rep. Rahm Emanuel (D-Ill.), the architect of the Democratic takeover of the House, will take the No. 4 spot in the leadership, chairman of the House Democratic Caucus.

On the GOP side, House Speaker Dennis Hastert (R-Ill.) has announced he won't remain in the GOP leadership. That sets up a race for House minority leader between the current No. 2 Republican, Rep. John Boehner of Ohio, against Rep. Mike Pence of Indiana, chairman of the conservative Republican Study Committee. Pence argues that Republicans lost the Congress

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because "we lost our way." Similarly, Boehner contends that "the Democrats didn't win the election, we lost it." Both have promised to lead a return to the principles of limited government.

Georgia Republican Rep. Jack Kingston of Savannah is seeking the chairmanship of the House Republican Conference, which develops the party's national congressional strategy. The position currently is held by Rep. Deborah Pryce of Ohio, who is still awaiting the results of her re-election bid.

The Democratic House leadership elections are scheduled on Thursday, the Republicans' on Friday.

Senate leadership

Democrats will select Sen. Harry Reid of Nevada to be the Senate majority leader in the new Congress on Tuesday. Sen. Dick Durbin (D-Ill.) is expected to remain in the No. 2 spot as whip. Sen. Byron Dorgan of North Dakota will remain chairman of the Democratic Policy Committee and Sen. Charles Schumer of New York, the top strategist in the Democrats' Senate takeover, will serve another term as chairman of the Democratic Senatorial Campaign Committee.

Senate Republicans will pick their leaders Wednesday, and Sen. Mitch McConnell (R-Ky.) is unopposed to become the GOP leader, succeeding Bill Frist of Tennessee, who is retiring. Sen. Lamar Alexander (R-Tenn.) says he has enough commitments to win election as Senate minority whip, the No. 2 post. But Sen. Trent Lott of Mississippi, who lost the GOP leadership post to Frist, has been calling colleagues to assess support for a comeback.

Setting Aside Differences (WSJ)

By Sarah Lueck, David Rogers

The Wall Street Journal, November 13, 2006

WASHINGTON -- Congress returns today for a lame-duck session that may also test the wings of the Democratic majority taking over in January.

Republican leaders, still in power, faced a mountain of work unfinished when members left town to campaign. Amid postelection promises of bipartisanship, the coming weeks are an opportunity for the parties to show a willingness to put aside past power struggles and work together.

House and Senate leadership elections this week could yet be influenced by this same pressure, and House Democratic Leader Nancy Pelosi (D., Calif.) surprised many last night by publicly endorsing Rep. John Murtha (D., Pa.) to take her place when she moves up to be the new speaker next year. A Marine veteran of Vietnam, Mr. Murtha has been an outspoken critic of President Bush's Iraq strategy. But the 74-year old lawmaker was a strong ally of the president's father during the first Gulf War, and as someone with a long history of trading votes with Republicans on the House floor, Mr. Murtha could be an asset to an otherwise largely liberal leadership team.

The president, after the setbacks in last week's elections, has his own stake in making progress during the session. This evening, the House will take up a Vietnam trade bill that Mr. Bush hopes to take to Hanoi when he leaves tomorrow for a summit of Asia-Pacific rim leaders. He also wants Congress to return after Thanksgiving to complete confirmation of Robert Gates, his nominee for defense secretary, whose hearings before the Senate Armed Services Committee begin the first week of December.

Mr. Gates's nomination to succeed departing Defense Secretary Donald Rumsfeld has been generally well received, but bipartisanship will have its limits in the White House effort to win Senate approval for John Bolton to continue as ambassador to the United Nations. He has served in a recess appointment that expires when Congress adjourns, no later than January, and a fight is brewing over whether to keep or replace him.

The added time needed to deal with these issues opens the possibility Congress may reach a compromise on major unfinished appropriations bills for the fiscal year that began Oct. 1. There is a $5.5 billion gap between the Senate and House bills, but resolving the issue is a shared goal for the administration and Democrats, who would like to clear the decks before taking over next year.

Toward this end, the House will vote to extend to Dec. 8 a stopgap funding resolution that has kept the government operating since last month. The Senate is prepared to act quickly, too, and start talks on a bill funding veterans' medical care as well as housing and health-care for military families.

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Lawmakers also will test the waters on several stalled business-backed items that have bipartisan support. The House just Friday added to its schedule tonight a vote on a Senate-passed bill backed by biomedical companies and university researchers that would make it easier to prosecute animal-rights activists whose protests lead to property damage and personal injury.

Separately, biotechnology and venture-capital firms have hopes for authorization of a $1 billion fund to encourage the development of new vaccines and treatments for illnesses such as anthrax and smallpox. Republican and Democratic Senate aides met last week to hammer out differences on the bioterrorism bill, backed by Sens. Edward Kennedy (D., Mass.) and Richard Burr (R., N.C.). The proposal, a version of which already passed the House, stalled amid objections from some Democrats, but now it has been added to Senate Democratic leader Harry Reid's list of priorities for the lame-duck session.

On the tax side, high-tech companies and major manufacturers such as Boeing Co. are pressing for renewal of a research-and-development tax credit that was set aside in the Republicans' pre-election drive to cut federal estate taxes. The R&D tax credit, which would be increased and extended through 2007, is part of a larger $39 billion package of popular tax breaks, such as college-tuition deductions. And the Internal Revenue Service, preparing its 2006 tax forms, needs answers soon on whether they will be extended.

Eric Ueland, a top aide to Senate Majority Leader Bill Frist (R., Tenn.) said he "wouldn't rule out" the possibility that some members will want to try again to pass a permanent cut in the estate tax, slated to jump back up after 2010. The potential is there for a bipartisan compromise, albeit with a smaller reduction than what Republicans have offered thus far. But the estate tax is still such a sensitive issue for liberal Democrats that it would be very difficult in the time remaining to strike a deal.

Mr. Ueland said staying into December could revive hopes of completing Senate action on a nuclear-power pact with India. But just to get the Vietnam trade bill through the Senate before the president leaves for Asia tomorrow will require Mr. Reid of Nevada to corral his Democratic members. Other matters are so contentious that the soon-to-be-majority will simply use Senate procedures to block consideration until it is in power in January.

For example, President Bush reiterated last week that he wants Congress to give him the authority to conduct warrantless wiretapping of terrorism suspects. But Democrats have lodged strong objections to the proposal.

The stiffest fight may center on the Bolton U.N. nomination if Mr. Bush presses it. Democrats say Mr. Bush should alter course and nominate someone less hard-charging and with greater finesse in handling sensitive diplomatic matters. Making the rounds of Sunday talk shows, White House Chief of Staff Josh Bolten, however, showed no sign of backing down.

"He has done a terrific job there," Mr. Bolten said on CNN's "Late Edition." "He has helped lead the U.N. Security Council to good resolutions on Lebanon, on North Korea, a variety of other issues. So he has actually been a very effective U.N. ambassador and I think the country is well-served to have him where he is."

Some on Capitol Hill, though, appear unpersuaded. Sen. Lincoln Chafee (R., R.I.), whose vote would most likely be needed to move the nomination out of the Senate Foreign Relations Committee, last week told reporters in his state that he wouldn't support Mr. Bolton in the lame-duck session. Sen. Joseph Biden (D., Del.) who is expected to head the committee in the new Congress yesterday called for the White House to withdraw the nomination.

"There's a lot of competent people," Mr. Biden said on ABC's "This Week." "Send someone new up, Mr. President...He's going to lose."

To be sure, the House is an easier place for the Republican leadership to score political points on the way out the door. Speaker Dennis Hastert's office suggested that looking ahead to 2008, Republicans may decide they would benefit from another round of voting on warrantless wiretapping or making Mr. Bush's tax cuts permanent.

But if the new Congress is as open as Democrats promise, partisan political points may be less important than being able to build effective bipartisan coalitions.

In their own leadership races this week, the greatest focus among House Republicans appears to be in the race for the whip post now held by Rep. Roy Blunt. The Missouri Republican, who flirted with stepping down at one point, faces a conservative challenge from Rep. John Shadegg (R., Ariz.), and if Mr. Blunt falters in his race, his deputy, Rep. Eric Cantor (R., Va.), could yet emerge as a younger alternative able to reach out to Democrats.

Ms. Pelosi's public endorsement raises the stakes in what many in Washington had dismissed as an improbable race by Mr. Murtha against Rep. Steny Hoyer (D., Md.), the current Democratic whip and a more seasoned member of the leadership.

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Her letter shows her loyalty to a man who has backed her rise in the leadership -- and against Mr. Hoyer. "I respect her decision as the two are very close," Mr. Hoyer said, still confident he will win.

But the release of the letter will also influence freshmen Democrats coming to Washington this week for the caucus elections. Friday, Mr. Hoyer claimed support from 21 freshmen, and by countering with Ms. Pelosi's endorsement, the Murtha camp chose to play its ace in hopes of reversing this tide. It could be a costly move for Ms. Pelosi, but it also suggests the race could be a lot closer than Mr. Hoyer's camp has said.

GOP Pressed On Offshore Drilling Limits (AP)

By H. Josef Hebert

AP, November 12, 2006

The Democrats' return to power is increasing pressure on House Republican leaders to accept a limited expansion of offshore oil and gas drilling.

Supporters of such exploration say the next Congress, with Democrats in control come January, probably will not tamper with the long-standing drilling bans that have protected most coastal waters for a quarter-century.

A stubborn standoff has festered for months between the House and Senate over developing more of the oil and gas resources in the Outer Continental Shelf. The dispute is expected to be an issue in the final days of the Republican-run Congress this week when lawmakers meet in a lame-duck session.

The proposal is of great importance to Louisiana and three other Gulf Coast states. They stand to reap hundreds of millions of dollars under changes to the way the government shares royalties from oil and gas taken from the Gulf of Mexico.

House Republicans pushed through a bill that would open coastal waters for drilling everywhere unless a state objects. That essentially would end a ban on such drilling that Congress has imposed annually for the past 25 years in most areas outside the western Gulf.

Even drilling supporters said there was no chance that measure can pass the Senate, which has approved a compromise: opening 8.3 million acres in the east-central Gulf, no closer than 125 miles of land, and leaving other areas alone.

House Republicans, however, have refused to consider the Senate version — until now, after last week's election that drove the GOP from power. Among the incumbents who lost was one of the leading cheerleaders for the broader House bill, Rep. Richard Pombo, R-Calif. He is chairman of the House Resources Committee, which developed the measure.

House leaders have not said whether offshore drilling will come up this week, but pressure to do so has mounted.

President Bush said he wants the issue on the agenda. Senate GOP and Democratic leaders want the House to pass their bill and send it to the White House. A broad coalition of industries that depend heavily on natural gas has urged approval now of the Senate's plan.

The Senate bill would begin sale of leases in the 8.3 million acre area within a year. Actual production probably would not start for several years after that.

"This is not a choice between two bills ... but between getting something done or doing nothing at all. The time has run out on compromise," said the Consumer Alliance for Energy Security, an industry group that includes energy and timber companies, chemical makers and manufacturers.

"We're sending a message as strong as we can. We're pushing them very hard to get it done," said Jack Gerard, president of the American Chemistry Council. He says more domestic production is needed to drive down natural gas prices.

The legislation dramatically would shift how the government shares royalty from offshore oil and gas production. Louisiana, Mississippi, Alabama and Texas would get a substantial windfall.

The House bill eventually would give as much as three-fourths of royalties collected by the government to any state that allows offshore drilling.

The Senate bill would increase royalties for Louisiana, Mississippi, Alabama and Texas from less than 2 percent to 37.5 percent. In 2017, this royalty share would apply to all oil and as produced in the Gulf, not just from the 8.3 million acres newly opened.

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Louisiana expects eventually to get an annual flow of more than $650 million a year, compared with about $32 million now from production in state-controlled waters, according to the state's congressional delegation.

Sen. Mary Landrieu, D-La., says the additional money is needed to restore the Gulf Coast. Its barrier islands, wetlands and levees were ravaged by storms, including Hurricane Katrina.

"This is to provide a reliable stream of revenue so that the Gulf Coast states can secure an independent source of revenue to build these levees and restore this coastline," she said in an interview.

She fear that if the measure is not passed now, its chance of becoming law is slim.

Aside from Landrieu, few Democrats have shown much interest in broadening offshore oil production. Even limited expansion in the east-central Gulf worries many lawmakers; they see it as a step toward lifting the long-standing drilling ban in East and West Coast waters and off Florida's Gulf Coast.

Rep. Nancy Pelosi, D-Calif., in line to be House speaker next year, strongly opposes lifting the drilling bans. She also has expressed concern about the revenue sharing provisions, although she has given guarded support to the Senate bill.

Other lawmakers, including Sen. Jeff Bingaman, D-N.M., who will head the Energy and Natural Resources Committee next year, oppose the royalty changes. They say money collected from oil and gas taken from federal waters should stay in Washington.

Don't Force An Energy Bill (NYT)

The New York Times, November 13, 2006

President Bush's call for the lame duck Congress to pass pending "bipartisan energy legislation" before it leaves Washington forever is a very good example of why the House and Senate should limit their work in this final session to as few measures as possible. Congress needs to pass the budgets it failed to get done before the elections. And since no time should be lost in the Bush reassessment of Iraq, the Senate should consider the nomination of Robert Gates to be defense secretary.

And that should be the extent of the agenda.

The energy bill Mr. Bush apparently had in mind is in fact two bills, one in the Senate and another in the House. Both would authorize increased offshore drilling for oil and natural gas. But there are huge differences between them.

The Senate bill, co-sponsored by Mary Landrieu, Democrat of Louisiana, is a narrowly drawn measure that would open a section of the Gulf of Mexico to oil and gas exploration and use part of the royalties to help rebuild Louisiana's battered wetlands and barrier islands. This page, setting aside earlier misgivings, has supported her bill because of its limited scope and its demonstrably worthy environmental objectives.

The House bill, by contrast, is a broad, mischievous and badly conceived piece of work sponsored by Richard Pombo, Republican of California, that, in a stroke, would lift a long-standing federal moratorium on oil and gas drilling along the entire American coastline. The bill has been vigorously opposed by most state governors from Maine to California.

There has always been a danger that the two bills would go to a conference committee where — the Senate's assurances notwithstanding — the usual horse-trading would produce a bad bill much along the lines of the House measure. That danger may now be greater. Mr. Pombo's defeat in last Tuesday's election raises the distinct possibility that he will make one last desperate effort to help his friends in the oil and gas industry before he retires into well-earned political obscurity.

The terrain during a lame duck session is notoriously treacherous. Our suggestion, therefore, is that Congress take a deep breath and postpone any energy legislation until next year. At that point, Ms. Landrieu, whose party will be in charge, can try again. Alternatively, she could work with other leaders to produce a true energy bill — a comprehensive measure that would also seek to reduce consumption by encouraging more efficient cars and alternative fuels. As Ms. Landrieu concedes, drilling is only part of the energy equation. That is especially true for a country that uses one-quarter of the world's oil while holding less than 3 percent of its reserves.

Several such bills have already been introduced in the Senate, with considerable bipartisan support. This is where Congress — and, one hopes, a newly receptive Mr. Bush — should put their efforts in the new year.

The Lame-Duck Congress (WP)

The Washington Post, November 13, 2006

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ALAME-DUCK congressional session when both the House and Senate are about to change hands isn't, as a general matter, the right time to make important policy decisions. When it reconvenes this week, the 109th Congress should concentrate on finishing up the business of the 109th Congress -- primarily, passing the 11 remaining spending bills for the 2007 fiscal year, which started in October. The temptation for Republicans will be simply to approve a continuing resolution keeping this year's spending at 2006 levels, leaving the new majority to make the tough choices when it takes over in January. But this would be an abdication of responsibility, forcing government agencies to limp along without knowing their final budgets. It would create a logjam for the new Congress, which will simultaneously have to be staffing up, dealing with the president's 2008 budget proposal and working on an expected emergency spending bill early next year.

Another pressing task should be to give the District of Columbia full voting rights in the House. The moment is right for this to happen, thanks in large part to the efforts of Rep. Thomas M. Davis III (R-Va.) and Del. Eleanor Holmes Norton (D-D.C.) to broker an agreement that would create a new seat in the District along with a new congressional district in Republican-leaning Utah. Utah Gov. Jon Huntsman Jr. has said he will call a special session of his state's legislature to create a new, at-large congressional district. This is a deal that would be fair to District residents without advantaging either party. We hope that President Bush, who appeared unfamiliar with the issue when he was asked about it at his news conference the other day, has been fully briefed and will be fully supportive.

There are other important items on the congressional to-do list -- as well as some that are "to-don'ts." Confirmation hearings and, if possible, a vote on the nomination of Robert M. Gates to become the new defense secretary would avoid delaying Mr. Gates's start in that important job. Congress should also approve normalization of trade relations with Vietnam in advance of the president's trip there this week and extend an expiring trade deal that provides benefits to key South American countries. The House has already approved a nuclear agreement with India; the incoming Senate Democratic leader, Nevada's Harry M. Reid, has put that item on his priority list as well, and the Senate ought to act on it. Having let slip through a provision setting a termination date for the inspector general for Iraqi reconstruction, Congress should pass a measure to fix this mistake.

Mr. Bush mentioned some other matters last week that would be better left for the new Congress. We would like to see carefully crafted legislation to provide a legal framework for the administration's warrantless surveillance program, but the measures that have been proposed so far go overboard in giving carte blanche to the administration. This is an important subject -- and one that ought to be taken up by the 110th Congress. Meanwhile, the president's last-ditch push to win confirmation of controversial U.N. Ambassador John R. Bolton during the lame-duck session isn't a particularly good omen of presidential willingness to compromise with Democrats. Mr. Bolton's nomination is a matter the White House would do better to drop, for the lame-duck session and beyond, if Mr. Bush is serious about that new tone he talked about the day after the election.

Blocked: Bye-Bye To Bolton? (NSWK)

Newsweek, November 13, 2006

Nov. 20, 2006 issue - The White House and the new Democratic majority in Congress are ready to play hardball. Already they are tussling over John Bolton, U.S. ambassador to the United Nations. President George W. Bush gave Bolton, an outspoken conservative, a temporary "recess appointment" to the U.N. post last year after Democrats and GOP moderates blocked his Senate confirmation. Bolton's interim job runs out at the end of the year, and minutes after the president's postelection lunch with presumptive House Speaker Nancy Pelosi, the White House asked the Senate to confirm Bolton permanently during a forthcoming lame-duck session. But Joe Biden, the Senate Democrats' incoming Foreign Relations chair, signaled that the Dems will continue to block Bolton—unless the administration turns over a set of ultrasecret National Security Agency intercepts that Bolton requested. Bolton said he needed to find out the names of Americans mentioned in them; Bolton's critics want to be sure he wasn't spying on subordinates.

GOP moderate Lincoln Chafee, who lost his Senate seat, also signaled his continuing opposition to Bolton, virtually guaranteeing the nomination will die in this Congress. To date, the administration has refused to give Dems the documents they want; three Capitol Hill officials, who asked for anonymity due to the sensitive subject, said Bolton's prospects will be even bleaker next year when Dems take over Senate control. The White House is currently standing by Bolton. But speculation is already

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circulating that he could be replaced by Zalmay Khalilzad, U.S. ambassador in Baghdad, or Paula Dobriansky, an under secretary of State.

Other Bush aides given recess appointments could face similar fates. At the Defense Department the temporary appointment of Peter Flory, an assistant secretary whose brief includes nonproliferation and Star Wars policies, also expires by the end of this year. Senate Dems blocked a vote on his confirmation last year, complaining that Flory had dealings in 2002 with Ahmad Chalabi's controversial Iraqi National Congress, and that the Pentagon was stonewalling Senate requests for documents. Other recess appointees who need Senate approval to keep their jobs beyond the end of next year include Julie Myers, head of Homeland Security's plainclothes investigation bureau; State Department refugee coordinator Ellen Sauerbrey, and C. Boyden Gray, U.S. ambassador to the European Union. Emily Lawrimore, a White House spokeswoman, said: "President Bush is encouraging members of the Senate to confirm these highly qualified individuals as soon as possible."

Bush Stands By Keeping Bolton As U.N. Ambassador Despite Opposition (WP/AP)

By John Heilprin

The Washington Post, November 13, 2006

President Bush will not relent in his defense of John R. Bolton, his nominee for U.N. ambassador, despite unwavering opposition from Democrats who view Bolton as too combative for international diplomacy, aides said yesterday.

The Senate's top Democrat said lawmakers have more pressing matters than Bolton to address in their lame-duck session before adjourning. "I think we should go to things that we can work together on," Sen. Harry M. Reid (D-Nev.) said on CBS's "Face the Nation."

But two of Bush's top advisers said that the White House is not backing down from pursuing Senate approval for Bolton to continue in the job.

White House counselor Dan Bartlett said Bolton has done a remarkable job. "He's proven the critics wrong on all the charges they've leveled against him," Bartlett said on "Fox News Sunday."

"I think if he actually was able to get a vote in the full Senate, he would succeed," White House Chief of Staff Joshua B. Bolten said on ABC's "This Week."

Bush gave Bolton the job temporarily in August 2005, while Congress was in recess. That appointment will expire when Congress adjourns, no later than January.

The White House resubmitted Bolton's nomination on Thursday. Finding a replacement for Bolton would come at a sensitive time for the Bush administration. It is counting heavily on U.N. diplomacy to help confront North Korea and Iran over their nuclear programs and to end fighting in Sudan's Darfur region.

Last week, Sen. Joseph R. Biden Jr. (D-Del.), the incoming chairman of the Foreign Relations Committee, said he saw "no point in considering Mr. Bolton's nomination again."

And Sen. Lincoln D. Chafee (R-R.I.), who lost on Election Day, said he would not end his opposition to Bolton. That probably would deny Republicans the votes needed to move the nomination from the committee to the full Senate. Republicans now lack the 60 votes needed to force a vote.

Democrats said yesterday that Bush should alter course now and nominate someone less hard-charging, with greater finesse in handling sensitive diplomatic matters.

"There's a lot of competent people. Send someone new up, Mr. President," Biden said on "This Week." "He doesn't even have the votes in the committee. He doesn't even have the votes of a Republican-controlled committee today. We're going to have a hearing on him. There is going to be a vote on him. He's going to lose."

In the president's view, however, Bolton "has turned out to be a very effective representative at the U.N. and, in fact, has turned out to be something his critics expected him not to be," Bolten said. "He's turned out to be a good consensus builder, and it's been reflected on resolutions on North Korea, in Lebanon, in other ways."

Bolten played down speculation the administration might go around the Senate and find another way for Bolton to continue to represent the United States at the United Nations, perhaps by finding an alternative means of paying his salary or appointing him to serve as an acting or deputy U.N. representative.

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"I don't know about that," Bolten said. "Our effort is going to be to try to get him confirmed in the ordinary course."

Bolton And Bipartisanship (WSJ)

The Wall Street Journal, November 13, 2006

So let's see. Democrats retake the Senate, and their first act of "bipartisanship" is to declare that they'll deny a confirmation vote to U.S. Ambassador to the U.N. John Bolton. And now, say the arbiters of Washington manners, President Bush is supposed to show his willingness to compromise by withdrawing Mr. Bolton's nomination.

If Mr. Bush obliges, he'll be taking a big step toward turning last week's GOP defeat into a rout. Mr. Bolton has performed in exemplary fashion as a recess appointee these last two years, winning plaudits from everyone except those who admire Kofi Annan and Hugo Chavez. He has followed State Department orders and argued forcefully for U.S. policy.

The opposition to Mr. Bolton is based on nothing save vindictiveness. Republican Lincoln Chafee, who would have lost his GOP primary without White House support and who finally did lose last week, now says he won't vote for Mr. Bolton though he had once supported him. Mr. Chafee is a mystery wrapped in a muddle even to himself. Democrats Chris Dodd and Joe Biden are trying to show that any political appointee who refuses to bend to their wishes can't be confirmed. They know other Democrats would vote to confirm Mr. Bolton if he made it to the Senate floor.

Having had one recess appointment, Mr. Bolton can't get another one and be paid. But he could retain his position and be paid if Mr. Bush names him to a non-confirmable post at State and then assigns him to the U.N. Ambassador's duties. Now, that's a compromise.

Carmakers Seek More Attention From Bush (USAT)

By Justin Hyde

USA Today, November 13, 2006

WASHINGTON — When the heads of Detroit's automakers finally meet with President Bush at the White House Tuesday, they will press for more recognition of their issues, from the rising cost of retiree health care to the advantages a weak yen gives the Japanese.

The three — General Motors CEO Rick Wagoner, Ford Motor CEO Alan Mulally and Chrysler Group CEO Tom LaSorda — also will attempt to draw distinctions between themselves and foreign automakers whose U.S. branches generate record profits. The meeting should “enhance the president's understanding of the importance of the domestic auto industry to the economic health of the United States,” General Motors Vice Chairman Bob Lutz said in a recent interview.

“What I'm looking forward to is just sharing with (Bush) the state of our industry and also talking about competitiveness going forward,” Mulally said Friday.

All sides expect no firm commitments from the scheduled 45-minute session, which will include Treasury Secretary Henry Paulson and Al Hubbard, director of the National Economic Council.

White House spokesman Tony Snow said Friday that Bush plans to use the meeting to “reaffirm his support for the American auto industry.” Snow said Bush also will thank them for their progress on flexible-fuel and hybrid vehicles.

The three topics that will likely dominate the meeting are health care, trade and energy. The automakers also are expected to share concerns about the yen's artificially low value, which helps Japanese firms' profits and hurts U.S. rivals.

Bush last met with the heads of Detroit's automakers in Michigan in 2003, as he canvassed the country to build support for his tax-cut package.

The last White House meeting was in 1997, when auto and union executives warned President Clinton that the Kyoto greenhouse gas reduction treaty could hurt their business.

Renewable Fuels May Provide 25% Of U.S. Energy By 2025 (WSJ)

By John J. Fialka

The Wall Street Journal, November 13, 2006

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WASHINGTON -- A new Rand Corp. study showing the falling costs of ethanol, wind power and other forms of renewable energy predicts such sources could furnish as much as 25% of the U.S.'s conventional energy by 2025 at little or no additional expense.

A second renewable-energy report soon to be released by the National Academy of Sciences suggests wood chips may become a plentiful source of ethanol and electricity for industrial nations because their forested areas are expanding, led by the U.S. and China.

Because use of renewable fuels to replace oil and cut emissions of carbon dioxide is an area on which Congress's coming Democratic leadership and the Bush administration agree, the studies are likely to hasten efforts to increase production incentives next year, either in a new energy bill or a farm bill. (See related articles.1)

"We hope it will help policy planners rethink the context," said Reid Detchon, executive director of the Energy Future Coalition, a foundation-funded bipartisan group. The coalition sponsored the study by Rand, a nonprofit research group known primarily for defense studies.

The Rand study concludes that because prices for gasoline, natural gas and coal are likely to remain high, their cost advantage over renewables will erode, furthered by the hope that ethanol from farm wastes will be available by 2020.

Renewable fuels now produce only 6% of the nation's energy, and about half of that comes from hydroelectric dams. The study assumes renewable-energy costs will keep dropping at the rate of recent years. It says raising the use of renewables to 25% of all U.S. energy consumed would reduce U.S. reliance on oil by about 20% or the equivalent of the imports from Saudi Arabia and Venezuela. The study says the expected growth of energy-related emissions of carbon dioxide, thought to be artificially warming the atmosphere, would be cut by two-thirds over the next 19 years.

Rand researchers modeled more than 1,500 economic scenarios and found that in most cases, increasing the use of renewable fuels -- which don't enlarge the atmosphere's carbon-dioxide buildup -- would be cheaper than federal regulations forcing the reduction of carbon-dioxide emissions, about a third of which come from vehicles.

The study notes there has been "little systematic analysis" of the costs of renewable fuels. Much of the debate has consisted of optimistic projections by environmental groups and doubts expressed by some academic skeptics, who say that making ethanol from corn consumes nearly as much energy as it produces and could raise food prices. Ed Murphy, a group director for the American Petroleum Institute, said policy that assumes there will be substantial improvement in ethanol technology "could be foolish and costly."

The Rand study's cost estimates assume progress will continue on making ethanol from farm wastes, wood chips and other forms of biomass that are much cheaper and more plentiful than corn. Given the interest in so-called cellulosic ethanol, more than 100 companies from the agricultural, chemical and biotechnology sectors will begin a three-day meeting here today.

The study on the growth of forests says forests in 22 of the 50 countries with the largest wooded areas are growing. Destruction of forests in tropical nations, however, continues, with Brazil and Indonesia experiencing the greatest losses.

Write to John J. Fialka at john.fialka@wsj.com2

True Blue Populists (NYT)

By Paul Krugman

The New York Times, November 13, 2006

Senator George Allen of Virginia is understandably shocked and despondent. Just a year ago, a National Review cover story declared that his “down-home persona” made him “quite possibly the next president of the United States.” Instead, his political career seems over.

And it wasn’t just macaca, or even the war, that brought him down. Mr. Allen, a reliable defender of the interests of the economic elite, found himself facing an opponent who made a point of talking about the problem of rising inequality. And the tobacco-chewing, football-throwing, tax-cutting, Social Security-privatizing senator was only one of many faux populists defeated by real populists last Tuesday.

Ever since movement conservatives took over, the Republican Party has pushed for policies that benefit a small minority of wealthy Americans at the expense of the great majority of voters. To hide this reality, conservatives have relied on wagging the

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dog and wedge issues, but they've also relied on a brilliant marketing campaign that portrays Democrats as elitists and Republicans as representatives of the average American.

This sleight of hand depends on shifting the focus from policy to personal style: John Kerry speaks French and windsurfs, so pay no attention to his plan to roll back tax cuts for the wealthy and use the proceeds to make health care affordable.

This year, however, the American people wised up.

True to form, some reporters still seem to be falling for the conservative spin. "If it walks, talks like a conservative, can it be a Dem?" asked the headline on a CNN.com story featuring a photo of Senator-elect Jon Tester of Montana. In other words, if a Democrat doesn't fit the right-wing caricature of a liberal, he must be a conservative.

But as Robin Toner and Kate Zernike of The New York Times pointed out yesterday, what actually characterizes the new wave of Democrats is a "strong streak of economic populism."

Look at Mr. Tester's actual policy positions: yes to an increase in the minimum wage; no to Social Security privatization; we need to "stand up to big drug companies" and have Medicare negotiate for lower prices; we should "stand up to big insurance companies and support a health care plan that makes health care affordable for all Montanans."

So what, aside from his flattop haircut, makes Mr. Tester a conservative? O.K., he supports gun rights. But on economic issues he's clearly left of center, not just compared with the current Senate, but compared with current Democratic senators. The same can be said of many other victorious Democrats, including Bob Casey in Pennsylvania, Sheldon Whitehouse in Rhode Island, and Sherrod Brown in Ohio. All of these candidates ran on unabashedly populist platforms, and won.

What about Joe Lieberman? Like shipwreck survivors clinging to flotsam, some have seized on his reelection as proof of Americans' continuing conservatism. But Mr. Lieberman won only through denial and deception, for example, by rewriting the history of his once-fervent support for the Iraq war and Donald Rumsfeld. He got two-thirds of the Republican vote, but managed to confuse enough Democrats about his positions to get over the top.

Last week's populist wave, among other things, vindicates the populist direction that Al Gore took in the closing months of the 2000 campaign. But will this wave be reflected in the actual direction of the Democratic Party?

Not necessarily. Quite a few sitting Democrats have shown themselves nearly as willing as Republicans to bow to corporate interests. Consider the vote on last year's draconian bankruptcy bill. Mr. Lieberman voted for cloture, cutting off debate and ensuring the bill's passage; then he voted against the bill, a meaningless gesture that let him have it both ways. Thirteen other Democratic senators also voted for cloture, including Joe Biden, who has just announced his candidacy for president.

The first big test of the new Democratic populism will come over reform of the 2003 prescription drug law. Democrats have pledged to repeal the clause in that law preventing Medicare from negotiating lower drug prices. But the fine print of how they do that is crucial: Medicare reform could be a mere symbolic gesture, or it could be a real reform that eliminates the huge implicit subsidies the program currently gives drug and insurance companies.

Are the newly invigorated Democrats ready to offer a real change in this country's direction? We'll know in a few months.

Return To Rubinomics? (WP)

By Sebastian Mallaby

The Washington Post, November 13, 2006

During their long years in the wilderness, Democrats lashed out against trade and globalization, even though denying the economic case for trade is like pretending that tax cuts pay for themselves. Now that they have won Congress, the Democrats must prove that they are more than the mirror image of their opponents. This means reviving the pro-market centrism of the Clinton era -- a spirit that lives on in the form of the Hamilton Project.

The Hamilton Project is the brainchild of Robert Rubin, Treasury secretary under Bill Clinton. Rubin's great virtue was to be as free of ideology as is possible in politics and to recruit a team of clever pragmatists to work for him. Not every Cabinet secretary would choose an intellectual bulldozer as deputy -- particularly one with a talent for political incorrectness. But Larry Summers could get to the right answer faster than most people could get out of bed, and that's what Rubin cared about.

Two years ago, Rubin teamed up with Peter Orszag, a laser-brained economist at the Brookings Institution. He no longer controlled the Treasury, but he persuaded a number of fellow Democratic grandees to finance a center for Rubinomics in exile;

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and Orszag served as policy director, commissioning a series of creative pragmatists to grapple with the nation's economic challenges. Anyone who laments the watery generalizations of the House Democrats' election platform should check out http://www.hamiltonproject.org/ . It is proof that Democrats do have sophisticated ideas. They just need congressional leaders to adopt them.

During the recent congressional campaign, Democratic candidates mostly had the right diagnosis and the wrong prescriptions. They saw that middle-class and poor Americans have not experienced wage gains during the past five years of growth, and they saw that families are one health crisis away from financial hardship. But the Democrats' remedies -- bashing Wal-Mart, railing against globalization -- offered little more than symbolism for the poor and middle class while promising damage to the economy.

The Hamilton people are just as ready to acknowledge that Americans are hurting. They note that the probability of an average family experiencing an income drop of half or more has jumped from 7 percent to 17 percent since the early 1970s; and that the average spell of unemployment has gone from 12 weeks to 16 weeks since the 1960s. But the Hamilton people have a better solution than protectionism.

Their first prescription is to encourage workers to save for themselves. A simple reform -- requiring companies to make enrollment in a retirement plan the default option -- would greatly boost savings, since many workers currently don't enroll not because they don't want to but because they don't get around to it: One series of experiments found that making participation the default boosted coverage for newly recruited low-income workers from 13 percent to 80 percent. A recent law facilitated automatic enrollment in 401(k) accounts but did not require it; and the law did nothing for the more than 70 million workers at companies that don't offer pension plans but that could nonetheless enroll workers in IRAs.

The Hamiltonians also advocate reform of government savings incentives. The current system of tax deductions favors the rich, because deductions are worth most to people in the highest tax brackets. A janitor who saves a dollar gets no help from the government, whereas a chief executive who saves a dollar gets a 35-cent tax subsidy. The Hamiltonians would replace this upside-down system with tax credits that are worth the same to everyone, irrespective of their tax bracket.

The Hamiltonians also have ideas on unemployment insurance. The existing system is designed to protect workers who lose jobs, though in practice eligibility restrictions ensure that only one in three gets covered. It is not designed to help workers who find new work at a much lower wage -- even though the resulting hardship lasts longer. So why not create a new borrowing mechanism to help workers get through temporary layoffs, and use the savings to provide government insurance to workers who suffer acute wage losses?

In keeping with the Rubin pragmatism, some Hamiltonian ideas violate Democratic shibboleths. One paper demonstrates that teacher quality has nothing to do with whether a teacher is certified and argues that school principals should have the freedom to fire ineffective junior teachers -- which would not thrill the teachers unions. But nearly all the Hamilton proposals have three things in common. They would reduce the inequality that Democrats emphasized on the campaign trail. They would not bust the budget. And they would promote economic growth. If the political system can't make use of ideas that tick all these boxes, there is something desperately wrong with it.

Democrats: Identify Pork Sponsors (USAT)

By Peter Eisler, Kathy Kiely

USA Today, November 13, 2006

WASHINGTON — Democrats aim to open the next Congress in January with a new rule that identifies lawmakers who use legislative “earmarks” to help special interests — a change Republicans promised but didn't implement.

House Democratic leader Nancy Pelosi said her first agenda item after being elected House speaker will be a vote to require sponsors of earmarks to be identified. Currently, lawmakers can remain anonymous in sponsoring an earmark, which is language in a bill that directs funds or tax benefits to a business, project or institution.

“There has to be transparency,” the California congresswoman told USA TODAY last week. “I'd just as soon do away with all (earmarks), but that probably isn't realistic.”

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Pelosi said some earmarks “are worthy,” and they can be a legitimate way for Congress to force fiscal priorities on the White House.

House Republican leaders adopted a disclosure rule in September, but no earmark sponsors have been identified under the rule because it effectively exempted bills that dictate spending for 2007.

Congress begins a lame-duck session today to consider unfinished 2007 appropriations bills. Those bills could give members another chance to insert anonymous earmarks. Regardless, the Republican rule expires at year's end, so Democrats would have to pass their own disclosure requirement.

Earmarking has drawn complaints from groups such as the National Taxpayers Union that say anonymity encourages wasteful spending. Conservative groups and some GOP lawmakers, such as Sen. John McCain, R-Ariz., have said Republicans' failure to bring accountability to the process helped fuel the party's losses last week.

David Keene, chairman of the American Conservative Union, cited earmark disclosure as one of several “needed reforms” that Republicans should back in the new Congress. “We hope that the party in which most of us have invested our trust will learn the right lessons” from the elections, he said.

Last month, a USA TODAY investigation found that many special interests got earmarks after hiring lobbyists who were relatives of lawmakers or staffers affiliated with the House and Senate appropriations committees.

According to the Congressional Research Service, the number of earmarks in appropriations bills has tripled in the past decade to about 16,000. One famous example was an earmark that set aside millions for a “bridge to nowhere” — a span over a remote Alaskan waterway to a sparsely populated island.

“You can't have bridges to nowhere for America's children to pay for,” Pelosi said. “Or if you do, you have to know whose it is.”

Speaker-to-be Is No Stranger To Earmarking (LAT)

By Noam N. Levey And Richard Simon

The Los Angeles Times, November 13, 2006

WASHINGTON — When the House passed a massive spending bill last November, Democratic leader Nancy Pelosi made sure her constituents knew what they were getting.

"Pelosi Secures $115 Million for San Francisco Transportation, Housing, Science and Arts," she proclaimed in a news release.

It wasn't an unusual announcement. Like many of her colleagues in Congress, Pelosi for years has celebrated bringing home the bacon to her district.

But now — as Pelosi prepares to take over the House after an election in which scandal helped drive Republicans from power — she is promising changes to the controversial practice of earmarking.

Earmarks are spending provisions dropped into bills — often anonymously, at the last minute and without public scrutiny. They were at the center of several high-profile scandals that undermined the GOP this year, when earmarks benefited special interests.

Pelosi has not been linked to any impropriety. And not all the federal funding Pelosi boasts about came from earmarks. But the presumed new House speaker has proved a champion practitioner of the earmarking process over the years.

During the last congressional session, her district received far more earmarks than a typical district, according to Taxpayers for Common Sense, a nonpartisan watchdog that tracks congressional spending.

Pelosi has helped direct tens of millions of dollars to subway and bridge projects in San Francisco. She has secured money to restore a historic schooner and convert the old San Francisco Mint into a history museum.

Citizens Against Government Waste, a critic of such "pork-barrel" spending, has calculated that Pelosi's district received nearly $31.3 million through earmarks in the last two fiscal years.

Among the biggest earmarks identified by the group were $5.6 million for the UC San Francisco neurology department and $4 million for Hunters Point Naval Shipyard. Both were inserted into the 2006 defense spending bill.

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Three years ago, the San Francisco Chronicle reported that Pelosi had secured $1 million for the University of San Francisco's Leo T. McCarthy Center for Public Service and the Common Good, which was started by her longtime advisor and campaign treasurer.

At the time, the 10-term congresswoman from California's 8th District said the center had received the funding on its merits.

Pelosi has defended her earmarking, including at a news conference in March. "There are many earmarks that are very worthy," she said. "All of mine, as a matter of fact."

And she has reaped the rewards. San Francisco's largest newspaper has extensively covered the millions of dollars in federal money she has helped bring home.

Pelosi says there is a distinction between earmarks for public projects, which she defends and are typically publicized, and those she calls "special-interest earmarks."

"It is the special-interest earmarks that are the ones that go in there in the dark of night that they don't want anybody to see, and that nobody does see, and that are voted upon," she said in March.

Special-interest projects, which helped fuel several recent congressional scandals, are often anonymously slipped into spending bills by lawmakers at lobbyists' behest.

Pelosi's approach to the issue is certain to come under renewed scrutiny. In one of her first acts as speaker, she has pledged to crack down on earmarking.

"I would just as soon do away with all of them," she told reporters this week.

This year, Pelosi was among those who assailed Republicans' use of the practice.

And when the House adopted a rule in September requiring authors of some, but not all, earmarks to be identified, she called it a "political gimmick to make it look as if something is happening."

The current Democratic proposal would not prohibit earmarks, but it would expand the requirement to identify earmarkers.

"It won't take long for the American public to realize that Nancy Pelosi and company were all talk and no action on earmark reform," said Kevin Madden, a spokesman for House Majority Leader John A. Boehner (R-Ohio).

"Pelosi has been one of the biggest proponents and beneficiaries of pork spending."

Pelosi spokeswoman Jennifer Crider dismissed the criticism, promising that under Pelosi's leadership earmarks would not be abused as she said they were under the Republicans.

But budget watchdogs, who decried the GOP majority's use of earmarking over the last 12 years, are watching warily.

When a group of them sent Pelosi a letter last week noting that they were encouraged by her "stated support for real earmark reform," they closed with a warning: "We hope you and your colleagues will show the same dedication to enacting these reforms in the majority as you did to promoting them in the minority."

Reid Pledges Earmark Reform, But May Benefit (LAT)

By Chuck Neubauer And Tom Hamburger

The Los Angeles Times, November 13, 2006

WASHINGTON — Incoming Senate Majority Leader Harry Reid vows to make reform of congressional earmarks a priority of his tenure, arguing that members need to be more transparent when they load pet projects for their districts into federal spending bills.

But last year's huge $286-billion federal transportation bill included a little-noticed slice of pork pushed by Reid that provided benefits not only for the casino town of Laughlin, Nev., but also, possibly, for the senator himself.

Reid called funding for construction of a bridge over the Colorado River, among other projects, "incredibly good news for Nevada" in a news release after passage of the 2005 transportation bill. He didn't mention, though, that just across the river in Arizona, he owns 160 acres of land several miles from proposed bridge sites and that the bridge could add value to his real estate investment.

Reid denies any personal financial interest in his efforts to secure $18 million for a new span connecting Laughlin with Bullhead City, Ariz.

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"Sen. Reid's support for the bridge had absolutely nothing to do with property he owns," said Rebecca Kirszner, Reid's communications director. "Sen. Reid supported this project as part of his continuing efforts to move Nevada forward."

But some Bullhead City property owners and local officials say a new bridge will undoubtedly hike land values in an already-booming commuter town, where speculators are snapping up undeveloped land for housing developments and other projects. Experts on congressional spending say Reid's earmark provides yet another sign of the need for reform.

"It's a really bad idea for lawmakers to earmark projects when they have a financial interest that could in any way be affected by it," said Norman Ornstein, coauthor of "The Broken Branch" a recent book that examines earmarking and other practices.

Ornstein said he did not have enough information to fully evaluate the Reid deal. But, he said, "we already have too many examples — including a number of Southern California representatives — who are very directly using this process to enrich themselves."

Said Steve Ellis, vice president of Taxpayers for Common Sense, a nonpartisan watchdog that tracks congressional spending, "Unwittingly, the taxpayer may have helped inflate the value" of Reid's property.

Earmarking allows congressional leaders, committee chairs and other insiders to insert narrowly targeted spending orders into pending legislation without going through the normal budget review process. Members of both parties defend earmarking as a way for Congress to get attention for local concerns when executive-branch agencies are unresponsive.

Earmarking was at the heart of the case against former Rep. Randy "Duke" Cunningham (R-Rancho Santa Fe), now in prison for using his congressional seat to secure federal funding for individuals who provided him personal benefits. It was also the basis for much of the wealth amassed by criminal lobbyist Jack Abramoff, who referred to the appropriations committee as "the favor factory."

Reform has been difficult to achieve in part, critics say, because leaders of both parties encourage earmarking to build popularity at home and power among fellow Congress members.

Reid is not the only powerful member known to use the practice. Incoming House Speaker Nancy Pelosi, a former appropriations panel member, has used earmarks prodigiously.

The minority leader of the new Senate, Mitch McConnell (R-Ky.), is an active earmarker, as is current Speaker J. Dennis Hastert (R-Ill.), who last year secured funding for a highway interchange near property he owned outside Chicago. (He too has claimed there is no connection between his earmarks and personal land holdings.)

Last week, when Reid's status rose as Democrats took control of the Senate after the midterm election, the senator promised, like Pelosi, to make earmark reform a top priority when party members caucused.

"With Democrats running Congress, we are in a much better position to achieve real transparency and openness," said Kirszner.

In earlier years, Reid has boldly claimed credit for getting earmarks for his constituents. Last year, he boasted of securing $300 million in earmarks in the transportation bill.

When pressed about his position on earmarks in an interview on public television in January, Reid acknowledged abuses, but added: "There's nothing basically wrong with earmarks. They've been going on since we were a country."

Actually, earmarks have skyrocketed in recent years, from 1,439 in 1995 to 15,268 last year, according to a Senate estimate.

The proposed bridge between Laughlin and Bullhead City was not on the priority list sent to local members of Congress by either the Nevada or Arizona transportation agencies.

But beginning in 2003, local supporters of the bridge — which would be the second span connecting the two towns — found a receptive audience when they approached some members of the Nevada and Arizona congressional delegations. Civic leaders argued that an additional bridge was needed because traffic on the existing connector bridge, on the northern edge of Bullhead City, had become overwhelming.

Laughlin consists mainly of casinos and hotels, and has little housing or shopping. Most of the casino workers live across the river in Bullhead City, which also has shopping and a hospital. Elected officials say both communities would benefit from a second bridge.

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Reid's land, three to five miles from several proposed sites for the second bridge and near the local hospital, is undeveloped. New housing is springing up around it.

Acting on a request from the town of Laughlin, Reid, a member of the Senate Appropriations Committee's transportation subcommittee, in 2003 secured $500,000 for preliminary studies.

Last year, Rep. Jon Porter (R-Nev.), supported by Rep. Trent Franks (R-Ariz.), got $2 million for the bridge inserted into the House version of the transportation bill.

By the time Congress approved the $286-billion transportation bill, $18 million more in bridge funding had been added. Reid took credit in a news release for securing money that would kick the project into high gear. The bridge, still in the planning stages, is projected to cost $30 million to $40 million.

Arizona's two Republican senators voted against the entire transportation bill as pure pork.

Nowhere in Reid's statements about the project was any mention of his Bullhead City land holdings; he does list it on his Senate financial disclosure forms. He valued the Arizona land at $500,000 to $1 million in his most recent disclosure, which reported total assets of at least $2.2 million.

Reid's interest in the Arizona land dates back more than 20 years and, according to his staff, has been a long-running headache. He paid about $150,000 for 100 acres of the Bullhead City parcel, and his longtime friend Clair Haycock bought the remaining 60 acres for $90,000.

Californians who bought the property from the two in the early 1990s defaulted on a $1.3-million note and returned the land to Reid and Haycock.

In early 2002, Haycock sold out to Reid for $10,000, or about $166 an acre.

At the time, the Mohave County assessor valued the entire parcel at $339,620, or more than $2,000 an acre.

The low price resulted from Haycock's need to sell and Reid's lack of interest in buying, the two men said.

The investment "had been a losing proposition for about a decade running," Reid's staff said.

Haycock, who owns Haycock Petroleum Co. of Las Vegas, said in an e-mail that he needed to sell his share to liquidate a company pension plan, which owned the property.

He said in a statement that he "expected nothing from Sen. Reid" in return for selling him the property.

"Sen. Reid has never taken any official action to provide personal financial benefit to me, and I would never have asked," Haycock said.

City and county officials say that land values have been rising in Bullhead City as developers and speculators discover the area.

"Once they build a bridge, values will go up," said Frank Capotosto of the Mohave County assessor's office.

"A new bridge will increase value because there would be better circulation, " said Pawan Agrawal, public works director and city engineer for Bullhead City.

"A lack of a bridge depresses our growth."

California businessman Ken Renfroe recently bought property near Reid's that he intends to develop in five years or so. He believes that a new bridge will increase property values.

"I am sure it has already had a positive influence," he said of the proposal.

He paid $240,000 for 37.52 acres, an average of $6,396 an acre, records show.

Some other local real estate owners, however, question whether the bridge would increase land values.

Reid's office referred inquiries about land values to developer Robert Bilbray, a Reid supporter who works in the LaughlinBullhead City area.

Bilbray disputed the notion that Reid could stand to gain from the bridge construction.

Site plans have not been finalized, he said, and some proposed locations could decrease Reid's property value.

"The concept that Sen. Reid's property in Bullhead City, Ariz., will gain in value from another bridge between Bullhead City and Laughlin is ludicrous," he said.

‘There Is No Reason To Wait' (USAT)

DOJ_NMG_0092590

By Pete Stark

USA Today, November 13, 2006

Democrats won both houses of Congress last Tuesday because Americans supported our pledge to change direction on several major issues, including the Medicare Part D prescription drug benefit.

There is no reason to wait. True, it is a complex problem, and 100 legislative hours is less than three weeks.

Consider, however, the middle-income senior who suddenly hits the "doughnut hole" and must come up with $2,850 in out-of-pocket cash for a drug to ease his or her cancer burden. For that person, quick congressional action might save a life.

I believe we must start work immediately to improve this incomprehensibly complicated plan, which overpays and deregulates private plans to the detriment of the beneficiaries and taxpayers.

The same Republicans who certified its cost as $400 billion over 10 years, knowing the true figure was north of $550 billion, generated some of the polls showing satisfaction with Part D.

Yes, premiums are lower than expected, not from market competition, but from massive Medicare subsidies to the insurance industry. With less than 3% overhead, universal coverage and lower prices, a Medicare-run plan could offer true competition. Medicare payments for physicians and hospitals have created no noticeable increase in the bankruptcy filings by them in the past decade. Why immunize the pharmaceutical industry from competition?

The Republican administration never even tried to save money. It forbid any negotiation on price or availability of drugs at the behest of the pharmaceutical industry. We can do better.

Former Health and Human Services secretary Tommy Thompson, faced with the anthrax threat, took just over a month to negotiate a 50% reduction in the price of the drug Cipro. There is no reason that Medicare cannot do the same and provide a drug benefit similar to my Blue Cross benefit or the various plans offered to USA TODAY employees.

If not now, when?

Rep. Pete Stark, D-Calif., is the top Democrat on the House Ways and Means health subcommittee.

Pelosi On Drugs (WSJ)

By Alain Enthoven And Kyna Fong

The Wall Street Journal, November 13, 2006

Nancy Pelosi has promised that when the Democrats come into control of the House, they will repeal the ban preventing Medicare from negotiating directly with pharmaceutical companies, within the first 100 hours. She must expect that this legislation will bring down drug prices dramatically. In fact, it is not obvious that allowing the government to negotiate with pharmaceutical companies will lead to lower prices than those achieved by private drug plans. There are several good reasons that government negotiations may not decrease drug costs.

First, negotiations are a bargaining process. The relative balance of bargaining power determines at which price the deal is struck.

People often confuse market power with bargaining power. The thinking goes, the larger the share of the market the buyer represents, the greater the bargaining power and thus the lower the prices negotiated. That line of reasoning fails with drugs, however, because the seller is frequently a monopolist so it cannot be threatened with replacement by a substitute. Instead, the only threat is exclusion from the market.

Rather than market share, a party's bargaining power is determined simply by its ability to say no, to walk away from the table without an agreement. Whether the government or a private drug plan has greater bargaining power is not clear. Which can walk away more easily and declare that some brand-name drug will not be covered on the formulary? Private plans like Kaiser or United are able to negotiate deep discounts with pharmaceutical companies precisely because of the plans' ability to say no -- the ability to include some drugs and to exclude others, allowing the market to judge the resulting formulary. On the other hand, when the government negotiates, its hands are tied because there are few drugs it can exclude without facing political backlash from doctors and the Medicare population, a very influential group of voters.

In fact, the government negotiating on behalf of Medicare beneficiaries may lead to some unintended adverse consequences. Since direct-to-consumer advertising is legal in the U.S., there is nothing preventing pharmaceutical companies

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from funding a torrent of advertisements for the "latest and greatest" drug, thereby creating a strong demand within the Medicare population for coverage of the drug. How firm can the government stand when negotiating for a drug being clamored for? This is not the sort of bargaining power that will lead to lower prices.

Secondly, by acting as one large buyer, the government will cause price discounts to become more expensive for pharmaceutical companies. In other words, the minimum price that the pharmaceutical company is able to accept increases. All else equal, this will lead to higher, not lower, prices. When private drug plans are negotiating individually with pharmaceutical companies, those companies have the power to "price discriminate," meaning they can charge lower prices to some drug plans and higher prices to others. This ability allows for large discounts. If Pfizer is able to give a deep discount to Kaiser without giving a similar discount to United, then it is less costly for Pfizer to give Kaiser that discount. If, however, Pfizer can give a deep discount to Kaiser only if the same discount is granted to all other Medicare drug plans, then the discount becomes very expensive.

Experience with the Medicaid best-price rule, passed as part of OBRA '90, provides both empirical and anecdotal evidence of price discounts becoming more expensive when buyers' discounts are forcibly linked together. The best-price rule states roughly that Medicaid will be granted a price for a drug that is the lowest price offered to any buyer of that drug. If that price is not low enough, Medicaid receives a fixed discount off the average price. In effect, the best-price rule transforms all private discounts negotiated between a pharmaceutical company and a drug plan into public discounts for Medicaid. Research by academics, along with a slew of anecdotal evidence reported in the press, suggests that after passage of the Medicaid best-price rule, the days of deep discounts to private drug plans have been numbered. Instead, for most drugs the dispersion in prices has declined significantly and the overall level of prices has increased. Even with products for which there are therapeutic substitutes available, price competition has become less intense.

All that aside, many will argue that, clearly, government negotiations lead to lower prices -- just look at Canada, or Britain, or France. True, those governments may obtain lower prices than the public pays in the U.S., but the real question is: Do those governments negotiate lower prices than what would be negotiated were smaller groups of buyers able to deal individually with pharmaceutical companies? Moreover, a great advantage that governments in other countries have over the U.S. government is the ability to control entry. Without direct-to-consumer advertising, citizens in other countries don't even hear about new drugs until the government has approved the drug and negotiated an amenable price. Interestingly, with the expansion of the Internet and unrestrained information flow, other governments have been facing new challenges. Earlier this year, a well-publicized legal battle brought by a U.K. woman against the NHS's decision not to cover Herceptin for early-stage breast cancer has compelled the NHS to reverse its original decision and to offer coverage for that drug.

Finally, there is the familiar economic argument that the market-determined price is the only fair price. How can the government determine what price is "fair," what price appropriately reimburses pharmaceutical companies for all their research and development efforts? How can the government determine what prices will encourage the right levels of future innovation? The government negotiating prices only leaves room for additional gains through political lobbying and campaigning, activities at which pharmaceutical companies have proven themselves rather adept.

Congressional Democrats need to be careful in making the logical leap from market share to bargaining power. Empowering the government to negotiate with pharmaceutical companies is not necessarily equivalent to achieving lower drug prices. In fact, neither economic theory nor historical experience suggests that will be the outcome. Members should think carefully before jumping on the bandwagon -- this promise may bring just the opposite of what was ordered.

Mr. Enthoven is a professor emeritus at the Graduate School of Business at Stanford, where Ms. Fong is a doctoral student in economics.

Congress's Sci-tech Agenda To Shift Under Democrats (CSM)

By Peter N. Spotts

The Christian Science Monitor, November 13, 2006

For clues to whether bipartisan cooperation in Washington will take root or disappear from the table as quickly as the china after last week's get-acquainted lunches at the White House, watch how some key science and technology issues play out.

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Ordinarily, broad science goals - such as better science education or the American Competitiveness Initiative - draw bipartisan support. But there are some divisive science topics on the Democrats' early agenda - namely embryonic stem-cell research - and these highly charged science and environmental issues will be one barometer of the durability of cross-aisle cooperation.

"If this stated spirit of bipartisanship is to occur, one of the best places to look is going to be in the area of science and technology," says Roger Pielke Jr., director of the Center for Science and Technology Policy Research at the University of Colorado at Boulder. "If it doesn't occur in science and technology, I wouldn't expect that it's likely to occur elsewhere."

The potential for fractiousness exists in a number of policy areas where the ideas of the new Democratic majority differ from those of Republican lawmakers or the Bush administration. Among them are funding for research into alternative-energy sources, what to do about global warming, the future of the space program, and charges that the Bush team has muzzled federal scientists and ignored scientific results in crafting environmental and public-health regulations.

Players who say they felt disenfranchised when GOP lawmakers dominated Capitol Hill view the Democrats' post-election ascension as an opportunity. Several environmental groups are slated to hold a joint press conference Monday laying out their collective agenda to address issues ranging from grazing on public lands and the state of national parks. They are expected to push for measures to curtail global warming that are tougher than the voluntary approaches the Bush administration has offered so far.

In the House, Democrats are identifying a series of hearings they want to hold that deal with these themes. In the Senate, Barbara Boxer (D) of California is slated to take the helm of the Senate Environmental and Public Works Committee. Last Thursday, in a briefing with reporters, she said she aims to draft legislation that contains elements of a California-like approach to curbing emissions of greenhouse gases. The state aims to cut greenhouse-gas emissions to 1990 levels by 2020.

The midterm election, which unseated several moderate Republicans, gave the GOP delegation a more conservative tone, analysts say. And several incoming Democratic freshmen take conservative positions on a number of issues.

Still, some environmental groups are optimistic that their issues will at least get a hearing. At best, they will find allies among the more-conservative freshmen.

"At least on some of the environmental issues - energy security, environmental health issues, even global warming - these are not always liberal versus conservative issues," says Karen Steuer, vice president for government affairs at the National Environmental Trust in Washington. "In the last Congress, we could frequently work in a bipartisan fashion [with individual Republican lawmakers] on a fair number of environmental issues." The barriers came at the doorstep of the GOP leadership, which "refused to bring our issues to the floor for a vote," she says. "We couldn't even get an honest debate and a vote."

With a presidential election only two years away, it may be unrealistic to expect large-scale changes in science or environmental policies, several analysts say. Instead, they continue, look for oversight hearings that are more robust.

One issue expected to receive more scrutiny involves what has come to be called the GOP's war on science. Inspectors general at NASA and the National Oceanic and Atmospheric Administration are investigating allegations that political appointees have tried to muzzle scientists whose views, based on their research, run counter to Bush administration policy. In other cases, critics charge that political appointees at regulatory agencies such as the Environmental Protection Agency have disregarded the best available science in crafting environmental regulations that are weaker than critics say they should be. Many states are in open revolt against the EPA's rules for emissions of mercury and particulates, for example, opting to set up their own tougher regulations.

Another area ripe for tighter oversight is NASA and the president's Vision for Space Exploration, adds Ray Williamson, with the George Washington University Space Policy Institute. In hearings before the House Committee on Science, lawmakers from both sides of the aisle have expressed support for the effort in general. But, he notes, they worry that the White House isn't giving NASA the money it needs to do the job without sacrificing other important activities.

Pelosi Backs Murtha For Majority Leader (AP-Y)

By David Espo

AP, November 13, 2006

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Rep. Nancy Pelosi, in line to become speaker of the House, stepped into a postelection power struggle among fellow Democrats on Sunday with a letter of support for Rep. Jack Murtha in the race to pick a majority leader.

"Your presence in the leadership of our party would add a knowledgeable and respected voice to our Democratic team," Pelosi, D-Calif., wrote Murtha. The Pennsylvania lawmaker is widely viewed as an underdog in a two-man race with Maryland Rep. Steny Hoyer in this week's leadership elections.

Murtha issued a statement saying, "I am deeply gratified to receive the support of Speaker Pelosi, a tireless advocate for change and a true leader for our party and our country."

Hoyer has been second-ranking in the Democratic leadership behind Pelosi the past four years. He issued a statement saying he was confident he would win the race.

"Nancy told me some time ago that she would personally support Jack. I respect her decision as the two are very close," Hoyer's statement said.

Pelosi and Hoyer have long been rivals within the party caucus, while she and Murtha are allies of long standing.

Murtha, a former Marine who is respected for his knowledge of defense issues, gained national attention last year when he said U.S. troops should be withdrawn from Iraq.

Murtha announced last fall he intended to run for majority leader if Democrats won control of the House, a pre-election jab at Hoyer at a time the Marylander was pledging support for Pelosi.

Both Hoyer and Murtha traveled on behalf of Democratic candidates during the campaign. Hoyer's office said he visited 82 congressional districts and raised or contributed $8.2 million to the party's candidates in the months leading to the elections. No comparable figures were immediately available for Murtha's efforts.

Since the election, Hoyer has released letters of support in the leadership race from senior Democrats as well as from more than half of the incoming lawmakers who won their seats last week.

In her letter, Pelosi began by noting that Murtha had requested her support. Noting his opposition to the war, she added, "Your leadership gave so many Americans, including respected military leaders, the encouragement to voice their own disapproval at a failed policy that weakens our military and makes stability in that region even more difficult to achieve."

One of Hoyer's supporters, Rep.-elect Baron Hill of Indiana, depicted Pelosi's letter as good news for the Maryland lawmaker. Hill said the letter was a statement of personal intent, adding, "She's not asking other members to vote for Murtha."

Pelosi Endorses Murtha As Next Majority Leader (WP)

By Jonathan Weisman

The Washington Post, November 13, 2006

House Speaker-to-be Nancy Pelosi (D-Calif.) endorsed Rep. John P. Murtha (D-Pa.) yesterday as the next House majority leader, thereby stepping into a contentious intraparty fight between Murtha and her current deputy, Maryland's Steny H. Hoyer.

The unexpected move signaled the sizable value Pelosi gives to personal loyalty and personality preferences. Hoyer competed with her in 2001 for the post of House minority whip, while Murtha managed her winning campaign. Pelosi has also all but decided she will not name the ranking Democrat on the House intelligence committee, Rep. Jane Harman (D-Calif.) to chair that panel next year, a decision pregnant with personal animus.

Pelosi had been outspoken about her frustration with Murtha's declaration that he would challenge Hoyer, currently the House minority whip, for the majority leader post long before Democrats had secured the majority. Many believed she would remain on the sidelines, just as Speaker J. Dennis Hastert (R-Ill.) did earlier this year when three Republicans vied for the post of House majority leader.

But in her first real decision as the incoming speaker, Pelosi said she was swayed by Murtha's early stance for a withdrawal of U.S. forces from Iraq. Her letter of endorsement yesterday made clear that she sees Iraq as the central issue of the next Congress and that she believes a decorated Marine combat veteran at the helm of the House caucus would provide Democrats ammunition in their fight against congressional Republicans and President Bush on the issue.

"I salute your courageous leadership that changed the national debate and helped make Iraq the central issue of this historic election. It was surely a dark day for the Bush Administration when you spoke truth to power," she wrote. "Your strong

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voice for national security, the war on terror and Iraq provides genuine leadership for our party, and I count on you to lead on these vital issues."

Murtha responded, "I am deeply gratified to receive the support of Speaker Pelosi, a tireless advocate for change and a true leader for our Party and our country."

Pelosi's decision could be a significant blow to Hoyer, who has worked for years to move up in the Democratic leadership. Political handicappers had regarded Hoyer to be the strong favorite when House Democrats meet Thursday to choose a majority leader for the 110th Congress. Although Murtha's stance on Iraq has made him a hero among many grass-roots party activists, his positions against abortion and gun control have pushed many House liberals into Hoyer's camp, including the leader of the Out of Iraq Caucus, Rep. Maxine Waters (D-Calif.).

Hoyer's camp counts 21 of the roughly 40 incoming freshman Democrats as committed supporters. Many freshmen believe the Democrats should stick with the team that brought them to the majority, said John Sarbanes, who was elected last week to represent central Maryland in the House.

Hoyer also has the strong support of many of the party's conservative "Blue Dog" Democrats, who worry about Murtha's involvement in the Abscam bribery sting in 1980 and what they see as his freewheeling style on the House Appropriations Committee, where he has openly advocated for the interests of his district and his political supporters.

Some of Hoyer's supporters put the best face on Pelosi's intervention, saying Murtha would not have asked for a public letter of support if his campaign were not in trouble.

"I don't think it's significant," said Rep. Dennis Cardoza (D-Calif.), a leading Blue Dog and Hoyer supporter. "Everyone already knew she was supporting Murtha. I don't think this will have much of an impact. Steny's going to win this fight."

But Murtha has garnered the support of some influential Californians close to Pelosi, including Rep. George Miller (D-Calif.), a liberal firebrand who will chair the House Education and the Workforce Committee.

In a statement, Hoyer said he remains confident he has the votes.

"Nancy told me some time ago that she would personally support Jack. I respect her decisions as the two are very close," he wrote. "I am grateful for the support I have from my colleagues, and have the majority of the caucus supporting me. I look forward to working with Speaker Pelosi as Majority Leader."

Another potentially fractious vote in the House Democratic Caucus was settled late last week when Rep. Rahm Emanuel (D-Ill.), the outgoing chairman of the Democratic Congressional Campaign Committee, decided against running for House majority whip. Rep. James Clyburn (D-S.C.), the only African American in the House Democratic leadership, had already announced his candidacy.

Emanuel instead will stand unopposed for the job Clyburn will vacate, House Democratic Caucus chairman. In his announcement, he appealed for party unity ahead of Thursday's leadership elections.

Supply Side Can Mike Pence Win? (WSJ)

By Stephen Moore

The Wall Street Journal, November 13, 2006

WASHINGTON -- If Rep. Mike Pence, the fourth-term Republican from Indiana, wins his bid this Friday for House minority leader, he will become the second most influential conservative in Washington, behind President Bush. The leadership contest, of course, does not take place in a vacuum. The congressional Republicans are engaged in a desperate search for a new revolutionary, a Newt Gingrich figure to help them rediscover who they are and what they believe in. One story about Mr. Pence suggests that he might just be the man:

"The president said, 'Mike, I really need your vote for my prescription drug bill," Mr. Pence recalls of his first-ever meeting in the Oval Office. "And I responded, 'With all due respect, Mr. President, I didn't come to this town to create new entitlements, but to rein in the ones we already have.'" A few days later, this wet-behind-the-ears sophomore congressman captained a conservative revolt that fell one vote short of killing the hugely expensive legislation.

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That wasn't the first time this maverick bucked his party leadership and his president. His first spending vote in the House was against the No Child Left Behind education bill that the Bush White House still considers one of its crowning achievements. His reasoning: "Why are we federalizing schools and education?"

Neither of these incidents endeared Mr. Pence to Karl Rove or the Bush White House. But perhaps his principled stance is in need more than ever.

"My colleagues know that I have never hesitated to support this president when I thought that he was right even on difficult issues like the war," Mr. Pence told me in an interview last week. "But I have never hesitated to oppose vigorously and publicly when I thought that the policy of the Bush administration ran contrary to the principles of limited government." Translation: Expect some intraparty fireworks if Mr. Pence wins.

Mr. Pence believes that his party got trounced last week because of its embrace of what he derisively calls "big government Republicanism." He laments: "For the past four years there has been a growing sense among voters that Republicans, who had come to Washington, D.C. to shrink government, instead settled for an agenda of running government in a slightly less expensive way than the Democrats." (By the end, they weren't even doing that.) Returning Republicans to their Reagan roots is Mr. Pence's obsession. "I believe in my heart that the greatest scandal in Washington is runaway federal spending."

The silver-haired Mr. Pence is most known as a free-market conservative who fought to make the Bush tax cuts bigger and the Bush spending smaller, and he relishes the idea of taking on the trade protectionism of the Democrats. On immigration, he rejects as economically wrongheaded the Pat Buchanan isolationism of the party. He wants a border security bill that includes expanded legal immigration and a system to allow illegal workers to go back home and secure a green card for re-admittance if they have a willing employer who will hire them.

The closed-border Republicans have screamed "amnesty" -- a policy Mr. Pence says he's "dedicated to preventing." It says a lot about his likeability and conservative credentials that even his highest-profile opponent on the immigration issue, Tom Tancredo, is a Pence supporter in the leadership race.

One complication for Republican leaders is that over the next two years a legacy-minded Mr. Bush might work to make bipartisan deals with a Speaker Nancy Pelosi -- on questions like minimum wage, health care and entitlement reform. Mr. Pence sees the House Republicans' game plan for winning back the majority as pretty much the opposite: to oppose such deals whenever they deviate from Reagan principles.

"The duty of the Republican minority as I see it is to contest and where possible defeat the liberal agenda of the Democratic Party and Speaker Pelosi," he stresses. "But I think that we will only defeat the Democratic agenda by presenting positive, substantive reforms based on Republican values for every major legislative initiative of the Democratic majority -- whether the issue is the economy, security or values." There's a definite spirit of combativeness, not cooperation -- thank God.

Mr. Pence seems to have corralled most of the support from major conservative voices, ranging from Rush Limbaugh to Paul Weyrich. John Berthoud, the president of the National Taxpayers Union, gushes: "Mike Pence is one of the few Republicans of late we could always depend on to take the principled position, not the K Street position." He adds, "He's the obvious choice. When you've got a Roger Clemens, you put him on the mound."

Not everyone sees Mr. Pence in that all-star light. The complaint on Capitol Hill is that he can be a self-promoter and a media hound. In America's most secure redoubt of egomania, the U.S. Congress, that often foments envy. Some of Mr. Pence's critics charge that for all his self-righteous anti-big-government talk, he voted "aye" for the mega-spending farm bill of 2002 to benefit his Indiana farmers. Mr. Pence's response: "I'm 99% conservative and 1% collectivist" -- though he does say one of his goals this year is a genuinely free-market farm bill.

His opponent in the leadership race, John Boehner of Ohio, is a conservative himself, and well-liked. He was majority leader this past year, and did an admirable and thankless job of cleaning up the House stables in the aftermath of the Tom DeLay and Jack Abramoff scandals. Mr. Boehner is a far better fundraiser than Mr. Pence. But still, he's not the new face many Republicans are searching for.

Here, the betting odds are with Mr. Boehner. It's tough to topple the incumbent party powers, though the members may want to remember that the first step toward winning control of the House in 1994 was voting out the old regime and putting in visionary leaders like Newt Gingrich and Dick Armey.

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Can Mike Pence win? That depends on how many of his colleagues fully understand how much trouble they're in.

Mr. Moore is a member of the Journal's editorial board.

A GOP Unchanged (WP)

By Robert D. Novak

The Washington Post, November 13, 2006

The depleted House Republican caucus, a minority in the next Congress, convenes in the Capitol at 8 a.m. Friday on the brink of committing an act of supreme irrationality. The House members blame their leadership for their tasting the bitter dregs of defeat. Yet the consensus so far is that, in secret ballot, they will reelect some or all of those leaders.

In private conversation, Republican members of Congress blame Majority Leader John Boehner and Majority Whip Roy Blunt in no small part for their midterm election debacle. Yet either Boehner, Blunt or both are expected to be returned to their leadership posts Friday. For good reason, the GOP often is called "the stupid party."

While an unpopular Iraq war and an unpopular George W. Bush were primary causes of last Tuesday's Republican rout, massive public disapproval of the Republican-controlled Congress significantly contributed. While abandoning conservative principles, the spendthrift House had become chained to special corporate interests represented by K Street lobbyists.

This malaise is embodied in the avuncular speaker, J. Dennis Hastert, whose consistent response to accusations of failed leadership has been 20-minute lectures to closed-door party conferences pleading for Republican unity. As expected, Hastert is leaving the leadership now that the party is in the minority. But his departure leaves the other leaders in place, with their colleagues reluctant to turn them out.

That reluctance is typified by Rep. Eric Cantor, a 43-year-old third-term congressman from Richmond who has been his party's chief deputy whip for four years since being appointed by Blunt after only two years in the House. His voting record is solidly conservative, and he belongs to the conservative Republican Study Committee (RSC). At the same time, Cantor is well regarded in all sectors of the party, and members see him as the principled kind of rising politician that Republicans desperately need.

But Cantor is not seizing this post-election moment to seek an elected leadership position. On the contrary, he has been supporting Blunt for reelection as whip out of loyalty to his mentor and patron. Bright and able though he is, Cantor has drunk the Kool-Aid in viewing the Republican Party as a private club where personal loyalties must transcend all else.

Blunt, like Hastert, was handpicked for leadership by Tom DeLay, the dominant Republican in Congress until his politically inspired indictment in Texas last year. When DeLay resigned as majority leader, the party's lobbyist-connected establishment decision was to promote Blunt from whip to leader and make Cantor the whip. But with the feeling that some change was needed, Boehner defeated Blunt for the top job, and Blunt kept the second-ranking post. In fact, Boehner's ties to K Street are even stronger than Blunt's, and he seemed to lose interest in reform once he became majority leader.

Rep. Mike Pence, the chairman of the RSC and a leader of reform, is an underdog candidate opposing Boehner. Rep. John Shadegg, Pence's predecessor at the RSC, who finished third in the race for leader in February, is running uphill against Blunt for whip on a reform platform. The conventional wisdom on the Hill is that, at best, only one of them can win, because the Republicans would not dare elect two conservatives to the two top House leadership positions.

In fact, the voting records of Boehner and Blunt are nearly identical to those of Pence and Shadegg. The difference between them was demonstrated Thursday when Blunt went to the Heritage Foundation to campaign for his retention as whip. He delivered a defense of earmarking, echoing the House appropriators' claim that the elimination of earmarks would do "nothing but shift funding decisions from one side of Pennsylvania Avenue to the other."

That is the view that led Republicans to earmark a "Bridge to Nowhere" and hundreds of other projects in competitive districts, hoping it would save them on Election Day. The House has been a place where Rep. Don Young (a notorious Alaska porker) was setting national transportation policy, where the "cardinals" on the Appropriations Committee established earmarking records, where the pharmaceutical industry had a pipeline to party policy and where even Speaker Hastert was making personal profits on an earmark. Maybe that's what Republicans want to retain, even in the minority.

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In New Senate, The Middle Rules (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, November 13, 2006

For Democrats, who swept back into power in both the House and Senate last week, the pledge to govern in a bipartisan way may not be postvictory rhetoric. At least in the Senate, it's a mandate of the math.

While an effective 51-49 majority allows Democrats to organize the Senate - Joseph Lieberman of Connecticut and Bernard Sanders of Vermont ran as independents - it is still nine votes short of the 60 votes now needed to advance controversial bills on issues ranging from taxes to the Iraq war.

"Nothing can be accomplished in this town unless it's on a bipartisan basis," said Senate Democratic leader Harry Reid, after meeting with President Bush and Vice President Cheney at the White House on Friday.

"The only way the American people will know if President Bush is sincere, the Democratic Congress is sincere, is with results. And we're willing to give it a try," he added.

The terms of the Democrats' narrow victory make a politics of the center even more imperative. Most of the new Democrats in the Senate won by running as moderates or fiscal conservatives.

"They were carefully chosen not to reflect the liberal mainstream of the Democratic Party, but to reflect the more conservative mainstream of their states," says Rhodes Cook, a political analyst in Washington.

"It might be a return to the days when Democrats were technically a majority party, but when you put Republicans together with southern Democrats, they were the majority," he adds.

Then, there's Ben Nelson. Last year, the Nebraska Democrat voted against a majority of his party more than half the time, according to a survey by Congressional Quarterly. But so did Sen. Lincoln Chafee (R) of Rhode Island. The two men often canceled each other's vote.

However, this year, Chafee lost. If past is prelude, that means a 50-50 Senate on many votes, with Vice President Cheney, as Senate president, breaking ties. New coalitions

While Senate Democrats are expected to lock arms over issues such as the minimum wage, there may be a new centrist coalition on issues including immigration, national security, and privacy rights.

Incoming freshmen Amy Klobuchar in Minnesota, Jon Tester in Montana, and Bob Casey in Pennsylvania defined themselves as moderate, independent voices, often at odds with Democrats in Washington. A former Navy secretary in the Reagan administration, Jim Webb upset Sen. George Allen (R) of Virginia on a campaign that showcased independence.

Rep. Benjamin Cardin (D) of Maryland, who will succeed retiring Sen. Paul Sarbanes (D), was one of the few House Democrats willing to work with Republicans on issues such as pension reform.

Conservative activists say that the centrist base of the new freshman class will limit how far the national Democratic Party can advance a more radical agenda.

"If people ran as liberals, I would be afraid for my issue [cutting taxes]. But there are very few Democrats who won running as liberals against conservative Republicans," says Grover Norquist, president of Americans for Tax Reform.

For six years of the Bush presidency, Democrats have focused on blocking GOP initiatives. The next two years will showcase that Democrats can also govern, say party leaders in both the House and the Senate. Democrats' legislative agenda

Democrats plan to advance a legislative program in the first 100 days of the 110th Congress that includes increasing the minimum wage, passing all the 9/11 Commission recommendations, cutting the cost of student loans, lifting the 2003 ban on

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negotiating lower drug prices for seniors through Medicare, and promoting energy independence. They're also gearing up for hard-hitting investigations on issues ranging from the Iraq war to the nation's energy policy. Beware of intraparty disputes

If the party can deliver only gridlock in the next Congress, they will quickly lose those moderate and independent voters who delivered last week's victory, say activists with the Democratic Leadership Council (DLC), a centrist think tank.

"If Democrats are smart, they can make these new and 'returned' Democratic voters part of an expanded party and an enduring national majority," argues a DLC position paper, "What's next for Democrats?" released Nov. 10.

"That's why we should all be wary of intraparty arguments that Democrats did well simply by 'fighting' or maximizing partisan differentiation from the Republicans, or that they can paste together a majority by insisting on ideological unity and ignoring parts of the country or parts of the party - e.g., 'red states' - that call for a more diverse and inclusive message," the paper states.

"Make no mistake: Our joy today will vanish if we can't produce for the American people," said Sen. Charles Schumer (D) of New York, who, as chair of the Democratic Senatorial Campaign Committee, recruited and helped fund Democratic candidates in the 2006 election cycle.

"If we can keep our focus on the average American family, we will stay the majority for a generation," he added. Senate Democratic leader: Nimble on his feet

As a boxer in high school, Harry Reid - now in line to be majority leader of the US Senate in the 110th Congress - trained for the boxing ring by running up steep grades, with his coach following behind in his car.

"They knew that if they stumbled or fell and did not promptly get up and continue, there was a good chance they would be run over," says Senator Reid's coach and mentor, former Nevada Gov. Mike O'Callaghan.

It's good practice for his next job: leading what its members like to call the world's greatest deliberative body. Two former majority leaders describe the job as "herding cats."

"The election is over. It's time for a change. It's time for open government. It's time for transparency. It's time for results," Reid said after Republicans conceded the seat in Virginia, giving Democrats their majority last week.

It's a job he didn't expect. When it was clear that then-majority leader Tom Daschle had lost his reelection bid in 2004, Reid summoned the stunned caucus to regroup. "We've got to talk about the future of our caucus," he said to Deputy Democratic leader Richard Durbin of Illinois, who credits Reid with "patching up some rifts in our caucus that had been around for a long time."

Known for his grasp of highly complex Senate procedure, Reid has always functioned better behind the scenes than in front of a camera. It was Reid who led the secret negotiations with Vermont Sen. James Jeffords over his defection from the GOP, which flipped control of the Senate to the Democrats in June 2001.

As minority leader after the 2004 elections, he often set majority leader Bill Frist back on his heels with surprise parliamentary moves. He famously called the Senate into "secret" session in November 2005 to demand that the Senate intelligence committee complete its stalled probe into whether the intelligence on weapons of mass destruction in Iraq had been politically manipulated.

In the past two years, he has repeatedly derailed Republican initiatives, including holding Democrats in line to block a GOP bid to tie a permanent repeal of the estate tax to a bill raising the minimum wage.

He's also one of the few senators who still practices the art of the filibuster. On Nov. 19, 2003, Reid stunned Frist and Senate Republicans by holding the floor for nine straight hours in a bid to defend the right to filibuster judicial nominations. Sustained by judicious sips of water, he read from his book about his hometown, "Searchlight: The Camp That Didn't Fail."

Reid has also made some celebrated errors, such as publicly boasting that Democrats had "killed the Patriot Act."

While critics have tried to link Reid to disgraced lobbyist Jack Abramoff - Reid accepted nearly $70,000 in contributions from Abramoff's tribal clients - so far, charges of wrongdoing haven't stuck. But a disclosure last month by the Associated Press that Reid had violated Senate rules by failing to report a 2001 land transfer that later netted him $700,000 prompted Reid to amend his financial disclosure statements.

Array Of Fresh Faces Set For 110th Senate (WT)

By Amy Fagan

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The Washington Times, November 13, 2006

The Senate today will welcome 10 new faces soon to join its ranks -- eight Democrats, one independent and one Republican. They include a novelist and former Navy secretary, three soon-to-be former House members, a state treasurer and an organic farmer.

Much like new college freshmen, the group arrives this week for orientation -- but theirs is into the new Democrat-controlled 110th session of the Senate.

Six Democrats in the new group defeated Republican incumbents to help usher in that new majority.

Sen.-elect James H. Webb Jr. of Virginia defeated Sen. George Allen in an extremely tight race. Mr. Webb, a decorated Vietnam veteran, is a former Republican who was Navy secretary under President Reagan. The 60-year-old is a strong opponent of President Bush's invasion of Iraq and switched parties because of it. Mr. Webb also has written six novels.

Bob Casey Jr., Pennsylvania's treasurer and son of a popular former governor, ran as an anti-Bush agent of change, defeating conservative Rick Santorum, the Senate's third-ranking Republican. But the 46-year-old Mr. Casey, a two-term state auditor, is more conservative than his party on some issues, including abortion.

Republicans lost their most liberal senator when Rhode Island's Lincoln Chafee was defeated by former Attorney General Sheldon Whitehouse, a 51-year-old staunch Democrat. Mr. Whitehouse, who also was a U.S. attorney under President Clinton, ran a stridently anti-Bush campaign, but because Mr. Chafee frequently bucked the president, some surmise the voting patterns of this Senate seat may change little.

From the "Big Sky country" of Montana comes Jon Tester, the president of the state Senate who also grows organic wheat, barley and hay on his family farm there. The 50-year-old from Big Sandy -- population 710 -- demands a plan to bring the troops home from Iraq, is pro-choice and supports embryonic stem-cell research. He is pro-gun and will likely be outspoken on agriculture issues.

Claire McCaskill, who won one of the nation's tightest Senate races this year, is the Missouri state auditor and defeated Republican Sen. Jim Talent. As auditor she sought to root out wasteful spending, and because her Senate race centered on the embryonic stem-cell research debate, the 53-year-old will likely continue to push that.

Rep. Sherrod Brown, a House member since 1992 and former Ohio secretary of state, defeated Republican Sen. Mike DeWine. Mr. Brown, a liberal who earned a 100 percent rating last year from the liberal Americans for Democratic Action, has sponsored bus trips to Canada to buy cheaper prescription drugs and opposes the North American Free Trade Agreement and the Central American Free Trade Agreement. The 54-year-old author of two political books is also an Eagle Scout.

The Senate also will welcome a few Democrats who are replacing retiring Democrats. Amy Klobuchar, 46, is the first woman elected to the U.S. Senate from Minnesota and replaces retiring Sen. Mark Dayton. The two are "both are staunch Democrats with a solid progressive record," said Minnesota Democratic Farm Labor Party Chairman Brian Melendez.

Rep. Benjamin L. Cardin, Maryland Democrat, leaves the House and enters the Senate after defeating Republican Lt. Gov. Michael S. Steele in a race to replace retiring Democrat Sen. Paul S. Sarbanes. Mr. Cardin, 63, served on the House's tax-writing Ways and Means Committee, where he blasted Republicans' Medicare prescription-drug plan as "a raw deal for seniors" and fought against the Republican Party's Social Security plan.

Finally, Rep. Bernard Sanders, 65 and a self-described "democratic socialist," enters the Senate as the longest-serving independent in the history in the House of Representatives, having been first elected in 1991. Like his predecessor, independent Sen. James M. Jeffords, he will caucus with the Democrats.

The lone new Republican is Tennessee's Bob Corker, former mayor of Chattanooga who keeps the seat of retiring Senate Majority Leader Bill Frist in Republican hands. Mr. Corker, a 54-year-old businessman, became the state finance commissioner in the mid-1990s and as mayor cracked down on overspending and instituted merit-based bonuses for teachers.

McConnell Had Hoped To Be Majority Chief (AP-Y)

By Nancy Zuckerbrod

AP, November 13, 2006

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It may go without saying that the job of Senate minority leader isn't exactly what Sen. Mitch McConnell had envisioned for himself after the elections.

While the Kentucky Republican regrets Democrats' control of Congress denies him the chance to become the next Senate majority leader, he sees the GOP carving out a significant, albeit slightly different role.

"We'll be able block or shape legislation. My preference of course is to accomplish things," said McConnell, who is now running unopposed to be Senate Republican leader.

When the new Senate convenes in January, Democrats will control 51 seats to Republicans' 49. The close split means Republicans still will have significant power, because it often takes 60 votes to pass legislation.

"Forty-nine is a pretty robust minority. I've been there when we were at 42," said McConnell, who currently holds the No. 2 position of whip in the Senate GOP hierarchy and is expected to succeed retiring Tennessee Sen. Bill Frist as GOP leader.

Republican senators are to pick their leaders on Nov. 15. Utah Republican Sen. Robert Bennett said McConnell has been methodically planning for the top job, fending off potential challenges along the way.

"Brick by brick, he built a firewall," Bennett said, adding that McConnell also has "the best political instincts of any of the people on the leadership team."

McConnell is part of a Washington power couple, with his marriage to Labor Secretary Elaine Chao. He has considerably more political experience than Frist had when he was catapulted into the majority leader's job in 2002. McConnell headed the committee that sets Senate rules and oversaw the GOP's recruitment and financial backing of Senate candidates.

Even Frist acknowledges McConnell's experience gives him "a huge advantage" taking on the Senate's GOP leadership. McConnell, Frist said, has another big strength: His ability to keep a secret in a town known for loose lips. Democrats, too, call McConnell a trustworthy adversary.

"My dealings with McConnell have been very straightforward, and he's kept his word," Senate Democratic Whip Dick Durbin of Illinois.

McConnell was best known until recently for blocking new limits on campaign donations, an effort that gained him a reputation as Darth Vader to his rivals. That success ended in 2002 when Congress passed a campaign finance bill.

A skilled fundraiser, McConnell argues that limiting money in campaigns is akin to muzzling political speech. He doles out advice and staff. along with money, to help other Republican candidates. His critics accuse him of protecting horse racing, tobacco makers and other special interests that figure prominently in his state and are among his campaign donors, and of sometimes resorting to harsh tactics.

In 1984, when he first won his Senate seat defeating Democratic incumbent Walter Huddleston, McConnell ran ads showing bloodhounds searching for Huddleston to convey his opponent as being out of touch with the voters. McConnell helped fellow Kentucky Republican Sen. Jim Bunning turn back a challenge in 2004.

"He is a master of the negative campaign," said Kentucky state Sen. Daniel Mongiardo, who lost to Bunning in that election. "He knows how to win elections. He knows it takes money and he knows that with enough money you can make your opponent look as bad as you need to."

Study Health-Plan Options Carefully This Open Season (WP)

By Stephen Barr

The Washington Post, November 13, 2006

For the next four weeks, federal employees and retirees will select their health insurance coverage for 2007. Many will escape the sticker shock of past years, as federal officials say 63 percent of enrollees in the federal employee health insurance program will see no increase in their premiums next year.

But policy analyst Walton Francis , who tracks premium and benefit changes in the Federal Employees Health Benefits Program, cautions against falling into open-season complacency.

Without the jolt of the usual large premium increase, "the danger is that people won't pay attention," he said. "They are going to yawn and go about their business, and that's a mistake.

"There is a 'change' page in every plan brochure, and people ought to be looking at that page," Francis said.

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He added, "There are lots of decisions to be made by each individual subscriber, and there is often a better deal available right now."

Francis is the chief researcher and writer of the annual "Checkbook's Guide to Health Plans for Federal Employees," sponsored by the nonprofit group that publishes Washington Consumers' Checkbook magazine. The guide rates the more than 250 FEHBP plans, taking into account premiums, catastrophic limits and estimated out-of-pocket costs for most medical expenses. The guide also figures in tax savings that employees gain by paying their premiums through pretax payroll deductions.

The 2007 guide, Francis said, shows that:

Â· Some plans are good buys and can save hundreds or thousands of dollars.

A federal family of four, for example, should check out Blue Cross basic, the American Postal Workers Union consumer-driven plan, the Government Employees Hospital Association standard option, and the Aetna and Mail Handlers high-deductible health plans.

The guide also give high marks to some health maintenance organizations, such as the Kaiser Foundation Health Plan's mid-Atlantic standard and high options, the Aetna Open Access basic option and M.D.-IPA.

A retired federal couple enrolled in Medicare parts A and B should take a look at the annual costs and savings under GEHA standard, Mail Handlers high-deductible, Blue Cross basic and the APWU consumer option, according to the guide.

The retired couple also might reduce medical costs by enrolling in an HMO, such as Kaiser's standard option, Aetna basic and the Aetna Health Fund consumer-driven option.

Â· Some benefits are changing, and sometimes for the better.

The Mail Handlers standard and high options have dropped their prescription-drug deductible -- a change that helps enrollees regardless of how much or how little they use prescription medicines. (Co-payments continue at Mail Handlers, such as a $10 co-pay for generic medications from in-network retail pharmacies.)

Â· Enrollees hold down their medical costs when they stay in-network.

Double-check to make sure your doctor and dentist accept reimbursement from federal plans. Dental and vision benefits, in particular, are based on preferred providers.

Â· Attention to premiums is especially important when deciding whether to enroll in the dental and vision program, which starts for the first time Dec. 31.

Regular health insurance typically covers annual checkups and teeth cleaning, and almost all health insurance plans provide coverage for accidental dental or vision injuries.

The stand-alone dental plans can cost several hundred dollars a year in premiums, and Francis suggests that they may make the most sense for people who anticipate moderately high dental expenses, want some protection against unexpected bills and like the predictability of paying a regular premium.

The vision plans also should be seen as a way to prepay routine costs for eye exams, glasses, contact lens and related services. They are not true insurance plans, Francis said.

Employees who are uncertain about whether to enroll for dental-vision coverage have the option of setting up a flexible spending account. FSAs help limit out-of-pocket costs by providing what the Consumers' Checkbook guide estimates as one-third savings on health-care expenses because payments are made in pretax dollars.

Hiding From Oversight (NYT)

The New York Times, November 13, 2006

There have been many examples of the shambles that the Republican-controlled Congress made of its responsibility for oversight of the Bush administration. But none was so peremptory as the mass firing of 60 House appropriations investigators last month — virtually the entire hired staff responsible for tracking spending abuses in such money pits as the Iraq war, intelligence operations and the $62 billion Hurricane Katrina relief effort.

The dismissed investigators — former F.B.I. and C.I.A. agents and other professionals — did not have their contracts renewed because their work has “not been that good,” in the words of a Republican spokesman who offered no compelling

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evidence. An attempt was made to sell the purge as a bipartisan decision, but it turned out to be the unilateral order of the committee's Republican chairman, Jerry Lewis of California.

The result is that, until the Democrats assume committee control in January, there's an investigatory vacuum on such matters as soldiers' body armor in Iraq and levee and dam spending along the Gulf Coast. A year ago, amid public outrage over the administration's bungling of Katrina relief, Mr. Lewis promised that a timely public report would be made. No such report has surfaced.

There had been a bipartisan tradition on the committee, with majority and minority leaders proposing and signing off on investigation assignments. But that degraded with the arrival of one-party rule as Republicans shirked their oversight duty. This was obvious three years ago when the ranking Democrat, David Obey of Wisconsin, was rebuffed in his proposal for an investigation of the freewheeling intelligence operation quietly constructed by the administration in the Pentagon.

Mr. Obey takes the committee gavel in January, and among his tasks will be restocking the investigation staff and setting the committee back on a productive, bipartisan course. This should not be a matter of party vengeance, as some Republicans fear. Rather, it's a necessity of the course set by the voters to end one-party rule and find out what the government is actually up to.

Truth About The Trade Deficit (NYT)

The New York Times, November 13, 2006

Just as the summer driving season was winding down, oil prices started to fall. The combination of less demand and lower prices was a potent mix, helping to narrow the United States' trade gap significantly in September, to $64.3 billion from $69 billion in August, according to the latest tally.

That's welcome news, illustrating yet another upside to curbing the nation's oil consumption. But it's also sobering. The decline in September's trade deficit was the largest in nearly two years. And yet, the United States remains squarely on track for a record trade imbalance in 2006: a projected $790 billion, compared with $717 billion last year.

The Bush administration has played down the dangers of bloated deficits. Acknowledging them would compel an effort to tame the borrow-and-spend ways of the past six years, including curbing the tax cuts that have been such a boon to the rich.

Far too many Congressional Democrats have blamed China's cheap currency for the trade deficit and sought a solution in protectionism. The currency complaint has a grain of truth, but it is overly simplistic and could be self-defeating if it led to global protectionism.

So, both camps are off point. With the deficit reaching new highs and Democrats now able to wield real power, it is crucial that each side back off its constituent-pleasing myths.

The Bush administration needs to tell the truth about the vulnerability that comes with large deficits. Thus far, the United States has had no problem attracting money from abroad to plug the gaps. But there is no guarantee that will continue indefinitely. If foreigners chose to invest elsewhere — like the strengthening economies of Europe or Japan — the result would be higher interest rates and higher prices in America, perhaps sharply higher.

The Democrats need to take a more pragmatic view of the lopsided trade situation. The surest way to make American businesses more competitive — and workers more secure — is to resolve the nation's health care mess. And the government needs to update and strengthen the safety net for workers who are hurt by global competition. As recently as a few years ago, economists warned that a nation was courting a financial crisis if the size of its trade deficit exceeded 3 percent of its economy. Today, the United States' deficit is approaching 7 percent. The best way to avoid the worst is to define the problem honestly, and craft the remedies accordingly.

OTHER NEWS:

Karl Rove: The Architect's Faulty Specs (NSWK)

By Richard Wolffe

Newsweek, November 13, 2006

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Nov. 20, 2006 issue - President Bush knew he was in for a rough night. As he settled down in front of the TV in the White House residence to watch the election results, the numbers were already grim. By 8 p.m., long before the polls closed out west, Bush realized it was over. "It looks like this is going to be a rout," he lamented to a handful of aides.

Downstairs in the West Wing, Karl Rove wasn't ready to concede anything. The president's political architect believed the GOP could hold on to slender majorities in the House and the Senate. He had history on his side: in 2004 he refused to believe the early exit polls while everyone else was resigned to defeat. This time he was convinced his numbers would come through again. But even Rove's optimism finally cracked when he took a gloomy call from an old friend working for Rep. Clay Shaw in Florida. Shaw won re-election two years ago by a 28-point margin; last week he was heading to a four-point defeat. At 11:01 p.m., Rove made the long walk to the residence. "We're losing the House," he told Bush. The president let out a long sigh and went to bed.

How did the man they call Bush's brain get it so wrong?

Rove's miscalculations began well before election night. The polls and pundits pointed to a Democratic sweep, but Rove dismissed them all. In public, he predicted outright victory, flashing the V sign to reporters flying on Air Force One. He wasn't just trying to psych out the media and the opposition. He believed his "metrics" were far superior to plain old polls. Two weeks before the elections, Rove showed NEWSWEEK his magic numbers: a series of graphs and bar charts that tallied early voting and voter outreach. Both were running far higher than in 2004. In fact, Rove thought the polls were obsolete because they relied on home telephones in an age of do-not-call lists and cell phones. Based on his models, he forecast a loss of 12 to 14 seats in the House—enough to hang on to the majority. Rove placed so much faith in his figures that, after the elections, he planned to convene a panel of Republican political scientists—to study just how wrong the polls were.

His confidence buoyed everyone inside the West Wing, especially the president. Ten days before the elections, House Majority Leader John Boehner visited Bush in the Oval Office with bad news. He told Bush that the party would lose Tom DeLay's old seat in Texas, where Bush was set to campaign. Bush brushed him off, Boehner recalls. "Get me Karl," the president told an aide. "Karl has the numbers."

The numbers looked a lot less rosy to the other architect of the campaign—RNC Chairman Ken Mehlman. It was Mehlman who built the much-vaunted turnout machine. But he feared that many inside the party were relying too much on technology, like voter databases, and had lost sight of the bigger picture: that voters were turning against them. "We've built a great new car, but the gasoline for the car isn't us; it's the candidates and the issues," Mehlman told NEWSWEEK. There was no bigger issue than the war, which Rove had pushed as a winning theme for the GOP. As he flew back to D.C. on a private jet two days before the elections, Mehlman scribbled his predictions on a card—not to be revealed until after the elections. His numbers were much closer than Rove's: the GOP would lose 23 in the House (5 short of the final tally), 5 in the Senate (1 shy) and 6 governors (spot on). Last week Mehlman announced he would step down and pursue opportunities in the private sector.

Rove blames complacent candidates for much of the GOP's defeat. He says even some scandal-tainted members won when they followed what he calls "the program" of voter contacts and early voting. "Where some people came up short was where they didn't have a program," he told NEWSWEEK. But even Rove concedes that there were several hardworking incumbents, like Mike Fitzpatrick in Pennsylvania's Eighth District, who simply couldn't overcome the odds. In an election overwhelmed by war and scandal, the program was no match for their party's problems.

"A Passing Thing" (TIME)

By Mike Allen

Time, November 13, 2006

At 5:15 on election night, Karl Rove sounded jovial, assuring Sean Hannity's radio audience that Republicans would defy the polls and hang on to both the House and Senate. Less than three hours later, President George W. Bush was watching returns on TV in his private study with the First Lady and a few friends and aides. He leaned over as a blue riptide swamped Republican after Republican. "Looks like a rout!" he said.

The architect--as Bush famously called Rove--of the 2000, 2002 and 2004 G.O.P. wins now downplays his forecast. "My job is not to be a prognosticator," he told TIME in an interview in his West Wing office. "I told the President, 'I don't know where this

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is going to end up. But I see our way clear to Republican control.' My job is not to go out there and wring my hands and say, 'We're going to lose.'"

Rove chalks up the loss to corruption, incumbent overconfidence and conservative dissatisfaction with spending. He does not read the outcome as exclusively a judgment on either Iraq or Bush. "Iraq mattered," Rove says. "But it was more frustration than it was an explicit call for withdrawal." Which is not to say the White House didn't see trouble coming. To keep the Republican National Committee from having to take out a loan, according to Republican officials, Bush chipped in $12 million of his campaign funds that otherwise would have gone to his presidential library. Looking ahead, friends say Rove has already identified four voter groups to watch in 2008: Catholics, Hispanics, suburban moderates and people with less than a college education. All four groups swung away from Republicans in this election.

Rove has not given up on his dream of a durable Republican majority, calling last week's loss a "transient, passing thing."

"The Republican Party remains at its core a small-government, low-tax, limit-spending, traditional-values, strong-defense party," he says. "I see the power of the ideas, even in a tough year." Friends say Rove plans to lie low in the '08 race until a nominee is clear. Then, whether in or out of government, he will be the connection between the White House and the campaign, refereeing the candidate's needs and Bush's own.

Will: Retreat From Exuberance (NSWK)

By George F. Will

Newsweek, November 13, 2006

Nov. 20, 2006 issue - In his graceful concession speech after President Jimmy Carter and he lost the 1980 election to Ronald Reagan in a landslide, Vice President Walter Mondale said voters had "quietly wielded their staggering power." They did so again last week. The Constitution designed the House to be the federal institution most responsive to gusts of opinion, and this year, with a gale blowing against the Iraq war, the House functioned as the Constitution's framers expected it to.

So with Democrats soon to be rampant on Capitol Hill, in the House and the Senate, is the Antibullying Campaign Act an idea whose time has come? No. That legislation would federalize, by throwing money at, the problem of children being beastly to each other in and around schools. Some House Democrats, unfazed by the suspicion that their party lacks a sense of the ridiculous, have actually proposed this. Two of its sponsors will be committee chairmen in the coming Congress.

Now, however, Democrats have bigger fish to fry. More than any congressional elections in history, last week's turned on a single burning national issue. Control of Congress has changed because of deep discontent about Iraq. But Congress can, realistically, have little control over what we make of the mess we have made.

Democrats could have demanded the departure of Donald Rumsfeld, but they have been pre-empted. They could cut off funding for the war, but that weapon is too blunt to be used. Besides, both parties know that, for all the arguments about whether there should be a deadline for disengagement from Iraq, the Constitution, in effect, sets a deadline for setting a deadline.

There will be—the Constitution is persnickety about this—a presidential election in 24 months. Republicans do not want to run in 2008 with 150,000 U.S. forces still caught in the crossfire of Iraq's sectarian strife. Democrats know that if Iraq is still aboil and the U.S. presence essentially unchanged, their 2008 presidential candidate will have to offer what their 2006 congressional candidates were not required to offer—an actual plan for dealing with the problem. And each party's nominee would dread the possibility that his or her presidency would be instantly entangled in an inherited war.

There is another, if perhaps slight, reason to hope for, if not congeniality, at least some convergence of interests between the executive and legislative branches. It is that the election that has elevated Nancy Pelosi to the speakership has produced a more conservative House.

The Democratic contingent in the House that will convene in January, enlarged to majority status by the addition of moderates from Republican-leaning districts, will be more conservative than it was in the last Congress. And the defeat of numerous Republican moderates means that the Republican contingent in the House will be even more ideologically monochrome than it was.

House Democrats have their leader, and she has an agenda for the next Congress's first 100 hours. Yes, hours. Her aim, perhaps, is to make FDR's hyperkinetic "100 days" look lethargic. House Republicans once again need a leader. In November

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1998, House Republicans were disoriented first by the resignation of Speaker Newt Gingrich (because of disappointing election results) and a month later by the announcement that his designated successor, Bob Livingston, would also resign (because of revelations about his private life). Seeking tranquillity, House Republicans chose Denny Hastert as leader.

By choosing him, an amiable master of the legislative process but not a man of ideas, they chose not to be led by California Rep. Chris Cox, a man less collegial but more cerebral. (He now is chairman of the Securities and Exchange Commission.) The result was the rise of a theory: "Earmarks"—targeted spending by members for their districts—could secure a permanent majority. That theory has been slain by a fact—last week's election. With Hastert's announcement that he will not seek a leadership position in the new Congress, House Republicans will have no choice but to reconsider how their behavior in recent years—particularly their ravenous appetite for pork—is related to having had leadership that was light on the ballast of ideas. The person Republicans choose as minority leader—John Boehner? Mike Pence? someone else?—will reveal what they think are the lessons of the election that deprived them of majority status.

For now, for the rest of the nation, "silence like a poultice comes to heal the blows of sound." (So wrote Oliver Wendell Holmes, father of the jurist.) Americans grateful for the end of the election cacophony and longing for lost civilities might remember what a former congressman said, late in life, as he fondly remembering the hotly contested 1800 election: "It was a pleasure to live in the good old days, when a Federalist could knock a Republican down in the streets and not be questioned about it."

Reaching For The Center (TIME)

By Joe Klein

Time, November 13, 2006

This was a big deal. Certainly, it was the endÂ of George W. Bush's radical experiment in partisan governance. It might have been even bigger than that: the end of the conservative pendulum swing that began with Ronald Reagan's revolution. Not only did the Democrats lay a robust whupping on the Republicans in the midterm elections, but--far worse--the President was forced into a tacit acknowledgment that the defining policy of his Administration, the war in Iraq, was failing. In 1994, when Bill Clinton lost both houses of Congress, he merely replaced his consultants and, liberated from the liberal wing of his party, sailed into the enforced moderation of divided government. Last week George W. Bush replaced Donald Rumsfeld, the blustery symbol of American arrogance overseas--and, after six years of near total control at home, had to adjust to a situation in which his vision had been rejected by the voters and his power seriously truncated. Rumsfeld was replaced by Robert Gates, who had been a junior associate on the foreign policy team of President George H.W. Bush and was well schooled in the cautious "realism" that marked the reign of Bush the Elder.

In fact, if there was a common strand in last week's Democratic victories and Republican defeats, it was the ascendancy of realists. The architects of the Democratic victory, Senator Charles Schumer and Congressman Rahm Emanuel, had calculated with cold-eyed efficiency which candidates the party would support, regardless of the extent of their orthodoxy. On the Republican side, realists seemed to be taking over the national security apparatus--even if was not yet clear that the President would follow their advice.

Bush's decision to delay the sacking of Rumsfeld until after the election will undoubtedly stand as one of the greatest mistakes of his presidency. It was a purely political decision, straight from the Karl Rove playbook: show no sign of weakness or indecision in the midst of a campaign--or, as Bill Clinton neatly summarized it, Strong and wrong beats weak and right. Not this time. "Strong and wrong" may have cost Bush the election. It may also have cost him whatever chance he had for a dignified exit from Iraq. His refusal to change his team and his strategy prevented an effective response to the centrifugal disintegration of Iraq over the past few months. The exit polls indicate that the war was not the main issue in the 2006 election: the general odor of corruption and incompetence emanating from Washington seemed to be the real motivator. But the Administration's stubbornness on Iraq, neatly symbolized by Rumsfeld's detachment from reality, certainly didn't help the G.O.P. cause.

While the U.S. was holding an election, Iraq's democratically elected government was proving itself a failure. "It's become clear that the Maliki government has made things worse across the board," a senior Administration official told me. The biggest winner has been the radical cleric Muqtada al-Sadr, who is the most popular and probably the most powerful leader among the

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dominant Iraqi Shi'ites. In the past year, according to U.S. military and intelligence sources, the Iranians have placed their bets on al-Sadr, "doubling down" on their support for his militia, the Mahdi Army. As a result, leaders of both the U.S. military and the intelligence community have come to the conclusion that a major change of policy, an effort to prevent al-Sadr from eventually taking power, is in order. The mind-numbing difficulty of the situation had some very serious people grasping at straws, cracking jokes. "It's a Mick Jagger moment," the senior Administration official told me. "You can't always get what you want. The question is, Can we get what we need?"

What we wanted was democracy; what we need is stability. No fewer than three efforts are under way to figure out how to achieve that goal--the Iraq Study Group, chaired by James A. Baker III and Lee Hamilton; a new National Intelligence Estimate on Iraq; and the Joint Chiefs' study group in the Pentagon. Up until last week, the biggest question was whether the President understood he was facing a Mick Jagger moment. But his selection of Gates and his constant references to the Baker commission may indicate that Bush now recognizes the futility of the neoconservative fantasy of an Iraqi democracy imposed by an American invasion--or it may have just been palliative spin, in a week when it was wise to seem humble. Either way, the dramatic turn for the worse in Iraq means that the President's previous policy--hang on with the current troop levels and hope for the best--cannot be sustained. And the dramatic turn toward the Democrats in Washington means that Bush's new Iraq policy will require bipartisan support. Last week the incoming Senate majority leader, Harry Reid of Nevada, was asked if the Senate might legislate troop withdrawals if the President didn't figure out a way to begin them. "It may come to that," he said.

Of course, it is assumed by most people in Washington that bipartisan efforts on even the smallest matters, much less the war in Iraq, will be near impossible. You've heard the arguments: the House of Representatives will be controlled by ancient liberals of Vietnam vintage, just itching to investigate and indict; Bush has shown precious little inclination toward compromise in his various moral crusades--tax cuts, Social Security reform, the war--and Dick Cheney has shown even less. The standard postelection gestures toward peace and bipartisanship certainly seemed more starchy than genuine. The President opened his press conference with an ironic shot at the media: "Why all the glum faces?" If Jane Austen were writing a novel about Bush's public aspect, the title would be Pride and Petulance. But for the sake of argument and in the hope that sanity will prevail, let me make a mild case for optimism.

First, there is the muscular realism of the Democrats who ran the election campaigns, Schumer and Emanuel. They chose their candidates on pragmatism, not principle. Yes, many of the winners tended to be moderates, but that's because this was an election, especially on the House side, waged in moderate districts. In some cases, realism meant supporting the more liberal candidate. In Ohio, Reid and Schumer made a stark decision to force the attractive if inexperienced Iraq war veteran Paul Hackett out of the race and to support Congressman Sherrod Brown, a feisty paleoliberal whose vehement protectionism matched well with Ohio's economic desperation. In Pennsylvania, Reid and Schumer went with a pro-life candidate, Bob Casey Jr., despite shrieks from the party's pro-choice base. The common denominator wasn't liberalism or moderation but the ability to win. The question now is whether "winning" means blocking the President or demonstrating the ability to govern. It probably means a little of both, but I suspect the Democrats will be better served by proving they have the maturity to do the latter.

Why? Because the American public proved that it had the maturity to ignore, and in many cases rebel against, the sludge tide of negative ads that was splashed onto the public airwaves, primarily by Republicans. (A notable exception: Tennessee's Harold Ford Jr. was taken down by sleazy sexual innuendo.) Americans tossed aside candidates who had associated themselves with the corrupt lobbyist Jack Abramoff, and those who had been involved in sex scandals, and those whose position on immigration slouched toward anti-Hispanic racism, especially in the Rocky Mountain gubernatorial contests and several congressional districts in the Southwest. They chose candidates who, in the felicitous words of Colorado Congressman John Salazar, "have manure on the outside of their boots rather than on the inside." Nowhere was this more literally true than in Virginia, where the operative metaphor actually was footwear. The Democratic challenger, Jim Webb, wore his son's combat boots and the Republican incumbent, George Allen, wore cowboy boots that were unstained (on the outside, at least). Webb's successful antiwar campaign was about the fate of his son, a Marine lance corporal serving in Anbar province; Allen's campaign was a dreadful series of gaffes followed by a despicable effort to smear the Democrat by quoting sexually explicit passages from Webb's critically acclaimed war novels. This election was not only about a disastrous war and the stench of corruption, it was

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also about a style of politics--the slashing negative politics practiced by a generation of media consultants in both parties. It was a message to politicians: stop slinging the manure, and start getting serious about the nation's problems.

Which may be the most compelling case for a bit of optimism in a difficult time. In a meeting with political columnists, Reid said, "It's not a time to get even with the Republicans; it's a time to treat them the way they didn't treat us." And then he announced that he and Nancy Pelosi, who will be Speaker of the House, had decided to open the House-Senate conference committees to the press. This may seem a small point, but it has great symbolic relevance. The conferences are where the most important legislative action takes place, where compromises are worked out between House and Senate versions of legislation and where, in the recent past, all sorts of nefarious special deals for lobbyists and pork for legislators have been inserted without public scrutiny. In the old days, the conferences were public. They've been closed for at least the past 10 years, and during that time, pork-barrel earmarks have increased tenfold. It's not impossible that this arcane little adjustment will restore bipartisan compromise to its honored place as the essential act in a working democracy, and restore pork to its sordid, if greasily necessary, corner of the legislative dance. "We may actually have to work on Saturdays," Reid said, in a reference to the bankers' hours kept by the Republican Congress. "And I want to be clear, bipartisanship doesn't mean hugs and kisses. It's not going to be touch football; it's going to be a free-for-all. We're going to come out of that chamber covered in mud and with plenty of bruises, but that's the only way to get anything accomplished."

After a dark congressional session dominated by such pressing topics as the fate of Terri Schiavo, flag-burning and gay-marriage amendments--and the refusal to seriously address health care, energy independence, immigration or the war in Iraq--Reid's modest promise that his Senators will have some mud on the outside of their boots is realistic ... and also kind of exhilarating.

What Voters Really Want (USNEWS)

By Mortimer B. Zuckerman

U.S. News and World Report, November 13, 2006

It was, as President Bush put it, a "thumpin'" defeat. The verdict of the American people may be neatly summarized in Oliver Cromwell's lordly dismissal of the rump Parliament: "Depart, and let us have done with you!" Or in the blunt vernacular of the bleacher faithful: "Throw the bums out!"

The votes and the polls reflect an abiding disquiet. Roughly two thirds of Americans feel the country is on the wrong track, only about 35 percent approve of the president's performance, and an anemic 16 percent approve of the performance of Congress. And they're being charitable! It isn't that the rout of the Republicans represents strong support for the Democratic Party. Most Americans would probably describe the choice between the two parties as "the evil of two lessers." Congress failed in its duty to oversee the conduct of the war; it failed in its oversight of government spending; it failed to create an energy policy; its ethics scandals were outrageous. And the Republicans failed their own principles of financial integrity, turning a fiscal surplus of over $230 billion, which George Bush inherited, into a huge deficit albatross.

And let's not forget what some of this excessive spending was all about-political pork. The Washington term for this disgrace is "earmarks"—a better expression might be "pawmarks," for the device that allows politicians to lay their paws on taxpayers' money and spend it on back-home projects like bridges and bicycle paths without going through the normal vetting process. Remember Alaska's infamous $223 million "bridge to nowhere"? The number of "pawmarks" has shot up 10-fold since the Republicans took control of the House in 1994, ballooning from 1,439 to over 14,000 last year.

Lightning rod. All legal, no doubt, but then we have endured illegal sleaze, too: corruption symbolized by Jack Abramoff, the disgraced Republican lobbyist, and Randy "Duke" Cunningham, the California congressman now doing federal time after drawing up a menu of bribes for Pentagon contracts approved by his committee. On top of this pile of manure, we have also had a conga line of Republican members of Congress pushing laws favorable to specific corporations and industries, then becoming high-priced lobbyists for their paymasters.

Revolting as it all was, nothing hurt the Republicans more than the mess in Iraq. The possibility of success there was allowed to slip away through a fatal combination of arrogance and incompetence. Iraq, with its tortured history, was never going to be easy, but after 3 ½ years, with dozens of our troops dying each month and the nightly images of utter chaos on the evening

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news, is it any wonder voters are fed up? The resignation of Donald Rumsfeld was thus inescapable. He had become a lightning rod, despite the fact that he had a lengthy record as a brilliant manager. Somehow or other, he got Iraq wrong and had to pay the price.

Competence has long been a Republican virtue. But it is downright incompetence that so staggered the public - incompetence and cronyism revealed by Hurricane Katrina, the nomination of Harriet Miers to the Supreme Court, the half-measures on immigration reform, the scramble to undo the handover of a half-dozen U.S. ports to an Arab-owned company. Perhaps all this might be explained by an administration so wedded to its neoconservative agenda that it treated deviation as heresy and was thus unable to adjust to the changing realities in Iraq. The Republican majority in Congress decided to govern from its base and conducted itself in the most shamelessly partisan way—just at a time when most Americans were seeking bipartisanship and pragmatism. Even now, such behavior may be unlikely, given that we are already in the first week of the next presidential campaign and congressional election.

How The West Is Being Won (NSWK)

By Howard Fineman

Newsweek, November 13, 2006

Nov. 20, 2006 issue - Jon Tester's farm isn't in the duded-up part of Montana, where hedge-fund managers go fly-fishing. It's in a north-central plain, where his Swedish ancestors settled in 1916. Until seven years ago, Tester's bio read: organic dryland farmer, custom butcher and music teacher. Then the power company was deregulated, prices skyrocketed, and he ran for the legislature as a Democrat. Last week he ousted Republican Conrad Burns from the U.S. Senate in a contest that cost $20 million—a number that would impress even a fly-fishing hedge-fund manager. "The West is growing," Tester told me. "It's where the action is."

American politics has always been defined (or imprisoned) by Mason and Dixon, by regional rifts engendered by slavery, the Civil War and the Bible Belt. But now the relevant names are Lewis and Clark. The land west of the Mississippi, especially west of the 100th meridian, is the new swing region—and the place where Democrats hope to win the White House. "It's our 21st-century-majority strategy," said Simon Rosenberg of the New Democratic Network.

The 2006 election highlighted the old paradigm—and the new. The Northeast turned a deeper blue. GOP moderates there are all but extinct; Democratic governors were elected by vast margins. The Republicans' Fortress South, up-armored with evangelicals by George W. Bush and Karl Rove, cracked at the perimeter but largely held. The "intermountain" West, meanwhile, was up for grabs. Democrats won the governorship in Colorado (and now have won five of the region's eight statehouses since 2002). The GOP hung onto the governorship in Nevada and a key Senate seat in Arizona.

The westward trend is clear. For the first time, leaders of the House and Senate are from the Far West. Democrats put Nevada in a crucial early spot in the presidential-selection process, and will hold their convention in Denver. Republican front runners have Western roots (Sen. John McCain from Arizona, Massachusetts Gov. Mitt Romney, a leader of the Utah-based Mormons). Spanish-speaking Democrats (Gov. Bill Richardson of New Mexico, Sen. Chris Dodd of Connecticut) can go native.

As Hispanics grow in clout, so does the West, where most of the nation's 43 million Latinos live. In 2004, 44 percent of their voters supported Bush; in 2006, only 30 percent did—driven away by the party's get-tough rhetoric on immigration. The key presidential swing states now: the cluster of Arizona, New Mexico, Colorado and Nevada. The new map means politics could be less party-oriented, says Thomas F. Schaller, author of "Whistling Past Dixie." Westerners aren't "socialized to partisanship," he says. And they are "libertarian" by nature, says Tester. The GOP must hold the faith-based while appealing to the less socially judgmental West; Democrats must avoid the big-government label, anathema to Westerners' self-image. "We have an individualistic attitude," Tester says. "It's 'Leave me alone and let me farm'." That won't be possible for Tester, however. He's heading East, and turning over the farm to his daughter and son-in-law.

Washington Whispers (USNEWS)

By Paul Bedard

U.S. News and World Report, November 13, 2006

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Turns out that the Gang of Three who've held the top job in the Pentagon communications office since President Bush took office have more in common than explaining the wars in Iraq and Afghanistan and, at least until last week's surprise flameout, defending Donald Rumsfeld. They cook. Or more specifically, they are Thanksgiving turkey fryers. "It's fun," says Bush's first Pentagon spokeswoman, Torie Clarke. "There must be something about the office," joshes fryer newcomer Dorrance Smith, who succeeded weekend outdoor chef Lawrence Di Rita. Smith tells us he just purchased a deep fryer, picking one from the national Barbeques Galore chain, then E-mailing Di Rita and Clarke for helpful tips on getting started.

Clarke, a self-described "fryer queen," had lots of them, including (1) Wear goggles. "That stuff could splatter; it could blind you." (2) Fry two smaller birds: It's fast and easier to serve. (3) Demand peanut oil—it cooks better. "Don't go look at the price of peanut oil," Clarke E-mails Smith, "and have a heart attack, and go with something else." And don't coat the bird with seasoning, she says. Smith's done a dry run with a chicken, and all went well, or certainly better than a recent fry at the Clarke home. "One time, we forgot we put the second turkey in," she confesses. On finding it the next day, "it looked like one of those petrified fossils. It looked like it was 10,000 years old."

A Speaker and Her Smack-Down Roots

Outgoing House Speaker Dennis Hastert, the former high school wrestling coach, isn't the only fan of the sport in the House. We hear that incoming House Speaker Nancy Pelosi is a buff, though of the more flamboyant TV wrestling. In wooing the youthful World Wrestling Entertainment crowd, she declared herself right before the election to be a huge fan of the first smack-down great, Gorgeous George. See, she was a girl when George Wagner brought showmanship to the sport. And his flair, which was said to influence Liberace and Muhammad Ali, made her a TV fan forever.

Political Ads: From Bad to Worse

Sorry if you hated all those candidate calls at dinnertime during the last two weeks of the midterm elections, but it's only going to get worse in 2008. Both parties plan to invade your computer with instant messages and pop-up ads, and your cellphone and BlackBerry will get zapped with text advertisements. But there is good news. They plan to cut back on TV advertising because it just isn't as effective as the Internet.

The Chairman's Weatherman Trick

One of the big surprises for the Democrats in the elections was winning up to 33 percent of the white Christian evangelical vote. And here's how they did it: Democratic Party Chairman Howard Dean says he simply bought every advertising minute available on Christian radio, effectively blocking out the GOP. Ads touted Democratic values. The real secret: "We had the weatherman doing the ads. Why? Because he's a local person who could be trusted."

Where The Republicans Went Astray (NSWK)

By Evan Thomas

Newsweek, November 13, 2006

Nov. 20, 2006 issue - This is how a revolution ends. Not with a bang, or a "thumping," as President George W. Bush called the 2006 Republican defeat at the polls, but with a misdirected phone call and a certain sinking feeling that even the most well-intentioned politicians can grow weary of rectitude and sell out their principles for the right price.

The scene happened almost 10 years ago, when the GOP revolution in the House of Representatives was still fresh, less than three years after Newt Gingrich and his promise of a Republican "Contract With America" had swept aside four decades of Democratic rule in the House. The House in that summer of 1997 was considering passage of its annual transportation bill, routinely a fat pork sausage of legislation, larded with goodies—bridges, tunnels, exit ramps, highway extensions—for individual congressmen to take home to their districts. A band of a dozen true believers from the Class of '94, the congressmen first elected under the Gingrich banner of reform, was meeting in a small room off the floor of the House. They were trying to plot some way to slow down or stop the pork-stuffed bill—to show that the GOP was still true to its campaign promises to cut profligate government spending.

The phone rang. According to one of the congressmen in the room, Joe Scarborough, another congressman—Steve Largent, a former NFL wide receiver and one of the leaders of the group—picked up the receiver and absentmindedly mumbled, "Yeah." At the other end of the line, Largent heard the voice of Elmer G. (Bud) Shuster, the all-powerful, all-beneficent chairman of

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the House Committee on Transportation and Infrastructure. Shuster, an unabashed practitioner of old-style politics, was notorious in the House for rounding up votes by dispensing highway projects to pliable congressman. Shuster apparently did not recognize Largent's voice over the phone. The chairman thought he had instead reached a different congressman—who shall remain nameless in this retelling, but who was well known at the time, a stalwart figure who often spoke of "standing up against the Man." Dictating quickly at the other end of the line, Bud Shuster was in a hurry—like Santa Claus on Christmas Eve, he had a lot of deliveries to make. Without pausing for pleasantries, he ticked off five highway projects worth $70 million, the reward to the supposedly high-minded congressman for swallowing his scruples—just this once!—and voting for the 1997 transportation bill. Package delivered, Shuster hung up.

Largent, the ringleader of the plotters, put down the phone and tried not to show his disappointment that one of their fellow do-gooders had apparently given in to temptation. Instead, as Scarborough recalls the story, Largent sardonically announced, "Well, I don't think [Congressman X] is going to be with us this time." The others in the room dryly laughed, but it was a demoralizing moment, recalls Scarborough. "You get beaten down," says the MSNBC talk-show host. (Contacted by NEWSWEEK, Largent, who suffered a stroke this year, said he could not recall the phone call; Shuster could not be reached for comment.) Scarborough told NEWSWEEK that it became a "running joke" for members of the Class of '94 to say to each other, "Well, there goes the revolution," every time one of their Contract With America reforms—like imposing term limits on members of Congress—was abandoned by lawmakers intoxicated with power.

Was the fall of the Republican revolution as predictable as the fall of man? Did the GOP revolutionaries, like so many revolutionaries before them, have to become the very thing they had once vowed to change? Gingrich, the former House Speaker, who stepped down in late 1998 before he could be pushed out, blames his successors for taking the low road to disaster. With his fondness for alliterative lists, Gingrich cites four areas where the Republicans fell short or went astray: "Candor, competence, corruption and consultants." He specifically blames former majority leader Tom DeLay, who effectively replaced Gingrich as the GOP leader in the House from 1999 through 2005. In Gingrich's judgment, DeLay, as well as other Republican leaders, threw away the power of ideas in their narrow focus on self-preservation. "When an institution develops 'the Hammer' as a model, that's not the most intellectual form of leadership," says Gingrich, alluding to DeLay's nickname, earned for his skill at enforcing party loyalty in the handing out of favors to lobbyists and influence peddlers. (DeLay did not respond to NEWSWEEK's requests for comment.)

But Gingrich deserves some of the blame himself for providing a grandiose and ultimately weak model of leadership. The story of the rise and fall of the Republican revolution in the Houseof Representatives is a timeless story of vanity and hubris—and a cautionary tale for incoming Speaker Nancy Pelosi and the new Democratic leaders, who would like to inaugurate another long periodof their party's rule.

The Republican revolution hardly started with Gingrich. The seeds were planted by the GOP's failed but visionary 1964 presidential candidate, Barry Goldwater, and conservative prophet William F. Buckley; the Reagan landslide of 1980 brought the movement to power in the White House and the Senate, which the GOP held until 1986.

The House, however, long seemed a lost cause; it had not been in GOP hands since the first two years of Eisenhower's presidency. It was Gingrich who first saw a way to exploit growing public dissatisfaction with the old Democratic barons of big government in the House, Speaker Thomas P. (Tip) O'Neill of Massachusetts and his successor, Jim Wright of Texas. Gingrich, then an obscure Republican backbencher (O'Neill referred to him as a "stooge," as in the Three Stooges), used a new forum—C-Span—to rail against Democratic corruption. In 1989, somewhat surprisingly, he succeeded in forcing the resignation of Speaker Wright, who was implicated in a scheme to profit off book sales in violation of House rules.

Gingrich had been a bit of a joke even in his own party. The son of a military officer, he seemed to some lawmakers to be a Walter Mitty, a soldier wanna-be who had missed Vietnam (student and family deferments). Gingrich spouted a kind of utopian futurism about the "opportunity society" and handed out tapes so other congressmen could learn, as the accompanying instructions put it, to "talk like Newt." Some congressmen made fun of the tapes. But others listened—and learned. The 1994 congressional campaign was a referendum on big government—Hillary Clinton had launched a massive health-care reform plan that wound up strangled by its own red tape. Gingrich mounted an attack on the "bureaucratic welfare state" that caught the public mood—and shocked the pundits and prognosticators by returning the Republicans with a 26-seat majority in the House.

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Suddenly it was Speaker Gingrich. Irrepressible, he launched biting personal attacks on the First Lady, chortling, "We are a happy band of Vikings, who don't mind a fight!" More seriously, he led a campaign that summer to cut federal spending and succeeded in squeezing $50 billion out of the budget before he attacked the hardest nut: Medicare. Gingrich's attempt to trim spending on medical care for the elderly does not seem that extreme—he wanted to restrain the rate of growth from 10 percent a year to 7 percent over seven years. But he immediately ran into a political buzz saw.

Gingrich compared his leadership style to that of Charles de Gaulle, Thomas Edison and Winston Churchill; he likened his legislative gambits to the battle strategies of the Duke of Wellington and Ulysses S. Grant. "Newt couldn't help himself," recalled Dick Armey, then Gingrich's House majority leader. "He was always just as grand as he could be." At first, President Bill Clinton seemed so diminished by the midterm humiliation that he had to argue that he was "still relevant" at a press conference in the spring of 1995. But by summer, after handling the tragic terror attack on the Murrah Building in Oklahoma City with grace, the president was secretly conferring with an old political consultant, Dick Morris, who was reminding his boss that governing was really a "permanent campaign." At Morris's urging, Clinton launched a demagogic but extremely effective advertising campaign accusing the Republicans of trying to "eliminate" Medicare.

In October '95, Clinton held a press conference at which he charged that the Republicans were cutting health care by $200 billion so that they could give the same amount of money back to the wealthy as tax breaks. Joe Scarborough was watching with some fellow freshman from the Class of '94. "I remember we broke out laughing, saying, 'That poor fool'," Scarborough recalled. The joke was on the Republicans. As the budget battle turned into a stalemate later that fall, the government shut down. Clinton blamed the Republicans, darkly warning that Social Security checks would no longer be mailed out. The president repeatedly outfoxed Gingrich. When Gingrich flew on Air Force One to the funeral of Israeli Prime Minister Yitzhak Rabin, Clinton declined to find and negotiate a budget solution (preferring, instead, to play hearts up front with business tycoon Mort Zuckerman). Gingrich threw a tantrum on their return—and the New York Daily News (owned by Zuckerman) ran a front-page cartoon of Gingrich in diapers (which the Democrats made into a poster and, in a mischievous violation of House rules, stuck on the Speaker's chair). Gingrich ultimately caved in and had to plead with his own hard-liners to reopen the government.

Clinton continued to outflank Gingrich, effectively stealing much of the Republican platform by being tough on crime and welfare and declaring that the era of big government was over. Worn down, Gingrich privately confessed, "I'm not a natural leader. I'm a natural intellectual gadfly." Even after Clinton was consumed by the Monica Lewinsky scandal in 1998, Gingrich was unable to lead; his own troops were already plotting to purge him.

Gingrich's resignation after the 1998 election (the Republicans lost five seats) brought on an interlude that could only be described as comic opera. At the height of the Clinton impeachment proceedings, the new House Speaker-designate, Rep. Robert Livingston of Louisiana, resigned after the publisher of Hustler magazine, Larry Flynt, placed an ad in The Washington Post offering up to a million dollars for information about sexual indiscretions by D.C. officials. After a story broke in the press, Livingston admitted to extramarital affairs in a dramatic speech on the floor of the House. Livingston did not run for Speaker and resigned his seat.

Stunned Republicans chose a blandly amiable former high-school wrestling coach, Dennis Hastert, as their next Speaker. But the real power belonged to DeLay, who rose from whip to majority leader in 2003. A former Houston pest exterminator and archfoe of the Environmental Protection Agency, DeLay gave off a cold, hard look that was the polar opposite of sunny Reaganism. He delighted in his "Hammer" nickname. From the beginning of Gingrich's tenure, the GOP's K Street offensive had warned lobbying firms along Washington's K Street corridor that they would be wise to hire Republicans if they wanted access. There was nothing especially new about such a partisan approach to the influence-peddling business. The Republicans had only to look across the aisle to study a past master at shaking the corporate tree—former representative Tony Coelho, the onetime chairman of the Democratic Congressional Campaign Committee. But DeLay brought a new brazenness to the game. Before long, lobbyists could be seen in committee rooms writing legislation. With corporate coziness came the abandonment of fiscal restraint. Committee chairmen now routinely handed out "earmarks," special provisions authorizing spending for members' pet projects. In 1987, President Ronald Reagan vetoed a highway bill because it had 152 earmarks. In 2005, President Bush signed a transportation bill with 6,371 earmarks.

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The nadir of the delay era may have come in the early-morning hours of Nov. 23, 2003. The Republicans, who had once tried to cut back entitlement programs, were now voting to create a whole new one—a bill to provide prescription-drug benefits for the elderly. Normally, House members have 15 minutes to cast their votes. Instead, DeLay & Co. kept the voting open for three hours—until 6 a.m.—while they persuaded old-fashioned fiscal conservatives to abandon their scruples. The exact nature of the inducements has never been clear, but Rep. Nick Smith charged that "bribes and special deals were offered to convince members to vote yes." (For Smith's vote, the leaders allegedly offered financial and political support for the congressional race of Smith's son.) The House ethics committee, effectively neutered in recent years, gave DeLay a wrist-slap reprimand. DeLay accepted the committee's "guidance," adding that he "would never knowingly violate the rules."

The House took on a Darwinian feel. It was every man for himself as staffers and even lawmakers cashed in to become lobbyists. The number of registered lobbyists in Washington nearly doubled, to 37,000, between 2000 and 2006. About half of the 200-odd congressmen who left their seats after 1998 stayed in Washington to become lobbyists or consultants. They would use their privileges as retired congressmen to lobby in the House gym and even on the House floor.

It was perhaps inevitable that the culture of sleaze on Capitol Hill would produce a Jack Abramoff. With his two downtown restaurants and his skybox at the sports arena, Abramoff was a popular host to congressmen and staffers. He was positively gleeful about bilking his clients, ultimately liberating several Indian tribes of $82 million in fees. "I wish those moronic Tiguas were smarter in their political contributions," Abramoff e-mailed Ralph Reed, his friend and the former head of the Christian Coalition. "I'd love us to get our mitts on that moolah!" When Abramoff finally pleaded guilty to fraud, he effectively took DeLay down with him. Several of DeLay's former staffers were caught up in the Abramoff scandal. DeLay was not charged with any wrongdoing, but he was embarrassed by an all-expenses-paid golfing trip to Scotland with Abramoff. Under indictment for campaign-money laundering in Texas in a weak but nagging case brought by a local prosecutor, DeLay gave up his seat in June. (He has pleaded not guilty; the case has not gone to trial.)

Hastert was never able to exercise the same iron control as DeLay. Nor was DeLay's successor as majority leader, John Boehner, able to bring real discipline to fractious House members who looked out primarily for their own political interests. The religious evangelicals became more demanding of the Republican leadership on Capitol Hill, leading to the deeply unpopular spectacle of the Terri Schiavo case. Last year Senate Majority Leader Bill Frist, eager to court religious conservatives for a possible presidential run, and the House leadership, sensitive to the religious right, intervened to try to keep the patient alive on a feeding tube, a questionable use of federal power, especially for a party that once stood for less government interference.

The GOP's evangelical base was shocked and demoralized this fall when Rep. Mark Foley of Florida was exposed for having sent salacious messages to congressional pages. House leaders blamed each other for not responding to warnings that Foley was a possible sexual predator. In early October, when Hastert was compelled to hold a press conference to announce that he would not step down as Speaker, it was clear that the GOP revolution was in its late Jacobin phase.

Even so, the Republicans might have kept control of Congress had it not been for GOP overreaching on a different front—Iraq. In some ways, the hubris of Gingrich and DeLay was minor compared with the willful risk-taking of President Bush, backed by Vice President Dick Cheney, a former congressman from Wyoming.

History is full of accidents and what-ifs. Cheney was the second-ranking House Republican when he got the call to become secretary of Defense in 1989, at the beginning of the George H.W. Bush administration. (Bush's original nominee to become SecDef, former senator John Tower of Texas, was disqualified by allegations that he was a tippling womanizer.) Had Tower not been blocked from taking office, and Cheney not chosen as his Pentagon replacement, Cheney probably would have stayed in the House—and become Speaker when the Republicans won in 1994. "If Cheney had stayed I never would have gone in the leadership," Gingrich told NEWSWEEK last week. Gingrich rated Cheney as a perhaps less imaginative but more politically shrewd lawmaker than himself. Had Cheney stayed in the House and not become a war-hawk adviser to both Presidents Bush, history might well have taken a different course. We will never know. But we do know this: Democrats who, in the glow of victory, now say that none of this could happen to them ignore the story of the last dozen years at their peril.

Alter: The End Of The Road For U.S. Conservatism (NSWK)

By Jonathan Alter

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Newsweek, November 13, 2006

Nov. 20, 2006 issue - The Category 4 political hurricane of 2006 was more than a referendum on an unpopular war and president: it signals the end of the conservative tide that began rising 40 years ago; it's the end of a pernicious six-year experiment in "governing for the base," and in many ways it's a blessing in disguise for George W. Bush, who now has the opportunity to salvage something of his presidency.

Pat Buchanan and I rarely agree, but he rightly points out that the election marked the exhaustion of the movement that Barry Goldwater launched with his 1964 campaign. The intellectual vitality and coherence that once characterized modern conservatism have been shattered. Karl Rove is still arguing that the hot issues of this election—Iraq, corruption, sexual hypocrisy—are only "transitory." He's ignoring deep fissures in his party. Neocons have been discredited and theocons dispirited. Libertarians feel betrayed by big spenders, incompetent interventionists and moralizing busybodies. In the Schiavo case, in which 70 percent of voters thought Washington should have butted out, Republicans drove a wedge through their own ranks. Same with immigration, which pits the free-trade business wing against nativist Lou Dobbsians. Most important, the stitching that was meant to hold the GOP's big tent together contained none of the hope and optimism essential to success in American politics. Fear failed.

It failed among the young (18 to 29), who were evenly divided four years ago, but this time gave the Democrats a 20-point edge. It failed among Hispanics, who favored Democrats by 69 to 30 percent. And it even failed among white soccer moms and office-park dads, who turned the American suburbs an unrecognizable shade of blue. The 49-state GOP landslides of 1972 and 1984 are now distant memories, as onetime bellwether states like California, Illinois, Pennsylvania, New Jersey and even Ohio trend heavily toward the Democrats. Texas and the Old Confederacy are no competition.

To recover, conservatives plan to return to what they call the "core principles" of small government and lower taxes. But there's a reason they abandoned budget balancing: it's a loser politically. There just aren't many votes in it, and that's why Republicans didn't cut spending. People want the government to deliver for them. Without earmarks—which will now flow to pork-hungry Democrats—and the protection-racket money they got from selling out to lobbyists, Republicans might have lost an additional 20 seats. More than two dozen GOP incumbents won by six points or less and are vulnerable next time.

Their peril has its origins in Bush's highly divisive effort to intensify the conservative movement instead of governing from the center. After the razor-thin 2000 election, he listened to shortsighted advice from pollster Matthew Dowd that "swing" voters were extinct and success lay in turning out "the base." But more than one third of American voters identify themselves as independents, which is a higher percentage than claim a party ID. Smart politicians have always known that the G spot of the American body politic is in the middle.

So the Conservative Era is over, a cautionary tale for Democrats who might be tempted to impose a liberal one. Bush, who worked well with a Democratic legislature in Texas, must now admit that America is not Dittohead Nation. He is free of the one-party rule that kept him from being pragmatic—the not-so-secret ingredient in every successful presidency. Ronald Reagan and Tip O'Neill (taxes and Social Security), George H.W. Bush and George Mitchell (the budget) and Bill Clinton and Newt Gingrich (welfare reform) all showed how presidential concessions in a divided government can burnish a president's legacy, and even lead to new wings in his library.

For Bush, there are opportunities for consensus not just on Iraq but on immigration, Social Security reform, energy—and even on tax cuts, which he could shift from the wealthy to the middle class. The near wipeout of moderate Republicans makes it tougher. But the interest of the president in his legacy and the Democratic Congress in putting points on the board are aligned. After all the predictable vetoes and subpoenas and finger-pointing, this alignment has the potential to give Bush new political life—and his party a chance to avoid the grim fate of all extremists in American political history.

Quinn: The Economic Perception Gap (NSWK)

By Jane Bryant Quinn

Newsweek, November 13, 2006

Nov. 20, 2006 issue - Talk about being in denial. President Bush thought that voters should credit him for a great economy, even if they opposed the war. Just look at the numbers: low unemployment, low inflation, record profits, taxes down, stocks up.

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But in exit polls, half the voters called the economy "not good" or "poor." Only 31 percent said they were "getting ahead" financially. Someone's not in the loop. Is it the public or the prez?

I'll give you a hint: the answer lies in the election returns. The public declared that they're changing the terms of the debate. True, this country is richer than ever, with people spending more at all income levels. But too many unaddressed problems have been piling up—the Iraq and Afghanistan wars, retirement insecurity, oil dependence, political and corporate corruption, budget deficits, health-care costs and hot issues such as stem-cell research. Nobody seems to know what to do.

Creeping doubt can turn into a seismic shift in political thinking, says Allen Sinai, chief global economist for Decision Economics. For example, take the perceived failures of the Carter years. They ushered in Ronald Reagan, whose antigovernment rhetoric has dominated our choices for the past 25 years. But answers don't seem to lie in that direction anymore. "Another great political wave may be building up, and once it rolls out it doesn't quickly get reversed," Sinai says.

The new wave—the one the public sees but Bush does not—is a pervasive feeling of permanent insecurity, says Yale political scientist Jacob Hacker, author of the new book "The Great Risk Shift." By "risk shift," he means that employers and governments have left us more on our own, to fund our health care and retirement plan. Bush's ownership society doesn't look good if you're on the street at 61 and need a Starbucks job for health insurance.

At the top, the "working rich" are doing stupendously well. In 2004, the wealthiest 1 percent of households (with incomes higher than $315,000) copped 53 percent of all the year's income gains. Americans usually don't care how much other people get as long as they're doing OK themselves. But lately, they haven't been. Median incomes for households with people of working age (65 or less) fell last year for the fifth year in a row. Adjusted for inflation, these families are bringing in $3,000 less, the Economic Policy Institute reports. When the president tells them they're fine, he sounds out of touch.

One statistic, however—the slowdown in job growth—may not be as bad as it sounds. The reason could be partly demographic rather than a sign of economic weakness. Baby boomers will be leaving the work force in rising numbers. The working-age generation behind them is comparatively small. Teenagers are staying longer in school. So collectively, there's less growth in the number of people to employ, according to a study by the Federal Reserve System. That should be good for earnings, over time. Employers will have to pay scarce workers more, and the work force will have higher levels of bankable education.

In Washington, the political parties will be sharpening their agendas for the wide-open '08 presidential race. The Republicans have one last chance to show they can fix things, after all. Otherwise, voters will bring in new top management. If there's indeed a longer-term shift in public-policy thinking, here's how the economic priorities will shake out:

The minimum wage. It's expected to rise from $5.15 an hour to $7.25—not a stretch, for the country as a whole. In 22 states and the District of Columbia, the wage is already higher than that; six more states authorized increases at the ballot box this year. That fits with similar data developed by Princeton political scientist Larry Bartels. He's shown that income growth, for the middle class and poor, rises substantially more under Dem presidents than under Republicans (the rich fare about the same, either way).

Taxes. The superrich lost their chance to abolish the estate tax on money left to heirs. Dems will almost certainly want to renew Bush's middle-class tax breaks, such as tuition credits. But the wealthy will find themselves in the cross hairs.

Social issues. Universal health insurance will be back on the table. Congress will target the high cost of prescription drugs. You'll see tax-favored savings programs for the average guy, not just for the person who can afford to put large sums away. Social Security has to be fixed. Money will be shaken out of the Pentagon's budget, assuming a pullback in Iraq.

The new regime won't be cooking anyone a free lunch. But in concept, it believes that government can help. Dems lean toward economic security, not go-it-alone. Can they do it? We're going to see.

Steele Interested In Heading RNC (AP-Y)

By Brian Witte, Associated Press Writer

AP, November 13, 2006

Republican Lt. Gov. Michael Steele, who lost his race for a Senate seat, expressed interest Sunday in becoming chairman of the Republican National Committee.

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"I have not had any conversations directly with the White House yet on this," Steele told C-SPAN.

Ken Mehlman, the current chairman, is stepping down when his two-year term ends in January. Mehlman made a point of emphasizing outreach to black voters and helped recruit Steele for the Maryland race.

Steele, who lost to Democratic Rep. Benjamin Cardin by a margin of 55 percent to 44 percent of the vote, said he believed it was time for the GOP to rethink its views in wake of losing both chambers of Congress in last week's midterm elections, which he described as a "tsunami." Steele said the electorate "was very clear."

"They expected the administration and the party to step up and speak to particular issues and, failing that, there would be heck to pay — and we paid," Steele said.

Steele said he wasn't sure when an announcement would be made on who will be the new committee chair.

Steele was head of the Maryland Republican Party before being elected lieutenant governor in 2002 as the first black candidate elected statewide in Maryland. His term as lieutenant governor will end in January.

Steele also explained why he largely avoided mentioning his party affiliation while campaigning. In a state where registered Democrats outnumber Republicans 2-1, Steele said it was obvious what party he belonged to and there was no need to "rub it in your face."

"In a state like Maryland, there was an opportunity to move away from the labels and really try to dig beyond, you know, being a Republican or Democrat, red state or blue state," Steele said. "In fact, that's what people are sick of. I think we saw the results on Tuesday just how sick they are."

Two Democrats Struggle As Georgia Bucks A Trend (NYT)

By Shaila Dewan

The New York Times, November 13, 2006

MACON, Ga., Nov. 10 — Politically speaking, Georgia proved to be a mirror image of the rest of the country in the midterm elections. Republicans swept nearly every statewide office, and turnout among Democrats was low, thanks to a lackluster candidate for governor.

But two Democratic congressmen in highly competitive races in the state seem to have successfully fought those odds, though they are hanging on by the slenderest of margins and are still waiting for their opponents to concede.

The two Democrats, Jim Marshall of Macon, in the Eighth Congressional District, and John Barrow of Savannah, in the 12th District, were on the Republican Party's short list of beatable incumbents. Their adjoining districts, which encompass large rural areas, were redrawn by a Republican legislature, their opponents were former congressmen, and the National Republican Congressional Committee poured hundreds of thousands of dollars into the races. President Bush campaigned in each district twice.

"It is a year that if you look at Georgia compared to the rest of the nation, there's a real counterprevailing trend," said J. Christopher Grant, a political science professor at Mercer University in Macon, "and it is actually amazing that these folks were able to hang on." Mr. Marshall squeaked by with a lead of 2,040 votes in a district on the home turf of two of Georgia's most prominent Republicans, Gov. Sonny Perdue and Senator Saxby Chambliss.

Mr. Barrow, whose race was so close it is one of eight in the House that have not been called by The Associated Press, led by 963 votes. (The other seven races involve Republican incumbents.) The results have not been certified, and a spokesman for Mr. Barrow's opponent, Max Burns, said enough ballots remained uncounted that he could pull ahead. If Mr. Barrow should lose, he would be the only Congressional Democrat ousted by a Republican this year.

As the state's only white Democrats in Congress, both men relied on incumbency and their relatively conservative records, while also focusing on getting voters, especially blacks, to the polls. Mr. Marshall doubled the amount of money he planned to spend, to nearly $2 million. Mr. Barrow's campaign emphasized his independence, portraying him as willing to break with the Democratic party line.

Erick Erickson, a Republican political consultant, lawyer and blogger in Macon, said Mr. Barrow had been more vulnerable than Mr. Marshall. Mr. Barrow is a freshman whose liberal base in Athens was shifted away in the redistricting. Mr. Marshall, a former mayor of Macon, is in his second term and was familiar to his new constituents because they were in the Macon media

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market and therefore had frequently seen him on television. While the Democratic Congressional Campaign Committee spent more than $500,000 to help retain Mr. Barrow's seat, it spent less than $100,000 in Mr. Marshall's race.

While an outsider looking at raw numbers would probably assume that Mr. Marshall could be picked off, said Mr. Erickson, the chief executive of the Redstate blog, "if you actually know something about the district, you come to the conclusion that he would be hard to beat."

Mr. Marshall is popular and moderate, and several voters interviewed mentioned his constituent services and accessibility. He is a Vietnam veteran who has repeatedly visited the troops in Iraq and courted the large military presence in the district, and, Mr. Grant said, votes the way his constituents would want him to even if his personal views are more liberal.

But the Marshall race turned out to be no less competitive. "When Bush came back the second time, that was a signal to me that they had tracking numbers that were showing the gap closing," said State Senator Robert Brown, a Macon Democrat who led a get-out-the-vote drive that focused on blacks who voted infrequently.

In both districts, Republicans tried to link the incumbents with controversial figures like Representative Cynthia A. McKinney, a Democrat who lost in the August primary, and paint them as likely to raise taxes and grant amnesty to illegal immigrants. At the same time, the incumbents were hamstrung, unable to bring in Democrats with national name recognition because of their unpopularity in a part of the country where President Bush is well liked.

The National Republican Congressional Committee spent more than a half-million dollars in each race, and the Economic Freedom Fund, an independent group financed by Bob J. Perry, the Texas homebuilder who bankrolled the Swift boat veterans' attacks against Senator John Kerry in the 2004 presidential campaign, bought advertising as well. Mr. Marshall's campaign estimated that he was the target of more negative advertisements than any other candidate in the country.

"The principal thing is that voters in middle Georgia and south Georgia have a pretty clear perception of who I am and what I stand for," Mr. Marshall said over breakfast at Nu-Way Wieners in Macon on Friday. "And that perception wasn't undone, at least not altogether undone, by the campaign of my opponents."

But, he said, his Republican challenger, Mac Collins, "had a staff that was willing to say virtually anything, utterly untroubled by fact and truth, a total end-justifies-the-means mentality."

A spokesman for Mr. Collins, Bill Hagan, said the campaign would not comment until the results were certified.

At Jeneane's Cafe in Macon, two Republican women neatly illustrated the nuances voters sifted through on their way to the polls.

One, Sally McLemore, ticked off a list of Mr. Marshall's good deeds: support for Robins Air Force Base, farmers and rural health care. But, Ms. McLemore said, she voted for Mr. Collins.

"I was thinking national level, and we're clearly in a crisis and we need to stick with the Republicans," she said. "I don't want to see Nancy Pelosi as speaker of the House; I think it's dangerous."

She added that she was happy Mr. Marshall was a conservative Democrat. "Now that it's all over and done with, I'm delighted he's there because I think he's a voice of wisdom."

The reasoning of Ms. McLemore's friend, Peggy Steele, ran the other direction. She voted for Mr. Marshall. "I was counting on the other Republicans to worry about the national," Ms. Steele said, "and I was worrying about the local."

But other voters said the national climate had worked in Mr. Marshall's favor. At the Fresh Air Bar-B-Que in Butts County, in the new part of the Eighth District, the owner, George Barber, supported Mr. Collins, who grew up down the road.

"Politics is certainly a fickle thing," said Mr. Barber, who owns the business with his brother. "Had it been two weeks earlier or two weeks later, it might have had a different outcome."

Fresh Off The Farm In Montana, A Senator-to-Be (NYT)

By Timothy Egan

The New York Times, November 13, 2006

GREAT FALLS, Mont., Nov. 9 — When he joins the United States Senate in January, big Jon Tester — who is just under 300 pounds in his boots — will most likely be the only person in the world's most exclusive club who knows how to butcher a cow or grease a combine.

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All his life, Mr. Tester, 50, has lived no more than two hours from his farm, an infinity of flat on the windswept expanse of north-central Montana, hard by the Rocky Boy's Indian Reservation.

For all the talk about the new Democrats swept into office on Tuesday, the senator-elect from Montana truly is your grandfather's Democrat — a pro-gun, anti-big-business prairie pragmatist whose life is defined by the treeless patch of hard Montana dirt that has been in the family since 1916.

It is a place with 105-degree summer days and winter chills of 30 below zero, where his grandparents are buried, where his two children learned to grow crops in a dry land entirely dependent on rainfall, and where, he says, he earned barely $20,000 a year farming over the last decade.

"It's always been tight, trying to make a living on that farm," said Mr. Tester, still looking dazed and bloodshot-eyed after defeating Senator Conrad Burns, a three-term incumbent, by fewer than 3,000 votes.

Chouteau County, where Mr. Tester lives on a homestead of 1,800 acres, lost 8.5 percent of its population in the last five years — typical of much of rural America that has been in decline since the Dust Bowl.

To make extra money, Mr. Tester taught music to schoolchildren, and still plays a decent trumpet despite having only seven fingers (he lost the rest to a meat grinder as a child). He got into politics just eight years ago in a sustained rage over what utility deregulation had done to small farmers and businesses in Montana.

"You think of the Senate as a millionaire's club — well, Jon is going to be the blue-collar guy who brings an old-fashioned, Jeffersonian ideal about being tied to the land," said Steve Doherty, a friend of Mr. Tester's for 20 years. "He's a small farmer from the homestead. That's absolutely who he is. That place defines him."

Mr. Tester used to ride his motorcycle down from the farm to Great Falls to play softball with Mr. Doherty. He played third base, not an easy position for a man with a shortage of digits. They were colleagues later in the State Senate, of which Mr. Tester was the president this year. It is a part-time job, with the Legislature holding regular sessions of 90 days only every other year.

Congress has done little to improve the lives of people living in the dying towns across rural America, Mr. Doherty said.

"When Jon talks about the cafe that's trying to hold on, the hardware store that just closed, the third generation that can't make a living on the farm, he is living that life," Mr. Doherty said.

Still, there was never a master plan, Mr. Tester said, for the arc that took him from soil conservation district leader to state senator to one of the victors who gave Democrats control of the Senate.

"I'm kind of a fatalist," he said, breaking into a smile. "The good Lord gives you opportunities."

And Mr. Tester learned quickly how to exploit those opportunities, running a bare-knuckle campaign against Mr. Burns, with a barrage of name-calling and negative advertisements making hay of the senator's ties to Jack Abramoff, the disgraced former Washington lobbyist.

Republicans complained that Mr. Tester's campaign was relentless and went overboard. Montana is a big state with a small population, where politicians are known on a first-name basis. The ferocity of such attacks seemed out of place, some here said.

Also, they said Mr. Tester favored measures while in the State Senate that had the effect of raising taxes on many of the small businesses that he promotes. They called him "Taxer Tester" for much of election year.

But with his trademark flattop — refreshed every three weeks for $8 at the Riverview barber shop here in Great Falls — Mr. Tester was a tough target for Republicans to stereotype as "just another Washington insider," as one radio attack ad put it.

Republicans have kept their hold on the intermountain West in part by promoting issues known as the three G's: gays, guns and God.

On gays, Mr. Tester says the "sacred document" of the Constitution should not be amended to outlaw same-sex marriage, though he favored a state ban that voters passed in 2004. On guns, Mr. Tester is quite proficient in their use, and says anyone — Republican or Democrat — who tries to take his away will run into trouble. On God, Mr. Tester says simply that he is a churchgoer, and notes that he met his wife when he spotted her in a pew.

"The fact is, I'm just a regular Montanan," he said. "Those issues are important, but what I heard from people is concern about health care, fiscal responsibility and how we're throwing so much money into a war."

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Mr. Tester and his wife of 28 years, Sharla, grow organic lentils, barley, peas and gluten-free grain in a county with 1.5 people per square mile. It is all earth and sky on the Tester family ground. A hundred years ago, a region with so few people was considered frontier.

Mr. Tester is very much in the mode of his longtime friend Gov. Brian Schweitzer, a Democrat who can be more prickly than Mr. Tester. The governor recalled a favorite moment with Mr. Tester from the last legislative session.

"We're sitting there in this room where governors and powerful people used to drink whiskey and smoke cigars, me and Jon, and both of us had a bag of sunflower seeds — Russian peanuts we call them — trying to spit the shells into a cup," Mr. Schweitzer said. "We looked at each other and laughed, like, What are we doing here?"

Republicans said that Mr. Tester was a favorite of "extreme liberal bloggers" and that the down-home persona masked an agenda out of step with much of America.

And indeed, the liberal Web site Daily Kos took up Mr. Tester's cause early. When he announced he was running for the Senate, he was an underdog to a better-financed and better-known Democrat who was being promoted by the party establishment.

After Mr. Tester won the primary by a huge margin, Daily Kos posted a picture of him on its site, with the caption, "Say hello to the next senator from the great state of Montana."

Mr. Tester is also a favorite of the band Pearl Jam, which promotes many liberal causes. But his tie is personal. The area around the town of Big Sandy, population 658 and falling, produced not only Mr. Tester, but also Jeff Ament, the bassist for Pearl Jam. The band did a concert in Missoula this year for Mr. Tester.

On the campaign trail, Mr. Tester spoke often of how "regular folks" just "haven't been given much of a shake." He is distrustful of global trade agreements that have hurt farmers, and big drug companies and health maintenance organizations that he says have put medical costs out of reach for many people.

Asked why he became a Democrat in a region that has been overwhelmingly Republican for the last generation, Mr. Tester said: "It started with my parents, who always said the Democrats work for the middle class. And in agriculture, Franklin Roosevelt did a lot of good things."

Friends say not to worry about Mr. Tester going native in Washington. He said he planned to return home to the farm several times a month. He promised his barber, Bill Graves, that he would continue to come back to get his hair cut in the same wheat-field bristle.

"I haven't noticed a change yet," Mr. Graves said. "He's the same man. Got a real dry sense of humor. We talk about everything. And then he says, 'See you next time.' "

How Many Wins Make Up A 'Wave'? (WP)

By Zachary A. Goldfarb

The Washington Post, November 13, 2006

There is no doubt that Democrats did well on Tuesday, capturing almost 30 seats in the House, six seats in the Senate and control of both chambers. But was it the Democratic "wave" that so many had believed was about to sweep the country?

Republican leaders said it was not. Rep. Thomas M. Reynolds (N.Y.), who led the GOP's House campaign committee, said it was simply "a matter of history repeating itself." On the day of the elections, Republican National Committee Chairman Ken Mehlman warned of a "six-year itch."

By some measures, the Republicans are right. Since World War II, the party in the White House has tended to lose seats in Congress in the sixth year of an administration, and the average losses matched this year's -- 29 seats in the House and six in the Senate. When there was an unpopular war, the losses were greater.

But political scientists say that assessment of Tuesday's results ignores an important change in recent years. They say Republicans have re-engineered the political map, stuffing congressional districts with supporters to make the districts reliably pro-GOP. The financial and electoral advantages of incumbency, moreover, have reached new heights.

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The election results are "actually huge because of the structural advantage Republicans had going into the election. Democrats had very little low-hanging fruit," said Gary C. Jacobson, a scholar of congressional elections at the University of California at San Diego.

Although Democratic gains were substantial, they might not have been the "historic election" of which incoming Senate Majority Leader Harry M. Reid (Nev.) boasted last week. "It's more than the Republicans claim it is, but it's much too early to say it's equivalent to the huge upheavals we've had in the past," said Walter Dean Burnham, a professor emeritus at the University of Texas.

In five midterm elections since World War II -- in 1946, 1958, 1966, 1974 and 1994 -- the president's party lost more seats in the House than the GOP did this year. The losses in two midterm years were comparable to this year's, while in eight they were smaller. On the Senate side, the president's party lost more seats four times, the same number once and fewer seats 10 times.

The most common comparison to 2006 is 1994, the year of the last "wave" election, when the GOP picked up 55 House seats, nine Senate seats and control of both houses. But political scientists are divided on whether 2006 stacks up to 1994.

Judging by the number of seats gained, 2006 clearly does not, but other figures suggest it does. The average vote received by the Democratic candidate in the nation's 435 congressional districts was 55 percent this year, compared with 51.6 percent for Republicans in 1994, according to Andrew Gelman, a professor at Columbia University.

What's more, many GOP gains in 1994 came in districts that had been trending Republican for years, especially in the South. In contrast, the Democratic wins last week largely came in districts that had voted for President Bush in 2004. "Democrats had a lot fewer targets than the Republicans [in 1994], but they took a larger share of their victories from the tough districts," Jacobson said.

But John Coleman, a professor at the University of Wisconsin, argues that in influencing the political views of the electorate, the Republicans' victory in 1994 was more dramatic. That year, he said, voters endorsed a clearly defined conservative philosophy embodied in the GOP's "Contract With America."

"That campaign was overtly more ideological in direction," Coleman said. "The Democratic Party didn't really need to make much of an ideological case in 2006. You don't have that sense, going in, of a strong push in some other ideological direction."

Nonpartisan analysts in Washington invoked wave metaphors throughout the campaign. Stuart Rothenberg, author of a political newsletter, predicted a Democratic "wave," and after the election, said, "Of course we had a wave." Amy Walter of the Cook Political Report wrote in her column, "Instead of a wave that wiped out everything in its path, this political storm zig zagged its way across the country."

Lawrence Jacobs, a professor at the University of Minnesota, said Tuesday's outcome offered a new twist on "wave" elections: More than 90 percent of incumbents were reelected, but the election is viewed as a mandate for change.

Asked Jacobs: "How do you talk about an election where there was clearly an important change in who controls the majority and it was a setback for the Republican project, but we see so much continuity from one Congress to the next?"

Midterm Election Leaves Political Landscape Blurry (WP)

By Dan Balz

The Washington Post, November 13, 2006

Rarely has an election result been delivered with such force and clarity, and still left so many unanswered questions in its wake, as that of the 2006 midterm campaign. What happened is unmistakable. What it may portend is far less obvious, making the 2008 election, which already has begun, potentially the most important in a generation or more in shaping the nation's politics.

Democrats have been quick to claim that 2006 will be remembered as the end of a conservative era. No one doubts that the midterm election was a rejection of President Bush's policies in Iraq and of the Republicans' style of governance. But was it really a rejection of conservatism itself? It will take future elections to prove the Democrats' claim.

What the election was not, in the view of strategists in both parties, was a powerful affirmation of the Democratic Party, despite its takeover of the House and Senate. One post-election survey, conducted for the liberal groups Democracy Corps and

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the Campaign for America's Future, found that both Republicans and Democrats emerged from the contest with negative images.

"This is not an election where one party went down and the other party went up," said Stan Greenberg, whose firm conducted the survey on election night and the night after. "The story still has to be written on how this period becomes a period for Democratic dominance."

Tuesday's election left American politics in a remarkably fluid state. In just six years, the political discussion has moved from analyzing the reasons for the nation's 50-50 divide, to predictions that the Republicans were close to establishing a durable majority, to questions about whether Tuesday marked a pendulum swing back toward the Democrats.

After years of politics aimed at mobilizing and energizing the bases of their respective parties, Democrats and Republicans are again focused on the electorate's shifting center and its potential to change the balance of power in the country. On Tuesday, Republicans decisively lost independents and moderates, but it is not yet a given that those voters will stay with the Democrats. Which party claims that constituency in the future will depend on the answers to a series of questions that will shape the politics of the next two years.

Foremost among them is which party can gain the public's trust to keep Americans safe in a world of terrorism and rogue-state threats. Exit polls suggest Democrats made significant headway this year in reducing what has been a historic Republican advantage. Whether that is permanent or transitory is of central importance.

Equally important is the question of which party can adequately address the twin problems of keeping the United States competitive in a global economy and restoring the social contract that has helped provide economic security to workers and that has been shattered as a result of the corporate restructuring that globalization has brought about.

A third is which party can best navigate the thicket of social and cultural issues in a way that both preserves a sense of American values and accommodates the need for greater tolerance in a society that has become increasingly diverse.

Tuesday's election also suggests that the 2008 campaign will be fought on different geographic terrain. Throughout the decade, the political map of America has been relatively fixed, with Democratic blue states along the coasts and in parts of the upper Midwest, and most of the rest of the country a giant swath of Republican red.

That map now may be, if not obsolete, at least open to revision. Traditionally Republican Virginia increasingly looks like a state turning purple -- neither red or blue on election strategy maps. With former governor Mark R. Warner; his successor, Gov. Timothy M. Kaine; and James Webb's surprise victory over Sen. George Allen (R) last week, Democrats have demonstrated that Republicans no longer can take the state for granted.

As significant as the changes in Virginia is the transition underway in Colorado. Democrats scored important gains there on Tuesday, winning the governorship and a House seat and expanding their state legislative majorities. For all the focus on Ohio as the decisive presidential battleground over the last few years, Sen. John F. Kerry (D-Mass.) would be president today if he had won both Virginia and Colorado.

The electoral map that has emerged from this election shows Republicans in control of the South, Democrats the Northeast. Democrats gained ground in the Midwest, but it remains a vitally important battleground.

Farther west, Rocky Mountain states are becoming the newest areas for competition between the parties. Democrats now control the governors' offices in Arizona, New Mexico, Colorado, Wyoming and Montana, and they have pushed Nevada to the front of their caucus-primary calendar in 2008 in the hope of spurring a shift in their direction there as well.

The Pacific Coast still looks like a Democratic bastion, although California Gov. Arnold Schwarzenegger (R) has shown that a less doctrinaire brand of Republican -- Sen. John McCain or Rudolph W. Giuliani, for example -- could put the nation's most populous state in play.

Republicans reject Democratic claims that Tuesday's results stopped conservatism's rise in its tracks. "This election was a rejection of Republicans," said Whit Ayres, a Republican pollster. "It wasn't an acceptance of Democrats, especially since they provided no recognizable alternative agenda."

Republican National Committee Chairman Ken Mehlman said the party -- as distinct from its core philosophy -- took a beating, but he called it a setback from which the party could emerge much healthier. "Since the ascendancy began, there have

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been a number of years when we've had setback elections: 1976, 1986, 1992," he said, referring to the rise of conservatism. "We have been stronger in the end because we learned from them."

That was a way of warning Republicans not to dismiss last week's results as an aberration. "If we dismiss this, we give Democrats a huge opportunity," he said. "We need to learn from this and do better."

Simon Rosenberg, who heads the Democratic group NDN, saw the election in fundamentally different terms -- as a marker in which the public rejected conservatism as an alternative governing philosophy to what Democrats had offered in the past. Still, he was not prepared to call it the arrival of a new era of Democratic dominance.

"We're now back at a much more even playing field," he said at a post-election review of the results. "We're entering a whole new period in American history, where neither party or ideology has an advantage."

The midterms will be remembered as a referendum on the Iraq election, and the voters' verdict will push the White House and the Democrats toward agreement on potentially significant changes. Both parties now have an incentive to resolve their differences -- Republicans to remove the single biggest reason for their losses on Tuesday, Democrats to avoid what happened to them during the Vietnam era, when they bore the blame for the unsatisfying way an unpopular war was ended.

The competition for the center of the electorate ultimately will be fought and won in the general election in 2008. But before either party gets to that, they will have to resolve internal differences on Iraq, terrorism, health care, entitlement reform , taxes, trade and a cluster of social issues.

Both the legislative priorities set out by the president and leaders in the 110th Congress and the upcoming presidential primaries will serve as forums for settling some of these questions. That makes the 2008 election more than a contest of big personalities, even though a possible race between Sen. Hillary Rodham Clinton (D-N.Y.) and McCain (R-Ariz.) already has the cable talk shows in a lather.

Democrats face internal debates over just how populist the party's economic message should be, and on the war in Iraq. Many elected officials favor a reduction in troops but no fixed timeline. But Eli Pariser, who heads the MoveOn.org political action committee, said many Democratic voters want an explicit timeline. "People weren't just vaguely wanting a change on Iraq," he told a post-election conference. "They wanted something specific."

William A. Galston of the Brookings Institution, who served as domestic policy adviser to President Bill Clinton, said Democrats were brought back to power because of protest against Republicans, and now they must show they can govern. "The American people are prepared to watch and listen," he said. "But I think they will be evaluating the performance of the new Democratic majority very carefully."

Republicans must resolve their own questions: Can they reconstitute conservatism to make it attractive once again beyond the party's base? GOP strategist Mary Matalin said the Reaganite model of low taxes, smaller government and strong defense can again serve the party well, if it is updated. "It needs to put some Britney Spears clothes on it," she said.

Rep. Tom Feeney (R-Fla.) said the party should ignore moderates' calls to spend money to attract new groups of voters. But the GOP has seen erosion among one group that it has spent years wooing -- Hispanics, who defected apparently over the party's tough stand on illegal immigration, which included passage of legislation for a fence along the U.S.-Mexico border.

"I am concerned about where we stand with Hispanic voters," Mehlman said. "The day we become just the party of the wall, not only won't we secure the borders, but we will substantially limit the growth of the party."

The Democrats' victories last week ended a dozen years of Republican rule in Congress and dealt a significant blow to Bush's presidency. The next two years will answer which party best learned the lessons of what the voters were saying.

The Media's Dark Role (WT)

By Douglas Mackinnon

The Washington Times, November 13, 2006

Nov. 7, 2006, will be remembered as the day the Democratic Party took back control of Congress for three distinct and critically important reasons.

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First and foremost was the series of Republican missteps -- such as corruption, the leadership turning a blind eye to the corruption, budget-busting earmarks and a lack of real action on illegal immigration. These actions not only suppressed the vote for the Republican Party, but actually energized a number of Democratic voters.

Second was the number of incredibly well-run Democratic campaigns and their own very impressive get-out-the-vote machine. This was great stuff by any honest assessment.

Third, Nov. 7 needs to be remembered for something even Republicans don't have the stomach to address at the moment: that the remnants of objectivity in the mainstream media were all but exterminated by some on the left. A chilling and ominous development that played some role in the Democratic wave that is still splashing around the red states.

Make no mistake. Along with the multitude of Republican gaffes, and the hard work of the Democrats, there can be no doubt that the left-of-center mainstream media helped to manufacture this election victory for the Democratic Party. For parts of the last two years, many in the media have worked in concert with the Democratic spin doctors to indoctrinate the American voter into believing this election had to be a referendum on President Bush and the "failed" war in Iraq.

Horrified by Mr. Bush's re-election in 2004, as well as the historic Republican gains in the House and the Senate that year, some liberals in the media were determined to do everything in their power to ensure that there was no GOP celebration in 2006, even if that meant confirming to the world that they proudly abandon professionalism and ethics in the name of partisanship and ideology.

To make the election of 2006 a referendum on Mr. Bush and "his" war, the media knew full well they had to present that conflict in the worst possible light for as long as possible on their nightly newscasts, cable programs and front pages. Then, after force-feeding the American people a steady diet of this carnage for weeks at a time, the same media outlets would then "poll" the voters to get their impressions of Iraq and Mr. Bush.

Amazingly, against the protests of soldiers fighting and dying in Iraq, the mainstream media stuck with this partisan plan to only showcase the negative, the misery and the gore. They ignored the pleas of these soldiers to show that not only did they liberate a nation from a genocidal tyrant, but with compassion and great decency (often at the cost of their own lives), they helped to rebuild the country and connect with its people on a much-needed human level. The good far out-numbers the bad in Iraq, but the good was the enemy of a Democratic victory on Nov. 7.

Worse than becoming a public-relations arm for the Democrats, did some in the media actually aid and abet al Qaeda with their biased coverage? It has been fully documented that al Qaeda and the insurgents believe that if you kill enough American soldiers and have those deaths played on a loop by the American media, then the American people and their politicians will grow weak in the knee and call for a withdrawal.

Knowing that to be a stated goal of al Qaeda, and just before the election, CNN still decided to take a horrific video given to them by the insurgents, and put it on the air for the world to see. And just what was on this video? Only heroic American soldiers being murdered in cold blood by al Qaeda snipers. Other than to damage the administration or advance a partisan agenda, why would CNN air such disgusting footage?

Next, to all but ensure the desired outcome, a number of left-of-center "journalists" decided it was necessary to prematurely crown the Democrats the victors. Their thinking was that if you tell a lie or predetermine the results often enough, it becomes fact. So, months before the election, on the front page of the top one hundred left-of-center newspapers in the United States -- with a readership well north of 70 million people -- banner headlines proclaimed that the Democrats were all but certain to take both houses of Congress. Day after day, week after week, these liberal papers foretold a future beneficial to the Democrats.

This is a future that has now come true. To be sure, the majority of the blame rests with the Republican Party and its lemming-like march to become what it defeated in 1994. That said, it is not partisan, nor out of line, to ask if some in the media carried water for the Democrats in this election.

While it is certainly true that left-of-center media outlets continue to hemorrhage readers and viewers in search of fairness and balance, for the moment they don't seem to care. Because of the unethical actions of some within their industry, they helped determine an election.

The Democrats won, but democracy has paid a price. Who in the media is willing to address that?

Douglas MacKinnon was press secretary to former Sen. Bob Dole. He is also a former White House and Pentagon official.

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For Democrats, How Long A Honeymoon? (WP)

By Howard Kurtz

The Washington Post, November 13, 2006

The media kept saying the war was going badly. The Bush administration said progress in Iraq was being obscured by relentlessly negative coverage.

The media kept saying the federal government's response to Hurricane Katrina was badly botched. President Bush initially said his administration was doing a heckuva job.

The media kept saying the Democrats were heading for a big win on Election Day. Karl Rove, when told by National Public Radio's Robert Siegel that he was reading the same campaign polls as the White House strategist, declared: "No, you're not. No, you're not. No, you're not. I'm looking at 68 polls a week . . . and I add up to a Republican Senate and Republican House."

The GOP lost control of Capitol Hill last week for a number of reasons, particularly the war (the televised pictures of growing casualties were hard to shake off) and the scandals involving Jack Abramoff, Tom DeLay, Duke Cunningham and Mark Foley (all of which were broken by news organizations). At times it seemed journalists and administration officials were offering two different versions of reality. But in the end the polls accurately forecast the thumping to come.

Now the question is whether a press corps that has been openly at odds with the president will hold the newly empowered Democrats to the same tough standards.

As with any new regime, Sen. Harry Reid and Rep. Nancy Pelosi are enjoying a media honeymoon for the moment -- especially Pelosi, because of her status as the first woman in line to become House speaker and her grandmother-of-five persona. That may not last long. But where will journalists set the performance bar?

If the Democrats don't pass much legislation, or if they craft bills that Bush vetoes, will the press blame them for gridlock? If they start rejecting one Bush nominee after another, will the press say they are obstructionist? If, after railing against Republican corruption, they pass only cosmetic ethics reform, will the press say they were all talk and no action?

When Democratic committee chairmen issue subpoenas and conduct oversight hearings, will news accounts portray them as harassing the White House? Or will journalists recognize that aggressive congressional inquiries were a normal practice until the GOP Congress, which loved to investigate the Clinton White House, essentially stopped scrutinizing the Bush administration? And if Senate Republicans who denounced Democratic filibusters start trying to talk things to death, will journalists call them on the double standard?

While Bush retains the biggest megaphone, Democratic leaders will be getting more television time now that they control the House and Senate. In a media-drenched culture, the sound-bite warfare may prove as important as the legislative maneuvering.

The biggest change may be in store for liberal commentators, radio hosts and bloggers, some of whom enjoyed a good long gloat last week. For years now, they have been on offense against the administration and the war, and taking potshots is plenty of fun, as conservative pundits learned during the height of the Clinton scandals. But now the lefties will have to spend time defending the Democratic leadership for any missteps and failures. And if Reid and Pelosi compromise with their more moderate colleagues, will hard-driving liberal bloggers turn on them?

For much of his tenure, Bush has used the media as a foil, limiting access, criticizing news organizations for disclosing national security secrets, and mocking the "prognosticators" who said the Republicans were headed for defeat. But as his popularity has declined, he has held more news conferences and invited more journalists over for White House chats. If the president can mend fences with his Democratic antagonists, maybe peace with the Fourth Estate is also at hand.Cutting the Chatter

Free speech is getting less frequent on the "CBS Evening News."

A daily commentary segment that was launched when Katie Couric took over the newscast, "Free Speech" has opened up the program to outside voices but also drawn strong criticism from some network staffers.

Now Couric and her executive producer, Rome Hartman, have decided to cut back the feature to somewhere between one and three times a week, in part to make room for more news.

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"We had to figure out how it would work and how it wouldn't work, to see what soared and what splatted," Hartman says. "We've learned that timeliness is important," and that it's better to have the commentaries "feel like they're part of the news rather than out of left field."

Among the network's correspondents, he says, "some people felt it was taking up air time that might otherwise go to them, which is understandable. And some people just didn't like the idea of opinion. But a significant number of people felt the other way."

"Free Speech," which has also provided the umbrella for Bob Schieffer's weekly commentary -- the status of which is now unclear -- did not air at all last week.

The segment has provided a precious 90 seconds of the newscast, for example, to a protesting Gallaudet University student and an illegal immigrant identified only as Carlos. When an 89-year-old driver was convicted of killing 10 people in Santa Monica, Calif., CBS gave air time to a physician who was hospitalized for three months after being hit by an elderly driver.

But the segment has also given a forum to those who already have pretty big platforms: Rush Limbaugh, Sean Hannity, Arianna Huffington, National Public Radio's Juan Williams and Katrina vanden Heuvel, editor of the Nation, along with such prominent politicians as Rudy Giuliani and Sen. Barack Obama.

Hartman says he and Couric are now leaning more toward "regular folks" over "the I'm-famous-and-I-have-something-to-say model."Parting Words

In another change for "CBS Evening News," the program now has to get along without Jim Stewart, who is retiring to Florida.

During his 17 years as a correspondent, it became increasingly difficult to stick to his mission of covering the FBI, CIA and terrorism, Stewart says.

"More and more of my time was spent answering to the whim of the moment, even if it wasn't going to be put on the air, and less time covering my beat," he says. "It was to answer the question in the mind of an executive in a nanosecond about something they saw on a cable channel. Literally 15 times a week, I would get what are called check-it-outs. It would be breaking news on MSNBC that white powder was found on a subway in Chicago, or something like that."

Stewart, 60, is admired in the business for his aggressive style. He says the networks have been hurt by the shrinking number of Washington correspondents and the loss of those specializing in such beats as the State Department, aviation or the environment.

"When you lose beat reporters, you lose depth," he says. "You lose a sense of what you're talking about." With the exception of ABC's disclosure of Rep. Mark Foley's e-mails to congressional pages, he says, "I don't remember a time lately when the networks really broke big news. Certainly there's less expertise available to the networks. We've become generalists, to our detriment."

Stewart had considered retiring earlier, but "the money in broadcast journalism can be very intoxicating and make you almost addicted to sticking around for that one more contract."

Stewart says Katie Couric was indirectly responsible for his 1990 hiring. CBS decided it needed a second reporter at the Pentagon, he says, after NBC tapped Couric as the No. 2 correspondent there.

But he struggled to make the transition from his previous job at Cox Newspapers. "For the first six months I was lost," Stewart says. But he says he became more valuable to the network after Iraq invaded Kuwait, triggering the Persian Gulf War.

"Saddam saved my job," says Stewart.Howzat?

"Poll: Afghans Express Confidence in Country's Direction, Security" -- Thursday's USA Today

"Afghans Losing Faith in Nation's Path, Poll Shows" -- Thursday's New York Times.

McCain Edges Toward '08 Presidential Run (AP-Y)

By Hope Yen

AP, November 13, 2006

Republican Sen. John McCain said Sunday he is taking the initial steps for a White House bid in 2008, setting up a committee that allows a potential candidate to raise money and travel the country to gauge support.

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Democratic Sen. Joe Biden reaffirmed his intention to seek his party's nomination, though an announcement about establishing an exploratory committee probably will not come until early next year.

The anticipated wide-open campaign — for the first time since the 1928 race, the field will not include a sitting president or vice president — lost one possible participant when Sen. Russ Feingold, D-Wis., decided against a long-shot run.

McCain, R-Ariz., said he is moving toward a 2008 bid by "doing things organizationally and legally" but will not make a final decision until early next year.

McCain, considered the front-runner for his party's presidential nomination, said he could create an exploratory committee as early as this week.

"Are we doing the things organizationally and legally that need to be done? Yes," he said. "There are certain things legally you have to comply with in order to continue to raise money and set up an organization."

"The important thing is we will not make a decision until I sit down with my family, but we will be prepared," McCain said.

GOP officials last week said McCain would set up an exploratory committee and has opened a bank account for the committee.

On Sunday, McCain characterized the moves as preliminary until he decides over the holidays about a possible bid. He unsuccessfully sought his party's nomination for president in 2000.

If McCain were to run, he would turn 72 on Aug. 29, 2008, at the height of the campaign. Only Ronald Reagan was older — 73 at the start of his second term. McCain's health also could be an issue because he has had several cancerous lesions removed from his skin.

McCain is a former Navy pilot who was a prisoner of war in Vietnam. He was elected to the Senate in 1986, and served in the House for four years before that.

During the 2006 election cycle, McCain attended 346 events and raising more than $10.5 million on behalf of Republican candidates. He also donated nearly $1.5 million to federal, state and county parties.

The 63-year-old Biden, who is line to take over as chairman of the Senate Foreign Relations Committee, also ran for president before, dropping from the 1988 race after it became known he had lifted a portion of a speech from a British politician without attribution.

Biden, first elected to the Senate in 1972, said Sunday he would address the issue of an exploratory committee early in 2007. "I still plan on running. I haven't, quite frankly, thought through all of the ... mechanics of it at this point in terms of when to announce setting up an exploratory committee, but I plan on doing that," he said.

One potential challenger he will not have to contend with is Feingold, who said he wanted to focus on his work in the Senate. Feingold, 53, is an outspoken opponent of the Iraq war, the Patriot Act and other Bush administration policies.

"I never got to the point where I felt strongly I wanted to run," Feingold told The Associated Press. "Then I saw the result Tuesday and thought what a great opportunity to do my work in the Senate."

Last week Iowa Gov. Tom Vilsack announced his candidacy. Sen. Hillary Rodham Clinton of New York is widely considered the front-runner. Others mentioned include Sen. John Kerry of Massachusetts, the 2004 nominee; former Sen. John Edwards of North Carolina, the vice presidential nominee two years ago; Sens. Barack Obama of Illinois, Evan Bayh of Indiana and Christopher Dodd of Connecticut; and New Mexico Gov. Bill Richardson.

Republicans talked about for 2008 are Massachusetts Gov. Mitt Romney; Senate Majority Leader Bill Frist of Tennessee; Arkansas Gov. Mike Huckabee, Sen. Sam Brownback of Kansas and former New York City Mayor Rudy Giuliani.

GOP Rep. Duncan Hunter of California, chairman of the House Armed Services Committee, said last month he is forming an exploratory committee.

McCain To Form Committee To Explore White House Bid (WP)

By Dana Milbank

The Washington Post, November 13, 2006

Sen. John McCain of Arizona said he will form an exploratory committee as the first step toward a possible run for the Republican presidential nomination in 2008.

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The action had been widely expected from McCain, who lost a primary bid in 2000 to George W. Bush and who is the most popular prospective candidate for the nomination in 2008.

McCain, appearing on NBC's "Meet the Press" yesterday, said that while he won't make a decision until talking with his family over the holidays, "Are we doing the things organizationally and legally that need to be done to prepare for it? Yes." McCain indicated that the formation of an exploratory committee is imminent.

Just five days after midterm elections that returned control of the House and Senate to Democrats, prospective presidential candidates in both parties put down markers about their intentions for 2008. Accelerated primary schedules and fundraising requirements will make it necessary for candidates to start their campaigns in the next few months.

Sen. Joseph R. Biden Jr. (D-Del.), incoming chairman of the Senate Foreign Relations Committee, said on ABC News's "This Week" that "I still plan on running."

Another prospective candidate, Sen. Russell Feingold (D-Wis.), said he will not run, citing the Democrats' midterm wins. He told supporters in an e-mail that he will decline the "great adventure" of a presidential run because his three-term seniority in the Senate will allow him to "best advance" liberal causes.

The 2008 race is expected to be particularly active because it will be the first time in decades that neither party has an incumbent president or vice president in the race.

Iowa Gov. Tom Vilsack last week became the first to announce his candidacy for the Democratic presidential nomination. Others who have expressed interest are Sens. Hillary Rodham Clinton of New York, who leads in opinion polls; Barack Obama (Ill.); Christopher J. Dodd (Conn.); Evan Bayh (Ind.) and John F. Kerry (Mass); former senator John Edwards (N.C.) and New Mexico Gov. Bill Richardson. Another contender, former Virginia governor Mark Warner, announced before the midterm elections that he wouldn't run.

In addition to McCain, prospective Republican candidates include Govs. Mitt Romney (Mass.) and Mike Huckabee (Ark.), Sens. Bill Frist (Tenn.) and Sam Brownback (Kan.), and former New York mayor Rudolph W. Giuliani. Two other possible candidates, Sens. George Allen (Va.) and Rick Santorum (Pa.), lost reelection bids last week.

McCain positioned himself yesterday as a candidate who would restore Republican principles. He said voters decided last week "that we Republicans have lost our way, that we came to Washington to change government, and government changed us: the spending, the ethics, the massive programs such as Medicare prescription drug program, our failure to address their priorities as opposed to our own."

The NBC interviewer, Tim Russert, noted that McCain did 346 campaign events for 2006 Republican candidates. "Did a lot of good, didn't it?" the senator said.

McCain Takes Step Toward 2008 Race (WT)

By Eric Pfeiffer

The Washington Times, November 13, 2006

Sen. John McCain yesterday announced that he will create a presidential exploratory committee, the usual prelude to a formal entrance into the race, and said he would decide during the Christmas holidays whether to officially enter the 2008 White House race.

"I always said I would decide early next year, and I'll sit down over the holidays with my family and make that decision," the Arizona Republican said during an appearance on NBC's "Meet the Press." "Are we doing the things organizationally and legally that need to be done to prepare for it? Yes."

When asked whether he would form an exploratory committee, Mr. McCain said, "I think so."

Mr. McCain also sought to secure his conservative credentials during the appearance, saying he considers himself a conservative in the mold of President Reagan. He also said he thinks Republican losses last week will prove a temporary setback for his party.

"I believe America is still a conservative right-of-center nation, and our message, our Republican message, is best."

Although Mr. McCain is not the favorite prospective candidate of some grass-roots conservatives, some observers think his prospects for securing the Republican presidential nomination have improved since last Tuesday's elections.

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Sens. George Allen of Virginia and Rick Santorum of Pennsylvania were previously considered as contenders for the nomination, but both Republicans lost their re-election campaigns this year. Neither men have officially ruled out a 2008 campaign, but most observers agree that would be difficult to do so coming off the heels of a recent electoral defeat.

The field of prospective 2008 Democrat candidates also continues to shift. Yesterday, Sen. Russ Feingold, Wisconsin Democrat, posted a letter to supporters on his campaign Web site announcing that he will not pursue his party's nomination.

"I'm sure a campaign for president would have been a great adventure and helpful in advancing a progressive agenda," Mr. Feingold wrote. "At this time, however, I believe I can best advance that progressive agenda as a senator with significant seniority in the new Senate serving on the Foreign Relations, Intelligence, Judiciary and Budget committees."

Mr. Feingold's decision not to run comes on the heels of popular former Virginia Gov. Mark Warner also deciding to pass on seeking the Democrat's nomination.

As is widely expected, Sen. Joseph R. Biden Jr., Delaware Democrat, said he is still planning to run for president.

"I'm going to address that after the first of the year," he said during an appearance yesterday on ABC's "This Week." "I still plan on running. I haven't, quite frankly, thought through all of the, you know, the mechanics of it at this point in terms of when to announce setting up an exploratory committee, but I plan on doing that."

Mr. Biden last made a run for the White House in 1988 and is considered by many to be one of his party's leading authorities on foreign-policy matters.

Sen. Hillary Rodham Clinton, New York Democrat, is considered the front-runner for her party's nomination. However, a number of Democrats say they are open to an alternative to Mrs. Clinton because while many polls show her winning the Democrat's nomination, most of those same polls show her trailing against her potential Republican rivals in a general election.

Much speculation lately has focused on first-term Sen. Barack Obama, Illinois Democrat. Mr. Obama recently announced that he is considering a White House run.

A recent poll by Rasmussen Reports shows 22 percent of Democrats supporting Mr. Obama in 2008, compared with 29 percent supporting Mrs. Clinton.

"Look, Barack has done an enormous amount for the party," said Democratic National Committee Chairman Howard Dean during an appearance yesterday on "Fox News Sunday."

However, Mr. Dean added, "I don't comment on 2008, because I really do have to be the referee and have to be entirely neutral, and I'm going to continue to be entirely neutral."

And They're Off! (USNEWS)

By Kenneth T. Walsh

U.S. News and World Report, November 13, 2006

CHARLESTON, W.VA.—John McCain gazed longingly at his plate of baked chicken and penne pasta in white sauce but managed to devour only a few morsels before the first stranger arrived. One by one or in small groups, the well-wishers interrupted McCain's lunch with requests to shake his hand or share a snapshot. The silver-haired senator didn't mind. He remains accessible and loquacious, just as he was in his 2000 presidential campaign, in contrast to other candidates at his level, who are walled off by aides and bodyguards. He parlays all this-the likability factor-for all it's worth.

And it's worth quite a lot. "John McCain has made his reputation as a man who is outside the system, a guy who does things differently, who reaches across the aisle to the opposition, and people like that," says a senior Republican strategist. "People like his frankness. They know where he stands. And they think he would be a good guy to have a beer with." And that, in a nutshell, is why McCain is the early leader for the Republican nomination in 2008.

Blunt. The senator from Arizona wasn't hoisting any beers last week after the midterm elections. But he was typically blunt in assessing the Republican disaster. GOP leaders, he said, had departed from core party principles such as less government, lower spending, solid stewardship, and fighting corruption. The Bush administration, he added, had failed to send enough troops to Iraq to begin with and had falsely raised American expectations for a quick victory. Now McCain favors dispatching more troops in the "short term" to help Baghdad's government put down sectarian violence and stabilize the country. And he opposes setting a firm date for U.S. withdrawal, because, he says, that would only cause "chaos in the region" and embolden the terrorists.

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Those views on Iraq seem to run counter to the nation's antiwar mood, but McCain has stayed true to his hawkish beliefs. And he has emerged from the midterms in good shape as the GOP front-runner for '08, in the view of many party professionals. For one thing, voters seem more and more attracted to the kind of independence and get-it-done bipartisanship that have been McCain's hallmarks in the Senate. For another, independents turned out in droves last week, and that's a good sign for a man who has always done well with swing voters and the unaffiliated.

"McCain is a formidable candidate," says Joe Lockhart, a Democratic strategist and former White House press secretary for President Bill Clinton. "He's the one guy out there who people don't see as a politician."

Yet McCain has also tried to demonstrate that he is a loyal party man. He attended 346 events and raised $10.5 million for the GOP and the party's candidates for the 2006 midterm cycle. On the eve of the election, in fact, Florida's Republican gubernatorial candidate, Charlie Crist, skipped a scheduled joint appearance with President Bush in Pensacola in favor of appearing with McCain in Jacksonville.

McCain, 70, knows that when there's no incumbent seeking re-election, Republican front-runners have a good chance to win their party's endorsement. Among the early front-runners to win the nomination were George W. Bush in 2000, Bob Dole in 1996, Ronald Reagan in 1980, and Richard Nixon in 1968.

Shaken And Stirred (USNEWS)

By Kenneth T. Walsh

U.S. News and World Report, November 12, 2006

Last week's election didn't just change the lineup in Congress; it also winnowed the Republican presidential field. The big casualties were Sens. Rick Santorum of Pennsylvania and George Allen of Virginia, two conservatives who lost their bids for re-election-and probably any hope for the White House.

That still leaves plenty of presidential wannabes for '08, led by Arizona Sen. John McCain. But two other men are generating buzz as they jockey for position as the main alternative to the front-runner. First on the list is former New York Mayor Rudolph Giuliani, who leads some public-opinion polls. In a recent Gallup survey, 29 percent of Republicans supported him, compared with 24 percent for McCain (everyone else was in single digits). But Giuliani's position is based largely on name recognition and his reputation as a dynamic leader in the aftermath of 9/11. "He is the gold standard for leadership in the war on terrorism," says a key GOP strategist. As such, Giuliani has been a big draw as a fundraiser for GOP candidates.

The former mayor says he is considering a run, but political pros say his popularity could melt away once GOP voters understand his liberal views on issues like gay unions, abortion, and gun control. His abrasive manner can also be a turnoff. "Rudy plays well in the boroughs of New York but not in the Republican heartland," says a GOP critic.

Perhaps the most aggressive behind-the-scenes campaign is being waged by outgoing Massachusetts Gov. Mitt Romney, a strong conservative with movie-star looks and big-time charisma. Romney is modeling his approach on George W. Bush's pattern from 1999, when Bush, then governor of Texas, invited party leaders to Austin for persuasive get-acquainted sessions. Romney is doing the same thing in Boston and is apparently making a good impression as a fresh-faced Washington outsider who radiates competence and optimism while advocating smaller government. He is also a good listener, which impresses many of his guests, and in the past has appealed to independent voters and some Democrats in Massachusetts.

Drawbacks. Romney's Mormon faith, however, is greeted with suspicion by many evangelical Christians, while his lack of national-security experience could drag him down if the war on terrorism and the conflict in Iraq remain top concerns. Just as important, his popularity back home in Massachusetts has declined, which isn't a good sign.

Among the others who have expressed an interest in running are Senate Majority Leader Bill Frist of Tennessee and Gov. George Pataki of New York (both of whom are leaving office), Sens. Chuck Hagel of Nebraska and Sam Brownback of Kansas, and Gov. Mike Huckabee of Arkansas.

One of the longest of long shots is Rep. Duncan Hunter of California, the gruff chairman of the House Armed Services Committee. Hunter has little national following; in fact, few have heard of him outside Washington and his home district in San Diego. That hasn't stopped him from declaring his candidacy as he attempts to find a niche as a hard-liner on national security and illegal immigration.

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In a blast from the past, former House Speaker Newt Gingrich is impressing the GOP faithful as he talks of a need to return to Republican ideals of smaller government, a strong national defense, and tough-minded realism in foreign policy.

But Gingrich was a polarizing figure in Congress, and voters may be more interested in a less divisive style of leadership for 2008. "People are fed up with politics as usual," says a prominent Republican who advises the White House. "They want to see politicians work together. That's one lesson we learned from last week's election."

Time In Senate May Be Irrelevant If Obama Runs (WP)

By Charles Babington

The Washington Post, November 13, 2006

Sen. Barack Obama (D-Ill.) might be well advised to stay in the Senate several more years before running for president, as many strategists have suggested. But there are at least 40 reasons to challenge that advice.

That is the number of senators who have tried, and failed, to reach the White House since Sen. John F. Kennedy (D-Mass.) accomplished the feat in 1960. Nearly all of them had more Senate experience than Obama, underscoring the light regard that American voters show for senatorial longevity and expertise in presidential elections.

If Obama's aim is to become a more respected and knowledgeable senator -- in the mold of, say, Robert J. Dole (18 years in the Senate before his 1996 presidential race), Henry "Scoop" Jackson (20 Senate years before his 1972 bid) or Richard G. Lugar (20 Senate years before his 1996 try) -- it may be a laudable goal. But it's a highly questionable presidential strategy.

"The Senate historically has not been a great place from which to run for president," said former senator Bob Graham (D-Fla.), who personally learned the lesson in 2004. "Senator Obama might feel he would be better off to run while he has not been tainted by an excessive period in the Senate."

In the nation's history, only Kennedy and Warren G. Harding have been elected directly from the Senate to the presidency. But the dismal statistics have not dissuaded dozens of senators from trying, including big names (John Glenn, Edward M. Kennedy), largely forgotten names (Larry Pressler, Carol Moseley Braun) and plenty in between.

U.S. voters repeatedly have shown a preference for governors, especially during the 52-year stretch from Grover Cleveland's first election through Franklin D. Roosevelt's fourth, and again in recent years, when seven of the past eight presidential campaigns have been won by former governors. The 2008 presidential race seems certain to focus special scrutiny on why senators with impressive rÃ©sumÃ©s have fared so poorly in White House bids.

Not only did Obama cause a sensation last month by simply saying he would consider a 2008 campaign, but the early front-runners in both parties are senators: Hillary Rodham Clinton (D-N.Y.) and John McCain (R-Ariz.).

Perhaps no governor will emerge from the pack, as Bill Clinton and George W. Bush did, and 2008 will prove the exception to the rule. But scholars of presidential campaigns have their doubts.

"I'm skeptical that a senator can make it," said Barry C. Burden, a political scientist at the University of Wisconsin at Madison who has written on the subject. "Just looking at the historical record, the odds are not very good."

Burden said voters generally like the executive experience of governors. Additionally, governors, more than senators, are much more able to set their own agendas, make bold decisions, and avoid complicated legislative debates and votes that opponents can exploit.

"The skills that make a person a good legislator are not the skills that make a person a good presidential candidate," Burden said. "The kind of compromises that make you successful in Congress don't make you successful in a presidential campaign."

Analysts say veteran lawmakers often are prone to legislative jargon and explanations that baffle voters. Sen. John F. Kerry (D-Mass.) damaged his 2004 presidential campaign when he said of a spending package for the Afghanistan and Iraq wars: "I actually did vote for the $87 billion before I voted against it." Republicans ridiculed the remark, but many people on Capitol Hill understood that Kerry supported the package when it was linked to repeals of tax cuts for the wealthy and that he opposed it when the link was dropped.

As a veteran lawmaker, "you have lots of votes under your belt, which the opposition-research guys can use to twist you into a pretzel," said Scott Reed, Dole's campaign manager for his 1996 bid.

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Obama, who is 45 and just two years removed from the Illinois legislature, has a third option that is less viable for McCain and Clinton. He could angle for the vice presidency, a route to the Oval Office for former senators Harry S. Truman, Lyndon B. Johnson and Richard M. Nixon -- but not for Hubert H. Humphrey, Walter F. Mondale, Dan Quayle and Al Gore.

First, however, Obama must sift through the bountiful and conflicting advice of whether to seek the big prize now. Graham, who was Florida's governor before joining the Senate, said: "My advice would be to lay out a plan of action to have him fully ready to be president in 2013. That schedule would just about coincide with what President Kennedy did" -- that is, becoming president after eight years in the Senate.

But Reed thinks 2008 may be the year to break the senatorial jinx, in part because the primary season will be shorter. That should help front-runners such as McCain and Clinton, he said, or perhaps a shooting star such as Obama.

"The old axiom may go out the window this year," Reed said of 2008. "I'd advise Obama that if he has any interest in serving [as president], to take the race. You can't go back in this business and recapture what you had."

Hillary's Dilemma (USNEWS)

By Dan Gilgoff

U.S. News and World Report, November 13, 2006

ROCHESTER, N.Y.—If Hillary Rodham Clinton wins the White House, it will be thanks to voters like Barbara Paris. A conservative Democrat who has nonetheless supported Republicans as far back as Ronald Reagan, Paris hated Clinton when she first ran for U.S. Senate from New York in 2000. The 58-year-old tax adviser considered the first lady to be a carpetbagger, and, worse, a political opportunist for sticking with her husband after the Monica Lewinsky affair. So she supported Clinton's Republican opponent.

Last week, though, Paris was one of the New Yorkers who sent Clinton back to Washington with 67 percent of the vote. "It was a long shot, but she's proven herself," Paris said while attending a Clinton speech here just before Election Day. "She's spent lots of time in Rochester." Paris has become such a fan that she begged her daughter to let her take her granddaughter out of school to see Clinton, whom Paris now calls a role model.

Across the Empire State, voter after voter tells a similar story, of deep skepticism toward the former first lady giving way to admiration during her first term. They cite her forays to all corners of the state and her focus on local issues, including staving off closure of the Niagara Falls Air Reserve Station and securing $20 billion after 9/11. But with Clinton now having to decide whether to seek the White House in '08, she faces a familiar dilemma: Can she overcome the nation's entrenched views of her—and her husband—in a presidential campaign? For the presumed Democratic front-runner, the answer is unclear. A Gallup Poll this year found that 17 percent of Americans would definitely back her and that 49 percent would definitely not, but that less than 1 percent had no opinion.

Converts. To be sure, Clinton has converted plenty of skeptics in the Senate. "Older members had this 'We're going to put her in her place' attitude," says Republican Sen. Lindsey Graham of South Carolina. "But she has the power to change minds. Those who stereotype her don't know what they're talking about."

So far, though, Clinton has changed minds by countering that stereotype in person, with audiences much smaller than the national electorate. Having difficulty winning support from women in New York in 2000, she organized informal meetings with groups of a few dozen women, then let the positive reviews spread by word of mouth. Replicating that operation even in the four early primary states—Iowa, Nevada, New Hampshire, and South Carolina—would be daunting. And unlike her husband, former President Bill Clinton, Senator Clinton has had trouble winning converts through TV ads and interviews.

Of course, Clinton also has major assets. "She's got a huge fundraising base, a campaign team of die-hard Hillary lovers, and has rock-star status," says a Democratic strategist. "Plus, she's very smart and has been down this [presidential] track a few times." Clinton's money machine, which raked in $38 million for last week's election, has other candidates asking donors to consider them as backups, should Clinton decide not to run.

Flank Stakes (USNEWS)

By Dan Gilgoff

U.S. News and World Report, November 13, 2006

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The returns had just begun to trickle in Tuesday night when former Sen. John Edwards joined a conference call with liberals at MoveOn.org to talk up the prospect of Democrats taking back the White House. "This tsunami starts today and goes through the 2008 election," the 2004 vice presidential nominee said. "We're going to get away from being the country of Abu Ghraib and Guantánamo."

As Edwards was thanking the Democratic base for fueling the congressional takeover, other Democrats with White House ambitions took a different view. "Independent and moderate voters gave us a chance last night, and those are the voters we need in 2008," Indiana Sen. Evan Bayh told U.S. News , noting that three of the Democrats' House pickups had come from his conservative Hoosier State. "I hope our party doesn't get the impression that the country has fallen in love with strident partisan Democrats." As nearly a dozen Democrats start carving their niches for the '08 presidential contests, Edwards and Bayh reflect the two broad flanks now emerging: one to the left of Hillary Rodham Clinton and another in line with her more centrist positioning-but without the baggage she brings.

At this stage, Edwards has some advantages among the liberals. He placed second to John Kerry in the all-important Iowa caucuses in 2004 and still has a loyal network of volunteers there. Edwards may also benefit from the addition of two states to the early primary lineup-his native South Carolina and Nevada, where he has strong ties to unionized hotel and restaurant workers. With last month's news that former Virginia Gov. Mark Warner will sit '08 out, Edwards is the lone southerner in the Democratic field, unless former NATO Commander Wesley Clark runs again. That gives Edwards an air of electability that eludes other liberals.

Kerry, meanwhile, may look more unelectable than ever after his botched Iraq war joke. But he has an unmatched E-mail list of 3 million backers from '04 and has earned loyalty by doling out $14 million to 260 candidates during the midterms. And with the Iraq war likely to be an issue even as 2008's primaries get underway 14 months from now, Kerry could be a hit with liberal primary voters. "The midterms were a referendum on the president's policies in Iraq," says a top Kerry adviser. "It both mobilized the base and brought independents to vote for change."

Money. Wisconsin Sen. Russ Feingold, who voted against the Iraq war and the Patriot Act, is reminding audiences in Iowa and New Hampshire that both measures passed Congress with Democratic support. "Too many times, Democrats have folded," says Trevor Miller, spokesman for Feingold's political action committee. Unlike the independently wealthy Edwards or Kerry, who can rely on some '04 donors, Feingold is one of the candidates who need a fundraising base, possibly to be found in the liberal online "netroots." Joe Trippi, who managed Howard Dean's '04 campaign and raised $59 million online, predicts that the right candidate can collect almost 10 times that much in '08. "How many people you sign up online and how many small donors you have," he says, "will be a new measure" of viability. Serious contenders will very likely need $40 million by the time of the Iowa caucuses.

Of course, Democratic stars like Al Gore and Illinois Sen. Barack Obama could become the anti-Clinton darlings of the netroots, making them the two biggest x factors. "If you are a possible front-runner, you get in as late as you can because you don't want eight other banshees trying to take you down," says Trippi. "If you're the little-known insurgent, you don't want to wait too long." Gore says he won't run, but Obama says he might. With his bestselling book The Audacity of Hope, Obama is the second-most popular U.S. politician after Rudolph Giuliani, according to a poll last summer. But he has no foreign policy experience in times that demand it, and a short Washington résumé; he's not yet finished the second year of this term.

Experience is not a problem for long-shot centrists like Delaware Sen. Joe Biden, Connecticut Sen. Christopher Dodd, or New Mexico Gov. Bill Richardson. Iowa Gov. Tom Vilsack, another long shot, declared his candidacy last week. And the field is likely to grow before it starts shrinking.

Bill, George Show Keeps Laughs Coming (AP-Y)

By Mary Foster, Associated Press Writer

AP, November 13, 2006

They're separated by more than 20 years, they come from opposing political parties, and one evicted the other from the White House. But Bill Clinton and George Bush act like a team, a pair of touring comedians with a well-honed act.

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The two former presidents even have their entrance down pat, striding in with arms aloft, music pounding, lights flashing, the crowd standing and going wild.

The pair addressed more than 25,000 people attending the National Association of Realtors convention on Saturday, drawing at least six standing ovations and almost continuous applause.

Bush and Clinton thanked the real estate agents for holding their convention in New Orleans. It's the biggest convention to come to the city since Hurricane Katrina hit Aug. 29, 2005, and the pair has raised $130 million to aid New Orleans and the Gulf Coast in recovering from the storm.

Retirement has been good, Bush said, although he misses some of the perks of the presidency.

One problem with retirement, Bush said, is that memories do not fail on certain topics.

"After 14 years no one forgets if you throw up on the Japanese premier," he said.

However, he said, years of being badgered by the news media have left him with a simple philosophy: "Now if I don't like your questions, the heck with it, then I'm not going to answer them."

Clinton played second banana after Bush's round of jokes.

"You've just witnessed George Bush's revenge for the 1992 campaign," Clinton said of the year he defeated Bush for the presidency. "I'm condemned for the rest of my life to be his straight man."

Bush can get away with some things more easily, said Clinton, whose presidency was marked by the Monica Lewinsky scandal, noting that if he were to repeat one off-color joke that Bush told, "the New York papers would kill me."

What's more, the 60-year-old Clinton told the crowd, Bush, at 82, is in better shape.

"Make no mistake about it," said Clinton, who has undergone quadruple bypass surgery. "George Bush will speak at my funeral."

As for the recent election, both said they had to deal with congresses controlled for most or all of their presidencies by the other party. They said some of the best legislation during that time were made through compromises.

Clinton said he did not think his wife, Sen. Hillary Clinton, had decided yet whether she would run for the presidency.

"If she were to be elected I think she would do a good job," Clinton said.

"Yeah," Bush interjected, "but I'm having a little difficulty picturing this fellow walking behind her like Prince Philip behind the queen."

YESTERDAY (WP)

The Washington Post, November 13, 2006

Ford, who turned 93 on July 14, became the oldest president by living to 93 years and 121 days.

"The length of one's days matters less than the love of one's family and friends," Ford said in a statement last week from the Rancho Mirage compound he shares with his wife, Betty Ford, 88.

Ford was president from Aug. 9, 1974, when Richard M. Nixon resigned, until January 1977. He has suffered a variety of health problems in recent years and underwent heart procedures at the Mayo Clinic in August.

"He's doing very well. He's still recuperating," said Ford's chief of staff, Penny Circle.

In the statement released by Circle, the former president said: "I thank God for the gift of every sunrise and, even more, for all the years he has blessed me with Betty and the children, with our extended family and the friends of a lifetime."

The calculation of the milestone was done by Ford's staff and was based on full days.

Ford, a longtime Michigan congressman, was House minority leader when Nixon chose him as vice president to replace Spiro Agnew in 1973. Ford became president the following year when Nixon resigned amid the Watergate scandal. Ford, a Republican, is the only president in U.S. history never elected as either president or vice president. He served as president nearly 2 1/2 years, losing to Democrat Jimmy Carter in 1976.

Reagan, born Feb. 6, 1911, was 93 years 120 days old when he died, on June 5, 2004. He surpassed the longevity milestone of John Adams, the nation's second president, in 2001.

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Duke Blackwood, director of the Ronald Reagan Presidential Library in Simi Valley, Calif., said, "We all send our best to President Ford for reaching this milestone." And he added: "If President Reagan were alive, he'd probably say, 'Finally, somebody's talking about another president's age.' "

The oldest living former first lady is Lady Bird Johnson, who turns 94 next month. Bess Truman, who died in 1982 at age 97, was the longest-living first lady.

A Charity With An Unusual Interest In The Bottom Line (NYT)

By Jennifer 8. Lee

The New York Times, November 13, 2006

THE idea befuddled donors and Internal Revenue Service lawyers alike when Jacqueline Novogratz approached them six years ago. A philanthropic venture capital fund?

On one hand, the Acumen Fund would be a nonprofit charity. On the other, it would invest in companies and groups that tackled global poverty.

It was an unusual idea to pitch to philanthropists, said Ms. Novogratz. "They had never seen an organization like us: raising charitable money but wanting the flexibility of grants, loans and equity investments in for-profit and nonprofit organizations."

Ms. Novogratz, who has an M.B.A., has backgrounds in both in finance and philanthropy and worked as a banker at Chase Manhattan and as a manager of special projects at the Rockefeller Foundation before starting Acumen. She established a foothold in international philanthropy in 1986 when she went to Rwanda and worked on microfinance projects, long before the words "microfinance" or "Rwanda" entered the social lexicon.

She may have been ahead of her time. But two key people intuitively grasped the Acumen Fund's mission: Larry Page and Sergey Brin, the co-founders of Google, whom Ms. Novogratz first met at a Technology Entertainment and Design conference two years ago. During the period when Google's new charitable foundation, Google.org, was defining itself, the company's founders knew they shared a vision with Ms. Novogratz — a desire to reinvent philanthropy and push the boundaries of how people who had done well could also do good.

"We were looking at different models of philanthropy," said Sheryl Sandberg, a vice president at Google and a Google.org board member. "We are looking at the most efficient and effective ways to solve the world's largest problems."

They saw a lot of potential in the Acumen Fund, which has invested in projects meant to help people on the lowest rungs of the socioeconomic ladder: drip irrigation systems in India, rural health clinics in Kenya and a low-cost mortgage program in Pakistan.

Acumen models itself after a venture capital fund and brings in management and entrepreneurial expertise to help build the companies' financial independence. To that end, Acumen has a mantra on business fundamentals on how to design, price, distribute and market goods and services. But the audience it is focusing on are people who live on less than $4 a day, and Acumen's goal is to provide them affordable, critical goods and services that have otherwise been neglected by the marketplace. So when Google.org was little more than a Web page promising information to come, the Acumen Fund appeared as its first partner. To date, the Acumen Fund has been the recipient of Google.org's largest-single grant: $5 million to strengthen Acumen's operations. "It was a really progressive and thoughtful contribution," Ms. Novogratz said. "It was about building the institution."

To further cement the ties, Google announced in September that the Acumen Fund would be moving from its offices overlooking Trinity Church in the financial district of Manhattan to Google's corporate offices in the Chelsea neighborhood uptown. "We believe that our model and Jackie's model and Acumen's model is the next wave of philanthropy," Ms. Sandberg said. "It's addressing the critical needs of the world's poor, but in much more of a venture capital mode: to use seed capital to address the world's problems and to do so in a sustainable way."

Among Acumen's most notable projects is an investment in International Development Enterprises in India, a nonprofit group that manufacturers a drip irrigation system that it sells to poor farmers for under $30, a fraction of the price of traditional irrigation systems. Because the cost is so modest, the increased land productivity helps the system pay for itself in a short time, Ms. Novogratz said. "Their lives change almost overnight if they make that investment," she said. "They see their income double

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or triple — that allows them enough income to buy a second system. That is how they accumulate wealth." So far, more than 30,000 units have been sold.

In the twin worlds of philanthropy and venture capital, where billion is a commonly used measure, the Acumen Fund can seem modest. It has about 29 full-time staff members and seven fellows in offices in New York, India, Pakistan and, soon, Kenya. Of the $40 million dollars it has raised since it formally began in 2001, it has distributed only around $20 million — a small amount by traditional philanthropic standards. Yet Ms. Novogratz explained that the firm's approach was expensive. "The business acumen costs money," she said. "We are highly labor intensive." Many of the managers hold M.B.A's and have résumés studded with stints at Goldman Sachs, Credit Suisse First Boston, McKinsey.

Rather than simply focusing on potential profitability, Acumen evaluates projects for social impact, financial sustainability, replicability and what Ms. Novogratz calls "breakthrough insights" — knowledge that can be applied elsewhere.

For example, they have spent a lot of time understanding when the poor act like mainstream customers and when they don't. Another insight prompted them to eliminate grants, and limit Acumen to loans and equity investments. "Grants do not provide the same amount of clarity of expectations or financial discipline, or the same power as a conduit into more traditional financial markets," Ms. Novogratz said.

"What we need in this sector is these kinds of ideas and models to get others to think frankly of doing their business in a similar way," said Allen S. Grossman, a professor at Harvard Business School who studies entrepreneurship in the social sector.

Those insights are critical to charting new territory, said Dr. Grossman, who also advises Acumen. "You can't take business practices and superimpose them when it comes to social issues," he said. "What they do is a very effective social adaptation so that there is not a conflict between good business practices and achievement of a social mission."

But often local entrepreneurs do feel tension between business and philanthropy, said Yasmina Zaidman, who manages water projects for Acumen. They are caught because nonprofits tell them to "stop making money off the poor" while business executives say, "If you want to make money, get serious, stop messing around in the rural areas," Ms. Zaidman added. "They haven't been supported or acknowledged."

Like any investment fund, Acumen has its disappointments. Of 21 projects, 15 are still active. Last year, for example, Acumen pulled out of a fluoride filtration company in India when the company changed its strategy and started pursuing subsidized government contracts. "It was frustrating, but that lesson has influenced us so much since then," Ms. Zaidman said.

An earlier project, centered around a $42 hearing aid, failed to take off in India despite the product's relatively low cost. "We were jumping up and down thinking we hit the ball out of the park," Ms. Novogratz said. Acumen helped distribute 10,000 of the hearing aids, but low demand and a poor distribution network prevented it from becoming an independent business. "We learned that technology alone does not solve problems," she said, "and that what is as important — or more important — than the technology is the business model for bringing services to poor people."

While Ms. Novogratz was in Rwanda, she helped women there set up a bakery called Duterimbere, which means "to go work with enthusiasm" in the local Rwandan language. "We cornered the snack food market," she said.

Her farewell present from the women was a tapestry depicting scenes from the bakery, the town and a local school. It blends into the Acumen office décor — a mix of the dot-com aesthetic of Aeron chairs and ethnic handicrafts from Ms. Novogratz's travels. Glancing at the Rwandan tapestry, Ms. Novogratz said, "Unfortunately, all the women created it were killed in the genocide, so it's even more important." She added, "Acumen Fund is my prayer in response to genocide and what happened in Rwanda."

Confessions Of A Values Voter (USAT)

By Tom Krattenmaker

USA Today, November 13, 2006

I am a values voter.

Given my progressive political and religious beliefs, some might find this a dubious claim — especially members of the Christian right, who with their rhetoric about "values voters" suggest that only those who share their positions on abortion and same-sex couples possess something deserving of the term "values."

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Social conservatives' skewed deployment of the "v-word" floods the public square these days. (Though it didn't help Republicans this time as it did in 2004.) President Bush, on the campaign trail, called on voters to support candidates who defend "traditional values."

Consider two events organized this past year by leading religious right figures — the "Values Voters Summit," held earlier this fall with a lineup of speakers that included the flame-throwing Ann Coulter, and the high-profile "War on Christians and the Values Voter" conference in March. Consider the ValuesVoters.com website operated by the conservative American Family Association, and the declaration by leading social conservative Gary Bauer that 2004 was the "year of the values voter."

Apparently, those of us who hold different positions on the hot-button issues as framed by social conservatives — those of us who turn our attention and hearts to other imperatives such as peace-making, poverty relief, environmental preservation and tolerance — have no values. According to the rhetoric of social conservatives, progressives are the "anything goes" lot. Secularists, liberal Christians and followers of other faiths — we're the ones tearing America down with our moral weakness and hostility to the conservative Christian worldview.

Let's move past this hubris and damn-the-opponents rhetoric. We all have values. Let the majority of us who are not members of the "values voters" club continue to take back the v-word and proclaim the values that we've always acted — and voted — upon.

Does opposition to the war in Iraq represent an absence of values? Anything but. What is it if not deeply rooted principles and ideals — values, in other words — that moves so many Americans to oppose the war? We insist on truth-telling by our political leaders. We respect human life, which is why it saddens and outrages us to contemplate the deaths of American soldiers and of many tens of thousands of Iraqis. We hope and pray for a peaceful world in which war, if it must come, is a last resort, not a favored option.

Dwight Moody, a Baptist minister and writer on religion and culture, had this to say about values in a recent e-mail exchange with me: "Progressives, moderates and liberals are also undergirded by deeply held moral convictions, much of it driven by a religious and Christian view of the world: the value of creation, the dignity of the human person, the need for equity and justice, the cause of the poor and the dispossessed. These are values rarely articulated by the religious right, but they run deep and wide in the Bible."

Granted, liberals have been too shy about framing their political positions in moral terms, and too reluctant to use words such as "evil" to describe the acts of terrorists. The sexual adventures of high-profile Democrats such as Bill Clinton and the revolving-door domestic arrangements of Hollywood stars have lent fodder to conservatives who would blast their opponents as godless hedonists. Liberals have paid at the ballot box.

Thankfully, change is coming. Everywhere I look, I see progressives beginning to invoke values in ways that might startle religious conservatives, and in ways that probably helped Democrats win last week.

In Oregon, a recently formed ecumenical group proclaims the v-word in its name: the Oregon Center for Christian Values. These are "Christian values" rooted in human rights, economic justice for the disadvantaged and care for the environment. "Our commitment to Christ," the organization declares in its literature, "compels us to reach beyond the traditional 'moral values' issues often discussed in American politics today. Our goal is to call Christians to reclaim the radical, transformational vision for culture and society that reverberates in the teachings of Jesus."

A group called Red Letter Christians — a reference to the use of red letters in some Bibles to mark the words of Jesus — urged Bible-believers in the run-up to the elections to "vote their values" by treating the environment, poverty and the Iraq war as religious issues. William Sinkford, president of the Unitarian Universalist Association, invokes values in describing the approach to sexuality education adopted by the theologically liberal Unitarians — an approach that directly acknowledges that people will have sex outside of the opposite-sex, husband-and-wife contexts. "Sexuality education is about much more than just biology and rules," Sinkford wrote recently. "It is about values, including self-worth, sexual health, responsibility, justice and inclusivity and communication."

In the analyses and proclamations following last Tuesday's vote, "values" have been popping up in upside-down new ways. The prime example may be the Democrat who won the seat of disgraced Republican congressman Mark Foley and promptly pledged to take immediate action to make sure "our values and morals are represented" in Washington.

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As progressives wield language that once belonged solely to conservatives, may we do so fairly, in a way that acknowledges that the other side of the debate also has values. In so doing, we'll model other core values of ours: inclusiveness and respect for differing viewpoints.

The truth about values is that we all have them, but that in our diverse, religiously pluralistic society, we don't share the same ones. What some of us consider a core value can offend others. Tolerance, for example, is a central value to progressives; to some conservatives, it's the root of our problems. Tony Perkins, president of the Family Research Council, has unfairly blamed homosexuality, and our liberal society's tolerance thereof, for Foley's improprieties with pages and for the slow speed with which Capitol Hill Republicans responded to reports of Foley's misdeeds.

Perkins was hitting hard on the "values voters" theme in the weeks leading up to the elections. Responding to reports of evangelical disenchantment with Bush and the Republicans and forecasts of lower turnout by the bloc credited with winning the president's re-election in 2004, Perkins urged social conservatives to rediscover their zest for voting. "Values voters across the nation," Perkins wrote in September in his daily e-mail report, "are beginning to see … what will happen if they sit idly by and allow the rudderless liberals to set a course for our nation." Closer to the elections, Perkins admitted that religious conservative enthusiasm was not what it was in 2004. "If you are tempted to sit this election out, I encourage you not to," he wrote. "Vote your values."

Vote your values. That's certainly what I did. That's what we all did.

Tom Krattenmaker, who lives in Portland, Ore., specializes in religion in public life and is a member of USA TODAY's board of contributors. He is working on a book about the Christianization of professional sports.

Tax Epiphany (WSJ)

The Wall Street Journal, November 13, 2006

A bright light descended from the sky last week and shone upon the world's economic planners. It came courtesy of the World Bank, of all unlikely places; its toiling economists have discovered that simplified tax systems promote economic growth.

In a report titled "Paying Taxes -- The Global Picture," the World Bank and its co-authors at PricewaterhouseCoopers make the case for simplifying business taxes. Burdensome rules and multiple levies, they argue, promote tax evasion even when individual corporate tax rates are low. Make the system transparent and simple, and the private sector will pony up. It's an argument that could be made for personal income taxes, too.

Released as an elaboration of the Bank's broader and valuable "Doing Business Report," the survey examines the tax regimes of 175 countries between April and July this year. It looks at the administrative tax burden that a hypothetical, limited liability company with 60 employees would face.

The Bank's findings echo that of the flat-tax camp; namely, simple tax regimes promote compliance and efficiency. By "simple," the Bank doesn't just mean unifying rates; it includes making the forms easy to read, understand and file. World-wide it takes an average of 332 hours a year for businesses to comply with tax requirements, ranging from 2,600 hours in Brazil to 325 in the U.S. to 68 in Switzerland. There's no reason a tax form can't fit on a few pages, as in Hong Kong, or be filed over the Internet, as in Singapore.

Tax simplification also means trimming the tax regime itself. The Bank found that corporate income taxes compose only 36%, on average, of businesses' annual tax burden. Property, dividend, capital gains, municipal, and social security taxes, among others, make up the rest -- not to mention the various loopholes carved out for certain industries. Countries such as Egypt, which unified its corporate tax rates and eliminated about 3,000 corporate exemptions and tax holidays last year, saw tax filings double. Russia implemented a flat tax in 2004 and saw tax revenues soar.

The Bank pulls no punches for its main clientele: poor countries that have trouble raising funds. Many make the mistake of setting high tax rates. By doing so, they tacitly encourage tax evasion and create opportunities for corruption. Little wonder that the bottom 30 countries in the "Doing Business" survey "are twice as likely as those in the top 30 to report that bribery is a problem."

If only the high-tax prophets at the International Monetary Fund were paying attention. In a recent working paper, three Fund economists -- writing in a "personal" capacity -- put out an anti-flat tax screed. We don't have the space to dissect the entire paper

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here, but in essence they wave away the experience of Hong Kong and Russia and argue that the pro-market signals flat taxes send won't do any good for developed nations.

We never thought we'd say this, but perhaps the World Bank can lend the Fund a few economists for some re-education assistance. The IMF bias has long been to elevate balanced budgets as the highest fiscal priority, with tax levels and tax incidence as secondary matters. The Bank business tax survey implicitly exposes the error of the Fund's ways. Combined with President Paul Wolfowitz's long-needed campaign against corruption, the tax report also marks a welcome turn at the Bank in a pro-growth direction.

The Bank's report should also inspire a more thoughtful debate over the virtue of value-added taxes, or VATs. More than 130 countries have adopted VATs, with the IMF pushing hard for its implementation in places like Hong Kong. The VAT is a highly efficient tax and in that way has an advantage over a corporate income tax regime with high rates but many loopholes. But that very efficiency also makes a VAT dangerous as an engine of bigger government because its incidence tends to be hidden and politicians are tempted to raise the rate whenever they want a little more revenue. Some built-in restraint on that political impulse is needed.

The overriding goal of any tax system should be to raise the revenue that governments need for public purposes with the least amount of economic distortion and evasion. The lesson of the World Bank report is that the more transparent and simple a tax scheme, the more it will achieve that purpose.

As Vietnam Trip Nears, Bush Rejects Iraq Link (USAT)

By David Jackson

USA Today, November 13, 2006

WASHINGTON — President Bush travels this week to the site of an old military conflict casting a shadow over the United States and Iraq: Vietnam.

Bush's trip, including stops in Singapore and Indonesia, is mainly to promote trade at a conference in Hanoi and discuss ways to combat terrorism in the region. But the eight-day journey also includes reminders of how the Vietnam War roiled U.S. politics and society and raises questions about whether the same thing is happening with Iraq.

“The few similarities dwarf all the differences,” said historian Robert Brigham, author of the book Is Iraq Another Vietnam?

Among them, Brigham said: an inability to transform military strength into political influence in the region, a steady drain of public support for the war, and harsh lessons about the limits of U.S. power.

Bush stressed what he said were the differences with reporters last week. He said Iraqis overthrew Saddam Hussein with U.S. help, approved a new constitution and formed a government that is trying to move forward despite sectarian violence.

Vietnam endured a civil war in which the communist North, backed by China and the Soviet Union, defeated a U.S.-supported government in the South.

The Iraq war is also being fought with a volunteer army, Bush said, without the compulsory draft that inspired protests in the 1960s and early '70s. The president also said U.S. troops in Iraq are receiving more support from the American people than those in Vietnam did.

“I see the differences,” he said, “I really do.”

Bush leaves Tuesday for Singapore, where he will deliver a speech on U.S.-Asian relations, the prospects for trade and North Korea's nuclear ambitions. Then he goes to Vietnam and Indonesia, and makes a quick stop in Hawaii before returning to Washington.

The Asia trip comes a week after Republicans lost control of Congress in an election in which, Bush said, voters expressed “displeasure” with the Iraq war. Some members of the new Democratic majority in Congress want U.S. troops out of Iraq, and some, such as Ohio Sen.-elect Sherrod Brown, campaigned against free trade as a threat to Americans' jobs.

National security adviser Stephen Hadley said that unlike in Vietnam, a loss in Iraq would pose a direct threat to the United States because Iraq would become a “safe haven for terrorists.” He said another key difference is that U.S. servicemembers support the mission in Iraq and the war on terrorism.

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Historian Robert Dallek, who chronicled the Vietnam War in biographies of Presidents Lyndon Johnson and John Kennedy, said a loss in Iraq would not be fatal to the United States.

"We lost in Vietnam, and we won the larger Cold War," he pointed out.

Among other differences: The opposition in Iraq lacks a single, charismatic leader in the mold of Ho Chi Minh, former president of North Vietnam. Brigham pointed out that the Vietnam conflict began as an insurgency and ended as a conventional war; the opposite happened in Iraq.

More than 2,800 U.S. troops have lost their lives in Iraq, compared with more than 58,000 in Vietnam.

The Vietnam conflict continues to exert a powerful hold on U.S. politics. Bill Clinton and Bush, who served in the Texas Air National Guard, each spent part of their presidential campaigns explaining how they avoided being sent to the war zone. The attacks on 2004 Democratic nominee John Kerry by fellow swift boat veterans revived the ghosts of the Vietnam War.

Historian Douglas Brinkley, who wrote a book about Kerry and Vietnam, said that the war occurred at a tumultuous time in American history, amid the civil rights and women's movements, the emergence of the counterculture, and the assassinations of political leaders such as President Kennedy, his brother Robert and Martin Luther King Jr.

Today, life in the USA isn't as tumultuous, though similar political divisions are emerging over Iraq, Brinkley said. Because there is no military draft, few Americans are touched directly by the Iraq war unless family or friends are serving there, he said.

For that reason, Brinkley called Iraq more of a "low-grade" Vietnam. "Even today," he said, "you say the word Vietnam and it brings out polar reactions."

After the Persian Gulf War, the first President Bush said, "By God, we've kicked the Vietnam syndrome once and for all."

Historians such as Stanley Karnow said that statement is questionable because of Iraq. Karnow, author of a history of Vietnam, said the USA can't escape the shadow of Vietnam any more than the Civil War or any other "seminal experience."

"People will go on talking about it and debating it forever," he said.

In Vietnam, Old Foes Take Aim At War's Toxic Legacy (WP)

By Anthony Faiola

The Washington Post, November 13, 2006

DA NANG, Vietnam -- For a stark reminder of the Vietnam War, people living near the airport in this central industrial city can still stroll along the old stone walls that once surrounded a U.S. military base. But Luu Thi Nguyen, a 31-year-old homemaker, needs only to look into the face of her young daughter.

Van, 5, spends her days at home, playing by herself on the concrete floor because local school officials say her appearance frightens other children. She has an oversize head and a severely deformed mouth, and her upper body is covered in a rash so severe her skin appears to have been boiled. According to Vietnamese medical authorities, she is part of a new generation of Agent Orange victims, forever scarred by the U.S.-made herbicide containing dioxin, one of the world's most toxic pollutants.

For decades, the United States and Vietnam have wrangled over the question of responsibility for the U.S. military's deployment of Agent Orange. But officials say they are now moving to jointly address at least one important aspect of the spraying's aftermath -- environmental damage at Vietnamese "hot spots" such as Nguyen's city, Da Nang -- that are still contaminated with dioxin 31 years after the fall of Saigon.

Though neither Nguyen nor her husband was exposed to the Agent Orange sprayed by U.S. forces from 1962 to 1971, officials here say they believe the couple genetically passed on dioxin's side effects after eating fish from contaminated canals. "I am not interested in blaming anyone at this point," the soft-spoken Nguyen said on a recent day, stroking her daughter's face. "But the contamination should not keep doing this to our children. It must be cleaned up."

Vietnamese and U.S. officials last year conducted their first joint scientific research project related to Agent Orange. Testing of the soil near Da Nang's airport, where farmers say they have been unable to grow rice or fruit trees for decades, showed dioxin levels there as much as 100 times above acceptable international standards.

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Now the United States is planning to co-fund a project to remove massive amounts of the chemical from the soil. A senior U.S. official involved in Vietnam policy said the plan is evidence that the two countries, having embarked on a new era of economic cooperation, are finally collaborating to address the problem.

"The need to deal with environmental cleanup is increasingly clear, and we're moving forward from talking to taking concrete actions to respond to the issue," the official said, speaking on condition of anonymity because the project has not yet been publicly announced.

The more politically sensitive issues of responsibility and direct compensation for victims remain unresolved. Although medical authorities here estimate that there are more than 4 million suspected dioxin victims in Vietnam, the United States maintains that there are no conclusive scientific links between Agent Orange and the severe health problems and birth defects that the Vietnamese attribute to dioxin.

Still, with a much-changed Vietnam now among Asia's most dynamic economies -- the French luxury house Louis Vuitton has opened a branch in Hanoi, and the hottest nightspot in the capital is a glitzy disco called Apocalypse Now -- both sides appear more willing to seek common ground. Ahead of President Bush's first official visit to Vietnam this week, some also express hope that they are taking the first steps toward a reconciliation on their most divisive wartime issue.Coming Together

During the war, American forces sprayed about 12 million gallons of Agent Orange over the jungle canopies and jade-green highlands of Vietnam. The most toxic of the herbicides used for military purposes, it defoliated countless trees in areas where the communist North Vietnamese troops hid supply lines and conducted guerrilla warfare.

Because Vietnam lacked the resources to conduct its own environmental cleanup, dioxin-related birth defects have been diagnosed in thousands of children whose parents were not exposed during the war. In many cases, families such as the Nguyens were not warned of the hazard until it was too late.

After doctors told them their daughter, Van, was a dioxin victim, the Nguyens cemented over the small garden in their front yard and stopped eating fish from nearby canals. Even now, however, many of their neighbors remain unaware of the danger.

"What could any of us do, anyway?" asked Luu Thi Nguyen, whose family survives on the $1.50 a day her husband makes as a day laborer. "None of us can afford to move. Now I know the soil is contaminated. My daughter has already suffered from this, and I worry about what this soil might still be doing to all of us."

Vietnamese officials estimate the cost of cleaning up the country's three worst hot spots -- including the area near the old U.S. military base in Da Nang that is now the city's main airport -- will be as much as $60 million. Before year's end, they hope to launch the first phase, the development of a plan for cleanup and land use in the city, with an initial contribution of about $300,000 from the U.S. government.

That kind of cooperation has appeared to give new momentum to the issue on other fronts. On Thursday, the Ford Foundation announced that it is putting $2.2 million toward environmental restoration, contamination education and victim relief projects related to Agent Orange. The United Nations Development Program is also set to piggyback with a major grant in coming weeks that would provide additional research funding for the cleanup effort, which Vietnamese officials hope to complete by 2010.

"Vietnam is developing economically very rapidly, and I think the passage of time has played a role in both sides coming together," said Charles R. Bailey, the Vietnam director of the Ford Foundation, which has also funded key studies used to identify the country's most contaminated areas. "There is a sense that this is the last piece of unfinished business between the two countries. It is finally starting to be bridged."

But many here stress that the United States still needs to do far more to right past wrongs, and some are anticipating that Bush will offer a measure of apology for Agent Orange's wartime use when he visits.

"There are new signs that we are moving forward on cooperation with the U.S. on technical issues," said Le Ke Son, Vietnam's top official on Agent Orange. "It is very important to close the past, to close the war between Vietnam and the United States. But for that to happen, the U.S. must agree to cooperate with us in a bigger way."Push for Compensation

What many Vietnamese are waiting for is direct compensation for victims of Agent Orange as well as an unambiguous admission of responsibility from the U.S. government.

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In 1991, Congress authorized assistance for American veterans believed to be suffering from dioxin side effects, but at the same time, the legislation noted that conclusive links between illnesses and the herbicide remained "presumptive." That allowed U.S. officials to effectively sidestep a de facto admission of guilt in Vietnam and avoid offering compensation to Vietnamese victims.

At least one group of victims has already made a formal push for compensation, filing a lawsuit in New York against the chemical companies that produced Agent Orange, including Dow Chemical and Monsanto. In the late 1970s, U.S. veterans filed a similar case and settled out of court in 1984 for a $180 million payment. The Vietnamese case was dismissed last year, but an appeal hearing is expected next month.

The recent advances toward cleaning up the environment are of little solace to these Vietnamese. In a country where birth defects are considered by some an embarrassing reflection of the ill deeds of ancestors, many of the children born with the most severe defects end up abandoned or living in squalid conditions with families too poor to pay for adequate care.

The lucky ones end up in the Peace Village ward for Agent Orange victims at a hospital in Ho Chi Minh City, formerly Saigon. In rooms filled with stricken children, nurses tend to patients including a 2-year-old boy born without eyes and a 14-year-old girl whose head has grown bigger than her torso. Many of the 60 young patients have severely limited mental faculties, but existence appears tougher for those who are still alert.

U.S. officials have argued that Vietnam has exaggerated the extent of Agent Orange's effect, blaming the herbicide for birth defects that may have other genetic or environmental roots. But it's the kind of argument that infuriates people such as Duc Nguyen, 25, who began life as a conjoined twin.

Nguyen, born in the south-central town of Sathay, an area heavily sprayed by Agent Orange during the war, was separated from his brother, Viet Nguyen, at age 7. Doctors here say that soon after their birth, their mother's tissues were found to contain high levels of dioxin. These days, Duc Nguyen, who has one leg and severe bone distortions, works as Peace Village's information technology specialist. He spends his days in an office one floor below his noncognitive brother, who is kept tied to a bed most of the time, unable to move his stump-like body and reflexively gargling on his own saliva.

A 2004 study by the Vietnamese government indicated that birth defects in Sathay were 10 to 20 times more common than the national average. Duc Nguyen is engaged to be married next month to a beautiful young woman he met through his work at the hospital. But he is still far from finding peace.

"I find it ironic that on one hand you put [Saddam Hussein] on trial for using biological warfare, but in another country where you sprayed chemicals for warfare, you neglect your responsibility," said Duc Nguyen, who is not related to Luu Thi Nguyen in Da Nang.

"The United States must admit it's responsible and compensate the Agent Orange victims in Vietnam," he said. "It is your moral obligation. Sooner or later, it has to be done."

Vietnam Frees U.S. Citizen Convicted Of Terrorism (WP)

By Glenn Kessler

The Washington Post, November 13, 2006

A U.S. citizen convicted of terrorism in a Vietnamese court has been released and will arrive today in the United States, her daughter said yesterday.

The case of Orlando resident Thuong Nguyen "Cuc" Foshee had complicated efforts by the Bush administration to pass a major trade bill with Vietnam. The House was due to take up the legislation today. Sen. Mel Martinez (R-Fla.) had blocked the trade bill from coming to the floor of the Senate, and on Friday he indicated he would continue to thwart the bill's passage until Foshee arrived home.

A judge at the Ho Chi Minh City People's Court on Friday sentenced Foshee and six other defendants to 15 months in prison, with credit for time served while awaiting trial, which would have meant she would not be deported until next month. The defendants admitted that they had broken Vietnamese law but denied any link to terrorism.

Foshee's daughter, Elizabeth McCausland, said in an interview yesterday that she was told her mother had been released early for "humanitarian reasons."

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President Bush will arrive in Hanoi on Friday for an Asian economic summit and has pressed for the trade bill's passage before he leaves Washington.

Vietnam, the fastest-growing market for U.S. products in Asia, was recently accepted as the 150th member of the World Trade Organization. A bill granting Vietnam permanent normal trade relations is necessary for U.S. firms to benefit from the low tariffs that Vietnam will introduce as a WTO member.

Foshee was born in Vietnam and came to the United States after marrying a U.S. Army Special Forces master sergeant. She was active in protests in the United States against the communist government of Vietnam.

Foshee and the other defendants, including two other U.S. citizens, were accused of plotting to broadcast anti-communist radio messages under the direction of an anti-government group based in California. Vietnam considers the group, called the Government of Free Vietnam, to be a terrorist organization.

One member, Vietnamese-born U.S. resident Nguyen Huu Chanh, has been suspected of planning bomb attacks on Vietnamese embassies. Chanh is detained in South Korea, but a Seoul court has refused to extradite him to Vietnam.

Bush, Putin To Bask In Trade Deal (AFP)

By Stephen Collinson

AFP, November 13, 2006

President George W. Bush Wednesday holds the first of two meetings with Russian leader Vladimir Putin within five days, bearing the prize of a long sought-after pact on Moscow's entry into the WTO.

While the deal announced Friday is a landmark between two former Cold War foes, it will also throw a harsh spotlight on growing strains in US-Russian relations, as it is expected to face harsh scrutiny in Congress.

The two meetings, one in Moscow on Wednesday and one in Vietnam next Sunday, come as expectations mount of an increasingly testy relationship between Congress, captured by Democrats in Tuesday's elections, and the Kremlin.

Concern is mounting among US legislators on a list of US-Russia disagreements, spanning Moscow's reluctance to impose sanctions on Iran over its nuclear program, geopolitical concerns like Georgia and post-Soviet states, human rights, and trade spats.

There is also disquiet over how the emerging energy superpower hands out oil and gas contracts, its arms sales to US foe Venezuela and the murder of Russian journalist Anna Politkovskaya.

Some Republican and Democrats also believe Bush's vaunted friendship with Putin has failed to deliver much for the United States.

The two leaders will first meet when Air Force One makes a refuelling stop in Moscow en route for Singapore, Vietnam and Indonesia.

Though the meeting is being styled as an informal chat while the presidential jet replenishes its tanks, the symbolism of a stop in Russia is clear.

"We contacted the Russians and said, would you mind if we put down and refuelled ... we said no ceremony, no meetings required," said Bush's national security advisor Stephen Hadley.

"Word came back .. President Putin and Mrs Putina would like to pay a social call on the president for the 45 minutes or so that we're sitting on the tarmac to get refuelled," he said.

The more substantive meeting between the two leaders will come on Sunday November 19, after the Asia Pacific Economic Cooperation (APEC) forum in Vietnam.

"Obviously we have a lot of issues to talk about with Russia, not the least of which being Iran," said Hadley.

Analysts said Russian leaders are also wary of the incoming Democratic majority in Congress produced by Tuesday's elections.

"Historically, Democrats have always been more complicated for us than Republicans," Kremlin-connected analyst Vyacheslav Nikonov told AFP in Moscow on Thursday.

The trade deal between Russia and the United States, over a decade in the making, lifts one of the final obstacles standing in the way of Russian accession to the World Trade Organisation.

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US Chamber of Commerce senior vice president Daniel Christman called on Congress to move swiftly on granting Russia "Permanent Normal Trade Relations" (PNTR) status and so abolish commercial limits imposed on the former communist country.

Without PNTR, US and Russian businesses will still not enjoy full access to each other's markets even after Moscow joins the WTO.

Some analysts say the Democrats are going to order tougher scrutiny of trade agreements once they take control of Congress in January.

Democrat Max Baucus, who is in line to chair the US Senate's powerful finance committee with responsibility for trade matters, welcomed the deal.

"At the same time, Russia must take additional steps to earn a welcome into the WTO," he stressed, highlighting "unacceptable levels of piracy and counterfeiting" and an "unscientific" Russian ban on US beef.

SKorea Balks At Measures To Sanction North (AP)

By Jae-soon Chang

AP, November 13, 2006

South Korea balked Monday at participating in a U.S.-led plan that foresees intercepting North Korean ships suspected of carrying supplies for the regime's nuclear and missile weapons programs.

Seoul, worried that stopping and searching ships could lead to armed clashes with the North, also insisted it is already doing enough to prevent weapons proliferation by Pyongyang, which detonated a nuclear weapon on Oct. 9.

South Korea is finalizing a report on how it would carry out the U.N. sanctions slapped on North Korea in response to the nuclear test.

Park In-kook, a deputy foreign minister, said Seoul already participated in various regimes to control weapons of mass destruction, and wouldn't formally join the U.S.-led Proliferation Security Initiative, a campaign aimed largely at stopping North Korean weapons traffic by sea.

However, the South will continue a hold on regular humanitarian aid to the North, said Lee Kwan-se, a Unification Ministry official. Seoul suspended the aid in July after North Korea test-launched a series of missiles over international objections.

Lee also said South Korea will suspend its subsidies for a tourism program at the North's Diamond Mountain resort. Those subsidies are believed to be relatively small and intended simply to fund trips by those — mainly students — who can't afford the expensive, multi-day tours.

South Korea's report to the U.N. sanctions committee on how it would carry out the resolution unanimously adopted after the North's nuclear test was expected to be submitted Monday.

The resolution bans the sale of major arms to North Korea and calls for inspection of cargo entering and leaving the country. It also calls for the freezing of assets of businesses supplying the North's nuclear and ballistic weapons programs, as well as restrictions on sales of luxury goods, and travel bans on Pyongyang officials.

Park said Monday that the South would ban travel by those North Korean officials named by the U.N. committee.

Seoul has participated in the U.S.-led ship interdiction program known as the Proliferation Security Initiative, or PSI, only as an observer.

The two Koreas are still technically at war, as the 1950-53 Korean War ended in a truce, not a peace treaty. But their relations have warmed since the first, and only, summit of their leaders in 2000, with Seoul pursuing engagement rather than confrontation under the so-called sunshine policy.

Early December Proposed For NKorea Talks: Russia (AFP)

AFP, November 13, 2006

Six-nation talks on ending North Korea's nuclear weapons drive may be held at the beginning of December, a Russian envoy said.

The Russian ambassador to Japan, Alexander Losyukov, said dates early next month have been proposed among diplomats.

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"According to the exchanges of diplomatic documents, there is a possibility that it will be held in early December," he told reporters in Tokyo.

North Korea on October 9 tested an atom bomb but agreed later in the month to return to six-nation disarmament talks which it has boycotted for a year.

Diplomats from the countries involved have repeatedly said the talks are likely to be held in November or December.

The leaders of the five nations negotiating with North Korea -- China, Japan, Russia, South Korea and the United States -- are expected to discuss the resumption of six-way talks when they meet this weekend for a summit in Hanoi.

The United States and Japan have supported a tough line against the North after its nuclear test, while the other three countries have favored a more conciliatory approach.

North Korea had stayed away from talks since November last year to protest US financial sanctions against a bank accused of laundering and counterfeiting money for the regime.

Losyukov, who is a former negotiator in the six-party talks, said that the dialogue has "drastically changed" since its inception in 2003.

"North Korea once said it was a peaceful nation and that it would not go nuclear. Now it has declared the possession of nuclear weapons and its determination to protect itself with them," he said.

Losyukov, who will return to Russia this month but remain active in Moscow's Asian diplomacy, said that the "the process of the six-party talks has to speed up."

"Holding talks biannually, annually or biennially is not enough. If the six-party talks are to proceed only slowly at the current pace, the situation will only worsen and risks of conflicts will increase," he said.

Losyukov also said he believes Pyongyang "is trying to develop (nuclear) weapons because it fears its sovereignty will be infringed" through military attacks or political pressure.

The best way to solve the stalemate is "to assure North Korea that its sovereignty will be inviolable," he said, while adding that he does not know how to resolve the problem completely.

"The strategy of threatening North Korea by saying 'we will force you to abandon nuclear ambitions unless you voluntarily give them up' -- I don't think it works," he said.

Nuclear Deals Said To Be Thwarted (LAT)

From Times Wire Reports

The Los Angeles Times, November 13, 2006

The Czech secret service disrupted three attempts last year by North Korea to purchase equipment needed for nuclear weapons production, Czech media reported.

"Last year our service halted three export deals headed for North Korea, in particular special machine tools, their components and spare parts," a secret service spokesman, Jan Subrt, told the CTK news agency.

North Korea is said to have been looking to buy special machine tools that would enable it to produce small nuclear weapons.

Pyongyang conducted its first nuclear test last month.

Olmert Tackles Iran On U.S. Visit (WT/AP)

By Amy Teibel

The Washington Times, November 13, 2006

Israeli Prime Minister Ehud Olmert flew to Washington at the start of a five-day U.S. visit yesterday, armed with an agenda focusing on the Iranian nuclear threat and Israel's relations with the Palestinians.

On the flight, Mr. Olmert repeated his view that Iran will not scale back its nuclear ambitions unless it fears the consequences of its intransigence, spokeswoman Miri Eisin said.

The Iranians "have to be afraid of the consequences if there isn't a compromise," she quoted Mr. Olmert as having told journalists on the flight.

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Mr. Olmert, however, appeared to play down a senior official's suggestion that Israel is preparing for a military strike against Iran's nuclear program. Asked to comment on Deputy Defense Minister Ephraim Sneh's remarks, Mr. Olmert replied that on such matters, "we have to be very careful about what we say," Col. Eisin said.

Mr. Sneh's comments were part of a pattern of heightened Israeli rhetoric on the Iranian nuclear issue. The Iranian Foreign Ministry yesterday said Iran's military would hit back with a "swift, strong and crushing" response to any Israeli military action against it.

Mr. Olmert has said Iran's nuclear ambitions will be the main item on his agenda in Washington. Mr. Olmert had dinner with Secretary of State Condoleezza Rice last night and is scheduled to meet with President Bush today.

Israel is worried about Iranian President Mahmoud Ahmadinejad's repeated calls to destroy Israel and, like the United States, does not believe Tehran's claims that its nuclear program is intended solely to produce energy.

The United States has led international efforts to curb the Iranian nuclear program, but Israelis are concerned that U.S. policy might soften after the Democratic Party victory in congressional elections last week.

The fear is that with U.S. public opinion turning against the invasion of Iraq, Mr. Bush would be less likely to take decisive military or diplomatic action against Iran.

Some analysts also think the Bush administration might be willing to end its policy of isolating Iran because of Tehran's influence over armed groups in Iraq.

Mr. Olmert arrived in Washington with a gutted diplomatic agenda. He took office promising to pull Israel out of much of the West Bank, but shelved that plan after Israel's summer war against Lebanese guerrillas left Israelis with little enthusiasm for territorial concessions. A poll put his approval rating at about 20 percent.

Mr. Olmert has revived the notion of negotiating with the moderate Palestinian leader, Mahmoud Abbas, but the two men have not been able to agree on an agenda or even set a date to meet.

There are expectations that while in Washington, Mr. Olmert will make small-scale moves on the Palestinian front, including proposed humanitarian aid to the Palestinian people.

Mr. Olmert told reporters he did not expect major developments during the trip. "This isn't a dramatic visit," Col. Eisin quoted him as saying.

Olmert Arrives In US For Talks With Bush In New Political Climate (AFP)

By Ron Bousso

AFP, November 13, 2006

Israeli Prime Minister Ehud Olmert arrived in the United States for talks with President George W. Bush on Iraq, Iran and the Israeli-Palestinian conflict in the wake of a landmark US congressional election that may portend foreign policy shifts.

Olmert was to meet with Secretary of State Condoleezza Rice Sunday and have talks with Bush at the White House on Monday.

Monday's summit, which comes six months after Olmert's first meeting with Bush at the White House, has been described in Israel as "a down-to-business meeting" on Iran.

With Tehran continuing to reject international calls to halt its nuclear enrichment efforts, Israel has in recent months moved the Iranian threat to the top of its agenda.

But Israel could have reason for concern about the resignation of US Defense Secretary Donald Rumsfeld, a ferocious opponent of dialogue. His expected successor, Robert Gates, has signed onto a report calling for dialogue with Iran.

Backed by the United States, Israel has said sanctions are necessary following Tehran's failure to suspend uranium enrichment, a process which Israel, the United States and several European powers say hides a secret nuclear weapons programme -- despite Iranian insistence that it is for peaceful purposes.

Israel -- widely considered the Middle East's sole, if undeclared, nuclear weapons power -- considers Iran its chief enemy, pointing to calls from President Mahmoud Ahmadinejad for the Jewish state to be wiped off the map.

In Los Angeles on Friday, Israeli Foreign Minister Tzipi Livni said Tehran was merely buying time by negotiating with the international community, and warned of a regional arms race if Tehran obtained an atomic weapon.

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"The UN resolution said very clearly in July, stop the enrichment or face sanctions," Livni said. "And here we are in November, and still we are talking about the next resolution for 'soft sanctions'."

Olmert ratcheted up his anti-Iranian rhetoric calling Ahmadinejad "a man who is ready to commit crimes against humanity."

Israel, the premier said, is ready for a compromise, "but I don't believe that Iran will accept such a compromise unless they have good reason to fear the consequences ... In other words, Iran must start to fear."

An Iranian foreign ministry spokesman, Mohammad Ali Hosseini, said Sunday that Tehran would deliver a "destructive" response to any Israeli military attack on its atomic sites and that it would continue trying to boost its capacity for uranium enrichment.

Hosseini's comments came after a top Israeli official refused to rule out a strike on the Islamic republic to halt the progress of its atomic programme, with the United Nations still unable to agree on sanctions against Tehran.

Olmert has also weighed in on US policy in Iraq in the wake of the Democrats' election triumph.

Democrats, who wrested control of the US Congress from Republicans on Tuesday, have long called for a reassessment of the US strategy in Iraq, with many calling for redeployment of US forces from the country.

"If there is a premature pullout before Iraq has a robust government with a strong authority that can keep the country from collapsing into an internal civil war, America will have to think about the possible ramifications on neighboring Arab countries with moderate governments," Olmert told The Washington Post newspaper and Newsweek magazine in an interview published Sunday.

Under increasing pressure to change US policy in Iraq, Bush is awaiting conclusions of a study group that may recommend opening talks with Iran and Syria as a way of prodding them to help restore stability in neighboring Iraq.

Bush will speak to members of the Iraq Study Group on the same day he is to meet Olmert. The group is expected to deliver its final report by year-end.

Bush and Olmert will likely also talk about Lebanon, according to a senior administration official.

It will be the first Bush-Olmert meeting since Israel's war against Hezbollah in Lebanon, in which the United States lent its unfailing political support to its ally.

On Saturday, Washington vetoed an Arab-sponsored draft resolution in the UN Security Council that would have condemned an Israeli artillery barrage that killed 19 people in the Gaza Strip last week.

In New Middle East, Tests For An Old Friendship (NYT)

By Steven Erlanger

The New York Times, November 13, 2006

JERUSALEM, Nov. 12 — Even before the American elections, a certain wariness had crept into the intimate friendship between Israel and the United States. The summer war in Lebanon produced questions in Washington about the competence of Prime Minister Ehud Olmert. In Jerusalem, there were worries about the American approach to Iran and the Palestinians.

In theory, the two countries share a vision for a modern Middle East in which a thriving Israel would be accepted by its neighbors. But the Israelis balk at President Bush's embrace of regional change through promotion of Arab democracy. They view his effort as naïve and counterproductive, because it brings Islamists and Iranian clients to power.

Although Israel was grateful to see Saddam Hussein overthrown, officials here have long focused on what they consider a much bigger concern: preventing Iran from gaining nuclear weapons. They say the American policies that have empowered Iranian-backed militias in Iraq have been counterproductive to Israel's interests.

That concern is bound to be the subtext when Mr. Olmert goes to the White House on Monday. And now the Democratic sweep has created fresh concerns that the administration, whose muscular approach to Islamist terrorism and Iran has brought comfort here, will turn more to accommodation and compromise. President Bush has chosen as his next secretary of defense Robert M. Gates, who in the past has been highly critical of the administration's refusal to engage in dialogue with Iran.

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The defeat for the party of Mr. Bush, "possibly the friendliest president we've ever had," said Zalman Shoval, a former Israeli ambassador to Washington, "raises question marks regarding the administration's ability to promote its diplomatic and security objectives."

In war or peace, most Israelis say they believe they have only one true ally in the world, the United States. The relationship is extraordinarily tight, especially since 9/11 and the beginning of the campaign against terrorism.

But Israel is haunted by the specter of a nuclear-armed Iran, despite Israel's own nuclear deterrent. Iran has called for Israel's destruction, flouted the United Nations by continuing to enrich uranium and has just announced that it has a new longer-range missile.

"Many Israelis feel that the free world under the leadership of the U.S. is facing a similar situation to Europe in the 1930s, when they watched the rearming of the Nazi Reich," said Yuval Steinitz, a senior member of Parliament's foreign and defense committee. "No one could predict the global catastrophe 10 years later, and Iran may be the same."

Mr. Bush says his stance on Iran is unchanged: he will never accept a nuclear-armed Iran. Yet Israelis have been increasingly anxious about the Bush approach, seeing recently a tendency to delay confrontation through further negotiations. They worry that because of Iran's ability to further inflame Iraq, Mr. Bush is hesitant to take any steps that could lead to confrontation. And Israelis are worried about what concessions an administration seeking to build an anti-Iran alliance in the Arab world might ask of them on the Palestinian question in order to bolster that alliance.

Both Hezbollah in Lebanon and Hamas in the Palestinian territories are armed, radical, Iranian-backed Islamic groups sworn to Israel's destruction. And each has been empowered and legitimized by elections that Mr. Bush demanded, and Israel's summer war involved fighting both of them.

Lebanon: The Pressures of War

All these strains were heightened by the war against Hezbollah, set off by the capture of two Israeli soldiers, and the global criticism of Israeli tactics in Lebanon.

Halfway into the war, on July 30, Secretary of State Condoleezza Rice was in Jerusalem, telling the Israeli defense minister, Amir Peretz, of her concern about killing civilians. Mr. Peretz listened but did not reveal what he knew: eight hours earlier Israel had killed more than two dozen of them in the village of Qana.

When a senior aide told her of wrenching television coverage of the deaths, Ms. Rice cut the meeting short and accepted a Lebanese request that she not travel next to Beirut, as planned, with a draft cease-fire resolution. She got Israel to accept a 48-hour cessation of most airstrikes which, in her view, was broken within hours.

Still, it was two more weeks before Ms. Rice, President Bush and Vice President Dick Cheney suggested to the Israelis that the war was starting to undermine Israel's long-term interests. Even then, Mr. Bush and his aides did not demand a cessation of hostilities, waiting instead for the Israelis to reach the same conclusion.

Asked in a recent interview with The New York Times whether the administration had to get the Israelis to stop their attacks, Ms. Rice said no. "I wasn't going to give the Israelis military advice," she said, adding that she "had a lot of sympathy for what the Israelis were dealing with."

It was another example of Washington's intimate relationship and patience with Israel.

The reluctance to confront is mutual, said Yossi Alpher, a former negotiator who runs a Web site promoting Israeli-Palestinian Internet dialogue, bitterlemons.com. "I'd love Israeli leaders to sit down with Bush for a mutual soul-searching, and say, 'We're concerned, dear Mr. President, that your plans are hurting us, that part of the audacity of the radical Islamists we fight comes from your decision to enfranchise them,' " he said. "But we don't dare to."

Israel, he noted, has been highly skeptical of the idea of pushing democracy among Arab nations where the only organized opposition parties are linked to militants. It is a lot safer from Israel's perspective to deal with stable, if autocratic, states like Jordan and Egypt.

When Ms. Rice "looked at the damage in Beirut and said these are 'the birth pangs of the new Middle East,' I cringed, because I thought the Bush people had learned their lesson after the election of Hamas," Mr. Alpher said. "For Israel to manage, we need more of the old Middle East, not the new Middle East."

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Those anxieties persist despite Mr. Bush's fidelity. As the Lebanon war showed, Mr. Bush has been reluctant to impose the kinds of restraints on Israel that his father employed, to press talks with the Palestinians in the style of Bill Clinton or even to push Israel to ease up on Palestinian travel.

That has pleased many of Israel's supporters, including those among an increasingly vocal, fiercely pro-Israel community of evangelicals, who visited the White House at least once during the Lebanon war to voice support for allowing the air attacks on Hezbollah to continue unabated.

As President Bush prepares to meet Prime Minister Olmert, the man the White House backed while privately coming to doubt his political and military judgment, there are questions in Israel and Washington about how the two will deal with potential disagreements over Iran and the Palestinians.

The Threat of a Nuclear Iran

Mr. Bush's aides say the fighting in Lebanon in July and August was more important than it appeared because of Hezbollah's relationship with Iran.

"We saw the conflict this summer as much more than just a border war between Israel and Hezbollah," said R. Nicholas Burns, under secretary of state for political affairs. "It was clear from the very beginning of this conflict that Iran was behind Hezbollah, providing the financing and the long-range rockets that held the Israelis hostage."

"Israel and the United States, as well as many of the Arab states, see the same threat we do," he continued, "an Iran that is expanding its influence and fundamentally trying to destabilize the Middle East through its proxies."

But Israelis worry that Mr. Bush may dither over Iran. "Our big worry is that they will wait too long to act, after it is too late to stop the Iranians from gaining the knowledge to build a bomb," said one senior Israeli official, who was not authorized to speak publicly, after long, recent discussions with top Bush administration officials. "Are they committed to keeping the Iranians from actually building a weapon? I think so. Are they committed to keeping them from putting together all the parts they need? I'm not sure."

The Israelis say Washington was disappointed in their performance against Hezbollah. They are right: inside the White House, said one senior official there, who agreed to speak about internal deliberations on condition of anonymity, "Bush and Cheney believed that this would be another Six-Day War, or on the outside, two weeks."

"They believed it because that's what the Israelis said," the official said.

For Israelis, this failure to deliver poses a risk that cannot be ignored, especially when Iran is on the table.

"Most people in Israel are not satisfied by our performance in Lebanon," said Moshe Arens, a former defense minister, foreign minister and ambassador to Washington. "So if Israel enjoys this preferred position as an ally of the U.S. and a valuable ally in the fight against terrorism and now is shown to be not that effective and maybe not even that valuable, and to some extent even disappointing, that could put something of a damper on what's happening. My guess is that's probably temporary, but I think we're going through the phase."

Itamar Rabinovich, a former Israeli ambassador to the United States who is president of Tel Aviv University, said that Israelis, no matter their appreciation for American support, could not hand over the problem of Iran to Washington. He said: "Can we rely on the United States alone and say we abdicate our responsibility for dealing with the matter, and let the United States do what it wants? No, by no means."

In an indication of Israel's concern, in late October Mr. Olmert brought a far-right party dominated by Russian immigrants into his weakened coalition, and picked its controversial leader, Avigdor Lieberman, as a deputy prime minister and strategic threats minister, with the task of "strategizing" on Iran.

Earlier in October, in Moscow, Mr. Olmert said that "Israel can never abide this type of situation" where "a country like Iran has nonconventional potential." He added, "When the head of a country says he wants to destroy us, it does not sound like an empty declaration, but something we must prepare to prevent through all acceptable and possible ways."

Diverging Interests?

Senior Israeli officials know that Mr. Bush has a lot on his plate: a nuclear North Korea, a Democratic Congress, a weak approval rating and the bleeding of American power in Iraq. To win sanctions against Iran, he needs the support of Europe, Russia and China, all very critical of Israeli policies toward the Palestinians.

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To enforce sanctions, particularly those blocking shipments of nuclear- or missile-related technology, he would need the cooperation of Iran's Arab neighbors. So Israel has another worry: that Mr. Bush will try to build an anti-Iran coalition by pressuring Israel to make concessions to the Palestinians.

In September, Israel was abuzz over a speech by an American official that got little coverage in the American news media. Philip D. Zelikow, counselor to Ms. Rice, had addressed the Washington Institute for Near East Policy, considered sympathetic to Israel's interests, on "Building Security in the Broader Middle East."

Mr. Zelikow, in the last of 10 points, suggested that to build a coalition to deal with Iran, the United States needed to make progress on solving the Arab-Israeli dispute.

"For the Arab moderates and for the Europeans, some sense of progress and momentum on the Arab-Israeli dispute is just a sine qua non for their ability to cooperate actively with the United States on a lot of other things that we care about," he said.

The message seemed perfectly clear to Israelis: the Bush administration would demand Israeli concessions on the Palestinian issue to hold together an American-led coalition on Iran. American officials were quick to insist that there was no change in American policy, and that Mr. Zelikow was speaking on his own.

But Mr. Zelikow's close ties to Ms. Rice are well known, and the furor over his comments was amplified because they appeared to some to echo criticisms published in March in The London Review of Books by two American scholars, John J. Mearsheimer of the University of Chicago and Stephen M. Walt of the Kennedy School of Government at Harvard.

They suggested that from the White House to Capitol Hill, Israel's interests have been confused with America's, that Israel is more of a security burden than an asset and that the "Israel lobby" in America, including Jewish policy makers, have an undue influence over American foreign policy. In late August, appearing in front of an Islamic group in Washington, Mr. Mearsheimer extended the argument to say that American support of the war in Lebanon had been another example of Israeli interests trumping American ones.

The essay argued that without the Israel lobby the United States would not have gone to war in Iraq and implied that the same forces could drag the United States into another military confrontation on Israel's behalf, with Iran. It urged more American pressure to solve the Palestinian question as the best cure for regional instability.

Some Israelis worried that the implicit charge of dual loyalty would be underlined by the trial of two former officials of the prominent pro-Israel lobbying group, the American Israel Public Affairs Committee, on charges of receiving classified information about Iran and other issues from a Defense Department official and passing it on to a journalist and an Israeli diplomat. The trial is scheduled to begin early next year.

Mr. Walt, in an interview, argued that the first President Bush had worked to restrain Israel, and that Mr. Clinton worked to attain diplomatic concessions to achieve a peace. But when this Bush administration took office, "they first had no use for the Mideast, then took a more balanced position, calling for a two-state solution, and then were completely won over by Israel's argument that it is simply fighting terrorism."

Former Israeli ambassadors to Washington like Mr. Rabinovich, Mr. Arens and Mr. Shoval all scoff at the Walt-Mearsheimer thesis, which echoes criticisms of Jewish influence as far back as the presidency of Harry S. Truman.

But given the intensifying debate in Washington about Iran, Mr. Rabinovich said, the essay is "disturbing," as are the echoes of part of the argument in Mr. Zelikow's speech. Mr. Arens said that 9/11 created "an objective reality" of an antiterrorism coalition, led by President Bush, in which Israel is a crucial member. Mr. Bush is seen here as less interested in being an honest broker than in supporting Israel as a crucial strategic partner in the region.

The Iran confrontation, Mr. Arens said, will bolster that partnership. "The president said that he sees a clear and present danger with Iran arming itself with nuclear weapons and it's obvious that this is a clear and present danger for the state of Israel," he said. "Although a small country, we are not a minor party. When people talk about the possibility of a military option, what are they talking about? The U.S. or maybe Israel to take that move, not the U.S. or Germany or France."

He acknowledged, however, "That inevitably will lead people who are critical of the position of the president to be critical of Israel, because we are seen as a partner in this campaign, and it is not a very big step to say that Israel is leading the U.S., or misleading the U.S., by the nose in this thing."

The Post-Bush World

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No Israeli knows if the next American president will be as tough on Iran or as loyal to Israel as Mr. Bush. If Mr. Bush does not act, Israelis say, by the time the next president takes office, in January 2009, Iran will be well on its way to a bomb, and Washington may not back Israeli responses.

Gidi Grinstein, a former Israeli negotiator who runs an independent policy center, the Reut Institute, says Israel and the United States share a larger goal on Iran but have "tension among their different objectives," as indicated by Mr. Zelikow.

The Iran debate in Washington is serious but unfinished, Mr. Grinstein said, noting the divisions between those who argue that a nuclear-armed Iran can be contained and those who believe that Iran must not get the technology to build a bomb, much less the weapon itself.

Mr. Alpher, the former Israeli negotiator, is concerned that if Mr. Bush ultimately negotiates with Iran, "we need to ensure that the United States doesn't sell us down the river." It is fine for Israel to say that Iran is the world's problem, he said. "But if the world solves it diplomatically," he added, "will it be at our expense?"

The world looks different to nearly all Israelis across the political spectrum than it does to people in most other countries. "Unlike Bush, an Israeli leader looks at Iran through the prism of the Holocaust and his responsibility to the ongoing existence of the Jewish people," Mr. Alpher said. "It may sound pompous, but at the end of the day it matters, and so we may be willing to do the strangest things."

Gadi Baltiansky, a former Israeli diplomat in Washington and director of the Geneva Initiative, which promotes Israeli-Palestinian peace, argues that, given the stakes, Israel also pays a price for American policy, which can go against Israeli interests.

"The dilemma is that even this president, a true friend of Israel, after 9/11 divided the world into good guys and bad guys, and we're one of the good guys, so fine," he said. "Syria is a bad guy. But what serves Israel's interests? Talking to them may be bad for the U.S., but not necessarily bad for us. But whether it's Hamas participating in elections or Syria, it's hard for us to say no to the United States."

What matters most to Israel, officials here in Jerusalem say, is the level of support it receives from ordinary Americans, no matter their political party or religion. Despite the anxieties here over Lebanon, Iran and academic essays, opinion polls show that Americans are solidly in support of Israel, with new support coming from evangelical Christians.

Mr. Arens, the former defense minister, said of the Europeans: "They don't like us — what can we do? What else is new? We would like to be liked by everyone, of course, but it's the relationship with the United States that really matters."

How Bush And Olmert Could Help Each Other (WP)

By Jackson Diehl

The Washington Post, November 13, 2006

Today two bruised, weakened and defensive politicians, George W. Bush and Ehud Olmert, will sit down together at the White House for the first time in six months. Whether the tide of extremism now roaring across the Middle East -- from the Gaza Strip to Baghdad -- can be turned back could depend on whether they find a way to buck each other up.

The last time the Israeli prime minister was in Washington it looked like the two allies still commanded the regional agenda. Bush was overseeing the formation of Iraq's first permanent democratic government; Olmert was preparing a bold plan for a unilateral Israeli withdrawal from the West Bank. Both men emerged from the Oval Office radiating confidence that Iran would not be permitted to acquire nuclear weapons.

Today Bush and Olmert will have to face the reality that Iran is winning -- not just in preserving its nuclear program but in a broader contest over the direction of the Middle East. Olmert's "disengagement" plan is dead, at least for now; so is Bush's hope that an Iraqi coalition government could stabilize the country. Meanwhile, Iran and its ally Syria are everywhere on the offensive. They are on the verge of reversing Lebanon's popular Cedar Revolution and handing political control over the country to the Hezbollah movement. They are blocking attempts by Palestinian moderates to form a new government in Gaza that could rebuild relations with Israel and the West. Their allies are smuggling more weapons, building more bunkers and preparing for the next round of what they call "resistance" -- a permanent war against Israel that they would use to transform the region.

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In the face of this onslaught, Bush and Olmert have had little to offer. Both are in deep domestic political trouble. The vaunted military forces of both countries are badly bogged down. The two leaders could, if they let themselves, spend their time reproaching each other. Senior Israeli officials have been privately grumbling for some time that Bush's diplomatic campaign to stop an Iranian bomb is going nowhere and that there appears to be no credible American Plan B. For their part, Bush administration officials have been frustrated by Olmert's slowness to embrace even modest steps to defuse tensions with Palestinians, such as a U.S. plan to increase the flow of goods and people between Israel and Gaza.

The alternative is for Bush and Olmert to dust themselves off, put their heads together and do what comes naturally to both of them -- that is, something bold. What's needed is a game-changing initiative that would break the momentum of Iran and its allies, and energize demoralized Arab moderates -- like Ariel Sharon's 2003 proposal to withdraw from Gaza or Bush's June 2002 endorsement of a Palestinian state.

What's possible? From the American point of view, the obvious answer is a major Israeli effort to encourage the formation of a responsible Palestinian government. Palestinian President Mahmoud Abbas, a moderate, has been negotiating with the militant Hamas movement for months about a "unity" coalition made up of technocrats. Israeli officials tend to dismiss the effort as doomed. But what if Olmert were to spell out an aggressive Israeli plan to work with such a government? The plan could start with restoring the Palestinian tax funds that Israel collects but has impounded, and move on quickly to the release of Palestinian prisoners and talks about a negotiated version of the West Bank withdrawal Olmert proposed.

Among some senior Israeli officials a different but even bolder idea is being quietly kicked around: the opening of a dialogue with Syria. The idea is to flip Syrian President Bashar al-Assad; to induce him to drop his alliance with Iran and join the moderate Sunni alliance that is quietly lining up against Tehran. The Bush administration is loath to talk to Assad, partly because previous efforts have failed and partly because of what he wants from the United States, which is acquiescence to renewed Syrian suzerainty over Lebanon.

Israel cares less about who rules Lebanon. And it has something Assad wants at least as much: the Golan Heights. The Syrian president has been saying for months that he is ready to open talks about a swap of the territory for peace, a deal that his father came within inches of closing 6 1/2 years ago. Until recently Israel had little incentive to make that bargain with Bashar Assad. But the rise of the Iranian threat in the past year has changed the calculus for at least some of Olmert's advisers.

Imagine Ehud Olmert emerging from the White House to announce that Israel is prepared to explore peace with Syria. It might not turn the ugly tide in the Middle East. But it would, at least, get Israel and the United States back in the fight.

Q&A: Israel's P.M. On Iran, Lebanon, Palestinian State (NSWK)

By Lally Weymouth

Newsweek, November 13, 2006

Nov. 20, 2006 issue - This week Ehud Olmert makes his second visit to see President Bush in Washington. After last summer's controversial war against Hizbullah and recent allegations of corruption, the Israeli prime minister has sunk even lower in the polls than Bush. Olmert came to office promising to pull out of most of the West Bank and consolidate some large settlement blocs. He put this plan on hold after the war, but last week, when he spoke in Jerusalem with NEWSWEEK's Lally Weymouth, he insisted he still stands by his plan for peace. Excerpts:

WEYMOUTH: Last year you told President Bush you had a vision—your convergence plan—which was to withdraw unilaterally from large parts of the West Bank. Do you have a new vision today?

OLMERT: The "convergence" plan was a vehicle to accomplish a vision shared by President Bush and myself—this is a two-state solution.

After the war in Lebanon, you said the "convergence" plan was on hold.

After the war, and the failure of the Palestinians to cope with continued terrorist actions, I had second thoughts about my ability to accomplish the two-state solution through realignment. One thing I can promise: under no circumstances am I going to withdraw from the need to engage in a serious dialogue with the Palestinians. The Palestinian issue is on the agenda. There is no way we can ignore it. We have to find the best partner—a lot depends on

the Palestinian leadership.

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How do you feel about President Abu Mazen as a partner?

He has consistently shown his opposition to terror and his discomfort with Hamas. But it is incumbent upon him to do more than just say how uncomfortable he is with Hamas. He hasn't yet shown enough determination to put down this government of terrorists and to reduce the influence of Khalad Mashal, who controls the the Palestinian government from Damascus.

How would you feel if Abu Mazen entered into a unity government with Hamas?

If Hamas will formally accept Israel's right to exist, end all terror against Israel, and recognize the [prior] agreements between Israel and the Palestinian Authority, then I'll be ready to sit with such a government, even if it includes Hamas representatives.

Has the United States asked you to release Palestinian leader Marwan Barghouti from

prison, and would you consider it?

I made it clear long ago that I am anxious to open up a new dialogue with Abu Mazen and for that purpose I'm ready to release many prisoners. Hamas' inflexible attitude prevents the prisoners from being released because they refuse to let us have our soldier [captured Cpl. Gilad Shalit]. Hamas is not really interested in the wellbeing of its prisoners. They want to topple Abu Mazen at any cost.

You brought the ultra right-wing Avigdor Lieberman into your coalition. Will that affect your negotiating position with the Palestinians?

I made it clear that the policies of this government are not going to be changed, and you can read my lips. I'm ready for territorial compromises, and I haven't changed my mind.

How do you see the threat posed by Iran?

President Ahmadinejad is a man who is ready to commit crimes against humanity, and he has to be stopped. My position is clear. If there can be a compromise that will stop Iran short of crossing the technological threshold that will lead them into nuclear capabilities, we will be for such a compromise. But I don't believe that Iran will accept such compromise unless they have good reason to fear the consequences of not reaching a compromise. In other words, Iran must start to fear.

Will you talk with Bush about Iran?

I think that Bush is the last person on earth who needs to be reminded of what should be done in order to stop Iran. If there is one person I can trust, it's him.

If the international community does not act, would Israel consider taking military action?

It is absolutely intolerable for Israel to accept the threat of a nuclear Iran. I prefer not to discuss the Israeli options. Israel has many options.

Do you feel the war against Hizullah decreased the group's military strength but built them up politically?

I think Israel had a strategic, military and political success. The presence of the Lebanese army in the south [of Lebanon] together with a robust international force is very significant. It is not ideal. There is a lot that ought to be done and will have to be done by the international force.

So looking back, you feel the war was worthwhile?

There were many mistakes committed but the overall picture is very significant. The main objective of Israel was to create the necessary conditions for the deployment of the Lebanese army in the south of Lebanon and to stop Hizbullah from threatening the northern part of Israel, and I think that we have achieved these objectives. We still have to work hard in order to bring back the two abducted Israeli soldiers.

Syrian President Bashar al-Assad has said that he would like to talk to Israel. Would you consider this?

I would be happy to negotiate with Bashar Assad if he stopped his support of terror and of Hizbullah. Bashar Assad doesn't show any sign that he's ready to do this.

Former secretary of State James Baker said, "You don't talk to your friends, you talk to your enemies." What's to lose by exploring whether there's anything there?

Bashar Assad has not reached the point where he can qualify as a legitimate partner. You can't say we will not negotiate with terrorists and negotiate with someone who is a great supporter of terrorists.

But you negotiated with Arafat when he was in Tunisia, and he was certainly a terrorist.

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We negotiated with Arafat, and I think we learnt something about negotiations of this kind from this experience. I don't expect my enemies to be wonderful guys. But I want them to come with clean hands when they come to negotiate with us.

Wouldn't it be worth trying to separate Syria and Iran?

I don't believe Assad wants to be separated from Iran. What he wants is to recover the Golan Heights, and I don't see any signs that he understands that he needs to pay for it.

If the United States gets out of Iraq, how would this affect the region?

If there will be a premature pullout before Iraq has a robust government with a strong authority that can keep the unity of the country from collapsing into an internal civil war, then America will have to think about the possible ramifications on the neighboring Arab countries with moderate governments.

Do your low poll numbers drive you crazy?

According to the polls, I was not supposed to be prime minister. So considering the polls I'm in a good position. I don't worry.

Syria A 'Dangerous' Country, Says Rice (AFP)

AFP, November 13, 2006

The United States believes Syria is a dangerous state whose territory is being used for the accelerated arming of Lebanon's Hezbollah militia, Secretary of State Condoleezza Rice said in an interview with an Israeli daily.

"This is a dangerous state that is behaving in a dangerous manner," Rice told the country's second largest daily, Maariv.

"The United States is concerned and is following closely the use of Syrian territory as a way-station for the accelerated arming of Hezbollah," the Hebrew-language newspaper quoted her as saying.

Israel has long maintained that Hezbollah, with which it fought a 34-day war this summer, receives its weapons from Iran via Syria -- a charge both these countries deny.

But Rice repeated the allegation in the interview published on the day Israeli Prime Minister Ehud Olmert was due in Washington for talks with US President George W. Bush, herself and other top officials.

"Syria is a way-station for Iranian arms that cross the Middle East. It is not a state that contributes to stability in the Middle East," Rice said.

"This is obvious to everyone, and we are watching this situation closely. We are working with additional international agencies in order to tell Syria that it must change this behavior pattern."

"We clarified that Syria must change its behavior as soon as possible," she added.

Hamas Endorses Peace Conference (WT/AP)

By Salah Nasrawi

The Washington Times, November 13, 2006

CAIRO -- The Hamas-led Palestinian government agreed yesterday to an international peace conference with Israel after the Arab League -- angered by Israel's military offensive in Gaza -- voted to end a financial blockade on the Palestinians.

Foreign Minister Mahmoud Zahar of Hamas endorsed a statement by Arab foreign ministers calling for the peace conference during a meeting in Cairo to respond to a U.S. veto of a U.N. Security Council resolution condemning the Gaza offensive.

Mr. Zahar said the Palestinians had asked for the peace conference "in order to reach just and comprehensive solutions." The acceptance marked the first time the Hamas-led government has indicated that it would consider making amends with the Jewish state.

The West cut off hundreds of millions of dollars in international aid and tax revenues to the Palestinians after Hamas took power in March in an effort to pressure the Islamic militant group to moderate its anti-Israel ideology. The United States, Europe and Israel are demanding that Hamas recognize Israel, renounce violence and abide by existing agreements between Israel and the Palestinians.

Mark Regev, a spokesman for Israel's Foreign Ministry, said he was not aware of the conference proposal. But he said Hamas could not be a party to talks with Israel unless it met the international community's stipulations.

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"A multilateral conference doesn't make Hamas legitimate," Mr. Regev said. "What makes Hamas legitimate is accepting the international benchmarks."

Hamas' decision came as Israeli Prime Minister Ehud Olmert arrived in Washington ahead of a meeting with President Bush today.

The Arab League said ministers sought a conference to resolve the Israeli-Palestinian conflict "according to international resolutions and the principal of 'land for peace.' " Arabs want Hamas to endorse a 2002 Arab initiative that calls for peace in exchange for land seized by Israel in the 1967 Six-Day War -- the West Bank, the Gaza Strip and East Jerusalem.

Yesterday was the first time that Mr. Zahar has attended an Arab foreign ministers' meeting since Hamas became the ruling party. The Arab League had refused to let him join until Hamas accepted the peace initiative.

Arab ministers also decided yesterday to end a financial blockade on the Palestinians to show their anger over U.S. veto in the Security Council on Saturday.

The U.N. draft resolution would have condemned the Israeli offensive in Gaza that has killed more than 50 people recently and also demanded that Israeli troops pull out of the territory. John R. Bolton, U.S. ambassador to the United Nations, said the Arab-backed resolution was "biased against Israel and politically motivated."

It was the second U.S. veto of a draft resolution on Israeli military operations in Gaza this year.

"There will no longer be an international siege," said Bahrain's foreign minister, Sheik Khalid bin Ahmed Al Khalifa.

The economic sanctions have debilitated the Palestinians and have led to clashes between Hamas and the more moderate Fatah party led by Palestinian Authority President Mahmoud Abbas, who has been trying to form a more moderate government and renew the peace process with Israel.

Arab League Secretary-General Amr Moussa said the decision to break the Western-led financial blockade was a message to the United States.

"Our message is loud and clear to those who take unfriendly positions against Arabs," Mr. Moussa told reporters in Cairo.

In an immediate show of support, Kuwait's foreign minister said his country would send $30 million to the Palestinians, and Bahrain's foreign minister said the Arab countries would begin contacting international financial institutions to get the money transferred to the Palestinians.

As Hezbollah Seeks Power, Lebanon Is Feeling Edgy (NYT)

By Michael Slackman

The New York Times, November 13, 2006

BEIRUT, Lebanon, Nov. 11 — In the upscale center of Beirut, the normally somber atmosphere at the graveside of the assassinated former prime minister, Rafik Hariri, is increasingly tense. His former supporters, long the most powerful constituency in Lebanon, anxiously talk about the wave of Shiite political power washing over the country.

“After the first of the year, I am leaving to Qatar,” one woman, Myrtha Hadidi, said Sunday, after she bowed her head and crossed herself in front of the grave. “The situation is very, very dangerous now. I think there will be a war again.”

Across town, along the crowded streets of the poor Shiite neighborhood devastated by Israeli bombs during the summer war, there is despair over the destruction, but confidence in the growing power of Lebanon’s Shiites.

“I am very optimistic about the future,” said Ziad Kamaan, as he prepared to reopen his women’s accessory store for the first time since the war ended in September.

Lebanon is in the middle of a political crisis that is not just a matter of jockeying for power, but a fundamental realignment of authority here — and perhaps in the region. It is seen in the faces of those Sunnis and Christians who visit the Hariri memorial, nervous and drawn, and the confidence of those picking their way through the debris and destruction of the Shiite neighborhood, known as Dahiya.

“Hezbollah gave us dignity and pride; they made us feel like human beings again,” said Ali Berro, owner of a small grocery in the neighborhood. “It’s true that America and Israel devastated this country, but we will rebuild again, ourselves.”

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Long in the making, the 34-day war between Israel and Hezbollah — which was waged to crush the group's militia — seems to have accelerated the rise of Lebanon's Shiites, from their onetime status as the nation's unwanted stepchild to the cusp of political dominance.

As a political party, a militia and social welfare organization, Hezbollah has used the devastation of the war with Israel to help strengthen the allegiance of Shiites, giving out money and services that the government has so far failed to deliver. Though no one knows for sure the size of each group in Lebanon — there has not been a census since the 1930s — Shiites are believed to make up more than 30 percent of the population, and by some estimates have reached a plurality. But it would require a major leap for the Shiites to realize their political goal of dominance — and their efforts to reach it could threaten long-term instability, and perhaps bring armed conflict.

"This war has improved the Shiite identity and self-image," said Judith Palmer Harik, a professor at the American University in Beirut who has studied and written about Hezbollah. "They got something out of this war that was pretty uplifting."

On Saturday, Hezbollah and its main Shiite ally, Amal, provoked a political crisis when their five ministers resigned from the government after talks broke down about giving Hezbollah's alliance more authority.

The stage is now set for a showdown between Hezbollah and its allies, which are aligned with Syria and Iran, and the Sunni, Druse and Christian leaders who control the largest bloc in Parliament and side with the West.

Hezbollah has threatened to stage demonstrations as early as Monday, but Hezbollah officials said Sunday that they were waiting to see how their opposition responded and were considering all options.

The governing coalition is expected to make its counterstrike on Monday. The coalition, led by Saad Hariri, the son of the former prime minister, has tried to tar Hezbollah and Amal as tools of Syria and contends that their ministers resigned to block creation of a tribunal to hear charges in connection with the assassination of Mr. Hariri.

Syrian officials have been implicated in the United Nations investigations. The governing coalition has also charged that Hezbollah wants to control or block the government to prevent it from carrying out the provisions of Security Council Resolution 1701, which ended the war with Israel.

The United Nations sent a proposed framework for the court to Lebanon last week, and Prime Minister Fouad Siniora has called a cabinet meeting for Monday to take up the proposal. If Lebanon does not adopt the proposal, the court could still be created by the Security Council, but it would be viewed here as having less legitimacy because it was imposed on the country.

"The hidden plot has been revealed," the governing coalition said in a statement issued Sunday. "It's a Syrian-Iranian plot to launch a coup against the legitimacy, stop the establishment of an international tribunal and foil Resolution 1701."

Mr. Siniora and his allies have said that even without the Shiite members of the cabinet, they could adopt the proposal and have it pass in Parliament. It would, however, probably be rejected by the pro-Syrian president, Émile Lahoud, who issued his own statement on Sunday saying the "government had lost its constitutional legitimacy and, as a result, any cabinet meeting is anti-constitutional and worthless."

But the maneuvering over the court is one piece of a much larger battle with Hezbollah on the offensive. Hezbollah is insisting that its alliance be given seats in the cabinet, to have veto power over all decisions. One Hezbollah official said the outcome of this fight could jeopardize the delicate system of power sharing between religious communities that was established in the Taif agreement of 1989, which brought an end to 15 years of civil war. "If they want to govern without Shiite ministers, then nothing would prevent a Shiite from running for president in the future," said Tarrad Hamadeh, the Hezbollah minister of labor, who resigned Saturday. "They are messing with the country's future."

In war-torn neighborhoods of the south, in the Bekaa Valley, and in Dahiya, often the only sign of authority is Hezbollah's yellow flag. Hezbollah remains the de facto government within its communities. "We can make a revolution in Lebanon, we can occupy Lebanon, but this is not what we want," said Bilal Naeim, a Hezbollah politburo member who is overseeing the group's relief effort. "We could make a coup d'état."

Mr. Naeim works out of a large tent that Hezbollah put up in Dahiya to serve as a sort of office for reconstruction and distribution of assistance. Its office was flattened by Israeli bombs, but its work was not stopped. On Sunday, Ali Ahmed Raychouny entered the tent looking for help rebuilding his bookstore. Hezbollah is preparing to give out money for inventory

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damaged by the war, and since he and his employee and his landlord depend on the income from his bookstore, he wanted to make sure he was on the list.

"I never expect anything from the government of our country," he said. "I have five kids and I support three families. Hezbollah is in my blood."

Iran Vows Retaliation If Israel Strikes (AP)

By Nasser Karimi

AP, November 13, 2006

Iran's military will retaliate swiftly and strongly if Israel attacks any Iranian nuclear sites, the Foreign Ministry said Sunday.

The warning came two days after Israel's deputy defense minister suggested Israel might be forced to launch a military strike against Iran's disputed nuclear program as "a last resort."

"If the Zionist regime commits such stupidity, the response by the Iranian military will be swift, strong and crushing," Foreign Ministry spokesman Mohammed Ali Hosseini said. "Iran will take no longer than a second to respond."

The comments by Israeli Deputy Defense Minister Ephraim Sneh were the clearest yet from a high-ranking official of possible military action against Iran. However, the Israeli government later said the comments did not necessarily reflect its views or those of Prime Minister Ehud Olmert.

Israel bombed Iraq's Osirak nuclear reactor in 1981 to destroy Saddam Hussein's nuclear weapons program. While Israel neither acknowledges nor denies possessing nuclear arms, it is thought to have about 100-200 nuclear warheads, according to a 2006 report by the Center for Nonproliferation Studies at the Monterey Institute of International Studies.

Hosseini downplayed the possibility of an Israeli attack. "The situation and capability of the Zionist regime are far too small to threaten Iran," he said.

President Mahmoud Ahmadinejad, meanwhile, again criticized the U.N. Security Council over its efforts to impose sanctions on Iran because of its nuclear program. Iran says its program is for peaceful energy purposes, but the United States and other Western countries fear its a cover for developing weapons.

"It is most embarrassing that the U.N Security Council, which should be the defender of nations' security and rights, threatens countries pursuing nuclear fuel for peaceful purposes under the law," Ahmadinejad said, addressing the general assembly of Asian Parliaments Association for Peace in the capital, Tehran.

He accused the U.N. of applying a double standard, saying it was pursuing Iran "while those countries, armed with nuclear weapons, deny the rights of other countries to produce nuclear fuel and exploit it for peaceful purposes."

The Iranian president also criticized the United Nations for what he described as its lack of concern for the Palestinians. He condemned the United States for vetoing a U.N. Security Council draft resolution that criticized an Israeli military offensive in the Gaza Strip, including an artillery barrage that killed 19 civilians last week.

"While this fake regime commits crimes, the U.N. has not taken a single positive and operative step to restore the rights of the Palestinian nation," he said.

Hosseini, the Foreign Ministry spokesman, also said Iran began installing an additional 3,000 centrifuges at its uranium enrichment plant in Natanz with the knowledge of the International Atomic Energy Agency, the U.N.'s nuclear watchdog.

In October, Iran injected uranium gas into a second network of 164 centrifuges.

Injecting gas into centrifuges can either yield nuclear fuel or material for a warhead, but does not represent a major technological breakthrough and is unlikely to bring Iran within grasp of a weapon.

Iran produced a small batch of low-enriched uranium — suitable as nuclear fuel but not weapons grade — in February, using its initial cascade of 164 centrifuges at Natanz.

Earlier this year, Tehran said it planned to install 3,000 centrifuges at Natanz by year's end, but it would take 54,000 centrifuges to fuel a reactor.

Iran Criticizes Security Council Over Threat Of Sanctions (NYT)

By Nazila Fathi

The New York Times, November 13, 2006

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TEHRAN, Nov. 12 — President Mahmoud Ahmadinejad on Sunday described efforts by the United Nations Security Council to impose sanctions on Iran as "disgraceful."

"It is disgraceful that the Security Council, which should be the defender of nations' security and rights, creates cases against countries that seek to produce nuclear fuel for peaceful purposes and threatens them," he said, addressing the general assembly of the Association of Asian Parliaments for Peace, which was founded in 1999 to promote peace and development and now has 39 members. It is meeting in Tehran.

The five permanent members of the Security Council — Britain, France, the United States, China and Russia — are scheduled, along with Germany, to resume talks Monday on a European draft resolution that would impose sanctions on Iran for refusing to halt its uranium enrichment program.

Iran contends that its nuclear program is peaceful and that its aim is to produce fuel for its nuclear power plants.

Mr. Ahmadinejad accused the United Nations of applying a double standard for not objecting to development of unconventional weapons by Britain, the United States and Israel. He said the nuclear-armed countries sought to deny the right of other countries to produce nuclear fuel for peaceful purposes because they feared they could lose their monopoly over the technology.

"They are afraid that independent countries, such as the Islamic Republic, would not let them maintain their monopoly over nuclear fuel," he said.

Iran's chief nuclear negotiator, Ali Larijani, returned from Moscow on Sunday after a series of talks with Russian officials. Russia is urging the other five countries that are discussing the sanctions to resume talks with Iran.

Mr. Larijani said Friday in Moscow that Iran would not halt its program and that sanctions would not harm it, the ISNA news agency reported. He also said, commenting on the results of the American elections, that he believed that the Democrats would adopt a softer approach toward Iran over its nuclear program to avoid more tension.

Islamic Militants Claim Capture Of Town (AP)

By Mohamed Sheik Nor

AP, November 13, 2006

Islamic militants said they captured a town in central Somalia on Sunday after they came under attack from pro-government militiamen backed by troops from Ethiopia and a semiautonomous region in northern Somalia.

The fighting erupted near the border of the Puntland region, one of the few areas in Somalia still outside the control of the Islamic movement. The group said it captured the town of Bandiradley, about 430 miles north of the capital, Mogadishu, and two of its fighters were killed in the battle.

"The fighting is continuing and we are pursuing Puntland troops," Mohamed Mahmud Agaweyne, spokesman for the Islamic group in central Somalia, told The Associated Press by telephone.

Sa'id Abdirahman Dakaweyne, a colonel with the Puntland militia, confirmed the fighting. Puntland officials said they had put their troops on full alert.

Government officials declined to say if anyone from their militia had been killed.

Somalia has not had an effective government since 1991 when warlords overthrew a dictator and then turned on each other. The new interim government was formed with the help of the U.N. two years ago. But it has failed to assert any real control outside the southern town of Baidoa where it is based.

The Islamic courts militia, meanwhile, has been rising since June and now controls most of the country's south and the capital. The United States has accused the group of sheltering suspects in the 1998 al-Qaida bombings of U.S. embassies in Kenya and Tanzania.

Experts warn Somalia could become a proxy battleground for neighboring Ethiopia and Eritrea, which broke away from Ethiopia in 1991 following a civil war. Eritrea supports the Islamic militia, while Ethiopia backs the interim government.

A confidential U.N. report obtained recently by The Associated Press said 6,000-8,000 Ethiopian troops were in Somalia or along the border. It also said 2,000 soldiers from Eritrea were inside the country. Eritrea denies having any troops in Somalia, while Ethiopia insists it has sent only a few hundred advisers.

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Agaweyne said the Islamic fighters had captured two tanks and 11 pickup trucks mounted with machine guns. Islamic forces said the tanks had Ethiopian markings.

Ethiopian officials were not immediately available for comment.

Sporadic skirmishes have broken out in central Somalia since May, when the Islamic movement took the town of Jowhar and began extending northward toward Puntland, which has close ties to Ethiopia and opposes the spread of the Islamic forces.

Puntland declared itself an autonomous state within Somalia in 1998. It has generally been spared the violence that has wracked the southern part of the country.

Several peace initiatives between Somalia's interim government and the Islamic movement have failed to take hold. A peace deal agreed to Friday by a renegade lawmaker and the Islamists was rejected 24 hours later by the interim administration, which said it was done without its approval.

Meanwhile, Kenya announced that all flights to Somalia would be suspended as of Monday due to security reasons. The order affects almost daily service from Nairobi to Mogadishu and three other towns in Somalia.

Late last week, the U.S. Embassy in Nairobi warned that extremists in Somalia were planning suicide attacks in Kenya and Ethiopia.

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Associated Press writer Salad Duhul and Mohamed Ali in Mogadishu also contributed to this report.

Tension Rises In Somalia As Islamists Expand Reach (NYT)

By Jeffrey Gettleman

The New York Times, November 13, 2006

NAIROBI, Kenya, Nov. 12 — Islamist forces expanded their reach in Somalia on Sunday by seizing towns near Galcaio, in the country's north, which until now had been relatively peaceful.

The Islamists then turned their guns toward Galcaio and began shelling the outskirts of the city, witnesses said.

The fighting threatened to push Somalia closer to the brink of an all-out war between the Islamist forces that rule Mogadishu, the seaside capital, and the weak, so-called transitional government based in the inland city of Baidoa. The militias that were routed Sunday were loyal to the transitional government, and their defeat was interpreted as another sign of its weakness.

Each side blamed the other for the bloodshed, which claimed as many as 10 lives.

"The government troops ambushed us," said Abdulrahim Ali Modei, spokesman for the Council of Islamic Courts, the network of Islamist forces ruling Mogadishu, according to [a news service].

However, an official with the transitional government denied that, saying that the Islamists attacked first.

On Saturday, leaders of the transitional government rejected a deal to restart peace talks, though several members of the transitional government had agreed to negotiate with Islamist leaders.

Somalia has been engulfed in anarchy for years, but many Western officials in East Africa worry that the conflict on the horizon could be worse than before because it has the potential to drag in Somalia's neighbors. Already, Ethiopia has sent hundreds and possibly thousands of troops into Somalia to support the transitional government, and several Arab countries are suspected of backing the Islamists.

"If there is a war," said a high-ranking American military official, who spoke last week on condition of anonymity, "the fighting ends up protracted and long and spills across the border."

On Saturday, Kenyan authorities banned all scheduled flights in and out of Somalia, citing security risks. The United States recently issued a warning that said suicide bombers from Somalia might be plotting attacks in Kenya and Ethiopia.

Hizbollah Ministers Quit Lebanon's Cabinet (FT)

By Ferry Biedermann

Financial Times, November 13, 2006

Lebanon's political crisis deepened over the weekend with the resignation from the cabinet of all five Shia ministers from the pro-Syrian Hizbollah movement and its allies as unity talks collapsed.

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Hizbollah repeated its threat to stage "peaceful" demonstrations to back up its demand for a decisive say in the government of Prime Minister Fouad Siniora or else to force new elections.

The anti-Syrian majority that controls the government and Parliament has vowed that the cabinet will meet on Monday as planned to approve a UN draft for an international tribunal to try suspects in the assassination of former Prime Minister Rafiq Hariri, who was killed in a massive bomb blast along with more than 20 others in February last year.

The country's pro-Syrian president, Emile Lahoud, said that the resignation of the Shia ministers renders any new cabinet decision "anti-constitutional". But the anti-Syrian majority, as well as constitutional experts, have denied this.

Anti-Syrian politicians accused Hizbollah and its allies of forcing the crisis to block Lebanese approval of the international tribunal. The UN last week sent a draft of the framework for such a tribunal to the government after the permanent members of the Security Council reached a consensus.

The Shia ministers last year suspended their participation in the cabinet for several weeks over the issue of the tribunal.

Hizbollah's deputy leader, Sheikh Naim Kassem, said that the crisis "has nothing to do" with the international tribunal. He accused the anti-Syrian majority of using the issue to obscure their responsibility for the failure of the political talks and said Hizbollah would stage peaceful street protests to back up its demands but it was not clear yet when these would start.

Anti-Syrian politicians have expressed fears that Hizbollah's protests will turn violent. They have vowed counter-demonstrations by their own supporters.

Several leading politicians will be out of the country until the middle of the week and there is a feeling that the demonstrations or renewed talks will only take place after they return.

Hizbollah's leader, Sayyed Hassan Nasrallah, said last month that he is demanding more of a say in the government for himself and his allies in order to stop the anti-Syrian majority from giving in to the "American-Israeli demand" to disarm the movement.

Hizbollah feels under pressure because of the presence of the beefed-up UNIFIL international military presence in its heartland in the south of the country following this summer's war with Israel.

Hizbollah wants to bring its main Christian ally, former General Michel Aoun, and his bloc, into the government. The movement has demanded a share of one-third-plus-one of the cabinet seats for itself and its allies, which would give it veto power over the most important decisions.

The anti-Syrian majority has said that it may consider bringing Gen Aoun into the government but it refuses to grant its opponents veto power.

Both the president and the powerful speaker of Parliament, Nabih Berri of the Shia Amal movement, are pro-Syrian.

If the pro-Syrians were to get veto power in the cabinet, the results of last year's elections in which the anti-Syrian coalition triumphed, would be neutralised.

Lebanese Cabinet Thrown Into Crisis By Hezbollah Exit (WSJ)

By Andrew Higgins

The Wall Street Journal, November 13, 2006

BEIRUT, Lebanon -- Hezbollah, having defied efforts by Israel to eliminate it as a military force, is flexing its political muscle, jeopardizing the stability of a Lebanese government that the Bush administration presents as a democratic beacon for the Middle East.

The political crisis here, triggered by the collapse of talks to calm mounting tension, further darkens the White House's vision of a "new Middle East." It could also fortify Washington's two biggest foes in the region, Syria and Iran.

Hezbollah, along with its Shiite Muslim allies, on Saturday withdrew its representatives in the cabinet, where they had a minority voice. The group, which has organized huge rallies in the past, has also threatened street protests to press demands for a new government in which Hezbollah and its political allies would have effective veto power.

The political wrangling complicates one of Washington's principal foreign-policy goals in the region: the establishment of an international tribunal to judge Syrian officials implicated in the murder in February last year of Rafik Hariri, former prime

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minister of Lebanon. The Lebanese cabinet was supposed to meet today to discuss tribunal proposals endorsed last week by the United Nations Security Council.

Though small, with less than four million people, Lebanon has outsize significance as a proxy for the geopolitical ambitions of more powerful nations. Hezbollah is the focus of these rivalries. The group is denounced by Israel and the U.S. as a terrorist organization.

Meanwhile, the group is hailed by Iran, Syria and many ordinary Muslims around the world as a legitimate resistance movement.

"Whether they like it or not, there is a new Middle East in the making, but it is the antithesis of what America wanted," said Amal Saad-Ghorayeb, a Beirut-based scholar who has written a sympathetic book about Hezbollah.

Hezbollah suffered heavy losses during its summer war with Israel but nonetheless escaped obliteration by the region's most powerful military. Hassan Nasrallah, the militant group's leader, declared this a "victory from God" -- a play on his own surname, which means the same thing in Arabic.

Since then, he has been pushing for a bigger role in the generally pro-American cabinet of Fuad Siniora, a former banker. Hezbollah also seems to have been emboldened by the Republican Party's rout in U.S. midterm elections last week.

"America has failed in Iraq and Bush has now failed in America," Sheik Naim Qassem, Hezbollah's deputy leader, said in a speech Saturday. In an apparent reference to Prime Minister Siniora and other pro-American forces in Lebanon, he said: "It is important for those who follow Bush to reassess their stand."

Mr. Qassem drew titters from his audience by mocking Donald Rumsfeld, who resigned last week as U.S. defense secretary.

Wary of Hezbollah's growing clout, the Bush administration has ramped up its rhetoric. Hezbollah and Iran, said White House spokesman Tony Snow on Saturday, "remain a dangerous, global nexus of terrorism." Mr. Snow earlier accused Hezbollah, along with Iran and Syria, of "preparing plans to topple Lebanon's democratically elected government."

Lebanon's cabinet, though now shorn of Shiite ministers, can in theory still endorse the establishment of a tribunal to pursue the Hariri murder case. But the norms of Lebanon's delicate sectarian politics generally require that all groups take part in major decisions. Lebanon's pro-Syrian president, Emile Lahoud, yesterday sent a letter to Prime Minister Siniora, who is backed by the U.S. and its allies in Lebanon, warning that the departure of Shiite ministers had rendered the cabinet unconstitutional.

Parliamentary speaker Nabih Berri, who heads a Shiite group allied with Hezbollah, expressed modest hope that a compromise might still be found. Speaking in Iran, where he is attending a conference, Mr. Berri said Lebanon's rival groups were near divorce but "had not yet hit a brick wall."

Hezbollah, meanwhile, has suggested it will wait before calling its supporters into the streets.

The U.S., seeking to buttress Lebanon's fragile government, last week agreed to provide American military equipment valued at $10.5 million, the latest installment of $230 million pledged by Washington after the war this summer. American aid, however, has had far less impact on public opinion, particularly among Lebanon's Shiite population, than bundles of cash handed out by Hezbollah to help people whose homes were destroyed by Israeli bombs. Most of this cash, say U.S. officials, came from Iran. "The other side is doing an excellent job," conceded an American official.

China Sub Secretly Stalked U.S. Fleet (WT)

By Bill Gertz

The Washington Times, November 13, 2006

A Chinese submarine stalked a U.S. aircraft carrier battle group in the Pacific last month and surfaced within firing range of its torpedoes and missiles before being detected, The Washington Times has learned.

The surprise encounter highlights China's continuing efforts to prepare for a future conflict with the U.S., despite Pentagon efforts to try to boost relations with Beijing's communist-ruled military.

The submarine encounter with the USS Kitty Hawk and its accompanying warships also is an embarrassment to the commander of U.S. forces in the Pacific, Adm. William J. Fallon, who is engaged in an ambitious military exchange program with China aimed at improving relations between the two nations' militaries.

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Disclosure of the incident comes as Adm. Gary Roughead, commander of the U.S. Navy's Pacific Fleet, is making his first visit to China. The four-star admiral was scheduled to meet senior Chinese military leaders during the weeklong visit, which began over the weekend.

According to the defense officials, the Chinese Song-class diesel-powered attack submarine shadowed the Kitty Hawk undetected and surfaced within five miles of the carrier Oct. 26.

The surfaced submarine was spotted by a routine surveillance flight by one of the carrier group's planes. The Kitty Hawk battle group includes an attack submarine and anti-submarine helicopters that are charged with protecting the warships from submarine attack.

According to the officials, the submarine is equipped with Russian-made wake-homing torpedoes and anti-ship cruise missiles.

The Kitty Hawk and several other warships were deployed in ocean waters near Okinawa at the time, as part of a routine fall deployment program. The officials said Chinese submarines rarely have operated in deep water far from Chinese shores or shadowed U.S. vessels.

A Pacific Command spokesman declined to comment on the incident, saying details were classified.

Pentagon spokesmen also declined to comment.

The incident is a setback for the aggressive U.S.-China military exchange program being promoted by Adm. Fallon, who has made several visits to China in recent months in an attempt to develop closer ties.

However, critics of the program in the Pentagon say China has not reciprocated and continues to deny U.S. military visitors access to key facilities, including a Beijing command center. In contrast, Chinese military visitors have been invited to military exercises and sensitive U.S. facilities.

Additionally, military intelligence officials said Adm. Fallon has restricted U.S. intelligence-gathering activities against China, fearing that disclosure of the activities would upset relations with Beijing.

The restrictions are hindering efforts to know more about China's military buildup, the officials said.

"This is a harbinger of a stronger Chinese reaction to America's military presence in East Asia," said Richard Fisher, a Chinese military specialist with the International Assessment and Strategy Center, who called the submarine incident alarming.

"Given the long range of new Chinese sub-launched anti-ship missiles and those purchased from Russia, this incident is very serious," he said. "It will likely happen again, only because Chinese submarine captains of 40 to 50 new modern submarines entering their navy will want to test their mettle against the 7th Fleet."

Pentagon intelligence officials say China's military buildup in recent years has produced large numbers of submarines and surface ships, seeking to control larger portions of international waters in Asia, a move U.S. officials fear could restrict the flow of oil from the Middle East to Asia in the future.

Between 2002 and last year, China built 14 new submarines, including new Song-class vessels and several other types, both diesel- and nuclear-powered.

Since 1996, when the United States dispatched two aircraft carrier battle groups to waters near Taiwan in a show of force, Beijing also has bought and built weapons designed specifically to attack U.S. aircraft carriers and other warships.

"The Chinese have made it clear that they understand the importance of the submarine in any kind of offensive or defensive strategy to deal with a military conflict," an intelligence official said recently.

In late 2004, China dispatched a Han-class submarine to waters near Guam, Taiwan and Japan. Japan's military went on emergency alert after the submarine surfaced in Japanese waters. Beijing apologized for the incursion.

The Pentagon's latest annual report on Chinese military power stated that China is investing heavily in weapons designed "to interdict, at long ranges, aircraft carrier and expeditionary strike groups that might deploy to the western Pacific."

It could not be learned whether the U.S. government lodged a protest with China's government over the incident or otherwise raised the matter in official channels.

U.S.: Castro's Health Is Deteriorating (AP)

By Katherine Shrader

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AP, November 13, 2006

The government believes Fidel Castro's health is deteriorating and that the Cuban dictator is unlikely to live through 2007.

That dire view was reinforced last week when Cuba's foreign minister backed away from his prediction the ailing Castro would return to power by early December. "It's a subject on which I don't want to speculate," Felipe Perez Roque told The Associated Press in Havana.

U.S. government officials say there is still some mystery about Castro's diagnosis, his treatment and how he is responding. But these officials believe the 80-year-old leader has cancer of the stomach, colon or pancreas.

He was seen weakened and thinner in official state photos released late last month, and it is considered unlikely that he will return to power or survive through the end of next year, said the U.S. government and defense officials. They spoke on condition of anonymity because they were not authorized to speak publicly about the politically sensitive topic.

With chemotherapy, Castro may live up to 18 months, said the defense official. Without it, expected survival would drop to three months to eight months.

American officials will not talk publicly about how they glean clues to Castro's health. But U.S. spy agencies include physicians who study pictures, video, public statements and other information coming out of Cuba.

A planned celebration of Castro's 80th birthday next month is expected to draw international attention. The Cuban leader had planned to attend the public event, which already had been postponed once from his Aug. 13 birthday.

U.N. Envoy Meets With Ugandan Rebel (NYT)

By Jeffrey Gettleman

The New York Times, November 13, 2006

NAIROBI, Kenya, Nov. 12 — Joseph Kony is one of the most vilified rebel leaders on the planet.

He stands accused of brainwashing countless children across northern Uganda, turning the girls into sex slaves and the boys into prepubescent killers. His so-called Christian movement, the Lord's Resistance Army, has terrorized this corner of Africa for nearly 20 years, killing tens of thousands of people, burning down huts and hacking off lips. The fact that Mr. Kony, whose followers believe he is a prophet, rarely appears in public has only added to his brutal mystique.

But on Sunday, he came out of the bush. At a camp deep in the forest on the Congo-Sudan border, Mr. Kony materialized to meet Jan Egeland, the United Nations under secretary general for humanitarian affairs and emergency relief.

"He looked a lot younger than I expected," Mr. Egeland said by telephone from Juba, in southern Sudan. Mr. Kony is thought to be around 44 years old.

"And I was surprised how soft-spoken he was," Mr. Egeland added.

For weeks now, Mr. Egeland had been trying to arrange a tête-à-tête with the elusive Mr. Kony, who is wanted by the International Criminal Court to face charges of crimes against humanity.

Once he got the word that the meeting was set for Sunday afternoon, Mr. Egeland flew by helicopter from Juba to a little-known Sudanese Army outpost near the border of Congo, where he took a truck even deeper into the jungle.

"You can't believe how remote this was," he said. "And those roads. They were the worst possible roads you can imagine."

Mr. Kony was several hours late. With the sun dropping fast and the helicopter pilots eager to get back, Mr. Egeland said he thought the meeting was going to be a bust.

But then, he said, Mr. Kony arrived, on foot, with a small entourage of soldiers carrying machine guns and wearing thick rubber boots. He and Mr. Egeland ducked into a tent and spent a half an hour talking about a host of issues related to the fragile peace treaty that was signed in August between Mr. Kony's army and the government of Uganda.

They began with child soldiers, and Mr. Egeland said he pressed Mr. Kony to release them. For the past several years, according to the Ugandan military, Mr. Kony has been living in a remote corner of Congo, near the borders of Sudan and Uganda, surrounded by a harem of child brides and protected by a battalion of child soldiers.

"I listed all of our humanitarian concerns and urged him to free women, children, the sick and the wounded," Mr. Egeland said. "But Kony insisted he didn't have anyone who fit that description."

The two also talked about the government of Uganda and ways to keep the peace efforts moving.

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"But Kony still has a lot of mistrust," Mr. Egeland said.

The stickiest issue, Mr. Egeland said, was the arrest warrants issued by the International Criminal Court against Mr. Kony and four of his commanders. Mr. Kony has said he will never surrender as long as he faces the risk of being arrested. The Ugandan government has said that it will support dropping the charges, but that Mr. Kony must surrender first.

The impasse frustrates many Ugandans, who are sick of war and say they would rather the charges go away than the war grind on. Tens of thousands of people have been killed and nearly two million displaced since the rebellion started in the mid-1980s. It began as a war between the Acholi people, a long dispossessed ethnic group in northern Uganda, and the central government. Even though the bloodshed has diminished from its apex in the mid-1990s, human rights groups continue to document abductions and killings.

Mr. Egeland said he told Mr. Kony that he did not wield any influence with the International Criminal Court, which is based in The Hague and is independent of the United Nations.

"But I did tell him that it would benefit his cause if he made some humanitarian gestures, like releasing the women and children," Mr. Egeland said.

He said that although no great results were achieved on Sunday, he was glad he went.

"We can now talk," Mr. Egeland said.

As for the actual talking, Mr. Kony spoke in Acholi, his native language, during the meeting (though several interpreters were present). He was dressed in green army fatigues and accompanied by a handful of top commanders.

Mr. Egeland said Mr. Kony seemed very guarded at first, even a little paranoid. But eventually he offered to shake hands and even smiled.

Mr. Egeland's response: "I shook his hand but I didn't smile," he said. "I know what Joseph Kony is responsible for."

Ugandan Rebel Emerges To Talk With U.N. Official (WP/AP)

By Katy Pownall

The Washington Post, November 13, 2006

RI-KWANGBA, Sudan, Nov. 12 -- The top U.N. humanitarian official met Sunday with a Ugandan rebel leader accused of war crimes, but he failed to secure the immediate release of women and children held captive by the insurgent group.

The United Nations' Jan Egeland waited for two hours at a clearing in southern Sudan before Joseph Kony, the messianic leader of the Lord's Resistance Army, emerged from the bush with 30 bodyguards, bayonets fixed to their assault rifles.

Kony and Egeland shook hands before speaking for 10 minutes in a green tent erected by the United Nations. Egeland was seeking the release of women and children enslaved by the group during its 20-year conflict with the Ugandan government.

But Kony denied that his forces were holding prisoners.

"We don't have any children," he said in a brief news conference in the clearing just across Sudan's border with Congo. "We only have combatants."

Egeland is the first high-ranking U.N. official to meet Kony, who has declared himself a Christian prophet fighting to rule Uganda and its 26 million people by the Ten Commandments.

Kony has appeared in public only a handful of times, fearing arrest and extradition to The Hague to answer war crimes charges from the International Criminal Court, which has also issued arrest warrants for his top deputies. The rebels have been accused of murder, mutilations and kidnapping children for use as soldiers and sex slaves.

Almost 2 million people have been displaced by the conflict, aid organizations say.

After the talks, Egeland described the meeting as a success, saying the rebels had agreed to give an assessment of how many women and children were in their camps.

Egeland traveled by helicopter to Ri-Kwangba, a neutral zone just north of the Congolese border where the rebels are to gather under the terms of a peace deal with the Ugandan government. About 100 Lord's Resistance Army fighters loitered on the outer edge of the clearing.

"I am a humanitarian worker; I help people by relating to people who can unlock situations," Egeland said late Saturday.

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Egeland said he was unwilling to discuss the arrest warrants, which the rebels say threaten the fragile peace deal signed with the government in southern Sudan's regional capital, Juba.

The rebels want the warrants dropped before they sign a comprehensive peace deal; the Ugandan government says it will ask for them to be lifted only after a full agreement is reached.

Uganda's government welcomed Egeland's meeting with Kony.

"If he can secure the release of women and children through his meeting, then that would be a very positive boost for the Juba talks," said Ruhakana Rugunda, head of the government negotiating team and Uganda's minister of internal affairs.

The Lord's Resistance Army is made up of the remnants of a rebellion that began after Ugandan President Yoweri Museveni took power in 1986. It has set up rear bases in Sudan and Congo and has been accused of attacking civilians and threatening stability in those countries.

A New Al Jazeera With A Global Focus (NYT)

By Hassan M. Fattah

The New York Times, November 13, 2006

DUBAI, United Arab Emirates, Nov. 12 — Al Jazeera, the Arab news channel that began a decade ago as an upstart, has became a thorn in the side of every dictator in the region as well as of the Bush administration.

Critics call it radical; its admirers lionize it. And the network continues to battle accusations that it is sympathetic to Al Qaeda and other extremists.

Several of its reporters have been jailed — one is in prison in Spain for ties to Al Qaeda — and its offices have been shut in almost every major Arab country at some point, and bombed by American aircraft in two wars.

Now, Al Jazeera's journalists are working to transform the channel into a conglomerate with global reach.

By the end of the year, Al Jazeera will have news channels in Arabic and English, a pan-Arab newspaper, Web sites and blogs, sports and children's outlets, and even a channel modeled after C-Span.

The network (it turned 10 on Nov. 1) is also looking to extend its sphere of influence beyond the Arab world. On Wednesday, it will start the English-language Al Jazeera International, its most ambitious initiative yet, which will go on the air from Asia to the United States.

The channel will broadcast from network hubs in Qatar, London, Washington and Kuala Lumpur, Malaysia, offering news, talk and documentaries that its managing director, Nigel Parsons, said would have a decidedly different tone than on established Western channels.

In effect, Al Jazeera International intends to become for the developing world what Al Jazeera became to the Arab world: a champion of forgotten causes, a news organization willing to take the contrarian view and to risk being controversial.

"We want to be a channel that covers the untold stories," Mr. Parsons said by telephone from Qatar. "We would be anchored in the Middle East, but we intend to cover the developing world fully."

To do that, he said, Al Jazeera will use Asian reporters to cover Asia, and will have Africans talking about Africa, "rather than having instant experts land there and tell us a story."

The channel has signed prominent journalists, including the host and commentator David Frost; the former BBC correspondent Rageh Omar, and a onetime CNN anchor, Riz Khan, as well as numbers of producers and reporters from Western networks and some unknowns with a decidedly international look.

"We will carry on the tradition of showing the ugly side of conflict," Mr. Parsons said. "War has been too sanitized in the media."

Viewers should not expect to see the Al Jazeera that the Arab world watches daily. Mr. Parsons and others stressed that Al Jazeera International was not merely a translation of Al Jazeera from Arabic. It has separate crews and editors working completely independent of the original network.

Insiders note that the cultures of the Arabic- and English- speaking teams have at times clashed, though Mr. Parsons says many of those differences have been ironed out.

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Still, some analysts doubt that Al Jazeera can take significant market share away from networks like CNN and BBC. But its international offshoot is not under pressure to turn a profit anytime soon, in part because of its endowment from the emir of Qatar, Sheik Hamad bin Khalifa al-Thani, who has underscored his long-term commitment to Al Jazeera despite pressure from many governments.

The Arab channel, largely locked out of the advertising market by Saudi businesses, who account for most ads in the region, has yet to turn a profit. Mr. Parsons says Al Jazeera International will broadcast with ads from multinational companies.

Nor is he necessarily focused on reaching American viewers.

The new channel is about the untapped world of English speakers in the East, increasingly frustrated with Western coverage of their world. When it goes live, it is expected to have access to 40 million homes — most of them outside Europe and the United States.

The station has struggled to break into American cable television markets, where most operators have decided against adding it to their offerings. Americans, though, can watch a streamed broadcast over the Internet.

"People are too concerned about how it will do in the United states, but I don't think it matters," said Marc Lynch, a political science professor at Williams College and author of "Voices of the New Arab Public: Iraq, Al Jazeera and Middle East Politics Today."

"Al Jazeera," he said, "has this huge untapped market around the world where people have English as a first or second language."

This is a world increasingly skeptical of American intentions and frustrated with American foreign policy.

"We're very proud of our brand," Mr. Parsons said, "and as a network, everybody is proud of what Al Jazeera has achieved. There is a lot of cynicism about TV journalism today. We intend to continue the tradition of being fearless and not frightened of rattling the cages."

¡Viva El Capitalismo! (NYT)

By Álvaro Vargas Llosa

The New York Times, November 13, 2006

Guatemala City

THE irony could not be more poignant. Twenty years ago today, Ronald Reagan went on national television and admitted his government's involvement in an arms deal with Iran, the proceeds of which, we later found out, were diverted to the contra rebels fighting a Marxist regime in Central America. Now Daniel Ortega, the man those funds were aimed against, has just been elected president of Nicaragua.

And the irony does not stop there. A few days before last week's elections, Oliver North, the face of the Iran-contra scandal, landed in Managua and asked Nicaraguans to vote for the right-wing Liberal Constitutionalist Party, which is made up in part of old contra sympathizers, and to stop Mr. Ortega.

Whatever else he might have been doing all these years, Mr. North has not been following Nicaraguan politics: for the last seven years, the Liberal Constitutionalists have been allied with Mr. Ortega's Sandinistas, and they paved the way for Mr. Ortega's victory by lowering the electoral bar for a first-round victory and by helping split the anti-Sandinista vote. The Gipper must be turning in his grave.

Some will be tempted to conclude that Mr. Ortega's return amounts to a revival of the cold war dynamic in the Western Hemisphere and, in particular, to a retrospective impugning of Reagan's policy in Central America. Some might also be inclined to see the vote as a confirmation that the radical left is sweeping Latin America and that the Venezuelan leader Hugo Chávez, who supported Mr. Ortega and provides municipalities under Sandinista governments with fertilizer and oil, has scored a strategic victory.

That would be giving too much credit to Nicaragua, which is today a political and economic pygmy in the region; to left-wing radicalism, which had little to do with Mr. Ortega's comeback; and to Mr. Chávez, whose favored candidates were recently repudiated in Peru and in Mexico, the two countries where he concentrated most of his efforts.

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Daniel Ortega's comeback is the result of two factors. One is the power-sharing pact that the former President Arnoldo Alemán sealed with the Sandinistas in 1999, with a view to protecting himself and his Liberal Constitutionalist cronies from charges of corruption after leaving office. (It didn't work out well for Mr. Alemán, who in 2003 was given a 20-year sentence.) The deal they came up with gave Mr. Ortega, who was politically moribund at the time, the kiss of life and gave the Sandinistas seats on the Supreme Court and control of some key institutions, including the election authority.

The other factor was Mr. Ortega's betrayal of his own creed. The Sandinista leader shed his Marxist rhetoric and, conscious of the need to seduce a profoundly Catholic nation, mended fences with the Roman Catholic Church he had once persecuted. His old nemesis, Cardinal Miguel Obando, presided over the religious (should I say bourgeois?) ceremony in which Mr. Ortega married his longtime partner last year.

The man responsible for the infamous "piñata" — a series of laws put in place just before he lost power in 1990 that allowed the Sandinista leaders to take for themselves confiscated property worth hundreds of millions of dollars — is now talking about his respect for private property and foreign investment.

He has tossed the olive green fatigues and the red and black flag; his campaign colors were pink and turquoise, and his theme song a Spanish version of John Lennon's "Give Peace a Chance." He apologized for the massacre of the indigenous Miskito people that took place in the north of the country during his first regime and, finally, he instructed his legislators to vote for a bill banning abortion even in cases of a threat to the woman's life.

What this farcical saga tells us is that Daniel Ortega was much more interested in being president than in being principled and, more important, that anyone who wants to lead today's Nicaragua needs to persuade voters that he will respect the rule of law and private property, will try to lure investment and will be sensitive to the nation's religious heritage. The fact that Mr. Ortega's past conduct casts a shadow over the proclamation that he is a reformed character does not detract from the fact that Nicaragua has not voted for radical leftist policies.

What about the broader claims — that Mr. Ortega's victory is a confirmation that radical left-wing politics are back in Latin America? True, in addition to Mr. Chávez, leftists have taken power in Brazil, Chile, Panama, and Uruguay. (Mr. Chávez's efforts have apparently led the Bush administration to quietly lift a ban on the training of military personnel from 11 Latin American countries in the United States.) But these other Latin American socialists belong to the "vegetarian left" rather than the "carnivorous left." Other than the occasional Castro-like rhetorical flourish, the new leaders are avoiding the mistakes of the old left, including confrontation with the United States and Europe, fiscal profligacy and nationalization of industry.

Hugo Chávez has been unable to reproduce his regime in any other country except in Bolivia, where President Evo Morales is now increasingly unpopular and has been forced to backtrack on some of his revolutionary announcements. Mr. Morales, for example, campaigned on a promise to force the nationalization of Bolivia's natural gas fields, but last month came to a deal in which two major Brazilian companies agreed to share revenues and operate as service providers to the state energy company. He even sent his vice president to Washington in July to appeal to the White House for renewed trade preferences.

And in the week since his victory, Mr. Ortega has been sending the signal that he thinks joining the "vegetarians" will bring him more credit than being a clone of Hugo Chávez without the oil. "No one is going to allow the seizure of property big or small," he told a group of Nicaraguan businessmen after his victory. "We need to eradicate poverty, but you don't do that by getting rid of investment and those who have resources."

Now, whether the moderate left will continue to enjoy the support of the masses is an entirely different question. Since many of these new leaders are not engaging in systematic reform, it is likely that voters will hold them to account should their economies — now buoyed by the forces of globalization, through rising exports and foreign investment — start to sag. But for the moment, it's their show, and the carnivores are outside looking in.

In a sense, these moderate left-wing leaders, perhaps now including Mr. Ortega, are a lot more in sync with what Ronald Reagan and his men were aiming for in Central America in the 1980s than Oliver North would care to admit. As they fall over themselves pandering to the church, the business community and conservative voters, there's little time left over for creating a New Man.

Ortega's Encore (TIME)

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By Tim Padgett

Time, November 13, 2006

Jaime Morales was a wealthy Nicaraguan bankerÂ in the 1980s when Daniel Ortega stole his six-bedroom house. Ortega, who was then Nicaragua's President, called it a justified "confiscation" on behalf of the Marxist revolution that he and his Sandinista Front were leading. Morales became a leader of the U.S.-backed contra army that waged a civil war with the Sandinistas. That conflict killed 30,000 people and led to Ortega's ouster in a 1990 election--after which he paid Morales for the house.

It's a sign of either Ortega's maturation or his opportunism--or both--that when he recaptured Nicaragua's presidency in the Nov. 5 election, his running mate was none other than Morales. Ortega still wears that drowsy look of arrogant defiance, speaks in the same mumbling cadence and insists on driving his SUV himself to cultivate a populist image. But with Morales beside him in a Managua hotel ballroom, schmoozing local and foreign investors, Ortega sounds like a changed man. "We won't eradicate poverty by eradicating capital or alienating investors but by joining forces with them," he says. Ortega is playing to the audience, but even former rivals believe that his evolution from communist strongman to nascent capitalist may be genuine. Says Morales: "Daniel Ortega deserves a chance to vindicate himself."

That, of course, is exactly what some in Washington are afraid of. Ortega's turn-back-the-clock triumph has rekindled memories of Washington's cold war obsession with Nicaragua, which embroiled the U.S. in a bloody guerrilla campaign and nearly doomed the Reagan presidency. Although Nicaragua, a nation of 5.5 million, is one of the poorest countries in the western hemisphere, the prospect of an Ortega restoration prompted the Bush Administration to threaten to cut off more than $200 million in total aid to the country and moved cold warriors like former U.S. Marine Lieut. Colonel Oliver North to fly to Managua to campaign against him. The U.S. is concerned that Ortega will become another boisterously anti-American voice of Latin America's new left, which is led by Venezuelan President Hugo ChÃ¡vez. When Secretary of State Condoleezza Rice met with her advisory committee on democracy promotion last week, Richard Soudriette, president of the Washington-based International Foundation for Election Systems, volunteered that he had just returned from Nicaragua. "Coming from Oklahoma," he told her, "where we're familiar with people who are born again, it appears that the future President, Daniel Ortega, is at least claiming that he has had a change of heart." Rice answered tersely, "We'll see."

Ortega still likes to take shots at Washington--in one of his victory speeches, he said Bush "is seeking to start wars with the whole world"--but he has strived to adopt a more moderate look. His campaign anthem this year was sung to the tune of John Lennon's Give Peace a Chance. To underscore his warmer, fuzzier incarnation, supporters often wore pink to rallies instead of the party's more militant red and black. But whether Ortega has shed his penchant for cynicism is another question. He and his Sandinista comrades were global guerrilla heroes when they overthrew the brutal dictator Anastasio Somoza in 1979. As Nicaragua's Marxist comandante, Ortega was widely criticized for being as incompetent and corrupt as he was authoritarian. Those who know him say his quest to regain the presidency--he lost elections in 1996 and 2001--stemmed less from leftist ideals than from a raw need to accumulate power and avenge his 1990 humiliation. In 2000 he formed an alliance with President Arnoldo AlemÃ¡n--a right-wing Somoza acolyte who was later jailed for embezzlement--that helped the Sandinistas dominate Congress and the courts. In 2001 a Sandinista judge who had been a high-ranking official in Ortega's first government dismissed charges by Ortega's stepdaughter ZoilamÃ©rica NarvÃ¡ez that Ortega had sexually abused her when she was a girl in the 1980s. Ortega denied the charges, but the Inter-American Commission on Human Rights said the case had merit. (Ortega's wife and NarvÃ¡ez's mother, poet Rosario Murillo, stands by Ortega.)

Ortega may have trouble solidifying his hold on power, as he won with only 38% of the vote. That was still 9 percentage points ahead of his nearest rival, U.S.-backed banker Eduardo Montealegre, leading some to conclude that Ortega profited from voter backlash against perceived U.S. meddling in the election. However, a bigger problem than Yanqui interference may have been Yanqui neglect. After Ortega was ousted from power in 1990, the U.S. did little to help war-ravaged Nicaragua get back on its feet. "We got rid of the Sandinistas and said everything else would take care of itself," says Michael Shifter, vice president for policy at the Washington-based think tank Inter-American Dialogue. "That created a lot of discontent" that aided Ortega's eventual comeback. The new Ortega may still prove to be the old caudillo, but his victory is a reminder of the price the U.S. so

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often pays for prematurely declaring its missions accomplished. With reporting by Tim Rogers/Managua, Elaine Shannon/ Washington

Felipe Calderón (TIME)

Time, November 13, 2006

What sort of initiatives do you plan to pursue in your first 100 days in office?

I have clearly established three priorities: combatting poverty, creating jobs--which was the principal platform of my campaign--and improving public security. Regarding poverty, I want to create a public-policy consensus, above all in education and health, that will let me move ahead quickly, and I'll need support from the Congress for these budget priorities. As for employment, I insisted during my campaign--and I still insist--that we need a competitive, job-creating economy. But in order to have that, you have to make market conditions more competitive, and that means reducing the monopoly power of some public and private companies. Third, public safety is the most difficult challenge we face. I hope to push through reforms that will address judicial and law-enforcement problems.

In the U.S., people say that Mexico is just next door, but it seems to be thousands of miles away economically, while China is thousands of miles away, but it seems to be just next door economically. Why is the Mexican economy so far behind?

There are several elements we need to reform in order to become more competitive. One is a system based on the rule of law. According to one study, the difference between developing economies that observe the rule of law and economies that don't is a more-than-3% growth in GDP. There is a lot of room for improvement in Mexico's government and judicial practices. Second, I am considering reducing the tax rate in order to promote a tax system that is competitive with other developing countries, such as China. Third, we need to create more jobs to take advantage of the growing number of young people entering the workforce each year.

Immigration has become one of the hottest topics in U.S. politics. Could you give me your view on this divisive issue from your side of the border?

I cannot imagine the future of North America--Canada, the U.S., Mexico--without a free market. Free in all senses of the word, in terms of goods and services and in terms of labor too. You cannot have an efficient and prosperous economy, even in the U.S., without developing a single, free market. On the other hand, I realize how important the immigration problem is for Americans. It is the same for Mexico. Every year we lose the best of our people: young, responsible, hardworking people. In Mexico you see a lot of towns made up of only women and the elderly. That is not exactly the country we want to have. I believe that migration is a bilateral problem, and it needs to be solved by creating jobs in Mexico. First we need to create a framework in order to promote investment in Mexico. Then we need to come up with government-sponsored works projects to create new jobs. My philosophy is that to stop migration, it is better to build a road in MichoacÃ¡n than a wall in Texas.

Our 'Africa' Lenses (WP)

By Chimamanda Ngozi Adichie

The Washington Post, November 13, 2006

Growing up in Nsukka, a small university town in eastern Nigeria, I often had malaria. It was so commonplace that when you went to the medical center, a nurse would say, "Malaria has come again, hasn't it?" Because I know how easily treatable malaria is, I was surprised to learn that thousands of people die from it each year. People like the relatives of David Banda, Madonna's adopted son from Malawi.

But of course most American media do not say "Malawi"; they just say "Africa." I realized that I was African when I came to the United States. Whenever Africa came up in my college classes, everyone turned to me. It didn't matter whether the subject was Namibia or Egypt; I was expected to know, to explain.

I reject this facile compression of a varied continent into a monolithic country, but I have also come to accept that African nations do have much in common with one another. Most have a history of European colonization. Most also have a failure of leadership, a long line of presidents and prime ministers and heads of state all intent on the plunder of the state.

And so I was wearing my "African" lenses as I watched Madonna on television, cautiously, earnestly explaining the media circus around her adoption. I did not think it my place to wonder what her motivation for adoption was. I did cringe, however,

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when she said that her greatest disappointment was that the media frenzy would discourage people who wanted to do the same thing that she had done: adopt an African child. She wanted people to go to Africa and see what she had seen; she wanted them, too, to adopt.

Later, watching David Banda's biological father speak about being grateful that she would give David a "better life," I could not help but look away. The power differential was so stark, so heartbreakingly sad; there was something about it that made Africa seem terribly dispensable.

Madonna will give David a better life, at least a materially better life: better food, housing, books. Whether this will make him a happier and normatively better human being is open to debate. What really matters is not Madonna's motivation or her supposed flouting of Malawian adoption laws (as though non-celebrities would not also hasten adoption processes if they could). Rather, it is the underlying notion that she has helped Africa by adopting David Banda, that one helps Africa by adopting Africa's children.

It is easy to romanticize poverty, to see poor people as inherently lacking agency and will. It is easy to strip them of human dignity, to reduce them to objects of pity. This has never been clearer than in the view of Africa from the American media, in which we are shown poverty and conflicts without any context.

If I were not African, I would, after watching the coverage, think of Africa as a place of magnificent wild animals in which black Africans exist as tour guides, or as a place of desperately poor people who kill or are killed by one another for little or no reason.

I once watched CNN's Anderson Cooper, who is undoubtedly well-meaning, interview a Belgian (who, we were told, was a "Congo expert") about the conflict in that country, while Congolese people stood in the background and watched. Surely there was a Congolese who was qualified to speak about Congo. Surely there are Congolese who are working just as hard as the foreigners and who don't fit into the category of either killer or killed. Surely the future for Africa should be one in which Africans are in a position to raise their own children.

Which brings me back to Madonna. I applauded her funding of orphanages in Malawi. I wish, however, that instead of asking television viewers to go to Africa and adopt, she had asked them to send a check to malaria-eradication organizations. I wish she had added, after one of those thoughtfully dramatic pauses, that Africa cannot depend on aid alone, that aid is like salted peanuts: The more failed leaders got, the more they wanted. I wish she had said that she was setting up an organization to use donations as micro-credit and that this organization, by the way, would be run by locals rather than expatriate staff members who would raise rents out of the reach of the people they were supposed to be helping.

I wish she had pointed out, with suitable celebrity-style rage, that Western countries need to stop appeasing and propping up hopeless African leaders, that Western banks must stop enabling and accepting stolen money from these leaders, that Western donors who insist on the free movement of capital across borders must also insist on the free movement of labor. I wish she had then shown, with graphs on the screen, how these things affect the father and relatives of David Banda.

Of course this isn't really about Madonna. It is about a formula that well-meaning people have adopted in looking at Africa, a surface-only, let's-ignore-the-real-reasons template that African experiences have all been forced to fit in order to be authentically "African." If I were not African, I wonder whether it would be clear to me that Africa is a place where the people do not need limp gifts of fish but sturdy fishing rods and fair access to the pond. I wonder whether I would realize that while African nations have a failure of leadership, they also have dynamic people with agency and voices. I wonder whether I would know that Africa has class divisions, that wealthy Africans who have not stolen from their countries actually exist. I wonder whether I would know that corrupt African countries are also full of fiercely honest people and that violent conflicts are about resource control in an environment of (sometimes artificial) scarcity.

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TERRORISM NEWS:

Lawyers To Argue Ressam Sentence Before Appeals Court (AP)

By Gene Johnson, AP Legal Affairs Writer

AP, November 13, 2006

SEATTLE (AP) -- The Justice Department says there is "precious little" to explain why Ahmed Ressam received a sentence of only 22 years for plotting to bomb Los Angeles International Airport on the eve of the millennium. Ressam's lawyers say the sentence was a decade too long.

A three-judge panel of the 9th U.S. Circuit Court of Appeals will hear their arguments Monday.

Both sides are challenging aspects of the punishment U.S. District Judge John C. Coughenour imposed last year. Ressam's lawyers, Thomas Hillier and Michael Filipovic, believe that one of the nine counts he was convicted of should be thrown out, which would reduce the sentence by 10 years.

The U.S. Attorney's Office has suggested that Coughenour's decision to sentence Ressam to less than the 35 years it requested may have been colored by a distaste for the Bush administration's treatment of "enemy combatants." In their appeal, prosecutors repeatedly cited Coughenour's comments at sentencing, when he said Ressam's case illustrated that U.S. courts are plenty capable of handling terrorism cases.

"We did not need to use a secret military tribunal," the judge said at the time, "or detain the defendant indefinitely as an enemy combatant, or deny him the right to counsel, or invoke any proceedings beyond those guaranteed by or contrary to the United States Constitution."

Customs agents in Port Angeles, across the Strait of Juan de Fuca from Canada, caught Ressam with explosives in the trunk of his rental car when he arrived by ferry in December 1999. The arrest prompted the cancellation of millennium celebrations at Seattle's Space Needle. He was convicted of terrorism and explosives charges at trial in 2001, then decided to tell investigators what he knew about al-Qaida in an effort to win a shorter sentence.

"We believe the district court seriously erred in straying so far from what would have been the advisory guideline sentence, which was 65 years to life," U.S. Attorney John McKay said. "Even taking into account his cooperation, the sentence was far too short. Ressam has told us he intended to kill as many people as he could at the Los Angeles Airport. That's what he should be sentenced for."

Coughenour noted that before the trial, the government offered Ressam the chance to plead guilty in exchange for a sentence of 25 years, with no cooperation required; the judge reasoned that 25 years represented the government's assessment of Ressam's crime, and any cooperation he later provided should be discounted from that. The government disagreed, saying that since Ressam didn't accept the 25-year offer, it shouldn't factor into the court's decision.

Ressam's testimony helped convict one of his co-conspirators, but his cooperation came to a halt by early 2003. Years of solitary confinement, broken by periods of intense interrogation, had taken their toll on his mental health and corrupted his memory, his lawyers insisted.

The government didn't buy it and was furious that without further help, it had to dismiss cases against two of Ressam's alleged co-conspirators, Samir Ait Mohamed and Abu Doha.

On appeal, Ressam's lawyers are arguing against his conviction on one count of carrying explosives during a felony. The felony was providing a false name and other information to customs agents.

Hillier says that during trial, jurors were not asked to find that Ressam carried the explosives "in furtherance of" providing the false information, as he says the law requires. The crime carries a mandatory minimum of 10 years in prison.

Gene Johnson has been covering courts and legal affairs for the AP since 2000.

WAR NEWS:

Democrats To Press For Phased Withdrawal From Iraq (LAT)

DOJ_NMG_0092672

By Greg Miller

The Los Angeles Times, November 13, 2006

WASHINGTON — Democrats poised to take control of Congress said Sunday that they would press to begin a phased U.S. military withdrawal from Iraq within four to six months, part of an agenda aimed at overhauling key aspects of U.S. policy in the Middle East.

"First order of business is to change the direction of Iraq policy," said Sen. Carl Levin (D-Mich.), who is in line to become chairman of the Senate Armed Services Committee next year when Democrats become the majority party in both chambers of Congress.

Senior White House officials countered that setting timetables for U.S. troop withdrawals would weaken the Iraq government and embolden insurgents, but they acknowledged a need for fresh ideas on Iraq and expressed a new willingness to negotiate with Democrats on an array of foreign policy issues.

White House Chief of Staff Josh Bolten indicated that the president would block legislation calling for a scheduled withdrawal.

"I don't think we're going to be receptive to the notion there's a fixed timetable at which we automatically pull out, because that could be a true disaster for the Iraqi people," Bolten said on ABC's "This Week," one of two Sunday talk shows on which he appeared.

Even so, he added, the White House is "willing to talk about anything" and is prepared to adjust tactics.

The developments came as President Bush and members of his national security team prepared to meet today with a panel of foreign policy experts who have been charged with developing proposals for how to proceed in Iraq. The panel is headed by James A. Baker III, who served as secretary of State when Bush's father was president, and Lee H. Hamilton, a former Democratic congressman who chaired the House Foreign Affairs Committee.

The urgency of the work of that commission was underscored Sunday by the continuing violence in Iraq, where nearly 100 people were killed in a 24-hour period, including 38 in twin suicide bombings at a police recruiting center, the deadliest strike on a police facility in months. In addition, Iraqi Prime Minister Nouri Maliki harshly criticized fellow lawmakers for placing partisan concerns above the national interest, and he promised major changes in his Cabinet.

The comments by Levin and others offered a glimpse of how the Democrats' control of Congress might alter foreign policy, which has been dominated by Republicans and the Bush administration since the Sept. 11 attacks more than five years ago.

Senior military officials have recently voiced increasing concern that the security benefits of keeping large numbers of troops in Iraq are outweighed by significant downsides to the heavy U.S. presence. Among them are a perceived reluctance by Iraqis to take the lead in stemming the violence as long as U.S. forces are there.

"We have to tell the Iraqis that the open-ended commitment is over and that we're going to begin to have a phased withdrawal in four to six months," said Levin, who also appeared on "This Week."

Levin was joined in his call for a phased pullout by Sen. Joseph R. Biden Jr. (D-Del.), who is in line to become chairman of the Senate Foreign Relations Committee.

Sen. Harry Reid of Nevada, the Democratic leader in the Senate, told NBC's "Meet the Press" that decisions on drawdowns should rest with U.S. military officers in Iraq. Still, Reid said that "we need to redeploy" and that a withdrawal should start within several months.

Given the results of last week's elections, the Baker-Hamilton panel, formally known as the Iraq Study Group, has become a focal point for members of both parties as they seek an upper hand in setting the Iraq agenda. The panel is expected to deliver its findings by the end of the year.

Levin said he hoped the commission would endorse calls for a phased pullout. But Bush is likely to use his meeting with the panel today to make the case for elements of the administration's approach.

Iraq was a key factor in Republican losses in last week's election, with nearly six in 10 voters participating in exit polls saying they disapproved of the war and a majority calling for a withdrawal of some or all U.S. troops.

Even so, it's unclear how far GOP lawmakers will be willing to go to challenge the White House and back calls for a drawdown. Sen. John McCain (R-Ariz.) said Sunday that he still believed the United States needed to send more troops to Iraq to curb sectarian violence and reduce the influence of heavily armed Shiite militias.

"I believe that there are a lot of things that we can do to salvage this, but they all require the presence of additional troops," he said on "Meet the Press."

"The question, then, before the American people is 'Are we ready to quit?' And I believe the consequences of failure are chaos in the region, which will spread," said McCain, who is widely seen as the front-runner for the 2008 GOP presidential nomination.

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Members of both parties said they expected the Baker-Hamilton commission to recommend that the United States hold a conference with representatives from Iraq's neighbors to seek greater cooperation in pacifying the country and creating a stable government.

Biden told ABC that Iran and Syria should be included in such a conference because of their influence in the region. Baker recently met with an Iranian envoy at the United Nations to discuss the prospects for cooperation.

But a proposal that calls for joint meetings with Syria and Iran would pose thorny diplomatic problems for the administration, which has labeled Iran part of an "axis of evil" and has been reluctant to engage either country.

Bolten stopped short of rejecting such a conference, but made it clear that the White House doesn't believe dialogue with Iran and Syria would improve matters.

"I don't think there's been a communications problem. There's been a cooperation problem," he said. "Iran and Syria have been meddling in Iraq in a very unhelpful way."

Iran has ties to Shiite groups in Iraq, has large numbers of intelligence operatives in the country and has been accused of supplying components for bombs that have been used to strike Iraqi and U.S. troops.

Democrats Push For Troop Cuts Within Months (NYT)

By Sheryl Gay Stolberg, Mark Mazzetti

The New York Times, November 13, 2006

WASHINGTON, Nov. 12 — Democratic leaders in the Senate vowed on Sunday to use their new Congressional majority to press for troop reductions in Iraq within a matter of months, stepping up pressure on the administration just as President Bush is to be interviewed by a bipartisan panel examining future strategy for the war.

The Democrats — the incoming majority leader, Senator Harry Reid of Nevada; the incoming Armed Services Committee chairman, Senator Carl Levin of Michigan; and the incoming Foreign Relations Committee chairman, Senator Joseph R. Biden Jr. of Delaware — said a phased redeployment of troops would be their top priority when the new Congress convenes in January, even before an investigation of the conduct of the war.

“We need to begin a phased redeployment of forces from Iraq in four to six months,” Mr. Levin said in an appearance on the ABC News program “This Week.” In a telephone interview later, Mr. Levin added, “The point of this is to signal to the Iraqis that the open-ended commitment is over and that they are going to have to solve their own problems.”

The White House signaled a willingness to listen to the Democrats’ proposals, with Joshua B. Bolten, the chief of staff, saying in two television appearances that the president was open to “fresh ideas” and a “fresh look.” But Mr. Bolten said he could not envision the White House signing on to a plan setting a timetable for the withdrawal of troops.

“You know, we’re willing to talk about anything,” he said on “This Week.” “I don’t think we’re going to be receptive to the notion there’s a fixed timetable at which we automatically pull out, because that could be a true disaster for the Iraqi people. But what we’ve always been prepared to do, and remain prepared to do, is indeed what Senators Levin and Biden were talking about, is put pressure on the Iraqi government to take over themselves.”

The spirited exchanges on the Sunday morning talk shows — a staple of weekend life for the political elite here, especially on the Sunday after an election that blew through Washington like a tornado — came at a delicate moment for the White House on Iraq. The bipartisan panel on strategy, led by James A. Baker III, the secretary of state under the first President Bush, and Lee Hamilton, a Democratic former congressman, will be at the White House on Monday to begin its final round of interviews.

The panel will meet separately with Mr. Bush and members of his foreign policy team, including the secretaries of state and defense, the director of the Central Intelligence Agency and the director of national intelligence, and will then interview Prime Minister Tony Blair of Britain by videoconference. On Tuesday, the group plans to meet with Democratic foreign policy leaders.

The panel is expected to make its recommendations by the end of the year, and Democrats said they did not intend to push a resolution for troop withdrawal until after the report was issued. But after Tuesday’s election, in which Republicans took what Mr. Bush has called “a thumping,” Democrats used their Sunday appearances to signal that they believed they had a mandate about Iraq and would seize on it.

“The people have spoken in a very, very strong way that they don’t buy the administration policy,” Mr. Levin said on ABC. Mr. Reid, in an appearance on CBS, said troop redeployment “should start within the next few months.”

In June, the Republican-controlled Senate rejected two amendments on troop reductions backed by Democrats. One called for all United States combat troops to be withdrawn within a year. The other, whose sponsors included Mr. Levin, called for troop reductions to start by the end of the year without setting a deadline for complete withdrawal.

In the interview after his television appearance, Mr. Levin said that any resolution about troop reductions in the next session of Congress would not contain detailed benchmarks mandating how many troops should be withdrawn by specific dates.

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As Democrats outlined their proposal to reduce the American presence in Iraq, Senator John McCain, Republican of Arizona and a likely presidential contender for 2008, reiterated his stance that there were not enough American troops there.

Appearing on the NBC program "Meet the Press," Mr. McCain said that "the present situation is unacceptable" but added that any withdrawal from Iraq would create chaos throughout the Middle East.

Mr. McCain, emphasizing the importance of breaking the back of the Mahdi Army, the militia allied with the Shiite cleric Moktada al-Sadr, said that the Iraqi prime minister "has to understand that we need to put down Sadr, and we need to take care of the Mahdi Army, and we need to stop the sectarian violence that is on the increase in a nonacceptable level, and I think that the best way to assure that is for him to know that we will do what's necessary to bolster the — train and equip the Iraqi army, et cetera."

Mr. McCain added, "If we send the signal that we are leaving, of course, he's going to try to make accommodations with others, because he knows what is going to be the inevitable result."

After a week in which both parties used the fallout from Tuesday's midterm elections to promise a new era of bipartisanship, the Sunday television interviews suggested that profound differences remained over Iraq, the issue that proved central in the elections.

But there was one area on which Democrats hinted they might find common ground with the White House: the confirmation of Robert M. Gates, the former C.I.A. director, to replace Defense Secretary Donald H. Rumsfeld, who had become a magnet for criticism about the war and whose departure was announced by Mr. Bush the day after voters handed Democrats majorities in both houses of Congress.

"I'm inclined to vote for him now," said Mr. Biden, who voted against Mr. Gates for the job of C.I.A. chief 15 years ago, adding, "To put it very, very bluntly, as long as he's not there, Rumsfeld is there."

The White House is clearly looking to the Baker-Hamilton group to provide a path toward progress in Iraq. Mr. Baker and Mr. Hamilton have already told committee staff members to begin drafting parts of the report. But other commissioners did not see any of those drafts before the election, two members of the commission said in interviews last week.

"I guess the thinking was that anything that gets circulated before the election would get leaked, and one side or the other might use that for electoral purposes," said one member, who was granted anonymity because the commission is supposed to operate in secrecy.

Other members of the commission speculated that Mr. Baker, in particular, had been waiting to see the outcome of the elections, perhaps calculating that a major victory for the Democrats would put the White House in less of a position to challenge the recommendations.

The commission will meet again the week after Thanksgiving, when many of the most critical debates about options are expected to take place among commission members.

Mr. Baker has already made some of his views known. In television interviews, some timed to promote a book he has just published, he has expressed skepticism that a rapid withdrawal can be accomplished without setting off chaos or civil war, and has been doubtful that partitioning the country will work.

The message from White House officials on Sunday was that the president was indeed open to new ideas on Iraq, as long as they did not involve a plan with a specific date for beginning the drawing down of troops.

Dan Bartlett, counselor to Mr. Bush, said on Fox News that the president had directed the chairman of the joint chiefs of staff, Gen. Peter Pace, to assess strategy in Iraq and would be open to listening to "good suggestions," regardless of where they came from.

But Dana Perino, the deputy White House press secretary, said in an interview that Mr. Bush remained adamant that decisions about how to deploy troops would be made by military commanders in Iraq.

"That didn't change overnight on November 7," Ms. Perino said.

Bush And Democrats Square Up Over Iraq (FT)

By Krishna Guha, Jean Eaglesham

Financial Times, November 13, 2006

The promise of bipartisan co-operation in Washington following the congressional mid-term elections came under immediate strain on Sunday as the White House squared up to the Democrats over the US ambassador to the United Nations and strategy for Iraq.

Josh Bolten, the White House chief of staff, told ABC's This Week that the administration would make a final attempt to have John Bolton, the controversial UN ambassador, confirmed during the lame duck session of the outgoing Republican-dominated Congress, which begins today.

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Meanwhile top Democrats stepped up calls for the US to adopt a timetable for a phased withdrawal from Iraq and backed direct talks with Iran and Syria.

Although courteous in tone, the renewed sparring shows how difficult it will be to sustain the bipartisan approach to government pledged by leaders of both parties following last week's vote, in which the Democrats won control of both houses of Congress for the first time in 12 years.

On Saturday, President George W. Bush told the nation: "We must put these elections behind us and work together on the great issues facing America."

Forging ahead with the confirmation of Mr Bolton, though, will be divisive.

Mr Bolton was given a temporary recess appointment by Mr Bush but needs Senate approval to continue in the job.

Joe Biden, the incoming Democrat chairman of the Senate foreign relations committee, said the confirmation bid would fail. He warned the White House not to try to find a procedural device to bypass the Senate and keep Mr Bolton in his job.

Carl Levin, the incoming Democrat chairman of the Senate armed services committee, told the same programme he would reintroduce his motion calling for a phased withdrawal from Iraq starting in four to six months, and claimed a number of Republicans would now support it.

Harry Reid, the incoming Senate majority leader, later endorsed the call for a redeployment beginning "in the next few months". But he hedged his bets saying he would not insist on a precise date.

For the White House Mr Bolten said: "I don't think we are going to be receptive to the notion that there's a fixed timetable at which we automatically pull out," he said. The US had to give the Iraqi government the support it needed to succeed, he said, warning that the alternative would be "truly disastrous".

Mr Bush on Monday meets James Baker and Lee Hamilton, leaders of the Iraq Study Group charged with finding ways forward in Iraq. Many experts predict the ISG will recommend that the US open direct talks with Iraq's neighbours Iran and Syria.

Mr Biden, the Democrat, said the US should talk to both countries, a position backed yesterday by moderate Republican Senators Arlen Specter and John McCain - who repeated his calls for more US troops to be sent to Iraq.

Mr Bolten continued to resist the idea of talks with Iran and Syria. "I don't think there has been a communication problem. There has been a co-operation problem," he said. "Iran and Syria have been meddling in Iraq in a very unhelpful way."

He reiterated the administration's charge that Iranian weapons are being used to kill US soldiers in Iraq and declared "that needs to stop."

But in a potentially important concession, he told CNN "nothing is off the table."

Tony Blair will seek to use the state of flux in Washington politics to try to persuade the US to include efforts towards a wider peace settlement in the Middle East – in particular Lebanon and Palestine, and including talks with Syria and Iran – as part of a revised Iraq strategy.

In a speech at the Guildhall on Monday, the prime minister will argue that the conflict in Iraq has evolved and the strategy to deal with it must also evolve.

He is expected to reinforce this message when he gives evidence to the ISG panel by video-link on Monday.

The UK's efforts to influence a change in Washington's approach to Iraq come amid continued bloodshed there.

Four British servicemen were killed and another three seriously hurt on Sunday in an attack on a patrol boat in Basra.

In a separate incident, the US military said three American soldiers had been killed in combat while operating in western Al-Anbar province.

Two suicide bombers killed 35 people and wounded 60 at a police commando recruiting centre in western Baghdad, according to reports.

Democrats To Propose Iraq Pullout (WT)

By Eric Pfeiffer

The Washington Times, November 13, 2006

The two top Senate Democrats on foreign policy yesterday said they will introduce a resolution in January calling for troops to start being withdrawn from Iraq by this summer, a move that Sen. John McCain said would put the U.S. in the worst of both worlds.

Sen. Carl Levin, Michigan Democrat in line to lead the Senate Armed Services Committee, said his party's election victory last week vindicates calls for a change of strategy in Iraq and said withdrawals would need to start this year, despite White House opposition to any timetables, a stance it also reiterated on yesterday's political shows.

"The people spoke dramatically, overwhelmingly, resoundingly, to change the course in Iraq," he said during an appearance on ABC's "This Week." The Senate's "first order of business is to change the direction of Iraq policy."

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"We need to begin a phased redeployment of forces from Iraq in four to six months, to begin that redeployment," he said. "We have to tell Iraqis that the open-ended commitment is over."

On the other hand, Mr. McCain said on NBC's "Meet the Press" that the U.S. troop presence in Iraq would need to be increased to achieve victory and said he would favor a total withdrawal if that didn't happen.

"I believe that there are a lot of things that we can do to salvage this, but they all require the presence of additional troops," he said.

Moderator Tim Russert said: "It sounds as if McCain is saying, 'Either send more troops in, secure the country and win, or make the decision and get out.' "

"I think that that's pretty much my position," said the Arizona Republican, who is considering a run for the White House in 2008. "Maybe it's more nuanced than that."

Sen. Joseph R. Biden Jr., who appeared on the same ABC segment as Mr. Levin, said he backed the Michigander's resolution and elaborated on some of its other details.

It also would call for "a political settlement in Iraq, put pressure on the Iraqis to insist upon a means to distribute the oil equitably, to make sure that there's some form of federalism and to deal with the militias, and call for an international conference," said the Delaware Democrat who is expected to take the reins at the Senate Foreign Relations Committee.

Besides Mr. Levin and Mr. Biden, Sen. Harry Reid of Nevada, the incoming majority leader, also called for a redeployment of troops from Iraq, which he said "should start within the next few months," although he said the withdrawal should be phased.

"We need to have a redeployment in Iraq. What does that mean? Pull everybody out now? Of course not," Mr. Reid said during an appearance on CBS' "Face the Nation."

White House officials said yesterday that President Bush opposes a specific timetable for withdrawal and partitioning of Iraq, but that he is willing to reconsider proposals on conducting the war.

"I don't think so. And I think it would be a very bad idea," White House Chief of Staff Joshua B. Bolten said when asked on CBS' "Face the Nation" whether his boss would support a timetable, although he added that "nobody is happy with what our situation in Iraq is now."

Still, Mr. Bolten told ABC's "This Week" that "the president's open to fresh ideas here."

"The president obviously wants to take a whole fresh look at what we're doing in Iraq," he said on CBS.

Mr. Bush will meet today with members of a commission, led by former Secretary of State James A. Baker III and former Rep. Lee Hamilton, that Congress appointed to make recommendations about U.S. policy in Iraq.

White House counselor Dan Bartlett also denied speculation that the administration, based on reports about the Baker-Hamilton panel, is considering a partitioning of Iraq into regions based on ethic or religious makeup.

"I think many observers and experts watching the political process in Iraq would say that that would be a mistake to go that route," he said during an appearance on "Fox News Sunday." "Most importantly, the sovereign government of Iraq believes that that would be the wrong way to go. To partition the country would only increase sectarian violence and strife, not call for reconciliation."

Mr. McCain added that he opposes a timetable for withdrawal of U.S. forces.

"I believe that a withdrawal, or a date for withdrawal, will lead to chaos in the region, and most military experts think the same thing," he said.

However, Mr. Levin and Mr. Biden both said they would not support cutting off funds for the war, a move some liberals have demanded but which Rep. Nancy Pelosi, likely the next speaker of the House, ruled out the day after the election.

"As far as I'm concerned, it's absolutely off the table," Mr. Biden agreed.

Senators Push For Timetable For Withdrawal From Iraq (USAT)

USA Today, November 13, 2006

WASHINGTON — Congressional Democrats continued to press ahead on Sunday with proposals to start withdrawing U.S. troops from Iraq but faced resistance from the White House and a top Republican.

Democratic Sens. Carl Levin of Michigan and Joseph Biden of Delaware said they expect some Republican support for a resolution calling for troops to begin coming home as soon as March.

Levin is in line to be chairman of the Armed Services Committee when Democrats become the Senate majority in January; Biden is set to be chairman of the Foreign Relations Committee.

“We're going to urge the president on a bipartisan basis, hopefully, to change course in Iraq by doing a number of things,” Levin said on ABC's This Week. “Not only telling Iraqis that we're not there in an open-ended way, but also to set some milestones here so that we can begin to withdraw in four to six months.”

White House chief of staff Josh Bolten said President Bush wouldn't support that idea.

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"We clearly need a fresh approach," Bolten said, but "I don't think we're going to be receptive to the notion that there's a fixed timetable at which we automatically pull out, because that could be a true disaster for the Iraqi people." Bolten appeared on talk shows on ABC, CBS and CNN.

Sen. John McCain, R-Ariz., meanwhile, called for more American forces to be sent to Iraq. "I believe that a withdrawal, or a date for withdrawal, will lead to chaos in the region, and most military experts think the same thing," said McCain on NBC's Meet the Press. "I believe that there are a lot of things that we can do to salvage this, but they all require the presence of additional troops."

Bush and his national security team are scheduled to meet today with the Iraq Study Group, a bipartisan panel formed to re-evaluate U.S. involvement in Iraq and propose policy changes. Bush removed Defense Secretary Donald Rumsfeld last week after Democrats won control of Congress, saying voters wanted new ideas on handling the war.

Before the elections, Bush had accused Democrats of being weak on national security, suggesting that a Democratic triumph on Election Day would amount to a victory for terrorists. Exit polls showed about six in ten voters disapproved of the war in Iraq, and they voted overwhelmingly for Democrats.

Not all Democrats were united behind Levin's idea of a withdrawal timetable. Democratic National Committee Chairman Howard Dean said on Fox News Sunday that a fixed timetable is "probably not the way it's going to work."

Democrats' Challenge: Stay In The Center (NSWK)

By Jonathan Darman

Newsweek, November 13, 2006

Nov. 20, 2006 issue - Like any newly elected congressman, Indiana's Brad Ellsworth has a lot to learn. Before he had even digested his victory over Republican incumbent John Hostettler last week, Ellsworth was poring over forms and factoids, shipped straight to Indiana from some new friends on Capitol Hill. "They're asking me what kind of BlackBerry I want," said a mildly exasperated Ellsworth. "I don't know what kind of BlackBerry I want. I've always just used a cell phone." As his campaign staffers caught up on sleep, Ellsworth worried over pension plans, travel arrangements and finding a home in the nation's capital. "Did you know that some [congressmen] live with seven or eight other guys?" he asked. "People back home would be amazed."

But wide-eyed as he may be, Ellsworth has already learned a crucial rule for survival in Washington: find allies you can trust. Two days after his victory, he placed a call to another newly elected Democratic congressman, North Carolina's Heath Shuler. Shuler is a former NFL quarterback; he and Ellsworth, a sheriff, had been two of the "macho Democrat" stars of the '06 cycle—manly men whose conservative positions on issues like abortion and gay marriage had helped them win in their Red States. Now Ellsworth was calling to congratulate his soon-to-be colleague and to say that the two should stick together in the new House. After all, he said, they both had to answer to the same kind of conservative constituents back home—and both know they won't last long in Congress if they go native in D.C. "We both won; now we're both in the same boat," Ellsworth said. "We've got to remember that the people back home put us here and they can take us back out."

Most Democrats in Washington weren't thinking so far ahead. After 12 years in the minority, the Democrats swept control of both houses of Congress—and the party leadership reveled in the exotic new pleasures of victory. Rahm Emanuel, the chairman of the Democratic Congressional Campaign Committee, danced on national television. Harry Reid, the usually staid Senate Democratic floor leader, kissed the television screen in his hotel suite when a network projected Claire McCaskill the winner in her hard-fought Missouri Senate race. Nancy Pelosi, soon to be the first female Speaker of the House, paraded across the broadcast networks, a proud grandma in an olive pantsuit, proclaiming herself "thrilled."

But Pelosi has been around long enough to know that in Washington the party never lasts too long. She will soon be judged on her ability to make the Congress work, no simple task for an incoming Speaker whose majority in the House is thin and is made up of members with loyalties to different generations, regions and ideologies. Fresh-faced conservatives like Ellsworth might say they don't "want our president to be viewed as weak," but they won't have much say about the matter with powerful Democratic committee chairmen like John Conyers and Henry Waxman mulling investigations on issues like Iraq-war contracts and NSA wiretaps. And while President George W. Bush was quick to say he'd offered Pelosi a list of "Republican interior decorators" to help her spruce up her new office, no one in either party expects the White House to bend over backward to help the Democratic Congress find its groove.

The challenges facing the Democrats are massive—changing the tone in Washington, working with a polarizing president, addressing the deficit and, ahem, coming up with some kind of new plan for Iraq. It is far from clear that Pelosi, Reid and their cohorts have the mettle to stick together and take them on. After all, they are Democrats. But if the party's 2006 performance proves anything, it's that discipline isn't a foreign concept to this crew. The leadership of the new majority has already put out word that members will pay a price if they jeopardize the party's attempts to place itself on a centrist footing. Liberal activists, who poured countless hours and millions of dollars into the '06 effort, are eager for the Dems to deliver on a progressive agenda. But

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the leadership is talking up a domestic program that steers clear of social issues and seeks consensus on the minimum wage, college tuition and trade. Thrilled as they may still be with their victory, many Democrats are now realizing that that their future depends on a tricky proposition: actually becoming the centrist, big-tent party they've spent two years claiming to be.

Pelosi is an odd champion of the center. Only 34 percent of respondents in the NEWSWEEK Poll had a favorable impression of her in part because, as the congresswoman from San Francisco, she has spent her career being lampooned by conservatives as the chief spokesperson for America's loony left. A strong supporter of abortion rights and same-sex marriage, she was a favorite target for Republicans this fall trying to portray her party as extreme. (Ellsworth's opponent ran an ad against him claiming a vote for Ellsworth would be a vote for Pelosi "and her radical plan to advance the homosexual agenda, led by Barney Frank.") The voters who re-elected Pelosi to her 11th term by an overwhelming margin also handily approved a measure calling for the impeachment of Bush and Vice President Dick Cheney.

Still, the "San Francisco liberal" label has never really quite fit Pelosi. She gained political entree in the city not by protesting in Haight-Ashbury but by holding fund-raisers in ritzy Presidio Heights. While others in her generation were burning their bras and draft cards, she was dressing her five children in plaid pinafores and marching them off to the Convent of the Sacred Heart. "There isn't one shred of evidence that she's veered off to the left with the Democratic caucus," says her friend, Washington Congressman Jim McDermott. "In fact, some of us on the left wish she would tilt a little more our way from time to time."

Pelosi developed her strategy for claiming the Speaker's gavel by consulting corporate America—not your typical liberal play. After the party's disastrous defeat in the 2004 elections, she began casting around for fresh ideas on how the Democrats could reintroduce themselves to the American people. "I decided to go to the private sector," she told NEWSWEEK, "and ask them how to become No. 1."

Through her staff, Pelosi found her way to a group of corporate-image consultants including high-tech entrepreneur Richard Yanowitch, computer-software marketer John Cullinane and Jack Trout, a marketing strategist who'd worked with big corporate clients like Merck and IBM. "I specialize in differentiation," Trout says. "I told her, 'That's your problem—you haven't found a way to differentiate the party from the Republican Party in a clear, simple way'." Trout encouraged Pelosi to take advantage of the weak points in Karl Rove's base-driven Republican strategy. "You've got to go the opposite way," he told her. "It's Marketing 101. Say 'We're about good governing for all, not a privileged few ... ' Bring back the big-tent idea."

Pelosi liked what she heard. The centrist messaging dovetailed nicely with Emanuel's strategy of recruiting candidates who could run in Red States and highlight conservative positions on cultural issues. As the elections approached, she made sure that the old bulls of Congress were onboard. In the final days of the campaign, she held conference calls with senior members, urging them not to deviate from the party's emphasis on restoring civility, integrity and fiscal responsibility in Congress. "She doesn't want to be Speaker for two years," says an aide. "We can do it," but "we have to keep our people together."

Already, Pelosi has made it clear that she will brook little dissent as Speaker. When Conyers, the presumed chairman of the House Judiciary Committee, raised the possibility of bringing articles of impeachment against President Bush earlier this year, Pelosi quickly chastised him, saying any talk of impeachment would distract from the Democrats' message.

Veteran House committee chairmen understand Pelosi's need for loyalty, and share her desire to win. But they are also eager to conduct a reality check on President Bush. No sooner were the election returns in than Henry Waxman, the soon-to-be chairman of the House Government Reform Committee, directed his aides to draw up an "oversight" plan for the panel. With a staff of more than 80 investigators, Waxman has instantly become the most formidable of White House adversaries. (Two top D.C. lobbyists and a white-collar defense lawyer, who asked to remain anonymous discussing still-hypothetical investigations, told NEWSWEEK they were already getting nervous phone calls from prospective Waxman targets, seeking counsel about what to do if they get hauled before his committee.) Waxman's interest in oversight could quickly lead him to the Jack Abramoff scandal. This worries some leadership aides who remember that Republicans frittered away their popularity in the '90s by persecuting the White House from Capitol Hill. (Waxman has said he's not interested in payback, but rather accountability).

The most difficult debate facing the Democrats will be over Iraq. After six years of decrying their lack of oversight on military policy, party leaders now have co-ownership of the Iraq account. Many Democrats say the party should focus its energy on pressing the White House for a change of course in current policy, rather than dredging up old debates over the manner in which the administration took the country to war. But Carl Levin, the new chairman of the Senate Armed Services Committee, says he also intends to demand access to some 58 internal Defense Department memos dealing with prewar Iraq intelligence and military planning. These memos involve the Pentagon's Office of Special Plans and the Counter-Terrorism Policy Evaluation Group, two secretive units that have been accused of cooking the books on Saddam's weapons of mass destruction and alleged ties to Al Qaeda. "There [is] still some significant unfinished business in the area of documents that have been denied us," Levin told NEWSWEEK.

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Less likely to dominate and divide the party, at least for the moment, will be old debates over abortion. Many in the leadership are convinced that the party was successful in the midterms because it de-emphasized cultural issues and backed pro-life candidates like Pennsylvania's Bob Casey. "The reason this election went well for the Democrats is that [they] decided to have a bigger tent on abortion," says Rachel Laser of Third Way, a Democratic think tank. "Democrats should always be the party of abortion rights, but they should also become the party of reducing abortion."

Republicans, of course, will do their best to keep values issues on the table and search for other openings to exploit. But Bush is at least going through the motions of putting the bitter campaign behind him. "If I sit here and mope about it, what is that going to prove?" he asked a senior aide after the election results came in. (The aide declined to be identified discussing a private conversation with the president.) Bush lunched with Pelosi and peppered her with questions about her daughter Alexandra, a filmmaker Bush befriended when the younger Pelosi was making her documentary "Journeys With George." (Cheney was also present at the lunch, says an aide to Pelosi, but said hardly a word the whole time.)

No one expects the bipartisan era of good feeling to last. And it won't be long until Pelosi's ability to ride herd over her ranks will be tested. Eli Pariser, the executive director of the grass-roots organization MoveOn.org, says the party won votes not by tilting rightward but by backing "bold, populist, progressive candidates ... and by connecting with people around the formula of being for the little guy." MoveOn supports the agenda Pelosi and Reid have announced—but sees it as only a small start. The group wants the Democratic Congress to come up with comprehensive plans for alternative energy and global warming and wants U.S. troops out of Iraq by the end of next year. "People want responsible redeployment," Pariser says. Meanwhile, some Dems are already trying to oust MoveOn hero Howard Dean from his perch as party chairman. Clinton ally James Carville began floating rumors that defeated Tennessee Senate candidate Harold Ford Jr. could replace Dean—without consulting Ford, who says he isn't interested in the job.

Viewed from any partisan vantage point, many of the pending items on the Democratic agenda seem small-scale—harking back to President Bill Clinton's triangulation strategy. A baby-steps approach will be crucial to keeping the coalition together but may nonetheless prove frustrating to newcomers like Ellsworth, who ran on promises of big, fast change. For his part, Ellsworth says he doesn't have any plans to challenge the more liberal and more seasoned Democrats he'll soon be working beside. What will he say to Barney Frank, the congressman whose "homosexual agenda" Ellsworth's opponent tried to link him to in the campaign? "I don't know what I'll say to him," Ellsworth says. "He's got to represent his people and I've got to represent mine."

With Eleanor Clift, Michael Isikoff, Jonathan Alter, Debra Rosenberg, Karen Breslau and Richard Wolffe

We Won! Now What The Heck Do We Do? (USNEWS)

By Silla Brush

U.S. News and World Report, November 13, 2006

One hard job-winning-is over. Now for the much harder job-governing. Flushed with their narrow wins in the House and Senate, Democratic Party leaders couldn't strike a bipartisan chord fast enough: "Partnerships," said House Speaker-elect Nancy Pelosi, "not partisanship." In his first post-election press conference, Rep. Rahm Emanuel, the master tactician behind the House victory, called sternly for governing from the "vital center"-five times. Harry Reid, the Senate majority leader-elect, chimed in: "It's a time for results."

That won't be as easy as it sounds. Democrats hold a relatively modest 229-to-196-seat majority in the House (with 10 seats undecided at the end of last week) and an advantage of just one in the Senate. The president, of course, still has his trusty veto pen. To get results then, Democrats will have to hold the centrist and left wings of the party together and work with Republicans if they're going to get the kind of results they'll need to impress voters in '08.

The new crop of Democrats is a pretty varied lot-Iraq veterans, antiwar candidates, social conservatives, gun-control foes, fiscal hawks. In the House, Democrats picked up at least 29 seats, many of which are in traditionally red districts in states like Indiana and North Carolina that President Bush won handily in 2004. In the Senate, much the same is true, with new Democratic members from Montana, Missouri, and Virginia. Centrist Democrats, like the New Democrats and the Blue Dogs, will swell in numbers by up to around 20. Can the leadership deal with such a polyglot group and find a way to persuade them all to work together? "Pelosi is from a very liberal district and is a very liberal congressperson," says Democratic lobbyist Thomas Hale Boggs Jr. "But she is a very street-smart politician, and she is a pragmatist."

Despite their enthusiastic show of unity last week, some Democrats in the House are already squabbling. "Everyone recognizes why we're in the majority," says Matt Bennett, a Democratic strategist. "It's because of moderates." Not so fast, counters the left's Robert Borosage, head of the progressive Campaign for America's Future. The election results, he says, reflect "the increasing power of a populist anti-[Iraq]-war wing of the party." Indeed, the election of majority leader-a contest likely to pit John Murtha, the Pennsylvania Vietnam vet who called for troop redeployments, against current Minority Whip Steny

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Hoyer, who's more cautious on Iraq-is already exposing the deep tensions within the party. "It is a real division," says Julian Zelizer, a congressional historian at Boston University, "but I don't think it is insurmountable."

Others aren't so sure. While there may be some wrangling about the direction of the party, many of those in line to become committee chairmen are liberal old warhorses. Among them: 51-year House veteran John Dingell is set to take over the Energy and Commerce Committee; 31-year member Henry Waxman will chair the House Government Reform Committee; 25-year veteran Barney Frank is set to take over the committee that oversees Wall Street policy. "The American people want Democrats to provide real accountability to the Bush administration, not political payback," Waxman tells U.S. News. "There is an enormous difference between the two, and we'll stick to accountability."

The Peril Of Opportunity (USNEWS)

By Gloria Borger

U.S. News and World Report, November 13, 2006

Now that it's the morning after, elated Democrats might take a moment to come to grips with the new reality: Their congressional takeover brings to Washington a wave of new members more like Bill Clinton than Howard Dean. They're largely more moderate than liberal, more fiscally conservative than old-fashioned big spenders. Some like the president's tax cuts. Others, like Sen.-elect Bob Casey of Pennsylvania, are antiabortion. Or pro-gun, like Virginia's newest senator, Jim Webb.

And one more reality check: This election wasn't really about the Democrats. It was about the other guys-and how they couldn't run Washington or manage the war. There was no Democratic agenda beyond their "Had Enough?" bumper sticker. Did it work? Yep. But did it produce a mandate? Nope-at least not beyond the marching orders to clean up Washington, fix Iraq, and get something done.

It's a huge opportunity for the Democrats. If they're smart, they'll find a way to grab it-and fast. Immigration reform and the minimum wage top the list. Then, of course, there's finding a way out of Iraq. That's what the voters want. What they do not want is a slew of subpoenas by Democratic committees, finger-pointing about intelligence failures, scapegoating, and more talk of filibusters. And now that Donald Rumsfeld is gone, how many more times can the president cry uncle? He lost; the Democrats won. Let the governing begin.

Those instructions apply to both parties: It's not going to be easy for an administration so used to cultivating its base to reach across the aisle. (Heck, Republicans in Congress say the White House never even reached out to them.) Nor will it be a cakewalk for Democrats to keep all those liberal committee chairmen from throwing darts at their favorite targets. But the public ordered cooperation, and those who refuse to listen do so at their own peril. Consider the numbers: More than a quarter of all voters called themselves independents, self-proclaimed refugees from both parties. And 47 percent said they are moderates—voting overwhelmingly Democratic. If Democrats turn left, they can forget about the White House.

The public will be watching their approach to Iraq. Voters don't want to relitigate the decision to go to war; most, in fact, were coconspirators. Nor are they interested in providing future Democratic presidential candidates with the proof that they were lied to about Iraq's weapons, so they can excuse their pro-war votes. Voters blamed the administration for mismanagement and incompetence, and that's what they want to end. And they want the war to end, too—but in the right way. If that doesn't happen, voters in 2008 could be looking for someone to take the fall. They'll ask: Whom do we blame? The people who got us into the war? Or the ones who got us out?

The first brawl? No doubt about it, Democrats now have some uncomfortable choices to make. Their base supporters want an immediate withdrawal from Iraq. Their newly enlarged moderate contingent is more open to finding some other way. Democrats papered over their differences during the campaign because being against Bush on Iraq was enough. That won't work now. But instead of seeking some kind of unified road map, House Democrats now seem intent on fighting among themselves. Consider the race for majority leader: Rep. John Murtha, who wants a near-immediate withdrawal from Iraq, is challenging colleague Steny Hoyer, who does not. "It's not a fight we should be having," confides a top House leadership aide. "Who wants the first brawl inside the Democratic caucus to be about the war?" Precisely.

Democrats have just months to reach consensus before they have to start voting on spending bills for the war. And if there's no plan, what will they do? Cut off funds for the troops? Hardly. The public wants to see Democrats working with Republicans to unravel the knot. That could well happen if the bipartisan Iraq Study Group comes up with a palatable exit strategy. At least that's what both sides are privately hoping.

It's all refreshing, for a change. After six years of base politics—in which each party appealed to its most partisan supporters—the middle is making a comeback. That's good news for 2008; expect the presidential wannabes to start preaching bipartisanship. After all, the public is already there. It just took some time for the political leaders to catch on to the voters' orders on governing: Just do it.

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"We Have To Start From A Level Of Trust" (TIME)

By Perry Bacon Jr.

Time, November 13, 2006

TIME What will it mean to be the first woman Speaker of the House?

PELOSI It is a sensational feeling. Women walk up to me on the street. Every place I go, they are so thrilled. It is a source of inspiration for a lot of people. What it means is, I have to uphold the highest ethical standards and to have the most open and bipartisan Congress, to do so in a way that makes women proud and makes sure that pretty soon we'll have another woman Speaker of the House.

TIME Can Democrats trust President George W. Bush enough to work with him?

PELOSI I think we have to start from a level of trust. On some issues where there is consensus, we can cooperate and build bridges of trust.

TIME Oblivious, in denial, incompetent, dangerous. Do you regret using any of these words to describe the President?

PELOSI No.

TIME Should at least 30,000 troops be home from Iraq by this time next year?

PELOSI Yes. I would hope at least that number would be out of harm's way. They are viewed as an occupation force. Our presence there is a magnet for terrorists.

TIME If President Bush had fired Defense Secretary Donald Rumsfeld two months ago, would you be in the position you are now?

PELOSI Yes. Donald Rumsfeld is an employee. The President of the United States makes the policy, and the more he campaigned, the better we did.

TIME If Bush vetoes one or two of the bills you pass in the House, will that be a sign that he's not prepared to work with you?

PELOSI No, it's just a sign he disagrees with us.

TIME Will Americans see their taxes raised by Democrats?

PELOSI Middle-income families in America will see their taxes reduced.

TIME Is it correct that you might have hearings about how Hurricane Katrina was handled, but looking forward?

PELOSI Yes, exactly. The point is, What are the lessons learned from Katrina? Katrina still lingers. The challenge is still there for us. We have to address the issue of natural disasters in a way that doesn't say that your survival depends on your economic well-being.

TIME Will your performance as Speaker have implications for Hillary Clinton if she runs for President?

PELOSI I'm not sure you would have asked a man that about another man. But since this is unusual, I will respect your question. I think it's really important for the people of our country to see that women can wield power and success in this rarefied and high altitude of power. I don't think Hillary Clinton, though, needs any validation from any other woman. She is an experienced Senator, articulate and a force in her own right.

Lieberman A Wild Card In Iraq Policy (WP)

By Shailagh Murray

The Washington Post, November 13, 2006

Voters seemed to be speaking loudly and clearly about Iraq last week when they elected war critics such as Bernard Sanders of Vermont, Sherrod Brown of Ohio and James Webb of Virginia to the Senate.

Yet they also gave a fourth term to Sen. Joseph I. Lieberman, a staunch supporter of the war, and in the narrowly divided Senate that will convene in January, the veteran Connecticut Democrat is positioning himself to become a key figure in discussions about U.S. policy in Iraq.

Yesterday, Lieberman -- who won as an independent last week -- spelled out his vision for a congressional working group of Democratic committee chairmen and senior Republicans to monitor the course of the war and work with President Bush to bring it to a successful end.

"We're not going to fix this and succeed in Iraq without working across party lines," he said on NBC's "Meet the Press."

As Congress returns this week to Washington for a post-election session -- the final stint with Republicans in charge -- Lieberman is already asserting his status as a self-described political freelancer, beholden to neither party.

He has pledged to "sign up" with the Democrats for the 110th Congress but has made it clear that his motives are at least partly practical. By organizing with the party, even though he lost the Democratic primary to Ned Lamont, Lieberman will retain

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his 18 years of Senate seniority and rise to the chairmanship of the Senate Homeland Security and Governmental Affairs Committee.

Both sides are seeking to please this political wild card.

Republicans and the White House are indebted to Lieberman for supporting the unpopular war throughout his tough election campaign. They view him as a valuable bridge to their Democratic adversaries on national security issues.

Many Democrats remain angry with their former vice presidential nominee for not bowing out after his primary loss to the more liberal Lamont. Still, they recognize that he is crucial to their one-seat Senate majority.

Pro-war in an antiwar state, Lieberman is one of the few prominent war defenders to survive a tough challenge on Nov. 7, and with his victory comes a measure of validation.

Speaking in Hartford last Wednesday, Lieberman remained unwavering in his opposition to Democrats' calls for withdrawing troops from Iraq. "What we are doing now there is not working, but that doesn't mean in any sense that it is time for us to retreat," he said. "This is a test in a very difficult and dangerous hour in our history."

But his victory also was something of an aberration, and whatever the fate of Lieberman's proposed bipartisan group, which he pledges to introduce in January, his continued support of Bush's stay-the-course approach places him well outside the Democratic mainstream.

"The voters spoke on Tuesday that they're unhappy with the status quo," Lieberman said. However, he added, "I don't believe they want us to pick up and leave."

Yet Senate Democratic leader Harry M. Reid (Nev.) and other Democrats called yesterday for the Bush administration to begin withdrawing U.S. troops from Iraq in the next few months.

The new Congress, said Sen. Carl M. Levin (D-Mich.), in line to chair the Armed Services Committee, "is willing to implement the people's will and to put some pressure on this president to change course in Iraq, forget the stay-the-course policy that is no longer viable." Levin said on ABC's "This Week" that redeployment should begin within four to six months.

The Senate will include nine new members who are Democrats or who will organize with the party, and most of them either opposed the war or demanded a radical change of course.

Webb, a former Marine whose son is serving in Iraq, advanced a detailed plan to wind down U.S. involvement in the war by moving troops to other points in the region, such as Jordan and Kuwait, while beginning multilateral diplomatic talks. Jon Tester of Montana called for "a clear plan to give the Iraqi military control of their own country and bring our troops home."

Brown and Sanders, who opposed the war as members of the House, are seeking troop withdrawals. Claire McCaskill of Missouri was less vociferous in her opposition to the war but laid out a two-year timeline "to transition to a multinational security force and redeploy our troops."

Democratic leaders have promised a raft of initiatives as they take control of Congress, from a minimum-wage increase to alternative-energy incentives. But a major goal is to force Bush to reconsider his war strategy and his refusal to set a timetable for troop withdrawal. The current Republican leadership rarely challenged Bush in public, holding few of the hearings and floor debates that are mainstays of the legislative branch when it comes to major national events.

The ground could start shifting as early as next month. The independent Iraq Study Group, headed by former secretary of state James A. Baker III, a Republican, and former representative Lee H. Hamilton (D-Ind.), is expected to make a series of recommendations on the future course of the war.

Although some observers conjecture that the election results may have damaged the group's likelihood of reaching recommendations both parties can support, its report could become a catalyst for a free-flowing dialogue on the war.

"Democrats will say this is a bipartisan effort," said James B. Steinberg, a Democratic national security expert and former Clinton administration official. If the recommendations prove reasonable, he noted, "it's going to be hard to say no."

In the Senate, Levin and Sen. Jack Reed (D-R.I.) are certain to be major players in the war debate, along with the new Foreign Relations Committee chairman, Joseph R. Biden Jr. (D-Del.), a likely presidential candidate in 2008. Lieberman, according to Steinberg, is unlikely to be invited into the huddle.

"They're not going to turn the policy over to the guy who's the closest to the administration," he said.

Relations within the party are a bit touchy. Some Democrats hope that Lieberman's collaborative spirit does not translate into going too lightly on the administration by failing to scrutinize spending and policy priorities that fall under the homeland security panel's jurisdiction. Reid, who is expected to become Senate majority leader, spoke to Lieberman after his reelection and is urging his colleagues to forgive and forget.

"The only way we're going to be successful is to stay together," Reid said.

One scenario is that Lieberman could emerge as an interparty broker on Iraq along with Sen. John McCain (R-Ariz.), the presumptive front-runner for the GOP presidential nomination in 2008.

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"There's the potential there for some interesting coalitions," said Jennifer Duffy, who monitors the Senate for the independent Cook Political Report.

Bush Must Call For Reinforcements In Iraq (FT)

By Robert Kagan, William Kristol

Financial Times, November 13, 2006

President George W. Bush has just over two years left in office. The central question facing him is: what kind of Iraq will he bequeath to his successor? Will it be a metastasising mess dumped on the doorstep of the next president, or an Iraq on the path to stability and success? The answer will determine how this president should be remembered by future generations.

There are, of course, other grave issues that will consume the Bush administration over the next two years: the continuing need to defend Americans from terrorist threats; Iran's efforts to acquire nuclear weapons; containment and weakening of a nuclear-armed North Korea; an increasingly belligerent Russia; and manifold challenges presented by a rising China. But the fact remains that Mr Bush (correctly, in our view) took the nation to war to remove Saddam Hussein, and the success or failure of that war will be central to his legacy.

The trajectory is downward towards failure. Indeed, this has been the case for more than three years, ever since Pentagon officials decided to put far too few troops in Iraq to bring stability after Hussein's ousting. The result has been not only a consistently inadequate level of forces. The endless cycle of promised draw-downs, deteriorating security and cancellation of the proposed draw-downs has been politically disastrous in both Iraq and the US.

In Iraq, US policies have steadily undermined public confidence that America has either the will or capacity to provide the security Iraqis need. So they have turned to their own sectarian armed groups for protection. That, and not historical inevitability or the alleged failings of the Iraqi people, has brought Iraq closer to civil war.

These policies have been equally damaging in the US. The American people have rightly judged that the administration is floundering in Iraq and, worse, is not committed to doing what is necessary to succeed. This perception undoubtedly played a large part in last week's mid-term election. Now, many Americans are looking to the Iraq Study Group, the commission headed by James Baker and Lee Hamilton, for a face-saving, bipartisan way to withdraw from Iraq as quickly as possible. The great irony is that with nothing new to offer, the Baker commission's forthcoming report – if it takes the shape most observers predict – will probably suffer the same fate as similar past efforts.

There is a popular theory that the prospect of US withdrawal will force Iraqis to reach an accommodation with one another. This would be more plausible had it not been disproved by three years of painful experience. Instead of looking for a face-saving way to lose in Iraq, President Bush could finally demand of his top advisers a strategy to succeed: provide the US force levels necessary to achieve even minimal political objectives. This could begin by increasing US troops in Iraq by at least 50,000 in order to clear and hold Baghdad without shifting troops from other parts of Iraq. These operations could then be expanded into areas of insurgency. This strategy would not stabilise the country right away but could secure Iraq's vital centre and provide real hope for progress.

Those who claim that 50,000 more troops do not exist to send to Iraq are wrong. But it is true that US ground forces are stretched, and that steps are needed to increase their overall size.

If the president undertook to send the necessary troops, we have no doubt many likely recommendations from the Baker commission would make sense and could be supported. We share the commission's belief that the administration should actively seek bipartisan support for its approach to Iraq. Democratic hopefuls for the 2008 presidential elections should welcome any effort to ensure they are not left to deal with a collapsing country. There is much easy talk of how a victory strategy in Iraq has been rendered impossible by Tuesday's elections. This is nonsense. First, victory in Iraq is a national priority, and to abandon it because of a loss of House and Senate seats would be irresponsible. The Republican loss was largely due to lack of confidence that Mr Bush had a victory strategy for Iraq, not a belief that he was not exiting fast enough. If the president makes clear he has such a strategy, he will have the support to do what is necessary.

As for the Baker commission's likely recommendation that the US should engage Syria and Iran in the search for solutions in Iraq, we are sceptical these countries want to help. But it is one thing to seek their help while the US is losing and its negotiating position is weakest, and quite another to engage in such diplomacy while increasing US force levels to try to improve the security situation.

Finally, as others have noted, if the Iraqis choose to organise their country in a less "unified" and more "federated" way, that is fine – as long as it is peaceful and stable. A peaceful, federated Iraq will, however, require no less of a commitment of US troops to provide security than a unitary one.

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The president has two years to turn things around and leave a viable Iraq to the next president. It should be obvious that "staying the course" is a recipe for failure. So are politically driven exit strategies. The president is left with the choice: quit, or do what is necessary to succeed. We trust he understands that the task before him in Iraq is to find a strategy for success.

Robert Kagan is author of "Dangerous Nation" (Alfred A. Knopf) and a contributing editor at The Weekly Standard. William Kristol is editor of The Weekly Standard. This article is based on a longer essay in this week's Standard.

Iraq Is Gone. Now What? (WP)

By Monica Duffy Toft

The Washington Post, November 13, 2006

Some 3 1/2 years after the U.S. invasion, most scholars and policy analysts accept that Iraq is now in a civil war. But many policymakers have not been willing to face up to the consequences. The key question is how Iraq will be stabilized.

It is an important question, because the stability and prosperity of a post-civil-war state depends in large measure on how the war ends. The fighting can stop in a variety of ways -- by military victory or negotiated settlement. Historically speaking, military victories have been the most common and have most often led to lasting resolutions. So while a negotiated settlement may seem the most desirable end point, this resolution is frequently short-lived even with third-party support.

A negotiated settlement is what the United States has attempted to implement for the past two years in Iraq, and it is failing.

The process of writing and adopting a constitution and electing a president and parliament were all designed to give each of Iraq's communities a say in the government. Although the Kurds and the Shiites participated fully in the process, the Sunnis did not. Consequently, the Sunnis do not see the government as representing, much less protecting, their interests. Although the Kurds participated in the formation of the government, they have maintained their distance while strengthening their own militia.

The trend lines in Iraq are toward a continuation of this fragmentation. So the argument in favor of a sustained U.S. presence to help enforce a peace settlement ignores both the situation there and past precedent.

Military victories, by contrast, historically result in the most stable outcomes. The reason is that typically a strong faction with a robust military is preserved. In these instances, problems with democratization, governance and political institutions certainly remain, but the state that survives retains its monopoly on the legitimate use of force and is able to leverage that legitimacy to stabilize and institute peace. Only after peace is achieved can issues of democracy, development and justice be dealt with.

Although the United States seemed to have forgotten the centrality of a state's monopoly on the legitimate use of force when it summarily disbanded Iraqi security forces, it subsequently relearned this lesson. The United States and its Iraqi partners are desperately trying to rebuild Iraq's security forces in order to have more effective policing. The problem is that it is already too late for "Iraqi" security forces to reestablish stability. The Iraqi government's forces are increasingly identified as "Shiite" forces. As it stands, schisms will continue to grow, neighbor will attack neighbor, quasi-states with their own militias will solidify and the challenges of stabilizing an Iraqi state will escalate by an order of magnitude.

What does all this mean for Iraq's end state? First, it means the end of the state of Iraq as we have known it. Iraq is rapidly disintegrating, and there is no longer anything that can stop the disintegration, save perhaps an invasion by Israel, Iran or Syria. Second, having missed a number of critical opportunities from the beginning of its campaign to topple Saddam Hussein and establish democratic government in Iraq (the latter proposition dubious at best), the United States is now faced with an awful choice: leave and allow events to run their course or lend its dwindling support to one or more of the emerging states.

If it leaves, the Shiites will brutally settle accounts with the Sunnis before, perhaps, opening hostilities against the Kurds (with tacit support from Iran and Turkey).

If it supports the Kurds and Shiites -- the two peoples most abused under Hussein, most betrayed by the United States since 1990 and, as a result, the two most worthy of our support on moral grounds -- it risks alienating important regional allies: Turkey, Egypt, Saudi Arabia and Pakistan. On the other hand, doing the right thing (supporting the Shiites) also means doing the most practical thing, which is ensuring a stable peace and establishing long-term prospects for democracy and economic development. As a bonus, it is possible that U.S. support of the Shiite majority might pay diplomatic dividends as regards Iran's impending nuclearization.

If the United States supports the Sunnis, it will be in a position very close to its Vietnam experience: struggling to underwrite the survival of a militarily untenable, corrupt and formerly brutal minority regime with no hope of gaining broader legitimacy in the territory of the former Iraq.

Moreover, even if successful, supporting the Sunnis -- in effect the incumbents in what was until recently a brutal dictatorship -- will result in a much greater likelihood of future war and regional instability (not to mention authoritarianism), even

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with a formidable U.S. military presence (and the less-than-formidable U.S. presence has already become politically untenable in the United States).

It is high time the United States and its allies began national discussions about the relative merits of leaving or staying and, if they stay, about the merits of supporting the Sunnis, Shiites or Kurds. Either way, what we now think of as Iraq is almost certainly as gone as what we once thought of as Yugoslavia, and for the same reasons.

The writer is an associate professor of public policy at Harvard's John F. Kennedy School of Government. She is the author of "The Geography of Ethnic Violence" and is finishing a book on the termination of civil wars.

Oh, The Humanities! (WP)

By Elizabeth Williamson

The Washington Post, November 13, 2006

Wednesday, on the hung-over morning after midterm voters told President Bush what they thought of the Iraq war, a White House news release arrived in our inbox, with the cryptic subject line "PERSONNEL ANNOUNCEMENT."

Hidden therein was a list of this year's National Medal of Arts and National Humanities Medal winners, to be honored the next day by the president and first lady Laura Bush in the Oval Office. No invite, no number to call for information, just a list.

Why so little fanfare? Could it have been because the humanities honorees included Middle East scholars-turned-Bush advisers Fouad Ajami and Bernard Lewis, whose views helped get us into Iraq in the first place?

On the day of the prestigious ceremony, the White House Web site featured -- nothing.

Iraqi Prime Minister Promises Government Shake-Up (NYT)

By Kirk Semple

The New York Times, November 13, 2006

BAGHDAD, Nov. 12 — Prime Minister Nuri Kamal al-Maliki said Sunday that he was planning a major shake-up of his cabinet, apparently to redress his six-month-old government's failure to curb widespread corruption, reduce sectarian violence and improve public services.

Speaking to a closed session of Parliament, Mr. Maliki suggested that some of his ministers were incompetent but said he had been forced to accept his cabinet under pressure from the country's major political blocs, according to several legislators. The prime minister asked for more independence in choosing new cabinet members.

The parliamentary session came on a day when at least 100 people were found dead or reported killed in mayhem throughout the country. In one attack, a pair of suicide bombers detonated themselves outside a police recruitment center in Baghdad, killing at least 35 potential recruits and wounding at least 56, the police said. Military officials reported that four British soldiers and three American soldiers died in attacks in Anbar and Basra provinces.

During the parliamentary session, Mr. Maliki did not disclose which ministers he planned to replace. But legislators close to the prime minister said he did not intend to change the political distribution of the cabinet seats. Mr. Maliki's cabinet is mostly Shiite, but includes representatives of Iraq's main ethnic and sectarian communities.

The proposed shake-up, coming as the Bush administration has begun a major reassessment of U.S. policy in Iraq, appeared to be an effort both to curry American favor and to placate Mr. Maliki's domestic detractors, including Sunni Arab leaders demanding a greater role in government and more action against Shiite militias accused of spawning death squads.

The Maliki administration has been facing mounting criticism from American officials and some Iraqi leaders impatient with the prime minister's inability — or unwillingness — to disarm militias, particularly those linked to the most powerful Shiite parties that form the basis of his ruling political alliance. Mr. Maliki has been so concerned about growing American disenchantment that last month he sought, and received, assurances from President Bush that the United States was not plotting to unseat him.

Several months ago, Mr. Maliki expressed his intention to replace several of his 36 ministers, but Sunday's announcement suggested far more sweeping changes that, according to some legislators, could involve more than half of the cabinet.

Mr. Maliki was nominated as prime minister on April 21 and his full cabinet was ratified by Parliament on May 20. But he told legislators on Sunday that he was essentially sidelined by the major political blocs during the ministerial selection process. In some cases, he said, a minister's name was presented to him only minutes before the nomination was made public.

Hassan al-Sined, a Shiite legislator and an adviser to Mr. Maliki, heralded Sunday's announcement as a "courageous move" because it represented an admission that the government's performance had been weak.

But others questioned the prime minister's sincerity and wondered whether Mr. Maliki was not simply trying to blame the political blocs for his lackluster progress.

"Now that he has not succeeded, he doesn't want to shoulder all the responsibility," said Mahmoud Othman, a Kurdish legislator.

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According to a statement issued by his office, Mr. Maliki called on the legislators to unify behind his national reconciliation plan, a strategy he unveiled in June to reduce violence through amnesty and dialogue. He also asked them to suspend their criticism of the government and to declare their loyalty to a unified Iraq above religious and sectarian allegiances.

After the parliamentary session, Salman al-Jumaili, a Sunni Arab legislator, said: "Let me tell you, all this talk means nothing for us unless we see some decisions and practical moves taken on the ground. We hope that there will be a chance for reform before things get worse."

The attack outside the police recruitment center, in western Baghdad, came Sunday morning as scores of men were waiting to pass through checkpoints that led inside the building. The two bombers waded into the crowd and detonated their hidden explosive belts, spraying metal balls and shrapnel.

Recruiting centers have been an occasional target for insurgents trying to interfere with the government's efforts to build the Iraqi security forces. The chief spokesman for the Ministry of Interior, which oversees the police forces, said that in spite of measures adopted to safeguard recruits as they arrive at the centers, bottlenecks inevitably formed at the entrances. "There's no way to protect against such accidents," said the spokesman, Abdel Karim Khalaf.

A spokesman for Britain's Ministry of Defense said in London that the four British soldiers were killed and three wounded when their patrol boat was bombed Sunday on the Shatt al Arab waterway in the southern city of Basra. Military officials said it was unclear where the bomb had been hidden or how it was detonated.

At least 125 British troops have been killed in Iraq since the American-led invasion in 2003, officials said. Prime Minister Tony Blair has been under considerable public pressure in Britain to draw down British troops in Iraq. The American military command announced Sunday that three American soldiers were killed Saturday in an insurgent attack in Anbar Province, bringing the tally of American troops killed so far this month to 27.

In addition to those killed at the recruitment center, at least 25 people were killed on Sunday and 65 wounded in more than a dozen other attacks reported by the authorities in Baghdad and Baquba. In addition, at least 33 bodies, all showing signs of torture and with gunshots to the head, were found in Baghdad and in Diyala Province, the ministry official said.

One of the bombs exploded near the house of Sheik Abu Ali, who works for the Grand Ayatollah Ali al-Sistani, the most revered Shiite cleric in Iraq, a police official said. Three of the sheik's children were killed in the blast, the official said.

Iraq Prime Minister Plans Big Reshuffle (FT)

By Steve Negus

Financial Times, November 13, 2006

Nouri al-Maliki, Iraq's prime minister, told parliamentarians on Sunday that he was planning a "comprehensive" reshuffle of ministers in his national unity government, and scolded lawmakers for failing to show their loyalty to a united Iraq.

The declaration is part of an apparent push to revive an initiative to bring the country's quarrelling sectarian blocs into a national pact, after the government was accused by both Sunni and Shia of failing to protect them.

"The prime minister has called for a comprehensive cabinet reshuffle appropriate for the current situation in the country," said a statement from the prime minister's office issued after the parliamentary session.

The statement came as violence continued to rage in and around Baghdad, with a suicide bombing outside a police recruiting centre in the capital yesterday killing at least 33 people.

Meanwhile, police were searching south of the capital for gunmen who killed 10 Shia travellers and kidnapped about 50 others late on Saturday.

A leading Shia politician warned that local tribes were heading to the area to join the search – a development that could herald a fresh round of violence.

Speaking before parliament, Abd al-Karim al-Anzi said the kidnappers had worn Iraqi army uniforms and complained that security forces were not doing enough to rescue the hostages.

The incident illustrates how each round of violence diminishes the public's already shaky confidence in the state.

This lack of confidence has led to a reluctance on the part of the country's different factions to compromise over control of security agencies deemed essential to their community's survival and explains the rise of local militias.

Yassin Majid, prime ministerial press adviser, said that the reshuffle could include between seven and nine ministers, but did not say what those ministries would be.

Iraqi parliamentarians have been forecasting a reshuffle for months, but this is the clearest indication from the government so far that a change in the government is imminent.

Criticisms have focused on the vital interior and defence ministries, which control the security forces. The interior ministry is held by independent Shia politician Jawad al-Bolani, who has attempted to purge officers connected with Shia militias and recently referred some others accused of torture to trial.

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But according to many Sunni, the government has not moved quickly enough to fulfil its pledge to create a non-sectarian police force.

The defence portfolio is held by Abd al-Qader al-Ubaidi, an independent Sunni Arab.

In choosing new ministers, Mr Maliki will face the challenge of winning approval from parties that have seen little interest in reaching compromises, and instead appear to have sought control over government agencies to give them an edge in the country's sectarian conflict.

In the closed session, Mr Maliki told the attendant lawmakers: "You all have militias. I will not accept a government made up of militiamen," according to a parliamentarian quoted by the Associated Press.

Under pressure from the US, Mr Maliki is trying to reach consensus among Iraqi politicians on a range of divisive issues including control of the country's oil resources, disarming militias and insurgents and the scheduling of provincial elections.

Blasts Kill Dozens Of Iraqi Police Recruits (WP)

By Sudarsan Raghavan

The Washington Post, November 13, 2006

BAGHDAD, Nov. 12 -- Two suicide bombers detonated explosives Sunday as a crowd of men gathered in front of a police recruiting center in central Baghdad, killing at least 35 people and wounding 56 in one of the deadliest suicide attacks in Iraq this year.

The blasts, coming hours before Prime Minister Nouri al-Maliki announced plans for a major cabinet shake-up, delivered the latest blow to U.S. and Iraqi efforts to strengthen the country's fledgling security forces. Such efforts are a key element of the U.S. strategy to draw down troop strength and contain the sectarian violence that is pushing the country toward civil war.

At Baghdad's Yarmouk Hospital, young men with bandaged limbs lay in small beds, writhing in pain. Some said they had come from as far away as the southern city of Basra to join the police force because they were unemployed and needed to feed their families.

"We were all sitting down waiting for instructions from the loudspeaker. Suddenly, there was a huge amount of fire and dust," said Ali Mutashir, 35, limping slowly across the cream-colored floor, his tan shirt splattered with dried blood. "We fled toward a side street. Then came another blast of fire. It threw me against a wall."

The bombers detonated explosives belts almost simultaneously around 9:30 a.m., Interior Ministry officials said. Some witnesses said two mortar shells fell minutes after the bombings, as they were fleeing the scene.

The officials said they expected the death toll to rise because many of the wounded were in critical condition. As of late Sunday, there were differing accounts of the toll, with one Interior Ministry official saying that as many as 42 people had been killed.

The attack comes as the Bush administration and the Iraqi government prepare for a shift in U.S. policy in Iraq in the wake of the Democratic takeover of both houses of Congress in elections last week. U.S. military commanders and the Iraq Study Group, headed by former secretary of state James A. Baker III and Lee H. Hamilton, a former congressman, plan to recommend alternative ways of dealing with Iraq as pressure mounts to withdraw U.S. troops.

Faced with his own pressures, Maliki called for a sweeping reorganization of his cabinet in a closed session with Iraqi lawmakers Sunday, echoing a similar statement he made earlier this month. His office said in a statement that Maliki had "called for a complete ministerial reshuffle in accordance with the current situation," but it provided no details of the shake-up, which had been rumored for weeks.

Maliki's six-month-old government is under pressure from the United States, its main patron, to stop sectarian strife, disarm militias that have infiltrated government ministries and root out widespread graft by government officials. The prime minister also faces growing criticism from Iraqis frustrated with the government's failure to provide basic services, employment and security.

Maliki's efforts have so far been ineffective, as he struggles to balance the needs of his diverse political allies inside the government -- some of whom operate the militias he is trying to disband -- against the demands of a politically weakened Bush administration.

On Sunday, Maliki had in effect acknowledged that his government was weak, said Hasan Suneid, a lawmaker and close aide of the prime minister's. Maliki told lawmakers in the closed session that he had been forced to accept ministers chosen by political blocs and that some were incompetent, said Suneid, who attended the meeting. Maliki asked the blocs to nominate new people for his cabinet, based more on their qualifications than on their political loyalties.

"From the first day, Maliki knew that his cabinet is not in a shape that can face all the challenges of the country," Suneid said. "But now he's seeing he cannot keep silent about some ministries. A new cabinet needs to rise. . . . Personally, I am expecting a reshuffling of more than half the cabinet."

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Sunday's bombing was the bloodiest assault on a police recruitment center since January, when a suicide bomber killed 70 police recruits in the western city of Ramadi. Sunni Arab insurgents frequently target police, to deter recruitment and also because national police are widely believed to be infiltrated by Shiite militias keen on protecting the interests of their sect.

Less than a half-hour after the suicide attacks, two bombs targeting a national police patrol exploded on a main artery in central Baghdad, killing three policemen and wounding five others. The blasts also killed two civilians and wounded seven, said Col. Kareem Hamza, an Interior Ministry official. On Saturday, policemen were attacked in the cities of Baqubah and Kirkuk.

Brig. Abdul-Karim Khalaf, an Interior Ministry spokesman, said the recruits killed or injured Sunday would "receive all the salaries and rights of any other employee at the Ministry of Interior."

In other violence, the U.S. military announced the combat-related deaths of three U.S. soldiers in Anbar province, bringing to 27 the number of American troops killed this month.

At least 50 bodies were found behind a regional electrical company in Baqubah and 25 others in Baghdad, the Associated Press reported.

A car bomb killed one civilian and wounded four in the central Karrada district of the capital, and a roadside bomb wounded four in the Radwaniyah district of southwestern Baghdad, Khalaf said.

At Yarmouk Hospital, Mutashir, the wounded recruit, said three of his relatives, also police recruits, had been killed in the bombing. One was burned so badly that his corpse could be identified only by a scar on his leg.

Two of his cousins were seriously wounded, including Ali Jumat, 23, who was lying in a bed. His body was peppered with pink shrapnel splotches. His hair was singed brown from the explosion's flames. His eyes were deep red.

When asked why he wanted to become a policeman, Jumat appeared to be in even more pain. "I am the only supporter of my family," he replied, before closing his eyes.

Iraqi Leader Scolds Parliament, Promises Change (LAT)

By Alexandra Zavis

The Los Angeles Times, November 13, 2006

BAGHDAD, Iraq — Prime Minister Nouri al-Maliki scolded lawmakers at a closed Parliament session Sunday for putting sectarian concerns over national interests, and promised sweeping Cabinet changes, following complaints that his unity government has been ineffective at containing violence that killed nearly 100 people in 24 hours.

He later told journalist he has authorized the use of "extreme force" against private militias blamed for surging bloodshed between Iraq's dominant Muslim sects that has claimed more lives lately than the anti-U.S. insurgency.

"There cannot be a government and militias together. One of the two should rule," al-Maliki said in a session Sunday with Iraqi newspaper editors that was broadcast on national television. "I personally will not be in a government based on militias."

It was unusually tough language for a leader widely criticized for not standing up to key members of his governing Shiite coalition, some of whom are backed by militias blamed for killing sprees against the Sunni Arab minority.

The bodies of at least 33 victims of sectarian killings, many of them cuffed and tortured, were found in parts of Baghdad and Baqubah in the 24 hours ending Sunday night, officials said.

At least 65 other people were killed in bombings, drive-by shootings and other attacks Sunday, including 38 who died in twin suicide bombings at a police recruitment center in Baghdad .

Frustration has been mounting on all sides at the unrelenting toll. Sunni political leaders in recent weeks have threatened to walk out of the government, undermining a multi-ethnic coalition that U.S. officials had hoped would blunt the violence. .

Shiites in Diwaniya, a strife-torn region south of Baghdad, threatened to take up arms Sunday and hunt down the kidnappers of at least 11 fellow tribesmen if the government failed to find them, provincial leaders said.

There also has been intense pressure from U.S. officials who want al-Maliki to commit to timelines to make the tough political and security decisions needed to contain the bloodshed.

Al-Maliki demanded in the closed session that lawmakers set aside personal interests and partisan loyalties for the sake of national stability, according to his office.

Al-Maliki's aides had previously indicated he planned to replace a few members of his Cabinet, but Sunday's statement suggested the changes would be broader.

Al-Maliki asked for a free hand in shaping the new government, complaining he had no say over current members, who were selected by the main political blocs after months of wrangling.

"He even said he was only given some of the names five minutes before he announced them," said Mahmoud Othman, a Kurdish legislator.

Othman did not expect the balance among Shiites, Sunnis and Kurds to change in a new government, but he said al-Maliki wanted to select names himself within those blocs.

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There was no word on when the new Cabinet would be announced.

Sunni lawmakers welcomed al-Maliki's tougher stance against militias but questioned whether he would be as effective against Shiite militias as Sunni groups.

"There will be selectivity in dealing with the sides that are carrying guns for and against the government," Sunni legislator Salim Abdalla predicted.

Underscoring the gravity of the violence, two suicide bombers joined a crowd waiting outside a Baghdad police recruitment center and detonated the charges strapped to their waists, said Interior Ministry spokesman Brig. Gen. Abdul Kareem Khalaf.

He said the coordinated attack had "the fingerprints" of al- Qaida in Iraq, the country's most feared terrorist group.

The near-simultaneous blasts killed 38 people and injured more than 50, according to officials at the nearby Yarmouk Hospital.

Salah Hasnawi, a 21-year-old Shiite, was among those waiting to clear security to enter the center when the attack happened.

"I was thrown to the ground," he said from a bed in Yarmouk Hospital, where he was being treated for shrapnel wounds to both legs. "I tried to run, fearing other explosions, but my legs wouldn't carry me."

He was saved, he said, by two Sunni men who survived the first blast unscathed only to be wounded by the second.

"We tried to carry him to the hospital, then we felt the second explosion," said one of the two, 23-year-old Mousa Zoubayi.

Zoubayi's face was burned and shrapnel sliced into his back, arm and one eye. He said he did not think Hasnawi's other rescuer survived the second blast.

South of the capital, in Najaf, a bomb planted in a pile of sand in front of the home of Sheikh Abbas Alsarraj killed two of the Shiite cleric's sons and injured a third, police said.

Iraqi Leader, Feeling Pressure, Promises To Remake Cabinet (USAT)

USA Today, November 13, 2006

BAGHDAD — Iraq's prime minister, a Shiite Muslim, promised Sunday to reshuffle his Cabinet after he accused lawmakers of disloyalty and blamed Sunni Muslims for sectarian violence that claimed at least 159 more lives.

Also Sunday, the country's defense minister challenged Prime Minister Nouri al-Maliki's contention that the U.S. military should pull back and let the Iraqi army take control of security all across the country. Defense Minister Abdul-Qadir al-Obaidi said his men are still too poorly equipped and trained to do the job.

“We are working hard to create a real army, and we ask our government not to try to move too quickly because of the political pressure it feels,” al-Obaidi said. “Our technical needs are real, and that is very important if we are to be a real force against insecurity.”

Al-Maliki has called for U.S. troops in Iraq to be confined to bases and to be called on only in emergencies. He predicted that the Iraqi army could crush violence within six months. Last month, the top U.S. commander in Iraq, Gen. George Casey said that it would take 12 to 18 months before Iraq's army was ready to take over — and that the Iraqis would still need some U.S. backup.

The prime minister promised a Cabinet shakeup during a closed session of the parliament Sunday, his office said in a statement.

“The government's performance has been unconvincing,” said Khaled al-Attiya, the Shiite deputy parliament speaker who chaired the closed session. “That's why the prime minister wishes to change the Cabinet.”

Al-Maliki is under pressure from both Washington and his fellow Iraqis to curb violence. The United States is leaning on him to disband Shiite militias believed responsible for many of the killings. His government, however, relies heavily on the support of parties tied to militias, such as that of Shiite cleric Muqtada al-Sadr.

In the latest violence, two suicide bombers blew themselves up simultaneously Sunday outside a police station in western Baghdad, police Lt. Maitham Abdul-Razaq said. The attack killed 35 police recruits. It was one of several bombings in the capital.

In Baqouba, the Iraqi army's provincial public affairs office said troops found 50 bodies dumped behind the offices of the provincial electric company. Nineteen of the bodies were taken to a morgue. The army was waiting for U.S. bomb-disposal teams to arrive before moving the other 31, for fear that they were booby-trapped.

Abdul-Razaq said Baghdad police had found 25 bullet-riddled, handcuffed bodies in several parts of the capital. Dozens more bodies were found around the country.

After nearly 48 hours without reporting a death, the U.S. military said three soldiers assigned to the 1st Brigade, 1st Armored Division died Saturday of combat wounds in Anbar province, the insurgent stronghold west of the capital.

Four British servicemen died in an attack on a patrol boat in Basra's Shatt al-Arab waterway, the Defense Ministry said in London.

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Iraqi Prime Minister Pledges To Reform Cabinet (LAT)

By Alexandra Zavis

The Los Angeles Times, November 13, 2006

BAGHDAD — Prime Minister Nouri Maliki scolded lawmakers Sunday for putting sectarian concerns over national interests and promised sweeping Cabinet changes after complaints that his unity government has been ineffective at containing violence.

Maliki later told journalists that he had authorized the use of "extreme force" against private militias blamed for the growing bloodshed between Iraq's dominant Muslim sects, including the deaths of nearly 100 people in 24 hours.

"There cannot be a government and militias together. One of the two should rule," Maliki said in a session Sunday with Iraqi newspaper editors broadcast on national television. "I personally will not be in a government based on militias."

It was unusually tough language for a leader widely criticized as failing to stand up to key members of his governing Shiite coalition, some of whom are backed by militias blamed for nightly killing rampages against the Sunni Arab minority.

The bodies of at least 33 victims of sectarian killings, many handcuffed and tortured, were found in Baghdad and Baqubah in the 24 hours ending Sunday night, officials said.

At least 66 other people were killed in bombings, drive-by shootings and other attacks Sunday, including 38 who died in twin suicide bombings at a police recruitment center in Baghdad.

Three U.S. soldiers assigned to the Army's 1st Brigade, 1st Armored Division died Saturday of wounds sustained in combat in Al Anbar province, the military said Sunday.

Frustration has been mounting on all sides over the unrelenting toll. Sunni political leaders in recent weeks have threatened to walk out of the government, undermining a multiethnic coalition that U.S. officials had hoped would blunt the violence.

Shiites in Diwaniya, south of Baghdad, threatened to take up arms Sunday and hunt down the kidnappers of at least 11 fellow tribesmen if the government failed to find them, provincial leaders said.

There also has been intense pressure from U.S. officials, who want Maliki to commit to timelines to make the tough political and security decisions needed to contain the bloodshed.

Maliki demanded in a closed session of parliament that lawmakers set aside personal interests and partisan loyalties for the sake of national stability, according to his office.

The prime minister's aides had previously indicated that he planned to replace a few members of his Cabinet, but Sunday's statement suggested the changes would be broader.

Maliki asked for a free hand in shaping the new government, complaining he had no say over current members, who were selected by the main political blocs after months of wrangling.

"He even said he was only given some of the names five minutes before he announced them," said Mahmoud Othman, a Kurdish legislator.

Othman did not expect the balance among Shiites, Sunnis and Kurds to change in a new government, but he said Maliki wanted to select the names within those blocs.

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"I was thrown to the ground," he said from a bed at the hospital, where he was being treated for shrapnel wounds to both legs. "I tried to run, fearing other explosions, but my legs wouldn't carry me."

He was saved, he said, by two Sunni men who survived the first blast unscathed, only to be wounded by the second.

"We tried to carry him to the hospital, then we felt the second explosion," said one of the two, Mousa Zoubayi, 23. "I saw body parts scattered here and there, even in the trees and rooftops of houses that have been abandoned by their owners because of the danger in this area."

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Zoubayi's face was burned and shrapnel had sliced into his back, arm and eye. He said he did not think Hasnawi's other rescuer survived the second blast.

Asked whether he knew that the man he helped save was a Shiite, Zoubayi said: "I saw a man who was in need of help and that is why I helped him. It makes no difference whether he is Shiite or Sunni."

South of the capital, in Najaf, a bomb planted in a pile of sand in front of the home of Sheik Abbas Alsarraj killed two of the Shiite cleric's sons and injured a third, police said.

Al-Maliki Vows Cabinet Shake-up (WT/AP)

By Steven R. Hurst

The Washington Times, November 13, 2006

BAGHDAD -- The Shi'ite prime minister promised yesterday to reshuffle his Cabinet after calling lawmakers disloyal and blaming Sunni Muslims for raging sectarian violence that has claimed at least 159 more lives -- including 35 men waiting to join Iraq's police force.

Among the unusually high number of dead were 50 bodies found behind a regional electrical company in Baqouba, 35 miles northeast of Baghdad, and 25 found scattered throughout the capital. Three U.S. troops were reported killed, as were four British service members.

Also yesterday, the Sunni defense minister challenged Prime Minister Nouri al-Maliki's contention that the U.S. military should quickly pull back into bases and let the Iraqi army take control of security countrywide. Defense Minister Abdul-Qadir al-Obaidi said his men still were too poorly equipped and trained to do the job.

"We are working hard to create a real army, and we ask our government not to try to move too quickly because of the political pressure it feels. Our technical needs are real, and that is very important if we are to be a real force against insecurity," Mr. al-Obaidi said.

Mr. al-Maliki wants the Americans confined to bases, where they can be called in emergencies, but he boldly predicted that his army could crush violence within six months if left alone to do the work.

The top U.S. commander in Iraq, Gen. George Casey, said last month that it would take 12 to 18 months before Iraq's army was ready to take control of the country with some U.S. backup.

Lawmakers from Mr. al-Maliki's Islamic Dawa party said Interior Minister Jawad al-Bolani was at the top of the list to lose his post in the coming Cabinet shake-up, which the prime minister promised during a closed-door parliament session yesterday, because that has reached civil war proportions in Baghdad and the center of the country.

Mr. al-Bolani, a Shi'ite whose police and security forces have failed to halt unbridled sectarian killing, is an independent. The United States had demanded that the defense and interior posts be held by officials without ties to the Shi'ite political parties that control militia forces.

Mr. al-Maliki is under pressure both from his people and the United States to curb violence, with Washington leaning on him to disband Shi'ite militias, whose death squads are thought to be responsible for much of the killings.

The prime minister's hold on power depends on both the Supreme Council for the Islamic Revolution in Iraq, with its Badr Brigade military wing and radical Shi'ite cleric Muqtada al-Sadr's political movement.

The interior minister controls police and other security forces, which already are infiltrated by the Badr Brigade and the Mahdi Army, the armed wing of Sheik al-Sadr's political movement.

After nearly 48 hours without reporting a death, the U.S. military said three soldiers assigned to the 1st Brigade, 1st Armored Division died Saturday of combat wounds in Anbar province, the insurgent stronghold west of the capital. Their deaths raised to 2,848 the number of service members who have had died since the start of the war in March 2003.

Four British troops were killed in an attack on a patrol boat in Basra's Shatt al-Arab waterway in southern Iraq, the Ministry of Defense said in London.

Influence Rises But Base Frays For Iraqi Cleric (NYT)

By Sabrina Tavernise

The New York Times, November 13, 2006

BAGHDAD, Nov. 12 — Few have ever described Moktada al-Sadr, the mercurial leader of Iraq's mightiest Shiite militia, as a statesman.

Yet there he was last month sitting on a pristine couch with the prime minister (no longer cross-legged on the floor), making public calls as well as sending private text messages to aides discouraging sectarianism, and paying visits to the home of Iraq's most senior Shiite cleric.

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For years an angry outsider, Mr. Sadr, 33, has moved deep into the inner sanctum of the Iraqi government largely because his followers make up the biggest and most volatile Shiite militia. Now, after more than a year in power, he and his top lieutenants are firmly part of the establishment, a position that has brought new comfort and wealth. That change has shifted the threat for the American military, which no longer faces mass uprisings by Mr. Sadr's fighters when it enters their turf.

But the taming of Mr. Sadr has produced a paradox: the more settled he becomes in the establishment, the looser his grip is over his fighters on the streets and those increasingly infiltrating the security forces. In the two years since they fought against American tanks at Mr. Sadr's command, many have broken away from the confines of compromise that bind him, and have taken a far more active role in killing, something his supporters say worries him. He says he is trying to weed them out — 40 were publicly dismissed last month.

The increasing violence of some of his followers mirrors the overall unraveling of Iraq, which has become less centrally controlled and far more criminal since the American invasion in 2003. The situation is one of the highest priorities for the incoming Democratic-controlled Congress in the United States.

The Sadrists "are really facing a problem," said one Shiite politician. "They formed a militia. It expanded. Now each one is a cell. This is the dangerous thing."

As always with the elusive Mr. Sadr, who has rarely granted interviews to foreign journalists, it is not clear whether his public pronouncements and efforts at reform are sincere, or how long they will last. But in Iraq, power flows from the barrel of a gun, and he, better than anyone, knows that.

Mr. Sadr's new prominence in politics is partly a result of intense American and Iraqi efforts. For most of 2004, Iraqi leaders shuttled south of Baghdad to Najaf, where he lives, to persuade him to get followers in his militia, the Mahdi Army, to disarm and also to ask him to enter the political process. Eventually, he did, though many of his followers kept their guns.

Now parties loyal to him control the single largest portion of seats in Parliament and elevated the prime minister to power. They control five government ministries.

Mr. Sadr is often described as fickle, image-obsessed and having a short attention span. But lately, he has cut a more sophisticated image. He rented and refurbished a large house near his own for guests in Najaf, after returning from a monthlong trip early this year. It was his second visit abroad, and he met with princes and kings of Jordan, Saudi Arabia, Lebanon and Iran, according to a Shiite politician close to him.

"Now they can sit on couches," instead of rugs, he said. Perhaps most significant, Mr. Sadr has been paying visits to the son of Iraq's most senior Shiite cleric, Grand Ayatollah Ali al-Sistani, and apparently learning the arts of negotiation and compromise.

"Nowadays he's communicating better," said Mowaffak al-Rubaie, Iraq's national security adviser. "Grand Ayatollah Sistani is trying to bring him within the fold."

While all this is happening, however, the war has grown far deadlier for Iraqis on the street, and many of Mr. Sadr's supporters are following a fresh crop of more militant Mahdi commanders.

It is not that poor, young Shiites no longer follow Mr. Sadr; his image still adorns concrete walls. Religious rap songs play just as loudly on the streets of Sadr City, the sprawling Shiite slum in eastern Baghdad that is the heart of his support. But Mr. Sadr's new call for calm — one he is required to make as a part of the Iraqi establishment — is not satisfying to many, who are deeply angry at sectarian killings by Sunni militias.

"When a worker is killed because he's from Sadr City, what do you expect from his family?" said a 26-year-old graduate student from Sadr City. "It is a fact that he will try to take revenge."

One result is a small proliferation of senior militia leaders — a coalition intelligence official said in September there were at least six — striking out on their own. One new commander is a fishmonger who goes by the name Abu Dera, meaning "man of the shield." According to legend, an American tank fired directly on him and missed.

Although his supporters deny it, Sunnis say Abu Dera is one of the city's biggest killers, responsible for thousands of murders of Sunnis whose bodies are surfacing daily in a giant garbage dump less than a mile from his block. He is often referred to as "the Zarqawi of the Shiites," a reference to Abu Musab al-Zarqawi, the leader of Al Qaeda in Mesopotamia who was killed by American forces last June.

The Iraqi prime minister, Nuri Kamal al-Maliki, who is Shiite, has given the approval for the American military to arrest him. They have tried and failed at least twice.

Abu Dera clearly inspires Shiites who want to take the law into their own hands, or as they see it, carry out justice for Sunni aggression while their government looks on helplessly.

"Mahdi Army has killed the main insurgent figures," said the 26-year-old in Sadr City. "It did a favor for the Americans and the government."

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The fracturing of Mr. Sadr's militia traces the arc of Iraq's history since the American invasion. In 2004, the American military was the common enemy, and Mr. Sadr's followers even joined Sunnis to fight in Falluja. But as vicious attacks by Sunni militias intensified, perception of the enemy shifted, and Iraq's two main sects began fighting each other.

One result has been a spectacular spike in killing — the monthly death toll in the capital has been double the rate of a year earlier — and Mr. Sadr's militia is being blamed.

At first, Mr. Sadr denied that his forces were responsible. Some Shiite Iraqi officials have said that many people claim Mahdi affiliations, even Sunni militants. Whatever the case, the killing has gotten so bad that he considers it a threat to his power, his supporters say.

"Now he's become very worried," said the politician who had discussed Mr. Sadr's trip abroad. "The violence has reached this point of being out of control." Even Mr. Maliki, the prime minister, has noted the predicament. "We don't know what Mahdi Army means any more," he remarked ruefully to a [news service] reporter recently.

Mr. Sadr has tried to fashion his organization after Hezbollah, the Lebanese Shiite militia commanded by Sheik Hassan Nasrallah, which showed its efficiency and unity of purpose during the war with Israel this summer, instituting exams for new members and dismissing wayward heads of his offices. In Basra, in the south, he is on his seventh since 2003. But Mr. Sadr has been thwarted by his undisciplined forces.

Mr. Sadr has disavowed a number of his commanders. At a Friday Prayer last month, the names of 40 dismissed Mahdi Army commanders were read aloud at a lectern in front of a sea of men holding umbrellas against the hot sun. Among them were Hassan Salim, the leader of the Mahdi Army in Baghdad, and Hajj Shimel, a prominent cleric. Abbas al-Kufi, Mr. Sadr's strongman enforcer, arrived from Najaf to attend the reading.

That public response fits snugly with the agenda of the American military, which is chipping away at the most corrupt edges of Mr. Sadr's empire through arrests.

Even though the military has made more than six forays into the area since early August, including an Oct. 25 attempt to arrest Abu Dera, Mr. Sadr has been largely silent, and the only repercussions were a few angry public remarks by Mr. Maliki.

Indeed, the challenge Mr. Sadr presented to the American military in 2004, when his followers fought tanks in flip-flops, seems to have melted away.

"We have arrested people who in 2004 we would have had to move M1 tanks to Sadr City to suppress an uprising over," said one intelligence official who spoke to reporters in September about Mr. Sadr's army. That is in part because Mr. Sadr is standing by a newly declared truce with the Americans and also because of the Sadrists' new proximity to power, well-connected local residents critical of the Mahdi militia say.

During a recent raid, area residents said, $4 million was found in the house of one militia member.

"Now Mahdi leaders have the money, they have the Parliament," said a merchant who asked not to be identified for safety reasons. "They do not want to risk it by fighting. Those who tasted the sweets will never give them up."

American and Iraqi officials say Iran is also a major financial source.

But while the unraveling of Mr. Sadr's unified militia takes away some problems for the military, it also creates new ones through the infiltration of the Iraqi security forces.

"You have more points of entry," said Lt. Col. Eric Schacht, whose soldiers patrol areas of largely Shiite eastern Baghdad.

American officials have urged Mr. Maliki to take up this problem with Mr. Sadr and, to some extent, he has. But sectarian divisions have hardened in politics, and Shiite leaders, incensed at what they say is an American obsession with militias, have treated Mr. Sadr gently.

"We find his arguments very true," said a Shiite lawmaker, Sami al-Askiri. "We agree with him."

Cleric Al-Sadr May Hold Iraq's Future In His Hands (USAT)

By Rick Jervis

USA Today, November 13, 2006

BAGHDAD — Muqtada al-Sadr, the anti-American cleric President Bush once dismissed as the head of a "band of thugs," has emerged as one of the most powerful forces in Iraq, commanding a large militia and a growing political organization.

U.S. and Iraqi forces passed on a chance to arrest al-Sadr two years ago. Instead, Iraq's Shiite leaders encouraged him to enter the political process. The idea was to co-opt a threat to the Iraqi government. Critics say the plan backfired, placing Iraq's future in the hands of a firebrand whose Mahdi Army militia has intensified religious warfare and threatened the country's stability.

"I believe that the Mahdi Army continues to pose a threat," Sen. John McCain said in Arizona last week. "I believe al-Sadr has to be taken out."

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That may not be realistic. “There are no good options in dealing with al-Sadr,” says Wayne White, who formerly headed the State Department's Iraq intelligence team and is now at the Middle East Institute. “He has grown too powerful to be addressed in any reasonable way.”

As President Bush and the Democrats in charge of a new Congress plot a new direction in Iraq, al-Sadr remains a huge obstacle unless the Iraqi government does what it has been unwilling or unable to do so far: neutralize him through political negotiations or a military confrontation.

His political group, for example, controls the Health Ministry and has used it to harbor death squads, infiltrate hospitals and punish al-Sadr's enemies, says Ayad al-Samarrai, the deputy chairman of the Iraqi Islamic Party, a Sunni group.

The U.S. military estimates the Mahdi Army has between 6,000 and 10,000 militants in Baghdad. Al-Sadr's militia and al-Qaeda in Iraq are among the groups most responsible for religious warfare, according to the latest Defense Department report to Congress.

The Bush administration has urged the government of Prime Minister Nouri al-Maliki to confront Shiite militias, including al-Sadr's Mahdi Army. Al-Maliki, who relies on al-Sadr for political support, has been slow to act, saying it may not be until next year before militias are disarmed. Al-Sadr's support was instrumental in putting al-Maliki in power.

Because of al-Sadr, “Al-Maliki was able to become prime minister despite the fact that other political parties had gained more seats in parliament,” says Vali Nasr, author of The Shia Revival. “He is al-Sadr's prime minister.”

Al-Sadr, 33, comes from one of Iraq's most prominent religious families. He's the fourth son of Ayatollah Mohammed Sadiq al-Sadr, one of the country's top religious leaders. The senior al-Sadr was gunned down along with two of his sons in 1999, allegedly by Saddam Hussein's henchmen.

Al-Sadr lacks his father's scholarly credentials, but he is charismatic, and his fiery sermons have attracted a large following among the country's Shiites, according to a 2004 report in the Middle East Quarterly. Al-Sadr's power is concentrated in Sadr City, a Shiite slum of about 2 million people in eastern Baghdad that was named for his father. Al-Sadr's followers include legions of poor, disaffected youths, who also make up the backbone of his armed militia.

“He's kind of a spokesman for the dispossessed,” says Chris Toensing, editor of the Washington-based Middle East Report.

As early as July 2003, while most Iraqis were still celebrating the fall of Saddam's regime, al-Sadr was using his pulpit at a mosque in Kufa, south of Baghdad, to urge young recruits to join his new army. While Grand Ayatollah Ali al-Sistani, Iraq's most prominent Shiite religious leader, counseled patience, al-Sadr was whipping up his followers with anti-American speeches.

His forces clashed with U.S. forces in Najaf and Baghdad in 2004. Hundreds of his followers died in pitched battles with American troops. The militants were no match for superior U.S. training and firepower. But the revolt helped solidify al-Sadr's reputation.

In April 2004, an Iraqi judge issued an arrest warrant charging al-Sadr with the murder of a rival cleric, Abdul Majid al-Khoei. The U.S.-backed al-Khoei was hacked to death in April 2003, allegedly by al-Sadr's followers, as he left a Shiite shrine in Najaf.

Al-Sadr, however, was never arrested. Instead, he was invited to join the political process as part of the deal that ended his revolt.

Members of political parties loyal to al-Sadr won 30 seats in the 275-member parliament in elections last December. As a cleric, al-Sadr does not take a direct role in politics. But his supporters were given control of six Cabinet positions, including the Health Ministry.

On the streets, his militias have remained strong. “What makes him powerful is that he's the most effective military force in this sectarian conflict,” Nasr says.

Al-Sadr has denied that his militia has been involved in criminal activity. Common criminals often identify themselves as Mahdi Army militants to carry out kidnappings and killings, says Bahaa al-Araji, a lawmaker loyal to al-Sadr.

Last month al-Sadr fired 41 members of the militia linked to illegal activities, al-Araji says, adding that there are rogue elements acting outside al-Sadr's control.

Iraq's Health Ministry is a case study in how al-Sadr used his government role to consolidate his political and military support.

Ministry-run hospitals have been used as a weapon against rival Sunnis, according to critics, such as Sunni lawmaker Mithal al-Alusi. “It's a jungle,” al-Alusi says. “What (al-Sadr) has done with that ministry is criminal.”

Last month, a Sunni man was taken to Kindi Hospital in central Baghdad for a gunshot wound, says Omar al-Jubouri, human rights director at the Iraqi Islamic Party.

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He was shot and killed in his hospital bed, al-Jubouri says. His brother went to retrieve the body. He brought 17 male relatives along for protection, but they were quickly outgunned by an even larger group of armed men, believed to be the Mahdi Army, al-Jubouri says. The group was kidnapped and killed, he adds.

Two days later, the family picked up the 19 bodies, escorted by an Iraqi army convoy, from the Baghdad morgue. Al-Jubouri says some of the bodies showed signs of torture, including drill holes to the skull and electrocution burns.

So many Sunnis have been followed and killed after picking up relatives at the ministry-controlled Baghdad morgue that al-Jubouri's party regularly coordinates Iraqi army convoys to escort the families, he says. "We'll wait until we have 17 or 18 bodies waiting," he says. "Then we'll send for the convoy."

Convoys are not always safe. On June 12, Ali al-Mahdawi, a physician and head of the Diyala Province health department, arrived at the Health Ministry headquarters with six bodyguards for an 8:30 a.m. meeting with Health Minister Ali al-Shemari, al-Samarrai says.

Al-Mahdawi had been nominated by Sunni political leaders to be deputy minister. After arriving at the ministry, three of the bodyguards waited in the parking lot, while three escorted the doctor to the meeting, al-Samarrai says. When the meeting ran late, a bodyguard in the parking lot called al-Mahdawi on his mobile phone.

"Don't worry, he's with friends," a voice on the other end said before switching off the phone. Al-Mahdawi and the three guards haven't been seen since, al-Samarrai says. "Most probably, he's dead now," he says. "It happens so often. Everybody knows about it. And they're not doing anything about it."

Health Ministry spokesman Qasim Yahya would not comment on the allegations.

Mahdi Army militants have used Health Ministry and associated offices to detain and torture abductees, most of them Sunnis, according to U.S. officers.

Last month, U.S. and Iraqi troops raided a compound belonging to a social organization named for al-Sadr's father, says Lt. Col. Avanulas Smiley, commander of the Army's 1st Battalion, 23rd Infantry Regiment, which assisted in the raid. U.S. investigators believed the compound was run by al-Sadr loyalists, he says. One room contained a long wooden bench stained with blood and urine, indicating victims were tortured there, Smiley says.

Militia infiltration is not the ministry's only problem. The ministry also has become less effective since al-Sadr took over, says Jaleel Hadi al-Shamary, a physician and general director of the Karkh Health Department in western Baghdad.

Qualified bureaucrats have been replaced by party loyalists, leading to a steady exodus of qualified doctors and other officials, he says. About 600 of his department's 3,000 doctors have resigned or left the country, he says.

"The Health Ministry is in a real state of collapse," al-Shamary says. "It's a scientific ministry and needs a scientific mind to run it. But … high-ranking officials are chosen due to their affiliation to the party."

U.S. troops say a two-story complex linked to the al-Sadr organization in a nearby neighborhood also is being used as an illegal detention center. "Torturing, killing, everything under the sun happens there," says 2nd Lt. David Michael Stroud, a platoon leader with the 1st Battalion, 23rd Infantry. "It's the heart of darkness."

The complex is considered a "no-touch" zone, since it's aligned with al-Sadr, Stroud says. U.S. and Iraqi army units often need Iraqi government permission before raiding government offices. The Shiite-dominated government sometimes is reluctant to allow raids of al-Sadr associates. "It makes it difficult if someone is sponsoring or being complicit with criminal activity who's in a government position," Smiley says. "It disrupts the essentials to making progress."

Al-Maliki's government has targeted some Mahdi Army officials, and Iraqi security forces have clashed with the militants several times this year. In August, U.S. and Iraqi troops, working on a tip about a kidnapping ring, raided the Health Ministry offices and arrested five of al-Shemari's bodyguards.

Adil Muhsin Abdullah, the inspector general of the Health Ministry, says he has not received any reports of deaths squads or kidnapping cells linked to ministry-controlled hospitals or offices.

Al-Maliki has been reluctant to let U.S. troops launch large-scale attacks against the Mahdi Army because it would make the militia more popular and undermine rival Shiite parties, including his own Dawa Party, Nasr says. Recently al-Maliki's government ordered the removal of Iraqi and U.S. military checkpoints that had been placed around Sadr City.

"The government is paralyzed against these militias," says Mahmoud Othman, a leading Kurdish lawmaker. "Groups in parliament are not working as a team and don't have a united agenda, making government and parliament unable to do much. The whole thing is getting more complicated by the day."

Iraq's Secret Death Chambers (TIME)

By Brian Bennett

Time, November 13, 2006

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Before he is put to death, Saddam Hussein will be allowed one last phone call. He will be given a glass of water, a moment to pray and an opportunity to make a statement about his life and crimes. The entire event will be recorded on video to be stored in the Iraqi government archives. Then his neck will be slipped into the noose of a 2-in.-thick hemp rope. A few moments later, his life will end.

That's how recent executions have proceeded in Iraq--at least when the equipment works. Since the Iraqi government reintroduced capital punishment in 2004, several executions have been beset by glitches and logistical snafus. At first, executioners used an old rope left over from Saddam's regime that stretched too much to break the condemned's neck; it sometimes took as long as eight minutes for the hanged to die. New ropes brought in for later executions jerked harder on the convicted person's spine, but executioners soon noticed the cords fraying on the bend of the reinforced steel installed in the cement ceiling of the gallows. During a recent round of executions, on Sept. 6, the rope snapped after 12 hangings, sending a condemned man plummeting 15 ft. through the trap door onto the hard concrete floor below. Miraculously, he survived. "Allah saved me!" he shouted. "Allah saved me!" For 40 minutes, prison guards, officials and witnesses engaged in heated arguments over whether or not to interpret the broken rope as divine intervention.

It may not be an efficient process, but the death penalty is back in vogue in Iraq. After the U.S. invasion, capital punishment was suspended by L. Paul Bremer, head of the now-defunct Coalition Provisional Authority, but interim Prime Minster Iyad Allawi reinstated it a year later. Since September 2005, when three men were hanged in the southwestern city of Kut after being convicted of running a murder-and-kidnapping ring, the Iraqi government has executed 50 prisoners convicted of murder or kidnapping, says spokesman Ali al-Dabbagh. An adviser to Prime Minister Nouri al-Maliki says the government plans to execute "two or three more batches of 14 or 15 each" in the coming months. Al-Maliki told the BBC last week that Saddam too could be hanged "before the end of the year." For the beleaguered Iraqi government, the practice of executions plays a political role as well as a legal one: amid the inescapable violence on Iraq's streets, the death penalty plays well with Iraqis tired of seeing gangs commit murder with impunity. "From the Iraqi point of view," says al-Maliki's adviser, "they don't like to see a lot of people get killed every day and have a low number of executions."

And yet an examination of the way the death penalty is administered in Iraq casts doubt on the government's candor about the frequency of executions, and that raises questions about whether justice is being flouted in Iraq's rush to execute. According to an Iraqi official involved in coordinating executions, the hanging rope has been used more extensively than has been publicly acknowledged by the Iraqi government. Three days of secret executions took place between December 2005 and March 2006, says the official, who attended all three sets of hangings. When the additional executions are taken into account, according to an official in the Prime Minister's office who declined to give an exact number, approximately 90 have been executed, almost double the officially declared tally.

The government's underreporting of executions reflects a general lack of transparency in the process. Hangings are conducted in secret, at a heavily fortified location in Baghdad built by an American contractor. Only a few officials are notified beforehand, and the vast majority of the names of those executed are never made public. Human Rights Watch, which monitors the fairness of judicial systems around the world, is concerned about the ability of defendants in Iraq to get a fair trial and access to a thorough appeals process. Iraq has repeatedly rebuffed requests from the Office of the U.N. High Commissioner for Human Rights for statistics on the country's death-penalty cases, leading the high commissioner to request that Iraq commute all death sentences. The government has refused. In a written response to the U.N., the government said that suspending capital punishment would "undermine our policy on crime," citing capital punishment as a "public deterrence."

That was the objective when the Iraqi government announced in March that they had executed an infamous psychopath and insurgent hit man named Shukair Farid, "the butcher of Mosul," whose gang slaughtered more than 200 during a yearlong rampage in the northern city. Farid, a police lieutenant, had gained fame after appearing on the hit reality-TV interrogation show Terrorism in the Hands of Justice, on which he told in gruesome detail of the scores of Iraqi lives he took, often using his uniform to trap victims. Farid didn't go easily. On the morning the convoy of Iraqi officials drove out to oversee the execution, 30 cars ambushed them with gunmen firing PKC automatic weapons. After fighting their way through to the gallows, the executioners were surprised at how defiant Farid was as he faced his own death. When asked to verify his identity before they put the rope around his neck, Farid said, "That's me, so what." "That guy was ready to go to hell, I guess," says a government official.

But there are many others on death row who continue to profess their innocence. Women doing time for murder in Baghdad live in a single 10-bunk cell in Khadamiyah Women's Prison in the northern part of town near the Tigris River. There waits Zayneb, a brown-haired woman in her late 20s wearing a black head scarf, convicted in September of conspiring with her husband to murder three relatives. The judge gave her three death sentences, one for each relative who was murdered. She says she didn't have anything to do with their deaths. She has only one chance to appeal the ruling before she faces the noose. The reality of her predicament sinks in as Zayneb looks at the empty bunk across the room, until recently occupied by a friend of hers who has been transferred to another jail to wait for her own execution. "We spent a long time together here," Zayneb says,

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tears welling up in her copper-colored eyes. "They took her two days ago." She sees little hope for herself. "I am convicted of three crimes. If one is waived, what about the other two? For sure I will be hanged."

The saving grace for defendants like Zayneb is that Iraq's judicial system operates at a crawl. It's a "lethargic process," says Basam Ridha, an adviser who has been tasked by al-Maliki to hasten the punishment. Some cases, says Ridha, have taken a year or more just to be heard by the investigative judge, who decides if the case needs to go to trial or not. Other prisoners short-circuit the process and find ways to get out of prison, either by paying their jailers or, in some instances, bribing the judge to dismiss their case.

Saddam, though, is almost out of time. If his sentence is upheld by the appeals court, Iraqi and U.S. officials say the plan is for him to be hanged from the same gallows used for common criminals. That could change for security reasons, says a U.S. lawyer working closely with the court, but even a technical snafu probably won't be enough to save him now. Remember the man who slipped the noose, believing Allah had saved him? His reprieve didn't last long. "We hanged him," says an Iraqi official who watched as prison guards took down his body and wheeled it into the adjacent refrigerated morgue. "We followed the law." With reporting by M. Ezzat, Mark Kukis/Baghdad

Violence In Iraq Claims At Least 159 (AP)

By Steven R. Hurst

AP, November 13, 2006

The Shiite prime minister promised Sunday to reshuffle his Cabinet after calling lawmakers disloyal and blaming Sunni Muslims for raging sectarian violence that claimed at least 159 more lives, including 35 men blown apart while waiting to join Iraq's police force.

Among the unusually high number of dead were 50 bodies found behind a regional electrical company in Baqouba, 35 miles northeast of Baghdad, and 25 others found scattered throughout the capital. Three U.S. troops were reported killed, as were four British service members.

Also Sunday, the country's Sunni defense minister challenged Prime Minister Nouri al-Maliki's contention that the U.S. military should quickly pull back into bases and let the Iraqi army take control of security countrywide.

Defense Minister Abdul-Qadir al-Obaidi rejected calls by al-Maliki for the U.S. military to speed transfer of security operations throughout the country to the Iraqi army, saying his men still were too poorly equipped and trained to do the job.

"We are working hard to create a real army and we ask our government not to try to move too quickly because of the political pressure it feels. Our technical needs are real and that is very important, if we are to be a real force against insecurity," al-Obaidi said.

Al-Maliki wants the Americans confined to bases for him to call on in emergencies, but he boldly predicted his army could crush violence within six months if left alone to do the work.

The top U.S. commander in Iraq, Gen. George Casey last month said it would take 12 to 18 months before Iraq's army was ready to take control of the country with some U.S. backup.

Key lawmakers from al-Maliki's Islamic Dawa Party said that in the coming Cabinet shake up, which the prime minister promised during a closed-door parliament session Sunday, Interior Minister Jawad al-Bolani was at the top of the list to lose his post because police and security forces were failing to quell the unbridled sectarian killing that has reached civil war proportions in Baghdad and the center of the country.

Al-Bolani, a Shiite who was chosen in June and a month after al-Maliki's government was formed, is an independent. The United States demanded that the defense and interior posts be held by officials without ties to the Shiite political parties that control militia forces.

Al-Maliki is under pressure both from his people and the United States to curb violence, with Washington leaning on him to disband Shiite militias believed responsible, through their death squads, for much of the killings.

Al-Maliki is dependent on both Supreme Council for the Islamic Revolution in Iraq, with its Badr Brigade military wing, and radical Shiite cleric Muqtada al-Sadr's political movement for his hold on power.

The interior minister controls police and other security forces which already are infiltrated by the Badr Brigade and the Mahdi Army, the armed wing of al-Sadr's political movement.

After nearly 48 hours without reporting a death, the U.S. military said three soldiers assigned to the 1st Brigade, 1st Armored Division died Saturday of combat wounds in Anbar Province, the insurgent stronghold west of the capital. Their deaths raised to 2,848 the number of service members who have had died since the start of the war in March 2003.

Four British servicemen were killed in an attack on a patrol boat in Basra's Shatt al-Arab waterway, southern Iraq, the Ministry of Defense said in London.

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In Sunday morning's bombing targeting police recruits, two men detonated explosives strapped to their bodies simultaneously, police Lt. Maitham Abdul-Razaq said. The attack, killing 35 men outside the police station near western Baghdad's Nissur Square, was one of several blasts in the capital.

Police and police recruits, who are largely Shiite Muslims, have been regularly targeted by Sunni insurgents, al-Qaida in Iraq and other terrorist organizations aligned with it.

In Baqouba, the Iraqi army's provincial public affairs office said troops found 50 bodies dumped behind the offices of the provincial electric company.

Nineteen of the bodies were taken to the morgue in Baqouba and the army was waiting for U.S. bomb disposal teams, fearing the 31 other bodies behind the electrical company were rigged with explosives.

Abdul-Razaq said Baghdad police had found 25 bullet-riddled, handcuffed bodies in several parts of the capital. Dozens more bodies were found around the country.

Al-Maliki confirmed an Associated Press report 10 days ago about the coming government shake-up during a closed-door parliament session in which he responded to public charges by lawmakers that the government was complicit in the killing of members of the Sunni minority, two parliamentarians told AP.

Some Shiites had complained al-Maliki was being unduly harsh in dealing with Shiite militia members. Al-Maliki told the lawmakers that their speeches were affecting the security situation, according to Shiite legislator Bassem al-Sharif.

Dhafer al-Ani, of the Sunni Iraqi Accordance Front, told AP that al-Maliki's comments "were disappointing because they were sidelining (Sunnis) and included threats." In remarks earlier in the week, al-Maliki blamed Sunnis alone for Iraq's violence.

On Saturday, al-Maliki told editors of local newspapers that Syria, which the U.S. and his government accuse of allowing foreign fighters to cross into Iraq, wants to start afresh with Iraq.

"We have the same desire," al-Maliki said in a videotape of the remarks to Iraqi journalists on Saturday.

Foreign Ministry Undersecretary Labib Abbawi said Sunday that Syria's Foreign Minister Walid Moallem had accepted an invitation to visit Iraq, though no date was set.

The opening to Syria comes with the expected release in the United States of recommendations of the bipartisan Iraq Study Group, headed by former Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton of Indiana.

It was believed the commission would recommend trying, among other things, to engage both Syria and Iran, Iraq's eastern neighbor.

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AP correspondent Qassim Abdul-Zahra contributed to this report.

For Iraqis, News Is A Deadly Business (CSM)

By Scott Peterson

The Christian Science Monitor, November 13, 2006

BAGHDAD

At dawn, a guard at the fledgling Iraqi television station watched helplessly as a death squad - more than a dozen heavily armed men with silencers on their pistols and many with Iraqi police uniforms on their backs - rolled up in a convoy to Al Shabiya TV.

He immediately phoned the station's anchorman, Firas al-Rikabi, at his nearby home. The guard was beside himself, warning Mr. Rikabi to "try to run away." After 75 minutes, the gunmen left the station, and Rikabi arrived to find 11 of his journalist colleagues dead.

No one heard a single shot.

The professional hit, conducted last month, delivered one of this year's heaviest blows to Iraqi journalists. Amid the swirl of sectarian bloodletting and insurgent attacks, the Iraqi media faces the treacherous task of navigating the political differences between parties, and widespread ignorance about their role.

The label "independent" media in Iraq has become a death sentence, in what has become the world's most dangerous environment for local journalists. Already this year 55 Iraqi journalists have been killed - more than any other year - and four remain hostages.

"Now we are facing a crisis," says Rikabi, who was to be a news program host for the nascent Al Shabiya TV, which was attacked before it had even begun regular broadcasts.

"When they see their friends dead in front of their eyes, they are very angry, very sad," says Rikabi, who, like many, has taken heed of the threats and has decided he will no longer appear before the camera. Instead, he found another job in media. "We believe: If they want to kill us, even if we are working in the Green Zone, they will kill us because they have power."

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The dangers of Baghdad were evident again Sunday, when 52 people lost their lives in the Iraqi capital - including 35 in a double suicide strike against police commando recruits. Prime Minister Nouri al-Maliki told a closed session of parliament he wanted a "comprehensive cabinet shake-up" and pledge of loyalty to a unified Iraq.

A growing number of incidents in recent months have demonstrated the insurgency and militia's power to target and intimidate. There have been a string of media murders against print, radio, and TV journalists. When Al Shabiya TV was hit, it was the second such attack in a fortnight.

"There is no progress. We are going backwards," says Ziad al-Ajili, head of the Iraqi Journalistic Freedoms Observatory, an Iraqi free speech watchdog group that tabulates attacks against Iraqi journalists.

"The level of freedom has dropped to a very low level, because the insurgents and militias have relations with the government," says Mr. Ajili.

"When they see the government close Al Sharqiya TV, Al Arabiya and Al Jazeera, [insurgents and militias] think they have a right to kill journalists."

The proof is in the numbers, which Ajili's group - formed in 2004, and now with a string of 30 observers reporting from across Iraq - keeps careful count of on-line, name by name.

Seven Iraqi journalists were killed in 2003. When the insurgency took root in 2004, the toll jumped to 50. In 2005 another 44 died; 2006 has already set a record, with 1-1/2 months to go. In many cases, attackers steal the mobile phones of their victims, and call and text message threats to all their colleagues in the address book.

When Nakhsin Hama Rashid, a woman who broadcast for a government-backed Kurdish TV program, was murdered two weeks ago, everyone in her phone list received this text warning on their mobile phones: "Today Nakhsin, tomorrow you."

The political dimension is also growing, as political parties - usually in the government, often with ties to their own powerful militias, and owners of their own sympathetic media outlets - seek to influence independent voices.

The number of court cases against journalists, for example, surged from just two or three last year to 10 so far this year. While there have been rumors that lawmakers have recently begun to draft a press law, no one has seen a copy nor expects it to uphold any freedoms.

"Until now, there is a dictatorship in the Iraqi mind," says Ajili. "They are targeting independent journalists all the time." He points to the case of Sunni journalist Ahmad al-Rashid of Al Sharqiya TV. He was driving through a Sunni area, when a three-man hit squad in another car, almost certainly Sunnis, shot him dead.

"These results [tell us] politicians want journalists to be the voice of their parties. When you join parties, you get protection from them," says Ajili. Passage of any press law, he says, would "end many journalist freedoms."

"This is very difficult for journalists, even more difficult than the assassinations," says Ajili, noting that no case involving an attack on journalists has been solved. "We can't work, if we are giving all the sacrifices with no democracy."

The Al Shabiya TV attack, many journalists here believe, also has political motivations. If the killers were a Shiite death squad, as is widely believed, attacking a TV station with a largely Shiite staff and a Shiite manager, the reason may be that the station was calling for Iraq to stay unified.

That message is contrary to the position of some key Shiite parties, which demand a federal Iraq.

"The targeting of journalists is from the government itself, and parties in the government," says Rikabi, who also survived a brief capture by insurgents in 2004, was beaten heavily, and threatened repeatedly with death. Insurgent groups believe all journalists "work for the occupation."

And the third problem, he says, is that today's Iraq has left no room for dialogue. "There is not another opinion. But if there is a disagreement, they will kill you."

Which is why Ajili has spent much of his own money upgrading security at his home, and keeps his AK-47 assault rifle beside him at night "like a soldier going out on a mission." Sometimes his friends call him and ask if he will reserve space on his media freedom group's website, where photographs and details of all killed Iraqi journalists are posted.

Limitations of work in Iraq hit home for Ajili during a recent trip to Jordan. Ajili says he slept just three hours, overwhelmed by the ability to move safely anywhere.

"I felt free, using my microphone in the streets," he says. "I wanted to do so many stories."

Shi'ite Fanatic Rises In Iraq To Fill Void Left By Zarqawi (WT)

By Colin Freeman

The Washington Times, November 13, 2006

BAGHDAD -- Less than six months after an American air strike ended Abu Musab Zarqawi's campaign of Sunni terrorism, an equally brutal fanatic has emerged on the Shi'ite side of the religious divide.

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Abu Deraa's trademark method of killing is a drill through the skull rather than a sword to the neck, but his work rate is just as prolific as the former al Qaeda in Iraq leader's and shows the same diabolical artistry.

In the past year, he and his followers are thought to have killed thousands of Sunnis, their victims' bodies symbolically dumped in road craters left by al Qaeda car bombs.

Stopping monsters such as Abu Deraa -- whose nom de guerre means "the shield" -- is a top U.S. priority as it tries to halt sectarian violence, which regularly claims 100 lives a day.

But the Shi'ite-dominated government has shown a marked reluctance to sanction the kind of large-scale operation necessary to arrest him in his stronghold of Sadr City, a vast Shi'ite slum in eastern Baghdad.

Taking action against him could cost it valuable support among other Shi'ite militias who, despite official disdain for Abu Deraa's bloodthirstiness, value the fear that such a loose cannon inspires in their enemies.

"We are proud of leaders like Abu Deraa," said Hassan Allami, 25, a fighter with the Shi'ite cleric Muqtada al-Sadr's Mahdi's Army, which Abu Deraa quit earlier this year to form his own faction. "His drills destroy the crazy minds of the Sunnis."

The worsening of interreligious bloodshed reflects badly on Prime Minister Nouri al-Maliki, whose chief task when he took power in June was to win back Sunni confidence in the political process by stamping out the tacit backing of Shi'ite militias such as the Mahdi's Army.

Yet, increasingly, men such as Abu Deraa appear to operate beyond anyone's control. He is among at least 20 former Mahdi's Army commanders who are pursuing their own agendas, sometimes sectarian, often simply criminal.

Sheik al-Sadr may be a thug himself, coalition officials say, but at least he represented a single, identifiable authority. If dozens of freelance players emerge alongside him, negotiation becomes impossible.

"The whole thing is becoming increasingly localized, with people like Sadr being outflanked by extremists whom he can't control," said Eric Herring, the British author of "Iraq in Fragments," a study released last year that charts Iraq's breakup into innumerable competing factions. "It's possible that we may eventually remember Sadr as a moderate."

The emergence of local warlords with their own agendas is not confined to the sectarian front lines of Baghdad. In the city of Amara, in Shi'ite-dominated southern Iraq, local Sadrists are in a violent power struggle with the Badr Brigade, a rival Shi'ite militia backed by Iran.

In the capital, the two factions sit together as fellow members of the Shi'ite Unity parliamentary block. But in Amara, they have been fighting pitched battles since the British army ended its permanent presence in the city in August.

Both factions have tried to stake out political territory by introducing rafts of Taliban-style restrictions, including banning music at weddings, segregating schools, shutting Internet cafes and stopping people from watching Western satellite-TV channels.

"The Mahdi Army heard I had a satellite dish that was tuned to the Western channels," said Abu Fadl, 45, a teacher. "They went up to my roof, removed it and then beat me. Then they sold the receiver in the central market. They aren't doing this for God, just to show who is in power."

Maj. Charlie Burbridge, a British forces spokesman, insists that such complaints are not widespread. But he agreed that if they were happening, it was more a product of territorial squabbling than any genuine Islamization.

"I think if someone gets their satellite dish smashed up by the Mahdi Army, it is probably because they belonged to the Badr Brigade," he said.

Maj. Burbridge added that the situation in Amara was "a significant test of the Iraqi government and security forces, but we believe they can cope."

Mr. Fadl, however, said, "I wish the British would come back."

Dalai Lama Wants Saddam Spared (AFP-Y)

AFP, November 12, 2006

Tibet's exiled spiritual leader the Dalai Lama has appealed for Saddam Hussein's life to be spared, saying the deposed Iraqi president was not beyond redemption.

"The death penalty is said to fulfil a preventive function, yet it is clearly a form of revenge," the Nobel peace laureate told reporters as he ended a two-week visit to Japan.

"However horrible an act a person may have committed, everyone has the potential to improve and correct himself," he said.

"I hope that in the case of Saddam Hussein, as with all others, that human life will be respected and spared."

An Iraqi court sentenced Saddam, ousted in a US-led invasion in 2003, to hang on November 5 for the deaths of 148 Shiites in an Iraqi village in 1982, after an attempt to assassinate him.

Iraq's Prime Minister Nuri al-Maliki has said he expected Saddam to be hanged before the end of the year.

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The Dalai Lama has been critical of the US-led invasion of Iraq despite his relationship with US President George W. Bush, who has met with him in defiance of China.

China, which sent troops into Tibet in 1950, accuses the Buddhist monk of being a "splittist" and opposes his frequent travels overseas.

The Dalai Lama has said he was seeking greater autonomy for the Himalayan region within China and opposed all forms of violence. He fled into exile in India in 1959.

Insurgent Activity Rising In Afghanistan (AP)

By Jason Straziuso

AP, November 13, 2006

Insurgent activity in Afghanistan has risen fourfold this year, and militants now launch more than 600 attacks a month, a rising wave of violence that has resulted in 3,700 deaths in 2006, a bleak new report released Sunday found.

In the volatile border area near Pakistan, more than 20 Taliban militants — and possibly as many as 60 — were killed during several days of clashes, officials said Sunday.

The new report said insurgents were launching more than 600 attacks a month as of the end of September, up from 300 a month at the end of March this year. The violence has killed more than 3,700 people this year, it said.

Afghanistan saw about 130 insurgent attacks a month last year, said the report by the Joint Coordination and Monitoring Board, a body of Afghan and international officials charged with overseeing the implementation of the Afghanistan Compact, a five-year reconstruction and development blueprint signed in February.

The violence "threatens to reverse some of the gains made in the recent past, with development activities being especially hard hit in several areas, resulting in partial or total withdrawal of international agencies in a number of the worst-affected provinces."

The report said that the rising drug trade in Afghanistan is fueling the insurgency in four volatile southern provinces. The slow pace of development is contributing to popular disaffection and ineffective implementation of the drug fight, it said.

Afghanistan's poppy crop, which is used to make heroin, increased by 59 percent in Afghanistan this past year.

Insurgents have launched a record number of roadside bombs and suicide attacks this year, and there have been clashes all year between insurgents and Afghan and NATO security forces, particularly in the southern and eastern provinces near the border with Pakistan.

The 3,700 deaths the report attributes to insurgent-related violence is comparable to the number of deaths — about 3,500 — tallied by The Associated Press this year based on reports from the U.S. military, NATO and Afghan officials.

In the east, Gen. Murad Ali, the deputy Afghan army commander for Paktika province, said 20 bodies were recovered from fighting in Bermel district in the last several days. In addition, he said, two trucks carrying Taliban fighters were destroyed by airstrikes or artillery fire, and officials estimated 40 fighters were killed in those strikes.

Four NATO soldiers and three Afghan soldiers were injured, he said, though a spokesman for NATO's International Security Assistance Force said he was not aware of any serious injuries among NATO troops.

Maj. Luke Knittig said the operations in Bermel, which borders Pakistan, were part of an ongoing Afghan-NATO mission to root out Taliban militants before winter.

"We know we've engaged in successful operations in Bermel with a purpose, and we think those have had a very positive effect against insurgent activity there," Knittig said.

Knittig said Ali's estimate of 60 dead fighters "sounds about right to me," but he did not have an independent estimate of the number killed. "We are not into the numbers game here lately," he said.

Death tolls in remote areas of Afghanistan are almost impossible to verify and often vary widely.

Abdul Baqi Nuristani, the provincial police chief, said only 25 militants have been killed in Bermel the last couple days. He said three Afghan and three NATO soldiers were injured in what he called "a very big battle."

Ali said tribal elders took the bodies of eight Pakistani fighters back over the border to be buried.

Afghan officials have repeatedly accused Pakistan of not doing enough to prevent Pakistani or other foreign fighters from crossing the border to launch attacks. Pakistan says it does all it can, though border attacks have increased since a September agreement led the Pakistani military to pull out of its lawless tribal region.

Bermel is home to a military base that hosts both Afghan and U.S. soldiers. NATO-led troops aided by military aircraft killed 15 suspected insurgents in the district on Tuesday after troops on patrol came under attack.

Afghan Army Could Help Unify A Nation (LAT)

By David Zucchino

DOJ_NMG_0092702

The Los Angeles Times, November 13, 2006

THE commander of Afghan troops confronting the Taliban here is a career officer with a clipped gray beard and a formal bearing who once fought for a Soviet-backed puppet government. His deputy is his former enemy.

Many of their soldiers fought for or against the Russians, against the Taliban or for various warlords — except those so young they had never picked up a rifle.

From this unwieldy mix, the U.S. military and the Afghan government are attempting to create something Afghanistan has never had: a national army that is made up of all the country's ethnic groups and represents a unified central government.

Five years after the fall of the Taliban government, thousands of well-armed insurgents have reemerged to seize large swaths of southern Afghanistan.

In many districts, warlords, opium dealers and corrupt police help the religious extremists exert authority. Except for their fortified, American-built bases in the south, Afghan army units control virtually no territory, and they depend totally on the Americans for supplies and support.

The continued presence of foreign troops, who repeatedly have killed Afghan civilians by accident, and the U.S.-backed government's failure to improve the quality of life or rein in local warlords angers Afghans, pushing some of them back into the arms of the Taliban.

"People are very upset and disappointed with the government," said Col. Abdul Raziq, a brigade commander in southern Afghanistan.

Officers of the new Afghan army know that the Taliban hold will not be broken until they can establish enough security for the government to provide essential services. Until they do, U.S. and North Atlantic Treaty Organization forces won't be able to go home.

But with fighting escalating and the Afghan army entirely dependent on the U.S. military, the day when foreign troops can leave seems a long way off.

The army is important for reasons beyond security. Afghanistan has no unifying institutions. The government of President Hamid Karzai controls Kabul but little else. The national police force is notoriously corrupt and, in the hinterlands, often loyal to warlords or opium merchants.

Instilling loyalty to the national government will require changing the nature of Afghanistan. The army is a place to start.

"To the Afghan people, the words 'Afghan national army' are sweet words," said the Afghan commander here, Maj. Gen. Rahmatullah Roufi, 49, whose 205th Corps is responsible for six volatile southern provinces. "They've never had a real national army before, only tribes and militias. There's a hunger for it."

His deputy, Brig. Gen. Khair Mohammed, 50, said officers were willing to forget the past. Mohammed, a trim, energetic man, gestured toward one of his battalion commanders, who drew to attention and saluted.

"He was a communist, and I fought against him," Mohammed said. "But that was the past, and we Afghans don't look back. Now we're all brothers, all Afghans, and that's the way of the future."

Relying on Americans

THE army has been built from scratch since U.S. trainers arrived at the end of more than 20 years of warfare that swept up Roufi, Mohammed and many men of their generation.

It has grown in the last five years to 36,000 trained soldiers and officers, more than halfway to the goal of 70,000 men. The troops enjoy productive relations with 1,200 U.S. and NATO trainers at 85 bases. A few battalions now take the lead during combat operations. Searches of towns and villages are conducted by Afghan soldiers, not American troops.

But the army is still directed and supplied by U.S. and NATO forces. U.S. officers say they plan operations jointly with Afghan commanders, but some Afghan officers say the Americans dictate the scope of operations by controlling supplies, vehicles and air support.

Uniforms, trucks, fuel, food and ammunition are provided by the U.S. Equally important, the Afghans rely on Americans for air support, attack helicopters, artillery and air medical evacuation. And U.S. officers are clearly in command.

Nor do the Afghans control media coverage. U.S. officers blocked Times journalists from being embedded in an Afghan unit, despite approval by Roufi and the Afghan Defense Ministry.

Roufi complained that his authority had been undermined. "It's frustrating to me, and kind of shameful as well," he said.

Afghan privates and generals alike complain that they are sent into battle in ordinary Ford Ranger pickups with no body armor or helmets, while U.S. soldiers wear flak vests and travel in armored Humvees.

Raziq said his military communications equipment was so bad that he relied on his own cellphone.

The Afghans disparage their weapons, generally old and balky AK-47s collected from the private armies of warlords.

"Our enemy's weapons are much more modern than ours," said Roufi, who commands about 7,000 men.

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"We fight on the same ground and under the same threat as the Americans and the coalition, but we don't have what we need to operate independently. This has a poor effect on our soldiers' morale," said Gen. Zahir Azemi, the army's chief spokesman.

U.S. soldiers, except when sent out on combat missions, live in air-conditioned barracks with cable TV and Internet access. They eat in modern dining facilities that are more like shopping-mall food courts than mess halls.

By contrast, most Afghan soldiers live in poorly maintained buildings, where some men segregate themselves by ethnicity. In the barracks behind Roufi's headquarters in Kandahar, his men cooked lamb and rice on the floor, next to a laundry drain. In the bathroom, mud smeared the showers, and sinks were clogged with food scraps and garbage.

With their scruffy beards and slender frames, the Afghans appear to lack the fitness and discipline of their U.S. counterparts. Although their Afghan-made uniforms are paid for by the U.S. and similar to the ones worn by American troops, some Afghans are more comfortable wearing slip-on loafers than combat boots. Afghan soldiers also tend to prefer traditional scarves to helmets.

U.S. trainers, while praising Afghans for their courage, complain of lax discipline, petty thefts and poor maintenance of weapons and equipment. The Afghans will often run up hills or charge into caves wearing virtually no armor and without waiting for backup. And while U.S. troops are stoic and focused during combat missions, many Afghans are freewheeling and talkative.

The trainers constantly urge Afghan commanders to discipline their men. They say at least two bases have been abandoned by Afghan units after American trainers were transferred out.

For American troops, the Afghans' blase attitudes toward supply lines, coordinated planning or maintaining effective communications can be maddening.

"These guys fight magnificently. They run to the fight, not away from it," said Col. Michael "Jeff" Petrucci, who is Roufi's counterpart and mentor. "But they cannot sustain operations over a long period."

Lt. Jason Elphick, a U.S. trainer, said Afghan soldiers tended to operate "hour by hour" rather than planning ahead. They work hard in the mornings, he said, but in the afternoon, when U.S. trainers want them to clean and maintain their weapons, "all they want to do is nap."

Some critics say disbanding the Afghan militias that initially dominated the army robbed the force of experienced mujahedin fighters. Under a United Nations-sponsored disarmament program, the militiamen were demobilized and trained for civilian jobs. Critics say that left the army dependent on young recruits with no combat experience.

The roughly two years needed to replace militiamen with recruits has given the Taliban time to reestablish itself in the south, its traditional power base, said Ismail Khan, a Tajik warlord who commanded a powerful militia that was largely disbanded when he was appointed energy minister.

"The one force that knew how to defeat the Taliban was disarmed," he said.

Asked whether he had faith in the army to defeat the Taliban, Khan thought for a moment and replied, "No."

'Not just one tribe'

THE typical army recruit arrives at a training center in Kabul in a baggy tunic and trousers, his possessions crammed into plastic shopping bags. He has no other job prospects and no military experience. More likely than not he is illiterate.

Asadullah Jalal Abad, 19, a fresh-faced Pashtun from a rural eastern village, said he signed on because he was tired of working as a day laborer in Pakistan. But he also wants to serve his country by providing security for all of its ethnic groups, he said.

"In my village, people want the army to come there. They know it serves everybody, not just one tribe," Abad said the day he arrived at the Kabul training center, where he was eager to learn how to fire a rifle.

Lyagat, 25, a Pashtun who, like many Afghans, uses one name, arrived the same day, having given up a job as a driver.

"I don't even know how much the army pays, but it doesn't matter," he said. "I want to help protect my country. It's a very young country and needs my help."

Lyagat said he had assumed that units were segregated by ethnic group but was pleased to learn that he would not be serving strictly with Pashtuns.

"I found out it's not the Pashtun army or the Tajik army," he said. "It's the national army."

The Kabul center turns out 1,000 trained recruits a month on hot, dusty fields where the Afghans flop on their bellies and fire at distant targets. Training has been increased from six weeks to 15 weeks, and the size of trained battalions from 400 men to 1,200.

More so than in Iraq, the Afghan army is designed to reflect the country's ethnic balance. U.S. and Afghan commanders say the army's ethnic makeup generally matches the national population — about 42% Pashtun, 27% Tajik, 9% each Hazara and Uzbek, and numerous smaller groups.

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In Iraq, the national army is dominated by Shiite Muslims, many loyal to Shiite militia commanders. The Afghan army at first incorporated Tajik-led militias of the Northern Alliance, the U.S.-backed warlords who helped defeat the Taliban. And initially, the defense, interior and foreign ministries were held by Northern Alliance Tajiks. Now Pashtun, Hazara and Uzbek officers have filled some commands once held exclusively by Tajiks, U.S. and Afghan officers said.

Roufi and Mohammed are Pashtuns, as is Defense Minister Abdul Rahim Wardak.

Although many young men join to serve their country, Roufi said, the army's main attractions are steady, if low, wages, a place to live and ample food.

"These are very poor young men, and this is a good life for them," Roufi said. "And most Afghans have never had any discipline. They get discipline here, and they find it agreeable."

The pay is meager. A first-year Afghan soldier earns $70 a month, less than a common laborer. The top enlisted man makes $180 a month, a major $300, a colonel $400 and a general $530.

Although the army has attracted more than enough recruits, the low pay means that many of them won't reenlist when their three-year tours are up.

"For every 1,000 recruits who graduate from basic training, at least 500 will leave after three years to find other work — either in Afghanistan or Pakistan or Iran," Raziq said.

Soldiers often disappear for days or weeks while making their way home to give money to their families. Afghanistan has no national banking system, so soldiers are paid in cash. In some battalions, soldiers claim, commanders skim cash for themselves. In others, the cash arrives several weeks late.

Some soldiers return weeks later, expecting to rejoin their units and get paid as if they had never left.

Some soldiers have quit and returned home to protect their families from retaliation by the Taliban. Commanders say it is a pervasive threat.

Roufi said his wife and children lived in Kabul, protected by his extended family. Mohammed lives with his wife and eight children in a bombed-out former Soviet apartment complex, guarded by soldiers on the Afghan military base in Kandahar.

"Everyone in the command worries about threats to their families. These threats are very real," Roufi said. Several soldiers said an officer who recently returned to Kabul to check on his family was captured and hanged by the Taliban.

Brig. Gen. Douglas Pritt, a member of the Oregon National Guard who commands the training effort, said the low retention rate was the Afghan army's biggest problem. The U.S. is working to improve weapons and equipment, he said, and Afghans should be working to offer reenlistment bonuses and pay increases.

"Here's what I tell the [Afghan] corps commanders: 'I understand your desire for better and more equipment. That will happen. But right now the biggest issue facing you is retaining soldiers,' " Pritt said. " 'You need to focus on that … take care of them so that their basic needs are met so that they aren't inclined to leave.' "

A formidable enemy

FOR centuries, Afghans have adopted guerrilla tactics to defeat invaders. U.S. trainers want them to do the opposite, learning to fight as a modern counterinsurgency force. As the Afghans have absorbed those lessons, the insurgency has gained strength.

Fighting the Taliban on its home turf is proving troublesome. Even Afghan soldiers have difficulty distinguishing civilians from Taliban fighters.

Taliban fighters have funneled weapons and supplies from Pakistan as they emerged from hiding in towns and villages across the south. They have built an elaborate network of caves and tunnels to ambush Afghan and foreign troops and then disappear. They attack in larger groups and are mounting bolder operations.

"The intensity of the [Taliban] threat is infinitely worse than just a year ago," Petrucci said. "Now the Taliban will mass, they will maneuver and they will not break contact like they used to. They'll grab you by the belt, and they won't let go."

The Taliban controls southern districts through intimidation and terror, Afghan commanders say, and the army cannot protect civilians from reprisals.

The Taliban also has built alliances of convenience with opium dealers and warlords. Corrupt district commissioners, nominally loyal to the central government, also help the insurgents, Roufi said.

"These are the real snakes in the sleeve," Roufi said of the commissioners.

Brigade Sgt. Maj. Kefaitullah, the top enlisted man in an Afghan unit here, said the Taliban capitalized on the frustration ordinary Afghans felt toward the government, particularly over civilians killed by U.S. forces.

Taliban spies and sympathizers have infiltrated the army, providing or selling information, U.S. and Afghan officers said. Local men monitor the main gate of the Kandahar base, using cellphones to alert Taliban fighters of approaching U.S. and Afghan army convoys.

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Capt. Andre Sison, a U.S. trainer, said he didn't trust all Afghan soldiers. "But the ones I train in my company, I trust enough to go out with them every day on combat ops," he said.

Asked whether the army had been infiltrated, Pritt said: "Certainly I think so. But I know of no situations in which information was directly leaked that compromised an operation."

To help prevent leaks, rank-and-file soldiers are not told beforehand of the times, dates and locations of operations, Pritt said. The U.S. uses other countermeasures, he said, including putting out false information and monitoring communications to see if it's passed on.

Taliban fighters use call signs and code words in radio communications, something U.S. trainers are trying to teach the Afghan army to do, Sison said. Too often, Afghan officers simply shout commands into their radios.

Roufi said it worried him that his enemy had adopted successful tactics used by Iraqi insurgents, including roadside bombs, suicide bombings and assassinations of government officials.

There were just two suicide attacks in Afghanistan in 2002, six in 2004, 21 in 2005 — and 91 so far this year. Roadside bombs are becoming larger and more effective. Of the 29 soldiers in his corps killed in the previous month, Roufi said, most were hit by roadside bombs. Two days earlier, three of his men had been killed by a roadside bomb.

Kandahar and other southern provinces were the Taliban's stronghold.

"They'll do anything to get it back," Roufi said.

As he spoke, a convoy of Ford Rangers roared up to his command center, the trucks coated in dust as soldiers returned from a combat mission. The general pointed out that the men wore no vests or helmets and that the Rangers were ordinary pickups. He said his soldiers would need better equipment before they could even think about operating without U.S. support.

"That truck is like a piece of tissue paper," he said. "If a bomb explodes, everyone inside will die. An armored Humvee would be much better."

U.S. Pressed To Go Beyond Military Action (WT)

By Betsy Pisik

The Washington Times, November 13, 2006

NEW YORK -- Pakistan, a key ally in the war on terror, welcomes an expected reappraisal of U.S. policy in Iran and Afghanistan, and thinks military action alone is "not the answer" to the threat posed by extremists in the two countries, its prime minister says.

Shaukat Aziz told The Washington Times that he would like to see a more nuanced approach to battling extremism, which includes massive investment and economic assistance to the two countries in order to build a sense of well-being for the poor and disenfranchised.

In New York for meetings at the United Nations, Mr. Aziz also said the world needs to focus more seriously on Afghanistan's narcotics trade, which is becoming an increasingly important source of terrorist financing. By some estimates, the trade accounts for half of Afghanistan's gross domestic product.

An American commission headed by former Secretary of State James A. Baker III and former Rep. Lee H. Hamilton is expected to recommend strategies for the Iraq war before year's end, a development that Mr. Aziz welcomed.

"We believe that conflicts like Iraq, Afghanistan and so on need to be carefully reviewed because military action is not the answer or the solution to such a crisis," he said.

"We must work on winning the hearts and minds of the people. We have to involve the people, to give them the sense that the world cares and their future tomorrow will be better than yesterday."

The United States has spent about $38 billion on infrastructure and development projects in Iraq since the invasion in 2003, but Mr. Aziz said more must be done to address "root causes," namely poverty and hopelessness, and to make extremist ideologies less attractive.

The prime minister gave an implicit reminder that the United States must leave Afghanistan eventually, in consultation with the Afghans, their neighbors and myriad stakeholders.

"History is full of examples where we didn't focus too much on exit strategy," Mr. Aziz said. "A good exit strategy is one which leaves that country, that area, peaceful, economically and politically empowered. ...

"We are the most important stakeholder, and we are there for life. We cannot take off; countries cannot change their neighbors."

Mr. Aziz declined to comment on the U.S. midterm elections last week or the resignation Wednesday of Defense Secretary Donald H. Rumsfeld.

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He downplayed Washington's continued demands that Pakistan do more to prevent al Qaeda and Taliban fighters from crossing in and out of Pakistan, arguing that it is in Pakistan's national interest to fight narcotics, extremism and terrorism in Afghanistan.

With parliamentary elections due late next year, the Pakistan government faces a delicate balancing act, seeking to address U.S. demands without alienating a Pakistani public that could deliver its votes to a political coalition that is thought to be aligned with the Taliban.

"In our neighborhood, a lot of events are taking place that can impact us," said Mr. Aziz, whose military sustained more than 40 deaths in a suicide bombing last week. "We are not doing this to please anybody; we are doing this in our own national interest. ... Terrorism knows no borders."

The prime minister also defended his country's agreement to allow tribal leaders to take charge of one portion of the 1,700-mile border with Afghanistan, saying that the area is difficult to police.

Asked whether similar deals may be struck in other tribal, agencies, he said: "If we can restrict activity that is prejudicial to our security, it will be done. At the right time and right place we will do more."

Mr. Aziz is a member of an elite panel advising the United Nations on how to consolidate and better coordinate aid activities in the field. His staff said he had no official contacts with Washington during the visit, focusing instead on the local Pakistani community and economic business.

After repeated assassination attempts against Mr. Aziz and President Pervez Musharraf, the prime minister travels in a tight security cocoon that is noteworthy even by U.N. standards. A city block in front of his hotel was sealed off to automotive traffic during his stay.

CORPORATE SCANDALS:

KB Home CEO Resigns Over Backdated Options (WSJ)

By James Bandler And Charles Forelle

The Wall Street Journal, November 13, 2006

The stock-options fraud scandal claimed one of the nation's most successful and highly paid chief executives, KB Home's Bruce Karatz, who agreed to leave the company after an internal investigation found that he backdated his own option grants to increase his pay.

KB Home, a home-construction company once known as Kaufman & Broad, said Mr. Karatz would immediately leave his posts as president, CEO and chairman. He will forfeit about $13 million in gains from the backdating as part of an agreement with the company, based in Los Angeles.

Also departing is Richard B. Hirst, executive vice president and chief legal officer, and Gary A. Ray, the head of human resources. Mr. Hirst resigned, and Mr. Ray was terminated, the company said. A person familiar with the investigation said both Mr. Karatz and Mr. Hirst cooperated with the internal investigation.

Messrs. Karatz, Hirst and Ray couldn't be reached to comment.

Mr. Karatz is one of the highest-profile casualties of the stock-options scandal, which has now claimed the jobs of more than 50 executives and directors, including William McGuire, the chief executive of UnitedHealth Group Inc. More than 130 companies, including KB Home, are under federal investigation in a wide government action. Five former executives at the companies have been charged with criminal wrongdoing.

KB Home didn't detail how the backdated options came to pass, though it said Mr. Karatz and Mr. Ray selected the dates for the options. A person familiar with the matter said that an investigation by KB Home's board determined that the dates were selected retroactively by the two men without permission of the board, though this person said the investigation didn't conclude that there had been intentional wrongdoing. The company said the misdated options were granted between 1998 and 2005.

KB Home said Mr. Karatz would be succeeded as CEO by Jeffrey T. Mezger, the company's chief operating officer. The company said Mr. Mezger wasn't involved in any options troubles. KB Home said it created the new post of nonexecutive chairman, and will conduct a search for the position.

Mr. Mezger takes the helm of the company amid a slow housing market, which has caused KB Home's sales and those of other home builders to plummet. He said in an interview that he expects the options investigation won't have any long- term effect on the company's operations or reputation and that its home-building brand remains "extremely strong." "I think this will be a seamless transition," Mr. Mezger said last night. "We see business as usual going forward."

MORE ON OPTIONS

· Options Scorecard: Companies under scrutiny1

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· Perfect Payday: Complete coverage2

Options allow recipients to buy stock at a preset exercise price, generally set at the market price on the day they were granted. Backdating involves pretending that an option was granted on an earlier date when the market price was lower, conveying an opportunity for extra profit. The practice can lead to overstated profits and significant tax problems for the companies and executives involved.

Mr. Karatz, a 34-year veteran of KB Home, has been its chief executive since 1986. He has overseen tremendous growth, shepherding KB Home through a burgeoning real-estate market that had it building houses at a fast clip. From the end of 1995 through the end of last year, KB Home shares climbed tenfold. The company's stock has dived 40% this year as the property market rapidly chilled.

Along the way, Mr. Karatz has been among the nation's most highly compensated corporate executives. Since 1992, he has reaped nearly $180 million from exercising options, according to Standard & Poor's ExecuComp, a service that tracks executive compensation. Last year, he made more than $150 million from salary, bonus, restricted stock grants and options exercises, according to ExecuComp. The options exercises accounted for the bulk of his pay.

The backdating appears to have begun in 1998, when Mr. Karatz received more than 450,000 options. That year also apparently marked a shift to much larger options awards -- in each of several previous years, Mr. Karatz had received 100,000 options or fewer.

His grants between 1998 and 2001 appeared particularly well-timed. In that period, he recorded one grant dated the day the stock touched its lowest closing price of the year, another at a quarterly low, and two more at monthly lows.

One grant of 450,000 shares carried the date of Oct. 25, 1999, and an exercise price of $17.75, the year's lowest close. KB Home shares subsequently rocketed upward, rising 25% by the end of November.

KB Home disclosed in August it was conducting an internal probe of its options grants, after being contacted by The Wall Street Journal about an unusual pattern of well-timed grants. The company also was the target of a shareholder lawsuit filed in July in Los Angeles County Superior Court alleging manipulation of past stock-options awards. The company has said it is studying the suit.

KB Home appears to have concentrated its options grants at the top. Mr. Karatz received 500,000 options in 2000, which was 30.9% of all the awards to employees. They were dated at a monthly low. Mr. Karatz has cashed all of those options out, for a total profit of about $54 million.

The $13 million he will forfeit is part of an agreement reached to refund the excess profit from backdating to the company, KB Home said. Mr. Karatz will repay the company to cover extra profit on already-cashed-out options, and his remaining outstanding options will be repriced.

The company said that it and Mr. Karatz haven't negotiated any terms of his departure other than the agreement to repay profits from backdating. To correct its accounting for the backdating, KB Home said it expected to take charges of no more than $50 million.

As of Nov. 30, 2005, Mr. Karatz had options for about three million KB Home shares, of which about 2.2 million he could immediately exercise, according to securities filings. The negotiations with the company over his departure will likely determine how much of that total he will walk away with. Under his employment agreement, some of his options remain in force if his departure is deemed a retirement. If he is terminated for cause, he could lose at least some of his outstanding options. Other severance terms also depend on how his departure is characterized.

The home-building industry isn't typically known for flash, but Mr. Karatz cultivated a high profile. He made a name for himself in the 1970s building a model house on the top of a department store in Paris to promote the company's homes in France.

Last year, he was instrumental in partnering with Martha Stewart to build and market homes together -- a move seen as increasing KB Home's name recognition in an industry that isn't known for having well-known brand names.

Convicted Executives Forced To Sell Homes (USAT)

By Greg Farrell

USA Today, November 13, 2006

When CEOs sell their multimillion-dollar homes, it's usually because they're relocating to a different market, or trading up to an even bigger house.

In the case of Walter Forbes, the former Cendant chairman whose baronial 8-acre estate in New Canaan, Conn., is on the market for $12.5 million, the reasons are a little different.

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Forbes, 63, was convicted two weeks ago of conspiracy and making false statements in connection with a massive fraud that cost Cendant investors $14 billion when it was exposed in 1998. Unless his conviction is overturned on appeal, he'll be relocating, all right, but most likely to a property surrounded by thick walls and concertina wire.

As such, Forbes is poised to join the pantheon of convicted former executives who've had to sell their trophy properties or luxury toys to pay off legal bills, settle civil lawsuits or meet criminal forfeiture requirements mandated by judges. Among them:

Dennis Kozlowski, former CEO of Tyco International

Kozlowski was convicted last year of stealing approximately $500 million in cash and stock. Prior to his trial, Kozlowski became the poster child of corporate excess when it was revealed that he spent millions of dollars of Tyco funds on a luxury apartment in Manhattan, filled with exotic details such as a $6,000 shower curtain, and treated his wife to a $2 million party for her 40th birthday on the island of Sardinia. Tyco shareholders picked up half the tab for the party.

Kozlowski, who's currently serving an 81/2-to-25-year sentence in a New York state prison about an hour outside Manhattan, has been selling assets in an attempt to pay $167 million in fines and restitution imposed on him by the judge who presided over his trial.

Last week, Kozlowski's luxury ski home in Beaver Creek, Colo., featuring three wine cellars, sold for $10 million. The house's furniture is being sold separately for $750,000. Another property, an oceanfront mansion on Nantucket called Sea Rose Farm, has been on the market for $23 million but has not yet found a buyer.

Two months ago, Kozlowski sold his luxury yacht, the Endeavour, for $13 million.

Bernie Ebbers, former CEO of WorldCom

Ebbers was convicted last year of ordering his subordinates to cook the books in what turned out to be an $11 billion fraud. Ebbers began serving a 25-year prison term in September, but prior to sentencing, he turned over almost all his assets to a trust fund established to pay damages to WorldCom investors.

Ebbers, whose fortune at one time topped $1.3 billion, once owned the largest cattle ranch in Canada, as well as thousands of acres of timberland in the southeast USA. But when WorldCom's stock floundered, he had to borrow $400 million from his board of directors to meet margin calls from his bank.

His Mississippi mansion was sold in June for $7.5 million, and in May, sports mogul Stanley Kroenke purchased the cattle ranch for $68.5 million. The proceeds of these and other asset sales went to funds to pay investors and creditors.

Scott Sullivan, former CFO of WorldCom

Sullivan pleaded guilty to manipulating the company's earnings in 2004 and cooperated with the government's prosecution of Ebbers. As a reward for that cooperation, he received only a five-year jail sentence, but he still lost his assets to the same class-action lawyers who reached a settlement with Ebbers.

Sullivan's 30,000-square-foot mansion in Boca Raton, Fla., was sold last year for $9 million.

John Coffey, the class-action lawyer at Bernstein Litowitz Berger & Grossmann who got Ebbers and Sullivan to hand over most of their assets to the investor fund, said that the trend of convicted executives turning over their property to settle civil actions is a new development.

“For years and years, it wasn't usual that white-collar criminals had to sell their homes,” he said. “One of the things we wanted to do at WorldCom is change that. We picked both Scott Sullivan and Bernie Ebbers clean.”

One of the high points of his negotiations with the two men, Coffey said, was when he got Sullivan to come into his office and sign over the remainder of his 401(k) plan, a sum between $200,000 and $300,000, to the class-action fund.

Coffey says he succeeded with Sullivan and Ebbers because both men wanted to make a good impression on U.S. District Judge Barbara Jones prior to their sentencing.

Jeff Skilling, former CEO of Enron

Skilling was convicted in May of lying to investors about the company's financial condition and sentenced last month to 24 years and 4 months in prison. Prior to sentencing, he settled criminal forfeiture proceedings with the government by agreeing to sell his home and transfer all his assets, as much as $45 million, to a fund for injured shareholders.

In the case of Cendant's Forbes, the fines and penalties he'd have to pay if his conviction stands up could be staggering. After his top lieutenant, E. Kirk Shelton, was convicted last year of securities fraud in the same case, a judge ordered him to pay $3.2 billion in restitution. Forbes could get similar treatment.

On top of that, Cendant says it will try to recover a $47 million severance package it paid Forbes to oust him in 1998, as well as $15 million in legal fees advanced to him. Cendant lawyers say they will argue that Forbes' conviction nullifies both contracts.

Technically, Forbes' home in New Canaan, as well as two other homes he owns in Florida and Colorado, are not in his name, but his wife's. But since he transferred the titles of the properties after the investigation into the Cendant fraud began, forfeiture experts think lawyers won't have much difficulty winning rights to those assets.

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"That's easier," says Steven Kessler, who specializes in forfeiture cases.

In high-profile white-collar criminal cases in general, Kessler adds, "I have noticed that the houses are worth so much money that the government, either through criminal forfeiture or money judgments or restitution agreements, are getting defendants to sell their homes."

CRIMINAL LAW:

Nigeria Bribery Case Heats Up Again (HC)

Houston Chronicle, November 13, 2006

Several probes active, but charges have not been filed in delta inquiry

PARIS — There are new signs of life in a sprawling four-year investigation of whether a unit of Houston's Halliburton Co. and other oil-services companies paid huge bribes in the 1990s to land a $5.6 billion construction project in the Nigerian delta.

French and Swiss investigators are trying to gain access to specific bank records in Switzerland and other European countries to determine if tens of millions of dollars in suspected bribe money ended up in accounts linked to Nigeria's former military dictator.

In Britain, police and agents from the Serious Fraud Office this summer searched four homes and a business looking for links to the case, which began in 2002 when a French oil-services executive facing corruption charges told a judge about a $175 million "slush fund" he claimed had been used to bribe Nigerian officials.

The U.S. Department of Justice is looking into possible criminal offenses, and the Securities and Exchange Commission is investigating possible financial misdeeds. The Nigerian government is also conducting a formal investigation.

In late October, Halliburton officials reported to the SEC that a third person has been dismissed as a result of its own investigation of possible corruption in overseas projects and indicated it had reason to believe improper payments may have been made.

Despite these forward steps, no charges have yet been filed, and investigators concede they do not yet have enough detailed financial information to build an airtight case. They say they cannot yet establish exactly where the money ended up.

The complex case, which spans the globe from Africa to Europe to Houston, drew attention during the 2004 presidential campaign, when Democratic candidates used the allegations about bribery in Nigeria to attack Vice President Dick Cheney for his close ties to Halliburton, where he was chief executive officer from 1995 to 2000.

When the inquiry began, French officials suspected that Cheney might have played a role because he was in charge when at least one of the questionable payments was made. But French officials and lawyers now say that their investigation has not turned up any evidence against the vice president.

In Washington, Justice Department officials declined to comment on the matter.

How inquiry startedThe inquiry developed from allegations that executives from M.W. Kellogg Co., which became part of Halliburton subsidiary KBR, and French, Japanese and Italian oil-services companies formed a consortium called TSKJ that bribed Nigerian officials.

In a lengthy statement to the SEC in late October, Halliburton officials said the possible wrongdoing extended beyond Nigeria.

"We have reason to believe, based on the ongoing investigations, that payments may have been made by agents of TSKJ to Nigerian officials," the company stated. "In addition, information recently uncovered suggests that, prior to 1998, plans may have been made by employees of the M.W. Kellogg Co. to make payments to government officials in connection with the pursuit of other projects in countries outside of Nigeria."

Investigators and lawyers handling the inquiries in France and Switzerland say the investigation has been slowed in recent months because of the difficulty of obtaining the financial records because of bank secrecy policies that protect account holders.

"The French investigating judge has requested information from the Swiss, from Monaco, and from Great Britain, and for the moment he is waiting for the answer on the financial data," said Olivier Schnerb, a French lawyer who represents the whistle-blower who first alerted officials to the possible bribe scheme. "The mystery is how much money has been hidden."

The French and Swiss inquiries are headed by powerful "investigating judges" who can use the European version of subpoenas to question witnesses and obtain records. There is no equivalent in the U.S. judicial system, where prosecutors and police build criminal cases and must seek subpoenas from magistrates, often in adversarial proceedings.

The two judges are seeking access to private bank accounts in several countries, but this process is slow because individuals and banks can appeal in court before records are opened.

U.S. officials also seek this data.

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Most of the transactions under investigation took place during the regime of the late Nigerian military dictator Gen. Sani Abacha. During his brief five years in power he is suspected of embezzling more than $3 billion from his country's treasury.

Swiss officials say it was brazen larceny on a scale rarely seen before or since. The inquiry involving Halliburton's subsidiary represents only a small part of a much larger series of legal actions to track and recover Nigerian national assets from Abacha's family.

"We don't know in Geneva exactly how much he stole," said Judge Daniel Dumartheray, the Swiss judge charged with investigating the Abacha regime's financial affairs. "He stole money directly from the state, and he used fraud, substantially raising the prices of contracts and getting paybacks, and he got bribes from people who paid to get contracts."

Money scattered globallyDumartheray said in an interview that the unprecedented attack on Nigeria's oil-swollen cash reserves was difficult to trace because the dictator had scattered his money in a number of countries where banking secrecy laws make investigation painstakingly slow.

"He also had money in the United Kingdom, in Jersey, in Lichtenstein, in Luxembourg, in France and perhaps in Israel," the judge said. "We don't know if we have knowledge of all that he did. He had the assistance of a lot of different intermediaries in other countries, and all those people helped him open accounts in the name of other companies, so his name doesn't appear."

The judge said the dictator used his immediate family to create accounts that helped him launder his stolen billions and that his son used false names and false passports to make it easier to hide money in various offshore accounts.

"All this makes it very difficult to get a paper trail of his money," Dumartheray said. "For an investigation, each time the money moves you have to write for legal permission to get the information, and people can fight it and appeal it and stop the inquiry."

One of Abacha's suspected cronies, Abubakar Atiku Bagudu, was arrested in Houston in May 2003 on an international arrest warrant charging that he had helped the Abacha family loot hundreds of millions of dollars in public funds.

He has since been extradited to Nigeria.

The trail also led to Britain this summer.

Serious Fraud Office spokesman David Jones said last week that four homes and one business in London and Somerset were searched on July 20 as part of the ongoing bribery investigation.

The unit only takes on investigations involving allegations of major malfeasance when large sums of money are thought to be involved, he said.

Death stopped plunderingAbacha's theft of his country's vast oil wealth ended with his sudden death from a heart attack in 1998. His elected successor, Olusegun Obasanjo, launched a global search for the money Abacha and his family squirreled away in secret accounts.

Already, the new Nigerian government has been able to have more than $1.1 billion returned from Switzerland and other countries where Abacha's funds were located. It has become the biggest money-laundering case in Swiss history, lawyers said.

In addition, lawyers said that roughly $800 million in bank accounts linked to Abacha have been frozen in Lichtenstein, Luxembourg, Jersey, France and Britain.

Enrico Monfrini, a Swiss lawyer representing the Nigerian government, said the scale of the corruption was staggering because Nigeria's oil revenues were so huge.

"We know many of the ways Abacha stole money, including having boxes of cash containing $40 million to $60 million delivered to the presidential villa," he said. "But the bribes have proved the most difficult to investigate because they were paid offshore. So there is often no way to know how much money was paid."

He said Swiss law allows an investigating judge to get financial data from specific bank accounts with a judicial order. The process is somewhat similar to obtaining a search warrant in the United States.

This tactic can be effective in many cases, but it does not work well when money is placed in accounts opened by intermediaries who are not known to authorities, or opened under fictitious names.

No fishing expeditions"You can't go on a fishing expedition," Monfrini said. "You have to name the specific person with specific suspicions and say the account contains the proceedings from crime."

The investigation opened in 2002 after Georges Krammer, a former oil-services company executive facing possible criminal charges for alleged corruption, told a French investigating judge that the TSKJ consortium had set up a substantial slush fund used for bribing Nigerian officials.

The consortium was able to obtain contracts worth roughly $5.6 billion to build a liquefied natural gas plant on Bonny Island in Nigeria.

At the time, Krammer was working for Technip, a major French oil-services company that was part of the consortium, which also included Japan's JGC and Italy's Snamprogretti. His disclosures prodded French Judge Renaud van Ruymbeke, known in France as an effective fighter against corporate corruption, to begin a full-scale investigation of the consortium and its finances.

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Some investigators involved with the case expect the Swiss to deliver financial information within a month. This would allow investigators in the United States, France, Switzerland and Britain to decide whether to file criminal charges.

Others fear more delays will slow the inquiry for months or years.

Halliburton's role in the possible bribery case only began in 1998, when it took over M.W. Kellogg, the American component of the TSKJ consortium, as part of a larger acquisition of Dresser Industries. Some of the suspected corrupt activities took place before Halliburton was involved.

M.W. Kellogg, an engineering and construction firm, is now part of KBR, formerly known as Kellogg, Brown and Root, which is part of Halliburton.

Halliburton's SEC statement said that some of the employees suspected of making improper payments are still active Halliburton agents and consultants.

Halliburton cooperatingHalliburton's lengthy statement indicates that the company is cooperating with the Justice Department and SEC investigations in the United States and with the Nigerian government inquiry.

Many company records have been subpoenaed and made available to investigators, Halliburton said in its SEC filing. Halliburton spokesman Cathy Mann said the company has been forthcoming in releasing information about the Nigerian affair.

"We have provided public disclosure about this matter for some time, and we have provided updates as appropriate," she said in an e-mail response to questions.

The SEC filing states that the SEC has subpoenaed A. Jack Stanley, a former executive dismissed in 2004 for allegedly receiving "improper personal benefits" from Jeffrey Tesler, a British lawyer who set up a company called Tri-Star that received payments from the consortium. Lee Kaplan, Stanley's lawyer, declined to comment on the case.

Halliburton has also severed its relationship with Tesler, who is being investigated by a number of agencies but has not been charged with any crimes. He and his lawyer declined to be interviewed for this article.

In addition, Halliburton states that a number of current and former employees and former executives have been subpoenaed by the SEC.

Halliburton officials have also declined to name the employee who was recently suspended or to reveal the location outside Nigeria where they believe improper business practices may have been used to obtain contracts.

The company agreed to the SEC's request for a so-called tolling agreement extending the statute of limitations.

The agreement in essence gives the government more time to conduct its investigation and the company to make its case.

Halliburton also asserts in its SEC filing that its managers have been cooperating with investigators in France, Nigeria and Switzerland and are aware of the investigation by the Serious Fraud Office in Britain, where Tesler is practicing law.

Witness Against Murder Inc. Gang Gets Freedom (WT)

By Jim Mcelhatton

The Washington Times, November 13, 2006

A former high-ranking member of the Murder Inc. crime syndicate in the District, which was charged in 31 killings, has won a "very unusual" sentence that will keep him out of prison, newly unsealed court records show.

Maurice Andrews, 36, former confidant of D.C. drug kingpin Kevin Gray, faced 30 years to life in prison under federal sentencing guidelines after pleading guilty to racketeering charges related to several murders.

However, in what prosecutors call a "very unusual" request, the U.S. Attorney's Office recently sought a sentence of time served and probation. Authorities cited Andrews' role as a key government witness in the prosecution of the violent street gang.

"He testified in dozens, literally dozens of criminal incidents that he was aware of, ranging from individual drug deals to murder," Assistant U.S. Attorney Matthew G. Olsen said at Andrews' Sept. 29 sentencing.

U.S. District Court Judge Royce C. Lamberth sentenced Andrews, who has been in the federal witness-protection program for five years, to time served and five years' probation, according to a transcript of the hearing.

The proceedings had remained sealed until last week.

Federal authorities have called Murder Inc. the most violent gang in the District's history. It ran much of the city's crack cocaine and heroin trade during the 1990s and killed potential government witnesses, authorities said.

Several leaders of the gang -- including Gray, convicted of 19 murders, and Rodney Moore, convicted of 10 murders -- are serving sentences of life in prison without parole. A jury deadlocked on giving them the death penalty.

The Murder Inc. case resurfaced last month when government witness Bethlehem Ayele was fatally shot after her car was stopped in Alexandria. Police have described the killing of Miss Ayele, a restaurant owner and real-estate agent, as a targeted hit. She was one of several people who cooperated in the case.

Andrews pleaded guilty in July 2000. Among other charges, he admitted to supplying the gun used to kill one man and assisting in plans to kill two others.

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One victim, Carlos Cardoza, was suspected of cooperating with investigators. According to testimony, Andrews drove contract killer Oscar Veal Jr. to Cardoza's house to have him killed. Asked how he felt upon learning Veal killed Cardoza, Andrews testified, "It just another thing, I mean, it was the life I was living at the time."

Veal, who also cooperated, admitted that he committed seven killings. He is serving 25 years in prison.

At his sentencing, Andrews apologized by saying: "I just got myself into something I couldn't get out of. I was too far in and I wanted out. But I didn't know how to get out."

Andrews grew up in Southeast. He worked sporadically in carpentry and clerical jobs, meeting Gray sometime in 1994. The pair clicked. They spent nearly every day together for five years, Andrews testified.

Andrews testified that Gray got drunk and told him about committing numerous murders. But Andrews added that he knew better than to directly ask Gray such questions.

"He gets suspicious and thinks you're asking him questions for a reason, and he ends up killing you," Andrews testified.

However, defense attorneys sought to discredit Andrews, saying he repeatedly lied under oath to get a reduced sentence.

One defense theory held that Andrews testified for the government because he needed help paying his medical bills after learning in jail he was HIV positive.

Under cross-examination in 2002, Andrews told Moore's attorney that he received $1,200 to $1,800 a month at various times after joining the witness-protection program.

He also said that he got money for furniture, a car and a job and that the government paid more than $1,600 of his unpaid parking tickets.

In January, Sebastian Graber, an attorney for Larry Wilkerson, whom Andrews testified against, filed court papers stating Andrews and other cooperating witnesses conspired to "put murders" on Gray, Wilkerson and others.

Andrews was "known for not telling the truth," and associates knew him by the nickname "Lie-Lie." Mr. Graber stated in court filings.

"Mr. Andrews is willing to lie and lie about murders," Mr. Graber told Judge Lamberth during a hearing in 2004.

Yet prosecutors say Andrews was a reliable and truthful witness, despite his reputation.

"Although he was known on the streets as a partyer and drug dealer who could not be trusted, he took his cooperation ... very seriously," Assistant U.S. Attorney Amy Jeffress wrote in a Sept. 27 memo to Judge Lamberth.

"We understand that a departure of this magnitude is very unusual," Miss Jeffress wrote, referring to Andrews' sentence.

"We believe, however, that defendant Andrews' extraordinary cooperation justifies this significant benefit."

It is not clear what Andrews has been doing for the past five years.

"He's got a steady job, pays his taxes and stays out of trouble," his attorney, James Lyons, told Judge Lamberth.

"I'm going to keep doing what I've been doing," Andrews added.

Identity Thief Is Often Found In Family Photo (NYT)

By John Leland

The New York Times, November 13, 2006

In the five years since his divorce, Eric Wagenhauser had moved on with his life. He had remarried and was sharing custody of the three children from his first marriage. Then, last year, Mr. Wagenhauser discovered a new wrinkle on American divorce: his former wife had used the children's Social Security numbers to apply for nine credit cards in their names. She obtained two.

Mr. Wagenhauser's ordeal over the next year, which involved police departments in two Texas counties, banks, credit bureaus and the Social Security Administration, is familiar to many identity theft victims — the crime often begins at home.

Though most victims never learn who stole their identities, half of those who do say the thief was a family member, a friend, a neighbor or an in-home employee, according to surveys by the Federal Trade Commission and Javelin Strategy and Research, a private research firm. The surveys estimate that 9 million to 10 million Americans have their identities stolen each year.

Mr. Wagenhauser's former wife, Ivy Ash, began applying for credit cards in the children's names soon after the divorce. She ran up about $200 in unpaid bills, he said, which grew to about $1,000 with late fees and interest penalties. She pleaded guilty to two counts of fraudulent use of a credit card this year and is now in a Texas prison.

But the effect of the thefts is still being felt in the Wagenhauser household. "This has been a financial strain, and to be quite honest, you can hear my wife and I bickering right now over this," said Mr. Wagenhauser, a Houston construction worker. "We've had to go into marriage counseling ourselves because this has been so stressful on our own marriage, just dealing with it, the fighting, the arguments.

"It has almost reached the point where my wife and I have gotten a divorce over all the stress related to having to fight the crime. It stretches out over so many things. That's what makes it so devastating and insidious."

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Identity theft involving family members takes many forms, said Betsy Broder, assistant director of the Federal Trade Commission's division of privacy and identity protection. A child steals a parent's identity to buy drugs, one sibling steals another's identity to try to avoid arrest or debt.

Identity theft is often difficult to solve and prosecute, and, in the case of families, victims may be reluctant to report relatives to the police.

The fraud went on for five years before Mr. Wagenhauser became aware of what was happening. By then, the mother's actions had created credit histories for two of the under-age children, which Mr. Wagenhauser worries will cause them future trouble.

"When my kids turn 18 and go to college, they're not going to be able to buy a car or get a student loan because they've got bad credit," Mr. Wagenhauser said. "No one's going to rent them an apartment. They're going to be turned down for jobs because there's so many companies that run credit histories."

"They're kids," he added. "They don't have any idea what's going on. All the sudden they're adults, and they're left holding the baggage."

Suspicious parents can look out for clues that their children's identities have been compromised, said Jay Foley, a founder and director of the Identity Theft Resource Center, a nonprofit organization that helps victims.

"Let's say Mom and Dad are divorced, and Junior goes to stay with dad," Mr. Foley said. "When he calls Mom, she sees the kid's name on the caller ID instead of Dad's. If that was set up in the kid's name, what else was set up?"

If young children start to receive applications for credit cards in the mail, it is a sign that someone with access to their Social Security numbers has applied for credit in their names, Mr. Foley said.

After their mother went to prison, Mr. Wagenhauser's children moved in with him. He and his new wife, Tracey, have not decided how they will explain the crime, or the punishment, to their youngest children, who are 10 and 8.

"It's definitely estranged me from my oldest daughter," who is 15, Mr. Wagenhauser said. "My oldest daughter, who is old enough to understand, has been told that I am the one who put her mother in jail. She's not accepting that her mother is the one who did this to her and to herself."

Identity theft by a family member or someone close to the family is probably underreported and raises thorny questions about trust, responsibility and loyalty, Ms. Broder said.

"We see parents taking advantage of their children, and children taking advantage of their older parents," she said. "We can tell consumers and businesses to be careful about how they safeguard their personal information, but it's hard to tell people to safeguard their information from the people that they love."

For Brenda Bare, of Snellville, Ga., the identity thief was a trusted friend whom Ms. Bare, 58, had known for 22 years. The friend, a woman, had been living in Ms. Bare's house.

When Ms. Bare returned home in August after being away for a month to care for her mother, she discovered that 10 checks and a recently expired driver's license were missing. A credit card offer in her name was in the woman's bedroom with the application form torn off.

"I said, 'You have to leave here tonight,' " Ms. Bare recalled.

For the next two weeks, Ms. Bare tried to repair the damage. She found helpful a checklist for identity theft victims; versions are available from the Federal Trade Commission and the Identity Theft Resource Center. Ms. Bare discovered that four checks had been cashed, for about $400 in all, and that an application had been made for a credit card, though it had not been approved.

Because the crime was committed in her home by someone she trusted, Ms. Bare said she felt vulnerable.

"The first two weeks I slept with the front and back porch lights on, and if I would hear a noise, I was awake," she said. "I have a dog, but my dog knows her. But I'm feeling better about it and going on with my life."

Ms. Bare's checks had been cashed in another county. She finally tracked down the stores and banks where the checks were cashed, and local police officers issued arrest warrants. But even after her bank cleared her of responsibility for the forged checks, she said, she was still not off the hook.

"After the bank reimbursed my money, they went back to the merchant and took the money back from the merchant because the check was no good," she said. "So the store thinks I wrote a bad check, so they come after me. I had to go prove I didn't do this. This was a nightmare. My bank was supposed to close my checking account, but when I went back in there it was still open."

Although she canceled her credit cards and registered a fraud alert with credit bureaus, she said she was concerned that there was little preventing the thief from using her information again or selling it to someone else.

"There's still four or five checks that were never retrieved," Ms. Bare said. "My license was never retrieved. She can sell all this information. The D.A. just said, 'Oh, she won't do that again.' "

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Identity theft by family members can put special pressure on the victims when there is a possibility of children, parents or former spouses going to jail or prison. Many victims pay the debts and choose not to involve the police or the courts, said Mari J. Frank, a lawyer who works with people whose identities have been stolen.

"It's such a breach of trust," Ms. Frank said. "When someone you don't know steals your identity, it's very impersonal. They just want money. But when it's a family member, it's far more emotionally destructive."

For a Michigan couple, the problem began in August with a notice that a bank had received a credit card application in their name. The couple declined to be identified because they are hoping to resolve the matter privately.

The couple immediately suspected their son, who had tried the same thing four years earlier. This time they found that he had obtained two credit cards, run up debts of more than $22,000 and applied for new cards or higher credit limits.

"The explanation was that we never helped him when he wanted the money," the father said.

After much soul searching, the parents said, they did not want to see their son put in jail. They negotiated a plan for him to assume the debt on one card and resigned themselves to paying a debt of about $5,000 on the second card rather than reporting the crime to the police.

"We'd make an arrangement for him to pay us, but I'm sure he wouldn't," the mother said. "He has a unique way of getting around anything. It doesn't send a very good message, but putting him in jail is not going to help either. There aren't too many good options out there. If he goes to jail, he's not going to learn anything except to wisen him up to be street smart. What choices do we have? All our life from now on we have to watch our credit."

She blamed herself for the way her son had turned out. "I don't know what went wrong, but in the end we have to say it's our fault, and that is terrible to live with," she said. "I can't think of anything worse for a parent."

Staving Off Modern-day Pirates (LAT)

By John M. Glionna

The Los Angeles Times, November 13, 2006

KUALA LUMPUR, Malaysia — Noel Choong was working late the night he got the distress call: Just off the Malaysian coast in the darkness, a Japanese tugboat and barge were being attacked by a dozen pirates armed with AK-47s and rocket launchers.

The 154-man crew aboard the barge Kuroshio was frantic. As the vessel churned slowly northward through choppy waters of the Strait of Malacca, headed for Myanmar, it had suddenly been surrounded by three fishing boats.

The armed men stormed the little tug. Shots were fired. The captain and two others were taken hostage. The desperate barge crew plotted a rescue mission to free their shipmates, who were being held with guns to their heads.

A slender, tough-to-ruffle figure in his mid-40s, Choong urged the crew not to try anything stupid. "The pirates had high-powered weapons," he said later. "We told them: 'You're unarmed. You can't fight guns.' "

As his staff radioed for help from Malaysian marine police, Choong stayed on the phone with the terrified seamen. Pirates may be oceangoing desperadoes driven by poverty or greed, he assured them, but they usually are not killers.

Unless, that is, they were cornered or provoked.

"For that crew, this was a night from hell," Choong recalled. "I was just trying to be their friendly voice of reason."

Choong is a pirate catcher, a maritime crisis negotiator who handles the high-anxiety drama of modern-day pirate attacks in real time. He's also a detective, a high-seas sleuth with a host of shadowy shipping industry informants he uses to run down hijacked ships.

In the outlaw Strait of Malacca, whose waters are considered the most pirated in the world, his services as director of the International Maritime Bureau's Piracy Reporting Center are in near-constant demand.

The 550-mile-long channel, flanked by Singapore and Malaysia to the east and the Indonesian island of Sumatra to the west, is one of the world's most strategic international waterways and its busiest shipping lane. Each year, 60,000 vessels, the equivalent of nearly half the world's entire merchant fleet, negotiate the funnel-shaped shortcut between the Pacific and Indian oceans. They range from mammoth supertankers as large as city skyscrapers to tugs and barges.

Such seaborne commercial traffic attracts a sophisticated brand of piracy that has moved far beyond the scabbards and cutlasses of the 17th century.

Many are opportunists, Choong said, impromptu gangs of poor fisherman who can't resist the allure of lumbering, unarmed vessels laden with cash and goods: "They realized that robbing unarmed sailors is a lot easier than robbing a bank." Others are more ambitious and well-organized, professionals who plunder ships for crime syndicates, warlords, corrupt government officials and even regional terrorist groups.

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In recent years, Choong says, emboldened pirates have become more sophisticated. They forge passports and other documents to turn working maritime vessels into slave- and drug-running ships. They use satellite phones and global positioning systems.

With high-speed fiberglass boats, they creep up from behind, using the cover of the ship radar's blind spot. With grappling hooks and expert climbing skills, they scale the vessel's mooring ropes and overpower isolated and vulnerable crews.

The pirates don't just use the cover of darkness. They also take advantage of national sovereignty laws.

Knowing that marine police must observe territorial boundaries, flotillas of fishermen from such places as Sumatra or freelance commandos from the Indonesian navy ambush ships and then race back to the safety of their sovereign waters, often just a few miles away.

In a trick from centuries ago, pirates may disguise themselves to approach wary vessels. Some pose as marine police, uniforms and all, doing routine checks.

Shippers have retaliated: In the Strait of Malacca, vessels use powerful water hoses to blast would-be boarders off the deck or to swamp the boats below. Some post mannequins dressed in overalls and hard hats to give the impression of a larger crew. Captains of smaller boats spread carpet tacks on their decks at night, hoping to slow pirates, who often attack barefoot to give themselves a better grip and to minimize sound.

Bigger boats illuminate decks with floodlights and travel in a zigzag to create a wake to sink small boats. Day and night, the more watchful captains use closed-circuit TV to monitor the water around them. Some hire armed commandos for security, because in the anarchy and take-care-of-your-own credo of the high seas, isolated ships in jeopardy know they cannot expect help from another unarmed craft.

Many pirate attacks are hit-and-run robberies. In others, crew members are kidnapped for ransom, even tortured and killed. Countless vessels have been hijacked, their nameplates and paperwork swiftly changed, and turned into ghost ships used by syndicates for drug and slave smuggling.

Authorities estimate that only 10% to 30% of pirate attacks are reported. Still, in the last five years, 195 attacks on seaborne vessels in the Strait of Malacca have been logged, including 49 kidnappings and seven deaths. More than $1 million in ransom was paid last year by owners of ships transiting the passageway, statistics show.

By 2005, the shipping gantlet had become so dangerous that Lloyd's of London declared the strait a high war-risk area for insurance purposes, citing its "war, strikes, terrorism and related perils." The advisory was lifted this year after Singapore and Indonesia began coordinated air and sea patrols.

Although the last 12 months have brought an uneasy hiatus, Choong says recent incidents suggest piracy may be back — with an ominous new wrinkle.

In July, armed attackers boarded two United Nations-chartered vessels carrying tsunami relief supplies. In the first incident, six men in military fatigues brazenly stormed the ship before noon, one of the first reported daylight raids.

The next day, a dozen heavily armed men claiming to be attached to the Free Aceh Movement, an Indonesian separatist group, commandeered another U.N. ship. That same week, a gang of 35 pirates armed with machine guns and rocket launchers seized a fully loaded gasoline tanker and kidnapped its captain. He was later released with the vessel.

Choong and others believe such instances suggest the possibility of a major terrorist attack in the Strait of Malacca, which slices through the heart of a region rife with political and religious unrest. International security experts also fear that militants might commandeer a giant crude oil tanker for use as a floating bomb.

Just a mile and a half wide at its narrowest point, the strait is a crucial maritime choke point. Experts say terrorists could sink a huge tanker at a narrow juncture, wreaking environmental havoc and bringing international maritime commerce to a halt.

Though experts differ on its likelihood, some say the idea is not farfetched.

"If someone in 2000 said people could hijack planes and fly them into the World Trade Center, critics would have said, 'Oh, that's not going to happen.' But some incidents suggest terrorists are looking at the Malacca Strait," said John Brandon, director of the Asia Foundation, which monitors U.S.-Southeast Asia relations.

"Pirates recently hijacked and tried to learn to steer an oil tanker in the Malacca Strait. That raises a troubling question: Why do they want to learn to steer?"

Choong has given briefings to global investigative agencies such as Interpol and to anti-terrorism officials from numerous countries, including the United States.

His assessment is troubling.

"Singapore is vulnerable — it's very pro-West and surrounded by Muslim nations," he said. "Militants could cause environmental damage and cripple the world economy. What more could a terrorist ask for? Everything is there."

Choong came to the piracy reporting center in 1997, no stranger to the sea. As a former chief officer and merchant marine, the soft-spoken Chinese-Malay, who grew up here, knows the fear that pirate attacks inspire.

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A religious man who doesn't drink or smoke, he maintains a coolly professional anger against sea robbers and bandits who torture, kidnap and kill his fellow seamen. His employer, the International Maritime Bureau, is part of the Paris-based International Chamber of Commerce, whose fight against piracy is mandated by the United Nations.

From his 35th-floor office in a Kuala Lumpur high-rise 100 miles from the choppy waters of the strait, Choong keeps a bunkered-down mentality, always ready for the next pirate attack. The walls of his reception area are covered with world maps that bear red pins to mark the latest plunders.

Choong's purview is worldwide, from the troubled waters off Somalia and Bangladesh to the ungoverned South China Sea, but the Strait of Malacca is his most constant headache.

His role is not to make arrests or conduct criminal post-mortems after attacks. Rather, he runs a sort of 911 service for seaborne vessels under siege. Through daily situation reports, his agency offers vessels an early-warning system, giving crews a heads-up that they are entering waters with recent pirate activity.

He has also developed a network of informants, shipyard workers and fishermen who peddle tips to help track down hijacked ships. Many contacts are criminals, so Choong takes precautions: He's never photographed. Some family members do not know his job. He changes his route to work.

In delving into Asian organized crime syndicates, he and his team meet shadowy characters in big-city airports and dense jungles.

He wants information and he's willing to pay, money that comes from ship owners and insurers. "We tell our informants we can't guarantee their safety — and some do get killed. There's nothing we can do about that," he said.

"We don't get personal with them. That way we can live with it if they die."

Choong has been threatened. One source told him he could have anyone killed for $500. "I knew what he meant, and it scared me," he said. "But I tell these people that if you kill us, new people will be hired. If you bomb our headquarters, a new one will be built. You can't close us down."

Despite such threats, Choong's war against piracy goes on. Some battles end better than others.

On that night in March 2005, when bandits attacked the Japanese tugboat Idaten and its construction barge, the Kuroshio, Choong urged the barge crew by phone to take pictures of the pirate vessels for evidence.

For nearly an hour, the pirates held the tugboat's captain, chief engineer and a crewman at gunpoint. Then, sometime before midnight, the armed invaders fled with the three men. As Malaysian marine police escorted the tug and barge to port, Choong alerted the ship owner to begin the delicate task of negotiating the release of the hostages.

Over the next few days, the owners, along with Japanese government officials, kept up a dialogue with the pirates. Meanwhile, the hostages were spirited among fishing boats, and finally taken to the jungles of southern Thailand.

After the ship owners paid an undisclosed ransom that Choong described as "way above market value," the men were released, but the pirates escaped. The saga made headlines — with scant mention of Choong. And that's the way he likes it.

"This time nobody died," he said. "Still, it's a dangerous game."

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Authorities Discredit Latest "sighting" Of James "Whitey" Bulger (BOS)

By David Abel

The Boston Globe, November 10, 2006

Authorities in California have investigated and discredited the latest reported sighting of fugitive Boston mobster James "Whitey" Bulger.

Bulger, 77, one of the FBI's 10 Most Wanted fugitives, fled a month before his 1995 federal racketeering indictment and was later revealed to be a longtime FBI informant and charged with the murder of 19 people.

Since he vanished, authorities have investigated reported sightings of the fugitive throughout the world.

Monica Munoz, a spokeswoman for the San Diego Police Department, said last night that a security guard reported seeing someone in the city who looked like Bulger on Oct. 8 or 9. The guard last reported seeing the man board a trolley. But local transit officials did not find anyone matching the description, Munoz said.

"It wasn't a credible sighting. Someone called and said they saw him. San Diego trolley security did look, but they didn't find him. That's how we know it wasn't a legitimate sighting."

Darrell Foxworth, an FBI agent in San Diego, said he had received reports from police about the alleged sighting, but he also determined they were not legitimate. "The Police Department had responded down there, conducted a limited investigation, and after reviewing the description, they determined it wasn't credible," he said.

Authorities in Boston could not be reached last night about the latest reported sighting.

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Was That Whitey Departing The Departed? (BOSH)

By Dave Wedge And Laurel J. Sweet

Boston Herald, November 13, 2006

California cop believes he saw Bulger flee flick

Notorious fugitive James J. "Whitey" Bulger may have starred in his own quick getaway scene after a cop spotted a man resembling the crime boss exiting a screening of the mob flick "The Departed" at a San Diego cinema.

Sources said an off-duty police officer spied the 77-year-old Bulger - or at least someone matching his description - leaving a downtown theater after watching the film, which stars Jack Nicholson as a dead ringer for the South Boston crime lord.

San Diego Police Department spokeswoman Monica Munoz confirmed the department responded to the report about three weeks ago.

The off-duty cop tailed the Bulger look-a-like out of the theater but lost him when the suspect hopped onto a trolley. San Diego transit cops searched the trolley system but were unable to find anyone matching the description, Munoz said.

A source told the Herald the cop recognized the man as Bulger from his "steely blue eyes" and muscular physique. A law enforcement source confirmed that authorities are probing the alleged sighting.

Samantha Martin, spokeswoman for the Massachusetts U.S. Attorney's Office, which is in charge of the Bulger Fugitive Task Force, declined comment.

The incident is the latest possible sighting of the crime boss who vanished in 1995 as an organized crime strike force made up of state police, the U.S. Drug Enforcement Administration and the Internal Revenue Service closed in. A longtime snitch, Bulger fled the night before he was indicted for 19 gruesome mob murders, thanks to a tip from his boyhood pal and longtime FBI handler John Connolly.

The last confirmed Bulger sighting was in London's Piccadilly Circus in September 2002.

The Task Force released a statement earlier this year saying authorities "run down every lead and exclude every look-a-like sighting." There were sightings reported in 19 countries in 2005.

In August, authorities released 25-year-old surveillance videos of Bulger in an attempt to ferret out more tips.

Bulger, who fled with longtime galpal Catherine Greig, has a $1 million bounty on his head and remains the FBI's No. 2 most wanted fugitive, behind only Sept. 11 mastermind Osama bin Laden. He has also remained a compelling media figure as stories about Bulger recently appeared in newspapers in England, where authorities once found Bulger's safety deposit boxes.

Police Believe Slaying At Md. FedEx Site Was Random (WP)

By Tara Bahrampour

The Washington Post, November 13, 2006

She had emigrated from Guyana 19 years ago to give her children, Reina and Colin, a better life. After raising them and a younger daughter, Chantal, in a townhouse in Silver Spring, she moved to a spacious two-story brick house in Bowie. In August, Reina moved in, with her own two children, to save money to pursue her dream of becoming a nurse, like her mother.

That dream ended Saturday when Reina Natasha Lynch, 26, was found dead of a gunshot wound at the FedEx Ground distribution center in Beltsville, where she worked as a security guard. A colleague discovered her body at 7 a.m. in the booth at the entrance to the fenced compound on Trolley Lane.

Prince George's County police said yesterday that they had not found a motive. "We believe this was a random event," said Cpl. Stephen Pacheco. Investigators are looking for clues in Lynch's car and in security camera footage, he said.

As rain lashed Evans's living-room windows yesterday afternoon, she tried to absorb the fact that her eldest child, "Tasha," was not coming home. Heart-shaped silver balloons bobbed near the ceiling, left over from Tuesday, when the family celebrated Evans's 48th birthday. Lynch and her children, Alexia, 7, and Ethan, 4, had given Evans a handbag and a card telling her that they loved her.

"She was very willing, a very hardworking, loving, determined person," Evans said. "Being a single parent, it was so hard, so I told her she could come home. . . . I'm just trying to figure out who would do such a terrible thing."

Evans's sister, Desaree David, said, "This is quite new for us."

"We are from a society that is quite mild-mannered," she said in the Caribbean cadence she shares with her sister. "You try to get your kids away from this, and you think this is the kind of thing that happens to other people, on TV. When it happens to you, you're not, kind of, insulated for it."

Away from where the sisters sat on pristine white couches, Evans's other children padded around fielding calls. Lynch's children flitted about energetically, holding bags of potato chips and grabbing at the balloons.

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David described her niece, a graduate of Montgomery Blair High School, as "a brilliant student" who loved legal thrillers and her mother's pepper pot soup. She rose early each morning to drive a Montgomery County school bus; the weekend security job was for extra money, said her mother, adding that Lynch sometimes heard strange noises near the guard booth but chalked it up to nerves.

Lynch worked for Ronin Risk International, a security firm contracted by FedEx. Evans expressed anger at the companies. "I don't know who would just have one lone female guard just working at night," she said. "It's dangerous even for a man."

FedEx Ground spokeswoman Alison Sobczak said she had never heard of an employee being shot onsite and added that guard booths are typically locked at night.

Evans's son, Colin Lynch, 23, a radiography student at Washington Hospital Center, also works as a guard at the FedEx facility. He had offered to work his sister's shift that night because she was tired. Now, to ease his mother's fears, he will stop working there, he said.

Evans took a sleeping pill Saturday night but woke up crying. "It's too hard," she said, her voice breaking. "It's too fresh." She wiped away new tears. "We came here and worked really hard so we could achieve what we had. I brought them here so they could have a better life."

Now she will transfer that hope to her grandchildren, who will continue to live with her. Sitting close by, Ethan said he wants to be "a firefighter man." Alexia wants to be a police officer. "Alexia's the one who said this morning she wished she was there to help her mommy call 911," Evans said.

No funeral arrangements have been made. A reward of up to $25,000 is being offered for information leading to an arrest and indictment.

"Things were hard for her lately, but they were supposed to be getting better," Colin said. "I was trying to help her the best I could, and it was supposed to get better."

On Saturday, the family had planned to go to Six Flags America.

Hearing this, Ethan looked up and brightly chirped, "Six Flags!" -- remembering the promise of a few days ago.

Petty Disputes Spur Most D.C. Killings (WT)

By Matthew Cella

The Washington Times, November 13, 2006

The motive for most homicides in the District are arguments and petty disputes over perceived slights, accounting for more killings last year than robberies, domestic disputes, gang activity and drug wars combined, according to the Metropolitan Police Department.

"It's a pretty big deal among some people," said Chief Charles H. Ramsey. "A guy gets upset -- you know, 'You're disrespecting me.' Or they don't like the way you're looking at them. You'd be surprised at how many silly homicides we see."

The police department last year attributed 57 of the city's 196 killings to arguments, compared with 50 such killings among the city's 198 in 2004, according to a recently released department report tracking homicide information from 2001 to 2005.

During those five years, 1,126 persons were killed in the District, 901 of them fatally shot. The report also states that about 1,058 of the homicide victims were black, about 36 were Hispanic and about 32 were white.

Arguments have accounted for a steady increase in the percentage of overall killings in the city since 2001, when they were the primary motive in 19 percent of the 232 homicides.

Chief Ramsey said that guns are a big part of the problem.

"The guns make them feel like they're more powerful," he said. "They overreact."

As recently as 2002, drugs were the primary motive in more than one-third of the city's 262 killings. As a percentage of total homicides, that figure has declined each year, accounting for just 10 percent, or 19 killings, last year.

Chief Ramsey said the decline in homicides attributable to disputes over drugs proves how hard police have worked to eradicate the problem.

The ages of homicide victims have remained fairly consistent. About two-thirds of them each year are 18 to 44.

The report states that in 2005, "nearly all" homicide victims 25 to 34 had a prior-arrest record. The number of juvenile and adult homicides also increase sharply beginning at about 10 p.m., factors that the police chief said he considered when declaring the recent crime emergency, which ended less than two weeks ago.

"I look at numbers and trends every day," he said. "When you look at these things, you can't ignore them."

Other large U.S. cities are reporting a similar trend.

In Milwaukee, where homicides increased from 88 in 2004 to 122 in 2005, the number classified as arguments increased from 17 to 45. That was the largest category of killings, as the number of gang and drug-related slayings decreased, according to the New York Times.

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Disputes also made up the largest category in Houston. Homicides increased there 24 percent in 2005, with 113 of 336 related to disputes.

There were 380 homicides in Philadelphia last year, with 208 dispute-related. Drug-related killings, which accounted for about 40 percent of homicides during the early 1990s, accounted for 13 percent, the newspaper reported in February.

The District's report also states that for three straight years detectives have closed 60 percent of cases, peaking with last year's closure rate of 61 percent.

So far this year, police have closed 85 homicide cases for a closure rate of 57.4 percent.

There were 148 killings through yesterday. That figure is down 11.4 percent from the 167 killings recorded at that point last year and on pace to end 2006 with 174 killings. That would be the lowest total since 147 killings were recorded in 1985.

In 1997, the year before Chief Ramsey took over the department, there were 301 killings. The highest total during his tenure was 262 in 2002.

Va. State Police Swap '10-4' For 'Message Understood' (WP)

By Mary Beth Sheridan

The Washington Post, November 13, 2006

Since the Sept. 11, 2001, attacks, local governments have spent millions on high-tech radios to improve communication among police forces. Now, Virginia is taking the next step: changing the very way cops talk.

Starting this month, Virginia State Police have banned the "10 codes" used by generations of officers to flag everything from murders to bathroom breaks. Gone is the language of "10-4" and "What's your 10-20 [location]?"

The codes are as much a part of police culture as badges and coffee. But over time, individual police departments have adapted the codes in their own ways, creating confusion when they have to work together -- such as on Sept. 11.

Eager to avoid such mix-ups, Virginia's government has become one of the first in the nation to try to eliminate traditional cop talk. For months, officials in Richmond have worked with police and firefighters to come up with a substitute for 10 codes, finally deciding on a statewide "common language protocol."

In other words, English.

Police have reacted with a certain amount of 10-32 (alarm).

"My first reaction was, 'You've got to be kidding me,' " said Trooper Steve Mittendorff, 26, as he patrolled the Dulles Toll Road early this month. "How am I going to stop using something I've been using all these years?"

The switch reflects why it is so challenging for the U.S. Department of Homeland Security to create a national emergency response system. If someone sets off a dirty bomb at the Pentagon, Arlington County police might be on the radio with officers arriving from Fairfax County, Alexandria, the District or Maryland.

To Arlington police, "10-13" means "officer in trouble." To Montgomery County police, the same code means "request wrecker." Even everyday police commands can get lost in translation: In Alexandria, "10-54" refers to an alcohol sensor. For Virginia State Police, it's livestock on the highway.

"It's nuts," said Chris Essid, who is leading Virginia's campaign to get all police and firefighters to switch to plain English. "I had no idea how attached people became to codes."A Simpler Time

The 10-code system started catching on in the 1920s, when police radios had only one channel. Officers needed to bark out information succinctly to avoid tying up the system. But over time, a Babel of codes developed.

The jumble wasn't such a problem when police were on different radio systems, or were not as tuned in to the potential for apocalyptic disasters. But five years ago, as law enforcement agencies rushed to the Pentagon, they found that sometimes they were speaking in different tongues.

Local "police were talking 10 codes. So were the Pentagon police. The FBI have their own little 10 codes," said Capt. Richard Slusher, communications officer for the Arlington Fire Department. "You didn't know what they were talking about."

Usually such mix-ups are just an inconvenience. But the potential for trouble is clear. A few years ago, an agent with the federal Bureau of Alcohol, Tobacco, Firearms and Explosives called in a "10-50" while working in Maryland, police said. To Montgomery police, that means "officer down." Squad cars rushed to the scene -- to discover that, in the agent's code, "10-50" meant traffic accident.

After Sept. 11, federal Homeland Security officials required first responders to use plain English in events involving other agencies. But many officers like to keep the codes for day-to-day use within their departments.

Some officials, though, said they fear such officers will revert to their own 10 codes under the stress of a disaster. That's why Virginia Gov. Timothy M. Kaine (D) decided to urge all first responders to switch to plain language full time.

But getting rid of 10 codes has met considerable resistance from some officers. At stake are efficiency, safety and professionalism. Not to mention cool.

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"The jargon is one of the things that sets the cops apart," said Tim Dees, a former police officer who is editor of Officer.com, a Web site run out of Beltsville. Not that police officers are alone, he noted: As shown by numerous TV shows, doctors and lawyers also love to snap out their jargon.

"It adds," he said, "a certain mystique."A Tough Transition

The day after Virginia State Police entered the plain-English era, Mittendorff was patrolling on the toll road. Night was falling, and the radio was squawking with news of rush-hour accidents.

Occasionally, a baritone voice would mutter a "10-46" (disabled vehicle) or "10-27" (requested license check).

"Everyone is trying to remember plain language," mused Mittendorff, an earnest officer with a Marine-style buzz cut. "I've been trying all day, and I keep slipping."

He pulled onto the side of the road, behind another cruiser with flashing red and blue lights. The driver, Trooper Jason Thomasson, 29, had just finished writing a traffic ticket. He and Mittendorff reminisced about the old 10 codes.

"I think they were a lot easier," said Thomasson, leaning on his friend's cruiser. "You can rattle it off a lot faster."

Mittendorff said he worries about troopers encountering greater danger now that their coded language has been stripped bare for anyone with a police scanner to understand.

"The public never knew what we were talking about," he said.

Virginia officials said they have created a simple set of four signals for cases in which police officers need to get radio information confidentially -- for example, if a suspect is on a terrorist list. As for the secrecy of the old 10 codes, Essid said, that's largely a myth.

"A lot of these codes are on the Internet," he said.

Still, traditional cop talk will not disappear easily. Officials in the Washington area have been talking for months about taking a common approach to the issue, but it hasn't happened. Montgomery has gotten rid of codes, but Prince George's County hasn't. D.C. police have kept a handful of 10 codes.

Even in Virginia, the record is mixed. Alexandria police tried to abolish codes a decade ago but reverted. The codes were more effective, said Lt. James Bartlett, a spokesman, and they limited the time long-winded officers were on the radio.

But, clearly, the attraction goes beyond efficiency.

"It's just our own little language," said another officer on the Alexandria force, Capt. Hassan Aden. He uses 10 codes so instinctually that his 4-year-old son has picked them up. When the boy has soccer practice, for example, Aden says: "Hey, come on, we've got to 10-18," or hurry. Dinner is "10-7 time."

His police officers switch to common language when working with other departments. Still, after years of code, they must make a conscious effort to speak plain English.

"It's like a different language," he said.

CIVIL LAW:

Partial-Birth Replay (WP)

The Washington Post, November 13, 2006

IT ISN'T EVERY day that the Supreme Court confronts a law materially identical to one it has already struck down. But that is what the justices faced last week when they heard oral arguments over the federal ban on partial-birth abortions. Six years ago, the court struck down state partial-birth laws -- ruling that Nebraska's ban was overly broad and lacked an exception for situations in which protecting a woman's health required the use of the disfavored procedure. In response, Congress enacted its own version of the ban, complete with nearly all of the faults from which the Nebraska statute had suffered. The Justice Department contends that the new law can be reconciled with the court's prior ruling. This is laughable. The only way to uphold this law would be to overturn the prior decision -- a step that the justices should not take, in the interest of women's health and out of respect for precedent.

"Partial-birth abortion" is a political term, not a medical one. If Congress had wanted to pass a ban on either late-term abortions or on the particular procedure normally associated with the "partial-birth" label, it was free to do so as long as it defined it carefully and maintained a health exception. It did neither. Instead, it defined "partial-birth abortion" in a fashion that could once again include some abortions performed using the method most common in the second trimester. And it sought to get around the court's insistence on a health exception by asserting, in a purported factual finding, that the procedure is never medically necessary to protect a woman's health.

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This, as several lower courts have found, isn't true. And while the Supreme Court generally owes deference to congressional fact-finding, that does not entitle the legislature to get around the high court's constitutional holdings with factual assertions at odds with both its own legislative record and voluminous testimony in the lower federal courts.

The real question this case presents is whether the court, with Justice Sandra Day O'Connor retired, will continue to honor its precedent. In that sense, the case will shed important light on the court's new members, Chief Justice John G. Roberts Jr. and Justice Samuel A. Alito Jr., neither of whom tipped their hands at oral arguments. Both men testified eloquently at their confirmation hearings about their high regard for stare decisis -- the principle that precedents should generally be permitted to stand. Both would send a powerful message of respect for the court's institutional work if, in a case so politically loaded and with so many people expecting a predictable ideological split, they declined the invitation to either contort or reverse a high-profile precedent and merely applied it instead.

CIVIL RIGHTS:

Sex Predators TV Show Raises Rights Issues (LAW)

By Tresa Baldas, The National Law Journal

National Law Journal, November 13, 2006

The NBC television series "To Catch a Predator," which features confrontations with men allegedly seeking sex with minors online, may be popular with viewers, but not with criminal defense attorneys, who claim the show raises a range of civil rights issues.

Seating an unbiased jury when a client's face has been splashed all over national television is nearly impossible, they argue. Miranda rights and search-and-seizure issues are also compromised by the show, they add.

In the last two years, 183 alleged online sexual predators have been formally charged as a result of being caught on the show, which has run sting operations in California, Florida, Georgia, New York and Ohio with the help of an online predator-watchdog group. More than 20 of those cases have resulted in guilty pleas or convictions, with the remaining cases still pending.

'TOWN SQUARE' TRIAL?

"Without question, it tramples on their constitutional rights to due process and a fair trial," said Blair Berk of Tarlow & Berk in Los Angeles, who is representing a doctor featured on the show that aired on Oct. 6. The man allegedly showed up at a house hoping for a date with who he thought was a 13-year-old girl he met online. People v. Wolin, No. SCR 495892 (Sonoma Co., Calif., Super. Ct.).

Berk likened the show's tactics to "trying someone in town square without giving them due process.

"How do you, with a ratings-driven TV show, with a client as the poster child for the theme of the show -- which is that everyone featured on the show is a sexual predator by definition -- how do you have any chance at securing that person the presumption of innocence, due process or the right to a fair trial?" Berk said.

"They are being tried on TV from a purely prosecutorial prospective."

"Dateline NBC" correspondent Chris Hansen denied claims that the program fails to guard against entrapment and violates defendants' right to a fair trial. He noted that the sting operations always start with the alleged predators initiating the contact with the decoy, not the other way around.

"We are very cautious about this. We understand that everybody is due their day in court," Hansen said. "But at the end of the day, it's no different than if [the alleged predators] walked into an investigation that was run by law enforcement."

He said that "the reality is that the proof of intent in many cases is in the chat log. And the chat logs speak for themselves."

Gary Bostwick of Sheppard, Mullin, Richter & Hampton in Los Angeles, an attorney for NBC Universal Inc., was unavailable for comment.

Chat logs spoke loud and clear to one federal judge who, in August, convicted Maryland Rabbi David Kaye -- snared in an NBC investigation -- of traveling across state lines to have sex with who he thought was a 13-year-old boy he met on the Internet. U.S. v. Kaye, No. 1:06 cr205 (E.D. Va.).

In his opinion, U.S. District Judge James C. Cacheris cited chat logs as "providing more than sufficient evidence that defendant persuaded, enticed and induced the young boy to engage in a sexual act."

According to court documents, Kaye's lawyers argued that Kaye was " simply dirty talking," and that Kaye was induced and enticed by the sting volunteer.

Cacheris rejected both arguments. Kaye is scheduled to be sentenced on Dec. 1.

Steven Harmon, who is defending five California men caught on the NBC show, including a lawyer, a homeland security officer and a teacher, said his main concern is whether or not he can get a fair trial.

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"I'm just anticipating that dreadful moment of being in the courtroom when the judge informs the prospective jurors that this is one of those 'Dateline NBC' cases, and hear all the groans and see the rolling of the eyes and stares at my client," said Harmon of Harmon and Harmon in Riverside, Calif. "It's going to be very difficult to find a jury that will be able to listen to the whole story."

But "To Catch a Predator" doesn't tell a full story, argued Ian Friedman, an Ohio criminal defense lawyer whose firm is currently representing some men featured on the show.

To do so, Friedman said, "they'd have defense lawyers on who can explain to the viewers that this isn't a one-sided story."

Friedman, of Ian N. Friedman & Associates in Cleveland, said his firm has represented and advised about 100 men arrested in online predator stings, including a handful caught on the NBC show.

"This show makes our jobs more difficult, just like 'CSI' makes a prosecutor's job more difficult," Friedman said, referring to a popular CBS television show about crime scene investigations.

A New Way To Sue (WSJ)

The Wall Street Journal, November 13, 2006

We'll soon find out if that humongous gender discrimination class-action lawsuit pending against Wal-Mart is an aberration -- or the legal wave of the future. And rest assured the trial bar is hoping for the latter with dreams of riches.

Last week, a U.S. District Court in San Francisco heard arguments on whether a gender discrimination lawsuit against Costco should also proceed as a nationwide class action. A decision is expected in a few weeks, and the proceedings have an air of deja vu.

The same San Francisco District Court (though not the same judge) heard the Wal-Mart case, which was initiated by the same plaintiffs' lawyer, Brad Seligman. Mr. Seligman is seeking punitive damages, back pay and injunctive relief in both cases, and he is also pushing the same legal theory as to why the claims should be pooled into a class rather than handled individually. He even has some of the same "expert" witnesses.

The Wal-Mart case accuses the retail giant of not promoting women and systematically paying them less than their male counterparts for comparable jobs. Mr. Seligman presented the court with nationwide company data that supposedly shows gender disparities in Wal-Mart pay and promotions. Next came testimony from a sociologist who said corporations tend to engage in stereotyping, followed by a statistician claiming that widespread stereotyping was the likely cause of the alleged discrimination.

Commonality is supposed to be the essence of class actions. Yet the vast majority of Wal-Mart employment decisions are discretionary and made by individuals at thousands of locations across the country. But never mind. The San Francisco court said plaintiffs' statistics could justify class treatment and certified the largest private civil rights case in history, a decision that is currently on appeal to the Ninth Circuit.

In the Costco case, plaintiffs lawyers are again arguing that statistical analyses and formulas are enough to justify a nationwide class certification and deny Costco the chance to dispute whether any individual plaintiff actually suffered discrimination. But in addition, they're claiming that emotional distress -- a highly individualized harm, if it occurred -- can be determined on a class-wide basis as well.

Talk about stereotyping. The idea that a court should assume every female member of the class suffered the same amount of emotional distress seems, well, sexist. Mr. Seligman has also teamed up with specialists like Bill Lann Lee of Lieff Cabraser, a prominent plaintiffs firm that has brought its share of securities, tobacco and consumer class actions. And these lawyers are ready to tee up every deep-pocketed retailer in America on similar accusations if courts let them.

That's why the big game here is getting a large class certified. Companies as large as Wal-Mart can afford to fight a class-action case, assuming they don't mind the negative publicity. But the plaintiffs bar knows that most companies will be pressured to settle rather than risk a jackpot verdict that could put them out of business.

The precedent here is what happened with "strike suits," the Milberg Weiss invention that had lawsuits pre-packaged and ready to go whenever a company's stock price dropped. They were a source of extortion for years until Congress intervened (over Bill Clinton's veto). If mere statistical imbalances can trigger a class action, companies will be forced to make pay decisions based on statistics rather than performance and merit. Ultimately, that leads to racial and gender quotas, all in an effort to avoid frivolous lawsuits.

If these radical legal theories hold up in the Costco and Wal-Mart cases, the trial bar will gain tremendous leverage. The costs for business, employees and American consumers will be high.

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ANTITRUST:

Are Private Buyouts Good For The Economy? (CSM)

By Mark Trumbull

The Christian Science Monitor, November 13, 2006

The new birth of Burger King Corp. this year delivered the beef to the investing public: Under private management, the long-struggling company turned a corner and then made shares available on the New York Stock Exchange.

But the managers kept some major side orders to themselves. They took out a big loan and paid themselves a $367 million dividend and other fees as well. In all, they extracted cash worth about one-sixth of Burger King's market value.

That's one whopper of a payout, and it's not unusual these days.

Increasingly, investors with deep pockets are banding together to form "private equity funds." Just as the leveraged buyout firms did in the 1980s, they are buying up companies, restructuring them, and then selling them back on public stock exchanges - often for a supersized profit.

The practice isn't new, but it remains controversial. And the scale of the trend far exceeds what it was back when Henry Kravis and Michael Milken made their magazine cover debuts.

Hardly a week goes by without more major deals being announced. Meanwhile, the very success of these buyout funds is attracting billions more dollars from investors - raising the prospect of many more buyouts in coming months. In essence, the wealthy are deciding that if you want to make money in stocks, the stock market isn't the place to do it.

"Private equity is a very big deal. It has moved from the periphery of the capital markets 20 years ago much closer toward the center," says Robert Bruner, dean of the University of Virginia's Darden Graduate Business School.

With money pouring in from pension funds and other deep pockets, the trend shows no signs of stopping. It could end up engulfing companies as diverse as the Los Angeles Times newspaper and ailing automotive supplier Delphi Corp. Just last week, Bill Gates and a Saudi prince were among the investors backing a private buyout of Four Seasons hotels, while another buyout fund announced its plan to acquire the Outback Steakhouse.

Private equity is Wall Street jargon for massive funds - pools of money from large investors - used for owning and managing companies in private, rather than as companies listed on public stock exchanges.

Success begets more investment, especially at a time of rather tepid performance by traditional stocks and bonds. Like hedge funds, real estate, and commodities, private equity has become a new money magnet.

Sometimes the private equity funds pour their cash into young companies, but more of it has been going into buyouts of mature companies like Burger King or Hertz.

To supporters, the deals reflect the dynamism of America's capital markets, in which companies are made, remade, and sometimes broken into pieces by savvy investors. The result, arguably, is that capital finds its most efficient use. It not only enriches owners but helps to make companies more efficient and US workers among the most productive in the world. "We are all better off when companies operate well," Mr. Bruner says.

But skeptics, including some within the investment community, voice a number of concerns.

They say the deals are doing much more for the acquirers than for the economy at large, or even for the traditional shareholders who are forced to sell when the deals happen.

Indeed, the latest buyout wave may raise questions about both the virtue of private equity funds (are they really helping the companies that much?) and about the performance of traditional, publicly traded companies (why can't they do as well for their investors?).

"There is now little question that chief executives across America are increasingly content to allow private equity firms to somehow 'magically' deliver sparkling returns to their shareholders, which they themselves were incapable of producing during their time at the helm," write Henry McVey and David McNellis in a recent market strategy report for the investment bank Morgan Stanley in New York.

They argue that US corporations have essentially become too cautious about investing in new ideas to grow their business. The result is a buildup of cash, and a decline in debt.

That's one reason some of these public companies become tempting targets for private equity funds. The private buyers will plan to do some things that improve the business, so it can be resold later at a higher price. But they will also, often, tap free cash or borrow to provide dividends and fees that guarantee a high rate of return even before they sell.

Burger King is a case in point. In 2002, a group of private equity funds bought the restaurant brand for $1.5 billion from its parent company, Diageo.

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The private owners went through several CEOs, but finally got the hamburger chain sizzling again, with sales boosted by a value menu and new products. In the process, they made sure to get an early slice of the profits, with the $367 million dividend and other fees.

Clearly, the rich are getting richer here. But arguably the economy is also somewhat better off. Analysts see a larger, healthier company than in 2002. Burger King's market value is now more than $2 billion.

If the private equity had merely hollowed out the company with its cash extraction, it wouldn't be worth that much today, some experts point out.

But if private equity is helping corporate America be more productive, the returns may diminish at some point - partly because it's harder to find lucrative deals.

"I definitely think the returns [to private equity] are not going to be as robust as they've been," says Colin Blaydon, an expert on private equity at Dartmouth College's Tuck School of Business in Hanover, N.H.

ENVIRONMENT:

Inside The Beltway (WT)

By John Mccaslin

The Washington Times, November 13, 2006

Burning Rex

More reaction to the sharply critical letter that Republican Sen. Olympia J. Snowe of Maine and Democratic Sen. John D. Rockefeller IV of West Virginia sent recently to Rex W. Tillerson, otherwise welcoming him to his new post as chairman and chief executive officer of Exxon Mobil Corp.

The remainder of the three-page letter, shall we say, blasted a so-called "climate-change denial strategy carried out by and for Exxon Mobil" against global warming -- the senators accusing the oil giant of being "the primary funder of no fewer than 29 climate-change denial front groups in 2004 alone."

The bipartisan pair went so far as to request that Mr. Tillerson "publicly acknowledge both the reality of the climate change and the role of humans in causing or exacerbating it," even absent scientific proof of such a cause.

Now, one prominent Washington group is stepping forward to acknowledge receiving "modest funding from the energy sector, including from Exxon Mobil," although the National Center for Public Policy Research says such funding has never exceeded 1 percent of annual expenditures.

And while it "recognizes both that global temperatures have risen over the past 150 years and that anthropogenic greenhouse-gas emissions contribute to the greenhouse effect," the center calls attention to competing scientific data of the causes of global warming, and therefore believes that any anthropogenic signature is "likely to be modest."

And who can say they aren't right?

Nicolas Copernicus, as the center points out, was condemned for suggesting that the sun, rather than the earth, was the center of our universe. Giordano Bruno, meanwhile, was persecuted and ultimately burned at the stake for arguing that space extended beyond our solar system. And William Harvey was ridiculed by leading medical authorities of his day for suggesting that the heart was the center of the body's circulatory system.

"Copernicus, Bruno and Harvey were persecuted out of fear," it notes. "Each ultimately was proven to be correct."

As for Sens. Snowe and Rockefeller, the center charges they "are engaging in persecution of their own, attempting to silence dissenting voices ... and, as such, should be condemned by Americans of all political persuasions -- both left and right."

Eat your spinach

Still hesitate at the spinach counter, worried Popeye's leafy green bodybuilder will inflict harm instead of produce muscles?

Dr. Henry I. Miller, a physician and fellow at the Hoover Institution, says while the recent outbreak (only 200 cases) of E. coli traced to fresh, bagged spinach garnered a lot of attention, it's only a drop in the bucket of 76 million cases and 5,000 deaths annually from food poisoning in the United States.

As far as the spinach contamination went, it seems some wild hogs rolled out of the mud and into the spinach patch. In fact, the good doctor prescribes in TCS (Technology, Commerce, Society) Daily that Americans' food is not only the least expensive, but the safest in the history of humankind.

"However, there is a limit to how safe we can make agriculture, given that it is an outdoor activity and subject to all manner of unpredictable challenges," states Dr. Miller. "If the goal is to make a field 100 percent safe from contamination, the only solution that guarantees this is to pave it over and build a parking lot on it."

Worth quoting

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"Most of these markers stand over graves of Americans who came home to enjoy the peace they earned. Too many stand over the graves of those who gave their lives to protect that peace."

-- President Bush, in remarks this Veterans Day at Arlington National Cemetery

Buy a book

What do conservative commentator Pat Buchanan, North Dakota's Democratic Sen. Byron L. Dorgan, Republican former defense chief William S. Cohen, and Washington journalists Michael Isikoff and David Corn have in common?

Not a whole lot, quite frankly.

But they've each been selected as featured authors for Wednesday evening's (5:30 to 8:30 p.m.) National Press Club 29th annual Book Fair and Authors' Night, arguably Washington's most prestigious literary event.

Among this year's other authors on hand to sign their latest yarns will be John Dickerson, Ron Fournier, Doug Sosnik, David Maraniss, Helen Thomas and Frederic J. Frommer, whose book is perhaps the least controversial of this year's lineup: "The Washington Nationals 1859 to Today: The Story of Baseball in the Nation's Capital."

Then again ... .

·John McCaslin, whose column is nationally syndicated, can be reached at 202/636-3284 or jmccaslin @washingtontimes.com.

FBI/DEA/ATF/USMS:

Satellite Gear Aided In Finding Arellano (SDUT)

By Onell R. Soto, Union-tribune Staff Writer

The San Diego Union-Tribune, November 11, 2006

Equipment revealed in court documents

U.S. agents used satellite equipment to track and arrest the suspected leader of the Arellano Félix drug cartel in a boat off the coast of Baja California Sur this summer.

Law enforcement officials hailed the arrest of Francisco Javier Arellano Félix, accused of running the drug cartel in recent years, as a key blow to the organization they say moved tons of drugs between Mexico and California.

Arellano is charged with racketeering and conspiracy to launder money and import drugs.

The existence of the satellite-tracking equipment was revealed in court documents filed by prosecutors this week in response to a defense lawyer's challenge that the arrests took place in Mexican waters and therefore are illegal.

In the papers, prosecutors said the arrests took place in international waters.

Investigators, led by the Drug Enforcement Administration, have been investigating the Tijuana-based cartel for years. In April, they identified a yacht, the Dock Holiday, that authorities said was bought by high-ranking members of the organization.

“On August 14, 2006, agents determined from global positioning satellite equipment that the Dock Holiday was at sea,” prosecutors wrote in the papers.

“At agents' request, the U.S. Coast Guard stopped and boarded the vessel in international waters – according to the GPS equipment, about 13 nautical miles – off the coast of Mexico.”

Mexico has jurisdiction in waters within 12 miles of land, the prosecutors said.

Because the boat was registered in Delaware and its designated home port was Newport Beach, it was a U.S. vessel that could be legally boarded by the Coast Guard in international waters, they said.

Although the boat was flying a Mexican flag at the time, prosecutors said it was not registered in Mexico and was “not entitled to fly Mexico's flag.”

Lawyers for Arellano and a passenger charged with lying to the Coast Guard about his name said they were surprised by the mention of the GPS device.

“We're informed that they got notice the vessel was at sea,” said David Bartick, one of Arellano's lawyers. “I don't know who gave them notice, I don't know how they knew.”

Jeremy Warren represents Cesar Niebla Lerma, the passenger charged with lying about his name. He said existence of a GPS device on the boat raises questions of how it got there.

Depending on how the device was planted, defense lawyers could argue that their clients' rights were violated, he said.

A DEA spokesman was unavailable yesterday, a federal holiday.

In an August news conference announcing the arrests, the head of the San Diego DEA office hinted that no informant tipped agents off to the location of the boat, despite a $5 million reward for information leading to Arellano.

“No one will be collecting that reward,” John Fernandes said.

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He wouldn't say at the time how agents knew the boat's whereabouts.

"These kinds of operations take surveillance, surveillance, surveillance," Fernandes said. "That's . . . boots on the ground, or in this case, boots on the water."

Eight men and three boys were on the boat. The boys and two of the men have returned to Mexico, and six of the men remain in U.S. jails. Only Arellano and Niebla face charges in the United States.

One of the others, a suspected cartel leader, Manuel Arturo Villarreal Heredia, is facing extradition to Mexico, where he is wanted on racketeering and other charges.

The three others have refused a judge's order to testify before a federal grand jury here and are being held in contempt of court.

Accused Drug Dealer Reaches Plea Agreement After Laced Heroin Deaths (NBC10)

NBC 10.com, November 13, 2006

Dover Man To Spend At Least 20 Years In Prison

DOVER, Del. -- An accused drug dealer suspected of distributing fentanyl-laced heroin that killed a Dover man will spend at least 20 years in prison after agreeing to plead guilty to a federal drug charge.

A federal grand jury returned a six-count indictment in September against Joseph Bentley, 22, of New Castle.

On Wednesday in U.S. District Court in Wilmington, Bentley agreed to plead guilty to a single count of distribution of heroin and fentanyl resulting in the death of another individual. Prosecutors agreed to dismiss the other counts of the indictment.

The charge to which Bentley agreed to plead guilty carries a mandatory minimum 20-year prison sentence, and a maximum penalty of life in prison and $1 million fine. Federal prosecutors agreed to recommend a three-level reduction in the sentencing guideline range for his acceptance of responsibility in the death of Seth Boyd, 30, of Dover.

Bentley is the first person in Delaware prosecuted under a federal law that mandates prison time for a person who provides a drug that kills or seriously injures another person.

Boyd, who owned a business that sold vintage autographs and historical documents, was found dead in his home on April 28. An autopsy concluded that he died from respiratory failure due to inhalation of fentanyl.

Boyd's girlfriend told state investigators that Bentley had delivered 13 bags of heroin to Boyd's home on the day he died. State police found two empty heroin bags inside the home, one with a straw in it.

When state police arrested Bentley on May 5, he was carrying a copy of Boyd's obituary in his pocket.

Authorities later obtained tape recordings of telephone conversations between Bentley and his father, Arthur Bentley, who was being held at Delaware Correctional Center in Smyrna on drug charges. According to an affidavit by a Drug Enforcement Administration special agent, Bentley told his father that a batch of heroin he had obtained had killed two of his customers.

As part of the plea agreement, Bentley will reimburse Boyd's estate for ambulance, medical, funeral and burial expenses.

7 Indicted In Prospect Heights Crack Sting (PROJO)

By Tatiana Pina, Journal Staff Writer

The Providence Journal, November 10, 2006

PAWTUCKET — After a 10-month investigation, a federal grand jury has charged seven men with drug trafficking for allegedly selling crack cocaine out of the Prospect Heights housing project.

During a news conference at Pawtucket police headquarters yesterday, U.S. Attorney Robert Clark Corrente said that four of the seven have been arrested. The others are considered fugitives.

Corrente said law-enforcement officers disrupted a large-scale cocaine-trafficking ring in Prospect Heights.

Some of the men who are charged are suspected of being part of a loosely knit gang known as the Prospect Heights Posse, which has no known national affiliation, Pawtucket Police Chief George L. Kelley III said.

A total of 22 ounces of crack cocaine was recovered, according to Corrente. It has a street value of $22,000. One of the men was also charged with being a felon in possession of a firearm. Law enforcement officers recovered a 25 calibre pistol.

The investigation was conducted by city police and the Drug Enforcement Administration Task Force. Teams of federal agents and city officers arrested three men last week. One man was already in custody for his alleged role in robbing a delivery man at Prospect Heights.

John L. Kimborough, 38, of Pawtucket, who is also known as "Country," was charged with distributing crack cocaine and being a felon in possession of a firearm. Jorge Henriquez, 22, of Central Falls, was charged with two counts of distributing crack cocaine, one of them involving more than 50 grams. Samuel Ross, 27, of Pawtucket, was charged with distributing more than 50 grams of crack cocaine; he was already in custody. Francisco Arias, 25, and Braulio D. Henriquez, 19, both of Central Falls, were each charged conspiracy to distribute more than 50 grams of crack cocaine and possession with intent to distribute more

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than 50 grams of crack cocaine. Candido Rodriguez, also known as Jeilin Vasquez, 38, was charged with two counts of distributing more than 50 grams of crack cocaine. Fernando J. Torres, 22, of Pawtucket, was charged with distributing more than 50 grams of crack cocaine.

Arias, Rodriguez and Torres are considered fugitives. The other four men pleaded not guilty and are being held.

Another View: Smokescreen Of Medical Pot Clouds View Of The Dangers (SACBEE)

By Gordon D. Taylor, Special to the Bee

The Sacramento Bee, November 13, 2006

Pro-pot advocates often spread misinformation on the subject of so-called "medical marijuana." It's important to show the other side of the issue.

In the past 10 years, California has seen a surge of organized crime groups that have moved into the marijuana industry in a big way. Heavily armed drug cartels have made a multibillion-dollar business of going into our public lands and clear-cutting our pristine forests so they can cultivate enormous marijuana crops. Sophisticated criminal syndicates are buying homes in the Sacramento region and creating indoor marijuana factories in the midst of our family-oriented neighborhoods.

A rogue "pot club" industry has also developed throughout the state. Over the past two years, the DEA has participated in six enforcement actions against pot clubs operating in the Central Valley and inland Northern California. Shockingly, three of the six pot store owners were convicted felons, each of whom was armed with a handgun during the course of the investigations.

The largest of the six pot clubs sold marijuana to an astounding 400 people a day. Owned by two 26-year-old men, this Modesto pot club reported selling more than $3.4 million in marijuana within a six-month period. This pot club was going so well that the owners were paying their security guards $125 to $150 an hour.

Most of the people buying marijuana from these pot clubs do not appear to be seriously or terminally ill; they are able bodied, some even athletically fit, most in their 20s and some even in their late teens. These young people are purchasing marijuana not because they are seriously or terminally ill, but because they want to use marijuana for recreational purposes. To put it bluntly, they want to smoke marijuana to get high while using state laws as their shield.

Marijuana has no proven safe and effective medical use and therefore remains a prohibited substance under federal law. Contrary to misinformation spread by many medical marijuana advocates, pot is not a harmless or soft drug. In fact, it's eight times more potent today than it was in the early 1970s. Sadly, more teenagers enter drug treatment for marijuana dependency than for all other illegal drugs combined.

It's up to each of us to not only protect our public lands and neighborhoods, but to educate our young people about the dangers of marijuana and help them see through the "medical marijuana" smokescreen. About the writer:

Gordon D. Taylor, a veteran DEA agent, has oversight of Drug Enforcement Administration operations in 34 counties throughout the Central Valley and inland Northern California. He is responding to the Nov. 5 Forum article "What a long, strange trip for state's medical marijuana laws."

Jewelry Theft Ring Is Busted Up, FBI Says (SLPD)

By Robert Patrick, ST. LOUIS POST-DISPATCH

St. Louis Post-Dispatch, November 13, 2006

FBI agents and police say they have broken a ring of crooks believed to have taken more than $1 million worth of goods from traveling jewelry salesmen in Missouri, Illinois and elsewhere since 2003.

In a sworn statement made public in federal court in St. Louis this week, FBI Special Agent Mark Wood wrote that investigators had known for years that a group of Colombian nationals was responsible.

Included were crimes in Des Peres in 2003, Clayton and Columbia, Ill., in 2005, and in Chesterfield, Frontenac and Town and Country this year, Wood wrote.

Five suspects were arrested, and two have been charged so far. The two, Dairo deJesus Giraldo-Soto and Roldolfo Aristizabal-Munoz, appeared in federal court in St. Louis this week to face charges of interstate transportation of stolen goods. They remain in custody.

Court documents laid out the scheme this way:

The men watched jewelry stores to identify visiting brokers and salesmen. Then they followed selected victims and either confronted them with a weapon or snatched merchandise from their unattended vehicles.

A motel employee tipped off investigators last month that some guests might be drug dealers. Drug Enforcement Administration agents followed the men, determined they were watching jewelry stores, and turned the matter over to the FBI and St. Louis County police.

Using a minivan and sedan, the suspects watched multiple

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jewelry stores in St. Louis County on Halloween. The next day,

as investigators' suspicions mounted, the men parked close to Saettele Jewelers, near the St. Louis Galleria.

The suspects followed a jeweler as he left the store carrying a case, but lost him in traffic. They then watched two other jewelry stores before investigators who had been trailing them closed in.

Inside the minivan, officers found three men, a stun gun, a glass cutter, a tool used to make a hole in glass, knives, cell phones, jewelry tools, a global positioning unit and UPS shipping supplies.

They also pulled over the sedan and found two men and similar equipment.

None of the missing jewelry has been recovered. Police said the robbers would ship the loot to Miami and quickly leave town.

Giraldo-Soto told investigators that the men had come to the St. Louis area from Chicago, intending to rob or steal from salesmen, including the man at Saettele's.

He admitted the suspects' role in multiple similar thefts or robberies and said the men had shipped or driven the jewels back to Florida, where they live, officials said.

The fingerprints of Aristizabal-Munoz linked him to a June 28 robbery in Town and Country, officials said.

In that case, police said at the time, a salesman from New York left Novak Jewelry after about 20 minutes to find that his car wouldn't start. He got out and was confronted by three men with a stun gun, who took a case containing more than $425,000 in jewelry inside.

In the Frontenac case, two men took more than $250,000 from a jewelry salesman in a parking lot outside the Safe Deposit Co. at 515 Lindbergh Boulevard on July 11, police said at the time.

John Stobbs, the attorney for Aristizabal-Munoz, told a reporter Friday, "He maintains his innocence." Giraldo-Soto's public defender could not be reached for comment.

The three other men had not been charged as of Friday. Two of them had entered the country illegally, and one was an American citizen, police said.

Yet another Colombian native was sentenced to 22 months in prison in 2002 for the robbery of $500,000 in jewels from a salesman at a fast food restaurant in Glen Carbon in 2001. That Colombian, Leonardo Quintero of Florida, who also had Stobbs as his attorney, cooperated with investigators and spoke of a similar ring of thieves and robbers.

Heather Ratcliffe of the Post-Dispatch contributed to this report.

Insurgent Activity Spikes In Afghanistan (AP)

By Jason Straziuso, The Associated Press

AP, November 12, 2006

KABUL, Afghanistan -- Insurgent activity in Afghanistan has risen fourfold this year, and militants now launch more than 600 attacks a month, a rising wave of violence that has resulted in 3,700 deaths in 2006, a bleak new report released Sunday found.

In the volatile border area near Pakistan, more than 20 Taliban militants _ and possibly as many as 60 _ were killed during several days of clashes, officials said Sunday.

The new report said insurgents were launching more than 600 attacks a month as of the end of September, up from 300 a month at the end of March this year. The violence has killed more than 3,700 people this year, it said.

Afghanistan saw about 130 insurgent attacks a month last year, said the report by the Joint Coordination and Monitoring Board, a body of Afghan and international officials charged with overseeing the implementation of the Afghanistan Compact, a five-year reconstruction and development blueprint signed in February.

The violence "threatens to reverse some of the gains made in the recent past, with development activities being especially hard hit in several areas, resulting in partial or total withdrawal of international agencies in a number of the worst-affected provinces."

The report said that the rising drug trade in Afghanistan is fueling the insurgency in four volatile southern provinces. The slow pace of development is contributing to popular disaffection and ineffective implementation of the drug fight, it said.

Afghanistan's poppy crop, which is used to make heroin, increased by 59 percent in Afghanistan this past year.

Insurgents have launched a record number of roadside bombs and suicide attacks this year, and there have been clashes all year between insurgents and Afghan and NATO security forces, particularly in the southern and eastern provinces near the border with Pakistan.

The 3,700 deaths the report attributes to insurgent-related violence is comparable to the number of deaths _ about 3,500 _ tallied by The Associated Press this year based on reports from the U.S. military, NATO and Afghan officials.

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In the east, Gen. Murad Ali, the deputy Afghan army commander for Paktika province, said 20 bodies were recovered from fighting in Bermel district in the last several days. In addition, he said, two trucks carrying Taliban fighters were destroyed by airstrikes or artillery fire, and officials estimated 40 fighters were killed in those strikes.

Four NATO soldiers and three Afghan soldiers were injured, he said, though a spokesman for NATO's International Security Assistance Force said he was not aware of any serious injuries among NATO troops.

Maj. Luke Knittig said the operations in Bermel, which borders Pakistan, were part of an ongoing Afghan-NATO mission to root out Taliban militants before winter.

"We know we've engaged in successful operations in Bermel with a purpose, and we think those have had a very positive effect against insurgent activity there," Knittig said.

Knittig said Ali's estimate of 60 dead fighters "sounds about right to me," but he did not have an independent estimate of the number killed. "We are not into the numbers game here lately," he said.

Death tolls in remote areas of Afghanistan are almost impossible to verify and often vary widely.

Abdul Baqi Nuristani, the provincial police chief, said only 25 militants have been killed in Bermel the last couple days. He said three Afghan and three NATO soldiers were injured in what he called "a very big battle."

Ali said tribal elders took the bodies of eight Pakistani fighters back over the border to be buried.

Afghan officials have repeatedly accused Pakistan of not doing enough to prevent Pakistani or other foreign fighters from crossing the border to launch attacks. Pakistan says it does all it can, though border attacks have increased since a September agreement led the Pakistani military to pull out of its lawless tribal region.

Bermel is home to a military base that hosts both Afghan and U.S. soldiers. NATO-led troops aided by military aircraft killed 15 suspected insurgents in the district on Tuesday after troops on patrol came under attack.

UN: Iran, Afghanistan, Pakistan Need To Share Drugs Data (AP)

AP, November 13, 2006

TEHRAN (AP)--Iran and neighboring Pakistan and Afghanistan must share intelligence on drug smuggling, the head of the United Nations agency against drugs said Friday.

Antonio Maria Costa, the director of the U.N. Office on Drugs and Crime, finished a three-day visit to Iran by praising the government's efforts against drug trafficking, according to a statement issued by the agency.

Iran had seized 231 tons of opium in 2005, more than any other country in the world, the statement said.

But Costa warned the world's production of opium was far greater than what was being intercepted.

"Afghanistan has produced a record 6,100 tons of opium this year and about 80% of this will flow through Pakistan and Iran," he said in his statement. "Only about a quarter of this is likely to be intercepted - about half the success rate with the world cocaine trade.

"I urge these three countries, and their international partners, to establish an intelligence-sharing platform," he added. "If counter-narcotics police in Afghanistan, Pakistan and Iran share intelligence, they could really hit the traffickers hard."

While in Iran, Costa met President Mahmoud Ahmadinejad and other senior Iranian officials and made a helicopter trip to the Iranian border with Afghanistan and Pakistan, the statement said.

U.S. Reaffirms Support For Embattled Kabul Government (WP)

By Pamela Constable, Washington Post Foreign Service

The Washington Post, November 10, 2006

KABUL, Afghanistan, Nov. 9 -- A senior State Department official said Thursday that the Bush administration has been "surprised by the intensity of the violence" in Afghanistan over the past year, but he reiterated its "firm commitment" to support the embattled Kabul government.

Richard Boucher, the top State Department official on South and Central Asia, said this week's U.S. elections and the abrupt resignation of Defense Secretary Donald H. Rumsfeld would have "no impact" on U.S. military policy here.

His comments came as he was finishing a three-day visit to Pakistan and Afghanistan. The governments of both countries have recently faced rising violence from Islamic insurgents and a drop in domestic popularity.

Boucher described Afghan President Hamid Karzai as an "excellent partner" who faces "very difficult tasks," and he said Washington was "firmly with the government and the people of Pakistan" in their fight against Islamic extremists. He also noted the "very strong support among Republicans and Democrats for the mission" in Afghanistan.

U.S. military officials here echoed those comments, saying troop levels would remain at roughly 20,000 for the foreseeable future; currently, more than 10,000 of them operate under the NATO flag.

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Boucher said the key to combating a revived Taliban insurgency on both sides of the Afghan-Pakistani border was to "extend the benefits of government" to areas of conflict.

Many Afghans have expressed anger over the lack of government protection and services in rural provinces, a void that has helped fortify the Taliban and allowed for an upsurge in opium cultivation. There is also growing resentment against the presence of foreign military forces, and Taliban leaders have attracted support by calling for resistance.

Boucher acknowledged that U.S. officials had all been surprised by the level of violence in Afghanistan over the past year, during which more than 1,500 people have been killed and 70 suicide bombs have exploded. But he said two recent peace accords signed between Pakistan's government and tribal leaders in the country's violent border regions were "hopeful signs."

In separate meetings with journalists this week in Kabul and Islamabad, the Pakistani capital, Boucher deflected questions about rising anti-American and anti-government sentiment in the tribal regions. He declined to directly address the widespread public belief that the United States was behind an Oct. 30 missile attack on a religious school in the Bajaur tribal region of Pakistan. That attack killed 82 people.

"The Pakistani government said it carried out this action, initiated this action, and that it was necessary because militants, terrorists, were at a training center," Boucher said Tuesday. "I have no reason to doubt that, and frankly from what I have seen, I have every reason to believe it."

Pakistani officials have said they attacked the site, but many Pakistanis are convinced that the missiles were dropped by a U.S. drone plane and that the school contained only young religious students.

Boucher declined to say whether the airstrike was based on U.S. intelligence or whether Pakistan had acted because of U.S. concerns that it was not doing enough to fight terrorism.

The missile attack has convulsed the tribal region. After a suicide bombing at a military training camp Wednesday killed 42 recruits, Islamic extremists said it was a reprisal for the Bajaur attack.

IMMIGRATION:

Hunch Unravels Immigrant Wedding Scam (WP)

By Jerry Markon

The Washington Post, November 13, 2006

They didn't hug. They didn't kiss. They didn't even sit together.

Many couples going to the Arlington County Courthouse seemed more like strangers than people applying for marriage licenses. A man named Sam often escorted them to the sixth-floor clerk's office. Sometimes, there would be a furtive exchange of money in the elevator.

Before long, some of the same people would be back, filing for divorce, their court papers littered with mistakes -- always the same mistakes.

"They misspelled 'circuit,' " said David A. Bell, the longtime Circuit Court clerk. "It was obvious something was going on."

Bell tipped off police, triggering a nearly four-year investigation that recently broke up one of the Washington region's biggest and most brazen immigration scams: an estimated 1,000 fake marriages. The scheme was centered in the area's little-noticed but rapidly growing community of immigrants from Ghana.

For immigrants, marrying a U.S. citizen is a quick ticket to citizenship. Along the East Coast and all the way to West Africa, at car dealerships, malls, parties and even a Home Depot, the word had spread: If you are in the United States illegally, go to Arlington. It's easy to get married in Virginia, because marriage laws are relatively lax. Arlington, with its proximity to the Metro system and the District, is especially convenient.

In recent weeks, 19 of 22 people charged so far in the undercover investigation have pleaded guilty in federal court in Alexandria, including bank tellers, car salesmen and health-care workers. Court testimony and interviews document how Ghanaian immigrants married U.S. citizens they had met the same day, then were coached on how to fool immigration inspectors, usually months later, into believing that the marriage was real. All they wanted, they said, was to stay in the United States.

Now, they will have to leave.

Caroline Chepkwony, who entered the United States in 1996 as an employee of the Kenyan Embassy, sobbed on the witness stand recently as she told the judge that she found a sham husband for the sake of her 3-year-old son.

"This is why I entered into this marriage, just hoping to give my son the best life he can get," said Chepkwony, 36, as she pleaded guilty to marriage fraud. "And I figured out the only place he can get a better life is here in America."'The Program' Grows

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As Latinos have migrated in record numbers to the Washington region, there has been a quieter exodus: from Africa, especially the Republic of Ghana. The Northern Virginia and Maryland suburbs are home to the second-highest concentration of Ghanaians in the nation, about 20,000.

One of the first to arrive was Samuel "Sam" Acquah. Born in Ghana in 1949, Acquah came to the United States on a student visa. He got a master's degree, a law degree from George Mason University and a $112,000-a-year job in the chemical engineering section of the U.S. Patent and Trademark Office in Alexandria.

As more Ghanaians arrived, Acquah wanted to help them stay. Better yet, he thought, he could make money doing it by finding strangers to marry them quickly after their visas expired.

Informally, he named his business "the program." When a fellow Ghanaian called, Acquah would charge the immigrant $3,000 to $3,500. Two employees were Acquah's "contacts" and helped find U.S. citizens willing to get married for money. Acquah split the profit with his contact, who paid the U.S. citizen $500.

Acquah set up shop in his government office, using his government-owned fax machine to communicate about illicit marriages.

Word of the scheme spread to immigrants even before they left Ghana. "Those who were coming over here knew where to find an apartment, where to find a job and where to find a spouse," said one law enforcement official, who spoke on condition of anonymity because the investigation is ongoing.

The business became so lucrative -- Acquah has admitted pocketing $200,000 -- that it spawned competitors. One key rival was Eric Amoah, a Ghanaian immigrant whose own fraudulent marriage to a U.S. citizen had been arranged by Acquah.

A short, balding man with a calm demeanor and five children, Amoah, 43, came to the United States in 1999. Marriage fraud helped put him through pharmacy school, and he worked as a pharmacy technician at Prince William Hospital in Manassas, even as his marriage business continued to mushroom.

Amoah put out word among the U.S. Ghanaian community, which grew from 20,889 in 1990 to 101,169 in 2004, according to U.S. Census Bureau estimates. At his five-bedroom house in Woodbridge, Amoah threw elaborate parties. At one such gathering, he met Markey Simpkins, a supervisor at a Home Depot in the District.

Simpkins became a contact and asked co-workers if they wanted to marry an immigrant for money. Those interested would get to meet Amoah or another Ghanaian marriage arranger. Simpkins pocketed $50 per introduction.

Abena Nkrumah heard about Amoah when she needed an operation for abdominal problems. One way to get health insurance, her doctor's office suggested, was to marry a U.S. citizen.

At an Alexandria shopping center, Amoah and Nkrumah bonded through their shared Ghanaian heritage. "He told me he can help me get married," said Nkrumah, a health-care worker, as she entered her guilty plea last month. She told U.S. District Judge T.S. Ellis III that she could not have stayed with her sham husband, saying he smokes. Ellis smiled.

Occasionally, the men and women would decide they liked each other and would stay married. Far more often, they lived separate lives before reuniting, however briefly, at immigration offices in Fairfax County and Baltimore. There, they would recite their made-up stories about how they met or invent details such as which side of the bed their spouse slept on. Immigrants who marry U.S. citizens can get a visa to stay in the country immediately, instead of having to wait years, and can speed their citizenship by several years.

Ghanaians drawn to this prospect flocked to Arlington from as far as New York and South Carolina. "People would come here for two days to get married and then go back," said Robin Crumblin, one of Amoah's key lieutenants.

Northern Virginia was the obvious choice to center the scheme. Couples can get a license within minutes -- there are waiting periods in the District and Maryland -- and get married the same day.

Occasionally, the phony couples would go to courthouses in Alexandria, Fairfax County, Manassas, the District or Maryland. But the vast majority went to Arlington. The courthouse is on a Metro line, and plenty of civil magistrates nearby can perform a quick ceremony. "Everything was right there in the same spot," Crumblin said in an interview before pleading guilty last month to conspiracy to commit immigration fraud.

Crumblin, 44, can't read or write. She has eight children and lives in a public housing apartment in the District. But she achieved a position of prominence in Amoah's organization.

She met him through a friend, the first time in the parking lot of the Arlington courthouse. Her husband had been injured. She needed the work.

Crumblin's main job was to track down the U.S. citizens, up to a year after the actual marriage, so they could go with their Ghanaian spouse to the immigration office. Often, the search led her to a homeless shelter in the District or to a mother on welfare.

They often were not happy to see her. The U.S. citizens had been told that all they had to do for their $300 or so was get married. Now, they were demanding more money.

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The Ghanaians, increasingly desperate, would have to pay. Crumblin felt caught in the middle. "They'd call my house at 4 a.m. and say, 'Where's my wife?' " said Crumblin, who says she regrets her role because of the example it set for her children.

Pressure was also building on Amoah, whose business had slowed in recent months. He suspected he was under scrutiny and became more secretive, working out of a Red Roof Inn in Springfield instead of his home.Prison, Deportation Loom

In early 2003, an Arlington courthouse clerk noticed the oddly distant behavior of some marriage license applicants. She compared notes with fellow clerks, who were noticing the same thing, then relayed her suspicions to her boss, Bell, who called Arlington authorities. Soon, a federal-state task force was infiltrating the various marriage fraud organizations through cooperators and undercover agents. The Arlington courthouse was put under surveillance. It took time to build the cases.

By this fall, prosecutors thought they had enough evidence. Most of those convicted probably will serve less than a year in prison. Acquah and Amoah, who recently pleaded guilty to conspiracies to commit immigration fraud and money laundering, are expected to spend more time there.

But the biggest price is yet to come. Virtually all of the Ghanaians and other West African immigrants convicted -- most of those charged were immigrants, although several U.S. citizens were charged as well -- will be deported. Some now face the agonizing choice of whether to leave their children born in the United States, who are U.S. citizens, or take them to Africa.

U.S. District Judge Gerald Bruce Lee offered a few words of comfort to Chepkwony at her recent plea hearing. But his sympathy only went so far.

"America is composed of -- is a nation of immigrants," he said. "Everyone here came from somewhere else. However . . . there are rules on how one can immigrate to live here permanently.

"You did not follow the rules."

Democrats May Proceed With Caution On Immigration (WP)

By Darryl Fears, Spencer S. Hsu

The Washington Post, November 13, 2006

When election results started rolling in Tuesday, Cecilia MuÃ±oz said that she and other immigration advocates were "holding our breath." One by one, Republicans who had fought tooth and nail for stricter immigration laws fell, turning control of Congress over to the Democrats.

By morning, a 700-mile Mexican border fence passed by Republicans in a pre-election gambit had fallen flat with voters. A sharply worded GOP bill that targeted illegal immigrants and spurred marches by millions of Latinos in the spring appeared likely to fade into memory.

"I think this is the best environment we've had on the issue in quite some time," said Cassandra Q. Butts, a senior vice president for the pro-immigration Center for American Progress.

But when it comes to immigration, things are never easy. In the days after the election, Democratic leaders surprised pro-immigration groups by not including the issue on their list of immediate priorities. Experts said the issue is so complicated, so sensitive and so explosive that it could easily blow up in the Democrats' faces and give control of Congress back to Republicans in the next election two years from now. And a number of Democrats who took a hard line on illegal immigration were also elected to Congress.

"It's not without its challenges, for sure," said Jeanne Butterfield, executive director of the American Immigration Lawyers Association. "You've got opposition in both parties. You still have restrictionists in the Republican Party. You have Democrats who've been reluctant to move on any kind of worker program."

Butterfield predicted that lobbyists and Democrats have less than a year to move legislation that could put some 12 million illegal immigrants on a path to legal residency, before the looming 2008 elections make a deal politically impossible. And analysts say the fate of President Bush's proposal to create a temporary worker program for 200,000 immigrants is in doubt, with labor's allies in charge.

In recent days, advocates have been burning up the phone lines talking to one another and to try to determine whom House Minority Leader Nancy Pelosi (D-Calif.), the presumed speaker of the next Congress, will appoint to key committees, and how the new Democratically controlled Congress will approach the issue.

Major challenges lay ahead. The Mexican border remains a sieve where an estimated 100,000 immigrants sneak into the country every year. Conservatives in the House, and some Democrats, want the border sealed with manpower, fencing and technological gadgets before they will even consider guest workers.

Mark Krikorian, executive director of the Center for Immigration Studies, which opposes increased immigration, said Democrats should implement an enforcement program first. Anything else might be political suicide.

"The Democrats need to get their majority reelected in the next two years," Krikorian said. "My sense is that the Democrats have grown up enough to know they can't get reelected trying to get everything they want."

Immigration experts are on the lookout for the kind of compromises that led to the flawed immigration reform laws of 1986 and 1996. In those years, a White House and Congress split between the two parties passed watered-down laws requiring employers to check the legal status of new hires to satisfy businesses and immigration advocates. They also failed to give enforcement agencies the money, staff, technology or practical ability to do the job.

The miscues paved the way for an explosion of illegal immigration.

"The question is, will this just be another split-the-baby approach, such as we saw in 1986," said Robert Bonner, commissioner of U.S. Customs and Border Protection from 2003 to 2005, "or are we actually going to do something that is going to seriously achieve the objectives of controlling the border?"

At the White House Friday, the Bush administration struck a bipartisan chord, trumpeting both border enforcement and a guest worker initiative. "The President believes a temporary guest worker program, where you will know if you're in or you're out, is going to relieve pressure on the border and also reduce the incentive for people to travel from Central America through Mexico in search of such jobs," said White House spokesman Tony Snow.

Bush supports a proposal by Sens. John McCain (R-Ariz.) and Edward M. Kennedy (D-Mass.) to allow foreign nationals currently outside the country to work in the United States temporarily. Illegal immigrants now in the country could work too, but only if they pay a $2,000 penalty for breaking the law, pay back taxes, undergo a criminal check, learn English, take civics lessons, go to the back of the employment line and then work six years with no legal problems.

The McCain-Kennedy bill would also strengthen the border and create a computerized system to check the legal status of workers. The Senate bill would authorize spending $400 million to expand a pilot program used by 5,000 employers to cover new hires by more than 8 million U.S. companies within 18 months.

But some experts are skeptical. The non-partisan Migration Policy Institute has said that the pilot system is flawed, will take at least three years to implement, and will fail unless it is made much more accurate. The MPI panel, co-chaired by former congressman Lee H. Hamilton (D-Ind.) and former senator Spencer Abraham (R-Mich.) also said other steps are needed, such as producing tamper-proof Social Security or other employment ID card based on fingerprints or other unique identifying features.

Others say thousands of immigration investigators are needed to verify legal workers and track down those who remain in the country illegally.

James W. Ziglar, former commissioner of the Immigration and Naturalization Service, said if Congress does take up an overhaul, "the recognition that enforcement has to be of equal stature is something that will occur this time, because the lessons learned from the 1986 act are still burning very brightly in the minds of people on both sides of the debate."

MuÃ±oz, a vice president at the National Council of La Raza, the nation's largest Latino civil rights group, said Democrats should move carefully ahead with a plan that satisfies both sides.

"This notion that it's dangerous to vote to support comprehensive immigration reform I believe to be false," she said. In Arizona, she said, voters rejected anti-immigration Republicans Randy Graf and Rep. J.D. Hayworth.

But, to show how complicated the issue is, Arizona voters also approved three referenda to make life tougher for illegal immigrants.

Anti-immigration Rep. Tom Tancredo (R-Colo.), who was distraught after the election, believing a guest worker program was inevitable under the Democrats, now says he's changed his mind.

"It seemed to me that it was not going to be as easy for them as I had anticipated or feared," Tancredo said. "They're not putting it out there as their number one, out-of-the-box issue."

The more he thought about the issue, the more cloudy the future seemed.

"I don't know," he said. A temporary guest worker program "could certainly happen. I may be just skipping past the graveyard."

CONGRESS-ADMINISTRATION:

Can Bush Sr. And His Team Save Son's Presidency? (NSWK)

By Jon Meacham

Newsweek, November 13, 2006

Nov. 20, 2006 issue - George Herbert Walker Bush is a proud father; tears easily come to his eyes when he thinks of his children, all of them, and there is gracious deference in his tone when he talks about the son he calls, with emphasis, "The President." He is not given to boasting about or bragging on his family; he still hears his mother's voice warning him to avoid "the Great I Am," but several times over the past few years the 41st president has mentioned to visitors that the 43rd president has

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read the Bible in its entirety—not once, the father says, but twice, sticking two fingers in the air. If so, then the incumbent may recall the Song of Moses: "Remember the days of old, consider the years of many generations; ask thy father, and he will show thee; thy elders, and they will tell thee."

Ask thy father, and he will show thee: advice that, at long last, George W. Bush seems to be taking. Last week the president lost both houses of Congress and 16 more Americans died in Iraq, bringing the U.S. death toll to 2,844, with little discernible progress in sight. The war there has now lasted 44 months, the amount of time that elapsed between Pearl Harbor and VJ Day.

In a conference room filled with commemorative shotguns in his Houston offices last Wednesday, the father settled in to watch his son's post-election press conference on TV. Lunching on pizza, Bush Senior listened as George W. Bush said the loss of Congress was a "thumping," promised to "work with" a commission on Iraq chaired by James A. Baker III and Lee Hamilton, and announced that Secretary of Defense Donald Rumsfeld was resigning. Within two hours the president was in the Oval Office with Rumsfeld and his replacement: Robert M. Gates, Bush Senior's CIA director and the president of Texas A&M University, the home of Bush 41's presidential library.

In Houston the phones started ringing, and Bush 41 staffers were pulled away from their pizza. Reporters were calling and e-mailing: would 41 talk about 43's shake-up? The answer was no, though two perfunctory statements were issued (one for the College Station Eagle and one, as the former president put it, "for everybody else"). Still, the reality spoke for itself. Dad's team was back—a remarkable course correction in the political life of the son and, quite possibly, in the life of the nation.

The American people, as politicians like to say, spoke last week—and spoke in no uncertain terms. The 2006 vote does not suggest an eagerness for a sharp left turn. It seems, rather, to be a plea for a shift from the hard right of the neoconservatives to the center represented by the old man in Houston. The re-emergence of Iraq Study Group voices such as Baker, Gates and Alan Simpson—all longtime friends of Bush Senior—is not unlike the entrance of Fortinbras at the conclusion of "Hamlet." These are 41's men, and the removal of Rumsfeld—an ancient rival of Bush Senior's from the Ford days—is a move toward the broad middle. The apparent triumph of pragmatism over ideology on Iraq was welcome news, at least to the public. In the new NEWSWEEK Poll, 67 percent favor Bush Senior's internationalist approach to foreign policy over his son's more unilateral course.

Did 41 help bring Gates to the Pentagon? The White House denies it, but, as a Bush friend told NEWSWEEK, "his fingerprints are all over this." (The friend refused to be identified for fear of alienating the family.) Given the mists of secrecy that envelop the 41-43 relationship, it is striking that the broad Bush circle believes he had a hand in the Rumsfeld succession: as an old CIA director, 41 rarely leaves any clues at all.

What the two Bushes discuss has long been a subject of endless guesswork. "In my experience, the two men spent most of their time talking about family matters, about sports, about fishing," former White House chief of staff Andy Card told NEWSWEEK. "They spoke to each other much more as father and son rather than as president and former president." Still, politics and policy do come up. "It would be wrong to assume that they never discuss Iraq, the state of play in the world and some personalities," Card said. "But it would also be wrong to assume that they discuss these things all the time. They are mutually deferential to one another."

The Bush family psychodrama is the stuff of perennial speculation but little information, since the two people who know the most about it—the father and the son—speak of it so infrequently. Yet its complexity, its blend of love and rivalry, is rich analytical territory. (Maureen Dowd of The New York Times, an unlikely e-mail pal of 41's, has spent so much time contemplating the generational drama that she ultimately published an excellent book on the topic, "Bushworld"; it ran to 544 pages.) In perhaps the most revealing on-the-record remark about their relationship made by either man, the son once told Bob Woodward that his father is "the wrong father to appeal to in terms of strength. There is a higher father that I appeal to."

As the war has gone badly and the years have ticked by—2003, 2004, 2005 and now much of 2006—the senior President Bush, the man who managed to capture just 37 percent of the vote in 1992, has grown in stature. Raising taxes and capping domestic spending in 1990, refusing to exceed the United Nations mandate after expelling Saddam from Kuwait, and deftly managing the end of the cold war and the reunification of Germany loom ever larger. Given the midterm reaction to the son's inattention to alliances and to the details of postwar Iraq, it is clear that many Americans are nostalgic for the skills and sensibility the first President Bush brought to the Oval Office—a reversal of historical fortune that has come, sadly for the father, at the expense of his son.

In terms of foreign policy, it is true that 41 was more a realist than an ideologue—the prose to Reagan's cold-war poetry. And it is also true that the son would prefer to be remembered not as a second George Bush but as a second Gipper—a big, transformative president who confronted a mortal threat to the nation with steely soul and soaring words. Hence, it seems, the innate appeal of the neoconservative argument, advanced in part by Rumsfeld and Vice President Dick Cheney (a 41 figure who got neocon religion after 9/11), to strike Iraq in a noble bid to transform the Middle East.

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In classical terms, the tragic figure is someone whose inherent flaws are evident from the beginning. In the wake of September 11, we knew our president's virtues. He was resolute, disdainful of dissent; like his hero Winston Churchill, Bush dismissed critics he believes spin around with "the alacrity of squirrels." But we also knew Bush's vices. Resolution can harden into stubbornness; a refusal to listen to criticism can breed isolation.

Hindsight, of course, is a luxury, and life often appears clearer in retrospect than it does at the time, in the arena. The bet Bush has made in the Middle East is a grand one, and history is made, and people are freed, by grand gambles. The American Founders gambled with Britain in 1776; Churchill gambled with Germany in 1940; Reagan gambled with the Soviet Union in the 1980s. The line between triumph and tragedy is a thin one, and things may yet work out.

Or so we must believe. Faith is important to the Bushes, always has been, and to return to the Bible the president knows so well, there is a New Testament verse familiar to patrician politicians from Theodore Roosevelt and his cousin Franklin to Prescott and George H.W. Bush: "To whom much is given," the Scriptures say, "much is expected." Much has been given to George W. Bush, and now, in the twilight of his term, as his father's men step in, he has been given another great gift: one more chance to set things right.

The Rescue Squad (NSWK)

By Evan Thomas

Newsweek, November 13, 2006

Nov. 20, 2006 issue - The rendezvous in the supermarket parking lot was a secret. On the Sunday before the elections, Robert Gates, the president of Texas A&M University and the deputy national-security adviser and CIA director in the administration of President George H.W. Bush, drove two hours from College Station, Texas, to the small town of McGregor, where he switched from his own car to one driven by White House chief of staff Josh Bolten. Gates was quietly taken to President George W. Bush's office on his ranch at Crawford, where the two talked long enough to convince Bush that Gates was the man to replace Defense Secretary Donald Rumsfeld. Guests at the presidential ranch, assembled for the 60th birthday of First Lady Laura Bush and the First Couple's 29th wedding anniversary, didn't even notice Gates's coming and going.

Across the state of Texas, at his house in Houston, James A. Baker III was following his favorite Sunday-afternoon routine. He was taking a nap. Later, it would be widely speculated that Baker was somehow in on the secret, that he helped arrange the firing of Rumsfeld and the appointment of Gates as part of a fundamental power shift, a last-ditch rescue operation—by the old guard of Bush 41 to save Bush 43 from sinking ever deeper into the Iraq morass. Baker is the co-chairman of the Iraq Study Group, which is looking for a solution to the Iraq riddle, and Gates was a fellow commissioner, as well as a mutual friend of Baker and of Bush 41. Rumsfeld would have been a surefire obstacle to whatever Baker was proposing. Gates is likely to welcome the Iraq Study Group recommendations as if they were his own (which, in a manner of speaking, some of them are). Baker is one of the great behind-the-scenes manipulators of any age. So, NEWSWEEK asked the former secretary of State, Treasury secretary, White House chief of staff and all-around Wise Man, was he in on the deal?

"You don't have a virgin here," Baker said with his customary twang. Indeed not. He meant he wasn't about to be lured by a reporter into spilling any secrets—not, of course, that he had any secrets to spill. (The White House says that Baker had nothing to do with the Pentagon swap.) Baker warned against getting too optimistic about some sudden deliverance from the agonies of Iraq. "Look," he protested. "This is not a precooked deal. And there is no magic bullet."

Baker is known for lowering expectations shortly before he delivers the goods. But he has reason to want to downplay his role and the prospects for success. Over the next month or so, the Iraq Study Group must find a middle way, a plan of action that can be characterized neither as "cut and run" nor "stay the course." Judging by the election returns and the exit polls, it's what the people want—along with an end to rancorous partisan squabbling and ideological posturing. But getting a plan—and carrying it out—will be difficult to achieve.

For one thing, Baker still has to convince George W. Bush. At his post-election press conference, the president looked like a base runner trapped in a rundown, unable to go forward or scurry back. The president is probably stuck—he will have to embrace some kind of compromise approach on Iraq. He didn't look too happy about it. As he japed and mugged and fidgeted, he seemed worried by something more than Iraq or the election returns; his whole character appeared to be wrestling with some more personal, inner demon. Last week Bush's aides were resisting the story line that Bush was caught in a cosmic episode of "Father Knows Best." The president himself was said to be indifferent to the press chatter. "I don't care," he told his advisers when they asked him, the morning after the elections, how he wanted to deal publicly with the suggestion that he was picking one of his father's advisers. "He doesn't think the neocons ran him over a cliff and now he has to go to Dad," said a senior Bush aide, preferring to remain anonymous while discussing Oval Office conversations. "It's not the way he sees this. He wants the best and brightest."

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It is an irony of history, and the tragedy of the Bush family saga, that President Bush has all along had the best and the brightest just a phone call away. His father is a deeply seasoned and wise foreign-policy expert. Had, say, Sen. John McCain been elected, Bush 41 would have been jetting around the globe helping to resolve conflicts. Instead, aside from some tsunami and Hurricane Katrina relief work, Bush Senior has been relegated to watching all those political talk shows his son refuses to watch, wincing each time he hears his son's name being mocked or criticized. George H.W. Bush has been, in effect, sidelined by nepotism. He has repeatedly told close friends that he does not believe it is appropriate or wise to second-guess his son, or even offer advice beyond loving support.

This time, however, was different. A source who declined to be identified discussing presidential confidences told NEWSWEEK that Bush 41 left "fingerprints" on the Rumsfeld-Gates decision, though the father's exact role remains shrouded in speculation. "This would have been done by nuance and indirection. Forty-one would have said to 43, 'One of the people who I've been talking to who might be helpful is Bob Gates'," said a veteran of previous GOP administrations who declined to be identified talking about the Bush family. A onetime director of the CIA and loyal member of Skull and Bones, his Yale secret society, Bush "is a master of deniability," says an old aide to Jim Baker, who asked for deniability while discussing Bush.

Baker's role in the affair remains shadowy. He was spotted with both Bush father and son, as well as Bob Gates, in early October at the launching of the new aircraft carrier USS George H.W. Bush. But the four men may have just been discussing the Texas A&M football team. Baker, like Bush, is not likely to have been plotting in public. "For a meeting like that," says the former Baker aide, "the maximum number of people involved is two."

It's not even clear that Baker ("Bakes," to Bush 41) and Bush (el jefe, to Baker) spoke to each other about the Rumsfeld-Gates switch. Baker's relationship with the Bush family is close but rivalrous, and it has endured jealousies and suspicions. The two men became friends while playing doubles at the Houston Country Club in the 1970s ("although I still preferred and continued to play singles," writes Baker in a typical aside in his just-published memoir, "Work Hard, Study ... and Keep Out of Politics"). The two dads and their eight boys played an annual Turkey Bowl at Thanksgiving. ("It was touch football, but the touching sometimes looked a lot like tackling.") Baker has, on occasion, wondered why he wasn't the one elected president. Barbara Bush was widely reported to be miffed at Baker for not trying hard enough to get her husband re-elected in 1992.

George W., who sometimes reflects his mother's resentments, did not call on Baker for advice when he was preparing for his presidential run. "That was okay with me," writes Baker, who nonetheless answered the call when George W. needed a good lawyer to take on the Florida voting fiasco in 2000. Baker's cleverness and diligence for the Bush clan in its hour of need were possibly decisive. But make no mistake: Baker is no mere lawyer for the Bushes. Trying to describe Baker's role and his true allegiances in the Iraq Study Group, the former Baker aide quotes Justice Louis Brandeis, who once said that in certain cases the lawyer has a responsibility to represent the situation, not the client. In this case, the situation is the national interest in getting a solution to the Iraq mess—not protecting the president or the Bush family. "It so happens that this also serves Baker's interests," says the aide. As his memoir makes clear, Baker cares deeply about being remembered as a statesman, not a pol or a hired gun.

When the Iraq Study Group was launched in March 2006, the inspiration of some retired Washington foreign-policy mavens, its conclusion seemed destined for a dusty shelf. Baker had been fairly quiet on Iraq. Though it was generally known that the Bush 41 crowd was skeptical about invading Iraq, most of the attention fell on Brent Scowcroft, who was outspoken in his disappointment with Bush 43's advisers. "Dick Cheney I don't know anymore," Scowcroft told The New Yorker. Baker signed on to the Iraq Study Group only after getting Bush 43's personal assurance that the White House wanted him to take the job. (According to a source knowledgeable about the study group who requested anonymity discussing sensitive negotiations, Baker also received a backstage promise that Rumsfeld would stay out of the way as the commissioners interviewed generals and diplomats.) Baker did not have high hopes or expectations, he says. But the group—in part because of Baker's winning aura, and in part because Baker had a hand in choosing them—attracted first-rate commissioners like former justice Sandra Day O'Connor and ex-New York mayor Rudy Giuliani. Baker's co-chairman is tailor-made for bipartisanship. Lee Hamilton, a longtime Democratic congressman and former chairman of the House foreign-affairs committee, was known for fair-mindedness and deep substantive knowledge, qualities he showed again as co-chair of the 9/11 Commission. Baker refused to pose for NEWSWEEK unless Hamilton was photographed as well. "This has got to be bipartisan," says Baker. "Or it's not going to happen." Baker knows that if newly emboldened Hill Democrats see the Iraq Study Group as a tool of the administration and wait until the new Congress in January to call for their own pullout plan, the hopes for a middle-way compromise could collapse.

Baker's style is to prearrange deals by patiently and quietly lining up the parties before going public. He has had more success at bringing together potential adversaries than any one Washington politician or statesman in modern history, at least since Clark Clifford. Baker's fingerprints are on many legislative accomplishments (for which congressmen took all the credit, like the Tax Reform Act of 1986). For the Iraq Study Group, he has reached out to Iranian, Syrian and Saudi diplomats; he has traveled to Iraq and met with local civilian and military leaders, and he has stroked the large and sometimes fractious egos of his

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own commissioners. He may have a difficult time with hard-liners like former attorney general Ed Meese, who stepped into a commissioner's slot vacated by Giuliani (who quit possibly to pursue his presidential ambitions). Baker will have a month or more to line up his commissioners before they make their final report in December. But "we can't wire it," he insists.

The commissioners are just now receiving a draft of the recommendations. The contents are a closely guarded secret, but the commission is certain to call for some kind of diplomacy with Iraq's neighbors, reversing the Bush administration refusal to negotiate with enemies like Iran and Syria. "There are going to be some things in this report that the administration is not going to be excited about," says Baker, choosing his words carefully. There may also be some kind of call for a troop drawdown or redeployment, though Baker says he is very reluctant to dictate to the U.S. military.

Baker says he drops in on President Bush from time to time to "chew the fat." But he insists he has not discussed the work of the Iraq Study Group. "Timing is everything for Baker," says the former aide, and the timing was not right until Bush could see the public registering its dissatisfaction at the polls. Baker is an avid hunter of wild turkeys, a sport that requires endless patience. "You can wait all day and you only get one shot," says the former aide, who marvels at Baker's ability to sit for hours in the cold or heat, silent but watchful. "When the time comes, and it's only a split second, he doesn't hesitate to pull the trigger," says this aide.

Baker's powers of persuasion are formidable. James Carville, no slouch himself at the art of politics, once described him as "the gold standard." Although his tongue can be sharp—he once described Bush 43's core principles as "God and exercise"—Baker is probably the best pure flatterer in Washington, which is saying something. He is also always prepared. He was schooled by his father, a patrician Texas lawyer, in the "five P's": "Prior preparation prevents poor performance." Baker's father—who was known by his children, not always affectionately, as "the Warden"—did not tolerate weakness or excuse. When little Jimmy was slow to get out of bed in the morning, the Warden doused him with a bucket of cold water as he lay there.

Baker is at once earthy and genteel. He is the sort of Texan, one local writer once observed, who can be seen drinking beer out of a can while wearing black tie. One old Princetonian recalls, with a certain awe, that Baker was president of something called "the 21 Club." That meant that he had been chosen as the champion of his eating club (the most exclusive, of course) in a contest to drink 21 straight shots of hard liquor. Baker was the last man standing. This does not mean that he was a wild frat boy (Baker is the living antithesis of John Belushi)— just that he was willing to do what it takes. At the University of Texas Law School, to please his father, he pledged his dad's old fraternity. This required carrying a dead fish somewhere on his person for a week. He had been a Marine lieutenant and had a wife and a child at the time.

Baker is 76 years old, silver-haired, more easily tired, but still formidable. He would be the obvious choice to pursue the diplomatic initiative that the Iraq Study Group will surely call for. In fact, if President Bush is looking for a tag team of worldly, seasoned and persuasive ambassadors, he knows where to find a pair of old tennis partners who live not too far from each other in Houston. Would Baker take the job? "That's too hypothetical," answers the former secretary of State, who is no virgin.

With Richard Wolffe, Michael Isikoff and John Barry in Washington

Changing The Guard (USNEWS)

By Brian Duffy

U.S. News and World Report, November 13, 2006

"It does no harm to throw the occasional man overboard," observed British politician Ian Gilmour. "But it does not do much good if you are steering full-speed ahead for the rocks." One of the great lions of the London political scene in the middle of the last century, Gilmour would have been among the last people surprised by the sudden defenestration of Donald Rumsfeld by the man who, just days earlier, pronounced that his embattled defense secretary was doing a "fantastic" job. The course for the rocks in Iraq had been largely charted by Rumsfeld, with his failure to provide a post-invasion plan with even the remotest chance of success. To a gimlet-eyed observer like Gilmour, the ouster was all but inevitable. Yet such was the depth of the White House state of denial over Iraq-indeed, over the several glaring embarrassments that have blotted its second-term copybook—that even jaded observers wondered whether President Bush knew something they didn't know when he professed, on the very eve of his political Waterloo, confidence in an 11th-hour GOP triumph.

After his defeat in the general election in 1945, Churchill, another grizzled veteran of London's political fratricide, responded to his wife's vain efforts to comfort him. "If it is a blessing," he told her, "it is certainly very well disguised." The same, perhaps, may not be said for the voters' rebuke of the White House. A less chastening result and, who knows, the president might have been persuaded to stick with Rummy and, even if he had to refrain from using the actual words, to "stay the course." Blessings come in all sorts of strange packages, and this may prove one of the stranger but, in the end, more salutary.

Psychobabble. One of Washington's more tedious parlor games has been the whispered wonderings about strains in the relationship between the younger Bush and his father. The return to center stage of one of the elder Bush's most trusted aides as Rumsfeld's replacement prompted a frenzied new round of psychobabble. Not only was Bob Gates the elder Bush's CIA

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director, but he also served as deputy to Brent Scowcroft, the older man's national security adviser and close friend. Scowcroft's break with the current White House over Iraq was offered as Exhibit A in the case for a rupture in the relationship between Bush père et fils. Hmm. If armchair psychology doesn't happen to be your thing, however, and you're one of the many millions of Americans whose vote seemed to express the belief that the Bush team has slipped its intellectual and political moorings, the casting of James Baker seemed to suggest a more simple if less charitable plotline: adult-supervision time!

To those most deeply cynical about the 43rd president, of course, such supervision was supposed to have been supplied by Dick Cheney. But when someone like Scowcroft, who has known and worked with the vice president for about 30 years, says the current Cheney is someone he "doesn't know," the evidence of something being seriously amiss is pretty hard to ignore. Which is why last week's White House drama seemed to offer more plots and tangled subplots than a Tolstoy novel, only without any of the brooding darkness. Nope, Rummy was out, Gates was in, good fellows all, smiles all around. Thus, it was on to lunch with House Speaker-to-be Nancy Pelosi, then a grip-and-grin with Harry Reid, the incoming Senate majority leader. Hatchets buried, knives sheathed—lots of work to do.

The cockeyed optimists among us would have us believe that elections offer a chance for renewal, a fresh start. Such hopes have been dashed countless times, of course, but voters spoke with such force and clarity last week that perhaps this time will be different. Old Gilmour would be having none of it.

Searching For A Strategy (TIME)

By Michael Duffy

Time, November 13, 2006

In the heady days after the first Gulf War, Robert Gates liked to tell a story about his boss, George Herbert Walker Bush. As Bush 41 was preparing to invade Kuwait in 1990 and free that nation from the clutches of Saddam Hussein, Pentagon generals came up with what they thought was a clever scheme that might prevent the President from going to war. Gates was in the Oval Office when the generals brought in maps, charts and pointers and told Bush that Kuwait could be liberated only if he was willing to spend six months deploying half a million troops halfway round the globe. The reluctant generals were betting, Gates explained, that no U.S. President would agree to such a crazy and expensive adventure. But what made Gates smile when he told the story was the cool and determined way Bush responded to the uniforms' rush job. "Sounds right," said the old Navy pilot. "Do it." The generals left the Oval Office looking pale and drawn. And the biggest and most successful U.S. military operation since World War II got under way.

Soon it will be Gates' job to go into the Oval Office with his own set of pointers, maps and charts, and run a very different briefing for a very different member of the Bush family about a very different conflict in Iraq. This time, Gates will be advising George W. Bush on how to get out of--not into--a war, even though the President still believes, in the face of a humbling electoral repudiation and a U.S. death toll approaching 3,000, that the invasion of Iraq was wise, worthy and well planned. Gates' task as the new Defense Secretary is to preach change to a leader who has stuck to his line--despite all kinds of evidence to the contrary--for years now.

The Greeks believed that the gods visit the sins of the fathers upon their sons. But when it comes to the Bush family and Iraq, the tragedy runs from stem to root. And so over the next few weeks, key members of Bush's father's vaunted foreign policy team--the real A-team of the Republican foreign policy establishment--will step in and conduct what amounts to a family intervention. Led by former CIA Director Gates and former Secretary of State James Baker, who co-heads a commission on Iraq, Dad's former aides will present the son with a plan for saving his presidency and, with it, some remnant of the family's brand name. None of those involved will call it an intervention, but it's fair to say the nation's future is at stake. Although Gates and Baker will be out front, others who worked for the patriarch are helping behind the scenes. Dynasties don't get to be dynasties by neglecting the line.

The task facing the Old Guard is to fashion an exit strategy from Iraq that can salvage U.S. prestige and avoid turning the civil war into an even wider and more violent catastrophe. There are only a few known knowns here: it surely pains the father that it has come to this. It is just as galling to the son that he had to invite his father's most trusted consiglieres to step in and help clean up his mess overseas. Neither man appreciates the chortling sounds coming from the vast Bush 41 crowd, which has long harbored grave doubts about the soundness of 43's foreign policy team. The biggest question is how the object of the intervention will react. As one senior official in the 41 White House says of the President, "He can fight this and turn into a constantly warring figure, or he can turn back into the friendly wise guy who gets along with everyone. The latter will serve him much better."

It does help Bush that the return of the realists comes at the very moment when both parties are looking for political cover on the war that went wrong. Although the leaders of the new Democratic majority in Congress say they plan to hold the Administration accountable for the spiraling costs, mismanagement and graft associated with the war, the reality is that the party

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remains divided over what kind of military strategy to pursue now. Democrats who voted for the war and have been on the defensive with the party's antiwar base are anxious to get behind any sign that points to an exit. Those who voted against the war but who don't have a clue about how to stabilize Iraq want to find a program they can get behind without looking like silly skedaddlers. The Republicans are equally torn, between realists furious at the Administration for refusing to change course sooner and true believers who fret that the White House is about to abandon the neoconservative project to bring democracy to the Middle East.

Given all those diverging views, it's understandable that Bush talks about the commission headed by Baker and former Representative Lee Hamilton the way a child who can't wait for Christmas talks about Santa Claus. Bush mentioned the commission four times in his press conference last week. The President opposed the creation of the panel last fall but eventually came around, in part at the urging of Secretary of State Condoleezza Rice. Worried about whether the White House believed in the commission from the start, Baker insisted on meeting with the President before taking the job and insisted that Bush personally ask him to take it on. Baker told Bush in his private session that he was likely to come up with recommendations that Bush might not favor. Asked by Baker whether he truly backed an approach that would lead to a strategic change, Bush said he did.

Since then, relations between the White House and the study group haven't always been perfect. When a White House official made skeptical statements in early fall about the group's direction, angry Democrats on the panel warned Baker that they would not be part of a charade. Baker in turn went on TV and reported that the White House was still on board, while privately informing the West Wing to shut down the skeptics for good. Baker has been strict about stressing the bipartisan nature of the group--which includes Clinton advisers like Leon Panetta and William Perry as well as former Wyoming Senator Alan Simpson and Reagan Attorney General Edwin Meese--and he told TIME it will act only by consensus. Still, everyone agrees that Baker is the first among equals.

So far, the Baker group has convened a number of listening sessions; its deliberations as a group begin this week. It is already evident that the panel is not laboring under illusions about the grim outlook for the U.S. enterprise in Iraq. The commission returned from its brief trip to Baghdad in September collectively stunned by the chaos--which is interesting, since they barely got to see it. They apparently saw enough: the donning of the body armor, the corkscrew approach in the Air Force cargo plane, the harrowing treetop chopper flight into the Green Zone--it all left the commissioners shaken, according to an adviser to one member. There are no plans to go back.

Instead, something akin to a shadow State Department has sprung up to figure out how to extricate the U.S. from Iraq. Baker and Hamilton reached deep into the government's foreign policy ranks--active and retired--and plucked their favorite generals, spooks and analysts to work in complete secrecy, installing some in a nondescript building that houses the U.S. Institute of Peace. Some 50 advisers, both here and in Iraq, have kicked in reports and working papers; Baker and his team have fired questions back at those who are the most promising. Baker has been in touch with representatives from Iran and Syria, countries the U.S. isn't keen to cozy up to. And about a dozen longtime aides and diplomatic wizards, including Brent Scowcroft, the grand master of the foreign policy establishment, are in communication with Baker and Hamilton as they go down to the wire. The bipartisan pragmatism encouraged by the Baker-Hamilton group, says Clinton U.N. Ambassador Richard Holbrooke, marks an end to the era when U.S. foreign policy was crafted by people who looked at the world as they wanted it to be, not the world as it was. Says Holbrooke: "Now there is a tremendous wedge between the neoconservatives and the rest of the national-security community."

Getting out of Iraq will require the sort of hard choices between interests and ideals that the Bush Administration has been historically reluctant to make. The Baker group is considering a series of proposals that will include calling for intensive regional diplomacy, such as direct, high-level talks with Iran and Syria--something the Bush team has resisted for months. Most significant, the commission plans to outline a plan for redeploying--that is to say, pulling out--some U.S. troops over the next year. The group is also considering telling the Shi'ite-led government in Baghdad that U.S. troops will stay and help steady the country only if the government puts an end to sectarian violence. If the killings continue, the U.S. will pull out quickly. "If these things don't happen," said Les Gelb, president emeritus of the Council on Foreign Relations, "we're going to have to move out faster."

Baker has been talking to the President directly for months. The two men have a long history. It was Bush who installed himself in Washington in 1986 to keep an eye on his father's presidential campaign, then being run by Baker. And it was Baker who led the legal fight in Florida that handed W. his presidency in 2001. But if Baker is now laying the groundwork for another bailout of the man he once referred to as Junior, he can also thank Bush for bringing him back to center stage at a time of genuine national crisis. Baker has held three Cabinet posts, overseen a fourth agency and run five presidential campaigns. Untying the Gordian knot that is Iraq would cement his reputation as one of the nation's premier wise men of the past 30 years.

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It is tantalizing to imagine that Baker, who plans to issue his report next month, pushed Bush to dump Rumsfeld for Gates. A former Baker aide last week called the coincidence of timing "painfully obvious" and noted the appointment of Gates to the Baker commission last year. There is also the fact that Rumsfeld has long been resented by many Bush 41 loyalists, who recall the way Rumsfeld schemed to get Bush appointed director of the CIA in 1976 to prevent him from becoming Gerald Ford's running mate that year. But there were more pressing reasons for Rumsfeld to go--and quickly. "Baker wasn't going to let his report come out," says a Gates aide, "so that Rummy could stomp all over it." As for Bush 41, he is staying above the nitty-gritty of the takeover, says one of 41's former aides, but "he's definitely in the loop."

It will fall to Gates to execute the Baker plan. Bush first approached Gates about joining his team more than a year ago, when he was looking for a new director of national intelligence. As a former CIA director, Gates found the offer tempting but declined after he decided that the job amounted to little more than overseeing a vast bureaucracy rather than running a real intelligence operation. Bush didn't offer the Pentagon job to Gates until early last week. A little cloak-and-dagger was used to sneak Gates onto the President's ranch for his job interview: he was instructed to meet White House chief of staff Joshua Bolten and his deputy, Joe Hagin, at a supermarket parking lot in nearby McGregor, Texas, for the drive to Crawford. The President slipped out to meet Gates at the new office that opened on the ranch in 2004.

Having worked at the White House and run the CIA, Gates will manage the budgets, bureaucrats, jargon and generals on the Pentagon's E-Ring easily enough. But he will be judged by only one rule: whether he can organize what a Baker aide calls "the orderly transition and exit from Iraq." Someone who has worked with him describes Gates as "serious, subtle, reflective, never curt or abrupt." Departing CIA directors are flooded with offers of corporate jobs and strategic intelligence posts. Instead, when Gates left government in early 1993, he fled to Washington State, where he spent the next few years in a library working on his memoirs.

That was, in many ways, a return to where he started. He rose through the CIA's analysis directorate as a Russia scholar during the 1970s until plucked for stardom by Reagan spymaster William Casey. Gates had a reputation as a tough-nosed hard-liner; in fact, Gates was never a mirror image of the shrewdly moderate Baker. During the first Bush Administration, Gates was far more skeptical of Mikhail Gorbachev and his perestroika program than was either Baker or the President. Gates' closest ally in that minor crusade was none other than then Defense Secretary Dick Cheney. Gates' nickname in the first Bush White House was Eyeore: no matter the topic, he always seemed to worry about the worst-case scenario. Gates, who has a healthy sense of humor, was usually the first to admit he was the in-house pessimist.

He has also seen his share of controversy. Partly because he worked for Casey, Gates was a minor player in the Iran-contra scandal and was criticized for skewing intelligence analysis on the Soviets to suit hard-liners in the Reagan White House. More than 30 Democrats--10 of whom are still in the Senate--opposed his nomination to be CIA director in 1991. Gates went into his confirmation that year carrying a small, white oblong stone in his pocket, a memento of a hike he had taken in the Olympic mountains the summer before. He wanted a reminder of what he had to look forward to in case his nomination failed. He may want to dig that stone out of his closet. Given the current Administration's record of laundering intelligence, Gates is sure to endure another round of questions about his past in his confirmation hearings next month.

But Bob Gates is probably under no illusions about the limitations he faces. He once told TIME that people who go to work at the White House pass through two distinct stages of astonishment. At first, they are amazed at what the place can do. But then they are quickly disillusioned by what it cannot accomplish. Putting an Iraqi exit plan in front of the President will be relatively simple. Winning Bush's full support may be harder. And executing it in a country where strategic planning is almost an oxymoron may prove beyond any man's--or any White House's--capability.

The New Face: A Spy With Fresh Eyes (NSWK)

By Dan Ephron And Mark Hosenball

Newsweek, November 13, 2006

Nov. 20, 2006 issue - How does the incoming Defense secretary really feel about the war in Iraq? At sessions of the Iraq Study Group over the past months, Robert Gates was careful not to show his cards. But on the commission's long flight home from a fact-finding mission to Baghdad in September, after several drinks had been poured, the Republican panelist let loose on the Bush team. "He said they really screwed up Iraq and, to a large extent, he couldn't figure out why it happened," a source close to Gates who was on the plane told NEWSWEEK. Particularly foolish, Gates thought, were the decisions to occupy Iraq with a relatively small force and to purge the Iraqi civil service of Baath Party members. "He couldn't believe there was such a degree of incompetence," said the source, who did not want to be named because panelists were trying to keep their discussions out of the media.

That's one side of Gates. Since retiring from public service in 1993, the career intelligence officer has shown a capacity to speak truth to Republican (and Democratic) power. His 1996 memoir, "From the Shadows," takes his former boss at the CIA,

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William Casey, to task for shutting out Congress and scorning oversight. A 2004 study he coauthored with Democrat Zbigniew Brzezinski criticized the Bush administration's policy of not speaking to Iran. But his record as a CIA analyst, as deputy national-security adviser to the first President Bush and as CIA chief in the early '90s shows another side as well. Melvin Goodman, who served under Gates in the CIA's Soviet division, says the boss knew how to spin raw intelligence into the kind of briefs politicians wanted to read. Goodman cites a Gates-ordered CIA analysis that supported allegations of Soviet involvement in the 1981 assassination attempt on the pope as a particularly glaring example of skewed intel. "He always serves his masters," Goodman told NEWSWEEK after Gates's appointment last week. (Gates could not be reached for comment).

So which side will he show President Bush? Gates owes a debt to Bush Senior. The former president helped erase the Iran-contra stain on Gates's record from the 1980s (when he was alleged to have been less than candid about when he learned of the illegal transfer of funds to Nicaraguan rebels from profits on arms sales to Iran) by picking him to head the CIA in 1991. Last week, four days before his appointment as secretary of Defense, Gates dined with Bush and wife Barbara at a football dinner at Texas A&M University, where Gates has served as president since 2002. He did not bite as readily when the son came calling. Twice, Gates turned down job offers from the younger Bush, first to be the National Intelligence director and later to serve as deputy secretary of State. And then there's Iraq. Though the panel Gates sat on until last week will probably stop short of calling for a troop withdrawal, it will certainly urge Bush to change course.

For Gates and others on the panel, the Iraq trip appears to have marked a turning point. After traveling in an airliner for 13 hours to Kuwait, the commission members boarded a military C-130 for the 90-minute flight to Baghdad. Most of the panelists sat in the hull, along with about 25 soldiers who were returning to the front. One commission member remarked how young they looked, according to a source who traveled with the group. "To see these young men really brought home the reality of the mess in Iraq and the price we're paying to be there," the source said. It's a mess Gates now owns.

A New Man. Next, A New Plan For Iraq? (USNEWS)

By Anna Mulrine And Kevin Whitelaw

U.S. News and World Report, November 13, 2006

Defense Secretary Donald Rumsfeld didn't appear on any ballot last week, but the war that he and President Bush have waged in Iraq emerged as perhaps the most decisive factor in the Republican defeat. After a dreadful year of worsening sectarian violence and revenge attacks, polls have clearly shown a diminishing faith in the Bush administration's ability to turn things around in Iraq-nearly 6 in 10 voters said they disapprove of the war.

President Bush wasted no time in announcing Rumsfeld's resignation (though insisting that the departure was planned regardless of the election's outcome). The nomination of former CIA Director Robert Gates for the Pentagon post is a clear signal that the White House is trying to shake off its history of "stay the course" rhetoric. But while Bush's motivation might have more to do with politics than with military strategy, Gates could make a real difference. A member of the bipartisan Iraq Study Group led by former Rep. Lee Hamilton and former Secretary of State James Baker, who served in the first President Bush's administration, Gates could be a critical bridge between the White House and the clutch of foreign-policy graybeards many Republicans and Democrats are looking to as a lifeline— a last-gasp chance to reverse the downward trend in Iraq.

Shifting gears. The choice of Gates eases the way for Bush to latch on to at least some of Baker's proposals, due out soon. Baker's group could point to a strategy that "is a little different— or totally different," Lt. Gen. Raymond Odierno, who next month will become the No. 2 commander in Iraq, tells U.S. News. In any event, he adds, "it's going to be very much a factor."

The Baker report is expected to cement a shift in emphasis from creating a model democracy in the Middle East to simply achieving stability in Iraq-still no small feat. "Both the American people and the Congress don't want this to last a lot longer," says a senior U.S. military official. "You'll always get the party line of 'stay the course,' but everybody realizes that it's to a point." The question of an American troop surge, advocated by Republican Sen. John McCain, will come to the fore as well. "Do we need more people, or do they become a greater irritant?" asks Odierno. "There comes a time when you wear out your welcome."

Challenges. There are no magic bullets in Iraq. The underlying problem is that America's ability to change the dynamic there appears to be continually diminishing. The Sunni insurgents remain disturbingly strong—October was the deadliest month for U.S. soldiers in nearly two years. And troops have been unable to quell the sectarian violence. A vaunted security plan for Baghdad has failed to stem the bloodshed, Iraqi security forces remain unreliable, and U.S. officials have been unable to persuade Iraq's government to confront the Shiite militias or their leaders. The White House was particularly discouraged by what National Security Adviser Stephen Hadley found on his recent trip to Iraq. "The situation there is as complex as it's ever been and is getting more complicated every couple of weeks," says a senior administration official.

Rescue Squad (USNEWS)

By Kenneth T. Walsh

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U.S. News and World Report, November 13, 2006

Within the tightknit world of Bush family and friends, it came as no surprise when the president named Robert Gates as his new defense secretary. President Bush has, after all, turned to members of his father's governing team on a regular basis to bail him out of jams or give him a lift. He chose Dick Cheney, his father's defense secretary, as his running mate in 2000. He brought in James Baker, his dad's secretary of state, to run the legal operation that gave him the presidency in 2000. He recruited Andrew Card, his father's transportation secretary and confidant, as his first White House chief of staff. He named Condoleezza Rice, his father's Russia expert, to be national security adviser and promoted her to secretary of state. Now James Baker is back at the center of the action as cochairman of the Iraq Study Group, which will make recommendations on a new Iraq policy in the next several weeks.

The choice of Gates allows the commander in chief to at least create the perception that he is looking for a fresh start in Iraq. Certainly Gates doesn't have the baggage of Donald Rumsfeld, the man he will replace at the Pentagon and widely considered the architect of the war. Equally important, as a private citizen, Gates has criticized the administration for failing to use diplomacy aggressively enough to extract the United States from Iraq. And Gates has a track record of success. He was part of George Herbert Walker Bush's national-security team, one of the best in recent years. "The father's team has a proven track record," says a member of 41's administration. "They handled the dissolution of communism, the falling apart of the Soviet Union, the Persian Gulf War, the liberation of Panama—and all were successes. These are people who knew what they were doing."

Leaving the Aggies. Gates, president of Texas A&M University, site of the George Bush Presidential Library and Museum, was deputy national security adviser under George Herbert Walker Bush and director of central intelligence from 1991 to 1993. "He's pragmatic; he's a listener; he builds coalitions," says a former adviser to the father. That makes him a typical acolyte of the elder Bush—and the opposite of the arrogant Rumsfeld. The hallmarks of the elder Bush's national-security team were caution, pragmatism, and a commitment to diplomacy. This is far different from the central premises underlying the younger Bush's foreign policy—a belief in preventive war, a de-emphasis on international coalitions, and a campaign to spread democracy around the world.

Former aides to the father and some GOP advisers to the current White House think the departure of Rumsfeld, a longtime pal and ally of Dick Cheney, will leave the hard-line vice president isolated in the government. Others aren't so sure. No one knows whether Bush is ready to budge from his commitment to winning the war in Iraq and creating a democracy—a stance that Cheney strongly endorses.

Yet even if Bush does not make big changes in Iraq policy, there were many political and PR advantages to making the Pentagon move. Dumping Rumsfeld, 74, and naming Gates, 63, on the day after the election, Bush managed to shift the media's attention away from the GOP's disastrous losses on November 7. It also gave Bush some breathing room as he tries to rebuild public and congressional support for the Iraq war. Bush and his senior advisers acknowledge that a big reason for their setbacks at the polls was growing opposition to that conflict. By pushing Rumsfeld out, Bush removed the biggest symbol of his Iraq policy and a very divisive figure in Washington.

How History Will Judge Donald Rumsfeld (NSWK)

By John Barry And Michael Hirsh

Newsweek, November 13, 2006

Nov. 20, 2006 issue - There weren't many people in the Pentagon brave enough to give bad news to Donald Rumsfeld. Jim Roche, though, was one. The Air Force secretary and his boss shared Chicago roots and Washington ties going back 30 years—and, like Rummy, the white-haired Roche had made a lot of money in business. In the fall of 2002 it was becoming clear inside the Pentagon that George W. Bush intended to invade Iraq. A worried Roche dragooned the then Army secretary, Thomas White, to join him for a frank talk with Rumsfeld, according to a knowledgeable source who asked for anonymity because he was describing a private conversation. With some trepidation, the pair marched up to Rummy's elaborate dark-paneled office in the E-Ring, the power corridor of the Pentagon. "Don, you do realize that Iraq could be another Vietnam?" Roche asked. Rumsfeld, a political survivor of the Watergate era whose main goal was to exorcise the ghost of Vietnam forever—restoring American power and prestige in the world—was outraged at the very suggestion. "Vietnam? You think you have to tell me about Vietnam?" Rumsfeld sputtered. "Of course it won't be Vietnam. We are going to go in, overthrow Saddam, get out. That's it." Then he waved them out of his office.

Now Rumsfeld himself has been thrown out after six stormy years, a chastened if still-proud man who will spend the rest of his days grappling with the judgment of history. His tenure at the Pentagon is thick with irony. The squinty-eyed tough guy whom Bush once described as a "matinee idol," the podium wit who declared "I don't do quagmires," is now viewed as the author of one of the worst quagmires in American history. The "forward-leaning" ex-wrestler who wanted to project American strength

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abroad may now be blamed by historians for revealing the limits of American power—and weakening the nation's position in the critical Middle East.

When Rumsfeld arrived to take over the Pentagon for the second time in January 2001 he acted like a man on a mission. Rumsfeld came equipped with a glittering résumé: Princeton wrestling captain. Naval aviator. Congressman at 30. White House chief of staff at 42. Defense secretary at 43 (the youngest ever, way back in 1975). Fortune 500 CEO and turnaround specialist. And with 30 years of global experience, Rumsfeld had a clear vision for Defense. He wanted to draw down America's giant cold-war garrisons around the world and transform the U.S. military into a high-tech, "agile" force suited for expeditionary warfare around the globe.

Rumsfeld actually achieved a good part of this vision. He elevated the role and size of Special Forces, turning them into a separate worldwide command. He gave Special Operations—the global SWAT teams of the 21st century—the lead in the war against terrorism. He changed the way the Army and Navy operate worldwide, making both services more nimble. Finally, Rumsfeld began a profound shift of America's basic military approach to threats abroad, away from the old requirement of fighting three wars simultaneously (for example, in North Korea, Europe and the Mideast) and toward a new force organized to face unknowable contingencies.

But much of that transformational work may be forgotten in the history books. Instead, largely thanks to Iraq, Rumsfeld will likely go down as an erratic and arrogant manager who sullied America's reputation by allowing interrogation abuses at Abu Ghraib and other U.S.-run detention centers abroad; who haughtily dismissed advice from U.S. generals and senators alike to put in enough troops (in part because he didn't want another Vietnam), and who preferred to deny the reality of the Iraqi insurgency rather than confront it. Bush, in announcing Rumsfeld's departure last week, called him "a superb leader in a time of change." But that is a distinctly minority view in Washington, where it is hard to find any defenders of Rumsfeld, either Democrat or Republican. "He will be seen as the Robert McNamara of this generation," says retired Lt. Gen. William Odom, referring to the Vietnam-era Defense chief who has spent the last 40 years trying live down the carnage that occurred on his watch.

Rumsfeld himself is all too aware of this view, his associates say. That is one reason he wanted to stay on at the Pentagon through Bush's second term. Rumsfeld was hoping that by then things might have turned for the better in Iraq. Instead, Bush told Rumsfeld last week that enough was enough. If the violence in Iraq does abate over the last two years of Bush's term, credit will now go to Rummy's successor, Robert Gates, rather than to him.

Some of Rumsfeld's critics also say that much of his transformation was superficial. He was unable to pare down U.S. nuclear forces despite Bush's pledge to do so, sponsoring giant budgets filled with cold-war-era weapons. And they say he was unpardonably negligent in his handling of the central issue of his tenure, Iraq, which is likely to be the subject of fresh inquiries by the Democratic-controlled Congress. "Rumsfeld demanded responsibility for all of postwar Iraq and then did nothing with it," says a former senior Defense official who spoke anonymously "because I have to work in this town." "He tried to destroy the interagency process. And I think he was successful."

Historians will probably argue for decades over who gets most of the blame for the mistakes made in Iraq. But Rumsfeld's talent for bureaucratic infighting did work against success there. He offended allies, played down the State Department's role in planning for postwar Iraq and actively stymied Condoleezza Rice's efforts to do her first-term job as national-security adviser, which was to coordinate between agencies, according to numerous accounts. Sometimes he didn't even return her calls. "Rumsfeld treated Condi like the hired help," says a White House staffer who would discuss the relationship only if he was not identified. "He did everything he could to humiliate her. And the president never intervened." Two weeks ago, Iraq inspector general Stuart Bowen concluded that the Pentagon is still not working well with State in coordinating Provincial Reconstruction Teams, on which the administration once placed high hopes in Iraq.

Rumsfeld was not blind about Iraq. He foresaw clearly the pitfalls of a long foreign occupation. He planned to reduce the U.S. presence in Iraq to some 30,000 troops within months of the March 2003 invasion; if he'd had his way, he would have quickly handed over power to the Iraqis. "The secretary saw the Iraq war as his best chance to force the U.S. Army to abandon its cold-war model of a massive buildup taking months—what they did in Gulf War I—and move to a swifter, leaner way of operating," says one of his former top aides who would discuss him only anonymously. But once it became clear that Bush wanted a deeper democratic transformation of Iraq—one that would require a longer occupation—Rumsfeld failed to adjust. And that may be history's bottom line on his troubled tenure.

When "Oops" Isn't Enough (TIME)

By Michael Kinsley

Time, November 13, 2006

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In the original film of Mel Brooks' The Producers, Zero Mostel advises a blithering Gene Wilder, who has just unintentionally observed Mostel's character trying to seduce an elderly woman: "You mean 'oops,' don't you? Just say 'oops' and get out!" Yet sometimes even "oops" is not enough.

Kenneth Adelman and Richard Perle said "oops" earlier this month. As personality types, these two longtime Washington hawks couldn't be more different. Adelman is relentlessly cheerful and upbeat, while Perle is legendarily gloomy and dark. But both played a role in pushing the U.S. into war in Iraq--Adelman in an influential Washington Post Op-Ed promising that the war would be "a cakewalk" and Perle warning of catastrophe if we left Saddam Hussein and his weapons unmolested. Now, interviewed in Vanity Fair, they say it all may have been a mistake. Oops!

Yet in Vanity Fair's quotes, there is no note of contrition. It's not their fault. In fact, dispensing with Saddam, establishing peace and democracy in Iraq and then watching those ideals spread throughout the Middle East is still a good idea. It's just that President George W. Bush bungled the job. Among other things, he failed to recognize the degree of "disloyalty" within his Administration, says Perle--who was chairman of Bush's Defense Policy Board--thus proving the accusation even as he makes it.

Opponents of the Iraq war ought to be happy for two such prominent converts. So why is their conversion so enraging? Well, first, howzabout an apology? It's maddening that there's no cost for being wrong, even when it translates into thousands of people dead and billions of dollars down the drain. In our culture of value-free celebrity, in which a famous ax murderer equals a famous actress equals a famous Nobel Peace Prize winner, Adelman and Perle have merely earned another 15 minutes as hot guests on the talk shows. They have reason to be pleased, having deserted the Bush Administration five minutes ahead of the other rats. But they should try not to show their pleasure.

Second, you don't get to assume the success of your intentions then plead a shrugging "Who knew?" when they don't pan out. I also am in favor of toppling dictators, establishing democracy and watching it spread painlessly throughout every region where there is no experience of it. Not only that: I am in favor of turning sand into ice cream and guaranteeing a cone to every child in the Middle East. But you can't turn sand into ice cream. That is not a defect in the execution of the idea. It is a defect in the idea itself. Although Perle and Adelman and others may think they are dissing the Bush Administration when they talk about its incompetence in failing to turn sand into ice cream, they are also displaying the Bush Administration's key vice, which is assuming that things are how you wish them to be and not how they are.

Third, condemning Bush's conduct of the Iraq war has become an overly handy cop-out for people who don't want to support the war but can't bring themselves to say it was wrong. This would include almost every Democratic candidate in last week's midterm elections. What would these Monday-morning quarterbacks have done differently? Sent in more American troops? Puh-leeze.

What is the proper way to act when you have made a boo-boo on the scale of what Perle and Adelman now admit to? A brief period of silence might be in order, followed by a bit of ideological spring cleaning. If this big idea has turned out to be wrong, isn't it possible that some of their other ideas are also wrong? In fact, maybe their whole philosophy is mistaken. Perle and Adelman are both neoconservatives, or neocons, a group that prides itself on being tough-minded and pragmatic while rejecting liberals as soft and romantic. Yet they managed to turn a President who was elected on a promise to eschew nation building into Woodrow Wilson in cowboy boots, promising democracy everywhere.

Adelman and Perle probably put on a better display of chagrin when they are 20 minutes late for a dinner party than they have managed to come up with so far in concluding that maybe the war was not such a great idea after all. "Just say 'oops' and get out" might be an excellent policy for the U.S. at this stage in the Iraq war. But it's not sufficient for the people who got us into it.

Zakaria: What The Baker Commission Is Ignoring (NSWK)

By Fareed Zakaria

Newsweek, November 13, 2006

Nov. 20, 2006 issue - Press accounts of its deliberations suggest that the much-anticipated Baker-Hamilton report will make some intelligent recommendations. The committee will point out that America's strategy in Iraq must be placed in a broader regional context. For three years, America's Iraq policy has largely ignored the rest of the Middle East. That was no accident. The neoconservative vision was always that Iraq would be made anew, shorn of the flaws and ailments of the Arab world. Before the invasion, senior policymakers speculated that Iraq's postwar government would recognize Israel. "The road to Jerusalem runs through Baghdad," they were fond of saying. Immediately after the war, a senior international diplomat attached to the Coalition Provisional Authority was embarking on a trip to Iraq's neighbors, and he asked Paul Bremer what message to deliver to them. The answer: none. The region was the problem, not the solution.

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This absence of a regional strategy left Iraq open to its neighbors' most irresponsible instincts. Iran and Syria have helped keep the violence there on the boil. Saudi groups and individuals have funded Sunni militants. None of the surrounding nations would benefit if Iraq actually did collapse, setting off territorial disputes, sending refugees into neighboring lands and exporting Iraq's instability. Such an outcome can still be avoided, but only with active support from these countries. The Baker-Hamilton commission can be expected to recommend a major regional effort.

The panel will also surely suggest intensive efforts to get the various groups in Iraq to forge a national compact. The elements of such a deal are clear—regional autonomy, a sharing of oil revenues, amnesty and the demobilization of armed groups or their incorporation into the Army. And this political settlement would go a long way toward reducing the violence in the country.

But if the commission stops there, it will have missed its moment. These recommendations are the easy ones, accepted by almost everyone but a few ideologues. Some are already being tried. The United States has been pushing hard to get the Iraqis to make a political deal. The administration has been talking more to the neighbors of late and has even made some small overtures to Iran.

That's not enough. Even if Iran and Syria actually agreed to help stabilize Iraq, there's no certainty that their efforts would bring dramatic changes to the country. The violence in Iraq has taken on a life of its own, and the entire structure of political authority has become fragmented and decentralized. If Prime Minister Maliki and Ayatollah Sistani cannot rein in the violence of their own fellow Shiites, is it likely that Iran and Syria could?

Here is the tough question: What are America's objectives in Iraq and how can we achieve them? More bluntly, what is to be done with the roughly 140,000 U.S. troops stationed there? What is their mission? If they have new goals, do these require more Americans or fewer? Not to tackle this issue is to present a doughnut document—all sides and no center.

In answering this question, we need to keep three factors in mind:

This is not our chessboard. The Iraqi government has authority over all the political issues in the country. We may have excellent ideas about federalism, revenue-sharing and amnesty, but the ruling coalition has to agree and then actually implement them. So far, despite our many efforts, they have refused. There is a desperate neoconservative plea for more troops to try one more time in Iraq. But a new military strategy, even with adequate forces, cannot work without political moves that reinforce it. The opposite is happening today. American military efforts are actually being undermined by Iraq's government. The stark truth is, we do not have an Iraqi partner willing to make the hard decisions. Wishing otherwise is, well, wishful thinking.

Time is not on America's side. Month by month, U.S. influence in Iraq is waning. Deals that we could have imposed on Iraq's rival factions in 2003 are now impossible. A year ago, America's ambassador to Iraq had real influence. Today he is being marginalized. Thus any new policy that requires new approaches to the neighbors and lengthy negotiations carries the cost associated with waiting.

America's only real leverage is the threat of withdrawal. Many outsiders fail to grasp how much political power the United States has handed over in Iraq. The Americans could not partition Iraq or distribute its revenues even if Bush decided to. But Washington can warn the ruling coalition that unless certain conditions are met, U.S. troops will begin a substantial drawdown, quit providing basic security on the streets of Iraq and instead take on a narrower role, akin to the Special Forces mission in Afghanistan.

And one last thing: for such a threat to be meaningful, we must be prepared to carry it out.

Democrats Signal Hope For Approval Of Gates (FT)

By Krishna Guha

Financial Times, November 13, 2006

Senior Democrats signalled on Sunday that they hoped to complete swiftly the confirmation process for Robert Gates to replace Donald Rumsfeld as the new US defence secretary during the “lame-duck” session of the outgoing Republican-dominated Congress which begins on Monday.

It may be one of the few concrete measures agreed over the coming weeks.

Although packed with legislative initiatives, including bills on domestic wiretapping, the nuclear deal with India and a free trade agreement with Vietnam, political analysts are sceptical that the session will achieve much. They warn that many issues will have to wait until the new Democrat-controlled Congress convenes in January and some may disappear from the legislative agenda altogether.

The renewed effort by the White House also to win Senate confirmation for John Bolton, the US ambassador to the United Nations, during the lame-duck -session only complicates matters further.

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Carl Levin, the incoming chairman of the Senate armed services committee, who voted against Mr Gates when he was nominated to be head of the Central Intelligence Agency in 1991, on Sunday told ABC's This Week: "I hope that his confirmation hearings can be held and that he will get a vote prior to the end of this Congress."

He reiterated his long-held reservations about the nominee but said: "I'm going to have a fresh look at him."

Joe Biden, the incoming chairman of the Senate foreign relations committee who also voted against Mr Gates in 1991, said: "I am inclined to vote for him now.

"I know some of his views on Iraq," he said. "I know he wasn't of the Rumsfeld school. And to put it very, very bluntly, as long as he is not there, Rumsfeld is."

Dan Bartlett, the White House counsellor, held out hope that the lame-duck session could pass substantial legislation.

"I'm not going to prejudge the outcome of this lame duck," he told Fox News Sunday. "On the terrorist surveillance programme, the president came to an agreement with key members of the US Senate and House."

Analysts, though, point out that the agreement was with Republicans critical of the wiretap programme and may not now be enough to satisfy victorious Democrats.

The White House wants the outgoing Congress to pass appropriations (spending) bills for 2007.

Political experts, though, doubt there is appetite on either side of the outgoing Congress for big legislation, following a decisive vote in favour of the Democrats in the mid-terms.

"Most lame-duck sessions amount to very little and that is especially true after a change in party control," said Larry Sabato, professor of politics at the University of Virginia. "Why would Democrats in the Senate permit the GOP [Republicans] to pass any significant legislation when they themselves will be taking charge in January?"

Norm Ornstein, a fellow at the American Enterprise Institute, a conservative think-tank, said many Republicans in the House probably just want to "get out of town".

He said Senate Republicans "would like to finish up several things they almost got through at the end of September – the India deal, the Vietnam free trade agreement, the extension of popular tax cuts, the oil drilling compromise" but added "one would not expect much".

Mr Ornstein said the India bill had a better chance of passing Congress during the lame-duck session than the Vietnam trade accord but said the odds were "less than 50 per cent for each".

Gates Would Leave Fidelity To Take Defense Post (WSJ)

By John Spence

The Wall Street Journal, November 13, 2006

Fidelity Investments said Robert Gates, the Bush administration's nominee for secretary of defense, is expected to resign as chairman of the mutual-fund company's independent trustees if his cabinet appointment is confirmed.

Fidelity also announced manager changes at several of its funds and said it will cut fees for the 529 college-savings plans it manages for Massachusetts and other states. "On behalf of Fidelity, we are grateful that Bob Gates has served the Fidelity funds and the funds' shareholders for the last nine years with distinction," said Fidelity Chief Operating Officer Robert Reynolds.

Mr. Gates would step down from his role at Fidelity to prevent any perceived conflicts of interest, observers said.

The closely held Boston company said on its Web site Thursday that Jennifer Uhrig was named portfolio manager of $20.4 billion Fidelity Blue Chip Growth Fund, taking over for John McDowell and Brian Hanson. Mr. McDowell is retiring from portfolio management, while Mr. Hanson will continue to oversee Fidelity Advisor Strategic Growth Fund and Fidelity VIP Growth Stock Portfolio, the mutual-fund firm said.

The moves reverberated down the firm's management lineup, as Jason Weiner will succeed Ms. Uhrig at Fidelity Advisor Equity Growth Fund and Fidelity VIP Growth Portfolio. Mr. Weiner has managed Fidelity Independence Fund, Fidelity Fifty Fund and Fidelity Advisor Fifty Fund since 2003 and has worked as associate portfolio manager of Fidelity VIP Contrafund since March 2006, Fidelity said.

Meanwhile, Robert Bertelson will succeed Mr. Weiner at $4.6 billion Fidelity Independence Fund and Peter Saperstone was named portfolio manager of $1.2 billion Fidelity Fifty Fund and Fidelity Advisor Fifty Fund.

Fidelity said C. Robert Chow was named manager of Fidelity Equity Income II Fund, Scott Offen is in at Fidelity Advisor Equity Value Fund, and Richard Fentin was named portfolio manager of VIP Value Portfolio. The three are succeeding Stephen DuFour.

Finally, James Morrow is taking over for Timothy Cohen at Fidelity Advisor Diversified Stock Fund.

Some analysts were surprised at Mr. Bertelson's move to Fidelity Independence Fund given his unenviable record at Fidelity Aggressive Growth Fund, which he managed in the early 2000s. "He had a rough time of it between 2000 and 2002

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when the fund lost about 75% and trailed the mid-cap growth peer group by a wide margin," said Dan Lefkovitz, an analyst at investment researcher Morningstar Inc.

Fidelity spokesman Vin Loporchio said Mr. Bertelson suffered from bad timing in taking over the fund right at the peak of the market for aggressive growth stocks in February 2000.

Mr. Lefkovitz said he was dismayed by the changes at Fidelity Blue Chip Growth Fund as well. "We've been sticking by this fund despite its underperformance because it was in an unloved part of market and had experienced managers with a good track record," the analyst said. "We were expecting better days ahead, but we don't have as much confidence in the new manager."

Fidelity Blue Chip Growth has a three-year annualized return of 6.2%, trailing the Standard & Poor's 500 by more than five percentage points, according to Morningstar.

Fidelity also is preparing to lower its fees and add more investment options for 529 college-savings plans it runs for Massachusetts and other states, a Fidelity spokeswoman confirmed.

The move, which was earlier reported by the Boston Globe, is expected to be formally announced this week. It comes as rivals such as Vanguard Group have unveiled similar fee reductions as money flows into 529 plans, driven by federal tax exemptions on the tuition plans becoming permanent. So-called 529 plans are investment programs run by states that help Americans contribute to college-tuition expenses. The plans are administered by asset managers who determine how the money is invested.

Fidelity spokeswoman Sophie Launay said the company is readying age-based index portfolios with fees capped at 0.5%, providing a cheaper option than those employing actively managed funds. She said Fidelity plans to do away with its $20 annual fee on all direct-sold plans, and is lowering the minimum monthly contribution to $15 from $50. Fidelity manages 529 plans in Massachusetts, New Hampshire, Delaware, Arizona and, soon, in California. The company manages about $7 billion in direct-sold 529 plans, Ms. Launay said.

Gates Likely To Sustain Terror War (WT)

By Rowan Scarborough

The Washington Times, November 13, 2006

Defense Secretary-designate Robert M. Gates is not expected to rein in the aggressive global war on al Qaeda started by predecessor Donald H. Rumsfeld or reverse the transformation of the Army, but instead focus on how to win in Iraq and get American troops home, current and former Pentagon officials say.

"He definitely is not seen as someone wimping out on the global war," said a Pentagon adviser. "How he does it, and what tools, and who he entrusts with them, that's a whole different issue."

Mr. Gates, once confirmed by what Republicans hope will be a December floor vote, will arrive at the Pentagon needing to replace a number of senior aides to Mr. Rumsfeld who set policy on intelligence, special operations and the war itself.

Some other officials Mr. Rumsfeld eyed for senior posts may be discarded because they would not get through a Democrat-controlled Senate, Pentagon officials said.

President Bush introduced his new defense secretary Wednesday and said Saturday that Mr. Gates was an "agent of change" in a sign of the growing momentum for a new direction in Iraq policy after election defeat for Republicans.

"He has experience leading large and complex organizations, and he has shown that he is an agent of change," Mr. Bush said in his weekly radio address. "He will provide a fresh outlook on our strategy in Iraq, and what we need to do to prevail."

That task will be Mr. Gates' overriding focus in the administration's last two years. The quiet government staff man and former college president will be the Pentagon leader the president hopes will ensure that Iraq is not as damaging in the 2008 election to Republicans as it was in 2006.

Mr. Gates resigned Friday from the Iraq Study Group, a blue-ribbon panel established by Congress to find new solutions for Iraq. The bipartisan group is headed by former Secretary of State James A. Baker III and former Rep. Lee Hamilton, Indiana Democrat.

It is Mr. Gates' ties to Mr. Baker and Brent Scowcroft, former President Bush's national security adviser, that has Republican hawks worried. Mr. Gates worked with both in the first Bush administration as CIA director and deputy to Mr. Scowcroft.

Mr. Scowcroft opposed the war and is said to be cool to Mr. Rumsfeld's aggressive style of using the full force of the military to confront al Qaeda. He was among the team of aides who advised the first President Bush to end the fighting against Iraq in 1991 in the first Gulf war.

In an published interview two years ago in London's Financial Times, Mr. Scowcroft said Iraq was a "failing venture."

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Mr. Baker's State Department practiced pragmatism at times over loftier goals. He already has said he supports talking to one's enemies, a sign the study group may recommend engaging in talks with Iraq's terrorist-sponsoring neighbors, Iran and Syria.

"I don't think you restrict your conversations to your friends," Mr. Baker told ABC News.

Some conservatives fear such language means Mr. Baker -- and Mr. Gates -- will urge a political agreement that rewards the two hard-line regimes that have supported the deadly Iraqi insurgency with millions in cash, training and weapons.

"Gates has no credentials as a military strategist or innovator," said Jed Babbin, a senior Pentagon official in the first Bush administration. "To replace Rumsfeld with someone lacking these credentials is more than worrisome. ... How will we proceed to win the war? It all comes down to how the president wants to proceed. That's the most important open question."

Mr. Gates will bring a new style to a Pentagon. While Mr. Rumsfeld is brash and combative, Mr. Gates is studious and measured.

He is not viewed as a conservative ideologue, but rather a career manager who rose through the ranks of the CIA's academic-style analytical branch at Langley headquarters. He is more bureaucrat than revolutionary like Mr. Rumsfeld, who pushed through more than 100 transformational reforms and policies.

Mr. Rumsfeld in particular brought special-operations forces off the shelf after the September 11 attacks and empowered commandos with money and manpower to become al Qaeda hunters.

"Rumsfeld understood modern war and real transformation," said an Army Special Forces soldier. "Let's hope Gates doesn't can Pentagon [intelligence] collection efforts in favor of his old alma mater. Let's also hope that generals don't convince Gates that true transformation means more artillery and bigger tanks."

The cupboard will be a bit bare at the Pentagon. Peter Rodman, the assistant secretary of defense who oversees Iraq and Afghanistan policy, told his staff last week he will leave with Mr. Rumsfeld. Stephen Cambone, a close aide to Mr. Rumsfeld and his top intelligence official, also will likely leave. Thomas O'Connell, the top policy-maker for special operations, already had said he would be leaving after the election.

Mr. Gates, who will bring in his own staff, is working out of the White House to prepare for confirmation hearings before the Senate Armed Services Committee. By law, he is not allowed to engage in policy-making until sworn in.

Will Rumsfeld's Reforms Last? (CSM)

By Keith S. Collins

The Christian Science Monitor, November 13, 2006

Donald Rumsfeld's efforts as secretary of Defense to modernize the US military helped make American fighting forces more lean and muscular. He envisioned a military powered by information and relied on technology to deliver a more effective, more dominant, and more connected armed forces.

But not all experts believe the transformation has been helpful in the war on terror, and the sustainability of many of his reforms may ultimately depend on the ability of people to rise above intense negative feelings about him and see beyond his failings in the Iraq war.

"Rumsfeld made an impressive start [on military transformation]," says Andrew Krepinevich, executive director of the Center for Strategic and Budgetary Assessments in Washington. "He set out to restructure global basing posture and succeeded. He enlarged special operations. We have a strong precision-strike capability now."

From the beginning of his tenure in early 2001, Rumsfeld aimed to create a military firmly planted in the 21st century. He insisted that orders for powerful but, in his view, outdated weapons systems, such as the Comanche helicopter and the Crusader artillery, be canceled. He felt the 70-ton Crusader system, for example, was too cumbersome for the kind of rapid deployment needed in modern battlefield situations. After a bruising battle with Congress, he was able to kill the program in 2002.

Mr. Rumsfeld's intent was to change what he believed were old ways of thinking. Peter Singer, senior fellow at the Brookings Institution in Washington, says Rumsfeld wanted to send a message as much as to cancel programs. "He was telling the [armed] services: 'You have to have a new operating mentality,' " he says.

The military got the message. Discussions over designing the military of the future were once confined to universities and think tanks. But, Rumsfeld brought the debate to the Pentagon. Now, each branch of the military analyzes new ways to grow.

To help give his reforms momentum, Rumsfeld opened the Office of Force Transformation in late 2001, and he pushed the concept of "networkcentric warfare," the theory that a military can gain battlefield advantage through information advantage. The purpose, according to the Pentagon document "Elements of Defense Transformation," was to create "networked forces that operate with increased speed and synchronization and are capable of achieving massed effects, in many situations without the physical massing of forces required in the past."

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Networkcentric warfare has been on display in Iraq. Singer points to a tale of marines under mortar fire during the second US offensive on Fallujah in November 2004. The soldiers' call for help went not to fellow marines but to an office in Nevada, which was controlling an unmanned Predator drone in the skies above Iraq. The "pilot" in Nevada steered the drone over the area and launched a missile that took out the mortar.

But not everyone was buying into Rumsfeld's vision. Fighting today's wars, some experts say, is not just about smarter technology but about smarter ways of handling people. Jim Dobbins, director of the RAND Corp.'s Security and Defense Policy Center and the Bush administration's first special envoy to Afghanistan, believes Rumsfeld's efforts at transforming the military are "largely irrelevant" to the counterinsurgency efforts in places like Iraq and Afghanistan, and in fact may be destructive.

Mr. Dobbins acknowledges that at the tactical level, networked weapons systems can be helpful. But computers can not gauge collateral damage. The drone's missile may take out the mortar, but it may also take out the entire house.

"If you substitute firepower for manpower, you kill innocent people and antagonize the population you are trying to help," Dobbins says.

The unexpected difficulties of the Iraq war ultimately soured many people on the value of Rumsfeld's reforms. Pinpoint attacks can effectively take out tanks and missile silos. But lightning strikes don't work in house-to-house raids or when rooting out guerrillas in caves. Those scenarios require manpower.

Rumsfeld's management style, often described as arrogant, also raised resistance to his ideas.

In some ways, the fate of many of Rumsfeld's reforms has already been determined.

"He was so preoccupied with transformation and wrong about Iraq, I don't think most of his concepts will be realized," predicts Loren Thompson, chief operating officer of the Lexington Institute, a think tank on military issues. "He had two [unsuccessful] challenges on his watch: finding Al Qaeda's leaders and the war in Iraq. So his achievement will be discredited."

Will the new nominee for Defense secretary, Robert Gates, continue with Rumsfeld's reforms? "My impression is that Gates is being hired to deal with Iraq," says Mr. Krepinevich. "I don't see him giving high priority to transformation."

Bush Faces GOP Ire Over Rumsfeld Timing (AP)

By John Heilprin

AP, November 12, 2006

The White House is trying to soothe Republicans who say the party might have fared better on Election Day if President Bush had not waited until after the vote to oust Defense Secretary Donald H. Rumsfeld.

"You could argue that either way, of what political effect an earlier decision on Secretary Rumsfeld would have had. But it doesn't matter," White House chief of staff Josh Bolten said Sunday.

"The president correctly decided that this decision does not belong in the political realm. And a decision as important as your secretary of defense should not be made based on some partisan political advantage. It would send a terrible signal to our troops, to our allies, even to our enemies," Bolten said.

Former House Speaker Newt Gingrich has suggested that if Bush replaced Rumsfeld two weeks before the election, voters would not have been as angry about the unpopular Iraq war. Republicans would have gained the boost they needed, according to Gingrich, to retain their majority in the Senate and hold onto 10 to 15 more House seats.

Sen. Arlen Specter, R-Pa., the outgoing chairman of the Senate Judiciary Committee, agreed with that assessment.

Bush should have removed Rumsfeld "as soon as he had made up his mind. And that's a hard thing to calculate. But it's highly doubtful that he made up his mind between the time the election returns came in on Tuesday and Wednesday when Rumsfeld was out."

"And if Rumsfeld had been out, you bet it would have made a difference," Specter said. "I'd still be chairman of the Judiciary Committee."

The same thought occurred to veteran Rep. Clay Shaw, R-Fla., who was on the verge of becoming chairman of the House Ways and Means Committee. After the election, Shaw said that if Rumsfeld had stepped down before last Tuesday, Shaw and other Republicans might have won.

"It could have made a difference in who is running the Congress," said Shaw.

Bush said in an Oval Office interview with The Associated Press and other reporters on Nov. 1 that he expected Rumsfeld and Vice President Dick Cheney to stay in his administration until the end. A day after Democrats triumphed, Bush acknowledged he misled the reporters because he "didn't want to inject a major decision about this war in the final days of a campaign."

Bolten explained that when Bush spoke to the reporters, the president had begun seeking a replacement for Rumsfeld — but had yet to decide on a successor.

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"The president was not going to replace Secretary Rumsfeld unless he was confident that he had a very strong replacement available to him to put in place," Bolten said.

More important, Bolten said, was that Bush's misdirection to the press was justified by military need.

"If he had said something other than what he said, if he had been equivocal about his support for Secretary Rumsfeld, that would have started an outbreak of then warranted speculation about Secretary Rumsfeld's tenure," Bolten said. "It would have undermined Secretary Rumsfeld's ability to lead the military in a time of war."

White House counselor Dan Bartlett said he did not buy the idea that the timing of the resignation would have made a difference with voters — but allowed that the president was concerned with appearances.

"Think about the signal it would have sent two weeks before the election if President Bush, desperate to change political polls, would have jettisoned his secretary of defense. It would have looked desperate," Bartlett said.

"It would have looked like it was made based on political motivations, not on the security interests of our country," he said. "And I think that would have weakened the president and Republican support going down the stretch of this campaign."

Rumsfeld's departure was a turning point in the administration's Iraq policy. Bolten and Bartlett, making the rounds of Sunday talk shows, said Bush will now welcome new ideas about the war, even from Democrats he once called soft on terrorism.

Some Democrats raised concerns about Bush's choice of former CIA Director Robert Gates to succeed Rumsfeld. The questions revolve around what Gates knew during the Iran-Contra affair, which involved two Reagan White House covert operations: selling arms to Iran to free U.S. hostages in Lebanon and supplying arms to the Contra guerrillas fighting the leftist government of Nicaragua.

"I haven't decided what I'm going to do with Mr. Gates," said Sen. Carl Levin, D-Mich., the incoming chairman of the Senate Armed Services Committee.

Bolten and Levin spoke on ABC's "This Week." Specter appeared on CNN's "Late Edition." Bartlett and Dean were on "Fox News Sunday."

Rumsfeld And The Realists (WSJ)

By Michael Rubin

The Wall Street Journal, November 13, 2006

On Dec. 20, 1983, Donald Rumsfeld, then Ronald Reagan's Middle East envoy, met Iraqi President Saddam Hussein in Baghdad. According to declassified documents, the Reagan administration sought to re-establish long-severed relations with Baghdad amid concern about growing Iranian influence. While U.S. intelligence had earlier confirmed Saddam's use of chemical weapons, Mr. Rumsfeld did not broach the subject. His handshake with Saddam, caught on film by Iraqi television, represented a triumph for diplomatic realism.

Iran and Iraq would fight for five more years, leaving hundreds of thousands dead on the battlefield. Then, two years after a ceasefire ended the war, Saddam invaded Kuwait. In subsequent years, he would subsidize waves of Palestinian suicide-bombers, effectively ending the Oslo peace process. Saddam's career is a model of realist blowback.

On Sept. 23, 2002, as Saddam defied international inspectors and U.N. sanctions crumbled under the greed of Paris, Moscow and Iraq's neighbors, Newsweek published a cover story, "How we Helped Create Saddam," that once again thrust the forgotten handshake into public consciousness. Across both the U.S. and Britain, the story provoked press outrage. NPR conducted interviews outlining how the Reagan administration allowed Saddam to acquire dual-use equipment. Mr. Rumsfeld "helped Iraq get chemical weapons," headlined London's Daily Mail. British columnist Robert Fisk concluded that the handshake was evidence of Mr. Rumsfeld's disdain for human rights, and Amy and David Goodman of "Democracy Now!" condemned Mr. Rumsfeld for enabling Saddam's "lethal shopping spree." While 20 years too late, progressives decried the cold, realist calculations that sent people across the third world to their graves in the cause of U.S. national interest.

What a difference a war makes. Today, progressives and liberals celebrate not only Mr. Rumsfeld's departure, but the resurrection of realists like Secretary of Defense-nominee Robert Gates and James Baker. Mr. Gates was the CIA's deputy director for intelligence at the time of Mr. Rumsfeld's infamous handshake, deputy director of Central Intelligence when Saddam gassed the Kurds, and deputy national security advisor when Saddam crushed the Shiite uprising. Mr. Baker was as central. He was White House chief of staff when Reagan dispatched Mr. Rumsfeld to Baghdad and, as secretary of state, ensured Saddam's grip on power after Iraqis heeded President George H.W. Bush's Feb. 15, 1991, call for "the Iraqi people [to] take matters into their own hands and force Saddam Hussein the dictator to step aside." In the months that followed, Saddam massacred tens of thousands of civilians.

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While Mr. Rumsfeld worked to right past wrongs, Messrs. Gates and Baker winked at the Iraqi dictator's continuing grip on power. For progressives, this is irrelevant. Today, progressivism places personal vendetta above principle. Mr. Rumsfeld is bad, Mr. Baker is good, and consistency irrelevant. * * *

Progressive inconsistency will only increase with the unveiling of the Baker-Hamilton commission recommendations calling for reconciliation with both Syria and Iran. In effect, Mr. Baker's proposals are to have the White House replicate the Rumsfeld-Saddam handshake with both Syrian President Bashar Assad and Iranian President Mahmoud Ahmadinejad.

The parallels are striking. First, just as Saddam denied Kuwait's right to exist, Mr. Assad refuses to recognize Lebanese independence (Damascus has no embassy in Beirut) and Mr. Ahmadinejad calls for Israel's eradication. Washington realpolitik enabled Saddam to act out his fantasies; evidence suggests both Mr. Assad and Mr. Ahmadinejad aspire to do likewise.

Second, just as the Reagan-era Rumsfeld turned a blind eye toward Iraqi chemical weapons, so too does Mr. Baker now counsel ignoring their embrace by the Syrian and Iranian leadership. Tehran used chemical munitions in its war against Iraq, and senior Iranian officials have also threatened first-strike use of nuclear weapons. Syria is just as dangerous: On April 20, 2004, Jordanian security intercepted Syrian-based terrorists planning to target Amman with 20 tons of chemical weapons. Mr. Assad has yet to explain the incident.

And, third, there is the issue of detente enabling armament. Following his rapprochement with Washington, Saddam transformed investment into replenishment. The cost of ejecting Iraqi forces from Kuwait was far greater than any benefit borne of engagement.

Trade with Tehran has likewise backfired. Between 2000 and 2005, European Union trade with Iran almost tripled. During this same period, Iranian authorities used their hard currency windfall not to invest in schools and hospitals, but rather in uranium processing plants and anti-aircraft batteries. Mohammad Khatami, Mr. Ahmadinejad's predecessor and a man often labeled reformist by U.S. and European realists, showed the Islamic Republic's priorities when he spent two-thirds of his oil-boom windfall on the military. Said Mr. Khatami on April 18, 2002: "Today our army is one of the most powerful in the world. . . . It has become self-sufficient, and is on the road to further development." Subsequent discovery of Iran's covert nuclear facilities later that year clarified his boast. The Assad regime has shown its willingness to spend its discretionary income on a wide-range of weaponry and terror groups.

Realism promotes short-term gain, often at the expense of long-term security. With hindsight, it is clear that Mr. Rumsfeld's handshake with Saddam backfired. While it may have constrained Iran in the short-term, its blowback in terms of blood and treasure has been immense.

Why then do so many progressives then celebrate the return of realism? The reasons are multifold. First, having allowed personal animosities to dominate their ideology, they embrace change, regardless of how it impacts stated principles. Hatred of Mr. Rumsfeld became a principle in itself. Likewise, the same progressives who disparage John Bolton seldom explain why they feel forcing the U.N. to account for its inefficiencies or stick to its founding principles is bad. They complain not of his performance, but rather of his pedigree.

Second is a tendency to conflate analysis with advocacy. Progressives find themselves in a situation where they both embrace realism but deny reality. An Oct. 13 Chronicle of Higher Education article regarding a Columbia University professor's attacks on Azar Nafisi, author of "Reading Lolita in Tehran," highlighted the issue: "The conundrum, say these [Middle East studies] scholars, is how to voice opposition to the actions of the Islamic Republic without being co-opted by those who seek external regime change in Iran through a military attack." By embracing a canard, intellectuals convinced themselves of the nobility of ignoring evidence. Thus, Western feminists march alongside Islamists who seek their subjection while progressive labor activists join with Republican realists to ignore Tehran's attacks on bus drivers seeking an independent union, even as a Gdansk-type movement offers the best hope for peaceful change in Iran.

Both realism and progressivism have become misnomers. Realists deny reality, and embrace an ideology where talk is productive and governments are sincere. While 9/11 showed the consequences of chardonnay diplomacy, deal-cutting with dictators and a band-aid approach to national security, realists continue to discount the importance of adversaries' ideologies and the need for long-term strategies. And by embracing such realism, progressives sacrifice their core liberalism. Both may celebrate Mr. Rumsfeld's departure and the Baker-Hamilton recommendations, but at some point, it is fair to ask what are the lessons of history and what is the cost of abandoning principle.

Mr. Rubin, a resident scholar at the American Enterprise Institute, is editor of the Middle East Quarterly.

Places For Progress (TIME)

By Nathan Thornburgh
Time, November 13, 2006

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Despite all the cordial luncheons and admissions that both sides love America, the President and the newly elected Democratic Congress aren't likely to find common ground on hot-button issues like stem-cell research and no-warrant wiretaps. Here's our pick of policies on which the two might actually do business:

Minimum Wage

The day after elections, the President's most prominent offer of cooperation came on this issue. Democrats have long made raising the federal minimum wage, which hasn't budged since 1997, a centerpiece of their platform. They want to boost it from $5.15 an hour to $7.25. The party's congressional members have pledged not to raise their own pay until the hike passes.

Education

Democratic Senator Ted Kennedy is set to chair the Senate committee that oversees education. Although he has bitterly accused President Bush of underfunding the No Child Left Behind Act of 2002, Kennedy has said he still believes in its principle: using standards to lift every student's performance. Education Secretary Margaret Spellings told TIME last week that she and the Senator had made the act's reauthorization a joint priority even before the election. "Kennedy and I talked this summer about the need to get this done--win, lose or draw," she said.

Alternative Energy

The two parties have pledged to work together to develop alternative fuel sources. Look for more tax credits and subsidies to help companies develop green and renewable energy. The President, who said in his last State of the Union address that "America is addicted to oil," is scheduled to talk up hybrid and ethanol-powered flex-fuel cars this week. And his market-centric approach may find an ally in Michigan's John Dingell, the Democrat who will be in charge of the House Energy and Commerce Committee. Unlike many of his party colleagues, Dingell, a friend of his state's auto industry, is against mandating higher fuel-efficiency standards for carmakers.

Immigration

Members of Bush's party spent much of this year deriding and stonewalling his compromise plan for reforming immigration policy, which called for enhanced border security along with a path to citizenship for certain working immigrants. A Democratic Congress is much more likely to craft a Bush-style solution. Bush and the Democrats may well start with modest reforms like the AgJobs bill, an attempt by Senators from both parties to normalize the immigrant farm-labor economy. It stalled in the House this year.

After The Triumph, The Tribulations (TIME)

By Karen Tumulty

Time, November 13, 2006

Herding cats. Pushing a string. Making yourself heard in a preschool where no one has had a nap. The analogies that have been used to describe what it's like to be in charge of Congress have always suggested that the titles Speaker of the House and Senate majority leader were someone's idea of a joke. But now that the high fives and jubilant photo ops are behind them, Nancy Pelosi and Harry Reid have to run the place. Whether anything is actually accomplished on Capitol Hill over the next two years will depend largely on the skills these two leaders develop in maneuvering through the tricky challenges ahead.

Pelosi is known for her steel; no one crosses her without paying a price for it. And she will need every bit of that toughness to manage a caucus that promises to grow more fractious. Much has been made of the relatively conservative bent of the incoming freshman class of House Democrats, many of whom were recruited to run because they fit so well in districts that have been sending Republicans to Washington for years. Once they arrive, however, they will be working under a set of committee chairs who proudly and tenaciously represent the farthest-left edges of their party--and who have been chafing under the past dozen years of G.O.P. rule. Most of the rest of the Democratic caucus also tilts to the left and is just as anxious to reassert itself.

Filling the exceedingly sensitive post of House Intelligence Committee chairman will be a good test of how Pelosi works. Her fellow Californian Jane Harman, its ranking member, wants the job, but Pelosi doesn't particularly like Harman, so speculation is that Pelosi could go to the next in line, Florida's Alcee Hastings. That would please the black caucus, but there's no small political problem in the fact that in 1989 Hastings was impeached by the (Democratic) House and removed by the (Democratic) Senate from his federal judgeship for conspiring to take a $150,000 bribe (although he had been acquitted in court). Pelosi must also deal with a potentially bitter and ideological race for the majority leader's job, which is the No. 2 post in the Democratic leadership.

For all the internal intrigue, Pelosi's job at least gives her a tight command of the House floor and requires her to pull together only a simple majority to get things done. Reid must surely envy that. It takes the support of 60 Senators--enough to get past a filibuster--to get anything controversial passed in the Senate; he's nine short of that. And while the majority leader has power over the schedule, the Senate's arcane rules give any individual Senator the power to bollix up the works.

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A person to watch will be incoming minority leader Mitch McConnell, one of the Senate's canniest operators. After wrangling with McConnell for years over campaign-finance reform, Senator John McCain declared, "There are few things more daunting in politics than the determined opposition of Senator McConnell." President Bush does not want to spend his last two years in office vetoing one Democratic measure after another. So McConnell will play a position much like the goalie in a hockey game, blocking legislation from ever reaching Bush's desk.

And finally there is the reality that the 2008 presidential campaign will be under way, and Reid oversees a chamber that is brimming with potential contenders of both parties. Primary politics in both parties rewards grandstanding and ideological purity, not compromise and teamwork. That's hardly a formula for compromise-- or for getting much of anything done.

Post-Thumpin' Politics (USNEWS)

By Michael Barone

U.S. News and World Report, November 13, 2006

The "thumpin'" that the Republican Party received last week will make profound changes in policymaking in Washington and in presidential politics. On the policy side, we have already seen something in the nature of parliamentary government: Defense Secretary Donald Rumsfeld lacked the confidence of the new congressional majority and promptly resigned. George W. Bush and the Speaker-to-be Nancy Pelosi both expressed a hitherto indiscernible desire to work together, either out of conviction or out of calculation that it was in their interest to do so.

Democrats, having won a small majority in the House and a paper-thin one in the Senate, now visibly share the responsibility for governance, and we can expect for a time less of the scathing rhetoric they routinely deployed. Bush clearly hopes to yoke the Democrats in support of a common changed approach to Iraq. On domestic policy, there will be constant negotiations between congressional leaders and Office of Management and Budget Director Rob Portman, complete with veto threats-much like those between Bill Clinton and Newt Gingrich. One can foresee areas of agreement. Bush will concede a fig-leaved minimum wage. On immigration, House Democrats and a solid Senate majority favor the Bush approach blocked by House Republicans. Advancing alternative fuels is another possibility. Some Democrats want tax-free savings vehicles for lower-paid workers; that sounds a lot like the individual investment accounts Bush proposed for Social Security. On some issues there will be no agreement-tax reform, probably. But big issues have been addressed in the past by divided governments.

In the process, Bush is decoupling himself from the Republican Party. House Republicans, with little chance to affect outcomes, will be mostly ignored as House Democrats were under Clinton. Senate Republicans, with the leverage of filibuster threats, will be brought into the loop. But congressional Republicans will be on their own in setting a course for 2008.

Narrow margins. As for presidential politics, we are still in an era of roughly even division between the parties. In the five House elections from 1996 to 2004, both parties received between 46 and 51 percent of the popular vote; final 2006 results are not in, but if they're outside this narrow range, it won't be by much. Bill Clinton tried to create a natural majority for his party but fell short. George W. Bush attempted the same for his party but has also missed the mark. The 2002 and '04 Republican majorities were too small to withstand the winds of 2006.

For a dozen years, our politics has been bitterly polarized, dominated by two baby boomer presidents who happen to have personal characteristics that people on the other side of the cultural divide absolutely loathe. Clinton in 1992 and Bush in 2000 both made genuine efforts to run as unifiers, but once in office proved to be dividers. The 2008 cycle will bring a different cast of characters. The leaders in the polls-Rudolph Giuliani, John McCain, and Hillary Rodham Clinton-all are, to varying degrees, in tension with their parties' bases. That suggests that they have the capacity, to varying degrees, to appeal across the cultural divide and pull their parties above the 51 percent ceilings they've been under for the past 10 years. Other potential candidates—Republican Mitt Romney and Democrat Barack Obama—may have similar potential. The culturally conservative Republican base and the vitriolically anti-war Democratic base don't seem to have strong candidates, unless you count Al Gore and John Edwards.

For the next two years, political governance and presidential politics seem likely to proceed on two separate tracks, with little relation between them. House and Senate Democratic leaders may want to avoid confrontation on issues that will put their presidential candidates on the defensive. Bush seems less likely to worry about the effect of his decisions on possible Republican nominees. That leaves the initiative on setting a post-Bush agenda to the presidential candidates of both parties. They start off closely matched. Pollster Scott Rasmussen, whose final Senate numbers were spot on, shows Hillary Clinton trailing John McCain 48 to 43 percent and tied 46 to 46 percent with Rudolph Giuliani. Democrats may have thumped Republicans last week, but the political future is very much up for grabs.

Health's Ailment (USNEWS)

By Josh Fischman

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U.S. News and World Report, November 13, 2006

Last Wednesday morning, the clouds scudding over Lake Monona in Madison, Wis., did little to obscure Tammy Baldwin's bright view of the future. "I think we have the chance to make some real changes to healthcare," said the Democratic representative, who had celebrated her return to the U.S. House for a fifth term the night before on a terrace by the lake. The liberal Baldwin is cosponsor of a bill, with conservative Republican Tom Price of Georgia, to allow states to experiment with different ways to expand coverage and access. Not only does the bill enjoy broad bipartisan support, "but with the Democratic takeover of the House, we can move on the bigger issues. Democrats recognize healthcare is an immediate crisis," Baldwin says.

Indeed, crisis is a word being used more and more often to describe the U.S. healthcare system. Medicare is going to cost a staggering $30 trillion over the next 75 years, "and no one has any idea how we are going to pay for this," says Robert Moffit, head of health policy studies for the conservative Heritage Foundation. Plus we're not getting enough for the money: A 2003 study in the New England Journal of Medicine showed that only about half of all adults get the medical care recommended in established guidelines. And no one is doing anything about the more than 46 million Americans who are uninsured. "Congress has, in many ways, been asleep at the wheel," says Jeanne Lambrew, a health-policy expert at George Washington University.

Lawmakers are unlikely to wake up and enact major overhauls during the next two years, despite Baldwin's optimism. Big fixes will remain stuck in ideological gridlock, though small changes-such as allowing Americans to buy drugs from abroad or expanding state insurance coverage for low-income children-are possible, say a broad spectrum of policy analysts and congressional strategists. But larger reforms, such as incoming House Speaker Nancy Pelosi's proposal to let Medicare negotiate prices directly with drug companies, are likely to hit a wall in the Senate, where Republicans are still strong enough to hold up legislation and have genuine antipathy to expanding government programs. "Changing the drug benefit is not going to happen," says a high-ranking Senate aide.

The problem is that there are deep, genuine divisions in how to fix healthcare. It's not just playing politics, says Price, an orthopedic surgeon who just won his second term: "Representative Pelosi and Tammy Baldwin may believe that a single-payer system is the answer. I think it would be a complete disaster for medicine." Letting Medicare negotiate drug prices, many conservative analysts think, would simply reduce the supply—"That's what price controls do," says Moffit—not contain costs. Baldwin, on the other hand, points to countries like Canada "that buy in bulk for lower prices and don't have shortfalls."

States' rights. The beauty of the bill that she and Price put together, Baldwin adds, is that it gets away from theoretical debates: "We give states the ability to experiment with different systems. We'll actually get to see what works and what doesn't." States would propose plans for children's health insurance, elder care, or drug subsidies to a bipartisan congressional commission. It would pick a slate of proposals, and Congress would vote yes or no on the slate. States would then get money to try these things out for five years. A similar bill in the Senate, cosponsored by Ohio Republican George Voinovich and New Mexico Democrat Jeff Bingaman, is also on the table. "This is the first thing we're going to act on," says Voinovich spokesman Chris Paulitz. "We think it's important, and we think we can get it passed."

States, in fact, are becoming laboratories for health reform, says Mark McClellan, former head of the Centers for Medicare and Medicaid Services. "Massachusetts passed a way to expand insurance, and other states, like New Mexico, are considering it, too. I think states are where the action is now, and their experiments may eventually start some national movements."

Federally, there are some other opportunities for action come January. Funding for the State Children's Health Insurance Program has to be renewed, and that gives Congress the chance to broaden eligibility or shift funds for more preventive care. Drug reimportation is already beginning to garner bipartisan support. But anything more extensive, even if it moves through Congress, "is probably going to run into President Bush's veto pen," says Henry Aaron, a health policy analyst at the Brookings Institution. "And that pen may get quite a workout."

My Mother, My President (TIME)

By Alexandra Pelosi

Time, November 13, 2006

Alexandra Pelosi is uniquely positioned to judge how the President and the future Democratic House Speaker will get along. At 36, she is the youngest of Nancy Pelosi's five children, and her famous HBO documentary, Journeys with George, was a backstage "video diary" of George W. Bush's 2000 campaign. She was the first to introduce the two. Her inside take on their relationship:

Back on the campaign plane when George W. Bush was a Governor running for President in 2000, he used to pass me notes to read to the Congresswoman from San Francisco. When a newspaper article touted her prowess at raising funds, he tore it out and wrote on it, "Ask her: Can I have some?" Or when a magazine ran its guesses for his vice-presidential short list, he wrote in "Pelosi," along with, "Can you get her to run with me?"

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When my parents came to have lunch with me at an Oakland airport hotel where Bush was giving a speech in March 2000, he did what he did when any member of the traveling press corps was in his or her hometown: he summoned us to his room so he could meet the parents. As he talked about the rigors of life on the trail, my mother politely explained how she was working her heart out to help Al Gore win the state of California.

The next time I saw them together, George was in the White House, and he told me, "You ought to be proud of your mom." At the time she was fighting her heart out on the House floor against the Iraq war. On any occasion that I have seen them together in private, they have appeared to be the best of "frenemies"--campaign-trail speak for politicians who keep their friends close and their enemies closer.

They actually have a lot in common. His father was President, and her father served in Congress and then as mayor of Baltimore. They both came to politics later in life, and they both mean it when they say that elections are not everything; if they lose, life will go on. Bush has the ranch, and my mother has her grandkids. And, of course, some people have made the mistake of underestimating both of them.

During the 2000 campaign, George used to respond to the jabs from late-night comedians by saying, "Let them laugh at me. I am going to be their President." On the trail in 2006, as the doubters were calling the Democrats a permanent minority, my mother repeated her mantra: We have better candidates. When anyone used the tired phrase, "Where are the Democrats?", she explained that everything was going exactly as planned; she was like a submarine on a stealth mission to take back the House.

On the day the President first criticized her at a fund raiser, she knew that he had given her a gift. When the President of the United States mocks you, it puts you on the map. And when he mocks you publicly, the money rolls in. Sure, they have their ideological differences. By now you have heard everything they have said about each other. But plenty of presidential candidates have said worse things about their opponents before they have chosen them as their running mate or their designated successor (witness John McCain).

While reporters like to stir the pot and focus on the catfights, they don't seem to grasp that these are two seasoned professionals working at the highest level of American government with skin so much thicker than the rest of us. As Bush noted in his press conference on the day after the election, "This isn't my first rodeo." Or as my mother has always told me, "This business comes with a free head clipping. Every time you stick your neck out, they come around and cut it off."

George W. Bush and Nancy Pelosi both know that if you want to breathe the rarefied air at the highest echelons of the U.S. government, you have to ignore the media buzzards. When I was watching Fox News recently, and she walked into the room, I had to explain that Sean Hannity was spending the month leading up to the election warning America that Speaker Pelosi would destroy this nation. She asked, "Which one is Hannity?"

So as all of us spectators sit home on our couches watching the bloviators pontificate about the state of American politics, rest assured that George Bush and Nancy Pelosi are so busy that they do not hear a word of it. And if they did, they couldn't care less. They have a country to run.

Lame-duck Congress Takes Roost (LAT)

By Richard Simon, Joel Havemann

The Los Angeles Times, November 13, 2006

WASHINGTON — The ousted Republican-led Congress returns to the Capitol this week to try one last time to shorten a long legislative to-do list, while the just-elected members will vote for new leaders in races that could signal the direction the parties will take next year.

The lame-duck session mixes a dispirited Republican Party and a Democratic Party that knows it will soon have the upper hand in both houses -- a potentially combustible cocktail.

At minimum, Congress must pass a temporary spending bill to keep the government running until the next Congress takes office. Getting much else accomplished could be difficult.

"Democrats won't allow anything to pass they don't like, and Republicans have little interest in starting the Democratic reign early," said Thomas Mann, a congressional scholar at the Brookings Institution. "It could be a very short lame-duck session."

As the old Congress wraps up, the freshman lawmakers will arrive. They won't be sworn in until January, but they will meet with President Bush, pick up congressional IDs and learn everything from the proper attire for the House and Senate chambers to the location of the members-only gym. And they will have a say in choosing leaders.

Two House races -- one Democratic and one Republican -- could reveal how the parties will position themselves in the next session.

Rep. Nancy Pelosi, D-Calif., is poised to become the first female speaker of the House. The choice for House majority leader, the No. 2 slot, is between a moderate and a leading anti-war Democrat.

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Rep. Steny H. Hoyer of Maryland, the current minority whip, faces Rep. John Murtha of Pennsylvania, whose call for U.S. withdrawal from Iraq made him a favorite of party liberals.

Hoyer's supporters, including some of the new centrist Democrats, point to his tireless campaign to elect them. He visited 80 districts and raised more than $8 million. Murtha's backers say the former Marine's stance on the war was a significant factor in the Democratic victory.

Pelosi watchers are anxious to see how she finesses this one. Hoyer, although a committed Democratic soldier, fought Pelosi for the minority whip job in 2001, a race that left both bruised. Murtha has long been a Pelosi ally.

On the other side, three Republicans are battling to become their party's leader in the House, since the current House speaker, Rep. J. Dennis Hastert of Illinois, has said he will not seek a leadership position.

House Republicans will choose between a veteran leader, whom some may want to blame for the party's loss of the majority, and two conservative challengers. Rep. John Boehner of Ohio, the current majority leader, is facing Rep. Mike Pence of Indiana and Rep. Joe Barton of Texas.

The first order of business for the lame-duck Congress is to ensure that the government has money to run. Sen. Harry Reid of Nevada, the Senate Democratic leader, has advised current Senate Majority Leader Bill Frist, R-Tenn., who did not seek re-election, that Democrats would work with Republicans to clear spending bills for fiscal year 2007, which began Oct. 1, if they included "reasonable funding levels."

If Congress cannot finish the individual spending bills, lawmakers are likely to approve a "continuing resolution" that would keep the government operating at 2006 levels until the new Congress begins.

The session could extend some popular tax breaks that have expired or are due to expire, approve a U.S.-Vietnam trade pact in advance of Bush's visit to Hanoi on Friday, allow new offshore oil drilling and pass a nuclear deal with India, a Bush-administration priority.

Senate Republican leaders hope to win quick confirmation of Bush's nomination of former CIA chief Robert M. Gates to replace Donald H. Rumsfeld as Defense secretary.

The White House wants the Senate to confirm the nomination of John R. Bolton as United Nations ambassador -- his current recess appointment expires when this Congress adjourns -- but he faces Democratic opposition, and last week a key Republican on the Foreign Relations Committee, Sen. Lincoln Chafee of Rhode Island, said he would not support him.

Another Bush priority also hangs in the balance: legislation that would rewrite domestic wiretap laws to give investigators the power to monitor e-mail and phone communications between suspected terrorists overseas and people in the United States without having to obtain court approval in advance. The House passed such a bill before the election, but the Senate recessed without taking action.

"We hope that the Democrats would see the utility in having this critical tool in the war on terror," White House counselor Dan Bartlett told "Fox News Sunday." Reid told CBS's "Face the Nation" that "we'll be happy to take a look at it" but would not say whether action would be taken.

For Republicans, the session could offer the last chance to insert pet projects, or earmarks, into bills. "There may be a little bit of, `Oh my gosh, if I don't get it done in the lame-duck now, since I'm still in the majority, it will never get done,'" said William Hoagland, Frist's top budget aide.

A leading proponent of earmark reform, Sen. John McCain, R-Ariz., told NBC's "Meet the Press" that "elimination of earmarking" should be a high priority. "The system of earmarking is corrupting," he said.

Also this week, Sens. Russell D. Feingold, D-Wis., and Joe Lieberman, D-Conn., are expected to introduce a bill to rescind an Oct. 1, 2007, termination date for a special inspector general's office that monitors U.S. expenditures on Iraq reconstruction. "This is a proposal that enjoys broad bipartisan support," said Jim Manley, a Reid spokesman.

The inspector general has produced a series of reports highlighting waste and fraud in the Iraq rebuilding effort. Language that would shutter the investigative office was quietly included in a military authorization bill, in an apparent effort to prevent further embarrassment for the Pentagon and the administration.

Both parties still hope to hold a separate vote on a bill to extend the research-and-development tax credit, a college-tuition tax break and more than 40 other expiring provisions.

For Post-Election Congress, Extensive To-Do List Is Awaiting Action (NYT)

By Carl Hulse

The New York Times, November 13, 2006

WASHINGTON, Nov. 12 — The Democrats won the midterm elections, but time has not run out on the Republican majority in Congress.

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Despite devastating losses at the polls, Republicans will control the post-election session that opens Monday as lawmakers return to try to finish 10 overdue spending bills and other legislation that stalled because of pre-election gamesmanship.

Republican leaders have compiled an ambitious to-do list, hoping to dispose of energy legislation, a trade deal or two, a civilian nuclear treaty with India and other favored bills before turning over the keys to the House and Senate chambers to the Democrats in January.

Democrats have some measures they want completed as well, most notably the spending bills, to save them the added work next year.

President Bush, hoping to get the most out of the remaining days of a Republican majority, is pressing two contentious matters: legislation authorizing domestic wiretapping by the National Security Agency and the nomination of John R. Bolton as ambassador to the United Nations. And the Senate has scheduled confirmation hearings for Robert M. Gates to be the new secretary of defense to begin the week of Dec 4.

Members of both parties in Congress have all but written off the wiretapping legislation and the Bolton nomination, given the strong Democratic opposition and the impending power shift. It is also uncertain how hard Congressional Republicans will be willing to press Mr. Bush's more divisive issues. Some have expressed anger at his decision to remove Defense Secretary Donald H. Rumsfeld the day after the election, contending that earlier action might have cut Republican losses.

"The only things that can get done in the lame duck are things that have the consent of both sides," said Senator Charles E. Schumer, Democrat of New York. "You can bluster around all you want, but it is not going to happen. Anything controversial just by definition won't get done."

The White House still intends to seek approval of Mr. Bolton and the eavesdropping program, said Mr. Bush's press secretary, Tony Snow, but it is not doing so to be "provocative" in the wake of the election.

"Those are goals: an effective U.N. ambassador, also an effective way of going after terrorists," Mr. Snow said. "Those are both constructive and important goals, and we'll see how the lame duck works through it."

Besides tackling a legislative workload that may take Congress well into December, the parties will elect new leadership for the 110th Congress. House Democrats and Republicans will decide contested races for top positions.

Though they will not be sworn in until January, members elected last week will be on hand for the leadership battles and for freshman orientation, creating the potentially awkward situation of bumping into the lawmakers they defeated. It looms as a difficult period for the 6 Republican senators and more than 20 House members who will be casting their final votes in the last gasps of the 109th Congress.

"We lost some good friends on our side, and we are going to miss those folks," said Senator Mitch McConnell of Kentucky, who is expected to be elected the new Republican leader this week. "It will be sad."

Mr. McConnell said he thought that Senator Harry Reid, Democrat of Nevada and the incoming majority leader, laid out a reasonable agenda last week in a letter to Senator Bill Frist of Tennessee, the majority leader who is winding up his Senate career.

Mr. Reid urged Republicans to focus on the unfinished spending bills; a nuclear agreement with India; an offshore oil drilling bill; legislation to prepare for a potential flu pandemic and a biological attack; and a package of popular tax breaks.

"I think it is a good list, and if we can accomplish those things that would be a very productive lame duck," Mr. McConnell said, "and I like his attitude about it."

But the legislative agenda could shift quickly when lawmakers arrive with their own ideas of what should be on the table.

Senator Joseph I. Lieberman of Connecticut, elected as an independent, said Sunday on "Meet the Press" on NBC that he wanted Congress to take up the lobbying and ethics changes that died before the election. Some Democrats want to push changes in Iraq policy, and Republicans also expect Democrats to try to make early moves on domestic elements of their agenda.

In the first test of the bipartisan spirit that followed the elections, the House on Monday is set to approve a trade deal with Vietnam that Mr. Bush would like to have in his pocket as he travels to Hanoi this week for a regional trade meeting. But senators in both parties have raised objections to the deal that the administration is trying to resolve, and the fate of the trade pact is uncertain.

Washington Lame Ducks Have Heavy Agenda Bush, GOP Congress Take Last Try At Goals (AJC)

By Scott Shepard, The Atlanta Journal-constitution

Atlanta Journal-Constitution, November 13, 2006

Washington — The Republican-led Congress, which will yield to a new Democratic majority in January, reconvenes today for a lame-duck session with a long to-do list, including overdue spending bills and the election of new leaders.

But while President Bush hopes to push through some final measures and appointments before his GOP majority disappears, congressional Republicans may not be in much of a mood to legislate after the "thumping" they took in last week's elections.

The president's top priorities are legalizing his warrantless surveillance program, extending his tax cuts, Senate confirmation of John Bolton as United Nations ambassador and, the least controversial item, Senate approval of Robert Gates to succeed departing Defense Secretary Donald Rumsfeld.

With so much to do, the postelection session could last until shortly before Christmas.

The session will be complicated by the fact that it will include House and Senate members who were defeated in last week's elections, which resulted in complete Democratic control of Congress for the first time since 1994.

"I don't think they're going to be in much of a mood to legislate," said Norm Ornstein, co-author of a new book, "Broken Branch," which describes the current Congress as a dysfunctional, deeply divided institution. "Don't be surprised if they pass a continuing resolution [to temporarily keep government programs funded at their current levels] and get the hell out of town."

Budget battle

That may be too much to expect from a Congress that has operated for more than a decade in an atmosphere of strong partisanship — and has yet to pass a budget for much of the federal government.

The fiscal year began Oct. 1, but Congress has passed only two of the 11 annual spending bills for the government, for defense and homeland security.

A "continuing resolution" for the other nine appropriations bills expires at the end of the week. One option is another stopgap measure to continue the current levels into January, when Democrats will take over. The president, however, has urged Republicans to complete work on the spending bills to prevent the Democrats from changing his spending priorities for various agencies before the next budget cycle in 2007.

Wiretap stalemate

Bush also wants Congress to pass legislation legalizing the program he secretly initiated through the National Security Agency after the terrorist attacks of 2001 to eavesdrop on terrorist suspects in the United States without a warrant.

Democrats have argued that the program, as currently constituted, violates existing laws. "It needs to be done lawfully and with adequate checks and balances," said Sen. Patrick Leahy (D-Vt.), who will take over as Senate Judiciary Committee chairman in January.

Even so, the administration plans to continue making its case that the program is a vital tool to fight terrorism. Attorney General Alberto Gonzales is set to argue the case next weekend in a speech at the U.S. Air Force Academy.

Bolton bash

Democrats have blocked Senate confirmation of John Bolton to be U.N. ambassador since he was nominated by Bush in March 2005, arguing he is ill-suited for such a diplomatic role. Bolton is serving on a temporary basis because Bush sidestepped the confirmation process by nominating him during a congressional recess.

Bush wants Bolton confirmed by the Senate before the Democratic takeover, and on Sunday, White House Chief of Staff Josh Bolten argued on ABC's "This Week" program that Bolton "has been a good ambassador" and "deserves confirmation."

Sen. Joe Biden (D-Del.), who will take over the Foreign Affairs Committee chairmanship in January, countered that if the president truly intends to be more cooperative with the new Congress, he should nominate someone else for the U.N. post. Bolton "doesn't even have the votes of a Republican-controlled committee" in the lame-duck Congress, Biden said, citing the opposition of Sen. Lincoln Chafee (R-R.I.), who was defeated Tuesday, to the nomination.

Rumsfeld replacement

Replacing Rumsfeld may be one area where Republicans and Democrats can agree before the end of the year. The Senate Armed Services Committee is scheduled the week of Dec. 4 to begin hearings on the confirmation of former CIA director Robert Gates. And Sen. Carl Levin (D-Mich.), who will replace Sen. John Warner (R-Va.) as the committee chairman in January, said he will work with Warner "to see if [Gates' confirmation] can be achieved."

In his weekend radio address, Bush said Gates is an "agent of change" and "will provide a fresh outlook on our strategy in Iraq." Gates has been a member of the Iraq Study Group, which is looking at alternative approaches to the increasingly unpopular war.

House leadership

With House Democratic Leader Nancy Pelosi of California in line to become speaker of the House in January, the race to fill the post of House majority leader under the Democrats pits the current No. 2 Democrat, Rep. Steny Hoyer of Maryland, against Rep. Robert Murtha of Pennsylvania. Hoyer claims most Democratic incumbents support his bid, but Murtha, who led the Democratic charge against the administration's war policies, says he is "working diligently" to win the post.

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The job of House Majority Whip is expected to go to Rep. Jim Clyburn (D-S.C.), only the second African-American in U.S. history to rise to such a height in the Congress. Former Rep. William Gray (D-Pa.) served as majority whip in the early 1990s.

Rep. Rahm Emanuel (D-Ill.), the architect of the Democratic takeover of the House, will take the No. 4 spot in the leadership, chairman of the House Democratic Caucus.

On the GOP side, House Speaker Dennis Hastert (R-Ill.) has announced he won't remain in the GOP leadership. That sets up a race for House minority leader between the current No. 2 Republican, Rep. John Boehner of Ohio, against Rep. Mike Pence of Indiana, chairman of the conservative Republican Study Committee. Pence argues that Republicans lost the Congress because "we lost our way." Similarly, Boehner contends that "the Democrats didn't win the election, we lost it." Both have promised to lead a return to the principles of limited government.

Georgia Republican Rep. Jack Kingston of Savannah is seeking the chairmanship of the House Republican Conference, which develops the party's national congressional strategy. The position currently is held by Rep. Deborah Pryce of Ohio, who is still awaiting the results of her re-election bid.

The Democratic House leadership elections are scheduled on Thursday, the Republicans' on Friday.

Senate leadership

Democrats will select Sen. Harry Reid of Nevada to be the Senate majority leader in the new Congress on Tuesday. Sen. Dick Durbin (D-Ill.) is expected to remain in the No. 2 spot as whip. Sen. Byron Dorgan of North Dakota will remain chairman of the Democratic Policy Committee and Sen. Charles Schumer of New York, the top strategist in the Democrats' Senate takeover, will serve another term as chairman of the Democratic Senatorial Campaign Committee.

Senate Republicans will pick their leaders Wednesday, and Sen. Mitch McConnell (R-Ky.) is unopposed to become the GOP leader, succeeding Bill Frist of Tennessee, who is retiring. Sen. Lamar Alexander (R-Tenn.) says he has enough commitments to win election as Senate minority whip, the No. 2 post. But Sen. Trent Lott of Mississippi, who lost the GOP leadership post to Frist, has been calling colleagues to assess support for a comeback.

Setting Aside Differences (WSJ)

By Sarah Lueck, David Rogers

The Wall Street Journal, November 13, 2006

WASHINGTON -- Congress returns today for a lame-duck session that may also test the wings of the Democratic majority taking over in January.

Republican leaders, still in power, faced a mountain of work unfinished when members left town to campaign. Amid postelection promises of bipartisanship, the coming weeks are an opportunity for the parties to show a willingness to put aside past power struggles and work together.

House and Senate leadership elections this week could yet be influenced by this same pressure, and House Democratic Leader Nancy Pelosi (D., Calif.) surprised many last night by publicly endorsing Rep. John Murtha (D., Pa.) to take her place when she moves up to be the new speaker next year. A Marine veteran of Vietnam, Mr. Murtha has been an outspoken critic of President Bush's Iraq strategy. But the 74-year old lawmaker was a strong ally of the president's father during the first Gulf War, and as someone with a long history of trading votes with Republicans on the House floor, Mr. Murtha could be an asset to an otherwise largely liberal leadership team.

The president, after the setbacks in last week's elections, has his own stake in making progress during the session. This evening, the House will take up a Vietnam trade bill that Mr. Bush hopes to take to Hanoi when he leaves tomorrow for a summit of Asia-Pacific rim leaders. He also wants Congress to return after Thanksgiving to complete confirmation of Robert Gates, his nominee for defense secretary, whose hearings before the Senate Armed Services Committee begin the first week of December.

Mr. Gates's nomination to succeed departing Defense Secretary Donald Rumsfeld has been generally well received, but bipartisanship will have its limits in the White House effort to win Senate approval for John Bolton to continue as ambassador to the United Nations. He has served in a recess appointment that expires when Congress adjourns, no later than January, and a fight is brewing over whether to keep or replace him.

The added time needed to deal with these issues opens the possibility Congress may reach a compromise on major unfinished appropriations bills for the fiscal year that began Oct. 1. There is a $5.5 billion gap between the Senate and House bills, but resolving the issue is a shared goal for the administration and Democrats, who would like to clear the decks before taking over next year.

Toward this end, the House will vote to extend to Dec. 8 a stopgap funding resolution that has kept the government operating since last month. The Senate is prepared to act quickly, too, and start talks on a bill funding veterans' medical care as well as housing and health-care for military families.

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Lawmakers also will test the waters on several stalled business-backed items that have bipartisan support. The House just Friday added to its schedule tonight a vote on a Senate-passed bill backed by biomedical companies and university researchers that would make it easier to prosecute animal-rights activists whose protests lead to property damage and personal injury.

Separately, biotechnology and venture-capital firms have hopes for authorization of a $1 billion fund to encourage the development of new vaccines and treatments for illnesses such as anthrax and smallpox. Republican and Democratic Senate aides met last week to hammer out differences on the bioterrorism bill, backed by Sens. Edward Kennedy (D., Mass.) and Richard Burr (R., N.C.). The proposal, a version of which already passed the House, stalled amid objections from some Democrats, but now it has been added to Senate Democratic leader Harry Reid's list of priorities for the lame-duck session.

On the tax side, high-tech companies and major manufacturers such as Boeing Co. are pressing for renewal of a research-and-development tax credit that was set aside in the Republicans' pre-election drive to cut federal estate taxes. The R&D tax credit, which would be increased and extended through 2007, is part of a larger $39 billion package of popular tax breaks, such as college-tuition deductions. And the Internal Revenue Service, preparing its 2006 tax forms, needs answers soon on whether they will be extended.

Eric Ueland, a top aide to Senate Majority Leader Bill Frist (R., Tenn.) said he "wouldn't rule out" the possibility that some members will want to try again to pass a permanent cut in the estate tax, slated to jump back up after 2010. The potential is there for a bipartisan compromise, albeit with a smaller reduction than what Republicans have offered thus far. But the estate tax is still such a sensitive issue for liberal Democrats that it would be very difficult in the time remaining to strike a deal.

Mr. Ueland said staying into December could revive hopes of completing Senate action on a nuclear-power pact with India. But just to get the Vietnam trade bill through the Senate before the president leaves for Asia tomorrow will require Mr. Reid of Nevada to corral his Democratic members. Other matters are so contentious that the soon-to-be-majority will simply use Senate procedures to block consideration until it is in power in January.

For example, President Bush reiterated last week that he wants Congress to give him the authority to conduct warrantless wiretapping of terrorism suspects. But Democrats have lodged strong objections to the proposal.

The stiffest fight may center on the Bolton U.N. nomination if Mr. Bush presses it. Democrats say Mr. Bush should alter course and nominate someone less hard-charging and with greater finesse in handling sensitive diplomatic matters. Making the rounds of Sunday talk shows, White House Chief of Staff Josh Bolten, however, showed no sign of backing down.

"He has done a terrific job there," Mr. Bolten said on CNN's "Late Edition." "He has helped lead the U.N. Security Council to good resolutions on Lebanon, on North Korea, a variety of other issues. So he has actually been a very effective U.N. ambassador and I think the country is well-served to have him where he is."

Some on Capitol Hill, though, appear unpersuaded. Sen. Lincoln Chafee (R., R.I.), whose vote would most likely be needed to move the nomination out of the Senate Foreign Relations Committee, last week told reporters in his state that he wouldn't support Mr. Bolton in the lame-duck session. Sen. Joseph Biden (D., Del.) who is expected to head the committee in the new Congress yesterday called for the White House to withdraw the nomination.

"There's a lot of competent people," Mr. Biden said on ABC's "This Week." "Send someone new up, Mr. President...He's going to lose."

To be sure, the House is an easier place for the Republican leadership to score political points on the way out the door. Speaker Dennis Hastert's office suggested that looking ahead to 2008, Republicans may decide they would benefit from another round of voting on warrantless wiretapping or making Mr. Bush's tax cuts permanent.

But if the new Congress is as open as Democrats promise, partisan political points may be less important than being able to build effective bipartisan coalitions.

In their own leadership races this week, the greatest focus among House Republicans appears to be in the race for the whip post now held by Rep. Roy Blunt. The Missouri Republican, who flirted with stepping down at one point, faces a conservative challenge from Rep. John Shadegg (R., Ariz.), and if Mr. Blunt falters in his race, his deputy, Rep. Eric Cantor (R., Va.), could yet emerge as a younger alternative able to reach out to Democrats.

Ms. Pelosi's public endorsement raises the stakes in what many in Washington had dismissed as an improbable race by Mr. Murtha against Rep. Steny Hoyer (D., Md.), the current Democratic whip and a more seasoned member of the leadership.

Her letter shows her loyalty to a man who has backed her rise in the leadership -- and against Mr. Hoyer. "I respect her decision as the two are very close," Mr. Hoyer said, still confident he will win.

But the release of the letter will also influence freshmen Democrats coming to Washington this week for the caucus elections. Friday, Mr. Hoyer claimed support from 21 freshmen, and by countering with Ms. Pelosi's endorsement, the Murtha camp chose to play its ace in hopes of reversing this tide. It could be a costly move for Ms. Pelosi, but it also suggests the race could be a lot closer than Mr. Hoyer's camp has said.

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GOP Pressed On Offshore Drilling Limits (AP)

By H. Josef Hebert

AP, November 12, 2006

The Democrats' return to power is increasing pressure on House Republican leaders to accept a limited expansion of offshore oil and gas drilling.

Supporters of such exploration say the next Congress, with Democrats in control come January, probably will not tamper with the long-standing drilling bans that have protected most coastal waters for a quarter-century.

A stubborn standoff has festered for months between the House and Senate over developing more of the oil and gas resources in the Outer Continental Shelf. The dispute is expected to be an issue in the final days of the Republican-run Congress this week when lawmakers meet in a lame-duck session.

The proposal is of great importance to Louisiana and three other Gulf Coast states. They stand to reap hundreds of millions of dollars under changes to the way the government shares royalties from oil and gas taken from the Gulf of Mexico.

House Republicans pushed through a bill that would open coastal waters for drilling everywhere unless a state objects. That essentially would end a ban on such drilling that Congress has imposed annually for the past 25 years in most areas outside the western Gulf.

Even drilling supporters said there was no chance that measure can pass the Senate, which has approved a compromise: opening 8.3 million acres in the east-central Gulf, no closer than 125 miles of land, and leaving other areas alone.

House Republicans, however, have refused to consider the Senate version — until now, after last week's election that drove the GOP from power. Among the incumbents who lost was one of the leading cheerleaders for the broader House bill, Rep. Richard Pombo, R-Calif. He is chairman of the House Resources Committee, which developed the measure.

House leaders have not said whether offshore drilling will come up this week, but pressure to do so has mounted.

President Bush said he wants the issue on the agenda. Senate GOP and Democratic leaders want the House to pass their bill and send it to the White House. A broad coalition of industries that depend heavily on natural gas has urged approval now of the Senate's plan.

The Senate bill would begin sale of leases in the 8.3 million acre area within a year. Actual production probably would not start for several years after that.

"This is not a choice between two bills ... but between getting something done or doing nothing at all. The time has run out on compromise," said the Consumer Alliance for Energy Security, an industry group that includes energy and timber companies, chemical makers and manufacturers.

"We're sending a message as strong as we can. We're pushing them very hard to get it done," said Jack Gerard, president of the American Chemistry Council. He says more domestic production is needed to drive down natural gas prices.

The legislation dramatically would shift how the government shares royalty from offshore oil and gas production. Louisiana, Mississippi, Alabama and Texas would get a substantial windfall.

The House bill eventually would give as much as three-fourths of royalties collected by the government to any state that allows offshore drilling.

The Senate bill would increase royalties for Louisiana, Mississippi, Alabama and Texas from less than 2 percent to 37.5 percent. In 2017, this royalty share would apply to all oil and as produced in the Gulf, not just from the 8.3 million acres newly opened.

Louisiana expects eventually to get an annual flow of more than $650 million a year, compared with about $32 million now from production in state-controlled waters, according to the state's congressional delegation.

Sen. Mary Landrieu, D-La., says the additional money is needed to restore the Gulf Coast. Its barrier islands, wetlands and levees were ravaged by storms, including Hurricane Katrina.

"This is to provide a reliable stream of revenue so that the Gulf Coast states can secure an independent source of revenue to build these levees and restore this coastline," she said in an interview.

She fear that if the measure is not passed now, its chance of becoming law is slim.

Aside from Landrieu, few Democrats have shown much interest in broadening offshore oil production. Even limited expansion in the east-central Gulf worries many lawmakers; they see it as a step toward lifting the long-standing drilling ban in East and West Coast waters and off Florida's Gulf Coast.

Rep. Nancy Pelosi, D-Calif., in line to be House speaker next year, strongly opposes lifting the drilling bans. She also has expressed concern about the revenue sharing provisions, although she has given guarded support to the Senate bill.

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Other lawmakers, including Sen. Jeff Bingaman, D-N.M., who will head the Energy and Natural Resources Committee next year, oppose the royalty changes. They say money collected from oil and gas taken from federal waters should stay in Washington.

Don't Force An Energy Bill (NYT)

The New York Times, November 13, 2006

President Bush's call for the lame duck Congress to pass pending "bipartisan energy legislation" before it leaves Washington forever is a very good example of why the House and Senate should limit their work in this final session to as few measures as possible. Congress needs to pass the budgets it failed to get done before the elections. And since no time should be lost in the Bush reassessment of Iraq, the Senate should consider the nomination of Robert Gates to be defense secretary.

And that should be the extent of the agenda.

The energy bill Mr. Bush apparently had in mind is in fact two bills, one in the Senate and another in the House. Both would authorize increased offshore drilling for oil and natural gas. But there are huge differences between them.

The Senate bill, co-sponsored by Mary Landrieu, Democrat of Louisiana, is a narrowly drawn measure that would open a section of the Gulf of Mexico to oil and gas exploration and use part of the royalties to help rebuild Louisiana's battered wetlands and barrier islands. This page, setting aside earlier misgivings, has supported her bill because of its limited scope and its demonstrably worthy environmental objectives.

The House bill, by contrast, is a broad, mischievous and badly conceived piece of work sponsored by Richard Pombo, Republican of California, that, in a stroke, would lift a long-standing federal moratorium on oil and gas drilling along the entire American coastline. The bill has been vigorously opposed by most state governors from Maine to California.

There has always been a danger that the two bills would go to a conference committee where — the Senate's assurances notwithstanding — the usual horse-trading would produce a bad bill much along the lines of the House measure. That danger may now be greater. Mr. Pombo's defeat in last Tuesday's election raises the distinct possibility that he will make one last desperate effort to help his friends in the oil and gas industry before he retires into well-earned political obscurity.

The terrain during a lame duck session is notoriously treacherous. Our suggestion, therefore, is that Congress take a deep breath and postpone any energy legislation until next year. At that point, Ms. Landrieu, whose party will be in charge, can try again. Alternatively, she could work with other leaders to produce a true energy bill — a comprehensive measure that would also seek to reduce consumption by encouraging more efficient cars and alternative fuels. As Ms. Landrieu concedes, drilling is only part of the energy equation. That is especially true for a country that uses one-quarter of the world's oil while holding less than 3 percent of its reserves.

Several such bills have already been introduced in the Senate, with considerable bipartisan support. This is where Congress — and, one hopes, a newly receptive Mr. Bush — should put their efforts in the new year.

The Lame-Duck Congress (WP)

The Washington Post, November 13, 2006

ALAME-DUCK congressional session when both the House and Senate are about to change hands isn't, as a general matter, the right time to make important policy decisions. When it reconvenes this week, the 109th Congress should concentrate on finishing up the business of the 109th Congress -- primarily, passing the 11 remaining spending bills for the 2007 fiscal year, which started in October. The temptation for Republicans will be simply to approve a continuing resolution keeping this year's spending at 2006 levels, leaving the new majority to make the tough choices when it takes over in January. But this would be an abdication of responsibility, forcing government agencies to limp along without knowing their final budgets. It would create a logjam for the new Congress, which will simultaneously have to be staffing up, dealing with the president's 2008 budget proposal and working on an expected emergency spending bill early next year.

Another pressing task should be to give the District of Columbia full voting rights in the House. The moment is right for this to happen, thanks in large part to the efforts of Rep. Thomas M. Davis III (R-Va.) and Del. Eleanor Holmes Norton (D-D.C.) to broker an agreement that would create a new seat in the District along with a new congressional district in Republican-leaning Utah. Utah Gov. Jon Huntsman Jr. has said he will call a special session of his state's legislature to create a new, at-large congressional district. This is a deal that would be fair to District residents without advantaging either party. We hope that President Bush, who appeared unfamiliar with the issue when he was asked about it at his news conference the other day, has been fully briefed and will be fully supportive.

There are other important items on the congressional to-do list -- as well as some that are "to-don'ts." Confirmation hearings and, if possible, a vote on the nomination of Robert M. Gates to become the new defense secretary would avoid delaying Mr. Gates's start in that important job. Congress should also approve normalization of trade relations with Vietnam in

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advance of the president's trip there this week and extend an expiring trade deal that provides benefits to key South American countries. The House has already approved a nuclear agreement with India; the incoming Senate Democratic leader, Nevada's Harry M. Reid, has put that item on his priority list as well, and the Senate ought to act on it. Having let slip through a provision setting a termination date for the inspector general for Iraqi reconstruction, Congress should pass a measure to fix this mistake.

Mr. Bush mentioned some other matters last week that would be better left for the new Congress. We would like to see carefully crafted legislation to provide a legal framework for the administration's warrantless surveillance program, but the measures that have been proposed so far go overboard in giving carte blanche to the administration. This is an important subject -- and one that ought to be taken up by the 110th Congress. Meanwhile, the president's last-ditch push to win confirmation of controversial U.N. Ambassador John R. Bolton during the lame-duck session isn't a particularly good omen of presidential willingness to compromise with Democrats. Mr. Bolton's nomination is a matter the White House would do better to drop, for the lame-duck session and beyond, if Mr. Bush is serious about that new tone he talked about the day after the election.

Blocked: Bye-Bye To Bolton? (NSWK)

Newsweek, November 13, 2006

Nov. 20, 2006 issue - The White House and the new Democratic majority in Congress are ready to play hardball. Already they are tussling over John Bolton, U.S. ambassador to the United Nations. President George W. Bush gave Bolton, an outspoken conservative, a temporary "recess appointment" to the U.N. post last year after Democrats and GOP moderates blocked his Senate confirmation. Bolton's interim job runs out at the end of the year, and minutes after the president's postelection lunch with presumptive House Speaker Nancy Pelosi, the White House asked the Senate to confirm Bolton permanently during a forthcoming lame-duck session. But Joe Biden, the Senate Democrats' incoming Foreign Relations chair, signaled that the Dems will continue to block Bolton—unless the administration turns over a set of ultrasecret National Security Agency intercepts that Bolton requested. Bolton said he needed to find out the names of Americans mentioned in them; Bolton's critics want to be sure he wasn't spying on subordinates.

GOP moderate Lincoln Chafee, who lost his Senate seat, also signaled his continuing opposition to Bolton, virtually guaranteeing the nomination will die in this Congress. To date, the administration has refused to give Dems the documents they want; three Capitol Hill officials, who asked for anonymity due to the sensitive subject, said Bolton's prospects will be even bleaker next year when Dems take over Senate control. The White House is currently standing by Bolton. But speculation is already circulating that he could be replaced by Zalmay Khalilzad, U.S. ambassador in Baghdad, or Paula Dobriansky, an under secretary of State.

Other Bush aides given recess appointments could face similar fates. At the Defense Department the temporary appointment of Peter Flory, an assistant secretary whose brief includes nonproliferation and Star Wars policies, also expires by the end of this year. Senate Dems blocked a vote on his confirmation last year, complaining that Flory had dealings in 2002 with Ahmad Chalabi's controversial Iraqi National Congress, and that the Pentagon was stonewalling Senate requests for documents. Other recess appointees who need Senate approval to keep their jobs beyond the end of next year include Julie Myers, head of Homeland Security's plainclothes investigation bureau; State Department refugee coordinator Ellen Sauerbrey, and C. Boyden Gray, U.S. ambassador to the European Union. Emily Lawrimore, a White House spokeswoman, said: "President Bush is encouraging members of the Senate to confirm these highly qualified individuals as soon as possible."

Bush Stands By Keeping Bolton As U.N. Ambassador Despite Opposition (WP/AP)

By John Heilprin

The Washington Post, November 13, 2006

President Bush will not relent in his defense of John R. Bolton, his nominee for U.N. ambassador, despite unwavering opposition from Democrats who view Bolton as too combative for international diplomacy, aides said yesterday.

The Senate's top Democrat said lawmakers have more pressing matters than Bolton to address in their lame-duck session before adjourning. "I think we should go to things that we can work together on," Sen. Harry M. Reid (D-Nev.) said on CBS's "Face the Nation."

But two of Bush's top advisers said that the White House is not backing down from pursuing Senate approval for Bolton to continue in the job.

White House counselor Dan Bartlett said Bolton has done a remarkable job. "He's proven the critics wrong on all the charges they've leveled against him," Bartlett said on "Fox News Sunday."

"I think if he actually was able to get a vote in the full Senate, he would succeed," White House Chief of Staff Joshua B. Bolten said on ABC's "This Week."

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Bush gave Bolton the job temporarily in August 2005, while Congress was in recess. That appointment will expire when Congress adjourns, no later than January.

The White House resubmitted Bolton's nomination on Thursday. Finding a replacement for Bolton would come at a sensitive time for the Bush administration. It is counting heavily on U.N. diplomacy to help confront North Korea and Iran over their nuclear programs and to end fighting in Sudan's Darfur region.

Last week, Sen. Joseph R. Biden Jr. (D-Del.), the incoming chairman of the Foreign Relations Committee, said he saw "no point in considering Mr. Bolton's nomination again."

And Sen. Lincoln D. Chafee (R-R.I.), who lost on Election Day, said he would not end his opposition to Bolton. That probably would deny Republicans the votes needed to move the nomination from the committee to the full Senate. Republicans now lack the 60 votes needed to force a vote.

Democrats said yesterday that Bush should alter course now and nominate someone less hard-charging, with greater finesse in handling sensitive diplomatic matters.

"There's a lot of competent people. Send someone new up, Mr. President," Biden said on "This Week." "He doesn't even have the votes in the committee. He doesn't even have the votes of a Republican-controlled committee today. We're going to have a hearing on him. There is going to be a vote on him. He's going to lose."

In the president's view, however, Bolton "has turned out to be a very effective representative at the U.N. and, in fact, has turned out to be something his critics expected him not to be," Bolten said. "He's turned out to be a good consensus builder, and it's been reflected on resolutions on North Korea, in Lebanon, in other ways."

Bolten played down speculation the administration might go around the Senate and find another way for Bolton to continue to represent the United States at the United Nations, perhaps by finding an alternative means of paying his salary or appointing him to serve as an acting or deputy U.N. representative.

"I don't know about that," Bolten said. "Our effort is going to be to try to get him confirmed in the ordinary course."

Bolton And Bipartisanship (WSJ)

The Wall Street Journal, November 13, 2006

So let's see. Democrats retake the Senate, and their first act of "bipartisanship" is to declare that they'll deny a confirmation vote to U.S. Ambassador to the U.N. John Bolton. And now, say the arbiters of Washington manners, President Bush is supposed to show his willingness to compromise by withdrawing Mr. Bolton's nomination.

If Mr. Bush obliges, he'll be taking a big step toward turning last week's GOP defeat into a rout. Mr. Bolton has performed in exemplary fashion as a recess appointee these last two years, winning plaudits from everyone except those who admire Kofi Annan and Hugo Chavez. He has followed State Department orders and argued forcefully for U.S. policy.

The opposition to Mr. Bolton is based on nothing save vindictiveness. Republican Lincoln Chafee, who would have lost his GOP primary without White House support and who finally did lose last week, now says he won't vote for Mr. Bolton though he had once supported him. Mr. Chafee is a mystery wrapped in a muddle even to himself. Democrats Chris Dodd and Joe Biden are trying to show that any political appointee who refuses to bend to their wishes can't be confirmed. They know other Democrats would vote to confirm Mr. Bolton if he made it to the Senate floor.

Having had one recess appointment, Mr. Bolton can't get another one and be paid. But he could retain his position and be paid if Mr. Bush names him to a non-confirmable post at State and then assigns him to the U.N. Ambassador's duties. Now, that's a compromise.

Carmakers Seek More Attention From Bush (USAT)

By Justin Hyde

USA Today, November 13, 2006

WASHINGTON — When the heads of Detroit's automakers finally meet with President Bush at the White House Tuesday, they will press for more recognition of their issues, from the rising cost of retiree health care to the advantages a weak yen gives the Japanese.

The three — General Motors CEO Rick Wagoner, Ford Motor CEO Alan Mulally and Chrysler Group CEO Tom LaSorda — also will attempt to draw distinctions between themselves and foreign automakers whose U.S. branches generate record profits. The meeting should “enhance the president's understanding of the importance of the domestic auto industry to the economic health of the United States,” General Motors Vice Chairman Bob Lutz said in a recent interview.

“What I'm looking forward to is just sharing with (Bush) the state of our industry and also talking about competitiveness going forward,” Mulally said Friday.

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All sides expect no firm commitments from the scheduled 45-minute session, which will include Treasury Secretary Henry Paulson and Al Hubbard, director of the National Economic Council.

White House spokesman Tony Snow said Friday that Bush plans to use the meeting to "reaffirm his support for the American auto industry." Snow said Bush also will thank them for their progress on flexible-fuel and hybrid vehicles.

The three topics that will likely dominate the meeting are health care, trade and energy. The automakers also are expected to share concerns about the yen's artificially low value, which helps Japanese firms' profits and hurts U.S. rivals.

Bush last met with the heads of Detroit's automakers in Michigan in 2003, as he canvassed the country to build support for his tax-cut package.

The last White House meeting was in 1997, when auto and union executives warned President Clinton that the Kyoto greenhouse gas reduction treaty could hurt their business.

Renewable Fuels May Provide 25% Of U.S. Energy By 2025 (WSJ)

By John J. Fialka

The Wall Street Journal, November 13, 2006

WASHINGTON -- A new Rand Corp. study showing the falling costs of ethanol, wind power and other forms of renewable energy predicts such sources could furnish as much as 25% of the U.S.'s conventional energy by 2025 at little or no additional expense.

A second renewable-energy report soon to be released by the National Academy of Sciences suggests wood chips may become a plentiful source of ethanol and electricity for industrial nations because their forested areas are expanding, led by the U.S. and China.

Because use of renewable fuels to replace oil and cut emissions of carbon dioxide is an area on which Congress's coming Democratic leadership and the Bush administration agree, the studies are likely to hasten efforts to increase production incentives next year, either in a new energy bill or a farm bill. (See related articles.1)

"We hope it will help policy planners rethink the context," said Reid Detchon, executive director of the Energy Future Coalition, a foundation-funded bipartisan group. The coalition sponsored the study by Rand, a nonprofit research group known primarily for defense studies.

The Rand study concludes that because prices for gasoline, natural gas and coal are likely to remain high, their cost advantage over renewables will erode, furthered by the hope that ethanol from farm wastes will be available by 2020.

Renewable fuels now produce only 6% of the nation's energy, and about half of that comes from hydroelectric dams. The study assumes renewable-energy costs will keep dropping at the rate of recent years. It says raising the use of renewables to 25% of all U.S. energy consumed would reduce U.S. reliance on oil by about 20% or the equivalent of the imports from Saudi Arabia and Venezuela. The study says the expected growth of energy-related emissions of carbon dioxide, thought to be artificially warming the atmosphere, would be cut by two-thirds over the next 19 years.

Rand researchers modeled more than 1,500 economic scenarios and found that in most cases, increasing the use of renewable fuels -- which don't enlarge the atmosphere's carbon-dioxide buildup -- would be cheaper than federal regulations forcing the reduction of carbon-dioxide emissions, about a third of which come from vehicles.

The study notes there has been "little systematic analysis" of the costs of renewable fuels. Much of the debate has consisted of optimistic projections by environmental groups and doubts expressed by some academic skeptics, who say that making ethanol from corn consumes nearly as much energy as it produces and could raise food prices. Ed Murphy, a group director for the American Petroleum Institute, said policy that assumes there will be substantial improvement in ethanol technology "could be foolish and costly."

The Rand study's cost estimates assume progress will continue on making ethanol from farm wastes, wood chips and other forms of biomass that are much cheaper and more plentiful than corn. Given the interest in so-called cellulosic ethanol, more than 100 companies from the agricultural, chemical and biotechnology sectors will begin a three-day meeting here today.

The study on the growth of forests says forests in 22 of the 50 countries with the largest wooded areas are growing. Destruction of forests in tropical nations, however, continues, with Brazil and Indonesia experiencing the greatest losses.

Write to John J. Fialka at john.fialka@wsj.com2

True Blue Populists (NYT)

By Paul Krugman

The New York Times, November 13, 2006

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Senator George Allen of Virginia is understandably shocked and despondent. Just a year ago, a National Review cover story declared that his "down-home persona" made him "quite possibly the next president of the United States." Instead, his political career seems over.

And it wasn't just macaca, or even the war, that brought him down. Mr. Allen, a reliable defender of the interests of the economic elite, found himself facing an opponent who made a point of talking about the problem of rising inequality. And the tobacco-chewing, football-throwing, tax-cutting, Social Security-privatizing senator was only one of many faux populists defeated by real populists last Tuesday.

Ever since movement conservatives took over, the Republican Party has pushed for policies that benefit a small minority of wealthy Americans at the expense of the great majority of voters. To hide this reality, conservatives have relied on wagging the dog and wedge issues, but they've also relied on a brilliant marketing campaign that portrays Democrats as elitists and Republicans as representatives of the average American.

This sleight of hand depends on shifting the focus from policy to personal style: John Kerry speaks French and windsurfs, so pay no attention to his plan to roll back tax cuts for the wealthy and use the proceeds to make health care affordable.

This year, however, the American people wised up.

True to form, some reporters still seem to be falling for the conservative spin. "If it walks, talks like a conservative, can it be a Dem?" asked the headline on a CNN.com story featuring a photo of Senator-elect Jon Tester of Montana. In other words, if a Democrat doesn't fit the right-wing caricature of a liberal, he must be a conservative.

But as Robin Toner and Kate Zernike of The New York Times pointed out yesterday, what actually characterizes the new wave of Democrats is a "strong streak of economic populism."

Look at Mr. Tester's actual policy positions: yes to an increase in the minimum wage; no to Social Security privatization; we need to "stand up to big drug companies" and have Medicare negotiate for lower prices; we should "stand up to big insurance companies and support a health care plan that makes health care affordable for all Montanans."

So what, aside from his flattop haircut, makes Mr. Tester a conservative? O.K., he supports gun rights. But on economic issues he's clearly left of center, not just compared with the current Senate, but compared with current Democratic senators. The same can be said of many other victorious Democrats, including Bob Casey in Pennsylvania, Sheldon Whitehouse in Rhode Island, and Sherrod Brown in Ohio. All of these candidates ran on unabashedly populist platforms, and won.

What about Joe Lieberman? Like shipwreck survivors clinging to flotsam, some have seized on his reelection as proof of Americans' continuing conservatism. But Mr. Lieberman won only through denial and deception, for example, by rewriting the history of his once-fervent support for the Iraq war and Donald Rumsfeld. He got two-thirds of the Republican vote, but managed to confuse enough Democrats about his positions to get over the top.

Last week's populist wave, among other things, vindicates the populist direction that Al Gore took in the closing months of the 2000 campaign. But will this wave be reflected in the actual direction of the Democratic Party?

Not necessarily. Quite a few sitting Democrats have shown themselves nearly as willing as Republicans to bow to corporate interests. Consider the vote on last year's draconian bankruptcy bill. Mr. Lieberman voted for cloture, cutting off debate and ensuring the bill's passage; then he voted against the bill, a meaningless gesture that let him have it both ways. Thirteen other Democratic senators also voted for cloture, including Joe Biden, who has just announced his candidacy for president.

The first big test of the new Democratic populism will come over reform of the 2003 prescription drug law. Democrats have pledged to repeal the clause in that law preventing Medicare from negotiating lower drug prices. But the fine print of how they do that is crucial: Medicare reform could be a mere symbolic gesture, or it could be a real reform that eliminates the huge implicit subsidies the program currently gives drug and insurance companies.

Are the newly invigorated Democrats ready to offer a real change in this country's direction? We'll know in a few months.

Return To Rubinomics? (WP)

By Sebastian Mallaby

The Washington Post, November 13, 2006

During their long years in the wilderness, Democrats lashed out against trade and globalization, even though denying the economic case for trade is like pretending that tax cuts pay for themselves. Now that they have won Congress, the Democrats must prove that they are more than the mirror image of their opponents. This means reviving the pro-market centrism of the Clinton era -- a spirit that lives on in the form of the Hamilton Project.

The Hamilton Project is the brainchild of Robert Rubin, Treasury secretary under Bill Clinton. Rubin's great virtue was to be as free of ideology as is possible in politics and to recruit a team of clever pragmatists to work for him. Not every Cabinet secretary would choose an intellectual bulldozer as deputy -- particularly one with a talent for political incorrectness. But Larry Summers could get to the right answer faster than most people could get out of bed, and that's what Rubin cared about.

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Two years ago, Rubin teamed up with Peter Orszag, a laser-brained economist at the Brookings Institution. He no longer controlled the Treasury, but he persuaded a number of fellow Democratic grandees to finance a center for Rubinomics in exile; and Orszag served as policy director, commissioning a series of creative pragmatists to grapple with the nation's economic challenges. Anyone who laments the watery generalizations of the House Democrats' election platform should check out http://www.hamiltonproject.org/ . It is proof that Democrats do have sophisticated ideas. They just need congressional leaders to adopt them.

During the recent congressional campaign, Democratic candidates mostly had the right diagnosis and the wrong prescriptions. They saw that middle-class and poor Americans have not experienced wage gains during the past five years of growth, and they saw that families are one health crisis away from financial hardship. But the Democrats' remedies -- bashing Wal-Mart, railing against globalization -- offered little more than symbolism for the poor and middle class while promising damage to the economy.

The Hamilton people are just as ready to acknowledge that Americans are hurting. They note that the probability of an average family experiencing an income drop of half or more has jumped from 7 percent to 17 percent since the early 1970s; and that the average spell of unemployment has gone from 12 weeks to 16 weeks since the 1960s. But the Hamilton people have a better solution than protectionism.

Their first prescription is to encourage workers to save for themselves. A simple reform -- requiring companies to make enrollment in a retirement plan the default option -- would greatly boost savings, since many workers currently don't enroll not because they don't want to but because they don't get around to it: One series of experiments found that making participation the default boosted coverage for newly recruited low-income workers from 13 percent to 80 percent. A recent law facilitated automatic enrollment in 401(k) accounts but did not require it; and the law did nothing for the more than 70 million workers at companies that don't offer pension plans but that could nonetheless enroll workers in IRAs.

The Hamiltonians also advocate reform of government savings incentives. The current system of tax deductions favors the rich, because deductions are worth most to people in the highest tax brackets. A janitor who saves a dollar gets no help from the government, whereas a chief executive who saves a dollar gets a 35-cent tax subsidy. The Hamiltonians would replace this upside-down system with tax credits that are worth the same to everyone, irrespective of their tax bracket.

The Hamiltonians also have ideas on unemployment insurance. The existing system is designed to protect workers who lose jobs, though in practice eligibility restrictions ensure that only one in three gets covered. It is not designed to help workers who find new work at a much lower wage -- even though the resulting hardship lasts longer. So why not create a new borrowing mechanism to help workers get through temporary layoffs, and use the savings to provide government insurance to workers who suffer acute wage losses?

In keeping with the Rubin pragmatism, some Hamiltonian ideas violate Democratic shibboleths. One paper demonstrates that teacher quality has nothing to do with whether a teacher is certified and argues that school principals should have the freedom to fire ineffective junior teachers -- which would not thrill the teachers unions. But nearly all the Hamilton proposals have three things in common. They would reduce the inequality that Democrats emphasized on the campaign trail. They would not bust the budget. And they would promote economic growth. If the political system can't make use of ideas that tick all these boxes, there is something desperately wrong with it.

Democrats: Identify Pork Sponsors (USAT)

By Peter Eisler, Kathy Kiely

USA Today, November 13, 2006

WASHINGTON — Democrats aim to open the next Congress in January with a new rule that identifies lawmakers who use legislative “earmarks” to help special interests — a change Republicans promised but didn't implement.

House Democratic leader Nancy Pelosi said her first agenda item after being elected House speaker will be a vote to require sponsors of earmarks to be identified. Currently, lawmakers can remain anonymous in sponsoring an earmark, which is language in a bill that directs funds or tax benefits to a business, project or institution.

“There has to be transparency,” the California congresswoman told USA TODAY last week. “I'd just as soon do away with all (earmarks), but that probably isn't realistic.”

Pelosi said some earmarks “are worthy,” and they can be a legitimate way for Congress to force fiscal priorities on the White House.

House Republican leaders adopted a disclosure rule in September, but no earmark sponsors have been identified under the rule because it effectively exempted bills that dictate spending for 2007.

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Congress begins a lame-duck session today to consider unfinished 2007 appropriations bills. Those bills could give members another chance to insert anonymous earmarks. Regardless, the Republican rule expires at year's end, so Democrats would have to pass their own disclosure requirement.

Earmarking has drawn complaints from groups such as the National Taxpayers Union that say anonymity encourages wasteful spending. Conservative groups and some GOP lawmakers, such as Sen. John McCain, R-Ariz., have said Republicans' failure to bring accountability to the process helped fuel the party's losses last week.

David Keene, chairman of the American Conservative Union, cited earmark disclosure as one of several “needed reforms” that Republicans should back in the new Congress. “We hope that the party in which most of us have invested our trust will learn the right lessons” from the elections, he said.

Last month, a USA TODAY investigation found that many special interests got earmarks after hiring lobbyists who were relatives of lawmakers or staffers affiliated with the House and Senate appropriations committees.

According to the Congressional Research Service, the number of earmarks in appropriations bills has tripled in the past decade to about 16,000. One famous example was an earmark that set aside millions for a “bridge to nowhere” — a span over a remote Alaskan waterway to a sparsely populated island.

“You can't have bridges to nowhere for America's children to pay for,” Pelosi said. “Or if you do, you have to know whose it is.”

Speaker-to-be Is No Stranger To Earmarking (LAT)

By Noam N. Levey And Richard Simon

The Los Angeles Times, November 13, 2006

WASHINGTON — When the House passed a massive spending bill last November, Democratic leader Nancy Pelosi made sure her constituents knew what they were getting.

"Pelosi Secures $115 Million for San Francisco Transportation, Housing, Science and Arts," she proclaimed in a news release.

It wasn't an unusual announcement. Like many of her colleagues in Congress, Pelosi for years has celebrated bringing home the bacon to her district.

But now — as Pelosi prepares to take over the House after an election in which scandal helped drive Republicans from power — she is promising changes to the controversial practice of earmarking.

Earmarks are spending provisions dropped into bills — often anonymously, at the last minute and without public scrutiny. They were at the center of several high-profile scandals that undermined the GOP this year, when earmarks benefited special interests.

Pelosi has not been linked to any impropriety. And not all the federal funding Pelosi boasts about came from earmarks. But the presumed new House speaker has proved a champion practitioner of the earmarking process over the years.

During the last congressional session, her district received far more earmarks than a typical district, according to Taxpayers for Common Sense, a nonpartisan watchdog that tracks congressional spending.

Pelosi has helped direct tens of millions of dollars to subway and bridge projects in San Francisco. She has secured money to restore a historic schooner and convert the old San Francisco Mint into a history museum.

Citizens Against Government Waste, a critic of such "pork-barrel" spending, has calculated that Pelosi's district received nearly $31.3 million through earmarks in the last two fiscal years.

Among the biggest earmarks identified by the group were $5.6 million for the UC San Francisco neurology department and $4 million for Hunters Point Naval Shipyard. Both were inserted into the 2006 defense spending bill.

Three years ago, the San Francisco Chronicle reported that Pelosi had secured $1 million for the University of San Francisco's Leo T. McCarthy Center for Public Service and the Common Good, which was started by her longtime advisor and campaign treasurer.

At the time, the 10-term congresswoman from California's 8th District said the center had received the funding on its merits.

Pelosi has defended her earmarking, including at a news conference in March. "There are many earmarks that are very worthy," she said. "All of mine, as a matter of fact."

And she has reaped the rewards. San Francisco's largest newspaper has extensively covered the millions of dollars in federal money she has helped bring home.

Pelosi says there is a distinction between earmarks for public projects, which she defends and are typically publicized, and those she calls "special-interest earmarks."

"It is the special-interest earmarks that are the ones that go in there in the dark of night that they don't want anybody to see, and that nobody does see, and that are voted upon," she said in March.

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Special-interest projects, which helped fuel several recent congressional scandals, are often anonymously slipped into spending bills by lawmakers at lobbyists' behest.

Pelosi's approach to the issue is certain to come under renewed scrutiny. In one of her first acts as speaker, she has pledged to crack down on earmarking.

"I would just as soon do away with all of them," she told reporters this week.

This year, Pelosi was among those who assailed Republicans' use of the practice.

And when the House adopted a rule in September requiring authors of some, but not all, earmarks to be identified, she called it a "political gimmick to make it look as if something is happening."

The current Democratic proposal would not prohibit earmarks, but it would expand the requirement to identify earmarkers.

"It won't take long for the American public to realize that Nancy Pelosi and company were all talk and no action on earmark reform," said Kevin Madden, a spokesman for House Majority Leader John A. Boehner (R-Ohio).

"Pelosi has been one of the biggest proponents and beneficiaries of pork spending."

Pelosi spokeswoman Jennifer Crider dismissed the criticism, promising that under Pelosi's leadership earmarks would not be abused as she said they were under the Republicans.

But budget watchdogs, who decried the GOP majority's use of earmarking over the last 12 years, are watching warily.

When a group of them sent Pelosi a letter last week noting that they were encouraged by her "stated support for real earmark reform," they closed with a warning: "We hope you and your colleagues will show the same dedication to enacting these reforms in the majority as you did to promoting them in the minority."

Reid Pledges Earmark Reform, But May Benefit (LAT)

By Chuck Neubauer And Tom Hamburger

The Los Angeles Times, November 13, 2006

WASHINGTON — Incoming Senate Majority Leader Harry Reid vows to make reform of congressional earmarks a priority of his tenure, arguing that members need to be more transparent when they load pet projects for their districts into federal spending bills.

But last year's huge $286-billion federal transportation bill included a little-noticed slice of pork pushed by Reid that provided benefits not only for the casino town of Laughlin, Nev., but also, possibly, for the senator himself.

Reid called funding for construction of a bridge over the Colorado River, among other projects, "incredibly good news for Nevada" in a news release after passage of the 2005 transportation bill. He didn't mention, though, that just across the river in Arizona, he owns 160 acres of land several miles from proposed bridge sites and that the bridge could add value to his real estate investment.

Reid denies any personal financial interest in his efforts to secure $18 million for a new span connecting Laughlin with Bullhead City, Ariz.

"Sen. Reid's support for the bridge had absolutely nothing to do with property he owns," said Rebecca Kirszner, Reid's communications director. "Sen. Reid supported this project as part of his continuing efforts to move Nevada forward."

But some Bullhead City property owners and local officials say a new bridge will undoubtedly hike land values in an already-booming commuter town, where speculators are snapping up undeveloped land for housing developments and other projects. Experts on congressional spending say Reid's earmark provides yet another sign of the need for reform.

"It's a really bad idea for lawmakers to earmark projects when they have a financial interest that could in any way be affected by it," said Norman Ornstein, coauthor of "The Broken Branch" a recent book that examines earmarking and other practices.

Ornstein said he did not have enough information to fully evaluate the Reid deal. But, he said, "we already have too many examples — including a number of Southern California representatives — who are very directly using this process to enrich themselves."

Said Steve Ellis, vice president of Taxpayers for Common Sense, a nonpartisan watchdog that tracks congressional spending, "Unwittingly, the taxpayer may have helped inflate the value" of Reid's property.

Earmarking allows congressional leaders, committee chairs and other insiders to insert narrowly targeted spending orders into pending legislation without going through the normal budget review process. Members of both parties defend earmarking as a way for Congress to get attention for local concerns when executive-branch agencies are unresponsive.

Earmarking was at the heart of the case against former Rep. Randy "Duke" Cunningham (R-Rancho Santa Fe), now in prison for using his congressional seat to secure federal funding for individuals who provided him personal benefits. It was also the basis for much of the wealth amassed by criminal lobbyist Jack Abramoff, who referred to the appropriations committee as "the favor factory."

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Reform has been difficult to achieve in part, critics say, because leaders of both parties encourage earmarking to build popularity at home and power among fellow Congress members.

Reid is not the only powerful member known to use the practice. Incoming House Speaker Nancy Pelosi, a former appropriations panel member, has used earmarks prodigiously.

The minority leader of the new Senate, Mitch McConnell (R-Ky.), is an active earmarker, as is current Speaker J. Dennis Hastert (R-Ill.), who last year secured funding for a highway interchange near property he owned outside Chicago. (He too has claimed there is no connection between his earmarks and personal land holdings.)

Last week, when Reid's status rose as Democrats took control of the Senate after the midterm election, the senator promised, like Pelosi, to make earmark reform a top priority when party members caucused.

"With Democrats running Congress, we are in a much better position to achieve real transparency and openness," said Kirszner.

In earlier years, Reid has boldly claimed credit for getting earmarks for his constituents. Last year, he boasted of securing $300 million in earmarks in the transportation bill.

When pressed about his position on earmarks in an interview on public television in January, Reid acknowledged abuses, but added: "There's nothing basically wrong with earmarks. They've been going on since we were a country."

Actually, earmarks have skyrocketed in recent years, from 1,439 in 1995 to 15,268 last year, according to a Senate estimate.

The proposed bridge between Laughlin and Bullhead City was not on the priority list sent to local members of Congress by either the Nevada or Arizona transportation agencies.

But beginning in 2003, local supporters of the bridge — which would be the second span connecting the two towns — found a receptive audience when they approached some members of the Nevada and Arizona congressional delegations. Civic leaders argued that an additional bridge was needed because traffic on the existing connector bridge, on the northern edge of Bullhead City, had become overwhelming.

Laughlin consists mainly of casinos and hotels, and has little housing or shopping. Most of the casino workers live across the river in Bullhead City, which also has shopping and a hospital. Elected officials say both communities would benefit from a second bridge.

Reid's land, three to five miles from several proposed sites for the second bridge and near the local hospital, is undeveloped. New housing is springing up around it.

Acting on a request from the town of Laughlin, Reid, a member of the Senate Appropriations Committee's transportation subcommittee, in 2003 secured $500,000 for preliminary studies.

Last year, Rep. Jon Porter (R-Nev.), supported by Rep. Trent Franks (R-Ariz.), got $2 million for the bridge inserted into the House version of the transportation bill.

By the time Congress approved the $286-billion transportation bill, $18 million more in bridge funding had been added. Reid took credit in a news release for securing money that would kick the project into high gear. The bridge, still in the planning stages, is projected to cost $30 million to $40 million.

Arizona's two Republican senators voted against the entire transportation bill as pure pork.

Nowhere in Reid's statements about the project was any mention of his Bullhead City land holdings; he does list it on his Senate financial disclosure forms. He valued the Arizona land at $500,000 to $1 million in his most recent disclosure, which reported total assets of at least $2.2 million.

Reid's interest in the Arizona land dates back more than 20 years and, according to his staff, has been a long-running headache. He paid about $150,000 for 100 acres of the Bullhead City parcel, and his longtime friend Clair Haycock bought the remaining 60 acres for $90,000.

Californians who bought the property from the two in the early 1990s defaulted on a $1.3-million note and returned the land to Reid and Haycock.

In early 2002, Haycock sold out to Reid for $10,000, or about $166 an acre.

At the time, the Mohave County assessor valued the entire parcel at $339,620, or more than $2,000 an acre.

The low price resulted from Haycock's need to sell and Reid's lack of interest in buying, the two men said.

The investment "had been a losing proposition for about a decade running," Reid's staff said.

Haycock, who owns Haycock Petroleum Co. of Las Vegas, said in an e-mail that he needed to sell his share to liquidate a company pension plan, which owned the property.

He said in a statement that he "expected nothing from Sen. Reid" in return for selling him the property.

"Sen. Reid has never taken any official action to provide personal financial benefit to me, and I would never have asked," Haycock said.

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City and county officials say that land values have been rising in Bullhead City as developers and speculators discover the area.

"Once they build a bridge, values will go up," said Frank Capotosto of the Mohave County assessor's office.

"A new bridge will increase value because there would be better circulation, " said Pawan Agrawal, public works director and city engineer for Bullhead City.

"A lack of a bridge depresses our growth."

California businessman Ken Renfroe recently bought property near Reid's that he intends to develop in five years or so. He believes that a new bridge will increase property values.

"I am sure it has already had a positive influence," he said of the proposal.

He paid $240,000 for 37.52 acres, an average of $6,396 an acre, records show.

Some other local real estate owners, however, question whether the bridge would increase land values.

Reid's office referred inquiries about land values to developer Robert Bilbray, a Reid supporter who works in the LaughlinBullhead City area.

Bilbray disputed the notion that Reid could stand to gain from the bridge construction.

Site plans have not been finalized, he said, and some proposed locations could decrease Reid's property value.

"The concept that Sen. Reid's property in Bullhead City, Ariz., will gain in value from another bridge between Bullhead City and Laughlin is ludicrous," he said.

'There Is No Reason To Wait' (USAT)

By Pete Stark

USA Today, November 13, 2006

Democrats won both houses of Congress last Tuesday because Americans supported our pledge to change direction on several major issues, including the Medicare Part D prescription drug benefit.

There is no reason to wait. True, it is a complex problem, and 100 legislative hours is less than three weeks.

Consider, however, the middle-income senior who suddenly hits the "doughnut hole" and must come up with $2,850 in out-of-pocket cash for a drug to ease his or her cancer burden. For that person, quick congressional action might save a life.

I believe we must start work immediately to improve this incomprehensibly complicated plan, which overpays and deregulates private plans to the detriment of the beneficiaries and taxpayers.

The same Republicans who certified its cost as $400 billion over 10 years, knowing the true figure was north of $550 billion, generated some of the polls showing satisfaction with Part D.

Yes, premiums are lower than expected, not from market competition, but from massive Medicare subsidies to the insurance industry. With less than 3% overhead, universal coverage and lower prices, a Medicare-run plan could offer true competition. Medicare payments for physicians and hospitals have created no noticeable increase in the bankruptcy filings by them in the past decade. Why immunize the pharmaceutical industry from competition?

The Republican administration never even tried to save money. It forbid any negotiation on price or availability of drugs at the behest of the pharmaceutical industry. We can do better.

Former Health and Human Services secretary Tommy Thompson, faced with the anthrax threat, took just over a month to negotiate a 50% reduction in the price of the drug Cipro. There is no reason that Medicare cannot do the same and provide a drug benefit similar to my Blue Cross benefit or the various plans offered to USA TODAY employees.

If not now, when?

Rep. Pete Stark, D-Calif., is the top Democrat on the House Ways and Means health subcommittee.

Pelosi On Drugs (WSJ)

By Alain Enthoven And Kyna Fong

The Wall Street Journal, November 13, 2006

Nancy Pelosi has promised that when the Democrats come into control of the House, they will repeal the ban preventing Medicare from negotiating directly with pharmaceutical companies, within the first 100 hours. She must expect that this legislation will bring down drug prices dramatically. In fact, it is not obvious that allowing the government to negotiate with pharmaceutical companies will lead to lower prices than those achieved by private drug plans. There are several good reasons that government negotiations may not decrease drug costs.

First, negotiations are a bargaining process. The relative balance of bargaining power determines at which price the deal is struck.

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People often confuse market power with bargaining power. The thinking goes, the larger the share of the market the buyer represents, the greater the bargaining power and thus the lower the prices negotiated. That line of reasoning fails with drugs, however, because the seller is frequently a monopolist so it cannot be threatened with replacement by a substitute. Instead, the only threat is exclusion from the market.

Rather than market share, a party's bargaining power is determined simply by its ability to say no, to walk away from the table without an agreement. Whether the government or a private drug plan has greater bargaining power is not clear. Which can walk away more easily and declare that some brand-name drug will not be covered on the formulary? Private plans like Kaiser or United are able to negotiate deep discounts with pharmaceutical companies precisely because of the plans' ability to say no -- the ability to include some drugs and to exclude others, allowing the market to judge the resulting formulary. On the other hand, when the government negotiates, its hands are tied because there are few drugs it can exclude without facing political backlash from doctors and the Medicare population, a very influential group of voters.

In fact, the government negotiating on behalf of Medicare beneficiaries may lead to some unintended adverse consequences. Since direct-to-consumer advertising is legal in the U.S., there is nothing preventing pharmaceutical companies from funding a torrent of advertisements for the "latest and greatest" drug, thereby creating a strong demand within the Medicare population for coverage of the drug. How firm can the government stand when negotiating for a drug being clamored for? This is not the sort of bargaining power that will lead to lower prices.

Secondly, by acting as one large buyer, the government will cause price discounts to become more expensive for pharmaceutical companies. In other words, the minimum price that the pharmaceutical company is able to accept increases. All else equal, this will lead to higher, not lower, prices. When private drug plans are negotiating individually with pharmaceutical companies, those companies have the power to "price discriminate," meaning they can charge lower prices to some drug plans and higher prices to others. This ability allows for large discounts. If Pfizer is able to give a deep discount to Kaiser without giving a similar discount to United, then it is less costly for Pfizer to give Kaiser that discount. If, however, Pfizer can give a deep discount to Kaiser only if the same discount is granted to all other Medicare drug plans, then the discount becomes very expensive.

Experience with the Medicaid best-price rule, passed as part of OBRA '90, provides both empirical and anecdotal evidence of price discounts becoming more expensive when buyers' discounts are forcibly linked together. The best-price rule states roughly that Medicaid will be granted a price for a drug that is the lowest price offered to any buyer of that drug. If that price is not low enough, Medicaid receives a fixed discount off the average price. In effect, the best-price rule transforms all private discounts negotiated between a pharmaceutical company and a drug plan into public discounts for Medicaid. Research by academics, along with a slew of anecdotal evidence reported in the press, suggests that after passage of the Medicaid best-price rule, the days of deep discounts to private drug plans have been numbered. Instead, for most drugs the dispersion in prices has declined significantly and the overall level of prices has increased. Even with products for which there are therapeutic substitutes available, price competition has become less intense.

All that aside, many will argue that, clearly, government negotiations lead to lower prices -- just look at Canada, or Britain, or France. True, those governments may obtain lower prices than the public pays in the U.S., but the real question is: Do those governments negotiate lower prices than what would be negotiated were smaller groups of buyers able to deal individually with pharmaceutical companies? Moreover, a great advantage that governments in other countries have over the U.S. government is the ability to control entry. Without direct-to-consumer advertising, citizens in other countries don't even hear about new drugs until the government has approved the drug and negotiated an amenable price. Interestingly, with the expansion of the Internet and unrestrained information flow, other governments have been facing new challenges. Earlier this year, a well-publicized legal battle brought by a U.K. woman against the NHS's decision not to cover Herceptin for early-stage breast cancer has compelled the NHS to reverse its original decision and to offer coverage for that drug.

Finally, there is the familiar economic argument that the market-determined price is the only fair price. How can the government determine what price is "fair," what price appropriately reimburses pharmaceutical companies for all their research and development efforts? How can the government determine what prices will encourage the right levels of future innovation? The government negotiating prices only leaves room for additional gains through political lobbying and campaigning, activities at which pharmaceutical companies have proven themselves rather adept.

Congressional Democrats need to be careful in making the logical leap from market share to bargaining power. Empowering the government to negotiate with pharmaceutical companies is not necessarily equivalent to achieving lower drug prices. In fact, neither economic theory nor historical experience suggests that will be the outcome. Members should think carefully before jumping on the bandwagon -- this promise may bring just the opposite of what was ordered.

Mr. Enthoven is a professor emeritus at the Graduate School of Business at Stanford, where Ms. Fong is a doctoral student in economics.

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Congress's Sci-tech Agenda To Shift Under Democrats (CSM)

By Peter N. Spotts

The Christian Science Monitor, November 13, 2006

For clues to whether bipartisan cooperation in Washington will take root or disappear from the table as quickly as the china after last week's get-acquainted lunches at the White House, watch how some key science and technology issues play out.

Ordinarily, broad science goals - such as better science education or the American Competitiveness Initiative - draw bipartisan support. But there are some divisive science topics on the Democrats' early agenda - namely embryonic stem-cell research - and these highly charged science and environmental issues will be one barometer of the durability of cross-aisle cooperation.

"If this stated spirit of bipartisanship is to occur, one of the best places to look is going to be in the area of science and technology," says Roger Pielke Jr., director of the Center for Science and Technology Policy Research at the University of Colorado at Boulder. "If it doesn't occur in science and technology, I wouldn't expect that it's likely to occur elsewhere."

The potential for fractiousness exists in a number of policy areas where the ideas of the new Democratic majority differ from those of Republican lawmakers or the Bush administration. Among them are funding for research into alternative-energy sources, what to do about global warming, the future of the space program, and charges that the Bush team has muzzled federal scientists and ignored scientific results in crafting environmental and public-health regulations.

Players who say they felt disenfranchised when GOP lawmakers dominated Capitol Hill view the Democrats' post- election ascension as an opportunity. Several environmental groups are slated to hold a joint press conference Monday laying out their collective agenda to address issues ranging from grazing on public lands and the state of national parks. They are expected to push for measures to curtail global warming that are tougher than the voluntary approaches the Bush administration has offered so far.

In the House, Democrats are identifying a series of hearings they want to hold that deal with these themes. In the Senate, Barbara Boxer (D) of California is slated to take the helm of the Senate Environmental and Public Works Committee. Last Thursday, in a briefing with reporters, she said she aims to draft legislation that contains elements of a California-like approach to curbing emissions of greenhouse gases. The state aims to cut greenhouse-gas emissions to 1990 levels by 2020.

The midterm election, which unseated several moderate Republicans, gave the GOP delegation a more conservative tone, analysts say. And several incoming Democratic freshmen take conservative positions on a number of issues.

Still, some environmental groups are optimistic that their issues will at least get a hearing. At best, they will find allies among the more-conservative freshmen.

"At least on some of the environmental issues - energy security, environmental health issues, even global warming - these are not always liberal versus conservative issues," says Karen Steuer, vice president for government affairs at the National Environmental Trust in Washington. "In the last Congress, we could frequently work in a bipartisan fashion [with individual Republican lawmakers] on a fair number of environmental issues." The barriers came at the doorstep of the GOP leadership, which "refused to bring our issues to the floor for a vote," she says. "We couldn't even get an honest debate and a vote."

With a presidential election only two years away, it may be unrealistic to expect large-scale changes in science or environmental policies, several analysts say. Instead, they continue, look for oversight hearings that are more robust.

One issue expected to receive more scrutiny involves what has come to be called the GOP's war on science. Inspectors general at NASA and the National Oceanic and Atmospheric Administration are investigating allegations that political appointees have tried to muzzle scientists whose views, based on their research, run counter to Bush administration policy. In other cases, critics charge that political appointees at regulatory agencies such as the Environmental Protection Agency have disregarded the best available science in crafting environmental regulations that are weaker than critics say they should be. Many states are in open revolt against the EPA's rules for emissions of mercury and particulates, for example, opting to set up their own tougher regulations.

Another area ripe for tighter oversight is NASA and the president's Vision for Space Exploration, adds Ray Williamson, with the George Washington University Space Policy Institute. In hearings before the House Committee on Science, lawmakers from both sides of the aisle have expressed support for the effort in general. But, he notes, they worry that the White House isn't giving NASA the money it needs to do the job without sacrificing other important activities.

Pelosi Backs Murtha For Majority Leader (AP-Y)

By David Espo

AP, November 13, 2006

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Rep. Nancy Pelosi, in line to become speaker of the House, stepped into a postelection power struggle among fellow Democrats on Sunday with a letter of support for Rep. Jack Murtha in the race to pick a majority leader.

"Your presence in the leadership of our party would add a knowledgeable and respected voice to our Democratic team," Pelosi, D-Calif., wrote Murtha. The Pennsylvania lawmaker is widely viewed as an underdog in a two-man race with Maryland Rep. Steny Hoyer in this week's leadership elections.

Murtha issued a statement saying, "I am deeply gratified to receive the support of Speaker Pelosi, a tireless advocate for change and a true leader for our party and our country."

Hoyer has been second-ranking in the Democratic leadership behind Pelosi the past four years. He issued a statement saying he was confident he would win the race.

"Nancy told me some time ago that she would personally support Jack. I respect her decision as the two are very close," Hoyer's statement said.

Pelosi and Hoyer have long been rivals within the party caucus, while she and Murtha are allies of long standing.

Murtha, a former Marine who is respected for his knowledge of defense issues, gained national attention last year when he said U.S. troops should be withdrawn from Iraq.

Murtha announced last fall he intended to run for majority leader if Democrats won control of the House, a pre-election jab at Hoyer at a time the Marylander was pledging support for Pelosi.

Both Hoyer and Murtha traveled on behalf of Democratic candidates during the campaign. Hoyer's office said he visited 82 congressional districts and raised or contributed $8.2 million to the party's candidates in the months leading to the elections. No comparable figures were immediately available for Murtha's efforts.

Since the election, Hoyer has released letters of support in the leadership race from senior Democrats as well as from more than half of the incoming lawmakers who won their seats last week.

In her letter, Pelosi began by noting that Murtha had requested her support. Noting his opposition to the war, she added, "Your leadership gave so many Americans, including respected military leaders, the encouragement to voice their own disapproval at a failed policy that weakens our military and makes stability in that region even more difficult to achieve."

One of Hoyer's supporters, Rep.-elect Baron Hill of Indiana, depicted Pelosi's letter as good news for the Maryland lawmaker. Hill said the letter was a statement of personal intent, adding, "She's not asking other members to vote for Murtha."

Pelosi Endorses Murtha As Next Majority Leader (WP)

By Jonathan Weisman

The Washington Post, November 13, 2006

House Speaker-to-be Nancy Pelosi (D-Calif.) endorsed Rep. John P. Murtha (D-Pa.) yesterday as the next House majority leader, thereby stepping into a contentious intraparty fight between Murtha and her current deputy, Maryland's Steny H. Hoyer.

The unexpected move signaled the sizable value Pelosi gives to personal loyalty and personality preferences. Hoyer competed with her in 2001 for the post of House minority whip, while Murtha managed her winning campaign. Pelosi has also all but decided she will not name the ranking Democrat on the House intelligence committee, Rep. Jane Harman (D-Calif.) to chair that panel next year, a decision pregnant with personal animus.

Pelosi had been outspoken about her frustration with Murtha's declaration that he would challenge Hoyer, currently the House minority whip, for the majority leader post long before Democrats had secured the majority. Many believed she would remain on the sidelines, just as Speaker J. Dennis Hastert (R-Ill.) did earlier this year when three Republicans vied for the post of House majority leader.

But in her first real decision as the incoming speaker, Pelosi said she was swayed by Murtha's early stance for a withdrawal of U.S. forces from Iraq. Her letter of endorsement yesterday made clear that she sees Iraq as the central issue of the next Congress and that she believes a decorated Marine combat veteran at the helm of the House caucus would provide Democrats ammunition in their fight against congressional Republicans and President Bush on the issue.

"I salute your courageous leadership that changed the national debate and helped make Iraq the central issue of this historic election. It was surely a dark day for the Bush Administration when you spoke truth to power," she wrote. "Your strong voice for national security, the war on terror and Iraq provides genuine leadership for our party, and I count on you to lead on these vital issues."

Murtha responded, "I am deeply gratified to receive the support of Speaker Pelosi, a tireless advocate for change and a true leader for our Party and our country."

Pelosi's decision could be a significant blow to Hoyer, who has worked for years to move up in the Democratic leadership. Political handicappers had regarded Hoyer to be the strong favorite when House Democrats meet Thursday to choose a majority leader for the 110th Congress. Although Murtha's stance on Iraq has made him a hero among many grass-roots party activists,

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his positions against abortion and gun control have pushed many House liberals into Hoyer's camp, including the leader of the Out of Iraq Caucus, Rep. Maxine Waters (D-Calif.).

Hoyer's camp counts 21 of the roughly 40 incoming freshman Democrats as committed supporters. Many freshmen believe the Democrats should stick with the team that brought them to the majority, said John Sarbanes, who was elected last week to represent central Maryland in the House.

Hoyer also has the strong support of many of the party's conservative "Blue Dog" Democrats, who worry about Murtha's involvement in the Abscam bribery sting in 1980 and what they see as his freewheeling style on the House Appropriations Committee, where he has openly advocated for the interests of his district and his political supporters.

Some of Hoyer's supporters put the best face on Pelosi's intervention, saying Murtha would not have asked for a public letter of support if his campaign were not in trouble.

"I don't think it's significant," said Rep. Dennis Cardoza (D-Calif.), a leading Blue Dog and Hoyer supporter. "Everyone already knew she was supporting Murtha. I don't think this will have much of an impact. Steny's going to win this fight."

But Murtha has garnered the support of some influential Californians close to Pelosi, including Rep. George Miller (D-Calif.), a liberal firebrand who will chair the House Education and the Workforce Committee.

In a statement, Hoyer said he remains confident he has the votes.

"Nancy told me some time ago that she would personally support Jack. I respect her decisions as the two are very close," he wrote. "I am grateful for the support I have from my colleagues, and have the majority of the caucus supporting me. I look forward to working with Speaker Pelosi as Majority Leader."

Another potentially fractious vote in the House Democratic Caucus was settled late last week when Rep. Rahm Emanuel (D-Ill.), the outgoing chairman of the Democratic Congressional Campaign Committee, decided against running for House majority whip. Rep. James Clyburn (D-S.C.), the only African American in the House Democratic leadership, had already announced his candidacy.

Emanuel instead will stand unopposed for the job Clyburn will vacate, House Democratic Caucus chairman. In his announcement, he appealed for party unity ahead of Thursday's leadership elections.

Supply Side Can Mike Pence Win? (WSJ)

By Stephen Moore

The Wall Street Journal, November 13, 2006

WASHINGTON -- If Rep. Mike Pence, the fourth-term Republican from Indiana, wins his bid this Friday for House minority leader, he will become the second most influential conservative in Washington, behind President Bush. The leadership contest, of course, does not take place in a vacuum. The congressional Republicans are engaged in a desperate search for a new revolutionary, a Newt Gingrich figure to help them rediscover who they are and what they believe in. One story about Mr. Pence suggests that he might just be the man:

"The president said, 'Mike, I really need your vote for my prescription drug bill," Mr. Pence recalls of his first-ever meeting in the Oval Office. "And I responded, 'With all due respect, Mr. President, I didn't come to this town to create new entitlements, but to rein in the ones we already have.'" A few days later, this wet-behind-the-ears sophomore congressman captained a conservative revolt that fell one vote short of killing the hugely expensive legislation.

That wasn't the first time this maverick bucked his party leadership and his president. His first spending vote in the House was against the No Child Left Behind education bill that the Bush White House still considers one of its crowning achievements. His reasoning: "Why are we federalizing schools and education?"

Neither of these incidents endeared Mr. Pence to Karl Rove or the Bush White House. But perhaps his principled stance is in need more than ever.

"My colleagues know that I have never hesitated to support this president when I thought that he was right even on difficult issues like the war," Mr. Pence told me in an interview last week. "But I have never hesitated to oppose vigorously and publicly when I thought that the policy of the Bush administration ran contrary to the principles of limited government." Translation: Expect some intraparty fireworks if Mr. Pence wins.

Mr. Pence believes that his party got trounced last week because of its embrace of what he derisively calls "big government Republicanism." He laments: "For the past four years there has been a growing sense among voters that Republicans, who had come to Washington, D.C. to shrink government, instead settled for an agenda of running government in a slightly less expensive way than the Democrats." (By the end, they weren't even doing that.) Returning Republicans to their Reagan roots is Mr. Pence's obsession. "I believe in my heart that the greatest scandal in Washington is runaway federal spending."

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The silver-haired Mr. Pence is most known as a free-market conservative who fought to make the Bush tax cuts bigger and the Bush spending smaller, and he relishes the idea of taking on the trade protectionism of the Democrats. On immigration, he rejects as economically wrongheaded the Pat Buchanan isolationism of the party. He wants a border security bill that includes expanded legal immigration and a system to allow illegal workers to go back home and secure a green card for re-admittance if they have a willing employer who will hire them.

The closed-border Republicans have screamed "amnesty" -- a policy Mr. Pence says he's "dedicated to preventing." It says a lot about his likeability and conservative credentials that even his highest-profile opponent on the immigration issue, Tom Tancredo, is a Pence supporter in the leadership race.

One complication for Republican leaders is that over the next two years a legacy-minded Mr. Bush might work to make bipartisan deals with a Speaker Nancy Pelosi -- on questions like minimum wage, health care and entitlement reform. Mr. Pence sees the House Republicans' game plan for winning back the majority as pretty much the opposite: to oppose such deals whenever they deviate from Reagan principles.

"The duty of the Republican minority as I see it is to contest and where possible defeat the liberal agenda of the Democratic Party and Speaker Pelosi," he stresses. "But I think that we will only defeat the Democratic agenda by presenting positive, substantive reforms based on Republican values for every major legislative initiative of the Democratic majority -- whether the issue is the economy, security or values." There's a definite spirit of combativeness, not cooperation -- thank God.

Mr. Pence seems to have corralled most of the support from major conservative voices, ranging from Rush Limbaugh to Paul Weyrich. John Berthoud, the president of the National Taxpayers Union, gushes: "Mike Pence is one of the few Republicans of late we could always depend on to take the principled position, not the K Street position." He adds, "He's the obvious choice. When you've got a Roger Clemens, you put him on the mound."

Not everyone sees Mr. Pence in that all-star light. The complaint on Capitol Hill is that he can be a self-promoter and a media hound. In America's most secure redoubt of egomania, the U.S. Congress, that often foments envy. Some of Mr. Pence's critics charge that for all his self-righteous anti-big-government talk, he voted "aye" for the mega-spending farm bill of 2002 to benefit his Indiana farmers. Mr. Pence's response: "I'm 99% conservative and 1% collectivist" -- though he does say one of his goals this year is a genuinely free-market farm bill.

His opponent in the leadership race, John Boehner of Ohio, is a conservative himself, and well-liked. He was majority leader this past year, and did an admirable and thankless job of cleaning up the House stables in the aftermath of the Tom DeLay and Jack Abramoff scandals. Mr. Boehner is a far better fundraiser than Mr. Pence. But still, he's not the new face many Republicans are searching for.

Here, the betting odds are with Mr. Boehner. It's tough to topple the incumbent party powers, though the members may want to remember that the first step toward winning control of the House in 1994 was voting out the old regime and putting in visionary leaders like Newt Gingrich and Dick Armey.

Can Mike Pence win? That depends on how many of his colleagues fully understand how much trouble they're in.

Mr. Moore is a member of the Journal's editorial board.

A GOP Unchanged (WP)

By Robert D. Novak

The Washington Post, November 13, 2006

The depleted House Republican caucus, a minority in the next Congress, convenes in the Capitol at 8 a.m. Friday on the brink of committing an act of supreme irrationality. The House members blame their leadership for their tasting the bitter dregs of defeat. Yet the consensus so far is that, in secret ballot, they will reelect some or all of those leaders.

In private conversation, Republican members of Congress blame Majority Leader John Boehner and Majority Whip Roy Blunt in no small part for their midterm election debacle. Yet either Boehner, Blunt or both are expected to be returned to their leadership posts Friday. For good reason, the GOP often is called "the stupid party."

While an unpopular Iraq war and an unpopular George W. Bush were primary causes of last Tuesday's Republican rout, massive public disapproval of the Republican-controlled Congress significantly contributed. While abandoning conservative principles, the spendthrift House had become chained to special corporate interests represented by K Street lobbyists.

This malaise is embodied in the avuncular speaker, J. Dennis Hastert, whose consistent response to accusations of failed leadership has been 20-minute lectures to closed-door party conferences pleading for Republican unity. As expected, Hastert is leaving the leadership now that the party is in the minority. But his departure leaves the other leaders in place, with their colleagues reluctant to turn them out.

That reluctance is typified by Rep. Eric Cantor, a 43-year-old third-term congressman from Richmond who has been his party's chief deputy whip for four years since being appointed by Blunt after only two years in the House. His voting record is

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solidly conservative, and he belongs to the conservative Republican Study Committee (RSC). At the same time, Cantor is well regarded in all sectors of the party, and members see him as the principled kind of rising politician that Republicans desperately need.

But Cantor is not seizing this post-election moment to seek an elected leadership position. On the contrary, he has been supporting Blunt for reelection as whip out of loyalty to his mentor and patron. Bright and able though he is, Cantor has drunk the Kool-Aid in viewing the Republican Party as a private club where personal loyalties must transcend all else.

Blunt, like Hastert, was handpicked for leadership by Tom DeLay, the dominant Republican in Congress until his politically inspired indictment in Texas last year. When DeLay resigned as majority leader, the party's lobbyist-connected establishment decision was to promote Blunt from whip to leader and make Cantor the whip. But with the feeling that some change was needed, Boehner defeated Blunt for the top job, and Blunt kept the second-ranking post. In fact, Boehner's ties to K Street are even stronger than Blunt's, and he seemed to lose interest in reform once he became majority leader.

Rep. Mike Pence, the chairman of the RSC and a leader of reform, is an underdog candidate opposing Boehner. Rep. John Shadegg, Pence's predecessor at the RSC, who finished third in the race for leader in February, is running uphill against Blunt for whip on a reform platform. The conventional wisdom on the Hill is that, at best, only one of them can win, because the Republicans would not dare elect two conservatives to the two top House leadership positions.

In fact, the voting records of Boehner and Blunt are nearly identical to those of Pence and Shadegg. The difference between them was demonstrated Thursday when Blunt went to the Heritage Foundation to campaign for his retention as whip. He delivered a defense of earmarking, echoing the House appropriators' claim that the elimination of earmarks would do "nothing but shift funding decisions from one side of Pennsylvania Avenue to the other."

That is the view that led Republicans to earmark a "Bridge to Nowhere" and hundreds of other projects in competitive districts, hoping it would save them on Election Day. The House has been a place where Rep. Don Young (a notorious Alaska porker) was setting national transportation policy, where the "cardinals" on the Appropriations Committee established earmarking records, where the pharmaceutical industry had a pipeline to party policy and where even Speaker Hastert was making personal profits on an earmark. Maybe that's what Republicans want to retain, even in the minority.

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In New Senate, The Middle Rules (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, November 13, 2006

For Democrats, who swept back into power in both the House and Senate last week, the pledge to govern in a bipartisan way may not be postvictory rhetoric. At least in the Senate, it's a mandate of the math.

While an effective 51-49 majority allows Democrats to organize the Senate - Joseph Lieberman of Connecticut and Bernard Sanders of Vermont ran as independents - it is still nine votes short of the 60 votes now needed to advance controversial bills on issues ranging from taxes to the Iraq war.

"Nothing can be accomplished in this town unless it's on a bipartisan basis," said Senate Democratic leader Harry Reid, after meeting with President Bush and Vice President Cheney at the White House on Friday.

"The only way the American people will know if President Bush is sincere, the Democratic Congress is sincere, is with results. And we're willing to give it a try," he added.

The terms of the Democrats' narrow victory make a politics of the center even more imperative. Most of the new Democrats in the Senate won by running as moderates or fiscal conservatives.

"They were carefully chosen not to reflect the liberal mainstream of the Democratic Party, but to reflect the more conservative mainstream of their states," says Rhodes Cook, a political analyst in Washington.

"It might be a return to the days when Democrats were technically a majority party, but when you put Republicans together with southern Democrats, they were the majority," he adds.

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Then, there's Ben Nelson. Last year, the Nebraska Democrat voted against a majority of his party more than half the time, according to a survey by Congressional Quarterly. But so did Sen. Lincoln Chafee (R) of Rhode Island. The two men often canceled each other's vote.

However, this year, Chafee lost. If past is prelude, that means a 50-50 Senate on many votes, with Vice President Cheney, as Senate president, breaking ties. New coalitions

While Senate Democrats are expected to lock arms over issues such as the minimum wage, there may be a new centrist coalition on issues including immigration, national security, and privacy rights.

Incoming freshmen Amy Klobuchar in Minnesota, Jon Tester in Montana, and Bob Casey in Pennsylvania defined themselves as moderate, independent voices, often at odds with Democrats in Washington. A former Navy secretary in the Reagan administration, Jim Webb upset Sen. George Allen (R) of Virginia on a campaign that showcased independence.

Rep. Benjamin Cardin (D) of Maryland, who will succeed retiring Sen. Paul Sarbanes (D), was one of the few House Democrats willing to work with Republicans on issues such as pension reform.

Conservative activists say that the centrist base of the new freshman class will limit how far the national Democratic Party can advance a more radical agenda.

"If people ran as liberals, I would be afraid for my issue [cutting taxes]. But there are very few Democrats who won running as liberals against conservative Republicans," says Grover Norquist, president of Americans for Tax Reform.

For six years of the Bush presidency, Democrats have focused on blocking GOP initiatives. The next two years will showcase that Democrats can also govern, say party leaders in both the House and the Senate. Democrats' legislative agenda

Democrats plan to advance a legislative program in the first 100 days of the 110th Congress that includes increasing the minimum wage, passing all the 9/11 Commission recommendations, cutting the cost of student loans, lifting the 2003 ban on negotiating lower drug prices for seniors through Medicare, and promoting energy independence. They're also gearing up for hard-hitting investigations on issues ranging from the Iraq war to the nation's energy policy. Beware of intraparty disputes

If the party can deliver only gridlock in the next Congress, they will quickly lose those moderate and independent voters who delivered last week's victory, say activists with the Democratic Leadership Council (DLC), a centrist think tank.

"If Democrats are smart, they can make these new and 'returned' Democratic voters part of an expanded party and an enduring national majority," argues a DLC position paper, "What's next for Democrats?" released Nov. 10.

"That's why we should all be wary of intraparty arguments that Democrats did well simply by 'fighting' or maximizing partisan differentiation from the Republicans, or that they can paste together a majority by insisting on ideological unity and ignoring parts of the country or parts of the party - e.g., 'red states' - that call for a more diverse and inclusive message," the paper states.

"Make no mistake: Our joy today will vanish if we can't produce for the American people," said Sen. Charles Schumer (D) of New York, who, as chair of the Democratic Senatorial Campaign Committee, recruited and helped fund Democratic candidates in the 2006 election cycle.

"If we can keep our focus on the average American family, we will stay the majority for a generation," he added. Senate Democratic leader: Nimble on his feet

As a boxer in high school, Harry Reid - now in line to be majority leader of the US Senate in the 110th Congress - trained for the boxing ring by running up steep grades, with his coach following behind in his car.

"They knew that if they stumbled or fell and did not promptly get up and continue, there was a good chance they would be run over," says Senator Reid's coach and mentor, former Nevada Gov. Mike O'Callaghan.

It's good practice for his next job: leading what its members like to call the world's greatest deliberative body. Two former majority leaders describe the job as "herding cats."

"The election is over. It's time for a change. It's time for open government. It's time for transparency. It's time for results," Reid said after Republicans conceded the seat in Virginia, giving Democrats their majority last week.

It's a job he didn't expect. When it was clear that then-majority leader Tom Daschle had lost his reelection bid in 2004, Reid summoned the stunned caucus to regroup. "We've got to talk about the future of our caucus," he said to Deputy Democratic leader Richard Durbin of Illinois, who credits Reid with "patching up some rifts in our caucus that had been around for a long time."

Known for his grasp of highly complex Senate procedure, Reid has always functioned better behind the scenes than in front of a camera. It was Reid who led the secret negotiations with Vermont Sen. James Jeffords over his defection from the GOP, which flipped control of the Senate to the Democrats in June 2001.

As minority leader after the 2004 elections, he often set majority leader Bill Frist back on his heels with surprise parliamentary moves. He famously called the Senate into "secret" session in November 2005 to demand that the Senate

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intelligence committee complete its stalled probe into whether the intelligence on weapons of mass destruction in Iraq had been politically manipulated.

In the past two years, he has repeatedly derailed Republican initiatives, including holding Democrats in line to block a GOP bid to tie a permanent repeal of the estate tax to a bill raising the minimum wage.

He's also one of the few senators who still practices the art of the filibuster. On Nov. 19, 2003, Reid stunned Frist and Senate Republicans by holding the floor for nine straight hours in a bid to defend the right to filibuster judicial nominations. Sustained by judicious sips of water, he read from his book about his hometown, "Searchlight: The Camp That Didn't Fail."

Reid has also made some celebrated errors, such as publicly boasting that Democrats had "killed the Patriot Act."

While critics have tried to link Reid to disgraced lobbyist Jack Abramoff - Reid accepted nearly $70,000 in contributions from Abramoff's tribal clients - so far, charges of wrongdoing haven't stuck. But a disclosure last month by the Associated Press that Reid had violated Senate rules by failing to report a 2001 land transfer that later netted him $700,000 prompted Reid to amend his financial disclosure statements.

Array Of Fresh Faces Set For 110th Senate (WT)

By Amy Fagan

The Washington Times, November 13, 2006

The Senate today will welcome 10 new faces soon to join its ranks -- eight Democrats, one independent and one Republican. They include a novelist and former Navy secretary, three soon-to-be former House members, a state treasurer and an organic farmer.

Much like new college freshmen, the group arrives this week for orientation -- but theirs is into the new Democrat-controlled 110th session of the Senate.

Six Democrats in the new group defeated Republican incumbents to help usher in that new majority.

Sen.-elect James H. Webb Jr. of Virginia defeated Sen. George Allen in an extremely tight race. Mr. Webb, a decorated Vietnam veteran, is a former Republican who was Navy secretary under President Reagan. The 60-year-old is a strong opponent of President Bush's invasion of Iraq and switched parties because of it. Mr. Webb also has written six novels.

Bob Casey Jr., Pennsylvania's treasurer and son of a popular former governor, ran as an anti-Bush agent of change, defeating conservative Rick Santorum, the Senate's third-ranking Republican. But the 46-year-old Mr. Casey, a two-term state auditor, is more conservative than his party on some issues, including abortion.

Republicans lost their most liberal senator when Rhode Island's Lincoln Chafee was defeated by former Attorney General Sheldon Whitehouse, a 51-year-old staunch Democrat. Mr. Whitehouse, who also was a U.S. attorney under President Clinton, ran a stridently anti-Bush campaign, but because Mr. Chafee frequently bucked the president, some surmise the voting patterns of this Senate seat may change little.

From the "Big Sky country" of Montana comes Jon Tester, the president of the state Senate who also grows organic wheat, barley and hay on his family farm there. The 50-year-old from Big Sandy -- population 710 -- demands a plan to bring the troops home from Iraq, is pro-choice and supports embryonic stem-cell research. He is pro-gun and will likely be outspoken on agriculture issues.

Claire McCaskill, who won one of the nation's tightest Senate races this year, is the Missouri state auditor and defeated Republican Sen. Jim Talent. As auditor she sought to root out wasteful spending, and because her Senate race centered on the embryonic stem-cell research debate, the 53-year-old will likely continue to push that.

Rep. Sherrod Brown, a House member since 1992 and former Ohio secretary of state, defeated Republican Sen. Mike DeWine. Mr. Brown, a liberal who earned a 100 percent rating last year from the liberal Americans for Democratic Action, has sponsored bus trips to Canada to buy cheaper prescription drugs and opposes the North American Free Trade Agreement and the Central American Free Trade Agreement. The 54-year-old author of two political books is also an Eagle Scout.

The Senate also will welcome a few Democrats who are replacing retiring Democrats. Amy Klobuchar, 46, is the first woman elected to the U.S. Senate from Minnesota and replaces retiring Sen. Mark Dayton. The two are "both are staunch Democrats with a solid progressive record," said Minnesota Democratic Farm Labor Party Chairman Brian Melendez.

Rep. Benjamin L. Cardin, Maryland Democrat, leaves the House and enters the Senate after defeating Republican Lt. Gov. Michael S. Steele in a race to replace retiring Democrat Sen. Paul S. Sarbanes. Mr. Cardin, 63, served on the House's tax-writing Ways and Means Committee, where he blasted Republicans' Medicare prescription-drug plan as "a raw deal for seniors" and fought against the Republican Party's Social Security plan.

Finally, Rep. Bernard Sanders, 65 and a self-described "democratic socialist," enters the Senate as the longest-serving independent in the history in the House of Representatives, having been first elected in 1991. Like his predecessor, independent Sen. James M. Jeffords, he will caucus with the Democrats.

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The lone new Republican is Tennessee's Bob Corker, former mayor of Chattanooga who keeps the seat of retiring Senate Majority Leader Bill Frist in Republican hands. Mr. Corker, a 54-year-old businessman, became the state finance commissioner in the mid-1990s and as mayor cracked down on overspending and instituted merit-based bonuses for teachers.

McConnell Had Hoped To Be Majority Chief (AP-Y)

By Nancy Zuckerbrod

AP, November 13, 2006

It may go without saying that the job of Senate minority leader isn't exactly what Sen. Mitch McConnell had envisioned for himself after the elections.

While the Kentucky Republican regrets Democrats' control of Congress denies him the chance to become the next Senate majority leader, he sees the GOP carving out a significant, albeit slightly different role.

"We'll be able block or shape legislation. My preference of course is to accomplish things," said McConnell, who is now running unopposed to be Senate Republican leader.

When the new Senate convenes in January, Democrats will control 51 seats to Republicans' 49. The close split means Republicans still will have significant power, because it often takes 60 votes to pass legislation.

"Forty-nine is a pretty robust minority. I've been there when we were at 42," said McConnell, who currently holds the No. 2 position of whip in the Senate GOP hierarchy and is expected to succeed retiring Tennessee Sen. Bill Frist as GOP leader.

Republican senators are to pick their leaders on Nov. 15. Utah Republican Sen. Robert Bennett said McConnell has been methodically planning for the top job, fending off potential challenges along the way.

"Brick by brick, he built a firewall," Bennett said, adding that McConnell also has "the best political instincts of any of the people on the leadership team."

McConnell is part of a Washington power couple, with his marriage to Labor Secretary Elaine Chao. He has considerably more political experience than Frist had when he was catapulted into the majority leader's job in 2002. McConnell headed the committee that sets Senate rules and oversaw the GOP's recruitment and financial backing of Senate candidates.

Even Frist acknowledges McConnell's experience gives him "a huge advantage" taking on the Senate's GOP leadership. McConnell, Frist said, has another big strength: His ability to keep a secret in a town known for loose lips. Democrats, too, call McConnell a trustworthy adversary.

"My dealings with McConnell have been very straightforward, and he's kept his word," Senate Democratic Whip Dick Durbin of Illinois.

McConnell was best known until recently for blocking new limits on campaign donations, an effort that gained him a reputation as Darth Vader to his rivals. That success ended in 2002 when Congress passed a campaign finance bill.

A skilled fundraiser, McConnell argues that limiting money in campaigns is akin to muzzling political speech. He doles out advice and staff. along with money, to help other Republican candidates. His critics accuse him of protecting horse racing, tobacco makers and other special interests that figure prominently in his state and are among his campaign donors, and of sometimes resorting to harsh tactics.

In 1984, when he first won his Senate seat defeating Democratic incumbent Walter Huddleston, McConnell ran ads showing bloodhounds searching for Huddleston to convey his opponent as being out of touch with the voters. McConnell helped fellow Kentucky Republican Sen. Jim Bunning turn back a challenge in 2004.

"He is a master of the negative campaign," said Kentucky state Sen. Daniel Mongiardo, who lost to Bunning in that election. "He knows how to win elections. He knows it takes money and he knows that with enough money you can make your opponent look as bad as you need to."

Study Health-Plan Options Carefully This Open Season (WP)

By Stephen Barr

The Washington Post, November 13, 2006

For the next four weeks, federal employees and retirees will select their health insurance coverage for 2007. Many will escape the sticker shock of past years, as federal officials say 63 percent of enrollees in the federal employee health insurance program will see no increase in their premiums next year.

But policy analyst Walton Francis , who tracks premium and benefit changes in the Federal Employees Health Benefits Program, cautions against falling into open-season complacency.

Without the jolt of the usual large premium increase, "the danger is that people won't pay attention," he said. "They are going to yawn and go about their business, and that's a mistake.

"There is a 'change' page in every plan brochure, and people ought to be looking at that page," Francis said.

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He added, "There are lots of decisions to be made by each individual subscriber, and there is often a better deal available right now."

Francis is the chief researcher and writer of the annual "Checkbook's Guide to Health Plans for Federal Employees," sponsored by the nonprofit group that publishes Washington Consumers' Checkbook magazine. The guide rates the more than 250 FEHBP plans, taking into account premiums, catastrophic limits and estimated out-of-pocket costs for most medical expenses. The guide also figures in tax savings that employees gain by paying their premiums through pretax payroll deductions.

The 2007 guide, Francis said, shows that:

Â· Some plans are good buys and can save hundreds or thousands of dollars.

A federal family of four, for example, should check out Blue Cross basic, the American Postal Workers Union consumer-driven plan, the Government Employees Hospital Association standard option, and the Aetna and Mail Handlers high-deductible health plans.

The guide also give high marks to some health maintenance organizations, such as the Kaiser Foundation Health Plan's mid-Atlantic standard and high options, the Aetna Open Access basic option and M.D.-IPA.

A retired federal couple enrolled in Medicare parts A and B should take a look at the annual costs and savings under GEHA standard, Mail Handlers high-deductible, Blue Cross basic and the APWU consumer option, according to the guide.

The retired couple also might reduce medical costs by enrolling in an HMO, such as Kaiser's standard option, Aetna basic and the Aetna Health Fund consumer-driven option.

Â· Some benefits are changing, and sometimes for the better.

The Mail Handlers standard and high options have dropped their prescription-drug deductible -- a change that helps enrollees regardless of how much or how little they use prescription medicines. (Co-payments continue at Mail Handlers, such as a $10 co-pay for generic medications from in-network retail pharmacies.)

Â· Enrollees hold down their medical costs when they stay in-network.

Double-check to make sure your doctor and dentist accept reimbursement from federal plans. Dental and vision benefits, in particular, are based on preferred providers.

Â· Attention to premiums is especially important when deciding whether to enroll in the dental and vision program, which starts for the first time Dec. 31.

Regular health insurance typically covers annual checkups and teeth cleaning, and almost all health insurance plans provide coverage for accidental dental or vision injuries.

The stand-alone dental plans can cost several hundred dollars a year in premiums, and Francis suggests that they may make the most sense for people who anticipate moderately high dental expenses, want some protection against unexpected bills and like the predictability of paying a regular premium.

The vision plans also should be seen as a way to prepay routine costs for eye exams, glasses, contact lens and related services. They are not true insurance plans, Francis said.

Employees who are uncertain about whether to enroll for dental-vision coverage have the option of setting up a flexible spending account. FSAs help limit out-of-pocket costs by providing what the Consumers' Checkbook guide estimates as one-third savings on health-care expenses because payments are made in pretax dollars.

Hiding From Oversight (NYT)

The New York Times, November 13, 2006

There have been many examples of the shambles that the Republican-controlled Congress made of its responsibility for oversight of the Bush administration. But none was so peremptory as the mass firing of 60 House appropriations investigators last month — virtually the entire hired staff responsible for tracking spending abuses in such money pits as the Iraq war, intelligence operations and the $62 billion Hurricane Katrina relief effort.

The dismissed investigators — former F.B.I. and C.I.A. agents and other professionals — did not have their contracts renewed because their work has “not been that good,” in the words of a Republican spokesman who offered no compelling evidence. An attempt was made to sell the purge as a bipartisan decision, but it turned out to be the unilateral order of the committee’s Republican chairman, Jerry Lewis of California.

The result is that, until the Democrats assume committee control in January, there’s an investigatory vacuum on such matters as soldiers’ body armor in Iraq and levee and dam spending along the Gulf Coast. A year ago, amid public outrage over the administration’s bungling of Katrina relief, Mr. Lewis promised that a timely public report would be made. No such report has surfaced.

There had been a bipartisan tradition on the committee, with majority and minority leaders proposing and signing off on investigation assignments. But that degraded with the arrival of one-party rule as Republicans shirked their oversight duty. This

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was obvious three years ago when the ranking Democrat, David Obey of Wisconsin, was rebuffed in his proposal for an investigation of the freewheeling intelligence operation quietly constructed by the administration in the Pentagon.

Mr. Obey takes the committee gavel in January, and among his tasks will be restocking the investigation staff and setting the committee back on a productive, bipartisan course. This should not be a matter of party vengeance, as some Republicans fear. Rather, it's a necessity of the course set by the voters to end one-party rule and find out what the government is actually up to.

Truth About The Trade Deficit (NYT)

The New York Times, November 13, 2006

Just as the summer driving season was winding down, oil prices started to fall. The combination of less demand and lower prices was a potent mix, helping to narrow the United States' trade gap significantly in September, to $64.3 billion from $69 billion in August, according to the latest tally.

That's welcome news, illustrating yet another upside to curbing the nation's oil consumption. But it's also sobering. The decline in September's trade deficit was the largest in nearly two years. And yet, the United States remains squarely on track for a record trade imbalance in 2006: a projected $790 billion, compared with $717 billion last year.

The Bush administration has played down the dangers of bloated deficits. Acknowledging them would compel an effort to tame the borrow-and-spend ways of the past six years, including curbing the tax cuts that have been such a boon to the rich.

Far too many Congressional Democrats have blamed China's cheap currency for the trade deficit and sought a solution in protectionism. The currency complaint has a grain of truth, but it is overly simplistic and could be self-defeating if it led to global protectionism.

So, both camps are off point. With the deficit reaching new highs and Democrats now able to wield real power, it is crucial that each side back off its constituent-pleasing myths.

The Bush administration needs to tell the truth about the vulnerability that comes with large deficits. Thus far, the United States has had no problem attracting money from abroad to plug the gaps. But there is no guarantee that will continue indefinitely. If foreigners chose to invest elsewhere — like the strengthening economies of Europe or Japan — the result would be higher interest rates and higher prices in America, perhaps sharply higher.

The Democrats need to take a more pragmatic view of the lopsided trade situation. The surest way to make American businesses more competitive — and workers more secure — is to resolve the nation's health care mess. And the government needs to update and strengthen the safety net for workers who are hurt by global competition. As recently as a few years ago, economists warned that a nation was courting a financial crisis if the size of its trade deficit exceeded 3 percent of its economy. Today, the United States' deficit is approaching 7 percent. The best way to avoid the worst is to define the problem honestly, and craft the remedies accordingly.

OTHER NEWS:

Karl Rove: The Architect's Faulty Specs (NSWK)

By Richard Wolffe

Newsweek, November 13, 2006

Nov. 20, 2006 issue - President Bush knew he was in for a rough night. As he settled down in front of the TV in the White House residence to watch the election results, the numbers were already grim. By 8 p.m., long before the polls closed out west, Bush realized it was over. "It looks like this is going to be a rout," he lamented to a handful of aides.

Downstairs in the West Wing, Karl Rove wasn't ready to concede anything. The president's political architect believed the GOP could hold on to slender majorities in the House and the Senate. He had history on his side: in 2004 he refused to believe the early exit polls while everyone else was resigned to defeat. This time he was convinced his numbers would come through again. But even Rove's optimism finally cracked when he took a gloomy call from an old friend working for Rep. Clay Shaw in Florida. Shaw won re-election two years ago by a 28-point margin; last week he was heading to a four-point defeat. At 11:01 p.m., Rove made the long walk to the residence. "We're losing the House," he told Bush. The president let out a long sigh and went to bed.

How did the man they call Bush's brain get it so wrong?

Rove's miscalculations began well before election night. The polls and pundits pointed to a Democratic sweep, but Rove dismissed them all. In public, he predicted outright victory, flashing the V sign to reporters flying on Air Force One. He wasn't just trying to psych out the media and the opposition. He believed his "metrics" were far superior to plain old polls. Two weeks before

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the elections, Rove showed NEWSWEEK his magic numbers: a series of graphs and bar charts that tallied early voting and voter outreach. Both were running far higher than in 2004. In fact, Rove thought the polls were obsolete because they relied on home telephones in an age of do-not-call lists and cell phones. Based on his models, he forecast a loss of 12 to 14 seats in the House—enough to hang on to the majority. Rove placed so much faith in his figures that, after the elections, he planned to convene a panel of Republican political scientists—to study just how wrong the polls were.

His confidence buoyed everyone inside the West Wing, especially the president. Ten days before the elections, House Majority Leader John Boehner visited Bush in the Oval Office with bad news. He told Bush that the party would lose Tom DeLay's old seat in Texas, where Bush was set to campaign. Bush brushed him off, Boehner recalls. "Get me Karl," the president told an aide. "Karl has the numbers."

The numbers looked a lot less rosy to the other architect of the campaign—RNC Chairman Ken Mehlman. It was Mehlman who built the much-vaunted turnout machine. But he feared that many inside the party were relying too much on technology, like voter databases, and had lost sight of the bigger picture: that voters were turning against them. "We've built a great new car, but the gasoline for the car isn't us; it's the candidates and the issues," Mehlman told NEWSWEEK. There was no bigger issue than the war, which Rove had pushed as a winning theme for the GOP. As he flew back to D.C. on a private jet two days before the elections, Mehlman scribbled his predictions on a card—not to be revealed until after the elections. His numbers were much closer than Rove's: the GOP would lose 23 in the House (5 short of the final tally), 5 in the Senate (1 shy) and 6 governors (spot on). Last week Mehlman announced he would step down and pursue opportunities in the private sector.

Rove blames complacent candidates for much of the GOP's defeat. He says even some scandal-tainted members won when they followed what he calls "the program" of voter contacts and early voting. "Where some people came up short was where they didn't have a program," he told NEWSWEEK. But even Rove concedes that there were several hardworking incumbents, like Mike Fitzpatrick in Pennsylvania's Eighth District, who simply couldn't overcome the odds. In an election overwhelmed by war and scandal, the program was no match for their party's problems.

"A Passing Thing" (TIME)

By Mike Allen

Time, November 13, 2006

At 5:15 on election night, Karl Rove sounded jovial, assuring Sean Hannity's radio audience that Republicans would defy the polls and hang on to both the House and Senate. Less than three hours later, President George W. Bush was watching returns on TV in his private study with the First Lady and a few friends and aides. He leaned over as a blue riptide swamped Republican after Republican. "Looks like a rout!" he said.

The architect--as Bush famously called Rove--of the 2000, 2002 and 2004 G.O.P. wins now downplays his forecast. "My job is not to be a prognosticator," he told TIME in an interview in his West Wing office. "I told the President, 'I don't know where this is going to end up. But I see our way clear to Republican control.' My job is not to go out there and wring my hands and say, 'We're going to lose.'"

Rove chalks up the loss to corruption, incumbent overconfidence and conservative dissatisfaction with spending. He does not read the outcome as exclusively a judgment on either Iraq or Bush. "Iraq mattered," Rove says. "But it was more frustration than it was an explicit call for withdrawal." Which is not to say the White House didn't see trouble coming. To keep the Republican National Committee from having to take out a loan, according to Republican officials, Bush chipped in $12 million of his campaign funds that otherwise would have gone to his presidential library. Looking ahead, friends say Rove has already identified four voter groups to watch in 2008: Catholics, Hispanics, suburban moderates and people with less than a college education. All four groups swung away from Republicans in this election.

Rove has not given up on his dream of a durable Republican majority, calling last week's loss a "transient, passing thing."

"The Republican Party remains at its core a small-government, low-tax, limit-spending, traditional-values, strong-defense party," he says. "I see the power of the ideas, even in a tough year." Friends say Rove plans to lie low in the '08 race until a nominee is clear. Then, whether in or out of government, he will be the connection between the White House and the campaign, refereeing the candidate's needs and Bush's own.

Will: Retreat From Exuberance (NSWK)

By George F. Will

Newsweek, November 13, 2006

Nov. 20, 2006 issue - In his graceful concession speech after President Jimmy Carter and he lost the 1980 election to Ronald Reagan in a landslide, Vice President Walter Mondale said voters had "quietly wielded their staggering power." They did

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so again last week. The Constitution designed the House to be the federal institution most responsive to gusts of opinion, and this year, with a gale blowing against the Iraq war, the House functioned as the Constitution's framers expected it to.

So with Democrats soon to be rampant on Capitol Hill, in the House and the Senate, is the Antibullying Campaign Act an idea whose time has come? No. That legislation would federalize, by throwing money at, the problem of children being beastly to each other in and around schools. Some House Democrats, unfazed by the suspicion that their party lacks a sense of the ridiculous, have actually proposed this. Two of its sponsors will be committee chairmen in the coming Congress.

Now, however, Democrats have bigger fish to fry. More than any congressional elections in history, last week's turned on a single burning national issue. Control of Congress has changed because of deep discontent about Iraq. But Congress can, realistically, have little control over what we make of the mess we have made.

Democrats could have demanded the departure of Donald Rumsfeld, but they have been pre-empted. They could cut off funding for the war, but that weapon is too blunt to be used. Besides, both parties know that, for all the arguments about whether there should be a deadline for disengagement from Iraq, the Constitution, in effect, sets a deadline for setting a deadline.

There will be—the Constitution is persnickety about this—a presidential election in 24 months. Republicans do not want to run in 2008 with 150,000 U.S. forces still caught in the crossfire of Iraq's sectarian strife. Democrats know that if Iraq is still aboil and the U.S. presence essentially unchanged, their 2008 presidential candidate will have to offer what their 2006 congressional candidates were not required to offer—an actual plan for dealing with the problem. And each party's nominee would dread the possibility that his or her presidency would be instantly entangled in an inherited war.

There is another, if perhaps slight, reason to hope for, if not congeniality, at least some convergence of interests between the executive and legislative branches. It is that the election that has elevated Nancy Pelosi to the speakership has produced a more conservative House.

The Democratic contingent in the House that will convene in January, enlarged to majority status by the addition of moderates from Republican-leaning districts, will be more conservative than it was in the last Congress. And the defeat of numerous Republican moderates means that the Republican contingent in the House will be even more ideologically monochrome than it was.

House Democrats have their leader, and she has an agenda for the next Congress's first 100 hours. Yes, hours. Her aim, perhaps, is to make FDR's hyperkinetic "100 days" look lethargic. House Republicans once again need a leader. In November 1998, House Republicans were disoriented first by the resignation of Speaker Newt Gingrich (because of disappointing election results) and a month later by the announcement that his designated successor, Bob Livingston, would also resign (because of revelations about his private life). Seeking tranquillity, House Republicans chose Denny Hastert as leader.

By choosing him, an amiable master of the legislative process but not a man of ideas, they chose not to be led by California Rep. Chris Cox, a man less collegial but more cerebral. (He now is chairman of the Securities and Exchange Commission.) The result was the rise of a theory: "Earmarks"—targeted spending by members for their districts—could secure a permanent majority. That theory has been slain by a fact—last week's election. With Hastert's announcement that he will not seek a leadership position in the new Congress, House Republicans will have no choice but to reconsider how their behavior in recent years—particularly their ravenous appetite for pork—is related to having had leadership that was light on the ballast of ideas. The person Republicans choose as minority leader—John Boehner? Mike Pence? someone else?—will reveal what they think are the lessons of the election that deprived them of majority status.

For now, for the rest of the nation, "silence like a poultice comes to heal the blows of sound." (So wrote Oliver Wendell Holmes, father of the jurist.) Americans grateful for the end of the election cacophony and longing for lost civilities might remember what a former congressman said, late in life, as he fondly remembering the hotly contested 1800 election: "It was a pleasure to live in the good old days, when a Federalist could knock a Republican down in the streets and not be questioned about it."

Reaching For The Center (TIME)

By Joe Klein

Time, November 13, 2006

This was a big deal. Certainly, it was the endÂ of George W. Bush's radical experiment in partisan governance. It might have been even bigger than that: the end of the conservative pendulum swing that began with Ronald Reagan's revolution. Not only did the Democrats lay a robust whupping on the Republicans in the midterm elections, but--far worse--the President was forced into a tacit acknowledgment that the defining policy of his Administration, the war in Iraq, was failing. In 1994, when Bill Clinton lost both houses of Congress, he merely replaced his consultants and, liberated from the liberal wing of his party, sailed into the enforced moderation of divided government. Last week George W. Bush replaced Donald Rumsfeld, the blustery symbol of American arrogance overseas--and, after six years of near total control at home, had to adjust to a situation in which his vision

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had been rejected by the voters and his power seriously truncated. Rumsfeld was replaced by Robert Gates, who had been a junior associate on the foreign policy team of President George H.W. Bush and was well schooled in the cautious "realism" that marked the reign of Bush the Elder.

In fact, if there was a common strand in last week's Democratic victories and Republican defeats, it was the ascendancy of realists. The architects of the Democratic victory, Senator Charles Schumer and Congressman Rahm Emanuel, had calculated with cold-eyed efficiency which candidates the party would support, regardless of the extent of their orthodoxy. On the Republican side, realists seemed to be taking over the national security apparatus--even if was not yet clear that the President would follow their advice.

Bush's decision to delay the sacking of Rumsfeld until after the election will undoubtedly stand as one of the greatest mistakes of his presidency. It was a purely political decision, straight from the Karl Rove playbook: show no sign of weakness or indecision in the midst of a campaign--or, as Bill Clinton neatly summarized it, Strong and wrong beats weak and right. Not this time. "Strong and wrong" may have cost Bush the election. It may also have cost him whatever chance he had for a dignified exit from Iraq. His refusal to change his team and his strategy prevented an effective response to the centrifugal disintegration of Iraq over the past few months. The exit polls indicate that the war was not the main issue in the 2006 election: the general odor of corruption and incompetence emanating from Washington seemed to be the real motivator. But the Administration's stubbornness on Iraq, neatly symbolized by Rumsfeld's detachment from reality, certainly didn't help the G.O.P. cause.

While the U.S. was holding an election, Iraq's democratically elected government was proving itself a failure. "It's become clear that the Maliki government has made things worse across the board," a senior Administration official told me. The biggest winner has been the radical cleric Muqtada al-Sadr, who is the most popular and probably the most powerful leader among the dominant Iraqi Shi'ites. In the past year, according to U.S. military and intelligence sources, the Iranians have placed their bets on al-Sadr, "doubling down" on their support for his militia, the Mahdi Army. As a result, leaders of both the U.S. military and the intelligence community have come to the conclusion that a major change of policy, an effort to prevent al-Sadr from eventually taking power, is in order. The mind-numbing difficulty of the situation had some very serious people grasping at straws, cracking jokes. "It's a Mick Jagger moment," the senior Administration official told me. "You can't always get what you want. The question is, Can we get what we need?"

What we wanted was democracy; what we need is stability. No fewer than three efforts are under way to figure out how to achieve that goal--the Iraq Study Group, chaired by James A. Baker III and Lee Hamilton; a new National Intelligence Estimate on Iraq; and the Joint Chiefs' study group in the Pentagon. Up until last week, the biggest question was whether the President understood he was facing a Mick Jagger moment. But his selection of Gates and his constant references to the Baker commission may indicate that Bush now recognizes the futility of the neoconservative fantasy of an Iraqi democracy imposed by an American invasion--or it may have just been palliative spin, in a week when it was wise to seem humble. Either way, the dramatic turn for the worse in Iraq means that the President's previous policy--hang on with the current troop levels and hope for the best--cannot be sustained. And the dramatic turn toward the Democrats in Washington means that Bush's new Iraq policy will require bipartisan support. Last week the incoming Senate majority leader, Harry Reid of Nevada, was asked if the Senate might legislate troop withdrawals if the President didn't figure out a way to begin them. "It may come to that," he said.

Of course, it is assumed by most people in Washington that bipartisan efforts on even the smallest matters, much less the war in Iraq, will be near impossible. You've heard the arguments: the House of Representatives will be controlled by ancient liberals of Vietnam vintage, just itching to investigate and indict; Bush has shown precious little inclination toward compromise in his various moral crusades--tax cuts, Social Security reform, the war--and Dick Cheney has shown even less. The standard postelection gestures toward peace and bipartisanship certainly seemed more starchy than genuine. The President opened his press conference with an ironic shot at the media: "Why all the glum faces?" If Jane Austen were writing a novel about Bush's public aspect, the title would be Pride and Petulance. But for the sake of argument and in the hope that sanity will prevail, let me make a mild case for optimism.

First, there is the muscular realism of the Democrats who ran the election campaigns, Schumer and Emanuel. They chose their candidates on pragmatism, not principle. Yes, many of the winners tended to be moderates, but that's because this was an election, especially on the House side, waged in moderate districts. In some cases, realism meant supporting the more liberal candidate. In Ohio, Reid and Schumer made a stark decision to force the attractive if inexperienced Iraq war veteran Paul Hackett out of the race and to support Congressman Sherrod Brown, a feisty paleoliberal whose vehement protectionism matched well with Ohio's economic desperation. In Pennsylvania, Reid and Schumer went with a pro-life candidate, Bob Casey Jr., despite shrieks from the party's pro-choice base. The common denominator wasn't liberalism or moderation but the ability to win. The question now is whether "winning" means blocking the President or demonstrating the ability to govern. It probably means a little of both, but I suspect the Democrats will be better served by proving they have the maturity to do the latter.

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Why? Because the American public proved that it had the maturity to ignore, and in many cases rebel against, the sludge tide of negative ads that was splashed onto the public airwaves, primarily by Republicans. (A notable exception: Tennessee's Harold Ford Jr. was taken down by sleazy sexual innuendo.) Americans tossed aside candidates who had associated themselves with the corrupt lobbyist Jack Abramoff, and those who had been involved in sex scandals, and those whose position on immigration slouched toward anti-Hispanic racism, especially in the Rocky Mountain gubernatorial contests and several congressional districts in the Southwest. They chose candidates who, in the felicitous words of Colorado Congressman John Salazar, "have manure on the outside of their boots rather than on the inside." Nowhere was this more literally true than in Virginia, where the operative metaphor actually was footwear. The Democratic challenger, Jim Webb, wore his son's combat boots and the Republican incumbent, George Allen, wore cowboy boots that were unstained (on the outside, at least). Webb's successful antiwar campaign was about the fate of his son, a Marine lance corporal serving in Anbar province; Allen's campaign was a dreadful series of gaffes followed by a despicable effort to smear the Democrat by quoting sexually explicit passages from Webb's critically acclaimed war novels. This election was not only about a disastrous war and the stench of corruption, it was also about a style of politics--the slashing negative politics practiced by a generation of media consultants in both parties. It was a message to politicians: stop slinging the manure, and start getting serious about the nation's problems.

Which may be the most compelling case for a bit of optimism in a difficult time. In a meeting with political columnists, Reid said, "It's not a time to get even with the Republicans; it's a time to treat them the way they didn't treat us." And then he announced that he and Nancy Pelosi, who will be Speaker of the House, had decided to open the House-Senate conference committees to the press. This may seem a small point, but it has great symbolic relevance. The conferences are where the most important legislative action takes place, where compromises are worked out between House and Senate versions of legislation and where, in the recent past, all sorts of nefarious special deals for lobbyists and pork for legislators have been inserted without public scrutiny. In the old days, the conferences were public. They've been closed for at least the past 10 years, and during that time, pork-barrel earmarks have increased tenfold. It's not impossible that this arcane little adjustment will restore bipartisan compromise to its honored place as the essential act in a working democracy, and restore pork to its sordid, if greasily necessary, corner of the legislative dance. "We may actually have to work on Saturdays," Reid said, in a reference to the bankers' hours kept by the Republican Congress. "And I want to be clear, bipartisanship doesn't mean hugs and kisses. It's not going to be touch football; it's going to be a free-for-all. We're going to come out of that chamber covered in mud and with plenty of bruises, but that's the only way to get anything accomplished."

After a dark congressional session dominated by such pressing topics as the fate of Terri Schiavo, flag-burning and gay-marriage amendments--and the refusal to seriously address health care, energy independence, immigration or the war in Iraq--Reid's modest promise that his Senators will have some mud on the outside of their boots is realistic ... and also kind of exhilarating.

What Voters Really Want (USNEWS)

By Mortimer B. Zuckerman

U.S. News and World Report, November 13, 2006

It was, as President Bush put it, a "thumpin'" defeat. The verdict of the American people may be neatly summarized in Oliver Cromwell's lordly dismissal of the rump Parliament: "Depart, and let us have done with you!" Or in the blunt vernacular of the bleacher faithful: "Throw the bums out!"

The votes and the polls reflect an abiding disquiet. Roughly two thirds of Americans feel the country is on the wrong track, only about 35 percent approve of the president's performance, and an anemic 16 percent approve of the performance of Congress. And they're being charitable! It isn't that the rout of the Republicans represents strong support for the Democratic Party. Most Americans would probably describe the choice between the two parties as "the evil of two lessers." Congress failed in its duty to oversee the conduct of the war; it failed in its oversight of government spending; it failed to create an energy policy; its ethics scandals were outrageous. And the Republicans failed their own principles of financial integrity, turning a fiscal surplus of over $230 billion, which George Bush inherited, into a huge deficit albatross.

And let's not forget what some of this excessive spending was all about-political pork. The Washington term for this disgrace is "earmarks"—a better expression might be "pawmarks," for the device that allows politicians to lay their paws on taxpayers' money and spend it on back-home projects like bridges and bicycle paths without going through the normal vetting process. Remember Alaska's infamous $223 million "bridge to nowhere"? The number of "pawmarks" has shot up 10-fold since the Republicans took control of the House in 1994, ballooning from 1,439 to over 14,000 last year.

Lightning rod. All legal, no doubt, but then we have endured illegal sleaze, too: corruption symbolized by Jack Abramoff, the disgraced Republican lobbyist, and Randy "Duke" Cunningham, the California congressman now doing federal time after drawing up a menu of bribes for Pentagon contracts approved by his committee. On top of this pile of manure, we have also had

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a conga line of Republican members of Congress pushing laws favorable to specific corporations and industries, then becoming high-priced lobbyists for their paymasters.

Revolting as it all was, nothing hurt the Republicans more than the mess in Iraq. The possibility of success there was allowed to slip away through a fatal combination of arrogance and incompetence. Iraq, with its tortured history, was never going to be easy, but after 3 ½ years, with dozens of our troops dying each month and the nightly images of utter chaos on the evening news, is it any wonder voters are fed up? The resignation of Donald Rumsfeld was thus inescapable. He had become a lightning rod, despite the fact that he had a lengthy record as a brilliant manager. Somehow or other, he got Iraq wrong and had to pay the price.

Competence has long been a Republican virtue. But it is downright incompetence that so staggered the public-incompetence and cronyism revealed by Hurricane Katrina, the nomination of Harriet Miers to the Supreme Court, the half-measures on immigration reform, the scramble to undo the handover of a half-dozen U.S. ports to an Arab-owned company. Perhaps all this might be explained by an administration so wedded to its neoconservative agenda that it treated deviation as heresy and was thus unable to adjust to the changing realities in Iraq. The Republican majority in Congress decided to govern from its base and conducted itself in the most shamelessly partisan way—just at a time when most Americans were seeking bipartisanship and pragmatism. Even now, such behavior may be unlikely, given that we are already in the first week of the next presidential campaign and congressional election.

How The West Is Being Won (NSWK)

By Howard Fineman

Newsweek, November 13, 2006

Nov. 20, 2006 issue - Jon Tester's farm isn't in the duded-up part of Montana, where hedge-fund managers go fly-fishing. It's in a north-central plain, where his Swedish ancestors settled in 1916. Until seven years ago, Tester's bio read: organic dryland farmer, custom butcher and music teacher. Then the power company was deregulated, prices skyrocketed, and he ran for the legislature as a Democrat. Last week he ousted Republican Conrad Burns from the U.S. Senate in a contest that cost $20 million—a number that would impress even a fly-fishing hedge-fund manager. "The West is growing," Tester told me. "It's where the action is."

American politics has always been defined (or imprisoned) by Mason and Dixon, by regional rifts engendered by slavery, the Civil War and the Bible Belt. But now the relevant names are Lewis and Clark. The land west of the Mississippi, especially west of the 100th meridian, is the new swing region—and the place where Democrats hope to win the White House. "It's our 21st-century-majority strategy," said Simon Rosenberg of the New Democratic Network.

The 2006 election highlighted the old paradigm—and the new. The Northeast turned a deeper blue. GOP moderates there are all but extinct; Democratic governors were elected by vast margins. The Republicans' Fortress South, up-armored with evangelicals by George W. Bush and Karl Rove, cracked at the perimeter but largely held. The "intermountain" West, meanwhile, was up for grabs. Democrats won the governorship in Colorado (and now have won five of the region's eight statehouses since 2002). The GOP hung onto the governorship in Nevada and a key Senate seat in Arizona.

The westward trend is clear. For the first time, leaders of the House and Senate are from the Far West. Democrats put Nevada in a crucial early spot in the presidential-selection process, and will hold their convention in Denver. Republican front runners have Western roots (Sen. John McCain from Arizona, Massachusetts Gov. Mitt Romney, a leader of the Utah-based Mormons). Spanish-speaking Democrats (Gov. Bill Richardson of New Mexico, Sen. Chris Dodd of Connecticut) can go native.

As Hispanics grow in clout, so does the West, where most of the nation's 43 million Latinos live. In 2004, 44 percent of their voters supported Bush; in 2006, only 30 percent did—driven away by the party's get-tough rhetoric on immigration. The key presidential swing states now: the cluster of Arizona, New Mexico, Colorado and Nevada. The new map means politics could be less party-oriented, says Thomas F. Schaller, author of "Whistling Past Dixie." Westerners aren't "socialized to partisanship," he says. And they are "libertarian" by nature, says Tester. The GOP must hold the faith-based while appealing to the less socially judgmental West; Democrats must avoid the big-government label, anathema to Westerners' self-image. "We have an individualistic attitude," Tester says. "It's 'Leave me alone and let me farm'." That won't be possible for Tester, however. He's heading East, and turning over the farm to his daughter and son-in-law.

Washington Whispers (USNEWS)

By Paul Bedard

U.S. News and World Report, November 13, 2006

Turns out that the Gang of Three who've held the top job in the Pentagon communications office since President Bush took office have more in common than explaining the wars in Iraq and Afghanistan and, at least until last week's surprise flameout,

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defending Donald Rumsfeld. They cook. Or more specifically, they are Thanksgiving turkey fryers. "It's fun," says Bush's first Pentagon spokeswoman, Torie Clarke. "There must be something about the office," joshes fryer newcomer Dorrance Smith, who succeeded weekend outdoor chef Lawrence Di Rita. Smith tells us he just purchased a deep fryer, picking one from the national Barbeques Galore chain, then E-mailing Di Rita and Clarke for helpful tips on getting started.

Clarke, a self-described "fryer queen," had lots of them, including (1) Wear goggles. "That stuff could splatter; it could blind you." (2) Fry two smaller birds: It's fast and easier to serve. (3) Demand peanut oil—it cooks better. "Don't go look at the price of peanut oil," Clarke E-mails Smith, "and have a heart attack, and go with something else." And don't coat the bird with seasoning, she says. Smith's done a dry run with a chicken, and all went well, or certainly better than a recent fry at the Clarke home. "One time, we forgot we put the second turkey in," she confesses. On finding it the next day, "it looked like one of those petrified fossils. It looked like it was 10,000 years old."

A Speaker and Her Smack-Down Roots

Outgoing House Speaker Dennis Hastert, the former high school wrestling coach, isn't the only fan of the sport in the House. We hear that incoming House Speaker Nancy Pelosi is a buff, though of the more flamboyant TV wrestling. In wooing the youthful World Wrestling Entertainment crowd, she declared herself right before the election to be a huge fan of the first smack-down great, Gorgeous George. See, she was a girl when George Wagner brought showmanship to the sport. And his flair, which was said to influence Liberace and Muhammad Ali, made her a TV fan forever.

Political Ads: From Bad to Worse

Sorry if you hated all those candidate calls at dinnertime during the last two weeks of the midterm elections, but it's only going to get worse in 2008. Both parties plan to invade your computer with instant messages and pop-up ads, and your cellphone and BlackBerry will get zapped with text advertisements. But there is good news. They plan to cut back on TV advertising because it just isn't as effective as the Internet.

The Chairman's Weatherman Trick

One of the big surprises for the Democrats in the elections was winning up to 33 percent of the white Christian evangelical vote. And here's how they did it: Democratic Party Chairman Howard Dean says he simply bought every advertising minute available on Christian radio, effectively blocking out the GOP. Ads touted Democratic values. The real secret: "We had the weatherman doing the ads. Why? Because he's a local person who could be trusted."

Where The Republicans Went Astray (NSWK)

By Evan Thomas

Newsweek, November 13, 2006

Nov. 20, 2006 issue - This is how a revolution ends. Not with a bang, or a "thumping," as President George W. Bush called the 2006 Republican defeat at the polls, but with a misdirected phone call and a certain sinking feeling that even the most well-intentioned politicians can grow weary of rectitude and sell out their principles for the right price.

The scene happened almost 10 years ago, when the GOP revolution in the House of Representatives was still fresh, less than three years after Newt Gingrich and his promise of a Republican "Contract With America" had swept aside four decades of Democratic rule in the House. The House in that summer of 1997 was considering passage of its annual transportation bill, routinely a fat pork sausage of legislation, larded with goodies—bridges, tunnels, exit ramps, highway extensions—for individual congressmen to take home to their districts. A band of a dozen true believers from the Class of '94, the congressmen first elected under the Gingrich banner of reform, was meeting in a small room off the floor of the House. They were trying to plot some way to slow down or stop the pork-stuffed bill—to show that the GOP was still true to its campaign promises to cut profligate government spending.

The phone rang. According to one of the congressmen in the room, Joe Scarborough, another congressman—Steve Largent, a former NFL wide receiver and one of the leaders of the group—picked up the receiver and absentmindedly mumbled, "Yeah." At the other end of the line, Largent heard the voice of Elmer G. (Bud) Shuster, the all-powerful, all-beneficent chairman of the House Committee on Transportation and Infrastructure. Shuster, an unabashed practitioner of old-style politics, was notorious in the House for rounding up votes by dispensing highway projects to pliable congressman. Shuster apparently did not recognize Largent's voice over the phone. The chairman thought he had instead reached a different congressman—who shall remain nameless in this retelling, but who was well known at the time, a stalwart figure who often spoke of "standing up against the Man." Dictating quickly at the other end of the line, Bud Shuster was in a hurry—like Santa Claus on Christmas Eve, he had a lot of deliveries to make. Without pausing for pleasantries, he ticked off five highway projects worth $70 million, the reward to the supposedly high-minded congressman for swallowing his scruples—just this once!—and voting for the 1997 transportation bill. Package delivered, Shuster hung up.

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Largent, the ringleader of the plotters, put down the phone and tried not to show his disappointment that one of their fellow do-gooders had apparently given in to temptation. Instead, as Scarborough recalls the story, Largent sardonically announced, "Well, I don't think [Congressman X] is going to be with us this time." The others in the room dryly laughed, but it was a demoralizing moment, recalls Scarborough. "You get beaten down," says the MSNBC talk-show host. (Contacted by NEWSWEEK, Largent, who suffered a stroke this year, said he could not recall the phone call; Shuster could not be reached for comment.) Scarborough told NEWSWEEK that it became a "running joke" for members of the Class of '94 to say to each other, "Well, there goes the revolution," every time one of their Contract With America reforms—like imposing term limits on members of Congress—was abandoned by lawmakers intoxicated with power.

Was the fall of the Republican revolution as predictable as the fall of man? Did the GOP revolutionaries, like so many revolutionaries before them, have to become the very thing they had once vowed to change? Gingrich, the former House Speaker, who stepped down in late 1998 before he could be pushed out, blames his successors for taking the low road to disaster. With his fondness for alliterative lists, Gingrich cites four areas where the Republicans fell short or went astray: "Candor, competence, corruption and consultants." He specifically blames former majority leader Tom DeLay, who effectively replaced Gingrich as the GOP leader in the House from 1999 through 2005. In Gingrich's judgment, DeLay, as well as other Republican leaders, threw away the power of ideas in their narrow focus on self-preservation. "When an institution develops 'the Hammer' as a model, that's not the most intellectual form of leadership," says Gingrich, alluding to DeLay's nickname, earned for his skill at enforcing party loyalty in the handing out of favors to lobbyists and influence peddlers. (DeLay did not respond to NEWSWEEK's requests for comment.)

But Gingrich deserves some of the blame himself for providing a grandiose and ultimately weak model of leadership. The story of the rise and fall of the Republican revolution in the Houseof Representatives is a timeless story of vanity and hubris—and a cautionary tale for incoming Speaker Nancy Pelosi and the new Democratic leaders, who would like to inaugurate another long periodof their party's rule.

The Republican revolution hardly started with Gingrich. The seeds were planted by the GOP's failed but visionary 1964 presidential candidate, Barry Goldwater, and conservative prophet William F. Buckley; the Reagan landslide of 1980 brought the movement to power in the White House and the Senate, which the GOP held until 1986.

The House, however, long seemed a lost cause; it had not been in GOP hands since the first two years of Eisenhower's presidency. It was Gingrich who first saw a way to exploit growing public dissatisfaction with the old Democratic barons of big government in the House, Speaker Thomas P. (Tip) O'Neill of Massachusetts and his successor, Jim Wright of Texas. Gingrich, then an obscure Republican backbencher (O'Neill referred to him as a "stooge," as in the Three Stooges), used a new forum—C-Span—to rail against Democratic corruption. In 1989, somewhat surprisingly, he succeeded in forcing the resignation of Speaker Wright, who was implicated in a scheme to profit off book sales in violation of House rules.

Gingrich had been a bit of a joke even in his own party. The son of a military officer, he seemed to some lawmakers to be a Walter Mitty, a soldier wanna-be who had missed Vietnam (student and family deferments). Gingrich spouted a kind of utopian futurism about the "opportunity society" and handed out tapes so other congressmen could learn, as the accompanying instructions put it, to "talk like Newt." Some congressmen made fun of the tapes. But others listened—and learned. The 1994 congressional campaign was a referendum on big government—Hillary Clinton had launched a massive health-care reform plan that wound up strangled by its own red tape. Gingrich mounted an attack on the "bureaucratic welfare state" that caught the public mood—and shocked the pundits and prognosticators by returning the Republicans with a 26-seat majority in the House.

Suddenly it was Speaker Gingrich. Irrepressible, he launched biting personal attacks on the First Lady, chortling, "We are a happy band of Vikings, who don't mind a fight!" More seriously, he led a campaign that summer to cut federal spending and succeeded in squeezing $50 billion out of the budget before he attacked the hardest nut: Medicare. Gingrich's attempt to trim spending on medical care for the elderly does not seem that extreme—he wanted to restrain the rate of growth from 10 percent a year to 7 percent over seven years. But he immediately ran into a political buzz saw.

Gingrich compared his leadership style to that of Charles de Gaulle, Thomas Edison and Winston Churchill; he likened his legislative gambits to the battle strategies of the Duke of Wellington and Ulysses S. Grant. "Newt couldn't help himself," recalled Dick Armey, then Gingrich's House majority leader. "He was always just as grand as he could be." At first, President Bill Clinton seemed so diminished by the midterm humiliation that he had to argue that he was "still relevant" at a press conference in the spring of 1995. But by summer, after handling the tragic terror attack on the Murrah Building in Oklahoma City with grace, the president was secretly conferring with an old political consultant, Dick Morris, who was reminding his boss that governing was really a "permanent campaign." At Morris's urging, Clinton launched a demagogic but extremely effective advertising campaign accusing the Republicans of trying to "eliminate" Medicare.

In October '95, Clinton held a press conference at which he charged that the Republicans were cutting health care by $200 billion so that they could give the same amount of money back to the wealthy as tax breaks. Joe Scarborough was watching with

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some fellow freshman from the Class of '94. "I remember we broke out laughing, saying, 'That poor fool'," Scarborough recalled. The joke was on the Republicans. As the budget battle turned into a stalemate later that fall, the government shut down. Clinton blamed the Republicans, darkly warning that Social Security checks would no longer be mailed out. The president repeatedly outfoxed Gingrich. When Gingrich flew on Air Force One to the funeral of Israeli Prime Minister Yitzhak Rabin, Clinton declined to find and negotiate a budget solution (preferring, instead, to play hearts up front with business tycoon Mort Zuckerman). Gingrich threw a tantrum on their return—and the New York Daily News (owned by Zuckerman) ran a front-page cartoon of Gingrich in diapers (which the Democrats made into a poster and, in a mischievous violation of House rules, stuck on the Speaker's chair). Gingrich ultimately caved in and had to plead with his own hard-liners to reopen the government.

Clinton continued to outflank Gingrich, effectively stealing much of the Republican platform by being tough on crime and welfare and declaring that the era of big government was over. Worn down, Gingrich privately confessed, "I'm not a natural leader. I'm a natural intellectual gadfly." Even after Clinton was consumed by the Monica Lewinsky scandal in 1998, Gingrich was unable to lead; his own troops were already plotting to purge him.

Gingrich's resignation after the 1998 election (the Republicans lost five seats) brought on an interlude that could only be described as comic opera. At the height of the Clinton impeachment proceedings, the new House Speaker-designate, Rep. Robert Livingston of Louisiana, resigned after the publisher of Hustler magazine, Larry Flynt, placed an ad in The Washington Post offering up to a million dollars for information about sexual indiscretions by D.C. officials. After a story broke in the press, Livingston admitted to extramarital affairs in a dramatic speech on the floor of the House. Livingston did not run for Speaker and resigned his seat.

Stunned Republicans chose a blandly amiable former high-school wrestling coach, Dennis Hastert, as their next Speaker. But the real power belonged to DeLay, who rose from whip to majority leader in 2003. A former Houston pest exterminator and archfoe of the Environmental Protection Agency, DeLay gave off a cold, hard look that was the polar opposite of sunny Reaganism. He delighted in his "Hammer" nickname. From the beginning of Gingrich's tenure, the GOP's K Street offensive had warned lobbying firms along Washington's K Street corridor that they would be wise to hire Republicans if they wanted access. There was nothing especially new about such a partisan approach to the influence-peddling business. The Republicans had only to look across the aisle to study a past master at shaking the corporate tree—former representative Tony Coelho, the onetime chairman of the Democratic Congressional Campaign Committee. But DeLay brought a new brazenness to the game. Before long, lobbyists could be seen in committee rooms writing legislation. With corporate coziness came the abandonment of fiscal restraint. Committee chairmen now routinely handed out "earmarks," special provisions authorizing spending for members' pet projects. In 1987, President Ronald Reagan vetoed a highway bill because it had 152 earmarks. In 2005, President Bush signed a transportation bill with 6,371 earmarks.

The nadir of the delay era may have come in the early-morning hours of Nov. 23, 2003. The Republicans, who had once tried to cut back entitlement programs, were now voting to create a whole new one—a bill to provide prescription-drug benefits for the elderly. Normally, House members have 15 minutes to cast their votes. Instead, DeLay & Co. kept the voting open for three hours—until 6 a.m.—while they persuaded old-fashioned fiscal conservatives to abandon their scruples. The exact nature of the inducements has never been clear, but Rep. Nick Smith charged that "bribes and special deals were offered to convince members to vote yes." (For Smith's vote, the leaders allegedly offered financial and political support for the congressional race of Smith's son.) The House ethics committee, effectively neutered in recent years, gave DeLay a wrist-slap reprimand. DeLay accepted the committee's "guidance," adding that he "would never knowingly violate the rules."

The House took on a Darwinian feel. It was every man for himself as staffers and even lawmakers cashed in to become lobbyists. The number of registered lobbyists in Washington nearly doubled, to 37,000, between 2000 and 2006. About half of the 200-odd congressmen who left their seats after 1998 stayed in Washington to become lobbyists or consultants. They would use their privileges as retired congressmen to lobby in the House gym and even on the House floor.

It was perhaps inevitable that the culture of sleaze on Capitol Hill would produce a Jack Abramoff. With his two downtown restaurants and his skybox at the sports arena, Abramoff was a popular host to congressmen and staffers. He was positively gleeful about bilking his clients, ultimately liberating several Indian tribes of $82 million in fees. "I wish those moronic Tiguas were smarter in their political contributions," Abramoff e-mailed Ralph Reed, his friend and the former head of the Christian Coalition. "I'd love us to get our mitts on that moolah!" When Abramoff finally pleaded guilty to fraud, he effectively took DeLay down with him. Several of DeLay's former staffers were caught up in the Abramoff scandal. DeLay was not charged with any wrongdoing, but he was embarrassed by an all-expenses-paid golfing trip to Scotland with Abramoff. Under indictment for campaign-money laundering in Texas in a weak but nagging case brought by a local prosecutor, DeLay gave up his seat in June. (He has pleaded not guilty; the case has not gone to trial.)

Hastert was never able to exercise the same iron control as DeLay. Nor was DeLay's successor as majority leader, John Boehner, able to bring real discipline to fractious House members who looked out primarily for their own political interests. The

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religious evangelicals became more demanding of the Republican leadership on Capitol Hill, leading to the deeply unpopular spectacle of the Terri Schiavo case. Last year Senate Majority Leader Bill Frist, eager to court religious conservatives for a possible presidential run, and the House leadership, sensitive to the religious right, intervened to try to keep the patient alive on a feeding tube, a questionable use of federal power, especially for a party that once stood for less government interference.

The GOP's evangelical base was shocked and demoralized this fall when Rep. Mark Foley of Florida was exposed for having sent salacious messages to congressional pages. House leaders blamed each other for not responding to warnings that Foley was a possible sexual predator. In early October, when Hastert was compelled to hold a press conference to announce that he would not step down as Speaker, it was clear that the GOP revolution was in its late Jacobin phase.

Even so, the Republicans might have kept control of Congress had it not been for GOP overreaching on a different front—Iraq. In some ways, the hubris of Gingrich and DeLay was minor compared with the willful risk-taking of President Bush, backed by Vice President Dick Cheney, a former congressman from Wyoming.

History is full of accidents and what-ifs. Cheney was the second-ranking House Republican when he got the call to become secretary of Defense in 1989, at the beginning of the George H.W. Bush administration. (Bush's original nominee to become SecDef, former senator John Tower of Texas, was disqualified by allegations that he was a tippling womanizer.) Had Tower not been blocked from taking office, and Cheney not chosen as his Pentagon replacement, Cheney probably would have stayed in the House—and become Speaker when the Republicans won in 1994. "If Cheney had stayed I never would have gone in the leadership," Gingrich told NEWSWEEK last week. Gingrich rated Cheney as a perhaps less imaginative but more politically shrewd lawmaker than himself. Had Cheney stayed in the House and not become a war-hawk adviser to both Presidents Bush, history might well have taken a different course. We will never know. But we do know this: Democrats who, in the glow of victory, now say that none of this could happen to them ignore the story of the last dozen years at their peril.

Alter: The End Of The Road For U.S. Conservatism (NSWK)

By Jonathan Alter

Newsweek, November 13, 2006

Nov. 20, 2006 issue - The Category 4 political hurricane of 2006 was more than a referendum on an unpopular war and president: it signals the end of the conservative tide that began rising 40 years ago; it's the end of a pernicious six-year experiment in "governing for the base," and in many ways it's a blessing in disguise for George W. Bush, who now has the opportunity to salvage something of his presidency.

Pat Buchanan and I rarely agree, but he rightly points out that the election marked the exhaustion of the movement that Barry Goldwater launched with his 1964 campaign. The intellectual vitality and coherence that once characterized modern conservatism have been shattered. Karl Rove is still arguing that the hot issues of this election—Iraq, corruption, sexual hypocrisy—are only "transitory." He's ignoring deep fissures in his party. Neocons have been discredited and theocons dispirited. Libertarians feel betrayed by big spenders, incompetent interventionists and moralizing busybodies. In the Schiavo case, in which 70 percent of voters thought Washington should have butted out, Republicans drove a wedge through their own ranks. Same with immigration, which pits the free-trade business wing against nativist Lou Dobbsians. Most important, the stitching that was meant to hold the GOP's big tent together contained none of the hope and optimism essential to success in American politics. Fear failed.

It failed among the young (18 to 29), who were evenly divided four years ago, but this time gave the Democrats a 20-point edge. It failed among Hispanics, who favored Democrats by 69 to 30 percent. And it even failed among white soccer moms and office-park dads, who turned the American suburbs an unrecognizable shade of blue. The 49-state GOP landslides of 1972 and 1984 are now distant memories, as onetime bellwether states like California, Illinois, Pennsylvania, New Jersey and even Ohio trend heavily toward the Democrats. Texas and the Old Confederacy are no competition.

To recover, conservatives plan to return to what they call the "core principles" of small government and lower taxes. But there's a reason they abandoned budget balancing: it's a loser politically. There just aren't many votes in it, and that's why Republicans didn't cut spending. People want the government to deliver for them. Without earmarks—which will now flow to pork-hungry Democrats—and the protection-racket money they got from selling out to lobbyists, Republicans might have lost an additional 20 seats. More than two dozen GOP incumbents won by six points or less and are vulnerable next time.

Their peril has its origins in Bush's highly divisive effort to intensify the conservative movement instead of governing from the center. After the razor-thin 2000 election, he listened to shortsighted advice from pollster Matthew Dowd that "swing" voters were extinct and success lay in turning out "the base." But more than one third of American voters identify themselves as independents, which is a higher percentage than claim a party ID. Smart politicians have always known that the G spot of the American body politic is in the middle.

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So the Conservative Era is over, a cautionary tale for Democrats who might be tempted to impose a liberal one. Bush, who worked well with a Democratic legislature in Texas, must now admit that America is not Dittohead Nation. He is free of the one-party rule that kept him from being pragmatic—the not-so-secret ingredient in every successful presidency. Ronald Reagan and Tip O'Neill (taxes and Social Security), George H.W. Bush and George Mitchell (the budget) and Bill Clinton and Newt Gingrich (welfare reform) all showed how presidential concessions in a divided government can burnish a president's legacy, and even lead to new wings in his library.

For Bush, there are opportunities for consensus not just on Iraq but on immigration, Social Security reform, energy—and even on tax cuts, which he could shift from the wealthy to the middle class. The near wipeout of moderate Republicans makes it tougher. But the interest of the president in his legacy and the Democratic Congress in putting points on the board are aligned. After all the predictable vetoes and subpoenas and finger-pointing, this alignment has the potential to give Bush new political life—and his party a chance to avoid the grim fate of all extremists in American political history.

Quinn: The Economic Perception Gap (NSWK)

By Jane Bryant Quinn

Newsweek, November 13, 2006

Nov. 20, 2006 issue - Talk about being in denial. President Bush thought that voters should credit him for a great economy, even if they opposed the war. Just look at the numbers: low unemployment, low inflation, record profits, taxes down, stocks up. But in exit polls, half the voters called the economy "not good" or "poor." Only 31 percent said they were "getting ahead" financially. Someone's not in the loop. Is it the public or the prez?

I'll give you a hint: the answer lies in the election returns. The public declared that they're changing the terms of the debate. True, this country is richer than ever, with people spending more at all income levels. But too many unaddressed problems have been piling up—the Iraq and Afghanistan wars, retirement insecurity, oil dependence, political and corporate corruption, budget deficits, health-care costs and hot issues such as stem-cell research. Nobody seems to know what to do.

Creeping doubt can turn into a seismic shift in political thinking, says Allen Sinai, chief global economist for Decision Economics. For example, take the perceived failures of the Carter years. They ushered in Ronald Reagan, whose antigovernment rhetoric has dominated our choices for the past 25 years. But answers don't seem to lie in that direction anymore. "Another great political wave may be building up, and once it rolls out it doesn't quickly get reversed," Sinai says.

The new wave—the one the public sees but Bush does not—is a pervasive feeling of permanent insecurity, says Yale political scientist Jacob Hacker, author of the new book "The Great Risk Shift." By "risk shift," he means that employers and governments have left us more on our own, to fund our health care and retirement plan. Bush's ownership society doesn't look good if you're on the street at 61 and need a Starbucks job for health insurance.

At the top, the "working rich" are doing stupendously well. In 2004, the wealthiest 1 percent of households (with incomes higher than $315,000) copped 53 percent of all the year's income gains. Americans usually don't care how much other people get as long as they're doing OK themselves. But lately, they haven't been. Median incomes for households with people of working age (65 or less) fell last year for the fifth year in a row. Adjusted for inflation, these families are bringing in $3,000 less, the Economic Policy Institute reports. When the president tells them they're fine, he sounds out of touch.

One statistic, however—the slowdown in job growth—may not be as bad as it sounds. The reason could be partly demographic rather than a sign of economic weakness. Baby boomers will be leaving the work force in rising numbers. The working-age generation behind them is comparatively small. Teenagers are staying longer in school. So collectively, there's less growth in the number of people to employ, according to a study by the Federal Reserve System. That should be good for earnings, over time. Employers will have to pay scarce workers more, and the work force will have higher levels of bankable education.

In Washington, the political parties will be sharpening their agendas for the wide-open '08 presidential race. The Republicans have one last chance to show they can fix things, after all. Otherwise, voters will bring in new top management. If there's indeed a longer-term shift in public-policy thinking, here's how the economic priorities will shake out:

The minimum wage. It's expected to rise from $5.15 an hour to $7.25—not a stretch, for the country as a whole. In 22 states and the District of Columbia, the wage is already higher than that; six more states authorized increases at the ballot box this year. That fits with similar data developed by Princeton political scientist Larry Bartels. He's shown that income growth, for the middle class and poor, rises substantially more under Dem presidents than under Republicans (the rich fare about the same, either way).

Taxes. The superrich lost their chance to abolish the estate tax on money left to heirs. Dems will almost certainly want to renew Bush's middle-class tax breaks, such as tuition credits. But the wealthy will find themselves in the cross hairs.

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Social issues. Universal health insurance will be back on the table. Congress will target the high cost of prescription drugs. You'll see tax-favored savings programs for the average guy, not just for the person who can afford to put large sums away. Social Security has to be fixed. Money will be shaken out of the Pentagon's budget, assuming a pullback in Iraq.

The new regime won't be cooking anyone a free lunch. But in concept, it believes that government can help. Dems lean toward economic security, not go-it-alone. Can they do it? We're going to see.

Steele Interested In Heading RNC (AP-Y)

By Brian Witte, Associated Press Writer

AP, November 13, 2006

Republican Lt. Gov. Michael Steele, who lost his race for a Senate seat, expressed interest Sunday in becoming chairman of the Republican National Committee.

"I have not had any conversations directly with the White House yet on this," Steele told C-SPAN.

Ken Mehlman, the current chairman, is stepping down when his two-year term ends in January. Mehlman made a point of emphasizing outreach to black voters and helped recruit Steele for the Maryland race.

Steele, who lost to Democratic Rep. Benjamin Cardin by a margin of 55 percent to 44 percent of the vote, said he believed it was time for the GOP to rethink its views in wake of losing both chambers of Congress in last week's midterm elections, which he described as a "tsunami." Steele said the electorate "was very clear."

"They expected the administration and the party to step up and speak to particular issues and, failing that, there would be heck to pay — and we paid," Steele said.

Steele said he wasn't sure when an announcement would be made on who will be the new committee chair.

Steele was head of the Maryland Republican Party before being elected lieutenant governor in 2002 as the first black candidate elected statewide in Maryland. His term as lieutenant governor will end in January.

Steele also explained why he largely avoided mentioning his party affiliation while campaigning. In a state where registered Democrats outnumber Republicans 2-1, Steele said it was obvious what party he belonged to and there was no need to "rub it in your face."

"In a state like Maryland, there was an opportunity to move away from the labels and really try to dig beyond, you know, being a Republican or Democrat, red state or blue state," Steele said. "In fact, that's what people are sick of. I think we saw the results on Tuesday just how sick they are."

Two Democrats Struggle As Georgia Bucks A Trend (NYT)

By Shaila Dewan

The New York Times, November 13, 2006

MACON, Ga., Nov. 10 — Politically speaking, Georgia proved to be a mirror image of the rest of the country in the midterm elections. Republicans swept nearly every statewide office, and turnout among Democrats was low, thanks to a lackluster candidate for governor.

But two Democratic congressmen in highly competitive races in the state seem to have successfully fought those odds, though they are hanging on by the slenderest of margins and are still waiting for their opponents to concede.

The two Democrats, Jim Marshall of Macon, in the Eighth Congressional District, and John Barrow of Savannah, in the 12th District, were on the Republican Party's short list of beatable incumbents. Their adjoining districts, which encompass large rural areas, were redrawn by a Republican legislature, their opponents were former congressmen, and the National Republican Congressional Committee poured hundreds of thousands of dollars into the races. President Bush campaigned in each district twice.

"It is a year that if you look at Georgia compared to the rest of the nation, there's a real counterprevailing trend," said J. Christopher Grant, a political science professor at Mercer University in Macon, "and it is actually amazing that these folks were able to hang on." Mr. Marshall squeaked by with a lead of 2,040 votes in a district on the home turf of two of Georgia's most prominent Republicans, Gov. Sonny Perdue and Senator Saxby Chambliss.

Mr. Barrow, whose race was so close it is one of eight in the House that have not been called by The Associated Press, led by 963 votes. (The other seven races involve Republican incumbents.) The results have not been certified, and a spokesman for Mr. Barrow's opponent, Max Burns, said enough ballots remained uncounted that he could pull ahead. If Mr. Barrow should lose, he would be the only Congressional Democrat ousted by a Republican this year.

As the state's only white Democrats in Congress, both men relied on incumbency and their relatively conservative records, while also focusing on getting voters, especially blacks, to the polls. Mr. Marshall doubled the amount of money he planned to

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spend, to nearly $2 million. Mr. Barrow's campaign emphasized his independence, portraying him as willing to break with the Democratic party line.

Erick Erickson, a Republican political consultant, lawyer and blogger in Macon, said Mr. Barrow had been more vulnerable than Mr. Marshall. Mr. Barrow is a freshman whose liberal base in Athens was shifted away in the redistricting. Mr. Marshall, a former mayor of Macon, is in his second term and was familiar to his new constituents because they were in the Macon media market and therefore had frequently seen him on television. While the Democratic Congressional Campaign Committee spent more than $500,000 to help retain Mr. Barrow's seat, it spent less than $100,000 in Mr. Marshall's race.

While an outsider looking at raw numbers would probably assume that Mr. Marshall could be picked off, said Mr. Erickson, the chief executive of the Redstate blog, "if you actually know something about the district, you come to the conclusion that he would be hard to beat."

Mr. Marshall is popular and moderate, and several voters interviewed mentioned his constituent services and accessibility. He is a Vietnam veteran who has repeatedly visited the troops in Iraq and courted the large military presence in the district, and, Mr. Grant said, votes the way his constituents would want him to even if his personal views are more liberal.

But the Marshall race turned out to be no less competitive. "When Bush came back the second time, that was a signal to me that they had tracking numbers that were showing the gap closing," said State Senator Robert Brown, a Macon Democrat who led a get-out-the-vote drive that focused on blacks who voted infrequently.

In both districts, Republicans tried to link the incumbents with controversial figures like Representative Cynthia A. McKinney, a Democrat who lost in the August primary, and paint them as likely to raise taxes and grant amnesty to illegal immigrants. At the same time, the incumbents were hamstrung, unable to bring in Democrats with national name recognition because of their unpopularity in a part of the country where President Bush is well liked.

The National Republican Congressional Committee spent more than a half-million dollars in each race, and the Economic Freedom Fund, an independent group financed by Bob J. Perry, the Texas homebuilder who bankrolled the Swift boat veterans' attacks against Senator John Kerry in the 2004 presidential campaign, bought advertising as well. Mr. Marshall's campaign estimated that he was the target of more negative advertisements than any other candidate in the country.

"The principal thing is that voters in middle Georgia and south Georgia have a pretty clear perception of who I am and what I stand for," Mr. Marshall said over breakfast at Nu-Way Wieners in Macon on Friday. "And that perception wasn't undone, at least not altogether undone, by the campaign of my opponents."

But, he said, his Republican challenger, Mac Collins, "had a staff that was willing to say virtually anything, utterly untroubled by fact and truth, a total end-justifies-the-means mentality."

A spokesman for Mr. Collins, Bill Hagan, said the campaign would not comment until the results were certified.

At Jeneane's Cafe in Macon, two Republican women neatly illustrated the nuances voters sifted through on their way to the polls.

One, Sally McLemore, ticked off a list of Mr. Marshall's good deeds: support for Robins Air Force Base, farmers and rural health care. But, Ms. McLemore said, she voted for Mr. Collins.

"I was thinking national level, and we're clearly in a crisis and we need to stick with the Republicans," she said. "I don't want to see Nancy Pelosi as speaker of the House; I think it's dangerous."

She added that she was happy Mr. Marshall was a conservative Democrat. "Now that it's all over and done with, I'm delighted he's there because I think he's a voice of wisdom."

The reasoning of Ms. McLemore's friend, Peggy Steele, ran the other direction. She voted for Mr. Marshall. "I was counting on the other Republicans to worry about the national," Ms. Steele said, "and I was worrying about the local."

But other voters said the national climate had worked in Mr. Marshall's favor. At the Fresh Air Bar-B-Que in Butts County, in the new part of the Eighth District, the owner, George Barber, supported Mr. Collins, who grew up down the road.

"Politics is certainly a fickle thing," said Mr. Barber, who owns the business with his brother. "Had it been two weeks earlier or two weeks later, it might have had a different outcome."

Fresh Off The Farm In Montana, A Senator-to-Be (NYT)

By Timothy Egan

The New York Times, November 13, 2006

GREAT FALLS, Mont., Nov. 9 — When he joins the United States Senate in January, big Jon Tester — who is just under 300 pounds in his boots — will most likely be the only person in the world's most exclusive club who knows how to butcher a cow or grease a combine.

All his life, Mr. Tester, 50, has lived no more than two hours from his farm, an infinity of flat on the windswept expanse of north-central Montana, hard by the Rocky Boy's Indian Reservation.

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For all the talk about the new Democrats swept into office on Tuesday, the senator-elect from Montana truly is your grandfather's Democrat — a pro-gun, anti-big-business prairie pragmatist whose life is defined by the treeless patch of hard Montana dirt that has been in the family since 1916.

It is a place with 105-degree summer days and winter chills of 30 below zero, where his grandparents are buried, where his two children learned to grow crops in a dry land entirely dependent on rainfall, and where, he says, he earned barely $20,000 a year farming over the last decade.

"It's always been tight, trying to make a living on that farm," said Mr. Tester, still looking dazed and bloodshot-eyed after defeating Senator Conrad Burns, a three-term incumbent, by fewer than 3,000 votes.

Chouteau County, where Mr. Tester lives on a homestead of 1,800 acres, lost 8.5 percent of its population in the last five years — typical of much of rural America that has been in decline since the Dust Bowl.

To make extra money, Mr. Tester taught music to schoolchildren, and still plays a decent trumpet despite having only seven fingers (he lost the rest to a meat grinder as a child). He got into politics just eight years ago in a sustained rage over what utility deregulation had done to small farmers and businesses in Montana.

"You think of the Senate as a millionaire's club — well, Jon is going to be the blue-collar guy who brings an old-fashioned, Jeffersonian ideal about being tied to the land," said Steve Doherty, a friend of Mr. Tester's for 20 years. "He's a small farmer from the homestead. That's absolutely who he is. That place defines him."

Mr. Tester used to ride his motorcycle down from the farm to Great Falls to play softball with Mr. Doherty. He played third base, not an easy position for a man with a shortage of digits. They were colleagues later in the State Senate, of which Mr. Tester was the president this year. It is a part-time job, with the Legislature holding regular sessions of 90 days only every other year.

Congress has done little to improve the lives of people living in the dying towns across rural America, Mr. Doherty said.

"When Jon talks about the cafe that's trying to hold on, the hardware store that just closed, the third generation that can't make a living on the farm, he is living that life," Mr. Doherty said.

Still, there was never a master plan, Mr. Tester said, for the arc that took him from soil conservation district leader to state senator to one of the victors who gave Democrats control of the Senate.

"I'm kind of a fatalist," he said, breaking into a smile. "The good Lord gives you opportunities."

And Mr. Tester learned quickly how to exploit those opportunities, running a bare-knuckle campaign against Mr. Burns, with a barrage of name-calling and negative advertisements making hay of the senator's ties to Jack Abramoff, the disgraced former Washington lobbyist.

Republicans complained that Mr. Tester's campaign was relentless and went overboard. Montana is a big state with a small population, where politicians are known on a first-name basis. The ferocity of such attacks seemed out of place, some here said.

Also, they said Mr. Tester favored measures while in the State Senate that had the effect of raising taxes on many of the small businesses that he promotes. They called him "Taxer Tester" for much of election year.

But with his trademark flattop — refreshed every three weeks for $8 at the Riverview barber shop here in Great Falls — Mr. Tester was a tough target for Republicans to stereotype as "just another Washington insider," as one radio attack ad put it.

Republicans have kept their hold on the intermountain West in part by promoting issues known as the three G's: gays, guns and God.

On gays, Mr. Tester says the "sacred document" of the Constitution should not be amended to outlaw same-sex marriage, though he favored a state ban that voters passed in 2004. On guns, Mr. Tester is quite proficient in their use, and says anyone — Republican or Democrat — who tries to take his away will run into trouble. On God, Mr. Tester says simply that he is a churchgoer, and notes that he met his wife when he spotted her in a pew.

"The fact is, I'm just a regular Montanan," he said. "Those issues are important, but what I heard from people is concern about health care, fiscal responsibility and how we're throwing so much money into a war."

Mr. Tester and his wife of 28 years, Sharla, grow organic lentils, barley, peas and gluten-free grain in a county with 1.5 people per square mile. It is all earth and sky on the Tester family ground. A hundred years ago, a region with so few people was considered frontier.

Mr. Tester is very much in the mode of his longtime friend Gov. Brian Schweitzer, a Democrat who can be more prickly than Mr. Tester. The governor recalled a favorite moment with Mr. Tester from the last legislative session.

"We're sitting there in this room where governors and powerful people used to drink whiskey and smoke cigars, me and Jon, and both of us had a bag of sunflower seeds — Russian peanuts we call them — trying to spit the shells into a cup," Mr. Schweitzer said. "We looked at each other and laughed, like, What are we doing here?"

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Republicans said that Mr. Tester was a favorite of “extreme liberal bloggers” and that the down-home persona masked an agenda out of step with much of America.

And indeed, the liberal Web site Daily Kos took up Mr. Tester’s cause early. When he announced he was running for the Senate, he was an underdog to a better-financed and better-known Democrat who was being promoted by the party establishment.

After Mr. Tester won the primary by a huge margin, Daily Kos posted a picture of him on its site, with the caption, “Say hello to the next senator from the great state of Montana.”

Mr. Tester is also a favorite of the band Pearl Jam, which promotes many liberal causes. But his tie is personal. The area around the town of Big Sandy, population 658 and falling, produced not only Mr. Tester, but also Jeff Ament, the bassist for Pearl Jam. The band did a concert in Missoula this year for Mr. Tester.

On the campaign trail, Mr. Tester spoke often of how “regular folks” just “haven’t been given much of a shake.” He is distrustful of global trade agreements that have hurt farmers, and big drug companies and health maintenance organizations that he says have put medical costs out of reach for many people.

Asked why he became a Democrat in a region that has been overwhelmingly Republican for the last generation, Mr. Tester said: “It started with my parents, who always said the Democrats work for the middle class. And in agriculture, Franklin Roosevelt did a lot of good things.”

Friends say not to worry about Mr. Tester going native in Washington. He said he planned to return home to the farm several times a month. He promised his barber, Bill Graves, that he would continue to come back to get his hair cut in the same wheat-field bristle.

“I haven’t noticed a change yet,” Mr. Graves said. “He’s the same man. Got a real dry sense of humor. We talk about everything. And then he says, ‘See you next time.’ ”

How Many Wins Make Up A 'Wave'? (WP)

By Zachary A. Goldfarb

The Washington Post, November 13, 2006

There is no doubt that Democrats did well on Tuesday, capturing almost 30 seats in the House, six seats in the Senate and control of both chambers. But was it the Democratic "wave" that so many had believed was about to sweep the country?

Republican leaders said it was not. Rep. Thomas M. Reynolds (N.Y.), who led the GOP's House campaign committee, said it was simply "a matter of history repeating itself." On the day of the elections, Republican National Committee Chairman Ken Mehlman warned of a "six-year itch."

By some measures, the Republicans are right. Since World War II, the party in the White House has tended to lose seats in Congress in the sixth year of an administration, and the average losses matched this year's -- 29 seats in the House and six in the Senate. When there was an unpopular war, the losses were greater.

But political scientists say that assessment of Tuesday's results ignores an important change in recent years. They say Republicans have re-engineered the political map, stuffing congressional districts with supporters to make the districts reliably pro-GOP. The financial and electoral advantages of incumbency, moreover, have reached new heights.

The election results are "actually huge because of the structural advantage Republicans had going into the election. Democrats had very little low-hanging fruit," said Gary C. Jacobson, a scholar of congressional elections at the University of California at San Diego.

Although Democratic gains were substantial, they might not have been the "historic election" of which incoming Senate Majority Leader Harry M. Reid (Nev.) boasted last week. "It's more than the Republicans claim it is, but it's much too early to say it's equivalent to the huge upheavals we've had in the past," said Walter Dean Burnham, a professor emeritus at the University of Texas.

In five midterm elections since World War II -- in 1946, 1958, 1966, 1974 and 1994 -- the president's party lost more seats in the House than the GOP did this year. The losses in two midterm years were comparable to this year's, while in eight they were smaller. On the Senate side, the president's party lost more seats four times, the same number once and fewer seats 10 times.

The most common comparison to 2006 is 1994, the year of the last "wave" election, when the GOP picked up 55 House seats, nine Senate seats and control of both houses. But political scientists are divided on whether 2006 stacks up to 1994.

Judging by the number of seats gained, 2006 clearly does not, but other figures suggest it does. The average vote received by the Democratic candidate in the nation's 435 congressional districts was 55 percent this year, compared with 51.6 percent for Republicans in 1994, according to Andrew Gelman, a professor at Columbia University.

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What's more, many GOP gains in 1994 came in districts that had been trending Republican for years, especially in the South. In contrast, the Democratic wins last week largely came in districts that had voted for President Bush in 2004. "Democrats had a lot fewer targets than the Republicans [in 1994], but they took a larger share of their victories from the tough districts," Jacobson said.

But John Coleman, a professor at the University of Wisconsin, argues that in influencing the political views of the electorate, the Republicans' victory in 1994 was more dramatic. That year, he said, voters endorsed a clearly defined conservative philosophy embodied in the GOP's "Contract With America."

"That campaign was overtly more ideological in direction," Coleman said. "The Democratic Party didn't really need to make much of an ideological case in 2006. You don't have that sense, going in, of a strong push in some other ideological direction."

Nonpartisan analysts in Washington invoked wave metaphors throughout the campaign. Stuart Rothenberg, author of a political newsletter, predicted a Democratic "wave," and after the election, said, "Of course we had a wave." Amy Walter of the Cook Political Report wrote in her column, "Instead of a wave that wiped out everything in its path, this political storm zig zagged its way across the country."

Lawrence Jacobs, a professor at the University of Minnesota, said Tuesday's outcome offered a new twist on "wave" elections: More than 90 percent of incumbents were reelected, but the election is viewed as a mandate for change.

Asked Jacobs: "How do you talk about an election where there was clearly an important change in who controls the majority and it was a setback for the Republican project, but we see so much continuity from one Congress to the next?"

Midterm Election Leaves Political Landscape Blurry (WP)

By Dan Balz

The Washington Post, November 13, 2006

Rarely has an election result been delivered with such force and clarity, and still left so many unanswered questions in its wake, as that of the 2006 midterm campaign. What happened is unmistakable. What it may portend is far less obvious, making the 2008 election, which already has begun, potentially the most important in a generation or more in shaping the nation's politics.

Democrats have been quick to claim that 2006 will be remembered as the end of a conservative era. No one doubts that the midterm election was a rejection of President Bush's policies in Iraq and of the Republicans' style of governance. But was it really a rejection of conservatism itself? It will take future elections to prove the Democrats' claim.

What the election was not, in the view of strategists in both parties, was a powerful affirmation of the Democratic Party, despite its takeover of the House and Senate. One post-election survey, conducted for the liberal groups Democracy Corps and the Campaign for America's Future, found that both Republicans and Democrats emerged from the contest with negative images.

"This is not an election where one party went down and the other party went up," said Stan Greenberg, whose firm conducted the survey on election night and the night after. "The story still has to be written on how this period becomes a period for Democratic dominance."

Tuesday's election left American politics in a remarkably fluid state. In just six years, the political discussion has moved from analyzing the reasons for the nation's 50-50 divide, to predictions that the Republicans were close to establishing a durable majority, to questions about whether Tuesday marked a pendulum swing back toward the Democrats.

After years of politics aimed at mobilizing and energizing the bases of their respective parties, Democrats and Republicans are again focused on the electorate's shifting center and its potential to change the balance of power in the country. On Tuesday, Republicans decisively lost independents and moderates, but it is not yet a given that those voters will stay with the Democrats. Which party claims that constituency in the future will depend on the answers to a series of questions that will shape the politics of the next two years.

Foremost among them is which party can gain the public's trust to keep Americans safe in a world of terrorism and rogue-state threats. Exit polls suggest Democrats made significant headway this year in reducing what has been a historic Republican advantage. Whether that is permanent or transitory is of central importance.

Equally important is the question of which party can adequately address the twin problems of keeping the United States competitive in a global economy and restoring the social contract that has helped provide economic security to workers and that has been shattered as a result of the corporate restructuring that globalization has brought about.

A third is which party can best navigate the thicket of social and cultural issues in a way that both preserves a sense of American values and accommodates the need for greater tolerance in a society that has become increasingly diverse.

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Tuesday's election also suggests that the 2008 campaign will be fought on different geographic terrain. Throughout the decade, the political map of America has been relatively fixed, with Democratic blue states along the coasts and in parts of the upper Midwest, and most of the rest of the country a giant swath of Republican red.

That map now may be, if not obsolete, at least open to revision. Traditionally Republican Virginia increasingly looks like a state turning purple -- neither red or blue on election strategy maps. With former governor Mark R. Warner; his successor, Gov. Timothy M. Kaine; and James Webb's surprise victory over Sen. George Allen (R) last week, Democrats have demonstrated that Republicans no longer can take the state for granted.

As significant as the changes in Virginia is the transition underway in Colorado. Democrats scored important gains there on Tuesday, winning the governorship and a House seat and expanding their state legislative majorities. For all the focus on Ohio as the decisive presidential battleground over the last few years, Sen. John F. Kerry (D-Mass.) would be president today if he had won both Virginia and Colorado.

The electoral map that has emerged from this election shows Republicans in control of the South, Democrats the Northeast. Democrats gained ground in the Midwest, but it remains a vitally important battleground.

Farther west, Rocky Mountain states are becoming the newest areas for competition between the parties. Democrats now control the governors' offices in Arizona, New Mexico, Colorado, Wyoming and Montana, and they have pushed Nevada to the front of their caucus-primary calendar in 2008 in the hope of spurring a shift in their direction there as well.

The Pacific Coast still looks like a Democratic bastion, although California Gov. Arnold Schwarzenegger (R) has shown that a less doctrinaire brand of Republican -- Sen. John McCain or Rudolph W. Giuliani, for example -- could put the nation's most populous state in play.

Republicans reject Democratic claims that Tuesday's results stopped conservatism's rise in its tracks. "This election was a rejection of Republicans," said Whit Ayres, a Republican pollster. "It wasn't an acceptance of Democrats, especially since they provided no recognizable alternative agenda."

Republican National Committee Chairman Ken Mehlman said the party -- as distinct from its core philosophy -- took a beating, but he called it a setback from which the party could emerge much healthier. "Since the ascendancy began, there have been a number of years when we've had setback elections: 1976, 1986, 1992," he said, referring to the rise of conservatism. "We have been stronger in the end because we learned from them."

That was a way of warning Republicans not to dismiss last week's results as an aberration. "If we dismiss this, we give Democrats a huge opportunity," he said. "We need to learn from this and do better."

Simon Rosenberg, who heads the Democratic group NDN, saw the election in fundamentally different terms -- as a marker in which the public rejected conservatism as an alternative governing philosophy to what Democrats had offered in the past. Still, he was not prepared to call it the arrival of a new era of Democratic dominance.

"We're now back at a much more even playing field," he said at a post-election review of the results. "We're entering a whole new period in American history, where neither party or ideology has an advantage."

The midterms will be remembered as a referendum on the Iraq election, and the voters' verdict will push the White House and the Democrats toward agreement on potentially significant changes. Both parties now have an incentive to resolve their differences -- Republicans to remove the single biggest reason for their losses on Tuesday, Democrats to avoid what happened to them during the Vietnam era, when they bore the blame for the unsatisfying way an unpopular war was ended.

The competition for the center of the electorate ultimately will be fought and won in the general election in 2008. But before either party gets to that, they will have to resolve internal differences on Iraq, terrorism, health care, entitlement reform, taxes, trade and a cluster of social issues.

Both the legislative priorities set out by the president and leaders in the 110th Congress and the upcoming presidential primaries will serve as forums for settling some of these questions. That makes the 2008 election more than a contest of big personalities, even though a possible race between Sen. Hillary Rodham Clinton (D-N.Y.) and McCain (R-Ariz.) already has the cable talk shows in a lather.

Democrats face internal debates over just how populist the party's economic message should be, and on the war in Iraq. Many elected officials favor a reduction in troops but no fixed timeline. But Eli Pariser, who heads the MoveOn.org political action committee, said many Democratic voters want an explicit timeline. "People weren't just vaguely wanting a change on Iraq," he told a post-election conference. "They wanted something specific."

William A. Galston of the Brookings Institution, who served as domestic policy adviser to President Bill Clinton, said Democrats were brought back to power because of protest against Republicans, and now they must show they can govern. "The American people are prepared to watch and listen," he said. "But I think they will be evaluating the performance of the new Democratic majority very carefully."

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Republicans must resolve their own questions: Can they reconstitute conservatism to make it attractive once again beyond the party's base? GOP strategist Mary Matalin said the Reaganite model of low taxes, smaller government and strong defense can again serve the party well, if it is updated. "It needs to put some Britney Spears clothes on it," she said.

Rep. Tom Feeney (R-Fla.) said the party should ignore moderates' calls to spend money to attract new groups of voters. But the GOP has seen erosion among one group that it has spent years wooing -- Hispanics, who defected apparently over the party's tough stand on illegal immigration, which included passage of legislation for a fence along the U.S.-Mexico border.

"I am concerned about where we stand with Hispanic voters," Mehlman said. "The day we become just the party of the wall, not only won't we secure the borders, but we will substantially limit the growth of the party."

The Democrats' victories last week ended a dozen years of Republican rule in Congress and dealt a significant blow to Bush's presidency. The next two years will answer which party best learned the lessons of what the voters were saying.

The Media's Dark Role (WT)

By Douglas Mackinnon

The Washington Times, November 13, 2006

Nov. 7, 2006, will be remembered as the day the Democratic Party took back control of Congress for three distinct and critically important reasons.

First and foremost was the series of Republican missteps -- such as corruption, the leadership turning a blind eye to the corruption, budget-busting earmarks and a lack of real action on illegal immigration. These actions not only suppressed the vote for the Republican Party, but actually energized a number of Democratic voters.

Second was the number of incredibly well-run Democratic campaigns and their own very impressive get-out-the-vote machine. This was great stuff by any honest assessment.

Third, Nov. 7 needs to be remembered for something even Republicans don't have the stomach to address at the moment: that the remnants of objectivity in the mainstream media were all but exterminated by some on the left. A chilling and ominous development that played some role in the Democratic wave that is still splashing around the red states.

Make no mistake. Along with the multitude of Republican gaffes, and the hard work of the Democrats, there can be no doubt that the left-of-center mainstream media helped to manufacture this election victory for the Democratic Party. For parts of the last two years, many in the media have worked in concert with the Democratic spin doctors to indoctrinate the American voter into believing this election had to be a referendum on President Bush and the "failed" war in Iraq.

Horrified by Mr. Bush's re-election in 2004, as well as the historic Republican gains in the House and the Senate that year, some liberals in the media were determined to do everything in their power to ensure that there was no GOP celebration in 2006, even if that meant confirming to the world that they proudly abandon professionalism and ethics in the name of partisanship and ideology.

To make the election of 2006 a referendum on Mr. Bush and "his" war, the media knew full well they had to present that conflict in the worst possible light for as long as possible on their nightly newscasts, cable programs and front pages. Then, after force-feeding the American people a steady diet of this carnage for weeks at a time, the same media outlets would then "poll" the voters to get their impressions of Iraq and Mr. Bush.

Amazingly, against the protests of soldiers fighting and dying in Iraq, the mainstream media stuck with this partisan plan to only showcase the negative, the misery and the gore. They ignored the pleas of these soldiers to show that not only did they liberate a nation from a genocidal tyrant, but with compassion and great decency (often at the cost of their own lives), they helped to rebuild the country and connect with its people on a much-needed human level. The good far out-numbers the bad in Iraq, but the good was the enemy of a Democratic victory on Nov. 7.

Worse than becoming a public-relations arm for the Democrats, did some in the media actually aid and abet al Qaeda with their biased coverage? It has been fully documented that al Qaeda and the insurgents believe that if you kill enough American soldiers and have those deaths played on a loop by the American media, then the American people and their politicians will grow weak in the knee and call for a withdrawal.

Knowing that to be a stated goal of al Qaeda, and just before the election, CNN still decided to take a horrific video given to them by the insurgents, and put it on the air for the world to see. And just what was on this video? Only heroic American soldiers being murdered in cold blood by al Qaeda snipers. Other than to damage the administration or advance a partisan agenda, why would CNN air such disgusting footage?

Next, to all but ensure the desired outcome, a number of left-of-center "journalists" decided it was necessary to prematurely crown the Democrats the victors. Their thinking was that if you tell a lie or predetermine the results often enough, it becomes fact. So, months before the election, on the front page of the top one hundred left-of-center newspapers in the United States -- with a

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readership well north of 70 million people -- banner headlines proclaimed that the Democrats were all but certain to take both houses of Congress. Day after day, week after week, these liberal papers foretold a future beneficial to the Democrats.

This is a future that has now come true. To be sure, the majority of the blame rests with the Republican Party and its lemming-like march to become what it defeated in 1994. That said, it is not partisan, nor out of line, to ask if some in the media carried water for the Democrats in this election.

While it is certainly true that left-of-center media outlets continue to hemorrhage readers and viewers in search of fairness and balance, for the moment they don't seem to care. Because of the unethical actions of some within their industry, they helped determine an election.

The Democrats won, but democracy has paid a price. Who in the media is willing to address that?

Douglas MacKinnon was press secretary to former Sen. Bob Dole. He is also a former White House and Pentagon official.

For Democrats, How Long A Honeymoon? (WP)

By Howard Kurtz

The Washington Post, November 13, 2006

The media kept saying the war was going badly. The Bush administration said progress in Iraq was being obscured by relentlessly negative coverage.

The media kept saying the federal government's response to Hurricane Katrina was badly botched. President Bush initially said his administration was doing a heckuva job.

The media kept saying the Democrats were heading for a big win on Election Day. Karl Rove, when told by National Public Radio's Robert Siegel that he was reading the same campaign polls as the White House strategist, declared: "No, you're not. No, you're not. No, you're not. I'm looking at 68 polls a week . . . and I add up to a Republican Senate and Republican House."

The GOP lost control of Capitol Hill last week for a number of reasons, particularly the war (the televised pictures of growing casualties were hard to shake off) and the scandals involving Jack Abramoff, Tom DeLay, Duke Cunningham and Mark Foley (all of which were broken by news organizations). At times it seemed journalists and administration officials were offering two different versions of reality. But in the end the polls accurately forecast the thumping to come.

Now the question is whether a press corps that has been openly at odds with the president will hold the newly empowered Democrats to the same tough standards.

As with any new regime, Sen. Harry Reid and Rep. Nancy Pelosi are enjoying a media honeymoon for the moment -- especially Pelosi, because of her status as the first woman in line to become House speaker and her grandmother-of-five persona. That may not last long. But where will journalists set the performance bar?

If the Democrats don't pass much legislation, or if they craft bills that Bush vetoes, will the press blame them for gridlock? If they start rejecting one Bush nominee after another, will the press say they are obstructionist? If, after railing against Republican corruption, they pass only cosmetic ethics reform, will the press say they were all talk and no action?

When Democratic committee chairmen issue subpoenas and conduct oversight hearings, will news accounts portray them as harassing the White House? Or will journalists recognize that aggressive congressional inquiries were a normal practice until the GOP Congress, which loved to investigate the Clinton White House, essentially stopped scrutinizing the Bush administration? And if Senate Republicans who denounced Democratic filibusters start trying to talk things to death, will journalists call them on the double standard?

While Bush retains the biggest megaphone, Democratic leaders will be getting more television time now that they control the House and Senate. In a media-drenched culture, the sound-bite warfare may prove as important as the legislative maneuvering.

The biggest change may be in store for liberal commentators, radio hosts and bloggers, some of whom enjoyed a good long gloat last week. For years now, they have been on offense against the administration and the war, and taking potshots is plenty of fun, as conservative pundits learned during the height of the Clinton scandals. But now the lefties will have to spend time defending the Democratic leadership for any missteps and failures. And if Reid and Pelosi compromise with their more moderate colleagues, will hard-driving liberal bloggers turn on them?

For much of his tenure, Bush has used the media as a foil, limiting access, criticizing news organizations for disclosing national security secrets, and mocking the "prognosticators" who said the Republicans were headed for defeat. But as his popularity has declined, he has held more news conferences and invited more journalists over for White House chats. If the president can mend fences with his Democratic antagonists, maybe peace with the Fourth Estate is also at hand.Cutting the Chatter

Free speech is getting less frequent on the "CBS Evening News."

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A daily commentary segment that was launched when Katie Couric took over the newscast, "Free Speech" has opened up the program to outside voices but also drawn strong criticism from some network staffers.

Now Couric and her executive producer, Rome Hartman, have decided to cut back the feature to somewhere between one and three times a week, in part to make room for more news.

"We had to figure out how it would work and how it wouldn't work, to see what soared and what splatted," Hartman says. "We've learned that timeliness is important," and that it's better to have the commentaries "feel like they're part of the news rather than out of left field."

Among the network's correspondents, he says, "some people felt it was taking up air time that might otherwise go to them, which is understandable. And some people just didn't like the idea of opinion. But a significant number of people felt the other way."

"Free Speech," which has also provided the umbrella for Bob Schieffer's weekly commentary -- the status of which is now unclear -- did not air at all last week.

The segment has provided a precious 90 seconds of the newscast, for example, to a protesting Gallaudet University student and an illegal immigrant identified only as Carlos. When an 89-year-old driver was convicted of killing 10 people in Santa Monica, Calif., CBS gave air time to a physician who was hospitalized for three months after being hit by an elderly driver.

But the segment has also given a forum to those who already have pretty big platforms: Rush Limbaugh, Sean Hannity, Arianna Huffington, National Public Radio's Juan Williams and Katrina vanden Heuvel, editor of the Nation, along with such prominent politicians as Rudy Giuliani and Sen. Barack Obama.

Hartman says he and Couric are now leaning more toward "regular folks" over "the I'm-famous-and-I-have-something-to-say model."Parting Words

In another change for "CBS Evening News," the program now has to get along without Jim Stewart, who is retiring to Florida.

During his 17 years as a correspondent, it became increasingly difficult to stick to his mission of covering the FBI, CIA and terrorism, Stewart says.

"More and more of my time was spent answering to the whim of the moment, even if it wasn't going to be put on the air, and less time covering my beat," he says. "It was to answer the question in the mind of an executive in a nanosecond about something they saw on a cable channel. Literally 15 times a week, I would get what are called check-it-outs. It would be breaking news on MSNBC that white powder was found on a subway in Chicago, or something like that."

Stewart, 60, is admired in the business for his aggressive style. He says the networks have been hurt by the shrinking number of Washington correspondents and the loss of those specializing in such beats as the State Department, aviation or the environment.

"When you lose beat reporters, you lose depth," he says. "You lose a sense of what you're talking about." With the exception of ABC's disclosure of Rep. Mark Foley's e-mails to congressional pages, he says, "I don't remember a time lately when the networks really broke big news. Certainly there's less expertise available to the networks. We've become generalists, to our detriment."

Stewart had considered retiring earlier, but "the money in broadcast journalism can be very intoxicating and make you almost addicted to sticking around for that one more contract."

Stewart says Katie Couric was indirectly responsible for his 1990 hiring. CBS decided it needed a second reporter at the Pentagon, he says, after NBC tapped Couric as the No. 2 correspondent there.

But he struggled to make the transition from his previous job at Cox Newspapers. "For the first six months I was lost," Stewart says. But he says he became more valuable to the network after Iraq invaded Kuwait, triggering the Persian Gulf War.

"Saddam saved my job," says Stewart.Howzat?

"Poll: Afghans Express Confidence in Country's Direction, Security" -- Thursday's USA Today

"Afghans Losing Faith in Nation's Path, Poll Shows" -- Thursday's New York Times.

McCain Edges Toward '08 Presidential Run (AP-Y)

By Hope Yen

AP, November 13, 2006

Republican Sen. John McCain said Sunday he is taking the initial steps for a White House bid in 2008, setting up a committee that allows a potential candidate to raise money and travel the country to gauge support.

Democratic Sen. Joe Biden reaffirmed his intention to seek his party's nomination, though an announcement about establishing an exploratory committee probably will not come until early next year.

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The anticipated wide-open campaign — for the first time since the 1928 race, the field will not include a sitting president or vice president — lost one possible participant when Sen. Russ Feingold, D-Wis., decided against a long-shot run.

McCain, R-Ariz., said he is moving toward a 2008 bid by "doing things organizationally and legally" but will not make a final decision until early next year.

McCain, considered the front-runner for his party's presidential nomination, said he could create an exploratory committee as early as this week.

"Are we doing the things organizationally and legally that need to be done? Yes," he said. "There are certain things legally you have to comply with in order to continue to raise money and set up an organization."

"The important thing is we will not make a decision until I sit down with my family, but we will be prepared," McCain said.

GOP officials last week said McCain would set up an exploratory committee and has opened a bank account for the committee.

On Sunday, McCain characterized the moves as preliminary until he decides over the holidays about a possible bid. He unsuccessfully sought his party's nomination for president in 2000.

If McCain were to run, he would turn 72 on Aug. 29, 2008, at the height of the campaign. Only Ronald Reagan was older — 73 at the start of his second term. McCain's health also could be an issue because he has had several cancerous lesions removed from his skin.

McCain is a former Navy pilot who was a prisoner of war in Vietnam. He was elected to the Senate in 1986, and served in the House for four years before that.

During the 2006 election cycle, McCain attended 346 events and raising more than $10.5 million on behalf of Republican candidates. He also donated nearly $1.5 million to federal, state and county parties.

The 63-year-old Biden, who is line to take over as chairman of the Senate Foreign Relations Committee, also ran for president before, dropping from the 1988 race after it became known he had lifted a portion of a speech from a British politician without attribution.

Biden, first elected to the Senate in 1972, said Sunday he would address the issue of an exploratory committee early in 2007. "I still plan on running. I haven't, quite frankly, thought through all of the ... mechanics of it at this point in terms of when to announce setting up an exploratory committee, but I plan on doing that," he said.

One potential challenger he will not have to contend with is Feingold, who said he wanted to focus on his work in the Senate. Feingold, 53, is an outspoken opponent of the Iraq war, the Patriot Act and other Bush administration policies.

"I never got to the point where I felt strongly I wanted to run," Feingold told The Associated Press. "Then I saw the result Tuesday and thought what a great opportunity to do my work in the Senate."

Last week Iowa Gov. Tom Vilsack announced his candidacy. Sen. Hillary Rodham Clinton of New York is widely considered the front-runner. Others mentioned include Sen. John Kerry of Massachusetts, the 2004 nominee; former Sen. John Edwards of North Carolina, the vice presidential nominee two years ago; Sens. Barack Obama of Illinois, Evan Bayh of Indiana and Christopher Dodd of Connecticut; and New Mexico Gov. Bill Richardson.

Republicans talked about for 2008 are Massachusetts Gov. Mitt Romney; Senate Majority Leader Bill Frist of Tennessee; Arkansas Gov. Mike Huckabee, Sen. Sam Brownback of Kansas and former New York City Mayor Rudy Giuliani.

GOP Rep. Duncan Hunter of California, chairman of the House Armed Services Committee, said last month he is forming an exploratory committee.

McCain To Form Committee To Explore White House Bid (WP)

By Dana Milbank

The Washington Post, November 13, 2006

Sen. John McCain of Arizona said he will form an exploratory committee as the first step toward a possible run for the Republican presidential nomination in 2008.

The action had been widely expected from McCain, who lost a primary bid in 2000 to George W. Bush and who is the most popular prospective candidate for the nomination in 2008.

McCain, appearing on NBC's "Meet the Press" yesterday, said that while he won't make a decision until talking with his family over the holidays, "Are we doing the things organizationally and legally that need to be done to prepare for it? Yes." McCain indicated that the formation of an exploratory committee is imminent.

Just five days after midterm elections that returned control of the House and Senate to Democrats, prospective presidential candidates in both parties put down markers about their intentions for 2008. Accelerated primary schedules and fundraising requirements will make it necessary for candidates to start their campaigns in the next few months.

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Sen. Joseph R. Biden Jr. (D-Del.), incoming chairman of the Senate Foreign Relations Committee, said on ABC News's "This Week" that "I still plan on running."

Another prospective candidate, Sen. Russell Feingold (D-Wis.), said he will not run, citing the Democrats' midterm wins. He told supporters in an e-mail that he will decline the "great adventure" of a presidential run because his three-term seniority in the Senate will allow him to "best advance" liberal causes.

The 2008 race is expected to be particularly active because it will be the first time in decades that neither party has an incumbent president or vice president in the race.

Iowa Gov. Tom Vilsack last week became the first to announce his candidacy for the Democratic presidential nomination. Others who have expressed interest are Sens. Hillary Rodham Clinton of New York, who leads in opinion polls; Barack Obama (Ill.); Christopher J. Dodd (Conn.); Evan Bayh (Ind.) and John F. Kerry (Mass); former senator John Edwards (N.C.) and New Mexico Gov. Bill Richardson. Another contender, former Virginia governor Mark Warner, announced before the midterm elections that he wouldn't run.

In addition to McCain, prospective Republican candidates include Govs. Mitt Romney (Mass.) and Mike Huckabee (Ark.), Sens. Bill Frist (Tenn.) and Sam Brownback (Kan.), and former New York mayor Rudolph W. Giuliani. Two other possible candidates, Sens. George Allen (Va.) and Rick Santorum (Pa.), lost reelection bids last week.

McCain positioned himself yesterday as a candidate who would restore Republican principles. He said voters decided last week "that we Republicans have lost our way, that we came to Washington to change government, and government changed us: the spending, the ethics, the massive programs such as Medicare prescription drug program, our failure to address their priorities as opposed to our own."

The NBC interviewer, Tim Russert, noted that McCain did 346 campaign events for 2006 Republican candidates. "Did a lot of good, didn't it?" the senator said.

McCain Takes Step Toward 2008 Race (WT)

By Eric Pfeiffer

The Washington Times, November 13, 2006

Sen. John McCain yesterday announced that he will create a presidential exploratory committee, the usual prelude to a formal entrance into the race, and said he would decide during the Christmas holidays whether to officially enter the 2008 White House race.

"I always said I would decide early next year, and I'll sit down over the holidays with my family and make that decision," the Arizona Republican said during an appearance on NBC's "Meet the Press." "Are we doing the things organizationally and legally that need to be done to prepare for it? Yes."

When asked whether he would form an exploratory committee, Mr. McCain said, "I think so."

Mr. McCain also sought to secure his conservative credentials during the appearance, saying he considers himself a conservative in the mold of President Reagan. He also said he thinks Republican losses last week will prove a temporary setback for his party.

"I believe America is still a conservative right-of-center nation, and our message, our Republican message, is best."

Although Mr. McCain is not the favorite prospective candidate of some grass-roots conservatives, some observers think his prospects for securing the Republican presidential nomination have improved since last Tuesday's elections.

Sens. George Allen of Virginia and Rick Santorum of Pennsylvania were previously considered as contenders for the nomination, but both Republicans lost their re-election campaigns this year. Neither men have officially ruled out a 2008 campaign, but most observers agree that would be difficult to do so coming off the heels of a recent electoral defeat.

The field of prospective 2008 Democrat candidates also continues to shift. Yesterday, Sen. Russ Feingold, Wisconsin Democrat, posted a letter to supporters on his campaign Web site announcing that he will not pursue his party's nomination.

"I'm sure a campaign for president would have been a great adventure and helpful in advancing a progressive agenda," Mr. Feingold wrote. "At this time, however, I believe I can best advance that progressive agenda as a senator with significant seniority in the new Senate serving on the Foreign Relations, Intelligence, Judiciary and Budget committees."

Mr. Feingold's decision not to run comes on the heels of popular former Virginia Gov. Mark Warner also deciding to pass on seeking the Democrat's nomination.

As is widely expected, Sen. Joseph R. Biden Jr., Delaware Democrat, said he is still planning to run for president.

"I'm going to address that after the first of the year," he said during an appearance yesterday on ABC's "This Week." "I still plan on running. I haven't, quite frankly, thought through all of the, you know, the mechanics of it at this point in terms of when to announce setting up an exploratory committee, but I plan on doing that."

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Mr. Biden last made a run for the White House in 1988 and is considered by many to be one of his party's leading authorities on foreign-policy matters.

Sen. Hillary Rodham Clinton, New York Democrat, is considered the front-runner for her party's nomination. However, a number of Democrats say they are open to an alternative to Mrs. Clinton because while many polls show her winning the Democrat's nomination, most of those same polls show her trailing against her potential Republican rivals in a general election.

Much speculation lately has focused on first-term Sen. Barack Obama, Illinois Democrat. Mr. Obama recently announced that he is considering a White House run.

A recent poll by Rasmussen Reports shows 22 percent of Democrats supporting Mr. Obama in 2008, compared with 29 percent supporting Mrs. Clinton.

"Look, Barack has done an enormous amount for the party," said Democratic National Committee Chairman Howard Dean during an appearance yesterday on "Fox News Sunday."

However, Mr. Dean added, "I don't comment on 2008, because I really do have to be the referee and have to be entirely neutral, and I'm going to continue to be entirely neutral."

And They're Off! (USNEWS)

By Kenneth T. Walsh

U.S. News and World Report, November 13, 2006

CHARLESTON, W.VA.—John McCain gazed longingly at his plate of baked chicken and penne pasta in white sauce but managed to devour only a few morsels before the first stranger arrived. One by one or in small groups, the well-wishers interrupted McCain's lunch with requests to shake his hand or share a snapshot. The silver-haired senator didn't mind. He remains accessible and loquacious, just as he was in his 2000 presidential campaign, in contrast to other candidates at his level, who are walled off by aides and bodyguards. He parlays all this-the likability factor-for all it's worth.

And it's worth quite a lot. "John McCain has made his reputation as a man who is outside the system, a guy who does things differently, who reaches across the aisle to the opposition, and people like that," says a senior Republican strategist. "People like his frankness. They know where he stands. And they think he would be a good guy to have a beer with." And that, in a nutshell, is why McCain is the early leader for the Republican nomination in 2008.

Blunt. The senator from Arizona wasn't hoisting any beers last week after the midterm elections. But he was typically blunt in assessing the Republican disaster. GOP leaders, he said, had departed from core party principles such as less government, lower spending, solid stewardship, and fighting corruption. The Bush administration, he added, had failed to send enough troops to Iraq to begin with and had falsely raised American expectations for a quick victory. Now McCain favors dispatching more troops in the "short term" to help Baghdad's government put down sectarian violence and stabilize the country. And he opposes setting a firm date for U.S. withdrawal, because, he says, that would only cause "chaos in the region" and embolden the terrorists.

Those views on Iraq seem to run counter to the nation's antiwar mood, but McCain has stayed true to his hawkish beliefs. And he has emerged from the midterms in good shape as the GOP front-runner for '08, in the view of many party professionals. For one thing, voters seem more and more attracted to the kind of independence and get-it-done bipartisanship that have been McCain's hallmarks in the Senate. For another, independents turned out in droves last week, and that's a good sign for a man who has always done well with swing voters and the unaffiliated.

"McCain is a formidable candidate," says Joe Lockhart, a Democratic strategist and former White House press secretary for President Bill Clinton. "He's the one guy out there who people don't see as a politician."

Yet McCain has also tried to demonstrate that he is a loyal party man. He attended 346 events and raised $10.5 million for the GOP and the party's candidates for the 2006 midterm cycle. On the eve of the election, in fact, Florida's Republican gubernatorial candidate, Charlie Crist, skipped a scheduled joint appearance with President Bush in Pensacola in favor of appearing with McCain in Jacksonville.

McCain, 70, knows that when there's no incumbent seeking re-election, Republican front-runners have a good chance to win their party's endorsement. Among the early front-runners to win the nomination were George W. Bush in 2000, Bob Dole in 1996, Ronald Reagan in 1980, and Richard Nixon in 1968.

Shaken And Stirred (USNEWS)

By Kenneth T. Walsh

U.S. News and World Report, November 12, 2006

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Last week's election didn't just change the lineup in Congress; it also winnowed the Republican presidential field. The big casualties were Sens. Rick Santorum of Pennsylvania and George Allen of Virginia, two conservatives who lost their bids for re-election-and probably any hope for the White House.

That still leaves plenty of presidential wannabes for '08, led by Arizona Sen. John McCain. But two other men are generating buzz as they jockey for position as the main alternative to the front-runner. First on the list is former New York Mayor Rudolph Giuliani, who leads some public-opinion polls. In a recent Gallup survey, 29 percent of Republicans supported him, compared with 24 percent for McCain (everyone else was in single digits). But Giuliani's position is based largely on name recognition and his reputation as a dynamic leader in the aftermath of 9/11. "He is the gold standard for leadership in the war on terrorism," says a key GOP strategist. As such, Giuliani has been a big draw as a fundraiser for GOP candidates.

The former mayor says he is considering a run, but political pros say his popularity could melt away once GOP voters understand his liberal views on issues like gay unions, abortion, and gun control. His abrasive manner can also be a turnoff. "Rudy plays well in the boroughs of New York but not in the Republican heartland," says a GOP critic.

Perhaps the most aggressive behind-the-scenes campaign is being waged by outgoing Massachusetts Gov. Mitt Romney, a strong conservative with movie-star looks and big-time charisma. Romney is modeling his approach on George W. Bush's pattern from 1999, when Bush, then governor of Texas, invited party leaders to Austin for persuasive get-acquainted sessions. Romney is doing the same thing in Boston and is apparently making a good impression as a fresh-faced Washington outsider who radiates competence and optimism while advocating smaller government. He is also a good listener, which impresses many of his guests, and in the past has appealed to independent voters and some Democrats in Massachusetts.

Drawbacks. Romney's Mormon faith, however, is greeted with suspicion by many evangelical Christians, while his lack of national-security experience could drag him down if the war on terrorism and the conflict in Iraq remain top concerns. Just as important, his popularity back home in Massachusetts has declined, which isn't a good sign.

Among the others who have expressed an interest in running are Senate Majority Leader Bill Frist of Tennessee and Gov. George Pataki of New York (both of whom are leaving office), Sens. Chuck Hagel of Nebraska and Sam Brownback of Kansas, and Gov. Mike Huckabee of Arkansas.

One of the longest of long shots is Rep. Duncan Hunter of California, the gruff chairman of the House Armed Services Committee. Hunter has little national following; in fact, few have heard of him outside Washington and his home district in San Diego. That hasn't stopped him from declaring his candidacy as he attempts to find a niche as a hard-liner on national security and illegal immigration.

In a blast from the past, former House Speaker Newt Gingrich is impressing the GOP faithful as he talks of a need to return to Republican ideals of smaller government, a strong national defense, and tough-minded realism in foreign policy.

But Gingrich was a polarizing figure in Congress, and voters may be more interested in a less divisive style of leadership for 2008. "People are fed up with politics as usual," says a prominent Republican who advises the White House. "They want to see politicians work together. That's one lesson we learned from last week's election."

Time In Senate May Be Irrelevant If Obama Runs (WP)

By Charles Babington

The Washington Post, November 13, 2006

Sen. Barack Obama (D-Ill.) might be well advised to stay in the Senate several more years before running for president, as many strategists have suggested. But there are at least 40 reasons to challenge that advice.

That is the number of senators who have tried, and failed, to reach the White House since Sen. John F. Kennedy (D-Mass.) accomplished the feat in 1960. Nearly all of them had more Senate experience than Obama, underscoring the light regard that American voters show for senatorial longevity and expertise in presidential elections.

If Obama's aim is to become a more respected and knowledgeable senator -- in the mold of, say, Robert J. Dole (18 years in the Senate before his 1996 presidential race), Henry "Scoop" Jackson (20 Senate years before his 1972 bid) or Richard G. Lugar (20 Senate years before his 1996 try) -- it may be a laudable goal. But it's a highly questionable presidential strategy.

"The Senate historically has not been a great place from which to run for president," said former senator Bob Graham (D-Fla.), who personally learned the lesson in 2004. "Senator Obama might feel he would be better off to run while he has not been tainted by an excessive period in the Senate."

In the nation's history, only Kennedy and Warren G. Harding have been elected directly from the Senate to the presidency. But the dismal statistics have not dissuaded dozens of senators from trying, including big names (John Glenn, Edward M. Kennedy), largely forgotten names (Larry Pressler, Carol Moseley Braun) and plenty in between.

U.S. voters repeatedly have shown a preference for governors, especially during the 52-year stretch from Grover Cleveland's first election through Franklin D. Roosevelt's fourth, and again in recent years, when seven of the past eight

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presidential campaigns have been won by former governors. The 2008 presidential race seems certain to focus special scrutiny on why senators with impressive rÃ©sumÃ©s have fared so poorly in White House bids.

Not only did Obama cause a sensation last month by simply saying he would consider a 2008 campaign, but the early front-runners in both parties are senators: Hillary Rodham Clinton (D-N.Y.) and John McCain (R-Ariz.).

Perhaps no governor will emerge from the pack, as Bill Clinton and George W. Bush did, and 2008 will prove the exception to the rule. But scholars of presidential campaigns have their doubts.

"I'm skeptical that a senator can make it," said Barry C. Burden, a political scientist at the University of Wisconsin at Madison who has written on the subject. "Just looking at the historical record, the odds are not very good."

Burden said voters generally like the executive experience of governors. Additionally, governors, more than senators, are much more able to set their own agendas, make bold decisions, and avoid complicated legislative debates and votes that opponents can exploit.

"The skills that make a person a good legislator are not the skills that make a person a good presidential candidate," Burden said. "The kind of compromises that make you successful in Congress don't make you successful in a presidential campaign."

Analysts say veteran lawmakers often are prone to legislative jargon and explanations that baffle voters. Sen. John F. Kerry (D-Mass.) damaged his 2004 presidential campaign when he said of a spending package for the Afghanistan and Iraq wars: "I actually did vote for the $87 billion before I voted against it." Republicans ridiculed the remark, but many people on Capitol Hill understood that Kerry supported the package when it was linked to repeals of tax cuts for the wealthy and that he opposed it when the link was dropped.

As a veteran lawmaker, "you have lots of votes under your belt, which the opposition-research guys can use to twist you into a pretzel," said Scott Reed, Dole's campaign manager for his 1996 bid.

Obama, who is 45 and just two years removed from the Illinois legislature, has a third option that is less viable for McCain and Clinton. He could angle for the vice presidency, a route to the Oval Office for former senators Harry S. Truman, Lyndon B. Johnson and Richard M. Nixon -- but not for Hubert H. Humphrey, Walter F. Mondale, Dan Quayle and Al Gore.

First, however, Obama must sift through the bountiful and conflicting advice of whether to seek the big prize now. Graham, who was Florida's governor before joining the Senate, said: "My advice would be to lay out a plan of action to have him fully ready to be president in 2013. That schedule would just about coincide with what President Kennedy did" -- that is, becoming president after eight years in the Senate.

But Reed thinks 2008 may be the year to break the senatorial jinx, in part because the primary season will be shorter. That should help front-runners such as McCain and Clinton, he said, or perhaps a shooting star such as Obama.

"The old axiom may go out the window this year," Reed said of 2008. "I'd advise Obama that if he has any interest in serving [as president], to take the race. You can't go back in this business and recapture what you had."

Hillary's Dilemma (USNEWS)

By Dan Gilgoff

U.S. News and World Report, November 13, 2006

ROCHESTER, N.Y.—If Hillary Rodham Clinton wins the White House, it will be thanks to voters like Barbara Paris. A conservative Democrat who has nonetheless supported Republicans as far back as Ronald Reagan, Paris hated Clinton when she first ran for U.S. Senate from New York in 2000. The 58-year-old tax adviser considered the first lady to be a carpetbagger, and, worse, a political opportunist for sticking with her husband after the Monica Lewinsky affair. So she supported Clinton's Republican opponent.

Last week, though, Paris was one of the New Yorkers who sent Clinton back to Washington with 67 percent of the vote. "It was a long shot, but she's proven herself," Paris said while attending a Clinton speech here just before Election Day. "She's spent lots of time in Rochester." Paris has become such a fan that she begged her daughter to let her take her granddaughter out of school to see Clinton, whom Paris now calls a role model.

Across the Empire State, voter after voter tells a similar story, of deep skepticism toward the former first lady giving way to admiration during her first term. They cite her forays to all corners of the state and her focus on local issues, including staving off closure of the Niagara Falls Air Reserve Station and securing $20 billion after 9/11. But with Clinton now having to decide whether to seek the White House in '08, she faces a familiar dilemma: Can she overcome the nation's entrenched views of her—and her husband—in a presidential campaign? For the presumed Democratic front-runner, the answer is unclear. A Gallup Poll this year found that 17 percent of Americans would definitely back her and that 49 percent would definitely not, but that less than 1 percent had no opinion.

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Converts. To be sure, Clinton has converted plenty of skeptics in the Senate. "Older members had this 'We're going to put her in her place' attitude," says Republican Sen. Lindsey Graham of South Carolina. "But she has the power to change minds. Those who stereotype her don't know what they're talking about."

So far, though, Clinton has changed minds by countering that stereotype in person, with audiences much smaller than the national electorate. Having difficulty winning support from women in New York in 2000, she organized informal meetings with groups of a few dozen women, then let the positive reviews spread by word of mouth. Replicating that operation even in the four early primary states—Iowa, Nevada, New Hampshire, and South Carolina—would be daunting. And unlike her husband, former President Bill Clinton, Senator Clinton has had trouble winning converts through TV ads and interviews.

Of course, Clinton also has major assets. "She's got a huge fundraising base, a campaign team of die-hard Hillary lovers, and has rock-star status," says a Democratic strategist. "Plus, she's very smart and has been down this [presidential] track a few times." Clinton's money machine, which raked in $38 million for last week's election, has other candidates asking donors to consider them as backups, should Clinton decide not to run.

Flank Stakes (USNEWS)

By Dan Gilgoff

U.S. News and World Report, November 13, 2006

The returns had just begun to trickle in Tuesday night when former Sen. John Edwards joined a conference call with liberals at MoveOn.org to talk up the prospect of Democrats taking back the White House. "This tsunami starts today and goes through the 2008 election," the 2004 vice presidential nominee said. "We're going to get away from being the country of Abu Ghraib and Guantánamo."

As Edwards was thanking the Democratic base for fueling the congressional takeover, other Democrats with White House ambitions took a different view. "Independent and moderate voters gave us a chance last night, and those are the voters we need in 2008," Indiana Sen. Evan Bayh told U.S. News , noting that three of the Democrats' House pickups had come from his conservative Hoosier State. "I hope our party doesn't get the impression that the country has fallen in love with strident partisan Democrats." As nearly a dozen Democrats start carving their niches for the '08 presidential contests, Edwards and Bayh reflect the two broad flanks now emerging: one to the left of Hillary Rodham Clinton and another in line with her more centrist positioning-but without the baggage she brings.

At this stage, Edwards has some advantages among the liberals. He placed second to John Kerry in the all-important Iowa caucuses in 2004 and still has a loyal network of volunteers there. Edwards may also benefit from the addition of two states to the early primary lineup-his native South Carolina and Nevada, where he has strong ties to unionized hotel and restaurant workers. With last month's news that former Virginia Gov. Mark Warner will sit '08 out, Edwards is the lone southerner in the Democratic field, unless former NATO Commander Wesley Clark runs again. That gives Edwards an air of electability that eludes other liberals.

Kerry, meanwhile, may look more unelectable than ever after his botched Iraq war joke. But he has an unmatched E-mail list of 3 million backers from '04 and has earned loyalty by doling out $14 million to 260 candidates during the midterms. And with the Iraq war likely to be an issue even as 2008's primaries get underway 14 months from now, Kerry could be a hit with liberal primary voters. "The midterms were a referendum on the president's policies in Iraq," says a top Kerry adviser. "It both mobilized the base and brought independents to vote for change."

Money. Wisconsin Sen. Russ Feingold, who voted against the Iraq war and the Patriot Act, is reminding audiences in Iowa and New Hampshire that both measures passed Congress with Democratic support. "Too many times, Democrats have folded," says Trevor Miller, spokesman for Feingold's political action committee. Unlike the independently wealthy Edwards or Kerry, who can rely on some '04 donors, Feingold is one of the candidates who need a fundraising base, possibly to be found in the liberal online "netroots." Joe Trippi, who managed Howard Dean's '04 campaign and raised $59 million online, predicts that the right candidate can collect almost 10 times that much in '08. "How many people you sign up online and how many small donors you have," he says, "will be a new measure" of viability. Serious contenders will very likely need $40 million by the time of the Iowa caucuses.

Of course, Democratic stars like Al Gore and Illinois Sen. Barack Obama could become the anti-Clinton darlings of the netroots, making them the two biggest x factors. "If you are a possible front-runner, you get in as late as you can because you don't want eight other banshees trying to take you down," says Trippi. "If you're the little-known insurgent, you don't want to wait too long." Gore says he won't run, but Obama says he might. With his bestselling book The Audacity of Hope, Obama is the second-most popular U.S. politician after Rudolph Giuliani, according to a poll last summer. But he has no foreign policy experience in times that demand it, and a short Washington résumé; he's not yet finished the second year of this term.

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Experience is not a problem for long-shot centrists like Delaware Sen. Joe Biden, Connecticut Sen. Christopher Dodd, or New Mexico Gov. Bill Richardson. Iowa Gov. Tom Vilsack, another long shot, declared his candidacy last week. And the field is likely to grow before it starts shrinking.

Bill, George Show Keeps Laughs Coming (AP-Y)

By Mary Foster, Associated Press Writer

AP, November 13, 2006

They're separated by more than 20 years, they come from opposing political parties, and one evicted the other from the White House. But Bill Clinton and George Bush act like a team, a pair of touring comedians with a well-honed act.

The two former presidents even have their entrance down pat, striding in with arms aloft, music pounding, lights flashing, the crowd standing and going wild.

The pair addressed more than 25,000 people attending the National Association of Realtors convention on Saturday, drawing at least six standing ovations and almost continuous applause.

Bush and Clinton thanked the real estate agents for holding their convention in New Orleans. It's the biggest convention to come to the city since Hurricane Katrina hit Aug. 29, 2005, and the pair has raised $130 million to aid New Orleans and the Gulf Coast in recovering from the storm.

Retirement has been good, Bush said, although he misses some of the perks of the presidency.

One problem with retirement, Bush said, is that memories do not fail on certain topics.

"After 14 years no one forgets if you throw up on the Japanese premier," he said.

However, he said, years of being badgered by the news media have left him with a simple philosophy: "Now if I don't like your questions, the heck with it, then I'm not going to answer them."

Clinton played second banana after Bush's round of jokes.

"You've just witnessed George Bush's revenge for the 1992 campaign," Clinton said of the year he defeated Bush for the presidency. "I'm condemned for the rest of my life to be his straight man."

Bush can get away with some things more easily, said Clinton, whose presidency was marked by the Monica Lewinsky scandal, noting that if he were to repeat one off-color joke that Bush told, "the New York papers would kill me."

What's more, the 60-year-old Clinton told the crowd, Bush, at 82, is in better shape.

"Make no mistake about it," said Clinton, who has undergone quadruple bypass surgery. "George Bush will speak at my funeral."

As for the recent election, both said they had to deal with congresses controlled for most or all of their presidencies by the other party. They said some of the best legislation during that time were made through compromises.

Clinton said he did not think his wife, Sen. Hillary Clinton, had decided yet whether she would run for the presidency.

"If she were to be elected I think she would do a good job," Clinton said.

"Yeah," Bush interjected, "but I'm having a little difficulty picturing this fellow walking behind her like Prince Philip behind the queen."

YESTERDAY (WP)

The Washington Post, November 13, 2006

Ford, who turned 93 on July 14, became the oldest president by living to 93 years and 121 days.

"The length of one's days matters less than the love of one's family and friends," Ford said in a statement last week from the Rancho Mirage compound he shares with his wife, Betty Ford, 88.

Ford was president from Aug. 9, 1974, when Richard M. Nixon resigned, until January 1977. He has suffered a variety of health problems in recent years and underwent heart procedures at the Mayo Clinic in August.

"He's doing very well. He's still recuperating," said Ford's chief of staff, Penny Circle.

In the statement released by Circle, the former president said: "I thank God for the gift of every sunrise and, even more, for all the years he has blessed me with Betty and the children, with our extended family and the friends of a lifetime."

The calculation of the milestone was done by Ford's staff and was based on full days.

Ford, a longtime Michigan congressman, was House minority leader when Nixon chose him as vice president to replace Spiro Agnew in 1973. Ford became president the following year when Nixon resigned amid the Watergate scandal. Ford, a Republican, is the only president in U.S. history never elected as either president or vice president. He served as president nearly 2 1/2 years, losing to Democrat Jimmy Carter in 1976.

Reagan, born Feb. 6, 1911, was 93 years 120 days old when he died, on June 5, 2004. He surpassed the longevity milestone of John Adams, the nation's second president, in 2001.

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Duke Blackwood, director of the Ronald Reagan Presidential Library in Simi Valley, Calif., said, "We all send our best to President Ford for reaching this milestone." And he added: "If President Reagan were alive, he'd probably say, 'Finally, somebody's talking about another president's age.' "

The oldest living former first lady is Lady Bird Johnson, who turns 94 next month. Bess Truman, who died in 1982 at age 97, was the longest-living first lady.

A Charity With An Unusual Interest In The Bottom Line (NYT)

By Jennifer 8. Lee

The New York Times, November 13, 2006

THE idea befuddled donors and Internal Revenue Service lawyers alike when Jacqueline Novogratz approached them six years ago. A philanthropic venture capital fund?

On one hand, the Acumen Fund would be a nonprofit charity. On the other, it would invest in companies and groups that tackled global poverty.

It was an unusual idea to pitch to philanthropists, said Ms. Novogratz. “They had never seen an organization like us: raising charitable money but wanting the flexibility of grants, loans and equity investments in for-profit and nonprofit organizations.”

Ms. Novogratz, who has an M.B.A., has backgrounds in both in finance and philanthropy and worked as a banker at Chase Manhattan and as a manager of special projects at the Rockefeller Foundation before starting Acumen. She established a foothold in international philanthropy in 1986 when she went to Rwanda and worked on microfinance projects, long before the words “microfinance” or “Rwanda” entered the social lexicon.

She may have been ahead of her time. But two key people intuitively grasped the Acumen Fund’s mission: Larry Page and Sergey Brin, the co-founders of Google, whom Ms. Novogratz first met at a Technology Entertainment and Design conference two years ago. During the period when Google’s new charitable foundation, Google.org, was defining itself, the company’s founders knew they shared a vision with Ms. Novogratz — a desire to reinvent philanthropy and push the boundaries of how people who had done well could also do good.

“We were looking at different models of philanthropy,” said Sheryl Sandberg, a vice president at Google and a Google.org board member. “We are looking at the most efficient and effective ways to solve the world’s largest problems.”

They saw a lot of potential in the Acumen Fund, which has invested in projects meant to help people on the lowest rungs of the socioeconomic ladder: drip irrigation systems in India, rural health clinics in Kenya and a low-cost mortgage program in Pakistan.

Acumen models itself after a venture capital fund and brings in management and entrepreneurial expertise to help build the companies’ financial independence. To that end, Acumen has a mantra on business fundamentals on how to design, price, distribute and market goods and services. But the audience it is focusing on are people who live on less than $4 a day, and Acumen’s goal is to provide them affordable, critical goods and services that have otherwise been neglected by the marketplace. So when Google.org was little more than a Web page promising information to come, the Acumen Fund appeared as its first partner. To date, the Acumen Fund has been the recipient of Google.org’s largest-single grant: $5 million to strengthen Acumen’s operations. “It was a really progressive and thoughtful contribution,” Ms. Novogratz said. “It was about building the institution.”

To further cement the ties, Google announced in September that the Acumen Fund would be moving from its offices overlooking Trinity Church in the financial district of Manhattan to Google’s corporate offices in the Chelsea neighborhood uptown. “We believe that our model and Jackie’s model and Acumen’s model is the next wave of philanthropy,” Ms. Sandberg said. “It’s addressing the critical needs of the world’s poor, but in much more of a venture capital mode: to use seed capital to address the world’s problems and to do so in a sustainable way.”

Among Acumen’s most notable projects is an investment in International Development Enterprises in India, a nonprofit group that manufacturers a drip irrigation system that it sells to poor farmers for under $30, a fraction of the price of traditional irrigation systems. Because the cost is so modest, the increased land productivity helps the system pay for itself in a short time, Ms. Novogratz said. “Their lives change almost overnight if they make that investment,” she said. “They see their income double or triple — that allows them enough income to buy a second system. That is how they accumulate wealth.” So far, more than 30,000 units have been sold.

In the twin worlds of philanthropy and venture capital, where billion is a commonly used measure, the Acumen Fund can seem modest. It has about 29 full-time staff members and seven fellows in offices in New York, India, Pakistan and, soon, Kenya. Of the $40 million dollars it has raised since it formally began in 2001, it has distributed only around $20 million — a small amount by traditional philanthropic standards. Yet Ms. Novogratz explained that the firm’s approach was expensive. “The

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business acumen costs money," she said. "We are highly labor intensive." Many of the managers hold M.B.A's and have résumés studded with stints at Goldman Sachs, Credit Suisse First Boston, McKinsey.

Rather than simply focusing on potential profitability, Acumen evaluates projects for social impact, financial sustainability, replicability and what Ms. Novogratz calls "breakthrough insights" — knowledge that can be applied elsewhere.

For example, they have spent a lot of time understanding when the poor act like mainstream customers and when they don't. Another insight prompted them to eliminate grants, and limit Acumen to loans and equity investments. "Grants do not provide the same amount of clarity of expectations or financial discipline, or the same power as a conduit into more traditional financial markets," Ms. Novogratz said.

"What we need in this sector is these kinds of ideas and models to get others to think frankly of doing their business in a similar way," said Allen S. Grossman, a professor at Harvard Business School who studies entrepreneurship in the social sector.

Those insights are critical to charting new territory, said Dr. Grossman, who also advises Acumen. "You can't take business practices and superimpose them when it comes to social issues," he said. "What they do is a very effective social adaptation so that there is not a conflict between good business practices and achievement of a social mission."

But often local entrepreneurs do feel tension between business and philanthropy, said Yasmina Zaidman, who manages water projects for Acumen. They are caught because nonprofits tell them to "stop making money off the poor" while business executives say, "If you want to make money, get serious, stop messing around in the rural areas," Ms. Zaidman added. "They haven't been supported or acknowledged."

Like any investment fund, Acumen has its disappointments. Of 21 projects, 15 are still active. Last year, for example, Acumen pulled out of a fluoride filtration company in India when the company changed its strategy and started pursuing subsidized government contracts. "It was frustrating, but that lesson has influenced us so much since then," Ms. Zaidman said.

An earlier project, centered around a $42 hearing aid, failed to take off in India despite the product's relatively low cost. "We were jumping up and down thinking we hit the ball out of the park," Ms. Novogratz said. Acumen helped distribute 10,000 of the hearing aids, but low demand and a poor distribution network prevented it from becoming an independent business. "We learned that technology alone does not solve problems," she said, "and that what is as important — or more important — than the technology is the business model for bringing services to poor people."

While Ms. Novogratz was in Rwanda, she helped women there set up a bakery called Duterimbere, which means "to go work with enthusiasm" in the local Rwandan language. "We cornered the snack food market," she said.

Her farewell present from the women was a tapestry depicting scenes from the bakery, the town and a local school. It blends into the Acumen office décor — a mix of the dot-com aesthetic of Aeron chairs and ethnic handicrafts from Ms. Novogratz's travels. Glancing at the Rwandan tapestry, Ms. Novogratz said, "Unfortunately, all the women created it were killed in the genocide, so it's even more important." She added, "Acumen Fund is my prayer in response to genocide and what happened in Rwanda."

Confessions Of A Values Voter (USAT)

By Tom Krattenmaker

USA Today, November 13, 2006

I am a values voter.

Given my progressive political and religious beliefs, some might find this a dubious claim — especially members of the Christian right, who with their rhetoric about "values voters" suggest that only those who share their positions on abortion and same-sex couples possess something deserving of the term "values."

Social conservatives' skewed deployment of the "v-word" floods the public square these days. (Though it didn't help Republicans this time as it did in 2004.) President Bush, on the campaign trail, called on voters to support candidates who defend "traditional values."

Consider two events organized this past year by leading religious right figures — the "Values Voters Summit," held earlier this fall with a lineup of speakers that included the flame-throwing Ann Coulter, and the high-profile "War on Christians and the Values Voter" conference in March. Consider the ValuesVoters.com website operated by the conservative American Family Association, and the declaration by leading social conservative Gary Bauer that 2004 was the "year of the values voter."

Apparently, those of us who hold different positions on the hot-button issues as framed by social conservatives — those of us who turn our attention and hearts to other imperatives such as peace-making, poverty relief, environmental preservation and tolerance — have no values. According to the rhetoric of social conservatives, progressives are the "anything goes" lot. Secularists, liberal Christians and followers of other faiths — we're the ones tearing America down with our moral weakness and hostility to the conservative Christian worldview.

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Let's move past this hubris and damn-the-opponents rhetoric. We all have values. Let the majority of us who are not members of the "values voters" club continue to take back the v-word and proclaim the values that we've always acted — and voted — upon.

Does opposition to the war in Iraq represent an absence of values? Anything but. What is it if not deeply rooted principles and ideals — values, in other words — that moves so many Americans to oppose the war? We insist on truth-telling by our political leaders. We respect human life, which is why it saddens and outrages us to contemplate the deaths of American soldiers and of many tens of thousands of Iraqis. We hope and pray for a peaceful world in which war, if it must come, is a last resort, not a favored option.

Dwight Moody, a Baptist minister and writer on religion and culture, had this to say about values in a recent e-mail exchange with me: "Progressives, moderates and liberals are also undergirded by deeply held moral convictions, much of it driven by a religious and Christian view of the world: the value of creation, the dignity of the human person, the need for equity and justice, the cause of the poor and the dispossessed. These are values rarely articulated by the religious right, but they run deep and wide in the Bible."

Granted, liberals have been too shy about framing their political positions in moral terms, and too reluctant to use words such as "evil" to describe the acts of terrorists. The sexual adventures of high-profile Democrats such as Bill Clinton and the revolving-door domestic arrangements of Hollywood stars have lent fodder to conservatives who would blast their opponents as godless hedonists. Liberals have paid at the ballot box.

Thankfully, change is coming. Everywhere I look, I see progressives beginning to invoke values in ways that might startle religious conservatives, and in ways that probably helped Democrats win last week.

In Oregon, a recently formed ecumenical group proclaims the v-word in its name: the Oregon Center for Christian Values. These are "Christian values" rooted in human rights, economic justice for the disadvantaged and care for the environment. "Our commitment to Christ," the organization declares in its literature, "compels us to reach beyond the traditional 'moral values' issues often discussed in American politics today. Our goal is to call Christians to reclaim the radical, transformational vision for culture and society that reverberates in the teachings of Jesus."

A group called Red Letter Christians — a reference to the use of red letters in some Bibles to mark the words of Jesus — urged Bible-believers in the run-up to the elections to "vote their values" by treating the environment, poverty and the Iraq war as religious issues. William Sinkford, president of the Unitarian Universalist Association, invokes values in describing the approach to sexuality education adopted by the theologically liberal Unitarians — an approach that directly acknowledges that people will have sex outside of the opposite-sex, husband-and-wife contexts. "Sexuality education is about much more than just biology and rules," Sinkford wrote recently. "It is about values, including self-worth, sexual health, responsibility, justice and inclusivity and communication."

In the analyses and proclamations following last Tuesday's vote, "values" have been popping up in upside-down new ways. The prime example may be the Democrat who won the seat of disgraced Republican congressman Mark Foley and promptly pledged to take immediate action to make sure "our values and morals are represented" in Washington.

As progressives wield language that once belonged solely to conservatives, may we do so fairly, in a way that acknowledges that the other side of the debate also has values. In so doing, we'll model other core values of ours: inclusiveness and respect for differing viewpoints.

The truth about values is that we all have them, but that in our diverse, religiously pluralistic society, we don't share the same ones. What some of us consider a core value can offend others. Tolerance, for example, is a central value to progressives; to some conservatives, it's the root of our problems. Tony Perkins, president of the Family Research Council, has unfairly blamed homosexuality, and our liberal society's tolerance thereof, for Foley's improprieties with pages and for the slow speed with which Capitol Hill Republicans responded to reports of Foley's misdeeds.

Perkins was hitting hard on the "values voters" theme in the weeks leading up to the elections. Responding to reports of evangelical disenchantment with Bush and the Republicans and forecasts of lower turnout by the bloc credited with winning the president's re-election in 2004, Perkins urged social conservatives to rediscover their zest for voting. "Values voters across the nation," Perkins wrote in September in his daily e-mail report, "are beginning to see … what will happen if they sit idly by and allow the rudderless liberals to set a course for our nation." Closer to the elections, Perkins admitted that religious conservative enthusiasm was not what it was in 2004. "If you are tempted to sit this election out, I encourage you not to," he wrote. "Vote your values."

Vote your values. That's certainly what I did. That's what we all did.

Tom Krattenmaker, who lives in Portland, Ore., specializes in religion in public life and is a member of USA TODAY's board of contributors. He is working on a book about the Christianization of professional sports.

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Tax Epiphany (WSJ)

The Wall Street Journal, November 13, 2006

A bright light descended from the sky last week and shone upon the world's economic planners. It came courtesy of the World Bank, of all unlikely places; its toiling economists have discovered that simplified tax systems promote economic growth.

In a report titled "Paying Taxes -- The Global Picture," the World Bank and its co-authors at PricewaterhouseCoopers make the case for simplifying business taxes. Burdensome rules and multiple levies, they argue, promote tax evasion even when individual corporate tax rates are low. Make the system transparent and simple, and the private sector will pony up. It's an argument that could be made for personal income taxes, too.

Released as an elaboration of the Bank's broader and valuable "Doing Business Report," the survey examines the tax regimes of 175 countries between April and July this year. It looks at the administrative tax burden that a hypothetical, limited liability company with 60 employees would face.

The Bank's findings echo that of the flat-tax camp; namely, simple tax regimes promote compliance and efficiency. By "simple," the Bank doesn't just mean unifying rates; it includes making the forms easy to read, understand and file. World-wide it takes an average of 332 hours a year for businesses to comply with tax requirements, ranging from 2,600 hours in Brazil to 325 in the U.S. to 68 in Switzerland. There's no reason a tax form can't fit on a few pages, as in Hong Kong, or be filed over the Internet, as in Singapore.

Tax simplification also means trimming the tax regime itself. The Bank found that corporate income taxes compose only 36%, on average, of businesses' annual tax burden. Property, dividend, capital gains, municipal, and social security taxes, among others, make up the rest -- not to mention the various loopholes carved out for certain industries. Countries such as Egypt, which unified its corporate tax rates and eliminated about 3,000 corporate exemptions and tax holidays last year, saw tax filings double. Russia implemented a flat tax in 2004 and saw tax revenues soar.

The Bank pulls no punches for its main clientele: poor countries that have trouble raising funds. Many make the mistake of setting high tax rates. By doing so, they tacitly encourage tax evasion and create opportunities for corruption. Little wonder that the bottom 30 countries in the "Doing Business" survey "are twice as likely as those in the top 30 to report that bribery is a problem."

If only the high-tax prophets at the International Monetary Fund were paying attention. In a recent working paper, three Fund economists -- writing in a "personal" capacity -- put out an anti-flat tax screed. We don't have the space to dissect the entire paper here, but in essence they wave away the experience of Hong Kong and Russia and argue that the pro-market signals flat taxes send won't do any good for developed nations.

We never thought we'd say this, but perhaps the World Bank can lend the Fund a few economists for some re-education assistance. The IMF bias has long been to elevate balanced budgets as the highest fiscal priority, with tax levels and tax incidence as secondary matters. The Bank business tax survey implicitly exposes the error of the Fund's ways. Combined with President Paul Wolfowitz's long-needed campaign against corruption, the tax report also marks a welcome turn at the Bank in a pro-growth direction.

The Bank's report should also inspire a more thoughtful debate over the virtue of value-added taxes, or VATs. More than 130 countries have adopted VATs, with the IMF pushing hard for its implementation in places like Hong Kong. The VAT is a highly efficient tax and in that way has an advantage over a corporate income tax regime with high rates but many loopholes. But that very efficiency also makes a VAT dangerous as an engine of bigger government because its incidence tends to be hidden and politicians are tempted to raise the rate whenever they want a little more revenue. Some built-in restraint on that political impulse is needed.

The overriding goal of any tax system should be to raise the revenue that governments need for public purposes with the least amount of economic distortion and evasion. The lesson of the World Bank report is that the more transparent and simple a tax scheme, the more it will achieve that purpose.

As Vietnam Trip Nears, Bush Rejects Iraq Link (USAT)

By David Jackson

USA Today, November 13, 2006

WASHINGTON — President Bush travels this week to the site of an old military conflict casting a shadow over the United States and Iraq: Vietnam.

Bush's trip, including stops in Singapore and Indonesia, is mainly to promote trade at a conference in Hanoi and discuss ways to combat terrorism in the region. But the eight-day journey also includes reminders of how the Vietnam War roiled U.S. politics and society and raises questions about whether the same thing is happening with Iraq.

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"The few similarities dwarf all the differences," said historian Robert Brigham, author of the book Is Iraq Another Vietnam?

Among them, Brigham said: an inability to transform military strength into political influence in the region, a steady drain of public support for the war, and harsh lessons about the limits of U.S. power.

Bush stressed what he said were the differences with reporters last week. He said Iraqis overthrew Saddam Hussein with U.S. help, approved a new constitution and formed a government that is trying to move forward despite sectarian violence.

Vietnam endured a civil war in which the communist North, backed by China and the Soviet Union, defeated a U.S.-supported government in the South.

The Iraq war is also being fought with a volunteer army, Bush said, without the compulsory draft that inspired protests in the 1960s and early '70s. The president also said U.S. troops in Iraq are receiving more support from the American people than those in Vietnam did.

"I see the differences," he said, "I really do."

Bush leaves Tuesday for Singapore, where he will deliver a speech on U.S.-Asian relations, the prospects for trade and North Korea's nuclear ambitions. Then he goes to Vietnam and Indonesia, and makes a quick stop in Hawaii before returning to Washington.

The Asia trip comes a week after Republicans lost control of Congress in an election in which, Bush said, voters expressed "displeasure" with the Iraq war. Some members of the new Democratic majority in Congress want U.S. troops out of Iraq, and some, such as Ohio Sen.-elect Sherrod Brown, campaigned against free trade as a threat to Americans' jobs.

National security adviser Stephen Hadley said that unlike in Vietnam, a loss in Iraq would pose a direct threat to the United States because Iraq would become a "safe haven for terrorists." He said another key difference is that U.S. servicemembers support the mission in Iraq and the war on terrorism.

Historian Robert Dallek, who chronicled the Vietnam War in biographies of Presidents Lyndon Johnson and John Kennedy, said a loss in Iraq would not be fatal to the United States.

"We lost in Vietnam, and we won the larger Cold War," he pointed out.

Among other differences: The opposition in Iraq lacks a single, charismatic leader in the mold of Ho Chi Minh, former president of North Vietnam. Brigham pointed out that the Vietnam conflict began as an insurgency and ended as a conventional war; the opposite happened in Iraq.

More than 2,800 U.S. troops have lost their lives in Iraq, compared with more than 58,000 in Vietnam.

The Vietnam conflict continues to exert a powerful hold on U.S. politics. Bill Clinton and Bush, who served in the Texas Air National Guard, each spent part of their presidential campaigns explaining how they avoided being sent to the war zone. The attacks on 2004 Democratic nominee John Kerry by fellow swift boat veterans revived the ghosts of the Vietnam War.

Historian Douglas Brinkley, who wrote a book about Kerry and Vietnam, said that the war occurred at a tumultuous time in American history, amid the civil rights and women's movements, the emergence of the counterculture, and the assassinations of political leaders such as President Kennedy, his brother Robert and Martin Luther King Jr.

Today, life in the USA isn't as tumultuous, though similar political divisions are emerging over Iraq, Brinkley said. Because there is no military draft, few Americans are touched directly by the Iraq war unless family or friends are serving there, he said.

For that reason, Brinkley called Iraq more of a "low-grade" Vietnam. "Even today," he said, "you say the word Vietnam and it brings out polar reactions."

After the Persian Gulf War, the first President Bush said, "By God, we've kicked the Vietnam syndrome once and for all."

Historians such as Stanley Karnow said that statement is questionable because of Iraq. Karnow, author of a history of Vietnam, said the USA can't escape the shadow of Vietnam any more than the Civil War or any other "seminal experience."

"People will go on talking about it and debating it forever," he said.

In Vietnam, Old Foes Take Aim At War's Toxic Legacy (WP)

By Anthony Faiola

The Washington Post, November 13, 2006

DA NANG, Vietnam -- For a stark reminder of the Vietnam War, people living near the airport in this central industrial city can still stroll along the old stone walls that once surrounded a U.S. military base. But Luu Thi Nguyen, a 31-year-old homemaker, needs only to look into the face of her young daughter.

Van, 5, spends her days at home, playing by herself on the concrete floor because local school officials say her appearance frightens other children. She has an oversize head and a severely deformed mouth, and her upper body is covered in a rash so severe her skin appears to have been boiled. According to Vietnamese medical authorities, she is part of a new generation of Agent Orange victims, forever scarred by the U.S.-made herbicide containing dioxin, one of the world's most toxic pollutants.

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For decades, the United States and Vietnam have wrangled over the question of responsibility for the U.S. military's deployment of Agent Orange. But officials say they are now moving to jointly address at least one important aspect of the spraying's aftermath -- environmental damage at Vietnamese "hot spots" such as Nguyen's city, Da Nang -- that are still contaminated with dioxin 31 years after the fall of Saigon.

Though neither Nguyen nor her husband was exposed to the Agent Orange sprayed by U.S. forces from 1962 to 1971, officials here say they believe the couple genetically passed on dioxin's side effects after eating fish from contaminated canals. "I am not interested in blaming anyone at this point," the soft-spoken Nguyen said on a recent day, stroking her daughter's face. "But the contamination should not keep doing this to our children. It must be cleaned up."

Vietnamese and U.S. officials last year conducted their first joint scientific research project related to Agent Orange. Testing of the soil near Da Nang's airport, where farmers say they have been unable to grow rice or fruit trees for decades, showed dioxin levels there as much as 100 times above acceptable international standards.

Now the United States is planning to co-fund a project to remove massive amounts of the chemical from the soil. A senior U.S. official involved in Vietnam policy said the plan is evidence that the two countries, having embarked on a new era of economic cooperation, are finally collaborating to address the problem.

"The need to deal with environmental cleanup is increasingly clear, and we're moving forward from talking to taking concrete actions to respond to the issue," the official said, speaking on condition of anonymity because the project has not yet been publicly announced.

The more politically sensitive issues of responsibility and direct compensation for victims remain unresolved. Although medical authorities here estimate that there are more than 4 million suspected dioxin victims in Vietnam, the United States maintains that there are no conclusive scientific links between Agent Orange and the severe health problems and birth defects that the Vietnamese attribute to dioxin.

Still, with a much-changed Vietnam now among Asia's most dynamic economies -- the French luxury house Louis Vuitton has opened a branch in Hanoi, and the hottest nightspot in the capital is a glitzy disco called Apocalypse Now -- both sides appear more willing to seek common ground. Ahead of President Bush's first official visit to Vietnam this week, some also express hope that they are taking the first steps toward a reconciliation on their most divisive wartime issue.Coming Together

During the war, American forces sprayed about 12 million gallons of Agent Orange over the jungle canopies and jade-green highlands of Vietnam. The most toxic of the herbicides used for military purposes, it defoliated countless trees in areas where the communist North Vietnamese troops hid supply lines and conducted guerrilla warfare.

Because Vietnam lacked the resources to conduct its own environmental cleanup, dioxin-related birth defects have been diagnosed in thousands of children whose parents were not exposed during the war. In many cases, families such as the Nguyens were not warned of the hazard until it was too late.

After doctors told them their daughter, Van, was a dioxin victim, the Nguyens cemented over the small garden in their front yard and stopped eating fish from nearby canals. Even now, however, many of their neighbors remain unaware of the danger.

"What could any of us do, anyway?" asked Luu Thi Nguyen, whose family survives on the $1.50 a day her husband makes as a day laborer. "None of us can afford to move. Now I know the soil is contaminated. My daughter has already suffered from this, and I worry about what this soil might still be doing to all of us."

Vietnamese officials estimate the cost of cleaning up the country's three worst hot spots -- including the area near the old U.S. military base in Da Nang that is now the city's main airport -- will be as much as $60 million. Before year's end, they hope to launch the first phase, the development of a plan for cleanup and land use in the city, with an initial contribution of about $300,000 from the U.S. government.

That kind of cooperation has appeared to give new momentum to the issue on other fronts. On Thursday, the Ford Foundation announced that it is putting $2.2 million toward environmental restoration, contamination education and victim relief projects related to Agent Orange. The United Nations Development Program is also set to piggyback with a major grant in coming weeks that would provide additional research funding for the cleanup effort, which Vietnamese officials hope to complete by 2010.

"Vietnam is developing economically very rapidly, and I think the passage of time has played a role in both sides coming together," said Charles R. Bailey, the Vietnam director of the Ford Foundation, which has also funded key studies used to identify the country's most contaminated areas. "There is a sense that this is the last piece of unfinished business between the two countries. It is finally starting to be bridged."

But many here stress that the United States still needs to do far more to right past wrongs, and some are anticipating that Bush will offer a measure of apology for Agent Orange's wartime use when he visits.

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"There are new signs that we are moving forward on cooperation with the U.S. on technical issues," said Le Ke Son, Vietnam's top official on Agent Orange. "It is very important to close the past, to close the war between Vietnam and the United States. But for that to happen, the U.S. must agree to cooperate with us in a bigger way."Push for Compensation

What many Vietnamese are waiting for is direct compensation for victims of Agent Orange as well as an unambiguous admission of responsibility from the U.S. government.

In 1991, Congress authorized assistance for American veterans believed to be suffering from dioxin side effects, but at the same time, the legislation noted that conclusive links between illnesses and the herbicide remained "presumptive." That allowed U.S. officials to effectively sidestep a de facto admission of guilt in Vietnam and avoid offering compensation to Vietnamese victims.

At least one group of victims has already made a formal push for compensation, filing a lawsuit in New York against the chemical companies that produced Agent Orange, including Dow Chemical and Monsanto. In the late 1970s, U.S. veterans filed a similar case and settled out of court in 1984 for a $180 million payment. The Vietnamese case was dismissed last year, but an appeal hearing is expected next month.

The recent advances toward cleaning up the environment are of little solace to these Vietnamese. In a country where birth defects are considered by some an embarrassing reflection of the ill deeds of ancestors, many of the children born with the most severe defects end up abandoned or living in squalid conditions with families too poor to pay for adequate care.

The lucky ones end up in the Peace Village ward for Agent Orange victims at a hospital in Ho Chi Minh City, formerly Saigon. In rooms filled with stricken children, nurses tend to patients including a 2-year-old boy born without eyes and a 14-year-old girl whose head has grown bigger than her torso. Many of the 60 young patients have severely limited mental faculties, but existence appears tougher for those who are still alert.

U.S. officials have argued that Vietnam has exaggerated the extent of Agent Orange's effect, blaming the herbicide for birth defects that may have other genetic or environmental roots. But it's the kind of argument that infuriates people such as Duc Nguyen, 25, who began life as a conjoined twin.

Nguyen, born in the south-central town of Sathay, an area heavily sprayed by Agent Orange during the war, was separated from his brother, Viet Nguyen, at age 7. Doctors here say that soon after their birth, their mother's tissues were found to contain high levels of dioxin. These days, Duc Nguyen, who has one leg and severe bone distortions, works as Peace Village's information technology specialist. He spends his days in an office one floor below his noncognitive brother, who is kept tied to a bed most of the time, unable to move his stump-like body and reflexively gargling on his own saliva.

A 2004 study by the Vietnamese government indicated that birth defects in Sathay were 10 to 20 times more common than the national average. Duc Nguyen is engaged to be married next month to a beautiful young woman he met through his work at the hospital. But he is still far from finding peace.

"I find it ironic that on one hand you put [Saddam Hussein] on trial for using biological warfare, but in another country where you sprayed chemicals for warfare, you neglect your responsibility," said Duc Nguyen, who is not related to Luu Thi Nguyen in Da Nang.

"The United States must admit it's responsible and compensate the Agent Orange victims in Vietnam," he said. "It is your moral obligation. Sooner or later, it has to be done."

Vietnam Frees U.S. Citizen Convicted Of Terrorism (WP)

By Glenn Kessler

The Washington Post, November 13, 2006

A U.S. citizen convicted of terrorism in a Vietnamese court has been released and will arrive today in the United States, her daughter said yesterday.

The case of Orlando resident Thuong Nguyen "Cuc" Foshee had complicated efforts by the Bush administration to pass a major trade bill with Vietnam. The House was due to take up the legislation today. Sen. Mel Martinez (R-Fla.) had blocked the trade bill from coming to the floor of the Senate, and on Friday he indicated he would continue to thwart the bill's passage until Foshee arrived home.

A judge at the Ho Chi Minh City People's Court on Friday sentenced Foshee and six other defendants to 15 months in prison, with credit for time served while awaiting trial, which would have meant she would not be deported until next month. The defendants admitted that they had broken Vietnamese law but denied any link to terrorism.

Foshee's daughter, Elizabeth McCausland, said in an interview yesterday that she was told her mother had been released early for "humanitarian reasons."

President Bush will arrive in Hanoi on Friday for an Asian economic summit and has pressed for the trade bill's passage before he leaves Washington.

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Vietnam, the fastest-growing market for U.S. products in Asia, was recently accepted as the 150th member of the World Trade Organization. A bill granting Vietnam permanent normal trade relations is necessary for U.S. firms to benefit from the low tariffs that Vietnam will introduce as a WTO member.

Foshee was born in Vietnam and came to the United States after marrying a U.S. Army Special Forces master sergeant. She was active in protests in the United States against the communist government of Vietnam.

Foshee and the other defendants, including two other U.S. citizens, were accused of plotting to broadcast anti-communist radio messages under the direction of an anti-government group based in California. Vietnam considers the group, called the Government of Free Vietnam, to be a terrorist organization.

One member, Vietnamese-born U.S. resident Nguyen Huu Chanh, has been suspected of planning bomb attacks on Vietnamese embassies. Chanh is detained in South Korea, but a Seoul court has refused to extradite him to Vietnam.

Bush, Putin To Bask In Trade Deal (AFP)

By Stephen Collinson

AFP, November 13, 2006

President George W. Bush Wednesday holds the first of two meetings with Russian leader Vladimir Putin within five days, bearing the prize of a long sought-after pact on Moscow's entry into the WTO.

While the deal announced Friday is a landmark between two former Cold War foes, it will also throw a harsh spotlight on growing strains in US-Russian relations, as it is expected to face harsh scrutiny in Congress.

The two meetings, one in Moscow on Wednesday and one in Vietnam next Sunday, come as expectations mount of an increasingly testy relationship between Congress, captured by Democrats in Tuesday's elections, and the Kremlin.

Concern is mounting among US legislators on a list of US-Russia disagreements, spanning Moscow's reluctance to impose sanctions on Iran over its nuclear program, geopolitical concerns like Georgia and post-Soviet states, human rights, and trade spats.

There is also disquiet over how the emerging energy superpower hands out oil and gas contracts, its arms sales to US foe Venezuela and the murder of Russian journalist Anna Politkovskaya.

Some Republican and Democrats also believe Bush's vaunted friendship with Putin has failed to deliver much for the United States.

The two leaders will first meet when Air Force One makes a refuelling stop in Moscow en route for Singapore, Vietnam and Indonesia.

Though the meeting is being styled as an informal chat while the presidential jet replenishes its tanks, the symbolism of a stop in Russia is clear.

"We contacted the Russians and said, would you mind if we put down and refuelled ... we said no ceremony, no meetings required," said Bush's national security advisor Stephen Hadley.

"Word came back .. President Putin and Mrs Putina would like to pay a social call on the president for the 45 minutes or so that we're sitting on the tarmac to get refuelled," he said.

The more substantive meeting between the two leaders will come on Sunday November 19, after the Asia Pacific Economic Cooperation (APEC) forum in Vietnam.

"Obviously we have a lot of issues to talk about with Russia, not the least of which being Iran," said Hadley.

Analysts said Russian leaders are also wary of the incoming Democratic majority in Congress produced by Tuesday's elections.

"Historically, Democrats have always been more complicated for us than Republicans," Kremlin-connected analyst Vyacheslav Nikonov told AFP in Moscow on Thursday.

The trade deal between Russia and the United States, over a decade in the making, lifts one of the final obstacles standing in the way of Russian accession to the World Trade Organisation.

US Chamber of Commerce senior vice president Daniel Christman called on Congress to move swiftly on granting Russia "Permanent Normal Trade Relations" (PNTR) status and so abolish commercial limits imposed on the former communist country.

Without PNTR, US and Russian businesses will still not enjoy full access to each other's markets even after Moscow joins the WTO.

Some analysts say the Democrats are going to order tougher scrutiny of trade agreements once they take control of Congress in January.

Democrat Max Baucus, who is in line to chair the US Senate's powerful finance committee with responsibility for trade matters, welcomed the deal.

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"At the same time, Russia must take additional steps to earn a welcome into the WTO," he stressed, highlighting "unacceptable levels of piracy and counterfeiting" and an "unscientific" Russian ban on US beef.

SKorea Balks At Measures To Sanction North (AP)

By Jae-soon Chang

AP, November 13, 2006

South Korea balked Monday at participating in a U.S.-led plan that foresees intercepting North Korean ships suspected of carrying supplies for the regime's nuclear and missile weapons programs.

Seoul, worried that stopping and searching ships could lead to armed clashes with the North, also insisted it is already doing enough to prevent weapons proliferation by Pyongyang, which detonated a nuclear weapon on Oct. 9.

South Korea is finalizing a report on how it would carry out the U.N. sanctions slapped on North Korea in response to the nuclear test.

Park In-kook, a deputy foreign minister, said Seoul already participated in various regimes to control weapons of mass destruction, and wouldn't formally join the U.S.-led Proliferation Security Initiative, a campaign aimed largely at stopping North Korean weapons traffic by sea.

However, the South will continue a hold on regular humanitarian aid to the North, said Lee Kwan-se, a Unification Ministry official. Seoul suspended the aid in July after North Korea test-launched a series of missiles over international objections.

Lee also said South Korea will suspend its subsidies for a tourism program at the North's Diamond Mountain resort. Those subsidies are believed to be relatively small and intended simply to fund trips by those — mainly students — who can't afford the expensive, multi-day tours.

South Korea's report to the U.N. sanctions committee on how it would carry out the resolution unanimously adopted after the North's nuclear test was expected to be submitted Monday.

The resolution bans the sale of major arms to North Korea and calls for inspection of cargo entering and leaving the country. It also calls for the freezing of assets of businesses supplying the North's nuclear and ballistic weapons programs, as well as restrictions on sales of luxury goods, and travel bans on Pyongyang officials.

Park said Monday that the South would ban travel by those North Korean officials named by the U.N. committee.

Seoul has participated in the U.S.-led ship interdiction program known as the Proliferation Security Initiative, or PSI, only as an observer.

The two Koreas are still technically at war, as the 1950-53 Korean War ended in a truce, not a peace treaty. But their relations have warmed since the first, and only, summit of their leaders in 2000, with Seoul pursuing engagement rather than confrontation under the so-called sunshine policy.

Early December Proposed For NKorea Talks: Russia (AFP)

AFP, November 13, 2006

Six-nation talks on ending North Korea's nuclear weapons drive may be held at the beginning of December, a Russian envoy said.

The Russian ambassador to Japan, Alexander Losyukov, said dates early next month have been proposed among diplomats.

"According to the exchanges of diplomatic documents, there is a possibility that it will be held in early December," he told reporters in Tokyo.

North Korea on October 9 tested an atom bomb but agreed later in the month to return to six-nation disarmament talks which it has boycotted for a year.

Diplomats from the countries involved have repeatedly said the talks are likely to be held in November or December.

The leaders of the five nations negotiating with North Korea -- China, Japan, Russia, South Korea and the United States -- are expected to discuss the resumption of six-way talks when they meet this weekend for a summit in Hanoi.

The United States and Japan have supported a tough line against the North after its nuclear test, while the other three countries have favored a more conciliatory approach.

North Korea had stayed away from talks since November last year to protest US financial sanctions against a bank accused of laundering and counterfeiting money for the regime.

Losyukov, who is a former negotiator in the six-party talks, said that the dialogue has "drastically changed" since its inception in 2003.

"North Korea once said it was a peaceful nation and that it would not go nuclear. Now it has declared the possession of nuclear weapons and its determination to protect itself with them," he said.

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Losyukov, who will return to Russia this month but remain active in Moscow's Asian diplomacy, said that the "the process of the six-party talks has to speed up."

"Holding talks biannually, annually or biennially is not enough. If the six-party talks are to proceed only slowly at the current pace, the situation will only worsen and risks of conflicts will increase," he said.

Losyukov also said he believes Pyongyang "is trying to develop (nuclear) weapons because it fears its sovereignty will be infringed" through military attacks or political pressure.

The best way to solve the stalemate is "to assure North Korea that its sovereignty will be inviolable," he said, while adding that he does not know how to resolve the problem completely.

"The strategy of threatening North Korea by saying 'we will force you to abandon nuclear ambitions unless you voluntarily give them up' -- I don't think it works," he said.

Nuclear Deals Said To Be Thwarted (LAT)

From Times Wire Reports

The Los Angeles Times, November 13, 2006

The Czech secret service disrupted three attempts last year by North Korea to purchase equipment needed for nuclear weapons production, Czech media reported.

"Last year our service halted three export deals headed for North Korea, in particular special machine tools, their components and spare parts," a secret service spokesman, Jan Subrt, told the CTK news agency.

North Korea is said to have been looking to buy special machine tools that would enable it to produce small nuclear weapons.

Pyongyang conducted its first nuclear test last month.

Olmert Tackles Iran On U.S. Visit (WT/AP)

By Amy Teibel

The Washington Times, November 13, 2006

Israeli Prime Minister Ehud Olmert flew to Washington at the start of a five-day U.S. visit yesterday, armed with an agenda focusing on the Iranian nuclear threat and Israel's relations with the Palestinians.

On the flight, Mr. Olmert repeated his view that Iran will not scale back its nuclear ambitions unless it fears the consequences of its intransigence, spokeswoman Miri Eisin said.

The Iranians "have to be afraid of the consequences if there isn't a compromise," she quoted Mr. Olmert as having told journalists on the flight.

Mr. Olmert, however, appeared to play down a senior official's suggestion that Israel is preparing for a military strike against Iran's nuclear program. Asked to comment on Deputy Defense Minister Ephraim Sneh's remarks, Mr. Olmert replied that on such matters, "we have to be very careful about what we say," Col. Eisin said.

Mr. Sneh's comments were part of a pattern of heightened Israeli rhetoric on the Iranian nuclear issue. The Iranian Foreign Ministry yesterday said Iran's military would hit back with a "swift, strong and crushing" response to any Israeli military action against it.

Mr. Olmert has said Iran's nuclear ambitions will be the main item on his agenda in Washington. Mr. Olmert had dinner with Secretary of State Condoleezza Rice last night and is scheduled to meet with President Bush today.

Israel is worried about Iranian President Mahmoud Ahmadinejad's repeated calls to destroy Israel and, like the United States, does not believe Tehran's claims that its nuclear program is intended solely to produce energy.

The United States has led international efforts to curb the Iranian nuclear program, but Israelis are concerned that U.S. policy might soften after the Democratic Party victory in congressional elections last week.

The fear is that with U.S. public opinion turning against the invasion of Iraq, Mr. Bush would be less likely to take decisive military or diplomatic action against Iran.

Some analysts also think the Bush administration might be willing to end its policy of isolating Iran because of Tehran's influence over armed groups in Iraq.

Mr. Olmert arrived in Washington with a gutted diplomatic agenda. He took office promising to pull Israel out of much of the West Bank, but shelved that plan after Israel's summer war against Lebanese guerrillas left Israelis with little enthusiasm for territorial concessions. A poll put his approval rating at about 20 percent.

Mr. Olmert has revived the notion of negotiating with the moderate Palestinian leader, Mahmoud Abbas, but the two men have not been able to agree on an agenda or even set a date to meet.

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There are expectations that while in Washington, Mr. Olmert will make small-scale moves on the Palestinian front, including proposed humanitarian aid to the Palestinian people.

Mr. Olmert told reporters he did not expect major developments during the trip. "This isn't a dramatic visit," Col. Eisin quoted him as saying.

Olmert Arrives In US For Talks With Bush In New Political Climate (AFP)

By Ron Bousso

AFP, November 13, 2006

Israeli Prime Minister Ehud Olmert arrived in the United States for talks with President George W. Bush on Iraq, Iran and the Israeli-Palestinian conflict in the wake of a landmark US congressional election that may portend foreign policy shifts.

Olmert was to meet with Secretary of State Condoleezza Rice Sunday and have talks with Bush at the White House on Monday.

Monday's summit, which comes six months after Olmert's first meeting with Bush at the White House, has been described in Israel as "a down-to-business meeting" on Iran.

With Tehran continuing to reject international calls to halt its nuclear enrichment efforts, Israel has in recent months moved the Iranian threat to the top of its agenda.

But Israel could have reason for concern about the resignation of US Defense Secretary Donald Rumsfeld, a ferocious opponent of dialogue. His expected successor, Robert Gates, has signed onto a report calling for dialogue with Iran.

Backed by the United States, Israel has said sanctions are necessary following Tehran's failure to suspend uranium enrichment, a process which Israel, the United States and several European powers say hides a secret nuclear weapons programme -- despite Iranian insistence that it is for peaceful purposes.

Israel -- widely considered the Middle East's sole, if undeclared, nuclear weapons power -- considers Iran its chief enemy, pointing to calls from President Mahmoud Ahmadinejad for the Jewish state to be wiped off the map.

In Los Angeles on Friday, Israeli Foreign Minister Tzipi Livni said Tehran was merely buying time by negotiating with the international community, and warned of a regional arms race if Tehran obtained an atomic weapon.

"The UN resolution said very clearly in July, stop the enrichment or face sanctions," Livni said. "And here we are in November, and still we are talking about the next resolution for 'soft sanctions'."

Olmert ratcheted up his anti-Iranian rhetoric calling Ahmadinejad "a man who is ready to commit crimes against humanity."

Israel, the premier said, is ready for a compromise, "but I don't believe that Iran will accept such a compromise unless they have good reason to fear the consequences ... In other words, Iran must start to fear."

An Iranian foreign ministry spokesman, Mohammad Ali Hosseini, said Sunday that Tehran would deliver a "destructive" response to any Israeli military attack on its atomic sites and that it would continue trying to boost its capacity for uranium enrichment.

Hosseini's comments came after a top Israeli official refused to rule out a strike on the Islamic republic to halt the progress of its atomic programme, with the United Nations still unable to agree on sanctions against Tehran.

Olmert has also weighed in on US policy in Iraq in the wake of the Democrats' election triumph.

Democrats, who wrested control of the US Congress from Republicans on Tuesday, have long called for a reassessment of the US strategy in Iraq, with many calling for redeployment of US forces from the country.

"If there is a premature pullout before Iraq has a robust government with a strong authority that can keep the country from collapsing into an internal civil war, America will have to think about the possible ramifications on neighboring Arab countries with moderate governments," Olmert told The Washington Post newspaper and Newsweek magazine in an interview published Sunday.

Under increasing pressure to change US policy in Iraq, Bush is awaiting conclusions of a study group that may recommend opening talks with Iran and Syria as a way of prodding them to help restore stability in neighboring Iraq.

Bush will speak to members of the Iraq Study Group on the same day he is to meet Olmert. The group is expected to deliver its final report by year-end.

Bush and Olmert will likely also talk about Lebanon, according to a senior administration official.

It will be the first Bush-Olmert meeting since Israel's war against Hezbollah in Lebanon, in which the United States lent its unfailing political support to its ally.

On Saturday, Washington vetoed an Arab-sponsored draft resolution in the UN Security Council that would have condemned an Israeli artillery barrage that killed 19 people in the Gaza Strip last week.

In New Middle East, Tests For An Old Friendship (NYT)

DOJ_NMG_0092820

By Steven Erlanger

The New York Times, November 13, 2006

JERUSALEM, Nov. 12 — Even before the American elections, a certain wariness had crept into the intimate friendship between Israel and the United States. The summer war in Lebanon produced questions in Washington about the competence of Prime Minister Ehud Olmert. In Jerusalem, there were worries about the American approach to Iran and the Palestinians.

In theory, the two countries share a vision for a modern Middle East in which a thriving Israel would be accepted by its neighbors. But the Israelis balk at President Bush's embrace of regional change through promotion of Arab democracy. They view his effort as naïve and counterproductive, because it brings Islamists and Iranian clients to power.

Although Israel was grateful to see Saddam Hussein overthrown, officials here have long focused on what they consider a much bigger concern: preventing Iran from gaining nuclear weapons. They say the American policies that have empowered Iranian-backed militias in Iraq have been counterproductive to Israel's interests.

That concern is bound to be the subtext when Mr. Olmert goes to the White House on Monday. And now the Democratic sweep has created fresh concerns that the administration, whose muscular approach to Islamist terrorism and Iran has brought comfort here, will turn more to accommodation and compromise. President Bush has chosen as his next secretary of defense Robert M. Gates, who in the past has been highly critical of the administration's refusal to engage in dialogue with Iran.

The defeat for the party of Mr. Bush, "possibly the friendliest president we've ever had," said Zalman Shoval, a former Israeli ambassador to Washington, "raises question marks regarding the administration's ability to promote its diplomatic and security objectives."

In war or peace, most Israelis say they believe they have only one true ally in the world, the United States. The relationship is extraordinarily tight, especially since 9/11 and the beginning of the campaign against terrorism.

But Israel is haunted by the specter of a nuclear-armed Iran, despite Israel's own nuclear deterrent. Iran has called for Israel's destruction, flouted the United Nations by continuing to enrich uranium and has just announced that it has a new longer-range missile.

"Many Israelis feel that the free world under the leadership of the U.S. is facing a similar situation to Europe in the 1930s, when they watched the rearming of the Nazi Reich," said Yuval Steinitz, a senior member of Parliament's foreign and defense committee. "No one could predict the global catastrophe 10 years later, and Iran may be the same."

Mr. Bush says his stance on Iran is unchanged: he will never accept a nuclear-armed Iran. Yet Israelis have been increasingly anxious about the Bush approach, seeing recently a tendency to delay confrontation through further negotiations. They worry that because of Iran's ability to further inflame Iraq, Mr. Bush is hesitant to take any steps that could lead to confrontation. And Israelis are worried about what concessions an administration seeking to build an anti-Iran alliance in the Arab world might ask of them on the Palestinian question in order to bolster that alliance.

Both Hezbollah in Lebanon and Hamas in the Palestinian territories are armed, radical, Iranian-backed Islamic groups sworn to Israel's destruction. And each has been empowered and legitimized by elections that Mr. Bush demanded, and Israel's summer war involved fighting both of them.

Lebanon: The Pressures of War

All these strains were heightened by the war against Hezbollah, set off by the capture of two Israeli soldiers, and the global criticism of Israeli tactics in Lebanon.

Halfway into the war, on July 30, Secretary of State Condoleezza Rice was in Jerusalem, telling the Israeli defense minister, Amir Peretz, of her concern about killing civilians. Mr. Peretz listened but did not reveal what he knew: eight hours earlier Israel had killed more than two dozen of them in the village of Qana.

When a senior aide told her of wrenching television coverage of the deaths, Ms. Rice cut the meeting short and accepted a Lebanese request that she not travel next to Beirut, as planned, with a draft cease-fire resolution. She got Israel to accept a 48-hour cessation of most airstrikes which, in her view, was broken within hours.

Still, it was two more weeks before Ms. Rice, President Bush and Vice President Dick Cheney suggested to the Israelis that the war was starting to undermine Israel's long-term interests. Even then, Mr. Bush and his aides did not demand a cessation of hostilities, waiting instead for the Israelis to reach the same conclusion.

Asked in a recent interview with The New York Times whether the administration had to get the Israelis to stop their attacks, Ms. Rice said no. "I wasn't going to give the Israelis military advice," she said, adding that she "had a lot of sympathy for what the Israelis were dealing with."

It was another example of Washington's intimate relationship and patience with Israel.

The reluctance to confront is mutual, said Yossi Alpher, a former negotiator who runs a Web site promoting Israeli-Palestinian Internet dialogue, bitterlemons.com. "I'd love Israeli leaders to sit down with Bush for a mutual soul-searching, and

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say, 'We're concerned, dear Mr. President, that your plans are hurting us, that part of the audacity of the radical Islamists we fight comes from your decision to enfranchise them,' " he said. "But we don't dare to."

Israel, he noted, has been highly skeptical of the idea of pushing democracy among Arab nations where the only organized opposition parties are linked to militants. It is a lot safer from Israel's perspective to deal with stable, if autocratic, states like Jordan and Egypt.

When Ms. Rice "looked at the damage in Beirut and said these are 'the birth pangs of the new Middle East,' I cringed, because I thought the Bush people had learned their lesson after the election of Hamas," Mr. Alpher said. "For Israel to manage, we need more of the old Middle East, not the new Middle East."

Those anxieties persist despite Mr. Bush's fidelity. As the Lebanon war showed, Mr. Bush has been reluctant to impose the kinds of restraints on Israel that his father employed, to press talks with the Palestinians in the style of Bill Clinton or even to push Israel to ease up on Palestinian travel.

That has pleased many of Israel's supporters, including those among an increasingly vocal, fiercely pro-Israel community of evangelicals, who visited the White House at least once during the Lebanon war to voice support for allowing the air attacks on Hezbollah to continue unabated.

As President Bush prepares to meet Prime Minister Olmert, the man the White House backed while privately coming to doubt his political and military judgment, there are questions in Israel and Washington about how the two will deal with potential disagreements over Iran and the Palestinians.

The Threat of a Nuclear Iran

Mr. Bush's aides say the fighting in Lebanon in July and August was more important than it appeared because of Hezbollah's relationship with Iran.

"We saw the conflict this summer as much more than just a border war between Israel and Hezbollah," said R. Nicholas Burns, under secretary of state for political affairs. "It was clear from the very beginning of this conflict that Iran was behind Hezbollah, providing the financing and the long-range rockets that held the Israelis hostage."

"Israel and the United States, as well as many of the Arab states, see the same threat we do," he continued, "an Iran that is expanding its influence and fundamentally trying to destabilize the Middle East through its proxies."

But Israelis worry that Mr. Bush may dither over Iran. "Our big worry is that they will wait too long to act, after it is too late to stop the Iranians from gaining the knowledge to build a bomb," said one senior Israeli official, who was not authorized to speak publicly, after long, recent discussions with top Bush administration officials. "Are they committed to keeping the Iranians from actually building a weapon? I think so. Are they committed to keeping them from putting together all the parts they need? I'm not sure."

The Israelis say Washington was disappointed in their performance against Hezbollah. They are right: inside the White House, said one senior official there, who agreed to speak about internal deliberations on condition of anonymity, "Bush and Cheney believed that this would be another Six-Day War, or on the outside, two weeks."

"They believed it because that's what the Israelis said," the official said.

For Israelis, this failure to deliver poses a risk that cannot be ignored, especially when Iran is on the table.

"Most people in Israel are not satisfied by our performance in Lebanon," said Moshe Arens, a former defense minister, foreign minister and ambassador to Washington. "So if Israel enjoys this preferred position as an ally of the U.S. and a valuable ally in the fight against terrorism and now is shown to be not that effective and maybe not even that valuable, and to some extent even disappointing, that could put something of a damper on what's happening. My guess is that's probably temporary, but I think we're going through the phase."

Itamar Rabinovich, a former Israeli ambassador to the United States who is president of Tel Aviv University, said that Israelis, no matter their appreciation for American support, could not hand over the problem of Iran to Washington. He said: "Can we rely on the United States alone and say we abdicate our responsibility for dealing with the matter, and let the United States do what it wants? No, by no means."

In an indication of Israel's concern, in late October Mr. Olmert brought a far-right party dominated by Russian immigrants into his weakened coalition, and picked its controversial leader, Avigdor Lieberman, as a deputy prime minister and strategic threats minister, with the task of "strategizing" on Iran.

Earlier in October, in Moscow, Mr. Olmert said that "Israel can never abide this type of situation" where "a country like Iran has nonconventional potential." He added, "When the head of a country says he wants to destroy us, it does not sound like an empty declaration, but something we must prepare to prevent through all acceptable and possible ways."

Diverging Interests?

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Senior Israeli officials know that Mr. Bush has a lot on his plate: a nuclear North Korea, a Democratic Congress, a weak approval rating and the bleeding of American power in Iraq. To win sanctions against Iran, he needs the support of Europe, Russia and China, all very critical of Israeli policies toward the Palestinians.

To enforce sanctions, particularly those blocking shipments of nuclear- or missile-related technology, he would need the cooperation of Iran's Arab neighbors. So Israel has another worry: that Mr. Bush will try to build an anti-Iran coalition by pressuring Israel to make concessions to the Palestinians.

In September, Israel was abuzz over a speech by an American official that got little coverage in the American news media. Philip D. Zelikow, counselor to Ms. Rice, had addressed the Washington Institute for Near East Policy, considered sympathetic to Israel's interests, on "Building Security in the Broader Middle East."

Mr. Zelikow, in the last of 10 points, suggested that to build a coalition to deal with Iran, the United States needed to make progress on solving the Arab-Israeli dispute.

"For the Arab moderates and for the Europeans, some sense of progress and momentum on the Arab-Israeli dispute is just a sine qua non for their ability to cooperate actively with the United States on a lot of other things that we care about," he said.

The message seemed perfectly clear to Israelis: the Bush administration would demand Israeli concessions on the Palestinian issue to hold together an American-led coalition on Iran. American officials were quick to insist that there was no change in American policy, and that Mr. Zelikow was speaking on his own.

But Mr. Zelikow's close ties to Ms. Rice are well known, and the furor over his comments was amplified because they appeared to some to echo criticisms published in March in The London Review of Books by two American scholars, John J. Mearsheimer of the University of Chicago and Stephen M. Walt of the Kennedy School of Government at Harvard.

They suggested that from the White House to Capitol Hill, Israel's interests have been confused with America's, that Israel is more of a security burden than an asset and that the "Israel lobby" in America, including Jewish policy makers, have an undue influence over American foreign policy. In late August, appearing in front of an Islamic group in Washington, Mr. Mearsheimer extended the argument to say that American support of the war in Lebanon had been another example of Israeli interests trumping American ones.

The essay argued that without the Israel lobby the United States would not have gone to war in Iraq and implied that the same forces could drag the United States into another military confrontation on Israel's behalf, with Iran. It urged more American pressure to solve the Palestinian question as the best cure for regional instability.

Some Israelis worried that the implicit charge of dual loyalty would be underlined by the trial of two former officials of the prominent pro-Israel lobbying group, the American Israel Public Affairs Committee, on charges of receiving classified information about Iran and other issues from a Defense Department official and passing it on to a journalist and an Israeli diplomat. The trial is scheduled to begin early next year.

Mr. Walt, in an interview, argued that the first President Bush had worked to restrain Israel, and that Mr. Clinton worked to attain diplomatic concessions to achieve a peace. But when this Bush administration took office, "they first had no use for the Mideast, then took a more balanced position, calling for a two-state solution, and then were completely won over by Israel's argument that it is simply fighting terrorism."

Former Israeli ambassadors to Washington like Mr. Rabinovich, Mr. Arens and Mr. Shoval all scoff at the Walt-Mearsheimer thesis, which echoes criticisms of Jewish influence as far back as the presidency of Harry S. Truman.

But given the intensifying debate in Washington about Iran, Mr. Rabinovich said, the essay is "disturbing," as are the echoes of part of the argument in Mr. Zelikow's speech. Mr. Arens said that 9/11 created "an objective reality" of an antiterrorism coalition, led by President Bush, in which Israel is a crucial member. Mr. Bush is seen here as less interested in being an honest broker than in supporting Israel as a crucial strategic partner in the region.

The Iran confrontation, Mr. Arens said, will bolster that partnership. "The president said that he sees a clear and present danger with Iran arming itself with nuclear weapons and it's obvious that this is a clear and present danger for the state of Israel," he said. "Although a small country, we are not a minor party. When people talk about the possibility of a military option, what are they talking about? The U.S. or maybe Israel to take that move, not the U.S. or Germany or France."

He acknowledged, however, "That inevitably will lead people who are critical of the position of the president to be critical of Israel, because we are seen as a partner in this campaign, and it is not a very big step to say that Israel is leading the U.S., or misleading the U.S., by the nose in this thing."

The Post-Bush World

No Israeli knows if the next American president will be as tough on Iran or as loyal to Israel as Mr. Bush. If Mr. Bush does not act, Israelis say, by the time the next president takes office, in January 2009, Iran will be well on its way to a bomb, and Washington may not back Israeli responses.

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Gidi Grinstein, a former Israeli negotiator who runs an independent policy center, the Reut Institute, says Israel and the United States share a larger goal on Iran but have "tension among their different objectives," as indicated by Mr. Zelikow.

The Iran debate in Washington is serious but unfinished, Mr. Grinstein said, noting the divisions between those who argue that a nuclear-armed Iran can be contained and those who believe that Iran must not get the technology to build a bomb, much less the weapon itself.

Mr. Alpher, the former Israeli negotiator, is concerned that if Mr. Bush ultimately negotiates with Iran, "we need to ensure that the United States doesn't sell us down the river." It is fine for Israel to say that Iran is the world's problem, he said. "But if the world solves it diplomatically," he added, "will it be at our expense?"

The world looks different to nearly all Israelis across the political spectrum than it does to people in most other countries. "Unlike Bush, an Israeli leader looks at Iran through the prism of the Holocaust and his responsibility to the ongoing existence of the Jewish people," Mr. Alpher said. "It may sound pompous, but at the end of the day it matters, and so we may be willing to do the strangest things."

Gadi Baltiansky, a former Israeli diplomat in Washington and director of the Geneva Initiative, which promotes Israeli-Palestinian peace, argues that, given the stakes, Israel also pays a price for American policy, which can go against Israeli interests.

"The dilemma is that even this president, a true friend of Israel, after 9/11 divided the world into good guys and bad guys, and we're one of the good guys, so fine," he said. "Syria is a bad guy. But what serves Israel's interests? Talking to them may be bad for the U.S., but not necessarily bad for us. But whether it's Hamas participating in elections or Syria, it's hard for us to say no to the United States."

What matters most to Israel, officials here in Jerusalem say, is the level of support it receives from ordinary Americans, no matter their political party or religion. Despite the anxieties here over Lebanon, Iran and academic essays, opinion polls show that Americans are solidly in support of Israel, with new support coming from evangelical Christians.

Mr. Arens, the former defense minister, said of the Europeans: "They don't like us — what can we do? What else is new? We would like to be liked by everyone, of course, but it's the relationship with the United States that really matters."

How Bush And Olmert Could Help Each Other (WP)

By Jackson Diehl

The Washington Post, November 13, 2006

Today two bruised, weakened and defensive politicians, George W. Bush and Ehud Olmert, will sit down together at the White House for the first time in six months. Whether the tide of extremism now roaring across the Middle East -- from the Gaza Strip to Baghdad -- can be turned back could depend on whether they find a way to buck each other up.

The last time the Israeli prime minister was in Washington it looked like the two allies still commanded the regional agenda. Bush was overseeing the formation of Iraq's first permanent democratic government; Olmert was preparing a bold plan for a unilateral Israeli withdrawal from the West Bank. Both men emerged from the Oval Office radiating confidence that Iran would not be permitted to acquire nuclear weapons.

Today Bush and Olmert will have to face the reality that Iran is winning -- not just in preserving its nuclear program but in a broader contest over the direction of the Middle East. Olmert's "disengagement" plan is dead, at least for now; so is Bush's hope that an Iraqi coalition government could stabilize the country. Meanwhile, Iran and its ally Syria are everywhere on the offensive. They are on the verge of reversing Lebanon's popular Cedar Revolution and handing political control over the country to the Hezbollah movement. They are blocking attempts by Palestinian moderates to form a new government in Gaza that could rebuild relations with Israel and the West. Their allies are smuggling more weapons, building more bunkers and preparing for the next round of what they call "resistance" -- a permanent war against Israel that they would use to transform the region.

In the face of this onslaught, Bush and Olmert have had little to offer. Both are in deep domestic political trouble. The vaunted military forces of both countries are badly bogged down. The two leaders could, if they let themselves, spend their time reproaching each other. Senior Israeli officials have been privately grumbling for some time that Bush's diplomatic campaign to stop an Iranian bomb is going nowhere and that there appears to be no credible American Plan B. For their part, Bush administration officials have been frustrated by Olmert's slowness to embrace even modest steps to defuse tensions with Palestinians, such as a U.S. plan to increase the flow of goods and people between Israel and Gaza.

The alternative is for Bush and Olmert to dust themselves off, put their heads together and do what comes naturally to both of them -- that is, something bold. What's needed is a game-changing initiative that would break the momentum of Iran and its allies, and energize demoralized Arab moderates -- like Ariel Sharon's 2003 proposal to withdraw from Gaza or Bush's June 2002 endorsement of a Palestinian state.

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What's possible? From the American point of view, the obvious answer is a major Israeli effort to encourage the formation of a responsible Palestinian government. Palestinian President Mahmoud Abbas, a moderate, has been negotiating with the militant Hamas movement for months about a "unity" coalition made up of technocrats. Israeli officials tend to dismiss the effort as doomed. But what if Olmert were to spell out an aggressive Israeli plan to work with such a government? The plan could start with restoring the Palestinian tax funds that Israel collects but has impounded, and move on quickly to the release of Palestinian prisoners and talks about a negotiated version of the West Bank withdrawal Olmert proposed.

Among some senior Israeli officials a different but even bolder idea is being quietly kicked around: the opening of a dialogue with Syria. The idea is to flip Syrian President Bashar al-Assad; to induce him to drop his alliance with Iran and join the moderate Sunni alliance that is quietly lining up against Tehran. The Bush administration is loath to talk to Assad, partly because previous efforts have failed and partly because of what he wants from the United States, which is acquiescence to renewed Syrian suzerainty over Lebanon.

Israel cares less about who rules Lebanon. And it has something Assad wants at least as much: the Golan Heights. The Syrian president has been saying for months that he is ready to open talks about a swap of the territory for peace, a deal that his father came within inches of closing 6 1/2 years ago. Until recently Israel had little incentive to make that bargain with Bashar Assad. But the rise of the Iranian threat in the past year has changed the calculus for at least some of Olmert's advisers.

Imagine Ehud Olmert emerging from the White House to announce that Israel is prepared to explore peace with Syria. It might not turn the ugly tide in the Middle East. But it would, at least, get Israel and the United States back in the fight.

Q&A: Israel's P.M. On Iran, Lebanon, Palestinian State (NSWK)

By Lally Weymouth

Newsweek, November 13, 2006

Nov. 20, 2006 issue - This week Ehud Olmert makes his second visit to see President Bush in Washington. After last summer's controversial war against Hizbullah and recent allegations of corruption, the Israeli prime minister has sunk even lower in the polls than Bush. Olmert came to office promising to pull out of most of the West Bank and consolidate some large settlement blocs. He put this plan on hold after the war, but last week, when he spoke in Jerusalem with NEWSWEEK's Lally Weymouth, he insisted he still stands by his plan for peace. Excerpts:

WEYMOUTH: Last year you told President Bush you had a vision—your convergence plan—which was to withdraw unilaterally from large parts of the West Bank. Do you have a new vision today?

OLMERT: The "convergence" plan was a vehicle to accomplish a vision shared by President Bush and myself—this is a two-state solution.

After the war in Lebanon, you said the "convergence" plan was on hold.

After the war, and the failure of the Palestinians to cope with continued terrorist actions, I had second thoughts about my ability to accomplish the two-state solution through realignment. One thing I can promise: under no circumstances am I going to withdraw from the need to engage in a serious dialogue with the Palestinians. The Palestinian issue is on the agenda. There is no way we can ignore it. We have to find the best partner—a lot depends on

the Palestinian leadership.

How do you feel about President Abu Mazen as a partner?

He has consistently shown his opposition to terror and his discomfort with Hamas. But it is incumbent upon him to do more than just say how uncomfortable he is with Hamas. He hasn't yet shown enough determination to put down this government of terrorists and to reduce the influence of Khalad Mashal, who controls the the Palestinian government from Damascus.

How would you feel if Abu Mazen entered into a unity government with Hamas?

If Hamas will formally accept Israel's right to exist, end all terror against Israel, and recognize the [prior] agreements between Israel and the Palestinian Authority, then I'll be ready to sit with such a government, even if it includes Hamas representatives.

Has the United States asked you to release Palestinian leader Marwan Barghouti from

prison, and would you consider it?

I made it clear long ago that I am anxious to open up a new dialogue with Abu Mazen and for that purpose I'm ready to release many prisoners. Hamas' inflexible attitude prevents the prisoners from being released because they refuse to let us have our soldier [captured Cpl. Gilad Shalit]. Hamas is not really interested in the wellbeing of its prisoners. They want to topple Abu Mazen at any cost.

You brought the ultra right-wing Avigdor Lieberman into your coalition. Will that affect your negotiating position with the Palestinians?

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I made it clear that the policies of this government are not going to be changed, and you can read my lips. I'm ready for territorial compromises, and I haven't changed my mind.

How do you see the threat posed by Iran?

President Ahmadinejad is a man who is ready to commit crimes against humanity, and he has to be stopped. My position is clear. If there can be a compromise that will stop Iran short of crossing the technological threshold that will lead them into nuclear capabilities, we will be for such a compromise. But I don't believe that Iran will accept such compromise unless they have good reason to fear the consequences of not reaching a compromise. In other words, Iran must start to fear.

Will you talk with Bush about Iran?

I think that Bush is the last person on earth who needs to be reminded of what should be done in order to stop Iran. If there is one person I can trust, it's him.

If the international community does not act, would Israel consider taking military action?

It is absolutely intolerable for Israel to accept the threat of a nuclear Iran. I prefer not to discuss the Israeli options. Israel has many options.

Do you feel the war against Hizullah decreased the group's military strength but built them up politically?

I think Israel had a strategic, military and political success. The presence of the Lebanese army in the south [of Lebanon] together with a robust international force is very significant. It is not ideal. There is a lot that ought to be done and will have to be done by the international force.

So looking back, you feel the war was worthwhile?

There were many mistakes committed but the overall picture is very significant. The main objective of Israel was to create the necessary conditions for the deployment of the Lebanese army in the south of Lebanon and to stop Hizbullah from threatening the northern part of Israel, and I think that we have achieved these objectives. We still have to work hard in order to bring back the two abducted Israeli soldiers.

Syrian President Bashar al-Assad has said that he would like to talk to Israel. Would you consider this?

I would be happy to negotiate with Bashar Assad if he stopped his support of terror and of Hizbullah. Bashar Assad doesn't show any sign that he's ready to do this.

Former secretary of State James Baker said, "You don't talk to your friends, you talk to your enemies." What's to lose by exploring whether there's anything there?

Bashar Assad has not reached the point where he can qualify as a legitimate partner. You can't say we will not negotiate with terrorists and negotiate with someone who is a great supporter of terrorists.

But you negotiated with Arafat when he was in Tunisia, and he was certainly a terrorist.

We negotiated with Arafat, and I think we learnt something about negotiations of this kind from this experience. I don't expect my enemies to be wonderful guys. But I want them to come with clean hands when they come to negotiate with us.

Wouldn't it be worth trying to separate Syria and Iran?

I don't believe Assad wants to be separated from Iran. What he wants is to recover the Golan Heights, and I don't see any signs that he understands that he needs to pay for it.

If the United States gets out of Iraq, how would this affect the region?

If there will be a premature pullout before Iraq has a robust government with a strong authority that can keep the unity of the country from collapsing into an internal civil war, then America will have to think about the possible ramifications on the neighboring Arab countries with moderate governments.

Do your low poll numbers drive you crazy?

According to the polls, I was not supposed to be prime minister. So considering the polls I'm in a good position. I don't worry.

Syria A 'Dangerous' Country, Says Rice (AFP)

AFP, November 13, 2006

The United States believes Syria is a dangerous state whose territory is being used for the accelerated arming of Lebanon's Hezbollah militia, Secretary of State Condoleezza Rice said in an interview with an Israeli daily.

"This is a dangerous state that is behaving in a dangerous manner," Rice told the country's second largest daily, Maariv.

"The United States is concerned and is following closely the use of Syrian territory as a way-station for the accelerated arming of Hezbollah," the Hebrew-language newspaper quoted her as saying.

Israel has long maintained that Hezbollah, with which it fought a 34-day war this summer, receives its weapons from Iran via Syria -- a charge both these countries deny.

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But Rice repeated the allegation in the interview published on the day Israeli Prime Minister Ehud Olmert was due in Washington for talks with US President George W. Bush, herself and other top officials.

"Syria is a way-station for Iranian arms that cross the Middle East. It is not a state that contributes to stability in the Middle East," Rice said.

"This is obvious to everyone, and we are watching this situation closely. We are working with additional international agencies in order to tell Syria that it must change this behavior pattern."

"We clarified that Syria must change its behavior as soon as possible," she added.

Hamas Endorses Peace Conference (WT/AP)

By Salah Nasrawi

The Washington Times, November 13, 2006

CAIRO -- The Hamas-led Palestinian government agreed yesterday to an international peace conference with Israel after the Arab League -- angered by Israel's military offensive in Gaza -- voted to end a financial blockade on the Palestinians.

Foreign Minister Mahmoud Zahar of Hamas endorsed a statement by Arab foreign ministers calling for the peace conference during a meeting in Cairo to respond to a U.S. veto of a U.N. Security Council resolution condemning the Gaza offensive.

Mr. Zahar said the Palestinians had asked for the peace conference "in order to reach just and comprehensive solutions." The acceptance marked the first time the Hamas-led government has indicated that it would consider making amends with the Jewish state.

The West cut off hundreds of millions of dollars in international aid and tax revenues to the Palestinians after Hamas took power in March in an effort to pressure the Islamic militant group to moderate its anti-Israel ideology. The United States, Europe and Israel are demanding that Hamas recognize Israel, renounce violence and abide by existing agreements between Israel and the Palestinians.

Mark Regev, a spokesman for Israel's Foreign Ministry, said he was not aware of the conference proposal. But he said Hamas could not be a party to talks with Israel unless it met the international community's stipulations.

"A multilateral conference doesn't make Hamas legitimate," Mr. Regev said. "What makes Hamas legitimate is accepting the international benchmarks."

Hamas' decision came as Israeli Prime Minister Ehud Olmert arrived in Washington ahead of a meeting with President Bush today.

The Arab League said ministers sought a conference to resolve the Israeli-Palestinian conflict "according to international resolutions and the principal of 'land for peace.' " Arabs want Hamas to endorse a 2002 Arab initiative that calls for peace in exchange for land seized by Israel in the 1967Six-Day War -- the West Bank, the Gaza Strip and East Jerusalem.

Yesterday was the first time that Mr. Zahar has attended an Arab foreign ministers' meeting since Hamas became the ruling party. The Arab League had refused to let him join until Hamas accepted the peace initiative.

Arab ministers also decided yesterday to end a financial blockade on the Palestinians to show their anger over U.S. veto in the Security Council on Saturday.

The U.N. draft resolution would have condemned the Israeli offensive in Gaza that has killed more than 50 people recently and also demanded that Israeli troops pull out of the territory. John R. Bolton, U.S. ambassador to the United Nations, said the Arab-backed resolution was "biased against Israel and politically motivated."

It was the second U.S. veto of a draft resolution on Israeli military operations in Gaza this year.

"There will no longer be an international siege," said Bahrain's foreign minister, Sheik Khalid bin Ahmed Al Khalifa.

The economic sanctions have debilitated the Palestinians and have led to clashes between Hamas and the more moderate Fatah party led by Palestinian Authority President Mahmoud Abbas, who has been trying to form a more moderate government and renew the peace process with Israel.

Arab League Secretary-General Amr Moussa said the decision to break the Western-led financial blockade was a message to the United States.

"Our message is loud and clear to those who take unfriendly positions against Arabs," Mr. Moussa told reporters in Cairo.

In an immediate show of support, Kuwait's foreign minister said his country would send $30 million to the Palestinians, and Bahrain's foreign minister said the Arab countries would begin contacting international financial institutions to get the money transferred to the Palestinians.

As Hezbollah Seeks Power, Lebanon Is Feeling Edgy (NYT)

By Michael Slackman

DOJ_NMG_0092827

The New York Times, November 13, 2006

BEIRUT, Lebanon, Nov. 11 — In the upscale center of Beirut, the normally somber atmosphere at the graveside of the assassinated former prime minister, Rafik Hariri, is increasingly tense. His former supporters, long the most powerful constituency in Lebanon, anxiously talk about the wave of Shiite political power washing over the country.

"After the first of the year, I am leaving to Qatar," one woman, Myrtha Hadidi, said Sunday, after she bowed her head and crossed herself in front of the grave. "The situation is very, very dangerous now. I think there will be a war again."

Across town, along the crowded streets of the poor Shiite neighborhood devastated by Israeli bombs during the summer war, there is despair over the destruction, but confidence in the growing power of Lebanon's Shiites.

"I am very optimistic about the future," said Ziad Kamaan, as he prepared to reopen his women's accessory store for the first time since the war ended in September.

Lebanon is in the middle of a political crisis that is not just a matter of jockeying for power, but a fundamental realignment of authority here — and perhaps in the region. It is seen in the faces of those Sunnis and Christians who visit the Hariri memorial, nervous and drawn, and the confidence of those picking their way through the debris and destruction of the Shiite neighborhood, known as Dahiya.

"Hezbollah gave us dignity and pride; they made us feel like human beings again," said Ali Berro, owner of a small grocery in the neighborhood. "It's true that America and Israel devastated this country, but we will rebuild again, ourselves."

Long in the making, the 34-day war between Israel and Hezbollah — which was waged to crush the group's militia — seems to have accelerated the rise of Lebanon's Shiites, from their onetime status as the nation's unwanted stepchild to the cusp of political dominance.

As a political party, a militia and social welfare organization, Hezbollah has used the devastation of the war with Israel to help strengthen the allegiance of Shiites, giving out money and services that the government has so far failed to deliver. Though no one knows for sure the size of each group in Lebanon — there has not been a census since the 1930s — Shiites are believed to make up more than 30 percent of the population, and by some estimates have reached a plurality. But it would require a major leap for the Shiites to realize their political goal of dominance — and their efforts to reach it could threaten long-term instability, and perhaps bring armed conflict.

"This war has improved the Shiite identity and self-image," said Judith Palmer Harik, a professor at the American University in Beirut who has studied and written about Hezbollah. "They got something out of this war that was pretty uplifting."

On Saturday, Hezbollah and its main Shiite ally, Amal, provoked a political crisis when their five ministers resigned from the government after talks broke down about giving Hezbollah's alliance more authority.

The stage is now set for a showdown between Hezbollah and its allies, which are aligned with Syria and Iran, and the Sunni, Druse and Christian leaders who control the largest bloc in Parliament and side with the West.

Hezbollah has threatened to stage demonstrations as early as Monday, but Hezbollah officials said Sunday that they were waiting to see how their opposition responded and were considering all options.

The governing coalition is expected to make its counterstrike on Monday. The coalition, led by Saad Hariri, the son of the former prime minister, has tried to tar Hezbollah and Amal as tools of Syria and contends that their ministers resigned to block creation of a tribunal to hear charges in connection with the assassination of Mr. Hariri.

Syrian officials have been implicated in the United Nations investigations. The governing coalition has also charged that Hezbollah wants to control or block the government to prevent it from carrying out the provisions of Security Council Resolution 1701, which ended the war with Israel.

The United Nations sent a proposed framework for the court to Lebanon last week, and Prime Minister Fouad Siniora has called a cabinet meeting for Monday to take up the proposal. If Lebanon does not adopt the proposal, the court could still be created by the Security Council, but it would be viewed here as having less legitimacy because it was imposed on the country.

"The hidden plot has been revealed," the governing coalition said in a statement issued Sunday. "It's a Syrian-Iranian plot to launch a coup against the legitimacy, stop the establishment of an international tribunal and foil Resolution 1701."

Mr. Siniora and his allies have said that even without the Shiite members of the cabinet, they could adopt the proposal and have it pass in Parliament. It would, however, probably be rejected by the pro-Syrian president, Émile Lahoud, who issued his own statement on Sunday saying the "government had lost its constitutional legitimacy and, as a result, any cabinet meeting is anti-constitutional and worthless."

But the maneuvering over the court is one piece of a much larger battle with Hezbollah on the offensive. Hezbollah is insisting that its alliance be given seats in the cabinet, to have veto power over all decisions. One Hezbollah official said the outcome of this fight could jeopardize the delicate system of power sharing between religious communities that was established in the Taif agreement of 1989, which brought an end to 15 years of civil war. "If they want to govern without Shiite ministers, then

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nothing would prevent a Shiite from running for president in the future," said Tarrad Hamadeh, the Hezbollah minister of labor, who resigned Saturday. "They are messing with the country's future."

In war-torn neighborhoods of the south, in the Bekaa Valley, and in Dahiya, often the only sign of authority is Hezbollah's yellow flag. Hezbollah remains the de facto government within its communities. "We can make a revolution in Lebanon, we can occupy Lebanon, but this is not what we want," said Bilal Naeim, a Hezbollah politburo member who is overseeing the group's relief effort. "We could make a coup d'état."

Mr. Naeim works out of a large tent that Hezbollah put up in Dahiya to serve as a sort of office for reconstruction and distribution of assistance. Its office was flattened by Israeli bombs, but its work was not stopped. On Sunday, Ali Ahmed Raychouny entered the tent looking for help rebuilding his bookstore. Hezbollah is preparing to give out money for inventory damaged by the war, and since he and his employee and his landlord depend on the income from his bookstore, he wanted to make sure he was on the list.

"I never expect anything from the government of our country," he said. "I have five kids and I support three families. Hezbollah is in my blood."

Iran Vows Retaliation If Israel Strikes (AP)

By Nasser Karimi

AP, November 13, 2006

Iran's military will retaliate swiftly and strongly if Israel attacks any Iranian nuclear sites, the Foreign Ministry said Sunday.

The warning came two days after Israel's deputy defense minister suggested Israel might be forced to launch a military strike against Iran's disputed nuclear program as "a last resort."

"If the Zionist regime commits such stupidity, the response by the Iranian military will be swift, strong and crushing," Foreign Ministry spokesman Mohammed Ali Hosseini said. "Iran will take no longer than a second to respond."

The comments by Israeli Deputy Defense Minister Ephraim Sneh were the clearest yet from a high-ranking official of possible military action against Iran. However, the Israeli government later said the comments did not necessarily reflect its views or those of Prime Minister Ehud Olmert.

Israel bombed Iraq's Osirak nuclear reactor in 1981 to destroy Saddam Hussein's nuclear weapons program. While Israel neither acknowledges nor denies possessing nuclear arms, it is thought to have about 100-200 nuclear warheads, according to a 2006 report by the Center for Nonproliferation Studies at the Monterey Institute of International Studies.

Hosseini downplayed the possibility of an Israeli attack. "The situation and capability of the Zionist regime are far too small to threaten Iran," he said.

President Mahmoud Ahmadinejad, meanwhile, again criticized the U.N. Security Council over its efforts to impose sanctions on Iran because of its nuclear program. Iran says its program is for peaceful energy purposes, but the United States and other Western countries fear its a cover for developing weapons.

"It is most embarrassing that the U.N Security Council, which should be the defender of nations' security and rights, threatens countries pursuing nuclear fuel for peaceful purposes under the law," Ahmadinejad said, addressing the general assembly of Asian Parliaments Association for Peace in the capital, Tehran.

He accused the U.N. of applying a double standard, saying it was pursuing Iran "while those countries, armed with nuclear weapons, deny the rights of other countries to produce nuclear fuel and exploit it for peaceful purposes."

The Iranian president also criticized the United Nations for what he described as its lack of concern for the Palestinians. He condemned the United States for vetoing a U.N. Security Council draft resolution that criticized an Israeli military offensive in the Gaza Strip, including an artillery barrage that killed 19 civilians last week.

"While this fake regime commits crimes, the U.N. has not taken a single positive and operative step to restore the rights of the Palestinian nation," he said.

Hosseini, the Foreign Ministry spokesman, also said Iran began installing an additional 3,000 centrifuges at its uranium enrichment plant in Natanz with the knowledge of the International Atomic Energy Agency, the U.N.'s nuclear watchdog.

In October, Iran injected uranium gas into a second network of 164 centrifuges.

Injecting gas into centrifuges can either yield nuclear fuel or material for a warhead, but does not represent a major technological breakthrough and is unlikely to bring Iran within grasp of a weapon.

Iran produced a small batch of low-enriched uranium — suitable as nuclear fuel but not weapons grade — in February, using its initial cascade of 164 centrifuges at Natanz.

Earlier this year, Tehran said it planned to install 3,000 centrifuges at Natanz by year's end, but it would take 54,000 centrifuges to fuel a reactor.

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Iran Criticizes Security Council Over Threat Of Sanctions (NYT)

By Nazila Fathi

The New York Times, November 13, 2006

TEHRAN, Nov. 12 — President Mahmoud Ahmadinejad on Sunday described efforts by the United Nations Security Council to impose sanctions on Iran as "disgraceful."

"It is disgraceful that the Security Council, which should be the defender of nations' security and rights, creates cases against countries that seek to produce nuclear fuel for peaceful purposes and threatens them," he said, addressing the general assembly of the Association of Asian Parliaments for Peace, which was founded in 1999 to promote peace and development and now has 39 members. It is meeting in Tehran.

The five permanent members of the Security Council — Britain, France, the United States, China and Russia — are scheduled, along with Germany, to resume talks Monday on a European draft resolution that would impose sanctions on Iran for refusing to halt its uranium enrichment program.

Iran contends that its nuclear program is peaceful and that its aim is to produce fuel for its nuclear power plants.

Mr. Ahmadinejad accused the United Nations of applying a double standard for not objecting to development of unconventional weapons by Britain, the United States and Israel. He said the nuclear-armed countries sought to deny the right of other countries to produce nuclear fuel for peaceful purposes because they feared they could lose their monopoly over the technology.

"They are afraid that independent countries, such as the Islamic Republic, would not let them maintain their monopoly over nuclear fuel," he said.

Iran's chief nuclear negotiator, Ali Larijani, returned from Moscow on Sunday after a series of talks with Russian officials. Russia is urging the other five countries that are discussing the sanctions to resume talks with Iran.

Mr. Larijani said Friday in Moscow that Iran would not halt its program and that sanctions would not harm it, the ISNA news agency reported. He also said, commenting on the results of the American elections, that he believed that the Democrats would adopt a softer approach toward Iran over its nuclear program to avoid more tension.

Islamic Militants Claim Capture Of Town (AP)

By Mohamed Sheik Nor

AP, November 13, 2006

Islamic militants said they captured a town in central Somalia on Sunday after they came under attack from pro-government militiamen backed by troops from Ethiopia and a semiautonomous region in northern Somalia.

The fighting erupted near the border of the Puntland region, one of the few areas in Somalia still outside the control of the Islamic movement. The group said it captured the town of Bandiradley, about 430 miles north of the capital, Mogadishu, and two of its fighters were killed in the battle.

"The fighting is continuing and we are pursuing Puntland troops," Mohamed Mahmud Agaweyne, spokesman for the Islamic group in central Somalia, told The Associated Press by telephone.

Sa'id Abdirahman Dakaweyne, a colonel with the Puntland militia, confirmed the fighting. Puntland officials said they had put their troops on full alert.

Government officials declined to say if anyone from their militia had been killed.

Somalia has not had an effective government since 1991 when warlords overthrew a dictator and then turned on each other. The new interim government was formed with the help of the U.N. two years ago. But it has failed to assert any real control outside the southern town of Baidoa where it is based.

The Islamic courts militia, meanwhile, has been rising since June and now controls most of the country's south and the capital. The United States has accused the group of sheltering suspects in the 1998 al-Qaida bombings of U.S. embassies in Kenya and Tanzania.

Experts warn Somalia could become a proxy battleground for neighboring Ethiopia and Eritrea, which broke away from Ethiopia in 1991 following a civil war. Eritrea supports the Islamic militia, while Ethiopia backs the interim government.

A confidential U.N. report obtained recently by The Associated Press said 6,000-8,000 Ethiopian troops were in Somalia or along the border. It also said 2,000 soldiers from Eritrea were inside the country. Eritrea denies having any troops in Somalia, while Ethiopia insists it has sent only a few hundred advisers.

Agaweyne said the Islamic fighters had captured two tanks and 11 pickup trucks mounted with machine guns. Islamic forces said the tanks had Ethiopian markings.

Ethiopian officials were not immediately available for comment.

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Sporadic skirmishes have broken out in central Somalia since May, when the Islamic movement took the town of Jowhar and began extending northward toward Puntland, which has close ties to Ethiopia and opposes the spread of the Islamic forces.

Puntland declared itself an autonomous state within Somalia in 1998. It has generally been spared the violence that has wracked the southern part of the country.

Several peace initiatives between Somalia's interim government and the Islamic movement have failed to take hold. A peace deal agreed to Friday by a renegade lawmaker and the Islamists was rejected 24 hours later by the interim administration, which said it was done without its approval.

Meanwhile, Kenya announced that all flights to Somalia would be suspended as of Monday due to security reasons. The order affects almost daily service from Nairobi to Mogadishu and three other towns in Somalia.

Late last week, the U.S. Embassy in Nairobi warned that extremists in Somalia were planning suicide attacks in Kenya and Ethiopia.

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Associated Press writer Salad Duhul and Mohamed Ali in Mogadishu also contributed to this report.

Tension Rises In Somalia As Islamists Expand Reach (NYT)

By Jeffrey Gettleman

The New York Times, November 13, 2006

NAIROBI, Kenya, Nov. 12 — Islamist forces expanded their reach in Somalia on Sunday by seizing towns near Galcaio, in the country's north, which until now had been relatively peaceful.

The Islamists then turned their guns toward Galcaio and began shelling the outskirts of the city, witnesses said.

The fighting threatened to push Somalia closer to the brink of an all-out war between the Islamist forces that rule Mogadishu, the seaside capital, and the weak, so-called transitional government based in the inland city of Baidoa. The militias that were routed Sunday were loyal to the transitional government, and their defeat was interpreted as another sign of its weakness.

Each side blamed the other for the bloodshed, which claimed as many as 10 lives.

"The government troops ambushed us," said Abdulrahim Ali Modei, spokesman for the Council of Islamic Courts, the network of Islamist forces ruling Mogadishu, according to [a news service].

However, an official with the transitional government denied that, saying that the Islamists attacked first.

On Saturday, leaders of the transitional government rejected a deal to restart peace talks, though several members of the transitional government had agreed to negotiate with Islamist leaders.

Somalia has been engulfed in anarchy for years, but many Western officials in East Africa worry that the conflict on the horizon could be worse than before because it has the potential to drag in Somalia's neighbors. Already, Ethiopia has sent hundreds and possibly thousands of troops into Somalia to support the transitional government, and several Arab countries are suspected of backing the Islamists.

"If there is a war," said a high-ranking American military official, who spoke last week on condition of anonymity, "the fighting ends up protracted and long and spills across the border."

On Saturday, Kenyan authorities banned all scheduled flights in and out of Somalia, citing security risks. The United States recently issued a warning that said suicide bombers from Somalia might be plotting attacks in Kenya and Ethiopia.

Hizbollah Ministers Quit Lebanon's Cabinet (FT)

By Ferry Biedermann

Financial Times, November 13, 2006

Lebanon's political crisis deepened over the weekend with the resignation from the cabinet of all five Shia ministers from the pro-Syrian Hizbollah movement and its allies as unity talks collapsed.

Hizbollah repeated its threat to stage "peaceful" demonstrations to back up its demand for a decisive say in the government of Prime Minister Fouad Siniora or else to force new elections.

The anti-Syrian majority that controls the government and Parliament has vowed that the cabinet will meet on Monday as planned to approve a UN draft for an international tribunal to try suspects in the assassination of former Prime Minister Rafiq Hariri, who was killed in a massive bomb blast along with more than 20 others in February last year.

The country's pro-Syrian president, Emile Lahoud, said that the resignation of the Shia ministers renders any new cabinet decision "anti-constitutional". But the anti-Syrian majority, as well as constitutional experts, have denied this.

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Anti-Syrian politicians accused Hizbollah and its allies of forcing the crisis to block Lebanese approval of the international tribunal. The UN last week sent a draft of the framework for such a tribunal to the government after the permanent members of the Security Council reached a consensus.

The Shia ministers last year suspended their participation in the cabinet for several weeks over the issue of the tribunal.

Hizbollah's deputy leader, Sheikh Naim Kassem, said that the crisis "has nothing to do" with the international tribunal. He accused the anti-Syrian majority of using the issue to obscure their responsibility for the failure of the political talks and said Hizbollah would stage peaceful street protests to back up its demands but it was not clear yet when these would start.

Anti-Syrian politicians have expressed fears that Hizbollah's protests will turn violent. They have vowed counter-demonstrations by their own supporters.

Several leading politicians will be out of the country until the middle of the week and there is a feeling that the demonstrations or renewed talks will only take place after they return.

Hizbollah's leader, Sayyed Hassan Nasrallah, said last month that he is demanding more of a say in the government for himself and his allies in order to stop the anti-Syrian majority from giving in to the "American-Israeli demand" to disarm the movement.

Hizbollah feels under pressure because of the presence of the beefed-up UNIFIL international military presence in its heartland in the south of the country following this summer's war with Israel.

Hizbollah wants to bring its main Christian ally, former General Michel Aoun, and his bloc, into the government. The movement has demanded a share of one-third-plus-one of the cabinet seats for itself and its allies, which would give it veto power over the most important decisions.

The anti-Syrian majority has said that it may consider bringing Gen Aoun into the government but it refuses to grant its opponents veto power.

Both the president and the powerful speaker of Parliament, Nabih Berri of the Shia Amal movement, are pro-Syrian.

If the pro-Syrians were to get veto power in the cabinet, the results of last year's elections in which the anti-Syrian coalition triumphed, would be neutralised.

Lebanese Cabinet Thrown Into Crisis By Hezbollah Exit (WSJ)

By Andrew Higgins

The Wall Street Journal, November 13, 2006

BEIRUT, Lebanon -- Hezbollah, having defied efforts by Israel to eliminate it as a military force, is flexing its political muscle, jeopardizing the stability of a Lebanese government that the Bush administration presents as a democratic beacon for the Middle East.

The political crisis here, triggered by the collapse of talks to calm mounting tension, further darkens the White House's vision of a "new Middle East." It could also fortify Washington's two biggest foes in the region, Syria and Iran.

Hezbollah, along with its Shiite Muslim allies, on Saturday withdrew its representatives in the cabinet, where they had a minority voice. The group, which has organized huge rallies in the past, has also threatened street protests to press demands for a new government in which Hezbollah and its political allies would have effective veto power.

The political wrangling complicates one of Washington's principal foreign-policy goals in the region: the establishment of an international tribunal to judge Syrian officials implicated in the murder in February last year of Rafik Hariri, former prime minister of Lebanon. The Lebanese cabinet was supposed to meet today to discuss tribunal proposals endorsed last week by the United Nations Security Council.

Though small, with less than four million people, Lebanon has outsize significance as a proxy for the geopolitical ambitions of more powerful nations. Hezbollah is the focus of these rivalries. The group is denounced by Israel and the U.S. as a terrorist organization.

Meanwhile, the group is hailed by Iran, Syria and many ordinary Muslims around the world as a legitimate resistance movement.

"Whether they like it or not, there is a new Middle East in the making, but it is the antithesis of what America wanted," said Amal Saad-Ghorayeb, a Beirut-based scholar who has written a sympathetic book about Hezbollah.

Hezbollah suffered heavy losses during its summer war with Israel but nonetheless escaped obliteration by the region's most powerful military. Hassan Nasrallah, the militant group's leader, declared this a "victory from God" -- a play on his own surname, which means the same thing in Arabic.

Since then, he has been pushing for a bigger role in the generally pro-American cabinet of Fuad Siniora, a former banker. Hezbollah also seems to have been emboldened by the Republican Party's rout in U.S. midterm elections last week.

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"America has failed in Iraq and Bush has now failed in America," Sheik Naim Qassem, Hezbollah's deputy leader, said in a speech Saturday. In an apparent reference to Prime Minister Siniora and other pro-American forces in Lebanon, he said: "It is important for those who follow Bush to reassess their stand."

Mr. Qassem drew titters from his audience by mocking Donald Rumsfeld, who resigned last week as U.S. defense secretary.

Wary of Hezbollah's growing clout, the Bush administration has ramped up its rhetoric. Hezbollah and Iran, said White House spokesman Tony Snow on Saturday, "remain a dangerous, global nexus of terrorism." Mr. Snow earlier accused Hezbollah, along with Iran and Syria, of "preparing plans to topple Lebanon's democratically elected government."

Lebanon's cabinet, though now shorn of Shiite ministers, can in theory still endorse the establishment of a tribunal to pursue the Hariri murder case. But the norms of Lebanon's delicate sectarian politics generally require that all groups take part in major decisions. Lebanon's pro-Syrian president, Emile Lahoud, yesterday sent a letter to Prime Minister Siniora, who is backed by the U.S. and its allies in Lebanon, warning that the departure of Shiite ministers had rendered the cabinet unconstitutional.

Parliamentary speaker Nabih Berri, who heads a Shiite group allied with Hezbollah, expressed modest hope that a compromise might still be found. Speaking in Iran, where he is attending a conference, Mr. Berri said Lebanon's rival groups were near divorce but "had not yet hit a brick wall."

Hezbollah, meanwhile, has suggested it will wait before calling its supporters into the streets.

The U.S., seeking to buttress Lebanon's fragile government, last week agreed to provide American military equipment valued at $10.5 million, the latest installment of $230 million pledged by Washington after the war this summer. American aid, however, has had far less impact on public opinion, particularly among Lebanon's Shiite population, than bundles of cash handed out by Hezbollah to help people whose homes were destroyed by Israeli bombs. Most of this cash, say U.S. officials, came from Iran. "The other side is doing an excellent job," conceded an American official.

China Sub Secretly Stalked U.S. Fleet (WT)

By Bill Gertz

The Washington Times, November 13, 2006

A Chinese submarine stalked a U.S. aircraft carrier battle group in the Pacific last month and surfaced within firing range of its torpedoes and missiles before being detected, The Washington Times has learned.

The surprise encounter highlights China's continuing efforts to prepare for a future conflict with the U.S., despite Pentagon efforts to try to boost relations with Beijing's communist-ruled military.

The submarine encounter with the USS Kitty Hawk and its accompanying warships also is an embarrassment to the commander of U.S. forces in the Pacific, Adm. William J. Fallon, who is engaged in an ambitious military exchange program with China aimed at improving relations between the two nations' militaries.

Disclosure of the incident comes as Adm. Gary Roughead, commander of the U.S. Navy's Pacific Fleet, is making his first visit to China. The four-star admiral was scheduled to meet senior Chinese military leaders during the weeklong visit, which began over the weekend.

According to the defense officials, the Chinese Song-class diesel-powered attack submarine shadowed the Kitty Hawk undetected and surfaced within five miles of the carrier Oct. 26.

The surfaced submarine was spotted by a routine surveillance flight by one of the carrier group's planes. The Kitty Hawk battle group includes an attack submarine and anti-submarine helicopters that are charged with protecting the warships from submarine attack.

According to the officials, the submarine is equipped with Russian-made wake-homing torpedoes and anti-ship cruise missiles.

The Kitty Hawk and several other warships were deployed in ocean waters near Okinawa at the time, as part of a routine fall deployment program. The officials said Chinese submarines rarely have operated in deep water far from Chinese shores or shadowed U.S. vessels.

A Pacific Command spokesman declined to comment on the incident, saying details were classified.

Pentagon spokesmen also declined to comment.

The incident is a setback for the aggressive U.S.-China military exchange program being promoted by Adm. Fallon, who has made several visits to China in recent months in an attempt to develop closer ties.

However, critics of the program in the Pentagon say China has not reciprocated and continues to deny U.S. military visitors access to key facilities, including a Beijing command center. In contrast, Chinese military visitors have been invited to military exercises and sensitive U.S. facilities.

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Additionally, military intelligence officials said Adm. Fallon has restricted U.S. intelligence-gathering activities against China, fearing that disclosure of the activities would upset relations with Beijing.

The restrictions are hindering efforts to know more about China's military buildup, the officials said.

"This is a harbinger of a stronger Chinese reaction to America's military presence in East Asia," said Richard Fisher, a Chinese military specialist with the International Assessment and Strategy Center, who called the submarine incident alarming.

"Given the long range of new Chinese sub-launched anti-ship missiles and those purchased from Russia, this incident is very serious," he said. "It will likely happen again, only because Chinese submarine captains of 40 to 50 new modern submarines entering their navy will want to test their mettle against the 7th Fleet."

Pentagon intelligence officials say China's military buildup in recent years has produced large numbers of submarines and surface ships, seeking to control larger portions of international waters in Asia, a move U.S. officials fear could restrict the flow of oil from the Middle East to Asia in the future.

Between 2002 and last year, China built 14 new submarines, including new Song-class vessels and several other types, both diesel- and nuclear-powered.

Since 1996, when the United States dispatched two aircraft carrier battle groups to waters near Taiwan in a show of force, Beijing also has bought and built weapons designed specifically to attack U.S. aircraft carriers and other warships.

"The Chinese have made it clear that they understand the importance of the submarine in any kind of offensive or defensive strategy to deal with a military conflict," an intelligence official said recently.

In late 2004, China dispatched a Han-class submarine to waters near Guam, Taiwan and Japan. Japan's military went on emergency alert after the submarine surfaced in Japanese waters. Beijing apologized for the incursion.

The Pentagon's latest annual report on Chinese military power stated that China is investing heavily in weapons designed "to interdict, at long ranges, aircraft carrier and expeditionary strike groups that might deploy to the western Pacific."

It could not be learned whether the U.S. government lodged a protest with China's government over the incident or otherwise raised the matter in official channels.

U.S.: Castro's Health Is Deteriorating (AP)

By Katherine Shrader

AP, November 13, 2006

The government believes Fidel Castro's health is deteriorating and that the Cuban dictator is unlikely to live through 2007.

That dire view was reinforced last week when Cuba's foreign minister backed away from his prediction the ailing Castro would return to power by early December. "It's a subject on which I don't want to speculate," Felipe Perez Roque told The Associated Press in Havana.

U.S. government officials say there is still some mystery about Castro's diagnosis, his treatment and how he is responding. But these officials believe the 80-year-old leader has cancer of the stomach, colon or pancreas.

He was seen weakened and thinner in official state photos released late last month, and it is considered unlikely that he will return to power or survive through the end of next year, said the U.S. government and defense officials. They spoke on condition of anonymity because they were not authorized to speak publicly about the politically sensitive topic.

With chemotherapy, Castro may live up to 18 months, said the defense official. Without it, expected survival would drop to three months to eight months.

American officials will not talk publicly about how they glean clues to Castro's health. But U.S. spy agencies include physicians who study pictures, video, public statements and other information coming out of Cuba.

A planned celebration of Castro's 80th birthday next month is expected to draw international attention. The Cuban leader had planned to attend the public event, which already had been postponed once from his Aug. 13 birthday.

U.N. Envoy Meets With Ugandan Rebel (NYT)

By Jeffrey Gettleman

The New York Times, November 13, 2006

NAIROBI, Kenya, Nov. 12 — Joseph Kony is one of the most vilified rebel leaders on the planet.

He stands accused of brainwashing countless children across northern Uganda, turning the girls into sex slaves and the boys into prepubescent killers. His so-called Christian movement, the Lord's Resistance Army, has terrorized this corner of Africa for nearly 20 years, killing tens of thousands of people, burning down huts and hacking off lips. The fact that Mr. Kony, whose followers believe he is a prophet, rarely appears in public has only added to his brutal mystique.

But on Sunday, he came out of the bush. At a camp deep in the forest on the Congo-Sudan border, Mr. Kony materialized to meet Jan Egeland, the United Nations under secretary general for humanitarian affairs and emergency relief.

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"He looked a lot younger than I expected," Mr. Egeland said by telephone from Juba, in southern Sudan. Mr. Kony is thought to be around 44 years old.

"And I was surprised how soft-spoken he was," Mr. Egeland added.

For weeks now, Mr. Egeland had been trying to arrange a tête-à-tête with the elusive Mr. Kony, who is wanted by the International Criminal Court to face charges of crimes against humanity.

Once he got the word that the meeting was set for Sunday afternoon, Mr. Egeland flew by helicopter from Juba to a little-known Sudanese Army outpost near the border of Congo, where he took a truck even deeper into the jungle.

"You can't believe how remote this was," he said. "And those roads. They were the worst possible roads you can imagine."

Mr. Kony was several hours late. With the sun dropping fast and the helicopter pilots eager to get back, Mr. Egeland said he thought the meeting was going to be a bust.

But then, he said, Mr. Kony arrived, on foot, with a small entourage of soldiers carrying machine guns and wearing thick rubber boots. He and Mr. Egeland ducked into a tent and spent a half an hour talking about a host of issues related to the fragile peace treaty that was signed in August between Mr. Kony's army and the government of Uganda.

They began with child soldiers, and Mr. Egeland said he pressed Mr. Kony to release them. For the past several years, according to the Ugandan military, Mr. Kony has been living in a remote corner of Congo, near the borders of Sudan and Uganda, surrounded by a harem of child brides and protected by a battalion of child soldiers.

"I listed all of our humanitarian concerns and urged him to free women, children, the sick and the wounded," Mr. Egeland said. "But Kony insisted he didn't have anyone who fit that description."

The two also talked about the government of Uganda and ways to keep the peace efforts moving.

"But Kony still has a lot of mistrust," Mr. Egeland said.

The stickiest issue, Mr. Egeland said, was the arrest warrants issued by the International Criminal Court against Mr. Kony and four of his commanders. Mr. Kony has said he will never surrender as long as he faces the risk of being arrested. The Ugandan government has said that it will support dropping the charges, but that Mr. Kony must surrender first.

The impasse frustrates many Ugandans, who are sick of war and say they would rather the charges go away than the war grind on. Tens of thousands of people have been killed and nearly two million displaced since the rebellion started in the mid-1980s. It began as a war between the Acholi people, a long dispossessed ethnic group in northern Uganda, and the central government. Even though the bloodshed has diminished from its apex in the mid-1990s, human rights groups continue to document abductions and killings.

Mr. Egeland said he told Mr. Kony that he did not wield any influence with the International Criminal Court, which is based in The Hague and is independent of the United Nations.

"But I did tell him that it would benefit his cause if he made some humanitarian gestures, like releasing the women and children," Mr. Egeland said.

He said that although no great results were achieved on Sunday, he was glad he went.

"We can now talk," Mr. Egeland said.

As for the actual talking, Mr. Kony spoke in Acholi, his native language, during the meeting (though several interpreters were present). He was dressed in green army fatigues and accompanied by a handful of top commanders.

Mr. Egeland said Mr. Kony seemed very guarded at first, even a little paranoid. But eventually he offered to shake hands and even smiled.

Mr. Egeland's response: "I shook his hand but I didn't smile," he said. "I know what Joseph Kony is responsible for."

Ugandan Rebel Emerges To Talk With U.N. Official (WP/AP)

By Katy Pownall

The Washington Post, November 13, 2006

RI-KWANGBA, Sudan, Nov. 12 -- The top U.N. humanitarian official met Sunday with a Ugandan rebel leader accused of war crimes, but he failed to secure the immediate release of women and children held captive by the insurgent group.

The United Nations' Jan Egeland waited for two hours at a clearing in southern Sudan before Joseph Kony, the messianic leader of the Lord's Resistance Army, emerged from the bush with 30 bodyguards, bayonets fixed to their assault rifles.

Kony and Egeland shook hands before speaking for 10 minutes in a green tent erected by the United Nations. Egeland was seeking the release of women and children enslaved by the group during its 20-year conflict with the Ugandan government.

But Kony denied that his forces were holding prisoners.

"We don't have any children," he said in a brief news conference in the clearing just across Sudan's border with Congo. "We only have combatants."

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Egeland is the first high-ranking U.N. official to meet Kony, who has declared himself a Christian prophet fighting to rule Uganda and its 26 million people by the Ten Commandments.

Kony has appeared in public only a handful of times, fearing arrest and extradition to The Hague to answer war crimes charges from the International Criminal Court, which has also issued arrest warrants for his top deputies. The rebels have been accused of murder, mutilations and kidnapping children for use as soldiers and sex slaves.

Almost 2 million people have been displaced by the conflict, aid organizations say.

After the talks, Egeland described the meeting as a success, saying the rebels had agreed to give an assessment of how many women and children were in their camps.

Egeland traveled by helicopter to Ri-Kwangba, a neutral zone just north of the Congolese border where the rebels are to gather under the terms of a peace deal with the Ugandan government. About 100 Lord's Resistance Army fighters loitered on the outer edge of the clearing.

"I am a humanitarian worker; I help people by relating to people who can unlock situations," Egeland said late Saturday.

Egeland said he was unwilling to discuss the arrest warrants, which the rebels say threaten the fragile peace deal signed with the government in southern Sudan's regional capital, Juba.

The rebels want the warrants dropped before they sign a comprehensive peace deal; the Ugandan government says it will ask for them to be lifted only after a full agreement is reached.

Uganda's government welcomed Egeland's meeting with Kony.

"If he can secure the release of women and children through his meeting, then that would be a very positive boost for the Juba talks," said Ruhakana Rugunda, head of the government negotiating team and Uganda's minister of internal affairs.

The Lord's Resistance Army is made up of the remnants of a rebellion that began after Ugandan President Yoweri Museveni took power in 1986. It has set up rear bases in Sudan and Congo and has been accused of attacking civilians and threatening stability in those countries.

A New Al Jazeera With A Global Focus (NYT)

By Hassan M. Fattah

The New York Times, November 13, 2006

DUBAI, United Arab Emirates, Nov. 12 — Al Jazeera, the Arab news channel that began a decade ago as an upstart, has became a thorn in the side of every dictator in the region as well as of the Bush administration.

Critics call it radical; its admirers lionize it. And the network continues to battle accusations that it is sympathetic to Al Qaeda and other extremists.

Several of its reporters have been jailed — one is in prison in Spain for ties to Al Qaeda — and its offices have been shut in almost every major Arab country at some point, and bombed by American aircraft in two wars.

Now, Al Jazeera's journalists are working to transform the channel into a conglomerate with global reach.

By the end of the year, Al Jazeera will have news channels in Arabic and English, a pan-Arab newspaper, Web sites and blogs, sports and children's outlets, and even a channel modeled after C-Span.

The network (it turned 10 on Nov. 1) is also looking to extend its sphere of influence beyond the Arab world. On Wednesday, it will start the English-language Al Jazeera International, its most ambitious initiative yet, which will go on the air from Asia to the United States.

The channel will broadcast from network hubs in Qatar, London, Washington and Kuala Lumpur, Malaysia, offering news, talk and documentaries that its managing director, Nigel Parsons, said would have a decidedly different tone than on established Western channels.

In effect, Al Jazeera International intends to become for the developing world what Al Jazeera became to the Arab world: a champion of forgotten causes, a news organization willing to take the contrarian view and to risk being controversial.

"We want to be a channel that covers the untold stories," Mr. Parsons said by telephone from Qatar. "We would be anchored in the Middle East, but we intend to cover the developing world fully."

To do that, he said, Al Jazeera will use Asian reporters to cover Asia, and will have Africans talking about Africa, "rather than having instant experts land there and tell us a story."

The channel has signed prominent journalists, including the host and commentator David Frost; the former BBC correspondent Rageh Omar, and a onetime CNN anchor, Riz Khan, as well as numbers of producers and reporters from Western networks and some unknowns with a decidedly international look.

"We will carry on the tradition of showing the ugly side of conflict," Mr. Parsons said. "War has been too sanitized in the media."

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Viewers should not expect to see the Al Jazeera that the Arab world watches daily. Mr. Parsons and others stressed that Al Jazeera International was not merely a translation of Al Jazeera from Arabic. It has separate crews and editors working completely independent of the original network.

Insiders note that the cultures of the Arabic- and English- speaking teams have at times clashed, though Mr. Parsons says many of those differences have been ironed out.

Still, some analysts doubt that Al Jazeera can take significant market share away from networks like CNN and BBC. But its international offshoot is not under pressure to turn a profit anytime soon, in part because of its endowment from the emir of Qatar, Sheik Hamad bin Khalifa al-Thani, who has underscored his long-term commitment to Al Jazeera despite pressure from many governments.

The Arab channel, largely locked out of the advertising market by Saudi businesses, who account for most ads in the region, has yet to turn a profit. Mr. Parsons says Al Jazeera International will broadcast with ads from multinational companies.

Nor is he necessarily focused on reaching American viewers.

The new channel is about the untapped world of English speakers in the East, increasingly frustrated with Western coverage of their world. When it goes live, it is expected to have access to 40 million homes — most of them outside Europe and the United States.

The station has struggled to break into American cable television markets, where most operators have decided against adding it to their offerings. Americans, though, can watch a streamed broadcast over the Internet.

"People are too concerned about how it will do in the United states, but I don't think it matters," said Marc Lynch, a political science professor at Williams College and author of "Voices of the New Arab Public: Iraq, Al Jazeera and Middle East Politics Today."

"Al Jazeera," he said, "has this huge untapped market around the world where people have English as a first or second language."

This is a world increasingly skeptical of American intentions and frustrated with American foreign policy.

"We're very proud of our brand," Mr. Parsons said, "and as a network, everybody is proud of what Al Jazeera has achieved. There is a lot of cynicism about TV journalism today. We intend to continue the tradition of being fearless and not frightened of rattling the cages."

¡Viva El Capitalismo! (NYT)

By Álvaro Vargas Llosa

The New York Times, November 13, 2006

Guatemala City

THE irony could not be more poignant. Twenty years ago today, Ronald Reagan went on national television and admitted his government's involvement in an arms deal with Iran, the proceeds of which, we later found out, were diverted to the contra rebels fighting a Marxist regime in Central America. Now Daniel Ortega, the man those funds were aimed against, has just been elected president of Nicaragua.

And the irony does not stop there. A few days before last week's elections, Oliver North, the face of the Iran-contra scandal, landed in Managua and asked Nicaraguans to vote for the right-wing Liberal Constitutionalist Party, which is made up in part of old contra sympathizers, and to stop Mr. Ortega.

Whatever else he might have been doing all these years, Mr. North has not been following Nicaraguan politics: for the last seven years, the Liberal Constitutionalists have been allied with Mr. Ortega's Sandinistas, and they paved the way for Mr. Ortega's victory by lowering the electoral bar for a first-round victory and by helping split the anti-Sandinista vote. The Gipper must be turning in his grave.

Some will be tempted to conclude that Mr. Ortega's return amounts to a revival of the cold war dynamic in the Western Hemisphere and, in particular, to a retrospective impugning of Reagan's policy in Central America. Some might also be inclined to see the vote as a confirmation that the radical left is sweeping Latin America and that the Venezuelan leader Hugo Chávez, who supported Mr. Ortega and provides municipalities under Sandinista governments with fertilizer and oil, has scored a strategic victory.

That would be giving too much credit to Nicaragua, which is today a political and economic pygmy in the region; to left-wing radicalism, which had little to do with Mr. Ortega's comeback; and to Mr. Chávez, whose favored candidates were recently repudiated in Peru and in Mexico, the two countries where he concentrated most of his efforts.

Daniel Ortega's comeback is the result of two factors. One is the power-sharing pact that the former President Arnoldo Alemán sealed with the Sandinistas in 1999, with a view to protecting himself and his Liberal Constitutionalist cronies from charges of corruption after leaving office. (It didn't work out well for Mr. Alemán, who in 2003 was given a 20-year sentence.) The

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deal they came up with gave Mr. Ortega, who was politically moribund at the time, the kiss of life and gave the Sandinistas seats on the Supreme Court and control of some key institutions, including the election authority.

The other factor was Mr. Ortega's betrayal of his own creed. The Sandinista leader shed his Marxist rhetoric and, conscious of the need to seduce a profoundly Catholic nation, mended fences with the Roman Catholic Church he had once persecuted. His old nemesis, Cardinal Miguel Obando, presided over the religious (should I say bourgeois?) ceremony in which Mr. Ortega married his longtime partner last year.

The man responsible for the infamous "piñata" — a series of laws put in place just before he lost power in 1990 that allowed the Sandinista leaders to take for themselves confiscated property worth hundreds of millions of dollars — is now talking about his respect for private property and foreign investment.

He has tossed the olive green fatigues and the red and black flag; his campaign colors were pink and turquoise, and his theme song a Spanish version of John Lennon's "Give Peace a Chance." He apologized for the massacre of the indigenous Miskito people that took place in the north of the country during his first regime and, finally, he instructed his legislators to vote for a bill banning abortion even in cases of a threat to the woman's life.

What this farcical saga tells us is that Daniel Ortega was much more interested in being president than in being principled and, more important, that anyone who wants to lead today's Nicaragua needs to persuade voters that he will respect the rule of law and private property, will try to lure investment and will be sensitive to the nation's religious heritage. The fact that Mr. Ortega's past conduct casts a shadow over the proclamation that he is a reformed character does not detract from the fact that Nicaragua has not voted for radical leftist policies.

What about the broader claims — that Mr. Ortega's victory is a confirmation that radical left-wing politics are back in Latin America? True, in addition to Mr. Chávez, leftists have taken power in Brazil, Chile, Panama, and Uruguay. (Mr. Chávez's efforts have apparently led the Bush administration to quietly lift a ban on the training of military personnel from 11 Latin American countries in the United States.) But these other Latin American socialists belong to the "vegetarian left" rather than the "carnivorous left." Other than the occasional Castro-like rhetorical flourish, the new leaders are avoiding the mistakes of the old left, including confrontation with the United States and Europe, fiscal profligacy and nationalization of industry.

Hugo Chávez has been unable to reproduce his regime in any other country except in Bolivia, where President Evo Morales is now increasingly unpopular and has been forced to backtrack on some of his revolutionary announcements. Mr. Morales, for example, campaigned on a promise to force the nationalization of Bolivia's natural gas fields, but last month came to a deal in which two major Brazilian companies agreed to share revenues and operate as service providers to the state energy company. He even sent his vice president to Washington in July to appeal to the White House for renewed trade preferences.

And in the week since his victory, Mr. Ortega has been sending the signal that he thinks joining the "vegetarians" will bring him more credit than being a clone of Hugo Chávez without the oil. "No one is going to allow the seizure of property big or small," he told a group of Nicaraguan businessmen after his victory. "We need to eradicate poverty, but you don't do that by getting rid of investment and those who have resources."

Now, whether the moderate left will continue to enjoy the support of the masses is an entirely different question. Since many of these new leaders are not engaging in systematic reform, it is likely that voters will hold them to account should their economies — now buoyed by the forces of globalization, through rising exports and foreign investment — start to sag. But for the moment, it's their show, and the carnivores are outside looking in.

In a sense, these moderate left-wing leaders, perhaps now including Mr. Ortega, are a lot more in sync with what Ronald Reagan and his men were aiming for in Central America in the 1980s than Oliver North would care to admit. As they fall over themselves pandering to the church, the business community and conservative voters, there's little time left over for creating a New Man.

Ortega's Encore (TIME)

By Tim Padgett

Time, November 13, 2006

Jaime Morales was a wealthy Nicaraguan bankerÂ in the 1980s when Daniel Ortega stole his six-bedroom house. Ortega, who was then Nicaragua's President, called it a justified "confiscation" on behalf of the Marxist revolution that he and his Sandinista Front were leading. Morales became a leader of the U.S.-backed contra army that waged a civil war with the Sandinistas. That conflict killed 30,000 people and led to Ortega's ouster in a 1990 election--after which he paid Morales for the house.

It's a sign of either Ortega's maturation or his opportunism--or both--that when he recaptured Nicaragua's presidency in the Nov. 5 election, his running mate was none other than Morales. Ortega still wears that drowsy look of arrogant defiance, speaks in the same mumbling cadence and insists on driving his SUV himself to cultivate a populist image. But with Morales beside him

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in a Managua hotel ballroom, schmoozing local and foreign investors, Ortega sounds like a changed man. "We won't eradicate poverty by eradicating capital or alienating investors but by joining forces with them," he says. Ortega is playing to the audience, but even former rivals believe that his evolution from communist strongman to nascent capitalist may be genuine. Says Morales: "Daniel Ortega deserves a chance to vindicate himself."

That, of course, is exactly what some in Washington are afraid of. Ortega's turn-back-the-clock triumph has rekindled memories of Washington's cold war obsession with Nicaragua, which embroiled the U.S. in a bloody guerrilla campaign and nearly doomed the Reagan presidency. Although Nicaragua, a nation of 5.5 million, is one of the poorest countries in the western hemisphere, the prospect of an Ortega restoration prompted the Bush Administration to threaten to cut off more than $200 million in total aid to the country and moved cold warriors like former U.S. Marine Lieut. Colonel Oliver North to fly to Managua to campaign against him. The U.S. is concerned that Ortega will become another boisterously anti-American voice of Latin America's new left, which is led by Venezuelan President Hugo ChÃ¡vez. When Secretary of State Condoleezza Rice met with her advisory committee on democracy promotion last week, Richard Soudriette, president of the Washington-based International Foundation for Election Systems, volunteered that he had just returned from Nicaragua. "Coming from Oklahoma," he told her, "where we're familiar with people who are born again, it appears that the future President, Daniel Ortega, is at least claiming that he has had a change of heart." Rice answered tersely, "We'll see."

Ortega still likes to take shots at Washington--in one of his victory speeches, he said Bush "is seeking to start wars with the whole world"--but he has strived to adopt a more moderate look. His campaign anthem this year was sung to the tune of John Lennon's Give Peace a Chance. To underscore his warmer, fuzzier incarnation, supporters often wore pink to rallies instead of the party's more militant red and black. But whether Ortega has shed his penchant for cynicism is another question. He and his Sandinista comrades were global guerrilla heroes when they overthrew the brutal dictator Anastasio Somoza in 1979. As Nicaragua's Marxist comandante, Ortega was widely criticized for being as incompetent and corrupt as he was authoritarian. Those who know him say his quest to regain the presidency--he lost elections in 1996 and 2001--stemmed less from leftist ideals than from a raw need to accumulate power and avenge his 1990 humiliation. In 2000 he formed an alliance with President Arnoldo AlemÃ¡n--a right-wing Somoza acolyte who was later jailed for embezzlement--that helped the Sandinistas dominate Congress and the courts. In 2001 a Sandinista judge who had been a high-ranking official in Ortega's first government dismissed charges by Ortega's stepdaughter ZoilamÃ©rica NarvÃ¡ez that Ortega had sexually abused her when she was a girl in the 1980s. Ortega denied the charges, but the Inter-American Commission on Human Rights said the case had merit. (Ortega's wife and NarvÃ¡ez's mother, poet Rosario Murillo, stands by Ortega.)

Ortega may have trouble solidifying his hold on power, as he won with only 38% of the vote. That was still 9 percentage points ahead of his nearest rival, U.S.-backed banker Eduardo Montealegre, leading some to conclude that Ortega profited from voter backlash against perceived U.S. meddling in the election. However, a bigger problem than Yanqui interference may have been Yanqui neglect. After Ortega was ousted from power in 1990, the U.S. did little to help war-ravaged Nicaragua get back on its feet. "We got rid of the Sandinistas and said everything else would take care of itself," says Michael Shifter, vice president for policy at the Washington-based think tank Inter-American Dialogue. "That created a lot of discontent" that aided Ortega's eventual comeback. The new Ortega may still prove to be the old caudillo, but his victory is a reminder of the price the U.S. so often pays for prematurely declaring its missions accomplished. With reporting by Tim Rogers/Managua, Elaine Shannon/ Washington

Felipe Calderón (TIME)

Time, November 13, 2006

What sort of initiatives do you plan to pursue in your first 100 days in office?

I have clearly established three priorities: combatting poverty, creating jobs--which was the principal platform of my campaign--and improving public security. Regarding poverty, I want to create a public-policy consensus, above all in education and health, that will let me move ahead quickly, and I'll need support from the Congress for these budget priorities. As for employment, I insisted during my campaign--and I still insist--that we need a competitive, job-creating economy. But in order to have that, you have to make market conditions more competitive, and that means reducing the monopoly power of some public and private companies. Third, public safety is the most difficult challenge we face. I hope to push through reforms that will address judicial and law-enforcement problems.

In the U.S., people say that Mexico is just next door, but it seems to be thousands of miles away economically, while China is thousands of miles away, but it seems to be just next door economically. Why is the Mexican economy so far behind?

There are several elements we need to reform in order to become more competitive. One is a system based on the rule of law. According to one study, the difference between developing economies that observe the rule of law and economies that don't is a more-than-3% growth in GDP. There is a lot of room for improvement in Mexico's government and judicial practices. Second,

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I am considering reducing the tax rate in order to promote a tax system that is competitive with other developing countries, such as China. Third, we need to create more jobs to take advantage of the growing number of young people entering the workforce each year.

Immigration has become one of the hottest topics in U.S. politics. Could you give me your view on this divisive issue from your side of the border?

I cannot imagine the future of North America--Canada, the U.S., Mexico--without a free market. Free in all senses of the word, in terms of goods and services and in terms of labor too. You cannot have an efficient and prosperous economy, even in the U.S., without developing a single, free market. On the other hand, I realize how important the immigration problem is for Americans. It is the same for Mexico. Every year we lose the best of our people: young, responsible, hardworking people. In Mexico you see a lot of towns made up of only women and the elderly. That is not exactly the country we want to have. I believe that migration is a bilateral problem, and it needs to be solved by creating jobs in Mexico. First we need to create a framework in order to promote investment in Mexico. Then we need to come up with government-sponsored works projects to create new jobs. My philosophy is that to stop migration, it is better to build a road in MichoacÃ¡n than a wall in Texas.

Our 'Africa' Lenses (WP)

By Chimamanda Ngozi Adichie

The Washington Post, November 13, 2006

Growing up in Nsukka, a small university town in eastern Nigeria, I often had malaria. It was so commonplace that when you went to the medical center, a nurse would say, "Malaria has come again, hasn't it?" Because I know how easily treatable malaria is, I was surprised to learn that thousands of people die from it each year. People like the relatives of David Banda, Madonna's adopted son from Malawi.

But of course most American media do not say "Malawi"; they just say "Africa." I realized that I was African when I came to the United States. Whenever Africa came up in my college classes, everyone turned to me. It didn't matter whether the subject was Namibia or Egypt; I was expected to know, to explain.

I reject this facile compression of a varied continent into a monolithic country, but I have also come to accept that African nations do have much in common with one another. Most have a history of European colonization. Most also have a failure of leadership, a long line of presidents and prime ministers and heads of state all intent on the plunder of the state.

And so I was wearing my "African" lenses as I watched Madonna on television, cautiously, earnestly explaining the media circus around her adoption. I did not think it my place to wonder what her motivation for adoption was. I did cringe, however, when she said that her greatest disappointment was that the media frenzy would discourage people who wanted to do the same thing that she had done: adopt an African child. She wanted people to go to Africa and see what she had seen; she wanted them, too, to adopt.

Later, watching David Banda's biological father speak about being grateful that she would give David a "better life," I could not help but look away. The power differential was so stark, so heartbreakingly sad; there was something about it that made Africa seem terribly dispensable.

Madonna will give David a better life, at least a materially better life: better food, housing, books. Whether this will make him a happier and normatively better human being is open to debate. What really matters is not Madonna's motivation or her supposed flouting of Malawian adoption laws (as though non-celebrities would not also hasten adoption processes if they could). Rather, it is the underlying notion that she has helped Africa by adopting David Banda, that one helps Africa by adopting Africa's children.

It is easy to romanticize poverty, to see poor people as inherently lacking agency and will. It is easy to strip them of human dignity, to reduce them to objects of pity. This has never been clearer than in the view of Africa from the American media, in which we are shown poverty and conflicts without any context.

If I were not African, I would, after watching the coverage, think of Africa as a place of magnificent wild animals in which black Africans exist as tour guides, or as a place of desperately poor people who kill or are killed by one another for little or no reason.

I once watched CNN's Anderson Cooper, who is undoubtedly well-meaning, interview a Belgian (who, we were told, was a "Congo expert") about the conflict in that country, while Congolese people stood in the background and watched. Surely there was a Congolese who was qualified to speak about Congo. Surely there are Congolese who are working just as hard as the foreigners and who don't fit into the category of either killer or killed. Surely the future for Africa should be one in which Africans are in a position to raise their own children.

Which brings me back to Madonna. I applauded her funding of orphanages in Malawi. I wish, however, that instead of asking television viewers to go to Africa and adopt, she had asked them to send a check to malaria-eradication organizations. I

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wish she had added, after one of those thoughtfully dramatic pauses, that Africa cannot depend on aid alone, that aid is like salted peanuts: The more failed leaders got, the more they wanted. I wish she had said that she was setting up an organization to use donations as micro-credit and that this organization, by the way, would be run by locals rather than expatriate staff members who would raise rents out of the reach of the people they were supposed to be helping.

I wish she had pointed out, with suitable celebrity-style rage, that Western countries need to stop appeasing and propping up hopeless African leaders, that Western banks must stop enabling and accepting stolen money from these leaders, that Western donors who insist on the free movement of capital across borders must also insist on the free movement of labor. I wish she had then shown, with graphs on the screen, how these things affect the father and relatives of David Banda.

Of course this isn't really about Madonna. It is about a formula that well-meaning people have adopted in looking at Africa, a surface-only, let's-ignore-the-real-reasons template that African experiences have all been forced to fit in order to be authentically "African." If I were not African, I wonder whether it would be clear to me that Africa is a place where the people do not need limp gifts of fish but sturdy fishing rods and fair access to the pond. I wonder whether I would realize that while African nations have a failure of leadership, they also have dynamic people with agency and voices. I wonder whether I would know that Africa has class divisions, that wealthy Africans who have not stolen from their countries actually exist. I wonder whether I would know that corrupt African countries are also full of fiercely honest people and that violent conflicts are about resource control in an environment of (sometimes artificial) scarcity.

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TERRORISM NEWS:

DOJ To Argue For Ressam Sentence Before 9th Circuit Panel. The AP (11/13, Johnson) reports, "The Justice Department says there is 'precious little' to explain why Ahmed Ressam received a sentence of only 22 years for plotting to bomb Los Angeles International Airport on the eve of the millennium. Ressam's lawyers say the sentence was a decade too long." The AP continues, "A three-judge panel of the 9th U.S. Circuit Court of Appeals will hear their arguments Monday. … Both sides are challenging aspects of the punishment U.S. District Judge John C. Coughenour imposed last year. Ressam's lawyers, Thomas Hillier and Michael Filipovic, believe that one of the nine counts he was convicted of should be thrown out, which would reduce the sentence by 10 years." The AP adds, "The U.S. Attorney's Office has suggested that Coughenour's decision to sentence Ressam to less than the 35 years it requested may have been colored by a distaste for the Bush administration's treatment of 'enemy combatants.' In their appeal, prosecutors repeatedly cited Coughenour's comments at sentencing,

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when he said Ressam's case illustrated that U.S. courts are plenty capable of handling terrorism cases. … 'We did not need to use a secret military tribunal,' the judge said at the time, 'or detain the defendant indefinitely as an enemy combatant, or deny him the right to counsel, or invoke any proceedings beyond those guaranteed by or contrary to the United States Constitution.'" The AP notes, "Customs agents in Port Angeles, across the Strait of Juan de Fuca from Canada, caught Ressam with explosives in the trunk of his rental car when he arrived by ferry in December 1999. The arrest prompted the cancellation of millennium celebrations at Seattle's Space Needle. He was convicted of terrorism and explosives charges at trial in 2001, then decided to tell investigators what he knew about al-Qaida in an effort to win a shorter sentence."

WAR NEWS:

Democrats Will Seek To Begin Withdrawing Troops From Iraq. The Los Angeles Times (11/13, Miller, 850K) reports Democrats appearing on the Sunday political shows said they "would press to begin a phased U.S. military withdrawal from Iraq within four to six months, part of an agenda aimed at overhauling key aspects of U.S. policy in the Middle East." But senior White House officials "countered that setting timetables for U.S. troop withdrawals would weaken the Iraq government and embolden insurgents." Still, they "acknowledged a need for fresh ideas on Iraq and expressed a new willingness to negotiate with Democrats on an array of foreign policy issues. White House Chief of Staff Josh Bolten indicated that the president would block legislation calling for a scheduled withdrawal." The front-page New York Times (11/13, Stolberg, Mazzetti, 1.16M) story paints the White House as conciliatory, saying the Administration "signaled a willingness to listen to the Democrats' proposals," with Bolten "saying in two television appearances that the president was open to 'fresh ideas' and a 'fresh look.'"

The Financial Times (11/13, Guha, Eaglesham) says that while "courteous in tone, the renewed sparring shows how difficult it will be to sustain the bipartisan approach to government pledged by leaders of both parties following last week's vote, in which the Democrats won control of both houses of Congress for the first time in 12 years." A Washington Times (11/13, Pfeiffer, 88K) report is more blunt, saying that Joseph Biden of Foreign Relations and Carl Levin of Armed Services, the "two top Senate Democrats on foreign policy yesterday said they will introduce a resolution in January calling for troops to start being withdrawn from Iraq by this summer, a move that Sen. John McCain said would put the U.S. in the worst of both worlds." USA Today (11/13, 4A, 2.27M) also runs a summary of the Sunday morning back-and-forth.

Bolten said on CNN's Late Edition (11/12, Blitzer), "Everybody's objective here is to succeed in Iraq. I think that's true of Democrats as well as Republicans. What the President has said is that we need to get fresh eyes on the problem. We need a fresh perspective. And that's why he has his Pentagon" and Joint Chiefs of Staff Chairman Gen. Peter Pace "conducting a review of all of our options in Iraq. He's asked his other national security agencies to do the same in parallel. We're looking forward to the recommendations of the Baker-Hamilton bipartisan Iraq Study Group. And we're looking forward to a dialogue with bipartisan leaders in Congress." On ABC's This Week (11/12, Stephanopoulos), Bolten made an almost identical case, noting the reviews by the Pentagon and other agencies and the upcoming Baker-Hamilton report.

As for a timetable, Bolten said on ABC's This Week (11/12, Stephanopoulos), "I don't think we're going to be receptive to the notion there's a fixed timetable at which we automatically pull out, because that could be a true disaster for the Iraqi people. But what we've always been prepared to do and remain prepared to do is…put pressure on the Iraqi government to take over themselves. It's what Prime Minister Maliki wants himself to do."

Senate Democrats Say Change In Course Needed. On CBS's Face the Nation (11/12, Schieffer) Senate Democratic leader Harry Reid said, "We need to have a redeployment in Iraq. What does that mean, pull everybody out now? Of course not. But it does mean that we need to change our operation there to counterinsurgency, better training and force protection. Number two, we need to revitalize the reconstruction. … And also what we need to do is have a regional conference led by the President of the United States and participated in by Saudi Arabia, Jordan, Egypt, Syria. It's a regional problem. It's not all our problem."

On ABC's This Week (11/12, Stephanopoulos), Levin said, "First order of business is to change the direction of Iraq policy. The people spoke dramatically, overwhelmingly, resoundingly to change the course in Iraq, in a message that

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was heard around the world. I hope it was heard in the White House."

Biden, also on ABC's This Week (11/12, Stephanopoulos), said the only leverage Democrats have "is international and domestic public opinion, and, most importantly, the pressure coming from [the President's] own Republican colleagues. The last thing the senators who are up for reelection in 2008 want is to be saddled with a continued failure in Iraq as a consequence of Republican policy, that is the President's policy."

Sen. Charles Schumer said on CNN's Late Edition (11/12, Blitzer), "The present strategy in Iraq is not working, and there needs to be a change in course. Many of us took the fact that Secretary Rumsfeld is no longer defense secretary as a first step, a signal that they were open to new ideas. And we'd like very much to work with the President and try to get some kind of change of course in Iraq."

Iraq Debate Expected To Spark Dissension In Democratic Camp. Newsweek (11/20, Darman, 3.12M) reports, "The most difficult debate facing the Democrats will be over Iraq. After six years of decrying their lack of oversight on military policy, party leaders now have co-ownership of the Iraq account. Many Democrats say the party should focus its energy on pressing the White House for a change of course in current policy, rather than dredging up old debates over the manner in which the administration took the country to war. But Carl Levin, the new chairman of the Senate Armed Services Committee, says he also intends to demand access to some 58 internal Defense Department memos dealing with prewar Iraq intelligence and military planning. These memos involve the Pentagon's Office of Special Plans and the Counter-Terrorism Policy Evaluation Group, two secretive units that have been accused of cooking the books on Saddam's weapons of mass destruction and alleged ties to Al Qaeda."

U.S. News and World Report (11/20, Brush, 2.03M) reports, "The new crop of Democrats is a pretty varied lot-Iraq veterans, antiwar candidates, social conservatives, gun-control foes, fiscal hawks. … Indeed, the election of majority leader-a contest likely to pit John Murtha, the Pennsylvania Vietnam vet who called for troop redeployments, against current Minority Whip Steny Hoyer, who's more cautious on Iraq-is already exposing the deep tensions within the party."

U.S. News and World Report's Gloria Borger (11/20) writes, "This election wasn't really about the Democrats. It was about the other guys-and how they couldn't run Washington or manage the war. There was no Democratic agenda beyond their 'Had Enough?' bumper sticker. Did it work? Yep. But did it produce a mandate? Nope-at least not beyond the marching orders to clean up Washington, fix Iraq, and get something done. It's a huge opportunity for the Democrats. If they're smart, they'll find a way to grab it-and fast. Immigration reform and the minimum wage top the list. Then, of course, there's finding a way out of Iraq. That's what the voters want."

Pelosi Calls US Troops In Iraq "A Magnet For Terrorists." In an interview with Time (11/20, Bacon, 4.03M) House minority leader Nancy Pelosi was asked if she would like to see "at least 30,000 troops…home from Iraq by this time next year," Pelosi responded, "Yes. I would hope at least that number would be out of harm's way. They are viewed as an occupation force. Our presence there is a magnet for terrorists."

Lieberman A "Wild Card" On Iraq In Senate. The Washington Post (11/13, A4, Murray, 690K) writes that along with the election of "war critics" like Sherrod Brown, Bernard Sanders, and James Webb to the Senate last week, voters "also gave a fourth term to Sen. Joseph I. Lieberman, a staunch supporter of the war, and in the narrowly divided Senate that will convene in January, the veteran Connecticut Democrat is positioning himself to become a key figure in discussions" about US Iraq policy. And "both sides are seeking to please this political wild card."

White House Readies For "Busy Week" On Iraq Policy. The CBS Evening News (11/12, lead story, 2:40, Mitchell, 7.66M) led with the White House's preparations for "a busy week, one that could set in motion a change of policy in Iraq. The President meets this week with a group of advisors charged with re-examining US involvement there." And it is "back to the future for the President with friends of his father, front and center." CBS (Chen) added, "He is politically bruised and heading into the lame duck years of his term, but the President's team says don't count him out just yet." White House Chief of Staff Joshua Bolten: "As of today, we have 800 days left in this Administration, which is a long time." Chen: On Monday morning, "Bush meets with the Iraq Study Group, aiming to take on the single issue that cost his party most of the polls. As he tries to salvage his own legacy, Mr. Bush is turning to help from some old hands, wise men from his father's Administration. … The crew is full of familiar faces from the

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first Bush Administration: James Baker, former Secretary of State; longtime confidante and former Wyoming Sen. Allen Simpson; and Lawrence Eagleberger, also a key player for 'Bush 41.' He steps in for Robert Gates, the former President's CIA Director. Gates was tapped last week to take over the Pentagon in a post-election concession that the current approach to Iraq isn't working." The report also mentioned the Newsweek poll pegging the President's at "just 31%, that is a new low. But if it is any consolation to him, it is still two points higher than his father's lowest point."

McCain Reiterates His Call For Additional US Troops In Iraq. Sen. John McCain, on NBC's Meet the Press (11/12, Russert), said, "I believe that a withdrawal, or a date for withdrawal, will lead to chaos in the region, and most military experts think the same thing. I believe that there are a lot of things that we can do to salvage this, but they all require the presence of additional troops. Now, if you want to give up on Iraq, then fine, and take the consequences. I think there will be chaos in the region. But we need to control this insurgency, we need to embed people with the police and the military, we need to clear and hold -- and hold is the important part -- so we can expand areas of security." Sen. Joseph Lieberman, also on NBC's Meet the Press (11/12, Russert), said, "I wouldn't send more troops just for the sake of sending more troops. But I would if it is tied to a success strategy."

Kristol, Kagan Say Bush Should Send More Troops. In a Financial Times (11/13, Kagan, Kristol) op-ed, William Kristol and Robert Kagan of the Weekly Standard write, "Instead of looking for a face-saving way to lose in Iraq," Bush "could finally demand of his top advisers a strategy to succeed: provide the US force levels necessary to achieve even minimal political objectives. This could begin by increasing US troops in Iraq by at least 50,000 in order to clear and hold Baghdad without shifting troops from other parts of Iraq. These operations could then be expanded into areas of insurgency. This strategy would not stabilise the country right away but could secure Iraq's vital centre and provide real hope for progress."

Harvard Scholar Says "Iraq Is Gone." In a Washington Post (11/13, A21, 690K) op-ed, Monica Duffy Toft of Harvard's Kennedy School of Government writes under the headline "Iraq Is Gone. Now What?" that Iraq "is rapidly disintegrating, and there is no longer anything that can stop the disintegration, save perhaps an invasion by Israel, Iran or Syria." The US "is now faced with an awful choice: leave and allow events to run their course or lend its dwindling support to one or more of the emerging states. … It is high time" the US and its allies "began national discussions about the relative merits of leaving or staying and, if they stay, about the merits of supporting the Sunnis, Shiites or Kurds. Either way, what we now think of as Iraq is almost certainly as gone as what we once thought of as Yugoslavia, and for the same reasons."

White House Downplays Honors For Bush Iraq Advisers. The Washington Post (11/13, A19, Williamson, 690K) reports that on Wednesday, "on the hung-over morning after midterm voters told President Bush what they thought of the Iraq war, a White House news release arrived in our inbox, with the cryptic subject line 'PERSONNEL ANNOUNCEMENT.' Hidden therein was a list of this year's National Medal of Arts and National Humanities Medal winners, to be honored the next day by the president and first lady Laura Bush in the Oval Office. No invite, no number to call for information, just a list." The Post adds, "Why so little fanfare? Could it have been because the humanities honorees included Middle East scholars-turned-Bush advisers Fouad Ajami and Bernard Lewis, whose views helped get us into Iraq in the first place? On the day of the prestigious ceremony, the White House Web site featured -- nothing."

Iraqi Prime Minister Announces Government Shake-Up. Iraqi Prime Minister Nuri Kamal al-Maliki Sunday announced that he was planning a major shake-up of his cabinet. The New York Times (11/13, Semple, 1.16M) says the move is aimed at "redress[ing] his six-month-old government's failure to curb widespread corruption, reduce sectarian violence and improve public services." Speaking to a closed session of Parliament, Maliki "suggested that some of his ministers were incompetent but said he had been forced to accept his cabinet under pressure from the country's major political blocs." During the session, Maliki "did not disclose which ministers he planned to replace. But legislators close to the prime minister said he did not intend to change the political distribution of the cabinet seats," which is mostly Shiite. The Times notes that the Maliki administration "has been facing mounting criticism from American officials and some Iraqi leaders impatient with the prime minister's inability -- or unwillingness -- to disarm militias, particularly those linked to the most powerful Shiite parties that form the basis of his ruling political alliance."

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The Financial Times (11/13, Negus) reports that the declaration is "part of an apparent push to revive an initiative to bring the country's quarrelling sectarian blocs into a national pact, after the government was accused by both Sunni and Shia of failing to protect them." According to the Times, "Criticisms have focused on the vital interior and defence ministries, which control the security forces," and warns that "in choosing new ministers, Mr. Maliki will face the challenge of winning approval from parties that have seen little interest in reaching compromises, and instead appear to have sought control over government agencies to give them an edge in the country's sectarian conflict."

In a front page article, the Washington Post (11/13, A1, Raghavan, 690K) calls the shake-up "the latest blow to US and Iraqi efforts to strengthen the country's fledgling security forces." According to Hasan Suneid, a lawmaker and close aide of the prime minister's, Maliki "told lawmakers in the closed session that he had been forced to accept ministers chosen by political blocs and that some were incompetent" and "asked the blocs to nominate new people for his cabinet, based more on their qualifications than on their political loyalties."

The Los Angeles Times (11/13, Zavis, 850K) reports Maliki "scolded lawmakers at a closed Parliament session Sunday for putting sectarian concerns over national interests," and later "told journalist he has authorized the use of 'extreme force' against private militias blamed for surging bloodshed between Iraq's dominant Muslim sects that has claimed more lives lately than the anti-U.S. insurgency." USA Today (11/13, 2.27M), Los Angeles Times (11/13, Zavis, 850K) and Washington Times/AP (11/13, Hurst) also report the story.

Sadr Seen As Losing Hold On His Base. The New York Times (11/13, Tavernise, 1.16M) reports on the "taming" of Moktada al-Sadr, and says "the more settled he becomes in the establishment, the looser his grip is over his fighters on the streets and those increasingly infiltrating the security forces. In the two years since they fought against American tanks at Mr. Sadr's command, many have broken away from the confines of compromise that bind him, and have taken a far more active role in killing, something his supporters say worries him. He says he is trying to weed them out -- 40 were publicly dismissed last month." The Times adds, "The increasing violence of some of his followers mirrors the overall unraveling of Iraq, which has become less centrally controlled and far more criminal since the American invasion in 2003."

USA Today (11/13, Jervis, 2.27M), under the headline "Cleric Al-Sadr May Hold Iraq's Future In His Hands," says Sadr "has emerged as one of the most powerful forces in Iraq, commanding a large militia and a growing political organization. … As President Bush and the Democrats in charge of a new Congress plot a new direction in Iraq, al-Sadr remains a huge obstacle unless the Iraqi government does what it has been unwilling or unable to do so far: neutralize him through political negotiations or a military confrontation."

Iraqi Government Scheduling Mass Executions. Time (11/20, Bennett, 4.03M) reports, "Since September 2005, when three men were hanged in the southwestern city of Kut after being convicted of running a murder-and-kidnapping ring, the Iraqi government has executed 50 prisoners convicted of murder or kidnapping, says spokesman Ali al-Dabbagh. An adviser to Prime Minister Nouri al-Maliki says the government plans to execute 'two or three more batches of 14 or 15 each' in the coming months."

Three US Soldiers Killed As Violence Claims 159 Lives In Iraq. The CBS Evening News (11/12, story 2, 0:15, Mitchell, 7.66M) reported, "The US military announced today three American soldiers died yesterday in fighting in Iraq's Anbar Province. Four British troops were killed and three seriously injured today in an attack on a patrol boat in Basra. A suicide bomber blew himself up outside a police recruiting center in Baghdad killing at least 35 people. And the Iraqi police and military reported finding at least 75 dead bodies today in Baghdad and Baqubah. Officials say around 1600 bodies were taken to Baghdad's morgues in October." The AP (11/13, Hurst) reports "raging sectarian violence…claimed at least 159 more lives, including 35 men blown apart while waiting to join Iraq's police force." The Washington Post (11/13, A1, Raghavan, 690K) also reports the story.

Fifty-Five Journalists Have Been Killed This Year. The Christian Science Monitor (11/13, Peterson, 59K) reports, "The label 'independent' media in Iraq has become a death sentence, in what has become the world's most dangerous environment for local journalists. Already this year 55 Iraqi journalists have been killed -- more than any other year -- and four remain hostages. … A growing number of incidents in recent months have demonstrated the insurgency and militia's power to target and intimidate. There have been

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a string of media murders against print, radio, and TV journalists."

Stopping "Brutal Fanatic" Abu Deraa A Top US Priority. The Washington Times (11/13, Freeman, 88K) reports, "Less than six months after an American air strike ended Abu Musab Zarqawi's campaign of Sunni terrorism, an equally brutal fanatic has emerged on the Shi'ite side of the religious divide." Abu Deraa's "trademark method of killing is a drill through the skull rather than a sword to the neck, but his work rate is just as prolific as the former al Qaeda in Iraq leader's and shows the same diabolical artistry. In the past year, he and his followers are thought to have killed thousands of Sunnis, their victims' bodies symbolically dumped in road craters left by al Qaeda car bombs." The Times adds, "Stopping monsters such as Abu Deraa -- whose nom de guerre means 'the shield' -- is a top US priority as it tries to halt sectarian violence, which regularly claims 100 lives a day." But "the Shi'ite-dominated government has shown a marked reluctance to sanction the kind of large-scale operation necessary to arrest him in his stronghold of Sadr City, a vast Shi'ite slum in eastern Baghdad."

Bolten Says Partitioning Iraq Not A Good Idea. White House Chief of Staff Josh Bolten said on CNN's Late Edition (11/12, Blitzer), "Most of the experts that I have heard from, and certainly almost all of the Iraqis that have been heard from, think that some sort of partition is a bad idea. Now, federalism is a notion that has always been in mind in constructing a modern, democratic and multi-ethnic Iraq. So somewhere on that continuum there is the right solution. Partition does not seem to be the right solution."

Dalai Lama Urges That Saddam's Life Be Spared. AFP (11/12) reports, "Tibet's exiled spiritual leader the Dalai Lama has appealed for Saddam Hussein's life to be spared, saying the deposed Iraqi president was not beyond redemption. 'The death penalty is said to fulfill a preventive function, yet it is clearly a form of revenge,' the Nobel peace laureate told reporters as he ended a two-week visit to Japan."

Afghan Insurgents Launching Over 600 Attacks Per Month. The AP (11/13, Straziuso) reports, "Insurgent activity in Afghanistan has risen fourfold this year, and militants now launch more than 600 attacks a month, a rising wave of violence that has resulted in 3,700 deaths in 2006, a bleak new report released Sunday found. … The new report said insurgents were launching more than 600 attacks a month as of the end of September, up from 300 a month at the end of March this year. The violence has killed more than 3,700 people this year, it said."

Afghan Army Struggling. The Los Angeles Times (11/13, Zucchino, 850K) reports in a critical, 2,751-word front page story about frustrating efforts by the US and NATO to train the Afghan army: "Many of [its] soldiers fought for or against the Russians, against the Taliban or for various warlords — except those so young they had never picked up a rifle. From this unwieldy mix, the U.S. military and the Afghan government are attempting to create something Afghanistan has never had: a national army that is made up of all the country's ethnic groups and represents a unified central government. ... Instilling loyalty to the national government will require changing the nature of Afghanistan. The army is a place to start." However, "Afghan privates and generals alike complain that they are sent into battle in ordinary Ford Ranger pickups with no body armor or helmets ... U.S. trainers, while praising Afghans for their courage, complain of lax discipline, petty thefts and poor maintenance of weapons and equipment. The Afghans will often run up hills or charge into caves wearing virtually no armor and without waiting for backup."

Pakistani PM Says Military Action Alone Not Enough To Defeat Terrorists. The Washington Times (11/13, Pisik, 88K) reports, "Pakistan, a key ally in the war on terror, welcomes an expected reappraisal of U.S. policy in Iran and Afghanistan, and thinks military action alone is "not the answer" to the threat posed by extremists in the two countries, its prime minister says." Shaukat Aziz told the Washington Times that "he would like to see a more nuanced approach to battling extremism, which includes massive investment and economic assistance to the two countries in order to build a sense of well-being for the poor and disenfranchised." In New York for meetings at the United Nations, Aziz also "said the world needs to focus more seriously on Afghanistan's narcotics trade, which is becoming an increasingly important source of terrorist financing. By some estimates, the trade accounts for half of Afghanistan's gross domestic product."

Asked on CNN's Late Edition (11/12, Blitzer) about the possibility of the US use of "drone Predator aircraft to fire missiles inside Pakistani territory against high-value terrorist

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targets," Aziz said, "We've always said that we are very capable of tackling such activities ourselves. Our armed forces are well-equipped. We do not allow any country to violate our sovereignty. We are committed to fighting terrorism, but it has to be fought together." Also on CNN's Late Edition (11/12, Blitzer) Aziz addressed the theories about Osama Bin Laden's whereabouts. He said, "The truth is, nobody knows where he is. Because if anybody knew where he is, they would go after him. … And frankly, because of the situation in Afghanistan, it is not always possible to know who is where. We have no clue where he is. If he were ever in our territory and we found out, we would go after him."

CORPORATE SCANDALS:

KB Home CEO Resigns Amid Options Probe. The Wall Street Journal (11/13, A3, Bandler, Forelle) reports, "The stock-options fraud scandal claimed one of the nation's most successful and highly paid chief executives, KB Home's Bruce Karatz, who agreed to leave the company after an internal investigation found that he backdated his own option grants to increase his pay." The Journal continues, "KB Home, a home-construction company once known as Kaufman & Broad, said Mr. Karatz would immediately leave his posts as president, CEO and chairman. He will forfeit about $13 million in gains from the backdating as part of an agreement with the company, based in Los Angeles. … Also departing is Richard B. Hirst, executive vice president and chief legal officer, and Gary A. Ray, the head of human resources. Mr. Hirst resigned, and Mr. Ray was terminated, the company said. A person familiar with the investigation said both Mr. Karatz and Mr. Hirst cooperated with the internal investigation." The Journal adds, "Mr. Karatz is one of the highest-profile casualties of the stock-options scandal, which has now claimed the jobs of more than 50 executives and directors, including William McGuire, the chief executive of UnitedHealth Group Inc. More than 130 companies, including KB Home, are under federal investigation in a wide government action. Five former executives at the companies have been charged with criminal wrongdoing. … KB Home didn't detail how the backdated options came to pass, though it said Mr. Karatz and Mr. Ray selected the dates for the options. A person familiar with the matter said that an investigation by KB Home's board determined that the dates were selected retroactively by the two men without permission of the board, though this person said the investigation didn't conclude that there had been intentional wrongdoing. The company said the misdated options were granted between 1998 and 2005."

Convicted Officials Forced To Sell Assets. USA Today (11/13, Farrell) reports, "When CEOs sell their multimillion-dollar homes, it's usually because they're relocating to a different market, or trading up to an even bigger house. .. In the case of Walter Forbes, the former Cendant chairman whose baronial 8-acre estate in New Canaan, Conn., is on the market for $12.5 million, the reasons are a little different." USA continues, "Forbes, 63, was convicted two weeks ago of conspiracy and making false statements in connection with a massive fraud that cost Cendant investors $14 billion when it was exposed in 1998. Unless his conviction is overturned on appeal, he'll be relocating, all right, but most likely to a property surrounded by thick walls and concertina wire. … As such, Forbes is poised to join the pantheon of convicted former executives who've had to sell their trophy properties or luxury toys to pay off legal bills, settle civil lawsuits or meet criminal forfeiture requirements mandated by judges."

CRIMINAL LAW:

Probes Focus On Halliburton's Role In Nigerian Bribery. The Houston Chronicle (11/13) reports, "There are new signs of life in a sprawling four-year investigation of whether a unit of Houston's Halliburton Co. and other oil-services companies paid huge bribes in the 1990s to land a $5.6 billion construction project in the Nigerian delta." The Chronicle continues, "French and Swiss investigators are trying to gain access to specific bank records in Switzerland and other European countries to determine if tens of millions of dollars in suspected bribe money ended up in accounts linked to Nigeria's former military dictator. … In Britain, police and agents from the Serious Fraud Office this summer searched four homes and a business looking for links to the case, which began in 2002 when a French oil-services executive facing corruption charges told a judge about a $175 million "slush fund" he claimed had been used to bribe Nigerian officials." The Chronicle adds, "The U.S. Department of Justice is looking into possible criminal offenses, and the Securities and Exchange Commission is investigating possible financial

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misdeeds. The Nigerian government is also conducting a formal investigation."

Witness Against DC Murder Inc. Gang Gains Freedom. The Washington Times (11/13, Mcelhatton) reports, "A former high-ranking member of the Murder Inc. crime syndicate in the District, which was charged in 31 killings, has won a 'very unusual' sentence that will keep him out of prison, newly unsealed court records show." The Times continues, "Maurice Andrews, 36, former confidant of D.C. drug kingpin Kevin Gray, faced 30 years to life in prison under federal sentencing guidelines after pleading guilty to racketeering charges related to several murders. … However, in what prosecutors call a 'very unusual' request, the U.S. Attorney's Office recently sought a sentence of time served and probation. Authorities cited Andrews' role as a key government witness in the prosecution of the violent street gang. … 'He testified in dozens, literally dozens of criminal incidents that he was aware of, ranging from individual drug deals to murder,' Assistant U.S. Attorney Matthew G. Olsen said at Andrews' Sept. 29 sentencing." The Times notes, "U.S. District Court Judge Royce C. Lamberth sentenced Andrews, who has been in the federal witness-protection program for five years, to time served and five years' probation, according to a transcript of the hearing. … The proceedings had remained sealed until last week. … Federal authorities have called Murder Inc. the most violent gang in the District's history. It ran much of the city's crack cocaine and heroin trade during the 1990s and killed potential government witnesses, authorities said. … Several leaders of the gang -- including Gray, convicted of 19 murders, and Rodney Moore, convicted of 10 murders -- are serving sentences of life in prison without parole. A jury deadlocked on giving them the death penalty."

ID Thieves Often Close To Family. The New York Times (11/13, Leland) reports, "In the five years since his divorce, Eric Wagenhauser had moved on with his life. He had remarried and was sharing custody of the three children from his first marriage. Then, last year, Mr. Wagenhauser discovered a new wrinkle on American divorce: his former wife had used the children's Social Security numbers to apply for nine credit cards in their names. She obtained two." The Times continues, "Mr. Wagenhauser's ordeal over the next year, which involved police departments in two Texas counties, banks, credit bureaus and the Social Security Administration, is familiar to many identity theft victims — the crime often begins at home. … Though most victims never learn who stole their identities, half of those who do say the thief was a family member, a friend, a neighbor or an in-home employee, according to surveys by the Federal Trade Commission and Javelin Strategy and Research, a private research firm. The surveys estimate that 9 million to 10 million Americans have their identities stolen each year." The Times adds, "Mr. Wagenhauser's former wife, Ivy Ash, began applying for credit cards in the children's names soon after the divorce. She ran up about $200 in unpaid bills, he said, which grew to about $1,000 with late fees and interest penalties. She pleaded guilty to two counts of fraudulent use of a credit card this year and is now in a Texas prison. … But the effect of the thefts is still being felt in the Wagenhauser household." The Times notes, "Identity theft involving family members takes many forms, said Betsy Broder, assistant director of the Federal Trade Commission's division of privacy and identity protection. A child steals a parent's identity to buy drugs, one sibling steals another's identity to try to avoid arrest or debt. … Identity theft is often difficult to solve and prosecute, and, in the case of families, victims may be reluctant to report relatives to the police."

Maritime Officials Crack Down On Modern-Day Pirates. The Los Angeles Times (11/13, Glionna) reports from Kuala Lumpur, Malaysia, "Noel Choong was working late the night he got the distress call: Just off the Malaysian coast in the darkness, a Japanese tugboat and barge were being attacked by a dozen pirates armed with AK-47s and rocket launchers." The Times continues, "The 154-man crew aboard the barge Kuroshio was frantic. As the vessel churned slowly northward through choppy waters of the Strait of Malacca, headed for Myanmar, it had suddenly been surrounded by three fishing boats. .. .The armed men stormed the little tug. Shots were fired. The captain and two others were taken hostage. The desperate barge crew plotted a rescue mission to free their shipmates, who were being held with guns to their heads." The Times adds, "Choong is a pirate catcher, a maritime crisis negotiator who handles the high-anxiety drama of modern-day pirate attacks in real time. He's also a detective, a high-seas sleuth with a host of shadowy shipping industry informants he uses to run down hijacked ships. … In the outlaw Strait of Malacca, whose waters are considered the most pirated in the world, his services as director of the International Maritime Bureau's

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Piracy Reporting Center are in near-constant demand. … The 550-mile-long channel, flanked by Singapore and Malaysia to the east and the Indonesian island of Sumatra to the west, is one of the world's most strategic international waterways and its busiest shipping lane. Each year, 60,000 vessels, the equivalent of nearly half the world's entire merchant fleet, negotiate the funnel-shaped shortcut between the Pacific and Indian oceans. They range from mammoth supertankers as large as city skyscrapers to tugs and barges. … Such seaborne commercial traffic attracts a sophisticated brand of piracy that has moved far beyond the scabbards and cutlasses of the 17th century."

Report: Sighting Of Fugitive Mobster Discredited. The Boston Globe (11/10, Abel) reports authorities in California "have investigated and discredited the latest reported sighting of fugitive Boston mobster James 'Whitey' Bulger. Bulger, 77, one of the FBI's 10 Most Wanted fugitives, fled a month before his 1995 federal racketeering indictment and was later revealed to be a longtime FBI informant and charged with the murder of 19 people. … Darrell Foxworth, an FBI agent in San Diego, said he had received reports from police about the alleged sighting, but he also determined they were not legitimate."

Bulger Reportedly Sighted At Theater. The Boston Herald (11/10) reports sources "said an off-duty police officer spied…Bulger - or at least someone matching his description - leaving a downtown theater after watching the film, which stars Jack Nicholson as a dead ringer for the South Boston crime lord. … The incident is the latest possible sighting of the crime boss who vanished in 1995 as an organized crime strike force made up of state police, the U.S. Drug Enforcement Administration and the Internal Revenue Service closed in. A longtime snitch, Bulger fled the night before he was indicted for 19 gruesome mob murders, thanks to a tip from his boyhood pal and longtime FBI handler John Connolly."

Police Believe Maryland FedEx Shooting Was Random. The Washington Post (11/13, B01, Bahrampour) reports, "For Marlyn Evans, the American dream was working out well. … She had emigrated from Guyana 19 years ago to give her children, Reina and Colin, a better life. After raising them and a younger daughter, Chantal, in a townhouse in Silver Spring, she moved to a spacious two-story brick house in Bowie. In August, Reina moved in, with her own two children, to save money to pursue her dream of becoming a nurse, like her mother." The Post continues, "That dream ended Saturday when Reina Natasha Lynch, 26, was found dead of a gunshot wound at the FedEx Ground distribution center in Beltsville, where she worked as a security guard. A colleague discovered her body at 7 a.m. in the booth at the entrance to the fenced compound on Trolley Lane. … Prince George's County police said yesterday that they had not found a motive. 'We believe this was a random event,' said Cpl. Stephen Pacheco. Investigators are looking for clues in Lynch's car and in security camera footage, he said."

Many DC Homicides Sparked By Petty Disputes. The Washington Times (11/13, Cella) reports, "The motive for most homicides in the District are arguments and petty disputes over perceived slights, accounting for more killings last year than robberies, domestic disputes, gang activity and drug wars combined, according to the Metropolitan Police Department. … 'It's a pretty big deal among some people,' said Chief Charles H. Ramsey. 'A guy gets upset -- you know, "You're disrespecting me." Or they don't like the way you're looking at them. You'd be surprised at how many silly homicides we see.'" The Times continues, "The police department last year attributed 57 of the city's 196 killings to arguments, compared with 50 such killings among the city's 198 in 2004, according to a recently released department report tracking homicide information from 2001 to 2005. … During those five years, 1,126 persons were killed in the District, 901 of them fatally shot. The report also states that about 1,058 of the homicide victims were black, about 36 were Hispanic and about 32 were white." The Times notes, "Arguments have accounted for a steady increase in the percentage of overall killings in the city since 2001, when they were the primary motive in 19 percent of the 232 homicides. .. Chief Ramsey said that guns are a big part of the problem. … 'The guns make them feel like they're more powerful,' he said. 'They overreact.' … As recently as 2002, drugs were the primary motive in more than one-third of the city's 262 killings. As a percentage of total homicides, that figure has declined each year, accounting for just 10 percent, or 19 killings, last year."

Virginia State Police Opt For Fewer Coded Messages. The Washington Post (11/13, A01, Sheridan) reports, "Since the Sept. 11, 2001, attacks, local governments

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have spent millions on high-tech radios to improve communication among police forces. Now, Virginia is taking the next step: changing the very way cops talk." The Post continues, "Starting this month, Virginia State Police have banned the '10 codes' used by generations of officers to flag everything from murders to bathroom breaks. Gone is the language of '10-4' and 'What's your 10-20 [location]?' … The codes are as much a part of police culture as badges and coffee. But over time, individual police departments have adapted the codes in their own ways, creating confusion when they have to work together -- such as on Sept. 11." The Post adds, "Eager to avoid such mix-ups, Virginia's government has become one of the first in the nation to try to eliminate traditional cop talk. For months, officials in Richmond have worked with police and firefighters to come up with a substitute for 10 codes, finally deciding on a statewide 'common language protocol. … In other words, English." The Post notes, "The switch reflects why it is so challenging for the U.S. Department of Homeland Security to create a national emergency response system. If someone sets off a dirty bomb at the Pentagon, Arlington County police might be on the radio with officers arriving from Fairfax County, Alexandria, the District or Maryland."

CIVIL LAW:

WPost Says "Partial Birth" Law Before High Court Identical To Previous Case. The Washington Post (11/13, A20, 690K) says in an editorial, "It isn't every day that the Supreme Court confronts a law materially identical to one it has already struck down. But that is what the justices faced last week when they heard oral arguments over the federal ban on partial-birth abortions. Six years ago, the court struck down state partial-birth laws -- ruling that Nebraska's ban was overly broad and lacked an exception for situations in which protecting a woman's health required the use of the disfavored procedure. In response, Congress enacted its own version of the ban, complete with nearly all of the faults from which the Nebraska statute had suffered." The Post adds the "only way to uphold this law would be to overturn the prior decision -- a step that the justices should not take, in the interest of women's health and out of respect for precedent." The "real question this case presents is whether the court, with Justice Sandra Day O'Connor retired, will continue to honor its precedent."

CIVIL RIGHTS:

Television Show About Sexual Predators Raises Rights Issues. The National Law Journal (11/13, Baldas) reports, "The NBC television series 'To Catch a Predator,' which features confrontations with men allegedly seeking sex with minors online, may be popular with viewers, but not with criminal defense attorneys, who claim the show raises a range of civil rights issues." The Journal continues, "Seating an unbiased jury when a client's face has been splashed all over national television is nearly impossible, they argue. Miranda rights and search-and-seizure issues are also compromised by the show, they add." The Journal adds, "In the last two years, 183 alleged online sexual predators have been formally charged as a result of being caught on the show, which has run sting operations in California, Florida, Georgia, New York and Ohio with the help of an online predator-watchdog group. More than 20 of those cases have resulted in guilty pleas or convictions, with the remaining cases still pending. … 'Without question, it tramples on their constitutional rights to due process and a fair trial,' said Blair Berk of Tarlow & Berk in Los Angeles, who is representing a doctor featured on the show that aired on Oct. 6. The man allegedly showed up at a house hoping for a date with who he thought was a 13-year-old girl he met online. People v. Wolin, No. SCR 495892 (Sonoma Co., Calif., Super. Ct.). … Berk likened the show's tactics to 'trying someone in town square without giving them due process. …"

WSJournal Criticizes Wal-Mart, Costco Gender Discrimination Lawsuits. The Wall Street Journal (11/13, 2.04M) says in an editorial, "We'll soon find out if that humongous gender discrimination class-action lawsuit pending against Wal-Mart is an aberration -- or the legal wave of the future. And rest assured the trial bar is hoping for the latter with dreams of riches. Last week, a U.S. District Court in San Francisco heard arguments on whether a gender discrimination lawsuit against Costco should also proceed as a nationwide class action. A decision is expected in a few weeks, and the proceedings have an air of deja vu." The "same San Francisco District Court (though not the same judge) heard the Wal-Mart case, which was initiated by the same plaintiffs' lawyer, Brad Seligman. Mr. Seligman is seeking punitive damages, back pay and injunctive relief in both cases, and he is also pushing the same legal theory as

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to why the claims should be pooled into a class rather than handled individually. He even has some of the same 'expert' witnesses." If "mere statistical imbalances can trigger a class action, companies will be forced to make pay decisions based on statistics rather than performance and merit. Ultimately, that leads to racial and gender quotas, all in an effort to avoid frivolous lawsuits."

ANTITRUST:

Private Equity Fund Buyouts Come Under Scrutiny. The Christian Science Monitor (11/13, Trumbull) reports, "The new birth of Burger King Corp. this year delivered the beef to the investing public: Under private management, the long-struggling company turned a corner and then made shares available on the New York Stock Exchange. … But the managers kept some major side orders to themselves. They took out a big loan and paid themselves a $367 million dividend and other fees as well. In all, they extracted cash worth about one-sixth of Burger King's market value." The Monitor continues, "That's one whopper of a payout, and it's not unusual these days. … Increasingly, investors with deep pockets are banding together to form 'private equity funds.' Just as the leveraged buyout firms did in the 1980s, they are buying up companies, restructuring them, and then selling them back on public stock exchanges - often for a supersized profit." The Monitor notes, "The practice isn't new, but it remains controversial. And the scale of the trend far exceeds what it was back when Henry Kravis and Michael Milken made their magazine cover debuts. … Hardly a week goes by without more major deals being announced. Meanwhile, the very success of these buyout funds is attracting billions more dollars from investors - raising the prospect of many more buyouts in coming months. In essence, the wealthy are deciding that if you want to make money in stocks, the stock market isn't the place to do it. … With money pouring in from pension funds and other deep pockets, the trend shows no signs of stopping. It could end up engulfing companies as diverse as the Los Angeles Times newspaper and ailing automotive supplier Delphi Corp. Just last week, Bill Gates and a Saudi prince were among the investors backing a private buyout of Four Seasons hotels, while another buyout fund announced its plan to acquire the Outback Steakhouse."

ENVIRONMENT:

Snowe, Rockefeller Blast New Exxon CEO Over Global Warming. The Washington Times' "Inside the Beltway" column (11/13, McCaslin) reports on "the sharply critical letter that Republican Sen. Olympia J. Snowe of Maine and Democratic Sen. John D. Rockefeller IV of West Virginia sent recently to Rex W. Tillerson, otherwise welcoming him to his new post as chairman and chief executive officer of Exxon Mobil Corp. The remainder of the three-page letter, shall we say, blasted a so-called 'climate-change denial strategy carried out by and for Exxon Mobil' against global warming -- the senators accusing the oil giant of being 'the primary funder of no fewer than 29 climate-change denial front groups in 2004 alone.' The bipartisan pair went so far as to request that Mr. Tillerson 'publicly acknowledge both the reality of the climate change and the role of humans in causing or exacerbating it,' even absent scientific proof of such a cause."

FBI/DEA/ATF/USMS:

Attorneys Challenge Arrest Of Accused Arellano Félix Cartel Leader. The San Diego Union-Tribune (11/11, Soto) reports U.S. agents "used satellite equipment to track and arrest the suspected leader of the Arellano Félix drug cartel in a boat off the coast of Baja California Sur this summer. Law enforcement officials hailed the arrest of Francisco Javier Arellano Félix, accused of running the drug cartel in recent years, as a key blow to the organization they say moved tons of drugs between Mexico and California. … Investigators, led by the Drug Enforcement Administration, have been investigating the Tijuana-based cartel for years." The Union-Tribune says lawyers are questioning the use of a GPS device to find Arellano Felix and that a defense lawyer now says the arrest took place in Mexico's waters and is illegal.

Man Pleads Guilty In Fentanyl-Laced Heroin Case. In Dover, Delaware, the AP (11/9) reports an accused drug dealer "suspected of distributing fentanyl-laced heroin that killed a Dover man will spend at least 20 years in prison after agreeing to plead guilty to a federal drug charge. A federal grand jury returned a six-count indictment in September against Joseph Bentley. On Wednesday in U.S.

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District Court in Wilmington, Bentley agreed to plead guilty to a single count of distribution of heroin and fentanyl resulting in the death of another individual." According to an affidavit by a DEA special agent, Bentley "told his father that a batch of heroin he had obtained had killed two of his customers."

Grand Jury In Rhode Island Indicts 7 In Drug-Trafficking Case. In Pawtucket, the Providence (RI) Journal (11/10, Pina) reports, "After a 10-month investigation, a federal grand jury has charged seven men with drug trafficking for allegedly selling crack cocaine out of the Prospect Heights housing project. … The investigation was conducted by city police and the Drug Enforcement Administration Task Force. Teams of federal agents and city officers arrested three men last week. One man was already in custody for his alleged role in robbing a delivery man at Prospect Heights."

DEA Agent Says "Pro-Pot" Advocates Relay Misinformation. In the Sacramento Bee (11/12), DEA agent Gordon D. Taylor writes, "Pro-pot advocates often spread misinformation on the subject of so-called 'medical marijuana.' It's important to show the other side of the issue. In the past 10 years, California has seen a surge of organized crime groups that have moved into the marijuana industry in a big way. Heavily armed drug cartels have made a multibillion-dollar business of going into our public lands and clear-cutting our pristine forests so they can cultivate enormous marijuana crops." Over the past two years, the DEA "has participated in six enforcement actions against pot clubs operating in the Central Valley and inland Northern California. Shockingly, three of the six pot store owners were convicted felons, each of whom was armed with a handgun during the course of the investigations."

Authorities Link Colombian Nationals To Jewelry Theft Ring. The St. Louis Post-Dispatch (11/12) reports FBI agents and police "say they have broken a ring of crooks believed to have taken more than $1 million worth of goods from traveling jewelry salesmen in Missouri, Illinois and elsewhere since 2003. In a sworn statement made public in federal court in St. Louis this week, FBI Special Agent Mark Wood wrote that investigators had known for years that a group of Colombian nationals was responsible. … A motel employee tipped off investigators last month that some guests might be drug dealers. Drug Enforcement Administration agents followed the men, determined they were watching jewelry stores, and turned the matter over to the FBI and St. Louis County police." Five suspects "were arrested, and two have been charged so far."

Report Says Drug Trade Fuels Insurgency In Afghanistan. The AP (11/13, Straziuso) reports insurgent activity in Afghanistan "has risen fourfold this year, and militants now launch more than 600 attacks a month, a rising wave of violence that has resulted in 3,700 deaths in 2006, a bleak new report released Sunday found. … Afghanistan saw about 130 insurgent attacks a month last year, said the report by the Joint Coordination and Monitoring Board, a body of Afghan and international officials charged with overseeing the implementation of the Afghanistan Compact, a five-year reconstruction and development blueprint signed in February. … The report said that the rising drug trade in Afghanistan is fueling the insurgency in four volatile southern provinces. The slow pace of development is contributing to popular disaffection and ineffective implementation of the drug fight, it said."

UN Official Says Sharing Intelligence Would Hit Drug Traffickers Hard. The AP (11/10) reports Iran and neighboring Pakistan and Afghanistan "must share intelligence on drug smuggling," according to the head of the United Nations agency against drugs. Antonio Maria Costa, the director of the U.N. Office on Drugs and Crime, "finished a three-day visit to Iran by praising the government's efforts against drug trafficking, according to a statement issued by the agency. … But Costa warned the world's production of opium was far greater than what was being intercepted. … 'I urge these three countries, and their international partners, to establish an intelligence-sharing platform,' he added. 'If counter-narcotics police in Afghanistan, Pakistan and Iran share intelligence, they could really hit the traffickers hard.'"

Lack Of Protection Said To Anger Afghans. The Washington Post (11/10) reports many Afghans "have expressed anger over the lack of government protection and services in rural provinces, a void that has helped fortify the Taliban and allowed for an upsurge in opium cultivation. There is also growing resentment against the presence of foreign military forces, and Taliban leaders have attracted support by calling for resistance."

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IMMIGRATION:

Virginia Courthouse Behavior Unravels Vast Immigrant Marriage Scam. The Washington Post (11/13, A01, Markon) reports, "They didn't hug. They didn't kiss. They didn't even sit together. … Many couples going to the Arlington County Courthouse seemed more like strangers than people applying for marriage licenses. A man named Sam often escorted them to the sixth-floor clerk's office. Sometimes, there would be a furtive exchange of money in the elevator." The Post continues, "Before long, some of the same people would be back, filing for divorce, their court papers littered with mistakes -- always the same mistakes. … 'They misspelled "circuit,"' said David A. Bell, the longtime Circuit Court clerk. 'It was obvious something was going on.'" The Post notes, "Bell tipped off police, triggering a nearly four-year investigation that recently broke up one of the Washington region's biggest and most brazen immigration scams: an estimated 1,000 fake marriages. The scheme was centered in the area's little-noticed but rapidly growing community of immigrants from Ghana….. For immigrants, marrying a U.S. citizen is a quick ticket to citizenship. Along the East Coast and all the way to West Africa, at car dealerships, malls, parties and even a Home Depot, the word had spread: If you are in the United States illegally, go to Arlington. It's easy to get married in Virginia, because marriage laws are relatively lax. Arlington, with its proximity to the Metro system and the District, is especially convenient. … In recent weeks, 19 of 22 people charged so far in the undercover investigation have pleaded guilty in federal court in Alexandria, including bank tellers, car salesmen and health-care workers. Court testimony and interviews document how Ghanaian immigrants married U.S. citizens they had met the same day, then were coached on how to fool immigration inspectors, usually months later, into believing that the marriage was real. All they wanted, they said, was to stay in the United States. … Now, they will have to leave."

Democrats Take Cautious Stance On Immigration. The Washington Post (11/13, A3, Fears, Hsu, 690K) reports that in the "days after the election, Democratic leaders surprised pro-immigration groups by not including the issue on their list of immediate priorities. Experts said the issue is so complicated, so sensitive and so explosive that it could easily blow up in the Democrats' faces and give control of Congress back to Republicans in the next election two years from now. And a number of Democrats who took a hard line on illegal immigration were also elected to Congress."

CONGRESS-ADMINISTRATION:

Bush 41, Baker Thought To Have Engineered White House Shake-Up. Newsweek's Managing Editor Jon Meacham (11/20), in a cover story titled, "Can Bush Sr. and His Team Save Son's Presidency?," writes that "last Wednesday," former President Bush "listened as George W. Bush said the loss of Congress was a 'thumping,' promised to 'work with' a commission on Iraq chaired by James A. Baker III and Lee Hamilton, and announced that Secretary of Defense Donald Rumsfeld was resigning. Within two hours the president was in the Oval Office with Rumsfeld and his replacement: Robert M. Gates, Bush Senior's CIA director and the president of Texas A&M University, the home of Bush 41's presidential library. … Dad's team was back -- a remarkable course correction in the political life of the son and, quite possibly, in the life of the nation." Meacham adds, "These are 41's men, and the removal of Rumsfeld -- an ancient rival of Bush Senior's from the Ford days -- is a move toward the broad middle. … Did 41 help bring Gates to the Pentagon? The White House denies it, but, as a Bush friend told NEWSWEEK, 'his fingerprints are all over this.'"

Newsweek's Evan Thomas (11/20) says "it would be widely speculated that" Baker "helped arrange the firing of Rumsfeld and the appointment of Gates as part of a fundamental power shift, a last-ditch rescue operation -- by the old guard of Bush 41 to save Bush 43 from sinking ever deeper into the Iraq morass." Baker "has reason to want to downplay his role and the prospects for success. Over the next month or so, the Iraq Study Group must find a middle way, a plan of action that can be characterized neither as 'cut and run' nor 'stay the course.'"

U.S. News and World Report's Brian Duffy (11/20) writes, "One of Washington's more tedious parlor games has been the whispered wonderings about strains in the relationship between the younger Bush and his father. The return to center stage of one of the elder Bush's most trusted aides as Rumsfeld's replacement prompted a frenzied new round of psychobabble. Not only was Bob Gates the elder

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Bush's CIA director, but he also served as deputy to Brent Scowcroft, the older man's national security adviser and close friend. Scowcroft's break with the current White House over Iraq was offered as Exhibit A in the case for a rupture in the relationship between Bush père et fils. Hmm. If armchair psychology doesn't happen to be your thing, however, and you're one of the many millions of Americans whose vote seemed to express the belief that the Bush team has slipped its intellectual and political moorings, the casting of James Baker seemed to suggest a more simple if less charitable plotline: adult-supervision time!"

Time (11/20, Duffy, 4.03M) reports Gates' "task…is to preach change to a leader who has stuck to his line -- despite all kinds of evidence to the contrary -- for years now. … Dad's former aides will present the son with a plan for saving his presidency and, with it, some remnant of the family's brand name. None of those involved will call it an intervention, but it's fair to say the nation's future is at stake. Although Gates and Baker will be out front, others who worked for the patriarch are helping behind the scenes." Time adds, "It is tantalizing to imagine that Baker, who plans to issue his report next month, pushed Bush to dump Rumsfeld for Gates. A former Baker aide last week called the coincidence of timing 'painfully obvious.' … 'Baker wasn't going to let his report come out,' says a Gates aide, 'so that Rummy could stomp all over it.' As for Bush 41, he is staying above the nitty-gritty of the takeover, says one of 41's former aides, but 'he's definitely in the loop.'"

Gates Reportedly Criticized Administration's "Incompetence." Newsweek (11/20, Ephron, Hosenball, 3.12M) reports, "At sessions of the Iraq Study Group over the past months, Robert Gates was careful not to show his cards. But on the commission's long flight home from a fact-finding mission to Baghdad in September, after several drinks had been poured, the Republican panelist let loose on the Bush team. 'He said they really screwed up Iraq and, to a large extent, he couldn't figure out why it happened,' a source close to Gates who was on the plane told NEWSWEEK. Particularly foolish, Gates thought, were the decisions to occupy Iraq with a relatively small force and to purge the Iraqi civil service of Baath Party members. 'He couldn't believe there was such a degree of incompetence,' said the source, who did not want to be named because panelists were trying to keep their discussions out of the media."

U.S. News and World Report (11/20, Mulrine, Whitelaw, 2.03M) reports, "The nomination of" Gates "is a clear signal that the White House is trying to shake off its history of 'stay the course' rhetoric. But while Bush's motivation might have more to do with politics than with military strategy, Gates could make a real difference. A member of the bipartisan Iraq Study Group…Gates could be a critical bridge between the White House and the clutch of foreign-policy graybeards many Republicans and Democrats are looking to as a lifeline -- a last-gasp chance to reverse the downward trend in Iraq."

U.S. News and World Report's Kenneth T. Walsh (11/20) writes, "The choice of Gates allows the commander in chief to at least create the perception that he is looking for a fresh start in Iraq. … As a private citizen, Gates has criticized the administration for failing to use diplomacy aggressively enough to extract the United States from Iraq. And Gates has a track record of success."

Rumsfeld Allegedly "Humiliated" Rice. Newsweek (11/20, Barry, Hirsh, 3.12M) reports Rumsfeld "will likely go down as an erratic and arrogant manager who sullied America's reputation by allowing interrogation abuses at Abu Ghraib and other U.S.-run detention centers abroad; who haughtily dismissed advice from U.S. generals and senators alike to put in enough troops (in part because he didn't want another Vietnam), and who preferred to deny the reality of the Iraqi insurgency rather than confront it. … He offended allies, played down the State Department's role in planning for postwar Iraq and actively stymied Condoleezza Rice's efforts to do her first-term job as national-security adviser, which was to coordinate between agencies, according to numerous accounts. Sometimes he didn't even return her calls. 'Rumsfeld treated Condi like the hired help,' says a White House staffer who would discuss the relationship only if he was not identified. 'He did everything he could to humiliate her. And the president never intervened.'"

Adelman And Perle Accused Of Lacking "Contrition." In an essay for Time (11/20, 4.03M) Michael Kinsley writes, "Kenneth Adelman and Richard Perle said 'oops' earlier this month. … Both played a role in pushing the U.S. into war in Iraq--Adelman in an influential Washington Post Op-Ed promising that the war would be 'a cakewalk' and Perle warning of catastrophe if we left Saddam Hussein and his weapons unmolested. Now, interviewed in Vanity Fair, they say it all may have been a mistake. Oops! Yet in Vanity Fair's quotes, there is no note of contrition. … What is the proper way to act when you have made a boo-boo on the scale of what Perle and Adelman now admit to? A brief period

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of silence might be in order, followed by a bit of ideological spring cleaning."

Iraq Study Group Encouraged To Pursue Regional Stability. Newsweek's Fareed Zakaria (11/20) writes, "Press accounts of its deliberations suggest that the much-anticipated Baker-Hamilton report will make some intelligent recommendations. The committee will point out that America's strategy in Iraq must be placed in a broader regional context. For three years, America's Iraq policy has largely ignored the rest of the Middle East. That was no accident. The neoconservative vision was always that Iraq would be made anew, shorn of the flaws and ailments of the Arab world. … This absence of a regional strategy left Iraq open to its neighbors' most irresponsible instincts. Iran and Syria have helped keep the violence there on the boil. Saudi groups and individuals have funded Sunni militants. None of the surrounding nations would benefit if Iraq actually did collapse, setting off territorial disputes, sending refugees into neighboring lands and exporting Iraq's instability. Such an outcome can still be avoided, but only with active support from these countries. The Baker-Hamilton commission can be expected to recommend a major regional effort."

Democrats Want To Deal With Gates Nomination During Lame-Duck. The Financial Times (11/13, Guha) reports "senior Democrats" are indicating that they hope to complete the confirmation process for Defense Secretary-designate Robert Gates during the lame-duck session that opens today. Sen. Carl Levin, who voted against Gates' 1991 nomination to lead the CIA, "told ABC's This Week: 'I hope that his confirmation hearings can be held and that he will get a vote prior to the end of this Congress.' He reiterated his long-held reservations about the nominee but said: 'I'm going to have a fresh look at him.'" Sen. Joseph Biden, "who also voted against Mr Gates in 1991, said: 'I am inclined to vote for him now." The Wall Street Journal (11/13, C8, Spence, 2.04M) reports Gates would step down as a trustee at Fidelity Investments if confirmed.

Media reports this morning also suggest Gates will follow Rumsfeld's lead on terrorism and the military's transformation. The Washington Times (11/13, Scarborough, 88K) says current and former Pentagon officials say Gates "is not expected to rein in the aggressive global war on al Qaeda" started by Donald Rumsfeld or "reverse the transformation of the Army" Rumsfeld launched, but "instead focus on how to win in Iraq and get American troops home." One Pentagon adviser said, "He definitely is not seen as someone wimping out on the global war. How he does it, and what tools, and who he entrusts with them, that's a whole different issue." The Christian Science Monitor (11/13, Collins, 59K) says "not all experts believe the transformation has been helpful in the war on terror, and the sustainability of many of his reforms may ultimately depend on the ability of people to rise above intense negative feelings about him and see beyond his failings in the Iraq war."

Former Defense Secretary William Cohen said on CNN's Late Edition (11/12, Blitzer), "Any time you bring someone new, that that individual is going have a different relationship with the President, with Capitol Hill…not to mention with the Joint Chiefs of Staff and the commanders on the field. So, a different person brings a different viewpoint and a different dynamic with all of those groups. It's not enough to change the person. If the policy's going to remain the same, then in the final analysis, that won't make much difference. But I think in the beginning, a lot will change in terms of the relationships."

Bush 41 Said To Have Had "No Foreknowledge" Of Gates' Appointment. Brit Hume, on Fox News Sunday (11/12, Wallace), said, "The conventional wisdom in Washington, the buzz in Washington, is that 'Bush 41' and his gang are back in town. A couple of facts: Neither Baker nor 'Bush 41' were consulted ahead of time about the Gates appointment. President Bush the first got a phone call the morning of the Gates appointment giving him a heads up that it was about to happen. … The striking thing about the relationship between the first President Bush and the second is that for all the devotion between them, they don't discuss politics and political issues very much."

Bolten Said Bush Had Not Decided About Rumsfeld At Time Of Comment. Bolten also had to deal with questions about the President's pre-election comment that he expected Rumsfeld to stay on through the end of the Administration. On CNN's Late Edition (11/12), Wolf Blitzer asked Bolten, "When is it okay for the President to mislead the American public?" Bolten: "Yes -- he wasn't. He had not made a decision at that point. At the time that that interview was held, the President hadn't even met Bob Gates. Now he started his conversations with Secretary Rumsfeld about possibly getting fresh eyes on the problem. But the President…wasn't going to be comfortable making a change at the critical role of secretary of defense until he was sure he

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had somebody very strong to put in place." On ABC's This Week (11/12, Stephanopoulos), Bolten said much the same thing, saying that before the election, Bush "was talking about it and he was preparing to meet with Bob Gates, but he had never met Bob Gates." If Gates "had turned out to be the wrong guy, based on the conversation that the President was going to have with him, I do not expect that the President would have replaced Secretary Rumsfeld."

White House Facing GOP Ire Over Timing Of Rumsfeld Exit. The AP (11/12, Heilprin) reports the White House "is trying to soothe Republicans who say the party might have fared better on Election Day if President Bush had not waited" to dismiss Rumsfeld. White House Chief of Staff Josh Bolten said, "You could argue that either way, of what political effect an earlier decision on Secretary Rumsfeld would have had. But it doesn't matter. The president correctly decided that this decision does not belong in the political realm." And Counselor to the President Dan Bartlett, during an appearance on Fox News Sunday (11/12, Wallace), said Bush "was not going to inject the leadership of our military during a time of war into the final weeks or throes of a presidential or a midterm congressional campaign. It would send the wrong signal."

But on CNN's Late Edition (11/12, Blitzer), Sen. Arlen Specter was not satisfied, saying Bush "should have done it as soon as he had made up his mind. And that's a hard thing to calculate. But it's highly doubtful that he made up his mind between the time the election returns came in on Tuesday and Wednesday when Rumsfeld was out. And if Rumsfeld had been out, you bet it would have made a difference. I'd still be chairman of the Judiciary Committee."

AEI's Rubin Sees Inconsistency In Progressives' Views Of "Realists." In a Wall Street Journal (11/13, A16, 2.04M) Michael Rubin of the American Enterprise Institute writes, "What a difference a war makes. Today, progressives and liberals celebrate not only Mr. Rumsfeld's departure, but the resurrection of realists" like Gates and ex-Secretary of State James Baker. Today, "progressivism places personal vendetta above principle. Mr. Rumsfeld is bad, Mr. Baker is good, and consistency irrelevant."

Democrats, Bush Seen As Likely To Cooperate On Few Issues. Time (11/20, Thornburgh, 4.03M) reports, "Despite all the cordial luncheons and admissions that both sides love America, the President and the newly elected Democratic Congress aren't likely to find common ground on hot-button issues like stem-cell research and no-warrant wiretaps. Here's our pick of policies on which the two might actually do business." Time lists, the minimum wage, education, alternative energy and immigration as potential subjects for compromise. Time (11/20, Tumulty, 4.03M) reports, "now that the high fives and jubilant photo ops are behind them, Nancy Pelosi and Harry Reid have to run the place. Whether anything is actually accomplished on Capitol Hill over the next two years will depend largely on the skills these two leaders develop in maneuvering through the tricky challenges ahead."

U.S. News and World Report's Michael Barone (11/20) writes, "One can foresee areas of agreement. Bush will concede a fig-leaved minimum wage. On immigration, House Democrats and a solid Senate majority favor the Bush approach blocked by House Republicans. Advancing alternative fuels is another possibility. Some Democrats want tax-free savings vehicles for lower-paid workers; that sounds a lot like the individual investment accounts Bush proposed for Social Security. On some issues there will be no agreement-tax reform, probably. But big issues have been addressed in the past by divided governments. In the process, Bush is decoupling himself from the Republican Party. House Republicans, with little chance to affect outcomes, will be mostly ignored as House Democrats were under Clinton."

Democrats Regarded As Unlikely To Enact Major Healthcare Reform. U.S. News and World Report's Josh Fischman (11/20) writes, "Crisis is a word being used more and more often to describe the U.S. healthcare system. … Lawmakers are unlikely to wake up and enact major overhauls during the next two years. Big fixes will remain stuck in ideological gridlock, though small changes-such as allowing Americans to buy drugs from abroad or expanding state insurance coverage for low-income children-are possible, say a broad spectrum of policy analysts and congressional strategists. But larger reforms, such as incoming House Speaker Nancy Pelosi's proposal to let Medicare negotiate prices directly with drug companies, are likely to hit a wall in the Senate, where Republicans are still strong enough to hold up legislation and have genuine antipathy to expanding government programs."

Pelosi's Daughter Describes Bush's Cordial Treatment Of Her Mother. In an essay for Time (11/20, 4.03M) Alexandra Pelosi, Pelosi's daughter and creator of the documentary, "Journeys with George" about President Bush's 2000 campaign, writes, "When my parents came to have

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lunch with me at an Oakland airport hotel where Bush was giving a speech in March 2000, he did what he did when any member of the traveling press corps was in his or her hometown: he summoned us to his room so he could meet the parents. … The next time I saw them together, George was in the White House, and he told me, 'You ought to be proud of your mom.' At the time she was fighting her heart out on the House floor against the Iraq war. On any occasion that I have seen them together in private, they have appeared to be the best of 'frenemies' -- campaign-trail speak for politicians who keep their friends close and their enemies closer."

Full Agenda Planned For Lame-Duck, But Progress May Be Limited. The Los Angeles Times (11/13, Simon, Havemann, 850K) reports, "The ousted Republican-led Congress returns to the Capitol this week to try one last time to shorten a long legislative to-do list, while the just-elected members will vote for new leaders in races that could signal the direction the parties will take next year. The lame-duck session mixes a dispirited Republican Party and a Democratic Party that knows it will soon have the upper hand in both houses -- a potentially combustible cocktail." At a minimum, Congress "must pass a temporary spending bill to keep the government running until the next Congress takes office. Getting much else accomplished could be difficult." Thomas Mann of the Brookings Institution said, "Democrats won't allow anything to pass they don't like, and Republicans have little interest in starting the Democratic reign early. It could be a very short lame-duck session."

But while progress may be hard, the New York Times (11/13, A21, Hulse, 1.16M) says in a headline that an "extensive to-do list is awaiting action." Republicans "have compiled an ambitious to-do list, hoping to dispose of energy legislation, a trade deal or two, a civilian nuclear treaty with India and other favored bills," while Democrats "have some measures they want completed as well, most notably the spending bills, to save them the added work next year." The Atlanta Journal-Constitution (11/13, Shepard, 379K) says Bush "has urged Republicans to complete work on the spending bills to prevent the Democrats from changing his spending priorities for various agencies before the next budget cycle in 2007." The Wall Street Journal (11/13, A4, Lueck, Rogers, 2.04M) says Republican leaders "faced a mountain of work unfinished when members left town to campaign."

House GOP May Be Pressed To Accept Senate Drilling Bill. The AP (11/12, Hebert) reports, "The Democrats' return to power is increasing pressure on House Republican leaders to accept" the Senate's "limited expansion of offshore oil and gas drilling. Supporters of such exploration say the next Congress, with Democrats in control come January, probably will not tamper with the long-standing drilling bans that have protected most coastal waters for a quarter-century."

In an editorial, the New York Times (11/13, 1.16M) opposes President Bush's call for the outgoing Congress to pass legislation to authorize increased offshore drilling for oil and natural gas, calling the House bill "a broad, mischievous and badly conceived piece of work," and warning that a conference committee could "produce a bad bill much along the lines of the House measure."

WPost Offers Its Own To-Do List For Lame-Duck Session. The Washington Post (11/13, A20, 690K) editorializes that Congress should focus on "passing the 11 remaining spending bills for the 2007 fiscal year. … Another pressing task should be to give the District of Columbia full voting rights in the House." The Post also says "confirmation hearings and, if possible, a vote" on Defense Secretary-designate Robert Gates "would avoid delaying Mr. Gates's start in that important job. Congress should also approve normalization of trade relations with Vietnam in advance of the president's trip there this week and extend an expiring trade deal that provides benefits to key South American countries." The Post also lists the India nuclear deal and the restoration of the Iraq reconstruction IG on its list.

Bolton Not Expected To Win Confirmation. Newsweek (11/20, 3.12M) reports that the White House has asked the Senate to confirm US Ambassador to the UN Bolton "permanently during a forthcoming lame-duck session. But Joe Biden, the Senate Democrats' incoming Foreign Relations chair, signaled that the Dems will continue to block Bolton -- unless the administration turns over a set of ultrasecret National Security Agency intercepts that Bolton requested. Bolton said he needed to find out the names of Americans mentioned in them; Bolton's critics want to be sure he wasn't spying on subordinates." Sen. Lincoln Chafee "also signaled his continuing opposition to Bolton, virtually guaranteeing the nomination will die in this Congress. To date, the administration has refused to give Dems the documents they want. … Speculation is already circulating

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that he could be replaced by Zalmay Khalilzad, US ambassador in Baghdad, or Paula Dobriansky, an under secretary of State."

The Washington Post (11/13, A13, Heilprin, 690K) reports President Bush "will not relent in his defense" of UN Ambassador John Bolton despite "unwavering opposition from Democrats who view Bolton as too combative for international diplomacy, aides said yesterday." White House Chief of Staff Josh Bolten defended Bolton on both ABC and CNN yesterday, saying on CNN's Late Edition (11/12, Blitzer), "He's done a terrific job there. He's been the opposite of what many of his critics expected him to be. And that is, he has been a good consensus builder. He has helped lead the UN Security Council to good resolutions on Lebanon, on North Korea, a variety of other issues. So he's actually been a very effective UN ambassador, and I think the country's well-served to have him where he is." On ABC's This Week (11/12, Stephanopoulos), Bolten made a similar case, saying, "We're putting him up for confirmation. I think if he actually was able to get a vote in the full Senate, he would succeed."

But Democratic senators were no less assertive in arguing against the nomination. On ABC's This Week (11/12, Stephanopoulos), Sen. Joseph Biden said, "There's a lot of competent people. Send someone new up, Mr. President. Look, I'm not stopping Bolton. He doesn't even have the votes in the committee. He doesn't even have the votes of a Republican-controlled committee today. We're going to have a hearing on him. There is going to be a vote on him. He's going to lose."

Sen. Charles Schumer said on CNN's Late Edition (11/12, Blitzer) that Bolton is "for me…something of a mixed bag. On the one hand, I fully support his full support of Israel. … On the other hand, Bolton's philosophy has been very unilateral – 'The US can do it all, to heck with the rest of the world, to heck the rest of the nations.' And in this new world, where we have to fight a war on terrorism, a global war on terrorism, we can't fight it alone."

WSJournal Sees A Way Around Senate To Keep Bolton. The Wall Street Journal (11/13, A16, 2.04M) editorializes, "So let's see. Democrats retake the Senate, and their first act of 'bipartisanship' is to declare that they'll deny a confirmation vote" for Bolton. And now, "say the arbiters of Washington manners, President Bush is supposed to show his willingness to compromise by withdrawing Mr. Bolton's nomination. If Mr. Bush obliges, he'll be taking a big step toward turning last week's GOP defeat into a rout. … Having had one recess appointment, Mr. Bolton can't get another one and be paid. But he could retain his position and be paid if Mr. Bush names him to a non-confirmable post at State and then assigns him to the U.N. Ambassador's duties. Now, that's a compromise."

Automakers To Press Bush On Health Care, Weak Yen. USA Today (11/13, 2B, Hyde, 2.27M) runs Sunday's Detroit Free Press story that says that "when the heads of Detroit's automakers finally meet with President Bush at the White House Tuesday, they will press for more recognition of their issues, from the rising cost of retiree health care to the advantages a weak yen gives the Japanese." They "also will attempt to draw distinctions between themselves and foreign automakers whose U.S. branches generate record profits." The article says, "All sides expect no firm commitments from the scheduled 45-minute session, which will include Treasury Secretary Henry Paulson and Al Hubbard, director of the National Economic Council."

Study Says Renewable Fuels Could Provide 25% Of US Energy By 2025. The Wall Street Journal (11/13, A10, Fialka, 2.04M) reports, "A new Rand Corp. study showing the falling costs of ethanol, wind power and other forms of renewable energy predicts such sources could furnish as much as 25% of the U.S.'s conventional energy by 2025 at little or no additional expense." Another study "soon to be released by the National Academy of Sciences suggests wood chips may become a plentiful source of ethanol and electricity for industrial nations... ." The Journal says, "Because use of renewable fuels to replace oil and cut emissions of carbon dioxide is an area on which Congress's coming Democratic leadership and the Bush administration agree, the studies are likely to hasten efforts to increase production incentives next year, either in a new energy bill or a farm bill."

Bolten Says Bush Would Conditionally Support Minimum Wage Hike. White House Chief of Staff Josh Bolten said on CNN's Late Edition (11/12, Blitzer), "The President's always said that he would support a minimum wage that didn't end up pricing a lot of people at the lower end of the income scale out of the market, that is, costing them jobs. So, we've always been ready to do that. And we're ready work with Democrats on that issue."

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Dean Cautions Democrats To "Be Careful" Regarding Tax Cuts. DNC Chairman Howard Dean, on Fox News Sunday (11/12, Wallace), said, "both Speaker-to-be Pelosi and Majority Leader Harry Reid have said is that we won't raise taxes on the middle class. … In fact, many Democrats would like to give the middle class a tax cut. I think we have to be careful of that because I think, frankly, the budget deficit has been understated by about $100 billion."

Krugman Says Democrats Won On Economic Populism. In his New York Times column (11/13), Paul Krugman says Sen. George Allen "was only one of many faux populists defeated by real populists last Tuesday. Ever since movement conservatives took over, the Republican Party has pushed for policies that benefit a small minority of wealthy Americans at the expense of the great majority of voters. To hide this reality, conservatives have relied on wagging the dog and wedge issues, but they've also relied on a brilliant marketing campaign that portrays Democrats as elitists and Republicans as representatives of the average American." As "Robin Toner and Kate Zernike of The New York Times pointed out yesterday, what actually characterizes the new wave of Democrats is a 'strong streak of economic populism.'" Krugman says Sen. Joseph Lieberman "won only through denial and deception," and last week's "populist wave, among other things, vindicates the populist direction that Al Gore took in the closing months of the 2000 campaign. But will this wave be reflected in the actual direction of the Democratic Party? Not necessarily. Quite a few sitting Democrats have shown themselves nearly as willing as Republicans to bow to corporate interests." The "first big test of the new Democratic populism will come over reform of the 2003 prescription drug law. Democrats have pledged to repeal the clause in that law preventing Medicare from negotiating lower drug prices. But the fine print of how they do that is crucial."

Rubin Think Tank Seen As Source Of Democratic Economic Proposals. In his Washington Post column (11/13, A21), Sebastian Mallaby says, "During their long years in the wilderness, Democrats lashed out against trade and globalization, even though denying the economic case for trade is like pretending that tax cuts pay for themselves. Now that they have won Congress, the Democrats must prove that they are more than the mirror image of their opponents. This means reviving the pro-market centrism of the Clinton era -- a spirit that lives on in the form of the Hamilton Project," the "brainchild of Robert Rubin, Treasury secretary under Bill Clinton." Rubin's "great virtue was to be as free of ideology as is possible in politics and to recruit a team of clever pragmatists to work for him." With Peter Orszag, "a laser-brained economist at the Brookings Institution," Rubin "persuaded a number of fellow Democratic grandees to finance a center for Rubinomics in exile; and Orszag served as policy director, commissioning a series of creative pragmatists to grapple with the nation's economic challenges." Nearly "all the Hamilton proposals have three things in common. They would reduce the inequality that Democrats emphasized on the campaign trail. They would not bust the budget. And they would promote economic growth. If the political system can't make use of ideas that tick all these boxes, there is something desperately wrong with it."

Pelosi Will Push To Require Identification Of Earmark Sponsors. USA Today (11/13, Eisler, Kiely, 2.27M) reports on its front page that Democrats "aim to open the next Congress in January with a new rule that identifies lawmakers who use legislative 'earmarks' to help special interests -- a change Republicans promised but didn't implement." Likely Speaker Nancy Pelosi said her "first agenda item after being elected House speaker will be a vote to require sponsors of earmarks to be identified." However, the Los Angeles Times (11/13, Levey, Simon, 850K) says that "for years," Pelosi "has celebrated bringing home the bacon to her district." She "has not been linked to any impropriety. And not all the federal funding Pelosi boasts about came from earmarks. But the presumed new House speaker has proved a champion practitioner of the earmarking process over the years."

Reid May Have Benefited From Earmarks. Meanwhile, the Los Angeles Times (11/13, Neubauer, Hamburger, 850K) also reports that while Senate Democratic leader Harry Reid also "vows to make reform of congressional earmarks a priority of his tenure," 2005's "huge $286-billion federal transportation bill included a little-noticed slice of pork pushed by Reid that provided benefits not only for the casino town of Laughlin, Nev., but also, possibly, for the senator himself." Reid "called funding for construction of a bridge over the Colorado River, among other projects, 'incredibly good news for Nevada,'" but did not mention that "just across the river in Arizona, he owns 160 acres of land several miles from proposed bridge sites and that the bridge could add value to his real estate investment. Reid denies any personal financial interest in his efforts."

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Stark Says Democrats Need To Move Quickly To Revamp Medicare Drug Plan. In a USA Today op-ed (11/13), Rep. Pete Stark says, "Democrats won both houses of Congress last Tuesday because Americans supported our pledge to change direction on several major issues, including the Medicare Part D prescription drug benefit. There is no reason to wait." Stark adds, "I believe we must start work immediately to improve this incomprehensibly complicated plan, which overpays and deregulates private plans to the detriment of the beneficiaries and taxpayers. The same Republicans who certified its cost as $400 billion over 10 years, knowing the true figure was north of $550 billion, generated some of the polls showing satisfaction with Part D. Yes, premiums are lower than expected, not from market competition, but from massive Medicare subsidies to the insurance industry. With less than 3% overhead, universal coverage and lower prices, a Medicare-run plan could offer true competition."

Bartlett Says Bush Remains Opposed To Medicare Drug Purchase Negotiations. On Fox News Sunday (11/12, Wallace) Dan Bartlett, counselor to the president, was asked if the president is "willing to allow Medicare to negotiate lower drug prices," Bartlett responded, "We had this debate during the prescription drug debate when the Medicare reforms went in place two years ago. And the interesting thing about it is we now have some experience. And what happened was all the estimates saying that prices wouldn't come down were proven wrong. … The marketplace is working. … It's been benefiting America's seniors."

Democratic Plan For Medicare To Bargain With Drug Companies Criticized. In a Wall Street Journal op-ed (11/13, A16), Alain Enthoven, professor emeritus at the Graduate School of Business at Stanford, and Kyna Fong, a doctoral student in economics, say, "Nancy Pelosi has promised that when the Democrats come into control of the House, they will repeal the ban preventing Medicare from negotiating directly with pharmaceutical companies, within the first 100 hours. She must expect that this legislation will bring down drug prices dramatically. In fact, it is not obvious that allowing the government to negotiate with pharmaceutical companies will lead to lower prices than those achieved by private drug plans. There are several good reasons that government negotiations may not decrease drug costs." First, "negotiations are a bargaining process. The relative balance of bargaining power determines at which price the deal is struck." When the government "negotiates, its hands are tied because there are few drugs it can exclude without facing political backlash from doctors and the Medicare population, a very influential group of voters." Secondly, "by acting as one large buyer, the government will cause price discounts to become more expensive for pharmaceutical companies. In other words, the minimum price that the pharmaceutical company is able to accept increases. All else equal, this will lead to higher, not lower, prices." Finally, "there is the familiar economic argument that the market-determined price is the only fair price. How can the government determine what price is 'fair,' what price appropriately reimburses pharmaceutical companies for all their research and development efforts?"

Parties May Clash On Science, Technology Issues. The Christian Science Monitor (11/13, Spotts, 59K) reports, "For clues to whether bipartisan cooperation in Washington will take root or disappear from the table as quickly as the china after last week's get-acquainted lunches at the White House, watch how some key science and technology issues play out. Ordinarily, broad science goals- - such as better science education or the American Competitiveness Initiative -- draw bipartisan support." But "there are some divisive science topics on the Democrats' early agenda -- namely embryonic stem-cell research -- and these highly charged science and environmental issues will be one barometer of the durability of cross-aisle cooperation." The "potential for fractiousness exists in a number of policy areas where the ideas of the new Democratic majority differ from those of Republican lawmakers or the Bush administration." Among them are "funding for research into alternative-energy sources, what to do about global warming, the future of the space program, and charges that the Bush team has muzzled federal scientists and ignored scientific results in crafting environmental and public-health regulations."

Bolten Sees GOP Losses As An Opportunity For Bush. White House Chief of Staff Josh Bolten, on CBS's Face the Nation (11/12, Schieffer), said, "It's a big disappointment for us in the White House to have lost control of both Houses of Congress. But sometimes in adversity, there's opportunity, and hopefully we can take advantage of this opportunity and the bipartisan spirit that seems to prevail at least for the moment and get some good things done."

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Bartlett Claims US Public Wants More Bipartisanship. Counselor to the President Dan Bartlett, during an appearance on Fox News Sunday (11/12, Wallace), dismissed the contention that President Bush is now a "lame duck." According to Bartlett, "There's a lot of time for this president and this Congress to work together to address the big issues our country face. And I think that's the real lesson from this election this past Tuesday, is that the American people want to see their political parties in Washington work together to achieve the great goals our country faces right now, whether it be in the war on terror, whether it be keeping the strong economy growing, whether it be addressing issues such as energy independence, issues such as education."

Pelosi Backs Murtha In Race For House Majority Leader. The AP (11/13, Espo) reports incoming House Speaker Nancy Pelosi "stepped into a postelection power struggle among fellow Democrats on Sunday with a letter of support for Rep. Jack Murtha in the race to pick a majority leader." In the letter to Murtha, Pelosi wrote, "Your presence in the leadership of our party would add a knowledgeable and respected voice to our Democratic team." The AP adds Murtha is "widely viewed as an underdog in a two-man race with Maryland Rep. Steny Hoyer in this week's leadership elections."

The Washington Post (11/13, A1, Weisman, 690K) reports the "unexpected move signaled the sizable value Pelosi gives to personal loyalty and personality preferences. Hoyer competed with her in 2001 for the post of House minority whip, while Murtha managed her winning campaign. Pelosi has also all but decided she will not name the ranking Democrat on the House intelligence committee, Rep. Jane Harman (D-Calif.) to chair that panel next year, a decision pregnant with personal animus." Pelosi said "she was swayed by Murtha's early stance for a withdrawal of U.S. forces from Iraq. Her letter of endorsement yesterday made clear that she sees Iraq as the central issue of the next Congress and that she believes a decorated Marine combat veteran at the helm of the House caucus would provide Democrats ammunition in their fight against congressional Republicans and President Bush on the issue." Another "potentially fractious vote in the House Democratic Caucus was settled late last week when Rep. Rahm Emanuel (D-Ill.), the outgoing chairman of the Democratic Congressional Campaign Committee, decided against running for House majority whip. Rep. James Clyburn (D-S.C.), the only African American in the House Democratic leadership, had already announced his candidacy."

Pence Praised As Candidate For House Minority Leader Post. In a Wall Street Journal op-ed (11/13, A17), Stephen Moore of the Journal's editorial board says if Republican Rep. Mike Pence "wins his bid this Friday for House minority leader, he will become the second most influential conservative in Washington, behind President Bush." Congressional Republicans are "engaged in a desperate search for a new revolutionary, a Newt Gingrich figure to help them rediscover who they are and what they believe in." Pence "captained a conservative revolt that fell one vote short of killing the hugely expensive" Medicare prescription drug bill, and his "first spending vote in the House was against the No Child Left Behind education bill that the Bush White House still considers one of its crowning achievements. His reasoning: 'Why are we federalizing schools and education?'" Neither of "these incidents endeared Mr. Pence to Karl Rove or the Bush White House. But perhaps his principled stance is in need more than ever." Pence "believes that his party got trounced last week because of its embrace of what he derisively calls 'big government Republicanism.'"

Novak Blasts GOP's Expected Reelection Of House Leaders. In a syndicated column appearing in today's Washington Post (11/13, 690K), Robert Novak writes, "The depleted House Republican caucus, a minority in the next Congress, convenes in the Capitol at 8 a.m. Friday on the brink of committing an act of supreme irrationality. The House members blame their leadership for their tasting the bitter dregs of defeat. Yet the consensus so far is that, in secret ballot, they will reelect some or all of those leaders. In private conversation, Republican members of Congress blame Majority Leader John Boehner and Majority Whip Roy Blunt in no small part for their midterm election debacle." Yet "either Boehner, Blunt or both are expected to be returned to their leadership posts Friday. For good reason, the GOP often is called 'the stupid party.'"

Lieberman Declines To Rule Out Future Party Switch. Sen. Joseph Lieberman, on NBC's Meet the Press (11/12, Russert), said he will "caucus with the Democrats… because it's good for my constituents in Connecticut, because I retain my seniority." However,

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Lieberman added he has not "ruled out" switching parties, but "I hope I don't get to that point. And I must say, and with all respect to the Republicans who supported me in Connecticut, nobody ever said, 'We're doing this because we want you to switch over…and I appreciate that."

Senate Democrats Said To Have No Choice But To Govern From Center. The Christian Science Monitor (11/13, Chaddock, 59K) says that for Democrats, "the pledge to govern in a bipartisan way may not be postvictory rhetoric. At least in the Senate, it's a mandate of the math." The party will be "nine votes short of the 60 votes now needed to advance controversial bills," and "the terms of the Democrats' narrow victory make a politics of the center even more imperative. Most of the new Democrats in the Senate won by running as moderates or fiscal conservatives." Political analyst Rhodes Cook said, "They were carefully chosen not to reflect the liberal mainstream of the Democratic Party, but to reflect the more conservative mainstream of their states. It might be a return to the days when Democrats were technically a majority party, but when you put Republicans together with southern Democrats, they were the majority."

Meanwhile, the Washington Times (11/13, Fagan, 88K) runs brief profiles of the 10 new incoming senators, who "include a novelist and former Navy secretary, three soon-to-be former House members, a state treasurer and an organic farmer."

McConnell Unopposed For Senate Minority Leader. The AP (11/13, Zuckerbrod) reports while Sen. Mitch McConnell "regrets Democrats' control of Congress denies him the chance to become the next Senate majority leader, he sees the GOP carving out a significant, albeit slightly different role." McConnell, who is "running unopposed to be Senate Republican leader," said, "We'll be able block or shape legislation. My preference of course is to accomplish things." The AP adds that when the new Senate "convenes in January, Democrats will control 51 seats to Republicans' 49. The close split means Republicans still will have significant power, because it often takes 60 votes to pass legislation." McConnell said, "Forty-nine is a pretty robust minority. I've been there when we were at 42." The AP adds Republican senators "are to pick their leaders on Nov. 15. Utah Republican Sen. Robert Bennett said McConnell has been methodically planning for the top job, fending off potential challenges along the way."

Most FEHBP Enrollees Will Not See Premiums Increase. The Washington Post (11/13, D4, Barr, 690K) "Federal Diary" column reports, "For the next four weeks, federal employees and retirees will select their health insurance coverage for 2007. Many will escape the sticker shock of past years," with officials saying 63% of enrollees in the Federal Employees Health Benefits Program "will see no increase in their premiums next year."

NYTimes Urges Democrats To Focus On Appropriations Oversight. The New York Times (11/13, 1.16M) says in an editorial, "There have been many examples of the shambles that the Republican-controlled Congress made of its responsibility for oversight of the Bush administration. But none was so peremptory as the mass firing of 60 House appropriations investigators last month — virtually the entire hired staff responsible for tracking spending abuses in such money pits as the Iraq war, intelligence operations and the $62 billion Hurricane Katrina relief effort." The "result is that, until the Democrats assume committee control in January, there's an investigatory vacuum on such matters as soldiers' body armor in Iraq and levee and dam spending along the Gulf Coast." Democratic Rep. David Obey "takes the committee gavel in January, and among his tasks will be restocking the investigation staff and setting the committee back on a productive, bipartisan course. This should not be a matter of party vengeance, as some Republicans fear. Rather, it's a necessity of the course set by the voters to end one-party rule and find out what the government is actually up to."

NYTimes Says Democrats, GOP Must Address Trade Deficit. The New York Times (11/13, 1.16M) reports, "With the deficit reaching new highs and Democrats now able to wield real power, it is crucial that each side back off its constituent-pleasing myths" about the trade deficit. The Bush Administration "needs to tell the truth about the vulnerability that comes with large deficits. Thus far, the United States has had no problem attracting money from abroad to plug the gaps. But there is no guarantee that will continue indefinitely. If foreigners chose to invest elsewhere — like the strengthening economies of Europe or Japan — the result would be higher interest rates and higher prices in America, perhaps sharply higher." The Democrats "need to take a more pragmatic view of the lopsided trade situation. The surest way to make American businesses

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more competitive — and workers more secure — is to resolve the nation's health care mess."

OTHER NEWS:

Rove's Pre-Election Optimism Scrutinized. Newsweek (11/20, Wolffe, 3.12M) reports Karl Rove's "miscalculations began well before election night. The polls and pundits pointed to a Democratic sweep, but Rove dismissed them all. … He believed his 'metrics' were far superior to plain old polls. Two weeks before the elections, Rove showed NEWSWEEK his magic numbers: a series of graphs and bar charts that tallied early voting and voter outreach. Both were running far higher than in 2004. In fact, Rove thought the polls were obsolete because they relied on home telephones in an age of do-not-call lists and cell phones. Based on his models, he forecast a loss of 12 to 14 seats in the House -- enough to hang on to the majority." Newsweek goes on to report, "Ten days before the elections, House Majority Leader John Boehner visited Bush in the Oval Office with bad news. He told Bush that the party would lose Tom DeLay's old seat in Texas, where Bush was set to campaign. Bush brushed him off, Boehner recalls. 'Get me Karl,' the president told an aide. 'Karl has the numbers.' … Rove blames complacent candidates for much of the GOP's defeat. He says even some scandal-tainted members won when they followed what he calls 'the program' of voter contacts and early voting."

Time (11/20, Allen, 4.03M) reports Rove "now downplays his forecast. 'My job is not to be a prognosticator,' he told TIME in an interview in his West Wing office. 'I told the President, "I don't know where this is going to end up. But I see our way clear to Republican control." My job is not to go out there and wring my hands and say, "We're going to lose."' Rove chalks up the loss to corruption, incumbent overconfidence and conservative dissatisfaction with spending. He does not read the outcome as exclusively a judgment on either Iraq or Bush. 'Iraq mattered,' Rove says. 'But it was more frustration than it was an explicit call for withdrawal.'"

Bush Gave RNC $12 Million From Campaign Funds. Time (11/20, Allen, 4.03M) reports, "To keep the Republican National Committee from having to take out a loan, according to Republican officials, Bush chipped in $12 million of his campaign funds that otherwise would have gone to his presidential library."

GOP's Loss Of Congress Attributed To Bush's Iraq Policy. In his column for Newsweek (11/20, 3.12M) George Will writes, "More than any congressional elections in history, last week's turned on a single burning national issue. Control of Congress has changed because of deep discontent about Iraq. But Congress can, realistically, have little control over what we make of the mess we have made."

Time's Joe Klein (11/20) writes, "Not only did the Democrats lay a robust whupping on the Republicans in the midterm elections, but--far worse--the President was forced into a tacit acknowledgment that the defining policy of his Administration, the war in Iraq, was failing."

U.S. News and World Report's Mortimer Zuckerman (11/20) writes, "nothing hurt the Republicans more than the mess in Iraq. The possibility of success there was allowed to slip away through a fatal combination of arrogance and incompetence. Iraq, with its tortured history, was never going to be easy, but after 3 ½ years, with dozens of our troops dying each month and the nightly images of utter chaos on the evening news, is it any wonder voters are fed up?"

Democrats Expected To Capitalize On Gains In The West. Newsweek's Howard Fineman (11/20) writes, "The land west of the Mississippi, especially west of the 100th meridian, is the new swing region—and the place where Democrats hope to win the White House. 'It's our 21st-century-majority strategy,' said Simon Rosenberg of the New Democratic Network. … The Northeast turned a deeper blue. GOP moderates there are all but extinct; Democratic governors were elected by vast margins. The Republicans' Fortress South…cracked at the perimeter but largely held. The 'intermountain' West, meanwhile, was up for grabs. Democrats won the governorship in Colorado (and now have won five of the region's eight statehouses since 2002). The GOP hung onto the governorship in Nevada and a key Senate seat in Arizona."

Dean Claims Radio Ads Swung Evangelical Vote. U.S. News and World Report's "Washington Whispers" column (11/20, Bedard) reports, "One of the big surprises for the Democrats in the elections was winning up to 33 percent of the white Christian evangelical vote. And here's how they did it: Democratic Party Chairman Howard Dean says he simply bought every advertising minute available on Christian radio, effectively blocking out the GOP. Ads touted Democratic values. The real secret: 'We had the weatherman doing the ads. Why? Because he's a local person who could be trusted.'"

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Gingrich Blames DeLay For GOP's Defeat. Newsweek's Evan Thomas (11/20) writes, "Did the GOP revolutionaries, like so many revolutionaries before them, have to become the very thing they had once vowed to change?" Former House Speaker Newt Gingrich "blames his successors for taking the low road to disaster. … He specifically blames former majority leader Tom DeLay, who effectively replaced Gingrich as the GOP leader in the House from 1999 through 2005. In Gingrich's judgment, DeLay, as well as other Republican leaders, threw away the power of ideas in their narrow focus on self-preservation."

GOP Coalition Described As "Shattered." Newsweek's Jonathan Alter (11/20) writes, "The election marked the exhaustion of the movement that Barry Goldwater launched with his 1964 campaign. The intellectual vitality and coherence that once characterized modern conservatism have been shattered. Karl Rove is still arguing that the hot issues of this election—Iraq, corruption, sexual hypocrisy -- are only 'transitory.' He's ignoring deep fissures in his party. Neocons have been discredited and theocons dispirited."

President Seen As Unaware Of Public's Perception Of The Economy. Newsweek's Jane Bryant Quinn (11/20) writes, "Talk about being in denial. President Bush thought that voters should credit him for a great economy, even if they opposed the war. Just look at the numbers: low unemployment, low inflation, record profits, taxes down, stocks up. But in exit polls, half the voters called the economy 'not good' or 'poor.' Only 31 percent said they were 'getting ahead' financially. Someone's not in the loop. Is it the public or the prez?"

Steele Expresses Interest In RNC Post. The AP (11/13, Witte) reports Maryland Republican Lt. Gov. Michael Steele, "who lost his race for a Senate seat, expressed interest Sunday in becoming chairman of the Republican National Committee." On C-SPAN, Steele said, "I have not had any conversations directly with the White House yet on this." The AP adds current RNC Chairman Ken Mehlman is "stepping down when his two-year term ends in January. Mehlman made a point of emphasizing outreach to black voters and helped recruit Steele for the Maryland race." Steele, who "lost to Democratic Rep. Benjamin Cardin by a margin of 55 percent to 44 percent of the vote, said he believed it was time for the GOP to rethink its views in wake of losing both chambers of Congress in last week's midterm elections, which he described as a 'tsunami.' Steele said the electorate 'was very clear.'" Steele said, "They expected the administration and the party to step up and speak to particular issues and, failing that, there would be heck to pay — and we paid."

Democratic Georgia Incumbents Buck Countervailing Trend To Survive. The New York Times (11/13, Dewan, 1.16M) reports, "Politically speaking, Georgia proved to be a mirror image of the rest of the country in the midterm elections. Republicans swept nearly every statewide office, and turnout among Democrats was low, thanks to a lackluster candidate for governor." But "two Democratic congressmen in highly competitive races in the state seem to have successfully fought those odds, though they are hanging on by the slenderest of margins and are still waiting for their opponents to concede." Democrats "Jim Marshall of Macon, in the Eighth Congressional District, and John Barrow of Savannah, in the 12th District, were on the Republican Party's short list of beatable incumbents. Their adjoining districts, which encompass large rural areas, were redrawn by a Republican legislature, their opponents were former congressmen, and the National Republican Congressional Committee poured hundreds of thousands of dollars into the races. President Bush campaigned in each district twice."

Tester Described As "Your Grandfather's Democrat." In a largely favorable profile, the New York Times (11/13, Egan, 1.16M) reports, "When he joins the United States Senate in January, big Jon Tester -- who is just under 300 pounds in his boots -- will most likely be the only person in the world's most exclusive club who knows how to butcher a cow or grease a combine. All his life, Mr. Tester, 50, has lived no more than two hours from his farm, an infinity of flat on the windswept expanse of north-central Montana, hard by the Rocky Boy's Indian Reservation." Tester "truly is your grandfather's Democrat -- a pro-gun, anti-big-business prairie pragmatist whose life is defined by the treeless patch of hard Montana dirt that has been in the family since 1916. … Friends say not to worry about Mr. Tester going native in Washington. He said he planned to return home to the farm several times a month. He promised his barber, Bill Graves, that he would continue to come back to get his hair cut in the same wheat-field bristle."

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Debate Underway Over Whether Democratic Wins Amount To "Wave." The Washington Post (11/13, A19, Goldfarb, 690K) reports, "There is no doubt that Democrats did well on Tuesday, capturing almost 30 seats in the House, six seats in the Senate and control of both chambers. But was it the Democratic 'wave' that so many had believed was about to sweep the country? Republican leaders said it was not. … By some measures, the Republicans are right. Since World War II, the party in the White House has tended to lose seats in Congress in the sixth year of an administration, and the average losses matched this year's -- 29 seats in the House and six in the Senate. When there was an unpopular war, the losses were greater." But "political scientists say that assessment of Tuesday's results ignores an important change in recent years. They say Republicans have re-engineered the political map, stuffing congressional districts with supporters to make the districts reliably pro-GOP. The financial and electoral advantages of incumbency, moreover, have reached new heights."

The Washington Post (11/13, A8, Balz, 690K) reports, "Rarely has an election result been delivered with such force and clarity, and still left so many unanswered questions in its wake, as that of the 2006 midterm campaign. What happened is unmistakable. What it may portend is far less obvious, making the 2008 election, which already has begun, potentially the most important in a generation or more in shaping the nation's politics." Democrats "have been quick to claim that 2006 will be remembered as the end of a conservative era. … What the election was not, in the view of strategists in both parties, was a powerful affirmation of the Democratic Party, despite its takeover of the House and Senate. One post-election survey, conducted for the liberal groups Democracy Corps and the Campaign for America's Future, found that both Republicans and Democrats emerged from the contest with negative images." The Post adds, "Tuesday's election left American politics in a remarkably fluid state. In just six years, the political discussion has moved from analyzing the reasons for the nation's 50-50 divide, to predictions that the Republicans were close to establishing a durable majority, to questions about whether Tuesday marked a pendulum swing back toward the Democrats."

Media Role In Democratic Wins Critiqued. In a Washington Times op-ed (11/13), Douglas MacKinnon, a former press secretary to Sen. Bob Dole, says in addition to GOP "missteps" and "incredibly well-run Democratic campaigns," a third cause of the Democratic takeover of Congress is "that the remnants of objectivity in the mainstream media were all but exterminated by some on the left. A chilling and ominous development that played some role in the Democratic wave that is still splashing around the red states." There "can be no doubt that the left-of-center mainstream media helped to manufacture this election victory for the Democratic Party. For parts of the last two years, many in the media have worked in concert with the Democratic spin doctors to indoctrinate the American voter into believing this election had to be a referendum on President Bush and the 'failed' war in Iraq."

Democrats' Gains Said To Present Test Of Media's Objectivity. The Washington Post's Howard Kurtz, in his "Media Notes" column (11/13) writes, "Now the question is whether a press corps that has been openly at odds with the president will hold the newly empowered Democrats to the same tough standards. As with any new regime, Sen. Harry Reid and Rep. Nancy Pelosi are enjoying a media honeymoon for the moment -- especially Pelosi, because of her status as the first woman in line to become House speaker and her grandmother-of-five persona. That may not last long. But where will journalists set the performance bar? … The biggest change may be in store for liberal commentators, radio hosts and bloggers." Kurtz asks, "If Reid and Pelosi compromise with their more moderate colleagues, will hard-driving liberal bloggers turn on them?"

McCain Forms '08 Exploratory Committee. The AP (11/13, Yen) reports Sen. John McCain "said Sunday he is taking the initial steps for a White House bid in 2008, setting up a committee that allows a potential candidate to raise money and travel the country to gauge support." McCain "said he is moving toward a 2008 bid by 'doing things organizationally and legally' but will not make a final decision until early next year." During the 2006 election cycle, McCain "attended 346 events and raising more than $10.5 million on behalf of Republican candidates. He also donated nearly $1.5 million to federal, state and county parties."

The Washington Post (11/13, A8, Milbank, 690K) reports McCain, "appearing on NBC's 'Meet the Press' yesterday, said that while he won't make a decision until talking with his family over the holidays, 'Are we doing the things organizationally and legally that need to be done to prepare for it? Yes.' McCain indicated that the formation of an exploratory committee is imminent."

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The Washington Times (11/13, Pfeiffer, 88K) reports McCain "sought to secure his conservative credentials during the appearance, saying he considers himself a conservative in the mold of President Reagan. He also said he thinks Republican losses last week will prove a temporary setback for his party." McCain said, "I believe America is still a conservative right-of-center nation, and our message, our Republican message, is best." The Times adds although McCain "is not the favorite prospective candidate of some grass-roots conservatives, some observers think his prospects for securing the Republican presidential nomination have improved since last Tuesday's elections."

McCain Blames Scandals And Spending For GOP's Defeats. Asked on NBC's Meet the Press (11/12, Russert) to describe what lessons he took away from Tuesday's elections Sen. John McCain said, "We Republicans have lost our way, that we came to Washington to change government, and government changed us. The spending, the ethics, the massive programs such as Medicare prescription drug program, our failure to address their priorities as opposed to our own, and there was obviously a reaction to it. The Iraq war obviously is very frustrating. … But I would submit, if they were all against the Iraq war that you probably would not have seen my friend Joe Lieberman…re-elected. So they're frustrated by the war, but I also believe that many of our spending, the scandals, the ongoing scandals, the large government programs. In other words, one of the pillars of the Republican Party is fiscal conservatives. They were alienated by the fact that we let spending lurch out of control."

McCain's '08 Frontrunner Status Attributed To His "Frankness." U.S. News and World Report's Kenneth T. Walsh (11/20) writes Sen. John McCain "has made his reputation as a man who is outside the system, a guy who does things differently, who reaches across the aisle to the opposition, and people like that,' says a senior Republican strategist. 'People like his frankness. They know where he stands. And they think he would be a good guy to have a beer with.' And that, in a nutshell, is why McCain is the early leader for the Republican nomination in 2008."

Giuliani, Romney Rated As Top-Tier Candidates. U.S. News and World Report's Walsh (11/20) adds, "Two other men are generating buzz as they jockey for position as the main alternative to the front-runner. First on the list is former New York Mayor Rudolph Giuliani, who leads some public-opinion polls. … Perhaps the most aggressive behind-the-scenes campaign is being waged by outgoing Massachusetts Gov. Mitt Romney, a strong conservative with movie-star looks and big-time charisma. Romney is modeling his approach on George W. Bush's pattern from 1999, when Bush, then governor of Texas, invited party leaders to Austin for persuasive get-acquainted sessions. Romney is doing the same thing in Boston and is apparently making a good impression as a fresh-faced Washington outsider who radiates competence and optimism while advocating smaller government."

Biden To Announce Plans On Exploratory Committee Next Year. The AP (11/13, Yen) reports Democratic Sen. Joe Biden "reaffirmed his intention to seek his party's nomination, though an announcement about establishing an exploratory committee probably will not come until early next year." But the "anticipated wide-open campaign — for the first time since the 1928 race, the field will not include a sitting president or vice president — lost one possible participant when Sen. Russ Feingold, D-Wis., decided against a long-shot run." Biden, who "is line to take over as chairman of the Senate Foreign Relations Committee, also ran for president before, dropping from the 1988 race after it became known he had lifted a portion of a speech from a British politician without attribution."

Biden, asked on ABC's This Week (11/12, Stephanopoulos) about his planned presidential candidacy and if he is going to set up an exploratory committee, said, "I'm going to address that after the first of the year. I still plan on running. I haven't, quite frankly, thought through all of the mechanics of it at this point in terms of when to announce setting up an exploratory committee, but I plan on doing that."

The Washington Times (11/13, Pfeiffer, 88K) reports Biden "last made a run for the White House in 1988 and is considered by many to be one of his party's leading authorities on foreign-policy matters. Sen. Hillary Rodham Clinton, New York Democrat, is considered the front-runner for her party's nomination. However, a number of Democrats say they are open to an alternative to Mrs. Clinton because while many polls show her winning the Democrat's nomination, most of those same polls show her trailing against her potential Republican rivals in a general election." The Washington Post (11/13, A8, Milbank, 690K) says Iowa Gov. Tom Vilsack "last week became the first to announce his candidacy for the Democratic presidential nomination."

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Senatorial Experience May Not Serve Obama Well If He Seeks Presidency. The Washington Post (11/13, A19, Babington, 690K) reports Sen. Barack Obama (D-Ill.) "might be well advised to stay in the Senate several more years before running for president, as many strategists have suggested. But there are at least 40 reasons to challenge that advice." That is "the number of senators who have tried, and failed, to reach the White House since Sen. John F. Kennedy (D-Mass.) accomplished the feat in 1960. Nearly all of them had more Senate experience than Obama, underscoring the light regard that American voters show for senatorial longevity and expertise in presidential elections." If Obama's "aim is to become a more respected and knowledgeable senator -- in the mold of, say, Robert J. Dole (18 years in the Senate before his 1996 presidential race), Henry 'Scoop' Jackson (20 Senate years before his 1972 bid) or Richard G. Lugar (20 Senate years before his 1996 try) -- it may be a laudable goal. But it's a highly questionable presidential strategy." Obama, who "is 45 and just two years removed from the Illinois legislature, has a third option that is less viable for McCain and Clinton. He could angle for the vice presidency, a route to the Oval Office for former senators Harry S. Truman, Lyndon B. Johnson and Richard M. Nixon -- but not for Hubert H. Humphrey, Walter F. Mondale, Dan Quayle and Al Gore."

Polls Show Clinton's Still Hampered By Public's "Entrenched" Views. U.S. News and World Report (11/20, Gilgoff, 2.03M) reports Sen. Hillary Clinton "faces a familiar dilemma: Can she overcome the nation's entrenched views of her—and her husband—in a presidential campaign? For the presumed Democratic front-runner, the answer is unclear. A Gallup Poll this year found that 17 percent of Americans would definitely back her and that 49 percent would definitely not, but that less than 1 percent had no opinion."

Several Democrats Competing For Liberal Base Voters. U.S. News and World Report (11/20, Gilgoff, 2.03M) reports that "at this stage" former Sen. John Edwards "has some advantages among the liberals. He placed second to John Kerry in the all-important Iowa caucuses in 2004 and still has a loyal network of volunteers there. Edwards may also benefit from the addition of two states to the early primary lineup-his native South Carolina and Nevada, where he has strong ties to unionized hotel and restaurant workers." Sen. Russ Feingold, "who voted against the Iraq war and the Patriot Act, is reminding audiences in Iowa and New Hampshire that both measures passed Congress with Democratic support. … Of course, Democratic stars like Al Gore and Illinois Sen. Barack Obama could become the anti-Clinton darlings of the netroots, making them the two biggest x factors."

Elder Bush, Clinton Address Realtors Convention In New Orleans. The AP (11/13, Foster) reports they are "separated by more than 20 years, they come from opposing political parties, and one evicted the other from the White House. But Bill Clinton and George Bush act like a team, a pair of touring comedians with a well-honed act." The two former presidents "even have their entrance down pat, striding in with arms aloft, music pounding, lights flashing, the crowd standing and going wild." The pair "addressed more than 25,000 people attending the National Association of Realtors convention on Saturday, drawing at least six standing ovations and almost continuous applause." Bush and Clinton "thanked the real estate agents for holding their convention in New Orleans. It's the biggest convention to come to the city since Hurricane Katrina hit Aug. 29, 2005, and the pair has raised $130 million to aid New Orleans and the Gulf Coast in recovering from the storm." Regarding the "recent election, both said they had to deal with congresses controlled for most or all of their presidencies by the other party. They said some of the best legislation during that time were made through compromises." Clinton said "he did not think his wife, Sen. Hillary Clinton, had decided yet whether she would run for the presidency. 'If she were to be elected I think she would do a good job,' Clinton said." Bush added, "Yeah, but I'm having a little difficulty picturing this fellow walking behind her like Prince Philip behind the queen."

Ford Becomes Oldest Living President In History. The CBS Evening News (11/12, story 7, 0:10, Mitchell, 7.66M) reported, "Gerald Ford entered the history books again today by becoming our oldest living former President. At 93 years and 121 days Mr. Ford is one day older than Ronald Reagan was when he died in 2004." The Washington Post (11/13, 690K) also notes Ford's record.

Acumen Fund Designed To Be "Philanthropic Venture" Fund. The New York Times (11/13, Lee, 1.16M) reports the idea "befuddled

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donors and Internal Revenue Service lawyers alike when Jacqueline Novogratz approached them six years ago. A philanthropic venture capital fund?" Novogratz planned to make the Acumen Fund "a nonprofit charity" that "would invest in companies and groups that tackled global poverty." Novogratz said it was "an unusual idea to pitch to philanthropists," adding, "They had never seen an organization like us: raising charitable money but wanting the flexibility of grants, loans and equity investments in for-profit and nonprofit organizations." The Times adds Novogratz, "who has an M.B.A., has backgrounds in both in finance and philanthropy and worked as a banker at Chase Manhattan and as a manager of special projects at the Rockefeller Foundation before starting Acumen." Two "key people intuitively grasped the Acumen Fund's mission: Larry Page and Sergey Brin, the co-founders of Google, whom Ms. Novogratz first met at a Technology Entertainment and Design conference two years ago. During the period when Google's new charitable foundation, Google.org, was defining itself, the company's founders knew they shared a vision with Ms. Novogratz — a desire to reinvent philanthropy and push the boundaries of how people who had done well could also do good."

Liberals Urged To Co-Opt "Values" Debate. In a USA Today op-ed (11/13), Tom Krattenmaker of the USA board of contributors says, "I am a values voter. Given my progressive political and religious beliefs, some might find this a dubious claim — especially members of the Christian right, who with their rhetoric about 'values voters' suggest that only those who share their positions on abortion and same-sex couples possess something deserving of the term 'values.'" Apparently, "those of us who hold different positions on the hot-button issues as framed by social conservatives — those of us who turn our attention and hearts to other imperatives such as peace-making, poverty relief, environmental preservation and tolerance — have no values. According to the rhetoric of social conservatives, progressives are the 'anything goes' lot. Secularists, liberal Christians and followers of other faiths — we're the ones tearing America down with our moral weakness and hostility to the conservative Christian worldview." As progressives "wield language that once belonged solely to conservatives, may we do so fairly, in a way that acknowledges that the other side of the debate also has values. In so doing, we'll model other core values of ours: inclusiveness and respect for differing viewpoints."

WSJournal Notes World Bank Study Says Simple Tax Systems Promote Growth. The Wall Street Journal (11/13, A16, 2.04M) says in an editorial that the World Bank's "toiling economists have discovered that simplified tax systems promote economic growth. In a report titled 'Paying Taxes -- The Global Picture,' the World Bank and its co-authors at PricewaterhouseCoopers make the case for simplifying business taxes. Burdensome rules and multiple levies, they argue, promote tax evasion even when individual corporate tax rates are low. Make the system transparent and simple, and the private sector will pony up. It's an argument that could be made for personal income taxes, too." The survey "examines the tax regimes of 175 countries between April and July this year. It looks at the administrative tax burden that a hypothetical, limited liability company with 60 employees would face. The Bank's findings echo that of the flat-tax camp; namely, simple tax regimes promote compliance and efficiency."

Bush To Visit Vietnam This Week. USA Today (11/13, Jackson, 2.27M) reports, "President Bush travels this week to the site of an old military conflict casting a shadow over the United States and Iraq: Vietnam. Bush's trip, including stops in Singapore and Indonesia, is mainly to promote trade at a conference in Hanoi and discuss ways to combat terrorism in the region." But "the eight-day journey also includes reminders of how the Vietnam War roiled US politics and society and raises questions about whether the same thing is happening with Iraq." Bush "stressed what he said were the differences with reporters last week. He said Iraqis overthrew Saddam Hussein with US help, approved a new constitution and formed a government that is trying to move forward despite sectarian violence. Vietnam endured a civil war in which the communist North, backed by China and the Soviet Union, defeated a U.S.-supported government in the South." The Iraq war "is also being fought with a volunteer army, Bush said, without the compulsory draft that inspired protests in the 1960s and early '70s. The president also said US troops in Iraq are receiving more support from the American people than those in Vietnam did."

US, Vietnamese Officials Assessing Effects Of Agent Orange Spraying. The Washington Post (11/13, A1, Faiola, 690K) reports, "For decades, the United States and

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Vietnam have wrangled over the question of responsibility for the US military's deployment of Agent Orange." But "officials say they are now moving to jointly address at least one important aspect of the spraying's aftermath -- environmental damage at Vietnamese 'hot spots' such as Nguyen's city, Da Nang -- that are still contaminated with dioxin 31 years after the fall of Saigon. … Vietnamese and US officials last year conducted their first joint scientific research project related to Agent Orange. Testing of the soil near Da Nang's airport, where farmers say they have been unable to grow rice or fruit trees for decades, showed dioxin levels there as much as 100 times above acceptable international standards. Now the United States is planning to co-fund a project to remove massive amounts of the chemical from the soil." The Post adds, "A senior US official involved in Vietnam policy said the plan is evidence that the two countries, having embarked on a new era of economic cooperation, are finally collaborating to address the problem."

Vietnam Frees US Citizen Convicted Of Terrorism. The Washington Post (11/13, A17, Kessler, 690K) reports that a US citizen "convicted of terrorism in a Vietnamese court has been released and will arrive today in the United States, her daughter said yesterday. The case of Orlando resident Thuong Nguyen 'Cuc' Foshee had complicated efforts by the Bush administration to pass a major trade bill with Vietnam." The Post notes that President Bush will arrive in Hanoi on Friday for an Asian economic summit "and has pressed for the trade bill's passage before he leaves Washington." The House is expected to take up the measure today.

Bush To Discuss Trade With Putin. AFP (11/13, Collinson) reports, "President George W. Bush Wednesday holds the first of two meetings with Russian leader Vladimir Putin within five days, bearing the prize of a long sought-after pact on Moscow's entry into the WTO. While the deal announced Friday is a landmark between two former Cold War foes, it will also throw a harsh spotlight on growing strains in US-Russian relations, as it is expected to face harsh scrutiny in Congress." The two meetings, "one in Moscow on Wednesday and one in Vietnam next Sunday, come as expectations mount of an increasingly testy relationship between Congress, captured by Democrats in Tuesday's elections, and the Kremlin." AFP adds, "Concern is mounting among US legislators on a list of US-Russia disagreements, spanning Moscow's reluctance to impose sanctions on Iran over its nuclear program, geopolitical concerns like Georgia and post-Soviet states, human rights, and trade spats." There is also "disquiet over how the emerging energy superpower hands out oil and gas contracts, its arms sales to US foe Venezuela and the murder of Russian journalist Anna Politkovskaya."

Seoul Rejects US-Led Measures To Sanction North. The AP (11/13, Chang) reports South Korea "balked Monday at participating in a US-led plan that foresees intercepting North Korean ships suspected of carrying supplies for the regime's nuclear and missile weapons programs." Worried that stopping and searching ships "could lead to armed clashes" with the North, Seoul "also insisted it is already doing enough to prevent weapons proliferation by Pyongyang." Speaking about a report on how it would carry out UN sanctions, deputy foreign minister Park In-kook said Seoul "already participated in various regimes to control weapons of mass destruction, and wouldn't formally join the US-led Proliferation Security Initiative."

Russia Says Early December Proposed For Talks. AFP (11/13) reports that six-nation talks on ending North Korea's nuclear weapons drive "may be held at the beginning of December," Russia's ambassador to Japan, Alexander Losyukov, said. The ambassador said dates "early next month have been proposed among diplomats."

Czech Intelligence Says It Thwarted Nuclear Deals. The Los Angeles Times (11/13, 850K) reports briefly that the Czech secret service "disrupted three attempts last year by North Korea to purchase equipment needed for nuclear weapons production," Czech media reported. "Last year our service halted three export deals headed for North Korea, in particular special machine tools, their components and spare parts," a secret service spokesman, Jan Subrt, told the nation's CTK news agency.

Olmert Arrives In Washington For Talks On Palestinian Conflict, Iran. The Washington Times/AP (11/13, Teibel) reports Israeli Prime Minister Ehud Olmert began a five-day trip to the United States Sunday, "armed with an agenda focusing on the Iranian nuclear threat and Israel's relations with the Palestinians." On the flight over, Olmert "repeated his view that Iran will not scale back its nuclear ambitions unless it fears the consequences of its intransigence," a spokeswoman said. At the same time, Olmert appeared "to play down a senior Israeli official's suggestion that Israel is preparing for a military strike against

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Iran's nuclear program." The AP notes that Olmert "has said Iran's nuclear ambitions would be the main item on his agenda when he meets with US officials in Washington," where he "had dinner with Secretary of State Condoleezza Rice on Sunday, but neither US nor Israeli officials would describe the subjects of their conversation." Olmert was scheduled to meet with President Bush on Monday.

AFP (11/13, Bousso) says Olmert's meeting Monday with Bush "has been described in Israel as 'a down-to-business meeting' on Iran. With Tehran continuing to reject international calls to halt its nuclear enrichment efforts, Israel has in recent months moved the Iranian threat to the top of its agenda. But Israel could have reason for concern about the resignation of US Defense Secretary Donald Rumsfeld, a ferocious opponent of dialogue. His expected successor, Robert Gates, has signed onto a report calling for dialogue with Iran."

In a 3,000-word analysis piece titled "In New Middle East, Tests For An Old Friendship," the New York Times (11/13, Erlanger, 1.16M) reports, "Even before the American elections, a certain wariness had crept into the intimate friendship between Israel and the United States. … In theory, the two countries share a vision for a modern Middle East in which a thriving Israel would be accepted by its neighbors. But the Israelis balk at President Bush's embrace of regional change through promotion of Arab democracy. They view his effort as naïve and counterproductive, because it brings Islamists and Iranian clients to power. Although Israel was grateful to see Saddam Hussein overthrown, officials here have long focused on what they consider a much bigger concern: preventing Iran from gaining nuclear weapons. They say the American policies that have empowered Iranian-backed militias in Iraq have been counterproductive to Israel's interests."

In a column for the Washington Post (11/13, 690K), Jackson Diehl writes, "Today two bruised, weakened and defensive politicians, George W. Bush and Ehud Olmert, will sit down together at the White House for the first time in six months. Whether the tide of extremism now roaring across the Middle East -- from the Gaza Strip to Baghdad -- can be turned back could depend on whether they find a way to buck each other up." Bush and Olmert "will have to face the reality that Iran is winning -- not just in preserving its nuclear program but in a broader contest over the direction of the Middle East. Olmert's 'disengagement' plan is dead, at least for now; so is Bush's hope that an Iraqi coalition government could stabilize the country. … Imagine Ehud Olmert emerging from the White House to announce that Israel is prepared to explore peace with Syria. It might not turn the ugly tide in the Middle East. But it would, at least, get Israel and the United States back in the fight."

Olmert Discusses Lessons Learned From War In Lebanon. Newsweek's Lally Weymouth (11/20) interviews Israeli Prime Minister Ehud Olmert. Olmert, discussing the aftermath of Israel's attack on Lebanon this summer, says, "After the war, and the failure of the Palestinians to cope with continued terrorist actions, I had second thoughts about my ability to accomplish the two-state solution through realignment. One thing I can promise: under no circumstances am I going to withdraw from the need to engage in a serious dialogue with the Palestinians. The Palestinian issue is on the agenda. There is no way we can ignore it. We have to find the best partner—a lot depends on the Palestinian leadership." Asked if is planning to speak with president Bush about Iran, Olmert said, "I think that Bush is the last person on earth who needs to be reminded of what should be done in order to stop Iran. If there is one person I can trust, it's him."

Rice Says US "Concerned" By Syria's Aid To Hezbollah. AFP (11/13) reports Secretary Rice said Sunday in an interview with Israel's Maariv daily that Washington "believes Syria is a dangerous state whose territory is being used for the accelerated arming of Lebanon's Hezbollah militia." The newspaper quoted the Secretary saying Syria is "a dangerous state that is behaving in a dangerous manner. The United States is concerned and is following closely the use of Syrian territory as a way-station for the accelerated arming of Hezbollah." As Israeli Prime Minister Ehud Olmert arrives in Washington for talks with President Bush, Rice called Syria "a way-station for Iranian arms that cross the Middle East," and stressed that the US is "watching this situation closely," while "working with additional international agencies in order to tell Syria that it must change this behavior pattern."

Echoing Secretary Rice's comments, White House Chief of Staff Josh Bolten said on ABC's This Week (11/12, Stephanopoulos), "Our problem with Iran and Syria in the past, I don't believe, has been a lack of communication. In fact, during the first term of this President, we spent a lot of time trying to talk to the Syrians to no effect. So I don't think there's been a communications problem. There's been a cooperation problem. Iran and Syria have been meddling in

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Iraq in a very unhelpful way. Iranian weapons and technology have found their way into the Iraqi conflict and are being used to kill Iraqis and American soldiers. That needs to stop."

Arab League Calls For New Round Of Mideast Peace Talks. The CBS Evening News (11/12, story 4, 1:50, Mitchell, 7.66M) reported, "Tonight the Arab League is calling for a peace conference with Israel. And while the Hamas led Palestinian government has endorsed the idea, so far, Israeli officials say unless Hamas recognizes Israel there will be no meeting. Mark Phillips reports from Tel Aviv tonight on another week of violence in the Middle East and another try for peace from the White House." CBS (Phillips) added, "Call it two damaged leaders in search of the Mideast policy. Israeli Prime Minister Ehud Olmert is in Washington to see President Bush. The agenda, to explore where, if anywhere, the stalled peace process can go from here. It seems to be going backwards, especially last week. The funeral in Gaza of 18 people, seven of them young children killed by Israeli shells, has stoked the fury of Palestinian militants who have vowed revenge. And the hail, however ineffective of Hamas rocket fire into southern Israel, has continued despite the Israeli attempts to stop it. In this context Israel's occasional offers to hold talks with Palestinian President Abbas have gone nowhere. … But Abbas is in no position to sit down and talk. He's still trying to resolve a bitter internal power struggle between his own Fatah movement and the more militant Hamas, which is stubbornly refusing to recognize Israel's right to exist. … No matter what happens in meetings in Washington this week further violence, not peace, seems the more likely outcome."

The Washington Times/AP (11/13, Nasrawi) reports the Arab League statement said ministers sought a conference to resolve the Israeli-Palestinian conflict "according to international resolutions and the principle of 'land for peace.'" Meanwhile, Arab ministers "also decided Sunday to end a financial blockade on the Palestinians to show their anger over US veto in the" UNSC Saturday condemning the Israeli attack in Gaza. Arab League Secretary-General Amr Moussa said the decision to break the Western-lead financial blockade was "a message to the United States."

Cabinet Resignations Shake Beirut. Following this weekend's resignations of five Shitte cabinet ministers, the New York Times (11/13, Slackman, 1.16M) reports, "Lebanon is in the middle of a political crisis that is not just a matter of jockeying for power, but a fundamental realignment of authority here -- and perhaps in the region." The Times says the resignations set the stage "for a showdown between Hezbollah and its allies, which are aligned with Syria and Iran, and the Sunni, Druse and Christian leaders who control the largest bloc in Parliament and side with the West. Hezbollah has threatened to stage demonstrations as early as Monday, but Hezbollah officials said Sunday that they were waiting to see how their opposition responded and were considering all options. The governing coalition is expected to make its counterstrike on Monday."

Iran Says It Will Retaliate If Attacked By Israel. The AP (11/13, Karimi) reports, "Iran's military will retaliate swiftly and strongly if Israel attacks any Iranian nuclear sites, the Foreign Ministry said Sunday." The warning "came two days after Israel's deputy defense minister suggested Israel might be forced to launch a military strike against Iran's disputed nuclear program as 'a last resort.'" Foreign Ministry spokesman Mohammed Ali Hosseini said, "If the Zionist regime commits such stupidity, the response by the Iranian military will be swift, strong and crushing. … Iran will take no longer than a second to respond."

Ahmadinejad Calls UN Efforts To Impose Sanctions "Disgraceful." The New York Times (11/13, Fathi, 1.16M) reports, "President Mahmoud Ahmadinejad on Sunday described efforts by the United Nations Security Council to impose sanctions on Iran as 'disgraceful.'" Iran "contends that its nuclear program is peaceful and that its aim is to produce fuel for its nuclear power plants."

Islamists Capture Somali Town. The AP (11/13, Nor) reports, "Islamic militants said they captured a town in central Somalia on Sunday after they came under attack from pro-government militiamen backed by troops from Ethiopia and a semiautonomous region in northern Somalia. The fighting erupted near the border of the Puntland region, one of the few areas in Somalia still outside the control of the Islamic movement. The group said it captured the town of Bandiradley, about 430 miles north of the capital, Mogadishu, and two of its fighters were killed in the battle." The New York Times (11/13, Gettleman, 1.16M) says "each side blamed the other for the bloodshed, which claimed as many as 10 lives." The Financial Times (11/13, Biedermann) and Wall Street Journal (11/13, A4, Higgins, 2.04M), among other sources, also report the story.

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Chinese Sub Stalked US Aircraft Carrier Last Month. The Washington Times (11/13, Gertz, 88K) reports, "A Chinese submarine stalked a U.S. aircraft carrier battle group in the Pacific last month and surfaced within firing range of its torpedoes and missiles before being detected, The Washington Times has learned." The "surprise encounter highlights China's continuing efforts to prepare for a future conflict with the US, despite Pentagon efforts to try to boost relations with Beijing's communist-ruled military." The Times adds, "The submarine encounter with the USS Kitty Hawk and its accompanying warships also is an embarrassment to the commander of U.S. forces in the Pacific, Adm. William J. Fallon, who is engaged in an ambitious military exchange program with China aimed at improving relations between the two nations' militaries."

US Says Castro's Health Deteriorating. The CBS Evening News (11/12, story 5, 0:10, Mitchell, 7.66M) reported, "US officials are telling the Associated Press they think that Castro is dying of cancer. They believe the ailing 80-year-old Cuban leader is not likely to live beyond next year." The AP (11/13, Shrader) says Washington's "dire view was reinforced last week when Cuba's foreign minister backed away from his prediction the ailing Castro would return to power by early December."

UN Official Meets With "Brutal" Ugandan Leader. The New York Times (11/13, Gettleman, 1.16M) reports on Joseph Kony, "one of the most vilified rebel leaders on the planet." He "stands accused of brainwashing countless children across northern Uganda, turning the girls into sex slaves and the boys into prepubescent killers. His so-called Christian movement, the Lord's Resistance Army, has terrorized this corner of Africa for nearly 20 years, killing tens of thousands of people, burning down huts and hacking off lips. The fact that Mr. Kony, whose followers believe he is a prophet, rarely appears in public has only added to his brutal mystique." But "on Sunday, he came out of the bush. At a camp deep in the forest on the Congo-Sudan border, Mr. Kony materialized to meet Jan Egeland, the United Nations under secretary general for humanitarian affairs and emergency relief."

The Washington Post/AP (11/13, A16, Pownall) reports Kony and Egeland "shook hands before speaking for 10 minutes in a green tent erected by the United Nations." Egeland "was seeking the release of women and children enslaved by the group during its 20-year conflict with the Ugandan government." But Kony "denied that his forces were holding prisoners."

Al Jazeera Seeks To Extends Its Reach, Influence. The New York Times (11/13, Fattah, 1.16M) reports, "Al Jazeera, the Arab news channel that began a decade ago as an upstart, has became a thorn in the side of every dictator in the region as well as of the Bush administration. Critics call it radical; its admirers lionize it. And the network continues to battle accusations that it is sympathetic to Al Qaeda and other extremists." Meanwhile, "Al Jazeera's journalists are working to transform the channel into a conglomerate with global reach. By the end of the year, Al Jazeera will have news channels in Arabic and English, a pan-Arab newspaper, Web sites and blogs, sports and children's outlets, and even a channel modeled after C-Span. The network (it turned 10 on Nov. 1) is also looking to extend its sphere of influence beyond the Arab world. On Wednesday, it will start the English-language Al Jazeera International, its most ambitious initiative yet, which will go on the air from Asia to the United States."

Ortega's Transformation In 2006 Campaign Examined. Álvaro Vargas Llosa, the director of the Center on Global Prosperity at the Independent Institute in Washington, writes in the New York Times (11/13, 1.16M) that in Nicaragua, Daniel Ortega "tossed the olive green fatigues and the red and black flag; his campaign colors were pink and turquoise, and his theme song a Spanish version of John Lennon's 'Give Peace a Chance.' He apologized for the massacre of the indigenous Miskito people that took place in the north of the country during his first regime and, finally, he instructed his legislators to vote for a bill banning abortion even in cases of a threat to the woman's life." Llosa adds, "What this farcical saga tells us is that Daniel Ortega was much more interested in being president than in being principled and, more important, that anyone who wants to lead today's Nicaragua needs to persuade voters that he will respect the rule of law and private property, will try to lure investment and will be sensitive to the nation's religious heritage. … In a sense, these moderate left-wing leaders, perhaps now including Mr. Ortega, are a lot more in sync with what Ronald Reagan and his men were aiming for in Central America in the 1980s than Oliver North would care to admit. As they fall over themselves pandering to the church, the

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business community and conservative voters, there's little time left over for creating a New Man."

Ortega's Professed "Evolution" Convinces Some Former Enemies. Time (11/20, Padgett, 4.03M) reports Nicaraguan President-elect Daniel Ortega "sounds like a changed man. 'We won't eradicate poverty by eradicating capital or alienating investors but by joining forces with them,' he says. Ortega is playing to the audience, but even former rivals believe that his evolution from communist strongman to nascent capitalist may be genuine."

Calderon Describes Immigration In Context Of Free Markets. In an interview with Time (11/20, 4.03M) Mexican President-elect Felipe Calderon is quoted as saying, "I cannot imagine the future of North America -- Canada, the U.S., Mexico--without a free market. Free in all senses of the word, in terms of goods and services and in terms of labor too. You cannot have an efficient and prosperous economy, even in the U.S., without developing a single, free market. On the other hand, I realize how important the immigration problem is for Americans. It is the same for Mexico. Every year we lose the best of our people: young, responsible, hardworking people. In Mexico you see a lot of towns made up of only women and the elderly. That is not exactly the country we want to have. I believe that migration is a bilateral problem, and it needs to be solved by creating jobs in Mexico."

US Media Coverage Of Africa Criticized. Novelist Chimamanda Ngozi Adichie writes in the Washington Post (11/13, 690K) about "the view of Africa from the American media, in which we are shown poverty and conflicts without any context. If I were not African, I would, after watching the coverage, think of Africa as a place of magnificent wild animals in which black Africans exist as tour guides, or as a place of desperately poor people who kill or are killed by one another for little or no reason. … Which brings me back to Madonna. I applauded her funding of orphanages in Malawi. I wish, however, that instead of asking television viewers to go to Africa and adopt, she had asked them to send a check to malaria-eradication organizations. … I wish she had pointed out, with suitable celebrity-style rage, that Western countries need to stop appeasing and propping up hopeless African leaders, that Western banks must stop enabling and accepting stolen money from these leaders, that Western donors who insist on the free movement of capital across borders must also insist on the free movement of labor. I wish she had then shown, with graphs on the screen, how these things affect the father and relatives of David Banda."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Democratic Lawmakers Will Seek A Phased Withdrawal From Iraq."
"Afghan Army Could Help Unify A Nation."
"A Friendly Voice, When Pirates Strike."
"Near A Pristine Desert Peak, Housing Looms."
"Reid Pledges Earmark Reform, But May Benefit."
"KB Home CEO Ousted Over Stock Options."

USA Today:

"Cleric Al-Sadr May Hold Iraq's Future In His Hands."
"Hospitals Too Slow On Heart Attacks."
"Democrats: Identify Pork Sponsors."

New York Times:

"Democrats Push For Troop Cuts Within Months."
"Influence Rises But Base Frays For Iraqi Cleric."
"Identity Thief Is Often Found In Family Photo."
"In New Middle East, Tests For An Old Friendship."
"Fresh Off The Farm In Montana, a Senator-To-Be."
"As Sonics Pack To Leave Town, Seattle Shrugs."
"Leaving The City For The Schools, And Regretting It."

Washington Post:

"Blasts Kill Iraqi Police Recruits."
"Pelosi Backs Murtha for Majority Leader."
"Vietnam's Toxic War Legacy."
"Like Clockwork: Hour Of Delay, Hour Of Flight."
"Va. State Police Swap '10-4' For 'Message Understood."
"Hunch Unravels Wedding Scam."

Washington Times:

"China Sub Security Stalked U.S. Fleet."
"Democrats To Propose Iraq Pullout."
"Petty Disputes Spur D.C. Killings."
"Shi'ite Fanatic Rises In Iraq To Fill Void Left By Zarqawi."
"Abused Wives in India Pin Hope On Anti-Violence Law."
"Israel's Lieberman Talk Touch."

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Detroit Free Press:
"The Road Toyota Took To Success."
"Up North Deer Hunters Migrate Down South."
"Holy Heroics Batman!"

Atlanta Journal-Constitution:
"Lame Ducks' Agenda Heavy."
"$1.8 Million Bailout."
"Atlantans Capture Hip-Hop Awards."

Houston Chronicle:
"Dyna-Might."
"Time Up For Last major Enron Exec."
"School Promotes high-Tech Tip Line."

Story Lineup From Last Night's Network News:
ABC: Preempted By MLS Cup Championship.
CBS: New Course-Iraq; Iraq Sectarian Violence; Sectarian Violence-Iraq Police Problem; Israel Palestinian Conflict; Castro's Health; Motor Medics; Oldest living Former President; College Admissions; Portraits Of fallen Soldiers; Ed Bradley Remembered.
NBC: Preempted By Football.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Bush-Iraq Study Group; Iraq's PM-Cabinet Reshuffle; Saudi Arabia's Interior Minister-Iraq; Olmert, Bush Meeting; CA Wildfire; Ford-Longest Living President; Heart Attacks-Quicker Response Ideas; Heart Attacks-Connection To Intense Anger.
CBS: Iraq-Militias; Bush-Iraq Study Group; Northeast US-Rain; Northwest US-Precipitation; CA Wildfire; Heart Disease-Survival Rate Disparity Between Black And Whites; South Korea-Won't Join US-Led Plan To Search Cargo Going To And From North Korea; Weekend Box Office; Canada-Chocolate Recall.
NPR: Bush-Iraq Study Group; Congress-Lame Duck Session; Bush-Bolton Appointment; Finance Minister From Afghanistan-Canadian Troops; South Korea-Won't Join US-Led Plan To Search Cargo Going To And From North Korea; Spain-Maritime Disaster Demonstrators; Explosive Remnants Of War Treaty.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — Meets with the Iraq Study Group; meets with Israeli Prime Minister Olmert, White House.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: FLOOR SCHEDULE _ 2 p.m. Meets for morning business.

2:30 p.m. HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS _ Full Committee. Hearing on pending nominations. Location: Room 342, Dirksen.

US House: FLOOR SCHEDULE _ 2 p.m. Meets for legislative business. Highlights: Suspensions (10 bills): 1) H.R. 409 - Sierra National Forest Land Exchange Act of 2006; 2) H.R. 3085 - To amend the National Trails System Act to update the feasibility and suitability study originally prepared for the Trail of Tears National Historic Trail and provide for the inclusion of new trail segments, land components, and campgrounds associated with that trail, and for other purposes; 3) S. 1131 - Idaho Land Enhancement Act; 4) S. 4001 - New England Wilderness Act of 2006; 5) H.R. 1129 - Pitkin County Land Exchange Act of 2006; 6) S. 435 - Lower Farmington River and Salmon Brook Wild and Scenic River Study Act of 2005; 7) S. 819 - Pactola Reservoir Reallocation Authorization Act of 2005; 8) H.R. 6121 - To amend the Federal Water Pollution Control Act to reauthorize a program relating to the Lake Pontchartrain Basin, and for other purposes; 9) S. 1140 - Senator William V. Roth, Jr. Bridge Designation Act; 10) H.R. __ - To authorize the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of Vietnam, and to establish a procedure for imposing quotas on imports of subsidized textile and apparel products of Vietnam 6:30 p.m. Approximate time for swearing in for Rep.-elect Albio Sires who is filling the seat of Robert Menendez of New Jersey, and for Rep.-elect Shelley Sekula-Gibbs who is filling the seat of Rep. Tom DeLay.

Other: ISRAELI PRIME MINISTER OLMERT _ Highlights: Meets with President Bush. White House. 4 p.m. Olmert's Press Secretary, Miri Eisen, holds a briefing to discuss the meetings with President Bush and Secretary of State Rice. National Press Club. Contact: Michael Doyle, 202-383-0006.

EDUCATION _ The Public Education Network holds its 16th annual conference on the transformation of public education by local education funds. Highlights: 12 p.m. Former Secretary of State Madeleine Albright. Location: Fairmont Hotel, 2401 M St. NW.

GLOBAL SOLUTIONS _ Citizens for Global Solutions holds a conference to develop bipartisan foreign policy for the

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21st century. Highlights: 9 a.m. Opening session with Rep. Jim Kolbe and Montana Gov. Brian Schweitzer. 10:15 a.m. Rep. Jim McGovern. 12:30 p.m. Luncheon: ``Nuclear Weapons, Power and 21st Century Security'' with Laura S. H. Holgate, Vice President for Russia/New Independent States (NIS) Programs, Nuclear Threat Initiative; Mary Beth Nikitin, Fellow, Center for Strategic & International Studies; Dr. Edward Lyman, Senior Staff Scientist, Global Security Program, Union of Concerned Scientists. Location: Hotel Palomar, 2121 P St. NW.

MIDEAST _ The Middle East Institute holds its 60th annual conference. Highlights: 9 a.m. Keynote speech - Energy Secretary Bodman. 10:15 a.m. Panel on exiting Iraq, with Jay Garner, US Army (retired); Brian Katulis, Center for American Progress; David Satterfield, Senior State Dept. Coordinator, Iraq; Qubad Talabany, Kurdistan Regional Government. 2 p.m. Panel on Afghanistan, Pakistan and regional stability, with Steve Coll, The New Yorker; James Dobbins, RAND Corporation; Richard Giguere, Royal Canadian Forces Attachi; Bruce Riedel, Brookings Institution. Location: National Press Club.

KING MEMORIAL _ 8:40 a.m. - 12 p.m. Ceremonial groundbreaking for the Martin Luther King Jr. Memorial. Location: National Mall, Independence Ave. and West Basin Dr.

MILLENNIUM CHALLENGE-MALI _ 9 a.m. Secretary of State Condoleezza Rice, Chair of the Board of the Millennium Challenge Corporation (MCC), will make remarks at the signing of the Millennium Challenge Compact between the United States and the Republic of Mali. Malian President Amadou Toumani Touri and MCC Chief Executive Officer Ambassador John Danilovich will also make remarks. The $461 million Compact will be signed by Ambassador Danilovich and Mali's Minister of Foreign Affairs Moctar Ouane. Location: Benjamin Franklin Room, Department of State.

TORTURE _ 9:30 a.m. Former military interrogator and prominent psychologists will discuss preliminary findings from their groundbreaking analysis on the efficacy of torture at a press conference. Recent media reports on the use of torture in intelligence gathering operations have raised important questions about the effectiveness of harsh interrogation methods. Does torture generate reliable information? Is torture an effective tool for the war on terrorism? The following participants will discuss their preliminary findings: Jean Maria Arrigo, co-founder, International Intelligence Ethics Association; Fathali Moghaddam, professor of psychology and author of From the Terrorists Point of View: What They Experience and Why They Come to Destroy; a Former Military Interrogator. Location: Georgetown University Alumni House, 3604 O St. NW.

GAS MILEAGE _ 10 a.m. The Consumer Federation of America holds a news conference to release a study of consumer attitudes toward gasoline prices and their auto purchase plans, and another analysis of how manufacturers have responded to the calls for improved fuel economy. Location: New York Room, Capital Hilton, 16th and K Sts. NW.

RUSSIA _ 10:30 a.m. The American Enterprise Institute hosts a lecture by Yegor Gaidar, acting prime minister during the first government of President Boris Yeltsin and the architect of the free-market revolution in post-Soviet Russia, discussing the lessons of the Soviet states failure to the new direction of the Kremlin in the last few years. Location: 12th floor, AEI, 1150 17th St. NW.

CONGRESS-ENVIRONMENT _ 11 a.m. Environmental groups hold a telephone news conference to discuss the outlook for environmental legislation in the new Congress. Contacts: Tony Iallonardo, 202-271-8602. Notes: Callin number: 800-311-9407; passcode: Audubon1.

MARRIAGE _ 11 a.m. Women's Voices. Women Vote and pollster Stanley Greenberg hold a telephone briefing to release the results of a12-state, 4-day tracking poll of unmarried women. Analysis will include results from three polls, including a 12-state survey of unmarried women, election day exit polls and an over sample of a Democracy Corps Election night survey. Contacts: Lisa Sohn, 415-901-0111. Notes: Callin number: 800-362-0653; call title: women's voices; passcode: 7vote.

ELECTION-ANALYSIS _ 12 p.m. The Kettering Foundation holds a roundtable discussion analyzing the election returns, with Bliss Browne of Imagine Chicago, Michael Delli Carpini of the Annenberg School of Communication, Brenda Firton-Mitchell of the National Council of Churches, Richard Harwood of the Harwood Institute, former Mississippi Gov. William Winter, others. Location: National Archives.

ELECTION-WOMEN _ 12 p.m. The National Council of Women's Organizations holds a news conference to discuss the election results, how women were mobilized and voted and how women fared as candidates. Participants include

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Denise Baer, Strategic Research Concepts, President; Martha Burk, National Council of Women's Organizations; Lorraine Cole, YWCA, Chief Executive Officer; Kim Gandy, National Organization for Women, President; Dolores Huerta, United Farm Workers, Co-Founder; Crystal Lander, Feminist Majority, Campus Director; Eleanor Smeal, Ms. Magazine, Publisher; E. Faye Williams, National Congress of Black Women, Chair. Location: National Press Club.

HEALTH INSURANCE _ 12 p.m. America's Health Insurance Plans group releases a new plan to expand access to health insurance coverage to more than 40 million people. Location: Grand Hyatt Hotel, 1000 H St. NW.

RENEWABLE ENERGY _ 12:30 p.m. The Energy Future Coalition and the 25x25 Alliance will hold a media lunch to discuss a new RAND Corporation study showing that America could dramatically increase its use of renewable energy at little to no cost to the economy. Location: National Press Club.

AIDS-SENATE _ 1 p.m. Dr. Gary Puckrein, executive director of the National Minority Health Month Foundation, and other AIDS activists hold a telephone news briefing calling for the immediate passage of the Ryan White CARE Act reauthorization bill currently stalled in the US Senate. Contacts: Hillary Maxwell, 202-572-6205. Notes: Dialin number: 800-361-0912; confirmation code: 4699501; title: Ryan White CARE Act.

BLOGGING _ 1 p.m. ``Beltway Blogger Boot Camp," a workshop designed to provide up-to-the-minute blogging best practices for communications, public relations and government relations professionals, hosted by Washington public affairs firm Issue Dynamics, Inc., with leading DC-area blog experts. Location: National Press Club.

FAITH SYMBOL _ 1 p.m. Americans United for Separation of Church and State announces litigation to force the Department of Veterans Affairs to recognize the Wiccan faith symbol, the pentacle, for use on memorial markers, plaques and headstones. Location: National Press Club.

MOCNY _ 1 p.m. US-VISIT Acting Director Robert Mocny speaks at the US-VISIT 10-Print Industry Day. Location: 12th floor, 1400 N. 14th St., Arlington. Notes: Homeland Security Secretary Chertoff speaks to the same meeting at 1:30 p.m.

CONGRESS-ACLU _ 1:30 p.m. The American Civil Liberties Union holds a conference call briefing to discuss the lame duck congressional session and its potential impact on civil liberties. Contacts: Mandy Simon, 202-675-2312. Notes: Dial in number: 800-816-4134. Access Code: 69922.

COMPETITIVENESS _ 2 p.m. The Council on Competitiveness holds a news conference to release the Competitiveness Index: Where America Stands. Location: JW Marriott, 1331 Pennsylvania Ave, NW.

CLIMATE CHANGE _ 3 p.m. The Environmental and Energy Study Institute holds a briefing with officials from the British Embassy discussing the just-released Stern Review on the Economics of Climate Change. Location: Room 2360, Rayburn.

ELECTION-FOREIGN POLICY _ 6 p.m. Georgetown University sponsors a panel discussion on the impact of the election on foreign policy, with former Rep. Mickey Edwards, former Undersecretary of State Marc Grossman, former Assistant Secretary of State Wendy Sherman, others. Location: Bunn Center Auditorium, on campus.

ENERGY _ 6 p.m. The Defense Department holds a program with Brian Appel, chairman and CEO, Changing World Technologies, Inc., discussing ``Thinking Differently About Energy Sources: A Paradigm Shift - from Waste to Fuel." Location: Doubletree Hotel Crystal City, 300 Army Navy Dr., Arlington.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

DOJ To Argue For Ressam Sentence Before 9th Circuit Panel. The AP (11/13, Johnson) reports, "The Justice Department says there is 'precious little' to explain why Ahmed Ressam received a sentence of only 22 years for plotting to bomb Los Angeles International Airport on the eve of the millennium. Ressam's lawyers say the sentence was a decade too long." The AP continues, "A three-judge panel of the 9th U.S. Circuit Court of Appeals will hear their arguments Monday. … Both sides are challenging aspects of the punishment U.S. District Judge John C. Coughenour imposed last year. Ressam's lawyers, Thomas Hillier and Michael Filipovic, believe that one of the nine counts he was convicted of should be thrown out, which would reduce the sentence by 10 years." The AP adds, "The U.S. Attorney's Office has suggested that Coughenour's decision to sentence Ressam to less than the 35 years it requested may have been colored by a distaste for the Bush administration's treatment of 'enemy combatants.' In their appeal, prosecutors repeatedly cited Coughenour's comments at sentencing, when he said Ressam's case illustrated that U.S. courts are plenty capable of handling terrorism cases. … 'We did not need to use a secret military tribunal,' the judge said at the time, 'or detain the defendant indefinitely as an enemy combatant, or deny him the right to counsel, or invoke any proceedings beyond those guaranteed by or contrary to the United States Constitution.'" The AP notes, "Customs agents in Port Angeles, across the Strait of Juan de Fuca from Canada, caught Ressam with explosives in the trunk of his rental car when he arrived by ferry in December 1999. The arrest prompted the cancellation of millennium celebrations at Seattle's Space Needle. He was convicted of terrorism and explosives charges at trial in 2001, then decided to tell investigators what he knew about al-Qaida in an effort to win a shorter sentence."

WAR NEWS:

Democrats Will Seek To Begin Withdrawing Troops From Iraq. The Los Angeles Times (11/13, Miller, 850K) reports Democrats appearing on the Sunday political shows said they "would press to begin a phased U.S. military withdrawal from Iraq within four to six months, part of an agenda aimed at overhauling key aspects of U.S. policy in the Middle East." But senior White House officials "countered that setting timetables for U.S. troop withdrawals would weaken the Iraq government and embolden insurgents." Still, they "acknowledged a need for fresh ideas on Iraq and expressed a new willingness to negotiate with Democrats on an array of foreign policy issues. White House Chief of Staff Josh Bolten indicated that the president would block legislation calling for a scheduled withdrawal." The front-page New York Times (11/13, Stolberg, Mazzetti, 1.16M) story paints the White House as conciliatory, saying the Administration "signaled a willingness to listen to the Democrats' proposals," with Bolten "saying in two television

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appearances that the president was open to 'fresh ideas' and a 'fresh look.'"

The Financial Times (11/13, Guha, Eaglesham) says that while "courteous in tone, the renewed sparring shows how difficult it will be to sustain the bipartisan approach to government pledged by leaders of both parties following last week's vote, in which the Democrats won control of both houses of Congress for the first time in 12 years." A Washington Times (11/13, Pfeiffer, 88K) report is more blunt, saying that Joseph Biden of Foreign Relations and Carl Levin of Armed Services, the "two top Senate Democrats on foreign policy yesterday said they will introduce a resolution in January calling for troops to start being withdrawn from Iraq by this summer, a move that Sen. John McCain said would put the U.S. in the worst of both worlds." USA Today (11/13, 4A, 2.27M) also runs a summary of the Sunday morning back-and-forth.

Bolten said on CNN's Late Edition (11/12, Blitzer), "Everybody's objective here is to succeed in Iraq. I think that's true of Democrats as well as Republicans. What the President has said is that we need to get fresh eyes on the problem. We need a fresh perspective. And that's why he has his Pentagon" and Joint Chiefs of Staff Chairman Gen. Peter Pace "conducting a review of all of our options in Iraq. He's asked his other national security agencies to do the same in parallel. We're looking forward to the recommendations of the Baker-Hamilton bipartisan Iraq Study Group. And we're looking forward to a dialogue with bipartisan leaders in Congress." On ABC's This Week (11/12, Stephanopoulos), Bolten made an almost identical case, noting the reviews by the Pentagon and other agencies and the upcoming Baker-Hamilton report.

As for a timetable, Bolten said on ABC's This Week (11/12, Stephanopoulos), "I don't think we're going to be receptive to the notion there's a fixed timetable at which we automatically pull out, because that could be a true disaster for the Iraqi people. But what we've always been prepared to do and remain prepared to do is…put pressure on the Iraqi government to take over themselves. It's what Prime Minister Maliki wants himself to do."

Senate Democrats Say Change In Course Needed. On CBS's Face the Nation (11/12, Schieffer) Senate Democratic leader Harry Reid said, "We need to have a redeployment in Iraq. What does that mean, pull everybody out now? Of course not. But it does mean that we need to change our operation there to counterinsurgency, better training and force protection. Number two, we need to revitalize the reconstruction. … And also what we need to do is have a regional conference led by the President of the United States and participated in by Saudi Arabia, Jordan, Egypt, Syria. It's a regional problem. It's not all our problem."

On ABC's This Week (11/12, Stephanopoulos), Levin said, "First order of business is to change the direction of Iraq policy. The people spoke dramatically, overwhelmingly, resoundingly to change the course in Iraq, in a message that was heard around the world. I hope it was heard in the White House."

Biden, also on ABC's This Week (11/12, Stephanopoulos), said the only leverage Democrats have "is international and domestic public opinion, and, most importantly, the pressure coming from [the President's] own Republican colleagues. The last thing the senators who are up for reelection in 2008 want is to be saddled with a continued failure in Iraq as a consequence of Republican policy, that is the President's policy."

Sen. Charles Schumer said on CNN's Late Edition (11/12, Blitzer), "The present strategy in Iraq is not working, and there needs to be a change in course. Many of us took the fact that Secretary Rumsfeld is no longer defense secretary as a first step, a signal that they were open to new ideas. And we'd like very much to work with the President and try to get some kind of change of course in Iraq."

Iraq Debate Expected To Spark Dissension In Democratic Camp. Newsweek (11/20, Darman, 3.12M) reports, "The most difficult debate facing the Democrats will be over Iraq. After six years of decrying their lack of oversight on military policy, party leaders now have co-ownership of the Iraq account. Many Democrats say the party should focus its energy on pressing the White House for a change of course in current policy, rather than dredging up old debates over the manner in which the administration took the country to war. But Carl Levin, the new chairman of the Senate Armed Services Committee, says he also intends to demand access to some 58 internal Defense Department memos dealing with prewar Iraq intelligence and military planning. These memos involve the Pentagon's Office of Special Plans and the Counter-Terrorism Policy Evaluation Group, two secretive units that have been accused of cooking the books on Saddam's weapons of mass destruction and alleged ties to Al Qaeda."

U.S. News and World Report (11/20, Brush, 2.03M) reports, "The new crop of Democrats is a pretty varied lot-Iraq veterans, antiwar candidates, social conservatives, gun-control foes, fiscal hawks. … Indeed, the election of majority leader-a contest likely to pit John Murtha, the Pennsylvania Vietnam vet who called for troop redeployments, against current Minority Whip Steny Hoyer, who's more cautious on Iraq-is already exposing the deep tensions within the party."

U.S. News and World Report's Gloria Borger (11/20) writes, "This election wasn't really about the Democrats. It was about the other guys-and how they couldn't run Washington or manage the war. There was no Democratic agenda beyond their 'Had Enough?' bumper sticker. Did it work? Yep. But did it produce a mandate? Nope-at least not beyond the marching orders to clean up Washington, fix Iraq, and get something done. It's a huge opportunity for the

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Democrats. If they're smart, they'll find a way to grab it-and fast. Immigration reform and the minimum wage top the list. Then, of course, there's finding a way out of Iraq. That's what the voters want."

Pelosi Calls US Troops In Iraq "A Magnet For Terrorists." In an interview with Time (11/20, Bacon, 4.03M) House minority leader Nancy Pelosi was asked if she would like to see "at least 30,000 troops…home from Iraq by this time next year," Pelosi responded, "Yes. I would hope at least that number would be out of harm's way. They are viewed as an occupation force. Our presence there is a magnet for terrorists."

Lieberman A "Wild Card" On Iraq In Senate. The Washington Post (11/13, A4, Murray, 690K) writes that along with the election of "war critics" like Sherrod Brown, Bernard Sanders, and James Webb to the Senate last week, voters "also gave a fourth term to Sen. Joseph I. Lieberman, a staunch supporter of the war, and in the narrowly divided Senate that will convene in January, the veteran Connecticut Democrat is positioning himself to become a key figure in discussions" about US Iraq policy. And "both sides are seeking to please this political wild card."

White House Readies For "Busy Week" On Iraq Policy. The CBS Evening News (11/12, lead story, 2:40, Mitchell, 7.66M) led with the White House's preparations for "a busy week, one that could set in motion a change of policy in Iraq. The President meets this week with a group of advisors charged with re-examining US involvement there." And it is "back to the future for the President with friends of his father, front and center." CBS (Chen) added, "He is politically bruised and heading into the lame duck years of his term, but the President's team says don't count him out just yet." White House Chief of Staff Joshua Bolten: "As of today, we have 800 days left in this Administration, which is a long time." Chen: On Monday morning, "Bush meets with the Iraq Study Group, aiming to take on the single issue that cost his party most of the polls. As he tries to salvage his own legacy, Mr. Bush is turning to help from some old hands, wise men from his father's Administration. … The crew is full of familiar faces from the first Bush Administration: James Baker, former Secretary of State; longtime confidante and former Wyoming Sen. Allen Simpson; and Lawrence Eagleberger, also a key player for 'Bush 41.' He steps in for Robert Gates, the former President's CIA Director. Gates was tapped last week to take over the Pentagon in a post-election concession that the current approach to Iraq isn't working." The report also mentioned the Newsweek poll pegging the President's at "just 31%, that is a new low. But if it is any consolation to him, it is still two points higher than his father's lowest point."

McCain Reiterates His Call For Additional US Troops In Iraq. Sen. John McCain, on NBC's Meet the Press (11/12, Russert), said, "I believe that a withdrawal, or a date for withdrawal, will lead to chaos in the region, and most military experts think the same thing. I believe that there are a lot of things that we can do to salvage this, but they all require the presence of additional troops. Now, if you want to give up on Iraq, then fine, and take the consequences. I think there will be chaos in the region. But we need to control this insurgency, we need to embed people with the police and the military, we need to clear and hold -- and hold is the important part -- so we can expand areas of security." Sen. Joseph Lieberman, also on NBC's Meet the Press (11/12, Russert), said, "I wouldn't send more troops just for the sake of sending more troops. But I would if it is tied to a success strategy."

Kristol, Kagan Say Bush Should Send More Troops. In a Financial Times (11/13, Kagan, Kristol) op-ed, William Kristol and Robert Kagan of the Weekly Standard write, "Instead of looking for a face-saving way to lose in Iraq," Bush "could finally demand of his top advisers a strategy to succeed: provide the US force levels necessary to achieve even minimal political objectives. This could begin by increasing US troops in Iraq by at least 50,000 in order to clear and hold Baghdad without shifting troops from other parts of Iraq. These operations could then be expanded into areas of insurgency. This strategy would not stabilise the country right away but could secure Iraq's vital centre and provide real hope for progress."

Harvard Scholar Says "Iraq Is Gone." In a Washington Post (11/13, A21, 690K) op-ed, Monica Duffy Toft of Harvard's Kennedy School of Government writes under the headline "Iraq Is Gone. Now What?" that Iraq "is rapidly disintegrating, and there is no longer anything that can stop the disintegration, save perhaps an invasion by Israel, Iran or Syria." The US "is now faced with an awful choice: leave and allow events to run their course or lend its dwindling support to one or more of the emerging states. … It is high time" the US and its allies "began national discussions about the relative merits of leaving or staying and, if they stay, about the merits of supporting the Sunnis, Shiites or Kurds. Either way, what we now think of as Iraq is almost certainly as gone as what we once thought of as Yugoslavia, and for the same reasons."

White House Downplays Honors For Bush Iraq Advisers. The Washington Post (11/13, A19, Williamson, 690K) reports that on Wednesday, "on the hung-over morning after midterm voters told President Bush what they thought of the Iraq war, a White House news release arrived in our inbox, with the cryptic subject line 'PERSONNEL ANNOUNCEMENT.' Hidden therein was a list of this year's National Medal of Arts and National Humanities Medal winners, to be honored the next day by the president and first lady Laura Bush in the Oval Office. No invite, no number to call for information, just a list." The Post adds, "Why so little

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fanfare? Could it have been because the humanities honorees included Middle East scholars-turned-Bush advisers Fouad Ajami and Bernard Lewis, whose views helped get us into Iraq in the first place? On the day of the prestigious ceremony, the White House Web site featured -- nothing."

Iraqi Prime Minister Announces Government Shake-Up. Iraqi Prime Minister Nuri Kamal al-Maliki Sunday announced that he was planning a major shake-up of his cabinet. The New York Times (11/13, Semple, 1.16M) says the move is aimed at "redress[ing] his six-month-old government's failure to curb widespread corruption, reduce sectarian violence and improve public services." Speaking to a closed session of Parliament, Maliki "suggested that some of his ministers were incompetent but said he had been forced to accept his cabinet under pressure from the country's major political blocs." During the session, Maliki "did not disclose which ministers he planned to replace. But legislators close to the prime minister said he did not intend to change the political distribution of the cabinet seats," which is mostly Shiite. The Times notes that the Maliki administration "has been facing mounting criticism from American officials and some Iraqi leaders impatient with the prime minister's inability -- or unwillingness -- to disarm militias, particularly those linked to the most powerful Shiite parties that form the basis of his ruling political alliance."

The Financial Times (11/13, Negus) reports that the declaration is "part of an apparent push to revive an initiative to bring the country's quarrelling sectarian blocs into a national pact, after the government was accused by both Sunni and Shia of failing to protect them." According to the Times, "Criticisms have focused on the vital interior and defence ministries, which control the security forces," and warns that "in choosing new ministers, Mr. Maliki will face the challenge of winning approval from parties that have seen little interest in reaching compromises, and instead appear to have sought control over government agencies to give them an edge in the country's sectarian conflict."

In a front page article, the Washington Post (11/13, A1, Raghavan, 690K) calls the shake-up "the latest blow to US and Iraqi efforts to strengthen the country's fledgling security forces." According to Hasan Suneid, a lawmaker and close aide of the prime minister's, Maliki "told lawmakers in the closed session that he had been forced to accept ministers chosen by political blocs and that some were incompetent" and "asked the blocs to nominate new people for his cabinet, based more on their qualifications than on their political loyalties."

The Los Angeles Times (11/13, Zavis, 850K) reports Maliki "scolded lawmakers at a closed Parliament session Sunday for putting sectarian concerns over national interests," and later "told journalist he has authorized the use of 'extreme force' against private militias blamed for surging bloodshed between Iraq's dominant Muslim sects that has claimed more lives lately than the anti-U.S. insurgency." USA Today (11/13, 2.27M), Los Angeles Times (11/13, Zavis, 850K) and Washington Times/AP (11/13, Hurst) also report the story.

Sadr Seen As Losing Hold On His Base. The New York Times (11/13, Tavernise, 1.16M) reports on the "taming" of Moktada al-Sadr, and says "the more settled he becomes in the establishment, the looser his grip is over his fighters on the streets and those increasingly infiltrating the security forces. In the two years since they fought against American tanks at Mr. Sadr's command, many have broken away from the confines of compromise that bind him, and have taken a far more active role in killing, something his supporters say worries him. He says he is trying to weed them out -- 40 were publicly dismissed last month." The Times adds, "The increasing violence of some of his followers mirrors the overall unraveling of Iraq, which has become less centrally controlled and far more criminal since the American invasion in 2003."

USA Today (11/13, Jervis, 2.27M), under the headline "Cleric Al-Sadr May Hold Iraq's Future In His Hands," says Sadr "has emerged as one of the most powerful forces in Iraq, commanding a large militia and a growing political organization. … As President Bush and the Democrats in charge of a new Congress plot a new direction in Iraq, al-Sadr remains a huge obstacle unless the Iraqi government does what it has been unwilling or unable to do so far: neutralize him through political negotiations or a military confrontation."

Iraqi Government Scheduling Mass Executions. Time (11/20, Bennett, 4.03M) reports, "Since September 2005, when three men were hanged in the southwestern city of Kut after being convicted of running a murder-and-kidnapping ring, the Iraqi government has executed 50 prisoners convicted of murder or kidnapping, says spokesman Ali al-Dabbagh. An adviser to Prime Minister Nouri al-Maliki says the government plans to execute 'two or three more batches of 14 or 15 each' in the coming months."

Three US Soldiers Killed As Violence Claims 159 Lives In Iraq. The CBS Evening News (11/12, story 2, 0:15, Mitchell, 7.66M) reported, "The US military announced today three American soldiers died yesterday in fighting in Iraq's Anbar Province. Four British troops were killed and three seriously injured today in an attack on a patrol boat in Basra. A suicide bomber blew himself up outside a police recruiting center in Baghdad killing at least 35 people. And the Iraqi police and military reported finding at least 75 dead bodies today in Baghdad and Baqubah.

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Officials say around 1600 bodies were taken to Baghdad's morgues in October." The AP (11/13, Hurst) reports "raging sectarian violence…claimed at least 159 more lives, including 35 men blown apart while waiting to join Iraq's police force." The Washington Post (11/13, A1, Raghavan, 690K) also reports the story.

Fifty-Five Journalists Have Been Killed This Year. The Christian Science Monitor (11/13, Peterson, 59K) reports, "The label 'independent' media in Iraq has become a death sentence, in what has become the world's most dangerous environment for local journalists. Already this year 55 Iraqi journalists have been killed -- more than any other year -- and four remain hostages. … A growing number of incidents in recent months have demonstrated the insurgency and militia's power to target and intimidate. There have been a string of media murders against print, radio, and TV journalists."

Stopping "Brutal Fanatic" Abu Deraa A Top US Priority. The Washington Times (11/13, Freeman, 88K) reports, "Less than six months after an American air strike ended Abu Musab Zarqawi's campaign of Sunni terrorism, an equally brutal fanatic has emerged on the Shi'ite side of the religious divide." Abu Deraa's "trademark method of killing is a drill through the skull rather than a sword to the neck, but his work rate is just as prolific as the former al Qaeda in Iraq leader's and shows the same diabolical artistry. In the past year, he and his followers are thought to have killed thousands of Sunnis, their victims' bodies symbolically dumped in road craters left by al Qaeda car bombs." The Times adds, "Stopping monsters such as Abu Deraa -- whose nom de guerre means 'the shield' -- is a top US priority as it tries to halt sectarian violence, which regularly claims 100 lives a day." But "the Shi'ite-dominated government has shown a marked reluctance to sanction the kind of large-scale operation necessary to arrest him in his stronghold of Sadr City, a vast Shi'ite slum in eastern Baghdad."

Bolten Says Partitioning Iraq Not A Good Idea. White House Chief of Staff Josh Bolten said on CNN's Late Edition (11/12, Blitzer), "Most of the experts that I have heard from, and certainly almost all of the Iraqis that have been heard from, think that some sort of partition is a bad idea. Now, federalism is a notion that has always been in mind in constructing a modern, democratic and multi-ethnic Iraq. So somewhere on that continuum there is the right solution. Partition does not seem to be the right solution."

Dalai Lama Urges That Saddam's Life Be Spared. AFP (11/12) reports, "Tibet's exiled spiritual leader the Dalai Lama has appealed for Saddam Hussein's life to be spared, saying the deposed Iraqi president was not beyond redemption. 'The death penalty is said to fulfill a preventive function, yet it is clearly a form of revenge,' the Nobel peace laureate told reporters as he ended a two-week visit to Japan."

Afghan Insurgents Launching Over 600 Attacks Per Month. The AP (11/13, Straziuso) reports, "Insurgent activity in Afghanistan has risen fourfold this year, and militants now launch more than 600 attacks a month, a rising wave of violence that has resulted in 3,700 deaths in 2006, a bleak new report released Sunday found. … The new report said insurgents were launching more than 600 attacks a month as of the end of September, up from 300 a month at the end of March this year. The violence has killed more than 3,700 people this year, it said."

Afghan Army Struggling. The Los Angeles Times (11/13, Zucchino, 850K) reports in a critical, 2,751-word front page story about frustrating efforts by the US and NATO to train the Afghan army: "Many of [its] soldiers fought for or against the Russians, against the Taliban or for various warlords — except those so young they had never picked up a rifle. From this unwieldy mix, the U.S. military and the Afghan government are attempting to create something Afghanistan has never had: a national army that is made up of all the country's ethnic groups and represents a unified central government. ... Instilling loyalty to the national government will require changing the nature of Afghanistan. The army is a place to start." However, "Afghan privates and generals alike complain that they are sent into battle in ordinary Ford Ranger pickups with no body armor or helmets ... U.S. trainers, while praising Afghans for their courage, complain of lax discipline, petty thefts and poor maintenance of weapons and equipment. The Afghans will often run up hills or charge into caves wearing virtually no armor and without waiting for backup."

Pakistani PM Says Military Action Alone Not Enough To Defeat Terrorists. The Washington Times (11/13, Pisik, 88K) reports, "Pakistan, a key ally in the war on terror, welcomes an expected reappraisal of U.S. policy in Iran and Afghanistan, and thinks military action alone is "not the answer" to the threat posed by extremists in the two countries, its prime minister says." Shaukat Aziz told the Washington Times that "he would like to see a more nuanced approach to battling extremism, which includes massive investment and economic assistance to the two countries in order to build a sense of well-being for the poor and disenfranchised." In New York for meetings at the United Nations, Aziz also "said the world needs to focus more seriously on Afghanistan's narcotics trade, which is becoming an increasingly important source of terrorist financing. By some estimates, the trade accounts for half of Afghanistan's gross domestic product."

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Asked on CNN's Late Edition (11/12, Blitzer) about the possibility of the US use of "drone Predator aircraft to fire missiles inside Pakistani territory against high-value terrorist targets," Aziz said, "We've always said that we are very capable of tackling such activities ourselves. Our armed forces are well-equipped. We do not allow any country to violate our sovereignty. We are committed to fighting terrorism, but it has to be fought together." Also on CNN's Late Edition (11/12, Blitzer) Aziz addressed the theories about Osama Bin Laden's whereabouts. He said, "The truth is, nobody knows where he is. Because if anybody knew where he is, they would go after him. … And frankly, because of the situation in Afghanistan, it is not always possible to know who is where. We have no clue where he is. If he were ever in our territory and we found out, we would go after him."

CORPORATE SCANDALS:

KB Home CEO Resigns Amid Options Probe. The Wall Street Journal (11/13, A3, Bandler, Forelle) reports, "The stock-options fraud scandal claimed one of the nation's most successful and highly paid chief executives, KB Home's Bruce Karatz, who agreed to leave the company after an internal investigation found that he backdated his own option grants to increase his pay." The Journal continues, "KB Home, a home-construction company once known as Kaufman & Broad, said Mr. Karatz would immediately leave his posts as president, CEO and chairman. He will forfeit about $13 million in gains from the backdating as part of an agreement with the company, based in Los Angeles. … Also departing is Richard B. Hirst, executive vice president and chief legal officer, and Gary A. Ray, the head of human resources. Mr. Hirst resigned, and Mr. Ray was terminated, the company said. A person familiar with the investigation said both Mr. Karatz and Mr. Hirst cooperated with the internal investigation." The Journal adds, "Mr. Karatz is one of the highest-profile casualties of the stock-options scandal, which has now claimed the jobs of more than 50 executives and directors, including William McGuire, the chief executive of UnitedHealth Group Inc. More than 130 companies, including KB Home, are under federal investigation in a wide government action. Five former executives at the companies have been charged with criminal wrongdoing. … KB Home didn't detail how the backdated options came to pass, though it said Mr. Karatz and Mr. Ray selected the dates for the options. A person familiar with the matter said that an investigation by KB Home's board determined that the dates were selected retroactively by the two men without permission of the board, though this person said the investigation didn't conclude that there had been intentional wrongdoing. The company said the misdated options were granted between 1998 and 2005."

Convicted Officials Forced To Sell Assets. USA Today (11/13, Farrell) reports, "When CEOs sell their multimillion-dollar homes, it's usually because they're relocating to a different market, or trading up to an even bigger house. .. In the case of Walter Forbes, the former Cendant chairman whose baronial 8-acre estate in New Canaan, Conn., is on the market for $12.5 million, the reasons are a little different." USA continues, "Forbes, 63, was convicted two weeks ago of conspiracy and making false statements in connection with a massive fraud that cost Cendant investors $14 billion when it was exposed in 1998. Unless his conviction is overturned on appeal, he'll be relocating, all right, but most likely to a property surrounded by thick walls and concertina wire. … As such, Forbes is poised to join the pantheon of convicted former executives who've had to sell their trophy properties or luxury toys to pay off legal bills, settle civil lawsuits or meet criminal forfeiture requirements mandated by judges."

CRIMINAL LAW:

Probes Focus On Halliburton's Role In Nigerian Bribery. The Houston Chronicle (11/13) reports, "There are new signs of life in a sprawling four-year investigation of whether a unit of Houston's Halliburton Co. and other oil-services companies paid huge bribes in the 1990s to land a $5.6 billion construction project in the Nigerian delta." The Chronicle continues, "French and Swiss investigators are trying to gain access to specific bank records in Switzerland and other European countries to determine if tens of millions of dollars in suspected bribe money ended up in accounts linked to Nigeria's former military dictator. … In Britain, police and agents from the Serious Fraud Office this summer searched four homes and a business looking for links to the case, which began in 2002 when a French oil-services executive facing corruption charges told a judge about a $175 million "slush fund" he claimed had been used to bribe Nigerian officials." The Chronicle adds, "The U.S. Department of Justice is looking into possible criminal offenses, and the Securities and Exchange Commission is investigating possible financial misdeeds. The Nigerian government is also conducting a formal investigation."

Witness Against DC Murder Inc. Gang Gains Freedom. The Washington Times (11/13, Mcelhatton) reports, "A former high-ranking member of the Murder Inc. crime syndicate in the District, which was charged in 31 killings, has won a 'very unusual' sentence that will keep him out of prison, newly unsealed court records show." The Times

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continues, "Maurice Andrews, 36, former confidant of D.C. drug kingpin Kevin Gray, faced 30 years to life in prison under federal sentencing guidelines after pleading guilty to racketeering charges related to several murders. … However, in what prosecutors call a 'very unusual' request, the U.S. Attorney's Office recently sought a sentence of time served and probation. Authorities cited Andrews' role as a key government witness in the prosecution of the violent street gang. … 'He testified in dozens, literally dozens of criminal incidents that he was aware of, ranging from individual drug deals to murder,' Assistant U.S. Attorney Matthew G. Olsen said at Andrews' Sept. 29 sentencing." The Times notes, "U.S. District Court Judge Royce C. Lamberth sentenced Andrews, who has been in the federal witness-protection program for five years, to time served and five years' probation, according to a transcript of the hearing. … The proceedings had remained sealed until last week. … Federal authorities have called Murder Inc. the most violent gang in the District's history. It ran much of the city's crack cocaine and heroin trade during the 1990s and killed potential government witnesses, authorities said. … Several leaders of the gang -- including Gray, convicted of 19 murders, and Rodney Moore, convicted of 10 murders -- are serving sentences of life in prison without parole. A jury deadlocked on giving them the death penalty."

ID Thieves Often Close To Family. The New York Times (11/13, Leland) reports, "In the five years since his divorce, Eric Wagenhauser had moved on with his life. He had remarried and was sharing custody of the three children from his first marriage. Then, last year, Mr. Wagenhauser discovered a new wrinkle on American divorce: his former wife had used the children's Social Security numbers to apply for nine credit cards in their names. She obtained two." The Times continues, "Mr. Wagenhauser's ordeal over the next year, which involved police departments in two Texas counties, banks, credit bureaus and the Social Security Administration, is familiar to many identity theft victims — the crime often begins at home. … Though most victims never learn who stole their identities, half of those who do say the thief was a family member, a friend, a neighbor or an in-home employee, according to surveys by the Federal Trade Commission and Javelin Strategy and Research, a private research firm. The surveys estimate that 9 million to 10 million Americans have their identities stolen each year." The Times adds, "Mr. Wagenhauser's former wife, Ivy Ash, began applying for credit cards in the children's names soon after the divorce. She ran up about $200 in unpaid bills, he said, which grew to about $1,000 with late fees and interest penalties. She pleaded guilty to two counts of fraudulent use of a credit card this year and is now in a Texas prison. … But the effect of the thefts is still being felt in the Wagenhauser household." The Times notes, "Identity theft involving family members takes many forms, said Betsy Broder, assistant director of the Federal Trade Commission's division of privacy and identity protection. A child steals a parent's identity to buy drugs, one sibling steals another's identity to try to avoid arrest or debt. … Identity theft is often difficult to solve and prosecute, and, in the case of families, victims may be reluctant to report relatives to the police."

Maritime Officials Crack Down On Modern-Day Pirates. The Los Angeles Times (11/13, Glionna) reports from Kuala Lumpur, Malaysia, "Noel Choong was working late the night he got the distress call: Just off the Malaysian coast in the darkness, a Japanese tugboat and barge were being attacked by a dozen pirates armed with AK-47s and rocket launchers." The Times continues, "The 154-man crew aboard the barge Kuroshio was frantic. As the vessel churned slowly northward through choppy waters of the Strait of Malacca, headed for Myanmar, it had suddenly been surrounded by three fishing boats. .. .The armed men stormed the little tug. Shots were fired. The captain and two others were taken hostage. The desperate barge crew plotted a rescue mission to free their shipmates, who were being held with guns to their heads." The Times adds, "Choong is a pirate catcher, a maritime crisis negotiator who handles the high-anxiety drama of modern-day pirate attacks in real time. He's also a detective, a high-seas sleuth with a host of shadowy shipping industry informants he uses to run down hijacked ships. … In the outlaw Strait of Malacca, whose waters are considered the most pirated in the world, his services as director of the International Maritime Bureau's Piracy Reporting Center are in near-constant demand. … The 550-mile-long channel, flanked by Singapore and Malaysia to the east and the Indonesian island of Sumatra to the west, is one of the world's most strategic international waterways and its busiest shipping lane. Each year, 60,000 vessels, the equivalent of nearly half the world's entire merchant fleet, negotiate the funnel-shaped shortcut between the Pacific and Indian oceans. They range from mammoth supertankers as large as city skyscrapers to tugs and barges. … Such seaborne commercial traffic attracts a sophisticated brand of piracy that has moved far beyond the scabbards and cutlasses of the 17th century."

Report: Sighting Of Fugitive Mobster Discredited. The Boston Globe (11/10, Abel) reports authorities in California "have investigated and discredited the latest reported sighting of fugitive Boston mobster James 'Whitey' Bulger. Bulger, 77, one of the FBI's 10 Most Wanted fugitives, fled a month before his 1995 federal racketeering indictment and was later revealed to be a longtime FBI informant and charged with the murder of 19 people. … Darrell Foxworth, an FBI agent in San Diego, said he had

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received reports from police about the alleged sighting, but he also determined they were not legitimate."

Bulger Reportedly Sighted At Theater. The Boston Herald (11/10) reports sources "said an off-duty police officer spied…Bulger - or at least someone matching his description - leaving a downtown theater after watching the film, which stars Jack Nicholson as a dead ringer for the South Boston crime lord. … The incident is the latest possible sighting of the crime boss who vanished in 1995 as an organized crime strike force made up of state police, the U.S. Drug Enforcement Administration and the Internal Revenue Service closed in. A longtime snitch, Bulger fled the night before he was indicted for 19 gruesome mob murders, thanks to a tip from his boyhood pal and longtime FBI handler John Connolly."

Police Believe Maryland FedEx Shooting Was Random. The Washington Post (11/13, B01, Bahrampour) reports, "For Marlyn Evans, the American dream was working out well. … She had emigrated from Guyana 19 years ago to give her children, Reina and Colin, a better life. After raising them and a younger daughter, Chantal, in a townhouse in Silver Spring, she moved to a spacious two-story brick house in Bowie. In August, Reina moved in, with her own two children, to save money to pursue her dream of becoming a nurse, like her mother." The Post continues, "That dream ended Saturday when Reina Natasha Lynch, 26, was found dead of a gunshot wound at the FedEx Ground distribution center in Beltsville, where she worked as a security guard. A colleague discovered her body at 7 a.m. in the booth at the entrance to the fenced compound on Trolley Lane. … Prince George's County police said yesterday that they had not found a motive. 'We believe this was a random event,' said Cpl. Stephen Pacheco. Investigators are looking for clues in Lynch's car and in security camera footage, he said."

Many DC Homicides Sparked By Petty Disputes. The Washington Times (11/13, Cella) reports, "The motive for most homicides in the District are arguments and petty disputes over perceived slights, accounting for more killings last year than robberies, domestic disputes, gang activity and drug wars combined, according to the Metropolitan Police Department. … 'It's a pretty big deal among some people,' said Chief Charles H. Ramsey. 'A guy gets upset -- you know, "You're disrespecting me." Or they don't like the way you're looking at them. You'd be surprised at how many silly homicides we see.'" The Times continues, "The police department last year attributed 57 of the city's 196 killings to arguments, compared with 50 such killings among the city's 198 in 2004, according to a recently released department report tracking homicide information from 2001 to 2005. … During those five years, 1,126 persons were killed in the District, 901 of them fatally shot. The report also states that about 1,058 of the homicide victims were black, about 36 were Hispanic and about 32 were white." The Times notes, "Arguments have accounted for a steady increase in the percentage of overall killings in the city since 2001, when they were the primary motive in 19 percent of the 232 homicides. .. Chief Ramsey said that guns are a big part of the problem. … 'The guns make them feel like they're more powerful,' he said. 'They overreact.' … As recently as 2002, drugs were the primary motive in more than one-third of the city's 262 killings. As a percentage of total homicides, that figure has declined each year, accounting for just 10 percent, or 19 killings, last year."

Virginia State Police Opt For Fewer Coded Messages. The Washington Post (11/13, A01, Sheridan) reports, "Since the Sept. 11, 2001, attacks, local governments have spent millions on high-tech radios to improve communication among police forces. Now, Virginia is taking the next step: changing the very way cops talk." The Post continues, "Starting this month, Virginia State Police have banned the '10 codes' used by generations of officers to flag everything from murders to bathroom breaks. Gone is the language of '10-4' and 'What's your 10-20 [location]?' … The codes are as much a part of police culture as badges and coffee. But over time, individual police departments have adapted the codes in their own ways, creating confusion when they have to work together -- such as on Sept. 11." The Post adds, "Eager to avoid such mix-ups, Virginia's government has become one of the first in the nation to try to eliminate traditional cop talk. For months, officials in Richmond have worked with police and firefighters to come up with a substitute for 10 codes, finally deciding on a statewide 'common language protocol. … In other words, English." The Post notes, "The switch reflects why it is so challenging for the U.S. Department of Homeland Security to create a national emergency response system. If someone sets off a dirty bomb at the Pentagon, Arlington County police might be on the radio with officers arriving from Fairfax County, Alexandria, the District or Maryland."

CIVIL LAW:

WPost Says "Partial Birth" Law Before High Court Identical To Previous Case. The Washington Post (11/13, A20, 690K) says in an editorial, "It isn't every day that the Supreme Court confronts a law materially identical to one it has already struck down. But that is what the justices faced last week when they heard oral arguments over the federal ban on partial-birth abortions. Six years ago, the court struck down state partial-birth laws -- ruling that Nebraska's ban was overly broad and lacked an exception for situations

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in which protecting a woman's health required the use of the disfavored procedure. In response, Congress enacted its own version of the ban, complete with nearly all of the faults from which the Nebraska statute had suffered." The Post adds the "only way to uphold this law would be to overturn the prior decision -- a step that the justices should not take, in the interest of women's health and out of respect for precedent." The "real question this case presents is whether the court, with Justice Sandra Day O'Connor retired, will continue to honor its precedent."

CIVIL RIGHTS:

Television Show About Sexual Predators Raises Rights Issues. The National Law Journal (11/13, Baldas) reports, "The NBC television series 'To Catch a Predator,' which features confrontations with men allegedly seeking sex with minors online, may be popular with viewers, but not with criminal defense attorneys, who claim the show raises a range of civil rights issues." The Journal continues, "Seating an unbiased jury when a client's face has been splashed all over national television is nearly impossible, they argue. Miranda rights and search-and-seizure issues are also compromised by the show, they add." The Journal adds, "In the last two years, 183 alleged online sexual predators have been formally charged as a result of being caught on the show, which has run sting operations in California, Florida, Georgia, New York and Ohio with the help of an online predator-watchdog group. More than 20 of those cases have resulted in guilty pleas or convictions, with the remaining cases still pending. … 'Without question, it tramples on their constitutional rights to due process and a fair trial,' said Blair Berk of Tarlow & Berk in Los Angeles, who is representing a doctor featured on the show that aired on Oct. 6. The man allegedly showed up at a house hoping for a date with who he thought was a 13-year-old girl he met online. People v. Wolin, No. SCR 495892 (Sonoma Co., Calif., Super. Ct.). … Berk likened the show's tactics to 'trying someone in town square without giving them due process. …"

WSJournal Criticizes Wal-Mart, Costco Gender Discrimination Lawsuits. The Wall Street Journal (11/13, 2.04M) says in an editorial, "We'll soon find out if that humongous gender discrimination class-action lawsuit pending against Wal-Mart is an aberration -- or the legal wave of the future. And rest assured the trial bar is hoping for the latter with dreams of riches. Last week, a U.S. District Court in San Francisco heard arguments on whether a gender discrimination lawsuit against Costco should also proceed as a nationwide class action. A decision is expected in a few weeks, and the proceedings have an air of deja vu." The "same San Francisco District Court (though not the same judge) heard the Wal-Mart case, which was initiated by the same plaintiffs' lawyer, Brad Seligman. Mr. Seligman is seeking punitive damages, back pay and injunctive relief in both cases, and he is also pushing the same legal theory as to why the claims should be pooled into a class rather than handled individually. He even has some of the same 'expert' witnesses." If "mere statistical imbalances can trigger a class action, companies will be forced to make pay decisions based on statistics rather than performance and merit. Ultimately, that leads to racial and gender quotas, all in an effort to avoid frivolous lawsuits."

ANTITRUST:

Private Equity Fund Buyouts Come Under Scrutiny. The Christian Science Monitor (11/13, Trumbull) reports, "The new birth of Burger King Corp. this year delivered the beef to the investing public: Under private management, the long-struggling company turned a corner and then made shares available on the New York Stock Exchange. … But the managers kept some major side orders to themselves. They took out a big loan and paid themselves a $367 million dividend and other fees as well. In all, they extracted cash worth about one-sixth of Burger King's market value." The Monitor continues, "That's one whopper of a payout, and it's not unusual these days. … Increasingly, investors with deep pockets are banding together to form 'private equity funds.' Just as the leveraged buyout firms did in the 1980s, they are buying up companies, restructuring them, and then selling them back on public stock exchanges - often for a supersized profit." The Monitor notes, "The practice isn't new, but it remains controversial. And the scale of the trend far exceeds what it was back when Henry Kravis and Michael Milken made their magazine cover debuts. … Hardly a week goes by without more major deals being announced. Meanwhile, the very success of these buyout funds is attracting billions more dollars from investors - raising the prospect of many more buyouts in coming months. In essence, the wealthy are deciding that if you want to make money in stocks, the stock market isn't the place to do it. … With money pouring in from pension funds and other deep pockets, the trend shows no signs of stopping. It could end up engulfing companies as diverse as the Los Angeles Times newspaper and ailing automotive supplier Delphi Corp. Just last week, Bill Gates and a Saudi prince were among the investors backing a private buyout of Four Seasons hotels, while another buyout fund announced its plan to acquire the Outback Steakhouse."

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ENVIRONMENT:

Snowe, Rockefeller Blast New Exxon CEO Over Global Warming. The Washington Times' "Inside the Beltway" column (11/13, McCaslin) reports on "the sharply critical letter that Republican Sen. Olympia J. Snowe of Maine and Democratic Sen. John D. Rockefeller IV of West Virginia sent recently to Rex W. Tillerson, otherwise welcoming him to his new post as chairman and chief executive officer of Exxon Mobil Corp. The remainder of the three-page letter, shall we say, blasted a so-called 'climate-change denial strategy carried out by and for Exxon Mobil' against global warming -- the senators accusing the oil giant of being 'the primary funder of no fewer than 29 climate-change denial front groups in 2004 alone.' The bipartisan pair went so far as to request that Mr. Tillerson 'publicly acknowledge both the reality of the climate change and the role of humans in causing or exacerbating it,' even absent scientific proof of such a cause."

FBI/DEA/ATF/USMS:

Attorneys Challenge Arrest Of Accused Arellano Félix Cartel Leader. The San Diego Union-Tribune (11/11, Soto) reports U.S. agents "used satellite equipment to track and arrest the suspected leader of the Arellano Félix drug cartel in a boat off the coast of Baja California Sur this summer. Law enforcement officials hailed the arrest of Francisco Javier Arellano Félix, accused of running the drug cartel in recent years, as a key blow to the organization they say moved tons of drugs between Mexico and California. … Investigators, led by the Drug Enforcement Administration, have been investigating the Tijuana-based cartel for years." The Union-Tribune says lawyers are questioning the use of a GPS device to find Arellano Felix and that a defense lawyer now says the arrest took place in Mexico's waters and is illegal.

Man Pleads Guilty In Fentanyl-Laced Heroin Case. In Dover, Delaware, the AP (11/9) reports an accused drug dealer "suspected of distributing fentanyl-laced heroin that killed a Dover man will spend at least 20 years in prison after agreeing to plead guilty to a federal drug charge. A federal grand jury returned a six-count indictment in September against Joseph Bentley. On Wednesday in U.S. District Court in Wilmington, Bentley agreed to plead guilty to a single count of distribution of heroin and fentanyl resulting in the death of another individual." According to an affidavit by a DEA special agent, Bentley "told his father that a batch of heroin he had obtained had killed two of his customers."

Grand Jury In Rhode Island Indicts 7 In Drug-Trafficking Case. In Pawtucket, the Providence (RI) Journal (11/10, Pina) reports, "After a 10-month investigation, a federal grand jury has charged seven men with drug trafficking for allegedly selling crack cocaine out of the Prospect Heights housing project. … The investigation was conducted by city police and the Drug Enforcement Administration Task Force. Teams of federal agents and city officers arrested three men last week. One man was already in custody for his alleged role in robbing a delivery man at Prospect Heights."

DEA Agent Says "Pro-Pot" Advocates Relay Misinformation. In the Sacramento Bee (11/12), DEA agent Gordon D. Taylor writes, "Pro-pot advocates often spread misinformation on the subject of so-called 'medical marijuana.' It's important to show the other side of the issue. In the past 10 years, California has seen a surge of organized crime groups that have moved into the marijuana industry in a big way. Heavily armed drug cartels have made a multibillion-dollar business of going into our public lands and clear-cutting our pristine forests so they can cultivate enormous marijuana crops." Over the past two years, the DEA "has participated in six enforcement actions against pot clubs operating in the Central Valley and inland Northern California. Shockingly, three of the six pot store owners were convicted felons, each of whom was armed with a handgun during the course of the investigations."

Authorities Link Colombian Nationals To Jewelry Theft Ring. The St. Louis Post-Dispatch (11/12) reports FBI agents and police "say they have broken a ring of crooks believed to have taken more than $1 million worth of goods from traveling jewelry salesmen in Missouri, Illinois and elsewhere since 2003. In a sworn statement made public in federal court in St. Louis this week, FBI Special Agent Mark Wood wrote that investigators had known for years that a group of Colombian nationals was responsible. … A motel employee tipped off investigators last month that some guests might be drug dealers. Drug Enforcement Administration agents followed the men, determined they were watching jewelry stores, and turned the matter over to the FBI and St. Louis County police." Five suspects "were arrested, and two have been charged so far."

Report Says Drug Trade Fuels Insurgency In Afghanistan. The AP (11/13, Straziuso) reports insurgent activity in Afghanistan "has risen fourfold this year, and militants now launch more than 600 attacks a month, a rising wave of violence that has resulted in 3,700 deaths in 2006, a bleak new report released Sunday found. … Afghanistan saw about 130 insurgent attacks a month last year, said the

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report by the Joint Coordination and Monitoring Board, a body of Afghan and international officials charged with overseeing the implementation of the Afghanistan Compact, a five-year reconstruction and development blueprint signed in February. … The report said that the rising drug trade in Afghanistan is fueling the insurgency in four volatile southern provinces. The slow pace of development is contributing to popular disaffection and ineffective implementation of the drug fight, it said."

UN Official Says Sharing Intelligence Would Hit Drug Traffickers Hard. The AP (11/10) reports Iran and neighboring Pakistan and Afghanistan "must share intelligence on drug smuggling," according to the head of the United Nations agency against drugs. Antonio Maria Costa, the director of the U.N. Office on Drugs and Crime, "finished a three-day visit to Iran by praising the government's efforts against drug trafficking, according to a statement issued by the agency. … But Costa warned the world's production of opium was far greater than what was being intercepted. … 'I urge these three countries, and their international partners, to establish an intelligence-sharing platform,' he added. 'If counter-narcotics police in Afghanistan, Pakistan and Iran share intelligence, they could really hit the traffickers hard.'"

Lack Of Protection Said To Anger Afghans. The Washington Post (11/10) reports many Afghans "have expressed anger over the lack of government protection and services in rural provinces, a void that has helped fortify the Taliban and allowed for an upsurge in opium cultivation. There is also growing resentment against the presence of foreign military forces, and Taliban leaders have attracted support by calling for resistance."

IMMIGRATION:

Virginia Courthouse Behavior Unravels Vast Immigrant Marriage Scam. The Washington Post (11/13, A01, Markon) reports, "They didn't hug. They didn't kiss. They didn't even sit together. … Many couples going to the Arlington County Courthouse seemed more like strangers than people applying for marriage licenses. A man named Sam often escorted them to the sixth-floor clerk's office. Sometimes, there would be a furtive exchange of money in the elevator." The Post continues, "Before long, some of the same people would be back, filing for divorce, their court papers littered with mistakes -- always the same mistakes. … 'They misspelled "circuit,"' said David A. Bell, the longtime Circuit Court clerk. 'It was obvious something was going on.'" The Post notes, "Bell tipped off police, triggering a nearly four-year investigation that recently broke up one of the Washington region's biggest and most brazen immigration scams: an estimated 1,000 fake marriages. The scheme was centered in the area's little-noticed but rapidly growing community of immigrants from Ghana….. For immigrants, marrying a U.S. citizen is a quick ticket to citizenship. Along the East Coast and all the way to West Africa, at car dealerships, malls, parties and even a Home Depot, the word had spread: If you are in the United States illegally, go to Arlington. It's easy to get married in Virginia, because marriage laws are relatively lax. Arlington, with its proximity to the Metro system and the District, is especially convenient. … In recent weeks, 19 of 22 people charged so far in the undercover investigation have pleaded guilty in federal court in Alexandria, including bank tellers, car salesmen and health-care workers. Court testimony and interviews document how Ghanaian immigrants married U.S. citizens they had met the same day, then were coached on how to fool immigration inspectors, usually months later, into believing that the marriage was real. All they wanted, they said, was to stay in the United States. … Now, they will have to leave."

Democrats Take Cautious Stance On Immigration. The Washington Post (11/13, A3, Fears, Hsu, 690K) reports that in the "days after the election, Democratic leaders surprised pro-immigration groups by not including the issue on their list of immediate priorities. Experts said the issue is so complicated, so sensitive and so explosive that it could easily blow up in the Democrats' faces and give control of Congress back to Republicans in the next election two years from now. And a number of Democrats who took a hard line on illegal immigration were also elected to Congress."

CONGRESS-ADMINISTRATION:

Bush 41, Baker Thought To Have Engineered White House Shake-Up. Newsweek's Managing Editor Jon Meacham (11/20), in a cover story titled, "Can Bush Sr. and His Team Save Son's Presidency?," writes that "last Wednesday," former President Bush "listened as George W. Bush said the loss of Congress was a 'thumping,' promised to 'work with' a commission on Iraq chaired by James A. Baker III and Lee Hamilton, and announced that Secretary of Defense Donald Rumsfeld was resigning. Within two hours the president was in the Oval Office with Rumsfeld and his replacement: Robert M. Gates, Bush Senior's CIA director and the president of Texas A&M University, the home of Bush 41's presidential library. … Dad's team was back -- a remarkable course correction in the political life of the son and, quite possibly, in the life of the nation." Meacham adds, "These are 41's men, and the removal of Rumsfeld -- an ancient rival of Bush Senior's from the Ford days -- is a move toward the broad middle. … Did 41 help bring Gates to the

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Pentagon? The White House denies it, but, as a Bush friend told NEWSWEEK, 'his fingerprints are all over this.'"

Newsweek's Evan Thomas (11/20) says "it would be widely speculated that" Baker "helped arrange the firing of Rumsfeld and the appointment of Gates as part of a fundamental power shift, a last-ditch rescue operation -- by the old guard of Bush 41 to save Bush 43 from sinking ever deeper into the Iraq morass." Baker "has reason to want to downplay his role and the prospects for success. Over the next month or so, the Iraq Study Group must find a middle way, a plan of action that can be characterized neither as 'cut and run' nor 'stay the course.'"

U.S. News and World Report's Brian Duffy (11/20) writes, "One of Washington's more tedious parlor games has been the whispered wonderings about strains in the relationship between the younger Bush and his father. The return to center stage of one of the elder Bush's most trusted aides as Rumsfeld's replacement prompted a frenzied new round of psychobabble. Not only was Bob Gates the elder Bush's CIA director, but he also served as deputy to Brent Scowcroft, the older man's national security adviser and close friend. Scowcroft's break with the current White House over Iraq was offered as Exhibit A in the case for a rupture in the relationship between Bush père et fils. Hmm. If armchair psychology doesn't happen to be your thing, however, and you're one of the many millions of Americans whose vote seemed to express the belief that the Bush team has slipped its intellectual and political moorings, the casting of James Baker seemed to suggest a more simple if less charitable plotline: adult-supervision time!"

Time (11/20, Duffy, 4.03M) reports Gates' "task…is to preach change to a leader who has stuck to his line -- despite all kinds of evidence to the contrary -- for years now. … Dad's former aides will present the son with a plan for saving his presidency and, with it, some remnant of the family's brand name. None of those involved will call it an intervention, but it's fair to say the nation's future is at stake. Although Gates and Baker will be out front, others who worked for the patriarch are helping behind the scenes." Time adds, "It is tantalizing to imagine that Baker, who plans to issue his report next month, pushed Bush to dump Rumsfeld for Gates. A former Baker aide last week called the coincidence of timing 'painfully obvious.' … 'Baker wasn't going to let his report come out,' says a Gates aide, 'so that Rummy could stomp all over it.' As for Bush 41, he is staying above the nitty-gritty of the takeover, says one of 41's former aides, but 'he's definitely in the loop.'"

Gates Reportedly Criticized Administration's "Incompetence." Newsweek (11/20, Ephron, Hosenball, 3.12M) reports, "At sessions of the Iraq Study Group over the past months, Robert Gates was careful not to show his cards. But on the commission's long flight home from a fact-finding mission to Baghdad in September, after several drinks had been poured, the Republican panelist let loose on the Bush team. 'He said they really screwed up Iraq and, to a large extent, he couldn't figure out why it happened,' a source close to Gates who was on the plane told NEWSWEEK. Particularly foolish, Gates thought, were the decisions to occupy Iraq with a relatively small force and to purge the Iraqi civil service of Baath Party members. 'He couldn't believe there was such a degree of incompetence,' said the source, who did not want to be named because panelists were trying to keep their discussions out of the media."

U.S. News and World Report (11/20, Mulrine, Whitelaw, 2.03M) reports, "The nomination of" Gates "is a clear signal that the White House is trying to shake off its history of 'stay the course' rhetoric. But while Bush's motivation might have more to do with politics than with military strategy, Gates could make a real difference. A member of the bipartisan Iraq Study Group…Gates could be a critical bridge between the White House and the clutch of foreign-policy graybeards many Republicans and Democrats are looking to as a lifeline -- a last-gasp chance to reverse the downward trend in Iraq."

U.S. News and World Report's Kenneth T. Walsh (11/20) writes, "The choice of Gates allows the commander in chief to at least create the perception that he is looking for a fresh start in Iraq. … As a private citizen, Gates has criticized the administration for failing to use diplomacy aggressively enough to extract the United States from Iraq. And Gates has a track record of success."

Rumsfeld Allegedly "Humiliated" Rice. Newsweek (11/20, Barry, Hirsh, 3.12M) reports Rumsfeld "will likely go down as an erratic and arrogant manager who sullied America's reputation by allowing interrogation abuses at Abu Ghraib and other U.S.-run detention centers abroad; who haughtily dismissed advice from U.S. generals and senators alike to put in enough troops (in part because he didn't want another Vietnam), and who preferred to deny the reality of the Iraqi insurgency rather than confront it. … He offended allies, played down the State Department's role in planning for postwar Iraq and actively stymied Condoleezza Rice's efforts to do her first-term job as national-security adviser, which was to coordinate between agencies, according to numerous accounts. Sometimes he didn't even return her calls. 'Rumsfeld treated Condi like the hired help,' says a White House staffer who would discuss the relationship only if he was not identified. 'He did everything he could to humiliate her. And the president never intervened.'"

Adelman And Perle Accused Of Lacking "Contrition." In an essay for Time (11/20, 4.03M) Michael Kinsley writes, "Kenneth Adelman and Richard Perle said 'oops' earlier this month. … Both played a role in pushing the U.S. into war in Iraq--Adelman in an influential Washington Post Op-Ed promising that the war would be 'a cakewalk' and Perle warning of catastrophe if we left Saddam Hussein and his weapons unmolested. Now, interviewed in Vanity Fair,

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they say it all may have been a mistake. Oops! Yet in Vanity Fair's quotes, there is no note of contrition. … What is the proper way to act when you have made a boo-boo on the scale of what Perle and Adelman now admit to? A brief period of silence might be in order, followed by a bit of ideological spring cleaning."

Iraq Study Group Encouraged To Pursue Regional Stability. Newsweek's Fareed Zakaria (11/20) writes, "Press accounts of its deliberations suggest that the much-anticipated Baker-Hamilton report will make some intelligent recommendations. The committee will point out that America's strategy in Iraq must be placed in a broader regional context. For three years, America's Iraq policy has largely ignored the rest of the Middle East. That was no accident. The neoconservative vision was always that Iraq would be made anew, shorn of the flaws and ailments of the Arab world. … This absence of a regional strategy left Iraq open to its neighbors' most irresponsible instincts. Iran and Syria have helped keep the violence there on the boil. Saudi groups and individuals have funded Sunni militants. None of the surrounding nations would benefit if Iraq actually did collapse, setting off territorial disputes, sending refugees into neighboring lands and exporting Iraq's instability. Such an outcome can still be avoided, but only with active support from these countries. The Baker-Hamilton commission can be expected to recommend a major regional effort."

Democrats Want To Deal With Gates Nomination During Lame-Duck. The Financial Times (11/13, Guha) reports "senior Democrats" are indicating that they hope to complete the confirmation process for Defense Secretary-designate Robert Gates during the lame-duck session that opens today. Sen. Carl Levin, who voted against Gates' 1991 nomination to lead the CIA, "told ABC's This Week: 'I hope that his confirmation hearings can be held and that he will get a vote prior to the end of this Congress.' He reiterated his long-held reservations about the nominee but said: 'I'm going to have a fresh look at him.'" Sen. Joseph Biden, "who also voted against Mr Gates in 1991, said: 'I am inclined to vote for him now." The Wall Street Journal (11/13, C8, Spence, 2.04M) reports Gates would step down as a trustee at Fidelity Investments if confirmed.

Media reports this morning also suggest Gates will follow Rumsfeld's lead on terrorism and the military's transformation. The Washington Times (11/13, Scarborough, 88K) says current and former Pentagon officials say Gates "is not expected to rein in the aggressive global war on al Qaeda" started by Donald Rumsfeld or "reverse the transformation of the Army" Rumsfeld launched, but "instead focus on how to win in Iraq and get American troops home." One Pentagon adviser said, "He definitely is not seen as someone wimping out on the global war. How he does it, and what tools, and who he entrusts with them, that's a whole different issue." The Christian Science Monitor (11/13, Collins, 59K) says "not all experts believe the transformation has been helpful in the war on terror, and the sustainability of many of his reforms may ultimately depend on the ability of people to rise above intense negative feelings about him and see beyond his failings in the Iraq war."

Former Defense Secretary William Cohen said on CNN's Late Edition (11/12, Blitzer), "Any time you bring someone new, that that individual is going have a different relationship with the President, with Capitol Hill…not to mention with the Joint Chiefs of Staff and the commanders on the field. So, a different person brings a different viewpoint and a different dynamic with all of those groups. It's not enough to change the person. If the policy's going to remain the same, then in the final analysis, that won't make much difference. But I think in the beginning, a lot will change in terms of the relationships."

Bush 41 Said To Have Had "No Foreknowledge" Of Gates' Appointment. Brit Hume, on Fox News Sunday (11/12, Wallace), said, "The conventional wisdom in Washington, the buzz in Washington, is that 'Bush 41' and his gang are back in town. A couple of facts: Neither Baker nor 'Bush 41' were consulted ahead of time about the Gates appointment. President Bush the first got a phone call the morning of the Gates appointment giving him a heads up that it was about to happen. … The striking thing about the relationship between the first President Bush and the second is that for all the devotion between them, they don't discuss politics and political issues very much."

Bolten Said Bush Had Not Decided About Rumsfeld At Time Of Comment. Bolten also had to deal with questions about the President's pre-election comment that he expected Rumsfeld to stay on through the end of the Administration. On CNN's Late Edition (11/12), Wolf Blitzer asked Bolten, "When is it okay for the President to mislead the American public?" Bolten: "Yes -- he wasn't. He had not made a decision at that point. At the time that that interview was held, the President hadn't even met Bob Gates. Now he started his conversations with Secretary Rumsfeld about possibly getting fresh eyes on the problem. But the President…wasn't going to be comfortable making a change at the critical role of secretary of defense until he was sure he had somebody very strong to put in place." On ABC's This Week (11/12, Stephanopoulos), Bolten said much the same thing, saying that before the election, Bush "was talking about it and he was preparing to meet with Bob Gates, but he had never met Bob Gates." If Gates "had turned out to be the wrong guy, based on the conversation that the President was going to have with him, I do not expect that the President would have replaced Secretary Rumsfeld."

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White House Facing GOP Ire Over Timing Of Rumsfeld Exit. The AP (11/12, Heilprin) reports the White House "is trying to soothe Republicans who say the party might have fared better on Election Day if President Bush had not waited" to dismiss Rumsfeld. White House Chief of Staff Josh Bolten said, "You could argue that either way, of what political effect an earlier decision on Secretary Rumsfeld would have had. But it doesn't matter. The president correctly decided that this decision does not belong in the political realm." And Counselor to the President Dan Bartlett, during an appearance on Fox News Sunday (11/12, Wallace), said Bush "was not going to inject the leadership of our military during a time of war into the final weeks or throes of a presidential or a midterm congressional campaign. It would send the wrong signal."

But on CNN's Late Edition (11/12, Blitzer), Sen. Arlen Specter was not satisfied, saying Bush "should have done it as soon as he had made up his mind. And that's a hard thing to calculate. But it's highly doubtful that he made up his mind between the time the election returns came in on Tuesday and Wednesday when Rumsfeld was out. And if Rumsfeld had been out, you bet it would have made a difference. I'd still be chairman of the Judiciary Committee."

AEI's Rubin Sees Inconsistency In Progressives' Views Of "Realists." In a Wall Street Journal (11/13, A16, 2.04M) Michael Rubin of the American Enterprise Institute writes, "What a difference a war makes. Today, progressives and liberals celebrate not only Mr. Rumsfeld's departure, but the resurrection of realists" like Gates and ex-Secretary of State James Baker. Today, "progressivism places personal vendetta above principle. Mr. Rumsfeld is bad, Mr. Baker is good, and consistency irrelevant."

Democrats, Bush Seen As Likely To Cooperate On Few Issues. Time (11/20, Thornburgh, 4.03M) reports, "Despite all the cordial luncheons and admissions that both sides love America, the President and the newly elected Democratic Congress aren't likely to find common ground on hot-button issues like stem-cell research and no-warrant wiretaps. Here's our pick of policies on which the two might actually do business." Time lists, the minimum wage, education, alternative energy and immigration as potential subjects for compromise. Time (11/20, Tumulty, 4.03M) reports, "now that the high fives and jubilant photo ops are behind them, Nancy Pelosi and Harry Reid have to run the place. Whether anything is actually accomplished on Capitol Hill over the next two years will depend largely on the skills these two leaders develop in maneuvering through the tricky challenges ahead."

U.S. News and World Report's Michael Barone (11/20) writes, "One can foresee areas of agreement. Bush will concede a fig-leaved minimum wage. On immigration, House Democrats and a solid Senate majority favor the Bush approach blocked by House Republicans. Advancing alternative fuels is another possibility. Some Democrats want tax-free savings vehicles for lower-paid workers; that sounds a lot like the individual investment accounts Bush proposed for Social Security. On some issues there will be no agreement-tax reform, probably. But big issues have been addressed in the past by divided governments. In the process, Bush is decoupling himself from the Republican Party. House Republicans, with little chance to affect outcomes, will be mostly ignored as House Democrats were under Clinton."

Democrats Regarded As Unlikely To Enact Major Healthcare Reform. U.S. News and World Report's Josh Fischman (11/20) writes, "Crisis is a word being used more and more often to describe the U.S. healthcare system. … Lawmakers are unlikely to wake up and enact major overhauls during the next two years. Big fixes will remain stuck in ideological gridlock, though small changes-such as allowing Americans to buy drugs from abroad or expanding state insurance coverage for low-income children-are possible, say a broad spectrum of policy analysts and congressional strategists. But larger reforms, such as incoming House Speaker Nancy Pelosi's proposal to let Medicare negotiate prices directly with drug companies, are likely to hit a wall in the Senate, where Republicans are still strong enough to hold up legislation and have genuine antipathy to expanding government programs."

Pelosi's Daughter Describes Bush's Cordial Treatment Of Her Mother. In an essay for Time (11/20, 4.03M) Alexandra Pelosi, Pelosi's daughter and creator of the documentary, "Journeys with George" about President Bush's 2000 campaign, writes, "When my parents came to have lunch with me at an Oakland airport hotel where Bush was giving a speech in March 2000, he did what he did when any member of the traveling press corps was in his or her hometown: he summoned us to his room so he could meet the parents. … The next time I saw them together, George was in the White House, and he told me, 'You ought to be proud of your mom.' At the time she was fighting her heart out on the House floor against the Iraq war. On any occasion that I have seen them together in private, they have appeared to be the best of 'frenemies' -- campaign-trail speak for politicians who keep their friends close and their enemies closer."

Full Agenda Planned For Lame-Duck, But Progress May Be Limited. The Los Angeles Times (11/13, Simon, Havemann, 850K) reports, "The ousted Republican-led Congress returns to the Capitol this week to try one last time to shorten a long legislative to-do list, while the just-elected members will vote for new leaders in races that could signal the direction the parties will take next year. The lame-duck session mixes a dispirited Republican Party

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and a Democratic Party that knows it will soon have the upper hand in both houses -- a potentially combustible cocktail." At a minimum, Congress "must pass a temporary spending bill to keep the government running until the next Congress takes office. Getting much else accomplished could be difficult." Thomas Mann of the Brookings Institution said, "Democrats won't allow anything to pass they don't like, and Republicans have little interest in starting the Democratic reign early. It could be a very short lame-duck session."

But while progress may be hard, the New York Times (11/13, A21, Hulse, 1.16M) says in a headline that an "extensive to-do list is awaiting action." Republicans "have compiled an ambitious to-do list, hoping to dispose of energy legislation, a trade deal or two, a civilian nuclear treaty with India and other favored bills," while Democrats "have some measures they want completed as well, most notably the spending bills, to save them the added work next year." The Atlanta Journal-Constitution (11/13, Shepard, 379K) says Bush "has urged Republicans to complete work on the spending bills to prevent the Democrats from changing his spending priorities for various agencies before the next budget cycle in 2007." The Wall Street Journal (11/13, A4, Lueck, Rogers, 2.04M) says Republican leaders "faced a mountain of work unfinished when members left town to campaign."

House GOP May Be Pressed To Accept Senate Drilling Bill. The AP (11/12, Hebert) reports, "The Democrats' return to power is increasing pressure on House Republican leaders to accept" the Senate's "limited expansion of offshore oil and gas drilling. Supporters of such exploration say the next Congress, with Democrats in control come January, probably will not tamper with the long-standing drilling bans that have protected most coastal waters for a quarter-century."

In an editorial, the New York Times (11/13, 1.16M) opposes President Bush's call for the outgoing Congress to pass legislation to authorize increased offshore drilling for oil and natural gas, calling the House bill "a broad, mischievous and badly conceived piece of work," and warning that a conference committee could "produce a bad bill much along the lines of the House measure."

WPost Offers Its Own To-Do List For Lame-Duck Session. The Washington Post (11/13, A20, 690K) editorializes that Congress should focus on "passing the 11 remaining spending bills for the 2007 fiscal year. … Another pressing task should be to give the District of Columbia full voting rights in the House." The Post also says "confirmation hearings and, if possible, a vote" on Defense Secretary-designate Robert Gates "would avoid delaying Mr. Gates's start in that important job. Congress should also approve normalization of trade relations with Vietnam in advance of the president's trip there this week and extend an expiring trade deal that provides benefits to key South American countries." The Post also lists the India nuclear deal and the restoration of the Iraq reconstruction IG on its list.

Bolton Not Expected To Win Confirmation. Newsweek (11/20, 3.12M) reports that the White House has asked the Senate to confirm US Ambassador to the UN Bolton "permanently during a forthcoming lame-duck session. But Joe Biden, the Senate Democrats' incoming Foreign Relations chair, signaled that the Dems will continue to block Bolton -- unless the administration turns over a set of ultrasecret National Security Agency intercepts that Bolton requested. Bolton said he needed to find out the names of Americans mentioned in them; Bolton's critics want to be sure he wasn't spying on subordinates." Sen. Lincoln Chafee "also signaled his continuing opposition to Bolton, virtually guaranteeing the nomination will die in this Congress. To date, the administration has refused to give Dems the documents they want. … Speculation is already circulating that he could be replaced by Zalmay Khalilzad, US ambassador in Baghdad, or Paula Dobriansky, an under secretary of State."

The Washington Post (11/13, A13, Heilprin, 690K) reports President Bush "will not relent in his defense" of UN Ambassador John Bolton despite "unwavering opposition from Democrats who view Bolton as too combative for international diplomacy, aides said yesterday." White House Chief of Staff Josh Bolten defended Bolton on both ABC and CNN yesterday, saying on CNN's Late Edition (11/12, Blitzer), "He's done a terrific job there. He's been the opposite of what many of his critics expected him to be. And that is, he has been a good consensus builder. He has helped lead the UN Security Council to good resolutions on Lebanon, on North Korea, a variety of other issues. So he's actually been a very effective UN ambassador, and I think the country's well-served to have him where he is." On ABC's This Week (11/12, Stephanopoulos), Bolten made a similar case, saying, "We're putting him up for confirmation. I think if he actually was able to get a vote in the full Senate, he would succeed."

But Democratic senators were no less assertive in arguing against the nomination. On ABC's This Week (11/12, Stephanopoulos), Sen. Joseph Biden said, "There's a lot of competent people. Send someone new up, Mr. President. Look, I'm not stopping Bolton. He doesn't even have the votes in the committee. He doesn't even have the votes of a Republican-controlled committee today. We're going to have a hearing on him. There is going to be a vote on him. He's going to lose."

Sen. Charles Schumer said on CNN's Late Edition (11/12, Blitzer) that Bolton is "for me…something of a mixed bag. On the one hand, I fully support his full support of Israel. … On the other hand, Bolton's philosophy has been very unilateral – 'The US can do it all, to heck with the rest of the

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world, to heck the rest of the nations.' And in this new world, where we have to fight a war on terrorism, a global war on terrorism, we can't fight it alone."

WSJournal Sees A Way Around Senate To Keep Bolton. The Wall Street Journal (11/13, A16, 2.04M) editorializes, "So let's see. Democrats retake the Senate, and their first act of 'bipartisanship' is to declare that they'll deny a confirmation vote" for Bolton. And now, "say the arbiters of Washington manners, President Bush is supposed to show his willingness to compromise by withdrawing Mr. Bolton's nomination. If Mr. Bush obliges, he'll be taking a big step toward turning last week's GOP defeat into a rout. … Having had one recess appointment, Mr. Bolton can't get another one and be paid. But he could retain his position and be paid if Mr. Bush names him to a non-confirmable post at State and then assigns him to the U.N. Ambassador's duties. Now, that's a compromise."

Automakers To Press Bush On Health Care, Weak Yen. USA Today (11/13, 2B, Hyde, 2.27M) runs Sunday's Detroit Free Press story that says that "when the heads of Detroit's automakers finally meet with President Bush at the White House Tuesday, they will press for more recognition of their issues, from the rising cost of retiree health care to the advantages a weak yen gives the Japanese." They "also will attempt to draw distinctions between themselves and foreign automakers whose U.S. branches generate record profits." The article says, "All sides expect no firm commitments from the scheduled 45-minute session, which will include Treasury Secretary Henry Paulson and Al Hubbard, director of the National Economic Council."

Study Says Renewable Fuels Could Provide 25% Of US Energy By 2025. The Wall Street Journal (11/13, A10, Fialka, 2.04M) reports, "A new Rand Corp. study showing the falling costs of ethanol, wind power and other forms of renewable energy predicts such sources could furnish as much as 25% of the U.S.'s conventional energy by 2025 at little or no additional expense." Another study "soon to be released by the National Academy of Sciences suggests wood chips may become a plentiful source of ethanol and electricity for industrial nations... ." The Journal says, "Because use of renewable fuels to replace oil and cut emissions of carbon dioxide is an area on which Congress's coming Democratic leadership and the Bush administration agree, the studies are likely to hasten efforts to increase production incentives next year, either in a new energy bill or a farm bill."

Bolten Says Bush Would Conditionally Support Minimum Wage Hike. White House Chief of Staff Josh Bolten said on CNN's Late Edition (11/12, Blitzer), "The President's always said that he would support a minimum wage that didn't end up pricing a lot of people at the lower end of the income scale out of the market, that is, costing them jobs. So, we've always been ready to do that. And we're ready work with Democrats on that issue."

Dean Cautions Democrats To "Be Careful" Regarding Tax Cuts. DNC Chairman Howard Dean, on Fox News Sunday (11/12, Wallace), said, "both Speaker- to-be Pelosi and Majority Leader Harry Reid have said is that we won't raise taxes on the middle class. … In fact, many Democrats would like to give the middle class a tax cut. I think we have to be careful of that because I think, frankly, the budget deficit has been understated by about $100 billion."

Krugman Says Democrats Won On Economic Populism. In his New York Times column (11/13), Paul Krugman says Sen. George Allen "was only one of many faux populists defeated by real populists last Tuesday. Ever since movement conservatives took over, the Republican Party has pushed for policies that benefit a small minority of wealthy Americans at the expense of the great majority of voters. To hide this reality, conservatives have relied on wagging the dog and wedge issues, but they've also relied on a brilliant marketing campaign that portrays Democrats as elitists and Republicans as representatives of the average American." As "Robin Toner and Kate Zernike of The New York Times pointed out yesterday, what actually characterizes the new wave of Democrats is a 'strong streak of economic populism.'" Krugman says Sen. Joseph Lieberman "won only through denial and deception," and last week's "populist wave, among other things, vindicates the populist direction that Al Gore took in the closing months of the 2000 campaign. But will this wave be reflected in the actual direction of the Democratic Party? Not necessarily. Quite a few sitting Democrats have shown themselves nearly as willing as Republicans to bow to corporate interests." The "first big test of the new Democratic populism will come over reform of the 2003 prescription drug law. Democrats have pledged to repeal the clause in that law preventing Medicare from negotiating lower drug prices. But the fine print of how they do that is crucial."

Rubin Think Tank Seen As Source Of Democratic Economic Proposals. In his Washington Post column (11/13, A21), Sebastian Mallaby says, "During their long years in the wilderness, Democrats lashed out against trade and globalization, even though denying the economic case for trade is like pretending that tax cuts pay for themselves. Now that they have won Congress, the Democrats must prove that they are more than the mirror image of their opponents. This means reviving the pro-market centrism of the Clinton era -- a spirit that lives on in the form of the Hamilton Project," the "brainchild of Robert Rubin, Treasury secretary under Bill Clinton." Rubin's "great virtue was to be

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as free of ideology as is possible in politics and to recruit a team of clever pragmatists to work for him." With Peter Orszag, "a laser-brained economist at the Brookings Institution," Rubin "persuaded a number of fellow Democratic grandees to finance a center for Rubinomics in exile; and Orszag served as policy director, commissioning a series of creative pragmatists to grapple with the nation's economic challenges." Nearly "all the Hamilton proposals have three things in common. They would reduce the inequality that Democrats emphasized on the campaign trail. They would not bust the budget. And they would promote economic growth. If the political system can't make use of ideas that tick all these boxes, there is something desperately wrong with it."

Pelosi Will Push To Require Identification Of Earmark Sponsors. USA Today (11/13, Eisler, Kiely, 2.27M) reports on its front page that Democrats "aim to open the next Congress in January with a new rule that identifies lawmakers who use legislative 'earmarks' to help special interests -- a change Republicans promised but didn't implement." Likely Speaker Nancy Pelosi said her "first agenda item after being elected House speaker will be a vote to require sponsors of earmarks to be identified." However, the Los Angeles Times (11/13, Levey, Simon, 850K) says that "for years," Pelosi "has celebrated bringing home the bacon to her district." She "has not been linked to any impropriety. And not all the federal funding Pelosi boasts about came from earmarks. But the presumed new House speaker has proved a champion practitioner of the earmarking process over the years."

Reid May Have Benefited From Earmarks. Meanwhile, the Los Angeles Times (11/13, Neubauer, Hamburger, 850K) also reports that while Senate Democratic leader Harry Reid also "vows to make reform of congressional earmarks a priority of his tenure," 2005's "huge $286-billion federal transportation bill included a little-noticed slice of pork pushed by Reid that provided benefits not only for the casino town of Laughlin, Nev., but also, possibly, for the senator himself." Reid "called funding for construction of a bridge over the Colorado River, among other projects, 'incredibly good news for Nevada,'" but did not mention that "just across the river in Arizona, he owns 160 acres of land several miles from proposed bridge sites and that the bridge could add value to his real estate investment. Reid denies any personal financial interest in his efforts."

Stark Says Democrats Need To Move Quickly To Revamp Medicare Drug Plan. In a USA Today op-ed (11/13), Rep. Pete Stark says, "Democrats won both houses of Congress last Tuesday because Americans supported our pledge to change direction on several major issues, including the Medicare Part D prescription drug benefit. There is no reason to wait." Stark adds, "I believe we must start work immediately to improve this incomprehensibly complicated plan, which overpays and deregulates private plans to the detriment of the beneficiaries and taxpayers. The same Republicans who certified its cost as $400 billion over 10 years, knowing the true figure was north of $550 billion, generated some of the polls showing satisfaction with Part D. Yes, premiums are lower than expected, not from market competition, but from massive Medicare subsidies to the insurance industry. With less than 3% overhead, universal coverage and lower prices, a Medicare-run plan could offer true competition."

Bartlett Says Bush Remains Opposed To Medicare Drug Purchase Negotiations. On Fox News Sunday (11/12, Wallace) Dan Bartlett, counselor to the president, was asked if the president is "willing to allow Medicare to negotiate lower drug prices," Bartlett responded, "We had this debate during the prescription drug debate when the Medicare reforms went in place two years ago. And the interesting thing about it is we now have some experience. And what happened was all the estimates saying that prices wouldn't come down were proven wrong. … The marketplace is working. … It's been benefiting America's seniors."

Democratic Plan For Medicare To Bargain With Drug Companies Criticized. In a Wall Street Journal op-ed (11/13, A16), Alain Enthoven, professor emeritus at the Graduate School of Business at Stanford, and Kyna Fong, a doctoral student in economics, say, "Nancy Pelosi has promised that when the Democrats come into control of the House, they will repeal the ban preventing Medicare from negotiating directly with pharmaceutical companies, within the first 100 hours. She must expect that this legislation will bring down drug prices dramatically. In fact, it is not obvious that allowing the government to negotiate with pharmaceutical companies will lead to lower prices than those achieved by private drug plans. There are several good reasons that government negotiations may not decrease drug costs." First, "negotiations are a bargaining process. The relative balance of bargaining power determines at which price the deal is struck." When the government "negotiates, its hands are tied because there are few drugs it can exclude without facing political backlash from doctors and the Medicare population, a very influential group of voters." Secondly, "by acting as one large buyer, the government will cause price discounts to become more expensive for pharmaceutical companies. In other words, the minimum price that the pharmaceutical company is able to accept increases. All else equal, this will lead to higher, not lower, prices." Finally, "there is the familiar economic argument that the market-determined price is the only fair price. How can the government determine what price is 'fair,' what price

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appropriately reimburses pharmaceutical companies for all their research and development efforts?"

Parties May Clash On Science, Technology Issues. The Christian Science Monitor (11/13, Spotts, 59K) reports, "For clues to whether bipartisan cooperation in Washington will take root or disappear from the table as quickly as the china after last week's get-acquainted lunches at the White House, watch how some key science and technology issues play out. Ordinarily, broad science goals- - such as better science education or the American Competitiveness Initiative -- draw bipartisan support." But "there are some divisive science topics on the Democrats' early agenda -- namely embryonic stem-cell research -- and these highly charged science and environmental issues will be one barometer of the durability of cross-aisle cooperation." The "potential for fractiousness exists in a number of policy areas where the ideas of the new Democratic majority differ from those of Republican lawmakers or the Bush administration." Among them are "funding for research into alternative-energy sources, what to do about global warming, the future of the space program, and charges that the Bush team has muzzled federal scientists and ignored scientific results in crafting environmental and public-health regulations."

Bolten Sees GOP Losses As An Opportunity For Bush. White House Chief of Staff Josh Bolten, on CBS's Face the Nation (11/12, Schieffer), said, "It's a big disappointment for us in the White House to have lost control of both Houses of Congress. But sometimes in adversity, there's opportunity, and hopefully we can take advantage of this opportunity and the bipartisan spirit that seems to prevail at least for the moment and get some good things done."

Bartlett Claims US Public Wants More Bipartisanship. Counselor to the President Dan Bartlett, during an appearance on Fox News Sunday (11/12, Wallace), dismissed the contention that President Bush is now a "lame duck." According to Bartlett, "There's a lot of time for this president and this Congress to work together to address the big issues our country face. And I think that's the real lesson from this election this past Tuesday, is that the American people want to see their political parties in Washington work together to achieve the great goals our country faces right now, whether it be in the war on terror, whether it be keeping the strong economy growing, whether it be addressing issues such as energy independence, issues such as education."

Pelosi Backs Murtha In Race For House Majority Leader. The AP (11/13, Espo) reports incoming House Speaker Nancy Pelosi "stepped into a postelection power struggle among fellow Democrats on Sunday with a letter of support for Rep. Jack Murtha in the race to pick a majority leader." In the letter to Murtha, Pelosi wrote, "Your presence in the leadership of our party would add a knowledgeable and respected voice to our Democratic team." The AP adds Murtha is "widely viewed as an underdog in a two-man race with Maryland Rep. Steny Hoyer in this week's leadership elections."

The Washington Post (11/13, A1, Weisman, 690K) reports the "unexpected move signaled the sizable value Pelosi gives to personal loyalty and personality preferences. Hoyer competed with her in 2001 for the post of House minority whip, while Murtha managed her winning campaign. Pelosi has also all but decided she will not name the ranking Democrat on the House intelligence committee, Rep. Jane Harman (D-Calif.) to chair that panel next year, a decision pregnant with personal animus." Pelosi said "she was swayed by Murtha's early stance for a withdrawal of U.S. forces from Iraq. Her letter of endorsement yesterday made clear that she sees Iraq as the central issue of the next Congress and that she believes a decorated Marine combat veteran at the helm of the House caucus would provide Democrats ammunition in their fight against congressional Republicans and President Bush on the issue." Another "potentially fractious vote in the House Democratic Caucus was settled late last week when Rep. Rahm Emanuel (D-Ill.), the outgoing chairman of the Democratic Congressional Campaign Committee, decided against running for House majority whip. Rep. James Clyburn (D-S.C.), the only African American in the House Democratic leadership, had already announced his candidacy."

Pence Praised As Candidate For House Minority Leader Post. In a Wall Street Journal op-ed (11/13, A17), Stephen Moore of the Journal's editorial board says if Republican Rep. Mike Pence "wins his bid this Friday for House minority leader, he will become the second most influential conservative in Washington, behind President Bush." Congressional Republicans are "engaged in a desperate search for a new revolutionary, a Newt Gingrich figure to help them rediscover who they are and what they believe in." Pence "captained a conservative revolt that fell one vote short of killing the hugely expensive" Medicare prescription drug bill, and his "first spending vote in the House was against the No Child Left Behind education bill that the Bush White House still considers one of its crowning achievements. His reasoning: 'Why are we federalizing schools and education?'" Neither of "these incidents endeared Mr. Pence to Karl Rove or the Bush White House. But perhaps his principled stance is in need more than ever." Pence "believes that his party got trounced last week

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because of its embrace of what he derisively calls 'big government Republicanism.'"

Novak Blasts GOP's Expected Reelection Of House Leaders. In a syndicated column appearing in today's Washington Post (11/13, 690K), Robert Novak writes, "The depleted House Republican caucus, a minority in the next Congress, convenes in the Capitol at 8 a.m. Friday on the brink of committing an act of supreme irrationality. The House members blame their leadership for their tasting the bitter dregs of defeat. Yet the consensus so far is that, in secret ballot, they will reelect some or all of those leaders. In private conversation, Republican members of Congress blame Majority Leader John Boehner and Majority Whip Roy Blunt in no small part for their midterm election debacle." Yet "either Boehner, Blunt or both are expected to be returned to their leadership posts Friday. For good reason, the GOP often is called 'the stupid party.'"

Lieberman Declines To Rule Out Future Party Switch. Sen. Joseph Lieberman, on NBC's Meet the Press (11/12, Russert), said he will "caucus with the Democrats… because it's good for my constituents in Connecticut, because I retain my seniority." However, Lieberman added he has not "ruled out" switching parties, but "I hope I don't get to that point. And I must say, and with all respect to the Republicans who supported me in Connecticut, nobody ever said, 'We're doing this because we want you to switch over…and I appreciate that."

Senate Democrats Said To Have No Choice But To Govern From Center. The Christian Science Monitor (11/13, Chaddock, 59K) says that for Democrats, "the pledge to govern in a bipartisan way may not be postvictory rhetoric. At least in the Senate, it's a mandate of the math." The party will be "nine votes short of the 60 votes now needed to advance controversial bills," and "the terms of the Democrats' narrow victory make a politics of the center even more imperative. Most of the new Democrats in the Senate won by running as moderates or fiscal conservatives." Political analyst Rhodes Cook said, "They were carefully chosen not to reflect the liberal mainstream of the Democratic Party, but to reflect the more conservative mainstream of their states. It might be a return to the days when Democrats were technically a majority party, but when you put Republicans together with southern Democrats, they were the majority."

Meanwhile, the Washington Times (11/13, Fagan, 88K) runs brief profiles of the 10 new incoming senators, who "include a novelist and former Navy secretary, three soon-to-be former House members, a state treasurer and an organic farmer."

McConnell Unopposed For Senate Minority Leader. The AP (11/13, Zuckerbrod) reports while Sen. Mitch McConnell "regrets Democrats' control of Congress denies him the chance to become the next Senate majority leader, he sees the GOP carving out a significant, albeit slightly different role." McConnell, who is "running unopposed to be Senate Republican leader," said, "We'll be able block or shape legislation. My preference of course is to accomplish things." The AP adds that when the new Senate "convenes in January, Democrats will control 51 seats to Republicans' 49. The close split means Republicans still will have significant power, because it often takes 60 votes to pass legislation." McConnell said, "Forty-nine is a pretty robust minority. I've been there when we were at 42." The AP adds Republican senators "are to pick their leaders on Nov. 15. Utah Republican Sen. Robert Bennett said McConnell has been methodically planning for the top job, fending off potential challenges along the way."

Most FEHBP Enrollees Will Not See Premiums Increase. The Washington Post (11/13, D4, Barr, 690K) "Federal Diary" column reports, "For the next four weeks, federal employees and retirees will select their health insurance coverage for 2007. Many will escape the sticker shock of past years," with officials saying 63% of enrollees in the Federal Employees Health Benefits Program "will see no increase in their premiums next year."

NYTimes Urges Democrats To Focus On Appropriations Oversight. The New York Times (11/13, 1.16M) says in an editorial, "There have been many examples of the shambles that the Republican-controlled Congress made of its responsibility for oversight of the Bush administration. But none was so peremptory as the mass firing of 60 House appropriations investigators last month — virtually the entire hired staff responsible for tracking spending abuses in such money pits as the Iraq war, intelligence operations and the $62 billion Hurricane Katrina relief effort." The "result is that, until the Democrats assume committee control in January, there's an investigatory vacuum on such matters as soldiers' body armor in Iraq and levee and dam spending along the Gulf Coast." Democratic Rep. David Obey "takes the committee gavel in January, and among his tasks will be restocking the investigation staff and setting the committee back on a productive, bipartisan course. This should not be a matter of party vengeance, as some Republicans fear. Rather, it's a necessity of the course set by the voters to end one-party rule and find out what the government is actually up to."

NYTimes Says Democrats, GOP Must Address Trade Deficit. The New York Times (11/13, 1.16M) reports, "With the deficit reaching new highs and Democrats now able to wield real power, it is crucial that each side back

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off its constituent-pleasing myths" about the trade deficit. The Bush Administration "needs to tell the truth about the vulnerability that comes with large deficits. Thus far, the United States has had no problem attracting money from abroad to plug the gaps. But there is no guarantee that will continue indefinitely. If foreigners chose to invest elsewhere — like the strengthening economies of Europe or Japan — the result would be higher interest rates and higher prices in America, perhaps sharply higher." The Democrats "need to take a more pragmatic view of the lopsided trade situation. The surest way to make American businesses more competitive — and workers more secure — is to resolve the nation's health care mess."

OTHER NEWS:

Rove's Pre-Election Optimism Scrutinized. Newsweek (11/20, Wolffe, 3.12M) reports Karl Rove's "miscalculations began well before election night. The polls and pundits pointed to a Democratic sweep, but Rove dismissed them all. … He believed his 'metrics' were far superior to plain old polls. Two weeks before the elections, Rove showed NEWSWEEK his magic numbers: a series of graphs and bar charts that tallied early voting and voter outreach. Both were running far higher than in 2004. In fact, Rove thought the polls were obsolete because they relied on home telephones in an age of do-not-call lists and cell phones. Based on his models, he forecast a loss of 12 to 14 seats in the House -- enough to hang on to the majority." Newsweek goes on to report, "Ten days before the elections, House Majority Leader John Boehner visited Bush in the Oval Office with bad news. He told Bush that the party would lose Tom DeLay's old seat in Texas, where Bush was set to campaign. Bush brushed him off, Boehner recalls. 'Get me Karl,' the president told an aide. 'Karl has the numbers.' … Rove blames complacent candidates for much of the GOP's defeat. He says even some scandal-tainted members won when they followed what he calls 'the program' of voter contacts and early voting."

Time (11/20, Allen, 4.03M) reports Rove "now downplays his forecast. 'My job is not to be a prognosticator,' he told TIME in an interview in his West Wing office. 'I told the President, "I don't know where this is going to end up. But I see our way clear to Republican control." My job is not to go out there and wring my hands and say, "We're going to lose."' Rove chalks up the loss to corruption, incumbent overconfidence and conservative dissatisfaction with spending. He does not read the outcome as exclusively a judgment on either Iraq or Bush. 'Iraq mattered,' Rove says. 'But it was more frustration than it was an explicit call for withdrawal.'"

Bush Gave RNC $12 Million From Campaign Funds. Time (11/20, Allen, 4.03M) reports, "To keep the Republican National Committee from having to take out a loan, according to Republican officials, Bush chipped in $12 million of his campaign funds that otherwise would have gone to his presidential library."

GOP's Loss Of Congress Attributed To Bush's Iraq Policy. In his column for Newsweek (11/20, 3.12M) George Will writes, "More than any congressional elections in history, last week's turned on a single burning national issue. Control of Congress has changed because of deep discontent about Iraq. But Congress can, realistically, have little control over what we make of the mess we have made."

Time's Joe Klein (11/20) writes, "Not only did the Democrats lay a robust whupping on the Republicans in the midterm elections, but--far worse--the President was forced into a tacit acknowledgment that the defining policy of his Administration, the war in Iraq, was failing."

U.S. News and World Report's Mortimer Zuckerman (11/20) writes, "nothing hurt the Republicans more than the mess in Iraq. The possibility of success there was allowed to slip away through a fatal combination of arrogance and incompetence. Iraq, with its tortured history, was never going to be easy, but after 3 ½ years, with dozens of our troops dying each month and the nightly images of utter chaos on the evening news, is it any wonder voters are fed up?"

Democrats Expected To Capitalize On Gains In The West. Newsweek's Howard Fineman (11/20) writes, "The land west of the Mississippi, especially west of the 100th meridian, is the new swing region—and the place where Democrats hope to win the White House. 'It's our 21st-century-majority strategy,' said Simon Rosenberg of the New Democratic Network. … The Northeast turned a deeper blue. GOP moderates there are all but extinct; Democratic governors were elected by vast margins. The Republicans' Fortress South…cracked at the perimeter but largely held. The 'intermountain' West, meanwhile, was up for grabs. Democrats won the governorship in Colorado (and now have won five of the region's eight statehouses since 2002). The GOP hung onto the governorship in Nevada and a key Senate seat in Arizona."

Dean Claims Radio Ads Swung Evangelical Vote. U.S. News and World Report's "Washington Whispers" column (11/20, Bedard) reports, "One of the big surprises for the Democrats in the elections was winning up to 33 percent of the white Christian evangelical vote. And here's how they did it: Democratic Party Chairman Howard Dean says he simply bought every advertising minute available on Christian radio, effectively blocking out the GOP. Ads touted Democratic values. The real secret: 'We had the weatherman doing the ads. Why? Because he's a local person who could be trusted.'"

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Gingrich Blames DeLay For GOP's Defeat. Newsweek's Evan Thomas (11/20) writes, "Did the GOP revolutionaries, like so many revolutionaries before them, have to become the very thing they had once vowed to change?" Former House Speaker Newt Gingrich "blames his successors for taking the low road to disaster. … He specifically blames former majority leader Tom DeLay, who effectively replaced Gingrich as the GOP leader in the House from 1999 through 2005. In Gingrich's judgment, DeLay, as well as other Republican leaders, threw away the power of ideas in their narrow focus on self-preservation."

GOP Coalition Described As "Shattered." Newsweek's Jonathan Alter (11/20) writes, "The election marked the exhaustion of the movement that Barry Goldwater launched with his 1964 campaign. The intellectual vitality and coherence that once characterized modern conservatism have been shattered. Karl Rove is still arguing that the hot issues of this election—Iraq, corruption, sexual hypocrisy -- are only 'transitory.' He's ignoring deep fissures in his party. Neocons have been discredited and theocons dispirited."

President Seen As Unaware Of Public's Perception Of The Economy. Newsweek's Jane Bryant Quinn (11/20) writes, "Talk about being in denial. President Bush thought that voters should credit him for a great economy, even if they opposed the war. Just look at the numbers: low unemployment, low inflation, record profits, taxes down, stocks up. But in exit polls, half the voters called the economy 'not good' or 'poor.' Only 31 percent said they were 'getting ahead' financially. Someone's not in the loop. Is it the public or the prez?"

Steele Expresses Interest In RNC Post. The AP (11/13, Witte) reports Maryland Republican Lt. Gov. Michael Steele, "who lost his race for a Senate seat, expressed interest Sunday in becoming chairman of the Republican National Committee." On C-SPAN, Steele said, "I have not had any conversations directly with the White House yet on this." The AP adds current RNC Chairman Ken Mehlman is "stepping down when his two-year term ends in January. Mehlman made a point of emphasizing outreach to black voters and helped recruit Steele for the Maryland race." Steele, who "lost to Democratic Rep. Benjamin Cardin by a margin of 55 percent to 44 percent of the vote, said he believed it was time for the GOP to rethink its views in wake of losing both chambers of Congress in last week's midterm elections, which he described as a 'tsunami.' Steele said the electorate 'was very clear.'" Steele said, "They expected the administration and the party to step up and speak to particular issues and, failing that, there would be heck to pay — and we paid."

Democratic Georgia Incumbents Buck Countervailing Trend To Survive. The New York Times (11/13, Dewan, 1.16M) reports, "Politically speaking, Georgia proved to be a mirror image of the rest of the country in the midterm elections. Republicans swept nearly every statewide office, and turnout among Democrats was low, thanks to a lackluster candidate for governor." But "two Democratic congressmen in highly competitive races in the state seem to have successfully fought those odds, though they are hanging on by the slenderest of margins and are still waiting for their opponents to concede." Democrats "Jim Marshall of Macon, in the Eighth Congressional District, and John Barrow of Savannah, in the 12th District, were on the Republican Party's short list of beatable incumbents. Their adjoining districts, which encompass large rural areas, were redrawn by a Republican legislature, their opponents were former congressmen, and the National Republican Congressional Committee poured hundreds of thousands of dollars into the races. President Bush campaigned in each district twice."

Tester Described As "Your Grandfather's Democrat." In a largely favorable profile, the New York Times (11/13, Egan, 1.16M) reports, "When he joins the United States Senate in January, big Jon Tester -- who is just under 300 pounds in his boots -- will most likely be the only person in the world's most exclusive club who knows how to butcher a cow or grease a combine. All his life, Mr. Tester, 50, has lived no more than two hours from his farm, an infinity of flat on the windswept expanse of north-central Montana, hard by the Rocky Boy's Indian Reservation." Tester "truly is your grandfather's Democrat -- a pro-gun, anti-big-business prairie pragmatist whose life is defined by the treeless patch of hard Montana dirt that has been in the family since 1916. … Friends say not to worry about Mr. Tester going native in Washington. He said he planned to return home to the farm several times a month. He promised his barber, Bill Graves, that he would continue to come back to get his hair cut in the same wheat-field bristle."

Debate Underway Over Whether Democratic Wins Amount To "Wave." The Washington Post (11/13, A19, Goldfarb, 690K) reports, "There is no doubt that Democrats did well on Tuesday, capturing almost 30 seats in the House, six seats in the Senate and control of both chambers. But was it the Democratic 'wave' that so many had believed was about to sweep the country? Republican leaders said it was not. … By some measures, the Republicans are right. Since World War II, the party in the White House has tended to lose seats in Congress in the sixth year of an administration, and the average losses matched this year's -- 29 seats in the House and six in the Senate. When there was an unpopular war, the losses were greater." But "political scientists say that assessment of

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Tuesday's results ignores an important change in recent years. They say Republicans have re-engineered the political map, stuffing congressional districts with supporters to make the districts reliably pro-GOP. The financial and electoral advantages of incumbency, moreover, have reached new heights."

The Washington Post (11/13, A8, Balz, 690K) reports, "Rarely has an election result been delivered with such force and clarity, and still left so many unanswered questions in its wake, as that of the 2006 midterm campaign. What happened is unmistakable. What it may portend is far less obvious, making the 2008 election, which already has begun, potentially the most important in a generation or more in shaping the nation's politics." Democrats "have been quick to claim that 2006 will be remembered as the end of a conservative era. … What the election was not, in the view of strategists in both parties, was a powerful affirmation of the Democratic Party, despite its takeover of the House and Senate. One post-election survey, conducted for the liberal groups Democracy Corps and the Campaign for America's Future, found that both Republicans and Democrats emerged from the contest with negative images." The Post adds, "Tuesday's election left American politics in a remarkably fluid state. In just six years, the political discussion has moved from analyzing the reasons for the nation's 50-50 divide, to predictions that the Republicans were close to establishing a durable majority, to questions about whether Tuesday marked a pendulum swing back toward the Democrats."

Media Role In Democratic Wins Critiqued. In a Washington Times op-ed (11/13), Douglas MacKinnon, a former press secretary to Sen. Bob Dole, says in addition to GOP "missteps" and "incredibly well-run Democratic campaigns," a third cause of the Democratic takeover of Congress is "that the remnants of objectivity in the mainstream media were all but exterminated by some on the left. A chilling and ominous development that played some role in the Democratic wave that is still splashing around the red states." There "can be no doubt that the left-of-center mainstream media helped to manufacture this election victory for the Democratic Party. For parts of the last two years, many in the media have worked in concert with the Democratic spin doctors to indoctrinate the American voter into believing this election had to be a referendum on President Bush and the 'failed' war in Iraq."

Democrats' Gains Said To Present Test Of Media's Objectivity. The Washington Post's Howard Kurtz, in his "Media Notes" column (11/13) writes, "Now the question is whether a press corps that has been openly at odds with the president will hold the newly empowered Democrats to the same tough standards. As with any new regime, Sen. Harry Reid and Rep. Nancy Pelosi are enjoying a media honeymoon for the moment -- especially Pelosi, because of her status as the first woman in line to become House speaker and her grandmother-of-five persona. That may not last long. But where will journalists set the performance bar? … The biggest change may be in store for liberal commentators, radio hosts and bloggers." Kurtz asks, "If Reid and Pelosi compromise with their more moderate colleagues, will hard-driving liberal bloggers turn on them?"

McCain Forms '08 Exploratory Committee. The AP (11/13, Yen) reports Sen. John McCain "said Sunday he is taking the initial steps for a White House bid in 2008, setting up a committee that allows a potential candidate to raise money and travel the country to gauge support." McCain "said he is moving toward a 2008 bid by 'doing things organizationally and legally' but will not make a final decision until early next year." During the 2006 election cycle, McCain "attended 346 events and raising more than $10.5 million on behalf of Republican candidates. He also donated nearly $1.5 million to federal, state and county parties."

The Washington Post (11/13, A8, Milbank, 690K) reports McCain, "appearing on NBC's 'Meet the Press' yesterday, said that while he won't make a decision until talking with his family over the holidays, 'Are we doing the things organizationally and legally that need to be done to prepare for it? Yes.' McCain indicated that the formation of an exploratory committee is imminent."

The Washington Times (11/13, Pfeiffer, 88K) reports McCain "sought to secure his conservative credentials during the appearance, saying he considers himself a conservative in the mold of President Reagan. He also said he thinks Republican losses last week will prove a temporary setback for his party." McCain said, "I believe America is still a conservative right-of-center nation, and our message, our Republican message, is best." The Times adds although McCain "is not the favorite prospective candidate of some grass-roots conservatives, some observers think his prospects for securing the Republican presidential nomination have improved since last Tuesday's elections."

McCain Blames Scandals And Spending For GOP's Defeats. Asked on NBC's Meet the Press (11/12, Russert) to describe what lessons he took away from Tuesday's elections Sen. John McCain said, "We Republicans have lost our way, that we came to Washington to change government, and government changed us. The spending, the ethics, the massive programs such as Medicare prescription drug program, our failure to address their priorities as opposed to our own, and there was obviously a reaction to it. The Iraq war obviously is very frustrating. … But I would submit, if they were all against the Iraq war that you probably would not have seen my friend Joe Lieberman…re-elected. So they're frustrated by the war, but I also believe that many of our spending, the scandals, the ongoing scandals, the large government programs. In other words, one of the pillars of

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the Republican Party is fiscal conservatives. They were alienated by the fact that we let spending lurch out of control."

McCain's '08 Frontrunner Status Attributed To His "Frankness." U.S. News and World Report's Kenneth T. Walsh (11/20) writes Sen. John McCain "has made his reputation as a man who is outside the system, a guy who does things differently, who reaches across the aisle to the opposition, and people like that,' says a senior Republican strategist. 'People like his frankness. They know where he stands. And they think he would be a good guy to have a beer with.' And that, in a nutshell, is why McCain is the early leader for the Republican nomination in 2008."

Giuliani, Romney Rated As Top-Tier Candidates. U.S. News and World Report's Walsh (11/20) adds, "Two other men are generating buzz as they jockey for position as the main alternative to the front-runner. First on the list is former New York Mayor Rudolph Giuliani, who leads some public-opinion polls. … Perhaps the most aggressive behind-the-scenes campaign is being waged by outgoing Massachusetts Gov. Mitt Romney, a strong conservative with movie-star looks and big-time charisma. Romney is modeling his approach on George W. Bush's pattern from 1999, when Bush, then governor of Texas, invited party leaders to Austin for persuasive get-acquainted sessions. Romney is doing the same thing in Boston and is apparently making a good impression as a fresh-faced Washington outsider who radiates competence and optimism while advocating smaller government."

Biden To Announce Plans On Exploratory Committee Next Year. The AP (11/13, Yen) reports Democratic Sen. Joe Biden "reaffirmed his intention to seek his party's nomination, though an announcement about establishing an exploratory committee probably will not come until early next year." But the "anticipated wide-open campaign — for the first time since the 1928 race, the field will not include a sitting president or vice president — lost one possible participant when Sen. Russ Feingold, D-Wis., decided against a long-shot run." Biden, who "is line to take over as chairman of the Senate Foreign Relations Committee, also ran for president before, dropping from the 1988 race after it became known he had lifted a portion of a speech from a British politician without attribution."

Biden, asked on ABC's This Week (11/12, Stephanopoulos) about his planned presidential candidacy and if he is going to set up an exploratory committee, said, "I'm going to address that after the first of the year. I still plan on running. I haven't, quite frankly, thought through all of the mechanics of it at this point in terms of when to announce setting up an exploratory committee, but I plan on doing that."

The Washington Times (11/13, Pfeiffer, 88K) reports Biden "last made a run for the White House in 1988 and is considered by many to be one of his party's leading authorities on foreign-policy matters. Sen. Hillary Rodham Clinton, New York Democrat, is considered the front-runner for her party's nomination. However, a number of Democrats say they are open to an alternative to Mrs. Clinton because while many polls show her winning the Democrat's nomination, most of those same polls show her trailing against her potential Republican rivals in a general election." The Washington Post (11/13, A8, Milbank, 690K) says Iowa Gov. Tom Vilsack "last week became the first to announce his candidacy for the Democratic presidential nomination."

Senatorial Experience May Not Serve Obama Well If He Seeks Presidency. The Washington Post (11/13, A19, Babington, 690K) reports Sen. Barack Obama (D-Ill.) "might be well advised to stay in the Senate several more years before running for president, as many strategists have suggested. But there are at least 40 reasons to challenge that advice." That is "the number of senators who have tried, and failed, to reach the White House since Sen. John F. Kennedy (D-Mass.) accomplished the feat in 1960. Nearly all of them had more Senate experience than Obama, underscoring the light regard that American voters show for senatorial longevity and expertise in presidential elections." If Obama's "aim is to become a more respected and knowledgeable senator -- in the mold of, say, Robert J. Dole (18 years in the Senate before his 1996 presidential race), Henry 'Scoop' Jackson (20 Senate years before his 1972 bid) or Richard G. Lugar (20 Senate years before his 1996 try) -- it may be a laudable goal. But it's a highly questionable presidential strategy." Obama, who "is 45 and just two years removed from the Illinois legislature, has a third option that is less viable for McCain and Clinton. He could angle for the vice presidency, a route to the Oval Office for former senators Harry S. Truman, Lyndon B. Johnson and Richard M. Nixon -- but not for Hubert H. Humphrey, Walter F. Mondale, Dan Quayle and Al Gore."

Polls Show Clinton's Still Hampered By Public's "Entrenched" Views. U.S. News and World Report (11/20, Gilgoff, 2.03M) reports Sen. Hillary Clinton "faces a familiar dilemma: Can she overcome the nation's entrenched views of her—and her husband—in a presidential campaign? For the presumed Democratic front-runner, the answer is unclear. A Gallup Poll this year found that 17 percent of Americans would definitely back her and that 49 percent would definitely not, but that less than 1 percent had no opinion."

Several Democrats Competing For Liberal Base Voters. U.S. News and World Report (11/20, Gilgoff, 2.03M) reports that "at this stage" former Sen. John Edwards "has some advantages among the liberals. He placed second to John Kerry in the all-important Iowa caucuses in 2004 and

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still has a loyal network of volunteers there. Edwards may also benefit from the addition of two states to the early primary lineup-his native South Carolina and Nevada, where he has strong ties to unionized hotel and restaurant workers." Sen. Russ Feingold, "who voted against the Iraq war and the Patriot Act, is reminding audiences in Iowa and New Hampshire that both measures passed Congress with Democratic support. … Of course, Democratic stars like Al Gore and Illinois Sen. Barack Obama could become the anti-Clinton darlings of the netroots, making them the two biggest x factors."

Elder Bush, Clinton Address Realtors Convention In New Orleans. The AP (11/13, Foster) reports they are "separated by more than 20 years, they come from opposing political parties, and one evicted the other from the White House. But Bill Clinton and George Bush act like a team, a pair of touring comedians with a well-honed act." The two former presidents "even have their entrance down pat, striding in with arms aloft, music pounding, lights flashing, the crowd standing and going wild." The pair "addressed more than 25,000 people attending the National Association of Realtors convention on Saturday, drawing at least six standing ovations and almost continuous applause." Bush and Clinton "thanked the real estate agents for holding their convention in New Orleans. It's the biggest convention to come to the city since Hurricane Katrina hit Aug. 29, 2005, and the pair has raised $130 million to aid New Orleans and the Gulf Coast in recovering from the storm." Regarding the "recent election, both said they had to deal with congresses controlled for most or all of their presidencies by the other party. They said some of the best legislation during that time were made through compromises." Clinton said "he did not think his wife, Sen. Hillary Clinton, had decided yet whether she would run for the presidency. 'If she were to be elected I think she would do a good job,' Clinton said." Bush added, "Yeah, but I'm having a little difficulty picturing this fellow walking behind her like Prince Philip behind the queen."

Ford Becomes Oldest Living President In History. The CBS Evening News (11/12, story 7, 0:10, Mitchell, 7.66M) reported, "Gerald Ford entered the history books again today by becoming our oldest living former President. At 93 years and 121 days Mr. Ford is one day older than Ronald Reagan was when he died in 2004." The Washington Post (11/13, 690K) also notes Ford's record.

Acumen Fund Designed To Be "Philanthropic Venture" Fund. The New York Times (11/13, Lee, 1.16M) reports the idea "befuddled donors and Internal Revenue Service lawyers alike when Jacqueline Novogratz approached them six years ago. A philanthropic venture capital fund?" Novogratz planned to make the Acumen Fund "a nonprofit charity" that "would invest in companies and groups that tackled global poverty." Novogratz said it was "an unusual idea to pitch to philanthropists," adding, "They had never seen an organization like us: raising charitable money but wanting the flexibility of grants, loans and equity investments in for-profit and nonprofit organizations." The Times adds Novogratz, "who has an M.B.A., has backgrounds in both in finance and philanthropy and worked as a banker at Chase Manhattan and as a manager of special projects at the Rockefeller Foundation before starting Acumen." Two "key people intuitively grasped the Acumen Fund's mission: Larry Page and Sergey Brin, the co-founders of Google, whom Ms. Novogratz first met at a Technology Entertainment and Design conference two years ago. During the period when Google's new charitable foundation, Google.org, was defining itself, the company's founders knew they shared a vision with Ms. Novogratz — a desire to reinvent philanthropy and push the boundaries of how people who had done well could also do good."

Liberals Urged To Co-Opt "Values" Debate. In a USA Today op-ed (11/13), Tom Krattenmaker of the USA board of contributors says, "I am a values voter. Given my progressive political and religious beliefs, some might find this a dubious claim — especially members of the Christian right, who with their rhetoric about 'values voters' suggest that only those who share their positions on abortion and same-sex couples possess something deserving of the term 'values.'" Apparently, "those of us who hold different positions on the hot-button issues as framed by social conservatives — those of us who turn our attention and hearts to other imperatives such as peace-making, poverty relief, environmental preservation and tolerance — have no values. According to the rhetoric of social conservatives, progressives are the 'anything goes' lot. Secularists, liberal Christians and followers of other faiths — we're the ones tearing America down with our moral weakness and hostility to the conservative Christian worldview." As progressives "wield language that once belonged solely to conservatives, may we do so fairly, in a way that acknowledges that the other side of the debate also has values. In so doing, we'll model other core values of ours: inclusiveness and respect for differing viewpoints."

WSJournal Notes World Bank Study Says Simple Tax Systems Promote Growth. The Wall Street Journal (11/13, A16, 2.04M) says in an editorial that the World Bank's "toiling economists have discovered that simplified tax systems promote economic growth. In a report titled 'Paying Taxes -- The Global Picture,' the World Bank and its co-authors at PricewaterhouseCoopers make the

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case for simplifying business taxes. Burdensome rules and multiple levies, they argue, promote tax evasion even when individual corporate tax rates are low. Make the system transparent and simple, and the private sector will pony up. It's an argument that could be made for personal income taxes, too." The survey "examines the tax regimes of 175 countries between April and July this year. It looks at the administrative tax burden that a hypothetical, limited liability company with 60 employees would face. The Bank's findings echo that of the flat-tax camp; namely, simple tax regimes promote compliance and efficiency."

Bush To Visit Vietnam This Week. USA Today (11/13, Jackson, 2.27M) reports, "President Bush travels this week to the site of an old military conflict casting a shadow over the United States and Iraq: Vietnam. Bush's trip, including stops in Singapore and Indonesia, is mainly to promote trade at a conference in Hanoi and discuss ways to combat terrorism in the region." But "the eight-day journey also includes reminders of how the Vietnam War roiled US politics and society and raises questions about whether the same thing is happening with Iraq." Bush "stressed what he said were the differences with reporters last week. He said Iraqis overthrew Saddam Hussein with US help, approved a new constitution and formed a government that is trying to move forward despite sectarian violence. Vietnam endured a civil war in which the communist North, backed by China and the Soviet Union, defeated a U.S.-supported government in the South." The Iraq war "is also being fought with a volunteer army, Bush said, without the compulsory draft that inspired protests in the 1960s and early '70s. The president also said US troops in Iraq are receiving more support from the American people than those in Vietnam did."

US, Vietnamese Officials Assessing Effects Of Agent Orange Spraying. The Washington Post (11/13, A1, Faiola, 690K) reports, "For decades, the United States and Vietnam have wrangled over the question of responsibility for the US military's deployment of Agent Orange." But "officials say they are now moving to jointly address at least one important aspect of the spraying's aftermath -- environmental damage at Vietnamese 'hot spots' such as Nguyen's city, Da Nang -- that are still contaminated with dioxin 31 years after the fall of Saigon. … Vietnamese and US officials last year conducted their first joint scientific research project related to Agent Orange. Testing of the soil near Da Nang's airport, where farmers say they have been unable to grow rice or fruit trees for decades, showed dioxin levels there as much as 100 times above acceptable international standards. Now the United States is planning to co-fund a project to remove massive amounts of the chemical from the soil." The Post adds, "A senior US official involved in Vietnam policy said the plan is evidence that the two countries, having embarked on a new era of economic cooperation, are finally collaborating to address the problem."

Vietnam Frees US Citizen Convicted Of Terrorism. The Washington Post (11/13, A17, Kessler, 690K) reports that a US citizen "convicted of terrorism in a Vietnamese court has been released and will arrive today in the United States, her daughter said yesterday. The case of Orlando resident Thuong Nguyen 'Cuc' Foshee had complicated efforts by the Bush administration to pass a major trade bill with Vietnam." The Post notes that President Bush will arrive in Hanoi on Friday for an Asian economic summit "and has pressed for the trade bill's passage before he leaves Washington." The House is expected to take up the measure today.

Bush To Discuss Trade With Putin. AFP (11/13, Collinson) reports, "President George W. Bush Wednesday holds the first of two meetings with Russian leader Vladimir Putin within five days, bearing the prize of a long sought-after pact on Moscow's entry into the WTO. While the deal announced Friday is a landmark between two former Cold War foes, it will also throw a harsh spotlight on growing strains in US-Russian relations, as it is expected to face harsh scrutiny in Congress." The two meetings, "one in Moscow on Wednesday and one in Vietnam next Sunday, come as expectations mount of an increasingly testy relationship between Congress, captured by Democrats in Tuesday's elections, and the Kremlin." AFP adds, "Concern is mounting among US legislators on a list of US-Russia disagreements, spanning Moscow's reluctance to impose sanctions on Iran over its nuclear program, geopolitical concerns like Georgia and post-Soviet states, human rights, and trade spats." There is also "disquiet over how the emerging energy superpower hands out oil and gas contracts, its arms sales to US foe Venezuela and the murder of Russian journalist Anna Politkovskaya."

Seoul Rejects US-Led Measures To Sanction North. The AP (11/13, Chang) reports South Korea "balked Monday at participating in a US-led plan that foresees intercepting North Korean ships suspected of carrying supplies for the regime's nuclear and missile weapons programs." Worried that stopping and searching ships "could lead to armed clashes" with the North, Seoul "also insisted it is already doing enough to prevent weapons proliferation by Pyongyang." Speaking about a report on how it would carry out UN sanctions, deputy foreign minister Park In-kook said Seoul "already participated in various regimes to control weapons of mass destruction, and wouldn't formally join the US-led Proliferation Security Initiative."

Russia Says Early December Proposed For Talks. AFP (11/13) reports that six-nation talks on ending North Korea's nuclear weapons drive "may be held at the beginning

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of December," Russia's ambassador to Japan, Alexander Losyukov, said. The ambassador said dates "early next month have been proposed among diplomats."

Czech Intelligence Says It Thwarted Nuclear Deals. The Los Angeles Times (11/13, 850K) reports briefly that the Czech secret service "disrupted three attempts last year by North Korea to purchase equipment needed for nuclear weapons production," Czech media reported. "Last year our service halted three export deals headed for North Korea, in particular special machine tools, their components and spare parts," a secret service spokesman, Jan Subrt, told the nation's CTK news agency.

Olmert Arrives In Washington For Talks On Palestinian Conflict, Iran. The Washington Times/AP (11/13, Teibel) reports Israeli Prime Minister Ehud Olmert began a five-day trip to the United States Sunday, "armed with an agenda focusing on the Iranian nuclear threat and Israel's relations with the Palestinians." On the flight over, Olmert "repeated his view that Iran will not scale back its nuclear ambitions unless it fears the consequences of its intransigence," a spokeswoman said. At the same time, Olmert appeared "to play down a senior Israeli official's suggestion that Israel is preparing for a military strike against Iran's nuclear program." The AP notes that Olmert "has said Iran's nuclear ambitions would be the main item on his agenda when he meets with US officials in Washington," where he "had dinner with Secretary of State Condoleezza Rice on Sunday, but neither US nor Israeli officials would describe the subjects of their conversation." Olmert was scheduled to meet with President Bush on Monday.

AFP (11/13, Bousso) says Olmert's meeting Monday with Bush "has been described in Israel as 'a down-to-business meeting' on Iran. With Tehran continuing to reject international calls to halt its nuclear enrichment efforts, Israel has in recent months moved the Iranian threat to the top of its agenda. But Israel could have reason for concern about the resignation of US Defense Secretary Donald Rumsfeld, a ferocious opponent of dialogue. His expected successor, Robert Gates, has signed onto a report calling for dialogue with Iran."

In a 3,000-word analysis piece titled "In New Middle East, Tests For An Old Friendship," the New York Times (11/13, Erlanger, 1.16M) reports, "Even before the American elections, a certain wariness had crept into the intimate friendship between Israel and the United States. … In theory, the two countries share a vision for a modern Middle East in which a thriving Israel would be accepted by its neighbors. But the Israelis balk at President Bush's embrace of regional change through promotion of Arab democracy. They view his effort as naïve and counterproductive, because it brings Islamists and Iranian clients to power. Although Israel was grateful to see Saddam Hussein overthrown, officials here have long focused on what they consider a much bigger concern: preventing Iran from gaining nuclear weapons. They say the American policies that have empowered Iranian-backed militias in Iraq have been counterproductive to Israel's interests."

In a column for the Washington Post (11/13, 690K), Jackson Diehl writes, "Today two bruised, weakened and defensive politicians, George W. Bush and Ehud Olmert, will sit down together at the White House for the first time in six months. Whether the tide of extremism now roaring across the Middle East -- from the Gaza Strip to Baghdad -- can be turned back could depend on whether they find a way to buck each other up." Bush and Olmert "will have to face the reality that Iran is winning -- not just in preserving its nuclear program but in a broader contest over the direction of the Middle East. Olmert's 'disengagement' plan is dead, at least for now; so is Bush's hope that an Iraqi coalition government could stabilize the country. … Imagine Ehud Olmert emerging from the White House to announce that Israel is prepared to explore peace with Syria. It might not turn the ugly tide in the Middle East. But it would, at least, get Israel and the United States back in the fight."

Olmert Discusses Lessons Learned From War In Lebanon. Newsweek's Lally Weymouth (11/20) interviews Israeli Prime Minister Ehud Olmert. Olmert, discussing the aftermath of Israel's attack on Lebanon this summer, says, "After the war, and the failure of the Palestinians to cope with continued terrorist actions, I had second thoughts about my ability to accomplish the two-state solution through realignment. One thing I can promise: under no circumstances am I going to withdraw from the need to engage in a serious dialogue with the Palestinians. The Palestinian issue is on the agenda. There is no way we can ignore it. We have to find the best partner—a lot depends on the Palestinian leadership." Asked if is planning to speak with president Bush about Iran, Olmert said, "I think that Bush is the last person on earth who needs to be reminded of what should be done in order to stop Iran. If there is one person I can trust, it's him."

Rice Says US "Concerned" By Syria's Aid To Hezbollah. AFP (11/13) reports Secretary Rice said Sunday in an interview with Israel's Maariv daily that Washington "believes Syria is a dangerous state whose territory is being used for the accelerated arming of Lebanon's Hezbollah militia." The newspaper quoted the Secretary saying Syria is "a dangerous state that is behaving in a dangerous manner. The United States is concerned and is following closely the use of Syrian territory as a way-station for the accelerated arming of Hezbollah." As Israeli Prime Minister Ehud Olmert arrives in Washington for talks with President Bush, Rice called Syria "a way-station for Iranian arms that cross the Middle East," and stressed that the US is "watching this

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situation closely," while "working with additional international agencies in order to tell Syria that it must change this behavior pattern."

Echoing Secretary Rice's comments, White House Chief of Staff Josh Bolten said on ABC's This Week (11/12, Stephanopoulos), "Our problem with Iran and Syria in the past, I don't believe, has been a lack of communication. In fact, during the first term of this President, we spent a lot of time trying to talk to the Syrians to no effect. So I don't think there's been a communications problem. There's been a cooperation problem. Iran and Syria have been meddling in Iraq in a very unhelpful way. Iranian weapons and technology have found their way into the Iraqi conflict and are being used to kill Iraqis and American soldiers. That needs to stop."

Arab League Calls For New Round Of Mideast Peace Talks. The CBS Evening News (11/12, story 4, 1:50, Mitchell, 7.66M) reported, "Tonight the Arab League is calling for a peace conference with Israel. And while the Hamas led Palestinian government has endorsed the idea, so far, Israeli officials say unless Hamas recognizes Israel there will be no meeting. Mark Phillips reports from Tel Aviv tonight on another week of violence in the Middle East and another try for peace from the White House." CBS (Phillips) added, "Call it two damaged leaders in search of the Mideast policy. Israeli Prime Minister Ehud Olmert is in Washington to see President Bush. The agenda, to explore where, if anywhere, the stalled peace process can go from here. It seems to be going backwards, especially last week. The funeral in Gaza of 18 people, seven of them young children killed by Israeli shells, has stoked the fury of Palestinian militants who have vowed revenge. And the hail, however ineffective of Hamas rocket fire into southern Israel, has continued despite the Israeli attempts to stop it. In this context Israel's occasional offers to hold talks with Palestinian President Abbas have gone nowhere. … But Abbas is in no position to sit down and talk. He's still trying to resolve a bitter internal power struggle between his own Fatah movement and the more militant Hamas, which is stubbornly refusing to recognize Israel's right to exist. … No matter what happens in meetings in Washington this week further violence, not peace, seems the more likely outcome."

The Washington Times/AP (11/13, Nasrawi) reports the Arab League statement said ministers sought a conference to resolve the Israeli-Palestinian conflict "according to international resolutions and the principle of 'land for peace.'" Meanwhile, Arab ministers "also decided Sunday to end a financial blockade on the Palestinians to show their anger over US veto in the" UNSC Saturday condemning the Israeli attack in Gaza. Arab League Secretary-General Amr Moussa said the decision to break the Western-lead financial blockade was "a message to the United States."

Cabinet Resignations Shake Beirut. Following this weekend's resignations of five Shitte cabinet ministers, the New York Times (11/13, Slackman, 1.16M) reports, "Lebanon is in the middle of a political crisis that is not just a matter of jockeying for power, but a fundamental realignment of authority here -- and perhaps in the region." The Times says the resignations set the stage "for a showdown between Hezbollah and its allies, which are aligned with Syria and Iran, and the Sunni, Druse and Christian leaders who control the largest bloc in Parliament and side with the West. Hezbollah has threatened to stage demonstrations as early as Monday, but Hezbollah officials said Sunday that they were waiting to see how their opposition responded and were considering all options. The governing coalition is expected to make its counterstrike on Monday."

Iran Says It Will Retaliate If Attacked By Israel. The AP (11/13, Karimi) reports, "Iran's military will retaliate swiftly and strongly if Israel attacks any Iranian nuclear sites, the Foreign Ministry said Sunday." The warning "came two days after Israel's deputy defense minister suggested Israel might be forced to launch a military strike against Iran's disputed nuclear program as 'a last resort.'" Foreign Ministry spokesman Mohammed Ali Hosseini said, "If the Zionist regime commits such stupidity, the response by the Iranian military will be swift, strong and crushing. … Iran will take no longer than a second to respond."

Ahmadinejad Calls UN Efforts To Impose Sanctions "Disgraceful." The New York Times (11/13, Fathi, 1.16M) reports, "President Mahmoud Ahmadinejad on Sunday described efforts by the United Nations Security Council to impose sanctions on Iran as 'disgraceful.'" Iran "contends that its nuclear program is peaceful and that its aim is to produce fuel for its nuclear power plants."

Islamists Capture Somali Town. The AP (11/13, Nor) reports, "Islamic militants said they captured a town in central Somalia on Sunday after they came under attack from pro-government militiamen backed by troops from Ethiopia and a semiautonomous region in northern Somalia. The fighting erupted near the border of the Puntland region, one of the few areas in Somalia still outside the control of the Islamic movement. The group said it captured the town of Bandiradley, about 430 miles north of the capital, Mogadishu, and two of its fighters were killed in the battle." The New York Times (11/13, Gettleman, 1.16M) says "each side blamed the other for the bloodshed, which claimed as many as 10 lives." The Financial Times (11/13, Biedermann) and Wall Street Journal (11/13, A4, Higgins, 2.04M), among other sources, also report the story.

Chinese Sub Stalked US Aircraft Carrier Last Month. The Washington Times (11/13, Gertz, 88K)

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reports, "A Chinese submarine stalked a U.S. aircraft carrier battle group in the Pacific last month and surfaced within firing range of its torpedoes and missiles before being detected, The Washington Times has learned." The "surprise encounter highlights China's continuing efforts to prepare for a future conflict with the US, despite Pentagon efforts to try to boost relations with Beijing's communist-ruled military." The Times adds, "The submarine encounter with the USS Kitty Hawk and its accompanying warships also is an embarrassment to the commander of U.S. forces in the Pacific, Adm. William J. Fallon, who is engaged in an ambitious military exchange program with China aimed at improving relations between the two nations' militaries."

US Says Castro's Health Deteriorating. The CBS Evening News (11/12, story 5, 0:10, Mitchell, 7.66M) reported, "US officials are telling the Associated Press they think that Castro is dying of cancer. They believe the ailing 80-year-old Cuban leader is not likely to live beyond next year." The AP (11/13, Shrader) says Washington's "dire view was reinforced last week when Cuba's foreign minister backed away from his prediction the ailing Castro would return to power by early December."

UN Official Meets With "Brutal" Ugandan Leader. The New York Times (11/13, Gettleman, 1.16M) reports on Joseph Kony, "one of the most vilified rebel leaders on the planet." He "stands accused of brainwashing countless children across northern Uganda, turning the girls into sex slaves and the boys into prepubescent killers. His so-called Christian movement, the Lord's Resistance Army, has terrorized this corner of Africa for nearly 20 years, killing tens of thousands of people, burning down huts and hacking off lips. The fact that Mr. Kony, whose followers believe he is a prophet, rarely appears in public has only added to his brutal mystique." But "on Sunday, he came out of the bush. At a camp deep in the forest on the Congo-Sudan border, Mr. Kony materialized to meet Jan Egeland, the United Nations under secretary general for humanitarian affairs and emergency relief."

The Washington Post/AP (11/13, A16, Pownall) reports Kony and Egeland "shook hands before speaking for 10 minutes in a green tent erected by the United Nations." Egeland "was seeking the release of women and children enslaved by the group during its 20-year conflict with the Ugandan government." But Kony "denied that his forces were holding prisoners."

Al Jazeera Seeks To Extends Its Reach, Influence. The New York Times (11/13, Fattah, 1.16M) reports, "Al Jazeera, the Arab news channel that began a decade ago as an upstart, has became a thorn in the side of every dictator in the region as well as of the Bush administration. Critics call it radical; its admirers lionize it. And the network continues to battle accusations that it is sympathetic to Al Qaeda and other extremists." Meanwhile, "Al Jazeera's journalists are working to transform the channel into a conglomerate with global reach. By the end of the year, Al Jazeera will have news channels in Arabic and English, a pan-Arab newspaper, Web sites and blogs, sports and children's outlets, and even a channel modeled after C-Span. The network (it turned 10 on Nov. 1) is also looking to extend its sphere of influence beyond the Arab world. On Wednesday, it will start the English-language Al Jazeera International, its most ambitious initiative yet, which will go on the air from Asia to the United States."

Ortega's Transformation In 2006 Campaign Examined. Álvaro Vargas Llosa, the director of the Center on Global Prosperity at the Independent Institute in Washington, writes in the New York Times (11/13, 1.16M) that in Nicaragua, Daniel Ortega "tossed the olive green fatigues and the red and black flag; his campaign colors were pink and turquoise, and his theme song a Spanish version of John Lennon's 'Give Peace a Chance.' He apologized for the massacre of the indigenous Miskito people that took place in the north of the country during his first regime and, finally, he instructed his legislators to vote for a bill banning abortion even in cases of a threat to the woman's life." Llosa adds, "What this farcical saga tells us is that Daniel Ortega was much more interested in being president than in being principled and, more important, that anyone who wants to lead today's Nicaragua needs to persuade voters that he will respect the rule of law and private property, will try to lure investment and will be sensitive to the nation's religious heritage. … In a sense, these moderate left-wing leaders, perhaps now including Mr. Ortega, are a lot more in sync with what Ronald Reagan and his men were aiming for in Central America in the 1980s than Oliver North would care to admit. As they fall over themselves pandering to the church, the business community and conservative voters, there's little time left over for creating a New Man."

Ortega's Professed "Evolution" Convinces Some Former Enemies. Time (11/20, Padgett, 4.03M) reports Nicaraguan President-elect Daniel Ortega "sounds like a changed man. 'We won't eradicate poverty by eradicating capital or alienating investors but by joining forces with them,' he says. Ortega is playing to the audience, but even former rivals believe that his evolution from communist strongman to nascent capitalist may be genuine."

Calderon Describes Immigration In Context Of Free Markets. In an interview with Time (11/20, 4.03M) Mexican President-elect Felipe Calderon is quoted as saying, "I cannot imagine the future of North America -- Canada, the

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U.S., Mexico--without a free market. Free in all senses of the word, in terms of goods and services and in terms of labor too. You cannot have an efficient and prosperous economy, even in the U.S., without developing a single, free market. On the other hand, I realize how important the immigration problem is for Americans. It is the same for Mexico. Every year we lose the best of our people: young, responsible, hardworking people. In Mexico you see a lot of towns made up of only women and the elderly. That is not exactly the country we want to have. I believe that migration is a bilateral problem, and it needs to be solved by creating jobs in Mexico."

US Media Coverage Of Africa Criticized. Novelist Chimamanda Ngozi Adichie writes in the Washington Post (11/13, 690K) about "the view of Africa from the American media, in which we are shown poverty and conflicts without any context. If I were not African, I would, after watching the coverage, think of Africa as a place of magnificent wild animals in which black Africans exist as tour guides, or as a place of desperately poor people who kill or are killed by one another for little or no reason. … Which brings me back to Madonna. I applauded her funding of orphanages in Malawi. I wish, however, that instead of asking television viewers to go to Africa and adopt, she had asked them to send a check to malaria-eradication organizations. … I wish she had pointed out, with suitable celebrity-style rage, that Western countries need to stop appeasing and propping up hopeless African leaders, that Western banks must stop enabling and accepting stolen money from these leaders, that Western donors who insist on the free movement of capital across borders must also insist on the free movement of labor. I wish she had then shown, with graphs on the screen, how these things affect the father and relatives of David Banda."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Democratic Lawmakers Will Seek A Phased Withdrawal From Iraq."
"Afghan Army Could Help Unify A Nation."
"A Friendly Voice, When Pirates Strike."
"Near A Pristine Desert Peak, Housing Looms."
"Reid Pledges Earmark Reform, But May Benefit."
"KB Home CEO Ousted Over Stock Options."

USA Today:
"Cleric Al-Sadr May Hold Iraq's Future In His Hands."
"Hospitals Too Slow On Heart Attacks."
"Democrats: Identify Pork Sponsors."

New York Times:
"Democrats Push For Troop Cuts Within Months."
"Influence Rises But Base Frays For Iraqi Cleric."
"Identity Thief Is Often Found In Family Photo."
"In New Middle East, Tests For An Old Friendship."
"Fresh Off The Farm In Montana, a Senator-To-Be."
"As Sonics Pack To Leave Town, Seattle Shrugs."
"Leaving The City For The Schools, And Regretting It."

Washington Post:
"Blasts Kill Iraqi Police Recruits."
"Pelosi Backs Murtha for Majority Leader."
"Vietnam's Toxic War Legacy."
"Like Clockwork: Hour Of Delay, Hour Of Flight."
"Va. State Police Swap '10-4' For 'Message Understood."
"Hunch Unravels Wedding Scam."

Washington Times:
"China Sub Security Stalked U.S. Fleet."
"Democrats To Propose Iraq Pullout."
"Petty Disputes Spur D.C. Killings."
"Shi'ite Fanatic Rises In Iraq To Fill Void Left By Zarqawi."
"Abused Wives in India Pin Hope On Anti-Violence Law."
"Israel's Lieberman Talk Touch."

Detroit Free Press:
"The Road Toyota Took To Success."
"Up North Deer Hunters Migrate Down South."
"Holy Heroics Batman!"

Atlanta Journal-Constitution:
"Lame Ducks' Agenda Heavy."
"$1.8 Million Bailout."
"Atlantans Capture Hip-Hop Awards."

Houston Chronicle:
"Dyna-Might."
"Time Up For Last major Enron Exec."
"School Promotes high-Tech Tip Line."

Story Lineup From Last Night's Network News:
ABC: Preempted By MLS Cup Championship.
CBS: New Course-Iraq; Iraq Sectarian Violence; Sectarian Violence-Iraq Police Problem; Israel Palestinian Conflict; Castro's Health; Motor Medics; Oldest living Former President; College Admissions; Portraits Of fallen Soldiers; Ed Bradley Remembered.
NBC: Preempted By Football.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Bush-Iraq Study Group; Iraq's PM-Cabinet Reshuffle; Saudi Arabia's Interior Minister-Iraq; Olmert, Bush Meeting; CA Wildfire; Ford-Longest Living President; Heart Attacks-Quicker Response Ideas; Heart Attacks-Connection To Intense Anger.

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CBS: Iraq-Militias; Bush-Iraq Study Group; Northeast US-Rain; Northwest US-Precipitation; CA Wildfire; Heart Disease-Survival Rate Disparity Between Black And Whites; South Korea-Won't Join US-Led Plan To Search Cargo Going To And From North Korea; Weekend Box Office; Canada-Chocolate Recall.
NPR: Bush-Iraq Study Group; Congress-Lame Duck Session; Bush-Bolton Appointment; Finance Minister From Afghanistan-Canadian Troops; South Korea-Won't Join US-Led Plan To Search Cargo Going To And From North Korea; Spain-Maritime Disaster Demonstrators; Explosive Remnants Of War Treaty.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Meets with the Iraq Study Group; meets with Israeli Prime Minister Olmert, White House.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: FLOOR SCHEDULE _ 2 p.m. Meets for morning business.

2:30 p.m. HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS _ Full Committee. Hearing on pending nominations. Location: Room 342, Dirksen.

US House: FLOOR SCHEDULE _ 2 p.m. Meets for legislative business. Highlights: Suspensions (10 bills): 1) H.R. 409 - Sierra National Forest Land Exchange Act of 2006; 2) H.R. 3085 - To amend the National Trails System Act to update the feasibility and suitability study originally prepared for the Trail of Tears National Historic Trail and provide for the inclusion of new trail segments, land components, and campgrounds associated with that trail, and for other purposes; 3) S. 1131 - Idaho Land Enhancement Act; 4) S. 4001 - New England Wilderness Act of 2006; 5) H.R. 1129 - Pitkin County Land Exchange Act of 2006; 6) S. 435 - Lower Farmington River and Salmon Brook Wild and Scenic River Study Act of 2005; 7) S. 819 - Pactola Reservoir Reallocation Authorization Act of 2005; 8) H.R. 6121 - To amend the Federal Water Pollution Control Act to reauthorize a program relating to the Lake Pontchartrain Basin, and for other purposes; 9) S. 1140 - Senator William V. Roth, Jr. Bridge Designation Act; 10) H.R. __ - To authorize the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of Vietnam, and to establish a procedure for imposing quotas on imports of subsidized textile and apparel products of Vietnam 6:30 p.m. Approximate time for swearing in for Rep.-elect Albio Sires who is filling the seat of Robert Menendez of New Jersey, and for Rep.-elect Shelley Sekula-Gibbs who is filling the seat of Rep. Tom DeLay.

Other: ISRAELI PRIME MINISTER OLMERT _ Highlights: Meets with President Bush. White House. 4 p.m. Olmert's Press Secretary, Miri Eisen, holds a briefing to discuss the meetings with President Bush and Secretary of State Rice. National Press Club. Contact: Michael Doyle, 202-383-0006.

EDUCATION _ The Public Education Network holds its 16th annual conference on the transformation of public education by local education funds. Highlights: 12 p.m. Former Secretary of State Madeleine Albright. Location: Fairmont Hotel, 2401 M St. NW.

GLOBAL SOLUTIONS _ Citizens for Global Solutions holds a conference to develop bipartisan foreign policy for the 21st century. Highlights: 9 a.m. Opening session with Rep. Jim Kolbe and Montana Gov. Brian Schweitzer. 10:15 a.m. Rep. Jim McGovern. 12:30 p.m. Luncheon: ``Nuclear Weapons, Power and 21st Century Security'' with Laura S. H. Holgate, Vice President for Russia/New Independent States (NIS) Programs, Nuclear Threat Initiative; Mary Beth Nikitin, Fellow, Center for Strategic & International Studies; Dr. Edward Lyman, Senior Staff Scientist, Global Security Program, Union of Concerned Scientists. Location: Hotel Palomar, 2121 P St. NW.

MIDEAST _ The Middle East Institute holds its 60th annual conference. Highlights: 9 a.m. Keynote speech - Energy Secretary Bodman. 10:15 a.m. Panel on exiting Iraq, with Jay Garner, US Army (retired); Brian Katulis, Center for American Progress; David Satterfield, Senior State Dept. Coordinator, Iraq; Qubad Talabany, Kurdistan Regional Government. 2 p.m. Panel on Afghanistan, Pakistan and regional stability, with Steve Coll, The New Yorker; James Dobbins, RAND Corporation; Richard Giguere, Royal Canadian Forces Attachi; Bruce Riedel, Brookings Institution. Location: National Press Club.

KING MEMORIAL _ 8:40 a.m. - 12 p.m. Ceremonial groundbreaking for the Martin Luther King Jr. Memorial. Location: National Mall, Independence Ave. and West Basin Dr.

MILLENNIUM CHALLENGE-MALI _ 9 a.m. Secretary of State Condoleezza Rice, Chair of the Board of the Millennium Challenge Corporation (MCC), will make remarks at the signing of the Millennium Challenge Compact between the United States and the Republic of Mali. Malian President Amadou Toumani Touri and MCC Chief Executive Officer Ambassador John Danilovich will also make remarks. The $461 million Compact will be signed by Ambassador Danilovich and Mali's Minister of Foreign Affairs Moctar Ouane. Location: Benjamin Franklin Room, Department of State.

TORTURE _ 9:30 a.m. Former military interrogator and prominent psychologists will discuss preliminary findings from

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their groundbreaking analysis on the efficacy of torture at a press conference. Recent media reports on the use of torture in intelligence gathering operations have raised important questions about the effectiveness of harsh interrogation methods. Does torture generate reliable information? Is torture an effective tool for the war on terrorism? The following participants will discuss their preliminary findings: Jean Maria Arrigo, co-founder, International Intelligence Ethics Association; Fathali Moghaddam, professor of psychology and author of From the Terrorists Point of View: What They Experience and Why They Come to Destroy; a Former Military Interrogator. Location: Georgetown University Alumni House, 3604 O St. NW.

GAS MILEAGE _ 10 a.m. The Consumer Federation of America holds a news conference to release a study of consumer attitudes toward gasoline prices and their auto purchase plans, and another analysis of how manufacturers have responded to the calls for improved fuel economy. Location: New York Room, Capital Hilton, 16th and K Sts. NW.

RUSSIA _ 10:30 a.m. The American Enterprise Institute hosts a lecture by Yegor Gaidar, acting prime minister during the first government of President Boris Yeltsin and the architect of the free-market revolution in post-Soviet Russia, discussing the lessons of the Soviet states failure to the new direction of the Kremlin in the last few years. Location: 12th floor, AEI, 1150 17th St. NW.

CONGRESS-ENVIRONMENT _ 11 a.m. Environmental groups hold a telephone news conference to discuss the outlook for environmental legislation in the new Congress. Contacts: Tony Iallonardo, 202-271-8602. Notes: Callin number: 800-311-9407; passcode: Audubon1.

MARRIAGE _ 11 a.m. Women's Voices. Women Vote and pollster Stanley Greenberg hold a telephone briefing to release the results of a12-state, 4-day tracking poll of unmarried women. Analysis will include results from three polls, including a 12-state survey of unmarried women, election day exit polls and an over sample of a Democracy Corps Election night survey. Contacts: Lisa Sohn, 415-901-0111. Notes: Callin number: 800-362-0653; call title: women's voices; passcode: 7vote.

ELECTION-ANALYSIS _ 12 p.m. The Kettering Foundation holds a roundtable discussion analyzing the election returns, with Bliss Browne of Imagine Chicago, Michael Delli Carpini of the Annenberg School of Communication, Brenda Firton-Mitchell of the National Council of Churches, Richard Harwood of the Harwood Institute, former Mississippi Gov. William Winter, others. Location: National Archives.

ELECTION-WOMEN _ 12 p.m. The National Council of Women's Organizations holds a news conference to discuss the election results, how women were mobilized and voted and how women fared as candidates. Participants include Denise Baer, Strategic Research Concepts, President; Martha Burk, National Council of Women's Organizations; Lorraine Cole, YWCA, Chief Executive Officer; Kim Gandy, National Organization for Women, President; Dolores Huerta, United Farm Workers, Co-Founder; Crystal Lander, Feminist Majority, Campus Director; Eleanor Smeal, Ms. Magazine, Publisher; E. Faye Williams, National Congress of Black Women, Chair. Location: National Press Club.

HEALTH INSURANCE _ 12 p.m. America's Health Insurance Plans group releases a new plan to expand access to health insurance coverage to more than 40 million people. Location: Grand Hyatt Hotel, 1000 H St. NW.

RENEWABLE ENERGY _ 12:30 p.m. The Energy Future Coalition and the 25x25 Alliance will hold a media lunch to discuss a new RAND Corporation study showing that America could dramatically increase its use of renewable energy at little to no cost to the economy. Location: National Press Club.

AIDS-SENATE _ 1 p.m. Dr. Gary Puckrein, executive director of the National Minority Health Month Foundation, and other AIDS activists hold a telephone news briefing calling for the immediate passage of the Ryan White CARE Act reauthorization bill currently stalled in the US Senate. Contacts: Hillary Maxwell, 202-572-6205. Notes: Dialin number: 800-361-0912; confirmation code: 4699501; title: Ryan White CARE Act.

BLOGGING _ 1 p.m. ``Beltway Blogger Boot Camp," a workshop designed to provide up-to-the-minute blogging best practices for communications, public relations and government relations professionals, hosted by Washington public affairs firm Issue Dynamics, Inc., with leading DC-area blog experts. Location: National Press Club.

FAITH SYMBOL _ 1 p.m. Americans United for Separation of Church and State announces litigation to force the Department of Veterans Affairs to recognize the Wiccan faith symbol, the pentacle, for use on memorial markers, plaques and headstones. Location: National Press Club.

MOCNY _ 1 p.m. US-VISIT Acting Director Robert Mocny speaks at the US-VISIT 10-Print Industry Day. Location: 12th floor, 1400 N. 14th St., Arlington. Notes: Homeland Security Secretary Chertoff speaks to the same meeting at 1:30 p.m.

CONGRESS-ACLU _ 1:30 p.m. The American Civil Liberties Union holds a conference call briefing to discuss the lame duck congressional session and its potential impact on civil liberties. Contacts: Mandy Simon, 202-675-2312. Notes: Dial in number: 800-816-4134. Access Code: 69922.

COMPETITIVENESS _ 2 p.m. The Council on Competitiveness holds a news conference to release the Competitiveness Index: Where America Stands. Location: JW Marriott, 1331 Pennsylvania Ave, NW.

CLIMATE CHANGE _ 3 p.m. The Environmental and Energy Study Institute holds a briefing with officials from the

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British Embassy discussing the just-released Stern Review on the Economics of Climate Change. Location: Room 2360, Rayburn.

ELECTION-FOREIGN POLICY _ 6 p.m. Georgetown University sponsors a panel discussion on the impact of the election on foreign policy, with former Rep. Mickey Edwards, former Undersecretary of State Marc Grossman, former Assistant Secretary of State Wendy Sherman, others. Location: Bunn Center Auditorium, on campus.

ENERGY _ 6 p.m. The Defense Department holds a program with Brian Appel, chairman and CEO, Changing World Technologies, Inc., discussing ``Thinking Differently About Energy Sources: A Paradigm Shift - from Waste to Fuel." Location: Doubletree Hotel Crystal City, 300 Army Navy Dr., Arlington.

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USDOJ- Office of Public Affairs

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DEPARTMENT OF JUSTICE *NEWS CLIPS*

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: SUNDAY, NOVEMBER 12, 2006 7:45 AM EST

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TERRORISM NEWS:

Posada A Target Of New Federal Probes (MH)

By Alfonso Chardy And Jay Weaver

The Miami Herald, November 12, 2006

One of the first things the businessman noticed about Luis Posada Carriles was that he spoke funny. Posada, who mumbled because of an old bullet wound in his jaw, frequently visited the businessman's Guatemala utility company in 1997 to meet with two co-workers.

The businessman grew suspicious after one of the workers told him about Cuban exile plans to assassinate Fidel Castro and after a Venezuelan politician confided that Posada, a CIA-trained explosives expert, was a ``very dangerous individual."

Concerned that Posada was using his utility business to plot illicit activities, the businessman hid a transmitter in an office and overheard the two co-workers talk with Posada about placing a "putty-like explosive" in the shoes of Central Americans paid to pose as tourists on trips to Cuba.

Soon afterward, the businessman became a "confidential source" for the FBI's investigation into bombs that exploded at Cuban tourist sites in 1997, killing an Italian and wounding seven others.

The businessman, a Cuban-American engineer who set up the utility company in Guatemala City in 1996, could turn out to be the central figure in the Justice Department's rekindled criminal investigation of Posada. The probe is back on track -- despite the fact that the FBI field office in Miami destroyed evidence in 2003 about the initial Cuba bombing case.

Federal grand juries in New Jersey and Texas are investigating the secret activities of Posada, 78, who is detained at an immigration facility in El Paso, Texas. The Texas probe focuses on whether he lied about how he sneaked into the country. The New Jersey investigation, aided by the FBI in Miami, is zeroing in on his role as the alleged mastermind of the dozen tourist-site bombings in Cuba that investigators think were financed by Cuban exiles in Union City, N.J.

Either of the probes could lead to the first indictment of Posada in the United States.

10-PAGE AFFIDAVIT

An insight into the Justice Department's case can be found in a 10-page affidavit obtained by The Miami Herald. In the June 10, 2005, sworn statement, FBI special agent Thomas H. Rice portrayed Posada as a dangerous man bent on killing Castro and spreading terror on the communist-run island to destroy its tourism economy.

"The FBI is unable to rule out the possibility that Posada poses a threat to the national security of the United States," Rice wrote.

Among the evidence cited in the sworn statement:

• In late August 1997, the businessman at the Guatemala utility company said he and a co-worker discovered "what appeared to be explosive materials" in the firm's office, where Posada regularly met with two other workers.

The businessman later told the FBI that the materials consisted of 22 transparent plastic tubes filled with a tan substance. They were labeled with the name of the manufacturer and ``explosivos de alto poder, extremadamente peligrosos" -- high-power explosives, extremely dangerous.

• The businessman said he found funnels in the office that he thought were used to mix explosive materials with liquid inside shampoo bottles. He also found a diaper that may have been used to absorb the liquid in the bottles and yield the explosives.

The businessman then found a carrying case containing a note in Spanish, which said, "The tyrant has to be eliminated, regardless of how many others are killed." Also found in the case: a note pad with Posada's name written on the first page.

• During the FBI's investigation of the 1997 Cuba bombings, agents collected records showing about $19,000 in wire transfers from the United States to "Ramon Medina," one of Posada's aliases, in El Salvador and Guatemala between Oct. 30, 1996, and Jan. 14, 1998.

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WIRE TRANSFERS

The FBI agent specifically refers to an Aug. 25, 1997, fax intercepted by the businessman's co-worker at the Guatemala utility company.

The cryptic fax is signed Solo. Investigators think Posada sent the fax from El Salvador to the utility company, addressed to two alleged co-conspirators who worked there.

Handwritten in Spanish, it refers to wire money transfers totaling $3,200 from four men in Union City to pay a ``hotel bill.''

It also alludes to some discussion Solo had about the need for publicity for certain actions. But there is no mention of Posada or bombings.

"As I explained to you, if there is no publicity, the work is useless," Solo wrote. ``The American newspapers don't publish anything that hasn't been confirmed. I need all the information regarding the discotheque in order to try to confirm it. If there is no publicity, there will be no payment. I'll be awaiting news today, tomorrow I'll be leaving for two days."

CRUCIAL DOCUMENT

Since the fax became public in 1998, after it was reported first in The Miami Herald and then in The New York Times, it has come to be seen as a crucial document in the current investigation. It was included in the hundreds of pages turned over May 19 to the El Paso court considering Posada's custody.

In New Jersey, three of the people mentioned in the fax -- Abel Hernández, Rubén Gonzalo and his son, José -- have been approached by FBI agents and subpoenaed by the federal grand jury in Newark. Authorities wanted to know whether they helped finance the Cuba bombings.

Attorney Gilberto Garcia, who represents the three men and two other Cuban exiles also subpoenaed by the grand jury, said none had any role in the bombings.

"My clients had no knowledge about the financing of the bombings," Garcia said. ``They had no participation."

Nevertheless, Garcia said two of the five refused to testify and invoked their right against self-incrimination -- then prosecutors excused them. Two others agreed to provide information to prosecutors, and one testified before the grand jury. Those three said they had not been involved in the bombings.

Garcia said his clients' names on the Solo fax were "misappropriated." "Someone was sending these money transfers to Guatemala using their names," he said.

Although Posada was suspected as the mastermind of the bombings, he was never charged in the initial probe, largely because federal investigators insist that the Cuban government failed to help them build a case against him. But the federal case was reactivated after Posada, a Cuban-born Venezuelan citizen, sneaked into the United States last year.

The U.S. attorney's offices in Newark and El Paso declined to comment.

Eduardo Soto, Posada's attorney, said his client has not received a so-called target letter from federal authorities alleging he is a suspect in a crime. Soto said his client did not lie about his entry into the country and was not involved in the Cuba bombings.

In El Paso, three Cuban exiles from Miami -- José Pujol, Rubén López Castro and Ernesto Abreu -- have refused to testify. At least two of them, Pujol and López Castro, are facing prosecution.

The current Newark investigation has gained momentum as the FBI pieces together evidence -- including the fax allegedly sent by Posada listing suspected U.S. co-conspirators involved in the financing of the bombing campaign.

The government has stepped up its effort to keep Posada in detention because the federal judge in El Paso has set a Feb. 1 deadline for the Justice Department to demonstrate why he shouldn't be released in the United States, since he cannot be deported.

The reason: No country has offered to take him. Also, an immigration judge has ordered that he not be sent back to Cuba or Venezuela.

PROPAGANDA WEAPON

Castro and Venezuelan President Hugo Chávez accuse Posada of masterminding the 1976 bombing attack that brought down a Cuban airliner, killing 73 people.

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Both leaders have used Posada as a propaganda weapon against the United States, which was embarrassed by his illegal entry into the country in the post-9/11 climate when antiterrorism defenses were supposed to be tighter. Castro and Chávez have accused federal officials of coddling a ``terrorist."

For his part, Posada has blamed Cuban agents for a 1990 assassination attempt in which he was shot in the jaw and chest in Guatemala.

The Justice Department's renewed Cuba bombing probe was challenging at first because the FBI had destroyed some documents, such as Western Union cables and other case records, in the fall of 2003 -- after obtaining approval from the U.S. attorney's office in Miami.

In the initial case, the Cuban government was cooperative with federal authorities. A team of FBI agents visited Cuban counterintelli- gence officials in June 1998. The Castro government said it shared information on the tourist bombing attacks and other alleged Cuban exile terrorism activities during the 1990s.

1998 IMPASSE

Ultimately, Cuban officials refused to allow FBI agents to talk with witnesses or suspects or to conduct forensic examinations of explosive materials recovered from the tourist-site bombings, according to federal authorities.

The final breakdown came in September 1998, when a federal grand jury in Miami indicted 10 Cuban agents on charges of infiltrating South Florida to spy on the U.S. government and the Cuban-American community.

One of the key pieces of evidence in the current Cuba bombing investigation is the mysterious fax signed Solo.

The link between Posada and the fax was reported first in The Miami Herald on June 7, 1998. A New York Times article the following month said a Cuban-American businessman in Central America, Jorge "Tony" Alvarez, had discovered the fax in his office. Alvarez claimed it had been sent by Posada from El Salvador.

`A BIG SCANDAL'

The article also asserted that Posada acknowledged being the author of the fax, and an accompanying story quoted Posada as saying he was responsible for the bomb attacks at Cuban tourist sites, including the one that killed the Italian.

"We didn't want to hurt anybody," the story quoted Posada as saying. ``We just wanted to make a big scandal so that the tourists don't come anymore. We don't want any more foreign investment."

For investigators, Posada's statements amounted to a confession.

Last year, prosecutors from the U.S. attorney's office in Miami sent subpoenas to The New York Times and freelance writer Ann Louise Bardach, demanding the recordings and any other documents she might have that were connected to the interview. Lawyers sought to quash the subpoenas, and the government withdrew them.

In October, the grand jury in Newark issued a new subpoena to Bardach. She said her Miami lawyer is preparing a response to quash it.

Taken together, the fax, FBI witnesses and the tapes could be crucial pieces of evidence in indicting Posada.

In testimony to an immigration court in El Paso last year, Posada acknowledged that he had made those statements to Bardach -- but noted that he did not understand her questions and did not provide proper answers because his English was poor.

In the end, the Cuban government arrested several of the bombers.

And over the next decade, the tourism industry was far from disrupted. Travel to Cuba became all the more popular, with experts estimating the total number of visitors doubling to more than two million last year.

FBI Destroyed Evidence As 'Routine' Matter (MH)

By Jay Weaver And Alfonso Chardy

The Miami Herald, November 12, 2006

A renewed federal investigation launched after Cuban exile militant Luis Posada Carriles sneaked into the country last year posed a serious challenge at first because the FBI's Miami office had destroyed crucial evidence in the fall of 2003.

The evidence was part of a previous investigation of bomb attacks against Cuban tourist sites in 1997. Destroyed documents included Western Union cables and money wire transfers.

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The Atlantic Monthly, in an article in its November issue, suggested the FBI destroyed the evidence to shield Posada from criminal prosecution and avoid angering the Cuban exile community where some view him as a patriot.

The FBI confirmed to The Miami Herald that some case records were destroyed but denied there were any irregularities.

Officials portrayed the destruction as a routine administrative procedure after the U.S. attorney's office closed the case in August 2003 because of lack of progress in the investigation.

"We routinely destroy evidence in cases that have been closed," said FBI spokeswoman Judy Orihuela, noting the agency needed to make room for other records in its evidence room at the time.

She added that the FBI has been able to rebuild the body of evidence in the Cuba bombing probe, which targets Posada.

Hector Pesquera, who was special agent in charge of the FBI's Miami field office in 2003, said that any suggestion he sought to protect Posada from prosecution was ``preposterous."

Said Pesquera: ``That's not the way this office works or any other law enforcement office works for that matter."

Guy Lewis, who served as the U.S. attorney in Miami during part of the Cuba bombing case, said such a claim was ``B.S."

Why The FBI Is Coming After Me (WP)

By Ann Louise Bardach

The Washington Post, November 12, 2006

As a rule, I don't believe in conspiracy theories. They tend to be tidy and selective, whereas life seems so random and messy. But the case of Cuban militant and would-be Fidel Castro assassin Luis Posada Carriles has sorely tested my convictions.

I've been writing about Posada for nearly a decade. I interviewed him in Aruba for a series of articles in the New York Times in 1998. He was a fugitive who had escaped from Venezuela in 1985 while awaiting trial in the 1976 bombing of a Cuban passenger plane that killed all 73 people aboard-- the first deadly act of airline terrorism in the Americas. Posada has maintained his innocence, but in a rare instance of unanimity, the CIA and the FBI, as well as Venezuelan, Trinidadian and Cuban intelligence, concluded that he and fellow militant Orlando Bosch had masterminded the bombing.

Last year, I wrote an Outlook article about Posada's surprise arrival in Miami, where he filed a claim for political asylum. Not only did this move strike many as brazen, but it also seemed incomprehensible that the Bush administration, so committed to what it calls the War on Terror, could have allowed someone of Posada's notoriety to slip into the country.

Soon after, Homeland Security Department officials got around to arresting Posada and charging him with illegal entry. I assumed that the Justice Department would act on his self-admitted history of paramilitary attacks and extradite him somewhere, and that I'd just continue to cover his case. Instead, the government has dithered for a year and a half while Posada languishes in an immigration jail in Texas.

And I, meanwhile, have found myself an unwitting player in the tangled drama of the United States and Luis Posada.

Not long after Posada's arrest, FBI and Homeland Security agents began to phone me, seeking information about the New York Times series. One agent came right out and asked if I'd share my research materials -- as well as my copies of FBI and CIA files on Posada. "Do us a favor," he said. "We can't find ours." I laughed politely, assuming it was a strained attempt at humor. But he wasn't kidding.

In August 2003, the Miami bureau of the FBI made the startling decision to close its case on Posada. Subsequently, according to FBI spokeswoman Judy Orihuela, several boxes of evidence were removed from the bureau's evidence room, or the "bulky," as it is known. Among the documents that disappeared was the original signed fax that Posada had sent to collaborators in Guatemala in 1997, complaining of the U.S. media's reluctance to believe reports about a series of bombings in Cuba, which he hoped would scare tourists and investors away from Castro's island.

I had shown Posada a copy of this fax during my interviews with him. The fax had been intercepted by Antonio Alvarez, a Cuban exile and businessman who had shared office space with Posada in Guatemala in 1997. Alarmed, Alvarez had notified agents from the FBI's Miami bureau, but when they took no action, he had turned to the Times.

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"If there is no publicity, the job is useless," Posada wrote in the fax. "The American newspapers publish nothing that has not been confirmed. I need all the data from the [bombing of the] discotheque in order to try to confirm it." It was signed "Solo," his nom de guerre.

Posada fretted to me that the fax could cause him problems with the FBI. But he had no need to worry.

H?ctor Pesquera, the special agent in charge of the Miami FBI bureau at the time, showed little interest in Posada's case. To his agents' distress, he enjoyed socializing with Miami's hard-line exile politicians, and denied agents' requests for wiretaps on Bosch, known as the godfather of the paramilitary groups, as well as other militants suspected of ongoing criminal activity. Pesquera shuttered investigations into exile militants, agents say, before retiring in December 2003.

Without the materials that were removed from the evidence room, which also included cables and money transfers between Posada and his collaborators in the Cuban bombings, a criminal prosecution of Posada is severely hobbled. Orihuela, the FBI spokeswoman, explained that "the supervisory agent in charge and someone from the U.S. attorney's office would have had to sign off" before evidence is removed and destroyed. She confirmed that the approval to dispose of the evidence was given by the case agent on Posada, who happened to be Ed Pesquera -- H?ctor's son.

Though Posada's case was reopened in May 2005 and is now pending, the decision to close it in the first place baffled many longtime FBI and Miami Dade police investigators. Rarely had Posada been more active. In addition to the Cuban bombing campaign, he and three comrades had been arrested in Panama in 2000 in connection with an attempt to assassinate Castro.

In late April last year, while I was out at the hair salon, my husband phoned to tell me that two Department of Homeland Security agents had arrived at my home in Santa Barbara, Calif., to serve me with a subpoena. I told him to ask the agents to leave and refer their inquiries to the Times. Eventually, they served the Times' lawyers. Over the next few months, a dance played out in the U.S. District Court for the Southern District of Florida. After the Times filed its motion to quash the subpoena, the Justice Department withdrew it in August 2005.

Later, while I was working on an article about Posada for the current issue of the Atlantic Monthly, one of his attorneys told me that Posada's case "is being handled at the highest levels" of the Justice Department. All they have to do to detain Posada indefinitely, he explained, is to have Attorney General Alberto R. Gonzales certify him as a national security threat. "But they're not going to do that," he added. "That would create problems for the Bush people with their Cuban-exile base in Miami." In other words, the government does not want to mount its own case -- and risk alienating Cuban American allies. Better it should get reporters to build its case.

On Sept. 11, the Justice Department whirled into action, perhaps emboldened by the symbolism of the date. It struck a plea deal for about two years in prison for Posada's comrades Santiago Alvarez and Osvaldo Mitat, who had been facing up to 50 years in prison for the illegal possession of hundreds of firearms. On the same day, a magistrate judge in El Paso recommended that Posada be released, as Justice had yet to file charges. (On Nov. 3, the presiding judge gave the government 90 days to make its case.) And later that afternoon, a Justice lawyer called the Times and said that another subpoena would be issued for materials relating to Posada.

On Oct. 6, the 30th anniversary of the bombing of the Cuban plane (you have to give them credit for timing), I received a new subpoena. This one, issued by a federal grand jury in Newark, was requested by Gonzales. They may be ambivalent about the war on terrorism over at the Justice Department, but you can't question their dedication to their war against the Fourth Estate. For my part, it raised a peculiar pickle: contemplating how far one should go to protect the civil liberties of an accused terrorist.

My case, thankfully, does not involve confidential sources. And both the law according to the U.S. Court of Appeals for the 3rd Circuit, where the case is pending, and the Justice Department's own guidelines are clear: Prosecutors cannot compel reporters to turn over information that they can obtain through other means. Only after other avenues have been pursued should the government turn to the media to build a prosecution.

Call me a strict constructionist, but somehow I do not believe that our founding fathers meant to allow the government to raid the news media for their work files after it bungles a case and destroys crucial evidence.

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The Justice Department's new subpoena says that it wants only the tape recordings from my interview with Posada. Aside from the huge intrusion and inconvenience of searching through about 15 years' worth of research materials, the entire ordeal strikes me as a waste of time.

Posada agreed to meet with me because he wanted to publicize his efforts to topple Castro. I recorded as much as possible in the event that Posada may later have regrets. Which he did. But over the two days I spent with him, he revealed a good deal about his various bombing campaigns and his general philosophy.

My coauthor Larry Rohter, Times editors and I picked out the strongest and most interesting parts of the transcripts and notes for our stories. Contrary to what the great minds at Justice may think, we don't hold back the best bits -- we publish them. And just last month, the Atlantic published on its Web site Posada's notes to me, in which he offered editorial guidance -- "He does not admit the bombs in the hotels, but he does not deny either," he wrote.

The FBI and the Justice Department are filled with dedicated public servants, but it is the political appointees who make the final decisions. And for them, Posada may be a man who knows too much. His attorneys say that he was a paid CIA agent from 1959 until the mid-1980s. Indeed, upon his "escape" from prison in 1985, Posada promptly found employment running the Iran-contra field operation in El Salvador. Bosch, his co-defendant in the Cuban plane bombing, was championed by none other than Jeb Bush in his bid for U.S. residency, which was granted in 1991 by President George H.W. Bush over the objections of the FBI, the CIA and the Justice Department.

And there are other thorny details in this case. The Miami-Dade Police Department's liaison to the FBI's Joint Terrorism Task Force has been a well-regarded detective named Luis Crespo Jr. -- who is the son of Luis Crespo, one of the most famous anti-Castro militants, known as El Gancho, or The Hook, because of the hand he lost to an ill-timed bomb.

Working alongside Crespo Jr. is detective H?ctor Alfonso, whose father is also a legendary anti-Castro militant, known as H?ctor Fabian. Assigned to the MDPD intelligence unit, Alfonso's son has access to the most sensitive information on homeland defense, including on Cuban exile militants. "Say you had a tip for the FBI about a bombing," muses D.C. Diaz, a 27-year department veteran. "Would you want to give it to a guy whose father is Luis Crespo?"

Before the government starts tampering with the Constitution's protections of the press, it needs to do some housecleaning. A good start would be a special prosecutor to look into who ordered the removal of the Posada evidence, and why. If it then decides that it wants to go further, it might peruse the 45 years' worth of CIA and FBI files on Posada that detail his paramilitary career. And there are a dozen or so comrades of Posada's in Miami and New Jersey who know a great deal more than I do.

But that's assuming that the government wants to prosecute Posada. It has declined to do so for decades. And nothing so far suggests that it is inclined to start now.

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Suspects' Treatment Secret (FREEP/MCT)

By Carol Rosenberg, Mcclatchy Newspapers

Detroit Free Press, November 12, 2006

It's a national security issue, CIA says

The CIA is still trying to impose secrecy around 14 top Al Qaeda suspects now held at the Guantanamo Bay, Cuba, detention center, including an alleged 9/11 mastermind, Khalid Sheikh Mohammed.

The arena for the effort is the U.S. District Court of Judge Reggie Walton in Washington, D.C., where the government is seeking a still-undefined restriction on the attorney-client relationship in the case of Majid Khan, one of the 14.

The CIA argues that details of the man's three years of detention and interrogation at so-called black sites -- out of reach of the International Red Cross -- are national security secrets.

Khan's attorney, Gita Gutierrez, argues that the Bush administration's intent is not to safeguard national security but to cover up three years of extrajudicial detention of her client -- to "conceal illegal or embarrassing executive conduct."

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Khan, 26, was captured in his native Pakistan in 2003. The White House says he's linked to unsuccessful plots to blow up gas stations in the United States, poison U.S. water supplies and assassinate Pakistani President Pervez Musharraf.

It's not known where he was held or how he was interrogated to establish these links. He hasn't been charged with a crime.

At least some of the 14 men whom President George W. Bush ordered handed over to the military this summer were reportedly submitted to harsh, classified interrogation techniques, including simulated drownings -- known as water-boarding -- to break their will.

Court documents filed by the government suggest that the 14 newest arrivals at Guantanamo, among them alleged Osama bin Laden deputies, would never be integrated into the general population of more than 430 captives, for fear they would talk about their secret confinement to other captives, who could, in turn, pass on the details to their lawyers.

In seeking to redefine attorney-client contacts, Justice Department lawyers offered a seven-page affidavit from CIA officer Marilyn Dorn, who describes herself as "the information review officer for the National Clandestine Service."

Dorn's office, she said, decides what secret CIA documents can be provided to civilian U.S. courts without jeopardizing "CIA interests, personnel or facilities."

Because Khan was held for three years in a "top secret" program, she says, "he may have come into possession of information, including locations of detention, conditions of detention and alternative interrogation techniques."

Attorney disclosure in court records of those details, she argues, could compromise clandestine relationships between the United States and its foreign allies.

All civilian lawyers at the Guantanamo naval base already go through a security screening before they're allowed to visit. Then they must turn over their notes to the military before they can leave the base. They can disclose their contents only by permission of a classification review team set up by the federal courts.

Now the CIA seeks a more restrictive review and disclosure process whose "particulars ... are still being worked out," said Justice Department spokeswoman Kathleen Blomquist.

She couldn't say whether the government will again propose to eavesdrop on attorney-client meetings, which a court refused to grant three years ago.

The Khan case also illustrates the ongoing Bush administration effort to curb civilian court intrusion at Guantanamo, a process that has evolved fitfully around two years of court rulings on detainee rights.

HOMELAND RESPONSE:

Frustration Grows At Carousel As More Baggage Goes Astray (NYT)

By Jeff Bailey

The New York Times, November 12, 2006

ATLANTA, Nov. 6 — Since Aug. 10, when a ban on most carry-on liquids sent the amount of checked luggage soaring, airlines have been misplacing many more bags, and the fumbling could well escalate during the busy holiday travel season.

The Transportation Department reported that 107,731 more fliers had their bags go missing in August than they did a year earlier, a 33 percent increase. It got worse in September, with 183,234 more passengers suffering mishandled bags than a year earlier, up 92 percent.

Globally, about 30 million bags are mishandled each year, according to SITA, a company that sells software to airlines and airports for baggage and other systems. Airlines spend about $2.5 billion to find those bags and deliver them to waiting, often angry, passengers.

All but about 200,000 bags are eventually reunited with their owners each year — a number that sounds pretty high on its own, but that represents less than 1 percent of the billions of bags that are checked annually.

Efforts are under way to fix two of the worst baggage operations in the United States — at US Airways in Philadelphia and at Atlantic Southeast Airlines, which operates as Delta Connection here. Both airlines had scrimped on workers and equipment at these airports. But it is far from certain whether these hubs will be running smoothly by Thanksgiving.

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Because of the relatively primitive technology used by airlines to track baggage, passengers typically only learn that their luggage missed their flight after a futile wait at the carousel. Then, travelers must hunt down baggage agents, fill out forms, and wait for hours or even days for someone, often unannounced, to deliver their bags.

Rhoda Frank of Chicago took her 12-year-old granddaughter, Bronwyn, to Manitoba last month for a vacation in which they hoped to see polar bears. Bronwyn flew on United Airlines from Raleigh, N.C., to meet her grandmother in Chicago, but her bag stayed behind.

The flight to Manitoba was not until the next morning, and United told Mrs. Frank the bag would be delivered by midnight. "It didn't come," she said. They flew north anyway, without Bronwyn's long underwear or down jacket. The bag finally arrived, just before it was time to come home. In the meantime, "I scrounged for clothing," Mrs. Frank said.

Airlines were generally misplacing slightly fewer bags this year until Aug. 10, when authorities in London foiled a plot to blow up airliners using liquid explosives mixed onboard. The liquids ban led to a roughly 25 percent increase in checked bags, which stressed some baggage operations.

Many of the bag-handling problems are because of the industry's cost-cutting.

US Airways, twice in bankruptcy since Sept. 11, 2001, and then merged a year ago with America West Airlines, had a baggage meltdown at its Philadelphia hub around Christmas of 2004. Executives said they had known they needed to add people and equipment there. Some of that occurred. And through July of this year, fewer bags were going missing.

But with the surge of checked bags in August, the hub's bag-handling performance began "backsliding," said J. Scott Kirby, president of the airline. "A lot of balls in the air with the merger," he said. "This one didn't get done as well as it should have."

Crews at Philadelphia, for instance, were short of equipment and fighting over the tractors — known as tugs — that they use to pull baggage carts.

"There's a real lack of organization on the ramp in Philadelphia," he added, where three-to-four times as many bags are misplaced as at other US Airways hubs.

US Airways is hiring 190 additional workers and 60 managers to fix the bag mess. The company is also buying more tractors, but is still about 40 short of its needs.

"We're not going to fix the thing overnight," Mr. Kirby said.

Regional carriers have been the fastest-growing part of the airline business in recent years, as they started flying some of the short routes abandoned by big carriers like Delta Air Lines. For example, Atlantic Southeast — which Delta sold last year to SkyWest, but which still operates as Delta Connection — carried twice as many passengers in 2005, 12 million, as in 2000.

When it was owned by Delta, which is operating under bankruptcy court protection, Southeast was denied the tractors, carts, computers and people it needed to keep up with its baggage — in Atlanta 30,000 pieces a day now. "When Delta sold us Atlantic Southeast, part of the reason was for us to fix some things," said Jerry C. Atkin, SkyWest's chief executive.

But over the last year, Atlantic Southeast has showed only modest improvement, remaining the worst bag handler in the Transportation Department's rankings. And then in August its performance deteriorated again. Delta began complaining directly to Mr. Atkin, who installed new managers and agreed to hire 300 more ground workers and double Atlantic Southeast's fleet of carts to carry baggage, among other equipment purchases.

"I got tired of being embarrassed by the numbers," Mr. Atkin said. Now, he added, "there are some good people who have put their jobs on the line to fix things."

One of them is Walt Kaurin, the new baggage performance manager, whose leathery skin shows his 24 years working outside on the ramp for Atlantic Southeast. Told of Mr. Atkin's remark, Mr. Kaurin grimaced, explained his initial reluctance to become a manager, then, adopting a smile, said, "I was pretty confident we could fix it."

It will take time. October mishandled bag numbers, not yet released by the Transportation Department, will again be poor for Atlantic Southeast, said Joe Kolshak, an executive vice president at Delta, whose own bag performance is highly dependent on the regional carrier.

Getting those 300 new hires up to speed will not be easy. "They're minimum wage in many cases," Mr. Kolshak said. "And there's high turnover."

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Financial problems have slowed industry investment in technology that could improve bag handling. Radio frequency identification tags, in wide use among retailers to track inventory, would allow airlines to easily know if a bag did not make a flight. Then, the passenger could be warned via text messaging not to waste time at the carousel, and to call to arrange a delivery.

Not waiting for airlines, McCarran International Airport in Las Vegas is installing radio frequency readers and tagging all outgoing luggage. The tags cost about 20 cents each, but are worth it to a city that relies so heavily on tourists.

"If they have a bad travel experience, they'll look at each other and say, 'Wow, we don't want to do that again,' " said Samuel Ingalls, assistant director of aviation.

Meanwhile, airlines can hope more travelers adopt the Zen thinking of Pamela Ingram, a Binghamton, N.Y., consultant who travels five days a week. She checks her bags, fearlessly. In the rare instances — once this year — of a tardy bag, she happily makes do.

"I got to go to my meeting in jeans," Ms. Ingram said. "You can't travel this much and expect everything to go right."

WAR NEWS:

Panel May Have Few Good Options To Offer (WP)

By Michael Abramowitz, Thomas E. Ricks

The Washington Post, November 12, 2006

After meeting with President Bush tomorrow, a panel of prestigious Americans will begin deliberations to chart a new course on Iraq, with the goal of stabilizing the country with a different U.S. strategy and possibly the withdrawal of troops.

Tuesday's dramatic election results, widely seen as a repudiation of the Bush Iraq policy, has thrust the 10-member, bipartisan Iraq Study Group into the kind of special role played by the Sept. 11 commission. This panel, led by former secretary of state James A. Baker III and former Indiana congressman Lee H. Hamilton (D), might play a decisive role in reshaping the U.S. position in Iraq, according to lawmakers and administration officials.

Those familiar with the panel's work predict that the ultimate recommendations will not appear novel and that there are few, if any, good options left facing the country. Many of the ideas reportedly being considered -- more aggressive regional diplomacy with Syria and Iran, greater emphasis on training Iraqi troops, or focusing on a new political deal between warring Shiites and Sunni -- have either been tried or have limited chances of success, in the view of many experts on Iraq. Baker is also exploring whether a broader U.S. initiative in tackling the Arab-Israeli conflict is needed to help stabilize the region.

Given the grave predicament the group faces, its focus is now as much on finding a political solution for the United States as on a plan that would bring peace to Iraq. With Republicans and Democrats so bitterly divided over the war, Baker and Hamilton believe that it is key that their group produce a consensus plan, according to those who have spoken with them.

That could appeal to both parties. Democrats would have something to support after a campaign in which they criticized Bush's Iraq policy without offering many specifics of their own. And with support for its Iraq policy fast evaporating even within its own party, the White House might find in the group's plan either a politically acceptable exit strategy or a cover for a continued effort to prop up the new democratically-elected government in Baghdad.

"Baker's objectives for the Iraq Study Group are grounded in his conviction that Iraq is the central foreign policy issue confronting the United States, and that the only way to address that issue successfully is to first build a bipartisan consensus," said Arnold Kanter, who served as undersecretary of state under Baker during George H.W. Bush's administration.

But the midterm elections may have made the job even tougher by emboldening panel Democrats, said people familiar with the panel's deliberations. The elections "sent a huge signal," said one of these sources, who added that the panel is trying to come to grips with whether Prime Minister Nouri al-Maliki's government has the capacity to solve the country's problems.

While Baker has been testing the waters for some time to determine how much change in Iraq policy will be tolerated by the White House, Hamilton perhaps faces the now even-more-difficult challenge of cajoling Democrats such as former Clinton administration chief of staff Leon E. Panetta and power broker Vernon E. Jordan Jr. to sign on to a plan that falls short of a phased troop withdrawal, the position of many congressional Democrats.

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In a brief interview, Hamilton conceded the obstacles ahead and emphasized that no decisions have been made. "We need to get [the report] drafted, number one," Hamilton said. "We need to reach agreement, and that may not be possible."

When it was formed in the spring by Congress, the Iraq Study Group was little known beyond the elite circles of the U.S. foreign policy world. Now its work has become perhaps the most eagerly awaited Washington report in many years -- recommendations are expected in early December -- with many lawmakers of both parties saying they are looking for answers to the troubled U.S. mission in Iraq.

"I can only be hopeful that they'll have a positive solution," Rep. Ike Skelton (D-Mo.), who is likely to become chairman of the House Armed Services Committee, said in an interview Friday. Asked if he thought it was possible for the panel to please both the president and congressional Democrats, Skelton turned the question around, saying: "I wonder if the White House will not use them as a face-saving device."

Indeed, the White House, which had been skeptical that the group will have much new to say, has notably been more receptive since the elections. "If these recommendations help bring greater consensus for Republicans and Democrats, I think that could be very helpful," said Dan Bartlett, counselor to Bush. But he added: "If there were a rifle-shot solution, we would have already pulled the trigger."

Bush, Vice President Cheney and national security adviser Stephen J. Hadley will meet with members of the commission tomorrow. During three days of deliberations, the panel will also hear, via video link, from British Prime Minister Tony Blair -- who, one source said, has been anxious to talk to the panel -- as well as consult with members of the Democratic shadow foreign-policy cabinet, including former secretary of state Madeleine K. Albright, former ambassador to the United Nations Richard C. Holbrooke and former national security adviser Samuel R. "Sandy" Berger.

While Hamilton's role may be growing as a result of Tuesday's elections, it is Baker who has been the dominant force in the panel's work so far, according to people involved. And it is Baker whose special connection to the Bush family -- he was the closest political associate of then-President George H. W. Bush -- has invited fevered speculation that he is maneuvering to save the Bush presidency from the disaster unfolding in Iraq.

Baker, who did not respond to an interview request, has publicly expressed skepticism about George W. Bush's ambition of transforming Iraq into a democratic beacon of change for the entire Middle East. Speaking at Princeton University, his alma mater, in April, shortly after the study group was formed, Baker said, "We ought not to think we're going to see a flowering of Jeffersonian democracy along the banks of the Euphrates," according to the Daily Princetonian.

Baker has offered other pointed critiques of the Bush administration's Iraq policy in recent months, during appearances aimed partly at selling his new memoir. In television and other interviews, Baker has made clear his desire to chart a middle road between the Bush administration's policy and what he regards as premature withdrawal from Iraq. "He's a pragmatist, a realist," said a Baker colleague, who spoke on the condition of anonymity because of the insistence on secrecy surrounding the panel's work. "He believes in America's moral values, but he also believes in trying to keep an essential balance with national security interests. When the pendulum swings too much one way or the other, we get into trouble."

Though Hamilton had a hand in selecting the Democrats on the group, its makeup reflects Baker's pragmatic, centrist approach to foreign policy. Few of its 10 members are true foreign policy experts. Rather, it is a classic Washington blue-ribbon commission, a group of "old hands" steeped in the ways of the capital -- two former secretaries of state (Baker and Lawrence S. Eagleburger), two former senators (Republican Alan K. Simpson and Democrat Charles S. Robb), a former defense secretary (William J. Perry) and a former Supreme Court justice, (Sandra Day O'Connor).

Within the panel, staffers and expert consultants have waged warfare by memo as idealists argue with pragmatists over particulars: Retired CIA officer Ray Close complained in one such memo that the deliberations "had degenerated into petty squabbling" and accused "obstinate neocon diehards" of trying to fashion a "stay the course" strategy.

With the assistance of the U.S. Institute of Peace and other Washington think tanks, panel members have heard testimony from a wide range of administration officials and outside experts, and have traveled to Iraq for several days of interviews with senior U.S. diplomats and military officials, as well as Iraqi leaders. Baker, who seems intrigued by the idea of gaining greater assistance in Iraq from U.S. adversaries, had a three-hour dinner in New York with Javad Zarif, Iran's ambassador to the United Nations. Zarif hosted the dinner at his elegant ambassador's residence.

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Baker made clear that he was not negotiating for the United States but that the commission wanted Iran's input and suggestions. He specifically asked about the possibilities for cooperation between Tehran and Washington on Iraq, according to Iranian sources.

Such contacts have invited skepticism from some of the prominent neoconservatives who strongly pushed the invasion of Iraq but have come to be critical of the administration for not aggressively striving for military victory. They said the notion that Iran would help the United States out of its troubles in Iraq is ludicrous.

"There's no doubt that the majority of the people in this group, either as advisers or principals, either opposed the war or forgot that they were in favor of it," said Reuel Marc Gerecht, a resident fellow at the American Enterprise Institute who was one of several dozen official expert advisers to the Baker-Hamilton group.

However, Gerecht and William Kristol, the editor of the Weekly Standard, said they believe their views received a respectful hearing from the panel. Kristol related a curious anecdote from his September appearance before the panel to promote a plan to provide more troops for security in Baghdad and elsewhere.

Then-panel member Robert M. Gates -- who quit the group Friday after Bush nominated him as defense secretary -- asked Kristol why he thought the president was so determined to stick with Donald H. Rumsfeld as the Pentagon chief.

Kristol replied that he was mystified -- at which point, as he recalled it, Baker interjected with the comment, "Well, you can't expect the president to do anything until after the election."

Staff writers Robin Wright, Walter Pincus, Glenn Kessler and Dan Eggen contributed to this report. Ricks, the author of "Fiasco," a book on the Bush administration's policy in Iraq, appeared before the study group at its members' request to answer questions about his book.

Blair To Address Iraq Study Group (WP)

By Kevin Sullivan

The Washington Post, November 12, 2006

LONDON, Nov. 11 -- Prime Minister Tony Blair will speak via video link with officials from the Iraq Study Group on Tuesday to discuss "U.K. ideas on Iraq and the Middle East," a Blair spokeswoman said Saturday.

The spokeswoman declined to detail what Blair would say to the bipartisan U.S. panel, which is chaired by former secretary of state James A. Baker III and Lee H. Hamilton, a former Democratic congressman from Indiana.

The panel, which is expected to make recommendations on Iraq policy by the end of the year, is widely seen as having the respect of the Bush administration and Democrats, who regained control of both houses of Congress in Tuesday's midterm elections.

Blair has been President Bush's chief foreign ally in the conflict and has nearly a decade's experience dealing with Middle East issues.

The Guardian newspaper on Saturday reported that Blair would urge the panel to push the Bush administration to begin talks with Syria and Iran to persuade those two countries to become more involved in finding a solution to the situation in Iraq.

The newspaper also reported that Blair would press Baker and Hamilton to recommend that any solution in Iraq depends on the United States making a "reenergized push for peace in the Palestinian-Israeli conflict."

The Blair spokeswoman, speaking on the condition of anonymity, as is customary here, called the newspaper's report "speculation."

But Blair has expressed similar sentiments in the past, and analysts here said his view that Syria could play a constructive role in Iraq diverges from the U.S. position.

The Bush administration has been reluctant to discuss Iraq with Iran and Syria, which administration officials widely regard as supporters of terrorism and obstacles to establishing a democratic government in Iraq.

Blair sent a top-level envoy, Nigel Sheinwald, to Damascus, the Syrian capital, this month to meet with high-level officials. Blair officials have declined to discuss the details of Sheinwald's visit, including whether he met with Syrian President Bashar al-Assad.

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A Blair spokesman said only that Syria has a "key relationship" with Iraq and that Syria "faced a choice: It can play a constructive role in international affairs or it can continue to support terrorism."

The Blair spokeswoman characterized the prime minister's conference with the Iraq Study Group as a "discussion" that would build on previous sessions the panel has held with lower-ranking British officials. She said she was unsure whether Blair or the panel had requested the discussion.

A Consensus On Iraq (WP)

The Washington Post, November 12, 2006

WITH THE election over and Defense Secretary Donald H. Rumsfeld on his way out, both President Bush and leaders of the new Democratic congressional majority were talking about forging a bipartisan consensus on Iraq. But is consensus possible? The often polarized debate over the war, both before and during the campaign, might suggest that it's not. Yet a close look at what the White House and Democrats have been saying, along with what is emerging from the bipartisan Iraq Study Group, offers grounds for some optimism. There is, in fact, a center to the war debate that offers the outlines of a way forward.

Start with what former Secretary of State James A. Baker III has said about the deliberations of the congressionally chartered study group, which will meet with Mr. Bush this week and deliver its report sometime after Thanksgiving. Judging from the public statements Mr. Baker has made so far, the panel won't propose an immediate withdrawal from Iraq, as the left wing of the Democratic Party favors. Nor will it endorse a U.S.-sponsored division of the country along ethnic lines, a proposal pushed in modified form by the incoming chairman of the Senate Foreign Relations committee, Sen. Joseph R. Biden Jr. (D-Del.).

The group will, however, almost certainly endorse an idea long favored by Mr. Biden and many other Democrats: an attempt by the United States to find common ground on Iraq with its neighbors -- including Syria and Iran. Though the Bush administration has resisted such an initiative, the newly designated defense secretary, Robert M. Gates, is likely to favor it. Forging a stronger international consensus on stabilizing and reconstructing Iraq, perhaps by staging a multinational conference, is one major option the Bush administration hasn't tried.

Beyond these basic parameters, much current discussion about Iraq boils down to how the United States might induce Iraqi leaders, starting with the government of Prime Minister Nouri al-Maliki, to negotiate compromises among warring Shiites, Sunnis and Kurds, and to disarm ethnic militias. Some favor a peace conference like that which ended the Bosnian war; others want to announce timetables for U.S. troop withdrawals that they believe would force Iraqis to act. There are proposals for increasing aid to Iraqi reconstruction and linking it to progress on reconciliation or militia demobilization. The administration itself has been trying to get Mr. Maliki's agreement to an informal timetable for meeting certain benchmarks and threatening to curtail money for security forces if they don't reform.

What's clear from all this is that new steps could and should be taken to increase U.S. pressure for an Iraqi peace settlement. But a fresh strategy can't be limited to such measures. Both the Bush administration and Democrats must face the possibility that no amount of U.S. pushing will produce political results or diminish the violence in Baghdad, at least in the short term. For some time, Mr. Maliki and other Iraqis have been warning any American who will listen that the dynamics driving the war won't necessarily respond to timetables drawn up in Washington. If Iraq's civil war is like most others, the fighting might last years before a new order is established.

The United States needs a strategy for defending its own vital interests in that case. As it happens, Mr. Maliki has one to offer: In the last couple of weeks he has made clear that his government's priority is to gain full command over the Iraqi army the United States has been building and take the lead in fighting the Sunni-al-Qaeda insurgency. That means that U.S. troops could begin moving to a supporting role, backing up the Iraqi units with air power and rapid reaction forces. Rather than trying to pacify Baghdad and other cities -- an unwinnable battle in the near term -- more U.S. advisers would embed in Iraqi units, and the training and equipping of those units would be significantly stepped up.

Many Iraqis would welcome a U.S. policy aimed at letting the government and its army carry out the fight to stabilize the country while ensuring that it had the resources and support to prevail over time. That could be a course that Mr. Bush and the Democrats can agree on, as well.

Talking About Iraq (NYT)

DOJ_NMG_0092927

By David Brooks

The New York Times, November 12, 2006

You go to the polls, I hit the phones. Since the elections I've been burning my cellphone minutes trying to talk to every policy maker I could about how the elections are going to change Iraq policy. Here's what I've learned:

First, both parties are desperate to be substantially out of Iraq by 2008. Vietnam-haunted Democrats don't want to be saddled with the remains of the war if they retake the White House. Most Republicans don't want to wage another campaign under the Mesopotamian shadow. The president, however, is thinking about the decades-long struggle, not the next election, so the G.O.P. could be heading toward a blood feud between "Let's end this" Republicans and "Let's win this" Republicans, with the potential bitterness lasting for years.

Second, the elections have served as an intellectual release. Some within the Bush administration had been frustrated by the relative lack of freewheeling discussion as the situation in Iraq deteriorated. But that's certainly changed. Since I've been covering this administration, I've never heard such wildly divergent views from important advisers about where we are and what to do next. Some officials retain great faith in the Maliki government, others have very little. Meanwhile, in the Senate, there have been private conversations about forming bipartisan strategies, and an end to the campaign season freeze.

Third, the Baker-Hamilton commission may produce more peace in America than in Iraq. Essentially, the commission looks set to bring the two parties together by asking each to swallow a bitter pill. The administration will probably be asked to organize a regional conference, including Iran and Syria. This will be painful to some leading advisers, who think talking to Iran means abandoning the Bush doctrine (though others think a deal is possible and desirable).

The Democrats, for their part, could be asked to shelve calls for an imminent withdrawal. The Democratic Party is now divided between those, like John Murtha, who believe Iraq is unsalvageable and who want out, and those, like Joe Biden, who believe that with a change of policy it's still possible to head off full-scale disaster. The folks in the Murtha camp may squawk at the Baker-Hamilton emphasis, but the Democratic majority is not going to go McGovernite in the face of a bipartisan commission.

The fourth lesson is that events in Iraq are moving more quickly than adjustments in Washington. To put it bluntly, the era of the Green Zone may be coming to an end. That's in part because the Iraqi government is stumbling. Visitors to Baghdad have been surprised by the lack of urgency many Iraqi leaders seem to feel in the face of national disintegration.

But it's also because the country is segmenting organically. According to the U.N., 365,000 Iraqis have fled their homes and communities since the bombing of the mosque in Samarra in February, and more than 50,000 are retreating to their sectarian homelands every month. According to Senator Jack Reed, "the generals are feeling the pressure of the growing fragmentation of the country."

The upshot is that while oil revenues have to be divvied up from the center, fewer Americans in Washington believe there is much hope for a strong, functioning central government in Baghdad. (America's representatives in Baghdad may disagree.) The whole debate is moving in the direction of decentralization and federalism. And the real question is not whether the center will give way to the regions, it's whether Iraqi society is so atomized that the regions too are ungovernable.

The folks in the Bush administration have a reputation for stubbornly staying the course. In fact, the Bush staffers are producing more churn and fresh thinking than anyone gives them credit for. And today, the most radical thinking is within the administration. One official described a future U.S. role that sounds less like a normal fight against an enemy and more, to use my metaphor, like an effort to corral six violent tigers who are constantly having feral cubs. The trick is to carefully define American interests in the midst of this chaos, the official said, and to focus on the tasks that directly impinge on those interests.

In every call I made last week, I heard anguish, open-mindedness and a genuine desire to put aside partisan feuds. Most of all, I heard Democrats and Republicans who know a lot about Iraq, and who are honest about the grim reality, but who haven't totally given in to the hopelessness that is so fashionable everywhere else.

Right Vision, Wrong Policy -- And A Mideast Price To Pay (WP)

By Jim Hoagland

The Washington Post, November 12, 2006

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President Bush lost more than a midterm election and a cantankerous defense secretary last week. He also abandoned any lingering chance of remaking U.S. foreign policy into a radical force for democratic change in the Middle East and elsewhere.

He had to. The American electorate showed emphatically that it had lost faith in his party and his promises. Bush's refreshing generic denunciations of foreign dictators -- including those who played ball with Washington -- could not make up for his failure to produce positive visible results to support the rhetoric. He needed an immediate firebreak, and so he named Bob Gates to replace Don Rumsfeld at the Pentagon.

History's seemingly unlimited store of irony now makes Bush 43 the evident instrument of the resurgence of the "realist" school of foreign policy so beloved of Bush 41 and so regularly scorned by this president -- until he turned to it for salvation in Iraq and elsewhere.

Many will revel in this turn, and there is rough familial justice at work: Only the incompetence and discord of the past three years could cause reasonable people to welcome back with applause policymakers who failed to anticipate and then opposed the breakup of the Soviet Union; who were not realistic enough to see, much less prevent, the Balkans from plunging into flames; and who "coddled dictators from Beijing to Baghdad," as the Democrats once accurately described the handiwork of Brent Scowcroft, Bob Gates and Jim Baker under Bush 41.

So hold the champagne and cheers for the return of "realism," a word that has even less meaning than most of the labels that politicians, journalists and academics attach to schools of foreign policy. It is too often a euphemism for cynicism, for playing for time and for passing up big opportunities that carry high risks and potentially great rewards. Bush 43 took such a risk in Iraq and now pays the price for failing to develop anything resembling a Plan B.

Replacing Rumsfeld's abrasiveness and his now-aborted designs for military transformation with the safe hands and bureaucratic blandness of Gates, an ex-CIA chief formed by the Cold War, may give the White House a chance to get control of an interagency process that went off the rails in Iraq. One of Rumsfeld's last internal victories was to block an effort by Josh Bolten, Bush's chief of staff, to bring Gen. David Petraeus into the White House to coordinate Iraq policy.

But the problems of Iraq are so deep today that improved policy coordination in Washington will not fix them. That will become even clearer in mid-December when the Iraq Study Group headed by Baker and Democrat Lee Hamilton is due to deliver its findings and recommendations and, in the process, provide Bush with a second firebreak from rising opposition to the war.

Baker is, in fact, the smartest political operator Washington has seen in the past three decades. So he is too clever to put much stock in abstractions such as "realism" or "Wilsonian" democracy. The clearest foreign policy achievements of the Bush 41 administration turned on Baker's relentless dealmaking, from the Madrid Middle East peace conference to German reunification and management of the consequences of the Soviet collapse in Eastern Europe.

But even Baker will have to struggle to keep the faux realism of conventional thinking on the Middle East from making the study group's report instantly irrelevant. There was a time when let's-pretend policies -- championing regional or international peace conferences doomed to go nowhere, or naming special U.S. envoys to give Arab rulers a bone to toss to their publics -- usefully bought time, even though they were anything but realistic for the long term.

For better and for worse, the invasions of Afghanistan and Iraq, Iran's quest for nuclear weapons, and the bloody breakdown of Israel's occupation of the Palestinians have accelerated a profound radicalization of the Middle East that had already been unleashed by the pressures of globalization. Trying to get back to the 1990s is another bridge to nowhere.

Baker-Hamilton will certainly recommend that the United States urgently develop the regional and international structures to guide change that Bush has neglected, and the president must act on that advice.

But Bush's going on the defensive does not mean that the radical positive changes he had hoped for cannot come about on their own, even if on a different timetable and with much greater costs than he ever imagined. True realism lies in recognizing that his diagnosis of a crumbling order in the Middle East was sound, even if his prescriptions were not.

Suicide Bomber Kills At Least 33 In Baghdad, As Police Search For 50 Kidnap Victims (AP)

By Qais al-Bashir

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AP, November 12, 2006

BAGHDAD, Iraq (AP) -- A suicide bomber blew himself up outside a police recruiting center in Baghdad early Sunday, killing at least 33 people and wounding 56, police said.

Crowds of recruits were gathering outside the center in western Baghdad's Nissur Square when the bomber detonated explosives strapped to his body, police Lt. Maitham Abdul-Razaq said.

He said the death toll was expected to rise because many of the injuries were extremely serious.

The attack was one of several on Sunday in the capital, where sectarian violence kills scores each week. Just south of the city, police were searching for gunmen who killed 10 Shiite travelers and kidnapped about 50 others Saturday night along a notoriously dangerous stretch of highway.

Earlier Sunday, a pair of roadside bombings targeting police patrols in Baghdad killed at least six civilians and wounded six others, said police Cap. Mohammed Abdul-Ghani.

A car bomb outside a market in Baghdad's primarily Shiite downtown Karradah killed at least one person and wounded five others, while a similar bomb killed two people and injured 13 in the mainly Sunni neighborhood of Radhwaniyah, Police 1st. Lt. Thaer Mahoud said.

Unknown gunmen also shot and killed police Brig. Abdul-Mutalib Hassan as he was leaving his Karradah home for work. Hassan had been head of a police unit in charge of registering vehicles that is widely seen as a source of corruption.

Five people were killed in drive by shootings in different parts of Baqouba, 35 miles northeast of Baghdad. The victims included a teacher, taxi driver, laborer, truck driver and phone company worker, provincial police said.

Patrols were looking for the Sunni gunmen who ambushed a convoy of minibuses at a fake checkpoint near the volatile town of Latifiyah, about 20 miles south of Baghdad in the so-called Triangle of Death.

The gunmen murdered 10 Shiite passengers before taking their captives to an unknown location, said the spokesman, who asked that his name not be used because he wasn't authorized to speak to media.

A leading Shiite politician warned that local tribes had armed themselves and were headed to the area to join in the search, a move likely to set off even greater bloodshed.

In an address to parliament, Abdul-Karim al-Anzi said the kidnappers had worn Iraqi army uniforms. He complained that security forces were doing little to capture the hostages.

"We demand that the government take quick action to send troops there in order to know the fate of those kidnapped," al-Anzi said.

Along with those killed, five bodies -- all blindfolded and bound at the wrists and ankles -- had also been recovered in various parts of eastern Baghdad early Sunday, police said. All had been mutilated by torture, marking them as victims of death squads that regularly kidnap rivals from Iraq's Muslim Sunni and Shiite sects.

Three more bodies were pulled from the Tigris River in Suwayrah, 25 miles south of Baghdad, morgue official Maamoun al-Ajili said.

U.S. forces, meanwhile, said they detained 10 people suspected of having links to al-Qaida in a raid in Baghdad early Saturday.

The military said no one was killed or wounded in the raid, and that those detained were "associated with terrorists who are involved in the housing, movement and enabling of foreign fighters, to include the organization of suicide operations within Baghdad."

Iraqi Sunnis Kill 10 Shiites, Kidnap 50 Others (AP)

AP, November 11, 2006

BAGHDAD, Iraq (AP) -- Sunni gunmen ambushed a convoy of minibuses Saturday night at a fake checkpoint on a highway south of Baghdad, killing 10 Shiite passengers and kidnapping about 50.

Across the country at least 52 other people were killed in violence or were found dead, five of them decapitated Iraqi soldiers.

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Police said the mass kidnapping and killing was near Latifiyah, about 20 miles south of Baghdad in the so-called Triangle of Death.

Shiite Muslims, a minority in that district, have routinely come under attack from Sunni insurgents who control the territory. The highway passing through the region from Baghdad leads to Najaf, the holiest Shiite city in Iraq.

Shiite pilgrims have become a favorite target of Sunni gunmen, although it was not immediately known where the victims of Saturday night's assault were headed.

Sectarian revenge killings, many thought to involve police and Iraqi troops, have left morgues full across a wide swath of the country.

There were no reported deaths among America's 152,000 service men and women in Iraq on Saturday. U.S. Ambassador Zalmay Khalilzad and Gen. George Casey, the top commander in Iraq, oversaw a Veterans Day ceremony at which 75 members of the armed forces from 33 countries were sworn in as American citizens.

In Baghdad, eight people died and at least 38 were wounded when two bombs hidden under parked cars exploded among noontime shoppers in downtown Baghdad's Hafidh al-Qadhi square. Police and a medical workers said at least 38 others were injured in the explosion at the formerly bustling area on the eastern bank of the Tigris River.

A Slovak and Polish soldier were reported killed overnight by a roadside bomb. Slovakian defense ministry spokesman Vladimir Gemela said the two died when their vehicle was hit by a roadside bomb near Kut, 100 miles southeast of Baghdad where coalition troops have fought fighters with the Mahdi Army militia loyal to the radical anti-American cleric Muqtada al-Sadr.

The deaths marked the 18th among Polish troops and fourth among those from Slovakia, which has about 100 troops in Iraq operating jointly with the 900 Polish troops in the country.

Slovakia's Prime Minister Robert Fico has said his country will pull its troops out of Iraq in February.

Baghdad police 1st Lt. Thayer Mahmud said his men found 25 corpses dumped in several parts of the capital in the 24 hours from 6 p.m. Friday.

A Samarra police captain, who spoke on condition of anonymity because he feared retribution, said the city morgue had received the beheaded bodies five soldiers who were kidnapped last week in the Meshahda area, 20 miles north of the capital.

Sectarian Rifts Foretell Pitfalls Of Iraqi Troops' Taking Control (NYT)

By Richard A. Oppel Jr.

The New York Times, November 12, 2006

BAQUBA, Iraq — It did not take long for Col. Brian D. Jones to begin to have doubts about the new Iraqi commander.

The commander, Brig. Gen. Shakir Hulail Hussein al-Kaabi, was chosen this summer by the Shiite-led government in Baghdad to lead the Iraqi Army's Fifth Division in Diyala Province. Within weeks, General Shakir went to Colonel Jones with a roster of people he wanted to arrest.

On the list were the names of nearly every Sunni Arab sheik and political leader whom American officers had identified as crucial allies in their quest to persuade Sunnis to embrace the political process and turn against the powerful Sunni insurgent groups here.

"Where's the evidence?" Colonel Jones demanded of General Shakir. "Where's the proof? What makes us suspect these guys? None of that stuff exists."

To that, Colonel Jones recalled, the Iraqi commander replied simply, "I got this from Baghdad."

The incident was one of many that alarmed Colonel Jones, who just completed a yearlong tour as commander of American forces in Diyala. In the end, he said, he concluded that the Iraqi general's real ambition was to destroy the Sunni political movement here — possibly on orders from Baghdad.

"I believe this is a larger plan to make Diyala a Shia province, rather than a Sunni province," he said.

Diyala is known as "little Iraq," because of its volatile mix of Sunnis, Shiites and Kurds. With its lush groves of date palms and abundant oil reserves, it is emerging as a crucial strategic territory in the sectarian struggle now gripping the country.

Long a stronghold of the insurgency — Abu Musab al-Zarqawi, the leader of Al Qaeda in Mesopotamia, was killed in a house only miles from here — Diyala is now teeming with Shiite militiamen who have rushed in from Baghdad in recent months

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to protect the Shiite population from attacks. Once considered by American officials to be relatively pacified, it has become a cauldron of violence carried out by insurgents and militias, intensified by sectarian-influenced security forces.

As pressures for a phased United States withdrawal build, the experiences of American commanders over the past year in Diyala provide a window on the possible consequences of ceding authority to the Iraqi Army.

And with the civilian homicide rate in Diyala now running at about 10 killings a day, according to United States officials, compared with 4 a day in April, the commanders' experiences form a cautionary tale.

In July, the United States turned over "lead responsibility" for security in Diyala to the Iraqi Fifth Army Division. But within months, facing heavy violence and evidence of sectarian activities by the Iraqi Army, American commanders shelved plans to turn over full operational control of the Fifth Division to the Iraqi government on Oct. 1. "Recent operations conducted by the Fifth Iraqi Army seem to be focused strictly on the Sunnis," said Maj. Gen. Benjamin R. Mixon, division commander for northern Iraq.

American commanders are now hoping for a spring transfer of control, General Mixon said, adding that they are conducting a wide-ranging investigation into allegations of death squad involvement and other activities by the Fifth Division under General Shakir. The Iraqi general denies treating Sunnis unfairly and says he has no knowledge of death squads in Diyala. "We don't favor one side," he said.

General Mixon said: "He's either failing to supervise closely enough to know what's going on, or he's directly involved in it. One or the other. There can't be any in between."

A Contagion of Violence

Much of Baquba, a provincial capital of 400,000, is now dusty and lifeless, with boarded-up stores and charred wrecks of cars and trucks strewn about.

"Baquba is a dead city, controlled by Al Qaeda," said Sameerah Shibli, a Diyala journalist. "They stop all life."

Security has sharply deteriorated in this province of 1.4 million people in the past year, for reasons that go well beyond the sphere of General Shakir. The sectarian violence that exploded in Baghdad, after the bombing of a Shiite shrine in Samarra in February, has spread like a contagion to other regions.

Shiite death squads in Baghdad have forced many Sunnis to flee to Baquba, 35 miles to the north, where some have joined the insurgency and have begun attacking Shiites.

"The Sunni have driven the Shia out of Baquba," said Lt. Col. Thomas Fisher, commander of the 1-68 Combined Arms Battalion, which left Baquba in early November after a yearlong deployment. "They have come from Baghdad, driven out by Shiites there."

Many Shiites are completing the circle, he said, fleeing to Baghdad or farther south.

Sunnis in Baquba now slaughter Shiites simply to avenge the killings of Sunnis in Baghdad, said Baquba's mayor, Khalid al-Sinjari, a Sunni. "They kill in Baghdad, we kill in Baquba," he said.

But now the Shiites also kill in Baquba. The Mahdi Army, a militia allied with the radical Shiite cleric Moktada al-Sadr, has 6,000 to 8,000 members in Diyala, said Ali Khazim al-Hamdan, an official in Mr. Sadr's Diyala political office. That includes social service workers as well as armed fighters, mostly in the cities of Muqdadiya, about 25 miles northeast of Baquba, and Khan Bani Saad, 12 miles south of Baquba, where the threats are greatest, he said.

"Their goal is to protect Shia in Diyala," he said. "If my brothers are killed, we have to react to that."

The growing militia presence combined with the sectarian turn by Iraqi commanders will increasingly leave the Sunnis with only one source of protection, Colonel Jones said: terrorist groups like Al Qaeda in Mesopotamia and Ansar al-Sunna.

"We are really painting them into a box here," he said. "If you want to have a fight for the next 20 years, it's here. I can't imagine anybody who has seen war who wants that to happen. It's the innocents, it's these farmers out here, it's these kids who pay the price. But these interests are colliding and they don't care about that. Power is what they're going after, consolidated and uncontested political power."

"I think the sectarian war is coming this way," he added.

Sectarian Harassment

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Despite a population that is 50 percent Sunni Arab, Diyala has a Shiite-dominated government, because many Sunnis boycotted provincial elections last year. Now, much of the provincial police leadership appears to be allied with Shiite militias, American commanders say.

The Diyala police chief, Ghassan al-Bawi, "is stacking the deck in a sectarian manner," Colonel Jones said. "We believe there are death squads that are operating, if not sponsored by the police, certainly with the knowledge of the police."

In recent months, American commanders say, the most senior Iraqi Army and police leaders have ignored growing Shiite militia activity, provoking retaliatory attacks by Sunni insurgents, like the ambush and killing of 35 police officers in October in attacks near the city of Khan Bani Saad.

And General Shakir continued to harass Sunnis, the Americans said. In late September, troops led by General Shakir arrested 400 people, nearly all of them Sunnis, during raids in Baquba. Colonel Fisher estimated that there was reasonable justification to detain perhaps 10 percent of them.

He said the raids, which enraged the Sunni community, prompted American commanders to require General Shakir to clear all operations with them — a step back from the July 3 transfer of "lead" authority to the Iraqis. Nevertheless, while the Iraqi Fifth Division remains under the United States chain of command, American officers say that General Shakir is not fully complying with their instructions.

On Oct. 14, for example, commanders got word of what they said was a rogue Iraqi operation aimed at a Sunni sheik who had become an ally of the Americans in Khan Bani Saad. General Shakir never received approval for the operation, but ordered it anyway, Colonel Jones said.

After learning of the raid, American officers sent troops to force the Iraqis to return to base. When Sunni fighters saw the Americans arrive in the same sort of Humvees that the Iraqi soldiers use, they opened fire, Colonel Fisher said. The Americans returned fire and killed seven insurgents, he said.

General Shakir said he was not aware of the firefight.

American commanders also say the security forces are intimidating and arresting Sunnis who could be contenders for high political office — perhaps with an eye to welding Diyala eventually into a Shiite-dominated autonomous region under Iraq's new federalism law. That law would allow provinces to form into semi-independent states with wide powers over internal security.

"It just seems to be a deliberate attempt to make sure that the Sunnis are unable to organize politically here and represent themselves well in the next round of elections," Colonel Jones said, "because there is an awful lot at stake in this province."

General Shakir sought the arrest of Sheik Atta Hadi al-Sadoun, a general under Saddam Hussein, immediately after the sheik began to talk about running for governor, said Lt. Col. Frank Muggeo, who commanded a team advising an Iraqi Army brigade in Baquba.

Recently, Iraqi Army officials lured Sheik Atta to a meeting, where they arrested him. General Shakir was preparing to transfer the sheik to Baghdad when Colonel Jones intervened, he said, ordering the sheik into American custody because he feared he would be killed in Baghdad. "We saved his life," he said.

The Americans released the sheik for lack of evidence, Colonel Fisher said. But the sheik's nephew, who drove his uncle to the meeting and was seen leaving with General Shakir's men, is missing and feared dead, he said.

General Shakir said Sheik Atta remained a Saddam Hussein loyalist and had threatened Shiites. "One of my officers says Atta is worse than Zarqawi," he said.

Four Sunni police commanders and two key lieutenants have been killed in the past eight weeks, Colonel Jones said. A Sunni deputy police chief, he said, refuses to come to work because he believes "they're going to kill him."

Reports of detainee abuse in Iraqi Army facilities soared after General Shakir took over, Colonel Jones added, saying evidence shows some detainees were beaten and subjected to electrical shocks.

What is particularly disappointing for American officers is that there were two highly capable and even-handed brigade commanders serving directly under General Shakir — Brig. Gen. Rahman Challab al-Janabi in Muqdadiya and Brig. Gen. Saman Talabani in Baquba.

General Rahman was fired by General Shakir in late October, and General Talabani, who said he was frustrated with serving under General Shakir, has told United States officers that he expects that he will have to give up his command. During a

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recent operation he grabbed a radio and, in a reference to the militia led by Mr. Sadr, screamed at General Shakir, saying that he was not an Iraqi commander but a "Mahdi Army commander."

General Talabani, a Kurd, said he believed that General Shakir took orders from Mr. Sadr. "He's working for Moktada," he said. "He's working just for the Shia people."

He also said aides to Prime Minister Nuri Kamal al-Maliki, a Shiite who to a great extent owes his position to backing from Mr. Sadr, had made it clear that they supported General Shakir.

In an interview, General Shakir — recently promoted by Baghdad to major general despite the American inquiry into his activities — said he was committed to fighting terrorists anywhere in Iraq, regardless of their sect.

He insisted that he pursued Shiite outlaws as aggressively as he pursued Sunnis. If he is given the names of Shiite militiamen, he said, he will order troops to seize them.

General Mixon said senior American commanders had told Iraqi officials of their grave concerns about General Shakir. Nevertheless, a spokesman for the Defense Ministry insisted that it had "received no complaints against him, nor have we had any bad indications."

Officials are "pleased" with General Shakir, and the descriptions by United States commanders in Diyala are incorrect, said the ministry spokesman, Mohammed al-Askari.

Tension Between Partners

During a recent joint American-Iraqi raid in a Shiite neighborhood of Abu Sayda, near Baquba, Iraqi troops stood around when they were supposed to be charging into homes. American soldiers, frustrated that the mission to apprehend men involved in sectarian violence was lagging, screamed and cursed at the Iraqis.

"Shoot them in the butt! Shoot them in the butt!" one yelled. "They're not motivated."

A 22-year-old platoon leader, Second Lt. Andrew Graziano, stepped up, barking orders and showing the Iraqis how to pound on doors.

After the raid some American officers said the Iraqi soldiers did not want to search Shiite homes. Lieutenant Graziano defended the Iraqis, saying their performance improved after a "stumble." But he conceded that a pullout of United States troops would leave Diyala in grave peril.

"It would be real bad," he said. "We all know that."

Lieutenant Graziano's unit, the Second Squadron of the Ninth Cavalry Regiment, put together evidence linking Iraqi officers to death squads after the squadron took over a base in August near Muqdadiya.

Led by Lt. Col. Louis Lartigue, the squadron detained the current and former commanders of the major crimes unit of the Muqdadiya police force and accused them of running death squads. They also arrested an Iraqi Army battalion commander in connection with death squad activity.

Troops also identified an Iraqi captain, now on the run and thought to be in Basra, who Colonel Jones said had been placed in his army job by General Shakir and is now believed to have led death squads in Muqdadiya.

"As we got into it, there were guys more than just partial to the Shia," Colonel Lartigue said. "They were criminals." He said General Shakir should be removed for "poor generalship," if nothing else. "It would be a little like getting Al Capone on tax evasion," he said.

But it is not clear whether anyone other than the Iraqi leaders can remove a commander of his rank, and even that would still leave Diyala with abundant problems.

"The U.S. Army is past the point where we say, 'Fire this guy,' " Colonel Jones said. "All we can say is, 'Hey, this guy is bad. Iraqi government, what are you going to do about it?' "

"We're going out on a low note," added Colonel Jones, whose unit, the Third Heavy Brigade Combat Team of the Fourth Infantry Division, is returning to Fort Carson, Colo. "We are very frustrated because we were so close to getting this thing moving in what we thought was the right direction. Now, the army and I believe the police are moving against this direction.

"This is a tipping point. If we demonstrate to the Sunnis that we are not going to remove Shakir and that we are going to allow him to do business as usual, then they're going to lose faith in us and faith in the reconciliation process. And this thing is going to go kinetic in a big way."

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In Gates Selection, White House Hopes To Close Rift Between State And Defense (NYT)

By David E. Sanger, Scott Shane

The New York Times, November 12, 2006

WASHINGTON, Nov. 11 — President Bush selected Robert M. Gates as his new defense secretary in part to close a long-running rift between the Defense Department and the State Department that has hobbled progress on Iraq, keeping the two agencies at odds on issues ranging from reconstruction to detaining terrorism suspects, according to White House officials and members of Mr. Gates's inner circle.

While Mr. Gates, a former director of central intelligence, had long been considered for a variety of roles, over the past two months Secretary of State Condoleezza Rice and the national security adviser, Stephen J. Hadley, quietly steered the White House toward replacing Donald H. Rumsfeld with Mr. Gates, who had worked closely with Ms. Rice under the first President Bush. One senior participant in those discussions, who declined to be identified by name while talking about internal deliberations, said, "everyone realizes that we don't have much time to get this right" and the first step is to get "everyone driving on the same track."

White House officials said that goal may be difficult to accomplish in the seventh year of an administration. Ms. Rice and Mr. Rumsfeld never managed to resolve their differences, especially after their arguments over the handling of the occupation came into public view in late summer 2003. As national security adviser during Mr. Bush's first term, Ms. Rice was unable to halt a war between the State Department and the Pentagon that put senior officials in the departments in a state of constant conflict.

The question now is whether it is simply too late to achieve President Bush's goal of a stable and democratic Iraq, even if Mr. Gates and Ms. Rice are able to work together as smoothly in altering policy as they did 15 years ago on a very different kind of problem, managing the American response to the dissolution of the Soviet Union.

A few members of the Iraq Study Group — the commission created in March at the urging of members of Congress and led by James A. Baker III, from which Mr. Gates stepped down on Friday — have wondered aloud in recent days whether the insurgency and sectarian conflict in Iraq may be too far advanced to reverse. The group will consult with the British prime minister, Tony Blair, by video on Tuesday and is due to present recommendations to the White House and Congress in December.

And while Mr. Gates, who faces Senate confirmation hearings at roughly the same time, is considered far less combative and contrarian than Mr. Rumsfeld, he has a long-ago history of conflict with secretaries of state, most notably George P. Shultz, who objected to Mr. Gates's hawkish views of the Soviet Union and once tried to have him fired.

He is being thrust into the job at a moment when Democrats, newly empowered by their control of the House and the Senate, are promising investigations into the conduct of the war in Iraq and demanding a far greater voice in Iraq policy.

Nor is it clear how Mr. Gates will deal with Vice President Dick Cheney. Mr. Cheney worked for years to protect Mr. Rumsfeld, who had hired him for his first government job, and the top echelons of the Defense Department have been peppered with Cheney protégés. Many of them have told associates they expect to be leaving, as Mr. Gates takes over with a mandate, in Mr. Bush's words, to approach the job with "fresh eyes."

White House officials would say little on the record about the deliberations that led to the selection of Mr. Gates, 63, the president of Texas A&M University. But on Friday, they rejected the conventional wisdom in Washington that his selection amounts to a resurrection of the advisers to Mr. Bush's father, or a resurgence of realism to rescue a war started with the ideological certainty that toppling Saddam Hussein would help spread democracy across the Middle East.

"It dumbs this whole thing down to say that this is the victory of the pragmatists over the ideologues," said Daniel Bartlett, the president's counselor, who took part in the secret decisions to oust Mr. Rumsfeld and bring in Mr. Gates. "We are going to be practical in some respects, and ideological in others. But we knew that we needed a defense secretary who could hit the ground running and who was very familiar with the challenges we face."

A national security official who served under Ms. Rice in President Bush's first term said she regularly consulted with Mr. Gates, particularly on intelligence matters. "When she needed to figure out what had gone wrong at the C.I.A., she turned to him," the official said.

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Perhaps so, but Mr. Gates's friends say he will approach the current Iraq policy with a healthy skepticism. Joseph Nye, a Harvard professor and a Democrat who has known Mr. Gates for two decades and dealt with him on a variety of intelligence issues, describes him as "a realist, a conservative realist."

"He is open to evidence and less likely to be driven by fads, or the ideological certainties that sped this administration off course," Mr. Nye said. Mr. Gates's "frame of reference is more where Condoleezza Rice used to be, before the administration's excursion into democracy promotion."

In his memoirs, Mr. Gates writes of working with Ms. Rice, then a mid-level aide in the National Security Council, on a variety of projects, including the preparation of secret contingency plans in 1989 for the possibility that Mikhail S. Gorbachev might be overthrown and the Soviet Union descend into chaos.

Now, in a new partnership 17 years later, officials say their task is to guide Mr. Bush through even more treacherous waters: finding a way to stabilize Iraq, while devising options for the United States if the weak Iraqi government collapses or full-scale civil war breaks out.

All those possibilities have been debated by members of the Iraq Study Group. Mr. Gates was chosen as a Republican member of that commission by Mr. Baker, though the two occasionally clashed during the first Bush administration.

In his 1995 memoir, "The Politics of Diplomacy," Mr. Baker recounted his fury at learning in 1989 that Mr. Gates, then deputy national security adviser, intended to give a speech predicting that Mr. Gorbachev would not remain in power for much longer.

"When Gates had been at the C.I.A., he had given a speech that had completely undercut George Shultz on Soviet policy," Mr. Baker wrote. "That had hurt President Reagan then, and this would hurt George Bush now," he continued, referring to the first President Bush. Mr. Baker killed the speech.

In his long cold war experience as a C.I.A. director and deputy national security adviser, Mr. Gates never had to cope with an insurgency the size of the one that has erupted in Iraq, or devise a strategy for containing a battle between rival Islamic groups.

Last summer he told the Council on Foreign Relations that "we have the old line in the intelligence business that everything we want to know is divided into two categories: secrets and mysteries." Iraq, he said, "is very much the latter."

Yet together with Ms. Rice, Mr. Gates is expected to have to put into action recommendations by the study group that are likely to call for initiatives involving European allies and Iraq's neighbors in the Middle East. The new plans are expected to mix diplomacy, the training of Iraqi troops and the use of American force to quell the violence in Baghdad, and to require close coordination between the Departments of State and Defense.

"They needed someone who was not only capable but willing to try something new," said a former Gates colleague who has followed the process closely and who spoke on condition of anonymity. "Once these recommendations come out, some are going to be Gates's to carry out, and some are going to be Rice's."

Mr. Gates has at times been critical of Bush administration policies, most clearly in the case of how to deal with Iran, which administration officials fear is manipulating Shiite militias in Iraq. Along with Zbigniew Brzezinski, his former boss on President Jimmy Carter's National Security Council, he called in 2004 for a new approach, including talks with Tehran and expansion of and cultural contacts. So far, Mr. Bush has rejected most of that advice.

"He defies labels," said Bobby R. Inman, an old friend and former C.I.A. colleague of Mr. Gates. "His orientation is to solving problems."

In 1994, he endorsed with some reservations the idea of missile strikes to take out North Korean nuclear facilities. "Unless they believe we can and will use our strength, there is little chance of influencing them," he wrote. "A nuclear North Korea is the price we have paid to learn this lesson."

Similarly, in 1997, he proposed "a powerful air and missile campaign" to prevent Saddam Hussein from acquiring unconventional weapons.

But in 1998, he took a less bellicose approach in a prescient article on terrorism, written after the bombings at American embassies in Kenya and Tanzania. He said the United States had to consider "whether to make a war against terrorism our highest priority in foreign policy."

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He counseled caution, arguing that “retributive violence, no matter how massive, almost inevitably begets more violence against us in response.” He advised a combination of terrorist arrests, targeted military action and promotion of human rights and political freedom in the Middle East.

Bush Swaps Idealists For Realists (BBC)

By Jonathan Beale

BBC.com, November 11, 2006

Even the White House acknowledges that the result of the mid-term elections was in some way the American public's verdict on the direction of US foreign policy - particularly in Iraq.

Will a change in personnel mean a change in policy? Battered and bruised, the Bush administration is now under huge pressure to change direction.

The departure of Donald Rumsfeld is seen as one indication that the White House has listened to its critics. But it's clear that is not enough.

Democrats also want the president to change America's ambassador to the United Nations - John Bolton, a totem of the right.

And this is not just about a change of personnel - Democrats and many moderate Republicans want a change of policy too.

Enter the 'realists'

The departure of Mr Rumsfeld and the arrival of Robert Gates at the Pentagon is being interpreted as the end of the road for the ideologues and the re-entry into orbit of the foreign-policy "realists".

So-called "realists" are supposed to have a more nuanced view of the world.

They do not - like the so-called neo-conservatives - see everything in black and white terms.

Bush 41 - the current president's father - is seen as a "realist".

Mr Cheney and Ms Rice served Mr Bush's father as well So is his former Secretary of State, James Baker.

Mr Baker is currently reviewing the options in Iraq as the co-chair of the Iraq Study Group - of which Robert Gates is also a member.

Mr Baker has already stated that he believes there is an alternative between "staying the course" and "cut and run".

Zbigniew Brzezinski - National Security Adviser to President Carter - said he hopes that personnel changes at the White House will bring "a degree of rationality, common sense, balance and historical perspective" to the table.

But it's worth remembering that many of the first George Bush's senior advisers have been surrounding his son for the past six years.

Dick Cheney, Condoleezza Rice and Stephen Hadley were around when Bush 41 was in charge of the White House.

The newly appointed Mr Gates may be seen as more "moderate" than Donald Rumsfeld.

But he was a "hawk" in the cold war era.

No doubt the new arrivals will bring a fresh perspective to the White House.

But don't expect US forces to exit Iraq overnight or for Iran and Syria to be greeted with open arms.

Talking to the enemy?

However President Bush will now be encouraged to talk to the enemy.

Even before the defeat there was a growing chorus of senior diplomats, Democrats and even Republican voices calling on the Bush administration to engage with countries like Iran and Syria.

Mr Baker's new Iraq plan might involve talks with Iran or Syria Until now the Bush/Rice policy has been akin to telling the naughty boy in the classroom to face the corner - in the hope that everyone will ignore him until he repents and mends his ways.

So far in the case of Iran, Syria, North Korea and Venezuela, the policy appears to have had limited success.

Mr Gates in the past has advocated talking to Iran.

But there is no guarantee that talking will get results either.

In truth, the Bush administration's foreign policy was already evolving.

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The arrival of Condoleezza Rice at the State Department signalled an emphasis on diplomacy rather than a reliance on America's military might. (Colin Powell might have wished to use the tools of diplomacy, but he never had the ear of the president.)

That change was forced on an administration that faced international isolation after the Iraq war.

Democrats' dilemma

In the euphoria of victory the Democrats might be hoping for wholesale change.

But Congress has never had the final say on foreign policy.

The Democrats' new power may now make life more difficult for the president, but George Bush has already made it clear that he is not going to abandon his goal of defeating terrorism in Iraq or ease the pressure on North Korea and Iran.

There's a dilemma too for the Democrats.

They cannot afford to appear weak in the face of the threats that America faces if they are to have any chance of eventually taking the White House.

Gates Struggled Through The Iran-Contra Scandal (AP)

By Pete Yost

AP, November 11, 2006

WASHINGTON — Robert Gates successfully navigated the legal and political perils of the Iran-Contra scandal. He emerged as CIA director and survived an ordeal that took a heavy toll on the first President Bush, the man perhaps most responsible for Gates' success.

George W. Bush now has designated Gates as Donald H. Rumsfeld's successor at the Pentagon, a job that will require the next defense secretary to find a different direction for the Iraq war, which has devastated the political fortunes of the Bush administration.

Senate Democratic leader Harry Reid of Nevada says he has questions about Gates' involvement in Iran-Contra. Republicans plan to push the nomination through before they lose control in January.

Thomas Blanton, director of the National Security Archive, a private group that has collected hundreds of thousands of pages of documents on the scandal and published several books on it, calls Gates "the ultimate hear-no-evil see-no-evil high official during Iran-Contra."

In a final report, Iran-Contra prosecutor Lawrence Walsh said that, "like those of many other Iran-Contra figures, the statements of Gates often seemed scripted and less than candid."

In rebuttal, Gates said Walsh's 1994 report was "unjustifiably disparaging, unbalanced, filled with innuendo and insinuation, and draws conclusions not supported by the evidence."

Questions about Gates focus not on what he did in Iran-Contra, but on what he knew. CIA Director William Casey had his own parallel chain of command that excluded Gates. At the time, however, Gates was the agency's No. 2 official.

"You would think he had to know, but was he involved? No," former CIA officer Vincent Cannistraro said of Gates.

Former Democratic Sen. David Boren of Oklahoma, who presided over Gates' 1991 confirmation hearings, among the longest in Senate history, said Casey shut out Gates because he was "the kind of person who wouldn't have put up with what was going on."

The Iran-Contra affair plagued the final two years of Ronald Reagan's presidency and damaged the final political campaign of Bush's father. The scandal that broke out 20 years ago this month also bruised Gates' career, forcing him to withdraw his nomination as CIA director in 1987.

Gates soldiered on as the No. 2 official at the CIA, then went to the White House's National Security Council. Four years later, the first President Bush nominated him for the top CIA job.

Iran-Contra was the convergence of two covert operations run by the Reagan White House — selling arms to Iran in an effort to free U.S. hostages in Lebanon and supplying arms to the Contra guerrillas fighting the leftist government of Nicaragua.

NSC aide Oliver North oversaw the Contra resupply network during a congressional ban on military aid to the rebels.

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Congress was kept in the dark. The two operations were exposed when a resupply plane was shot down over Nicaragua and when a Middle East newspaper disclosed the Iran initiative.

In 1991, as Gates prepared to testify at his confirmation hearings for the CIA, new evidence emerged that raised additional questions about whether he had told the truth in Iran-Contra.

An ex-CIA officer alleged that he and at least three other CIA officials besides Casey had heard early on about the most explosive secret in the scandal — the diversion of profits from the Iran arms sales to the Contras.

The new evidence meant that at least five people above and below Gates knew about talk of a diversion in the summer before the secret surfaced. Had Gates known?

The president stood by him.

"Hey, you're my man. I'm all for you. ... don't let 'em get you down," Bush said he had assured the nominee.

As with Gates, the president was dogged by Iran-Contra. He spent the final weekend of his last political campaign answering renewed questions about his role in the scandal.

Bush had described himself as being "out of the loop" regarding opposition by two Cabinet officials to the secret arms-for-hostages deals with Iran.

The comment, however, was undercut by a reissued indictment showing that Bush, while vice president, participated in a meeting where the opposition he later denied knowing about had surfaced.

After losing the election five days later, the Bush campaign said the allegations had stopped the president's comeback in the polls.

At his Senate confirmation hearings in 1991, Gates handled Iran-Contra with a carefully crafted acknowledgment of responsibility. He also received some supportive testimony.

Gates said he simply had forgotten about being told by a CIA colleague about a diversion. The CIA official who told him said that was "quite easy to understand," adding that the information had been "very speculative."

Prosecutors said Gates' explanation that he did not recall the conversation is "to say the least ... disquieting.

"He had been told by a very senior officer that two of President Reagan's personal priorities were in danger — not something an ambitious deputy director of central intelligence would likely forget," the prosecutors' final report states.

In rebuttal, Gates said, "I did not engage in obstruction or willful misleading" and that the prosecutors' report "should have so stated."

Gates told prosecutors he was unaware North had an operational role in supporting the Contras. Gates said he believed North's activities were limited to putting Contra leaders in touch with wealthy American donors and to giving the Contras political advice.

Cannistraro, who dealt with both Gates and North, says "I find it almost impossible that Gates wouldn't know what I knew, and I knew a fair amount. He couldn't avoid knowing."

But Gates has said he did not know.

"A thousand times I would go over the 'might-have-beens,'" Gates wrote in his memoirs. "I was new to the job and was trying to learn the ropes while all this was going on."

How (Not) To Run The Pentagon (WP)

The Washington Post, November 12, 2006

Robert M. Gates, the former CIA director tapped by President Bush to replace Donald H. Rumsfeld as defense secretary, would bring to the Pentagon some clear ideas about how to lead and reform unwieldy public institutions. In a recent speech at Texas A&M University, where Gates serves as president, the nominee cautioned against new leaders arbitrarily imposing their ambitious agendas, only to witness the reversal of their efforts immediately after they leave.

"It is a fact of life in institutions that leaders come and go. Sometimes when they leave, there is regret among the professionals and staff who remain. More often, the celebrations begin before the departing executive's taillights are out of sight. Some leaders arrive with ambitious agendas and seek to impose them by fiat -- unilaterally and from above. They usually provoke

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either paralyzing opposition and internal warfare, or see the reversal of every action immediately after their departure. We can all think of specific examples of both at other universities over the last year or two.

What, then, is the formula for successful leadership in public institutions, above all a great university? I believe it begins with a leader's recognition that his or her time in office is finite and that the institution and those who carry out its mission endure. They were there long before the leader arrived, and will be there long after he or she departs. Whether at CIA or at a university, the professionals outlast both good and bad leaders.

I have long believed that the secret to successful leadership of public institutions -- especially in leading change -- is the involvement in decision-making of those who carry out the institution's mission: involvement in setting the agenda, involvement in shaping options, involvement in decisions, and involvement in implementation."

-- Robert M. Gates, Sept. 8, 2006

The Donald Rumsfeld I Know (WP)

By Douglas J. Feith

The Washington Post, November 12, 2006

Much of what you know about Donald Rumsfeld is wrong.

I worked intimately with Rumsfeld for four years, from the summer of 2001 until I left the Pentagon in August 2005. Through countless meetings and private conversations, I came to learn his traits, frame of mind and principles -- characteristics wholly at odds with the standard public depiction of Rumsfeld, particularly now that he has stepped down after a long, turbulent tenure as defense secretary, a casualty of our toxic political climate.

I know that Don Rumsfeld is not an ideologue. He did not refuse to have his views challenged. He did not ignore the advice of his military advisers. And he did not push single-mindedly for war in Iraq. He was motivated to serve the national interest by transforming the military, though it irritated people throughout the Pentagon. Rumsfeld's drive to modernize created a revealing contrast between his Pentagon and the State Department, where Colin Powell was highly popular among the staff. After four years of Powell's tenure at State, the organization chart there would hardly tip anyone off that 9/11 had occurred -- or even that the Cold War was over.

Rumsfeld is a bundle of paradoxes, like a fascinating character in a work of epic literature. And as my high school teachers drummed into my head, the best literature reveals that humans are complex. They are not the all-good or all-bad, all-brilliant or all-dumb figures that inhabit trashy novels and news stories. Fine literature teaches us the difference between appearance and reality.

Because of his complexity, Rumsfeld is often misread. His politics are deeply conservative, but he was radical in his drive to force change in every area he oversaw. He is strong-willed and hard-driving, but he built his defense strategies and Quadrennial Defense Reviews on calls for intellectual humility.

Those of us in his inner circle heard him say, over and over again: Our intelligence, in all senses of the term, is limited. We cannot predict the future. We must continually question our preconceptions and theories. If events contradict them, don't suppress the bad news; rather, change your preconceptions and theories.

If an ideologue is someone to whom the facts don't matter, then Rumsfeld is the opposite of an ideologue. He insists that briefings for him be full of facts, thoughtfully organized and rigorously sourced. He demands that facts at odds with his key policy assumptions be brought to his attention immediately. "Bad news never gets better with time," he says, and berates any subordinate who fails to rush forward to him with such news. He does not suppress bad news; he acts on it.

In late 2002, Pentagon lawyers told Rumsfeld that the detainee interrogation techniques in the old Army field manual were well within the bounds of the Geneva Conventions and U.S. statutes. Detainee information could help us prevent another terrorist attack, and al-Qaeda personnel were trained to resist standard interrogations. So, with the advice of counsel, military officers at Guantanamo Bay, Cuba, asked Rumsfeld to authorize additional techniques thought to fall safely within the bounds of the law. He did so.

Less than a month later, in December 2002, Jim Haynes, the Defense Department's general counsel, brought him the disturbing news that some lawyers in the military departments questioned the legality of the additional techniques. Rumsfeld did

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not brush off the questions or become defensive. In short order, he directed Haynes to revoke the authority for the new techniques. He told him to gather all the relevant lawyers in the department and review the matter -- and he would not approve any new techniques until that review was completed. It took almost four months.

I was impressed by how quickly Haynes brought the information to Rumsfeld and how Rumsfeld changed course upon receiving it. It seemed to me that if the country's leading civil libertarians had been in on the meetings with us, they would have approved of the way Rumsfeld handled the service lawyers' dissent. This story bears telling because when the cruel and sexually bizarre behavior at Abu Ghraib occurred many months later, critics inaccurately depicted Rumsfeld as disrespectful of laws on detainee treatment.

Rumsfeld's drive to overhaul the Pentagon -- to drop outdated practices and modes of thought -- antagonized many senior military officers and civilian officials in the department. He pushed for doing more with less. He pushed for reorganizing offices and relationships to adapt to a changing world. After 9/11, he created the Northern Command (the first combatant command that included the U.S. homeland within its area of responsibility), a new undersecretary job for intelligence and a new assistant secretary job for homeland defense. Improving civil-military cooperation, Rumsfeld devised new institutions for the Pentagon's top civilian and military officials to work face to face on strategic matters and new venues for all of them to gather a few times a year with the combatant commanders. He also conceived and pushed through a thorough revision of how U.S. military forces are based, store equipment, move and train with partners around the world -- something that was never done before in U.S. history.

When he told organizations to take on new missions, their instinct -- typical of bureaucracies -- was to say they needed more people and more money. Rumsfeld responded: If changes in the world require us to do new things, those changes must also allow us to curtail or end old missions that we continue for no good reason. He made numerous major changes in the Defense Department at the cost of goring a lot of oxen.

On Iraq, Rumsfeld helped President Bush analyze the dangers posed by Saddam Hussein's regime. Given Hussein's history -- starting wars; using chemical weapons against foreign and domestic enemies; and training, financing and otherwise supporting various terrorists -- Rumsfeld helped make the case that leaving him in power entailed significant risks. But in October 2002, Rumsfeld also wrote a list of the risks involved in removing Hussein from power. (I called the list his "parade of horribles" memo.) He reviewed it in detail with the president and the National Security Council. Rumsfeld's warnings about the dangers of war -- including the perils of a post-Hussein power vacuum -- were more comprehensive than anything I saw from the CIA, State or elsewhere.

Though we knew that the risks involved in ousting Hussein were high, it hardly means that Bush made the wrong decision to invade. I believe he made the correct call; we had grounds to worry about the threats Hussein posed, especially after 9/11 reduced our tolerance for security risks. But Rumsfeld helped the president see that he had no risk-free option for dealing with the dangers Hussein posed.

Rumsfeld has been attacked for insisting that troop levels for the Iraq operation be kept low, supposedly out of ideology and contrary to the advice of the military. What I saw, however, was that Rumsfeld questioned standard military recommendations for "overwhelming force." He asked if such force was necessary for the mission. And he asked what the consequences might be of having a large footprint in Iraq and playing into propaganda about the United States wanting to take over the country.

But Rumsfeld never told Gen. John Abizaid or Gen. Tommy Franks that U.S. Central Command could not have the number of troops that the commanders deemed necessary. Rumsfeld is more politically sensitive than that -- he would never expose himself to the risk of a commander later saying that he had denied him the forces needed. If other generals are unhappy with the troop levels in Iraq, the problem is not that they failed to persuade Rumsfeld, but that they failed to persuade Abizaid or Franks.

Historians will sort out whether Rumsfeld was too pushy with his military, or not pushy enough; whether he micromanaged Ambassador L. Paul Bremer and the Coalition Provisional Authority, or gave them too much slack. I know more about these issues than most people, yet I don't have all the information for a full analysis. I do know, however, that the common view of Rumsfeld as a close-minded man, ideologically wedded to the virtues of a small force, is wrong.

Rumsfeld had to resign, I suppose, because the bitter political debate of recent years has turned him into a symbol. His effectiveness was damaged. For many in Congress and the public, the Rumsfeld caricature dominated their view of the Iraq war

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and the administration's ability to prosecute it successfully. Even if nominee Robert Gates pursues essentially the same strategy, he may command more public confidence.

What Rumsfeld believed, said and did differs from the caricature. The public picture of him today is drawn from news accounts reflecting the views of people who disapproved of his policies or disliked him. Rumsfeld, after all, can be brutally demanding and tough. But I believe history will be more appreciative of him than the first draft has been. What will last is serious history, which, like serious literature, can distinguish appearance from reality.

Douglas J. Feith, a professor at Georgetown University, served as undersecretary of defense for policy from 2001 to 2005.

Rumsfeld's Self-inflicted Wounds (LAT)

By Frederick W. Kagan, Frederick W. Kagan Is A Resident Scholar At The American Enterprise Institute And The Author Of "Fin

The Los Angeles Times, November 12, 2006

The outgoing defense secretary was too focused on transforming the military, and failed to plan for achieving political goals in Iraq.

DONALD RUMSFELD had the chance to be one of the great American heroes of all time. He held office at a moment of enormous danger. He had many admirable qualities necessary for success. But like the tragic heroes of old, hubris and inflexibility made vices of his virtues, leading to his own fall and the collapse of his life's work.

Rumsfeld was in many ways ideally suited to be secretary of Defense in the wake of 9/11. His experience in the same position under President Ford and as ambassador to NATO seemed to fit him to the task of overseeing a complex military coalition. His determination and self-confidence were essential in a wartime secretary — and unusual in recent times. When he showed, early in his tenure, that he meant to take positive control of the Pentagon's sprawling bureaucracy, many observers cheered. This was precisely the sort of man the nation needed at the military's helm at a time of crisis.

As former CIA Director Robert Gates prepares to succeed Rumsfeld, the chorus is already rising to declare that Gates must be more open to advice from the military, more of a consensus-builder than a tyrant. Perhaps. It isn't clear how a more open secretary of Defense would have fared given the advice the military gave Rumsfeld.

Belief in the value of technology and the need for light, swift ground forces pervaded the senior military leadership in the 1990s. Then-Army Chief of Staff Gen. Eric Shinseki had launched an ambitious program to "lighten" the Army and equip it with advanced precision weapons. Shinseki certainly warned that more troops would be needed to secure Iraq in the wake of major combat operations. But Gen. Tommy Franks, the commander who developed and executed the actual war plan, wanted fewer. Many officers opposed the "light footprint" approach with which Rumsfeld tackled the problem of the Iraqi insurgency — but not Gen. John Abizaid, who took over from Franks right after the end of major combat operations. A secretary of Defense who encouraged discussion and dissent would have perhaps anticipated more of the flaws in the policies he was proposing. Still, the strategy that has led to disaster in Iraq belonged to the commanders at least as much as to Rumsfeld. Scapegoating him in isolation will prevent us from learning the essential lessons of our recent failures.

For the problem with Rumsfeld was not his flawed managerial style, but his flawed understanding of war. Early in his term, he became captive of an idea. He would transform the U.S. military in accord with the most advanced theories of the 1990s to prepare it for the challenges of the future. He was not alone in his captivity. As a candidate, President Bush announced the same program in 1999 — long before anyone thought Don Rumsfeld would return as secretary of Defense. The program, quite simply, was to rely on information technology to permit American forces to locate, identify, track and destroy any target on the face of the Earth from thousands of miles away. Ideally, ground forces would not be necessary in future wars. If they were, it would be in small numbers, widely dispersed, moving rapidly and engaging in little close combat. This vision defined U.S. military theory throughout the 1990s, and it has gone deep into our military culture. Rumsfeld's advent hastened and solidified its triumph, but his departure will not lead instantly to its collapse.

At its root, this "transformation program" is not a program for war at all. War is the use of force to achieve a political purpose, against a thinking enemy and involving human populations. Political aims cannot normally be achieved simply by destroying targets. But the transformation that enthusiasts of the 1990s focused too narrowly on destroyed the enemy's military with small,

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lean and efficient forces. This captivated Rumsfeld, becoming his passion. He meant it to be his legacy. It was the fatal flaw in this vision that led, in part, to the debacle in Iraq. Focused on destroying the enemy's military quickly and efficiently, Rumsfeld refused to consider the political complexities that would follow that destruction. He and Franks pared the invasion force down to the smallest level that could defeat Saddam Hussein's army, but refused to consider the chaos that would follow the collapse of Hussein's government. This failure is inherent in the military thought of the 1990s. Rumsfeld did not invent it. He simply executed it.

Having made the mistake of failing to plan for achieving the political goals of the Iraq war, Rumsfeld then compounded his error. The war in Iraq threatened military transformation. It was expensive and sucked scarce defense resources away from transformational programs. It was manpowerintensive and hindered Rumsfeld's efforts to reorient the military away from a focus on land power. It was intellectually distracting; counterinsurgency has little to do with transformation. Here Rumsfeld's virtues became his greatest vices. Instead of recognizing the danger of losing Iraq, he remained committed to transforming the military to meet undefined future threats, spending billions of dollars preparing to fight Enemy X in 2025. He consistently opposed increasing the size of the ground forces, despite the obvious growing strains on the Army and the Marines of repeated deployments to Afghanistan and Iraq.

He fought to keep expensive weapons systems, such as the F-22 fighter jet and the F-35 Joint Strike Fighter, which were billed as "transformational" because they used precision-guided munitions to strike remote targets. That money could have been used for better armored vehicles, more body armor and more soldiers. The same determination that had seemed so promising when he first took over became a stubborn refusal to change course in a storm.

Rumsfeld has paid a high price for this failure. He will not be known as the secretary of Defense who transformed the military, but as the secretary of Defense who, at best, nearly lost the Iraq war. Worse still, his stubbornness has destroyed the ground forces. The Army and Marines have worn out their equipment and their troops. Units must swap tanks and Humvees just to be able to train. The Army brass recently leaked the fact that only the units that are in Iraq or about to deploy to Iraq are combat-ready — an unprecedented military crisis. Rumsfeld leaves behind him a military far weaker and less capable than the one he took charge of in 2001.

The greatest irony of all is that the military Rumsfeld has destroyed is the one he created. He was secretary of Defense in the mid-1970s as the military was shifting from conscription to the all-volunteer force. He shepherded the volunteer military through its early growing pains and supported it valiantly against its many critics. Perfecting it through transformation was to be the culmination of his life's work. The damage he has done to it instead is his tragedy — and the nation's.

Now What? (NYT)

By Franklin Foer

The New York Times, November 12, 2006

ANDY CARD began his political ascent as George H. W. Bush's driver and carried forward a valet's mind-set into the job of White House chief of staff. Less a power broker than a punching bag, Card made it his mission to venture before the cameras to swallow blame for administration follies, like its catatonic response to Hurricane Katrina. And behind closed doors, his role was even more humiliating. The former Treasury secretary Paul O'Neill recalled George W. Bush interrupting a top-level meeting to issue Card an extremely urgent request: "You're the chief of staff. You think you're up to getting us some cheeseburgers?"

It is startling, therefore, to read Bob Woodward's portrayal of Card as the conscience of the Bush administration. In his telling, Card orchestrated a brave but doomed campaign to oust Donald Rumsfeld and change course in Iraq. Where other advisers evaded responsibility, Card constantly told the president, "You should not be afraid to change me." Card occupies considerable space in "State of Denial" and has dominated coverage of it. Such an unconventional portrait inevitably provokes a cynical explanation: that Woodward, amanuensis to the Washington stars, has once again uncritically transcribed someone's self-serving version of events.

Cynicism, however, trivializes the significance of Card's confessions. To have so many of the president's fiercest loyalists, like Card, testify to his incompetence — and with the ultimate Establishment journalist's tape recorder running — is itself a turning point. With two years to go, Woodward has written the Bush administration's version of "The Final Days."

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He has retroactively bundled his books on the Bush White House into a trilogy. "State of Denial," the jacket tells us, is Part 3 of his "Bush at War" cycle. This is obvious sleight of hand. Woodward's first book provided so favorable a treatment of the administration that the Republican National Committee recommended it on its Web site. But "State of Denial" isn't a continuation of his previous work as much as a repudiation — the installment in which he takes a mulligan and attempts to correct for past obsequiousness.

Your standard volume of Woodward reportage could be titled "Everything That Happened Since My Last Book." But "State of Denial" deviates from this model. It doesn't even begin where his last Bush book, "Plan of Attack," left off — in the euphoric early days of the Iraq war. Instead, Woodward retraces his reportorial steps back to the moment George W. Bush first considered running for president, when his father called the Saudi ambassador, Prince Bandar bin Sultan, down to Austin to provide his boy a foreign policy tutorial. And Bandar initiates the book's flood of unflattering details. According to him, Bush exclaimed, "I don't have the foggiest idea about what I think about international, foreign policy." (Domestic foreign policy was another matter.)

Where Bush appeared resolute in the first two installments of Woodward's trilogy, he now comes across as a "Saturday Night Live" version of himself. He cracks fart jokes with Karl Rove and conspires to play a prank on the current Federal Reserve chairman. Woodward argues that this Andover grad still views himself as a cheerleader, bucking up the polity even if his rosy exhortations come at the cost of the truth. (When a C.I.A. briefer informs the president of the deteriorating security situation in Iraq, Bush dismisses the messenger from Langley as "Baghdad Bob," a reference to Saddam Hussein's old spokesman.) And if the president can't face the facts, it may have something to do with his insecurities. According to Woodward, the president's legs anxiously jiggle under the table in meetings. He also suggests, as others have, that our adventure in Iraq had less to do with the promotion of democracy and more to do with the president's relationship with his father. Bush wanted to outdo his dad by taking down the tyrant his old man had left standing.

But the president is too passive a player to be Woodward's central villain. Besides, Donald Rumsfeld fills that role far too perfectly. He comes across as utterly contemptuous of other human beings. When Condoleezza Rice makes important presentations to the president, Rumsfeld ostentatiously fails to pay attention — and then fails to return her calls afterward. What's worse, he is an obsessive micromanager, but one who disavows projects once they look doomed. As soon as the hunt for weapons of mass destruction seemed fruitless, he handed over the mission to the C.I.A.

Rumsfeld takes so much pummeling that he eventually becomes a strangely sympathetic character. While almost every other member of the Bush administration stiffed Woodward's request for on-the-record interviews, Rumsfeld manfully subjected himself to two sessions — this despite his obvious disdain for the author. In the course of these interviews, Woodward breaks his own time-honored rules of access journalism. Instead of rewarding Rumsfeld's openness, he uses the interviews to disprove his own reputation for softness. After Rumsfeld employs the metaphor of a "fruit bowl" to describe the administration's varying methodologies for measuring insurgent attacks, Woodward writes: "I was speechless. Even with the loosest and most careless use of language and analogy, I did not understand how the secretary of defense would compare insurgent attacks to a 'fruit bowl,' a metaphor that stripped them of all urgency and emotion."

While Woodward reserves particular antipathy for Rumsfeld, his descriptions of nearly everyone else in the administration are equally damning. Every chapter in the book presents a heretofore uncovered anecdote of incompetence. Why did we botch postwar reconstruction? Weeks before the invasion, one of the men recruited to help rebuild Iraq is sitting in a library scraping for any bit of available information about "what we should do with the Iraqi Army." Unfortunately, the United States government didn't have any good intelligence on the subject. When Jay Garner, who was in charge of the reconstruction, asked Rice on the eve of the invasion how he should put together a postwar government, he didn't receive an answer. Garner didn't even know he should relocate his operations to the Middle East until Paul Wolfowitz told him, "You should already be there."

Amid all of Woodward's maddening reports of administration ham-handedness and arrogance, unintentional comedy abounds. He captures official Washington offering the lamest excuses as it trips over itself to deny responsibility for the Iraq war and the Bush era. George Tenet, the former director of central intelligence, is shown decrying the Iraq invasion as a "mistake" on the eve of the war — despite Woodward's previous reports of his "slam dunk" assessment of the Iraqi arsenal. After Richard Armitage's initial pre-presidential encounters with George W. Bush, he "was not sure Bush filled the suit required of a president"

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— yet nevertheless went on to serve as his loyal servant for four years. But Woodward doesn't render this rat-jump with the appropriate comic flair. He portrays these revisionist accounts with far more sympathy than they deserve.

This book, after all, is an object lesson in precisely this brand of retreat. You can easily understand Woodward's urge to retreat. For the past decade, he has received unending abuse, suffering a devastating Joan Didion hatchet job and then the scorn of the anti-Bush left. His critics have turned him into a symbol of journalism's rot, a leading force in the sad demise of adversarial reporting that led to Judith Miller and media passiveness in the face of Bush spin. After writing "All the President's Men," Woodward became one of them.

With "State of Denial," you sense this (somewhat overwrought) critique has rattled Woodward. It has forced him to change his style. There's less of his signature omniscience here — a style that not only reflected his proximity to power, but captured the self-confidence of the Washington Establishment. In its place, he has grown self-referential, nervously mentioning his past books, as well as inserting himself as a character into his own tale. That Bob Woodward has strayed from the Bob Woodward method tells you a lot about the state of American journalism.

Rumsfeld Was My Squash Partner (LAT)

By David Hiller

The Los Angeles Times, November 12, 2006

THERE WAS A PERIOD in the late 1990s when Don Rumsfeld and I played squash almost every month in Chicago, and before I say anything else, I should acknowledge this: He beat me almost all the time, even though, as he regularly pointed out, he was "almost old enough" to be my father.

We both lived in Chicago at the time. Don was in his late 60s, and I was in my 40s. I attribute my regular trouncing to several things (apart from my own poor play). Don was a strong technical player with a keen sense of court geometry and shot placement. He followed diagrams that his friend Arthur C. Nielsen, founder of the TV ratings business and one of the best amateur racquet-sport players in the U.S. in his day, had drawn for him by hand. I'm still looking for the copy Don gave me.

Don had a deadly, hard overhand service that came off the front wall like a bullet, came straight to the back wall and dropped in the corner, safe from my racquet. I'm sure that serve is what tore Don's rotator cuff.

Don also held the strategic ground in the center of the court better than anybody. We once collided as we both moved there, and I couldn't play for a week. Don moved well, certainly for a guy in his 60s. As he said, "I'm quick, not fast."

I think what struck me most was that Don never gave up on a point. His view was that every shot could be made, every game could be won, and he never surrendered until the last volley was played out. With me he was usually right.

Were these the qualities he brought to his job as secretary of Defense? I'm not sure, but I suspect that the rules he lived by were the same ones he played by, and I thought of them again as I watched the president announce Don's resignation.

DAVID HILLER is publisher of The Times.

Top Commander In Iraq Says U.S. Won't Abandon Its Mission (LAT)

By Borzou Daragahi, Alexandra Zavis

The Los Angeles Times, November 12, 2006

BAGHDAD — Gen. George W. Casey Jr., the top commander in Iraq, voiced confidence Saturday that the United States would not abandon its mission in this violence-racked country amid a postelection reevaluation of Iraq strategy.

"The weeks and months ahead will require courage and determination," Casey said at a Veterans Day naturalization ceremony for 75 U.S. troops at Baghdad's Camp Victory. "But succeed we will."

His comments were among his first public statements since the resignation last week of Defense Secretary Donald H. Rumsfeld.

Washington political insiders have speculated that both Casey and U.S. Ambassador Zalmay Khalilzad, who was also at the ceremony, could leave their posts because of the Republican Party's defeat at the polls Tuesday. Both men quickly left the ceremony after reading prepared statements.

At least 40 Iraqis and two European soldiers were reported killed in Iraq on Saturday.

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The U.S. military indicated that it had come up empty-handed in its quest to find a soldier missing for nearly three weeks. It offered a reward of up to $50,000 for information leading to the recovery of Army Reserve Spc. Ahmed Qusai Taei, an American of Iraqi descent.

He was abducted Oct. 23 outside the U.S.-protected Green Zone in Baghdad while on a visit to his Iraqi wife and in-laws.

The European soldiers, a Slovak and a Pole, were killed overnight by a roadside bomb near the southern city of Kut, news agencies reported.

Iraq's south has come under the sway of rival Shiite Muslim militias with anti-U.S. agendas.

Police in Najaf discovered a cache of antitank rockets, armor-piercing weapons and mortars hidden in the city's ancient cemetery. In 2004, Najaf was the scene of intense street battles between U.S. forces and Shiite militias.

In the capital, two car bombs exploded near the main market, killing eight civilians and injuring 37. Almost daily explosions at the wholesale market have further stifled an already moribund economy.

In other violence, a roadside bomb in an upscale Sunni Muslim neighborhood in central Baghdad killed one and injured five. Another roadside bomb in west Baghdad killed three passersby and injured three.

News agencies reported that as many as 10 Shiites traveling south of Baghdad on minibuses were killed in an apparent sectarian attack, but the account could not be confirmed. Dozens more reportedly were kidnapped by the gunmen.

Assassins killed a police sergeant in east Baghdad and an official in Iraq's intelligence service in south Baghdad as he locked up his car.

Gunmen killed two bodyguards of a former member of parliament in an east Baghdad shootout that left four people wounded, including the politician.

Iraqi police discovered the mutilated, bullet-riddled corpses of at least 24 men and a woman around the capital, police officials said.

Suicide bombers rammed U.S. military convoys near Taji, 20 miles north of the capital, and in east Baghdad, Iraqi police said. The military did not report any casualties from either incident.

U.S. Offers Reward For Help In Finding Missing Soldier (NYT)

By Michael Luo

The New York Times, November 12, 2006

BAGHDAD, Nov. 11 — The American military on Saturday announced a $50,000 reward for anyone with information leading to the recovery of an American soldier who was captured nearly three weeks ago outside the heavily protected Green Zone.

Iraqi and American soldiers conducted another raid in the impoverished Shiite district of Sadr City on Friday, looking for a "top-level death squad leader" as part of efforts to find the soldier, military officials said Saturday.

Also on Saturday, Sunni Arab gunmen pulled over a group of minibuses carrying Shiites traveling through a volatile region just south of here, killing 10 and kidnapping dozens, Iraqi state television said. And in one of several deadly attacks here in the capital, a pair of car bombs tore through a popular downtown shopping area just after noon, killing at least six people and injuring 32 others, an Interior Ministry official said.

A roadside bomb near Kut, about 100 miles southeast of Baghdad, killed one Polish and one Slovak soldier late on Friday, The Associated Press said.

The missing American soldier, identified by the military as Specialist Ahmed Kousay al-Taie, 41, an Iraqi-American translator from Ann Arbor, Mich., disappeared Oct. 23 after he left the Green Zone without permission to visit his Iraqi wife at her home nearby. Armed men handcuffed him and took him away, his relatives and the military said.

Since then, he has been the subject of a hunt that has involved some 2,000 American troops and 1,000 Iraqi security officers, who flooded the middle-class Karada neighborhood outside the Green Zone and surrounded Sadr City, where the military and his relatives said they believed he had been taken.

Last week, Prime Minister Nuri Kamal al-Maliki demanded that American troops lift the security cordon that they had placed around Sadr City. The checkpoints were quickly removed, and little has been heard since about progress in the search.

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The case took a turn late last week when Entifad Qanbar, an associate of Ahmad Chalabi, the influential Iraqi politician, identified himself as the soldier's uncle and said that the kidnappers had issued a $250,000 ransom demand. American officials had been meeting with an intermediary trusted by those who had captured his nephew, he said. Mr. Qanbar said that he had asked for proof from the captors that his nephew was still alive, setting a deadline of noon last Saturday.

But he has not had any contact with the kidnappers or their representatives since then, Mr. Qanbar said Saturday.

Several people who claim to know the captors have contacted family members, indicating that he is still alive, he said. The family has also reached out to people on their own, who have given them assurances about his well-being, he said. "God willing, I hope he is alive." .

Relatives believe a notorious Mahdi Army militia commander named Abu Rami who lived near the wife's home in Karada took Specialist Taie. Mr. Qanbar said Saturday that he had been told that the commander operated a well-organized criminal ring that functioned independently from the militia, whose members ostensibly claim loyalty to Moktada al-Sadr, the Shiite cleric.

American and Iraqi troops have followed up on some 335 tips from Iraqi citizens about Specialist Taie's disappearance, leading to 53 missions, said Lt. Col. Christopher Garver, a military spokesman. The most recent mission took place in Sadr City on Friday, in which five men were detained, he said.

The soldiers in the raid were looking for a death squad leader who "controls the actions of multiple cells, with hundreds of cell members, that conduct sectarian murder and torture, kidnappings, improvised explosive devices attacks and other attacks and crimes against Iraqi civilians and Iraqi security forces," the military said in a statement.

The soldiers seized six makeshift bombs and an array of Iraqi Army uniforms, the statement said. Military officials declined to identify the specific target of the raid, but confirmed it was part of its efforts to find Specialist Taie.

In all, 38 people have been arrested and held for questioning in connection with Specialist Taie's capture, Colonel Garver said.

The attack Saturday on the minibuses took place near Latifiya in the so-called Triangle of Death, an area plagued by Sunni insurgents. The bus had been on its way from the mainly Shiite southern city of Diwaniya to Baghdad, Iraqi state TV reported.

The twin car bombs that killed six people in the capital struck Hafud al-Qadi Street near the Shurja market, an area crowded with stores.

Earlier in the day, another roadside bomb exploded in eastern Baghdad, killing at least one person and wounding five others, an Interior Ministry official said. Another concealed bomb that detonated Saturday evening in the western Baghdad Sunni neighborhood of Amariya killed three people and wounded three others, the official said.

The police also discovered the bodies of 25 people dumped across the city on Saturday, the official said.

Dissenting Officer Faces Court-martial (LAT)

By Teresa Watanabe,

The Los Angeles Times, November 12, 2006

Army 1st Lt. Ehren Watada cites ethics in becoming the first commissioned troop to refuse Iraq deployment.

The nation's first commissioned officer to refuse deployment to Iraq said he was disappointed by the Army's decision last week to proceed with a court-martial against him but reiterated that he believed he did the right thing in opposing the war.

As the nation honored its military veterans Saturday, Army 1st Lt. Ehren Watada said he believed his refusal to lead his soldiers into what he viewed as an illegal and immoral war was fulfilling his duty to them and the Constitution he pledged to uphold.

"I am at peace with my decision because I feel that from the beginning I made it according to my conscience and my duty as a soldier and officer," said Watada, who is stationed at Ft. Lewis, Wash., about 50 miles south of Seattle. "The reason I'm standing up is that no one else is speaking up for the troops dying every day — not to mention the 600,000 Iraqis who have died.

"I'm willing to accept the punishment, whatever it may be," said Watada, whose case has sparked widespread debate over a soldier's duty to follow orders versus conscience.

In phone interviews Friday and Saturday, Watada also said that recent events had reinforced his belief that many Americans, including a growing number inside the military, shared his sentiments against the Bush administration's conduct of

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the war. Those events include the midterm election results giving Democrats control of Congress, the resignation of Defense Secretary Donald H. Rumsfeld, and a landmark editorial in four affiliated military-focused publications calling for the Pentagon chief's ouster.

On Thursday, the Army announced, as expected, that it would refer Watada's case to a general court-martial for refusing to deploy to Iraq.

What observers were closely watching was whether Lt. Gen. James Dubik, Ft. Lewis' commanding general, would also refer to trial charges involving critical public statements Watada made about the administration's war efforts.

Watada stated in a June news conference: "The war in Iraq is not only morally wrong but a horrible breach of American law…. The wholesale slaughter and mistreatment of Iraqis is not only a terrible moral injustice, but it is a contradiction to the Army's own law of land warfare. My participation would make me party to war crimes."

The Army contends that that statement and others — expressing shame over wearing the uniform to conduct a war he said was based on "misrepresentation and lies" — brought dishonor to the military.

In his decision, Dubik dismissed two of the speech-related charges of "contempt toward officials" but referred to trial four charges of "conduct unbecoming an officer." The lieutenant could be sentenced to a maximum of six years in prison.

Army officials were not available for comment.

Watada's attorney, Eric Seitz of Honolulu, said Saturday that he was disappointed that the Army had refused to negotiate on the charges. Seitz argued that Watada's statements, made off-duty and out of uniform, were permissible exercises of his free-speech rights.

The trial is "going to be a spectacle," Seitz said. "It's going to raise a lot of issues that frankly I don't understand why the Army wants to raise" in an antiwar political climate.

Watada, a Honolulu native who enlisted after the Sept. 11 attacks, said he gradually came to his conclusion that the Iraq war was illegal and immoral after his superiors told him to study up on it last year in preparation to deploy to Iraq in June with his Stryker brigade combat team.

Watada said he concluded that the war violated international and U.S. law because the administration failed to obtain U.N. Security Council authorization for it and secured congressional authorization based on wrong assertions that Iraq possessed weapons of mass destruction and was linked to Al Qaeda.

The Nuremberg principles adopted after World War II, he said, require soldiers to disobey illegal orders.

Watada offered to deploy to Afghanistan or resign his commission instead, but the Army refused to allow that. Army spokesman Col. Dan Baggio told The Times in a previous interview that soldiers could not pick and choose their conflicts but must uphold their oath to follow orders.

Although some soldiers have fled the country, gone absent without leave, claimed conscientious-objector status or taken illegal drugs to avoid Iraq service, Watada said, it was never his aim to avoid combat per se.

"I felt I could never do any of that personally because I needed to take a stand and hold people accountable for this illegal and immoral war," he said. "It all boils down to 'What is the purpose of a soldier and officer?' And that is to serve the American people."

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Democrats Aim To Save Inquiry On Work In Iraq (NYT)

By James Glanz, David Johnston, Thom Shanker

The New York Times, November 12, 2006

WASHINGTON, Nov. 11 — Congressional Democrats say they will press new legislation next week to restore the power of a federal agency in charge of ferreting out waste and corruption in Iraq and greatly increase its investigative reach.

The bills, the first of what are likely to be dozens of Democratic efforts to resurrect investigations of war profiteering and financial fraud in government contracting, could be introduced as early as Monday morning.

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The move would nullify a Republican-backed provision, slipped into a huge military authorization bill, that set a termination date for the agency, the Office of the Special Inspector General for Iraq Reconstruction. The agency's findings have consistently undermined Bush administration claims of widespread success in the reconstruction of Iraq.

Oversight, the power wielded by Congressional committees to demand information and internal documents and to haul executive branch officials to hearings, by subpoena if necessary, is reverberating through Congress as a Democratic battle cry.

"The unilateral decision made by House Republicans to shut down this critical office should be reversed immediately," said Senator Harry Reid, the Nevada Democrat who is poised to become the majority leader.

The House version of the bill will be introduced by Ike Skelton, the Missouri Democrat likely to take over as chairman of the House Armed Services Committee, a member of Mr. Skelton's staff said Friday. Mr. Skelton also said he would resurrect a subcommittee on oversight and investigations that was jettisoned by Republicans to investigate military spending.

In the Senate, Carl Levin, the Michigan Democrat who is in line to become chairman of the Senate Armed Services Committee, said that seeking a new strategy for Iraq would be his primary focus, but that he would also look carefully at military contracting.

"There have been serious allegations and evidence of misconduct among suppliers," Mr. Levin said. "And the taxpayers, of course, get socked on that. And the troops are not properly taken care of when that happens."

Tony Fratto, a White House spokesman, said on Saturday that the administration was willing to have discussions with Congress on the proposal to extend the inspector general's tenure. Mr. Fratto added, "We have a history of cooperating fully with and supporting inspectors general."

Mr. Fratto said he could not speak more definitively on the subject because the legislation was yet to be released.

In a measure of the momentum behind the bill, it is expected to be introduced in the Senate by Senator Susan Collins, Republican of Maine, along with co-sponsors Russell D. Feingold, Democrat of Wisconsin, and Joseph I. Lieberman, who won re-election as an independent in Connecticut.

"It is inconceivable that we would remove this aggressive oversight while the American taxpayer is still spending billions of dollars on Iraq reconstruction projects," Ms. Collins said.

Mr. Reid has said that after the lame-duck session ends, the Democrats will press ahead with Congressional oversight, particularly on Iraq. But Democratic leaders have also been conciliatory in discussing broader efforts to review the administration's initiatives of the past six years.

The imperative to investigate financial misdeeds extends beyond the military. Congressional aides said that the House government reform committee under Representative Henry A. Waxman of California might also investigate spending related to domestic security and the response to Hurricane Katrina.

The Appropriations Committee, which is likely to be led by Representative David R. Obey of Wisconsin, is likely to review more closely spending like large supplementary requests for Iraq and Afghanistan.

In addition, after the negative political fallout of corruption cases involving lawmakers, the Appropriations Committee is under pressure to curtail earmarks, which are spending measures for specific projects not sought by a federal agency but sponsored by a lawmaker — sometimes anonymously and often for a financial supporter.

Potentially explosive confrontations over foreign policy issues between Democrats and the Bush administration may be unavoidable. John D. Rockefeller IV of West Virginia, who is expected to become the chairman of the Senate Intelligence Committee, has been a critic of the C.I.A.'s secret detention program and the National Security Agency's domestic wiretapping program.

It is unclear how far chairmen like Mr. Rockefeller may push the administration to obtain more information about secret programs. The committee, like many others, has often degenerated into partisan rancor over the past two years, and Mr. Rockefeller, like other incoming chairmen, has told colleagues that one of his priorities is to restore the committee's historic bipartisanship.

But there is unlikely to be much downside for the Democrats in going after waste and fraud in government contracting, particularly in the Iraq war, which is not only unpopular with the American public but also where corporate giants like Halliburton, Parsons and Bechtel have committed highly publicized missteps in the rebuilding program.

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Investigations by the Iraq oversight agency, led by Stuart W. Bowen Jr., have already led to convictions of American occupation officials on bribery charges and uncovered many instances of substandard construction.

Mr. Bowen's investigations of Halliburton have uncovered tens of millions of dollars of charges for work that achieved little in the way of results, but apparently met the letter of the company's contract with the United States to repair oil facilities. Mr. Bowen has also found that Halliburton has been using federal loopholes to impede investigations of its work by declaring nearly all information about company activities in Iraq to be proprietary, or sensitive because it could aid the company's competitors.

So it came as a surprise to many that Mr. Bowen's office was directed to go out of business on Oct. 1, 2007, by an obscure provision in an authorization bill that President Bush signed last month. The termination language was quietly inserted into the bill by staff members working for Representative Duncan Hunter, the California Republican who now leads the House Armed Services Committee.

As in the bill that the president signed, the new Senate proposal would expand the pot of money that Mr. Bowen could investigate, but it would not set a hard deadline for the agency's work to come to an end. Both the House and Senate measures extend the deadline at least into 2008, by most readings, but the House measure would also add about $2 billion — for training and equipping Iraqi security forces — to the amount that the agency could investigate, a Congressional staff member said. Representative Nancy Pelosi, the California Democrat who is expected to become the House speaker, said she would strongly support that legislation.

"Democrats want the inspector general to stay at work until the job is done," Ms. Pelosi said. "Those individuals and companies responsible for shoddy work or fraudulent billing practices must be held accountable."

Several officials on Capitol Hill said that the locus of resistance to extending the tenure of Mr. Bowen's office came from the State Department, which believes that its own inspector general should begin taking on the job of investigating reconstruction in Iraq. But that notion finds resistance among some lawmakers who distrust the administration's will to investigate itself.

Outside the reconstruction program, some agencies are likely to be singled out for special scrutiny, not only the Pentagon, but also the Central Intelligence Agency and Federal Bureau of Investigation. Incoming Democratic chairman have said they plan to review the C.I.A.'s secret detention and interrogation program for important terrorism suspects and what some lawmakers have said is the sluggish pace of the F.B.I.'s effort to transform itself into a counterterrorism agency.

The Homeland Security Department has had at least some scrutiny from Congress in recent years, most particularly related to its performance and that of the Federal Emergency Management Agency during Hurricane Katrina in 2005.

But the new Democratic leaders, their aides said, intend to significantly broaden the oversight efforts, a step that may include more frequent subpoenas for administration officials who have declined to appear for some hearings, as was the case in the hurricane investigation.

One area that almost certainly will draw additional oversight is mass-transit security, said Dena L. Graziano, spokeswoman for Representative Bennie Thompson of Mississippi, who is expected to take over the House Committee on Homeland Security.

And Democrats have long argued that the administration is too focused on aviation security, and has failed to devote enough money or attention to preventing bombings like those that have occurred in Madrid and London. Some Democrats, nursing years of slights at the hands of Republican appointees in federal agencies who ignored or brushed aside hundreds of their letters asking for information, are eager for answers. The Senate Judiciary Committee has staff members trying to compile a complete list of unanswered questions.

Some Democrats said before the election that they would inquire more deeply into some issues, asking for fuller accountability among senior officers and civilian officials at the Pentagon over the harsh treatment of detainees at the Abu Ghraib prison in Iraq.

"I think the accountability for Abu Ghraib has not yet been accomplished in terms of finding out who was involved, at what level," said Senator Jack Reed of Rhode Island.

For all the pledges of rigorous oversight, Democrats are moving warily, fearful of a misstep, mainly in national security areas, that could return them to the sidelines as a minority party.

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That may explain the focus on less volatile issues like waste and fraudulent spending and why few Democrats are proposing inquiries on hot-button issues, like the underlying rationale for the war in Iraq or the underpinning for the administration's counterterrorism policies.

Agendas are likely to shift over time, particularly in the House, where the leadership lineup will not be known with certainty for weeks. In addition, the transfer of majority control in both chambers means Republicans and Democrats must switch offices in the House and Senate. Republicans will be forced to dismiss some committee staff members, and Democrats will expand their workforce, in some committees nearly doubling staff size.

In a telephone interview, Mr. Skelton said that in the past, "the Congress has not worked, and has not asked the tough questions or held the administration to account."

But he said it was the responsibility of every Democrat taking over a subcommittee chairmanship also to apply more scrutiny to government action, and not just those of subcommittees specifically charged with that mandate.

"Our subcommittee chairmen will be able to bring oversight back to their individual subcommittees," he said.

Despite Billions Spent, Rebuilding Incomplete (WP)

By Griff Witte

The Washington Post, November 12, 2006

For a little more than $38 billion, the United States and its contractors in Iraq have provided 4.6 million people with access to water. They have distributed seeds to Iraqi farmers, improving wheat harvests. With electricity-generating capacity now above prewar levels, they have given many Iraqis more daily hours of power. They have repaired more than 5,000 schools and vaccinated 4.6 million children against polio.

The list goes on. But as the U.S.-led, U.S.-funded portion of Iraq's reconstruction nears its end, American officials and contractors alike are grappling with a cold reality: Thousands of successes in Iraq may add up to a single failure.

"We accomplished a significant amount of work. But it was just overwhelmed by the overlay of violence," said Clifford G. Mumm, who has spent much of the past three years in Iraq managing projects for Bechtel Corp. "It's hard to be very optimistic."

U.S.-funded projects have long been a target for sabotage. Many of those that were spared remain unused by a population paralyzed by violence.

Yet those inside the reconstruction effort say security concerns were hardly the only problem. Poor planning and coordination by U.S. officials meant that even successful individual projects failed to do the job; for example, health-care centers were built at great cost but had no water and sewer service. Poor work-site management by contractors meant that some projects went awry. And now that the United States is handing over reconstruction efforts to Iraq, many involved with the process worry that the Iraqis don't have the training or the money to keep U.S.-built facilities running.

This was not how the rebuilding of Iraq was supposed to go. In the fall of 2003, six months after the U.S. invasion, President Bush promised Iraq "the greatest financial commitment of its kind since the Marshall Plan." Top administration aides said they considered that plan, which helped rebuild Europe after World War II, to be a model for Iraq. Congress soon passed a spending bill that, while offering less money than the Marshall Plan, was expected to be enough to get Iraq back on its feet.

Riding through the streets of the northern city of Mosul three years later, taxi driver Sattar Khalid Othman has barely noticed.

"What reconstruction?" Othman said in an interview last week. "Today we are drinking untreated water from a plant built decades ago that was never maintained. The electricity only visits us two hours a day. And now we are going backwards. We cook on the firewood we gather from the forests because of the gas shortage."

Othman's view is shared by many across the country. In interviews last week, Iraqis expressed frustration not just with the United States but with Iraqi leaders, too, for pocketing aid money that was supposed to be for everyone.

"When the occupation came and we heard the promises, we said, 'Now the conditions in the city will improve.' But things got worse," said Ahmed Mohammed, 45, a teacher in the central province of Salah al-Din. "We know that large amounts of money have been dedicated to the city, but they were all stolen."

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The United States has committed more than $38 billion to reconstructing Iraq, far more than any other nation, according to the special inspector general for Iraq reconstruction. Most of that money is now gone. Three-quarters of the primary fund for rebuilding has been spent and the rest has been set aside for finishing key projects.

Overall, 88 percent of planned projects -- about 12,000 -- have been completed, with just 4 percent yet to begin.

Yet tallying finished projects can be a misleading way of measuring success.

"We knew it wasn't a matter of how many projects were completed. It was a matter of: Is the electricity flowing to Baghdad? Is there security on the streets? Is the oil flowing? Those were the things that mattered," said Jon C. Bowersox, who until this summer was the health attache at the U.S. Embassy in Baghdad. "Too often, though, from what I could see, it was all about the process -- how many hundreds of millions of dollars you had put under contract -- and not the product."

In the transportation sector, for example, the numbers look good. The United States has finished repairs on 86 of 98 railway stations. But few trains run because of security concerns. In the oil sector, despite the fact that production capacity has nearly returned to prewar levels, the country had a severe fuel shortage this summer because of high demand and sabotage.

Millions of children have received vaccinations and thousands of health-care workers have been trained. But more than 100 health-care facilities that were scheduled to be finished by now instead are empty because the contractors assigned to build them did not get their jobs done.

The problem, Bowersox said, was that the plan to build new facilities across the country was too ambitious. "We could have gone in and done low-cost rehabs, and not tried to transform their health-care system in two years," he said.

Bechtel was responsible for one of the facilities that was not finished: a children's hospital in the southern city of Basra that was supposed to provide world-class care and had been championed by first lady Laura Bush.

Mumm, the Bechtel manager, said the project, which is just an empty shell today, could not continue because of security threats. "It was impossible to get people to come to work. They were threatened every which way," Mumm said. Fifty-two people associated with company projects died, most of them Iraqi. Overall, 650 civilian contractors have died working on U.S.-funded reconstruction.

Not every U.S.-backed effort came under assault. CHF International, a Silver Spring nonprofit organization, has operated in Iraq since the U.S. invasion, completing hundreds of projects on slim budgets.

The organization's Middle East director, Bruce Parmelee, said CHF has avoided violence because local communities were always involved in the work. "Before we could do anything, the community would have to agree. I would tell them, 'It's for your community. You're the Iraqis. You can pave the way for this to happen.' And they did that," said Parmelee, who spent months at a time living among Iraqis in the areas where CHF worked. "It was never a case of some American saying, 'This is what you need in your country.' People won't attack projects that they feel ownership of."

That community-based approach, he said, wasn't broadly shared by others involved in the reconstruction. "Large contractors didn't necessarily have that mandate," he said. "Security was challenged right from the beginning, so a majority of decisions were made behind a bulletproof shield."

Bringing Iraqis into the process early also made it easier to transfer projects to Iraqi control, Parmelee said. Auditors surveying U.S. efforts have been warning for more than a year that all will be for naught unless Iraqis are trained in how to operate, maintain and pay for their new facilities. Last month, the special inspector general for Iraq reconstruction, Stuart W. Bowen Jr., wrote that the process for transferring U.S. assets to the Iraqis "appears to have broken down."

"Many successful projects have been completed," Bowen said. "Whether they are operating within a sustainable Iraqi infrastructure is yet to be answered."

Many Iraqis say they're looking forward to playing a bigger part in their country's rebuilding. But given the security situation, they don't know that they'll have any more success than the Americans did.

"The insurgents targeted the contractors by killing, kidnapping, slaughtering them and forcing them to pay enormous ransoms, till all the work stopped," said Fawzi al-Nieami, who works in construction in Mosul. "Now there are lots of profitable contracts, but no one dares to take them."

Democrats And Iraq (NYT)

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The New York Times, November 12, 2006

The Democrats will not be able to savor their victory for long. Americans are waiting to hear if they have any good ideas for how to get out of Iraq without creating even wider chaos and terrorism.

Criticizing President Bush's gross mismanagement of the war was a winning electoral strategy. But criticism will not extricate the United States from this mess, nor will it persuade voters that the Democrats are ready to take back the White House.

Let us be clear. The responsibility for all that has gone wrong lies squarely with Mr. Bush. Even with control of the Congress, the Democrats' role in changing things will be hortatory. And while we too are eager to hear the recommendations of the Iraq Study Group — better known as the (James) Baker commission — it should be the start, and not the end, of a bipartisan discussion on Iraq strategy. The Democrats need to be ready to play a full role.

Under Republican control, Congress has exercised virtually no oversight of the administration's misconduct of the war, and the new Democratic leadership is eager to hold extensive hearings. The public deserves a full accounting (backed by subpoenas, if necessary) of how prewar intelligence was cooked, why American troops were sent to war without adequate armor, and where billions of dollars in reconstruction aid disappeared to.

The Democrats will also need to look forward — and quickly. So far they have shared slogans, but no real policy. During the campaign, their most common call was for a "phased redeployment" — a euphemism for withdrawal — of American troops starting before the end of this year.

Threatening to pull out may be the only way to get cooperation from Iraq's prime minister, Nuri al-Maliki, who is thwarting even the most limited American efforts to disarm militias and set timetables for genuine political compromise on the most fundamental issues, like protecting minority rights and fairly apportioning the country's oil wealth.

Unless America's exit plans are coupled with a more serious effort to build up Iraq's security forces and mediate its sectarian divisions, a phased withdrawal will only hasten Iraq's descent into civil war — while placing American soldiers who remain behind in even greater danger. We also fear that Iraqis will have no interest in anything but retribution, until they see that security and rebuilding are possible. For that reason we have suggested one last push to stabilize Baghdad. That would require at least a temporary increase in American and Iraqi troops on Baghdad streets.

We are skeptical of calls, by some Democrats, to divide the country into three ethnically based regions. Most Iraqis — except for the Kurds — show little enthusiasm for the idea. And while there has been horrific ethnic cleansing, it hasn't yet got to the point that boundaries could be drawn without driving many more people from their homes.

Such ideas deserve a full discussion, something the United States has not had since its troops first rolled into Iraq. We are not sure that any shift in strategy can contain the disaster. But we are sure that even a few weeks more of drift and confusion will guarantee more chaos and suffering once American troops leave. Voters gave the Democrats the floor — and are now waiting to hear what they have to say.

Anti-corruption Official In Iraq Accused Of Fraud (LAT)

By Borzou Daragahi, Times Staff Writer

The Los Angeles Times, November 12, 2006

The head of the Commission on Public Integrity says he is the target of an intimidation campaign.

BAGHDAD — Iraq's top anticorruption watchdog, a high-profile judge whose efforts have been hailed by Americans as one of the few bright spots in the country, is himself the target of a corruption probe, officials said Saturday.

Judge Radhi Radhi, head of Iraq's Commission on Public Integrity, is under investigation by court authorities, accused of turning his 1,700-employee agency into a personal fiefdom and padding his salary with an extra $50,000 a year.

Radhi denies the charges, arguing that they're part of a campaign of intimidation by government officials to quash his investigations, which include examinations of corruption in ministries controlled by Iraq's dominant Shiite Muslim parties.

He said he has come under pressure to shut down his commission or cede its independent status. The government has ignored his requests for information, threatened his legal mandate and demanded he halt his investigations, said Radhi, who is a Shiite, but secular.

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"They tell me, 'You are not a ministry to be giving us orders,' " he said in an interview Saturday. "There are voices among them who say there is no need for this commission."

Lawmakers have threatened not only to remove Radhi from his post for alleged incompetence, but to prosecute him for corruption, as detailed in an Oct. 29 affidavit submitted to the Supreme Judicial Council.

"I don't want him to be just removed from his post, I want him to be punished according to the law," said Sheik Sabah Saadi, a Shiite lawmaker who heads the parliamentary anti-corruption committee and has spearheaded the efforts against Radhi. "We have found financial and administrative corruption inside the integrity commission."

Transparency International, a Berlin-based organization that monitors official graft, patronage and bribery, lists Iraq as the world's third most corrupt nation, behind Haiti and Myanmar.

U.S. officials have hailed Radhi's work. He has pushed for the prosecution of several former ministers and uncovered corruption in the Interior Ministry, which has been infiltrated by Shiite militias. His targets have included former Defense Minister Hazem Shaalan and former Electricity Minister Ayham Sameraei.

Radhi has worked closely with Stuart W. Bowen Jr. of the Special Inspector General for Iraq Reconstruction, a U.S. agency created to investigate waste and fraud by U.S. officials and contractors in Iraq. That agency's legal mandate has run out, and it may soon be folded.

The integrity commission, too, rests on precarious legal ground. It was created by an order of an American, L. Paul Bremer III, head of the former Coalition Provisional Authority, and has never been written into Iraqi law. Iraqi legislators have stalled a vote on whether to give the commission permanent status or dissolve it and let government inspectors audit their own agencies.

The affidavit submitted against Radhi accuses him of hiring staff without publicly advertising jobs.

"We have documents and we have witnesses," Saadi said in a telephone interview from Basra. "It is not a mere accusation."

Saadi also charged that Radhi has managed to show relatively few results, despite the nearly $20 million his agency has been allocated. Saadi called his work sloppy and unprofessional. His few successes, such as his pursuit of Shaalan, were uncovered by others, he said. Under Shaalan, who is no longer in Iraq, billions of dollars disappeared from the Defense Ministry.

"There is no clear strategy to combat corruption," said Saadi, who plans to hold a news conference in coming days to make public his battle against Radhi.

The commission's work "amounts to listening to complaints on a hotline and forwarding those complaints to the inspector general" of each ministry, he said, without determining whether they are true.

Radhi said he had grown used to nasty accusations by the targets of his investigations. Shaalan accused him of being partisan, and Mishaan Jaburi, a Sunni lawmaker who fled the country after being indicted on charges of stealing millions, accused Radhi of pursuing a sectarian agenda.

Radhi said the pressure on his office might be a reaction to his attempts to ferret out corruption in key Shiite-controlled ministries.

Among his commission's current investigations are the quality of food purchased by the Trade Ministry for monthly rations, the disappearance of petroleum products under the supervision of the Oil Ministry, a lack of progress in refurbishing the railroad system and misconduct by 451 police officers who work in the Interior Ministry. Each ministry involved is controlled by a Shiite politician.

Times staff writer Raheem Salman contributed to this report.

Could A New Strongman Help? (NYT)

By John F. Burns

The New York Times, November 12, 2006

BAGHDAD - THE sight of Saddam Hussein haranguing the court that sentenced him to death last week in Baghdad may have done little to slow his trip to the gallows, which looks ever more likely to come early next year if the appellate court, as expected, moves swiftly to uphold the sentence.

But Mr. Hussein's outbursts served to remind many Iraqis, even those who hated him most, of something they crave in the rudderless nightmare Iraq has become under his successors: a strong leader, able to forge a nation from the country's fractious

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ethnic and religious groups, and to end the current wave of sectarian bloodletting that, left to build on itself, could ultimately match the mass killing that characterized Mr. Hussein's psychopathic years in power.

It is something ordinary Iraqis say with growing intensity, even as they agree on little else. Let there be a strongman, they say, not a relentless killer like Saddam Hussein but somebody who will take the hammer to the insurgents and the death squads and the kidnappers and the criminal gangs who have banished all pretense of civility from their lives.

Let him ride roughshod, if he must, they say, over the niceties of due process and human rights, indeed over the panoply of democratic institutions America has tried to implant here, if only he can bring peace.

The message appears, so far, to have found little resonance in Washington as President Bush sets out, after the shock of the midterm elections, to review American policy on Iraq. The closest anyone with the White House's ear has come to suggesting anything short of democratic rule, let alone an authoritarian model typical of other countries in the Middle East, are leaks from the bipartisan commission headed by James A. Baker III and Lee H. Hamilton, which is charged with suggesting a new American approach to Iraq; some of its members have said that the group has considered recommending that stability, rather than democracy, should become the principal objective there.

For the Bush administration, which made democracy-building here a cornerstone of everything it did after the American-led invasion, abandoning that goal now would be tantamount to abandoning one of its core missions. Coming on top of the failure to find the weapons of mass destruction that were the original justification for going to war with Mr. Hussein, it would constitute an about-face of historic proportions. But many Iraqis believe that it may now be the only hope — and a slim one, at that — of halting their country's descent into catastrophe.

Of the many hard lessons America may take from its enterprise here, the impracticality of grafting American political values onto a society as different as Iraq's, by measure of culture, religion and historical experience, will surely be one. History may judge that attempting it in the midst of a savage war was the greatest of follies. Far from Iraq becoming a beacon of democracy for the Middle East, some Arab scholars have said, the violence in Iraq will embolden other Arab leaders who defend their authoritarianism as a bulwark against chaos.

Lately, President Bush has put less emphasis on building democracy in his evolving definition of the American objective in Iraq. "A government that can defend, govern and sustain itself" was the way he put it at his news conference on Wednesday, a formulation that suggests that he, too, may have reduced the focus on the Jeffersonian ideals prevalent in the headier days after the American-led invasion. Then, L. Paul Bremer III, head of the American occupation authority, set aside $750 million for what was called "democracy building," sometimes with results that bordered on the comical.

One example was a democracy center in the southern city of Hilla, led by a man Mr. Bremer described as one of the most remarkable Iraqis he had met, Sayyid Farquat al-Qizwini. Mr. Qizwini, a towering figure with a bird's-nest beard and a black turban signifying his descent from the Prophet Mohammed, moved onto the American payroll after he "liberated" a mosque Saddam Hussein had built and named for himself, and used it for democracy classes for Shiite imams and tribal leaders. Away from the Americans, Mr. Qizwini liked to make a joke of the enterprise, saying he had once had to sing the praises of Mr. Hussein and, for $100 a day, was happy to do the same for the Americans.

The American enterprise in Iraq has had its high points, notably the three occasions when Iraqis went to the polls in their millions — the election in January 2005 for a transitional government; the referendum in October 2005 on a new Constitution; and a second election in December 2005 for the four-year government now in office. For anyone who experienced the brutal repression under Mr. Hussein — and the single-candidate "referendum" in 2002 that gave him a new, seven-year presidential term with a claimed 100 percent of the vote — there was something intoxicating in the sight of Iraqis voting freely for the first time in their history, with dozens of parties contesting for their support.

But in hindsight, the elections, far from bringing Iraqis together, served to harden the divides of ethnicity and religion. In the two elections, only a tiny percentage of the votes went to secular parties that bridged those divides. The big winners were Shiite religious groups whose objective was to secure Shiite domination after centuries of subordination to the minority Sunnis, and to extend the role of Islam in the national life. The Americans succeeded in drawing moderate Sunnis into the political process, and later into a subordinate role in the national government. But the net effect of the elections, for many Sunnis, has been to ratify their new status as second-class citizens in the new Iraq.

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Now the divides are wider than ever, entrenched by Sunni insurgents and Shiite death squads that are locked in a sectarian nightmare of suicide bombings, kidnappings and mass executions. America's 150,000 troops are caught in the middle, hunting killers on both sides, but finding little partnership from the government of Prime Minister Nuri Kamal al-Maliki.

After pledging from the outset of his tenure six months ago to act decisively against the militias that spawn the death squads, Mr. Maliki has so far resisted any concrete actions to disarm or demobilize them. Instead, he bows to Shiite leaders in the coalition who control the two most powerful militias, the Mahdi Army and the Badr Organization.

If anything, Mr. Maliki's standing, outside the Shiite religious constituency he represents, is lower now than that of his predecessor as prime minister, Ibrahim al-Jaafari, whose year at the head of the transitional government was notable, American officials say, for its lethargy and corruption.

So plainly disaffected have the Americans become with Mr. Maliki that he used a telephone call with Mr. Bush last month to ask if the White House planned to unseat him. Aides to the prime minister said he sought and received Mr. Bush's reassurance after picking up rumors in the Green Zone government compound that American officials were feeling out Iraqi politicians on the possibility of replacing the Maliki administration with a "national salvation government" to be headed by an unnamed "Shiite strongman."

The leading candidate for strongman, among secular Iraqis, at least, would be Ayad Allawi, whom the Americans named prime minister in the first post-Hussein government, in 2004. Mr. Allawi, though Shiite, has strong ties with Sunnis, and a reputation as a hard man that goes back to his time as a young Baathist enforcer. During his government, as much as $1 billion in Iraqi defense funds went missing, Iraqi officials have alleged, but no charges have been brought against him. These days, out of government, he spends most of his time at his family home in London.

But even if President Bush were convinced that Mr. Maliki should go, it is far from clear that the Americans would have the means to get rid of him.

The mechanism for any such move could hardly be so crude as the American-backed overthrow of President Ngo Dinh Diem of South Vietnam in 1963; he ended up dead, a bullet in his head, in the rear of an American-made armored personal carrier outside Saigon's presidential palace. The obvious route in Baghdad would lie through the Iraqi Parliament, where the ruling Shiites, bitterly divided among themselves, control the government through a shaky alliance with Kurdish parties.

A parliamentary coup might unseat Mr. Maliki personally, but it would be much tougher to shake power loose from the Shiite religious groups. Those parties have been held together by the overarching influence of Iraq's most powerful Shiite cleric, Grand Ayatollah Ali al-Sistani.

The ayatollah is keenly aware of the lessons of the 1920's, when Shiites split among themselves, rose in rebellion against the British colonial administration and ultimately lost power to the Sunnis. From his cloistered existence in the holy city of Najaf, he has told the Shiites that they must hang together at all costs.

So far, they have, and little now on the horizon suggests that is likely to change.

Romania Vows Not To 'Abandon' Iraq (AP)

By William J. Kole, Associated Press Writer

AP, November 12, 2006

Romania has no intentions of withdrawing its troops from the U.S.-led coalition in Iraq, President Traian Basescu said Saturday, vowing to stay "because it's a dishonor to leave your allies."

In an interview with The Associated Press, Basescu said he empathized with mounting calls to withdraw the country's 608 non-combat personnel in Iraq, including impassioned pleas from the families of those serving.

But "Romania's honor is greater than its feelings," he said.

"An exit strategy is a matter of concern for us, and we are building it with our main allies, the U.S. and the U.K. But the states that form the coalition cannot abandon Iraq as it is now," he said after addressing reporters at a presidential retreat about 60 miles northeast of Bucharest.

"We have an obligation to the Iraqi people. We will leave when the local authorities can provide security for the people," he said.

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Basescu also lashed out at Britain for announcing restrictions on Romanians trying to seek jobs there after the ex-communist country joins the European Union on Jan. 1.

"Romania isn't a perfect country. It has good features, but also people who steal, who drink," he said. "At the same time, it is hard for us to accept that countries such as Britain have imposed measures that are tougher than those imposed on the nations that joined (the EU) in 2004."

"We are not afraid to call this discrimination, and it's very difficult for us to accept such treatment," he said.

Ireland has also said it would limit the number of workers from Romania and fellow EU newcomer Bulgaria after Jan. 1. Basescu said he hoped employers would pressure the two countries to overturn the proposed restrictions.

"I didn't see them so outraged to have our troops fighting side by side with them in Iraq," said Basescu, 55, a tough-talking former sea captain who made it a priority after his 2004 election to forge closer ties with Britain and the U.S.

Romania and Bulgaria are being admitted under unprecedented EU conditions that will require both countries, which shook off communism in 1989, to report back every six months and ensure they are making progress on key reforms — or risk losing lucrative EU subsidies.

But Basescu said Romania would be "a pleasant surprise" for the EU, and would make important economic, social and cultural contributions. He also underscored Romania's key role in securing the 1,680-mile frontier along the Black Sea and the non-EU countries of Serbia, Moldova and Ukraine.

Steering His Nation Without A Rudder (LAT)

By Paul Watson, Times Staff Writer

The Los Angeles Times, November 12, 2006

Afghanistan's Karzai faces disaffection in a nation hungry for progress. Many see him as a shadow of a president, and they fear a slide back to the Taliban.

TRIBAL elders pleaded with Hamid Karzai to intervene in a land feud with their neighbors. But it was too dangerous for the president of Afghanistan to travel south to the heart of the Taliban insurgency, so Karzai invited them up to Kabul for lunch.

At least 120 men arrived, making their way past razor wire strung out a mile from the palace doors. After being repeatedly frisked and scanned, they finally passed through the palace gates.

The desert dust still clung to their plastic sandals and tattered clothes as they sat down under vaulted ceilings and crystal chandeliers. Waiters in black uniforms served up platters of roast chicken legs and heaping plates of pulau rice with raisins, almonds and pistachios.

The elders of the Tokhi and Hotak tribes, ethnic Pashtuns from Zabol province, ate their meal off fine china and washed it down with tumblers of doogh, a salty yogurt drink sprinkled with chopped mint.

Karzai, 48, himself the son of a Pashtun chief, assured them that he would try to find a solution to their 40-year-old argument with the Nasir tribe.

"My father spent all of his life solving tribal problems, and I was with him the whole time," he said. The elders muttered skeptically.

Most presidents don't concern themselves with tribal disputes, but Karzai, like Afghan kings of old, makes local quarrels part of his daily routine.

Five years after the fall of Kabul, aides say he is turning to tradition as he struggles to build a stable democracy on a foundation of war, corruption, foreign interference and religious extremism. Critics counter that he is retreating behind the walls of his 19th century palace and losing touch with a country sinking deeper into trouble.

But Karzai's foreign backers have left him with little real power, and his weak, corruption-riddled government lacks direct control over billions of dollars in development aid, money meant to help Karzai win Afghan support for his administration.

After the United States joined forces with Afghanistan's Northern Alliance militia to oust the Taliban regime, it pledged to help rebuild the country and chose Karzai to lead the effort. Since then, foreign donors have spent at least $16 billion in Afghanistan; more than $10.3 billion of that has come from the United States.

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Afghanistan has made enormous progress in some areas. With hopes for a better future soaring, its citizens defied insurgent threats to elect Karzai to a full term two years ago and to choose a parliament last year. The elections were the freest and fairest in the country's history.

Under Karzai, more than 90% of Afghan children are in school, compared with fewer than 20% during Taliban rule. A multinational effort is training an army that is halfway to its goal of 70,000 soldiers in uniform, as it strives to overcome ethnic divisions, equipment problems and low morale. Parliament is gradually asserting its authority. A full quarter of the members are women.

But the progress has not met the rising expectations of Karzai's countrymen. Many see the nation slipping back into the grip of violence, corruption and extremism from which the West promised to liberate them.

On paper, the post-Taliban constitution gives Afghanistan's president ample power. But parliament wrangled with Karzai for months over his Cabinet picks and rejected his nominee to head the Supreme Court.

He has had better success shuffling provincial governors, but several are still regarded as corrupt and ineffective. Central government influence remains weak in large parts of the country.

Perhaps Karzai's greatest strength is giving pep talks to Afghans at news conferences and in speeches, urging them to unite and solve their problems. Still, many say they would prefer honest justice, jobs and peace to fine words.

From ethnic minorities in the north to his fellow Pashtuns in the south, Karzai faces the same growing disaffection.

Sitting on a curb in the northern city of Mazar-i-Sharif, Sanam Shah spoke of the Karzai era's mixed blessings. A mother of eight and an ethnic Uzbek, she suffers kidney and digestive problems and traveled from her desert village of Andkhoi to find a good doctor.

Foreign aid has delivered new equipment to her local clinic, but none of the employees are properly trained to use it, she said, speaking through the mesh of her white burka veil. "I think Karzai is doing a fine job, but nothing has changed in my life," she said.

Hundreds of miles to the south in Lowgar, the owner of a two-pump gas station, a Pashtun, said he was unemployed under the Taliban but was able start his own business when U.S. aid rebuilt the highway.

But the Taliban are back, scaring off customers by ambushing cars at night, said Hekmatullah, who, like many Afghans, uses one name.

"Power is back in the hands of those who had it before, like warlords, the Taliban and thieves," he said. "Nobody pays attention to poor people like us."

In the eyes of Afghans, the restrictions on Karzai's authority imposed by foreign governments make him a shadow of a president with only the trappings of power: photo opportunities, ribbon cuttings, bodyguards with wraparound sunglasses who carry M-4 assault rifles and whisper into microphones in the sleeves of their dark suits.

Although Karzai is officially commander in chief, he has no control over the foreign troops fighting the Taliban insurgency and little over his own army, which answers to the United States and the North Atlantic Treaty Organization. His defense minister's main job is cajoling donors into providing the army with better equipment.

Karzai repeatedly has demanded changes in tactics, but each time foreign troops accidentally kill Afghan civilians, he loses credibility with his people.

In the meantime, the insurgency has spread across more than half the country, with fighters advancing northward from strongholds in the east and pushing all the way to the Iranian border in the west. Government officials say the militants in villages and districts near Kabul, the capital, are laying the groundwork for future offensives.

Former mujahedin retain ties to their old commanders, and many are ready to fight again if democracy falters.

Corruption in the courts and police has made many Afghans nostalgic for the Taliban's ruthless justice. The threat of violence has forced hundreds of schools to close and left others without enough books or teachers.

The country's gross domestic product has doubled since Karzai came to office, but the drug trade is the largest employer and source of income. Drugs account for half of Afghanistan's economy and create what the United Nations calls a "narco society."

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Despite hundreds of millions of dollars in foreign aid aimed at persuading farmers to grow legal crops, this year's opium harvest is expected to set a record. It's up 50% from last year, to an estimated 6,700 tons, the U.N. said in early September.

Though reconstruction spending could help the government draw support away from drug lords, the Taliban and other foes, only a quarter of public spending goes through the Afghan government, World Bank figures show.

U.S. money supports a wide variety of projects to improve agriculture and government institutions, support schools and clinics, and rebuild roads, bridges, canals and other infrastructure destroyed by war. But unlike Britain and a few other countries, the United States has not demonstrated confidence in Karzai's government by giving it direct control of the funds.

William Byrd, senior economic advisor at the World Bank office in Kabul, said more of the money should be channeled through the government, allowing Afghans to learn to handle it and showing respect for the country's sovereignty.

"The only way to get these government systems going is to start working with them, and in them, rather than on parallel tracks outside," he said.

Aid groups and their contractors are also guilty of corruption, but they aren't accountable to Afghan voters, said Jawed Ludin, Karzai's chief of staff.

"Democracy is about the empowerment of people," Ludin said in an interview. "To make democracy in Afghanistan real, we should give the Afghan people the sense that they can control things, that they can implement their own decisions."

Journey from Pakistan

UNTIL the war to oust the Taliban five years ago, Osama bin Laden and other Al Qaeda leaders were comfortably entrenched in Afghanistan and Karzai was living in exile in Pakistan, trying to organize opposition.

Karzai shared a Pashtun heritage with most of the Taliban. His father, Abdul Ahad Karzai, was chief of the Popalzai tribe. Karzai inherited that post when his father was killed in 1999 in what was widely regarded as a warning from the Taliban to Pashtuns who opposed them.

In October 2001, with the war underway, Karzai entered southern Afghanistan with a small group of armed men, including U.S. Special Forces, to rally tribal leaders on the mullahs' home turf.

For those Afghans suspicious of U.S. intentions, Karzai's close ties to the U.S. military were an issue from the start. When Defense Secretary Donald H. Rumsfeld announced that an American chopper had rescued Karzai from a firefight with the Taliban, Karzai insisted that he had walked away from the battle and never left Afghanistan.

Still, Ludin now cites that incursion into the Taliban heartland as a sad irony.

"The president and American Special Forces were going in a leisurely fashion from village to village in 2001, and they were welcomed everywhere," Ludin said. "And everywhere they went, the Taliban were driven away from those villages, districts and provinces without a fight."

Five years later, President Karzai can't risk a visit to his home region. "Now these same areas are seen as hotbeds of the Taliban and terrorism," Ludin said. "Today, if the president wants to go to Kandahar, he needs massive security arrangements."

Ludin blames Pakistan for reviving an insurgency that once looked to be on its last legs.

After they were ousted from power in 2001, the Taliban retreated to bases in Pakistan, where the military's powerful Inter-Services Intelligence agency had once nurtured them. From there, the Taliban and its allies regrouped in eastern and southern Afghanistan, U.S. military intelligence documents say.

Washington today regards Pakistan as a key ally in fighting terrorism, but many Afghans suspect the country of playing a double game, cooperating with the United States while fostering the Taliban insurgency.

Karzai wants the U.S. to do more to stop the insurgency at its roots in Pakistan, but Washington strongly supports Pakistani President Pervez Musharraf.

Karzai's frustration over tactics used by the U.S. and allied military forces, including the continued bombing of civilian areas, is raw. Senior Afghan officials are surprisingly frank about the dangers of foreign military dominance.

Despite the success in uniting Afghanistan's fractured ethnic groups into a national army, a senior aide to Karzai, speaking on condition of anonymity, called the army a "sort of lame-duck institution" without the capacity to make decisions.

"It will fall the instant that the U.S. military is not behind it," the official said.

An open tent

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KARZAI lives and works in an 83-acre compound called the Arg-e-Shahi, or Citadel of the King, which was built in 1880 to replace a royal fortress destroyed by British troops. Three miles and a world away, one of his chief critics, Ramazan Bashar Dost, holds court in a large canvas tent in Kabul's main park. Outside, noisy children chase soccer balls in the swirling dust.

Each afternoon, Dost, a member of Afghanistan's parliament, sits next to a small, round folding table, framed by two yellow tent poles sunk into a dirt floor honeycombed with cracks. He listens quietly as Afghans vent their anger over corruption, unemployment and other ills.

Dost has become a kind of anti-Karzai, a French-educated intellectual who presides over a humble court of last resort where anyone is free to take a seat and gripe or ask for help, no appointment required. He is in high demand as ordinary Afghans wait their turn to complain about big issues such as corruption and foreign interference, or something as small as bullies at school.

Dozens duck through the tent flap each day, joining a circle of people waiting on plastic patio chairs in the dim light of a bare bulb. Some of Dost's visitors are fellow intellectuals who come to debate policy; others are activists who lobby for legislative agendas. But, like most of the people clamoring for Karzai's time, the majority in Dost's tent are seeking solutions to personal problems.

A few bedsheet banners hang on the tent's faded yellow walls. One explains the meaning of democracy in Dari, one of Afghanistan's main languages.

"Demo = people, cracy = government," it explains. "The famous definition by Abraham Lincoln is government of the people, for the people and by the people."

Dost resigned as planning minister last year after Karzai refused to let him shut down most nongovernmental aid agencies, which Dost claimed were embezzling money. The controversy made Dost one of Afghanistan's most admired politicians.

He offers a sympathetic ear to Afghans who feel wronged by the system. Even if Dost can't solve their problems, the visitors seem to leave feeling they've accomplished something. At least he sat and listened, which is more than most felt they got from bureaucrats.

Afghans also rely on Dost to tell uncomfortable truths if he can't pressure Afghan officials to do so first. As an example, he cites the roughly $60,000 a month the government had been paying two German experts to fix the national airline, Ariana. "Ariana has become worse. It is more dangerous," he said.

Meanwhile, the families of men who died fighting the Soviets in the 1980s get no more than $6 a month in compensation. "The Afghan people see this gap between $6 and $60,000 and they say they cannot accept this impossible situation," Dost said.

Examples like that are, "in my opinion, the biggest reason why the Taliban have become so strong in Afghanistan," he said. "Now the Afghan people have lost their trust in the international community."

Karzai's leadership style is making matters worse, Dost said. "He has a tribal image of the state. He believes that he's not a president of a country, but he's a father of a family, or a chief of a tribe."

One summer evening, a 22-year-old orphan came to ask Dost's help in finding money to launch an agency for street children and other orphans. Another young man wanted Dost to arrange a transfer to a safer high school because thugs were threatening him.

Dost took notes and gave the men slips of paper with the phone numbers of government officials who might help. But he didn't hold out much hope.

"For Afghan people, democracy means you can do anything you want," Dost said. "There are no rules, no laws, no justice or authority. When you have power now in Afghanistan, then you have the money, and you can have everything."

Behind palace walls

IN contrast to Dost's tent, Karzai's door is difficult to pass through. Few Afghans are allowed onto the palace grounds, and those who are must make their way through at least five high-security layers. Dogs sniff for explosives. Guards scrutinize pens, key chains and other everyday items.

A suspected Taliban militant tried to assassinate Karzai in 2002 as he waved from an open-roofed car in Kandahar, his hometown. Karzai's American guards killed the would-be assassin. Now his trips outside Kabul are infrequent.

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Karzai allowed an intimate look behind the scenes on two difficult days this summer as he toiled in his palace. He declined to sit for an interview, but he allowed a reporter and photographer to watch him maneuver the shifting sands of Afghan politics, culture and war.

The president's office is in the two-story Gul Khana, or House of Flowers, whose outer walls have softball-sized patches where masons have filled in hundreds of shrapnel holes from Afghanistan's long years of war. He lives there with his wife, Zinat, an OB-GYN who stays mostly out of the public eye. They have no children.

His is a draining schedule. Karzai, who earned a degree in political science in India, works seven days a week, 12 hours a day, normally starting with a briefing from his intelligence chief.

On a routine day this summer, he met with French Defense Minister Michele Alliot-Marie. That was followed by a meeting with his two vice presidents and other senior officials to discuss Cabinet nominations.

Karzai sat in a high-backed chair behind a large wooden desk that had a small globe of colored stone in one corner. His officials sat at a glass-topped boardroom table, polished to such a gloss that it mirrored Karzai.

Then Karzai had lunch with the elders from Zabol.

The petitioners were reaching for the toothpicks when Mohammed Nabi Tokhi, a retired senator who is said to be more than 100 years old, rose from his seat next to Karzai.

His fiery eyes were magnified by the thick lenses of black-rimmed glasses. Tottering to a microphone stand, he said a prayer for the president and then railed against the Nasir tribe, whom he accused of stealing about 2,500 acres of Tokhi land in the 1960s.

"They are a faithless tribe, a tribe of cowards," he said, his voice rising. "There is no way that we and the Nasirs will ever be able to live together in one area."

There was little Karzai could do that wouldn't anger one side. So he passed the problem to a special commission and urged his bickering fellow Pashtuns to talk to each other.

"No matter what you say," he told the Zabol elders, "you have to accept one thing: The Nasiris are also an Afghan tribe and they have equal rights with other tribes, don't they? Are they the sons of this nation or not?"

"Yes," a few men replied. Others grumbled or pushed past Karzai's guards to press their own petitions into his hands.

Afterward, Karzai retreated to his inner office, where he usually has some quiet time each afternoon. Typically he settles into a leather armchair to watch news on a large flat-screen TV or read a book before returning to his official schedule, which often runs until 10 p.m.

The next day, Karzai received a delegation of about 30 villagers from Oruzgan province, where U.S. bombers had killed about 60 civilians along with scores of Taliban fighters.

Over green tea and sponge cake, Karzai related how Taliban leader Mullah Mohammed Omar had once asked him to join the regime as foreign minister. Karzai said he saw the Taliban, then backed by Pakistan and Saudi Arabia, as a foreign tool and wrote to Omar, "This nation has never been a slave and will never be a slave."

After the Sept. 11 attacks, Karzai said, he was sitting on a mountain in Oruzgan when his hand-held satellite phone rang. The call was from an aide to Omar who said the chief wanted to speak to him on a field radio. Karzai told him that he didn't have a radio and that his phone's battery was dying.

"Then this guy told me, 'Mullah Omar is asking, "What do you want?" ' I said: 'Hey man! I want my country!' " Karzai recounted. " 'Kick the foreigners out of this nation.' "

Afghanistan's enemies are still allied with foreigners, Karzai told the elders. Then he turned to look into the eyes of Abdul Rauf, a shy 7-year-old who had lost his family in the American bombing.

"He saw his father and mother dying but couldn't do anything. He is just a child," an elder said as Karzai sadly shook his head.

"The enemies are coming from Pakistan," the president said, "and the international community is bombarding them. And, caught in between, we suffer, not Pakistan."

It was time for Karzai to go. He told the elders the future was in their hands.

"They should not bombard us like this!" one shouted back.

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"Definitely! You are right," Karzai replied. "Don't call me the president. Call me your small brother, call me your son. I am your servant, not your president. If you need anything just tell me."

"The first need of the people is security," another elder interrupted. "And security comes when the nation and the government get together."

CORPORATE SCANDALS:

Shower Curtain Sold Separately (NYT)

By Elizabeth Olson

The New York Times, November 12, 2006

When the government presented L. Dennis Kozlowski, the former head of Tyco International, with a bill for $167 million in fines and restitution, it was likely that everything would have to go.

After his 2005 conviction for looting Tyco, Mr. Kozlowski sold some big-ticket belongings, including his 130-foot yacht Endeavor and Impressionist paintings, whittling his debt to $59 million.

Now he's parting with his 8,600-square-foot chalet in Beaver Creek, Colo., complete with eight bedrooms and nine and a half baths — including one decked out as an outhouse. The sale price was $10 million, reduced from $11.5 million.

Brokers declined to identify the new owner, an oil-and-gas man based in Dallas, but said he also paid $750,000 for Mr. Kozlowski's furnishings, which include a stuffed mountain lion to greet visitors but no shower curtain like the infamous $6,000 model in his Manhattan flat. ELIZABETH OLSON

CASH ONLY, PLEASE Speaking of restitution, the Securities and Exchange Commission settled its lawsuit against five executives of the failed NextCard online credit card bank, which collapsed in bankruptcy amid an accounting scandal in 2002.

Without admitting or denying wrongdoing, the five people — John V. Hashman, the chief executive; Yinzi Cai, the chief operating officer; Bruce Rigione, the finance chief; Douglas Wachtel, the controller; and Jeremy R. Lent, chairman and chief strategy officer — agreed to pay a total of $1.4 million in restitution to investors.

Most of the cash, $894,000, will come from Mr. Lent, a co-founder and the chief executive for four years. He was accused of having sold $7 million worth of NextCard stock before the company failed. MARK A. STEIN

LANDING ON HIS FEET Five months after Delta Air Lines eliminated his job as chief marketing officer to save money, Paul G. Matsen has checked into the Cleveland Clinic. There's nothing ailing Mr. Matsen, 47. He was hired to help the hospital and medical research center expand its services — and its brand name — abroad.

The clinic recently opened an office in Toronto and signed an agreement to build and operate a hospital in Abu Dhabi. "But we are looking at more expansion," said Mr. Matsen, who likened the challenge to an airline opening international routes.

He noted that airlines and hospitals had a few things in common — neither is known for good food — but he added that the health benefits in his new job were hard to beat. BARNABY J. FEDER

REAL MONEY Having already pleaded guilty to securities fraud for his role in booking phantom revenue at the dot-com Homestore, Peter B. Tafeen agreed last week to settle a civil lawsuit in the matter by paying more than $2.6 million.

A day before Mr. Tafeen settled the civil suit, Judge Percy Anderson of Federal District Court in Los Angeles ordered him to pay $240,000 in restitution directly to investors and sentenced him to federal prison for 30 months. MARK A. STEIN

WILL WORK FOR A CURE The prospect of riches was not what inspired Raymond E. Joslin to leave a 40-year career in cable television for a medical research company. It was a concern about cancer.

Mr. Joslin, the former president of Hearst Entertainment and Syndication, became chief executive of CAD Sciences, which creates cancer-detection software, in 2004.

"Just about every family on earth is affected one way or another by cancer," Mr. Joslin, who had a brush with prostate cancer in 1999, said at a recent benefit for the Breast Cancer Alliance.

He said he had invested "quite a bit" in CAD, and pays himself only $1 a year. "But," he said, "I negotiated a 50 percent severance clause. If they fire me, I get 50 cents." FRANCINE PARNES

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DO AS WE — ER, NEVER MIND Among an American ambassador's duties is the promotion of free enterprise, markets and trade as vital to a robust economy. Imagine how hard that became as Enron set off an avalanche of corporate scandals.

Three former ambassadors met at Southern New Hampshire University in Manchester last week to reminisce. They were A. Elizabeth Jones, a former ambassador to Kazakhstan; Cynthia P. Schneider, a former ambassador to the Netherlands; and Carl Spielvogel, the advertising executive who was ambassador to Slovakia.

Myron Kandel, the host, said ambassadors used to cite "the ethics, values and rule of law" underpinning American business. That, he added wryly, has been "sorely tested" lately. MARK A. STEIN

WELL, MAYBE HIM At a discussion sponsored by The Week magazine on "The Digital Media Revolution," Michael J. Wolf, the president of MTV Networks, said technology means constant change and "nothing is going to last forever."

At which point someone in the audience at the Four Seasons restaurant asked, "Not even Sumner?" — a reference to Sumner M. Redstone, the famously controlling, 83-year-old chairman of Viacom and Mr. Wolf's boss.

The aside drew laughs from the audience, particularly from Mel Karmazin, the chief executive of Sirius, the satellite radio company — and the former president and chief operating officer of Viacom. LAWRENCE INGRASSIA

CRIMINAL LAW:

More Subpoenas In Menendez Probe (NSL)

By John P. Martin, Jeff Whelan

Newark Star-Ledger, November 11, 2006

Federal investigators have resumed their inquiry into a rental deal between U.S. Sen. Robert Menendez (D-N.J.) and a nonprofit agency, issuing new subpoenas in the days after he was elected to a full six-year term, according to a government source.

The subpoenas sought documents related to the more than $300,000 in rent Menendez collected from the North Hudson Community Action Corp. between 1994 and 2003, the source said. It was unclear what records were sought or who was subpoenaed.

"More are coming," said the source, who declined to be named because of the sensitive nature of the investigation.

Matt Miller, a spokesman for Menendez, said neither the senator nor his campaign or congressional office has been contacted by federal authorities. He said Menendez is unaware of any new subpoenas and maintains he did nothing wrong.

"We're confident that when the U.S. Attorney's Office completes its review it will come to the same conclusion as the House Ethics Committee, that the transaction was completely appropriate," Miller said.

The latest development cuts short Menendez's political honeymoon as he prepares to head back to Washington next week as part of a new Democratic majority in Congress. Menendez's victory Tuesday was critical to Democrats taking control of the U.S. Senate by 51 to 49.

In September, federal authorities launched the investigation by issuing a subpoena seeking records of the rental deal between Menendez and North Hudson, a nonprofit that provides health care and social services to the poor.

The first subpoena followed a report in The Star-Ledger that Menendez collected more than $300,000 in rent from the organization while he represented Hudson County in the U.S. House of Representatives. Menendez leased a Union City house to the agency that it used for an administrative office. During that period, he also helped the nonprofit win millions of dollars in federal funding.

Republican State Sen. Tom Kean Jr. made the probe a central issue in his unsuccessful campaign to unseat Menendez, who repeatedly denied he was under investigation.

Told of the subpoena yesterday, Kean said: "The people have spoken and I respect their decision. At the same time, I stand by the message and the thrust of my campaign and believe that the issue of corruption continues to be of critical important to the citizens of New Jersey."

Independent ethics observers have said Menendez's rental deal posed a conflict of interest, but Menendez said he had received verbal clearance for the deal from the House Ethics Committee. He also said the agency paid just below market rent.

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The House ethics attorney whom Menendez said he consulted at the time said recently that there is no rule against such an arrangement.

U.S. Attorney Christopher Christie's office has repeatedly said it will neither confirm nor deny any investigation.

Menendez sought to downplay the subpoena throughout the campaign. He initially denied being represented by one criminal lawyer who had contacted the U.S. Attorney's Office on his behalf. Just days before Election Day, he acknowledged that for months, another attorney, Marc Elias, had been representing him in the matter.

Miller maintained again yesterday that the senator is not under investigation. He said Elias contacted the U.S. Attorney's Office in September and was told federal authorities did not need any information from the senator and that Menendez "had no status in any investigation" as a target or a subject.

Menendez spent the day thanking his supporters on Wednesday before leaving for an out-of-state vacation on Thursday, Miller said. He'll be back at work next week, he said.

FBI Probes May Target Congress (MCT)

By Greg Gordon

McClatchy Newspapers, November 12, 2006

WASHINGTON -- The new chief of the FBI's Criminal Division, which is swamped with public corruption cases, says the bureau is ramping up its ability to catch crooked politicians and might run an undercover sting on Congress.

Assistant FBI Director James Burrus called the bureau's public corruption program "a sleeping giant that we've awoken" and predicted the nation will see continued emphasis in that area "for many, many, many years to come."

So much evidence of wrongdoing is surfacing in the nation's capital that Burrus recently committed to adding a fourth 15- to 20-member public corruption squad to the FBI's Washington field office.

In the past year, former Republican Reps. Duke Cunningham and Bob Ney have pleaded guilty to corruption charges. FBI agents are investigating about a dozen other members of Congress, including as many as three senators. The Justice Department also is expected to begin seeking indictments soon after a massive FBI investigation of the Alaska Legislature.

If conditions warrant, Burrus said, he wouldn't balk at urging an undercover sting like the famed Abscam operation in the late 1970s in which a U.S. senator and six House members agreed on camera to take bribes from FBI agents posing as Arab sheikhs.

"We look for those opportunities a lot," Burrus said, using words rarely heard at the bureau during the past quarter century. "I would do it on Capitol Hill. I would do it in any state legislature. ... If we could do an undercover operation, and it would get me better evidence, I'd do it in a second."

Philip Heymann, who oversaw the Abscam investigation as chief of the Justice Department's Criminal Division during the Carter administration, expressed surprise to learn of the FBI's willingness to attempt another congressional sting after the outcry from Capitol Hill over Abscam.

"It shows courage at the FBI," said Heymann, now a criminal law professor at Harvard University. He said he concluded, after watching a recent public television documentary and listening to experts, that "there is more corruption (on Capitol Hill) than I ever thought imaginable" and that a single FBI sting "might result in very large numbers of prosecutions."

But even without an undercover operation, Heymann and other observers say they have been pleased with the GOP-controlled Justice Department's willingness to pursue old-fashioned investigations, even if they hurt congressional Republicans.

Nationally during the past year, 600 agents worked 2,200 public corruption cases, resulting in 650 arrests, 1,000 indictments and 800 convictions, Burrus said.

"Operation Rainmaker," the FBI's broad investigation of a Washington lobbying ring, has already led to a handful of convictions, including Ney's guilty plea last month. The inquiry was one reason for the resignation last year of House Majority Leader Tom DeLay, R-Texas, who also faces state campaign finance charges. Other investigations seem to be sprouting everywhere.

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But Reid Weingarten, a former Abscam prosecutor who now is a high-profile Washington criminal defense lawyer, said he would bet that the flurry of congressional cases has resulted from evidence "falling in their (investigators') laps," rather than a programmed FBI hunt for corruption.

The FBI does appear to be stepping up its use of electronic surveillance and has conducted stings of state politicians. Bureau agents secretly taped Rep. William Jefferson, D-La., before finding $90,000 in his freezer during a raid last May. Cell phones were wiretapped for four months in an investigation of Rep. Curt Weldon, R-Pa., government sources say.

In "Operation Tennessee Waltz," 10 Tennessee state officials, including five current and former legislators, have been prosecuted in a scheme in which hidden cameras whirred as FBI undercover agents offered payoffs in return for help for a dummy company. Burrus said some targeted Tennessee legislators were moving so quickly that "we were actually having to discuss how we were going to slow it down" so that bills aiding the phony firm didn't become law.

A separate undercover inquiry led to the indictment of three members of San Diego's city council.

In Alaska, the FBI has more than doubled its manpower in a sweeping investigation of allegations that an oil industry services company bribed state legislators, people familiar with the inquiry said. On Aug. 31 and Sept. 1, the FBI conducted two dozen raids and searched the office of state Sen. Ben Stevens, son of U.S. Sen. Ted Stevens, R-Alaska.

Burrus declined to discuss any investigation but said the FBI will focus on more state capitals during the next year, "because we have seen a trend in cases that leads us to believe there's more out there."

When he arrived as deputy chief of the criminal division in 2004, he said, field offices frequently told him they had "no idea" how to pursue public corruption leads. Since then, he said, agents in about 30 of the bureau's 56 field offices have been trained. FBI agents in Washington have studied congressional activities that might invite bribes, such as hard-to-trace "earmarks" in which members appropriate money for pet projects, often keeping their involvement off the public record.

"Public corruption cases have to be fished out," he said, noting that crooked politicians tend to do secret deals with one other person and often try to disguise their actions as "for the public's good."

Controversial new legal theories are also helping prosecutors bring cases in which they can't prove outright briberies. A vaguely written, 28-word 1988 law, for example, makes it a fraud for a politician to deprive taxpayers of "honest services." It was among the charges lodged against Cunningham, Ney, former lobbyist Jack Abramoff and the San Diego councilmen.

Burrus said the FBI has to prove "that this person engaged in the activities specifically to receive this stream of benefits and knew that stream of benefits would stop if he did not support these particular projects."

Death Penalty Sought In Hawai'i Case (HONADV)

By Ken Kobayashi, Advertiser Courts Writer

Honolulu Advertiser, November 12, 2006

“Whatever you want to believe about the death penalty, it should never be used for political purposes, and it should never be used simply because, like a nuclear weapon, it’s out there, so let’s play with it.”

— Alexander Silvert | attorney for Naeem Williams’ wife

“The Justice Department has determined that the torture and beating to death of a small child warrants the death penalty as an optional sentence.”

— Edward Kubo | U.S. attorney

Justice Department officials have overruled federal prosecutors here and authorized seeking the death penalty for an Army soldier in a move critics say is part of a nationwide attempt by the Bush administration to spread capital punishment to non-death-penalty states.

Naeem Williams, charged with murdering his 5-year-old daughter last year, is believed to be the first in the country to face the death penalty under a provision passed by Congress three years ago for first-degree murder cases involving "a pattern or practice of assault or torture against a child or children."

The U.S. Attorney's Office in Hawai'i recommended against seeking capital punishment for Williams and his wife, Delilah, who is also charged with the murder, according to sources familiar with the case who do not want to be identified because the recommendation is considered confidential.

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The Justice Department went along with the recommendation for the 21-year-old wife, but U.S. Attorney General Alberto Gonzales, who must approve federal death penalty prosecutions, authorized seeking capital punishment for the husband.

That move is part of a trend under the Bush administration to seek the death penalty in Hawai'i and 11 other states that don't have capital punishment, some critics of the death penalty believe.

WHITE HOUSE AGENDA

Gonzales and former Attorney General John Ashcroft authorized 180 death penalty prosecutions, including 51 cases in which the local U.S. attorney's office did not recommend capital punishment, according to the Federal Death Penalty Resource Counsel Project, a national information clearinghouse for court-appointed defense lawyers in federal death-penalty cases.

Fourteen of the 51 cases are from non-capital-punishment states, said Kevin McNally, a Kentucky lawyer with the project.

Richard Dieter, executive director of the non-profit Death Penalty Information Center in Washington, D.C., which is critical of the way the death penalty is applied in this nation, said Ashcroft wanted to uniformly apply capital punishment across the country.

"To him, that meant seeking it in places that don't have the death penalty," Dieter said.

Dieter said there hasn't been any change in philosophy under Gonzales. He said local federal prosecutors now "have less of a say in the process."

Under President Clinton's administration, no one from a non-death-penalty state was sitting on a federal death row, but now there are six, Dieter said.

There are two from Iowa, and one each from Massachusetts, Michigan, Vermont and North Dakota.

David Bruck, a South Carolina lawyer with the Federal Death Penalty Resource Counsel Project, raised concerns as early as 2003, when he said the trend reflected an attempt to "nationalize capital punishment."

"I don't think there's any doubt that this administration believes its role to be enforcing the death penalty nationwide without regard to local beliefs or policies," Bruck said in a recent interview.

He said Ashcroft dropped a provision under his predecessor Janet Reno that prevented federal death-penalty prosecutions when capital punishment was not authorized in the state where the crime occurred.

"This administration from the top down has been vigorously pro-death penalty," he said.

The criticism has been echoed by capital-punishment opponents in non-death-penalty states.

When Donald Fell was sentenced to death this year by a federal judge in Vermont for the 2000 fatal beating of a 53-year-old woman, the American Civil Liberties Union said Ashcroft sought to bring capital punishment to states without the death penalty. Vermont's ACLU said Ashcroft had earlier rejected a tentative plea agreement by federal prosecutors calling for a life term for Fell.

Vermont abolished the death penalty in 1987.

CONGRESS' ROLE

Peter Watkins, a spokesman for the Bush White House, deferred comment to the Justice Department on whether the administration is trying to expand the death penalty to non-capital-punishment states.

A spokeswoman for the Justice Department, Kathleen Blomquist, said the recommendations by U.S. attorneys are confidential and that the department does not comment on the decision-making in specific cases.

Blomquist, however, said the goal of the department's capital-punishment review and decision-making process is a "fair, consistent and even-handed application of the federal capital sentencing laws nationwide to the worst offenders who commit the most egregious offenses."

The death-penalty prosecution will be unusual for Hawai'i, which abolished capital punishment in 1957. Sporadic attempts to revive it have never gotten far in the state Legislature, and Hawai'i remains one of 12 states that do not have capital punishment.

Congress, however, has authorized the death penalty throughout the country for federal crimes, starting in 1988 for drug kingpins. The law was expanded in 1994 to cover other offenses, such as murder for hire and murder of government officials. The provision involving a pattern of abuse and torture of children was added in 2003.

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Currently, 46 prisoners from 20 states are sitting on federal death rows, according to the Death Penalty Information Center. Only three, including Oklahoma City bomber Timothy McVeigh, have been executed under the federal death-penalty law. All three were executed by lethal injection.

In announcing on Sept. 8 that it would seek the death penalty in Williams' case, federal prosecutors accused the soldier of committing the murder in an "especially heinous, cruel and depraved manner in that it involved torture and serious physical abuse." The prosecutors said Williams' 5-year-old daughter was "particularly vulnerable because of her youth."

Williams also tried to thwart the investigation by washing his daughter's blood from the walls and instructing his wife to give a false statement to authorities, the prosecutors said.

In his statement to Army investigators, Williams said he used a belt on his daughter, Talia, daily for four months. On the morning of her death, July 16 of last year, he repeatedly hit the girl to discipline her, he told investigators. Later, he slapped her and she fell on her face, he said.

When the girl became unresponsive, he and his wife didn't call 911 for about an hour because Delilah Williams feared authorities would take away her 4-month-old baby, he said.

The autopsy report concluded Talia died from "inflicted head trauma due to battered child syndrome."

David Klein, Naeem Williams' lawyer, said the decision to seek the death penalty "compounded" the "tragic case."

He said his client "has no record of any significant convictions" and "has served his country in the military for a number of years."

Alexander Silvert, the first assistant federal public defender who is representing Delilah Williams, said he doesn't think capital punishment is appropriate for either defendant.

Silvert said he believes the death penalty is being sought for political reasons by the administration with Bush associates from Texas, a pro-capital punishment state. He said he fears the Justice Department is using the case to "test" the 2003 law.

U.S. Attorney Ed Kubo said the department did not reach its position because it wanted to "test" the new law.

"I don't think the president or any of the people under him from Texas knows about this case way out in Hawai'i," he said.

FIRST UNDER NEW LAW

Naeem Williams was initially charged by the military, but when the case was transferred to federal prosecutors in August last year, Kubo said Naeem and Delilah Williams were the first in the country prosecuted under the new law involving torture and abuse of a child.

Kubo said he does not know if there are currently any similar prosecutions in the country. Spokeswoman Blomquist of the Justice Department said those statistics are not readily available.

Silvert said that as far as he knows, Naeem Williams is the first to face the death penalty under the 2003 provision.

"To treat this as a death penalty case is really unwarranted," Silvert said.

He said the girl did not die as a result of a deliberate act to kill her.

"I don't think anyone can seriously argue that the child was struck with the intention to kill the child," he said.

If Williams had been charged under state law, he would have been charged with second-degree murder, punishable by life in prison with parole, but not with death, he said.

Silvert said he believes the U.S. Attorney's Office here gave the "appropriate consideration" on the death penalty issue for both defendants. "I think this is coming from Washington (D.C.)," he said. "I think it's political."

He contended that with the strong backing of the Justice Department, Congress added the provision in 2003, and that one reason for seeking the death penalty in Williams' case is that the Justice Department views the law as "its new toy."

"Whatever you want to believe about the death penalty, it should never be used for political purposes, and it should never be used simply because, like a nuclear weapon, it's out there, so let's play with it," he said.

Kubo disagreed.

"Unlike the state Legislature, Congress has determined that under certain horrific circumstances, death would be an appropriate sanction, and the Justice Department has determined that the torture and beating to death of a small child warrants the death penalty as an optional sentence," he said.

He said the law was in effect at the time Talia Williams died.

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"Since it's clear what it mandates and it fits within the facts of this case, we're just following the law of Congress," he said.

OCTOBER TRIAL

Naeem Williams and his wife are both being held separately at the Federal Detention Center.

His case is expected to generate a huge amount of litigation before U.S. District Judge David Ezra because it is a death-penalty case.

"I expect the case to be zealously litigated by both sides," said Assistant U.S. Attorney Marshall Silverberg, who is handling the prosecution.

Delilah Williams was added to the case when she was indicted by a federal grand jury Oct. 12 on a charge of murdering the girl. The maximum sentence she would face if convicted is life in prison.

Both have pleaded not guilty. Their trial is scheduled for next October.

Naeem and Delilah Williams are declining to comment, their lawyers said.

Silvert said his client has "very mixed emotions" with the death of her stepchild and the decisions that leave only her husband facing the death penalty.

"There's a lot of emotions that run through that, and I think she's entitled to her own privacy," he said.

Reach Ken Kobayashi at kkobayashi@honoluluadvertiser.com.

CIVIL RIGHTS:

Decision Could End Fight To Balance Hispanic Vote (ORS)

By Mark Pino, Sentinel Staff Writer

The Orlando Sentinel, November 12, 2006

Osceola County officials could agree on Monday to settle a federal discrimination lawsuit.

When Ana Erazo walked into the elections office on a summer day in 1990, her supporters followed and applauded after she filed the paperwork to run for County Commission.

"It all started with me," said Erazo, the first Hispanic to seek a commission seat. "In those days, there was lot of prejudice against us."

Erazo's tale is the first chapter in the struggle of Osceola's Hispanics for political power that came to a head last year when the U.S. Department of Justice sued the county, claiming countywide elections violate the Voting Rights Act by diluting Hispanics' political power.

The county spent nearly $2 million fighting, but now it looks as if Hispanic voters in Osceola may have a better chance to elect one of their own.

Commissioners are expected to vote Monday night on a single-member district plan to settle the suit after a federal judge noted "racial hostility" in Osceola and found that elections are "racially polarized."

"There is also evidence of a history of discrimination against Hispanic voters and candidates," U.S. District Judge Gregory A. Presnell wrote in his ruling last month. "It is clear from the record that voting in Osceola County tends to be racially polarized."

Osceola's Hispanic population went from 1,089 in 1980 to 50,727 in 2000, according to census figures. The trend has continued. Today, 43,161 of Osceola's 127,176 registered voters -- or about a third -- are Hispanic and many live in the communities of Buenaventura Lakes, Lakeside and Poinciana. By 2011, Osceola County's Hispanic population is expected to eclipse its non-Hispanic population -- 139,000 to 135,000.

While Presnell found signs of discrimination, he did not find intent, and that was some solace for commissioners, who say single-member districts would disenfranchise taxpayers because they no longer would have a say in electing four of the five commissioners.

"This commission never singled out any ethnic group and ruled against them," Commissioner Bill Lane said last week.

Many who oppose single-member districts say the problem is in poor campaigning and the fact that Hispanics have not turned out to vote.

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But Presnell noted numerous instances where the county's non-Hispanic, white power structure created obstacles for the Hispanic community.

In particular, he cited splitting the largely Hispanic community of Buenaventura Lakes into two commission districts in 2001 and problems Hispanic voters experienced at the polls over the years.

The county and the Justice Department entered an agreement that mandated bilingual ballots and Spanish-speaking poll workers after the 2000 elections when "Hispanics suffered from discrimination at the polls when they were turned away without being allowed to vote, refused assistance, forbidden to use their own interpreters, asked for multiple forms of identification (unlike non-Hispanic voters), and treated in a hostile manner by poll workers," the judge wrote.

Only one Hispanic, the late Robert Guevara, was ever elected to countywide office, though last week Carlos Irizarry became the first to win a seat on the Kissimmee City Commission.

"Guevara's campaign generated racial hostility from non-Hispanics including Guevara's opponent, Charles Owen, who sent a campaign mailer that depicted Guevara with darker skin and portrayed him as 'Night' and Owen as 'Day,' " Presnell affirmed.

Today, Owen admits he should not have listened to a consultant about that flier.

"Reflecting back, it is probably something that shouldn't have gone out," said Owen. "It wasn't in good taste. It was not very professional."

It was Erazo's success in Osceola's burgeoning Hispanic districts in her 1990 loss to Larry Whaley that set the wheels in motion for the off-and-on battle during the past 16 years over how to elect commissioners.

Under the threat of legal action from Hispanic leaders, commissioners put single-member districts on the 1992 ballot and voters approved a referendum that changed voting from countywide to the district system for commissioners and School Board members.

The person who benefited from the switch was Erazo's neighbor and campaign manager, Guevara, who by 1991 had assumed the presidency of the county's chapter of the American Hispanic Voters League from Erazo.

Guevara became the first Hispanic commissioner in 1996 when on the same ballot voters approved a return to countywide voting.

"I feel it is an injustice," said Erazo, who now lives in Puerto Rico. "Single-member districts are needed right now. When I go back [to visit], many people remember me. I ask, 'Why?' and they say, 'You were the first one.' "

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100 Bilingual Poll Workers Achieve Goal (RMA)

By NATALIA E. ARBULÚ

The Springfield Republican (MA), November 11, 2006

SPRINGFIELD - With more than 100 bilingual poll workers manning all but four voting precincts on Tuesday, the city has met a goal set in its voter reform agreement with the U.S. Department of Justice.

The federal government had filed suit against the city for violating the rights of Spanish-speaking residents by failing to provide enough help at the polls.

The reform agreement, reached in August, called for the city to have at least 95 bilingual poll workers who speak Spanish and English working at Tuesday's election.

Of the city's 410 poll workers, 127 are bilingual in Spanish and English and five speak Vietnamese, said Gladys Oyola, the city's Spanish Language Election Program coordinator.

The Justice Department required bilingual poll workers at all but four of the city's 64 precincts based on the number of voters with Spanish surnames in each precinct, said Election Commissioner Kathy Hoar Fleury.

Fleury said on Thursday that the Election Office has worked "extremely hard" to comply with the agreement.

"I think we've done a heck of a job in a short time," Fleury said.

The office has yet to calculate the number of bilingual workers that worked at Election Day, but Fleury said the figure is close to the original number hired.

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Federal observers monitored the polls on Tuesday to ensure Springfield's compliance with the Voting Rights Act, as they did during the Sept. 19 primary election, but they were at fewer locations this time.

City Solicitor Edward M. Pikula noted that the relationship between poll workers and federal observers was more cordial than it had been for the primary.

Jose Claudio, chairman of the city's Spanish Language Election Program Advisory Committee, said he has not received any complaints regarding bilingual poll workers.

The committee will meet later this month to discuss how things went on Election Day.

Maria Rivera was the sole bilingual worker at the Dunbar Community Center on Tuesday. Rivera said a lot of voters needed help because they did not understand how to vote or were illiterate in both languages.

Van Sickle Middle School had four bilingual workers. Poll worker Ivan Serrano said Hispanics who came to vote did not need services in Spanish. "A lot of Hispanic voting but not much help needed," Serrano said.

For the primary, the city exceeded the agreement's requirement to have 57 bilingual poll workers by 35 workers.

Feedback from federal observers for the primary was generally positive, Pikula said.

"Overall they were impressed with our ability to pull together an effort that we did in short period of time with limited resources," Pikula said.

The reports from federal observers regarding the primary have yet to be made public.

Pikula said city officials will once again confer with Justice Department lawyers to review observers' reports from the election and determine what the city needs to work on.

The case against Springfield will be dismissed by 2009 if the Justice Department is satisfied with the city's performance, Pikula said.

To Settle Suit In Boy's Death, New Jersey To Pay $7.5 Million (AP)

By The Associated Press

AP, November 12, 2006

NEWARK, Nov. 11 (AP) — New Jersey has spent $7.5 million to settle a lawsuit over a child welfare case in which a 7-year-old boy's mummified remains were found in a basement here.

The payout, arranged last year but only recently announced, is the second-largest made by the State Division of Youth and Family Services over child welfare mistakes, according to state officials.

The size of the settlement is surpassed only by the $12.5 million the state agreed to give to four brothers from Collingswood who were deprived of food and medical care by their adoptive parents. The state announced that settlement last year.

With the Newark case, the settlement money is going to the estate of Faheem Williams, along with two of his siblings who are in foster care.

The discovery in January 2003 of Faheem's body prompted an overhaul of the child welfare agency. The state had investigated abuse complaints involving Faheem, but had closed the file 11 months before his body was found in the basement of an apartment rented by his older cousin, Sherry L. Murphy.

The boy's brothers — Raheem Williams, now 11, and Tyrone Hill Jr., 8 — were found emaciated in a room adjacent to where the body was found.

Faheem's cousin, Wesley Murphy, later pleaded guilty to reckless manslaughter, admitting that while the family was living in Irvington he had killed the child with a wrestling move in which he had forced his knee into the child's abdomen. He has since served his time.

Ms. Murphy pleaded guilty to two counts each of aggravated assault, criminal restraint and child endangerment for her treatment of the children, and is serving a 25-year prison sentence.

She admitted that she left the boy's body on the floor of her Irvington home, then put it in a plastic hamper, which she took with her when they moved to Newark.

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Faheem, Raheem and Tyrone had been living with Ms. Murphy after their mother, Melinda Williams, went to prison for endangering a child she had been baby-sitting. Ms. Williams was released weeks before Faheem's death, but had left the children with Ms. Murphy, her sister.

The child welfare agency and state attorney general's office representatives say the settlement approved by a State Superior Court judge in Newark gives $1 million to Faheem's estate, $2.75 million to Raheem and $3.75 million to Tyrone.

Lawyers in the case say legal fees still need to be settled, as well as the question of whether the boys' mother will have access to the money.

A Family Court judge in Newark ended Ms. Williams's parental rights last summer. She has appealed.

ANTITRUST:

Gannett Emerges As Possible Bidder For Tribune Properties (CHIT)

By Michael Oneal And Phil Rosenthal, Tribune Staff Reporters

Chicago Tribune, November 12, 2006

Turning up the heat on the already simmering auction for the assets of Chicago-based Tribune Co., Gannett Co., the nation's largest newspaper publisher, has emerged as a possible bidder for Tribune's newspaper properties, the Chicago Tribune learned Saturday.

Executives from the McLean, Va.-based media giant, which publishes 90 U.S. newspapers, including top-read USA Today, were in Chicago last week to hear presentations on Tribune's financial condition, two sources close to the situation said.

Tribune has been hosting a number of bidders as part of a process it put in place in September to enhance shareholder value by possibly selling all of the company's television and newspaper assets.

But the emergence of a potential buyer with the resources and clout of Gannett could significantly change the complexion of the bidding process.

Spokespeople for Tribune and Gannett on Saturday declined to comment for this story.

The sources noted that the Tribune sell-off is still in its early stages and that Gannett has participated in newspaper auctions before without pulling the trigger. Most recently, Gannett expressed formal interest in Knight Ridder Inc. before eventually backing away.

But assuming it is serious, Gannett would be the first so-called "strategic buyer"—Wall Street parlance for a suitor in the same industry—to jump into the fray.

Until now, bidding for Tribune assets had been thought to be limited to financial buyers: several large private equity firms and a handful of wealthy entrepreneurs. But, unhappy with bids that valued the whole company close to the current stock price of about $32 a share, Tribune began asking for bids on its parts—newspapers such as the Los Angeles Times and the Chicago Tribune and television stations such as WGN-Channel 9, among other properties.

Sources said that opening up the bidding increased the level of interest among potential buyers in recent days. Last week, Los Angeles billionaires Eli Broad and Ron Burkle, who had earlier expressed interest in the Los Angeles Times, instead put in a bid for the entire company.

That may have induced others to move off the sidelines. At least one other media company, Denver-based MediaNews, is also interested in some of Tribune's newspapers, most notably the Hartford Courant, the Stamford Advocate and the Morning Call in Allentown, Pa., another source said. It's not clear, however, whether MediaNews has officially joined the bidding.

The emergence of a strategic buyer such as Gannett could mark a shift in the process by presenting Tribune Co. management with more flexibility in how to divvy up the company, said one Chicago attorney who has participated in many such deals.

Unlike a private equity player or a wealthy individual, a newspaper company like Gannett might see more immediate value in Tribune's newspapers, since it is already a large operator of papers across the country and might be able to find operating efficiencies and synergies other buyers would not.

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The auction for Knight Ridder earlier this year provides a good example. Initially, several teams of private equity companies, as well as MediaNews and Gannett, bid for the company, only to back out by the end. That left Sacramento, Calif.-based newspaper operator McClatchy Co. as the only bidder. McClatchy bought all the Knight Ridder papers and then immediately sold off the lower-growth ones. Because many of the Knight Ridder papers matched McClatchy's strategy, going through this process made sense in a way it didn't for others.

What Gannett's strategy would be is unclear. But industry sources noted that Gannett already owns several papers in Florida and would likely be most interested in owning Tribune Co.'s highly profitable papers in Orlando and Ft. Lauderdale.

In any deal for Tribune papers, taxes are likely to be an issue, since Tribune has owned its properties for so long. But tax experts say there are many ways around that, including tax-free, spin-off structures.

Tribune and Gannett have a long history of working together. Gannett earlier this year paid $180 million in cash for WATL-TV, Tribune's television station in Atlanta. And the companies are partners in several Internet-based businesses meant to replace the classified advertising disappearing from their newspaper pages: CareerBuilder.com, ShopLocal.com and Topix.net.

One consideration that might give Gannett pause in looking at Tribune's properties is the depressed state of the industry, which it knows as well as anybody.

Gannett, which also owns 23 television stations, is highly profitable—it earned $1.2 billion last year on revenues of $7.6 billion. But like every other traditional media company, it has been feeling the pressure of an anemic ad market for newspapers and local television stations, as well as declining readership and viewership. In the third quarter, the company reported a 12 percent decline in earnings stemming partly from expensing of stock options, but also because of "very challenging advertising environments that softened as the quarter progressed," Gannett Chief Executive Craig Dubow told analysts.

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Microsoft Jury Pool Faces Long Survey (DMR)

Des Moines Register, November 12, 2006

The class-action lawsuit against the software giant could be one of the longest in Iowa history.

It's not until question 61 that the 31-page survey begins to get to the point.

Do you find subjects dealing with computer technology:

___ Interesting

___ Boring

___ Somewhere in between

Those of you ready to check "boring" should count yourselves lucky if you are not scheduled to report for jury duty Monday in Des Moines.

About 450 registered voters, in two shifts, will converge on the Polk County Courthouse to begin what could be the weeks-long process of picking a jury for a class-action, antitrust lawsuit against Microsoft Corp. The trial is expected to last several months and could be worth up to $450 million for lawyers and four named plaintiffs, who contend that the giant computer software company used anti-competitive practices to drive up the cost of its Windows operating system, as well as its Microsoft Office, Word and Excel programs.

Potential members of the class include any person, business or other large organization that bought those programs between May 18, 2004, and June 30, 2006.

Microsoft has denied overcharging its customers and insists that consumers received fair and reasonable prices.

The trial is expected to be one of the longest in Iowa history.

The pool of prospective jurors - several times larger than the number of people typically summoned by court officials for a week's worth of trials - will be dedicated completely to the Microsoft lawsuit.

Lawyers plan to require each would-be juror to fill out the questionnaire mentioned earlier, then use those answers as a first-round screening before posing any additional questions face to face.

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The questionnaire asks would-be jurors to provide typical information about their background and employment history, as well as detailed responses about their history of computer use and their level of comprehension.

Lawyers will also seek insight by quizzing the potential jurors about their favorite TV programs, movies, newspapers and books and their political philosophy.

District Judge Scott Rosenberg will preside. Roxanne Conlin, a noted Des Moines lawyer, is among the attorneys representing the plaintiffs.

Sports Artist Sued For Mix Of Crimson And Tide (NYT)

By Adam Liptak

The New York Times, November 12, 2006

TUSCALOOSA, Ala., Nov. 7 — In the solemn cathedral of college football devotion and instruction that is the Paul W. Bryant Museum here, a large painting dominates the main chamber. It is called "The Sack," and it shows an encounter between a Notre Dame quarterback and a human locomotive in crimson and white.

"I've never been hit like that before," the quarterback, Steve Beuerlein, said after his near-lethal sack by Cornelius Bennett in 1986, in the University of Alabama's first victory ever over his team.

Daniel A. Moore, who painted "The Sack" and scores of other renditions of signal moments in Alabama football history, said he felt something similar last year, when his fax machine began to spit out a lawsuit from the university.

Mr. Moore's paintings, reproduced in prints and on merchandise, violated the university's trademark rights, the suit said. It asked a federal judge to forbid him to, among other things, use the university's "famous crimson and white color scheme."

Athletes, sports leagues and universities around the nation have become increasingly aggressive in protecting what they say is their intellectual property, and their claims have met with a mixed response from judges and fans. But almost no one here thinks the suit against Mr. Moore is a good idea.

"This lawsuit is the equivalent of the Catholic Church suing Michelangelo for painting the Sistine Chapel," said Keith Dunnavant, an Alabama alumnus and the author of "Coach: The Life of Paul 'Bear' Bryant."

A university spokeswoman, Cathy Andreen, declined repeated requests for interviews with university officials and lawyers, on what she said was the advice of counsel.

James Glen Stovall, who taught journalism at the university for 25 years, said only one sort of person would support the suit.

"I can see why, if you're sitting in a roomful of lawyers, you might come to that conclusion," Mr. Stovall said. "But no one outside of that room would say: 'Hey, that's a good idea. Let's sue Daniel Moore.' "

At his gallery in Birmingham, surrounded by prints and paintings reflecting his more than 25 years as a sports artist, Mr. Moore said he remained a loyal Alabama alumnus. He graduated from the university with an art degree in 1976; two of his daughters go there now, and a third is a recent graduate.

"I still love Alabama," he said. "I still love Alabama football. Obviously, I haven't yanked my daughters out of school."

But there is bitterness, too. For two decades, the university gave him sideline passes. Now he is not welcome on game day.

"As an artist," he said, "it helps to be there, to feel the emotion and excitement and strategy from an on-field perspective."

He said he did not understand why his work, copies of which have a place of pride in the dens of thousands of Alabama football fans, should not receive the same First Amendment protection that newspaper photographs do. "Artists," he said, "were the first journalists."

In its legal papers, the university's lawyers are grudging in their assessment of Mr. Moore's talent. "Though skillfully prepared," the lawyers wrote, Mr. Moore's art conveys nothing beyond the raw facts of football. Mr. Moore, the suit says, "literally replicates even the expression on the players' faces in his prints and he adds no message whatever not conveyed by the play itself."

That is not fair, Mr. Moore said. Though he uses photographs for reference, he said that his compositions and his style were his own. He calls his approach "photofuturism," which he describes as "five parts realism to one part motion."

Over the years, Mr. Moore said, his paintings and prints have cumulatively sold "in the low millions." An 8-by-10 reproduction sells for $25 retail, or $35 if it is signed. An original watercolor might go for $22,000, an oil for $65,000.

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The university's lawyers seemed to take particular offense at Mr. Moore's use of his paintings on merchandise like coffee mugs and calendars.

In response, Mr. Moore did not hesitate to invoke his own intellectual property rights. "Because I own the copyright," he said, "it's my opinion that I can put it on anything I want to. I can put it on a tattoo on someone's backside."

Mr. Moore has asked Judge R. David Proctor of the Federal District Court in Birmingham to dismiss the case on First Amendment grounds. His brief cited a decision of the federal appeals court in California ruling that a trademark owner "does not have the right to control public discourse" if "the public imbues his mark with a meaning."

After the citation, Mr. Moore's lawyer, Stephen D. Heninger, added a parenthetical aside. "Who could argue with a straight face," he asked, "that the cultural significance of Alabama football has not assumed such a role?"

A ruling on the motion is expected in the next few months.

Other courts have also tried to balance the rights of the owners of intellectual property against that of free expression. The cases, which involve a variety of legal theories, generally turn on whether consumers are apt to be confused about who produced the works in question and on whether artists managed to add something meaningful to the bare facts.

At one end of the legal spectrum, a federal judge in Louisiana had no difficulty in July in enjoining a company that sold shirts bearing the school colors and initials of four football powerhouses.

At the other, the federal appeals court in Cincinnati in 2003 rejected an effort by the golfer Tiger Woods to stop an artist named Rick Rush from using Mr. Woods's image in a painting commemorating his victory at the 1997 Masters in Augusta, Ga.

That painting, a panorama that included likenesses of six past winners, "communicates and celebrates the value our culture attaches to such events," the majority in the divided three-judge panel decision found. "It would be ironic indeed if the presence of the image of the victorious athlete would deny the work First Amendment protection."

In the middle of the spectrum is a 2001 decision of the California Supreme Court. It expressed great solicitude for the rights of artists under the First Amendment. But it ruled against an artist who had created a simple charcoal drawing of the Three Stooges and sold it on T-shirts.

The court attached no significance to the fact that the artist, Gary Saderup, reproduced his art on clothing. "First Amendment doctrine," Justice Stanley Mosk wrote for a unanimous court, "does not disfavor nontraditional media of expression."

But Justice Mosk found that the image itself contained "no significant transformative or creative contribution" and derived its worth mostly from the Stooges' celebrity rather than Mr. Saderup's talent. Andy Warhol's celebrity portraits, by contrast, Justice Mosk wrote, "may well be entitled to First Amendment protection" as "ironic social commentary."

These decisions, Mr. Moore said, make courts into critics, a role that may not suit them.

Justice Oliver Wendell Holmes Jr., in a 1903 decision holding that circus posters may be copyrighted, appeared to agree.

"It would be a dangerous undertaking for persons trained only to the law," he wrote, "to constitute themselves final judges of the worth of pictorial illustrations."

Mayberry Sheriff Calls The Law On Candidate (AP)

By The Associated Press

AP, November 12, 2006

MILWAUKEE, Nov. 11 (AP) — Andy Griffith, the actor who portrayed the sheriff of the fictional town of Mayberry on television, has sued a Wisconsin man who unsuccessfully ran for sheriff of Grant County after legally changing his name to Andrew Jackson Griffith.

The lawsuit, filed Nov. 3 in Federal District Court in Madison, contends that the candidate, William H. Fenrick, 42, violated trademark and copyright laws, as well as the privacy of the actor when he used his new name to promote his candidacy for sheriff in southwestern Wisconsin.

Mr. Griffith, the actor, who is 80, starred in the 1960s program "The Andy Griffith Show," one of the most popular series in television history. He also played an unorthodox lawyer on "Matlock" in the 1980s and 1990s.

The lawsuit says the former Mr. Fenrick changed his name for the "sole purpose of taking advantage of Griffith's notoriety in an attempt to gain votes." It asks the court to order him to go back to his original name.

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The lawsuit also asks the new Mr. Griffith to publish disclaimers and an apology in Grant County newspapers that say he has no association with the actor. It seeks unspecified damages and court fees.

"Now that the election is over, if Fenrick is willing in some fashion to clear the record, we probably could find a way to resolve it," said the actor's lawyer, Jim Cole.

The candidate argues that he did not benefit from the name change.

"During this campaign I never sold or profited even one nickel from the use of the name Andy Griffith or any item bearing the name Andy Griffith," he said. "Everything was a promotional item, and everything was given away for free."

The new Mr. Griffith, a music store co-owner from Platteville, said he spent $5,000 on his failed campaign and changed his name to garner publicity for the race.

The incumbent sheriff, Keith Govier, a Republican who has held the post for 10 years, won with 8,452 votes, followed by the Democrat, Doug Vesperman, with 6,985 votes. Mr. Griffith, an independent, had 1,248 votes.

Mr. Griffith, the candidate, described the lawsuit as "incredibly absurd" and said he did not think people actually believe he is the actor.

"For such an American icon, it's a pretty un-American thing to do to me," said Mr. Griffith, who has about three weeks to respond to the filing.

ENVIRONMENT:

Asarco Leaves Costly Environmental Mess In The City (CCCT)

By Dan Kelley

Corpus Christi (TX) Caller-Times, November 12, 2006

Residents were promised nature preserve, but the company is now bankrupt

Ruth Einkauf and her Dona Park neighbors were promised a 30-acre nature preserve behind her home in 1999 as part of an Environmental Protection Agency settlement with a nearby recycling plant.

Before the settlement, announced as part of an enforcement action by the state and federal governments, she and neighbors tended the area. Now, weeds and tall grass on the lot provide cover for varmints that invade Einkauf's home.

It is unclear if the project ever will be completed. Dona Park residents are neighbors to one of the largest bankruptcies in the country, a vast and tangled affair that encompasses century-old mining giant Asarco and its subsidiary Encycle Texas.

"I really thought they'd do what they promised," said Zilma Champion, who lives nearby.

Tom Aldrich, vice president for environmental affairs at Asarco, said the company established a conservation trust at the 30-acre parcel and performed some environmental studies as a prelude to building the park. It has not built the walkways nor planted the promised vegetation that was required. With the company in bankruptcy, the future of that conservation trust is murky.

"We do not intend to put those walkways in at this time," Aldrich said.

Neighbors of other Asarco plants across Texas have yet to see more than $1.75 million in supplemental environmental projects - plans approved by the government as part of settlement agreements.

"The dilemma with Asarco has been that there's been no cleanup in any areas listed in the settlement," said Neil Carman, Clean Air Program director of the Lone Star Chapter of the Sierra Club. "They are skirting their commitment."

Other Encycle supplemental environmental projects include:

$1.8 million to pave a road in El Paso;

$260,000 to restore a four-acre wetland near Coy Mines in Knoxville, Tenn.;

Asarco's bankruptcy threatens an estimated $1.3 billion in environmental cleanups across the country, according to U.S. Justice Department claims. Asarco's parent company Grupo Mexico established a $100 million trust for all of the those cleanups as a condition of being allowed to transfer ownership of copper mines in Peru.

The local project is about 40 percent complete.

The faltering pace of the construction of the nature preserve isn't the first time the neighborhood has tangled with its industrial neighbors.

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About a decade ago, tests in Dona Park and another nearby neighborhood, Manchester Place, showed high levels of soil contamination.

State and federal agencies investigated. Neighbors filed suit alleging that a former copper company that operated nearby from 1942 until about 1982, when the plant shut, spewed heavy metals into the air. The matter was later settled out of court.

Asarco reopened the plant in 1984, and it sputtered along until 1985, when it was shuttered again. In 1989, Asarco again reopened the facility in a recycling project through a subsidiary called Encycle Texas. Encycle became ensnared in a government investigation into what regulators referred to as "sham recycling," resulting in a formal settlement with the state and federal governments. The company agreed to build a 30-acre nature preserve behind Einkauf's house in 1999 to settle the legal proceedings with the government.

There is also a question of whether taxpayers could end up paying for some of the cleanups through the Superfund program, according to the EPA. With Asarco in bankruptcy, other companies, including suppliers to the plant and successor corporations, face claims under broad liability provisions in EPA rules.

Encycle Texas sought protection under Chapter 11 of the bankruptcy code to reorganize in August 2005. It was later forced into Chapter 7 bankruptcy and is now undergoing liquidation.

The bankruptcy trustee overseeing that liquidation, Michael Boudloche, said the Encycle plant at 5500 Up River Road is for sale and has applied for The Texas Commission on Environmental Quality voluntary cleanup program. Total remediation costs are uncertain, with estimates from $2 million to $20 million. Consultants have been hired to calculate the total environmental costs.

That settlement also ignited controversy recently, when environmentalists in El Paso uncovered an EPA memo to the Justice Department detailing what regulators referred to as the "sham recycling" enterprise in which hazardous waste was trucked from Corpus Christi to El Paso for smelting. Though the settlement was announced, neighbors in Corpus Christi and El Paso were never informed of the claims.

The company claims there is nothing new to those allegations.

Contact Dan Kelley at 886-4316 or kelleyd@ caller.com

IMMIGRATION:

Boot Nazi Guard, Pol Says (NYDN)

By Derek Rose, Daily News Staff Writer

New York Daily News, November 12, 2006

A U.S. congressman rallied alongside hundreds of Jewish teenagers outside the home of a former Nazi camp guard - but some of the man's Jackson Heights neighbors say they should just leave the old man alone.

Jakiw Palij, 84, was stripped of his U.S. citizenship three years ago by a judge who ruled that Palij lied when he applied for an immigrant visa in 1949.

But he has not been deported because the government can't find a country to accept him - which the activists said was unacceptable.

"No one is going to hide in our midst," declared U.S. Rep. Anthony Weiner (D-Queens). "Thousands and thousands of people were murdered by this monster. He's not paying for his crimes by living here in a peaceful block in Jackson Heights."

Several hundred students from Rambam Mesivta High School in Lawrence, L.I., chanted, "We will not be silent!" and "Show your face!" outside Palij's home on 89th St. on Thursday.

It was the 68th anniversary of Kristallnacht, the organized riots in Nazi Germany that marked the beginning of state-sponsored terror against Jews.

"He's a Nazi criminal. He killed thousands of Jews. He doesn't deserve to be here," said David Zafarani, 17, a senior at the Jewish day school.

But several of Palij's neighbors, who describe him as quiet and frail, disagreed with the protesters.

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"It's wrong; why don't they just leave the people alone?" said Abraham Pabon, 48, a truck driver. "Everybody has a life to live. It's like they say, God forgives. It's very, very wrong what they're doing here."

Another neighbor, who would only give her first name, Ismelda, said, "Sometimes you have to forget.

"The guy that lives there is very, very old."

Earlier, students from the same school demonstrated outside the German consulate in midtown, demanding that the German government accept Palij's deportation and try him as a war criminal.

Palij did not answer the door Thursday, but has told the Daily News he was forced to serve at age 18 and would have been killed if he refused.

"I was nowhere near to any camp," he said in August. "I didn't hurt any Jews, anybody from Ukraine, Poland. Anybody."

Justice Department officials have acknowledged there's no evidence Palij engaged in atrocities - but say that the mere act of guarding prisoners sealed their fate. More than 6,000 Jews at Trawniki were shot to death on Nov. 3, 1943, in one of the single largest massacres of the Holocaust.

A retired draftsman, Palij received his immigrant visa in 1949 by falsely claiming he worked on his father's farm during the war.

Immigrant Protection Rules Draw Fire (NYT)

By Jesse McKinley

The New York Times, November 12, 2006

SAN FRANCISCO, Nov. 9 — Dr. Stephen B. Turner built a profitable business here by providing low-cost "immigrant medical exams," including immunizations and blood tests, to hundreds of newcomers to America. Many of his clients did not speak English, but they paid in cash, spending a total of nearly $250,000 at Dr. Turner's practice from 2003 to 2005.

It was only later, after a tip from a suspicious client, that the San Francisco police and the district attorney's office learned the truth: Dr. Turner had been throwing out his clients' blood samples and injecting them with "inoculations" of saline.

Kamala D. Harris, the San Francisco district attorney, said the case, which led to a seven-year prison term for Dr. Turner, was one of many her office had been able to pursue under San Francisco's so-called sanctuary policy, which forbids police and city officials from asking people they encounter in the course of an investigation about their immigration status. It is a protection Ms. Harris says has made immigrants — legal and illegal — more willing to come to forward about crimes.

With immigration continuing to flare and frustrate as a national political issue, sanctuary cities like San Francisco may soon be the next battlefront. Critics argue that sanctuary policies discourage the police from enforcing laws, though about 50 cities and counties have enacted variations on sanctuary, according to the National Immigration Law Center. They include Detroit, Los Angeles, New York and Washington. A handful of states have similar policies, including Alaska, Maine and Oregon.

Conservative legal groups and politicians have begun to challenge such policies. Yet on the other side, cities like Chicago have announced they will avoid involving their police in issues that smack of federal immigration enforcement. And while a federal proposal to punish sanctuary cities recently failed to become law, some states have passed laws discouraging sanctuary policies.

"To say to a law enforcement official, if you encounter a foreign national who is in this country illegally and you believe that information would be of use and benefit to federal authorities, that you can't call them, that's just wrong," said Representative John Campbell, Republican of California, who authored a provision in the federal Homeland Security bill that would have denied federal antiterrorism money to cities with sanctuary policies. The provision passed the House, but was not part of the bill eventually signed by President Bush.

But even with Democrats in control of Congress, immigration hard-liners say the issue is here to stay.

"It's mind-blowing for us to see taxpayer dollars spent to subsidize criminal activity — that's the end result," said Christopher J. Farrell, director of research for Judicial Watch, a conservative legal group that is suing the Los Angeles Police Department over its sanctuary rule.

Some states have also taken up the issue. In Colorado, a law signed by the governor in May prevents localities from passing ordinances that stop officials or police from communicating or cooperating with federal officials on immigration.

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Other states have taken up larger immigration issues involving local cooperation with the federal authorities. A Georgia law enacted in April authorizes the state to enter into an agreement with federal officials to train and certify state law enforcement officials to enforce immigration. The Georgia law also requires the police to make a "reasonable effort" to determine the legal status of those they arrest for felonies or drunken driving.

Both the Colorado and Georgia laws include some protections against and stiffer penalties for exploitation of illegal immigrants.

In September, a sanctuary debate erupted in Houston after an illegal immigrant was accused of killing a police officer. Shelley Sekula-Gibbs, a Republican city councilwoman who ran for Congress as an unsuccessful write-in candidate in place of former Representative Tom DeLay, called on the mayor to declare the city off-limits to illegal immigrants.

"Terrorists, drug runners and cartel members could be among us, and police officers are not allowed to check their identities," Ms. Sekula-Gibbs wrote in an e-mail message to supporters. "Why? Because some politicians fear that asking people who have no ID about their legal status might intimidate all illegals into not reporting crimes. This policy of appeasement must be stopped."

Craig E. Ferrell Jr., general counsel for the Houston Police Department, said the city did not have a formal sanctuary policy. But he said a tangle of laws — police codes and legal decisions, including those involving racial profiling and the Fourth Amendment guarantee against unlawful search and seizure — required caution by police officers.

"We're not just trying to be obstructionist or not trying to help," Mr. Ferrell said. "What we're against is the federal government mandating that local enforcement be initiated without addressing these issues."

Sanctuary supporters have pushed back. In San Francisco, Supervisor Gerardo C. Sandoval — who authored a resolution affirming the city's policy, which dates to 1989 — said the federal government was simply trying to pass the buck for failing to secure federal borders.

"If they want to enforce the law," Mr. Sandoval said, "they should put troops on the ground to do that."

Lt. Paul Vernon, a spokesman for the Los Angeles Police Department, which has operated under sanctuary guidelines since 1979, said, "We didn't want people to fear cooperating with police." Lieutenant Vernon added, "And the local police department job is not to enforce the federal immigration law."

An organization of police chiefs, the Major Cities Chiefs Association, said that requiring the local police to enforce immigration policy did not "take into full account the realities of local law enforcement dealing with this issue on the ground." The association said its concerns included a lack of authority, training, and resources, as well as risks of liability.

Advocates for illegal immigrants, meanwhile, said they feared that getting rid of sanctuary rules would encourage immigrant communities not to report crime, including human and drug trafficking, prostitution, domestic violence, and even terrorism.

"Once the police are seen as agents of the immigration service, it discourages and deters immigrant communities from going to the police," said Lucas Guttentag, the director of the Immigrants' Rights Project of the American Civil Liberties Union. "There's a whole mixture of people in these communities — some recent, some illegal — and its going to cause the entire community to fear going to the police if they feel going to the local cop is essentially going to the immigration service."

But opponents say localities should be forced to participate in solving some of the problems that accompany illegal immigration.

"You can't have it both ways," said Ira Mehlman, a spokesman for the Federation for American Immigration Reform, which lobbies for stronger immigration enforcement. "If you want to harbor people who are in the country illegally, you can't expect to have federal funds for issues that arise from having illegal people in your community."

Sanctuary policies are often less sweeping than opponents make them out to be. In San Francisco, for example, where resources cannot be used in immigration investigations, the police can inquire about immigration status in felony or drug cases.

Joan Friedland, an immigration lawyer for the National Immigration Law Center, said the concept of sanctuary cities was often misunderstood and that it gave the impression that such cities were lawless havens for illegal immigrants.

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"It's not like people, if they are charged with a crime, they just escape immigration," Ms. Friedland said. "Even the cities that have ordinances limiting inquiries about immigration status cooperate and are in touch with the Department of Homeland Security when a serious crime is involved."

CONGRESS-ADMINISTRATION:

Poll: Bush Hits New Low (NSWK)

By Marcus Mabry

Newsweek, November 11, 2006

Nov. 11, 2006 - President George W. Bush's response was swift and decisive—if a little late. After voters gave Republicans "a thumpin'" at the polls, handing Democrats control of both houses of Congress, Bush banished his contentious defense secretary; invited the presumptive leaders of the new House and Senate to lunch (would-be House Speaker Nancy Pelosi had pasta; the president ate crow, a Bush aide joked); and suffered through two pained photo-ops with Pelosi and Harry Reid, the Nevada Senator expected to become Majority Leader. And what did the president get for listening to the voice of the American people? The worst approval rating of his presidency.

President Bush's job approval rating has fallen to just 31 percent, according to the new NEWSWEEK Poll. Bill Clinton's lowest rating during his presidency was 36 percent; Bush's father's was 29 percent, and Ronald Reagan's was 35 percent. Jimmy Carter's and Richard Nixon's lows were 28 and 23 percent, respectively. (Just 24 approve of outgoing Secretary of Defense Donald Rumsfeld's job performance; and 31 percent approve of Vice President Dick Cheney's.)

Worst of all, most Americans are writing off the rest of Bush's presidency; two-thirds (66 percent) believe he will be unable to get much done, up from 56 percent in a mid-October poll; only 32 percent believe he can be effective. That's unfortunate since 63 percent of Americans say they're dissatisfied with the way things are going in the country; just 29 percent are satisfied, reports the poll of 1,006 adults conducted Thursday and Friday nights.

But the new poll carries sobering news for Democrats, too, still on their post-victory high. Just about everyone believes the Republicans lost the 2006 midterms more than the Democrats won it. Presented with a list of factors that may have contributed to the Democrats' success, 85 percent of Americans said the "major reason" was disapproval of the administration's handling of the war in Iraq, 71 percent said disapproval of Bush's overall job performance, 67 percent cited dissatisfaction with how Republicans have handled government spending and the deficit, 63 percent said disapproval of the overall performance of Republicans in Congress, 61 percent said Democrats' ideas and proposals for changing course in Iraq. Tellingly, just 27 percent said a major reason the Democrats won was because they had better candidates.

That means the new Congressional majority may be kept on a short leash. A majority of Americans, 51 percent, believe it's a good thing that the Democrats regained control of Congress, including 18 percent of Republicans, while only 17 percent think it is a bad thing. (When the Republicans won the 2002 midterms, 30 percent thought it was a good thing that the GOP kept control, while 34 percent thought it was a bad thing.)

But the public is worried the Democrats will move too fast on Iraq and too slow on national security. For instance, 51 percent of Americans are very concerned that Congress will push too hastily for the withdrawal of U.S. troops in Iraq. (Only 20 percent say they are not too concerned or not at all concerned.) And 43 percent are very concerned that the new Congress may keep the administration from doing what is necessary to combat terrorism. Only 29 percent are not too concerned or not at all concerned.

The good news for Democrats is that voters believe they know their mandate is limited. Half of all Americans, 50 percent, say Democrats will take a moderate approach, compared to 34 percent who believe they will try to take the country in a more liberal direction. Not surprisingly, Republicans are most skeptical: 52 percent believe the Democrats will try to push America to the left while 37 percent believe they will be more moderate.

And there's massive support for much of the Democratic Congress's presumed agenda. For instance, 75 percent of Americans say allowing the government to negotiate directly with pharmaceutical companies to lower drug prices for seniors

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should be a "top priority," including 67 percent of Republicans. Increasing the minimum wage comes next (68 percent) on the public's list, followed by investigating government contracts in Iraq (60 percent).

There's less support for rolling back Bush's tax cuts: 40 percent say that should be a top priority and 24 percent say it shouldn't be done at all. And since the election, Americans have become slightly less interested in investigating impropriety and wrongdoing by members of Congress. The number of Americans who think this should be a top priority has dropped from 62 to 55 percent.

Overall, however, the public wants Congress and the president to put Iraq and national security before domestic issues like the economy and health care, by a margin of 51 to 33 percent. Fifteen percent say they should be equal priorities. But the public is not overly optimistic: 54 percent of Americans say partisan bickering will likely prevent important work from getting done, while 40 percent say the two sides will be able to work together.

With just two years before the next presidential election, the Republicans have some rebuilding to do. Today 48 percent of registered voters would generally like to see a Democrat elected in '08 (including 10 percent of Republicans and 37 percent of independents); compared to 28 percent who want a Republican (including just 3 percent of Democrats and 20 percent of independents). Twenty percent say they don't know.

When it comes to specific potential candidates, the ladies have it. New York Sen. Hillary Rodham Clinton registers the highest level of strong support, with 33 percent of registered voters saying there's a good chance they would vote for her and 20 percent saying there's some chance. But she also has high negatives: 45 percent of registered voters say there's no chance they would vote for her. Similarly, 24 percent of registered voters say there's a good chance they would vote for Secretary of State Condoleezza Rice and 27 percent says there's some chance; but 43 percent say there's no chance.

Former New York City Mayor Rudy Giuliani and Arizona Sen. John McCain have lower negatives: 24 percent of registered voters say there's a good chance they would vote for Giuliani, 30 percent say there's some chance, and 32 percent say there's no chance. Twenty percent say there's a good chance they would vote for McCain, 34 percent say there's some chance, and 32 percent say there's no chance.

Twenty percent of voters also say there's a good chance they would vote for Illinois Sen. Barack Obama, while 19 percent say there's some chance and 24 percent say there's no chance. More than a third of voters, 34 percent, say they've never heard of him.

Also-rans include former Democratic presidential nominee John Kerry (16 percent good chance, 24 percent some chance, and 55 percent no chance) and Newt Gingrich (10 percent good chance, 17 percent some chance, and 58 percent no chance).

And therein lies some good news for President Bush as he faces the final two years of his Presidency. At least he's not John Kerry.

The NEWSWEEK poll, conducted Nov. 9-10, has a margin of error of plus or minus 4 percentage points. In conducting the poll, Princeton Survey Research Associates International interviewed 1,006 adults aged 18 and older.

At Home And Abroad, Things Are Not Going Bush's Way (AP)

AP, November 11, 2006

WASHINGTON (AP) — For a relentlessly optimistic President George W. Bush, this is a season of disappointment, surprise and setbacks.

At home and around the world, things are not going his way. With Bush's legacy-building time running out, Americans sent a clear message in Tuesday's election that they were angry at him and wanted change. Though Bush's name was not on the ballot, voters took revenge on the Republican Congress and put the Democrats in charge of both the Senate and House of Representatives.

In an awkward bit of timing, Bush will be globe-trotting when Congress returns to town next week to open its lame-duck session, taking up business the White House deems vital.

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Departing Tuesday, Bush will be away for eight days at a summit of Asia-Pacific rim leaders in Vietnam and stops in Singapore and Indonesia. Back just before Thanksgiving, he will jet off again a few days later for a NATO summit in Latvia and a stop in Estonia.

World leaders will be watching to see if Bush, politically weakened at home, acts differently on the world stage.

Across the globe, the U.S. president is on the defensive about problems ranging from the mess in the Middle East to the nuclear standoffs with Iran and North Korea. Even in his own backyard, there is a growing camp of leftists in Latin America, from Venezuela's President Hugo Chavez to Nicaragua's newly elected Daniel Ortega.

And then there is Iraq.

Four years into an unpopular war that has defined his presidency, Bush thought that by this point he would be bringing some U.S. troops home. Instead, he had to sack his gruff secretary of defense, open himself to a new Iraq strategy and worry about pressure to pull out before he thinks the war is won.

Leaving the polls, a majority of voters said they disapproved of the war and the U.S. should withdraw some or all of its troops from Iraq. Bush meets Monday with members of a blue-ribbon commission looking for a new way forward in Iraq.

Victorious at the polls, Democrats put the White House on notice to expect tougher scrutiny of the war. "Let's find out what's going on with the war in Iraq, the different large federal agencies that we have," said Sen. Harry Reid, the incoming Senate majority leader. "There simply has been no oversight in recent years."

The election was a sobering splash of cold water on the president and political strategist Karl Rove, both of whom had insisted Republicans would win.

On election night, Bush had a dinner of beef loin and squash with Rove, Republican National Committee chief Ken Mehlman, chief of staff Josh Bolten, and friends Brad Freeman, a California venture capitalist, and Don Evans, former commerce secretary. Other officials joined later. The mood was businesslike as people read their Blackberrys and took cellphone calls, one participant said.

Bush is not a man given to second-guessing, self-analyzing or doubts. By the next morning, associates said, he was bouncing back.

"He's not one to get mired in kind of the shoulda, woulda, couldas," said Bush counselor Dan Bartlett. "I saw him coming to grips with it that night and by the time he came walking into the Oval Office Wednesday morning he was looking forward. We had to hold him back from calling Nancy Pelosi (the incoming House speaker) because it was still 6:55 in the morning."

"Why all the glum faces?" Bush said, opening a postelection news conference where he said he shared blamed for the Republican losses.

Later that day, Bolten pulled together several hundred White House staffers in the Old Executive Office Building for an unannounced visit by the president. Bush revved up the troops, told them they were there not to mark time but to get things done, Bartlett said.

"Obviously he's disappointed," Bartlett said, "but his mind's already racing forward, saying, 'All right, we've got to come at the same problems but from a different angle."

The big question is whether Bush, after six years of largely ignoring Democrats, really will be willing to work with the political opposition. Or whether his last two years will be clouded by partisan gridlock. Bush invited the new Democratic leaders to the White House and both sides pledged to cooperate.

"I think he's doing the right things now, right tone," said Republican strategist Ron Kaufman, who worked in the White House under Bush's father. "We'll see how long it lasts on both sides."

Kaufman and others recall how Bush, as governor of Texas, took a bipartisan approach to work with a legislature controlled by Democrats. Of course, many of them were conservatives and saw eye to eye with Bush.

"I think he liked the way he governed in Texas," Kaufman said. "I think he really enjoyed it. And somehow he's gotten away from that. ... I think he'd be relieved to go back to that."

Leon Panetta, a former Democratic congressman who was chief of staff in the Clinton White House, said Bush would have to change the way he does business if he wants to succeed.

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"He's going to have to understand he can't do this by the old playbook," Panetta said. "The Rove playbook is not going to work. If he's going to govern, it means he probably has got to go back and remember what it was like to govern in Texas with a Democratic legislature and the deals that he had to make."

There are doubts Bush will bend on issues dear to conservatives. "The fact is, to work with the Democrats requires him ... to basically say to a quarter or a third or more of his party, 'Sorry, you're out,'" said Norm Ornstein, a congressional scholar at the American Enterprise Institute.

Bush Uses Veterans Day Speech To Thank U.S. Troops For Dedication And Bravery (AP)

AP, November 11, 2006

ARLINGTON, Va. (AP) — President Bush marked Veterans Day by praising U.S. troops for fighting tyranny and oppression, yet touched only briefly on the war in Iraq, where U.S. commanders are rethinking strategy.

Three days after announcing the ouster of Defense Secretary Donald Rumsfeld, Bush hailed members of the armed services, past and present, for their dedication and bravery. His seven-minute speech at Arlington National Cemetery contrasted sharply with the strong rhetoric he used to defend the war on Veterans Day a year ago.

On Saturday, Bush did not cite Iraq and Afghanistan by name, though he did say, "From Valley Forge to Vietnam, from Kuwait to Kandahar, from Berlin to Baghdad, our veterans have borne the costs of America's wars — and they have stood watch over America's peace. The American people are grateful to the veterans and all who have fought for our freedom."

Kandahar is Afghanistan's second-largest city. Baghdad is the Iraqi capital.

Cannons fired a 21-gun salute and soldiers, clasping rifles with bayonets, stood at attention as Bush's motorcade wound through rows of white tombstones. The president laid a wreath at the Tomb of the Unknowns, holding his hand over his heart as a bugler played taps.

Paying tribute to American troops, the commander in chief said, "They've brought down tyrants, they've liberated two nations, they have helped bring freedom to more than 50 million people" — a reference to Iraq and Afghanistan.

"Through their sacrifice, they're making this nation safer and more secure — and they are earning the proud title of veteran," Bush said.

On Veterans Day last year, Bush rebuked congressional critics of his Iraq war policy. Speaking at an Army depot in Tobyhanna, Pa., he accused opposition lawmakers of being "deeply irresponsible" and sending the wrong signal both to America's enemy and to U.S. troops.

Last year's speech was part of a coordinated White House effort to bolster the president's waning credibility and dwindling support for the war. At the time, the U.S. death count had exceeded 2,000. Today it tops 2,840.

In Baghdad on Saturday, police reported gunmen ambushed minibuses, killing at least 10 passengers and kidnapping about 50, and a pair of car bombs tore through a downtown shopping district killing eight people

Democrats, who took control of the House and Senate in Tuesday's voting, read the elections as a demand for change in Iraq.

"Americans across the country made it clear that they want a new direction in Iraq and in the war on terror, Democratic National Committee Chairman Howard Dean said in his party's weekly radio address.

Democrats have not coalesced around one alternative strategy for Iraq.

"We will listen to the military, take their advice, and ensure that our troops and agencies have the tools and equipment they need to defend our freedom," Dean said.

In the presidential radio address, broadcast before his visit to the cemetery, Bush said America's enemies should not read the election results as a sign of U.S. weakness. During the campaign, he contended Democrats would undermine national security.

"The elections will bring changes to Washington," Bush said. "But one thing has not changed: America faces brutal enemies who have attacked us before and want to attack us again.

"I have a message for these enemies: Do not confuse the workings of American democracy with a lack of American will," the president said. "Our nation is committed to bringing you to justice, and we will prevail."

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Bush and his national security team planned to meet Monday with members of the Iraq Study Group. The bipartisan panel, led by former Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton of Indiana, was expected to report its recommendations by the end of the year.

Meanwhile at the Pentagon where former CIA Director Robert Gates has been nominated to replace Rumsfeld, changes in Iraq are being evaluated by the Joint Chiefs of Staff; Gen. George Casey, the top commander in Iraq; and Gen. John Abizaid, the head of the command that oversees U.S. forces in the Mideast.

"At this moment, more than 1.4 million Americans are on active duty, serving in the cause of freedom and peace around the world," Bush said, standing under a marble archway inscribed with a passage from President Lincoln's Gettysburg Address: "We here highly resolve that these dead shall not have died in vain."

Bush Hails Bravery, Dedication Of Troops (WP)

By Paul Schwartzman

The Washington Post, November 12, 2006

Steve Kowaleski has made a Veterans Day pilgrimage to the Vietnam Veterans Memorial for each of the past 14 years, and the experience never gets any easier.

More than 35 years after he served, he said yesterday, standing a few yards from the Wall, he still grapples with the reality that his friends never made it home.

They were comrades he knew from growing up in Bristol, Conn., and men he met in Vietnam. Altogether, Kowaleski said, he knew more than 20 people whose names are inscribed on the memorial.

"It's a place of saying goodbye -- still saying goodbye," he said softly, hands clasped at his waist, sunglasses concealing his eyes. "That's why I come back every year."

On a day when the country saluted the military with somber ceremonies and small-town parades, thousands of veterans and their families gathered at the Vietnam memorial to pay homage to the 58,249 missing and dead whose names are etched on the Wall.

At Arlington National Cemetery, President Bush laid a wreath at the Tomb of the Unknowns and praised members of the armed services, past and present.

"From Valley Forge to Vietnam, from Kuwait to Kandahar, from Berlin to Baghdad, our veterans have borne the costs of America's wars, and they have stood watch over America's peace," the president said. "The American people are grateful to the veterans and all who have fought for our freedom."

Referring to Iraq and Afghanistan, Bush hailed U.S. troops, saying, "They've brought down tyrants. They've liberated two nations. They have helped bring freedom to more than 50 million people."

At the ceremony at the Vietnam memorial, a bagpiper performed a rendition of "Amazing Grace," and a bugler played taps.

Air Force Secretary Michael W. Wynne laid a wreath for his brother, Patrick, who died in Vietnam on Aug. 8, 1966. It was the same day the secretary graduated from West Point and reported to the Air Force.

"This wall tells the story of those who fought in Vietnam, and it links us to future generations of American soldiers," Wynne said. "As Air Force secretary, I think daily of our forebears and the legacy of sacrifice and valor."

Elizabeth Lopez, who served in Iraq, told the crowd of the kinship she felt with Vietnam veterans when her tour of duty ended and she returned to her native El Paso.

Until then, she said, she never understood the true meaning of the words "welcome home."

"Every time I hear it, that knot in my throat is still there," she said. When Lopez's remarks ended, the audience rose from their seats and applauded.

Standing with a few friends in the back of the crowd, Ray Heikkila, 58, an Army veteran, said he looks forward to Veterans Day because he sees people who understood what remains a defining part of his life.

"It's like a healing," he said. "You get to sit down with other vets and get things off your chest."

His pal, Jim LaManna, 59, wore a camouflage jacket with an American flag stitched to the back. He said he knows veterans who refuse to make the trip because "they don't want to hear about the war."

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But LaManna said he has never felt that way, if only because of an innate sense of duty to recognize the fallen. "I was there. I know the guys who died there," he said. "It's a brotherhood, a camaraderie thing."

He tapped his fist on his chest.

"It's here," he said, "in the heart and soul."

For Vets And President, A Day Of Remembrance (WT)

By Tarron Lively

The Washington Times, November 12, 2006

President Bush yesterday attended Veterans Day ceremonies at Arlington National Cemetery to praise U.S. troops who have fought oppression around the world.

"This day is dedicated to all who answered the call to service," Mr. Bush said, "whether they live in honor among us or sleep in valor beneath this sacred ground."

The ceremony was one of many that took place yesterday at war memorials around the country and the region, including sites of honor for World War II and Vietnam veterans.

At Arlington yesterday, Mr. Bush laid a wreath at the Tomb of the Unknowns and paid homage to the more than 1.4 million Americans on active duty, calling them "our nation's finest citizens."

"They confront grave danger to defend the safety of the American people," Mr. Bush said. "They've brought down tyrants. They've liberated two nations. They have helped bring freedom to more than 50 million people."

At the U.S. Navy Memorial, the Naval District of Washington laid a wreath at the Lone Sailor Statue. The French War Veterans of Washington, D.C., also laid a wreath at the Tomb of the Unknowns in Arlington.

During a ceremony at the Vietnam Veterans Memorial, thousands paid respects to the men and women who were killed while serving in the armed forces during the war in Vietnam.

"The memorial ... holds a special place in our nation's heart," said U.S. Air Force Secretary Michael W. Wynne, who graduated from the U.S. Military Academy and served in the Air Force for seven years.

Mr. Wynne's brother, Maj. Patrick E. Wynne, was killed in Vietnam in 1966. He was declared missing in action until his remains were discovered in 1974.

"Today is very much a day of remembrance and reflection," Mr. Wynne said.

A long line of people waited to lay flowers and wreaths at the base of the black granite wall, which is engraved with 58,249 names honoring the Americans who died in the war.

The scene at the wall alternated between solemn and celebratory, as families remembered loved ones and soldier buddies reunited.

John Reichenberg, an Army veteran from Annapolis, his fiance and a group of fellow military veterans visited the memorial -- a trip that Mr. Reichenberg for years had found too difficult to make.

"Up until '89, I couldn't even think about coming here," said Mr. Reichenberg, 61, who served two years in Vietnam beginning in 1968, almost immediately after graduating from college, "but they say it's a 'wall of healing.' It's really hard, but once you do it, it feels like a weight's been lifted."

Since he began attending the annual ceremonies at the memorial, Mr. Reichenberg has searched unsuccessfully for soldiers with whom he served.

"I've probably brought at least a half-dozen vets down here," he said, "and every time, whoever I bring, they meet someone that was in [Vietnam] with them, and I haven't done it yet."

Yesterday was also the anniversary of the Vietnam Women's Memorial, dedicated in 1993.

"Three months ago, I walked through this national park for the first time, and while facing different monuments, I was overwhelmed at every stop," said Elizabeth Lopez, a construction mechanic 2nd Class in the naval reserves.

Miss Lopez, of El Paso, Texas, also served in the Army seven years ago as a Patriot missile crew member in Kuwait and Saudi Arabia.

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After completing her enlistment, she became a reservist in a Seabee Naval Reserve unit. She was recalled to active duty last year to serve in Iraq as a gunner.

She returned home earlier this year to El Paso, where she is a readjustment counseling specialist at a veterans center.

"I am very humbled to be here, in this sacred place of healing that pays tribute to many generations of veterans," she said. "While I may not share the same battles that many of these great men and women have encountered, I do share a common connection with them."

Vote Won't Lessen Resolve, Bush Tells Terrorists (LAT)

By Ricardo Alonso-Zaldivar

The Los Angeles Times, November 12, 2006

WASHINGTON — President Bush warned U.S. adversaries around the world Saturday that Republican losses in the midterm congressional election didn't signal a weakening of American resolve to win the war on terrorism.

"America faces brutal enemies who have attacked us before and want to attack us again," the president said in his weekly radio address. "I have a message for these enemies: Do not confuse the workings of American democracy with a lack of American will. Our nation is committed to bringing you to justice, and we will prevail."

Democratic Party Chairman Howard Dean said in a response to Bush that voters made it clear they wanted "a new direction" in Iraq and his party intended to use its control of Congress to try to deliver that.

Bush also went to Arlington National Cemetery on Saturday to join in solemn observances of Veterans Day. On a sunny, spring-like morning, the president laid a wreath at the Tomb of the Unknowns and delivered brief remarks honoring the bravery of American troops.

"They are our nation's finest citizens," he said. "They confront grave danger to defend the safety of the American people."

Since the March 2003 start of the Iraq war, 2,845 U.S. service members have died, according to the Associated Press. And 288 have been killed in Afghanistan, Pakistan and Uzbekistan since the U.S. invaded Afghanistan in 2001 to oust the Taliban and attempt to capture Osama bin Laden.

In his radio address, Bush also praised outgoing Defense Secretary Donald H. Rumsfeld, who had become a lightning rod for critics of the war. After the Republicans lost control of Congress in an election that turned into a referendum on the war, the president announced that Rumsfeld would resign. Rumsfeld will serve until his replacement, former CIA Director Robert M. Gates, is confirmed.

Bush also said that Iraq, where about 145,000 U.S. forces remain in a struggle to squelch violence between Sunni Arab insurgents and Shiite militias, is "the central front in this war on terror."

Giving the weekly Democratic response to the president, Dean appeared to draw a distinction between Iraq and the war on terrorism.

"On Tuesday, Americans across the country made it clear that they want a new direction in Iraq and in the war on terror," he said. "Voters also made it clear that they want defense policies that are tough and smart. Our agenda includes a new direction for defending America at home and around the world."

Democrats in Congress, said the former Vermont governor and 2004 presidential contender, "will listen to the military, take their advice, and ensure that our troops and agencies have the tools and equipment they need to defend our freedom."

Since Tuesday's election, the president has met with the Democrats who will lead the next Congress and signaled he intended to work with them to find a solution on Iraq. In the midst of the campaign, he spoke harshly of the desire of many Democrats to get out of Iraq, saying it would mean "the terrorists win and America loses."

On Monday, Bush is scheduled to meet with members of the Iraq Study Group, a committee of policy elders that is seeking to develop bipartisan proposals for a shift in the conduct of the Iraq war.

The group is led by former Secretary of State James A. Baker III, who served under the president's father, and by former Rep. Lee H. Hamilton (D-Ind.), a longtime foreign policy expert.

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Chief among the recommendations the group is said to be considering: that the U.S. declare its commitment in Iraq not to be open-ended. That would be coupled with increased pressure on the Iraqi government to seek political solutions to the sectarian strife that threatens to tear the country apart.

Members of the group are also said to favor involving other nations in the search for political solutions in Iraq. That could mean reaching out to Iran and Syria, which the Bush administration has branded as supporters of terrorism.

At Arlington National Cemetery in Virginia, Bush singled out the 1.4 million active-duty members of the military for praise.

"They've brought down tyrants, they've liberated two nations, they have helped to bring freedom to more than 50 million people," he said.

"Through their sacrifice, they're making this nation safer and more secure — and they are earning the proud title of veteran."

Spinning Out Of An Electoral Beating (LAT)

The Los Angeles Times, November 12, 2006

AT HIS NEWS conference after Tuesday's elections, President Bush struck a note of reassurance. "I have a message for those on the front lines," he said. "To our enemies, do not be joyful. Do not confuse the workings of our democracy with a lack of will…. To our brave men and women in uniform: Don't be doubtful. America will always support you."

Why would terrorists or U.S. soldiers think electing Democrats would suggest a lack of will or support for the troops? Oh, right. Because Bush had been saying so. "However they put it, the Democrat approach in Iraq comes down to this: The terrorists win, and America loses," he told a GOP crowd in October. "That's what's at stake in this election."

I guess if I were a terrorist, I would have been joyful to learn that the people who were going to help me win had prevailed in the elections.

It's a political tradition for candidates on both sides to immediately change their tune after an election. Last week, Democrats were ripping Bush to shreds, and now they're promising to work with him. Still, even by these standards, the Republican turnabout has been unusually abrupt. Suddenly they're all but admitting that everything they had said before the election was a lie.

Even beginning as early as election night, the conservative spin asserted that Democrats had won by running as ideological ciphers.

"Democrats, in my mind, don't have a mandate because they stood for nothing," said conservative radio host Laura Ingraham. And from a Wall Street Journal editorial: "While a thumping defeat for the GOP, the vote was about competence, not ideological change."

Of course, the Journal, and every other Republican organ, has been insisting for months that Democrats are a bunch of left-wing tax lovers. They have endlessly repeated a quote by incoming Democratic House Ways and Means Committee Chairman Charlie Rangel of New York — who, when asked which Bush tax cuts he'd extend, replied that he couldn't think of one. Bush repeated this quote as recently as two days before the election. Presumably, some people actually believed the president when he said this.

Now they tell us that a vote for the Democrats was really a vote to continue Republican policies. It's kind of cruel to have the rug pulled out from under us. Hey, I was supporting the Democrats precisely because I thought they'd jack up taxes!

To be fair, the conservatives are right that there were plenty of nonideological reasons for the Democratic victory. People were frustrated about Iraq, the aftermath of Hurricane Katrina, Republican corruption and scandals and (though conservatives won't admit this last one) an economy that isn't raising most people's living standards.

So it's perfectly true that the election should not be interpreted as a line-item endorsement of the Democratic agenda.

Yet that's almost always the case.

Four years ago, George W. Bush won reelection in large part because he happened to be in office Sept. 11, 2001 (and also because nobody could stand John Kerry). That didn't stop conservatives from insisting that voters had signed up for his domestic and foreign agenda in its entirety. The Journal's 2004 postelection editorial called Bush's victory "a decisive mandate for a second term" and proceeded to explain why voters had endorsed measures such as privatization of Social Security.

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Possibly the funniest about-face in last week's elections came from Rush Limbaugh, who gleefully declared that, with the elections over, "I no longer am gonna have to carry the water for people who I think don't deserve having their water carried."

Other conservative talk-show hosts offered up similar sentiments. It's nice for Limbaugh to concede that up until this point he had simply been a GOP mouthpiece. But maybe he should have let his listeners in on the secret before.

Incoming Democrats Put Populism Before Ideology (NYT)

By Robin Toner, Kate Zernike

The New York Times, November 12, 2006

WASHINGTON, Nov. 11 — The newly elected Democratic class of 2006, which is set to descend on the Capitol next week, will hardly be the first freshmen to arrive in Washington promising to make a difference.

The last time Congress changed hands, the Republican freshman class of 1994 roared into town under the leadership of Newt Gingrich as speaker and quickly advanced a conservative agenda of exceptional ambition.

Many in the class of 2006, especially those who delivered the new Democratic majorities by winning Republican seats, show little appetite for that kind of ideological crusade. But in interviews with nearly half of them this week, the freshmen — 41 in the House and 9 in the Senate, including one independent — conveyed a keen sense of their own moment in history, and a distinct world view: they say they were given a rare opportunity by voters, many of them independents and Republicans, who were tired of the partisanship and gridlock in Washington.

Now, they say, they have to produce — to deal with long-festering problems like access to affordable health care and the loss of manufacturing jobs, and to find a bipartisan consensus for an exit strategy in Iraq, a source of continuing division not only between but also within the parties.

Many of them say they must also, somehow, find a way to address the growing anxiety among voters about a global economy that no longer seems to work for them. There is a strong populist tinge to this class.

In general, they set themselves an extraordinary (political veterans might say impossible) task: to avoid the ideological wars that have so dominated Congress in recent years, to be pragmatists, and to change the tone in Washington after a sharply partisan campaign.

“I see myself, hopefully, as a bridge builder, a consensus person,” said Harry Mitchell, 66, a longtime state senator and former mayor of Tempe, Ariz., who defeated Representative J. D. Hayworth, an emblematic member of the class of 1994. “I can’t be a rabid partisan Democrat and represent this district.”

Nancy Boyda, who defeated Representative Jim Ryun, the legendary track star, in a district in Kansas that President Bush carried by 20 percentage points in 2004, summarized her mandate this way: “Stop the gridlock, stop the nastiness, get something done. People are tired of excuses.”

Claire McCaskill, who defeated Senator Jim Talent of Missouri in a fiercely competitive race, said: “I’m not from a blue echo chamber. I’m from a state that’s really like America — it’s divided.”

“The problem with Washington,” Ms. McCaskill added, “is you have so many senators who are from bright blue and bright red states; they’re not interested in common ground. They’re interested in making each other look bad.”

These attitudes could lead to tensions with the party’s liberal base in Congress — many of the party’s expected committee chairmen are traditional liberals — and thus occasional headaches over the next two years for the Democratic leaders, Representative Nancy Pelosi and Senator Harry Reid.

But Democratic strategists say both leaders recognize that the new Democratic majority was elected, in large part, from Republican-leaning districts and states. If those new members vote in a purely partisan way, they — and the majority — will quickly be put at risk.

Representative Rahm Emanuel, the Illinois Democrat who recruited many of these candidates as head of the Democratic Congressional Campaign Committee, described the group as “moderate in temperament and reformers in spirit.” Conservatives tend to highlight the conservatism in the new class as a sign that Democrats are essentially ceding ground to the right on issues like gun control and abortion.

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But many of these freshmen Democrats are hard to pigeonhole ideologically. Even among the most socially conservative, there is a strong streak of economic populism that is a unifying force.

Heath Shuler, for example, the former professional football player and newly elected House Democrat from North Carolina, is anti-abortion and pro-gun, but sounds like an old-style Democrat on economic issues.

"I was taught at a very, very young age about faith and personal responsibility, and through that, that responsibility was about helping those who cannot help themselves," Mr. Shuler said. "If you look at what the Democratic Party stands for, it is about helping others who can't help themselves."

Like other Democrats, he supports legislation to increase the minimum wage and make college tuition tax deductible. He also opposes trade agreements that he says have led to a 78 percent loss in textile industry jobs in his state.

Similarly, Ms. Boyda of Kansas, a first-time office holder who relied on lengthy newspaper inserts to make her case to the voters, said, "The rural economy has been left out." She added: "A lot of my district feels a great deal of insecurity about their jobs, their health care, their business, their family farm. They feel like they're just kind of hanging out there."

Carol Shea-Porter, a social worker and new House member from New Hampshire who considers herself a populist, said, "The theme of my campaign was, I'm running for the rest of us." She added that no matter how much the Bush administration boasted of job growth, her voters "understood those were Wal-Mart jobs." And, she said, "They understood when they talked about the stock market boom, that half of Americans aren't even in the stock market."

Jim Webb, who defeated Senator George Allen of Virginia, campaigned heavily on the idea that the middle class was increasingly at risk in an age of growing inequality. Bob Casey, who overwhelmingly defeated Senator Rick Santorum of Pennsylvania, said he looked forward to "a really intensive focus on health care that I hope to be a part of."

That economic populism extends, for many candidates, to a new emphasis on expanding health coverage. Congressional Democrats who lived through the Clinton administration's failed effort to create a national health insurance plan, which many believe was a crucial factor in the Democrats' losses in 1994, have been wary of broad health legislation for years. (And being in the minority, they were unable to do much about it, regardless.) But the class of '06 is adamant that something major can, and will, be done.

Dave Loebsack, a political science professor in Iowa who unseated the veteran Republican moderate, Representative Jim Leach, said he intended to sign on to proposed legislation to create a single-payer, national health insurance program "as one of the first things I will do when I get to Congress."

"I have no idea where it's going to go next year," Mr. Loebsack said, "but at least we can give it a fair hearing."

Steven Kagen, an allergist who won a Wisconsin district that has been represented by a Republican for much of the past 30 years, campaigned on a "No Patient Left Behind" plan. Mr. Kagen won despite doubters who called it "the Hillary hot potato," a reference to the first lady turned New York senator who was the architect of the Clinton plan.

"This issue has blurred the lines between the two parties," Mr. Kagen said. "You don't have to be a Republican or a Democrat to be ill, and to understand that the health care system doesn't work."

Mr. Kagen is one of several new House members urging a renewed commitment to the more than eight million uninsured children in the United States, an issue that will move to the forefront when the State Children's Health Insurance Program comes up for renewal next year.

Most of these new Democrats said they were also committed to changes in the new Medicare prescription drug program; in fact, giving the government the power to negotiate prices with drug companies is one of the first items of business in the Democrats' "Six for '06 Agenda." The agenda also includes an increase in the minimum wage and expansion of embryonic stem cell research.

Ron Klein, a state senator who defeated the veteran Representative E. Clay Shaw Jr. of Florida, said he had often heard both from retirees who fell into the gaps of the new Medicare drug plan and from "taxpayers who were really put off that this was something that could have been done a lot better."

Democrats, of course, had their chance to resolve the prescription drug problem in the past — their party held the Senate for a brief period in 2001-02 — and few issues have been more divisive on Capitol Hill.

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But the new Democrats say they have high hopes of building bipartisan coalitions for these changes in Medicare, for expanding embryonic stem cell research, and for other parts of their agenda. “I’m still scratching my head” over Mr. Bush’s veto of last year’s stem cell bill, said Ed Perlmutter, a former state senator who won a House district in the Denver suburbs.

Representative Sherrod Brown, who is moving to the Senate from the House after beating Senator Mike DeWine of Ohio, argued: “Tell me a whole lot of Republicans won’t work with us on finding a way for middle-class kids to get a college education, to vote for embryonic stem cell research, to raise the minimum wage. John McCain is already out there talking about prescription drug issues.”

The flip side to this, Democratic strategists say, is that Republicans could peel off a critical mass of conservative Democrats on certain issues. Some veterans on Capitol Hill remember the Democratic Congress of the early Reagan years, when conservative Democrats regularly broke ranks on tax cuts.

The true challenge to any new climate of bipartisanship will most likely come over Iraq. Many of the freshmen said they looked to the bipartisan Iraq Study Group — led by James A. Baker III, the former secretary of state, and former Representative Lee H. Hamilton — as an invaluable vehicle for consensus building.

“I pray, and I mean that literally, that their recommendation can be seen as a way forward,” Ms. Boyda said.

They also said they were pleased that Mr. Bush announced, the day after the election, that Defense Secretary Donald H. Rumsfeld would be replaced. Gabrielle Giffords, newly elected to a House seat in Arizona, said she had rarely given a speech without calling for Mr. Rumsfeld’s removal.

But there are still divisions in the Democratic caucus over an exit strategy for Iraq, although many of the freshmen come to Washington with a keen sense of the voters’ desire for change. Joe Sestak, a former Navy vice admiral who won a House seat in Pennsylvania, said: “I honestly believe this nation in its vote has said: ‘What are we doing in Iraq? We can’t stay there.’ I think they are rightfully leading the leaders to say, ‘Set a date; move toward it.’ ”

Others stop short of suggesting a fixed timetable. As they headed to Washington for their orientation, many of the incoming freshmen still spoke like outsiders. Tim Walz, a Minnesota teacher, retired National Guardsman and newly elected House Democrat, described himself as “a farm state Democrat-soldier who’s concerned about the environment and civil liberties.”

He has seen how ugly the partisanship can get in American politics, Mr. Walz said, and is adamant about changing it. “I’m convinced that what we need to do is heal,” he said. “Tuesday was not a Democratic referendum; it was an American referendum. It’s not that the American people are so enamored with the Democratic vision, but what they believed is what we said about cleaning up corruption, having some real open debate. It just seems so broken.”

Democrats Find Lessons In GOP Reign (WP)

By Jonathan Weisman

The Washington Post, November 12, 2006

Democrats preparing to take control of Congress for the first time in over a decade are looking to the Republican takeover in 1995 as an object lesson of what to emulate and what to avoid. They hope to match the legislative energy of the Newt Gingrich era while avoiding at all costs the partisan pitfalls that eventually soured voters on the GOP.

The majority party that takes control of the House and Senate in January will look significantly different from the party that was swept from power in the 1994 elections. The old-guard liberals and staunch union supporters in control then are giving way to a new generation of moderates with more temperate legislative ambitions.

Democrats last week picked up six seats in the Senate and at least 28 seats in the House en route to victory. Eleven of those House districts were solidly Republican in the 2004 presidential election, while new Democratic senators from Montana, Missouri, Virginia and Ohio will have to be mindful of their traditionally Republican constituents.

Led by a feisty Nevada senator and the first woman in history to claim the House speaker's post, the long-banished Democrats hope to prove their bona fides as lawmakers and challenge a president from the other party to accept their agenda, a game plan taken straight from the Gingrich era's "Contract With America." They also intend to challenge President Bush to change course in Iraq and consider their demands for a timetable for withdrawing U.S. troops.

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But Democrats say they will avoid the overreaching, arrogance and rancorous partisanship that left them virtually powerless on Capitol Hill and spawned an era of political corruption and influence-peddling. Democratic leaders vowed last week to pass major ethics reforms early in the new 110th Congress, and to offer Republicans seats at the negotiating table and ample opportunities to amend bills on the floor -- opportunities that were denied their party.

"What they did was very effective in pulling up all the ladders for any other party to gain the majority," incoming House Speaker Nancy Pelosi (D-Calif.) said last week of the Gingrich revolutionaries. "They just shut the doors to debate on the floor, to amendments coming, to even how special orders [speeches] were conducted. Everything they were effective in using to gain the majority they shut down."

"We're going to do the opposite," she pledged.

"This country has spoken loudly and clearly," Sen. Harry M. Reid (D-Nev.), slated to become the new Senate majority leader in January, told a Capitol Hill rally last week. "There must be a change of direction in Iraq. We have to have results in doing something to make health care more affordable and more available. We have to do something to create energy independence."

House Democratic leaders have put forward an ambitious opening salvo for January, a 100-hour legislative blitz that includes raising the minimum wage, boosting alternative-energy research and repealing tax breaks for oil companies. They also want to beef up seaport screening, expand college tuition assistance, boost stem cell research and allow the federal government to negotiate lower drug prices under Medicare.

House Democrats also hope to approve rules changes to limit the influence of lobbyists, offer the minority party more input on legislation, curb home-state pet projects in spending bills and, possibly, give the District of Columbia voting rights on the House floor.

But once the 100 hours or so pass, pressure will mount on Democrats to confront what many liberals see as the misdeeds of Bush and the Republican Party. The party's base is clamoring for Democrats to repeal tax cuts skewed to the affluent, to revisit the new law authorizing military tribunals for terrorism suspects and to investigate the run-up to the Iraq invasion.

To some Democrats, such calls raise memories of the aggressive -- and ultimately self-destructive -- stance that House Republicans took when they stormed to power in the 1994 election and later voted to impeach President Bill Clinton, only to see Clinton acquitted in the Senate.

"They're under great pressure to placate the base, to be hard-line and in some ways to pay back the Republicans," said former senator Thomas A. Daschle (S.D.), the last Democratic Senate majority leader. "But they're also under tremendous pressure to produce and show they can govern. Finding the balance, that's going to be the big challenge."

"It's one thing to oppose and obstruct. It's another to try to govern and legislate," said Sen. Olympia J. Snowe (Maine), a moderate Republican who is urging bipartisan cooperation. "How they set in gear the motions for governing and legislating will clearly set the tone for the duration."

The ranks of the new Democratic leadership will include Reid, who once called Bush a "loser" and a "liar"; Pelosi, who bitterly remembers the power shift to the Republicans; and a new Democratic Caucus chairman, Rahm Emanuel (Ill.), who confronted Gingrich's revolution as an aide in the Clinton White House.

"Newt ran in and said, 'I'm basically the prime minister,' " Emanuel recalled. "We didn't do that. Nancy said we won an election. The president won an election. We have to respect the results of both 2004 and 2006."

Sen. Charles E. Schumer (N.Y.), the chairman of the Democratic Senatorial Campaign Committee, agreed: "We should always be mindful that there was a little bit of God and a lot of bit of luck here. A 4,000-vote shift and we would have four new senators, not the U.S. Senate."

If all voters see is interest-group politics and "a lot of shouting," Schumer added, "our victory could be ephemeral . . . more ephemeral than Gingrich's one was. Everyone has to be cognizant of the fact that keeping the majority helps all of us achieve far more of our goals than if we undermine it."

But there are limits to such sentiments. In the 1990s, Republicans shifted the number of committee seats allotted to the majority and minority parties to virtually ensure that no cross-party collaboration would be needed to draft and pass legislation. When asked whether she may change those ratios as a goodwill gesture, Pelosi last week snapped, "I don't see a scenario where there is going to be much appetite for that."

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And regardless of leaders' intent, conservative Democrats worry that Democratic old bulls, returning to chair committees after so long in the minority, could drive a partisan agenda. Some fear that Rep. George Miller (D-Calif.), at the helm of the education panel, and Rep. John Conyers Jr. (D-Mich.), as chairman of the Judiciary Committee, may be too quick to pick fights before Democrats can cement their gains.

"We increased our market share by going where the market was, to moderate, even Republican districts," said Rep. John S. Tanner (Tenn.), a leader of the conservative Blue Dog Democrats, which has grown to become one of the largest House Democratic factions. "If we're going to hold and consolidate that, we have to understand the reality that the face of the Democratic Caucus has changed from where it was in late '80s and early '90s."

Similar dynamics may be at play in the Senate, where Democrats will hold a one-vote majority. The incoming class of senators includes two economic populists in Reps. Sherrod Brown (D-Ohio) and Bernard Sanders (I-Vt.), a classic centrist with a slender mandate in Claire McCaskill (D-Mo.), and a cantankerous conservative in Jim Webb (D-Va.).

"It's going to be an interesting year," quipped one Senate Democratic leadership aide.

Once Democrats have exhausted their consensus agenda, a legislative priority list they call "6 for '06," they will have to decide whether they need to become more ambitious -- balancing the budget, overhauling immigration policy, or tackling problems of poverty and the uninsured, for instance -- or focus on the nuts and bolts of governance to prove competence ahead of the 2008 campaign.

Schumer said they need to be aggressive: " 'Six for '06' is enough to establish a beachhead, but it's not enough for '08."

William Howell, a political scientist at the University of Chicago's Harris School of Public Policy and the co-author of a forthcoming book on the balance of power between Congress and the presidency, disagreed. There may be nothing in the Democrats' agenda beyond the opening salvo, he said, and there probably does not have to be. The election of 1994 brought to power a Republican leadership that campaigned on a specific platform, along with a huge freshman class of ideological conservatives. That was not the case in 2006.

"Everyone woke up Wednesday saying America wants change, but they didn't say, 'Americans want the following five legislative items,' " he said.

Howell said Democrats should pass new ethics laws to distance themselves from the scandal-ridden 109th Congress, push a few broadly popular initiatives such as a minimum wage increase and then concentrate on the business of governance -- passing spending bills on time, taking up nominations and confronting national issues as they arise.

Partisan energies should be channeled to hearings, especially on the conduct of the war in Iraq, which would be far more effective in marshalling public pressure on Bush than any legislation, he said.

Douglas MacKinnon, an aide to then-Senate Majority Leader Robert J. Dole (R-Kan.) during the 1990s, said Democrats must learn from Republican mistakes.

"Number one, you don't have a mandate," he said, addressing Democrats. "The American people were just sick of the other side, so don't turn things upside down, because they won't put up with it. . . . And guess what, the American people do want you to work with the other side. Republicans didn't. They let arrogance rule the day, and it hurt them in the end."

Reid, An Ex-boxer, Hasn't Forgotten Bush's Punches (LAT)

By Ronald Brownstein

The Los Angeles Times, November 12, 2006

In the coming months, it will probably be useful to remember that as a young man, Sen. Harry Reid (D-Nev.) spent some time as an amateur middleweight boxer. Reid understands one reason his job title is changing from leader of the Democratic minority to Senate majority leader is that many voters recoiled against the unrelenting combat between the parties that has characterized George W. Bush's presidency.

But it's also apparent that Reid has not forgotten the punches thrown by the White House and GOP congressional leaders over the last six years, and that he considers more than a few of them low blows.

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President Bush, at his morning-after-the-deluge news conference Wednesday, grandly declared inoperative his slashing campaign-trail claim that the Democratic agenda on national security and Iraq could be reduced to a single equation: "The terrorists win and America loses."

Reid talks about turning the other cheek, but he also seems to remember exactly where that blow landed and how much it stung. "Some of the things that have been said by [Vice President Dick] Cheney and [the president] are hard to comprehend," Reid told a small group of reporters late last week.

It was only a single jab from Reid, tight and targeted, but it was also a signal of how much Bush's life will change during the next two years. Notwithstanding occasional dissent, the GOP Congress saw itself as a supporting member of the White House team, almost as if both were part of a parliamentary system. In that role, Capitol Hill Republicans allowed Bush to set the national agenda and minimized congressional oversight that might have embarrassed the administration.

With Reid and incoming House Speaker Nancy Pelosi of San Francisco, Bush will face two pugnacious Democrats determined to challenge his agenda and to force him to react to their own goals. Bush could count on congressional Republicans to repeatedly schedule votes on his priorities, such as legislation to abolish the estate tax. Reid dismisses that idea with barely a shrug. "We wasted so much time on it," he says. Is Bush's goal of eliminating the estate tax dead? "It better be," he says.

Instead, Democrats want to force the national debate onto a very different agenda. Reid says he expects the Senate "pretty quickly" to pass legislation raising the minimum wage. He's also optimistic about quick action allowing Medicare to negotiate directly with drug companies for lower prescription prices — an idea the White House and the pharmaceutical industry blocked in 2003 when Congress passed the drug benefit for seniors.

Reid anticipates more aggressive congressional oversight, starting with Iraq. Outgoing Senate Intelligence Committee Chairman Pat Roberts (R-Kan.), a close White House ally, slow-walked a promised investigation into whether intelligence data supported the administration's prewar public claims about Iraqi weapons of mass destruction. Roberts also structured the inquiry in ways that constrained the danger to Bush; most important, the committee did not compel senior administration officials to answer questions under oath.

Now Reid expects John D. Rockefeller IV (D-W.Va.), who will head the Senate Intelligence Committee, to briskly conclude a comprehensive study. "I think not only as part of good government, but as part of history, that investigation should be completed," he says.

The biggest question facing the incoming Democratic majorities in both chambers is how hard to push Bush on Iraq. Almost all Democrats are comfortable with examining the administration's performance through tough oversight and exhorting Bush to change course.

Reid, for one, has a crisp set of preferences on Iraq. He wants Bush to personally convene a regional conference with Egypt, Saudi Arabia, Jordan and Syria (the latter has been on the president's do-not-call list) to search for political solutions. Reid also wants to reexamine the reconstruction process — which, he says pointedly, has consisted of "throwing bundles of hundred-dollar bills to" Halliburton Co.

And he wants Bush to reduce the number of U.S. troops in Iraq and shift their focus from frontline fighting to training Iraqi forces. "We don't need our people patrolling the streets, walking down and being shot," Reid insists.

Reid, like almost all Democrats, hopes that the bipartisan commission headed by former Secretary of State James A. Baker III and former Rep. Lee H. Hamilton (D-Ind.) that is studying Iraq policy will push Bush in this direction when it reports this winter.

But if the commission doesn't recommend big change, or if Bush rejects it, congressional Democrats will face a momentous decision: whether to attempt to pass legislation compelling the president to begin withdrawing from Iraq.

It's already clear that Democratic activists are expecting more than kibitzing about Iraq from the party's new congressional majority. The message from Democratic voters about Iraq "wasn't just that it's a mess, it was 'We are hiring you ... to lead the country out of it,' " says Eli Pariser, executive director of the MoveOn.org political action committee. An election-eve poll for the group found that two-thirds of voters who supported Democrats expected them to reduce or withdraw troops from Iraq.

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Reid hears the message, but he's cautious. An earlier generation of congressional critics who sought to cut off funding for the Vietnam War faced charges of undermining the troops. Reid says, "You have people being shot up, blown up [in Iraq], and we want to make sure that there is never a question that we aren't supportive totally of them."

Attempting to legislate an accelerated disengagement from Iraq clearly isn't Reid's first choice but, tellingly, he doesn't rule it out. "It may come to that," he says.

In other words, Reid isn't trading haymakers with Bush on the war, but he's taping his hands and edging closer to the ring.

Ascending To A National Platform (LAT)

By Faye Fiore, Mark Z. Barabak

The Los Angeles Times, November 12, 2006

WASHINGTON — The phone rang at 7:15 the morning after Nancy Pelosi and the Democrats swept into power. It woke her up.

"Do we have a baby?" Pelosi asked without pausing for hello. Her youngest daughter, Alexandra, was pregnant and six days overdue. Who else would call so early?

It was the president of the United States, holding.

"Leader Pelosi?" a confused switchboard operator asked, as President Bush waited to congratulate the woman who helped engineer the election-day "thumping" of his party.

As a member of the Democratic House leadership for five years, Pelosi has been an important Washington player. But this week, she awoke to a celebrity of a whole other order.

Her near-certain ascension as the nation's first female speaker of the House had networks lining up for interviews and newspapers placing her picture on the front page. Blogs were abuzz.

Overnight, a woman who was scarcely known to the nation moved into a world of constant public attention. The morning after the election, she left her condo in Washington's Georgetown neighborhood without makeup on — she likes to apply it in the car — and walked into an ABC News stakeout.

Later last week, she lunched with Bush, shaking his hand at an Oval Office appearance where, in a postelection ritual familiar in Washington, the two leaders jointly vowed to end the partisan bickering. She met with Sen. Harry Reid of Nevada, the incoming Senate majority leader, to map out the agenda for the first 100 hours of the Congress that convenes in January.

A Washington power shift would have been big news by any measure, but Pelosi's historic elevation handed her a larger megaphone to sound the themes her party hopes to build on. She began spelling out her agenda before the victory confetti was swept up: a new direction in Iraq, a higher federal minimum wage, lower prescription drug costs, more civility and improved ethics in Washington.

As the only daughter of late Maryland congressman and Baltimore Mayor Tommy D'Alesandro, Pelosi was nurtured in a political environment. There were always constituents in the living room, many of them looking for jobs or other help, their names kept in a "favor file" for consultation at election time.

Married and settled in San Francisco, she raised her five children in a similar atmosphere, enlisting them to stuff envelopes while she juggled laundry, meals and Democratic fundraising, ultimately as California party chairwoman and a major national fundraiser. Her efforts helped lure the party's presidential convention to San Francisco in 1984 and helped Democrats regain control of the Senate two years later.

She was 47 — her youngest child a senior in high school — before she sought elected office, winning a seat in Congress from San Francisco. It was a late start in a Capitol filled with people who had lusted for political power since running for student-body president.

Now 66, Pelosi both embraces her status as the nation's senior elected woman and bristles when pigeonholed as the first female this or that.

She demands to be regarded as a lawmaker who happens to be a woman, not the other way around.

Yet she never missed a chance to use gender to political advantage in the closing weeks of the bruising midterm campaign. "It will take a woman to clean up the House," she told audiences time and again.

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She likes to say that motherhood taught her to be organized, broker disputes and do a dozen things at once.

Family and colleagues speak of her inexhaustible energy, then and now. Pelosi's daughter Christine, 40, doesn't remember her mother sleeping much.

Pelosi does not exercise regularly and is a confessed chocoholic; there are bowls of it in her office. (The White House tactically served Chocolate Freedom, a souffle, for Thursday's luncheon dessert.)

In two months of campaigning, Pelosi made 37 visits to 18 states and raised millions for more than 70 candidates.

Even during the most hectic days, she balanced work with family. A stop in Arizona meant a visit with two of her five grandchildren in Phoenix. The same in Texas, where the other three live. She carries two cellphones, one for business and one for family members, who try not to call frivolously because, no matter what, she always answers.

The downside of that energy and organization is a tendency to micromanage, which sometimes stymies her staff and frustrates allies. She tinkers with stagecraft at news conferences, fussing over backdrops and the like.

She can be gracious and ruthless. She threw an ice cream social for Rep. Jane Harman when the Venice Democrat returned to Congress after a failed 1998 bid for governor. But more recently, Pelosi signaled she would pass over Harman for leadership of the House Intelligence Committee for allegedly being too conciliatory to Republicans.

Well known for harboring grudges, Pelosi makes no apologies. "I have a reptilian approach," she once said, describing how she determined which candidates were deserving of support. "You have to be very cold-blooded in how you allocate resources."

Tuesday's election bore out Pelosi's velvet-hammer approach. She whipped together Democrats and achieved a level of party unity that had not been seen in decades, all the while traveling virtually nonstop to raise record sums of money.

After lunch at the White House last week, Pelosi sat with Bush in the Oval Office for a brief media blitz. Cameras fired. The bitter rivals shook hands.

"There's a natural phenomenon to be pitted against the president," said Norman Ornstein, a congressional scholar at the American Enterprise Institute, a conservative Washington think tank. "But the speakership of the House is not the presidency. She can't make decisions like the president. She leads a collective body. And the more it gets framed in personal terms, the more dangerous and difficult it's going to be."

Pelosi has to show she can unify the famously fractious Democrats in her charge, help lay the foundation for the party's 2008 presidential nominee, and give colleagues a record to tout when they fight to preserve their majority in the next election.

Only then, if she wins a second term as speaker, will Pelosi prove as successful in the House as she was in the home.

Speaker Clout Benefits District (AP)

AP, November 11, 2006

SAN FRANCISCO (AP) -- Thomas P. "Tip" O'Neill secured down payments for Boston's Big Dig. Sam Rayburn sent gushers of cash back to Texas, along with tax breaks that helped its oil industry. Hospitals, schools and nonprofits in J. Dennis Hastert's hometown of Aurora, Ill., have seen millions roll in during his reign.

Now Rep. Nancy Pelosi of San Francisco is poised to follow them as speaker of the House -- a perch predecessors used to channel big cash to pet projects back home.

"There's a long tradition where, not only can you bring back your average pork as a member of Congress, but speaker pork gives you a lot of money, a lot of influence over the purse," said Julian E. Zelizer, a congressional historian at Boston University.

Mrs. Pelosi, a Democrat, will be the first Californian to hold the post, and congressional watchdogs say they'll be observing her new spending clout with great interest.

There are "a lot of peeping chicks everywhere," said Tim Ransdell, executive director of the California Institute for Federal Policy Research in Washington.

Aides to Mrs. Pelosi don't dispute that the state will benefit from a changing of the guard at the Capitol.

"From the speaker's chair to committee chairs, Californians in Congress will have additional clout to help the home state," said Jennifer Crider, a spokeswoman for Mrs. Pelosi. But less than a week after the election, Mrs. Pelosi has no specific wish list for her district, Miss Crider said.

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As she has moved up through the ranks of spending committees and the Democratic leadership, Mrs. Pelosi already has helped send millions of dollars home.

According to Citizens Against Government Waste, a federal spending watchdog, in the past two fiscal years Mrs. Pelosi has helped obtain:

•$6.7 million for the Presidio Dental Clinic.

•$2.1 million for the San Francisco Maritime National Historic Park.

•$388,000 to the Filipino Cultural Center in San Francisco for "rehabilitation."

Now, as she prepares to assume one of the most powerful posts in Congress, the pressure to funnel money to the San Francisco Bay Area is bound to increase, Mr. Ransdell said.

"The transportation crowd will want rebuilding of freeways or the Bay Bridge access, or else more money for a transit project here or there," he said. "The social-services community will want additional funding perhaps for a welfare program, or else maybe construction of additional low-income housing or homeless housing."

As she considers requests for hometown projects, Mrs. Pelosi has powerful partners: Democratic Sens. Dianne Feinstein and Barbara Boxer, also from the Bay Area.

With Democrats taking over the Senate, Mrs. Feinstein likely will assume leadership of an influential spending subcommittee. Mrs. Boxer will become chairwoman of a committee key on transportation projects and climate-change research.

In September, the House changed its rules to end secret pork-barrel projects. The resolution banned a practice in which lawmakers anonymously insert "earmarks" -- narrowly tailored spending that often helps a specific company or project in their district -- into bills.

The measure required lawmakers to identify the special projects they slip into legislation. Mrs. Pelosi voted against it. Miss Crider said Mrs. Pelosi wanted a more stringent package of rules, but that measure ultimately failed.

One of Mrs. Pelosi's first actions in January will be to try again to pass "a strong rules package" that would among other things renew and strengthen the ban on secret earmarks, Miss Crider said.

Bush's Bipartisan Experience In Texas May Not Translate (HC)

By Julie Mason

Houston Chronicle, November 12, 2006

WASHINGTON - President Bush's rude awakening Wednesday morning to a newly elected Democratic-led Congress stirred up all kinds of nostalgia — and questionable impressions — about his days as Texas governor.

Bush told reporters he could easily manage the challenge of working with a majority in the other party; that after all, he did it in the 1990s with the state's Legislature.

"As governor of Texas, I had successfully worked with both Democrats and Republicans to find common-sense solutions to the problems facing our state," Bush said at his post-election news conference.

It was the prevailing White House line the day after Republicans lost the House and Senate. White House counselor Dan Bartlett did a round of morning news shows, saying the same thing.

"Well, he did talk about a record in Texas where he was able to work with Republicans and Democrats," Bartlett told CBS News.

One difference between the two eras: Bush did not spend six years bashing Democratic state lawmakers as bad for the state before taking over as governor. When he became president and was complemented by a Republican-controlled Congress, he often was on the attack against the opposing party for the next six years.

Also, some back in Texas are rolling their eyes at the White House's resurrected bit of myth-making, saying that the late Lt. Gov. Bob Bullock deserves the credit for forging bipartisan cooperation.

"Bullock didn't allow partisanship because he thought everyone should put the best interests of Texas first," said Claudia Stravato of Amarillo, a longtime aide to the legendary Texan.

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Noting that in Texas the lieutenant governor as chief of the Senate wields more power than the governor, Stravato said Bush and Bullock, a Democrat who died in 1999, got along in part because both were "Bubbas" of the old school.

"Bullock liked the kid, and was letting him take credit for stuff," she said. "And to get along with Bullock, everyone else had to do the same."

What Bush needs now, Stravato said, is a similar Democratic mentor to clear a path for him through Congress.

But it's not likely he will find one. Washington is a far more partisan atmosphere than Bush was used to back in Texas, and it's not in the interests of either party to work together. Both are already fixing their prospects for the 2008 presidential campaigns.

Even so, the motions are being observed. Bush invited Democratic congressional leaders to the White House and had lunch with presumptive House Speaker Nancy Pelosi of California.

After the harsh partisan rhetoric of the campaign, Bartlett speculated about one likely item on the menu: "For the president," he said, "it's probably a little crow."

White House tries to explain about-faceAfter the abrupt resignation Wednesday of Defense Secretary Donald Rumsfeld, the White House spent the rest of the week trying to explain away why Bush had insisted a week earlier that Rumsfeld was staying.

Bush first had said in an interview with wire service reporters that he wanted Rumsfeld to remain in place for the rest of his administration.

On Wednesday, he admitted that at the time, the decision for Rumsfeld to go essentially had been made already. But, he said, the choice of a replacement was not final.

"The reason why is I didn't want to inject a major decision about this war in the final days of a campaign," Bush said at a news conference. "And so the only way to answer that question and to get you on to another question was to give you that answer."

In the same pre-election interview with wire service reporters, Bush also said he wanted Vice President Dick Cheney to stay on for the rest of his term.

Does this mean Cheney is definitely stepping down?

Evidently not.

Govern, Don't Gloat (NYT)

By Leon E. Panetta

The New York Times, November 12, 2006

WE govern our democracy either by leadership or by crisis. Last Tuesday, the American people sent a clear message that they are sick and tired of government by crisis. They elected Democrats to the House and Senate not to prolong gridlock, but to govern.

There are those who believe that the best political strategy for 2008 is for the Democrats to continue to confront President Bush and seal his fate as a failed president. The danger, however, is that if the Democrats become nothing more than a party of obstruction, it will be only a matter of time before they too will lose the trust of the American people. The lesson of this election is that the public will no longer tolerate incompetence and gridlock, whether it comes from the Republicans or the Democrats.

Twelve years ago, President Clinton suffered a similar defeat when Republicans captured both houses of Congress. As chief of staff to the president at the time, I was asked to comment on the implications of that midterm election for the president and the future of the nation. My response was that the real question was whether a party that had been a minority in Congress was now prepared to work with the president to govern the nation.

Today it is fair to ask the same question of the Democrats.

In 1994, the Republicans decided they would directly challenge the president with their Contract With America. The result was the shutdown of the federal government. Badly damaged by the public outrage over such antics, Speaker of the House Newt Gingrich decided that Republicans had to work with the president if they were to survive. This led to a period of cooperation that produced, among other achievements, a balanced federal budget and welfare reform. The Republicans held their majority in 1996.

In the wake of this election, the Democrats and the president face the same choice: gridlock or cooperation?

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While both sides are speaking the words of reconciliation, nothing will really change until they can trust each other. After six years of partisan trench warfare, that will not be easy. It begins with a cease-fire on the rhetoric of cheap shots and ultimatums. Karl Rove and other political consultants need to take a long vacation. Both sides need to speak honestly with each other and be willing to compromise.

The legislative work can begin on areas where there is likely consensus: immigration reform, lobbying and ethics reform, and education with the reauthorization of No Child Left Behind.

If that works, Congress and the administration can move on to negotiate tougher issues like establishing long-term budget discipline, expanding energy alternatives, fixing the prescription drug benefit and increasing the minimum wage.

And, finally, on the war in Iraq, despite the bitter differences, both the Democrats and the president face the same brutal reality. We need a new strategy to stabilize Iraq so that our troops can begin to come home without leaving a disaster behind. The president took an important step by replacing Secretary of Defense Donald Rumsfeld with Robert Gates. The Iraq Study Group led by James Baker and Lee Hamilton, of which I am a member, will soon make its recommendations, which we hope will provide the beginning of a unified strategy.

Democracy needs the trust of the people. But that can only occur if our elected leaders can trust one another. That is not only good politics, it just happens to be good for the country.

Let The Investigations Begin (NYT)

By Stanley Brand

The New York Times, November 12, 2006

THE Democrats' victory has stoked the fire beneath an already brewing debate within the party regarding the need for investigations of the executive branch during the Bush administration's two remaining years. Some Democratic members of Congress are reluctant to pursue investigations into war profiteering, detainee interrogation or other controversial issues, fearing that such scrutiny of the administration will make Democrats appear petty and partisan and cost them electoral support in 2008.

A vigorous examination of the administration's conduct, however, is not only the appropriate action as a matter of constitutional prerogative, it is the politically necessary response to voters' overwhelming rejection of the current Congress's failure to assert itself in this area.

Nothing is better established in constitutional history and jurisprudence than Congress's power to investigate the executive. Centuries of precedents in Parliament, colonial legislatures and United States law endorse it. In 1742, William Pitt the Elder summarized the powers of Parliament: "We are called the grand inquest of the nation, and as such it is our duty to inquire into every step of public management, either at home or abroad, in order to see that nothing has been done amiss."

Indeed, the very first example of congressional oversight in our history was an inquiry into President George Washington's deployment of the military. In that case, a committee appointed by the House in 1792 was authorized to investigate the disastrous defeat the year before of Gen. Arthur St. Clair by Indians in the Ohio Territory, with the power to issue subpoenas for "persons, papers and records as may be necessary to assist their inquiries."

Congress is a coequal branch with explicit power to declare war, raise armies and navies and appropriate money for such activities. The Supreme Court has also repeatedly ratified Congressional authority to investigate executive departments. Congressional powers to probe "into departments of the federal government to expose corruption, inefficiency or waste," the court has stated, are "as penetrating and far reaching as the potential power to enact and appropriate under the Constitution."

For the past six years, Congress's oversight function has atrophied in a unitary Republican landscape. To be sure, investigative power should be exercised carefully, thoughtfully and with due regard for the rights of a coordinate branch. But Congress should not shrink from its duty to investigate a reluctant or recalcitrant executive, especially one that, while cloaking itself in secrecy, has boldly asserted unprecedented powers in the initiation and conduct of war — with disastrous consequences that the electorate has now repudiated.

By performing their constitutional obligations, the new Democratic majorities in the House and Senate will surely do right by the Constitution and the country. But they will also no doubt do very well for themselves.

Democrats Now Look To Sustain Majority (AP)

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By Jim Kuhnhenn

AP, November 11, 2006

WASHINGTON — It's the question Democrats would rather not ask in their moment of revelry: Are their new majorities in the House and Senate sustainable?

What if the war in Iraq is over by 2008? Or what if it is still being waged despite Democratic pledges to change the course? What if voter anti-pathy toward President Bush is irrelevant in two years? After all, he will be on his way out.

"Who knows whether these things are long-term trends or not," Sen. Byron Dorgan, D-N.D., said last week.

Voters gave Democrats control of Congress but did not undergo an ideological conversion. The Democrats' success had more to do with anger toward President Bush, weariness over the war and contempt for the corruption and scandal in Congress — a confluence of negatives that became a political force.

As some Democrats begin looking to 2008 and beyond, the challenge is how to turn anti-pathy toward Republicans into affection for Democrats.

"You can't count on that kind of a wave in every election by any means," Democratic pollster Mark Mellman said.

Sen. Charles Schumer of New York, the chairman of the Senate Democratic campaign committee, acknowledged that the Democrats' 51-49 majority in the Senate was the result of the narrowest of victories in six race. "Had 10,000 votes flipped we would have four seats not six," he said.

Democrats do see opportunities ahead.

In 2008, there are 21 Republican Senate seats up for election and only 12 Democratic seats. Eight of the Republicans in those seats won their last election with 55% or less of the vote.

In the House, where Democrats held 230 seats and appeared to be in line to win two more, all 435 members face re-election in 2008.

"The good news for Democrats is that we don't need a wave to keep the seats we have," Mellman said.

Democrats came into power calling for a change in course in Iraq. They promised to clean up government, create better economic conditions for the middle class and ensure cheaper drugs for the elderly.

"People are open to a longer term Democratic majority," Schumer said, "but we have to seal the deal."

Schumer proposed a three-step plan for Democrats.

It would begin with modest plans to increase the minimum wage, provide more tax breaks on college tuition, encourage greater energy independence and require drug companies to negotiate for lower Medicare drug prices.

Democrats then must work in bipartisan fashion to confront the war in Iraq and government deficits, Schumer said.

"Thirdly, we have to try our best to come up with a full vision and platform that points toward '08," he said.

To some Democrats, the party's biggest task is maintaining credibility on national security.

Since the Vietnam War, Republicans have held an advantage with voters on defense and security issues. But the Iraq war soured many voters on Republicans. By early fall, polls showed the public trusted Democrats more on resolving Iraq and trusted them equally with Republicans in combating terrorism.

Susan Rice, a foreign policy expert who was a senior adviser to Democrat John Kerry's presidential campaign in 2004, said Democratic candidates improved in the polls when they directly challenged Bush's war policy with more pointed ads and public statements

"Somewhere along the line in the last few months, the Democrats got some spine and got the courage to say out loud what they had been saying behind closed doors, which is that the president's national security policy has been an utter failure, has made us less safe, and that Iraq is Exhibit A for that failure," she said after Tuesday's vote.

But Rice said the Democratic gains on national security "are very tenuous" and the party should proceed cautiously on Iraq.

She said Democrats "won an early scalp in the form of Donald Rumsfeld" that will help them claim an initial victory and keep them from taking positions that might hurt their standing on national security.

Some Republicans say the GOP did not simply lose ground on national security. Wes Anderson, a Republican strategist who consulted in some of the closest Senate races, said that before the attacks of Sept. 11, 2001, voters identified the GOP as the party of fiscal conservatism, middle-class economics, national security and ethical reform.

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"Our problem is our brand is broken," Anderson said. "Voters didn't walk away from the core principles of the brand. They just didn't think we represented them effectively."

A poll that Anderson's firm conducted in 12 of the most contested congressional races on Nov. 5-6, right before Election Day, showed the depth of voter anger. When voters were asked which party was "controlled by big corporations," 8% said Democrats, 51% said Republicans and 25% said both.

But the difficulties had been evident for weeks and the voters who were taking flight were independents. Indeed, exit poll surveys by the Associated Press and the networks found that 26% of voters who were with Bush in 2004 went for Democrats this election.

"In late September or early October we came to the rude conclusion that there was little we could do on the air or in the mail that would change people's minds," Anderson said.

While that could be good news for Democrats, Republicans take heart in the idea that voters still seem to adhere to conservative values.

"I don't think what you saw on Tuesday was a major political realignment," said Sen. John Thune, R-S.D. "A lot of people are saying Republicans stayed home. I think we really lost it among independents. The takeaway from it is you have to have a motivated base and you have to have a strategy to get to those independent voters."

How Rahm Emanuel Helped End An Era Of Republican Rule (CHIT)

By Naftali Bendavid

Chicago Tribune, November 12, 2006

Rahm Emanuel was seething.

He was hurtling down an asphalt road in upstate New York on the 47th trip of his ferocious campaign to win back the House. A lecture, even from his friend James Carville, was the last thing he needed.

In just 12 days, Emanuel's quest would end in a historic victory—a triumph that almost no one believed possible when he accepted the challenge nearly two years ago—or in colossal failure.

And here were Carville and pollster Stan Greenberg telling him he had to make each of his handpicked candidates shift from attack mode and strike a conciliatory note in their final campaign ads.

"James. No James, YOU LISTEN," Emanuel barked into a cell phone, about to release a string of profane invectives more intense than usual. "Can you listen for one [expletive] minute? I'm working these campaigns all the time. The campaigns all have different textures."

His wiry body tensed, his voice breaking with stress. Emanuel shouted, "If you don't like what you see, I highly recommend you pick up the … phone and do it yourself."

The moment captured Rahm in full, a portrait in power of a brutally effective taskmaster.

During the past year, the Tribune had exclusive access to the strategy sessions, private fundraisers and other moments that shaped this victory. The newspaper agreed not to print any of the details until after the election. Now that the votes have been counted, the story of how Emanuel helped end an era of Republican rule can be told.

He did it, in large measure, by remaking the Democratic Party in his own image.

Democrats had never raised enough money. Emanuel, a savvy fundraiser who shaped those skills under Richard M. Daley and Bill Clinton, yelled at colleagues and threatened his candidates into generating an unprecedented amount of campaign cash.

Democrats had a history of appeasing party constituencies. Emanuel tore up the old litmus tests on abortion and other issues. With techniques that would make a Big Ten football coach blush, he recruited candidates who could mount tough challenges in some of the reddest patches of America.

Democrats had blanched at hardball. Emanuel, jokingly called "Rahmbo" even by his mother, muscled weaker Democrats out of races in favor of stronger ones, and ridiculed the chairman of his own party.

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In January 2005, when Minority Leader Nancy Pelosi asked Emanuel to head the Democratic Congressional Campaign Committee, or DCCC, experts predicted that the party would take perhaps three seats. On Tuesday, it picked up at least 28, changing the course of the Bush presidency.

In a world where congressmen refer to each other as "my distinguished colleague," Emanuel, 46, is sometimes unable to get through a single sentence without several obscenities. His politics are centrist, but his style is extremist. The top of his right middle finger was severed when he was a teenager, adding to his aura of toughness—especially when he extends that middle finger, which he does with some regularity.

For all his forcefulness, Emanuel was not responsible for the political climate, either the failing war or the sex and corruption scandals racking the Republican Party. But with creative recruiting, unremitting fundraising and a national message, he positioned the Democrats to exploit that collapse.

In doing so, Emanuel had to be familiar with roughly 50 individual races—the candidates, the interest groups, the voting blocs. It resembled a game of three-dimensional chess, in that what happened in one district could affect dozens of others.

From the outset, there could be only one measure of success: the number of seats the Democrats won. Bill Paxon, a former New York congressman who held Emanuel's job for the Republicans when they seized the House in 1994, explained the unforgiving math.

"Unlike a lot of things in government where there is compromise, there is only one result—you either win or you lose—and you are judged on that," Paxon said. "You can look at fundraising, candidate recruitment and other things, but they are meaningless. The only thing that matters is if you win or lose."

This is the story of how Rahm and the Democrats won.

KILLER INSTINCT

The Republicans always had killers on their side, ruthless closers like Karl Rove, Tom DeLay and Lee Atwater, the late mudslinging mastermind credited with getting the first President Bush elected.

In Emanuel, Democrats had their counterpart, a tactician of a caliber the party had not seen since the young Lyndon Johnson converted the DCCC into a power base.

Emanuel's thin, unimposing frame still hints at the teen and college years devoted to ballet; his voice sometimes screeches, and his words can get jumbled in public speeches.

But his political style—honed in Chicago and on the presidential campaign trail with Clinton—isn't gentle or uncertain. His reputation as a political street fighter inspires respect and more than a little fear.

Some Republicans coped by employing humor. Spotting Emanuel in the House gym last July, Rep. Christopher Shays of Connecticut told him he knew that he'd been targeted. Emanuel was planning to spend $3 million to defeat the popular moderate.

"I'll tell you what," Shays said. "Just give me the $3 million, and I'll retire voluntarily."

Emanuel's strategy was to keep the opposition uncomfortable. If a Republican congressman took a vote that he hoped no one in his district would notice, such as supporting a Bush budget cut, Emanuel immediately issued a press release and sent it to the Republican's hometown newspaper. He then sent it to the lawmaker's office to, as he said, "[mess] with their heads."

He had the DCCC designate one Republican as the "rubber stamp of the week" and another as the "crony of the week," a gimmick that generated a surprising amount of local coverage. Republicans who received money from drugmakers or oil companies were ridiculed as lackeys of special interests.

Last fall, a Democratic takeover of the House was laughable. Emanuel faced a merciless political map. Computer-assisted gerrymandering had made it possible for Republicans to draw congressional boundaries with increasing precision, ensuring a maximum number of GOP-leaning districts.

And yet Emanuel worried the GOP. "I think there is a lot of angst on our side," Rep. Tom Cole, an Oklahoma Republican, said late last year.

The popularity of the war in Iraq already was declining, and the president's poll numbers weren't good. If things got worse, GOP strategists sensed that Emanuel was someone who could take advantage of the opportunity. "If you are in a lead-pipe cinch

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Republican district, it's easier. But if you are in a marginal district, it's tough," Cole said. "The shark looks beautiful when you are outside the tank. But inside, it's a little different."

One of Emanuel's top targets, Rep. E. Clay Shaw of Florida, was 67, had served in the House for a quarter-century and had no desire to end his career with an embarrassing loss. One day last summer, when Emanuel was walking from his office to the Capitol, he passed Shaw. He nodded, saying "Clay" by way of greeting. Shaw stared ahead icily and kept walking. "See how he didn't say hello?" Emanuel asked.

He knew he was despised. "Look, this is not for the fainthearted," Emanuel said. "Their job is important to them, and I am seen as a threat to their job security. And that's life. And I didn't come here to win a popularity contest with them."

He added, "I wake up some mornings hating me too."

None of Emanuel's relationships with Republicans was testier than the one with Rep. Tom Reynolds, the upstate New Yorker who was his Republican counterpart. A stocky 56-year-old, Reynolds sometimes flinched when Emanuel's name was mentioned. Reynolds tried to be sportsmanlike, even when Emanuel targeted him for defeat—breaking the usual gentlemen's deal not to go after whoever was running the other party's campaign.

"If this was a tennis game, I would say he's a good tennis player and he makes my game better," Reynolds said grudgingly late last year. "He's a good pol. He's from Chicago." Then Reynolds added that he was a good pol too, from New York.

INTENSE, EVEN IN TIGHTS

Central to Emanuel's ability to unnerve his political enemies is his fierce intensity, a quality that wasn't initially apparent as he grew up on the North Shore of Chicago. He played peacemaker between his older brother Ezekiel and his younger brother Ari, and he pirouetted around the house. "Ari would be wrestling, Zeke would be pondering deep thoughts, and Rahmmy would be leaping down the stairs and doing ballet dance twirls," his mother, Marsha, recalled.

Ari even got the top bunk bed when he and Rahm shared a room, even though Rahm was older and could have laid claim to it. "I was physically stronger," Ari Emanuel explained.

But when their parents sent Rahm to study ballet, his single-mindedness emerged. "Intense would be a word I would have used even then," said Kerry Hubata, his former ballet teacher. "I've seen kids with physical talent but didn't work as hard. Others, who weren't as gifted physically but had the desire and didn't mind the pain, succeeded more. He had the drive."

That drive only increased when Emanuel suffered an accident just before his 1977 graduation from New Trier West High School. Working at an Arby's, Emanuel badly cut the middle finger of his right hand. He insisted on going to prom festivities anyway, including a swim in Lake Michigan, and the finger became badly infected. Emanuel, his family recalled, lay near death in Children's Memorial Hospital with a fever of 106 degrees, as antibiotics were pumped into him. In the end, doctors removed half his finger.

"That was a big turning point in Rahm's life," said his mother, sitting in the kitchen of the Emanuels' modest two-story home in Wilmette. "It was touch-and-go, and finally when he came out of it he was more serious. … I honestly think that was his existential moment of near-death and realizing that you have to do something with life."

Emanuel was not the only brother with a drive to succeed. Ezekiel, the eldest, became an oncologist, joined the faculty at the Dana-Farber Cancer Institute and Harvard University, and is now a prominent medical ethicist at the National Institutes of Health. Ari went to Hollywood and has become an enormously wealthy agent, not to mention the inspiration for the bombastic Ari Gold character on HBO's "Entourage." (Emanuel, too, partly inspired a TV character: Josh Lyman on "The West Wing.")

The accomplished brothers came from parents with strong personalities. Emanuel's father, Benjamin, worked for the Jewish underground in pre-state Israel—he was smashed on the head by a British officer's baton, which left a dent in his skull—and became a well-known pediatrician in Chicago. Emanuel's mother was a civil rights activist who sometimes did not come home at night because she had been arrested. The Emanuels also adopted a daughter, Shoshana, who had a difficult youth and has kept a low profile.

Ezekiel Emanuel attributes the congressman's drive to their father. "He was notorious for seeing twice as many patients as the next guy on this list," Ezekiel said. "He would be personable, but just 'Get to the meat of things and get it done.'

"That obviously is a trait that people can see in Rahm, and it's quite clear where it came from, in my opinion."

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Personable, however, is not a word many would use to describe Benjamin Emanuel's middle son. White Sox manager Ozzie Guillen once said of catcher A.J. Pierzynski: "If you play against him, you hate him. If you play with him, you hate him a little less." Though Emanuel has his die-hard loyalists, he could be the Democratic Party's A.J. Pierzynski.

PARTY CRASHER

On a late-spring day in 2006, Emanuel and Charles Schumer, the New Yorker in charge of winning the Senate for the Democrats, walked into the office of party Chairman Howard Dean.

Emanuel, once again, was ready for a fight.

For months, he and Schumer had been imploring the iconoclastic former presidential candidate to channel more money into congressional campaigns. Dean had been pushing a "50-state strategy" to build a Democratic operation in every part of the country.

The national party usually spent millions to help House candidates, but Dean was instead using the money to build this far-flung operation, to Emanuel's immense frustration. He felt Dean's strategy wasted money in unwinnable places.

According to Emanuel, the meeting devolved into a confrontation over resources. Emanuel said that the Republicans planned to heavily fund key races and that if Dean refused to do the same, it would amount to unilateral disarmament. Dean replied that he was fielding activists in every corner of every state.

Ridiculing the effort, Emanuel told Dean that he had seen no sign of it. "I know your field plan. It doesn't exist," he recalled saying. "I've gone around the country with these races. I've seen your people. There's no plan, Howard."

The tongue-lashing was another example of how Emanuel took a sledgehammer to intraparty niceties, making plenty of enemies along the way.

The gravitational center of Democratic antagonism toward Emanuel was the Congressional Black Caucus. Many of the caucus' 43 members complained that Emanuel had not hired enough African-American staffers. They also protested that when he harangued lawmakers to pay their DCCC dues, he did not recognize how hard it was for black politicians, many of whom represented poorer areas, to raise money. The protests often erupted into shouting matches. "If a person says, 'Danny Davis, where are your dues?' I may have a particular difficulty getting my dues that you don't know about or you don't relate to," Rep. Danny Davis, the West Side Democrat, said last summer. "Rahm don't take no prisoners."

Emanuel was privately contemptuous of such complaints. He saw the Black Caucus as one more party faction, like conservative Democrats, that would rather complain than work. Asked about the number of black staffers at the DCCC—two African-Americans were on his senior staff of about 10 people—he waved his hand dismissively. "You know that every [DCCC] chairman has faced the same criticism?" he said. "OK. So I don't give a [expletive]," he added, literally spitting.

Then he began ranting about his conservative party colleagues. "They hate me too, because I'm arrogant and pushy with them. … Because they've never, ever WORKED! NOBODY! NONE OF 'EM!"

Little enraged Emanuel as much as a fellow Democrat who didn't share his unrelenting drive to win. In January 2006, Rep. Alcee Hastings, a Florida Democrat, was quoted in a local newspaper speaking sympathetically of Republican Clay Shaw. Because of his longtime friendship with Shaw, Hastings pointedly declined to endorse Shaw's Democratic challenger.

Hastings was a colorful figure. A former federal judge, he was removed from the bench by Congress in 1989 for corruption and perjury, only the sixth U.S. judge in history to suffer this fate. He took revenge by winning a seat in Congress. A forceful speaker, Hastings chastised Emanuel in a closed meeting of House Democrats for not recruiting more candidates.

"He's great on lectures," Emanuel said later. "Phenomenal lecturer. I'm getting a lecture on recruitment when A, you haven't done a … damn thing, and B, we've got a [Republican] target and you're out there kissing his [behind] in the press?"

Hastings refused to back down, saying he was close to both Shaw and his Democratic rival, Ron Klein, and could not in good conscience take sides. "Ron Klein is my friend. I have known Clay Shaw for nearly 40 years," he said. "Far be it from me to insert myself in a race of that kind."

Hastings was hardly the only Democrat who Emanuel thought was not pulling his weight. Many of his colleagues were doing great work, he said, but dozens of others declined to help him take on their Republican friends.

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"You've got to have a thirst for winning," he said. "You know what our party thinks? 'We're good people with good ideas. That's just enough, isn't it?' Being tough enough, mean enough and vicious enough is just not what they want. … They just want to be patted on the back for the noble effort. No."

This no-holds-barred politics came naturally to Emanuel. In the 1980s he joined the campaigns of Sen. Paul Simon and Mayor Daley, proving adept at raising money. (Daley would later return the favor by fielding city patronage workers to help Emanuel win his first congressional election in 2002; that get-out-the-vote operation is now part of a federal investigation.)

Political consultant David Axelrod remembers Emanuel as a young Chicago political operative. "The first word that comes to mind is chutzpah," Axelrod said. "He redefined the term."

Emanuel brought that chutzpah to Arkansas Gov. Bill Clinton's improbable presidential run. "He was then a little more brash and less polished than now, but he clearly had loads of ability and drive," the former president recalled in an e-mailed response to questions. "My first impression was, 'This guy is going to help us win.' And he did. I doubt we could have done it without him, especially in those critical early months."

When Clinton did win, Emanuel became his White House political director. But this time, his confrontational style failed him, as he clashed with other staffers and was quickly demoted to "director of special projects." The humiliation tempered his sharpest edges.

"He was devastated by what happened," said his mother, Marsha. "He told us that he had to sit back and rethink his methodology. And like with the finger, he took a deep breath and saw what direction he should go in."

Something of the relationship between the undisciplined president and his hard-hitting aide can be gleaned from an inscription on a photo Clinton gave Emanuel on his 38th birthday. Clinton signed it as though he were Emanuel: "Now Mr. President, how many times do I have to tell you, say it this way?" Clinton wrote. "And, by the way, wish me a happy birthday. Always gently, Rahm 11/29/97."

Emanuel's passion and loyalty won him the allegiance of others as well. Stan Greenberg's daughter Anna, a friend of Emanuel's as well as his pollster, asked him to officiate at her wedding earlier this year. Emanuel studied hard, read sacred texts and consulted a rabbi.

He could not resist cracking a few political jokes at the ceremony. But the wedding highlighted Emanuel's attachment to Judaism. "It's not as much about going to synagogue," Greenberg said. "But having ritual and tradition and teaching Jewish values are really, really important to him."

It was a side of Emanuel not seen by many people, including many of his fellow Democratic congressmen.

On a warm night last May, Emanuel summoned them to a colorless conference room at Democratic headquarters. He had walked a fine line for a year and a half, hoping to excite Democrats without unduly raising expectations. But now he felt the time had come to convince them that they could actually win.

As several dozen House members settled into hard chairs, Emanuel cited polls suggesting that voters were ready for change. He also showed a video that included a quote from Republican pollster Tony Fabrizio confessing, "These numbers are scary." Images of Tom DeLay and other Republicans felled by scandal flashed on the screen to the pumping rhythm of the Queen song "Another One Bites the Dust."

Demoralized by defeat, many Democrats had begun to think that they would lose no matter how favorable the political winds. Al Gore and John Kerry appeared to have the momentum in their races, only to suffer crushing losses. The GOP had more money, armies of social conservatives and an entire region of the country, the South, almost uniformly in its camp.

But with his mastery of details, Emanuel gradually convinced even his most jaded colleagues that the Democrats could reach more than the 15-seat net gain they needed to seize the House for the first time since 1992.

Emanuel was constantly on the phone to candidates—coaching, reassuring, tormenting. In an August call to candidate Joe Sestak of Pennsylvania, Emanuel promised that Bill Clinton would help him raise money. "Joe Sestak, this is your rabbi, Rahm," he intoned playfully. "Clinton. I'm close to having him do an event for you in Philly. … Clinton will put his arm around you and say, 'He's my man.'"

In a fairly typical sign-off, he concluded another call to Sestak: "Don't [mess] it up or … I'll kill you. All right, I love you. Bye."

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He warned another Pennsylvania hopeful, Chris Carney, about negative ads the GOP was about to unleash. "They're going to come after you," Emanuel said. "You haven't said anything stupid on the hustings, have you?

"Well, don't waste your time with me. Go raise some more money."

A MACHO MAKEOVER

All of Emanuel's scolding and cajoling would have meant nothing if he fielded weak candidates. After yet another devastating loss in 2004, he and other Democratic leaders quickly determined that the party needed a machismo implant. Emanuel looked for candidates with strong backgrounds, from sheriffs to soldiers, to counteract a Democratic image of softness.

This is why he badly wanted Heath Shuler, a former football star, to run for Congress as a Democrat in North Carolina. An evangelical Christian who opposes abortion, Shuler couldn't easily have his views caricatured by the GOP.

But Shuler was worried that if he ran and won, he would never see his two young children. To prove that congressmen do spend time with their children, Emanuel started calling Shuler in early 2005 whenever he was with his own family.

Shuler would pick up the phone and hear, "It's Rahm. I'm at a soccer game with my kids. Just wanted you to know that." Or "It's Rahm. I'm at a kindergarten play now. Talk to you soon." Shuler received perhaps 10 such calls. Of course, this also illustrated that whenever Emanuel was with his family, he was working.

In any case, Shuler agreed to jump in the race, challenging a 16-year incumbent and becoming one of the Democrats' hottest candidates. "I was recruited from high school to play college football, I was recruited by almost every college in the country, and then I was recruited into the NFL," said Shuler, a former Washington Redskins quarterback.

"I know all the angles that people use to recruit you," he added. "Nobody does it as well as Rahm Emanuel."

Emanuel believed in being tough. In September 2005, he described a Vietnam veteran he was trying to recruit this way: "I don't know if he's going to win, but I'll tell you this: I don't want to cross [him]. I think he would take out a knife and kill you. I think he would kill you." Emanuel viewed this as an asset.

His goal was to recruit 50 credible challengers. He had one criterion: people who could win. That may sound obvious, but it's not. Many Democrats did not believe in recruiting overly conservative candidates, no matter how promising. In the past, those like Shuler who opposed abortion were not welcome in the party.

"We don't have an ideological purity test," said Rep. Chris Van Hollen of Maryland, Emanuel's top lieutenant for recruiting. "If you believe in the basic gut principles of the Democratic Party—opportunity, fairness for all—we're not going to hold people to a litmus test."

Emanuel's recruiting effort had its share of failures; his top two candidates to challenge Rep. Richard Pombo, a vulnerable California Republican, turned him down, and his third candidate lost in the primary. (Pombo lost anyway, reflecting the magnitude of the Democratic victory.) Republicans mocked many of his recruits as "B-list."

But in the election's aftermath, it is clear that Democrats won several races, including Shuler's, that they would have lost if not for Emanuel's tireless recruiting. He had put enough legitimate challengers in place to exploit the unexpected opportunity.

Eclipsed by the election night euphoria was the fact that one of Emanuel's few disappointments came in his own back yard. Tammy Duckworth, a captain in the Illinois Army National Guard, lost to state Sen. Peter Roskam despite being one of the Democrats' highest-profile candidates.

Initially recruited by Sen. Dick Durbin (D-Ill.), Duckworth was the only wounded Iraq war veteran running for Congress. And she proved an irresistible news story, as Emanuel knew she would: A brave woman volunteers to serve in Iraq, loses both legs in combat and returns to seek office.

Her candidacy also showed Emanuel's sometimes-callous pragmatism. When Duckworth entered the race, another Democrat, Christine Cegelis, was already running for the same seat. Cegelis had run two years earlier, done surprisingly well and built a loyal following. But Emanuel and Durbin did not believe she was working hard enough or raising sufficient money, and they settled on Duckworth as better-suited to the centrist district.

Between the appeal of her story and the power of her patrons, Duckworth won the backing of nearly every influential institution in Illinois. The state AFL-CIO announced its support for Duckworth — even though Cegelis, not Duckworth, was a former union member.

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Emanuel used his connections to get Duckworth an appearance on the Sunday talk show hosted by George Stephanopoulos, his friend and former colleague in the Clinton White House. Another Emanuel ally, Axelrod, became Duckworth's media consultant. Cegelis could not compete with this, losing 44 percent to 40 percent to Duckworth in the March primary, with a third candidate getting the rest.

In the general election campaign, Roskam cast Duckworth as a puppet of Emanuel. "My opponent, in her name-calling, has called me a rubber stamp," Roskam said during one debate. "But I challenge my opponent to come up with one issue on which she differs from Congressman Rahm Emanuel."

Days before the election, Roskam's campaign gave Emanuel and the Duckworth camp a little of their own business. Just as organized labor had supported her in the primary even though Cegelis was the former card-carrying union member, the VFW endorsed Roskam even though Duckworth was the wounded war veteran.

Ultimately the district was too Republican, and Duckworth was too green, to pull off a win.

'DIG DEEP DOWN'

Emanuel walked into the offices of Prince, Lobel, Glovsky & Tye, a top Boston law firm, early one morning last August. The mission: extract as much money as possible from the 20 lawyers chewing bagels around a 30-foot conference table.

"I've been in politics for 20 years. This is the first time I've seen the stars aligned like this," Emanuel told them. "People know the party in power has messed things up."

Despite his phrasemaking, Emanuel was not a great speaker; he could lapse into a confusing shorthand on politics or legislation. But his message on this day was clear. He held up a $12,000 check he had just written to New Hampshire Democratic candidate Jim Craig. "I'm in for 12, folks," Emanuel said. "I want you to dig deep down. … For the first time, this is within our grasp."

Several listeners pulled out checkbooks on the spot, and the event raised $20,000. Someone asked Emanuel how he planned to spend the money he was raising nationally. He would not distribute funds based on which candidates he liked, he said, nor on who were the most loyal Democrats.

"I'm cutthroat about this," he said. "I don't give a crap where I pick up seats. I plan on winning. There is no emotional attachment."

Emanuel had arrived at the DCCC with a reputation as a world-class fundraiser. As finance director for Bill Clinton's first presidential run, Emanuel jumped on a table to exhort his staff to work harder. He yelled at donors, refusing to accept checks he considered too small. He probably saved Clinton's candidacy by keeping the cash flowing even after embarrassing reports of Clinton's affair with Gennifer Flowers.

Democrats always trail Republicans in fundraising, but in his fight for the House, Emanuel was determined to keep the money race close. No matter how good candidates were, it meant little if they did not have cash to advertise and pay campaign workers. Emanuel's first goal, as he traveled the country asking for money, was to raise $95 million. But as the Democrats gained momentum, contributions surged and Emanuel raised his target to $105 million. By the campaign's end, the Democrats had brought in close to $120 million, easily surpassing all previous records.

Emanuel and his staff judged a candidate almost entirely by how much money he or she brought in. If the candidate proved a good fundraiser, the DCCC would provide support, advertising and strategic advice. If not, the committee would shut him or her out.

Emanuel's demands were specific. Democratic challengers, for instance, had to raise $320,000 by March 31. At a staff meeting a year ago, talk turned to a Pennsylvania Democrat named Andy Warren who had raised a meager $38,662 in the previous three months.

Emanuel ordered the staff to drop Warren and back his Democratic opponent. "Eliminate him," Emanuel said curtly.

As for other candidates who had not met their goals, Emanuel said, "We'll just take three hours tomorrow, and I'll call the idiots who need to be pushed."

THE FINAL SPRINT

The story of the 2006 campaign was ultimately that of an overreaching Republican coalition that imploded over sex and corruption scandals as well as Iraq's descent into chaos. With astounding speed, Republicans found themselves out of sync with

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the voters, falling from grace in nearly unprecedented fashion. Emanuel did not know that would happen any more than anyone else did. His goal at the outset had been simply to win more seats than expected.

The effort exacted a toll on Emanuel, a father of two girls and a boy. After he voted for himself in the Illinois Democratic primary in March, his 8-year-old daughter Ilana had said she hoped he would lose so he would not travel so much. She could imitate Emanuel's conversations with people such as Schumer, New York's senior senator.

"Chuck," she would say. A pause, and then, louder, "CHUCK!" Emanuel's son, Zach, 9, stopped talking to him when he called from the road. When Emanuel was home, Zach implored him to stop talking on his cell phone while they were tossing a football.

Emanuel called his wife, Amy Rule, several times a day from the road. They had met on a blind date in 1990 and married four years later. An MBA from Wharton, Rule worked at the Art Institute of Chicago but is now a stay-at-home mom, raising their children on the North Side.

In the car after an August fundraiser in Boston, Emanuel told her that he hadn't slept much the night before, kept awake by all the details of the campaign.

"How are the kids?" he asked.

After listening to her response, he said wistfully, "I'm so sorry I'm missing two little girls in the bathtub. Sounds peaceful."

His hair turned whiter during the campaign and he lost 14 pounds, his clothes hanging on a scarecrow frame. As Election Day neared, he awoke every morning at 3, agitating and strategizing. By day's end, his fingers would be trembling and his nose running from fatigue.

Most stressful for Emanuel was his lack of control over certain decisions. Campaign finance laws required him to create an "independent expenditures" group to oversee the vast majority of Democratic TV ads. Its independence was limited because it was run by John Lapp, who had spent much of the campaign as Emanuel's top aide. But Emanuel had to dump half the $120 million he had raised into the group's coffers, with no say over how it was spent.

As the campaign drew to a close, Lapp and his deputy, Ali Wade, were signing off on dozens of advertisements each day in an office across the street from the DCCC. The office was filled with chaotic activity—phones ringing, staffers charging in, ads playing on computers. A board on the wall listed districts where the DCCC was airing TV spots. One day in October, another call from James Carville prompted Wade to say in exasperation: "Can we change our number so he doesn't keep calling?"

This was a fast-moving game, especially for Emanuel. He took his 48th and final campaign trip to Las Vegas five days before the election. This visit to Nevada candidate Tessa Hafen was symbolic of how the landscape had shifted; just weeks earlier, her cause was thought to be hopeless, but now she had a chance, albeit a slim one.

Emanuel careened between overwhelming anxiety and giddiness. At a fundraiser for Hafen that night, Emanuel seemed tense. But by the next morning, preparing for his final news conference, he was in an expansive, almost joyful, mood as he gulped two cups of black coffee in the lobby of Las Vegas' monstrous Mandalay Bay hotel and casino.

"We have a seat in New Hampshire we are going to … steal," he chortled.

And in a final spurt of generosity, Emanuel ordered a gift sent to all the Democratic candidates he had been coaching for nearly two years. Back in early 2005, when he was recruiting candidates, Emanuel sent cheesecakes to particularly desirable prospects. So on the eve of the election, 70 cakes went out from Eli's Cheesecake in Chicago to Democratic challengers from Nevada to Connecticut.

BIG NIGHT

A large erasable board, divided into some 80 squares for various House districts, dominated one wall in the DCCC offices on election night. Interns rushed to update results, prompting cheers or moans from the assembled staffers.

When a winner was declared in a race, the interns outlined the square in red marker. As the number of red squares grew, the magnitude of the Democratic gains became clear and an unfamiliar mood of jubilation overtook the staffers.

For Emanuel—ensconced in an office with friends and family—the board represented the culmination of two years' work. Every number reported the fate of a candidate he had helped recruit, cultivate and had come to know.

Televisions were scattered throughout the DCCC offices and common areas. At 11:08, CNN's Wolf Blitzer intoned, "We can now project that the Democrats will be in the majority in the House of Representatives."

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Emanuel seemed momentarily dazed, hugging his brother Zeke and kissing Amy. Six minutes later, Speaker-to-be Nancy Pelosi, looking jittery and happy, walked from the room where she had been watching the returns into Emanuel's office.

He roared, "Fellas—Madame speaker!" Pelosi and Emanuel hugged, rocking gently together for a few seconds. Brian Wolff, a staffer who worked for both Emanuel and Pelosi, called out, "Mission accomplished!"

At that moment, Sen. Barack Obama, who had campaigned relentlessly for House candidates, called to offer congratulations. "Barack," Pelosi said. "Thank you, thank you, thank you for all that you did." She walked back to her office muttering, "I gotta call my brother."

As Pelosi made her way through the DCCC staffers, some applauded, then more joined in and everyone rose in a whooping standing ovation. "This is so much better than losing," a staffer said to no one in particular.

Emanuel walked out of his office into the ecstatic throng and hopped on a desk.

In a few minutes, in front of the cameras, he would strike a conciliatory note about his opponents, and in the days that followed he would stress how both parties needed to work together for what was best for the country.

But at that moment, Emanuel would not, could not censor his glee, or restrain his distaste for the defeated Republicans.

For weeks they had been boasting that their program for turning out voters in the campaign's final 72 hours would swamp all his work. The voters had made those statements look ridiculous.

"I'll tell you this," Emanuel shouted out to his staff. "The Republicans may have the 72-hour program. But they have not seen the 22-month program!

"Since my kids are gone, I can say it: They can go ---- themselves!"

Maybe You Did Vote Your Pocketbook (NYT)

By Daniel Altman

The New York Times, November 12, 2006

SOMEWHERE, deep in the consciousness of American voters, is the idea that the representatives they send to Washington can affect their economic well-being. Candidates surely share this conviction. Otherwise, why would they bother to make promises about jobs, incomes and taxes?

It follows that if those representatives fail to bring economic benefits, they risk losing their own jobs. So politics affects economics, and vice versa — at least that's the widely held theory. But what was the reality in last week's election?

To paraphrase a Clinton-era mantra, it really might have been the economy, stupid. More than 80 percent of voters in an exit poll, conducted for The Associated Press and television networks by Edison Media Research/Mitofsky International, said the economy was a very important or extremely important issue. That percentage was the highest for any issue, including Iraq and terrorism.

Furthermore, electoral data and government economic statistics suggest that the economy played a role in the outcome: if your state wasn't among the best economic performers in the last six years, judged by the growth of personal income, it appears that you were three times as likely to vote to throw the bums out.

That's the conclusion from an early look at the figures, and it may even be true. But the actual relationships between politics and economics are hard to pin down empirically, and some experts may even theorize that they don't exist.

Plenty of economists would argue, for example, that your local representative doesn't really have much control over your economic well-being. In the long run, the nation's capacity to produce is controlled by factors like educational attainment and the development of new technologies — factors that are difficult to change in a short period.

Moreover, your representative can't do much, as an individual, to sway the world economy. The amount of your state's exports demanded by Europe, Japan and other economic giants relies on millions of other dynamics, even though your representative may take the occasional rainmaking trip abroad.

Then there is pork-barreling. As a member of the ruling party in Congress — the Republicans, in recent times — your representative might have been able to funnel federal construction money your way, or perhaps to add a few pet projects in your district to assorted spending bills. In addition, your representative might have contributed to writing big legislation, like tax cuts, so that it favored people like you.

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Yet something like pork-barreling could have a measurable economic impact at the local level, even if its effects are dwarfed by those of globalization. And the data suggest that voting for Republicans in 2000 did help some states economically. In general, personal income rose faster from the end of 2000 through the second quarter this year in states that elected a higher share of Republicans to their House delegations. On average, states that elected no Republicans to the House could have expected nine percentage points less growth in personal income than states that elected all Republicans. The average state's income grew by 29 percent, so an additional nine points wouldn't have been anything to sneeze at. During that same six-year period, the states' economic experiences were hardly uniform. In rural states like Wyoming and South Dakota, for example, personal income rose by well over a third. In other states, like Michigan and Ohio, it grew less than a fifth. So there is a logical next question: Did voters hold their agenda-setting Republican representatives responsible for poor performance by voting them out?

It's easier to answer this question if you leave out the six states that didn't elect any Republicans in 2000; after all, they didn't have any to throw out. If you also remove New Hampshire and South Dakota, where the percentage of Republicans elected dropped to 0 from 100 — each state only has one seat in the House — a pattern starts to appear.

It suggests that differences in economic performance could have had a big political impact, even though the overall changes to the delegations were small. In the 10 states where personal income grew the most, the Republican share of the states' House delegations dropped only 2 percent, on average. In the other 32 states, the Republican share fell an average of 7 percent.

None of this proves a correlation between economics and politics, or, for that matter, any causality. To be sure of any of these statistical relationships, you would have to adjust for anything else that might have affected the economy differentially across states from 2000 to 2006: things as diverse as changes in tax policy or demographic shifts. Then you could tell whether the correlations were robust. And it's by no means certain that they would be: looking at unemployment rates instead of personal income, it's tough to pick out any patterns in the raw data.

Still, both parties have a clear incentive to learn whether these relationships exist. Winners who figure out why they won stand a better chance of winning again; losers who know why they lost won't repeat the same mistakes.

Statistics or no, the Democrats already seem to be convinced. They have promised a raft of economic legislation during their first weeks in power, proposing to raise the minimum wage to $7.25, to cut the interest rate on student loans in half and to require any new spending to be paid for by cuts to other spending or new tax revenue.

Without a Democratic president, of course, it will be much harder to turn these bills into law. For that reason, voters might not hold the Democrats responsible for economic performance the way they apparently did with the Republicans. Then again, if personal income doesn't rise, they might blame the Democrats — and the statistics might just tell the tale.

How The Hammer Fell On His Own Party (HC)

By Bennett Roth, Michael Hedges

Houston Chronicle, November 12, 2006

WASHINGTON - The legacy of the once powerful Republican Tom DeLay of Sugar Land cast a long shadow over last week's elections, in which voters shrank the ranks of a party accused of being too partisan, too cozy with special interests and too fond of big spending.

As majority whip and later majority leader of the House, DeLay helped build a Republican political empire that he tried to make immune from erosion by pushing the 2003 Texas redistricting plan that threw several veteran House Democrats out of office.

For years the former pest exterminator ruled with an iron hand that brought his party legislative victories but also intensified the poisonous partisan mood in Washington.

DeLay's combative style indeed was one of the factors in turning the electorate away from the GOP, said Ross Baker, a political scientist at Rutgers University.

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"I don't think Tom DeLay as an individual was in the minds of many voters. But the election was very much a reaction to the kind of bare-knuckles politics he practiced," Baker said. "People thought this extreme, destructive partisanship had gone on long enough."

Conservatives, independent political observers and officials from both parties also said last week that the close ties between lobbyists and lawmakers that DeLay nurtured, and which led to the political scandal involving convicted former lobbyist Jack Abramoff, cost Republicans some seats as Democrats took over the majority in the House and Senate.

Party principles

The decision by DeLay and others in the GOP leadership to boost federal funds for programs, thereby helping lawmakers get re-elected by benefiting many of their constituents, alienated fiscal conservatives. They felt the party had betrayed its principles of smaller government.

"When Tom and his bunch first ran, they campaigned against the cesspool in Washington. After a while they looked around and said, 'Hey, this isn't a cesspool, it's a hot tub,' " said seasoned conservative activist Richard Viguerie. (As a state lawmaker, DeLay was nicknamed "hot tub Tom" because of his penchant for enjoying the good life).

A CNN poll conducted Tuesday found that 42 percent of voters nationwide said that ethics was an extremely important factor in their vote.

DeLay did not return calls for comment for this article. In television appearances after the election last week, DeLay conceded that corruption had been an issue but dismissed the idea that voters had just rejected the type of government he advocated.

"I think the corruption issue was really important in about nine or ten different seats," he said on CNN. "Those of us and those Americans that want to win the war on terror, want fundamental tax reform, want to stop the culture of death, want to stop judicial activism, we're going to have to wait now until '08.

"This country is still right of center," he said. "There are more conservatives in this country than liberals."

But Viguerie said DeLay was a symbol of the GOP abandoning its core principles, leaving some conservatives sitting out last week's election.

DeLay's leading role in lining up Republican votes for Bush's Medicare prescription-drug plan, a major new entitlement program, was a prime example of his betraying conservatives, Viguerie said.

District goes to Dems

Adding irony to injury, DeLay's Houston-area 22nd Congressional District seat was won Tuesday by a Democrat, Nick Lampson, who was turned out of office two years ago essentially because of the new DeLay-inspired election map that made more Texas districts lean Republican.

A major factor in Lampson's victory was that DeLay won the Republican primary this year, then quit Congress and declined to run in last week's general election, leaving the Republican Party unsuccessfully going to court to get a replacement candidate on the ballot. GOP write-in candidate Shelley Sekula-Gibbs' spirited campaign to become the first write-in contender in Texas history to win a congressional seat fell short.

Marshall Wittmann, a former Republican who works for the Democratic Leadership Council, a centrist Democratic group, said the election served as a referendum on DeLay's methods as a congressional leader.

"It was complete rejection of DeLay, from cronyism to corruption to ideological polarization," Wittmann said.

DeLay resigned last spring in part because of his indictment by a Texas grand jury on charges of violating state election law on campaign financing.

Even the Wall Street Journal's conservative editorial page said Friday that DeLay had undercut the 1994 Republican revolution spearheaded by former House Speaker Newt Gingrich, whose stated goals were to make "government smaller and smarter."

"Somehow, over the years, that conviction was replaced by Tom DeLay and the quest for permanent incumbency," the editorial stated.

Ties to lobbyists

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Viguerie criticized the so-called K Street Project, in which DeLay demanded Washington's big-business lobbyists, who have offices along that street, hire GOP staffers and contribute to Republican candidates in return for access to Congress.

"DeLay tied the Republican Party to the interests of corporate lobbyists," Viguerie said. "He changed the concept of small-government conservativism. He turned the focus from the interests of small businesses to big business."

DeLay, who has never been charged with wrongdoing over Abramoff, accompanied the lobbyist on several trips, including an expensive golf outing to Scotland.

Two former aides, Tony Rudy and Michael Scanlon, were convicted for their roles in helping Abramoff, who lavished gifts and trips on lawmakers in return for legislative favors.

The federal probe of Abramoff's activities resulted in the conviction of GOP Rep. Bob Ney of Ohio, whose seat was won by a Democrat. Republican Sen. Conrad Burns of Montana, who had received major contributions from Abramoff and his clients, also lost his election. He was defeated by Democrat Jon Tester, who made ethics an issue in the campaign.

New strategy

In dissecting reasons for his party's losses, Ken Mehlman, outgoing Republican National Committee chairman, pointed to Congress' failure to adopt tougher rules on ethics and earmarks, the funding for special projects often inserted into spending bills by lawmakers at the behest of lobbyists.

"I think reform ought to be a big focus. Obviously you need to raise money to win in politics, but you should never, in exchange for raising money, change your principles or your policies," Mehlman said.

G.O.P. Collapse In Indiana Emblematic Of Larger Loss (NYT)

By Adam Nossiter

The New York Times, November 12, 2006

EVANSVILLE, Ind., Nov. 10 — As he campaigned for re-election, the Republican who lost his seat in the House of Representatives here on Tuesday threw several incendiary barbs suggesting that the opposition was beyond the mainstream of these placid southern Indiana environs: “Homosexual agenda”; “San Francisco liberal Nancy Pelosi”; “New York liberal Charlie Rangel”; “Detroit liberal John Conyers.”

The attack backfired, and the Republican incumbent, John Hostettler, lost, as did two other incumbent Indiana Republicans in what proved to be a crucial state for Democrats in winning the House.

The mechanics of those defeats offer insights into the larger loss, and point to traps that Republican candidates appeared to have unwittingly entered: In all three cases, to demonstrate being a Washington insider was to court doom, no matter how much the incumbents railed against the ways of the capital.

Nowhere was that dynamic more striking than in Evansville, an old industrial city on the Ohio River, with its stolid manufacturing plants at the edges and its seasoned red-brick neighborhoods downtown. Mr. Hostettler had fashioned a determinedly unconventional image for himself over 12 years, from his contrarian vote against the Iraq war to his claim that abortion and breast cancer were linked.

Mr. Hostettler was a principled “citizen legislator,” a “Mr. Smith,” his press secretary said, and when it came time to run for re-election in a district that President Bush won by 24 points in 2004, the congressman tried associating his Democrat opponent with the worst of Washington’s taint, at least in conservative eyes.

“Eighth District voters are concerned about the homosexual agenda,” Mr. Hostettler was quoted as saying. Ms. Pelosi was certain to “put in motion her radical plan to advance the homosexual agenda,” a Hostettler radio advertisement said.

The flaw in that strategy was that Nancy Pelosi was hardly the household name on the banks of the Ohio that she was on the banks of the Potomac. Mr. Hostettler knew who she was, of course, but in Evansville and the little towns stretching up to Indianapolis, that was less of a sure bet, said Brad Ellsworth, the Democrat who beat Mr. Hostettler.

“The question I get the most is, ‘Who is Nancy Pelosi?’ ” Mr. Ellsworth said. “People to this day don’t know who Pelosi is.”

In any case, he said, attacks on Ms. Pelosi “offended a lot of women in this area.”

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In the end, Mr. Hostettler ended up tarring only himself by demonstrating his superior knowledge of and close association with Washington. Mr. Ellsworth, by contrast, came across as the ultimate outsider: he appeared to struggle to remember whom he voted for in the 2004 presidential election, or whether he voted at all.

Mr. Ellsworth, 48, the easygoing sheriff of Vanderburgh County, was also nearly as conservative as his Republican opponent. He said he became a Democrat only because Republicans on the County Council voted against paying for bulletproof vests for sheriff's deputies in the early 1980s.

A similar chain of events unfolded elsewhere in Indiana.

East along the Ohio in the neighboring Ninth District, supporters of Representative Mike Sodrel, the freshman Republican who lost his race for re-election, routinely described him as a nonpolitician inured to Washington's ways.

"For most of us, we don't look at Mike as a politician, we look at him as a patriot," said Jan Whittenberg, the outreach director at Graceland Baptist Church in New Albany.

Yet the wealthy but down-home Mr. Sodrel, a self-made trucking magnate, was among the most assiduous of all House candidates in enlisting campaign support from Republican power brokers. President Bush, Vice President Dick Cheney, Laura Bush and various cabinet members made repeated visits to Indiana on Mr. Sodrel's behalf — "essentially the entire Republican establishment," said Abby Curran, the campaign manager for the Democratic candidate, Baron Hill.

Mr. Sodrel's campaign came out with the usual Republican talking points, jabbing at Mr. Hill on gay rights, flag-burning and "Hoosier values." A billboard on Interstate 65 in southern Indiana proclaimed Mr. Hill's support for abortion, though Mr. Sodrel's campaign said it was paid for by a third-party group.

But as in the other race, Mr. Sodrel found it virtually impossible to outflank his conservative Democrat. Outside Graceland Baptist two days before the election, Stephen Baldwin, a Sodrel supporter, said of his candidate: "He's a member. He's no politician."

Yet the message conveyed by the cavalcade of Republican stars through southeastern Indiana was exactly the opposite.

"I think there was a perception out there, Who's going to be the Washington insider?" Mr. Hill said. "He created an impression that he was going to be beholden to all these people."

In the Second Congressional District, which contains northern industrial precincts, Representative Chris Chocola, a two-term Republican, saw his re-election bid fail under similar tactics. Mr. Bush made the district his first stop in a House race this election season, in February, and candidate and president formed a tight bond from the start.

"Chocola followed the Rovean line early on, to stick as close as possible to Bush," said Peri E. Arnold, a political science professor at Notre Dame, which is in the Second District, in a reference to Mr. Bush's adviser Karl Rove. "There was no effort to separate himself from Bush, and in this district he paid a significant price for that."

Katie Nee, the campaign manager for the winning Democrat, Joe Donnelly, put it this way: "There was just a general feeling that Washington was not working for the people in this district."

Days after the election, Republican operatives here continued to express bitterness and bewilderment at Tuesday's outcomes, insisting that the best men — the experienced ones — had not won. Yet of Indiana's three Democratic winners, the candidate with easily the biggest margin, Mr. Ellsworth, had the weakest ties to politics. Both of the other Democrats had run for elected office before (Mr. Hill, in fact, had served two terms in the House before he was defeated in 2004 by Mr. Sodrel).

But Mr. Ellsworth was such a novice that when Steny H. Hoyer, the House minority whip, called to recruit him to run, Mr. Ellsworth said he called Washington back and asked to speak with "Congressman Steny."

Though national Democrats may have nudged Mr. Ellsworth into running, he insisted on a grass-roots, on-the-ground campaign up and down the district. "That's the only way I knew how to run this thing," he said. "Get out and meet people."

His new constituents took note. Rick Wahl, a technician for Terminix pest control, finishing up a job at the First Avenue Diner here, did not vote for the incumbent and expressed gratitude at his demise.

"We're the people who do the electing," Mr. Wahl said. "He's a servant of the people. And he seems to have forgotten who the people are."

Rove Remains Steadfast In The Face Of Criticism (WP)

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By Peter Baker

The Washington Post, November 12, 2006

For a man still climbing out of the rubble, Karl Rove seemed in his usual unflappable mood. He roamed around his windowless West Wing office decorated with four Abraham Lincoln portraits, joking with his staff, stuffing copies of "The Iliad" and "The Odyssey" into his bag and signing the last paperwork of the day.

The Architect, as President Bush once called him, has a theory for why the building fell down. "Get me the one-pager!" he cried out to an aide, who promptly delivered a single sheet of paper that had been updated almost hourly since the midterm elections with a series of statistics explaining that the "thumping" Bush took was not such a thumping after all.

The theory is this: The building's infrastructure was actually quite sound. It was bad luck and seasonal shifts in the winds that blew out the walls -- complacent candidates, an ill-timed Mark Foley page scandal and the predictable cycles of history. But the foundation is fine: "The Republican philosophy is alive and well and likely to reemerge in the majority in 2008."

The rest of Washington might think Tuesday's elections were a repudiation of Rove's brand of politics, but Rove does not. For years, he has been the center of hyperbolic attention -- called the genius, the electoral mastermind, the most powerful presidential adviser in a century, Bush's brain, the master of the dark arts of wedge politics, the Republican Moses leading conservatives out of the desert.

The mythology grew to such an outsized degree that when Rove insisted again and again during the campaign that Republicans would win despite the odds, fearful Democrats convinced themselves that he must have known something they did not and waited for an October surprise to spring. Rove encouraged that with supreme confidence. "You are entitled to your math, and I'm entitled to the math," he told a National Public Radio interviewer who suggested Democrats might win.

It turns out that Rove is mortal after all, and not always so good at math. And his critics are crowing. If he tuned in to CNN or NPR last week, here's a sampling of what he would have heard about himself.

Richard Viguerie, the conservative direct-mail pioneer: "Clearly a loss for George Bush, Karl Rove."

Andrew Sullivan, the conservative writer: "Shows him not to be a genius, but to be a real failure as a political strategist."

Bill Maher, the political satirist: "Karl Rove has led this Republican Party down a hole."

David Gergen, ex-presidential adviser: "He went off to hardliners, and that left an awful lot of moderates . . . feeling alienated."

Even Bush seemed to be jabbing at Rove in the aftermath of the elections, which handed Congress back to the Democrats. At a news conference Wednesday, Bush was asked about his ongoing book-reading contest with Rove. "I'm losing," Bush said tartly. "I obviously was working harder in the campaign that he was."

But those who interpret that as anything more than an affectionate, if edgy, dig misunderstand the president's sense of humor and his relationship with his chief strategist, according to officials. Bush likes to needle Rove, even nicknaming him "Turd Blossom," but aides said he does not blame his adviser for the loss, and few believe Rove will lose his job. Instead, he will turn to figuring out a policy and political agenda that can salvage the last two years of the Bush presidency.

"From everything that I've heard, Karl will be around till the end," said Michael J. Gerson, a former White House adviser. "The reason is simple: People who view him as a campaign operative whose usefulness ends when the last vote is counted are wrong."

Asked about his plans, Rove fell back on his standard line: "I serve at the pleasure of the president with the agreement of my wife."

Allies argued that without Rove, the losses would have been worse. "He deserves a good bit of credit for victories and probably he would admit he should take a little blame for the failure," said Rep. Tom Feeney (R-Fla.). "That does not make him any less of a strategic thinker because he had a loss. If I was taking advice outside of the box from anyone, he would probably be the first person I call."

Mary Matalin, an adviser to Vice President Cheney, said Rove is still "the Zen master of movement politics" but envious rivals are eager to gloat over a single defeat. "Karl has done a lot of things that he had to do that were necessary, and if you've been around that long you make enemies," she said. "They used to call it the green-eyed monster. It's the nature of the town."

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Rove's brand of politics aims to sharpen differences with the opposition, energize the conservative base and micro-target voters to pick off selected parts of the other side's constituency. As he has in past elections, Rove designed a strategy to paint Democrats as weak on national security and terrorism, the "party of cut and run."

In an expansive interview last week, Rove said that strategy was working until the House page sex scandal involving ex-representative Foley (R-Fla.) put the Republican campaign "back on its heels," as he put it. "We were on a roll, and it stopped it," he said. "It revived all the stuff about Abramoff and added to it."

The various scandals surrounding convicted lobbyist Jack Abramoff and other ethics allegations, Rove said, had as much, if not more, to do with the defeat than the Iraq war. In Rove's analysis, 10 of the 28 House seats Republicans lost were sacrificed because of various scandals. Another six, he said, were lost because incumbents did not recognize and react quickly enough to the threat. That leaves 12 other seats lost, fewer than the 15 that Democrats needed to capture the House. So without corruption and complacency, he argued, Republicans could have kept control regardless of Bush's troubles and the war.

"It plays some role, but if Iraq is the determining factor and it is a dominant opinion, then in a blue state like Connecticut you should not have 60 percent of the voters vote for one of the candidates who said, 'Stay, fight and win,' " Rove said, referring to Sen. Joseph I. Lieberman's victory as an independent. "I don't deny that it's a factor, but it is hard to declare" that it is the overriding factor.

The "one-pager" outlines why, in his view, the losses were not particularly extraordinary and therefore not a repudiation of Bush: The loss of 28 House seats and six Senate seats is roughly comparable to losses suffered by the party in the White House in the sixth year of other presidencies and the same as the average wartime midterm. Moreover, it says, 23 races were decided by two percentage points or less, and it credits the "GOP Ground Game," the Rove-devised turnout machine. Overall, a shift of 77,611 votes would have kept the House in Republican hands.

Others point to different statistics -- voters nearly 2 to 1 casting ballots to express opposition to Bush; one in five conservatives voting for Democrats; fewer Hispanics, Catholics and evangelicals supporting Republicans; most voters favoring withdrawal of some or all U.S. troops from Iraq. Some dismiss Rove's historical comparisons as a rationalization for failure, especially since the gerrymandering of House districts has made it harder to oust incumbents than in past midterms.

Without referencing Rove specifically, Republican National Committee Chairman Ken Mehlman called it a mistake to compare last week's defeat to past trends. "If we simply say there were historical problems we could not overcome, and that we did not have a chance to win, then we have a real problem," said Mehlman, a Rove protege. If Republicans recommit themselves to reform and smaller government, this election will be a "brief interruption in a generational effort to build a center-right majority.

Rove seconds that last thought and believes his turnout campaign actually beat the odds of history, ticking off a dozen races that were supposed to be closer. "What happened in all those? It may have been that the tactical work done by the White House, the Republican National Committee and the National Republican Congressional Committee had a big impact."

The lesson, he added, is that "if you're not complacent and you're prepared and you are driving and have a good game," you can win even in a tough political year. And so now it's back to the drawing board for the Architect.

Holding To The Center, Losing My Seat (NYT)

By Lincoln D. Chafee

The New York Times, November 12, 2006

LAST Tuesday, I was one of the many moderate Republican casualties of the anti-Bush virulence that swept the country. Despite my having voted against the Iraq war resolution, my reputation for independence, the editorial endorsement of virtually every newspaper in my state, and a job approval rating of 63 percent, I did not win. Why?

Back in December 2000, after one of the closest elections in our nation's history, Vice President-elect Dick Cheney was the guest at a weekly lunch meeting of a small group of centrist Republicans. Senators Susan Collins and Olympia Snowe of Maine, Senator Jim Jeffords of Vermont, Senator Arlen Specter of Pennsylvania and I were honored to have the opportunity to visit with him on the eve of a session of Congress in which, because of Republican defeats, the Senate would be evenly divided at 50-50.

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As we sat in Senator Specter's cozy hideaway office and discussed the coming session, I was startled to hear the vice president dismiss suggestions of compromise and instead emphasize an aggressively partisan agenda that included significant tax cuts, the abandonment of international agreements and a muscular, unilateral foreign policy.

I was incredulous. Instead of a new atmosphere of cooperation and civility which, after all, had been the promise of the Bush-Cheney campaign, we seemed ready to return to the poisonous partisanship that marked the Republican-Congress — Clinton White House years.

In response to the vice president's comments I quickly sent him a letter to reinforce the views I expressed at the lunch. Excerpts follow:

As a follow-up to our meeting, I would like to pose a few thoughts.

In my view, one of the most popular refrains expressed by Governor Bush during the presidential campaign was, "I am a uniter, not a divider." I believe moderate Republicans can help the new administration develop a unifying agenda in the next session of Congress.

We are on an encouraging course toward reducing the national debt, and I believe we must maintain discipline both in discretionary spending and in proposals for significant tax cuts. This time of continued relative prosperity and peace is an extremely important opportunity for our country to stay on a firm pathway toward elimination of the debt.

Majorities from both parties in Congress expressed support in the past year for reform of the estate tax and repeal of the so-called marriage tax penalty. This appears to be an area of great promise for early bipartisan cooperation.

Progress on environmental issues could do much to enhance the new administration's program. I hope the new administration will be open to proposals to reduce the country's reliance on foreign oil through energy conservation and greater investments in mass transit.

I hope we can work together to resolve some of the controversial subjects that Democrats exploited during the campaign. If we could take such issues off the table in the early part of the new administration, I believe it would strengthen public support for the work ahead.

Obviously, my suggestions were not heeded. Our country faces daunting challenges. I believe my letter of six years ago is worth reviewing as the administration prepares for its last two years in office and as Republicans contemplate the direction our party will head in the future.

Do I have any regrets about Tuesday's outcome? Yes. I regret that I will not be able to participate in the difficult, but critical, healing process that must take place in our government if Democrats and Republicans are going to solve the serious problems facing this great nation.

I hope the new Congress and the administration that received, in the president's words, "a thumping," can find common ground for the common good.

Webb May Be Senate Maverick (WP)

By Tim Craig, Michael D. Shear

The Washington Post, November 12, 2006

James Webb walked into the Fish Market restaurant in Alexandria in December and wanted longtime Democratic strategist Steve Jarding to answer just one question: What were his chances of defeating Sen. George Allen (R), one of Virginia's most popular politicians?

"Give me a number. What are my odds?" Webb, who had never run for elective office, asked.

"I said, 'Jim, they are really low,' " Jarding recalled. Webb shot back, "Give me a number."

After Jarding said "15 percent," Webb confidently said, "If I have that much of a chance, I will take it and win."

Webb's long shot paid off last week as he unseated Allen after a bruising campaign, giving Democrats control of the Senate.

With the campaign having centered on Allen's gaffes as much as it did on Webb's views on issues, few know what to expect when the former Marine and novelist enters the nation's most exclusive club, where the art of the deal rules the day.

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But Webb, a former Republican and Reagan administration official, said he might be a bit of a maverick in the Senate, which could frustrate Democratic leaders who poured more than $6 million into his campaign.

"I have my own views, and I have a lot of experiences, and I think I can bring the experiences I had to issues rather than having to read off a party briefing sheet," Webb said Friday in an interview.

Webb said he will model himself after former New York senator Daniel Patrick Moynihan (D), whom he described as someone "who had government experience that was shaped by the intellectual world."

But being a senator can be as much about politics as policy, and Webb on the campaign trail was almost the antithesis of the typical politician.

Webb was nervous in front of large crowds, couldn't understand why people wanted to shake his hand and hated asking people for money. He even turned down checks from people he didn't think could afford to give up, as he called it, "their gas money."

Until a few months ago, he would walk down the center of the street during a parade instead of zigzagging the route to shake hands. When he got tired, he refused to make fundraising calls or he took time off. That's what he did when he decided not to visit churches the Sunday before the election.

But for at least the next six years, Webb will have to be the politician and deal-maker that he never was during the campaign.

His life might become filled with ribbon-cuttings, Rotary Club dinners and town hall meetings. In Washington, the lobbyists and corporate executives he railed against during the campaign will be vying for his attention around the clock.

"He was the ultimate outside candidate," said Mark Rozell, a politics professor at George Mason University. "The trouble is, an outsider can run successful campaigns running against Washington, running against incumbents, but once elected they have to learn the task of government and taking responsibility of governing."

"Not only does he lack legislative experience, he lacks any electoral experience," Rozell said. "I think everyone will say his victory is an anti-Allen vote."

Webb's record in Washington was mixed, and he developed a reputation for being abrasive and difficult to get along with. He quit as secretary of the Navy during the Reagan administration because he objected to congressional efforts to cut the Navy's budget.

But those who know him say Webb should fit in well on Capitol Hill, where he worked as a staffer during the 1970s.

"My perspective is Jim will be a much better and happier senator than senatorial candidate," said former Virginia lieutenant governor Donald S. Beyer Jr. (D). "I don't think he is a natural candidate, but he is very bright, strong-principled and apparently fearless. I think he can be a very strong voice in the Senate. He will be very comfortable working with 99 other senators to solve problems."

Rep. Thomas M. Davis III (R-Va.) said Webb has "a keen intellect" and will do fine in the Senate, once he understands its frustrations.

"It will test his patience, as it does all of us," said Davis, who has known Webb since the two coached Little League games together in Fairfax County.

Webb, an early opponent of the war in Iraq, might make his mark in the Senate in foreign and military affairs. Current and former politicians said they expect him to become the face of the Democratic Party's antiwar movement.

"It will make him a very important person," said former Nebraska senator Bob Kerrey (D), who had urged Webb to run. "If the question is how you structure our military for the future, he is going to come with a lot of knowledge."

Kerrey said Webb will become a magnet for senators who want him to co-sponsor their foreign-policy bills to give them credibility.

A Vietnam War hero, Webb can also be expected to take the lead on veterans issues. He will be representing a state that has among the highest percentage of veterans in the nation.

He said he immediately wants to introduce bills to give tax breaks to soldiers and educational assistance to veterans of the wars in Iraq and Afghanistan, similar to the World War II-era GI Bill.

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As a former Republican, Webb will become a swing voter and play a role similar to that of his Senate buddies Chuck Hagel (R-Neb.) and John McCain (R-Ariz.). Webb, Hagel and McCain, as well as Virginia Sen. John W. Warner (R), could form an important voting bloc on issues related to foreign policy, political analysts say.

Webb, however, said it would be unfair to cast him as solely a foreign policy wonk. Despite conventional wisdom that he abandoned the Republican Party because of the Iraq war, Webb said economic issues are what drove him to the Democrats.

On the campaign trail, Webb talked about the "three Americas" -- rich, poor and middle-class -- and how society was breaking down over "class lines." Webb, who vows to never change what he believes for a "dollar or a vote," said he wants to close corporate tax loopholes and pay closer attention to escalating salaries for chief executives.

Webb also has an affinity for the labor movement, even though Virginia is a right-to-work state. He plans to push to raise the minimum wage and said that "organized labor is very important because everyone needs an agent."

Webb might also try to steer federal dollars into southwest Virginia, where his ancestors settled. Speaking to coal miners last weekend in Grundy, Webb said, "You have given your loyalty, and you will have my loyalty, and I will work to bring fairness back to the economic system."

Voters also should prepare for Webb's libertarian views on such issues as his support for abortion and gun rights and concern about some of President Bush's tactics in the war on terrorism, including the domestic wiretapping program.

"Government does not belong in people's private lives unless there is a compelling reason," Webb said.

Despite a desire to be portrayed as independent, Webb plans to become engaged with the state's Democratic Party. He said he plans to start helping Gov. Timothy M. Kaine (D) with his effort to elect more Democrats to the General Assembly next year.

"I want to do what I can to bring people back into the party," Webb said.

Del. L. Scott Lingamfelter (R-Prince William) said it would be a mistake for Webb to conclude that his victory Tuesday was a mandate.

"If he goes in tooting in there and jumps on the Hillary Clinton agenda, he'll be a one-term senator," Lingamfelter said. "Virginians won't take it."

Webb said he understands that he beat Allen by less than 10,000 votes and that, in fact, he might not have won if Allen had not made a last-minute attack on sex-laced passages in his novels.

Allen's attack, 10 days before the election, appeared to take a toll on Webb's staffers, who began doing yoga in the hallways of his campaign headquarters to calm their nerves. But Webb said the accusations, which appeared on the Drudge Report Web site and then in newspapers and on television, backfired.

"I got 170,000 hits on my Web site in 24 hours," Webb said. "That is when I said, 'I think I am going to win.' "

I Am Macaca (WP)

By S.R. Sidarth

The Washington Post, November 12, 2006

This past summer, between my third and fourth year of college, I decided to volunteer for the campaign of Democratic Senate candidate Jim Webb in my home state of Virginia. For most of the summer, I worked behind the scenes at the campaign headquarters in Arlington, helping set up field offices statewide and performing other odd jobs. In the second week of August, I was dispatched by the campaign to serve as Republican Sen. George Allen's tracker on a "listening tour" across the state. Tracking was a rather solitary pursuit; I videotaped Allen's public appearances whenever I was admitted into an event and killed time between stops in places I had never been to before.

Then, on Aug. 11, my experience took a strange -- and now famous -- turn. On that day in Breaks Interstate Park, located on the Kentucky border, Allen acknowledged my presence for the first time in one of his stump speeches. I was singled out at a GOP picnic, identified as "macaca or whatever his name is" -- despite the fact that Allen knew my name, as we had been traveling the same route for five days -- and then "welcome[d] to America and the real world of Virginia."

Allen's actions that day stood out because they were not representative of how I was treated while traveling around the state. Everywhere I went, though I was identifiably working on behalf of Allen's opponent, people treated me with dignity, respect and

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kindness. I cannot recall one event where food was served and I was not invited to join in the meal. In southwest Virginia, hospitality toward me was at a high point.

The night before the incident in Breaks, I stayed at the home of Jewel Jones, Webb's aunt, in Gate City on the Tennessee border. I was treated like family even though I was a guest for only half a day, and I received a grand tour of the area where Webb's ancestors have lived for more than a century. The following day, at the picnic in Breaks, even after Allen's comments highlighted my outsider status, I was not allowed to depart without eating, because as one woman put it, "Political differences are set aside at the dinner table." In the same spirit, I was given accurate directions to Allen's next event, held in Bluefield the following morning.

After Allen's remarks, my heritage suddenly became a matter of widespread interest. I am proud to be a second-generation Indian American and a practicing Hindu. My parents were born and raised in India and immigrated here more than 25 years ago; I have known no home other than Northern Virginia. The hairstyle inflicted upon me by two friends late one night also became newsworthy; for the record, it was intended to be a mullet and has since grown out to nearly the appropriate length.

The larger question that this experience brings up is: How far has society progressed on the issues of race and openness? By 2050, according to most projections, the United States will be a minority-majority nation. But the fact that Allen believed I was an immigrant, when in fact I am a native Virginian, underlines the problems our society still faces.

Then again, Webb's victory last week gives me hope that Virginia will not tolerate playing the race card. It is still hard for me to accept that I could have had a pivotal role in the election results; I would not wish the scrutiny I received on anyone. But I am also glad to have helped Webb. Every little bit counted, especially in an election decided by about 9,000 votes out of nearly 2.4 million cast.

The politics of division just don't work anymore. Nothing made me happier on election night than finding out the results from Dickenson County, where Allen and I had our encounter. Webb won there, in what I can only hope was a vote to deal the race card out of American politics once and for all.

A Survivor Reflects On Political Casualties, And Real Ones (NYT)

By Peter Applebome

The New York Times, November 12, 2006

Bridgeport, Conn.

Sitting in the sun on the balcony of his house overlooking the Long Island Sound on Thursday, Representative Christopher Shays rubbed his eyes, rubbed his temples, jumped up to take a congratulatory call from Mayor Michael R. Bloomberg, and plopped back wearily into a white plastic chair.

Like the only survivor of a hotel fire, he was a little hesitant to draw too many conclusions but glad he was alive.

“I’m only two days into this,” said Mr. Shays, after narrowly beating Diane G. Farrell to keep the seat in Congress he has held since 1987. “The first day you try to get your sleep. The second day you try to think about what happened to your friends.”

Many of them were the Republicans who were washed out to sea in the Democratic tide. Mr. Shays was one of the few Republicans among perhaps two dozen seen as vulnerable back in September who managed to survive. He was the only one of the three Republican incumbents from Connecticut who won re-election. When he went to Congress, he was one of nine Republican representatives from the six New England states. In the next Congress, he will be the only one.

And he won the race the hard way. He had a highly regarded, well-funded opponent. He supported the war in Iraq, if not the way it was executed. He agreed to take part in 11 debates. He did not run negative ads. He lost most of the key newspaper endorsements. His district, the Fourth, was solidly antiwar.

Some things you can learn from a guy who bucked the tide and won. Some you can’t. Mr. Shays no doubt benefited from his reputation for being an effective congressman and for a maverick’s image going back to the State Legislature in the mid-1980s. He has burnished that image in Congress ever since he got there.

He showed up at every campaign event with a 54-page booklet of positions, votes, achievements and federal spending in the district — not sexy but informative. He was able to convince people, in a way that the state’s two other Republicans, Nancy L. Johnson and Rob Simmons, were not, that if they wanted change, he was still enough of an outsider to offer it. He ran without

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apology on the war, saying it was a noble effort that had been botched but could still be saved. And he rejected the notion of a consultant-driven, cookie-cutter campaign with the requisite attack ads. He ran the campaign his way, and he made it work.

"By being willing to lose the election, I won the election," Mr. Shays said. "Because from the start I was willing to lose rather than to win the wrong way. And I think of some of my colleagues that have lost around the country, and I think, boy, I would never want to go out that way."

Of course, one voter's maverick may be one colleague's grandstanding egotist. It's likely that some of Mr. Shays's fellow party members were more eager to keep his seat Republican than to see the guy sitting in it be re-elected. But he figures that if ever the party needs in-house critics, it's now.

"We lost our moral authority to lead," he said. "Power in and of itself does not justify holding power."

He said that when the party looked the other way at its ethical failings over the years, it was ambling toward disaster that finally arrived in the House page scandal.

"As soon as Foley came up, I knew it. You could feel it. I said, 'We're dead.' "

BUT, of course, there were casualties that mattered a lot more than the election ones.

"I don't know how you'll react to this, but I also want to say this," he said on Tuesday night in his victory speech, interrupting the election night ritualistic hoopla with a jolt of reality. He read four names: "Wilfredo Perez. Tyanna Avery-Felder. Jack Dempsey. Nicholas Maderas. I sent them to Iraq, and they came home draped in American flags.

"I think about them almost every day of my life. And when the press talked about how tormented I must feel," he said, referring to the possibility of losing the election, "they just didn't get it. They just didn't get it. The only torment I feel is for those families. And I pray that we can make it right for these families, and that we will find a way to have our men and women come home from success not failure, but that we find a way to bring them home."

No one who knows him doubts his sincerity. But no one knows better than Mr. Shays that good intentions can be trumped by bad results. He knows in the end he will be judged more on what happens in the war fought by Specialist Perez, Specialist Avery-Felder, Corporal Dempsey and Private Maderas than on whether he ran a perfect race and held off Ms. Farrell, withstood the raging tides and kept his seat two more years.

New Democratic Majority Throws Bush's Judicial Nominations Into Uncertainty (NYT)

By Neil A. Lewis

The New York Times, November 12, 2006

WASHINGTON, Nov. 11 — The impending Democratic takeover of the Senate, lawmakers and administration officials agree, will produce a vast change in an area that has produced some of the sharpest partisan battles in recent years: President Bush's effort to shape the federal bench with conservative judicial nominees.

There is a strong consensus that the four most conservative of Mr. Bush's nominations to the federal appeals courts are doomed. Republicans and Democrats say the four have no chance of confirmation in the next several weeks of the lame-duck Congressional session or in the final two years of Mr. Bush's term.

The nominees are William J. Haynes II, the Pentagon's chief lawyer who was responsible for the much-criticized military interrogation policies; William G. Myers III, a longtime lobbyist for the mining and ranching industries and a critic of environmental regulations; Terrence W. Boyle, a district court judge in North Carolina; and Michael B. Wallace of Mississippi, a lawyer who was rated unqualified for the court by the American Bar Association.

For the past six years, the relationship between Senate Democrats and Mr. Bush has been marked by unremitting rancor and suspicion. The Constitution gives the Senate the power to confirm or decline a president's judicial choices; although Senate Democrats were in the minority for much of Mr. Bush's term, they took the unusual step of waging filibusters to block several of the president's nominees who they said were too conservative.

With that foundation of hostility, there is deep uncertainty now as to how Mr. Bush and the Democratic Senate will deal with each other come January.

Some Democrats say that how Mr. Bush handles judicial nominations will provide an early test of his pledge to compromise and de-emphasize partisanship. It will be significant, they say, whether he chooses to renominate his four most

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conservative choices in the next Congress, hoping for political reasons to paint Democrats as obstructionist, or instead drops them as hopeless and tries to reach compromises.

Ronald A. Klain, a former Democratic chief counsel for the Judiciary Committee and the White House counsel in charge of judicial nominations for President Bill Clinton, said Mr. Bush and the Republicans faced a decision with important implications.

"The Bush administration has played the game of judicial selection very hard and very far to the right for the past six years with little moderation," Mr. Klain said. "They have to make a fundamental decision now as to how they want to deal with this. Do they move to the center or stay true to the right?"

A senior Democratic strategist in the Senate said his party was eager to see which direction Mr. Bush chose on judicial nominations.

"Those guys in the White House have governed unilaterally for six years," said the official, who spoke on the condition of anonymity as is customary among Congressional staff. "It's been their way or no way, show no quarter."

"Does he pivot and become like he was as Texas governor and work with both sides of the aisle," the official said, "or does he send up these guys again and set us up for hard votes and call the Democrats obstructionist?"

That had been a political tenet of the White House. The administration had a no-lose situation in naming staunch conservatives to the bench: their choices would either be confirmed or their defeat would provide a strong campaign issue.

The chief Republican proponent of underlining Democratic opposition to Mr. Bush's judicial choices was Senator Rick Santorum of Pennsylvania. Mr. Santorum, as a Republican leader, once staged a round-the-clock "anti-filibuster" in 2003 in which the Senate was kept in continual session for 40 hours over two nights. Mr. Santorum was defeated in his re-election bid this week.

Senator Arlen Specter, the Pennsylvania Republican who is chairman of the Judiciary Committee, said this week that he thought Democrats were overreaching in viewing Mr. Bush's actions as a test.

"The last time I read the Constitution, the president has the power to nominate whomever he wants," Mr. Specter said. "The Democrats don't have to vote for those people, but I don't see it as a sign of truculence or defiance if he nominates people they won't vote for."

Mr. Specter said he hoped to move forward on other Bush nominees who were less controversial than those four. He said Peter M. Keisler, a senior Justice Department lawyer nominated to a seat on the appeals court in Washington, should be considered quickly.

"I don't know of any substantive objection to his nomination," Mr. Specter said. "It's not good public policy to hold someone up without cause."

David A. Yalof, a political science professor at the University of Connecticut and an authority on judicial selection, said the larger political objective for the Democrats might have little to do with individual assessments of the Bush nominees.

In the last two years of a presidency, Professor Yalof said, "The priority for the party not in control of the White House is not so much in stopping candidates based on their ideologies, but keeping as many vacancies open as possible on the theory that the next president may be someone of your party and will be able to fill those slots."

If the Democrats follow that model, he said, they will be following the playbook of the Republicans, who blocked most of Mr. Clinton's appeals court nominees in his last two years in office.

Carmakers' Agenda For Bush: Hear Our Pain (FREEP)

By Justin Hyde

Detroit Free Press, November 12, 2006

WASHINGTON -- When the heads of Detroit's automakers finally take their seats at the White House on Tuesday across from President George W. Bush, their concerns will boil down to the old Aretha Franklin song: R-E-S-P-E-C-T.

From the rising cost of retiree health care to the advantages a weak yen gives the Japanese, the Detroit automakers will press for more recognition for their issues, something industry executives say has been lacking from the president. They'll also attempt to draw distinctions between themselves and the foreign automakers whose U.S. branches generate record profits.

But they will make clear that their concerns do not add up to another seven-letter word: B-A-I-L-O-U-T.

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The meeting should "enhance the president's understanding of the importance of the domestic auto industry to the economic health of the United States," General Motors Vice Chairman Bob Lutz said in a recent interview, emphasizing the word "domestic."

Foreign automakers that build cars in the United States help the economy, "but it's not the same as a fully integrated American auto company that retains the intellectual property in the United States, has primarily American shareholders," he said, so "the wealth gets reinvested in the U.S."

Ford Chief Executive Alan Mulally said Friday of the meeting with Bush: "What I'm looking forward to is just sharing with him the state of our industry and also talking about competitiveness going forward."

All sides expect no firm commitments from the scheduled 45-minute session in the Roosevelt Room, which will include Treasury Secretary Henry Paulson and Al Hubbard, director of the National Economic Council.

White House spokesman Tony Snow said Friday that Bush planned to use the meeting to "reaffirm his support for the American auto industry, and his support for its growth and success." Snow said Bush also will thank them for their progress on flexible-fuel and hybrid vehicles.

Whether or not GM Chairman Rick Wagoner, Mulally and Chrysler Group Chief Executive Tom LaSorda can get their points across to Bush, the industry does have a louder voice in Washington thanks to the rise of its most ardent backers in a Congress that, after Tuesday's election, will be controlled by Democrats.

"I hope this meeting produces some evidence that this administration finally understands the needs of the American auto industry to be treated fairly in the world marketplace," said U.S. Rep. John Dingell, a Dearborn Democrat who is pegged to reclaim the chairmanship of the House Energy and Commerce Committee, which handles many issues important to the auto industry.

Added Sen. Carl Levin, D-Mich.: "We need a government that's a partner with the auto industry and manufacturing sector. Our companies do not compete with foreign companies. They compete with foreign governments."

While congressional Democrats had pushed several pieces of legislation that would help the industry, their prospects are questionable, as the party's leaders and Bush have yet to discuss their priorities in depth.

Here are the three topics that will dominate Tuesday's meeting, and the outlook for each.

Health care: Perhaps the single greatest threat to the automakers' finances, health care adds $900 to $1,400 to the cost of every vehicle GM, Ford and Chrysler make. All three spend more on health care than on steel, and GM's estimated costs for future retiree health-care benefits could wipe out the shareholder equity on its balance sheet later this year because of an accounting rule change.

Despite the gravity of the health-care issue, there's been little movement in Washington toward major health-care reform. The health-care bill closest to passing Congress aims to lower costs by setting standards for computer systems, benefits that would mainly control the rate of inflation years from now.

Democratic leaders have pledged to rework part of the Medicare drug plan benefit to allow the government to negotiate drug prices and close the so-called doughnut hole, the gap in coverage when seniors spend between $2,250 and $5,100 a year on prescription drugs.

Sean McAlinden, chief economist for the Center for Automotive Research in Ann Arbor, said such a move could save GM alone "hundreds of millions of dollars a year" by providing drugs that GM pays for today. But most observers expect Bush would veto major alterations to the Medicare plan, and closing the hole would require $200 billion over 10 years -- more than might be saved through price negotiations.

Dingell said that while broad reforms would be difficult, even changes that worked around the edges of the problem could benefit metro Detroit.

Trade and currency: A chronic complaint of the domestic automakers -- the unfair advantage of a weak Japanese yen -- has grown in Detroit's executive suites as Toyota, Honda and Nissan rack up impressive profits.

The automakers contend that Japan artificially suppresses the value of its yen, making imported goods from Japan cheaper and boosting the profits exported from American customers. The automakers might press hard on currency issues because Bush is scheduled to meet with Japan Prime Minister Shinzo Abe on Saturday during his visit to Vietnam.

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Energy: "Energy independence" was the one Washington buzz phrase shared across party lines before the election, and will only gain momentum with the Democrats' elevation in Congress.

The Detroit automakers pledged earlier this year to double the number of vehicles they build annually that can run on 85% ethanol fuel, and have pushed for more incentives to spread E85 fueling stations.

Bush has proposed revising fuel economy standards for passenger cars, which the industry hasn't opposed, but has not supported the kind of higher standards many Democrats back.

One type of proposal that could gain momentum would be some sort of industry Marshall Plan, which would give Detroit automakers help with their benefit costs in return for increased spending on new fuel-efficient technologies such as plug-in hybrids.

Some lawmakers also have called for large boosts in the federal research spending on new vehicle technology such as fuel cells, which could allow automakers to do less of the heavy lifting in that type of research themselves.

"That money they must spend on these things now comes from the bottom line," McAlinden said. "The money not used from the bottom line could be released for more prosaic product development."

The trouble for Detroit in pushing for these issues is that the automakers' concerns contradict Bush's portrayal of a vigorous U.S. manufacturing sector and a healthy national economy.

Those concerns might fall on deaf ears in Washington, where many see the domestic companies' troubles as self-inflicted rather than structural. Bush himself said last month that the automakers' accumulated health-care and retirement promises to their workers were their burden, not the government's.

"The U.S. remains a competitive place to make cars and many components, but GM and Ford labor under a $2,500 cost disadvantage thanks to clumsy management and unrealistic labor contracts," said Peter Morici, a business professor at the University of Maryland.

Consider last month's jobs report. While most measures of manufacturing output have remained strong, manufacturing jobs shrank again, accounting for the lowest share of employed workers in modern times. Part of that decline came from lost jobs in auto factories, where employment hit a 14-year-low as thousands of workers took buyouts or early retirement from GM and Delphi Corp.

Ed Lazear, chairman of the Council of Economic Advisers, said the decline in manufacturing jobs over the past couple of years was a result of more productive factories and that jobs lost in manufacturing were being replaced with higher-wage work in other industries.

"One of the things this economy seems to be best at is figuring out ways to produce more output with fewer resources," Lazear said. "That's a good thing because what it means is that we can release labor to work in other sectors and to be more productive in other sectors."

Bush last met with the heads of Detroit's automakers in Dearborn in 2003, as he canvassed the country to build support for his tax-cut package, which all three of the companies' then-CEOs pledged to support.

The last White House meeting with Detroit's Big Three was in 1997, when auto and union executives warned President Bill Clinton that the Kyoto greenhouse gas reduction treaty could hurt their business. Clinton also chatted with CEOs during a 2000 visit to the Detroit auto show.

None of those events carried the anticipation of this meeting, because most of the automakers were healthy at those earlier meetings. But with roughly 70,000 jobs being cut by GM and Ford, and the German-owned Chrysler Group losing money, the political pressures have risen exponentially.

With Dems In Power, Part D Could Get A Makeover (PPG)

By Bruce Japsen, Chicago Tribune

Pittsburgh Post-Gazette, November 12, 2006

CHICAGO -- The Democratic landslide in last week's midterm elections raises the specter of federal regulation of drug prices via changes to Medicare's new prescription drug benefit -- a move that could lower costs for seniors and squeeze pharmaceutical and health insurance industry profits.

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With Democrats in control of both houses of Congress, they are almost certain to seek passage of price control measures in that legislative body. And there are enough Republicans who supported price-control measures in the past that bills will gain momentum next year, analysts say, meaning members of Congress who vote against them will feel the wrath of seniors in the 2008 election.

Shares of most major drug makers and health insurers fell last week on concerns over tougher regulations on prescriptions. Democrats have said many of these firms have reaped huge sales and profits from the new drug benefit -- money that could have been passed on to taxpayers in terms of savings or seniors in terms of richer drug benefits.

The law creating the Medicare Part D drug benefit, added in 2003, did not allow the Medicare program to negotiate prices directly with manufacturers, as the U.S. Department of Veterans Affairs does. The VA is known for winning price concessions from drug companies from direct negotiations.

Not only did Democrats favor such direct negotiations, but some influential Republican senators such as presidential aspirant John McCain of Arizona also supported the idea. Mr. McCain could be a critical vote for the new but ultraslim Democratic majority in the Senate.

A nonpartisan study has shown costs are more than 10 percent higher by having private insurers involved in the benefit coverage rather than having the government administer the program on its own.

"The Democratic Party's takeover ... shifts the policy landscape for health-care providers," Kemp Dolliver, analyst with investment bank Cowen & Co., wrote in a report Wednesday. "The Democrats will put Medicare Part D 'in play' by proposing removal of the clause of the Medicare Modernization Act of 2003 that prohibits the federal government from negotiating drug prices directly with manufacturers."

Not to be underestimated, however, is the clout of the pharmaceutical industry, which contributes heavily to campaigns of both parties. And President Bush, a Republican, would have the authority to veto any legislation while his appointees, who run the Centers for Medicare & Medicaid Services, can "drag their heels" on implementing provisions for negotiating directly with drug makers, Mr. Dolliver said.

At the very least, however, Democrats have won power to hold hearings about the profits that drug makers, health insurers and pharmacy benefit firms have made since the Medicare benefit became widely available to seniors this year, analysts predict.

These Democrats say insurers, pharmacy benefit managers and drugstores have the ability to pass along more savings, and bills already are being pushed to foster more transparency in price negotiations. Analysts also have mentioned Walgreen Co. as a potential congressional probe target because generics are popular with seniors and drugstores mark up prices of generics.

But the health-care industry argues that the private sector does get good prices because dozens of health plans and pharmacy benefit firms are able to play the drug makers off of one another in a free market system for better prices. These companies also say consumers have more choices because dozens of private health plans offer the drug benefit, which allows for more choice and creates price competition among the various benefit plans.

"This is the first time in history of passage of any government program where the actual costs were less than the estimates at the time of passage," said Karen Ignagni, chief executive officer of America's Health Insurance Plans, a trade group and lobby. "The government is benefiting because the costs are lower and beneficiaries are benefiting because [monthly] premiums were projected to be $38 a month and now they are $24 on average."

The drug industry also argues that regulating drug prices would hurt consumers and patients because it would harm drug makers' budgets for research and development. Pharmaceutical companies also say price controls could lead to supply shortages.

"We believe that Congress and the administration should carefully consider the impact that any legislation or regulation might have on pharmaceutical innovation," said Billy Tauzin, chief executive of the Pharmaceutical Research and Manufacturers of America, which includes Pfizer Inc., Merck & Co. and Abbott Laboratories among its powerful membership.

"America's pharmaceutical research companies lead the world in discovering new cures and treatments for patients," Mr. Tauzin added. "The new drugs that save patient lives today are a result of the billions of dollars and years of research and development that pharmaceutical companies invest."

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White House Eyes Dollars From Nevada Land Sale (WT)

By Audrey Hudson

The Washington Times, November 12, 2006

The Bush administration is trying to get its hands on millions of dollars generated from sales of federally owned land in Nevada in order to help pay down the deficit.

As part of the Southern Nevada Public Land Management Act, which passed in 1998, Congress agreed to sell 13 million acres of land in Nevada. The key backers of thelaw -- Nevada Sens. John Ensign, a Republican, and Harry Reid, a Democrat -- estimated the sales would provide $350 million to improve federal landholdings, preserve endangered species, fund state education and encourage construction of affordable housing for low-income residents.

But a real estate boom in the growing city of Las Vegas has helped the Bureau of Land Management, which is in charge of auctioning the land, bring in nearly $3 billion.

"It's like the Nevada delegation pulled a lever on the slot machine, and the coins keep dumping out," a Republican Senate staffer said. "The Nevada delegation has hit the jackpot."

Money generated from the land sales has been used in Clark County -- which includes Las Vegas -- to help pay for a $52 million public golf course, $25 million in outdoor toilets, a $38 million park and to provide a safe habitat for the endangered Moapa dace, a fish that is a member of the carp family.

The administration now wants some of the money transferred to the Treasury Department to help pay down the federal deficit, which hit a four-year low of $247.7 billion for the budget year that ended in September.

The administration submitted a proposal to Congress earlier this year to modify the act in order to specify who should benefit from the land sales, but that proposal is being ignored, the Republican staffer said.

"We've seen a lot of good come out of this, but when the price of property suddenly went up, we were looking at a whole bunch of money," an Interior Department official said. "And that's when those who do budgeting for deficit reduction said they needed a cut."

Nevada's two senators are against the administration -- or anyone else -- taking a cut of the money.

Jack Finn, spokesman for Mr. Ensign, said the land act is "one of his proudest accomplishments" and that revenues from the land sales "exceeded our expectations."

"It's not just the administration that wants to get their hands on the money. Other senators would like to get their hands on it, but it is Nevada legislation that should remain in Nevada," Mr. Finn said. "It is landmark legislation and Ensign strongly believes, and is making it clear to the administration, that funds generated should remain in Nevada as intended."

Jon Summers, a spokesman for Mr. Reid, said the Senate minority leader -- who is expected to become majority leader in January, as a result of last week's elections -- also opposes diverting the money out of Nevada.

"Just because the administration, with the help of a Republican rubber-stamp Congress, runs a record debt, doesn't mean we have to reopen the act," Mr. Summers said.

OTHER NEWS:

Liberal Groups Expect Postelection Results (LAT)

By Peter Wallsten, Janet Hook

The Los Angeles Times, November 12, 2006

WASHINGTON — After toppling the long-dominant Republicans in a hard-fought election, the Democratic Party's incoming congressional leaders have immediately found themselves in another difficult struggle — with their own supporters.

Some of the very activists who helped propel the Democrats to a majority in the House and Senate last week are claiming credit for the victories and demanding what they consider their due: a set of ambitious — and politically provocative — actions on gun control, abortion, national security and other issues that party leaders fear could alienate moderate voters and leave Democrats vulnerable to GOP attacks as big spenders or soft on terrorism.

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The conflict underscores the challenge facing the Democrats in line to lead Congress — Nancy Pelosi of San Francisco in the House and Harry Reid of Nevada in the Senate. Each has pledged in recent days to "govern from the center," after a campaign in which anger over the Iraq war and GOP scandals helped their party attract some unusually conservative candidates and a large share of independent voters.

Turning off those new voters could undermine Democrats' hopes of solidifying their new majorities and taking the White House in 2008. But to the leaders of interest groups who are core supporters of the Democratic Party, and who had been barred under Republican rule from the inner sanctums of power, the new Congress means a time for action, not compromise.

Lobbyists for the American Civil Liberties Union, for example, are all but counting on Democrats to repeal the most controversial provisions of the Patriot Act, the anti-terrorist law pushed by the White House that some critics call unconstitutional. They also want to end President Bush's domestic wiretapping program.

"We are not going to let them off the hook," said Caroline Fredrickson, the ACLU's legislative director, of the newly empowered Democratic leaders in Congress.

"We will hold their feet to the fire and use all the tools we can to mobilize our members."

Similar vows are coming from lobbyists for abortion rights, who want to expand family-planning options for poor women and scale back Bush's focus on abstinence education, and from gun-control advocates, who hope to revive a lapsed ban on assault weapons. Labor unions, a core Democratic constituency, are demanding universal healthcare and laws discouraging corporations from seeking inexpensive labor overseas.

"It's been kind of a drought for 12 years, and there is some pent-up energy," said Bill Samuel, legislative director for the AFL-CIO, the labor federation that has long been a Democratic Party stalwart and spent millions of dollars on get-out-the-vote activities.

Several of the labor movement's less-controversial goals, such as raising the minimum wage and allowing Medicare to seek discounts on drug prices, are found both in the AFL-CIO's brochures and on a Democratic leadership wish list designed to appeal across ideological lines.

But labor officials said they expected Pelosi, Reid and others to go further.

The day after the election, labor leaders declared a mandate for their causes and called on the new Congress to immediately reverse anti-union policies enacted by the Bush administration and promote affordable healthcare "for all."

"We're realistic about the congressional timetable, but we have our own view about why people went to the polls," said Samuel. "We think it had to do with their unhappiness with Republican inaction on the economy.... They're expecting Congress to tackle these issues, not play short ball."

Eli Pariser, executive director of the political action committee associated with the liberal activist group MoveOn.org, warned that Democratic leaders would be ill-advised to ignore the party's base.

"A huge number of people were involved in putting them over the top," Pariser said. "There's a huge group of people engaged and energized and ready to support Pelosi and company when they boldly lead — and to hold them to account if they stray."

Pressure on Democrats is especially acute to redirect U.S. policy in Iraq. Many Democrats say the issue was the most important one driving the party's victory.

Democratic lawmakers have not unified behind a single Iraq policy. If they could find common ground with Bush on a continued troop presence, they might fend off GOP efforts to label them as weak on national security — but they would probably infuriate a growing antiwar movement that helped propel the party back into power.

"American voters have done their job; now it's time for Congress to do theirs," said former Rep. Tom Andrews (D-Maine), national director of the antiwar group Win Without War. "The message couldn't be clearer. It's time to start the orderly withdrawal of American troops from Iraq. Our eyes are on the new Congress."

Other interest groups are pointing to Tuesday's results as vindication of their particular causes, and as proof that Democrats should embrace their issues rather than shun them as too liberal.

Planned Parenthood Federation of America, which advocates abortion rights, pointed to victories by like-minded candidates in conservative states and a rejection by South Dakota voters of an abortion ban. The result, the group says, should be

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that Democrats view their causes as mainstream, rather than part of a liberal agenda, and should devote more money to contraception and other family-planning options opposed by religious conservatives and scaled back by the administration.

"I honestly believe there was no bigger winner in this election than Planned Parenthood Action Fund and women's health," said Planned Parenthood President Cecile Richards, referring to the group's political arm.

At the Brady Campaign to Prevent Gun Violence, the leading gun-control advocacy group, President Paul Helmke has high hopes for the assault weapons ban — and he can list races where candidates backed by his group defeated those supported by the National Rifle Assn.

But Helmke, a former Republican mayor of Fort Wayne, Ind., acknowledged that his challenge was to convince Democrats that his cause was not "radioactive." Many Democratic strategists have come to believe that supporting gun-control laws alienates rural voters and many independents.

"Guns are a tricky issue," Helmke said. "But the elections show there's nothing to be afraid of."

Still, the issues of abortion and guns underscore the tough decisions facing Reid and Pelosi as they try to please the party's core supporters while appealing to centrist voters.

The party's winning formula this year, after all, required candidacies from cultural conservatives such as Rep.-elect Heath Shuler in western North Carolina and Sens.-elect Jon Tester in Montana and Jim Webb in Virginia.

A preview of the tussle that awaits Reid and Pelosi has been playing out on the Internet since election day, with liberal bloggers decrying party centrists as out of touch with the Democratic majority. The complaints have been serious enough to draw Reid's attention, prompting him to host a conference call after the election with more than a dozen of the country's most prominent liberal bloggers.

Reid himself has learned to navigate these issues in order to win election in largely rural Nevada. He calls himself pro-gun and, according to a spokesman, opposes abortion except in cases of rape and incest and when the woman's life is endangered.

In the Senate, matters are further complicated by the fact that at least five Democrats — nearly 10% of the caucus — are considering presidential bids in which they may need to win the liberal base to gain the nomination but then campaign to the center in a general election.

Republicans have already said they intend to take back power in 2008 by portraying Democrats as big-government tax raisers who would rather safeguard civil liberties than interrogate terrorists.

Conservatives, though splintered over Iraq, immigration and other issues, had succeeded in keeping power since 1994 in part by forging a coalition built on compromise and shared goals — a practice that Democrats have yet to perfect.

Senior Democrats say they will figure out a way to bridge the divide.

"Tension is inherent in politics, and maybe a little bit of tension is good," said Reid spokesman Jim Manley. "But on the core, fundamental issues, everyone's in line."

Wary that the interest groups' demands may turn off the centrist voters who put them in the majority, some Democratic pragmatists are preparing to press for greater independence.

Sen. Charles E. Schumer of New York, chairman of the committee that designed the party's Senate campaign strategy, is publishing a book in January that is expected to lay out a plan for long-term Democratic dominance. He is expected to embrace a philosophy somewhere between the Democrats' old New Deal reliance on government and conservatives' outright disdain for government.

Schumer signaled as much after the election when he called on the party to "push aside the special interests and always keep our eye on the average American family."

An Uneasy Alliance (NYT)

By Nicholas Confessore

The New York Times, November 12, 2006

AMID all the post-election bliss evident within the constellation of bloggers and online Democratic activists known as the “netroots” last week, there was a note of anger and disappointment. Ned Lamont, the antiwar Connecticut businessman who

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defeated Senator Joseph I. Lieberman in the August Democratic primary with strong support from the netroots, lost to the newly independent Mr. Lieberman on Tuesday, even as antiwar Democrats across the nation romped to upset victories.

It was the fall campaign's signal clash between the Internet grass roots, which have become a growing political force since the 2004 presidential race, and the Democratic establishment, where big-money donors and incumbency rule. In Connecticut, the establishment won. Some bloggers fumed that Beltway Democrats had abandoned Mr. Lamont.

"The D.C. Senate Democrats and D.C. lobbyists are not on our side," wrote the Lamont backer Matt Stoller on the liberal Web site MyDD, a major node for the netroots' self-organizing multitudes. "They have their own side, a side that is out of touch, immoral, and dishonest." The establishment, he wrote a few days before the election, had stuck a "knife in our back."

It was the latest round in the long battle between leading netroots activists and their critics, real and perceived, among Washington's Democratic elite. But such disagreements may soon be on the wane. As the smoke began to clear after Election Day, two things seemed clear. Though the netroots have forever changed how campaigns raise money and find votes, the results demonstrated that they cannot yet win elections on their own. But the Democratic Party cannot win major national elections without the netroots.

"The establishment needs them, and they need the establishment," said Carol C. Darr, director of the Institute for Politics, Democracy and the Internet at George Washington University.

Like the music obsessives who plunked down $500 for first-generation iPods, Web-based activists served as the party's early adopters in 2006, just as they provided much of the early money and vigor behind Howard Dean's 2004 presidential campaign. This year, they coalesced around dozens of House and Senate candidates in highly unfavorable states or Congressional districts, showering them with seed donations and praise while softening up G.O.P. incumbents with amateur opposition research, campaign stunts and homemade Web advertising.

Answerable to no one in particular, they could sometimes go off-key: During the Democratic primary, a blog supporting Mr. Lamont put up an altered photograph of Mr. Lieberman showing the senator in blackface, much to Mr. Lamont's embarrassment.

They were also sometimes poor judges of what will sell in the larger political marketplace; most of the 19 netroots-supported candidates listed on ActBlue, an online clearinghouse for donations to Democrats, lost on Tuesday. But the online activists also gave some once-underrated candidates — like the Senate candidates Jon Tester and Jim Webb, in Montana and Virginia, respectively, and the House candidates Paul Hodes in New Hampshire and Joe Sestak in Pennsylvania — a chance to be taken seriously. All ended up winning on Tuesday.

"It was the early support, the attention — the ability to create opportunities for candidates to break out with energy and passion," said Jonah Seiger, a Democratic Internet strategist.

Thanks in part to the netroots, said Mr. Seiger, the more promising candidates got a second or third look from the mainstream news media, major donors and party officials, especially as the political environment became increasingly unfavorable to Republicans.

Mr. Webb, for example, was essentially drafted last winter by a network of national and Virginia-based netroots activists, who later helped him gather 10,000 signatures in three weeks to get on the Democratic primary ballot.

"They're a group of people who put their money where their mouth is," said Jessica Vanden Berg, Mr. Webb's campaign manager. "They gave Jim — who didn't have a campaign staff in the beginning or a financial base — they gave him a political base to jump from."

The Democratic Senatorial Campaign Committee would go on to endorse Mr. Webb in the primary, and later poured nearly $7 million into his race against Republican George Allen, who conceded on Thursday, cementing the Democrats' new Senate majority.

In some cases, the party even got behind some netroots-favored candidates that it had previously ignored or discouraged. In California's 11th district, the Democratic Congressional Campaign Committee initially backed Steve Filson, a Navy veteran, over Gerald McNerney, the chief executive of a wind-turbine company who had the support of the Internet grass roots. But after Mr. McNerney won the primary, the committee spent half a million dollars on the general election. He won.

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Of course, it's difficult to say what particular factor provided the edge in a close race. But last week, onetime antagonists seemed willing to share credit for the Democratic sweep. Shortly before 9 a.m. on Election Day, Harry Reid, the Senate minority leader — and soon to be majority leader — posted an entry on the popular liberal blog Daily Kos, titled "You got us here." Without the netroots, Mr. Reid wrote, "Democrats would not be in the position we are in today."

Markos Moulitsas Zúniga, the combative founder of Daily Kos, returned the favor. "I'm ready to get beyond the 'who gets credit' conversation, because we all do," Mr. Moulitsas wrote last week.

All told, the Democratic netroots and the party's traditional establishment managed to form an uneasy — and in many cases unintended — collaboration. What happens next is less clear, especially as the Democratic leadership moves from campaigning to governing.

"It's in part the job of the netroots to challenge the establishment," said Simon Rosenberg, the president of New Democrat Network, who has served as a bridge between party officials and leading netroots organizers. "It's their job to not be satisfied. That's why this is a complicated relationship. But through this healthy tension — this dialogue and debate — I think we'll end up with a stronger party."

Core Values Still Valid, GOP Says (WT)

By Donald Lambro

The Washington Times, November 12, 2006

Voters did not reject core Republican principles of lower taxes, smaller government and family values when they put the Democrats in charge of Congress, Republican officials across the country said last week in their post-mortems on the midterm elections.

If anything, these officials told The Washington Times, Republicans blundered by abandoning or de-emphasizing signature issues that had fueled the party's meteoric rise since the 1990s. The party must champion these issues again if it hopes to win back the voters' trust in the 2008 presidential election, the officials said.

"In the tight races where we had candidates who articulated the core issues like low taxes, less government and strong family values, those are the candidates that prevailed in our competitive races," Minnesota Republican Chairman Ron Carey said. "They did better than candidates that didn't stand firm on those conservative Republican issues."

As an example, Mr. Carey cited Republican Michele Bachmann, who ran as a staunch conservative with strong evangelical support in Minnesota's open 6th District race, easily defeating Patty Wetterling, a liberal Democrat, 50 percent to 42 percent.

"The candidates who tried to finesse the GOP's positions fared poorly," Mr. Carey said. "Those who ran on core Republican issues were able to better withstand the Democratic onslaught."

An example, some Republican strategists said, was Rep. Gil Gutknecht of Minnesota, who lost his 1st District seat to Democrat Tim Walz, a teacher and National Guard veteran, 53 percent to 47 percent.

But Republican critics strongly rejected the premise of these Republican post-mortems, saying taxes were virtually nonexistent as an election issue, as was limited government.

"The fact of the matter is that these were non-issues," said pollster and demographic analyst David Bositis of the National Center for Political and Economic Studies.

"And how could Republicans run on smaller government? They've been in charge for the last five years, and government spending has exploded. They can't claim the Democrats are responsible for that," he said.

Mr. Carey argued that voters remain just as conservative as they were in earlier elections when Republicans won increasing majorities in Congress. But Republicans failed to sharpen the differences between themselves and Democrats, many of whom portrayed themselves as centrists despite their liberal views and voting records, other Republicans said in a survey of state party leaders by The Times.

"I think people still agree with Republicans on lowering taxes, on fiscal policy and trying to keep the government in check. I don't buy the argument that everybody has become a liberal," Kansas Republican Chairman Tim Shallenburger said.

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He and other state party officials said they had no doubt the Iraq war and congressional scandals were the overriding issues that produced a wave of Democratic victories in more than 30 Republican congressional districts and a half-dozen Senate races.

Exit surveys of 13,208 voters by the Associated Press and the major television news networks found that more than half of the voters surveyed, 55 percent, opposed the war in Iraq and said that opposition would make them more likely to vote for Democratic House candidates.

The exit polls also showed that six in 10 rejected President Bush's chief justification for the war: to make America more secure at home. Notably, seven out of 10 independents -- a pivotal voting bloc that led to Republican losses -- felt that way.

Some party chairmen said that without the Iraq war, a number of Republicans would have won.

"It would have been a completely different outcome," Michigan Republican Chairman Saul Anuzis said. "The Iraq war was clearly one of the major reasons for Bush's unpopularity," which Democrats turned into a referendum on his presidency.

There was also a belief among many party officials that the war -- when combined with a number of other issues, such as excessive spending and the lobbying and congressional-page scandals -- produced a "critical mass" that angered and frustrated Republicans and hurt turnout among party members. Exit polls showed that nearly 30 percent of voters were "angry" with Mr. Bush.

But it was the Republican Party's abandonment of its core principles on spending and limited government that these and other Republicans outside the Beltway said was the biggest complaint among the party's grass roots. They blamed Republican leaders and members of Congress who, as one party chairman said, "forgot why we sent them there."

"I heard a lot of Republicans say, 'We gave you a chance, and you spent more money than before. Why should we send you back to Washington?' " Mr. Carey said.

"Some said we became the people we ran against in 1994. Whether it is true or not, that was the perception in our party. It was in the minds of many voters Tuesday," he said. "We need to get back to our basic core principles and talk about the issues that draw a sharp distinction between Republicans and Democrats."

These complaints after the election were picked up by some Republican presidential hopefuls, including Massachusetts Gov. Mitt Romney and Sen. John McCain of Arizona, who saw them as an opportunity to make the party strong again.

"Americans have not become less conservative, but they believe some Republicans have. As a party, we need to remember who we are and the principles that have always led our party and our country to success," Mr. Romney said last week.

"We must return to the common-sense Reagan Republican ideals of fighting for hard-working Americans, lowering taxes, shrinking government, curbing out-of-control spending," he said.

Mr. McCain called for a return to the conservative principles he said make up the foundations of the Republican Party.

"We came to Washington to change government, and government changed us," he said. "We departed rather tragically from our conservative principles."

Though Democratic leaders repeatedly denounced Mr. Bush's across-the-board tax cuts as "tax cuts for the wealthy," polls showed that most Americans sided with Mr. Bush and the Republicans on this core issue. A Gallup poll late last month showed that 74 percent were against Democratic proposals to raise federal income taxes.

Though Mr. Bush and Rep. Nancy Pelosi, California Democrat, who is in line to become the next House speaker, have buried the hatchet for now, some Republicans question whether party members can or even should compromise with Democrats on taxes and spending.

"I think there is going to be a split in Republican circles between the faction that says let's compromise and try to get along and another faction that says we need to get back to our core principles and beliefs," Mr. Carey said.

Republicans are not the only ones who are divided over postelection strategies. The elections also have reopened old ideological divisions between the Democratic Party's liberal and centrist wings. Centrists fear the middle-of-the-road voters who returned them to power will be turned off if the party's left wing designs the legislative agenda for next year.

"This is a victory for the vital center of American politics over the extremes," said Al From, the founder of the centrist Democratic Leadership Council (DLC), "and, while Democrats benefited from an energized party base, the key to the victory was in the contested center of the electorate, among moderates."

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Mr. From said his point "was underscored by [Sen.] Joe Lieberman's re-election victory in Connecticut."

Mr. Lieberman, a hero among DLC members, was defeated in the primary by the party's liberal, anti-war activists because of his support for the Iraq war. He won re-election Tuesday as an independent, largely with Republican votes.

Indiana Sen. Evan Bayh, a potential presidential candidate and a DLC leader, similarly warned his party last week in an interview with USA Today that "if we serve up a highly partisan, ideologically extreme, Democratic version of what they just voted against, we're not going to do very well."

But that view was flatly rejected by party liberals who oppose the DLC's centrist approach on domestic and national-security policy issues.

"If Democrats had campaigned like Lieberman on the war, they might have won in Connecticut, but they would have lost in most places," said Roger Hickey, co-director of the liberal Campaign for America's Future. "This election was a referendum on the war, and the Democrats were smart to reject the DLC position on the war."

Reactionary Moderates (NYT)

By Ramesh Ponnuru

The New York Times, November 12, 2006

SOCIAL conservatives had a bad election night on Tuesday. A slew of pro-life senators and House members lost their races. Missouri voted to amend its Constitution to protect a right to clone human embryos for research. Every pro-life initiative on a state ballot failed.

But before we declare this election proof that social conservatism is doomed, consider that Republicans as a whole had a worse night. Pro-lifers lost four seats in the Senate and, depending on some unresolved races, appear to have lost 20 in the House. But the Republican Party lost six in the Senate and 29 in the House. The discrepancy stems from the fact that some pro-choice Democrats are replacing pro-choice Republicans, and even a few pro-life Democrats are replacing pro-life Republicans.

Meanwhile, ballot initiatives as a whole went better for the social right than for other conservative factions. Almost all of the initiatives against same-sex marriage won. Even most Western states, where the Republicans' social conservatism is said to be dooming the party, voted for those initiatives — which typically ran well ahead of local party candidates. Colorado and Nevada rejected legal marijuana. Economic conservatives, on the other hand, lost every fight over the minimum wage.

That's something to remember the next time you hear that after their defeat, the Republicans need to "move to the center." Maybe they should: but which center? When editorialists talk about the "sensible center," they usually have in mind free-trading, budget-balancing social liberals. It is a political profile often found in the business world, and on the coasts. But there is another center — one that's liberal on economic measures but conservative on social mores.

In several high-profile races, the winning candidates played to this "center." For example, Senator-elect Claire McCaskill pounded the Republican incumbent, Jim Talent, in Missouri on economic issues like veterans' benefits, but she came out against partial-birth abortion weeks before the election. Representative Harold Ford, a Democrat who nearly pulled off an upset in the Tennessee Senate race, went so far as to endorse a constitutional amendment on marriage and to call himself pro-life.

Senator-elect Robert Casey Jr. of Pennsylvania, a Democrat, vowed to fight free trade, but also to oppose abortion. If we take Mr. Casey at his word about his intentions in the Senate, then his defeat of Rick Santorum is simply a move to a less abrasive style of social conservatism, not a repudiation of it.

Something similar happened in the last presidential campaign. President Bush was on the defensive when he talked about outsourcing jobs and the cost of health care, while John Kerry was on the defensive on most of the social issues — and Mr. Kerry eventually said his position on marriage was basically the same as the president's.

The real message of the last few elections is that, for the most part, social issues help the Republicans and economic ones the Democrats. Did talking about energy policy, and keeping quiet about gay marriage, help Senator George Allen of Virginia survive Jim Webb's challenge?

The lesson for the Democrats, meanwhile, is not that they all need to move right on social issues. It is that they can be a lasting majority if they are an economically liberal party with socially conservative and socially liberal wings. Because if they

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choose to be a socially liberal party with economically liberal and economically conservative wings, they will soon find themselves back in minority status.

The Republicans, meanwhile, can prosper if they can find ways to address the economic concerns of working-class cultural conservatives — many of them unmoved by free-market bromides — without doing violence to their own limited-government principles.

I agree with the economic conservatives on most issues, and disagree with the social conservatives on some, so I'm not entirely happy about the electoral reality I'm describing. (I wish Colorado and Nevada had voted the other way on marijuana, for instance.) But there it is nonetheless. While both social conservatives and Republicans need to make some changes, a divorce isn't on the table, and there's no political reason one should be.

2006: The Year Of The "Macaca" (NYT)

By Frank Rich

The New York Times, November 12, 2006

OF course, the "thumpin' " was all about Iraq. But let us not forget Katrina. It was the collision of the twin White House calamities in August 2005 that foretold the collapse of the presidency of George W. Bush.

Back then, the full measure of the man finally snapped into focus for most Americans, sending his poll numbers into the 30s for the first time. The country saw that the president who had spurned a grieving wartime mother camping out in the sweltering heat of Crawford was the same guy who had been unable to recognize the depth of the suffering in New Orleans's fetid Superdome. This brand of leadership was not the "compassionate conservatism" that had been sold in all those photo ops with African-American schoolchildren. This was callous conservatism, if not just plain mean.

It's the kind of conservatism that remains silent when Rush Limbaugh does a mocking impersonation of Michael J. Fox's Parkinson's symptoms to score partisan points. It's the kind of conservatism that talks of humane immigration reform but looks the other way when candidates demonize foreigners as predatory animals. It's the kind of conservatism that pays lip service to "tolerance" but stalls for days before taking down a campaign ad caricaturing an African-American candidate as a sexual magnet for white women.

This kind of politics is now officially out of fashion. Harold Ford did lose his race in Tennessee, but by less than three points in a region that has not sent a black man to the Senate since Reconstruction. Only 36 years old and hugely talented, he will rise again even as the last vestiges of Jim Crow tactics continue to fade and Willie Horton ads countenanced by a national political party join the Bush dynasty in history's dustbin.

Elsewhere, the 2006 returns more often than not confirmed that Americans, Republicans and Democrats alike, are far better people than this cynical White House takes them for. This election was not a rebuke merely of the reckless fiasco in Iraq but also of the divisive ideology that had come to define the Bush-Rove-DeLay era. This was the year that Americans said a decisive no to the politics of "macaca" just as firmly as they did to pre-emptive war and Congressional corruption.

For all of Mr. Limbaugh's supposed clout, his nasty efforts did not defeat the ballot measure supporting stem-cell research in his native state, Missouri. The measure squeaked through, helping the Democratic senatorial candidate knock out the Republican incumbent. (The other stem-cell advocates endorsed by Mr. Fox in campaign ads, in Maryland and Wisconsin, also won.) Arizona voters, despite their proximity to the Mexican border, defeated two of the crudest immigrant-bashing demagogues running for Congress, including one who ran an ad depicting immigrants menacing a JonBenet Ramsey look-alike. (Reasserting its Goldwater conservative roots, Arizona also appears to be the first state to reject an amendment banning same-sex marriage.) Nationwide, the Republican share of the Hispanic vote fell from 44 percent in 2004 to 29 percent this year. Hispanics aren't buying Mr. Bush's broken-Spanish shtick anymore; they saw that the president, despite his nuanced take on immigration, never stood up forcefully to the nativists in his own camp when it counted most, in an election year.

But for those who've been sickened by the Bush-Rove brand of politics, surely the happiest result of 2006 was saved for last: Jim Webb's ousting of Senator George Allen in Virginia. It is all too fitting that this race would be the one that put the Democrats over the top in the Senate. Mr. Allen was the slickest form of Bush-Rove conservative, complete with a strategist who'd helped

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orchestrate the Swift Boating of John Kerry. Mr. Allen was on a fast track to carry that banner into the White House once Mr. Bush was gone. His demise was so sudden and so unlikely that it seems like a fairy tale come true.

As recently as April 2005, hard as it is to believe now, Mr. Allen was chosen in a National Journal survey of Beltway insiders as the most likely Republican presidential nominee in 2008. Political pros saw him as a cross between Ronald Reagan and George W. Bush whose "affable" conservatism and (contrived) good-old-boy persona were catnip to voters. His Senate campaign this year was a mere formality; he began with a double-digit lead.

That all ended famously on Aug. 11, when Mr. Allen, appearing before a crowd of white supporters in rural Virginia, insulted a 20-year-old Webb campaign worker of Indian descent who was tracking him with a video camera. After belittling the dark-skinned man as "macaca, or whatever his name is," Mr. Allen added, "Welcome to America and the real world of Virginia."

The moment became a signature cultural event of the political year because the Webb campaign posted the video clip on YouTube.com, the wildly popular site that most politicians, to their peril, had not yet heard about from their children. Unlike unedited bloggorhea, which can take longer to slog through than Old Media print, YouTube is all video snippets all the time; the one-minute macaca clip spread through the national body politic like a rabid virus. Nonetheless it took more than a week for Mr. Allen to recognize the magnitude of the problem and apologize to the object of his ridicule. Then he compounded the damage by making a fool of himself on camera once more, this time angrily denying what proved to be accurate speculation that his mother was a closeted Jew. It was a Mel Gibson meltdown that couldn't be blamed on the bottle.

Mr. Allen has a history of racial insensitivity. He used to display a Confederate flag in his living room and, bizarrely enough, a noose in his office for sentimental reasons that he could never satisfactorily explain. His defense in the macaca incident was that he had no idea that the word, the term for a genus of monkey, had any racial connotation. But even if he were telling the truth — even if Mr. Allen were not a racist — his non-macaca words were just as damning. "Welcome to America and the real world of Virginia" was unmistakably meant to demean the young man as an unwashed immigrant, whatever his race. It was a typical example of the us-versus-them stridency that has defined the truculent Bush-Rove fearmongering: you're either with us or you're a traitor, possibly with the terrorists.

As it happened, the "macaca" who provoked the senator's self-destruction, S. R. Sidarth, was not an immigrant but the son of immigrants. He was born in Washington's Virginia suburbs to well-off parents (his father is a mortgage broker) and is the high-achieving graduate of a magnet high school, a tournament chess player, a former intern for Joe Lieberman, a devoted member of his faith (Hindu) and, currently, a senior at the University of Virginia. He is even a football jock like Mr. Allen. In other words, he is an exemplary young American who didn't need to be "welcomed" to his native country by anyone. The Sidarths are typical of the families who have abetted the rapid growth of northern Virginia in recent years, much as immigrants have always built and renewed our nation. They, not Mr. Allen with his nostalgia for the Confederate "heritage," are America's future. It is indeed just such northern Virginians who have been tinting the once reliably red commonwealth purple.

Though the senator's behavior was toxic, the Bush-Rove establishment rewarded it. Its auxiliaries from talk radio, the blogosphere and the Wall Street Journal opinion page echoed the Allen campaign's complaint that the incident was inflated by the news media, especially The Washington Post. Once it became clear that Mr. Allen was in serious trouble, conservative pundits mainly faulted him for running an "awful campaign," not for being an awful person.

The macaca incident had resonance beyond Virginia not just because it was a hit on YouTube. It came to stand for 2006 as a whole because it was synergistic with a national Republican campaign that made a fetish of warning that a Congress run by Democrats would have committee chairmen who are black (Charles Rangel) or gay (Barney Frank), and a middle-aged woman not in the Stepford mold of Laura Bush as speaker. In this context, Mr. Allen's defeat was poetic justice: the perfect epitaph for an era in which Mr. Rove systematically exploited the narrowest prejudices of the Republican base, pitting Americans of differing identities in cockfights for power and profit, all in the name of "faith."

Perhaps the most interesting finding in the exit polls Tuesday was that the base did turn out for Mr. Rove: white evangelicals voted in roughly the same numbers as in 2004, and 71 percent of them voted Republican, hardly a mass desertion from the 78 percent of last time. But his party was routed anyway. It was the end of the road for the boy genius and his can't-miss strategy that Washington sycophants predicted could lead to a permanent Republican majority.

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What a week this was! Here's to the voters of both parties who drove a stake into the heart of our political darkness. If you'll forgive me for paraphrasing George Allen: Welcome back, everyone, to the world of real America.

A True Blue Libertarian (WP)

By Blaine Harden

The Washington Post, November 12, 2006

BOZEMAN, Mont. -- Stan Jones, a Montana libertarian widely known for his peculiar blue skin, can arguably be said to have recast the political complexion of the U.S. Senate, turning it from Republican red to the same color as his face.

That face, it should be noted, is not the dark blue of TV graphics that show where the Democratic Party increasingly holds sway. Nor is it the pale blue of the big Montana sky as autumn turns to winter. It is an ashen blue-gray, a flesh tone more suited to the undertaker's slab than the politician's stump.

In any case, this is what the 67-year-old candidate accomplished last Tuesday: He won 10,324 votes in the make-or-break Senate race in Montana, a contest that Democrat Jon Tester won by just 2,565 votes over three-term Republican incumbent Conrad Burns.

Jones is a quirkily conservative kind of libertarian -- opposed to abortion and same-sex marriage. So it can be argued that he took the bulk of his votes from the conservative Burns, which tipped the election to Tester, which tipped the Senate to the Democrats, which tipped the scales of U.S. political history.

"I'm tickled about that," said Jones. After some reflection, he added, "There is excitement for you to be talking to the guy who changed the country."

In the past, elections have given Jones little to be tickled about.

He is a perennial loser in Montana politics, a kind of Harold Stassen of the interior West, a fringe candidate who sometimes has to sue to get invited to television debates. He is also a man who accidentally turned his skin blue by drinking a homemade antibiotic laced with silver.

He first took the medicine in 1999, he said, fearing that the year 2000 would wreck computers, spread terrorism and disease, and make prescribed antibiotics unavailable. He concedes now that he miscalculated.

Jones granted an interview at the Leaf & Bean coffeehouse on Main Street in Bozeman and later at the nearby Academy of Cosmetology, where he sometimes gets cheap haircuts and where the fluorescent lighting brings out the blue in his face.

One of the students at the academy, Jessica Wagner, recalled that the first time she approached Jones to cut his hair, she caught a glimpse of him in a barber's chair and thought: "Oh, my God, he's dead." Over time, she said, she grew accustomed to his face and found him to be "really a neat guy."

Jones's excitement over the outcome of this election is substantially constrained by his contempt for Democrats and Republicans, for Tester and for Burns, and for the American political system, which he says has been ruined by big money.

Jones, it is safe to say, has not been ruined by big money.

He said he spent $1,652 on his campaign (the filing fee as Senate candidate), plus a few hundred dollars to buy gas to drive to the few campaign events that would allow him to speak.

"Republicans spend and borrow, Democrats tax and spend," said Jones, who said he quit being a Republican during the 1970s. "Whoever is in there -- the government grows and grows."

The one ray of light that Jones sees in the Democratic Party's takeover of the Senate and the House is a chance for increased scrutiny of President Bush, whom he fears. "This president is closer to a dictator than any we have had in history," said Jones, adding that the only president who could compare was Franklin D. Roosevelt.

Jones is pleased that Tester, the president of the Montana Senate and an organic farmer, beat Burns, but not because he likes anything about Tester. "I believes Burns is a pawn of Bush," Jones said.

There are Stan Jones skeptics in Montana who say that the eccentric libertarian may not have swung the election for the Democrats. Craig Wilson, a polling expert at Montana State University in Billings, said Jones was "really invisible" in the campaign and probably hurt Burns no more than Tester.

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But another longtime expert on Montana elections, Jerry W. Calvert, a professor of political science at Montana State University in Bozeman, said there is "no question" that Jones took votes from the incumbent. "The rule of thumb in Montana is that libertarians take votes disproportionately from Republicans," Calvert said.

Jones was born near Bozeman, the son of a poor dirt farmer, and graduated with a degree in general science from Montana State. He spent 28 years in the Air Force and Air Force Reserve, retiring as a lieutenant colonel.

During many of those years, he said, he was an administrative contracting officer, based in Seattle and buying aircraft and other hardware for the Air Force. He said he purchased several 747s from Boeing, three of which ended up in the Air Force One fleet.

Jones was married for 18 years to a Seattle woman. They had no children.

"When I retired and told my wife I wanted to go back to Bozeman and fight political corruption and get involved in politics, she decided to stay in Seattle," he said. "We split the sheets. It was an easy divorce. I gave her the house and the time-share in Hawaii."

It was the move back to Bozeman, Jones said, that caused his skin to turn blue. Using tap water in Seattle, he said, he had been making a "colloidal silver" antibiotic by charging two silver wires in a glass of water with an electric current.

But using the same technique in Bozeman, where the mineral content of tap water is much higher, the silver bonded with other elements in the water, and the resulting mixture gave Jones argyria. It is an extremely rare but relatively harmless condition that can permanently stain skin a bluish gray.

Jones said he was not aware that he had argyria until he participated in a televised debate as part of his failed 2002 campaign against Montana Sen. Max Baucus, a Democrat.

"After the debate," Jones recalled, "a reporter came up and asked me: 'Are you okay? Your face is really blue.' "

He sought medical advice, learned that his condition was not life-threatening and resumed his hopeless biennial campaigns against Montana big shots. Since 2000, he has run twice for governor and twice for the Senate.

Until the next Senate race rolls around in 2008, Jones said, he and some libertarian buddies are planning to place a series of initiatives on the state ballot to enforce the literal meaning of the U.S. Constitution.

"We plan to organize the constitution police," Jones said, breaking into a broad, bluish smile. "We are going to drive the secretary of state crazy."

Revolving Doors Spin Once Again (NYT)

By Aron Pilhofer

The New York Times, November 12, 2006

So it's the day after the election, and you've lost your seat in Congress.

What to do?

You might consider becoming a lobbyist. It is a well-traveled career path.

Last year, a study by the advocacy group Public Citizen found that 43 percent of the members of Congress who left office between 1998 and 2004 became lobbyists. That included half of the departing senators and 42 percent of the departing House members.

In a possible worrisome sign for Republicans who lost on Tuesday, the study found that the ex-lawmakers most likely to end up as lobbyists were those whose party held power.

Almost 52 percent of the Republicans who left Congress since 1998 registered to lobby, compared with 33 percent of the departing Democrats.

"This could reflect the fact that after George W. Bush became president, Washington became a hostile place for lobbyists whose contacts were Democratic," Public Citizen said.

Of course, Mr. Bush is still president, but control of Congress has now shifted to the Democrats for the first time since 1994.

Ex-lawmakers are prohibited from personally lobbying their former colleagues in the year after they have left office, the time span known as the "cooling off period."

But the Public Citizen study found that many were able to sidestep the restriction by supervising other lobbyists.

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In all, more than 280 former members of Congress registered as lobbyists at some point between 1998 and 2006, according to the Center for Responsive Politics, which monitors money, politics and influence in Washington.

And over all, about 12,000 registered lobbyists ply their trade there.

"The beltway here, it's like a magnetic field," said James A. Thurber, a professor of government at American University in Washington.

"After spending time in Washington," he said, former members of Congress "find it's hard to peddle their wares in Topeka, Kan."

The lobbying and trade associations that line K Street and its environs are girding for an avalanche of résumés. Some firms are already recruiting.

"We'll be looking for the best and the brightest," said Jennifer Dunn, a former Republican member of Congress from Washington State.

She retired in 2005, after 12 years in Congress, and joined DLA Piper, one of Washington's biggest lobbying firms.

Spitzer Buries His Cares For Weekend On The Sand (NYT)

By Leslie Eaton

The New York Times, November 12, 2006

SAN JUAN, P.R., Nov. 11 — Famous for his intensity, even his ferocity, Eliot Spitzer, the attorney general-turned-governor-elect of New York, is trying out a new persona: beach bum.

At a press briefing Saturday morning, Mr. Spitzer confessed to having taken a two-hour nap on the beach at a resort here on Friday and stated his intention of returning to the ocean in the afternoon.

As for the "enormous pile of memos on the budget" that he said he had brought with him, Mr. Spitzer said he planned "to bury them in the sand and read a B-level novel."

But no one would mistake Mr. Spitzer, a Democrat who won Tuesday's election by a landslide, for Jimmy Buffett.

As is his wont, Mr. Spitzer arrived at 9 a.m. on the dot for a breakfast meeting with Aníbal Acevedo Vilá, the governor of Puerto Rico, at La Fortaleza, the governor's residence. And though he did not wear a tie, his shirt was a decidedly nontropical blue check, under a navy blazer.

While the two men chatted about their days at law school and the spectacular views from the governor's windows, Mr. Spitzer said, they also discussed economic development and the implications of last week's Democratic sweep in Washington.

Mr. Spitzer's wife, Silda Wall Spitzer, and Luisa Gándara, the first lady of Puerto Rico, also attended.

Mr. Spitzer tackled some major issues at a brief news conference afterward. He referred to the war in Iraq as "an unfortunate quagmire," but said he had supported eliminating Saddam Hussein's threat to the international community.

He pledged to appoint Latinos to important posts in his administration but sidestepped a question about Puerto Rico's status. There is a longstanding debate in Puerto Rico, now a commonwealth, about seeking independence or statehood.

Asked about his inauguration, Mr. Spitzer he said he was not sure if he would seek private donations to pay for a celebration, as Gov. George E. Pataki did for his first swearing-in, in 1995. That practice has raised ethical questions in the past, Mr. Spitzer said, "and we're going to handle it in a very, very different way."

After the press conference, Mr. Spitzer acknowledged that his campaign for governor had not been as emotionally draining as it might have been. Polls had him far in the lead from the beginning, and he won by a 40-point margin on Tuesday.

Still, candidates can never really relax, he added, because problems can crop up unexpectedly.

"Look at Alan," he said, referring to Alan G. Hevesi, the state comptroller, who is under criminal investigation for his use of a government employee to chauffeur his wife. Mr. Hevesi was re-elected, but Mr. Spitzer may have to decide whether to try to remove him from office if the issue is not resolved by Jan. 1.

Before returning to New York, Mr. Spitzer appeared Saturday evening at a conference of the New York State Assembly Puerto Rican/Hispanic Task Force. In brief remarks that were mostly an opportunity for cheering and photographs, he thanked many people, saying, "The work is ahead of us."

Ehrlich Run Again "Unlikely" (AP)

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By Brian Witte

AP, November 11, 2006

BALTIMORE -- Gov. Robert L. Ehrlich Jr. said yesterday he does not plan to run for office again, after losing the gubernatorial election to Baltimore Mayor Martin O'Malley.

Mr. Ehrlich, a Republican, said on WBAL's "Stateline with the Governor" radio show that the results of the election Tuesday indicated Maryland has moved "pretty hard left."

"Who's to say what's going to happen tomorrow or next week -- in four years -- but at this point, I have to say that a return to public life would be unlikely," he said.

Mr. O'Malley, a Democrat, defeated Mr. Ehrlich on Tuesday, winning about 53 percent of the vote to 46 percent for the incumbent.

Asked if he thought the loss of support for Republicans nationally hurt him, Mr. Ehrlich, 48, said when an incumbent is on the ballot "it's generally a referendum on the incumbent."

"For me, it was either rehire me or fire me, and we got fired," the governor said. "The bottom line here is that I think that the majority of folks in Maryland want Martin O'Malley as governor rather than Bob Ehrlich."

Mr. Ehrlich pointed to Democratic victories in other key offices in Maryland. Democrats held on to the U.S. Senate seat that's being vacated by retiring Sen. Paul S. Sarbanes. Rep. Benjamin L. Cardin defeated Lt. Gov. Michael S. Steele 55 percent to 44 percent.

Democrats also won the attorney general's race, with Montgomery County State's Attorney Douglas F. Gansler defeating Frederick County State's Attorney Scott L. Rolle.

"If you look at the statewide elected officials today -- the folks coming into office -- you're compelled to the conclusion that the state is moving pretty hard left," Mr. Ehrlich said.

Mr. Ehrlich, who was the first Republican governor to be elected in Maryland since 1966, said his party still has significant support in Western and Southern Maryland, "but clearly, statewide, the direction in this state is pretty hard left, and it's going to be a very, very difficult thing for a right-of-center Republican Party to overcome."

Mr. Ehrlich said he was proud of his political career in Maryland, which spans about 20 years.

Feingold Rules Out 2008 Run For President (MJS)

By Craig Gilbert

Milwaukee Journal Sentinel, November 12, 2006

WASHINGTON - Sen. Russ Feingold will not seek his party's presidential nomination in 2008, the Wisconsin Democrat told the Milwaukee Journal Sentinel on Saturday.

"I never got to that point where I'd rather be running around the country, running for president, than being a senator from Wisconsin," Feingold said in a phone interview from Madison.

Feingold, 53, conceded that he faced long odds of winning the nomination.

"It would have required the craziest combination of things in the history of American politics to make it work," he said.

But Feingold said waging an underdog campaign appealed to him. What didn't appeal to him, he said, was "the way in which this effort would dismantle both my professional life (in the Senate) and my personal life. I'm very happy right now."

Feingold had been publicly weighing a presidential bid since early 2005, forming a political action committee, traveling to key states such as New Hampshire and Iowa, and cultivating a more national constituency as an early and outspoken opponent of the Iraq war, the Patriot Act and other Bush administration policies.

The senator said Saturday that he went into that process with more of a predisposition against running than the other way around. Although Feingold's political activity pointed in many ways toward a run, he was not traveling, fund raising or organizing with quite the same intensity as some potential candidates.

"I began with the feeling I didn't really want to do this but was open to the possibility that getting around the country would make me want to do it. That never happened," he said.

"People have always portrayed me as ambitious. I'm not ashamed of that.

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"But I have never had a craving to be president of the United States. I used to say it when I was 5 or 7 years old. But I haven't really been saying it as an adult," said Feingold, who said he didn't rule out running in the future.

Feingold's thinking about the race crystallized in the last few weeks, he said. The Democratic takeover of Congress on Tuesday was a final factor because it added to the appeal of focusing entirely on his position in the Senate, he said.

Feingold is the second Democrat to seriously explore a campaign before opting out. Former Virginia Gov. Mark Warner announced last month that he would not run.

Both went into the process as dark horses but showed signs of stirring interest among Democratic activists: Warner because of his centrist politics and success in a "red" state; Feingold because of his distinctive opposition in the Senate to a whole series of Bush policies highly unpopular with grass-roots Democrats, from the war to trade to wiretapping.

But Feingold confronted obvious obstacles. The potential field includes New York Sen. Hillary Clinton_the financial and political colossus in the party_former vice presidential candidate John Edwards and Illinois Sen. Barack Obama, who has rapidly emerged as the Democrats' most celebrated political "fresh face."

At least four other Senate Democrats are considering a run. Former Iowa Gov. Tom Vilsack declared last week.

Feingold said winning the party nomination would have been "very difficult," but he viewed himself as someone who could win a general election and his decision wasn't based on who else might run.

"This may sound immodest, but I thought, `I can do this. I can be the candidate, that rational, effective, presentable candidate for Democrats that would not be threatening, yet very progressive,' " Feingold said.

Feingold said he was not concerned about the personal scrutiny that comes with a presidential candidacy.

"I've been through three U.S. Senate campaigns. The people I've run against have not been pansies," said Feingold, referring to the aggressiveness of his opponents. "I feel like my life is an open book."

Feingold is single and twice divorced. He has two grown daughters. He said his family and friends were "mixed" in their reaction about his possible candidacy.

The third-term senator, whose best-known legislative accomplishment is the campaign reform law he wrote with Senate Republican John McCain of Arizona, said he wasn't bothered by the idea of being outspent.

"I know how to win those races_your weakness is your strength," he said. "I like to turn that around. `I'm the guy with no money.' . . . I'm not saying I think I would have been likely to win. But I saw a way to make this happen."

Asked about the Democratic field, Feingold made it clear he preferred a nominee who shared his views on the war.

"The first choice would be somebody who voted against this unfortunate Iraq war. That may not be available," said Feingold, who was the only Senate Democrat considering a run who voted against authorizing the use of force in Iraq.

"Second choice is somebody who at least said it was a bad idea. . . . I would be happy if Obama or (Al) Gore ran," said Feingold, who said he was not offering an endorsement.

Clinton, the presumed party front-runner, voted in 2002 to authorize force in Iraq. "Those who were there and came to the judgment the Iraq war was a good idea have to answer for some concerns I have about their judgment. That was a really bad judgment. I'm prepared to support a Democrat who voted for that war, but I think the American people would prefer a president who had the judgment to see it was not a good idea," he said.

Feingold sent an e-mail to supporters Saturday night announcing his decision.

In it, he said, "I'm sure a campaign for president would have been a great adventure and helpful in advancing a progressive agenda. . . .

"However, to put my family and all of my friends and supporters through such a process without having a very strong desire to run, seems inappropriate to me."

"I began with the feeling I didn't really want to do this but was open to the possibility that getting around the country would make me want to do it. That never happened."

Sen. Feingold Rules Out Run For President In 2008 (AP)

AP, November 12, 2006

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MILWAUKEE, Wisconsin (AP) -- Sen. Russ Feingold has decided against seeking the 2008 Democratic presidential nomination, saying he wants to focus on his work in the Senate.

In a letter posted on his political action committee's Web site, Feingold said he was excited that Tuesday's elections gave Democrats control of both chambers of Congress, giving them the chance to "undo much of the damage that one-party rule has done to America."

"We can actually advance progressive solutions to such major issues as guaranteed health care, dependence on oil and our unbalanced trade policies," he wrote.

Feingold, 53, told the Milwaukee Journal Sentinel he realized he would be a long-shot candidate in a bid for the presidency.

He said running as an underdog appealed to him, but not the way it would "dismantle" his work in the Senate and his personal life.

An outspoken opponent of the Iraq war, the Patriot Act and other Bush administration policies, Feingold had formed his PAC, the Progressive Patriots Fund, and visited key presidential primary states such as Iowa and New Hampshire.

Still, he said he started the process more predisposed against a run than for it.

"I began with the feeling I didn't really want to do this but was open to the possibility that getting around the country would make me want to do it. That never happened," he told the newspaper in a story posted on its Web site late Saturday.

Feingold leaves a crowded field of possible Democratic candidates, including Iowa Gov. Tom Vilsack, who announced his candidacy last week.

Sen. Hillary Rodham Clinton of New York is widely considered the front-runner for the nomination.

Others considering or positioning themselves for a run include Sen. John Kerry of Massachusetts, the 2004 Democratic nominee; former Sen. John Edwards of North Carolina, the vice presidential nominee two years ago; Sens. Evan Bayh of Indiana, Joe Biden of Delaware and Christopher Dodd of Connecticut; and New Mexico Gov. Bill Richardson.

Former Virginia Gov. Mark Warner announced last month that he was bowing out of the race.

Feingold said he had come closer to making his decision in the past few weeks, and the final factor came when Democrats won both chambers of Congress because it provided added appeal to focus on work in the Senate.

Feingold spokesman Zach Lowe did not immediately return a telephone message from The Associated Press early Sunday seeking comment.

Now, The Tape Measure For Those Other Drapes (NYT)

By Adam Nagourney

The New York Times, November 12, 2006

SENATOR GEORGE ALLEN of Virginia had yet to hand back the Senate to the Democrats when Gov. Tom Vilsack of Iowa announced bright and early Thursday morning that he was running for president. Back in Washington, Senator John McCain of Arizona moved to set up his own presidential exploratory committee and prepared what aides promised would be two major speeches this Thursday about 2008, based on last Tuesday's vote. And Hillary Rodham Clinton scored the election-week cover of New York magazine; the subject was not her easy return to the Senate.

In some ways, the midterm election of 2006 was the first big event of the 2008 race — much like an early debate or an Iowa straw poll. It helped shake out and shake up the field. Some lessons were instantly apparent: you probably won't hear more talk of Republican candidates wrestling for the mantle of President Bush, and Democrats are looking hungrily at Ohio and Colorado, states that went Republican in 2004 and 2000. Here are some of the less obvious consequences for 2008, courtesy of 2006.

The Swing-Vote Math The White House won in 2002 and 2004 with a simple strategy pressed by Karl Rove: use hot-button issues and sophisticated organizational tools to turn out voters from the Republican base, calculating that there are enough of them to win. Well, maybe not. Swing independent voters — 26 percent of the electorate this year — voted 2-to-1 for Democrats last Tuesday, a big reason the Democrats will control the House next year.

Steve Schmidt, a Republican strategist who used to work for Mr. Rove and managed the re-election campaign of Gov. Arnold Schwarzenegger of California, said Mr. Schwarzenegger's victory demonstrated the limits of a pump-up-the-base strategy.

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"People should look at what Schwarzenegger did," Mr. Schmidt said. "Candidates that have the ability to reach out and not be dividers are the ones who are going to be successful."

If true, this could complicate the early maneuverings of Mr. McCain and another Republican contender, Gov. Mitt Romney of Massachusetts, both of whom have aggressively courted the party's conservative base as they follow a variation of Mr. Rove's politics.

Mr. Romney, eager to shed the baggage of being governor of one of the more liberal states in the nation, said he would press ahead in trumpeting his support for tax cuts and opposition to gay marriage.

"There will be people who will try to cast a thumping as supporting their agenda," Mr. Romney said in an interview. "I don't give that a lot of credence."

But Mr. McCain has embarked on a more complicated task, trying to appeal to conservative voters wary of his credentials while not scaring off independent voters who have been part of his own base.

"We have always felt you can appeal to your base and appeal to the broad center of the country at the same time," said John Weaver, a senior political adviser to Mr. McCain. In truth, Mr. McCain's efforts at appeasing both sides have not always been successful, so his speeches to conservatives about the lessons of 2008 should be interesting. He has faced the difficult challenge of trying to appeal at once to conservative voters who are powerful in Republican primary races without alienating independent voters who come into play in the general election.

A Redoubled Senate Curse Trying to run for the White House from the Senate has never been easy, because voting records are big fat targets for the opposition to research and exploit. Here's a new problem: the 51-49 split. Senators who are running for president are going to find themselves chained to their desks whenever a close vote comes up, ceding the advantage to the class of non-senators, like Mr. Romney, Mr. Vilsack and John Edwards, the Democratic former senator from North Carolina, not to mention leaving the door open to a surprise outsider.

"If you are a Democrat, are you going to explain to organized labor that the minimum wage lost by a single vote in the Senate because you were at the Polk County Fish Fry?" said Ron Klain, who worked as a senior adviser to Vice President Al Gore when he ran for president. "And if you are a Republican," Mr. Klain continued, "are you going to explain to the pro-life groups that federal funding for Medicaid abortions passed by a single vote because you were busy at the Greenville Chamber of Commerce? When I worked for Gore, we had a number of times we had to pull him off the campaign trail because of the risk of a tie vote on a key issue."

There are a lot of senators likely to run for president: Mrs. Clinton, Mr. McCain and Mr. Kerry, along with Evan Bayh of Indiana, Christopher J. Dodd of Connecticut and Joseph R. Biden Jr. of Delaware. Democrats at least have the advantage, albeit a small one, of heading committees or being able to pass legislation they can run on. Then again, the advantage vanishes if the new Congress, like the current one, is viewed as a failed one.

The War Albatross

If the war bedeviled the Democrats in 2004, it will be a problem for both sides this time — assuming, of course, that James Baker hasn't found a way to end it by the time the race is fully engaged. Mrs. Clinton has become more critical of the conflict than she was at its start, but Democratic primary voters have their litmus tests, and this is one of them. That is encouraging for Senator Barack Obama of Illinois, whose aides are now preparing a campaign plan should he run, given his antiwar credentials. It also presents an opening for Mr. Gore, who has been at the leading edge in opposing the war.

On the Republican side, Mr. McCain is in a unique position. He supports increasing troop strength in Iraq, a position shared by a scant 16 percent of the electorate, according to the latest New York Times/CBS News poll. The world might well be a very different place two years from now, but if the general election were being held today, Mr. McCain would certainly have a lot of straight talking to do, as he might put it.

A Flight From Washington Americans don't like Washington.

O.K., we knew that. But the intensity of that feeling is going to influence contributors and campaign workers as they try to figure out who the strongest candidates are. And it is influencing emerging candidates as they develop their image. "There's a growing sense that Washington can't get anything done," said Mark Warner, a Democrat and former Virginia governor who had considered running for president in 2008. "I think people's patience with elected officials is very thin at this point."

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This could provide an opening for outsiders like Rudolph W. Giuliani, the former mayor of New York. More intriguing, this anti-Washington, anti-partisan wave could provide the perfect environment for a renegade third-party candidate — say, Michael R. Bloomberg, Mr. Giuliani's successor in City Hall. Bloomberg associates have been pressing him to do precisely that.

It certainly does complicate things for anyone from Washington who is trying to run for president.

"They voted against Washington on Tuesday night," said Mr. Bayh, the Indiana senator. That explains why Mr. Bayh on the campaign trail is as likely to emphasize his years as governor as his years in the Senate, and why Mr. Edwards's decision to move out of Georgetown and back to North Carolina seems particularly well-advised this weekend.

Voted Most Likely Not to Succeed This is the most open presidential contest in at least 50 years, and as a result it has already drawn a rather large cast of aspirants. But the campaign of 2006 has, to put it mildly, clearly diminished the prospects of three once-big-name prospective candidates.

Mr. Allen leads the list. He ran a campaign that was marked by missteps, and he may well be remembered as the man who cost Republicans control of the Senate this year. That is not going to endear him to Republican activists or contributors.

Senator John Kerry of Massachusetts, his party's contender in 2004, underlined doubts about his political skills when he told what he described as a botched joke, which President Bush pounced on and tried to portray as an insult to American troops. Mr. Kerry's associates said they were resigned to the fact that he would have headed the Democrats' blame list had they lost this time; at least he avoided that designation.

Finally, there's Senator Bill Frist, the majority leader who is retiring but who just last spring won a Republican straw poll in Memphis that he portrayed as a sign of his strength as a presidential contender. No more. A contentious Senate session that failed to produce much major legislation — followed by this loss — has led many Republicans to cross Mr. Frist off their 2008 list.

The Democrats: Is Winning Winning? (WP)

By Joe Trippi

The Washington Post, November 12, 2006

Wham! The 2006 midterm elections are over, and the modern conservative era has come to an end.

For the Democrats, a party so long on the outs, it feels good to be back in power. But we can't just revel in yesterday. Democrats have to start looking now to maximize our mandate for the 2008 presidential election.

Because what the voters have done is to kick open the door to a new era in American politics, and their hunger for a new direction didn't end last Tuesday. That's the problem for Arizona Sen. John McCain and what's left of the field vying for the GOP nomination. The Republican nominee will have a hard time trying to chart a new course for the nation while defending an unpopular lame-duck president and trying to breathe life into a conservative ideology that has run out of gas.

No, the real opportunity belongs to Democrats. The voters want change, and they will make it happen. I'm going to make one bold prediction about 2008: Thanks to changes in communications and technology, one of the candidates on my list will raise $500 million, almost all of it from ordinary citizens contributing less than $100 each. Don't believe it? Wait and see. It'll happen, and we'll witness the birth of a new progressive era that could last a generation or more.

So the party's presidential hopefuls won't be fighting just for the nomination, but for the historic chance to help launch that era. As they stand on the threshold of the presidential cycle, here's my assessment of the individual prospects of the many would-be presidents from a resurgent Democratic Party.

Front-runner: Hillary Rodham Clinton

She has it all -- the ability to raise the money; a political team that's among the best, if not the best, in the party; a strong base of support; and an uncanny ability to avoid political mistakes. And I don't care what anyone says -- her husband is one of two rock stars in the Democratic Party and a huge asset.

Ironically, the problem with Clinton's candidacy arises from her strength. Front-runners have something to lose, so they almost always run cautious, safe campaigns. This almost cost John Kerry the nomination in 2004, and could cost the senator from New York the nomination in 2008. Her strength also creates the certainty that a campaign of bold new ideas will emerge to oppose her. She is so strong within the party that, with so many contemplating a run against her, the only viable option for a

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serious challenger is to put forth innovative ideas in hopes of breaking out of the pack. And there are plenty in the Democratic Party who are capable of doing that.

The "Other" Rock Star: Barack Obama

He's the one candidate who can wrestle Bill Clinton for support in the black community and win. All the others are both thrilled about and terrified of this guy. They're thrilled that he might take black votes from Hillary. They're terrified because he might take a lot more votes from them and become a co-front-runner the day he enters the race, if he does. Obama's obvious downside is inexperience. Three years ago, he was an Illinois state senator; in 2008, he will not have completed his first U.S. Senate term. So he had better have some ideas -- or wait till next time.

The Oxygen Taker: Al Gore

Talk about setting a progressive agenda with bold new ideas. The man is doing it and he doesn't even have a job. In a party that tends to treat its past nominees like lepers, Gore has done an amazing job of reemerging as an important thought leader on issues such as the Iraq war and global warming. If he throws his hat into the ring, he will immediately suck all the oxygen out of the room for most of the other candidates. The media won't be able to stop doing the Hillary vs. Al 800-pound-gorillas-go-at-it stories. Everyone but Obama will be reduced to begging for attention. But entering the race means he suddenly would have something to lose. Could candidate Gore stop himself from playing it safe?

The Champion of 2006: John Edwards

Hands down the guy who improved his position the most this year. Edwards leads the field in early polls in Iowa, which is more important than ever, because the 2008 nominating process is more front-loaded than in prior years. The former North Carolina senator has a bevy of ideas, and is the only Southerner, important to a party that has elected only two presidents in the past 30 years -- both from the South. All of which earns him a down arrow -- because once you take the lead in Iowa, the entire field tries to destroy you. Good luck.

Down but Not Out: John Kerry

The former presidential nominee was doing quite well until the "botched joke." Democratic losses in the House or Senate would have made a comeback impossible, so no one was happier than Kerry last Tuesday. The senator from Massachusetts is going to need to present some bold ideas to regain relevance in this field; I'd start with Iraq. And for those who want to count this guy out: He has come back from the dead before. Trust me, I speak from experience. Handicaps? It's all up from here or he's out.

Chairman of Foreign Relations: Joe Biden

The senator from Delaware is doing what Kerry should do: taking the lead on the Iraq war and staking out ideas for bringing our troops home safely. But the down arrow stays until someone gets this guy to shut up and listen.

Running to the Right: Evan Bayh

A senator who has actually run a government, the former governor of Indiana also hails from the region that may be most critical to a Democratic electoral victory -- the Midwest. In 2004, Democrats lost Missouri and Ohio, electoral votes that would have put Kerry over the top. Bayh could be the best bet for picking up three or four Midwestern states. He seems to be running to Clinton's right, which will prove to be either pure genius (he has a lane all to himself) or a disaster -- ask President Joe Lieberman.

The One to Watch: Russ Feingold

Perhaps the most authentic candidate, the senator from Wisconsin has a deep connection to the grass roots and is a favorite of the party's progressive wing. If President Bush stays stubborn on Iraq and the rest of the field plays it safe, Feingold could get very hot.

AR?sum? to Die For: Bill Richardson

He'd be the first Hispanic to make a presidential run, and his r?sum? covers nearly every issue, foreign or domestic. Need bold ideas on immigration? New Mexico Gov. Richardson has grappled with that. Ideas on energy? Ask former energy secretary Richardson. How to deal with a nuclear North Korea? Former U.N. ambassador Richardson knows the turf. But can he raise the money, and earn enough early support to get his ideas into the mix?

The General: Wesley Clark

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He still has a strong following among progressives and the netroots and could get traction if there's no consensus on a new Iraq strategy soon.

More Than a Cameo: Tom Vilsack

I thought the Iowa governor's candidacy was a cameo until I saw him speak at Renaissance Weekend last year. He clearly gets that this will be an election about ideas. Vilsack will have a tough fight -- but I'm the last guy to bet against a governor from a small rural state.

So there they are, the leading contenders (and there'll surely be more). To get the chance to lead the nation in meeting the challenges of the next decade -- globalization, energy, health care, terrorism -- the winner will need to break out of the ideological box and stop defending the ideas of the past. Gore or Bayh could run a campaign like that and possibly pass a cautious Clinton to win. But if Clinton or Obama runs such a campaign, the 2008 election could be even more historic than the wave of change we witnessed last Tuesday.

Is America Too Racist For Barack? Too Sexist For Hillary? (WP)

By Benjamin Wallace-Wells

The Washington Post, November 12, 2006

The 2006 elections were for the technocrats and the operatives, pitting the Democratic tacticians against the Karl Rove machine. But the next election is already beginning to look quite different: 2008 may be one for the novelists.

Viewers of the election returns late on Tuesday, after all, got an early start on the iconography of the next presidential race. The cable networks' cameras cut between Sen. Hillary Rodham Clinton, thanking her supporters for an overwhelming victory in the New York Senate race, her husband standing pointedly behind, and a smiling Sen. Barack Obama of Illinois, giving cautious, professorial analysis to the television viewers. Nobody noted the significance, but it stared us all in the face: The two presumed leading contenders for the Democratic presidential nomination are a woman and an African American.

Their candidacies -- coming after elections resulting in the presumed first female speaker of the House and the second black governor since Reconstruction -- suggest that the next elections may play in ways that are more cultural and symbolic than tactical and political. Are Americans ready to put a black man or a woman in charge of the country? And does the hefty symbolism that Obama and Clinton would bring help one of them more than the other -- in other words, is the country more racist or more sexist?

Democracies are awkward like this. Despite incessant polling, we really get only one moment every two years, at best, to measure how Americans feel about things, and these elections must stand as imperfect proxies for a mess of subjects: what we think about religion, whether we like being included in the international conversation, whether Northeast bluebloods would tolerate a Texan as their leader.

But when it comes to race and sex, this seems a slightly more legitimate game: The question that remains for black Americans and women isn't whether prejudice has diffused to the point that they can participate in the United States, it's whether they can legitimately hope to lead it.

Today, they may have reasons to be optimistic. Poll numbers for Clinton and Obama are among the strongest of any presidential hopefuls. It now seems nearly as common for political leaders in television shows and movies to be women or racial minorities as white men. Recent polls have found that the percentages of Americans who say they would not vote for a hypothetical black or female presidential candidate, long formidable, have dwindled into the single digits. And last Tuesday's elections put House Minority Leader Nancy Pelosi (D-Calif.) on the brink of becoming speaker and Democrat Deval Patrick, who is black, in the Massachusetts governorship.

But as the two would-be presidential candidates grapple with how to manage the legacies of their own identities, Obama seems engaged with a more problematic political feeling. Even if race is more socially crippling than gender -- even if it was less likely that Obama would make it to Harvard Law than that Clinton would make it to Yale Law -- the symbolism of race can also be awfully empowering to individual politicians who learn to harness it. Most Americans want to believe that the culture has moved past its racial problems, and that the symbol of that progress would be widely cheered. Compared with Clinton, says George Lakoff, a linguistics professor and Democratic message guru, "Obama clearly has it better."

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Whatever racism remains in this country, it coexists with a galloping desire to put that old race stuff behind us, to have a national Goodbye to All That moment. The most recent such occasion was Obama's much-publicized tour to promote his book of policy prescriptions, "The Audacity of Hope." The Denver Post called him a "rock star," the Seattle Times found him "electrifying," and even the Deseret News in Salt Lake City described the "raucous greeting" he received in Utah. This rapture wasn't only because of what Obama has said; most of his audiences had not heard much from him or read much of his book. It was because he symbolizes the possibility of a more modern America.

Clinton had a best-selling autobiography and a media-heavy book tour, too, but the coverage had less to do with the symbolism she carried as a woman than with her history as Bill Clinton's wife, and with the way she was positioning herself for the future. There are many reasons for this difference, but one critical one has to do with the legacies of oppression that each inherits. While many Americans have a sincere sense of sentimentality and nostalgia for what Clinton may consider outdated gender roles, a much smaller number have that kind of feeling for racial segregation. There is the sense that, by electing a female president, the nation would be meeting a standard set by other liberal democracies; the election of a black man, by contrast, would be a particularly American achievement, an affirmation of American ideals and a celebration of American circumstances.

Obama's mixed-race heritage is rarely far from his political conversation. He writes of having a Kansan mother "as white as milk," and a Kenyan father "as black as pitch." He has used his race explicitly while speaking in Africa and urging politicians there to move beyond tribalism, and implicitly while speaking in southern Illinois to punctuate an address about the challenges of globalization. In his speeches, Obama uses his simple presence as an establishment national political figure who is black to serve as a metaphorical exclamation point -- a visual assurance that the country can work for everyone.

This is how he used it in his most famous speech, at the 2004 Democratic National Convention: "I stand here today, grateful for the diversity of my heritage, aware that my parents' dreams live on in my two precious daughters. I stand here knowing that my story is part of the larger American story, that I owe a debt to all of those who came before me, and that, in no other country on Earth, is my story even possible."

When Clinton gives a speech, her gender is just as evident, but she doesn't give it nearly the same kind of rhetorical prominence. She is as likely to talk about handing out buttons for Republican Barry Goldwater as a child as about what her presence as a political woman means for the country. Her most famous speech during the current political cycle dealt with a topic close to her own identity: In January 2005, she gave a widely praised talk to a group of New York state family-planning providers, telling them that the pro-choice movement had failed to acknowledge the great emotional cost involved in having an abortion. For Clinton, a hero to many women who support abortion rights, this was regarded as a particularly brave stance.

But in a speech about such a personal topic, what is most noteworthy is its impersonality. Clinton didn't mention her own experiences as a wife or a mother, but seized upon a trip she took to Romania as first lady, where she learned about the policies of the dictatorship of Nicolae Ceausescu, who tried to force every woman to have five children for the glory of the state, subjecting them to monthly roundups and reproductive exams attended by the secret police. It's a striking story, but what's even more striking is the way Clinton introduced it: "My own views of family planning and reproductive rights are heavily influenced by my travels as first lady," she said. This is not only the kind of thing that Sen. Joe Biden might say, but it also sounds suspicious: Were Clinton's views on these issues not fully formed before she began traveling as first lady?

The contrast is vivid in the two senators' autobiographies. Obama's, "Dreams From My Father," is an attempt to explain his evolving political awareness as a direct articulation of his roots. Here is the way Clinton begins her life story, "Living History": "I wasn't born a first lady or a senator. I wasn't born a Democrat. I wasn't born a lawyer or an advocate for women's rights and human rights. I wasn't born a wife or a mother."

Part of this difference is simple personal style. And there's also the matter of learned political behavior: Clinton has spent a decade and a half being beaten up, often personally and viciously, for the intersection of her gender and her politics, and it would make sense if she were trying to disconnect the two. But there is something else here.

The political progress of women and African Americans has long been intertwined; the suffragette movement gained huge momentum from the complaint that black men had received the right to vote before women of any race. But when it comes to modern political leadership, women have become more present. In January, the Senate will have 16 women and one African

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American, while eight women and one African American will be governors. Geraldine Ferraro was a vice presidential running mate more than 20 years ago, and still no black politician has reached that plateau.

Gender, meanwhile, may have become part of the political wallpaper. When Rep. Harold E. Ford Jr. and Maryland Lt. Gov. Michael Steele ran for Senate this fall, their race was mentioned in virtually every story; when Sen. Debbie Stabenow and Claire McCaskill ran, their gender was barely noted. The ferocity of national feelings about race can still be threatening; this election cycle saw the widely condemned race-baiting ads run against Ford in Tennessee. But if the nation feels its racial sins more clearly, it also has a more urgent desire to get past them. "I think gender has become more normal in leadership," said Marie Wilson, president of the White House Project, a New York nonprofit that works to develop female leaders with the goal of having a woman in the White House. "Race is a much more troubling, sadder, unresolved part of our history than the issue of gender, so it certainly looms larger."

Of course, the civil rights and women's rights movements of the 1960s have left vastly different legacies. No political figure would dare deny the saintliness of the Rev. Martin Luther King Jr.; Betty Friedan's name is a political dirty word. Repression of blacks was the stuff of massive state-leveraged cruelty -- the police dogs and fire hoses -- while repression of women in this country was made of quieter stuff: bras, aprons and constitutional amendments.

Obama is frequently called post-racial, the suggestion being that because he has an exotic background, Americans are looking at a newer model of a human. The metaphor works for Obama politically, because it contains the idea that his youth lets him create a more modern and inclusive brand of politics than the rhetoric of civil rights-era politicians such as Jesse Jackson. Clinton's Jesse Jacksons are Ferraro, who bombed, and Pelosi, who is still hanging around.

This is the ultimate imbalance between the would-be presidential contenders, and it's both rough on Clinton and helps explain why Obama's public presentation is so much more closely linked to his identity: There's a model for being post-racial, but there's no easy way to be post-gender.

Fredrick Harris, a political scientist at the University of Rochester, sees a post-gender future out there, and its name is Condoleezza Rice. The secretary of state, he notes, "is unmarried, has no children, is completely dedicated to her job, for pleasure she plays the piano and works and that's about it."

Clinton has made different choices, but they have their limits. Politically, she has done everything that Obama has done: She has become a serious policy professional, moved toward the center and renounced the excesses of 1960s-style identity politics. And yet these moves are received as the tacks of a smart politician. For Obama, they are received as the arrival of his race.

Benjamin Wallace-Wells writes on national affairs for Rolling Stone.

Life Expectancy Increases For H.I.V. Patients (AP)

AP, November 11, 2006

ATLANTA, Nov. 11 (AP) — An American found to have the virus that causes AIDS can expect to live for about 24 years on average, and the cost of health care over that time is more than $600,000, new research indicates.

Both life expectancy and the cost of care have risen from earlier estimates, mainly because of expensive and effective drug therapies, said Dr. Bruce Schackman, an assistant professor of public health at the Weill Medical College of Cornell University in New York and the study's lead author.

The research found the average annual cost of care was $25,200, about 40 percent higher than a commonly cited estimate from the late 1990s. A 1993 estimate of life expectancy for a symptomless person infected with H.I.V. was less than seven years.

The new study appears in the November edition of the peer-reviewed journal Medical Care.

Since the mid-1990s, about two dozen H.I.V.-fighting antiretroviral drugs have come onto the market that have essentially turned the virus from a death sentence into a chronic disease.

Physicians now understand life expectancy after H.I.V. diagnosis to be two decades or more, and the new study supports that belief.

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The researchers drew most of their data from 18 medical practices across the United States that provide care for 14,000 patients. The researchers looked at the records of about 7,000 of those patients.

They used a computer simulation model to project H.I.V. medical care costs and concluded that the average lifetime cost of care was $618,000 per person. The researchers estimated the monthly cost of care at $2,100, with about two-thirds of that spent on medications. That equates to $25,200 a year.

A typical regimen for an H.I.V. patient beginning treatment includes the drug efavirenz, which blocks a certain protein that H.I.V. needs to make copies of itself. It also includes tenofovir and emtricitabine or some similar drug that helps keep the virus from reproducing.

The monthly cost just for that regimen was about $1,140 in 2004, Dr. Schackman and the other researchers said. If that treatment does not work or stops working, the patient is switched to more expensive arrays of drugs.

In their cost estimates, the researchers aimed high, basing their numbers on the best available drugs and the best standards of care. But that is not always what is provided, some H.I.V. policy experts noted.

For example, a 2003 federal study concluded that only 55 percent of H.I.V. patients who should have been on virus-fighting medications were actually getting them.

“This is really an optimistic scenario” in the study, and the true cost is probably lower, said Jennifer Kates, director of H.I.V. policy for the Kaiser Family Foundation.

However, Ms. Kates added that since people living with H.I.V. should be getting optimal care from doctors experienced in treating the virus, the study’s expectations were reasonable.

Memorial Planners Have A Dream, Too (WP)

By Petula Dvorak

The Washington Post, November 12, 2006

Ground will be broken in many ways tomorrow morning with a ceremony heralding construction of the Martin Luther King Jr. Memorial on the Mall.

The memorial, scheduled to be completed in 2008, will mark a change in the very character of some of America's most hallowed real estate.

The Mall is lined with memorials to wars and the soldiers who died in them and marble monuments to great presidents. But this addition to Washington's monumental core will be a unique paean to the man and the ideal that it honors -- a civilian and an African American who embodied the American tradition of peaceful protest and activism.

"I think, like many kids, I came to D.C. years ago and saw all the monuments," said Harry E. Johnson Sr., president of the Washington, D.C. Martin Luther King, Jr. National Memorial Project Foundation Inc. "But there never was a memorial to a man of color, a man of peace.

"And even today, there is nothing to place King in the proper historical context. He is among the giants of our country, though he was not a war hero nor a president," Johnson added.

Tomorrow's groundbreaking ceremony is expected to draw 5,000 people. It will feature former president Bill Clinton, who signed the 1996 bill authorizing the memorial. Talk show host Oprah Winfrey and poet Maya Angelou also will speak.

They will gather at the sweeping four-acre site along the Tidal Basin that sits halfway between monuments to Jefferson, author of the Declaration of Independence, and Lincoln, liberator of slaves. The crescent-shaped memorial park will be near the steps leading to the Lincoln Memorial, where King gave his electrifying "I Have a Dream" speech in 1963.

Cranes and backhoes won't move in immediately, however. This groundbreaking is ceremonial, and the construction permits from either the secretary of the Interior or the General Services Administration will be issued once fundraising is complete. In the case of the World War II Memorial, permits were issued two months after the groundbreaking ceremony attended by about 10,000 people on Veterans Day 2000.

The design of the memorial park is the physical articulation of one of the most famous and powerful passages in King's 1963 Washington speech.

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After outlining the dream of his children growing up to live in a nation where people are judged by the content of their character, where even in the racist South black and white children would join hands as sisters and brothers, he added:

"This hope is our hope. This is the faith that I go back to the South with. And with this faith, we will be able to hew out of the mountain of despair a stone of hope. With this faith we will be able to work together, to pray together, to struggle together, to go to jail together, to stand up for freedom together, knowing that we will be free one day."

At the memorial to King's vision, visitors will enter through a 12-foot-wide cut in the wall, walking through a tall, dark passage symbolizing the Mountain of Despair.

Once visitors pass through the portal, the view of the Tidal Basin's waters and ring of trees will unfold. The giant stone piece removed from the wall to create the opening will be in the middle of the plaza. King's image will be sculpted from it, emerging from the rough-hewn Stone of Hope.

The design team is working on plans to create waterfalls that will flow in a syncopated rhythm reflecting King's oratory style, cascading over a wall engraved with his words.

The design, created by the ROMA Design Group of San Francisco, has had an unusually warm reception since it was unveiled in 2000, compared with the harsh criticism that stalled other contemporary memorials.

Many considered the Vietnam Veterans Memorial too modern and abstract when it was introduced in 1981. The World War II Memorial was called too large and complicated for such a prominent spot on the Mall when construction began in 2001.

The King Memorial's design has received resounding kudos.

"It's very elegant and simple and moving," Thomas Luebke, secretary of the U.S. Commission of Fine Arts, said. "It's interesting that on part of the Mall, there is a theme developing. It is less about war and more about ideas and aspirations."

The prominent site was authorized by Congress in 1998. Its place was secured even after Congress passed the Reserve Act of 2003 forbidding further construction in the core of the Mall. The King Memorial is likely to be one of the last giant monuments to furnish the nation's front yard.

The biggest obstacle the memorial has faced is money. And that's part of the message its backers will send during tomorrow's ceremonial groundbreaking.

They have raised almost two-thirds of the $100 million needed to build. Efforts have been beset by delays.

"The fundraising is difficult, period," Johnson said. "There is always something else looking for attention of the donors. There was 9/11, then the tsunami, then Hurricane Katrina."

In 2001, the foundation struggled with King's family, which wanted a fee for the use of the slain civil right's leaders name. An agreement was eventually reached and no fee paid.

But the delay pushed the foundation up against the December 2003 deadline imposed by Congress to complete the monument, and it had to apply for an extension.

Supporters of the memorial would like to finish fundraising before the eventual construction of the National Museum of African American Culture and History, slated for Constitution Avenue and 14th Street NW on the Mall. It will be tapping much of the same donor base that the King memorial is targeting.

"We want to be out of the way before the museum starts up, so there's no competition for donations," Johnson said. "We're accepting donations, from $1 on up. If only everyone in America gave us $1."

The System Worked (WP)

The Washington Post, November 12, 2006

AN ESTIMATED 83 million Americans voted in last week's elections. Some people encountered difficulties, but not of the scale or scope that had been predicted by Election Day doomsayers. Overall the voting system worked.

Because the vote of every person is so important, problems are not to be minimized. It is unconscionable that some Prince George's County voters had to wait in line for four hours to vote. It is disturbing that Virginia election officials received reports of people being given incorrect information in an apparent effort to intimidate them not to vote. Balky voting machines, faulty software and disputes over whether voters were properly registered cropped up across the country.

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Local and national election officials must focus on these problems as they assess their election night performance so that further improvements can be made. By the same token, the politicians and critics of electronic voting who tried to undermine public confidence should be mindful that the chaos they predicted did not occur. They should be responsible in their future suggestions for change.

No one denies there are shortcomings. The generational decline in voter turnout is more reason than ever to figure out better ways to encourage voting. Is early voting a good idea? Should Election Day be a national holiday? How about adopting Oregon's system of voting by mail? All are ideas worthy of consideration, but let's not fool with parts of the process that aren't broken.

A key here is the public's belief that the votes they cast will be counted. That confidence was reflected in national exit polls showing that 88 percent of Americans trust the system. More telling, though, was the way the nation accepted without question the outcome of two razor-thin contests that decided which party was going to control the U.S. Senate.

Let Naturalized Americans Run For President (LAT)

The Los Angeles Times, November 12, 2006

ON TUESDAY, CITIZENS in an electoral-vote-rich state reelected a governor who had once seemed in danger of defeat. That sort of political resurrection ordinarily would be good for a mention or two in the endless speculation about 2008 presidential candidates. Unfortunately, this reelected governor can forget about aspiring to the highest office in the land.

Why? Because the governor, though eligible to administer a major state of the union, is barred from the White House by Article II, Section 1 of the U.S. Constitution, which says: "No person except a natural born Citizen, or a Citizen of the United States, at the time of the Adoption of this Constitution, shall be eligible to the Office of President."

A reflection of the framers' worries about meddling in the new nation's affairs by European monarchies, this restriction makes no sense in the 21st century, when even opponents of legalizing undocumented aliens acknowledge that this is a nation of immigrants. It's insulting that a legal immigrant to the U.S. who has twice won election as governor cannot aspire to the presidency.

The Constitution shouldn't be amended lightly. But this is a matter of principle: a core principle about the equality of opportunity in our society to strive for the highest office. Congress and state legislatures should adopt a 28th Amendment to the Constitution that would put all citizens 35 and older on equal footing when it comes to the highest office in the land. Americans should be free to decide whether they want to be led by President Jennifer Granholm.

Gotcha! Who'd you think we were talking about? Jennifer Granholm, a naturalized American who was born in Canada, was reelected governor of Michigan on Tuesday. Were you perhaps thinking of Gov. Arnold Schwarzenegger?

In this nation of immigrants, there will always be individuals affected by this arcane discrimination, and the urgency to address the matter should not be dampened by partisan concerns that it may help one candidate or another. Indeed, it would be nice to see California Democrats spearhead the movement, even if it could theoretically benefit our Austrian-born governor.

If Americans wanted Schwarzenegger in the White House, the fact that he is a naturalized citizen (who no doubt appreciates his earned U.S. citizenship a lot more than many people born here) is no reason to deprive them of that choice.

The requirement that the president be a "natural born" citizen excludes not only immigrants who came here as adults or teenagers but also every infant adopted from abroad who will remember no other homeland but the United States. And it sends them a message that, regardless of anything else they feel or do in their lifetime, they can't really be full, trustworthy Americans.

Congress has taken some of the sting out of the "natural born" requirement, enacting legislation that makes it clear that some children born of Americans living abroad are more "natural" than others. But to excise the "natural born" requirement entirely will require a constitutional amendment, and that means approval by two-thirds of the House and Senate and three-fourths of the states. Congress should at least hold hearings on this proposal.

It's admittedly an uphill battle. Polls show little support for such an amendment. But a campaign on its behalf (featuring such notable foreign-born Americans as Michael J. Fox, former Intel Chief Executive Andy Grove, Henry Kissinger and Madeleine Albright) would strive to correct a historical wrong and would serve as the perfect antidote to the acrimonious debate surrounding illegal immigration.

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The Corporate End Run (NYT)

The New York Times, November 12, 2006

Corporate profits are at record levels. The Dow, too, has climbed past its high-water mark from the dot-com era. Executives reap bigger and bigger paydays, even as wages have stagnated. Meanwhile, the widening investigation into stock-option backdating reminds us that the corporate malfeasance era was much more than just a couple of bad apples like Enron and WorldCom.

It seems almost unbelievable, then, that corporate America would pick this moment to beg for relaxed regulation and enforcement, as well as more protection from investors' lawsuits. But as Stephen Labaton reported recently in The Times, industry groups are seeking broad new protections for corporations and accounting firms, not through legislation but from the Bush administration through agency rule changes.

The rationale is that the high cost of complying with the corporate governance law, the Sarbanes-Oxley Act, along with runaway lawsuits have scared foreign companies away from American stock exchanges. The timing is particularly odd given that the compliance costs associated with the much-reviled Section 404 of Sarbanes-Oxley — which requires audits of companies' internal financial controls — fell last year, as did the number of investor lawsuits, for the second year in a row.

What has actually happened is that opponents of regulation believe that the coast is clear. The law's namesakes, Paul Sarbanes and Michael Oxley, are retiring. Kenneth Lay of Enron is dead. The time appears ripe for rollbacks.

Advocates of big business like to point to a sharp decline in the United States' share of global initial stock offerings between 2000 and 2005, hoping that everyone will infer that the cause was the passage of Sarbanes-Oxley in 2002. In fact, that share had been declining since 1996, even before the Asian financial crisis. It hit bottom in 2001 and has risen since.

United States markets lost their dominance of initial stock offerings for numerous reasons that had little to do with regulation. Some of last year's biggest deals were Chinese and French privatizations. Markets elsewhere are bigger and more liquid than they once were. There are also intangibles, such as America's recent unpopularity, increased barriers for visa seekers and extraordinary budget and trade deficits, which might make an issuer think twice about a dollar-denominated stock.

The London Stock Exchange, one of the leading beneficiaries of the American decline, commissioned a study showing that underwriting fees in London are just 3 percent to 4 percent of a transaction, compared with an average of 6.5 percent to 7 percent in the United States.

When workers confront globalization, they are told to adapt, take their pink slips and go to night school. It is the harsh downside of an integrated world economy that has on balance significantly enriched the country. When financiers feel the pinch from competition in Hong Kong and London, they run to the Bush administration for rule changes.

America's investor protections and corporate regulations have made it a nation of share owners, with almost 57 million American households owning stocks either directly or through mutual funds. The Securities and Exchange Commission has already signaled that it will smooth the implementation of Sarbanes-Oxley, especially for smaller companies. And abuses of the private litigation system like pay-to-play should be stopped. There is room for reform. But over all, the system is working. It may need tweaks, but it does not need a revamping.

U.S. Vetoes Security Council Resolution Assailing Israel For Attacks (NYT)

By Warren Hoge

The New York Times, November 12, 2006

UNITED NATIONS, Nov. 11 — The United States vetoed a Security Council resolution on Saturday that condemned Israel for its military actions in Gaza and called for an immediate withdrawal of Israeli forces from the area.

The United States ambassador, John R. Bolton, told the Council that the resolution "does not display an even-handed characterization of the recent events in Gaza, nor does it advance the cause of Israeli-Palestinian peace."

The resolution, introduced by Qatar, the Arab representative on the Council, had been amended during two days of negotiations to meet objections that it was not balanced. But Mr. Bolton said it remained "in many places biased against Israel and politically motivated."

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In the vote, 4 countries abstained — Britain, Denmark, Japan and Slovakia — and 10 were in favor — Argentina, China, Congo, France, Ghana, Greece, Peru, Russia, Qatar and Tanzania.

The original draft had made no mention of Palestinian rocket strikes into Israel and accused Israel of conducting a "massacre" of civilians in its attack at Beit Hanun on Wednesday that killed 18 civilians.

New language was inserted condemning the firing of rockets from Gaza into Israel and calling upon the Palestinian Authority to take "immediate and sustained action" to end the rocket fire. But while the resolution named Israel as liable for the attacks on Gaza, it was silent on who or what group was responsible for the attacks on Israel.

In other changes, a reference to "indiscriminate" Israeli violence became "disproportionate" violence, and the words "military assault," "aggression" and "massacre" were dropped in favor of the general phrase "military operations."

Another provision had proposed that a new United Nations observer force be sent into the area to monitor a cease-fire, but it was substituted with language suggested by France that called for the creation of "an international mechanism for the protection of civilians."

Mr. Bolton said the United States considered this "a promise which is unwise and unnecessary and which, at any rate, raises false hopes."

The resolution that was voted on requested that Secretary General Kofi Annan establish a fact-finding mission to investigate Wednesday's attack and report back within 30 days and called for the resumption of international efforts to achieve peace by the so-called quartet — the United Nations, the European Union, Russia and the United States.

Israel has apologized for the deaths at Beit Hanun, blaming a "technical error," and has announced its own investigation of the episode. But it has said it will continue to try to stop militants from launching rockets into Israel from Gaza.

The United States traditionally opposes what it considers one-sided Security Council resolutions on Israel, and Saturday's vote was the fourth time in three years that Washington had taken such action.

In July the United States vetoed another resolution on Gaza; in March 2004 it vetoed a resolution condemning Israel for killing the Hamas leader, Sheik Ahmed Yassin; and in December 2003 it blocked a measure protesting the construction of the Israeli separation barrier in the West Bank.

Almost all of the 45 nations that spoke during a daylong debate on the Middle East on Thursday condemned Israel. Arab nations are now expected to move for a vote in the 192-member General Assembly, a path they have followed in the past when such measures have failed to pass the Security Council.

Unlike Security Council resolutions, those passed in the General Assembly are nonbinding and largely symbolic. But they generally attract widespread support when Israel, and, by extension, the United States, are the targets.

Jean-Marc de la Sablière, the French ambassador, said he felt the final negotiated text was "a balanced one" and would have sent the right message to both Israel and the Palestinians. He added, "I hope that the fact this text has not been adopted will not renew tensions on the ground."

U.S. Vetoes Condemnation Of Gaza Strikes (AP)

By Justin Bergman, Associated Press Writer

AP, November 12, 2006

The United States vetoed a U.N. Security Council draft resolution Saturday that sought to condemn an Israeli military offensive in the Gaza Strip and demand Israeli troops pull out of the territory.

U.S. Ambassador John Bolton said the Arab-backed draft resolution was "biased against Israel and politically motivated."

"This resolution does not display an evenhanded characterization of the recent events in Gaza, nor does it advance the cause of Israeli-Palestinian peace to which we aspire and for which we are working assiduously," he told the Security Council.

The veto unleashed a flurry of criticism in the Middle East.

"This decision by the U.S. government gives unlimited cover to commit more massacres of innocent Palestinians," said Ghazi Hamad, spokesman for the Hamas-led Palestinian government. "This is a shame on the American administration, which says it is trying to promote human rights and democracy in the Middle East."

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U.S. Secretary of State Condoleezza Rice said, however, the draft resolution would have aggravated the situation in Gaza because it contained "inflammatory and unnecessary language."

"We do not believe the resolution was designed to contribute to the cause of peace," she said in a statement.

In Jerusalem, Israeli Foreign Ministry spokesman Mark Regev agreed the draft was one-sided. "It's good that it wasn't accepted by the Security Council," he said.

The draft received 10 votes in favor and four abstentions, along with the U.S. vote against. Britain, Denmark, Japan and Slovakia all abstained. The U.S. is one of five permanent members of the council that have the power to veto resolutions.

It was the second U.S. veto this year of a Security Council draft resolution concerning Israeli military operations in Gaza. The U.S. blocked action on a document this summer after Israel launched its offensive in response to the capture of an Israeli soldier by Hamas-linked Palestinian militants.

Palestinians strengthened calls for Security Council action after an early morning Israeli artillery barrage in the northern Gaza town of Beit Hanoun killed 19 people Wednesday.

In an open session of the General Assembly on Thursday, Palestinian U.N. observer Riyad Mansour called the attack "state terrorism" and said the perpetrators should be held accountable under international law for war crimes.

Israel has expressed regret for the loss of life in Beit Hanoun but said it will continue operations to stop militants from launching rockets into Israel. Prime Minister Ehud Olmert is scheduled to visit Washington on Sunday to meet with President Bush.

Qatar's U.N. Ambassador Nassir Al-Nasser warned in the Security Council meeting that the failure of the body to act on the draft would lead to more Israeli violence against Palestinians.

"Any lukewarm reaction or response on our part gives the impression we are shirking from our humanitarian responsibilities," said Al-Nasser, who sponsored the resolution on behalf of the Palestinians. Qatar is the only Arab nation on the council.

Arab League Secretary-General Amr Moussa said the veto "will only increase the anger" toward Israel, and Egyptian Foreign Minister Ahmed Aboul Gheit accused the Security Council of "turning a blind eye to Israeli acts in Gaza."

The Arab League was planning to hold an emergency meeting of foreign ministers in Cairo, Egypt, on Sunday to decide how to respond the latest Israeli offensive.

The draft resolution had been weakened slightly in recent days to help improve its chances of passage. A section was added demanding the Palestinian Authority take immediate action to bring an end to violence, including the firing of rockets into Israel.

It also called for the U.N. secretary-general to establish a "fact-finding mission" to probe Wednesday's attack in Beit Hanoun, a step below ordering a full investigation.

In addition, it backed off calls for U.N. observers to be placed on the Gaza-Israel border, asking instead for the "possible establishment of an international mechanism for protection of the civilian populations."

In his remarks to the Security Council, Bolton said the draft was still too one-sided. He said it compared legal Israeli military operations with the firing of rockets into Israel — an act of terrorism. He called the fact-finding mission unnecessary and said the text failed to condemn the ruling Hamas party's refusal to renounce terrorism.

Both Bolton and Deputy British Ambassador Karen Pierce voiced support for returning to the internationally backed "road map" peace plan, which has been stalled for years.

But Michael O'Hanlon, a senior fellow at The Brookings Institution, said the fact that the council allowed the draft to go to a vote showed the world's frustration with the U.S. not involving other members of the so-called Quartet of Mideast mediators in recent decisions on Israel. The other members are the U.N., the European Union and Russia.

"They don't have a stake in the talks and they are more willing now to force our hand," he said. "A lot of times the world has felt (the U.S.) has been too pro-Israel, but in this case, people are just fed up."

Associated Press Writer Omar Sinan contributed to this report from Cairo, Egypt.

Hamas Official: Unity Gov't Deal Near (AP)

DOJ_NMG_0093049

By Albert Aji, Associated Press Writer

AP, November 12, 2006

A senior Hamas official said that a deal on forming a Palestinian national unity government was near, adding that an agreement on a new prime minister has been reached.

"There is some progress on this issue and in the next days, God willing, the remaining outstanding issues will be resolved," Moussa Abu Marzouk, deputy leader of Hamas' political bureau in Syria, said in a telephone interview late Friday with The Associated Press.

He spoke following talks in Damascus with Farouk Kaddoumi, the head of the Palestine Liberation Organization's political wing.

Abu Marzouk said Palestinian President Mahmoud Abbas and Hamas officials have agreed on a candidate for the Palestinian prime minister, but declined to disclose the candidate's name, saying: "It will be disclosed at the suitable time."

Abbas said Saturday from the West Bank that he hoped to form a coalition government with the Islamic Hamas party by the end of the month.

"I tell my people that we have achieved great progress on the way to forming a national unity government that can end the siege and open the horizons for political solutions that will end the occupation forever," Abbas said at a ceremony marking two years since the death of Palestinian leader Yasser Arafat.

Tens of thousands of Palestinians converged on Arafat's gravesite in a rally that also appeared aimed at reinvigorating his faltering Fatah Party.

Fatah bused in Palestinians from across the West Bank for the event, dropping many of them in the center of Ramallah — the Palestinians' de facto capital. Carrying Fatah banners and pictures of Arafat, they marched through the city to the compound that served as the late leader's headquarters.

Top Palestinian officials laid wreaths at the glass shrine atop Arafat's grave inside the compound and read verses from the Quran, the Muslim holy book, while crowds filled the nearby courtyard. A massive picture of Arafat stood nearby.

Meanwhile, thousands of Palestinian students in the West Bank and Gaza Strip returned to school Saturday after a two-month teachers strike.

Clamoring into school buildings that stood empty during the strike, small children and teenagers greeted their classmates with excitement.

Some 40,000 teachers launched the strike at the start of the school year in September, protesting the Hamas-led government's failure to pay their salaries since it came to power in March. International sanctions have made it largely impossible for the Hamas government to pay its 165,000 civil servants, causing widespread hardship in the West Bank and Gaza.

The Hamas-run Education Ministry vowed earlier in the week to begin paying teachers, and scraped together enough cash to pay them a partial salary.

Palestinian Prime Minister Ismail Haniyeh said Friday he would be willing to sacrifice his job if the international community would lift economic sanctions that have crippled his Hamas-led government.

His statement was the latest indication that the Hamas was nearing a deal to form a national unity government with Abbas' moderate Fatah Party that would be made up of independent experts.

"All the measures undertaken by Hamas aim at breaking the siege on the Palestinian people, otherwise there would be no need for (government) change," Abu Marzouk said.

Kaddoumi, who had held talks in Damascus with Khaled Mashaal, head of Hamas' political bureau, said before leaving Damascus late Friday for Iran that talks over the formation of the government have achieved progress.

"But there are still some details that need to be worked out," he told reporters in Damascus.

Talks Collapse In Lebanon As Shiites Vacate The Cabinet (NYT)

By Michael Slackman

The New York Times, November 12, 2006

DOJ_NMG_0093050

BEIRUT, Lebanon, Nov. 11 — Lebanon was thrown into a political crisis Saturday when talks broke down over giving the militant faction Hezbollah and its political allies greater control of the government. Almost immediately, cabinet ministers from the group and the other main Shiite party resigned.

Lebanon's political leaders have held talks for four days, trying to defuse tensions among the various government factions after Hezbollah demanded a greater role in the cabinet and called for its alliance to have veto power over all government decisions. Hezbollah was politically emboldened after its 34-day war with Israel this summer, and it quickly pressed for more power.

Though for days it appeared the talks were headed toward a compromise, the negotiations collapsed when Hezbollah refused to relinquish its demand for a veto, people in the talks said. When the governing coalition refused, the talks collapsed, and within three hours the political brinksmanship began with all of the Shiite ministers resigning.

Under the accord that ended the civil war, called the Taif Agreement and signed in 1989, the government must include members from all the country's main sects. With the departure of the Shiites, it now becomes an interim government with the authority only to handle day-to-day management of the country.

"It is an escalation," said Hilal Khashan, a professor of political science at American University of Beirut. "They are telling them they are willing to stage confrontations."

Lebanon's political stability, and the success or failure of the sitting government, is not just consequential for this country of four million. It is part of a broader contest between the United States, which backs the government coalition, and Iran and Syria, which support Hezbollah.

One of the crucial decisions coming up, and one that cannot be addressed by an interim government, is whether to approve a law to participate in an international tribunal on the assassination of Rafik Hariri, the former Lebanese prime minister. The investigation into the killing has implicated Syrian officials. And on Friday, the United Nations Security Council presented Lebanon with a draft proposal for a framework of a tribunal to pursue the case.

"The reason behind the resignation is the international tribunal," said Akram Chehayeb, a member of Parliament who belongs to the governing coalition, adding that the pro-Syrian parties had hoped Russia would have altered the proposal to their liking.

In a joint statement, the two main Shiite parties, Amal and Hezbollah, said their ministers had resigned because the government had entered the talks with conditions.

"We will not go along with anything that we are not convinced with and would damage the higher national interest," the statement said.

Hezbollah's leader, Sheik Hassan Nasrallah, had threatened to stage street demonstrations aimed at bringing down the American-backed government if his alliance's demands for greater power were not met by Monday. After the talks collapsed, Sheik Nasrallah's deputy, Sheik Naim Qassem, said at a news conference that his group would study what happened and might decide to demonstrate.

"What we are going to do is study very carefully what happened today, and we will take the appropriate decision," Mr. Qassem said. "Either we will wait with little patience, to give a chance for the talks to come up with a result if such a chance is available, or we will discuss with our allies the program of our protests, which will be wide, God willing."

Not longer after, the ministers resigned, and officials from the governing coalition were saying that if Hezbollah took to the streets, its supporters might as well.

Shortly after talks began, it appeared that the sides would be able to find a compromise. One proposal was to bring Hezbollah's main ally, the Free Patriotic Movement, into the government without granting veto power. One particular fear among members of the governing coalition was that with veto power, Hezbollah could paralyze the government and block the adoption of the international tribunal.

Former President Amine Gemayel, leader of the small Christian Phalange party, said Saturday that the mood in the room during the negotiations was "cold, very cold." He said that the governing coalition was adamant about not giving Hezbollah the one-third plus one seats it would need for veto power. "They are still insisting on having the third of the government," Mr. Gemayel

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said Saturday after leaving the negotiations. “It is a way in fact to control completely the government and the very existence of the government.”

Hezbollah Quits Lebanese Cabinet (AP)

AP, November 11, 2006

BEIRUT, Nov. 11 -- Cabinet ministers from Hezbollah and an allied party resigned Saturday, a decision that could cost the Western-backed government crucial support from Lebanon's Shiite Muslims.

Prime Minister Fouad Siniora said he would not accept the resignations. He has the authority to order the five cabinet ministers to stay on, but it was unclear if his weak government could enforce the demand.

The resignations are not enough to bring down Siniora's government -- eight cabinet ministers must resign for the government to collapse -- but they could cost him support among Shiites, the majority sect in Lebanon, and make it difficult for him to govern.

The ministers of Hezbollah and the allied Amal party resigned because talks on forming a national unity government collapsed hours earlier, Hezbollah said in a statement broadcast by its al-Manar television station. Hezbollah accused the government of insisting on "imposing terms and premature results for negotiations," the TV station said.

Hezbollah, a Shiite militia that is by far the strongest political and military force in Lebanon, has been demanding at least one-third of the seats in the 24-member cabinet for itself and its allies. That would give them veto power over key decisions and the power to bring down the government if they disagreed with a decision.

The governing majority, which succeeded in forcing Syria to withdraw its army from Lebanon last year, is not willing to relinquish full control.

Syria ended its 29-year military presence in Lebanon after international pressure and mass protests that followed the 2005 assassination of former prime minister Rafiq al-Hariri in Beirut. A U.N. investigation implicated top Syrian officials in the killing, but Syria has denied any role.

Russian Foreign Minister Hopeful About Nuclear Talks With Iran (AP)

AP, November 12, 2006

MOSCOW — Russia's foreign minister said Saturday that he believed international talks with Iran over its atomic program were still possible, maintaining that Russia could help bridge differences with other negotiating partners, including the United States.

President Vladimir V. Putin met Saturday with Iran's top nuclear negotiator, Ali Larijani, ending two days of talks that signaled a renewed push by Moscow to persuade Tehran to freeze its uranium enrichment effort. Iran, however, has so far snubbed Moscow's proposal to host its enrichment program.

Larijani remained defiant after the first round of meetings Friday, saying Tehran would push ahead with its nuclear program, and suggesting it could break off ties with the U.N. nuclear watchdog if the world inflicted punishments proposed by European nations.

Russian Foreign Minister Sergei V. Lavrov said his country would continue efforts to bring Iran back to negotiations with Germany and the five permanent members of the Security Council — the U.S., Britain, China, France and Russia.

"We will push for our common goal — the resumption of talks with six nations," Lavrov said in a statement after Putin's meeting with Larijani. "We think it's possible, if there is goodwill, to find a mutually acceptable basis for the resumption of talks on the basis of the proposals of the six and Iran's response to them."

U.S., Pyongyang Officials May Meet Soon, Report Says (AP)

AP, November 11, 2006

TOKYO (AP) -- The United States and North Korea may hold talks in New York as early as this week aimed at working toward the resumption of six-nation discussions on Pyongyang's nuclear program, a newspaper reported yesterday.

Citing unidentified sources familiar with U.S.-North Korea affairs, Japan's Mainichi newspaper reported that officials from the two countries will discuss, among other issues, financial sanctions imposed on North Korea.

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Tony Fratto, a White House spokesman, said he was not aware of any plans for a meeting. A State Department spokesman, Kurtis Cooper, said he could not comment on the report.

Last year, Washington claimed that Banco Delta Asia SARL -- a bank in the Chinese territory of Macao -- was being used by North Korea for money-laundering activities. The Bush administration banned transactions between the bank and American financial institutions.

Earlier this month, the State Department said North Korea would get a chance to seek access to its frozen overseas bank accounts when the six-nation negotiations resume.

North Korea agreed to return to the talks -- involving the two Koreas, the United States, China, Japan and Russia -- following its test of a nuclear weapon on Oct. 9, a move that triggered international outrage and economic sanctions. No date has yet been set for their resumption.

North Korea, which claims its nuclear ambitions are aimed at deterring U.S. attacks, has boycotted the nuclear talks since November 2005 when the U.S. Treasury Department imposed economic sanctions on the country.

U.S. and North Korean officials had a direct meeting in Beijing on Oct. 31, which the North said at the time led to their decision to return to the six-nation talks.

Meanwhile, top South Korean officials yesterday decided against fully participating in a U.S.-led program to stop and search ships in international waters to prevent the movement of weapons of mass destruction, a press report stated.

Washington has said it wants South Korea to expand its participation in the Proliferation Security Initiative following the North's nuclear test and a U.N. Security Council resolution banning weapons trade with the North.

South Korea has only been an observer to the program out of concern its direct participation in stopping and searching North Korean ships could lead to armed clashes with its volatile neighbor.

The decision yesterday will become official after a formal government review process and a report to President Roh Moo-hyun, Yonhap news agency reported, citing unidentified participants in the session involving Prime Minister Han Myung-sook, key security officials and ruling party leaders.

Nicaragua's Ortega Vows Close U.S. Ties (AP)

By Traci Carl, Associated Press Writer

AP, November 12, 2006

Daniel Ortega returns to Nicaragua's presidency a shadow of the fiery revolutionary who in Cold War times vowed an endless fight against a U.S. government determined to overthrow him.

Balding, weakened by heart trouble and often appearing almost docile, he now preaches reconciliation and stability, and promises to maintain close ties with the U.S. and the veterans of the Contra army it trained and armed against him.

He has traded his wartime military fatigues for a white shirt and jeans. His guide, he says, is God, not Karl Marx.

The United States and his rivals worry the Sandinista revolutionary in him will resurface, as Venezuelan President Hugo Chavez and Cuban leader Fidel Castro welcome him into a club of leftist leaders fighting American dominance in the region.

But Ortega, who was president in 1985-90, the height of the Contra insurgency, says he has traded war for peace, love and consensus.

His victory speech late Wednesday was tinged with some of his old fire. Raising his arms in victory, he led thousands in a rendition of an old revolutionary song: "The people united will never be divided."

He promoted socialist ideals such as free education and medical care, lambasted U.S. Republicans for the war in Iraq and thanked other leftist Latin American leaders for their support. But most of his speech was dedicated to praising democracy and reaching out to opponents.

"Don't let one criticism slip from your lips against those who didn't vote for us," he warned his supporters. "We have to be humble."

Ortega, who turned 61 Saturday and takes office Jan. 10, has been careful not to sound triumphalist. Even though his strong lead over Harvard-educated banker Eduardo Montealegre was clear soon after Sunday's election, he waited two full days for Montealegre to concede defeat before declaring victory.

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His speeches have focused on reassuring skeptics that he plans no radical changes and will embrace free trade, job creation and close U.S. ties.

On Saturday, Ortega said his Cabinet ministers will be named by the people — not himself — and he had asked local representatives to send him proposals for candidates. He vowed that half of his top officials would be women and he would include people who didn't vote for him.

He also promised more than 1,000 Sandinista peasant leaders that the government would buy land for people who need it, which they could pay for "little by little even if it is with a sack of corn."

Perhaps the biggest sign that Ortega has changed is his vice president, Jaime Morales.

Shortly after the Sandinistas ousted dictator Anastasio Somoza in 1979, Morales' wife came home to find Ortega's wife, Rosario Murillo, occupying her house and wearing the family's clothes and jewelry. Morales spent years fighting for restitution.

Recently, he got it: Ortega returned works of art, a desk that was a family heirloom, and other things.

Shortly after, Morales agreed to run as his vice president, saying he preferred "the strange to the unknown."

"We agreed on peace 18 years ago, and it's time to heal that wound," Morales told The Associated Press. "Maybe together we can get people to forgive and forget and move on."

He said the next five years will be nothing like Ortega's first regime, when state economic control was so heavy that people lined up for rationed food and hungry farmers could be jailed for butchering their own cows without permission.

"Daniel Ortega knows he made a lot of mistakes," Morales said. "He's honestly regretful."

Ortega's mistakes will haunt his new administration.

Leaders of the country's Miskito Indians have accused him of genocide for forcing thousands to relocate during the U.S.-backed Contra civil war. He has apologized for moving them, but denies genocide.

On Thursday, the Permanent Commission on Human Rights, an independent Nicaraguan body, said it would push the genocide case against Ortega throughout his administration.

Ortega's stepdaughter, Zoilamerica Narvaez, says he molested her for years, starting when she was 13, and often speaks against him publicly. Ortega and his wife both deny it, alleging Narvaez is mentally unstable.

Remembering the Sandinista closure of opposition media, some worry Ortega will not keep his promise to respect media rights. During his campaign, he rarely spoke to news media he believed tied to the United States, and refused to take part in a campaign debate sponsored by U.S.-based CNN en Espanol.

In his third failed run for president, in 2001, when reconciliation was the watchword, he actually waved a U.S. flag on stage. Yet celebrating May Day 2005 in Cuba, he referred to Americans in a speech as "the enemies of humanity."

Maricela Ortega, a 43-year-old store saleswoman, says she believes the president-elect is a different man.

The previous Ortega "was a dictator," she said. "But from what I've seen so far, he's no longer a rebel."

His wife Murillo, who is also his campaign manager, decides whom he talks to and is always at his side. Cartoons show her manipulating Ortega like a puppet.

Dissident Sandinistas say he has become too conservative, as well as opportunistic in his alliances — for instance by joining forces with his opponents to push legislation through Congress that effectively weakened the then president, Enrique Bolanos.

Now he will replace outgoing Bolanos in that diminished presidential role, and must work with an opposition-dominated Congress.

More than ever, Ortega will need the support of his former enemies, and they have pledged to keep him in check.

U.S. State Department spokesman Gonzalo Gallegos says cooperation with Ortega and his government will be "based on their action in support of Nicaragua's democratic future."

"We want to have a close, respectful relationship with the United States," Vice-President Morales said. "That doesn't mean we will always agree with the U.S. But it also doesn't mean we are an enemy."

Associated Press Writer Filadelfo Aleman contributed to this report.

Former Contras Bemoan Ortega's Return To Power In Nicaragua (WP)

DOJ_NMG_0093054

By N.C. Aizenman

The Washington Post, November 12, 2006

SAN BENITO, Nicaragua -- As a young insurgent fighting to overturn Nicaragua's Marxist-led Sandinista revolution during the 1980s, Mart?n Laguna chose the alias "Comandante Amargura," Spanish for "Commander Bitterness," to protest his suffering at the hands of a government that had gunned down his father and confiscated his family's cattle ranch.

But 16 years after the Sandinistas' fall ushered in a new era of democracy in Nicaragua, Laguna's old code name seems just as apt.

Official promises to compensate him for the expropriated property never came through, so he has joined about 100 other former fighters squatting in flimsy shacks on this desolate plain outside the capital, Managua.

Jobs are scarce, so he feeds his four children by scavenging for firewood to sell by the highway.

And as if those humiliations weren't enough, last week Daniel Ortega, the Sandinista leader whom Laguna risked his life to overthrow, won back the presidency through a democratic election.

"I can't believe it," Laguna, a stocky man of 52, said disgustedly in a recent interview inside his home of sticks and plastic tarp. "After all these years, our enemy is going to have power over us once more. I never, never imagined this would happen."

A week after divisions among his opponents enabled Ortega, 61, to eke out a victory with less than 40 percent of the vote, Nicaraguans of all political stripes are still reeling. But perhaps none feel more personally affronted than the surviving foot soldiers of the U.S.-funded anti-Sandinista force, known as contras. Through a controversial, decade-long campaign of ambushes and sabotage, the contras, estimated to number as high as 12,000 at their peak, helped pressure Ortega into holding elections in 1990 in which voters swept him from office.

Now some former contras view Ortega's return in almost apocalyptic terms. Although Ortega cast himself as the candidate of "reconciliation," Laguna's neighbor, Leiva Ram?rez, a petite woman with dark, intense eyes, predicted that it is only a matter of time before he reinstates unpopular policies of his previous 11-year rule, such as expropriating property, rationing food and jailing dissenters.

"But we won't surrender to him!" shouted Ram?rez, 39, as her voice began to shake with emotion. "If we have to, we'll go back to the mountains where we are strong and fight again. Better to die in battle than to stay here and be killed off one by one."

Other former contra fighters interviewed were more sanguine, arguing that Ortega has probably mellowed over the years. Their concern was that his victory would embolden his more radical supporters to harass former contra fighters in the many urban neighborhoods and rural villages across Nicaragua where old foes now live side by side.

Eighty miles north of the San Benito encampment, in the remote mountain village of La Lima, Efra?m Subalbarro, 42, said that Sandinista activists had already twice stopped by his house in the middle of the night.

"They pulled up in a truck and stood outside shouting obscenities and threats for about half an hour. It was very tense," said Subalbarro, a short, muscular man who commanded 45 fighters during the contra war.

But perhaps most upsetting to the former contra fighters is the notion that Ortega's victory could represent the final step in the contras' long descent into political irrelevance.

"We were the ones who gave Nicaraguans their democracy, and now we've been totally abandoned," said Subalbarro, who said he watched two younger brothers die in battle. "It's like we don't matter anymore."

The contras' loss of clout is at least partly due to their lack of coherence to begin with. Armed, trained and largely run by the CIA, the insurgency was dominated at its top tier by former members of the notoriously brutal National Guard that propped up dictator Anastasio Somoza until the Sandinistas deposed him in their 1979 revolution. A diverse group of civilian leaders, among them prominent business figures and former Sandinistas disenchanted with Ortega's rule, offered the contras a more palatable public face but exercised little power behind the scenes.

The rank and file, meanwhile, was filled mainly by peasants from the north and Miskito Indians from the Atlantic coast, many of them women and teenagers. They chafed under Sandinista rules that favored agricultural cooperatives, and resented the presence of Cuban doctors and teachers promoting an atheistic worldview.

After Ortega's loss in 1990, most of the contra civilian leadership joined anti-Ortega factions that have coalesced and divided and coalesced again in a dizzying series of alliances. Among the more surprising twists in this contretemps was the

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decision this year by Jaime Morales -- a former banker and contra negotiator whose home Ortega occupied after the 1979 revolution -- to run for vice president on Ortega's ticket.

A small cadre of contra fighters did establish a party, known as the Nicaraguan Resistance Party, dedicated to representing former contra combatants. But it has been beset by frequent internal squabbles, the most recent of which erupted in September when the party's president, Salvador Talavera, infuriated many members by signing a public "peace agreement" with Ortega.

Such moves at the top have only compounded the disillusionment felt by many lower-ranking former contras over the level of assistance they have received from democratic administrations that succeeded Ortega.

After years of fighting, many had lost their lands to the Sandinistas. Others like Subalbarro, whose family was able to keep its cattle ranch in the northern state of Jinotega, felt it was unsafe to return. "Everybody there knows what operations you were responsible for, and there may be those who want to take their revenge," he said.

Violeta Chamorro, who defeated Ortega in the 1990 presidential election, originally promised to grant each demobilized contra either 50 manzanas of land, about 86 acres, on which to raise cattle or 15 manzanas, about 26 acres, for crops. But that commitment was based on estimates that put the contra force at 5,000, noted Alfonso Sandino, a former contra spokesman who heads the government agency in charge of compensating demobilized combatants. When 22,000 came forward claiming to be former contras, "it was clear that the original commitment was totally unrealistic. Nicaragua just doesn't have sufficient land to fulfill it," Sandino said.

Furious, small groups of contras rearmed and staged violent protests several times during the early 1990s, at one point occupying the Colombian Embassy in Managua. Each time, the crisis was soothed with more government promises.

Today, Sandino said, about 90 percent of former contra fighters have received some land -- albeit in smaller parcels than originally envisioned. The distribution, however, was haphazard, and contras' families often did not receive title to the new land, just vague permission to relocate there.

That has caused serious difficulties for Claudia Pe?a, 35, who moved onto a government-granted patch in the northern department of Matagalpa seven years ago.

Soon afterward, local Indians made a competing claim against the property and began grazing cattle there. Without a title, Pe?a and her husband have been unable to defend their claim to the land.

"We're supposed to have eight manzanas of land," she said. "But the truth is, we're only able to raise crops on about one."

One of her young sons sat on the ground nearby, watching her with a pinched expression. He's hungry, she explained, but there wasn't going to be enough for dinner that night. Instead, she said, "I'll give the children water to take away their appetite."

When she was asked whether this was the future she imagined back when she was fighting in Nicaragua's northern jungles, Pe?a's eyes filled with tears.

"No. We wanted peace so we could have a chance at a decent living," she answered. "This is not what I was fighting for."

Two U.N. Peacekeepers Killed In Haiti (AP)

AP, November 11, 2006

PORT-AU-PRINCE, Haiti (AP) -- Two U.N. peacekeepers from Jordan were shot to death in Haiti's capital after coming under attack by gunmen, U.N. officials said Saturday.

Jordan's official Petra news agency reported the two soldiers were attacked Saturday morning while on patrol in Port-au-Prince, the capital. But a United Nations police spokesman in Haiti, Fred Blaze, said preliminary reports indicate they were killed Friday night.

Blaze said the soldiers came under attack in the Sonapi section of the capital near Cite Soleil, a slum where well-armed street gangs blamed for kidnappings are based. The deputy U.N. mission chief in Haiti, David Wimhurst, confirmed the deaths but declined to give details.

Jordanian government spokesman Nasser Judeh identified the soldiers as 1st Lt. Ahmad Mohammed Hassan Ba'irat and Cpl. Rami Wasif Taha Al Mohammed.

The U.N. peacekeeping force has been stepping up patrols to quell violence in the Caribbean nation's dense slums. But there is growing opposition among poor slum dwellers to the Brazil-led U.N. force, sent to restore order after a bloody February

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2004 revolt ousted then President Jean-Bertrand Aristide. They have accused U.N. troops of firing indiscriminately during gunbattles with gangsters, killing and wounding civilians.

The U.N. denies peacekeepers open fire indiscriminately and says they only shoot when attacked. No overall civilian casualty figures were available.

In recent days, students and slum dwellers have staged street protests calling for the U.N. force's withdrawal.

Jordan has about 1,500 troops in the force of some 8,800 peacekeepers. Nine peacekeepers have been killed since the force arrived in June 2004.

The latest attack marked the bloodiest day for the blue-helmeted force in nearly a year. In December, a Jordanian soldier was shot to death while patrolling Cite Soleil.

Facing Reality On Europe's Immigrants (NYT)

By David C. Unger

The New York Times, November 12, 2006

"Write an article!" came the shout as I left a room full of German women preparing the food for their weekly breakfast discussion meeting in the Rollberg housing project in the Neukölln section of Berlin.

They were Germans now, but most had been born elsewhere, generally in Muslim countries. One wore a head scarf, the others did not. The youngest looked about 19. The oldest might have been a grandmother.

These women illustrated a reality finally accepted by some of Germany's most conservative politicians — there is no reason someone cannot be German and Muslim at the same time. In America, that idea would be unremarkable. In Germany, with its tragic history of exclusive nationalism and race-based citizenship, it is an intellectual revolution.

The moving spirit behind these meetings was Ayten Köse, an infectiously enthusiastic woman of Turkish descent, who relished telling a visitor what it had taken to make this project a reality.

The weekly breakfasts were among the activities of an outreach program sponsored by the local government and the European Union. One goal is to help the project's residents connect with one another and with local public services. That, in turn, is meant to reduce the sense of isolation many immigrants feel from the larger society they live in and from its political institutions.

Through this program, residents had gotten help in ridding public rooms in the housing project of the intimidating young toughs who hung out there, discouraging women from leaving their apartments. That reclaimed space became home to the Friday breakfast gatherings, where the women compared notes on problems from domestic violence to developments in Afghanistan, Gaza and Iraq.

It took a long time for Germany's leaders to wake up to the fact that millions of foreign-born or foreign-descended residents — people who originally arrived as guest workers or asylum seekers, along with their German-born children and grandchildren — intend to live their lives in Germany with no plans of returning to their ancestral homelands.

More than three million of these new Germans are Muslims — nearly two million from Turkey, with most of the rest from Bosnia, Albania, the Arab world, Pakistan and Iran.

It is in Germany's interest to help these newcomers succeed and prosper, by helping them improve their German language skills, preparing them for better jobs and smoothing their path to German citizenship. That lessens the risk of their slipping into an underground world of isolation, joblessness and despair, where they might fall prey to terrorist recruiters.

The new realism of its politicians is welcome, but Germany has a long way to go. Immigrants still face violent attacks from xenophobic neighbors and the discriminatory attitudes and practices of some local governments. Despite recent reforms, it remains too difficult for many long-time residents to become citizens.

Yet, despite its shortcomings, Germany's new approach contrasts favorably with that of neighboring France — the home of Western Europe's largest and perhaps least integrated Muslim population.

French policies have been confounded, paradoxically, by the country's militantly integrationist official ideology. The well-meaning insistence that all French citizens are simply French has led to decades of willfully ignoring the particular needs and diverse cultures of distinctive segments of the French population.

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The poor and unemployed young men who burned cars in suburban neighborhoods last fall weren't protesting the noble French ideal of égalité. They were protesting the daily humiliation of coping with police officers, politicians and employers who have no real idea of what their lives are like and no desire to find out. It is that kind of estrangement that German programs like the one in Neukölln are trying to avoid.

Voters Were Not The Only People To Notice Scandals (NYT)

By Mark A. Stein

The New York Times, November 12, 2006

Fed up with corruption? No wonder. It is getting worse.

Transparency International, a private antibribery group in Berlin, released its annual corruption perceptions index, which gauges how people view the honesty of public officials in 163 countries.

Perhaps unsurprisingly, Iraq's reputation suffered this year. So did those of Brazil, Cuba, Israel, Jordan, Laos, Algeria and — er — the United States. America fell three spots, to tie for 20th with Chile and Belgium.

The pecuniary relationships that Jack Abramoff and other lobbyists had with certain members of Congress apparently took a toll on the country's reputation.

And a substantial number of voters cited corruption as a factor in their decision in the midterm election last week.

But there is another side to the problem: the countries that pay graft to foreigners.

Transparency International uses this "supply side" of corruption to rank countries on a "bribe-payers index." Here, the United States does better. It tied — again, with Belgium — in ninth place.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Posada A Target Of New Federal Probes (MH)

By Alfonso Chardy And Jay Weaver

The Miami Herald, November 12, 2006

One of the first things the businessman noticed about Luis Posada Carriles was that he spoke funny. Posada, who mumbled because of an old bullet wound in his jaw, frequently visited the businessman's Guatemala utility company in 1997 to meet with two co-workers.

The businessman grew suspicious after one of the workers told him about Cuban exile plans to assassinate Fidel Castro and after a Venezuelan politician confided that Posada, a CIA-trained explosives expert, was a ``very dangerous individual."

Concerned that Posada was using his utility business to plot illicit activities, the businessman hid a transmitter in an office and overheard the two co-workers talk with Posada about placing a "putty-like explosive" in the shoes of Central Americans paid to pose as tourists on trips to Cuba.

Soon afterward, the businessman became a "confidential source" for the FBI's investigation into bombs that exploded at Cuban tourist sites in 1997, killing an Italian and wounding seven others.

The businessman, a Cuban-American engineer who set up the utility company in Guatemala City in 1996, could turn out to be the central figure in the Justice Department's rekindled criminal investigation of Posada. The probe is back on track -- despite the fact that the FBI field office in Miami destroyed evidence in 2003 about the initial Cuba bombing case.

Federal grand juries in New Jersey and Texas are investigating the secret activities of Posada, 78, who is detained at an immigration facility in El Paso, Texas. The Texas probe focuses on whether he lied about how he sneaked into the country. The New Jersey investigation, aided by the FBI in Miami, is zeroing in on his role as the alleged mastermind of the dozen tourist-site bombings in Cuba that investigators think were financed by Cuban exiles in Union City, N.J.

Either of the probes could lead to the first indictment of Posada in the United States.

10-PAGE AFFIDAVIT

An insight into the Justice Department's case can be found in a 10-page affidavit obtained by The Miami Herald. In the June 10, 2005, sworn statement, FBI special agent Thomas H. Rice portrayed Posada as a dangerous man bent on killing Castro and spreading terror on the communist-run island to destroy its tourism economy.

"The FBI is unable to rule out the possibility that Posada poses a threat to the national security of the United States," Rice wrote.

Among the evidence cited in the sworn statement:

· In late August 1997, the businessman at the Guatemala utility company said he and a co-worker discovered "what appeared to be explosive materials" in the firm's office, where Posada regularly met with two other workers.

The businessman later told the FBI that the materials consisted of 22 transparent plastic tubes filled with a tan substance. They were labeled with the name of the manufacturer and ``explosivos de alto poder, extremadamente peligrosos" -- high-power explosives, extremely dangerous.

· The businessman said he found funnels in the office that he thought were used to mix explosive materials with liquid inside shampoo bottles. He also found a diaper that may have been used to absorb the liquid in the bottles and yield the explosives.

The businessman then found a carrying case containing a note in Spanish, which said, "The tyrant has to be eliminated, regardless of how many others are killed." Also found in the case: a note pad with Posada's name written on the first page.

· During the FBI's investigation of the 1997 Cuba bombings, agents collected records showing about $19,000 in wire transfers from the United States to "Ramon Medina," one of Posada's aliases, in El Salvador and Guatemala between Oct. 30, 1996, and Jan. 14, 1998.

WIRE TRANSFERS

The FBI agent specifically refers to an Aug. 25, 1997, fax intercepted by the businessman's co-worker at the Guatemala utility company.

The cryptic fax is signed Solo. Investigators think Posada sent the fax from El Salvador to the utility company, addressed to two alleged co-conspirators who worked there.

Handwritten in Spanish, it refers to wire money transfers totaling $3,200 from four men in Union City to pay a ``hotel bill."

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It also alludes to some discussion Solo had about the need for publicity for certain actions. But there is no mention of Posada or bombings.

"As I explained to you, if there is no publicity, the work is useless," Solo wrote. ``The American newspapers don't publish anything that hasn't been confirmed. I need all the information regarding the discotheque in order to try to confirm it. If there is no publicity, there will be no payment. I'll be awaiting news today, tomorrow I'll be leaving for two days."

CRUCIAL DOCUMENT

Since the fax became public in 1998, after it was reported first in The Miami Herald and then in The New York Times, it has come to be seen as a crucial document in the current investigation. It was included in the hundreds of pages turned over May 19 to the El Paso court considering Posada's custody.

In New Jersey, three of the people mentioned in the fax -- Abel Hernández, Rubén Gonzalo and his son, José -- have been approached by FBI agents and subpoenaed by the federal grand jury in Newark. Authorities wanted to know whether they helped finance the Cuba bombings.

Attorney Gilberto Garcia, who represents the three men and two other Cuban exiles also subpoenaed by the grand jury, said none had any role in the bombings.

"My clients had no knowledge about the financing of the bombings," Garcia said. ``They had no participation."

Nevertheless, Garcia said two of the five refused to testify and invoked their right against self-incrimination -- then prosecutors excused them. Two others agreed to provide information to prosecutors, and one testified before the grand jury. Those three said they had not been involved in the bombings.

Garcia said his clients' names on the Solo fax were "misappropriated." "Someone was sending these money transfers to Guatemala using their names," he said.

Although Posada was suspected as the mastermind of the bombings, he was never charged in the initial probe, largely because federal investigators insist that the Cuban government failed to help them build a case against him. But the federal case was reactivated after Posada, a Cuban-born Venezuelan citizen, sneaked into the United States last year.

The U.S. attorney's offices in Newark and El Paso declined to comment.

Eduardo Soto, Posada's attorney, said his client has not received a so-called target letter from federal authorities alleging he is a suspect in a crime. Soto said his client did not lie about his entry into the country and was not involved in the Cuba bombings.

In El Paso, three Cuban exiles from Miami -- José Pujol, Rubén López Castro and Ernesto Abreu -- have refused to testify. At least two of them, Pujol and López Castro, are facing prosecution.

The current Newark investigation has gained momentum as the FBI pieces together evidence -- including the fax allegedly sent by Posada listing suspected U.S. co-conspirators involved in the financing of the bombing campaign.

The government has stepped up its effort to keep Posada in detention because the federal judge in El Paso has set a Feb. 1 deadline for the Justice Department to demonstrate why he shouldn't be released in the United States, since he cannot be deported.

The reason: No country has offered to take him. Also, an immigration judge has ordered that he not be sent back to Cuba or Venezuela.

PROPAGANDA WEAPON

Castro and Venezuelan President Hugo Chávez accuse Posada of masterminding the 1976 bombing attack that brought down a Cuban airliner, killing 73 people.

Both leaders have used Posada as a propaganda weapon against the United States, which was embarrassed by his illegal entry into the country in the post-9/11 climate when antiterrorism defenses were supposed to be tighter. Castro and Chávez have accused federal officials of coddling a ``terrorist."

For his part, Posada has blamed Cuban agents for a 1990 assassination attempt in which he was shot in the jaw and chest in Guatemala.

The Justice Department's renewed Cuba bombing probe was challenging at first because the FBI had destroyed some documents, such as Western Union cables and other case records, in the fall of 2003 -- after obtaining approval from the U.S. attorney's office in Miami.

In the initial case, the Cuban government was cooperative with federal authorities. A team of FBI agents visited Cuban counterintelli- gence officials in June 1998. The Castro government said it shared information on the tourist bombing attacks and other alleged Cuban exile terrorism activities during the 1990s.

1998 IMPASSE

Ultimately, Cuban officials refused to allow FBI agents to talk with witnesses or suspects or to conduct forensic examinations of explosive materials recovered from the tourist-site bombings, according to federal authorities.

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The final breakdown came in September 1998, when a federal grand jury in Miami indicted 10 Cuban agents on charges of infiltrating South Florida to spy on the U.S. government and the Cuban-American community.

One of the key pieces of evidence in the current Cuba bombing investigation is the mysterious fax signed Solo.

The link between Posada and the fax was reported first in The Miami Herald on June 7, 1998. A New York Times article the following month said a Cuban-American businessman in Central America, Jorge "Tony" Alvarez, had discovered the fax in his office. Alvarez claimed it had been sent by Posada from El Salvador.

`A BIG SCANDAL'

The article also asserted that Posada acknowledged being the author of the fax, and an accompanying story quoted Posada as saying he was responsible for the bomb attacks at Cuban tourist sites, including the one that killed the Italian.

"We didn't want to hurt anybody," the story quoted Posada as saying. ``We just wanted to make a big scandal so that the tourists don't come anymore. We don't want any more foreign investment."

For investigators, Posada's statements amounted to a confession.

Last year, prosecutors from the U.S. attorney's office in Miami sent subpoenas to The New York Times and freelance writer Ann Louise Bardach, demanding the recordings and any other documents she might have that were connected to the interview. Lawyers sought to quash the subpoenas, and the government withdrew them.

In October, the grand jury in Newark issued a new subpoena to Bardach. She said her Miami lawyer is preparing a response to quash it.

Taken together, the fax, FBI witnesses and the tapes could be crucial pieces of evidence in indicting Posada.

In testimony to an immigration court in El Paso last year, Posada acknowledged that he had made those statements to Bardach -- but noted that he did not understand her questions and did not provide proper answers because his English was poor.

In the end, the Cuban government arrested several of the bombers.

And over the next decade, the tourism industry was far from disrupted. Travel to Cuba became all the more popular, with experts estimating the total number of visitors doubling to more than two million last year.

FBI Destroyed Evidence As 'Routine' Matter (MH)

By Jay Weaver And Alfonso Chardy

The Miami Herald, November 12, 2006

A renewed federal investigation launched after Cuban exile militant Luis Posada Carriles sneaked into the country last year posed a serious challenge at first because the FBI's Miami office had destroyed crucial evidence in the fall of 2003.

The evidence was part of a previous investigation of bomb attacks against Cuban tourist sites in 1997. Destroyed documents included Western Union cables and money wire transfers.

The Atlantic Monthly, in an article in its November issue, suggested the FBI destroyed the evidence to shield Posada from criminal prosecution and avoid angering the Cuban exile community where some view him as a patriot.

The FBI confirmed to The Miami Herald that some case records were destroyed but denied there were any irregularities.

Officials portrayed the destruction as a routine administrative procedure after the U.S. attorney's office closed the case in August 2003 because of lack of progress in the investigation.

"We routinely destroy evidence in cases that have been closed," said FBI spokeswoman Judy Orihuela, noting the agency needed to make room for other records in its evidence room at the time.

She added that the FBI has been able to rebuild the body of evidence in the Cuba bombing probe, which targets Posada.

Hector Pesquera, who was special agent in charge of the FBI's Miami field office in 2003, said that any suggestion he sought to protect Posada from prosecution was ``preposterous."

Said Pesquera: ``That's not the way this office works or any other law enforcement office works for that matter."

Guy Lewis, who served as the U.S. attorney in Miami during part of the Cuba bombing case, said such a claim was ``B.S."

Why The FBI Is Coming After Me (WP)

By Ann Louise Bardach

The Washington Post, November 12, 2006

As a rule, I don't believe in conspiracy theories. They tend to be tidy and selective, whereas life seems so random and messy. But the case of Cuban militant and would-be Fidel Castro assassin Luis Posada Carriles has sorely tested my convictions.

I've been writing about Posada for nearly a decade. I interviewed him in Aruba for a series of articles in the New York Times in 1998. He was a fugitive who had escaped from Venezuela in 1985 while awaiting trial in the 1976 bombing of a Cuban

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passenger plane that killed all 73 people aboard-- the first deadly act of airline terrorism in the Americas. Posada has maintained his innocence, but in a rare instance of unanimity, the CIA and the FBI, as well as Venezuelan, Trinidadian and Cuban intelligence, concluded that he and fellow militant Orlando Bosch had masterminded the bombing.

Last year, I wrote an Outlook article about Posada's surprise arrival in Miami, where he filed a claim for political asylum. Not only did this move strike many as brazen, but it also seemed incomprehensible that the Bush administration, so committed to what it calls the War on Terror, could have allowed someone of Posada's notoriety to slip into the country.

Soon after, Homeland Security Department officials got around to arresting Posada and charging him with illegal entry. I assumed that the Justice Department would act on his self-admitted history of paramilitary attacks and extradite him somewhere, and that I'd just continue to cover his case. Instead, the government has dithered for a year and a half while Posada languishes in an immigration jail in Texas.

And I, meanwhile, have found myself an unwitting player in the tangled drama of the United States and Luis Posada.

Not long after Posada's arrest, FBI and Homeland Security agents began to phone me, seeking information about the New York Times series. One agent came right out and asked if I'd share my research materials -- as well as my copies of FBI and CIA files on Posada. "Do us a favor," he said. "We can't find ours." I laughed politely, assuming it was a strained attempt at humor. But he wasn't kidding.

In August 2003, the Miami bureau of the FBI made the startling decision to close its case on Posada. Subsequently, according to FBI spokeswoman Judy Orihuela, several boxes of evidence were removed from the bureau's evidence room, or the "bulky," as it is known. Among the documents that disappeared was the original signed fax that Posada had sent to collaborators in Guatemala in 1997, complaining of the U.S. media's reluctance to believe reports about a series of bombings in Cuba, which he hoped would scare tourists and investors away from Castro's island.

I had shown Posada a copy of this fax during my interviews with him. The fax had been intercepted by Antonio Alvarez, a Cuban exile and businessman who had shared office space with Posada in Guatemala in 1997. Alarmed, Alvarez had notified agents from the FBI's Miami bureau, but when they took no action, he had turned to the Times.

"If there is no publicity, the job is useless," Posada wrote in the fax. "The American newspapers publish nothing that has not been confirmed. I need all the data from the [bombing of the] discotheque in order to try to confirm it." It was signed "Solo," his nom de guerre.

Posada fretted to me that the fax could cause him problems with the FBI. But he had no need to worry.

H?ctor Pesquera, the special agent in charge of the Miami FBI bureau at the time, showed little interest in Posada's case. To his agents' distress, he enjoyed socializing with Miami's hard-line exile politicians, and denied agents' requests for wiretaps on Bosch, known as the godfather of the paramilitary groups, as well as other militants suspected of ongoing criminal activity. Pesquera shuttered investigations into exile militants, agents say, before retiring in December 2003.

Without the materials that were removed from the evidence room, which also included cables and money transfers between Posada and his collaborators in the Cuban bombings, a criminal prosecution of Posada is severely hobbled. Orihuela, the FBI spokeswoman, explained that "the supervisory agent in charge and someone from the U.S. attorney's office would have had to sign off" before evidence is removed and destroyed. She confirmed that the approval to dispose of the evidence was given by the case agent on Posada, who happened to be Ed Pesquera -- H?ctor's son.

Though Posada's case was reopened in May 2005 and is now pending, the decision to close it in the first place baffled many longtime FBI and Miami Dade police investigators. Rarely had Posada been more active. In addition to the Cuban bombing campaign, he and three comrades had been arrested in Panama in 2000 in connection with an attempt to assassinate Castro.

In late April last year, while I was out at the hair salon, my husband phoned to tell me that two Department of Homeland Security agents had arrived at my home in Santa Barbara, Calif., to serve me with a subpoena. I told him to ask the agents to leave and refer their inquiries to the Times. Eventually, they served the Times' lawyers. Over the next few months, a dance played out in the U.S. District Court for the Southern District of Florida. After the Times filed its motion to quash the subpoena, the Justice Department withdrew it in August 2005.

Later, while I was working on an article about Posada for the current issue of the Atlantic Monthly, one of his attorneys told me that Posada's case "is being handled at the highest levels" of the Justice Department. All they have to do to detain Posada indefinitely, he explained, is to have Attorney General Alberto R. Gonzales certify him as a national security threat. "But they're not going to do that," he added. "That would create problems for the Bush people with their Cuban-exile base in Miami." In other words, the government does not want to mount its own case -- and risk alienating Cuban American allies. Better it should get reporters to build its case.

On Sept. 11, the Justice Department whirled into action, perhaps emboldened by the symbolism of the date. It struck a plea deal for about two years in prison for Posada's comrades Santiago Alvarez and Osvaldo Mitat, who had been facing up to 50 years in prison for the illegal possession of hundreds of firearms. On the same day, a magistrate judge in El Paso

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recommended that Posada be released, as Justice had yet to file charges. (On Nov. 3, the presiding judge gave the government 90 days to make its case.) And later that afternoon, a Justice lawyer called the Times and said that another subpoena would be issued for materials relating to Posada.

On Oct. 6, the 30th anniversary of the bombing of the Cuban plane (you have to give them credit for timing), I received a new subpoena. This one, issued by a federal grand jury in Newark, was requested by Gonzales. They may be ambivalent about the war on terrorism over at the Justice Department, but you can't question their dedication to their war against the Fourth Estate. For my part, it raised a peculiar pickle: contemplating how far one should go to protect the civil liberties of an accused terrorist.

My case, thankfully, does not involve confidential sources. And both the law according to the U.S. Court of Appeals for the 3rd Circuit, where the case is pending, and the Justice Department's own guidelines are clear: Prosecutors cannot compel reporters to turn over information that they can obtain through other means. Only after other avenues have been pursued should the government turn to the media to build a prosecution.

Call me a strict constructionist, but somehow I do not believe that our founding fathers meant to allow the government to raid the news media for their work files after it bungles a case and destroys crucial evidence.

The Justice Department's new subpoena says that it wants only the tape recordings from my interview with Posada. Aside from the huge intrusion and inconvenience of searching through about 15 years' worth of research materials, the entire ordeal strikes me as a waste of time.

Posada agreed to meet with me because he wanted to publicize his efforts to topple Castro. I recorded as much as possible in the event that Posada may later have regrets. Which he did. But over the two days I spent with him, he revealed a good deal about his various bombing campaigns and his general philosophy.

My coauthor Larry Rohter, Times editors and I picked out the strongest and most interesting parts of the transcripts and notes for our stories. Contrary to what the great minds at Justice may think, we don't hold back the best bits -- we publish them. And just last month, the Atlantic published on its Web site Posada's notes to me, in which he offered editorial guidance -- "He does not admit the bombs in the hotels, but he does not deny either," he wrote.

The FBI and the Justice Department are filled with dedicated public servants, but it is the political appointees who make the final decisions. And for them, Posada may be a man who knows too much. His attorneys say that he was a paid CIA agent from 1959 until the mid-1980s. Indeed, upon his "escape" from prison in 1985, Posada promptly found employment running the Iran-contra field operation in El Salvador. Bosch, his co-defendant in the Cuban plane bombing, was championed by none other than Jeb Bush in his bid for U.S. residency, which was granted in 1991 by President George H.W. Bush over the objections of the FBI, the CIA and the Justice Department.

And there are other thorny details in this case. The Miami-Dade Police Department's liaison to the FBI's Joint Terrorism Task Force has been a well-regarded detective named Luis Crespo Jr. -- who is the son of Luis Crespo, one of the most famous anti-Castro militants, known as El Gancho, or The Hook, because of the hand he lost to an ill-timed bomb.

Working alongside Crespo Jr. is detective H?ctor Alfonso, whose father is also a legendary anti-Castro militant, known as H?ctor Fabian. Assigned to the MDPD intelligence unit, Alfonso's son has access to the most sensitive information on homeland defense, including on Cuban exile militants. "Say you had a tip for the FBI about a bombing," muses D.C. Diaz, a 27-year department veteran. "Would you want to give it to a guy whose father is Luis Crespo?"

Before the government starts tampering with the Constitution's protections of the press, it needs to do some housecleaning. A good start would be a special prosecutor to look into who ordered the removal of the Posada evidence, and why. If it then decides that it wants to go further, it might peruse the 45 years' worth of CIA and FBI files on Posada that detail his paramilitary career. And there are a dozen or so comrades of Posada's in Miami and New Jersey who know a great deal more than I do.

But that's assuming that the government wants to prosecute Posada. It has declined to do so for decades. And nothing so far suggests that it is inclined to start now.

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Suspects' Treatment Secret (FREEP/MCT)

By Carol Rosenberg, Mcclatchy Newspapers

Detroit Free Press, November 12, 2006

It's a national security issue, CIA says

The CIA is still trying to impose secrecy around 14 top Al Qaeda suspects now held at the Guantanamo Bay, Cuba, detention center, including an alleged 9/11 mastermind, Khalid Sheikh Mohammed.

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The arena for the effort is the U.S. District Court of Judge Reggie Walton in Washington, D.C., where the government is seeking a still-undefined restriction on the attorney-client relationship in the case of Majid Khan, one of the 14.

The CIA argues that details of the man's three years of detention and interrogation at so-called black sites -- out of reach of the International Red Cross -- are national security secrets.

Khan's attorney, Gita Gutierrez, argues that the Bush administration's intent is not to safeguard national security but to cover up three years of extrajudicial detention of her client -- to "conceal illegal or embarrassing executive conduct."

Khan, 26, was captured in his native Pakistan in 2003. The White House says he's linked to unsuccessful plots to blow up gas stations in the United States, poison U.S. water supplies and assassinate Pakistani President Pervez Musharraf.

It's not known where he was held or how he was interrogated to establish these links. He hasn't been charged with a crime.

At least some of the 14 men whom President George W. Bush ordered handed over to the military this summer were reportedly submitted to harsh, classified interrogation techniques, including simulated drownings -- known as water-boarding -- to break their will.

Court documents filed by the government suggest that the 14 newest arrivals at Guantanamo, among them alleged Osama bin Laden deputies, would never be integrated into the general population of more than 430 captives, for fear they would talk about their secret confinement to other captives, who could, in turn, pass on the details to their lawyers.

In seeking to redefine attorney-client contacts, Justice Department lawyers offered a seven-page affidavit from CIA officer Marilyn Dorn, who describes herself as "the information review officer for the National Clandestine Service."

Dorn's office, she said, decides what secret CIA documents can be provided to civilian U.S. courts without jeopardizing "CIA interests, personnel or facilities."

Because Khan was held for three years in a "top secret" program, she says, "he may have come into possession of information, including locations of detention, conditions of detention and alternative interrogation techniques."

Attorney disclosure in court records of those details, she argues, could compromise clandestine relationships between the United States and its foreign allies.

All civilian lawyers at the Guantanamo naval base already go through a security screening before they're allowed to visit. Then they must turn over their notes to the military before they can leave the base. They can disclose their contents only by permission of a classification review team set up by the federal courts.

Now the CIA seeks a more restrictive review and disclosure process whose "particulars ... are still being worked out," said Justice Department spokeswoman Kathleen Blomquist.

She couldn't say whether the government will again propose to eavesdrop on attorney-client meetings, which a court refused to grant three years ago.

The Khan case also illustrates the ongoing Bush administration effort to curb civilian court intrusion at Guantanamo, a process that has evolved fitfully around two years of court rulings on detainee rights.

HOMELAND RESPONSE:

Frustration Grows At Carousel As More Baggage Goes Astray (NYT)

By Jeff Bailey

The New York Times, November 12, 2006

ATLANTA, Nov. 6 — Since Aug. 10, when a ban on most carry-on liquids sent the amount of checked luggage soaring, airlines have been misplacing many more bags, and the fumbling could well escalate during the busy holiday travel season.

The Transportation Department reported that 107,731 more fliers had their bags go missing in August than they did a year earlier, a 33 percent increase. It got worse in September, with 183,234 more passengers suffering mishandled bags than a year earlier, up 92 percent.

Globally, about 30 million bags are mishandled each year, according to SITA, a company that sells software to airlines and airports for baggage and other systems. Airlines spend about $2.5 billion to find those bags and deliver them to waiting, often angry, passengers.

All but about 200,000 bags are eventually reunited with their owners each year — a number that sounds pretty high on its own, but that represents less than 1 percent of the billions of bags that are checked annually.

Efforts are under way to fix two of the worst baggage operations in the United States — at US Airways in Philadelphia and at Atlantic Southeast Airlines, which operates as Delta Connection here. Both airlines had scrimped on workers and equipment at these airports. But it is far from certain whether these hubs will be running smoothly by Thanksgiving.

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Because of the relatively primitive technology used by airlines to track baggage, passengers typically only learn that their luggage missed their flight after a futile wait at the carousel. Then, travelers must hunt down baggage agents, fill out forms, and wait for hours or even days for someone, often unannounced, to deliver their bags.

Rhoda Frank of Chicago took her 12-year-old granddaughter, Bronwyn, to Manitoba last month for a vacation in which they hoped to see polar bears. Bronwyn flew on United Airlines from Raleigh, N.C., to meet her grandmother in Chicago, but her bag stayed behind.

The flight to Manitoba was not until the next morning, and United told Mrs. Frank the bag would be delivered by midnight. "It didn't come," she said. They flew north anyway, without Bronwyn's long underwear or down jacket. The bag finally arrived, just before it was time to come home. In the meantime, "I scrounged for clothing," Mrs. Frank said.

Airlines were generally misplacing slightly fewer bags this year until Aug. 10, when authorities in London foiled a plot to blow up airliners using liquid explosives mixed onboard. The liquids ban led to a roughly 25 percent increase in checked bags, which stressed some baggage operations.

Many of the bag-handling problems are because of the industry's cost-cutting.

US Airways, twice in bankruptcy since Sept. 11, 2001, and then merged a year ago with America West Airlines, had a baggage meltdown at its Philadelphia hub around Christmas of 2004. Executives said they had known they needed to add people and equipment there. Some of that occurred. And through July of this year, fewer bags were going missing.

But with the surge of checked bags in August, the hub's bag-handling performance began "backsliding," said J. Scott Kirby, president of the airline. "A lot of balls in the air with the merger," he said. "This one didn't get done as well as it should have."

Crews at Philadelphia, for instance, were short of equipment and fighting over the tractors — known as tugs — that they use to pull baggage carts.

"There's a real lack of organization on the ramp in Philadelphia," he added, where three-to-four times as many bags are misplaced as at other US Airways hubs.

US Airways is hiring 190 additional workers and 60 managers to fix the bag mess. The company is also buying more tractors, but is still about 40 short of its needs.

"We're not going to fix the thing overnight," Mr. Kirby said.

Regional carriers have been the fastest-growing part of the airline business in recent years, as they started flying some of the short routes abandoned by big carriers like Delta Air Lines. For example, Atlantic Southeast — which Delta sold last year to SkyWest, but which still operates as Delta Connection — carried twice as many passengers in 2005, 12 million, as in 2000.

When it was owned by Delta, which is operating under bankruptcy court protection, Southeast was denied the tractors, carts, computers and people it needed to keep up with its baggage — in Atlanta 30,000 pieces a day now. "When Delta sold us Atlantic Southeast, part of the reason was for us to fix some things," said Jerry C. Atkin, SkyWest's chief executive.

But over the last year, Atlantic Southeast has showed only modest improvement, remaining the worst bag handler in the Transportation Department's rankings. And then in August its performance deteriorated again. Delta began complaining directly to Mr. Atkin, who installed new managers and agreed to hire 300 more ground workers and double Atlantic Southeast's fleet of carts to carry baggage, among other equipment purchases.

"I got tired of being embarrassed by the numbers," Mr. Atkin said. Now, he added, "there are some good people who have put their jobs on the line to fix things."

One of them is Walt Kaurin, the new baggage performance manager, whose leathery skin shows his 24 years working outside on the ramp for Atlantic Southeast. Told of Mr. Atkin's remark, Mr. Kaurin grimaced, explained his initial reluctance to become a manager, then, adopting a smile, said, "I was pretty confident we could fix it."

It will take time. October mishandled bag numbers, not yet released by the Transportation Department, will again be poor for Atlantic Southeast, said Joe Kolshak, an executive vice president at Delta, whose own bag performance is highly dependent on the regional carrier.

Getting those 300 new hires up to speed will not be easy. "They're minimum wage in many cases," Mr. Kolshak said. "And there's high turnover."

Financial problems have slowed industry investment in technology that could improve bag handling. Radio frequency identification tags, in wide use among retailers to track inventory, would allow airlines to easily know if a bag did not make a flight. Then, the passenger could be warned via text messaging not to waste time at the carousel, and to call to arrange a delivery.

Not waiting for airlines, McCarran International Airport in Las Vegas is installing radio frequency readers and tagging all outgoing luggage. The tags cost about 20 cents each, but are worth it to a city that relies so heavily on tourists.

"If they have a bad travel experience, they'll look at each other and say, 'Wow, we don't want to do that again,' " said Samuel Ingalls, assistant director of aviation.

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Meanwhile, airlines can hope more travelers adopt the Zen thinking of Pamela Ingram, a Binghamton, N.Y., consultant who travels five days a week. She checks her bags, fearlessly. In the rare instances — once this year — of a tardy bag, she happily makes do.

"I got to go to my meeting in jeans," Ms. Ingram said. "You can't travel this much and expect everything to go right."

WAR NEWS:

Panel May Have Few Good Options To Offer (WP)

By Michael Abramowitz, Thomas E. Ricks

The Washington Post, November 12, 2006

After meeting with President Bush tomorrow, a panel of prestigious Americans will begin deliberations to chart a new course on Iraq, with the goal of stabilizing the country with a different U.S. strategy and possibly the withdrawal of troops.

Tuesday's dramatic election results, widely seen as a repudiation of the Bush Iraq policy, has thrust the 10-member, bipartisan Iraq Study Group into the kind of special role played by the Sept. 11 commission. This panel, led by former secretary of state James A. Baker III and former Indiana congressman Lee H. Hamilton (D), might play a decisive role in reshaping the U.S. position in Iraq, according to lawmakers and administration officials.

Those familiar with the panel's work predict that the ultimate recommendations will not appear novel and that there are few, if any, good options left facing the country. Many of the ideas reportedly being considered -- more aggressive regional diplomacy with Syria and Iran, greater emphasis on training Iraqi troops, or focusing on a new political deal between warring Shiites and Sunni -- have either been tried or have limited chances of success, in the view of many experts on Iraq. Baker is also exploring whether a broader U.S. initiative in tackling the Arab-Israeli conflict is needed to help stabilize the region.

Given the grave predicament the group faces, its focus is now as much on finding a political solution for the United States as on a plan that would bring peace to Iraq. With Republicans and Democrats so bitterly divided over the war, Baker and Hamilton believe that it is key that their group produce a consensus plan, according to those who have spoken with them.

That could appeal to both parties. Democrats would have something to support after a campaign in which they criticized Bush's Iraq policy without offering many specifics of their own. And with support for its Iraq policy fast evaporating even within its own party, the White House might find in the group's plan either a politically acceptable exit strategy or a cover for a continued effort to prop up the new democratically-elected government in Baghdad.

"Baker's objectives for the Iraq Study Group are grounded in his conviction that Iraq is the central foreign policy issue confronting the United States, and that the only way to address that issue successfully is to first build a bipartisan consensus," said Arnold Kanter, who served as undersecretary of state under Baker during George H.W. Bush's administration.

But the midterm elections may have made the job even tougher by emboldening panel Democrats, said people familiar with the panel's deliberations. The elections "sent a huge signal," said one of these sources, who added that the panel is trying to come to grips with whether Prime Minister Nouri al-Maliki's government has the capacity to solve the country's problems.

While Baker has been testing the waters for some time to determine how much change in Iraq policy will be tolerated by the White House, Hamilton perhaps faces the now even-more-difficult challenge of cajoling Democrats such as former Clinton administration chief of staff Leon E. Panetta and power broker Vernon E. Jordan Jr. to sign on to a plan that falls short of a phased troop withdrawal, the position of many congressional Democrats.

In a brief interview, Hamilton conceded the obstacles ahead and emphasized that no decisions have been made. "We need to get [the report] drafted, number one," Hamilton said. "We need to reach agreement, and that may not be possible."

When it was formed in the spring by Congress, the Iraq Study Group was little known beyond the elite circles of the U.S. foreign policy world. Now its work has become perhaps the most eagerly awaited Washington report in many years -- recommendations are expected in early December -- with many lawmakers of both parties saying they are looking for answers to the troubled U.S. mission in Iraq.

"I can only be hopeful that they'll have a positive solution," Rep. Ike Skelton (D-Mo.), who is likely to become chairman of the House Armed Services Committee, said in an interview Friday. Asked if he thought it was possible for the panel to please both the president and congressional Democrats, Skelton turned the question around, saying: "I wonder if the White House will not use them as a face-saving device."

Indeed, the White House, which had been skeptical that the group will have much new to say, has notably been more receptive since the elections. "If these recommendations help bring greater consensus for Republicans and Democrats, I think that could be very helpful," said Dan Bartlett, counselor to Bush. But he added: "If there were a rifle-shot solution, we would have already pulled the trigger."

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Bush, Vice President Cheney and national security adviser Stephen J. Hadley will meet with members of the commission tomorrow. During three days of deliberations, the panel will also hear, via video link, from British Prime Minister Tony Blair -- who, one source said, has been anxious to talk to the panel -- as well as consult with members of the Democratic shadow foreign-policy cabinet, including former secretary of state Madeleine K. Albright, former ambassador to the United Nations Richard C. Holbrooke and former national security adviser Samuel R. "Sandy" Berger.

While Hamilton's role may be growing as a result of Tuesday's elections, it is Baker who has been the dominant force in the panel's work so far, according to people involved. And it is Baker whose special connection to the Bush family -- he was the closest political associate of then-President George H. W. Bush -- has invited fevered speculation that he is maneuvering to save the Bush presidency from the disaster unfolding in Iraq.

Baker, who did not respond to an interview request, has publicly expressed skepticism about George W. Bush's ambition of transforming Iraq into a democratic beacon of change for the entire Middle East. Speaking at Princeton University, his alma mater, in April, shortly after the study group was formed, Baker said, "We ought not to think we're going to see a flowering of Jeffersonian democracy along the banks of the Euphrates," according to the Daily Princetonian.

Baker has offered other pointed critiques of the Bush administration's Iraq policy in recent months, during appearances aimed partly at selling his new memoir. In television and other interviews, Baker has made clear his desire to chart a middle road between the Bush administration's policy and what he regards as premature withdrawal from Iraq. "He's a pragmatist, a realist," said a Baker colleague, who spoke on the condition of anonymity because of the insistence on secrecy surrounding the panel's work. "He believes in America's moral values, but he also believes in trying to keep an essential balance with national security interests. When the pendulum swings too much one way or the other, we get into trouble."

Though Hamilton had a hand in selecting the Democrats on the group, its makeup reflects Baker's pragmatic, centrist approach to foreign policy. Few of its 10 members are true foreign policy experts. Rather, it is a classic Washington blue-ribbon commission, a group of "old hands" steeped in the ways of the capital -- two former secretaries of state (Baker and Lawrence S. Eagleburger), two former senators (Republican Alan K. Simpson and Democrat Charles S. Robb), a former defense secretary (William J. Perry) and a former Supreme Court justice, (Sandra Day O'Connor).

Within the panel, staffers and expert consultants have waged warfare by memo as idealists argue with pragmatists over particulars: Retired CIA officer Ray Close complained in one such memo that the deliberations "had degenerated into petty squabbling" and accused "obstinate neocon diehards" of trying to fashion a "stay the course" strategy.

With the assistance of the U.S. Institute of Peace and other Washington think tanks, panel members have heard testimony from a wide range of administration officials and outside experts, and have traveled to Iraq for several days of interviews with senior U.S. diplomats and military officials, as well as Iraqi leaders. Baker, who seems intrigued by the idea of gaining greater assistance in Iraq from U.S. adversaries, had a three-hour dinner in New York with Javad Zarif, Iran's ambassador to the United Nations. Zarif hosted the dinner at his elegant ambassador's residence.

Baker made clear that he was not negotiating for the United States but that the commission wanted Iran's input and suggestions. He specifically asked about the possibilities for cooperation between Tehran and Washington on Iraq, according to Iranian sources.

Such contacts have invited skepticism from some of the prominent neoconservatives who strongly pushed the invasion of Iraq but have come to be critical of the administration for not aggressively striving for military victory. They said the notion that Iran would help the United States out of its troubles in Iraq is ludicrous.

"There's no doubt that the majority of the people in this group, either as advisers or principals, either opposed the war or forgot that they were in favor of it," said Reuel Marc Gerecht, a resident fellow at the American Enterprise Institute who was one of several dozen official expert advisers to the Baker-Hamilton group.

However, Gerecht and William Kristol, the editor of the Weekly Standard, said they believe their views received a respectful hearing from the panel. Kristol related a curious anecdote from his September appearance before the panel to promote a plan to provide more troops for security in Baghdad and elsewhere.

Then-panel member Robert M. Gates -- who quit the group Friday after Bush nominated him as defense secretary -- asked Kristol why he thought the president was so determined to stick with Donald H. Rumsfeld as the Pentagon chief.

Kristol replied that he was mystified -- at which point, as he recalled it, Baker interjected with the comment, "Well, you can't expect the president to do anything until after the election."

Staff writers Robin Wright, Walter Pincus, Glenn Kessler and Dan Eggen contributed to this report. Ricks, the author of "Fiasco," a book on the Bush administration's policy in Iraq, appeared before the study group at its members' request to answer questions about his book.

Blair To Address Iraq Study Group (WP)

DOJ_NMG_0093069

By Kevin Sullivan

The Washington Post, November 12, 2006

LONDON, Nov. 11 -- Prime Minister Tony Blair will speak via video link with officials from the Iraq Study Group on Tuesday to discuss "U.K. ideas on Iraq and the Middle East," a Blair spokeswoman said Saturday.

The spokeswoman declined to detail what Blair would say to the bipartisan U.S. panel, which is chaired by former secretary of state James A. Baker III and Lee H. Hamilton, a former Democratic congressman from Indiana.

The panel, which is expected to make recommendations on Iraq policy by the end of the year, is widely seen as having the respect of the Bush administration and Democrats, who regained control of both houses of Congress in Tuesday's midterm elections.

Blair has been President Bush's chief foreign ally in the conflict and has nearly a decade's experience dealing with Middle East issues.

The Guardian newspaper on Saturday reported that Blair would urge the panel to push the Bush administration to begin talks with Syria and Iran to persuade those two countries to become more involved in finding a solution to the situation in Iraq.

The newspaper also reported that Blair would press Baker and Hamilton to recommend that any solution in Iraq depends on the United States making a "reenergized push for peace in the Palestinian-Israeli conflict."

The Blair spokeswoman, speaking on the condition of anonymity, as is customary here, called the newspaper's report "speculation."

But Blair has expressed similar sentiments in the past, and analysts here said his view that Syria could play a constructive role in Iraq diverges from the U.S. position.

The Bush administration has been reluctant to discuss Iraq with Iran and Syria, which administration officials widely regard as supporters of terrorism and obstacles to establishing a democratic government in Iraq.

Blair sent a top-level envoy, Nigel Sheinwald, to Damascus, the Syrian capital, this month to meet with high-level officials. Blair officials have declined to discuss the details of Sheinwald's visit, including whether he met with Syrian President Bashar al-Assad.

A Blair spokesman said only that Syria has a "key relationship" with Iraq and that Syria "faced a choice: It can play a constructive role in international affairs or it can continue to support terrorism."

The Blair spokeswoman characterized the prime minister's conference with the Iraq Study Group as a "discussion" that would build on previous sessions the panel has held with lower-ranking British officials. She said she was unsure whether Blair or the panel had requested the discussion.

A Consensus On Iraq (WP)

The Washington Post, November 12, 2006

WITH THE election over and Defense Secretary Donald H. Rumsfeld on his way out, both President Bush and leaders of the new Democratic congressional majority were talking about forging a bipartisan consensus on Iraq. But is consensus possible? The often polarized debate over the war, both before and during the campaign, might suggest that it's not. Yet a close look at what the White House and Democrats have been saying, along with what is emerging from the bipartisan Iraq Study Group, offers grounds for some optimism. There is, in fact, a center to the war debate that offers the outlines of a way forward.

Start with what former Secretary of State James A. Baker III has said about the deliberations of the congressionally chartered study group, which will meet with Mr. Bush this week and deliver its report sometime after Thanksgiving. Judging from the public statements Mr. Baker has made so far, the panel won't propose an immediate withdrawal from Iraq, as the left wing of the Democratic Party favors. Nor will it endorse a U.S.-sponsored division of the country along ethnic lines, a proposal pushed in modified form by the incoming chairman of the Senate Foreign Relations committee, Sen. Joseph R. Biden Jr. (D-Del.).

The group will, however, almost certainly endorse an idea long favored by Mr. Biden and many other Democrats: an attempt by the United States to find common ground on Iraq with its neighbors -- including Syria and Iran. Though the Bush administration has resisted such an initiative, the newly designated defense secretary, Robert M. Gates, is likely to favor it. Forging a stronger international consensus on stabilizing and reconstructing Iraq, perhaps by staging a multinational conference, is one major option the Bush administration hasn't tried.

Beyond these basic parameters, much current discussion about Iraq boils down to how the United States might induce Iraqi leaders, starting with the government of Prime Minister Nouri al-Maliki, to negotiate compromises among warring Shiites, Sunnis and Kurds, and to disarm ethnic militias. Some favor a peace conference like that which ended the Bosnian war; others want to announce timetables for U.S. troop withdrawals that they believe would force Iraqis to act. There are proposals for increasing aid to Iraqi reconstruction and linking it to progress on reconciliation or militia demobilization. The administration itself

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has been trying to get Mr. Maliki's agreement to an informal timetable for meeting certain benchmarks and threatening to curtail money for security forces if they don't reform.

What's clear from all this is that new steps could and should be taken to increase U.S. pressure for an Iraqi peace settlement. But a fresh strategy can't be limited to such measures. Both the Bush administration and Democrats must face the possibility that no amount of U.S. pushing will produce political results or diminish the violence in Baghdad, at least in the short term. For some time, Mr. Maliki and other Iraqis have been warning any American who will listen that the dynamics driving the war won't necessarily respond to timetables drawn up in Washington. If Iraq's civil war is like most others, the fighting might last years before a new order is established.

The United States needs a strategy for defending its own vital interests in that case. As it happens, Mr. Maliki has one to offer: In the last couple of weeks he has made clear that his government's priority is to gain full command over the Iraqi army the United States has been building and take the lead in fighting the Sunni-al-Qaeda insurgency. That means that U.S. troops could begin moving to a supporting role, backing up the Iraqi units with air power and rapid reaction forces. Rather than trying to pacify Baghdad and other cities -- an unwinnable battle in the near term -- more U.S. advisers would embed in Iraqi units, and the training and equipping of those units would be significantly stepped up.

Many Iraqis would welcome a U.S. policy aimed at letting the government and its army carry out the fight to stabilize the country while ensuring that it had the resources and support to prevail over time. That could be a course that Mr. Bush and the Democrats can agree on, as well.

Talking About Iraq (NYT)

By David Brooks

The New York Times, November 12, 2006

You go to the polls, I hit the phones. Since the elections I've been burning my cellphone minutes trying to talk to every policy maker I could about how the elections are going to change Iraq policy. Here's what I've learned:

First, both parties are desperate to be substantially out of Iraq by 2008. Vietnam-haunted Democrats don't want to be saddled with the remains of the war if they retake the White House. Most Republicans don't want to wage another campaign under the Mesopotamian shadow. The president, however, is thinking about the decades-long struggle, not the next election, so the G.O.P. could be heading toward a blood feud between "Let's end this" Republicans and "Let's win this" Republicans, with the potential bitterness lasting for years.

Second, the elections have served as an intellectual release. Some within the Bush administration had been frustrated by the relative lack of freewheeling discussion as the situation in Iraq deteriorated. But that's certainly changed. Since I've been covering this administration, I've never heard such wildly divergent views from important advisers about where we are and what to do next. Some officials retain great faith in the Maliki government, others have very little. Meanwhile, in the Senate, there have been private conversations about forming bipartisan strategies, and an end to the campaign season freeze.

Third, the Baker-Hamilton commission may produce more peace in America than in Iraq. Essentially, the commission looks set to bring the two parties together by asking each to swallow a bitter pill. The administration will probably be asked to organize a regional conference, including Iran and Syria. This will be painful to some leading advisers, who think talking to Iran means abandoning the Bush doctrine (though others think a deal is possible and desirable).

The Democrats, for their part, could be asked to shelve calls for an imminent withdrawal. The Democratic Party is now divided between those, like John Murtha, who believe Iraq is unsalvageable and who want out, and those, like Joe Biden, who believe that with a change of policy it's still possible to head off full-scale disaster. The folks in the Murtha camp may squawk at the Baker-Hamilton emphasis, but the Democratic majority is not going to go McGovernite in the face of a bipartisan commission.

The fourth lesson is that events in Iraq are moving more quickly than adjustments in Washington. To put it bluntly, the era of the Green Zone may be coming to an end. That's in part because the Iraqi government is stumbling. Visitors to Baghdad have been surprised by the lack of urgency many Iraqi leaders seem to feel in the face of national disintegration.

But it's also because the country is segmenting organically. According to the U.N., 365,000 Iraqis have fled their homes and communities since the bombing of the mosque in Samarra in February, and more than 50,000 are retreating to their sectarian homelands every month. According to Senator Jack Reed, "the generals are feeling the pressure of the growing fragmentation of the country."

The upshot is that while oil revenues have to be divvied up from the center, fewer Americans in Washington believe there is much hope for a strong, functioning central government in Baghdad. (America's representatives in Baghdad may disagree.) The whole debate is moving in the direction of decentralization and federalism. And the real question is not whether the center will give way to the regions, it's whether Iraqi society is so atomized that the regions too are ungovernable.

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The folks in the Bush administration have a reputation for stubbornly staying the course. In fact, the Bush staffers are producing more churn and fresh thinking than anyone gives them credit for. And today, the most radical thinking is within the administration. One official described a future U.S. role that sounds less like a normal fight against an enemy and more, to use my metaphor, like an effort to corral six violent tigers who are constantly having feral cubs. The trick is to carefully define American interests in the midst of this chaos, the official said, and to focus on the tasks that directly impinge on those interests.

In every call I made last week, I heard anguish, open-mindedness and a genuine desire to put aside partisan feuds. Most of all, I heard Democrats and Republicans who know a lot about Iraq, and who are honest about the grim reality, but who haven't totally given in to the hopelessness that is so fashionable everywhere else.

Right Vision, Wrong Policy -- And A Mideast Price To Pay (WP)

By Jim Hoagland

The Washington Post, November 12, 2006

President Bush lost more than a midterm election and a cantankerous defense secretary last week. He also abandoned any lingering chance of remaking U.S. foreign policy into a radical force for democratic change in the Middle East and elsewhere.

He had to. The American electorate showed emphatically that it had lost faith in his party and his promises. Bush's refreshing generic denunciations of foreign dictators -- including those who played ball with Washington -- could not make up for his failure to produce positive visible results to support the rhetoric. He needed an immediate firebreak, and so he named Bob Gates to replace Don Rumsfeld at the Pentagon.

History's seemingly unlimited store of irony now makes Bush 43 the evident instrument of the resurgence of the "realist" school of foreign policy so beloved of Bush 41 and so regularly scorned by this president -- until he turned to it for salvation in Iraq and elsewhere.

Many will revel in this turn, and there is rough familial justice at work: Only the incompetence and discord of the past three years could cause reasonable people to welcome back with applause policymakers who failed to anticipate and then opposed the breakup of the Soviet Union; who were not realistic enough to see, much less prevent, the Balkans from plunging into flames; and who "coddled dictators from Beijing to Baghdad," as the Democrats once accurately described the handiwork of Brent Scowcroft, Bob Gates and Jim Baker under Bush 41.

So hold the champagne and cheers for the return of "realism," a word that has even less meaning than most of the labels that politicians, journalists and academics attach to schools of foreign policy. It is too often a euphemism for cynicism, for playing for time and for passing up big opportunities that carry high risks and potentially great rewards. Bush 43 took such a risk in Iraq and now pays the price for failing to develop anything resembling a Plan B.

Replacing Rumsfeld's abrasiveness and his now-aborted designs for military transformation with the safe hands and bureaucratic blandness of Gates, an ex-CIA chief formed by the Cold War, may give the White House a chance to get control of an interagency process that went off the rails in Iraq. One of Rumsfeld's last internal victories was to block an effort by Josh Bolten, Bush's chief of staff, to bring Gen. David Petraeus into the White House to coordinate Iraq policy.

But the problems of Iraq are so deep today that improved policy coordination in Washington will not fix them. That will become even clearer in mid-December when the Iraq Study Group headed by Baker and Democrat Lee Hamilton is due to deliver its findings and recommendations and, in the process, provide Bush with a second firebreak from rising opposition to the war.

Baker is, in fact, the smartest political operator Washington has seen in the past three decades. So he is too clever to put much stock in abstractions such as "realism" or "Wilsonian" democracy. The clearest foreign policy achievements of the Bush 41 administration turned on Baker's relentless dealmaking, from the Madrid Middle East peace conference to German reunification and management of the consequences of the Soviet collapse in Eastern Europe.

But even Baker will have to struggle to keep the faux realism of conventional thinking on the Middle East from making the study group's report instantly irrelevant. There was a time when let's-pretend policies -- championing regional or international peace conferences doomed to go nowhere, or naming special U.S. envoys to give Arab rulers a bone to toss to their publics -- usefully bought time, even though they were anything but realistic for the long term.

For better and for worse, the invasions of Afghanistan and Iraq, Iran's quest for nuclear weapons, and the bloody breakdown of Israel's occupation of the Palestinians have accelerated a profound radicalization of the Middle East that had already been unleashed by the pressures of globalization. Trying to get back to the 1990s is another bridge to nowhere.

Baker-Hamilton will certainly recommend that the United States urgently develop the regional and international structures to guide change that Bush has neglected, and the president must act on that advice.

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But Bush's going on the defensive does not mean that the radical positive changes he had hoped for cannot come about on their own, even if on a different timetable and with much greater costs than he ever imagined. True realism lies in recognizing that his diagnosis of a crumbling order in the Middle East was sound, even if his prescriptions were not.

Suicide Bomber Kills At Least 33 In Baghdad, As Police Search For 50 Kidnap Victims (AP)

By Qais al-Bashir

AP, November 12, 2006

BAGHDAD, Iraq (AP) -- A suicide bomber blew himself up outside a police recruiting center in Baghdad early Sunday, killing at least 33 people and wounding 56, police said.

Crowds of recruits were gathering outside the center in western Baghdad's Nissur Square when the bomber detonated explosives strapped to his body, police Lt. Maitham Abdul-Razaq said.

He said the death toll was expected to rise because many of the injuries were extremely serious.

The attack was one of several on Sunday in the capital, where sectarian violence kills scores each week. Just south of the city, police were searching for gunmen who killed 10 Shiite travelers and kidnapped about 50 others Saturday night along a notoriously dangerous stretch of highway.

Earlier Sunday, a pair of roadside bombings targeting police patrols in Baghdad killed at least six civilians and wounded six others, said police Cap. Mohammed Abdul-Ghani.

A car bomb outside a market in Baghdad's primarily Shiite downtown Karradah killed at least one person and wounded five others, while a similar bomb killed two people and injured 13 in the mainly Sunni neighborhood of Radhwaniyah, Police 1st. Lt. Thaer Mahoud said.

Unknown gunmen also shot and killed police Brig. Abdul-Mutalib Hassan as he was leaving his Karradah home for work. Hassan had been head of a police unit in charge of registering vehicles that is widely seen as a source of corruption.

Five people were killed in drive by shootings in different parts of Baqouba, 35 miles northeast of Baghdad. The victims included a teacher, taxi driver, laborer, truck driver and phone company worker, provincial police said.

Patrols were looking for the Sunni gunmen who ambushed a convoy of minibuses at a fake checkpoint near the volatile town of Latifiyah, about 20 miles south of Baghdad in the so-called Triangle of Death.

The gunmen murdered 10 Shiite passengers before taking their captives to an unknown location, said the spokesman, who asked that his name not be used because he wasn't authorized to speak to media.

A leading Shiite politician warned that local tribes had armed themselves and were headed to the area to join in the search, a move likely to set off even greater bloodshed.

In an address to parliament, Abdul-Karim al-Anzi said the kidnappers had worn Iraqi army uniforms. He complained that security forces were doing little to capture the hostages.

"We demand that the government take quick action to send troops there in order to know the fate of those kidnapped," al-Anzi said.

Along with those killed, five bodies -- all blindfolded and bound at the wrists and ankles -- had also been recovered in various parts of eastern Baghdad early Sunday, police said. All had been mutilated by torture, marking them as victims of death squads that regularly kidnap rivals from Iraq's Muslim Sunni and Shiite sects.

Three more bodies were pulled from the Tigris River in Suwayrah, 25 miles south of Baghdad, morgue official Maamoun al-Ajili said.

U.S. forces, meanwhile, said they detained 10 people suspected of having links to al-Qaida in a raid in Baghdad early Saturday.

The military said no one was killed or wounded in the raid, and that those detained were "associated with terrorists who are involved in the housing, movement and enabling of foreign fighters, to include the organization of suicide operations within Baghdad."

Iraqi Sunnis Kill 10 Shiites, Kidnap 50 Others (AP)

AP, November 11, 2006

BAGHDAD, Iraq (AP) -- Sunni gunmen ambushed a convoy of minibuses Saturday night at a fake checkpoint on a highway south of Baghdad, killing 10 Shiite passengers and kidnapping about 50.

Across the country at least 52 other people were killed in violence or were found dead, five of them decapitated Iraqi soldiers.

Police said the mass kidnapping and killing was near Latifiyah, about 20 miles south of Baghdad in the so-called Triangle of Death.

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Shiite Muslims, a minority in that district, have routinely come under attack from Sunni insurgents who control the territory. The highway passing through the region from Baghdad leads to Najaf, the holiest Shiite city in Iraq.

Shiite pilgrims have become a favorite target of Sunni gunmen, although it was not immediately known where the victims of Saturday night's assault were headed.

Sectarian revenge killings, many thought to involve police and Iraqi troops, have left morgues full across a wide swath of the country.

There were no reported deaths among America's 152,000 service men and women in Iraq on Saturday. U.S. Ambassador Zalmay Khalilzad and Gen. George Casey, the top commander in Iraq, oversaw a Veterans Day ceremony at which 75 members of the armed forces from 33 countries were sworn in as American citizens.

In Baghdad, eight people died and at least 38 were wounded when two bombs hidden under parked cars exploded among noontime shoppers in downtown Baghdad's Hafidh al-Qadhi square. Police and a medical workers said at least 38 others were injured in the explosion at the formerly bustling area on the eastern bank of the Tigris River.

A Slovak and Polish soldier were reported killed overnight by a roadside bomb. Slovakian defense ministry spokesman Vladimir Gemela said the two died when their vehicle was hit by a roadside bomb near Kut, 100 miles southeast of Baghdad where coalition troops have fought fighters with the Mahdi Army militia loyal to the radical anti-American cleric Muqtada al-Sadr.

The deaths marked the 18th among Polish troops and fourth among those from Slovakia, which has about 100 troops in Iraq operating jointly with the 900 Polish troops in the country.

Slovakia's Prime Minister Robert Fico has said his country will pull its troops out of Iraq in February.

Baghdad police 1st Lt. Thayer Mahmud said his men found 25 corpses dumped in several parts of the capital in the 24 hours from 6 p.m. Friday.

A Samarra police captain, who spoke on condition of anonymity because he feared retribution, said the city morgue had received the beheaded bodies five soldiers who were kidnapped last week in the Meshahda area, 20 miles north of the capital.

Sectarian Rifts Foretell Pitfalls Of Iraqi Troops' Taking Control (NYT)

By Richard A. Oppel Jr.

The New York Times, November 12, 2006

BAQUBA, Iraq — It did not take long for Col. Brian D. Jones to begin to have doubts about the new Iraqi commander.

The commander, Brig. Gen. Shakir Hulail Hussein al-Kaabi, was chosen this summer by the Shiite-led government in Baghdad to lead the Iraqi Army's Fifth Division in Diyala Province. Within weeks, General Shakir went to Colonel Jones with a roster of people he wanted to arrest.

On the list were the names of nearly every Sunni Arab sheik and political leader whom American officers had identified as crucial allies in their quest to persuade Sunnis to embrace the political process and turn against the powerful Sunni insurgent groups here.

"Where's the evidence?" Colonel Jones demanded of General Shakir. "Where's the proof? What makes us suspect these guys? None of that stuff exists."

To that, Colonel Jones recalled, the Iraqi commander replied simply, "I got this from Baghdad."

The incident was one of many that alarmed Colonel Jones, who just completed a yearlong tour as commander of American forces in Diyala. In the end, he said, he concluded that the Iraqi general's real ambition was to destroy the Sunni political movement here — possibly on orders from Baghdad.

"I believe this is a larger plan to make Diyala a Shia province, rather than a Sunni province," he said.

Diyala is known as "little Iraq," because of its volatile mix of Sunnis, Shiites and Kurds. With its lush groves of date palms and abundant oil reserves, it is emerging as a crucial strategic territory in the sectarian struggle now gripping the country.

Long a stronghold of the insurgency — Abu Musab al-Zarqawi, the leader of Al Qaeda in Mesopotamia, was killed in a house only miles from here — Diyala is now teeming with Shiite militiamen who have rushed in from Baghdad in recent months to protect the Shiite population from attacks. Once considered by American officials to be relatively pacified, it has become a cauldron of violence carried out by insurgents and militias, intensified by sectarian-influenced security forces.

As pressures for a phased United States withdrawal build, the experiences of American commanders over the past year in Diyala provide a window on the possible consequences of ceding authority to the Iraqi Army.

And with the civilian homicide rate in Diyala now running at about 10 killings a day, according to United States officials, compared with 4 a day in April, the commanders' experiences form a cautionary tale.

In July, the United States turned over "lead responsibility" for security in Diyala to the Iraqi Fifth Army Division. But within months, facing heavy violence and evidence of sectarian activities by the Iraqi Army, American commanders shelved plans to

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turn over full operational control of the Fifth Division to the Iraqi government on Oct. 1. "Recent operations conducted by the Fifth Iraqi Army seem to be focused strictly on the Sunnis," said Maj. Gen. Benjamin R. Mixon, division commander for northern Iraq.

American commanders are now hoping for a spring transfer of control, General Mixon said, adding that they are conducting a wide-ranging investigation into allegations of death squad involvement and other activities by the Fifth Division under General Shakir. The Iraqi general denies treating Sunnis unfairly and says he has no knowledge of death squads in Diyala. "We don't favor one side," he said.

General Mixon said: "He's either failing to supervise closely enough to know what's going on, or he's directly involved in it. One or the other. There can't be any in between."

A Contagion of Violence

Much of Baquba, a provincial capital of 400,000, is now dusty and lifeless, with boarded-up stores and charred wrecks of cars and trucks strewn about.

"Baquba is a dead city, controlled by Al Qaeda," said Sameerah Shibli, a Diyala journalist. "They stop all life."

Security has sharply deteriorated in this province of 1.4 million people in the past year, for reasons that go well beyond the sphere of General Shakir. The sectarian violence that exploded in Baghdad, after the bombing of a Shiite shrine in Samarra in February, has spread like a contagion to other regions.

Shiite death squads in Baghdad have forced many Sunnis to flee to Baquba, 35 miles to the north, where some have joined the insurgency and have begun attacking Shiites.

"The Sunni have driven the Shia out of Baquba," said Lt. Col. Thomas Fisher, commander of the 1-68 Combined Arms Battalion, which left Baquba in early November after a yearlong deployment. "They have come from Baghdad, driven out by Shiites there."

Many Shiites are completing the circle, he said, fleeing to Baghdad or farther south.

Sunnis in Baquba now slaughter Shiites simply to avenge the killings of Sunnis in Baghdad, said Baquba's mayor, Khalid al-Sinjari, a Sunni. "They kill in Baghdad, we kill in Baquba," he said.

But now the Shiites also kill in Baquba. The Mahdi Army, a militia allied with the radical Shiite cleric Moktada al-Sadr, has 6,000 to 8,000 members in Diyala, said Ali Khazim al-Hamdan, an official in Mr. Sadr's Diyala political office. That includes social service workers as well as armed fighters, mostly in the cities of Muqdadiya, about 25 miles northeast of Baquba, and Khan Bani Saad, 12 miles south of Baquba, where the threats are greatest, he said.

"Their goal is to protect Shia in Diyala," he said. "If my brothers are killed, we have to react to that."

The growing militia presence combined with the sectarian turn by Iraqi commanders will increasingly leave the Sunnis with only one source of protection, Colonel Jones said: terrorist groups like Al Qaeda in Mesopotamia and Ansar al-Sunna.

"We are really painting them into a box here," he said. "If you want to have a fight for the next 20 years, it's here. I can't imagine anybody who has seen war who wants that to happen. It's the innocents, it's these farmers out here, it's these kids who pay the price. But these interests are colliding and they don't care about that. Power is what they're going after, consolidated and uncontested political power."

"I think the sectarian war is coming this way," he added.

Sectarian Harassment

Despite a population that is 50 percent Sunni Arab, Diyala has a Shiite-dominated government, because many Sunnis boycotted provincial elections last year. Now, much of the provincial police leadership appears to be allied with Shiite militias, American commanders say.

The Diyala police chief, Ghassan al-Bawi, "is stacking the deck in a sectarian manner," Colonel Jones said. "We believe there are death squads that are operating, if not sponsored by the police, certainly with the knowledge of the police."

In recent months, American commanders say, the most senior Iraqi Army and police leaders have ignored growing Shiite militia activity, provoking retaliatory attacks by Sunni insurgents, like the ambush and killing of 35 police officers in October in attacks near the city of Khan Bani Saad.

And General Shakir continued to harass Sunnis, the Americans said. In late September, troops led by General Shakir arrested 400 people, nearly all of them Sunnis, during raids in Baquba. Colonel Fisher estimated that there was reasonable justification to detain perhaps 10 percent of them.

He said the raids, which enraged the Sunni community, prompted American commanders to require General Shakir to clear all operations with them — a step back from the July 3 transfer of "lead" authority to the Iraqis. Nevertheless, while the Iraqi Fifth Division remains under the United States chain of command, American officers say that General Shakir is not fully complying with their instructions.

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On Oct. 14, for example, commanders got word of what they said was a rogue Iraqi operation aimed at a Sunni sheik who had become an ally of the Americans in Khan Bani Saad. General Shakir never received approval for the operation, but ordered it anyway, Colonel Jones said.

After learning of the raid, American officers sent troops to force the Iraqis to return to base. When Sunni fighters saw the Americans arrive in the same sort of Humvees that the Iraqi soldiers use, they opened fire, Colonel Fisher said. The Americans returned fire and killed seven insurgents, he said.

General Shakir said he was not aware of the firefight.

American commanders also say the security forces are intimidating and arresting Sunnis who could be contenders for high political office — perhaps with an eye to welding Diyala eventually into a Shiite-dominated autonomous region under Iraq's new federalism law. That law would allow provinces to form into semi-independent states with wide powers over internal security.

"It just seems to be a deliberate attempt to make sure that the Sunnis are unable to organize politically here and represent themselves well in the next round of elections," Colonel Jones said, "because there is an awful lot at stake in this province."

General Shakir sought the arrest of Sheik Atta Hadi al-Sadoun, a general under Saddam Hussein, immediately after the sheik began to talk about running for governor, said Lt. Col. Frank Muggeo, who commanded a team advising an Iraqi Army brigade in Baquba.

Recently, Iraqi Army officials lured Sheik Atta to a meeting, where they arrested him. General Shakir was preparing to transfer the sheik to Baghdad when Colonel Jones intervened, he said, ordering the sheik into American custody because he feared he would be killed in Baghdad. "We saved his life," he said.

The Americans released the sheik for lack of evidence, Colonel Fisher said. But the sheik's nephew, who drove his uncle to the meeting and was seen leaving with General Shakir's men, is missing and feared dead, he said.

General Shakir said Sheik Atta remained a Saddam Hussein loyalist and had threatened Shiites. "One of my officers says Atta is worse than Zarqawi," he said.

Four Sunni police commanders and two key lieutenants have been killed in the past eight weeks, Colonel Jones said. A Sunni deputy police chief, he said, refuses to come to work because he believes "they're going to kill him."

Reports of detainee abuse in Iraqi Army facilities soared after General Shakir took over, Colonel Jones added, saying evidence shows some detainees were beaten and subjected to electrical shocks.

What is particularly disappointing for American officers is that there were two highly capable and even-handed brigade commanders serving directly under General Shakir — Brig. Gen. Rahman Challab al-Janabi in Muqdadiya and Brig. Gen. Saman Talabani in Baquba.

General Rahman was fired by General Shakir in late October, and General Talabani, who said he was frustrated with serving under General Shakir, has told United States officers that he expects that he will have to give up his command. During a recent operation he grabbed a radio and, in a reference to the militia led by Mr. Sadr, screamed at General Shakir, saying that he was not an Iraqi commander but a "Mahdi Army commander."

General Talabani, a Kurd, said he believed that General Shakir took orders from Mr. Sadr. "He's working for Moktada," he said. "He's working just for the Shia people."

He also said aides to Prime Minister Nuri Kamal al-Maliki, a Shiite who to a great extent owes his position to backing from Mr. Sadr, had made it clear that they supported General Shakir.

In an interview, General Shakir — recently promoted by Baghdad to major general despite the American inquiry into his activities — said he was committed to fighting terrorists anywhere in Iraq, regardless of their sect.

He insisted that he pursued Shiite outlaws as aggressively as he pursued Sunnis. If he is given the names of Shiite militiamen, he said, he will order troops to seize them.

General Mixon said senior American commanders had told Iraqi officials of their grave concerns about General Shakir. Nevertheless, a spokesman for the Defense Ministry insisted that it had "received no complaints against him, nor have we had any bad indications."

Officials are "pleased" with General Shakir, and the descriptions by United States commanders in Diyala are incorrect, said the ministry spokesman, Mohammed al-Askari.

Tension Between Partners

During a recent joint American-Iraqi raid in a Shiite neighborhood of Abu Sayda, near Baquba, Iraqi troops stood around when they were supposed to be charging into homes. American soldiers, frustrated that the mission to apprehend men involved in sectarian violence was lagging, screamed and cursed at the Iraqis.

"Shoot them in the butt! Shoot them in the butt!" one yelled. "They're not motivated."

A 22-year-old platoon leader, Second Lt. Andrew Graziano, stepped up, barking orders and showing the Iraqis how to pound on doors.

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After the raid some American officers said the Iraqi soldiers did not want to search Shiite homes. Lieutenant Graziano defended the Iraqis, saying their performance improved after a "stumble." But he conceded that a pullout of United States troops would leave Diyala in grave peril.

"It would be real bad," he said. "We all know that."

Lieutenant Graziano's unit, the Second Squadron of the Ninth Cavalry Regiment, put together evidence linking Iraqi officers to death squads after the squadron took over a base in August near Muqdadiya.

Led by Lt. Col. Louis Lartigue, the squadron detained the current and former commanders of the major crimes unit of the Muqdadiya police force and accused them of running death squads. They also arrested an Iraqi Army battalion commander in connection with death squad activity.

Troops also identified an Iraqi captain, now on the run and thought to be in Basra, who Colonel Jones said had been placed in his army job by General Shakir and is now believed to have led death squads in Muqdadiya.

"As we got into it, there were guys more than just partial to the Shia," Colonel Lartigue said. "They were criminals." He said General Shakir should be removed for "poor generalship," if nothing else. "It would be a little like getting Al Capone on tax evasion," he said.

But it is not clear whether anyone other than the Iraqi leaders can remove a commander of his rank, and even that would still leave Diyala with abundant problems.

"The U.S. Army is past the point where we say, 'Fire this guy,' " Colonel Jones said. "All we can say is, 'Hey, this guy is bad. Iraqi government, what are you going to do about it?' "

"We're going out on a low note," added Colonel Jones, whose unit, the Third Heavy Brigade Combat Team of the Fourth Infantry Division, is returning to Fort Carson, Colo. "We are very frustrated because we were so close to getting this thing moving in what we thought was the right direction. Now, the army and I believe the police are moving against this direction.

"This is a tipping point. If we demonstrate to the Sunnis that we are not going to remove Shakir and that we are going to allow him to do business as usual, then they're going to lose faith in us and faith in the reconciliation process. And this thing is going to go kinetic in a big way."

In Gates Selection, White House Hopes To Close Rift Between State And Defense (NYT)

By David E. Sanger, Scott Shane

The New York Times, November 12, 2006

WASHINGTON, Nov. 11 — President Bush selected Robert M. Gates as his new defense secretary in part to close a long-running rift between the Defense Department and the State Department that has hobbled progress on Iraq, keeping the two agencies at odds on issues ranging from reconstruction to detaining terrorism suspects, according to White House officials and members of Mr. Gates's inner circle.

While Mr. Gates, a former director of central intelligence, had long been considered for a variety of roles, over the past two months Secretary of State Condoleezza Rice and the national security adviser, Stephen J. Hadley, quietly steered the White House toward replacing Donald H. Rumsfeld with Mr. Gates, who had worked closely with Ms. Rice under the first President Bush. One senior participant in those discussions, who declined to be identified by name while talking about internal deliberations, said, "everyone realizes that we don't have much time to get this right" and the first step is to get "everyone driving on the same track."

White House officials said that goal may be difficult to accomplish in the seventh year of an administration. Ms. Rice and Mr. Rumsfeld never managed to resolve their differences, especially after their arguments over the handling of the occupation came into public view in late summer 2003. As national security adviser during Mr. Bush's first term, Ms. Rice was unable to halt a war between the State Department and the Pentagon that put senior officials in the departments in a state of constant conflict.

The question now is whether it is simply too late to achieve President Bush's goal of a stable and democratic Iraq, even if Mr. Gates and Ms. Rice are able to work together as smoothly in altering policy as they did 15 years ago on a very different kind of problem, managing the American response to the dissolution of the Soviet Union.

A few members of the Iraq Study Group — the commission created in March at the urging of members of Congress and led by James A. Baker III, from which Mr. Gates stepped down on Friday — have wondered aloud in recent days whether the insurgency and sectarian conflict in Iraq may be too far advanced to reverse. The group will consult with the British prime minister, Tony Blair, by video on Tuesday and is due to present recommendations to the White House and Congress in December.

And while Mr. Gates, who faces Senate confirmation hearings at roughly the same time, is considered far less combative and contrarian than Mr. Rumsfeld, he has a long-ago history of conflict with secretaries of state, most notably George P. Shultz, who objected to Mr. Gates's hawkish views of the Soviet Union and once tried to have him fired.

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He is being thrust into the job at a moment when Democrats, newly empowered by their control of the House and the Senate, are promising investigations into the conduct of the war in Iraq and demanding a far greater voice in Iraq policy.

Nor is it clear how Mr. Gates will deal with Vice President Dick Cheney. Mr. Cheney worked for years to protect Mr. Rumsfeld, who had hired him for his first government job, and the top echelons of the Defense Department have been peppered with Cheney protégés. Many of them have told associates they expect to be leaving, as Mr. Gates takes over with a mandate, in Mr. Bush's words, to approach the job with "fresh eyes."

White House officials would say little on the record about the deliberations that led to the selection of Mr. Gates, 63, the president of Texas A&M University. But on Friday, they rejected the conventional wisdom in Washington that his selection amounts to a resurrection of the advisers to Mr. Bush's father, or a resurgence of realism to rescue a war started with the ideological certainty that toppling Saddam Hussein would help spread democracy across the Middle East.

"It dumbs this whole thing down to say that this is the victory of the pragmatists over the ideologues," said Daniel Bartlett, the president's counselor, who took part in the secret decisions to oust Mr. Rumsfeld and bring in Mr. Gates. "We are going to be practical in some respects, and ideological in others. But we knew that we needed a defense secretary who could hit the ground running and who was very familiar with the challenges we face."

A national security official who served under Ms. Rice in President Bush's first term said she regularly consulted with Mr. Gates, particularly on intelligence matters. "When she needed to figure out what had gone wrong at the C.I.A., she turned to him," the official said.

Perhaps so, but Mr. Gates's friends say he will approach the current Iraq policy with a healthy skepticism. Joseph Nye, a Harvard professor and a Democrat who has known Mr. Gates for two decades and dealt with him on a variety of intelligence issues, describes him as "a realist, a conservative realist."

"He is open to evidence and less likely to be driven by fads, or the ideological certainties that sped this administration off course," Mr. Nye said. Mr. Gates's "frame of reference is more where Condoleezza Rice used to be, before the administration's excursion into democracy promotion."

In his memoirs, Mr. Gates writes of working with Ms. Rice, then a mid-level aide in the National Security Council, on a variety of projects, including the preparation of secret contingency plans in 1989 for the possibility that Mikhail S. Gorbachev might be overthrown and the Soviet Union descend into chaos.

Now, in a new partnership 17 years later, officials say their task is to guide Mr. Bush through even more treacherous waters: finding a way to stabilize Iraq, while devising options for the United States if the weak Iraqi government collapses or full-scale civil war breaks out.

All those possibilities have been debated by members of the Iraq Study Group. Mr. Gates was chosen as a Republican member of that commission by Mr. Baker, though the two occasionally clashed during the first Bush administration.

In his 1995 memoir, "The Politics of Diplomacy," Mr. Baker recounted his fury at learning in 1989 that Mr. Gates, then deputy national security adviser, intended to give a speech predicting that Mr. Gorbachev would not remain in power for much longer.

"When Gates had been at the C.I.A., he had given a speech that had completely undercut George Shultz on Soviet policy," Mr. Baker wrote. "That had hurt President Reagan then, and this would hurt George Bush now," he continued, referring to the first President Bush. Mr. Baker killed the speech.

In his long cold war experience as a C.I.A. director and deputy national security adviser, Mr. Gates never had to cope with an insurgency the size of the one that has erupted in Iraq, or devise a strategy for containing a battle between rival Islamic groups.

Last summer he told the Council on Foreign Relations that "we have the old line in the intelligence business that everything we want to know is divided into two categories: secrets and mysteries." Iraq, he said, "is very much the latter."

Yet together with Ms. Rice, Mr. Gates is expected to have to put into action recommendations by the study group that are likely to call for initiatives involving European allies and Iraq's neighbors in the Middle East. The new plans are expected to mix diplomacy, the training of Iraqi troops and the use of American force to quell the violence in Baghdad, and to require close coordination between the Departments of State and Defense.

"They needed someone who was not only capable but willing to try something new," said a former Gates colleague who has followed the process closely and who spoke on condition of anonymity. "Once these recommendations come out, some are going to be Gates's to carry out, and some are going to be Rice's."

Mr. Gates has at times been critical of Bush administration policies, most clearly in the case of how to deal with Iran, which administration officials fear is manipulating Shiite militias in Iraq. Along with Zbigniew Brzezinski, his former boss on President Jimmy Carter's National Security Council, he called in 2004 for a new approach, including talks with Tehran and expansion of and cultural contacts. So far, Mr. Bush has rejected most of that advice.

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“He defies labels,” said Bobby R. Inman, an old friend and former C.I.A. colleague of Mr. Gates. “His orientation is to solving problems.”

In 1994, he endorsed with some reservations the idea of missile strikes to take out North Korean nuclear facilities. “Unless they believe we can and will use our strength, there is little chance of influencing them,” he wrote. “A nuclear North Korea is the price we have paid to learn this lesson.”

Similarly, in 1997, he proposed “a powerful air and missile campaign” to prevent Saddam Hussein from acquiring unconventional weapons.

But in 1998, he took a less bellicose approach in a prescient article on terrorism, written after the bombings at American embassies in Kenya and Tanzania. He said the United States had to consider “whether to make a war against terrorism our highest priority in foreign policy.”

He counseled caution, arguing that “retributive violence, no matter how massive, almost inevitably begets more violence against us in response.” He advised a combination of terrorist arrests, targeted military action and promotion of human rights and political freedom in the Middle East.

Bush Swaps Idealists For Realists (BBC)

By Jonathan Beale

BBC.com, November 11, 2006

Even the White House acknowledges that the result of the mid-term elections was in some way the American public's verdict on the direction of US foreign policy - particularly in Iraq.

Will a change in personnel mean a change in policy? Battered and bruised, the Bush administration is now under huge pressure to change direction.

The departure of Donald Rumsfeld is seen as one indication that the White House has listened to its critics. But it's clear that is not enough.

Democrats also want the president to change America's ambassador to the United Nations - John Bolton, a totem of the right.

And this is not just about a change of personnel - Democrats and many moderate Republicans want a change of policy too.

Enter the 'realists'

The departure of Mr Rumsfeld and the arrival of Robert Gates at the Pentagon is being interpreted as the end of the road for the ideologues and the re-entry into orbit of the foreign-policy "realists".

So-called "realists" are supposed to have a more nuanced view of the world.

They do not - like the so-called neo-conservatives - see everything in black and white terms.

Bush 41 - the current president's father - is seen as a "realist".

Mr Cheney and Ms Rice served Mr Bush's father as well So is his former Secretary of State, James Baker.

Mr Baker is currently reviewing the options in Iraq as the co-chair of the Iraq Study Group - of which Robert Gates is also a member.

Mr Baker has already stated that he believes there is an alternative between "staying the course" and "cut and run".

Zbigniew Brzezinski - National Security Adviser to President Carter - said he hopes that personnel changes at the White House will bring "a degree of rationality, common sense, balance and historical perspective" to the table.

But it's worth remembering that many of the first George Bush's senior advisers have been surrounding his son for the past six years.

Dick Cheney, Condoleezza Rice and Stephen Hadley were around when Bush 41 was in charge of the White House.

The newly appointed Mr Gates may be seen as more "moderate" than Donald Rumsfeld.

But he was a "hawk" in the cold war era.

No doubt the new arrivals will bring a fresh perspective to the White House.

But don't expect US forces to exit Iraq overnight or for Iran and Syria to be greeted with open arms.

Talking to the enemy?

However President Bush will now be encouraged to talk to the enemy.

Even before the defeat there was a growing chorus of senior diplomats, Democrats and even Republican voices calling on the Bush administration to engage with countries like Iran and Syria.

Mr Baker's new Iraq plan might involve talks with Iran or Syria Until now the Bush/Rice policy has been akin to telling the naughty boy in the classroom to face the corner - in the hope that everyone will ignore him until he repents and mends his ways.

So far in the case of Iran, Syria, North Korea and Venezuela, the policy appears to have had limited success.

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Mr Gates in the past has advocated talking to Iran.

But there is no guarantee that talking will get results either.

In truth, the Bush administration's foreign policy was already evolving.

The arrival of Condoleezza Rice at the State Department signalled an emphasis on diplomacy rather than a reliance on America's military might. (Colin Powell might have wished to use the tools of diplomacy, but he never had the ear of the president.)

That change was forced on an administration that faced international isolation after the Iraq war.

Democrats' dilemma

In the euphoria of victory the Democrats might be hoping for wholesale change.

But Congress has never had the final say on foreign policy.

The Democrats' new power may now make life more difficult for the president, but George Bush has already made it clear that he is not going to abandon his goal of defeating terrorism in Iraq or ease the pressure on North Korea and Iran.

There's a dilemma too for the Democrats.

They cannot afford to appear weak in the face of the threats that America faces if they are to have any chance of eventually taking the White House.

Gates Struggled Through The Iran-Contra Scandal (AP)

By Pete Yost

AP, November 11, 2006

WASHINGTON — Robert Gates successfully navigated the legal and political perils of the Iran-Contra scandal. He emerged as CIA director and survived an ordeal that took a heavy toll on the first President Bush, the man perhaps most responsible for Gates' success.

George W. Bush now has designated Gates as Donald H. Rumsfeld's successor at the Pentagon, a job that will require the next defense secretary to find a different direction for the Iraq war, which has devastated the political fortunes of the Bush administration.

Senate Democratic leader Harry Reid of Nevada says he has questions about Gates' involvement in Iran-Contra. Republicans plan to push the nomination through before they lose control in January.

Thomas Blanton, director of the National Security Archive, a private group that has collected hundreds of thousands of pages of documents on the scandal and published several books on it, calls Gates "the ultimate hear-no-evil see-no-evil high official during Iran-Contra."

In a final report, Iran-Contra prosecutor Lawrence Walsh said that, "like those of many other Iran-Contra figures, the statements of Gates often seemed scripted and less than candid."

In rebuttal, Gates said Walsh's 1994 report was "unjustifiably disparaging, unbalanced, filled with innuendo and insinuation, and draws conclusions not supported by the evidence."

Questions about Gates focus not on what he did in Iran-Contra, but on what he knew. CIA Director William Casey had his own parallel chain of command that excluded Gates. At the time, however, Gates was the agency's No. 2 official.

"You would think he had to know, but was he involved? No," former CIA officer Vincent Cannistraro said of Gates.

Former Democratic Sen. David Boren of Oklahoma, who presided over Gates' 1991 confirmation hearings, among the longest in Senate history, said Casey shut out Gates because he was "the kind of person who wouldn't have put up with what was going on."

The Iran-Contra affair plagued the final two years of Ronald Reagan's presidency and damaged the final political campaign of Bush's father. The scandal that broke out 20 years ago this month also bruised Gates' career, forcing him to withdraw his nomination as CIA director in 1987.

Gates soldiered on as the No. 2 official at the CIA, then went to the White House's National Security Council. Four years later, the first President Bush nominated him for the top CIA job.

Iran-Contra was the convergence of two covert operations run by the Reagan White House — selling arms to Iran in an effort to free U.S. hostages in Lebanon and supplying arms to the Contra guerrillas fighting the leftist government of Nicaragua.

NSC aide Oliver North oversaw the Contra resupply network during a congressional ban on military aid to the rebels.

Congress was kept in the dark. The two operations were exposed when a resupply plane was shot down over Nicaragua and when a Middle East newspaper disclosed the Iran initiative.

In 1991, as Gates prepared to testify at his confirmation hearings for the CIA, new evidence emerged that raised additional questions about whether he had told the truth in Iran-Contra.

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An ex-CIA officer alleged that he and at least three other CIA officials besides Casey had heard early on about the most explosive secret in the scandal — the diversion of profits from the Iran arms sales to the Contras.

The new evidence meant that at least five people above and below Gates knew about talk of a diversion in the summer before the secret surfaced. Had Gates known?

The president stood by him.

"Hey, you're my man. I'm all for you. ... don't let 'em get you down," Bush said he had assured the nominee.

As with Gates, the president was dogged by Iran-Contra. He spent the final weekend of his last political campaign answering renewed questions about his role in the scandal.

Bush had described himself as being "out of the loop" regarding opposition by two Cabinet officials to the secret arms-for-hostages deals with Iran.

The comment, however, was undercut by a reissued indictment showing that Bush, while vice president, participated in a meeting where the opposition he later denied knowing about had surfaced.

After losing the election five days later, the Bush campaign said the allegations had stopped the president's comeback in the polls.

At his Senate confirmation hearings in 1991, Gates handled Iran-Contra with a carefully crafted acknowledgment of responsibility. He also received some supportive testimony.

Gates said he simply had forgotten about being told by a CIA colleague about a diversion. The CIA official who told him said that was "quite easy to understand," adding that the information had been "very speculative."

Prosecutors said Gates' explanation that he did not recall the conversation is "to say the least ... disquieting.

"He had been told by a very senior officer that two of President Reagan's personal priorities were in danger — not something an ambitious deputy director of central intelligence would likely forget," the prosecutors' final report states.

In rebuttal, Gates said, "I did not engage in obstruction or willful misleading" and that the prosecutors' report "should have so stated."

Gates told prosecutors he was unaware North had an operational role in supporting the Contras. Gates said he believed North's activities were limited to putting Contra leaders in touch with wealthy American donors and to giving the Contras political advice.

Cannistraro, who dealt with both Gates and North, says "I find it almost impossible that Gates wouldn't know what I knew, and I knew a fair amount. He couldn't avoid knowing."

But Gates has said he did not know.

"A thousand times I would go over the 'might-have-beens,'" Gates wrote in his memoirs. "I was new to the job and was trying to learn the ropes while all this was going on."

How (Not) To Run The Pentagon (WP)

The Washington Post, November 12, 2006

Robert M. Gates, the former CIA director tapped by President Bush to replace Donald H. Rumsfeld as defense secretary, would bring to the Pentagon some clear ideas about how to lead and reform unwieldy public institutions. In a recent speech at Texas A&M University, where Gates serves as president, the nominee cautioned against new leaders arbitrarily imposing their ambitious agendas, only to witness the reversal of their efforts immediately after they leave.

"It is a fact of life in institutions that leaders come and go. Sometimes when they leave, there is regret among the professionals and staff who remain. More often, the celebrations begin before the departing executive's taillights are out of sight. Some leaders arrive with ambitious agendas and seek to impose them by fiat -- unilaterally and from above. They usually provoke either paralyzing opposition and internal warfare, or see the reversal of every action immediately after their departure. We can all think of specific examples of both at other universities over the last year or two.

What, then, is the formula for successful leadership in public institutions, above all a great university? I believe it begins with a leader's recognition that his or her time in office is finite and that the institution and those who carry out its mission endure. They were there long before the leader arrived, and will be there long after he or she departs. Whether at CIA or at a university, the professionals outlast both good and bad leaders.

I have long believed that the secret to successful leadership of public institutions -- especially in leading change -- is the involvement in decision-making of those who carry out the institution's mission: involvement in setting the agenda, involvement in shaping options, involvement in decisions, and involvement in implementation."

-- Robert M. Gates, Sept. 8, 2006

The Donald Rumsfeld I Know (WP)

DOJ_NMG_0093081

By Douglas J. Feith

The Washington Post, November 12, 2006

Much of what you know about Donald Rumsfeld is wrong.

I worked intimately with Rumsfeld for four years, from the summer of 2001 until I left the Pentagon in August 2005. Through countless meetings and private conversations, I came to learn his traits, frame of mind and principles -- characteristics wholly at odds with the standard public depiction of Rumsfeld, particularly now that he has stepped down after a long, turbulent tenure as defense secretary, a casualty of our toxic political climate.

I know that Don Rumsfeld is not an ideologue. He did not refuse to have his views challenged. He did not ignore the advice of his military advisers. And he did not push single-mindedly for war in Iraq. He was motivated to serve the national interest by transforming the military, though it irritated people throughout the Pentagon. Rumsfeld's drive to modernize created a revealing contrast between his Pentagon and the State Department, where Colin Powell was highly popular among the staff. After four years of Powell's tenure at State, the organization chart there would hardly tip anyone off that 9/11 had occurred -- or even that the Cold War was over.

Rumsfeld is a bundle of paradoxes, like a fascinating character in a work of epic literature. And as my high school teachers drummed into my head, the best literature reveals that humans are complex. They are not the all-good or all-bad, all-brilliant or all-dumb figures that inhabit trashy novels and news stories. Fine literature teaches us the difference between appearance and reality.

Because of his complexity, Rumsfeld is often misread. His politics are deeply conservative, but he was radical in his drive to force change in every area he oversaw. He is strong-willed and hard-driving, but he built his defense strategies and Quadrennial Defense Reviews on calls for intellectual humility.

Those of us in his inner circle heard him say, over and over again: Our intelligence, in all senses of the term, is limited. We cannot predict the future. We must continually question our preconceptions and theories. If events contradict them, don't suppress the bad news; rather, change your preconceptions and theories.

If an ideologue is someone to whom the facts don't matter, then Rumsfeld is the opposite of an ideologue. He insists that briefings for him be full of facts, thoughtfully organized and rigorously sourced. He demands that facts at odds with his key policy assumptions be brought to his attention immediately. "Bad news never gets better with time," he says, and berates any subordinate who fails to rush forward to him with such news. He does not suppress bad news; he acts on it.

In late 2002, Pentagon lawyers told Rumsfeld that the detainee interrogation techniques in the old Army field manual were well within the bounds of the Geneva Conventions and U.S. statutes. Detainee information could help us prevent another terrorist attack, and al-Qaeda personnel were trained to resist standard interrogations. So, with the advice of counsel, military officers at Guantanamo Bay, Cuba, asked Rumsfeld to authorize additional techniques thought to fall safely within the bounds of the law. He did so.

Less than a month later, in December 2002, Jim Haynes, the Defense Department's general counsel, brought him the disturbing news that some lawyers in the military departments questioned the legality of the additional techniques. Rumsfeld did not brush off the questions or become defensive. In short order, he directed Haynes to revoke the authority for the new techniques. He told him to gather all the relevant lawyers in the department and review the matter -- and he would not approve any new techniques until that review was completed. It took almost four months.

I was impressed by how quickly Haynes brought the information to Rumsfeld and how Rumsfeld changed course upon receiving it. It seemed to me that if the country's leading civil libertarians had been in on the meetings with us, they would have approved of the way Rumsfeld handled the service lawyers' dissent. This story bears telling because when the cruel and sexually bizarre behavior at Abu Ghraib occurred many months later, critics inaccurately depicted Rumsfeld as disrespectful of laws on detainee treatment.

Rumsfeld's drive to overhaul the Pentagon -- to drop outdated practices and modes of thought -- antagonized many senior military officers and civilian officials in the department. He pushed for doing more with less. He pushed for reorganizing offices and relationships to adapt to a changing world. After 9/11, he created the Northern Command (the first combatant command that included the U.S. homeland within its area of responsibility), a new undersecretary job for intelligence and a new assistant secretary job for homeland defense. Improving civil-military cooperation, Rumsfeld devised new institutions for the Pentagon's top civilian and military officials to work face to face on strategic matters and new venues for all of them to gather a few times a year with the combatant commanders. He also conceived and pushed through a thorough revision of how U.S. military forces are based, store equipment, move and train with partners around the world -- something that was never done before in U.S. history.

When he told organizations to take on new missions, their instinct -- typical of bureaucracies -- was to say they needed more people and more money. Rumsfeld responded: If changes in the world require us to do new things, those changes must

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also allow us to curtail or end old missions that we continue for no good reason. He made numerous major changes in the Defense Department at the cost of goring a lot of oxen.

On Iraq, Rumsfeld helped President Bush analyze the dangers posed by Saddam Hussein's regime. Given Hussein's history -- starting wars; using chemical weapons against foreign and domestic enemies; and training, financing and otherwise supporting various terrorists -- Rumsfeld helped make the case that leaving him in power entailed significant risks. But in October 2002, Rumsfeld also wrote a list of the risks involved in removing Hussein from power. (I called the list his "parade of horribles" memo.) He reviewed it in detail with the president and the National Security Council. Rumsfeld's warnings about the dangers of war -- including the perils of a post-Hussein power vacuum -- were more comprehensive than anything I saw from the CIA, State or elsewhere.

Though we knew that the risks involved in ousting Hussein were high, it hardly means that Bush made the wrong decision to invade. I believe he made the correct call; we had grounds to worry about the threats Hussein posed, especially after 9/11 reduced our tolerance for security risks. But Rumsfeld helped the president see that he had no risk-free option for dealing with the dangers Hussein posed.

Rumsfeld has been attacked for insisting that troop levels for the Iraq operation be kept low, supposedly out of ideology and contrary to the advice of the military. What I saw, however, was that Rumsfeld questioned standard military recommendations for "overwhelming force." He asked if such force was necessary for the mission. And he asked what the consequences might be of having a large footprint in Iraq and playing into propaganda about the United States wanting to take over the country.

But Rumsfeld never told Gen. John Abizaid or Gen. Tommy Franks that U.S. Central Command could not have the number of troops that the commanders deemed necessary. Rumsfeld is more politically sensitive than that -- he would never expose himself to the risk of a commander later saying that he had denied him the forces needed. If other generals are unhappy with the troop levels in Iraq, the problem is not that they failed to persuade Rumsfeld, but that they failed to persuade Abizaid or Franks.

Historians will sort out whether Rumsfeld was too pushy with his military, or not pushy enough; whether he micromanaged Ambassador L. Paul Bremer and the Coalition Provisional Authority, or gave them too much slack. I know more about these issues than most people, yet I don't have all the information for a full analysis. I do know, however, that the common view of Rumsfeld as a close-minded man, ideologically wedded to the virtues of a small force, is wrong.

Rumsfeld had to resign, I suppose, because the bitter political debate of recent years has turned him into a symbol. His effectiveness was damaged. For many in Congress and the public, the Rumsfeld caricature dominated their view of the Iraq war and the administration's ability to prosecute it successfully. Even if nominee Robert Gates pursues essentially the same strategy, he may command more public confidence.

What Rumsfeld believed, said and did differs from the caricature. The public picture of him today is drawn from news accounts reflecting the views of people who disapproved of his policies or disliked him. Rumsfeld, after all, can be brutally demanding and tough. But I believe history will be more appreciative of him than the first draft has been. What will last is serious history, which, like serious literature, can distinguish appearance from reality.

Douglas J. Feith, a professor at Georgetown University, served as undersecretary of defense for policy from 2001 to 2005.

Rumsfeld's Self-inflicted Wounds (LAT)

By Frederick W. Kagan, Frederick W. Kagan Is A Resident Scholar At The American Enterprise Institute And The Author Of "Fin

The Los Angeles Times, November 12, 2006

The outgoing defense secretary was too focused on transforming the military, and failed to plan for achieving political goals in Iraq.

DONALD RUMSFELD had the chance to be one of the great American heroes of all time. He held office at a moment of enormous danger. He had many admirable qualities necessary for success. But like the tragic heroes of old, hubris and inflexibility made vices of his virtues, leading to his own fall and the collapse of his life's work.

Rumsfeld was in many ways ideally suited to be secretary of Defense in the wake of 9/11. His experience in the same position under President Ford and as ambassador to NATO seemed to fit him to the task of overseeing a complex military coalition. His determination and self-confidence were essential in a wartime secretary — and unusual in recent times. When he showed, early in his tenure, that he meant to take positive control of the Pentagon's sprawling bureaucracy, many observers cheered. This was precisely the sort of man the nation needed at the military's helm at a time of crisis.

As former CIA Director Robert Gates prepares to succeed Rumsfeld, the chorus is already rising to declare that Gates must be more open to advice from the military, more of a consensus-builder than a tyrant. Perhaps. It isn't clear how a more open secretary of Defense would have fared given the advice the military gave Rumsfeld.

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Belief in the value of technology and the need for light, swift ground forces pervaded the senior military leadership in the 1990s. Then-Army Chief of Staff Gen. Eric Shinseki had launched an ambitious program to "lighten" the Army and equip it with advanced precision weapons. Shinseki certainly warned that more troops would be needed to secure Iraq in the wake of major combat operations. But Gen. Tommy Franks, the commander who developed and executed the actual war plan, wanted fewer. Many officers opposed the "light footprint" approach with which Rumsfeld tackled the problem of the Iraqi insurgency — but not Gen. John Abizaid, who took over from Franks right after the end of major combat operations. A secretary of Defense who encouraged discussion and dissent would have perhaps anticipated more of the flaws in the policies he was proposing. Still, the strategy that has led to disaster in Iraq belonged to the commanders at least as much as to Rumsfeld. Scapegoating him in isolation will prevent us from learning the essential lessons of our recent failures.

For the problem with Rumsfeld was not his flawed managerial style, but his flawed understanding of war. Early in his term, he became captive of an idea. He would transform the U.S. military in accord with the most advanced theories of the 1990s to prepare it for the challenges of the future. He was not alone in his captivity. As a candidate, President Bush announced the same program in 1999 — long before anyone thought Don Rumsfeld would return as secretary of Defense. The program, quite simply, was to rely on information technology to permit American forces to locate, identify, track and destroy any target on the face of the Earth from thousands of miles away. Ideally, ground forces would not be necessary in future wars. If they were, it would be in small numbers, widely dispersed, moving rapidly and engaging in little close combat. This vision defined U.S. military theory throughout the 1990s, and it has gone deep into our military culture. Rumsfeld's advent hastened and solidified its triumph, but his departure will not lead instantly to its collapse.

At its root, this "transformation program" is not a program for war at all. War is the use of force to achieve a political purpose, against a thinking enemy and involving human populations. Political aims cannot normally be achieved simply by destroying targets. But the transformation that enthusiasts of the 1990s focused too narrowly on destroyed the enemy's military with small, lean and efficient forces. This captivated Rumsfeld, becoming his passion. He meant it to be his legacy. It was the fatal flaw in this vision that led, in part, to the debacle in Iraq. Focused on destroying the enemy's military quickly and efficiently, Rumsfeld refused to consider the political complexities that would follow that destruction. He and Franks pared the invasion force down to the smallest level that could defeat Saddam Hussein's army, but refused to consider the chaos that would follow the collapse of Hussein's government. This failure is inherent in the military thought of the 1990s. Rumsfeld did not invent it. He simply executed it.

Having made the mistake of failing to plan for achieving the political goals of the Iraq war, Rumsfeld then compounded his error. The war in Iraq threatened military transformation. It was expensive and sucked scarce defense resources away from transformational programs. It was manpowerintensive and hindered Rumsfeld's efforts to reorient the military away from a focus on land power. It was intellectually distracting; counterinsurgency has little to do with transformation. Here Rumsfeld's virtues became his greatest vices. Instead of recognizing the danger of losing Iraq, he remained committed to transforming the military to meet undefined future threats, spending billions of dollars preparing to fight Enemy X in 2025. He consistently opposed increasing the size of the ground forces, despite the obvious growing strains on the Army and the Marines of repeated deployments to Afghanistan and Iraq.

He fought to keep expensive weapons systems, such as the F-22 fighter jet and the F-35 Joint Strike Fighter, which were billed as "transformational" because they used precision-guided munitions to strike remote targets. That money could have been used for better armored vehicles, more body armor and more soldiers. The same determination that had seemed so promising when he first took over became a stubborn refusal to change course in a storm.

Rumsfeld has paid a high price for this failure. He will not be known as the secretary of Defense who transformed the military, but as the secretary of Defense who, at best, nearly lost the Iraq war. Worse still, his stubbornness has destroyed the ground forces. The Army and Marines have worn out their equipment and their troops. Units must swap tanks and Humvees just to be able to train. The Army brass recently leaked the fact that only the units that are in Iraq or about to deploy to Iraq are combat-ready — an unprecedented military crisis. Rumsfeld leaves behind him a military far weaker and less capable than the one he took charge of in 2001.

The greatest irony of all is that the military Rumsfeld has destroyed is the one he created. He was secretary of Defense in the mid-1970s as the military was shifting from conscription to the all-volunteer force. He shepherded the volunteer military through its early growing pains and supported it valiantly against its many critics. Perfecting it through transformation was to be the culmination of his life's work. The damage he has done to it instead is his tragedy — and the nation's.

Now What? (NYT)

By Franklin Foer

The New York Times, November 12, 2006

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ANDY CARD began his political ascent as George H. W. Bush's driver and carried forward a valet's mind-set into the job of White House chief of staff. Less a power broker than a punching bag, Card made it his mission to venture before the cameras to swallow blame for administration follies, like its catatonic response to Hurricane Katrina. And behind closed doors, his role was even more humiliating. The former Treasury secretary Paul O'Neill recalled George W. Bush interrupting a top-level meeting to issue Card an extremely urgent request: "You're the chief of staff. You think you're up to getting us some cheeseburgers?"

It is startling, therefore, to read Bob Woodward's portrayal of Card as the conscience of the Bush administration. In his telling, Card orchestrated a brave but doomed campaign to oust Donald Rumsfeld and change course in Iraq. Where other advisers evaded responsibility, Card constantly told the president, "You should not be afraid to change me." Card occupies considerable space in "State of Denial" and has dominated coverage of it. Such an unconventional portrait inevitably provokes a cynical explanation: that Woodward, amanuensis to the Washington stars, has once again uncritically transcribed someone's self-serving version of events.

Cynicism, however, trivializes the significance of Card's confessions. To have so many of the president's fiercest loyalists, like Card, testify to his incompetence — and with the ultimate Establishment journalist's tape recorder running — is itself a turning point. With two years to go, Woodward has written the Bush administration's version of "The Final Days."

He has retroactively bundled his books on the Bush White House into a trilogy. "State of Denial," the jacket tells us, is Part 3 of his "Bush at War" cycle. This is obvious sleight of hand. Woodward's first book provided so favorable a treatment of the administration that the Republican National Committee recommended it on its Web site. But "State of Denial" isn't a continuation of his previous work as much as a repudiation — the installment in which he takes a mulligan and attempts to correct for past obsequiousness.

Your standard volume of Woodward reportage could be titled "Everything That Happened Since My Last Book." But "State of Denial" deviates from this model. It doesn't even begin where his last Bush book, "Plan of Attack," left off — in the euphoric early days of the Iraq war. Instead, Woodward retraces his reportorial steps back to the moment George W. Bush first considered running for president, when his father called the Saudi ambassador, Prince Bandar bin Sultan, down to Austin to provide his boy a foreign policy tutorial. And Bandar initiates the book's flood of unflattering details. According to him, Bush exclaimed, "I don't have the foggiest idea about what I think about international, foreign policy." (Domestic foreign policy was another matter.)

Where Bush appeared resolute in the first two installments of Woodward's trilogy, he now comes across as a "Saturday Night Live" version of himself. He cracks fart jokes with Karl Rove and conspires to play a prank on the current Federal Reserve chairman. Woodward argues that this Andover grad still views himself as a cheerleader, bucking up the polity even if his rosy exhortations come at the cost of the truth. (When a C.I.A. briefer informs the president of the deteriorating security situation in Iraq, Bush dismisses the messenger from Langley as "Baghdad Bob," a reference to Saddam Hussein's old spokesman.) And if the president can't face the facts, it may have something to do with his insecurities. According to Woodward, the president's legs anxiously jiggle under the table in meetings. He also suggests, as others have, that our adventure in Iraq had less to do with the promotion of democracy and more to do with the president's relationship with his father. Bush wanted to outdo his dad by taking down the tyrant his old man had left standing.

But the president is too passive a player to be Woodward's central villain. Besides, Donald Rumsfeld fills that role far too perfectly. He comes across as utterly contemptuous of other human beings. When Condoleezza Rice makes important presentations to the president, Rumsfeld ostentatiously fails to pay attention — and then fails to return her calls afterward. What's worse, he is an obsessive micromanager, but one who disavows projects once they look doomed. As soon as the hunt for weapons of mass destruction seemed fruitless, he handed over the mission to the C.I.A.

Rumsfeld takes so much pummeling that he eventually becomes a strangely sympathetic character. While almost every other member of the Bush administration stiffed Woodward's request for on-the-record interviews, Rumsfeld manfully subjected himself to two sessions — this despite his obvious disdain for the author. In the course of these interviews, Woodward breaks his own time-honored rules of access journalism. Instead of rewarding Rumsfeld's openness, he uses the interviews to disprove his own reputation for softness. After Rumsfeld employs the metaphor of a "fruit bowl" to describe the administration's varying methodologies for measuring insurgent attacks, Woodward writes: "I was speechless. Even with the loosest and most careless use of language and analogy, I did not understand how the secretary of defense would compare insurgent attacks to a 'fruit bowl,' a metaphor that stripped them of all urgency and emotion."

While Woodward reserves particular antipathy for Rumsfeld, his descriptions of nearly everyone else in the administration are equally damning. Every chapter in the book presents a heretofore uncovered anecdote of incompetence. Why did we botch postwar reconstruction? Weeks before the invasion, one of the men recruited to help rebuild Iraq is sitting in a library scraping for any bit of available information about "what we should do with the Iraqi Army." Unfortunately, the United States government didn't have any good intelligence on the subject. When Jay Garner, who was in charge of the reconstruction, asked Rice on the eve of

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the invasion how he should put together a postwar government, he didn't receive an answer. Garner didn't even know he should relocate his operations to the Middle East until Paul Wolfowitz told him, "You should already be there."

Amid all of Woodward's maddening reports of administration ham-handedness and arrogance, unintentional comedy abounds. He captures official Washington offering the lamest excuses as it trips over itself to deny responsibility for the Iraq war and the Bush era. George Tenet, the former director of central intelligence, is shown decrying the Iraq invasion as a "mistake" on the eve of the war — despite Woodward's previous reports of his "slam dunk" assessment of the Iraqi arsenal. After Richard Armitage's initial pre-presidential encounters with George W. Bush, he "was not sure Bush filled the suit required of a president" — yet nevertheless went on to serve as his loyal servant for four years. But Woodward doesn't render this rat-jump with the appropriate comic flair. He portrays these revisionist accounts with far more sympathy than they deserve.

This book, after all, is an object lesson in precisely this brand of retreat. You can easily understand Woodward's urge to retreat. For the past decade, he has received unending abuse, suffering a devastating Joan Didion hatchet job and then the scorn of the anti-Bush left. His critics have turned him into a symbol of journalism's rot, a leading force in the sad demise of adversarial reporting that led to Judith Miller and media passiveness in the face of Bush spin. After writing "All the President's Men," Woodward became one of them.

With "State of Denial," you sense this (somewhat overwrought) critique has rattled Woodward. It has forced him to change his style. There's less of his signature omniscience here — a style that not only reflected his proximity to power, but captured the self-confidence of the Washington Establishment. In its place, he has grown self-referential, nervously mentioning his past books, as well as inserting himself as a character into his own tale. That Bob Woodward has strayed from the Bob Woodward method tells you a lot about the state of American journalism.

Rumsfeld Was My Squash Partner (LAT)

By David Hiller

The Los Angeles Times, November 12, 2006

THERE WAS A PERIOD in the late 1990s when Don Rumsfeld and I played squash almost every month in Chicago, and before I say anything else, I should acknowledge this: He beat me almost all the time, even though, as he regularly pointed out, he was "almost old enough" to be my father.

We both lived in Chicago at the time. Don was in his late 60s, and I was in my 40s. I attribute my regular trouncing to several things (apart from my own poor play). Don was a strong technical player with a keen sense of court geometry and shot placement. He followed diagrams that his friend Arthur C. Nielsen, founder of the TV ratings business and one of the best amateur racquet-sport players in the U.S. in his day, had drawn for him by hand. I'm still looking for the copy Don gave me.

Don had a deadly, hard overhand service that came off the front wall like a bullet, came straight to the back wall and dropped in the corner, safe from my racquet. I'm sure that serve is what tore Don's rotator cuff.

Don also held the strategic ground in the center of the court better than anybody. We once collided as we both moved there, and I couldn't play for a week. Don moved well, certainly for a guy in his 60s. As he said, "I'm quick, not fast."

I think what struck me most was that Don never gave up on a point. His view was that every shot could be made, every game could be won, and he never surrendered until the last volley was played out. With me he was usually right.

Were these the qualities he brought to his job as secretary of Defense? I'm not sure, but I suspect that the rules he lived by were the same ones he played by, and I thought of them again as I watched the president announce Don's resignation.

DAVID HILLER is publisher of The Times.

Top Commander In Iraq Says U.S. Won't Abandon Its Mission (LAT)

By Borzou Daragahi, Alexandra Zavis

The Los Angeles Times, November 12, 2006

BAGHDAD — Gen. George W. Casey Jr., the top commander in Iraq, voiced confidence Saturday that the United States would not abandon its mission in this violence-racked country amid a postelection reevaluation of Iraq strategy.

"The weeks and months ahead will require courage and determination," Casey said at a Veterans Day naturalization ceremony for 75 U.S. troops at Baghdad's Camp Victory. "But succeed we will."

His comments were among his first public statements since the resignation last week of Defense Secretary Donald H. Rumsfeld.

Washington political insiders have speculated that both Casey and U.S. Ambassador Zalmay Khalilzad, who was also at the ceremony, could leave their posts because of the Republican Party's defeat at the polls Tuesday. Both men quickly left the ceremony after reading prepared statements.

At least 40 Iraqis and two European soldiers were reported killed in Iraq on Saturday.

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The U.S. military indicated that it had come up empty-handed in its quest to find a soldier missing for nearly three weeks. It offered a reward of up to $50,000 for information leading to the recovery of Army Reserve Spc. Ahmed Qusai Taei, an American of Iraqi descent.

He was abducted Oct. 23 outside the U.S.-protected Green Zone in Baghdad while on a visit to his Iraqi wife and in-laws.

The European soldiers, a Slovak and a Pole, were killed overnight by a roadside bomb near the southern city of Kut, news agencies reported.

Iraq's south has come under the sway of rival Shiite Muslim militias with anti-U.S. agendas.

Police in Najaf discovered a cache of antitank rockets, armor-piercing weapons and mortars hidden in the city's ancient cemetery. In 2004, Najaf was the scene of intense street battles between U.S. forces and Shiite militias.

In the capital, two car bombs exploded near the main market, killing eight civilians and injuring 37. Almost daily explosions at the wholesale market have further stifled an already moribund economy.

In other violence, a roadside bomb in an upscale Sunni Muslim neighborhood in central Baghdad killed one and injured five. Another roadside bomb in west Baghdad killed three passersby and injured three.

News agencies reported that as many as 10 Shiites traveling south of Baghdad on minibuses were killed in an apparent sectarian attack, but the account could not be confirmed. Dozens more reportedly were kidnapped by the gunmen.

Assassins killed a police sergeant in east Baghdad and an official in Iraq's intelligence service in south Baghdad as he locked up his car.

Gunmen killed two bodyguards of a former member of parliament in an east Baghdad shootout that left four people wounded, including the politician.

Iraqi police discovered the mutilated, bullet-riddled corpses of at least 24 men and a woman around the capital, police officials said.

Suicide bombers rammed U.S. military convoys near Taji, 20 miles north of the capital, and in east Baghdad, Iraqi police said. The military did not report any casualties from either incident.

U.S. Offers Reward For Help In Finding Missing Soldier (NYT)

By Michael Luo

The New York Times, November 12, 2006

BAGHDAD, Nov. 11 — The American military on Saturday announced a $50,000 reward for anyone with information leading to the recovery of an American soldier who was captured nearly three weeks ago outside the heavily protected Green Zone.

Iraqi and American soldiers conducted another raid in the impoverished Shiite district of Sadr City on Friday, looking for a “top-level death squad leader” as part of efforts to find the soldier, military officials said Saturday.

Also on Saturday, Sunni Arab gunmen pulled over a group of minibuses carrying Shiites traveling through a volatile region just south of here, killing 10 and kidnapping dozens, Iraqi state television said. And in one of several deadly attacks here in the capital, a pair of car bombs tore through a popular downtown shopping area just after noon, killing at least six people and injuring 32 others, an Interior Ministry official said.

A roadside bomb near Kut, about 100 miles southeast of Baghdad, killed one Polish and one Slovak soldier late on Friday, The Associated Press said.

The missing American soldier, identified by the military as Specialist Ahmed Kousay al-Taie, 41, an Iraqi-American translator from Ann Arbor, Mich., disappeared Oct. 23 after he left the Green Zone without permission to visit his Iraqi wife at her home nearby. Armed men handcuffed him and took him away, his relatives and the military said.

Since then, he has been the subject of a hunt that has involved some 2,000 American troops and 1,000 Iraqi security officers, who flooded the middle-class Karada neighborhood outside the Green Zone and surrounded Sadr City, where the military and his relatives said they believed he had been taken.

Last week, Prime Minister Nuri Kamal al-Maliki demanded that American troops lift the security cordon that they had placed around Sadr City. The checkpoints were quickly removed, and little has been heard since about progress in the search.

The case took a turn late last week when Entifad Qanbar, an associate of Ahmad Chalabi, the influential Iraqi politician, identified himself as the soldier’s uncle and said that the kidnappers had issued a $250,000 ransom demand. American officials had been meeting with an intermediary trusted by those who had captured his nephew, he said. Mr. Qanbar said that he had asked for proof from the captors that his nephew was still alive, setting a deadline of noon last Saturday.

But he has not had any contact with the kidnappers or their representatives since then, Mr. Qanbar said Saturday.

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Several people who claim to know the captors have contacted family members, indicating that he is still alive, he said. The family has also reached out to people on their own, who have given them assurances about his well-being, he said. “God willing, I hope he is alive.” .

Relatives believe a notorious Mahdi Army militia commander named Abu Rami who lived near the wife’s home in Karada took Specialist Taie. Mr. Qanbar said Saturday that he had been told that the commander operated a well-organized criminal ring that functioned independently from the militia, whose members ostensibly claim loyalty to Moktada al-Sadr, the Shiite cleric.

American and Iraqi troops have followed up on some 335 tips from Iraqi citizens about Specialist Taie’s disappearance, leading to 53 missions, said Lt. Col. Christopher Garver, a military spokesman. The most recent mission took place in Sadr City on Friday, in which five men were detained, he said.

The soldiers in the raid were looking for a death squad leader who “controls the actions of multiple cells, with hundreds of cell members, that conduct sectarian murder and torture, kidnappings, improvised explosive devices attacks and other attacks and crimes against Iraqi civilians and Iraqi security forces,” the military said in a statement.

The soldiers seized six makeshift bombs and an array of Iraqi Army uniforms, the statement said. Military officials declined to identify the specific target of the raid, but confirmed it was part of its efforts to find Specialist Taie.

In all, 38 people have been arrested and held for questioning in connection with Specialist Taie’s capture, Colonel Garver said.

The attack Saturday on the minibuses took place near Latifiya in the so-called Triangle of Death, an area plagued by Sunni insurgents. The bus had been on its way from the mainly Shiite southern city of Diwaniya to Baghdad, Iraqi state TV reported.

The twin car bombs that killed six people in the capital struck Hafud al-Qadi Street near the Shurja market, an area crowded with stores.

Earlier in the day, another roadside bomb exploded in eastern Baghdad, killing at least one person and wounding five others, an Interior Ministry official said. Another concealed bomb that detonated Saturday evening in the western Baghdad Sunni neighborhood of Amariya killed three people and wounded three others, the official said.

The police also discovered the bodies of 25 people dumped across the city on Saturday, the official said.

Dissenting Officer Faces Court-martial (LAT)

By Teresa Watanabe,

The Los Angeles Times, November 12, 2006

Army 1st Lt. Ehren Watada cites ethics in becoming the first commissioned troop to refuse Iraq deployment.

The nation's first commissioned officer to refuse deployment to Iraq said he was disappointed by the Army's decision last week to proceed with a court-martial against him but reiterated that he believed he did the right thing in opposing the war.

As the nation honored its military veterans Saturday, Army 1st Lt. Ehren Watada said he believed his refusal to lead his soldiers into what he viewed as an illegal and immoral war was fulfilling his duty to them and the Constitution he pledged to uphold.

"I am at peace with my decision because I feel that from the beginning I made it according to my conscience and my duty as a soldier and officer," said Watada, who is stationed at Ft. Lewis, Wash., about 50 miles south of Seattle. "The reason I'm standing up is that no one else is speaking up for the troops dying every day — not to mention the 600,000 Iraqis who have died.

"I'm willing to accept the punishment, whatever it may be," said Watada, whose case has sparked widespread debate over a soldier's duty to follow orders versus conscience.

In phone interviews Friday and Saturday, Watada also said that recent events had reinforced his belief that many Americans, including a growing number inside the military, shared his sentiments against the Bush administration's conduct of the war. Those events include the midterm election results giving Democrats control of Congress, the resignation of Defense Secretary Donald H. Rumsfeld, and a landmark editorial in four affiliated military-focused publications calling for the Pentagon chief's ouster.

On Thursday, the Army announced, as expected, that it would refer Watada's case to a general court-martial for refusing to deploy to Iraq.

What observers were closely watching was whether Lt. Gen. James Dubik, Ft. Lewis' commanding general, would also refer to trial charges involving critical public statements Watada made about the administration's war efforts.

Watada stated in a June news conference: "The war in Iraq is not only morally wrong but a horrible breach of American law…. The wholesale slaughter and mistreatment of Iraqis is not only a terrible moral injustice, but it is a contradiction to the Army's own law of land warfare. My participation would make me party to war crimes."

The Army contends that that statement and others — expressing shame over wearing the uniform to conduct a war he said was based on "misrepresentation and lies" — brought dishonor to the military.

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In his decision, Dubik dismissed two of the speech-related charges of "contempt toward officials" but referred to trial four charges of "conduct unbecoming an officer." The lieutenant could be sentenced to a maximum of six years in prison.

Army officials were not available for comment.

Watada's attorney, Eric Seitz of Honolulu, said Saturday that he was disappointed that the Army had refused to negotiate on the charges. Seitz argued that Watada's statements, made off-duty and out of uniform, were permissible exercises of his free-speech rights.

The trial is "going to be a spectacle," Seitz said. "It's going to raise a lot of issues that frankly I don't understand why the Army wants to raise" in an antiwar political climate.

Watada, a Honolulu native who enlisted after the Sept. 11 attacks, said he gradually came to his conclusion that the Iraq war was illegal and immoral after his superiors told him to study up on it last year in preparation to deploy to Iraq in June with his Stryker brigade combat team.

Watada said he concluded that the war violated international and U.S. law because the administration failed to obtain U.N. Security Council authorization for it and secured congressional authorization based on wrong assertions that Iraq possessed weapons of mass destruction and was linked to Al Qaeda.

The Nuremberg principles adopted after World War II, he said, require soldiers to disobey illegal orders.

Watada offered to deploy to Afghanistan or resign his commission instead, but the Army refused to allow that. Army spokesman Col. Dan Baggio told The Times in a previous interview that soldiers could not pick and choose their conflicts but must uphold their oath to follow orders.

Although some soldiers have fled the country, gone absent without leave, claimed conscientious-objector status or taken illegal drugs to avoid Iraq service, Watada said, it was never his aim to avoid combat per se.

"I felt I could never do any of that personally because I needed to take a stand and hold people accountable for this illegal and immoral war," he said. "It all boils down to 'What is the purpose of a soldier and officer?' And that is to serve the American people."

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Democrats Aim To Save Inquiry On Work In Iraq (NYT)

By James Glanz, David Johnston, Thom Shanker

The New York Times, November 12, 2006

WASHINGTON, Nov. 11 — Congressional Democrats say they will press new legislation next week to restore the power of a federal agency in charge of ferreting out waste and corruption in Iraq and greatly increase its investigative reach.

The bills, the first of what are likely to be dozens of Democratic efforts to resurrect investigations of war profiteering and financial fraud in government contracting, could be introduced as early as Monday morning.

The move would nullify a Republican-backed provision, slipped into a huge military authorization bill, that set a termination date for the agency, the Office of the Special Inspector General for Iraq Reconstruction. The agency's findings have consistently undermined Bush administration claims of widespread success in the reconstruction of Iraq.

Oversight, the power wielded by Congressional committees to demand information and internal documents and to haul executive branch officials to hearings, by subpoena if necessary, is reverberating through Congress as a Democratic battle cry.

"The unilateral decision made by House Republicans to shut down this critical office should be reversed immediately," said Senator Harry Reid, the Nevada Democrat who is poised to become the majority leader.

The House version of the bill will be introduced by Ike Skelton, the Missouri Democrat likely to take over as chairman of the House Armed Services Committee, a member of Mr. Skelton's staff said Friday. Mr. Skelton also said he would resurrect a subcommittee on oversight and investigations that was jettisoned by Republicans to investigate military spending.

In the Senate, Carl Levin, the Michigan Democrat who is in line to become chairman of the Senate Armed Services Committee, said that seeking a new strategy for Iraq would be his primary focus, but that he would also look carefully at military contracting.

"There have been serious allegations and evidence of misconduct among suppliers," Mr. Levin said. "And the taxpayers, of course, get socked on that. And the troops are not properly taken care of when that happens."

Tony Fratto, a White House spokesman, said on Saturday that the administration was willing to have discussions with Congress on the proposal to extend the inspector general's tenure. Mr. Fratto added, "We have a history of cooperating fully with and supporting inspectors general."

Mr. Fratto said he could not speak more definitively on the subject because the legislation was yet to be released.

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In a measure of the momentum behind the bill, it is expected to be introduced in the Senate by Senator Susan Collins, Republican of Maine, along with co-sponsors Russell D. Feingold, Democrat of Wisconsin, and Joseph I. Lieberman, who won re-election as an independent in Connecticut.

"It is inconceivable that we would remove this aggressive oversight while the American taxpayer is still spending billions of dollars on Iraq reconstruction projects," Ms. Collins said.

Mr. Reid has said that after the lame-duck session ends, the Democrats will press ahead with Congressional oversight, particularly on Iraq. But Democratic leaders have also been conciliatory in discussing broader efforts to review the administration's initiatives of the past six years.

The imperative to investigate financial misdeeds extends beyond the military. Congressional aides said that the House government reform committee under Representative Henry A. Waxman of California might also investigate spending related to domestic security and the response to Hurricane Katrina.

The Appropriations Committee, which is likely to be led by Representative David R. Obey of Wisconsin, is likely to review more closely spending like large supplementary requests for Iraq and Afghanistan.

In addition, after the negative political fallout of corruption cases involving lawmakers, the Appropriations Committee is under pressure to curtail earmarks, which are spending measures for specific projects not sought by a federal agency but sponsored by a lawmaker — sometimes anonymously and often for a financial supporter.

Potentially explosive confrontations over foreign policy issues between Democrats and the Bush administration may be unavoidable. John D. Rockefeller IV of West Virginia, who is expected to become the chairman of the Senate Intelligence Committee, has been a critic of the C.I.A.'s secret detention program and the National Security Agency's domestic wiretapping program.

It is unclear how far chairmen like Mr. Rockefeller may push the administration to obtain more information about secret programs. The committee, like many others, has often degenerated into partisan rancor over the past two years, and Mr. Rockefeller, like other incoming chairmen, has told colleagues that one of his priorities is to restore the committee's historic bipartisanship.

But there is unlikely to be much downside for the Democrats in going after waste and fraud in government contracting, particularly in the Iraq war, which is not only unpopular with the American public but also where corporate giants like Halliburton, Parsons and Bechtel have committed highly publicized missteps in the rebuilding program.

Investigations by the Iraq oversight agency, led by Stuart W. Bowen Jr., have already led to convictions of American occupation officials on bribery charges and uncovered many instances of substandard construction.

Mr. Bowen's investigations of Halliburton have uncovered tens of millions of dollars of charges for work that achieved little in the way of results, but apparently met the letter of the company's contract with the United States to repair oil facilities. Mr. Bowen has also found that Halliburton has been using federal loopholes to impede investigations of its work by declaring nearly all information about company activities in Iraq to be proprietary, or sensitive because it could aid the company's competitors.

So it came as a surprise to many that Mr. Bowen's office was directed to go out of business on Oct. 1, 2007, by an obscure provision in an authorization bill that President Bush signed last month. The termination language was quietly inserted into the bill by staff members working for Representative Duncan Hunter, the California Republican who now leads the House Armed Services Committee.

As in the bill that the president signed, the new Senate proposal would expand the pot of money that Mr. Bowen could investigate, but it would not set a hard deadline for the agency's work to come to an end. Both the House and Senate measures extend the deadline at least into 2008, by most readings, but the House measure would also add about $2 billion — for training and equipping Iraqi security forces — to the amount that the agency could investigate, a Congressional staff member said. Representative Nancy Pelosi, the California Democrat who is expected to become the House speaker, said she would strongly support that legislation.

"Democrats want the inspector general to stay at work until the job is done," Ms. Pelosi said. "Those individuals and companies responsible for shoddy work or fraudulent billing practices must be held accountable."

Several officials on Capitol Hill said that the locus of resistance to extending the tenure of Mr. Bowen's office came from the State Department, which believes that its own inspector general should begin taking on the job of investigating reconstruction in Iraq. But that notion finds resistance among some lawmakers who distrust the administration's will to investigate itself.

Outside the reconstruction program, some agencies are likely to be singled out for special scrutiny, not only the Pentagon, but also the Central Intelligence Agency and Federal Bureau of Investigation. Incoming Democratic chairman have said they plan to review the C.I.A.'s secret detention and interrogation program for important terrorism suspects and what some lawmakers have said is the sluggish pace of the F.B.I.'s effort to transform itself into a counterterrorism agency.

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The Homeland Security Department has had at least some scrutiny from Congress in recent years, most particularly related to its performance and that of the Federal Emergency Management Agency during Hurricane Katrina in 2005.

But the new Democratic leaders, their aides said, intend to significantly broaden the oversight efforts, a step that may include more frequent subpoenas for administration officials who have declined to appear for some hearings, as was the case in the hurricane investigation.

One area that almost certainly will draw additional oversight is mass-transit security, said Dena L. Graziano, spokeswoman for Representative Bennie Thompson of Mississippi, who is expected to take over the House Committee on Homeland Security.

And Democrats have long argued that the administration is too focused on aviation security, and has failed to devote enough money or attention to preventing bombings like those that have occurred in Madrid and London. Some Democrats, nursing years of slights at the hands of Republican appointees in federal agencies who ignored or brushed aside hundreds of their letters asking for information, are eager for answers. The Senate Judiciary Committee has staff members trying to compile a complete list of unanswered questions.

Some Democrats said before the election that they would inquire more deeply into some issues, asking for fuller accountability among senior officers and civilian officials at the Pentagon over the harsh treatment of detainees at the Abu Ghraib prison in Iraq.

"I think the accountability for Abu Ghraib has not yet been accomplished in terms of finding out who was involved, at what level," said Senator Jack Reed of Rhode Island.

For all the pledges of rigorous oversight, Democrats are moving warily, fearful of a misstep, mainly in national security areas, that could return them to the sidelines as a minority party.

That may explain the focus on less volatile issues like waste and fraudulent spending and why few Democrats are proposing inquiries on hot-button issues, like the underlying rationale for the war in Iraq or the underpinning for the administration's counterterrorism policies.

Agendas are likely to shift over time, particularly in the House, where the leadership lineup will not be known with certainty for weeks. In addition, the transfer of majority control in both chambers means Republicans and Democrats must switch offices in the House and Senate. Republicans will be forced to dismiss some committee staff members, and Democrats will expand their workforce, in some committees nearly doubling staff size.

In a telephone interview, Mr. Skelton said that in the past, "the Congress has not worked, and has not asked the tough questions or held the administration to account."

But he said it was the responsibility of every Democrat taking over a subcommittee chairmanship also to apply more scrutiny to government action, and not just those of subcommittees specifically charged with that mandate.

"Our subcommittee chairmen will be able to bring oversight back to their individual subcommittees," he said.

Despite Billions Spent, Rebuilding Incomplete (WP)

By Griff Witte

The Washington Post, November 12, 2006

For a little more than $38 billion, the United States and its contractors in Iraq have provided 4.6 million people with access to water. They have distributed seeds to Iraqi farmers, improving wheat harvests. With electricity-generating capacity now above prewar levels, they have given many Iraqis more daily hours of power. They have repaired more than 5,000 schools and vaccinated 4.6 million children against polio.

The list goes on. But as the U.S.-led, U.S.-funded portion of Iraq's reconstruction nears its end, American officials and contractors alike are grappling with a cold reality: Thousands of successes in Iraq may add up to a single failure.

"We accomplished a significant amount of work. But it was just overwhelmed by the overlay of violence," said Clifford G. Mumm, who has spent much of the past three years in Iraq managing projects for Bechtel Corp. "It's hard to be very optimistic."

U.S.-funded projects have long been a target for sabotage. Many of those that were spared remain unused by a population paralyzed by violence.

Yet those inside the reconstruction effort say security concerns were hardly the only problem. Poor planning and coordination by U.S. officials meant that even successful individual projects failed to do the job; for example, health-care centers were built at great cost but had no water and sewer service. Poor work-site management by contractors meant that some projects went awry. And now that the United States is handing over reconstruction efforts to Iraq, many involved with the process worry that the Iraqis don't have the training or the money to keep U.S.-built facilities running.

This was not how the rebuilding of Iraq was supposed to go. In the fall of 2003, six months after the U.S. invasion, President Bush promised Iraq "the greatest financial commitment of its kind since the Marshall Plan." Top administration aides

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said they considered that plan, which helped rebuild Europe after World War II, to be a model for Iraq. Congress soon passed a spending bill that, while offering less money than the Marshall Plan, was expected to be enough to get Iraq back on its feet.

Riding through the streets of the northern city of Mosul three years later, taxi driver Sattar Khalid Othman has barely noticed.

"What reconstruction?" Othman said in an interview last week. "Today we are drinking untreated water from a plant built decades ago that was never maintained. The electricity only visits us two hours a day. And now we are going backwards. We cook on the firewood we gather from the forests because of the gas shortage."

Othman's view is shared by many across the country. In interviews last week, Iraqis expressed frustration not just with the United States but with Iraqi leaders, too, for pocketing aid money that was supposed to be for everyone.

"When the occupation came and we heard the promises, we said, 'Now the conditions in the city will improve.' But things got worse," said Ahmed Mohammed, 45, a teacher in the central province of Salah al-Din. "We know that large amounts of money have been dedicated to the city, but they were all stolen."

The United States has committed more than $38 billion to reconstructing Iraq, far more than any other nation, according to the special inspector general for Iraq reconstruction. Most of that money is now gone. Three-quarters of the primary fund for rebuilding has been spent and the rest has been set aside for finishing key projects.

Overall, 88 percent of planned projects -- about 12,000 -- have been completed, with just 4 percent yet to begin.

Yet tallying finished projects can be a misleading way of measuring success.

"We knew it wasn't a matter of how many projects were completed. It was a matter of: Is the electricity flowing to Baghdad? Is there security on the streets? Is the oil flowing? Those were the things that mattered," said Jon C. Bowersox, who until this summer was the health attache at the U.S. Embassy in Baghdad. "Too often, though, from what I could see, it was all about the process -- how many hundreds of millions of dollars you had put under contract -- and not the product."

In the transportation sector, for example, the numbers look good. The United States has finished repairs on 86 of 98 railway stations. But few trains run because of security concerns. In the oil sector, despite the fact that production capacity has nearly returned to prewar levels, the country had a severe fuel shortage this summer because of high demand and sabotage.

Millions of children have received vaccinations and thousands of health-care workers have been trained. But more than 100 health-care facilities that were scheduled to be finished by now instead are empty because the contractors assigned to build them did not get their jobs done.

The problem, Bowersox said, was that the plan to build new facilities across the country was too ambitious. "We could have gone in and done low-cost rehabs, and not tried to transform their health-care system in two years," he said.

Bechtel was responsible for one of the facilities that was not finished: a children's hospital in the southern city of Basra that was supposed to provide world-class care and had been championed by first lady Laura Bush.

Mumm, the Bechtel manager, said the project, which is just an empty shell today, could not continue because of security threats. "It was impossible to get people to come to work. They were threatened every which way," Mumm said. Fifty-two people associated with company projects died, most of them Iraqi. Overall, 650 civilian contractors have died working on U.S.-funded reconstruction.

Not every U.S.-backed effort came under assault. CHF International, a Silver Spring nonprofit organization, has operated in Iraq since the U.S. invasion, completing hundreds of projects on slim budgets.

The organization's Middle East director, Bruce Parmelee, said CHF has avoided violence because local communities were always involved in the work. "Before we could do anything, the community would have to agree. I would tell them, 'It's for your community. You're the Iraqis. You can pave the way for this to happen.' And they did that," said Parmelee, who spent months at a time living among Iraqis in the areas where CHF worked. "It was never a case of some American saying, 'This is what you need in your country.' People won't attack projects that they feel ownership of."

That community-based approach, he said, wasn't broadly shared by others involved in the reconstruction. "Large contractors didn't necessarily have that mandate," he said. "Security was challenged right from the beginning, so a majority of decisions were made behind a bulletproof shield."

Bringing Iraqis into the process early also made it easier to transfer projects to Iraqi control, Parmelee said. Auditors surveying U.S. efforts have been warning for more than a year that all will be for naught unless Iraqis are trained in how to operate, maintain and pay for their new facilities. Last month, the special inspector general for Iraq reconstruction, Stuart W. Bowen Jr., wrote that the process for transferring U.S. assets to the Iraqis "appears to have broken down."

"Many successful projects have been completed," Bowen said. "Whether they are operating within a sustainable Iraqi infrastructure is yet to be answered."

Many Iraqis say they're looking forward to playing a bigger part in their country's rebuilding. But given the security situation, they don't know that they'll have any more success than the Americans did.

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"The insurgents targeted the contractors by killing, kidnapping, slaughtering them and forcing them to pay enormous ransoms, till all the work stopped," said Fawzi al-Nieami, who works in construction in Mosul. "Now there are lots of profitable contracts, but no one dares to take them."

Democrats And Iraq (NYT)

The New York Times, November 12, 2006

The Democrats will not be able to savor their victory for long. Americans are waiting to hear if they have any good ideas for how to get out of Iraq without creating even wider chaos and terrorism.

Criticizing President Bush's gross mismanagement of the war was a winning electoral strategy. But criticism will not extricate the United States from this mess, nor will it persuade voters that the Democrats are ready to take back the White House.

Let us be clear. The responsibility for all that has gone wrong lies squarely with Mr. Bush. Even with control of the Congress, the Democrats' role in changing things will be hortatory. And while we too are eager to hear the recommendations of the Iraq Study Group — better known as the (James) Baker commission — it should be the start, and not the end, of a bipartisan discussion on Iraq strategy. The Democrats need to be ready to play a full role.

Under Republican control, Congress has exercised virtually no oversight of the administration's misconduct of the war, and the new Democratic leadership is eager to hold extensive hearings. The public deserves a full accounting (backed by subpoenas, if necessary) of how prewar intelligence was cooked, why American troops were sent to war without adequate armor, and where billions of dollars in reconstruction aid disappeared to.

The Democrats will also need to look forward — and quickly. So far they have shared slogans, but no real policy. During the campaign, their most common call was for a "phased redeployment" — a euphemism for withdrawal — of American troops starting before the end of this year.

Threatening to pull out may be the only way to get cooperation from Iraq's prime minister, Nuri al-Maliki, who is thwarting even the most limited American efforts to disarm militias and set timetables for genuine political compromise on the most fundamental issues, like protecting minority rights and fairly apportioning the country's oil wealth.

Unless America's exit plans are coupled with a more serious effort to build up Iraq's security forces and mediate its sectarian divisions, a phased withdrawal will only hasten Iraq's descent into civil war — while placing American soldiers who remain behind in even greater danger. We also fear that Iraqis will have no interest in anything but retribution, until they see that security and rebuilding are possible. For that reason we have suggested one last push to stabilize Baghdad. That would require at least a temporary increase in American and Iraqi troops on Baghdad streets.

We are skeptical of calls, by some Democrats, to divide the country into three ethnically based regions. Most Iraqis — except for the Kurds — show little enthusiasm for the idea. And while there has been horrific ethnic cleansing, it hasn't yet got to the point that boundaries could be drawn without driving many more people from their homes.

Such ideas deserve a full discussion, something the United States has not had since its troops first rolled into Iraq. We are not sure that any shift in strategy can contain the disaster. But we are sure that even a few weeks more of drift and confusion will guarantee more chaos and suffering once American troops leave. Voters gave the Democrats the floor — and are now waiting to hear what they have to say.

Anti-corruption Official In Iraq Accused Of Fraud (LAT)

By Borzou Daragahi, Times Staff Writer

The Los Angeles Times, November 12, 2006

The head of the Commission on Public Integrity says he is the target of an intimidation campaign.

BAGHDAD — Iraq's top anticorruption watchdog, a high-profile judge whose efforts have been hailed by Americans as one of the few bright spots in the country, is himself the target of a corruption probe, officials said Saturday.

Judge Radhi Radhi, head of Iraq's Commission on Public Integrity, is under investigation by court authorities, accused of turning his 1,700-employee agency into a personal fiefdom and padding his salary with an extra $50,000 a year.

Radhi denies the charges, arguing that they're part of a campaign of intimidation by government officials to quash his investigations, which include examinations of corruption in ministries controlled by Iraq's dominant Shiite Muslim parties.

He said he has come under pressure to shut down his commission or cede its independent status. The government has ignored his requests for information, threatened his legal mandate and demanded he halt his investigations, said Radhi, who is a Shiite, but secular.

"They tell me, 'You are not a ministry to be giving us orders,' " he said in an interview Saturday. "There are voices among them who say there is no need for this commission."

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Lawmakers have threatened not only to remove Radhi from his post for alleged incompetence, but to prosecute him for corruption, as detailed in an Oct. 29 affidavit submitted to the Supreme Judicial Council.

"I don't want him to be just removed from his post, I want him to be punished according to the law," said Sheik Sabah Saadi, a Shiite lawmaker who heads the parliamentary anti-corruption committee and has spearheaded the efforts against Radhi. "We have found financial and administrative corruption inside the integrity commission."

Transparency International, a Berlin-based organization that monitors official graft, patronage and bribery, lists Iraq as the world's third most corrupt nation, behind Haiti and Myanmar.

U.S. officials have hailed Radhi's work. He has pushed for the prosecution of several former ministers and uncovered corruption in the Interior Ministry, which has been infiltrated by Shiite militias. His targets have included former Defense Minister Hazem Shaalan and former Electricity Minister Ayham Sameraei.

Radhi has worked closely with Stuart W. Bowen Jr. of the Special Inspector General for Iraq Reconstruction, a U.S. agency created to investigate waste and fraud by U.S. officials and contractors in Iraq. That agency's legal mandate has run out, and it may soon be folded.

The integrity commission, too, rests on precarious legal ground. It was created by an order of an American, L. Paul Bremer III, head of the former Coalition Provisional Authority, and has never been written into Iraqi law. Iraqi legislators have stalled a vote on whether to give the commission permanent status or dissolve it and let government inspectors audit their own agencies.

The affidavit submitted against Radhi accuses him of hiring staff without publicly advertising jobs.

"We have documents and we have witnesses," Saadi said in a telephone interview from Basra. "It is not a mere accusation."

Saadi also charged that Radhi has managed to show relatively few results, despite the nearly $20 million his agency has been allocated. Saadi called his work sloppy and unprofessional. His few successes, such as his pursuit of Shaalan, were uncovered by others, he said. Under Shaalan, who is no longer in Iraq, billions of dollars disappeared from the Defense Ministry.

"There is no clear strategy to combat corruption," said Saadi, who plans to hold a news conference in coming days to make public his battle against Radhi.

The commission's work "amounts to listening to complaints on a hotline and forwarding those complaints to the inspector general" of each ministry, he said, without determining whether they are true.

Radhi said he had grown used to nasty accusations by the targets of his investigations. Shaalan accused him of being partisan, and Mishaan Jaburi, a Sunni lawmaker who fled the country after being indicted on charges of stealing millions, accused Radhi of pursuing a sectarian agenda.

Radhi said the pressure on his office might be a reaction to his attempts to ferret out corruption in key Shiite-controlled ministries.

Among his commission's current investigations are the quality of food purchased by the Trade Ministry for monthly rations, the disappearance of petroleum products under the supervision of the Oil Ministry, a lack of progress in refurbishing the railroad system and misconduct by 451 police officers who work in the Interior Ministry. Each ministry involved is controlled by a Shiite politician.

Times staff writer Raheem Salman contributed to this report.

Could A New Strongman Help? (NYT)

By John F. Burns

The New York Times, November 12, 2006

BAGHDAD - THE sight of Saddam Hussein haranguing the court that sentenced him to death last week in Baghdad may have done little to slow his trip to the gallows, which looks ever more likely to come early next year if the appellate court, as expected, moves swiftly to uphold the sentence.

But Mr. Hussein's outbursts served to remind many Iraqis, even those who hated him most, of something they crave in the rudderless nightmare Iraq has become under his successors: a strong leader, able to forge a nation from the country's fractious ethnic and religious groups, and to end the current wave of sectarian bloodletting that, left to build on itself, could ultimately match the mass killing that characterized Mr. Hussein's psychopathic years in power.

It is something ordinary Iraqis say with growing intensity, even as they agree on little else. Let there be a strongman, they say, not a relentless killer like Saddam Hussein but somebody who will take the hammer to the insurgents and the death squads and the kidnappers and the criminal gangs who have banished all pretense of civility from their lives.

Let him ride roughshod, if he must, they say, over the niceties of due process and human rights, indeed over the panoply of democratic institutions America has tried to implant here, if only he can bring peace.

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The message appears, so far, to have found little resonance in Washington as President Bush sets out, after the shock of the midterm elections, to review American policy on Iraq. The closest anyone with the White House's ear has come to suggesting anything short of democratic rule, let alone an authoritarian model typical of other countries in the Middle East, are leaks from the bipartisan commission headed by James A. Baker III and Lee H. Hamilton, which is charged with suggesting a new American approach to Iraq; some of its members have said that the group has considered recommending that stability, rather than democracy, should become the principal objective there.

For the Bush administration, which made democracy-building here a cornerstone of everything it did after the American-led invasion, abandoning that goal now would be tantamount to abandoning one of its core missions. Coming on top of the failure to find the weapons of mass destruction that were the original justification for going to war with Mr. Hussein, it would constitute an about-face of historic proportions. But many Iraqis believe that it may now be the only hope — and a slim one, at that — of halting their country's descent into catastrophe.

Of the many hard lessons America may take from its enterprise here, the impracticality of grafting American political values onto a society as different as Iraq's, by measure of culture, religion and historical experience, will surely be one. History may judge that attempting it in the midst of a savage war was the greatest of follies. Far from Iraq becoming a beacon of democracy for the Middle East, some Arab scholars have said, the violence in Iraq will embolden other Arab leaders who defend their authoritarianism as a bulwark against chaos.

Lately, President Bush has put less emphasis on building democracy in his evolving definition of the American objective in Iraq. "A government that can defend, govern and sustain itself" was the way he put it at his news conference on Wednesday, a formulation that suggests that he, too, may have reduced the focus on the Jeffersonian ideals prevalent in the headier days after the American-led invasion. Then, L. Paul Bremer III, head of the American occupation authority, set aside $750 million for what was called "democracy building," sometimes with results that bordered on the comical.

One example was a democracy center in the southern city of Hilla, led by a man Mr. Bremer described as one of the most remarkable Iraqis he had met, Sayyid Farquat al-Qizwini. Mr. Qizwini, a towering figure with a bird's-nest beard and a black turban signifying his descent from the Prophet Mohammed, moved onto the American payroll after he "liberated" a mosque Saddam Hussein had built and named for himself, and used it for democracy classes for Shiite imams and tribal leaders. Away from the Americans, Mr. Qizwini liked to make a joke of the enterprise, saying he had once had to sing the praises of Mr. Hussein and, for $100 a day, was happy to do the same for the Americans.

The American enterprise in Iraq has had its high points, notably the three occasions when Iraqis went to the polls in their millions — the election in January 2005 for a transitional government; the referendum in October 2005 on a new Constitution; and a second election in December 2005 for the four-year government now in office. For anyone who experienced the brutal repression under Mr. Hussein — and the single-candidate "referendum" in 2002 that gave him a new, seven-year presidential term with a claimed 100 percent of the vote — there was something intoxicating in the sight of Iraqis voting freely for the first time in their history, with dozens of parties contesting for their support.

But in hindsight, the elections, far from bringing Iraqis together, served to harden the divides of ethnicity and religion. In the two elections, only a tiny percentage of the votes went to secular parties that bridged those divides. The big winners were Shiite religious groups whose objective was to secure Shiite domination after centuries of subordination to the minority Sunnis, and to extend the role of Islam in the national life. The Americans succeeded in drawing moderate Sunnis into the political process, and later into a subordinate role in the national government. But the net effect of the elections, for many Sunnis, has been to ratify their new status as second-class citizens in the new Iraq.

Now the divides are wider than ever, entrenched by Sunni insurgents and Shiite death squads that are locked in a sectarian nightmare of suicide bombings, kidnappings and mass executions. America's 150,000 troops are caught in the middle, hunting killers on both sides, but finding little partnership from the government of Prime Minister Nuri Kamal al-Maliki.

After pledging from the outset of his tenure six months ago to act decisively against the militias that spawn the death squads, Mr. Maliki has so far resisted any concrete actions to disarm or demobilize them. Instead, he bows to Shiite leaders in the coalition who control the two most powerful militias, the Mahdi Army and the Badr Organization.

If anything, Mr. Maliki's standing, outside the Shiite religious constituency he represents, is lower now than that of his predecessor as prime minister, Ibrahim al-Jaafari, whose year at the head of the transitional government was notable, American officials say, for its lethargy and corruption.

So plainly disaffected have the Americans become with Mr. Maliki that he used a telephone call with Mr. Bush last month to ask if the White House planned to unseat him. Aides to the prime minister said he sought and received Mr. Bush's reassurance after picking up rumors in the Green Zone government compound that American officials were feeling out Iraqi politicians on the possibility of replacing the Maliki administration with a "national salvation government" to be headed by an unnamed "Shiite strongman."

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The leading candidate for strongman, among secular Iraqis, at least, would be Ayad Allawi, whom the Americans named prime minister in the first post-Hussein government, in 2004. Mr. Allawi, though Shiite, has strong ties with Sunnis, and a reputation as a hard man that goes back to his time as a young Baathist enforcer. During his government, as much as $1 billion in Iraqi defense funds went missing, Iraqi officials have alleged, but no charges have been brought against him. These days, out of government, he spends most of his time at his family home in London.

But even if President Bush were convinced that Mr. Maliki should go, it is far from clear that the Americans would have the means to get rid of him.

The mechanism for any such move could hardly be so crude as the American-backed overthrow of President Ngo Dinh Diem of South Vietnam in 1963; he ended up dead, a bullet in his head, in the rear of an American-made armored personal carrier outside Saigon's presidential palace. The obvious route in Baghdad would lie through the Iraqi Parliament, where the ruling Shiites, bitterly divided among themselves, control the government through a shaky alliance with Kurdish parties.

A parliamentary coup might unseat Mr. Maliki personally, but it would be much tougher to shake power loose from the Shiite religious groups. Those parties have been held together by the overarching influence of Iraq's most powerful Shiite cleric, Grand Ayatollah Ali al-Sistani.

The ayatollah is keenly aware of the lessons of the 1920's, when Shiites split among themselves, rose in rebellion against the British colonial administration and ultimately lost power to the Sunnis. From his cloistered existence in the holy city of Najaf, he has told the Shiites that they must hang together at all costs.

So far, they have, and little now on the horizon suggests that is likely to change.

Romania Vows Not To 'Abandon' Iraq (AP)

By William J. Kole, Associated Press Writer

AP, November 12, 2006

Romania has no intentions of withdrawing its troops from the U.S.-led coalition in Iraq, President Traian Basescu said Saturday, vowing to stay "because it's a dishonor to leave your allies."

In an interview with The Associated Press, Basescu said he empathized with mounting calls to withdraw the country's 608 non-combat personnel in Iraq, including impassioned pleas from the families of those serving.

But "Romania's honor is greater than its feelings," he said.

"An exit strategy is a matter of concern for us, and we are building it with our main allies, the U.S. and the U.K. But the states that form the coalition cannot abandon Iraq as it is now," he said after addressing reporters at a presidential retreat about 60 miles northeast of Bucharest.

"We have an obligation to the Iraqi people. We will leave when the local authorities can provide security for the people," he said.

Basescu also lashed out at Britain for announcing restrictions on Romanians trying to seek jobs there after the ex-communist country joins the European Union on Jan. 1.

"Romania isn't a perfect country. It has good features, but also people who steal, who drink," he said. "At the same time, it is hard for us to accept that countries such as Britain have imposed measures that are tougher than those imposed on the nations that joined (the EU) in 2004."

"We are not afraid to call this discrimination, and it's very difficult for us to accept such treatment," he said.

Ireland has also said it would limit the number of workers from Romania and fellow EU newcomer Bulgaria after Jan. 1. Basescu said he hoped employers would pressure the two countries to overturn the proposed restrictions.

"I didn't see them so outraged to have our troops fighting side by side with them in Iraq," said Basescu, 55, a tough-talking former sea captain who made it a priority after his 2004 election to forge closer ties with Britain and the U.S.

Romania and Bulgaria are being admitted under unprecedented EU conditions that will require both countries, which shook off communism in 1989, to report back every six months and ensure they are making progress on key reforms — or risk losing lucrative EU subsidies.

But Basescu said Romania would be "a pleasant surprise" for the EU, and would make important economic, social and cultural contributions. He also underscored Romania's key role in securing the 1,680-mile frontier along the Black Sea and the non-EU countries of Serbia, Moldova and Ukraine.

Steering His Nation Without A Rudder (LAT)

By Paul Watson, Times Staff Writer

The Los Angeles Times, November 12, 2006

DOJ_NMG_0093096

Afghanistan's Karzai faces disaffection in a nation hungry for progress. Many see him as a shadow of a president, and they fear a slide back to the Taliban.

TRIBAL elders pleaded with Hamid Karzai to intervene in a land feud with their neighbors. But it was too dangerous for the president of Afghanistan to travel south to the heart of the Taliban insurgency, so Karzai invited them up to Kabul for lunch.

At least 120 men arrived, making their way past razor wire strung out a mile from the palace doors. After being repeatedly frisked and scanned, they finally passed through the palace gates.

The desert dust still clung to their plastic sandals and tattered clothes as they sat down under vaulted ceilings and crystal chandeliers. Waiters in black uniforms served up platters of roast chicken legs and heaping plates of pulau rice with raisins, almonds and pistachios.

The elders of the Tokhi and Hotak tribes, ethnic Pashtuns from Zabol province, ate their meal off fine china and washed it down with tumblers of doogh, a salty yogurt drink sprinkled with chopped mint.

Karzai, 48, himself the son of a Pashtun chief, assured them that he would try to find a solution to their 40-year-old argument with the Nasir tribe.

"My father spent all of his life solving tribal problems, and I was with him the whole time," he said. The elders muttered skeptically.

Most presidents don't concern themselves with tribal disputes, but Karzai, like Afghan kings of old, makes local quarrels part of his daily routine.

Five years after the fall of Kabul, aides say he is turning to tradition as he struggles to build a stable democracy on a foundation of war, corruption, foreign interference and religious extremism. Critics counter that he is retreating behind the walls of his 19th century palace and losing touch with a country sinking deeper into trouble.

But Karzai's foreign backers have left him with little real power, and his weak, corruption-riddled government lacks direct control over billions of dollars in development aid, money meant to help Karzai win Afghan support for his administration.

After the United States joined forces with Afghanistan's Northern Alliance militia to oust the Taliban regime, it pledged to help rebuild the country and chose Karzai to lead the effort. Since then, foreign donors have spent at least $16 billion in Afghanistan; more than $10.3 billion of that has come from the United States.

Afghanistan has made enormous progress in some areas. With hopes for a better future soaring, its citizens defied insurgent threats to elect Karzai to a full term two years ago and to choose a parliament last year. The elections were the freest and fairest in the country's history.

Under Karzai, more than 90% of Afghan children are in school, compared with fewer than 20% during Taliban rule. A multinational effort is training an army that is halfway to its goal of 70,000 soldiers in uniform, as it strives to overcome ethnic divisions, equipment problems and low morale. Parliament is gradually asserting its authority. A full quarter of the members are women.

But the progress has not met the rising expectations of Karzai's countrymen. Many see the nation slipping back into the grip of violence, corruption and extremism from which the West promised to liberate them.

On paper, the post-Taliban constitution gives Afghanistan's president ample power. But parliament wrangled with Karzai for months over his Cabinet picks and rejected his nominee to head the Supreme Court.

He has had better success shuffling provincial governors, but several are still regarded as corrupt and ineffective. Central government influence remains weak in large parts of the country.

Perhaps Karzai's greatest strength is giving pep talks to Afghans at news conferences and in speeches, urging them to unite and solve their problems. Still, many say they would prefer honest justice, jobs and peace to fine words.

From ethnic minorities in the north to his fellow Pashtuns in the south, Karzai faces the same growing disaffection.

Sitting on a curb in the northern city of Mazar-i-Sharif, Sanam Shah spoke of the Karzai era's mixed blessings. A mother of eight and an ethnic Uzbek, she suffers kidney and digestive problems and traveled from her desert village of Andkhoi to find a good doctor.

Foreign aid has delivered new equipment to her local clinic, but none of the employees are properly trained to use it, she said, speaking through the mesh of her white burka veil. "I think Karzai is doing a fine job, but nothing has changed in my life," she said.

Hundreds of miles to the south in Lowgar, the owner of a two-pump gas station, a Pashtun, said he was unemployed under the Taliban but was able start his own business when U.S. aid rebuilt the highway.

But the Taliban are back, scaring off customers by ambushing cars at night, said Hekmatullah, who, like many Afghans, uses one name.

"Power is back in the hands of those who had it before, like warlords, the Taliban and thieves," he said. "Nobody pays attention to poor people like us."

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In the eyes of Afghans, the restrictions on Karzai's authority imposed by foreign governments make him a shadow of a president with only the trappings of power: photo opportunities, ribbon cuttings, bodyguards with wraparound sunglasses who carry M-4 assault rifles and whisper into microphones in the sleeves of their dark suits.

Although Karzai is officially commander in chief, he has no control over the foreign troops fighting the Taliban insurgency and little over his own army, which answers to the United States and the North Atlantic Treaty Organization. His defense minister's main job is cajoling donors into providing the army with better equipment.

Karzai repeatedly has demanded changes in tactics, but each time foreign troops accidentally kill Afghan civilians, he loses credibility with his people.

In the meantime, the insurgency has spread across more than half the country, with fighters advancing northward from strongholds in the east and pushing all the way to the Iranian border in the west. Government officials say the militants in villages and districts near Kabul, the capital, are laying the groundwork for future offensives.

Former mujahedin retain ties to their old commanders, and many are ready to fight again if democracy falters.

Corruption in the courts and police has made many Afghans nostalgic for the Taliban's ruthless justice. The threat of violence has forced hundreds of schools to close and left others without enough books or teachers.

The country's gross domestic product has doubled since Karzai came to office, but the drug trade is the largest employer and source of income. Drugs account for half of Afghanistan's economy and create what the United Nations calls a "narco society."

Despite hundreds of millions of dollars in foreign aid aimed at persuading farmers to grow legal crops, this year's opium harvest is expected to set a record. It's up 50% from last year, to an estimated 6,700 tons, the U.N. said in early September.

Though reconstruction spending could help the government draw support away from drug lords, the Taliban and other foes, only a quarter of public spending goes through the Afghan government, World Bank figures show.

U.S. money supports a wide variety of projects to improve agriculture and government institutions, support schools and clinics, and rebuild roads, bridges, canals and other infrastructure destroyed by war. But unlike Britain and a few other countries, the United States has not demonstrated confidence in Karzai's government by giving it direct control of the funds.

William Byrd, senior economic advisor at the World Bank office in Kabul, said more of the money should be channeled through the government, allowing Afghans to learn to handle it and showing respect for the country's sovereignty.

"The only way to get these government systems going is to start working with them, and in them, rather than on parallel tracks outside," he said.

Aid groups and their contractors are also guilty of corruption, but they aren't accountable to Afghan voters, said Jawed Ludin, Karzai's chief of staff.

"Democracy is about the empowerment of people," Ludin said in an interview. "To make democracy in Afghanistan real, we should give the Afghan people the sense that they can control things, that they can implement their own decisions."

Journey from Pakistan

UNTIL the war to oust the Taliban five years ago, Osama bin Laden and other Al Qaeda leaders were comfortably entrenched in Afghanistan and Karzai was living in exile in Pakistan, trying to organize opposition.

Karzai shared a Pashtun heritage with most of the Taliban. His father, Abdul Ahad Karzai, was chief of the Popalzai tribe. Karzai inherited that post when his father was killed in 1999 in what was widely regarded as a warning from the Taliban to Pashtuns who opposed them.

In October 2001, with the war underway, Karzai entered southern Afghanistan with a small group of armed men, including U.S. Special Forces, to rally tribal leaders on the mullahs' home turf.

For those Afghans suspicious of U.S. intentions, Karzai's close ties to the U.S. military were an issue from the start. When Defense Secretary Donald H. Rumsfeld announced that an American chopper had rescued Karzai from a firefight with the Taliban, Karzai insisted that he had walked away from the battle and never left Afghanistan.

Still, Ludin now cites that incursion into the Taliban heartland as a sad irony.

"The president and American Special Forces were going in a leisurely fashion from village to village in 2001, and they were welcomed everywhere," Ludin said. "And everywhere they went, the Taliban were driven away from those villages, districts and provinces without a fight."

Five years later, President Karzai can't risk a visit to his home region. "Now these same areas are seen as hotbeds of the Taliban and terrorism," Ludin said. "Today, if the president wants to go to Kandahar, he needs massive security arrangements."

Ludin blames Pakistan for reviving an insurgency that once looked to be on its last legs.

After they were ousted from power in 2001, the Taliban retreated to bases in Pakistan, where the military's powerful Inter-Services Intelligence agency had once nurtured them. From there, the Taliban and its allies regrouped in eastern and southern Afghanistan, U.S. military intelligence documents say.

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Washington today regards Pakistan as a key ally in fighting terrorism, but many Afghans suspect the country of playing a double game, cooperating with the United States while fostering the Taliban insurgency.

Karzai wants the U.S. to do more to stop the insurgency at its roots in Pakistan, but Washington strongly supports Pakistani President Pervez Musharraf.

Karzai's frustration over tactics used by the U.S. and allied military forces, including the continued bombing of civilian areas, is raw. Senior Afghan officials are surprisingly frank about the dangers of foreign military dominance.

Despite the success in uniting Afghanistan's fractured ethnic groups into a national army, a senior aide to Karzai, speaking on condition of anonymity, called the army a "sort of lame-duck institution" without the capacity to make decisions.

"It will fall the instant that the U.S. military is not behind it," the official said.

An open tent

KARZAI lives and works in an 83-acre compound called the Arg-e-Shahi, or Citadel of the King, which was built in 1880 to replace a royal fortress destroyed by British troops. Three miles and a world away, one of his chief critics, Ramazan Bashar Dost, holds court in a large canvas tent in Kabul's main park. Outside, noisy children chase soccer balls in the swirling dust.

Each afternoon, Dost, a member of Afghanistan's parliament, sits next to a small, round folding table, framed by two yellow tent poles sunk into a dirt floor honeycombed with cracks. He listens quietly as Afghans vent their anger over corruption, unemployment and other ills.

Dost has become a kind of anti-Karzai, a French-educated intellectual who presides over a humble court of last resort where anyone is free to take a seat and gripe or ask for help, no appointment required. He is in high demand as ordinary Afghans wait their turn to complain about big issues such as corruption and foreign interference, or something as small as bullies at school.

Dozens duck through the tent flap each day, joining a circle of people waiting on plastic patio chairs in the dim light of a bare bulb. Some of Dost's visitors are fellow intellectuals who come to debate policy; others are activists who lobby for legislative agendas. But, like most of the people clamoring for Karzai's time, the majority in Dost's tent are seeking solutions to personal problems.

A few bedsheet banners hang on the tent's faded yellow walls. One explains the meaning of democracy in Dari, one of Afghanistan's main languages.

"Demo = people, cracy = government," it explains. "The famous definition by Abraham Lincoln is government of the people, for the people and by the people."

Dost resigned as planning minister last year after Karzai refused to let him shut down most nongovernmental aid agencies, which Dost claimed were embezzling money. The controversy made Dost one of Afghanistan's most admired politicians.

He offers a sympathetic ear to Afghans who feel wronged by the system. Even if Dost can't solve their problems, the visitors seem to leave feeling they've accomplished something. At least he sat and listened, which is more than most felt they got from bureaucrats.

Afghans also rely on Dost to tell uncomfortable truths if he can't pressure Afghan officials to do so first. As an example, he cites the roughly $60,000 a month the government had been paying two German experts to fix the national airline, Ariana. "Ariana has become worse. It is more dangerous," he said.

Meanwhile, the families of men who died fighting the Soviets in the 1980s get no more than $6 a month in compensation. "The Afghan people see this gap between $6 and $60,000 and they say they cannot accept this impossible situation," Dost said.

Examples like that are, "in my opinion, the biggest reason why the Taliban have become so strong in Afghanistan," he said. "Now the Afghan people have lost their trust in the international community."

Karzai's leadership style is making matters worse, Dost said. "He has a tribal image of the state. He believes that he's not a president of a country, but he's a father of a family, or a chief of a tribe."

One summer evening, a 22-year-old orphan came to ask Dost's help in finding money to launch an agency for street children and other orphans. Another young man wanted Dost to arrange a transfer to a safer high school because thugs were threatening him.

Dost took notes and gave the men slips of paper with the phone numbers of government officials who might help. But he didn't hold out much hope.

"For Afghan people, democracy means you can do anything you want," Dost said. "There are no rules, no laws, no justice or authority. When you have power now in Afghanistan, then you have the money, and you can have everything."

Behind palace walls

IN contrast to Dost's tent, Karzai's door is difficult to pass through. Few Afghans are allowed onto the palace grounds, and those who are must make their way through at least five high-security layers. Dogs sniff for explosives. Guards scrutinize pens, key chains and other everyday items.

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A suspected Taliban militant tried to assassinate Karzai in 2002 as he waved from an open-roofed car in Kandahar, his hometown. Karzai's American guards killed the would-be assassin. Now his trips outside Kabul are infrequent.

Karzai allowed an intimate look behind the scenes on two difficult days this summer as he toiled in his palace. He declined to sit for an interview, but he allowed a reporter and photographer to watch him maneuver the shifting sands of Afghan politics, culture and war.

The president's office is in the two-story Gul Khana, or House of Flowers, whose outer walls have softball-sized patches where masons have filled in hundreds of shrapnel holes from Afghanistan's long years of war. He lives there with his wife, Zinat, an OB-GYN who stays mostly out of the public eye. They have no children.

His is a draining schedule. Karzai, who earned a degree in political science in India, works seven days a week, 12 hours a day, normally starting with a briefing from his intelligence chief.

On a routine day this summer, he met with French Defense Minister Michele Alliot-Marie. That was followed by a meeting with his two vice presidents and other senior officials to discuss Cabinet nominations.

Karzai sat in a high-backed chair behind a large wooden desk that had a small globe of colored stone in one corner. His officials sat at a glass-topped boardroom table, polished to such a gloss that it mirrored Karzai.

Then Karzai had lunch with the elders from Zabol.

The petitioners were reaching for the toothpicks when Mohammed Nabi Tokhi, a retired senator who is said to be more than 100 years old, rose from his seat next to Karzai.

His fiery eyes were magnified by the thick lenses of black-rimmed glasses. Tottering to a microphone stand, he said a prayer for the president and then railed against the Nasir tribe, whom he accused of stealing about 2,500 acres of Tokhi land in the 1960s.

"They are a faithless tribe, a tribe of cowards," he said, his voice rising. "There is no way that we and the Nasirs will ever be able to live together in one area."

There was little Karzai could do that wouldn't anger one side. So he passed the problem to a special commission and urged his bickering fellow Pashtuns to talk to each other.

"No matter what you say," he told the Zabol elders, "you have to accept one thing: The Nasiris are also an Afghan tribe and they have equal rights with other tribes, don't they? Are they the sons of this nation or not?"

"Yes," a few men replied. Others grumbled or pushed past Karzai's guards to press their own petitions into his hands.

Afterward, Karzai retreated to his inner office, where he usually has some quiet time each afternoon. Typically he settles into a leather armchair to watch news on a large flat-screen TV or read a book before returning to his official schedule, which often runs until 10 p.m.

The next day, Karzai received a delegation of about 30 villagers from Oruzgan province, where U.S. bombers had killed about 60 civilians along with scores of Taliban fighters.

Over green tea and sponge cake, Karzai related how Taliban leader Mullah Mohammed Omar had once asked him to join the regime as foreign minister. Karzai said he saw the Taliban, then backed by Pakistan and Saudi Arabia, as a foreign tool and wrote to Omar, "This nation has never been a slave and will never be a slave."

After the Sept. 11 attacks, Karzai said, he was sitting on a mountain in Oruzgan when his hand-held satellite phone rang. The call was from an aide to Omar who said the chief wanted to speak to him on a field radio. Karzai told him that he didn't have a radio and that his phone's battery was dying.

"Then this guy told me, 'Mullah Omar is asking, "What do you want?" ' I said: 'Hey man! I want my country!' " Karzai recounted. " 'Kick the foreigners out of this nation.' "

Afghanistan's enemies are still allied with foreigners, Karzai told the elders. Then he turned to look into the eyes of Abdul Rauf, a shy 7-year-old who had lost his family in the American bombing.

"He saw his father and mother dying but couldn't do anything. He is just a child," an elder said as Karzai sadly shook his head.

"The enemies are coming from Pakistan," the president said, "and the international community is bombarding them. And, caught in between, we suffer, not Pakistan."

It was time for Karzai to go. He told the elders the future was in their hands.

"They should not bombard us like this!" one shouted back.

"Definitely! You are right," Karzai replied. "Don't call me the president. Call me your small brother, call me your son. I am your servant, not your president. If you need anything just tell me."

"The first need of the people is security," another elder interrupted. "And security comes when the nation and the government get together."

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CORPORATE SCANDALS:

Shower Curtain Sold Separately (NYT)

By Elizabeth Olson

The New York Times, November 12, 2006

When the government presented L. Dennis Kozlowski, the former head of Tyco International, with a bill for $167 million in fines and restitution, it was likely that everything would have to go.

After his 2005 conviction for looting Tyco, Mr. Kozlowski sold some big-ticket belongings, including his 130-foot yacht Endeavor and Impressionist paintings, whittling his debt to $59 million.

Now he's parting with his 8,600-square-foot chalet in Beaver Creek, Colo., complete with eight bedrooms and nine and a half baths — including one decked out as an outhouse. The sale price was $10 million, reduced from $11.5 million.

Brokers declined to identify the new owner, an oil-and-gas man based in Dallas, but said he also paid $750,000 for Mr. Kozlowski's furnishings, which include a stuffed mountain lion to greet visitors but no shower curtain like the infamous $6,000 model in his Manhattan flat. ELIZABETH OLSON

CASH ONLY, PLEASE Speaking of restitution, the Securities and Exchange Commission settled its lawsuit against five executives of the failed NextCard online credit card bank, which collapsed in bankruptcy amid an accounting scandal in 2002.

Without admitting or denying wrongdoing, the five people — John V. Hashman, the chief executive; Yinzi Cai, the chief operating officer; Bruce Rigione, the finance chief; Douglas Wachtel, the controller; and Jeremy R. Lent, chairman and chief strategy officer — agreed to pay a total of $1.4 million in restitution to investors.

Most of the cash, $894,000, will come from Mr. Lent, a co-founder and the chief executive for four years. He was accused of having sold $7 million worth of NextCard stock before the company failed. MARK A. STEIN

LANDING ON HIS FEET Five months after Delta Air Lines eliminated his job as chief marketing officer to save money, Paul G. Matsen has checked into the Cleveland Clinic. There's nothing ailing Mr. Matsen, 47. He was hired to help the hospital and medical research center expand its services — and its brand name — abroad.

The clinic recently opened an office in Toronto and signed an agreement to build and operate a hospital in Abu Dhabi. "But we are looking at more expansion," said Mr. Matsen, who likened the challenge to an airline opening international routes.

He noted that airlines and hospitals had a few things in common — neither is known for good food — but he added that the health benefits in his new job were hard to beat. BARNABY J. FEDER

REAL MONEY Having already pleaded guilty to securities fraud for his role in booking phantom revenue at the dot-com Homestore, Peter B. Tafeen agreed last week to settle a civil lawsuit in the matter by paying more than $2.6 million.

A day before Mr. Tafeen settled the civil suit, Judge Percy Anderson of Federal District Court in Los Angeles ordered him to pay $240,000 in restitution directly to investors and sentenced him to federal prison for 30 months. MARK A. STEIN

WILL WORK FOR A CURE The prospect of riches was not what inspired Raymond E. Joslin to leave a 40-year career in cable television for a medical research company. It was a concern about cancer.

Mr. Joslin, the former president of Hearst Entertainment and Syndication, became chief executive of CAD Sciences, which creates cancer-detection software, in 2004.

"Just about every family on earth is affected one way or another by cancer," Mr. Joslin, who had a brush with prostate cancer in 1999, said at a recent benefit for the Breast Cancer Alliance.

He said he had invested "quite a bit" in CAD, and pays himself only $1 a year. "But," he said, "I negotiated a 50 percent severance clause. If they fire me, I get 50 cents." FRANCINE PARNES

DO AS WE — ER, NEVER MIND Among an American ambassador's duties is the promotion of free enterprise, markets and trade as vital to a robust economy. Imagine how hard that became as Enron set off an avalanche of corporate scandals.

Three former ambassadors met at Southern New Hampshire University in Manchester last week to reminisce. They were A. Elizabeth Jones, a former ambassador to Kazakhstan; Cynthia P. Schneider, a former ambassador to the Netherlands; and Carl Spielvogel, the advertising executive who was ambassador to Slovakia.

Myron Kandel, the host, said ambassadors used to cite "the ethics, values and rule of law" underpinning American business. That, he added wryly, has been "sorely tested" lately. MARK A. STEIN

WELL, MAYBE HIM At a discussion sponsored by The Week magazine on "The Digital Media Revolution," Michael J. Wolf, the president of MTV Networks, said technology means constant change and "nothing is going to last forever."

At which point someone in the audience at the Four Seasons restaurant asked, "Not even Sumner?" — a reference to Sumner M. Redstone, the famously controlling, 83-year-old chairman of Viacom and Mr. Wolf's boss.

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The aside drew laughs from the audience, particularly from Mel Karmazin, the chief executive of Sirius, the satellite radio company — and the former president and chief operating officer of Viacom. LAWRENCE INGRASSIA

CRIMINAL LAW:

More Subpoenas In Menendez Probe (NSL)

By John P. Martin, Jeff Whelan

Newark Star-Ledger, November 11, 2006

Federal investigators have resumed their inquiry into a rental deal between U.S. Sen. Robert Menendez (D-N.J.) and a nonprofit agency, issuing new subpoenas in the days after he was elected to a full six-year term, according to a government source.

The subpoenas sought documents related to the more than $300,000 in rent Menendez collected from the North Hudson Community Action Corp. between 1994 and 2003, the source said. It was unclear what records were sought or who was subpoenaed.

"More are coming," said the source, who declined to be named because of the sensitive nature of the investigation.

Matt Miller, a spokesman for Menendez, said neither the senator nor his campaign or congressional office has been contacted by federal authorities. He said Menendez is unaware of any new subpoenas and maintains he did nothing wrong.

"We're confident that when the U.S. Attorney's Office completes its review it will come to the same conclusion as the House Ethics Committee, that the transaction was completely appropriate," Miller said.

The latest development cuts short Menendez's political honeymoon as he prepares to head back to Washington next week as part of a new Democratic majority in Congress. Menendez's victory Tuesday was critical to Democrats taking control of the U.S. Senate by 51 to 49.

In September, federal authorities launched the investigation by issuing a subpoena seeking records of the rental deal between Menendez and North Hudson, a nonprofit that provides health care and social services to the poor.

The first subpoena followed a report in The Star-Ledger that Menendez collected more than $300,000 in rent from the organization while he represented Hudson County in the U.S. House of Representatives. Menendez leased a Union City house to the agency that it used for an administrative office. During that period, he also helped the nonprofit win millions of dollars in federal funding.

Republican State Sen. Tom Kean Jr. made the probe a central issue in his unsuccessful campaign to unseat Menendez, who repeatedly denied he was under investigation.

Told of the subpoena yesterday, Kean said: "The people have spoken and I respect their decision. At the same time, I stand by the message and the thrust of my campaign and believe that the issue of corruption continues to be of critical important to the citizens of New Jersey."

Independent ethics observers have said Menendez's rental deal posed a conflict of interest, but Menendez said he had received verbal clearance for the deal from the House Ethics Committee. He also said the agency paid just below market rent. The House ethics attorney whom Menendez said he consulted at the time said recently that there is no rule against such an arrangement.

U.S. Attorney Christopher Christie's office has repeatedly said it will neither confirm nor deny any investigation.

Menendez sought to downplay the subpoena throughout the campaign. He initially denied being represented by one criminal lawyer who had contacted the U.S. Attorney's Office on his behalf. Just days before Election Day, he acknowledged that for months, another attorney, Marc Elias, had been representing him in the matter.

Miller maintained again yesterday that the senator is not under investigation. He said Elias contacted the U.S. Attorney's Office in September and was told federal authorities did not need any information from the senator and that Menendez "had no status in any investigation" as a target or a subject.

Menendez spent the day thanking his supporters on Wednesday before leaving for an out-of-state vacation on Thursday, Miller said. He'll be back at work next week, he said.

FBI Probes May Target Congress (MCT)

By Greg Gordon

McClatchy Newspapers, November 12, 2006

WASHINGTON -- The new chief of the FBI's Criminal Division, which is swamped with public corruption cases, says the bureau is ramping up its ability to catch crooked politicians and might run an undercover sting on Congress.

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Assistant FBI Director James Burrus called the bureau's public corruption program "a sleeping giant that we've awoken" and predicted the nation will see continued emphasis in that area "for many, many, many years to come."

So much evidence of wrongdoing is surfacing in the nation's capital that Burrus recently committed to adding a fourth 15- to 20-member public corruption squad to the FBI's Washington field office.

In the past year, former Republican Reps. Duke Cunningham and Bob Ney have pleaded guilty to corruption charges. FBI agents are investigating about a dozen other members of Congress, including as many as three senators. The Justice Department also is expected to begin seeking indictments soon after a massive FBI investigation of the Alaska Legislature.

If conditions warrant, Burrus said, he wouldn't balk at urging an undercover sting like the famed Abscam operation in the late 1970s in which a U.S. senator and six House members agreed on camera to take bribes from FBI agents posing as Arab sheikhs.

"We look for those opportunities a lot," Burrus said, using words rarely heard at the bureau during the past quarter century. "I would do it on Capitol Hill. I would do it in any state legislature. ... If we could do an undercover operation, and it would get me better evidence, I'd do it in a second."

Philip Heymann, who oversaw the Abscam investigation as chief of the Justice Department's Criminal Division during the Carter administration, expressed surprise to learn of the FBI's willingness to attempt another congressional sting after the outcry from Capitol Hill over Abscam.

"It shows courage at the FBI," said Heymann, now a criminal law professor at Harvard University. He said he concluded, after watching a recent public television documentary and listening to experts, that "there is more corruption (on Capitol Hill) than I ever thought imaginable" and that a single FBI sting "might result in very large numbers of prosecutions."

But even without an undercover operation, Heymann and other observers say they have been pleased with the GOP-controlled Justice Department's willingness to pursue old-fashioned investigations, even if they hurt congressional Republicans.

Nationally during the past year, 600 agents worked 2,200 public corruption cases, resulting in 650 arrests, 1,000 indictments and 800 convictions, Burrus said.

"Operation Rainmaker," the FBI's broad investigation of a Washington lobbying ring, has already led to a handful of convictions, including Ney's guilty plea last month. The inquiry was one reason for the resignation last year of House Majority Leader Tom DeLay, R-Texas, who also faces state campaign finance charges. Other investigations seem to be sprouting everywhere.

But Reid Weingarten, a former Abscam prosecutor who now is a high-profile Washington criminal defense lawyer, said he would bet that the flurry of congressional cases has resulted from evidence "falling in their (investigators') laps," rather than a programmed FBI hunt for corruption.

The FBI does appear to be stepping up its use of electronic surveillance and has conducted stings of state politicians. Bureau agents secretly taped Rep. William Jefferson, D-La., before finding $90,000 in his freezer during a raid last May. Cell phones were wiretapped for four months in an investigation of Rep. Curt Weldon, R-Pa., government sources say.

In "Operation Tennessee Waltz," 10 Tennessee state officials, including five current and former legislators, have been prosecuted in a scheme in which hidden cameras whirred as FBI undercover agents offered payoffs in return for help for a dummy company. Burrus said some targeted Tennessee legislators were moving so quickly that "we were actually having to discuss how we were going to slow it down" so that bills aiding the phony firm didn't become law.

A separate undercover inquiry led to the indictment of three members of San Diego's city council.

In Alaska, the FBI has more than doubled its manpower in a sweeping investigation of allegations that an oil industry services company bribed state legislators, people familiar with the inquiry said. On Aug. 31 and Sept. 1, the FBI conducted two dozen raids and searched the office of state Sen. Ben Stevens, son of U.S. Sen. Ted Stevens, R-Alaska.

Burrus declined to discuss any investigation but said the FBI will focus on more state capitals during the next year, "because we have seen a trend in cases that leads us to believe there's more out there."

When he arrived as deputy chief of the criminal division in 2004, he said, field offices frequently told him they had "no idea" how to pursue public corruption leads. Since then, he said, agents in about 30 of the bureau's 56 field offices have been trained. FBI agents in Washington have studied congressional activities that might invite bribes, such as hard-to-trace "earmarks" in which members appropriate money for pet projects, often keeping their involvement off the public record.

"Public corruption cases have to be fished out," he said, noting that crooked politicians tend to do secret deals with one other person and often try to disguise their actions as "for the public's good."

Controversial new legal theories are also helping prosecutors bring cases in which they can't prove outright briberies. A vaguely written, 28-word 1988 law, for example, makes it a fraud for a politician to deprive taxpayers of "honest services." It was among the charges lodged against Cunningham, Ney, former lobbyist Jack Abramoff and the San Diego councilmen.

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Burrus said the FBI has to prove "that this person engaged in the activities specifically to receive this stream of benefits and knew that stream of benefits would stop if he did not support these particular projects."

Death Penalty Sought In Hawai'i Case (HONADV)

By Ken Kobayashi, Advertiser Courts Writer

Honolulu Advertiser, November 12, 2006

"Whatever you want to believe about the death penalty, it should never be used for political purposes, and it should never be used simply because, like a nuclear weapon, it's out there, so let's play with it."

— Alexander Silvert | attorney for Naeem Williams' wife

"The Justice Department has determined that the torture and beating to death of a small child warrants the death penalty as an optional sentence."

— Edward Kubo | U.S. attorney

Justice Department officials have overruled federal prosecutors here and authorized seeking the death penalty for an Army soldier in a move critics say is part of a nationwide attempt by the Bush administration to spread capital punishment to non-death-penalty states.

Naeem Williams, charged with murdering his 5-year-old daughter last year, is believed to be the first in the country to face the death penalty under a provision passed by Congress three years ago for first-degree murder cases involving "a pattern or practice of assault or torture against a child or children."

The U.S. Attorney's Office in Hawai'i recommended against seeking capital punishment for Williams and his wife, Delilah, who is also charged with the murder, according to sources familiar with the case who do not want to be identified because the recommendation is considered confidential.

The Justice Department went along with the recommendation for the 21-year-old wife, but U.S. Attorney General Alberto Gonzales, who must approve federal death penalty prosecutions, authorized seeking capital punishment for the husband.

That move is part of a trend under the Bush administration to seek the death penalty in Hawai'i and 11 other states that don't have capital punishment, some critics of the death penalty believe.

WHITE HOUSE AGENDA

Gonzales and former Attorney General John Ashcroft authorized 180 death penalty prosecutions, including 51 cases in which the local U.S. attorney's office did not recommend capital punishment, according to the Federal Death Penalty Resource Counsel Project, a national information clearinghouse for court-appointed defense lawyers in federal death-penalty cases.

Fourteen of the 51 cases are from non-capital-punishment states, said Kevin McNally, a Kentucky lawyer with the project.

Richard Dieter, executive director of the non-profit Death Penalty Information Center in Washington, D.C., which is critical of the way the death penalty is applied in this nation, said Ashcroft wanted to uniformly apply capital punishment across the country.

"To him, that meant seeking it in places that don't have the death penalty," Dieter said.

Dieter said there hasn't been any change in philosophy under Gonzales. He said local federal prosecutors now "have less of a say in the process."

Under President Clinton's administration, no one from a non-death-penalty state was sitting on a federal death row, but now there are six, Dieter said.

There are two from Iowa, and one each from Massachusetts, Michigan, Vermont and North Dakota.

David Bruck, a South Carolina lawyer with the Federal Death Penalty Resource Counsel Project, raised concerns as early as 2003, when he said the trend reflected an attempt to "nationalize capital punishment."

"I don't think there's any doubt that this administration believes its role to be enforcing the death penalty nationwide without regard to local beliefs or policies," Bruck said in a recent interview.

He said Ashcroft dropped a provision under his predecessor Janet Reno that prevented federal death-penalty prosecutions when capital punishment was not authorized in the state where the crime occurred.

"This administration from the top down has been vigorously pro-death penalty," he said.

The criticism has been echoed by capital-punishment opponents in non-death-penalty states.

When Donald Fell was sentenced to death this year by a federal judge in Vermont for the 2000 fatal beating of a 53-year-old woman, the American Civil Liberties Union said Ashcroft sought to bring capital punishment to states without the death penalty. Vermont's ACLU said Ashcroft had earlier rejected a tentative plea agreement by federal prosecutors calling for a life term for Fell.

Vermont abolished the death penalty in 1987.

CONGRESS' ROLE

Peter Watkins, a spokesman for the Bush White House, deferred comment to the Justice Department on whether the administration is trying to expand the death penalty to non-capital-punishment states.

A spokeswoman for the Justice Department, Kathleen Blomquist, said the recommendations by U.S. attorneys are confidential and that the department does not comment on the decision-making in specific cases.

Blomquist, however, said the goal of the department's capital-punishment review and decision-making process is a "fair, consistent and even-handed application of the federal capital sentencing laws nationwide to the worst offenders who commit the most egregious offenses."

The death-penalty prosecution will be unusual for Hawai'i, which abolished capital punishment in 1957. Sporadic attempts to revive it have never gotten far in the state Legislature, and Hawai'i remains one of 12 states that do not have capital punishment.

Congress, however, has authorized the death penalty throughout the country for federal crimes, starting in 1988 for drug kingpins. The law was expanded in 1994 to cover other offenses, such as murder for hire and murder of government officials. The provision involving a pattern of abuse and torture of children was added in 2003.

Currently, 46 prisoners from 20 states are sitting on federal death rows, according to the Death Penalty Information Center. Only three, including Oklahoma City bomber Timothy McVeigh, have been executed under the federal death-penalty law. All three were executed by lethal injection.

In announcing on Sept. 8 that it would seek the death penalty in Williams' case, federal prosecutors accused the soldier of committing the murder in an "especially heinous, cruel and depraved manner in that it involved torture and serious physical abuse." The prosecutors said Williams' 5-year-old daughter was "particularly vulnerable because of her youth."

Williams also tried to thwart the investigation by washing his daughter's blood from the walls and instructing his wife to give a false statement to authorities, the prosecutors said.

In his statement to Army investigators, Williams said he used a belt on his daughter, Talia, daily for four months. On the morning of her death, July 16 of last year, he repeatedly hit the girl to discipline her, he told investigators. Later, he slapped her and she fell on her face, he said.

When the girl became unresponsive, he and his wife didn't call 911 for about an hour because Delilah Williams feared authorities would take away her 4-month-old baby, he said.

The autopsy report concluded Talia died from "inflicted head trauma due to battered child syndrome."

David Klein, Naeem Williams' lawyer, said the decision to seek the death penalty "compounded" the "tragic case."

He said his client "has no record of any significant convictions" and "has served his country in the military for a number of years."

Alexander Silvert, the first assistant federal public defender who is representing Delilah Williams, said he doesn't think capital punishment is appropriate for either defendant.

Silvert said he believes the death penalty is being sought for political reasons by the administration with Bush associates from Texas, a pro-capital punishment state. He said he fears the Justice Department is using the case to "test" the 2003 law.

U.S. Attorney Ed Kubo said the department did not reach its position because it wanted to "test" the new law.

"I don't think the president or any of the people under him from Texas knows about this case way out in Hawai'i," he said.

FIRST UNDER NEW LAW

Naeem Williams was initially charged by the military, but when the case was transferred to federal prosecutors in August last year, Kubo said Naeem and Delilah Williams were the first in the country prosecuted under the new law involving torture and abuse of a child.

Kubo said he does not know if there are currently any similar prosecutions in the country. Spokeswoman Blomquist of the Justice Department said those statistics are not readily available.

Silvert said that as far as he knows, Naeem Williams is the first to face the death penalty under the 2003 provision.

"To treat this as a death penalty case is really unwarranted," Silvert said.

He said the girl did not die as a result of a deliberate act to kill her.

"I don't think anyone can seriously argue that the child was struck with the intention to kill the child," he said.

If Williams had been charged under state law, he would have been charged with second-degree murder, punishable by life in prison with parole, but not with death, he said.

Silvert said he believes the U.S. Attorney's Office here gave the "appropriate consideration" on the death penalty issue for both defendants. "I think this is coming from Washington (D.C.)," he said. "I think it's political."

He contended that with the strong backing of the Justice Department, Congress added the provision in 2003, and that one reason for seeking the death penalty in Williams' case is that the Justice Department views the law as "its new toy."

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"Whatever you want to believe about the death penalty, it should never be used for political purposes, and it should never be used simply because, like a nuclear weapon, it's out there, so let's play with it," he said.

Kubo disagreed.

"Unlike the state Legislature, Congress has determined that under certain horrific circumstances, death would be an appropriate sanction, and the Justice Department has determined that the torture and beating to death of a small child warrants the death penalty as an optional sentence," he said.

He said the law was in effect at the time Talia Williams died.

"Since it's clear what it mandates and it fits within the facts of this case, we're just following the law of Congress," he said.

OCTOBER TRIAL

Naeem Williams and his wife are both being held separately at the Federal Detention Center.

His case is expected to generate a huge amount of litigation before U.S. District Judge David Ezra because it is a death-penalty case.

"I expect the case to be zealously litigated by both sides," said Assistant U.S. Attorney Marshall Silverberg, who is handling the prosecution.

Delilah Williams was added to the case when she was indicted by a federal grand jury Oct. 12 on a charge of murdering the girl. The maximum sentence she would face if convicted is life in prison.

Both have pleaded not guilty. Their trial is scheduled for next October.

Naeem and Delilah Williams are declining to comment, their lawyers said.

Silvert said his client has "very mixed emotions" with the death of her stepchild and the decisions that leave only her husband facing the death penalty.

"There's a lot of emotions that run through that, and I think she's entitled to her own privacy," he said.

Reach Ken Kobayashi at kkobayashi@honoluluadvertiser.com.

CIVIL RIGHTS:

Decision Could End Fight To Balance Hispanic Vote (ORS)

By Mark Pino, Sentinel Staff Writer

The Orlando Sentinel, November 12, 2006

Osceola County officials could agree on Monday to settle a federal discrimination lawsuit.

When Ana Erazo walked into the elections office on a summer day in 1990, her supporters followed and applauded after she filed the paperwork to run for County Commission.

"It all started with me," said Erazo, the first Hispanic to seek a commission seat. "In those days, there was lot of prejudice against us."

Erazo's tale is the first chapter in the struggle of Osceola's Hispanics for political power that came to a head last year when the U.S. Department of Justice sued the county, claiming countywide elections violate the Voting Rights Act by diluting Hispanics' political power.

The county spent nearly $2 million fighting, but now it looks as if Hispanic voters in Osceola may have a better chance to elect one of their own.

Commissioners are expected to vote Monday night on a single-member district plan to settle the suit after a federal judge noted "racial hostility" in Osceola and found that elections are "racially polarized."

"There is also evidence of a history of discrimination against Hispanic voters and candidates," U.S. District Judge Gregory A. Presnell wrote in his ruling last month. "It is clear from the record that voting in Osceola County tends to be racially polarized."

Osceola's Hispanic population went from 1,089 in 1980 to 50,727 in 2000, according to census figures. The trend has continued. Today, 43,161 of Osceola's 127,176 registered voters -- or about a third -- are Hispanic and many live in the communities of Buenaventura Lakes, Lakeside and Poinciana. By 2011, Osceola County's Hispanic population is expected to eclipse its non-Hispanic population -- 139,000 to 135,000.

While Presnell found signs of discrimination, he did not find intent, and that was some solace for commissioners, who say single-member districts would disenfranchise taxpayers because they no longer would have a say in electing four of the five commissioners.

"This commission never singled out any ethnic group and ruled against them," Commissioner Bill Lane said last week.

Many who oppose single-member districts say the problem is in poor campaigning and the fact that Hispanics have not turned out to vote.

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But Presnell noted numerous instances where the county's non-Hispanic, white power structure created obstacles for the Hispanic community.

In particular, he cited splitting the largely Hispanic community of Buenaventura Lakes into two commission districts in 2001 and problems Hispanic voters experienced at the polls over the years.

The county and the Justice Department entered an agreement that mandated bilingual ballots and Spanish-speaking poll workers after the 2000 elections when "Hispanics suffered from discrimination at the polls when they were turned away without being allowed to vote, refused assistance, forbidden to use their own interpreters, asked for multiple forms of identification (unlike non-Hispanic voters), and treated in a hostile manner by poll workers," the judge wrote.

Only one Hispanic, the late Robert Guevara, was ever elected to countywide office, though last week Carlos Irizarry became the first to win a seat on the Kissimmee City Commission.

"Guevara's campaign generated racial hostility from non-Hispanics including Guevara's opponent, Charles Owen, who sent a campaign mailer that depicted Guevara with darker skin and portrayed him as 'Night' and Owen as 'Day,' " Presnell affirmed.

Today, Owen admits he should not have listened to a consultant about that flier.

"Reflecting back, it is probably something that shouldn't have gone out," said Owen. "It wasn't in good taste. It was not very professional."

It was Erazo's success in Osceola's burgeoning Hispanic districts in her 1990 loss to Larry Whaley that set the wheels in motion for the off-and-on battle during the past 16 years over how to elect commissioners.

Under the threat of legal action from Hispanic leaders, commissioners put single-member districts on the 1992 ballot and voters approved a referendum that changed voting from countywide to the district system for commissioners and School Board members.

The person who benefited from the switch was Erazo's neighbor and campaign manager, Guevara, who by 1991 had assumed the presidency of the county's chapter of the American Hispanic Voters League from Erazo.

Guevara became the first Hispanic commissioner in 1996 when on the same ballot voters approved a return to countywide voting.

"I feel it is an injustice," said Erazo, who now lives in Puerto Rico. "Single-member districts are needed right now. When I go back [to visit], many people remember me. I ask, 'Why?' and they say, 'You were the first one.' "

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100 Bilingual Poll Workers Achieve Goal (RMA)

By NATALIA E. ARBULÚ

The Springfield Republican (MA), November 11, 2006

SPRINGFIELD - With more than 100 bilingual poll workers manning all but four voting precincts on Tuesday, the city has met a goal set in its voter reform agreement with the U.S. Department of Justice.

The federal government had filed suit against the city for violating the rights of Spanish-speaking residents by failing to provide enough help at the polls.

The reform agreement, reached in August, called for the city to have at least 95 bilingual poll workers who speak Spanish and English working at Tuesday's election.

Of the city's 410 poll workers, 127 are bilingual in Spanish and English and five speak Vietnamese, said Gladys Oyola, the city's Spanish Language Election Program coordinator.

The Justice Department required bilingual poll workers at all but four of the city's 64 precincts based on the number of voters with Spanish surnames in each precinct, said Election Commissioner Kathy Hoar Fleury.

Fleury said on Thursday that the Election Office has worked "extremely hard" to comply with the agreement.

"I think we've done a heck of a job in a short time," Fleury said.

The office has yet to calculate the number of bilingual workers that worked at Election Day, but Fleury said the figure is close to the original number hired.

Federal observers monitored the polls on Tuesday to ensure Springfield's compliance with the Voting Rights Act, as they did during the Sept. 19 primary election, but they were at fewer locations this time.

City Solicitor Edward M. Pikula noted that the relationship between poll workers and federal observers was more cordial than it had been for the primary.

Jose Claudio, chairman of the city's Spanish Language Election Program Advisory Committee, said he has not received any complaints regarding bilingual poll workers.

The committee will meet later this month to discuss how things went on Election Day.

Maria Rivera was the sole bilingual worker at the Dunbar Community Center on Tuesday. Rivera said a lot of voters needed help because they did not understand how to vote or were illiterate in both languages.

Van Sickle Middle School had four bilingual workers. Poll worker Ivan Serrano said Hispanics who came to vote did not need services in Spanish. "A lot of Hispanic voting but not much help needed," Serrano said.

For the primary, the city exceeded the agreement's requirement to have 57 bilingual poll workers by 35 workers.

Feedback from federal observers for the primary was generally positive, Pikula said.

"Overall they were impressed with our ability to pull together an effort that we did in short period of time with limited resources," Pikula said.

The reports from federal observers regarding the primary have yet to be made public.

Pikula said city officials will once again confer with Justice Department lawyers to review observers' reports from the election and determine what the city needs to work on.

The case against Springfield will be dismissed by 2009 if the Justice Department is satisfied with the city's performance, Pikula said.

To Settle Suit In Boy's Death, New Jersey To Pay $7.5 Million (AP)

By The Associated Press

AP, November 12, 2006

NEWARK, Nov. 11 (AP) — New Jersey has spent $7.5 million to settle a lawsuit over a child welfare case in which a 7-year-old boy's mummified remains were found in a basement here.

The payout, arranged last year but only recently announced, is the second-largest made by the State Division of Youth and Family Services over child welfare mistakes, according to state officials.

The size of the settlement is surpassed only by the $12.5 million the state agreed to give to four brothers from Collingswood who were deprived of food and medical care by their adoptive parents. The state announced that settlement last year.

With the Newark case, the settlement money is going to the estate of Faheem Williams, along with two of his siblings who are in foster care.

The discovery in January 2003 of Faheem's body prompted an overhaul of the child welfare agency. The state had investigated abuse complaints involving Faheem, but had closed the file 11 months before his body was found in the basement of an apartment rented by his older cousin, Sherry L. Murphy.

The boy's brothers — Raheem Williams, now 11, and Tyrone Hill Jr., 8 — were found emaciated in a room adjacent to where the body was found.

Faheem's cousin, Wesley Murphy, later pleaded guilty to reckless manslaughter, admitting that while the family was living in Irvington he had killed the child with a wrestling move in which he had forced his knee into the child's abdomen. He has since served his time.

Ms. Murphy pleaded guilty to two counts each of aggravated assault, criminal restraint and child endangerment for her treatment of the children, and is serving a 25-year prison sentence.

She admitted that she left the boy's body on the floor of her Irvington home, then put it in a plastic hamper, which she took with her when they moved to Newark.

Faheem, Raheem and Tyrone had been living with Ms. Murphy after their mother, Melinda Williams, went to prison for endangering a child she had been baby-sitting. Ms. Williams was released weeks before Faheem's death, but had left the children with Ms. Murphy, her sister.

The child welfare agency and state attorney general's office representatives say the settlement approved by a State Superior Court judge in Newark gives $1 million to Faheem's estate, $2.75 million to Raheem and $3.75 million to Tyrone.

Lawyers in the case say legal fees still need to be settled, as well as the question of whether the boys' mother will have access to the money.

A Family Court judge in Newark ended Ms. Williams's parental rights last summer. She has appealed.

ANTITRUST:

Gannett Emerges As Possible Bidder For Tribune Properties (CHIT)

By Michael Oneal And Phil Rosenthal, Tribune Staff Reporters

Chicago Tribune, November 12, 2006

DOJ_NMG_0093108

Turning up the heat on the already simmering auction for the assets of Chicago-based Tribune Co., Gannett Co., the nation's largest newspaper publisher, has emerged as a possible bidder for Tribune's newspaper properties, the Chicago Tribune learned Saturday.

Executives from the McLean, Va.-based media giant, which publishes 90 U.S. newspapers, including top-read USA Today, were in Chicago last week to hear presentations on Tribune's financial condition, two sources close to the situation said.

Tribune has been hosting a number of bidders as part of a process it put in place in September to enhance shareholder value by possibly selling all of the company's television and newspaper assets.

But the emergence of a potential buyer with the resources and clout of Gannett could significantly change the complexion of the bidding process.

Spokespeople for Tribune and Gannett on Saturday declined to comment for this story.

The sources noted that the Tribune sell-off is still in its early stages and that Gannett has participated in newspaper auctions before without pulling the trigger. Most recently, Gannett expressed formal interest in Knight Ridder Inc. before eventually backing away.

But assuming it is serious, Gannett would be the first so-called "strategic buyer"—Wall Street parlance for a suitor in the same industry—to jump into the fray.

Until now, bidding for Tribune assets had been thought to be limited to financial buyers: several large private equity firms and a handful of wealthy entrepreneurs. But, unhappy with bids that valued the whole company close to the current stock price of about $32 a share, Tribune began asking for bids on its parts—newspapers such as the Los Angeles Times and the Chicago Tribune and television stations such as WGN-Channel 9, among other properties.

Sources said that opening up the bidding increased the level of interest among potential buyers in recent days. Last week, Los Angeles billionaires Eli Broad and Ron Burkle, who had earlier expressed interest in the Los Angeles Times, instead put in a bid for the entire company.

That may have induced others to move off the sidelines. At least one other media company, Denver-based MediaNews, is also interested in some of Tribune's newspapers, most notably the Hartford Courant, the Stamford Advocate and the Morning Call in Allentown, Pa., another source said. It's not clear, however, whether MediaNews has officially joined the bidding.

The emergence of a strategic buyer such as Gannett could mark a shift in the process by presenting Tribune Co. management with more flexibility in how to divvy up the company, said one Chicago attorney who has participated in many such deals.

Unlike a private equity player or a wealthy individual, a newspaper company like Gannett might see more immediate value in Tribune's newspapers, since it is already a large operator of papers across the country and might be able to find operating efficiencies and synergies other buyers would not.

The auction for Knight Ridder earlier this year provides a good example. Initially, several teams of private equity companies, as well as MediaNews and Gannett, bid for the company, only to back out by the end. That left Sacramento, Calif.-based newspaper operator McClatchy Co. as the only bidder. McClatchy bought all the Knight Ridder papers and then immediately sold off the lower-growth ones. Because many of the Knight Ridder papers matched McClatchy's strategy, going through this process made sense in a way it didn't for others.

What Gannett's strategy would be is unclear. But industry sources noted that Gannett already owns several papers in Florida and would likely be most interested in owning Tribune Co.'s highly profitable papers in Orlando and Ft. Lauderdale.

In any deal for Tribune papers, taxes are likely to be an issue, since Tribune has owned its properties for so long. But tax experts say there are many ways around that, including tax-free, spin-off structures.

Tribune and Gannett have a long history of working together. Gannett earlier this year paid $180 million in cash for WATL-TV, Tribune's television station in Atlanta. And the companies are partners in several Internet-based businesses meant to replace the classified advertising disappearing from their newspaper pages: CareerBuilder.com, ShopLocal.com and Topix.net.

One consideration that might give Gannett pause in looking at Tribune's properties is the depressed state of the industry, which it knows as well as anybody.

Gannett, which also owns 23 television stations, is highly profitable—it earned $1.2 billion last year on revenues of $7.6 billion. But like every other traditional media company, it has been feeling the pressure of an anemic ad market for newspapers and local television stations, as well as declining readership and viewership. In the third quarter, the company reported a 12 percent decline in earnings stemming partly from expensing of stock options, but also because of "very challenging advertising environments that softened as the quarter progressed," Gannett Chief Executive Craig Dubow told analysts.

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DOJ_NMG_0093109

Microsoft Jury Pool Faces Long Survey (DMR)

Des Moines Register, November 12, 2006

The class-action lawsuit against the software giant could be one of the longest in Iowa history.

It's not until question 61 that the 31-page survey begins to get to the point.

Do you find subjects dealing with computer technology:

___ Interesting

___ Boring

___ Somewhere in between

Those of you ready to check "boring" should count yourselves lucky if you are not scheduled to report for jury duty Monday in Des Moines.

About 450 registered voters, in two shifts, will converge on the Polk County Courthouse to begin what could be the weeks-long process of picking a jury for a class-action, antitrust lawsuit against Microsoft Corp. The trial is expected to last several months and could be worth up to $450 million for lawyers and four named plaintiffs, who contend that the giant computer software company used anti-competitive practices to drive up the cost of its Windows operating system, as well as its Microsoft Office, Word and Excel programs.

Potential members of the class include any person, business or other large organization that bought those programs between May 18, 2004, and June 30, 2006.

Microsoft has denied overcharging its customers and insists that consumers received fair and reasonable prices.

The trial is expected to be one of the longest in Iowa history.

The pool of prospective jurors - several times larger than the number of people typically summoned by court officials for a week's worth of trials - will be dedicated completely to the Microsoft lawsuit.

Lawyers plan to require each would-be juror to fill out the questionnaire mentioned earlier, then use those answers as a first-round screening before posing any additional questions face to face.

The questionnaire asks would-be jurors to provide typical information about their background and employment history, as well as detailed responses about their history of computer use and their level of comprehension.

Lawyers will also seek insight by quizzing the potential jurors about their favorite TV programs, movies, newspapers and books and their political philosophy.

District Judge Scott Rosenberg will preside. Roxanne Conlin, a noted Des Moines lawyer, is among the attorneys representing the plaintiffs.

Sports Artist Sued For Mix Of Crimson And Tide (NYT)

By Adam Liptak

The New York Times, November 12, 2006

TUSCALOOSA, Ala., Nov. 7 — In the solemn cathedral of college football devotion and instruction that is the Paul W. Bryant Museum here, a large painting dominates the main chamber. It is called “The Sack,” and it shows an encounter between a Notre Dame quarterback and a human locomotive in crimson and white.

“I’ve never been hit like that before,” the quarterback, Steve Beuerlein, said after his near-lethal sack by Cornelius Bennett in 1986, in the University of Alabama’s first victory ever over his team.

Daniel A. Moore, who painted “The Sack” and scores of other renditions of signal moments in Alabama football history, said he felt something similar last year, when his fax machine began to spit out a lawsuit from the university.

Mr. Moore’s paintings, reproduced in prints and on merchandise, violated the university’s trademark rights, the suit said. It asked a federal judge to forbid him to, among other things, use the university’s “famous crimson and white color scheme.”

Athletes, sports leagues and universities around the nation have become increasingly aggressive in protecting what they say is their intellectual property, and their claims have met with a mixed response from judges and fans. But almost no one here thinks the suit against Mr. Moore is a good idea.

“This lawsuit is the equivalent of the Catholic Church suing Michelangelo for painting the Sistine Chapel,” said Keith Dunnavant, an Alabama alumnus and the author of “Coach: The Life of Paul ‘Bear’ Bryant.”

A university spokeswoman, Cathy Andreen, declined repeated requests for interviews with university officials and lawyers, on what she said was the advice of counsel.

James Glen Stovall, who taught journalism at the university for 25 years, said only one sort of person would support the suit.

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"I can see why, if you're sitting in a roomful of lawyers, you might come to that conclusion," Mr. Stovall said. "But no one outside of that room would say: 'Hey, that's a good idea. Let's sue Daniel Moore.' "

At his gallery in Birmingham, surrounded by prints and paintings reflecting his more than 25 years as a sports artist, Mr. Moore said he remained a loyal Alabama alumnus. He graduated from the university with an art degree in 1976; two of his daughters go there now, and a third is a recent graduate.

"I still love Alabama," he said. "I still love Alabama football. Obviously, I haven't yanked my daughters out of school."

But there is bitterness, too. For two decades, the university gave him sideline passes. Now he is not welcome on game day.

"As an artist," he said, "it helps to be there, to feel the emotion and excitement and strategy from an on-field perspective."

He said he did not understand why his work, copies of which have a place of pride in the dens of thousands of Alabama football fans, should not receive the same First Amendment protection that newspaper photographs do. "Artists," he said, "were the first journalists."

In its legal papers, the university's lawyers are grudging in their assessment of Mr. Moore's talent. "Though skillfully prepared," the lawyers wrote, Mr. Moore's art conveys nothing beyond the raw facts of football. Mr. Moore, the suit says, "literally replicates even the expression on the players' faces in his prints and he adds no message whatever not conveyed by the play itself."

That is not fair, Mr. Moore said. Though he uses photographs for reference, he said that his compositions and his style were his own. He calls his approach "photofuturism," which he describes as "five parts realism to one part motion."

Over the years, Mr. Moore said, his paintings and prints have cumulatively sold "in the low millions." An 8-by-10 reproduction sells for $25 retail, or $35 if it is signed. An original watercolor might go for $22,000, an oil for $65,000.

The university's lawyers seemed to take particular offense at Mr. Moore's use of his paintings on merchandise like coffee mugs and calendars.

In response, Mr. Moore did not hesitate to invoke his own intellectual property rights. "Because I own the copyright," he said, "it's my opinion that I can put it on anything I want to. I can put it on a tattoo on someone's backside."

Mr. Moore has asked Judge R. David Proctor of the Federal District Court in Birmingham to dismiss the case on First Amendment grounds. His brief cited a decision of the federal appeals court in California ruling that a trademark owner "does not have the right to control public discourse" if "the public imbues his mark with a meaning."

After the citation, Mr. Moore's lawyer, Stephen D. Heninger, added a parenthetical aside. "Who could argue with a straight face," he asked, "that the cultural significance of Alabama football has not assumed such a role?"

A ruling on the motion is expected in the next few months.

Other courts have also tried to balance the rights of the owners of intellectual property against that of free expression. The cases, which involve a variety of legal theories, generally turn on whether consumers are apt to be confused about who produced the works in question and on whether artists managed to add something meaningful to the bare facts.

At one end of the legal spectrum, a federal judge in Louisiana had no difficulty in July in enjoining a company that sold shirts bearing the school colors and initials of four football powerhouses.

At the other, the federal appeals court in Cincinnati in 2003 rejected an effort by the golfer Tiger Woods to stop an artist named Rick Rush from using Mr. Woods's image in a painting commemorating his victory at the 1997 Masters in Augusta, Ga.

That painting, a panorama that included likenesses of six past winners, "communicates and celebrates the value our culture attaches to such events," the majority in the divided three-judge panel decision found. "It would be ironic indeed if the presence of the image of the victorious athlete would deny the work First Amendment protection."

In the middle of the spectrum is a 2001 decision of the California Supreme Court. It expressed great solicitude for the rights of artists under the First Amendment. But it ruled against an artist who had created a simple charcoal drawing of the Three Stooges and sold it on T-shirts.

The court attached no significance to the fact that the artist, Gary Saderup, reproduced his art on clothing. "First Amendment doctrine," Justice Stanley Mosk wrote for a unanimous court, "does not disfavor nontraditional media of expression."

But Justice Mosk found that the image itself contained "no significant transformative or creative contribution" and derived its worth mostly from the Stooges' celebrity rather than Mr. Saderup's talent. Andy Warhol's celebrity portraits, by contrast, Justice Mosk wrote, "may well be entitled to First Amendment protection" as "ironic social commentary."

These decisions, Mr. Moore said, make courts into critics, a role that may not suit them.

Justice Oliver Wendell Holmes Jr., in a 1903 decision holding that circus posters may be copyrighted, appeared to agree.

"It would be a dangerous undertaking for persons trained only to the law," he wrote, "to constitute themselves final judges of the worth of pictorial illustrations."

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Mayberry Sheriff Calls The Law On Candidate (AP)

By The Associated Press

AP, November 12, 2006

MILWAUKEE, Nov. 11 (AP) — Andy Griffith, the actor who portrayed the sheriff of the fictional town of Mayberry on television, has sued a Wisconsin man who unsuccessfully ran for sheriff of Grant County after legally changing his name to Andrew Jackson Griffith.

The lawsuit, filed Nov. 3 in Federal District Court in Madison, contends that the candidate, William H. Fenrick, 42, violated trademark and copyright laws, as well as the privacy of the actor when he used his new name to promote his candidacy for sheriff in southwestern Wisconsin.

Mr. Griffith, the actor, who is 80, starred in the 1960s program "The Andy Griffith Show," one of the most popular series in television history. He also played an unorthodox lawyer on "Matlock" in the 1980s and 1990s.

The lawsuit says the former Mr. Fenrick changed his name for the "sole purpose of taking advantage of Griffith's notoriety in an attempt to gain votes." It asks the court to order him to go back to his original name.

The lawsuit also asks the new Mr. Griffith to publish disclaimers and an apology in Grant County newspapers that say he has no association with the actor. It seeks unspecified damages and court fees.

"Now that the election is over, if Fenrick is willing in some fashion to clear the record, we probably could find a way to resolve it," said the actor's lawyer, Jim Cole.

The candidate argues that he did not benefit from the name change.

"During this campaign I never sold or profited even one nickel from the use of the name Andy Griffith or any item bearing the name Andy Griffith," he said. "Everything was a promotional item, and everything was given away for free."

The new Mr. Griffith, a music store co-owner from Platteville, said he spent $5,000 on his failed campaign and changed his name to garner publicity for the race.

The incumbent sheriff, Keith Govier, a Republican who has held the post for 10 years, won with 8,452 votes, followed by the Democrat, Doug Vesperman, with 6,985 votes. Mr. Griffith, an independent, had 1,248 votes.

Mr. Griffith, the candidate, described the lawsuit as "incredibly absurd" and said he did not think people actually believe he is the actor.

"For such an American icon, it's a pretty un-American thing to do to me," said Mr. Griffith, who has about three weeks to respond to the filing.

ENVIRONMENT:

Asarco Leaves Costly Environmental Mess In The City (CCCT)

By Dan Kelley

Corpus Christi (TX) Caller-Times, November 12, 2006

Residents were promised nature preserve, but the company is now bankrupt

Ruth Einkauf and her Dona Park neighbors were promised a 30-acre nature preserve behind her home in 1999 as part of an Environmental Protection Agency settlement with a nearby recycling plant.

Before the settlement, announced as part of an enforcement action by the state and federal governments, she and neighbors tended the area. Now, weeds and tall grass on the lot provide cover for varmints that invade Einkauf's home.

It is unclear if the project ever will be completed. Dona Park residents are neighbors to one of the largest bankruptcies in the country, a vast and tangled affair that encompasses century-old mining giant Asarco and its subsidiary Encycle Texas.

"I really thought they'd do what they promised," said Zilma Champion, who lives nearby.

Tom Aldrich, vice president for environmental affairs at Asarco, said the company established a conservation trust at the 30-acre parcel and performed some environmental studies as a prelude to building the park. It has not built the walkways nor planted the promised vegetation that was required. With the company in bankruptcy, the future of that conservation trust is murky.

"We do not intend to put those walkways in at this time," Aldrich said.

Neighbors of other Asarco plants across Texas have yet to see more than $1.75 million in supplemental environmental projects - plans approved by the government as part of settlement agreements.

"The dilemma with Asarco has been that there's been no cleanup in any areas listed in the settlement," said Neil Carman, Clean Air Program director of the Lone Star Chapter of the Sierra Club. "They are skirting their commitment."

Other Encycle supplemental environmental projects include:

$1.8 million to pave a road in El Paso;

$260,000 to restore a four-acre wetland near Coy Mines in Knoxville, Tenn.;

Asarco's bankruptcy threatens an estimated $1.3 billion in environmental cleanups across the country, according to U.S. Justice Department claims. Asarco's parent company Grupo Mexico established a $100 million trust for all of the those cleanups as a condition of being allowed to transfer ownership of copper mines in Peru.

The local project is about 40 percent complete.

The faltering pace of the construction of the nature preserve isn't the first time the neighborhood has tangled with its industrial neighbors.

About a decade ago, tests in Dona Park and another nearby neighborhood, Manchester Place, showed high levels of soil contamination.

State and federal agencies investigated. Neighbors filed suit alleging that a former copper company that operated nearby from 1942 until about 1982, when the plant shut, spewed heavy metals into the air. The matter was later settled out of court.

Asarco reopened the plant in 1984, and it sputtered along until 1985, when it was shuttered again. In 1989, Asarco again reopened the facility in a recycling project through a subsidiary called Encycle Texas. Encycle became ensnared in a government investigation into what regulators referred to as "sham recycling," resulting in a formal settlement with the state and federal governments. The company agreed to build a 30-acre nature preserve behind Einkauf's house in 1999 to settle the legal proceedings with the government.

There is also a question of whether taxpayers could end up paying for some of the cleanups through the Superfund program, according to the EPA. With Asarco in bankruptcy, other companies, including suppliers to the plant and successor corporations, face claims under broad liability provisions in EPA rules.

Encycle Texas sought protection under Chapter 11 of the bankruptcy code to reorganize in August 2005. It was later forced into Chapter 7 bankruptcy and is now undergoing liquidation.

The bankruptcy trustee overseeing that liquidation, Michael Boudloche, said the Encycle plant at 5500 Up River Road is for sale and has applied for The Texas Commission on Environmental Quality voluntary cleanup program. Total remediation costs are uncertain, with estimates from $2 million to $20 million. Consultants have been hired to calculate the total environmental costs.

That settlement also ignited controversy recently, when environmentalists in El Paso uncovered an EPA memo to the Justice Department detailing what regulators referred to as the "sham recycling" enterprise in which hazardous waste was trucked from Corpus Christi to El Paso for smelting. Though the settlement was announced, neighbors in Corpus Christi and El Paso were never informed of the claims.

The company claims there is nothing new to those allegations.

Contact Dan Kelley at 886-4316 or kelleyd@ caller.com

IMMIGRATION:

Boot Nazi Guard, Pol Says (NYDN)

By Derek Rose, Daily News Staff Writer

New York Daily News, November 12, 2006

A U.S. congressman rallied alongside hundreds of Jewish teenagers outside the home of a former Nazi camp guard - but some of the man's Jackson Heights neighbors say they should just leave the old man alone.

Jakiw Palij, 84, was stripped of his U.S. citizenship three years ago by a judge who ruled that Palij lied when he applied for an immigrant visa in 1949.

But he has not been deported because the government can't find a country to accept him - which the activists said was unacceptable.

"No one is going to hide in our midst," declared U.S. Rep. Anthony Weiner (D-Queens). "Thousands and thousands of people were murdered by this monster. He's not paying for his crimes by living here in a peaceful block in Jackson Heights."

Several hundred students from Rambam Mesivta High School in Lawrence, L.I., chanted, "We will not be silent!" and "Show your face!" outside Palij's home on 89th St. on Thursday.

It was the 68th anniversary of Kristallnacht, the organized riots in Nazi Germany that marked the beginning of state-sponsored terror against Jews.

"He's a Nazi criminal. He killed thousands of Jews. He doesn't deserve to be here," said David Zafarani, 17, a senior at the Jewish day school.

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But several of Palij's neighbors, who describe him as quiet and frail, disagreed with the protesters.

"It's wrong; why don't they just leave the people alone?" said Abraham Pabon, 48, a truck driver. "Everybody has a life to live. It's like they say, God forgives. It's very, very wrong what they're doing here."

Another neighbor, who would only give her first name, Ismelda, said, "Sometimes you have to forget.

"The guy that lives there is very, very old."

Earlier, students from the same school demonstrated outside the German consulate in midtown, demanding that the German government accept Palij's deportation and try him as a war criminal.

Palij did not answer the door Thursday, but has told the Daily News he was forced to serve at age 18 and would have been killed if he refused.

"I was nowhere near to any camp," he said in August. "I didn't hurt any Jews, anybody from Ukraine, Poland. Anybody."

Justice Department officials have acknowledged there's no evidence Palij engaged in atrocities - but say that the mere act of guarding prisoners sealed their fate. More than 6,000 Jews at Trawniki were shot to death on Nov. 3, 1943, in one of the single largest massacres of the Holocaust.

A retired draftsman, Palij received his immigrant visa in 1949 by falsely claiming he worked on his father's farm during the war.

Immigrant Protection Rules Draw Fire (NYT)

By Jesse McKinley

The New York Times, November 12, 2006

SAN FRANCISCO, Nov. 9 — Dr. Stephen B. Turner built a profitable business here by providing low-cost "immigrant medical exams," including immunizations and blood tests, to hundreds of newcomers to America. Many of his clients did not speak English, but they paid in cash, spending a total of nearly $250,000 at Dr. Turner's practice from 2003 to 2005.

It was only later, after a tip from a suspicious client, that the San Francisco police and the district attorney's office learned the truth: Dr. Turner had been throwing out his clients' blood samples and injecting them with "inoculations" of saline.

Kamala D. Harris, the San Francisco district attorney, said the case, which led to a seven-year prison term for Dr. Turner, was one of many her office had been able to pursue under San Francisco's so-called sanctuary policy, which forbids police and city officials from asking people they encounter in the course of an investigation about their immigration status. It is a protection Ms. Harris says has made immigrants — legal and illegal — more willing to come to forward about crimes.

With immigration continuing to flare and frustrate as a national political issue, sanctuary cities like San Francisco may soon be the next battlefront. Critics argue that sanctuary policies discourage the police from enforcing laws, though about 50 cities and counties have enacted variations on sanctuary, according to the National Immigration Law Center. They include Detroit, Los Angeles, New York and Washington. A handful of states have similar policies, including Alaska, Maine and Oregon.

Conservative legal groups and politicians have begun to challenge such policies. Yet on the other side, cities like Chicago have announced they will avoid involving their police in issues that smack of federal immigration enforcement. And while a federal proposal to punish sanctuary cities recently failed to become law, some states have passed laws discouraging sanctuary policies.

"To say to a law enforcement official, if you encounter a foreign national who is in this country illegally and you believe that information would be of use and benefit to federal authorities, that you can't call them, that's just wrong," said Representative John Campbell, Republican of California, who authored a provision in the federal Homeland Security bill that would have denied federal antiterrorism money to cities with sanctuary policies. The provision passed the House, but was not part of the bill eventually signed by President Bush.

But even with Democrats in control of Congress, immigration hard-liners say the issue is here to stay.

"It's mind-blowing for us to see taxpayer dollars spent to subsidize criminal activity — that's the end result," said Christopher J. Farrell, director of research for Judicial Watch, a conservative legal group that is suing the Los Angeles Police Department over its sanctuary rule.

Some states have also taken up the issue. In Colorado, a law signed by the governor in May prevents localities from passing ordinances that stop officials or police from communicating or cooperating with federal officials on immigration.

Other states have taken up larger immigration issues involving local cooperation with the federal authorities. A Georgia law enacted in April authorizes the state to enter into an agreement with federal officials to train and certify state law enforcement officials to enforce immigration. The Georgia law also requires the police to make a "reasonable effort" to determine the legal status of those they arrest for felonies or drunken driving.

Both the Colorado and Georgia laws include some protections against and stiffer penalties for exploitation of illegal immigrants.

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In September, a sanctuary debate erupted in Houston after an illegal immigrant was accused of killing a police officer. Shelley Sekula-Gibbs, a Republican city councilwoman who ran for Congress as an unsuccessful write-in candidate in place of former Representative Tom DeLay, called on the mayor to declare the city off-limits to illegal immigrants.

"Terrorists, drug runners and cartel members could be among us, and police officers are not allowed to check their identities," Ms. Sekula-Gibbs wrote in an e-mail message to supporters. "Why? Because some politicians fear that asking people who have no ID about their legal status might intimidate all illegals into not reporting crimes. This policy of appeasement must be stopped."

Craig E. Ferrell Jr., general counsel for the Houston Police Department, said the city did not have a formal sanctuary policy. But he said a tangle of laws — police codes and legal decisions, including those involving racial profiling and the Fourth Amendment guarantee against unlawful search and seizure — required caution by police officers.

"We're not just trying to be obstructionist or not trying to help," Mr. Ferrell said. "What we're against is the federal government mandating that local enforcement be initiated without addressing these issues."

Sanctuary supporters have pushed back. In San Francisco, Supervisor Gerardo C. Sandoval — who authored a resolution affirming the city's policy, which dates to 1989 — said the federal government was simply trying to pass the buck for failing to secure federal borders.

"If they want to enforce the law," Mr. Sandoval said, "they should put troops on the ground to do that."

Lt. Paul Vernon, a spokesman for the Los Angeles Police Department, which has operated under sanctuary guidelines since 1979, said, "We didn't want people to fear cooperating with police." Lieutenant Vernon added, "And the local police department job is not to enforce the federal immigration law."

An organization of police chiefs, the Major Cities Chiefs Association, said that requiring the local police to enforce immigration policy did not "take into full account the realities of local law enforcement dealing with this issue on the ground." The association said its concerns included a lack of authority, training, and resources, as well as risks of liability.

Advocates for illegal immigrants, meanwhile, said they feared that getting rid of sanctuary rules would encourage immigrant communities not to report crime, including human and drug trafficking, prostitution, domestic violence, and even terrorism.

"Once the police are seen as agents of the immigration service, it discourages and deters immigrant communities from going to the police," said Lucas Guttentag, the director of the Immigrants' Rights Project of the American Civil Liberties Union. "There's a whole mixture of people in these communities — some recent, some illegal — and its going to cause the entire community to fear going to the police if they feel going to the local cop is essentially going to the immigration service."

But opponents say localities should be forced to participate in solving some of the problems that accompany illegal immigration.

"You can't have it both ways," said Ira Mehlman, a spokesman for the Federation for American Immigration Reform, which lobbies for stronger immigration enforcement. "If you want to harbor people who are in the country illegally, you can't expect to have federal funds for issues that arise from having illegal people in your community."

Sanctuary policies are often less sweeping than opponents make them out to be. In San Francisco, for example, where resources cannot be used in immigration investigations, the police can inquire about immigration status in felony or drug cases.

Joan Friedland, an immigration lawyer for the National Immigration Law Center, said the concept of sanctuary cities was often misunderstood and that it gave the impression that such cities were lawless havens for illegal immigrants.

"It's not like people, if they are charged with a crime, they just escape immigration," Ms. Friedland said. "Even the cities that have ordinances limiting inquiries about immigration status cooperate and are in touch with the Department of Homeland Security when a serious crime is involved."

CONGRESS-ADMINISTRATION:

Poll: Bush Hits New Low (NSWK)

By Marcus Mabry

Newsweek, November 11, 2006

Nov. 11, 2006 - President George W. Bush's response was swift and decisive—if a little late. After voters gave Republicans "a thumpin'" at the polls, handing Democrats control of both houses of Congress, Bush banished his contentious defense secretary; invited the presumptive leaders of the new House and Senate to lunch (would-be House Speaker Nancy Pelosi had pasta; the president ate crow, a Bush aide joked); and suffered through two pained photo-ops with Pelosi and Harry Reid, the Nevada Senator expected to become Majority Leader. And what did the president get for listening to the voice of the American people? The worst approval rating of his presidency.

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President Bush's job approval rating has fallen to just 31 percent, according to the new NEWSWEEK Poll. Bill Clinton's lowest rating during his presidency was 36 percent; Bush's father's was 29 percent, and Ronald Reagan's was 35 percent. Jimmy Carter's and Richard Nixon's lows were 28 and 23 percent, respectively. (Just 24 approve of outgoing Secretary of Defense Donald Rumsfeld's job performance; and 31 percent approve of Vice President Dick Cheney's.)

Worst of all, most Americans are writing off the rest of Bush's presidency; two-thirds (66 percent) believe he will be unable to get much done, up from 56 percent in a mid-October poll; only 32 percent believe he can be effective. That's unfortunate since 63 percent of Americans say they're dissatisfied with the way things are going in the country; just 29 percent are satisfied, reports the poll of 1,006 adults conducted Thursday and Friday nights.

But the new poll carries sobering news for Democrats, too, still on their post-victory high. Just about everyone believes the Republicans lost the 2006 midterms more than the Democrats won it. Presented with a list of factors that may have contributed to the Democrats' success, 85 percent of Americans said the "major reason" was disapproval of the administration's handling of the war in Iraq, 71 percent said disapproval of Bush's overall job performance, 67 percent cited dissatisfaction with how Republicans have handled government spending and the deficit, 63 percent said disapproval of the overall performance of Republicans in Congress, 61 percent said Democrats' ideas and proposals for changing course in Iraq. Tellingly, just 27 percent said a major reason the Democrats won was because they had better candidates.

That means the new Congressional majority may be kept on a short leash. A majority of Americans, 51 percent, believe it's a good thing that the Democrats regained control of Congress, including 18 percent of Republicans, while only 17 percent think it is a bad thing. (When the Republicans won the 2002 midterms, 30 percent thought it was a good thing that the GOP kept control, while 34 percent thought it was a bad thing.)

But the public is worried the Democrats will move too fast on Iraq and too slow on national security. For instance, 51 percent of Americans are very concerned that Congress will push too hastily for the withdrawal of U.S. troops in Iraq. (Only 20 percent say they are not too concerned or not at all concerned.) And 43 percent are very concerned that the new Congress may keep the administration from doing what is necessary to combat terrorism. Only 29 percent are not too concerned or not at all concerned.

The good news for Democrats is that voters believe they know their mandate is limited. Half of all Americans, 50 percent, say Democrats will take a moderate approach, compared to 34 percent who believe they will try to take the country in a more liberal direction. Not surprisingly, Republicans are most skeptical: 52 percent believe the Democrats will try to push America to the left while 37 percent believe they will be more moderate.

And there's massive support for much of the Democratic Congress's presumed agenda. For instance, 75 percent of Americans say allowing the government to negotiate directly with pharmaceutical companies to lower drug prices for seniors should be a "top priority," including 67 percent of Republicans. Increasing the minimum wage comes next (68 percent) on the public's list, followed by investigating government contracts in Iraq (60 percent).

There's less support for rolling back Bush's tax cuts: 40 percent say that should be a top priority and 24 percent say it shouldn't be done at all. And since the election, Americans have become slightly less interested in investigating impropriety and wrongdoing by members of Congress. The number of Americans who think this should be a top priority has dropped from 62 to 55 percent.

Overall, however, the public wants Congress and the president to put Iraq and national security before domestic issues like the economy and health care, by a margin of 51 to 33 percent. Fifteen percent say they should be equal priorities. But the public is not overly optimistic: 54 percent of Americans say partisan bickering will likely prevent important work from getting done, while 40 percent say the two sides will be able to work together.

With just two years before the next presidential election, the Republicans have some rebuilding to do. Today 48 percent of registered voters would generally like to see a Democrat elected in '08 (including 10 percent of Republicans and 37 percent of independents); compared to 28 percent who want a Republican (including just 3 percent of Democrats and 20 percent of independents). Twenty percent say they don't know.

When it comes to specific potential candidates, the ladies have it. New York Sen. Hillary Rodham Clinton registers the highest level of strong support, with 33 percent of registered voters saying there's a good chance they would vote for her and 20 percent saying there's some chance. But she also has high negatives: 45 percent of registered voters say there's no chance they would vote for her. Similarly, 24 percent of registered voters say there's a good chance they would vote for Secretary of State Condoleezza Rice and 27 percent says there's some chance; but 43 percent say there's no chance.

Former New York City Mayor Rudy Giuliani and Arizona Sen. John McCain have lower negatives: 24 percent of registered voters say there's a good chance they would vote for Giuliani, 30 percent say there's some chance, and 32 percent say there's no chance. Twenty percent say there's a good chance they would vote for McCain, 34 percent say there's some chance, and 32 percent say there's no chance.

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Twenty percent of voters also say there's a good chance they would vote for Illinois Sen. Barack Obama, while 19 percent say there's some chance and 24 percent say there's no chance. More than a third of voters, 34 percent, say they've never heard of him.

Also-rans include former Democratic presidential nominee John Kerry (16 percent good chance, 24 percent some chance, and 55 percent no chance) and Newt Gingrich (10 percent good chance, 17 percent some chance, and 58 percent no chance).

And therein lies some good news for President Bush as he faces the final two years of his Presidency. At least he's not John Kerry.

The NEWSWEEK poll, conducted Nov. 9-10, has a margin of error of plus or minus 4 percentage points. In conducting the poll, Princeton Survey Research Associates International interviewed 1,006 adults aged 18 and older.

At Home And Abroad, Things Are Not Going Bush's Way (AP)

AP, November 11, 2006

WASHINGTON (AP) — For a relentlessly optimistic President George W. Bush, this is a season of disappointment, surprise and setbacks.

At home and around the world, things are not going his way. With Bush's legacy-building time running out, Americans sent a clear message in Tuesday's election that they were angry at him and wanted change. Though Bush's name was not on the ballot, voters took revenge on the Republican Congress and put the Democrats in charge of both the Senate and House of Representatives.

In an awkward bit of timing, Bush will be globe-trotting when Congress returns to town next week to open its lame-duck session, taking up business the White House deems vital.

Departing Tuesday, Bush will be away for eight days at a summit of Asia-Pacific rim leaders in Vietnam and stops in Singapore and Indonesia. Back just before Thanksgiving, he will jet off again a few days later for a NATO summit in Latvia and a stop in Estonia.

World leaders will be watching to see if Bush, politically weakened at home, acts differently on the world stage.

Across the globe, the U.S. president is on the defensive about problems ranging from the mess in the Middle East to the nuclear standoffs with Iran and North Korea. Even in his own backyard, there is a growing camp of leftists in Latin America, from Venezuela's President Hugo Chavez to Nicaragua's newly elected Daniel Ortega.

And then there is Iraq.

Four years into an unpopular war that has defined his presidency, Bush thought that by this point he would be bringing some U.S. troops home. Instead, he had to sack his gruff secretary of defense, open himself to a new Iraq strategy and worry about pressure to pull out before he thinks the war is won.

Leaving the polls, a majority of voters said they disapproved of the war and the U.S. should withdraw some or all of its troops from Iraq. Bush meets Monday with members of a blue-ribbon commission looking for a new way forward in Iraq.

Victorious at the polls, Democrats put the White House on notice to expect tougher scrutiny of the war. "Let's find out what's going on with the war in Iraq, the different large federal agencies that we have," said Sen. Harry Reid, the incoming Senate majority leader. "There simply has been no oversight in recent years."

The election was a sobering splash of cold water on the president and political strategist Karl Rove, both of whom had insisted Republicans would win.

On election night, Bush had a dinner of beef loin and squash with Rove, Republican National Committee chief Ken Mehlman, chief of staff Josh Bolten, and friends Brad Freeman, a California venture capitalist, and Don Evans, former commerce secretary. Other officials joined later. The mood was businesslike as people read their Blackberrys and took cellphone calls, one participant said.

Bush is not a man given to second-guessing, self-analyzing or doubts. By the next morning, associates said, he was bouncing back.

"He's not one to get mired in kind of the shoulda, woulda, couldas," said Bush counselor Dan Bartlett. "I saw him coming to grips with it that night and by the time he came walking into the Oval Office Wednesday morning he was looking forward. We had to hold him back from calling Nancy Pelosi (the incoming House speaker) because it was still 6:55 in the morning."

"Why all the glum faces?" Bush said, opening a postelection news conference where he said he shared blamed for the Republican losses.

Later that day, Bolten pulled together several hundred White House staffers in the Old Executive Office Building for an unannounced visit by the president. Bush revved up the troops, told them they were there not to mark time but to get things done, Bartlett said.

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"Obviously he's disappointed," Bartlett said, "but his mind's already racing forward, saying, 'All right, we've got to come at the same problems but from a different angle."

The big question is whether Bush, after six years of largely ignoring Democrats, really will be willing to work with the political opposition. Or whether his last two years will be clouded by partisan gridlock. Bush invited the new Democratic leaders to the White House and both sides pledged to cooperate.

"I think he's doing the right things now, right tone," said Republican strategist Ron Kaufman, who worked in the White House under Bush's father. "We'll see how long it lasts on both sides."

Kaufman and others recall how Bush, as governor of Texas, took a bipartisan approach to work with a legislature controlled by Democrats. Of course, many of them were conservatives and saw eye to eye with Bush.

"I think he liked the way he governed in Texas," Kaufman said. "I think he really enjoyed it. And somehow he's gotten away from that. ... I think he'd be relieved to go back to that."

Leon Panetta, a former Democratic congressman who was chief of staff in the Clinton White House, said Bush would have to change the way he does business if he wants to succeed.

"He's going to have to understand he can't do this by the old playbook," Panetta said. "The Rove playbook is not going to work. If he's going to govern, it means he probably has got to go back and remember what it was like to govern in Texas with a Democratic legislature and the deals that he had to make."

There are doubts Bush will bend on issues dear to conservatives. "The fact is, to work with the Democrats requires him ... to basically say to a quarter or a third or more of his party, 'Sorry, you're out,'" said Norm Ornstein, a congressional scholar at the American Enterprise Institute.

Bush Uses Veterans Day Speech To Thank U.S. Troops For Dedication And Bravery (AP)

AP, November 11, 2006

ARLINGTON, Va. (AP) — President Bush marked Veterans Day by praising U.S. troops for fighting tyranny and oppression, yet touched only briefly on the war in Iraq, where U.S. commanders are rethinking strategy.

Three days after announcing the ouster of Defense Secretary Donald Rumsfeld, Bush hailed members of the armed services, past and present, for their dedication and bravery. His seven-minute speech at Arlington National Cemetery contrasted sharply with the strong rhetoric he used to defend the war on Veterans Day a year ago.

On Saturday, Bush did not cite Iraq and Afghanistan by name, though he did say, "From Valley Forge to Vietnam, from Kuwait to Kandahar, from Berlin to Baghdad, our veterans have borne the costs of America's wars — and they have stood watch over America's peace. The American people are grateful to the veterans and all who have fought for our freedom."

Kandahar is Afghanistan's second-largest city. Baghdad is the Iraqi capital.

Cannons fired a 21-gun salute and soldiers, clasping rifles with bayonets, stood at attention as Bush's motorcade wound through rows of white tombstones. The president laid a wreath at the Tomb of the Unknowns, holding his hand over his heart as a bugler played taps.

Paying tribute to American troops, the commander in chief said, "They've brought down tyrants, they've liberated two nations, they have helped bring freedom to more than 50 million people" — a reference to Iraq and Afghanistan.

"Through their sacrifice, they're making this nation safer and more secure — and they are earning the proud title of veteran," Bush said.

On Veterans Day last year, Bush rebuked congressional critics of his Iraq war policy. Speaking at an Army depot in Tobyhanna, Pa., he accused opposition lawmakers of being "deeply irresponsible" and sending the wrong signal both to America's enemy and to U.S. troops.

Last year's speech was part of a coordinated White House effort to bolster the president's waning credibility and dwindling support for the war. At the time, the U.S. death count had exceeded 2,000. Today it tops 2,840.

In Baghdad on Saturday, police reported gunmen ambushed minibuses, killing at least 10 passengers and kidnapping about 50, and a pair of car bombs tore through a downtown shopping district killing eight people

Democrats, who took control of the House and Senate in Tuesday's voting, read the elections as a demand for change in Iraq.

"Americans across the country made it clear that they want a new direction in Iraq and in the war on terror, Democratic National Committee Chairman Howard Dean said in his party's weekly radio address.

Democrats have not coalesced around one alternative strategy for Iraq.

"We will listen to the military, take their advice, and ensure that our troops and agencies have the tools and equipment they need to defend our freedom," Dean said.

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In the presidential radio address, broadcast before his visit to the cemetery, Bush said America's enemies should not read the election results as a sign of U.S. weakness. During the campaign, he contended Democrats would undermine national security.

"The elections will bring changes to Washington," Bush said. "But one thing has not changed: America faces brutal enemies who have attacked us before and want to attack us again.

"I have a message for these enemies: Do not confuse the workings of American democracy with a lack of American will," the president said. "Our nation is committed to bringing you to justice, and we will prevail."

Bush and his national security team planned to meet Monday with members of the Iraq Study Group. The bipartisan panel, led by former Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton of Indiana, was expected to report its recommendations by the end of the year.

Meanwhile at the Pentagon where former CIA Director Robert Gates has been nominated to replace Rumsfeld, changes in Iraq are being evaluated by the Joint Chiefs of Staff; Gen. George Casey, the top commander in Iraq; and Gen. John Abizaid, the head of the command that oversees U.S. forces in the Mideast.

"At this moment, more than 1.4 million Americans are on active duty, serving in the cause of freedom and peace around the world," Bush said, standing under a marble archway inscribed with a passage from President Lincoln's Gettysburg Address: "We here highly resolve that these dead shall not have died in vain."

Bush Hails Bravery, Dedication Of Troops (WP)

By Paul Schwartzman

The Washington Post, November 12, 2006

Steve Kowaleski has made a Veterans Day pilgrimage to the Vietnam Veterans Memorial for each of the past 14 years, and the experience never gets any easier.

More than 35 years after he served, he said yesterday, standing a few yards from the Wall, he still grapples with the reality that his friends never made it home.

They were comrades he knew from growing up in Bristol, Conn., and men he met in Vietnam. Altogether, Kowaleski said, he knew more than 20 people whose names are inscribed on the memorial.

"It's a place of saying goodbye -- still saying goodbye," he said softly, hands clasped at his waist, sunglasses concealing his eyes. "That's why I come back every year."

On a day when the country saluted the military with somber ceremonies and small-town parades, thousands of veterans and their families gathered at the Vietnam memorial to pay homage to the 58,249 missing and dead whose names are etched on the Wall.

At Arlington National Cemetery, President Bush laid a wreath at the Tomb of the Unknowns and praised members of the armed services, past and present.

"From Valley Forge to Vietnam, from Kuwait to Kandahar, from Berlin to Baghdad, our veterans have borne the costs of America's wars, and they have stood watch over America's peace," the president said. "The American people are grateful to the veterans and all who have fought for our freedom."

Referring to Iraq and Afghanistan, Bush hailed U.S. troops, saying, "They've brought down tyrants. They've liberated two nations. They have helped bring freedom to more than 50 million people."

At the ceremony at the Vietnam memorial, a bagpiper performed a rendition of "Amazing Grace," and a bugler played taps.

Air Force Secretary Michael W. Wynne laid a wreath for his brother, Patrick, who died in Vietnam on Aug. 8, 1966. It was the same day the secretary graduated from West Point and reported to the Air Force.

"This wall tells the story of those who fought in Vietnam, and it links us to future generations of American soldiers," Wynne said. "As Air Force secretary, I think daily of our forebears and the legacy of sacrifice and valor."

Elizabeth Lopez, who served in Iraq, told the crowd of the kinship she felt with Vietnam veterans when her tour of duty ended and she returned to her native El Paso.

Until then, she said, she never understood the true meaning of the words "welcome home."

"Every time I hear it, that knot in my throat is still there," she said. When Lopez's remarks ended, the audience rose from their seats and applauded.

Standing with a few friends in the back of the crowd, Ray Heikkila, 58, an Army veteran, said he looks forward to Veterans Day because he sees people who understood what remains a defining part of his life.

"It's like a healing," he said. "You get to sit down with other vets and get things off your chest."

His pal, Jim LaManna, 59, wore a camouflage jacket with an American flag stitched to the back. He said he knows veterans who refuse to make the trip because "they don't want to hear about the war."

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But LaManna said he has never felt that way, if only because of an innate sense of duty to recognize the fallen. "I was there. I know the guys who died there," he said. "It's a brotherhood, a camaraderie thing."

He tapped his fist on his chest.

"It's here," he said, "in the heart and soul."

For Vets And President, A Day Of Remembrance (WT)

By Tarron Lively

The Washington Times, November 12, 2006

President Bush yesterday attended Veterans Day ceremonies at Arlington National Cemetery to praise U.S. troops who have fought oppression around the world.

"This day is dedicated to all who answered the call to service," Mr. Bush said, "whether they live in honor among us or sleep in valor beneath this sacred ground."

The ceremony was one of many that took place yesterday at war memorials around the country and the region, including sites of honor for World War II and Vietnam veterans.

At Arlington yesterday, Mr. Bush laid a wreath at the Tomb of the Unknowns and paid homage to the more than 1.4 million Americans on active duty, calling them "our nation's finest citizens."

"They confront grave danger to defend the safety of the American people," Mr. Bush said. "They've brought down tyrants. They've liberated two nations. They have helped bring freedom to more than 50 million people."

At the U.S. Navy Memorial, the Naval District of Washington laid a wreath at the Lone Sailor Statue. The French War Veterans of Washington, D.C., also laid a wreath at the Tomb of the Unknowns in Arlington.

During a ceremony at the Vietnam Veterans Memorial, thousands paid respects to the men and women who were killed while serving in the armed forces during the war in Vietnam.

"The memorial ... holds a special place in our nation's heart," said U.S. Air Force Secretary Michael W. Wynne, who graduated from the U.S. Military Academy and served in the Air Force for seven years.

Mr. Wynne's brother, Maj. Patrick E. Wynne, was killed in Vietnam in 1966. He was declared missing in action until his remains were discovered in 1974.

"Today is very much a day of remembrance and reflection," Mr. Wynne said.

A long line of people waited to lay flowers and wreaths at the base of the black granite wall, which is engraved with 58,249 names honoring the Americans who died in the war.

The scene at the wall alternated between solemn and celebratory, as families remembered loved ones and soldier buddies reunited.

John Reichenberg, an Army veteran from Annapolis, his fiance and a group of fellow military veterans visited the memorial -- a trip that Mr. Reichenberg for years had found too difficult to make.

"Up until '89, I couldn't even think about coming here," said Mr. Reichenberg, 61, who served two years in Vietnam beginning in 1968, almost immediately after graduating from college, "but they say it's a 'wall of healing.' It's really hard, but once you do it, it feels like a weight's been lifted."

Since he began attending the annual ceremonies at the memorial, Mr. Reichenberg has searched unsuccessfully for soldiers with whom he served.

"I've probably brought at least a half-dozen vets down here," he said, "and every time, whoever I bring, they meet someone that was in [Vietnam] with them, and I haven't done it yet."

Yesterday was also the anniversary of the Vietnam Women's Memorial, dedicated in 1993.

"Three months ago, I walked through this national park for the first time, and while facing different monuments, I was overwhelmed at every stop," said Elizabeth Lopez, a construction mechanic 2nd Class in the naval reserves.

Miss Lopez, of El Paso, Texas, also served in the Army seven years ago as a Patriot missile crew member in Kuwait and Saudi Arabia.

After completing her enlistment, she became a reservist in a Seabee Naval Reserve unit. She was recalled to active duty last year to serve in Iraq as a gunner.

She returned home earlier this year to El Paso, where she is a readjustment counseling specialist at a veterans center.

"I am very humbled to be here, in this sacred place of healing that pays tribute to many generations of veterans," she said. "While I may not share the same battles that many of these great men and women have encountered, I do share a common connection with them."

Vote Won't Lessen Resolve, Bush Tells Terrorists (LAT)

DOJ_NMG_0093120

By Ricardo Alonso-Zaldivar

The Los Angeles Times, November 12, 2006

WASHINGTON — President Bush warned U.S. adversaries around the world Saturday that Republican losses in the midterm congressional election didn't signal a weakening of American resolve to win the war on terrorism.

"America faces brutal enemies who have attacked us before and want to attack us again," the president said in his weekly radio address. "I have a message for these enemies: Do not confuse the workings of American democracy with a lack of American will. Our nation is committed to bringing you to justice, and we will prevail."

Democratic Party Chairman Howard Dean said in a response to Bush that voters made it clear they wanted "a new direction" in Iraq and his party intended to use its control of Congress to try to deliver that.

Bush also went to Arlington National Cemetery on Saturday to join in solemn observances of Veterans Day. On a sunny, spring-like morning, the president laid a wreath at the Tomb of the Unknowns and delivered brief remarks honoring the bravery of American troops.

"They are our nation's finest citizens," he said. "They confront grave danger to defend the safety of the American people."

Since the March 2003 start of the Iraq war, 2,845 U.S. service members have died, according to the Associated Press. And 288 have been killed in Afghanistan, Pakistan and Uzbekistan since the U.S. invaded Afghanistan in 2001 to oust the Taliban and attempt to capture Osama bin Laden.

In his radio address, Bush also praised outgoing Defense Secretary Donald H. Rumsfeld, who had become a lightning rod for critics of the war. After the Republicans lost control of Congress in an election that turned into a referendum on the war, the president announced that Rumsfeld would resign. Rumsfeld will serve until his replacement, former CIA Director Robert M. Gates, is confirmed.

Bush also said that Iraq, where about 145,000 U.S. forces remain in a struggle to squelch violence between Sunni Arab insurgents and Shiite militias, is "the central front in this war on terror."

Giving the weekly Democratic response to the president, Dean appeared to draw a distinction between Iraq and the war on terrorism.

"On Tuesday, Americans across the country made it clear that they want a new direction in Iraq and in the war on terror," he said. "Voters also made it clear that they want defense policies that are tough and smart. Our agenda includes a new direction for defending America at home and around the world."

Democrats in Congress, said the former Vermont governor and 2004 presidential contender, "will listen to the military, take their advice, and ensure that our troops and agencies have the tools and equipment they need to defend our freedom."

Since Tuesday's election, the president has met with the Democrats who will lead the next Congress and signaled he intended to work with them to find a solution on Iraq. In the midst of the campaign, he spoke harshly of the desire of many Democrats to get out of Iraq, saying it would mean "the terrorists win and America loses."

On Monday, Bush is scheduled to meet with members of the Iraq Study Group, a committee of policy elders that is seeking to develop bipartisan proposals for a shift in the conduct of the Iraq war.

The group is led by former Secretary of State James A. Baker III, who served under the president's father, and by former Rep. Lee H. Hamilton (D-Ind.), a longtime foreign policy expert.

Chief among the recommendations the group is said to be considering: that the U.S. declare its commitment in Iraq not to be open-ended. That would be coupled with increased pressure on the Iraqi government to seek political solutions to the sectarian strife that threatens to tear the country apart.

Members of the group are also said to favor involving other nations in the search for political solutions in Iraq. That could mean reaching out to Iran and Syria, which the Bush administration has branded as supporters of terrorism.

At Arlington National Cemetery in Virginia, Bush singled out the 1.4 million active-duty members of the military for praise.

"They've brought down tyrants, they've liberated two nations, they have helped to bring freedom to more than 50 million people," he said.

"Through their sacrifice, they're making this nation safer and more secure — and they are earning the proud title of veteran."

Spinning Out Of An Electoral Beating (LAT)

The Los Angeles Times, November 12, 2006

AT HIS NEWS conference after Tuesday's elections, President Bush struck a note of reassurance. "I have a message for those on the front lines," he said. "To our enemies, do not be joyful. Do not confuse the workings of our democracy with a lack of will…. To our brave men and women in uniform: Don't be doubtful. America will always support you."

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Why would terrorists or U.S. soldiers think electing Democrats would suggest a lack of will or support for the troops? Oh, right. Because Bush had been saying so. "However they put it, the Democrat approach in Iraq comes down to this: The terrorists win, and America loses," he told a GOP crowd in October. "That's what's at stake in this election."

I guess if I were a terrorist, I would have been joyful to learn that the people who were going to help me win had prevailed in the elections.

It's a political tradition for candidates on both sides to immediately change their tune after an election. Last week, Democrats were ripping Bush to shreds, and now they're promising to work with him. Still, even by these standards, the Republican turnabout has been unusually abrupt. Suddenly they're all but admitting that everything they had said before the election was a lie.

Even beginning as early as election night, the conservative spin asserted that Democrats had won by running as ideological ciphers.

"Democrats, in my mind, don't have a mandate because they stood for nothing," said conservative radio host Laura Ingraham. And from a Wall Street Journal editorial: "While a thumping defeat for the GOP, the vote was about competence, not ideological change."

Of course, the Journal, and every other Republican organ, has been insisting for months that Democrats are a bunch of left-wing tax lovers. They have endlessly repeated a quote by incoming Democratic House Ways and Means Committee Chairman Charlie Rangel of New York — who, when asked which Bush tax cuts he'd extend, replied that he couldn't think of one. Bush repeated this quote as recently as two days before the election. Presumably, some people actually believed the president when he said this.

Now they tell us that a vote for the Democrats was really a vote to continue Republican policies. It's kind of cruel to have the rug pulled out from under us. Hey, I was supporting the Democrats precisely because I thought they'd jack up taxes!

To be fair, the conservatives are right that there were plenty of nonideological reasons for the Democratic victory. People were frustrated about Iraq, the aftermath of Hurricane Katrina, Republican corruption and scandals and (though conservatives won't admit this last one) an economy that isn't raising most people's living standards.

So it's perfectly true that the election should not be interpreted as a line-item endorsement of the Democratic agenda.

Yet that's almost always the case.

Four years ago, George W. Bush won reelection in large part because he happened to be in office Sept. 11, 2001 (and also because nobody could stand John Kerry). That didn't stop conservatives from insisting that voters had signed up for his domestic and foreign agenda in its entirety. The Journal's 2004 postelection editorial called Bush's victory "a decisive mandate for a second term" and proceeded to explain why voters had endorsed measures such as privatization of Social Security.

Possibly the funniest about-face in last week's elections came from Rush Limbaugh, who gleefully declared that, with the elections over, "I no longer am gonna have to carry the water for people who I think don't deserve having their water carried."

Other conservative talk-show hosts offered up similar sentiments. It's nice for Limbaugh to concede that up until this point he had simply been a GOP mouthpiece. But maybe he should have let his listeners in on the secret before.

Incoming Democrats Put Populism Before Ideology (NYT)

By Robin Toner, Kate Zernike

The New York Times, November 12, 2006

WASHINGTON, Nov. 11 — The newly elected Democratic class of 2006, which is set to descend on the Capitol next week, will hardly be the first freshmen to arrive in Washington promising to make a difference.

The last time Congress changed hands, the Republican freshman class of 1994 roared into town under the leadership of Newt Gingrich as speaker and quickly advanced a conservative agenda of exceptional ambition.

Many in the class of 2006, especially those who delivered the new Democratic majorities by winning Republican seats, show little appetite for that kind of ideological crusade. But in interviews with nearly half of them this week, the freshmen — 41 in the House and 9 in the Senate, including one independent — conveyed a keen sense of their own moment in history, and a distinct world view: they say they were given a rare opportunity by voters, many of them independents and Republicans, who were tired of the partisanship and gridlock in Washington.

Now, they say, they have to produce — to deal with long-festering problems like access to affordable health care and the loss of manufacturing jobs, and to find a bipartisan consensus for an exit strategy in Iraq, a source of continuing division not only between but also within the parties.

Many of them say they must also, somehow, find a way to address the growing anxiety among voters about a global economy that no longer seems to work for them. There is a strong populist tinge to this class.

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In general, they set themselves an extraordinary (political veterans might say impossible) task: to avoid the ideological wars that have so dominated Congress in recent years, to be pragmatists, and to change the tone in Washington after a sharply partisan campaign.

"I see myself, hopefully, as a bridge builder, a consensus person," said Harry Mitchell, 66, a longtime state senator and former mayor of Tempe, Ariz., who defeated Representative J. D. Hayworth, an emblematic member of the class of 1994. "I can't be a rabid partisan Democrat and represent this district."

Nancy Boyda, who defeated Representative Jim Ryun, the legendary track star, in a district in Kansas that President Bush carried by 20 percentage points in 2004, summarized her mandate this way: "Stop the gridlock, stop the nastiness, get something done. People are tired of excuses."

Claire McCaskill, who defeated Senator Jim Talent of Missouri in a fiercely competitive race, said: "I'm not from a blue echo chamber. I'm from a state that's really like America — it's divided."

"The problem with Washington," Ms. McCaskill added, "is you have so many senators who are from bright blue and bright red states; they're not interested in common ground. They're interested in making each other look bad."

These attitudes could lead to tensions with the party's liberal base in Congress — many of the party's expected committee chairmen are traditional liberals — and thus occasional headaches over the next two years for the Democratic leaders, Representative Nancy Pelosi and Senator Harry Reid.

But Democratic strategists say both leaders recognize that the new Democratic majority was elected, in large part, from Republican-leaning districts and states. If those new members vote in a purely partisan way, they — and the majority — will quickly be put at risk.

Representative Rahm Emanuel, the Illinois Democrat who recruited many of these candidates as head of the Democratic Congressional Campaign Committee, described the group as "moderate in temperament and reformers in spirit." Conservatives tend to highlight the conservatism in the new class as a sign that Democrats are essentially ceding ground to the right on issues like gun control and abortion.

But many of these freshmen Democrats are hard to pigeonhole ideologically. Even among the most socially conservative, there is a strong streak of economic populism that is a unifying force.

Heath Shuler, for example, the former professional football player and newly elected House Democrat from North Carolina, is anti-abortion and pro-gun, but sounds like an old-style Democrat on economic issues.

"I was taught at a very, very young age about faith and personal responsibility, and through that, that responsibility was about helping those who cannot help themselves," Mr. Shuler said. "If you look at what the Democratic Party stands for, it is about helping others who can't help themselves."

Like other Democrats, he supports legislation to increase the minimum wage and make college tuition tax deductible. He also opposes trade agreements that he says have led to a 78 percent loss in textile industry jobs in his state.

Similarly, Ms. Boyda of Kansas, a first-time office holder who relied on lengthy newspaper inserts to make her case to the voters, said, "The rural economy has been left out." She added: "A lot of my district feels a great deal of insecurity about their jobs, their health care, their business, their family farm. They feel like they're just kind of hanging out there."

Carol Shea-Porter, a social worker and new House member from New Hampshire who considers herself a populist, said, "The theme of my campaign was, I'm running for the rest of us." She added that no matter how much the Bush administration boasted of job growth, her voters "understood those were Wal-Mart jobs." And, she said, "They understood when they talked about the stock market boom, that half of Americans aren't even in the stock market."

Jim Webb, who defeated Senator George Allen of Virginia, campaigned heavily on the idea that the middle class was increasingly at risk in an age of growing inequality. Bob Casey, who overwhelmingly defeated Senator Rick Santorum of Pennsylvania, said he looked forward to "a really intensive focus on health care that I hope to be a part of."

That economic populism extends, for many candidates, to a new emphasis on expanding health coverage. Congressional Democrats who lived through the Clinton administration's failed effort to create a national health insurance plan, which many believe was a crucial factor in the Democrats' losses in 1994, have been wary of broad health legislation for years. (And being in the minority, they were unable to do much about it, regardless.) But the class of '06 is adamant that something major can, and will, be done.

Dave Loebsack, a political science professor in Iowa who unseated the veteran Republican moderate, Representative Jim Leach, said he intended to sign on to proposed legislation to create a single-payer, national health insurance program "as one of the first things I will do when I get to Congress."

"I have no idea where it's going to go next year," Mr. Loebsack said, "but at least we can give it a fair hearing."

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Steven Kagen, an allergist who won a Wisconsin district that has been represented by a Republican for much of the past 30 years, campaigned on a "No Patient Left Behind" plan. Mr. Kagen won despite doubters who called it "the Hillary hot potato," a reference to the first lady turned New York senator who was the architect of the Clinton plan.

"This issue has blurred the lines between the two parties," Mr. Kagen said. "You don't have to be a Republican or a Democrat to be ill, and to understand that the health care system doesn't work."

Mr. Kagen is one of several new House members urging a renewed commitment to the more than eight million uninsured children in the United States, an issue that will move to the forefront when the State Children's Health Insurance Program comes up for renewal next year.

Most of these new Democrats said they were also committed to changes in the new Medicare prescription drug program; in fact, giving the government the power to negotiate prices with drug companies is one of the first items of business in the Democrats' "Six for '06 Agenda." The agenda also includes an increase in the minimum wage and expansion of embryonic stem cell research.

Ron Klein, a state senator who defeated the veteran Representative E. Clay Shaw Jr. of Florida, said he had often heard both from retirees who fell into the gaps of the new Medicare drug plan and from "taxpayers who were really put off that this was something that could have been done a lot better."

Democrats, of course, had their chance to resolve the prescription drug problem in the past — their party held the Senate for a brief period in 2001-02 — and few issues have been more divisive on Capitol Hill.

But the new Democrats say they have high hopes of building bipartisan coalitions for these changes in Medicare, for expanding embryonic stem cell research, and for other parts of their agenda. "I'm still scratching my head" over Mr. Bush's veto of last year's stem cell bill, said Ed Perlmutter, a former state senator who won a House district in the Denver suburbs.

Representative Sherrod Brown, who is moving to the Senate from the House after beating Senator Mike DeWine of Ohio, argued: "Tell me a whole lot of Republicans won't work with us on finding a way for middle-class kids to get a college education, to vote for embryonic stem cell research, to raise the minimum wage. John McCain is already out there talking about prescription drug issues."

The flip side to this, Democratic strategists say, is that Republicans could peel off a critical mass of conservative Democrats on certain issues. Some veterans on Capitol Hill remember the Democratic Congress of the early Reagan years, when conservative Democrats regularly broke ranks on tax cuts.

The true challenge to any new climate of bipartisanship will most likely come over Iraq. Many of the freshmen said they looked to the bipartisan Iraq Study Group — led by James A. Baker III, the former secretary of state, and former Representative Lee H. Hamilton — as an invaluable vehicle for consensus building.

"I pray, and I mean that literally, that their recommendation can be seen as a way forward," Ms. Boyda said.

They also said they were pleased that Mr. Bush announced, the day after the election, that Defense Secretary Donald H. Rumsfeld would be replaced. Gabrielle Giffords, newly elected to a House seat in Arizona, said she had rarely given a speech without calling for Mr. Rumsfeld's removal.

But there are still divisions in the Democratic caucus over an exit strategy for Iraq, although many of the freshmen come to Washington with a keen sense of the voters' desire for change. Joe Sestak, a former Navy vice admiral who won a House seat in Pennsylvania, said: "I honestly believe this nation in its vote has said: 'What are we doing in Iraq? We can't stay there.' I think they are rightfully leading the leaders to say, 'Set a date; move toward it.' "

Others stop short of suggesting a fixed timetable. As they headed to Washington for their orientation, many of the incoming freshmen still spoke like outsiders. Tim Walz, a Minnesota teacher, retired National Guardsman and newly elected House Democrat, described himself as "a farm state Democrat-soldier who's concerned about the environment and civil liberties."

He has seen how ugly the partisanship can get in American politics, Mr. Walz said, and is adamant about changing it. "I'm convinced that what we need to do is heal," he said. "Tuesday was not a Democratic referendum; it was an American referendum. It's not that the American people are so enamored with the Democratic vision, but what they believed is what we said about cleaning up corruption, having some real open debate. It just seems so broken."

Democrats Find Lessons In GOP Reign (WP)

By Jonathan Weisman

The Washington Post, November 12, 2006

Democrats preparing to take control of Congress for the first time in over a decade are looking to the Republican takeover in 1995 as an object lesson of what to emulate and what to avoid. They hope to match the legislative energy of the Newt Gingrich era while avoiding at all costs the partisan pitfalls that eventually soured voters on the GOP.

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The majority party that takes control of the House and Senate in January will look significantly different from the party that was swept from power in the 1994 elections. The old-guard liberals and staunch union supporters in control then are giving way to a new generation of moderates with more temperate legislative ambitions.

Democrats last week picked up six seats in the Senate and at least 28 seats in the House en route to victory. Eleven of those House districts were solidly Republican in the 2004 presidential election, while new Democratic senators from Montana, Missouri, Virginia and Ohio will have to be mindful of their traditionally Republican constituents.

Led by a feisty Nevada senator and the first woman in history to claim the House speaker's post, the long-banished Democrats hope to prove their bona fides as lawmakers and challenge a president from the other party to accept their agenda, a game plan taken straight from the Gingrich era's "Contract With America." They also intend to challenge President Bush to change course in Iraq and consider their demands for a timetable for withdrawing U.S. troops.

But Democrats say they will avoid the overreaching, arrogance and rancorous partisanship that left them virtually powerless on Capitol Hill and spawned an era of political corruption and influence-peddling. Democratic leaders vowed last week to pass major ethics reforms early in the new 110th Congress, and to offer Republicans seats at the negotiating table and ample opportunities to amend bills on the floor -- opportunities that were denied their party.

"What they did was very effective in pulling up all the ladders for any other party to gain the majority," incoming House Speaker Nancy Pelosi (D-Calif.) said last week of the Gingrich revolutionaries. "They just shut the doors to debate on the floor, to amendments coming, to even how special orders [speeches] were conducted. Everything they were effective in using to gain the majority they shut down."

"We're going to do the opposite," she pledged.

"This country has spoken loudly and clearly," Sen. Harry M. Reid (D-Nev.), slated to become the new Senate majority leader in January, told a Capitol Hill rally last week. "There must be a change of direction in Iraq. We have to have results in doing something to make health care more affordable and more available. We have to do something to create energy independence."

House Democratic leaders have put forward an ambitious opening salvo for January, a 100-hour legislative blitz that includes raising the minimum wage, boosting alternative-energy research and repealing tax breaks for oil companies. They also want to beef up seaport screening, expand college tuition assistance, boost stem cell research and allow the federal government to negotiate lower drug prices under Medicare.

House Democrats also hope to approve rules changes to limit the influence of lobbyists, offer the minority party more input on legislation, curb home-state pet projects in spending bills and, possibly, give the District of Columbia voting rights on the House floor.

But once the 100 hours or so pass, pressure will mount on Democrats to confront what many liberals see as the misdeeds of Bush and the Republican Party. The party's base is clamoring for Democrats to repeal tax cuts skewed to the affluent, to revisit the new law authorizing military tribunals for terrorism suspects and to investigate the run-up to the Iraq invasion.

To some Democrats, such calls raise memories of the aggressive -- and ultimately self-destructive -- stance that House Republicans took when they stormed to power in the 1994 election and later voted to impeach President Bill Clinton, only to see Clinton acquitted in the Senate.

"They're under great pressure to placate the base, to be hard-line and in some ways to pay back the Republicans," said former senator Thomas A. Daschle (S.D.), the last Democratic Senate majority leader. "But they're also under tremendous pressure to produce and show they can govern. Finding the balance, that's going to be the big challenge."

"It's one thing to oppose and obstruct. It's another to try to govern and legislate," said Sen. Olympia J. Snowe (Maine), a moderate Republican who is urging bipartisan cooperation. "How they set in gear the motions for governing and legislating will clearly set the tone for the duration."

The ranks of the new Democratic leadership will include Reid, who once called Bush a "loser" and a "liar"; Pelosi, who bitterly remembers the power shift to the Republicans; and a new Democratic Caucus chairman, Rahm Emanuel (Ill.), who confronted Gingrich's revolution as an aide in the Clinton White House.

"Newt ran in and said, 'I'm basically the prime minister,' " Emanuel recalled. "We didn't do that. Nancy said we won an election. The president won an election. We have to respect the results of both 2004 and 2006."

Sen. Charles E. Schumer (N.Y.), the chairman of the Democratic Senatorial Campaign Committee, agreed: "We should always be mindful that there was a little bit of God and a lot of bit of luck here. A 4,000-vote shift and we would have four new senators, not the U.S. Senate."

If all voters see is interest-group politics and "a lot of shouting," Schumer added, "our victory could be ephemeral . . . more ephemeral than Gingrich's one was. Everyone has to be cognizant of the fact that keeping the majority helps all of us achieve far more of our goals than if we undermine it."

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But there are limits to such sentiments. In the 1990s, Republicans shifted the number of committee seats allotted to the majority and minority parties to virtually ensure that no cross-party collaboration would be needed to draft and pass legislation. When asked whether she may change those ratios as a goodwill gesture, Pelosi last week snapped, "I don't see a scenario where there is going to be much appetite for that."

And regardless of leaders' intent, conservative Democrats worry that Democratic old bulls, returning to chair committees after so long in the minority, could drive a partisan agenda. Some fear that Rep. George Miller (D-Calif.), at the helm of the education panel, and Rep. John Conyers Jr. (D-Mich.), as chairman of the Judiciary Committee, may be too quick to pick fights before Democrats can cement their gains.

"We increased our market share by going where the market was, to moderate, even Republican districts," said Rep. John S. Tanner (Tenn.), a leader of the conservative Blue Dog Democrats, which has grown to become one of the largest House Democratic factions. "If we're going to hold and consolidate that, we have to understand the reality that the face of the Democratic Caucus has changed from where it was in late '80s and early '90s."

Similar dynamics may be at play in the Senate, where Democrats will hold a one-vote majority. The incoming class of senators includes two economic populists in Reps. Sherrod Brown (D-Ohio) and Bernard Sanders (I-Vt.), a classic centrist with a slender mandate in Claire McCaskill (D-Mo.), and a cantankerous conservative in Jim Webb (D-Va.).

"It's going to be an interesting year," quipped one Senate Democratic leadership aide.

Once Democrats have exhausted their consensus agenda, a legislative priority list they call "6 for '06," they will have to decide whether they need to become more ambitious -- balancing the budget, overhauling immigration policy, or tackling problems of poverty and the uninsured, for instance -- or focus on the nuts and bolts of governance to prove competence ahead of the 2008 campaign.

Schumer said they need to be aggressive: " 'Six for '06' is enough to establish a beachhead, but it's not enough for '08."

William Howell, a political scientist at the University of Chicago's Harris School of Public Policy and the co-author of a forthcoming book on the balance of power between Congress and the presidency, disagreed. There may be nothing in the Democrats' agenda beyond the opening salvo, he said, and there probably does not have to be. The election of 1994 brought to power a Republican leadership that campaigned on a specific platform, along with a huge freshman class of ideological conservatives. That was not the case in 2006.

"Everyone woke up Wednesday saying America wants change, but they didn't say, 'Americans want the following five legislative items,' " he said.

Howell said Democrats should pass new ethics laws to distance themselves from the scandal-ridden 109th Congress, push a few broadly popular initiatives such as a minimum wage increase and then concentrate on the business of governance -- passing spending bills on time, taking up nominations and confronting national issues as they arise.

Partisan energies should be channeled to hearings, especially on the conduct of the war in Iraq, which would be far more effective in marshalling public pressure on Bush than any legislation, he said.

Douglas MacKinnon, an aide to then-Senate Majority Leader Robert J. Dole (R-Kan.) during the 1990s, said Democrats must learn from Republican mistakes.

"Number one, you don't have a mandate," he said, addressing Democrats. "The American people were just sick of the other side, so don't turn things upside down, because they won't put up with it. . . . And guess what, the American people do want you to work with the other side. Republicans didn't. They let arrogance rule the day, and it hurt them in the end."

Reid, An Ex-boxer, Hasn't Forgotten Bush's Punches (LAT)

By Ronald Brownstein

The Los Angeles Times, November 12, 2006

In the coming months, it will probably be useful to remember that as a young man, Sen. Harry Reid (D-Nev.) spent some time as an amateur middleweight boxer. Reid understands one reason his job title is changing from leader of the Democratic minority to Senate majority leader is that many voters recoiled against the unrelenting combat between the parties that has characterized George W. Bush's presidency.

But it's also apparent that Reid has not forgotten the punches thrown by the White House and GOP congressional leaders over the last six years, and that he considers more than a few of them low blows.

President Bush, at his morning-after-the-deluge news conference Wednesday, grandly declared inoperative his slashing campaign-trail claim that the Democratic agenda on national security and Iraq could be reduced to a single equation: "The terrorists win and America loses."

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Reid talks about turning the other cheek, but he also seems to remember exactly where that blow landed and how much it stung. "Some of the things that have been said by [Vice President Dick] Cheney and [the president] are hard to comprehend," Reid told a small group of reporters late last week.

It was only a single jab from Reid, tight and targeted, but it was also a signal of how much Bush's life will change during the next two years. Notwithstanding occasional dissent, the GOP Congress saw itself as a supporting member of the White House team, almost as if both were part of a parliamentary system. In that role, Capitol Hill Republicans allowed Bush to set the national agenda and minimized congressional oversight that might have embarrassed the administration.

With Reid and incoming House Speaker Nancy Pelosi of San Francisco, Bush will face two pugnacious Democrats determined to challenge his agenda and to force him to react to their own goals. Bush could count on congressional Republicans to repeatedly schedule votes on his priorities, such as legislation to abolish the estate tax. Reid dismisses that idea with barely a shrug. "We wasted so much time on it," he says. Is Bush's goal of eliminating the estate tax dead? "It better be," he says.

Instead, Democrats want to force the national debate onto a very different agenda. Reid says he expects the Senate "pretty quickly" to pass legislation raising the minimum wage. He's also optimistic about quick action allowing Medicare to negotiate directly with drug companies for lower prescription prices — an idea the White House and the pharmaceutical industry blocked in 2003 when Congress passed the drug benefit for seniors.

Reid anticipates more aggressive congressional oversight, starting with Iraq. Outgoing Senate Intelligence Committee Chairman Pat Roberts (R-Kan.), a close White House ally, slow-walked a promised investigation into whether intelligence data supported the administration's prewar public claims about Iraqi weapons of mass destruction. Roberts also structured the inquiry in ways that constrained the danger to Bush; most important, the committee did not compel senior administration officials to answer questions under oath.

Now Reid expects John D. Rockefeller IV (D-W.Va.), who will head the Senate Intelligence Committee, to briskly conclude a comprehensive study. "I think not only as part of good government, but as part of history, that investigation should be completed," he says.

The biggest question facing the incoming Democratic majorities in both chambers is how hard to push Bush on Iraq. Almost all Democrats are comfortable with examining the administration's performance through tough oversight and exhorting Bush to change course.

Reid, for one, has a crisp set of preferences on Iraq. He wants Bush to personally convene a regional conference with Egypt, Saudi Arabia, Jordan and Syria (the latter has been on the president's do-not-call list) to search for political solutions. Reid also wants to reexamine the reconstruction process — which, he says pointedly, has consisted of "throwing bundles of hundred-dollar bills to" Halliburton Co.

And he wants Bush to reduce the number of U.S. troops in Iraq and shift their focus from frontline fighting to training Iraqi forces. "We don't need our people patrolling the streets, walking down and being shot," Reid insists.

Reid, like almost all Democrats, hopes that the bipartisan commission headed by former Secretary of State James A. Baker III and former Rep. Lee H. Hamilton (D-Ind.) that is studying Iraq policy will push Bush in this direction when it reports this winter.

But if the commission doesn't recommend big change, or if Bush rejects it, congressional Democrats will face a momentous decision: whether to attempt to pass legislation compelling the president to begin withdrawing from Iraq.

It's already clear that Democratic activists are expecting more than kibitzing about Iraq from the party's new congressional majority. The message from Democratic voters about Iraq "wasn't just that it's a mess, it was 'We are hiring you ... to lead the country out of it,' " says Eli Pariser, executive director of the MoveOn.org political action committee. An election-eve poll for the group found that two-thirds of voters who supported Democrats expected them to reduce or withdraw troops from Iraq.

Reid hears the message, but he's cautious. An earlier generation of congressional critics who sought to cut off funding for the Vietnam War faced charges of undermining the troops. Reid says, "You have people being shot up, blown up [in Iraq], and we want to make sure that there is never a question that we aren't supportive totally of them."

Attempting to legislate an accelerated disengagement from Iraq clearly isn't Reid's first choice but, tellingly, he doesn't rule it out. "It may come to that," he says.

In other words, Reid isn't trading haymakers with Bush on the war, but he's taping his hands and edging closer to the ring.

Ascending To A National Platform (LAT)

By Faye Fiore, Mark Z. Barabak

The Los Angeles Times, November 12, 2006

WASHINGTON — The phone rang at 7:15 the morning after Nancy Pelosi and the Democrats swept into power. It woke her up.

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"Do we have a baby?" Pelosi asked without pausing for hello. Her youngest daughter, Alexandra, was pregnant and six days overdue. Who else would call so early?

It was the president of the United States, holding.

"Leader Pelosi?" a confused switchboard operator asked, as President Bush waited to congratulate the woman who helped engineer the election-day "thumping" of his party.

As a member of the Democratic House leadership for five years, Pelosi has been an important Washington player. But this week, she awoke to a celebrity of a whole other order.

Her near-certain ascension as the nation's first female speaker of the House had networks lining up for interviews and newspapers placing her picture on the front page. Blogs were abuzz.

Overnight, a woman who was scarcely known to the nation moved into a world of constant public attention. The morning after the election, she left her condo in Washington's Georgetown neighborhood without makeup on — she likes to apply it in the car — and walked into an ABC News stakeout.

Later last week, she lunched with Bush, shaking his hand at an Oval Office appearance where, in a postelection ritual familiar in Washington, the two leaders jointly vowed to end the partisan bickering. She met with Sen. Harry Reid of Nevada, the incoming Senate majority leader, to map out the agenda for the first 100 hours of the Congress that convenes in January.

A Washington power shift would have been big news by any measure, but Pelosi's historic elevation handed her a larger megaphone to sound the themes her party hopes to build on. She began spelling out her agenda before the victory confetti was swept up: a new direction in Iraq, a higher federal minimum wage, lower prescription drug costs, more civility and improved ethics in Washington.

As the only daughter of late Maryland congressman and Baltimore Mayor Tommy D'Alesandro, Pelosi was nurtured in a political environment. There were always constituents in the living room, many of them looking for jobs or other help, their names kept in a "favor file" for consultation at election time.

Married and settled in San Francisco, she raised her five children in a similar atmosphere, enlisting them to stuff envelopes while she juggled laundry, meals and Democratic fundraising, ultimately as California party chairwoman and a major national fundraiser. Her efforts helped lure the party's presidential convention to San Francisco in 1984 and helped Democrats regain control of the Senate two years later.

She was 47 — her youngest child a senior in high school — before she sought elected office, winning a seat in Congress from San Francisco. It was a late start in a Capitol filled with people who had lusted for political power since running for student-body president.

Now 66, Pelosi both embraces her status as the nation's senior elected woman and bristles when pigeonholed as the first female this or that.

She demands to be regarded as a lawmaker who happens to be a woman, not the other way around.

Yet she never missed a chance to use gender to political advantage in the closing weeks of the bruising midterm campaign. "It will take a woman to clean up the House," she told audiences time and again.

She likes to say that motherhood taught her to be organized, broker disputes and do a dozen things at once.

Family and colleagues speak of her inexhaustible energy, then and now. Pelosi's daughter Christine, 40, doesn't remember her mother sleeping much.

Pelosi does not exercise regularly and is a confessed chocoholic; there are bowls of it in her office. (The White House tactically served Chocolate Freedom, a souffle, for Thursday's luncheon dessert.)

In two months of campaigning, Pelosi made 37 visits to 18 states and raised millions for more than 70 candidates.

Even during the most hectic days, she balanced work with family. A stop in Arizona meant a visit with two of her five grandchildren in Phoenix. The same in Texas, where the other three live. She carries two cellphones, one for business and one for family members, who try not to call frivolously because, no matter what, she always answers.

The downside of that energy and organization is a tendency to micromanage, which sometimes stymies her staff and frustrates allies. She tinkers with stagecraft at news conferences, fussing over backdrops and the like.

She can be gracious and ruthless. She threw an ice cream social for Rep. Jane Harman when the Venice Democrat returned to Congress after a failed 1998 bid for governor. But more recently, Pelosi signaled she would pass over Harman for leadership of the House Intelligence Committee for allegedly being too conciliatory to Republicans.

Well known for harboring grudges, Pelosi makes no apologies. "I have a reptilian approach," she once said, describing how she determined which candidates were deserving of support. "You have to be very cold-blooded in how you allocate resources."

Tuesday's election bore out Pelosi's velvet-hammer approach. She whipped together Democrats and achieved a level of party unity that had not been seen in decades, all the while traveling virtually nonstop to raise record sums of money.

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After lunch at the White House last week, Pelosi sat with Bush in the Oval Office for a brief media blitz. Cameras fired. The bitter rivals shook hands.

"There's a natural phenomenon to be pitted against the president," said Norman Ornstein, a congressional scholar at the American Enterprise Institute, a conservative Washington think tank. "But the speakership of the House is not the presidency. She can't make decisions like the president. She leads a collective body. And the more it gets framed in personal terms, the more dangerous and difficult it's going to be."

Pelosi has to show she can unify the famously fractious Democrats in her charge, help lay the foundation for the party's 2008 presidential nominee, and give colleagues a record to tout when they fight to preserve their majority in the next election.

Only then, if she wins a second term as speaker, will Pelosi prove as successful in the House as she was in the home.

Speaker Clout Benefits District (AP)

AP, November 11, 2006

SAN FRANCISCO (AP) -- Thomas P. "Tip" O'Neill secured down payments for Boston's Big Dig. Sam Rayburn sent gushers of cash back to Texas, along with tax breaks that helped its oil industry. Hospitals, schools and nonprofits in J. Dennis Hastert's hometown of Aurora, Ill., have seen millions roll in during his reign.

Now Rep. Nancy Pelosi of San Francisco is poised to follow them as speaker of the House -- a perch predecessors used to channel big cash to pet projects back home.

"There's a long tradition where, not only can you bring back your average pork as a member of Congress, but speaker pork gives you a lot of money, a lot of influence over the purse," said Julian E. Zelizer, a congressional historian at Boston University.

Mrs. Pelosi, a Democrat, will be the first Californian to hold the post, and congressional watchdogs say they'll be observing her new spending clout with great interest.

There are "a lot of peeping chicks everywhere," said Tim Ransdell, executive director of the California Institute for Federal Policy Research in Washington.

Aides to Mrs. Pelosi don't dispute that the state will benefit from a changing of the guard at the Capitol.

"From the speaker's chair to committee chairs, Californians in Congress will have additional clout to help the home state," said Jennifer Crider, a spokeswoman for Mrs. Pelosi. But less than a week after the election, Mrs. Pelosi has no specific wish list for her district, Miss Crider said.

As she has moved up through the ranks of spending committees and the Democratic leadership, Mrs. Pelosi already has helped send millions of dollars home.

According to Citizens Against Government Waste, a federal spending watchdog, in the past two fiscal years Mrs. Pelosi has helped obtain:

·$6.7 million for the Presidio Dental Clinic.

·$2.1 million for the San Francisco Maritime National Historic Park.

·$388,000 to the Filipino Cultural Center in San Francisco for "rehabilitation."

Now, as she prepares to assume one of the most powerful posts in Congress, the pressure to funnel money to the San Francisco Bay Area is bound to increase, Mr. Ransdell said.

"The transportation crowd will want rebuilding of freeways or the Bay Bridge access, or else more money for a transit project here or there," he said. "The social-services community will want additional funding perhaps for a welfare program, or else maybe construction of additional low-income housing or homeless housing."

As she considers requests for hometown projects, Mrs. Pelosi has powerful partners: Democratic Sens. Dianne Feinstein and Barbara Boxer, also from the Bay Area.

With Democrats taking over the Senate, Mrs. Feinstein likely will assume leadership of an influential spending subcommittee. Mrs. Boxer will become chairwoman of a committee key on transportation projects and climate-change research.

In September, the House changed its rules to end secret pork-barrel projects. The resolution banned a practice in which lawmakers anonymously insert "earmarks" -- narrowly tailored spending that often helps a specific company or project in their district -- into bills.

The measure required lawmakers to identify the special projects they slip into legislation. Mrs. Pelosi voted against it. Miss Crider said Mrs. Pelosi wanted a more stringent package of rules, but that measure ultimately failed.

One of Mrs. Pelosi's first actions in January will be to try again to pass "a strong rules package" that would among other things renew and strengthen the ban on secret earmarks, Miss Crider said.

Bush's Bipartisan Experience In Texas May Not Translate (HC)

By Julie Mason

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Houston Chronicle, November 12, 2006

WASHINGTON - President Bush's rude awakening Wednesday morning to a newly elected Democratic-led Congress stirred up all kinds of nostalgia — and questionable impressions — about his days as Texas governor.

Bush told reporters he could easily manage the challenge of working with a majority in the other party; that after all, he did it in the 1990s with the state's Legislature.

"As governor of Texas, I had successfully worked with both Democrats and Republicans to find common-sense solutions to the problems facing our state," Bush said at his post-election news conference.

It was the prevailing White House line the day after Republicans lost the House and Senate. White House counselor Dan Bartlett did a round of morning news shows, saying the same thing.

"Well, he did talk about a record in Texas where he was able to work with Republicans and Democrats," Bartlett told CBS News.

One difference between the two eras: Bush did not spend six years bashing Democratic state lawmakers as bad for the state before taking over as governor. When he became president and was complemented by a Republican-controlled Congress, he often was on the attack against the opposing party for the next six years.

Also, some back in Texas are rolling their eyes at the White House's resurrected bit of myth-making, saying that the late Lt. Gov. Bob Bullock deserves the credit for forging bipartisan cooperation.

"Bullock didn't allow partisanship because he thought everyone should put the best interests of Texas first," said Claudia Stravato of Amarillo, a longtime aide to the legendary Texan.

Noting that in Texas the lieutenant governor as chief of the Senate wields more power than the governor, Stravato said Bush and Bullock, a Democrat who died in 1999, got along in part because both were "Bubbas" of the old school.

"Bullock liked the kid, and was letting him take credit for stuff," she said. "And to get along with Bullock, everyone else had to do the same."

What Bush needs now, Stravato said, is a similar Democratic mentor to clear a path for him through Congress.

But it's not likely he will find one. Washington is a far more partisan atmosphere than Bush was used to back in Texas, and it's not in the interests of either party to work together. Both are already fixing their prospects for the 2008 presidential campaigns.

Even so, the motions are being observed. Bush invited Democratic congressional leaders to the White House and had lunch with presumptive House Speaker Nancy Pelosi of California.

After the harsh partisan rhetoric of the campaign, Bartlett speculated about one likely item on the menu: "For the president," he said, "it's probably a little crow."

White House tries to explain about-faceAfter the abrupt resignation Wednesday of Defense Secretary Donald Rumsfeld, the White House spent the rest of the week trying to explain away why Bush had insisted a week earlier that Rumsfeld was staying.

Bush first had said in an interview with wire service reporters that he wanted Rumsfeld to remain in place for the rest of his administration.

On Wednesday, he admitted that at the time, the decision for Rumsfeld to go essentially had been made already. But, he said, the choice of a replacement was not final.

"The reason why is I didn't want to inject a major decision about this war in the final days of a campaign," Bush said at a news conference. "And so the only way to answer that question and to get you on to another question was to give you that answer."

In the same pre-election interview with wire service reporters, Bush also said he wanted Vice President Dick Cheney to stay on for the rest of his term.

Does this mean Cheney is definitely stepping down?

Evidently not.

Govern, Don't Gloat (NYT)

By Leon E. Panetta

The New York Times, November 12, 2006

WE govern our democracy either by leadership or by crisis. Last Tuesday, the American people sent a clear message that they are sick and tired of government by crisis. They elected Democrats to the House and Senate not to prolong gridlock, but to govern.

There are those who believe that the best political strategy for 2008 is for the Democrats to continue to confront President Bush and seal his fate as a failed president. The danger, however, is that if the Democrats become nothing more than a party of

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obstruction, it will be only a matter of time before they too will lose the trust of the American people. The lesson of this election is that the public will no longer tolerate incompetence and gridlock, whether it comes from the Republicans or the Democrats.

Twelve years ago, President Clinton suffered a similar defeat when Republicans captured both houses of Congress. As chief of staff to the president at the time, I was asked to comment on the implications of that midterm election for the president and the future of the nation. My response was that the real question was whether a party that had been a minority in Congress was now prepared to work with the president to govern the nation.

Today it is fair to ask the same question of the Democrats.

In 1994, the Republicans decided they would directly challenge the president with their Contract With America. The result was the shutdown of the federal government. Badly damaged by the public outrage over such antics, Speaker of the House Newt Gingrich decided that Republicans had to work with the president if they were to survive. This led to a period of cooperation that produced, among other achievements, a balanced federal budget and welfare reform. The Republicans held their majority in 1996.

In the wake of this election, the Democrats and the president face the same choice: gridlock or cooperation?

While both sides are speaking the words of reconciliation, nothing will really change until they can trust each other. After six years of partisan trench warfare, that will not be easy. It begins with a cease-fire on the rhetoric of cheap shots and ultimatums. Karl Rove and other political consultants need to take a long vacation. Both sides need to speak honestly with each other and be willing to compromise.

The legislative work can begin on areas where there is likely consensus: immigration reform, lobbying and ethics reform, and education with the reauthorization of No Child Left Behind.

If that works, Congress and the administration can move on to negotiate tougher issues like establishing long-term budget discipline, expanding energy alternatives, fixing the prescription drug benefit and increasing the minimum wage.

And, finally, on the war in Iraq, despite the bitter differences, both the Democrats and the president face the same brutal reality. We need a new strategy to stabilize Iraq so that our troops can begin to come home without leaving a disaster behind. The president took an important step by replacing Secretary of Defense Donald Rumsfeld with Robert Gates. The Iraq Study Group led by James Baker and Lee Hamilton, of which I am a member, will soon make its recommendations, which we hope will provide the beginning of a unified strategy.

Democracy needs the trust of the people. But that can only occur if our elected leaders can trust one another. That is not only good politics, it just happens to be good for the country.

Let The Investigations Begin (NYT)

By Stanley Brand

The New York Times, November 12, 2006

THE Democrats' victory has stoked the fire beneath an already brewing debate within the party regarding the need for investigations of the executive branch during the Bush administration's two remaining years. Some Democratic members of Congress are reluctant to pursue investigations into war profiteering, detainee interrogation or other controversial issues, fearing that such scrutiny of the administration will make Democrats appear petty and partisan and cost them electoral support in 2008.

A vigorous examination of the administration's conduct, however, is not only the appropriate action as a matter of constitutional prerogative, it is the politically necessary response to voters' overwhelming rejection of the current Congress's failure to assert itself in this area.

Nothing is better established in constitutional history and jurisprudence than Congress's power to investigate the executive. Centuries of precedents in Parliament, colonial legislatures and United States law endorse it. In 1742, William Pitt the Elder summarized the powers of Parliament: "We are called the grand inquest of the nation, and as such it is our duty to inquire into every step of public management, either at home or abroad, in order to see that nothing has been done amiss."

Indeed, the very first example of congressional oversight in our history was an inquiry into President George Washington's deployment of the military. In that case, a committee appointed by the House in 1792 was authorized to investigate the disastrous defeat the year before of Gen. Arthur St. Clair by Indians in the Ohio Territory, with the power to issue subpoenas for "persons, papers and records as may be necessary to assist their inquiries."

Congress is a coequal branch with explicit power to declare war, raise armies and navies and appropriate money for such activities. The Supreme Court has also repeatedly ratified Congressional authority to investigate executive departments. Congressional powers to probe "into departments of the federal government to expose corruption, inefficiency or waste," the court has stated, are "as penetrating and far reaching as the potential power to enact and appropriate under the Constitution."

For the past six years, Congress's oversight function has atrophied in a unitary Republican landscape. To be sure, investigative power should be exercised carefully, thoughtfully and with due regard for the rights of a coordinate branch. But

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Congress should not shrink from its duty to investigate a reluctant or recalcitrant executive, especially one that, while cloaking itself in secrecy, has boldly asserted unprecedented powers in the initiation and conduct of war — with disastrous consequences that the electorate has now repudiated.

By performing their constitutional obligations, the new Democratic majorities in the House and Senate will surely do right by the Constitution and the country. But they will also no doubt do very well for themselves.

Democrats Now Look To Sustain Majority (AP)

By Jim Kuhnhenn

AP, November 11, 2006

WASHINGTON — It's the question Democrats would rather not ask in their moment of revelry: Are their new majorities in the House and Senate sustainable?

What if the war in Iraq is over by 2008? Or what if it is still being waged despite Democratic pledges to change the course? What if voter anti-pathy toward President Bush is irrelevant in two years? After all, he will be on his way out.

"Who knows whether these things are long-term trends or not," Sen. Byron Dorgan, D-N.D., said last week.

Voters gave Democrats control of Congress but did not undergo an ideological conversion. The Democrats' success had more to do with anger toward President Bush, weariness over the war and contempt for the corruption and scandal in Congress — a confluence of negatives that became a political force.

As some Democrats begin looking to 2008 and beyond, the challenge is how to turn anti-pathy toward Republicans into affection for Democrats.

"You can't count on that kind of a wave in every election by any means," Democratic pollster Mark Mellman said.

Sen. Charles Schumer of New York, the chairman of the Senate Democratic campaign committee, acknowledged that the Democrats' 51-49 majority in the Senate was the result of the narrowest of victories in six race. "Had 10,000 votes flipped we would have four seats not six," he said.

Democrats do see opportunities ahead.

In 2008, there are 21 Republican Senate seats up for election and only 12 Democratic seats. Eight of the Republicans in those seats won their last election with 55% or less of the vote.

In the House, where Democrats held 230 seats and appeared to be in line to win two more, all 435 members face re-election in 2008.

"The good news for Democrats is that we don't need a wave to keep the seats we have," Mellman said.

Democrats came into power calling for a change in course in Iraq. They promised to clean up government, create better economic conditions for the middle class and ensure cheaper drugs for the elderly.

"People are open to a longer term Democratic majority," Schumer said, "but we have to seal the deal."

Schumer proposed a three-step plan for Democrats.

It would begin with modest plans to increase the minimum wage, provide more tax breaks on college tuition, encourage greater energy independence and require drug companies to negotiate for lower Medicare drug prices.

Democrats then must work in bipartisan fashion to confront the war in Iraq and government deficits, Schumer said.

"Thirdly, we have to try our best to come up with a full vision and platform that points toward '08," he said.

To some Democrats, the party's biggest task is maintaining credibility on national security.

Since the Vietnam War, Republicans have held an advantage with voters on defense and security issues. But the Iraq war soured many voters on Republicans. By early fall, polls showed the public trusted Democrats more on resolving Iraq and trusted them equally with Republicans in combating terrorism.

Susan Rice, a foreign policy expert who was a senior adviser to Democrat John Kerry's presidential campaign in 2004, said Democratic candidates improved in the polls when they directly challenged Bush's war policy with more pointed ads and public statements

"Somewhere along the line in the last few months, the Democrats got some spine and got the courage to say out loud what they had been saying behind closed doors, which is that the president's national security policy has been an utter failure, has made us less safe, and that Iraq is Exhibit A for that failure," she said after Tuesday's vote.

But Rice said the Democratic gains on national security "are very tenuous" and the party should proceed cautiously on Iraq.

She said Democrats "won an early scalp in the form of Donald Rumsfeld" that will help them claim an initial victory and keep them from taking positions that might hurt their standing on national security.

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Some Republicans say the GOP did not simply lose ground on national security. Wes Anderson, a Republican strategist who consulted in some of the closest Senate races, said that before the attacks of Sept. 11, 2001, voters identified the GOP as the party of fiscal conservatism, middle-class economics, national security and ethical reform.

"Our problem is our brand is broken," Anderson said. "Voters didn't walk away from the core principles of the brand. They just didn't think we represented them effectively."

A poll that Anderson's firm conducted in 12 of the most contested congressional races on Nov. 5-6, right before Election Day, showed the depth of voter anger. When voters were asked which party was "controlled by big corporations," 8% said Democrats, 51% said Republicans and 25% said both.

But the difficulties had been evident for weeks and the voters who were taking flight were independents. Indeed, exit poll surveys by the Associated Press and the networks found that 26% of voters who were with Bush in 2004 went for Democrats this election.

"In late September or early October we came to the rude conclusion that there was little we could do on the air or in the mail that would change people's minds," Anderson said.

While that could be good news for Democrats, Republicans take heart in the idea that voters still seem to adhere to conservative values.

"I don't think what you saw on Tuesday was a major political realignment," said Sen. John Thune, R-S.D. "A lot of people are saying Republicans stayed home. I think we really lost it among independents. The takeaway from it is you have to have a motivated base and you have to have a strategy to get to those independent voters."

How Rahm Emanuel Helped End An Era Of Republican Rule (CHIT)

By Naftali Bendavid

Chicago Tribune, November 12, 2006

Rahm Emanuel was seething.

He was hurtling down an asphalt road in upstate New York on the 47th trip of his ferocious campaign to win back the House. A lecture, even from his friend James Carville, was the last thing he needed.

In just 12 days, Emanuel's quest would end in a historic victory—a triumph that almost no one believed possible when he accepted the challenge nearly two years ago—or in colossal failure.

And here were Carville and pollster Stan Greenberg telling him he had to make each of his handpicked candidates shift from attack mode and strike a conciliatory note in their final campaign ads.

"James. No James, YOU LISTEN," Emanuel barked into a cell phone, about to release a string of profane invectives more intense than usual. "Can you listen for one [expletive] minute? I'm working these campaigns all the time. The campaigns all have different textures."

His wiry body tensed, his voice breaking with stress. Emanuel shouted, "If you don't like what you see, I highly recommend you pick up the … phone and do it yourself."

The moment captured Rahm in full, a portrait in power of a brutally effective taskmaster.

During the past year, the Tribune had exclusive access to the strategy sessions, private fundraisers and other moments that shaped this victory. The newspaper agreed not to print any of the details until after the election. Now that the votes have been counted, the story of how Emanuel helped end an era of Republican rule can be told.

He did it, in large measure, by remaking the Democratic Party in his own image.

Democrats had never raised enough money. Emanuel, a savvy fundraiser who shaped those skills under Richard M. Daley and Bill Clinton, yelled at colleagues and threatened his candidates into generating an unprecedented amount of campaign cash.

Democrats had a history of appeasing party constituencies. Emanuel tore up the old litmus tests on abortion and other issues. With techniques that would make a Big Ten football coach blush, he recruited candidates who could mount tough challenges in some of the reddest patches of America.

Democrats had blanched at hardball. Emanuel, jokingly called "Rahmbo" even by his mother, muscled weaker Democrats out of races in favor of stronger ones, and ridiculed the chairman of his own party.

In January 2005, when Minority Leader Nancy Pelosi asked Emanuel to head the Democratic Congressional Campaign Committee, or DCCC, experts predicted that the party would take perhaps three seats. On Tuesday, it picked up at least 28, changing the course of the Bush presidency.

In a world where congressmen refer to each other as "my distinguished colleague," Emanuel, 46, is sometimes unable to get through a single sentence without several obscenities. His politics are centrist, but his style is extremist. The top of his right middle finger was severed when he was a teenager, adding to his aura of toughness—especially when he extends that middle finger, which he does with some regularity.

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For all his forcefulness, Emanuel was not responsible for the political climate, either the failing war or the sex and corruption scandals racking the Republican Party. But with creative recruiting, unremitting fundraising and a national message, he positioned the Democrats to exploit that collapse.

In doing so, Emanuel had to be familiar with roughly 50 individual races—the candidates, the interest groups, the voting blocs. It resembled a game of three-dimensional chess, in that what happened in one district could affect dozens of others.

From the outset, there could be only one measure of success: the number of seats the Democrats won. Bill Paxon, a former New York congressman who held Emanuel's job for the Republicans when they seized the House in 1994, explained the unforgiving math.

"Unlike a lot of things in government where there is compromise, there is only one result—you either win or you lose—and you are judged on that," Paxon said. "You can look at fundraising, candidate recruitment and other things, but they are meaningless. The only thing that matters is if you win or lose."

This is the story of how Rahm and the Democrats won.

KILLER INSTINCT

The Republicans always had killers on their side, ruthless closers like Karl Rove, Tom DeLay and Lee Atwater, the late mudslinging mastermind credited with getting the first President Bush elected.

In Emanuel, Democrats had their counterpart, a tactician of a caliber the party had not seen since the young Lyndon Johnson converted the DCCC into a power base.

Emanuel's thin, unimposing frame still hints at the teen and college years devoted to ballet; his voice sometimes screeches, and his words can get jumbled in public speeches.

But his political style—honed in Chicago and on the presidential campaign trail with Clinton—isn't gentle or uncertain. His reputation as a political street fighter inspires respect and more than a little fear.

Some Republicans coped by employing humor. Spotting Emanuel in the House gym last July, Rep. Christopher Shays of Connecticut told him he knew that he'd been targeted. Emanuel was planning to spend $3 million to defeat the popular moderate.

"I'll tell you what," Shays said. "Just give me the $3 million, and I'll retire voluntarily."

Emanuel's strategy was to keep the opposition uncomfortable. If a Republican congressman took a vote that he hoped no one in his district would notice, such as supporting a Bush budget cut, Emanuel immediately issued a press release and sent it to the Republican's hometown newspaper. He then sent it to the lawmaker's office to, as he said, "[mess] with their heads."

He had the DCCC designate one Republican as the "rubber stamp of the week" and another as the "crony of the week," a gimmick that generated a surprising amount of local coverage. Republicans who received money from drugmakers or oil companies were ridiculed as lackeys of special interests.

Last fall, a Democratic takeover of the House was laughable. Emanuel faced a merciless political map. Computer-assisted gerrymandering had made it possible for Republicans to draw congressional boundaries with increasing precision, ensuring a maximum number of GOP-leaning districts.

And yet Emanuel worried the GOP. "I think there is a lot of angst on our side," Rep. Tom Cole, an Oklahoma Republican, said late last year.

The popularity of the war in Iraq already was declining, and the president's poll numbers weren't good. If things got worse, GOP strategists sensed that Emanuel was someone who could take advantage of the opportunity. "If you are in a lead-pipe cinch Republican district, it's easier. But if you are in a marginal district, it's tough," Cole said. "The shark looks beautiful when you are outside the tank. But inside, it's a little different."

One of Emanuel's top targets, Rep. E. Clay Shaw of Florida, was 67, had served in the House for a quarter-century and had no desire to end his career with an embarrassing loss. One day last summer, when Emanuel was walking from his office to the Capitol, he passed Shaw. He nodded, saying "Clay" by way of greeting. Shaw stared ahead icily and kept walking. "See how he didn't say hello?" Emanuel asked.

He knew he was despised. "Look, this is not for the fainthearted," Emanuel said. "Their job is important to them, and I am seen as a threat to their job security. And that's life. And I didn't come here to win a popularity contest with them."

He added, "I wake up some mornings hating me too."

None of Emanuel's relationships with Republicans was testier than the one with Rep. Tom Reynolds, the upstate New Yorker who was his Republican counterpart. A stocky 56-year-old, Reynolds sometimes flinched when Emanuel's name was mentioned. Reynolds tried to be sportsmanlike, even when Emanuel targeted him for defeat—breaking the usual gentlemen's deal not to go after whoever was running the other party's campaign.

"If this was a tennis game, I would say he's a good tennis player and he makes my game better," Reynolds said grudgingly late last year. "He's a good pol. He's from Chicago." Then Reynolds added that he was a good pol too, from New York.

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INTENSE, EVEN IN TIGHTS

Central to Emanuel's ability to unnerve his political enemies is his fierce intensity, a quality that wasn't initially apparent as he grew up on the North Shore of Chicago. He played peacemaker between his older brother Ezekiel and his younger brother Ari, and he pirouetted around the house. "Ari would be wrestling, Zeke would be pondering deep thoughts, and Rahmmy would be leaping down the stairs and doing ballet dance twirls," his mother, Marsha, recalled.

Ari even got the top bunk bed when he and Rahm shared a room, even though Rahm was older and could have laid claim to it. "I was physically stronger," Ari Emanuel explained.

But when their parents sent Rahm to study ballet, his single-mindedness emerged. "Intense would be a word I would have used even then," said Kerry Hubata, his former ballet teacher. "I've seen kids with physical talent but didn't work as hard. Others, who weren't as gifted physically but had the desire and didn't mind the pain, succeeded more. He had the drive."

That drive only increased when Emanuel suffered an accident just before his 1977 graduation from New Trier West High School. Working at an Arby's, Emanuel badly cut the middle finger of his right hand. He insisted on going to prom festivities anyway, including a swim in Lake Michigan, and the finger became badly infected. Emanuel, his family recalled, lay near death in Children's Memorial Hospital with a fever of 106 degrees, as antibiotics were pumped into him. In the end, doctors removed half his finger.

"That was a big turning point in Rahm's life," said his mother, sitting in the kitchen of the Emanuels' modest two-story home in Wilmette. "It was touch-and-go, and finally when he came out of it he was more serious. … I honestly think that was his existential moment of near-death and realizing that you have to do something with life."

Emanuel was not the only brother with a drive to succeed. Ezekiel, the eldest, became an oncologist, joined the faculty at the Dana-Farber Cancer Institute and Harvard University, and is now a prominent medical ethicist at the National Institutes of Health. Ari went to Hollywood and has become an enormously wealthy agent, not to mention the inspiration for the bombastic Ari Gold character on HBO's "Entourage." (Emanuel, too, partly inspired a TV character: Josh Lyman on "The West Wing.")

The accomplished brothers came from parents with strong personalities. Emanuel's father, Benjamin, worked for the Jewish underground in pre-state Israel—he was smashed on the head by a British officer's baton, which left a dent in his skull—and became a well-known pediatrician in Chicago. Emanuel's mother was a civil rights activist who sometimes did not come home at night because she had been arrested. The Emanuels also adopted a daughter, Shoshana, who had a difficult youth and has kept a low profile.

Ezekiel Emanuel attributes the congressman's drive to their father. "He was notorious for seeing twice as many patients as the next guy on this list," Ezekiel said. "He would be personable, but just 'Get to the meat of things and get it done.'

"That obviously is a trait that people can see in Rahm, and it's quite clear where it came from, in my opinion."

Personable, however, is not a word many would use to describe Benjamin Emanuel's middle son. White Sox manager Ozzie Guillen once said of catcher A.J. Pierzynski: "If you play against him, you hate him. If you play with him, you hate him a little less." Though Emanuel has his die-hard loyalists, he could be the Democratic Party's A.J. Pierzynski.

PARTY CRASHER

On a late-spring day in 2006, Emanuel and Charles Schumer, the New Yorker in charge of winning the Senate for the Democrats, walked into the office of party Chairman Howard Dean.

Emanuel, once again, was ready for a fight.

For months, he and Schumer had been imploring the iconoclastic former presidential candidate to channel more money into congressional campaigns. Dean had been pushing a "50-state strategy" to build a Democratic operation in every part of the country.

The national party usually spent millions to help House candidates, but Dean was instead using the money to build this far-flung operation, to Emanuel's immense frustration. He felt Dean's strategy wasted money in unwinnable places.

According to Emanuel, the meeting devolved into a confrontation over resources. Emanuel said that the Republicans planned to heavily fund key races and that if Dean refused to do the same, it would amount to unilateral disarmament. Dean replied that he was fielding activists in every corner of every state.

Ridiculing the effort, Emanuel told Dean that he had seen no sign of it. "I know your field plan. It doesn't exist," he recalled saying. "I've gone around the country with these races. I've seen your people. There's no plan, Howard."

The tongue-lashing was another example of how Emanuel took a sledgehammer to intraparty niceties, making plenty of enemies along the way.

The gravitational center of Democratic antagonism toward Emanuel was the Congressional Black Caucus. Many of the caucus' 43 members complained that Emanuel had not hired enough African-American staffers. They also protested that when he harangued lawmakers to pay their DCCC dues, he did not recognize how hard it was for black politicians, many of whom represented poorer areas, to raise money. The protests often erupted into shouting matches. "If a person says, 'Danny Davis,

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where are your dues?' I may have a particular difficulty getting my dues that you don't know about or you don't relate to," Rep. Danny Davis, the West Side Democrat, said last summer. "Rahm don't take no prisoners."

Emanuel was privately contemptuous of such complaints. He saw the Black Caucus as one more party faction, like conservative Democrats, that would rather complain than work. Asked about the number of black staffers at the DCCC—two African-Americans were on his senior staff of about 10 people—he waved his hand dismissively. "You know that every [DCCC] chairman has faced the same criticism?" he said. "OK. So I don't give a [expletive]," he added, literally spitting.

Then he began ranting about his conservative party colleagues. "They hate me too, because I'm arrogant and pushy with them. … Because they've never, ever WORKED! NOBODY! NONE OF 'EM!"

Little enraged Emanuel as much as a fellow Democrat who didn't share his unrelenting drive to win. In January 2006, Rep. Alcee Hastings, a Florida Democrat, was quoted in a local newspaper speaking sympathetically of Republican Clay Shaw. Because of his longtime friendship with Shaw, Hastings pointedly declined to endorse Shaw's Democratic challenger.

Hastings was a colorful figure. A former federal judge, he was removed from the bench by Congress in 1989 for corruption and perjury, only the sixth U.S. judge in history to suffer this fate. He took revenge by winning a seat in Congress. A forceful speaker, Hastings chastised Emanuel in a closed meeting of House Democrats for not recruiting more candidates.

"He's great on lectures," Emanuel said later. "Phenomenal lecturer. I'm getting a lecture on recruitment when A, you haven't done a … damn thing, and B, we've got a [Republican] target and you're out there kissing his [behind] in the press?"

Hastings refused to back down, saying he was close to both Shaw and his Democratic rival, Ron Klein, and could not in good conscience take sides. "Ron Klein is my friend. I have known Clay Shaw for nearly 40 years," he said. "Far be it from me to insert myself in a race of that kind."

Hastings was hardly the only Democrat who Emanuel thought was not pulling his weight. Many of his colleagues were doing great work, he said, but dozens of others declined to help him take on their Republican friends.

"You've got to have a thirst for winning," he said. "You know what our party thinks? 'We're good people with good ideas. That's just enough, isn't it?' Being tough enough, mean enough and vicious enough is just not what they want. … They just want to be patted on the back for the noble effort. No."

This no-holds-barred politics came naturally to Emanuel. In the 1980s he joined the campaigns of Sen. Paul Simon and Mayor Daley, proving adept at raising money. (Daley would later return the favor by fielding city patronage workers to help Emanuel win his first congressional election in 2002; that get-out-the-vote operation is now part of a federal investigation.)

Political consultant David Axelrod remembers Emanuel as a young Chicago political operative. "The first word that comes to mind is chutzpah," Axelrod said. "He redefined the term."

Emanuel brought that chutzpah to Arkansas Gov. Bill Clinton's improbable presidential run. "He was then a little more brash and less polished than now, but he clearly had loads of ability and drive," the former president recalled in an e-mailed response to questions. "My first impression was, 'This guy is going to help us win.' And he did. I doubt we could have done it without him, especially in those critical early months."

When Clinton did win, Emanuel became his White House political director. But this time, his confrontational style failed him, as he clashed with other staffers and was quickly demoted to "director of special projects." The humiliation tempered his sharpest edges.

"He was devastated by what happened," said his mother, Marsha. "He told us that he had to sit back and rethink his methodology. And like with the finger, he took a deep breath and saw what direction he should go in."

Something of the relationship between the undisciplined president and his hard-hitting aide can be gleaned from an inscription on a photo Clinton gave Emanuel on his 38th birthday. Clinton signed it as though he were Emanuel: "Now Mr. President, how many times do I have to tell you, say it this way?" Clinton wrote. "And, by the way, wish me a happy birthday. Always gently, Rahm 11/29/97."

Emanuel's passion and loyalty won him the allegiance of others as well. Stan Greenberg's daughter Anna, a friend of Emanuel's as well as his pollster, asked him to officiate at her wedding earlier this year. Emanuel studied hard, read sacred texts and consulted a rabbi.

He could not resist cracking a few political jokes at the ceremony. But the wedding highlighted Emanuel's attachment to Judaism. "It's not as much about going to synagogue," Greenberg said. "But having ritual and tradition and teaching Jewish values are really, really important to him."

It was a side of Emanuel not seen by many people, including many of his fellow Democratic congressmen.

On a warm night last May, Emanuel summoned them to a colorless conference room at Democratic headquarters. He had walked a fine line for a year and a half, hoping to excite Democrats without unduly raising expectations. But now he felt the time had come to convince them that they could actually win.

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As several dozen House members settled into hard chairs, Emanuel cited polls suggesting that voters were ready for change. He also showed a video that included a quote from Republican pollster Tony Fabrizio confessing, "These numbers are scary." Images of Tom DeLay and other Republicans felled by scandal flashed on the screen to the pumping rhythm of the Queen song "Another One Bites the Dust."

Demoralized by defeat, many Democrats had begun to think that they would lose no matter how favorable the political winds. Al Gore and John Kerry appeared to have the momentum in their races, only to suffer crushing losses. The GOP had more money, armies of social conservatives and an entire region of the country, the South, almost uniformly in its camp.

But with his mastery of details, Emanuel gradually convinced even his most jaded colleagues that the Democrats could reach more than the 15-seat net gain they needed to seize the House for the first time since 1992.

Emanuel was constantly on the phone to candidates—coaching, reassuring, tormenting. In an August call to candidate Joe Sestak of Pennsylvania, Emanuel promised that Bill Clinton would help him raise money. "Joe Sestak, this is your rabbi, Rahm," he intoned playfully. "Clinton. I'm close to having him do an event for you in Philly. … Clinton will put his arm around you and say, 'He's my man.'"

In a fairly typical sign-off, he concluded another call to Sestak: "Don't [mess] it up or … I'll kill you. All right, I love you. Bye."

He warned another Pennsylvania hopeful, Chris Carney, about negative ads the GOP was about to unleash. "They're going to come after you," Emanuel said. "You haven't said anything stupid on the hustings, have you?

"Well, don't waste your time with me. Go raise some more money."

A MACHO MAKEOVER

All of Emanuel's scolding and cajoling would have meant nothing if he fielded weak candidates. After yet another devastating loss in 2004, he and other Democratic leaders quickly determined that the party needed a machismo implant. Emanuel looked for candidates with strong backgrounds, from sheriffs to soldiers, to counteract a Democratic image of softness.

This is why he badly wanted Heath Shuler, a former football star, to run for Congress as a Democrat in North Carolina. An evangelical Christian who opposes abortion, Shuler couldn't easily have his views caricatured by the GOP.

But Shuler was worried that if he ran and won, he would never see his two young children. To prove that congressmen do spend time with their children, Emanuel started calling Shuler in early 2005 whenever he was with his own family.

Shuler would pick up the phone and hear, "It's Rahm. I'm at a soccer game with my kids. Just wanted you to know that." Or "It's Rahm. I'm at a kindergarten play now. Talk to you soon." Shuler received perhaps 10 such calls. Of course, this also illustrated that whenever Emanuel was with his family, he was working.

In any case, Shuler agreed to jump in the race, challenging a 16-year incumbent and becoming one of the Democrats' hottest candidates. "I was recruited from high school to play college football, I was recruited by almost every college in the country, and then I was recruited into the NFL," said Shuler, a former Washington Redskins quarterback.

"I know all the angles that people use to recruit you," he added. "Nobody does it as well as Rahm Emanuel."

Emanuel believed in being tough. In September 2005, he described a Vietnam veteran he was trying to recruit this way: "I don't know if he's going to win, but I'll tell you this: I don't want to cross [him]. I think he would take out a knife and kill you. I think he would kill you." Emanuel viewed this as an asset.

His goal was to recruit 50 credible challengers. He had one criterion: people who could win. That may sound obvious, but it's not. Many Democrats did not believe in recruiting overly conservative candidates, no matter how promising. In the past, those like Shuler who opposed abortion were not welcome in the party.

"We don't have an ideological purity test," said Rep. Chris Van Hollen of Maryland, Emanuel's top lieutenant for recruiting. "If you believe in the basic gut principles of the Democratic Party—opportunity, fairness for all—we're not going to hold people to a litmus test."

Emanuel's recruiting effort had its share of failures; his top two candidates to challenge Rep. Richard Pombo, a vulnerable California Republican, turned him down, and his third candidate lost in the primary. (Pombo lost anyway, reflecting the magnitude of the Democratic victory.) Republicans mocked many of his recruits as "B-list."

But in the election's aftermath, it is clear that Democrats won several races, including Shuler's, that they would have lost if not for Emanuel's tireless recruiting. He had put enough legitimate challengers in place to exploit the unexpected opportunity.

Eclipsed by the election night euphoria was the fact that one of Emanuel's few disappointments came in his own back yard. Tammy Duckworth, a captain in the Illinois Army National Guard, lost to state Sen. Peter Roskam despite being one of the Democrats' highest-profile candidates.

Initially recruited by Sen. Dick Durbin (D-Ill.), Duckworth was the only wounded Iraq war veteran running for Congress. And she proved an irresistible news story, as Emanuel knew she would: A brave woman volunteers to serve in Iraq, loses both legs in combat and returns to seek office.

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Her candidacy also showed Emanuel's sometimes-callous pragmatism. When Duckworth entered the race, another Democrat, Christine Cegelis, was already running for the same seat. Cegelis had run two years earlier, done surprisingly well and built a loyal following. But Emanuel and Durbin did not believe she was working hard enough or raising sufficient money, and they settled on Duckworth as better-suited to the centrist district.

Between the appeal of her story and the power of her patrons, Duckworth won the backing of nearly every influential institution in Illinois. The state AFL-CIO announced its support for Duckworth — even though Cegelis, not Duckworth, was a former union member.

Emanuel used his connections to get Duckworth an appearance on the Sunday talk show hosted by George Stephanopoulos, his friend and former colleague in the Clinton White House. Another Emanuel ally, Axelrod, became Duckworth's media consultant. Cegelis could not compete with this, losing 44 percent to 40 percent to Duckworth in the March primary, with a third candidate getting the rest.

In the general election campaign, Roskam cast Duckworth as a puppet of Emanuel. "My opponent, in her name-calling, has called me a rubber stamp," Roskam said during one debate. "But I challenge my opponent to come up with one issue on which she differs from Congressman Rahm Emanuel."

Days before the election, Roskam's campaign gave Emanuel and the Duckworth camp a little of their own business. Just as organized labor had supported her in the primary even though Cegelis was the former card-carrying union member, the VFW endorsed Roskam even though Duckworth was the wounded war veteran.

Ultimately the district was too Republican, and Duckworth was too green, to pull off a win.

'DIG DEEP DOWN'

Emanuel walked into the offices of Prince, Lobel, Glovsky & Tye, a top Boston law firm, early one morning last August. The mission: extract as much money as possible from the 20 lawyers chewing bagels around a 30-foot conference table.

"I've been in politics for 20 years. This is the first time I've seen the stars aligned like this," Emanuel told them. "People know the party in power has messed things up."

Despite his phrasemaking, Emanuel was not a great speaker; he could lapse into a confusing shorthand on politics or legislation. But his message on this day was clear. He held up a $12,000 check he had just written to New Hampshire Democratic candidate Jim Craig. "I'm in for 12, folks," Emanuel said. "I want you to dig deep down. … For the first time, this is within our grasp."

Several listeners pulled out checkbooks on the spot, and the event raised $20,000. Someone asked Emanuel how he planned to spend the money he was raising nationally. He would not distribute funds based on which candidates he liked, he said, nor on who were the most loyal Democrats.

"I'm cutthroat about this," he said. "I don't give a crap where I pick up seats. I plan on winning. There is no emotional attachment."

Emanuel had arrived at the DCCC with a reputation as a world-class fundraiser. As finance director for Bill Clinton's first presidential run, Emanuel jumped on a table to exhort his staff to work harder. He yelled at donors, refusing to accept checks he considered too small. He probably saved Clinton's candidacy by keeping the cash flowing even after embarrassing reports of Clinton's affair with Gennifer Flowers.

Democrats always trail Republicans in fundraising, but in his fight for the House, Emanuel was determined to keep the money race close. No matter how good candidates were, it meant little if they did not have cash to advertise and pay campaign workers. Emanuel's first goal, as he traveled the country asking for money, was to raise $95 million. But as the Democrats gained momentum, contributions surged and Emanuel raised his target to $105 million. By the campaign's end, the Democrats had brought in close to $120 million, easily surpassing all previous records.

Emanuel and his staff judged a candidate almost entirely by how much money he or she brought in. If the candidate proved a good fundraiser, the DCCC would provide support, advertising and strategic advice. If not, the committee would shut him or her out.

Emanuel's demands were specific. Democratic challengers, for instance, had to raise $320,000 by March 31. At a staff meeting a year ago, talk turned to a Pennsylvania Democrat named Andy Warren who had raised a meager $38,662 in the previous three months.

Emanuel ordered the staff to drop Warren and back his Democratic opponent. "Eliminate him," Emanuel said curtly.

As for other candidates who had not met their goals, Emanuel said, "We'll just take three hours tomorrow, and I'll call the idiots who need to be pushed."

THE FINAL SPRINT

The story of the 2006 campaign was ultimately that of an overreaching Republican coalition that imploded over sex and corruption scandals as well as Iraq's descent into chaos. With astounding speed, Republicans found themselves out of sync with

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the voters, falling from grace in nearly unprecedented fashion. Emanuel did not know that would happen any more than anyone else did. His goal at the outset had been simply to win more seats than expected.

The effort exacted a toll on Emanuel, a father of two girls and a boy. After he voted for himself in the Illinois Democratic primary in March, his 8-year-old daughter Ilana had said she hoped he would lose so he would not travel so much. She could imitate Emanuel's conversations with people such as Schumer, New York's senior senator.

"Chuck," she would say. A pause, and then, louder, "CHUCK!" Emanuel's son, Zach, 9, stopped talking to him when he called from the road. When Emanuel was home, Zach implored him to stop talking on his cell phone while they were tossing a football.

Emanuel called his wife, Amy Rule, several times a day from the road. They had met on a blind date in 1990 and married four years later. An MBA from Wharton, Rule worked at the Art Institute of Chicago but is now a stay-at-home mom, raising their children on the North Side.

In the car after an August fundraiser in Boston, Emanuel told her that he hadn't slept much the night before, kept awake by all the details of the campaign.

"How are the kids?" he asked.

After listening to her response, he said wistfully, "I'm so sorry I'm missing two little girls in the bathtub. Sounds peaceful."

His hair turned whiter during the campaign and he lost 14 pounds, his clothes hanging on a scarecrow frame. As Election Day neared, he awoke every morning at 3, agitating and strategizing. By day's end, his fingers would be trembling and his nose running from fatigue.

Most stressful for Emanuel was his lack of control over certain decisions. Campaign finance laws required him to create an "independent expenditures" group to oversee the vast majority of Democratic TV ads. Its independence was limited because it was run by John Lapp, who had spent much of the campaign as Emanuel's top aide. But Emanuel had to dump half the $120 million he had raised into the group's coffers, with no say over how it was spent.

As the campaign drew to a close, Lapp and his deputy, Ali Wade, were signing off on dozens of advertisements each day in an office across the street from the DCCC. The office was filled with chaotic activity—phones ringing, staffers charging in, ads playing on computers. A board on the wall listed districts where the DCCC was airing TV spots. One day in October, another call from James Carville prompted Wade to say in exasperation: "Can we change our number so he doesn't keep calling?"

This was a fast-moving game, especially for Emanuel. He took his 48th and final campaign trip to Las Vegas five days before the election. This visit to Nevada candidate Tessa Hafen was symbolic of how the landscape had shifted; just weeks earlier, her cause was thought to be hopeless, but now she had a chance, albeit a slim one.

Emanuel careened between overwhelming anxiety and giddiness. At a fundraiser for Hafen that night, Emanuel seemed tense. But by the next morning, preparing for his final news conference, he was in an expansive, almost joyful, mood as he gulped two cups of black coffee in the lobby of Las Vegas' monstrous Mandalay Bay hotel and casino.

"We have a seat in New Hampshire we are going to … steal," he chortled.

And in a final spurt of generosity, Emanuel ordered a gift sent to all the Democratic candidates he had been coaching for nearly two years. Back in early 2005, when he was recruiting candidates, Emanuel sent cheesecakes to particularly desirable prospects. So on the eve of the election, 70 cakes went out from Eli's Cheesecake in Chicago to Democratic challengers from Nevada to Connecticut.

BIG NIGHT

A large erasable board, divided into some 80 squares for various House districts, dominated one wall in the DCCC offices on election night. Interns rushed to update results, prompting cheers or moans from the assembled staffers.

When a winner was declared in a race, the interns outlined the square in red marker. As the number of red squares grew, the magnitude of the Democratic gains became clear and an unfamiliar mood of jubilation overtook the staffers.

For Emanuel—ensconced in an office with friends and family—the board represented the culmination of two years' work. Every number reported the fate of a candidate he had helped recruit, cultivate and had come to know.

Televisions were scattered throughout the DCCC offices and common areas. At 11:08, CNN's Wolf Blitzer intoned, "We can now project that the Democrats will be in the majority in the House of Representatives."

Emanuel seemed momentarily dazed, hugging his brother Zeke and kissing Amy. Six minutes later, Speaker-to-be Nancy Pelosi, looking jittery and happy, walked from the room where she had been watching the returns into Emanuel's office.

He roared, "Fellas—Madame speaker!" Pelosi and Emanuel hugged, rocking gently together for a few seconds. Brian Wolff, a staffer who worked for both Emanuel and Pelosi, called out, "Mission accomplished!"

At that moment, Sen. Barack Obama, who had campaigned relentlessly for House candidates, called to offer congratulations. "Barack," Pelosi said. "Thank you, thank you, thank you for all that you did." She walked back to her office muttering, "I gotta call my brother."

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As Pelosi made her way through the DCCC staffers, some applauded, then more joined in and everyone rose in a whooping standing ovation. "This is so much better than losing," a staffer said to no one in particular.

Emanuel walked out of his office into the ecstatic throng and hopped on a desk.

In a few minutes, in front of the cameras, he would strike a conciliatory note about his opponents, and in the days that followed he would stress how both parties needed to work together for what was best for the country.

But at that moment, Emanuel would not, could not censor his glee, or restrain his distaste for the defeated Republicans.

For weeks they had been boasting that their program for turning out voters in the campaign's final 72 hours would swamp all his work. The voters had made those statements look ridiculous.

"I'll tell you this," Emanuel shouted out to his staff. "The Republicans may have the 72-hour program. But they have not seen the 22-month program!

"Since my kids are gone, I can say it: They can go ---- themselves!"

Maybe You Did Vote Your Pocketbook (NYT)

By Daniel Altman

The New York Times, November 12, 2006

SOMEWHERE, deep in the consciousness of American voters, is the idea that the representatives they send to Washington can affect their economic well-being. Candidates surely share this conviction. Otherwise, why would they bother to make promises about jobs, incomes and taxes?

It follows that if those representatives fail to bring economic benefits, they risk losing their own jobs. So politics affects economics, and vice versa — at least that's the widely held theory. But what was the reality in last week's election?

To paraphrase a Clinton-era mantra, it really might have been the economy, stupid. More than 80 percent of voters in an exit poll, conducted for The Associated Press and television networks by Edison Media Research/Mitofsky International, said the economy was a very important or extremely important issue. That percentage was the highest for any issue, including Iraq and terrorism.

Furthermore, electoral data and government economic statistics suggest that the economy played a role in the outcome: if your state wasn't among the best economic performers in the last six years, judged by the growth of personal income, it appears that you were three times as likely to vote to throw the bums out.

That's the conclusion from an early look at the figures, and it may even be true. But the actual relationships between politics and economics are hard to pin down empirically, and some experts may even theorize that they don't exist.

Plenty of economists would argue, for example, that your local representative doesn't really have much control over your economic well-being. In the long run, the nation's capacity to produce is controlled by factors like educational attainment and the development of new technologies — factors that are difficult to change in a short period.

Moreover, your representative can't do much, as an individual, to sway the world economy. The amount of your state's exports demanded by Europe, Japan and other economic giants relies on millions of other dynamics, even though your representative may take the occasional rainmaking trip abroad.

Then there is pork-barreling. As a member of the ruling party in Congress — the Republicans, in recent times — your representative might have been able to funnel federal construction money your way, or perhaps to add a few pet projects in your district to assorted spending bills. In addition, your representative might have contributed to writing big legislation, like tax cuts, so that it favored people like you.

Yet something like pork-barreling could have a measurable economic impact at the local level, even if its effects are dwarfed by those of globalization. And the data suggest that voting for Republicans in 2000 did help some states economically. In general, personal income rose faster from the end of 2000 through the second quarter this year in states that elected a higher share of Republicans to their House delegations. On average, states that elected no Republicans to the House could have expected nine percentage points less growth in personal income than states that elected all Republicans. The average state's income grew by 29 percent, so an additional nine points wouldn't have been anything to sneeze at. During that same six-year period, the states' economic experiences were hardly uniform. In rural states like Wyoming and South Dakota, for example, personal income rose by well over a third. In other states, like Michigan and Ohio, it grew less than a fifth. So there is a logical next question: Did voters hold their agenda-setting Republican representatives responsible for poor performance by voting them out?

It's easier to answer this question if you leave out the six states that didn't elect any Republicans in 2000; after all, they didn't have any to throw out. If you also remove New Hampshire and South Dakota, where the percentage of Republicans elected dropped to 0 from 100 — each state only has one seat in the House — a pattern starts to appear.

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It suggests that differences in economic performance could have had a big political impact, even though the overall changes to the delegations were small. In the 10 states where personal income grew the most, the Republican share of the states' House delegations dropped only 2 percent, on average. In the other 32 states, the Republican share fell an average of 7 percent.

None of this proves a correlation between economics and politics, or, for that matter, any causality. To be sure of any of these statistical relationships, you would have to adjust for anything else that might have affected the economy differentially across states from 2000 to 2006: things as diverse as changes in tax policy or demographic shifts. Then you could tell whether the correlations were robust. And it's by no means certain that they would be: looking at unemployment rates instead of personal income, it's tough to pick out any patterns in the raw data.

Still, both parties have a clear incentive to learn whether these relationships exist. Winners who figure out why they won stand a better chance of winning again; losers who know why they lost won't repeat the same mistakes.

Statistics or no, the Democrats already seem to be convinced. They have promised a raft of economic legislation during their first weeks in power, proposing to raise the minimum wage to $7.25, to cut the interest rate on student loans in half and to require any new spending to be paid for by cuts to other spending or new tax revenue.

Without a Democratic president, of course, it will be much harder to turn these bills into law. For that reason, voters might not hold the Democrats responsible for economic performance the way they apparently did with the Republicans. Then again, if personal income doesn't rise, they might blame the Democrats — and the statistics might just tell the tale.

How The Hammer Fell On His Own Party (HC)

By Bennett Roth, Michael Hedges

Houston Chronicle, November 12, 2006

WASHINGTON - The legacy of the once powerful Republican Tom DeLay of Sugar Land cast a long shadow over last week's elections, in which voters shrank the ranks of a party accused of being too partisan, too cozy with special interests and too fond of big spending.

As majority whip and later majority leader of the House, DeLay helped build a Republican political empire that he tried to make immune from erosion by pushing the 2003 Texas redistricting plan that threw several veteran House Democrats out of office.

For years the former pest exterminator ruled with an iron hand that brought his party legislative victories but also intensified the poisonous partisan mood in Washington.

DeLay's combative style indeed was one of the factors in turning the electorate away from the GOP, said Ross Baker, a political scientist at Rutgers University.

"I don't think Tom DeLay as an individual was in the minds of many voters. But the election was very much a reaction to the kind of bare-knuckles politics he practiced," Baker said. "People thought this extreme, destructive partisanship had gone on long enough."

Conservatives, independent political observers and officials from both parties also said last week that the close ties between lobbyists and lawmakers that DeLay nurtured, and which led to the political scandal involving convicted former lobbyist Jack Abramoff, cost Republicans some seats as Democrats took over the majority in the House and Senate.

Party principles

The decision by DeLay and others in the GOP leadership to boost federal funds for programs, thereby helping lawmakers get re-elected by benefiting many of their constituents, alienated fiscal conservatives. They felt the party had betrayed its principles of smaller government.

"When Tom and his bunch first ran, they campaigned against the cesspool in Washington. After a while they looked around and said, 'Hey, this isn't a cesspool, it's a hot tub,' " said seasoned conservative activist Richard Viguerie. (As a state lawmaker, DeLay was nicknamed "hot tub Tom" because of his penchant for enjoying the good life).

A CNN poll conducted Tuesday found that 42 percent of voters nationwide said that ethics was an extremely important factor in their vote.

DeLay did not return calls for comment for this article. In television appearances after the election last week, DeLay conceded that corruption had been an issue but dismissed the idea that voters had just rejected the type of government he advocated.

"I think the corruption issue was really important in about nine or ten different seats," he said on CNN. "Those of us and those Americans that want to win the war on terror, want fundamental tax reform, want to stop the culture of death, want to stop judicial activism, we're going to have to wait now until '08.

"This country is still right of center," he said. "There are more conservatives in this country than liberals."

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But Viguerie said DeLay was a symbol of the GOP abandoning its core principles, leaving some conservatives sitting out last week's election.

DeLay's leading role in lining up Republican votes for Bush's Medicare prescription-drug plan, a major new entitlement program, was a prime example of his betraying conservatives, Viguerie said.

District goes to Dems

Adding irony to injury, DeLay's Houston-area 22nd Congressional District seat was won Tuesday by a Democrat, Nick Lampson, who was turned out of office two years ago essentially because of the new DeLay-inspired election map that made more Texas districts lean Republican.

A major factor in Lampson's victory was that DeLay won the Republican primary this year, then quit Congress and declined to run in last week's general election, leaving the Republican Party unsuccessfully going to court to get a replacement candidate on the ballot. GOP write-in candidate Shelley Sekula-Gibbs' spirited campaign to become the first write-in contender in Texas history to win a congressional seat fell short.

Marshall Wittmann, a former Republican who works for the Democratic Leadership Council, a centrist Democratic group, said the election served as a referendum on DeLay's methods as a congressional leader.

"It was complete rejection of DeLay, from cronyism to corruption to ideological polarization," Wittmann said.

DeLay resigned last spring in part because of his indictment by a Texas grand jury on charges of violating state election law on campaign financing.

Even the Wall Street Journal's conservative editorial page said Friday that DeLay had undercut the 1994 Republican revolution spearheaded by former House Speaker Newt Gingrich, whose stated goals were to make "government smaller and smarter."

"Somehow, over the years, that conviction was replaced by Tom DeLay and the quest for permanent incumbency," the editorial stated.

Ties to lobbyists

Viguerie criticized the so-called K Street Project, in which DeLay demanded Washington's big-business lobbyists, who have offices along that street, hire GOP staffers and contribute to Republican candidates in return for access to Congress.

"DeLay tied the Republican Party to the interests of corporate lobbyists," Viguerie said. "He changed the concept of small-government conservativism. He turned the focus from the interests of small businesses to big business."

DeLay, who has never been charged with wrongdoing over Abramoff, accompanied the lobbyist on several trips, including an expensive golf outing to Scotland.

Two former aides, Tony Rudy and Michael Scanlon, were convicted for their roles in helping Abramoff, who lavished gifts and trips on lawmakers in return for legislative favors.

The federal probe of Abramoff's activities resulted in the conviction of GOP Rep. Bob Ney of Ohio, whose seat was won by a Democrat. Republican Sen. Conrad Burns of Montana, who had received major contributions from Abramoff and his clients, also lost his election. He was defeated by Democrat Jon Tester, who made ethics an issue in the campaign.

New strategy

In dissecting reasons for his party's losses, Ken Mehlman, outgoing Republican National Committee chairman, pointed to Congress' failure to adopt tougher rules on ethics and earmarks, the funding for special projects often inserted into spending bills by lawmakers at the behest of lobbyists.

"I think reform ought to be a big focus. Obviously you need to raise money to win in politics, but you should never, in exchange for raising money, change your principles or your policies," Mehlman said.

G.O.P. Collapse In Indiana Emblematic Of Larger Loss (NYT)

By Adam Nossiter

The New York Times, November 12, 2006

EVANSVILLE, Ind., Nov. 10 — As he campaigned for re-election, the Republican who lost his seat in the House of Representatives here on Tuesday threw several incendiary barbs suggesting that the opposition was beyond the mainstream of these placid southern Indiana environs: “Homosexual agenda”; “San Francisco liberal Nancy Pelosi”; “New York liberal Charlie Rangel”; “Detroit liberal John Conyers.”

The attack backfired, and the Republican incumbent, John Hostettler, lost, as did two other incumbent Indiana Republicans in what proved to be a crucial state for Democrats in winning the House.

The mechanics of those defeats offer insights into the larger loss, and point to traps that Republican candidates appeared to have unwittingly entered: In all three cases, to demonstrate being a Washington insider was to court doom, no matter how much the incumbents railed against the ways of the capital.

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Nowhere was that dynamic more striking than in Evansville, an old industrial city on the Ohio River, with its stolid manufacturing plants at the edges and its seasoned red-brick neighborhoods downtown. Mr. Hostettler had fashioned a determinedly unconventional image for himself over 12 years, from his contrarian vote against the Iraq war to his claim that abortion and breast cancer were linked.

Mr. Hostettler was a principled "citizen legislator," a "Mr. Smith," his press secretary said, and when it came time to run for re-election in a district that President Bush won by 24 points in 2004, the congressman tried associating his Democrat opponent with the worst of Washington's taint, at least in conservative eyes.

"Eighth District voters are concerned about the homosexual agenda," Mr. Hostettler was quoted as saying. Ms. Pelosi was certain to "put in motion her radical plan to advance the homosexual agenda," a Hostettler radio advertisement said.

The flaw in that strategy was that Nancy Pelosi was hardly the household name on the banks of the Ohio that she was on the banks of the Potomac. Mr. Hostettler knew who she was, of course, but in Evansville and the little towns stretching up to Indianapolis, that was less of a sure bet, said Brad Ellsworth, the Democrat who beat Mr. Hostettler.

"The question I get the most is, 'Who is Nancy Pelosi?' " Mr. Ellsworth said. "People to this day don't know who Pelosi is."

In any case, he said, attacks on Ms. Pelosi "offended a lot of women in this area."

In the end, Mr. Hostettler ended up tarring only himself by demonstrating his superior knowledge of and close association with Washington. Mr. Ellsworth, by contrast, came across as the ultimate outsider: he appeared to struggle to remember whom he voted for in the 2004 presidential election, or whether he voted at all.

Mr. Ellsworth, 48, the easygoing sheriff of Vanderburgh County, was also nearly as conservative as his Republican opponent. He said he became a Democrat only because Republicans on the County Council voted against paying for bulletproof vests for sheriff's deputies in the early 1980s.

A similar chain of events unfolded elsewhere in Indiana.

East along the Ohio in the neighboring Ninth District, supporters of Representative Mike Sodrel, the freshman Republican who lost his race for re-election, routinely described him as a nonpolitician inured to Washington's ways.

"For most of us, we don't look at Mike as a politician, we look at him as a patriot," said Jan Whittenberg, the outreach director at Graceland Baptist Church in New Albany.

Yet the wealthy but down-home Mr. Sodrel, a self-made trucking magnate, was among the most assiduous of all House candidates in enlisting campaign support from Republican power brokers. President Bush, Vice President Dick Cheney, Laura Bush and various cabinet members made repeated visits to Indiana on Mr. Sodrel's behalf — "essentially the entire Republican establishment," said Abby Curran, the campaign manager for the Democratic candidate, Baron Hill.

Mr. Sodrel's campaign came out with the usual Republican talking points, jabbing at Mr. Hill on gay rights, flag-burning and "Hoosier values." A billboard on Interstate 65 in southern Indiana proclaimed Mr. Hill's support for abortion, though Mr. Sodrel's campaign said it was paid for by a third-party group.

But as in the other race, Mr. Sodrel found it virtually impossible to outflank his conservative Democrat. Outside Graceland Baptist two days before the election, Stephen Baldwin, a Sodrel supporter, said of his candidate: "He's a member. He's no politician."

Yet the message conveyed by the cavalcade of Republican stars through southeastern Indiana was exactly the opposite.

"I think there was a perception out there, Who's going to be the Washington insider?" Mr. Hill said. "He created an impression that he was going to be beholden to all these people."

In the Second Congressional District, which contains northern industrial precincts, Representative Chris Chocola, a two-term Republican, saw his re-election bid fail under similar tactics. Mr. Bush made the district his first stop in a House race this election season, in February, and candidate and president formed a tight bond from the start.

"Chocola followed the Rovean line early on, to stick as close as possible to Bush," said Peri E. Arnold, a political science professor at Notre Dame, which is in the Second District, in a reference to Mr. Bush's adviser Karl Rove. "There was no effort to separate himself from Bush, and in this district he paid a significant price for that."

Katie Nee, the campaign manager for the winning Democrat, Joe Donnelly, put it this way: "There was just a general feeling that Washington was not working for the people in this district."

Days after the election, Republican operatives here continued to express bitterness and bewilderment at Tuesday's outcomes, insisting that the best men — the experienced ones — had not won. Yet of Indiana's three Democratic winners, the candidate with easily the biggest margin, Mr. Ellsworth, had the weakest ties to politics. Both of the other Democrats had run for elected office before (Mr. Hill, in fact, had served two terms in the House before he was defeated in 2004 by Mr. Sodrel).

But Mr. Ellsworth was such a novice that when Steny H. Hoyer, the House minority whip, called to recruit him to run, Mr. Ellsworth said he called Washington back and asked to speak with "Congressman Steny."

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Though national Democrats may have nudged Mr. Ellsworth into running, he insisted on a grass-roots, on-the-ground campaign up and down the district. “That’s the only way I knew how to run this thing,” he said. “Get out and meet people.”

His new constituents took note. Rick Wahl, a technician for Terminix pest control, finishing up a job at the First Avenue Diner here, did not vote for the incumbent and expressed gratitude at his demise.

“We’re the people who do the electing,” Mr. Wahl said. “He’s a servant of the people. And he seems to have forgotten who the people are.”

Rove Remains Steadfast In The Face Of Criticism (WP)

By Peter Baker

The Washington Post, November 12, 2006

For a man still climbing out of the rubble, Karl Rove seemed in his usual unflappable mood. He roamed around his windowless West Wing office decorated with four Abraham Lincoln portraits, joking with his staff, stuffing copies of "The Iliad" and "The Odyssey" into his bag and signing the last paperwork of the day.

The Architect, as President Bush once called him, has a theory for why the building fell down. "Get me the one-pager!" he cried out to an aide, who promptly delivered a single sheet of paper that had been updated almost hourly since the midterm elections with a series of statistics explaining that the "thumping" Bush took was not such a thumping after all.

The theory is this: The building's infrastructure was actually quite sound. It was bad luck and seasonal shifts in the winds that blew out the walls -- complacent candidates, an ill-timed Mark Foley page scandal and the predictable cycles of history. But the foundation is fine: "The Republican philosophy is alive and well and likely to reemerge in the majority in 2008."

The rest of Washington might think Tuesday's elections were a repudiation of Rove's brand of politics, but Rove does not. For years, he has been the center of hyperbolic attention -- called the genius, the electoral mastermind, the most powerful presidential adviser in a century, Bush's brain, the master of the dark arts of wedge politics, the Republican Moses leading conservatives out of the desert.

The mythology grew to such an outsized degree that when Rove insisted again and again during the campaign that Republicans would win despite the odds, fearful Democrats convinced themselves that he must have known something they did not and waited for an October surprise to spring. Rove encouraged that with supreme confidence. "You are entitled to your math, and I'm entitled to the math," he told a National Public Radio interviewer who suggested Democrats might win.

It turns out that Rove is mortal after all, and not always so good at math. And his critics are crowing. If he tuned in to CNN or NPR last week, here's a sampling of what he would have heard about himself.

Richard Viguerie, the conservative direct-mail pioneer: "Clearly a loss for George Bush, Karl Rove."

Andrew Sullivan, the conservative writer: "Shows him not to be a genius, but to be a real failure as a political strategist."

Bill Maher, the political satirist: "Karl Rove has led this Republican Party down a hole."

David Gergen, ex-presidential adviser: "He went off to hardliners, and that left an awful lot of moderates . . . feeling alienated."

Even Bush seemed to be jabbing at Rove in the aftermath of the elections, which handed Congress back to the Democrats. At a news conference Wednesday, Bush was asked about his ongoing book-reading contest with Rove. "I'm losing," Bush said tartly. "I obviously was working harder in the campaign that he was."

But those who interpret that as anything more than an affectionate, if edgy, dig misunderstand the president's sense of humor and his relationship with his chief strategist, according to officials. Bush likes to needle Rove, even nicknaming him "Turd Blossom," but aides said he does not blame his adviser for the loss, and few believe Rove will lose his job. Instead, he will turn to figuring out a policy and political agenda that can salvage the last two years of the Bush presidency.

"From everything that I've heard, Karl will be around till the end," said Michael J. Gerson, a former White House adviser. "The reason is simple: People who view him as a campaign operative whose usefulness ends when the last vote is counted are wrong."

Asked about his plans, Rove fell back on his standard line: "I serve at the pleasure of the president with the agreement of my wife."

Allies argued that without Rove, the losses would have been worse. "He deserves a good bit of credit for victories and probably he would admit he should take a little blame for the failure," said Rep. Tom Feeney (R-Fla.). "That does not make him any less of a strategic thinker because he had a loss. If I was taking advice outside of the box from anyone, he would probably be the first person I call."

Mary Matalin, an adviser to Vice President Cheney, said Rove is still "the Zen master of movement politics" but envious rivals are eager to gloat over a single defeat. "Karl has done a lot of things that he had to do that were necessary, and if you've been around that long you make enemies," she said. "They used to call it the green-eyed monster. It's the nature of the town."

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Rove's brand of politics aims to sharpen differences with the opposition, energize the conservative base and micro-target voters to pick off selected parts of the other side's constituency. As he has in past elections, Rove designed a strategy to paint Democrats as weak on national security and terrorism, the "party of cut and run."

In an expansive interview last week, Rove said that strategy was working until the House page sex scandal involving ex-representative Foley (R-Fla.) put the Republican campaign "back on its heels," as he put it. "We were on a roll, and it stopped it," he said. "It revived all the stuff about Abramoff and added to it."

The various scandals surrounding convicted lobbyist Jack Abramoff and other ethics allegations, Rove said, had as much, if not more, to do with the defeat than the Iraq war. In Rove's analysis, 10 of the 28 House seats Republicans lost were sacrificed because of various scandals. Another six, he said, were lost because incumbents did not recognize and react quickly enough to the threat. That leaves 12 other seats lost, fewer than the 15 that Democrats needed to capture the House. So without corruption and complacency, he argued, Republicans could have kept control regardless of Bush's troubles and the war.

"It plays some role, but if Iraq is the determining factor and it is a dominant opinion, then in a blue state like Connecticut you should not have 60 percent of the voters vote for one of the candidates who said, 'Stay, fight and win,' " Rove said, referring to Sen. Joseph I. Lieberman's victory as an independent. "I don't deny that it's a factor, but it is hard to declare" that it is the overriding factor.

The "one-pager" outlines why, in his view, the losses were not particularly extraordinary and therefore not a repudiation of Bush: The loss of 28 House seats and six Senate seats is roughly comparable to losses suffered by the party in the White House in the sixth year of other presidencies and the same as the average wartime midterm. Moreover, it says, 23 races were decided by two percentage points or less, and it credits the "GOP Ground Game," the Rove-devised turnout machine. Overall, a shift of 77,611 votes would have kept the House in Republican hands.

Others point to different statistics -- voters nearly 2 to 1 casting ballots to express opposition to Bush; one in five conservatives voting for Democrats; fewer Hispanics, Catholics and evangelicals supporting Republicans; most voters favoring withdrawal of some or all U.S. troops from Iraq. Some dismiss Rove's historical comparisons as a rationalization for failure, especially since the gerrymandering of House districts has made it harder to oust incumbents than in past midterms.

Without referencing Rove specifically, Republican National Committee Chairman Ken Mehlman called it a mistake to compare last week's defeat to past trends. "If we simply say there were historical problems we could not overcome, and that we did not have a chance to win, then we have a real problem," said Mehlman, a Rove protege. If Republicans recommit themselves to reform and smaller government, this election will be a "brief interruption in a generational effort to build a center-right majority.

Rove seconds that last thought and believes his turnout campaign actually beat the odds of history, ticking off a dozen races that were supposed to be closer. "What happened in all those? It may have been that the tactical work done by the White House, the Republican National Committee and the National Republican Congressional Committee had a big impact."

The lesson, he added, is that "if you're not complacent and you're prepared and you are driving and have a good game," you can win even in a tough political year. And so now it's back to the drawing board for the Architect.

Holding To The Center, Losing My Seat (NYT)

By Lincoln D. Chafee

The New York Times, November 12, 2006

LAST Tuesday, I was one of the many moderate Republican casualties of the anti-Bush virulence that swept the country. Despite my having voted against the Iraq war resolution, my reputation for independence, the editorial endorsement of virtually every newspaper in my state, and a job approval rating of 63 percent, I did not win. Why?

Back in December 2000, after one of the closest elections in our nation's history, Vice President-elect Dick Cheney was the guest at a weekly lunch meeting of a small group of centrist Republicans. Senators Susan Collins and Olympia Snowe of Maine, Senator Jim Jeffords of Vermont, Senator Arlen Specter of Pennsylvania and I were honored to have the opportunity to visit with him on the eve of a session of Congress in which, because of Republican defeats, the Senate would be evenly divided at 50-50.

As we sat in Senator Specter's cozy hideaway office and discussed the coming session, I was startled to hear the vice president dismiss suggestions of compromise and instead emphasize an aggressively partisan agenda that included significant tax cuts, the abandonment of international agreements and a muscular, unilateral foreign policy.

I was incredulous. Instead of a new atmosphere of cooperation and civility which, after all, had been the promise of the Bush-Cheney campaign, we seemed ready to return to the poisonous partisanship that marked the Republican-Congress — Clinton White House years.

In response to the vice president's comments I quickly sent him a letter to reinforce the views I expressed at the lunch. Excerpts follow:

As a follow-up to our meeting, I would like to pose a few thoughts.

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In my view, one of the most popular refrains expressed by Governor Bush during the presidential campaign was, “I am a uniter, not a divider.” I believe moderate Republicans can help the new administration develop a unifying agenda in the next session of Congress.

We are on an encouraging course toward reducing the national debt, and I believe we must maintain discipline both in discretionary spending and in proposals for significant tax cuts. This time of continued relative prosperity and peace is an extremely important opportunity for our country to stay on a firm pathway toward elimination of the debt.

Majorities from both parties in Congress expressed support in the past year for reform of the estate tax and repeal of the so-called marriage tax penalty. This appears to be an area of great promise for early bipartisan cooperation.

Progress on environmental issues could do much to enhance the new administration’s program. I hope the new administration will be open to proposals to reduce the country’s reliance on foreign oil through energy conservation and greater investments in mass transit.

I hope we can work together to resolve some of the controversial subjects that Democrats exploited during the campaign. If we could take such issues off the table in the early part of the new administration, I believe it would strengthen public support for the work ahead.

Obviously, my suggestions were not heeded. Our country faces daunting challenges. I believe my letter of six years ago is worth reviewing as the administration prepares for its last two years in office and as Republicans contemplate the direction our party will head in the future.

Do I have any regrets about Tuesday’s outcome? Yes. I regret that I will not be able to participate in the difficult, but critical, healing process that must take place in our government if Democrats and Republicans are going to solve the serious problems facing this great nation.

I hope the new Congress and the administration that received, in the president’s words, “a thumping,” can find common ground for the common good.

Webb May Be Senate Maverick (WP)

By Tim Craig, Michael D. Shear

The Washington Post, November 12, 2006

James Webb walked into the Fish Market restaurant in Alexandria in December and wanted longtime Democratic strategist Steve Jarding to answer just one question: What were his chances of defeating Sen. George Allen (R), one of Virginia's most popular politicians?

"Give me a number. What are my odds?" Webb, who had never run for elective office, asked.

"I said, 'Jim, they are really low,' " Jarding recalled. Webb shot back, "Give me a number."

After Jarding said "15 percent," Webb confidently said, "If I have that much of a chance, I will take it and win."

Webb's long shot paid off last week as he unseated Allen after a bruising campaign, giving Democrats control of the Senate.

With the campaign having centered on Allen's gaffes as much as it did on Webb's views on issues, few know what to expect when the former Marine and novelist enters the nation's most exclusive club, where the art of the deal rules the day.

But Webb, a former Republican and Reagan administration official, said he might be a bit of a maverick in the Senate, which could frustrate Democratic leaders who poured more than $6 million into his campaign.

"I have my own views, and I have a lot of experiences, and I think I can bring the experiences I had to issues rather than having to read off a party briefing sheet," Webb said Friday in an interview.

Webb said he will model himself after former New York senator Daniel Patrick Moynihan (D), whom he described as someone "who had government experience that was shaped by the intellectual world."

But being a senator can be as much about politics as policy, and Webb on the campaign trail was almost the antithesis of the typical politician.

Webb was nervous in front of large crowds, couldn't understand why people wanted to shake his hand and hated asking people for money. He even turned down checks from people he didn't think could afford to give up, as he called it, "their gas money."

Until a few months ago, he would walk down the center of the street during a parade instead of zigzagging the route to shake hands. When he got tired, he refused to make fundraising calls or he took time off. That's what he did when he decided not to visit churches the Sunday before the election.

But for at least the next six years, Webb will have to be the politician and deal-maker that he never was during the campaign.

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His life might become filled with ribbon-cuttings, Rotary Club dinners and town hall meetings. In Washington, the lobbyists and corporate executives he railed against during the campaign will be vying for his attention around the clock.

"He was the ultimate outside candidate," said Mark Rozell, a politics professor at George Mason University. "The trouble is, an outsider can run successful campaigns running against Washington, running against incumbents, but once elected they have to learn the task of government and taking responsibility of governing."

"Not only does he lack legislative experience, he lacks any electoral experience," Rozell said. "I think everyone will say his victory is an anti-Allen vote."

Webb's record in Washington was mixed, and he developed a reputation for being abrasive and difficult to get along with. He quit as secretary of the Navy during the Reagan administration because he objected to congressional efforts to cut the Navy's budget.

But those who know him say Webb should fit in well on Capitol Hill, where he worked as a staffer during the 1970s.

"My perspective is Jim will be a much better and happier senator than senatorial candidate," said former Virginia lieutenant governor Donald S. Beyer Jr. (D). "I don't think he is a natural candidate, but he is very bright, strong-principled and apparently fearless. I think he can be a very strong voice in the Senate. He will be very comfortable working with 99 other senators to solve problems."

Rep. Thomas M. Davis III (R-Va.) said Webb has "a keen intellect" and will do fine in the Senate, once he understands its frustrations.

"It will test his patience, as it does all of us," said Davis, who has known Webb since the two coached Little League games together in Fairfax County.

Webb, an early opponent of the war in Iraq, might make his mark in the Senate in foreign and military affairs. Current and former politicians said they expect him to become the face of the Democratic Party's antiwar movement.

"It will make him a very important person," said former Nebraska senator Bob Kerrey (D), who had urged Webb to run. "If the question is how you structure our military for the future, he is going to come with a lot of knowledge."

Kerrey said Webb will become a magnet for senators who want him to co-sponsor their foreign-policy bills to give them credibility.

A Vietnam War hero, Webb can also be expected to take the lead on veterans issues. He will be representing a state that has among the highest percentage of veterans in the nation.

He said he immediately wants to introduce bills to give tax breaks to soldiers and educational assistance to veterans of the wars in Iraq and Afghanistan, similar to the World War II-era GI Bill.

As a former Republican, Webb will become a swing voter and play a role similar to that of his Senate buddies Chuck Hagel (R-Neb.) and John McCain (R-Ariz.). Webb, Hagel and McCain, as well as Virginia Sen. John W. Warner (R), could form an important voting bloc on issues related to foreign policy, political analysts say.

Webb, however, said it would be unfair to cast him as solely a foreign policy wonk. Despite conventional wisdom that he abandoned the Republican Party because of the Iraq war, Webb said economic issues are what drove him to the Democrats.

On the campaign trail, Webb talked about the "three Americas" -- rich, poor and middle-class -- and how society was breaking down over "class lines." Webb, who vows to never change what he believes for a "dollar or a vote," said he wants to close corporate tax loopholes and pay closer attention to escalating salaries for chief executives.

Webb also has an affinity for the labor movement, even though Virginia is a right-to-work state. He plans to push to raise the minimum wage and said that "organized labor is very important because everyone needs an agent."

Webb might also try to steer federal dollars into southwest Virginia, where his ancestors settled. Speaking to coal miners last weekend in Grundy, Webb said, "You have given your loyalty, and you will have my loyalty, and I will work to bring fairness back to the economic system."

Voters also should prepare for Webb's libertarian views on such issues as his support for abortion and gun rights and concern about some of President Bush's tactics in the war on terrorism, including the domestic wiretapping program.

"Government does not belong in people's private lives unless there is a compelling reason," Webb said.

Despite a desire to be portrayed as independent, Webb plans to become engaged with the state's Democratic Party. He said he plans to start helping Gov. Timothy M. Kaine (D) with his effort to elect more Democrats to the General Assembly next year.

"I want to do what I can to bring people back into the party," Webb said.

Del. L. Scott Lingamfelter (R-Prince William) said it would be a mistake for Webb to conclude that his victory Tuesday was a mandate.

"If he goes in tooting in there and jumps on the Hillary Clinton agenda, he'll be a one-term senator," Lingamfelter said. "Virginians won't take it."

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Webb said he understands that he beat Allen by less than 10,000 votes and that, in fact, he might not have won if Allen had not made a last-minute attack on sex-laced passages in his novels.

Allen's attack, 10 days before the election, appeared to take a toll on Webb's staffers, who began doing yoga in the hallways of his campaign headquarters to calm their nerves. But Webb said the accusations, which appeared on the Drudge Report Web site and then in newspapers and on television, backfired.

"I got 170,000 hits on my Web site in 24 hours," Webb said. "That is when I said, 'I think I am going to win.' "

I Am Macaca (WP)

By S.R. Sidarth

The Washington Post, November 12, 2006

This past summer, between my third and fourth year of college, I decided to volunteer for the campaign of Democratic Senate candidate Jim Webb in my home state of Virginia. For most of the summer, I worked behind the scenes at the campaign headquarters in Arlington, helping set up field offices statewide and performing other odd jobs. In the second week of August, I was dispatched by the campaign to serve as Republican Sen. George Allen's tracker on a "listening tour" across the state. Tracking was a rather solitary pursuit; I videotaped Allen's public appearances whenever I was admitted into an event and killed time between stops in places I had never been to before.

Then, on Aug. 11, my experience took a strange -- and now famous -- turn. On that day in Breaks Interstate Park, located on the Kentucky border, Allen acknowledged my presence for the first time in one of his stump speeches. I was singled out at a GOP picnic, identified as "macaca or whatever his name is" -- despite the fact that Allen knew my name, as we had been traveling the same route for five days -- and then "welcome[d] to America and the real world of Virginia."

Allen's actions that day stood out because they were not representative of how I was treated while traveling around the state. Everywhere I went, though I was identifiably working on behalf of Allen's opponent, people treated me with dignity, respect and kindness. I cannot recall one event where food was served and I was not invited to join in the meal. In southwest Virginia, hospitality toward me was at a high point.

The night before the incident in Breaks, I stayed at the home of Jewel Jones, Webb's aunt, in Gate City on the Tennessee border. I was treated like family even though I was a guest for only half a day, and I received a grand tour of the area where Webb's ancestors have lived for more than a century. The following day, at the picnic in Breaks, even after Allen's comments highlighted my outsider status, I was not allowed to depart without eating, because as one woman put it, "Political differences are set aside at the dinner table." In the same spirit, I was given accurate directions to Allen's next event, held in Bluefield the following morning.

After Allen's remarks, my heritage suddenly became a matter of widespread interest. I am proud to be a second-generation Indian American and a practicing Hindu. My parents were born and raised in India and immigrated here more than 25 years ago; I have known no home other than Northern Virginia. The hairstyle inflicted upon me by two friends late one night also became newsworthy; for the record, it was intended to be a mullet and has since grown out to nearly the appropriate length.

The larger question that this experience brings up is: How far has society progressed on the issues of race and openness? By 2050, according to most projections, the United States will be a minority-majority nation. But the fact that Allen believed I was an immigrant, when in fact I am a native Virginian, underlines the problems our society still faces.

Then again, Webb's victory last week gives me hope that Virginia will not tolerate playing the race card. It is still hard for me to accept that I could have had a pivotal role in the election results; I would not wish the scrutiny I received on anyone. But I am also glad to have helped Webb. Every little bit counted, especially in an election decided by about 9,000 votes out of nearly 2.4 million cast.

The politics of division just don't work anymore. Nothing made me happier on election night than finding out the results from Dickenson County, where Allen and I had our encounter. Webb won there, in what I can only hope was a vote to deal the race card out of American politics once and for all.

A Survivor Reflects On Political Casualties, And Real Ones (NYT)

By Peter Applebome

The New York Times, November 12, 2006

Bridgeport, Conn.

Sitting in the sun on the balcony of his house overlooking the Long Island Sound on Thursday, Representative Christopher Shays rubbed his eyes, rubbed his temples, jumped up to take a congratulatory call from Mayor Michael R. Bloomberg, and plopped back wearily into a white plastic chair.

Like the only survivor of a hotel fire, he was a little hesitant to draw too many conclusions but glad he was alive.

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"I'm only two days into this," said Mr. Shays, after narrowly beating Diane G. Farrell to keep the seat in Congress he has held since 1987. "The first day you try to get your sleep. The second day you try to think about what happened to your friends."

Many of them were the Republicans who were washed out to sea in the Democratic tide. Mr. Shays was one of the few Republicans among perhaps two dozen seen as vulnerable back in September who managed to survive. He was the only one of the three Republican incumbents from Connecticut who won re-election. When he went to Congress, he was one of nine Republican representatives from the six New England states. In the next Congress, he will be the only one.

And he won the race the hard way. He had a highly regarded, well-funded opponent. He supported the war in Iraq, if not the way it was executed. He agreed to take part in 11 debates. He did not run negative ads. He lost most of the key newspaper endorsements. His district, the Fourth, was solidly antiwar.

Some things you can learn from a guy who bucked the tide and won. Some you can't. Mr. Shays no doubt benefited from his reputation for being an effective congressman and for a maverick's image going back to the State Legislature in the mid-1980s. He has burnished that image in Congress ever since he got there.

He showed up at every campaign event with a 54-page booklet of positions, votes, achievements and federal spending in the district — not sexy but informative. He was able to convince people, in a way that the state's two other Republicans, Nancy L. Johnson and Rob Simmons, were not, that if they wanted change, he was still enough of an outsider to offer it. He ran without apology on the war, saying it was a noble effort that had been botched but could still be saved. And he rejected the notion of a consultant-driven, cookie-cutter campaign with the requisite attack ads. He ran the campaign his way, and he made it work.

"By being willing to lose the election, I won the election," Mr. Shays said. "Because from the start I was willing to lose rather than to win the wrong way. And I think of some of my colleagues that have lost around the country, and I think, boy, I would never want to go out that way."

Of course, one voter's maverick may be one colleague's grandstanding egotist. It's likely that some of Mr. Shays's fellow party members were more eager to keep his seat Republican than to see the guy sitting in it be re-elected. But he figures that if ever the party needs in-house critics, it's now.

"We lost our moral authority to lead," he said. "Power in and of itself does not justify holding power."

He said that when the party looked the other way at its ethical failings over the years, it was ambling toward disaster that finally arrived in the House page scandal.

"As soon as Foley came up, I knew it. You could feel it. I said, 'We're dead.' "

BUT, of course, there were casualties that mattered a lot more than the election ones.

"I don't know how you'll react to this, but I also want to say this," he said on Tuesday night in his victory speech, interrupting the election night ritualistic hoopla with a jolt of reality. He read four names: "Wilfredo Perez. Tyanna Avery-Felder. Jack Dempsey. Nicholas Maderas. I sent them to Iraq, and they came home draped in American flags.

"I think about them almost every day of my life. And when the press talked about how tormented I must feel," he said, referring to the possibility of losing the election, "they just didn't get it. They just didn't get it. The only torment I feel is for those families. And I pray that we can make it right for these families, and that we will find a way to have our men and women come home from success not failure, but that we find a way to bring them home."

No one who knows him doubts his sincerity. But no one knows better than Mr. Shays that good intentions can be trumped by bad results. He knows in the end he will be judged more on what happens in the war fought by Specialist Perez, Specialist Avery-Felder, Corporal Dempsey and Private Maderas than on whether he ran a perfect race and held off Ms. Farrell, withstood the raging tides and kept his seat two more years.

New Democratic Majority Throws Bush's Judicial Nominations Into Uncertainty (NYT)

By Neil A. Lewis

The New York Times, November 12, 2006

WASHINGTON, Nov. 11 — The impending Democratic takeover of the Senate, lawmakers and administration officials agree, will produce a vast change in an area that has produced some of the sharpest partisan battles in recent years: President Bush's effort to shape the federal bench with conservative judicial nominees.

There is a strong consensus that the four most conservative of Mr. Bush's nominations to the federal appeals courts are doomed. Republicans and Democrats say the four have no chance of confirmation in the next several weeks of the lame-duck Congressional session or in the final two years of Mr. Bush's term.

The nominees are William J. Haynes II, the Pentagon's chief lawyer who was responsible for the much-criticized military interrogation policies; William G. Myers III, a longtime lobbyist for the mining and ranching industries and a critic of environmental regulations; Terrence W. Boyle, a district court judge in North Carolina; and Michael B. Wallace of Mississippi, a lawyer who was rated unqualified for the court by the American Bar Association.

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For the past six years, the relationship between Senate Democrats and Mr. Bush has been marked by unremitting rancor and suspicion. The Constitution gives the Senate the power to confirm or decline a president's judicial choices; although Senate Democrats were in the minority for much of Mr. Bush's term, they took the unusual step of waging filibusters to block several of the president's nominees who they said were too conservative.

With that foundation of hostility, there is deep uncertainty now as to how Mr. Bush and the Democratic Senate will deal with each other come January.

Some Democrats say that how Mr. Bush handles judicial nominations will provide an early test of his pledge to compromise and de-emphasize partisanship. It will be significant, they say, whether he chooses to renominate his four most conservative choices in the next Congress, hoping for political reasons to paint Democrats as obstructionist, or instead drops them as hopeless and tries to reach compromises.

Ronald A. Klain, a former Democratic chief counsel for the Judiciary Committee and the White House counsel in charge of judicial nominations for President Bill Clinton, said Mr. Bush and the Republicans faced a decision with important implications.

"The Bush administration has played the game of judicial selection very hard and very far to the right for the past six years with little moderation," Mr. Klain said. "They have to make a fundamental decision now as to how they want to deal with this. Do they move to the center or stay true to the right?"

A senior Democratic strategist in the Senate said his party was eager to see which direction Mr. Bush chose on judicial nominations.

"Those guys in the White House have governed unilaterally for six years," said the official, who spoke on the condition of anonymity as is customary among Congressional staff. "It's been their way or no way, show no quarter."

"Does he pivot and become like he was as Texas governor and work with both sides of the aisle," the official said, "or does he send up these guys again and set us up for hard votes and call the Democrats obstructionist?"

That had been a political tenet of the White House. The administration had a no-lose situation in naming staunch conservatives to the bench: their choices would either be confirmed or their defeat would provide a strong campaign issue.

The chief Republican proponent of underlining Democratic opposition to Mr. Bush's judicial choices was Senator Rick Santorum of Pennsylvania. Mr. Santorum, as a Republican leader, once staged a round-the-clock "anti-filibuster" in 2003 in which the Senate was kept in continual session for 40 hours over two nights. Mr. Santorum was defeated in his re-election bid this week.

Senator Arlen Specter, the Pennsylvania Republican who is chairman of the Judiciary Committee, said this week that he thought Democrats were overreaching in viewing Mr. Bush's actions as a test.

"The last time I read the Constitution, the president has the power to nominate whomever he wants," Mr. Specter said. "The Democrats don't have to vote for those people, but I don't see it as a sign of truculence or defiance if he nominates people they won't vote for."

Mr. Specter said he hoped to move forward on other Bush nominees who were less controversial than those four. He said Peter M. Keisler, a senior Justice Department lawyer nominated to a seat on the appeals court in Washington, should be considered quickly.

"I don't know of any substantive objection to his nomination," Mr. Specter said. "It's not good public policy to hold someone up without cause."

David A. Yalof, a political science professor at the University of Connecticut and an authority on judicial selection, said the larger political objective for the Democrats might have little to do with individual assessments of the Bush nominees.

In the last two years of a presidency, Professor Yalof said, "The priority for the party not in control of the White House is not so much in stopping candidates based on their ideologies, but keeping as many vacancies open as possible on the theory that the next president may be someone of your party and will be able to fill those slots."

If the Democrats follow that model, he said, they will be following the playbook of the Republicans, who blocked most of Mr. Clinton's appeals court nominees in his last two years in office.

Carmakers' Agenda For Bush: Hear Our Pain (FREEP)

By Justin Hyde

Detroit Free Press, November 12, 2006

WASHINGTON -- When the heads of Detroit's automakers finally take their seats at the White House on Tuesday across from President George W. Bush, their concerns will boil down to the old Aretha Franklin song: R-E-S-P-E-C-T.

From the rising cost of retiree health care to the advantages a weak yen gives the Japanese, the Detroit automakers will press for more recognition for their issues, something industry executives say has been lacking from the president. They'll also attempt to draw distinctions between themselves and the foreign automakers whose U.S. branches generate record profits.

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But they will make clear that their concerns do not add up to another seven-letter word: B-A-I-L-O-U-T.

The meeting should "enhance the president's understanding of the importance of the domestic auto industry to the economic health of the United States," General Motors Vice Chairman Bob Lutz said in a recent interview, emphasizing the word "domestic."

Foreign automakers that build cars in the United States help the economy, "but it's not the same as a fully integrated American auto company that retains the intellectual property in the United States, has primarily American shareholders," he said, so "the wealth gets reinvested in the U.S."

Ford Chief Executive Alan Mulally said Friday of the meeting with Bush: "What I'm looking forward to is just sharing with him the state of our industry and also talking about competitiveness going forward."

All sides expect no firm commitments from the scheduled 45-minute session in the Roosevelt Room, which will include Treasury Secretary Henry Paulson and Al Hubbard, director of the National Economic Council.

White House spokesman Tony Snow said Friday that Bush planned to use the meeting to "reaffirm his support for the American auto industry, and his support for its growth and success." Snow said Bush also will thank them for their progress on flexible-fuel and hybrid vehicles.

Whether or not GM Chairman Rick Wagoner, Mulally and Chrysler Group Chief Executive Tom LaSorda can get their points across to Bush, the industry does have a louder voice in Washington thanks to the rise of its most ardent backers in a Congress that, after Tuesday's election, will be controlled by Democrats.

"I hope this meeting produces some evidence that this administration finally understands the needs of the American auto industry to be treated fairly in the world marketplace," said U.S. Rep. John Dingell, a Dearborn Democrat who is pegged to reclaim the chairmanship of the House Energy and Commerce Committee, which handles many issues important to the auto industry.

Added Sen. Carl Levin, D-Mich.: "We need a government that's a partner with the auto industry and manufacturing sector. Our companies do not compete with foreign companies. They compete with foreign governments."

While congressional Democrats had pushed several pieces of legislation that would help the industry, their prospects are questionable, as the party's leaders and Bush have yet to discuss their priorities in depth.

Here are the three topics that will dominate Tuesday's meeting, and the outlook for each.

Health care: Perhaps the single greatest threat to the automakers' finances, health care adds $900 to $1,400 to the cost of every vehicle GM, Ford and Chrysler make. All three spend more on health care than on steel, and GM's estimated costs for future retiree health-care benefits could wipe out the shareholder equity on its balance sheet later this year because of an accounting rule change.

Despite the gravity of the health-care issue, there's been little movement in Washington toward major health-care reform. The health-care bill closest to passing Congress aims to lower costs by setting standards for computer systems, benefits that would mainly control the rate of inflation years from now.

Democratic leaders have pledged to rework part of the Medicare drug plan benefit to allow the government to negotiate drug prices and close the so-called doughnut hole, the gap in coverage when seniors spend between $2,250 and $5,100 a year on prescription drugs.

Sean McAlinden, chief economist for the Center for Automotive Research in Ann Arbor, said such a move could save GM alone "hundreds of millions of dollars a year" by providing drugs that GM pays for today. But most observers expect Bush would veto major alterations to the Medicare plan, and closing the hole would require $200 billion over 10 years -- more than might be saved through price negotiations.

Dingell said that while broad reforms would be difficult, even changes that worked around the edges of the problem could benefit metro Detroit.

Trade and currency: A chronic complaint of the domestic automakers -- the unfair advantage of a weak Japanese yen -- has grown in Detroit's executive suites as Toyota, Honda and Nissan rack up impressive profits.

The automakers contend that Japan artificially suppresses the value of its yen, making imported goods from Japan cheaper and boosting the profits exported from American customers. The automakers might press hard on currency issues because Bush is scheduled to meet with Japan Prime Minister Shinzo Abe on Saturday during his visit to Vietnam.

Energy: "Energy independence" was the one Washington buzz phrase shared across party lines before the election, and will only gain momentum with the Democrats' elevation in Congress.

The Detroit automakers pledged earlier this year to double the number of vehicles they build annually that can run on 85% ethanol fuel, and have pushed for more incentives to spread E85 fueling stations.

Bush has proposed revising fuel economy standards for passenger cars, which the industry hasn't opposed, but has not supported the kind of higher standards many Democrats back.

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One type of proposal that could gain momentum would be some sort of industry Marshall Plan, which would give Detroit automakers help with their benefit costs in return for increased spending on new fuel-efficient technologies such as plug-in hybrids.

Some lawmakers also have called for large boosts in the federal research spending on new vehicle technology such as fuel cells, which could allow automakers to do less of the heavy lifting in that type of research themselves.

"That money they must spend on these things now comes from the bottom line," McAlinden said. "The money not used from the bottom line could be released for more prosaic product development."

The trouble for Detroit in pushing for these issues is that the automakers' concerns contradict Bush's portrayal of a vigorous U.S. manufacturing sector and a healthy national economy.

Those concerns might fall on deaf ears in Washington, where many see the domestic companies' troubles as self-inflicted rather than structural. Bush himself said last month that the automakers' accumulated health-care and retirement promises to their workers were their burden, not the government's.

"The U.S. remains a competitive place to make cars and many components, but GM and Ford labor under a $2,500 cost disadvantage thanks to clumsy management and unrealistic labor contracts," said Peter Morici, a business professor at the University of Maryland.

Consider last month's jobs report. While most measures of manufacturing output have remained strong, manufacturing jobs shrank again, accounting for the lowest share of employed workers in modern times. Part of that decline came from lost jobs in auto factories, where employment hit a 14-year-low as thousands of workers took buyouts or early retirement from GM and Delphi Corp.

Ed Lazear, chairman of the Council of Economic Advisers, said the decline in manufacturing jobs over the past couple of years was a result of more productive factories and that jobs lost in manufacturing were being replaced with higher-wage work in other industries.

"One of the things this economy seems to be best at is figuring out ways to produce more output with fewer resources," Lazear said. "That's a good thing because what it means is that we can release labor to work in other sectors and to be more productive in other sectors."

Bush last met with the heads of Detroit's automakers in Dearborn in 2003, as he canvassed the country to build support for his tax-cut package, which all three of the companies' then-CEOs pledged to support.

The last White House meeting with Detroit's Big Three was in 1997, when auto and union executives warned President Bill Clinton that the Kyoto greenhouse gas reduction treaty could hurt their business. Clinton also chatted with CEOs during a 2000 visit to the Detroit auto show.

None of those events carried the anticipation of this meeting, because most of the automakers were healthy at those earlier meetings. But with roughly 70,000 jobs being cut by GM and Ford, and the German-owned Chrysler Group losing money, the political pressures have risen exponentially.

With Dems In Power, Part D Could Get A Makeover (PPG)

By Bruce Japsen, Chicago Tribune

Pittsburgh Post-Gazette, November 12, 2006

CHICAGO -- The Democratic landslide in last week's midterm elections raises the specter of federal regulation of drug prices via changes to Medicare's new prescription drug benefit -- a move that could lower costs for seniors and squeeze pharmaceutical and health insurance industry profits.

With Democrats in control of both houses of Congress, they are almost certain to seek passage of price control measures in that legislative body. And there are enough Republicans who supported price-control measures in the past that bills will gain momentum next year, analysts say, meaning members of Congress who vote against them will feel the wrath of seniors in the 2008 election.

Shares of most major drug makers and health insurers fell last week on concerns over tougher regulations on prescriptions. Democrats have said many of these firms have reaped huge sales and profits from the new drug benefit -- money that could have been passed on to taxpayers in terms of savings or seniors in terms of richer drug benefits.

The law creating the Medicare Part D drug benefit, added in 2003, did not allow the Medicare program to negotiate prices directly with manufacturers, as the U.S. Department of Veterans Affairs does. The VA is known for winning price concessions from drug companies from direct negotiations.

Not only did Democrats favor such direct negotiations, but some influential Republican senators such as presidential aspirant John McCain of Arizona also supported the idea. Mr. McCain could be a critical vote for the new but ultraslim Democratic majority in the Senate.

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A nonpartisan study has shown costs are more than 10 percent higher by having private insurers involved in the benefit coverage rather than having the government administer the program on its own.

"The Democratic Party's takeover ... shifts the policy landscape for health-care providers," Kemp Dolliver, analyst with investment bank Cowen & Co., wrote in a report Wednesday. "The Democrats will put Medicare Part D 'in play' by proposing removal of the clause of the Medicare Modernization Act of 2003 that prohibits the federal government from negotiating drug prices directly with manufacturers."

Not to be underestimated, however, is the clout of the pharmaceutical industry, which contributes heavily to campaigns of both parties. And President Bush, a Republican, would have the authority to veto any legislation while his appointees, who run the Centers for Medicare & Medicaid Services, can "drag their heels" on implementing provisions for negotiating directly with drug makers, Mr. Dolliver said.

At the very least, however, Democrats have won power to hold hearings about the profits that drug makers, health insurers and pharmacy benefit firms have made since the Medicare benefit became widely available to seniors this year, analysts predict.

These Democrats say insurers, pharmacy benefit managers and drugstores have the ability to pass along more savings, and bills already are being pushed to foster more transparency in price negotiations. Analysts also have mentioned Walgreen Co. as a potential congressional probe target because generics are popular with seniors and drugstores mark up prices of generics.

But the health-care industry argues that the private sector does get good prices because dozens of health plans and pharmacy benefit firms are able to play the drug makers off of one another in a free market system for better prices. These companies also say consumers have more choices because dozens of private health plans offer the drug benefit, which allows for more choice and creates price competition among the various benefit plans.

"This is the first time in history of passage of any government program where the actual costs were less than the estimates at the time of passage," said Karen Ignagni, chief executive officer of America's Health Insurance Plans, a trade group and lobby. "The government is benefiting because the costs are lower and beneficiaries are benefiting because [monthly] premiums were projected to be $38 a month and now they are $24 on average."

The drug industry also argues that regulating drug prices would hurt consumers and patients because it would harm drug makers' budgets for research and development. Pharmaceutical companies also say price controls could lead to supply shortages.

"We believe that Congress and the administration should carefully consider the impact that any legislation or regulation might have on pharmaceutical innovation," said Billy Tauzin, chief executive of the Pharmaceutical Research and Manufacturers of America, which includes Pfizer Inc., Merck & Co. and Abbott Laboratories among its powerful membership.

"America's pharmaceutical research companies lead the world in discovering new cures and treatments for patients," Mr. Tauzin added. "The new drugs that save patient lives today are a result of the billions of dollars and years of research and development that pharmaceutical companies invest."

White House Eyes Dollars From Nevada Land Sale (WT)

By Audrey Hudson

The Washington Times, November 12, 2006

The Bush administration is trying to get its hands on millions of dollars generated from sales of federally owned land in Nevada in order to help pay down the deficit.

As part of the Southern Nevada Public Land Management Act, which passed in 1998, Congress agreed to sell 13 million acres of land in Nevada. The key backers of thelaw -- Nevada Sens. John Ensign, a Republican, and Harry Reid, a Democrat -- estimated the sales would provide $350 million to improve federal landholdings, preserve endangered species, fund state education and encourage construction of affordable housing for low-income residents.

But a real estate boom in the growing city of Las Vegas has helped the Bureau of Land Management, which is in charge of auctioning the land, bring in nearly $3 billion.

"It's like the Nevada delegation pulled a lever on the slot machine, and the coins keep dumping out," a Republican Senate staffer said. "The Nevada delegation has hit the jackpot."

Money generated from the land sales has been used in Clark County -- which includes Las Vegas -- to help pay for a $52 million public golf course, $25 million in outdoor toilets, a $38 million park and to provide a safe habitat for the endangered Moapa dace, a fish that is a member of the carp family.

The administration now wants some of the money transferred to the Treasury Department to help pay down the federal deficit, which hit a four-year low of $247.7 billion for the budget year that ended in September.

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The administration submitted a proposal to Congress earlier this year to modify the act in order to specify who should benefit from the land sales, but that proposal is being ignored, the Republican staffer said.

"We've seen a lot of good come out of this, but when the price of property suddenly went up, we were looking at a whole bunch of money," an Interior Department official said. "And that's when those who do budgeting for deficit reduction said they needed a cut."

Nevada's two senators are against the administration -- or anyone else -- taking a cut of the money.

Jack Finn, spokesman for Mr. Ensign, said the land act is "one of his proudest accomplishments" and that revenues from the land sales "exceeded our expectations."

"It's not just the administration that wants to get their hands on the money. Other senators would like to get their hands on it, but it is Nevada legislation that should remain in Nevada," Mr. Finn said. "It is landmark legislation and Ensign strongly believes, and is making it clear to the administration, that funds generated should remain in Nevada as intended."

Jon Summers, a spokesman for Mr. Reid, said the Senate minority leader -- who is expected to become majority leader in January, as a result of last week's elections -- also opposes diverting the money out of Nevada.

"Just because the administration, with the help of a Republican rubber-stamp Congress, runs a record debt, doesn't mean we have to reopen the act," Mr. Summers said.

OTHER NEWS:

Liberal Groups Expect Postelection Results (LAT)

By Peter Wallsten, Janet Hook

The Los Angeles Times, November 12, 2006

WASHINGTON — After toppling the long-dominant Republicans in a hard-fought election, the Democratic Party's incoming congressional leaders have immediately found themselves in another difficult struggle — with their own supporters.

Some of the very activists who helped propel the Democrats to a majority in the House and Senate last week are claiming credit for the victories and demanding what they consider their due: a set of ambitious — and politically provocative — actions on gun control, abortion, national security and other issues that party leaders fear could alienate moderate voters and leave Democrats vulnerable to GOP attacks as big spenders or soft on terrorism.

The conflict underscores the challenge facing the Democrats in line to lead Congress — Nancy Pelosi of San Francisco in the House and Harry Reid of Nevada in the Senate. Each has pledged in recent days to "govern from the center," after a campaign in which anger over the Iraq war and GOP scandals helped their party attract some unusually conservative candidates and a large share of independent voters.

Turning off those new voters could undermine Democrats' hopes of solidifying their new majorities and taking the White House in 2008. But to the leaders of interest groups who are core supporters of the Democratic Party, and who had been barred under Republican rule from the inner sanctums of power, the new Congress means a time for action, not compromise.

Lobbyists for the American Civil Liberties Union, for example, are all but counting on Democrats to repeal the most controversial provisions of the Patriot Act, the anti-terrorist law pushed by the White House that some critics call unconstitutional. They also want to end President Bush's domestic wiretapping program.

"We are not going to let them off the hook," said Caroline Fredrickson, the ACLU's legislative director, of the newly empowered Democratic leaders in Congress.

"We will hold their feet to the fire and use all the tools we can to mobilize our members."

Similar vows are coming from lobbyists for abortion rights, who want to expand family-planning options for poor women and scale back Bush's focus on abstinence education, and from gun-control advocates, who hope to revive a lapsed ban on assault weapons. Labor unions, a core Democratic constituency, are demanding universal healthcare and laws discouraging corporations from seeking inexpensive labor overseas.

"It's been kind of a drought for 12 years, and there is some pent-up energy," said Bill Samuel, legislative director for the AFL-CIO, the labor federation that has long been a Democratic Party stalwart and spent millions of dollars on get-out-the-vote activities.

Several of the labor movement's less-controversial goals, such as raising the minimum wage and allowing Medicare to seek discounts on drug prices, are found both in the AFL-CIO's brochures and on a Democratic leadership wish list designed to appeal across ideological lines.

But labor officials said they expected Pelosi, Reid and others to go further.

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The day after the election, labor leaders declared a mandate for their causes and called on the new Congress to immediately reverse anti-union policies enacted by the Bush administration and promote affordable healthcare "for all."

"We're realistic about the congressional timetable, but we have our own view about why people went to the polls," said Samuel. "We think it had to do with their unhappiness with Republican inaction on the economy…. They're expecting Congress to tackle these issues, not play short ball."

Eli Pariser, executive director of the political action committee associated with the liberal activist group MoveOn.org, warned that Democratic leaders would be ill-advised to ignore the party's base.

"A huge number of people were involved in putting them over the top," Pariser said. "There's a huge group of people engaged and energized and ready to support Pelosi and company when they boldly lead — and to hold them to account if they stray."

Pressure on Democrats is especially acute to redirect U.S. policy in Iraq. Many Democrats say the issue was the most important one driving the party's victory.

Democratic lawmakers have not unified behind a single Iraq policy. If they could find common ground with Bush on a continued troop presence, they might fend off GOP efforts to label them as weak on national security — but they would probably infuriate a growing antiwar movement that helped propel the party back into power.

"American voters have done their job; now it's time for Congress to do theirs," said former Rep. Tom Andrews (D-Maine), national director of the antiwar group Win Without War. "The message couldn't be clearer. It's time to start the orderly withdrawal of American troops from Iraq. Our eyes are on the new Congress."

Other interest groups are pointing to Tuesday's results as vindication of their particular causes, and as proof that Democrats should embrace their issues rather than shun them as too liberal.

Planned Parenthood Federation of America, which advocates abortion rights, pointed to victories by like-minded candidates in conservative states and a rejection by South Dakota voters of an abortion ban. The result, the group says, should be that Democrats view their causes as mainstream, rather than part of a liberal agenda, and should devote more money to contraception and other family-planning options opposed by religious conservatives and scaled back by the administration.

"I honestly believe there was no bigger winner in this election than Planned Parenthood Action Fund and women's health," said Planned Parenthood President Cecile Richards, referring to the group's political arm.

At the Brady Campaign to Prevent Gun Violence, the leading gun-control advocacy group, President Paul Helmke has high hopes for the assault weapons ban — and he can list races where candidates backed by his group defeated those supported by the National Rifle Assn.

But Helmke, a former Republican mayor of Fort Wayne, Ind., acknowledged that his challenge was to convince Democrats that his cause was not "radioactive." Many Democratic strategists have come to believe that supporting gun-control laws alienates rural voters and many independents.

"Guns are a tricky issue," Helmke said. "But the elections show there's nothing to be afraid of."

Still, the issues of abortion and guns underscore the tough decisions facing Reid and Pelosi as they try to please the party's core supporters while appealing to centrist voters.

The party's winning formula this year, after all, required candidacies from cultural conservatives such as Rep.-elect Heath Shuler in western North Carolina and Sens.-elect Jon Tester in Montana and Jim Webb in Virginia.

A preview of the tussle that awaits Reid and Pelosi has been playing out on the Internet since election day, with liberal bloggers decrying party centrists as out of touch with the Democratic majority. The complaints have been serious enough to draw Reid's attention, prompting him to host a conference call after the election with more than a dozen of the country's most prominent liberal bloggers.

Reid himself has learned to navigate these issues in order to win election in largely rural Nevada. He calls himself pro-gun and, according to a spokesman, opposes abortion except in cases of rape and incest and when the woman's life is endangered.

In the Senate, matters are further complicated by the fact that at least five Democrats — nearly 10% of the caucus — are considering presidential bids in which they may need to win the liberal base to gain the nomination but then campaign to the center in a general election.

Republicans have already said they intend to take back power in 2008 by portraying Democrats as big-government tax raisers who would rather safeguard civil liberties than interrogate terrorists.

Conservatives, though splintered over Iraq, immigration and other issues, had succeeded in keeping power since 1994 in part by forging a coalition built on compromise and shared goals — a practice that Democrats have yet to perfect.

Senior Democrats say they will figure out a way to bridge the divide.

"Tension is inherent in politics, and maybe a little bit of tension is good," said Reid spokesman Jim Manley. "But on the core, fundamental issues, everyone's in line."

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Wary that the interest groups' demands may turn off the centrist voters who put them in the majority, some Democratic pragmatists are preparing to press for greater independence.

Sen. Charles E. Schumer of New York, chairman of the committee that designed the party's Senate campaign strategy, is publishing a book in January that is expected to lay out a plan for long-term Democratic dominance. He is expected to embrace a philosophy somewhere between the Democrats' old New Deal reliance on government and conservatives' outright disdain for government.

Schumer signaled as much after the election when he called on the party to "push aside the special interests and always keep our eye on the average American family."

An Uneasy Alliance (NYT)

By Nicholas Confessore

The New York Times, November 12, 2006

AMID all the post-election bliss evident within the constellation of bloggers and online Democratic activists known as the "netroots" last week, there was a note of anger and disappointment. Ned Lamont, the antiwar Connecticut businessman who defeated Senator Joseph I. Lieberman in the August Democratic primary with strong support from the netroots, lost to the newly independent Mr. Lieberman on Tuesday, even as antiwar Democrats across the nation romped to upset victories.

It was the fall campaign's signal clash between the Internet grass roots, which have become a growing political force since the 2004 presidential race, and the Democratic establishment, where big-money donors and incumbency rule. In Connecticut, the establishment won. Some bloggers fumed that Beltway Democrats had abandoned Mr. Lamont.

"The D.C. Senate Democrats and D.C. lobbyists are not on our side," wrote the Lamont backer Matt Stoller on the liberal Web site MyDD, a major node for the netroots' self-organizing multitudes. "They have their own side, a side that is out of touch, immoral, and dishonest." The establishment, he wrote a few days before the election, had stuck a "knife in our back."

It was the latest round in the long battle between leading netroots activists and their critics, real and perceived, among Washington's Democratic elite. But such disagreements may soon be on the wane. As the smoke began to clear after Election Day, two things seemed clear. Though the netroots have forever changed how campaigns raise money and find votes, the results demonstrated that they cannot yet win elections on their own. But the Democratic Party cannot win major national elections without the netroots.

"The establishment needs them, and they need the establishment," said Carol C. Darr, director of the Institute for Politics, Democracy and the Internet at George Washington University.

Like the music obsessives who plunked down $500 for first-generation iPods, Web-based activists served as the party's early adopters in 2006, just as they provided much of the early money and vigor behind Howard Dean's 2004 presidential campaign. This year, they coalesced around dozens of House and Senate candidates in highly unfavorable states or Congressional districts, showering them with seed donations and praise while softening up G.O.P. incumbents with amateur opposition research, campaign stunts and homemade Web advertising.

Answerable to no one in particular, they could sometimes go off-key: During the Democratic primary, a blog supporting Mr. Lamont put up an altered photograph of Mr. Lieberman showing the senator in blackface, much to Mr. Lamont's embarrassment.

They were also sometimes poor judges of what will sell in the larger political marketplace; most of the 19 netroots-supported candidates listed on ActBlue, an online clearinghouse for donations to Democrats, lost on Tuesday. But the online activists also gave some once-underrated candidates — like the Senate candidates Jon Tester and Jim Webb, in Montana and Virginia, respectively, and the House candidates Paul Hodes in New Hampshire and Joe Sestak in Pennsylvania — a chance to be taken seriously. All ended up winning on Tuesday.

"It was the early support, the attention — the ability to create opportunities for candidates to break out with energy and passion," said Jonah Seiger, a Democratic Internet strategist.

Thanks in part to the netroots, said Mr. Seiger, the more promising candidates got a second or third look from the mainstream news media, major donors and party officials, especially as the political environment became increasingly unfavorable to Republicans.

Mr. Webb, for example, was essentially drafted last winter by a network of national and Virginia-based netroots activists, who later helped him gather 10,000 signatures in three weeks to get on the Democratic primary ballot.

"They're a group of people who put their money where their mouth is," said Jessica Vanden Berg, Mr. Webb's campaign manager. "They gave Jim — who didn't have a campaign staff in the beginning or a financial base — they gave him a political base to jump from."

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The Democratic Senatorial Campaign Committee would go on to endorse Mr. Webb in the primary, and later poured nearly $7 million into his race against Republican George Allen, who conceded on Thursday, cementing the Democrats' new Senate majority.

In some cases, the party even got behind some netroots-favored candidates that it had previously ignored or discouraged. In California's 11th district, the Democratic Congressional Campaign Committee initially backed Steve Filson, a Navy veteran, over Gerald McNerney, the chief executive of a wind-turbine company who had the support of the Internet grass roots. But after Mr. McNerney won the primary, the committee spent half a million dollars on the general election. He won.

Of course, it's difficult to say what particular factor provided the edge in a close race. But last week, onetime antagonists seemed willing to share credit for the Democratic sweep. Shortly before 9 a.m. on Election Day, Harry Reid, the Senate minority leader — and soon to be majority leader — posted an entry on the popular liberal blog Daily Kos, titled "You got us here." Without the netroots, Mr. Reid wrote, "Democrats would not be in the position we are in today."

Markos Moulitsas Zúniga, the combative founder of Daily Kos, returned the favor. "I'm ready to get beyond the 'who gets credit' conversation, because we all do," Mr. Moulitsas wrote last week.

All told, the Democratic netroots and the party's traditional establishment managed to form an uneasy — and in many cases unintended — collaboration. What happens next is less clear, especially as the Democratic leadership moves from campaigning to governing.

"It's in part the job of the netroots to challenge the establishment," said Simon Rosenberg, the president of New Democrat Network, who has served as a bridge between party officials and leading netroots organizers. "It's their job to not be satisfied. That's why this is a complicated relationship. But through this healthy tension — this dialogue and debate — I think we'll end up with a stronger party."

Core Values Still Valid, GOP Says (WT)

By Donald Lambro

The Washington Times, November 12, 2006

Voters did not reject core Republican principles of lower taxes, smaller government and family values when they put the Democrats in charge of Congress, Republican officials across the country said last week in their post-mortems on the midterm elections.

If anything, these officials told The Washington Times, Republicans blundered by abandoning or de-emphasizing signature issues that had fueled the party's meteoric rise since the 1990s. The party must champion these issues again if it hopes to win back the voters' trust in the 2008 presidential election, the officials said.

"In the tight races where we had candidates who articulated the core issues like low taxes, less government and strong family values, those are the candidates that prevailed in our competitive races," Minnesota Republican Chairman Ron Carey said. "They did better than candidates that didn't stand firm on those conservative Republican issues."

As an example, Mr. Carey cited Republican Michele Bachmann, who ran as a staunch conservative with strong evangelical support in Minnesota's open 6th District race, easily defeating Patty Wetterling, a liberal Democrat, 50 percent to 42 percent.

"The candidates who tried to finesse the GOP's positions fared poorly," Mr. Carey said. "Those who ran on core Republican issues were able to better withstand the Democratic onslaught."

An example, some Republican strategists said, was Rep. Gil Gutknecht of Minnesota, who lost his 1st District seat to Democrat Tim Walz, a teacher and National Guard veteran, 53 percent to 47 percent.

But Republican critics strongly rejected the premise of these Republican post-mortems, saying taxes were virtually nonexistent as an election issue, as was limited government.

"The fact of the matter is that these were non-issues," said pollster and demographic analyst David Bositis of the National Center for Political and Economic Studies.

"And how could Republicans run on smaller government? They've been in charge for the last five years, and government spending has exploded. They can't claim the Democrats are responsible for that," he said.

Mr. Carey argued that voters remain just as conservative as they were in earlier elections when Republicans won increasing majorities in Congress. But Republicans failed to sharpen the differences between themselves and Democrats, many of whom portrayed themselves as centrists despite their liberal views and voting records, other Republicans said in a survey of state party leaders by The Times.

"I think people still agree with Republicans on lowering taxes, on fiscal policy and trying to keep the government in check. I don't buy the argument that everybody has become a liberal," Kansas Republican Chairman Tim Shallenburger said.

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He and other state party officials said they had no doubt the Iraq war and congressional scandals were the overriding issues that produced a wave of Democratic victories in more than 30 Republican congressional districts and a half-dozen Senate races.

Exit surveys of 13,208 voters by the Associated Press and the major television news networks found that more than half of the voters surveyed, 55 percent, opposed the war in Iraq and said that opposition would make them more likely to vote for Democratic House candidates.

The exit polls also showed that six in 10 rejected President Bush's chief justification for the war: to make America more secure at home. Notably, seven out of 10 independents -- a pivotal voting bloc that led to Republican losses -- felt that way.

Some party chairmen said that without the Iraq war, a number of Republicans would have won.

"It would have been a completely different outcome," Michigan Republican Chairman Saul Anuzis said. "The Iraq war was clearly one of the major reasons for Bush's unpopularity," which Democrats turned into a referendum on his presidency.

There was also a belief among many party officials that the war -- when combined with a number of other issues, such as excessive spending and the lobbying and congressional-page scandals -- produced a "critical mass" that angered and frustrated Republicans and hurt turnout among party members. Exit polls showed that nearly 30 percent of voters were "angry" with Mr. Bush.

But it was the Republican Party's abandonment of its core principles on spending and limited government that these and other Republicans outside the Beltway said was the biggest complaint among the party's grass roots. They blamed Republican leaders and members of Congress who, as one party chairman said, "forgot why we sent them there."

"I heard a lot of Republicans say, 'We gave you a chance, and you spent more money than before. Why should we send you back to Washington?' " Mr. Carey said.

"Some said we became the people we ran against in 1994. Whether it is true or not, that was the perception in our party. It was in the minds of many voters Tuesday," he said. "We need to get back to our basic core principles and talk about the issues that draw a sharp distinction between Republicans and Democrats."

These complaints after the election were picked up by some Republican presidential hopefuls, including Massachusetts Gov. Mitt Romney and Sen. John McCain of Arizona, who saw them as an opportunity to make the party strong again.

"Americans have not become less conservative, but they believe some Republicans have. As a party, we need to remember who we are and the principles that have always led our party and our country to success," Mr. Romney said last week.

"We must return to the common-sense Reagan Republican ideals of fighting for hard-working Americans, lowering taxes, shrinking government, curbing out-of-control spending," he said.

Mr. McCain called for a return to the conservative principles he said make up the foundations of the Republican Party.

"We came to Washington to change government, and government changed us," he said. "We departed rather tragically from our conservative principles."

Though Democratic leaders repeatedly denounced Mr. Bush's across-the-board tax cuts as "tax cuts for the wealthy," polls showed that most Americans sided with Mr. Bush and the Republicans on this core issue. A Gallup poll late last month showed that 74 percent were against Democratic proposals to raise federal income taxes.

Though Mr. Bush and Rep. Nancy Pelosi, California Democrat, who is in line to become the next House speaker, have buried the hatchet for now, some Republicans question whether party members can or even should compromise with Democrats on taxes and spending.

"I think there is going to be a split in Republican circles between the faction that says let's compromise and try to get along and another faction that says we need to get back to our core principles and beliefs," Mr. Carey said.

Republicans are not the only ones who are divided over postelection strategies. The elections also have reopened old ideological divisions between the Democratic Party's liberal and centrist wings. Centrists fear the middle-of-the-road voters who returned them to power will be turned off if the party's left wing designs the legislative agenda for next year.

"This is a victory for the vital center of American politics over the extremes," said Al From, the founder of the centrist Democratic Leadership Council (DLC), "and, while Democrats benefited from an energized party base, the key to the victory was in the contested center of the electorate, among moderates."

Mr. From said his point "was underscored by [Sen.] Joe Lieberman's re-election victory in Connecticut."

Mr. Lieberman, a hero among DLC members, was defeated in the primary by the party's liberal, anti-war activists because of his support for the Iraq war. He won re-election Tuesday as an independent, largely with Republican votes.

Indiana Sen. Evan Bayh, a potential presidential candidate and a DLC leader, similarly warned his party last week in an interview with USA Today that "if we serve up a highly partisan, ideologically extreme, Democratic version of what they just voted against, we're not going to do very well."

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But that view was flatly rejected by party liberals who oppose the DLC's centrist approach on domestic and national-security policy issues.

"If Democrats had campaigned like Lieberman on the war, they might have won in Connecticut, but they would have lost in most places," said Roger Hickey, co-director of the liberal Campaign for America's Future. "This election was a referendum on the war, and the Democrats were smart to reject the DLC position on the war."

Reactionary Moderates (NYT)

By Ramesh Ponnuru

The New York Times, November 12, 2006

SOCIAL conservatives had a bad election night on Tuesday. A slew of pro-life senators and House members lost their races. Missouri voted to amend its Constitution to protect a right to clone human embryos for research. Every pro-life initiative on a state ballot failed.

But before we declare this election proof that social conservatism is doomed, consider that Republicans as a whole had a worse night. Pro-lifers lost four seats in the Senate and, depending on some unresolved races, appear to have lost 20 in the House. But the Republican Party lost six in the Senate and 29 in the House. The discrepancy stems from the fact that some pro-choice Democrats are replacing pro-choice Republicans, and even a few pro-life Democrats are replacing pro-life Republicans.

Meanwhile, ballot initiatives as a whole went better for the social right than for other conservative factions. Almost all of the initiatives against same-sex marriage won. Even most Western states, where the Republicans' social conservatism is said to be dooming the party, voted for those initiatives — which typically ran well ahead of local party candidates. Colorado and Nevada rejected legal marijuana. Economic conservatives, on the other hand, lost every fight over the minimum wage.

That's something to remember the next time you hear that after their defeat, the Republicans need to "move to the center." Maybe they should: but which center? When editorialists talk about the "sensible center," they usually have in mind free-trading, budget-balancing social liberals. It is a political profile often found in the business world, and on the coasts. But there is another center — one that's liberal on economic measures but conservative on social mores.

In several high-profile races, the winning candidates played to this "center." For example, Senator-elect Claire McCaskill pounded the Republican incumbent, Jim Talent, in Missouri on economic issues like veterans' benefits, but she came out against partial-birth abortion weeks before the election. Representative Harold Ford, a Democrat who nearly pulled off an upset in the Tennessee Senate race, went so far as to endorse a constitutional amendment on marriage and to call himself pro-life.

Senator-elect Robert Casey Jr. of Pennsylvania, a Democrat, vowed to fight free trade, but also to oppose abortion. If we take Mr. Casey at his word about his intentions in the Senate, then his defeat of Rick Santorum is simply a move to a less abrasive style of social conservatism, not a repudiation of it.

Something similar happened in the last presidential campaign. President Bush was on the defensive when he talked about outsourcing jobs and the cost of health care, while John Kerry was on the defensive on most of the social issues — and Mr. Kerry eventually said his position on marriage was basically the same as the president's.

The real message of the last few elections is that, for the most part, social issues help the Republicans and economic ones the Democrats. Did talking about energy policy, and keeping quiet about gay marriage, help Senator George Allen of Virginia survive Jim Webb's challenge?

The lesson for the Democrats, meanwhile, is not that they all need to move right on social issues. It is that they can be a lasting majority if they are an economically liberal party with socially conservative and socially liberal wings. Because if they choose to be a socially liberal party with economically liberal and economically conservative wings, they will soon find themselves back in minority status.

The Republicans, meanwhile, can prosper if they can find ways to address the economic concerns of working-class cultural conservatives — many of them unmoved by free-market bromides — without doing violence to their own limited-government principles.

I agree with the economic conservatives on most issues, and disagree with the social conservatives on some, so I'm not entirely happy about the electoral reality I'm describing. (I wish Colorado and Nevada had voted the other way on marijuana, for instance.) But there it is nonetheless. While both social conservatives and Republicans need to make some changes, a divorce isn't on the table, and there's no political reason one should be.

2006: The Year Of The "Macaca" (NYT)

By Frank Rich

The New York Times, November 12, 2006

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OF course, the "thumpin' " was all about Iraq. But let us not forget Katrina. It was the collision of the twin White House calamities in August 2005 that foretold the collapse of the presidency of George W. Bush.

Back then, the full measure of the man finally snapped into focus for most Americans, sending his poll numbers into the 30s for the first time. The country saw that the president who had spurned a grieving wartime mother camping out in the sweltering heat of Crawford was the same guy who had been unable to recognize the depth of the suffering in New Orleans's fetid Superdome. This brand of leadership was not the "compassionate conservatism" that had been sold in all those photo ops with African-American schoolchildren. This was callous conservatism, if not just plain mean.

It's the kind of conservatism that remains silent when Rush Limbaugh does a mocking impersonation of Michael J. Fox's Parkinson's symptoms to score partisan points. It's the kind of conservatism that talks of humane immigration reform but looks the other way when candidates demonize foreigners as predatory animals. It's the kind of conservatism that pays lip service to "tolerance" but stalls for days before taking down a campaign ad caricaturing an African-American candidate as a sexual magnet for white women.

This kind of politics is now officially out of fashion. Harold Ford did lose his race in Tennessee, but by less than three points in a region that has not sent a black man to the Senate since Reconstruction. Only 36 years old and hugely talented, he will rise again even as the last vestiges of Jim Crow tactics continue to fade and Willie Horton ads countenanced by a national political party join the Bush dynasty in history's dustbin.

Elsewhere, the 2006 returns more often than not confirmed that Americans, Republicans and Democrats alike, are far better people than this cynical White House takes them for. This election was not a rebuke merely of the reckless fiasco in Iraq but also of the divisive ideology that had come to define the Bush-Rove-DeLay era. This was the year that Americans said a decisive no to the politics of "macaca" just as firmly as they did to pre-emptive war and Congressional corruption.

For all of Mr. Limbaugh's supposed clout, his nasty efforts did not defeat the ballot measure supporting stem-cell research in his native state, Missouri. The measure squeaked through, helping the Democratic senatorial candidate knock out the Republican incumbent. (The other stem-cell advocates endorsed by Mr. Fox in campaign ads, in Maryland and Wisconsin, also won.) Arizona voters, despite their proximity to the Mexican border, defeated two of the crudest immigrant-bashing demagogues running for Congress, including one who ran an ad depicting immigrants menacing a JonBenet Ramsey look-alike. (Reasserting its Goldwater conservative roots, Arizona also appears to be the first state to reject an amendment banning same-sex marriage.) Nationwide, the Republican share of the Hispanic vote fell from 44 percent in 2004 to 29 percent this year. Hispanics aren't buying Mr. Bush's broken-Spanish shtick anymore; they saw that the president, despite his nuanced take on immigration, never stood up forcefully to the nativists in his own camp when it counted most, in an election year.

But for those who've been sickened by the Bush-Rove brand of politics, surely the happiest result of 2006 was saved for last: Jim Webb's ousting of Senator George Allen in Virginia. It is all too fitting that this race would be the one that put the Democrats over the top in the Senate. Mr. Allen was the slickest form of Bush-Rove conservative, complete with a strategist who'd helped orchestrate the Swift Boating of John Kerry. Mr. Allen was on a fast track to carry that banner into the White House once Mr. Bush was gone. His demise was so sudden and so unlikely that it seems like a fairy tale come true.

As recently as April 2005, hard as it is to believe now, Mr. Allen was chosen in a National Journal survey of Beltway insiders as the most likely Republican presidential nominee in 2008. Political pros saw him as a cross between Ronald Reagan and George W. Bush whose "affable" conservatism and (contrived) good-old-boy persona were catnip to voters. His Senate campaign this year was a mere formality; he began with a double-digit lead.

That all ended famously on Aug. 11, when Mr. Allen, appearing before a crowd of white supporters in rural Virginia, insulted a 20-year-old Webb campaign worker of Indian descent who was tracking him with a video camera. After belittling the dark-skinned man as "macaca, or whatever his name is," Mr. Allen added, "Welcome to America and the real world of Virginia."

The moment became a signature cultural event of the political year because the Webb campaign posted the video clip on YouTube.com, the wildly popular site that most politicians, to their peril, had not yet heard about from their children. Unlike unedited bloggorhea, which can take longer to slog through than Old Media print, YouTube is all video snippets all the time; the one-minute macaca clip spread through the national body politic like a rabid virus. Nonetheless it took more than a week for Mr. Allen to recognize the magnitude of the problem and apologize to the object of his ridicule. Then he compounded the damage by making a fool of himself on camera once more, this time angrily denying what proved to be accurate speculation that his mother was a closeted Jew. It was a Mel Gibson meltdown that couldn't be blamed on the bottle.

Mr. Allen has a history of racial insensitivity. He used to display a Confederate flag in his living room and, bizarrely enough, a noose in his office for sentimental reasons that he could never satisfactorily explain. His defense in the macaca incident was that he had no idea that the word, the term for a genus of monkey, had any racial connotation. But even if he were telling the truth — even if Mr. Allen were not a racist — his non-macaca words were just as damning. "Welcome to America and the real world of Virginia" was unmistakably meant to demean the young man as an unwashed immigrant, whatever his race. It was a

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typical example of the us-versus-them stridency that has defined the truculent Bush-Rove fearmongering: you're either with us or you're a traitor, possibly with the terrorists.

As it happened, the "macaca" who provoked the senator's self-destruction, S. R. Sidarth, was not an immigrant but the son of immigrants. He was born in Washington's Virginia suburbs to well-off parents (his father is a mortgage broker) and is the high-achieving graduate of a magnet high school, a tournament chess player, a former intern for Joe Lieberman, a devoted member of his faith (Hindu) and, currently, a senior at the University of Virginia. He is even a football jock like Mr. Allen. In other words, he is an exemplary young American who didn't need to be "welcomed" to his native country by anyone. The Sidarths are typical of the families who have abetted the rapid growth of northern Virginia in recent years, much as immigrants have always built and renewed our nation. They, not Mr. Allen with his nostalgia for the Confederate "heritage," are America's future. It is indeed just such northern Virginians who have been tinting the once reliably red commonwealth purple.

Though the senator's behavior was toxic, the Bush-Rove establishment rewarded it. Its auxiliaries from talk radio, the blogosphere and the Wall Street Journal opinion page echoed the Allen campaign's complaint that the incident was inflated by the news media, especially The Washington Post. Once it became clear that Mr. Allen was in serious trouble, conservative pundits mainly faulted him for running an "awful campaign," not for being an awful person.

The macaca incident had resonance beyond Virginia not just because it was a hit on YouTube. It came to stand for 2006 as a whole because it was synergistic with a national Republican campaign that made a fetish of warning that a Congress run by Democrats would have committee chairmen who are black (Charles Rangel) or gay (Barney Frank), and a middle-aged woman not in the Stepford mold of Laura Bush as speaker. In this context, Mr. Allen's defeat was poetic justice: the perfect epitaph for an era in which Mr. Rove systematically exploited the narrowest prejudices of the Republican base, pitting Americans of differing identities in cockfights for power and profit, all in the name of "faith."

Perhaps the most interesting finding in the exit polls Tuesday was that the base did turn out for Mr. Rove: white evangelicals voted in roughly the same numbers as in 2004, and 71 percent of them voted Republican, hardly a mass desertion from the 78 percent of last time. But his party was routed anyway. It was the end of the road for the boy genius and his can't-miss strategy that Washington sycophants predicted could lead to a permanent Republican majority.

What a week this was! Here's to the voters of both parties who drove a stake into the heart of our political darkness. If you'll forgive me for paraphrasing George Allen: Welcome back, everyone, to the world of real America.

A True Blue Libertarian (WP)

By Blaine Harden

The Washington Post, November 12, 2006

BOZEMAN, Mont. -- Stan Jones, a Montana libertarian widely known for his peculiar blue skin, can arguably be said to have recast the political complexion of the U.S. Senate, turning it from Republican red to the same color as his face.

That face, it should be noted, is not the dark blue of TV graphics that show where the Democratic Party increasingly holds sway. Nor is it the pale blue of the big Montana sky as autumn turns to winter. It is an ashen blue-gray, a flesh tone more suited to the undertaker's slab than the politician's stump.

In any case, this is what the 67-year-old candidate accomplished last Tuesday: He won 10,324 votes in the make-or-break Senate race in Montana, a contest that Democrat Jon Tester won by just 2,565 votes over three-term Republican incumbent Conrad Burns.

Jones is a quirkily conservative kind of libertarian -- opposed to abortion and same-sex marriage. So it can be argued that he took the bulk of his votes from the conservative Burns, which tipped the election to Tester, which tipped the Senate to the Democrats, which tipped the scales of U.S. political history.

"I'm tickled about that," said Jones. After some reflection, he added, "There is excitement for you to be talking to the guy who changed the country."

In the past, elections have given Jones little to be tickled about.

He is a perennial loser in Montana politics, a kind of Harold Stassen of the interior West, a fringe candidate who sometimes has to sue to get invited to television debates. He is also a man who accidentally turned his skin blue by drinking a homemade antibiotic laced with silver.

He first took the medicine in 1999, he said, fearing that the year 2000 would wreck computers, spread terrorism and disease, and make prescribed antibiotics unavailable. He concedes now that he miscalculated.

Jones granted an interview at the Leaf & Bean coffeehouse on Main Street in Bozeman and later at the nearby Academy of Cosmetology, where he sometimes gets cheap haircuts and where the fluorescent lighting brings out the blue in his face.

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One of the students at the academy, Jessica Wagner, recalled that the first time she approached Jones to cut his hair, she caught a glimpse of him in a barber's chair and thought: "Oh, my God, he's dead." Over time, she said, she grew accustomed to his face and found him to be "really a neat guy."

Jones's excitement over the outcome of this election is substantially constrained by his contempt for Democrats and Republicans, for Tester and for Burns, and for the American political system, which he says has been ruined by big money.

Jones, it is safe to say, has not been ruined by big money.

He said he spent $1,652 on his campaign (the filing fee as Senate candidate), plus a few hundred dollars to buy gas to drive to the few campaign events that would allow him to speak.

"Republicans spend and borrow, Democrats tax and spend," said Jones, who said he quit being a Republican during the 1970s. "Whoever is in there -- the government grows and grows."

The one ray of light that Jones sees in the Democratic Party's takeover of the Senate and the House is a chance for increased scrutiny of President Bush, whom he fears. "This president is closer to a dictator than any we have had in history," said Jones, adding that the only president who could compare was Franklin D. Roosevelt.

Jones is pleased that Tester, the president of the Montana Senate and an organic farmer, beat Burns, but not because he likes anything about Tester. "I believes Burns is a pawn of Bush," Jones said.

There are Stan Jones skeptics in Montana who say that the eccentric libertarian may not have swung the election for the Democrats. Craig Wilson, a polling expert at Montana State University in Billings, said Jones was "really invisible" in the campaign and probably hurt Burns no more than Tester.

But another longtime expert on Montana elections, Jerry W. Calvert, a professor of political science at Montana State University in Bozeman, said there is "no question" that Jones took votes from the incumbent. "The rule of thumb in Montana is that libertarians take votes disproportionately from Republicans," Calvert said.

Jones was born near Bozeman, the son of a poor dirt farmer, and graduated with a degree in general science from Montana State. He spent 28 years in the Air Force and Air Force Reserve, retiring as a lieutenant colonel.

During many of those years, he said, he was an administrative contracting officer, based in Seattle and buying aircraft and other hardware for the Air Force. He said he purchased several 747s from Boeing, three of which ended up in the Air Force One fleet.

Jones was married for 18 years to a Seattle woman. They had no children.

"When I retired and told my wife I wanted to go back to Bozeman and fight political corruption and get involved in politics, she decided to stay in Seattle," he said. "We split the sheets. It was an easy divorce. I gave her the house and the time-share in Hawaii."

It was the move back to Bozeman, Jones said, that caused his skin to turn blue. Using tap water in Seattle, he said, he had been making a "colloidal silver" antibiotic by charging two silver wires in a glass of water with an electric current.

But using the same technique in Bozeman, where the mineral content of tap water is much higher, the silver bonded with other elements in the water, and the resulting mixture gave Jones argyria. It is an extremely rare but relatively harmless condition that can permanently stain skin a bluish gray.

Jones said he was not aware that he had argyria until he participated in a televised debate as part of his failed 2002 campaign against Montana Sen. Max Baucus, a Democrat.

"After the debate," Jones recalled, "a reporter came up and asked me: 'Are you okay? Your face is really blue.' "

He sought medical advice, learned that his condition was not life-threatening and resumed his hopeless biennial campaigns against Montana big shots. Since 2000, he has run twice for governor and twice for the Senate.

Until the next Senate race rolls around in 2008, Jones said, he and some libertarian buddies are planning to place a series of initiatives on the state ballot to enforce the literal meaning of the U.S. Constitution.

"We plan to organize the constitution police," Jones said, breaking into a broad, bluish smile. "We are going to drive the secretary of state crazy."

Revolving Doors Spin Once Again (NYT)

By Aron Pilhofer

The New York Times, November 12, 2006

So it's the day after the election, and you've lost your seat in Congress.

What to do?

You might consider becoming a lobbyist. It is a well-traveled career path.

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Last year, a study by the advocacy group Public Citizen found that 43 percent of the members of Congress who left office between 1998 and 2004 became lobbyists. That included half of the departing senators and 42 percent of the departing House members.

In a possible worrisome sign for Republicans who lost on Tuesday, the study found that the ex-lawmakers most likely to end up as lobbyists were those whose party held power.

Almost 52 percent of the Republicans who left Congress since 1998 registered to lobby, compared with 33 percent of the departing Democrats.

"This could reflect the fact that after George W. Bush became president, Washington became a hostile place for lobbyists whose contacts were Democratic," Public Citizen said.

Of course, Mr. Bush is still president, but control of Congress has now shifted to the Democrats for the first time since 1994.

Ex-lawmakers are prohibited from personally lobbying their former colleagues in the year after they have left office, the time span known as the "cooling off period."

But the Public Citizen study found that many were able to sidestep the restriction by supervising other lobbyists.

In all, more than 280 former members of Congress registered as lobbyists at some point between 1998 and 2006, according to the Center for Responsive Politics, which monitors money, politics and influence in Washington.

And over all, about 12,000 registered lobbyists ply their trade there.

"The beltway here, it's like a magnetic field," said James A. Thurber, a professor of government at American University in Washington.

"After spending time in Washington," he said, former members of Congress "find it's hard to peddle their wares in Topeka, Kan."

The lobbying and trade associations that line K Street and its environs are girding for an avalanche of résumés. Some firms are already recruiting.

"We'll be looking for the best and the brightest," said Jennifer Dunn, a former Republican member of Congress from Washington State.

She retired in 2005, after 12 years in Congress, and joined DLA Piper, one of Washington's biggest lobbying firms.

Spitzer Buries His Cares For Weekend On The Sand (NYT)

By Leslie Eaton

The New York Times, November 12, 2006

SAN JUAN, P.R., Nov. 11 — Famous for his intensity, even his ferocity, Eliot Spitzer, the attorney general-turned-governor-elect of New York, is trying out a new persona: beach bum.

At a press briefing Saturday morning, Mr. Spitzer confessed to having taken a two-hour nap on the beach at a resort here on Friday and stated his intention of returning to the ocean in the afternoon.

As for the "enormous pile of memos on the budget" that he said he had brought with him, Mr. Spitzer said he planned "to bury them in the sand and read a B-level novel."

But no one would mistake Mr. Spitzer, a Democrat who won Tuesday's election by a landslide, for Jimmy Buffett.

As is his wont, Mr. Spitzer arrived at 9 a.m. on the dot for a breakfast meeting with Aníbal Acevedo Vilá, the governor of Puerto Rico, at La Fortaleza, the governor's residence. And though he did not wear a tie, his shirt was a decidedly nontropical blue check, under a navy blazer.

While the two men chatted about their days at law school and the spectacular views from the governor's windows, Mr. Spitzer said, they also discussed economic development and the implications of last week's Democratic sweep in Washington.

Mr. Spitzer's wife, Silda Wall Spitzer, and Luisa Gándara, the first lady of Puerto Rico, also attended.

Mr. Spitzer tackled some major issues at a brief news conference afterward. He referred to the war in Iraq as "an unfortunate quagmire," but said he had supported eliminating Saddam Hussein's threat to the international community.

He pledged to appoint Latinos to important posts in his administration but sidestepped a question about Puerto Rico's status. There is a longstanding debate in Puerto Rico, now a commonwealth, about seeking independence or statehood.

Asked about his inauguration, Mr. Spitzer he said he was not sure if he would seek private donations to pay for a celebration, as Gov. George E. Pataki did for his first swearing-in, in 1995. That practice has raised ethical questions in the past, Mr. Spitzer said, "and we're going to handle it in a very, very different way."

After the press conference, Mr. Spitzer acknowledged that his campaign for governor had not been as emotionally draining as it might have been. Polls had him far in the lead from the beginning, and he won by a 40-point margin on Tuesday.

Still, candidates can never really relax, he added, because problems can crop up unexpectedly.

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“Look at Alan,” he said, referring to Alan G. Hevesi, the state comptroller, who is under criminal investigation for his use of a government employee to chauffeur his wife. Mr. Hevesi was re-elected, but Mr. Spitzer may have to decide whether to try to remove him from office if the issue is not resolved by Jan. 1.

Before returning to New York, Mr. Spitzer appeared Saturday evening at a conference of the New York State Assembly Puerto Rican/Hispanic Task Force. In brief remarks that were mostly an opportunity for cheering and photographs, he thanked many people, saying, “The work is ahead of us.”

Ehrlich Run Again "Unlikely" (AP)

By Brian Witte

AP, November 11, 2006

BALTIMORE -- Gov. Robert L. Ehrlich Jr. said yesterday he does not plan to run for office again, after losing the gubernatorial election to Baltimore Mayor Martin O'Malley.

Mr. Ehrlich, a Republican, said on WBAL's "Stateline with the Governor" radio show that the results of the election Tuesday indicated Maryland has moved "pretty hard left."

"Who's to say what's going to happen tomorrow or next week -- in four years -- but at this point, I have to say that a return to public life would be unlikely," he said.

Mr. O'Malley, a Democrat, defeated Mr. Ehrlich on Tuesday, winning about 53 percent of the vote to 46 percent for the incumbent.

Asked if he thought the loss of support for Republicans nationally hurt him, Mr. Ehrlich, 48, said when an incumbent is on the ballot "it's generally a referendum on the incumbent."

"For me, it was either rehire me or fire me, and we got fired," the governor said. "The bottom line here is that I think that the majority of folks in Maryland want Martin O'Malley as governor rather than Bob Ehrlich."

Mr. Ehrlich pointed to Democratic victories in other key offices in Maryland. Democrats held on to the U.S. Senate seat that's being vacated by retiring Sen. Paul S. Sarbanes. Rep. Benjamin L. Cardin defeated Lt. Gov. Michael S. Steele 55 percent to 44 percent.

Democrats also won the attorney general's race, with Montgomery County State's Attorney Douglas F. Gansler defeating Frederick County State's Attorney Scott L. Rolle.

"If you look at the statewide elected officials today -- the folks coming into office -- you're compelled to the conclusion that the state is moving pretty hard left," Mr. Ehrlich said.

Mr. Ehrlich, who was the first Republican governor to be elected in Maryland since 1966, said his party still has significant support in Western and Southern Maryland, "but clearly, statewide, the direction in this state is pretty hard left, and it's going to be a very, very difficult thing for a right-of-center Republican Party to overcome."

Mr. Ehrlich said he was proud of his political c areer in Maryland, which spans about 20 years.

Feingold Rules Out 2008 Run For President (MJS)

By Craig Gilbert

Milwaukee Journal Sentinel, November 12, 2006

WASHINGTON - Sen. Russ Feingold will not seek his party's presidential nomination in 2008, the Wisconsin Democrat told the Milwaukee Journal Sentinel on Saturday.

"I never got to that point where I'd rather be running around the country, running for president, than being a senator from Wisconsin," Feingold said in a phone interview from Madison.

Feingold, 53, conceded that he faced long odds of winning the nomination.

"It would have required the craziest combination of things in the history of American politics to make it work," he said.

But Feingold said waging an underdog campaign appealed to him. What didn't appeal to him, he said, was "the way in which this effort would dismantle both my professional life (in the Senate) and my personal life. I'm very happy right now."

Feingold had been publicly weighing a presidential bid since early 2005, forming a political action committee, traveling to key states such as New Hampshire and Iowa, and cultivating a more national constituency as an early and outspoken opponent of the Iraq war, the Patriot Act and other Bush administration policies.

The senator said Saturday that he went into that process with more of a predisposition against running than the other way around. Although Feingold's political activity pointed in many ways toward a run, he was not traveling, fund raising or organizing with quite the same intensity as some potential candidates.

"I began with the feeling I didn't really want to do this but was open to the possibility that getting around the country would make me want to do it. That never happened," he said.

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"People have always portrayed me as ambitious. I'm not ashamed of that.

"But I have never had a craving to be president of the United States. I used to say it when I was 5 or 7 years old. But I haven't really been saying it as an adult," said Feingold, who said he didn't rule out running in the future.

Feingold's thinking about the race crystallized in the last few weeks, he said. The Democratic takeover of Congress on Tuesday was a final factor because it added to the appeal of focusing entirely on his position in the Senate, he said.

Feingold is the second Democrat to seriously explore a campaign before opting out. Former Virginia Gov. Mark Warner announced last month that he would not run.

Both went into the process as dark horses but showed signs of stirring interest among Democratic activists: Warner because of his centrist politics and success in a "red" state; Feingold because of his distinctive opposition in the Senate to a whole series of Bush policies highly unpopular with grass-roots Democrats, from the war to trade to wiretapping.

But Feingold confronted obvious obstacles. The potential field includes New York Sen. Hillary Clinton_the financial and political colossus in the party_former vice presidential candidate John Edwards and Illinois Sen. Barack Obama, who has rapidly emerged as the Democrats' most celebrated political "fresh face."

At least four other Senate Democrats are considering a run. Former Iowa Gov. Tom Vilsack declared last week.

Feingold said winning the party nomination would have been "very difficult," but he viewed himself as someone who could win a general election and his decision wasn't based on who else might run.

"This may sound immodest, but I thought, `I can do this. I can be the candidate, that rational, effective, presentable candidate for Democrats that would not be threatening, yet very progressive,' " Feingold said.

Feingold said he was not concerned about the personal scrutiny that comes with a presidential candidacy.

"I've been through three U.S. Senate campaigns. The people I've run against have not been pansies," said Feingold, referring to the aggressiveness of his opponents. "I feel like my life is an open book."

Feingold is single and twice divorced. He has two grown daughters. He said his family and friends were "mixed" in their reaction about his possible candidacy.

The third-term senator, whose best-known legislative accomplishment is the campaign reform law he wrote with Senate Republican John McCain of Arizona, said he wasn't bothered by the idea of being outspent.

"I know how to win those races_your weakness is your strength," he said. "I like to turn that around. `I'm the guy with no money.' . . . I'm not saying I think I would have been likely to win. But I saw a way to make this happen."

Asked about the Democratic field, Feingold made it clear he preferred a nominee who shared his views on the war.

"The first choice would be somebody who voted against this unfortunate Iraq war. That may not be available," said Feingold, who was the only Senate Democrat considering a run who voted against authorizing the use of force in Iraq.

"Second choice is somebody who at least said it was a bad idea. . . . I would be happy if Obama or (Al) Gore ran," said Feingold, who said he was not offering an endorsement.

Clinton, the presumed party front-runner, voted in 2002 to authorize force in Iraq. "Those who were there and came to the judgment the Iraq war was a good idea have to answer for some concerns I have about their judgment. That was a really bad judgment. I'm prepared to support a Democrat who voted for that war, but I think the American people would prefer a president who had the judgment to see it was not a good idea," he said.

Feingold sent an e-mail to supporters Saturday night announcing his decision.

In it, he said, "I'm sure a campaign for president would have been a great adventure and helpful in advancing a progressive agenda. . . .

"However, to put my family and all of my friends and supporters through such a process without having a very strong desire to run, seems inappropriate to me."

"I began with the feeling I didn't really want to do this but was open to the possibility that getting around the country would make me want to do it. That never happened."

Sen. Feingold Rules Out Run For President In 2008 (AP)

AP, November 12, 2006

MILWAUKEE, Wisconsin (AP) -- Sen. Russ Feingold has decided against seeking the 2008 Democratic presidential nomination, saying he wants to focus on his work in the Senate.

In a letter posted on his political action committee's Web site, Feingold said he was excited that Tuesday's elections gave Democrats control of both chambers of Congress, giving them the chance to "undo much of the damage that one-party rule has done to America."

"We can actually advance progressive solutions to such major issues as guaranteed health care, dependence on oil and our unbalanced trade policies," he wrote.

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Feingold, 53, told the Milwaukee Journal Sentinel he realized he would be a long-shot candidate in a bid for the presidency.

He said running as an underdog appealed to him, but not the way it would "dismantle" his work in the Senate and his personal life.

An outspoken opponent of the Iraq war, the Patriot Act and other Bush administration policies, Feingold had formed his PAC, the Progressive Patriots Fund, and visited key presidential primary states such as Iowa and New Hampshire.

Still, he said he started the process more predisposed against a run than for it.

"I began with the feeling I didn't really want to do this but was open to the possibility that getting around the country would make me want to do it. That never happened," he told the newspaper in a story posted on its Web site late Saturday.

Feingold leaves a crowded field of possible Democratic candidates, including Iowa Gov. Tom Vilsack, who announced his candidacy last week.

Sen. Hillary Rodham Clinton of New York is widely considered the front-runner for the nomination.

Others considering or positioning themselves for a run include Sen. John Kerry of Massachusetts, the 2004 Democratic nominee; former Sen. John Edwards of North Carolina, the vice presidential nominee two years ago; Sens. Evan Bayh of Indiana, Joe Biden of Delaware and Christopher Dodd of Connecticut; and New Mexico Gov. Bill Richardson.

Former Virginia Gov. Mark Warner announced last month that he was bowing out of the race.

Feingold said he had come closer to making his decision in the past few weeks, and the final factor came when Democrats won both chambers of Congress because it provided added appeal to focus on work in the Senate.

Feingold spokesman Zach Lowe did not immediately return a telephone message from The Associated Press early Sunday seeking comment.

Now, The Tape Measure For Those Other Drapes (NYT)

By Adam Nagourney

The New York Times, November 12, 2006

SENATOR GEORGE ALLEN of Virginia had yet to hand back the Senate to the Democrats when Gov. Tom Vilsack of Iowa announced bright and early Thursday morning that he was running for president. Back in Washington, Senator John McCain of Arizona moved to set up his own presidential exploratory committee and prepared what aides promised would be two major speeches this Thursday about 2008, based on last Tuesday's vote. And Hillary Rodham Clinton scored the election-week cover of New York magazine; the subject was not her easy return to the Senate.

In some ways, the midterm election of 2006 was the first big event of the 2008 race — much like an early debate or an Iowa straw poll. It helped shake out and shake up the field. Some lessons were instantly apparent: you probably won't hear more talk of Republican candidates wrestling for the mantle of President Bush, and Democrats are looking hungrily at Ohio and Colorado, states that went Republican in 2004 and 2000. Here are some of the less obvious consequences for 2008, courtesy of 2006.

The Swing-Vote Math The White House won in 2002 and 2004 with a simple strategy pressed by Karl Rove: use hot-button issues and sophisticated organizational tools to turn out voters from the Republican base, calculating that there are enough of them to win. Well, maybe not. Swing independent voters — 26 percent of the electorate this year — voted 2-to-1 for Democrats last Tuesday, a big reason the Democrats will control the House next year.

Steve Schmidt, a Republican strategist who used to work for Mr. Rove and managed the re-election campaign of Gov. Arnold Schwarzenegger of California, said Mr. Schwarzenegger's victory demonstrated the limits of a pump-up-the-base strategy.

"People should look at what Schwarzenegger did," Mr. Schmidt said. "Candidates that have the ability to reach out and not be dividers are the ones who are going to be successful."

If true, this could complicate the early maneuverings of Mr. McCain and another Republican contender, Gov. Mitt Romney of Massachusetts, both of whom have aggressively courted the party's conservative base as they follow a variation of Mr. Rove's politics.

Mr. Romney, eager to shed the baggage of being governor of one of the more liberal states in the nation, said he would press ahead in trumpeting his support for tax cuts and opposition to gay marriage.

"There will be people who will try to cast a thumping as supporting their agenda," Mr. Romney said in an interview. "I don't give that a lot of credence."

But Mr. McCain has embarked on a more complicated task, trying to appeal to conservative voters wary of his credentials while not scaring off independent voters who have been part of his own base.

"We have always felt you can appeal to your base and appeal to the broad center of the country at the same time," said John Weaver, a senior political adviser to Mr. McCain. In truth, Mr. McCain's efforts at appeasing both sides have not always

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been successful, so his speeches to conservatives about the lessons of 2008 should be interesting. He has faced the difficult challenge of trying to appeal at once to conservative voters who are powerful in Republican primary races without alienating independent voters who come into play in the general election.

A Redoubled Senate Curse Trying to run for the White House from the Senate has never been easy, because voting records are big fat targets for the opposition to research and exploit. Here's a new problem: the 51-49 split. Senators who are running for president are going to find themselves chained to their desks whenever a close vote comes up, ceding the advantage to the class of non-senators, like Mr. Romney, Mr. Vilsack and John Edwards, the Democratic former senator from North Carolina, not to mention leaving the door open to a surprise outsider.

"If you are a Democrat, are you going to explain to organized labor that the minimum wage lost by a single vote in the Senate because you were at the Polk County Fish Fry?" said Ron Klain, who worked as a senior adviser to Vice President Al Gore when he ran for president. "And if you are a Republican," Mr. Klain continued, "are you going to explain to the pro-life groups that federal funding for Medicaid abortions passed by a single vote because you were busy at the Greenville Chamber of Commerce? When I worked for Gore, we had a number of times we had to pull him off the campaign trail because of the risk of a tie vote on a key issue."

There are a lot of senators likely to run for president: Mrs. Clinton, Mr. McCain and Mr. Kerry, along with Evan Bayh of Indiana, Christopher J. Dodd of Connecticut and Joseph R. Biden Jr. of Delaware. Democrats at least have the advantage, albeit a small one, of heading committees or being able to pass legislation they can run on. Then again, the advantage vanishes if the new Congress, like the current one, is viewed as a failed one.

The War Albatross

If the war bedeviled the Democrats in 2004, it will be a problem for both sides this time — assuming, of course, that James Baker hasn't found a way to end it by the time the race is fully engaged. Mrs. Clinton has become more critical of the conflict than she was at its start, but Democratic primary voters have their litmus tests, and this is one of them. That is encouraging for Senator Barack Obama of Illinois, whose aides are now preparing a campaign plan should he run, given his antiwar credentials. It also presents an opening for Mr. Gore, who has been at the leading edge in opposing the war.

On the Republican side, Mr. McCain is in a unique position. He supports increasing troop strength in Iraq, a position shared by a scant 16 percent of the electorate, according to the latest New York Times/CBS News poll. The world might well be a very different place two years from now, but if the general election were being held today, Mr. McCain would certainly have a lot of straight talking to do, as he might put it.

A Flight From Washington Americans don't like Washington.

O.K., we knew that. But the intensity of that feeling is going to influence contributors and campaign workers as they try to figure out who the strongest candidates are. And it is influencing emerging candidates as they develop their image. "There's a growing sense that Washington can't get anything done," said Mark Warner, a Democrat and former Virginia governor who had considered running for president in 2008. "I think people's patience with elected officials is very thin at this point."

This could provide an opening for outsiders like Rudolph W. Giuliani, the former mayor of New York. More intriguing, this anti-Washington, anti-partisan wave could provide the perfect environment for a renegade third-party candidate — say, Michael R. Bloomberg, Mr. Giuliani's successor in City Hall. Bloomberg associates have been pressing him to do precisely that.

It certainly does complicate things for anyone from Washington who is trying to run for president.

"They voted against Washington on Tuesday night," said Mr. Bayh, the Indiana senator. That explains why Mr. Bayh on the campaign trail is as likely to emphasize his years as governor as his years in the Senate, and why Mr. Edwards's decision to move out of Georgetown and back to North Carolina seems particularly well-advised this weekend.

Voted Most Likely Not to Succeed This is the most open presidential contest in at least 50 years, and as a result it has already drawn a rather large cast of aspirants. But the campaign of 2006 has, to put it mildly, clearly diminished the prospects of three once-big-name prospective candidates.

Mr. Allen leads the list. He ran a campaign that was marked by missteps, and he may well be remembered as the man who cost Republicans control of the Senate this year. That is not going to endear him to Republican activists or contributors.

Senator John Kerry of Massachusetts, his party's contender in 2004, underlined doubts about his political skills when he told what he described as a botched joke, which President Bush pounced on and tried to portray as an insult to American troops. Mr. Kerry's associates said they were resigned to the fact that he would have headed the Democrats' blame list had they lost this time; at least he avoided that designation.

Finally, there's Senator Bill Frist, the majority leader who is retiring but who just last spring won a Republican straw poll in Memphis that he portrayed as a sign of his strength as a presidential contender. No more. A contentious Senate session that failed to produce much major legislation — followed by this loss — has led many Republicans to cross Mr. Frist off their 2008 list.

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The Democrats: Is Winning Winning? (WP)

By Joe Trippi

The Washington Post, November 12, 2006

Wham! The 2006 midterm elections are over, and the modern conservative era has come to an end.

For the Democrats, a party so long on the outs, it feels good to be back in power. But we can't just revel in yesterday. Democrats have to start looking now to maximize our mandate for the 2008 presidential election.

Because what the voters have done is to kick open the door to a new era in American politics, and their hunger for a new direction didn't end last Tuesday. That's the problem for Arizona Sen. John McCain and what's left of the field vying for the GOP nomination. The Republican nominee will have a hard time trying to chart a new course for the nation while defending an unpopular lame-duck president and trying to breathe life into a conservative ideology that has run out of gas.

No, the real opportunity belongs to Democrats. The voters want change, and they will make it happen. I'm going to make one bold prediction about 2008: Thanks to changes in communications and technology, one of the candidates on my list will raise $500 million, almost all of it from ordinary citizens contributing less than $100 each. Don't believe it? Wait and see. It'll happen, and we'll witness the birth of a new progressive era that could last a generation or more.

So the party's presidential hopefuls won't be fighting just for the nomination, but for the historic chance to help launch that era. As they stand on the threshold of the presidential cycle, here's my assessment of the individual prospects of the many would-be presidents from a resurgent Democratic Party.

Front-runner: Hillary Rodham Clinton

She has it all -- the ability to raise the money; a political team that's among the best, if not the best, in the party; a strong base of support; and an uncanny ability to avoid political mistakes. And I don't care what anyone says -- her husband is one of two rock stars in the Democratic Party and a huge asset.

Ironically, the problem with Clinton's candidacy arises from her strength. Front-runners have something to lose, so they almost always run cautious, safe campaigns. This almost cost John Kerry the nomination in 2004, and could cost the senator from New York the nomination in 2008. Her strength also creates the certainty that a campaign of bold new ideas will emerge to oppose her. She is so strong within the party that, with so many contemplating a run against her, the only viable option for a serious challenger is to put forth innovative ideas in hopes of breaking out of the pack. And there are plenty in the Democratic Party who are capable of doing that.

The "Other" Rock Star: Barack Obama

He's the one candidate who can wrestle Bill Clinton for support in the black community and win. All the others are both thrilled about and terrified of this guy. They're thrilled that he might take black votes from Hillary. They're terrified because he might take a lot more votes from them and become a co-front-runner the day he enters the race, if he does. Obama's obvious downside is inexperience. Three years ago, he was an Illinois state senator; in 2008, he will not have completed his first U.S. Senate term. So he had better have some ideas -- or wait till next time.

The Oxygen Taker: Al Gore

Talk about setting a progressive agenda with bold new ideas. The man is doing it and he doesn't even have a job. In a party that tends to treat its past nominees like lepers, Gore has done an amazing job of reemerging as an important thought leader on issues such as the Iraq war and global warming. If he throws his hat into the ring, he will immediately suck all the oxygen out of the room for most of the other candidates. The media won't be able to stop doing the Hillary vs. Al 800-pound-gorillas-go-at-it stories. Everyone but Obama will be reduced to begging for attention. But entering the race means he suddenly would have something to lose. Could candidate Gore stop himself from playing it safe?

The Champion of 2006: John Edwards

Hands down the guy who improved his position the most this year. Edwards leads the field in early polls in Iowa, which is more important than ever, because the 2008 nominating process is more front-loaded than in prior years. The former North Carolina senator has a bevy of ideas, and is the only Southerner, important to a party that has elected only two presidents in the past 30 years -- both from the South. All of which earns him a down arrow -- because once you take the lead in Iowa, the entire field tries to destroy you. Good luck.

Down but Not Out: John Kerry

The former presidential nominee was doing quite well until the "botched joke." Democratic losses in the House or Senate would have made a comeback impossible, so no one was happier than Kerry last Tuesday. The senator from Massachusetts is going to need to present some bold ideas to regain relevance in this field; I'd start with Iraq. And for those who want to count this guy out: He has come back from the dead before. Trust me, I speak from experience. Handicaps? It's all up from here or he's out.

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Chairman of Foreign Relations: Joe Biden

The senator from Delaware is doing what Kerry should do: taking the lead on the Iraq war and staking out ideas for bringing our troops home safely. But the down arrow stays until someone gets this guy to shut up and listen.

Running to the Right: Evan Bayh

A senator who has actually run a government, the former governor of Indiana also hails from the region that may be most critical to a Democratic electoral victory -- the Midwest. In 2004, Democrats lost Missouri and Ohio, electoral votes that would have put Kerry over the top. Bayh could be the best bet for picking up three or four Midwestern states. He seems to be running to Clinton's right, which will prove to be either pure genius (he has a lane all to himself) or a disaster -- ask President Joe Lieberman.

The One to Watch: Russ Feingold

Perhaps the most authentic candidate, the senator from Wisconsin has a deep connection to the grass roots and is a favorite of the party's progressive wing. If President Bush stays stubborn on Iraq and the rest of the field plays it safe, Feingold could get very hot.

A R?sum? to Die For: Bill Richardson

He'd be the first Hispanic to make a presidential run, and his r?sum? covers nearly every issue, foreign or domestic. Need bold ideas on immigration? New Mexico Gov. Richardson has grappled with that. Ideas on energy? Ask former energy secretary Richardson. How to deal with a nuclear North Korea? Former U.N. ambassador Richardson knows the turf. But can he raise the money, and earn enough early support to get his ideas into the mix?

The General: Wesley Clark

He still has a strong following among progressives and the netroots and could get traction if there's no consensus on a new Iraq strategy soon.

More Than a Cameo: Tom Vilsack

I thought the Iowa governor's candidacy was a cameo until I saw him speak at Renaissance Weekend last year. He clearly gets that this will be an election about ideas. Vilsack will have a tough fight -- but I'm the last guy to bet against a governor from a small rural state.

So there they are, the leading contenders (and there'll surely be more). To get the chance to lead the nation in meeting the challenges of the next decade -- globalization, energy, health care, terrorism -- the winner will need to break out of the ideological box and stop defending the ideas of the past. Gore or Bayh could run a campaign like that and possibly pass a cautious Clinton to win. But if Clinton or Obama runs such a campaign, the 2008 election could be even more historic than the wave of change we witnessed last Tuesday.

Is America Too Racist For Barack? Too Sexist For Hillary? (WP)

By Benjamin Wallace-Wells

The Washington Post, November 12, 2006

The 2006 elections were for the technocrats and the operatives, pitting the Democratic tacticians against the Karl Rove machine. But the next election is already beginning to look quite different: 2008 may be one for the novelists.

Viewers of the election returns late on Tuesday, after all, got an early start on the iconography of the next presidential race. The cable networks' cameras cut between Sen. Hillary Rodham Clinton, thanking her supporters for an overwhelming victory in the New York Senate race, her husband standing pointedly behind, and a smiling Sen. Barack Obama of Illinois, giving cautious, professorial analysis to the television viewers. Nobody noted the significance, but it stared us all in the face: The two presumed leading contenders for the Democratic presidential nomination are a woman and an African American.

Their candidacies -- coming after elections resulting in the presumed first female speaker of the House and the second black governor since Reconstruction -- suggest that the next elections may play in ways that are more cultural and symbolic than tactical and political. Are Americans ready to put a black man or a woman in charge of the country? And does the hefty symbolism that Obama and Clinton would bring help one of them more than the other -- in other words, is the country more racist or more sexist?

Democracies are awkward like this. Despite incessant polling, we really get only one moment every two years, at best, to measure how Americans feel about things, and these elections must stand as imperfect proxies for a mess of subjects: what we think about religion, whether we like being included in the international conversation, whether Northeast bluebloods would tolerate a Texan as their leader.

But when it comes to race and sex, this seems a slightly more legitimate game: The question that remains for black Americans and women isn't whether prejudice has diffused to the point that they can participate in the United States, it's whether they can legitimately hope to lead it.

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Today, they may have reasons to be optimistic. Poll numbers for Clinton and Obama are among the strongest of any presidential hopefuls. It now seems nearly as common for political leaders in television shows and movies to be women or racial minorities as white men. Recent polls have found that the percentages of Americans who say they would not vote for a hypothetical black or female presidential candidate, long formidable, have dwindled into the single digits. And last Tuesday's elections put House Minority Leader Nancy Pelosi (D-Calif.) on the brink of becoming speaker and Democrat Deval Patrick, who is black, in the Massachusetts governorship.

But as the two would-be presidential candidates grapple with how to manage the legacies of their own identities, Obama seems engaged with a more problematic political feeling. Even if race is more socially crippling than gender -- even if it was less likely that Obama would make it to Harvard Law than that Clinton would make it to Yale Law -- the symbolism of race can also be awfully empowering to individual politicians who learn to harness it. Most Americans want to believe that the culture has moved past its racial problems, and that the symbol of that progress would be widely cheered. Compared with Clinton, says George Lakoff, a linguistics professor and Democratic message guru, "Obama clearly has it better."

Whatever racism remains in this country, it coexists with a galloping desire to put that old race stuff behind us, to have a national Goodbye to All That moment. The most recent such occasion was Obama's much-publicized tour to promote his book of policy prescriptions, "The Audacity of Hope." The Denver Post called him a "rock star," the Seattle Times found him "electrifying," and even the Deseret News in Salt Lake City described the "raucous greeting" he received in Utah. This rapture wasn't only because of what Obama has said; most of his audiences had not heard much from him or read much of his book. It was because he symbolizes the possibility of a more modern America.

Clinton had a best-selling autobiography and a media-heavy book tour, too, but the coverage had less to do with the symbolism she carried as a woman than with her history as Bill Clinton's wife, and with the way she was positioning herself for the future. There are many reasons for this difference, but one critical one has to do with the legacies of oppression that each inherits. While many Americans have a sincere sense of sentimentality and nostalgia for what Clinton may consider outdated gender roles, a much smaller number have that kind of feeling for racial segregation. There is the sense that, by electing a female president, the nation would be meeting a standard set by other liberal democracies; the election of a black man, by contrast, would be a particularly American achievement, an affirmation of American ideals and a celebration of American circumstances.

Obama's mixed-race heritage is rarely far from his political conversation. He writes of having a Kansan mother "as white as milk," and a Kenyan father "as black as pitch." He has used his race explicitly while speaking in Africa and urging politicians there to move beyond tribalism, and implicitly while speaking in southern Illinois to punctuate an address about the challenges of globalization. In his speeches, Obama uses his simple presence as an establishment national political figure who is black to serve as a metaphorical exclamation point -- a visual assurance that the country can work for everyone.

This is how he used it in his most famous speech, at the 2004 Democratic National Convention: "I stand here today, grateful for the diversity of my heritage, aware that my parents' dreams live on in my two precious daughters. I stand here knowing that my story is part of the larger American story, that I owe a debt to all of those who came before me, and that, in no other country on Earth, is my story even possible."

When Clinton gives a speech, her gender is just as evident, but she doesn't give it nearly the same kind of rhetorical prominence. She is as likely to talk about handing out buttons for Republican Barry Goldwater as a child as about what her presence as a political woman means for the country. Her most famous speech during the current political cycle dealt with a topic close to her own identity: In January 2005, she gave a widely praised talk to a group of New York state family-planning providers, telling them that the pro-choice movement had failed to acknowledge the great emotional cost involved in having an abortion. For Clinton, a hero to many women who support abortion rights, this was regarded as a particularly brave stance.

But in a speech about such a personal topic, what is most noteworthy is its impersonality. Clinton didn't mention her own experiences as a wife or a mother, but seized upon a trip she took to Romania as first lady, where she learned about the policies of the dictatorship of Nicolae Ceausescu, who tried to force every woman to have five children for the glory of the state, subjecting them to monthly roundups and reproductive exams attended by the secret police. It's a striking story, but what's even more striking is the way Clinton introduced it: "My own views of family planning and reproductive rights are heavily influenced by my travels as first lady," she said. This is not only the kind of thing that Sen. Joe Biden might say, but it also sounds suspicious: Were Clinton's views on these issues not fully formed before she began traveling as first lady?

The contrast is vivid in the two senators' autobiographies. Obama's, "Dreams From My Father," is an attempt to explain his evolving political awareness as a direct articulation of his roots. Here is the way Clinton begins her life story, "Living History": "I wasn't born a first lady or a senator. I wasn't born a Democrat. I wasn't born a lawyer or an advocate for women's rights and human rights. I wasn't born a wife or a mother."

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Part of this difference is simple personal style. And there's also the matter of learned political behavior: Clinton has spent a decade and a half being beaten up, often personally and viciously, for the intersection of her gender and her politics, and it would make sense if she were trying to disconnect the two. But there is something else here.

The political progress of women and African Americans has long been intertwined; the suffragette movement gained huge momentum from the complaint that black men had received the right to vote before women of any race. But when it comes to modern political leadership, women have become more present. In January, the Senate will have 16 women and one African American, while eight women and one African American will be governors. Geraldine Ferraro was a vice presidential running mate more than 20 years ago, and still no black politician has reached that plateau.

Gender, meanwhile, may have become part of the political wallpaper. When Rep. Harold E. Ford Jr. and Maryland Lt. Gov. Michael Steele ran for Senate this fall, their race was mentioned in virtually every story; when Sen. Debbie Stabenow and Claire McCaskill ran, their gender was barely noted. The ferocity of national feelings about race can still be threatening; this election cycle saw the widely condemned race-baiting ads run against Ford in Tennessee. But if the nation feels its racial sins more clearly, it also has a more urgent desire to get past them. "I think gender has become more normal in leadership," said Marie Wilson, president of the White House Project, a New York nonprofit that works to develop female leaders with the goal of having a woman in the White House. "Race is a much more troubling, sadder, unresolved part of our history than the issue of gender, so it certainly looms larger."

Of course, the civil rights and women's rights movements of the 1960s have left vastly different legacies. No political figure would dare deny the saintliness of the Rev. Martin Luther King Jr.; Betty Friedan's name is a political dirty word. Repression of blacks was the stuff of massive state-leveraged cruelty -- the police dogs and fire hoses -- while repression of women in this country was made of quieter stuff: bras, aprons and constitutional amendments.

Obama is frequently called post-racial, the suggestion being that because he has an exotic background, Americans are looking at a newer model of a human. The metaphor works for Obama politically, because it contains the idea that his youth lets him create a more modern and inclusive brand of politics than the rhetoric of civil rights-era politicians such as Jesse Jackson. Clinton's Jesse Jacksons are Ferraro, who bombed, and Pelosi, who is still hanging around.

This is the ultimate imbalance between the would-be presidential contenders, and it's both rough on Clinton and helps explain why Obama's public presentation is so much more closely linked to his identity: There's a model for being post-racial, but there's no easy way to be post-gender.

Fredrick Harris, a political scientist at the University of Rochester, sees a post-gender future out there, and its name is Condoleezza Rice. The secretary of state, he notes, "is unmarried, has no children, is completely dedicated to her job, for pleasure she plays the piano and works and that's about it."

Clinton has made different choices, but they have their limits. Politically, she has done everything that Obama has done: She has become a serious policy professional, moved toward the center and renounced the excesses of 1960s-style identity politics. And yet these moves are received as the tacks of a smart politician. For Obama, they are received as the arrival of his race.

Benjamin Wallace-Wells writes on national affairs for Rolling Stone.

Life Expectancy Increases For H.I.V. Patients (AP)

AP, November 11, 2006

ATLANTA, Nov. 11 (AP) — An American found to have the virus that causes AIDS can expect to live for about 24 years on average, and the cost of health care over that time is more than $600,000, new research indicates.

Both life expectancy and the cost of care have risen from earlier estimates, mainly because of expensive and effective drug therapies, said Dr. Bruce Schackman, an assistant professor of public health at the Weill Medical College of Cornell University in New York and the study's lead author.

The research found the average annual cost of care was $25,200, about 40 percent higher than a commonly cited estimate from the late 1990s. A 1993 estimate of life expectancy for a symptomless person infected with H.I.V. was less than seven years.

The new study appears in the November edition of the peer-reviewed journal Medical Care.

Since the mid-1990s, about two dozen H.I.V.-fighting antiretroviral drugs have come onto the market that have essentially turned the virus from a death sentence into a chronic disease.

Physicians now understand life expectancy after H.I.V. diagnosis to be two decades or more, and the new study supports that belief.

The researchers drew most of their data from 18 medical practices across the United States that provide care for 14,000 patients. The researchers looked at the records of about 7,000 of those patients.

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They used a computer simulation model to project H.I.V. medical care costs and concluded that the average lifetime cost of care was $618,000 per person. The researchers estimated the monthly cost of care at $2,100, with about two-thirds of that spent on medications. That equates to $25,200 a year.

A typical regimen for an H.I.V. patient beginning treatment includes the drug efavirenz, which blocks a certain protein that H.I.V. needs to make copies of itself. It also includes tenofovir and emtricitabine or some similar drug that helps keep the virus from reproducing.

The monthly cost just for that regimen was about $1,140 in 2004, Dr. Schackman and the other researchers said. If that treatment does not work or stops working, the patient is switched to more expensive arrays of drugs.

In their cost estimates, the researchers aimed high, basing their numbers on the best available drugs and the best standards of care. But that is not always what is provided, some H.I.V. policy experts noted.

For example, a 2003 federal study concluded that only 55 percent of H.I.V. patients who should have been on virus-fighting medications were actually getting them.

“This is really an optimistic scenario” in the study, and the true cost is probably lower, said Jennifer Kates, director of H.I.V. policy for the Kaiser Family Foundation.

However, Ms. Kates added that since people living with H.I.V. should be getting optimal care from doctors experienced in treating the virus, the study’s expectations were reasonable.

Memorial Planners Have A Dream, Too (WP)

By Petula Dvorak

The Washington Post, November 12, 2006

Ground will be broken in many ways tomorrow morning with a ceremony heralding construction of the Martin Luther King Jr. Memorial on the Mall.

The memorial, scheduled to be completed in 2008, will mark a change in the very character of some of America's most hallowed real estate.

The Mall is lined with memorials to wars and the soldiers who died in them and marble monuments to great presidents. But this addition to Washington's monumental core will be a unique paean to the man and the ideal that it honors -- a civilian and an African American who embodied the American tradition of peaceful protest and activism.

"I think, like many kids, I came to D.C. years ago and saw all the monuments," said Harry E. Johnson Sr., president of the Washington, D.C. Martin Luther King, Jr. National Memorial Project Foundation Inc. "But there never was a memorial to a man of color, a man of peace.

"And even today, there is nothing to place King in the proper historical context. He is among the giants of our country, though he was not a war hero nor a president," Johnson added.

Tomorrow's groundbreaking ceremony is expected to draw 5,000 people. It will feature former president Bill Clinton, who signed the 1996 bill authorizing the memorial. Talk show host Oprah Winfrey and poet Maya Angelou also will speak.

They will gather at the sweeping four-acre site along the Tidal Basin that sits halfway between monuments to Jefferson, author of the Declaration of Independence, and Lincoln, liberator of slaves. The crescent-shaped memorial park will be near the steps leading to the Lincoln Memorial, where King gave his electrifying "I Have a Dream" speech in 1963.

Cranes and backhoes won't move in immediately, however. This groundbreaking is ceremonial, and the construction permits from either the secretary of the Interior or the General Services Administration will be issued once fundraising is complete. In the case of the World War II Memorial, permits were issued two months after the groundbreaking ceremony attended by about 10,000 people on Veterans Day 2000.

The design of the memorial park is the physical articulation of one of the most famous and powerful passages in King's 1963 Washington speech.

After outlining the dream of his children growing up to live in a nation where people are judged by the content of their character, where even in the racist South black and white children would join hands as sisters and brothers, he added:

"This hope is our hope. This is the faith that I go back to the South with. And with this faith, we will be able to hew out of the mountain of despair a stone of hope. With this faith we will be able to work together, to pray together, to struggle together, to go to jail together, to stand up for freedom together, knowing that we will be free one day."

At the memorial to King's vision, visitors will enter through a 12-foot-wide cut in the wall, walking through a tall, dark passage symbolizing the Mountain of Despair.

Once visitors pass through the portal, the view of the Tidal Basin's waters and ring of trees will unfold. The giant stone piece removed from the wall to create the opening will be in the middle of the plaza. King's image will be sculpted from it, emerging from the rough-hewn Stone of Hope.

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The design team is working on plans to create waterfalls that will flow in a syncopated rhythm reflecting King's oratory style, cascading over a wall engraved with his words.

The design, created by the ROMA Design Group of San Francisco, has had an unusually warm reception since it was unveiled in 2000, compared with the harsh criticism that stalled other contemporary memorials.

Many considered the Vietnam Veterans Memorial too modern and abstract when it was introduced in 1981. The World War II Memorial was called too large and complicated for such a prominent spot on the Mall when construction began in 2001.

The King Memorial's design has received resounding kudos.

"It's very elegant and simple and moving," Thomas Luebke, secretary of the U.S. Commission of Fine Arts, said. "It's interesting that on part of the Mall, there is a theme developing. It is less about war and more about ideas and aspirations."

The prominent site was authorized by Congress in 1998. Its place was secured even after Congress passed the Reserve Act of 2003 forbidding further construction in the core of the Mall. The King Memorial is likely to be one of the last giant monuments to furnish the nation's front yard.

The biggest obstacle the memorial has faced is money. And that's part of the message its backers will send during tomorrow's ceremonial groundbreaking.

They have raised almost two-thirds of the $100 million needed to build. Efforts have been beset by delays.

"The fundraising is difficult, period," Johnson said. "There is always something else looking for attention of the donors. There was 9/11, then the tsunami, then Hurricane Katrina."

In 2001, the foundation struggled with King's family, which wanted a fee for the use of the slain civil right's leaders name. An agreement was eventually reached and no fee paid.

But the delay pushed the foundation up against the December 2003 deadline imposed by Congress to complete the monument, and it had to apply for an extension.

Supporters of the memorial would like to finish fundraising before the eventual construction of the National Museum of African American Culture and History, slated for Constitution Avenue and 14th Street NW on the Mall. It will be tapping much of the same donor base that the King memorial is targeting.

"We want to be out of the way before the museum starts up, so there's no competition for donations," Johnson said. "We're accepting donations, from $1 on up. If only everyone in America gave us $1."

The System Worked (WP)

The Washington Post, November 12, 2006

AN ESTIMATED 83 million Americans voted in last week's elections. Some people encountered difficulties, but not of the scale or scope that had been predicted by Election Day doomsayers. Overall the voting system worked.

Because the vote of every person is so important, problems are not to be minimized. It is unconscionable that some Prince George's County voters had to wait in line for four hours to vote. It is disturbing that Virginia election officials received reports of people being given incorrect information in an apparent effort to intimidate them not to vote. Balky voting machines, faulty software and disputes over whether voters were properly registered cropped up across the country.

Local and national election officials must focus on these problems as they assess their election night performance so that further improvements can be made. By the same token, the politicians and critics of electronic voting who tried to undermine public confidence should be mindful that the chaos they predicted did not occur. They should be responsible in their future suggestions for change.

No one denies there are shortcomings. The generational decline in voter turnout is more reason than ever to figure out better ways to encourage voting. Is early voting a good idea? Should Election Day be a national holiday? How about adopting Oregon's system of voting by mail? All are ideas worthy of consideration, but let's not fool with parts of the process that aren't broken.

A key here is the public's belief that the votes they cast will be counted. That confidence was reflected in national exit polls showing that 88 percent of Americans trust the system. More telling, though, was the way the nation accepted without question the outcome of two razor-thin contests that decided which party was going to control the U.S. Senate.

Let Naturalized Americans Run For President (LAT)

The Los Angeles Times, November 12, 2006

ON TUESDAY, CITIZENS in an electoral-vote-rich state reelected a governor who had once seemed in danger of defeat. That sort of political resurrection ordinarily would be good for a mention or two in the endless speculation about 2008 presidential candidates. Unfortunately, this reelected governor can forget about aspiring to the highest office in the land.

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Why? Because the governor, though eligible to administer a major state of the union, is barred from the White House by Article II, Section 1 of the U.S. Constitution, which says: "No person except a natural born Citizen, or a Citizen of the United States, at the time of the Adoption of this Constitution, shall be eligible to the Office of President."

A reflection of the framers' worries about meddling in the new nation's affairs by European monarchies, this restriction makes no sense in the 21st century, when even opponents of legalizing undocumented aliens acknowledge that this is a nation of immigrants. It's insulting that a legal immigrant to the U.S. who has twice won election as governor cannot aspire to the presidency.

The Constitution shouldn't be amended lightly. But this is a matter of principle: a core principle about the equality of opportunity in our society to strive for the highest office. Congress and state legislatures should adopt a 28th Amendment to the Constitution that would put all citizens 35 and older on equal footing when it comes to the highest office in the land. Americans should be free to decide whether they want to be led by President Jennifer Granholm.

Gotcha! Who'd you think we were talking about? Jennifer Granholm, a naturalized American who was born in Canada, was reelected governor of Michigan on Tuesday. Were you perhaps thinking of Gov. Arnold Schwarzenegger?

In this nation of immigrants, there will always be individuals affected by this arcane discrimination, and the urgency to address the matter should not be dampened by partisan concerns that it may help one candidate or another. Indeed, it would be nice to see California Democrats spearhead the movement, even if it could theoretically benefit our Austrian-born governor.

If Americans wanted Schwarzenegger in the White House, the fact that he is a naturalized citizen (who no doubt appreciates his earned U.S. citizenship a lot more than many people born here) is no reason to deprive them of that choice.

The requirement that the president be a "natural born" citizen excludes not only immigrants who came here as adults or teenagers but also every infant adopted from abroad who will remember no other homeland but the United States. And it sends them a message that, regardless of anything else they feel or do in their lifetime, they can't really be full, trustworthy Americans.

Congress has taken some of the sting out of the "natural born" requirement, enacting legislation that makes it clear that some children born of Americans living abroad are more "natural" than others. But to excise the "natural born" requirement entirely will require a constitutional amendment, and that means approval by two-thirds of the House and Senate and three-fourths of the states. Congress should at least hold hearings on this proposal.

It's admittedly an uphill battle. Polls show little support for such an amendment. But a campaign on its behalf (featuring such notable foreign-born Americans as Michael J. Fox, former Intel Chief Executive Andy Grove, Henry Kissinger and Madeleine Albright) would strive to correct a historical wrong and would serve as the perfect antidote to the acrimonious debate surrounding illegal immigration.

The Corporate End Run (NYT)

The New York Times, November 12, 2006

Corporate profits are at record levels. The Dow, too, has climbed past its high-water mark from the dot-com era. Executives reap bigger and bigger paydays, even as wages have stagnated. Meanwhile, the widening investigation into stock-option backdating reminds us that the corporate malfeasance era was much more than just a couple of bad apples like Enron and WorldCom.

It seems almost unbelievable, then, that corporate America would pick this moment to beg for relaxed regulation and enforcement, as well as more protection from investors' lawsuits. But as Stephen Labaton reported recently in The Times, industry groups are seeking broad new protections for corporations and accounting firms, not through legislation but from the Bush administration through agency rule changes.

The rationale is that the high cost of complying with the corporate governance law, the Sarbanes-Oxley Act, along with runaway lawsuits have scared foreign companies away from American stock exchanges. The timing is particularly odd given that the compliance costs associated with the much-reviled Section 404 of Sarbanes-Oxley — which requires audits of companies' internal financial controls — fell last year, as did the number of investor lawsuits, for the second year in a row.

What has actually happened is that opponents of regulation believe that the coast is clear. The law's namesakes, Paul Sarbanes and Michael Oxley, are retiring. Kenneth Lay of Enron is dead. The time appears ripe for rollbacks.

Advocates of big business like to point to a sharp decline in the United States' share of global initial stock offerings between 2000 and 2005, hoping that everyone will infer that the cause was the passage of Sarbanes-Oxley in 2002. In fact, that share had been declining since 1996, even before the Asian financial crisis. It hit bottom in 2001 and has risen since.

United States markets lost their dominance of initial stock offerings for numerous reasons that had little to do with regulation. Some of last year's biggest deals were Chinese and French privatizations. Markets elsewhere are bigger and more liquid than they once were. There are also intangibles, such as America's recent unpopularity, increased barriers for visa seekers and extraordinary budget and trade deficits, which might make an issuer think twice about a dollar-denominated stock.

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The London Stock Exchange, one of the leading beneficiaries of the American decline, commissioned a study showing that underwriting fees in London are just 3 percent to 4 percent of a transaction, compared with an average of 6.5 percent to 7 percent in the United States.

When workers confront globalization, they are told to adapt, take their pink slips and go to night school. It is the harsh downside of an integrated world economy that has on balance significantly enriched the country. When financiers feel the pinch from competition in Hong Kong and London, they run to the Bush administration for rule changes.

America's investor protections and corporate regulations have made it a nation of share owners, with almost 57 million American households owning stocks either directly or through mutual funds. The Securities and Exchange Commission has already signaled that it will smooth the implementation of Sarbanes-Oxley, especially for smaller companies. And abuses of the private litigation system like pay-to-play should be stopped. There is room for reform. But over all, the system is working. It may need tweaks, but it does not need a revamping.

U.S. Vetoes Security Council Resolution Assailing Israel For Attacks (NYT)

By Warren Hoge

The New York Times, November 12, 2006

UNITED NATIONS, Nov. 11 — The United States vetoed a Security Council resolution on Saturday that condemned Israel for its military actions in Gaza and called for an immediate withdrawal of Israeli forces from the area.

The United States ambassador, John R. Bolton, told the Council that the resolution "does not display an even-handed characterization of the recent events in Gaza, nor does it advance the cause of Israeli-Palestinian peace."

The resolution, introduced by Qatar, the Arab representative on the Council, had been amended during two days of negotiations to meet objections that it was not balanced. But Mr. Bolton said it remained "in many places biased against Israel and politically motivated."

In the vote, 4 countries abstained — Britain, Denmark, Japan and Slovakia — and 10 were in favor — Argentina, China, Congo, France, Ghana, Greece, Peru, Russia, Qatar and Tanzania.

The original draft had made no mention of Palestinian rocket strikes into Israel and accused Israel of conducting a "massacre" of civilians in its attack at Beit Hanun on Wednesday that killed 18 civilians.

New language was inserted condemning the firing of rockets from Gaza into Israel and calling upon the Palestinian Authority to take "immediate and sustained action" to end the rocket fire. But while the resolution named Israel as liable for the attacks on Gaza, it was silent on who or what group was responsible for the attacks on Israel.

In other changes, a reference to "indiscriminate" Israeli violence became "disproportionate" violence, and the words "military assault," "aggression" and "massacre" were dropped in favor of the general phrase "military operations."

Another provision had proposed that a new United Nations observer force be sent into the area to monitor a cease-fire, but it was substituted with language suggested by France that called for the creation of "an international mechanism for the protection of civilians."

Mr. Bolton said the United States considered this "a promise which is unwise and unnecessary and which, at any rate, raises false hopes."

The resolution that was voted on requested that Secretary General Kofi Annan establish a fact-finding mission to investigate Wednesday's attack and report back within 30 days and called for the resumption of international efforts to achieve peace by the so-called quartet — the United Nations, the European Union, Russia and the United States.

Israel has apologized for the deaths at Beit Hanun, blaming a "technical error," and has announced its own investigation of the episode. But it has said it will continue to try to stop militants from launching rockets into Israel from Gaza.

The United States traditionally opposes what it considers one-sided Security Council resolutions on Israel, and Saturday's vote was the fourth time in three years that Washington had taken such action.

In July the United States vetoed another resolution on Gaza; in March 2004 it vetoed a resolution condemning Israel for killing the Hamas leader, Sheik Ahmed Yassin; and in December 2003 it blocked a measure protesting the construction of the Israeli separation barrier in the West Bank.

Almost all of the 45 nations that spoke during a daylong debate on the Middle East on Thursday condemned Israel. Arab nations are now expected to move for a vote in the 192-member General Assembly, a path they have followed in the past when such measures have failed to pass the Security Council.

Unlike Security Council resolutions, those passed in the General Assembly are nonbinding and largely symbolic. But they generally attract widespread support when Israel, and, by extension, the United States, are the targets.

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Jean-Marc de la Sablière, the French ambassador, said he felt the final negotiated text was “a balanced one” and would have sent the right message to both Israel and the Palestinians. He added, “I hope that the fact this text has not been adopted will not renew tensions on the ground.”

U.S. Vetoes Condemnation Of Gaza Strikes (AP)

By Justin Bergman, Associated Press Writer

AP, November 12, 2006

The United States vetoed a U.N. Security Council draft resolution Saturday that sought to condemn an Israeli military offensive in the Gaza Strip and demand Israeli troops pull out of the territory.

U.S. Ambassador John Bolton said the Arab-backed draft resolution was "biased against Israel and politically motivated."

"This resolution does not display an evenhanded characterization of the recent events in Gaza, nor does it advance the cause of Israeli-Palestinian peace to which we aspire and for which we are working assiduously," he told the Security Council.

The veto unleashed a flurry of criticism in the Middle East.

"This decision by the U.S. government gives unlimited cover to commit more massacres of innocent Palestinians," said Ghazi Hamad, spokesman for the Hamas-led Palestinian government. "This is a shame on the American administration, which says it is trying to promote human rights and democracy in the Middle East."

U.S. Secretary of State Condoleezza Rice said, however, the draft resolution would have aggravated the situation in Gaza because it contained "inflammatory and unnecessary language."

"We do not believe the resolution was designed to contribute to the cause of peace," she said in a statement.

In Jerusalem, Israeli Foreign Ministry spokesman Mark Regev agreed the draft was one-sided. "It's good that it wasn't accepted by the Security Council," he said.

The draft received 10 votes in favor and four abstentions, along with the U.S. vote against. Britain, Denmark, Japan and Slovakia all abstained. The U.S. is one of five permanent members of the council that have the power to veto resolutions.

It was the second U.S. veto this year of a Security Council draft resolution concerning Israeli military operations in Gaza. The U.S. blocked action on a document this summer after Israel launched its offensive in response to the capture of an Israeli soldier by Hamas-linked Palestinian militants.

Palestinians strengthened calls for Security Council action after an early morning Israeli artillery barrage in the northern Gaza town of Beit Hanoun killed 19 people Wednesday.

In an open session of the General Assembly on Thursday, Palestinian U.N. observer Riyad Mansour called the attack "state terrorism" and said the perpetrators should be held accountable under international law for war crimes.

Israel has expressed regret for the loss of life in Beit Hanoun but said it will continue operations to stop militants from launching rockets into Israel. Prime Minister Ehud Olmert is scheduled to visit Washington on Sunday to meet with President Bush.

Qatar's U.N. Ambassador Nassir Al-Nasser warned in the Security Council meeting that the failure of the body to act on the draft would lead to more Israeli violence against Palestinians.

"Any lukewarm reaction or response on our part gives the impression we are shirking from our humanitarian responsibilities," said Al-Nasser, who sponsored the resolution on behalf of the Palestinians. Qatar is the only Arab nation on the council.

Arab League Secretary-General Amr Moussa said the veto "will only increase the anger" toward Israel, and Egyptian Foreign Minister Ahmed Aboul Gheit accused the Security Council of "turning a blind eye to Israeli acts in Gaza."

The Arab League was planning to hold an emergency meeting of foreign ministers in Cairo, Egypt, on Sunday to decide how to respond the latest Israeli offensive.

The draft resolution had been weakened slightly in recent days to help improve its chances of passage. A section was added demanding the Palestinian Authority take immediate action to bring an end to violence, including the firing of rockets into Israel.

It also called for the U.N. secretary-general to establish a "fact-finding mission" to probe Wednesday's attack in Beit Hanoun, a step below ordering a full investigation.

In addition, it backed off calls for U.N. observers to be placed on the Gaza-Israel border, asking instead for the "possible establishment of an international mechanism for protection of the civilian populations."

In his remarks to the Security Council, Bolton said the draft was still too one-sided. He said it compared legal Israeli military operations with the firing of rockets into Israel — an act of terrorism. He called the fact-finding mission unnecessary and said the text failed to condemn the ruling Hamas party's refusal to renounce terrorism.

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Both Bolton and Deputy British Ambassador Karen Pierce voiced support for returning to the internationally backed "road map" peace plan, which has been stalled for years.

But Michael O'Hanlon, a senior fellow at The Brookings Institution, said the fact that the council allowed the draft to go to a vote showed the world's frustration with the U.S. not involving other members of the so-called Quartet of Mideast mediators in recent decisions on Israel. The other members are the U.N., the European Union and Russia.

"They don't have a stake in the talks and they are more willing now to force our hand," he said. "A lot of times the world has felt (the U.S.) has been too pro-Israel, but in this case, people are just fed up."

Associated Press Writer Omar Sinan contributed to this report from Cairo, Egypt.

Hamas Official: Unity Gov't Deal Near (AP)

By Albert Aji, Associated Press Writer

AP, November 12, 2006

A senior Hamas official said that a deal on forming a Palestinian national unity government was near, adding that an agreement on a new prime minister has been reached.

"There is some progress on this issue and in the next days, God willing, the remaining outstanding issues will be resolved," Moussa Abu Marzouk, deputy leader of Hamas' political bureau in Syria, said in a telephone interview late Friday with The Associated Press.

He spoke following talks in Damascus with Farouk Kaddoumi, the head of the Palestine Liberation Organization's political wing.

Abu Marzouk said Palestinian President Mahmoud Abbas and Hamas officials have agreed on a candidate for the Palestinian prime minister, but declined to disclose the candidate's name, saying: "It will be disclosed at the suitable time."

Abbas said Saturday from the West Bank that he hoped to form a coalition government with the Islamic Hamas party by the end of the month.

"I tell my people that we have achieved great progress on the way to forming a national unity government that can end the siege and open the horizons for political solutions that will end the occupation forever," Abbas said at a ceremony marking two years since the death of Palestinian leader Yasser Arafat.

Tens of thousands of Palestinians converged on Arafat's gravesite in a rally that also appeared aimed at reinvigorating his faltering Fatah Party.

Fatah bused in Palestinians from across the West Bank for the event, dropping many of them in the center of Ramallah — the Palestinians' de facto capital. Carrying Fatah banners and pictures of Arafat, they marched through the city to the compound that served as the late leader's headquarters.

Top Palestinian officials laid wreaths at the glass shrine atop Arafat's grave inside the compound and read verses from the Quran, the Muslim holy book, while crowds filled the nearby courtyard. A massive picture of Arafat stood nearby.

Meanwhile, thousands of Palestinian students in the West Bank and Gaza Strip returned to school Saturday after a two-month teachers strike.

Clamoring into school buildings that stood empty during the strike, small children and teenagers greeted their classmates with excitement.

Some 40,000 teachers launched the strike at the start of the school year in September, protesting the Hamas-led government's failure to pay their salaries since it came to power in March. International sanctions have made it largely impossible for the Hamas government to pay its 165,000 civil servants, causing widespread hardship in the West Bank and Gaza.

The Hamas-run Education Ministry vowed earlier in the week to begin paying teachers, and scraped together enough cash to pay them a partial salary.

Palestinian Prime Minister Ismail Haniyeh said Friday he would be willing to sacrifice his job if the international community would lift economic sanctions that have crippled his Hamas-led government.

His statement was the latest indication that the Hamas was nearing a deal to form a national unity government with Abbas' moderate Fatah Party that would be made up of independent experts.

"All the measures undertaken by Hamas aim at breaking the siege on the Palestinian people, otherwise there would be no need for (government) change," Abu Marzouk said.

Kaddoumi, who had held talks in Damascus with Khaled Mashaal, head of Hamas' political bureau, said before leaving Damascus late Friday for Iran that talks over the formation of the government have achieved progress.

"But there are still some details that need to be worked out," he told reporters in Damascus.

Talks Collapse In Lebanon As Shiites Vacate The Cabinet (NYT)

DOJ_NMG_0093177

By Michael Slackman

The New York Times, November 12, 2006

BEIRUT, Lebanon, Nov. 11 — Lebanon was thrown into a political crisis Saturday when talks broke down over giving the militant faction Hezbollah and its political allies greater control of the government. Almost immediately, cabinet ministers from the group and the other main Shiite party resigned.

Lebanon's political leaders have held talks for four days, trying to defuse tensions among the various government factions after Hezbollah demanded a greater role in the cabinet and called for its alliance to have veto power over all government decisions. Hezbollah was politically emboldened after its 34-day war with Israel this summer, and it quickly pressed for more power.

Though for days it appeared the talks were headed toward a compromise, the negotiations collapsed when Hezbollah refused to relinquish its demand for a veto, people in the talks said. When the governing coalition refused, the talks collapsed, and within three hours the political brinksmanship began with all of the Shiite ministers resigning.

Under the accord that ended the civil war, called the Taif Agreement and signed in 1989, the government must include members from all the country's main sects. With the departure of the Shiites, it now becomes an interim government with the authority only to handle day-to-day management of the country.

"It is an escalation," said Hilal Khashan, a professor of political science at American University of Beirut. "They are telling them they are willing to stage confrontations."

Lebanon's political stability, and the success or failure of the sitting government, is not just consequential for this country of four million. It is part of a broader contest between the United States, which backs the government coalition, and Iran and Syria, which support Hezbollah.

One of the crucial decisions coming up, and one that cannot be addressed by an interim government, is whether to approve a law to participate in an international tribunal on the assassination of Rafik Hariri, the former Lebanese prime minister. The investigation into the killing has implicated Syrian officials. And on Friday, the United Nations Security Council presented Lebanon with a draft proposal for a framework of a tribunal to pursue the case.

"The reason behind the resignation is the international tribunal," said Akram Chehayeb, a member of Parliament who belongs to the governing coalition, adding that the pro-Syrian parties had hoped Russia would have altered the proposal to their liking.

In a joint statement, the two main Shiite parties, Amal and Hezbollah, said their ministers had resigned because the government had entered the talks with conditions.

"We will not go along with anything that we are not convinced with and would damage the higher national interest," the statement said.

Hezbollah's leader, Sheik Hassan Nasrallah, had threatened to stage street demonstrations aimed at bringing down the American-backed government if his alliance's demands for greater power were not met by Monday. After the talks collapsed, Sheik Nasrallah's deputy, Sheik Naim Qassem, said at a news conference that his group would study what happened and might decide to demonstrate.

"What we are going to do is study very carefully what happened today, and we will take the appropriate decision," Mr. Qassem said. "Either we will wait with little patience, to give a chance for the talks to come up with a result if such a chance is available, or we will discuss with our allies the program of our protests, which will be wide, God willing."

Not longer after, the ministers resigned, and officials from the governing coalition were saying that if Hezbollah took to the streets, its supporters might as well.

Shortly after talks began, it appeared that the sides would be able to find a compromise. One proposal was to bring Hezbollah's main ally, the Free Patriotic Movement, into the government without granting veto power. One particular fear among members of the governing coalition was that with veto power, Hezbollah could paralyze the government and block the adoption of the international tribunal.

Former President Amine Gemayel, leader of the small Christian Phalange party, said Saturday that the mood in the room during the negotiations was "cold, very cold." He said that the governing coalition was adamant about not giving Hezbollah the one-third plus one seats it would need for veto power. "They are still insisting on having the third of the government," Mr. Gemayel said Saturday after leaving the negotiations. "It is a way in fact to control completely the government and the very existence of the government."

Hezbollah Quits Lebanese Cabinet (AP)

AP, November 11, 2006

DOJ_NMG_0093178

BEIRUT, Nov. 11 -- Cabinet ministers from Hezbollah and an allied party resigned Saturday, a decision that could cost the Western-backed government crucial support from Lebanon's Shiite Muslims.

Prime Minister Fouad Siniora said he would not accept the resignations. He has the authority to order the five cabinet ministers to stay on, but it was unclear if his weak government could enforce the demand.

The resignations are not enough to bring down Siniora's government -- eight cabinet ministers must resign for the government to collapse -- but they could cost him support among Shiites, the majority sect in Lebanon, and make it difficult for him to govern.

The ministers of Hezbollah and the allied Amal party resigned because talks on forming a national unity government collapsed hours earlier, Hezbollah said in a statement broadcast by its al-Manar television station. Hezbollah accused the government of insisting on "imposing terms and premature results for negotiations," the TV station said.

Hezbollah, a Shiite militia that is by far the strongest political and military force in Lebanon, has been demanding at least one-third of the seats in the 24-member cabinet for itself and its allies. That would give them veto power over key decisions and the power to bring down the government if they disagreed with a decision.

The governing majority, which succeeded in forcing Syria to withdraw its army from Lebanon last year, is not willing to relinquish full control.

Syria ended its 29-year military presence in Lebanon after international pressure and mass protests that followed the 2005 assassination of former prime minister Rafiq al-Hariri in Beirut. A U.N. investigation implicated top Syrian officials in the killing, but Syria has denied any role.

Russian Foreign Minister Hopeful About Nuclear Talks With Iran (AP)

AP, November 12, 2006

MOSCOW — Russia's foreign minister said Saturday that he believed international talks with Iran over its atomic program were still possible, maintaining that Russia could help bridge differences with other negotiating partners, including the United States.

President Vladimir V. Putin met Saturday with Iran's top nuclear negotiator, Ali Larijani, ending two days of talks that signaled a renewed push by Moscow to persuade Tehran to freeze its uranium enrichment effort. Iran, however, has so far snubbed Moscow's proposal to host its enrichment program.

Larijani remained defiant after the first round of meetings Friday, saying Tehran would push ahead with its nuclear program, and suggesting it could break off ties with the U.N. nuclear watchdog if the world inflicted punishments proposed by European nations.

Russian Foreign Minister Sergei V. Lavrov said his country would continue efforts to bring Iran back to negotiations with Germany and the five permanent members of the Security Council — the U.S., Britain, China, France and Russia.

"We will push for our common goal — the resumption of talks with six nations," Lavrov said in a statement after Putin's meeting with Larijani. "We think it's possible, if there is goodwill, to find a mutually acceptable basis for the resumption of talks on the basis of the proposals of the six and Iran's response to them."

U.S., Pyongyang Officials May Meet Soon, Report Says (AP)

AP, November 11, 2006

TOKYO (AP) -- The United States and North Korea may hold talks in New York as early as this week aimed at working toward the resumption of six-nation discussions on Pyongyang's nuclear program, a newspaper reported yesterday.

Citing unidentified sources familiar with U.S.-North Korea affairs, Japan's Mainichi newspaper reported that officials from the two countries will discuss, among other issues, financial sanctions imposed on North Korea.

Tony Fratto, a White House spokesman, said he was not aware of any plans for a meeting. A State Department spokesman, Kurtis Cooper, said he could not comment on the report.

Last year, Washington claimed that Banco Delta Asia SARL -- a bank in the Chinese territory of Macao -- was being used by North Korea for money-laundering activities. The Bush administration banned transactions between the bank and American financial institutions.

Earlier this month, the State Department said North Korea would get a chance to seek access to its frozen overseas bank accounts when the six-nation negotiations resume.

North Korea agreed to return to the talks -- involving the two Koreas, the United States, China, Japan and Russia -- following its test of a nuclear weapon on Oct. 9, a move that triggered international outrage and economic sanctions. No date has yet been set for their resumption.

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North Korea, which claims its nuclear ambitions are aimed at deterring U.S. attacks, has boycotted the nuclear talks since November 2005 when the U.S. Treasury Department imposed economic sanctions on the country.

U.S. and North Korean officials had a direct meeting in Beijing on Oct. 31, which the North said at the time led to their decision to return to the six-nation talks.

Meanwhile, top South Korean officials yesterday decided against fully participating in a U.S.-led program to stop and search ships in international waters to prevent the movement of weapons of mass destruction, a press report stated.

Washington has said it wants South Korea to expand its participation in the Proliferation Security Initiative following the North's nuclear test and a U.N. Security Council resolution banning weapons trade with the North.

South Korea has only been an observer to the program out of concern its direct participation in stopping and searching North Korean ships could lead to armed clashes with its volatile neighbor.

The decision yesterday will become official after a formal government review process and a report to President Roh Moo-hyun, Yonhap news agency reported, citing unidentified participants in the session involving Prime Minister Han Myung-sook, key security officials and ruling party leaders.

Nicaragua's Ortega Vows Close U.S. Ties (AP)

By Traci Carl, Associated Press Writer

AP, November 12, 2006

Daniel Ortega returns to Nicaragua's presidency a shadow of the fiery revolutionary who in Cold War times vowed an endless fight against a U.S. government determined to overthrow him.

Balding, weakened by heart trouble and often appearing almost docile, he now preaches reconciliation and stability, and promises to maintain close ties with the U.S. and the veterans of the Contra army it trained and armed against him.

He has traded his wartime military fatigues for a white shirt and jeans. His guide, he says, is God, not Karl Marx.

The United States and his rivals worry the Sandinista revolutionary in him will resurface, as Venezuelan President Hugo Chavez and Cuban leader Fidel Castro welcome him into a club of leftist leaders fighting American dominance in the region.

But Ortega, who was president in 1985-90, the height of the Contra insurgency, says he has traded war for peace, love and consensus.

His victory speech late Wednesday was tinged with some of his old fire. Raising his arms in victory, he led thousands in a rendition of an old revolutionary song: "The people united will never be divided."

He promoted socialist ideals such as free education and medical care, lambasted U.S. Republicans for the war in Iraq and thanked other leftist Latin American leaders for their support. But most of his speech was dedicated to praising democracy and reaching out to opponents.

"Don't let one criticism slip from your lips against those who didn't vote for us," he warned his supporters. "We have to be humble."

Ortega, who turned 61 Saturday and takes office Jan. 10, has been careful not to sound triumphalist. Even though his strong lead over Harvard-educated banker Eduardo Montealegre was clear soon after Sunday's election, he waited two full days for Montealegre to concede defeat before declaring victory.

His speeches have focused on reassuring skeptics that he plans no radical changes and will embrace free trade, job creation and close U.S. ties.

On Saturday, Ortega said his Cabinet ministers will be named by the people — not himself — and he had asked local representatives to send him proposals for candidates. He vowed that half of his top officials would be women and he would include people who didn't vote for him.

He also promised more than 1,000 Sandinista peasant leaders that the government would buy land for people who need it, which they could pay for "little by little even if it is with a sack of corn."

Perhaps the biggest sign that Ortega has changed is his vice president, Jaime Morales.

Shortly after the Sandinistas ousted dictator Anastasio Somoza in 1979, Morales' wife came home to find Ortega's wife, Rosario Murillo, occupying her house and wearing the family's clothes and jewelry. Morales spent years fighting for restitution.

Recently, he got it: Ortega returned works of art, a desk that was a family heirloom, and other things.

Shortly after, Morales agreed to run as his vice president, saying he preferred "the strange to the unknown."

"We agreed on peace 18 years ago, and it's time to heal that wound," Morales told The Associated Press. "Maybe together we can get people to forgive and forget and move on."

He said the next five years will be nothing like Ortega's first regime, when state economic control was so heavy that people lined up for rationed food and hungry farmers could be jailed for butchering their own cows without permission.

"Daniel Ortega knows he made a lot of mistakes," Morales said. "He's honestly regretful."

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Ortega's mistakes will haunt his new administration.

Leaders of the country's Miskito Indians have accused him of genocide for forcing thousands to relocate during the U.S.-backed Contra civil war. He has apologized for moving them, but denies genocide.

On Thursday, the Permanent Commission on Human Rights, an independent Nicaraguan body, said it would push the genocide case against Ortega throughout his administration.

Ortega's stepdaughter, Zoilamerica Narvaez, says he molested her for years, starting when she was 13, and often speaks against him publicly. Ortega and his wife both deny it, alleging Narvaez is mentally unstable.

Remembering the Sandinista closure of opposition media, some worry Ortega will not keep his promise to respect media rights. During his campaign, he rarely spoke to news media he believed tied to the United States, and refused to take part in a campaign debate sponsored by U.S.-based CNN en Espanol.

In his third failed run for president, in 2001, when reconciliation was the watchword, he actually waved a U.S. flag on stage. Yet celebrating May Day 2005 in Cuba, he referred to Americans in a speech as "the enemies of humanity."

Maricela Ortega, a 43-year-old store saleswoman, says she believes the president-elect is a different man.

The previous Ortega "was a dictator," she said. "But from what I've seen so far, he's no longer a rebel."

His wife Murillo, who is also his campaign manager, decides whom he talks to and is always at his side. Cartoons show her manipulating Ortega like a puppet.

Dissident Sandinistas say he has become too conservative, as well as opportunistic in his alliances — for instance by joining forces with his opponents to push legislation through Congress that effectively weakened the then president, Enrique Bolanos.

Now he will replace outgoing Bolanos in that diminished presidential role, and must work with an opposition-dominated Congress.

More than ever, Ortega will need the support of his former enemies, and they have pledged to keep him in check.

U.S. State Department spokesman Gonzalo Gallegos says cooperation with Ortega and his government will be "based on their action in support of Nicaragua's democratic future."

"We want to have a close, respectful relationship with the United States," Vice-President Morales said. "That doesn't mean we will always agree with the U.S. But it also doesn't mean we are an enemy."

Associated Press Writer Filadelfo Aleman contributed to this report.

Former Contras Bemoan Ortega's Return To Power In Nicaragua (WP)

By N.C. Aizenman

The Washington Post, November 12, 2006

SAN BENITO, Nicaragua -- As a young insurgent fighting to overturn Nicaragua's Marxist-led Sandinista revolution during the 1980s, Mart?n Laguna chose the alias "Comandante Amargura," Spanish for "Commander Bitterness," to protest his suffering at the hands of a government that had gunned down his father and confiscated his family's cattle ranch.

But 16 years after the Sandinistas' fall ushered in a new era of democracy in Nicaragua, Laguna's old code name seems just as apt.

Official promises to compensate him for the expropriated property never came through, so he has joined about 100 other former fighters squatting in flimsy shacks on this desolate plain outside the capital, Managua.

Jobs are scarce, so he feeds his four children by scavenging for firewood to sell by the highway.

And as if those humiliations weren't enough, last week Daniel Ortega, the Sandinista leader whom Laguna risked his life to overthrow, won back the presidency through a democratic election.

"I can't believe it," Laguna, a stocky man of 52, said disgustedly in a recent interview inside his home of sticks and plastic tarp. "After all these years, our enemy is going to have power over us once more. I never, never imagined this would happen."

A week after divisions among his opponents enabled Ortega, 61, to eke out a victory with less than 40 percent of the vote, Nicaraguans of all political stripes are still reeling. But perhaps none feel more personally affronted than the surviving foot soldiers of the U.S.-funded anti-Sandinista force, known as contras. Through a controversial, decade-long campaign of ambushes and sabotage, the contras, estimated to number as high as 12,000 at their peak, helped pressure Ortega into holding elections in 1990 in which voters swept him from office.

Now some former contras view Ortega's return in almost apocalyptic terms. Although Ortega cast himself as the candidate of "reconciliation," Laguna's neighbor, Leiva Ram?rez, a petite woman with dark, intense eyes, predicted that it is only a matter of time before he reinstates unpopular policies of his previous 11-year rule, such as expropriating property, rationing food and jailing dissenters.

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"But we won't surrender to him!" shouted Ram?rez, 39, as her voice began to shake with emotion. "If we have to, we'll go back to the mountains where we are strong and fight again. Better to die in battle than to stay here and be killed off one by one."

Other former contra fighters interviewed were more sanguine, arguing that Ortega has probably mellowed over the years. Their concern was that his victory would embolden his more radical supporters to harass former contra fighters in the many urban neighborhoods and rural villages across Nicaragua where old foes now live side by side.

Eighty miles north of the San Benito encampment, in the remote mountain village of La Lima, Efra?m Subalbarro, 42, said that Sandinista activists had already twice stopped by his house in the middle of the night.

"They pulled up in a truck and stood outside shouting obscenities and threats for about half an hour. It was very tense," said Subalbarro, a short, muscular man who commanded 45 fighters during the contra war.

But perhaps most upsetting to the former contra fighters is the notion that Ortega's victory could represent the final step in the contras' long descent into political irrelevance.

"We were the ones who gave Nicaraguans their democracy, and now we've been totally abandoned," said Subalbarro, who said he watched two younger brothers die in battle. "It's like we don't matter anymore."

The contras' loss of clout is at least partly due to their lack of coherence to begin with. Armed, trained and largely run by the CIA, the insurgency was dominated at its top tier by former members of the notoriously brutal National Guard that propped up dictator Anastasio Somoza until the Sandinistas deposed him in their 1979 revolution. A diverse group of civilian leaders, among them prominent business figures and former Sandinistas disenchanted with Ortega's rule, offered the contras a more palatable public face but exercised little power behind the scenes.

The rank and file, meanwhile, was filled mainly by peasants from the north and Miskito Indians from the Atlantic coast, many of them women and teenagers. They chafed under Sandinista rules that favored agricultural cooperatives, and resented the presence of Cuban doctors and teachers promoting an atheistic worldview.

After Ortega's loss in 1990, most of the contra civilian leadership joined anti-Ortega factions that have coalesced and divided and coalesced again in a dizzying series of alliances. Among the more surprising twists in this contretemps was the decision this year by Jaime Morales -- a former banker and contra negotiator whose home Ortega occupied after the 1979 revolution -- to run for vice president on Ortega's ticket.

A small cadre of contra fighters did establish a party, known as the Nicaraguan Resistance Party, dedicated to representing former contra combatants. But it has been beset by frequent internal squabbles, the most recent of which erupted in September when the party's president, Salvador Talavera, infuriated many members by signing a public "peace agreement" with Ortega.

Such moves at the top have only compounded the disillusionment felt by many lower-ranking former contras over the level of assistance they have received from democratic administrations that succeeded Ortega.

After years of fighting, many had lost their lands to the Sandinistas. Others like Subalbarro, whose family was able to keep its cattle ranch in the northern state of Jinotega, felt it was unsafe to return. "Everybody there knows what operations you were responsible for, and there may be those who want to take their revenge," he said.

Violeta Chamorro, who defeated Ortega in the 1990 presidential election, originally promised to grant each demobilized contra either 50 manzanas of land, about 86 acres, on which to raise cattle or 15 manzanas, about 26 acres, for crops. But that commitment was based on estimates that put the contra force at 5,000, noted Alfonso Sandino, a former contra spokesman who heads the government agency in charge of compensating demobilized combatants. When 22,000 came forward claiming to be former contras, "it was clear that the original commitment was totally unrealistic. Nicaragua just doesn't have sufficient land to fulfill it," Sandino said.

Furious, small groups of contras rearmed and staged violent protests several times during the early 1990s, at one point occupying the Colombian Embassy in Managua. Each time, the crisis was soothed with more government promises.

Today, Sandino said, about 90 percent of former contra fighters have received some land -- albeit in smaller parcels than originally envisioned. The distribution, however, was haphazard, and contras' families often did not receive title to the new land, just vague permission to relocate there.

That has caused serious difficulties for Claudia Pe?a, 35, who moved onto a government-granted patch in the northern department of Matagalpa seven years ago.

Soon afterward, local Indians made a competing claim against the property and began grazing cattle there. Without a title, Pe?a and her husband have been unable to defend their claim to the land.

"We're supposed to have eight manzanas of land," she said. "But the truth is, we're only able to raise crops on about one."

One of her young sons sat on the ground nearby, watching her with a pinched expression. He's hungry, she explained, but there wasn't going to be enough for dinner that night. Instead, she said, "I'll give the children water to take away their appetite."

When she was asked whether this was the future she imagined back when she was fighting in Nicaragua's northern jungles, Pe?a's eyes filled with tears.

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"No. We wanted peace so we could have a chance at a decent living," she answered. "This is not what I was fighting for."

Two U.N. Peacekeepers Killed In Haiti (AP)

AP, November 11, 2006

PORT-AU-PRINCE, Haiti (AP) -- Two U.N. peacekeepers from Jordan were shot to death in Haiti's capital after coming under attack by gunmen, U.N. officials said Saturday.

Jordan's official Petra news agency reported the two soldiers were attacked Saturday morning while on patrol in Port-au-Prince, the capital. But a United Nations police spokesman in Haiti, Fred Blaze, said preliminary reports indicate they were killed Friday night.

Blaze said the soldiers came under attack in the Sonapi section of the capital near Cite Soleil, a slum where well-armed street gangs blamed for kidnappings are based. The deputy U.N. mission chief in Haiti, David Wimhurst, confirmed the deaths but declined to give details.

Jordanian government spokesman Nasser Judeh identified the soldiers as 1st Lt. Ahmad Mohammed Hassan Ba'irat and Cpl. Rami Wasif Taha Al Mohammed.

The U.N. peacekeeping force has been stepping up patrols to quell violence in the Caribbean nation's dense slums. But there is growing opposition among poor slum dwellers to the Brazil-led U.N. force, sent to restore order after a bloody February 2004 revolt ousted then President Jean-Bertrand Aristide. They have accused U.N. troops of firing indiscriminately during gunbattles with gangsters, killing and wounding civilians.

The U.N. denies peacekeepers open fire indiscriminately and says they only shoot when attacked. No overall civilian casualty figures were available.

In recent days, students and slum dwellers have staged street protests calling for the U.N. force's withdrawal.

Jordan has about 1,500 troops in the force of some 8,800 peacekeepers. Nine peacekeepers have been killed since the force arrived in June 2004.

The latest attack marked the bloodiest day for the blue-helmeted force in nearly a year. In December, a Jordanian soldier was shot to death while patrolling Cite Soleil.

Facing Reality On Europe's Immigrants (NYT)

By David C. Unger

The New York Times, November 12, 2006

"Write an article!" came the shout as I left a room full of German women preparing the food for their weekly breakfast discussion meeting in the Rollberg housing project in the Neukölln section of Berlin.

They were Germans now, but most had been born elsewhere, generally in Muslim countries. One wore a head scarf, the others did not. The youngest looked about 19. The oldest might have been a grandmother.

These women illustrated a reality finally accepted by some of Germany's most conservative politicians — there is no reason someone cannot be German and Muslim at the same time. In America, that idea would be unremarkable. In Germany, with its tragic history of exclusive nationalism and race-based citizenship, it is an intellectual revolution.

The moving spirit behind these meetings was Ayten Köse, an infectiously enthusiastic woman of Turkish descent, who relished telling a visitor what it had taken to make this project a reality.

The weekly breakfasts were among the activities of an outreach program sponsored by the local government and the European Union. One goal is to help the project's residents connect with one another and with local public services. That, in turn, is meant to reduce the sense of isolation many immigrants feel from the larger society they live in and from its political institutions.

Through this program, residents had gotten help in ridding public rooms in the housing project of the intimidating young toughs who hung out there, discouraging women from leaving their apartments. That reclaimed space became home to the Friday breakfast gatherings, where the women compared notes on problems from domestic violence to developments in Afghanistan, Gaza and Iraq.

It took a long time for Germany's leaders to wake up to the fact that millions of foreign-born or foreign-descended residents — people who originally arrived as guest workers or asylum seekers, along with their German-born children and grandchildren — intend to live their lives in Germany with no plans of returning to their ancestral homelands.

More than three million of these new Germans are Muslims — nearly two million from Turkey, with most of the rest from Bosnia, Albania, the Arab world, Pakistan and Iran.

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It is in Germany's interest to help these newcomers succeed and prosper, by helping them improve their German language skills, preparing them for better jobs and smoothing their path to German citizenship. That lessens the risk of their slipping into an underground world of isolation, joblessness and despair, where they might fall prey to terrorist recruiters.

The new realism of its politicians is welcome, but Germany has a long way to go. Immigrants still face violent attacks from xenophobic neighbors and the discriminatory attitudes and practices of some local governments. Despite recent reforms, it remains too difficult for many long-time residents to become citizens.

Yet, despite its shortcomings, Germany's new approach contrasts favorably with that of neighboring France — the home of Western Europe's largest and perhaps least integrated Muslim population.

French policies have been confounded, paradoxically, by the country's militantly integrationist official ideology. The well-meaning insistence that all French citizens are simply French has led to decades of willfully ignoring the particular needs and diverse cultures of distinctive segments of the French population.

The poor and unemployed young men who burned cars in suburban neighborhoods last fall weren't protesting the noble French ideal of égalité. They were protesting the daily humiliation of coping with police officers, politicians and employers who have no real idea of what their lives are like and no desire to find out. It is that kind of estrangement that German programs like the one in Neukölln are trying to avoid.

Voters Were Not The Only People To Notice Scandals (NYT)

By Mark A. Stein

The New York Times, November 12, 2006

Fed up with corruption? No wonder. It is getting worse.

Transparency International, a private antibribery group in Berlin, released its annual corruption perceptions index, which gauges how people view the honesty of public officials in 163 countries.

Perhaps unsurprisingly, Iraq's reputation suffered this year. So did those of Brazil, Cuba, Israel, Jordan, Laos, Algeria and — er — the United States. America fell three spots, to tie for 20th with Chile and Belgium.

The pecuniary relationships that Jack Abramoff and other lobbyists had with certain members of Congress apparently took a toll on the country's reputation.

And a substantial number of voters cited corruption as a factor in their decision in the midterm election last week.

But there is another side to the problem: the countries that pay graft to foreigners.

Transparency International uses this "supply side" of corruption to rank countries on a "bribe-payers index." Here, the United States does better. It tied — again, with Belgium — in ninth place.

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USDOJ- Office of Public Affairs

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

New Federal Probes Target Posada. The Miami Herald (11/12, Chardy, Weaver) reports, "One of the first things the businessman noticed about Luis Posada Carriles was that he spoke funny. Posada, who mumbled because of an old bullet wound in his jaw, frequently visited the businessman's Guatemala utility company in 1997 to meet with two co-workers." The Herald continues, "The businessman grew suspicious after one of the workers told him about Cuban exile plans to assassinate Fidel Castro and after a Venezuelan politician confided that Posada, a CIA-trained explosives expert, was a 'very dangerous individual.' … Concerned that Posada was using his utility business to plot illicit activities, the businessman hid a transmitter in an office and overheard the two co-workers talk with Posada about placing a 'putty-like explosive' in the shoes of Central Americans paid to pose as tourists on trips to Cuba. … Soon afterward, the businessman became a 'confidential source' for the FBI's investigation into bombs that exploded at Cuban tourist sites in 1997, killing an Italian and wounding seven others." The Herald notes, "The businessman, a Cuban-American engineer who set up the utility company in Guatemala City in 1996, could turn out to be the central figure in the Justice Department's rekindled criminal investigation of Posada. The probe is back on track -- despite the fact that the FBI field office in Miami destroyed evidence in 2003 about the initial Cuba bombing case. … Federal grand juries in New Jersey and Texas are investigating the secret activities of Posada, 78, who is detained at an immigration facility in El Paso, Texas. The Texas probe focuses on whether he lied about how he sneaked into the country. The New Jersey investigation, aided by the FBI in Miami, is zeroing in on his role as the alleged mastermind of the dozen tourist-site bombings in Cuba that investigators think were financed by Cuban exiles in Union City, N.J. … Either of the probes could lead to the first indictment of Posada in the United States."

Under the headline "FBI Destroyed Evidence As 'Routine' Matter," the Miami Herald (11/12, Weaver, Chardy) reported that the FBI's destruction of the Cuba bomb plot evidence "posed a serious challenge" to the renewed investigation, however, "officials portrayed the destruction as a routine administrative procedure after the U.S. attorney's office closed the case in August 2003 because of lack of progress in the investigation. 'We routinely destroy evidence in cases that have been closed,' said FBI spokeswoman Judy Orihuela, noting the agency needed to make room for other records in its evidence room at the time. She added that the FBI has been able to rebuild the body of evidence in the Cuba bombing probe, which targets Posada." Meanwhile, former FBI Miami SAC Hector Pesquera "said that any suggestion he sought to protect Posada from prosecution was 'preposterous.'"

Author Criticizes DOJ Investigations As Lackluster. In a Washington Post (11/12) op-ed titled "Why the FBI Is Coming After Me," author Ann Louise Bardach criticizes the US for what she sees as an unenthusiastic investigation of Posada Carriles and for the DOJ subpoena of her records from her interviews with him. Bardach adds, "Before the government starts tampering with the Constitution's protections of the press, it needs to do some housecleaning. A good start would be a special prosecutor to look into who

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ordered the removal of the Posada evidence, and why. If it then decides that it wants to go further, it might peruse the 45 years' worth of CIA and FBI files on Posada that detail his paramilitary career. And there are a dozen or so comrades of Posada's in Miami and New Jersey who know a great deal more than I do. But that's assuming that the government wants to prosecute Posada. It has declined to do so for decades. And nothing so far suggests that it is inclined to start now."

CIA Says Detainee Treatment Is National Security Issue. The Detroit Free Press/McClatchy Newspapers (11/12, Rosenberg) reports, "The CIA is still trying to impose secrecy around 14 top Al Qaeda suspects now held at the Guantanamo Bay, Cuba, detention center, including an alleged 9/11 mastermind, Khalid Sheikh Mohammed." McClatchy continues, "The arena for the effort is the U.S. District Court of Judge Reggie Walton in Washington, D.C., where the government is seeking a still-undefined restriction on the attorney-client relationship in the case of Majid Khan, one of the 14. … The CIA argues that details of the man's three years of detention and interrogation at so-called black sites -- out of reach of the International Red Cross -- are national security secrets." McClatchy adds, "Khan's attorney, Gita Gutierrez, argues that the Bush administration's intent is not to safeguard national security but to cover up three years of extrajudicial detention of her client -- to 'conceal illegal or embarrassing executive conduct.' … Khan, 26, was captured in his native Pakistan in 2003. The White House says he's linked to unsuccessful plots to blow up gas stations in the United States, poison U.S. water supplies and assassinate Pakistani President Pervez Musharraf. … It's not known where he was held or how he was interrogated to establish these links. He hasn't been charged with a crime." McClatchy notes, "At least some of the 14 men whom President George W. Bush ordered handed over to the military this summer were reportedly submitted to harsh, classified interrogation techniques, including simulated drownings -- known as water-boarding -- to break their will. .. .Court documents filed by the government suggest that the 14 newest arrivals at Guantanamo, among them alleged Osama bin Laden deputies, would never be integrated into the general population of more than 430 captives, for fear they would talk about their secret confinement to other captives, who could, in turn, pass on the details to their lawyers. … In seeking to redefine attorney-client contacts, Justice Department lawyers offered a seven-page affidavit from CIA officer Marilyn Dorn, who describes herself as 'the information review officer for the National Clandestine Service.'"

HOMELAND RESPONSE:

More Air Travelers' Bags Missing In Wake Of Liquid Ban. The New York Times (11/12, Bailey, 1.16M) reports on its front page that since August 10, "when a ban on most carry-on liquids sent the amount of checked luggage soaring, airlines have been misplacing many more bags, and the fumbling could well escalate during the busy holiday travel season." The Transportation Department also reported that "more fliers had their bags go missing in August than they did a year earlier" and "it got worse in September." The Times notes that currently "efforts are under way to fix two of the worst baggage operations" in the US, although "financial problems have slowed industry investment in technology that could improve bag handling."

WAR NEWS:

Iraq Study Group May Have Few Good Options. The Washington Post (11/12, A1, Abramowitz, Ricks, 690K) reports in a front page article, "Those familiar with the panel's work predict that the ultimate recommendations will not appear novel and that there are few, if any, good options left facing the country. Many of the ideas reportedly being considered -- more aggressive regional diplomacy with Syria and Iran, greater emphasis on training Iraqi troops, or focusing on a new political deal between warring Shiites and Sunni -- have either been tried or have limited chances of success, in the view of many experts on Iraq. [James] Baker is also exploring whether a broader U.S. initiative in tackling the Arab-Israeli conflict is needed to help stabilize the region." The Post states that the panel might have to contend with political pressures: "While Baker has been testing the waters for some time to determine how much change in Iraq policy will be tolerated by the White House, [Lee] Hamilton perhaps faces the now even-more-difficult challenge of cajoling Democrats such as former Clinton administration chief of staff Leon E. Panetta and power broker Vernon E. Jordan Jr. to sign on to a plan that falls short of a phased troop withdrawal, the position of many

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congressional Democrats. ... Within the panel, staffers and expert consultants have waged warfare by memo as idealists argue with pragmatists over particulars."

Baker, Gates Bring "Bush 41" Mindset To Administration. NBC Nightly News (11/11, story 3, 2:16, Mitchell, 9.87M) examined the changing of the guard in the Bush Administration's inner circle and how, "after six years of rejecting advice from members of his father's advisory team, the President is calling them off the bench, James Baker to craft an exit strategy in Iraq. His father's CIA Director Bob Gates to replace Donald Rumsfeld at the Pentagon. … The President bristled when Brian Williams asked if he was seeking his father's advice." Bush: "He understands I have often times have information he doesn't have." Mitchell: "There have been tensions. Gates, who had dinner with the President's father in Texas last night, has been sharply critical of the way the Pentagon has run the war." Former Rumsfeld adviser Kenneth Adelman: "I think it is the end of the kind of missionary spirit of George W. Bush and the resurgence of the calm stability arguments of George Herbert Walker Bush."

Blair Will Address Iraq Study Group. The Washington Post (11/12, A17, Sullivan, 690K) reports British PM Tony Blair "will speak via video link with officials from the Iraq Study Group on Tuesday to discuss 'U.K. ideas on Iraq and the Middle East,' a Blair spokeswoman said Saturday. ... The Guardian newspaper on Saturday reported that Blair would urge the panel to push the Bush administration to begin talks with Syria and Iran to persuade those two countries to become more involved in finding a solution to the situation in Iraq. The newspaper also reported that Blair would press Baker and Hamilton to recommend that any solution in Iraq depends on the United States making a 'reenergized push for peace in the Palestinian-Israeli conflict.'" The report was called "speculation" by the Blair spokeswoman.

WPost Says Baker-Hamilton Could Find Common Ground. The Washington Post (11/12, 690K) editorializes, "A close look at what the White House and Democrats have been saying, along with what is emerging from the bipartisan Iraq Study Group, offers grounds for some optimism. There is, in fact, a center to the war debate that offers the outlines of a way forward." The group will "almost certainly endorse an idea long favored by Mr. Biden and many other Democrats: an attempt by the United States to find common ground on Iraq with its neighbors -- including Syria and Iran. ... Both the Bush administration and Democrats must face the possibility that no amount of U.S. pushing will produce political results or diminish the violence in Baghdad, at least in the short term. For some time, Mr. Maliki and other Iraqis have been warning any American who will listen that the dynamics driving the war won't necessarily respond to timetables drawn up in Washington. ... The United States needs a strategy for defending its own vital interests in that case. As it happens, Mr. Maliki has one to offer: In the last couple of weeks he has made clear that his government's priority is to gain full command over the Iraqi army the United States has been building and take the lead in fighting the Sunni-al-Qaeda insurgency. That means that U.S. troops could begin moving to a supporting role, backing up the Iraqi units with air power and rapid reaction forces."

Brooks Says Baker-Hamilton May "Produce More Peace" At Home Than In Iraq. In his New York Times (11/12, WK12, 1.16M) column, David Brooks writes, "Both parties are desperate to be substantially out of Iraq by 2008. Vietnam-haunted Democrats don't want to be saddled with the remains of the war if they retake the White House. Most Republicans don't want to wage another campaign under the Mesopotamian shadow. The president, however, is thinking about the decades-long struggle, not the next election, so the G.O.P. could be heading toward a blood feud between 'Let's end this' Republicans and 'Let's win this' Republicans, with the potential bitterness lasting for years." The Baker-Hamilton commission "may produce more peace in America than in Iraq," and "events in Iraq are moving more quickly than adjustments in Washington. ... Visitors to Baghdad have been surprised by the lack of urgency many Iraqi leaders seem to feel in the face of national disintegration."

Hoagland Says Bush Lost His Gamble But Middle East Still Needs To Change. In his column for the Washington Post (11/12, B7, 690K), Jim Hoagland writes, "President Bush lost more than a midterm election and a cantankerous defense secretary last week. He also abandoned any lingering chance of remaking U.S. foreign policy into a radical force for democratic change in the Middle East and elsewhere." However, Hoagland claims that now-ascendant "realism" itself had failures: "Only the incompetence and discord of the past three years could cause reasonable people to welcome back with applause policymakers who failed to anticipate and then opposed the breakup of the Soviet Union; who were not realistic enough to see, much less prevent, the Balkans from plunging into

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flames; and who 'coddled dictators from Beijing to Baghdad' ... So hold the champagne and cheers for the return of 'realism.'"

Baghdad Suicide Bomber Kills At Least 33. The AP (11/12, al-Bashir) reports, "A suicide bomber blew himself up outside a police recruiting center in Baghdad early Sunday, killing at least 33 people and wounding 56, police said. Crowds of recruits were gathering outside the center in western Baghdad's Nissur Square when the bomber detonated explosives strapped to his body, police Lt. Maitham Abdul-Razaq said. He said the death toll was expected to rise because many of the injuries were extremely serious." The attack "was one of several on Sunday in the capital, where sectarian violence kills scores each week."

Iraqi Gunmen Kill 10 Shiites, Abduct 50 Others. The AP (11/11) reports, "Sunni gunmen ambushed a convoy of minibuses Saturday night at a fake checkpoint on a highway south of Baghdad, killing 10 Shiite passengers and kidnapping about 50. ... Police said the mass kidnapping and killing was near Latifiyah, about 20 miles south of Baghdad in the so-called Triangle of Death."

Sectarian Rifts In Diyala Portend Problems After Iraqis Take Over. The New York Times (11/12, A1, Oppel, 1.16M) reports in a pessimistic front page article, "Diyala is now teeming with Shiite militiamen who have rushed in from Baghdad in recent months to protect the Shiite population from attacks. Once considered by American officials to be relatively pacified, it has become a cauldron of violence carried out by insurgents and militias, intensified by sectarian-influenced security forces. As pressures for a phased United States withdrawal build, the experiences of American commanders over the past year in Diyala provide a window on the possible consequences of ceding authority to the Iraqi Army."

Gates Selection Could Help Close Pentagon-State Rift. Under the headline, "In Gates Selection, White House Hopes To Close Rift Between State And Defense," a piece in the New York Times (11/12, Sanger, Shane, 1.16M) says President Bush "selected Robert M. Gates as his new defense secretary in part to close a long-running rift between the Defense Department and the State Department that has hobbled progress on Iraq, keeping the two agencies at odds on issues ranging from reconstruction to detaining terrorism suspects, according to White House officials and members of Mr. Gates' inner circle." Since September, Secretary of State Condoleezza Rice and National Security Adviser Steven Hadley "quietly steered the White House" toward replacing Donald Rumsfeld with Gates, "who had worked closely with Ms. Rice under the first President Bush." Rice and Rumsfeld "never managed to resolve their differences," and as NSA "during Mr. Bush's first term, Ms. Rice was unable to halt a war between the State Department and the Pentagon that put senior officials in the departments in a state of constant conflict."

Gates Could Signify Shift Toward "Realists." BBC.com (11/11, Beale) reports, "The departure of Donald Rumsfeld is seen as one indication that the White House has listened to its critics. ... The departure of Mr Rumsfeld and the arrival of Robert Gates at the Pentagon is being interpreted as the end of the road for the ideologues and the re-entry into orbit of the foreign-policy 'realists'. So-called 'realists' are supposed to have a more nuanced view of the world. They do not - like the so-called neo-conservatives - see everything in black and white terms. ... No doubt the new arrivals will bring a fresh perspective to the White House. But don't expect US forces to exit Iraq overnight or for Iran and Syria to be greeted with open arms." Furthermore, victorious Democrats "cannot afford to appear weak in the face of the threats that America faces if they are to have any chance of eventually taking the White House," and President Bush "has already made it clear that he is not going to abandon his goal of defeating terrorism in Iraq or ease the pressure on North Korea and Iran."

Gates's "Slogging Through" Iran-Contra Recalled. The AP (11/11, Yost) reports in a negative, historically oriented article, "Senate Democratic leader Harry Reid of Nevada says he has questions about Gates' involvement in Iran-Contra. Republicans plan to push the nomination through before they lose control in January. Thomas Blanton, director of the National Security Archive, a private group that has collected hundreds of thousands of pages of documents on the scandal and published several books on it, calls Gates 'the ultimate hear-no-evil see-no-evil high official during Iran-Contra.' In a final report, Iran-Contra prosecutor Lawrence Walsh said that, 'like those of many other Iran-Contra figures, the statements of Gates often seemed scripted and less than candid.' The AP adds, "Questions about Gates focus not on what he did in Iran-Contra, but on what he knew."

Gates Speech Quoted As Clue To Thinking. The Outlook section of the Washington Post (11/12, B4, 690K) reprints a September 8 speech by Secretary-designate Gates

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at Texas A&M University (sardonically titling it "How Not To Run The Pentagon") in which he "cautioned against new leaders arbitrarily imposing their ambitious agendas, only to witness the reversal of their efforts immediately after they leave." Gates said, "Some leaders arrive with ambitious agendas and seek to impose them by fiat -- unilaterally and from above. They usually provoke either paralyzing opposition and internal warfare, or see the reversal of every action immediately after their departure. ... What, then, is the formula for successful leadership in public institutions, above all a great university? I believe it begins with a leader's recognition that his or her time in office is finite and that the institution and those who carry out its mission endure. They were there long before the leader arrived, and will be there long after he or she departs."

"No Tears" For Rumsfeld At Camp Victory.

NBC Nightly News (11/11, story 2, 1:58, Askill, 9.87M) reported, "On this Veterans' Day American troops in Iraq mustered for a special ceremony. Seventy-five soldiers from 33 countries were sworn in as American citizens at Baghdad's Camp Victory. … There were no tears for Donald Rumsfeld's resignation as Secretary of Defense." Sgt. Miguel Bravo: "I am glad he is out of that position. Hopefully the new guy will do better things." Askill: "Military analysts say the 'new guy,' Robert Gates, faces an almost impossible situation."

Cafferty Criticizes Pentagon On Armor. On CNN's In The Money (11/11), anchor Jack Cafferty said, "How about a trade: one used defense secretary for enough armor to protect our soldiers, for starters."

Feith Defends Rumsfeld In WPost. In the Washington Post (11/12, 690K), former Under Secretary of Defense for Policy Douglas Feith writes, "Much of what you know about Donald Rumsfeld is wrong. ... I know that Don Rumsfeld is not an ideologue. ... Because of his complexity, Rumsfeld is often misread. His politics are deeply conservative, but he was radical in his drive to force change in every area he oversaw." Rumsfeld "has been attacked for insisting that troop levels for the Iraq operation be kept low, supposedly out of ideology and contrary to the advice of the military. What I saw, however, was that Rumsfeld questioned standard military recommendations for 'overwhelming force.' He asked if such force was necessary for the mission. And he asked what the consequences might be of having a large footprint in Iraq and playing into propaganda about the United States wanting to take over the country."

Rumsfeld's "Errors" Were Allegedly Shared By Generals. In a commentary for the Los Angeles Times (11/12, 850K), AEI scholar Frederick Kagan writes, "The strategy that has led to disaster in Iraq belonged to the commanders at least as much as to Rumsfeld. Scapegoating him in isolation will prevent us from learning the essential lessons of our recent failures." Kagan argues, "Belief in the value of technology and the need for light, swift ground forces pervaded the senior military leadership in the 1990s," being held by Gens. Eric Shinseki, Tommy Franks, and John Abizaid. Rumsfeld's failing was not his "managerial style, but his flawed understanding of war": he became "captive" to the "transformation program" that would "rely on information technology to permit American forces to locate, identify, track and destroy any target on the face of the Earth from thousands of miles away. Ideally, ground forces would not be necessary in future wars."

Rumsfeld Seen As "Central Villain" Of Woodward's "State Of Denial." In the New York Times Book Review (11/12, 1.16M), reviewer and New Republic editor Franklin Foer writes, "Where Bush appeared resolute in the first two installments of Woodward's trilogy, he now comes across as a 'Saturday Night Live' version of himself. ... But the president is too passive a player to be Woodward's central villain. Besides, Donald Rumsfeld fills that role far too perfectly. He comes across as utterly contemptuous of other human beings. ... What's worse, he is an obsessive micromanager, but one who disavows projects once they look doomed. As soon as the hunt for weapons of mass destruction seemed fruitless, he handed over the mission to the C.I.A. Rumsfeld takes so much pummeling that he eventually becomes a strangely sympathetic character." Foer finds "maddening reports of administration ham-handedness and arrogance" in Iraq and adds approvingly that Woodward has been forced by criticism "to change his style. There's less of his signature omniscience here."

LATimes Publisher Recalls Playing Squash With Rumsfeld. In an op-ed piece for the Los Angeles Times (11/12, 850K), Times publisher David Hiller writes, "There was a period in the late 1990s when Don Rumsfeld and I played squash almost every month in Chicago, and before I say anything else, I should acknowledge this: He beat me almost all the time ... I think what struck me most was that Don never gave up on a point. His view was that every shot could be made, every game could be won, and he never surrendered until the last volley was played out."

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Casey Says US Has Resolve To Carry Out Iraq Mission. The Los Angeles Times (11/12, Daragahi, Zavis, 850K) reports Gen. George Casey Jr. "voiced confidence Saturday that the United States would not abandon its mission in this violence-racked country amid a postelection reevaluation of Iraq strategy." His remarks "were among his first public statements since the resignation last week" of Defense Secretary Donald Rumsfeld. Political insiders "have speculated that both Casey and U.S. Ambassador Zalmay Khalilzad, who was also at the ceremony, could leave their posts because of the Republican Party's defeat at the polls Tuesday."

US Offers Reward For Information On Missing Soldier. CNN (11/11, Lin) reported, "A reward is being offered in the search for a US soldier abducted in Iraq. The Army Reserve specialist was kidnapped nearly three weeks ago in Baghdad while visiting his Iraqi wife and family. The US military is offering up to a $50,000 reward for information leading to his recovery."

The New York Times (11/12, A12, Luo, 1.16M) reports the case "took a turn late last week when Entifad Qanbar, an associate of Ahmad Chalabi, the influential Iraqi politician, identified himself as the soldier's uncle and said that the kidnappers had issued a $250,000 ransom demand. American officials had been meeting with an intermediary trusted by those who had captured his nephew, he said." Qanbar said he had "asked for proof from the captors that his nephew was still alive, setting a deadline of noon last Saturday. But he has not had any contact with the kidnappers or their representatives since then, Mr. Qanbar said Saturday."

Officer Who Refused Deployment Faces Court-Martial. The Los Angeles Times (11/12, Watanabe, 850K) reports, "The nation's first commissioned officer to refuse deployment to Iraq said he was disappointed by the Army's decision last week to proceed with a court-martial against him but reiterated that he believed he did the right thing in opposing the war." Army 1st Lt. Ehren Watada "said that recent events had reinforced his belief that many Americans, including a growing number inside the military, shared his sentiments against the Bush administration's conduct of the war." Those events "include the midterm election results giving Democrats control of Congress, the resignation" of Defense Secretary Donald Rumsfeld, and a "landmark editorial in four affiliated military-focused publications calling for the Pentagon chief's ouster."

Democrats Move To Save Iraq Reconstruction IG. The New York Times (11/12, Glanz, Johnston, Shanker, 1.16M) reports on its front page, "Congressional Democrats say they will press new legislation next week to restore the power of a federal agency in charge of ferreting out waste and corruption in Iraq and greatly increase its investigative reach. ... The move would nullify a Republican-backed provision, slipped into a huge military authorization bill, that set a termination date for the agency, the Office of the Special Inspector General for Iraq Reconstruction. The agency's findings have consistently undermined Bush administration claims of widespread success in the reconstruction of Iraq." There is "unlikely to be much downside for the Democrats in going after waste and fraud in government contracting, particularly in the Iraq war, which is not only unpopular with the American public but also where corporate giants like Halliburton, Parsons and Bechtel have committed highly publicized missteps in the rebuilding program." In addition, "Outside the reconstruction program, some agencies are likely to be singled out for special scrutiny, not only the Pentagon, but also the Central Intelligence Agency and Federal Bureau of Investigation."

Iraq Reconstruction Said To Lag Despite US Funding. On its front page, the Washington Post (11/12, A1, Witte, 690K) headlines a piece on Iraqi reconstruction, "Despite Billions Spent, Rebuilding Incomplete." While an injection of $38 billion has produced many results, "as the U.S.-led, U.S.-funded portion of Iraq's reconstruction nears its end, American officials and contractors alike are grappling with a cold reality: Thousands of successes in Iraq may add up to a single failure." Many "inside the reconstruction effort say security concerns were hardly the only problem. Poor planning and coordination by U.S. officials meant that even successful individual projects failed to do the job; for example, health-care centers were built at great cost but had no water and sewer service. Poor work-site management by contractors meant that some projects went awry. And now that the United States is handing over reconstruction efforts to Iraq, many involved with the process worry that the Iraqis don't have the training or the money to keep U.S.-built facilities running." Noting that "this was not how the rebuilding of Iraq was supposed to go," the Post says many "Iraqis expressed frustration not just with the United States but with Iraqi leaders,

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too, for pocketing aid money that was supposed to be for everyone."

NYTimes Says Democrats Must Investigate Iraq Planning. The New York Times (11/12, 1.16M) editorializes, "Criticizing President Bush's gross mismanagement of the war was a winning electoral strategy. But criticism will not extricate the United States from this mess, nor will it persuade voters that the Democrats are ready to take back the White House." The public "deserves a full accounting (backed by subpoenas, if necessary) of how prewar intelligence was cooked, why American troops were sent to war without adequate armor, and where billions of dollars in reconstruction aid disappeared to. ... The Democrats will also need to look forward -- and quickly. So far they have shared slogans, but no real policy." The Times warns that the Democratic call for "phased redeployment" might "only hasten Iraq's descent into civil war — while placing American soldiers who remain behind in even greater danger."

Iraqi Corruption Fighter Is Accused Of Fraud. The Los Angeles Times (11/12, Daragahi, 850K) reports, "Iraq's top anticorruption watchdog, a high-profile judge whose efforts have been hailed by Americans as one of the few bright spots in the country, is himself the target of a corruption probe, officials said Saturday. Judge Radhi Radhi, head of Iraq's Commission on Public Integrity, is under investigation by court authorities, accused of turning his 1,700-employee agency into a personal fiefdom and padding his salary with an extra $50,000 a year." Radhi, who "has worked closely with Stuart W. Bowen Jr. of the Special Inspector General for Iraq Reconstruction," contends that "the pressure on his office might be a reaction to his attempts to ferret out corruption in key Shiite-controlled ministries." He is himself "Shiite but secular."

Iraq Seen As Longing For New "Strongman." In the New York Times (11/12, WK1, 1.16M), correspondent John Burns writes, "Mr. Hussein's outbursts served to remind many Iraqis, even those who hated him most, of something they crave in the rudderless nightmare Iraq has become under his successors: a strong leader ... It is something ordinary Iraqis say with growing intensity, even as they agree on little else. Let there be a strongman, they say, not a relentless killer like Saddam Hussein but somebody who will take the hammer to the insurgents and the death squads and the kidnappers and the criminal gangs who have banished all pretense of civility from their lives." Burns adds, "Of the many hard lessons America may take from its enterprise here, the impracticality of grafting American political values onto a society as different as Iraq's, by measure of culture, religion and historical experience, will surely be one. History may judge that attempting it in the midst of a savage war was the greatest of follies." However, "even if President Bush were convinced that Mr. Maliki should go, it is far from clear that the Americans would have the means to get rid of him."

Romania To Stay In Iraq. From an interview of Romanian President Traian Basescu, the AP (11/12, Kole) reports Bucharest "has no intentions of withdrawing its troops from the U.S.-led coalition in Iraq," according to Basescu, who vowed "to stay 'because it's a dishonor to leave your allies.'" He "said he empathized with mounting calls to withdraw the country's 608 non-combat personnel in Iraq, including impassioned pleas from the families of those serving. But 'Romania's honor is greater than its feelings,' he said."

Karzai Struggles To Steer Afghanistan. In an article exceeding 3,300 words, the Los Angeles Times (11/12, Watson, 850K) reports, "Five years after the fall of Kabul, aides say [Hamid Karzai] is turning to tradition as he struggles to build a stable democracy on a foundation of war, corruption, foreign interference and religious extremism. Critics counter that he is retreating behind the walls of his 19th century palace and losing touch with a country sinking deeper into trouble. But Karzai's foreign backers have left him with little real power, and his weak, corruption-riddled government lacks direct control over billions of dollars in development aid, money meant to help Karzai win Afghan support for his administration." Despite "enormous progress," many Afghans "see the nation slipping back into the grip of violence, corruption and extremism from which the West promised to liberate them." Karzai loses credibility "each time foreign troops accidentally kill Afghan civilians"; in addition, "For those Afghans suspicious of U.S. intentions, Karzai's close ties to the U.S. military were an issue from the start."

CORPORATE SCANDALS:

Former Tyco Head Is Selling Assets. The New York Times (11/12, Olson) reports, "When the government

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presented L. Dennis Kozlowski, the former head of Tyco International, with a bill for $167 million in fines and restitution, it was likely that everything would have to go." The Times continues, "After his 2005 conviction for looting Tyco, Mr. Kozlowski sold some big-ticket belongings, including his 130-foot yacht Endeavor and Impressionist paintings, whittling his debt to $59 million. … Now he's parting with his 8,600-square-foot chalet in Beaver Creek, Colo., complete with eight bedrooms and nine and a half baths — including one decked out as an outhouse. The sale price was $10 million, reduced from $11.5 million." The Times adds, "Brokers declined to identify the new owner, an oil-and-gas man based in Dallas, but said he also paid $750,000 for Mr. Kozlowski's furnishings, which include a stuffed mountain lion to greet visitors but no shower curtain like the infamous $6,000 model in his Manhattan flat."

CRIMINAL LAW:

More Subpoenas Issued In Menendez Probe. The Newark Star-Ledger (11/11, Martin, Whelan) reported federal investigators "have resumed their inquiry into a rental deal" between Sen. Robert Menendez and the nonprofit Community Action Corp., "issuing new subpoenas in the days after he was elected to a full six-year term, according to a government source. The subpoenas sought documents related to the more than $300,000 in rent Menendez collected from the North Hudson Community Action Corp. between 1994 and 2003, the source said. It was unclear what records were sought or who was subpoenaed." The source also said, "More are coming."

FBI Likely To Continue Congressional Corruption Probes. McClatchy Newspapers (11/12, Gordon) reports, "The new chief of the FBI's Criminal Division, which is swamped with public corruption cases, says the bureau is ramping up its ability to catch crooked politicians and might run an undercover sting on Congress." McClatchy continues, 'Assistant FBI Director James Burrus called the bureau's public corruption program 'a sleeping giant that we've awoken' and predicted the nation will see continued emphasis in that area 'for many, many, many years to come.'" McClatchy adds, "So much evidence of wrongdoing is surfacing in the nation's capital that Burrus recently committed to adding a fourth 15- to 20-member public corruption squad to the FBI's Washington field office. … In the past year, former Republican Reps. Duke Cunningham and Bob Ney have pleaded guilty to corruption charges. FBI agents are investigating about a dozen other members of Congress, including as many as three senators. The Justice Department also is expected to begin seeking indictments soon after a massive FBI investigation of the Alaska Legislature. … If conditions warrant, Burrus said, he wouldn't balk at urging an undercover sting like the famed Abscam operation in the late 1970s in which a U.S. senator and six House members agreed on camera to take bribes from FBI agents posing as Arab sheikhs. … 'We look for those opportunities a lot,' Burrus said, using words rarely heard at the bureau during the past quarter century. 'I would do it on Capitol Hill. I would do it in any state legislature. ... If we could do an undercover operation, and it would get me better evidence, I'd do it in a second.' … Philip Heymann, who oversaw the Abscam investigation as chief of the Justice Department's Criminal Division during the Carter administration, expressed surprise to learn of the FBI's willingness to attempt another congressional sting after the outcry from Capitol Hill over Abscam. … 'It shows courage at the FBI,' said Heymann, now a criminal law professor at Harvard University. He said he concluded, after watching a recent public television documentary and listening to experts, that 'there is more corruption (on Capitol Hill) than I ever thought imaginable' and that a single FBI sting 'might result in very large numbers of prosecutions.' … But even without an undercover operation, Heymann and other observers say they have been pleased with the GOP-controlled Justice Department's willingness to pursue old-fashioned investigations, even if they hurt congressional Republicans."

US To Seek Death Penalty In Hawaii Case. The Honolulu Advertiser (11/12, Kobayashi) reports, "Justice Department officials have overruled federal prosecutors here and authorized seeking the death penalty for an Army soldier in a move critics say is part of a nationwide attempt by the Bush administration to spread capital punishment to non-death-penalty states." The Advertiser continues, "Naeem Williams, charged with murdering his 5-year-old daughter last year, is believed to be the first in the country to face the death penalty under a provision passed by Congress three years ago for first-degree murder cases involving 'a pattern or practice of assault or torture against a child or children.' … The U.S. Attorney's Office in Hawai'i recommended against seeking capital punishment for Williams and his wife, Delilah,

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who is also charged with the murder, according to sources familiar with the case who do not want to be identified because the recommendation is considered confidential. … The Justice Department went along with the recommendation for the 21-year-old wife, but U.S. Attorney General Alberto Gonzales, who must approve federal death penalty prosecutions, authorized seeking capital punishment for the husband." The Advertiser notes, "That move is part of a trend under the Bush administration to seek the death penalty in Hawai'i and 11 other states that don't have capital punishment, some critics of the death penalty believe. … Gonzales and former Attorney General John Ashcroft authorized 180 death penalty prosecutions, including 51 cases in which the local U.S. attorney's office did not recommend capital punishment, according to the Federal Death Penalty Resource Counsel Project, a national information clearinghouse for court-appointed defense lawyers in federal death-penalty cases."

CIVIL RIGHTS:

Osceola County, FL, Could Settle Discrimination Suit On Monday. The Orlando Sentinel (11/12, Pino) reports, "When Ana Erazo walked into the elections office on a summer day in 1990, her supporters followed and applauded after she filed the paperwork to run for County Commission. … 'It all started with me,' said Erazo, the first Hispanic to seek a commission seat. 'In those days, there was lot of prejudice against us.'" The Sentinel continues, "Erazo's tale is the first chapter in the struggle of Osceola's Hispanics for political power that came to a head last year when the U.S. Department of Justice sued the county, claiming countywide elections violate the Voting Rights Act by diluting Hispanics' political power. … The county spent nearly $2 million fighting, but now it looks as if Hispanic voters in Osceola may have a better chance to elect one of their own. .. Commissioners are expected to vote Monday night on a single-member district plan to settle the suit after a federal judge noted 'racial hostility' in Osceola and found that elections are 'racially polarized.' … 'There is also evidence of a history of discrimination against Hispanic voters and candidates,' U.S. District Judge Gregory A. Presnell wrote in his ruling last month. 'It is clear from the record that voting in Osceola County tends to be racially polarized.'"

Massachusetts Poll Workers Meet Goal. The Springfield Republican (MA) (11/11, Arbulú) reports, "With more than 100 bilingual poll workers manning all but four voting precincts on Tuesday, the city has met a goal set in its voter reform agreement with the U.S. Department of Justice." The Republican continues, "The federal government had filed suit against the city for violating the rights of Spanish-speaking residents by failing to provide enough help at the polls. … The reform agreement, reached in August, called for the city to have at least 95 bilingual poll workers who speak Spanish and English working at Tuesday's election." The Republican adds, "Of the city's 410 poll workers, 127 are bilingual in Spanish and English and five speak Vietnamese, said Gladys Oyola, the city's Spanish Language Election Program coordinator. … The Justice Department required bilingual poll workers at all but four of the city's 64 precincts based on the number of voters with Spanish surnames in each precinct, said Election Commissioner Kathy Hoar Fleury."

New Jersey Settles Suit Over Boy's Death For $7.5 Million. The AP (11/12) reports, "New Jersey has spent $7.5 million to settle a lawsuit over a child welfare case in which a 7-year-old boy's mummified remains were found in a basement here." The AP continues, "The payout, arranged last year but only recently announced, is the second-largest made by the State Division of Youth and Family Services over child welfare mistakes, according to state officials." The AP adds, "The size of the settlement is surpassed only by the $12.5 million the state agreed to give to four brothers from Collingswood who were deprived of food and medical care by their adoptive parents. The state announced that settlement last year. … With the Newark case, the settlement money is going to the estate of Faheem Williams, along with two of his siblings who are in foster care. .. .The discovery in January 2003 of Faheem's body prompted an overhaul of the child welfare agency. The state had investigated abuse complaints involving Faheem, but had closed the file 11 months before his body was found in the basement of an apartment rented by his older cousin, Sherry L. Murphy. … The boy's brothers — Raheem Williams, now 11, and Tyrone Hill Jr., 8 — were found emaciated in a room adjacent to where the body was found."

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ANTITRUST:

Gannett Could Bid On Tribune Properties. The Chicago Tribune (11/12, Oneal, Rosenthal) reports, "Turning up the heat on the already simmering auction for the assets of Chicago-based Tribune Co., Gannett Co., the nation's largest newspaper publisher, has emerged as a possible bidder for Tribune's newspaper properties, the Chicago Tribune learned Saturday." The Tribune continues, "Executives from the McLean, Va.-based media giant, which publishes 90 U.S. newspapers, including top-read USA Today, were in Chicago last week to hear presentations on Tribune's financial condition, two sources close to the situation said. .. Tribune has been hosting a number of bidders as part of a process it put in place in September to enhance shareholder value by possibly selling all of the company's television and newspaper assets. .. .But the emergence of a potential buyer with the resources and clout of Gannett could significantly change the complexion of the bidding process." The Tribune adds, "The sources noted that the Tribune sell-off is still in its early stages and that Gannett has participated in newspaper auctions before without pulling the trigger. Most recently, Gannett expressed formal interest in Knight Ridder Inc. before eventually backing away. .. .But assuming it is serious, Gannett would be the first so-called 'strategic buyer'—Wall Street parlance for a suitor in the same industry—to jump into the fray. … Until now, bidding for Tribune assets had been thought to be limited to financial buyers: several large private equity firms and a handful of wealthy entrepreneurs. But, unhappy with bids that valued the whole company close to the current stock price of about $32 a share, Tribune began asking for bids on its parts—newspapers such as the Los Angeles Times and the Chicago Tribune and television stations such as WGN-Channel 9, among other properties."

Class-Action Suit Against Microsoft To Open Monday In Iowa. The Des Moines Register (11/12) reports, "About 450 registered voters, in two shifts, will converge on the Polk County (IA) Courthouse (Monday) to begin what could be the weeks-long process of picking a jury for a class-action, antitrust lawsuit against Microsoft Corp. The trial is expected to last several months and could be worth up to $450 million for lawyers and four named plaintiffs, who contend that the giant computer software company used anti-competitive practices to drive up the cost of its Windows operating system, as well as its Microsoft Office, Word and Excel programs." The Register continues, "Potential members of the class include any person, business or other large organization that bought those programs between May 18, 2004, and June 30, 2006. … Microsoft has denied overcharging its customers and insists that consumers received fair and reasonable prices. .. . The trial is expected to be one of the longest in Iowa history."

Sports Artist Sued Over Use Of Alabama's School Colors. The New York Times (11/12, Liptak) reports, "In the solemn cathedral of college football devotion and instruction that is the Paul W. Bryant Museum here, a large painting dominates the main chamber. It is called 'The Sack,' and it shows an encounter between a Notre Dame quarterback and a human locomotive in crimson and white. … 'I've never been hit like that before,' the quarterback, Steve Beuerlein, said after his near-lethal sack by Cornelius Bennett in 1986, in the University of Alabama's first victory ever over his team." The Times continues, "Daniel A. Moore, who painted 'The Sack' and scores of other renditions of signal moments in Alabama football history, said he felt something similar last year, when his fax machine began to spit out a lawsuit from the university. … Mr. Moore's paintings, reproduced in prints and on merchandise, violated the university's trademark rights, the suit said. It asked a federal judge to forbid him to, among other things, use the university's 'famous crimson and white color scheme.'" The Times adds, "Athletes, sports leagues and universities around the nation have become increasingly aggressive in protecting what they say is their intellectual property, and their claims have met with a mixed response from judges and fans. But almost no one here thinks the suit against Mr. Moore is a good idea. … Mr. Moore has asked Judge R. David Proctor of the Federal District Court in Birmingham to dismiss the case on First Amendment grounds. His brief cited a decision of the federal appeals court in California ruling that a trademark owner 'does not have the right to control public discourse' if 'the public imbues his mark with a meaning.'"

Actor Sues Wisconsin Man Over Use Of Name. The AP (11/12, Press) reports from Milwaukee, WI, "Andy Griffith, the actor who portrayed the sheriff of the fictional town of Mayberry on television, has sued a Wisconsin man who unsuccessfully ran for sheriff of Grant County after legally changing his name to Andrew Jackson Griffith." The

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AP continues, "The lawsuit, filed Nov. 3 in Federal District Court in Madison, contends that the candidate, William H. Fenrick, 42, violated trademark and copyright laws, as well as the privacy of the actor when he used his new name to promote his candidacy for sheriff in southwestern Wisconsin. … Mr. Griffith, the actor, who is 80, starred in the 1960s program 'The Andy Griffith Show,' one of the most popular series in television history. He also played an unorthodox lawyer on 'Matlock' in the 1980s and 1990s." The AP notes, "The lawsuit says the former Mr. Fenrick changed his name for the 'sole purpose of taking advantage of Griffith's notoriety in an attempt to gain votes.' It asks the court to order him to go back to his original name. … The lawsuit also asks the new Mr. Griffith to publish disclaimers and an apology in Grant County newspapers that say he has no association with the actor. It seeks unspecified damages and court fees."

ENVIRONMENT:

Corpus Christi Left With Cleanup Bill In Asarco Mess. The Corpus Christi (TX) Caller-Times (11/12, Kelley) reports, "Ruth Einkauf and her Dona Park neighbors were promised a 30-acre nature preserve behind her home in 1999 as part of an Environmental Protection Agency settlement with a nearby recycling plant." The Caller-Times continues, "Before the settlement, announced as part of an enforcement action by the state and federal governments, she and neighbors tended the area. Now, weeds and tall grass on the lot provide cover for varmints that invade Einkauf's home." The Caller-Times adds, "It is unclear if the project ever will be completed. Dona Park residents are neighbors to one of the largest bankruptcies in the country, a vast and tangled affair that encompasses century-old mining giant Asarco and its subsidiary Encycle Texas. … Tom Aldrich, vice president for environmental affairs at Asarco, said the company established a conservation trust at the 30-acre parcel and performed some environmental studies as a prelude to building the park. It has not built the walkways nor planted the promised vegetation that was required. With the company in bankruptcy, the future of that conservation trust is murky. … Neighbors of other Asarco plants across Texas have yet to see more than $1.75 million in supplemental environmental projects - plans approved by the government as part of settlement agreements."

IMMIGRATION:

Weiner Seeks Deportation Of Former Nazi Guard. The New York Daily News (11/12, Rose) reports, "A U.S. congressman rallied alongside hundreds of Jewish teenagers outside the home of a former Nazi camp guard - but some of the man's Jackson Heights neighbors say they should just leave the old man alone." The News continues, "Jakiw Palij, 84, was stripped of his U.S. citizenship three years ago by a judge who ruled that Palij lied when he applied for an immigrant visa in 1949. … But he has not been deported because the government can't find a country to accept him - which the activists said was unacceptable. … 'No one is going to hide in our midst,' declared U.S. Rep. Anthony Weiner (D-Queens). 'Thousands and thousands of people were murdered by this monster. He's not paying for his crimes by living here in a peaceful block in Jackson Heights.'" The News notes, "But several of Palij's neighbors, who describe him as quiet and frail, disagreed with the protesters. … 'It's wrong; why don't they just leave the people alone?' said Abraham Pabon, 48, a truck driver. 'Everybody has a life to live. It's like they say, God forgives. It's very, very wrong what they're doing here.' … Justice Department officials have acknowledged there's no evidence Palij engaged in atrocities - but say that the mere act of guarding prisoners sealed their fate. More than 6,000 Jews at Trawniki were shot to death on Nov. 3, 1943, in one of the single largest massacres of the Holocaust."

State Immigrant Protection Rules Prove To Be Unpopular. The New York Times (11/12, A22, McKinley, 1.16M) reports that state and local laws like San Francisco's "so-called sanctuary policy, which forbids police and city officials from asking people they encounter in the course of an investigation about their immigration status" have drawn criticism by some. Critics argue sanctuary policies "discourage the police from enforcing laws" and "conservative legal groups and politicians have begun to challenge such policies," while some states "have passed laws discouraging sanctuary policies."

CONGRESS-ADMINISTRATION:

As Bush Honors Soldiers, War Woes Continue To Drag On Him. NBC Nightly News

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(11/11, lead story, 3:12, Seigenthaler, 9.87M) was the only network newscast Saturday night, and it began by segueing from President Bush's honoring of soldiers and veterans into an account of the President's difficulties at home. NBC opened by saying, "On this Veterans' Day, Americans led by President Bush paid tribute to the men and women of our armed forces, those who have served in the past and those serving now around the world. The day has special meaning during this time of war when more than 140,000 Americans remain on duty in Iraq alone. As the President considers the next step in the war in Iraq, a new poll shows his approval ratings have dropped to the lowest point so far in his Administration." NBC (Ohm): "On a day when the nation's attention is on the men and women in uniform, the White House is looking for a new direction in Iraq. At Arlington National Cemetery, President Bush paused to remember the country's fallen and those currently on the frontlines. … Unlike previous Veterans Day the President barely mentioned Iraq. Last year he gave a strong defense of the war. … Now the President must deal with a Democratic-controlled Congress. A new Newsweek poll shows his approval rating at 31%, an all-time low."

Newsweek (11/11, Mabry, 3.12M) says Bush's "response was swift and decisive -- if a little late. After voters gave Republicans 'a thumpin" at the polls," Bush "banished his contentious defense secretary; invited the presumptive leaders of the new House and Senate to lunch (would-be House Speaker Nancy Pelosi had pasta; the president ate crow, a Bush aide joked); and suffered through two pained photo-ops with Pelosi and Harry Reid. … And what did the president get for listening to the voice of the American people? The worst approval rating of his presidency." Bush's 31% job approval is the same as that of Vice President Cheney. "Bill Clinton's lowest rating during his presidency was 36 percent; Bush's father's was 29 percent, and Ronald Reagan's was 35 percent. Jimmy Carter's and Richard Nixon's lows were 28 and 23 percent, respectively." And "worst of all, most Americans are writing off the rest of Bush's presidency; two-thirds (66 percent) believe he will be unable to get much done, up from 56 percent in a mid-October poll; only 32 percent believe he can be effective." The AP (11/11) says that for the "relentlessly optimistic" Bush, "this is a season of disappointment, surprise and setbacks. At home and around the world, things are not going his way. With Bush's legacy-building time running out, Americans sent a clear message in Tuesday's election that they were angry at him and wanted change. Though Bush's name was not on the ballot, voters took revenge on the Republican Congress and put the Democrats in charge" on Capitol Hill.

Bush Lays Wreath At Arlington. National coverage of Veterans Day commemorations focused on President Bush's visit to Arlington National Cemetery, where he laid a wreath on the Tomb of the Unknowns. Coverage is largely limited to wire services or brief reports. The AP (11/11) reports Bush "marked Veterans Day by praising U.S. troops for fighting tyranny and oppression, yet touched only briefly on the war in Iraq, where U.S. commanders are rethinking strategy. Three days after announcing the ouster of Defense Secretary Donald Rumsfeld, Bush hailed members of the armed services, past and present, for their dedication and bravery"; however, his Arlington address "contrasted sharply with the strong rhetoric he used to defend the war on Veterans Day a year ago." The Washington Post (11/12, C1, Schwartzman, 690K) and the Washington Times (11/12, A1, Lively, 88K) primarily quote veterans in their reporting.

Bush Says Elections Do Not Signal Loss Of Resolve In Terror War. The Los Angeles Times (11/12, Alonso-Zaldivar, 850K) reports President Bush said in his weekly radio address that GOP election losses "didn't signal a weakening of American resolve to win the war on terrorism." Bush said, "America faces brutal enemies who have attacked us before and want to attack us again. I have a message for these enemies: Do not confuse the workings of American democracy with a lack of American will. Our nation is committed to bringing you to justice, and we will prevail." DNC Chairman Howard Dean "said in a response to Bush that voters made it clear they wanted 'a new direction' in Iraq and his party intended to use its control of Congress to try to deliver that."

Chait Critical Of Bush's Linking Of Terror Issue And Election Results. In his Los Angeles Times (11/12, 850K) column, Jonathan Chait writes, "At his news conference after Tuesday's elections, President Bush struck a note of reassurance. 'I have a message for those on the front lines,' he said. 'To our enemies, do not be joyful. Do not confuse the workings of our democracy with a lack of will…. To our brave men and women in uniform: Don't be doubtful. America will always support you.' Why would terrorists or U.S. soldiers think electing Democrats would suggest a lack of will or support for the troops? Oh, right. Because Bush had been saying so. 'However they put it, the Democrat approach in Iraq comes down to this: The terrorists win, and America

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loses,' he told a GOP crowd in October. 'That's what's at stake in this election.' I guess if I were a terrorist, I would have been joyful to learn that the people who were going to help me win had prevailed in the elections."

Democratic Freshmen Hope To Bring Pragmatism To Capitol Hill. The New York Times (11/12, Toner, Zernike, 1.16M) reports on its front page that while many members of the Democratic congressional class of 2006 "show little appetite" for a 1994-style "ideological crusade," in interviews "with nearly half of them this week, the freshmen -- 41 in the House and 9 in the Senate, including one independent -- conveyed a keen sense of their own moment in history, and a distinct world view: they say they were given a rare opportunity by voters, many of them independents and Republicans, who were tired of the partisanship and gridlock in Washington." They have "set themselves an extraordinary (political veterans might say impossible) task: to avoid the ideological wars that have so dominated Congress in recent years, to be pragmatists, and to change the tone in Washington after a sharply partisan campaign."

The Washington Post (11/12, Weisman, 690K) says on its front page that Democrats "are looking to the Republican takeover in 1995 as an object lesson of what to emulate and what to avoid. They hope to match the legislative energy of the Newt Gingrich era while avoiding at all costs the partisan pitfalls that eventually soured voters on the GOP. … Led by a feisty Nevada senator and the first woman in history to claim the House speaker's post, the long-banished Democrats hope to prove their bona fides as lawmakers and challenge a president from the other party to accept their agenda, a game plan taken straight from the Gingrich era's 'Contract With America.' They also intend to challenge President Bush to change course in Iraq and consider their demands for a timetable for withdrawing U.S. troops. But Democrats say they will avoid the overreaching, arrogance and rancorous partisanship that left them virtually powerless on Capitol Hill and spawned an era of political corruption and influence-peddling."

"Two Pugnacious Democrats" Will Lead On Capitol Hill. In a piece about Senate Democratic leader Harry Reid, Ronald Brownstein of the Los Angeles Times (11/12, 850K) writes that in Reid and House Democratic leader Nancy Pelosi, "Bush will face two pugnacious Democrats determined to challenge his agenda and to force him to react to their own goals. Bush could count on congressional Republicans to repeatedly schedule votes on his priorities, such as legislation to abolish the estate tax. Reid dismisses that idea with barely a shrug." Instead, Democrats "want to force the national debate onto a very different agenda. Reid says he expects the Senate 'pretty quickly' to pass legislation raising the minimum wage. He's also optimistic about quick action allowing Medicare to negotiate directly with drug companies for lower prescription prices -- an idea the White House and the pharmaceutical industry blocked in 2003 when Congress passed the drug benefit for seniors." He also "anticipates more aggressive congressional oversight, starting with Iraq."

The Los Angeles Times (11/12, Fiore, Barabak, 850K) writes that on the day after the elections, Pelosi "awoke to a celebrity of a whole other order. Her near-certain ascension as the nation's first female speaker of the House had networks lining up for interviews and newspapers placing her picture on the front page. Blogs were abuzz. Overnight, a woman who was scarcely known to the nation moved into a world of constant public attention." The AP (11/11) says Pelosi "will be the first Californian" to become speaker, "and congressional watchdogs say they'll be observing her new spending clout with great interest." The AP adds that "aides to Mrs. Pelosi don't dispute that the state will benefit from a changing of the guard at the Capitol."

Bush Could Have Hard Time Reviving Texas-Style Bipartisanship. The Houston Chronicle (11/12, Mason, 530K) writes that the President's "rude awakening Wednesday morning to a newly elected Democratic-led Congress stirred up all kinds of nostalgia -- and questionable impressions -- about his days as Texas governor. Bush told reporters he could easily manage the challenge of working with a majority in the other party; that after all, he did it in the 1990s with the state's Legislature." But Bush "did not spend six years bashing Democratic state lawmakers as bad for the state before taking over as governor. When he became president and was complemented by a Republican-controlled Congress, he often was on the attack against the opposing party for the next six years."

Panetta Says Democrats Must Govern, Not Obstruct. In a New York Times (11/12, WK13, 1.16M) op-ed, Clinton White House Chief of Staff Leon Panetta warns, "Last Tuesday, the American people sent a clear message that they are sick and tired of government by crisis. They elected Democrats to the House and Senate not to prolong gridlock,

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but to govern. There are those who believe that the best political strategy for 2008 is for the Democrats to continue to confront President Bush and seal his fate as a failed president. The danger, however, is that if the Democrats become nothing more than a party of obstruction, it will be only a matter of time before they too will lose the trust of the American people."

Scholar Says Democrats Have Duty To Investigate Administration. In a New York Times (11/12, WK13, 1.16M) op-ed, Stanley Brand of the Penn State Dickinson School of Law writes, "The Democrats' victory has stoked the fire beneath an already brewing debate within the party regarding the need for investigations of the executive branch during the Bush administration's two remaining years. Some Democratic members of Congress are reluctant to pursue investigations into war profiteering, detainee interrogation or other controversial issues, fearing that such scrutiny of the administration will make Democrats appear petty and partisan and cost them electoral support in 2008. A vigorous examination of the administration's conduct, however, is not only the appropriate action as a matter of constitutional prerogative, it is the politically necessary response to voters' overwhelming rejection of the current Congress's failure to assert itself in this area."

Democrats Already Strategizing To Hold New Majorities. The AP (11/11, Kuhnhenn) says one question for Democrats is basic: "Are their new majorities in the House and Senate sustainable? What if the war in Iraq is over by 2008? Or what if it is still being waged despite Democratic pledges to change the course? What if voter antipathy toward President Bush is irrelevant in two years?" DSCC Chairman Sen. Charles Schumer "acknowledged that the Democrats' 51-49 majority in the Senate was the result of the narrowest of victories in six race. 'Had 10,000 votes flipped we would have four seats not six,' he said." But Democrats "do see opportunities ahead. In 2008, there are 21 Republican Senate seats up for election and only 12 Democratic seats. E ight of the Republicans in those seats won their last election with 55% or less of the vote."

On CNN's In The Money (11/11), anchor Jack Cafferty said, "I think the degree to which we saw [Democrats win] was absolutely surprising. There were no Democratic incumbents voted out anywhere in the country. They won all the seats that they needed to take the Senate, and even Vegas said that was a real long shot. The interesting thing to me was, if you look at Montana and Virginia, two of the firewall states for the Republicans, the total number of votes that tipped the balance of power in this country, fewer than 10,000."

"Brutally Effective Taskmaster" Emanuel Captained Democrats To Win. The Chicago Tribune (11/12, Bendavid, 617K) runs a 6,000-word profile of DCCC Chairman Rep. Rahm Emanuel, "a portrait in power of a brutally effective taskmaster." He guided his party to victory in large measure "by remaking the Democratic Party in his own image. Democrats had never raised enough money. Emanuel, a savvy fundraiser who shaped those skills under Richard M. Daley and Bill Clinton, yelled at colleagues and threatened his candidates into generating an unprecedented amount of campaign cash. Democrats had a history of appeasing party constituencies. Emanuel tore up the old litmus tests on abortion and other issues. With techniques that would make a Big Ten football coach blush, he recruited candidates who could mount tough challenges in some of the reddest patches of America. Democrats had blanched at hardball. Emanuel, jokingly called 'Rahmbo' even by his mother, muscled weaker Democrats out of races in favor of stronger ones, and ridiculed the chairman of his own party."

On CNN's In The Money (11/11), Time national political correspondent Karen Tumulty said, "One of the smartest things that the two generals in this campaign," Schumer and Emanuel, did, is they "went out and looked for candidates who looked like the districts in which they were running, who really represented the values of those districts much more so than they did the national Democratic profile. That's why you did have people like Heath Shuler in North Carolina, former Redskins quarterback running. Brad Ellsworth in Indiana, a county sheriff running. And these people were a lot more appealing back in the districts. But it could make their lives a little more difficult when they get to Washington because they are such an unusual fit with the national party."

Economic Concerns May Have Dragged Down GOP. The New York Times (11/12, BU5, Altman, 1.16M) writes, "Politics affects economics, and vice versa -- at least that's the widely held theory. But what was the reality in last week's election? To paraphrase a Clinton-era mantra, it really might have been the economy, stupid. More than 80 percent of voters in an exit poll…said the economy was a very important or extremely important issue. That percentage was the highest for any issue, including Iraq and terrorism."

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DeLay Legacy "Cast A Long Shadow" Over Elections. The Houston Chronicle (11/12, Roth, Hedges, 530K) runs a feature called "How The Hammer Fell On His Own Party" about how "the legacy of the once powerful Republican Tom DeLay...cast a long shadow over last week's elections, in which voters shrank the ranks of a party accused of being too partisan, too cozy with special interests and too fond of big spending." DeLay "helped build a Republican political empire that he tried to make immune from erosion by pushing the 2003 Texas redistricting plan that threw several veteran House Democrats out of office. For years the former pest exterminator ruled with an iron hand that brought his party legislative victories but also intensified the poisonous partisan mood in Washington."

GOP Losses In Indiana Highlight Anti-"Insider" Trend. The New York Times (11/12, A28, Nossiter, 1.16M) examines Republican losses in usually solidly GOP Indiana, concluding that in three House races, GOP candidates "appeared to have unwittingly entered" into traps. In "all three cases, to demonstrate being a Washington insider was to court doom, no matter how much the incumbents railed against the ways of the capital."

Rove Remains Upbeat Despite GOP Setbacks. The Washington Post (11/12, Baker, 690K) runs a front-page profile of Karl Rove headlined "Rove Remains Steadfast In The Face Of Criticism," that begins by saying that "for a man still climbing out of the rubble," Rove "seemed in his usual unflappable mood" after the elections. The "rest of Washington might think Tuesday's elections were a repudiation of Rove's brand of politics, but Rove does not. For years, he has been the center of hyperbolic attention -- called the genius, the electoral mastermind, the most powerful presidential adviser in a century, Bush's brain, the master of the dark arts of wedge politics, the Republican Moses leading conservatives out of the desert. The mythology grew to such an outsized degree that when Rove insisted again and again during the campaign that Republicans would win despite the odds, fearful Democrats convinced themselves that he must have known something they did not and waited for an October surprise to spring. … It turns out that Rove is mortal after all, and not always so good at math." But "allies argued that without Rove, the losses would have been worse."

Chafee Says White House Partisanship Did In Centrist Republicans. In a New York Times (11/12, WK13, 1.16M), op-ed, Sen. Lincoln Chafee writes, "I was one of the many moderate Republican casualties of the anti-Bush virulence that swept the country. Despite my having voted against the Iraq war resolution, my reputation for independence, the editorial endorsement of virtually every newspaper in my state, and a job approval rating of 63 percent, I did not win. Why? Back in December 2000…Vice President-elect Dick Cheney was the guest at a weekly lunch meeting of a small group of centrist Republicans. … I was startled to hear the vice president dismiss suggestions of compromise and instead emphasize an aggressively partisan agenda. … I was incredulous. Instead of a new atmosphere of cooperation and civility which, after all, had been the promise of the Bush-Cheney campaign, we seemed ready to return to the poisonous partisanship that marked the Republican-Congress/Clinton White House years. … In my view, one of the most popular refrains expressed by Governor Bush during the presidential campaign was, 'I am a uniter, not a divider.' I believe moderate Republicans can help the new administration develop a unifying agenda in the next session of Congress."

Webb Says He May Be A Maverick In Senate. Under the headline "Webb May Be Senate Maverick," the Washington Post (11/12, C1, Craig, Shear, 690K) says "few know what to expect" when Sen.-elect James Webb "enters the nation's most exclusive club." Webb said he "might be a bit of a maverick in the Senate, which could frustrate Democratic leaders who poured more than $6 million into his campaign. … Webb said he will model himself after former New York senator Daniel Patrick Moynihan (D), whom he described as someone 'who had government experience that was shaped by the intellectual world.'"

Sidarth Says "Politics Of Division Just Don't Work Anymore." In a Washington Post (11/12, B2, 690K), op-ed, S.R. Sidarth writes, "This past summer, between my third and fourth year of college, I decided to volunteer" for the Webb campaign." In August, "I was singled out at a GOP picnic, identified as 'macaca or whatever his name is' -- despite the fact that Allen knew my name…and then 'welcome[d] to America and the real world of Virginia.' Allen's actions that day stood out because they were not representative of how I was treated while traveling around the state. Everywhere I went, though I was identifiably working on behalf of Allen's

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opponent, people treated me with dignity, respect and kindness. … The larger question that this experience brings up is: How far has society progressed on the issues of race and openness? By 2050, according to most projections, the United States will be a minority-majority nation. But the fact that Allen believed I was an immigrant, when in fact I am a native Virginian, underlines the problems our society still faces. … The politics of division just don't work anymore. Nothing made me happier on election night than finding out the results from Dickenson County, where Allen and I had our encounter. Webb won there, in what I can only hope was a vote to deal the race card out of American politics once and for all."

Shays Will Be Only New England GOP Representative In Next Congress. The New York Times (11/12, A35, Applebome, 1.16M) profiles Rep. Christopher Shays, barely reelected last week, who, "like the only survivor of a hotel fire," was a "little hesitant to draw too many conclusions but glad he was alive." Shays was "one of the few Republicans among perhaps two dozen seen as vulnerable back in September who managed to survive. He was the only one of the three Republican incumbents from Connecticut who won re-election. When he went to Congress, he was one of nine Republican representatives from the six New England states. In the next Congress, he will be the only one."

Four Bush Appeals Court Nominees Seen As "Doomed." The New York Times (11/12, A26, Lewis, 1.16M) says the Democratic wins "will produce a vast change in an area that has produced some of the sharpest partisan battles in recent years: President Bush's effort to shape the federal bench with conservative judicial nominees. There is a strong consensus that the four most conservative of Mr. Bush's nominations to the federal appeals courts" -- Terrence W. Boyle, William J. Haynes II, William G. Myers III, and Michael B. Wallace – "are doomed."

Detroit Automakers To Seek Bush's Attention On Issues. The Detroit Free Press (11/12, Hyde, 373K) reports, "When the heads of Detroit's automakers finally take their seats at the White House on Tuesday across from President George W. Bush, their concerns will boil down to the old Aretha Franklin song: R-E-S-P-E-C-T. From the rising cost of retiree health care to the advantages a weak yen gives the Japanese, the Detroit automakers will press for more recognition for their issues, something industry executives say has been lacking from the president. They'll also attempt to draw distinctions between themselves and the foreign automakers whose U.S. branches generate record profits. But they will make clear that their concerns do not add up to another seven-letter word: B-A-I-L-O-U-T." GM Vice Chairman Bob Lutz said recently that the "meeting should 'enhance the president's understanding of the importance of the domestic auto industry to the economic health of the United States'…emphasizing the word 'domestic.' Foreign automakers that build cars in the United States help the economy, 'but it's not the same as a fully integrated American auto company that retains the intellectual property in the United States, has primarily American shareholders,' he said, so 'the wealth gets reinvested in the U.S.'"

Democrats Could Seek To Add Bargaining Ability To Medicare. The Pittsburgh Post-Gazette (11/12, Japsen, 230K) reports, "The Democratic landslide in last week's midterm elections raises the specter of federal regulation of drug prices via changes to Medicare's new prescription drug benefit -- a move that could lower costs for seniors and squeeze pharmaceutical and health insurance industry profits. With Democrats in control of both houses of Congress, they are almost certain to seek passage of price control measures in that legislative body. And there are enough Republicans who supported price-control measures in the past that bills will gain momentum next year, analysts say, meaning members of Congress who vote against them will feel the wrath of seniors in the 2008 election."

White House Scrutinizes Nevada Land Sale Profits. The Washington Times (11/12, Hudson, 88K) reports the Bush Administration "is trying to get its hands on millions of dollars generated from sales of federally owned land in Nevada in order to help pay down the deficit." The Times points out that Nevada public land sold as part of the Southern Nevada Public Land Management Act has brought "in nearly $3 billion." The Bush Administration "now wants some of the money transferred to the Treasury Department to help pay down the federal deficit." The Times adds that Nevada Sens. Harry Reid and John Ensign "oppose diverting the money out of Nevada."

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OTHER NEWS:

Liberals, Activists Expect "Their Due" From Democrats. The Los Angeles Times (11/12, A1, Wallsten, Hook, 850K) reports the Democrats' "incoming congressional leaders have immediately found themselves in another difficult struggle -- with their own supporters. Some of the very activists who helped propel the Democrats to a majority in the House and Senate last week are claiming credit for the victories and demanding what they consider their due: a set of ambitious -- and politically provocative -- actions on gun control, abortion, national security and other issues that party leaders fear could alienate moderate voters and leave Democrats vulnerable to GOP attacks as big spenders or soft on terrorism." Both Senate leader Harry Reid and House leader Nancy Pelosi "has pledged in recent days to 'govern from the center,' after a campaign in which anger over the Iraq war and GOP scandals helped their party attract some unusually conservative candidates and a large share of independent voters. Turning off those new voters could undermine Democrats' hopes of solidifying their new majorities and taking the White House in 2008. But to the leaders of interest groups who are core supporters of the Democratic Party, and who had been barred under Republican rule from the inner sanctums of power, the new Congress means a time for action, not compromise."

Democratic Party Has Careful Balancing Act With "Netroots." The New York Times (11/12, WK5, Confessore, 1.16M) reports on the "long battle between leading netroots activists and their critics, real and perceived, among Washington's Democratic elite. … Though the netroots have forever changed how campaigns raise money and find votes, the results demonstrated that they cannot yet win elections on their own. But the Democratic Party cannot win major national elections without the netroots."

Some In GOP Urge Return To Party's Core Principles. The Washington Times (11/12, Lambro, 88K) reports Republican officials across the country said last week that voters "did not reject core Republican principles of lower taxes, smaller government and family values when they put the Democrats in charge of Congress. … If anything, these officials told The Washington Times, Republicans blundered by abandoning or de-emphasizing signature issues that had fueled the party's meteoric rise since the 1990s. The party must champion these issues again if it hopes to win back the voters' trust in the 2008 presidential election, the officials said."

Ponnuru Sees Hope For Social Conservatism. In a New York Times (11/12, WK13, 1.16M), op-ed, Ramesh Ponnuru of National Review writes, "Before we declare this election proof that social conservatism is doomed, consider that Republicans as a whole had a worse night. Pro-lifers lost four seats in the Senate and, depending on some unresolved races, appear to have lost 20 in the House. But the Republican Party lost six in the Senate and 29 in the House. The discrepancy stems from the fact that some pro-choice Democrats are replacing pro-choice Republicans, and even a few pro-life Democrats are replacing pro-life Republicans. Meanwhile, ballot initiatives as a whole went better for the social right than for other conservative factions. … That's something to remember the next time you hear that after their defeat, the Republicans need to 'move to the center.' Maybe they should: but which center? When editorialists talk about the 'sensible center,' they usually have in mind free-trading, budget-balancing social liberals. … But there is another center -- one that's liberal on economic measures but conservative on social mores."

Rich Says "Callous Conservatism" Brought GOP Losses. In his New York Times (11/12, WK12, 1.16M), column, Frank Rich writes, "Of course, the 'thumpin" was all about Iraq. But let us not forget Katrina. It was the collision of the twin White House calamities in August 2005 that foretold the collapse of the presidency of George W. Bush. Back then, the full measure of the man finally snapped into focus for most Americans, sending his poll numbers into the 30s for the first time. The country saw that the president who had spurned a grieving wartime mother camping out in the sweltering heat of Crawford was the same guy who had been unable to recognize the depth of the suffering in New Orleans's fetid Superdome. This brand of leadership was not the 'compassionate conservatism' that had been sold in all those photo ops with African-American schoolchildren. This was callous conservatism, if not just plain mean. It's the kind of conservatism that remains silent when Rush Limbaugh does a mocking impersonation of Michael J. Fox's Parkinson's symptoms to score partisan points. It's the kind of conservatism that talks of humane immigration reform but looks the other way when candidates demonize foreigners as predatory animals. It's the kind of conservatism that pays lip service to 'tolerance' but stalls for days before taking down a

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campaign ad caricaturing an African-American candidate as a sexual magnet for white women. This kind of politics is now officially out of fashion."

Libertarian May Have Tipped Montana, And Senate, To Democrats. The Washington Post (11/12, D1, Harden, 690K) profiles Libertarian Stan Jones, a "perennial loser in Montana politics, a kind of Harold Stassen of the interior West, a fringe candidate who sometimes has to sue to get invited to television debates." But this year, the "quirkily conservative" candidate took 10,324 votes in a race won by Democrat Jon Tester by 2,565 votes, "which tipped the Senate to the Democrats, which tipped the scales of U.S. political history. 'I'm tickled about that,' said Jones. After some reflection, he added, 'There is excitement for you to be talking to the guy who changed the country.'"

Defeated Representatives May Turn To Lobbying. The New York Times (11/12, WK2, Pilhofer, 1.16M) writes, "So it's the day after the election, and you've lost your seat in Congress. What to do? You might consider becoming a lobbyist. It is a well-traveled career path." A 2005 study by Public Citizen found that 43% of members of the House and Senate who left office between 1998 and 2004 became lobbyists.

Spitzer Hits Puerto Rico For Post-Election Break. The New York Times (11/12, A37, Eaton, 1.16M) writes about New York Gov.-elect Eliot Spitzer's post-campaign vacation in Puerto Rico. At a brief news conference after a meeting with the island's governor, Spitzer "referred to the war in Iraq as 'an unfortunate quagmire,' but said he had supported eliminating Saddam Hussein's threat to the international community. He pledged to appoint Latinos to important posts in his administration but sidestepped a question about Puerto Rico's status."

Ehrlich Does Not Plan To Seek Office Again. The AP (11/11, Witte) reports Maryland Gov. Robert Ehrlich Jr. said he does not plan to run for office again. He said the "results of the election Tuesday indicated Maryland has moved 'pretty hard left.'" Asked if he thought the anti-GOP trend nationwide hurt him, Ehrlich said that "when an incumbent is on the ballot 'it's generally a referendum on the incumbent.'"

Feingold Will Not Run For President In 2008. The Milwaukee Journal Sentinel (11/12, Gilbert, 255K) reports Sen. Russ Feingold said in a Saturday telephone interview that he will not run for president in 2008. Feingold said, "I never got to that point where I'd rather be running around the country, running for president, than being a senator from Wisconsin." He "conceded that he faced long odds of winning the nomination. 'It would have required the craziest combination of things in the history of American politics to make it work,' he said." The AP (11/12) also reports on Feingold's opting-out of the contest.

With Midterms Over, Presidential Race Shifts Into High Gear. CNN's Lou Dobbs This Week (11/11, Crowley) reported, "Across the country assorted politicians are dissecting the entrails of '06, with the Oval Office in mind. Not that anyone running for president will actually cop to it. … Roughly 10% of the US Senate is thinking about running for president, along with a couple of current and former House members, and several governors." Sen. John McCain's ambitions "are complicated by the '06 results, with much of the country wanting a plan to get out of Iraq. He thinks the way out is to put more troops in. McCain's lead position in the tough guy category has been challenged by Rudy Giuliani, His Honor, the in-your-face 9/11 New York mayor. He's been frequently areas west of the Mississippi and south of the Mason-Dixon, where so far they have politely ignored that he is pro-gay rights, pro-choice, and pro-gun licensing." Sen. Hillary Clinton "is the political world's most reluctant bride. She hasn't set foot on the presidential trail, running from Iowa to New Hampshire, making her all the more appealing. … Clinton's pull is so strong, she's in a class all her own. The other class in her party is the 'not Hillarys' -- generally less controversial, more centrist options like former vice presidential candidate John Edwards or Indiana Sen. Evan Bayh. From rising stars to familiar faces, from the right and the left and everywhere in between, you're going to need a scorecard to keep up. But the game is on."

The New York Times (11/12, WK1, Nagourney, 1.16M) writes that Sen. George Allen "had yet to hand back the Senate to the Democrats when Gov. Tom Vilsack of Iowa announced bright and early Thursday morning that he was running for president. Back in Washington, Senator John McCain of Arizona moved to set up his own presidential exploratory committee and prepared what aides promised would be two major speeches this Thursday about 2008,

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based on last Tuesday's vote. And Hillary Rodham Clinton scored the election-week cover of New York magazine; the subject was not her easy return to the Senate. In some ways, the midterm election of 2006 was the first big event of the 2008 race -- much like an early debate or an Iowa straw poll. It helped shake out and shake up the field. Some lessons were instantly apparent: you probably won't hear more talk of Republican candidates wrestling for the mantle of President Bush, and Democrats are looking hungrily at Ohio and Colorado, states that went Republican in 2004 and 2000."

The Washington Post (11/12, B5, 690K) runs two op-eds examining the parties' prospects for the next campaign. Barbour Griffith & Rogers Chairman Ed Rogers looks at Republicans Sen. George Allen, Sen. Bill Frist, Newt Gingrich, Rudy Giuliani, Sen. John McCain, Gov. Mitt Romney, and "the rest…Dick Armey, Sam Brownback, Chuck Hagel, Mike Huckabee, Duncan Hunter and George Pataki." Joe Trippi, who ran Howard Dean's 2004 presidential campaign considers Democrats Sen. Evan Bayh, Sen. Joseph Biden, Wesley Clark, Sen. Hillary Clinton, John Edwards, Sen. Russ Feingold, Al Gore, Sen. John Kerry, Sen. Barack Obama, Gov. Bill Richardson, and Gov. Tom Vilsack.

In a Washington Post (11/12, B1, 690K), op-ed, Rolling Stone's Benjamin Wallace-Wells writes that the possible candidacies of Clinton and Obama "suggest that the next elections may play in ways that are more cultural and symbolic than tactical and political. Are Americans ready to put a black man or a woman in charge of the country? And does the hefty symbolism that Obama and Clinton would bring help one of them more than the other -- in other words, is the country more racist or more sexist?"

HIV Patients' Life Expectancy Increases. The AP (11/11) reports that an American with the HIV hires that can lead to AIDS "can expect to live for about 24 years on average, and the cost of health care over that time is more than $600,000, new research indicates. Both life expectancy and the cost of care have risen from earlier estimates; mainly because of expensive and effective drug therapies."

Ground To Be Broken For King Memorial On National Mall. The Washington Post (11/12, C1, Dvorak, 690K) reports that "ground will be broken in many ways tomorrow morning with a ceremony heralding construction of the Martin Luther King Jr. Memorial on the Mall. The memorial, scheduled to be completed in 2008, will mark a change in the very character of some of America's most hallowed real estate…The Mall."

WPost Says US Voting System Worked Well Overall. The Washington Post (11/12, B6, 690K) editorializes, "An estimated 83 million Americans voted in last week's elections. Some people encountered difficulties, but not of the scale or scope that had been predicted by Election Day doomsayers. Overall the voting system worked. … No one denies there are shortcomings. The generational decline in voter turnout is more reason than ever to figure out better ways to encourage voting. Is early voting a good idea? Should Election Day be a national holiday? How about adopting Oregon's system of voting by mail? All are ideas worthy of consideration, but let's not fool with parts of the process that aren't broken."

LATimes Says Naturalized Citizens Should Be Permitted To Seek Presidency. The Los Angeles Times (11/12, 850K) editorializes, "On Tuesday, citizens in an electoral-vote-rich state reelected a governor who had once seemed in danger of defeat. That sort of political resurrection ordinarily would be good for a mention or two in the endless speculation about 2008 presidential candidates. Unfortunately, this reelected governor can forget about aspiring to the highest office in the land. … A core principle about the equality of opportunity in our society to strive for the highest office. … Americans should be free to decide whether they want to be led by President Jennifer Granholm. Gotcha! Who'd you think we were talking about? … Were you perhaps thinking of Gov. Arnold Schwarzenegger? In this nation of immigrants, there will always be individuals affected by this arcane discrimination, and the urgency to address the matter should not be dampened by partisan concerns that it may help one candidate or another. Indeed, it would be nice to see California Democrats spearhead the movement, even if it could theoretically benefit our Austrian-born governor."

NYTimes Incredulous About Corporate Calls For More Lax Regulation. The New York Times (11/12, WK11, 1.16M) editorializes, "Corporate profits are at record levels. The Dow, too, has climbed past its high-water mark from the dot-com era. Executives reap bigger and bigger paydays, even as wages have stagnated. Meanwhile, the widening investigation into stock-option backdating

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reminds us that the corporate malfeasance era was much more than just a couple of bad apples like Enron and WorldCom. It seems almost unbelievable, then, that corporate America would pick this moment to beg for relaxed regulation and enforcement, as well as more protection from investors' lawsuits. … The rationale is that the high cost of complying with the corporate governance law, the Sarbanes-Oxley Act, along with runaway lawsuits have scared foreign companies away from American stock exchanges." But the SEC "has already signaled that it will smooth the implementation of Sarbanes-Oxley, especially for smaller companies. And abuses of the private litigation system like pay-to-play should be stopped. There is room for reform. But over all, the system is working."

US Vetoes UN Security Council Gaza Resolution. NBC Nightly News (11/11, Seigenthaler, 9.87M) reported Israeli PM Ehud Olmert "is on his way to Washington for talks with President Bush. On the eve of those discussions, the US vetoed a Security Council resolution condemning an attack in Gaza earlier this week."

The New York Times (11/12, Hoge, 1.16M) reports the US vetoed a UN Security Council resolution "that condemned Israel for its military actions in Gaza and called for an immediate withdrawal of Israeli forces from the area." Ambassador John Bolton "told the Council that the resolution 'does not display an even-handed characterization of the recent events in Gaza, nor does it advance the cause of Israeli-Palestinian peace.'" Despite revisions to the draft, Bolton "said it remained 'in many places biased against Israel and politically motivated.'" The Times says Washington "traditionally opposes what it considers one-sided Security Council resolutions on Israel, and Saturday's vote was the fourth time in three years that Washington had taken such action."

The AP (11/12, Bergman) quotes Bolton saying, "This resolution does not display an evenhanded characterization of the recent events in Gaza, nor does it advance the cause of Israeli-Palestinian peace to which we aspire and for which we are working assiduously." Secretary of State Condoleezza Rice said that "the draft resolution would have aggravated the situation in Gaza because it contained 'inflammatory and unnecessary language. We do not believe the resolution was designed to contribute to the cause of peace.'"

Hamas Says Unity Government Imminent. The AP (11/12, Aji) carries comments by Hamas official Moussa Abu Marzouk "that a deal on forming a Palestinian national unity government was near, adding that an agreement on a new prime minister has been reached." The AP adds, "Abu Marzouk said Palestinian President Mahmoud Abbas and Hamas officials have agreed on a candidate for the Palestinian prime minister, but declined to disclose the candidate's name, saying: 'It will be disclosed at the suitable time.'" Also, Abbas said yesterday "that he hoped to form a coalition government with the Islamic Hamas party by the end of the month."

Shiite Cabinet Resignations Could Cripple Beirut. The New York Times (11/12, Slackman, 1.16M) reports Lebanon "was thrown into a political crisis Saturday when talks broke down over giving [Hezbollah] and its political allies greater control of the government. Almost immediately, cabinet ministers from the group and the other main Shiite party resigned." This week's talks were focused on "trying to defuse tensions among the various government factions after Hezbollah demanded a greater role in the cabinet and called for its alliance to have veto power over all government decisions." While it had "appeared the talks were headed toward a compromise, the negotiations collapsed when Hezbollah refused to relinquish its demand for a veto, people in the talks said." The Shiite resignations make the government illegitimate under the 1989 Taif Agreement, forcing officials to move into a caretaker mode. The Times adds, "Lebanon's political stability, and the success or failure of the sitting government, is not just consequential for this country of four million. It is part of a broader contest between" Washington, Tehran and Damascus.

The Washington Post/AP (11/12, A14) notes the resignations "could cost the Western-backed government crucial support from Lebanon's Shiite Muslims." Prime Minister Fouad Siniora "said he would not accept the resignations. He has the authority to order the five cabinet ministers to stay on, but it was unclear if his weak government could enforce the demand." The AP says the "resignations are not enough to bring down Siniora's government -- eight cabinet ministers must resign for the government to collapse -- but they could cost him support among Shiites, the majority sect in Lebanon, and make it difficult for him to govern."

Russia Eyes Mediating Role In Iran Nuclear Dispute. The AP (11/12) notes Russian Foreign Minister Sergei Lavrov "said Saturday that he believed international

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talks with Iran over its atomic program were still possible, maintaining that Russia could help bridge differences with other negotiating partners, including the United States." Lavrov "said his country would continue efforts to bring Iran back to negotiations with Germany and the five permanent members of the" UNSC. President Vladimir Putin "met Saturday with Iran's top nuclear negotiator, Ali Larijani, ending two days of talks that signaled a renewed push by Moscow to persuade Tehran to freeze its uranium enrichment effort. Iran, however, has so far snubbed Moscow's proposal to host its enrichment program." Larijani "remained defiant after the first round of meetings Friday, saying Tehran would push ahead with its nuclear program, and suggesting it could break off ties with the U.N. nuclear watchdog if the world inflicted punishments proposed by European nations."

North Korea Talks Could Resume. NBC Nightly News (11/11, Seigenthaler, 9.87M) reported, "Talks may soon be underway between officials with US and North Korea. Discussions could begin next week aimed at six-country talks on the north's nuclear program. It may include the financial sanctions imposed on North Korea.

The AP (11/11) carries Japanese newspaper reporting that Washington and Pyongyang "may hold talks in New York as early as this week aimed at working toward the resumption of six-nation discussions on Pyongyang's nuclear program." The Japanese daily "reported that officials from the two countries will discuss, among other issues, financial sanctions imposed on North Korea."

In Return To Power, Ortega Said To Emphasize "Reconciliation And Stability." In an analysis piece, the AP (11/12, Carl) reports Daniel Ortega "returns to Nicaragua's presidency a shadow of the fiery revolutionary who in Cold War times vowed an endless fight against a U.S. government determined to overthrow him." Ortega "now preaches reconciliation and stability, and promises to maintain close ties with the U.S. and the veterans of the Contra army it trained and armed against him. He has traded his wartime military fatigues for a white shirt and jeans. His guide, he says, is God, not Karl Marx." Ortega's post-election "speeches have focused on reassuring skeptics that he plans no radical changes and will embrace free trade, job creation and close U.S. ties." The AP adds, "More than ever, Ortega will need the support of his former enemies, and they have pledged to keep him in check. U.S. State Department spokesman Gonzalo Gallegos says cooperation with Ortega and his government will be 'based on their action in support of Nicaragua's democratic future.'"

A lengthy Washington Post (11/12, A12, Aizenman, 690K) piece entitled, "Former Contras Bemoan Ortega's Return To Power In Nicaragua," adds, "A week after [Ortega's election], Nicaraguans of all political stripes are still reeling. But perhaps none feel more personally affronted than the surviving foot soldiers of the U.S.-funded anti-Sandinista force, known as contras," some of whom "view Ortega's return in almost apocalyptic terms." Others said "their concern was that his victory would embolden his more radical supporters to harass former contra fighters in the many urban neighborhoods and rural villages across Nicaragua where old foes now live side by side."

Two UN Peacekeepers Killed In Haitian Capital. The AP (11/11) reports, "Two U.N. peacekeepers from Jordan were shot to death in Haiti's capital after coming under attack by gunmen, U.N. officials said Saturday." UN police spokesman Fred Blaze "said the soldiers came under attack in the Sonapi section of the capital near Cite Soleil, a slum where well-armed street gangs blamed for kidnappings are based."

German Immigrant Integration Efforts Contrasted With French "Estrangement." In an opinion piece in the New York Times (11/12, WK11, 1.16M), David Unger details the growing realization among "Germany's most conservative politicians" that "there is no reason someone cannot be German and Muslim at the same time. In America, that idea would be unremarkable. In Germany, with its tragic history of exclusive nationalism and race-based citizenship, it is an intellectual revolution." Describing public programs designed to reach out to immigrant women, Unger says, "It took a long time for Germany's leaders to wake up to the fact that millions of foreign-born or foreign-descended residents … intend to live their lives in Germany with no plans of returning to their ancestral homelands. More than three million of these new Germans are Muslims -- nearly two million from Turkey, with most of the rest from Bosnia, Albania, the Arab world, Pakistan and Iran." While "Germany has a long way to go," Unger adds, its "new approach contrasts favorably with that of neighboring France -- the home of Western Europe's largest and perhaps least integrated Muslim population."

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Public's View Of Official Corruption Worsening. The New York Times (11/12, BU2, Stein, 1.16M) briefly notes the release of Transparency International's "annual corruption perceptions index, which gauges how people view the honesty of public officials in 163 countries." The survey shows a growing perception of corruption in Iraq, Brazil, Cuba, Israel, Jordan, Laos, Algeria and the United States, which "fell three spots, to tie for 20th with Chile and Belgium. The pecuniary relationships that Jack Abramoff and other lobbyists had with certain members of Congress apparently took a toll on the country's reputation. And a substantial number of voters cited corruption as a factor in their decision in the midterm election last week."

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:
"Centrist Path In Congress May Rile Democrats' Base."
"California Voters In A Happy State."
"Vietnam Activists See An Opening."
"'Laguna' Cast As The Villain In Laguna."

New York Times:
"Incoming Democrats Put Populism Before Ideology."
"Entrepreneurs See A Web Guided By Common Sense."
"Democrats Aim To Save Inquiry On Work In Iraq."
"Sectarian Rifts Foretell Pitfalls Of Iraqi Troops' Taking Control."
"Frustration Grows At Carousel As More Baggage Goes Astray."
"Sports Artist Sued For Mixing Crimson And Tide."

Washington Post:
"After Battle, Generation Kept On Fighting."
"Despite Billions Spent, Rebuilding Incomplete."
"Rove Remains Steadfast."
"Democrats Find Lessons In GOP Reign."
"Special Panel Could Reshape Iraq Policy."

Washington Times:
"For Vets And President, A Day Of Remembrance."
"Christianity Seen At Risk Of Extinction In Birthplace."
"Core Values Still Valid, GOP Says."
"Americans Believe In God, With Conditions."

Detroit Free Press:
"Michigan's Band Of Brothers: Loved Ones Soldier On."
"Carmakers' Agenda For Bush: Hear Our Pain."
"Going To The Airport? Pack Some Extra Cash."
"Three Motorists Die In Police Chase In Detroit."

Atlanta Journal-Constitution:
"Why Are ASA Planes So Late?"
"Kids Test Positive For Cocaine."
"Georgia Bucks Democratic Trend."
"Perdue: Few Promises To Keep."

Houston Chronicle:
"Texas, Louisiana Pipeline Maps Inaccurate."
"Probes Dig Deeper In Halliburton Bribery Case."
"Texas Democrats Hoping Gains Weren't A Fluke."
"Defeat At K-State Means Double Whammy For Ut."
"Houston Artists Scattering From Traditional Spaces."

Story Lineup From Last Night's Network News:
ABC: Evening news was preempted by sports.
CBS: Evening news was preempted by sports.
NBC: Iraq War; US Soldiers Become Citizens; President Seeks Father's Advice; Election 2008; Public's View Of Veterans; Accidental Israeli Attack On Gaza; Future Talks With North Korea; New York Navy Rescue; CD's Replaced By Digital; Storm On Saturn; Teenager's Tribute To Veterans.

WASHINGTON'S SCHEDULE

Today's Events In Washington.

White House: PRESIDENT BUSH: No public schedule.
VICE PRESIDENT CHENEY: No public schedule.

US Senate: No scheduled events.

US House: No scheduled events.

Other: ISRAELI PRIME MINISTER OLMERT. Highlights: 5:30 a.m. Arrives at Andrews AFB. 6 p.m. Dinner with Secretary of State Condoleezza Rice. Closed press.

Nov. 12 - 14. EDUCATION _ The Public Education Network holds its 16th annual conference on the transformation of public education by local education funds. Location: Fairmont Hotel, 2401 M St. NW. Contacts: Howie Schaffer, 202-628-7464 ext 209

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

New Federal Probes Target Posada. The Miami Herald (11/12, Chardy, Weaver) reports, "One of the first things the businessman noticed about Luis Posada Carriles was that he spoke funny. Posada, who mumbled because of an old bullet wound in his jaw, frequently visited the businessman's Guatemala utility company in 1997 to meet with two co-workers." The Herald continues, "The businessman grew suspicious after one of the workers told him about Cuban exile plans to assassinate Fidel Castro and after a Venezuelan politician confided that Posada, a CIA-trained explosives expert, was a 'very dangerous individual.' … Concerned that Posada was using his utility business to plot illicit activities, the businessman hid a transmitter in an office and overheard the two co-workers talk with Posada about placing a 'putty-like explosive' in the shoes of Central Americans paid to pose as tourists on trips to Cuba. … Soon afterward, the businessman became a 'confidential source' for the FBI's investigation into bombs that exploded at Cuban tourist sites in 1997, killing an Italian and wounding seven others." The Herald notes, "The businessman, a Cuban-American engineer who set up the utility company in Guatemala City in 1996, could turn out to be the central figure in the Justice Department's rekindled criminal investigation of Posada. The probe is back on track -- despite the fact that the FBI field office in Miami destroyed evidence in 2003 about the initial Cuba bombing case. … Federal grand juries in New Jersey and Texas are investigating the secret activities of Posada, 78, who is detained at an immigration facility in El Paso, Texas. The Texas probe focuses on whether he lied about how he sneaked into the country. The New Jersey investigation, aided by the FBI in Miami, is zeroing in on his role as the alleged mastermind of the dozen tourist-site bombings in Cuba that investigators think were financed by Cuban exiles in Union City, N.J. … Either of the probes could lead to the first indictment of Posada in the United States."

Under the headline "FBI Destroyed Evidence As 'Routine' Matter," the Miami Herald (11/12, Weaver, Chardy) reported that the FBI's destruction of the Cuba bomb plot evidence "posed a serious challenge" to the renewed investigation, however, "officials portrayed the destruction as a routine administrative procedure after the U.S. attorney's office closed the case in August 2003 because of lack of progress in the investigation. 'We routinely destroy evidence in cases that have been closed,' said FBI spokeswoman Judy Orihuela, noting the agency needed to make room for other records in its evidence room at the time. She added that the FBI has been able to rebuild the body of evidence in the Cuba bombing probe, which targets Posada." Meanwhile, former FBI Miami SAC Hector Pesquera "said that any suggestion he sought to protect Posada from prosecution was 'preposterous.'"

Author Criticizes DOJ Investigations As Lackluster. In a Washington Post (11/12) op-ed titled "Why the FBI Is Coming After Me," author Ann Louise Bardach criticizes the US for what she sees as an unenthusiastic investigation of Posada Carriles and for the DOJ subpoena of her records from her interviews with him. Bardach adds, "Before the government starts tampering with the Constitution's protections of the press, it needs to do some housecleaning. A good start would be a special prosecutor to look into who ordered the removal of the Posada evidence, and why. If it then decides that it wants to go further, it might peruse the 45 years' worth of CIA and FBI files on Posada that detail his paramilitary career. And there are a dozen or so comrades of Posada's in Miami and New Jersey who know a great deal more than I do. But that's assuming that the government wants to prosecute Posada. It has declined to do so for decades. And nothing so far suggests that it is inclined to start now."

CIA Says Detainee Treatment Is National Security Issue. The Detroit Free Press/McClatchy Newspapers (11/12, Rosenberg) reports, "The CIA is still trying to impose secrecy around 14 top Al Qaeda suspects now held at the Guantanamo Bay, Cuba, detention center, including an alleged 9/11 mastermind, Khalid Sheikh Mohammed." McClatchy continues, "The arena for the effort is the U.S. District Court of Judge Reggie Walton in Washington, D.C., where the government is seeking a still-undefined restriction on the attorney-client relationship in the case of Majid Khan, one of the 14. … The CIA argues that details of the man's three years of detention and interrogation at so-called black sites -- out of reach of the International Red Cross -- are national security secrets." McClatchy adds, "Khan's attorney, Gita Gutierrez, argues that the Bush administration's intent is not to safeguard national security but to cover up three years of extrajudicial detention of her client -

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- to 'conceal illegal or embarrassing executive conduct.' … Khan, 26, was captured in his native Pakistan in 2003. The White House says he's linked to unsuccessful plots to blow up gas stations in the United States, poison U.S. water supplies and assassinate Pakistani President Pervez Musharraf. … It's not known where he was held or how he was interrogated to establish these links. He hasn't been charged with a crime." McClatchy notes, "At least some of the 14 men whom President George W. Bush ordered handed over to the military this summer were reportedly submitted to harsh, classified interrogation techniques, including simulated drownings -- known as water-boarding -- to break their will. .. .Court documents filed by the government suggest that the 14 newest arrivals at Guantanamo, among them alleged Osama bin Laden deputies, would never be integrated into the general population of more than 430 captives, for fear they would talk about their secret confinement to other captives, who could, in turn, pass on the details to their lawyers. … In seeking to redefine attorney-client contacts, Justice Department lawyers offered a seven-page affidavit from CIA officer Marilyn Dorn, who describes herself as 'the information review officer for the National Clandestine Service.'"

HOMELAND RESPONSE:

More Air Travelers' Bags Missing In Wake Of Liquid Ban. The New York Times (11/12, Bailey, 1.16M) reports on its front page that since August 10, "when a ban on most carry-on liquids sent the amount of checked luggage soaring, airlines have been misplacing many more bags, and the fumbling could well escalate during the busy holiday travel season." The Transportation Department also reported that "more fliers had their bags go missing in August than they did a year earlier" and "it got worse in September." The Times notes that currently "efforts are under way to fix two of the worst baggage operations" in the US, although "financial problems have slowed industry investment in technology that could improve bag handling."

WAR NEWS:

Iraq Study Group May Have Few Good Options. The Washington Post (11/12, A1, Abramowitz, Ricks, 690K) reports in a front page article, "Those familiar with the panel's work predict that the ultimate recommendations will not appear novel and that there are few, if any, good options left facing the country. Many of the ideas reportedly being considered -- more aggressive regional diplomacy with Syria and Iran, greater emphasis on training Iraqi troops, or focusing on a new political deal between warring Shiites and Sunni -- have either been tried or have limited chances of success, in the view of many experts on Iraq. [James] Baker is also exploring whether a broader U.S. initiative in tackling the Arab-Israeli conflict is needed to help stabilize the region." The Post states that the panel might have to contend with political pressures: "While Baker has been testing the waters for some time to determine how much change in Iraq policy will be tolerated by the White House, [Lee] Hamilton perhaps faces the now even-more-difficult challenge of cajoling Democrats such as former Clinton administration chief of staff Leon E. Panetta and power broker Vernon E. Jordan Jr. to sign on to a plan that falls short of a phased troop withdrawal, the position of many congressional Democrats. ... Within the panel, staffers and expert consultants have waged warfare by memo as idealists argue with pragmatists over particulars."

Baker, Gates Bring "Bush 41" Mindset To Administration. NBC Nightly News (11/11, story 3, 2:16, Mitchell, 9.87M) examined the changing of the guard in the Bush Administration's inner circle and how, "after six years of rejecting advice from members of his father's advisory team, the President is calling them off the bench, James Baker to craft an exit strategy in Iraq. His father's CIA Director Bob Gates to replace Donald Rumsfeld at the Pentagon. … The President bristled when Brian Williams asked if he was seeking his father's advice." Bush: "He understands I have often times have information he doesn't have." Mitchell: "There have been tensions. Gates, who had dinner with the President's father in Texas last night, has been sharply critical of the way the Pentagon has run the war." Former Rumsfeld adviser Kenneth Adelman: "I think it is the end of the kind of missionary spirit of George W. Bush and the resurgence of the calm stability arguments of George Herbert Walker Bush."

Blair Will Address Iraq Study Group. The Washington Post (11/12, A17, Sullivan, 690K) reports British PM Tony Blair "will speak via video link with officials from the Iraq Study Group on Tuesday to discuss 'U.K. ideas on Iraq and the Middle East,' a Blair spokeswoman said Saturday. ... The Guardian newspaper on Saturday reported that Blair would urge the panel to push the Bush administration to begin talks with Syria and Iran to persuade those two countries to become more involved in finding a solution to the situation in Iraq. The newspaper also reported that Blair would press Baker and Hamilton to recommend that any solution in Iraq depends on the United States making a 'reenergized push for peace in the Palestinian-Israeli conflict.'" The report was called "speculation" by the Blair spokeswoman.

WPost Says Baker-Hamilton Could Find Common Ground. The Washington Post (11/12, 690K) editorializes, "A close look at what the White House and Democrats have been saying, along with what is emerging from the bipartisan Iraq Study Group, offers grounds for some optimism. There is, in fact, a center to the war debate that offers the outlines of

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a way forward." The group will "almost certainly endorse an idea long favored by Mr. Biden and many other Democrats: an attempt by the United States to find common ground on Iraq with its neighbors -- including Syria and Iran. ... Both the Bush administration and Democrats must face the possibility that no amount of U.S. pushing will produce political results or diminish the violence in Baghdad, at least in the short term. For some time, Mr. Maliki and other Iraqis have been warning any American who will listen that the dynamics driving the war won't necessarily respond to timetables drawn up in Washington. ... The United States needs a strategy for defending its own vital interests in that case. As it happens, Mr. Maliki has one to offer: In the last couple of weeks he has made clear that his government's priority is to gain full command over the Iraqi army the United States has been building and take the lead in fighting the Sunni-al-Qaeda insurgency. That means that U.S. troops could begin moving to a supporting role, backing up the Iraqi units with air power and rapid reaction forces."

Brooks Says Baker-Hamilton May "Produce More Peace" At Home Than In Iraq. In his New York Times (11/12, WK12, 1.16M) column, David Brooks writes, "Both parties are desperate to be substantially out of Iraq by 2008. Vietnam-haunted Democrats don't want to be saddled with the remains of the war if they retake the White House. Most Republicans don't want to wage another campaign under the Mesopotamian shadow. The president, however, is thinking about the decades-long struggle, not the next election, so the G.O.P. could be heading toward a blood feud between 'Let's end this' Republicans and 'Let's win this' Republicans, with the potential bitterness lasting for years." The Baker-Hamilton commission "may produce more peace in America than in Iraq," and "events in Iraq are moving more quickly than adjustments in Washington. ... Visitors to Baghdad have been surprised by the lack of urgency many Iraqi leaders seem to feel in the face of national disintegration."

Hoagland Says Bush Lost His Gamble But Middle East Still Needs To Change. In his column for the Washington Post (11/12, B7, 690K), Jim Hoagland writes, "President Bush lost more than a midterm election and a cantankerous defense secretary last week. He also abandoned any lingering chance of remaking U.S. foreign policy into a radical force for democratic change in the Middle East and elsewhere." However, Hoagland claims that now-ascendant "realism" itself had failures: "Only the incompetence and discord of the past three years could cause reasonable people to welcome back with applause policymakers who failed to anticipate and then opposed the breakup of the Soviet Union; who were not realistic enough to see, much less prevent, the Balkans from plunging into flames; and who 'coddled dictators from Beijing to Baghdad' ... So hold the champagne and cheers for the return of 'realism.'"

Baghdad Suicide Bomber Kills At Least 33. The AP (11/12, al-Bashir) reports, "A suicide bomber blew himself up outside a police recruiting center in Baghdad early Sunday, killing at least 33 people and wounding 56, police said. Crowds of recruits were gathering outside the center in western Baghdad's Nissur Square when the bomber detonated explosives strapped to his body, police Lt. Maitham Abdul-Razaq said. He said the death toll was expected to rise because many of the injuries were extremely serious." The attack "was one of several on Sunday in the capital, where sectarian violence kills scores each week."

Iraqi Gunmen Kill 10 Shiites, Abduct 50 Others. The AP (11/11) reports, "Sunni gunmen ambushed a convoy of minibuses Saturday night at a fake checkpoint on a highway south of Baghdad, killing 10 Shiite passengers and kidnapping about 50. ... Police said the mass kidnapping and killing was near Latifiyah, about 20 miles south of Baghdad in the so-called Triangle of Death."

Sectarian Rifts In Diyala Portend Problems After Iraqis Take Over. The New York Times (11/12, A1, Oppel, 1.16M) reports in a pessimistic front page article, "Diyala is now teeming with Shiite militiamen who have rushed in from Baghdad in recent months to protect the Shiite population from attacks. Once considered by American officials to be relatively pacified, it has become a cauldron of violence carried out by insurgents and militias, intensified by sectarian-influenced security forces. As pressures for a phased United States withdrawal build, the experiences of American commanders over the past year in Diyala provide a window on the possible consequences of ceding authority to the Iraqi Army."

Gates Selection Could Help Close Pentagon-State Rift. Under the headline, "In Gates Selection, White House Hopes To Close Rift Between State And Defense," a piece in the New York Times (11/12, Sanger, Shane, 1.16M) says President Bush "selected Robert M. Gates as his new defense secretary in part to close a long-running rift between the Defense Department and the State Department that has hobbled progress on Iraq, keeping the two agencies at odds on issues ranging from reconstruction to detaining terrorism suspects, according to White House officials and members of Mr. Gates' inner circle." Since September, Secretary of State Condoleezza Rice and National Security Adviser Steven Hadley "quietly steered the White House" toward replacing Donald Rumsfeld with Gates, "who had worked closely with Ms. Rice under the first President Bush." Rice and Rumsfeld "never managed to resolve their differences," and as NSA "during Mr. Bush's first term, Ms. Rice was unable to halt a war between the State Department and the Pentagon that put senior officials in the departments in a state of constant conflict."

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Gates Could Signify Shift Toward "Realists." BBC.com (11/11, Beale) reports, "The departure of Donald Rumsfeld is seen as one indication that the White House has listened to its critics. ... The departure of Mr Rumsfeld and the arrival of Robert Gates at the Pentagon is being interpreted as the end of the road for the ideologues and the re-entry into orbit of the foreign-policy 'realists'. So-called 'realists' are supposed to have a more nuanced view of the world. They do not - like the so-called neo-conservatives - see everything in black and white terms. ... No doubt the new arrivals will bring a fresh perspective to the White House. But don't expect US forces to exit Iraq overnight or for Iran and Syria to be greeted with open arms." Furthermore, victorious Democrats "cannot afford to appear weak in the face of the threats that America faces if they are to have any chance of eventually taking the White House," and President Bush "has already made it clear that he is not going to abandon his goal of defeating terrorism in Iraq or ease the pressure on North Korea and Iran."

Gates's "Slogging Through" Iran-Contra Recalled. The AP (11/11, Yost) reports in a negative, historically oriented article, "Senate Democratic leader Harry Reid of Nevada says he has questions about Gates' involvement in Iran-Contra. Republicans plan to push the nomination through before they lose control in January. Thomas Blanton, director of the National Security Archive, a private group that has collected hundreds of thousands of pages of documents on the scandal and published several books on it, calls Gates 'the ultimate hear-no-evil see-no-evil high official during Iran-Contra.' In a final report, Iran-Contra prosecutor Lawrence Walsh said that, 'like those of many other Iran-Contra figures, the statements of Gates often seemed scripted and less than candid.' The AP adds, "Questions about Gates focus not on what he did in Iran-Contra, but on what he knew."

Gates Speech Quoted As Clue To Thinking. The Outlook section of the Washington Post (11/12, B4, 690K) reprints a September 8 speech by Secretary-designate Gates at Texas A&M University (sardonically titling it "How Not To Run The Pentagon") in which he "cautioned against new leaders arbitrarily imposing their ambitious agendas, only to witness the reversal of their efforts immediately after they leave." Gates said, "Some leaders arrive with ambitious agendas and seek to impose them by fiat -- unilaterally and from above. They usually provoke either paralyzing opposition and internal warfare, or see the reversal of every action immediately after their departure. ... What, then, is the formula for successful leadership in public institutions, above all a great university? I believe it begins with a leader's recognition that his or her time in office is finite and that the institution and those who carry out its mission endure. They were there long before the leader arrived, and will be there long after he or she departs."

"No Tears" For Rumsfeld At Camp Victory. NBC Nightly News (11/11, story 2, 1:58, Askill, 9.87M) reported, "On this Veterans' Day American troops in Iraq mustered for a special ceremony. Seventy-five soldiers from 33 countries were sworn in as American citizens at Baghdad's Camp Victory. … There were no tears for Donald Rumsfeld's resignation as Secretary of Defense." Sgt. Miguel Bravo: "I am glad he is out of that position. Hopefully the new guy will do better things." Askill: "Military analysts say the 'new guy,' Robert Gates, faces an almost impossible situation."

Cafferty Criticizes Pentagon On Armor. On CNN's In The Money (11/11), anchor Jack Cafferty said, "How about a trade: one used defense secretary for enough armor to protect our soldiers, for starters."

Feith Defends Rumsfeld In WPost. In the Washington Post (11/12, 690K), former Under Secretary of Defense for Policy Douglas Feith writes, "Much of what you know about Donald Rumsfeld is wrong. ... I know that Don Rumsfeld is not an ideologue. ... Because of his complexity, Rumsfeld is often misread. His politics are deeply conservative, but he was radical in his drive to force change in every area he oversaw." Rumsfeld "has been attacked for insisting that troop levels for the Iraq operation be kept low, supposedly out of ideology and contrary to the advice of the military. What I saw, however, was that Rumsfeld questioned standard military recommendations for 'overwhelming force.' He asked if such force was necessary for the mission. And he asked what the consequences might be of having a large footprint in Iraq and playing into propaganda about the United States wanting to take over the country."

Rumsfeld's "Errors" Were Allegedly Shared By Generals. In a commentary for the Los Angeles Times (11/12, 850K), AEI scholar Frederick Kagan writes, "The strategy that has led to disaster in Iraq belonged to the commanders at least as much as to Rumsfeld. Scapegoating him in isolation will prevent us from learning the essential lessons of our recent failures." Kagan argues, "Belief in the value of technology and the need for light, swift ground forces pervaded the senior military leadership in the 1990s," being held by Gens. Eric Shinseki, Tommy Franks, and John Abizaid. Rumsfeld's failing was not his "managerial style, but his flawed understanding of war": he became "captive" to the "transformation program" that would "rely on information technology to permit American forces to locate, identify, track and destroy any target on the face of the Earth from thousands of miles away. Ideally, ground forces would not be necessary in future wars."

Rumsfeld Seen As "Central Villain" Of Woodward's "State Of Denial." In the New York Times Book Review (11/12, 1.16M), reviewer and New Republic editor Franklin Foer writes, "Where Bush appeared resolute in the first two installments of Woodward's trilogy, he now comes across as

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a 'Saturday Night Live' version of himself. ... But the president is too passive a player to be Woodward's central villain. Besides, Donald Rumsfeld fills that role far too perfectly. He comes across as utterly contemptuous of other human beings. ... What's worse, he is an obsessive micromanager, but one who disavows projects once they look doomed. As soon as the hunt for weapons of mass destruction seemed fruitless, he handed over the mission to the C.I.A. Rumsfeld takes so much pummeling that he eventually becomes a strangely sympathetic character." Foer finds "maddening reports of administration ham-handedness and arrogance" in Iraq and adds approvingly that Woodward has been forced by criticism "to change his style. There's less of his signature omniscience here."

LATimes Publisher Recalls Playing Squash With Rumsfeld. In an op-ed piece for the Los Angeles Times (11/12, 850K), Times publisher David Hiller writes, "There was a period in the late 1990s when Don Rumsfeld and I played squash almost every month in Chicago, and before I say anything else, I should acknowledge this: He beat me almost all the time ... I think what struck me most was that Don never gave up on a point. His view was that every shot could be made, every game could be won, and he never surrendered until the last volley was played out."

Casey Says US Has Resolve To Carry Out Iraq Mission. The Los Angeles Times (11/12, Daragahi, Zavis, 850K) reports Gen. George Casey Jr. "voiced confidence Saturday that the United States would not abandon its mission in this violence-racked country amid a postelection reevaluation of Iraq strategy." His remarks "were among his first public statements since the resignation last week" of Defense Secretary Donald Rumsfeld. Political insiders "have speculated that both Casey and U.S. Ambassador Zalmay Khalilzad, who was also at the ceremony, could leave their posts because of the Republican Party's defeat at the polls Tuesday."

US Offers Reward For Information On Missing Soldier. CNN (11/11, Lin) reported, "A reward is being offered in the search for a US soldier abducted in Iraq. The Army Reserve specialist was kidnapped nearly three weeks ago in Baghdad while visiting his Iraqi wife and family. The US military is offering up to a $50,000 reward for information leading to his recovery."

The New York Times (11/12, A12, Luo, 1.16M) reports the case "took a turn late last week when Entifad Qanbar, an associate of Ahmad Chalabi, the influential Iraqi politician, identified himself as the soldier's uncle and said that the kidnappers had issued a $250,000 ransom demand. American officials had been meeting with an intermediary trusted by those who had captured his nephew, he said." Qanbar said he had "asked for proof from the captors that his nephew was still alive, setting a deadline of noon last Saturday. But he has not had any contact with the kidnappers or their representatives since then, Mr. Qanbar said Saturday."

Officer Who Refused Deployment Faces Court-Martial. The Los Angeles Times (11/12, Watanabe, 850K) reports, "The nation's first commissioned officer to refuse deployment to Iraq said he was disappointed by the Army's decision last week to proceed with a court-martial against him but reiterated that he believed he did the right thing in opposing the war." Army 1st Lt. Ehren Watada "said that recent events had reinforced his belief that many Americans, including a growing number inside the military, shared his sentiments against the Bush administration's conduct of the war." Those events "include the midterm election results giving Democrats control of Congress, the resignation" of Defense Secretary Donald Rumsfeld, and a "landmark editorial in four affiliated military-focused publications calling for the Pentagon chief's ouster."

Democrats Move To Save Iraq Reconstruction IG. The New York Times (11/12, Glanz, Johnston, Shanker, 1.16M) reports on its front page, "Congressional Democrats say they will press new legislation next week to restore the power of a federal agency in charge of ferreting out waste and corruption in Iraq and greatly increase its investigative reach. ... The move would nullify a Republican-backed provision, slipped into a huge military authorization bill, that set a termination date for the agency, the Office of the Special Inspector General for Iraq Reconstruction. The agency's findings have consistently undermined Bush administration claims of widespread success in the reconstruction of Iraq." There is "unlikely to be much downside for the Democrats in going after waste and fraud in government contracting, particularly in the Iraq war, which is not only unpopular with the American public but also where corporate giants like Halliburton, Parsons and Bechtel have committed highly publicized missteps in the rebuilding program." In addition, "Outside the reconstruction program, some agencies are likely to be singled out for special scrutiny, not only the Pentagon, but also the Central Intelligence Agency and Federal Bureau of Investigation."

Iraq Reconstruction Said To Lag Despite US Funding. On its front page, the Washington Post (11/12, A1, Witte, 690K) headlines a piece on Iraqi reconstruction, "Despite Billions Spent, Rebuilding Incomplete." While an injection of $38 billion has produced many results, "as the U.S.-led, U.S.-funded portion of Iraq's reconstruction nears its end, American officials and contractors alike are grappling with a cold reality: Thousands of successes in Iraq may add

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up to a single failure." Many "inside the reconstruction effort say security concerns were hardly the only problem. Poor planning and coordination by U.S. officials meant that even successful individual projects failed to do the job; for example, health-care centers were built at great cost but had no water and sewer service. Poor work-site management by contractors meant that some projects went awry. And now that the United States is handing over reconstruction efforts to Iraq, many involved with the process worry that the Iraqis don't have the training or the money to keep U.S.-built facilities running." Noting that "this was not how the rebuilding of Iraq was supposed to go," the Post says many "Iraqis expressed frustration not just with the United States but with Iraqi leaders, too, for pocketing aid money that was supposed to be for everyone."

NYTimes Says Democrats Must Investigate Iraq Planning. The New York Times (11/12, 1.16M) editorializes, "Criticizing President Bush's gross mismanagement of the war was a winning electoral strategy. But criticism will not extricate the United States from this mess, nor will it persuade voters that the Democrats are ready to take back the White House." The public "deserves a full accounting (backed by subpoenas, if necessary) of how prewar intelligence was cooked, why American troops were sent to war without adequate armor, and where billions of dollars in reconstruction aid disappeared to. ... The Democrats will also need to look forward -- and quickly. So far they have shared slogans, but no real policy." The Times warns that the Democratic call for "phased redeployment" might "only hasten Iraq's descent into civil war — while placing American soldiers who remain behind in even greater danger."

Iraqi Corruption Fighter Is Accused Of Fraud. The Los Angeles Times (11/12, Daragahi, 850K) reports, "Iraq's top anticorruption watchdog, a high-profile judge whose efforts have been hailed by Americans as one of the few bright spots in the country, is himself the target of a corruption probe, officials said Saturday. Judge Radhi Radhi, head of Iraq's Commission on Public Integrity, is under investigation by court authorities, accused of turning his 1,700-employee agency into a personal fiefdom and padding his salary with an extra $50,000 a year." Radhi, who "has worked closely with Stuart W. Bowen Jr. of the Special Inspector General for Iraq Reconstruction," contends that "the pressure on his office might be a reaction to his attempts to ferret out corruption in key Shiite-controlled ministries." He is himself "Shiite but secular."

Iraq Seen As Longing For New "Strongman." In the New York Times (11/12, WK1, 1.16M), correspondent John Burns writes, "Mr. Hussein's outbursts served to remind many Iraqis, even those who hated him most, of something they crave in the rudderless nightmare Iraq has become under his successors: a strong leader ... It is something ordinary Iraqis say with growing intensity, even as they agree on little else. Let there be a strongman, they say, not a relentless killer like Saddam Hussein but somebody who will take the hammer to the insurgents and the death squads and the kidnappers and the criminal gangs who have banished all pretense of civility from their lives." Burns adds, "Of the many hard lessons America may take from its enterprise here, the impracticality of grafting American political values onto a society as different as Iraq's, by measure of culture, religion and historical experience, will surely be one. History may judge that attempting it in the midst of a savage war was the greatest of follies." However, "even if President Bush were convinced that Mr. Maliki should go, it is far from clear that the Americans would have the means to get rid of him."

Romania To Stay In Iraq. From an interview of Romanian President Traian Basescu, the AP (11/12, Kole) reports Bucharest "has no intentions of withdrawing its troops from the U.S.-led coalition in Iraq," according to Basescu, who vowed "to stay 'because it's a dishonor to leave your allies.'" He "said he empathized with mounting calls to withdraw the country's 608 non-combat personnel in Iraq, including impassioned pleas from the families of those serving. But 'Romania's honor is greater than its feelings,' he said."

Karzai Struggles To Steer Afghanistan. In an article exceeding 3,300 words, the Los Angeles Times (11/12, Watson, 850K) reports, "Five years after the fall of Kabul, aides say [Hamid Karzai] is turning to tradition as he struggles to build a stable democracy on a foundation of war, corruption, foreign interference and religious extremism. Critics counter that he is retreating behind the walls of his 19th century palace and losing touch with a country sinking deeper into trouble. But Karzai's foreign backers have left him with little real power, and his weak, corruption-riddled government lacks direct control over billions of dollars in development aid, money meant to help Karzai win Afghan support for his administration." Despite "enormous progress," many Afghans "see the nation slipping back into the grip of violence, corruption and extremism from which the West promised to liberate them." Karzai loses credibility "each time foreign troops accidentally kill Afghan civilians"; in addition, "For those Afghans suspicious of U.S. intentions, Karzai's close ties to the U.S. military were an issue from the start."

CORPORATE SCANDALS:

Former Tyco Head Is Selling Assets. The New York Times (11/12, Olson) reports, "When the government presented L. Dennis Kozlowski, the former head of Tyco

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International, with a bill for $167 million in fines and restitution, it was likely that everything would have to go." The Times continues, "After his 2005 conviction for looting Tyco, Mr. Kozlowski sold some big-ticket belongings, including his 130-foot yacht Endeavor and Impressionist paintings, whittling his debt to $59 million. … Now he's parting with his 8,600-square-foot chalet in Beaver Creek, Colo., complete with eight bedrooms and nine and a half baths — including one decked out as an outhouse. The sale price was $10 million, reduced from $11.5 million." The Times adds, "Brokers declined to identify the new owner, an oil-and-gas man based in Dallas, but said he also paid $750,000 for Mr. Kozlowski's furnishings, which include a stuffed mountain lion to greet visitors but no shower curtain like the infamous $6,000 model in his Manhattan flat."

CRIMINAL LAW:

More Subpoenas Issued In Menendez Probe. The Newark Star-Ledger (11/11, Martin, Whelan) reported federal investigators "have resumed their inquiry into a rental deal" between Sen. Robert Menendez and the nonprofit Community Action Corp., "issuing new subpoenas in the days after he was elected to a full six-year term, according to a government source. The subpoenas sought documents related to the more than $300,000 in rent Menendez collected from the North Hudson Community Action Corp. between 1994 and 2003, the source said. It was unclear what records were sought or who was subpoenaed." The source also said, "More are coming."

FBI Likely To Continue Congressional Corruption Probes. McClatchy Newspapers (11/12, Gordon) reports, "The new chief of the FBI's Criminal Division, which is swamped with public corruption cases, says the bureau is ramping up its ability to catch crooked politicians and might run an undercover sting on Congress." McClatchy continues, 'Assistant FBI Director James Burrus called the bureau's public corruption program 'a sleeping giant that we've awoken' and predicted the nation will see continued emphasis in that area 'for many, many, many years to come.'" McClatchy adds, "So much evidence of wrongdoing is surfacing in the nation's capital that Burrus recently committed to adding a fourth 15- to 20-member public corruption squad to the FBI's Washington field office. … In the past year, former Republican Reps. Duke Cunningham and Bob Ney have pleaded guilty to corruption charges. FBI agents are investigating about a dozen other members of Congress, including as many as three senators. The Justice Department also is expected to begin seeking indictments soon after a massive FBI investigation of the Alaska Legislature. … If conditions warrant, Burrus said, he wouldn't balk at urging an undercover sting like the famed Abscam operation in the late 1970s in which a U.S. senator and six House members agreed on camera to take bribes from FBI agents posing as Arab sheikhs. … 'We look for those opportunities a lot,' Burrus said, using words rarely heard at the bureau during the past quarter century. 'I would do it on Capitol Hill. I would do it in any state legislature. ... If we could do an undercover operation, and it would get me better evidence, I'd do it in a second.' … Philip Heymann, who oversaw the Abscam investigation as chief of the Justice Department's Criminal Division during the Carter administration, expressed surprise to learn of the FBI's willingness to attempt another congressional sting after the outcry from Capitol Hill over Abscam. … 'It shows courage at the FBI,' said Heymann, now a criminal law professor at Harvard University. He said he concluded, after watching a recent public television documentary and listening to experts, that 'there is more corruption (on Capitol Hill) than I ever thought imaginable' and that a single FBI sting 'might result in very large numbers of prosecutions.' … But even without an undercover operation, Heymann and other observers say they have been pleased with the GOP-controlled Justice Department's willingness to pursue old-fashioned investigations, even if they hurt congressional Republicans."

US To Seek Death Penalty In Hawaii Case. The Honolulu Advertiser (11/12, Kobayashi) reports, "Justice Department officials have overruled federal prosecutors here and authorized seeking the death penalty for an Army soldier in a move critics say is part of a nationwide attempt by the Bush administration to spread capital punishment to non-death-penalty states." The Advertiser continues, "Naeem Williams, charged with murdering his 5-year-old daughter last year, is believed to be the first in the country to face the death penalty under a provision passed by Congress three years ago for first-degree murder cases involving 'a pattern or practice of assault or torture against a child or children.' … The U.S. Attorney's Office in Hawai'i recommended against seeking capital punishment for Williams and his wife, Delilah, who is also charged with the murder, according to sources familiar with the case who do not want to be identified because the recommendation is considered confidential. … The Justice Department went along with the recommendation for the 21-year-old wife, but U.S. Attorney General Alberto Gonzales, who must approve federal death penalty prosecutions, authorized seeking capital punishment for the husband." The Advertiser notes, "That move is part of a trend under the Bush administration to seek the death penalty in Hawai'i and 11 other states that don't have capital punishment, some critics of the death penalty believe. … Gonzales and former Attorney General John Ashcroft authorized 180 death penalty prosecutions, including 51 cases in which the local U.S. attorney's office did not

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recommend capital punishment, according to the Federal Death Penalty Resource Counsel Project, a national information clearinghouse for court-appointed defense lawyers in federal death-penalty cases."

CIVIL RIGHTS:

Osceola County, FL, Could Settle Discrimination Suit On Monday. The Orlando Sentinel (11/12, Pino) reports, "When Ana Erazo walked into the elections office on a summer day in 1990, her supporters followed and applauded after she filed the paperwork to run for County Commission. … 'It all started with me,' said Erazo, the first Hispanic to seek a commission seat. 'In those days, there was lot of prejudice against us.'" The Sentinel continues, "Erazo's tale is the first chapter in the struggle of Osceola's Hispanics for political power that came to a head last year when the U.S. Department of Justice sued the county, claiming countywide elections violate the Voting Rights Act by diluting Hispanics' political power. … The county spent nearly $2 million fighting, but now it looks as if Hispanic voters in Osceola may have a better chance to elect one of their own. .. Commissioners are expected to vote Monday night on a single-member district plan to settle the suit after a federal judge noted 'racial hostility' in Osceola and found that elections are 'racially polarized.' … 'There is also evidence of a history of discrimination against Hispanic voters and candidates,' U.S. District Judge Gregory A. Presnell wrote in his ruling last month. 'It is clear from the record that voting in Osceola County tends to be racially polarized.'"

Massachusetts Poll Workers Meet Goal. The Springfield Republican (MA) (11/11, Arbulú) reports, "With more than 100 bilingual poll workers manning all but four voting precincts on Tuesday, the city has met a goal set in its voter reform agreement with the U.S. Department of Justice." The Republican continues, "The federal government had filed suit against the city for violating the rights of Spanish-speaking residents by failing to provide enough help at the polls. … The reform agreement, reached in August, called for the city to have at least 95 bilingual poll workers who speak Spanish and English working at Tuesday's election." The Republican adds, "Of the city's 410 poll workers, 127 are bilingual in Spanish and English and five speak Vietnamese, said Gladys Oyola, the city's Spanish Language Election Program coordinator. … The Justice Department required bilingual poll workers at all but four of the city's 64 precincts based on the number of voters with Spanish surnames in each precinct, said Election Commissioner Kathy Hoar Fleury."

New Jersey Settles Suit Over Boy's Death For $7.5 Million. The AP (11/12) reports, "New Jersey has spent $7.5 million to settle a lawsuit over a child welfare case in which a 7-year-old boy's mummified remains were found in a basement here." The AP continues, "The payout, arranged last year but only recently announced, is the second-largest made by the State Division of Youth and Family Services over child welfare mistakes, according to state officials." The AP adds, "The size of the settlement is surpassed only by the $12.5 million the state agreed to give to four brothers from Collingswood who were deprived of food and medical care by their adoptive parents. The state announced that settlement last year. … With the Newark case, the settlement money is going to the estate of Faheem Williams, along with two of his siblings who are in foster care. .. .The discovery in January 2003 of Faheem's body prompted an overhaul of the child welfare agency. The state had investigated abuse complaints involving Faheem, but had closed the file 11 months before his body was found in the basement of an apartment rented by his older cousin, Sherry L. Murphy. … The boy's brothers — Raheem Williams, now 11, and Tyrone Hill Jr., 8 — were found emaciated in a room adjacent to where the body was found."

ANTITRUST:

Gannett Could Bid On Tribune Properties. The Chicago Tribune (11/12, Oneal, Rosenthal) reports, "Turning up the heat on the already simmering auction for the assets of Chicago-based Tribune Co., Gannett Co., the nation's largest newspaper publisher, has emerged as a possible bidder for Tribune's newspaper properties, the Chicago Tribune learned Saturday." The Tribune continues, "Executives from the McLean, Va.-based media giant, which publishes 90 U.S. newspapers, including top-read USA Today, were in Chicago last week to hear presentations on Tribune's financial condition, two sources close to the situation said. .. Tribune has been hosting a number of bidders as part of a process it put in place in September to enhance shareholder value by possibly selling all of the company's television and newspaper assets. .. .But the emergence of a potential buyer with the resources and clout of Gannett could significantly change the complexion of the bidding process." The Tribune adds, "The sources noted that the Tribune sell-off is still in its early stages and that Gannett has participated in newspaper auctions before without pulling the trigger. Most recently, Gannett expressed formal interest in Knight Ridder Inc. before eventually backing away. .. .But assuming it is serious, Gannett would be the first so-called 'strategic buyer'—Wall Street parlance for a suitor in the same industry—to jump into the fray. … Until now, bidding for

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Tribune assets had been thought to be limited to financial buyers: several large private equity firms and a handful of wealthy entrepreneurs. But, unhappy with bids that valued the whole company close to the current stock price of about $32 a share, Tribune began asking for bids on its parts—newspapers such as the Los Angeles Times and the Chicago Tribune and television stations such as WGN-Channel 9, among other properties."

Class-Action Suit Against Microsoft To Open Monday In Iowa. The Des Moines Register (11/12) reports, "About 450 registered voters, in two shifts, will converge on the Polk County (IA) Courthouse (Monday) to begin what could be the weeks-long process of picking a jury for a class-action, antitrust lawsuit against Microsoft Corp. The trial is expected to last several months and could be worth up to $450 million for lawyers and four named plaintiffs, who contend that the giant computer software company used anti-competitive practices to drive up the cost of its Windows operating system, as well as its Microsoft Office, Word and Excel programs." The Register continues, "Potential members of the class include any person, business or other large organization that bought those programs between May 18, 2004, and June 30, 2006. … Microsoft has denied overcharging its customers and insists that consumers received fair and reasonable prices. .. . The trial is expected to be one of the longest in Iowa history."

Sports Artist Sued Over Use Of Alabama's School Colors. The New York Times (11/12, Liptak) reports, "In the solemn cathedral of college football devotion and instruction that is the Paul W. Bryant Museum here, a large painting dominates the main chamber. It is called 'The Sack,' and it shows an encounter between a Notre Dame quarterback and a human locomotive in crimson and white. … 'I've never been hit like that before,' the quarterback, Steve Beuerlein, said after his near-lethal sack by Cornelius Bennett in 1986, in the University of Alabama's first victory ever over his team." The Times continues, "Daniel A. Moore, who painted 'The Sack' and scores of other renditions of signal moments in Alabama football history, said he felt something similar last year, when his fax machine began to spit out a lawsuit from the university. … Mr. Moore's paintings, reproduced in prints and on merchandise, violated the university's trademark rights, the suit said. It asked a federal judge to forbid him to, among other things, use the university's 'famous crimson and white color scheme.'" The Times adds, "Athletes, sports leagues and universities around the nation have become increasingly aggressive in protecting what they say is their intellectual property, and their claims have met with a mixed response from judges and fans. But almost no one here thinks the suit against Mr. Moore is a good idea. … Mr. Moore has asked Judge R. David Proctor of the Federal District Court in Birmingham to dismiss the case on First Amendment grounds. His brief cited a decision of the federal appeals court in California ruling that a trademark owner 'does not have the right to control public discourse' if 'the public imbues his mark with a meaning.'"

Actor Sues Wisconsin Man Over Use Of Name. The AP (11/12, Press) reports from Milwaukee, WI, "Andy Griffith, the actor who portrayed the sheriff of the fictional town of Mayberry on television, has sued a Wisconsin man who unsuccessfully ran for sheriff of Grant County after legally changing his name to Andrew Jackson Griffith." The AP continues, "The lawsuit, filed Nov. 3 in Federal District Court in Madison, contends that the candidate, William H. Fenrick, 42, violated trademark and copyright laws, as well as the privacy of the actor when he used his new name to promote his candidacy for sheriff in southwestern Wisconsin. … Mr. Griffith, the actor, who is 80, starred in the 1960s program 'The Andy Griffith Show,' one of the most popular series in television history. He also played an unorthodox lawyer on 'Matlock' in the 1980s and 1990s." The AP notes, "The lawsuit says the former Mr. Fenrick changed his name for the 'sole purpose of taking advantage of Griffith's notoriety in an attempt to gain votes.' It asks the court to order him to go back to his original name. … The lawsuit also asks the new Mr. Griffith to publish disclaimers and an apology in Grant County newspapers that say he has no association with the actor. It seeks unspecified damages and court fees."

ENVIRONMENT:

Corpus Christi Left With Cleanup Bill In Asarco Mess. The Corpus Christi (TX) Caller-Times (11/12, Kelley) reports, "Ruth Einkauf and her Dona Park neighbors were promised a 30-acre nature preserve behind her home in 1999 as part of an Environmental Protection Agency settlement with a nearby recycling plant." The Caller-Times continues, "Before the settlement, announced as part of an enforcement action by the state and federal governments, she and neighbors tended the area. Now, weeds and tall grass on the lot provide cover for varmints that invade Einkauf's home." The Caller-Times adds, "It is unclear if the project ever will be completed. Dona Park residents are neighbors to one of the largest bankruptcies in the country, a vast and tangled affair that encompasses century-old mining giant Asarco and its subsidiary Encycle Texas. … Tom Aldrich, vice president for environmental affairs at Asarco, said the company established a conservation trust at the 30-acre parcel and performed some environmental studies as a prelude to building the park. It has not built the walkways nor planted the promised vegetation that was required. With the company in

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bankruptcy, the future of that conservation trust is murky. … Neighbors of other Asarco plants across Texas have yet to see more than $1.75 million in supplemental environmental projects - plans approved by the government as part of settlement agreements."

IMMIGRATION:

Weiner Seeks Deportation Of Former Nazi Guard. The New York Daily News (11/12, Rose) reports, "A U.S. congressman rallied alongside hundreds of Jewish teenagers outside the home of a former Nazi camp guard - but some of the man's Jackson Heights neighbors say they should just leave the old man alone." The News continues, "Jakiw Palij, 84, was stripped of his U.S. citizenship three years ago by a judge who ruled that Palij lied when he applied for an immigrant visa in 1949. … But he has not been deported because the government can't find a country to accept him - which the activists said was unacceptable. … 'No one is going to hide in our midst,' declared U.S. Rep. Anthony Weiner (D-Queens). 'Thousands and thousands of people were murdered by this monster. He's not paying for his crimes by living here in a peaceful block in Jackson Heights.'" The News notes, "But several of Palij's neighbors, who describe him as quiet and frail, disagreed with the protesters. … 'It's wrong; why don't they just leave the people alone?' said Abraham Pabon, 48, a truck driver. 'Everybody has a life to live. It's like they say, God forgives. It's very, very wrong what they're doing here.' … Justice Department officials have acknowledged there's no evidence Palij engaged in atrocities - but say that the mere act of guarding prisoners sealed their fate. More than 6,000 Jews at Trawniki were shot to death on Nov. 3, 1943, in one of the single largest massacres of the Holocaust."

State Immigrant Protection Rules Prove To Be Unpopular. The New York Times (11/12, A22, McKinley, 1.16M) reports that state and local laws like San Francisco's "so-called sanctuary policy, which forbids police and city officials from asking people they encounter in the course of an investigation about their immigration status" have drawn criticism by some. Critics argue sanctuary policies "discourage the police from enforcing laws" and "conservative legal groups and politicians have begun to challenge such policies," while some states "have passed laws discouraging sanctuary policies."

CONGRESS-ADMINISTRATION:

As Bush Honors Soldiers, War Woes Continue To Drag On Him. NBC Nightly News (11/11, lead story, 3:12, Seigenthaler, 9.87M) was the only network newscast Saturday night, and it began by segueing from President Bush's honoring of soldiers and veterans into an account of the President's difficulties at home. NBC opened by saying, "On this Veterans' Day, Americans led by President Bush paid tribute to the men and women of our armed forces, those who have served in the past and those serving now around the world. The day has special meaning during this time of war when more than 140,000 Americans remain on duty in Iraq alone. As the President considers the next step in the war in Iraq, a new poll shows his approval ratings have dropped to the lowest point so far in his Administration." NBC (Ohm): "On a day when the nation's attention is on the men and women in uniform, the White House is looking for a new direction in Iraq. At Arlington National Cemetery, President Bush paused to remember the country's fallen and those currently on the frontlines. … Unlike previous Veterans Day the President barely mentioned Iraq. Last year he gave a strong defense of the war. … Now the President must deal with a Democratic-controlled Congress. A new Newsweek poll shows his approval rating at 31%, an all-time low."

Newsweek (11/11, Mabry, 3.12M) says Bush's "response was swift and decisive -- if a little late. After voters gave Republicans 'a thumpin" at the polls," Bush "banished his contentious defense secretary; invited the presumptive leaders of the new House and Senate to lunch (would-be House Speaker Nancy Pelosi had pasta; the president ate crow, a Bush aide joked); and suffered through two pained photo-ops with Pelosi and Harry Reid. … And what did the president get for listening to the voice of the American people? The worst approval rating of his presidency." Bush's 31% job approval is the same as that of Vice President Cheney. "Bill Clinton's lowest rating during his presidency was 36 percent; Bush's father's was 29 percent, and Ronald Reagan's was 35 percent. Jimmy Carter's and Richard Nixon's lows were 28 and 23 percent, respectively." And "worst of all, most Americans are writing off the rest of Bush's presidency; two-thirds (66 percent) believe he will be unable to get much done, up from 56 percent in a mid-October poll; only 32 percent believe he can be effective." The AP (11/11) says that for the "relentlessly optimistic" Bush, "this is a season of disappointment, surprise and setbacks. At home and around the world, things are not going his way. With Bush's legacy-building time running out, Americans sent a clear message in Tuesday's election that they were angry at him and wanted change. Though Bush's name was not on the ballot, voters took revenge on the Republican Congress and put the Democrats in charge" on Capitol Hill.

Bush Lays Wreath At Arlington. National coverage of Veterans Day commemorations focused on President Bush's visit to Arlington National Cemetery, where he laid a wreath on the Tomb of the Unknowns. Coverage is largely limited to wire services or brief reports. The AP (11/11)

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reports Bush "marked Veterans Day by praising U.S. troops for fighting tyranny and oppression, yet touched only briefly on the war in Iraq, where U.S. commanders are rethinking strategy. Three days after announcing the ouster of Defense Secretary Donald Rumsfeld, Bush hailed members of the armed services, past and present, for their dedication and bravery"; however, his Arlington address "contrasted sharply with the strong rhetoric he used to defend the war on Veterans Day a year ago." The Washington Post (11/12, C1, Schwartzman, 690K) and the Washington Times (11/12, A1, Lively, 88K) primarily quote veterans in their reporting.

Bush Says Elections Do Not Signal Loss Of Resolve In Terror War. The Los Angeles Times (11/12, Alonso-Zaldivar, 850K) reports President Bush said in his weekly radio address that GOP election losses "didn't signal a weakening of American resolve to win the war on terrorism." Bush said, "America faces brutal enemies who have attacked us before and want to attack us again. I have a message for these enemies: Do not confuse the workings of American democracy with a lack of American will. Our nation is committed to bringing you to justice, and we will prevail." DNC Chairman Howard Dean "said in a response to Bush that voters made it clear they wanted 'a new direction' in Iraq and his party intended to use its control of Congress to try to deliver that."

Chait Critical Of Bush's Linking Of Terror Issue And Election Results. In his Los Angeles Times (11/12, 850K) column, Jonathan Chait writes, "At his news conference after Tuesday's elections, President Bush struck a note of reassurance. 'I have a message for those on the front lines,' he said. 'To our enemies, do not be joyful. Do not confuse the workings of our democracy with a lack of will…. To our brave men and women in uniform: Don't be doubtful. America will always support you.' Why would terrorists or U.S. soldiers think electing Democrats would suggest a lack of will or support for the troops? Oh, right. Because Bush had been saying so. 'However they put it, the Democrat approach in Iraq comes down to this: The terrorists win, and America loses,' he told a GOP crowd in October. 'That's what's at stake in this election.' I guess if I were a terrorist, I would have been joyful to learn that the people who were going to help me win had prevailed in the elections."

Democratic Freshmen Hope To Bring Pragmatism To Capitol Hill. The New York Times (11/12, Toner, Zernike, 1.16M) reports on its front page that while many members of the Democratic congressional class of 2006 "show little appetite" for a 1994-style "ideological crusade," in interviews "with nearly half of them this week, the freshmen -- 41 in the House and 9 in the Senate, including one independent -- conveyed a keen sense of their own moment in history, and a distinct world view: they say they were given a rare opportunity by voters, many of them independents and Republicans, who were tired of the partisanship and gridlock in Washington." They have "set themselves an extraordinary (political veterans might say impossible) task: to avoid the ideological wars that have so dominated Congress in recent years, to be pragmatists, and to change the tone in Washington after a sharply partisan campaign."

The Washington Post (11/12, Weisman, 690K) says on its front page that Democrats "are looking to the Republican takeover in 1995 as an object lesson of what to emulate and what to avoid. They hope to match the legislative energy of the Newt Gingrich era while avoiding at all costs the partisan pitfalls that eventually soured voters on the GOP. … Led by a feisty Nevada senator and the first woman in history to claim the House speaker's post, the long-banished Democrats hope to prove their bona fides as lawmakers and challenge a president from the other party to accept their agenda, a game plan taken straight from the Gingrich era's 'Contract With America.' They also intend to challenge President Bush to change course in Iraq and consider their demands for a timetable for withdrawing U.S. troops. But Democrats say they will avoid the overreaching, arrogance and rancorous partisanship that left them virtually powerless on Capitol Hill and spawned an era of political corruption and influence-peddling."

"Two Pugnacious Democrats" Will Lead On Capitol Hill. In a piece about Senate Democratic leader Harry Reid, Ronald Brownstein of the Los Angeles Times (11/12, 850K) writes that in Reid and House Democratic leader Nancy Pelosi, "Bush will face two pugnacious Democrats determined to challenge his agenda and to force him to react to their own goals. Bush could count on congressional Republicans to repeatedly schedule votes on his priorities, such as legislation to abolish the estate tax. Reid dismisses that idea with barely a shrug." Instead, Democrats "want to force the national debate onto a very different agenda. Reid says he expects the Senate 'pretty quickly' to pass legislation raising the minimum wage. He's also optimistic about quick action allowing Medicare to negotiate directly with drug companies for lower prescription prices -- an idea the White House and the pharmaceutical industry blocked in 2003 when Congress passed the drug benefit for seniors." He also "anticipates more aggressive congressional oversight, starting with Iraq."

The Los Angeles Times (11/12, Fiore, Barabak, 850K) writes that on the day after the elections, Pelosi "awoke to a celebrity of a whole other order. Her near-certain ascension as the nation's first female speaker of the House had networks lining up for interviews and newspapers placing her picture on the front page. Blogs were abuzz. Overnight, a woman who was scarcely known to the nation moved into a world of constant public attention." The AP (11/11) says Pelosi "will be the first Californian" to become speaker, "and

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congressional watchdogs say they'll be observing her new spending clout with great interest." The AP adds that "aides to Mrs. Pelosi don't dispute that the state will benefit from a changing of the guard at the Capitol."

Bush Could Have Hard Time Reviving Texas-Style Bipartisanship. The Houston Chronicle (11/12, Mason, 530K) writes that the President's "rude awakening Wednesday morning to a newly elected Democratic-led Congress stirred up all kinds of nostalgia -- and questionable impressions -- about his days as Texas governor. Bush told reporters he could easily manage the challenge of working with a majority in the other party; that after all, he did it in the 1990s with the state's Legislature." But Bush "did not spend six years bashing Democratic state lawmakers as bad for the state before taking over as governor. When he became president and was complemented by a Republican-controlled Congress, he often was on the attack against the opposing party for the next six years."

Panetta Says Democrats Must Govern, Not Obstruct. In a New York Times (11/12, WK13, 1.16M) op-ed, Clinton White House Chief of Staff Leon Panetta warns, "Last Tuesday, the American people sent a clear message that they are sick and tired of government by crisis. They elected Democrats to the House and Senate not to prolong gridlock, but to govern. There are those who believe that the best political strategy for 2008 is for the Democrats to continue to confront President Bush and seal his fate as a failed president. The danger, however, is that if the Democrats become nothing more than a party of obstruction, it will be only a matter of time before they too will lose the trust of the American people."

Scholar Says Democrats Have Duty To Investigate Administration. In a New York Times (11/12, WK13, 1.16M) op-ed, Stanley Brand of the Penn State Dickinson School of Law writes, "The Democrats' victory has stoked the fire beneath an already brewing debate within the party regarding the need for investigations of the executive branch during the Bush administration's two remaining years. Some Democratic members of Congress are reluctant to pursue investigations into war profiteering, detainee interrogation or other controversial issues, fearing that such scrutiny of the administration will make Democrats appear petty and partisan and cost them electoral support in 2008. A vigorous examination of the administration's conduct, however, is not only the appropriate action as a matter of constitutional prerogative, it is the politically necessary response to voters' overwhelming rejection of the current Congress's failure to assert itself in this area."

Democrats Already Strategizing To Hold New Majorities. The AP (11/11, Kuhnhenn) says one question for Democrats is basic: "Are their new majorities in the House and Senate sustainable? What if the war in Iraq is over by 2008? Or what if it is still being waged despite Democratic pledges to change the course? What if voter antipathy toward President Bush is irrelevant in two years?" DSCC Chairman Sen. Charles Schumer "acknowledged that the Democrats' 51-49 majority in the Senate was the result of the narrowest of victories in six race. 'Had 10,000 votes flipped we would have four seats not six,' he said." But Democrats "do see opportunities ahead. In 2008, there are 21 Republican Senate seats up for election and only 12 Democratic seats. E ight of the Republicans in those seats won their last election with 55% or less of the vote."

On CNN's In The Money (11/11), anchor Jack Cafferty said, "I think the degree to which we saw [Democrats win] was absolutely surprising. There were no Democratic incumbents voted out anywhere in the country. They won all the seats that they needed to take the Senate, and even Vegas said that was a real long shot. The interesting thing to me was, if you look at Montana and Virginia, two of the firewall states for the Republicans, the total number of votes that tipped the balance of power in this country, fewer than 10,000."

"Brutally Effective Taskmaster" Emanuel Captained Democrats To Win. The Chicago Tribune (11/12, Bendavid, 617K) runs a 6,000-word profile of DCCC Chairman Rep. Rahm Emanuel, "a portrait in power of a brutally effective taskmaster." He guided his party to victory in large measure "by remaking the Democratic Party in his own image. Democrats had never raised enough money. Emanuel, a savvy fundraiser who shaped those skills under Richard M. Daley and Bill Clinton, yelled at colleagues and threatened his candidates into generating an unprecedented amount of campaign cash. Democrats had a history of appeasing party constituencies. Emanuel tore up the old litmus tests on abortion and other issues. With techniques that would make a Big Ten football coach blush, he recruited candidates who could mount tough challenges in some of the reddest patches of America. Democrats had blanched at hardball. Emanuel, jokingly called 'Rahmbo' even by his mother, muscled weaker Democrats out of races in favor of stronger ones, and ridiculed the chairman of his own party."

On CNN's In The Money (11/11), Time national political correspondent Karen Tumulty said, "One of the smartest things that the two generals in this campaign," Schumer and Emanuel, did, is they "went out and looked for candidates who looked like the districts in which they were running, who really represented the values of those districts much more so than they did the national Democratic profile. That's why you did have people like Heath Shuler in North Carolina, former Redskins quarterback running. Brad Ellsworth in Indiana, a county sheriff running. And these people were a lot more appealing back in the districts. But it could make their lives a little more difficult when they get to Washington because they are such an unusual fit with the national party."

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Economic Concerns May Have Dragged Down GOP. The New York Times (11/12, BU5, Altman, 1.16M) writes, "Politics affects economics, and vice versa -- at least that's the widely held theory. But what was the reality in last week's election? To paraphrase a Clinton-era mantra, it really might have been the economy, stupid. More than 80 percent of voters in an exit poll…said the economy was a very important or extremely important issue. That percentage was the highest for any issue, including Iraq and terrorism."

DeLay Legacy "Cast A Long Shadow" Over Elections. The Houston Chronicle (11/12, Roth, Hedges, 530K) runs a feature called "How The Hammer Fell On His Own Party" about how "the legacy of the once powerful Republican Tom DeLay…cast a long shadow over last week's elections, in which voters shrank the ranks of a party accused of being too partisan, too cozy with special interests and too fond of big spending." DeLay "helped build a Republican political empire that he tried to make immune from erosion by pushing the 2003 Texas redistricting plan that threw several veteran House Democrats out of office. For years the former pest exterminator ruled with an iron hand that brought his party legislative victories but also intensified the poisonous partisan mood in Washington."

GOP Losses In Indiana Highlight Anti-"Insider" Trend. The New York Times (11/12, A28, Nossiter, 1.16M) examines Republican losses in usually solidly GOP Indiana, concluding that in three House races, GOP candidates "appeared to have unwittingly entered" into traps. In "all three cases, to demonstrate being a Washington insider was to court doom, no matter how much the incumbents railed against the ways of the capital."

Rove Remains Upbeat Despite GOP Setbacks. The Washington Post (11/12, Baker, 690K) runs a front-page profile of Karl Rove headlined "Rove Remains Steadfast In The Face Of Criticism," that begins by saying that "for a man still climbing out of the rubble," Rove "seemed in his usual unflappable mood" after the elections. The "rest of Washington might think Tuesday's elections were a repudiation of Rove's brand of politics, but Rove does not. For years, he has been the center of hyperbolic attention -- called the genius, the electoral mastermind, the most powerful presidential adviser in a century, Bush's brain, the master of the dark arts of wedge politics, the Republican Moses leading conservatives out of the desert. The mythology grew to such an outsized degree that when Rove insisted again and again during the campaign that Republicans would win despite the odds, fearful Democrats convinced themselves that he must have known something they did not and waited for an October surprise to spring. … It turns out that Rove is mortal after all, and not always so good at math." But "allies argued that without Rove, the losses would have been worse."

Chafee Says White House Partisanship Did In Centrist Republicans. In a New York Times (11/12, WK13, 1.16M), op-ed, Sen. Lincoln Chafee writes, "I was one of the many moderate Republican casualties of the anti-Bush virulence that swept the country. Despite my having voted against the Iraq war resolution, my reputation for independence, the editorial endorsement of virtually every newspaper in my state, and a job approval rating of 63 percent, I did not win. Why? Back in December 2000…Vice President-elect Dick Cheney was the guest at a weekly lunch meeting of a small group of centrist Republicans. … I was startled to hear the vice president dismiss suggestions of compromise and instead emphasize an aggressively partisan agenda. … I was incredulous. Instead of a new atmosphere of cooperation and civility which, after all, had been the promise of the Bush-Cheney campaign, we seemed ready to return to the poisonous partisanship that marked the Republican-Congress/Clinton White House years. … In my view, one of the most popular refrains expressed by Governor Bush during the presidential campaign was, 'I am a uniter, not a divider.' I believe moderate Republicans can help the new administration develop a unifying agenda in the next session of Congress."

Webb Says He May Be A Maverick In Senate. Under the headline "Webb May Be Senate Maverick," the Washington Post (11/12, C1, Craig, Shear, 690K) says "few know what to expect" when Sen.-elect James Webb "enters the nation's most exclusive club." Webb said he "might be a bit of a maverick in the Senate, which could frustrate Democratic leaders who poured more than $6 million into his campaign. … Webb said he will model himself after former New York senator Daniel Patrick Moynihan (D), whom he described as someone 'who had government experience that was shaped by the intellectual world.'"

Sidarth Says "Politics Of Division Just Don't Work Anymore." In a Washington Post (11/12, B2, 690K), op-ed, S.R. Sidarth writes, "This past summer, between my third and fourth year of college, I decided to volunteer" for the Webb campaign." In August, "I was singled out at a GOP picnic, identified as 'macaca or whatever his name is' -- despite the fact that Allen knew my name…and then 'welcome[d] to America and the real world of Virginia.' Allen's actions that day stood out because they were not representative of how I was treated while traveling around the state. Everywhere I went, though I was identifiably working on behalf of Allen's opponent, people treated me with dignity, respect and kindness. … The larger question that this experience brings up is: How far has society progressed on the issues of race and openness? By 2050, according to most projections, the United States will be a minority-majority nation. But the fact that Allen believed I was an immigrant, when in fact I am a

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native Virginian, underlines the problems our society still faces. … The politics of division just don't work anymore. Nothing made me happier on election night than finding out the results from Dickenson County, where Allen and I had our encounter. Webb won there, in what I can only hope was a vote to deal the race card out of American politics once and for all."

Shays Will Be Only New England GOP Representative In Next Congress. The New York Times (11/12, A35, Applebome, 1.16M) profiles Rep. Christopher Shays, barely reelected last week, who, "like the only survivor of a hotel fire," was a "little hesitant to draw too many conclusions but glad he was alive." Shays was "one of the few Republicans among perhaps two dozen seen as vulnerable back in September who managed to survive. He was the only one of the three Republican incumbents from Connecticut who won re-election. When he went to Congress, he was one of nine Republican representatives from the six New England states. In the next Congress, he will be the only one."

Four Bush Appeals Court Nominees Seen As "Doomed." The New York Times (11/12, A26, Lewis, 1.16M) says the Democratic wins "will produce a vast change in an area that has produced some of the sharpest partisan battles in recent years: President Bush's effort to shape the federal bench with conservative judicial nominees. There is a strong consensus that the four most conservative of Mr. Bush's nominations to the federal appeals courts" -- Terrence W. Boyle, William J. Haynes II, William G. Myers III, and Michael B. Wallace – "are doomed."

Detroit Automakers To Seek Bush's Attention On Issues. The Detroit Free Press (11/12, Hyde, 373K) reports, "When the heads of Detroit's automakers finally take their seats at the White House on Tuesday across from President George W. Bush, their concerns will boil down to the old Aretha Franklin song: R-E-S-P-E-C-T. From the rising cost of retiree health care to the advantages a weak yen gives the Japanese, the Detroit automakers will press for more recognition for their issues, something industry executives say has been lacking from the president. They'll also attempt to draw distinctions between themselves and the foreign automakers whose U.S. branches generate record profits. But they will make clear that their concerns do not add up to another seven-letter word: B-A-I-L-O-U-T." GM Vice Chairman Bob Lutz said recently that the "meeting should 'enhance the president's understanding of the importance of the domestic auto industry to the economic health of the United States'…emphasizing the word 'domestic.' Foreign automakers that build cars in the United States help the economy, 'but it's not the same as a fully integrated American auto company that retains the intellectual property in the United States, has primarily American shareholders,' he said, so 'the wealth gets reinvested in the U.S.'"

Democrats Could Seek To Add Bargaining Ability To Medicare. The Pittsburgh Post-Gazette (11/12, Japsen, 230K) reports, "The Democratic landslide in last week's midterm elections raises the specter of federal regulation of drug prices via changes to Medicare's new prescription drug benefit -- a move that could lower costs for seniors and squeeze pharmaceutical and health insurance industry profits. With Democrats in control of both houses of Congress, they are almost certain to seek passage of price control measures in that legislative body. And there are enough Republicans who supported price-control measures in the past that bills will gain momentum next year, analysts say, meaning members of Congress who vote against them will feel the wrath of seniors in the 2008 election."

White House Scrutinizes Nevada Land Sale Profits. The Washington Times (11/12, Hudson, 88K) reports the Bush Administration "is trying to get its hands on millions of dollars generated from sales of federally owned land in Nevada in order to help pay down the deficit." The Times points out that Nevada public land sold as part of the Southern Nevada Public Land Management Act has brought "in nearly $3 billion." The Bush Administration "now wants some of the money transferred to the Treasury Department to help pay down the federal deficit." The Times adds that Nevada Sens. Harry Reid and John Ensign "oppose diverting the money out of Nevada."

OTHER NEWS:

Liberals, Activists Expect "Their Due" From Democrats. The Los Angeles Times (11/12, A1, Wallsten, Hook, 850K) reports the Democrats' "incoming congressional leaders have immediately found themselves in another difficult struggle -- with their own supporters. Some of the very activists who helped propel the Democrats to a majority in the House and Senate last week are claiming credit for the victories and demanding what they consider their due: a set of ambitious -- and politically provocative -- actions on gun control, abortion, national security and other issues that party leaders fear could alienate moderate voters and leave Democrats vulnerable to GOP attacks as big spenders or soft on terrorism." Both Senate leader Harry Reid and House leader Nancy Pelosi "has pledged in recent days to 'govern from the center,' after a campaign in which anger over the

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Iraq war and GOP scandals helped their party attract some unusually conservative candidates and a large share of independent voters. Turning off those new voters could undermine Democrats' hopes of solidifying their new majorities and taking the White House in 2008. But to the leaders of interest groups who are core supporters of the Democratic Party, and who had been barred under Republican rule from the inner sanctums of power, the new Congress means a time for action, not compromise."

Democratic Party Has Careful Balancing Act With "Netroots." The New York Times (11/12, WK5, Confessore, 1.16M) reports on the "long battle between leading netroots activists and their critics, real and perceived, among Washington's Democratic elite. … Though the netroots have forever changed how campaigns raise money and find votes, the results demonstrated that they cannot yet win elections on their own. But the Democratic Party cannot win major national elections without the netroots."

Some In GOP Urge Return To Party's Core Principles. The Washington Times (11/12, Lambro, 88K) reports Republican officials across the country said last week that voters "did not reject core Republican principles of lower taxes, smaller government and family values when they put the Democrats in charge of Congress. … If anything, these officials told The Washington Times, Republicans blundered by abandoning or de-emphasizing signature issues that had fueled the party's meteoric rise since the 1990s. The party must champion these issues again if it hopes to win back the voters' trust in the 2008 presidential election, the officials said."

Ponnuru Sees Hope For Social Conservatism. In a New York Times (11/12, WK13, 1.16M), op-ed, Ramesh Ponnuru of National Review writes, "Before we declare this election proof that social conservatism is doomed, consider that Republicans as a whole had a worse night. Pro-lifers lost four seats in the Senate and, depending on some unresolved races, appear to have lost 20 in the House. But the Republican Party lost six in the Senate and 29 in the House. The discrepancy stems from the fact that some pro-choice Democrats are replacing pro-choice Republicans, and even a few pro-life Democrats are replacing pro-life Republicans. Meanwhile, ballot initiatives as a whole went better for the social right than for other conservative factions. … That's something to remember the next time you hear that after their defeat, the Republicans need to 'move to the center.' Maybe they should: but which center? When editorialists talk about the 'sensible center,' they usually have in mind free-trading, budget-balancing social liberals. … But there is another center -- one that's liberal on economic measures but conservative on social mores."

Rich Says "Callous Conservatism" Brought GOP Losses. In his New York Times (11/12, WK12, 1.16M), column, Frank Rich writes, "Of course, the 'thumpin" was all about Iraq. But let us not forget Katrina. It was the collision of the twin White House calamities in August 2005 that foretold the collapse of the presidency of George W. Bush. Back then, the full measure of the man finally snapped into focus for most Americans, sending his poll numbers into the 30s for the first time. The country saw that the president who had spurned a grieving wartime mother camping out in the sweltering heat of Crawford was the same guy who had been unable to recognize the depth of the suffering in New Orleans's fetid Superdome. This brand of leadership was not the 'compassionate conservatism' that had been sold in all those photo ops with African-American schoolchildren. This was callous conservatism, if not just plain mean. It's the kind of conservatism that remains silent when Rush Limbaugh does a mocking impersonation of Michael J. Fox's Parkinson's symptoms to score partisan points. It's the kind of conservatism that talks of humane immigration reform but looks the other way when candidates demonize foreigners as predatory animals. It's the kind of conservatism that pays lip service to 'tolerance' but stalls for days before taking down a campaign ad caricaturing an African-American candidate as a sexual magnet for white women. This kind of politics is now officially out of fashion."

Libertarian May Have Tipped Montana, And Senate, To Democrats. The Washington Post (11/12, D1, Harden, 690K) profiles Libertarian Stan Jones, a "perennial loser in Montana politics, a kind of Harold Stassen of the interior West, a fringe candidate who sometimes has to sue to get invited to television debates." But this year, the "quirkily conservative" candidate took 10,324 votes in a race won by Democrat Jon Tester by 2,565 votes, "which tipped the Senate to the Democrats, which tipped the scales of U.S. political history. 'I'm tickled about that,' said Jones. After some reflection, he added, 'There is excitement for you to be talking to the guy who changed the country.'"

Defeated Representatives May Turn To Lobbying. The New York Times (11/12, WK2, Pilhofer, 1.16M) writes, "So it's the day after the election, and you've lost your seat in Congress. What to do? You might consider becoming a lobbyist. It is a well-traveled career path." A 2005 study by Public Citizen found that 43% of members of the House and Senate who left office between 1998 and 2004 became lobbyists.

Spitzer Hits Puerto Rico For Post-Election Break. The New York Times (11/12, A37, Eaton, 1.16M) writes about New York Gov.-elect Eliot Spitzer's post-campaign vacation in Puerto Rico. At a brief news conference after a meeting with the island's governor, Spitzer

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"referred to the war in Iraq as 'an unfortunate quagmire,' but said he had supported eliminating Saddam Hussein's threat to the international community. He pledged to appoint Latinos to important posts in his administration but sidestepped a question about Puerto Rico's status."

Ehrlich Does Not Plan To Seek Office Again. The AP (11/11, Witte) reports Maryland Gov. Robert Ehrlich Jr. said he does not plan to run for office again. He said the "results of the election Tuesday indicated Maryland has moved 'pretty hard left.'" Asked if he thought the anti-GOP trend nationwide hurt him, Ehrlich said that "when an incumbent is on the ballot 'it's generally a referendum on the incumbent.'"

Feingold Will Not Run For President In 2008. The Milwaukee Journal Sentinel (11/12, Gilbert, 255K) reports Sen. Russ Feingold said in a Saturday telephone interview that he will not run for president in 2008. Feingold said, "I never got to that point where I'd rather be running around the country, running for president, than being a senator from Wisconsin." He "conceded that he faced long odds of winning the nomination. 'It would have required the craziest combination of things in the history of American politics to make it work,' he said." The AP (11/12) also reports on Feingold's opting-out of the contest.

With Midterms Over, Presidential Race Shifts Into High Gear. CNN's Lou Dobbs This Week (11/11, Crowley) reported, "Across the country assorted politicians are dissecting the entrails of '06, with the Oval Office in mind. Not that anyone running for president will actually cop to it. … Roughly 10% of the US Senate is thinking about running for president, along with a couple of current and former House members, and several governors." Sen. John McCain's ambitions "are complicated by the '06 results, with much of the country wanting a plan to get out of Iraq. He thinks the way out is to put more troops in. McCain's lead position in the tough guy category has been challenged by Rudy Giuliani, His Honor, the in-your-face 9/11 New York mayor. He's been frequently areas west of the Mississippi and south of the Mason-Dixon, where so far they have politely ignored that he is pro-gay rights, pro-choice, and pro-gun licensing." Sen. Hillary Clinton "is the political world's most reluctant bride. She hasn't set foot on the presidential trail, running from Iowa to New Hampshire, making her all the more appealing. … Clinton's pull is so strong, she's in a class all her own. The other class in her party is the 'not Hillarys' -- generally less controversial, more centrist options like former vice presidential candidate John Edwards or Indiana Sen. Evan Bayh. From rising stars to familiar faces, from the right and the left and everywhere in between, you're going to need a scorecard to keep up. But the game is on."

The New York Times (11/12, WK1, Nagourney, 1.16M) writes that Sen. George Allen "had yet to hand back the Senate to the Democrats when Gov. Tom Vilsack of Iowa announced bright and early Thursday morning that he was running for president. Back in Washington, Senator John McCain of Arizona moved to set up his own presidential exploratory committee and prepared what aides promised would be two major speeches this Thursday about 2008, based on last Tuesday's vote. And Hillary Rodham Clinton scored the election-week cover of New York magazine; the subject was not her easy return to the Senate. In some ways, the midterm election of 2006 was the first big event of the 2008 race -- much like an early debate or an Iowa straw poll. It helped shake out and shake up the field. Some lessons were instantly apparent: you probably won't hear more talk of Republican candidates wrestling for the mantle of President Bush, and Democrats are looking hungrily at Ohio and Colorado, states that went Republican in 2004 and 2000."

The Washington Post (11/12, B5, 690K) runs two op-eds examining the parties' prospects for the next campaign. Barbour Griffith & Rogers Chairman Ed Rogers looks at Republicans Sen. George Allen, Sen. Bill Frist, Newt Gingrich, Rudy Giuliani, Sen. John McCain, Gov. Mitt Romney, and "the rest…Dick Armey, Sam Brownback, Chuck Hagel, Mike Huckabee, Duncan Hunter and George Pataki." Joe Trippi, who ran Howard Dean's 2004 presidential campaign considers Democrats Sen. Evan Bayh, Sen. Joseph Biden, Wesley Clark, Sen. Hillary Clinton, John Edwards, Sen. Russ Feingold, Al Gore, Sen. John Kerry, Sen. Barack Obama, Gov. Bill Richardson, and Gov. Tom Vilsack.

In a Washington Post (11/12, B1, 690K), op-ed, Rolling Stone's Benjamin Wallace-Wells writes that the possible candidacies of Clinton and Obama "suggest that the next elections may play in ways that are more cultural and symbolic than tactical and political. Are Americans ready to put a black man or a woman in charge of the country? And does the hefty symbolism that Obama and Clinton would bring help one of them more than the other -- in other words, is the country more racist or more sexist?"

HIV Patients' Life Expectancy Increases. The AP (11/11) reports that an American with the HIV hires that can lead to AIDS "can expect to live for about 24 years on average, and the cost of health care over that time is more than $600,000, new research indicates. Both life expectancy and the cost of care have risen from earlier estimates; mainly because of expensive and effective drug therapies."

Ground To Be Broken For King Memorial On National Mall. The Washington Post (11/12, C1, Dvorak, 690K) reports that "ground will be broken in many ways

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tomorrow morning with a ceremony heralding construction of the Martin Luther King Jr. Memorial on the Mall. The memorial, scheduled to be completed in 2008, will mark a change in the very character of some of America's most hallowed real estate…The Mall."

WPost Says US Voting System Worked Well Overall. The Washington Post (11/12, B6, 690K) editorializes, "An estimated 83 million Americans voted in last week's elections. Some people encountered difficulties, but not of the scale or scope that had been predicted by Election Day doomsayers. Overall the voting system worked. … No one denies there are shortcomings. The generational decline in voter turnout is more reason than ever to figure out better ways to encourage voting. Is early voting a good idea? Should Election Day be a national holiday? How about adopting Oregon's system of voting by mail? All are ideas worthy of consideration, but let's not fool with parts of the process that aren't broken."

LATimes Says Naturalized Citizens Should Be Permitted To Seek Presidency. The Los Angeles Times (11/12, 850K) editorializes, "On Tuesday, citizens in an electoral-vote-rich state reelected a governor who had once seemed in danger of defeat. That sort of political resurrection ordinarily would be good for a mention or two in the endless speculation about 2008 presidential candidates. Unfortunately, this reelected governor can forget about aspiring to the highest office in the land. … A core principle about the equality of opportunity in our society to strive for the highest office. … Americans should be free to decide whether they want to be led by President Jennifer Granholm. Gotcha! Who'd you think we were talking about? … Were you perhaps thinking of Gov. Arnold Schwarzenegger? In this nation of immigrants, there will always be individuals affected by this arcane discrimination, and the urgency to address the matter should not be dampened by partisan concerns that it may help one candidate or another. Indeed, it would be nice to see California Democrats spearhead the movement, even if it could theoretically benefit our Austrian-born governor."

NYTimes Incredulous About Corporate Calls For More Lax Regulation. The New York Times (11/12, WK11, 1.16M) editorializes, "Corporate profits are at record levels. The Dow, too, has climbed past its high-water mark from the dot-com era. Executives reap bigger and bigger paydays, even as wages have stagnated. Meanwhile, the widening investigation into stock-option backdating reminds us that the corporate malfeasance era was much more than just a couple of bad apples like Enron and WorldCom. It seems almost unbelievable, then, that corporate America would pick this moment to beg for relaxed regulation and enforcement, as well as more protection from investors' lawsuits. … The rationale is that the high cost of complying with the corporate governance law, the Sarbanes-Oxley Act, along with runaway lawsuits have scared foreign companies away from American stock exchanges." But the SEC "has already signaled that it will smooth the implementation of Sarbanes-Oxley, especially for smaller companies. And abuses of the private litigation system like pay-to-play should be stopped. There is room for reform. But over all, the system is working."

US Vetoes UN Security Council Gaza Resolution. NBC Nightly News (11/11, Seigenthaler, 9.87M) reported Israeli PM Ehud Olmert "is on his way to Washington for talks with President Bush. On the eve of those discussions, the US vetoed a Security Council resolution condemning an attack in Gaza earlier this week."

The New York Times (11/12, Hoge, 1.16M) reports the US vetoed a UN Security Council resolution "that condemned Israel for its military actions in Gaza and called for an immediate withdrawal of Israeli forces from the area." Ambassador John Bolton "told the Council that the resolution 'does not display an even-handed characterization of the recent events in Gaza, nor does it advance the cause of Israeli-Palestinian peace.'" Despite revisions to the draft, Bolton "said it remained 'in many places biased against Israel and politically motivated.'" The Times says Washington "traditionally opposes what it considers one-sided Security Council resolutions on Israel, and Saturday's vote was the fourth time in three years that Washington had taken such action."

The AP (11/12, Bergman) quotes Bolton saying, "This resolution does not display an evenhanded characterization of the recent events in Gaza, nor does it advance the cause of Israeli-Palestinian peace to which we aspire and for which we are working assiduously." Secretary of State Condoleezza Rice said that "the draft resolution would have aggravated the situation in Gaza because it contained 'inflammatory and unnecessary language. We do not believe the resolution was designed to contribute to the cause of peace.'"

Hamas Says Unity Government Imminent. The AP (11/12, Aji) carries comments by Hamas official Moussa Abu Marzouk "that a deal on forming a Palestinian national unity government was near, adding that an agreement on a new prime minister has been reached." The AP adds, "Abu Marzouk said Palestinian President Mahmoud Abbas and Hamas officials have agreed on a candidate for the Palestinian prime minister, but declined to disclose the candidate's name, saying: 'It will be disclosed at the suitable time.'" Also, Abbas said yesterday "that he hoped to form a

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coalition government with the Islamic Hamas party by the end of the month."

Shiite Cabinet Resignations Could Cripple Beirut. The New York Times (11/12, Slackman, 1.16M) reports Lebanon "was thrown into a political crisis Saturday when talks broke down over giving [Hezbollah] and its political allies greater control of the government. Almost immediately, cabinet ministers from the group and the other main Shiite party resigned." This week's talks were focused on "trying to defuse tensions among the various government factions after Hezbollah demanded a greater role in the cabinet and called for its alliance to have veto power over all government decisions." While it had "appeared the talks were headed toward a compromise, the negotiations collapsed when Hezbollah refused to relinquish its demand for a veto, people in the talks said." The Shiite resignations make the government illegitimate under the 1989 Taif Agreement, forcing officials to move into a caretaker mode. The Times adds, "Lebanon's political stability, and the success or failure of the sitting government, is not just consequential for this country of four million. It is part of a broader contest between" Washington, Tehran and Damascus.

The Washington Post/AP (11/12, A14) notes the resignations "could cost the Western-backed government crucial support from Lebanon's Shiite Muslims." Prime Minister Fouad Siniora "said he would not accept the resignations. He has the authority to order the five cabinet ministers to stay on, but it was unclear if his weak government could enforce the demand." The AP says the "resignations are not enough to bring down Siniora's government -- eight cabinet ministers must resign for the government to collapse -- but they could cost him support among Shiites, the majority sect in Lebanon, and make it difficult for him to govern."

Russia Eyes Mediating Role In Iran Nuclear Dispute. The AP (11/12) notes Russian Foreign Minister Sergei Lavrov "said Saturday that he believed international talks with Iran over its atomic program were still possible, maintaining that Russia could help bridge differences with other negotiating partners, including the United States." Lavrov "said his country would continue efforts to bring Iran back to negotiations with Germany and the five permanent members of the" UNSC. President Vladimir Putin "met Saturday with Iran's top nuclear negotiator, Ali Larijani, ending two days of talks that signaled a renewed push by Moscow to persuade Tehran to freeze its uranium enrichment effort. Iran, however, has so far snubbed Moscow's proposal to host its enrichment program." Larijani "remained defiant after the first round of meetings Friday, saying Tehran would push ahead with its nuclear program, and suggesting it could break off ties with the U.N. nuclear watchdog if the world inflicted punishments proposed by European nations."

North Korea Talks Could Resume. NBC Nightly News (11/11, Seigenthaler, 9.87M) reported, "Talks may soon be underway between officials with US and North Korea. Discussions could begin next week aimed at six-country talks on the north's nuclear program. It may include the financial sanctions imposed on North Korea.

The AP (11/11) carries Japanese newspaper reporting that Washington and Pyongyang "may hold talks in New York as early as this week aimed at working toward the resumption of six-nation discussions on Pyongyang's nuclear program." The Japanese daily "reported that officials from the two countries will discuss, among other issues, financial sanctions imposed on North Korea."

In Return To Power, Ortega Said To Emphasize "Reconciliation And Stability." In an analysis piece, the AP (11/12, Carl) reports Daniel Ortega "returns to Nicaragua's presidency a shadow of the fiery revolutionary who in Cold War times vowed an endless fight against a U.S. government determined to overthrow him." Ortega "now preaches reconciliation and stability, and promises to maintain close ties with the U.S. and the veterans of the Contra army it trained and armed against him. He has traded his wartime military fatigues for a white shirt and jeans. His guide, he says, is God, not Karl Marx." Ortega's post-election "speeches have focused on reassuring skeptics that he plans no radical changes and will embrace free trade, job creation and close U.S. ties." The AP adds, "More than ever, Ortega will need the support of his former enemies, and they have pledged to keep him in check. U.S. State Department spokesman Gonzalo Gallegos says cooperation with Ortega and his government will be 'based on their action in support of Nicaragua's democratic future.'"

A lengthy Washington Post (11/12, A12, Aizenman, 690K) piece entitled, "Former Contras Bemoan Ortega's Return To Power In Nicaragua," adds, "A week after [Ortega's election], Nicaraguans of all political stripes are still reeling. But perhaps none feel more personally affronted than the surviving foot soldiers of the U.S.-funded anti-Sandinista force, known as contras," some of whom "view Ortega's return in almost apocalyptic terms." Others said "their concern was that his victory would embolden his more radical supporters to harass former contra fighters in the many urban neighborhoods and rural villages across Nicaragua where old foes now live side by side."

Two UN Peacekeepers Killed In Haitian Capital. The AP (11/11) reports, "Two U.N. peacekeepers from Jordan were shot to death in Haiti's capital after coming

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under attack by gunmen, U.N. officials said Saturday." UN police spokesman Fred Blaze "said the soldiers came under attack in the Sonapi section of the capital near Cite Soleil, a slum where well-armed street gangs blamed for kidnappings are based."

German Immigrant Integration Efforts Contrasted With French "Estrangement." In an opinion piece in the New York Times (11/12, WK11, 1.16M), David Unger details the growing realization among "Germany's most conservative politicians" that "there is no reason someone cannot be German and Muslim at the same time. In America, that idea would be unremarkable. In Germany, with its tragic history of exclusive nationalism and race-based citizenship, it is an intellectual revolution." Describing public programs designed to reach out to immigrant women, Unger says, "It took a long time for Germany's leaders to wake up to the fact that millions of foreign-born or foreign-descended residents … intend to live their lives in Germany with no plans of returning to their ancestral homelands. More than three million of these new Germans are Muslims -- nearly two million from Turkey, with most of the rest from Bosnia, Albania, the Arab world, Pakistan and Iran." While "Germany has a long way to go," Unger adds, its "new approach contrasts favorably with that of neighboring France -- the home of Western Europe's largest and perhaps least integrated Muslim population."

Public's View Of Official Corruption Worsening. The New York Times (11/12, BU2, Stein, 1.16M) briefly notes the release of Transparency International's "annual corruption perceptions index, which gauges how people view the honesty of public officials in 163 countries." The survey shows a growing perception of corruption in Iraq, Brazil, Cuba, Israel, Jordan, Laos, Algeria and the United States, which "fell three spots, to tie for 20th with Chile and Belgium. The pecuniary relationships that Jack Abramoff and other lobbyists had with certain members of Congress apparently took a toll on the country's reputation. And a substantial number of voters cited corruption as a factor in their decision in the midterm election last week."

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:
"Centrist Path In Congress May Rile Democrats' Base."
"California Voters In A Happy State."
"Vietnam Activists See An Opening."
"'Laguna' Cast As The Villain In Laguna."

New York Times:
"Incoming Democrats Put Populism Before Ideology."
"Entrepreneurs See A Web Guided By Common Sense."
"Democrats Aim To Save Inquiry On Work In Iraq."
"Sectarian Rifts Foretell Pitfalls Of Iraqi Troops' Taking Control."
"Frustration Grows At Carousel As More Baggage Goes Astray."
"Sports Artist Sued For Mixing Crimson And Tide."

Washington Post:
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"Despite Billions Spent, Rebuilding Incomplete."
"Rove Remains Steadfast."
"Democrats Find Lessons In GOP Reign."
"Special Panel Could Reshape Iraq Policy."

Washington Times:
"For Vets And President, A Day Of Remembrance."
"Christianity Seen At Risk Of Extinction In Birthplace."
"Core Values Still Valid, GOP Says."
"Americans Believe In God, With Conditions."

Detroit Free Press:
"Michigan's Band Of Brothers: Loved Ones Soldier On."
"Carmakers' Agenda For Bush: Hear Our Pain."
"Going To The Airport? Pack Some Extra Cash."
"Three Motorists Die In Police Chase In Detroit."

Atlanta Journal-Constitution:
"Why Are ASA Planes So Late?"
"Kids Test Positive For Cocaine."
"Georgia Bucks Democratic Trend."
"Perdue: Few Promises To Keep."

Houston Chronicle:
"Texas, Louisiana Pipeline Maps Inaccurate."
"Probes Dig Deeper In Halliburton Bribery Case."
"Texas Democrats Hoping Gains Weren't A Fluke."
"Defeat At K-State Means Double Whammy For Ut."
"Houston Artists Scattering From Traditional Spaces."

Story Lineup From Last Night's Network News:
ABC: Evening news was preempted by sports.
CBS: Evening news was preempted by sports.
NBC: Iraq War; US Soldiers Become Citizens; President Seeks Father's Advice; Election 2008; Public's View Of Veterans; Accidental Israeli Attack On Gaza; Future Talks With North Korea; New York Navy Rescue; CD's Replaced By Digital; Storm On Saturn; Teenager's Tribute To Veterans.

WASHINGTON'S SCHEDULE

Today's Events In Washington.

White House: PRESIDENT BUSH: No public schedule.
VICE PRESIDENT CHENEY: No public schedule.

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US Senate: No scheduled events.

US House: No scheduled events.

Other: ISRAELI PRIME MINISTER OLMERT. Highlights: 5:30 a.m. Arrives at Andrews AFB. 6 p.m. Dinner with Secretary of State Condoleezza Rice. Closed press.

Nov. 12 - 14. EDUCATION _ The Public Education Network holds its 16th annual conference on the transformation of public education by local education funds. Location: Fairmont Hotel, 2401 M St. NW. Contacts: Howie Schaffer, 202-628-7464 ext 209

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Warrantless Wiretaps Unlikely To Be OK'd (AP)

By Laurie Kellman, Associated Press Writer

AP, November 11, 2006

WASHINGTON -- Legislation aimed at President Bush's once-secret program for wiretapping U.S.-foreign phone calls and computer traffic of suspected terrorists without warrants shows all the signs of not moving ahead, notwithstanding President Bush's request this week that a lame-duck Congress give it to him.

Senate Democrats, emboldened by Election Day wins that put them in control of Congress as of January, say they would rather wait until next year to look at the issue. "I can't say that we won't do it, but there's no guarantee that we're going spend a lot of time on controversial measures," Democratic Whip Richard Durbin of Illinois said Thursday.

In Senate parlance, that means no.

Republicans for months have known that no bill accomplishing Bush's goal could get filibuster-proof support from 60 senators. Sealing off any hope was what Democratic leader Harry Reid put on his lame-duck to-do list. The warrantless domestic surveillance bill was conspicuous in its absence.

As for next year, Bush should not expect Democrats to allow such legislation to pass without language establishing considerable congressional oversight of any expansion of warrantless wiretaps.

"We have been asked to make sweeping and fundamental changes in law for reasons that we do not know and in order to legalize secret, unlawful actions that the administration has refused to fully divulge," said Sen. Patrick Leahy of Vermont, the next Judiciary Committee chairman. "If legislation is needed for judicial review, then we should write that legislation together, in a bipartisan and thoughtful way."

The Bush administration has a backup plan. In speeches over the next few weeks, the Justice Department will launch a new campaign for the legislation by casting the choice as one between supporting the program or dropping it altogether -- and appearing soft on al-Qaida.

Attorney General Alberto Gonzales will make the eavesdropping program the focus of a Nov. 18 speech at the U.S. Air Force Academy. Kenneth L. Wainstein, assistant attorney general for the national security, will make a similar pitch Wednesday to the American Bar Association.

Leahy said that monitoring communications of suspected terrorists is essential but that "it needs to be done lawfully and with adequate checks and balances to prevent abuses of Americans' rights and Americans' privacy."

After the Sept. 11, 2001, terrorist attacks, Bush ordered the National Security Agency to monitor communications potentially related to al-Qaida between people in the U.S. and those overseas. He bypassed normal requirements for court approval of such eavesdropping, and the program came under harsh criticism after it was disclosed last December by The New York Times.

Democrats and Republicans on the intelligence and judiciary committees spent much of the year trying to find out details from the administration, to little avail. Much of the information is classified, and the White House has insisted that revealing it would mean compromising the war on terrorism.

The House passed a bill in September to allow warrantless wiretaps under certain restrictions. House and Senate intelligence committees and congressional leaders would have to be notified, the president would have to believe that a terrorist attack is imminent, and certification would have to be renewed every 90 days.

A Republican measure in the Senate favored by the administration would require the Justice Department to report twice a year to the House and Senate intelligence committees the number and kind of any such operations. It would permit the surveillance to continue for up to one year without a warrant.

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The House bill is H.R. 5825; the Senate bill is S. 3931.

DOJ_NMG_0093236

Social Security Data A Major Source In Terrorism Probes (WP)

By Carlos Roig And Christopher Kriva, Special to The Washington Post

The Washington Post, November 11, 2006

Sohaib Bin Lateef left Pakistan for the United States more than 25 years ago and fulfilled his dreams with a suburban home, a family and a string of gas stations and convenience stores in St. Louis. But along the way, he says, he took some bad advice and obtained a Social Security number under a false name.

Now Bin Lateef, 47, faces deportation and stands to lose everything, even though he insists he has no ties to terrorists. The Justice Department lists his case as terrorism-related.

Since the Sept. 11, 2001, attacks, the Social Security Administration's vast databases of personal information have become a resource for federal investigators, who have asked the agency to check tens of thousands of records for number misuse and identity fraud -- potential precursors to terrorist activity. Bin Lateef is one of hundreds of people convicted as a result.

The Social Security Administration is "the Fort Knox of identity information in the United States," said James Huse, the agency's inspector general from 1998 to 2004. "That's a pretty impressive investigative tool that no other agency possesses."

From just after Sept. 11 through 2005, Social Security officials sent prosecutors 456 referrals that were classified as terrorism-related, according to statistics compiled by Syracuse University's Transactional Records Access Clearinghouse. The review shows that 91 percent of those referrals led to prosecutions.

Only the departments of Justice and Homeland Security have referred more terrorism-related cases for prosecution, according to the Syracuse records, which are based on data compiled by the Justice Department's Executive Office for United States Attorneys.

Still, few if any suspects in Social Security cases are ever linked publicly to alleged terrorist activity. Most cases referred to prosecutors in the months after Sept. 11 involved document fraud by Latino immigrants working at airports.

Previous studies by the Syracuse center found that thousands of cases have been referred by all agencies for prosecution under the labels of "international terrorism" or "antiterrorism." However, senior Justice officials instead usually cite the criminal division's much smaller list of terrorism-related cases, which as of June included 441 defendants and 261 convictions. Most on that smaller list were charged with crimes unrelated to terrorism, an earlier Washington Post analysis found.

Prosecutors generally will not discuss individual cases. Law enforcement officials have said that even if they have evidence of terrorist activity, it does not need to be made public if suspects can be arrested or deported on lesser charges, such as document fraud or immigration violations.

"Prosecution of terrorism-related targets on these types of charges is often an effective method -- and sometimes the only available method -- of deterring and disrupting potential terrorist planning and support activities without compromising national security information," Deputy Attorney General Paul J. McNulty wrote in a Justice Department report in June.

The federal law prohibiting misuse of Social Security numbers is "a very easy statute from a prosecution standpoint," said Jonathan Lasher, deputy chief counsel to the Social Security Administration's inspector general. "We don't have to prove a lot in the way of motive or intent. If you represent a number to be yours that isn't yours, you've essentially met the burden."Tapping the Data

After the 2001 attacks, authorities tapped the two main Social Security databases for information on suspected terrorists. "We were given taskings and requests, and we were responding to them as best we could in the wake of this national tragedy," said Richard A. Rohde, the Social Security Administration's assistant inspector general for investigations.

One database lists basic application information from people seeking Social Security numbers. The other contains wage and earnings histories compiled by the agency that are used to determine Social Security benefits.

The Internal Revenue code normally prohibits Social Security from releasing information in the wage and earnings database, even to law enforcement agencies. But IRS and Social Security officials are permitted to waive that rule in "life-threatening situations." A 30-day waiver was granted immediately after the Sept. 11 attacks and was extended four times by the IRS through early 2002, Lasher said.

Huse said he asked Congress several times unsuccessfully for permanent authority to release information in the wage database to federal law enforcement officials investigating potential terrorist activity.

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One of the earliest uses of Social Security data in homeland security investigations came before the 2002 Winter Olympics in Salt Lake City. Ronald Ingleby, resident agent in charge of the Social Security inspector general's office there, worked with the U.S. attorney's office to acquire about 10,000 employee records from the local airport authority and had his staff search Social Security records. As a result, 69 workers were indicted for alleged misuse of Social Security numbers on applications for airport security badges.

The program, which was expanded to many of the nation's airports as well as ports and other facilities, resulted in hundreds of guilty pleas, largely from Latino workers with no discernible links to terrorist groups. The workers had used fake or stolen Social Security numbers to gain employment or acquire access badges.

Federal agents also began turning to Social Security to check dubious records brought to their attention or to run down terrorism leads. In one case, a tip that al-Qaeda might try to poison military rations led to checks on workers at a meals-ready-to-eat factory in Texas. Several were convicted in 2004 of possessing or using false documents, though the case files show no evidence of a poisoning plot.

Other cases led to charges against members of document-counterfeiting rings in Maryland and New York.Attracting Notice

Bin Lateef believes he originally came to the attention of investigators because he was a Pakistani national with a check-cashing company among his holdings. He said authorities began looking into his business in 2003. He also said that for a number of years he sent as much as $24,000 to $36,000 annually to his family in Pakistan, sometimes using "hawala," the system of informal money transfers in which cash moves between friends and relatives.

His lawyer believes authorities also were concerned about a September 2003 trip Bin Lateef took with his family through Pakistan, Saudi Arabia, the United Arab Emirates and Germany.

Commenting on this type of case, Jimmy Gurule, a law professor at the University of Notre Dame who was undersecretary for enforcement at the Treasury Department from 2001 to 2003, said a number of issues would have interested investigators. "The combination of the international travel, the combination of the money being transferred abroad through a hawala-type system or certainly the use of false identification documents are all red flags of possible terrorist activity," he said.

An inquiry turned up Bin Lateef's Social Security fraud. He had entered the United States on a student visa in 1980 to attend Southern Illinois University. A 1985 application to extend his stay was denied, but he said he became a legal permanent resident alien in 1988 under the Reagan administration's immigration reform.

However, to get the green card, Bin Lateef said, he used a false name on the application based on bad advice from acquaintances. A year or two later, he obtained a Social Security number with that false name.

Bin Lateef said that he has never had links to terrorist groups -- only that he went into business, raised a family and bought a home in O'Fallon, Mo., near St. Louis. "This is the only country in the whole entire world that would give me the opportunity to do what I did," he said.

William Wynne, Bin Lateef's lawyer, said, "This guy has a tattoo on his forehead that says 'productive citizen.' "

Bin Lateef pleaded guilty to felony charges of lying to federal authorities and of misusing a Social Security number. Deportation proceedings are ongoing. Prosecutors declined to comment on his case.

Like many other Social Security referrals related to homeland security prosecutions, Bin Lateef's is classified by the Justice Department as anti-terrorism.

In his report, McNulty, the deputy attorney general, signaled that investigators would continue to rely on Social Security and other government statutes not directly related to terrorism.

"There has been some criticism of our use of nonterrorism offenses, such as false statement charges, immigration fraud, and use of fraudulent travel documents, in terrorism cases," McNulty wrote. "Yet the appropriate charging of such offenses is so important to our disruption of terrorist plans that the Department has urged prosecutors to undertake initiatives to increase their use of these statutes."

Roig and Kriva were Medill School of Journalism fellows in the News 21 program of the Carnegie-Knight Initiative on the Future of Journalism Education.

Former USF Professor Must Testify In Va. Grand Jury Probe (BRAH)

DOJ_NMG_0093238

The Bradenton Herald, November 11, 2006

TAMPA - Sami Al-Arian must testify before a federal grand jury despite claims that a plea agreement freed him from cooperating with the U.S. government, a federal judge ruled.

U.S. District Judge James S. Moody Jr. ruled Al-Arian must testify in the probe of International Institute of Islamic Thought in Herndon, Va., because Virginia prosecutors have granted him immunity.

In his trial, prosecutors said Al-Arian's World and Islamic Studies Enterprise got money from the Va. Institute. A jury acquitted Al-Arian, a former University of South Florida professor, of eight counts but deadlocked on nine others in December.

In Letter, Radical Cleric Details CIA Abduction, Egyptian Torture (WP)

By Craig Whitlock, Washington Post Foreign Service

The Washington Post, November 11, 2006

Friday, November 10, 2006;

MILAN, Nov. 9 -- In an account smuggled out of prison, a radical Muslim cleric has detailed how he was kidnapped by the CIA from this northern Italian city and flown to Cairo, where he was tortured for months with electric shocks and shackled to an iron rack known as "the Bride."

Hassan Mustafa Osama Nasr, also known as Abu Omar, wrote an 11-page letter describing his 2003 abduction at the hands of the CIA and Italian secret service agents. He somehow transferred the document out of Egypt -- where he remains in custody -- and into the hands of Italian prosecutors who are investigating his disappearance.

The Milan public prosecutor's office on Thursday confirmed the authenticity of the letter, the existence of which was first reported by the Italian daily newspaper Corriere della Sera.

The document has been submitted as evidence to defense attorneys representing 25 CIA officers, a U.S. Air Force officer and nine Italian agents who have been charged with organizing the kidnapping of Nasr, an Egyptian national, in February 2003.

A copy of the document, handwritten in Arabic, was obtained by The Washington Post. Undated, it reads like a homemade legal affidavit, outlining how Nasr was seized as he was walking to a mosque in Milan, stuffed into a van and rushed to Egypt in a covert operation involving spies from three countries.

"I didn't understand anything about what was going on," Nasr wrote. "They began to punch me in the stomach and all over my body. They wrapped my entire head and face with wide tape, and cut holes over my nose and face so I could breathe."

Upon his arrival in Egypt hours later, he said, he was taken into a room by an Egyptian security official who told him that "two pashas" wanted to speak with him.

"Only one spoke, an Egyptian," he recalled. "And all he said was, 'Do you want to collaborate with us?' " Nasr said the other "pasha" appeared to be an American. His captors offered a deal: They would allow him to return to Italy if he agreed to become an informant. Nasr said he refused. As a result, he said, he was interrogated and physically abused for the next 14 months in two Cairo prisons.

Italian prosecutors charge that the CIA and the Italian military intelligence agency known as Sismi collaborated to kidnap Nasr, who was known for preaching radical sermons in Milan and railing against U.S. policies in Afghanistan and the Middle East. According to prosecutors, the abduction thwarted a separate Italian police investigation into Nasr's activities and jeopardized a surveillance operation concerning other radicals in Milan.

Court papers allege that the kidnapping was orchestrated by the CIA's station chief in Rome and involved at least two dozen CIA operatives, most of whom arrived in Italy months before to lay the groundwork. Italian judges have issued arrest warrants for the CIA officers and have pledged to try them in absentia if necessary.

Although the case has caused a furor in Italy, the U.S. government has neither confirmed nor denied playing a role in Nasr's disappearance. Egyptian officials have also remained silent. A CIA spokesman declined to comment for this story.

Nasr's wife and his lawyer in Cairo have said the cleric is still imprisoned in Egypt, although he has been released under house arrest for brief periods. It is unclear how Italian prosecutors received a copy of his letter. Investigators said handwriting experts have verified that Nasr was the author.

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Prosecutors in Milan are also investigating allegations that Italian spies offered to give Nasr $2.5 million if he would sign papers saying he had left Italy voluntarily and was not kidnapped, according to Italian news reports.

The imam of a Milan mosque where Nasr preached on occasion said he also recognized the handwriting as the Egyptian's. "This is his writing, I know it for sure," said the imam, Arman Ahmed al-Hissini, who is known locally as Abu Imad and runs the Viale Jenner mosque, a few blocks from where Nasr was kidnapped.

Abdel Hamid Shaari, president of the Islamic Cultural Center in Milan, said he was worried that the public disclosure of Nasr's letter could jeopardize his life, or at least dash any chances that he might be released. "What are they going to do with him now?" Shaari said. "He's a problem for the Italians, the Egyptians and the Americans."

In his letter, Nasr described how his health had badly deteriorated. He had lost hearing in one ear from repeated beatings, he said, and his formerly pitch-black hair had turned all white. He said he was kept in a cell with no toilet and no lights, where "roaches and rats walked across my body."

He also gave a graphic account of Egyptian interrogation practices, including how he would be strapped to an iron rack nicknamed "the Bride" and zapped with electric stun guns.

On other occasions, he wrote, he was tied to a wet mattress on the floor. While one interrogator sat on a wooden chair perched on the prisoner's shoulders, another interrogator would flip a switch, sending jolts of electricity into the mattress coils.

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Britain's MI5 Warns Of Rising Terror Threat (WP)

By Mary Jordan

The Washington Post, November 11, 2006

LONDON, Nov. 10 -- British spies are watching 1,600 people in 200 cells believed to be plotting terrorist acts in Britain or overseas, according to the head of Britain's domestic spy agency.

"More and more people are moving from passive sympathy towards active terrorism," said Eliza Manningham-Buller, director general of the MI5 intelligence agency. The spy chief, who rarely speaks publicly, delivered her stark assessment Thursday in a speech at the University of London's Queen Mary College. A transcript of her remarks was posted on MI5's Web site Friday.

Manningham-Buller said a growing number of people are plotting to kill others and damage the British economy. The conspirators, she said, are motivated "by a sense of grievance and injustice driven by their interpretation of the history between the West and the Muslim world."

She also described the terrorists' "propaganda machine" as "sophisticated," noting that footage of attacks in Iraq is posted on the Internet within 30 minutes, facilitated by teams that edit the video, translate the audio into many languages and package the material for a global audience. "And, chillingly, we see the results here," she said. "Young teenagers being groomed to be suicide bombers."

Responding to her remarks, Prime Minister Tony Blair said, "It's a very long and deep struggle, but we have to stand up and be counted for what we believe in and take the fight to those people who want to entice young people into something wicked and violent but utterly futile." He said he agreed with Manningham-Buller's assessment that this terrorist threat would last a generation.

The spy chief said her agency was currently aware of about 30 plots, which "often have links back to al-Qaeda in Pakistan." It is through those links, she said, that al-Qaeda gives "guidance and training to its largely British foot soldiers here on an extensive and growing scale."

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Earlier this week, a British court sentenced to life in prison an al-Qaeda operative who had made a detailed proposal to financiers in Pakistan, according to prosecutors. The operative, Dhiren Barot, 34, had plotted synchronized bomb attacks on U.S. financial institutions, along with London hotels and other sites in Britain.

U.S. intelligence officials have not publicly estimated the number of terrorist cells they are watching. In September, however, President Bush delivered a speech in which he detailed eight plots that had been thwarted as a result of intelligence gleaned from detainees in the U.S. military prison at Guantanamo Bay, Cuba.

Manningham-Buller's motivation for publicly airing her assessment was unclear. Some analysts suggested the move could be seen as a plea for more funding or for intelligence tips; others saw the speech as a way to recruit more agents.

Staffing at MI5 has increased 50 percent to 2,800 since the attacks of Sept. 11, 2001, and it will continue to grow, Manningham-Buller said. More than 6 percent of MI5 personnel are ethnic minorities, she added. The agency has actively recruited Muslims and other minorities.

But Manningham-Buller also painted a picture of an overstretched agency that has to make daily decisions about "whom to follow, whose telephone lines need listening to," and what seized evidence needs to be analyzed first.

She emphasized that the first al-Qaeda-related plot against Britain was discovered and disrupted in November 2000, long before the Iraq war started. But she also said that videotaped statements of British suicide bombers made it clear that they are motivated by "perceived worldwide and long-standing injustices against Muslims," including their interpretation of British foreign policy as "anti-Muslim," particularly in Iraq and Afghanistan.

She also warned that many countries are facing a new terrorist threat and specifically mentioned Spain, France, Canada and Germany. While terrorists were currently using homemade improvised explosive devices, she said, "tomorrow's threat may include the use of chemicals, bacteriological agents, radioactive materials and even nuclear technology."

Blair Says Homegrown Terrorism Is Generation-Long Struggle (NYT)

By Alan Cowell

The New York Times, November 11, 2006

LONDON, Nov. 10 — Prime Minister Tony Blair said Friday that the threat from homegrown Islamic terrorism would last "a generation," reinforcing a highly unusual warning by the head of the MI5 domestic intelligence agency that it was keeping some 1,600 suspects in 200 terrorist cells under surveillance.

The warning by Dame Eliza Manningham-Buller, head of MI5, in a speech on Thursday was by far the most extensive and somber of recent times and included assertions that about 30 terrorist conspiracies were under investigation and that "tomorrow's threat may include the use of chemicals, bacteriological agents, radioactive materials and even nuclear technology."

She also asserted that operatives for Al Qaeda in Pakistan were helping to guide some of the plots, reflecting British assessments that Qaeda operatives survived campaigns against them to steer conspiracies in Britain from afar.

"We are aware of numerous plots to kill people and to damage our economy," she said. "What do I mean by numerous? Five? Ten? No, Nearer 30 — that we know of. These plots often have links back to Al Qaeda in Pakistan and through those links, Al Qaeda gives guidance and training to its largely British foot soldiers here on an extensive and growing scale."

The British counterterrorism authorities say they cannot move too quickly to break up plots because they need enough evidence to prosecute suspects successfully.

Since the London bombings of July 2005, Britain has sounded frequent terrorist alarms, most notably last August when it issued a major alert alleging that Islamic terrorists planned to blow up trans-Atlantic airliners. And just this week, a judge sentenced a 34-year-old Muslim, Dhiren Barot, to a minimum of 40 years in prison for plotting a series of attacks in the United States and Britain from 2000 to 2004.

The news and warnings have left many Britons with mixed feelings: a sense of foreboding, but also some skepticism about the government's motives in making such announcements since there have been no attacks for more than a year.

Among the more frightening aspects of Dame Eliza's warning was her statement that support for terrorism among British Muslims was broader than previously known, as more young people had become radicalized.

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"More and more people are moving from passive sympathy toward active terrorism through being radicalized or indoctrinated by friends, families, in organized training events here and overseas, by images on television, through chat rooms and Web sites on the Internet," she said.

Moreover, Dame Eliza said, since the July 2005 subway and bus attacks, five other "major conspiracies" had been thwarted in Britain, "saving many hundreds, possibly even thousands, of lives." MI5's caseload has increased 80 percent so far this year alone, she said.

Historically, the head of MI5 does not make such public pronouncements. "Emerging from the shadows is not something they like to do," said Neil Ellis, a domestic security expert at Royal United Services Institute, a research group. Indeed, Dame Eliza acknowledged in her speech to academics on Thursday night: "I rarely speak in public. I prefer to avoid the limelight and get on with my job."

But it was a sign of changed times — and, perhaps of MI5's campaign to secure more government money and expand its ranks of agents and recruits — that the text of her speech was posted Friday on the MI5 Web site, prompting some Islamic leaders to say the authorities were demonizing Britain's Muslim minority of 1.6 million.

Massoud Shadjareh, the chairman of the Islamic Human Rights Commission, said, "Although we recognize that there is a real threat, the suggestion that we could even face a nuclear threat will only contribute to paranoia rather than safety and security."

Dame Eliza echoed some longstanding arguments by Mr. Blair, who has resisted critics' accusations that his support of the United States in Iraq and Afghanistan had made Britain a target for terrorist attack. "Let there be no doubt about this," she said, "the international terrorist threat to this country is not new. It began before Iraq, before Afghanistan and before 9/11."

But she went on to say that terrorist recruiters had woven a "powerful narrative" of Muslim oppression. She said the video wills of British suicide bombers made it clear that they were motivated, in part, by their interpretation of British foreign policy, particularly in Iraq and Afghanistan, as anti-Muslim, but also by perceived worldwide and longstanding injustices against Muslims and an "extreme and minority interpretation of Islam promoted by some preachers and people of influence."

She said the terrorist threat was "serious, is growing and will, I believe, be with us for a generation."

"It is a sustained campaign, not a series of isolated incidents," she continued. "It aims to wear down our will to resist."

In a separate news conference on Friday, Mr. Blair said, "I think it's absolutely right that it will last a generation."

"It's a very long and deep struggle," he said, "but we have to stand up and be counted for what we believe in and take the fight to those people who want to entice young people into something wicked and violent but utterly futile."

Dame Eliza has presided over a major, public effort to expand MI5, which deals exclusively with domestic security and espionage. In her speech, she said the MI5 staff now numbers 2,800, "an increase of over 50 percent since 9/11."

In a telephone interview, Mr. Ellis, of the Royal United Services Institute, said there had been a series of public statements by British officials warning of an increasing threat and seeking public support. Just on Wednesday, for instance, the foreign secretary, Margaret Beckett, urged British Muslims to "speak up against extremism."

From that point of view, Mr. Ellis said, Dame Eliza may have been trying to promote this "cultural shift in how the security services engage with the public."

"If society is to engage in this battle of ideas," Mr. Ellis said, "then perhaps we need to know the level, the size and the scale of this threat."

Judge Lets Guilty Plea Stand In Terrorism Case (WP)

By Jerry Markon

The Washington Post, November 11, 2006

A federal judge has refused to throw out the guilty plea of a convicted al-Qaeda supporter who argued that he was illegally spied on through President Bush's controversial warrantless eavesdropping program.

Iyman Faris, an Ohio truck driver, pleaded guilty in 2003 to plotting to bring down the Brooklyn Bridge and launch a simultaneous attack in Washington. He asked a judge to vacate the plea, arguing in part that the alleged surveillance violated his rights and that the government could not use it to build a case against him.

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U.S. District Judge Leonie M. Brinkema rejected Faris's motion this week for reasons that are unclear because her ruling remains sealed. It is cited in the docket in U.S. District Court in Alexandria. Another docket entry says Brinkema rejected efforts by Faris's attorneys to obtain documents "relating to or concerning any warrantless electronic surveillance or monitoring" of his conversations by the National Security Agency.

Faris, a Kashmiri-born naturalized U.S. citizen, pleaded guilty to providing material support to al-Qaeda. Federal officials said he was an al-Qaeda scout who had planned with top al-Qaeda operative Khalid Sheik Mohammed to sever the cables of the Brooklyn Bridge and to derail trains in or near Washington.

Faris's attorney, David B. Smith, declined to comment on Brinkema's ruling, as did prosecutors.

Faris is one of a number of terrorism defendants who have filed legal challenges to the NSA program, under which the agency has monitored phone calls and e-mails involving U.S. residents and foreign parties without obtaining warrants from a secret court that handles such matters.

A federal judge in Detroit ruled in August that the program, which is aimed at communications of potential terrorists, is unconstitutional and violates privacy and free speech rights. The government is appealing. Bush has argued that the program is legal and necessary to protect Americans from terrorists.

Faris is unique among defendants who have challenged the surveillance because Bush administration officials have said he was spied on -- and credited the program with helping to uncover his plot.

Egyptian Says He Was Tortured After Being Kidnapped In Milan (NYT)

By Elisabetta Povoledo

The New York Times, November 11, 2006

ROME, Nov. 10 — A militant Egyptian cleric who prosecutors say was kidnapped by the Central Intelligence Agency said in a newly published account that he was tortured with electric shocks while he lay on a wet mattress in a Cairo prison and was repeatedly beaten and forced to eat rotten bread in a pitch-black cell, while rats and cockroaches ran over his body.

The cleric's recounting was contained in an affidavit given to Italian prosecutors investigating his alleged abduction. Excerpts were published in a Milan daily newspaper, Corriere della Sera, on Thursday.

"I am writing my testimony from this, my tomb," writes Hassan Mustafa Osama Nasr, known as Abu Omar, at the start of an 11-page letter that was excerpted Thursday by the newspaper. His face has been transformed, he claims, "as a result of the torture."

Milanese prosecutors have appended the account to the case they are building against 39 people, including 25 C.I.A. operatives. Prosecutors accuse them of abducting Mr. Nasr and sending him to Egypt for questioning, in the American practice of rendition. Members of the Italian secret services, including Nicolo Pollari, the country's top spy, are also under investigation in the kidnapping, which took place in Milan in February 2003.

Earlier this year, an Italian military police officer confessed to having participated in the kidnapping, which he believed was jointly organized by the American and Italian intelligence services.

In the letter, Mr. Nasr says he was stopped by an American, asked for his documents and then forced into a white van where he was "beaten on my stomach and my entire body" before being bound and gagged and taken to Cairo by plane.

In the Cairo prison, he says, he was subjected to weeks of torture while he was being interrogated. "It lasted seven months," he wrote, but "it felt like seven years." His wife, Nabila, told Milanese prosecutors that Egyptian officials had tried to bribe her husband so he would deny that he had been kidnapped.

Writing from Egypt, she said that her husband had been offered $2 million "to say that he had not been kidnapped and to say that he had come of his own free will" to Egypt, the Milan newspaper reported Friday.

Milanese prosecutors have asked that the United States extradite the 25 operatives they believe organized and executed the kidnapping.

A Topic In The Air But One That Political Candidates Declined To Touch: Torture Of Prisoners (NYT)

DOJ_NMG_0093243

By Peter Steinfels

The New York Times, November 11, 2006

The October issue of Theology Today, a scholarly journal published by the Princeton Theological Seminary, featured a series of articles on torture. "It is a matter of shame," writes one of the contributors, Jeremy Waldron, a professor of law at New York University, that "we have no choice but to conduct a national debate about torture."

That debate, Professor Waldron continues, is not about stopping torture by "corrupt and tyrannical regimes" but about whether the American people and the American nation want "to remain part of the international human rights consensus that torture is utterly beyond the pale."

There were few if any signs of such a debate in the midterm election campaigns. That cannot simply be because of the government's insistence that the United States abhors torture and does not practice it. The government insists on many things — about the war in Iraq and economic prosperity, for example — that its political opponents do not hesitate to challenge and challenge vociferously.

Torture is different. It is such a stain on personal and national character that nothing but appalling photographs could have forced the subject to the fore. When it comes to pressing the question of official complicity, no stack of equivocating documents can have similar force. In a season of shameless attack ads, torture is still too shameful to be debated.

As for religious reaction, Fleming Rutledge, the Episcopal priest and noted preacher, said in this issue of Theology Today, "In my lifetime, I do not remember any major public question being so studiously ignored as this one."

The journal articles stem from an effort to change that. They are based on presentations at the founding conference, in Princeton last January, of the National Religious Campaign Against Torture. Prominent religious leaders, Protestant (both mainline and evangelical), Roman Catholic, Eastern Orthodox, Jewish and Muslim, issued a statement, "Torture Is a Moral Issue," that was a sweet seven sentences in length:

"Torture violates the basic dignity of the human person that all religions, in their highest ideals, hold dear. It degrades everyone involved — policy makers, perpetrators and victims. It contradicts our nation's most cherished values. Any policies that permit torture and inhumane treatment are shocking and morally intolerable.

"Nothing less is at stake in the torture abuse crisis than the soul of our nation. What does it signify if torture is condemned in word but allowed in deed?

"Let America abolish torture now — without exceptions."

It is hard to say how much the Theology Today articles add to that succinct statement. In one, William T. Cavanaugh, who teaches theology at the University of St. Thomas in St. Paul, draws on his previous study of torture by the Pinochet government in Chile. His most provocative observations may be that, however counterintuitive, "those who torture tend to think of their work in extremely high moral terms."

Citing examples from Chile, Professor Cavanaugh notes that "torturers sometimes imagine their acts as a kind of self-sacrifice on their part: 'What terrible things I must do in order to defend my beloved people!' "

What goes for the individual torturer can go for the nation as a whole. "The moral purpose is made more righteous," Professor Cavanaugh writes, "by the extremity of the act of torture itself." By definition, "the threat against the nation must be extremely severe if such an extreme procedure as torture is used."

The argument is strangely circular, but it ends in the conviction, he says, that "only the most morally righteous nation could be trusted with the capacity to use torture for a good purpose."

In another article, a leading evangelical ethicist, David P. Gushee, a professor of moral philosophy at Union University in Jackson, Tenn., worries that the United States is "succumbing to the temptation to waive moral rules that we have every reason to know are applicable to us."

"We know that torture is wrong," Dr. Gushee writes, "but just not now, not in our exceptional case, not in this global war on terror. Yet we are queasy enough, that we do not want to call torture, torture."

Instead, he continues, "we deny that we are torturing, or we deny that our prisoners are really prisoners, or when pushed to the wall, we remind one another of how evil the enemy is and how much worse other countries or ideologies are."

"We give every evidence," he concludes, "of the kind of self-deception so characteristic of the descent into sin."

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Dr. Gushee has not limited his concern to scholarly pages. Last February he wrote an article for the popular evangelical monthly Christianity Today titled "5 Reasons Torture Is Always Wrong."

All these writers must step carefully around the fact that the president and other American authorities have repeatedly denied that the government tolerates torture — even while they reserve its right to use what are delicately referred to in official parlance as "enhanced" or "alternative" interrogation techniques.

Obviously, these theologians have something less than complete confidence in such official protestations, and one can understand why.

In a White House compromise with a small group of adamant Republicans, last month's Military Commissions Act, for example, left standing the United States' commitment to Common Article 3 of the Geneva Conventions protecting prisoners from violence, cruelty, torture and humiliating and degrading treatment.

But while the legislation spelled out certain "grave breaches" of Common Article 3 that would constitute war crimes, it also underlined the president's power to interpret the nation's obligations, to define what is grave or not and to screen his definitions from court challenges, and maybe even from public knowledge.

Already, the Central Intelligence Agency has warned that detained Qaeda suspects must not be allowed to disclose their treatment to courts — or perhaps even to their own lawyers — lest other terrorists "adapt their training to counter the tactics that C.I.A. can employ in interrogations."

Is there any way around this lack of transparency? Here is one idea, admittedly inspired not by sober theological analysis but by political ads.

Let all interrogations be videotaped (interrogating off camera would itself be a "grave breach"). Three years after any interrogation, the video would be made public. One could assume that by that time terrorists would have learned whatever techniques had then been in use.

The important feature, of course, would be the kind of endorsement now required of campaign advertising — a closing shot of the president on screen. "This interrogation was paid for by the American people," the president would have to say, "and I approve of its methods."

HOMELAND RESPONSE:

Democrats Still Face Hurdles In Enacting 9/11 Panel's Ideas (WP)

By Dan Eggen, Spencer S. Hsu

The Washington Post, November 11, 2006

Democratic leaders preparing to take control of Congress have vowed to push through a host of reforms recommended two years ago by the Sept. 11 commission, such as better port security and improved radio communications for first responders, but many of the most controversial changes are likely to face obstacles even with Capitol Hill in Democratic hands, according to experts and legislative aides.

Presumptive House Speaker Nancy Pelosi (D-Calif.) has made implementing the commission's recommendations one of the centerpieces of her "first 100 hours" legislative agenda, with particular focus on requiring radiation scans of all cargo that arrives by sea.

Other proposals include more money for rail security and hiring more Border Patrol agents and aviation screeners. Some Democrats also want to declassify intelligence agencies' budgets, improve management of terrorist watch lists, toughen regulation of chemical plants and improve privacy safeguards.

"As part of the first 100 hours, we will try to the best of our ability to address them in a more complete fashion than the piecemeal approach that Congress has taken thus far," said Rep. Bennie Thompson (D-Miss.), incoming chairman of the House Homeland Security Committee, referring to the commission's recommendations. "On some of the more controversial issues of cargo screening and other things, I think we can work out a compromise."

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Homeland security experts cautioned that Democratic control of Congress will not guarantee implementation of some of the commission's most controversial suggestions, which have languished because of entrenched political and bureaucratic obstacles.

A prime example is the commission's call to base the federal government's homeland security funding on the actual risk of terrorist attacks or other calamities -- an approach that would generally benefit large metropolitan areas at the expense of smaller cities and rural regions. Although such an approach would favor regions represented by Democrats, lawmakers have preferred to spread dollars to as many jurisdictions as possible.

"It's easy to say they'll implement the 9/11 recommendations. But some of the recommendations have not been implemented because they've been so hard to swallow," said Michael Greenberger, director of the Center for Health and Homeland Security at the University of Maryland. "It remains to be seen if the Democrats have an answer to that."

Democrats will face the usual divisions between the House and the Senate, as well as tensions between liberals and centrists within their own party. The Senate Homeland Security Committee is likely to be led by Joseph I. Lieberman (D-Conn.), who is more moderate than his House colleagues and who just completed, as an independent candidate, a bruising reelection campaign in which many Democrats opposed him after he lost in the primary.

The bipartisan Sept. 11 panel released its report in 2004. It subsequently issued admonishments to the Bush administration and the GOP-controlled Congress for failing to enact many of its major recommendations.

In a December 2005 "final report card," the commission gave the government mediocre to failing grades in numerous areas, including screening airline passengers and improving first responders' communication systems. Many commissioners have also pointed to mixed results in the effort to merge terrorism watch lists maintained by the FBI and other agencies.

Republican Thomas H. Kean, a former New Jersey governor who served as the commission's chairman, said yesterday that some recommendations that have languished -- including reserving portions of the broadcast spectrum for emergency responders and improvements in border security -- would be relatively easy to implement if Democrats are determined.

But he acknowledged that other changes are politically difficult, including the panel's call for restructuring the way Congress oversees and pays for homeland security programs. A Democratic leadership source, speaking on the condition of anonymity because the plans are not final, said Pelosi is likely to reorganize House committees to streamline jurisdiction over security matters.

"There's a whole realm of things that need to be done," Kean said. "The fact that the new speaker wants to make it a priority, I congratulate her."

Democrats have not spelled out how they intend to pay for their initiatives. In 2006, they unsuccessfully proposed $3 billion for rail security and $5 billion for first-responder communications equipment.

No one has figured out how to scan all cargo reliably in real-world settings.

"I should feel relieved, but I don't," said Carie Lemack, co-founder of Families of September 11 and head of a national security consulting firm.

Lemack said some of the commission's recommendations are relatively easy but have lacked the political backing to move forward. She cited naming a senior adviser to the president to oversee the lockdown of nuclear weapon materials worldwide and declassifying intelligence agencies' budgets.

James Jay Carafano, a senior research fellow at the Heritage Foundation, said lawmakers from both parties have signaled that they are unwilling to dispense homeland security funding based on risk, preferring the locality-based, pork-barrel funding that is popular at election time.

"What's left on the table is really, really hard and can't be legislated into existence, or really, really stupid and shouldn't be done anyway," Carafano said.

Some recommendations highlighted by Democrats are already in the works but face technical hurdles. These include efforts to put in place a border entry and exit screening system and to streamline the terrorism watch lists. A battle also looms over whether to pay for or delay Real ID, a multibillion-dollar effort to standardize state driver's licenses.

Other proposals by House Democrats, including hiring 2,000 new Border Patrol agents a year for five years and building a "virtual fence" using sensors and other technology, are already being adopted by the Bush administration.

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Looking Into Laptops (LAT)

The Los Angeles Times, November 11, 2006

IT WAS BAD ENOUGH for international travelers earlier this year when security officials barred laptop computers from carry-on luggage. Now that the ban has been lifted, a new worry has replaced it: the prospect of U.S. customs agents snooping through your laptop — and even seizing it.

It doesn't happen often — only about 1% of executives surveyed recently by the Assn. of Corporate Travel Executives said their laptops had been confiscated — but it's enough to set off alarm bells. If your laptop holds critical banking data or operational information, the association warns, you're better off e-mailing a copy to yourself before heading to the airport. And if you have truly sensitive items, you'd better not put them on your laptop in the first place.

Officials at the Department of Homeland Security recite the familiar mantra — legitimate business travelers have nothing to fear. Immigration and Customs Enforcement agents, they say, first conduct a routine check of whether a person should be admitted to the country. If that leads them to suspect the traveler is involved in a crime, they'll search any laptop. The only time a computer is seized, the department said in a statement, is "if the laptop contains information with possible ties to terrorism, narcotics smuggling, child pornography or other criminal activity."

But as the department's records point out, even "legitimate business travelers" may wind up having their laptops rifled if a person fits a suspicious profile (in one case, men between the ages of 30 to 60s traveling alone from Asia), or if an individual is unlucky enough to be chosen for a random inspection. Because the Supreme Court has ruled that agents at international points of entry can perform "routine" searches without a warrant or even reasonable suspicion, some courts have interpreted that to mean all travelers are subject to inspections of their privileged and personal information at any border crossing.

There is a glimmer of hope for travelers eager to keep the authorities' hands off their hard drives. U.S. District Judge Dean D. Pregerson in Los Angeles recently ruled against a laptop search because agents didn't have a reasonable basis to suspect a U.S. traveler of having committed a crime. In Pregerson's view, searching a laptop isn't "routine," and the 4th Amendment's protection against unreasonable searches and seizures applies on the border. The government appealed the ruling to the U.S. 9th Circuit Court of Appeals.

Stopping bad guys at the border is important, and it makes sense to inspect incoming items, including laptops, for explosives and other weapons. But the government has been using the terrorist attacks of 9/11 to redefine "reasonable." There's a clear line between checking a laptop for explosives and reading its contents, and agents should have an excellent reason to cross it.

Slow Home Grants Stall Progress In New Orleans (NYT)

By Leslie Eaton

The New York Times, November 11, 2006

NEW ORLEANS — The $7.5 billion program to rebuild Louisiana by helping residents repair or replace their flooded homes has gotten off to a slow start, frustrating government officials and outraging many homeowners who say they are still in limbo 14 months after Hurricane Katrina hit.

Though nearly 79,000 families have applied to the program, called the Road Home, only 1,721 have been told how much grant money they will receive. And just 22 have received access to the cash, which was provided by federal taxpayers and is being distributed by the state.

“I don’t know of anyone who has actually received any money,” said Cassandra D. Wall, who is active in a group of homeowners from the eastern part of New Orleans. Ms. Wall said she planned to attend a protest Nov. 17 in Baton Rouge, the state capital, “to go public with the outrage and the outcry.”

Many hopes have been pinned on the Road Home program, which is widely considered the most important factor in rebuilding the ruined neighborhoods of New Orleans and is also meant to start an economic boom in southern Louisiana. Homeowners who rebuild or buy new houses in the state are eligible for grants of up to $150,000 to cover their uninsured losses, although the average award has been about $68,000.

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The city's mayor, C. Ray Nagin, is so dissatisfied with the pace of the program that on Nov. 1 he announced that the city was developing a plan to lend money to people waiting for their Road Home grants.

[Officials announced on Nov. 6 that Gov. Kathleen Babineaux Blanco had ordered the contractor managing the program to calculate 10,000 awards by the end of the month.]

"It's time to kick into high gear," said Walter Leger, a lawyer and a member of the Louisiana Recovery Authority, which devised the federally financed Road Home program. "It's time to forget the reasons and excuses" for the slow pace so far.

In some ways, the program's low-speed beginning reflects an urgent need to avoid the kind of waste and fraud that plagued federal programs after the hurricane. The government, among other things, is demanding that applicants produce details of insurance policies and payouts, proof of title to a house, and, if possible, official assessments of a home's prestorm value. Many New Orleans residents lost such paperwork in the flood, or never had it in the first place.

But the larger explanation is that the program is, in effect, a giant experiment.

"There is no precedent," said Andy Kopplin, executive director of the recovery authority. "Louisiana's version is the single largest housing assistance program ever done anywhere."

The only similar program is in Mississippi, which got a full Congressional appropriation for its roughly $3 billion plan months before Louisiana got the full $7.5 billion it asked for. The Mississippi program is smaller and differs in many details; fewer people are eligible, for example, and the grants do not have to be used for housing.

But Mississippi's program has been plagued by some of the same problems, including a slow start that drew public criticism from, among others, Trent Lott, the state's junior Republican senator. New data from the program show that it has now paid $320.6 million in 5,201 grants — but officials had originally planned to have given out most of the grants by the end of August, the first anniversary of the storm.

Some Louisiana officials also point out that the Mississippi program got a public-relations black eye when it turned out that several state lawmakers had won a lucrative legal contract with the program. No accusations of fraud or conflicts of interest have surfaced in Louisiana's program.

That is not much comfort to people like Lisa A. Lincoln, a social worker flooded out of New Orleans who now lives about 130 miles away, near Lafayette. Ms. Lincoln applied for a Road Home grant in August. She was interviewed, her house was inspected and her thumbprint was taken as a fraud-prevention measure.

But she still has not heard if she will get a grant to repair her Creole cottage in the Gentilly neighborhood of New Orleans. The house still needs at least $60,000 worth of work, she said; it took all her insurance money, and help from community groups, to gut it and install some wallboard.

The delay appears to be that the program has to verify that she had insurance, and how much it paid her, she said. "And that could take however long to get," she said. "I'm in limbo."

Dealing with the insurance companies is just one challenge the program has faced, said Michael Byrne, a former New York City firefighter who is now chief program executive for ICF International, the private company the state hired to run the Road Home program.

Complicated federal regulations bar what is called "duplication of benefits," so anyone who received insurance money or housing assistance from a different government agency, like the Federal Emergency Management Agency, has to document it and have it subtracted from the Road Home grant. And there have been computer systems to coordinate, documents to verify, hundreds of people to hire and offices to open across the state and, soon, in Houston.

Even figuring out how much a house was worth before the storm — the cap on the amount of a grant — is difficult, slow and often controversial.

Michael M. Homan, a professor of theology at Xavier University, is among the few who has been told how much he can get to repair his badly damaged house in the Mid-City neighborhood. But Professor Homan thinks the amount he was offered, about $64,000, is too low.

That is because the program assigned a prestorm value to his house of $146,000, less than he paid for it in 2002 and about $40,000 less than the appraisal when he refinanced his mortgage the next year. So he has appealed, and is hoping that

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his grant will be increased. Because he writes about his experiences on the Internet (at michaelhoman.blogspot.com), his results are being anxiously watched by other applicants.

Professor Homan said he was not dissatisfied with the program, compared with his other experiences after the storm. It has been, he said, "a year of incredible frustration," starting when the levees broke. He had flood insurance, but is suing his insurance company, which denied his claim for wind damage.

It is not just the financial strain. As anyone here will tell you, trying to live in New Orleans is hard. Professor Homan, his wife and two children are living in the second story of their tilted house and in a FEMA trailer parked out front. Around them, some houses look abandoned, and a few have waist-high weeds in their yards.

Because housing in New Orleans has traditionally been relatively inexpensive, limiting grants to the prestorm value of a house may keep many people from rebuilding, said Melanie Ehrlich, a professor at Tulane University who is a founder of Citizens Road Home Action Team, a group that is pushing for changes in the state program.

Dr. Ehrlich, a molecular biologist, cites statistics suggesting that before the storm, about 10 percent of the city's houses were valued at less than $50,000, and about two-thirds were valued at less than $125,000, far less than it would cost to build them from scratch. State officials say that low-income homeowners will be eligible for special loans that will be forgiven if they live in their houses for five years.

Salvatore S. Barone may be a test case, of sorts. Mr. Barone and his sister inherited a house in the eastern part of New Orleans after their mother died in 2000. Mr. Barone said that the house was valued at about $72,000, and that a contractor told him it would cost $52,000 to fix the flood damage.

But his situation, like many here, is complicated. His sister, who lived in the house before the storm, failed to pay the insurance or tax bills, probably because she was suffering from dementia, Mr. Barone said, adding that she was now in a nursing home.

A former driver for United Cabs in New Orleans, Mr. Barone said he was disabled by a stroke a decade ago and lives on $699 a month in federal benefits. He is staying in a trailer in rural Mississippi.

Though he has applied for a Road Home grant, Mr. Barone must first get his name on the title to the house, a common problem in New Orleans, lawyers there say.

Paul Tuttle, the pro bono counsel for Southeast Louisiana Legal Services, said that since the storm, his office had heard from hundreds of people living in family homes that they suddenly have to prove they own.

And the issue is critical. In Mr. Barone's case, he said, "I'll be living in a cardboard box under the Interstate if I don't get this grant."

WAR NEWS:

Pentagon To Reevaluate Strategy And Goals In Iraq (WP)

By Ann Scott Tyson

The Washington Post, November 11, 2006

The Pentagon is conducting a major review of the military's Iraq strategy to determine "what's going wrong and should be changed" to attain U.S. objectives in the war-torn country, the nation's top general said yesterday.

The chairman of the Joint Chiefs of Staff, Marine Gen. Peter Pace, initiated the review this fall after starkly deteriorating security in Baghdad led commanders there to rule out any significant cut this year in the level of U.S. troops in Iraq -- now at about 145,000 -- according to senior defense officials and sources.

Pace said he, Army Gen. George W. Casey Jr., the top U.S. commander in Iraq, and Army Gen. John P. Abizaid, who as head of Central Command oversees the U.S. military in the Middle East, are all working on recommendations for how to improve Iraq strategy.

The military's growing view that Iraq is at a crossroads, a belief spurred largely by intensified sectarian fighting and mounting U.S. casualties on the ground, coincides with political pressure in Washington to find alternatives to the current Iraq policy, heightened by this week's election and the Democratic takeover of Congress.

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Pace is scheduled to meet early next week with members of the Iraq Study Group, a bipartisan commission mandated by Congress to review the Bush administration's Iraq policy and propose changes, a senior defense official said. Pace's review and other military recommendations are expected to be merged with the work of the Iraq Study Group as part of a broad effort by the administration to redefine Iraq policy. "It will become part of something bigger," the source said.

"We need to give ourselves a good, honest scrub about what is working, what is not working, what are the impediments to progress, and what should we change about the way we're doing it," Pace said in an interview yesterday with CBS News.

"We'll make the changes that are needed to get ourselves more focused on the correct objectives," Pace said, adding in a later interview that the U.S. objectives are themselves in question.

In a string of television appearances to mark Veterans Day, Pace declined to provide details of any specific recommendations for major military shifts in Iraq, saying that would be "premature" and could compromise the effort. "We should not be signaling to our enemies what we're going to do next," he told MSNBC.

Pace said he and other military officials "continuously review what's going right, what's going wrong, what needs to change" and give the defense secretary and the president their "best military advice."

Still, sources said that Pace's review marks a more fundamental and open-ended look for possible solutions in Iraq than the military has undertaken to date, growing out of a realization that Iraq could descend into chaos and that the current strategy is inadequate.

"The collapse of the strategy in Baghdad . . . caused a very deep introspection by the military," said a source connected to the Pentagon, who spoke on the condition of anonymity because of the sensitivity of the topic.

Asked by one interviewer whether the United States is winning the war in Iraq, Pace replied: "You have to define 'winning.' I don't mean to be glib about that.

"Winning, to me, is simply having each of the nations that we're trying to help have a secure environment inside of which their government and people can function," he said, in remarks that seemed to depart from the administration's more ambitious stated goal of building a democracy in Iraq.

"You are not going to do away with terrorism," Pace continued. "But you can provide governments in Iraq and Afghanistan and elsewhere with enough security capacity to keep the acts below a level at which their governments can function," he said.

Pace's comments also could foreshadow a reassertion of influence by senior officers in the wake of this week's resignation by Defense Secretary Donald H. Rumsfeld, according to military officers and analysts. Moreover, some military officers have voiced concern in recent days that if they do not assert a greater role in formulating a future course in Iraq, that course will be defined for them by the resurgence of congressional Democrats, many of whom favor a withdrawal of U.S. troops.

"Senior military officers in Rumsfeld's watch felt their counsel was only welcomed when it was congenial to Rumsfeld's view, and they now want the whole story, good and bad, to be reflected in whatever strategy the administration pursues," said Loren B. Thompson, a national security expert at the Lexington Institute, a public policy think tank.

Pace said yesterday that he was surprised and saddened by Rumsfeld's resignation, calling him "a strong advocate for all of us in the military." But he also praised President Bush's nominee to replace Rumsfeld, former CIA chief Robert M. Gates, as a "very talented, dedicated patriot." Gates "has a reputation as a man who gets things done, a man who is collaborative and solicits subordinates' opinions," Pace said.

"Unless they get a very hard push-back from Mr. Gates during the early days of his tenure, the officers will try to reassert military control over the strategy in Iraq and the investment agenda," Thompson said.

Pace said the military will forge ahead with its work in Iraq, regardless of the change in civilian leadership at the Pentagon. "The change in leadership itself will not have a direct impact on what we do or don't do in Iraq," he said. "We in the military are used to changes of command."

Military Team Undertakes A Broad Review Of The Iraq War And The Campaign Against Terror (NYT)

By Michael R. Gordon

The New York Times, November 11, 2006

DOJ_NMG_0093250

WASHINGTON, Nov. 10 — Senior military leaders have begun a broad review of strategy in Iraq and other crisis areas in the Bush administration's campaign against terrorism, according to Pentagon officials.

In a closely held effort, Gen. Peter Pace, the chairman of the Joint Chiefs of Staff, has assembled a team of some of the military's brightest and most innovative officers and told them to take a fresh look at Iraq and Afghanistan, among other flashpoints.

Pentagon officials said that the team's objective was to outline a range of options that General Pace might draw on in advising President Bush and Robert M. Gates, selected by Mr. Bush to become defense secretary, as the White House adjusts its strategy in Iraq. Ideas that have been discussed include increasing the size of the Iraqi security forces, along with the American effort to train and equip them, and adjusting the size of the American force in Iraq.

But Pentagon officials stressed that the review extended well beyond Iraq, and that some unorthodox ideas on how to fight terrorism were being weighed. The review reflects the recognition that military efforts need to be part of an overall approach that includes all aspects of American power, including diplomatic and economic.

Pentagon officials said the military review, which formally began Sept. 25, is being coordinated with the rest of the government, but that the military team had not met with members of the Iraq Study Group, the commission that is also looking into options for Iraq. The creation of that commission, headed by a former secretary of state, James A. Baker III, and Lee H. Hamilton, a former chairman of the House Foreign Affairs Committee, had raised the possibility that fundamental decisions on how to proceed in Iraq might be determined largely outside of the Pentagon. The commission is being advised by former military officers, but none of its members have served as senior military commanders.

The team involved in the military review includes Col. H. R. McMaster, the Army officer whose 2005 operation in Tal Afar has been cited as a textbook case in how to wage counterinsurgency in Iraq.

Other military officers include Col. Peter R. Mansoor, the director of the United States Army and Marine Corps Counterinsurgency Center at Fort Leavenworth, Kan., who previously commanded an Army brigade that fought the Mahdi Army militia in 2004 at Karbala.

Col. Thomas C. Greenwood, the director of the Marine Command and Staff College, who oversaw efforts to train Iraqi security forces in Anbar, the restive province in western Iraq, is also on the team. All told, more than a dozen military officers are on the team, which is overseen by Capt. Michael Rogers of the Navy, who serves as a special assistant to General Pace.

Though the review has been under way for six weeks, it has acquired special urgency as a result of the Democratic gains in the election, President Bush's decision to replace Donald H. Rumsfeld as defense secretary and the clamor for some kind of course adjustment in Iraq.

The goal is to finish the review in December, but some of its interim thinking has been made available to the military chiefs, Pentagon officials said.

Initially, the Pentagon tried to keep the existence of the review secret. But in recent days the Bush administration has advertised its willingness to consider fresh approaches in an effort to counter criticism that it was rigidly adhering to a faltering strategy. General Pace referred to the review in general terms in TV appearances today.

"We have to give ourselves a good honest scrub about what is working and what is not working, what are the impediments to progress and what should we change about the way we are doing it to make sure that we get to the objective that we set for ourselves," General Pace said in an interview with CBS. "I am looking at it with the Joint Chiefs. We're making our recommendations. We're having our dialogue."

General Pace said that Gen. George W. Casey Jr., the top commander in Iraq, and General John P. Abizaid, the head of the United States Central Command, were part of the effort.

Mr. Bush is to meet Monday with the commission headed by Mr. Baker and Mr. Hamilton. Others who will meet with the group are Secretary of State Condoleezza Rice; Mr. Rumsfeld; the national intelligence director, John D. Negroponte; Gen. Michael V. Hayden, the director of the Central Intelligence Agency; and Zalmay Khalilzad, the American ambassador to Iraq. The study group is expected to issue its recommendations around Dec. 7.

US Army "To Suggest Iraq Changes" (BBC)

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BBC.com, November 11, 2006

US military leaders are preparing to recommend changes in strategy on Iraq, America's top military officer says.

Chairman of the Joint Chiefs of Staff Gen Peter Pace said commanders were having their own dialogue and would make the changes that were needed.

President George W Bush is to meet members of a panel drawing up proposals for ending the conflict on Monday.

Iraq was a key factor in the Republican defeat in mid-term polls and US defence chief Donald Rumsfeld's resignation.

Mr Rumsfeld will be replaced by former CIA director Robert Gates, a member of the Iraq Study Group set to report to Mr Bush next week.

The White House says it is open to new thinking on the conflict, and correspondents say it would not be surprising if a real change of policy emerged soon.

Gen Pace told CBS that military leaders were taking a hard look at what they were doing in Iraq.

"We have to give ourselves a good honest scrub about what is working and what is not working... and what should we change about the way we are doing it."

But Gen Pace said Mr Rumsfeld's departure would not have a direct impact.

"We continuously review what's going right, what's going wrong, what needs to change," he added.

His comments came as the White House announced Monday's meeting with the bipartisan task force asked by Congress to examine the effectiveness of policy in Iraq.

The panel, which is led by former US Secretary of State James Baker, reportedly think that "staying the course" is an untenable long-term strategy.

It is said to have been looking at two options, both of which would amount to a reversal of the Bush administration's stance.

One is the phased withdrawal of US troops, and the other is to increase contact with Syria and Iran to help stop the fighting.

Democratic Party leaders visiting the White House in the wake of their poll victory have raised the idea of an Iraq summit.

Nancy Pelosi, the Democrat set to be the next speaker of the House of Representatives, has called for a change of strategy, describing the current policy as a "catastrophic path".

In Iraq, the health minister has said between 100,000 and 150,000 civilians have been killed in the war, far more than other previously accepted figures.

Officials say the total is based on estimates of the number of bodies brought to mortuaries and hospitals.

Casualty figures are a controversial topic, with estimates or counts ranging from 50,000 to 650,000 deaths.

Separately, the US military says three of its personnel have been killed in two separate incidents in Iraq.

At least 23 US troops have been killed in November.

In October, at least 105 soldiers were killed, the fourth highest monthly toll since US forces overthrew Saddam Hussein, and the worst for US casualties in nearly two years.

A Budding, Bipartisan Consensus On Iraq (LAT)

By Paul Richter, Doyle Mcmanus

The Los Angeles Times, November 11, 2006

WASHINGTON — With the Democratic capture of Congress boosting pressure for a bipartisan approach to the Iraq war, a rough consensus is emerging that could lead to a new direction and a gradual U.S. disengagement from the costly conflict.

There are those on both sides of the aisle who favor giving the Iraqis firm deadlines for meeting a list of political goals, with the possibility of redeploying U.S. troops if the goals aren't met — a scenario that could lead to withdrawal.

Democratic and Republican leaders also have begun to agree on ideas such as accelerating a shift of U.S. troops from a combat to an advisory role, decentralizing Iraqi government power and launching diplomatic efforts to win support from Iraq's neighbors, including Iran and Syria.

But formidable obstacles remain. Most notably, there is no clear agreement on the key issue of troop withdrawals. Some Democrats have demanded a fixed timetable for a military exit, but incoming Democratic leaders haven't endorsed the idea.

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Similarly, some Republicans — including Sen. John McCain of Arizona — have proposed an increase in U.S. troop strength, if only a temporary one, to give the Iraqi government one more chance to gain control of security in Baghdad. That idea may have lost crucial support with Tuesday's Democratic electoral success.

All of the options have distinct disadvantages. Even so, administration officials, lawmakers, military commanders and others interviewed for this article said that this growing agreement, combined with the passing of a fractious midterm election season, offered a chance for headway.

Two people familiar with the discussions of the Iraq Study Group — a bipartisan commission, backed by the White House and Congress, that will suggest changes in policy — said that one fundamental point the panel was likely to make is that the U.S. commitment to Iraq cannot be open-ended.

"The administration has been saying: 'We cannot afford to lose,' " said one of them, speaking on condition of anonymity when discussing panel views. "But at some point, the question becomes, 'Can we afford to stay?' "

Bush has said he is willing to adjust U.S. tactics but has emphasized that his goal of an Iraq that can defend, govern and sustain itself is unchanged. But like the president, key administration officials have adopted more conciliatory views after the dramatic Democratic takeover of the House and Senate.

"We have to give ourselves a good, honest scrub about what is working and what is not working, what are the impediments to progress, and what should we change," Marine Gen. Peter Pace, chairman of the Joint Chiefs of Staff, said in a CBS News interview Friday.

Considering new angles

Pace said Army Gen. George W. Casey Jr., the top commander in Iraq, and Army Gen. John P. Abizaid, who oversees U.S. forces in the Middle East, were working on a new review.

Stephen J. Hadley, the White House national security advisor, said this week that Bush thinks "we have an opportunity to define a way ahead" that will draw support from Republicans and Democrats as well as from Iraqis.

The agreements on new approaches among Democrats and Republicans carry more weight because they come at a time when centrists are gaining an important role in shaping U.S. foreign policy. Secretary of Defense Donald H. Rumsfeld was expected to be replaced soon by former CIA Director Robert M. Gates. Gates is considered a foreign policy "realist" who has been openly critical of aspects of the Iraq policy.

The Iraq Study Group will have the first opportunity for charting a new path. The congressionally organized panel is stocked with foreign policy centrists from both parties. Led by former Secretary of State James A. Baker III and former Rep. Lee H. Hamilton (D-Ind.), the panel will meet with Bush next week and hopes to release its recommendations by mid-December.

Although officials of the panel have not begun working to reach a formal consensus, it is widely expected that the group will call for engagement with Iran and Syria, proposals that are fiercely resisted by some Democrats and Republicans alike.

Baker and Hamilton have indicated they favor talking to Iran and Syria, as has Gates, who was a member of the panel before his nomination to the Pentagon post. He was replaced Friday by former secretary of State Lawrence S. Eagleburger, another Republican centrist who privately has been fiercely critical of some Bush policies.

Sen. Richard G. Lugar (R- Ind.), who is chairman of the Senate Foreign Relations Committee, and Sen. Chuck Hagel (R-Neb.), another committee member, have indicated they are open to talks with Iran and Syria. Sen. Joseph R. Biden Jr. (D-Del.), who becomes the chairman of the committee when Democrats take over the Senate, also supports the idea of talks.

The proposal for shifting more power out of Baghdad and toward Iraq's Kurdish and Shiite and Sunni Arab regions has been most visibly championed by Biden. But it also has won at least general support from lawmakers of both parties, including Lugar, Sen. Sam Brownback (R-Kan.) and Sen. Kay Bailey Hutchison (R-Texas).

But the idea of breaking the country into three fully independent parts, which Biden has not proposed, has little support because of fears it would lead to "ethnic cleansing" and could draw the neighbors into a protracted regional war.

Spreading power in Iraq

Lawmakers of both parties pressed during the election campaign for an increase in pressure on the Iraqis to reach a power-sharing deal. Yet there is no agreement on how to apply pressure on the factions to make concessions.

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Many Democratic lawmakers support a plan by Sens. Carl Levin (D-Mich.), the incoming Senate Armed Services Committee chairman, and Jack Reed (D-R.I.), a committee member, to begin a "phased redeployment" of U.S. troops in order to force Iraqis to reach an agreement. But the Bush administration and its supporters strongly oppose redeployment.

Since winning control of Congress, Democratic leaders have not pushed for immediate troop reductions and have indicated that they would resist efforts by any of their members to end the mission through a funding cutoff.

Some Iraq Study Group members have appeared interested in at least temporarily increasing U.S. troop strength to see if it would suppress sectarian violence, said people close to the panel. Some insiders referred to the option as "one last chance" when it was raised earlier this fall.

Reed, who has been one of the Democrats' point men on the issue, has signaled that he would not dismiss the idea of a temporary troop increase — as long as the Iraqis were moving toward a political deal.

Still, U.S. military officers are increasingly skeptical that adding more troops to Baghdad would help significantly, because the addition of 4,000 American troops has shown few results. Officers said they believed it would be more useful to add Iraqi military units.

Some U.S. military officers say they sense a growing consensus in Washington for imposing firmer deadlines and reducing U.S. troop presence. Some said they believed that would be the right move.

"The John Kerry position of timetables as a forcing mechanism for the Iraqis to get their act together is not that far off from what other people [involved in the U.S. effort in Iraq] are saying," said one officer, referring to a proposal by the Democratic Massachusetts senator.

'Old bulls' as guides

A Senate Republican aide agreed there were wide agreements emerging on possible policy shifts. Speaking on condition of anonymity when discussing senators' views, the aide said the "old bulls" who dominated the Foreign Relations and Armed Services committees would guide Senate consideration of the alternatives.

Bush has invited suggestions but has not signaled a shift in his Iraq policy. The president "keeps talking about victory," said David Gergen, an aide to Democratic and Republican presidents. "It may be that he plans to define 'victory' down. Or it may be that he hasn't decided to change the policy very much."

One U.S. official said that the administration had entered a more pragmatic phase and would "look again at what's workable." Officials "were going to go this way, no matter who won, once the glare of the political campaign was over," said the official, who declined to be identified because he was not authorized to speak on the policy.

He said the emphasis would be on looking for "some kind of Iraqi entity that holds together, that meets at least the minimum requirements for a state."

But he cautioned that the options under discussion by outsiders had been weighed — and several already tried out — by the administration. For example, officials have sought ways to compromise with insurgents, he said.

Other options that seem appealing "may have too high a price," he added, referring to the idea of negotiating with Syria and Iran. Iran, for example, could demand that the U.S. drop its effort to halt the Iranian nuclear program, he said.

With the Iraq war entering its fifth year in 2007, some of the observers said solutions would be difficult to find and implement, even for the high-powered Iraq Study Group.

"It's not going to be a magic bullet," said an official at the U.S. Institute of Peace, the government-funded think tank that has provided the commission with offices and staff.

A Salute To Duty And Sacrifice (WP)

By Leef Smith

The Washington Post, November 11, 2006

Norman Halfpenny heard the first strains of "The Marines' Hymn" and snapped to attention, his 73-year-old body not quite as straight as when he served as a young man in Korea and Vietnam.

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He was joined yesterday by thousands like him, hundreds in wheelchairs, their hair grayed by time. Many traveled thousands of miles for this moment, on the 231st anniversary of the Marine Corps, to gather on a grassy promenade near the Quantico Marine Corps Base, to remember and cry and celebrate the opening of the National Museum of the Marine Corps.

"I made sure he got here," said Halfpenny's wife, Paulette, 63, gripping her husband's uniformed knee. The couple donated $4,000 toward the construction of the $90 million facility and traveled from their home in Arizona for the ceremony. They wanted to be among the first to visit the striking museum, designed on a sharp angle reaching skyward to invoke one of history's most famous images -- the flag being raised over Iwo Jima during World War II.

Halfpenny wanted to talk about his years of service, about the combat he saw in Korea at the famed Chosin Reservoir, where Marines valiantly fought the Chinese, but he was halted by his own tears.

"It's the Corps," he said, weeping. "Once a Marine, always a Marine."

Visitors, many in uniform, showed up hours early for the dedication ceremony, waiting eagerly for an address by President Bush, who arrived to thunderous applause. He hailed the museum as the military's most modern, giving visitors an appreciation for what it's like to serve.

"For too long, the only people to have direct experience of the Marine Corps have been the Marines themselves and the enemy who has made the mistake of taking them on," Bush said. "The Marines believe you can't know what you stand for if you don't know where you come from. The history of the Corps is now preserved behind these walls. These walls remind all who visit here that honor, courage and commitment are not just words. They are Corps values for a way of life that puts service before self."

The museum, which opens to the public Monday, is the creation of the Marine Corps and the Marine Corps Heritage Foundation, which raised $60 million for its construction. The Marine Corps provided another $30 million to fill out the museum's interior, which will include more than 1,000 artifacts, 1,800 photographs and personal letters from the battlefront.

The museum is split into separate galleries that focus on many of the major wars, including one gallery called "Global War on Terrorism," which displays photographs, combat art and maps fresh from battlefields in Iraq and Afghanistan. Other galleries to be installed later include ones on the Colonial period, the Civil War era and World War I.

The museum is filled with iconic artifacts -- a Grumman F9F-2B Panther, its first widely used jet; a Bell UH-1E Huey, the ubiquitous Vietnam War helicopter; the pair of American flags raised at Mount Suribachi on Iwo Jima.

Museum exhibits also include personal artifacts, such as the Medals of Honor awarded Sgt. Maj. Daniel J. Daly, often referred to as "the outstanding Marine of all time," for his heroics during the Boxer Rebellion in 1900 and the first Haitian campaign in 1915. Also on display is the M40A1 sniper rifle used by Lance Cpl. Charles Benjamin "Chuck" Mawhinney in Vietnam, where he killed a confirmed 103 enemy soldiers. And there is the overseas cap worn by legendary Maj. Gen. John A. Lejeune, who fought in World War I.

The museum, in the southeastern end of Prince William County, is expected to boost tourism and economic development in an area that has struggled. It is off Route 1 and will be open daily from 9 a.m. to 5 p.m. Admission is free. Fees will be charged for two interactive experiences -- a flight simulator and target practice.

Lou Burg, 85, flew in from Los Angeles with his daughter Myra, 47, to witness the moment. He served three years in the Corps and was a 2nd lieutenant at Iwo Jima, the bloodiest battle for the Corps during World War II. It was there that 6,800 U.S. troops, mostly Marines, were killed and nearly 20,000 were wounded during a 36-day assault that began Feb. 19, 1945.

Yesterday, Burg dressed in his red satin survivors jacket, shaking the hands of fellow Marines and soaking in the significance of his contribution. "It's important for me to be here for my children, and it's important for me to be here because of this organization," Burg said. "Mostly it's important for me to be here for my wife."

She died last year, and, to honor her, Burg had purchased a brick that was used to build the pathway outside the museum.

James Lewis, 75, saw action in Korea, fighting at Chosin Reservoir in 1950. Many did not survive the Marines' fighting withdrawal.

Yesterday, Lewis proudly wore a T-shirt that bore the words "The Chosin Few."

"This means everything to me," said Lewis, who watched the ceremony from a wheelchair.

"He's planned this for a year," said his wife, Jean, 63. The couple traveled from Houston to attend.

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Before closing the ceremony, Bush told the story of Marine Cpl. Jason Dunham of New York, who would have turned 25 yesterday had he not been killed in combat two years ago. The young soldier threw himself on a grenade to save two fellow Marines.

Yesterday, Bush announced that Dunham would receive the Medal of Honor, the military's highest honor.

"As long as we have Marines like Corporal Dunham, America will never fear for her liberty," said Bush, who wiped a tear shortly after Dunham's parents were honored with a standing ovation. "As long as we have this museum, America will never forget their sacrifice."

Marines, Bush Dedicate Museum (WT)

By Tarron Lively

The Washington Times, November 11, 2006

President Bush yesterday attended the dedication ceremony for the National Museum of the Marine Corps in Quantico, Va., an event nearly 20 years in the making.

Mr. Bush and thousands of current and retired Marines converged on the Marine Corps base to celebrate the opening of museum. The dedication coincided with the 231st anniversary of the Marine Corps.

After a 21-gun salute and a flyover of four F-18 jets, Mr. Bush told the crowd that the museum will honor past and present Marines and preserve the Corps' history for future generations.

"For too long, the only people to have direct experience of the Marine Corps have been the Marines themselves -- and the enemy who's made the mistake of taking them on," Mr. Bush said, drawing cheers and applause.

"In this museum, you'll experience life from a Marine's perspective. You'll feel what it's like to go through boot camp, make an amphibious landing under fire or deploy from a helicopter in Vietnam."

The museum opens to the public Monday and is expected to attract 250,000 to 600,000 visitors annually. Admission is free.

"The museum will not make you into a Marine -- only a drill instructor can do that," Mr. Bush said. "But by putting you in the boots of a Marine, this museum will leave you with a rich appreciation for the history of the Corps."

The 118,000-square-foot museum is adjacent to the base. The building's skyline is designed to suggest the five Marines and one Navy corpsman raising the flag at Iwo Jima in 1945.

"Marines put a great deal of stock in history," said Gen. Michael W. Hagee, the commandant of the Marine Corps. "We use it for two reasons. One, to inspire us and, two, to educate us. This museum, I believe, will do that not only for the Marines, but for the American public."

The museum is the centerpiece of the Marine Corps Heritage Center on 135 acres, donated by Prince William County, between Interstate 95 and Route 1 opposite the main gate of the Quantico base.

When completed, the complex will include a parade deck, memorial walking trails, a chapel, an Imax theater, a conference center and a hotel.

In the late 1980s, Congress authorized each military service branch to develop its own national historic center.

Construction of the Marine museum began in 2004.

"It is here that the proud history of the United States Marine Corps will be appreciated, reflected upon and enjoyed like never before," said Ron Christmas, a retired lieutenant general and president of the Marine Corps Heritage Foundation, which spearheaded the building of the museum.

During the two-hour ceremony, Mr. Bush announced that Cpl. Jason L. Dunham, of Scio, N.Y., would posthumously receive the Medal of Honor, the United States' highest military decoration.

Cpl. Dunham, who was killed near Karabilah, Iraq, in 2004 while shielding fellow Marines from a hand grenade, would have been 25 years old yesterday.

"You might say he was born to be a Marine," Mr. Bush said to Cpl. Dunham's parents, Dan and Deb Dunham, who were in attendance.

Jim Lehrer of PBS' "The NewsHour," who served three years as an infantry officer in the Corps, said such actions of courage are common for Marines.

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"The death rate among Marines in Iraq has been more than double that of the other service," Mr. Lehrer said. "That's a first-to-fight, first-wave pattern that has pretty much held since the Revolutionary War ... whatever needs to be done, particularly if the need is for it to be done well, and be done immediately."

Today the Marine Corps Heritage Foundation will hold a memorial to honor deceased Marines.

Selfless Courage: Marine Is Awarded Medal Of Honor (WSJ)

By Michael M. Phillips

The Wall Street Journal, November 11, 2006

QUANTICO, Va. -- Cpl. Jason Dunham, a charismatic kid from small-town America, received the Medal of Honor for sacrificing himself to protect his fellow Marines from an Iraqi hand grenade.

President George W. Bush announced the award -- the country's highest honor for military valor -- at the opening of the Marine Corps museum here yesterday. It would have been Cpl. Dunham's 25th birthday.

"As far back as boot camp, his superiors spotted the quality that would mark this young American as an outstanding Marine: His willingness to put the needs of others before his own," Mr. Bush said. "As long as we have Marines like Cpl. Dunham, America will never fear for its liberty."

Maj. Trent Gibson, then commander2 of Kilo Co., Third Battalion, Seventh Marines, visits the scene of the grenade attack with reporter Michael Phillips.

On patrol on April 14, 2004, Cpl. Dunham found himself engaged in hand-to-hand combat with an insurgent near the Syrian border. When his attacker dropped a live hand grenade, the Marine made the split-second decision to cover the weapon with his own helmet, shielding two of his men from its full explosive force.

The other Marines staggered away from the blast, injured but alive. Cpl. Dunham suffered deep shrapnel wounds to the brain. He survived eight days in a coma, only to die with his parents at his bedside. He was 22 years old.

"There's not a day that goes by that I don't think about it," said Cpl. William Hampton, one of the Marines fighting beside Cpl. Dunham when the grenade exploded. The explosion left Cpl. Hampton, a 24-year-old from Woodinville, Wash., peppered with shrapnel. "I see my arms, I see my leg. I'm always reminded of it."

Cpl. Dunham grew up in Scio, a one-stoplight town in western New York. His father, Dan Dunham, works in a nearby factory; his mother, Deb Dunham, teaches home economics. Jason was the oldest of four children and a star athlete, with a winning grin and a natural kindness.

He was an eager volunteer when the Marine recruiter spotted him at the local Kmart before his senior year in high school. Soon his lead-from-the-front approach won him the admiration of those above and below him, and he was given command of a 10-man infantry squad when his unit -- Kilo Co., Third Battalion, Seventh Marine Regiment -- deployed in early 2004 to the hostile desert towns of Husaybah, al Qa'im and Karabilah.

Due to complete his enlistment that July, Cpl. Dunham extended his service by several months to remain in Iraq through the battalion's entire combat tour because, as he told a friend at the time, "I want to make sure everyone makes it home alive."

In the days after he was injured, Cpl. Dunham passed through a series of military hospitals and underwent brain surgery. He never, however, awoke from his coma. His parents met him at the National Naval Medical Center in Bethesda, Md., expecting to spend months nursing their son back to health. Instead, doctors told them that the damage was too severe and that the corporal would never again understand the world around him. Following the instructions Cpl. Dunham left in his living will, the Dunham s authorized the doctors to remove him from life support.

"In the end, Cpl. Dunham, you proved that one man can make a difference," his former company commander, Maj. Trent Gibson, said in June at a ceremony renaming Scio's post office after the fallen Marine. "You proved to be utterly selfless, uniquely compassionate, and absolutely committed to your men...You were that which we all strived to be. And you were somehow more pure."

A photo of the shredded remains of the corporal's helmet was among the pieces of evidence the battalion included when it nominated the corporal for the Medal of Honor shortly after he died.

Cpl. Dunham's life and death were chronicled in a page-one story in The Wall Street Journal on May 25, 2004.

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The award is often called the Congressional Medal of Honor because Congress authorized it during the Civil War. Including Cpl. Dunham's, 3,462 medals have been awarded, according to the Congressional Medal of Honor Society. Cpl. Dunham's is the second awarded for gallantry in the Iraq war. The first went to Army Sgt. 1st Class Paul R. Smith, who was killed while manning a machine gun against scores of Iraqi soldiers at Baghdad's airport in April 2003.

The president is expected to present the medal itself to Cpl. Dunham's parents at a White House ceremony at a later date.

Medal Of Honor Granted To Slain Marine (LAT)

By James Gerstenzang

The Los Angeles Times, November 11, 2006

WASHINGTON — On what would have been the 25th birthday of Marine Cpl. Jason Dunham, President Bush said Friday that the Marine would be posthumously awarded the Medal of Honor, the nation's highest decoration for valor.

Dunham, from Scio, N.Y., was 22 when he died from his wounds in April 2004, eight days after using his body and helmet to save two fellow Marines from an insurgent's grenade.

Bush recounted Dunham's exploit during a ceremony marking the opening of the National Museum of the Marine Corps at Quantico, Va.

A machine-gunner, Dunham was leading a squad manning a checkpoint in an Iraqi town near the border with Syria. As Dunham searched a vehicle, "an insurgent jumped out and grabbed the corporal by the throat," Bush said. Dunham engaged him in hand-to-hand combat, and shouted to his fellow Marines, "watch his hand."

A grenade rolled out, Bush said, adding, "Cpl. Dunham did not hesitate; he jumped on the grenade to protect his fellow Marines."

Dunham, who was with Kilo Company, 3rd Battalion, 7th Marine Regiment, based in Twentynine Palms, will be the first Marine to receive the nation's highest medal for bravery for combat since the war in Vietnam.

The award ceremony will be at the White House at a date to be selected by Bush and the Dunham family.

The president presented Dunham's actions as a reflection of the history of the Marine Corps.

"Years from now, when America looks out on a democratic Middle East growing in freedom and prosperity, Americans will speak of the battles like Fallouja with the same awe and reverence we now give to Guadalcanal and Iwo Jima," the president said to an audience of about 10,000, among them Dunham's parents.

The museum, dedicated on the 231st anniversary of the founding of the Marine Corps, is designed to evoke the photograph of the raising of the flag at Mt. Suribachi on Iwo Jima, during World War II, and to portray the Marine experience.

"In this museum, you'll feel what it's like to go through boot camp. No thanks," said Bush, who was a member of the Texas Air National Guard during Vietnam.

Marine To Receive Medal Of Honor For Iraq Heroism (CNN)

CNN.com, November 10, 2006

(CNN) -- President Bush announced on Friday that the Medal of Honor, the nation's highest military decoration, will be awarded posthumously to Marine Cpl. Jason Dunham.

In April 2004, Dunham was leading a patrol in an Iraqi town near the Syrian border when the patrol stopped a convoy of cars leaving the scene of an attack on a Marine convoy, according to military and media accounts of the action.

An occupant of one of the cars attacked Dunham and the two fought hand to hand. As they fought, Dunham yelled to fellow Marines, "No, no watch his hand." The attacker then dropped a grenade and Dunham hurled himself on top of it, using his helmet to try to blunt the force of the blast.

Still, Dunham was critically wounded in the explosion and died eight days later at Bethesda Naval Hospital in Maryland.

"As long as we have Marines like Corporal Dunham, America will never fear for her liberty," Bush said Friday as he announced that Dunham would receive the award. Bush spoke at the dedication of the National Museum of the Marine Corps in Virginia. (Watch announcement of award at museum -- 1:27)

"His was a selfless act of courage to save his fellow Marines," Sgt. Maj. Daniel A. Huff of the 3rd Battalion, 7th Marine Regiment, was quoted as saying in Marine Corps News that April.

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"He knew what he was doing," Lance Cpl. Jason A. Sanders, 21, of McAllester, Oklahoma, who was in Dunham's company, was quoted as saying by Marine Corps News. "He wanted to save Marines' lives from that grenade."

In various media accounts, fellow Marines told how Dunham had extended his enlistment shortly before he died so he could help his comrades.

"We told him he was crazy for coming out here," Lance Cpl. Mark E. Dean, 22, from Owasso, Oklahoma, said in Marine Corps News. "He decided to come out here and fight with us. All he wanted was to make sure his boys made it back home."

"He loved his country, believed in his mission, and wanted to stay with his fellow Marines and see the job through," Vice President Dick Cheney said when speaking of Dunham's heroism at a Disabled American Veterans conference in July 2004.

The Scio, New York, native would have been 25 years old on Friday.

In a letter urging Bush to honor Dunham with the Medal of Honor, Sen. Charles Schumer, D-New York, called the Marine's actions "an act of unbelievable bravery and selflessness."

Dunham's story was told in the book "The Gift of Valor," written by Wall Street Journal reporter Michael Phillips.

Dunham will be the second American to receive the Medal of Honor from service in Iraq.

Army Sgt. 1st Class Paul Ray Smith was the other, honored for action near Baghdad International Airport in April 2003, in which he killed as many as 50 enemy combatants while helping wounded comrades to safety. Smith was the only U.S. soldier killed in the battle.

At Dusty Outpost In Iraq, Cake Is Cut For Marines Young And Not So Young (NYT)

By C. J. Chivers

The New York Times, November 11, 2006

OUTPOST VIKING, Iraq, Nov. 10 — Capt. James W. Mingus faced another platoon of his marines. They stood in their fire-retardant uniforms, wearied and hungry, weapons slung across their chests and backs.

A birthday cake was on the table in front of them. One piece had been cut out with a bayonet.

The captain, 37 and the oldest marine in the rifle company he commands, had just given that piece to the platoon's youngest marine, Lance Cpl. T. J. McDowell, who is 20.

"Two hundred and thirty-one years," the captain said.

"Tradition. This is what makes us different. This is what sets us apart."

The Marine Corps celebrated its 231st birthday on Friday, an event that passes with little notice outside the corps's insular ranks, but is an essential ritual within, especially now, as the policies guiding the war seem certain to change and the reasons that brought the marines here are less clear.

No matter the changes in Washington, here in this forward base in Anbar Province, Company F, Second Battalion, Eighth Marines marked the day with the same insistence on ceremony that surrounds marines from their first seconds before an enraged drill instructor to the folded flag at the grave.

As each platoon came in from their duties on patrol or manning posts at Outpost Viking's walls, a ceremony repeated itself: a reading of a traditional birthday message from 1921, a reading of a message from the current commandant and then the cake, passed symbolically from one generation to the next.

"When were you born, Graham?" a marine called out, just before one platoon's cake-cutting ceremonies began.

Cpl. Jeremy L. Graham, who had hit four bombs in three months while riding in vehicles, and who was blasted once more on a foot patrol, answered without a pause: "1775," he said, using the year that the Marine Corps first took up arms, in a Pennsylvania tavern.

Every year, and everywhere, it is the same, even now.

The graying marines remind marines who are new to shaving: You are part of an outfit, storied and bloodied, that is older than the nation it serves. You are one of us. Pass it on.

In peacetime it can be poignant, as the ceremony, held in veteran halls and bases, invariably attracts veterans from several generations and wars.

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In Outpost Viking, which is little more than a sandbagged fortress ringed by an insurgency that hounds the marines at each turn, Captain Mingus and his noncommissioned officers needed few words. The youngest marines here already know much of what veterans tell; there are 22-year-olds on their third combat tours.

Second Battalion, Eighth Marines has been in Iraq on this rotation for a little more than three months.

Nearly 15 percent of the battalion's marines have been wounded. Five marines and one of their interpreters have been killed and 31 marines have been wounded seriously enough to require evacuation back to the states.

Each week, the number of wounded climbs. On Thursday, an improvised explosive struck a vehicle in the battalion's Weapons Company, sending shrapnel into the right leg of Lance Cpl. William J. Thorpe and shattering Lance Cpl. Daniel B. Nicholson's face.

(The week before, Lance Corporal Nicholson had said a prayer for the recovery of another marine, Lance Cpl. Colin Smith, who had been shot through the head. Now, Lance Corporal Nicholson was in a military hospital in Germany, with the others praying for him.)

Captain Mingus told the marines to observe this day every year, no matter where they were. "If you have two marines in a fighting hole somewhere, find a Twinkie, cut it in half and say, 'Happy birthday, marine,' " he said.

The hearty greetings belied an underlying unease that these men confront each day, and it was noticeable in what was left unsaid. There was little talk on Friday of saving Iraq. And there was a message implicit in the older marine's words.

Gradually, as months and tours have passed here, blending into years inside a country that has slipped out of everyone's control, the list of reasons for fighting has changed. First it shifted from finding weapons of mass destruction to removing a dictator to building a stable, democratic Iraq.

Eventually, when talk of stability in Iraq gave way to questions of whether the spasms of sectarian violence could be properly called a civil war, the marines' reasons for fighting shrank further, down to more basic things.

The captain and the others who spoke steered wide of politics, but that wide steer was noticeable. They spoke instead of fundamental sentiments, those that have always been first and last on a marine's list of reasons to fight.

Five years after the Sept. 11 attacks in the United States, and almost four years after the troops prepared to invade Iraq, many of the marines in the battalion, in their quiet times in the weeks before this day, have said they fight for two things: the corps's tradition and reputation, and for the man on their left and right.

Their Iraq is a land of dangers and deceptions, an endless test and a daily set of deadly traps. Each marine's own future can feel like an abstraction when a patrol is heading out. It is difficult to see the hidden bombs. It is harder still to see the future of Iraq, or how any of this might end.

Friday was the birthday. Each of the marines stepped into the line, just as they always do.

Five times, the cakes were cut with bayonets and pieces handed out. Then the marines filed through a field kitchen and were served lobster, steak, crab legs and shrimp. Even the exhausted smiled, leaning against blast walls designed to keep out the frequent mortar fire.

Many were bedecked with charms, a collection that provided a measure of how deeply into the combat culture these young marines had already passed. The charms were small keepsakes, often not obvious, taken from churches, homes or firefights and designated as talismans of luck.

Lance Cpl. Elijah D. Henry, from North Carolina, came for his cake. He wore a big knife. Its handle was carved from the antlers of the first deer he killed, a six-point whitetail he shot at his uncle's deer camp in southern Georgia.

He is half Irish and half Cherokee. In his pocket was a small leather bag with more charms, 100-year-old tobacco — grown by the oldest living Cherokee, he said — along with a pinch of sage, a ruby, dirt from every country he has ever visited and a shell from the 21-gun salute for his late grandfather, who was a P.O.W. in World War II.

"I guess you heard about my squirrel tails?" he said.

"I get them blessed and hand them out to my friends."

So far, he said, he had handed out five.

Cpl. Daniel M. Greenwald, from Rockland County, N.Y. passed through the line. He had threaded a dog-tag chain through the mangled remains of a Kalashnikov bullet, which on Sept. 2 hit him on the helmet and knocked him flat.

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His head was soaked in blood from the impact of the helmet on his forehead, but the Kevlar kept the bullet out. Now he carries the broken bullet wherever he goes, hoping that bullets, like proverbial lightning, will not strike twice.

The battalion commander arrived and said that the battalion's snipers had just shot three Iraqi men who were burying a bomb beside a bridge near Saqlawiya, a town not far away.

One of the insurgents was killed instantly, he said.

The other two had been wounded, and had stumbled off into the marsh and reeds. Marines were out following their blood trails, a birthday spent on the job.

Blair To Give Iraq Evidence To Baker (FT)

By James Blitz

Financial Times, November 11, 2006

Tony Blair will next week give evidence to the Iraq Study Group led by James Baker, the former US secretary of state, in the first indication Britain is being consulted by Washington over potential change of policy on the war.

As he continues the task of presenting a range of new policy alternatives on Iraq for President George W. Bush, Mr Baker is expected to interview the UK prime minister by means of a video link on Tuesday.

The decision by the Iraq Study Group to interview Mr Blair is an important boost for Downing Street, amid fears that Britain might be excluded from the US reassessment of Iraq policy following the Democrats' victory in the congressional elections.

Downing Street last night gave no details of what Mr Blair would tell Mr Baker and his co-chairman, retired US congressman Lee Hamilton. However, the prime minister is expected to set out his latest thoughts on Iraq on Monday in his annual Mansion House foreign policy speech.

Mr Blair is certain to tell Mr Baker that the US and UK must not "cut and run", remaining in Iraq until Baghdad can manage the security situation on its own. Mr Blair has told allies he is confident that the Baker-Hamilton committee will make no such recommendation.

Margaret Beckett, UK foreign secretary, spelt out the UK's position this week saying there would be no "precipitate" moves to withdraw UK troops. However, the prime minister is likely to be probed on the extent to which he believes Syria and Iran can be involved in attempts to put Iraq on a stable footing.

Mr Blair has recently launched a diplomatic initiative towards Syria, sending his most senior foreign policy adviser to Damascus to meet President Bashar al-Assad.

Mr Blair is looking to see whether Syria can be coaxed into playing a constructive role in attempts to revive the peace process between Israel and the Palestinians.

In recent weeks, Mr Blair has expressed no enthusiasm for engaging Syria and Iran in plans to put the Iraqi government on a firmer footing. He believes that the Iranian regime must be firmly faced down in its bid to acquire nuclear weapons.

However, recent leaks of the Baker-Hamilton committee's findings suggest that the ISG is looking at whether the Syrian and Iranian regimes can be involved in attempts to stabilise the situation in Iraq.

U.S. Gov't Office In Iraq Attacked (WT/AP)

By SAMEER N. YACOUB

The Washington Times/AP, November 11, 2006

BAGHDAD, Iraq (AP) -- The U.S. government's office in central Iraq came under mortar fire early Saturday, an attack that touched off a blaze in part of the complex, Iraqi police said. There was no immediate word on damage or casualties.

In the western city of Tal Afar, two suspected insurgents were killed during an overnight search for those behind a suicide bombing Friday that killed six Iraqi soldiers in the western city of Tal Afar.

Hand grenades and 20 AK-47 assault rifles were seized in the raid just east of the city, along with fake ID cars and passports, cell phones, and a pair of pickup trucks, police Brig. Najim Abdullah al-Jubouri said.

Al-Jubouri identified those killed as Zainal Abdul-Ghani Younis al-Haider and Bakir Khuweiret, and said 10 terrorist suspects were arrested.

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The mortar attack was at least the second reported in recent weeks against the U.S. office in Hillah, which oversees government and diplomatic interests in the central Euphrates region, about 60 miles south of Baghdad.

Nine of the 10 mortar bombs fired landed inside the complex, police Capt. Muthanna Khalid Ali said.

He said U.S. and Iraqi forces sealed off the area and there was no word on damage or injuries.

U.S. diplomats usually refuse to comment on such reports to avoid releasing sensitive information to insurgents. Calls and e-mail seeking confirmation were not immediately returned by U.S. Embassy spokesmen in Baghdad.

Inaccurate but highly mobile, the mortar is growing increasingly popular among Iraqi fighters because it can be fired from a secure location several miles from a target and then quickly hauled away or hidden. Some insurgent groups mount the weapons on pickup trucks, remaining in constant motion except when firing.

Tal Afar has suffered scattered insurgent attacks, even after Bush in March declared the city an example of progress made in bringing security to Iraq. Tal Afar lies 90 miles east of the Syrian border, 260 miles northwest of Baghdad.

Also Saturday, a bomber drove a car rigged with explosives into the police station in the northern town of Zaganya, killing the police chief, burning four vehicles, and badly damaging the building, the provincial police information office said.

In nearby Baqouba, 35 miles northeast of Baghdad, a staffer with the local agriculture directorate, Zuhair Hussein Alwan, was shot and killed by unknown assailants

Two bodies that had been bound and shot in the head and chest were pulled from the Tigris River Saturday morning in Suwayrah, 25 miles south of Baghdad. Scores of such bodies are recovered around Iraq each week, most believed to be the victims of sectarian death squads, morgue administrator Maamoun al-Ajili said.

Hang Hussein Fast, Clerics Say (LAT)

By Louise Roug

The Los Angeles Times, November 11, 2006

BAGHDAD — Addressing worshipers for the first time since the conviction of Saddam Hussein, many of Iraq's Shiite Muslim preachers called Friday for the speedy hanging of the former president.

Hussein, a Sunni Muslim who long repressed Iraq's Shiite majority, should be executed in public between two of the holiest Shiite sites in Iraq, a cleric demanded during his sermon in Karbala. "It's the least that could be done to this tyrant for the atrocious crimes he has committed, in this city in particular," said Sayyed Ahmed Safi, a preacher close to Grand Ayatollah Ali Sistani, the country's preeminent Shiite cleric.

Hussein was sentenced Sunday to death at the gallows in connection with his role in the killing of 148 Shiites from the village of Dujayl after a 1982 attempt to assassinate him. Dujayl was a stronghold of the devout Shiite activists who now dominate Iraq's political and religious institutions.

U.S. officials had hoped the trial of Hussein, toppled in the 2003 U.S.-led invasion, would help unite Iraq. But many now believe the verdict is heightening ethnic and sectarian tensions. Shiites in eastern Baghdad and other areas where they are concentrated cheered the decision in mass rallies as angry Sunni Arabs marched in large demonstrations north of the capital.

Speaking to worshipers in the Shiite holy city of Najaf, preacher Sadruddin Qubanchi called for Hussein to go to the gallows as soon as possible. Qubanchi likened his execution to "decapitating a snake," saying it would signify "the end of terror."

"The verdict of death is less than what he deserves," said Qubanchi, telling a crowd that Hussein's hanging would signal a new beginning for Iraq by putting an end to hopes of Hussein's supporters that he could ever return to power.

Worshipers chanted, "Execution is the least for Saddam!"

In the capital's eastern Sadr City slum, a Shiite stronghold, Sheik Abdul Zahra Swaidi told a large crowd that Hussein was getting what he deserved.

"Saddam's family and followers stole Iraq's wealth and are paying for killings, displacement, assassinations," Swaidi said. "We ask the government and the court to carry out Saddam's execution — Iraqis demand it."

A legal expert in the Dujayl case said Hussein could be executed inside the notorious Abu Ghraib prison within the next four or five months. Prime Minister Nouri Maliki, a Shiite, has said Hussein could be hanged by the end of the year.

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International observers have questioned the fairness of the trial. Some say the U.S.-backed court was illegitimate and the proceedings deeply flawed, and they note that the verdict came two days before America's midterm election.

Egyptian President Hosni Mubarak warned this week that the execution of Hussein would deepen sectarian and ethnic strife and "explode violence like waterfalls in Iraq."

Leaders of other key American allies, such as Saudi Arabia and Jordan, have not criticized the verdict.

At a mosque in the southern Iraqi city of Kufa, Shiite cleric Juma Khafaji called for the government to speed up Hussein's execution. Khafaji, who is close to the anti-American Shiite cleric Muqtada Sadr, warned other countries not to interfere to protect Hussein and lashed out at those who stood by "when Hussein was killing the Iraqis."

In Iraq, Sunni Arab politicians have protested the verdict, saying it was the foregone result of a biased court.

Qubanchi in his sermon on Friday said Sunni Arab lawmakers had "made politics more chaotic" and warned Sunni blocs to "forget about Saddam."

In Baghdad, meanwhile, Sunni preacher Hashim Yahya preached reconciliation to a crowd in a mosque but also issued not-so-veiled warnings to Shiite power brokers.

"Iraq has, regrettably, become a field for settling scores," he said. "Those who are powerful now must always remember God's might and power. The oppressed Iraqis will eventually question the officials about their deeds."

Nat'l Guard Units Face 2nd Tours In Iraq (AP)

By Lolita C. Baldor,

AP, November 11, 2006

The nation's citizen soldiers, already strained by long tours in Iraq and Afghanistan, could be tapped again under new plans being developed by the Pentagon.

National Guard combat brigades that have already served in Iraq may be called for a second tour, likely breaking the 24-month deployment limit initially set by the Pentagon, the Guard's top general said.

While active-duty soldiers and smaller Guard units and members have returned to Iraq for multiple tours, the new plans would, for the first time, send entire Guard combat brigades back to the battlefront. Brigades generally have about 3,500 troops.

The move — which could include brigades from Arkansas, Florida, Indiana and North Carolina — would force the Pentagon to make the first large-scale departure from its previous decision not to deploy reserves for more than a cumulative 24 months in Iraq.

For some units, a second tour would mean they would likely exceed that two-year maximum. The planning was described by Lt. Gen. H. Steven Blum, who commands the Guard, in an Associated Press interview this week.

In a related move, the Pentagon is preparing to release a list of active units — and perhaps reserves as well — scheduled to go to Iraq that would largely maintain the current level of forces there over the next two years, another senior defense official said Thursday. There are about 152,000 U.S. troops in Iraq.

That official requested anonymity because the plan has not been made public.

The Pentagon routinely notifies units to prepare for deployment, knowing it is easier to cancel a move overseas than to suddenly make such a large troop movement.

It was not clear whether this week's resignation of Defense Secretary Donald H. Rumsfeld would affect deployment plans. President Bush has selected former CIA chief Robert Gates, who has criticized U.S. policy in Iraq, to replace Rumsfeld, but he has not yet been confirmed by the Senate.

"We are doing contingency planning for one or two (units), and we have contingency plans for more than two if necessary," Blum said Wednesday. The North Carolina brigade, he said, is being considered since it was one of the first to go to Iraq after the war began in 2003.

Blum also said defense officials have been discussing whether they need to adjust their policy that limits the deployment of reserves in the war to 24 months.

"When that policy was originally formulated, I seriously doubt anyone thought we would be where we are today, at the level of commitment that is necessary today," he said.

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Just last month, defense officials said the Marines are drawing up similar plans that would for the first time send some reserve combat battalions back to Iraq for a second tour.

Under the authority by which Bush ordered a call-up of the Guard and Reserve after the Sept. 11, 2001, terrorist attacks, troops could be mobilized an unlimited number of times as long as each mobilization is no longer than 24 consecutive months.

Until now, Pentagon officials have interpreted that as 24 cumulative months.

While the ultimate goal for the National Guard is to deploy one year overseas and spend six years at home, Blum said current demands could force soldiers to deploy as often as one year every three or four years.

Blum said he believes that Guard combat brigades are prepared and willing to make a second trip to Iraq if needed.

He said the first units to deploy in the war — such as the 30th Infantry Brigade from North Carolina, the 76th Infantry Brigade from Indiana, the 53rd Infantry Brigade from Florida and the 39th Infantry Brigade from Arkansas — would probably be among those first called for a second tour.

"Logic would lead you to go back to the ones that went first, and start going around again," said Blum. "But that's probably not exactly how we'll do it" because the decision will depend partly on what types of units are needed.

Blum also said the Pentagon will no longer break up the brigades and send them to war in smaller units. He said Guard brigades are more effective working as teams.

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On the Net:

Defense Department: http://www.defenselink.mil

Guard Units Could Do 2nd Tour In Iraq (LAT/AP)

The Los Angeles Times, November 11, 2006

WASHINGTON — The Pentagon is developing plans that for the first time would send entire National Guard combat brigades back to Iraq for a second tour, the Guard's top general said in the latest sign of how thinly stretched the military has become.

Smaller Guard units and individual troops have already returned to Iraq for longer periods, and some active duty units have served multiple tours. Brigades generally have about 3,500 troops.

The move — which could include brigades from North Carolina, Florida, Arkansas and Indiana — would be the Pentagon's first large-scale departure from its previous decision not to deploy reserves for more than a total of 24 months in Iraq.

A second tour would probably put some units over that two-year maximum. The planning was described by Lt. Gen. H. Steven Blum, who commands the Guard, in an Associated Press interview this week.

In a related move, the Pentagon is preparing to release a list of active units — and perhaps reserves as well — scheduled to go to Iraq that would largely maintain the current level of forces there over the next two years, another senior defense official said Thursday. There are about 152,000 U.S. troops in Iraq.

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Tall Afar's Long Road Back (WP)

By Josh White

The Washington Post, November 11, 2006

TALL AFAR, Iraq -- A year ago, U.S. officials championed the military's success in pushing insurgents out of this city in Iraq's northwestern desert, reclaiming it for the roughly 250,000 residents and eliminating an insurgent safe haven. President Bush publicly praised the 3rd Armored Cavalry Regiment's effort.

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In the months since, soldiers say, Tall Afar has proved a model for the rest of Iraq, an insurgent stronghold turned relatively peaceful. Attacks dwindled to almost none in August before a spate of violence in September and October tied to the Muslim holy month of Ramadan. The local government is strong. Iraqi security forces are poised to take control from the roughly 1,000 U.S. troops in the region, which is a reduction of 75 percent from the U.S. presence here last spring.

"I think Tall Afar is on its way," said Lt. Col. Malcolm Frost, who commands the 3rd Squadron, 4th Cavalry Regiment, based just southwest of the city and now in charge of the region. "I think it's a beacon of light, not just for security but also in local government infrastructure. I think we're close to the tipping point."

But the road to stability in Tall Afar has been long and bumpy, and it continues to pose daily challenges. The city's transformation underscores how difficult it will be for parts of Iraq -- especially Baghdad -- to mirror its success.

The unemployment rate here is nearly 70 percent. Officials estimate that fewer than half of Tall Afar's residents remained here or returned after the last big U.S.-Iraqi military operation in September 2005. Many of the city's buildings are vacant or were destroyed in the fighting last year. Hundreds of millions of dollars was promised to help rebuild and restore Tall Afar, but the money has just started to trickle in through the Iraqi central government's staggeringly slow bureaucracy. And Iraqi forces have only recently taken the lead in providing security, helped in large part by the population drop and lack of attacks.

Though sectarian violence has been stemmed by cooperation among Sunni and Shiite Muslim sheiks here, insurgents attack Shiite civilians in the southern part of Tall Afar and Iraqi forces in the north. Officials call it a delicate balance.

"Tall Afar was another Fallujah or Ramadi," said Mayor Najim al-Jibouri, referring to cities in western Iraq that have experienced heavy fighting between U.S. forces and insurgents. "But with the help of the people, everyone gained the momentum and claimed Tall Afar from the terrorists and vowed not to go back to the old, bad days. Still, there are a lot of shortcomings that really disappoint us. Things like that prolong the life of the insurgency."

The mayor points mainly to the lack of help from the Iraqi government, which has left parts of the city a shambles. The city's northwest quadrant is like a ghost town, with scores of vacant houses, some reduced to rubble by fighting more than a year ago, almost entirely cordoned off with Iraqi police checkpoints designed to choke the insurgents' ability to move.

Soldiers call the northwest neighborhood the city's "gated community" because Iraqi forces have put such a stranglehold on it. In addition to reducing attacks, the restrictions have kept some people from moving back in, officials said.

Capt. Luke Hale, the U.S. squadron's intelligence officer, said the security situation in Tall Afar is tied closely to the economy. For example, he said, attacks sometimes increase because insurgents are willing to pay a local resident to place a roadside bomb. The focus of violence is in the city's northwest, where troops have found significant weapons caches and safe houses and last week recovered 85 pounds of homemade explosives, sticks of TNT and other materials probably destined for more attacks, Hale said.

During the past nine months, U.S. soldiers have logged an average of about one attack against them per day in Tall Afar, but nearly 45 percent have involved relatively harmless small-arms fire. Roadside bombs were planted at an average of six per month from February to August, with just two in July and none in August -- vastly fewer than what insurgents unleashed in previous years.

"It was very, very bad before," said Falah Hassan, 23, an Iraqi police sergeant who works with U.S. soldiers. He pointed excitedly to a wall-size map of the city he has lived in since birth. "Everyone was afraid to move around because of the insurgents. Now it's much, much better. Tall Afar is coming back."

However, insurgents have begun sabotaging homes with massive explosives to try to lure, trap and kill Iraqi forces who enter. The soldiers here call them "house-borne improvised explosive devices," and three such homes have been leveled in recent weeks, causing some Iraqi soldiers to hesitate when chasing insurgents into vacant buildings.

Still, the Iraqi forces are out front, while U.S. forces hang back more and more. At an old granary on the edge of town, American soldiers are working directly with their Iraqi counterparts to clean up the city and restore services.

"The Iraqi security forces are definitely on the offense, and the insurgents are definitely on the defense and reeling," said Capt. Mike Lingenfelter, 32, of Panhandle, Tex., whose Comanche Troop lives at the granary and patrols the city. "It's working. They're almost there."

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On a recent patrol through several parts of the city, Lt. Joshua Murphy, 24, of Owensboro, Ky., highlighted the strong Iraqi police presence and noted that there had been several days of calm after Ramadan, when nine suicide bombers set off explosives.

"The less of a presence we have here, the better we're doing," Murphy said, glancing out his Humvee's window at an Iraqi checkpoint made of plywood and sandbags. "They're taking over."

At a security meeting last week, two dozen Iraqi police and army leaders met with the mayor and U.S. officials at a castle atop one of Tall Afar's highest points. The chief concern among the Iraqis was the lack of strength demonstrated by the country's criminal justice system. Officials said they had seen insurgents arrested here return to the streets after being released in Baghdad.

"At the end, after we catch the people, we see them on the road again, and it's very disappointing," said Col. Muhammad, who runs the Qadisiyah neighborhood police station. "These groups build again even when they are in the cells."

The Iraqi government's overall lack of ability to respond to the local success in Tall Afar is a significant concern, several officials said.

"We had high hopes the Iraqi government would be able to produce more visible, tangible results quicker," said Brig. Gen. Mick Bednarek, deputy commander for operations with Multinational Division -- North, based in Tikrit. "How long will a civilized people that are very much in need of basic fundamental services wait before they are frustrated and look somewhere else?"

Jibouri, the mayor, said: "You can't separate what happens in Tall Afar and what happens in the rest of Iraq. If Iraq recovers, Tall Afar will recover. If Iraq doesn't succeed, Tall Afar will again fall."

Decrepit Healthcare Adds To Toll In Iraq (LAT)

By Louise Roug

The Los Angeles Times, November 11, 2006

Thousands of Iraqis are believed to have died from shortages of medicine, vital equipment and qualified doctors, despite an infusion of nearly half a billion dollars from U.S. coffers into the country's healthcare system, Iraqi officials and American observers say.

Raging sectarian violence as well as theft, corruption and mismanagement have drained health resources and made deliveries of supplies difficult. Exacerbating the crisis, hundreds of doctors have been killed, and thousands have fled Iraq. The child mortality rate, a key indicator of a nation's health, has worsened since the U.S.-led invasion in 2003, according to Iraqi government figures.

In the most sinister reported development, provincial Sunni Muslim doctors charge that Shiite Muslims who control the Health Ministry deliberately withhold medicines and other vital supplies. Privately, some U.S. officials say that hard-line Shiites use the ministry for political and sectarian ends.

This fall, U.S. troops raided the ministry, arresting employees suspected of kidnapping and killing patients at the Medical City Hospital in Baghdad. Afterward, ministry officials severed ties with the Americans and refused to open an $800,000 clinic built by the U.S. Army Corps of Engineers in a deprived Sunni neighborhood in the capital.

The clinic has since been opened, but relations are still strained between U.S. military officials and the ministry, which is staffed by Shiites loyal to anti-American cleric Muqtada Sadr.

Across Iraq, a country whose healthcare was once the envy of the region, many hospitals have neither computers nor meaningful patient files. Functioning X-ray machines and MRI scanners are few and far between.

At one of the busiest hospitals in Baghdad, five people die on average every day because the staff does not have the equipment to treat heart attacks and other commonplace illnesses and injuries, said Husam Abud, a doctor at Yarmouk Hospital. That translates to more than 1,800 preventable deaths in a year in that hospital alone.

"Frankly speaking, if we get cases of cancer, we can't treat them," he said. "They'll probably end their days here. We don't have the adequate medication or the adequate equipment, and specialized doctors are not available."

A pharmacist in the town of Taji, north of Baghdad, described a looming "humanitarian catastrophe" as medicine, blood bags, oxygen, anesthetics, vaccines and IV fluid run out. Taji has a hospital, but the surgical room contains little medicine and

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fewer instruments. In September, doctors there were forced to turn away a pregnant woman who was experiencing labor complications. She died on her way to another hospital.

Already overburdened by large numbers of civilian victims of the civil war, hospitals also are stretched by Iraqi military and police casualties. Because the security forces have no emergency facilities, soldiers take wounded comrades to hospitals for care, often forcing doctors at gunpoint to treat them first, U.S. military officials say.

Healthcare in Iraq once was first rate. Medicine and hospital care were free, doctors well-educated and respected. But neglect by former President Saddam Hussein and years of United Nations sanctions laid waste to the system.

Since 2003, U.S. agencies have spent at least $493 million of Iraqi reconstruction funds on healthcare, but no new hospitals and only a few clinics have been built. With reconstruction funds running out, officials can point to few success stories beyond a child vaccination campaign. Hospitals looted in the first days after the invasion remain decrepit, without vital equipment and supplies. The hospital rehabilitation program has been plagued by cost overruns and complaints of shoddy but expensive work.

A flagship $50-million children's hospital in the southern city of Basra, a pet project of First Lady Laura Bush, has run far behind schedule and over budget. If it is ever finished, the hospital probably will end up costing at least $40 million more than planned, not including medical equipment, according to a congressional report by the special inspector general for Iraq reconstruction.

The largest U.S.-funded construction program in the healthcare sector has fallen far short. A project to build 150 primary healthcare centers in Iraq was initially scaled back to 142 because of cost overruns. But only six clinics are open to the public, five of them in Shiite neighborhoods of Baghdad, according to a information provided by the U.S. Agency for International Development.

In Sunni-dominated Al Anbar province, the poorest, most dangerous part of the country, it has become increasingly difficult to get medical care. Several clinics have shut down in Ramadi, Hit, Haditha and Fallouja as doctors have fled and supplies have dwindled, local officials say.

The nation's health has deteriorated to a level not seen since the 1950s, said Joseph Chamie, former director of the U.N. Population Division and an Iraq specialist.

"They were at the forefront," he said, referring to healthcare just before the 1991 Persian Gulf War. "Now they're looking more and more like a country in sub-Saharan Africa."

At the outset of the 2003 war, the U.S. administration pledged to cut the child mortality rate in half by 2005. But instead it has worsened, from 125 deaths per 1,000 births in 2002 to 130 per 1,000 this year, according to Health Ministry figures. By comparison, the child mortality rate in the United States was 8 per 1,000 births in 2005.

Meanwhile, the Health Ministry's budget has grown substantially — $1.1 billion this year, compared with $22 million in 2002. More than 55% of its funds are spent on medication and medical supplies, and 33% on salaries. Remaining funds are spent on upkeep and auxiliary work, according to ministry figures.

But much of the medicine and medical supplies never benefit the most needy patients.

There is no reliable system for government agencies to track deliveries of medicines and equipment. Large quantities cannot be accounted for, according to a Western official who declined to be identified.

"The system still hemorrhages a massive amount of the goods for health at a time when the people can least afford to be without medicines," Richard Garfield, a Columbia University healthcare expert, told a Senate committee hearing in July. "The value of medicines lost this way far outweighs the amount lost to corruption, either before or after the invasion."

In Hussein's hometown, Tikrit, 57 truckloads of medicine have disappeared within the last two weeks, according to Sgt. 1st Class Jeff Newkirk, a civil affairs officer who operates in the area. Health workers have run out of such everyday items as painkillers, plastic gloves, test tubes and blood bags, said Jasim Mukhlis, a 28-year-old Turkmen who works in the outpatient pharmacy.

The once well-funded hospital in the city now needs repairs to its roof and water pipes. The only available MRI scanner has been broken for eight months, but the Health Ministry has refused to send engineers, local officials say. As a result, patients

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sometimes have to travel about 200 miles to the northern city of Mosul for scans, say doctors, who perform only the most urgent operations in the hospital.

Three newly built clinics remain unopened, lacking doctors and supplies. Omar Hadithi, a local doctor, said Shiite officials take care of Shiite regions.

"The officials in the ministry think that our province received special treatment during Saddam's reign, so they are treating it with less care," he said.

Doctors and officials in Baqubah also charge that the Shiite-run ministry discriminates against them.

"We have no medications or blood serum supplies," said Tariq Hiali, a Baqubah health official. "The Ministry of Health is not providing us with medications and medical equipment; they consider [us to be] terrorists."

Qasim Yahya, a Health Ministry spokesman, denied that the ministry discriminates against Sunnis. Supplies are available to all, but must be picked up in Baghdad, he said, adding that the ministry is not responsible for delivery.

Sending Shiite ministry workers to Sunni-dominated areas might indeed be a dicey proposition.

And Sunni health workers say it is too dangerous for them to travel to the capital, especially to the ministry. Health Minister Ali Shammari is a member of Sadr's political movement, and the militiamen nominally loyal to the radical Shiite cleric, the Al Mahdi army, control the Health Ministry complex and the surrounding area.

Ali Mahdawi, a Sunni health official from Baqubah, disappeared inside the ministry complex four months ago as he was on his way to a meeting with the health minister. Mahdawi and his guards have not been heard from since, according to his colleagues and American officials.

"The ambulances we send to Baghdad are being intercepted by the Mahdi army," said Jamal Qadoori, an employee at Baqubah's blood bank. The Shiite militiamen then sell the stolen supplies on the black market, getting as much as $100 for blood bags, he said.

But both Shiite and Sunni health workers are targeted. At least 455 doctors, medical staffers and hospital guards on both sides of the sectarian divide have been killed since 2003, according to Health Ministry figures. In the same period, about 7,000 doctors left the country, according to the Doctors Assn. of Iraq.

In a few provinces, healthcare has not deteriorated since the U.S.-led invasion. The quiet, semiautonomous Kurdish region in the north has benefited from the influx of Arab doctors fleeing the violence in the capital. And in the south, Japanese forces have built or rehabilitated three hospitals and 32 health clinics in the peaceful Shiite-dominated Muthanna province. As a result, child mortality rates have improved there, according to provincial health director Falah Hassan.

But in most of the country, the situation has grown worse. Like violence, theft and corruption have become endemic. People caring for sick or injured family members say health workers are on the take and refuse to treat patients unless they're paid extra.

"They will not take care of the patient unless you pay them money all the time," said Akram Hussein, whose 75-year-old grandmother was taken to the Chawader Hospital in Baghdad's sprawling Shiite neighborhood of Sadr City recently. "We paid money to the cleaners and the nurses."

When his grandmother was in need of an important injection, the doctor also demanded extra: 5,000 dinar, or about $4.

Hussein's family didn't complain to the manager, he said, "fearing they might leave her completely."

After 10 days, she died.

"God decides people's ages," Hussein said. "But I think that the lack of care in this hospital caused the death of my grandmother."

Rumsfeld May Face Abuse Charges (BBC)

BBC.com, November 11, 2006

Donald Rumsfeld, who quit as US defence secretary this week, may face criminal charges in Germany for alleged abuses in Guantanamo Bay and Iraq.

A complaint has been launched by the US-based Centre for Constitutional Rights, representing a Saudi detained in Cuba and 11 Iraqis held in Baghdad.

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German law allows the pursuit of cases originating anywhere in the world.

The centre made a similar request in 2004 but German prosecutors dropped that case.

The Centre for Constitutional Rights argues that Mr Rumsfeld was instrumental in abuses committed at Guantanamo Bay and at Abu Ghraib jail in Baghdad.

The lawyer group alleges that Mr Rumsfeld personally approved torture to be used to extract information from the prisoners.

It is also seeking to prosecute US Attorney General Alberto Gonzales and former CIA director George Tenet, among others.

The group's complaint will be filed to German federal prosecutors on Tuesday, a spokesperson for the group said.

The prosecutors will have to again decide whether the complaint should be heard.

Mr Rumsfeld resigned on Wednesday following Republican losses to the Democrats in the US mid-term elections.

The Pentagon has not yet commented on the issue.

The US denies any torture has taken place at Guantanamo Bay and has defended its interrogation techniques.

Abuse of prisoners at Abu Ghraib was brought to world attention after photographs of the incidents were released and published.

Rummy's Got A New Woe - Torture Suit By 9/11 Thug (NYDN)

By James Gordon Meek, Daily News Washington Bureau

New York Daily News, November 11, 2006

WASHINGTON - A New York human rights group plans to sue Defense Secretary Donald Rumsfeld for mistreating a 9/11 plotter and a former American general intends to back up the case, Time magazine reported yesterday.

The Center for Constitutional Rights will file the claim in Germany next week on behalf of Mohammad Al-Qahtani and 11 Iraqis who claim they were tortured in Baghdad's infamous Abu Ghraib prison. German courts claim a "universal jurisdiction" for war crimes.

Qahtani, who was stopped by an alert U.S. Customs officer in Orlando, Fla., before meeting with 9/11 cell leader Mohamed Atta days before the attacks, claims in legal papers he was tortured at the U.S. military prison in Guantanamo Bay, Cuba.

The CCR alleges that abuse of terrorist suspects at Gitmo and Abu Ghraib were condoned or authorized by Rumsfeld, who was axed by President Bush after this week's election results.

Retired Army Col. Janis Karpinski is the star witness backing the detainees, who also name ex-CIA Director George Tenet, Attorney General Alberto Gonzales, ex-Iraq commander Lt. Gen. Ricardo Sanchez and retired Gitmo commander Maj. Gen. Geoffrey Miller.

Before Bush demoted her from brigadier general because of the abuse, Karpinski commanded the Long Island-based 800th Military Police Brigade that ran all of Iraq's prisons, including Abu Ghraib.

"It was clear the knowledge and responsibility [for Abu Ghraib detainee abuses] goes all the way to the top of the chain of command to the Secretary of Defense Donald Rumsfeld," Karpinski said in the legal brief.

Karpinski did not return calls by the Daily News yesterday.

Rumsfeld Rides Off Into The Sunset (FT)

By Demetri Sevastopulo In Washington

Financial Times, November 11, 2006

"Stuff happens."

Donald Rumsfeld, the US defence secretary, this week was put out to pasture following a turbulent six years at the Pentagon.

Mr Rumsfeld will go down in history as one of the most controversial figures of the Bush presidency. Comparisons will inevitably be made with Robert McNamara, the Vietnam-era defence secretary, who was fired after he disagreed with President Lyndon Johnson about US policy in Vietnam.

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Mr Rumsfeld did not have a McNamaraesque epiphany about the direction of the war. He was a true believer to his bitter end. But President George W. Bush was forced to jettison him after the US expressed its total dissatisfaction with the war in this week's mid-term -elections.

Always combative, often charming, sometimes a bully, Mr Rumsfeld introduced a style of Pentagon press conference that both entertained and infuriated.

Trying to pin down the former university wrestling champion was about as easy as finding Osama bin Laden, which, as the defence secretary himself explained, is not easy.

"If you're chasing the chicken around the chicken yard and you don't have him yet, and the question is how close are you? The answer is, it's tough to characterise because there's lots of zigs and zags."

In his own form of Socratic soliloquy, he might have summed up his fate something like this: "Goodness gracious me...Did I see this coming? No. Should I have? Perhaps. Was I wrong? Of course not. You should know that. What does it all mean? It is what it is."

How surprised Mr Rumsfeld really was at being replaced is one of those known unknowns that first made his name as a poet whose rhetorical musings have been compiled in Pieces of Intelligence: The Existential Poetry of Donald H. Rumsfeld.

"As we know, there are known knowns. There are things we know we know. We also know there are known unknowns. That is to say we know there are some things we do not know. But there are also unknown unknowns, the ones we don't know we don't know."

He once, uncharacteristically, explained his problem: "I'm brusque. I'm impatient. It's genetic. I can't help it."

The former naval pilot had many careers. A Congressman and top official in the administrations of presidents Richard Nixon and Gerald Ford, he later left government to run several companies, before returning in 2001 as the Bush administration's poet-in-residence.

As far back as the 1960s, he was considered a supreme Washington infighter. One of the compliments Mr Nixon paid to him was that he was a "ruthless little bastard".

But Mr Rumsfeld appeared to relish the bruising battles he had with other administration officials, and especially with Colin Powell, the former secretary of state. At a White House meeting in 2004, the defence chief stunned the other attendees by reached over and drank Mr Powell's Diet Coke because he could not find one himself.

After eyebrows were raised, Condoleezza Rice, then national security adviser, interjected: "Now that Don has had his Diet Coke, perhaps we can start." Mr Powell's office had no recollection of the event.

But, privately, even some of his foes recognised his sense of humour, which appeared intact the day after he had been fired. Giving the Landon lecture at Kansas State University, Rummy the Gladiator joked: "I hope all of you appreciate how I have managed so skilfully public affairs for this event."

What Mr Rumsfeld does next is another "known unknown". Perhaps he will visit old friends, including one who has been waiting patiently in a Mongolian field.

During a visit to Ulan Bator last year, Mr Rumsfeld was given a horse he named Montana. But since he could not bring Montana back to the US, the Mongolian defence minister told him tradition dictated that he would be put out to pasture until his master returned.

For Rumsfeld, his rocky ride has come to an end. But as he himself once quipped: "How does it end? It ends, that's all"

Afghanistan Waits For Peace Five Years After Fall Of Taliban (AFP)

By Sylvie Briand

AFP, November 11, 2006

Five years after US-led forces drove the Taliban from Kabul, peace remains a distant dream in Afghanistan with militant attacks at an all-time high, a despondent population and widespread corruption.

The violence, in its bloodiest phase since November 2001 with some 1,000 civilians killed this year, results from "the failure of international intervention to stop the cycle of decades of conflict," says the International Crisis Group, a leading think-tank.

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"The primary error of the Americans and their allies has been to not grant enough troops and resources, which has allowed the return of the Taliban, and resulted in the disillusionment of the people and the unpopularity of the government," added Ahmed Rashid, a Pakistani expert on Afghanistan.

The NATO-led International Security Assistance Force (ISAF) had only 4,500 members in 2002, all deployed around Kabul. The alliance now commands some 31,000 troops, boosted by 10,000 troops from the US-led coalition that ousted the Taliban five years ago.

By comparison Kosovo, which is around 60 times smaller than Afghanistan, played host to 40,000 NATO soldiers after the 1999 bombing campaign against Serbian forces.

ISAF's chief, British General David Richards, has himself said that current troops numbers are insufficient to counter the violence that has effectively doubled since 2004 and is now marked by a previously alien phenomenon here -- suicide bombings.

The international community's other mistake, according to Rashid, is its failure to press Pakistani authorities to stop allowing their territory to serve as a "refuge for the Taliban".

"The Americans were more worried about Al-Qaeda in Afghanistan than they were about the Taliban. But the lack of pressure by Pakistan means that the Taliban have reorganised with the help of Al-Qaeda," Rashid said.

The United States launched Operation Enduring Freedom in Afghanistan to track down Osama bin Laden after the September 11, 2001 attacks on New York and Washington.

Faced with US air raids and the oncoming Northern Alliance forces, the Taliban abandoned Kabul on the night of November 12, around a month after the operation started.

But the Al-Qaeda chief remains at large, as does the Taliban's supreme leader, Mullah Mohammad Omar.

Much-needed reconstruction has stopped in several areas because of combat or the withdrawal of Afghan and foreign aid workers, "calling into question some of the modest gains achieved since 2001 such as the return of children to school, especially girls," says US-based Human Rights Watch.

To meet the needs of this destitute country, the NATO forces have embarked on building bridges, schools and clinics but "without a state capable of keeping them up, it is pointless," says Joanna Nathan, a Kabul-based analyst with the International Crisis Group (ICG).

The group has called for reforms in the Afghan government and for a campaign against endemic corruption to stop disillusioned Afghans from swelling the ranks of an insurgency that the ICG says "is going to last for years".

In the eyes of many Afghans the situation is worse than it was five years ago: the cost of living has increased, infrastructure remains deficient and security is still not assured, according to the non-governmental organisation Action Against Hunger.

The insurgents are not the only source of violence, according to experts who also point to local warlords who are often implicated in drug trafficking. Afghanistan is the world's leading producer of opium.

The situation is particularly bad in the south of the country where the Taliban insurgency and the drug trade are both concentrated.

"You would not be able to grow massive poppy fields in regions that were under the control of the central government and foreign forces," Nathan said.

In Pakistan, Recent Attacks Shred Hopes For Regional Peace Model (WP)

By Pamela Constable, Kamran Khan

The Washington Post, November 11, 2006

PESHAWAR, Pakistan -- Two months ago, Pakistan's president, Gen. Pervez Musharraf, triumphantly announced a peace pact with Islamic extremists in the North Waziristan tribal district near the Afghan border, saying he hoped it would become a model for curbing domestic Islamic militancy and cross-border insurgent attacks in Afghanistan.

Today that model lies in shreds. Northwestern Pakistan's fragile political peace has been shattered by two devastating attacks: a government missile strike that killed 82 people at an Islamic school in the Bajaur tribal district on Oct. 30, and a retaliatory suicide bombing Wednesday that killed 42 army recruits at a training camp in the Malakand tribal district.

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The missile strike was based on U.S. intelligence reports that the school was being used as a training site for Islamic insurgents, who have found sanctuary across the semi-autonomous tribal areas where Osama bin Laden and other al-Qaeda figures may also be hiding. Now, officials are predicting a new wave of violence, as anti-government anger spreads and religious extremists call for holy war against the Pakistani military and Western forces fighting in Afghanistan.

"This is a disaster. We all recognize the gravity of the situation," said a senior military official in this northwestern provincial capital, speaking on condition of anonymity. "It's a nightmare to have an army being attacked on its own soil and by its own people." After the two incidents, he added, "the doors to peaceful negotiated settlements are closed. I am afraid we are on a war course in the tribal areas."

Public condemnation of the missile attack has been almost universal in Pakistan. Many people say they believe it was actually carried out by a U.S. Predator drone, which witnesses described as circling overhead before Pakistani helicopter gunships arrived. U.S. and Pakistani officials have denied that.

Local leaders have also vehemently asserted that the school, run by a cleric from a banned extremist group, was used only for religious studies and that many young students were killed in the strike. No physical evidence of a training camp has been publicly produced, journalists have been barred from the site, and most of the victims' bodies were too disfigured to identify.

"This was a crime against humanity. Everyone hates America now, and they hate Musharraf for giving in to American pressure," said Bashir Ahmed, 25, a produce trader in a Peshawar market crowded with crates of bananas and pomegranates. "America is the enemy of all Muslims, but they will never defeat us, because we are all becoming al-Qaeda now, even me."

Pakistani military and intelligence officials said they had little choice but to bomb the site after they received overwhelming proof from U.S. intelligence sources that it was being used as a training center for insurgents. A refusal to act, the Pakistanis said, would have badly damaged their relations with the United States, which counts Pakistan as a key ally in the war against al-Qaeda and fundamentalist Islamic terrorism.

"They loaded us with evidence. The strike was absolutely inevitable," said a senior intelligence official, also speaking on condition of anonymity. Another official called the attack a "major test" of military and intelligence cooperation between the United States and Pakistan. "We thought about other options, but the Americans weren't ready to take any chances," he said. "We were caught between the devil and the deep sea."

Public outrage has also flared over Wednesday's suicide bombing, in which a man wrapped in a cloak strolled among army recruits exercising on a field and detonated powerful explosives, killing more Pakistani troops than any previous terrorist attack. But many Pakistanis view that bombing as a predictable response to an ill-conceived military action taken under U.S. pressure.

Ansar Abbasi, Islamabad bureau chief for the News International newspaper, called the Bajaur attack "outrageous" and argued in a column that while it might have raised Musharraf's tough-guy image in the West, it served no national interest and could only exacerbate conflict between the army and the civilian populace. "Have we not fallen into a U.S. trap?" he asked.

One political leader in Peshawar said the Bajaur site was definitely a terrorist base but that it was not "politically correct to say so" in the region. Bajaur elders had reached a peace accord similar to the Waziristan pact, he said, but the missile strike came just hours before they were to sign it. "People find this mind-boggling and impossible to understand," he said.

The Musharraf government has long been caught between conflicting domestic and international pressures. Western powers have demanded that it crack down on religious extremists and hunt down al-Qaeda fugitives, widely reported to be hiding in the semi-autonomous tribal belt. But Islamic groups are politically dominant in Pakistan's northwest, and many tribal fighters have fiercely resisted military efforts to dislodge Islamic militants from their midst.

Musharraf's recent attempt at compromise, a series of negotiated settlements with armed Islamic groups and tribal leaders, has been controversial. Critics charge that pacts in North and South Waziristan left both areas under the control of extremists who continue to export violence to Afghanistan. They say the deals were aimed only at extricating army troops from the tribal areas, where they had suffered heavy casualties and public hostility during months of fighting.

At the same time, however, the growing violence has led to urgent calls for mass tribal conflict-resolution meetings, known as jirgas. Afghan President Hamid Karzai recently proposed a series of jirgas in both countries, and the Awami National Party, which represents the ethnic Pashtuns who predominate in Pakistan's northwest, has called for a separate tribal jirga. Party

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leaders say the only antidote to Islamic radicalization is the ancient tribal code known as Pashtunwali, which prescribes consensual pacts to halt feuds.

"Even though Talibanization is spreading, Pashtunwali is still in people's blood," said Afrasiab Khattak, an Awami party official and human rights activist in Peshawar. "We don't want to settle scores or embarrass the government. Our only agenda is to stop this conflict from getting worse."

The dominant political group in the northwest, a religious party called Jamaat-e-Islami, responded to the Bajaur attack by staging nationwide protests. While Jamaat officially opposes terrorism and has played a responsible leadership role in provincial government for the past several years, it issued calls for jihad after the missile strike, and several key leaders resigned from their government posts or seats in parliament.

In interviews here, several Jamaat leaders echoed the current ambivalence, saying they were horrified by suicide bombings but furious at Western military interference in the region and opposed to the moderate version of Islam promoted by Musharraf.

Abdul Akbar Chitrali, a cleric and Jamaat politician who directs an Islamic academy for boys in Peshawar called the Garden of Knowledge, said he believes in spreading Islam by peaceful means. "But when someone invades you, you have no choice but to resist," he said. "The Americans and NATO have no right to occupy Afghanistan. They are the hooligans causing our problems, not the Taliban or al-Qaeda."

It may never be known whether the tiny Islamic school in Bajaur's Chingai village was a garden of knowledge or a staging ground for terrorists. A group of lawyers from Peshawar who visited the site last week said they saw no evidence of training or weapons.

What they did see was disturbing enough: a tense, angry crowd that surrounded their vehicles, shouting for holy war against the Pakistani and U.S. governments, less than a week after local leaders had been ready to sign a peace pact with the government.

"If it was a military camp, I found no sign of it. But the people were very inflamed," said Barrister Baachaa, one of the lawyers. "Bajauris are known to be quiet and not carrying guns, but the mood is becoming very militant. If Bajaur can fall into Talibanization, so can the other tribal areas, and then I fear it can spread to the settled areas, too," he said. "This has to be contained, but the way they did it in Bajaur has only made it worse."

Khan reported from Karachi.

Then And Now, Female Soldiers Just Do Their Jobs (NYT)

By Maura J. Casey

The New York Times, November 11, 2006

One of my most prized possessions is a set of World War II dog tags. They are inscribed with my mother's name and serial number: Jane I. Murray, A-218847.

She enlisted in the Women's Army Corps at 21, determined to get as near to the front as possible. She got no closer to combat than Fort Riley, Kan. Her Army years became her one great adventure before returning to marry and have six children in seven years, a daunting task for which her warrior's ethos probably came in handy.

My mother's service gave her a lifelong belief in women's abilities. She horrified my friends during the Vietnam War when she argued that women should have been included in the draft, since they had an equal obligation to serve. The courage and competence of women currently serving in Iraq and Afghanistan would have come as no surprise to her.

Yet, despite what women in uniform have accomplished, there are critics who want to curtail their military roles. Despite Pentagon policy that keeps women from entering combat units like infantry, armor or field artillery, some conservatives profess horror that women are members of any combat support units in harm's way.

Because of this, Representative Duncan Hunter, the California Republican who is the outgoing chairman of the House Armed Services Committee, tried to amend the 2006 defense authorization bill to restrict the role of women in the Army. It would have barred women from nearly 22,000 jobs. The measure was withdrawn once it became clear it wouldn't pass.

But reality has overrun critics' arguments. Between Iraq and Afghanistan, 68 women have been killed in action, and 436 have been wounded, according to the Pentagon's Web site. In the midst of what is truly a 360-degree front, some still insist that

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women should not be in the line of fire before the country has an "open debate" on the impact of women on morale, readiness and military cohesion in time of war.

In truth, that debate has never ended, no matter how well women have served, and has largely been a ludicrous waste of time and millions of dollars. In the last 30 years, two federal commissions examined the impact of women in the military for months on end.

The Army alone has conducted at least a dozen major studies on how women should be utilized. The studies found that, properly armed and trained, women enhance unit readiness and cohesion, said Brig. Gen. Pat Foote, who is retired. "Women have been pulled through more knotholes with people questioning their abilities," she said. "Women can do anything they are trained for."

The questions prove equally exasperating to women like Col. Patricia Jernigan, retired, who is a board member for the United States Army Women's Foundation. "An airplane doesn't care who is flying it," she said. "A rifle doesn't care who is firing it. Judge women on performance."

Given the ease of modern communication, from cellphones to e-mail, if women were not measuring up in Iraq, that would have become very clear by now. Last year, the Pentagon quietly approved creation of the Combat Action Badge, awarded to Army combat support soldiers who come under fire and engage the enemy. Sgt. April Pashley, of Egg Harbor Township, N.J., was among the first five recipients.

My mother never fought. But every day for the 30-plus years she lived after the war, she was proud she had enlisted. And despite the passage of time, there remains a fundamental bond between the experience of Army women today and that of my mother, so very long ago: all she wanted was to be a good soldier.

CORPORATE SCANDALS:

Fastow Gets His Moment In The Sun (NYT)

By Alexei Barrionuevo

The New York Times, November 10, 2006

HOUSTON, Nov. 3 — No one sold tickets, but the Andrew S. Fastow show cost a small fortune.

And while it was light on laughs, it even featured window washers who moved in the background like shadowy ninjas before a nervous audience of big-name Wall Street lawyers representing some of the largest banks in the world.

For eight and a half days, Mr. Fastow, Enron's former chief financial officer, held some 70 lawyers rapt in a downtown Houston conference room as he delivered the most expansive deposition yet in a spate of lawsuits stemming from Enron's 2001 collapse. His much-anticipated appearance, which ended on Nov. 2, was the first time an Enron insider had sought to help shareholders recover money in the civil litigation.

Lawyers representing Enron investors have already won settlements for $7.3 billion of the $40 billion shareholders claim they lost in Enron's 2001 collapse. On Nov. 1, the latest settlement — an agreement by Arthur Andersen, Enron's former accounting firm, to pay $72.5 million — was disclosed.

But it is far from clear whether the testimony of Mr. Fastow, a convicted felon who masterminded some of the fraudulent transactions that hid the company's poor financial health, will be enough to push the seven banks that have not settled to the negotiating table.

A number of the banks named in the consolidated Enron shareholders' suit argued that they were now in the catbird seat, and they played down the significance of Mr. Fastow's deposition.

The Royal Bank of Scotland, one of the seven banks yet to settle, said "there was nothing in Fastow's deposition that changes R.B.S.'s view of the case."

Merrill Lynch said the deposition "did not break any material new factual ground." Mark Herr, a Merrill spokesman, said the bank viewed a decision by a federal appeals court on Nov. 1 as more important than what Mr. Fastow had to say.

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The appeals court said it would review the basis on which Judge Melinda Harmon of United States District Court allowed the case to proceed as a class action. If the court rules that Judge Harmon erred in certifying the class, the civil suit could be thrown out for the remaining banks.

Judge Harmon dropped Barclays and Deutsche Bank from the shareholder suit this summer, saying their actions amounted to aiding and abetting Enron but not to direct involvement in the fraud.

Plaintiffs' lawyers, though, hailed Mr. Fastow's appearance as a milestone in the sprawling and stunningly expensive Enron civil litigation.

Mr. Fastow calmly outlined the role of the banks in helping Enron meet its earnings targets while hiding its poor cash flow and mounting debt. He named specific bankers without prompting, recounted private conversations with them and corroborated sheaves of the banks' internal documents, according to those who witnessed the deposition.

He testified that he viewed the banks as Enron's "problem solvers." They would "lend their balance sheets," he said, and provide loans disguised as something else to pump up Enron's poor cash flow and reduce the debt on its balance sheet.

"We were changing how Enron appeared to the outside world," Mr. Fastow said in his deposition.

According to J. B. Heaton, a lawyer who represents several investment funds holding Enron debt and seeking relief in a private-action suit, "there were no smoking guns" in Mr. Fastow's testimony.

Mr. Heaton added, though, that "it was the power of corroboration and the consistency under nine days of questioning that was so impressive. That's why it was believable."

The deposition drew lawyers representing 10 major banks and top Enron executives who have not been charged with crimes. It was also streamed live over the Internet so law firms in New York, London and elsewhere could listen in.

With the typical lawyer in the case billing about $450 an hour, the legal fees just to follow the testimony could cost at least $2.1 million, and the overall price tag of the litigation is expected to reach hundreds of millions of dollars.

Mr. Fastow's switch from defendant to plaintiffs' witness was engineered by Lerach Coughlin, the San Diego-based law firm pursuing shareholders' claims. It released Mr. Fastow from the shareholder case after he agreed to give a sworn declaration and sit for the deposition. The firm is paying legal fees for Mr. Fastow's lawyer, Craig Smyser.

Mr. Fastow acknowledged in his deposition that he hoped his criminal sentence might be lowered if he agreed to help the shareholders recover money in the civil case. Yet Mr. Smyser said Mr. Fastow was motivated more by a need to set the record straight.

"This was part of a personal journey to redeem himself as much as he can," Mr. Smyser said.

Judge Harmon granted Mr. Fastow daily release from a Houston federal detention center after he gave the court a 25-page statement detailing what he viewed as the banks' roles in Enron's fraud. Mr. Fastow offered the statement on the day he was sentenced for fraud; a judge reduced his sentence to 6 years, from the 10 he had expected to receive.

[Mr. Fastow was moved on Nov. 7 to Oakdale, La., where he will serve his time in a minimum-security camp in the same complex as a low-security prison where Bernard J. Ebbers, the former chief executive of WorldCom, is serving his 25-year sentence for fraud.]

Each day United States marshals escorted a shackled Mr. Fastow from the detention center, where he awaited his prison assignment in solitary confinement, to the 21st floor of a downtown Houston office building, where a "deposition center" was set up specifically for the Enron civil cases.

Dressed in olive green garb, he sat in front of a blue screen with his back to the windows and answered questions, with only occasional breaks, from 9 a.m. to nearly 6 p.m. on most days.

Tensions were high that first morning, according to several people who witnessed the deposition. About 30 lawyers packed into the main conference room, sitting on either side of Mr. Fastow. Almost 40 more watched on video feeds in two overflow rooms.

Suddenly, four shadowy figures with ropes appeared, hanging outside the windows of the main room, which had the blinds drawn. A marshal scrambled to the windows. One lawyer for a major bank said the figures resembled ninjas. It turned out they were window washers.

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"A lot of uncomfortable smiles broke out," Mr. Heaton said. During the deposition, Mr. Fastow discussed how he prioritized the banks Enron dealt with. "Tier 1" banks were those willing to lend Enron up to $1 billion. In October 2001, as Enron's financial situation was unraveling, he sought to elevate two banks — Chase and Citibank — into an even higher category if they would agree to help bail out Enron by lending up to $2 billion between them, he said.

Mr. Fastow said he tried to make clear to Citibank, a unit of Citicorp, and Chase, a unit of J. P. Morgan Chase, that "this was extraordinarily important to Enron and that this would, going forward, set them apart from any other bank."

Both banks declined to comment. They have previously settled shareholder claims but still face billions of dollars of liability in private-action suits.

While Mr. Fastow gave testimony useful to the plaintiffs' cases, he also gave some ammunition to defense lawyers by admitting that he consistently lied to the banks about Enron's true financial condition. He never "opened his kimono," he said, for fear that they would effectively shut Enron down if they knew how precarious its position was.

And Mr. Fastow revealed more about Enron's corporate culture. In early 1999, a tour with analysts of Enron's new energy services trading floor was staged to make it look busier than it was, he said. Mr. Fastow wanted to play music from the movie "The Sting" during a dry run, as a joke.

He changed his mind after learning that Kenneth L. Lay, the company's chief executive, would be there. "I didn't think he had the same sense of humor," Mr. Fastow said.

Corporate Crime In H-P Case, New Sheriff Comes To Town (WSJ)

By George Anders

The Wall Street Journal, November 11, 2006

The criminal prosecution of former Hewlett-Packard Co. chairman Patricia Dunn -- who is due to be arraigned on Friday -- could get a fresh look from one of California's best-known politicians.

On Nov. 7, California voters picked Democrat Jerry Brown -- the former governor and presidential candidate -- to be the state's next attorney general. Mr. Brown, who is currently mayor of Oakland, will begin his new job Jan. 9.

As attorney general, Mr. Brown will have ultimate authority in deciding how to proceed with People vs. Dunn, a case filed in state court in San Jose last month by William Lockyer, the current AG. The state's case focused on allegedly improper techniques used by H-P and its agents to gather phone records and other personal data for an investigation of boardroom leaks.

Mr. Lockyer took a negative view of H-P's conduct. "One of our state's most venerable corporate institutions lost its way," he said in an Oct. 4 briefing about the state's case. "In this misguided effort, people inside and outside H-P violated privacy rights and broke state law."

Tom Dresslar, a spokesman for the attorney general's office, said he expects the Dunn case will be "a candidate for review" by Mr. Brown, "if only to get him up to speed on the evidence we gathered and why we brought the case."

During his campaign for the AG post, the 68-year-old Mr. Brown focused his attention on other issues, vowing to take steps to protect public safety, abortion rights and California's recently enacted curbs on greenhouse-gas emissions. A spokesman for Mr. Brown declined to comment on how the attorney general-elect might view the Dunn case.

Mr. Dresslar reaffirmed his office's confidence in the merits of the H-P privacy-invasion case. "We had prosecutors with a combined 74 years of experience working on the case," he said. Still, he acknowledged that with Mr. Lockyer's tenure coming to an end, cases in progress could be reassessed. Mr. Lockyer was elected state treasurer on Tuesday; he will switch to his new job in early January.

Ms. Dunn and four other people were criminally charged in the state's case last month. The other defendants, including former H-P ethics director Kevin Hunsaker, have already entered pleas of not guilty. Ms. Dunn is expected to do the same at her arraignment.

3 Qwest Executives Cash In Options (AP)

By The Associated Press

AP, November 11, 2006

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DENVER, Nov. 10 (AP) — Three executives at Qwest Communications International made more than $43 million by cashing in stock options, according to regulatory filings.

The chief executive, Richard C. Notebaert, made a profit of $18.4 million and the chief financial officer, Oren G. Shaffer, made $18.5 million, according to a Securities and Exchange Commission filing.

The chief legal officer, Richard N. Baer, made a $6.4 million profit, according to documents filed earlier this week.

A Qwest spokesman, Nicholas Sweers, said that Mr. Notebaert planned to donate his after-tax proceeds to charities. Mr. Sweers did not identify the charities.

Mr. Shaffer and Mr. Baer have not revealed any plans for their proceeds.

The sales were disclosed about a month after Qwest's founder and largest shareholder, Philip F. Anschutz, contracted to sell 80 million shares through 2010.

Mr. Sweers said the executives retained substantial stock options. With Qwest share prices up by more than 80 percent year-over-year, "all shareholders have been rewarded by the company's financial and operational performance," Mr. Sweers said.

Qwest has announced plans to buy back up to $2 billion worth of its stock over two years.

Its shares fell 22 cents, to $8.23.

The company, based in Denver, is the primary phone service provider in 14 Midwestern and Western states.

SEC, Accounting Board Officials To Weigh Sarbanes-Oxley Update (WP)

By Carrie Johnson

The Washington Post, November 11, 2006

Leaders of the Securities and Exchange Commission and the panel that oversees the accounting industry will meet Sunday in an effort to resolve differences over how to overhaul a controversial corporate accountability measure that business groups have targeted as overly expensive.

Tension over a part of the 2002 Sarbanes-Oxley law, which requires companies to review their financial controls and to have auditors pass judgment on them, spilled into public view this week after the release of portions of a letter by SEC Chairman Christopher Cox proposing changes.

The Public Company Accounting Oversight Board, which reviews the work of auditors, met privately for 90 minutes yesterday to consider how to respond to Cox's letter, which urged the board to be flexible and cost-conscious in response to complaints from businesses. Cox and former Federal Reserve Board official Mark W. Olson, who now leads the accounting panel, are to meet this weekend to discuss the issues.

The exact language in Cox's letter has not been made public. Both agencies declined to release it yesterday. But speculation raged after reports suggested that Cox had proposed that small and mid-size companies could avoid reviews of their internal controls altogether or that regulators could render the reviews virtually useless by significantly heightening the standard for what kinds of transactions were important enough for auditors to assess.

Cox, in a telephone interview yesterday, rejected the notion that regulators would gut the internal control standard, which was put in place to help detect fraud and financial errors. Instead, he said, the goal was to retool the provision using "the lessons learned from the past four years," including making sure that "things that don't have to do with financial statements don't have excessive attention" and ensuring that small companies do not bear "disproportionate" cost burdens. Cox declined to be more specific, adding that some of the language mentioned earlier in the week was flatly inaccurate or had already been "overtaken by events."

Several of Cox's ideas spring from a report last year by a committee of small business leaders, which entreated the agency to exempt their companies from internal control reviews. Cox publicly rejected that option. But concern has persisted over the wording of the changes, and what they mean in practice, which can be difficult to grasp for anyone who is not an accountant.

Any formal proposals from the session between Cox and Olson would be unveiled at open meetings next month and subject to public comment, after which they could be modified, regulators from both agencies noted.

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After years-long and increasingly intense lobbying, congressional leaders including the presumptive chairman of the House Financial Services Committee, Barney Frank (D-Mass.), and Senate Banking Committee member Charles E. Schumer (D-N.Y.) have called on regulators to ease the burden for industry.

Regulators are racing against the clock. The SEC and the accounting oversight board need a plan in place by March or April at the latest to influence the next round of corporate audits.

The nation's biggest accounting firms have reaped record profits from more-intense audits since Congress passed the law after scandals at Enron Corp. and WorldCom Inc. four years ago. PricewaterhouseCoopers LLP, Deloitte & Touche LLP, KPMG and Ernst & Young renewed a plea this week to insulate themselves from liability for failed audits. Because the firms insure themselves, they say they are at risk of financial disaster if they are deceived by a team of executives engaged in fraud. It is unclear whether the industry, which was tarnished after failing to detect widespread accounting fraud in recent years, has recovered sufficient clout to move ahead with liability reform.

The ongoing and increasingly heated debate over the internal controls provision also renewed tensions between the accounting oversight board, whose members and budget are approved by the SEC, and securities regulators. The board, which was created under the Sarbanes-Oxley law, has struggled to maintain its independence after early skirmishes over leadership. In February, the Free Enterprise Fund sued the board, arguing among other things that it lacked authority under the U.S. Constitution. A federal judge in Washington is considering the case and has requested argument from both sides next month.

SEC Chairman Backs Creation Of One Regulator For Brokerages (WSJ)

By Judith Burns, Randall Smith

The Wall Street Journal, November 11, 2006

BOCA RATON, Fla. -- The chairman of the Securities and Exchange Commission threw his weight behind regulatory relief for Wall Street, endorsing creation of a single regulator to oversee brokerage firms.

Talks to merge the oversight of securities firms by the National Association of Securities Dealers and NYSE Group Inc.'s New York Stock Exchange have heated up, and could result in an accord in the next few months, according to people familiar with the talks.

The new entity, which hasn't been named yet, would combine the two regulators' routine rule-making, inspection and enforcement functions, while leaving in place the ability of the Big Board and other exchanges to police their own trading.

In a speech before a few hundred securities-industry professionals attending a meeting of the Securities and Financial Markets Association here Friday, Christopher Cox repeatedly criticized the current regulatory setup as "antiquated," "redundant," "needless and often harmful."

A new single regulator could be "more nimble and cost effective," he added. And in response to questions he predicted it could be up and running within a year.

Wall Street's main lobbying group, recently renamed SIFMA (after a merger of the stock-market and bond-market trade groups), has been pressing for such relief for several years.

But the effort has gained steam this year amid a broad deregulatory push-back against some rules adopted after the severe stock-market decline of 2000-02 and the collapse of Enron Corp.

Both Wall Street and corporate executives have argued that such rules need to be relaxed so global public companies don't avoid U.S. exchanges. In his speech Mr. Cox said failure to act on the regulatory consolidation could "impair" the strength of U.S. capital markets.

Hedge Funds Could Face New Limits (BLOOM)

By Bloomberg News

Bloomberg, November 11, 2006

The Securities and Exchange Commission will propose rules next month raising asset requirements for investing in hedge funds after one fund, Amaranth Advisers, lost $6.5 billion on bad natural gas trades.

The changes will be proposed to the S.E.C.'s five commissioners at a December meeting in Washington, the agency chairman, Christopher Cox, said yesterday. He did not specify how the agency might limit the pool of hedge-fund investors.

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"We're going to make it very clear that hedge funds are risky investments that are not for mom and pop by fencing it off with higher standards to accrediting investors," Mr. Cox said in an interview.

Hedge funds are open to individuals with at least $1 million in assets or at least $200,000 in income for the last two years, and also institutions like insurance companies, mutual funds and pension funds. Since Amaranth collapsed in September, lawmakers have become increasingly concerned that a hedge fund meltdown could put pension fund investments at risk.

Mr. Cox said at the meeting on Dec. 13, the S.E.C. would also propose a hedge fund anti-fraud rule as well as new guidelines to help companies and auditors interpret the Sarbanes-Oxley corporate governance law in a way that saves time and money.

The chairman of the Senate Finance Committee, Charles E. Grassley, Republican of Iowa, has asked Mr. Cox and the Treasury secretary Henry M. Paulson Jr. to figure out ways to increase transparency in the $1.3 trillion hedge-fund industry, which is largely unregulated. A federal appeals court in June rejected rules requiring hedge funds to register with the S.E.C. The agency wanted funds to report their size, number of employees and types of clients, and submit to random inspections.

Mr. Cox said that the shift in control of Congress to the Democrats should not impede efforts to revise corporate governance laws.

"This is a hugely bipartisan issue," Mr. Cox said. "The concerns that we've heard expressed on behalf of investors and small companies, and on behalf of the marketplace in general, have come roundly from Democrats and Republicans."

Spitzer's Successor May Not Follow In His Footsteps (WSJ)

By Paul Davies

The Wall Street Journal, November 11, 2006

Cuomo Targets Medicaid Fraud, Guns, Government Corruption; Grasso Case Will Be Early Test

Soon, there will be a new sheriff in town.

New York state's departing attorney general, Eliot Spitzer, used the once-provincial job to propel himself onto the national stage: Applying little-known state laws, he crusaded against bad behavior in mutual funds, banking and the insurance businesses, forcing billions of dollars in penalties. He also took on business titans such as Dick Grasso, the former head of the New York Stock Exchange, charging that he was overpaid.

His successor, 48-year-old Andrew Cuomo, inherits an office that has been transformed. Now everyone is waiting to see how Mr. Cuomo, who was elected on Tuesday in a landslide, plans to wield his power.

In an interview, Mr. Cuomo, the son of former New York Gov. Mario Cuomo, signaled that he intends to be different from Mr. Spitzer. Unlike the hard-nosed Mr. Spitzer -- who in his office keeps a picture of Teddy Roosevelt, another New York maverick, who famously crusaded a century ago to break up monopoly businesses like Standard Oil -- Mr. Cuomo said he works best "collaboratively." Mr. Cuomo said his top priorities are to clamp down on Medicaid fraud, the sale and use of illegal guns, and government corruption.

"Just the way Eliot exposed corruption on Wall Street, the attorney general has a responsibility to expose corruption in government," Mr. Cuomo said. He plans to go after big business whenever necessary, but said times have changed since the widespread scandals that erupted after the stock-market bubble burst earlier in the decade. Mr. Spitzer, he said, filled a void left by federal regulators who were slow to respond to questionable business practices.

Mr. Spitzer, who was elected New York's governor on Tuesday, will start his new job in January, as does Mr. Cuomo.

Mr. Cuomo's first test will likely be the case Mr. Spitzer brought against Mr. Grasso. In 2004, Mr. Spitzer sued the former Big Board chief over his $187.5 million compensation package, alleging it was excessive under the state's not-for-profit laws. (The NYSE is now part of a public, for-profit entity, NYSE Group Inc.) Mr. Grasso denies the charges and the lawsuit has turned into a major battle in state court.

Several appeals are still pending, but the judge in the case ruled that Mr. Grasso should give back as much as $100 million in compensation.

The case is expected to go to trial during the first half of 2007, and thus will be prosecuted by Mr. Cuomo's office. Mr. Cuomo brings fresh perspective to the case, which has been bitterly fought on both sides. Depending on how the appeals play

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out, some speculate that Mr. Cuomo could broker a settlement that avoids a trial. However, any perception that he is giving in could be politically problematic, given that the public now has high expectations for what once was considered a second-tier office.

Mr. Cuomo said he is reviewing the Grasso case and declined to comment on his position.

Despite Mr. Cuomo's shift in priorities for the office, he is expected to maintain a high profile. Politically ambitious, he, too, will likely try to use the position as a launching pad to higher office. "I would be very surprised if the basic playbook were thrown out the window, especially since it was so effective," said Thomas Curran, a former Manhattan assistant district attorney who is now a partner at Ganfer & Shore LLP.

Politics are in Mr. Cuomo's DNA. His father, Mario, was New York's governor from 1983 to 1995. Mr. Cuomo was married to Robert Kennedy's daughter, Kerry, before getting divorced in 2003.

A graduate of Albany Law School, Mr. Cuomo worked in his father's administration before a brief stint as a Manhattan assistant district attorney. He later started a nonprofit that built housing for the homeless. After serving as housing secretary in the Clinton administration, he ran unsuccessfully for New York governor in 2002.

Some observers expect Mr. Cuomo could eventually run for the U.S. Senate if Hillary Clinton (who was re-elected Tuesday) decides to run for president. Wendy Katz, a spokeswoman for Mr. Cuomo, said: "Andrew has said he is 100% focused on serving New Yorkers as their next attorney general, and those are his plans."

In addition to fighting Medicaid fraud and government corruption, Mr. Cuomo says he plans to pursue civil-rights cases and push the federal government to do more to strengthen environmental regulations.

He plans to focus on more-traditional consumer issues, the mainstay of the office, which traces its roots back to Dutch colonial days in the 1600s. Several early New York attorneys general parlayed the job to national office, including Aaron Burr, who held the office in the late 1700s before eventually becoming Thomas Jefferson's vice president (and, of course, killing Alexander Hamilton in a duel).

Mr. Spitzer did his share of consumer cases. But he made his name prosecuting big, national corporations in part by using obscure state laws such as the 1921 Martin Act, which let him subpoena documents and force executives to testify -- powers that most state attorneys general don't have.

"Eliot is a very tough act to follow," said John Moscow, a former Manhattan assistant district attorney, who is now a partner at the law firm Rosner, Moscow & Napierala.

Investigating conflicts of interest on Wall Street was Mr. Spitzer's first big splash. In 2002, he exposed how analysts at major Wall Street firms hyped stocks backed by their firms' investment-banking division. Eventually, 10 top Wall Street firms, without admitting or denying guilt, paid a combined $1.4 billion to settle investigations into conflicts of interest between their investment-banking and analyst-research divisions.

Mr. Spitzer took on the mutual-fund industry, investigating a practice known as "market timing" or "late trading" in which fund companies cut special deals with major investors, allowing them to buy fund shares after the market closed, a practice that raised expenses and lowered returns for other shareholders. Since 2003, 18 firms have reached settlements totaling more than $4 billion in fines, penalties and fee cuts for investors.

Mr. Spitzer then went after major insurance brokers, suing Marsh & McLennan Cos. for alleged bid rigging of contracts. The firm paid $850 million in restitution to its policy holders and Chief Executive Jeffrey Greenberg was forced out of his job. American International Group Inc. agreed to pay $1.6 billion in February to settle improper accounting and bid-rigging charges, which forced the resignation of Mr. Greenberg's father, CEO Maurice "Hank" Greenberg.

Mr. Cuomo shrugged off comparisons between himself and Mr. Spitzer. "You do the best you can to meet the needs of the job at the time," he said.

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Korean Prosecutors Hit Snags In Inquiry Of Lone Star Deal (WSJ)

By Laura Santini

The Wall Street Journal, November 11, 2006

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South Korean prosecutors are hitting some stumbling blocks in their investigation of Dallas private-equity firm Lone Star Funds and its 2003 acquisition of Korea Exchange Bank, even as a recent assessment by Korean tax authorities almost wiped out the bank's earnings for the latest quarter.

Tuesday, the Seoul Central District Court rejected prosecutors' second request for arrest warrants for Lone Star Vice Chairman Ellis Short, General Counsel Michael Thomson and country head Paul Yoo, citing lack of evidence regarding warrant petitions for the first two men. Regarding Mr. Yoo, who resides in Korea, the court said he didn't pose a flight risk and wasn't likely to destroy evidence gathered by prosecutors.

Then, Thursday, in an apparent sign of frustration, prosecutors emailed a seven-page document to about 3,000 prominent Koreans, including lawyers, academics and journalists, criticizing the court's rebuff as hampering the investigation.

"We are concerned about the court's decision," a spokesman for the prosecutor's office said. Prosecutors say they are preparing a third petition.

Also Thursday, the prosecutors issued a summons to Messrs. Short and Thomson demanding they appear in Seoul Monday. A lawyer for Lone Star described the summons and the mass email as attempts to justify the third application to the court.

It is unlikely that Messrs. Short and Thomson will travel to Korea on short notice, the lawyer said, adding that Mr. Thomson has met with prosecutors in Seoul several times and as recently as last month.

The Supreme Prosecutor's Office is investigating a number of alleged improprieties concerning the firm's acquisition of Korea Exchange Bank. Lone Star has said the firm and its executives are innocent of the charges. The probe began early this year.

Friday, KEB reported that its third-quarter net profit had dropped 90% from a year earlier, to 51.8 billion won ($55.3 million), because of a provision of 247 billion won made to cover back taxes the government says KEB owes. Revenue declined 7.3% to 1.63 trillion won.

Last month Korea's National Tax Service completed a seven-month audit of KEB for fiscal years 2001 through 2004, assessing back taxes of 311 billion won. At issue are loan-loss provisions that KEB carried forward when it merged the credit-card unit in 2004, lowering its tax bill.

The bank defended its accounting method, saying that it will appeal the tax agency's assessment. "We strongly disagree with the most significant elements of the preliminary assessment and have formally filed for a review and appeal," it said. The National Tax Service declined to comment.

--Lina Yoon and Jeongjin Lim contributed to this article.

CRIMINAL LAW:

Supreme Court Will Consider Jud (SLPD)

By Adam Sichko, POST-DISPATCH WASHINGTON BUREAU

St. Louis Post-Dispatch, November 11, 2006

WASHINGTON — Mario Claiborne faced a likely prison sentence of 37 to 46 months as he stood before a U.S. District Court judge in March 2005.

That was the recommended range for a prison term under federal sentencing guidelines. But Judge Carol E. Jackson chose to knock nearly two years off the prison term for the 21-year-old St. Louisan, who had pleaded guilty to two cocaine-related offenses.

Claiborne's case now sits before the Supreme Court, which will answer a central question: How does a judge adequately justify a sentence that's well outside the prison term recommended by federal guidelines?

The court agreed last week to hear Claiborne's case, along with a similar case from North Carolina. That case raises the question of how much weight should be given to the advisory guidelines and whether a sentence within the suggested range can automatically be presumed "reasonable."

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Lower courts have divided over those issues since the court decided last year to make the guidelines advisory, not mandatory. While district courts were no longer bound by those guidelines, they were still required to take them into account.

In the 2005 opinion, issued before Claiborne was sentenced, the 5-4 Supreme Court majority said it hoped the changes would help "avoid excessive sentencing disparities" while maintaining a level of flexibility. But two justices in that majority, swing vote Sandra Day O'Connor and then-Chief Justice William Rehnquist, are no longer on the court.

Now, the court will re-examine that decision for the first time and seek to clarify whether a presumption of "reasonableness" given to sentencing guidelines actually implies that they're more "mandatory" than "advisory."

Claiborne had no criminal record before he was arrested twice in 2003, both times for cocaine-related activity. In May, he sold 0.23 grams of cocaine base to an undercover police officer in St. Louis, according to court documents. Almost six months later, he dropped a bag of 5.03 grams of cocaine base as he tried to run from St. Louis police.

The judge concluded that even the minimum recommended sentence of 37 months was "excessive." She cited Claiborne's lack of a prior criminal record, the "small quantity" of cocaine he had possessed and the court's finding that he'd be unlikely to commit similar crimes in the future.

"I don't want to minimize what you did — you committed two serious felony offenses," the judge told Claiborne, according to court transcripts. Just after that, the judge said: "I come to the conclusion that a 37-month sentence would be tantamount to throwing you away."

The Justice Department appealed. Government attorneys disputed the lower court's conclusion that Claiborne was unlikely to repeat a similar offense again, calling it nothing more than "a speculative hope." They noted that Claiborne had been arrested for another felony less than half a year after his first arrest for a similar offense.

"It strains credulity to suggest that there are many drug dealers who deal in such quantities first-time offenders or not who receive sentences as low as 15 months' imprisonment," government attorneys wrote.

In February 2006, the 8th U.S. Circuit Court of Appeals in St. Louis agreed that the proposed 15-month prison term was far too short and reflected "substantial leniency."

"The sixty percent reduction granted to Claiborne was an extraordinary variance that is not supported by comparably extraordinary circumstances," the appeals court wrote.

The Supreme Court will likely hear the case in spring 2007.

Agent's Article Puts Case At Risk (AP)

AP, November 11, 2006

BURLINGTON, Vt. (AP) -- The man accused of killing a University of Vermont student from Arlington, Va., is asking a judge to dismiss the charges because an FBI agent wrote a newspaper opinion piece about the case that referred to the suspect as "evil," a "sexual predator" and a "two-legged hyena."

In the opinion piece, which appeared Wednesday in the weekly newspaper Seven Days, the agent wrote anonymously and described his personal reaction during the search for the man accused of killing 21-year-old Michelle Gardner-Quinn.

David Sleigh, the attorney for suspect Brian Rooney, filed a motion Wednesday after the article appeared. He said the article made it impossible for Mr. Rooney to get a fair trial.

"Agents of the state have deliberately disseminated highly inflammatory and prejudicial comments to the press," Mr. Sleigh said in a three-page motion.

Mr. Rooney has pleaded not guilty to a charge of aggravated murder for the Oct. 7 abduction, assault and killing of Miss Gardner-Quinn after the two met by chance in downtown Burlington.

If convicted, Mr. Rooney, 36, of Richmond, Vt., could be sentenced to life in prison without the possibility of parole.

"I view this release as an unauthorized release," said Burlington Police Chief Thomas Tremblay.

The story was bylined "An Anonymous Cop," but FBI spokesman Paul Holstein said the author was an FBI agent.

"We're not happy with it, and we'll take steps to ensure it doesn't happen again," Mr. Holstein said. "We take it very seriously when we have an unauthorized media contact, and it also is an issue because we have a policy that we do not discuss ongoing investigations or prosecutions."

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The article describes the agent's response to the search for Miss Gardner-Quinn and then the efforts to find her killer. Mr. Rooney is not named in the article, but it's clear he is the subject.

Mr. Sleigh contends the article, as well as an appearance of a Burlington police officer on a national cable news program, made it impossible for Mr. Rooney to receive a fair trial.

Seven Days co-publisher and editor Pamela Polston said the paper granted the author's request for anonymity after verifying his identity. She defended the paper's decision to publish the piece.

"We stand behind the freedom of expression of every citizen, including that of law-enforcement officers, and, like all newspapers, offer a forum to our readers for that expression," she said.

Mistrial Called In Online Ad Fraud Case (WP)

By Carrie Johnson, Washington Post Staff Writer

The Washington Post, November 11, 2006

A federal judge declared a mistrial in the fraud case against former PurchasePro Inc. chief executive Charles E. Johnson Jr. after his attorney successfully petitioned to withdraw nearly three weeks into the case, according to court records.

The prosecution of Johnson, an entrepreneur who came under government scrutiny for engaging in questionable last-minute advertising deals with America Online Inc. during the Internet boom, will be separated from the case against three other defendants in the Alexandria trial. Johnson will be tried separately, U.S. District Judge Walter D. Kelley Jr. ruled Thursday.

The exact reasons for the mistrial remained under court seal, although two sources who spoke on condition of anonymity because of the judge's order said they pertained to allegations of misconduct by Johnson, 45, a tough-talking former college basketball player. Johnson, who is known by his nickname "Junior," did not return calls to his cellphone yesterday.

In opening statements to the jury last month, Assistant U.S. Attorney Charles F. Connolly accused Johnson of directing subordinates to destroy e-mail messages, computers and other evidence and suggested that Johnson, whose father was a policeman and former security company operator, had threatened employees who failed to bend to his will.

Johnson denied the charges against him and argued that he put his wealth and his health on the line in an ill-fated attempt to save PurchasePro, his Las Vegas software company.

Johnson's former lawyer, onetime Washington federal prosecutor Preston Burton, yesterday declined to comment, citing ethical strictures. Burton, of the law firm Orrick, Herrington & Sutcliffe LLP, appeared in court Thursday morning for sealed proceedings related to the mistrial, according to the court docket.

Mark W. Foster, a legal ethics expert at Zuckerman Spaeder LLP in the District, said allowing a defense lawyer to quit midstream is rare, particularly in the U.S. District Court for the Eastern District of Virginia, known as the "rocket docket" for its speed and judicial efficiency.

Under Virginia ethics rules, however, defense lawyers are required to come forward if they become aware that their clients intend to break the law or if they possess information that clients have "perpetrated a fraud" on the court by tampering with evidence or other maneuvers.

It remains to be seen what impact the absence of Johnson, who took an active role in his defense, will have on the case. Johnson's actions in the first few months of 2001, as his company struggled to meet analyst targets and as he faced a personal financial crunch, were a centerpiece of the prosecution.

The unusual move left three defendants, former AOL employees Kent D. Wakeford and John P. Tuli and former PurchasePro executive Christopher J. Benyo. The fraud and conspiracy case against them will resume Thursday, when the judge is expected to inform jurors about the mistrial.

Prosecutors contend that PurchasePro and AOL employees worked in tandem to mislead auditors about the nature of a series of ad deals in early 2001. The agreements helped both companies meet revenue expectations at a time when the technology sector had begun to crater.

Anti-Foley Blogger Speaks Out (LAT)

By Noam N. Levey, Times Staff Writer

The Los Angeles Times, November 10, 2006

DOJ_NMG_0093283

The man who first posted the now-resigned congressman's e-mails says he was angry about a culture of corruption.

WASHINGTON — Lane Hudson had no idea he would bring down a congressman when he sat in his living room and turned on his laptop one Sunday morning nearly seven weeks ago.

The former congressional aide, who is gay, had been railing for weeks on his anonymous blog against congressmen who sexually preyed on young people. That day in late September, he decided to post a series of suggestive e-mail exchanges between Rep. Mark Foley and a male former congressional page.

"I thought, 'Here we go. Let's see what happens,' " Hudson, 29, said in a recent interview.

Within days, he had his answer.

Foley, a six-term Florida Republican, resigned in disgrace. And Hudson had launched the biggest Washington sex scandal since Monica S. Lewinsky.

Hudson remained anonymous throughout the fall as the scandal raged and GOP leaders complained of a Democratic conspiracy. Then two weeks ago, he was unmasked by bloggers, who identified him as an organizer for a national gay rights group; Hudson was fired.

'No one did anything'

On the terrace of a hotel in Miami Beach, where he went to escape the political storm, Hudson for the first time talked publicly about his role in the Internet-fueled scandal.

Occasionally defensive and slightly ill at ease, the ambitious South Carolina Democrat fiercely denied a preelection plot. Rather, he said, he was driven by genuine anger at a corrupt environment that protected the powerful on Capitol Hill.

"It's the Washington culture that allowed this to happen," he said. "Now we know the FBI, a host of media organizations, Republican leadership — all were in possession of this same information. And no one did anything about it."

Hudson, who will not say where he got the e-mails, shared them with the Los Angeles Times in July. He posted them anonymously in September, he said, frustrated that the paper was still conducting research and had not published an article.

Hudson's rise to political muckraker and minor Web celebrity did not happen overnight. He has been working phones and knocking on doors for Democratic candidates since his mother took him to volunteer for a relative of his second-grade teacher who was running for the South Carolina Legislature.

"My mother said, Republicans take care of the rich and Democrats take care of everyone else. And we were everyone else," said Hudson, who grew up in the state's cotton country.

Hudson volunteered for candidates through high school and college, including the head of his alma mater. "He was a whirling dervish," recalled Alex Sanders, former president of the College of Charleston, who ran unsuccessfully for the U.S. Senate four years ago.

Hudson moved north in 2001 to join the D.C. staff of Sen. Ernest F. Hollings, South Carolina's last Democratic senator, but he couldn't get to the center of the action in Washington and didn't stay long.

Hudson tried jobs raising money for an Episcopal school in Washington and worked at a bank in Charleston, S.C. In 2004, he went to Wisconsin to work for the unsuccessful presidential campaign of Sen. John F. Kerry (D-Mass.).

"He wants to be involved…. And he really believes in the campaigns he works in," said Liz Patterson, a former South Carolina congresswoman for whom Hudson volunteered in high school. "But the campaigns he has worked on, we haven't won…. I think he's still trying to find his place."

This summer, Hudson moved back to Washington.

Then he acquired the e-mails.

Hudson will say only that the e-mails "weren't hard to come by." Since the scandal broke, it has become clear that numerous media outlets, Republican House leaders, a government reform group and the FBI had them.

Those e-mails — all to a former page from Louisiana — were not sexually explicit. But in one, the congressman asked the boy for a photo and, in another, commented that a different former page was "in really great shape."

Memories triggered

Hudson said he knew immediately that something wasn't right.

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Eleven years earlier, as an 18-year-old congressional intern, Hudson had been approached by Foley at a Capitol Hill bar, Hudson said. The congressman asked Hudson for his e-mail address and started sending him invitations to drinks and meals.

"Honestly, I had forgotten about the whole incident," Hudson said. But this summer, a former page mentioned in a casual conversation that Foley "hit on him all the time."

"It kind of clicked in my head," Hudson said. "I asked another friend who had been a page. I heard the same kind of story, and realized that this guy is just a real creep."

Hudson contacted The Times and, without disclosing his plan to the paper, started an anonymous blog he titled Stop Sex Predators.

"This blog is dedicated to exposing sex predators before they can get to our kids," Hudson announced in his first posting, July 28.

Breathless posts would follow, recapping congressional sex scandals dating to the 1970s and decrying sexual liaisons between interns and older Washington officials.

"The blog was my backup," Hudson said recently. "The blogosphere isn't subject to the same rules as the Washington culture, as the mainstream media."

Just after 11 a.m. Sunday, Sept. 24, Hudson put up the Foley e-mails.

"This is absolutely amazing … ," he wrote that morning. "There must be even more out there. E-mail me … and let me know what we should do!!!!"

By that Wednesday, Wonkette, a popular Washington gossip site, had linked to Hudson's blog. On Thursday, ABC News posted an article on its website.

And Friday, after the network confronted Foley with a series of sexually explicit instant messages between the lawmaker and a different former page, Foley resigned.

"Wow!" Hudson titled a posting that night. In it, he said: "This is a good start…. Maybe we can keep stopping them!!!!!"

Scary response

But the sense of triumph faded as Hudson was deluged with e-mails from journalists and others trying to find out who he was and what he knew.

"Thank you for your interest," he said in a posting a few days after Foley's resignation, "but if you were doing your job to begin with, Mark Foley would have been exposed a long time ago…. I'm nobody that anybody should care about. So, please, go about your day as if I don't exist."

Hudson said he got warnings that he should watch his back. "I kind of got scared," he said.

He scaled back his Internet postings.

And then someone found him out.

Tracking Hudson's Internet profile, a blogger traced him to Human Rights Campaign, a leading national gay political organization.

On Oct. 25, the group fired him. Vice President of Programs David M. Smith praised Hudson's work but said he had violated policy by using a Human Rights Campaign computer to work on his blog.

Hudson flew to New York and then to Miami.

"You know, I had no interest in being public about this," he said last weekend in Miami Beach.

"This was about exposing someone who was a sexual predator. And that's it.

"It's like it's accepted to come to D.C. and have high ideals and believe in something and then have it go away," he continued. "This whole Washington culture allows that to happen. It's not only accepted, it's expected that people become callous and lose their ideals and their focus. And that makes me mad."

Hudson said he was apprehensive about what would happen next.

But he has few regrets. "I did the right thing," he said.

And by election night, he was back in Washington to celebrate the Democratic victories.

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4 Plead Guilty In Wave Of Eco-sabotage (OREG)

By Bryan Denson, The Oregonian

The Oregonian, November 11, 2006

Federal court - An Ashland man admits to conspiracy and arson as part of a radical environmental movement

EUGENE -- For 20 years he denied involvement in eco-sabotage while supporting those who took part. He extolled the virtues of firebombs while serving as a volunteer firefighter. But on Thursday, Jonathan Paul stood before a federal judge and declared himself guilty of arson and conspiracy.

The Ashland resident, 40, a leading voice in the nation's radical movement to protect whales, wild horses and wilderness areas, was one of four people to plead guilty to conspiracy for their roles in a five-year campaign of sabotage in Oregon, Washington, California, Wyoming and Colorado.

The four were snagged by the largest investigation of eco-sabotage in U.S. history, an 18-crime inquiry into arsons and vandalism the government dubbed "Operation Backfire." Federal prosecutors have charged 13 men and women in Oregon with crimes, most committed on behalf of the Animal Liberation Front and Earth Liberation Front. The two organizations are characterized by the FBI as the nation's leading domestic terrorist threats.

Thursday's pleas by Paul, Daniel G. McGowan of New York and Nathan F. Block and Joyanna L. Zacher, both of Olympia, brought the number of convictions in Oregon to 10, with two others convicted outside Oregon for related crimes. Four others remain fugitives.

At a press conference in Portland, U.S. Attorney Karin Immergut and Robert Jordan, the FBI's special agent in charge for Oregon, declared victory.

"These people claimed they did what they did to protect the environment," Jordan said. "Along the way, they destroyed more than $30 million worth of resources. They spent year after year using violence to try to intimidate you and your government into their twisted way of thinking."

The four defendants in Thursday's hearing pleaded guilty in an agreement with prosecutors, who recommended shorter prison sentences than they were facing. McGowan, Block and Zacher faced 20 years to life and Paul faced as long as 30 years, said Assistant U.S. Attorney Stephen Peifer.

McGowan, 32, sobbing before U.S. District Judge Ann Aiken as he pleaded guilty to arson, said his actions were not the work of a terrorist, but an idealistic young man who cared deeply about saving forests. Block and Zacher pleaded guilty to multiple counts of arson.

The government recommended a sentence of eight years for McGowan, Block and Zacher, and five years for Paul. They are likely to be sentenced early next spring, said Assistant U.S. Attorney Kirk A. Engdall in Eugene.

Defense lawyers had filed court papers seeking to determine whether the government had used warrantless wiretaps to collect evidence against their clients. But they dropped their request and said that helped them strike their plea deals, a claim dismissed by the government.

"There's absolutely no basis for the claim that the NSA (National Security Agency) was involved in this case in any way," said Peifer.

The Jonathan Christopher Mark Paul who sat in court Thursday looked like a milder, middle-aged version of the brash young man who spoke up for the ALF and ELF in an interview with The Oregonian in late spring of 1999.

He was a seasoned activist then, comfortable answering questions on his lawn near Williams in Southern Oregon. Authorities had charged him with a 1986 Animal Liberation Front raid on a University of Oregon lab, a charge dismissed.

Paul lived in a redwood rental home in Northern California, where he broke bread with some of the stars of the radical environmental movement. He was an animal-rights activist who helped unify the so-called bunny huggers and tree huggers. They became fundamentalists in a belief that humans had no business plundering living things for profit.

Paul morphed into a public voice against logging and whaling, denying in his 1999 interviews with The Oregonian that he had taken part in underground eco-sabotage.

Six years passed before the feds closed in. They indicted Paul and a dozen others for their roles in the Operation Backfire crimes.

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The indictment accused Paul and others of performing surveillance on Redmond's Cavel West slaughterhouse in 1997, preparing incendiaries, checking their two-way radios and then planting their firebombs for the conflagration that followed.

The Animal Liberation Front later claimed responsibility for burning down the "Cavel West Horse Murdering Plant," claiming success because the company did not reopen.

In his interview nearly two years later with The Oregonian, Paul mentioned the Cavel West arson as a good example of economic sabotage. "Complete success," he said.

On Thursday, after his court appearance, Paul stood atop the steps of Eugene's new federal courthouse with co-defendant McGowan and a gang of friends and supporters. The men let others speak for them.

One of those was Paul's actress sister, former "Baywatch" TV star Alexandra Paul. She described her brother as a man who infiltrated and exposed the mink industry, liberated suffering lab animals, and who got between whales and the men who hunted them.

Aimee Green of The Oregonian staff contributed to this report. Bryan Denson: 503-294-7614; bryandenson@news.oregonian.com.

4 More Plead Guilty In Ecosabotage Cases; Trial May Be Avoided (SEATIMES)

By Hal Bernton, Seattle Times staff reporter

The Seattle Times, November 11, 2006

PORTLAND — Four more people Thursday pleaded guilty to arson crimes on behalf of the Earth Liberation Front and Animal Liberation Front, raising the possibility that the Justice Department's largest-ever prosecution of ecosabotage will wrap up without a trial.

Since the first arrests in December, the federal government in Washington and Oregon has obtained 12 guilty pleas from men and women who participated in more than 20 arsons and other acts of sabotage in six states. Four other alleged participants have fled the country, including former Microsoft computer-programmer Joseph Dibee, whom federal officials believe has taken refuge in Syria.

Only one defendant still is preparing for a trial. She is Briana Waters, a California violin teacher accused of acting as a lookout in the 2001 arson that destroyed the University of Washington Urban Horticulture Center.

The most recent pleas unfolded Thursday in U.S. District Court in Eugene. They prompted Robert Jordan, FBI special agent in charge for Oregon, to declare victory in a decadelong effort to track down and prosecute the stealthy arsonists of the ELF and ALF.

Calling themselves "the family," cell members fabricated bombs in clean rooms without leaving behind telltale evidence and used hand signals and code words to maintain secrecy. Between 1996 and 2001, various members of the group launched attacks against federal, university and private property that caused some $30 million worth of damage.

"Instead of using reason and logic, they used fire bombs and destruction. Instead of using peaceful, lawful methods they used fears and threats," Jordan said in Portland.

The guilty pleas reflect the strength of the government's evidence, which was bolstered by extensive informants' testimony. The pleas also reflect the harsh consequences should defendants risk a trial and end up being convicted.

Under mandatory minimum sentences approved by Congress, judges would have been required to send most of the defendants to prison for at least 30 years, and some risked life imprisonment for use of firebombs.

Two of the defendants who pleaded guilty in Eugene court are Washington residents. Joyanna L. Zarcher, 28, and Nathan F. Block, 25, who lived together in Olympia before their arrests earlier this year. The government recommended that each serve eight years in prison.

Jonathan Paul, a high-profile Northwest environmental activist who joined in the 1999 protests against the Makah whaling hunt, also entered a guilty plea Thursday.

Paul joined in the July 21, 1997, arson at the Cavel West Horse Meatpacking Plant in Redmond, Ore. The government recommended that he serve five years in prison.

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In a statement Thursday, Paul said that his crime was in response to the slaughter of wild horses — "the personification of the American spirit." As Paul viewed the flames, he realized that "fire was an unacceptable means to an end, no matter how compelling," according to the statement.

Paul now lives in southern Oregon, where he has been a volunteer firefighter.

Daniel McGowan, another defendant, spoke of his crimes as he entered his plea.

"I hope you will see that my actions were not those of a terrorist, but of a concerned young person who was deeply troubled by the destruction of Oregon's beautiful old-growth forests and the dangers of genetically modified trees," McGowan, 32, of New York City, said in a tearful statement in court. "... I realized that burning things down did not fit with my visions or belief about how to create a better world. So I stopped committing these crimes."

McGowan's recommended sentence is eight years.

A sentencing date for the defendants has not been set.

The four plea agreements entered Thursday differed in one substantial way from earlier plea agreements: These defendants acknowledged their crimes. But unlike defendants involved in earlier plea agreements, they did not pledge to provide information to assist in prosecuting other individuals, according to Amanda Lee, a Seattle attorney representing McGowan.

These agreements were reached about two months after defendants, in court motions, demanded to know whether warrantless wiretaps by the National Security Agency were used against them.

Assistant U.S. Attorney Kirk Engdall said surveillance was not a factor. Defense attorney Amanda Lee of Seattle said the timing of the plea agreement led her to believe it was.

Engdall and other state, federal and Eugene city officials say that persistence and interagency cooperation were key to cracking the case. They also enlisted the aid of an early informant, Jake Ferguson, who secretly tape-recorded conversations with others.

Though Ferguson has acknowledged participation in arsons, he has not been charged. On Thursday, U.S. Attorney Karin Immergut said, "We are still considering what charges to bring, and what to do with him."

Material from The Associated Press is included in this report.

Four More Guilty In String Of Arsons (ERG)

By Bill Bishop And David Steves, The Register-Guard

Eugene Register-Guard, November 10, 2006

The final four defendants awaiting trial for conspiring in arsons and sabotage by radical environmental groups took plea deals Thursday in federal court in Eugene, bringing a declaration of victory among law enforcement agencies that worked a decade to dismantle the secretive cell.

In public statements, two of the defendants expressed their regret for crimes they now consider misguided deeds done out of deep devotion to environmental causes.

The four are among 13 defendants in "Operation Backfire," the name investigators gave to their effort to solve a score of arsons over five years in six states that did an estimated $30 million in damage. Most of the arsons were claimed by the shadowy Environmental Liberation Front and Animal Liberation Front.

With Thursday's court action, all defendants have pleaded guilty except three who remain fugitives and are believed to be out of the country.

Under the plea deals, three of the defendants - Daniel Gerard McGowan, 32; Nathan Fraser Block, 25; and Joyanna Zacher, 28 - may get eight-year prison terms. The fourth, Jonathan Christopher Mark Paul, 40, may get a five-year term. All are free to argue for shorter terms at their sentencing hearings, which have not yet been scheduled.

advertisement

Six co-defendants earlier took plea deals that will bring sentences ranging from just over three years to just under 16 years. They also agreed to cooperate in the investigation.

McGowan admitted taking part in 2001 fires at the Superior Lumber Co. in Glendale and at Jefferson Poplar Farm in Clatskanie. Block and Zacher admitted their roles in 2001 in burning 35 vehicles at the former Joe Romania Chevrolet Truck Center in Eugene and in the fire at Jefferson Poplar Farm.

Paul admitted helping to destroy the Cavel West Horse Meatpacking plant in Redmond in 1997.

Thursday's plea deals, unlike the six earlier ones, do not require the defendants to testify against each other or against other co-conspirators - a condition the four defendants demanded in a joint settlement offer made to the government.

Assistant U.S. Attorney Kirk Engdall said the government accepted the no-testimony proposal in order to settle the case. But the defendants' demand carried a price. The government is recommending the four get proportionately longer sentences than the six co-defendants who agreed to cooperate fully, he said.

While the case is all but over, more arrests are possible, Engdall said.

"We believe we have basically disassembled the Northwest cell of ELF/ALF arsonists," Engdall said. "There may be other arrests."

Within moments of the guilty pleas in Eugene, U.S. Attorney Karin Immergut led seven other local, state and federal law-enforcement officials into a press conference in Portland's federal courthouse.

Immergut praised the hard work and cooperation of the FBI; Bureau of Alcohol, Tobacco, Firearms and Explosives; Eugene Police; Lane County sheriff's office; Bureau of Land Management; U.S. Forest Service; Oregon State Police and the state Department of Justice.

"They were relentless, persistent, thorough and dogged," she said. "They got the job done."

Immergut called the four guilty pleas the conclusion of "the largest case of domestic terrorism in United States history," later amending that to say it was the largest case of eco-terrorism.

Environmental activists have criticized the use of the "terrorism" label against perpetrators of property crimes, saying the label unfairly taints the legal efforts of legitimate activist groups and government dissidents. U.S. District Judge Ann Aiken will decide whether to apply harsher sentences under the federal terrorism statute when the defendants are sentenced.

Robert Jordan, the FBI's special agent in charge in Oregon, said the conspirators deserve the punishment awaiting them.

Government Claims Victory Over Ecoterrorism Outfit (AP)

By Jeff Barnard

AP, November 11, 2006

EUGENE, Ore. -- Five years ago a special ecoterrorism task force was stymied by a string of firebombings that caused some $30 million in damage to western ranger stations, genetic engineering facilities, a truck dealership, a ski resort, wild horse corrals and lumber mills.

On Thursday, federal authorities declared they had destroyed the shadowy Earth Liberation Front and Animal Liberation Front, which claimed responsibility for the largest case of ecoterrorism in U.S. history.

Four more people pleaded guilty in U.S. District Court to conspiracy and arson charges stemming from firebombings in Oregon.

That brought to 12 -- 10 in Oregon and two in Washington -- the number of people headed for prison as part of the local, state and federal investigation known as Operation Backfire that was aided by an informant with a wire.

Three suspects remain fugitives. Prescott, Ariz., bookstore owner William C. Rodgers, described as the leader of the Eugene-based cell known as The Family, committed suicide in jail.

"The pleas of these individuals today together with (earlier guilty pleas) have effectively dismantled the Northwest cells of the organizations operating loosely under the mantles of ALF and ELF," U.S. Attorney Karin Immergut said in Portland.

"Today we can declare victory in that fight," added Robert Jordan, FBI special agent in charge for Oregon.

The firebombings attributed to The Family stopped after the terrorist attacks of Sept. 11, 2001, and two of the four pleading guilty Thursday said they quit the attacks because they realized that was the wrong way to protect animals and the environment.

"I hope you will see that my actions were not those of a terrorist, but of a concerned young person who was deeply troubled by the destruction of Oregon's beautiful old-growth forests and the dangers of genetically modified trees," Daniel G. McGowan,

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32, of New York City said in a tearful statement read in court. "After taking part in these two actions, I realized that burning things down did not fit with my visions or belief about how to create a better world. So I stopped committing these crimes."

After years of finding little more than melted five-gallon buckets and the residue of diesel fuel, investigators got a break in 2002 when one of the people involved in firebombing a logging company and a gravel pit in 2001 told his girlfriend, and she told her father, a state fire marshal.

Three people were convicted, and the alleged leader of that group, Michael "Tre Arrow" Scarpitti, is being held in Victoria, British Columbia, on a shoplifting charge, fighting extradition.

In 2005, the task force known as Operation Backfire adopted a cold case approach and landed an informant, unindicted co-conspirator Jacob Fergusen of Eugene, who wore a hidden recording device as he traveled the country talking with his old friends, who had disbanded.

Assistant U.S. Attorney Steven Peifer said in Portland that the cell was tough to crack, because the members assembled their bombs in clean rooms, leaving behind no fingerprints or even DNA evidence, seldom talked to each other, and used code words and even hand signals.

The four in court Thursday were Joyanna L. Zarcher, 28, and Nathan F. Block, 25, both of Olympia, Wash.; Jonathan Christopher Mark Paul, 40, of Ashland, and McGowan.

They were headed for trial on charges carrying life sentences when the plea agreement was announced, two months after they demanded to know whether warrantless wiretaps by the National Security Agency were used against them. Their guilty pleas came with recommended sentences of five to eight years in prison.

Assistant U.S. Attorney Kirk Engdall denied NSA surveillance was a factor in the investigation or the plea agreement, but defense attorney Amanda Lee of Seattle said the timing of the plea agreement led her to believe it was.

She said the defendants were happy they would not have to testify against others.

Sentencing is not expected until spring, but prosecutors recommended eight years in prison for Block, Zacher and McGowan, the son of a New York transit policeman who was working for a nonprofit law firm helping abused women when he was arrested in New York.

Because he had taken part in only one firebombing, Paul's recommended sentence was five years.

McGowan pleaded guilty to conspiracy to commit arson and topple a high-voltage electric tower in Central Oregon in December 1999, serving as lookout for the 2001 firebombing of the Superior Lumber Co. office in Glendale, and attempted arson and arson at the Jefferson Poplar Farm in Clatskanie in 2001.

Block and Zacher both pleaded guilty to the conspiracy charge, setting fire to SUVs at the Romania Chevrolet Truck Center in Eugene in 2001 and attempted arson and arson at the tree farm. Prosecutors recommended a sentence of eight years for each.

Paul, an independently wealthy animal rights activist and volunteer firefighter, pleaded guilty to conspiracy and the 1997 firebombing of the Cavel West horse slaughterhouse in Redmond.

His sister, actress Alexandra Paul, read a statement outside the courthouse saying Paul had fought against mink farms, laboratory testing of animals, and Indian whale hunting, and he had always taken responsibility for his actions.

"When Mr. Paul saw the flames engulf the Cavel West slaughterhouse in Redmond, Ore., he realized that fire was an unacceptable means to an end, no matter how compelling," she said.

Paul Pleads Guilty To Eco-arson (MEDMT)

Medford Mail Tribune, November 11, 2006

Greensprings man calls it 'unacceptable means to an end'; 3 others admit guilt

EUGENE — Greensprings resident Jonathan Paul pleaded guilty Thursday to arson and conspiracy to commit arson in a 1997 firebombing of a horse slaughterhouse in Redmond.

Paul, 40, also repudiated violence as a way to protect the environment or animals during a plea hearing with three other defendants in the new U.S. District Court here. All four had been arrested in the federal government's "Operation Backfire"

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investigation of Animal Liberation Front and Earth Liberation Front activities beginning in fall 1996 and continuing through fall 2001.

A five-year sentence has been recommended for Paul, whom prosecutors say was a member of the ALF at the time the slaughterhouse was destroyed by fire on July 21, 1997. The plant, which suffered more than $1 million in damage, was not rebuilt.

The arson charge carries a potential maximum sentence of up to 20 years in prison and a $250,000 fine.

After the hearing, Paul's sister, actress Alexandra Paul, read a statement for the family.

"When Mr. Paul saw the flames engulf the Cavel West slaughterhouse in Redmond, he realized that fire was an unacceptable means to an end, no matter how compelling," she said. "He immediately abandoned arson as a valid way of making the mistreatment of animals unprofitable."

She also noted that her brother, a volunteer firefighter, had a legacy of personal responsibility that included working to stop cruelty to animals as well as taking action to protect the environment. She would not take questions.

During a break in the hearing, Jonathan Paul declined to talk to the Mail Tribune. "Talk to my lawyer," he said.

Attorney Marc Blackman of Portland was equally closemouthed after the hearing. "I have no idea how it will turn out," he said of Paul's sentencing, which is expected in the spring.

In addition to Paul, the other three defendants in court Thursday included Daniel McGowan, 32, of New York City, and Nathan Block, 25, and Joyanna Zarcher, 28, both of Olympia, Wash.

An eight-year sentence has been recommended for McGowan, who was working for a nonprofit law firm helping abused women when he was arrested in New York. He pleaded guilty to serving as a lookout for the 2001 firebombing of the Superior Lumber Co. office in Glendale; conspiracy to commit arson and topple a high-voltage electrical tower in Central Oregon in late 1999; and attempted arson and arson at the Jefferson Poplar Farm in Clatskanie in 2001.

McGowan, who made a statement before Judge Ann Aiken, said he regretted the actions that brought him to court but said he remained committed to protecting the environment.

Block and Zarcher both pleaded guilty to a conspiracy charge related to setting fire to SUVs at the Romania Chevrolet Truck Center in Eugene in 2001 and attempted arson and arson at the tree farm that year. Like McGowan, they are facing the recommended sentence of eight years.

"The pleas of these individuals today, together with (earlier guilty pleas) have effectively dismantled the Northwest cells of the organizations operating loosely under the mantles of ALF and ELF," declared U.S. Attorney Karin Immergut during a press conference in Portland, according to The Associated Press.

"Today we can declare victory in that fight," said Robert Jordan, FBI special agent in charge for Oregon.

With Thursday's hearing, a dozen alleged ALF or ELF defendants have now pleaded guilty to conspiracy and arson charges in the investigation, which involved cases in Oregon, Washington, California, Wyoming and Colorado.

In Eugene, the small courtroom was packed with supporters of the four defendants.

"We're here to show moral support for Jonathan," said one, who would not give his name. "He did the wrong thing but his heart is in the right place."

Before the plea bargain agreement was announced this week, all four defendants had been scheduled for trials on charges that could have carried life sentences. Two months ago, their defense attorneys had asked the federal government whether warrantless wiretaps by the National Security Agency had been used against the defendants.

Assistant U.S. Attorney Kirk Engdall denied the NSA surveillance was a factor in the investigation or the plea agreement, according to the AP. However, Amanda Lee, an attorney representing McGowan, said Thursday she believed it was a factor, given the timing of the plea agreements. She noted the four defendants did not testify against each other as part of the plea.

Gun Collector Fails Polygraph Over Second Barrel Purchase (SEATIMES)

The Seattle Times, November 11, 2006

DOJ_NMG_0093291

A Bellevue gun collector questioned in the 2001 slaying of Seattle federal prosecutor Thomas Wales has failed an FBI polygraph test about whether he owned two gun barrels that were the same type as the one used in the shooting, his lawyer said Thursday.

Albert Kwan agreed to the polygraph test last month after he was indicted and jailed in a different case for illegal possession of a machine gun.

His lawyer, Joseph Conte, of Washington, D.C., revealed the test result at a Thursday court hearing.

At the hearing, U.S. District Judge Thomas Zilly released Kwan from custody on the condition that Kwan post a $250,000 bond. Zilly also ordered Kwan to wear a location monitor, not possess firearms, and surrender his Hong Kong, British and U.S. passports.

Previously, Kwan refused four times to testify before the grand jury investigating the Wales killing, invoking his Fifth Amendment right against self-incrimination.

FBI agents do not believe Kwan shot Wales, but want to know if he provided the gun barrel to someone who did.

Slugs and shell casings from the Wales crime scene show that the weapon was an Eastern European handgun called a Makarov that was fitted with a replacement barrel, the FBI said. Wales was shot to death in his Queen Anne home on Oct. 11, 2001.

FBI agents have pressed Kwan about his apparent purchase of two Makarov replacement barrels.

Kwan's lawyers have said he only recalls buying one barrel, which he turned over to the FBI and which has been ruled out in the crime.

But the FBI has receipts showing Kwan bought two in 1996 from the Minnesota company that makes them, according to a recent affidavit by Special Agent Ron Bone, lead investigator in the Wales case.

The lead suspect in the homicide is a commercial airline pilot formerly of Bellevue who now lives in Snohomish. Wales had prosecuted the pilot for fraud, but charges eventually were dropped.

Before the pilot moved from Bellevue, he lived only several miles from Kwan.

After Thursday's hearing, Conte said federal investigators told him that Kwan had failed the polygraph. Conte said he wants an independent polygraph examiner to review the government's test.

"It's our opinion that if you can't help the government, then they say you're not telling the truth," the lawyer said.

Polygraph evidence is generally not admissible in criminal cases because results are not considered reliable enough. Steven Clymer, the special prosecutor assigned to the Wales investigation, declined to comment.

Agents have tried to trace the roughly 3,500 barrels sold in the U.S. by the Minnesota company before Wales was killed. The FBI said 69 such barrels had been shipped to customers within 50 miles of the Queen Anne homicide scene.

Agents have not been able to locate and test about 30 of those barrels, including the one they are pressing Kwan about.

When Kwan was first contacted by the FBI in August 2003, he evaded agents, ignored a subpoena and provided misleading information about his travel and whereabouts, according to agent Bone's affidavit.

Kwan was arrested as a material witness in January 2005 at Seattle-Tacoma International Airport as he prepared to travel to China, Bone wrote.

The gun collector was held for 23 days during which agents searched his Bellevue home. There they found hundreds of legal firearms, including several machine guns. Federal agents seized an M-14 assault rifle they allege was an unlicensed machine gun.

Kwan was indicted in September on the gun charge. A federal magistrate ordered that Kwan be kept in custody as a flight risk and a potential danger to the community.

Kwan's attorneys asserted that authorities brought the charge to try to pressure Kwan into cooperating with the Wales probe.

Man Once Held In Wales Killing Fails Polygraph (AP)

AP, November 11, 2006

SEATTLE (AP) -- A Bellevue gun collector failed an FBI polygraph test about whether he owned two gun barrels like those used to kill federal prosecutor Thomas Wales, his lawyer says.

Albert K. Kwan has been a person of interest in the unsolved 2001 slaying because sales records indicate he purchased the two gun barrels from a Minnesota company back in the mid-1990s. While prosecutors apparently do not believe Kwan shot Wales, they are interested in knowing if he provided a gun barrel to the person who did.

Kwan has only provided one Makarov pistol replacement barrel to investigators, maintaining he doesn't remember ever purchasing a second one. He agreed to take a polygraph test last month after he was indicted on an unrelated charge of illegal machine gun possession.

After a U.S. District Court hearing Thursday, Kwan's lawyer, Joseph Conte, told The Seattle time that according to federal investigators, Kwan failed the polygraph. Conte said he wants an independent polygraph examiner to review the government's test.

"It's our opinion that if you can't help the government, then they say you're not telling the truth," the lawyer said.

At the hearing, Judge Thomas Zilly said he would release Kwan from custody on the machine gun charge as long as he posts a $250,000 bond, wears a location monitor, does not possess firearms, and surrenders his Hong Kong, British and U.S. passports.

Previously, Kwan refused four times to testify before the grand jury investigating the killing of Wales, invoking his Fifth Amendment right against self-incrimination.

The only publicly identified suspect in the Wales killing is a commercial airline pilot, formerly of Bellevue and now of Snohomish, whom Wales had prosecuted in a fraud case. When Wales was killed, the pilot lived just a few miles from Kwan. Kwan's lawyers have said they do not believe Kwan and the pilot ever met; the pilot's lawyer insists he's innocent.

Former LAPD Spokesman Indicted On Sex Charges (LAT)

From A Times Staff Writer

The Los Angeles Times, November 11, 2006

Former Los Angeles police spokesman Roderick "Rod" Bernsen was indicted Thursday on two felony counts of "abusive sexual contact" stemming from an alleged incident with two 12-year-old boys in a cruise ship sauna.

Bernsen, 58, also a former Fox 11 news reporter, was arrested Oct. 7 after the boys told the FBI that he had tried to talk with them about sex and then touched one boy's penis with his toe and spanked another's bare buttocks, according to an affidavit.

If convicted, he faces up to two years in prison, a spokesman for the U.S. attorney said.

Bernsen's attorney, Alan Rubin, said his client was innocent. "He is a good guy, a decent guy, and he will defend against these charges," he said.

Suit Links Ovitz To Pellicano Case (LAT)

By Andrew Blankstein And Greg Krikorian, Times Staff Writers

The Los Angeles Times, November 10, 2006

The former Hollywood agent's attorney denies ex-reporter's allegation that he took part in a plan to threaten her.

A former Los Angeles Times reporter has alleged in a civil lawsuit that onetime Hollywood power broker Michael Ovitz participated with indicted private investigator Anthony Pellicano and others to intimidate and threaten her.

The former reporter, Anita M. Busch, originally filed a civil suit in 2004 that identified Pellicano, several of his associates and numerous unnamed defendants as responsible for an alleged campaign of "threats, intimidation, harassment and invasion of privacy for the purpose of deterring … and retaliating against [Busch] for investigating and writing articles about the entertainment business."

An amendment to the civil complaint, which was filed Monday in Los Angeles County Superior Court, states that one of those unnamed defendants — identified earlier as "Doe 4" — is Ovitz, a co-founder of one of Hollywood's best known talent agencies, Creative Artists Agency.

Other than naming Ovitz, Busch's filing details no alleged actions by Ovitz.

The suit says only that he was one of dozens of defendants who were involved in "directing, organizing, commanding, employing and/or hiring individuals to engage in the unlawful and tortious conduct."

Busch and her attorney, Ian Herzog, could not be reached for comment.

In a brief statement, Ovitz's attorney, James Ellis, said: "My client had nothing to do with this. It's unfortunate that Ms. Busch has chosen to involve him in this matter."

Ovitz previously has acknowledged that his outside law firm hired Pellicano to assist in the defense of three lawsuits filed in 2002 against Artist Management Group, a second talent agency established by Ovitz. Pellicano was paid $75,000 for that work.

After helping found Creative Artists Agency, Ovitz became president of Walt Disney Co. under then-Chief Executive Michael Eisner. But the two had a falling out, and the former talent agent was fired after 15 months.

In the late 1990s, Ovitz formed Artists Management Group, which aimed to revolutionize Hollywood by representing talent and producing a broad slate of TV and movie projects while distributing content in innovative ways. Ovitz no longer works as a talent agent.

Federal authorities would not comment on the latest development in the civil lawsuit.

One former assistant U.S. attorney who is not involved in the case said the decision by Busch and her attorney to name Ovitz could indicate that they had recently obtained new information as part of their lawsuit, either from federal prosecutors or other potential witnesses.

"Practically speaking, it means they are prepared to take him on and put the financial resources behind a lawsuit against a person with substantial means to defend himself," said the former federal prosecutor, who declined to be identified because of the continuing probe.

Ellis disagreed. "That's pretty rampant speculation, and I fundamentally disagree with its premise," he said. "I'm certainly unaware that my client's status in this case has changed at all over the past few years."

Ovitz's name first surfaced in connection with the Busch case in February, when attorneys for Busch subpoenaed him to provide a sworn deposition in the civil case.

Busch's suit, which was filed nearly two years before the indictment of Pellicano in February, accused the former private eye and others of tracking down and threatening the reporter over unspecified stories about the entertainment business.

It also accused former Los Angeles police Sgt. Mark Arneson of illegally accessing confidential police databases to give Pellicano confidential background information about her. Arneson also has been indicted and, like Pellicano and five others, is awaiting trial next year.

The indictment states that Arneson, at Pellicano's behest, unlawfully ran Busch's name through confidential law enforcement databases in the spring of 2002, when Busch and former New York Times reporter Bernard Weinraub were reporting and writing stories for the New York Times about Ovitz.

The timing also coincided with a hard-hitting Vanity Fair piece about the Hollywood power broker that mentioned Busch, Weinraub and two Creative Artists Agency executives: Bryan Lourd and Kevin Huvane. They were former Ovitz proteges but had a high-profile split with him that was detailed in the magazine.

The federal indictment against Pellicano names the two reporters and the two CAA executives as victims of illegal background checks by the private eye and other defendants.

According to the indictment, Busch had her records illegally accessed on May 16, 2002, less than a month before she found a fish with a rose in its mouth and a note reading "Stop" on the windshield of her car.

Federal prosecutors have accused Pellicano, Arneson and Rayford Earl Turner, a former employee of SBC and Pacific Bell, of repeatedly violating the federal Racketeer Influenced and Corrupt Organizations Act by establishing a criminal "enterprise" that enhanced Pellicano's business.

The indictment describes Pellicano as the conspiracy's organizer and leader, and charges that the trio used wiretaps, protected computers, bribery, identity theft and obstruction to enhance the Hollywood private eye's reputation and ongoing relationship with "lucrative clients, including entertainment celebrities and executives, attorneys and law firms."

The intent of obtaining the potentially scandalous information, authorities say, was so that Pellicano's clients could scare off a lawsuit or gain the upper hand in litigation.

Nearly a dozen people — among them actors Sylvester Stallone and Keith Carradine — allegedly were the targets of wiretaps conducted by Pellicano and the others between August 2000 and November 2002, the federal indictment alleges.

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Microsoft Targets Piracy (FT)

By Joe Leahy In Mumbai

Financial Times, November 11, 2006

Microsoft needs to do more to crack the consumer market in developing countries, with piracy and affordability holding back sales in regions ranging from Asia and eastern Europe to Latin America, its chief executive told the FT.

Steve Ballmer said the group had launched initiatives such as XP StarterEdition, a Windows software package with reduced features, and Flexgo, a pay-as-you-go PC, but these had not yet signficantly penetrated the middle-income markets in countries such as India and China.

"On a per-cent basis, it [emerging markets] is the most rapidly growing part of our business but it's still a relatively small percentage. We have two issues: number one is where are the PCs and number two is piracy rates are also high in so-called emerging markets," Mr Ballmer said in an interview in Mumbai.

Microsoft declined to provide a breakdown of its revenue by region or product. But Mr Ballmer, in Mumbai on a three-day visit to India, said emerging markets globally accounted for roughly 20 per cent of its total business, excluding software sales to hardware vendors, Xbox and other revenue streams such as advertising.

Total revenue in the year ended June was $44.282bn. While this was growing rapidly, the company could do better to reach middle-income consumers in developing countries. The company has sold only about 1m copies of Windows XP Starter since it was first piloted in 2004, most of these through government-sponsored programmes.

"XP Starter takes us a small way down the road, [but] we've got more to do," Mr Ballmer said. "Not just ourselves - when you think of what it takes to deliver the experience, it takes hardware, it takes software, it takes internet connectivity."

He cast doubt on whether a US$100 laptop being developed by the Massachussetts Institute of Technology for low-income children, which uses a wind-up crank arm to generate power rather than a battery, would be any more successful in penetrating low-end markets. There were already computers on the market in India for US$200 with built-in powerpacks. Connecting to the internet was the most expensive part of owning a PC.

"Even in India, you will pay more than US$100 a year to connect yourself to the internet," Mr Ballmer said.

Microsoft was working on new initiatives to "re-engineer" the computing experience, Mr Ballmer said. He declined to elaborate on most of them but said one proposal was a plan to connect mobile phones that had their own micro-processors to keyboards and screens, using them as a computing platform.

Dion Wiggins, analyst with Gartner in Hong Kong, said Microsoft has tended to concentrate its innovation at the top end of the market, leaving behind the mass, lower end consumers.

But Starter Edition, while it still needed some improvements - for instance, it currently does not allow users to upgrade to full Windows - had made great strides. He said he expected Microsoft to begin pushing it much harder a few months after it launched Vista, its new operating system, early next year.

"Windows Starter Edition is now a relatively mature product and ready for bigger things," Mr Wiggins said.

CIVIL LAW:

U.S. Settles Civil Case Against British Online Gambling Company BetOnSports (FINDLAW/AP)

By Christopher Leonard, Associated Press Writer

AP, November 11, 2006

(AP) - ST. LOUIS-U.S. Attorney Catherine Hanaway reached a settlement with online gambling company BetOnSports PLC that permanently bars the London-based company from accepting any bets from the United States.

The lawsuit has been closely watched by the online gambling industry, which generates about $6 billion (â,¬4.7 billion) annually in the United States.

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The settlement announced Thursday ends a massive civil case Hanaway filed this summer. It does not affect a criminal case still pending against several BetOnSports employees, including Chief Executive David Carruthers, who remains under house arrest in a St. Louis suburb.

Carruthers faces 22 counts of fraud and racketeering charges. His case is scheduled to go to trial early next year. BetOnSports fired him soon after he was arrested in July.

Hanaway spokeswoman Jan Diltz said the U.S. Attorney's Office would not comment on the civil settlement because the criminal case is ongoing.

BetOnSports said in a statement that it did not admit wrongdoing by entering the settlement.

Spokesman Kevin Smith said about 20 percent of the company's revenue came from other countries, most of them in Asia.

"That will be the total focus of the company now," he said.

The settlement requires BetOnSports to open a toll-free telephone service to inform bettors how they can reclaim wagers pending before the suit was filed.

Smith said the hot line should be running within a week. He said he did not know how BetOnSports planned to refund customers.

BetOnSports must also take out an advertisement in a major newspaper telling customers that Internet gambling is illegal in the United States and the company will no longer take their bets. It must post similar messages on its Web sites.

The settlement is not likely to have a huge effect on the Internet gambling industry, said Nelson Rose, a professor at Whittier College of Law and an expert on Internet gambling.

Rose said companies paid more attention to the recent passage of the Unlawful Internet Gambling Enforcement Act, which President George W. Bush signed into law Oct. 13. The act cracks down on banks that transfer bets placed on the Internet.

Rose said passage of the act forced Internet gambling companies to decide whether they want to risk doing business in the United States.

CIVIL RIGHTS:

Feds Probe Care At Ore. Mental Hospital (AP)

AP, November 11, 2006

PORTLAND, Ore. -- Federal investigators are looking into patient care at the hospital made famous in the movie "One Flew Over the Cuckoo's Nest," where there have been reports of abuse, short staffing and overcrowding.

The Oregon State Hospital is one of the oldest and most dilapidated state mental institutions in the nation. The movie was filmed there in 1975.

Justice Department officials are expected to visit the hospital next week. The department alerted Gov. Ted Kulongoski in June that it would investigate whether patients' constitutional rights were violated.

The facility is at the center of discussions about reforming mental health care in Oregon. Reports of abuse and other problems led lawmakers to reassess the hospital's future.

Lawmakers have proposed replacing it with two separate hospitals and two residential facilities at an estimated cost of at least $324 million.

It's unclear how long the investigation could take. Justice Department spokeswoman Cynthia Magnuson said she could not discuss the timeline or details of the investigation.

Human Trafficking Cases Increase In El Paso (EPT)

By Louie Gilot

El Paso (TX) Times, November 11, 2006

A billboard encourages reporting suspected human trafficking. (Yasmin A. Aboytes / El Paso Times)Photographs of men, women and children filled the screen. But they didn't tell the whole story.

A shy Chinese boy is pictured. He was forced to work in restaurants in El Paso and North Carolina.

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A young woman poses on a stationary bike. She was lured into the sex trade from her native Uzbekistan.

Two middle-aged couples smile at the camera. The pair on the left were deaf and mute victims of human traffickers. On the right were the traffickers.

"You have to look beneath the surface. You'll not know it when you see it," Brandy Gardes, an assistant U.S. attorney in El Paso, told hundreds of law enforcement officers and social workers at a conference last month in El Paso.

Officials have called human trafficking one of the toughest crimes to tackle.

It is hard to identify and hard to prove. Victims are often too scared to speak out. And the public and juries have a hard time believing slavery still goes on in the United States.

The U.S. Department of State estimated that 18,000 to 20,000 people are trafficked into the

Advertisement

United States each year and held by force or coercion for sexual slavery and forced labor. Between 2001 and 2005, the Justice Department prosecuted fewer than 150 alleged traffickers.

There are no figures for El Paso, but it was chosen by the Justice Department as the site of one of 18 new human-trafficking task forces in the nation as part of a far-reaching effort to bring the problem out of the shadows.

A community's response

Task-force coordinator Paul Piñon is training police officers to recognize the signs.

He said El Pasoans can also play a crucial role in spotting traffickers' safe houses and trafficking victims. "We feel that the majority of situations will come to light through the involvement of the community."

Neighbors may notice that a large number of people live in a house but never congregate outside except to be picked up for work.

Often, El Paso is a pit stop for traffickers on their way to California and elsewhere.

But some cases with elements of human trafficking began here.

Gardes prosecuted two such cases -- the 1998 exploitation of Mexican deaf and mute men and women by two El Paso sisters, and the 2001 sexual exploitation of women from Uzbekistan by a UTEP research assistant. The culprits were convicted, but not for human smuggling, and were sentenced to prison time.

Trafficking victims are not necessarily foreigners, but the great majority are.

One case going to trial Monday can also be classified as human trafficking, Gardes said. It is the prosecution of the owners of a far East El Paso quarry, where Mexican undocumented immigrants worked and lived in substandard conditions. The owners were charged with harboring undocumented immigrants.

Gardes said prosecutors usually apply human-trafficking charges in cases where the use of force can be proved because those cases are stronger in court. However, most human traffickers use coercion or fraud to keep their victims enslaved.

Not 'vanilla smuggling'

Often, what starts as "plain old, vanilla human smuggling," as Gardes put it, turns into trafficking when the migrant can't pay.

Gardes showed the photograph of a field worker standing on top of a large farm truck -- a scene common across the Southwest. His name is Ricardo, she said. He was smuggled across the border in Arizona and abandoned in the desert for eight days with only three days' worth of food and water. He was found by another smuggler who offered to guide him, for a fee. When Ricardo couldn't pay, the smuggler sold him to a Florida labor contractor for $1,100.

This became Ricardo's debt. He worked in a field for $80 a week to repay it. At the same time, his trafficker overcharged him for rent and other necessities. Gardes said he was never meant to be able to repay the debt.

One day, another trafficking victim escaped, was recaptured and was beaten in front of Ricardo and the others. "At this point, Ricardo realized this was really slavery," Gardes said.

Ricardo eventually escaped and testified against his traffickers. He still receives death threats.

In a recent case in El Paso, police rescued a 15-year-old Salvadoran girl at the Downtown Greyhound bus station after her smuggler asked her family in California for ransom.

In Juárez, officials at Casa del Migrante shelter, which helps migrants after they have been deported back to Mexico or after they fail to cross, said they have housed a few women who said their smugglers tried to sell them.

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Brainwashed

Collaboration between police and private aid organizations is crucial to tackle human trafficking, officials said.

A new El Paso case in which a 14-year-old Guatemalan boy allegedly held in Fabens was presented as a model of cooperation to the White House's faith-based initiative task force, social workers involved said. The boy allegedly worked at a Fabens store, slept in a camper shell in a backyard and washed his clothes with a garden hose. Law enforcement officials would not say more because the investigation continues.

When the boy was placed in custody at the migrant children detention center in Canutillo, he was suicidal and refused to speak to FBI agents for two days.

Elvia Garcia, a supervisor at the Diocesan Migrant and Refugee Services, was called to help.

After several hours of small talk, the boy finally opened up.

"It takes a whole community to take care of a victim of trafficking," Garcia said.

Many victims come from Third World countries where police corruption is rampant, and they learn not to trust law enforcement officers. They are also brainwashed by traffickers who tell them the police would not believe their outcry and would put them in jail or deport them.

In reality, victims of trafficking have legal recourse.

In 2000, the Congress passed the Trafficking Victims Protection Act, which broadened the federal status and gave victims the T Visa to allow a three-year stay in the United States. During that time, victims can apply for a green card.

Charles Song, the director of legal services for the Coalition to Abolish Slavery and Trafficking in Los Angeles, said that less than 1 percent of trafficking victims he has helped chose to go back to their countries. That's because traffickers often have associates abroad who threaten the victims and their families.

Florencia Molina, 34, of Mexico, was a trafficking victim in Los Angeles in 2002, sewing dresses for 17 hours a day, every day for months. At night, she was locked inside the clandestine workshop. Her trafficker held her papers, and Molina did not speak English. She summoned the courage to flee and ended up testifying for the FBI.

Molina spoke at the El Paso conference. She said that her trafficker, an important woman in her native Mexican village, was sentenced to six months of house arrest. Then she went to Mexico, looking for Molina.

Molina obtained a T Visa and is living in hiding in the Los Angeles area. She now works as a security guard and dreams of becoming a sheriff's deputy, she said.

"I feel protected in the United States," she said.

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2 LAPD Officers Investigated In Beating Case (LAT)

By Richard Winton, Times Staff Writer

The Los Angeles Times, November 10, 2006

Two Los Angeles police officers were under investigation today for allegedly beating a man during a videotaped arrest in Hollywood that LAPD Chief William J. Bratton called "disturbing."

The video of the Aug. 11 incident, posted on the YouTube website, shows one of the officers holding down William Cardenas, 24, as the other officer places his knee on the man's throat and punches him in the face six times.

Cardenas, who is lying on his back, is heard yelling, "I can't breathe!"

He was arrested on suspicion of using violence or threats to prevent an officer from performing his duty and was charged with two counts of resisting arrest, said LAPD Lt. Paul Vernon.

Cardenas remains in custody.

The tape was photographed by an unnamed neighbor who gave it to B. Kwaku Duren, a lawyer who represents Cardenas.

Bratton cautioned that the videotape only reflected a part of the struggle with Officers Alexander Schlegel and Patrick Farrell, who is seen punching Cardenas.

"There is no denying that the video is disturbing," Bratton said. "But as to whether the actions of the officers were appropriate in light of what they were experiencing, and the totality of the circumstances, is what the investigation will determine."

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Bratton said that Cardenas was not seriously hurt. "The guy got punched but that is not life-threatening."

The chief also pointed out that the incident showed that a federal oversight program of the department -- imposed under a consent decree -- was working. Even before the video became public, an investigation of the incident was underway based on the officers' report and interviews with witnesses, he said.

"All the steps of consent decree have been complied with," Bratton said. "That is the good side. There is no taking away the beating itself."

The incident began when the officers spotted Cardenas, a Gordon Street gang member wanted on a felony warrant for stolen goods, and he fled, police said. During the subsequent arrest, a struggle ensued and the officers reported that they used force to subdue the suspect.

After the arrest, witnesses told investigators that they saw the officers punch Cardenas in the upper torso, Bratton said.

During a preliminary hearing on Aug. 29, Cardenas' attorneys produced the beating video that was subsequently turned over to prosecutors and police, the chief said. The officers have since been assigned to desk duties while the investigation continues.

The district attorney's office is also reviewing Cardenas' case, said Jane Robison, a spokeswoman for the office.

"Policing is often not pretty," Bratton said. "Looking at a slice of [the video] makes it look less pretty, but my obligations is to wait until all the facts are in."

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Beating Of L.A. Suspect Sparks Outcry (WP)

By Sonya Geis And Hamil R. Harris, Washington Post Staff Writers

The Washington Post, November 11, 2006

Police and FBI Investigate Case After Tape Was Shown on YouTube

LOS ANGELES, Nov. 10 -- A video of Los Angeles police officers punching a suspect in the face set off a wave of outrage that crashed onto the doorstep of police headquarters Friday after the tape was posted on YouTube.

It was an uncomfortable echo of earlier Los Angeles Police Department scandals, including the videotaped Rodney King beating. The department, which operates under a federal consent decree, has instituted many reforms but has periodically suffered through police brutality embarrassments.

The lawyer for the suspect shown in the video said his client's experience shows little has changed. "The Los Angeles Police Department needs to make those reforms real, because they have not been made real," B. Kwaku Duren said at a news conference in front of police headquarters Friday. "That video speaks for itself."

The video of an August arrest came to light this week after portions of it appeared on the videosharing Web site YouTube and several thousand people watched it.

Shot by a bystander, it shows two police officers attempting to arrest William Cardenas, 24. As one officer sits on his thighs and holds his arm, the other places his knee across Cardenas's chest and throat and quickly punches him five times in the head. Cardenas can be heard crying, "Let go of me! I can't breathe! I can't breathe!"

Cardenas had a split lip, black eyes and a bloody face afterward, Duren said.

Police described Cardenas as a known gang member, which his lawyer disputed. Cardenas had run from officers who wanted to arrest him on a warrant for receiving a stolen gun, Duren said. Previously, Cardenas had been arrested for attempted murder but was never charged.

After reviewing evidence from prosecutors and seeing the video at a preliminary hearing, a judge found enough evidence to try Cardenas for resisting arrest.

The LAPD began investigating the incident on the day of the arrest, in compliance with a consent decree requirement to investigate all allegations of police abuse, police officials said. The FBI launched a separate investigation Thursday.

Both officers in the video, Alexander Schlegel and Patrick Farrell, were reassigned to desk jobs. Schlegel had two previous abuse complaints against him, officials confirmed. He was exonerated in one instance, and in the other the district attorney did not find grounds to file charges.

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"Police work is not always pretty," Chief William J. Bratton said. "But in my 36 years in law enforcement, I've learned not to make a judgment until I have all the facts."

According to preliminary hearing transcripts, Cardenas and two friends were drinking beer on a street corner when police recognized him and called for him to put his hands up. Cardenas ran.

When police caught him, Schlegel pushed him in the back, he fell, "and his face bounced off the sidewalk."

Cardenas tried to hit the officer, Schlegel testified. Then Farrell hit him twice, and Schlegel used pepper spray on him, Schlegel said. The officers reported the use of force that day, police officials said.

From her second-floor apartment, Melissa Aguayo, 17, watched it happen. "He kept saying, 'You're choking me, you're choking me,' " she said Friday. "They kept saying, 'You are resisting arrest,' and they kept hitting him."

Connie Rice, a civil rights lawyer who has watched the Los Angles Police Department for 20 years, said the incident is not atypical and reflects a "use of force culture" at the department that is "calibrated higher and more aggressively than other police departments."

Nonetheless, "This is not your grandfather's LAPD," she said. Rice credited Bratton with valuing community policing and with presiding over a changing culture, in which fewer officers see aggressive policing as acceptable.

Under Los Angeles's well-liked police chief, crime in the city has fallen 40 percent in four years.

"Twenty years ago, 99 percent of LAPD officers would have seen that video and would have said, 'What's the problem?' " Rice said. "In 2006, at least a third to half would say, 'We've got a problem.' That's a difference."

Police Beating Video From L.A. Demonstrates The Power Of YouTube Again (USAT/AP)

USA Today, November 11, 2006

LOS ANGELES (AP) — An FBI investigation prompted by video footage of a man being punched repeatedly in the face by police has demonstrated anew the power of the Internet sensation of the year, YouTube.com.

In addition to being a monumental time-waster around the office, YouTube could also become a tool for keeping police honest, some say.

VIDEO: Arrest investigated

This week, a clip on the post-it-yourself video website triggered a police-brutality investigation by the FBI. The footage shows the Aug. 11 arrest of alleged gang member William Cardenas, 24. Two Los Angeles officers can be seen holding him down on a Hollywood street; one punches him several times in the face before they are able to handcuff him.

The Los Angeles Police Department is also investigating the officers' conduct.

Police Chief William Bratton said he found the video to be "disturbing," but stressed that the 20-second clip amounts to only a fraction of what transpired.

The Los Angeles Times reported Friday that a Superior Court commissioner viewed the video nearly two months ago, heard the officers' testimony, and concluded that their conduct was "more than reasonable" because Cardenas was resisting.

Cop Watch LA, a police watchdog group, posted the video on YouTube, said organizer Joaquin Cienfuegos. Cienfuegos said the video was shot by a neighbor of Cardenas with a cellphone camera. The neighbor gave it to Cardenas' family, who then gave it to Cop Watch, according to Cienfuegos.

In recent months, videos posted on YouTube have rocked political campaigns, brought fame — or infamy — to previously unknown talents and cast unwanted attention on the gaffes of the famous. YouTube and similar video sites are also increasingly becoming repositories for videos that purport to detail wrongdoing by police.

Such amateur clips help cast a spotlight on police wrongdoing that could otherwise go unreported, said Ramona Ripston, executive director of the ACLU of Southern California.

"Unless we throw light onto activities of government, all activities, you never find out what happened," Ripston said. "This video is an example."

Police said Cardenas had been wanted on charges of receiving stolen property. In an arrest report obtained by the Associated Press, the officers said they tried to arrest Cardenas after spotting him on the sidewalk, but Cardenas ran.

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The officers caught up to him, tripped him and swarmed over him to apply handcuffs, the report said. In their report, they admitted hitting him repeatedly in the face, saying that he was resisting and that they feared he might grab one of their guns.

Cardenas suffered cuts and bruises on his arms, leg and face, and received stitches on an eyelid. His attorney, B. Kwaku Duren, accused the officers using excessive force.

Police spokesman Lt. Paul Vernon said Friday that such videos often do not show the whole story.

"The officers' actions in these situations are based on the totality of what is going on in the officers' mind," Vernon said. "You don't know in the total context of this what occurred."

As of Friday, the clip had received more than 155,000 views on YouTube. It was posted on Oct. 18.

A search on YouTube for the terms "police brutality" found more than 500 videos, including ones that claim to show police violence in the U.S. and as far away as Egypt and Hungary. A search of Google's video site also yielded hundreds of videos.

In response to the surge in amateur videos, some law enforcement agencies have installed cameras in squad cars to protect officers against false allegations.

Police defense attorney John Barnett said the public shouldn't draw conclusions when watching the clip of Cardenas' arrest. Barnett represented one of the officers in the 1991 Rodney King beating and an Inglewood police officer, Jeremy Morse, who was videotaped roughing up a 16-year-old boy.

Two juries deadlocked in Morse's case, and four officers were acquitted in the King trial, touching off riots in Los Angeles.

"It's very difficult to find jurors who haven't already come to a conclusion," Barnett said. "The public has the perception of what the facts are, but you have to figure out a way to get them back to square one."

Legal observers said the public has become somewhat desensitized to questionable police tactics caught on tape because such videos have become more prevalent since the King beating. In many cases, officers have been exonerated.

"The first reaction by people is one of outrage," said Eugene O'Donnell, a professor of police studies at the John Jay College of Criminal Justice in New York City. "But the more you see police officers using force on tape, the more you get used to it."

Landscapers Cause Furor By Shunning Gay Clients (NYT)

By Ralph Blumenthal

The New York Times, November 11, 2006

HOUSTON, Nov. 10 — Last month, a local landscaping firm prompted a furor here by telling a gay couple in an e-mail message, “We choose not to work for homosexuals.”

The message quickly made its way around the Internet, and the company, Garden Guy Inc., was bombarded with threats and hate mail. But since then, the company’s owners say they have gained far more business than they have lost.

In an interview Friday, Sabrina Farber, 34, co-owner of the company with her husband, Todd, 37, said the company had picked up $40,000 in new business in the past two weeks, while losing only two clients worth about $500 each a year.

“I’m not saying that to gloat,” said Mrs. Farber, who described the frenzy as ugly and emotionally draining. But she said they would not do it differently and deserved credit for not masking their refusal with excuses.

“Why can’t people handle it when you say the truth?” she said.

One of the two gay clients, Gary Lackey, said, “We’re hoping things would die down” and declined to comment further in a telephone interview. The other member of the couple, Michael Lord, did not return a call.

The law appears to be on the Farbers’ side, said Lisa Graybill, legal director of the American Civil Liberties Union of Texas.

“The federal law of public accommodations says if you hang out a shingle or open your door you don’t get to say, ‘Only to whites,’ ” Ms. Graybill said. But sexual orientation is not protected. And while some localities, like Seattle, have adopted ordinances extending antidiscrimination protection to gay men and lesbians, she said, Houston has not.

The uproar began after Mr. Lord contacted Garden Guy, whose Web site contains this slogan: “Treating you with respect and honesty are the cornerstones of our reputation.”

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It also carries citations from the New Testament — Mrs. Farber volunteered that her husband was Jewish and now practices Christianity — and a message against same-sex marriage that the gay couple evidently overlooked: "The God-ordained institution of marriage is under attack in courts across the nation and your help is needed."

Mrs. Farber and Mr. Lord talked business on the phone, but after Mr. Lord's references to his "partner," Mrs. Farber e-mailed Mr. Lord to cancel their appointment.

"I am appreciative of your time on the phone today and glad you contacted us," she wrote. "I need to tell you that we cannot meet with you because we choose not to work for homosexuals."

In the ensuing uproar, the family had to change its private phone numbers, Mrs. Farber said, and turned over to the police copies of threatening messages like "I will sodomize their children."

Mrs. Farber said her husband, who holds a degree in horticulture from Texas A&M University, had done landscaping for gay clients before but had become increasingly "grieved" over visiting their homes to discuss design and plantings.

Dumbfounded by the e-mail message, Mr. Lord and Mr. Lackey forwarded it to friends, and it circulated widely on gay Web sites. A copy reached The Houston Chronicle, where a columnist, Rick Casey, broke the story on Oct. 20, suggesting that the Farbers "should refuse to do business with all sinners."

With the affair spreading to the radio airwaves, Houstonians have piled on.

"It seems to me the Farbers must be a little naïve," a letter writer, Joseph Carroll, wrote The Chronicle. "Don't they realize they are probably doing business with homosexuals every day? They should check out their pharmacist, hair dresser, bank teller, the nurse at their doctor's office, the waiter at their favorite restaurant and the church secretary."

The Association of Professional Landscape Designers condemned the action of the Farbers, whose membership has lapsed, and instituted a requirement for members to abide by an antidiscrimination clause.

In addition to the criticism of the Farbers, there was also widespread support. Mrs. Farber cited one e-mail message from "Eric in St. Louis," who wrote: "Life to the Farbers who have planted themselves like solid oak trees against these strong winds of perversion."

Mrs. Farber said she and her husband never claimed to be perfect.

"We're sinners, Todd and I," Mrs. Farber said. But she added: "My husband made a personal choice, according to something he felt in his heart. It was never a judgmental choice or a hating choice or even a choice that said, 'Well, we're better than them.' "

Gain For Same-Sex Marriage In Massachusetts (NYT)

By Pam Belluck

The New York Times, November 10, 2006

BOSTON, Nov. 9 — Lawmakers in Massachusetts, the only state where same-sex marriage is legal, dealt what appeared to be a fatal blow Thursday to a proposed constitutional amendment to ban it.

In a flurry of strategic maneuvering, supporters of same-sex marriage managed to persuade enough legislators to vote to recess a constitutional convention until the afternoon of Jan. 2, the last day of the legislative session.

On that day, lawmakers and advocates on both sides said, it appeared likely that the legislature would adjourn without voting on the measure, killing it.

"For all intents and purposes, the debate has ended," said Representative Byron Rushing, a Boston Democrat and the assistant majority leader. "What members are expecting is that the majority of constituents are going to say, 'Thank you, we're glad it's over, we think it has been discussed enough.' "

The measure had been expected by both sides to gain easily the 50 votes required from the 200 legislators as the first step toward making same-sex marriages illegal.

Kris Mineau, president of the Massachusetts Family Institute, which sponsored the amendment, called the recess vote a "travesty," and, waving a copy of the State Constitution, said the legislators had "just said that it's irrelevant."

As for whether the fight was over, Mr. Mineau said, "We're assessing the situation."

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Gov. Mitt Romney, a Republican who opposes same-sex marriage, said the vote was a "triumph of arrogance over democracy." He said that he would "explore any alternatives" to try to force a vote, but that "my options are limited."

Eric Fehrnstrom, a spokesman for Mr. Romney, said: "The fact that they put this off until the end of the year makes it easier for them to adjourn. If they were giving consideration, I think they would have recessed until tomorrow or maybe Monday or Tuesday next week."

The action on Thursday came two days after Massachusetts voters elected Deval L. Patrick, a same-sex marriage supporter, as the state's first Democratic governor in 16 years. Democrats were also elected to all of the statewide offices, leaving the state's Republican Party in shambles.

But the fact that the amendment had enough supporters to pass the first 50-vote round indicated that the issue of same-sex marriage remains divisive three years after the state's highest court ruled that such marriages were constitutional in Massachusetts. More than 8,000 same-sex couples have since married.

To bring the amendment before the legislature, the Massachusetts Family Institute had gathered 170,000 petition signatures. If the amendment were to get 50 votes, it would then require the votes of 50 legislators in another constitutional convention in the 2007-8 legislative session. Then it would be voted on in a referendum in November 2008.

Polls have generally found that just more than half of the citizens surveyed supported same-sex marriage, but about the same number wanted the constitutional amendment to come before voters.

The vote to recess followed a day of intense politicking and strategizing by supporters of same-sex marriage. Many legislators, even supporters of such marriages, had said they planned to vote for the amendment for fear that if they did not they would appear to be shirking their responsibility.

Gay rights advocates persuaded the legislators to first take up another amendment to ban same-sex marriage, one introduced nearly two years ago by a conservative lawmaker, but which was now considered by Mr. Mineau and other same-sex marriage opponents to be unable to pass constitutional muster because it would nullify the same-sex marriages that had already taken place.

Because that amendment had been initiated by a legislator and not a citizens' group, it would have needed 101 votes to pass. On Thursday it was defeated unanimously.

Arline Isaacson, co-chairwoman of the Massachusetts Gay and Lesbian Political Caucus, said the plan was to give the legislators political cover with their constituents, because they "can all point to the fact that they fully debated same-sex marriage and took a vote on it."

Same-sex marriage advocates also persuaded lawmakers to vote for a recess and not an adjournment because if they adjourned, Governor Romney could call them back into session.

Representative Michael A. Costello, a Democrat from Newburyport and a strong opponent of the amendment, said: "The way I looked at it was that we would kill it with a handgun or a hand grenade. It's never been proper to put civil rights on the ballot. So we killed it through procedure, rather than on substance."

The debate in the House was full of impassioned speeches.

"I'm 3,000 feet to the right of Attila the Hun, they tell me," Representative Marie J. Parente, a Democrat from Milford who had lost her re-election bid on Tuesday, told her colleagues. "But you're not. You're the other side. The gracious people, the liberal people, the socially conscious people."

For the 170,000 people who signed the petition and want a referendum, "does your graciousness end?" she asked. "Give the people the right to be heard."

Senator Jarrett T. Barrios, who is gay and married, told the chamber, "It's time for a little straight talk."

Pointing to his wedding band, he said: "You don't have to live next to us. You don't have to like us. We are only asking you to end the debate," so that "we will at least have the right to enjoy the same rights that the rest of you have enjoyed from time immemorial."

The Court And Abortion (NYT)

The New York Times, November 11, 2006

DOJ_NMG_0093303

The Supreme Court unnecessarily returned to the politically charged area of abortion this week, hearing arguments in a case testing some of the core principles of Roe v. Wade and the court's own credibility as an institution removed from politics.

At issue, once again, is a deceptively broad ban on so-called partial-birth abortions. The court struck down a similar measure just six years ago, but since then two new justices have arrived. In the interest of women's privacy and health — and in defense of the court's own reputation — the justices should strike down this far-reaching assault on reproductive freedom.

In 2000, the court struck down a nearly identical Nebraska law for essentially two reasons. It found that the law's imprecise language applied not just to a single late-term abortion method — as the ban's supporters claimed — but would criminalize other common abortion procedures that are constitutionally protected. The court also ruled that the law was unconstitutional because it provided no exception to protect a woman's health.

In a cynical move in 2003, Congress passed a law remarkably similar to the one the court had just struck down — with a definition of the procedures it was outlawing about as sweeping as Nebraska's. Defying the Supreme Court, moreover, Congress refused to include an exception for protecting the health of the woman. Instead, it simply made the medically inaccurate assertion that the ill-defined procedure it outlawed was never necessary to preserve a woman's health. Every lower federal court that has considered the Congressional ban has held it to be unconstitutional.

If Justice Sandra Day O'Connor, who cast the deciding vote in 2000, had not retired, it is highly unlikely the court would have agreed to entertain this rerun. But without her, it is not clear that there are still five votes to defeat this assault on Roe , or to uphold the bedrock requirement that abortion restrictions have an exception for protecting a woman's health.

It seems unlikely that Chief Justice John Roberts or Justice Samuel Alito will provide the fifth vote. That means that Justice Anthony Kennedy, the current swing justice, is likely to decide this case. In 2000, Justice Kennedy joined those who would have upheld the Nebraska law. But at oral argument his questions suggested that he may take issue with Congress's assertion that the ban would not put women's health at risk — an encouraging sign.

Even justices who oppose abortion rights need to be concerned about that. They also need to worry about how the court will look if the recent change in its membership produces a starkly different result on an issue so vital to women's privacy and health.

Choosing Choice (LAT)

The Los Angeles Times, November 11, 2006

THE BALLOTS CAST across the nation spoke so unambiguously about abortion that even the most intransigent anti-abortionists should be able to construe the message: Voters do not want Big Brother opening the doors of private homes — or the doctor's office — and coercing people's most personal medical decisions.

Anti-abortionists have been craving a test case to put before the U.S. Supreme Court, in hopes of overturning Roe vs. Wade — and thought they had it when the South Dakota Legislature passed a ban on abortion. Instead of challenging the law in court, though, pro-choice forces cleverly put the matter to a popular referendum. Even in that socially conservative, anti-abortion state, a decisive majority Tuesday preserved a woman's right to choose. To some extent, they were bothered by the ban's extraordinary lack of compassion, refusing to exempt even the victims of rape and incest. But a frequently voiced complaint about the ban was that government simply shouldn't interfere with private lives.

That's a closely held American value and one that Republicans should embrace again lest they want to see this midterm election be a harbinger of a long-range trend.

Both California and Oregon voted down attempts to require parental notification before a minor can obtain an abortion. In several other states, anti-abortion congressional candidates were defeated, and Kansas' Phill Kline, the state attorney general who notoriously overreached the powers of his office in his single-minded attack on family planning and abortion clinics, was turned out of office.

In California, Proposition 85 was the second attempt within a year to impose parental notification on girls, most of whom already talk to their parents before opting for an abortion. Both efforts failed at the polls.

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Heedless of this abundantly clear message, anti-abortion forces are redoubling their efforts. Their latest idea: requiring pregnant women to view a 3-D ultrasound of their fetuses, thus forcing patients to undergo a certain medical procedure before seeking the treatment of their choice. For what other medical situation would this kind of government interference be tolerated?

The voters have spoken resoundingly on abortion and the right to privacy. Those who want to turn government into Big Brother need to heed the message and give it up.

Keeping The Voting Clean (NYT)

By Richard L. Hasen

The New York Times, November 11, 2006

AS election mishaps hindered voting on Tuesday from Cleveland to Denver, some people were already calling for giving up on the new electronic voting machines, which were themselves put in place to prevent another hanging-chad fiasco like that in Florida in 2000.

The calls will only get louder as the public learns more about Florida's 13th Congressional District — coincidentally, Katherine Harris's old district — where voting machines apparently lost or failed to record up to 18,000 votes in a race where the Democratic and Republican candidates are just a few hundred votes apart. If everyone just voted by mail or with pencil and paper, the argument goes, our voting problems would be solved.

But this reaction to the bugs and glitches shows that Americans have not learned the right lesson from 2000: the problem is not with the technology of running our elections but rather with the people running them.

The United States should join the rest of the world's advanced democracies and put nonpartisan professionals in charge. We need officials whose ultimate allegiance is to the fairness, integrity and professionalism of the election process, not to helping one party or the other gain political advantage. We don't need disputes like the current one in Florida being resolved by party hacks.

Critics of electronic voting raise two main issues: machines are susceptible to fraud (or hacking) and they are difficult to use.

Fraud problems would not go away if we switched to vote by mail, as Oregon has. Such voting — let's call it mandatory absentee balloting — takes the voter out of the polling booth and puts him at home or elsewhere, someplace where votes could be sold to the highest bidder. Most of the documented cases of voting fraud in the United States in recent years involve absentee ballots. At the beginning of the last century, voter turnout declined as states adopted secret, in-person balloting, most likely because corrupt politicians stopped buying votes since they couldn't verify that people were really voting for their candidate.

True, squeaky-clean Oregon has been able to use the vote-by-mail system. But it is not clear that clean elections could be held in places with more rancorous partisan disputes over election rules and vote counting. And mail-in ballots don't eliminate the problem anyway: losers still have an incentive to claim fraud and try to get a close election result overturned. Public opinion on the integrity of the election process is volatile, and surveys show losers have less confidence in the fairness of the process than winners do.

Voting with pencil and paper creates its own problems. With long ballots like California's it would take many days to calculate results, and the potential for election administrator error or fraud — if votes were really to be counted by hand, as opposed to optically scanned — would be enormous.

Nor would a switch to vote by mail or pencil and paper necessarily solve anything. Across the country last Tuesday we saw all kinds of mundane problems: not enough ballots, polls opening late, disputes about which voter identification rules applied. Problems arose with absentee ballots, too. Some were mailed to the wrong address, or with incorrect postage, or with inaccurate or incomplete information. Then there's the question of accurately counting only the validly cast absentee ballots.

The point is not that electronic voting is the best system; maybe it should be scrapped. The real solution is to create a cadre of dedicated, professional nonpartisan administrators with enough money to run a scrupulously fair and voter-friendly system of election administration to resolve such questions.

To improve the chances that states will choose an independent and competent chief elections officer, states should enact laws making that officer a long-term gubernatorial appointee who takes office only upon confirmation by a 75 percent vote of the

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legislature — a supermajority requirement that would ensure that a candidate has true bipartisan support. Nonpartisanship in election administration is no dream. It is how Canada and Australia run their national elections.

We've moved in exactly the wrong direction. Election administration reform has become more, not less, politicized since Bush v. Gore. Since 2004, voter identification laws have been supported only by Republican legislatures and opposed by Democrats. The debate over election integrity versus election access makes administration just another locus for partisan debate. This should and can end with nonpartisan professional administration.

Even with divided government coming again to Washington, there is an opportunity to take steps that would keep each party from gaining partisan advantage, and that can end our biannual anxiety over whether we are headed for another election meltdown.

ANTITRUST:

DOJ Targets 36 Markets In NAR Antitrust Suit (INMAN)

By Glenn Roberts Jr., Inman News

Inman News, November 11, 2006

Realtor association seeks rule change for separate contested listings policy

NEW ORLEANS -- The Justice Department, as a part of its antitrust lawsuit against the 1.3-million-member National Association of Realtors trade group, has identified 36 market areas in which association policy for the online display and sharing of property information has allegedly caused anticompetitive effects, said Laurie Janik, general counsel for the group.

Filed last year, the lawsuit charges that the Realtor group's policies are illegal because they could potentially be used to squelch real estate competition, while the Realtor group has maintained that its policies provide for ample online information about properties.

"They've identified 36 markets to us where they intend to prove anticompetitive effects," Janik said Friday during a meeting for multiple listing service executives at a Realtor conference in New Orleans."We'll be waiting to see just what types of proof they plan to advance from those marketplaces."

Lawyers for the association, meanwhile, are conducting interviews with MLS officials in those markets to gather information for its defense.

Issues of data protection and control are at the core of the legal scuffle, as some brokers have pushed the association to better serve their interests by helping to safeguard control over property information that they say is a vital part of their business.

A major contention in the Justice Department lawsuit is on a policy provision that allows brokers who are members of Realtor-affiliated MLSs to block their listings from display on other MLS participants' Web sites, Janik said. "We believe it's a very justifiable position, but the government seems to think that once a broker has decided to participate in the MLS then you also must allow your listings to be displayed on a competitors' ... Web site."

Also, Justice Department officials object to a Realtor policy which requires that Realtor MLS participants must "actually be engaged in listing or selling the type of property that's listed in the MLS," while the former policy simply required that an MLS participant possess a broker's license.

"The reason for the rule change is largely driven by the Internet," she said. "We all know there are plenty of people out there with brokers' licenses -- so you get the license, you get the valuable data feed, you get to display it on your Web site and make all sorts of money even though you never list or sell a property. We don't think those people belong in the MLS and so that's what I think will be the second biggest issue in the lawsuit."

The association is also grappling with other legal issues, Janik noted, including eight Federal Trade Commission investigations and seven Justice Department investigations that have focused on a specific classification of property listings. The federal agencies are targeting MLS rules restricting the display of exclusive agency listings on some public property-search Web sites -- exclusive agency listings provide that sellers do not have to pay a commission to a real estate broker if they locate a buyer without the assistance of the broker.

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The MLSs' restrictions did not affect exclusive right to sell listings, a more common form of listing in which the broker is guaranteed compensation whether or not the seller independently locates a buyer.

A group of Realtor-affiliated MLSs have eliminated the policies after the federal agencies began investigating their policies, while some of the investigations are still outstanding and the FTC has announced legal action against two MLSs in Michigan.

In July, the National Association of Realtors hosted a "fly-in" event in Chicago and invited all of the lawyers for MLSs involved in the investigations, Janik said. The participants of that meeting signed a joint defense agreement and a confidentiality agreement, she said.

After that meeting, Janik and an antitrust lawyer representing NAR met with FTC and Justice Department staff to discuss the issues surrounding exclusive agency listings.

"We wanted to make sure they understood that MLSs had a legitimate concern and a legitimate reason not to be advertising exclusive agency listings on the Internet ... and that those MLSs that excluded these listings from (distribution to some public Web sites) were doing it because it is not consistent with the purpose of the MLSs to be helping home sellers sell their homes themselves and cut brokers out of commissions."

In some cases, Janik said, sellers in exclusive agency listings contracts have displayed for-sale-by-owner signs on their properties.

In response, Janik said that the association is considering a proposal to change listings policy so that brokers -- rather than MLSs -- could make independent choices about whether or not to exclude exclusive agency listings from their Web sites.

"Brokers are always entitled to make independent business decisions. There's no collusion, there's nothing illegal about that," she said. "The MLS as a group of competitors ... would not be making a joint decision; there would be no agreement among competitors." And that represents an important legal distinction, she said.

The association has shared its proposed changes to listings policy with the Justice Department and FTC, and Janik said she expects the association would be safe in adopting this policy change, though she added that the agencies have not provided written approval of the proposal.

The proposed changes would also provide that MLSs can choose to exclude exclusive agency or exclusive right to sell listings from being sent to public Web sites when the street address of the property is being shown on the Internet and when a for-sale-by-owner sign or other sign on the property indicates that the seller is soliciting direct contact from buyers.

This is intended to prevent situations in which sellers receive the benefit of MLS visibility but could potentially block MLS subscribers from participating in the real estate transaction, she said. This proposed change may be a tough sell to the federal agencies, she added.

"There is some disagreement with us and the FTC over that portion and no one is obviously promising this a clean bill of health," Janik said. "And there are some risks of adopting this policy. The risk of doing nothing I think is far greater," she said. "I think narrowing the policy -- narrowing it or getting rid of it entirely ... are probably the only two viable choices we get," she said.

If the proposal is adopted by the association's leadership, it will be an optional policy "for those who love to take risks," she said.

MLSs that do not have the staff to actively visit MLS-listed properties to ensure that there are no for-sale-by-owner signs could rely on "the age-old MLS rules enforcement practice of 'tattle-taling,'" she said. "And it seems to work pretty well."

While the rule would prevent sellers from displaying a for-sale-by-owner sign on their properties when listing a home with an MLS, sellers could still use other non-MLS venues to market their homes, such bulletin boards, Web sites such as craigslist.org, and fliers at the local church, "because it has nothing to do with the resources of the MLS," Janik said. "The only way the MLS connection can be made is with the address and the for-sale sign. It's a very narrow exception."

Also during her legal update, Janik said, "There is a movement among some states to put some definitions in the state law as to what constitutes an exclusive right to sell listing," citing an example of one state that may be considering language stating that "any property that is marketed for sale by owner is not an exclusive right to sell listing."

Motorola To Buy Rival Of BlackBerry (AP)

By The Associated Press

DOJ_NMG_0093307

AP, November 11, 2006

CHICAGO, Nov. 10 (AP) — The cellphone maker Motorola said Friday that it would buy Good Technology, a rival of BlackBerry, in a deal that should improve the prospects for its new Q hand-held device.

The financial terms were not disclosed.

The deal underscores efforts by Motorola, a leading maker of handsets, to sell more mobile devices that offer access to e-mail and other business-oriented services. In September, it agreed to spend $3.9 billion to buy Symbol Technologies, a maker of portable bar code scanners and customized hand-held computers.

Motorola said Good Technology, a privately held firm based in Santa Clara, Calif., that provides computing software and services for the Treo and other smartphones, will join its mobile devices unit. That unit has flourished in the last couple of years thanks to the success of the Razr phones.

Ron Garriques, president of the mobile devices division, said Good Technology's services, products and customers all complement its business.

"This acquisition will continue to strengthen Motorola as a leading provider of mobility devices and solutions both for enterprise customers and consumers," he said.

Hoping to come up with another Razr-like blockbuster in the fast-growing smartphone category, Motorola introduced a Qwerty hand-held device, called the Q, this year to compete against the BlackBerry and the Treo, which also runs on Good Technology software.

Albert Lin, an analyst for American Technology Research, said Good Technology was probably the best available acquisition for Motorola in the category short of buying Research in Motion., the Canadian maker of the BlackBerry.

"The Q has been somewhat disappointing and they're looking for ways to reinvigorate that product line," he said. Good Technology, founded in 2000, originally offered its own handheld device but now focuses on software and services.

Shares in Motorola rose 18 cents, to $21.38 on the New York Stock Exchange, down 5.4 percent this year.

Bulldog Edition Clash Of Cultures Exacerbates Woes For Tribune Co. (WSJ)

By Sarah Ellison

The Wall Street Journal, November 10, 2006

L.A. and Chicago Newspapers Are Riven by a Big Debate Over Process and Purpose 'It's a Tragic, Bad Marriage'

LOS ANGELES -- Earlier this summer, Dennis FitzSimons, chief executive of Tribune Co., traveled here to meet a group of Los Angeles Times editors and reporters. Mr. FitzSimons was running late and, according to two people in attendance, the assembled group joked about saving all the hard questions for the top executive of their parent company.

When Mr. FitzSimons finally arrived, a reporter asked: "Why do you hate the L.A. Times?"

When Chicago-based Tribune Co. acquired Times Mirror six years ago, it was more than an $8 billion fusion of two media companies. The merger also threw together two competing and incompatible cultures, each rooted in the traditions of their respective flagship newspapers, the Chicago Tribune and the Los Angeles Times.

Some Tribune executives think the Times is arrogant, spoiled and overstaffed, a paper with global ambitions that has ignored local readers. Some Times people consider the Chicago Tribune an inferior, provincial product. Times denizens, proud of their city's position as the nation's second largest, see the paper's owners as bean counters in business suits. Tribune thinks its Californian charges are too slick and prefer to take pride in the company's Chicago roots.

Unlike many battles between journalists and corporate bosses, which focus largely on spending, this one is also driven by fundamental differences between the philosophies of the two newspapers.

"It's a tragic, bad marriage," L.A. Times editor Dean Baquet has told colleagues. Mr. Baquet's own tenure was cut short amid the infighting and his last day is today.

Across the country, once-profitable newspapers are being ravaged by the Internet in a historic industry shift. The traditionally high margins of newspaper publishers have been squeezed as both readers and advertisers abandon the medium. Investor confidence has plummeted over the industry's uncertain growth prospects.

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Even in 2000, some executives saw trouble looming. The solution dreamed up by Tribune and Times Mirror was to merge their operations in a way that allowed them to sell combined packages of newspaper and local TV advertising in the same big, urban markets. The strategy was a dud. In September, Tribune said it was exploring various strategic options, which may include a sale of the entire company or some of its divisions.

The deteriorating financial environment exposed tensions at Tribune that had been simmering for years. As the company tried to consolidate, a common industry response, it ran into problems merging two disparate cultures amid serious economic travails. Some of the battles, such as whether to focus on local news at the expense of national or international coverage, reflect a broader soul-searching under way across the industry.

Matters came to a head this week when Tribune forced out Mr. Baquet as Times editor. Mr. Baquet had taken up the cudgel against Tribune's attempt to cut costs that culminated in a feisty speech at an editors' conference in New Orleans two weeks ago. Tribune executives took his comments personally, say people familiar with their thinking. Back in Los Angeles, staffers wore Dean Baquet T-shirts and have adorned their cubicles with his picture.

Many inside the company sensed the growing collision of cultures during the summer meeting with Mr. FitzSimons. Simon Li, the paper's foreign editor at the time, asked whether Tribune wanted the Times to concentrate on local stories, according to people who were there. The Times has long prided itself on its international presence, which editors felt the Tribune didn't appreciate.

Scott Smith, Tribune's president of publishing, said the need for local coverage was increasing. According to Henry Weinstein, the paper's legal-affairs reporter, who was at the meeting, Mr. Smith added that readers get their foreign and national news from a lot of places, such as Google or Yahoo Web sites.

Some in the room were stunned. Google and Yahoo do virtually no newsgathering of their own. Their sites publish stories from other news sources, including the L.A. Times. "It was mind-boggling that they thought there was some elf who plunked those stories there," says Mr. Weinstein. Mr. Smith recalls the conversation differently. He says he cited news sources such as broadcast TV, cable and online, and also talked of the company's commitment to national and international coverage.

In the same meeting, according to attendants, Mr. FitzSimons told the group that he didn't hate the Times and that the paper's success was important to Tribune. A reporter countered that when the L.A. Times won five Pulitzer Prizes in 2004, the chief executive hadn't come to the celebration. Mr. FitzSimons said he hadn't been invited.

Asked to comment for this article, Mr. Smith said in a written statement: "Each of our newspapers is committed to serving their communities exceptionally well through the very best locally focused journalism plus great coverage of national, international news and features." He added: "This broader coverage is enhanced through collaboration where each newspaper has access to the best stories created by talented journalists throughout the company."

Times Mirror and Tribune were both founded by conservative civic boosters. Tribune was started in 1847 and came into its own under Colonel Robert R. McCormick, who railed against Franklin D. Roosevelt and the New Deal. The Tribune carried an American flag on its front-page banner, which also proclaimed it "World's Greatest Newspaper." It still occupies what was one of Chicago's earliest skyscrapers, heavy with fine stonework and quotations about press freedom on the walls.

Gen. Harrison Gray Otis founded Times Mirror in 1884. Under his family's ownership, the Los Angeles Times supported the expansion of the city's water supply, an event fictionalized in the movie "Chinatown." In the center of its lobby is a giant globe.

The two papers started to part ways when a fourth generation took over the L.A. Times. Under Otis Chandler, who was publisher from 1960 to 1980, the paper beefed up staffing levels and overseas reporting. He wanted to emulate East Coast institutions such as the New York Times and Washington Post. Photocopies of Mr. Chandler's image now festoon the Times newsroom.

The sprawling Los Angeles area is a patchwork of sometimes-disconnected communities, making local coverage a tricky proposition. The Times publishes ambitious, lengthy front-page features. But some locals complain that events halfway across the world are more thoroughly covered than news in their own backyard. The Times doesn't dominate its market the way many Eastern newspapers do. An exploding Latino population exacerbated that problem. So did the Internet.

"I didn't want to come back to work for a really good local newspaper and I still don't," says Douglas Frantz, who was coaxed from the New York Times to become a managing editor under Mr. Baquet.

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Chicago, by contrast, is a venerable prairie city of neighborhoods and strong civic identity. In 1988, the Tribune won a Pulitzer for coverage of corruption at Chicago's City Council. Two of the honored reporters were Mr. Baquet and the Tribune's current editor Ann Marie Lipinski. She cites a feature that tracked a Chicago fugitive living in Mexico as an example of how the paper marries local and international coverage.

The paper has a folksy feel. One column, called "What's Your Problem?", allows readers to write in with everyday complaints. A few weeks ago, the paper held a lunch to celebrate the column's one-year anniversary. "It was a virtual lovefest with readers," says Ms. Lipinski.

In 2000, when Tribune first announced the merger with Times Mirror, it seemed like a savior. The L.A. Times had barely emerged from a major scandal. Departing from basic journalistic ethics, the paper published a special edition of its Sunday magazine focused on the new Staples Center while agreeing to share the resulting profits with the arena owners.

The conflict hurt the paper's credibility and led to the departure of a series of top executives and editors. It also helped convince the controlling Chandler family to give up their publishing empire. Times Mirror was notoriously poorly managed, and Tribune, known for its disciplined management, had been eyeing the property for years.

Tribune, which also owned the Orlando, Fla., Sentinel and two smaller papers, initially invested in the Times. It put Baltimore Sun editor John Carroll in charge and paid for a new California production facility.

But the deal was struck at the height of the dotcom boom. Its rationale quickly faltered as newspapers became a less appealing venue for national advertising. Readers and advertisers instead flocked to cable television and the Internet.

In response, in 2002, Tribune began cutting costs heavily. Some of the most high-profile cuts came at the Baltimore Sun and Long Island, N.Y.'s Newsday, both Times Mirror properties, where there was an exodus of top editors. The Los Angeles Times proved the most difficult terrain. Tribune executives and Times editors were almost immediately at loggerheads.

The Tribune company wanted to encourage centralization and cooperation between its papers, allowing it to eliminate overlapping positions. Under the Chandlers, Times Mirror operated as a confederation of separate newspapers.

"They came into this deal with an idea of making a lot on national advertising and finding a lot of synergies, and none of that worked," says Mr. Carroll. "So they went on a cost-cutting binge."

On paper, Tribune saw obvious opportunities to eliminate redundancies. The Washington bureaus could theoretically be combined into one operation. Executives asked why the company needed to publish four different reviews of the same book.

Jack Fuller, a Pulitzer Prize winner at the Chicago Tribune and Tribune's publishing president, wanted to proceed carefully. Even though the L.A. Times was generally seen as overstaffed -- at the time it had 1,160 editorial staffers compared with the Tribune's roughly 680 -- Mr. Fuller didn't want to preside over the paper's decline, according to people familiar with his thinking. He was also conflicted, these people say: He wanted to hold up journalistic standards, but his job was also to make money.

"Broadly, his position, which none of us disputed, was that we didn't buy the L.A. Times, this great newspaper, to screw it up," says Howard Tyner, who succeeded Mr. Fuller as editor of the Chicago Tribune and has since retired. "And to go in with an ax was a good way to screw it up."

Mr. Carroll's approach to the 2002 budget pressures was to cut staffing at local editions in areas such as Orange County and the San Fernando Valley to preserve jobs in Washington and overseas. "We can either be five pretty good papers or one great one," he told staffers after he took the job, according to several Times staffers.

Some at Tribune say that likely contributed to declining circulation in Southern California, according to people familiar with their thinking. Mr. Carroll blames other problems for the declines, such as tighter controls on circulation following a scandal at the company's Newsday, and cutbacks in the paper's promotional budget.

Mr. Tyner says the Times Mirror papers resisted cooperating because they resented the loss of control. "I think it comes down to the fact that some of the big Times Mirror editors felt that working together was more of a threat to their style of journalism than a way to save it," says Mr. Tyner.

Tribune Co.'s Washington bureaus became a symbol -- some said an obsession -- of how the company wanted its newspapers to cooperate. At the time of the merger, Tribune's papers were already housed in the same building. After months of planning, Tribune moved five bureaus belonging to its Times Mirror papers to the same location, including the L.A. Times. Now,

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all of Tribune's nine Washington bureaus are "co-located" in the same building, with a common reception area and a centralized open meeting place where daily meetings to coordinate coverage take place around a U-shaped conference table.

When the idea of joining Washington bureaus first was raised, many Times Mirror editors objected strenuously. They argued that their stories needed to be tailored to individual markets and they couldn't share reporters with a paper from Chicago or Virginia.

Tribune is famous for benchmarking studies that compare its papers to one another. The company uses various measures, such as editorial costs as a percentage of revenue, number of staffers, average pay, newsprint and nonpayroll expenses.

In 2003, to push back on the question of the Washington bureau, Gerould Kern, Tribune's vice president of editorial, took a number of stories over a period of several months and compared them. "There was a high degree of overlapping coverage of routine events," Mr. Kern recalls. "There weren't a lot of stories that were related to their markets."

At that time, Mr. Kern says Tribune's D.C. bureaus were sharing as little as 8% of their content. Today, 35% to 40% of the content from D.C. is shared between papers, he says. The Los Angeles Times takes stories "less so than others," he says, but they do use some from the Chicago Tribune and other papers, while still debating about how to credit them.

The changes have allowed Tribune to cut the size of its D.C. newspaper and TV operations from 130 reporters in 2003 to 107 today.

Mr. Kern's studies also revealed another source of tension. In comparison after comparison, the Chicago Tribune was putting out its paper with fewer employees. L.A. Times executives countered that their product was of a higher quality.

In the summer of 2005, Mr. Carroll retired, citing the budget cuts as a primary reason. He was succeeded by Mr. Baquet. The paper's publisher, John Puerner, had left earlier that year for similar reasons.

In the last weeks of Mr. Carroll's tenure, Tribune surveyed the staffs of all its 11 papers. At the L.A. Times, the results showed that staff members supported Messrs. Carroll and Baquet and yet were "devastating in their attitude towards Tribune," Mr. Baquet says. When he first took over as editor, "I wanted to ease that."

Mr. Baquet went to Tribune-wide editors' meetings held roughly twice a year. Mr. Carroll didn't engage in such events. "John may as well have taken his shoes off to clip his nails at those meetings," says one top Tribune company editor, an assessment Mr. Carroll doesn't dispute. At one such meeting earlier this year, Mr. FitzSimons, Tribune's CEO, pulled Mr. Baquet aside and said how much he appreciated his participation in the discussion, according to people familiar with the matter.

In fall 2005, shortly after Mr. Baquet took the job as editor, Mr. Kern, Tribune's editorial vice president, said all of the company's newspapers needed to cut 25% from their foreign budgets, according to people familiar with the matter. Mr. Baquet told colleagues he planned to take a lead role in the project to maintain as much control as possible.

As part of that year's cuts, the Times shut down one of its three printing plants and cut about 300 jobs, or between 8% and 10% of its work force. Roughly 90 of those were newsroom jobs.

As cost pressures increased, the two papers continued to spar, even about seemingly insignificant details. Last year, the Los Angeles Times won two Pulitzers -- one for a series on racial injustice and another on Russia's struggle with terrorism. The Chicago Tribune won one, for an account of a deadly 10-second tornado in Utica, Ill. When Tribune Co. sent out a congratulatory note to employees, the Chicago Tribune was listed before the Los Angeles Times. Staffers at the L.A. Times felt that Tribune had again shown preference for its hometown paper.

Earlier this year, the L.A. Times sent a reporter to cover a murder in Wisconsin, something that irked some Tribune executives, according to people familiar with their thinking. They thought such a story should have been left to the Chicago Tribune.

In May, Jeff Johnson, then publisher of the L.A. Times, went to Chicago to discuss budgets for 2007. He was told to cut another $45 million, roughly the same amount he had cut the year before, according to people familiar with the exchange. That was roughly twice what the Chicago Tribune was asked to cut from its budget, according to people familiar with both paper's finances.

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Mr. Johnson, having suffered through one round of cost cutting, balked. After he returned to Los Angeles, Mr. Johnson, along with Mr. Baquet, was quoted in an L.A. Times story opposing the proposed budget cuts. Mr. Johnson's words carried a special edge because he had worked on the Tribune side of the house before moving to Los Angeles.

L.A. Times columnist Steve Lopez supported Mr. Johnson's apostasy. In an interview with the New York Times, he said the publisher had taken "a stiff drink of the Dean Baquet Kool-Aid."

Many predicted Mr. Johnson would be fired. Los Angeles civic leaders sent a letter to Mr. FitzSimons complaining about budget cuts. Wealthy Angelenos, including entertainment mogul David Geffen and real-estate tycoon Eli Broad, have expressed interest in buying the paper.

In early October, David Hiller, then publisher of the Chicago Tribune, flew to Los Angeles with Mr. Smith and several other Tribune executives. Tribune had decided that Mr. Hiller was going to take over at the L.A. Times and that Mr. Johnson was out.

People at the paper say an L.A. Times reporter received a tip that the men were in town. The reporter had also heard that Mr. Hiller's reservation was for a longer stay than that of the other executives, these people say. He passed the news onto a few editors, who surmised it meant that Mr. Johnson was out.

That Wednesday and Thursday, as the rumor spread, a steady stream of senior editors went into Mr. Baquet's office and urged him to stay, regardless of what happened to Mr. Johnson. Mr. Baquet didn't make any promises, according to several of the people who talked to him, but said he would put the paper first in any decision he made about his future.

Tribune planned to announce the change of publisher on Thursday. At breakfast that day, Mr. Hiller met Mr. Baquet at the Omni hotel in downtown Los Angeles, a few blocks from the Times's headquarters. When the waiter came by to pour Mr. Hiller's coffee, Mr. Baquet says he raised his hand to block the move, adding: "He'll have Kool-Aid." Mr. Hiller laughed, Mr. Baquet recalls.

Mr. Hiller said he was coming to the job with no preconceived notions, both men say. He asked Mr. Baquet to stay on at the paper and try to reach an accommodation. Mr. Baquet says he agreed.

In his first day on the job, Mr. Hiller went to the paper's news meeting. He was asked about the differences between the Tribune and the Times. Some L.A. Times staffers wanted him to acknowledge that theirs was a better paper, according to people who were there. Mr. Hiller ducked the question. He talked about how the two cities were different and how the papers were similar.

Earlier this week, Mr. Hiller put out a memo to the Times staff, saying that the paper needed to "focus relentlessly on growing local audience," unlike, he said, the New York Times, a paper that has been steadily increasing national coverage. He concluded: "We cannot allow ourselves to feel victimized by change or be in denial of what needs to be done to move us ahead." Many saw the news as a sign of more cuts to come.

On Tuesday, Mr. Baquet announced he was leaving. His replacement, James O'Shea, a longtime editor at the Chicago Tribune, takes over from Mr. Baquet as editor of the L.A. Times on Monday. In an interview last week before his appointment was made public, he said reporters should be worrying more about readership than about cost cutting.

"The whole damn industry is focused on the wrong thing," he said. "We're all worried about how many people we have, and what we should really be worried about is declining readership."

At Mr. O'Shea's going-away party earlier this week, he got an ovation from the Chicago Tribune newsroom, say people who were there. They also gave him a gift: a plastic shield and body armor.

Write to Sarah Ellison at sarah.ellison@wsj.com1

ENVIRONMENT:

EPA Wants Man Fined For Silence On Pollution Role (SPT)

By Carrie Weimar

St Petersburg (FL) Times, November 11, 2006

TAMPA - A Dover business owner is facing fines of $32,500 a day for failing to comply with requests from the Environmental Protection Agency.

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In a criminal complaint, the federal agency accuses Hugh Johnson, owner of Johnson's Oil Service, of ignoring requests for information regarding his alleged involvement in the pollution of what became a Superfund site in Polk County.

The site, 5015 State Road 60 in Mulberry, is the former home of Sadler Drum, which specialized in the washing and reconditioning of chemical drums. The owner abandoned the site in 1997, leaving hundreds of empty containers.

The EPA investigated the site and discovered the presence of dozens of dangerous chemicals. The cleanup cost more than $900,000 and 65 potentially responsible parties were identified, including Johnson, according to court documents.

Johnson did not return messages left at Johnson Oil Service on Friday.

The EPA sent a registered letter to Johnson in June 2003, requesting more information. Johnson signed for the letter but did not respond, the court documents said.

Letters also were sent in July and August 2004. Again, Johnson signed for them but did not respond, the documents said.

In June 2006, the Justice Department intervened, sending notice to Johnson he must respond or face judicial enforcement. Johnson did not respond.

The EPA is asking a judge to fine Johnson up to $27,500 a day for each day of noncompliance between June 2003 and March 2004. The amount increases to $32,500 a day after March 2004.

No trial date has yet been set.

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Lawsuit Says Family Damaged Wetlands In Chesapeake (VP)

By Scott Harper

Virginian-Pilot, November 11, 2006

NORFOLK - The Justice Department has filed a federal lawsuit seeking fines and restoration of nontidal wetlands in southern Chesapeake that the government says were damaged in 1999.

But the property owners, the Bosher family, said this week that they did nothing wrong and that they were cleaning out existing ditches on their farmland at the time.

Family members say they have since spent thousands of dollars trying to clarify the issue with federal regulators, to no avail.

"It's been the most expensive, prolonged and painful experience," said Kitty Bosher, president and secretary of Sea Bay Development Corp. and Green Sea Farms LLC.

The two entities, both family-run, are listed as the owners of the site in question, known as the Bosher tract. At 1,560 acres, the tract is one of the largest undeveloped properties left in southern Chesapeake.

The case is another in a series of federal actions in recent years intended to protect nontidal wetlands - low-lying fields and forests found throughout Hampton Roads that filter pollutants, control flooding and provide wildlife habitat.

Such land features often are hard to differentiate from slightly squishy, unregulated properties, however, and do not resemble cattail-lined marshes and swamps, which are considered tidal wetlands.

Energy Demand Is Expected To Rise In 4th Quarter (WSJ)

By Spencer Swartz

The Wall Street Journal, November 11, 2006

LONDON -- The International Energy Agency said global energy demand will jump in the fourth quarter because of U.S. consumption, while demand for oil produced by the Organization of Petroleum Exporting Countries will rise to its highest level in four years.

The energy watchdog Friday said global oil demand will rise 2.6% from the year-earlier period, when demand was crimped by mild weather and the impact of Hurricane Katrina in the U.S., the world's biggest energy market.

In its widely watched monthly oil-market report for November, the IEA said global demand for OPEC oil is expected to rise 1.6 million barrels a day in the fourth quarter from the third quarter because of weaker output from non-OPEC countries.

The IEA trimmed its outlook for growth in 2006 global oil demand to 1.1% from 1.2% in its October report. Demand growth for 2007 was unchanged at 1.7%, the agency said. The IEA revised its fourth-quarter forecast for non-OPEC supply to 51.7 million barrels a day, a decrease of 200,000 barrels a day, and pegged 2006 growth at 700,000 barrels a day, saying weaker supplies in

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the North Sea, Russia, China, Brazil and Angola will counter "upward adjustments for North America, Australia, Azerbaijan and non-OPEC biofuels."

The Paris-based IEA's outlook points to tighter market conditions and higher energy prices just as OPEC oil-production cuts take effect. OPEC's output cuts, aimed unofficially at supporting oil prices back to the $60-a-barrel level, were sharply criticized by some oil analysts because of the onset of winter in the Northern Hemisphere and uncertainty about the strength of the global economy.

"To make an output cut in the fourth quarter is clearly going to tighten the market, the extent of which depends on how much output is actually cut and that's an uncertain situation," said Lawrence Eagles, editor of the IEA's monthly oil report.

Overall, the IEA expects OPEC's Doha deal to bolster falling oil prices by cutting 1.2 million barrels a day of actual output that will yield a physical reduction of 600,000 barrels a day to 900,000 barrels a day. "Depending upon compliance by non-Gulf members, some 600,000 to 900,000 barrels a day might be removed from the market as a result of the Doha decision," the report said.

Bill Allowing More Drilling Along Coasts Appears Dead (NYT)

By Clifford Krauss

The New York Times, November 11, 2006

HOUSTON, Nov. 9 — Just a few months ago House Republicans and representatives of the energy industry were poised to rewrite a quarter-century of national energy policy and open the seas off the Atlantic and Pacific coasts to oil and gas drilling, which environmentalists had fervently resisted.

But Tuesday's Democratic victory in midterm elections has changed the legislative landscape, obliterating the chances that anything close to the aggressive drilling bill passed by the House of Representatives will be enacted for years to come.

Now, with the Democrats' mid-term election victory, the proponents of drilling off the nation's beaches are reluctantly jockeying to settle for a small patch of new offshore exploration allowed in a competing and more modest Senate drilling bill. "I don't want to end up having no progress," said Representative John E. Peterson, a Pennsylvania Republican who is a leading proponent for expanded offshore drilling. "Something is better than nothing."

He added, "With Nancy Pelosi as speaker it will be difficult to talk about producing in the outer continental shelf."

Dave Parker, president of the American Gas Association, which represents utilities, said: "It's a matter of being pragmatic. The Republicans who had thought they would retain control basically now have one option, which is to accept the Senate-passed version."

The Senate bill opens to bidding 8.3 million acres of federal waters in the Gulf of Mexico. The waters, south of the Florida Panhandle and 235 miles west of Tampa, are thought to hold 5.8 trillion cubic feet of natural gas and 1.3 billion barrels of crude oil.

Exxon Mobil, Shell, BP, ConocoPhillips and many independents are expected to make bids in the area, known as Lease Area 181, which is attractive because it is relatively shallow and close to pipelines and other infrastructure built previously.

Many lawmakers and energy industry officials had expressed little enthusiasm for the Senate bill before the election. They said it was too limited because it would produce, at most, only the equivalent of two months of domestic demand for oil, along with enough gas to cool and heat six million homes for 15 years.

Unlike the House version, the Senate bill would prohibit drilling over a far greater area, in particular a section 125 miles off most of Florida's west coast.

The House bill, passed in June, would virtually eliminate a federal moratorium on drilling on most of the outer continental shelf off the Atlantic and Pacific coasts that has been in place since 1982. In the summer, energy industry leaders were in strong support of the House bill.

Industry officials said drilling off the two coasts would add enormous amounts of oil and gas to the national inventory over many years, though the exact amounts are not known.

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Brian J. Kennedy, deputy chief of staff for the House Committee on Resources, conceded that there was now no chance of expanding offshore drilling at anything close to what the House had hoped for, but he expressed hope that a law could be enacted in the lame-duck session.

Speaking of Representative Richard W. Pombo of California, chairman of the Resources Committee and chief backer of the House bill, Mr. Kennedy added, "The chairman wants a bill and he'll do everything he can to make sure we get a bill." Mr. Pombo lost his re-election bid.

Mr. Kennedy said Senate and House leaders had already agreed to some compromises, a provision to recover up to $13 billion in lost revenue from energy companies and a set-aside of some future energy production revenue for rural schools.

Some Senate Republicans would like to amend the Senate bill to give Virginia an option to opt out of the moratorium, according to Congressional sources. But it remains doubtful Senate Democratic leaders would go along with such a version.

Before the midterm election was tallied, lobbyists for energy and manufacturing companies switched tack and began pressing Congressional leaders and the White House to enact the Senate bill passed in August and discard most if not all of the far more ambitious House bill.

Industry officials said the lobbying campaign began weeks ago when it became clear that Democrats had a good chance of taking the House. "I would hope that the House could appreciate what is possible and try to help move forward for the American people," John Hofmeister, president of Shell Oil, said in an interview. "Let's get a bill cleared that the president can sign."

IMMIGRATION:

Democrats To "Revisit" Law Creating Border Fence (WT/UPI)

By Shaun Waterman

The Washington Times, November 11, 2006

Democrats will look again at the legislation mandating 698 miles of fencing along the U.S.-Mexico border and might seek to scrap the plan altogether when they take control of Congress next year.

Rep. Bennie Thompson, Mississippi Democrat, told reporters this week that he expected to "revisit" the issue when he becomes chairman of the House Homeland Security Committee in the 110th Congress.

Mr. Thompson said the Department of Homeland Security's (DHS) new border enforcement program, known as the Secure Border Initiative or SBI Net -- which includes monitors, cameras and other integrated surveillance systems -- is a viable alternative to fencing.

"We might do away with it, or look at [integrating it into] SBI Net," he said. "A virtual fence rather than a real one."

President Bush and Homeland Security Secretary Michael Chertoff have voiced similar concerns about building the fence.

DHS spokesman Russ Knocke told United Press International that in remote border areas, "virtual fencing ... is more advantageous," whereas "traditional fencing has a core role in our border security strategy ... especially in urban areas."

"We're optimistic that working with Congress we'll get the flexibility to integrate traditional fencing into a seamless, high-tech border security system," Mr. Knocke said.

Mr. Thompson also pledged more aggressive oversight of the department, saying that improving its responsiveness to congressional requests for information and reports would be at the "top of my agenda."

He said his committee would seek to boost funding for rail and mass transit; strengthen security regulations for chemical plants and container cargo; and implement what he said were a number of recommendations from the September 11 commission that have yet to be addressed.

Mr. Thompson pledged to pass an authorization bill for the department. The committee has approved an authorization bill the past three years, but the legislation hasn't passed the full Senate, which some attribute to turf conflicts with other committees.

Mr. Thompson acknowledged that "there will still be some split jurisdiction," but maintained that Democrats would be in a better position to work out turf issues. "We can make it work," he said.

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He pledged to demand answers from Mr. Chertoff on what he said was an unacceptable level of vacancies in the department's senior ranks.

"The secretary needs to come clean with the committee and tell us why he can't fill these positions," Mr. Thompson said, adding that Mr. Chertoff would need to come up with ideas to address the situation, "or we will have to provide some ideas for him."

CONGRESS-ADMINISTRATION:

Bush, Pelosi Pledge To Work Together (MCT)

By Ron Hutcheson

McClatchy Newspapers, November 10, 2006

WASHINGTON - After demonizing each other on the campaign trail, President Bush and House Democratic Leader Nancy Pelosi met over plates of pasta at the White House on Thursday and agreed to seek common ground on Iraq and other national problems.

The bipartisan pledges of cooperation generated considerable skepticism in Washington, a city accustomed to partisan warfare. But Bush has reached effectively across party lines before, both as governor of Texas and early in his presidency.

"We won't agree on every issue," Bush told reporters after the peacemaking lunch. "But we do agree that we love America equally, that we're concerned about the future of this country and that we will do our very best to address big problems."

Pelosi, a California liberal who's in line to become speaker of the House of Representatives, said she would use her leadership role to represent "all of the House, not just the Democrats."

Bush also reached out to Senate Democrats, who took control of their chamber Thursday when Sen. George Allen, R-Va., conceded defeat to Democrat James Webb. Bush placed a congratulatory phone call to Senate Democratic Leader Harry Reid of Nevada and invited him to the White House on Friday.

Some Democrats who have worked with Bush in the past said Tuesday's elections brought out a side of him that's been missing in recent years.

Former Texas state Rep. Paul Sadler, a Democrat who considers Bush a friend, said he was puzzled by the style the president adopted when he moved to Washington in 2000. "It's almost like he was hijacked," Sadler said.

In Texas, Bush worked closely with Sadler and other Democrats on a host of issues, including an unsuccessful effort to overhaul the state's tax system. The late Lt. Gov. Bob Bullock, the state's leading Democrat at the time, became so fond of Bush that he supported his re-election as governor.

As a presidential candidate, Bush pledged to bring that spirit to Washington, saying he wanted to be "a uniter, not a divider." He started out that way, at least on some issues. During his first year in office, Bush joined forces with Sen. Edward Kennedy, D-Mass., to pass his No Child Left Behind education law.

"The folks at the Crawford Coffee Shop would be somewhat shocked when I told them I actually like the fellow. He is a fabulous United States senator," Bush said when he signed the legislation in January 2002 with Kennedy at his side. "When he's against you, it's tough. When he's with you, it is a great experience."

The fracture in bipartisan cooperation widened during the 2002 election, when Bush cast Democrats as soft on terrorism. It became a chasm with the bitterness over the Iraq war.

Former Texas State Rep. Mark Stiles, another Democrat who worked with Bush, blamed party politics for Bush's transition from uniter to divider. Stiles, who quit politics and is now a political independent, said he has been surprised by the harshness of Bush's campaign attacks.

"That's not the George Bush that I know. He can work with anybody," Stiles said. "When you get up there, things change. Maybe the system's changed him."

Both Sadler and Stiles speculated that political adviser Karl Rove pushed the president to become more partisan. Rove, who's known for hardball politics, is one of the few presidential advisers who came with Bush from Texas and remains on the job. He's considered Bush's closest adviser, eclipsed only by the president's wife.

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To be sure, Democrats also have played a big role in escalating partisan warfare. But on Thursday, both Bush and Pelosi tried to distance themselves from their previous attacks on each other.

"The elections are now behind us," Bush said. "But the challenges still remain."

On A Shifting Field, A Sense Of Rising Expectations (NYT)

By Sheryl Gay Stolberg

The New York Times, November 10, 2006

WASHINGTON, Nov. 9 — It was no doubt inadvertent, but it was hard not to find some symbolism in the moment Thursday in the Oval Office when President Bush seemed to forget that Vice President Dick Cheney was in the room.

Representatives Nancy Pelosi, the Democratic leader who is soon to become the first female speaker of the House, and Steny H. Hoyer, the Democratic whip, had come to the White House for lunch. As the two Democrats, Mr. Bush and Mr. Cheney sat in front of a fireplace, the president spoke about the importance of working together to get things done.

"Both of us recognize — all three of us," Mr. Bush said, apparently referring to himself, Ms. Pelosi and Mr. Hoyer, "recognize that when you win, you have a responsibility to do the best you can for the country."

The omission of Mr. Cheney, the embodiment of the administration's approach to national security, raised an intriguing question. As Mr. Bush grapples with the loss of his Republican majority in Congress, how far will he go to reinvent himself, and who — or what philosophies — is he willing to jettison along the way?

Defense Secretary Donald H. Rumsfeld has already been pushed out the door, and there were questions on Thursday about the future of Karl Rove, the political strategist whose divide-and-conquer tactics failed on Tuesday for the first time. Asked what role Mr. Rove would play now, Tony Snow, the White House press secretary, offered little insight.

"That's a good process question," Mr. Snow said, "for which I don't have an answer."

It has been six years since Mr. Bush was elected on a record of working with moderate Democrats in Texas and a promise of being "a uniter, not a divider." In that time, his efforts at unity have been intended mostly to hold together and motivate his conservative base: social conservatives who oppose same-sex marriage, fiscal conservatives who demand spending restraint, neo-conservatives whose muscular foreign policy vision provided the foundation for the democracy agenda and the Iraq war.

Now that Republicans have taken what he calls "a thumping" — losing control of both the House and Senate in a virtual political earthquake — Mr. Bush is striking a conciliatory note. Last week, Democrats were weak on defense and wrong on taxes. By Thursday, Mr. Bush had this to say about them:

"We won't agree on every issue, but we do agree that we love America equally, that we're concerned about the future of this country and that we will do our very best to address big problems."

It might seem like the new George W. Bush — or maybe the old one, returning to his Texas governor roots. But, Republicans say, it is really just the same President Bush — the first M.B.A. president, pragmatic enough to recognize, as he himself might say, that he must adjust his tactics to changing conditions on the ground.

"You're seeing the George Bush who has always been adept at playing the hand he is dealt," said Charlie Black, a Republican strategist with close ties to the White House.

Vin Weber, a Republican former congressman and lobbyist, put it this way: "I've never thought that George Bush was a rigid ideologue; I've never thought that he was a hardened partisan. He is a businessman first, and in business you don't spend a lot of time crying about changed circumstances. You figure out quickly how to adapt, and that's what he's doing."

But Mr. Bush demonstrated Thursday that he is not going overboard to adapt.

With his cabinet arrayed behind him, he greeted reporters in the Rose Garden to say that, before Republicans ceded control of Congress at the end of the year, he wanted them to pass legislation codifying his authority to run a once-secret domestic wiretapping program — anathema to many Democrats. Mr. Bush is also pressing the lame-duck Senate to confirm John R. Bolton, whom he installed as ambassador to the United Nations during a recess, circumventing Democrats who oppose Mr. Bolton.

Mr. Snow, the press secretary, was told that did not exactly sound like an olive branch, and he replied, "Let me put it this way, olive branches work in two directions."

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Neo-conservatives, though chastened by Tuesday's results, said they did not expect radical change, despite Mr. Bush's announcement that he would nominate Robert M. Gates, a former C.I.A. director, to succeed Mr. Rumsfeld.

"I don't think Gates means the president is looking for a way out of Iraq," said William Kristol, the editor of The Weekly Standard, a conservative magazine. "Gates means he knew he had to make a change and get a fresh face in to build public support. So long as Bush is president, he's not going to want to withdraw from Iraq, and he's not going to want to go back to a pre-9/11 foreign policy, and that's really the core of it."

Democrats, not surprisingly, were a tad suspicious. Tom Daschle, who served as Democratic leader of the Senate during the brief period when Democrats were in the majority under Mr. Bush, said he saw little evidence that the White House could depart from its "arrogance and extraordinary single-mindedness."

Mr. Daschle invoked Gov. Arnold Schwarzenegger of California, who famously repaired his relationship with Democrats. "But I don't think he's motivated in the same way," Mr. Daschle said of Mr. Bush. "Arnold Schwarzenegger wanted to get re-elected. There's no real motivation for Bush."

But there is motivation for Democrats — and Mr. Bush intends to exploit that if he can.

"Their whole theme has been the do-nothing Congress," Mr. Black, the Republican strategist, said. "Now, if they get in there and make themselves vulnerable to that charge, it hurts them in '08. He knows that they have an incentive to get things done, and he's going to take advantage of that."

If it works — and that is a big if — some Republicans say it could be an opportunity for Mr. Bush to refurbish his presidency. It is an old saw of politics that you never win by losing, but Tuesday's drubbing leaves Mr. Bush a liberated man, free to cooperate with Democrats without worrying about his base or the next election.

"It could be the saving grace of his administration," said Kenneth M. Duberstein, chief of staff to President Ronald Reagan, "because it gives him an opportunity to demonstrate real presidential leadership that is inclusive, right of center but not far right of center, which is where the American people are."

Gridlock Need Not Be Inevitable For Bush (AP-Y)

By Laurie Kellman, Associated Press Writer

AP, November 10, 2006

Now that voters have rejected one-party rule in Washington, can a president of one party and a Congress led by the other play nicely enough to accomplish anything in the next two years?

It's been done in the past.

Still, President Bush and lawmakers on both sides of the aisle will have to put aside at least some of their pre-election rancor and suppress any desire to get even.

For his part, Bush tried to move past the bitter tone of the campaign within hours of its end by granting a top demand of the Democrats: the ouster of Defense Secretary Donald H. Rumsfeld. And he invited newly empowered Democratic leaders to lunch at the White House — serving Speaker-in-waiting Nancy Pelosi her favorite food, chocolate.

For her part, Pelosi stopped calling Bush incompetent and dangerous. Instead, she made a point of deeming the lunch lovely and speaking of "some areas" where bipartisanship was possible.

Yet to be seen is whether the conciliatory gestures and promises to work together can endure long enough for Congress and the president to produce laws addressing big problems and restore trust in the government.

Role models exist. So does the motivation to follow their lead as the two years before the 2008 elections tick away. Providing the opportunity: a slate of stalled legislation on immigration, Iraq and terrorism that voters named as important in exit polls this week.

Bush and Congress might follow the lead of President Eisenhower and the new Democratic majority of 1954, which established the Interstate highway system less than two years later.

They can look to President Nixon, who signed into law major environmental initiatives — the Clean Air Act and the Environmental Protection Agency — negotiated with Democratic majorities on Capitol Hill.

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Ronald Reagan and the Democratic House and Senate passed legislation sustaining Social Security for another three decades. A key deficit reduction program and the Americans With Disabilities Act became law when Democrats ran the Congress and Bush's father was president.

And in the 1990s, President Clinton and a new Republican majority overhauled the nation's welfare laws, an achievement each side hailed as one of its best.

Many experts say that Democrats and Republicans are too polarized for that to happen now, despite the initial overtures of good will.

"White House officials do not expect that a Democratic-controlled Congress would work with them in any sincere or meaningful way," said George C. Edwards III, a political science professor at Texas A&M University. "True or not, this perception could become a self-fulfilling prophecy."

Democrats admit to struggling with the temptation to get even for six years of being shut out of final negotiations with the White House and majority Republicans on major issues like homeland security, tax cuts and the Medicare prescription drug program.

But both Bush and the Democrats have reasons to mend fences. In the twilight of a wartime presidency, Bush could polish his legacy by reviving his uniter-not-a-divider campaign promise of 2000.

Lawmakers in both parties, some of them beginning what amounts to a two-year job interview for the presidency, also have an incentive to move away from confrontation politics. If they need a reminder, they might look at the 61 percent disapproval rating Congress received in the exit polls this week.

As for Bush, he's got a long way to build on the 43 percent approval rating those same polls gave him.

"There's no way in the world that Democrats can achieve anything if we try to get even," cautioned Rep. Charlie Rangel of New York, the likely next chairman of the Ways and Means Committee.

Opportunities for forging compromises addressing serious problems include:

• Overhauling immigration policy to bestow legal status on some of the 11 million illegal immigrants in the country.

• Agreeing on a course for the war in Iraq, the top issue voters identified in pre-election polls.

• Fixing the alternative minimum tax, a measure that was intended to close tax loopholes for millionaires but that now, through inflation, threatens to impose higher taxes on millions of middle-income families.

_Addressing looming insolvencies in the Social Security and Medicare programs as post-World War II baby boomers retire.

_Improving health programs for the nation's 24 million veterans and the tens of thousands more who will pile into the system as a result of Iraq and Afghan wars.

Bush Meets With Pelosi; Both Vow Cooperation (WP)

By Michael Abramowitz And Jonathan Weisman, Washington Post Staff Writers

The Washington Post, November 11, 2006

President Bush, confronted face to face with the reality of divided government, broke bread with the two top House Democrats at the White House and vowed not to allow partisan divisions to hobble the remaining two years of his presidency.

After meeting separately with his Cabinet and the outgoing GOP congressional leadership, Bush laid out an agenda for the lame-duck congressional session that begins next week, including a nuclear technology deal with India, a free-trade agreement with Vietnam and his plan to permit wiretapping of terrorism suspects without a court warrant.

But prospects for controversial items such as wiretapping legislation seemed remote yesterday, as the concession of Sen. George Allen (R) in Virginia made it official that the Democrats will control that chamber as well as the House come January.

Meeting with reporters in her office after meeting with Bush at the White House, the House speaker-to-be, Nancy Pelosi (D-Calif.), said Democrats could reach accord with Bush on the legislation but will insist on some kind of judicial review of each wiretap the Justice Department seeks.

Pelosi and Bush offered smiles and pledges of cooperation as they faced reporters in the Oval Office after a lunch of pasta salad in the president's private dining room. "We won't agree on every issue," Bush said. "But we do agree that we love America equally, that we are concerned about the future of the country and that we will do our very best to address big problems."

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"We both extended the hand of friendship," said Pelosi, who will be the first female speaker of the House in history when the new Congress convenes.

The meeting was the first substantive discussion between Bush and Democrats since the election Tuesday returned the opposition party to power on Capitol Hill. In recent years, Bush has governed without the support of congressional Democrats on most issues, and the new political reality will require him to work much more closely with Pelosi and the soon-to-be Senate majority leader, Harry M. Reid (D-Nev.). Bush is to meet today with Reid and Sen. Richard J. Durbin (D-Ill.), the next Democratic whip.

Despite deep philosophical differences and sharp election-year rhetoric from both sides, the White House and congressional Democrats may share some interest in finding common ground on such issues as overhauling the immigration system, education and energy, according to lawmakers and administration officials. Democratic leaders seem anxious to show they can deliver as a governing party after years in opposition, while Bush is aware that his final two years will be bereft of any significant initiative unless he can work with the party he demonized on the campaign trail.

Despite conciliatory rhetoric, there were flashes yesterday of the potential obstacles ahead. The White House once again asked the Senate to approve the nomination of controversial U.N. Ambassador John R. Bolton, who holds the post after a recess appointment, but Democrats -- and a key Republican -- quickly moved to block the action. In her interview with reporters, Pelosi said Democrats will act immediately to reinstate lapsed budget rules, which mandate that any new tax cuts or spending increases be paid for with equal spending cuts or tax hikes. That would all but shut the door on Bush's main economic priority, making his first-term tax cuts permanent.

The new House and Senate leadership will also quickly challenge Bush on stem cell research, Pelosi said. Democrats expect to pass legislation early next year that would be almost identical to the only bill he has vetoed, a measure to expand federal funding of stem cells beyond the few lines already in existence. The addition of 29 Democratic seats in the House and six in the Senate is probably not enough to override a veto, Pelosi conceded, but Democrats hope to "build public support for a signature."

But Pelosi and the House's No. 2 Democrat, Rep. Steny H. Hoyer (Md.), who also attended the White House lunch, indicated they came away from their meeting with a sense that they could work with Bush. In an apparent effort to demonstrate goodwill, Pelosi added that Democrats will take up the "innovation agenda" laid out by Bush nearly a year ago in his State of the Union address, and pass his proposals to increase funding for basic scientific research and alternative energy programs.

Hoyer said in an interview that he believed the two sides could also reach agreement on a comprehensive immigration bill that includes both tough enforcement measures and some kind of guest-worker program. Such legislation has been blocked by House GOP leadership, and Hoyer pointed out, "The Senate Democrats and the Senate Republicans and the House Democrats are more in agreement than the president and House Republicans."

Hoyer, who faces a challenge for the job of majority leader from Rep. John P. Murtha (D-Pa.), described the lunch session as a cordial meeting in which a variety of topics -- fiscal policy, Social Security, Medicare and Iraq, among others -- were discussed in general terms. He said Vice President Cheney also attended but said little beyond pleasantries.

"There was no point in time where we said, 'We'll support this, and the president would support that.' That was not the point of the meeting," Hoyer said. He said Pelosi "clearly made the point that the American people believe that we are doing in Iraq is not working, and we need to address it. . . . The president said, 'I hope we can discuss that.' "

Pelosi has indicated that the first order of business when the new House convenes will be a package of bills touted during the campaign that include raising the minimum wage, cutting student loan rates and allowing the federal government to negotiate lower drug prices with pharmaceutical companies -- which Congress barred when it approved a new Medicare drug plan for seniors.

On some issues, Democrats are plainly hoping to put Bush on the defensive with legislation they believe is popular with the American people -- confronting Bush with a choice of whether to go along or fight on unfavorable terrain.

"They are not going to invite each other to their respective Christmas dinners, but I think there's an agenda that Pelosi has put on the table that the president could embrace," said John Podesta, the president of the Center for American Progress and a

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former Clinton White House chief of staff. "It's kind of galling to him to do it, but the public would reward him. Having to explain to the American people why you wouldn't want the authority to negotiate with drug companies about prices would be hard to do."

Edward Kutler, a Washington lobbyist and former aide to onetime GOP Speaker Newt Gingrich (Ga.), said the Democrats seem to be dangling "veto bait" before the president that could "poison the well" before too long. "There's possibility for bipartisan compromise," he said, "but there's a limited window and there's a limited universe of issues."

"A lot of Republicans are going to say, the Democrats won -- let's let the Democrats produce legislation and see what can be done," he added.

Once the honeymoon ends, said John J. Pitney Jr., a congressional expert at Claremont McKenna College, "not a lot" will get done. "The relationship is going to be a mix between cooperation and confrontation, but given the chemistry, confrontation is going to be much more prevalent," he said.

Bush could work w ith a Democratic legislature when he was a governor. But, referring to the late conservative Democratic legislative leader in Texas, Pitney asked: "Does Nancy Pelosi look like Bob Bullock? Congressional Democrats are quite different from their counterparts in Austin."

White House counselor Dan Bartlett said of the Pelosi-Bush-Hoyer session: "It genuinely was a positive meeting. The attitude of the Democratic leaders was one of cooperation."

Referring to energy, immigration and education, Bartlett added: "There are issues when you peel back the rhetoric where you find greater consensus."

Democratic Victory Raises Spirits Of Those Favoring Citizenship For Illegal Aliens (NYT)

By Randal C. Archibold

The New York Times, November 10, 2006

PHOENIX, Nov. 9 — Supporters of granting citizenship to some or all illegal immigrants say the Democratic takeover of Congress has galvanized their cause and could lead to sweeping changes in immigration law.

Democrats will take over leadership of committees in the House and the Senate that could guide new immigration legislation, while President Bush and the presumptive House speaker, Representative Nancy Pelosi of California, have cast changes to immigration laws as an opportunity to demonstrate bipartisan bonhomie.

“We have never had the table set for the possibility of action as we do now,” Andrea LaRue, a Democratic political consultant, said in a conference call with reporters.

Some immigration experts, however, predict a more arduous debate. Although conservative Republicans have led the opposition to accommodating some illegal immigrants, a handful of the newly elected Democrats, including Claire A. McCaskill of Missouri and Jim Webb of Virginia in the Senate, campaigned promising a tough approach to illegal immigration.

Some Democratic incumbents who won re-election did the same.

“It is still a long way from a deal,” said Roberto Suro of the Pew Hispanic Center, a Washington research group. “The question is, can somebody illuminate a middle ground where people who come at this issue from all different directions can reach a settlement.”

Supporters of more relaxed policies on illegal immigration count among the casualties of the Democratic victory at least 11 House members who had opposed giving illegal immigrants an opportunity to gain legal residency and, ultimately, citizenship.

Representative J. D. Hayworth published a book on immigration titled “Whatever It Takes” and campaigned heavily on a platform of sealing the border and ejecting illegal immigrants.

Although Mr. Hayworth, a six-term Republican from the suburbs of Phoenix, has not conceded defeat, unofficial tallies indicate that he has lost his seat by four percentage points to a Democrat, Harry Mitchell.

Mr. Mitchell, who is a former mayor of Tempe, had said that a path to citizenship made sense in some cases.

Also in Arizona, a self-described Minuteman border vigilante, Randy Graf, a Republican seeking an open seat near the border, was soundly defeated by Gabrielle Giffords, a Democrat willing to consider citizenship for some illegal immigrants.

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The Republican-controlled Congress failed to pass a broad immigration bill this session, stuck over whether to provide steps toward citizenship for illegal immigrants, although a measure calling for 700 miles of fencing on the 2,000-mile border was approved, with the backing of several Democrats, and signed by Mr. Bush.

Many political analysts, however, called the fence an election-eve effort to placate conservatives that stood little chance of being completely built.

Still, the Federation for American Immigration Reform, a Washington group favoring tighter limits on immigration, said six state ballot initiatives making life harder on illegal immigrants were approved by voters on Tuesday, four of them in Arizona, where immigration is intensely discussed, and two in Colorado.

The Arizona measures include blocking illegal immigrants from collecting punitive damages in civil lawsuits, being released on bail for serious felonies and taking state-subsidized adult education and child care programs.

In Colorado, the measures require the state attorney general to sue the federal government for failing to enforce immigration laws and deny tax credits to employers who knowingly hire illegal workers.

Bruce Merrill, an Arizona State University pollster, said the measures were popular because voters believed the federal government was not taking action.

"My feeling is that the frustration with nothing being done was so strong that if there had been 10 initiatives dealing with cracking down on illegal immigration, all 10 of them would have passed," Mr. Merrill said.

"In other words," he said, "what the initiatives were proposing substantively may not have been as important as giving people something, anything, they could vote for to feel something was being done."

Advocates of a get-tough approach said that despite their losses they had gained in the battle of ideas.

"When the incumbent Democrat runs a race on securing the border and cutting taxes, our ideas are doing just fine, let's remember that," said Len Munsil, the Republican candidate for governor who was soundly defeated by the incumbent, Janet Napolitano, a Democrat.

The governor had declared an emergency on the border last year and called for National Guard troops to go there.

Senator Jon Kyl, a two-term Republican who supports a temporary guest worker program but not provisions that would lead to citizenship for illegal workers already here, won re-election by a healthy margin.

The final days of the race, however, focused less on immigration than on the backgrounds of the contenders.

Still, immigration advocates said the Democratic gains had brought new energy to a cause that seemed to flag after a round of demonstrations in the spring were followed by disappointing results in legislation and voter registration drives that fell short of goals.

The election "shows what we have been saying all along, that the anti-immigrant, enforcement-only rhetoric to motivate conservative voters was not reflecting where the majority of Americans are on this issue," said Angela Sembrano, director of the Central American Resource Center in Los Angeles, one of the groups that helped organize large pro-immigrant marches in the spring.

Ms. Sembrano and other protest leaders said that, in the afterglow of election night, they would refrain from detailing what they will ask of Democrats until they meet with the new leadership in the coming weeks. But Chung-Wha Hong, executive director the New York Immigration Coalition, said the goal would still be "legalization for as many people as possible."

People on all sides of the immigration debate had watched Arizona closely because illegal immigration has surged dramatically here in the past decade while its politics drifted toward the center from the right.

Earl de Berge, a veteran pollster here, said Republicans who made a hard-line approach the centerpiece of their campaigns misjudged a moderating shift.

"The fact is immigration was not, never has been, and is not the No. 1 issue in this state," Mr. De Berge said. "The big issues were the same as the ones nationally, the war, the economy and Bush and so on."

"The mistake Graf and Hayworth made," he said, "is that they simply were outmaneuvered by their own insistence on beating on that one issue."

"This," he added, "is a moderate state, not a conservative Republican state."

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Harry Reid, An Infighter With A Sharp Jab (NYT)

By Mark Leibovich

The New York Times, November 10, 2006

WASHINGTON, Nov. 9 — Harry Reid began Election Day with 50 situps and 80 push-ups (very red state of him) and 40 minutes of yoga (very blue state of him).

He spent most of the momentous day in his Senate office, waiting. Just after 2 p.m., he finally heard some actual news: Britney Spears was filing for divorce.

"Britney Spears," Mr. Reid said, shaking his head. "She loses a little weight, and now she's getting all cocky about things." He added, "Britney has gotten her mojo back."

Few would peg Mr. Reid, 66, as someone with anything to say about Britney Spears or, for that matter, someone who would ever use the word "mojo." But he is a tricky figure to pigeonhole or predict, a Democrat who is a Mormon opposed to abortion and who looks more like a civics teacher than someone set to become the most powerful person in the Senate.

He makes an unlikely front man, a role that was displayed Thursday amid chants of "Harry, Harry" at a Capitol Hill rally shortly after Senator George Allen's concession in Virginia ensured that Democrats would have a majority in the Senate. Mr. Reid is low-key, deferential and somewhat sheepish, qualities that make it easy to misread or underestimate him.

"People can say he is a nice guy, but that just totally misses it," said Senator Hillary Rodham Clinton, Democrat of New York. "He's got a spine of steel, and he will go toe-to-toe with anyone."

Harry Mason Reid is the product of the tiny desert town of Searchlight, Nev., whose father, a hard-rock miner, battled alcoholism and depression before killing himself at 58. The future senator hitchhiked 40 miles to attend high school in Henderson, where he became an amateur boxer.

He came to Washington to attend law school, working nights as a Capitol police officer. He was elected to the Nevada State Assembly at 28, served as lieutenant governor and later led the state's Gaming Commission, a job that pitted him against organized crime figures. (Mr. Reid's wife, Landra, once found a bomb under the hood of the family car.) He was elected to Congress in 1982, and moved to the Senate four years later.

Mr. Reid has brought his pugilistic sensibility to his career, often taking jabs at those he deems unworthy. In Mr. Reid's two-year run as minority leader, he called Alan Greenspan, the former Federal Reserve chairman, "a political hack"; Justice Clarence Thomas "an embarrassment"; and President Bush a "loser" and a "liar." Within that litany, Mr. Reid says he regrets only calling Mr. Bush a loser.

All of which has made Mr. Reid a reliable bogeyman among Republicans on the stump. But he has also enjoyed the loyalty and, for the most part, the unity of a potentially fractious Democratic caucus that includes several would-be presidential candidates.

That devotion was displayed and returned on election night, as Mr. Reid placed phone calls to successful Democratic Senate candidates from his suite at the Hyatt Regency Hotel.

"Bob, you did it, my man," Mr. Reid said to Senator Robert Menendez, who was re-elected in New Jersey.

"Hillary, you're the best to work with," Mr. Reid told Mrs. Clinton. "Love you," he signed off. (Mrs. Clinton offers that she ended the call by saying, "Love you, too, Harry.")

Mr. Reid also professed his love to Senator Kent Conrad, who was re-elected in North Dakota. ("Love you, man.")

Later, when Claire C. McCaskill, another Democrat, was declared the winner in Missouri, Mr. Reid kissed the television.

He and Senator Charles E. Schumer, the New Yorker who leads the Democratic Senatorial Campaign Committee, kept whacking each other like kids. "Remember, Chuck, when they said Sherrod was too liberal?" Mr. Reid said of Sherrod Brown, the newly elected senator from Ohio.

Mr. Schumer said nothing, but gave Mr. Reid something between a pat on the head and a noogie.

By Thursday, the elation of early Wednesday had given way to exhaustion and talk of working with Republicans. "It is time for bipartisanship," Mr. Reid said at the rally, a few seconds after he was introduced for the first time as the majority leader of the Senate. (It is not official until January.)

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He took the stage to the blare of Sheryl Crow's "A Change Would Do You Good," but it looked as if a good night's sleep would do him better. His makeup could not hide the bags and crags on his un-Botoxed face.

People who know Mr. Reid say he is much more suited to work with Republicans than his partisan reputation would suggest.

"His personality will be more conducive to being a majority leader than minority leader," said Sig Rogich, a Republican consultant from Nevada and a close friend of Mr. Reid. "He has always been more of a consensus-building type than the over-the-top partisan that his current role has demanded."

Some of those considered the most effective recent majority leaders have been strategists and rule-book students, like George J. Mitchell, Democrat of Maine, or Bob Dole, Republican of Kansas. Mr. Reid's supporters say he fits in that tradition. "I doubt that anyone knows any more rules of the Senate than Harry," said Frank J. Fahrenkopf Jr., the former chairman of the Republican National Committee and a longtime friend of Mr. Reid.

Mr. Reid is often credited with outmaneuvering his predecessor, Senator Bill Frist, Republican of Tennessee, who had relatively little legislative experience when he became majority leader in 2003. Mr. Reid once shut down the Senate, invoking a little-used procedure to force closed-door discussion about the intelligence the Bush administration used to justify war in Iraq, and he succeeded in holding his caucus together to defeat efforts by Republicans to prohibit filibusters over judicial appointments, retaining a long-held Senate precedent. Mr. Reid voted against Mr. Bush's nominations of John G. Roberts Jr. and Samuel A. Alito Jr. to the Supreme Court; opposed Republican efforts to abolish the estate tax; and supported giving the president authorization to invade Iraq, though he now advocates a phased withdrawal of American troops.

Mr. Reid will not venture a guess about what kind of majority leader he will be. "I'm going to throw bombs sometimes — I'm going to be conciliatory other times," he said in his office late Thursday. "If it comes to me that Alan Greenspan is a political hack, I'm just going to say that. I'm just going to be who I am. "

Mr. Reid added that he would "try not to be obnoxious," but also allowed that "the Senate is not a place for hugs and kisses." He said he realized that as a legislator, he could not get anything done without compromising with the president, whom he was scheduled to meet with Friday morning. He said he could not remember the last time he was invited to the White House.

"I have hope it will change," Mr. Reid said of his largely nonexistent working relationship with Mr. Bush and other administration officials. "Whether it will or not, I can't say."

Mr. Reid is nothing if not battle-worn and realistic, friends say. He describes himself as "a pessimist about everything in life," which is generally not something politicians admit.

"I never thought we could do it," he said of winning the Senate. "I knew it was possible in my head, but I never let my heart believe it."

Bush, Democrats Pledge To Work Together (AP-Y)

By Jennifer Loven, Associated Press Writer

AP, November 10, 2006

President Bush opened the Oval Office Friday for a second day in a row to Democrats who will rule Capitol Hill next year, and both sides promised cooperation. But Democrats' heads were shaking over Bush demands for the current lame-duck GOP Congress to enact measures they oppose.

"It's a little bit of a mixed message, sure," said Jim Manley, spokesman for Senate Democratic Leader Harry Reid, who is set to be majority leader when his party assumes power in January. "Folks are scratching their heads a little bit."

Bush invited Reid and the Senate's No. 2 Democrat, Dick Durbin, to his office for a nearly hourlong meeting aimed at charting a way forward in a government to be divided between a Republican White House and a Democratic Congress.

Bush had had lunch a day earlier with House Democratic leader Nancy Pelosi, expected be the next speaker of the House.

"My attitude about this is that there is a great opportunity for us to show the country that Republicans and Democrats are equally as patriotic and equally concerned about the future, and that we can work together," said Bush, appearing in a good-natured mood when he, Reid and Durbin appeared before reporters in the Oval Office afterward.

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Reid and Durbin agreed. "The only way to move forward is with bipartisanship and openness, and to get some results," Reid said. "And we've made a commitment, the four of us here today, that's what we're going to do."

Vice President Dick Cheney, who completed the foursome, did not speak in public.

Bush found common ground in the Western roots he shares with Reid, who is from Nevada. "We tend to speak the same language, pretty plainspoken people, which should bode well for our relationship," the president said.

But one of the president's first public acts after his party's losses in Tuesday's elections — voting that was widely seen as a rebuke of his leadership and policies — was to press for an aggressive agenda while Congress remains in GOP hands for the next two months.

On his list are at least two items deeply controversial to Democrats: legalizing his warrantless eavesdropping program, stalled in the Senate because of a Democratic filibuster threat, and confirming John Bolton to be U.S. ambassador to the United Nations, which Democrats have said is unlikely to happen.

Durbin had said on Thursday, "For a Republican Congress to have gone forward for two years and produced so little, and then for the president to come up with a huge agenda for the next two weeks, you have to ask him, 'Why didn't you use some of the time you spent arguing on some less important issues before?'"

White House press secretary Tony Snow said both the eavesdropping and Bolton-nomination issues were crucial, and that Democrats should see their merits.

"Bipartisanship works both ways," he said. "I don't think you should look at these as necessarily provocative."

Bolton has held the post on a temporary basis for more than a year, and Bush cannot make a second recess appointment of him. Without confirmation, Bolton would have to leave the job in January. Snow said the White House doesn't consider his nomination dead, despite statements from the Hill that make it seem that way.

Snow left open the possibility that Bolton could play the same role at the U.N., just with a different title.

"I'm not aware of that, but I am not going to rule anything in or out," he said.

Both Pelosi and Reid complimented Bush after the meetings. Pelosi said "I think we can find a way to have agreement on" the eavesdropping bill while making clear that would involve changes, such as adding some form of judicial review.

Manley said it was important that Bush was reaching out, noting Reid and the president probably had not met since the summer. But he also said many Democrats on Capitol Hill are skeptical after six years of being largely ignored.

For their part, Democrats are not shrinking from an agenda that Bush clearly does not like, including funding for embryonic stem cell research, government negotiation of drug prices and reinstating budget rules that would make extending the president's tax cuts difficult.

Bush, Pelosi Look Ahead Over Lunch (WT)

By Joseph Curl, The Washington Times

The Washington Times, November 10, 2006

President Bush and Rep. Nancy Pelosi, the likely speaker of the House, yesterday buried the hatchet -- gently -- as the two sat down for an Oval Office lunch after a vitriolic campaign that put Democrats in control of Congress for the first time in 12 years.

"Both of us recognize ... that when you win, you have a responsibility to do the best you can for the country," the president said. "The elections are now behind us, and the congresswoman's party won. ... Therefore, we're going to work together to address those challenges in a constructive way. We won't agree on every issue, but ... we will do our very best to address big problems."

On a day when Republicans conceded the last two contested Senate seats and made official the Democratic sweep of Congress, Mrs. Pelosi agreed that the leaders at the two ends of Pennsylvania Avenue wouldn't agree always -- or even often -- but offered her own olive branch after the bruising campaign.

"I look forward to working in a confidence-building way with the president, recognizing that we have our differences and we will debate them, and that is what our founders intended. But we will do so in a way that gets results for the American people," she said. "We've made history. Now we have to make progress. And I look forward to working with the president to do just that."

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Yesterday, Republican Sens. George Allen of Virginia and Conrad Burns of Montana formally acknowledged defeat in their re-election bids, giving the Democrats 49 seats in the chamber. Along with two Democrat-leaning independents, that will make Democratic Sen. Harry Reid of Nevada the next majority leader.

"It's time for results," Mr. Reid said at a raucous celebratory rally yesterday afternoon outside the Capitol.

But the campaign left a bitter trail between Mr. Bush and Mrs. Pelosi. She called him "incompetent," "oblivious, in denial, dangerous" and "shallow," and often implied that he was stupid, a man with "no judgment, no experience and no knowledge."

He mocked her as a liar who talked tax cuts but must be a "secret admirer" and warned that if she took the helm, "terrorists win and America loses."

When asked about yesterday's lunch menu, presidential counselor Dan Bartlett joked that "for the president, it's probably a little bit of crow."

Since the president suffered what he called a "thumping" in Tuesday's elections, he has already acquiesced twice to the San Francisco liberal's demands. On Wednesday, he accepted Secretary of Defense Donald H. Rumsfeld's resignation, and yesterday, he offered an olive branch by saying he is "open to any idea or suggestion" on how to prosecute the war against terror and "and ensuring that Iraq's democratic government succeeds."

The new conciliatory stance is a far cry from what the president said repeatedly on the campaign trail.

"This debate on Iraq -- if you listen carefully for a Democrat plan for success, they don't have one," he said at one rally. "However they put it, the Democrat approach in Iraq comes down to this: The terrorists win and America loses. ... The Democrat goal is to get out of Iraq. The Republican goal is to win in Iraq."

But Mr. Bush, humbled by losing Republican control of both the House and the Senate, struck a new tone of bipartisanship yesterday after a morning meeting with his Cabinet. "It is our responsibility to put the elections behind us and work together on the great issues facing America. ... The American people expect us to rise above partisan differences, and my administration will do its part."

In the end, Mr. Bush, who has spent much of his time in office irking Democrats by going it alone, vowed with Mrs. Pelosi at his side that their luncheon was "the beginning of a series of meetings we'll have over the next couple of years, all aimed at solving problems and leading the country."

The president's priorities include the passage of spending bills funding government's continued operation "with strong fiscal discipline and without diminishing our capacity to fight the war on terror"; legislation retroactively authorizing his warrantless domestic surveillance of terror suspects; energy legislation; and congressional approval for a landmark civilian nuclear cooperation agreement with India and for normalizing trade relations with Vietnam.

The president hopes to be able to convince Democrats that those issues "rise above partisan difference." But Democrats have opposed many of his proposals in the past, and because they hold gavels in both chambers of Congress, they will be in the position to scrub his legislation.

With Democrats holding only the thinnest edge in the Senate, that chamber's Republicans can use all manner of procedural rules to have a major say in what happens.

"With 49 Republican senators, we still have the ability to shape and, when necessary, to block legislation," Sen. John Cornyn of Texas said on Fox.

For her part, Mrs. Pelosi has vowed not to seek Mr. Bush's impeachment or to tie up the House with punitive investigations of the executive branch, and yesterday repeated that pledge.

"Democrats are not about getting even. Democrats are about helping the American people to get ahead," she said.

At the Capitol Hill rally, Sen. Charles E. Schumer of New York, who led Senate Democrats' re-election team, sounded a similar note.

"Our joy today will vanish if we can't produce for the American people," he said.

Still, Democrats fired plenty of warning shots on a variety of issues yesterday, including judicial nominations and the terrorist-surveillance bill.

"My message to the president would be: Send us moderate judicial candidates," said Sen. Richard J. Durbin of Illinois, the Democratic whip. "Don't send us extreme candidates, because I think the president will run into trouble if he does."

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The two sides also remain divided over Iraq.

" 'Full speed ahead'? I don't think so," Mrs. Pelosi said on CNN, mocking Vice President Dick Cheney's assertion that the administration would continue its war strategy without change.

But Mr. Bush dug in his heels as well, saying that he will not consider pulling U.S. troops from Iraq before victory is achieved.

"If the goal is success, then we can work together. If the goal is get out now regardless, then that's going to be hard to work together," he said.

The president did acknowledge that although both sides can move away from their rhetoric, neither party will compromise their core values.

Mrs. Pelosi is "not going to abandon her principles and I'm not going to abandon mine," he said.

Bush In Overture To Democrats (FT)

By Demetri Sevastopulo, Edward Luce And Stephanie Kirchgaessner In Washington

Financial Times, November 10, 2006

President George W. Bush on Thursday said he would welcome new policy ideas on Iraq as he adopted a conciliatory tone following the capture of both houses of Congress by the Democrats.

Mr Bush's overture came as the Democrats sealed their election victory by securing the Virginia Senate seat they needed to clinch the narrowest of majorities in the upper house.

George Allen, the Republican senator and one-time presidential hopeful, conceded defeat to Jim Webb, his Democrat challenger, on Thursday evening.

The win gave the Democrats far greater control over foreign policy than their control of the House of Representatives alone would have offered.

Flanked by his cabinet in the White House Rose Garden, Mr Bush, who was already in danger of becoming a lame duck president after the Democrats took the House, urged both US parties to set aside differences on Iraq and domestic policy. He said: "I'm open to any idea or suggestion that will help us achieve our goals of defeating the terrorists and ensuring that Iraq's democratic government succeeds."

The Democrats remain divided on Iraq with some, such as John Kerry, the losing 2004 presidential candidate, arguing for a timetable for withdrawal and others, such as Hillary Clinton, resisting explicit deadlines.

Steve Clemons, of the liberal New America Foundation, said: "If the Dems had just controlled the House, they could have got away with posturing and public hearings. With the Senate, people are looking to the Democrats to govern. It changes the strategy completely."

Mr Bush will next week meet members of the Iraq Study Group, the bipartisan commission led by James Baker, the former secretary of state, which is expected to recommend new policy options for Iraq.

The president also urged lawmakers to finish working on spending bills, energy legislation and other measures, such as the Terrorist Surveillance Act, before the next session of Congress begins in January.

The Democrats' victory in the Senate paves the way for a more aggressive legislative agenda in Congress, which will be spearheaded by the new chairmen of the congressional committees. Two fierce critics of administration policy in Iraq – Carl Levin and Joseph Biden – are to take over as chairmen of the Senate armed services and foreign relations committees, respectively.

Jeff Bingaman, incoming chairman of the energy committee, will probably put climate change at the centre of his agenda.

Opposition to Mr Bush's social security proposals will be strengthened with the expected appointment of Max Baucus as chair of the finance committee.

Bush Asks Congress To Approve Bolton (FT)

By Demetri Sevastopulo In Washington

Financial Times, November 10, 2006

DOJ_NMG_0093327

President George W. Bush has asked Congress to approve John Bolton, his controversial ambassador to the United Nations, for a second term, in the face of opposition from key Democrats.

The move comes in spite of conciliatory rhetoric from Mr Bush on Thursday that he wants to work with Democrats after they routed the Republicans in the congressional mid-term elections.

Mr Bolton, who once remarked that "If the UN secretary building in New York lost 10 stories, it wouldn't make a bit of difference", received a recess appointment last year after the Senate foreign relations committee opposed his nomination. Recess appointments do not require Senate approval.

Democrats, and one Republican, on the committee opposed sending Mr Bolton, who has a poor reputation internationally, to the UN following multiple allegations that he twisted intelligence and bullied colleagues who failed to endorse his hardline views.

Tony Snow, White House press secretary, on Thursday said Mr Bush discussed his desire to keep Mr Bolton at the UN at a breakfast meeting on Thursday with Republican congressional leaders.

"This is something that we think is important, that he stay there," said Mr Snow.

But White House hopes of keeping Mr Bolton in New York were immediately dashed when Lincoln Chafee, a Rhode Island Republican member of the foreign relations committee who just lost his seat in Tuesday's elections, said he would oppose Mr Bolton.

Joseph Biden, the Delaware Democrat who will become chairman of the Senate foreign relations committee in January, on Thursday said there was no point for the committee to even discuss the appointment.

"I see no point in considering Mr Bolton's nomination again in the foreign relations committee because regardless of what happens there, he is unlikely to be considered by the full Senate," said Mr Biden.

The push to give Mr Bolton another term comes as the Security Council must deal with a number of crucial issues, including on Iran, North Korea, Sudan and Lebanon. Mr Bolton has also been the US point man on UN reform.

Sean McCormack, the State department spokesman, said Mr Bolton deserved an "up-or-down vote", meaning the Senate foreign relations committee should approve his nomination so it can be brought to the Senate floor for a final vote.

"He has been extraordinarily effective up there at the UN. And now is not the time to have a gap in your UN ambassador."

Mr Bush could give Mr Bolton a second "recess appointment" but Senate rules would then require that he does not receive a salary. Asked whether that was a possibility, Mr McCormack replied: "I don't know how enthusiastic he would be about working without pay. I haven't asked him that question. That's kind of a personal question."

Additional reporting by Mark Turner at the United Nations

Bolton Unlikely To Win Senate Approval (AP-Y)

By Anne Plummer Flaherty, Associated Press Writer

AP, November 10, 2006

John Bolton's prospects for staying on as U.N. ambassador essentially died Thursday as Democrats and a pivotal Republican said they would continue to oppose his nomination.

It was another blow to President Bush, two days after Democrats triumphed in elections that will give them control of Congress next year. On Wednesday, Bush had announced that Defense Secretary Donald H. Rumsfeld, a polarizing figure and face of the Iraq war, would step down.

On Thursday, the White House resubmitted Bolton's nomination to the Senate, where the appointment has languished for more than a year. Bush appointed him to the job temporarily in August 2005 while Congress was in recess, an appointment that will expire when the Congress adjourns, no later than January.

Sen. Lincoln Chafee, R-R.I., who was defeated by Democrat Sheldon Whitehouse on Tuesday, told reporters in Rhode Island that he would continue opposing Bolton. That would likely deny Republicans the votes needed to move Bolton's nomination from the Senate Foreign Relations Committee to the full Senate.

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"The American people have spoken out against the president's agenda on a number of fronts, and presumably one of those is on foreign policy," Chafee said. "And at this late stage in my term, I'm not going to endorse something the American people have spoke out against."

Democrats indicated that even should the Senate try debating Bolton's nomination when lawmakers reconvene next week — still under Republican control — they would stretch out debate on Bolton with the aim of killing it. Republicans lack the 60 votes needed to force a vote on the nomination.

"I see no point in considering Mr. Bolton's nomination again in the Foreign Relations Committee because, regardless of what happens there, he is unlikely to be considered by the full Senate," said Sen. Joe Biden of Delaware, top Democrat on the Foreign Relations Committee.

Bolton's 2005 recess appointment came after Democrats blocked repeated attempts by GOP leaders to grant him Senate confirmation. Democrats said Bolton was a bully who lacked the diplomatic skills necessary to broker international deals.

In 2005, Chafee wavered on his support for Bolton, citing concerns at one point about Bolton's tie to a government investigation into faulty prewar intelligence on Iraq. In September, Chafee — who was in a tight re-election race — said he would oppose Bolton's nomination until the administration answered questions about its policy in the Middle East, which in effect delayed any vote until after the elections.

Bush asked congressional Republicans Thursday morning at the White House to confirm Bolton during their "lame duck" session beginning next week, said White House spokesman Tony Snow.

Asked if Bush thinks Bolton will be confirmed, Snow said, "We'll find out."

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Associated Press writer Michelle R. Smith in Rhode Island contributed to this report.

Bolton May Not Return As U.N. Envoy (WP)

By Dafna Linzer, Washington Post Staff Writer

The Washington Post, November 10, 2006

Key lawmakers said yesterday they would block the nomination of John R. Bolton as ambassador to the United Nations, all but killing chances for him to remain in the post past December.

For nearly 20 months, President Bush has tried, unsuccessfully, to get Bolton confirmed in a job he has held since August 2005. Bolton then received a recess appointment after not getting enough support in the Senate.

Sen. Joseph R. Biden Jr. (Del.), the ranking Democrat on the Foreign Relations Committee and its presumed chairman when the Democrats take control of the Senate in January, said yesterday that Bolton's nomination is "going nowhere."

"I see no point in considering Mr. Bolton's nomination again in the Foreign Relations Committee because, regardless of what happens there, he is unlikely to be considered by the full Senate," Biden said in a statement.

The White House had hoped Sen. Lincoln D. Chafee (R.I.), a moderate Republican who earlier raised questions about Bolton and the administration's policies in the Middle East, would support Bolton after the election. But Chafee lost his seat Tuesday.

"On Tuesday, the American people sent a clear message of dissatisfaction with the foreign policy approach of the Bush administration," Chafee said in a statement. "To confirm Mr. Bolton to the position of U.N. ambassador would fly in the face of the clear consensus of the country that a new direction is called for." Chafee said Bolton lacks the "collaborative approach" needed to make the United States "the strongest country in a peaceful world."

Without Chafee's support, Republicans on the committee do not have enough votes to recommend Bolton's confirmation.

Bolton's nomination, in early spring of 2005, fell apart within weeks. The Senate committee hearings were dominated by heated testimony from former colleagues and several intelligence officials; they described Bolton as a bully who pressured analysts, cherry-picked intelligence and hid information from the secretary of state. The committee did not support the nomination but agreed to send it to the full Senate for consideration.

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Several Republicans then joined with Democrats to block a vote on the nomination until the White House turned over documents relating to Bolton's tenure as undersecretary of state for arms control during Bush's first term. The White House refused, insisting that Bolton deserved a vote by the full Senate.

Bolton's recess appointment is set to expire at the end of December, when the current Congress goes out of session. With only a few months remaining, the White House tried again to get Bolton confirmed during the summer. The American Israel Public Affairs Committee came to the administration's aid, lobbying heavily for Bolton's nomination. It persuaded several Democrats to support Bolton but the nomination was snagged by Chafee.

White House spokesman Tony Snow would not predict yesterday whether Bolton would get confirmed or say what the White House's contingency plans are if the nomination falls through again. "This is something that we think is important, that he stay there," Snow told reporters.

National security adviser Stephen J. Hadley urged senators to judge Bolton solely on his performance at the United Nations over the past year. "I would hope that people would step back, take a look at John's record up there, and reach the judgment that the president has reached -- that he does a terrific job for the American people."

In a statement yesterday, Bush named five congressional priorities he hopes will be tackled before the end of the year. Bolton was not on the list.

Yesterday, a White House official, who spoke on condition of anonymity, said the administration had explored options for keeping Bolton at the United Nations. A second recess appointment is not possible, but officials considered making Bolton an "acting ambassador." But the official, who would discuss internal deliberations only on the condition of anonymity, said none of the options is appealing, especially given the strong opposition shown by the Democrats, who are poised to take over Congress.

If there is no confirmation, "we assume he'll probably resign," the official said. Several administration officials speculated that Zalmay Khalilzad, the ambassador to Iraq, could be a candidate to replace Bolton.

U.N. Envoy Confirmation Unlikely (LAT)

By Maggie Farley

The Los Angeles Times, November 10, 2006

UNITED NATIONS — John R. Bolton's prospects for remaining the U.S. ambassador to the United Nations dwindled Thursday as Democrats and a key Republican senator rejected efforts to have the still-Republican- controlled Senate confirm his nomination.

The White House continued to explore ways to keep Bolton at the U.N. without going through a confirmation process.

Outgoing Sen. Lincoln Chafee (R-R.I.), who holds the swing vote that would determine whether the evenly split foreign relations committee reconsiders Bolton, said he would not support the nomination, which the White House resubmitted Thursday.

"To confirm Mr. Bolton to the position of U.N. ambassador would fly in the face of the clear consensus of the country that a new direction is called for," he told a news conference in Rhode Island. Chafee lost his reelection bid Tuesday.

"I have long believed that the go-it-alone philosophy that has driven this administration's approach to international relations has damaged our leadership position in the world," Chafee said.

When senators blocked Bolton's nomination last year, Bush put him in the position using a special recess appointment that expires upon Congress' adjournment this year.

In September, Bolton's nomination came up again. Chafee, who had expressed reservations about Bolton's style of diplomacy and his effectiveness, came under intense pressure from Democrats and Republicans.

Chafee requested then that the hearing on Bolton be delayed until after the election, citing unresolved questions about the administration's Middle East policy.

Chafee said Thursday: "Mr. Bolton does not demonstrate the kind of collaborative approach that I believe will be called for if we are to restore the United States' position as the strongest country in a peaceful world."

Chafee's comments echoed those of Sen. Joseph R. Biden Jr. (D-Del.), who is expected to be chairman of the foreign relations committee when the Democrats take control of the Senate in January.

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Biden said Thursday that Bolton would not get a Senate hearing until the White House provided relevant National Security Agency documents that the committee requested last year.

"I see no point in considering Mr. Bolton's nomination," Biden said.

That leaves the White House to decide how hard it wants to push Bolton for the post in the face of a decisive defeat in Tuesday's election, and how he could stay in the job without going through confirmation hearings.

He could technically receive a second recess appointment, but under U.S. law, could not be paid for his work under those circumstances.

Other possibilities include creating a position that would allow him to continue his work at the U.N., such as ambassador-at-large for U.N. issues, or special advisor to the president for the United Nations, said one U.S. diplomat.

White House lawyers have also proposed appointing Bolton as deputy ambassador, which does not require a Senate confirmation, and allowing him to perform as the acting ambassador.

Sen. Christopher J. Dodd (D-Conn.), said Bush was making a political error by "trying to jam this nomination through" in defiance of the demand for change expressed by voters this week. "Sadly, Mr. Bolton doesn't represent change but a failed status quo."

Names being floated as possible contenders to replace Bolton include former Sen. George Mitchell (D-Maine); Zalmay Khalilzad, now U.S. ambassador to Iraq; and Paula Dobriansky, undersecretary of State for democracy and global affairs. Chafee's name has also been mentioned.

On Thursday, White House spokesman Tony Snow said the administration considered it important for Bolton to stay at the U.N.

And the White House national security advisor, Stephen Hadley said the administration hoped "people will step back and look" at Bolton's record at the U.N. over the last year.

"John has done a terrific job," Hadley told reporters at a news briefing. "He has gotten out of the United Nations some very important resolutions on some of the most important issues for our national security."

Hadley pointed specifically to resolutions on North Korea, "which many people thought we could not get."

"He has been a champion of reform, and he has been a clear advocate of American values," Hadley said.

At the United Nations, reviews of Bolton's performance have been mixed, but most diplomats agree that he hasn't turned out to be the destructive force that they feared he would be.

Though he threatened to withhold U.S. contributions to the U.N. until institutional changes were made, last-minute compromises by the State Department minimized the diplomatic damage.

His prediction that the new Human Rights Council would be worse than the dysfunctional body it replaced turned out to be true, though some diplomats say that U.S. failure to support the body made his prophecy a self-fulfilling one.

In the Security Council, Bolton has forged agreements with colleagues on several difficult issues, including two unanimous sanctions resolutions on North Korea. He also counts as victories putting Myanmar, formerly Burma, on the Security Council agenda, and blocking Venezuela from a seat on the Security Council, where it would have had a high-profile anti-U.S. platform.

"He is like Dr. Jekyll and Mr. Hyde," said Edward C. Luck, director of Columbia University's Center on International Organization. "He has done remarkably well on big issues in the council, but he treats the rest of the institution with disdain."

Luck continued: "If he wants to achieve reform, which was supposed to be his strength, his performance is highly disappointing. But if he wants to show that the U.N. is unreformable, he is doing a good job of it."

In New York on Thursday, Bolton received the news about Chafee's rejection as he was about to meet with key ambassadors on a sanctions resolution for Iran. He declined to comment.

But Bolton has been giving hints that his days may be numbered. This week, when a loyal staffer returned from a vacation with a new beard and told Bolton he wasn't going to shave until the ambassador was confirmed, Bolton quipped, "You may be waiting awhile."

Bush Renominates Bolton Ahead Of Change In Senate (WT)

By Stephen Dinan, The Washington Times

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The Washington Times, November 10, 2006

President Bush yesterday renominated John R. Bolton in a power play designed to force the U.N. ambassador through the Senate before Republicans lose control at the end of this year.

The nomination comes as Mr. Bush has spent the past two days talking about striking a bipartisan chord on domestic policies and suggests that, even with Democrats in control of the Capitol, the president will assert his constitutional role in foreign policy.

White House officials said Mr. Bolton, who is currently serving as a temporary recess appointment, deserves Senate approval.

"I would hope that people would step back, take a look at John's record up there, and reach the judgment that the president's reached, that he does a terrific job," said National Security Adviser Stephen J. Hadley.

Democrats last year blocked Mr. Bolton's nomination with a filibuster, forcing Mr. Bush to use his recess-appointment power. That appointment expires as the new Congress takes over under Democratic control next year.

Sen. Joseph R. Biden Jr., who is in line to become chairman of the Senate Foreign Relations Committee, said Mr. Bolton still can't win confirmation and that it's a waste of time for the committee to take up his nomination.

The Delaware Democrat said his party blocked Mr. Bolton last year because the administration wouldn't let them see intelligence documents the Democrats believe would prove Mr. Bolton led a retribution effort against a State Department employee.

"Unless the administration provides the Senate with the documents it is entitled to see, Mr. Bolton should not get a vote," Mr. Biden said.

Republicans have to overcome more than just Democrat objections. Sen. Lincoln Chafee, Rhode Island Republican, who lost his bid for re-election, had opposed Mr. Bolton. As a member of the committee, he could keep the nomination bottled up and never let it get to the floor.

Asked whether the White House would pressure Mr. Chafee to change his mind, Mr. Hadley suggested a slightly softer strategy.

"You say pressure, I would say explain and persuade," he said.

He said Mr. Bolton has been instrumental in winning U.N. resolutions on North Korea's nuclear program and missile tests and that it would be a mistake to replace him.

One Senate aide familiar with Republican leaders' thinking said if they can get over Republican objections and are left solely with Democrats' opposition, they will probably try to force Democrats into a filibuster.

White House Press Secretary Tony Snow said it's too early to talk about whether the White House might give Mr. Bolton another recess appointment, should his nomination fail again.

In two different votes last year, Mr. Bolton fell four votes and six votes shy of the 60-vote threshold needed to overcome a filibuster in the Senate.

With Power Set To Be Split, Wiretaps Re-emerge As Issue (NYT)

By Eric Lichtblau

The New York Times, November 10, 2006

WASHINGTON, Nov. 9 — The Bush administration escalated its defense of the National Security Agency's domestic wiretapping program on Thursday, even as Democrats in Congress vowed to investigate the program aggressively once they assume power.

In Washington, President Bush urged that during the lame-duck session that starts next week, Congress pass a bill effectively authorizing the program. And in San Francisco, the Justice Department told a federal court that public scrutiny of the operation risked "exceptionally grave harm to national security."

But Democrats sounded impatient to begin getting more answers after what they characterized as 11 months of stonewalling by the administration since the program was publicly disclosed last December.

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"This administration first hid its domestic spying program from Congress and Americans for years, and when it was discovered, has ducked and weaved on its legal justifications," said Senator Patrick J. Leahy of Vermont, who is to become chairman of the Senate Judiciary Committee when Democrats take control.

"We all believe that monitoring the communications of suspected terrorists is essential," Mr. Leahy said. "But especially when the monitoring involves Americans, it needs to be done lawfully and with adequate checks and balances to prevent abuses of Americans' rights and Americans' privacy."

The shift in power on Capitol Hill sets up the likelihood of a showdown between the White House and Congress over the direction of not only the N.S.A. program but also a range of other aggressive counterterrorism operations that the administration has undertaken since the attacks of Sept. 11, 2001.

This September, the House approved legislation that would effectively authorize the government to continue the program, in which the agency, without warrants, carries out surveillance on communications into and out of the United States that are suspected of involving terrorism. But Senate legislation on the issue, backed by the White House, stalled last month.

Republicans have held out hope of getting such legislation approved by the full Congress during the lame-duck session, and Mr. Bush pushed anew on that front Thursday, calling passage an "important priority in the war on terror."

Senator Arlen Specter, the Pennsylvania Republican who currently leads the Judiciary Committee and is the main advocate of wiretapping legislation there, acknowledged the difficulty of getting his bill through the Senate now.

"There's been a seismic change in the Senate landscape," Mr. Specter said in a telephone interview, "so I'm not sure exactly how all that is going to work out."

Emboldened by their electoral victory, Democrats said they believed it would be all but impossible for the Republicans to pass wiretapping legislation before the current Congress adjourns, or to win approval of separate legislation immunizing telephone companies from liability over their cooperation in wiretapping operations.

"There's no chance of that happening," predicted a senior Democratic aide for the House Judiciary Committee, who spoke only on condition of anonymity because he was not authorized to discuss the issue.

"This is a program a lot of people here thought was excessive," the aide said of the N.S.A. operation. "There's a history of concern here."

Indeed, rather than move to authorize the program, Democrats said they would push in January to investigate how the program had been run and would seek legislation to restrict or ban outright the use of wiretaps without warrants.

Representative John Conyers Jr., the Michigan Democrat who is all but assured of taking over the House Judiciary Committee, has been one of the fiercest critics of the program and some other counterterrorism operations, saying he considers them abusive and potentially illegal infringements on civil liberties.

Groups that are suing the government and the telecommunications companies over the wiretapping program said Thursday that they hoped more aggressive oversight would help their cause.

"If Congress has some hearings and digs into this, we may know a lot more," said Cindy Cohn, legal director of the Electronic Frontier Foundation, which is suing AT&T.

The Justice Department urged a federal district judge in San Francisco on Thursday to delay considering any further issues in that suit until an appeals court considers an earlier ruling of his against the government.

The government is invoking a "state secret" privilege in opposing such lawsuits, and it argued Thursday that further proceedings delving into intelligence operations "could lead to serious consequences" by compromising national security.

The judge, Vaughn R. Walker, has already rejected that argument once, ruling in July that the case involving AT&T could proceed without a "reasonable danger" that it would harm national security. It is this ruling that the government is appealing.

Bipartisanship On Hold (NYT)

The New York Times, November 10, 2006

President Bush was back on TV yesterday, without the scowl he'd been sporting the day after the election but with the surviving members of his Cabinet. He talked about how much he was looking forward to lunching with Nancy Pelosi and Harry Reid and working on "the great issues facing America." Mr. Bush said his team would "respect the results" of the election.

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Just maybe not right away.

Without missing a beat, Mr. Bush made it clear that, for now, his idea of how to "put the elections behind us" is to use the Republicans' last two months in control of Congress to try to push through one of the worst ideas his administration and its Republican allies on Capitol Hill have come up with: a bill that would legalize his illegal wiretapping program and gut the law that limits a president's ability to abuse his power in this way.

Mr. Bush listed his priorities for the forthcoming lame duck session of Congress. It was an odd list that included only two really urgent items — the bills that keep federal money flowing and the nomination of Robert Gates as the next secretary of defense. The rest was a grab bag that included one worthy but hardly urgent idea (getting Vietnam into the World Trade Organization) and a series of ideas ranging from bad to truly awful that Mr. Bush has been unable to get through Congress and hopes to ram through in the Republicans' last weeks.

For example, he wants the Senate to ratify his recess appointment of John Bolton as ambassador to the United Nations. That vote, which is likely to be strongly debated, can easily wait for the new Congress, and should. Mr. Bush also pressed for quick passage of "the bipartisan energy legislation," which had Congressional officials scratching their heads in puzzlement about which bill he might mean. And he wants immediate approval of his administration's deal to sell civilian nuclear technology to India despite that nation's refusal to sign or abide by the Nuclear Nonproliferation Treaty.

That was a bad idea from the start. But the wiretapping bill is simply outrageous, and it has no business being discussed in this lame duck session.

The bill Mr. Bush wants was drafted by Vice President Dick Cheney's lawyers and by Senator Arlen Specter, the outgoing Republican chairman of the Judiciary Committee. Mr. Specter presented it as a compromise that would regulate the president's ability to spy on Americans' phone calls and e-mail without a court order. It really was a cave-in to Mr. Bush's effort to expand his power beyond limits that have existed for nearly 30 years.

Mr. Bush has acknowledged that he authorized the National Security Agency to conduct certain kinds of domestic wiretapping without obtaining the warrant required by the 1978 Foreign Intelligence Surveillance Act. He has claimed that the law hindered the hunt for terrorists, but has not offered a scrap of evidence for that claim. He has also never described the program's overall scope, and almost none of the lawmakers who will vote on this bill if Mr. Bush has his way have any idea what it entails.

Senator Dianne Feinstein, the California Democrat who is one of the few members who does know, has said there is nothing in the program that could not be done legally. She has proposed a more modest bill that would give the government more flexibility to eavesdrop first and get permission later. But Mr. Bush is not interested. He wants the bill that would gut the law, absolve him of illegal behavior and turn over the task of determining the constitutionality of his program to a court that is not equipped to make that judgment.

Since the White House has continued the wiretapping without legislative approval, there is no conceivable reason why Mr. Bush should see this as an emergency. His real motive could be to create a bargaining chip that would allow him to get a narrower bill giving the telephone companies immunity for helping the administration conduct the unlawful eavesdropping. That's an absurdly bad idea.

There are plenty of responsible lawmakers in both parties who are sympathetic to the idea that the executive branch needed more flexibility to pursue terrorists after 9/11. It has been obvious all along that if the president feels current law is too restrictive, he should explain its shortcomings to members of Congress and ask them to amend it. The Republican majority was never going to insist on that, but the new Democratic leadership might.

The White House refuses to explain itself because this has never been about catching terrorists. It is about overturning the crucial limits placed on executive authority after Watergate and Vietnam. Mr. Cheney and a few other hard-liners have been trying to turn back the clock and have succeeded in some truly scary ways, including the military commissions act they pushed through Congress before the elections. It is vital that they not be allowed to do any more harm.

Democrats Are Set To Subpoena (LAT)

By Richard B. Schmitt And Richard Simon, Times Staff Writers

The Los Angeles Times, November 10, 2006

DOJ_NMG_0093334

The new majority is expected to hold hearings on military spending and the Iraq war -- just for starters.

WASHINGTON — Rep. Ike Skelton knows what he will do in one of his first acts as chairman of the Armed Services Committee in the Democratic-led House: resurrect the subcommittee on oversight and investigations.

The panel was disbanded by the Republicans after they won control of Congress in 1994. Now, Skelton (D-Mo.) intends to use it as a forum to probe Pentagon spending and the Bush administration's conduct of the Iraq war.

It has been 12 years since Democrats were in control of both the House and Senate. But they are looking to make up for lost time, and in some cases, make the Bush administration and its business allies sweat.

With control of every committee in Congress starting in January, the new majority will inherit broad powers to subpoena and investigate. And that is expected to translate into wide-ranging and contentious hearings.

The agenda is likely to be dominated by the Iraq war, but could include probes into the Bush administration's warrantless surveillance, environmental policies and new prescription-drug program for seniors. Industries, such as oil companies, could also come under closer scrutiny.

"The American people sent a clear message that they do not want a rubber-stamp Congress that simply signs off the president's agenda," said Rep. John Conyers Jr. (D-Mich.), who is in line to become chairman of the House Judiciary Committee. "Instead, they have voted for a new direction for America and a real check and balance against government overreaching."

Conyers and other Democrats say that sort of scrutiny has been noticeably absent over the last six years. Democrats accuse Republicans of being complicit as Bush has led the nation into an unwinnable war and adopted economic polices that favor the affluent and big business.

Under Republican control, Congress did subpoena baseball players to discuss steroid use and summon oil industry executives to justify record profits at a time of high gasoline prices.

"What we have to be wary of, and the American public will be wary of, is a subpoena bazaar here on Capitol Hill, and government by investigation by Democrats," said Kevin Madden, a spokesman for House Majority Leader John A. Boehner (R-Ohio).

But even some scholars say recent GOP oversight has been lax. "This could be remembered as a historically unique period in which an administration got immunity from Congress to engage in errors with impunity," said Charles Tiefer, a University of Baltimore law professor and a former House counsel.

Democrats face a delicate balancing test, mindful of a public backlash if they focus more on investigating than legislating.

Their leader, Rep. Nancy Pelosi (D-San Francisco), has already ruled some investigations out of bounds. Conyers has wanted Congress to determine whether there are grounds to impeach Bush. But Pelosi has said that will not happen.

While there is pent-up demand among Democrats in Congress and their constituencies to oversee the Bush administration, their new caucus will also include a number of moderates and conservatives, which may force the leadership to tone down its act.

"The Democrats are going to be cross-pressured. They could hold impeachment hearings. They could make people in the Bush administration look absolutely terrible. It wouldn't be hard," said Joel Aberbach, a UCLA political science professor. "But there may be a little restraint because of their political needs in terms of consolidating themselves and looking to the 2008 election."

Democrats are expected to bore into the Iraq war, including review of no-bid contracts for reconstruction, intelligence failures and decisions to ignore the advice of military commanders about troop levels.

"Rather than focus on the failings of the war, though, these events will be staged in order to highlight the administration's incompetence and inflexibility," said William Howell, an associate professor at the Harris School of Public Policy at the University of Chicago.

Rep. Bart Stupak (D-Mich.), the ranking member of the House Energy and Commerce subcommittee on oversight and investigations, said, if he becomes chairman, he would look into "security at our nuclear labs, oversight of the Food and Drug Administration, and energy policy."

Now that they have the power of the subpoena, Democrats expect to be able to get the administration's attention. A number of senior Democrats have complained that the administration has ignored their inquiries.

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Rep. James L. Oberstar, the top Democrat on the House Transportation Committee, this year was in the middle of grilling Homeland Security Secretary Michael Chertoff on the administration's response to Hurricane Katrina when the Republican chairing the hearing cut him off. He had used his allotted five minutes.

Now that Oberstar, of Minnesota, is in line to become the committee chairman, among his first acts is expected to be scrapping the five-minute rule established by the GOP majority.

"I would guess that we're going to have some fairly long hearings," said Jim Berard, an Oberstar spokesman.

The new Congress will also be marked by the ascendancy of some old watchdogs.

Rep. Henry A. Waxman (D-Los Angeles) is set to head the House Government Reform Committee. Waxman used another committee to push for landmark laws reducing pesticides in food and regulating nursing homes in the 1980s and 1990s. He also famously put tobacco company executives on the spot at a high-profile hearing in which they testified under oath that they did not believe that nicotine was addictive.

Since Bush took office, Waxman has written letters to the White House seeking information on a wide range of subjects — often getting no response. Now, with the power to issue subpoenas, he is likely to get answers.

Waxman wants to investigate waste, fraud, profiteering and "whether government is doing the job it's supposed to do."

"When Clinton was president, there was not an accusation too small for them not to launch investigations and issue subpoenas," Waxman said of congressional Republicans. "When Bush became president, there wasn't a scandal big enough for them to ignore. I think they've given us a good model on how not to behave."

The most senior member of the House, Rep. John D. Dingell (D-Mich.), is also scheduled to play a crucial role in the new Congress, again becoming chairman of the House Energy and Commerce Committee.

He already has a number of subjects he wants to look into, including the Medicare prescription drug benefit and an overhaul of energy policy, two of the GOP's proudest achievements.

"We're not after anybody," Dingell said, but he said if anyone from the administration has "useful things to tell us," they will be "invited to come forward."

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Democrats Poised To Flex New Muscles (WSJ)

By Yochi J. Dreazen, Jay Solomon And Robert Block

The Wall Street Journal, November 10, 2006

Lawmakers Vow to Probe Bush's Prewar Case, Katrina Contracts, Corporate America

WASHINGTON -- The Democrats' sweep of the House and the Senate gives the party powerful tools for probing certain controversies of the Bush administration's years in office, from its use of faulty prewar intelligence on Iraq to its effort to rebuild New Orleans.

With President Bush retaining his veto pen, the Democratic majorities may have a difficult time passing laws, especially in areas like health care and Social Security. But some Democrats in both the House and the Senate already are signaling a willingness to conduct tough oversight of the Bush administration's policies and to reopen lingering controversies -- particularly over pre-Iraq intelligence -- the Republican-led Congress largely ignored.

In the Senate, the likely new Intelligence Committee chairman, Jay Rockefeller of West Virginia, says he will complete an investigation into the White House's case for invading Iraq that Republicans were accused of stalling. Michigan Sen. Carl Levin is in line to take over the most powerful congressional oversight body, the Senate's Permanent Subcommittee on Investigations, which routinely sends staffers to Iraq and other overseas countries. Mr. Levin, a critic of the Iraq war, has previously promised to conduct tougher oversight of the administration's use of no-bid contracting in Iraq, where the $21.8 billion U.S.-led rebuilding effort is winding down without having restored prewar levels of water or electricity. (See related article.1)

In the House, Rep. Bennie Thompson of Mississippi, expected to take over the House Committee on Homeland Security, is promising to haul Homeland Security Secretary Michael Chertoff before the panel to face questions on issues ranging from the no-bid contracts awarded after Hurricane Katrina to the number of vacancies in the department's senior management.

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"The secretary only came before our committee two times this entire year, and that is not enough," Mr. Thompson said. "He cannot be a stranger before the Homeland Security Committee. He is going to have to be fully engaged, and I am going to demand that of him."

ELECTION FALLOUT

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Mr. Thompson is likely to be one of the largest burrs in the side of the Bush administration, as is California Rep. Henry Waxman, who will run the House Government Reform Committee. Mr. Waxman, an unrelenting critic of the White House, said he will boost oversight of the Bush administration and broad swaths of corporate America, with a particular focus on prescription-drug prices, oil-company profits and Halliburton Co.'s contracting work in Iraq.

The Democrats' choices about how to use their expanded oversight powers, which enable them to subpoena information, call hearings and compel witnesses to appear, will shape the next two years in Washington.

But Democrats will face internal divisions as they decide where to focus their investigative muscle. Liberal Democrats such as the membership of the activist organization MoveOn.org want the party to investigate the administration's case for the Iraq war and instances of possible corporate misconduct. By contrast, centrist and conservative Democrats like New York Sen. Hillary Clinton and many of the newly elected lawmakers from Southern and Western states argue the party should avoid taking too harsh a stance against big business or the Bush administration.

Democrats already are signaling they will proceed cautiously on Iraq. A spokeswoman says Mr. Rockefeller "will press to complete the remaining sections of the committee's Iraq review," but noted the lawmaker also was aware the panel "has other pressing issues that must be a priority going forward."

The reports concern one of the most controversial aspects of the Bush administration's years in power, its prewar case that Iraq possessed weapons of mass destruction and an active nuclear-weapons program.

When no weapons were found, the outgoing chairman of the Senate intelligence panel, Kansas Republican Pat Roberts, agreed in 2004 to conduct a five-part study of prewar intelligence on Iraq.

Two parts of the study were made public in September, including one that criticized Bush administration efforts to link Saddam Hussein to al Qaeda. But the most politically sensitive sections of the reports, say officials involved in them, have yet to be completed.

One will contrast prewar statements made by Mr. Bush and other senior administration officials about Iraq's military and terrorist capabilities with the underlying intelligence available at the time. Another looks into the work of Douglas Feith's office; at the time, Mr. Feith was a senior political appointee to the Pentagon, and his office promoted intelligence linking Iraq to al Qaeda.

Mr. Rockefeller's decision about how fast to proceed with the Iraq investigations will be watched by his fellow Democrats, many of whom believe the Bush administration willfully misled Congress and the American people in the run-up to the war. Mr. Rockefeller also will face intraparty pressure to conduct inquires into the Central Intelligence Agency's secret-prison programs for al Qaeda suspects and the White House's efforts to monitor telephone calls without seeking warrants. An aide to Mr. Rockefeller said those "are two areas that are ripe for aggressive oversight."

In the House, Democrats like Mr. Thompson will oversee domestic security for the first time since the Sept. 11 terrorist attacks and the creation of the Department of Homeland Security. Party officials said the Democrats are going to set the agenda on issues ranging from immigration enforcement to improved support for local responders. But their intentions to close the gaps in the nation's defenses are almost certain to go hand in hand with their desire to use their new power to bash the administration's security failures.

Mr. Thompson's legislative staff already is crafting bills designed to boost the counterterrorism skills of the nation's police departments through the creation of training centers and grants allowing the departments to send liaison officers to work

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overseas. Democrats have also vowed to move legislation for greater rail and mass-transit security, as well as allocate additional money to inspect cargo carried on commercial airliners.

The ambitions, however, go far beyond bolstering hometown police and helping secure railways. House Democratic leader Nancy Pelosi said she plans to pass all 41 of the 9/11 Commission's recommendations within 100 legislative hours of the Democratic takeover of the House. While Republicans' failures to embrace all the report's proposals have provided the Democrats with political fodder, the party doesn't have a bill drawn up to carry out Ms. Pelosi's plan or estimates of the costs.

Mr. Thompson said he will work with Mr. Chertoff and the Republicans on his panel to find solutions to pressing homeland-security issues, but makes clear he is prepared to go it alone if consensus proves elusive.

"If the secretary has some ideas, then he needs to lay them out," he said. "If not, I am convinced that our committee will step forward and provide some ideas for him."

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Democrats Weigh New Power As Leaders (NYT)

By Carl Hulse

The New York Times, November 10, 2006

WASHINGTON, Nov. 9 — When Democrats take control of the Senate in January, they will immediately assume far more power to influence President Bush's agenda, particularly his choice of executive and judicial nominations that must pass through the chamber.

By virtue of their de facto 51-to-49 majority, Democrats will now control the committees and the floor schedule — a factor Mr. Bush will have to weigh in his selection of high-level candidates. (The Senate split 49 to 49, but tipping the scales toward the Democrats are Senator-elect Bernard Sanders of Vermont, an independent who caucuses with Democrats, and Senator Joseph I. Lieberman of Connecticut, a Democrat who ran as an independent after losing in the primary.)

"It means send us more moderate people or don't waste your time," said Senator Richard J. Durbin of Illinois, the second-in-command and a member of the Judiciary Committee, which considers judicial nominees.

Republicans acknowledge that the shift will be a significant factor in high-profile nominations, such as any to fill Supreme Court vacancies, in the remainder of the president's term. But they also say that the Senate tradition of respecting the rights of the minority gives them the same opportunities to influence the agenda that Democrats used during their years out of power.

"It is clearly going to be harder to get his people through, not easier," said Senator John Cornyn, a Texas Republican and White House ally who also sits on the Judiciary Committee. "But the Senate is different from the House, and 49 Republican senators can certainly shape a piece of legislation that goes through, or if they feel it is bad enough, they have the power to kill it."

The new majority leader, Senator Harry Reid of Nevada, promised Thursday to have a more collegial relationship with the minority Republicans than he said was shown to the Democrats over the past four years of partisanship and procedural gamesmanship.

"They've set a bad example in not working with us," Mr. Reid told cheering supporters who gathered across from the Capitol to celebrate the Democrat victory. "We're not following that example."

In contrast to the House, the Senate has experienced more regular shifts in party control over the years — Democrats were last in the majority in 2002 — and many current members are accustomed to suddenly going from committee chairman to ranking minority member. In fact, many of the Democrats in line to take over important committees have wielded the gavel before, sometimes alongside the Republican who will be leaving the chairmanship.

For instance, Senator Carl Levin, a Michigan Democrat and a leading party voice on military issues, has led the Armed Services Committee and has a good working relationship with senior Republicans on the panel. He will now play a major role in determining the approach on Iraq.

But there are pronounced ideological differences between the incoming leaders and those they will be replacing, as well as other lingering issues. On the Intelligence Committee, Senator John D. Rockefeller IV of West Virginia, the top Democrat, has

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feuded with Senator Pat Roberts of Kansas, the Republican chairman, over Mr. Roberts' reluctance to challenge the administration's handling of intelligence preceding the Iraq war.

In what could be the biggest policy divide on the panels, Senator Barbara Boxer, the liberal California Democrat and environmental advocate, is in line to take control of the Environment and Public Works Committee from Senator James M. Inhofe of Oklahoma, who has disputed that humans are causing global warming.

"He thinks global warming is a hoax and I think it is the challenge of our generation," said Ms. Boxer, who said she has a cordial working relationship with Mr. Inhofe. "We have to move on it."

In other notable changes, Senator Robert C. Byrd, 88, the West Virginia Democrat elected to his ninth term, is expected to resume his role as chairman of the Appropriations Committee. Senator Edward M. Kennedy of Massachusetts, also re-elected, will be back at the Health, Education, Labor and Pensions Committee. Senator Joseph R. Biden Jr. of Delaware will be at the helm of the Foreign Relations Committee.

With new power, Senate Republicans said Democrats will now have to do more than criticize. "Now that Democrats will have control of Congress for the next two years, they have a new responsibility for one of the most important issues of our time," said Amy Call, a spokeswoman for Senator Bill Frist of Tennessee, the majority leader who is retiring at the end of the year. "Quite simply, how shall we win the war on terror?"

While there will no doubt be clashes with Mr. Bush, there are also some issues where he could find the new Senate easier to work with than the old one. Democrats have been much more supportive than Republicans of Mr. Bush's broad approach on immigration and that issue could get new traction.

Democrats have been cheered by Mr. Bush's new bipartisan tone in recent days and say they are willing to reciprocate. But some also noted that the president laid out a very ambitious agenda for the post-election session scheduled to begin Monday under Republican control, including seeking approval of the nomination of John R. Bolton as ambassador to the United Nations. Mr. Bolton is serving as ambassador under an interim appointment after his nomination stalled in the Senate.

"The president has indicated that he understands the significance of Tuesday's election and the need to work in a bipartisan fashion to move our nation forward," said Senator Christopher J. Dodd, Democrat of Connecticut and a Bolton critic.

"But," he added, "trying to jam this nomination through during a lame-duck session may indicate that the president didn't fully hear the voice of the American public — and that is troubling."

Democrats have complained for years that Republicans have run roughshod over the minority party in both the House and Senate, and they promise to restore more traditional processes, including having open negotiations between the House and Senate over major legislation.

With the pickup of six Senate seats that even he did not anticipate, Mr. Reid is more than secure in his post as party leader, with Mr. Durbin as the assistant leader. The party is exploring ways to recognize the leadership role of Senator Charles E. Schumer of New York. Mr. Schumer, the architect of the Democrats' triumph as head of the Democratic Senatorial Campaign Committee, has been invited to lead that group for the 2008 elections if he chooses.

In the House, Representative Rahm Emanuel of Illinois, who led the successful campaign effort there, announced Thursday that he would seek to lead the Democratic conference — the fourth-ranking leadership slot. The decision could earn Mr. Emanuel, 47, further goodwill by averting a potentially divisive contest for the majority whip position with Representative James E. Clyburn of South Carolina.

"I seek this post, and not any other, because I believe what we need now is a unified Democratic caucus, focused squarely on the business of moving this country forward," Mr. Emanuel said in a statement.

Sweep Gives Dems Power To Put Plans Into Action (USAT)

By Jill Lawrence, Usa Today

USA Today, November 10, 2006

Allen concedes to Webb, won't seek recount

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WASHINGTON — The resolution of the Virginia Senate race Thursday completed a Democratic sweep of Congress, setting the stage for a rush of ideas, investigations and confirmation skirmishes from a party largely left out of national decision-making for the past four years.

The Democratic Senate takeover became official when Republican Sen. George Allen conceded to Democrat Jim Webb in Virginia. Earlier Thursday, Sen. Conrad Burns, R-Mont., conceded defeat to Democrat Jon Tester, who had already been declared the winner. House Democrats sealed their majority Wednesday.

The loss of both chambers will hamper President Bush's ability to advance proposals on Capitol Hill or kill what he doesn't like. "Bush won't have anyone to sweep the Democrats' ideas under the carpet," says Bruce Reed, a former White House aide who is president of the Democratic Leadership Council (DLC). "If Democrats on the Hill don't want to deal with Bush's agenda, they don't have to."

The new Senate will have 49 Democrats, two independents who vote with them, and 49 Republicans.

Allen was about 9,000 votes behind Webb as a statewide canvass continued, close enough to request a taxpayer-financed recount. Allen said that could drag on until Christmas and he had decided against it.

"I do not wish to cause more rancor by protracted litigation, which would, in my judgment, not alter the results," Allen said in a bittersweet speech to supporters in Alexandria, Va.

Webb, a onetime Republican who served as Ronald Reagan's Navy secretary and supported Allen in 2000, told cheering Democrats down the road in Arlington that Allen had called to congratulate him. "We will begin the process of putting this country back on the track where it needs to be," Webb said of new Democratic majorities.

Senate Minority Leader Harry Reid, D-Nev., surrounded by his jubilant leadership team on Capitol Hill, said Democrats will prove they can work with Republicans. "They've set a very bad example in not working with us," he said. "We're not following that example. We're reaching out to them."

Bush, after meeting Thursday with House Democratic leader Nancy Pelosi, in line to be speaker, said the election was over and her party had won. "We won't agree on every issue, but we do agree that we love America equally, that we're concerned about the future of this country, and that we will do our very best to address big problems," he said.

Some Republicans facing voters in two years may work with Democrats even if Bush doesn't, says Julian Zelizer, a political scientist at Boston University. "There is a lot of frustration and fear about 2008," he says. "People don't care about Bush anymore," he adds, they just want a big domestic policy achievement and "a way out of this war."

Norman Ornstein, co-author of The Broken Branch, a book about Congress, predicts "double-barreled investigations" of Iraq war contracts and the conduct of the war, with House and Senate Democrats "calling in generals left and right" to testify. "That's a nasty thing for a president to have to deal with," he says.

Sen. Evan Bayh, D-Ind., a 2008 presidential prospect, says there is "pent-up demand" for oversight of the Bush administration, but Democrats should not pursue investigations that seem like "partisan payback." He says the standard should be whether people at home would say "if I were there, I'd be asking those questions, too."

Scrutiny of clear problem areas such as the conduct of the Iraq war or the response to Hurricane Katrina is fair game, he told reporters and editors from USA TODAY and Gannett News Service.

The Senate's constitutional responsibility to advise and consent on presidential nominations presents more opportunity for conflict. Ornstein says he expects Democrats to do "just what Republicans did in (Bill) Clinton's final two years" when it comes to judicial nominations: "sit on them and let very few of them out" of committee for votes on the floor.

The DLC's Reed says Bush will have to consult with Democrats on nominees, including Supreme Court justices, if he wants them to succeed: "If Bush chooses to send up extremely conservative nominees, they're not likely to go anywhere."

Reed was domestic policy adviser to President Clinton when Republicans captured Congress in 1994. He says it will take time for Bush and his aides to adjust to losing Congress. "They're in shock," he says, speaking from personal experience. "They're going to flop around for a while trying to figure out what to do. They're going to have to grieve."

Now The Decider Must Listen (WP)

By Eugene Robinson

DOJ_NMG_0093340

The Washington Post, November 10, 2006

Short of actual insurrection, I don't think the country could have spoken more clearly than it did Tuesday. But there's one question still to be answered, and in honor of Donald Rumsfeld, who now can devote full time and attention to stretching the boundaries of modern philosophy, let's call it a "known unknown": Did George W. Bush really hear what the nation told him about Iraq?

I think he did, but I'm pessimistic that he'll listen.

Since the election, the president has been saying all the right things about bipartisanship, about how eager he is to work with the new Democratic leadership on Capitol Hill. But what choice does he have after an electoral "thumpin' " of such historic proportions?

Power rules in Washington the way money rules in New York or celebrity in Los Angeles, and the White House has measurably less power today than it had a week ago. If Bush doesn't find a way to work with the opposition, he might as well spend the rest of his term at the ranch out in Crawford, riding his mountain bike and clearing all that pesky brush.

Never mind that after each of his slim victories, Bush claimed the kind of mandate that can be conferred only by a landslide. Never mind that he made no effort to govern from the center, with bipartisan support. He acted as if Democrats didn't exist, except as foils for his overheated rhetoric. Now they are indispensable to the remainder of his presidency and to the legacy he ultimately leaves behind.

There are indeed issues on which Bush and the Democrats will find the "common ground" that everyone claims to be seeking. The president's plan on immigration was blocked by Republicans, and now that the Great Wall of Arizona has been approved, maybe Washington will be able to come up with a reasonable, workable solution to the problem of undocumented migrants.

In exit polls, voters said they were deeply concerned about "corruption" in Washington -- a perfect issue to tackle in the new bipartisan spirit. Both parties will agree to ignore the basic problem, which is the corrosive effect that money has on our whole political system. The president and Congress will bravely declare their opposition to influence-peddling and various other sins. Then they will join in crafting "reform" legislation that might have some effect on the margins and that definitely will create more paperwork for lawyers -- but that leaves the current system pretty much in place.

Hey, Republican lobbyists have been gorging themselves at the public trough for a decade. Wouldn't be fair to deny Democratic lobbyists their turn, would it?

Iraq is another story. The election was also a referendum on George W. Bush's war, and clearly he understands that. He had been working on Rumsfeld's ouster for some time, but announcing it the day after the thumpin' seemed to be a concession.

What I haven't heard from Bush is any willingness to change his basic policy in Iraq. In his news conference Wednesday, he essentially retracted the aspersions he had cast on the Democratic Party's patriotism. But his message was that he's happy to work with the Democrats -- as long as they agree to his basic war policy, which is to keep American troops in Iraq "until the job is done."

I haven't heard an admission from Bush that the conflict has fundamentally changed, that American soldiers are now dying not to overthrow a tyrant (done that) or, primarily, even to fight an insurgency (still doing that), but to tamp down a sectarian civil war. I haven't heard an admission from Bush that the war was poorly planned, that the occupation has been poorly handled or that our supposed Iraqi allies have their own interests that don't necessarily coincide with ours.

I haven't seen any indication that Bush is ready to ask himself the questions that millions of Americans posed on Tuesday: What are we accomplishing in Iraq? What kind of country, realistically, will we leave behind? Will leaving Iraq, in, say, five years make us any safer than leaving Iraq now? Will our extended presence even make life better for Iraqis?

Democrats were restrained during the campaign, which was smart. But now it's time for them to ask those hard questions -- and use their new power to compel answers. Even if they have to be unfashionably partisan about it.

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New Majority Plans Early Security Push (USAT)

By Thomas Frank And Mimi Hall, Usa Today

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USA Today, November 10, 2006

Aviation officials say that may mean policies that could cripple industry

WASHINGTON — Democrats say they will use their majority in Congress to strengthen domestic security by putting millions of dollars into technology at airports and ports and increasing government oversight.

But they also may push policies that aviation officials say could cripple the industry, such as requiring screening of all cargo before it's put on passenger planes.

House Democrats made domestic security a centerpiece of their campaign this year and vowed to fulfill all the 9/11 Commission's recommendations. "Real security" is the first of six policies Democrats will push when they take control of Congress in January, according to a manifesto they recently published to highlight differences with Republicans.

Democrats won control of the House and Senate in Tuesday's elections.

That could mean more money for the Transportation Security Administration to buy machines that better detect weapons on passengers and in carry-on bags, and to hire additional screeners.

"I expect a much more supportive attitude on better funding TSA to get them the equipment they need and maybe more personnel," said Rep. Peter DeFazio, D-Ore., a senior member of the TSA oversight committee.

Government reports blame screener staffing shortages for longer security lines and outmoded machines for bombs and guns slipping past screeners in tests by undercover investigators. The number of screeners dropped from 45,000 to 43,000 in the last year. Funding for new bomb detectors fell from $180 million two years ago to $141 million this year.

Rep. Dan Lungren, R-Calif., chairman of the TSA oversight committee, said Democrats may struggle to find extra money for TSA. "I hope that we're going to try to work for better government, but that means doing it in the context of what's affordable," Lungren said.

DeFazio suggested a possible increase in security fees that are added to every airplane ticket — an idea the administration has proposed in the past two years but which Congress killed amid airline protest.

Other areas that Democrats will push:

•More grants for local emergency responders and better organization of the Federal Emergency Management Agency. This is a priority for the likely new chairman of the subcommittee that sets Homeland Security Department spending, Rep. David Price of North Carolina, a state vulnerable to hurricanes.

"After 9/11, many local first responders got additional responsibilities, but the federal government has done an inadequate job in supporting them," said Price spokesman Paul Cox.

•Stronger port security through more grants and possibly requiring more screening of cargo containers being unloaded.

"Most major seaports are in Democratic strongholds," said retired Coast Guard officer Stephen Flynn of the Council on Foreign Relations think tank. "This is a visible issue for them as they look to be seen as energetic on security."

•Forcing chemical plants to check employee backgrounds and use safer materials that would make them less of a terrorist target. Democrats have sought such measures through bills that have failed in the past three years.

They will still face opposition from the chemical industry and Republicans who oppose mandates on businesses.

•More intensive scrutiny of Homeland Security and TSA leaders. "There'll definitely be a lot of investigation into what TSA has done to date in terms of new technologies and screening air cargo," said Peter Kant, a lobbyist for Rapiscan Systems, which sells TSA screening equipment.

•Setting a deadline for full screening of the 3 million tons of cargo loaded onto passenger planes each year. The TSA has proposed steps to screen more cargo. "A key difference is setting a firm deadline," said Tom Blank, TSA's former acting deputy administrator.

Jon Kent, a lobbyist for air-cargo groups, said requiring all air cargo to go through bomb detectors before being put on passenger planes "would be a disaster for air commerce" because screening would take so long.

Kent wonders if Democrats will be as adamant as they were when they were out of power. "It's far easier to take an absolute position," Kent said, "when you don't have to worry about the consequences."

Dingell Wants To Cut U.S. Oil Habit (USAT)

DOJ_NMG_0093342

By James R. Healey, Usa Today

USA Today, November 10, 2006

Democrat set to rule again over energy

Conventional wisdom says that Democrats, who will control both houses of Congress next year, will somehow cut America's dependence on oil, especially imported, and trim the average American's fuel bill.

That could be hard.

“A lot of things have been said in the campaigns, but when you finally have to sit down and govern, you see things differently,” says John Felmy, economist and spokesman for the American Petroleum Institute, Big Oil's trade association.

In the catbird seat — perhaps the hot seat — is Rep. John Dingell, D-Mich., who again becomes chairman of the House Energy and Commerce Committee, a post he held before the Republicans took control of Congress. The committee's wide-ranging mandate includes authority over consumer affairs and energy policy.

Dingell says he wants to cut the U.S. oil habit, promising the committee's help in “making the United States energy-independent.”

At the same time, though, he must represent the interests of the Michigan-based auto industry. Energy-conservation initiatives can cost automakers hundreds of millions of dollars for research and development of fuel-efficiency hardware and software for which new car buyers won't pay extra.

“John Dingell has traditionally done a great job representing his constituents in Michigan. People in the House and the Senate look to him for guidance on” auto-related issues, says Marchant Wentworth, legislative representative on energy issues for the Union of Concerned Scientists.

UCS believes automakers could make vehicles much more fuel efficient using off-the-shelf components and systems that would add little or nothing to the cost and price.

Dingell is not eager to force automakers to improve fuel economy by boosting what's known as CAFE, for corporate average fuel economy. In an interview, he said, “The committee only has so much time,” and noted that the CAFE standards recently were boosted. Fuel economy standards, he said, “can be addressed very well, automobile or light trucks, within the framework of existing law,” which “gives an awful lot of freedom to the administration” to adjust the standards to keep up with improving technology.

“If you're talking about straight CAFE, you can't regard the arrival of John Dingell in that position as good news,” said Therese Langer, transportation program director for the American Council for an Energy-Efficient Economy.

However, she noted, Dingell “gave a speech to the industry in Detroit a couple of years ago, saying, ‘I've been sticking up for you, and now we want you to get more efficient.' ”

She said energy and alternative fuel issues will become more visible in a Democrat-controlled Congress, but, “It's hard to say if something new and significant will pass. I don't regard it as a big change; there are a lot of the same players. But these things will get a lot more air time.”

Energy, in fact, might not be Dingell's and the committee's priority.

“We'll try to see which issues are ready, and go into them as fast as the business of the committee permits,” he said. “We'll kill the closest snake first.”

Dingell is passionate about overhauling health care by getting cheaper generic dugs to market faster; giving the government the authority to negotiate Medicare drug prices with pharmaceutical companies; stopping what he says are “almost certain overpayments” to health insurance companies; and regulating dietary supplements, which, he says, “are killing people.” He wouldn't name the supplements he considers dangerous.

Cheaper health care would be a boon to the Detroit auto industry, which has more retirees to support and an older workforce than the U.S.-based foreign automakers.

Likely to get attention:

•Alternative fuels. Look for moves to extend tax benefits to wind and solar power and for producing so-called biomass fuels, such as ethanol, typically made from corn, and new tax breaks for non-petroleum fuels.

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Both parties already agree, more or less, on such benefits, so extending and boosting them "will be the quickest thing Congress can do" to act on the energy-independence promise, notes UCS' Wentworth.

And it'll be good politics, considering that corn for ethanol mainly is grown in the Midwest. "All paths lead through Iowa for the presidency," noted Tom Kloza, veteran analyst at consultant Oil Price Information Service. Iowa's early political caucuses often make or break presidential hopefuls.

•Big Oil subsidies. "We'll take a look," Dingell said. Wentworth said that halting some subsidies — begun when oil prices were low but suspect now that prices and profits are high — would provide the money Democrats want to invest in alternative-fuel technology.

•Conservation. "If you went through the (1973-74) Arab oil embargo, as I did, we found that … failing to be prepared and have good conservation practices was hideously costly," Dingell said.

Before then, Japanese cars were a curiosity. When Americans discovered the Japanese machines got double or triple the mileage of big American cars, a rush to buy Japanese began. Detroit is still reeling from that shift.

First, Ethics Reform (WP)

The Washington Post, November 10, 2006

The 'culture of corruption' helped Democrats win. Now they need to fix the mess.

ONE OF THE loudest messages from Tuesday's elections was disgust with the way Washington does business. In exit polls, 42 percent of voters said corruption and scandals in government were extremely important in their decisions -- a greater share than for the war in Iraq, terrorism or the economy. House Democrats have vowed to quickly adopt new ethics rules; their package is good but could be improved. Senate Democrats, who, after yesterday's gracious concession by Sen. George Allen (R-Va.), will control the chamber, say they too have heard the voters' demand for change.

The House Democrats' package, which incoming speaker Nancy Pelosi (Calif.) promised to enact during the Democrats' first day in control, would prohibit lawmakers and their staff from accepting meals, gifts and trips paid for by lobbyists or organizations that employ lobbyists. To end a Jack Abramoff practice -- the use of nonprofit groups to disguise trips paid for by lobbyists or other interested parties -- the Democrats' measure would require advance approval for other travel. Lawmakers would be barred from riding corporate jets for official travel but could still do so on campaign and political trips, a loophole that ought to be plugged. Lawmakers and staffers would have to wait two years, not one as currently, to lobby their former colleagues.

The weakest link in the House package concerns enforcement. A new Office of Public Integrity would review lobbyists' filings, but lawmakers would remain under the jurisdiction of the House ethics committee, whose sorry performance this year argues for a system less susceptible to partisan stalemate. Reps. Christopher Shays (R-Conn.) and Martin T. Meehan (D-Mass.) have proposed an independent investigator who would provide greater scrutiny and accountability while leaving ultimate authority to elected officials. The new House leaders should incorporate that plan into their package.

Changing Senate rules is more complicated because doing so requires a two-thirds vote, but the office of the incoming majority leader, Sen. Harry M. Reid (D-Nev.), said yesterday that he is also committed to swift action. Only the House Democrats promised before the election to make ethics a priority, but if the election results helped refocus Senate Democrats on ethics issues, that's all to the good. One major shortcoming in the proposal endorsed by Senate Democrats this year involved the use of corporate aircraft. Simply requiring that lawmakers disclose their acceptance of such cut-rate flights isn't adequate; if they fly on corporate jets, they ought to be required to pay market rates.

Then, after changing ethics rules, the new Congress needs to pass the lobbying reform legislation that its predecessor neglected to its peril.

The Family-Friendly Congress? (NYT)

By Judith Warner

The New York Times, November 10, 2006

Washington

DOJ_NMG_0093344

WHILE the excitement over Nancy Pelosi, most likely to be our first female speaker of the House, is still fresh, and while those of us who care about these things are still bubbling over the election of the highest number of women to Congress in history, I'd like to issue a challenge: Ladies, step up to the plate on behalf of the rest of America's women — and their families.

This shouldn't be a radical idea. Ms. Pelosi has, after all, spent months now reminding us that she is not merely a capable leader, not just a whiz-bang political fund-raiser, but, first and foremost, "a mother and a grandmother."

That's lovely for her; but if Ms. Pelosi's experience of motherhood is to have any meaning for the rest of us, or any relevance to her life as a politician, we've got to see some follow-through. Because if, as Ms. Pelosi has repeatedly said, she'll be taking up the speaker's gavel "on behalf of America's children," there's a lot of work to do. For children can't thrive if their families are stressed and, at every point on the socioeconomic spectrum now, it seems that American families are cracking at the seams.

The Center for WorkLife Law at the University of California Hastings College of the Law released a study last month noting that "workplace inflexibility, the lack of family supports and workplace bias" are forcing American mothers out of the work force — whether they can really afford to "opt out" or not.

This comes on the heels of news articles showing how working-class moms are putting their youngsters in all-night child care, and how couples are increasingly enduring split-shift work schedules — putting their health and marriages at risk — to avoid the costs and anxieties of day care. All this paints a picture of family life in America that is very grim for all but the very privileged.

For years now, there have been murmurings — and more — from various corners of Congress in favor of change. Representative Lynn Woolsey's Balancing Act bill, which calls for a wide array of measures to reduce the stresses on working families, has been languishing for years. Senators Christopher Dodd and Ted Kennedy have gestured toward legislation on paid family leave and guaranteed sick leave. There was even a much-overlooked bill introduced in the Senate by Hillary Clinton this summer (and in the House by Rosa DeLauro of Connecticut) to provide low-income parents with subsidies to stay at home and care for their infants themselves.

It's time to light a fire under these kinds of initiatives. Ms. Pelosi's current promises — to raise the minimum wage, cut the interest rates on student loans and make some college tuition tax deductible — are a laudable start, but American families, whose needs have been increasingly neglected since the early 1980s, need so much more: quality after-school programs; national standards for child care; voucher programs and tax subsidies to help pay for that care; universal, voluntary public preschool; paid family leave; and incentives for businesses to make part-time and flex-time work financially viable.

In short, we need to make the kind of glorious life that's enjoyed by upper-middle-class mothers and grandmothers like Ms. Pelosi and her colleagues possible for everyone else.

This isn't a radical leftist agenda. In fact, there's no better antidote to the selfish individualism and empty materialism that Americans of all political stripes say is corrupting our country than policies that allow families to spend more, and better, time together.

In recent years, pro-family Democrats were out in the legislative wilderness. Now, there's simply no excuse for inaction. It's time to shoot for the moon. Risk a presidential veto. And let the proponents of "family values" show their true colors.

Alternative Minimum Tax Targeted (WP)

By Lori Montgomery

The Washington Post, November 11, 2006

Democratic leaders this week vowed to make the alternative minimum tax a centerpiece of next year's budget debate, saying the levy threatens to unfairly increase tax bills for millions of middle-class families by the end of the decade.

The complex and expensive tax was designed to prevent the super-rich from using deductions, credits and other shelters to avoid paying the Internal Revenue Service. But because of rising incomes, the tax is expected to expand to more than 30 million taxpayers in 2010 from 3.8 million mostly well-off households in 2006.

Fixing the AMT has long been a top priority for Sen. Max Baucus (D-Mont.), who is in line to head the Senate Finance Committee. Last year, Baucus co-authored a bill to repeal the tax with Senate Finance Chairman Charles E. Grassley (R-Iowa).

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Rep. Charles B. Rangel (D-N.Y.), the presumptive chairman of the tax-writing House Ways and Means Committee, this week put fixing the AMT at the top of his agenda, calling it far more urgent than dealing with President Bush's request to extend the 2001 and 2003 tax cuts, which are scheduled to expire in 2010.

And yesterday, House Democratic Whip Steny H. Hoyer (D-Md.), who is campaigning to keep his leadership post, said Democrats will make "fixing the AMT . . . a priority of tax policy next year."

The focus on the AMT is hardly surprising, given that victims of the tax have been concentrated in high-cost urban areas such as Washington, New York and San Francisco -- places that tend to vote Democratic. Rangel, Hoyer and Nancy Pelosi (D-Calif.), the presumptive House speaker, all represent states hit hard by the AMT, which is sometimes called the "blue-state tax." To map states with the highest concentrations of AMT taxpayers is to draw bull's-eyes over California and the Northeastern seaboard.

Locally, an estimated 240,000 families and individuals in the District, Maryland and Virginia will have to pay the AMT at tax time in April, according to projections by the nonprofit Citizens for Tax Justice. That is an increase of nearly 100,000 local families since 2003.

These taxpayers would owe the IRS $6,813 in additional taxes on average, according to an analysis by the Tax Policy Center, a joint project of the Urban Institute and the Brookings Institution.

"Seventy percent of my friends are on the AMT. We're the demographic," said the center's co-director, Leonard Burman, a senior fellow at the Urban Institute who lives in Arlington and, like many interviewed for this story, has been hit by the AMT. "If you have children, if you pay high state and local income taxes, you're going to be subject to the AMT. That's the professional class in the Washington and New York suburbs, and Los Angeles and San Francisco. You can see it in the data."

In simple terms, the AMT is sort of a flat tax with two brackets, 26 and 28 percent, and fewer deductions. Credits for dependents, medical expenses, and state and local taxes are all disallowed. Instead, taxpayers get a single big deduction, called the AMT exemption, which is set this year at $62,550 for married couples and $42,500 for singles. Taxpayers must compute their taxes both ways and pay whichever is higher.

The impact is harshest on taxpayers with annual incomes of $100,000 to $500,000. The truly rich typically are not affected because their regular tax rates already are higher than under the AMT.

This year, the AMT is expected to ensnare 3.8 million taxpayers. Next year, the AMT exemption is scheduled to drop precipitously, causing that number to balloon to 23 million households, according to the congressional Joint Committee on Taxation.

By 2010, "the AMT will become the de facto tax system for filers in the $200,000 to $500,000 income range, 94 percent of whom will face the tax," according to a report by the Tax Policy Center. About half of tax filers making $75,000 to $100,000 will have to pay the tax, including 89 percent of married couples in that income bracket who have at least two children.

In the past, Congress has patched the AMT one year at a time, primarily by increasing the exemption amount. Next year, to hold the number of affected taxpayers steady at about 4 million, the patch would cost about $50 billion, according to the Joint Committee on Taxation.

Getting rid of the tax altogether would be even more expensive: more than $1 trillion over the next decade, by various estimates. Budget experts doubt that Democrats can do it without reneging on their promise to reduce the budget deficit or winning an agreement from Republicans to raise taxes elsewhere.

In recent weeks, experts from both parties have called the nation's fiscal situation dire and called for a bipartisan summit to address a variety of ticking time bombs set to explode soon after the 2008 presidential election, including the AMT, Social Security, Medicaid and Medicare.

"You cannot solve this nation's fiscal problems without increased revenue," Robert E. Rubin, the Clinton administration Treasury secretary, told the Economic Club of Washington this week.

Political analysts see little chance for that kind of cooperation until after 2008. Bush is heavily committed to maintaining his tax cuts, arguing that they have spurred the nation's economy. And analysts say Bush is unlikely to participate in a summit that could produce the kind of tax increase that helped drive his father, President George H.W. Bush, out of office.

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White House spokesman Tony Fratto said this week that fixing the AMT is "absolutely a priority" for the president. But for now, Fratto said, "The Democrats have an opportunity to put their ideas on the table."

Rangel, it seems, is ready to rumble. When asked about whether he favored making the Bush tax cuts permanent during his first news conference after the Democrats claimed control of the House, Rangel demurred and raised the issue of the AMT.

Rangel's aides, meanwhile, have been marshaling evidence that Bush tax cuts have exacerbated the effects of the AMT by reducing regular taxes for many families but not their AMT rates, forcing them to pay the higher amounts. And families thrown into the AMT don't benefit from many of the deductions, rate cuts and credits that comprise the Bush tax cuts, said John Buckley, the Democrats' chief tax counsel on the Ways and Means Committee.

"The real story on the AMT is how it takes back the Bush tax cuts," Buckley said. "For people who are married with children or live in states with income taxes, the tax cuts are temporary unless you fix the AMT."

Ex-Treasury Head Rubin Urges Democrats To Mull Tax Increase (WSJ)

By Deborah Solomon

The Wall Street Journal, November 11, 2006

WASHINGTON -- Former Treasury Secretary Robert Rubin has some advice for the Democrats who will soon control Congress: Raise taxes.

Mr. Rubin, who helped engineer a budget surplus while serving under President Clinton, is advising Democrats that there's no way to deal with the "deep threat" posed by the nation's fiscal problems without a combination of spending control and higher taxes.

"We are at a critical juncture," Mr. Rubin told the Economic Club of Washington Thursday night. "You cannot solve the nation's fiscal problems without increased revenues."

But raising taxes is a message many Democratic lawmakers are unlikely to utter aloud -- at least for now. President Bush and other Republicans consistently warned during the midterm campaign that, if elected, Democrats would increase taxes and hurt the economy. President Bush has insisted that his 2001 and 2003 tax cuts have helped the economy and lowered the unemployment rate and that any tax increase or failure to make those cuts permanent would weaken the economy.

Since winning control, the Democratic leadership has insisted there are no plans for a wholesale rollback of President Bush's tax cuts. But they do acknowledge they're thinking about ways to raise revenue, including potentially rescinding some of the tax cuts for the wealthiest Americans, according to a spokeswoman for California Rep. Nancy Pelosi, who is in line to become the next House speaker.

Many political observers say Democrats may ultimately have no choice but to raise taxes if they follow through with their plans to implement "pay as you go" budgeting, which requires that any tax cut be offset by spending cuts or new revenue. Among the Democrats' priorities is to ease the burden of the alternative minimum tax, which could cost the government $1 trillion over 10 years.

Ms. Pelosi, along with New York Rep. Charles Rangel, who is expected to become chairman of the tax-writing House Ways and Means Committee, insist they are also looking at other approaches besides raising taxes, such as trying to close the estimated $350 billion "tax gap" -- the money the government says it's owed from individuals and businesses but can't collect. A senior aide to Mr. Rangel said Democrats may look to boost funding to the Internal Revenue Service to help close some of that gap.

In his speech, Mr. Rubin said the combination of the nation's budget deficit, the growing costs of programs like Medicare and Social Security and a heavy reliance on foreign borrowing pose "a deep threat to our economy and the global economy" and said politicians will need to employ "some combination of revenues and spending discipline."

But he said Democrats should rest easy about what impact any tax increase would have. "I think if you were to increase taxes right now you would have probably about zero negative effect on the economy," he said.

The Wages Of Politics (WSJ)

The Wall Street Journal, November 11, 2006

DOJ_NMG_0093347

A hike in the national minimum wage seems all but certain to become one of the first fruits of the Democrats' victories this week. Nancy Pelosi, the presumptive Speaker of the House, has pledged to raise the minimum by over $2, to $7.25 from $ 5.15. And President Bush has already signaled he'd go along. At the state level, six states not only approved minimum wage hikes in referendums this week but indexed the minimum to inflation going forward. We hope Mr. Bush fights off any attempt at federal indexation and insists on a provision to protect small business.

Raising the minimum wage has been a hardy perennial of the left for decades now. What is striking is the degree to which is has come to be seen as an economic free lunch. Even some reputedly unbiased economists have started to tout the view that raising the minimum wage has no discernible effect on job creation.

But if this were true, they'd be calling for a $10, $20 or even $50-an-hour minimum wage. They're not, and neither is Nancy Pelosi. That's because the law of demand is one of the most dependable precepts of economics. It says that when the price of something goes up, demand for it goes down. An employee's wages are the price the employer pays for his services, so raising their wages means forcing employers to pay more for workers. The price goes up and there is downward pressure on demand for workers. Other things being equal, jobs are lost.

For a long time, this was so obvious that no serious person doubted it. But a couple of studies in the 1990s purported to find no evidence of job loss associated with minimum-wage hikes, and it's been off to the races ever since. Classical economics teaches that for a given job, there is a market-clearing price -- the price at which both someone is willing to do it and someone else is willing to pay them to do it. If you raise the legal minimum above that price, you may get more people willing to perform the job, but you'll probably also get less people (employers) willing to pay the new, higher price to get the job done.

To picture how this works, think about the grocery bagger in the supermarket, a classic low-wage service job. Supermarkets hire grocery baggers for the minimum wage, or close to it, because it's a perk that makes their customers' experience a bit nicer and helps move the lines along, possibly requiring fewer cashiers, who cost more to hire than grocery baggers.

Now, if you pass a law saying everyone, including grocery baggers, has to be paid $10 an hour, what happens? The supermarket probably hires fewer baggers, or has them work fewer hours. Perhaps they decide they only need baggers between 4 p.m. and 7 p.m. If you put the minimum wage up to $20 an hour, shoppers bag their own groceries. This is so clear that it's taken some time for the defenders of an ever-rising minimum wage to come up with an adequate theory to obscure it.

Most jobs do not involve bagging groceries. But most jobs don't pay the minimum wage. The Bureau of Labor Statistics puts the number of minimum-wage earners at 2% of the work force. The majority of these are under 25 years old and single. Minimum-wage jobs also tend to have higher turnover.

The theory propounded by the advocates of a higher minimum wage is this: The market for minimum-wage jobs is neither efficient nor fair. Workers don't have adequate information about the alternatives available to them, and employers don't know enough about what the true market-clearing price is. So employers impose an artificially low wage rate on the disadvantaged, who as a result don't work as hard and tend to quit more often than they would if they were paid "fairly." Raising the minimum wage increases productivity and decreases turnover (because workers are more satisfied), which lowers the real cost of the job as well as the frictional costs of constantly seeking and training new workers (costs the employer was unwittingly paying because he didn't know the "correct" price to pay his workers). Everyone is better off; no one suffers.

The problems that afflict this idyll are no different from every attempt to replace market-determined prices with planned ones. Even if it is true that some workers are underpaid, and it probably is (we've never met another journalist who thought ink-stained wretches, as a class, were overpaid), there's still the problem of determining what the right wage is. Why would anyone suppose that Nancy Pelosi knows that better than the supermarket manager?

As for the employer who supposedly harms himself and his business by driving off underpaid workers, who is to say he doesn't know what he is doing? Perhaps years of experience have taught him that grocery baggers leave after six months no matter what you pay them (within reason). In any case, we doubt that Ms. Pelosi loses a lot of sleep over the capitalists' misunderstanding of their own labor pool.

It is implicit in the logic behind raising the minimum wage that if we squeeze employers just a little, they won't even notice. Another argument, this one made explicitly, is that jobs are destroyed, but the wage gains more than make up for the reduced

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number of jobs. But this is only true if it's not your job that is destroyed. If you are a young black male, you are slightly more likely than the general population to be paid minimum wage, but you are almost 10 times as likely not to have a job at all. And if you're unemployed, raising the minimum wage not only doesn't help you find a job; it probably hurts. Welcome to Speaker Pelosi's ide a of progress.

Time For The $5.15 Minimum Wage To Punch Out? (WSJ)

By Sarah Nassauer

The Wall Street Journal, November 11, 2006

Here's a look at some of the issues:

How many would be affected by the change? Because many states have minimum-wages that surpass the federal law, the Economic Policy Institute, Washington, D.C., estimates that only about 15 million people would be affected by a federal minimum-wage increase to $7.25. That number could decrease slightly after the six states that voted to implement a wage increase on Tuesday put their laws into action. The EPI includes some "spillover" in this figure -- that is, people who made more then $7.25 before the change but will likely get an increase in pay to stay in the same relative position on their company's pay scale.

Would some lose their jobs as a result? This is a hotly debated question. Traditionally, labor unions have pushed for wage increases, saying unemployment isn't a factor, while the restaurant, retail, and small-business industries have said raising the minimum wage will create job loses. Young and unskilled workers are the groups usually singled out as most at risk.

A watershed study by economists David Card and Alan B. Krueger in 1994 said that minimum-wage increases in New Jersey didn't result in job losses in the fast-food industry. But that stance has been challenged by other economists. A 2003 survey by Dan Fuller and Doris Geide-Stevenson said that 46% of academic economists in the U.S. agreed with the statement, "a minimum-wage increases unemployment among young and unskilled workers," while 28% partly agreed, and 27% disagreed. A similar study from 1978, published in the American Economic Review, said 90% of economists surveyed agreed or partly agreed with the statement.

Regardless of what economists say, public opinion has always been strongly in favor of lifting the federal minimum wage.

Do some earn less than the federal minimum wage? The U.S. Department of Labor estimates that about 1.4 million people earn below minimum wage and that 72% of those people work in the leisure and hospitality industry. This figure can be misleading because the Labor Department data are based on answers given by workers. Many people round down their salary to $5 an hour when they respond to the survey. The Labor Department says 300,000 people said they earned exactly $5 an hour on the 2005 survey.

Also, many people who work in food preparation -- waiters, for example -- take home paychecks of less than $5.15 an hour because of a federal "tip-credit" law, which allows employers to pay workers less per-hour if they meet minimum-wage standards based on tips.

All six states that put a minimum-wage referendum on ballots Nov. 7 passed an increase.

In the wake of the Great Depression, Congress set the first minimum wage in October 1938 at 25 cents an hour under the Fair Labor Standards Act. The act also established maximum working hours and banned most child labor.

Gallup Polls taken to gauge public opinion on minimum-wage increases since 1937 show that public opinion has never been against raising the minimum wage. The level of support varied from about 55% in 1945 to 83% in 2006.

Minimum-wage workers tend to be young. About half of workers earning $5.15 or less in 2005 were under 25 years old, and about one-fourth of workers earning at or below the minimum wage were 16 to 19. Among employed teenagers, about 9% earned $5.15 or less.

The industry with the highest proportion of workers with reported hourly wages at or below $5.15 in 2005 was leisure and hospitality, at about 14%. About three-fifths of all workers paid at or below the federal minimum wage were in this industry, primarily in food services.

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As of Dec. 2, the U.S. will have gone nine years, four months and one day without increasing the federal minimum wage, the longest stretch in the nation's history. The longest stretch to date is from 1981 to 1990, when the federal minimum wage was raised to $3.80.

Slow Track (WSJ)

By Greg Hitt, Neil King , Jr.

The Wall Street Journal, November 11, 2006

WASHINGTON -- The Democrats' sweep of Congress is set to deliver a blow to President Bush's free-trade ambitions and could hamper impending trade deals both big and small.

Democrats' stances against free trade helped build the party's success at the polls and could tip the balance on trade matters. The new dynamic could put a definitive end to the already troubled effort to reach a global agreement to reduce tariffs and open markets, known as the Doha round. It also could put in jeopardy smaller deals such as those the U.S. has crafted with Peru and Colombia, intended to boost two-way trade by lowering tariffs and increasing intellectual-property protections.

Two dozen tightly contested races turned partly on Democrats' protectionist platforms, according to Public Citizen, a liberal advocacy group. All told, 16 incoming "trade skeptics" are set to replace "trade friendly" Republicans in the House, according to a study by the Swiss Institute for International Economics at the University of St. Gallen. Five new Senate Democrats are viewed as more critical on trade than were their opponents.

"The House and Senate are going to exert themselves on trade much more aggressively," vows Ohio Democrat Sherrod Brown, whose successful campaign against free-trade Republican Sen. Mike DeWine was built on opposition to the Bush trade agenda. In one television advertisement he stood before an abandoned local factory, contending Mr. DeWine had supported trade agreements that cost the state jobs. "Congress has given too much of its authority to the president," he says. "We've just ceded our power."

A lame-duck session of the current Congress is set to vote as early as next week on whether to lift Cold War-era economic restrictions on Vietnam, which has just joined the World Trade Organization, and grant it the same benefits as other U.S. trading partners. That vote is expected to pass easily, despite some opposition in the textile industry.

After that, Democrats are gearing up for a major pushback against the Bush administration on other trade fronts, most notably on a vote next year on whether to renew the president's authority to negotiate trade deals with other countries, without amendment from Congress. That authority expires in the summer.

The U.S. in the past 20 years has championed global and regional trade deals that have significantly lowered tariffs and have helped spur a boom in global trade. Advocates assert that the U.S. would benefit from more liberalization, both to bring in lower-cost imports and to increase exports. Opponents argue lowering trade barriers has hollowed out the U.S. manufacturing base and done lasting harm to many pockets of the economy.

Special presidential trade-negotiating authority, often called "fast track," is critical to getting deals done. Other countries are reluctant to negotiate with the U.S. if there is a chance the deals could changed by Congress instead of just approved or rejected. Democratic critics have long complained that the Republican Congress gave too much negotiating latitude to Mr. Bush and want to rein the president in.

Trade experts say Democrats may try to exact concessions from President Bush that would render a deal on fast-track nearly impossible. For instance, some Democrats have suggested significantly increasing the $1 billion the government gives yearly to workers displaced by foreign competition. Others are proposing compromises such as limiting fast-track authority only to the Doha talks.

Some business officials expressed cautious optimism that trade liberalization won't grind to a halt in the next Congress. "The trade agenda may change, may be done in a different way, but it isn't going to end altogether," says Bill Miller, a congressional liaison for the U.S. Chamber of Commerce. He and others said past Republican dismissiveness of Democratic concerns on recent trade legislation -- such as labor rights and environmental protection in recent trade bills -- may have stirred some of the deepest opposition. A more cooperative environment could make a difference, they said.

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Charlene Barshefsky, President Clinton's trade representative, agrees, predicting Democrats could show real cooperation to try to secure the Doha round. "I see tougher sailing ahead, but not necessarily history-altering events," she said.

The first test may be the U.S.'s proposed trade pact with Peru, which the Bush administration had hoped would be voted on this fall, before the new Congress is sworn in. Many Democrats oppose the deal, including Rep. Charles Rangel, a New York Democrat who is poised to take over the House Ways and Means Committee. Mr. Rangel wants labor protections to be included. Though no final decisions have been made, Republican leaders are wary of bringing the deal forward for a vote, especially after the signal sent by Tuesday's vote.

Even in states that historically have rejected anti-free-trade campaigns, such as Iowa, Kansas and Missouri, candidates who ran heavily on such a platform won. While the dominant themes of the campaign were Iraq, terror and scandal, there were plenty of signs that economic insecurity was coloring voters' decisions.

In exit polls, half of voters said they felt the "state of the national economy" was "not so good," or "poor." Economic concerns were particularly big in the industrial Midwest, where free-trade critics won some of their biggest gains and voters in some states put economic concerns first.

Mr. Rangel said he wants to renew the president's fast-track authority but that the president would need to consider Democratic priorities in return. Extending the authority depends on whether Mr. Bush "wants both parties to participate in discussions," Mr. Rangel said in an interview before the election.

After the new Congress is seated in January, Democrats are all but certain to seek modifications to a trade deal with Columbia. As with the Peru deal, they are likely to push for stronger language on worker protections. Both pacts would give them their first real opportunity to wrangle more concessions in an area over which their party and Republicans have been fighting for years.

Another big issue is agriculture: Congress next year must either renew or rewrite the current farm bill, a huge mass of legislation that covers all U.S. farm policy, including subsidies. The biggest sticking point within the Doha round is the big subsidies the Europeans, Japanese and U.S. give to support farmers. Developing countries argue these payments distort the export market.

To reinvigorate the Doha talks, Democrats would have to be willing to enact steep farm-subsidy cuts, a move many analysts doubt they will take.

Democrats also could push tough measures of their own. They have floated various bills to squeeze imports from China or to try to manage the country's trade imbalance. Others seek to impose various restrictions or punishments for intellectual-property violations or its failure to allow its currency, the yuan, to strengthen further. Those have been shelved until now, partly because of a lack of support from the Republican leadership and the White House.

Congressional Democrats have long been moving away from free-trade support. In the 1990s, dozens of House Democrats regularly supported free-trade initiatives like the North American Free Trade Agreement backed by then-President Clinton, which won 102 Democratic votes. But only 15 Democrats backed the Central American Free Trade Agreement negotiated by the Bush administration in 2005.

The incoming batch of trade skeptics that unseated incumbent Republicans largely represents a new breed. Many are conservative on issues such as gun ownership and abortion and on economic issues like taxes, but veer populist on trade issues.

In the union-heavy areas north and east of Pittsburgh, Democrat Jason Altmire struck a starkly antitrade tone in his bid for a House seat, beating Republican Rep. Melissa Hart, who had ran on an overt free-trade plank. "I'm not protectionist, but my view is that future trade deals can't just give the store away," Mr. Altmire says.

Indiana's Joe Donnelly pointed to job losses in his own district and promised to insist on strong labor and environmental protections in future deals. He said he would have voted against Cafta and recent trade deals with Chile and Singapore.

In North Carolina, former National Football League quarterback Heath Shuler won on a campaign that was pro-guns and antiabortion but also strongly antitrade. He beat up on his opponent, Rep. Charles Taylor, for having cast no vote at all when Cafta squeaked through, which Mr. Taylor blamed on a technical glitch.

Economic Populism Pays For Democrats (FT)

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By Edward Luce, Alim Remtulla

Financial Times, November 11, 2006

Defeated Republicans have found solace in the fact that many of their victorious Democratic opponents are "social conservatives". They point to James Webb, who surprised everyone by winning the bitter and close Senate race in Virginia on Thursday, giving his party a majority of one in the upper house to complement its decisive victory in the House of Representatives.

However, neither Mr Webb nor the majority of the Democratic freshmen who won elections this week can so easily be fitted into that category. Punching the air and holding up the dusty boots of his son who is serving in Iraq, Mr Webb told cheering supporters in Arlington that his election was as much a vote for economic fairness as it was for a change of course in Iraq.

Although Mr Webb supports the right to bear arms – a virtual necessity for anyone wanting to represent the Commonwealth of Virginia – the Vietnam veteran is pro-abortion and only lukewarm in his opposition to homosexual marriage.

One or two of his colleagues, including Bob Casey, the new senator for Pennsylvania, and Heath Shuler, a Democratic representative for North Carolina, are "pro-life" but the large majority of new Democrat lawmakers support the woman's right to choose.

More significantly a majority of the intake, including Mr Webb, are economic populists who are deeply suspicious of free trade and quick to blame China and other developing countries for the loss of US jobs. Some, such as Sherrod Brown, the new Democratic senator for the key Midwest state of Ohio, which has lost 200,000 manufacturing jobs since Mr Bush came to power, won the election virtually on that issue alone.

"We will focus on economic fairness in a country divided too much by class in an age of the internationalisation of American corporations," said Mr Webb in a victory rally speech that devoted more to the economy than all other themes combined. "At a time when profits are at a record high and wages are at a low, we will focus on bridging the class divide."

Labelled the "middle-class squeeze" by Democrats and "median wage stagnation" by economists, the incomes of median American households have barely shifted since George W. Bush was elected on a ticket of "compassionate conservatism" in 2000. However, in important parts of America, including large swathes of the Midwest and the north-east, which provided a majority of the Democratic gains, economic anxiety came a close second to the Iraq war in motivating voter turnout.

In a study of the election campaign, Robert Borosage, head of the liberal Campaign for a Fairer America, said there were more political advertisements "painting big oil [companies] and big pharma as threats than advertisements warning about bin Laden". According to Stan Greenberg, a Democratic pollster, 41 per cent of those who voted Democrat cited their disquiet over the Iraq war as their main reason for voting compared with 26 per cent on jobs and the economy. However, if the 23 per cent citing "corruption in Washington" is included, then domestic concerns trumped Iraq.

Democratic campaigns overwhelmingly linked middle-class economic anxieties to the Republican Congress's promiscuous use of tax breaks for large companies in exchange for campaign finance. "On the economy Democrats ran remarkably populist campaigns," said Mr Borosage. "Democrats linked corruption to economic woes, charging incumbents with being in the pockets of big oil and doing nothing about gas prices and being in the pockets of big pharma and doing nothing about drugs prices."

The most obvious economic consequence of the Democratic victory is that it will be virtually impossible for Mr Bush to renew his fast-track trade negotiating authority next year in order to revive the dormant Doha round of world trade talks. However, the administration's bilateral trade initiatives could run aground far more quickly.

Many leading Democrats, including Mr Brown and Mr Webb, campaigned for "fair trade" and "putting Americans first", which is code for including labour standards in bilateral trade agreements and being more critical of companies that "outsource" manufacturing jobs to China and service sector jobs to India. They are likely to be aggressive in pushing for tougher scrutiny of explicit and hidden tax breaks for large energy and pharmaceutical companies – known as "corporate welfare".

As the world focuses on the brewing debate over Iraq between the Bush administration and a Democratic Capitol Hill, the battle to define America's response to globalisation is also hotting up. "Both the Democrats and the Bush administration will want the other side to get the blame if their mutual promise of bipartisanship falls apart," said a senior Democratic strategist. "It could be over Iraq, it could be over the economy."

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Congress Likely To Clash With Bush On Trade (LAT)

By Molly Hennessy-Fiske

The Los Angeles Times, November 11, 2006

WASHINGTON — Congressional Democrats pledged this week to work with President Bush when they assume control of the House and Senate next year, but there is one issue where disagreement seems all but assured: U.S. trade policy.

For the last six years Bush has had little difficulty getting trade agreements through a business-friendly Republican Congress, but the new Democratic majority will include several members who campaigned against free trade.

One of the first battles could be over the president's authority to get trade deals approved quickly.

The U.S. Trade Promotion Authority Act, known as "fast track," streamlines the approval process by allowing the president to negotiate trade agreements without consulting Congress, and requires an up-or-down vote within 90 days. Passed in 2002, it expires in July, and the Bush administration is expected to seek reauthorization.

Senator-elect Rep. Sherrod Brown (D-Ohio) — a foe of free trade while in the House — and a slate of new lawmakers plan to block fast track unless it's amended to include protections for domestic and foreign workers.

"It's not going to be the president's call on getting what he wants," Brown said Friday. "I don't think the Bush administration will go for [reauthorization] right away, but we need to start now."

Sen. Debbie Stabenow (D-Mich.), who won reelection by promising legislation to create a trade prosecutor to investigate countries such as China that violate U.S. trade agreements, said Bush's trade policies have failed to protect American workers.

"Our trade policy needs to be one that expands jobs in America and maintains our standard of living. It should not be about creating a race to the bottom on wages," Stabenow said Friday, adding that she plans to resubmit the trade prosecutor bill in January.

Democratic party leaders also have indicated that trade is among their top priorities. Rep. Charles B. Rangel (D-N.Y.), set to chair the powerful House Ways and Means Committee that oversees trade agreements, is expected to tackle trade policy immediately.

House Minority Leader Nancy Pelosi (D-San Francisco), likely the next Speaker of the House, intends to address Democrats' trade concerns as part of the majority's "Six for '06" agenda — "looking at trade policies and making them more fair" for U.S. workers, according to spokesman Brendan Daly.

Republicans will push for approval of several specific trade agreements during this month's lame duck session, according to staffers on Capitol Hill and at the Office of the U.S. trade representative. The list includes agreements with Colombia and Peru and normalizing trade relations with Vietnam in time for the president's visit to Hanoi next week for the Asia-Pacific Economic Cooperation summit.

As for fast track, R. Bruce Josten, executive vice president at the U.S. Chamber of Commerce, says he expects a limited extension, one that would only allow specific trade deals to go forward. But he worries the Democratic Congress will turn protectionist, bogging down trade agreements with extra requirements and penalizing countries like China.

He pointed to a bill proposed by Sens. Charles E. Schumer (D-N.Y.) and Lindsey Graham (R-S.C.) earlier this year that would have imposed a 27.5% tariff on Chinese imports until that country revalued its currency. "Are you just going to do that with China?" Josten asked. "What about Japan? What about India?"

U.S. trade officials are optimistic that they can preserve the president's trade authority with the help of moderate Democrats. They are counting on more senior, moderate lawmakers to shape trade policy, including Rangel and Sen. Max Baucus (D-Mont.), incoming chair of the Finance Committee, which oversees trade policy in the Senate.

"The chairmen who actually will map out the agenda have sort of said this is what we want to do, that they want to work with us," on reauthorizing fast track, said Sean Spicer, a spokesman for the office of the U.S. trade representative.

Rangel supports fast track "in principle," according to a congressional staff member, but believes trade policy needs to include more enforcement of worker protections.

"His view is that the confidence in U.S. trade policy has dramatically declined. There's been a broad perception that globalization is not being structured in a way that its benefits are being spread broadly," said the staff member, who asked not to be identified.

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Rep. Ellen A. Tauscher (D-Alamo), an investment banker who chairs the moderate New Democrat Coalition, told the pro-business group Thursday that she is circumspect about renewing fast track.

"We don't believe we've gotten the best agreements through the authority we gave this president," she said, "and frankly, unless there's some changes, I think we have to consider what we will do, whether it lapses and we wait until we have a Democratic president in 2008."

Tipping Point For Trade (WP)

By Harold Meyerson

The Washington Post, November 11, 2006

The architect built his house of straw. The foundation -- the Republican base -- may have retained its brick-like solidity in support of its candidates Tuesday, just as Karl Rove predicted. But the house itself -- and the House itself -- was blown to smithereens, with massive shifts among moderate and independent voters to the Democratic column. And for all the talk of coming Democratic dissonance within their expanded congressional delegations, it's clear that on economic policy, a new progressive center has formed.

The Democrats' pickups came largely in the Northeast, Midwest and Mountain West. In the South, outside of Florida, they won just a couple of new seats. Moderate Northern Republicans in both houses -- including the most moderate, Rhode Island's Lincoln Chafee in the Senate and Iowa's Jim Leach in the House -- went down to defeat. The Republican Party that limps away from this election is rooted more firmly in the South -- which is precisely the party's problem. It was the Southernized GOP from which both moderates and mountain-state libertarians ran screaming in this election. The results from Arizona are particularly instructive. Not only did Democrats pick up two House seats there, but Arizona voters also became the first in the nation to reject a ban on gay marriage. The gap between Goldwater libertarianism and Southern religious traditionalism widened to a gulf this week.

But what of the Democrats? Is the incoming congressional majority a powder keg of veteran liberals and rookie moderates just primed for explosion? Can Nancy Pelosi navigate the treacherous shoals of gay marriage and school prayer?

Well, sure. It will be Pelosi who will control the agenda in the House, which means the issues that unite Democrats will be the ones that come to a vote. And the Democrats are far more united on a range of key issues than is commonly believed.

Ironically, one issue that unites the new majority is an issue that has historically divided Democrats perhaps more than any other: trade.

Since the passage of the North American Free Trade Act in 1993, House Democrats have been moving steadily away from a trade policy that benefits globe-trotting corporations and investment funds while depressing wages here in the States. Senate Democrats, on the other hand, have split fairly evenly on trade legislation over the past decade.

Tuesday's election changed all that. Looking at the Democrats who picked up formerly Republican House seats, Public Citizen's Global Trade Watch tallies 27 who defeated (or replaced resigning) free-trade Republicans and who campaigned against the kind of trade deals that Congress has ratified. The fair-trade 27 insist instead on deals that stress labor rights and environmental standards. In North Carolina, Democrat Heath Shuler -- ostensibly one of the new conservative Democrats -- attacked his opponent, Republican Charles Taylor, for backing off his commitment to vote against the Central American Free Trade Agreement. "It's not right when Congress passes trade bills that send our jobs overseas," said one Shuler ad.

In the incoming Senate delegation, the contrast is even sharper. The Democratic pickups -- Missouri's Claire McCaskill, Montana's Jon Tester, Ohio's Sherrod Brown, Pennsylvania's Bob Casey, Rhode Island's Sheldon Whitehouse and Virginia's James Webb -- all unseated free-trade incumbents with campaigns that stressed the need to pay far greater attention to the downward leveling that globalization entails. Tester ran ads attacking trade agreements for putting "our jobs and the viability of family farms and ranches across Montana in jeopardy." Webb's Web site states, "We must reexamine our tax and trade policies and reinstitute notions of fairness."

Exit polling made clear that the fair-trade Democrats have tapped into a profound national anxiety. When asked whether life for the next generation would be better, worse or about the same as life today, 40 percent responded "worse," while just 30

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percent answered "better." That's a stunning figure to emerge from what has historically been perhaps the most optimistic of nations.

The Senate in particular will see real changes. The addition of Sherrod Brown and Vermont's Bernie Sanders will give fair-trade forces some passionate voices to go with their increased numbers; Brown is poised to emerge as a national leader in this fight.

When the president's fast-track authority expires next summer, it is plainly not going to be renewed. "Congress is done with ceding all trade authority to the president," Brown said Friday. A new majority on trade issues has formed. And having lost both houses in 1994 in part because of Democratic voters' discontent with NAFTA, the Democrats now seem to have won them back after a campaign in which they charged that our corporate-led globalization hardly seems to be building the best of all possible worlds.

Labor Movement Dusts Off Agenda As Power Shifts In Congress (NYT)

By Steven Greenhouse

The New York Times, November 11, 2006

After the Republicans took control of the House in 1994, perhaps no group was on the outs as much as organized labor. But now that the Democrats have swept both houses of Congress, the nation's labor unions feel as if they are back — and then some.

Eager to be treated as an important force, union leaders have worked overtime since Election Day reminding Democrats about all that organized labor did to help put them over the top, including spending more than $100 million and dispatching more than 100,000 volunteers to help get out the vote.

After years of being sidelined by the Republican majority, the nation's unions are now pushing Congress to act on a long list of issues: improving mine safety, putting a brake on outsourcing, making it easier to unionize workers and extending health coverage to millions of uninsured Americans.

"There's a lot of pent-up demand on organized labor's part," said Randel Johnson, vice president for labor, immigration and employee benefits of the United States Chamber of Commerce. "Money talks, and they dumped a lot of money into the campaign."

For now at least, organized labor sounds fully in tune with the presumed House speaker, Nancy Pelosi of California, because they both want to raise the minimum wage, rein in drug prices and help students with high college tuitions.

Representative George Miller, a California Democrat and ally of Ms. Pelosi who is expected to become chairman of the House Committee on Education and the Workforce, said, "There's a strong sense among the members that a lot of middle-class workers are getting left out of the economic growth in this country, and we are eager to do something about that."

Mr. Miller and Senator Edward M. Kennedy, the Massachusetts Democrat who is expected to head the Senate Labor Committee, say that raising the federal minimum wage will be the first issue they address.

"Clearly the minimum wage is front and center," Mr. Miller said.

Even with Democrats back in power, organized labor faces serious hurdles. Republicans and even some Democrats are uncomfortable with labor's demand to deny the Bush administration trade promotion authority, which makes it easier to negotiate trade pacts because Congress would be barred from amending them.

In the Senate, Republicans are likely to use the filibuster to block one of labor's most coveted pieces of legislation, a bill that would in many ways make it easier for unions to organize workers. The bill would, among other things, greatly increase penalties for companies that illegally fire workers to undermine unionization drives. Labor sees the bill, which is co-sponsored by more than 90 percent of House Democrats, as pivotal for reversing labor's decline.

"The filibuster, there's no question it's a hurdle," said William Samuel, the legislative director of the A.F.L.-C.I.O. "We will have to build a movement behind this legislation because it will give workers more bargaining power to respond to the loss of pensions, health coverage and jobs with good wages."

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John J. Sweeney, the A.F.L.-C.I.O. president, said unions and the Democrats largely agree on most issues. Mr. Sweeney's wish list includes barring federal contracts for companies that send jobs overseas and making it harder for companies to shed their pension obligations when they file for bankruptcy protection.

Mr. Sweeney was eager to talk about how well labor did on Election Day. He pointed out that nonunion voters split more or less evenly between Democratic and Republican House candidates, while union members preferred Democratic candidates by a margin of 30 percentage points.

Union leaders said that among all voters nationwide, there was a 6.8 million-vote margin in favor of Democrats over Republicans in the House races. The A.F.L.-C.I.O. pointed to exit polls showing that members of union households accounted for 5.6 million of that margin.

"We were by far the most powerful turnout engine on the progressive side," Mr. Sweeney said.

Labor unions helped orchestrate successful minimum wage initiatives in Montana, Missouri, Ohio and three other states. Those efforts encouraged many low-income workers to vote, giving an additional lift to Democrats, especially in close contests like the Senate race in Montana.

"The Democrats wouldn't have won nearly as many seats without labor's money and manpower," said Larry J. Sabato, a political scientist at the University of Virginia.

Professor Sabato said unions were not as demanding as they had sometimes been in past decades. "They're not pushing the Democrats far to the left on many subjects," he said. "They want to win, too. They were perfectly willing to back a lot of those moderate to conservative Democrats, who are Blue Dogs."

Representative Jim Matheson, a Utah Democrat who is co-chairman of the Blue Dog Coalition of moderate to conservative Democrats, said he strongly supported a higher minimum wage and the Employee Free Choice Act, the bill that would make it easier to unionize workers.

"A lot of Blue Dogs have a strong labor record," Mr. Matheson said. "But I'm a pro-trade Democrat, and that's where labor and I are on different sides of some issues. I'm a strong believer in the economic growth benefits of free trade."

Labor is urging Congress to block the ratification of free-trade accords negotiated with Peru and Colombia unless President Bush includes stronger protections on worker rights, human rights and the environment. Many unions have also pledged to oppose granting Mr. Bush new trade promotion authority to help him complete a worldwide trade agreement as well as free-trade accords with individual countries.

"If you look at the new Democrats elected, if they mentioned trade it was almost always unfavorable," said Gary C. Hufbauer, a senior fellow at the Peterson Institute for International Economics. "Those Democrats are replacing a lot of pro-trade Republicans. There's been a substantial shift."

Mr. Hufbauer said Mr. Bush might have to do a lot of horse trading, like agreeing to a higher minimum wage and higher housing subsidies for the poor, to persuade Mr. Sweeney not to block some trade pacts and legislation.

When several unions quit the A.F.L.-C.I.O last year, many Democrats feared that the schism would hurt labor's effectiveness in election campaigns.

"People said the split would be terrible for labor in politics," said Anna Burger, chairwoman of the breakaway coalition, Change to Win. "Labor had its best year ever."

Ms. Burger said the two union federations were seeking to cooperate on a lobbying program. Her coalition is making a big push for universal health coverage.

"More and more workers are losing their health coverage," Ms. Burger said. "We need a way to stop that once and for all. One way to do that is extend the health insurance program that covers everyone in Congress. If it's good enough for them, why isn't it good enough for every American?"

Choice For Intelligence Panel Poses Early Test For Pelosi (NYT)

By Mark Mazzetti

The New York Times, November 10, 2006

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WASHINGTON, Nov. 9 — Her boss may want her gone, but Representative Jane Harman happens to think she is good at her job. And she has no intention of leaving it without a fight.

Ms. Harman argues that her role as the ranking Democrat on the House Intelligence Committee makes her the logical candidate to become chairman when the new Congress begins in January.

Representative Nancy Pelosi, the party's leader and presumptive House speaker in the next Congress, has indicated she has other plans.

The two women, both from California, have long had a frosty relationship, and Ms. Pelosi has been angry with Ms. Harman for not using her position on the Intelligence Committee to attack the Bush administration aggressively.

But Ms. Harman said that making her chairman would be good politics, citing Tuesday's victories as proof that Democrats will thrive by taking a centrist stance on issues of war and terrorism — as she has done for the past four years.

"The new crowd coming into the House are mostly moderates and conservatives who were in substantial part elected on a security message," Ms. Harman said in an interview on Thursday. "To keep our majority, we need to keep a tough and smart message on security."

Ms. Pelosi has told colleagues she plans to replace Ms. Harman on the Intelligence Committee, possibly with Representative Alcee Hastings of Florida, although she has given no public indication of her choice for the post since the election.

Many Democrats are closely watching the decision for signs of two things: how the speaker-in-waiting will chart her party's course on national security issues and how she will handle her first postelection test in dealing with the often fractious Democratic caucus.

"This is the battle that nobody wanted," one senior Democratic strategist said. "For Nancy to start off her speakership with a fight is a great shame."

In addition to pointing to her record over the past four years, Ms Harman said she was once made a promise by senior Democrats that she would assume control of the Intelligence Committee if her party regained power in the House.

"My view of this has to do with what is fair in terms of the commitments that were made to me," she said.

The promise came in the form of a letter in 1999, when Representative Richard A. Gephardt of Missouri, who was then the House Democratic leader, recruited her to try to regain her Congressional seat in 2000 after she relinquished it in 1998 to run for governor of California.

But allies of Ms. Pelosi said that when she appointed Ms. Harman as ranking member of the Intelligence Committee in 2003, her intention was always to have Ms. Harman serve only two terms.

The selection of Mr. Hastings, a black member of the committee, would win Ms. Pelosi support from the powerful Congressional Black Caucus. But his past could provide ammunition for Republicans: Mr. Hastings was impeached and removed by the Senate from a federal judgeship in 1989 on a bribery charge. (He was acquitted in the related criminal case.)

Some leading Democrats said that choosing Mr. Hastings over Ms. Harman would send exactly the wrong message at a time when Democrats were struggling to prove their bona fides on national security.

"A lot of people would be astonished," said Leslie H. Gelb, a former president of the Council on Foreign Relations and a State Department official in the Carter administration. "I think it would send a signal that Democrats are not going to be as serious about national security as they need to be."

Representative Silvestre Reyes. Democrat of Texas and also a committee member, has emerged as a possible compromise candidate. But Ms. Pelosi has also told colleagues that she could select someone who is not currently on the committee.

Appearing Wednesday on CNN, Ms. Pelosi said that it was her prerogative to select an entirely new Intelligence Committee at the beginning of each Congress, and that it is the one committee on which seniority rules are not recognized.

Reid, Pelosi Expected To Keep Tight Rein In Both Chambers (WP)

By Charles Babington And Jonathan Weisman, Washington Post Staff Writers

The Washington Post, November 10, 2006

DOJ_NMG_0093357

After two days of watching Rep. Nancy Pelosi hailed as a political pioneer and the toast of her party, Sen. Harry M. Reid joined her yesterday atop the first Democratic-controlled Congress in a dozen years thanks to a razor-thin election in Virginia.

What seemed almost unthinkable a year ago -- Pelosi as House speaker and Reid as Senate majority leader in the 110th Congress -- suddenly is reality, sending the two into overdrive as they approve committee chairmen, set priorities, and referee disputes between colleagues who are planning to hire more staffers and move into larger offices.

The Democrats' success in the Bush presidency's final two years will depend largely on the compatibility and forcefulness of the two barely tested leaders, according to some lawmakers and political experts. Reid, a former boxer from Nevada, is a camera-averse Senate insider who has used rear-guard tactics to bedevil Senate Republicans on Social Security, nominations and other issues in recent years. Pelosi is a wealthy San Franciscan who grew up in a Baltimore political family and now has reached the highest elected post of any American woman.

They know that voters will expect results. But the Democrats' majorities in the House -- and especially the Senate -- are so slender that they will have to make at least modest accommodations to President Bush and Republican lawmakers on many matters. Reid and Pelosi are not particularly close, associates say, but they are disciplined realists who value party loyalty and are unafraid to tell colleagues or supporters not to overreach in a still-divided political climate.

"Both have shown how good they are at counting noses and enforcing party discipline," said Bruce Reed, a former Clinton White House aide who heads the centrist Democratic Leadership Council. Under their leadership, "the House and Senate Democratic caucuses have been more united than ever," he said. "They'll need that trait even more in the majority because they can leave no nose behind."

Yesterday, Reid echoed Pelosi's earlier assertion that Democrats will push an agenda to help middle-class families and reduce the deficit while also treating Republican lawmakers more generously than the GOP had treated Democrats during their years in the minority.

"The election is over, and it's time for a change," Reid told a cheering throng of Democratic aides outside the Capitol. They assembled shortly after Sen. George Allen (R-Va.) conceded defeat to James Webb, handing Democrats their 51st vote in the 100-member chamber.

Aides and friends say Reid and Pelosi are strongly partisan people who fumed under the heavy hand of GOP majorities, especially in the House, and who made no secret of their distaste for Bush's handling of the Iraq war and other policies. But the sources said the two also realize they must minimize differences within their caucuses. And they know they must balance the stridently anti-Bush sentiments of some liberal constituents against the more pragmatic pocketbook concerns of moderate and unaffiliated voters who were crucial to this week's election results.

"You have to govern from the center," Pelosi said yesterday. "We are in a completely different place now. We are setting our legislative agenda."

At the outdoor rally, where Reid was joined by Sens. Richard J. Durbin (D-Ill.) and Charles E. Schumer (D-N.Y.), the future majority leader stuck to generalities about his party's intentions.

"It's time for bipartisanship, it's time for open government, transparency, and it's a time for results," Reid said. "There must be a new direction in Iraq," he said, along with more affordable college tuition and health care, greater energy independence, and smaller deficits.

Reid did not say how Democrats would shrink the deficit while boosting college aid, and insiders said such challenges will be the test of the effectiveness and savvy of a Reid-and-Pelosi-led Congress. Both leaders agreed on the "Six for '06" priorities, which include relatively popular measures such as raising the minimum wage.

"But it gets more complicated after that," said a former White House and congressional aide who knows Democratic lawmakers well. Especially in the Senate, he said, a party with a 51 to 49 majority will find it difficult to surgically raise, lower or leave alone certain taxes without opening the door for Republicans to push their own priorities.

Pelosi said that Democratic leaders want to demonstrate their effectiveness, and build up some trust with the White House, by tackling legislation that will have bipartisan support. Bush's "innovation agenda," laid out last year in his State of the Union address, has largely lain dormant. Democrats would like to take up Bush's proposals to expand funding for basic research and alternative energy sources such as ethanol, she said.

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Democrats would also work with Bush to resurrect his proposed overhaul of the nation's immigration laws, which would pair tough border security measures with new paths to legal work and citizenship for the country's 11 million to 12 million illegal immigrants, Pelosi said. And she is convinced Bush will back a higher minimum wage.

But even Pelosi questioned how quickly such legislative efforts can come together. "I guess the word 'rapid' is what gives me hesitation," she told a handful of reporters in her office.

Pelosi continues to put flesh on the bare-bones proposals that Democratic candidates campaigned on. As soon as she is elected speaker -- which does not appear in doubt -- Democrats will vote on a substantive slate of changes to the way the House operates, she said. They will include rules to diminish lobbyists' influence, ensure that lawmakers and the public have time to read legislation before lawmakers vote on it, open House-Senate legislative negotiating sessions to the media, and reinstitute lapsed budget rules that say any new spending or tax cuts must be offset by equal tax hikes or spending cuts.

Democrats also will extend new rules mandating that each home-district pet project, known as an earmark, be identified by the name of the lawmaker who sponsored it. Earmarks would have to be authorized by policymaking committees before they are approved by the Appropriations Committee.

Democrats avoided a potentially brutal intraparty fight yesterday when Democratic Congressional Campaign Committee Chairman Rahm Emanuel (Ill.) decided not to run for the post of House majority whip next week. That would have pitted Emanuel, who has a huge well of support from this year's successful campaign, against James E. Clyburn (S.C.), the current chairman of the Democratic Caucus and the only African American in the Democratic leadership.

After delicate negotiations with Pelosi, Emanuel agreed to stand for caucus chairman, leaving the whip post to Clyburn. Under the agreement, John B. Larson (Conn.), the caucus vice chairman, will stay at that post rather than seek promotion, but both Emanuel and Larson would be offered additional power and responsibilities, according to Democratic leadership aides.

Emanuel's decision raised pressure on John P. Murtha (Pa.) to drop his challenge to House Minority Whip Steny H. Hoyer (Md.) for the post of House majority leader. But that battle continued to heat up ahead of the Thursday vote.

Congress will reassemble next week for a lame-duck session devoted mostly to completing work on the spending bills needed to keep the government operating. But with Democrats assuming the majority in January, not much will happen, Senate Republican aides conceded.

Pride Of Baltimore (WP)

By Lynne Duke, Washington Post Staff Writer

The Washington Post, November 10, 2006

Nancy Pelosi Learned Her Politics At the Elbow of Her Father the Mayor

BALTIMORE -- When she wasn't racing to school at St. Leo's in her blue uniform or buying sweets in Mugavero's Confectionery or playing on front stoops up and down the block, Little Nancy sometimes worked the front desk at the family home at 245 Albemarle St., taking down the requests and sad stories of the folks who arrived to seek help from Big Tommy, her dad.

Or maybe she was riding around with her dad and his bullhorn, as he touted his candidacy from a convertible.

The late Thomas J. D'Alesandro Jr., also known as Old Tommy or Tommy the Elder, was the flamboyant and legendary machine politician, a Roosevelt Democrat, whose only daughter is the woman poised to be the speaker of the House, second in line of succession from the presidency.

She grew up stuffing envelopes for her dad. She grew up watching how the political game was played. She saw how favors were handed out, how chits were called in. She watched her mother balance full-time motherhood with grass-roots organizing, and later followed her example. Albemarle Street was Nancy Pelosi's training ground, the center of a political universe forged from a community as tight-knit as an Italian village.

Critics deride Pelosi, 66, for a presumed lightweight liberalism they attribute to her latter-day home in San Francisco. But her liberalism -- and the keen political instincts and skill at the inside parry of the game -- can be traced more deeply and more precisely back to Albemarle Street, to the political empire that grew there when her father held court through decades of an intensely political life.

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In that brick rowhouse on the corner of Albemarle and Fawn streets, politics was a family business that became a local dynasty. Big Tommy served 22 consecutive terms in public office, from state delegate to city councilman to U.S. congressman to Baltimore mayor, followed by a low-level appointment from President John F. Kennedy to something called the Federal Renegotiation Board.

One of Pelosi's five brothers, Thomas J. D'Alesandro III, Young Tommy, served on the Baltimore City Council and became the city's mayor as well.

Theirs was the politics of the New Deal, of the hand up for those who were down.

"It was always about the progressive economic agenda for a fair economy, where many Americans, all Americans, could participate in the economic success of our country," Pelosi said yesterday when asked about the influence of her family's politics on her own.

"What I got from them was about economic fairness," Pelosi said. "That was the difference between Republicans and Democrats all those years ago." She also learned about the power of loyalty, both extending it and enforcing it.

And even though the D'Alesandros could have moved away from the neighborhood's narrow streets and tight rowhouses, they stayed, no matter the patriarch's success.

That is one reason for the degree of pride that folks there express for Pelosi's success -- her family stayed rooted right with the rest of them.

"She wasn't born with a silver spoon, growing up around here," says Marion "Mugs" Mugavero, 84, who ran his confectionery for 59 years. "She grew up like the rest of us."

Except that her father became the go-to guy for Baltimore politics, a man with visitors from high places.

"He was good friends with Harry Truman," recalls Dominic "Fuzzy" Leonardi, 80. "When Truman was running for president, [Big Tommy] went and picked him up and brought him to his house" in a 1936 Plymouth.

"We had a lot of politicians coming down here," Leonardi said, seated on a bench along High Street yesterday as he is most days with his pal, Michael Trombetta, also 80. They listed Spiro Agnew, Jimmy Carter and Ronald Reagan as the pols they remember making a pilgrimage to see Big Tommy.

"They all came down to see him," Trombetta says.

Little Italy, where Pelosi grew up, occupies about a dozen square blocks near Baltimore's Inner Harbor, and was, in its day, the prototypical ethnic enclave in a city that was a patchwork -- and remains so, to an extent -- of Italian, German, Jewish, African American and Irish.

More than a civic duty, politics during her parents' day was about survival for the sons and daughters of Italian immigrants forging their way in a big city. It was about jobs. It was about favors of the political ward bosses. It was about patronage in a society in which the sons and daughters of immigrants often could depend only on themselves.

"There weren't a lot of vertical lines open to those kids, and the ward was where you got jobs. They would get you jobs," says Gilbert Sanders, a Baltimore historian and author of "The Neighborhood: The Story of Baltimore's Little Italy."

"And whole political machines were born out of these jobs. A job driving a car for city hall. A job picking up trash. Jobs were everything."

And Big Tommy "was the king of it," Sanders says. "It's just the way things were. It's not pejorative at all. These kids, you don't think they went off to Yale, do ya?"

John Pente, 96 and a lifelong Little Italy resident, remembers being destitute and with no prospects in 1930.

"It was the time of the Depression," Pente says. "I came out of Calvert Hall [high school] with a diploma under my arm and no job."

So he went to Big Tommy.

"He helped me get a job as a timekeeper" for the workers at a construction site.

And of course, such favors, such help, cemented a bond between patron and politician.

Pente shrugs and describes the ethic this way: "You scratch my back, I'll scratch your back. We all looked out for him."

Big Tommy tried to help people with scholarships, with education, with assimilation.

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"You had a lot of foreigners here that needed to get around and get their citizenships and they didn't speak English," Mugavero recalls.

Big-city machine politics, no matter where it was practiced, often was a magnet for criminality. If a person betrayed the boss's loyalty, the consequences sometimes weren't pretty. Corruption often went with the territory.

In 1953, one of D'Alesandro's longtime associates, also a relative by marriage, was caught up in a bribery probe related to off-street parking. But Big Tommy was not known as a politico with dirty hands. Not even when the Teamsters tried to strong-arm the mayor during a city garbage strike in 1956 did he buckle to mob pressure.

Tom J. O'Donnell, 95, was D'Alesandro's press secretary in those days and remembers well how the mayor ran afoul of the Teamsters when he declared one Friday that striking garbage collectors would be fired if they did not return to work on Monday.

That Saturday, he got a visit from a Teamsters official sent by Jimmy Hoffa himself.

"He told the mayor, 'Mr. Jimmy directed me to tell you that he is very unhappy with what you are doing,' " says O'Donnell, reading from a self-published book about his years with D'Alesandro. "And the mayor spoke up and said, 'You go back and tell Mr. Jimmy I'm very unhappy with the garbage piling up on the streets of Baltimore, and I'm not going to stand for it.' " And when Monday came, says O'Donnell, most of the striking workers were back on the job.

This political toughness runs through his daughter, who, as minority leader, has not been reluctant to bare her teeth or throw her elbows to enforce party discipline.

O'Donnell tells the story of D'Alesandro's entry into politics, when he entered the Maryland House of Delegates in 1926, an Italian boy making good for his people.

He wore patent-leather shoes and spats, an Oxford gray suit, a polka-dot bow tie and a derby, for he wanted to dress in the manner he thought would befit the men of high standing he would be joining.

"He said he thought he would encounter men of the stature of Thomas Jefferson, Patrick Henry and the like, and he was greatly disappointed when they were just ordinary people," O'Donnell said.

Through his political career, the polka-dot bow tie would remain his lucky charm. He told Sandler once that he'd lost an election the one time he did not wear that polka-dot tie.

Out of the political game, he remained a force. The house on Albemarle still received visitors seeking Big Tommy's blessing for political careers.

J. Joseph Curran Jr., the Maryland attorney general and the father-in-law of Gov.-elect Martin O'Malley, was among them.

"Tommy the Elder: I remember when I would want to run for office and they would say, 'Well, why don't you go see Tommy,' and you'd go down to the D'Alesandro house down on Albemarle Street and I said, 'Mr. Mayor, I want you to know I'm thinking about running and I'd appreciate your advice and help.' "

D'Alesandro appointed Curran's father to the City Council. He also attended grade school early in the last century with Curran's mother.

"It was smart politics, because then you have someone you like and who likes your mother and father," he said.

That was in 1968. By then, Pelosi was long gone -- to college, to marriage and family and then a political career of her own -- which started in 1987, the same year her father died.

But these many years since she pitched in as a girl on the fringes of her father's political machine, Little Nancy still bears the family imprint. Big Tommy's political world was her own.

Staff writers Jonathan Weisman and Juliet Eilperin contributed to this story.

The Determined Democrat (FT)

By Holly Yeager

Financial Times, November 11, 2006

Just days after the 2004 elections, when Democrats lost seats in Congress and John Kerry failed to oust George W. Bush from the White House, Nancy Pelosi, the party's leader in the House of Representatives, started planning for the midterm contests.

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While pundits were talking about the arrival of a permanent Republican majority, she began recruiting candidates, targeting key races, tightening party discipline and, with other leaders, developing a message – critical of the war in Iraq, united in opposition to Mr Bush's proposed Social Security reforms – that would change the playing field.

"Many of the Republicans who are out there . . . were masquerading at home as moderates and voting here with a rightwing radical agenda," she said angrily at a press conference in her Capitol Hill office, foreshadowing a theme that would be heard around the country two years later. "They got away with it once. But we'll shine the spotlight on their voting patterns, and people will see that they're not the moderates they advertised themselves to be at home."

The strategy was effective, helping to oust Republicans across the country and positioning Mrs Pelosi, 66, to become the first female speaker of the House in US history.

A workaholic and self-confessed chocoholic, Mrs Pelosi has long been a vocal cheerleader and effective fundraiser for her party (she raised more than $100m for Democrats in the past four years – a feat matched only by the Clintons). But that this mother of five who first ran for public office 20 years ago is also a keen political strategist should not come as a surprise. Her late father, Thomas D'Alesandro Jr, spent 10 years in Congress, then a dozen as mayor of Baltimore. Known as "Old Tommy", he kept a "favour file" in the living room of their Little Italy home, tracking good deeds that he and the Baltimore Democratic machine had done for people – in case they needed to ask for something in return.

Mrs Pelosi – "little Nancy" back then, the youngest of six children and the only girl – says she also learnt from him to count votes. "Going into an election, they'd sit around the table and they had these yellow legal pads and they'd say, 'How many votes does it take to win?' and it's still the same thing."

To get the votes Democrats needed on Tuesday, she travelled the country for months, appearing at fundraisers and campaign rallies, encouraging candidates and offering whatever help her Washington team could provide.

"She stood on a front lawn in Pennsylvania to help me champion the need for embryonic stem cell research," said Patrick Murphy, one of five Iraq war veterans elected this week. "For the minority leader to come to a race where most political analysts didn't give me a shot at winning – I will never forget that."

Republicans had hoped she would play a different role in the election. Mrs Pelosi, who married her college sweetheart, a wealthy investment banker, represents San Francisco in the House. In the closing weeks of the campaign, Republicans frequently invoked the famously liberal city, warning of the kinds of left-of-centre policies they said she would champion if Democrats took control.

But Rahm Emanuel, the Chicago congressman who ran the Democrats' campaign team, said the focus on Mrs Pelosi – who, until this week, was not a well known public figure – did not work. "In every district that the Republicans ran an ad against Nancy Pelosi . . . the Democrats will have that seat," he said.

However, questions about her politics persist. Mrs Pelosi's voting record is solidly liberal, and she has been a harsh critic of Mr Bush and the outgoing Republican congressional leadership, making many wary of her pledges to forge a bipartisan environment, on the Hill and with the White House.

"As speaker, I understand my responsibility: speaker of the House, of all of the House, not just the Democrats, and the responsibility to work with the administration to make progress for the American people," she said after a pasta lunch with the president on Thursday.

But close advisers say she is a pragmatic leader who has several reasons to run the House from the centre, rather than the far-left. Many candidates she recruited are moderates, including some whose views on social issues put them closer to Republicans. "It's not, 'do you agree with me?'" said George Crawford, her former chief of staff, of her approach. "It's, 'can you get elected in your district?'"

The election of several such candidates will increase the influence of centrists within the Democratic caucus, while the desire to protect the new majority – and elect a Democratic president – in 2008 will further encourage co-operation, he said. "She is not just interested in being speaker for two years."

That does not mean Mrs Pelosi will not be tough. Democrats have attacked what they called the Republican "culture of corruption" and she has shown little tolerance for misdeeds within her own ranks. Despite the objections of the black caucus,

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she quickly removed William Jefferson, a New Orleans congressman, from the powerful ways and means committee when he came under federal investigation in a bribery scandal.

Mrs Pelosi has vowed to make a new rules and ethics package the first order of House business in January. While Howard Dean, chairman of the Democratic National Committee, differed sharply with Mrs Pelosi and Mr Emanuel on campaign strategy, he thinks her stance on ethics will be one of her strengths.

"I think Pelosi is going to be really great on corruption issues. I don't think she'll tolerate it for a second," Mr Dean said.

A devout Catholic, Mrs Pelosi makes frequent mention of her family. She warned aides this week she might have to alter her schedule at short notice to fly to New York, where one of her four daughters, Alexandra, was due to deliver a baby – her sixth grandchild.

The younger Pelosi, a documentary filmmaker, may also prove to be an invaluable resource for her mother. Her award-winning film, Journeys with George, chronicles Mr Bush's 2000 presidential campaign. The film shows candidate Bush, then Texas governor, as "a uniter not a divider", before the bitter partisanship that has characterised recent relations between the White House and Capitol Hill.

"Maybe we can find some common ground," Mr Bush says to the filmmaker, as he lightheartedly tries to quell a disagreement between two factions of the press corps that travelled with him. Whether Mrs Pelosi can find that common ground with him now is the main question.

2 Democrats Vie For House No. 2 (WT)

By Charles Hurt, The Washington Times

The Washington Times, November 10, 2006

House Democrats face their first major internal battle since Tuesday's stunning victory, a fight that pits some of the chamber's anti-war Democrats against the ideological center of their party.

Rep. Steny H. Hoyer of Maryland, now the No. 2 Democrat in the caucus and thus in line to hold the majority leader's post, faces a challenge from Rep. John P. Murtha of Pennsylvania, who has come to represent the party's anti-war movement because of his strong critique of the Bush administration's handling of the war.

Though Mr. Murtha is otherwise a fairly conservative Democrat, his position on the war appeals to many liberals in his ranks and, say Democratic staffers, he has the private blessing of Rep. Nancy Pelosi of California, the caucus's head and the presumed next House speaker.

Within minutes of Democrats' capturing the 15th seat needed to take control of the House, Mr. Hoyer tried tightening his grip on the majority leader position by reminding fellow Democrats that he had been a central figure in their caucus during their darkest times.

"We have put forward responsible budgets, proposed smarter defense policies, advanced innovative ideas on energy independence and stood strong against the privatization of Social Security," he said. "I have been proud to be a part of all of those efforts every step of the way."

He also has said he has the votes to sew up the No. 2 position.

Mr. Murtha reminded colleagues that his strongest voice in recent years came in opposition to the Iraq war, which strategists on both sides credit in part for Democrats' enormous victories this week.

"Talk is cheap, which is why, up until Iraq forced me to, I didn't do a lot of it," the former Marine told colleagues. "But empty rhetoric is expensive. It has cost America three years in a failed war at nearly three thousand lives lost and will cost us a trillion dollars by the time we can extricate ourselves from it."

While the liberal Mrs. Pelosi must figure out how to unify an increasingly conservative caucus, she addresses the leadership fight for the No. 2 spot gingerly. She's officially staying out of the contest -- which will be decided next week -- but few wonder where she stands.

She has a long friendship with Mr. Murtha and, Democrats say, supports his candidacy. Mr. Hoyer, in contrast, has been Mrs. Pelosi's rival for leadership positions in previous years.

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But the last thing she wants is a nasty internal fight that exacerbates differences in her caucus between the fierce anti-war Democrats and those from the more conservative wing, many of whom were elected to Republican-held seats this week.

Some Democrats also worry about moving Mr. Murtha into a high-profile leadership position after running so many campaigns about cleaning up the corruption in Congress. Mr. Murtha was among eight members of Congress caught up in the so-called Abscam bribery scandal of the 1970s and 1980s. While Mr. Murtha told the FBI agents posing as representatives of a fictitious Arab sheik that he was "not interested," he pointedly left open the possibility of future dealings.

While much of Mr. Murtha's support stems from his anti-war credentials, Hoyer supporters are quick to highlight Mr. Murtha's conservative position on abortion and other issues.

"Steny has an unwavering commitment to core Democratic principles," a group of top Democrats wrote in a letter to colleagues on Mr. Hoyer's behalf. "There simply is no question that Steny is deeply committed to our Party's efforts on civil and human rights, our support for working men and women, our commitment to education and health care, and our fight to protect the environment -- to name a few."

The letter was signed by Democratic Reps. Barney Frank of Massachusetts, John D. Dingell of Michigan, John Lewis of Georgia, Henry A. Waxman of California and Ike Skelton of Missouri, among others.

Other leadership races got settled smoothly for Democrats yesterday.

Rep. Rahm Emanuel, the Illinois Democrat who is credited with picking up nearly 30 seats Tuesday, decided to avoid a fight for the No. 3 position of majority whip, which will go to Rep. James E. Clyburn of South Carolina. Mr. Emanuel -- in his second term in Congress -- will become conference chairman and the youngest member of leadership.

"I seek this post, and not any other, because I believe what we need now is a unified Democratic caucus, focused squarely on the business of moving this country forward," he said yesterday.

Meanwhile on the Republican side, Rep. Mike Pence of Indiana, who is challenging Majority Leader John A. Boehner of Ohio for minority leader, will pick up the endorsement today of the conservative group Club for Growth.

Democrats Ready To Flex Congressional Muscle (CHIT)

By Mike Dorning, Washington Bureau

Chicago Tribune, November 10, 2006

WASHINGTON -- Democrats solidified control over both chambers of Congress on Thursday as Republican Sen. George Allen conceded defeat to Democrat James Webb in Virginia's tight Senate contest, giving Democrats a slender 51-49 majority in the Senate.

The resolution of that race ushers in an era of divided government amid voter discontent with Republican President Bush and the war in Iraq. It will be the first time Democrats have held both houses of Congress since 1994.

Democratic control of the legislative branch will raise pressure for a change of direction in Iraq and impede the Bush administration's efforts to move the federal judiciary rightward. Democrats also have promised to rapidly pass legislation to raise the minimum wage, expand stem cell research, reduce the price of prescription drugs offered through Medicare, make some college tuition expenses tax-deductible and more strictly regulate lobbying and congressional ethics.

With Democrats controlling Capitol Hill, the president stands a better chance of gaining passage of his proposals for comprehensive immigration reform that includes a path to legalization for undocumented immigrants and an expanded guest worker program.

Incoming Senate Foreign Relations Chairman Joseph Biden (D-Del.) signaled that the chances of a re-appointment of controversial UN Ambassador John Bolton are effectively dead. Bush was unable to win Senate confirmation for Bolton to the UN post so he used a constitutional prerogative to grant Bolton a "recess appointment" that expires when this congressional session ends.

Outgoing moderate Republican Sen. Lincoln Chafee of Rhode Island also said Thursday he would block any attempt to use the post-election lame-duck session of the current Republican-controlled Senate to confirm Bolton.

"The election's over. It's time for a change," declared incoming Senate Majority Leader Harry Reid (D-Nev.), speaking shortly after Allen's concession at a celebratory Democratic rally on the lawn of the Capitol.

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"Millions of people spoke on Tuesday night, and we heard the message," added Sen. Dick Durbin (D-Ill.), the party's second-ranking leader in the Senate. "America can do better. We can come together on a bipartisan basis to solve the real problems facing our country."

Sen. Barack Obama (D-Ill.), speaking Thursday in Chicago, said, ""I think there's no doubt that if the Democrats squander the opportunity we've been given over the next two years, we'll have problems in '08. We've now got joint responsibility."

Noting that Bush still has more than two years left in his term, Obama said, "The question is going to be how does the president react? If he's somebody who is willing to engage in a bipartisan discussion on issues like Iraq, on issues like budget reform… are those all issues that he wants to work on?"

Earlier in the day, Bush met with incoming House Speaker Nancy Pelosi (D-Calif.) for a private lunch at the White House.

"We won't agree on every issue," Bush said after the lunch. But "we will do our very best to address big problems."

Reid and Durbin are scheduled to meet with Bush Friday.

Rep. Rahm Emanuel, the Chicago Democrat who led his party's successful campaign to take over the House, announced late Thursday that he would forgo a bid he had been considering for the influential third-ranking leadership post, majority whip. Instead, he will run for a post one rung down the leadership ladder, Democratic Caucus chairman.

A Democratic source said Pelosi had urged Emanuel not to make a bid for the whip post in order to avoid a divisive internal fight with the Congressional Black Caucus, which is strongly backing the only declared candidate for the post, Rep. James Clyburn (D-S.C.). Clyburn is currently Democratic Caucus chairman and the only African-American in the party leadership.

"I seek this post, and not any other," Emanuel said in a statement announcing his candidacy for caucus chairman, "because I believe what we need now is a unified Democratic caucus, focused squarely on the business of moving this country forward."

The caucus chairman typically is a mostly ceremonial position but Democratic aides said Emanuel would be given additional duties, including responsibility for rapid response to Republican attacks, input into party policy positions and a role in strategy for re-electing vulnerable incumbents.

According to the Associated Press, Democrats have won at least 230 House seats, giving them 12 more votes than the 218 needed to control the 435-member chamber. Two more uncalled races appeared to be leaning Democratic Thursday evening. Republicans had won 196 seats, with 7 uncalled races leaning in their direction.

Two days after the polls closed in Virginia, Allen conceded defeat in a Senate re-election campaign that two months ago he had been comfortably leading in the polls as he considered a bid for the 2008 Republican presidential nomination.

But in August he was videotaped calling a Democratic campaign worker of Indian descent a "macaca," a term considered a racial slur by some. Afterward, several former teammates from his days of playing football for the University of Virginia said he had frequently used a racial slur for blacks—an accusation that Allen denied.

Democrat Webb held a lead of 8,942 votes among 2.37 million cast as of Thursday evening, according to the web site of the Virginia State Board of Elections.

Speaking to supporters in Alexandria, Va., Allen said a preliminary re-canvass of votes suggested an official recount would not change the result.

"The Bible teaches us that there's a time and place for everything," Allen said. "Today I've called and congratulated Jim Webb and his team for their victory. They had the prevailing winds."

Webb, a former Republican and the Reagan administration's secretary of the Navy, stressed his opposition to the war in Iraq during the campaign. One trademark of his campaign was to carry around the state a pair of combat boots that he was given by his son, who is serving in Iraq. At the rally, he waved the pair of boots to cheers from his supporters.

"We're going to work hard to bring a sense of responsibility in our foreign policy that will, in my view, result soon in a diplomatic solution in Iraq," he said.

Tribune staff reporter Gerry Doyle contributed to this report from Chicago.

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Scandals Have Touched Some Key Democrats (WSJ)

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By Brody Mullins

The Wall Street Journal, November 10, 2006

Incoming Leaders in House And Senate Vow to Approve An Ethics-Reform Package

WASHINGTON -- After winning an election shaped by corruption as much as Iraq, Democrats are about to elevate a set of leaders in the House and Senate that will include lawmakers who have had their own brushes with scandal.

Sen. Harry Reid (D., Nev.), who is expected to be elected to majority leader in the Senate, has come under attack for his relationship with Republican lobbyist Jack Abramoff, a profitable land deal, and whether he inappropriately used campaign funds to give Christmas bonuses to employees at his condo complex.

In the House, West Virginia Democratic Rep. Allan Mollohan, whose conduct is being investigated by the Justice Department, is in line for a senior position on the Appropriations Committee. Meanwhile, Rep. Alcee Hastings, a Florida Democrat, is vying to become chairman of the Intelligence Committee. Once a federal judge, Mr. Hastings was impeached by Congress more than a decade ago after he was charged with -- and acquitted of -- taking a $150,000 bribe. Mr. Hastings declined to comment.

A fourth Democrat, Rep. William Jefferson of Louisiana, under Justice Department investigation for accepting bribes, came out ahead of 12 other candidates vying for his seat on Election Day, but faces a December runoff under Louisiana's unique election system. A spokeswoman for Mr. Jefferson said he has "consistently said that he is innocent of all the allegations."

Democratic leaders in both chambers say they will make it a top priority to approve an ethics-reform package that tightens rules for lawmakers, congressional aides and lobbyists. Republicans made the same promise a year ago after a Justice Department corruption probe garnered guilty pleas from a pair of one-time aides to former Republican Rep. Tom DeLay of Texas as well as from Mr. Abramoff, who was close to Mr. DeLay and other Republican lawmakers.

Democrats were successful in exploiting the corruption scandal on the campaign trail. Nearly three of four voters said that "corruption and scandals" in government were extremely important or very important in their votes, according to exit polls.

Indeed, four Republican lawmakers with ties to Mr. Abramoff lost their re-election bids, including Sen. Conrad Burns of Montana and Reps. Richard Pombo of California, J.D. Hayworth of Arizona and John Sweeney of New York.

Three other Republicans in the House gave up their seats due to federal investigations into their ties with lobbyists. Reps. Duke Cunningham of California and Bob Ney of Ohio gave up their seats after pleading guilty to accepting bribes from lobbyists. Mr. DeLay decided not to seek re-election after he was tied to the scandal involving Mr. Abramoff. Democrats won two of the three elections to fill those seats.

Now that Democrats are in control of Congress, however, some of those same corruption issues may come back to hound the party. Mr. Reid, for example, is one of a handful of Democrats in Congress who had ties to Mr. Abramoff.

Mr. Abramoff employed as a lobbyist one of Mr. Reid's former aides and the Democratic leader received more than $40,000 in campaign donations from the lobbyist's fund-raising network.

In 2002, Mr. Reid sent a letter asking the Interior Department to block an Indian tribe in Louisiana from opening a casino that would have competed with an existing casino operated by one of Mr. Abramoff's clients. The day after Mr. Reid sent his letter, Mr. Abramoff's client, a tribe called the Coushattas, sent a $5,000 contribution to one of Mr. Reid's fund-raising groups.

Jim Manley, a spokesman for Mr. Reid, said that the senator "has long opposed the expansion of off-reservation Indian gaming," and any official action he took was consistent with that view. Another top Democrat, Sen. Byron Dorgan of North Dakota, has returned $67,000 in donations received from Mr. Abramoff's lobbying firm and clients.

Mr. Reid admitted last month that he used campaign funds to pay $3,000 in Christmas bonuses to the employees of the Ritz-Carlton in Washington, where Mr. Reid lives. Mr. Reid said he often holds fund-raisers and campaign events at his condo and that it was appropriate to use his campaign account to reimburse the staff for extra work. Nevertheless, Mr. Reid agreed to write a personal check to cover the costs. Mr. Reid also amended his personal financial records to more clearly indicate his profits from a business deal in Nevada.

Mr. Manley said that "whenever a question has been raised, he has taken swift action to address it, which is far different from how Republicans handle things."

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Mr. Reid was born in the Nevada desert and was once an amateur boxer and Capitol police officer. A lawyer, Mr. Reid became head of the Nevada Gaming Commission in the late 1970s. He was elected to the U.S. House in 1982 and the U.S. Senate in 1986. When Democratic Sen. Tom Daschle of South Dakota was defeated for re-election in 2004, Mr. Reid took over as majority leader. He is considered a tough and smart legislator. His even-keeled manner has won praise from other Democrats. He holds a seat on the Appropriations Committee and takes credit for many of the federal dollars that Congress sends to his home state.

On the other side of the Capitol, Mr. Mollohan is being investigated by federal prosecutors who are examining his practice of directing federal funds to nonprofit groups he set up in his home state that are run by real-estate partners or political allies.

Some of the groups got grand-jury subpoenas, indicating an active investigation. No charges have been brought and Mr. Mollohan has denied the allegations. He stepped down as ranking Democrat on the House ethics committee earlier this year after his pattern of earmarking became public. The allegations became an issue in his campaign against challenger Christopher Wakim, a Republican state legislator. But Rep. Mollohan won easily, with 64% of the vote to 36% for Mr. Wakim. A spokesman for Mr. Mollohan didn't return a call or email yesterday.

Mr. Jefferson, the Louisiana Democrat, was kicked off the House tax-writing committee after the Federal Bureau of Investigation said he was hiding $90,000 in cash in a freezer in his home. No charges have been filed, but investigators said in court papers that he took the cash for his role in securing communications contracts. Mr. Jefferson has denied any misconduct and was the front-runner in a field of 13 candidates in Tuesday's results, winning 30% of the vote.

--John R. Wilke and Robert Block contributed to this article.

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Connecticut's Dodd May Lead Banking Committee (USAT)

By Sue Kirchhoff, Usa Today

USA Today, November 10, 2006

Among goals: More transparent markets

WASHINGTON — Christopher Dodd of Connecticut, a second-generation senator exploring a 2008 presidential bid, is in line to be chairman of the Senate Banking Committee, now that Democrats have a majority in that chamber.

In his 26 years in Congress, Dodd, 62, has been a strong advocate for the insurance and financial services industries in his state. Such firms as Bear Stearns, Lehman Bros. and Goldman Sachs are atop Dodd's list of political action committee donors, according to the Center for Responsive Politics.

Insurance lobbyists are hoping Dodd will play a key role in a possible extension of federally backed terrorism insurance. Dodd was one of the authors of a current law, crafted after the 2001 terrorist attacks, that expires next year.

“We certainly hope there will be a long-term mechanism put in place. … It's fundamentally important,” says the American Insurance Association's Julie Rochman.

Kurt Pfotenhauer of the Mortgage Bankers Association calls Dodd the type of Democrat who is “not allergic to business.”

At the same time, consumer advocates note Dodd's progressive streak. He backs a minimum wage increase and pushed for greater disclosure of credit card interest rates and tougher standards for offering cards to people under 21.

“He's been very strong on credit cards. I would anticipate that consumers will have access,” says Allen Fishbein of the Consumer Federation of America.

In a statement this week, Dodd outlined general goals, including preventing outsourcing of militarily sensitive jobs, improving the transparency of markets, expanding affordable housing and beefing up market terrorism protections.

Dodd is the son of a former senator, Thomas Dodd, who was also a prosecutor in the Nuremberg trials of top Nazis after World War II.

Dodd was an author of the 1993 Family and Medical Leave Act and helped craft a law improving the voting process after the 2000 elections. In recent months, he's been traveling the country to test support for a possible presidential bid.

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Though he voted for the Iraq war, he is now a sharp critic of President Bush's handling of the conflict. Dodd has said he regrets letting fellow Democrats talk him out of mounting a filibuster against recent legislation governing military tribunals, which he says violates international law banning torture.

In a swing through Iowa, Dodd said the law was in stark contrast with the Nuremberg trials. He referred to letters his father wrote his mother during the Nuremberg proceedings, telling her he would never do anything as vital.

Dodd supported the Sarbanes-Oxley law after the Enron scandal, requiring more business transparency. The business community is now pushing to relax the law, but the outcome is unclear.

"I suspect, just because of the business community's focus, at some point (Congress) will be discussing Sarbanes-Oxley," says Mark Peterson of the American Institute of Certified Public Accountants. "Legislation, probably not. Oversight hearings, sure, at some point."

Some Defense Firms More At Ease As McCain Denied Oversight Chair (WSJ)

By Jonathan Karp And Andy Pasztor

The Wall Street Journal, November 10, 2006

Democratic control of Congress has sparked uncertainty among defense contractors after six years of tremendous growth, but many industry executives are relieved that Arizona Republican Sen. John McCain, a strident critic of Pentagon weapons-buying practices, won't become chairman of the Armed Services Committee.

The anticipated Democratic chairman, Michigan Sen. Carl Levin, brings his own longstanding skepticism of the industry and some of its prized weapons programs, particularly missile defense. Yet the soft-spoken Mr. Levin is likely to change the tone and focus of the committee's oversight efforts.

Unlike Mr. McCain, whose investigations into Boeing Co.'s ethical lapses laid the path for the panel to examine weapons-contract details and contractor profit margins, Mr. Levin has signaled that his priority will be the war in Iraq.

He fired a salvo in a post-election conference call with reporters Wednesday by criticizing the Bush administration for failing to include war costs in the regular Pentagon budget, which must be approved by the Armed Services Committee. Instead, the White House has resorted to increasingly large emergency-spending requests, which don't have the same accountability. Mr. Levin said the U.S. needs "honest" and "rational budgeting."

Michele Flournoy, a senior adviser at the Center for Strategic & International Studies think tank in Washington and a former Clinton administration Pentagon official, predicts Mr. Levin will concentrate on bringing oversight to the conduct of the Iraq war and ensuring funding to equip overstretched U.S. forces.

"Unlike some other senators, Sen. Levin isn't known to harbor any deep grudges against defense companies," she said. "He'll be a friend to the military and a friend to industry."

Even though the defense industry has benefited greatly from recent Republican control, some defense executives grew so peeved at Mr. McCain that they privately rooted for a Democratic takeover of the Senate. Had Republicans retained control of the chamber, he was likely to succeed Virginia Sen. John Warner, whose tenure would have been terminated by party-imposed term limits. As a minority member, the Arizona Republican will have less clout in setting the committee's agenda, and because of his expected presidential run in 2008, Mr. McCain can't count on the same level of bipartisan support that has long been a committee trademark.

The setback to Mr. McCain may provide some relief to companies he has targeted, such as Lockheed Martin Corp. and Boeing. But it is less positive for Northrop Grumman Corp., which has benefited from his demands for a fair competition against Boeing to supply aerial-refueling planes. With the change in leadership, senior Republican senators from the South will be less able to help Northrop's Gulf Coast shipyards.

Mr. McCain's office didn't respond to requests for comment.

Industry officials expect heightened scrutiny by a Democratic-led committee, but say Mr. Levin's is likely to focus less on the industry and more on the vast sums being outsourced to support the troops. "He will look at whether we have appropriate safeguards for services contracts, and that leads to things in Iraq," said one defense-industry executive who had extensive experience in government.

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The 72-year-old Michigan Democrat, known for his collegial manner but also his persistence after more than two decades on the panel, sometimes can be a partisan and stubborn industry critic. When the military buildup of the 1980s was tainted by bribery and influence-peddling scandals, he blasted top Republican Pentagon appointees as "pitifully poor managers" who saddled the military with "more anticompetitive practices" than any previous administration.

These days, Mr. McCain is the defense industry's biggest irritant. He began by spearheading the drive that thwarted an Air Force plan to lease aerial-refueling planes from Boeing. Pentagon and Justice Department investigations backed up many of his allegations. Later, he used his position as a subcommittee chairman to browbeat senior executives and force the Pentagon to rewrite contracts, including the Boeing-led Army modernization program and Lockheed Martin's C-130J cargo plane.

His tenacious campaigns were cast as efforts to bring transparency and cost-savings to multibillion-dollar weapons programs. Pentagon officials, industry officials and Wall Street analysts complained about what they considered Mr. McCain's micromanaging. In June, however, Mr. McCain was dealt a rebuke when the full Senate easily approved a contract for Lockheed's F-22 stealth fighter jet he had argued against.

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Treasury Chief Set To Seek Deals (NYT)

By Steven R. Weisman

The New York Times, November 11, 2006

WASHINGTON, Nov. 10 — For his first months in office, Treasury Secretary Henry M. Paulson Jr. kept to the shadows while cabinet colleagues were campaigning for a Republican Congress. He made it plain that he disliked politicking, and he irritated some Republicans the Friday before Election Day by not joining the administration chorus talking up a drop in the jobless rate.

But now the new Treasury chief is set to plunge in. Untainted by the harshly partisan rhetoric of the past, he hopes to use his prowess as the former head of Goldman Sachs not just to pursue critical economic deals with China and other American trading partners but — equally important for the weakened administration — to explore deal-making with Democrats in Congress, as well.

An objective is to restore the long-term financial stability of Social Security and Medicare as baby boomers head toward retirement.

While that may prove politically impossible, in the short term Mr. Paulson is also expected to be at the center of efforts to find economic issues on which Congressional Democrats and the Bush administration can agree next year.

Lawmakers in both parties say talks may include middle-class tax breaks and simplification of the tax code. Democrats, for their part, hope to use Mr. Paulson's comments this summer, in which he deplored income inequality, to press for a minimum wage increase.

The White House says it is counting on the best from Mr. Paulson. But the chances for real cooperation are limited.

Mr. Paulson could easily run up against hard-liners in the administration who are likely to doubt that negotiation with the Democrats is the best course for Republicans already looking ahead to the 2008 elections. And while there is much talk in Washington of finding common ground after the vitriolic campaign, the mood could sour as early as next week when Congress returns for a lame-duck session where Republicans will still be in control.

"I have every reason to believe that Paulson will have some influence with the president," said Representative Charles B. Rangel of New York, the expected Democratic chairman of the House Ways and Means Committee. "The question is how much."

The day after the Democratic victory in the midterm elections, President Bush announced that he asked Mr. Paulson "to reach out to folks on the Hill" on Social Security and Medicare, subjects that inevitably will lead to discussions about taxes and spending.

"With the election over, there may be an opportunity for some renaissance of bipartisanship," said Joshua B. Bolten, the White House chief of staff. "Hank Paulson is an important ingredient in that chemistry."

In an interview after the voting this week, Mr. Paulson said he was determined to work with Democrats to get something done next year.

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"It has always been my view, even before the election, that on the major issues this country is facing, any solution was going to have to take a bipartisan approach," he said. "We were going to have to build a consensus, no matter who won the election."

Mr. Paulson is a professed neophyte in political and legislative warfare, but is recognized as a master at striking bargains in the business world. As chief executive of Goldman Sachs he made billions of dollars in investment banking deals in the United States, as well as in China, Germany and other countries.

"I don't think you'll find anybody as tenacious as he is," said John F. W. Rogers, a managing director at Goldman Sachs who served for a time as Mr. Paulson's chief of staff there. He added that it was instructive to go hiking with Mr. Paulson, an avid outdoorsman whose environmental views are not always in sync with the administration's.

"It's like a forced march," Mr. Rogers said. "If he sees a downed tree, he says, 'You can go over it, you can go under it, but you can't go around it.' There's an active sense of attacking problems head-on."

He has already delved into the issues presented by China. Mr. Paulson plans to lead an unusual delegation to China in December that will include at least a half-dozen cabinet colleagues dealing with issues like commerce, trade, energy and transportation. The trip underscores his first-among-equals status in the cabinet when it comes to economic matters.

For all his business experience, though, others who know Mr. Paulson say that he may have trouble navigating the egos and competing interests on Capitol Hill as well as those inside the administration.

Beginning to address government benefit programs could be an early test of Mr. Paulson's leadership and negotiating skills. The Treasury chief has repeatedly asserted that he wants to fix Social Security and Medicare, which are set to rise sharply in cost in the coming years, and to work with Democrats on solutions.

But Democrats say that if the Treasury chief revives Mr. Bush's emphasis on private investment accounts, as a partial replacement for Social Security for future retirees, it will be rejected — and seen as an act of bad faith.

"I once told President Bush that if he took private accounts off the table, I would go around the country with him in support of Social Security reforms," Mr. Rangel recalled. "He said, 'As long as I'm president, private accounts will be on the table.' Well, if he says that now, he's basically saying he doesn't want a deal on Social Security."

Mr. Bush said a couple of weeks ago that he would continue to push for private investment accounts. But the president also said that he would retain Defense Secretary Donald H. Rumsfeld, only to reverse himself this week.

Senator Charles E. Grassley, the Iowa Republican who will lose his position as chairman of the Finance Committee next year, said it appeared that Mr. Paulson was already advocating more efforts to listen to Congress. But it was not clear whether he could persuade Vice President Dick Cheney or Karl Rove, the political strategist, to go along.

"I don't know whether he's going to win or lose," Mr. Grassley said, "but I sure applaud what he's doing."

In recent weeks, the Treasury secretary has spent a lot of time courting lawmakers like Mr. Rangel, who will be at the center of any discussion of taxes and benefit programs, and Senator Max Baucus of Montana, his counterpart as the expected chairman of the Finance Committee.

"I'm very impressed," Mr. Baucus said. "Hank Paulson seems to have very few ideological bones in his body."

But there is also precedent to consider or — possibly for this president — to avoid. Mr. Bush's father, President George H. W. Bush, negotiated a grand budget and tax deal with Congress in 1990, only to have it shot down by Republicans in the House because it contemplated some tax increases. (Later that year, after a temporary government shutdown, lawmakers finally approved a budget that included limited tax increases.)

That budget deal remains a source of bitterness among conservatives. Some argued that it was an excellent model for cooperation — in that Democrats accepted some spending cuts — and helped usher in economic growth in the 1990s. But it also involved Mr. Bush's going back on his "read my lips: no new taxes" pledge in the 1988 presidential campaign.

If there are marathon negotiations to resolve tax and budget issues, an administration official said, they would not take place at Andrews Air Force Base, the scene of the 1990 talks.

Taking over as Treasury chief this summer, Mr. Paulson has surrounded himself with an eclectic team. The only top official he has brought from his time at Goldman Sachs is Robert K. Steel, now the under secretary of the Treasury for domestic finance.

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His chief of staff and top political aide is James Wilkinson, a veteran of Texas politics who has served as a top aide to Mr. Bush and Secretary of State Condoleezza Rice.

The environment in Congress on budget and tax issues will be tricky, because Democrats are loath to begin the discussion of increasing any taxes, having been accused by Republicans of being a bunch of tax raisers in the last election.

But Democrats all say they embrace enactment of a "pay as you go" regime in which any future tax cuts or spending increases will have to be paid for by spending cuts or tax increases elsewhere. While few insiders expect major changes to Mr. Bush's big tax cuts until after the 2008 election, the subject of increasing some taxes, or scaling back past tax cuts, may end up on the table next year.

Democrats, however, are determined to increase the minimum wage, now $5.15 an hour, to $7 or more. Mr. Paulson has not taken any stand on whether he would favor such an increase.

Mr. Paulson has declared that his other economic priorities are to combat protectionist sentiment in the United States and to engage in a widespread dialogue with China that could eventually prod the Chinese leadership to overhaul their nation's economic practices.

Mr. Paulson succeeded in persuading Mr. Bush to let him head an inter-agency committee of cabinet members on dealing with China. He did so by lining up support among the cabinet members and the White House staff first.

The mid-December trip is aimed at persuading the Chinese to liberalize their economy, crack down on piracy, discuss future cooperation on energy and encourage greater flexibility in currency practices.

Mr. Paulson is to be accompanied by Susan C. Schwab, the United States trade representative; Carlos M. Gutierrez, the commerce secretary; and Samuel W. Bodman, the energy secretary. Treasury officials say they would like quick progress on China's practice of keeping its currency artificially low in relation to the dollar, which aggravates the trade imbalance by making exports to America cheaper and imports to China more expensive. But many experts say the Chinese are resisting out of concern that such a step could damage their banking system, throwing people out of work.

Mr. Paulson will be raising the pressure on China, but political experts say his skills have mostly revealed themselves so far in getting United States lawmakers to withdraw a bill punishing China if it does not change its currency policy.

The Treasury secretary also hopes to help Ms. Schwab get a global trade deal that could be approved by Congress next year. But the consensus among Congressional leaders is that it is probably too late for that.

Beyond a possible breakthrough with China, they say that Mr. Paulson's greatest hope for success lies in striking smaller bargains on the budget and taxes. Mr. Rangel and Mr. Baucus said it would be better to reach agreements on incremental tax issues first to build up trust.

Mr. Paulson, in the interview, also said he thought that the approach of reaching for "low-hanging fruit" on economic issues might make sense.

"I'm hoping there will be some things that we can get some quick victories on," Mr. Paulson said. "Then if we can get some things done, it will be a good basis for going on to more difficult issues."

U.N. Post Will Test Bush On Pledge For Consensus (NYT)

By Helene Cooper

The New York Times, November 11, 2006

WASHINGTON, Nov. 10 — President Bush has pledged to be a bipartisan consensus builder now that Democrats are to control Congress, and since Wednesday he has made conciliatory gestures. The question now is whether Mr. Bush is ready to junk all of his make-nice pledges in order to keep John R. Bolton at the United Nations.

Officially, administration officials say they plan to make all the necessary calls to Republicans and Democrats on the Senate Foreign Relations Committee to try to persuade them to confirm Mr. Bolton for a new term.

"He has been extraordinarily effective up there at the U.N., and now is not the time to have a gap," said Sean McCormack, the State Department spokesman.

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But with the announcement on Thursday by Senator Lincoln Chafee, Republican of Rhode Island, that he would deny Republicans on the committee the last vote needed to send Mr. Bolton's nomination to the full Senate, some administration officials privately acknowledge that Mr. Bolton's chances of confirmation are "nil," one State Department official said.

Mr. Chafee, who was defeated for re-election on Tuesday, said: "The American people have spoken out against the president's agenda on a number of fronts, and presumably one of those is on foreign policy. And at this late stage in my term, I'm not going to endorse something the American people have spoken out against."

In this situation, the usual next step would be for Mr. Bolton to withdraw from consideration and for Mr. Bush to nominate a less polarizing candidate. Names that have been floated both inside and outside the administration include Zalmay Khalilzad, the American ambassador to Iraq; Philip D. Zelikow, the State Department counselor; Paula Dobriansky, under secretary of state for democracy and global affairs; and even Mr. Chafee.

But Mr. Bolton is keen to stay at the helm of the American team at the United Nations, administration officials say, and White House officials, including Mr. Bush's counsel, Harriet E. Miers, have been looking into whether the president can somehow bypass the Senate and keep him there. Administration officials said Vice President Dick Cheney was backing exploration of such a move.

Mr. Bolton "could be named acting permanent representative or deputy U.N. ambassador or something else that doesn't require confirmation," a senior administration official said.

Obviously, doing that will anger Democrats, the official said. "But we'll see."

When senators blocked Mr. Bolton's confirmation last year, Mr. Bush gave him a recess appointment, which expires when this Congress adjourns. Mr. Bush could give Mr. Bolton a second recess appointment as the United Nations ambassador, but under the law he could not be paid for his work.

White House officials are looking into whether he can be paid by some other entity and still serve as ambassador, or whether a de facto position could be created in which Mr. Bolton served as ambassador for all intents and purposes, but not in name.

Such a move would almost certainly enflame relations between the White House and the ascendant Democrats and would probably kill any further talk about bipartisan cooperation.

"It looks like an act out of Cirque du Soleil," said Senator Christopher J. Dodd, Democrat of Connecticut and a member of the Foreign Relations Committee.

Mr. Dodd likened the proposed maneuver to "a vision of a contortionist" and said, "This John Bolton does not deserve to be promoted."

Tony Snow, the White House spokesman, declined on Friday to speculate about Mr. Bolton's future if his nomination did not get through the Senate.

"I think what we ought to do right now is simply allow senators in the lame-duck session to see if they will give John Bolton a fair shake," Mr. Snow said. "After that, we'll talk about possibilities."

Mr. Bolton's allies argue that during his tenure as ambassador, the United States has been successful in getting several Security Council resolutions through the United Nations, including actions that seek to slow or halt the nuclear ambitions of Iran and North Korea. Mr. Bolton also helped to shepherd through a Security Council resolution to end the Israel-Hezbollah war in Lebanon and to establish a United Nations peacekeeping force there.

"The president believes," Mr. Snow said, "that John Bolton has done an exemplary job, and if people fairly will examine his record, his real accomplishments, his record at the United Nations, that he not only will have earned confirmation but will receive it."

Mr. Bolton's critics say he is abrasive and represents a hard-line, conservative ideology at odds with the multilateral approach at the United Nations.

Administration officials say Mr. Bush resubmitted Mr. Bolton's nomination as part of a public relations strategy to put the onus on the Democrats for not allowing a vote on his appointment to go to the floor.

Democrats say that if the administration circumvents the Senate by trying a special appointment, they will portray Mr. Bush as insincere in his pledge to seek a middle ground.

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"What all of this indicates is that the bipartisanship discussion we're seeing is very thin," said Steve Clemons, director of the American Strategy program at the New America Foundation.

Mississippians Rise Up Over Rangel's Comment (NYT)

By Anthony Ramirez

The New York Times, November 11, 2006

It was a remark, says Representative Charles B. Rangel, uttered with regional pride rather than rancor. But he apologized nonetheless.

On Wednesday, the day after the Democrats won a House majority, Mr. Rangel, the Harlem Democrat poised to become chairman of the Ways and Means Committee, which writes tax legislation, talked about winning back more of the tax revenue that New York State sends to the Treasury. He said, "Mississippi gets more than their fair share back in federal money, but who the hell wants to live in Mississippi?"

Apparently, a lot of people do, and they are not shy about saying so.

Charles W. Pickering Jr., a Mississippi Republican and a colleague of Mr. Rangel's, was the first to publicly take umbrage. He reacted as if he and his state had been slapped with a glove.

"Mr. Rangel owes the people of Mississippi an apology," he said in a statement. "I hope his remarks are not the kind of insults, slander and defamation that Mississippians will come to expect from the Democrat leadership in Washington, D.C."

Mr. Pickering, who is from Laurel, Miss., marched to his peroration.

"From the coast to the Delta to the Pine Belt to the hills and across Mississippi," he said, "there is beauty in every city, charity in every heart, love in every church, and majesty in every countryside."

In Jackson, the state capital, Mr. Rangel's remarks were discussed on local television and talk radio, said David Hampton, who edits the editorial page at The Clarion-Ledger. "A lot of it was post-election Republicans saying the evil Democrats this and that and a-ha, we told you so," he said. "Mississippi sort of has an inferiority complex."

Mr. Hampton said he had received about a dozen letters to the editor and five comments on his editorial page blog, and some of it was genuine outrage.

In a letter to the editor, Wendy Barthe Peavy of Biloxi wrote: "Congressman Rangel: As a proud Mississippian and resident of the Katrina-ravaged Gulf Coast, I would be happy to tell you 'who the hell wants to live in Mississippi.'

"I will not waste your time with the litany of world-class writers, artists, athletes, entertainers, scientists, surgeons, astronauts, musicians, soldiers and statesmen who have called Mississippi home," she wrote. "I will tell you of the 93,000 people still housed in FEMA trailers due to the loss of over 10,000 apartment units and over 150,000 homes to Hurricane Katrina."

She concluded, "Congressman Rangel, these people went through hell to live in Mississippi!"

Told of Representative Pickering's comments, Mr. Rangel said he was sorry. "I certainly don't mean to offend anyone," he said in a statement issued Thursday. "I just love New York so much that I can't understand why everyone wouldn't want to live here." Attempts to reach him by telephone and e-mail for further comment were unsuccessful.

Some Mississippians were skeptical about the regional chauvinism explanation.

"I don't know if he was joking," said Debbie Crapps, 46, who lives in Florence and works as a manager at Homer's Barbeque Store in Jackson.

"I think it was a bad thing to say," Ms. Crapps said in a telephone interview. "He doesn't live in Mississippi, he doesn't know anything about us. A lot of people here have a lot to say about it because we're not a big city like New York City. We are humans. We don't think that's right."

But Mr. Pickering, at least, was prepared to let bygones be bygones. In a statement yesterday, he said Mississippians were "quick to forgive a sincere person."

Beyond the bruised feelings, there were some fears that Mississippi's needs would be ignored by a Northerner in a powerful position. In his editorial page blog, Mr. Hampton wrote that Mississippi would have to adjust to Mr. Rangel.

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"Regional insults aside," Mr. Hampton wrote, "the more serious issue is Rangel will head the powerful Ways and Means Committee at a time when there already is reluctance to continue to address Katrina-recovery needs and a perception that Mississippi got more than it should have in recovery funds."

He said Mississippi's Democrats in the House, Bennie Thompson and Gene Taylor, "have their job cut out for them," and added, "They might start with a visit to Mr. Rangel."

Pelosi Affirms Support Of Full D.C. Voting Rights (WP)

By Yolanda Woodlee

The Washington Post, November 11, 2006

U.S. Rep. Nancy Pelosi, the incoming speaker of the House of Representatives, supports District voting rights and is a co-sponsor of legislation that would give Del. Eleanor Holmes Norton (D-D.C.) a full vote in the House, a spokeswoman said yesterday.

The statement from Pelosi's office clarified her position after heated discussion on Washington Post Radio about her position on the issue. On Thursday, Pelosi said she would change House rules on the first day of the new Democratic-controlled session in January so that Norton could vote on proposed changes but not final approval of legislation on the House floor. That would be a temporary measure, Norton said.

"She wants D.C. to have full voting rights in the House," said Jennifer Crider, a spokeswoman for Pelosi (D-Calif.). "She doesn't co-sponsor many pieces of legislation."

On Thursday, Crider had referred to Pelosi's opposition to portions of an earlier version of a voting rights bill. After changes were made, Pelosi signed on to the current bill, introduced in May by Norton and U.S. Rep. Thomas M. Davis III (R-Va.).

City officials, including Mayor-elect Adrian M. Fenty and Vincent C. Gray, chairman-elect of the D.C. Council, said they are concerned that the temporary measure does not go far enough.

"This is going back to a proposal where we get a vote only if it doesn't count," Fenty said. "It doesn't make any sense. . . . We need to go to something more substantive."

The Norton-Davis bill links the D.C. vote to an additional congressional seat in Utah, raising the total number of House members from 435 to 437. Pelosi did not favor legislation that included redistricting in Utah, a move that some lawmakers feared would jeopardize that state's only Democrat representative. Pelosi later signed on to the bill after Utah made the congressional seat a statewide position.

The question for voting rights advocates is whether there will be time to consider and pass the bill before the current session ends.

Norton, who has championed voting rights for the District since she took office in 1991, said she prefers passage of the bipartisan bill this month rather than waiting until the Democrats take the majority.

Ilir Zherka, executive director of the nonprofit group D.C. Vote, is calling for an immediate vote.

"The next Congress is going to be very busy dealing with a lot of issues, and so our view is let's get this done now, because we have already dealt with the full range of questions posed about this bill," he said.

"Having got this far, to the 10-yard line, let's finish it."

Before the bill can move through Congress, however, Utah state lawmakers must vote on their portion of the measure. Aides to Gov. Jon Huntsman Jr. and Utah House Speaker Greg J. Curtis said this week that legislation creating the congressional seat could be approved in one day.

If this happens next week, Norton is optimistic that Rep. F. James Sensenbrenner Jr. (R-Wis.), chairman of the Judiciary Committee, will move the legislation to a floor vote in House. The Senate would also need to vote on it.

"The question is, is there time on their watch?" Norton said.

Full Vote Eyed For House Delegate Before Session Ends (WT)

By Gary Emerling

The Washington Times, November 11, 2006

DOJ_NMG_0093374

D.C. voting rights advocates are encouraged by the recent Democratic takeover of Congress, but would prefer a bill giving their representative a full vote in the House be considered before the end of this legislative session.

"For us, it's not necessarily a matter of Democratic control versus Republican control," said Ilir Zherka, executive director of the nonprofit advocacy group D.C. Vote. "Going into a new Congress presents new challenges and additional challenges, and we would rather complete this process now."

The D.C. Voting Rights Act was introduced in May by Rep. Thomas M. Davis III, Virginia Republican, and D.C. Delegate Eleanor Holmes Norton, a Democrat. It would give the historically Democratic city a House vote and add a seat in the House for Utah, a Republican stronghold.

The bill is now in the House Judiciary Committee, where proponents are pushing for committee Chairman F. James Sensenbrenner Jr., Wisconsin Republican, to allow it to be voted on by all 435 House members.

But the bill's move out of the committee depends on Utah lawmakers approving a redistricting map. And with the current session of a Republican Congress set to end soon, time for further action is expiring.

"In sort of such a lame-duck session where you have so many members of Congress who lost their seats, I'd be surprised if the legislation came up," said Brian Schaffner, a professor of political science at American University.

Yesterday, Doxie McCoy, a spokeswoman for Mrs. Norton, said the delegate "had the confirmed, continuing support of the new" Democratic House leadership for the bill. However, the measure must be introduced before the new Congress if no vote is taken before the current session ends.

Mr. Zherka said having to re-introduce the bill to a new Congress could create new problems. For example, new Democratic lawmakers could have concerns about adding a seat for Utah.

Other objections could be raised -- again -- over the redistricting of Utah, and restarting the process could be a step backward.

"Starting the process over again raises new questions that we would prefer not to have to answer and consider," Mr. Zherka said.

Still, the prospects for D.C. voting rights may not suffer much if put off until next year.

The measure has received bipartisan support and has already gone from the House Government Reform Committee, of which Mr. Davis is chairman, to the House Judiciary Committee.

Rep. Henry A. Waxman, California Democrat who co-sponsored the measure, is in line to replace Mr. Davis as committee chairman.

Rep. Nancy Pelosi, California Democrat who likely will be the House's next speaker, also co-sponsored the bill and is advocating rules allowing Mrs. Norton to vote on proposed changes to legislation.

Democrats in general are historically more supportive of giving the District voting rights, said Garry Young, director of the Center for Washington Area Studies at George Washington University.

"I don't think the [bill's] prospects are markedly changed, but at the same time it's obviously an issue that's a pet issue of a lot of Democrats," Mr. Young said.

D.C. Mayor-elect Adrian M. Fenty, who has pledged to actively lobby Congress for voting rights during his transition and after he takes office Jan. 2, called the Democratic takeover a "win-win" for voting advocates.

"We can try to win in the lame duck and then when the Democrats take over, I think most people know that they're even more likely to want to have two Democratic senators" as well, he said.

OTHER NEWS:

Election Past, How High Can Stocks Go? (WSJ)

By E.S. Browning

The Wall Street Journal, November 11, 2006

Now that the stock and bond markets have shrugged off the major shift of political power in Washington, investors are beginning to wonder how much higher the stock market can go.

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The markets seem to have welcomed the end of the divisive political campaign. Now, people's attention is turning back to more fundamental issues -- notably strong recent corporate profits and low interest rates.

For election week, the Dow Jones Industrial Average put in a gain of 122.39 points, or 1%, to finish at 12108.43. The price of the benchmark 10-year Treasury note rose every day of the week, sending the yield down to 4.590% at week's end.

The Dow finished just short of the record close of 12176.54 that it achieved Wednesday. It rose on every day except Thursday, including a gain of 5.13 points, or 0.04%, Friday. It is up 13% in 2006.

Some sectors -- big drug companies, big telecommunications companies, big oil -- have suffered. Investors worry that Democratic legislators will try to regulate those industries more heavily, limiting profits.

But technology stocks have done well, boosted by hopes for the economy and by a reassuring sales forecast from Cisco Systems. The prevalent view among investors was that the political campaign meant little to stocks, and that low interest rates and a resilient economy meant a lot more.

"The Republicans couldn't pass much of their program when Democrats had 45 senators. Now the Republicans have 49, so the Democrats probably can't pass anything either," said Alfred Kugel, chief investment strategist at Chicago investment-management firm Atlantic Trust/Stein Roe. "In the meantime, the economy is doing fine if you aren't in the housing business. Earnings are doing well. Employment is good."

Hopes are spreading that inflation will remain tame and that this will permit the Federal Reserve to avoid any interest-rate increases, which would be good news for consumers and businesses alike. Some pundits, in fact, forecast that the Fed could cut rates next year, to give the economy a little boost.

The dollar has been suffering compared with the euro, hitting two-month lows, as Chinese authorities hint that they will diversify into things like the euro and gold.

Investors are nervous about crude-oil futures, which bounced above $60 during the week. But the slowing economy has helped keep oil futures well off this year's highs. On Friday, they fell $1.57 to $59.59 a barrel, down 2.4% for 2006 but up 0.8% on the week.

Another worry is that the Dow industrials haven't pulled back as much as 10% since 2003, which is a long time. The industrials are up 12.7% since July 14, a big gain with very little pause to digest. But the end of the year historically has been good for stocks, and many experts think any pullback will occur next year.

The Standard & Poor's 500-stock index and Nasdaq Composite index also rose for the week. The S&P 500 Friday was up 0.19%, or 2.57 points, to 1380.90, ahead 10.6% this year.

The Nasdaq Friday rose 0.58%, or 13.71 points, to 2389.72, up 8.4% in 2006. Neither is near a record, but the Nasdaq recorded its highest finish since February 2001.

Outside the U.S., stocks advanced in dollar terms, including new highs for markets in tocks in India, Indonesia and New Zealand. The Dow Jones World Stock Index, excluding U.S. stocks, rose 0.26%, or 0.61 point, to 231.24.

In major U.S. market action:

Stocks advanced. Total trading volume for stocks listed on the New York Stock Exchange was 2.33 billion shares, as 2,182 stocks rose and 1,100 fell.

Bond prices gained. The 10-year Treasury note rose 10/32, or $3.13 for each $1,000 invested. The 30-year bond was up 18/32 to yield 4.697%.

The dollar weakened. Late in New York, the currency traded at 117.59 yen, down from 117.94, while the euro rose against the dollar to $1.2847 from $1.2823.

Shares Up, Led By Home Builders (NYT)

The New York Times, November 11, 2006

Stocks rose yesterday, wrapping up their sixth weekly gain in the last seven weeks, as falling oil prices lifted companies that thrive in an expanding economy. Treasuries had their biggest weekly gain since September on speculation that the government would curb spending.

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KB Home, D. R. Horton and Centex led a rally among home builders, the best performers in the Standard & Poor's 500-stock index. Solectron, a maker of electronic components, had the index's biggest gain after saying that it would meet or exceed profit forecasts.

"I'm very positive on this market as the basic fundamentals are back in place," said John Merrill, who helps manage about $475 million as president and founder of Tanglewood Capital Management in Houston. "It's hard to have better earnings. The market does have further room to rise."

The S.& P. 500 rose 2.57 points, or 0.2 percent, to 1,380.90. The Nasdaq composite index increased 13.71 points, or 0.6 percent, to 2,389.72, its highest close since February 2001.

Walt Disney weighed on the Dow Jones industrial average, which added 5.13 points, to 12,108.43. Disney said that a higher tax rate might reduce earnings next year.

In the last five days, the S.& P. 500 rose 1.2 percent, the Dow gained 1 percent and the Nasdaq climbed 2.5 percent. Technology companies led the weekly advance on better-than-expected earnings and expectation that gridlock in Congress might forestall new regulations.

Treasuries also rose on expectations that demand for new securities would climb. Democratic control of Congress may lead to lower spending.

Yesterday's gain helped bonds erase losses from Nov. 3, when a government report showed that the national unemployment rate fell to a five-year low, raising concern that growth might be strong enough to allow the Federal Reserve to keep interest rates steady.

The 10-year Treasury note rose 6/32, to 1009/32. The note's yield, which moves in the opposite direction from the price, fell to 4.59 percent, from 4.63 percent.

Yesterday, crude oil fell the most this month after the International Energy Agency cut its demand forecast for the third consecutive month.

World oil demand this year will average 84.49 million barrels a day, 80,000 barrels a day less than estimated last month, the agency said. Slower growth in Chinese use of transport fuels, especially gasoline, was behind the revision, it said. China, the world's second-biggest oil consumer, behind the United States, is still expected to drive growth this year and next.

"The I.E.A. has cut its demand forecast for three months in a row, which could be the start of a trend," said Kyle Cooper, director of research at IAF Advisors in Houston. "This is very different from 2004 and 2005 when we saw demand revised higher repeatedly. This may be evidence that these high prices are putting a lid on demand growth."

Crude oil for December delivery fell $1.57, or 2.6 percent, to $59.59 a barrel on the New York Mercantile Exchange. Prices were up 0.8 percent this week and are 3.1 percent higher than a year ago.

The dollar declined versus the euro and yen after the head of China's central bank, Zhou Xiaochuan, said the nation would keep diversifying its foreign exchange reserves.

The dollar fell after Mr. Zhou said China would "stick to the existing policy" of reducing the share of United States assets it holds. The European Central Bank president, Jean-Claude Trichet, and the Bank of Japan governor, Toshihiko Fukui, suggested this week that they would raise interest rates, adding to the allure of their currencies.

"It was just a timely reminder there is a potential the Chinese central bank will diversify out of dollars into euros and even sterling," said Mike Moran, senior currency strategist at Standard Chartered Bank in New York. "People have forgotten about this in a market where the dollar bears are winning out."

The dollar traded at $1.2847 per euro from $1.2824 on Thursday and $1.2718 a week ago. The dollar has declined about 1 percent this week versus the euro.

Virginia Sen. Allen Concedes Defeat (AP-Y)

By Matthew Barakat, Associated Press Writer

AP, November 10, 2006

As Sen. George Allen entered the campaign season, he anticipated smooth sailing toward an all-but-certain re-election that would bolster his presidential aspirations.

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But on Thursday, suggesting that "the prevailing winds were against us," he conceded defeat to Democrat Jim Webb, ending not only his once-promising 2008 prospects but also GOP control of the U.S. Senate.

His rapid fall from political grace, aided by verbal gaffes and a nationwide Republican backlash, was complete.

Polite after a campaign that had been anything but, Allen said he would not demand a recount in a race Webb won by fewer than 9,000 votes out of 2.37 million ballots cast.

Allen said "the owners of government have spoken and I respect their decision," though a day earlier his campaign said it likely would wait for the State Board of Elections to complete its canvass before conceding.

"The Bible teaches us there is a time and place for everything, and today I called and congratulated Jim Webb and his team for their victory," Allen said.

The conservative Republican senator lost to a fellow Reagan acolyte who served as the former president's Navy secretary before becoming disenchanted with the GOP.

At a news conference and rally, Webb's supporters roared when he took his Marine son's battered combat boots from a bag and held them high above his head. Webb, whose son is fighting in Iraq, had worn the boots throughout what he called "an unnecessarily brutal campaign."

Allen chose not to demand a recount when initial canvassing of the results failed to significantly alter Webb's lead.

"I see no good purpose being served by continuously and needlessly expending money and causing any more personal animosity," he said. "Rather than bitterness, I want to focus on how best Virginians can be effectively served by their new junior senator."

Webb said Allen "was very gracious" in their conversation. He alluded to the nasty tone of the campaign, saying he told Allen that "it's vital to stop the politics of divisiveness, character assassination, distraction."

The Virginia contest was the last undecided Senate race in the country, and Webb's victory tipped the scales, giving the Democrats control of 51 Senate seats and majorities in both the House and Senate for the first time since 1994.

Earlier in the day, Sen. Conrad Burns conceded the Montana Senate race to Democrat Jon Tester, catching Tester on the phone as he headed for a barber shop to get his famous flattop hair trimmed.

The call was "very cordial, very professional. It was positive," Tester, a farmer and state legislator, told The Associated Press.

Burns, a three-term GOP senator whose campaign was also troubled by gaffes and voter discontent, made no public appearances. But he released a statement saying he was ready to "help as Montana transitions to a new United States senator."

"We fought the good fight and we came up just a bit short. We've had a good 18 years and I am proud of my record," he said.

In Virginia, Allen had been expected to cruise to a second term this year and make a run for the White House in 2008. The son of a Hall of Fame football coach, Allen served as governor in the 1990s and was popular for abolishing parole and instituting other conservative reforms.

But in Webb he faced an unconventional challenger. Supporters drafted Webb, a political neophyte, to run because of his early opposition to the Iraq war.

Allen, 54, was comfortably ahead in polls until August, when he mockingly referred to a Webb campaign volunteer of Indian descent as "Macaca," regarded by some as a racial slur. The incident, caught on videotape, became international news. Some former football teammates from the University of Virginia also charged that Allen had commonly used a slur for blacks — something he denied.

Webb, a 60-year-old Naval Academy graduate and decorated Vietnam veteran, tried to link Allen to President Bush and the war during the campaign. He also used a video in ads that showed Reagan praising him.

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Associated Press writers Bob Lewis in Richmond and Matt Gouras in Helena, Mont., contributed to this report.

Democrats Take Control Of Senate As Allen Concedes To Webb In Va. (WP)

By Michael D. Shear And Alec MacGillis, Washington Post Staff Writers

DOJ_NMG_0093378

The Washington Post, November 10, 2006

Victor Vows New Approach To Iraq War

Democrat James Webb, who campaigned for Virginia's U.S. Senate seat by opposing the war in Iraq and calling for economic fairness, yesterday succeeded in his improbable bid to unseat Republican George Allen, giving the Democrats a 51-seat majority and control of both houses of Congress.

Webb's lead over Allen widened yesterday in the post-election vote canvass, and Allen graciously conceded to Webb to make the victory official. A short time later, Virginia's newest senator, who lives in Fairfax County, addressed a giddy crowd of hundreds of supporters in front of the Arlington County Courthouse.

His victory ended two days of suspense over which party would control the Senate. Going into Tuesday's election, the Democrats needed six seats for control, and it was Webb, a former Republican and Reagan administration official, who gave them the sixth seat.

"It is Virginia that turned the Senate blue," Gov. Timothy M. Kaine (D) told the cheering crowd.

Webb will take his place in a Congress in which Democrats will control both houses for the first time in 12 years.

"Mark Warner began a journey. Tim Kaine added on to it," a triumphant Webb said, referring to the state's back-to-back Democratic governors. "We are going to add on to it even more."

Webb said that Allen called him to concede and that the two former adversaries would have lunch next week. He called the campaign "unnecessarily brutal" and said he would talk to Allen about how they can help stop "the politics of divisiveness, character assassination, distraction."

A decorated former Marine with a son serving in Iraq, Webb wore combat boots throughout the campaign as a symbol of his early criticism of the conflict. Before speaking in Arlington, Webb took off the boots and held them in the air, delighting the crowd. He promised a new approach to the war that he said will lead to a diplomatic solution.

He also said, "We are going to work very hard on issues of economic fairness in a country that has become too divided by class."

Webb will join Sen. John W. Warner (R-Va.) in the Senate, where he will likely become a member of the Senate Foreign Relations Committee and a spokesman against the war with substantial credentials. Warner and Webb are part of a small fraternity, having both served as secretary of the Navy.

Webb, 60, was a Republican for most of his life and for a time served under the godfather of the modern GOP, President Ronald Reagan. But his election to the Senate delivered a final blow to the Republican Party.

"We will begin the process of putting this country back on the track where it needs to be," Webb said at yesterday's rally.

Sen. Charles E. Schumer (D-N.Y.), who as chairman of the Senate Democrats' campaign arm helped Webb win the Democratic primary in June and later helped finance the campaign's expensive media barrage, stood by Webb yesterday, beaming as he thanked the newest member for delivering the Senate to the Democrats.

"What color is my tie? What color is my suit? What color is my Senate?" Schumer asked the Arlington crowd, which yelled, "blue!" in response to each question. "We couldn't have taken the Senate without Jim Webb."

Shortly before Webb's speech, Allen humbly conceded defeat, bowing to the electoral reality that he trailed Webb by an insurmountable lead and sparing the country a recount that could have left control of the Senate in limbo for weeks.

"It is with deep respect for the people of Virginia, and to bind factions together for a positive purpose, that I do not wish to cause more rancor by protracted litigation which would, in my judgment, not alter the results," Allen said in a 12-minute speech to supporters at the historic Carlyle House in Old Town Alexandria.

Allen campaign officials had initially put plans into motion to challenge Virginia's election after coming within 0.3 of a percentage point of Webb's lead. But after local election officials spent Wednesday and part of yesterday reviewing the totals as part of a routine post-election canvass, Webb's margin actually grew. Webb had a lead of 8,942 votes last night.

Allen concluded that further reexamination of the 2.3 million ballots in Virginia would not change the outcome. Speaking of the nearly even percentage split of votes in the contest, Allen said, "We have two '49-ers. But one of them has 49.55, and the other has 49.25."

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In a speech filled with humility and respect rarely seen on the campaign trail, Allen praised Webb and said he was not bitter about losing. The former governor, 54, hinted that his life in politics is not over despite his stunning defeat to a political newcomer who trailed him by 16 points just 12 weeks ago.

"Sometimes winds -- political or otherwise -- can blow the leaves off branches and even break limbs," said Allen, flanked by his wife, Susan, and Sen. Warner. "But a deep-rooted tree will stand, stay standing, will regrow in the next season. In this season, the people of Virginia, who I always call the owners of the government, they have spoken. And I respect their decision."

Under Virginia law, Allen could have asked for a recount because his Democratic opponent was ahead by less than 1 percentage point. But several Republican sources said Allen received pressure from advisers and GOP colleagues in Washington who believed that little would be gained.

Sources close to Allen said Republicans in Washington were in no mood for a quixotic fight over Allen.

President Bush yesterday extended an olive branch to Democrats, inviting likely House Speaker Nancy Pelosi (Calif.) and Steny H. Hoyer (Md.), the No. 2 Democrat in the House, to a private luncheon.

The supporters who gathered yesterday afternoon for Allen and Webb reflected the results.

Before Webb spoke, a dozen supporters milled about on Clarendon Boulevard, near the courthouse, holding signs. Laura Sonnenmark, of the Alexandria section of Fairfax, held a sign that read, "Thanks Jim. We knew you could do it."

She said, "We feel awesome, optimistic -- like we helped the country. To America, Virginia says, 'You're welcome.' "

The several hundred Allen staffers and supporters gathered outside the Carlyle House took the senator's concession hard, with several crying as he spoke in front of the 18th-century building. But most of those interviewed said they agreed with the decision not to pursue a recount.

"For what was best for Virginia and moving forward, he needed to do what he did today," said Anthony Bedell, 38, of Falls Church, who has worked or volunteered for several Allen campaigns. "It's a tough one to swallow, but the senator did the right thing today."

Several supporters commented on the conciliatory tone of Allen's remarks, which included a pledge to assist Webb in his transition. This tone reflected the gracious, congenial manner they have admired in Allen, supporters said. "He had class," said James Glenn, 64, of the Mount Vernon section of Fairfax. "He's a good man."

Staff writer Tim Craig contributed to this report.

Allen Concedes, Gives Senate To Democrats (WT)

By Christina Bellantoni And Seth Mclaughlin, The Washington Times

The Washington Times, November 10, 2006

Virginia Sen. George Allen yesterday conceded defeat to Democrat James H. Webb Jr. in his re-election bid, allowing Democrats to take the reins of the U.S. Senate for the first time in many years.

"In this season, the people of Virginia, who I always call the owners of the government, they have spoken, and I respect their decision," the Republican told supporters gathered in Old Town Alexandria just after calling Mr. Webb to congratulate him.

Mr. Webb unseated Mr. Allen Tuesday by just under 9,000 votes, according to an unofficial count. Mr. Allen, a former governor, noted he is within his legal rights to request a taxpayer-funded recount because the margin is three-tenths of one percent, but declined to do so.

"It is with deep respect for the people of Virginia and to bind factions together for a positive purpose that I do not wish to cause more rancor by protracted litigation, which would, in my judgment, not alter the results," Mr. Allen said, standing next to Virginia's senior Sen. John W. Warner, a Republican.

A few hours later in Arlington, Mr. Webb, a former Republican who served as President Reagan's Navy secretary, pumped his fists in the air in front of thousands of supporters gathered to cheer on the senator-elect at his victory rally.

"I am indebted to you, and I won't forget my loyalties," he said as the crowd pushed to shake his hand and thank him for delivering the Senate to the Democrats.

Mr. Allen's loss -- the third consecutive top office lost by state Republicans -- leaves the Virginia Republican party in disarray.

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"George Allen is the patriarch of the modern Republican party in Virginia," said Lt. Gov. William T. Bolling, one of several Republicans jockeying to be the new leader. His win last fall buoyed depressed party loyalists after their candidate Jerry W. Kilgore lost the gubernatorial race to Democrat Timothy M. Kaine.

Now, conservatives can choose to unite behind former leaders with an anti-tax message -- such as James S. Gilmore III, the last Republican chief executive -- or centrists such as Rep. Thomas M. Davis III, who work with the opposing party. Mr. Davis won re-election Tuesday in a changing and growing Northern Virginia district that favored Mr. Webb.

The party has two years to figure out its message before two major elections -- the expected retirement of Mr. Warner from the Senate and the 2009 governor's race.

The soul-searching elevates Mr. Bolling and Attorney General Robert F. McDonnell, each of whom wants to be governor, and Mr. Davis, who is interested in being senator.

Mr. McDonnell, a longtime friend of Mr. Allen, praised him for his work eliminating parole in the 1990s as governor and for bringing jobs to Virginia. He said the concession is "an act of honor, character and putting the needs of his beloved Virginia first, attributes that have defined George Allen throughout his public career."

The anti-tax socially conservative wing of the party has struggled to woo voters in the growing Northern Virginia suburbs, which have voted Democratic in the past three statewide elections.

Mr. Gilmore, who is interested in seeking political office, said Republicans must "control spending" if they want to return to power. "This has been a chronic problem for quite a while," he said.

Mr. Gilmore would not name a new head of the party, saying it is the ideas that matter, not the personality. "The key is what is important to the people of Virginia and the United States. It is not about us, it is about them," he said.

But, the Democrats say Republicans need to realize the state has been changing, starting with Gov. Mark Warner's election in 2001.

"We have a much, much stronger Democratic Party," Mr. Webb said, standing with Mr. Kaine at his victory rally yesterday. "We have a situation in Virginia where Mark Warner began a journey, Tim Kaine has added onto it, we are going to add onto it even more."

Democratic Senatorial Campaign Committee Chairman Charles E. Schumer, sporting a blue tie and blue suit, asked the crowd what color his clothes were. "Blue!" the crowd shouted.

"We could not have taken the Senate without Jim Webb and his steadfastness," the New York Democrat said.

Mr. Kaine agreed: "It is Virginia that turned the Senate blue."

Specifically, Northern Virginia delivered Mr. Webb his slim victory, a trend Republicans are noting.

"We need to do something different," said Delegate David B. Albo, Fairfax County Republican. "From my standpoint it's not just Allen's loss. If you look at the trend, George got the same numbers Jerry Kilgore got in Northern Virginia. A lot of people think it's Iraq, I think it's that Northern Virginia is not voting for Republicans."

If Mr. Allen finds a way to motivate the region's voters, he might have a political future.

Standing at the finish of a bitter, mudslinging campaign, Mr. Allen took a conciliatory tone and said Virginians haven't seen the last of him.

Mr. Warner introduced Mr. Allen as one of Virginia's "favorite sons" and promised their friendship and working relationship would continue, a hint that the senior senator could coronate Mr. Allen to run for his seat in two years, should he retire.

"We live to fight another day for our vision of America's future," Mr. Allen said to the crowd, which was larger yesterday than some of his last few rallies combined.

Sobbing staffers and sad-faced supporters gathered around as he made his remarks, and cheered when Mr. Allen said, "come January, not as a senator but as an American citizen, you can count on me" to work on the issues he pushed during the campaign, including energy independence and competitiveness.

Many politicians say negative ads were the death knell to Mr. Allen's campaign, and Mr. Webb yesterday called on President Bush to tell members of his party to "stop the politics of divisiveness and character assassinations."

He also noted Mr. Allen was "gracious" in his phone call and that the two men plan to have lunch next week.

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Republican National Committee Chairman Ken Mehlman attributed Mr. Allen's loss to "missteps in the campaign" and "a tough environment" for Republicans this year.

He also said Mr. Allen's past success played into his downfall. As governor, he brought many technology companies to Virginia, driving population growth among residents who have been voting Democratic in Northern Virginia.

• Amy Fagan contributed to this report.

After 2 Decades In Ascent, A Stunning Breakdown (WP)

By Michael D. Shear And Tim Craig, Washington Post Staff Writers

The Washington Post, November 10, 2006

The George Allen who conceded defeat yesterday in Virginia's nasty U.S. Senate campaign was the one who revitalized Virginia's Republican Party and the one who was considered a front-runner for the White House, with his folksy, football-and-cowboy charm.

Relaxed and smiling, ever gracious, he thanked his campaign staff, talked about his two-decade record of being tough on criminals and reforming schools and finished like the veteran campaigner who won two statewide elections: "Teammates, fellow patriots, stay strong and stand strong for freedom!"

But it was an Allen who was rarely seen on the campaign trail this year.

Instead, the relentlessly cheery politician who was an up-and-comer in the national GOP spent most of the fall during his campaign against challenger James Webb in a defensive crouch, trying to deflect accusations that, down deep, he is a bully or a racist.

Allen began the campaign with a 16-point lead in the polls. As a wildly popular governor and then senator, he was considered a shoo-in for reelection. As Allen visited Iowa and New Hampshire and prepared for a 2008 presidential bid, the conventional wisdom in August was that a stunning victory in the Senate race would position him as the darling of the party.

Then came the now-legendary "macaca moment." He called a Webb volunteer of Indian descent "macaca" and welcomed him to "America and the real world of Virginia." That was followed by his awkward handling of revelations about his Jewish heritage and accusations that he used racial epithets during and after college. He also got caught up in a tide of anti-GOP sentiment that cost Republicans control of the House and the Senate.

"The kind of meltdown that occurred here is a quintessential example about how 24 hours can be a lifetime in politics," said Robert D. Holsworth, director of the Center for Public Policy at Virginia Commonwealth University.

Allen's colleague Sen. John W. Warner (R) is the state party's senior statesman. But it is Allen who has been the face of a new generation of Virginia Republican activists. In his 1993 inaugural address, after overcoming a 34-point deficit to become the state's 67th governor, Allen called the activists his "insurgents."

"George Allen, I think, singularly, turned around the fortunes of the Republican Party in Virginia," said George Mason University political science professor Mark J. Rozell. "He unabashedly reached out to the religious conservatives. Yet, he still had that nice smile, that charisma, that sunny disposition that made him appeal to moderate and independent voters."

Allen rode that appeal first into the Virginia governor's mansion and then into the nation's most exclusive club, the Senate. From there, he hoped it might be a short hop to the White House.

By last December, others thought so, too. In an article in the conservative National Review, editor Richard Lowry wrote that Allen "combines the people skills of Bill Clinton, with the convictions of a Ronald Reagan, with the non-threatening persona of George W. Bush circa 2000, before he became a hate-figure for the left."

Lowry concluded that Allen was a leading contender for the 2008 GOP nomination because he blends "amiability with competitive ruthlessness in a way that makes him, at age 53, one of the nation's top politicians."

Now, Rozell said, "no one talks seriously about George Allen being presidential timber."

Attorney General Robert F. McDonnell (R) issued a statement yesterday calling Allen "the most effective Governor of the modern Virginia era." Lt. Gov. Bill Bolling (R) praised him for efforts "to abolish parole, reform welfare, promote higher academic standards in our public schools; and bring new business, industry and jobs to Virginia."

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But Richmond lobbyist Charlie Davis said Allen "lost his way" when he went to the Senate and failed to grasp the state's changing demographics and moderating politics, especially in population-rich Northern Virginia.

"Once he got inside the Beltway, he got absorbed and detached from the state," Davis said. "When he was governor and he was around the state capital, he was with real people every day who were not reluctant to share their feelings. You get to D.C., for some reason he did not realize the landscape here was changing dramatically."

Longtime Virginia Republicans say Allen also turned away from the insiders who had helped him succeed, bringing in a new team, led by campaign manager Dick Wadhams, who had little experience in Virginia.

It wasn't until September, after the scandals erupted, that Allen brought back his trusted Virginia hands.

G. Paul Nardo, Allen's chief speechwriter when he was governor, said he was sad to see his former boss lose: "I don't think you've heard the last of him."

But Democrats -- and even some of Allen's closest allies -- said yesterday that his defeat should serve as a political red flag that Virginia is no longer the conservative, Republican red state.

"The wrath of Northern Virginia can make Virginia purple," said Gerald E. Connolly (D), chairman of the Fairfax County Board of Supervisors.

At Allen's conciliatory concession speech, several supporters said it was unfortunate that voters had been unable to see more of the same humility from him during the hard-fought campaign.

"I know that on a personal level that was his tone, but how to translate that in the midst of a campaign, we have to learn that," said Brett Berlin, 56, of Alexandria.

Others said they expected, and hoped, that Allen would run again, for Senate in 2008 or governor in 2009. "By being as gracious as he was, he preserves those options," said Howard Lee, 57, of Fairfax County.

Allen also was joined during his concession speech by his daughter, Brooke, who clutched at her side the football Allen often has with him. The senator took the football from his daughter and tossed it to a supporter, who threw it back.

"Final toss. Done," said Allen after making the catch. "See y'all."

Democrats Gain Senate And New Influence (NYT)

By John M. Broder

The New York Times, November 10, 2006

WASHINGTON, Nov. 9 — Democrats gained control of the Senate on Thursday, giving them a majority in both houses of Congress for the first time since 1994 and increased influence over President Bush's policies at home and abroad, starting with the war in Iraq.

The Democrats picked up the seat they needed to capture the Senate when the Republican incumbent in Virginia, George Allen, conceded to Jim Webb, his Democratic challenger, completing a broad realignment of power in Washington. Including two independents who align themselves with the Democrats, Democrats will have a 51-to-49 advantage in the new Senate.

Within moments of Mr. Allen's announcement, Democrats rallied outside the Capitol to celebrate their victory, cheering and chanting, while their leaders began planning how to proceed after a dozen years in which their only taste of power in Congress was when they controlled the Senate for a period in 2001 and 2002.

"The election's over," said Senator Harry Reid of Nevada, who will be the new majority leader. "It's time for a change."

Mr. Bush continued adapting to the new political climate by having lunch with Representative Nancy Pelosi, Democrat of California, who stands on the cusp of becoming the first woman to serve as speaker of the House. He invited Mr. Reid to join him at breakfast at the White House on Friday.

But even as he was extending courtesies to his new partners, Mr. Bush was demanding action on several contentious measures before the Republican-led Congress disbands next month. The president renominated John R. Bolton to the post as United Nations ambassador and asked Congress to complete work on a bill authorizing domestic surveillance by the National Security Agency, both lightning-rod matters for Democrats.

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As Washington was digesting the changed balance of power, there was a sign that the 2008 contest for the presidency had already begun. Tom Vilsack, the Democratic governor of Iowa, announced he was running for president, the first high-profile entrant in an expected parade of presidential hopefuls who will enter the race in coming months.

On the other side of the partisan ledger, the chairman of the Republican National Committee, Ken Mehlman, a close associate of Mr. Bush's political strategist, Karl Rove, said he would step aside.

In Virginia, the margin separating the two Senate candidates was roughly 9,000 votes, or less than one-half of 1 percent of more than 2.3 million votes cast. Under Virginia law, Mr. Allen was entitled to request a recount at state expense, but it was clear from a preliminary review of the ballots that Mr. Allen had little hope of reversing the verdict through recounts or lawsuits.

Senior Republican officials, including a lawyer deeply involved in the 2000 Florida recount battle, counseled Mr. Allen on Wednesday to withdraw rather than fight what would ultimately be a futile battle. After deliberating a day, Mr. Allen decided not to fight.

Mr. Allen said Thursday that he did not want to subject the people of Virginia or the nation to a recount fight that could have lasted until Christmas.

"I do not wish to cause more rancor by protracted litigation that would not, in my opinion, alter the results," Mr. Allen said, speaking on an unseasonably warm mid-autumn day in Alexandria, Va., to a crowd of staffers and supporters, some in tears. "I see no good purpose being served by continuously and needlessly expending money and causing any more personal animosity."

He congratulated Mr. Webb on his narrow victory and made note of the favorable environment for Democrats this year. "They had the prevailing winds," Mr. Allen said.

Mr. Webb, a novelist, Marine combat veteran and former secretary of the Navy, claimed victory 90 minutes later at a rally in Arlington.

He brandished the sand-colored combat boots he wore throughout the campaign in tribute to his son, a Marine lance corporal serving in Iraq.

"Hoo-ah," shouted several marines in the audience as Mr. Webb started speaking, using the military cheer to show their support.

Mr. Webb, occasionally glancing at a three-by-five card of notes, said Mr. Allen and Senator John W. Warner, a Republican and Virginia's senior senator, had called to congratulate him, but he then spoke bitterly of the campaign, calling on Mr. Bush to denounce slice-and-dice political tactics.

"This was a brutal campaign and in many ways an unnecessarily brutal campaign," Mr. Webb said, "and I think it's hurting the country."

Mr. Webb also said that when he took his seat in the Senate he would continue to agitate for a rapid end to American military involvement in Iraq, even if it put him at odds with fellow Democrats seeking a more gradual withdrawal.

"I am walking into the Senate with the independence to represent the people who have no voice in the corridors of power and I intend to do that," he said.

Senate Democrats celebrated their triumph at a rally on Capitol Hill on Thursday afternoon.

Senator Reid and his two top lieutenants, Richard J. Durbin of Illinois, the Democratic whip, and Charles E. Schumer of New York, who ran the Senate campaign committee, appeared with flag-waving staff members.

While Mr. Reid called for bipartisanship and more openness in government, the war in Iraq was the central issue on his mind.

"We believe this country has spoken loudly and clearly," Mr. Reid said.

When Mr. Schumer spoke, his words were punctuated by shouts of "Chuck, Chuck, Chuck."

Also on Thursday, Senator Conrad Burns, Republican of Montana, conceded to Jon Tester, the Democratic State Senate president and an organic farmer, formally bringing to a close a race that members of both parties had declared over a day earlier.

Mr. Burns's phone call caught Mr. Tester on his way to the barbershop to have his distinctive flattop haircut trimmed, according to The Associated Press.

The call was "very cordial, very professional," Mr. Tester said.

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Mr. Burns, a three-term senator, said in a news release, “We fought the good fight and we came up just a bit short. We’ve had a good 18 years, and I am proud of my record.”

The new Senate will have 49 Democrats, 49 Republicans and two independents, Joseph I. Lieberman of Connecticut and Bernard Sanders of Vermont.

Mr. Lieberman and Mr. Sanders will caucus with the Democrats, giving the party effective control, with the right to name committee chairmen and dictate parliamentary rules.

Mr. Bush, who has practiced a muscular brand of partisan combat in the past six years, adopted a more conciliatory tone after his meeting with Ms. Pelosi and the Democratic House whip, Steny Hoyer of Maryland.

“The elections are now behind us, and the congresswoman’s party won,” Mr. Bush said as he and Vice President Dick Cheney met with the two Democrats. “But the challenges still remain and therefore, we’re going to work together to address those challenges in a constructive way.”

Ms. Pelosi said, “We’ve made history. Now we have to make progress.”

The president met with his cabinet in the morning and said he had instructed them to provide briefings for Democratic leaders in Congress and new members.

Mr. Bush, knowing that he has only a few weeks left with Republicans in control on Capitol Hill, urged quick action on budget bills, energy legislation and a bill to admit Vietnam to the World Trade Organization. He is to visit Vietnam this month.

But he will face considerable difficulty with other priorities he expressed on Thursday. Mr. Bush said he wanted the Senate to act before the end of the year on his nomination of Robert M. Gates to replace Donald H. Rumsfeld as secretary of defense and of Mr. Bolton, who is serving under a recess appointment, as the permanent representative to the United Nations.

Democrats have balked at the Bolton nomination and are not expected to change their views, although it was not clear that they would have the votes to derail his confirmation while Republicans hold the Senate.

One Republican who was defeated this week, Senator Lincoln Chafee of Rhode Island, said Thursday he would vote against confirming Mr. Bolton.

Republican recrimination over the Tuesday election wipeout continued another day, with conservatives criticizing Mr. Bush for dumping Mr. Rumsfeld the day after the election and not before, when it might have won some independent votes.

“I was very disappointed,” said Newt Gingrich, the former Republican speaker of the House.

“If the president had replaced Rumsfeld two weeks ago, the Republicans would still control the Senate and they would probably have 10 more House members. For the president to have suggested for the last two weeks that there would be no change and then change the day after the election is very disheartening.”

Wayne Semprini, chairman of the New Hampshire Republican Party, where two Republican members of Congress lost seats to antiwar Democrats, also said he was unhappy.

“I would have rather seen it announced a month or two months ago,” Mr. Semprini said. “It might have made a difference.”

Allen Concedes Defeat, Sealing Transfer Of Senate (LAT)

By Johanna Neuman, Times Staff Writer

The Los Angeles Times, November 10, 2006

WASHINGTON — Virginia Sen. George Allen (R-Va.) conceded today, putting the Senate in Democratic hands for the first time since 2003 and giving the Democrats a sweep of both houses — a seismic shift in the Washington political climate .

Montana Republican Sen. Conrad Burns conceded earlier today in his reelection bid after his Democratic challenger, Jon Tester, claimed victory Wednesday.

Coupled with Allen's defeat, those Senate victories give the party a 51-49 Senate majority, counting two independents who are expected to caucus with the Democrats.

In conceding to Democrat Jim Webb, Allen said a recount would only increase the acrimony that has recently characterized the political landscape.

"I do not wish to cause more rancor by protracted litigation which would, in my judgment, not … alter the results," he said. "I see no good purpose being served by continuously and needlessly expending money and causing any more personal animosity."

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Noting that the results were close, Allen urged supporters to stay strong. "Sometimes winds, political or otherwise, can blow the leaves off branches and even break limbs," he said. "But a deep-rooted tree will stand, stay standing. It'll regrow in the next season."

Within hours, Webb responded, saying that he and Allen plan to have lunch next week to ensure a smooth transition. Allen called on President Bush to "publicly denounce campaign tactics that have divided us," noting the midterms have seen "an unnecessarily brutal campaign."

Meanwhile, Bush met today at the White House with House Speaker-elect Nancy Pelosi (D-San Francisco) and Rep. Steny Hoyer (D-Md.), appealing for bipartisanship in the next two years.

"All three of us recognize that when you win, you have a responsibility to do the best you can for the country," Bush said, calling the conversation "constructive and very friendly."

For her part, Pelosi said the meeting was "very productive" and said both sides had extended "the hand of friendship, of partnership." But in a subtle moment, she said she looked forward to working "in a confidence-building way" to bridge differences.

"We've made history," she said. "Now we have to make progress."

Senate Democrats held a rally this afternoon to claim the mantle of leadership in the upper chamber, shortly after Allen conceded his race to Webb.

Earlier, Bush met with his Cabinet and instructed them to brief key members of Congress on issues within their agencies. Conceding that many voters embraced Democrats out of frustration over the war in Iraq, Bush said he was "open to any idea or suggestion that will help us achieve our goals of defeating the terrorists and ensuring that Iraq's democratic government succeeds."

Control of both congressional chambers would give Democrats a powerful platform to advance their agenda. And for the first time during Bush's presidency, Democrats could make the legislative branch a meaningful counterweight to the White House.

Senate Democratic Leader Harry Reid of Nevada is poised to join Pelosi at the forefront of a newly energized national Democratic Party when the new Congress convenes in January. Both the Democrats and Republicans plan to select their new leaders in caucus meetings next week.

The GOP had grabbed control of the Senate and the House with its landslide win in the 1994 midterm election. Republicans have held the House since then; Democrats regained a Senate majority for about 18 months during Bush's first term, but lost it in the 2002 election.

Webb and Tester declared victory Wednesday. Their wins completed a strong showing by Democrats that seemed unlikely even to many of the party's leaders. Although most were confident they would take the House, fewer believed the Senate was within reach.

Reid was quick to characterize the results as a mandate for sweeping change.

"The days of the do-nothing Congress are over," he said. "From changing course in Iraq to raising the minimum wage to fixing the healthcare crisis to making this country energy-independent, we're ready to get to work."

Meanwhile, White House Press Secretary Tony Snow took a lot of questions about why the president answered elusively when asked a few days before the election whether Defense Secretary Donald H. Rumsfeld would continue to serve.

Snow explained that Bush did not want to create a "political football." The idea, said Snow, was to send "an important signal to Capitol Hill, to the government of Iraq, to our military forces, and also to the terrorists that you can't jerk the president around on the basis of politics, period."

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Times staff writer Janet Hook contributed to this report.

Webb Gives Thanks Early; Allen Aides Still Stunned (WP)

By Michael D. Shear

The Washington Post, November 11, 2006

DOJ_NMG_0093386

Virginia's U.S. senator-elect spent the day after clinching his victory by thanking his staff and beginning the process of making the transition from first-time candidate to freshman lawmaker.

The Democrat announced the addition of former state senator Leslie L. Byrne to his transition team, along with a lawyer from Abingdon. Byrne, also a former congresswoman from Fairfax, will help him set up his office, his spokeswoman said.

"He's tying up some loose ends from the campaign, thanking people, talking to people around the state who supported him," said Webb's campaign spokeswoman, Kristian Denny Todd. "He's working with staff to wrap up the campaign side of things."

Webb will take office when the 110th Congress begins its two-year session in January.

Since claiming victory Tuesday night, Webb has received several calls from his future colleagues, Todd said, including Arizona Sen. John McCain and Virginia Sen. John W. Warner, both Republicans.

As a first-time elected official, Webb also started receiving unsolicited advice from seasoned politicians.

State Del. L. Scott Lingamfelter (R-Prince William) said Webb's biggest challenge is likely to be his inexperience. Lingamfelter likened it to his own first year in the state legislature, when, he now admits, he was too eager to push controversial bills.

"Newly-electeds do come in sometimes with an inflated sense of their mandate," he said. "I didn't know much when I showed up, either. He certainly has the intellect to pick up on it."

Todd said Webb is planning a statewide "thank you" tour before the end of the year, but the trip's timing and details have not been determined. Next week, she said, Webb will attend a two-day Senate orientation.

She said Webb and his wife, Hong, who is pregnant, are also planning to take some time to prepare for the arrival of their child in early December.

In his speech to supporters Thursday, Webb said he had agreed to have lunch next week with Republican Sen. George Allen. Todd said that a time and place have not been determined and that Webb is waiting to hear from Allen.

"Jim is perfectly ready to schedule that when it fits into Senator Allen's schedule," she said.

But she said staff members for Allen and Webb will talk soon about how to transfer information about constituent concerns and other information to the Democrat.

Aides to Allen said they were stunned by the loss, despite knowing for weeks that the race against Webb was very close. Members of Allen's Senate staff, many of whom are young, cried Thursday when they found out he had decided not to seek a recount of the ballots.

Across the state, political observers began getting used to the idea that Allen would no longer be a Virginia senator come January.

"I'm not sure you write an obituary yet," Rep. Thomas M. Davis III (R-Va.) said Thursday. "This is a loss, but he could still come back and be governor again. He got caught up in a bad year, and it was a tough campaign."

Del. Brian J. Moran (D-Alexandria), who is contemplating his own bid for governor in 2009, said he was surprised that Allen's usually successful kind of politics did not carry the day.

"What always made George Allen attractive was his independence," Moran said. "Over the last six years, he was merely a rubber stamp for the administration. He lost his appeal."

Another Layer Of Winners And Losers (NYT)

By Anne E. Kornblut

The New York Times, November 11, 2006

Some of the losers to emerge from the midterm elections on Tuesday were easy to spot, particularly the Republicans who were defeated.

But there were other, low-profile winners and losers along the way: the professionals who rode to victory or defeat on strategies they had created and put into place. And as the results settle in, the game of scoring their performance is under way.

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The most spectacular defeat was that of Senator George Allen of Virginia, who won the prize for most breathtaking downfall, not only losing his Senate seat to help hand power of the entire body to the Democrats, but also tarnishing a once-golden reputation in under three months flat.

Less obvious but no less real was the damage to Mr. Allen's campaign manager, Dick Wadhams, a strategist once celebrated as the "next Karl Rove."

Considered a sharp and sometimes hard-nosed operative — he engineered the defeat of Tom Daschle of South Dakota, then the Senate Democratic leader, in 2004 — Mr. Wadhams had been snapped up by the fledgling Allen presidential campaign to begin running it next year. After failing to contain the damage of a single "macaca" incident, Mr. Wadhams has suffered a tarnishing of his image in Republican circles.

Another adviser to emerge somewhat tainted is Scott Howell, Mr. Allen's media strategist. In addition to consulting for several losing candidates, Mr. Howell made the advertisement in the Tennessee Senate race featuring a blond woman suggestively asking the Democratic candidate, Representative Harold E. Ford Jr., to call her.

While some strategists believe that the spot worked — the Republican, Bob Corker, won — several Republicans distanced themselves from the tactic, which Democrats denounced as race-baiting.

At a slightly more visible level, strategists agreed that the chief Democratic winners were Senator Charles E. Schumer of New York and Representative Rahm Emanuel of Illinois, the top two engineers of the Democratic takeover of Congress.

"Rahm and Chuck are given great credit," said Representative Rosa DeLauro, Democrat of Connecticut and an Emanuel ally.

The jury is still out on Howard Dean, the Democratic National Committee chairman. Mr. Dean quarreled with Mr. Schumer and Mr. Emanuel, the heads of the Senate and House campaign committees respectively, over where to spend money, although they settled some of their differences in the end.

Mr. Emanuel, in particular, pushed hard to save money for "sneak attacks" in about a half-dozen districts in the last four days.

Mr. Dean, on the other hand, argued that rebuilding the Democratic Party by spreading money through all 50 states, including those that had not voted for Democratic candidates for many years, would have the greatest effect. While he cannot claim credit for any specific victories, his efforts may have broadly helped Democrats pick up seats in some Republican strongholds.

With rumblings of a movement to draft Mr. Ford to replace Mr. Dean at the national committee, several Democrats privately said Mr. Emanuel was winning the power struggle.

"It's pretty clear that the committees work and the D.N.C. works, but they don't work together," said James Carville, the Democratic strategist. "And now we're getting ready to gear up in a presidential year, and I think Harold Ford would be a great chairman."

Karen Finney, a spokeswoman for the D.N.C., responded by saying, "After President Bush and the Republicans have admitted to a thumping, why is it that the only one complaining on the Democratic side is James Carville, who today, in addition to trashing Howard Dean, praised the R.N.C., the outfit that brought us the racist ad that defeated Harold Ford, James's supposed candidate for chair?"

Ms. Finney was referring to a comment volunteered by Mr. Carville on Thursday that the Republican National Committee "did a better job than the D.N.C. this year."

Mr. Ford is not without his own problems, however, having lost his Senate race.

On the Republican side, Ken Mehlman emerged as less of a loser than many had predicted the day after the elections, despite the drubbing his party took. Although as chairman of the Republican National Committee Mr. Mehlman led — and lost — the charge to retain control of Congress, he is credited with pushing candidates hard and performing as well as possible in a hostile climate.

Republicans generally said they did not blame him for the disastrous midterms; Mr. Carville said the losses should be pinned "95 percent on President Bush and 5 percent on Liddy Dole."

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He was referring to Senator Elizabeth Dole, Republican of North Carolina, who as chairwoman of the National Republican Senatorial Committee drew widespread criticism as having failed to recruit magnetic candidates and raise enough money. Mrs. Dole's appearances on weekend news shows were occasionally painful, and, in the end, Republicans lost under her watch.

And then there was Senator John Kerry of Massachusetts.

Mr. Kerry, already tarnished by his failed presidential campaign in 2004, came out of the current season looking the worse for wear, after botching a joke that Republicans portrayed as having insulted American troops in Iraq.

"He's a guy who was running second for the nomination," said Stuart Stevens, a Republican consultant. "Now I don't think a Democrat would invite him to a letter opening."

Burns Concedes Montana Race To Democrat (AP-Y)

By Matt Gouras, Associated Press Writer

AP, November 10, 2006

U.S. Sen. Conrad Burns conceded defeat to Jon Tester on Thursday, acknowledging that a tight election had gone to the Democrats' favor, Burns' campaign told The Associated Press.

Burns, a three-term senator whose campaign was troubled by verbal gaffes and voter discontent, congratulated Tester, a farmer and state legislator.

"I stand ready to help as Montana transitions to a new United States Senator," Burns said in a statement provided to the AP. "We fought the good fight and we came up just a bit short. We've had a good 18 years and I am proud of my record."

Burns, 71, did not plan any public appearances Thursday, his campaign said.

He also didn't say what he plans to do now, though he indicated he was looking forward to taking some time off. "I hope there is still a good-sized buck out there, because I am going hunting," he said.

Burns called Tester and conceded in a friendly and cordial conversation at about 11 a.m, said Tester spokesman Matt McKenna.

"This was a hard fought campaign and I think that Montana is glad it is in their rear view mirror and Jon tester is ready to move forward," McKenna said.

Tester, who was busy with chores Thursday, picking up a barrel of oil in Great Falls on the way to his grain farm in Big Sandy, ran as an outsider to the Washington culture — the same theme Burns had used nearly two decades earlier.

"It is absolutely, critically important that we change the direction of the country," Tester, 50, said Wednesday after declaring victory by a thin margin of about 3,400 votes.

Tester said he wanted to empower the middle class, working families, small businesses and family farms and ranches — "the people who have made this country so great."

"It really is time to put politics aside," he said. "We've got many, many issues that are facing this great state and this country, both in foreign policy and domestic policy. We've talked about them for the last 18 months. Now is the time to roll up our sleeves and get some things done."

Tester's win — and fellow Democrat Jim Webb's close victory in Virginia — gave the Democrats the 51 Senate seats they need to control the chamber.

With 100 percent of precincts reporting, Tester had 198,302 votes, or 49.1 percent, to Burns' 194,904 votes, or 48.3 percent.

Together, the two campaigns spent more than $12 million.

Burns had not helped his own cause, with gaffes that included cursing at a firefighting crew in a state that sees thousands of acres burned in wildfires every summer. He was first elected in 1988 as a folksy, backslapping outsider, but this year, he was joined on the campaign trail by President Bush and Vice President Dick Cheney.

Tester resisted help from the national party during his campaign.

When Burns tried to paint Tester as a liberal who wants to raise taxes and "cut and run" from Iraq, the liberal tag didn't seem to stick to the man who sports scuffed cowboy boots and a flattop haircut.

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Tester portrayed himself as a Western moderate who owns guns, opposes gay marriage and has a libertarian's suspicion of the anti-terrorism Patriot Act.

He hammered Burns over his ties to Abramoff. Burns was a top recipient of campaign contributions from Abramoff, who pleaded guilty in January to corruption. Burns has since returned or donated to charity about $150,000 he receive that was connected to Abramoff. He maintains he did nothing wrong and was not influenced by the lobbyist.

Ballot-counting problems delayed results of the race by about seven hours, keeping the nation in suspense. Duane Winslow, election administrator for Montana's most populous area, Yellowstone County, said he made a computer error while tabulating absentee ballots that required officials to start the process over.

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Associated Press reporter Mary Clare Jalonick contributed to this

Rural Montana Farmer Is Going To Washington (LAT)

By Sam Howe Verhovek, Times Staff Writer

The Los Angeles Times, November 11, 2006

Locals are excited that one of their own is joining the Senate. They just aren't sure Jon Tester can help save towns like theirs.

BIG SANDY, MONT. — Big Sandy has had its moments in the sun.

Local boy Jeff Ament made good a few years ago as the bassist for Pearl Jam. The town's "chief claim to worldwide fame," as resident historian Keith Edwards puts it, is the Big Bud 16V-747, a custom-made behemoth that the Guinness Book of World Records lists as the largest tractor on Earth.

But in recent years, the story in Big Sandy, as in countless other farm towns across the Great Plains, has been one of loss.

So this week's win by Jon Tester — a wheat and lentil farmer who also has done stints here as a custom butcher, soil conservation board member, high school basketball referee and music teacher at Big Sandy Elementary School — was huge.

The 50-year-old Democrat eked out a win over Republican Sen. Conrad Burns in Tuesday's midterm election and is headed to Washington come January.

Tester's Western roots are genuine and about as deep as can be: He has never lived anyplace other than the family farm, which his grandparents homesteaded here in 1916.

"No question about it: This is a big deal," said Conrad Heimbigner, manager of Big Sky Auto & Ag. "I don't care if you're Democrat or Republican … this is pretty cool that we have a United States senator from Big Sandy."

In an interview, Tester agreed that his hometown could use some good news.

"It's very typical of rural Montana," the senator-to-be said. "It's struggling to survive."

Residents describe local history by ticking off what's gone: two of the three banks, the "picture show," also known as a movie theater; several restaurants and two-thirds of the student population, which peaked back in 1920. Big Sandy High School is so small that the football team plays the eight-man version, as many Plains towns do.

"Fewer farmers, fewer kids," said Edwards, 88, a retired wheat farmer, founder of the Big Sandy Historical Museum and a onetime cattle-drive partner of Tester's late father, Dave.

Some here are hoping Tester — who sports a trademark flat-top — can draw attention to the plight of dying farm towns, and perhaps even generate some solutions.

Others are not so sure.

"It's a hoot, but I'm not sure it's going to make any darn difference in the long run," said Charlie Briggs, a retired miner who was nursing a beer at lunchtime the other day at the Redneck Club & Casino, a Main Street hangout. "I'm not sure that anything can really help turn this town around."

Big Sandy, a town of about 700 in the north-central part of the state, is ringed by grain silos. It takes its name from a nearby creek, which the Blackfeet called Un-es-putcha-eka; white settlers opted for the "Big Sandy" translation offered by an Indian guide.

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It is classic amber-waves-of-grain, Big Sky country — spectacularly beautiful on a blue-sky day and tremendously foreboding when the sky is shades of gray and a chill, dusty wind blows.

In the early part of the last century, people like Tester's grandparents couldn't get to places like Big Sandy fast enough. For a time, until the late 1920s, the free land, plentiful rain and abundant harvests made for a sort of paradise.

But then came the dust bowl, and many settlers left in droves.

"Forty miles from water and 40 miles from wood, now I'm leaving Montana for good," read a sign, now famous, that was left behind by a member of the Big Sandy exodus.

Still, many folks held on and made a go of it.

Tester, who is 6 feet tall and pushing 300 pounds, farms organically on his 1,800-acre spread here — and he clearly loves it.

"I do a lot of my best thinking right here," he told a visitor over the summer, on the last day of the harvest.

More than one person here compares him to Jimmy Stewart in the famous 1939 film "Mr. Smith Goes to Washington."

But, said Edwards, "I wouldn't carry that analogy too far. I don't think it's realistic to idealize the farmer these days. He's not a straw-chewer; he's a businessman. He's out to get the last buck, even out of the federal government," which gives farmers subsidies.

"Besides, you don't get to be the president of the Montana state Senate by sitting around on your butt," Edwards added. Tester ran for state senator eight years ago and quickly rose up the ranks in Helena, the state capital.

Several people laughed when asked whether they would have thought 20 years ago that the burly butcher cutting up their cow would wind up in the U.S. Senate. But, they said, they detected clues to Tester's ever-rising ambitions over the years.

"I could tell Jon was getting real smart about politics when he decided to stop refereeing basketball games with me several years ago," said Verlin Reichelt, 56, a neighbor and fellow farmer.

"I asked him why, and he laughed and he said: 'Verlin, I'm a politician now. And no matter what you do, if you're a referee at a high school basketball game, that's going to lose you some votes. So I'm out.' "

sam.verhovek@latimes.com

Lawmakers Who Won't Be Missed (WP)

By Colbert I. King

The Washington Post, November 11, 2006

"Conrad, how can you live back there [in Washington] with all those niggers?" When asked how he had responded, Sen. Burns is reported to have . . . said with a chuckle that he told the rancher that it was 'a hell of a challenge.' "

-- The Washington Post, Oct. 22, 1994

Election night in the nation's capital was a pretty tame affair, given that most of the important local races were decided in the September primary. But for some of us who live in the District, the real action on election night took place far beyond city limits.

My attention, for example, was focused on Big Sky Country, where three-term Republican Sen. Conrad Burns was locking horns with the president of the Montana Senate, Jon Tester. It wasn't until late Wednesday morning that we received the good news that Burns had been defeated. It was worth the wait.

Burns lost his seat, in part, because of his ties to corrupt lobbyist Jack Abramoff. But Burns hit rock bottom with some of us 12 years ago when we learned about his slur against the District's African American population.

At the time, Burns was the senior Republican on the D.C. appropriations subcommittee. A former livestock auctioneer and radio announcer, Burns liked to affect a folksy, aw-shucks manner. A Montana newspaper, the Bozeman Daily Chronicle, reported that during a campaign visit with the paper's editors, Burns told an anecdote about an elderly Montana rancher who wanted to know how he could stand living in the nation's capital "with all those niggers." Asked how he responded, Burns reportedly said he told the man it was "a hell of a challenge."

After Montanans raised a stink about the slur, making it clear they didn't think it was as funny as the senator did, Burns apologized.

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Thanks to the wisdom of the people of Montana, Conrad Burns no longer is forced to bear the burden of living among those of us of color. The "hell of a challenge" that Burns faced for lo these many years has ended, and with it his career as a United States senator. To which I shout: "Praise God, from whom all blessings flow."

Grace was also flowing back east in North Carolina on election night. Republican Rep. Charles Taylor lost his job to Democratic challenger Heath Shuler, who once labored for our hometown National Football League team -- a fact better left undiscussed.

Taylor was defeated for reasons having little to do with his former service as chairman of the House D.C. appropriations subcommittee. But, again, we in the District had reason to follow the North Carolina vote count as closely as we watched the D.C. returns.

I'd like to believe that Taylor's loss was retributive justice for the dastardly way he treated the District when he was the chief House overseer of the city's budget.

Who can forget his Jan. 9, 1998, "Dear Colleague" letter to members of the House of Representatives? Emblazoned in large, bold type near the top of the page was this announcement: "The average D.C. student can't read this letter."

It was a Taylor taunt hurled at our public school system and at students' math and reading test scores.

This was the same barbed-tongued Charles Taylor who:

--Directed the city to immediately close the University of the District of Columbia's law school and send the students to other schools. (He didn't succeed.)

--Used to tell us how many cops should patrol the streets and how pay raises should be awarded.

--Had his meat-ax approach to the District's budget, which then-financial control board chairman Andrew Brimmer said tore at the "very fundamental operations of government," overruled by his own House Republican leadership.

A few years ago, Rep. John Hostettler (R-Ind.) introduced legislation to overturn a D.C. Human Rights Office ruling that ordered the Boy Scouts of America to pay two gay Eagle Scout troop leaders $50,000 in damages for discrimination. Mr. Hostettler won't do that sort of thing anymore. His constituents told him to take a hike on Tuesday.

The Democratic takeover of Congress offers the prospect of relief from amendments, or riders, that House Republicans loved to attach to the D.C. budget.

Under Republican rule, Congress banned the District from spending locally raised tax dollars on free needle-exchange programs to curb the spread of HIV -- even though local jurisdictions in half the states provide such services. A Republican Congress also extended a federal restriction on abortion funding to all federal and local money spent in the District. And it adopted a rider that prevented the city from using its own money to lobby for voting representation in Congress. One Republican-led appropriations subcommittee even added a provision to the city budget imposing federal penalties on D.C. children caught smoking.

Under House GOP rule, efforts were made to repeal the District's law prohibiting residents from possessing firearms. Another Republican measure would have allowed residents, except for convicted felons, to own handguns and keep them in their homes. The city was spared that fate only because the House ended up scrapping the national gun bill to which those amendments would have been attached.

Tuesday night's election hardly catapulted the District to the Promised Land. But the regaining of Congress by Democrats may have brought the city some relief from odious Republican budget riders and a welcome respite from the District-bashing in vogue in certain quarters on Capitol Hill for the past 12 years.

Just Call Him Joe Democrat (LAT)

The Los Angeles Times, November 11, 2006

Sen. Joe Lieberman, who won reelection as an independent, has a message for his Senate colleagues in the next Congress: Call me a Democrat.

The three-term Connecticut lawmaker defied party leaders when he launched his independent bid after losing to Ned Lamont in the Democratic primary. During the campaign, he vowed to be an "independent-minded Democrat" if he were reelected.

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At a postelection news conference, Lieberman said he was reassured by Senate Democratic leader Harry Reid that he would retain his seniority in the new Senate.

Democrats Win Bigger Share Of Religious Vote (WP)

By Alan Cooperman

The Washington Post, November 11, 2006

As the results of the midterm elections sank in this week, religious leaders across the ideological spectrum found something they could agree on: The "God gap" in American politics has narrowed substantially.

Religious liberals contended that a concerted effort by Democrats since 2004 to appeal to people of faith had worked minor wonders, if not electoral miracles, in races across the country.

Religious conservatives disagreed, arguing that the Republican Party lost religious voters rather than the Democrats winning them.

Either way, the national exit polls told a dramatic story of changing views in the pews: Democrats recaptured the Catholic vote they had lost two years ago. They sliced the GOP's advantage among weekly churchgoers to 12 percentage points, down from 18 points in 2004 congressional races and 22 points in the 2004 presidential contest. Democrats even siphoned off a portion of the Republican Party's most loyal base, white evangelical Protestants.

"The God gap definitely didn't disappear, but it did narrow. And it narrowed in part because evangelical voters had major questions about the direction of the country," argued Democratic pollster Celinda Lake.

In House races in 2004, 74 percent of white evangelicals voted for Republicans and 25 percent for Democrats, a 49-point spread, according to exit polls. This year, Republicans received 70 percent of the white evangelical vote and Democrats got 28 percent, a 42-point spread.

Democratic activists joyfully compared the overall seven-point shift in the evangelical vote to the inroads that President Bush made in a core Democratic constituency -- African Americans -- in battleground states in 2004. "Boy, have we come a long way since 2004," said Mara Vanderslice, who was director of religious outreach for Sen. John F. Kerry's presidential campaign.

"We still have a long way to go, but what this election showed is that Democrats can begin to compete for the evangelical vote. Moving seven points within a community that large can absolutely swing tight races," she said.

Evangelical leaders blamed corruption and big spending by Congress -- rather than the party's positions on social issues such as same-sex marriage -- for the GOP's defeat.

Evangelical Christians are "fed up with the Republican leadership, particularly in the House," said the Rev. Richard Land, head of the public policy arm of the 16 million-member Southern Baptist Convention. "They're disgusted that Republicans came to Washington and failed to behave any better than Democrats once they got their snouts in the trough."

Roberta Combs, chairman of the Christian Coalition, said responsibility for the GOP's loss of the House and Senate "goes right back to the leadership, the corruption among Republicans."

And James Dobson, founder of Focus on the Family, issued a statement saying that "many of the Values Voters of '04 simply stayed at home this year" because the Republican Party has "consistently ignored the constituency that put them in power."

In fact, white evangelical Protestants turned out this week as heavily as they did in 2004, making up roughly 24 percent of the electorate both times. "This is a solidly Republican voting bloc that there was reason to believe might stay home. Given the polling before the election, the amazing thing was that the Democratic swing wasn't bigger," said John C. Green, a senior fellow at the nonpartisan Pew Forum on Religion and Public Life.

The finger-pointing came as conservative Christians absorbed the gravity of their losses, including the defeat of congressional standard-bearers such as Rep. John N. Hostettler (R-Ind.), Rep. Jim Ryun (R-Kan.) and Sen. Rick Santorum (R-Pa.).

In addition, voters in South Dakota overturned the nation's tightest abortion ban. In Missouri, they passed a measure supporting stem cell research. In Kansas, they defeated Phill Kline, an attorney general who had aggressively investigated abortion clinics.

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Seven states passed constitutional amendments barring same-sex marriage, but by much tighter margins than in the 11 states that adopted similar measures two years ago. In Arizona this week, voters rejected a marriage amendment, the first time gay rights advocates have beaten such an initiative anywhere in the country.

In the view of religious liberals, the results showed that wedge issues have lost some power.

"People really care about right and wrong more than right and left, and their antennae were up about corruption and the war in Iraq and kitchen-table moral issues -- health care and poverty," said Alexia Kelley, executive director of Catholics in Alliance for the Common Good, a group that set out this year to challenge the religious right's hold on moral issues.

Kelley noted that Democrats received the support of 55 percent of Catholic voters and Republicans got 44 percent, a sharp reversal from 2004, when the GOP won a narrow majority of the Catholic vote in congressional races.

In the states where Democrats fielded candidates who were able to speak credibly about their faith, they made larger gains, according to Vanderslice, who served as a consultant to half a dozen Democratic candidates. Among her clients was Ted Strickland, a minister who won 58 percent of the Catholic vote and 51 percent of the white evangelical vote in the Ohio governor's race against Ken Blackwell, a Republican who has championed conservative Christian causes.

As they contemplated the results, religious conservatives anticipated attacks by business interests and fiscal conservatives within the GOP who think the party should focus on budget deficits and Iraq -- and put less emphasis on culture-war issues such as opposing embryonic stem cell research and keeping Terri Schiavo on life support.

David Barton, head of WallBuilders, a Texas-based evangelical group, predicted that fiscal conservatives would cite California's Republican governor, Arnold Schwarzenegger, as a model.

"They will say, 'Schwarzenegger won and won big; the guys that lost are the social conservatives -- Hostettler, Ryun.' And so there's going to be a push within the Republican caucus to move further away from social conservatives," Barton said.

Even before the election, former House majority leader Richard K. Armey (R-Tex.) called Dobson a "bully" who diverted the GOP from its core mission as the party of small government. On Wednesday, Sen. Arlen Specter (R-Pa.) said the GOP needs to become "a lot more progressive and a lot less ideological."

Despite the GOP's losses, conservative religious leaders gave no indication they plan to engage in the kind of introspection and repositioning that religious liberals did two years ago. And despite their anger at congressional Republicans, they did not suggest that they were about to abandon the GOP.

"Even though a lot of Democratic candidates talked about faith, and even though a lot of them are devout people who hold similar values, they are part of a party that is liberal," said Janice Shaw Crouse, director of Concerned Women for America's Beverly LaHaye Institute, a conservative Christian think tank. "So the only hope social conservatives really have is the Republican Party."

The Architect Speaks (TIME)

By Mike Allen

Time.com, November 10, 2006

At the White House senior staff meeting in the Roosevelt Room at 7:30 a.m. on Wednesday, Chief of Staff Josh Bolten thanked Karl Rove for his hard work in the elections, and the group around the big table burst into spontaneous applause. It was a much-needed moment of cheer for Rove, the President's chief strategist, after Republicans lost the House and were headed toward the same fate in the Senate in midterm congressional elections that turned into a blue rip tide of voter ire.

"The profile of corruption in the exit polls was bigger than I'd expected," Rove tells TIME. "Abramoff, lobbying, Foley and Haggard [the disgraced evangelical leader] added to the general distaste that people have for all things Washington, and it just reached critical mass."

Exit polls showed heavy discontent with the course of the war, and Bush announced the departure of Defense Secretary Donald Rumsfeld the next day. But Rove took comfort in results of the Connecticut Senate race between the anti-war Democratic nominee, Ned Lamont, and Sen. Joseph Lieberman, who ran as an independent after losing the Democratic primary over his support for the war. "Iraq mattered," Rove says. "But it was more frustration than it was an explicit call for withdrawal. If this was a

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get-out-now call for withdrawal, then Lamont would not have been beaten by Lieberman. Iraq does play a role, but not the critical, central role."

And he does not believe his data let him down. "My job is not to be a prognosticator," he said. "My job is not to go out there and wring my hands and say, 'We're going to lose.' I'm looking at the data and seeing if I can figure out, Where can we be? I told the President, 'I don't know where this is going to end up. But I see our way clear to Republican control.' "

Rove, who is Deputy Chief of Staff and Senior Adviser to the President, had long been warning in speeches that Democrats suffered defeat in 1994 after ossified thinking and an entitlement mentality took over the party: "What I was trying to say was: What happened to them could happen to us," he told TIME.

White House Counselor Dan Bartlett said Bush is "deeply appreciative for the time and effort put in by Karl, and for all the political team's effort." Bartlett pointed to the President's statement at his day-after news conference that as the head of the Republican Party, he shares a large part of the responsibility. "He's not the one that's going to sit there and point fingers at others," Bartlett said.

Despite this week's repudiation of the GOP, Rove said he believes the party can still achieve a long-term majority. "I see this as much more of a transient, passing thing," he said. "The Republican Party remains at its core a small-government, low-tax, limit-spending, traditional-values, strong-defense party. I see the power of the ideas, even in a tough year." He added that he has "fundamental confidence in the power of the underlying agenda of this President," and cited fighting the war on terror, entitlement reform, energy, tax cuts, immigration reform, No Child Left Behind reauthorization, democracy agenda in the Middle East, reducing trade barriers, spending restraint and legal reform.

Rove is famous for his political statistics, and his team has come up with an array of figures to contend that the Republicans' loss of 29 seats in the House and six in the Senate is not so out of whack with the historic norms. In all sixth year midterms, the President's party has lost an average of 29 House seats and 3 Senate seats, according to these figures. In all sixth-year midterms since World War II, the loss was an average of 31 House and 6 Senate seats. And in all wartime midterms since 1860, the average loss was 32 House and 5 Senate seat.

The Republican get-out-the-vote program Rove helped invent precluded even deeper losses, he says. "People were talking 35, 40 or more and it didn't happen," he said. "There were a number of elections which were supposed to be close and ended up not being close."

The Republican National Committee has been pointing out that a small shift in votes would have made a big difference. A shift of 77,611 votes would have given Republicans control of the House, according to Bush's political team. And a shift of 2,847 votes in Montana, or 7,217 votes in Virginia, or 41,537 votes in Missouri would have given a Republicans control of the Senate. In addition, the party has calculated that the winner received 51 percent or less in 35 contests, and that 23 races were decided by two percentage points or fewer, 18 races were decided by fewer than 5,000 votes, 15 races were decided by fewer than 4,000 votes, 10 races were decided by fewer than 3,000 votes, eight were decided by fewer than 2,000 votes and five races were decided by fewer than 1,000 votes.

Rove is an enthusiastic historian, but even he has trouble coming up with a parallel for this wild week. "We may look back and see this as a unique expression," he said. Republicans can only hope.

R.I. Senator May Leave Republican Party (AP-Y)

By Michelle R. Smith, Associated Press Writer

AP, November 10, 2006

Two days after losing a bid for a second term, Sen. Lincoln Chafee said he was unsure whether he would remain a Republican.

Chafee lost to Democrat Sheldon Whitehouse in a race seen as a referendum on President Bush and the GOP. On Thursday, he was asked whether he would stick with the Republican Party or become an independent or Democrat.

"I haven't made any decisions. I just haven't even thought about where my place is," Chafee said at a news conference. When pressed on whether his comments indicated he might leave the GOP, he replied: "That's fair."

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Chafee, 53, is a lifelong Republican who has represented Rhode Island for seven years. His father held the same seat for 23 years before that.

He is the most liberal Republican in the Senate and was the sole Senate Republican to vote against the war in Iraq. But that was not enough to prevail against Whitehouse, who shared many of Chafee's views but was a Democrat in a heavily Democratic state.

Chafee said he has not decided what to do after leaving office, but he hoped to stay involved in public life. He said his loss may have helped the country by switching control of Congress.

"The people have spoken all across America. They want the Democrats and Republicans to work together," he said. "I think the president now is going to have to talk to the Democrats. I think that's going to be good for America."

Chafee said he waged a lonely campaign to bring the party to the middle. He described attending weekly lunches with fellow GOP senators and standing up to argue his point of view, often alone.

"There were times walking into my caucus room where it wasn't fun," he said, adding that he stayed with the GOP largely because it helped him bring federal dollars home to Rhode Island.

Republicans Are Ahead In Remaining House Races (WSJ)

By John Harwood

The Wall Street Journal, November 10, 2006

See updates to Washington Wire each weekday at www.washwire.com1.

REPUBLICANS LEAD in most House races that remain undecided.

Narrow margins for some candidates, such as Buchanan in Florida and incumbent Rep. Hayes in North Carolina, make recounts likely. But "it's very unusual for recounts to alter races," says Carl Forti of House Republican campaign committee, which hopes to keep Democratic gains below 30 seats.

Women gain in Congress. Female senators number 16 with wins by Klobuchar in Minnesota and McCaskill in Missouri. House increase hinges partly on undecided races in Washington, where Darcy Burner hopes to unseat Rep. Reichert.

Three undecided races feature female opponents, including Republican Rep. Wilson vs. Patricia Madrid in New Mexico.

GINGRICH EMERGES as top conservative prospect for Republican 2008 field.

Ebbing fortunes of Santorum, Allen and Frist leave opening for architect of Republicans' 1994 sweep. Gingrich faults Bush for "very disturbing" post-election news conference, saying earlier replacement of Rumsfeld might have saved control of the Senate and 10 House seats.

"He can win some primaries," says Bush ad-maker Mark McKinnon, now with 2008 front-runner McCain. Anti-Washington mood helps departing Arkansas Gov. Huckabee compete with Kansas Sen. Brownback in wooing religious right.

ECONOMIC CONSERVATIVES court incoming Democratic tax chief Rangel.

The American Council on Capital Formation invites Rangel to breakfast next week. Despite campaign attacks labeling the New York Democrat a tax-raising liberal, the council's Mark Bloomfield predicts he'll be "a centrist legislator" who "understands the importance of economic growth."

Democratic and Republican strategists predict Congress will reauthorize the Clinton-era State Children's Health Insurance Program in 2007. Some states have tightened enrollment standards, and in 2005, the number of uninsured children rose for the first time since 1998.

Joseph Antos of American Enterprise Institute says Republicans won't want to look "hard-hearted" on the issue.

TURNOUT RISES to highest midterm election level since 1982. Curtis Gans of American University's Center for the Study of the American Electorate estimates that 40.4% of those eligible to vote did so, up from 39.7% four years ago.

STARTING GUN: Departing Iowa Gov. Vilsack's entry into Democratic presidential race creates early obstacle for 2008 rivals. "What we have to do is win Iowa," says an adviser to former vice presidential nominee Edwards. In 1992, Democrats generally sidestepped Iowa because of favorite son candidacy of Sen. Harkin.

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HOOSIER POWER: Democratic strategist Steve Elmendorf calls Indiana Sen. Bayh "the front-runner" for conservative slot vacated by ex-Virginia Gov. Warner's departure from 2008 field. Bayh touts Democratic pickup of three Indiana House seats; he had also dispatched staffers to help campaigns in Iowa and New Hampshire.

OBAMA COULD cite opposition to Iraq war in a 2008 race, but one potential competitor for that constituency looms. Liberal strategist Bob Borosage says Gore would capture antiwar left "immediately" by entering.

ACTIVISTS SEEKING end to Cuban trade embargo say Democratic control of Congress improves chances. Twelve groups seeking new policy write Rangel and Sen. Baucus, incoming chairman of Senate Finance Committee.

ENVIRONMENTALISTS CLAIM big win with defeat of Rep. Pombo.

As House Resources Committee chairman, Pombo sought to overhaul Endangered Species Act. Green groups poured more than $1 million into the Republican's California district.

Wind-energy consultant Jerry McNerney, once written off, won with 53%. "We have the political strength to...defeat extreme anti-environmental politicians," says Rodger Schlickeisen of the Defenders of Wildlife Action Fund.

Pombo cited the role of "outside groups" in his defeat.

MINOR MEMOS: Blaming "arrogant Republicanism" for losses, one former Bush administration official says "I'm ticked off, too." ... Republican Rep. Tom Cole, seeking support to run House campaign committee for 2008, reminds colleagues, "The most important election is not the last one -- it's the next one."

RNC Asks Steele To Replace Mehlman (WT)

By Ralph Z. Hallow, The Washington Times

The Washington Times, November 10, 2006

Republican National Committee Chairman Ken Mehlman, whose party just lost both chambers of Congress, will leave his position in January, and the post as party chief has been offered to Maryland Lt. Gov. Michael S. Steele.

"It is true," Mr. Mehlman told The Washington Times when asked about reports last night that he would resign. "It's something I decided over the summer. No one told me I needed to. In fact, folks wanted me to stay."

Mr. Mehlman said he "told the White House over the summer it was my decision" to leave the RNC post, "win, lose or draw."

Also last night, Republican officials told The Times that Mr. Steele, who lost his bid for the U.S. Senate on Tuesday, has been sought out to succeed Mr. Mehlman as national party chairman. Those Republican officials said Mr. Steele had not made a decision whether to take the post, as of last night.

Other Republican Party officials said some Republican National Committee (RNC) members, including state party chairmen, have mounted a move to have Mr. Steele succeed Mr. Mehlman.

But they said that President Bush's political adviser Karl Rove, who is Mr. Mehlman's mentor, would rather see Mr. Steele serve in the president's Cabinet, perhaps as secretary of Housing and Urban Development. These officials said no one has actually offered Mr. Steele either the RNC post or a Cabinet post.

Steele spokesman Doug Heye said last night that "I don't know of any conversations that Lt. Gov. Steele has had on this topic, but I can tell you that there are many people who have said he would be an ideal candidate, based on the race he ran this year."

"I talked to him very briefly about it today. He has not made any decisions yet about what he will do next. He is still focused on his role as lieutenant governor," Mr. Heye said.

Mr. Steele is one of the most successful and respected black Republicans in the country. He served as the elected Maryland Republican Party chairman before running for lieutenant governor.

The White House, RNC and National Republican Senatorial Committee (NRSC) were pleased with what they called his tough but dignified performance as senatorial candidate in a liberal state that last elected a Republican senator in 1980. The NRSC had enough confidence in him as a candidate that it directed large amounts of money into independent expenditures on behalf of his campaign in the closing days.

Mr. Mehlman also told The Times he will not step down as Republican national chairman until the RNC's annual winter meeting in Washington. He said he also "will do an intensive after-action review" of the campaign.

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The outgoing RNC chief was a regional political director for the 2000 Bush presidential nomination and general election campaigns and then was named White House political director after Mr. Bush's election.

Mr. Mehlman managed the successful 2004 Bush re-election campaign and implemented the vaunted "72-hour task force" -- the final days program to get out the vote for Republican candidates using the latest and most sophisticated technology and massive grass-roots, door-to-door volunteer program. That Republican "ace in the hole" failed to materialize in 2006, however.

After the 2004 election success, he was the choice of Mr. Rove for national party chairman and Mr. Bush let it be known that he agreed. As is traditional when a Republican occupies the White House, the 165-member RNC then elected Mr. Mehlman as chairman at its winter meeting following the 2004 elections.

Earlier yesterday, Mr. Mehlman was asked at a luncheon with reporters whether he would announce his future plans at the RNC. He said he had made a decision, which he would announce at a future time.

He stressed, however, that he had made that decision before the election losses, and the two weren't related.

Asked about talk that he would join a possible presidential bid by former New York Mayor Rudolph W. Giuliani, Mr. Mehlman said, "I have no plans to do the 2008 primary. I will focus on private sector, the party generally and ultimately on [whoever is] the nominee."

"After seven years of this kind of this [brutal] schedule, I am ready -- and really looking forward to -- the private sector.

"Don't worry," Mr. Mehlman added. "I will remain committed to the cause" of conservatism.

•Jon Ward and Amy Fagan contributed to this report.

Mehlman To Step Down From RNC Post (AP-Y)

By Liz Sidoti, Associated Press Writer

AP, November 10, 2006

Republican National Committee Chairman Ken Mehlman, whose party lost both chambers of Congress in the midterm elections, will step down from his post when his two-year term ends in January, GOP officials said Thursday.

The officials spoke on the condition of anonymity because Mehlman had not yet made his intentions public.

Brian Jones, an RNC spokesman, declined to comment beyond saying that an announcement about Mehlman's future with the party would be made in the days ahead.

Democrats won control of the House and Senate on Tuesday by capitalizing on voter frustration with President Bush, the war in Iraq and the scandal-scarred Congress. Democrats also took a majority of governors' posts and gained a decisive edge in state legislatures.

The officials said Mehlman made the decision not to run for a second term more than a month or two ago — well before the election.

During his tenure, Mehlman, 40, traveled extensively to promote the Republican agenda. When he became chairman in January 2005, he said he hoped to tighten the GOP's grip on power in Washington.

"Nothing is permanent in politics," he said then. "The goal is how do you — both in the short term and the long term — do things to make it sustainable?"

Mehlman also said then that he hoped to expand the GOP base and help Bush enact his agenda.

Last year, Mehlman told NAACP members that the Republican Party was wrong for ignoring the black vote for decades and said he hoped the groups could restore their historic bond.

"Some Republicans gave up on winning the African-American vote, looking the other way or trying to benefit politically from racial polarization," Mehlman said at the NAACP convention. "I come here as Republican chairman to tell you we were wrong."

A protege of Bush's top political adviser, Karl Rove, Mehlman became RNC chairman after managing Bush's re-election campaign in 2004, when the president won re-election and Republicans expanded their majorities in the House and the Senate.

Before that campaign, he served as White House political director under Rove. In 2000, he served as national field director for Bush's first presidential campaign, charged with coordinating the efforts of GOP leaders in every state.

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Previous to that, he worked on Capitol Hill and practiced environmental law in Washington. Mehlman, a Baltimore native, is a graduate of Harvard Law School and Franklin & Marshall College in Lancaster, Pa.

Republican Party Chairman Will Not Seek Another Term (NYT)

By Adam Nagourney

The New York Times, November 10, 2006

WASHINGTON, Nov. 9 — The chairman of the Republican National Committee, Ken Mehlman, said Thursday that he would not seek to retain the post when his term expires in January and would return to a job in the private sector.

"This has been a great ride, but at the same time I have a lot of interests in addition to politics," said Mr. Mehlman, who managed President Bush's re-election campaign in 2004 and was the White House political director before that.

The decision was not a surprise. Associates of Mr. Mehlman said in July that he would not seek a second term as chairman regardless of the outcome of the midterm elections.

He announced his decision two days after an election in which his party suffered sharp setbacks, losing control of both the House and the Senate.

Mr. Mehlman ruled out going to work for any of the 2008 presidential candidates.

"My intention is to focus on identifying a platform that will be professionally rewarding for me for the next decade, that will include politics but not be related to politics," he said.

Mr. Mehlman's time in office has been marked by strong fund-raising — the committee spent $77 million on candidates this year — as well as the pioneering of sophisticated voter identification and turnout technologies that Republicans and Democrats said helped account for his party's successes in 2002 and 2004.

"I'd love to have him come work for me," said Gov. Mitt Romney of Massachusetts, who is preparing for a presidential run in 2008. "He has revolutionized American politics."

Mr. Romney said Republican setbacks this year came about despite the advances Mr. Mehlman made in fund-raising and voter turnout operations.

"I don't think anyone has suggested that the Republican Party's challenges two days ago were due to party machinery," he said.

The praise from Mr. Romney was echoed in an unsolicited call from James Carville, a veteran Democratic operative who is married to Mary Matalin, a veteran Republican strategist.

"The R.N.C. did a better job than the D.N.C. this year," Mr. Carville said, referring to the Democratic National Committee.

He said Democrats succeeded because the party's House and Senate campaign committees compensated for what Mr. Carville described as the shortcomings of the Democratic National Committee, allowing the party to take advantage of a wave of voter resentment directed at Republicans.

"When one of these things hit, it doesn't matter who the party chairman is," he said.

Mr. Mehlman declined to comment on who might succeed him.

Some Republicans said that Maria Cino, the deputy secretary of transportation, had emerged as an early contender.

As the national chairman, Mr. Mehlman is paid $200,000 a year. Unlike recent party leaders, he did not do outside legal or lobbying work.

He said one of his motivations in leaving politics was to make more money.

Mehlman Won't Seek Another Term As Republican Party Chief (WP)

By Dan Balz, Washington Post Staff Writer

The Washington Post, November 10, 2006

Republican National Committee Chairman Ken Mehlman, who guided President Bush's reelection campaign to victory in 2004 and saw his party suffer the loss of the House and Senate on Tuesday, will not seek a second term as party leader, informed sources said last night.

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Mehlman is leaving his position voluntarily and has not come under any pressure from the White House or state party leaders to vacate his position as a result of Tuesday's elections. According to a Republican strategist familiar with developments at the RNC, Mehlman told the White House in August that he would leave after the elections.

Mehlman met with reporters yesterday to review the midterm elections at a lunch sponsored by the Christian Science Monitor and was asked whether he planned to stay on as party chairman. He declined to answer directly but said, "I will announce soon what my plan is in the future."

White House officials are trying to recruit a successor, but it was not known last night whether there was a leading candidate. One name that has emerged is that of Maryland Lt. Gov. Michael S. Steele, who just lost a bid for the Senate. But a GOP source said Steele is not likely to become chairman.

Others mentioned publicly as possible successors include Maria Cino, a former RNC official and now deputy secretary of transportation, and Mary Matalin, former communications director for Vice President Cheney and one of the party's most visible advocates. But a GOP strategist said, "From what I understand, all these names are not on the table."

Mehlman has spent the past seven years helping to advance the electoral fortunes of Bush and the Republican Party.

Assigned to help organize the Iowa caucuses in the 2000 campaign, he quickly rose through the ranks. He has been a protege and confidant of White House Deputy Chief of Staff Karl Rove and a key member of the Republican team that, until this week, had proved to be one of the most successful political units in modern American history.

Mehlman was named White House political director when the president arrived in Washington in 2001 and was elevated to campaign manager for the Bush-Cheney reelection campaign in 2004.

Mehlman used his chairmanship to strengthen the party's sophisticated machinery for identifying and turning out voters, an operation that has won plaudits even from his Democratic adversaries.

He also spent much of his time trying to enlarge the party's coalition, particularly among Hispanics and African Americans. He helped recruit three African Americans -- Steele among them -- as statewide candidates this year. All three lost, but Mehlman said yesterday that he remained committed to making the party more diverse.

The RNC came under criticism in this campaign, however, for sponsoring an advertisement in Tennessee's Senate race that critics claimed was a thinly veiled racial appeal against Rep. Harold E. Ford Jr., who is black.

Mehlman's future plans were not disclosed last night. There has been speculation that he might join one of the 2008 presidential campaigns, but one knowledgeable strategist said he knew of no such agreement. One Republican said Mehlman, a lawyer, might join a politically connected law firm and might play a role in that capacity.

Redistricting: Home To Roost (WSJ)

By Jeanne Cummings

The Wall Street Journal, November 10, 2006

How Republicans' Gerrymandering Efforts May Have Backfired

(See Corrections & Amplifications item below.)

WASHINGTON -- Gerrymandering was supposed to cement Republican control of the House of Representatives, offering incumbents a wall of re-election protection even as public opinion turned sharply against them. Instead, the party's strategy of recrafting district boundaries may have backfired, contributing to the defeats of several lawmakers and the party's fall from power.

The reason: Republican leaders may have overreached and created so many Republican-leaning districts that they spread their core supporters too thinly. That left their incumbents vulnerable to the type of backlash from traditionally Republican-leaning independent voters that unfolded this week.

That helps to explain why three of four Republican incumbents in the Philadelphia area were beaten this week, while the remaining incumbent hung on by just a few thousand votes. In Florida, meanwhile, state lawmakers had shifted some Republican voters from the secure district of former Rep. Mark Foley in an attempt to shore up the re-election chances of Rep. Clay Shaw without risking the Foley seat. Instead, Democrats took both. In Texas, former Majority Leader Tom DeLay's decision to transfer thousands of stalwart Republican voters from his district in 2004 to boost a neighboring seat heightened the burden on the write-in candidate trying to hold Mr. DeLay's seat. She lost it.

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"The trade-off in redistricting is between safety and maximizing the numbers," says Alan I. Abramowitz, a political scientist at Emory University in Atlanta. "You can't do both,"

Redistricting, the traditionally once-a-decade process of redrawing of House districts to adjust to population trends, has always been a contentious procedure. But Republicans, under the leadership of Mr. DeLay, took the opportunity to use it as a reward or punishment to new heights in 2002.

In so doing, Republicans created two new vulnerabilities: the dangerous dilution of core voters and the nurturing of a sense of invulnerability that contributes to corruption and scandal.

"You can do a little thing wrong and, if you were in a district where you might be punished, you probably wouldn't do the little thing," says Michael P. McDonald, a redistricting expert at George Mason University. Today, he said, most House districts aren't in jeopardy unless "you take a bribe for a vote and you are thrown into jail for it."

The drive to maximize seats was seen by Republicans as a matter of survival. Democrats regained ground every cycle after the 1994 Republican takeover. By 2000, the Republican majority had shrunk to 221 seats from 231 in 1994. Democrats, aligned with the chamber's one independent, needed just six seats to retake control in 2002.

So Mr. DeLay and House Speaker Dennis Hastert turned to their allies in the statehouses to redraw congressional district boundaries to erase Democratic seats and give Republicans new ones. "We wish to encourage you in these efforts, as they play a crucial role in maintaining a Republican majority," the two leaders wrote in a letter to Pennsylvania lawmakers.

There are three weapons to employ in redistricting. "Packing" involves concentrating a group of voters, such as African-Americans, in one district. "Cracking" means splitting up a group of voters to diminish their influence. "Pairing" forces two incumbents into the same district. Pennsylvania lawmakers used them all.

Philadelphia's urban voters were packed into Democratic seats, making them bluer than before. Since the state was losing two seats because of a population decline in the 2000 census, six incumbents were paired. That meant four Democrats were left to fight over two seats. And one Democrat was forced to run against an incumbent Republican in a district that favored the Republican.

Then, the legislators employed the supercomputers at Pittsburgh's Carnegie Mellon University to carve up the Philadelphia suburbs. The goal: make four Republican seats by cracking apart any Democratic strongholds left outside the city.

One of those districts, the sixth, starts at the city line and moves west to pick up several suburbs. Then it turns back east to capture conservative Chester County. And then it shoots north into the rolling farms of conservative Berks County where it splits four townships and ends in Reading. Reading itself was broken apart, precinct by precinct, to be shared by the sixth district's then-new congressman, Republican Rep. Jim Gerlach, and incumbent Republican Rep. Joe Pitts, of the 16th District.

"If you look at the Pennsylvania map, it's ugly," says Sam Hirsch, an attorney who argued against the constitutionality of the map before the U.S. Supreme Court. Democrats lost that case 5-4.

After the Pennsylvania redistricting, the partisan make-up of the state's House delegation shifted to 12 Republicans and seven Democrats from a pre-redistricting breakdown of 10 Democrats and 11 Republicans. That meant the balance of the state's delegation shifted from one that was split roughly evenly to one in which Republicans had a five-seat edge.

In 2002 the fruits of the work in Pennsylvania -- as well as similar efforts in Ohio, Michigan and Florida -- were clear when the Republicans' U.S. House majority widened to 229-204. Mr. DeLay wasn't done, though. The next year, he pushed through a new congressional map in Texas that produced another net gain of five Republican seats in the Lone Star state. By 2004, his House majority had grown to 232-202.

While Republicans lauded their Texas coup, pro-Democratic union leaders at the AFL-CIO headquarters in Washington, across the street from the White House, pored over the 2004 presidential and congressional results. They began to put together a pattern: Republican-held House seats where Democrat John Kerry narrowly won or lost also included high concentrations of union members.

In the summer of 2005, they created a target list for the 2006 campaign. The Philadelphia suburban seats of Mr. Gerlach, Rep. Curt Weldon and Rep. Melissa Hart were on it.

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Combined, the lawmakers' districts are home to 182,000 union members. With direct-mail literature and telephone calls, the labor leaders attacked the incumbents for their stands on Social Security and a host of other issues working their way through Congress.

Meanwhile, MoveOn.org, the liberal online group, was working through similar calculations. They put Rep. Michael Fitzpatrick on their target sheet. He won two years ago by 1,500 votes. MoveOn members made 102,000 telephone calls to inconsistent Democratic voters urging them to get out on Election Day. Its members donated $90,000 to his opponent's campaign.

On Tuesday, Mr. Fiztpatrick lost 50.3% to 49.7%. Ms. Hart lost 52% to 48%. Mr. Weldon, who also was stung by late disclosure of a federal investigation of his actions, lost 57% to 43%. Mr. Gerlach, the last Republican standing whose district was custom-made for him, is ahead amid final vote counting, 50.5% to 49.5%

"If Republicans had been a little less aggressive, they could have won several of those seats. If they gave the Democrats one more seat, they could have shored up by several percentage points the other seats," says Nathaniel Persily, a political scientist at the University of Pennsylvania in Philadelphia.

That isn't to say all the Republicans' 2002 redistricting plans went awry. Ohio lawmakers were more conservative than the Pennsylvanians. Before redistricting, their House delegation had 11 Republicans and eight Democrats. Like Pennsylvania, they lost two seats because of population losses. Statehouse Republicans took those two seats from the Democrats. But they only added one Republican seat, creating a partisan delegation split of 12-6.

That is one reason why today several of their incumbents are still hanging on. The state was besieged with scandals and Democrats easily won the governorship and the senate race. Seven of the state's 12 Republican incumbents were on watch lists. But Democrats only have pocketed three of them. Two incumbents were re-elected and two more are clinging to their seats, albeit with tiny margins.

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Corrections & Amplifications:

Pennsylvania Rep. Melissa Hart's district is located in a suburb of Pittsburgh. This article says it was outside of Philadelphia.

Evangelical Leader: GOP Abandoned Voters (AP-Y)

By Jennifer Talhelm, Associated Press Writer

AP, November 10, 2006

Conservative Christian leader James Dobson accused the Republican Party of abandoning values voters in the midterm elections — and paying the price by losing control of Congress. "What did they do with their power?" Dobson said in a statement. "Very little that values voters care about."

Finger-pointing abounded in the days after Democrats seized control of Congress after 12 years in the minority. Dobson, chairman of Focus on the Family, issued a statement railing against the Republicans for letting their majorities slip away.

"They consistently ignored the constituency that put them in power until it was late in the game, and then frantically tried to catch up at the last minute," said Dobson, who argued that religious conservatives ensured GOP wins in 2004.

Dobson also criticized other conservatives, including former Majority Leader Dick Armey, R-Texas — an architect of the 1994 GOP House takeover — for complaining recently that the religious right was "too involved" with the party.

"Without the support of that specific constituency, John Kerry would be president and the Republicans would have fallen into a black hole in '04," Dobson said. "In fact, that is where they are headed if they continue to abandon their pro-moral, pro-family and pro-life base. The big tent will turn into a three-ring circus."

Dobson said he had predicted in 2004 that Republicans might squander their opportunity and pay the price in future elections.

"Sadly for conservatives, that in large measure explains what happened on Tuesday night," he said. "Many of the values voters of '04 simply stayed at home this year."

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The cybersex scandal involving former Republican Rep. Mark Foley of Florida and the fall of Ted Haggard, the evangelical pastor who was fired amid allegations of gay sex and drug use, left some values voters dispirited.

More than four in 10 evangelicals said corruption and scandals were extremely important, and those who felt that way were more likely to vote for Democratic candidates than other evangelicals. About a third who were most concerned about corruption cast their votes for Democrats, according to exit polls conducted for The Associated Press and the networks.

About seven in 10 white evangelicals voted for the Republican candidate, slightly less than the eight in 10 who voted for Bush in 2004.

The relationship between religious conservatives and the GOP has frayed a bit.

Author David Kuo, a former aide in the White House Office of Faith-Based and Community Initiatives, wrote in his book, "Tempting Faith, An Inside Story of Political Seduction," that Bush aides privately called conservative Christians "nuts," "ridiculous" and "goofy."

Focus on the Family is based in Colorado Springs, Colo.

Schwarzenegger Welcomes 'New Blood' In D.C. (LAT)

By Peter Nicholas, Times Staff Writer

The Los Angeles Times, November 10, 2006

MEXICO CITY — Gov. Arnold Schwarzenegger said here today that he was heartened by Tuesday's election resulting in a Democratic takeover of Congress, welcoming what he described as "new blood coming to Washington."

Speaking publicly for the first time about his party's apparent loss of both the U.S. House and Senate, Schwarzenegger said he was hopeful that the changes will jump-start a political system that was paralyzed.

"I think it's good that there are new ideas and new blood, because Washington was stuck," the governor said, after a meeting with Mexican President Vicente Fox at Los Pinos, Mexico's equivalent of the White House. "They could not move forward. Not much was accomplished. I think it was terrible."

Schwarzenegger said he was hopeful that the results would usher in a new era of bipartisan cooperation — similar to what he said he is bringing about in Sacramento.

"So I think the people have spoken in America, all over the United States," the governor told a roomful of California and Mexican journalists. "And they've sent a very clear message to Washington: We are not happy about the way things were going. And I think we want to see a new way of going, and we want to see bipartisanship."

Soon after the governor finished speaking, one of his aides, communications director Adam Mendelsohn, told reporters that Schwarzenegger was not saying he was necessarily pleased to see Congress under Democratic control.

Rather, Schwarzenegger was making the point that "it's good there is an infusion of new ideas and desire for bipartisanship," Mendelsohn said.

Still, Schwarzenegger's tone was a marked difference from that of President Bush.

Schwarzenegger arrived in Mexico City late Wednesday for a two-day trade mission where he is meeting with various political leaders and business executives.

In the meeting with Fox, the Mexican president raised the issue of illegal immigration, a raw subject on both sides of the border. Schwarzenegger said he told Fox that plans to make the border more secure through hundreds of miles of fencing amount to "an incomplete way of solving the problem."

While the U.S. builds its fence, officials in Washington must also enact a guest worker program so that employers have a steady supply of labor and find ways to create new jobs in Mexico so that there is less incentive to cross the border illegally, Schwarzenegger said.

Referring to the 63-person California business delegation that has joined him in Mexico, the governor said: "Right now I have with me a bunch of farmers from California and they're complaining because their crops are spoiling right now and we are losing millions and millions of dollars because we can't get the workers into California."

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Schwarzenegger was accompanied at the breakfast meeting by a dozen people, including his wife, Maria Shriver; his agriculture, business and environmental Cabinet secretaries; Claire Bilby, vice president for Walt Disney Parks & Resorts; and Allan Zaremberg, president of the California Chamber of Commerce, a major business lobbying group.

Schwarzenegger gave Fox and his wife a gift of silver spurs engraved with the California seal.

The governor went from Los Pinos to a supermarket, where he examined the California produce and drank from a glass of California red wine. Large pictures of Schwarzenegger touting California products were displayed near the vegetables and wine.

"This governor really enjoys selling California — all aspects of California, whether it's tourism or the 400 different commodities we produce," said A.G. Kawamura, the governor's secretary of food and agriculture.

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Schwarzenegger Implores GOP To Follow Script Of His Sequel (WP)

By John Pomfret

The Washington Post, November 11, 2006

LOS ANGELES, Nov. 10 -- In his victory speech Tuesday night to a confetti-swamped crowd at the Beverly Hilton, Gov. Arnold Schwarzenegger had a message for the rest of the Republican Party after its worst defeat in decades.

Follow "the California way," he said. "We are proving to the nation that there is another way to go, a better path to solve problems."

Schwarzenegger's landslide victory in a largely Democratic state illustrates the growing power of moderate candidates and the electoral appeal of bipartisanship, and it could contain important lessons for Republicans and Democrats as they seek to position themselves in the future, analysts and politicians said.

"If I was a Republican National Committee chair, I would hire Arnold out and teach Republicans what is necessary to put together a winning campaign," said Sherry Bebitch Jeffe, a political analyst at the University of Southern California. "He really is the poster boy of what Republicans have denied for so long. Elections are won from the center."

In the 56-percent-to-39-percent triumph over Democratic nominee Phil Angelides, described even by his own partisans as a somewhat lackluster performer, Schwarzenegger owned the center. According to an exit poll of more than 2,000 voters done by CNN, almost 60 percent of California's independent voters chose Schwarzenegger, while 58 percent of the people who identified themselves as moderate cast ballots for him. Even 22 percent of Democratic voters voted for the governor.

The reason for this landslide, analysts said, involved the 180-degree reversal Schwarzenegger has undergone over the past year. Schwarzenegger rolled into office on the back of an unprecedented recall election in 2003, promising to govern from the center. For the first year of his administration he did just that. But in late 2004, he embraced partisan tactics. He addressed the Republican Convention, stumped for President Bush in Ohio during a critical period in Bush's reelection campaign, and then, in early 2005, decided to take on all the entrenched-Democratic Party interests in Sacramento at once, including teachers, nurses and prison guards.

"Arnold did this Karl Rove-inspired move to the right," said Bruce Cain, a professor of political science at the University of California at Berkeley. "He got carried away with the 'base' strategy because it worked in 2004. He tried a little bit of Bush politics in California."

The result? Miserable failure. Schwarzenegger pushed a series of ballot initiatives, and in June 2005 Californians defeated all of them.

"Schwarzenegger in 2005 was like an action hero playing Shakespeare," said Don Perata, the leading Democrat in the state Senate. "He wasn't comfortable."

The plot twists that followed rivaled any of the former action hero's movies. He apologized to the voters and changed character. He hired a Democrat as his chief of staff and cut bipartisan deals to limit global warming, boost the minimum wage and reduce the cost of prescription drugs. He clashed with Bush over sending the National Guard to the Mexican border and environmental issues. And he embraced a Democratic Party-inspired, multibillion-dollar bond package to rebuild California's crumbling roads, levees, ports and schools. Democratic lawmakers, including Perata, campaigned side by side with Schwarzenegger to get the bonds passed, which they did.

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As Schwarzenegger said Tuesday night: "I just love doing sequels."

Schwarzenegger's bipartisanship immunized him against attacks by Angelides that a vote for Schwarzenegger was a vote for Bush. Indeed, according to the CNN exit poll, 55 percent of the voters who said they "somewhat disapproved" of the president, voted for Schwarzenegger.

On Thursday, during a two-day trip to Mexico, Schwarzenegger actually sounded satisfied with a nationwide Democratic victory, theorizing that it might be what the country needs to force cooperation.

"I think this is good that we have new blood coming to Washington, that we have new people with new ideas coming to Washington," the governor told reporters, "because Washington was stuck."

A Democratic shift in the country might actually help Schwarzenegger's political future. He is rumored to be considering a run for the U.S. Senate in 2010 to replace Democrat Barbara Boxer.

Another factor that might hold lessons for the country involves California itself. For years, the state has been a laboratory for mean-spirited partisan political campaigns. It has been one of the leaders in spending on negative campaign ads and one of the first states where political consultants experimented with targeted mailings and robo-calls. The 2002 gubernatorial campaign is considered one of the nastiest in the nation's history.

"So," Cain said, "we've gotten sick of partisanship first." Schwarzenegger ran a reasonably clean campaign against Angelides. Perhaps the most negative ad was a lighthearted spot that showed Angelides moonwalking backward as it said he planned to take California back in time.

Patrick Dorinson, communications director for the California Republican Party, said he thinks the message in Schwarzenegger's victory is that results, not ideology, guaranteed victory.

The alternative, he suggested is "to be ideologically pure and lose."

Schwarzenegger, he said, subscribes to the "big tent" idea of the Republican Party as enunciated by Ronald Reagan in the 1960s. Despite his reputation as a hard-line conservative, as a California governor Reagan worked well with Democrats, raised state taxes and signed into law what was, for the time, one of the most liberal abortion laws in the nation.

"You mention 'big tent' to some Republicans now and they say, 'No way, we can't have that,' " Dorinson said. "We've gotten away from this idea, but that was a mistake. The center is where the future is."

Indeed, Schwarzenegger's victory reminded Republicans, said political consultant Allen Hoffenblum, that you cannot get elected by the base alone. Schwarzenegger kept his base; more than 90 percent of Republicans voted for him. But he won because of his broad appeal.

"The Bush obsession with the base, the base, the base doesn't work here," Hoffenblum said. "I think this election showed that it doesn't work anywhere else either."

Gingrich Sees Hope For Conservatives (WT)

By Ralph Z. Hallow, The Washington Times

The Washington Times, November 10, 2006

Republicans, suddenly a minority in both houses of Congress and led by an unpopular president, need to restore their image as the party of small government but at the same time avoid the image of blind obstructionism, party leaders and analysts said yesterday.

"We have to recognize that this was a defeat for Republicans, not for conservatives," former House Speaker Newt Gingrich told The Washington Times yesterday.

There is hope to advance a conservative agenda, Mr. Gingrich said, if House Republicans can find allies among conservative Democrats.

"The balance of power in the House is now 50-plus blue-dog [conservative] Democrats," he said.

It won't be easy for Republicans to recover from Tuesday's defeat, because the party has "completely lost its brand as the party of limited government and low spending," said former Rep. Pat Toomey, president of the conservative Club for Growth.

A poll of 15 key congressional districts by the Club for Growth showed voters now think "Democrats, not Republicans, are the party of smaller government," Mr. Toomey said.

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By a 66 percent to 43 percent margin, voters think the "GOP used to be the party of economic growth, fiscal discipline and limited government, but in recent years, too many Republicans in Washington have become just like the big spenders that they used to oppose," the poll found.

"The American people sent a very important message to both parties and particularly to my party," Republican National Committee Chairman Ken Mehlman told reporters yesterday at a luncheon hosted by the Christian Science Monitor. "I think we've got to listen to that message. I think we've got to recommit ourselves to being the party of conservative reform."

One alumnus of the Gingrich-led 1994 "Republican Revolution" blamed Tuesday's loss on the Bush administration.

"The Republican Party ... needs to recognize that the Bush administration was largely the architect of its defeat, and that the party can no longer afford to play by yesterday's playbook," said former Rep. Bob Barr, Georgia Republican.

According to the "old, time-worn playbook, a sitting Republican president is the head of the party and his team can pick party leaders and dictate the agenda," said Mr. Barr, who warned that "if the party follows that paradigm, it will slip further into minority status."

Republicans "must break with the White House," chart their own course "with new, younger, bolder leadership" and provide "a true alternative" to Democrats, Mr. Barr said.

However, one House Republican said, the need to show legislative accomplishments means that Republicans will have to cooperate with the new Democratic leadership -- even at the risk of alienating conservatives such as Colorado Rep. Tom Tancredo and other opponents of an immigrant guest-worker program.

"There will have to be a guest-worker program of some kind and something that is not a full amnesty," said Rep. Ralph M. Hall, Texas Republican. "That will probably lose the Tancredo faction."

Mr. Hall predicted that Mr. Tancredo "is a smart man and will find a way" to make such a compromise work.

But some warn that bipartisan cooperation can be a trap.

"It is really important that the GOP not allow itself to be drawn into the 'can't-we-all-get-along' role that the liberal pundits and media will now hammer the GOP minority to play," said elections lawyer Cleta Mitchell, a conservative Republican.

She noted that Democrats won on Tuesday after successfully blocking much of the Republican agenda. "The lesson from the Democrats may well be that getting nothing done is better than doing the things that your base opposes," Mrs. Mitchell said.

Unifying Republicans could prove a difficult challenge, given a recent outburst of finger-pointing within the party. Former Rep. Dick Armey, Texas Republican, who has publicly blamed Christian conservatives for the party's declining fortunes, yesterday wrote a column in the Wall Street Journal excoriating congressional leaders who he said had attempted "to rally their political base on wedge issues like illegal immigration and gay marriage," and had thereby "alienated independents."

Mr. Armey's criticism -- and similar comments by Sen. Arlen Specter, Pennsylvania Republican -- angered Focus on the Family Chairman James C. Dobson.

Republicans this year failed to motivate the "values voters" who helped Mr. Bush claim victory in 2004, said Mr. Dobson, who warned that some politicians are attempting to make social conservatives the scapegoats for Republican failures.

"The unfortunate thing is that Republican leaders still don't appear to get it," said Mr. Dobson, quoting Mr. Specter's Wednesday comments that the election results represented a "seismic earthquake" and advising Republicans to become "a lot more progressive and a lot less ideological."

Mr. Dobson said Mr. Armey "can't be serious" in urging Republicans to repudiate Christian conservatives.

"Someone should tell him that without the support of that specific constituency, John Kerry would be president and the Republicans would have fallen into a black hole in '04," said Mr. Dobson, who warned that the Republican Party's "big tent" could "turn into a three-ring circus."

Compounding the Republican Party's problem is the looming 2008 presidential campaign, said Rep. Ernest Istook, Oklahoma Republican.

Republicans "have a great challenge in trying to present a unified message, trying to bring House, Senate and presidential candidates all onto the same page," said Mr. Istook, who was defeated Tuesday in his campaign for governor of Oklahoma. "Unless the GOP nominee becomes apparent early, there will be a struggle to gain this unity."

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Noting the defeat of Virginia Sen. George Allen, once viewed by conservatives as a favorite for the 2008 Republican presidential nomination, Mr. Istook asked, "Do we have a contender with credentials that can bring this conservative unity? Certainly not [former New York Mayor Rudolph W.] Giuliani or [Arizona Sen. John] McCain. This is why I say that it's overly optimistic to think that this is just a two-year setback that will spark an immediate rebound by the conservative movement."

• Amy Fagan contributed to this report.

Minority Report (WSJ)

By Jeff Flake

The Wall Street Journal, November 10, 2006

I was rummaging through my closet the other day when I came across an old T-shirt. Stamped across the front were the words "SCRAP THE CODE: The Armey-Tauzin Tax Reform Debates." On the back was a list of 25 cities on the "National Tax Reform Tour."

What a difference a few years makes. During this election season, Republican congressional leaders awarded members with a bronze bust of Ronald Reagan if they could prove they'd hosted town halls to explain to seniors how to sign up for the newly created Medicare Part D, which created a huge new prescription-drug entitlement in an already huge entitlement program.

And we wonder why we were beaten like a rented mule on Tuesday? * * *

The contest between the parties has come, for now, to a decisive close. But as Republicans, we have a choice to make, and we need to make it soon. The factions of the party must decide: Are we going to re-emerge as the party of ideas -- or be content as assistant hirelings of big government?

We might begin by asking why we lost. Taxes, first, is the easy one, and there is no need for a Republican mea culpa here. We've cut taxes, and Americans and the economy are better off for it. But recently we've been satisfied with putting Democrats "on record" supporting higher taxes. We need to do more. We will soon be bumping up against the deadlines to either repeal or extend the Bush tax cuts on income, estates, capital gains and dividends. This presents an excellent opportunity to rebuild momentum. Our congressional leadership should travel around the country -- concert tour style -- explaining why individuals spend their money better than the government.

Second, spending. This one is more difficult because it requires not just a mea culpa but abject apology. Not the politician-style -- "I'm sorry if you were offended by spending that our opponents have misinterpreted as offensive" -- but rather: "We've overspent, badly, and it was offensive to you as well as our conservative principles. We're sorry, and we're going to do better."

It is not only the level of spending, of course, that has been offensive. It is the manner of spending. Pork-barrel earmarks, or "member projects" (as we preferred to call them so as not to offend our own sensibilities), greatly multiplied under Republican rule. The Democrats were happy as long as enough crumbs fell from the Republican appropriators' table. Now that we are in the minority, will we be similarly satisfied or will we seek to change the practice?

On this issue, our constituents need no convincing. They know it is wrong. We need the courage to enact meaningful reforms, doubly difficult because of the present situation. But if we are chastened -- we ought to be -- perhaps we will emerge stronger for it. If Republicans are serious about changing direction, there will be ample opportunities in the next two years to translate our dormant beliefs into action.

The Farm Bill probably provides the best example of where we've gone wrong, and what we need to do to hew back to our first principles.

During the 1990s, then-Sen. Phil Gramm accurately described U.S. farm policy as "enough to make a Russian Commissar puke." The Republicans assembled the "Freedom to Farm Act," which, starting in 1996, put U.S. farmers on a glide path toward an end to subsidies. Somewhere between the field and the silo, however, we became mired in the political mud. In 2002, we repealed the Freedom to Farm Act and in its place installed the "Farm Security Act" -- those who value the adage about trading freedom for security can pause and shudder here -- with even more lavish subsidies.

Now, with reauthorization of the Farm Bill on the horizon next year, we have to decide whether we will up the ante with Democrats in terms of red state/blue state politics in the heartland, or whether we believe our own rhetoric about free markets.

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This debate will have implications larger than the fiscal one. Most notably, it will determine if we are serious about the future of free trade.

Of immediate concern to Republicans in the House of Representatives is deciding who will be our standard bearer. Can those who have been a part of the current leadership team convince the other members that they've had an epiphany? It's possible, I suppose. But I think we'd be best served with some fresh faces, congressmen like Mike Pence and John Shadegg, who haven't had to travel that road to Damascus.

Mr. Flake is a Republican representative from Arizona.

Bridge To Somewhere (WSJ)

A16

The Wall Street Journal, November 10, 2006

As they lick their wounds, Republicans are no doubt wondering what went wrong and what to do now. The answers aren't all that complicated: Revive the reform convictions that earned them power in the 1990s, and start that process in the House of Representatives by electing a new slate of leaders.

Twelve years ago, the Newt Gingrich-led Republicans swept into power as reformers who ran against corruption and pledged to make government "smaller and smarter." Somehow, across the years, that conviction was replaced by Tom DeLay and the quest for permanent incumbency, Appropriations Chairman Jerry Lewis and the "earmark" brigade, and a retinue of Beltway retainers symbolized by Jack Abramoff. The current leadership let it all happen, and if Republicans want a shot at regaining control in 2008 they'll turn to a new generation to lead them. * * *

If we had to pick the precise moment when House Republicans lost their way, it would be three years ago during the floor vote over the Medicare prescription drug bill. So unpopular was the bill among conservatives, and rightly so, that House leaders kept the vote open for an unheard of three hours as they dragooned reluctant Members to vote aye.

The other great symbol of GOP failure is the proliferation of earmarked spending. In 1994 there were 1,500 such projects stuffed into Democratic spending bills, and Republicans called this a fiscal disgrace. This year Republicans approved closer to 15,000 earmarks at a cost of more than $10 billion. The current leadership defended this earmarking even after such embarrassments as the Alaska Bridge to Nowhere were exposed. When they finally agreed to minimal transparency, it was too late.

Here's one telling exit poll result: In battleground districts, only one in five voters said Republicans would do a better job to "keep government spending under control"; almost twice as many voters said Democrats would do a better job. Yet this week a separate poll found that 59% of Americans still favor fewer government services and lower taxes compared with 28% who favor more government services and higher taxes. "Big government conservatism" was a nice think-tank proposition; it merely lacks support from actual voters.

As a minority party in Congress, Republicans must operate as the party of change, not of Washington insiders willing to sign away their principles for a courthouse or swimming pool in the home district. This doesn't mean they shouldn't work with Democrats when it makes policy sense. But they need to reclaim their fiscal conservative birthright.

Republicans also need to rediscover an agenda for reforming government programs that don't work or threaten to bankrupt future generations. The Gingrich Republicans did that with welfare reform in the 1990s, and they tried with Medicaid. Then President Bush gave Republicans a once-in-a-generation chance to reform Social Security and health care along free market lines, but GOP House leaders fought him behind the scenes. For this alone, they should be returned to the backbenches.

The Senate GOP also committed some of these sins, but likely Minority Leader Mitch McConnell isn't among the big offenders. He's made his mark on policy by fighting for free speech, among other things; he knows the intricacies of the Senate and is likely to prove formidable as an opposition leader.

The problem is the House, where Speaker Dennis Hastert has already announced he won't stand for minority leader. Others in the leadership are claiming to have learned their lesson and promise a new beginning. That's for Members to judge. But we'd be wary of leaders who stake their claim to power on their ability to soak the lobbying mecca of K Street, or who refused to challenge the Appropriators who did so much to besmirch the image of the current, and soon-to-vanish, GOP majority.

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Republicans might also recall what happened to Democrats when they tried to regain the House in 1996 by running with the same leadership and agenda that had been ousted in 1994. Those Democrats failed, despite Bill Clinton's victory at the top of the ticket, because too many voters saw the same old story. If Republicans lose again in 2008, they could be in the minority for a long time. * * *

The good news is that a younger generation does seem to be stepping forward. Mike Pence, of Indiana, has already declared for minority leader, and John Shadegg of Arizona is seeking the number two job as whip. Paul Ryan of Wisconsin, Jeb Hensarling of Texas and Jeff Flake of Arizona (see his essay nearby) are among the other Members who have tried to put ideas above mere incumbency. Republican Members will make up their own minds, but their willingness to consider new leadership will say a lot about the lessons they've learned from this week's drubbing.

Too many Republicans were corrupted and seduced by power and forgot why voters sent them to Washington. Winning back the majority requires new faces of leadership far removed from this year's debacle.

A Putsch At The DNC? (TNR)

By Ryan Lizza

The New Republic Online, November 10, 2006

Some big name Democrats want to oust DNC Chairman Howard Dean, arguing that his stubborn commitment to the 50-state strategy and his stinginess with funds for House races cost the Democrats several pickup opportunities.

The candidate being floated to replace Dean? Harold Ford.

Says James Carville, one of the anti-Deaniacs, "Suppose Harold Ford became chairman of the DNC? How much more money do you think we could raise? Just think of the difference it could make in one day. Now probably Harold Ford wants to stay in Tennessee. I just appointed myself his campaign manager."

Steele Still A Main Attraction (WT)

By Ralph Z. Hallow, Jon Ward

The Washington Times, November 11, 2006

Lt. Gov. Michael S. Steele is being pulled in several directions -- to take over as the national leader of the Republican Party in two months, to take a Cabinet post in the Bush administration or to go into the private sector.

"No one from the White House or the Republican National Committee has formally offered me" the RNC chairmanship or a Cabinet post, Mr. Steele told The Washington Times yesterday.

Top national Republican leaders have told Mr. Steele they want him to succeed Ken Mehlman as RNC chairman in January and are discussing the move with White House chief political strategist Karl Rove.

Other top Republicans, including Mr. Rove, think Mr. Steele should be rewarded for what was widely regarded as his high-quality campaign for the U.S. Senate, even though black Marylanders remained loyal in numbers to the Democratic Party on Tuesday to elect Mr. Steele's white opponent, Rep. Benjamin L. Cardin.

Mr. Steele, 48, sounded ready, even eager, to assume a post somewhere within the party, and to steer a GOP course distinguishable from the one that has disillusioned many voters in recent years.

"The GOP must return to efficient government, to appropriate spending priorities that are not out of line, that don't create deficits, that speak to a strong national defense without failing to understand the need for diplomacy, and the things that will keep this country strong," he said.

"My campaign opened up a lot of eyes about how we can be effective on the ground in urban communities and diverse communities across the country, and hopefully I'll have something to offer," Mr. Steele said.

Mr. Mehlman, as reported yesterday in The Washington Times, has decided to step down at the end of his two-year term when the RNC convenes its annual winter meeting in January in Washington.

Party campaign strategists and elected officials generally agree that Mr. Steele has the political experience, personality and campaign skills to continue a career in politics -- which is precisely what many in the Bush administration would like to see.

Spokesmen for the administration occasionally point out that President Bush has appointed more black, Hispanic and other minorities to top-level posts than any other president.

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Mr. Steele is said to be especially popular with the 165-member RNC -- made up of 50 state party chairmen and an elected committeeman and committeewoman from each state.

"I will be happy if he decides to run for national chairman," Florida Republican Chairwoman Carole Jean Jordan said. "I served with him on the [national] committee when he was the Maryland chairman. He's one of us."

He also appears to have unqualified support from top Republicans in his own state.

"Michael would be an excellent chair," said Joyce Lyons Terhes , an RNC member from Maryland. "He is admired and respected by the members of the committee who got to know him when he was chairman of the Maryland GOP."

Others were more reserved in their judgment.

"Steele was an excellent candidate in Maryland, and his experience from that race should be a tremendous asset to the party if he succeeds Ken Mehlman as chairman of the RNC," Texas RNC member Bill Crocker said. "However, I just don't know enough about his background and basic philosophy to know whether or not he would be the best choice to succeed Mehlman."

Mr. Crocker said the national chairmanship "is going to be critically important to the well-being of the Republican Party in the foreseeable future, and we need the very best we can put there."

Some backers of Mr. Steele fear that a two-year stint as RNC chairman and therefore chief defender of Mr. Bush and his polices will undermine his future in politics by tying him too closely to a president of uncertain popularity.

But as of now, Mr. Steele doesn't sound like a partisan pit bull defending the White House.

"This election was a show of a lack of confidence in the leadership and the direction of the party and the administration," he said. "I think that as a party we need to address that."

Mr. Steele is finishing up his first and only term in elected public office, though he had been an elected county and state party chairman.

He said he has "not heard from anyone" at the White House and has not entered any serious talks with the RNC.

"There has been no serious offer or anything put on the table," Mr. Steele said. "I have just for the last few days been enjoying being at home and actually getting reacquainted with the family."

Mr. Steele has one son in college and another about to enter college, and employment in the private sector might be an attractive financial option at this point, friends say.

Cabinet secretaries earn $183,500 year.

The RNC "chairman's salary equals what the speaker of the House makes, which is roughly $200,000 a year," RNC Communications Director Brian Jones said.

And Mr. Steele said he is not finished with politics.

"Losing is something that it strengthens me. I learn from it," he said. "It doesn't mean you won't win future races."

Corporate Donors Increased Their Support For Dems (USAT)

By Paul Davidson, Usa Today

USA Today, November 10, 2006

Big business hedges bets

Democrats won the most expensive midterm election in history with stronger financial support from big business.

Democratic congressional candidates amassed $616 million vs. $632.2 million for Republicans in the 2005-06 election cycle, according to figures through Oct. 18 from the Center for Responsive Politics.

Corporate donors traditionally favor Republican candidates. In the last midterm contest in 2002, Democrats raised $248.6 million vs. Republicans' $342.2 million.

While Democrats attracted money from longtime supporters, such as trial lawyers and labor unions, they also drew a greater share from industries that lean Republican, such as pharmaceuticals. Some businesses may have been hedging their bets as a Democratic victory appeared more likely late in the campaign.

“The reality is they have to play both sides,” says Sheila Krumholz, the center's acting director.

The total cost of the 2006 federal election was an estimated $2.8 billion, a 27% jump over 2002, the center says.

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Topping the list of Democratic donors was the International Brotherhood of Electrical Workers, which funneled 97% of its $2.2 million in contributions to Democrats. The union supports such Democratic-backed causes as raising the minimum wage.

The Association of Trial Lawyers of America kicked in $2.1 million, 95% to Democrats. The group is battling Republican efforts to limit big payouts in personal-injury cases.

"We're in favor of holding negligent actors accountable when their actions cause harm and injury," says Linda Lipsen, the group's senior vice president for public affairs.

Other big Democratic donors include the entertainment and publishing industries.

Media giant Time Warner channeled 71% of its $1.4 million in contributions to Democrats, the center says. The firm supports tougher digital copyright protections to prevent piracy.

The center's figures on top donors include political action committees and employees, such as top executives, and are based on government filings through summer.

Other Republican-leaning companies balanced out their giving. Wal-Mart Stores sent 31% of its $988,000 in donations to Democrats, up from 19% in the 2004 election. "We partner with elected officials from both sides of the aisle," says Wal-Mart's David Tovar. "We're finding doors are open to us across the political spectrum."

Wal-Mart is a strong supporter of free trade, an issue generally championed by Republicans.

Wall Street brokerages tilted more Democratic this year, giving 51% of their $48.2 million in political donations to Democratic candidates, up from 48% in 2004.

The industry favors extending lower capital gains taxes and bolstering retirement accounts.

Republicans Lose Ground Among Hispanic Voters (USAT)

By Kathy Kiely, Usa Today

USA Today, November 10, 2006

Democrats perceived as being on 'right side' of immigration issue

WASHINGTON — Republican gains among Hispanic voters evaporated in Tuesday's elections, and some party leaders are blaming harsh rhetoric on immigration for the reversal.

Cutting into the Democrats' traditional advantage among Hispanic voters was a key to both of President Bush's election victories. In 2004, when Bush was at the top of the ticket, 44% of Hispanics surveyed after they cast their ballots said they voted Republican. This year, the figure dropped to 29%.

The decline is significant because Hispanics are fast becoming a crucial voting bloc. Census figures show Hispanics make up at least 10% of the population in 11 of the 28 U.S. House districts that switched from Republican to Democratic hands on Tuesday.

Strategists from both parties say the vocal opposition of some Republicans to a proposed immigration bill that would give many of an estimated 12 million illegal immigrants a chance at citizenship drove Hispanics back to the Democratic camp.

"This time there is no doubt they felt Democrats were on the right side of the immigration issue," says Lionel Sosa, a Hispanic ad executive who has advised Republicans. One of the Democratic Party's top-ranking Hispanics, New Mexico Gov. Bill Richardson, agrees. He says Bush's decision to bow to conservative pressure and sign legislation authorizing construction of 700 miles of fence along the U.S.-Mexican border "sent a terrible signal."

Bush backs citizenship for many of the people who are here illegally, as do a number of potential 2008 GOP presidential candidates, including Sens. John McCain of Arizona and Sam Brownback of Kansas. But House Republican leaders blocked a path to citizenship in the immigration bill and GOP conservatives such as Indiana's John Hostettler made their opposition a campaign issue. Some members of the party believe that backfired.

"There has been too much of an anti-immigrant tone," says Rep. Lincoln Diaz-Balart, R-Fla., a Cuban immigrant. He argues that Hispanics are "a natural" Republican constituency because they are entrepreneurial and socially conservative. But Diaz-Balart adds, "When people start to perceive that immigrants are being put in the same category as a threat to national security, it's hard to get your message across."

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In Hostettler's close race, the six-term congressman appeared with representatives of the Minutemen, a controversial citizens group that has been patrolling the border, and ran ads touting his opposition to "the nightmare of amnesty." In Arizona, Republican Randy Graf ran an advertisement showing a blond-haired child walking toward a slowly opening door as a voiceover delivered statistics about crime and other problems caused by the nation's "open door" border.

Both Hostettler and Graf lost, a point likely made by House Democratic leader Nancy Pelosi when she talked to Bush Thursday. She asked for his help in passing a bipartisan immigration bill when she and fellow Democrats start running Congress in January. "Those candidates who ran largely on immigration did not succeed," she says.

Gabrielle Giffords, the Democrat who defeated Graf, also carried Cochise County, Ariz., along the U.S.-Mexican border where frustration with immigration is highest. Gifford says she believes voters there preferred her because "people want solutions, not slogans."

Immigration could be key in a House race still to be decided. In Texas, GOP incumbent Henry Bonilla is in a runoff with Democrat Ciro Rodriguez, a former lawmaker, in a district where more than half the population is Hispanic.

Bonilla is one of only two Hispanic lawmakers who backed a controversial House bill that would make it a crime to assist illegal immigrants. He says he's taking a get-tough approach to protect his border constituents from crime and illegal drug trafficking.

But Sosa, who lives in the district and describes himself as Bonilla's friend, worries that some Hispanic residents may misinterpret his stand. "I have told him that in my opinion he should soften his position," Sosa says.

He says the election results don't mean the GOP has lost the Hispanic vote. "It means Republicans need to have a much higher sensitivity about how Latinos feel about their worth and the worth of immigrants," he says.

For Latino Voters, Best Years Are Ahead (USAT)

Commentary By Marisa Treviño

USA Today, November 10, 2006

With another election completed, one has to wonder whether the much-hyped strength of the Latino vote is a reality or simply a spin on the classic fairy tale The Boy Who Cried Wolf.

Exit poll results from Tuesday's elections show an increase in Hispanic voting from 2002. Those results appear to confirm a pre-election report by the National Association of Latino Elected and Appointed Officials (NALEO), which predicted that Latinos would make up about 6% of the vote. That's at least one percentage point up from 2002, but hardly enough to get excited about.

A Pew Hispanic Center fact sheet titled "Hispanics and the 2006 Election" provides some interesting perspectives on why Hispanics might, in fact, be a powerful voting bloc that just hasn't yet arrived.

Hispanics eligible to vote are a smaller portion of the Hispanic population — as compared with other racial/ethnic groups — because many adults are not citizens, and many citizens haven't reached voting age. Only 39% of Hispanics are eligible to vote, according to the Pew study, compared with 77% of whites, 65% of blacks and 51% of Asian-Americans.

So are all the predictions of Latino voting clout to be dismissed? No. They're just premature. The coupling of Hispanic youth and technology just might change the equation. The U.S. Census reports that last year about a third of the Latino population was younger than 18. Couple that fact with a report by the Pew Internet & American Life Project that found English-speaking Hispanics use their cellphones to access the Internet and to text message in greater percentages than any other race or ethnicity.

Armed with this data, the non-partisan Voto Latino, which aims to increase Hispanic voter participation, has targeted young Latinos by entering their world of cellphone text messaging and online social networks, such as MySpace. A simple text message from an interested Hispanic youth, or anyone for that matter, prompts an immediate response on how to get a voter registration form. Voto Latino registered about 38,000 people from September to the end of October.

Maria Teresa Petersen, executive director of Voto Latino, says 50,000 Latinos turn 18 every month in the USA. Eighty-seven percent of them are eligible to vote. One can quickly see the potential in these numbers.

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Though Hispanics historically have had a poor civic participation rate, the immigration reform protests this year could be a sign of things to come. Exit polls this week showed that Hispanics voted heavily Democratic, in part because of the immigration debate.

The voices heard this past Tuesday will only grow louder in the years to come.

Marisa Treviño is a freelance writer in Dallas.

Immigration Losers (WSJ)

The Wall Street Journal, November 10, 2006

Republicans on Tuesday managed both to lose their majority in Congress and alienate a fast-growing bloc of Latino swing voters. Other than that, the House GOP strategy of trying to save itself by bucking President Bush and using immigration as a wedge issue worked pretty well.

Republicans can't say they weren't warned. Like trade protectionism, the immigration issue is the fool's gold of American politics. Voters like to sound off to pollsters about immigrants, yet they pull the lever with other matters foremost in mind. Elections seldom if ever turn on immigration, and the GOP restrictionist message so adored by talk radio, cable news and the nativist blogosphere once again failed to deliver the goods.

Worse, this time Republicans made "securing the border" a loud national theme, only to do nothing about it save for approving a 700-mile fence along a 1,951-mile Mexican-U.S. border. They thus managed to highlight either their fecklessness in failing to do something about an allegedly urgent problem, or their cynicism in raising it at all.

In Arizona, which is ground zero in the illegal alien debate, two Republicans defined by their opposition to immigration were defeated by wide margins. Representative J.D. Hayworth, who is so proud of his desire to turn the U.S. into a single gated community that he wrote a book about it, lost handily. So did Randy Graf, another anti-immigration absolutist who ran for an open seat in a district that borders Mexico and sees more illegal immigrant traffic than perhaps any other Congressional seat in the nation.

These Democratic gains came in solidly Republican districts that President Bush won easily two years ago. Mr. Graf was seeking to fill the slot now held by Representative Jim Kolbe, an 11-term Republican who's retiring. Mr. Kolbe is a supporter of the comprehensive approach to immigration reform favored by the President but spurned by GOP restrictionists. It would combine more border security with a guest-worker program for newcomers and a path to legal status for undocumented workers already here. Mr. Kolbe won 60% of the vote in 2004. Mr. Graf was trounced, 54%-42%, on Tuesday, after having won a primary against a Republican with views similar to Mr. Kolbe's who could have held the seat.

Indiana incumbent John Hostettler, who chairs a House subcommittee on immigration and is one of his party's most outspoken restrictionists, managed to win just 39% of the vote in his losing bid for a seventh term. Mr. Hostettler's district is so Republican that John Kerry won only 38% of the vote there in 2004.

Colorado Congressman Bob Beauprez made opposition to illegal aliens the centerpiece of his gubernatorial bid. He lost to his Democratic opponent by 15 percentage points. The GOP candidate who ran to replace Mr. Beauprez in the House and appropriated much of his anti-immigration rhetoric also lost by nearly as much.

GOP Senate candidates who thought immigration would put them over the top were disappointed as well. The issue didn't help the cause of challengers like Tom Kean in New Jersey and Mike McGavick in Washington state, both of whom tried to make illegal aliens an issue down the stretch but still lost to vulnerable Democratic incumbents. Nor was it the silver bullet for Pennsylvania's Rick Santorum, who fell 59%-41%. Senator Santorum spent the summer trying to link Mexican immigrants to the Iraq war. By the end of the campaign, he was accusing anyone who favored comprehensive immigration reform of being soft on terrorism.

In addition to losing seats, however, the GOP's restrictionist strategy has reversed significant gains among Latino voters. Exit polls show that 70% of Hispanics voted Democratic in House races this year. Meanwhile, some 29% voted Republican -- an eight-percentage-point drop from the 2002 midterm, and down 15 points from the 44% won by President Bush in 2004 (which had improved from 31% in 2000).

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The GOP has a long history of fumbling the immigrant issue. And Mr. Bush, a former border-state governor who knows the issue well, has wisely been trying to steer his party away from repeating those mistakes. Mr. Bush might yet save his party from losing generations of Latinos the way its xenophobic message in the early 20th century turned away Irish, Italian and Asian voters for decades. He told reporters this week that immigration is an area where "I believe we can find some common ground with the Democrats."

We hope his party lets him, having learned the hard way not to follow Lou Dobbs, Bill O'Reilly and the editors of National Review magazine down the garden path to defeat.

Recount Likely In Harris' House District (AP-Y)

By Phil Davis, Associated Press Writer

AP, November 10, 2006

The touch-screen voting machines Katherine Harris championed as secretary of state after the 2000 presidential recount may have botched this year's election to replace her in the U.S. House, and it's likely going to mean another Florida recount.

More than 18,000 Sarasota County voters who marked other races didn't have a vote register in the House race, a rate much higher than the rest of the district, elections results show.

Florida Secretary of State Sue Cobb sent a team to Sarasota County on Thursday to observe the expected recount and audit the county's touch-screen voting machines. The county's elections supervisor, Kathy Dent, had requested the team after one of the candidates reported complaints about voting machines malfunctioning.

Earlier, Dent defended her staff and the machines, arguing that the thousands of voters must have either overlooked the race — which was pushed to a second screen by a glut of minor U.S. Senate candidates on the ballot — or simply decided not to vote for either candidate in a race marked by mudslinging.

"My machines have recorded accurately for 40 elections," Dent said.

But she couldn't explain why the undervote rate in her county was so much higher than in the four other counties in the district.

Republican Vern Buchanan declared victory in the race with a 373-vote lead over Democrat Christine Jennings — less than 0.2 percent.

"Sarasota voters have been victimized by not having their votes count," Jennings said Wednesday.

Buchanan's campaign said a recount would confirm their candidate won.

"We want to ensure every vote is counted as well," Buchanan spokeswoman Sally Tibbetts said.

Florida law requires a machine recount if the difference between the top candidates is less than half a percent. If the machine tallies find a margin of less than a quarter percent, a manual recount is conducted.

To do a manual recount for touch-screens, officials go back over the images of the electronic ballots where the machine didn't register a choice. But state rules essentially say that if the machine doesn't show that a voter chose a candidate, the voter is assumed to have meant to skip the race — it would be tough to prove otherwise.

Final results must be certified by Nov. 20.

Harris, a congresswoman since 2002, ran for U.S. Senate this year but lost to incumbent Bill Nelson.

As secretary of state in 2001, Harris had pushed for an election overhaul that outlawed the punch-card ballots involved in the 2000 presidential race recount that made Harris a GOP star. The law now required counties to use touch-screen devices or optical scan machines that read paper ballots voters filled in.

Harris spokeswoman Jennifer Marks said Harris had no comment on the House race.

In Florida, Echoes Of 2000 As Vote Questions Emerge (NYT)

By Abby Goodnough

The New York Times, November 10, 2006

SARASOTA, Fla., Nov. 9 — A Democrat who narrowly lost the Congressional race here is seeking a recount after dozens of people reported problems using Sarasota County's touch-screen voting machines and a significant number of ballots had no recorded votes in the high-profile race.

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The Democrat, Christine Jennings, lost to her Republican opponent, Vern Buchanan, by just 373 votes out of a total 237,861 cast — one of the closest House races in the nation. More than 18,000 voters in Sarasota County, or 13 percent of those who went to the polls Tuesday, did not seem to vote in the Congressional race when they cast ballots, a discrepancy that Kathy Dent, the county elections supervisor, said she could not explain.

In comparison, only 2 percent of voters in one neighboring county within the same House district and 5 percent in another skipped the Congressional race, according to The Herald-Tribune of Sarasota. And many of those who did not seem to cast a vote in the House race did vote in more obscure races, like for the hospital board.

More than 100 voters have told the Jennings campaign that their votes for her did not show up on the summary screen at the end of the touch-screen voting process, and that they had to re-enter them. The candidate's lawyers said they feared that not everyone had noticed the problem or realized that they could re-enter the vote.

"There is a spontaneous combustion of outcry in this county," said Kendall Coffey, a lawyer who was on Vice President Al Gore's legal team in the 2000 presidential recount and is now working for Ms. Jennings. "We are determined to do everything we can to make sure that every vote counts and everything we can to get to the bottom of this."

A recount will almost certainly be conducted because the vote was so close. State law requires machine recounts when the margin of victory is half a percentage point or less, and manual recounts when it is a quarter of a percentage point or less. But it is not clear that a recount can recover a vote that was never properly recorded.

The Florida Elections Canvassing Commission, which includes Gov. Jeb Bush and two other state officials, both Republicans, will meet Monday and decide whether to order a recount. Secretary of State Sue M. Cobb announced Wednesday that she would send a team to conduct an audit of the county's voting system.

Any recount results would be certified on Nov. 20, said Sterling Ivey, a spokesman for the Florida Department of State. In a manual recount of touch-screen voting results, Mr. Ivey said, canvassers try to determine whether voters who skipped making a selection in a certain race did so unintentionally.

But Rebecca Mercuri, a computer scientist and an expert on voting technology in Hamilton, N.J., who has been critical of electronic voting, said it would be impossible to figure out voter intent in a recount of touch-screen votes.

"If a vote is not recorded electronically inside the machine for whatever reason, there's no way to go back and recover it," Ms. Mercuri said. "Chances are that nothing's going to change, because those votes are gone."

A preliminary review by The Herald-Tribune found that if Ms. Jennings had won the same percentage of the 18,000 missing votes as she did among counted votes in Sarasota County, she would have won the race by about 600 votes instead of losing by 373.

Ms. Jennings, a banker, and Mr. Buchanan, a car dealer, ran a bitter and costly race to replace Representative Katherine Harris, who left her seat to run for Senate but lost by a landslide on Tuesday. Ms. Harris, a Republican, was Florida's secretary of state during the disputed 2000 presidential recount, supervising a balloting process widely considered flawed and certifying President Bush as the winner of Florida's electoral votes.

Mr. Buchanan declared victory early Wednesday and began preparing for his new job, but Ms. Jennings has refused to concede. She has not ruled out going to court, Mr. Coffey said, but she will first wait for a recount to be completed.

Some state officials, including Ms. Dent, the elections supervisor, theorized that many voters skipped the Congressional race because they were turned off by vitriolic campaigning. But Mr. Coffey said if that had been the case, other counties in the same Congressional district would have had similarly high "undervote" rates.

So many voters reported similar problems in the state's early voting period, Mr. Coffey said, that the Jennings campaign wrote a letter to Ms. Dent expressing concern. He said the results showed that an even larger portion of early voters — 20 percent of the total — did not vote in the Congressional race. By contrast, only 2 percent of voters using paper absentee ballots skipped the race, he said.

Mr. Coffey said Ms. Jennings wanted independent experts to come test the county's iVotronic voting machines, made by Election Systems and Software of Omaha. Ms. Dent did not return a call seeking comment on Wednesday.

"I don't think any of us would be satisfied with having the government do the verification," Mr. Coffey said, "because, honestly, the government appears to be part of the problem here."

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Mike Lasche, a boat captain here, said that when he voted his vote for Ms. Jennings did not show up on the final review screen until he cast it a second time.

"If I had not checked carefully I would have gone on without ever thinking about it," said Mr. Lasche, 50. "You have to wonder how many people it happened to and may not have even noticed it."

Voters Say Yes To Borrowing Billions For New Projects (USAT)

By Dennis Cauchon, Usa Today

USA Today, November 10, 2006

Voters were in a borrowing mood this week.

State and local governments won approval for more than 88% of the $78.6 billion they asked to borrow in Tuesday's election, according to i-Deal, a New York company that tracked the results.

The money will be spent on schools, roads, sewers, fire stations and other projects.

California voters approved the biggest chunk of debt: $43 billion for five bond issues for roads, schools, flood control, parks and affordable housing.

"California is now leading the country in seriously addressing infrastructure needs, and we'll continue that," says Adam Mendelsohn, deputy chief of staff for Gov. Arnold Schwarzenegger.

Big bond issues approved elsewhere:

•Wake County, N.C. Voters approved borrowing $970 million to build 17 schools, buy land for 13 others and improve another 100 buildings in the county, which includes Raleigh.

•Dallas. Voters approved borrowing $1.4 billion for parks, streets and libraries. The Cotton Bowl football stadium will get a $30 million renovation, and the local farmer's market will get a $6.6 million upgrade.

•The Hartford, Conn., area. Voters approved borrowing $800 million to start a massive sewer upgrade to stop untreated sewage from flowing into streets and rivers after heavy rains.

The biggest bond issue to fail: Los Angeles' proposal to borrow $1 billion to build affordable housing.

State and local governments now owe $1.9 trillion, up 8.2% from a year ago, the Federal Reserve Board says. By comparison, the federal debt is $4.9 trillion.

In the past 60 years, voters have approved 74% of the money requested in bond issues, according to Thomson Financial, a research firm. This year's rate will approach the record of 91.4% approval in 2004.

"States have the capacity to handle this debt. I'm not worried," says David Hitchcock, a credit analyst at the Standard & Poor's credit rating agency. He says governments, especially in the booming West, must build infrastructure to handle growing populations. Most bond issues are repaid from property taxes, and higher real estate values have made it possible to borrow more without raising tax rates, he says.

Issues driving voter approval:

•"The American people are clamoring for relief from traffic congestion," says Matt Jeanneret, senior vice president of the American Road and Transportation Builders Association.

•"People are weary of overcrowded schools," says Ed Davis, superintendent of schools in Union County, N.C. Voters there approved borrowing $174 million to build five schools.

Chris Edwards, director of tax policy at the libertarian Cato Institute, says he's surprised so many bond issues passed in a year of voter discontent. "Voters don't seem to understand that bonds are taxes," he says. "There's no such thing as a free lunch in economics."

Iowa Governor Declares For '08 (NYT/AP)

By The Associated Press

The New York Times, November 10, 2006

DES MOINES, Nov. 9 (AP) — Gov. Tom Vilsack began a long-shot bid for the White House on Thursday.

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"Americans sent a clear message on Tuesday," Mr. Vilsack, a Democrat, said. "They want leaders who will take this country in a new direction. They want leaders who share their values, understand their needs and respect their intelligence. That's what I've done as governor of Iowa, and that's what I intend to do as president."

His announcement came two days after the midterm elections, which put Democrats in control of both the House and the Senate for the first time in a dozen years.

Mr. Vilsack, a two-term governor, filed documents with the Federal Election Commission in Washington to create a presidential campaign committee. His campaign started operating, with an office open and letterhead printed. His campaign Web site, tomvilsack08.com, was online by early Thursday.

He is the first Democrat to file for the presidency, although a number of better-known candidates are presumed to be running.

Although the favorite son in Iowa, Mr. Vilsack has trailed the other potential candidates in early polling, among them Senator Hillary Rodham Clinton of New York and John Edwards, the 2004 vice presidential nominee and former senator from North Carolina.

Mr. Vilsack plans a multistate tour beginning Nov. 30 to announce his bid formally. The first stop will be his hometown, Mount Pleasant, where he served as mayor and which he represented in the Iowa Senate before being elected governor in 1998.

On the Republican side, Representative Duncan Hunter of California has announced the formation of an exploratory committee. About a dozen other candidates, including Senator John McCain of Arizona and Gov. Mitt Romney of Massachusetts, are weighing bids.

McCain Plans A Committee To Study '08 (NYT)

By Anne E. Kornblut

The New York Times, November 11, 2006

Senator John McCain of Arizona is about to form an exploratory committee for a possible presidential campaign, advisers said, taking a concrete step toward a full-blown campaign in 2008.

Advisers to Mr. McCain said he had not made up his mind whether to run, although he has acknowledged that he is strongly considering doing so.

"There's not going to be a formal announcement this year," John Weaver, an adviser to Mr. McCain, said. The senator, who appears at or near the top of public opinion surveys about who should run for higher office, will wait until the Christmas holidays, when his children are home, to make a final decision, Mr. Weaver said.

"It's incorrect to characterize it as a formal decision or a final decision," he said.

Even so, the move is likely to speed up an already accelerated presidential race, in which candidates on both sides barely waited for the midterm elections to end before leaping ahead to the next campaign.

The sudden shift in power in Congress does not appear to have slowed the rush. On Thursday, Gov. Tom Vilsack of Iowa declared his intention to run; other Democrats, including Senators Barack Obama of Illinois and Joseph R. Biden Jr. of Delaware, have said they are thinking about it and have made trips to Iowa, the home of the first caucuses.

Senator Hillary Rodham Clinton, widely considered the front-runner for the Democratic nomination, has been more coy about her intentions. Mrs. Clinton used her minimally contested Senate re-election campaign as an excuse to avoid questions about the presidency until last Tuesday; since her landslide victory she has said she is taking a break before addressing 2008.

But Mrs. Clinton has put together an imposing apparatus for a possible presidential bid and has more than $13 million left over from her nearly $38 million Senate campaign to roll into a national race. To spend that money on presidential activity, she would need to take the legal step of forming an exploratory committee along the lines of the one Mr. McCain is establishing.

Mrs. Clinton's advisers have said she is likely to make her intentions clear in December or January, although her financial advantage — particularly her expected ability to raise money down the road — gives her the option to wait until later.

Gov. Mitt Romney of Massachusetts, who is leaving office, and former Mayor Rudolph W. Giuliani of New York, both Republicans, are also preparing for possible campaigns, although neither has taken any formal legal steps.

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Mr. McCain's advisers said he was moving forward with a committee — likely to be formed next week, and almost certainly by the end of the month — because he did not want to skirt regulations that forbid using money from his existing political action committee toward presidential costs, even preliminary ones like travel.

"He's preparing in case he does choose to run and gauging whether he has the support in order to make a successful run," Mr. Weaver said. "And in order to do that, we'll meet all legal requirements." He said that Mr. McCain had about $1 million in his Senate coffer, Friends of John McCain, which is transferable.

Election Doesn't Shutter Clinton Campaign Offices (NYT)

By Patrick Healy

The New York Times, November 11, 2006

Senator Hillary Rodham Clinton's re-election race may be over, but she is hardly closing up her campaign shop or worrying about deep debts.

Advisers to Mrs. Clinton say she has more than $10 million left in her political bank account, not to mention a priceless reservoir of speeches, issue research, and financial networks nationally for any future use.

Her advisers also say that she does not intend to disassemble her campaign apparatus and staff, as many candidates do when an election ends, nor does she plan to immediately close her New York City and Washington campaign offices.

Indeed, the Clinton camp has spent months building a re-election team that could easily shift into gear for a 2008 presidential bid. Fresh from her landslide victory, and with a fistful of I.O.U.'s from winning Democratic candidates nationally, Mrs. Clinton is comfortably positioned as she prepares to enter an important period of strategy talks, reading and reflection while deciding whether to run.

The millions left in her campaign account have helped fuel chatter about a presidential bid among supporters in the last few days because that money could be used for political activity if she chooses to run.

Also stirring talk about her presidential ambitions was a memo sent out on Wednesday by a senior Clinton lieutenant that highlights the senator's political gains on Tuesday in traditionally moderate and Republican areas of New York.

Mrs. Clinton is expected to make a decision on a presidential bid this winter, and there has been slightly more open discussion about 2008 between her inner circle and outer circle advisers in the last couple of weeks, members of both groups said this week. Still, some advisers and donors to Mrs. Clinton say that they do not see any urgency or signs about 2008 decision-making.

"She's so strongly positioned that she can set her own timetable for any decision she might make," said Alan Patricof, the finance chairman of her re-election campaign. "She hasn't asked anyone specifically to be at the ready; if and when she does that, it'll mean that she's in a mode to move forward."

Even if she does nothing in coming weeks, she still looms over the 2008 race: Gov. Tom Vilsack of Iowa even called her this week to give her a heads-up that he was planning to seek the Democratic presidential nomination, advisers to both of them said. Mr. Vilsack is a longtime admirer of Mrs. Clinton, his advisers said, and he is well aware that she has the standing and money to mount a formidable campaign.

Howard Wolfson, a Clinton adviser, said there were no specific plans for spending the rest of the campaign's money. He said he was not aware of any plans to dismantle the campaign staff, nor of plans to help other Democrats retire their election-year debts. At the same time, he did not rule out debt relief.

"Senator Clinton did everything she could to be as helpful as possible to candidates in the last cycle, and I'm sure if there are other things she can do to be helpful in the future, she will be," Mr. Wolfson said.

At least one of Senator Clinton's possible rivals in 2008, should she win the Democratic nomination, is already taking steps in that direction. Former Mayor Rudolph W. Giuliani, who campaigned for more than 35 candidates this year, is looking into the campaign debts of Republicans and expects to help some candidates retire debt, according to his spokeswoman, Sunny Mindel.

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Mr. Giuliani is also making his first postelection foray to a presidential swing state, Pennsylvania, on Sunday, where he will give a speech on leadership, hold a brief news conference, and dine privately with a group of young entrepreneurs, according to organizers of the event at Wilkes University.

Advisers to Mr. Giuliani said they did not expect him to announce a candidacy for the presidency during the visit, noting that it had been on his schedule for many weeks.

Clinton advisers said she had no major political travel plans or speeches in the near future. Democratic strategists with ties to the Clinton camp say the next several weeks will be a particularly sensitive time for potential candidates like Mrs. Clinton on issues like Iraq, because their fellow Democrats in the House and Senate are assembling a governing agenda and message.

For now, at least, the Clinton team has been focused on assessing the victory in New York, drawing lessons from it and thanking supporters, as Mrs. Clinton did during a statewide tour on Wednesday.

Patti Solis Doyle, a chief campaign aide and longtime adviser to Mrs. Clinton, sent e-mail messages to supporters on Wednesday to note political high points of her victory: She won 61 percent of the vote upstate, compared with 48 percent in her 2000 race, and she won 64 percent of independent voters, up from 46 percent in 2000.

"Even as she campaigned for her own re-election, Hillary headlined 131 events in 57 different cities on behalf of other Democrats," Ms. Solis Doyle wrote, underscoring Senator Clinton's national profile as well.

"President Clinton had made 97 campaign stops by last weekend, and has probably done another 10 since then."

The fact that Mrs. Clinton drew only slightly fewer votes than Eliot Spitzer, the successful Democratic candidate for governor, also drew her advisers' attention. A criticism that has been made of Mrs. Clinton is that she is a polarizing figure, certainly more than Mr. Spitzer, who is broadly popular. Yet she won 67 percent of the vote compared with his 69 percent.

"That's a very, very strong indicator of how Hillary can sell herself to voters, in New York and nationally," said one Clinton adviser, who spoke on condition of anonymity because he was not permitted to discuss 2008. "She's within two points of Eliot — the most popular guy in state politics — yet you would've thought that more people would be gunning for her than for Eliot. Yet she convinced people to be with her."

The '08 Race For The White House Begins (CQ)

By Craig Crawford

CQ Weekly, November 11, 2006

The coming presidential campaign will be the most wide open in eight decades. The future of a war is at stake. There is the potential to elect the first woman, the first African-American — or even, possibly, the first African-American woman.

To most of the political world, the 2008 presidential campaign will be considered under way this week. But, in fact, activity on the hustings in the battleground states, those with the early nominating contests, began within weeks of the day George W. Bush was re-elected in 2004.

In the wake of this week's elections, the margins of control are so narrow that establishing a firm rule over the nation's direction will not be feasible until the 44th president of the United States is elected on Nov. 4, 2008.

If Tuesday's elections were the midterms, consider 2008 the final exam. And what a brutal test it should be.

By definition, any presidential election makes history. But this one is shaping up as the biggest, baddest, meanest and, quite possibly, the most historic race for the White House in at least a generation.

With Vice President Dick Cheney unambiguously ruling out a bid, the stage is set for an epic battle without an official heir apparent on either the Democratic or Republican side.

"It's the first cycle since 1928 with no incumbent president or vice president running for the White House," said University of Virginia political science professor Larry J. Sabato. "As a result, we are seeing the earliest campaigning ever, by the most candidates in both parties."

The 2008 contest began so early that we already have a dropout. Last month, former Gov. Mark W. Warner of Virginia said he would not be running after making several forays into Iowa, New Hampshire and other early-voting or big-money states — and earning standing among the pundits as a member of the emerging Democratic field's top tier.

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In Iowa, site of the first nominating test, more than two dozen potential presidential contenders from both political parties—including 10 percent of the current governors and 12 percent of the current Senate—have already racked up more than 100 campaign trips there since the last election. And the pace is picking up in early-primary states such as New Hampshire and South Carolina.

Many of the White House hopefuls set up their federal exploration committees long ago. As a group, they have already raised a cash total that is now climbing above the tens-of-millions range. Permanent staffs have been hired. Direct-mail campaigns are under way. Consultants have designed logos, tested slogans and even made bumper stickers.

Civilians not accustomed to the guerrilla warfare of a presidential campaign might well think it is amazingly early for so many candidates to be so active. Not so. To win the biggest political prize on Earth, it pays to start now. Indeed, those who have not at least begun testing the waters by now might already be too late — so much of the big money and so many of the smart campaign people having already been spoken for.

Lining up top-shelf strategists and policy experts almost becomes a primary campaign unto itself at this early stage.

Hillary Rodham Clinton is set to inherit the bulk of her husband's constellation of political stars, James Carville first among them. And John Edwards has won the services of a top rural strategist, Dave "Mudcat" Saunders. But many of the major Democratic operatives, while quietly placing their bets on potential candidates, are hedging those bets until Clinton makes a final decision on whether to run.

On the Republican side, John McCain is mainly sticking with the team he assembled for his run in 2000 and has added some interesting names on the policy front, among them former Clinton administration drug czar Barry McCaffrey. Mitt Romney, though, scored a coup in signing on Mike Murphy, who was McCain's top adviser last time. George Allen attracted the services of GOP super-nova Mary Matalin and former Republican Party Chairman Ed Gillespie.

But nobody has won the biggest prize of all in this subcampaign — the ear of Karl Rove, the president's longtime political Svengali, who has painstakingly avoided even hinting at who he might help, or even whether he will join the fray at all. No Exaggeration

Would-be presidents are scrambling to the field so soon thanks to a genuine power vacuum in both political parties. For once, it is not hyperbole to call an election one of the most important ever, as politicians tend to say every four years — especially when it's their moment to make history.

Republicans must debate what to do after the Age of Bush, a period that featured two decades of party rule by a single family — George W. Bush's two presidential terms following the four years that his father, George Bush, spent as president starting in 1989.

A threshold question for Republicans in their nomination struggle will test the fate of social conservatism's influence. President Bush built a victorious coalition squarely founded upon the support of evangelical Christians, who are one of the most effective grass-roots players in the history of American politics. But their intensely conservative social agenda disturbs enough Americans that many Republicans, including some of the major 2008 contenders, are eager to make this next campaign about moving the GOP toward the center.

Much will depend on who among the Republicans will claim the mantle of social conservatives' darling, which the president himself will be shedding, and whether that person will possess Bush's skill at leveraging the religious base without narrowing his appeal to the rest of the electorate.

On economics, Bush has struggled to bridge a widening gap between Wall Street and Main Street, and the next nominee will be pressed to manage that rift. This tension was at the root of the roiling Republican debate over immigration, for instance. Big business, with Bush at its side, pushed GOP congressional leaders for changes aimed at legalizing the status of millions of immigrants. But rank-and-file Republicans balked in a fury, scuttling the Bush initiative.

The officially leaderless Democrats, for their part, will be in search of someone who can pull the party's varied factions together into a winning coalition — a task that even this week's sweeping victory might not come close to accomplishing.

Trickiest for the crop of Democrats running for president will be how to win over the legions of party activists who want to immediately withdraw U.S. troops from Iraq. It will be tempting for candidates to get on the good side of these voters, who are

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likely to dominate the primary balloting, but the obvious risk is being tagged by Republicans as weak on national security, a brand that has hobbled the party more often than not since Vietnam.

Of course, the best-case scenario for both party's candidates would be for the Iraq War to become a non-issue in the 104 weeks before Election Day 2008. But even if the Bush administration some day does begin significantly reducing troop levels, it seems a remote possibility that Iraq will not remain a national headache in two years.

The stakes for the country in the next election are as high as they are for the political parties. Polls show that voters are disgusted with the country's direction. With two years of bitterly divided government ahead of them, the voters are likely to be even unhappier when they choose the next president.

Look for the White House race to echo much of what was heard in the midterm elections, a tug of war between stay the course or time for a change. Republicans must offer some change, while making the case for keeping the status quo of a GOP-held White House. Democrats must argue for change, but without scaring people.

They have 14 months until the votes are counted in the living rooms, cafes and schoolhouses of Iowa. And then at least two people, one Republican and one Democrat, will start moving toward a place in history. They will probably come from the roster of people, a baker's dozen from each party, whose current strengths and weakness — political, ideological and financial — are sketched in alphabetical order below. The Democrats

Evan Bayh — Junior Senator, Indiana

Rationale: A red-state darling and the son of another Democratic senator from Indiana — Birch Bayh, who sought the presidency in 1976 — this telegenic graduate of Washington's prestigious St. Albans School is a proven vote-getter in his home state, winning two terms as governor (he served from 1989 through 1996) of a state that Democrats have not carried in a presidential campaign since the Johnson landslide of 1964. A dedicated centrist and a senator since 1999, he served from 2001 to 2005 as chairman of the Democratic Leadership Council, the middle-of-the-road policy group once headed by Bill Clinton and Joseph I. Lieberman. In a blitz of campaigning for Democratic congressional candidates in 25 states this year, he has aggressively positioned himself as a Washington outsider, telling stump audiences, "The gulf between our nation's capital and the people of our country has never been greater."

Resources: With more than $10 million in his account, Bayh should have no trouble meeting the cover charge to run a credible nomination campaign. His home state's relative proximity to all-important Iowa will help him muster a network of grass-roots activists. His frequent trips to Iowa and New Hampshire in the past year have attracted local media interest and favorable comments. And his movie-star looks helped make an instant hit of his profile on the popular Facebook.com, drawing more than 2,000 "friends" to sign up.

Hobby Horse: Stressing fiscal responsibility, lower taxes, job creation and lean government, this is one Democrat who hopes to dodge the liberal label so often pinned on his party brethren in national campaigns. His Capitol Hill voting record shows that, until recently, he sided with President Bush on key issues more often than not.

Hobble Horse: Coming across as a mild- mannered Midwestern deacon is not what presidential campaign audiences expect — and in Washington, he is viewed as an intellectual lightweight. To compensate, Bayh asks Democrats, "Do we want to vent, or do we want to govern?" He might find that primary voters prefer venting.

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Joseph R. Biden Jr. — Senior Senator, Delaware

Rationale: A Democrat who talks the way many people talk, Biden's vernacular style is frequently on display in his many appearances on radio and television news shows, such as his regular gigs with syndicated host Don Imus. Despite spending more than half of his life in the Senate, the world's most elite political club — he arrived in 1973, when he was 30 — he seems to have a genuine instinct for middle-class sensibilities. Before the Iraq War, most Americans knew him from a series of bruising Judiciary Committee battles for Supreme Court nominations as he delighted liberals with his ferocious assaults on Republican presidents' choices. In past years his seat on the Foreign Relations Committee afforded him the chance to travel frequently to Iraq and stand out as one of the most vocal critics of the Bush administration's handling of Iraq.

Resources: Biden never has faced genuinely difficult re-election races in Delaware, a small state where he has not needed to develop a large financial donor base — at least by presidential campaign standards. This has left him chronically unable to

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raise enough money to match his White House ambition, which manifested itself in a short-lived run in 1988 and dalliances almost ever since. Still, his popularity with broadcast news producers and personalities gives him a tool for reaching voters that most rivals envy.

Hobby Horse: Despite voting for the 2002 resolution authorizing the Iraq War, Biden dissects the war's subsequent troubles with relentless passion and a knack for explaining his views in ways that average folks can grasp. And he takes great delight in pointing out that recent White House policy adjustments track his own longstanding suggestions.

Hobble Horse: If Biden could raise big bucks he would have been a serious contender in any of the last several presidential campaigns. And despite his average-Joe demeanor in public, his 33 years in the Senate — along with his reputation as the very model of a long-winded lawmaker — tag him as a creature of Washington. So, too, would the target-rich database of thousands of roll call votes from which opponents could cherry-pick.

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Wesley K. Clark — Retired General

Rationale: In an era of national security concerns that could last a generation, a retired four-star general who has been around the presidential-campaign block should be a most attractive commodity. Now a contributor to the conservative-leaning Fox News Channel, Clark has the opportunity to develop general- election appeal by reaching many voters who distrust the Democrats. Although unsuccessful in what experts deemed a disorganized 2004 bid for the Democratic nomination, he performed well enough to earn the undying loyalty of moderate voters attracted to his background as West Point graduate, wounded Vietnam veteran and NATO commander during the Kosovo conflict. Having run before and established modest political credentials, Clark — lacking experience as an elected official — might not be at as much of a disadvantage in a second run.

Resources: Raising $30 million in his first outing on the presidential field was not too shabby, but so far Clark has not begun to put together a serious war chest. Since most of his 2004 campaign funds came from individual donors, thanks to an effective Internet program, it is likely that he could raise plenty of start-up cash quickly if he decides to run again. But the major-league Democratic donors have shied away from him so far.

Hobby Horse: As the only potential contender in either party with such a distinguished military résumé, Clark commands attention as long as voters rate the war in Iraq as a top concern. His experience in handling the Kosovo conflict and helping negotiate the Bosnia peace accord give him unrivaled credibility.

Hobble Horse: Although Clark's lack of experience holding elective office is a plus to some voters, it is likely to remain a hindrance in the eyes of media and political elites. And he has not effectively used his time since the last campaign to shore up his credentials on the domestic front.

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Hillary Rodham Clinton — Junior Senator, New York; former First Lady

Rationale: Having evolved from Goldwater girl to first lady to player on the mighty Senate Armed Services Committee, Clinton is better known and more road-tested than any of her rivals and is by far the most politically viable woman ever to ponder the presidency. She is hugging the ideological center to shed the liberal, big-government image she acquired in a failed attempt during her husband's presidency to radically change the nation's health care system. But now she is tacking rightward, backing federal legislation against flag burning, refusing to recant her vote in 2002 to authorize the Iraq War — even sounding a distinctly centrist tone on abortion. And she seldom misses an opportunity to emphasize her conservative Republican roots growing up in the Chicago suburbs. A recent HBO documentary about Barry Goldwater prominently featured pictures of her as one of his teen supporters along with interviews of her warmly praising the father of modern conservatism.

Resources: Insiders say she will tap former Democratic National Committee Chairman Terry McAuliffe, a longtime Bill Clinton fundraiser, to oversee a nomination campaign with a donor budget expected to at least double the record-shattering $100 million that George W. Bush stockpiled in 2000. She has surprised observers by spending so much on her shoo-in second term Senate campaign, however, which means that she will not have as much left over for a presidential bid as she could have — and has fueled speculation that she might not actually run.

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Hobby Horse: Clinton is a passionate policy wonk with a think tank to prove it. Founded three years ago as a refuge for Clinton administration alumni, the Center for American Progress has become an emerging force within the Democratic Party, sometimes outdoing the party's congressional leaders in taking on the Bush administration.

Hobble Horse: A stilted and sometimes boring performer on the stump, she pales in comparison with her husband when it comes to rewing up crowds. And she seems cozier with the many Hollywood stars who are flocking to her cause than with the average folks she most needs to win over.

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Tom Daschle — former Senate Majority Leader, South Dakota

Rationale: Call it buyer's remorse, the notion that a nation once so high on George W. Bush might possibly embrace the man who led the Senate Democrats for a decade but lost his bid for a fourth term in South Dakota in 2004 after going toe-to-toe with the White House throughout the president's first term. Now that Bush is at rock bottom with voters, perhaps they would see Daschle's partisan warring — once so successfully targeted as "obstructionist" by the Republicans — as a badge of honor worth a belated reward. Grass-roots Democrats especially might be receptive to repaying a debt to Daschle. And with the pivotal state of Iowa neighboring his home state, he has a chance to play a role akin to that of the martyred favorite son in the first nominating contest of 2008.

Resources: As Democratic leader, Daschle was able to raise $20 million for his 2004 race back home, or $51 on every vote cast. Building the even more substantial war chest required for a presidential campaign could be an uphill struggle without the platform of an influential Capitol Hill post to help attract donors. Despite launching a new political action committee last year and testing the waters with trips to Iowa and New Hampshire last summer, Daschle has not revved up his fundraising sufficiently to convince skeptics that he can get his groove back on the cash front.

Hobby Horse: Daschle can argue that he was out front against Bush when it was hard, when the president was rated so high in the polls that many Democrats ran for the hills. And from his perch at the Washington lobby shop of Alston & Bird LLP, he has an opportunity to maintain access to party fundraisers who favored him in those heady days as a Senate leader.

Hobble Horse: Having pulled out of an expected presidential race last time, when he was at the height of his influence, Daschle could easily be written off as a has-been and a loser. Although a recent stint debating former GOP House Speaker Newt Gingrich in California earned them both points for across-the-aisle creativity, it seemed to make both men look very retro.

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Christopher J. Dodd — Senior Senator, Connecticut

Rationale: In an era when liberal Democratic partisans see the party's move to the ideological middle of the road as caving in to conservatives, Dodd is the true-blue alternative to centrism. Although he voted in favor of authorizing the war in Iraq, Dodd's liberal credentials are solid. He has a 91 percent support rating from the AFL-CIO and sided with President Bush only one-third of the time on the Senate floor last year. Dodd is a popular speaker in Democratic circles, easy-going and humorous even while hurling verbal spears at the opposing party. Within his robust résumé as a senator since 1981 — and as chairman of the Democratic National Committee from 1995 until 1997 — Dodd has the tools to bolster his case.

Resources: Dodd has raised more than $1 million to fund contributions to Democratic campaigns in the midterm election, but it will take much more to seriously get into the presidential game. Corporate givers are not fond of his longstanding opposition to their pet projects, such as restricting shareholder and class action lawsuits. Still, his home state is home to many wealthy givers, and his politics should appeal to the Hollywood money crowd.

Hobby Horse: Although he's a liberal, he is a pragmatist known for cutting deals at the last minute to shape legislation that he opposes more to his liking. In 2005, for instance, he gave in to Republicans on a bill to restrict class action lawsuits after winning concessions from them.

Hobble Horse: Another New England liberal might not be the ticket Democrats are looking for after walking the plank in 2004 with John Kerry of Massachusetts. And Republicans in Florida would have a field day with his strong support for opening up relations with Cuban dictator Fidel Castro.

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John Edwards — former senator, North Carolina; 2004 vice-presidential nominee

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Rationale: As one of the few political figures on the national stage who routinely talks about fighting poverty, Edwards was a natural for the debate on helping the impoverished citizens of the Gulf states after Hurricane Katrina hit a year ago. His come-from-nothing personal story — the first in his family to go to college, he became a multimillionaire personal-injury trial lawyer before his election to the Senate from North Carolina in 1998 — makes him the genuine article when it comes to appealing to the middle class. One of the most popular speakers on the Democratic chicken-dinner circuit, Edwards is keeping a high profile outside Washington. He impressed Beltway insiders weary with Democratic waffling on the Iraq War when he wrote a Washington Post op-ed last year plainly stating that he was wrong to vote for authorizing the war while in the Senate.

Resources: Edwards raised $2.5 million for his One America Committee in the 2006 election cycle, funding a full-time staff and other expenses for one of the most aggressive PACs of the presidential wannabes. As happened at the outset of his 2004 run for the Democratic nomination, his seed money — nearly $1 million — comes from lawyers, presumably drawn to Edwards' own background. Broadening that donor base will be a major objective for him.

Hobby Horse: Edwards is all but living in Iowa, where a poll last June showed him in first place, ahead of Hillary Rodham Clinton. Iowa insiders say he has natural appeal in the state — the Des Moines Register endorsed him in 2004 — and might have won the presidential caucus if he had maintained a stronger grass-roots organization.

Hobble Horse: Washington's political insiders tend to dismiss Edwards as a poor performer on the 2004 national ticket who came across as a lightweight in the debate with Vice President Dick Cheney and could not even help carry his home state of North Carolina.

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Russ Feingold — Junior Senator, Wisconsin

Rationale: The ultimate insider-acting-like-an-outsider, Feingold often breaks ranks with his party and sometimes the entire Senate. The campaign finance overhaul enacted in 2002 over the objections of the leadership in both parties is known as the McCain-Feingold law. Perhaps the most uncompromising liberal in the Senate, Feingold's name appears as the only dissenter in the occasional Senate roll call. His lone-ranger status forever endeared him to civil libertarians in 2001, when he cast the single vote in the Senate against the counter-terrorism law dubbed the Patriot Act — and did so just six weeks after the Sept. 11 terrorist attacks. More recently, party leaders refused to even seek a vote on his resolution to censure Bush for ordering "warrantless" surveillance.

Resources: Even Democratic Party insiders grumble that Feingold goes too far in spurning the campaign finance system by refusing to accept most forms of outside money, even before McCain-Feingold took effect. Still, he has managed to raise more than $2 million for his presidential exploration fund, most of it from individual donors. The law he helped write could level the playing field to his advantage, as rivals must play by the rules he set.

Hobby Horse: No one in the presidential field for both parties has a better track record for advocating clean government, even when his stands irritate his own party's leaders. Voters cynical about corruption in Washington should find him to be a refreshing exception and tireless champion.

Hobble Horse: Feingold's social liberalism — he opposes the death penalty and supports gay marriage — delights his loyal followers, but it could be a devastating target in a general election and severely limit his reach into middle America. He didn't help matters by once referring to Greenville, Ala., as a place of "check-cashing stores and abject trailer parks."

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Al Gore — former Vice President; 2000 presidential nominee

Rationale: Revenge-minded Democrats could have a champion in Gore if they want a do-over of the 2000 presidential election, which many believe he actually won. After wandering in the wilderness after that bitter loss, Gore re-emerged to popular acclaim as George W. Bush was tanking in the polls. It is tough to discount his claims that the United States would not be mired in Iraq if he had become president. And he restored some of the old luster by starring in a critically acclaimed film, "An Inconvenient Truth," alerting audiences to the dangers of global warming. While once rejecting any notion of another race, Gore has recently cracked the door open a bit. Party insiders believe that he will definitely run if Sen. Hillary Rodham Clinton opts out.

Resources: Gone are the heady days when Gore, as the two-term incumbent vice president under Bill Clinton, raised well above $100 million for his second presidential campaign. (He first ran in 1988, the year he turned 40, when he was a freshman

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senator from Tennessee.) Four years ago, when he toyed with another try, many of his financial backers abandoned him, a major factor in his final decision to sit out the 2004 campaign. If Gore joined the 2008 field, associates say he would shun the big bucks — out of necessity — and try to make it an asset by running as an outsider.

Hobby Horse: Global warming and the environment enthuse Gore like no other topic, although some observers note that he failed to make those issues much of a priority while he was vice president. On the Iraq War, he parted with Bush and most congressional Democrats in vehemently opposing the invasion early on.

Hobble Horse: Endorsing Howard Dean for president in 2003 was a sign to some Democratic insiders that Gore had simply lost his way, reducing his appeal to the party's fringe elements. And his global warming obsession is not viewed as a big enough platform to revive a presidential bid.

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John Kerry — Junior Senator, Massachusetts; 2004 presidential nominee

Rationale: The preferences of a few counties in southern Ohio cost Kerry the electoral votes that would have made him president last time. Since he came so close against an incumbent, he could put it over the top in a race for an open seat in the White House — especially considering that, since the 2004 election, the country has turned against Bush on the war in Iraq. Battle-worn from that race, the 22-year senator from Massachusetts says he has learned crucial lessons in how to run against Republicans. Primarily, he vows to fiercely defend attacks, evidenced by his initial refusal to apologize last week when Bush assailed him for joking that young Americans must get educated or "get stuck in Iraq." Instead, Kerry counterattacked, calling the president's aides hacks who are "willing to lie." He apologized for the gaffe the next day.

Resources: Money is the least of Kerry's problems. He raised nearly $350 million for his last presidential campaign and nearly $6 million in the 2006 cycle for his political action committee, Keeping America's Promise. His personal wealth, mostly from the fortune of his wife, Teresa Heinz Kerry, came in handy in his first national run, when he infused his Iowa caucus campaign with his family money in the final days and eked out a win that propelled him toward the nomination.

Hobby Horse: Kerry has determinedly used his Senate platform to extend his campaign against President Bush and fuel another presidential bid. He turned much of his 2004 campaign policy agenda into a legislative agenda. Just a few weeks after that election, for instance, he retooled his campaign health proposals into the first bill that he introduced.

Hobble Horse: Last week's imbroglio over what Kerry himself termed a "botched joke" — which, to many, appeared to suggest that American soldiers are uneducated — was yet another reminder to Democrats of how clumsy he can be on the stump. It forced him off the campaign trail as fearful Democratic candidates canceled his appearances.

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Barack Obama — Junior Senator, Illinois

Rationale: Right now he holds one of the hottest cards in American politics, his initial flirtation with a 2008 campaign generating so much enthusiasm that media pundits have labeled the nation beset with "Obama fever." With his deep baritone voice and Lincolnesque physicality, he has Oprah Winfrey swooning and Democrats cheering, attracting massive audiences on a White House exploration itinerary thinly disguised as a book tour. Although Obama once flatly ruled out a presidential bid so early into his first Senate term, on NBC's "Meet the Press" last month he acknowledged that he could well change his mind. On paper it would seem much too early in his career for such a run, but when you are holding such hot cards it is tempting to play them.

Resources: Anyone who can stir the waves as he has done usually finds that the money flows in. He raised $15 million for what was a cakewalk 2004 Senate campaign and more than $4 million this year for a federal political action committee that presumably would become his presidential exploration fund. Obama's biggest PAC contributors come from organized labor, and it seems he delivers, already earning a 100 percent support rating from the AFL-CIO for his Senate votes.

Hobby Horse: Obama has captivated the imagination of baby boomers in an ironic way, by arguing in his new book, "The Audacity of Hope," that it is time for American politics to move beyond them and the polarizing issues of their growing-up years in the 1960s. His forward-looking message clearly resonates with many Americans.

Hobble Horse: Although many political experts say the country would be open to electing an African-American president (his father is from Kenya, his mother is a white woman from Kansas), it would be a racial gamble for the Democratic Party to

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nominate only the third black senator since Reconstruction. And his far-from-ripe career on the national stage, while evoking memories of a youthful Jack Kennedy, is bound to give pause among some voters.

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Bill Richardson — Governor, New Mexico

Rationale: For starters, ethnicity and geography argue in favor of Richardson, a Latino governor in a battleground state that backed Al Gore in 2000 but George W. Bush in 2004. Add to that his varied Washington experience — 14 years in the House plus four years in the Clinton administration, first as U.N. ambassador and then as Energy secretary — and on paper you have the ingredients for national office. Richardson is a larger-than-life character who is charming on the stump. On policy matters, he is a pragmatist who remains quite popular in his politically fluid state, recently winning kudos for making good on a 2003 campaign promise to save taxpayers $90 million in state budget costs. Governors do well in presidential contests, which is enough of a reason to consider Richardson a player.

Resources: Richardson raised more than $8 million for his bid for a second term as governor this year, a sizable sum in New Mexico politics. And his shoo-in standing in that race has allowed him to spread his money around to other Democrats in the state, always good for earning chits to solidify his home-state base in a presidential campaign. Also, the bulk of his campaign funds come from business interests instead of big labor, a good talking point for any Democrat in a general-election bid.

Hobby Horse: Richardson earned foreign- policy credentials as the ambassador to the United Nations, troubleshooting hot spots from Iraq to North Korea, and he also can emphasize his popular management of New Mexico and tout what is expected to be a lopsided re-election victory.

Hobble Horse: Richardson's closet is not entirely clean. At a minimum, a presidential bid will again bring to light his brush with the Monica Lewinsky scandal, in which he reportedly offered her a job, and revelations that for years he erroneously claimed to have been drafted as a pitcher by the Kansas City A's.

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Tom Vilsack — Governor, Iowa

Rationale: Vilsack's hopes are pinned to a four-letter word: Iowa. As the outgoing governor of the state that has the first presidential nominating contest, he owns the place. Democrats take note that he was the state's first governor from their party in 32 years. In recent years he has worked hard to broaden his portfolio with a heartland-focused message assailing Washington's pork barrel spending and arguing for an end to what he derides as corporate giveaways in federal budget and tax policies. He has a strong working knowledge of economics and knows how to appeal to middle class pocketbook worries. His wife, Christie, is a talented politician in her own right and was instrumental in helping John Kerry win the Iowa caucus last time.

Resources: Vilsack raised more than $6 million for his successful 2002 re-election bid, with contributions from business groups edging out labor donors. He has raised a bit more than $2 million for his current political action committee but would need much more to convince party bosses that he can move into the major leagues of fundraising.

Hobby Horse: As one of a handful of governors in the race from either party, Vilsack is well-positioned to run against Washington at a time when voters seem disgusted by corruption in the nation's capital. And he intends to make his views of the excesses of federal spending one of his primary targets in a presidential campaign.

Hobble Horse: Another Iowan, Sen. Tom Harkin, demonstrated in his 1992 presidential bid that being a favorite son might be enough to win the state's nominating caucus, but it was much discounted by the national media and proved not to be anything close to a momentum generator for the New Hampshire primary.

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George Allen — Junior Senator, Virginia*

Rationale: A Ronald Reagan conservative with George W. Bush's down-home style, Allen has deep appeal to those social conservatives who dominate Republican presidential nominating contests. His background as Virginia governor and a solid conservative voting record during his term in the Senate present a powerful résumé. A year ago, Allen was seen as a top prospect to inherit the conservative chair in GOP circles. But a bruising re-election bid this year against Democrat Jim Webb has seeded ample doubt. Still, his troubles could be a blessing if he wins a second term. Despite his gaffes on the campaign trail and

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charges of racism in his past, Allen always could argue that these matters have now been vetted fully and dodge further discussion in a presidential run. All bets are off, of course, with Allen's loss this week.

Resources: There once was no doubt that Allen, a fundraising machine, could fund a credible presidential campaign — until his Senate re-election campaign foibles surfaced. Raising almost $14 million for his current race, much of it from outside Virginia, Allen had hoped to save a chunk of the money as seed funds for a White House run. But, instead, he has had to shovel the bulk of it into television ads in a last-minute effort to save his seat.

Hobby horse: Before his political skills were called into question this year, Allen was seen as a major talent on the stump. Never considered much of a policy wonk, he has served the GOP well on the political front, such as his successful management of the Senate Republicans' 2004 campaign team.

Hobble Horse: Even some Republicans privately say that Allen is not too bright, an image reinforced by his stumbling this year on the campaign trail. With his loss on Tuesday, Allen will likely be seen as damaged goods. And his tough race kept him tied down in Virginia, unable to travel the country earning the favor of other Republicans.

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Sam Brownback — Senior Senator, Kansas

Rationale: Brownback has an opening to seek the social conservative mantle in Republican politics, especially if Sen. George Allen loses his re-election bid in Virginia — and with it his viability for 2008. Brownback is no poser on issues of concern to evangelical Christians, who have grown restive about the Republican Party's real commitment to their cause. In Brownback, they would have a true believer who passionately denounces what he sees as the decay of American culture and has made the championing of social conservatism a centerpiece of his decade in the Senate. He has remained steadfast in opposition to stem cell research — a litmus test for anti-abortion conservatives, who view the harvesting of embryonic stem cells in the cause of medical breakthroughs as the destruction of human life. While others in his party are looking for room to wiggle toward the center on that and other socially divisive issues, Brownback has stayed put. None of his potential 2008 rivals can beat his ties to politically active religious leaders on the right.

Resources: Although he raised a respectable $2.7 million for his breezy Senate re-election campaign in 2004, Brownback has no experience in the major leagues of presidential campaign fundraising. His current political action committee, Restore America, raised just under $600,000 over the past two years. But if he can ignite the evangelical grass roots for a White House drive, Brownback could overcome a money deficit.

Hobby Horse: Brownback has cultivated Mideast credentials since the aftermath of the Sept. 11, 2001, terrorist attacks when he began making use of his standing at the time as the top-ranking Republican on the Near Eastern and South Asian Affairs Subcommittee of the Senate Foreign Relations panel. Since then, he has developed a reputation for expertise on Afghanistan and the Muslim world.

Hobble Horse: As a darling of the religious right, Brownback might have a leg up for the GOP nomination, but his appeal in a general election could be quite limited. Pragmatic Republicans would likely argue this case against him in the primary campaigns.

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Bill Frist — Senior Senator, Tennessee; Majority Leader*

Rationale: Before his stunning promotion to majority leader four years ago, Frist was seen as the heir apparent to President Bush's command of the Republican Party. Many say he was handpicked by the White House for the top Senate job. Despite a lackluster-at-best performance during his four years as GOP leader — and his decision to retire from his Tennessee seat at year's end — Frist can still argue that his résumé as a transplant surgeon and his political base in the South keep him in the running for 2008. He has struggled to balance his party's ideological divide. On the one hand, he pleased social conservatives when he set a Senate vote to overturn Florida court rulings that allowed the comatose Terri Schiavo's husband to have her life support removed. But he irritated evangelicals by taking a strong stand in favor of stem cell research — and in opposition to the Bush White House.

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Resources: A very wealthy man, thanks to his own surgical prowess and a family fortune in the hospital business, Frist is comfortable and persuasive among the super-rich who fund major political campaigns. He raised nearly $6 million for his 2000 re-election and, naturally, health industry donors led the way. In the 2006 cycle, he has raised more than $7.5 million for his political action committee. If he runs for president, Frist could be one of the better-funded candidates in the field.

Hobby Horse: Frist is working hard to regain the trust of social conservatives after parting company with them on stem cell research. He got out front in the drive to ban same-sex marriage, even though it was a non-starter in the Senate. He knows that winning over the evangelicals is his first order of business for renewing interest in his presidential prospects.

Hobble Horse: The Senate got little done on his watch, and many conservatives hold him responsible for failing to enact their agenda. And as he tries to make it up to them, moderate Republicans accuse him of pandering to the right wing. Washington insiders who were once so high on his chances now all but write him off.

* see note at the top of this story

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Newt Gingrich — former Speaker of the House, Georgia

Rationale: In a twist on Jimmy Carter's 1976 campaign slogan, "Why Not The Best?," Gingrich could use as his campaign tag line the rhetorical question, "Why Not The Past?" And why not, indeed? Gingrich, who led Republicans to control of the House in 1994 for the first time in 40 years, could be just the one to revive his party's winning spirit. With one of the sharpest minds in politics and policy, he can outtalk anyone in the game. And none of the party's current problems, from the Iraq War to the swirl of scandal around lobbyist Jack Abramoff, can be laid at Gingrich's doorstep. He's been out of politics since he resigned his House seat eight years ago, giving him the right to chide his party for losing its way, as so many grass-roots Republicans seem to think has happened. All he needs is a new contract with America.

Resources: Having been out of politics and the fundraising game for so long, Gingrich might have trouble getting up to speed. But when he was at the top of his game, as Speaker in 1996, he amassed more than $6 million for one of his more competitive House re-election races in suburban Atlanta. He has kept up ties with the money crowd as a popular speaker on the convention circuit, where well-to-do business leaders congregate.

Hobby Horse: Gingrich gives no ground when it comes to national security, arguing that the nation is already embroiled in World War III and should act accordingly. Although concerns about terrorism were not at the top of the agenda during his days in power, he has written several books about war and misses few opportunities to join the national debate.

Hobble Horse: Some think that Gingrich just talks too much, sometimes sounding like a nutty professor, and is much too eager to be provocative even at the risk of being misinterpreted. Social conservatives distrust him, and it doesn't help that he's on his third marriage. And the last big campaign he ran, the 1998 midterm, was a big enough bust for the GOP that it forced him out as Speaker.

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Rudolph Giuliani — former mayor, New York City

Rationale: No one has ever moved from a city hall to the White House, but Giuliani could be the first for one reason: He still basks in the glow from his role as "America's Mayor" five years ago, when his considered but forceful stewardship of New York City after the Sept. 11 al Qaeda hijackers' attacks on the World Trade Center earned him comparisons to Winston Churchill and prompted Time magazine to name him "person of the year." Other hallmarks of his eight years as mayor, such as fighting crime and cleaning up Times Square, bode well for making his case as a competent manager. He is a sought-after speaker on management topics. And perhaps most important to his political ambitions, Giuliani has tirelessly trooped around the country to leverage his star power stumping for Republican candidates. Despite his moderate social views, he has made a sincere effort to reach out to religious conservatives and talk in personal terms about his own beliefs.

Resources: Giuliani raised $2.4 million for his political action committee, Solutions America, in the 2006 season and gave nearly a half-million dollars to GOP candidates or other campaign committees. Among the home states of his donors, Florida and Texas are in the top five, a positive sign that he can tap the deep wells there for Republican cash. Still, he is untested as a national fundraiser.

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Hobby Horse: Competence will be Giuliani's best argument. He takes pride in having run the nation's largest city and surviving the experience well-remembered as an able manager who actually got some things done. And his earlier days as a crime-fighting federal prosecutor could be cited as a credential for fighting terrorists.

Hobble Horse:Giuliani's views on abortion rights, environmental protection and other domestic issues are far to the left of the typical GOP voters' And his personal life, to put it mildly, is something of a mess. He has been married three times and his last divorce sparked a tabloid frenzy of charges and countercharges. Main Street Republicans and evangelical Christians might find it all a bit much to handle.

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Chuck Hagel — Senior Senator, Nebraska

Rationale: Call him the new John McCain. With two Purple Hearts earned as an Army infantryman in Vietnam and cozy relations with the press corps, Hagel comes across as the Republican maverick that McCain once was — before he began courting President Bush and the party's conservative wing. Early on, Hagel was a rare GOP voice in opposition to Bush's handling of the Iraq War. He did not let up, despite extreme pressure from party leaders to cool it. As a result, he is a favorite Republican to many Democrats. But he is no wild-eyed liberal, having once voted to overturn the Roe v. Wade protection of a woman's right to an abortion. For a presidential campaign, geography favors him: His home in Omaha is practically within walking distance of Iowa.

Resources: With just over $1 million raised by his political action committee during the 2006 cycle, Hagel shows no signs of being a campaign-finance powerhouse. He easily won re-election in 2002 with a modest $1.6 million in campaign funds. Chances are that if Bush and his friends have anything to say about it, Hagel will not be tapping a lot of traditional GOP resources. He has been a thorn in the president's side, and payback is probably on its way.

Hobby Horse: For Hagel, the word is maverick. In an era when voters are disgusted with blind partisanship, he is about as independent as they come. Like McCain and Rudolph Giuliani, his best argument to Republican primary voters is that he could appeal to a wide swath of general-election voters.

Hobble Horse: Plenty of GOP conservatives would rather set themselves on fire than see Hagel win the Republican nomination. They see his persistent criticism of the Iraq War as treason within his party, if not to the nation as a whole.

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Mike Huckabee — Governor, Arkansas

Rationale: If teaching Americans how to lose weight can make you president, then Huckabee is a shoo-in. After being diagnosed with diabetes in 2003, he set upon a life-changing course of eating less and running more. Now 110 pounds lighter than when he began his exercise and diet regimen, Huckabee last year published a book about his experiences, titled "Quit Digging Your Grave With a Knife and Fork." As governor, he has argued that promoting healthier living, among both citizens and state workers, ultimately saves taxpayers millions of dollars in medical expenses. Huckabee's weight-loss evangelism comes naturally. He is a Baptist minister accustomed to inspiring others. As Bill Clinton demonstrated, you do not get to the top of Arkansas politics and stay there without knowing how to charm a crowd. And Huckabee, who has been governor for a decade (and was lieutenant governor for three years before that), gets high marks as a crowd pleaser.

Resources:Huckabee raised $2.3 million for his last governor's campaign, in 2002. The bulk of his money came from Arkansas business interests and only a little more than 10 percent of his funds came from out of state, suggesting that he might have some difficulty financing a national race. Although Huckabee might possess some of Clinton's charisma, he does not share his fellow Arkansan's knack for fundraising.

Hobby Horse: In a party so dominated by religious conservatives when choosing presidential nominees, Huckabee's status as a Baptist minister should get him a hearing. He and his wife, Janet, entered into a "covenant marriage," a popular movement among evangelicals in which couples agree to limited legal grounds for divorce.

Hobble Horse: A penchant for granting pardons went awry for Huckabee when he released a convicted rapist, Wayne Dumond, who then committed a murder in Missouri. Look for this story to get plenty of play if Huckabee becomes a credible presidential candidate.

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Duncan Hunter — Congressman, California's 52nd District; Chairman, Armed Services Committee

Rationale: In these times of national security worries, there is nothing like an ex-Army Ranger to the rescue. In the halls of Congress, where he's been since 1981, Hunter still comes across as a trained combatant. At the helm of the House Armed Services Committee for the past four years, he has earned a reputation as a blunt and ferocious advocate for the military, especially when it comes to protecting the troops from budget cuts. When the Bush White House wanted to redesign the nation's intelligence hierarchy, the president, the vice president and many others in the administration had to personally lobby Hunter to back off his firm stand against it. He finally signed on when satisfied that the changes would not threaten the access of soldiers in the field to intelligence data.

Resources: Considering the squads of defense lobbyists who traditionally swarm the Armed Services panel's offices, running from the Rayburn Building is a fine platform for raising money, and Hunter has mustered war chests in the $1 million range for each of his last three re-election bids — none of which has been remotely close. But if Republicans lose control of the House, Hunter would lose his chairmanship and not be in as strong a position to raise money.

Hobby Horse: Beyond his solid credentials as a defense hawk, Hunter presents a social conservative portfolio that has appeal in GOP presidential primaries. He has long sponsored legislation to ban abortions. And now that building a fence along the Mexican border is in vogue, he can point out that he has proposed doing so for years.

Hobble Horse: Hunter is a powerhouse on Capitol Hill, but outside Washington and his Southern California district he remains a complete unknown. Perhaps he is expecting to have plenty of time to get outside the Beltway and build name recognition after Tuesday.

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John McCain — Senior Senator, Arizona

Rationale: As close to a Republican heir apparent as anyone gets in the 2008 field, McCain has done his best to earn that title from tradition-minded voters in his party. His positioning as a straight-talking maverick continues to give him clear general-election appeal, so his challenge is winning over social conservatives to get the GOP nomination. Independent voters and more than a few Democrats flocked to his initial presidential campaign. At the risk of losing some of those voters, McCain has courted religious conservatives and buried the hatchet from that bitter rivalry for the GOP nomination six years ago. The result has been a swell of conventional wisdom in Washington that sees McCain as the party's most likely nominee. Look for the president himself to give that nod at some point if all goes well between the two former rivals.

Resources: Money was tight for McCain toward the end of his 2000 nomination bid, which played a role in his ultimate loss to the massively funded Bush machine. But no one on the horizon for 2008 seems able to duplicate what Bush accomplished, opening the way for McCain to play the role of the presumed nominee and attract the attendant onslaught of cash.

Hobby Horse: While the corruption scandal brought on by convicted ex-lobbyist Jack Abramoff primarily tainted the Republican Party, it could make GOP voters all the more eager to nominate McCain, who has earnestly built a squeaky-clean image — he was, of course, a principal author of the 2002 campaign finance overhaul — despite himself getting caught up in the "Keating Five" savings and loan scandal of the 1980s.

Hobble Horse: Age and health are the biggest worries for McCain. He would be 72 on Inauguration Day 2009, meaning he would be the oldest person to become president. (Ronald Reagan was just shy of his 70th birthday when he first took the oath.) And although McCain says his bout with skin cancer is behind him, it left marks on his face that — along with injuries he suffered as a prisoner of war in Vietnam — deny him the appearance of robust health that Reagan projected.

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George E. Pataki — Governor, New York

Rationale: The governor's mansion in Albany was a good enough launching pad to get Theodore and Franklin D. Roosevelt into the White House — but it proved lousy for Mario Cuomo, who had to shelve his national ambitions in 1994 after losing his bid for a fourth term to Pataki, then a relatively obscure state senator. That upset earned Pataki the awe of Republicans nationally. They have watched him ever since, and his stewardship of the state — cutting taxes and creating jobs — has not disappointed them. (He's not seeking a fourth term of his own this year.) After the attacks of Sept. 11, Pataki was in the national spotlight, side by side with Mayor Rudolph Giuliani, demonstrating a calm competence that made their party proud. Instrumental

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in bringing the 2004 Republican Convention to New York, Pataki on paper is ready to play an even bigger role at the next convention.

Resources: The state of New York by itself has enough money to potentially fund a presidential campaign, but in 2008 there could be three from the state dialing for dollars: Pataki, Giuliani and Democrat Hillary Rodham Clinton. The Clintons have a tried-and-tested national network. Giuliani has been out of office with plenty of time to travel the country. Pataki, without the track record of the Clintons or the free time Giuliani enjoys, could face a tough challenge finding enough cash elsewhere.

Hobby Horse: A governorship has been the job of choice in four of the past five presidential elections, and Pataki is currently the nation's longest-serving governor — with plenty of policy achievements to boast about. Tax-conscious conservatives will find Pataki's tax-cutting record quite appealing. For compassionate conservatives, he can tout his 1999 health care plan extending insurance to those without employer-provided plans.

Hobble Horse: Pataki's charisma deficit — he's considered boring on the stump — will not help him charm his way into the hearts of religious conservatives who are not going to warm up to his abortion stand and support of gay rights. Rockefeller Republicans are still not welcome in such circles.

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Condoleezza Rice — Secretary of State

Rationale: She has said no in every imaginable way, but the political world cannot stop being fascinated with the idea of Rice on the national Republican ticket. She fits the bill for those who think only a solid conservative could ever become the first woman president, let alone the first African-American in the Oval Office. Rice, of course, is both of these — and she would make history just by running and winning a single primary. Careful and calculating in public, Rice makes very few mistakes despite having so many political foes gunning for her. A stalwart in the Bush White House's war on terrorism, from national security adviser in the first term to secretary of State since last year, she has the policy platform for a credible campaign despite lacking the experience of elected office.

Resources: If the Bush family gets behind her, all things are possible. The president is her biggest fan, and so far no one knows which of the 2008 hopefuls he might favor. Such high-powered backing is probably what it would take for Rice to mount an adequately resourced campaign. She has no experience raising the amount of money needed for such an undertaking, though her fame and rock-star appeal at GOP gatherings could make up the difference.

Hobby Horse: While she has legions of critics, no one can doubt her toughness in the national security arena. She gives no ground, whether on talk shows or in contentious Senate hearings. And the State Department turned out to provide some refuge from the brickbats being hurled at Bush's war policy, where Defense Secretary Donald H. Rumsfeld has taken ownership of the hot seat.

Hobble Horse: As a presidential candidate, Rice would face endless questions that she now mostly dodges about uncomfortable matters, such as the warnings she received about terrorist activity before Sept. 11. That headache alone could be enough to dissuade her from joining the White House fray.

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Mitt Romney — Governor, Massachusetts

Rationale: If conventional wisdom is correct and John McCain is the one to beat for the Republican nomination, someone will emerge as the conservative alternative. Bet on Romney to at least have a turn in that spotlight. Most pointedly, he rushed to President Bush's defense when McCain was taking on the White House plan to expand the authority to interrogate terror suspects. On immigration, Romney has taken a hard line, in contrast to McCain's middle-of-the-road approach in support of the president's proposals. And Romney seems to show up in religious conservative country, such as South Carolina, every time McCain tries to make his way there. Romney is doing what Sen. George Allen was planning to do until his own Senate re-election became dicey in Virginia. If Allen is out of play, Romney stands to gain.

Resources: It is hard to know which is better for training as a major league fundraiser, being governor of a good-sized state or running the Olympics. Romney has done both. He raised nearly $9.5 million for his 2002 election as Massachusetts governor (he's not running again this year), and he compiled nearly $2.5 million for his federal political action committee in the 2006 cycle. And those ties to corporate biggies when he was CEO of the 2002 Winter Olympics in Salt Lake City? Priceless.

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Hobby Horse: In an age when politicians cannot stop yammering about health care, Romney did something about it, signing into law last April an insurance plan that covers nearly all Massachusetts citizens without raising taxes. The plan's emphasis on individual responsibility for premium costs and subsidies for lower-income citizens is already becoming a popular model for Republican-style health care reform.

Hobble Horse: As a Mormon, Romney faces doubts among many evangelical Christians who are suspicious of the denomination. He does his best to disarm the doubters, once even cracking a joke about polygamy, saying that he believes marriage is "between a man and woman and a woman and a woman."

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Tom Tancredo — Congressman, Colorado's 6th District

Rationale:One-issue protest candidates are a hallmark of presidential campaigns, and Tancredo aims to make illegal immigration his cause. As Congress' leading advocate for tighter border controls and the deporting of people who have immigrated illegally, he is riding a wave of conservative sentiment that is roiling the Republican Party. Even some religious conservatives are getting as agitated about immigration as they are about abortion. And Tancredo was on this case long before it was hot. He says that he began focusing on it as a state legislator in the 1970s, when waves of immigrants moved into Colorado, eventually forcing the state to implement bilingual education programs. As a self-described religious-right Republican, Tancredo only gives way to liberals on gun control — a conversion brought about by the 1999 shooting deaths at Columbine High School, just blocks from his home in the Denver suburb of Littleton.

Resources: Protest candidates don't need a lot of money to maintain their candidacy. A cell phone and a rental car is about all it takes. But Tancredo is no slacker in this regard, having hit the $1 million mark in campaign funds when necessary for his re-elections since first winning his House seat in 1998. His alignment with anti-immigration groups and evangelicals should provide a healthy source of cash and direct-mail addresses to keep a campaign as long as he likes.

Hobby Horse: Tancredo's long-standing obsession with border fences and other measures to reduce illegal immigration is no longer burdened by the nutty image it once suffered. Last month, President Bush vindicated Tancredo's movement by signing into law a bill authorizing construction of 700 miles of fence along the Mexican border.

Hobble Horse: The inconvenient truth for Tancredo is that his own grandparents were immigrants. They came to the United States from Italy, but he says they always regarded themselves as Americans and not as Italian-Americans. And since they were legal immigrants, presumably he would not have them deported if they arrived today.

Denver Wooing Democrats For '08 (USAT)

By Tom Kenworthy, Usa Today

USA Today, November 10, 2006

Hopes for convention are mile high

DENVER — The Mile High City is hoping that a rising Democratic tide in Colorado and the West will lift its chances of hosting the party's 2008 convention.

Officials involved in Denver's bid for the convention say their prospects against rival New York City improved on Tuesday as Colorado voters put a decidedly Democratic stamp on the state.

"I think our chances are now better," says Denver City Council member Rosemary Rodriguez, who serves on the city's convention bid committee. If held in Denver, it would be the first Democratic convention here since 1908, when William Jennings Bryan was nominated.

Bryant Adams, spokesman for the Colorado Republican Party, says the GOP will bounce back from a "very difficult year" because "Republican values are in line with views and values all across the West."

Democrats in Colorado this week reclaimed the governorship after eight years of GOP rule, captured a House seat that had been Republican since 2002 and strengthened their majorities in the state House and state Senate. Colorado Democrats will hold four of seven U.S. House seats, a U.S. Senate seat and, for the first time since Dwight Eisenhower was president, control both the Legislature and governor's office.

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Elsewhere in the West, Democrats picked up a Montana Senate seat, two House seats in Arizona, and re-elected governors in Wyoming, New Mexico and Arizona. Five of the eight mountain West states will have Democratic governors starting in 2007; prior to the 2002 election, they had none.

"We've had a lot of success in the West, and it seems to us here in Colorado that the way to keep it up is to focus on the western U.S.," says Steve Farber, a Denver attorney who co-chairs the city's convention effort.

"Democrats need to look at the Rocky Mountain West as their hope for the future," adds Sen. Ken Salazar, D-Colo. "We're ready. We have the facilities. We have the most beautiful state in the nation."

A spokesman for New York Mayor Michael Bloomberg did not respond to messages seeking comment. Republicans will hold their 2008 convention in Minneapolis-St. Paul.

Democratic Party Chairman Howard Dean is expected to decide between Denver and New York by early December. At a breakfast meeting with reporters in Washington on Thursday, he said both cities are still under consideration.

Sen. Harry Reid, D-Nev., who is likely to become majority leader in January, has backed Denver's bid.

New Mexico Gov. Bill Richardson, a Democrat who just won a second term, said Tuesday's election results "make a strong case for the convention going to Denver."

Referendum Revelations (WSJ)

The Wall Street Journal, November 11, 2006

Republicans took a drubbing in Tuesday's elections. But judging by the results of various referendums nationwide, some of the ideas they used to stand for are alive, well and popular among voters.

The most significant moral victory comes in Michigan, where voters approved by a surprisingly lopsided 58-42 margin Proposal 2, which bars discrimination and preferential treatment "in the operation of public employment, public education or public contracting." Michigan voters showed common sense in passing the proposal over the demagogic objections of special interests such as women's groups and minority contractors, who outspent proponents of the measure three to one and ran ads depicting it as a disaster on par with 9/11 and Hurricane Katrina.

In California, four measures that would have raised taxes in an already overtaxed state went down in flames. One of them was a 300% hike in the duty on cigarettes; another a $50 per-parcel tax on landowners. Then there was Proposition 89, which would have hiked corporate taxes by 0.2 percentage points to create campaign funds for political candidates able to raise at least $125,000 in five-dollar increments. For a state in which porn stars have been known to throw their g-strings into the political ring, this nod toward Moonbeam populism probably wasn't a good idea.

For our money, however, California's dumbest proposition was numbered 87. Backed by movie producer Stephen Bing, it would have slapped a sliding-scale tax on California oil producers in order to fund alternative energy sources and, supposedly, reduce dependence on foreign oil. But exactly how increasing the cost of domestic oil was supposed to do that -- especially when the proposition forbade energy companies from passing along the higher prices at the pump -- was a conundrum to which supporters never gave much thought. The proposition went down 45% to 55%.

Also encouraging were the nine states that passed anti-Kelo referendums, which restrict state governments from using their powers of eminent domain to transfer property from one private owner to another. That brings to nearly 40 the number of states that have responded to the Supreme Court's infamous 2005 ruling that allowed the city of New London, Connecticut, to seize 15 homes to do the bidding of corporations and developers. The three states that rejected similar measures on Tuesday -- California, Washington and Idaho -- did so in part because proponents overreached politically by insisting that landowners should be compensated when government regulations diminish their property values. Opponents were able to portray this as a threat to state budgets and fiscal prudence.

Social and cultural issues were also on the ballot. Arizona, where voters otherwise evicted anti-immigration Congressman J.D. Hayworth, approved a measure making English the official language by a three-to-one margin. This suggests to us that what Americans want isn't so much restricted immigration as it is a culture of assimilation. Bans on same-sex marriage -- a pre-emptive reaction in the face of judicial overreach in places like Massachusetts and New Jersey -- were approved by large margins in liberal Wisconsin and conservative South Dakota, among seven states.

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At the same time, South Dakotans rejected a measure that would have banned nearly all abortions, while Missouri voted to endorse stem-cell research by the narrowest of margins, 51% to 49%: Both are useful lessons that Americans remain pragmatic and intelligently ambivalent on these difficult moral issues.

Our one disappointment was voter approval in six states for raising the minimum wage. The minimum wage is not a victimless crime, but it does tend to be an invisible one since it often takes the form of employers simply doing without some of the entry-level positions they might otherwise have filled with the young or unskilled. But with the Bush economy producing jobless figures of 4.4%, we can understand why voters are not on their guard about risks to fuller employment.

What all this tells us is that while voters have delivered a partisan rebuke to a party that likes to describe itself as conservative, they still believe in low taxes, property rights and social conservatism -- so long as it is not extreme. There's a lesson here for the next crop of GOP candidates, assuming they're willing to pay attention.

Michigan Prefers Equality (WSJ)

By Abigail Thernstrom

The Wall Street Journal, November 11, 2006

Ward Connerly has done it again: A striking 58% of Michigan voters gave the Michigan Civil Rights Initiative a thumbs up; only three counties voted against it.

The language of the MCRI closely tracks California's 1996 Proposition 209, also led by Mr. Connerly. It amends the Michigan Constitution to "ban public institutions from using affirmative-action programs that give preferential treatment to groups or individuals based on their race, gender, color, ethnicity or national origin for public employment, education or contracting purposes." The political and business establishments, pressure groups like the AARP, labor-union leaders, religious spokesmen, the professoriat, the major Detroit newspapers -- all were opposed to MCRI. But a substantial majority of ordinary voters were thinking for themselves.

Patty Alspach was perhaps a typical supporter. A Democrat, she signed the petition putting the proposition on the ballot. Meanwhile, opponents loudly claimed that the measure was misleading, that voters were being duped, that it should be tossed off the ballot. "I read it," replied Ms. Alpach. "I understood it. I signed it. Now let me vote on it."

While Mr. Connerly is the father of the civil-rights initiatives, in Michigan his role was that of mentor and fund-raiser; Jennifer Gratz, MCRI's executive director, was in charge. She'd been the lead plaintiff in Gratz v. Bollinger, one of the University of Michigan cases decided by the U.S. Supreme Court in June 2003. The Court agreed that race-driven admissions policies were okay as long as they remained a bit subtle -- but no naked point system for the color of an applicant's skin. The drive for the MCRI was launched immediately after the Gratz and Grutter decisions were announced.

The initiative's opponents enjoyed a five-fold funding advantage, which they used to broadcast a series of scary messages. The MCRI would be a tragedy on the scale of 9/11; it would perpetuate a "culture of inequity," and "endanger access to life-saving health-care services that apply only to women" -- the language of the initiative to the contrary notwithstanding. Opponents even found basketball coaches to tout the importance of seeking "diversity." In response to that last stunt, the tiny band of full-time, young MCRI workers (five on the payroll) sent a staffer -- a very short Korean immigrant, carrying a basketball and dressed for the court -- to the coaches' press conference where he stated his eagerness to add "diversity" to the game.

Such episodes reveal the youthful idealism and commitment of Ms. Gratz, 24, and her staff, so reminiscent of the civil-rights movement in its heyday. They were all 20-somethings, ready to sleep under their desks and work nonstop. Despite the provocative ugliness of the MCRI's opposition, they stuck with an unwavering, positive message -- leavened with wit.

The ban on preferences will affect the state and local government, but the University of Michigan will feel its impact most keenly. In the closing pages of "The Shape of the River," William Bowen and Derrick Bok's celebrated book on preferential admissions, the authors warn that, if barred from using racial double-standards, institutions of higher education will find another way to achieve the desired racial mix on campuses. Straight out of the Bowen and Bok playbook, University of Michigan president Mary Sue Coleman issued a statement on Tuesday night (even before the final results were in): "Regardless of what happens with Proposal 2, the University of Michigan will remain fully and completely committed to diversity. I am determined to do whatever it takes to sustain our excellence by recruiting and retaining a diverse community of students, faculty and staff."

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Brave words in the face of utter defeat. To be sure, Supreme Court opinions can often be circumvented behind closed admissions-office doors; that was certainly the story after the 1978 decision in University of California v. Bakke, which (on paper) sanctioned the use of racial identity only as a "plus" factor, one consideration among many in admitting students. But state constitutional amendments are seriously constraining, as the experience in California in the years since the passage of 209 suggests. Racial double-standards in college admissions has been markedly curtailed at the state's flagship schools.

Buried in a lengthy speech to University of Michigan students on Wednesday, Ms. Coleman did say, "of course the University of Michigan will comply with the laws of the state." It was far from her first thought, however, and she has asked the school's attorneys "for their full and undivided support in defending diversity." They'll waste their time. As George Mason University law professor David Bernstein notes, "the chances that the university would ultimately win such litigation approach zero."

Ms. Coleman's other problem is that the much-vaunted "diversity" of the university is something of a sham, as an editorial writer for the very liberal Daily Michigan newspaper has suggested. The campus "is starkly segregated . . . We live in different student neighborhoods. We go to different bars on different nights. We join in different student groups. There are even separate Greek systems." While Ms. Coleman has made the usual noises about building a "community" and "creating a diverse, welcoming campus" -- whom was she kidding? Apparently no one.

Dishonesty has always been the coin of the realm in this country when it comes to race -- from the days of the Declaration of Independence to "separate but equal" and beyond. The use of race as a decisive factor in admissions at selective colleges and universities is no exception.

The modern-day survival of racial preferences depends on sympathetic judges willing to spin dubious arguments and ignore widely available data on the pernicious impact of such preferences. But, this time, the University of Michigan may find itself without judicial recourse. The Supreme Court has never said that universities are constitutionally obligated to institute "diversity" policies. Public universities are funded by taxpayers. And those taxpayers have spoken.

Ms. Thernstrom is a senior fellow at the Manhattan Institute and vice-chair of the U.S. Commission on Civil Rights.

Trade Deficit Narrowed In September (WSJ)

By Greg Hitt And Mark Whitehouse

The Wall Street Journal, November 10, 2006

U.S.'s Imports Fell 2.1% Amid Oil-Price Decline; Gap With China Worsened

Even as the overall U.S. trade deficit narrowed in September, the country's imbalance with China continued to worsen, pointing to possible new tensions in trade policy making now that Democrats have retaken Congress.

With the price of imported oil in sharp decline, the deficit fell 6.8% to $64.3 billion in September, the Commerce Department said yesterday. A broad easing of imports on the back of the first decline in oil prices in five months combined with a continued strong export performance to improve the trade picture.

Yet there were indications that the trade gap remains a problem. September's deficit, though down from August's revised record of $68.96 billion, was still one of the largest ever. And the rapidly ballooning deficit with China showed no sign of easing.

All that could push the newly Democratic Congress to take a toughened approach to trade policy, one that incorporates worker rights and environmental protections, in addition to the business priorities that Republicans have pushed in recent years.

Michigan Rep. Sander Levin, a senior Democrat on the House Ways and Means Committee, said the rapidly growing deficit with China underscores the need for a change of direction on trade policy. "The 'hands-off, anything goes' trade policy employed by the Bush administration has not worked," said Mr. Levin, who backs proposals to incorporate worker rights into Washington's trade discussions with other countries.

The U.S. appetite for foreign-made consumer products from China, including televisions and other electronic equipment, remained strong, pushing imports from China to a record $27.6 billion in September. With U.S. exports to China essentially flat for the month, the U.S.'s total deficit with China hit a record $22.96 billion -- by far the largest of any single country -- in September, up $1 billion from the previous month.

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Earlier this week, China reported that its overall trade surplus hit a monthly high of $23.83 billion in October, thanks to strong export demand from the U.S. and Europe. Discrepancies between Chinese and U.S. trade data are partly because of differences in how the two governments calculate trade, including shipments through Hong Kong.

According to the Commerce Department, the U.S.'s overall imports fell 2.1% to $187.46 billion for September, the first decline since February. Besides lower oil prices, decreased shipments from abroad of industrial supplies and automotive vehicles also contributed to the decline.

Exports rose 0.5% from August to a record $123.16 billion for September, with increases seen for everything from civilian aircraft and agricultural machinery to raw cotton and chemicals.

Drew Matus, a senior economist at Lehman Brothers, said the September trade data suggest "a slight upward revision" -- perhaps less than 0.2 percentage point -- in third-quarter economic growth.

Other economic data out yesterday showed that despite the continued decline in gasoline prices, U.S. consumers' optimism ebbed slightly in November, according to the latest survey from the University of Michigan.

The survey's index of consumer sentiment dropped to 92.3 in the first part of November, down from 93.6 in October but still the second-highest level since July 2005, said economists who had read the report, which is distributed to subscribers. The drop suggested that the positive effect of lower gasoline prices, which bolstered sentiment in October, has begun to fade. The negative tone of political ads leading up to Tuesday's congressional election might also have taken a toll, economists said.

The average retail price of gasoline was about $2.25 a gallon in early November, compared with more than $3 a gallon in early August.

Consumers' assessments of home-buying conditions improved, though they were wary of making purchases amid falling prices. Long-term inflation expectations -- an indicator closely watched by policy makers at the Federal Reserve -- held steady, with consumers expecting inflation to average 3% over the next five years.

Separately, the number of new applicants for unemployment benefits declined, suggesting that U.S. businesses are still hiring at a healthy pace. The Labor Department said initial jobless claims fell by 20,000 to a seasonally adjusted level of 308,000 in the week ended Nov. 4. Last week, the Labor Department reported that the unemployment rate had fallen to a five-year low of 4.4% in October.

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Dow Tumbles 73 Points As Attention Shifts To The Economy, New Congress (WSJ)

By E.s. Browning

The Wall Street Journal, November 10, 2006

A day after rising 19.77 points on news that Defense Secretary Donald Rumsfeld was out, the Dow Jones Industrial Average pulled back, with investors turning their attention back to the economy.

Amid worries about rising oil futures, flagging consumer sentiment and possible Democratic efforts to restrain drug-company profits, the Dow industrials yesterday fell 73.24 points, or 0.6%, to 12103.30. A day after finishing at a record, the average still is up 12.9% for 2006. Trading activity was heavy.

More broadly, some investors are nervous that stocks may have come too far since midsummer. At its record close Wednesday, the Dow was up 13.4% since July 14.

With the Dow up so much, "we have to be wary of something happening that would cause the market to sell off hard," said Doug Johnston, head of trading at Boston-based brokerage firm Canaccord Adams.

Some big investors appeared to be selling broad baskets of stocks to hedge their market exposure, Mr. Johnston said.

Crude-oil futures, whose declines had helped fuel stock gains, surged back above $61 a barrel amid worries about declining stockpiles and the looming winter heating season. Oil futures rose $1.33, or 2.2%, to $61.16.

That gain overshadowed news that lower oil prices helped to shrink the September trade deficit. Some oil traders believe the price declines were temporary and the commodity is likely to resume its gains.

Investors also were unhappy that the University of Michigan's measure of consumer sentiment came in lower than expected.

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Drug and telecom stocks led the declines, with talk that a Democratic Congress could seek to regulate those sectors more closely and hold down prices.

Large technology stocks bucked the trend, rising after Cisco Systems forecast stronger sales than analysts had expected. Cisco jumped 6% and Dell, Oracle and Yahoo all gained. But their coattails didn't reach the broader tech market, and the Nasdaq Composite Index, filled with tech stocks, fell 0.37%, or 8.93 points, to 2376.01. It remains up 7.7% this year.

The broad Standard & Poor's 500-stock index fell 0.53%, or 7.39 points, to 1378.33, still up 10.4% in 2006. Neither the S&P 500 nor the Nasdaq is near a record.

Gold futures, which often benefit from economic uncertainty, rose $18.60 to $635, the highest finish in two months.

Outside the U.S., stocks declined in dollar terms. The Dow Jones World Stock Index, excluding U.S. stocks, fell 0.07%, or 0.17 point, to 230.63.

In major U.S. market action:

Stocks retreated. Total trading volume for stocks listed on the New York Stock Exchange was 3.1 billion shares, as 1,359 stocks rose and 1,907 fell.

Bond prices were mixed. The 10-year Treasury note rose 2/32, or 63 cents for each $1,000 invested, pushing the yield down to 4.630%. The 30-year bond was down 2/32 to yield 4.734%.

The dollar was mixed. Late in New York, it traded at 117.94 yen, up from 117.80, while the euro rose against the dollar to $1.2823 from $1.2760.

Write to E.S. Browning at jim.browning@wsj.com1

Wyoming's Sen. Craig Thomas Has Leukemia (AP-Y)

By Mead Gruver, Associated Press Writer

AP, November 10, 2006

Sen. Craig Thomas, hospitalized since Monday with pneumonia, has been diagnosed with a form of leukemia, his spokesman said Thursday.

The Wyoming Republican, who was easily elected to a third term while in the hospital, issued a statement saying he will undergo treatment and plans to return to Congress in January.

Thomas fell ill in church in Casper on Sunday and was taken by ambulance to Wyoming Medical Center. He and his wife, Susan, flew back to Washington later in the day.

Thomas, 73, canceled campaign events Monday and was admitted to the National Naval Medical Center in Bethesda, Md., that evening, his spokesman Cameron Hardy said Thursday.

While hospitalized, doctors noticed a low white blood cell count and a bone marrow biopsy revealed leukemia, cancer of the blood and bone marrow. Thomas was to immediately begin a four- to six-week course of chemotherapy and will remain at the hospital to reduce his risk of infection, his office said in a press release Thursday.

"I am joining all of the thousands and thousands of other cancer survivors in Wyoming," Thomas said. "I certainly didn't expect this diagnosis, but I will be back by the January session ready for full service in the new Congress."

Thomas was diagnosed with acute myeloid leukemia, the most common form of the disease.

Dr. Brian Monahan, director of hematology and medical oncology at the National Naval Medical Center, said in the release that the disease usually can be forced into remission in people in Thomas' "great physical condition."

Thomas was elected to the Senate in 1994 after serving five years in the U.S. House.

Foreign Sales By U.S. Arms Makers Doubled In A Year (NYT)

By Leslie Wayne

The New York Times, November 11, 2006

Sales of military weapons by United States contractors to foreign governments doubled in the last year, as countries like Pakistan, Australia and Greece stepped up purchases of armaments and the United States government loosened policies to allow more American weapons to be sold on the world market.

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A total of $21 billion in arms sales agreements were signed from September 2005 to September 2006, compared with $10.6 billion in the previous year, according to new data compiled by the Pentagon. Foreign military sales agreements have typically ranged from $10 billion to $13 billion a year since 2001.

A number of factors are behind the surge in sales. Since Sept. 11, 2001, the Bush administration has used arms sales as a way to reward allies and cement international relationships. Middle Eastern countries, flush with oil revenues, have become big buyers.

Countries like India, Pakistan and Indonesia that were once barred from buying American weapons have had those bans lifted, and some have placed big orders.

For military contractors, the sales have provided a welcome source of new revenue at a time when the Pentagon has indicated that the era of record military budgets is ending.

Because many of the weapons sold overseas are mature products, the profit margins to American arms makers are high, since the initial development costs have long been recuperated.

And in the case of some planes, like the F-16 Fighting Falcon fighter jet and the C-17 Globemaster cargo plane, foreign military sales are a way to keep open production lines that might close for lack of Pentagon orders.

"There have been a remarkable number of orders placed," said Howard Rubel, an analyst at Jeffries & Company. "It's another arrow in the quiver of military contractors."

One of the biggest orders was placed by Pakistan, which had been barred from buying most American weapons because of its nuclear program. That ban was lifted last year and the country placed a $5 billion order for advanced F-16 jets made by the Lockheed Martin Corporation.

A similar ban on India was also lifted, opening up a potentially lucrative market to American contractors. India is currently looking to buy up to 126 new fighter jets, and American contractors have been flying to India to show off their wares.

Oil profits are also behind some of the orders. Saudi Arabia said in July that it planned to spend $5.8 billion on American weapons to modernize its National Guard and will also put in more than $3 billion in orders for Black Hawk helicopters, Abrams and Bradley armored land vehicles, new radio systems and other weapons.

In the gulf region, Bahrain, Jordan and the United Arab Emirates have filed plans to buy Black Hawk helicopters — for a total of $1 billion. Oman plans to buy a $48 million anti-tank missile system. The Emirates plans to buy rocket artillery equipment and military trucks for $752 million and Bahrain will purchase Javelin missiles for $42 million.

Bahrain alone has accounted for $1 billion in foreign military sales in the five years since 9/11.

"The rise in oil prices has allowed countries like Saudi Arabia and the United Arab Emirates to increase their arms purchases dramatically," said William Hartung, director of the arms trade project at the World Policy Institute, which is part of the New School in New York.

For contractors, Mr. Hartung added, these sales "are a welcome windfall, not just icing on the cake."

These new big gulf region orders, like the Saudi deal, were not included in the $21 billion tally for 2006. They will be carried over into the 2007 tally and are a sign that next year will be as robust as this one.

"We've got a good start on 2007," said Lt. Gen. Jeffrey B. Kohler, director of the Defense Security Cooperation Agency, which manages foreign military sales.

Besides Pakistan and India, since 9/11, bans on arms sales have been lifted on Tajikistan, Serbia and Montenegro, Armenia and Azerbaijan as these countries have been identified by the State Department as critical allies in the war on terror. They have turned into buyers, although on a much smaller scale than the big Pakistani or Saudi orders.

Armenia, Azerbaijan and Tajikistan had no American arms purchases before 9/11. But as a group, they have bought $32 million in weapons under the foreign military sales program, according to statistics from the Center for Defense Information.

Foreign military sales are negotiated directly between the United States and other governments and are overseen by the State Department, the Pentagon and Congress.

Other strategically situated countries have also stepped up their purchases. Nepal, for instance, bought $1.1 million of American weapons in the full decade before 9/11, and $22 million in the five years since.

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Similarly, Yemen, Djibouti and Uzbekistan bought $16.4 million combined in the decade before 9/11, and $73 million of American weapons since.

"Foreign military sales are a good hedge against potential further cuts in Pentagon procurement," said Mark T. Esper, executive vice president for defense and international affairs at the Aerospace Industries Association, a trade group.

In a conference call with analysts, Christopher E. Kubasik, chief financial officer of Lockheed, estimated that foreign sales account for 15 percent — or $5.5 billion — of Lockheed's sales, which were $37 billion in 2005.

"They're valued customers, and we plan to continue to grow in that area," he said.

Foreign sales have importance to military contractors beyond the dollar value of the contract. Once a country buys a weapon system, it will need to continue to buy spare parts or upgrades.

"In the next couple of years," said Cai von Rumohr, an analyst with Cowen & Company, "foreign sales as a percentage of company revenues will be tracking up."

Foreign sales can also keep endangered weapons programs alive.

For instance, when Boeing made some announcements that it might begin to close production of its C-17 cargo line, Canada and Australia quickly stepped in to place orders: Canada's deal is valued at $1.3 billion and Australia's at $2 billion. Orders for the F-16 from Turkey, Greece and Pakistan are pumping $11 billion into that program at a time when the Air Force is phasing out of it.

For that reason, the Aerospace Industries Association has been pressing Congress to relax rules so more foreign deals can be done outside of government scrutiny — an effort that has, so far, been rebuffed in Congress.

Last month, the industry association, along with representatives from the Boeing Company and the Northrop Grumman Corporation, met at the Heritage Foundation, a conservative Washington research group, to outline their plans to pursue this effort.

O'Malley Calls For Slots At Racetracks (WP)

By John Wagner

The Washington Post, November 11, 2006

Gov.-elect Martin O'Malley called upon the Maryland General Assembly yesterday to legalize slot machine gambling at horse tracks, saying he was "sick of this issue" but feared that the state's racing industry could collapse if lawmakers did not find common ground early in his term.

The issue of slots dominated the first three legislative sessions of Republican Gov. Robert L. Ehrlich Jr.'s tenure, producing stalemates that contributed to his rocky relations with the Democrat-controlled legislature.

O'Malley (D) said he is eager for compromise between backers of a more expansive slots plan and those who argue that legalizing machines would be only a first step toward dramatic expansion of gambling in Maryland.

"Hopefully, we can find some room for compromise and address people's fears about this being the camel's nose under the tent, and move forward to other more pressing, important issues," O'Malley said during an interview on WTOP (103.5 FM, 820 AM), one in a series of radio and television appearances yesterday in which he was peppered with questions on the topic.

O'Malley, who is Baltimore's mayor, said slot machines at racetracks would help prop up an industry that provides 18,000 jobs in Maryland and would ensure the survival of the Preakness Stakes, a nationally renowned event at Pimlico Race Course in Baltimore that O'Malley called "the equivalent of having the Super Bowl in Maryland every year."

If legislation is not passed within two years, O'Malley said, "I think you'll see racing just give up and go to other states and the Preakness move on."

Lawmakers, who return to Annapolis in January, offered divergent views on whether a slots bill is more likely to pass a Democrat-controlled legislature under a Democratic governor than under Ehrlich, who made the issue a priority.

"If you're against it, you're against it," said House Speaker Pro Tem Adrienne A. Jones (D-Baltimore County). "I would hope we would not jump on this."

Senate President Thomas V. Mike Miller Jr. (D-Calvert), a leading slots proponent, said he was optimistic that lawmakers would pass a tracks-only bill during a "honeymoon" period afforded most new governors.

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"I think it will be dealt with in the first year, and I think it will pass in the first year," he said.

Miller acknowledged that there is a key obstacle in the person of House Speaker Michael E. Busch (D-Anne Arundel), who considers the idea of placing slot machines at tracks an "unjust enrichment" of their owners. Busch was unavailable yesterday for comment, aides said.

O'Malley stressed yesterday that slots would not be a priority of his administration, saying, "It's nothing that I've ever made a central plank of my campaign."

In the closing months of a race in which O'Malley led in most polls, several gambling interests hedged their bets and gave money to both O'Malley and Ehrlich. The state Democratic Party received a $50,000 contribution from the Maryland Jockey Club, a horsemen's association controlled by Joseph A. De Francis, who has a minority share of the Pimlico and Laurel Park racetracks.

Aides said it is unlikely that O'Malley will introduce a slot machines bill and that his remarks came in anticipation of lawmakers pressing the matter. "I am so sick of this issue," he said on WTOP. "I hope that we're able to put this issue behind us."

But that may be easier said than done. Del. Peter Franchot (D-Montgomery), who was elected as Maryland comptroller Tuesday, said the bill probably would fail again even with O'Malley's backing. Franchot urged the incoming governor not to waste political capital on "a divisive issue."

"I personally think it's a loser of an issue," Franchot said. "Voters threw out the No. 1 cheerleader for slots, Bob Ehrlich."

During his media appearances yesterday, O'Malley also reiterated his support for construction of the intercounty connector, a position he told WTOP he had stated "four hundred billion times before."

And O'Malley continued to press for state School Superintendent Nancy S. Grasmick to step down.

Grasmick, who has sparred with O'Malley over Baltimore schools, reports to the State Board of Education, whose members are appointed by the governor. It probably will be July, however, before O'Malley has a chance to fill vacancies on the board and a year more before he has a majority.

"I think it would be a great time for a fresh start," O'Malley said yesterday on WUSA (Channel 9). "I think in her heart of hearts, she probably knows that, too."

A spokesman for Grasmick said this week that she has no plans to step down.

Baltimore Celebrates Political Last Hurrah? (WT)

By S.A. Miller

The Washington Times, November 11, 2006

BALTIMORE -- Residents gathered in some of the city's notoriously quirky diners and coffee shops yesterday to crow that the elections Tuesday proved they still live in the nexus of Maryland political power.

"It shows again that Baltimoreans are on top," said Bernie Shephard, a youth sports league director having breakfast at Cafe Hun, a kitschy restaurant in the working-class Hampden neighborhood.

Mr. Shephard had good reason to boast: Mayor Martin O'Malley became governor-elect, Rep. Benjamin L. Cardin joined fellow Baltimore Democrat Barbara Mikulski in the U.S. Senate and Rep. Nancy Pelosi, a California Democrat raised in the city's Little Italy neighborhood, is expected to be the next House speaker. Mrs. Pelosi learned politics at the knee of her father, Thomas J. D'Alesandro Jr., a Democrat with more than 20 straight terms in politics, in including jobs as Baltimore mayor and U.S. congressman.

"It's great [for] someone from our neighborhood, who played on our steps with all the other little girls, to progress like this," said John Pente, who has lived in the same Baltimore row house for each of his 96 years.

Mr. Shephard also acknowledged the growing political influence of Montgomery County, the state's wealthiest and most populous county, but said the county's connection to the District will always alienate its politicians from the rest of Maryland.

Fran Vota, 82, of Little Italy, agreed.

"They're not going to beat us, no way" Mrs. Vota said while leaving St. Leo's Catholic Church where she was making sandwiches for the homeless.

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Historically the hub of state politics, Baltimore is the home or birthplace of seven of the past 12 Maryland governors and five of the state's past 10 U.S. senators.

But the city's political strength increasingly has been eroded by Montgomery and Prince George's counties, home to more than a third of registered Maryland Democrats, who dominate state politics.

The election Tuesday sent two Democrats from Montgomery County to statewide offices: Montgomery County State's Attorney Douglas F. Gansler rose to attorney general and Delegate Peter Franchot became comptroller.

Mr. Franchot replaces Baltimore's most iconic politician, William Donald Schaefer, a former governor and the Baltimore mayor who in the early 1980s led the city to an urban renaissance. He lost in the September primary.

Mr. Gansler and Mr. Franchot are just the second and third Montgomery County officials to win statewide offices. Blair Lee III, a Democrat from Silver Spring, was the first Montgomery County official to win a statewide office when he was elected lieutenant governor in the early 1970s.

They and Lt. Gov.-elect Anthony G. Brown, of Prince George's County, will hold three of the six statewide offices. The other three belong to Mr. O'Malley, Mr. Cardin and Miss Mikulski, all Baltimore Democrats.

Still, some Baltimoreans quietly concede that the sweep Tuesday might be a last stand in the city's political legacy.

"Baltimore is losing its clout," said Mary Ann Campannella, 65, president of the Little Italy Community Organization. "It saddens me because Baltimore was the political power in Maryland."

Mrs. Campannella, who was wearing pajamas and sipping coffee as she held court yesterday morning at a neighborhood diner called Gia's/Iggy's, said Montgomery and Prince George's are home to a younger generation of state leaders and voters there are better educated and more politically sophisticated than those in Baltimore.

"Our school system proves it," she said. "Graduates can't fill out a job application. How are they going to know who to vote for."

She said Mr. O'Malley is a Montgomery County native "on loan" to Baltimore and noted that Mr. Cardin is 64 and Miss Mikulski is 70.

"I'm racking my brain to think of who is the next strong [leader] in the city," Mrs. Campannella said. "I'm coming up blank."

Don Kennedy, manager of Germano's restaurant in Little Italy, sounded the same melancholy note.

"Barbara Mikulski and Ben Cardin have been in the system a long time," said Mr. Kennedy, 51. "I don't see the new crop coming up."

Democrats May Urge More Contact With U.S. Adversaries (WP)

By Glenn Kessler, Washington Post Staff Writer

The Washington Post, November 10, 2006

The Democratic takeover of Congress will raise the profile of lawmakers who have repeatedly urged the Bush administration to talk to key adversaries such as Iran, North Korea and Syria, increasing pressure on the White House to stop placing restrictions or conditions on such discussions.

The incoming chairmen of the Senate Foreign Relations Committee and the House International Relations Committee -- Sen. Joseph R. Biden Jr. of Delaware and Rep. Tom Lantos of California, respectively -- have long argued that the administration's approach to dealing with adversaries has hamstrung diplomacy. Iran and Syria are problematic neighbors of Iraq, and critics have charged that not talking to Damascus and Tehran has hurt efforts to end the violence in Iraq.

Although outgoing Senate Foreign Relations Chairman Richard G. Lugar (R-Ind.) is also an advocate of greater engagement, the new Democratic leaders say they are more likely to call hearings and demand explanations from administration officials. Lantos, who has often visited such countries as Libya and North Korea, said he is "passionately committed to having a dialogue with people we disagree with."

Since Secretary of State Condoleezza Rice took office nearly two years ago, some restrictions on dealing with Iran and North Korea have been loosened. On North Korea, the administration has rejected calls for high-level bilateral contacts but allows them within six-nation negotiations focusing on North Korea's nuclear programs.

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On Iran, the administration this year offered to join multilateral talks on Iran's nuclear program -- but only if Tehran first suspends uranium enrichment. There has been virtually no dialogue with Syria since its suspected involvement in the 2005 assassination of former Lebanese prime minister Rafik Hariri.

"This has spelled the death knell of the neo-conservative approach," Biden said. He added that "Secretary Rice is much more open to approaches different than Cheney and Rumsfeld than people think she is," although State Department officials disputed that.

The Iraq Study Group, headed by former secretary of state James A. Baker III and former representative Lee Hamilton (D-Ind.), is also expected to address the issue of whether dialogue with Iran and Syria would aid the war effort. President Bush and Democratic lawmakers have said they are eagerly awaiting the study group's conclusions.

State Department officials said yesterday they are open to ideas, but that the change in Congress will not directly affect administration policies. Officials said criticism of the administration's approach is often misguided. The administration considers talks with adversaries as a particular "card" to play in diplomacy, but merely talking does not represent a policy, one official said. Dialogue with Syria, for instance, has been limited because the administration did not want it to affect the U.N. investigation into Hariri's killing.

Another Rice aide said he does not think Democrats will press too hard at first because they are still vulnerable to charges of being weak on national security. But he acknowledged Congress would raise tough questions, noting that North Korea's recent decision to return to the six-party talks "relieved some of the pressure on us for that."

The nomination of Robert Gates as defense secretary could also change the dynamics of the administration's internal debates. Outgoing Defense Secretary Donald H. Rumsfeld is a fierce foe of engaging with enemies, but Gates two years ago co-wrote a Council on Foreign Relations report that called for a "direct dialogue" with Iran.

"The current lack of sustained engagement with Iran harms U.S. interests in a critical region," the report said, arguing the United States should explore "common interests" with Iran as it did with the Soviet Union or China when they were U.S. adversaries. The report suggested that lifting unilateral sanctions and allowing U.S.-Iranian commercial relations to flourish "could be a powerful tool" in dealing with Iran.

Zbigniew Brzezinski, national security adviser to President Jimmy Carter and co-author of the report, said he hopes Gates's presence at Bush administration policy debates will bring a "a degree of rationality, common sense, balance and historical perspective" to the table.

Brzezinski, stressing he was speaking for himself, said the administration's requirement that Iran give up enrichment before talks can start is not a "fair bargain" because Iran has a right to enrich under the nuclear Nonproliferation Treaty, and thus would be reluctant to give it up for simply talking. He said lifting trade embargoes or dismantling sanctions would be a greater inducement to start a productive dialogue with Iran on a range of issues.

Asked yesterday about Gates's writings on Iran, national security adviser Stephen J. Hadley said: "The president and Bob Gates are pretty, pretty confident themselves that they're on the same page on the basic pillars of the president's foreign policy."

Around The Globe, Relief Over U.S. Vote (WP)

By Molly Moore And Peter Finn, Washington Post Foreign Service

The Washington Post, November 10, 2006

Many Welcome Return of Bipartisan Government; Caution Heard in Russia, China

PARIS, Nov. 9 -- For Europe and much of the rest of the world, U.S. voters' repudiation of the Bush administration in midterm elections Tuesday and the dismissal of Defense Secretary Donald H. Rumsfeld on Wednesday confirmed the widespread view that President Bush and his policies have done more to tarnish America's image abroad and strain its global relations than any other U.S. president in recent history.

The Socialist Group in the European Parliament, the legislative body's second-largest voting bloc, called the election results "the beginning of the end of a six-year nightmare for the world."

The seismic political shift in the United States was greeted in many places less with jubilation than with a sense of relief that Americans had at long last come to their senses.

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"It took a while for the Americans to realize who they had elected and the damage he had caused in the world," said Philippe Bas, 56, whose newsstand near a Paris subway stop was stacked with newspapers from across Europe carrying analyses of the election.

That view was echoed in some newspaper editorials and headlines around Europe. In Britain, the headline over the Guardian newspaper's lead editorial read, "Thank you, America."

In many capitals, Rumsfeld's dismissal was as momentous as the prospect of Democratic control of the House and Senate.

"After the Democratic victory, Bush sacrifices Rumsfeld," the French daily newspaper Le Figaro declared in a banner headline Thursday. An editorial in Le Figaro described Rumsfeld as "the symbol of the horrors of the American military intervention in Iraq" and said, "By dismissing the architect of this unpopular conflict, by sanctioning the neocons' idol, George Bush shows that he stopped believing that he could 'maintain the course' in Iraq."

"Rumsfeld never had many friends in Europe," Marcin Zaborowski, who monitors transatlantic relations for the Paris-based European Union Institute for Security Studies, said in an interview. "He exemplified anything that was bad about this administration. He personified the approaches Europeans had the most problems with -- going to war in Iraq on the false premises that it was closely linked to the war on terrorism and directly linked to the events of 9/11."

Political parties, government leaders, pundits and citizens from many countries seized on the return of a bipartisan government in the United States as a harbinger of welcome change in the Bush administration's policy of using the military. But others expressed concerns about the Democratic Party's agenda promoting trade restrictions and human rights.

"I hope the policy will be better balanced regarding the use of armed forces outside the United States," Boris Gryzlov, speaker of Russia's lower house of parliament, told reporters in Moscow. "However, there are fears that the Democrats are more prone to apply double standards in human rights."

"Democrats have traditionally had more complicated relations with Russia," said Tatyana Parkhalina, a senior analyst at the Center for Problems of European Security in Moscow. "And our politicians worry that they will pay more attention to human rights, the democratic development of the country and relations with former Soviet republics. They're not happy about that."

Some Chinese analysts also said the Beijing government is worried about potential changes in the way the United States approaches trade relations, noting that Democrats have traditionally been more attuned than Republicans to labor union complaints about loss of U.S. jobs to low-wage Chinese factories.

Officials and analysts in other nations embraced the prospect of changes in U.S. social policies.

Germany's minister for economic cooperation and development, Heidemarie Wieczorek-Zeul, a Social Democrat, told the Berliner Zeitung newspaper, "There is hope that our concerns in the world -- for peace, development, environmental and climate protection -- will be given more weight on the political agenda in the USA."

On the opposite side of the globe, Mexican officials said they hope Democrats will use their new power to improve Bush's approach to immigration issues, particularly the question of constructing a barrier on the U.S.-Mexico border.

"The electoral strategy that proposed the possibility of building the wall as an element of the electoral battle failed," said RubÃ©n Aguilar, spokesman for Mexican President Vicente Fox.

Some European analysts expressed fear that some pressing issues, including the Iranian and North Korean nuclear programs, could be neglected with a lame-duck leader in the White House.

Britain's Daily Mail newspaper said in an editorial that Bush had received a "richly deserved bloody nose," but the results had "left the free world with a severely compromised leader, stripped of moral authority at home and abroad."

But one of Iran's hard-line newspapers, Kayhan, relished the prospect of a politically diminished White House. "Bush's government will be obliged to take more cautious steps and instead of creating war around the world, it will be obliged to fight politically with Democrats," it said.

Finn reported from Moscow. Correspondents Edward Cody in Beijing, Manuel Roig-Franzia in Mexico City and Kevin Sullivan in London and special correspondents Corinne Gavard in Paris and Shannon Smiley in Berlin contributed to this report.

Bush Discusses Immigration Reform With Mexico's President-elect (MCT)

DOJ_NMG_0093443

By Kevin G. Hall And Pablo Bachelet

McClatchy Newspapers, November 10, 2006

WASHINGTON - President Bush welcomed Mexican President-elect Felipe Calderon to the White House on Thursday and got an earful about immigration restructuring and controversial legislation that Bush signed recently to construct 700 miles of wall along the common border.

"I explained our point of view that it isn't - can't - be a solution to the migration problem," Calderon told Spanish-language reporters in a news conference after meeting Bush. He also said he'd try to keep immigration from drowning out other important issues in the bilateral relationship.

Calderon met Bush immediately after the U.S. president had lunched with presumed House Speaker Nancy Pelosi, D-Calif., to mend relations and discuss areas in which they could find common ground.

In the wake of his party's defeat Wednesday, Bush identified immigration revisions as one of those areas, and he repeated that in a photo session with Calderon, noting that "I assured the president-elect that the words I said in the very Oval Office that we sit about a comprehensive immigration vision are words I still believe strongly."

Although Calderon is a conservative who shares many views with Bush and, like Bush, won an election that many in his country questioned, he's been a vocal critic of the Republican-passed legislation that expands existing border-area walls in California and Arizona. Like many Mexicans, he considers it an affront that's reminiscent of the Berlin Wall, dividing families on opposite sides of a border.

"I hope the new composition of the U.S. Congress allows a solution to the (immigration) issues," Calderon told Mexican reporters, noting that Democrats have promoted immigration restructuring that includes some form of legalization for millions of Mexicans who are living in the United States now without legal documents.

Immigration-overhaul advocates celebrated Tuesday's election results, which included the re-election of Arizona's pro-overhaul Democratic governor, Janet Napolitano, and the defeat of Arizona Republican congressional candidate Randy Graf. The Minutemen, a self-proclaimed border vigilante group, had backed Graf heavily.

Several of the loudest anti-immigration voices were quieted Tuesday at the polls. They included the influential Rep. Richard Pombo, R-Calif., Rep. J.D. Hayworth, R-Ariz., and Rep. Gil Gutknecht, R-Minn., who'd wrongly predicted that immigration issues would loom larger on Election Day than the war in Iraq.

"Immigration did not work as a wedge issue," said Celinda Lake, the president of Lake Research Partners, a Democratic polling firm.

Exit polls showed that Latino voters voted Democratic by a 3-to-1 ratio nationally, said Celinda Lake, the president of Lake Research Partners, a Democratic polling firm. This reversed Republican gains with Latinos cultivated by Bush before the more conservative wing of his party pushed border security issues to the fore.

Calderon's predecessor Vicente Fox hands over the presidential sash Dec. 1. Immigration was Fox's central theme in bilateral relations, and he was deeply disappointed when U.S. immigration restructuring fell by the wayside after the Sept. 11, 2001, terrorist attacks.

Mexico's president-elect is likely to move immigration off the public radar screen, said Andrew Selee, a Mexico expert at the Woodrow Wilson International Center for Scholars.

"He's probably going to try to lower the public emphasis on migration in the relationship and lobby more effectively for passage of some sort of immigration legislation in the United States," Selee said.

Indeed, Calderon said Thursday that he didn't want immigration to overshadow issues such as anti-narcotics cooperation and trade.

He proposed a commission to study a provision of the North American Free Trade Agreement that's causing turmoil in Mexico. Under NAFTA, which took effect in 1994, U.S. exports of corn and beans have been entering Mexico gradually with reduced duties and will be granted duty-free entry in 2008.

As a result, U.S. corn for animal feed and use in food products has supplanted Mexican-grown corn quickly and has worsened the gap between Mexico's rich north and its poor, agricultural south.

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The issue of U.S. corn was so controversial in Mexico that it nearly cost Calderon the election. For many Mexicans, corn is a cultural symbol rooted in Mexico's Aztec and Mayan past, and Calderon said Thursday that he wanted this commission "to find a soft landing for the end of this transition period."

Calderon Reassured On Immigration Bill (WT)

By Stephen Dinan, The Washington Times

The Washington Times, November 10, 2006

President Bush gave Mexican President-elect Felipe Calderon an assurance in the Oval Office yesterday that he will push for a broad immigration bill that includes a new guest-worker program and citizenship rights for many illegal aliens.

"I assured the president-elect that the words I said in the very Oval Office that we sit about a comprehensive immigration vision are words I still believe strongly," Mr. Bush told reporters after meeting with Mr. Calderon yesterday afternoon. The remarks came a day after Mr. Bush pledged to push the issue with the help of the new Democrat-led Congress.

Mr. Calderon said Mr. Bush "was very open to all the arguments that I have presented to him" on immigration.

The two men met face to face for the first time, ahead of Mr. Calderon's Dec. 1 inauguration. The meeting comes two weeks after Mr. Bush signed a bill authorizing nearly 700 miles of new fencing along the U.S.-Mexico border.

Although he didn't criticize the fence in his remarks to reporters in the Oval Office, Mr. Calderon said at a later press conference attended by Mexican and Spanish-language press that he told Mr. Bush the fence is a mistake.

"I told him our opinion that [the wall] is a mistaken remedy because it doesn't resolve the problem," the president-elect said, speaking in Spanish. "But he explained that this remedy was in response to the concerns of the United States to have a secure border."

He and other Mexican officials have compared the fence -- which will be built in major smuggling corridors -- to the Berlin Wall. But the legislation enjoys widespread support in the United States, having passed both the House and Senate easily and winning an approval rate of more than 80 percent in some polls.

Mr. Calderon is dealing with political upheaval and violence in the state of Oaxaca in southern Mexico, a cause taken up yesterday by demonstrators who marched on Pennsylvania Avenue outside the White House, as the leaders were meeting.

At his Spanish press conference, Mr. Calderon put some of the burden on the United States, saying that Mexico's southern regions need more investment and that the U.S. needs to do its part to fight crime and drug-trafficking, "particularly in the reduction of the demand for drugs."

Both at his press conference and with the president, Mr. Calderon said the U.S.-Mexico relationship includes more than just immigration and border issues.

"We want to foster our trade relationship, our economic relationship even more," he said. "We both understand that the only solution to many of the problems that we have is to create well-paid jobs in Mexico."

Still, with millions of Mexicans living illegally in the United States, immigration is a dominant issue, touching on both countries' security and economy.

Mexicans living in the United States -- legally and illegally -- will send home $24 billion in remittances this year, making it one of the nation's largest sources of income, along with oil sales.

Mr. Bush and outgoing Mexican President Vicente Fox had pledged in 2001 to try to secure an immigration accord that would legalize Mexican illegal aliens, but those efforts stalled after the September 11 terrorist attacks boosted concerns over immigration and border security.

Congressional Republicans, in particular, have balked, arguing that allowing illegal aliens a path to citizenship amounts to an amnesty for bad behavior, and would encourage more illegal entry.

Iran Warns U.N. Against Sanctions (LAT)

By Kim Murphy

The Los Angeles Times, November 11, 2006

DOJ_NMG_0093445

LONDON — A defiant Iran, calling the Republican defeat in the U.S. elections a "landmark victory for the Iranian nation," warned Friday that it would reassess its cooperation with international atomic regulators if the United Nations moved forward with comprehensive sanctions on Iran's nuclear program.

The caution came from Iran's top nuclear negotiator, Ali Larijani, as he concluded a day of meetings in Moscow aimed at winning Russia's support for weakening or postponing the sanctions, which European and U.S. negotiators hope to bring to the U.N. Security Council as early as the end of the month.

Iranian President Mahmoud Ahmadinejad said "the enemy cannot do a damn thing" to divert Tehran's nuclear program — one of many indications Iran might be prepared to endure an initial round of sanctions if diplomacy fails.

"By God's grace, our powerful nation will continue its path," the president said, according to the official Islamic Republic News Agency.

Shortly after Larijani's meetings in Moscow, Russia proposed significantly scaled-down sanctions amendments that would focus strictly on halting Iran's uranium enrichment and reprocessing activities and prevent the development of missiles to deliver nuclear weapons.

The proposal would leave intact Russia's $1-billion civilian nuclear power plant under construction in the Iranian city of Bushehr, a key focus of Larijani's agenda in Moscow, analysts said.

A draft resolution by Germany, Britain and France demands a ban on goods and technology that could contribute to Iran's nuclear and ballistic missile programs, and a cutoff of financial support to the programs.

It also calls for a travel ban for any officials or students related to the nuclear and ballistic missile programs and a freeze on foreign assets of people and agencies involved in those programs.

But Russian officials made it clear they believed negotiations were a better way to keep Iran engaged. "Sanctions are not going to force anyone to do anything they don't want to do," said Vitaly Churkin, Russia's ambassador to the U.N.

Larijani said Iran remained ready for dialogue and warned against adopting the European group's sanctions resolution.

"We will review our relations with the IAEA" — the International Atomic Energy Agency — "if the U.N. adopts the Euro-troika resolution without taking into account the amendments made by Russia," he said in remarks carried by the Russian news agency RIA Novosti.

The warning carries an implicit threat to halt U.N. inspections at nuclear sites, though Iran could then lose IAEA technical cooperation on issues such as safety at nuclear facilities.

But Tehran appears to be realizing that some form of sanctions is probably inevitable, and the focus of Iran's diplomacy is to delay or at least minimize any embargo and keep the Bushehr project and its future fuel deliveries intact, analysts said.

"Some people in Tehran are resigned to the prospect of some mild sanctions being instituted in the near future. And they're preparing public opinion for that eventuality," said Kaveh L. Afrasiabi, an Iranian-born analyst who has written extensively on Iran's nuclear program.

The reaction to a "mild" level of initial sanctions would probably be largely "symbolic," he said, such as a curtailment of IAEA inspections. But sanctions would quickly strengthen hard-liners in the government, Afrasiabi said, and successive moves to ratchet up the pressure would undoubtedly bring a correspondingly harsher reaction from Iran.

"At the end of the line is Iran's exit from the [Nuclear Nonproliferation Treaty] and complete suspension of any cooperation with the IAEA altogether. So there's no bright light, even just talking about the initial sanctions," Afrasiabi said.

The nuclear agency is set to complete a report next week on Iran's compliance with inspectors who returned Friday from Tehran. Officials close to the agency said it would almost certainly confirm that Iran had started enriching uranium in a second cascade of 164 centrifuges. But with inspectors' limited access, little else is likely to be revealed.

"The IAEA is losing knowledge about what Iran is doing," said David Albright, a former weapons inspector who runs the Institute for Science and International Security. "They can see how much uranium is enriched, [but] they don't know how many centrifuges are breaking … they don't know how many are being built, and Iran doesn't have to answer questions."

Meanwhile, Tuesday's elections in the U.S. and the resignation of Defense Secretary Donald H. Rumsfeld were greeted Friday by Iran's supreme leader, Ayatollah Ali Khamenei, as a victory for Iran and a show of "public opposition to the U.S.'s war-mongering policies."

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Though President Bush's nominee to be the next secretary of Defense, Robert M. Gates, is expected to help set a new course on Iraq, he may also push the Bush administration in a new direction on Iran.

Gates has said that relations with Iran should never be normalized unless the regime gives up its nuclear program and its support for terrorism.

But in an influential 2004 report, Gates argued that Iran's pursuit of nuclear weapons was largely driven by its "persistent sense of insecurity" vis-a-vis regional rivals and its "paramount adversary," the U.S. Gates said that the United States' lack of contact with Iran fueled this insecurity and that dialogue "need not await absolute harmony between the two governments."

U.S. Presses Russia To Bridge Gap Over UN Sanctions On Iran (BLOOM)

By Ed Johnson

Bloomberg, November 10, 2006

Nov. 10 (Bloomberg) -- U.S. Secretary of State Condoleezza Rice has spoken twice in the past week with her Russian counterpart to bridge differences over how to stop Iran developing nuclear weapons, the State Department said.

The U.S. is pressing for United Nations Security Council sanctions on Iran for failing to halt its uranium enrichment program. Russia, a trade partner of Iran, has proposed changes to a draft UN resolution that seeks to block the country acquiring atomic bomb and missile technology.

``She's doing her part to get this resolution over the goal line," State Department spokesman Sean McCormack told reporters in Washington yesterday. Rice spoke by telephone with Russian Foreign Minister Sergei Lavrov on Nov. 8 and also last week, he said, according to a transcript of the briefing on the department's Web site.

Iran's top nuclear negotiator, Ali Larijani, will visit Moscow today to discuss the issue with Russian officials, the state-run Iranian Students News Agency reported. Larijani plans to meet President Vladimir Putin and National Security Adviser Igor Ivanov to discuss the draft resolution.

Iran, a signatory to the nuclear Non-Proliferation Treaty, says its work is designed to fuel power plants and has repeatedly said it will press ahead with its atomic program even though the UN imposed an Aug. 31 deadline to halt enrichment. President George W. Bush's administration says the program is cover for developing a nuclear weapon.

Russian Amendments

Russia, a veto-wielding Security Council permanent member, has proposed changes to the draft circulated by the U.K., France and Germany. It has deleted a travel ban and asset freeze on officials of Iran's nuclear program and exempted from sanctions the Bushehr nuclear plant that Russia is helping build for the Islamic republic.

``We're starting to chip away at some of the issues," said McCormack, when asked if Rice made any progress in her conversations with Lavrov. ``But, you know, this is multilateral diplomacy, it takes a little bit of time."

China's UN Ambassador Wang Guangya said this week the differences may be unbridgeable. China, like Russia, opposes the U.S.-European approach.

Ambassadors of the Security Council's five permanent members, the U.S., U.K., Russia, China and France, met yesterday in New York together with Germany's ambassador to discuss the resolution, Agence France-Presse reported.

``I do think we made progress," U.S. Ambassador John Bolton told reporters, AFP said, adding they will meet again Nov. 13.

``We are not yet at the point where we can come to agreement on various issues," AFP cited Russian Ambassador Vitaly Churkin as saying.

Rice Says US Unfazed By Growth Of China's Global Role (AFP-Y)

AFP, November 10, 2006

US Secretary of State Condoleezza Rice played down concerns over the spread of Chinese influence around the globe, saying it was better for China to have friends in the world than enemies.

"I don't see any of this as zero sum," Rice told the Singapore Straits Times newspaper in an interview, a transcript of which was released by the State Department on Thursday.

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Rice was responding to a question on China's growing power and relations with nations from Asia to Africa, notably following a summit of 48 African leaders in Beijing last week that highlighted the Asian giant's deepening economic and political ties with the resource-rich continent.

"I'd like to have China have friends in the world, it's better than having China have enemies in the world," said Rice.

"There have been times when we worried about the opposite -- that China would be a destabilizing factor in the world," she said.

"So I would rather see a China that is trying to reach out, that's trying to have friendships around the world."

Rice visited Beijing two weeks ago and praised the Chinese for their leading role in nudging North Korea back to multilateral negotiations aimed at getting Pyongyang to give up its newly proven nuclear arsenal.

"We have excellent relations with China," she said.

But 10 days ahead of an Asian summit at which President George W. Bush will meet his Chinese counterpart Hu Jintao, Rice said Washington still harbored concerns about China's role.

"China has to be responsible in its engagement with the world because it is a big power, it's not just a developing country," she said.

Rice specifically echoed concerns that China's engagement with African countries can be overly focused on gaining resources and markets without adequately addressing issues of governance and human rights.

"It needs to take responsibility in Africa, not just to seek resources but also to contribute to the development of Africa and so that people's lives are better," she said.

She also said there were "some aspects of China's external policies that are not very positive."

She mentioned difficulties on intellectual property rights, "an outsized military buildup of Chinese forces" that is worrying Beijing's neighbors and human rights concerns inside the country.

"China, of course, needs also in terms of its own domestic transition to respond to the natural desires of people for human rights and for religious freedom," she said.

China: Scapegoat Or Sputnik (NYT)

By Thomas L. Friedman

The New York Times, November 10, 2006

Shanghai

As I was saying, Mr. Rove, Americans aren't as stupid as you think.

Now that we've settled that, and now that we've had an election that clarified which country is most important in shaping U.S. politics in 2006 — Iraq — I've come to visit the country that's most likely to shape U.S. politics in 2008: China.

The civil war in the Republican Party, which you are about to see, will be all about Iraq — whom to blame and how to withdraw before the issue wipes out more Republican candidates in 2008. But the coming civil war among the Democrats will be all about China.

I still believe that when the history of this era is written, the trend that historians will cite as the most significant will not be 9/11 and the U.S. invasions of Afghanistan and Iraq. It will be the rise of China and India. How the world accommodates itself to these rising powers, and how America manages the economic opportunities and challenges they pose, is still the most important global trend to watch.

It really hits you when you see the supersize buildings sprouting in Shanghai, or when you look at the world through non-American eyes. Kishore Mahbubani, the dean of Singapore's Lee Kuan Yew School of Public Policy, told me the other day that Asia right now "is the most optimistic place in the world." More people have come out of poverty faster there — particularly in India and China — than at any time in the history of the world, and as a result, he notes, more people in Asia than anywhere else in the world today "wake up every morning sure that tomorrow is going to be better than yesterday."

But one person's optimism can be another person's flat wages. And that is why the Democrats and China are almost certain to butt heads. The Bush team's focus on Iraq and terrorism, coupled with the Democrats' lack of control over either house of Congress, has kept China-U.S. relations largely out of the headlines and on a relatively even keel during the Bush II years.

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But two things will change that. One is the Democrats' return to control of both the House and Senate — powered by politicians like Nancy Pelosi, who has long taken a hard line vis-à-vis China on both economics and human rights, and Sherrod Brown, the newly elected senator from Ohio, who comes to D.C. with strong protectionist leanings from a state that has lost thousands of manufacturing jobs to Asia.

The other is the mood reflected in a Nov. 2 analysis in The Financial Times, headlined: "Anxious Middle: Why Ordinary Americans Have Missed Out on the Benefits of Growth."

Technology and globalization are flattening the global economic playing field today, enabling many more developing nations to compete for white-collar and blue-collar jobs once reserved for the developed world. This is one reason why growth in wages for the average U.S. worker has not been keeping pace with our growth in productivity and G.D.P.

"Economists call this phenomenon median wage stagnation," noted The Financial Times. "Median measures give the best picture of what is happening to the middle class because, unlike mean or average wages, median wages are not pulled upwards by rapid gains at the top. As the joke goes: Bill Gates walks into a bar and, on average, everyone there becomes a millionaire. But the median does not change."

Many Americans lately have started to get that joke, and it is one reason that with this new Democrat-led Congress we are likely to see a surge in protectionist legislation, more Wal-Mart bashing, a slowdown in free-trade expansion and increased calls for punitive actions if China doesn't reduce its trade surplus — which surged to a record in October.

China, in other words, is inevitably going to move back to the center of U.S. politics, because it crystallizes the economic challenges faced by U.S. workers in the 21st century. The big question for me is, how will President Bush and the Democratic Congress use China: as a scapegoat or a Sputnik?

Will they use it as an excuse to avoid doing the hard things, because it's all just China's fault, or as an excuse to rally the country — as we did after the Soviets leapt ahead of us in the space race and launched Sputnik — to make the kind of comprehensive changes in health care, portability of pensions, entitlements and lifelong learning to give America's middle class the best tools possible to thrive? A lot of history is going to turn on that answer, because if people don't feel they have the tools or skills to thrive in a world without walls, the pressure to put up walls, especially against China, will steadily mount.

U.S. Will Train Latin American Militaries (USAT)

By Barbara Slavin, Usa Today

USA Today, November 10, 2006

Ban lifted to offset trend toward left

WASHINGTON — Concern about leftist victories in Latin America has prompted President Bush to quietly grant a waiver that allows the United States to resume training militaries from 11 Latin American and Caribbean countries.

The administration hopes the training will forge links with countries in the region and blunt a leftward trend. Daniel Ortega, an adversary of the United States in the region during the 1980s, was elected president in Nicaragua this week. Bolivians chose another leftist, Evo Morales, last year.

A military training ban was originally designed to pressure countries into exempting U.S. soldiers from war crimes trials.

The 2002 U.S. law bars countries from receiving military aid and training if they refuse to promise immunity from prosecution to U.S. servicemembers who might get hauled before the International Criminal Court. The law allows presidential waivers.

The White House lifted the ban on 21 countries, about half in Latin America or the Caribbean, through a presidential memorandum Oct. 2 to Secretary of State Condoleezza Rice. The training is conducted in the USA.

A ban on giving countries weapons remains. Commercial arms sales are not affected, said Jose Ruiz, a U.S. Southern Command spokesman.

The training ban had resulted in a loss of U.S. influence in the region. The issue gained urgency after a string of leftist candidates came to power in Latin America.

On a trip to the region this year, Rice said that the impact of the ban had been "the same as shooting ourselves in the foot."

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China stepped into the gap. Ruiz said China "has approached every country in our area of responsibility" and has exchanged senior military officials with Ecuador, Bolivia, Chile and Cuba and provided military aid and training to Jamaica and Venezuela.

The ban remains in effect for some countries. Venezuela, whose fiery President Hugo Chávez is a critic of the Bush administration, remains ineligible because it is on a State Department list of countries alleged to have permitted the trafficking of women and children for sexual exploitation and forced labor.

Chávez is up for re-election in December and leads in the polls. Cuba is also off-limits because of a long-standing U.S. embargo against Fidel Castro's regime.

Ruiz said efforts are being made to transfer money this year to begin training foreign officers from eligible countries.

Ortega Redux: A History Smolders On Cold War Embers (NYT)

By James C. McKinley Jr.

The New York Times, November 11, 2006

MANAGUA, Nicaragua, Nov. 10 — For most of the world, the cold war ended when the Berlin Wall came down. Not so in the Caribbean basin.

Here the stubbornness of old cold warriors in Washington and the equal tenacity of leftist governments in Cuba and Venezuela have kept a miniature cold war going. Just as it was 20 years ago, Nicaragua now finds itself smack in the middle of the conflict with the election this week of Daniel Ortega, the former Marxist rebel leader, as president.

Mr. Ortega faces a balancing act no politician would envy, both inside the country and on the world stage. On the one hand, to satisfy his supporters, he must fulfill promises to "eradicate poverty," curb "savage capitalism," and remain friendly with his leftist allies, Fidel Castro of Cuba and Hugo Chávez of Venezuela. Venezuela, in particular, could be a source of cheap oil and money for social programs.

On the other hand, he can ill afford to lose more than $50 million a year in United States aid or credit from the International Monetary Fund. Neither can Nicaragua, one of the poorest countries in the hemisphere, jettison the newly approved free trade agreement between Central American countries and the United States. Just to survive economically, this nation of some 5.6 million people needs to continue exporting textiles and fruit to the United States and receiving remittances from Nicaraguans in the north.

"Nicaragua is basically a welfare state that depends on foreign inputs to survive, remittances and foreign aid," said an American diplomat, speaking on condition of anonymity.

What is more, Mr. Ortega won with only 38 percent of the vote, and the National Assembly is divided among four parties. Every move he makes will involve negotiation and compromise with conservative lawmakers, who are desperate not to anger the Bush administration.

"The problems facing him make it almost impossible to have a successful presidency," said Larry Birns, the director of the Council on Hemispheric Affairs in Washington. "He has no arrows in his quiver."

Mr. Ortega's precarious position may explain the careful nuance in his recent speeches. He ran on a rosy and vague promise of "jobs, peace and reconciliation," seldom attacked the United States, avoided Marxist rhetoric and wore his newfound religious convictions on his sleeve. These days he talks more on the stump about God than the proletariat.

For the moment, Mr. Ortega is walking very softly and speaking in dulcet tones. "Today more than ever, the Sandinistas have to be patient," he said to ecstatic Sandinista Party supporters after his victory this week. "We are not going to fall into provocations or insult anyone."

Still, once in a while, the old revolutionary flares in him. He has called President Bush "the Reagan of these times," and asserted that the "Yankee Reagan" wanted "to bring death and destruction to the region." Sometimes, he rails against the havoc the free trade agreement has wrought on small farms.

Since the election, he has taken pains to calm businessmen, assuring foreign investors on Wednesday that he will protect property rights in exchange for help combating poverty. "No one is going to allow the seizure of property big or small," he said. He has also reached out to his political opponents, saying he will keep in place reforms limiting the president's power.

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Yet at his victory speech later the same day, Mr. Ortega made it clear that he would not be Washington's lackey. He thanked his leftist "brothers," Mr. Castro and Mr. Chávez, then took a dig at Washington, saying it was not the Sandinistas who broke off relations after the 1979 revolution. "It was the reverse," he said.

He also said he would push the country, which currently sells more than 60 percent of its exports to the United States, to join the anti-United States trade association Mr. Chávez wants to organize. And he said he would seek trade agreements with Europe and South America. "We have to know how to make our economy grow not depending on only one market," he said.

So far, the Bush administration has taken a wait-and-see attitude in the face of what seems like two different Ortegas. A State Department spokesman, Gonzalo Gallegos, said the United States' cooperation with Mr. Ortega would be "based on their action in support of Nicaragua's democratic future."

Meanwhile, Mr. Castro and Mr. Chávez have used Mr. Ortega's victory to feed their own propaganda machines.

In Havana, Mr. Castro put out a statement saying the victory "fills our people with joy, at the same time filling the terrorist and genocidal government of the United States with opprobrium." In Caracas, Mr. Chávez claimed he and Mr. Ortega would be "uniting as never before" to construct a socialist future.

The outcome of this tug of war hinges on what steps Washington takes, several experts on the region said. The Bush administration has many high-ranking officials who were involved to one degree or another in the covert war against the Sandinistas and Mr. Ortega in the 1980s, among them Robert M. Gates, the man Mr. Bush put forward to be the new secretary of defense.

So even though Nicaragua is hardly a threat to national security, the memories of the 1980s may influence the Bush administration's policies, some experts say. "One of the big questions is, independent of what Ortega does, what approach will the U.S. take?" said Geoff Thale of the Washington Office on Latin America, an independent research group.

People who know Mr. Ortega worry his temper will get the best of him if Washington tries to put pressure on him.

"The worst thing that could happen is if Daniel Ortega extends his hand to Bush and Bush rejects it," said Sergio Ramírez, who was the vice president in the late 1980s under Mr. Ortega. "What will happen is that he's going to say, 'Fine, I will go with Chávez.' "

White House Watches Ortega (WT)

By Carmen Gentile, The Washington Times

The Washington Times, November 10, 2006

MIAMI — The Bush administration has adopted a wait-and-see approach toward relations with Nicaragua after the return to power of former White House foe Daniel Ortega.

Some U.S. lawmakers expressed fears before Sunday's vote that a return to power by Mr. Ortega would further embolden Latin America's anti-Washington bloc, led by Cuba's Fidel Castro and Venezuela's Hugo Chavez.

But after Mr. Ortega's clear victory in a crowded field, U.S. officials said they would respect the decision of the Nicaraguan people to re-elect the Sandinista leader who led a protracted and bloody war in the 1980s against the U.S.-backed Contra rebels.

"We ... look forward to establishing positive relations with Mr. Ortega and his new government," said Eric Watnik, a State Department spokesman.

In the days after an election in which the leftist Mr. Ortega handily defeated the U.S.-backed and Harvard-educated Eduardo Montealegre, U.S. officials were unusually reticent about the results.

Some said they were disappointed with the results and feared Mr. Ortega would roll back free-market reforms and Nicaragua's approval of the Central American Free Trade Agreement, designed to end tariffs on trade among Central American countries, the United States and the Dominican Republic.

However, the reforms instituted since Mr. Ortega was defeated 16 years ago have done little to better the lives of most Nicaraguans, about half of whom live on no more than $1 a day. The country remains the second poorest in the hemisphere ahead of only Haiti.

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Before the election, Rep. Dana Rohrabacher, California Republican, wrote a letter to Homeland Security Secretary Michael Chertoff recommending a termination of the billions of dollars in remittances that flow into Nicaragua from friends and relatives living in the United States.

But administration officials say they are willing to give the benefit of the doubt to the Nicaraguan president-elect. "We will work with [Mr. Ortega] in support of Nicaragua's democratic future," Mr. Watnik said.

Hoping to assuage fears that he might return Nicaragua to the dark days of its Soviet-influenced rule and hyperinflation, Mr. Ortega told business leaders this week that he would respect the reforms implemented by the outgoing Liberal Constitutional Party.

"Sixteen years have passed since the war ended," he said before the election. "I ask God to give us a chance to govern in peace together, without political differences, everyone together so that we can pull Nicaragua out of poverty."

He did say in the campaign that CAFTA was "subject to review" and that poor Nicaraguans had been reduced to "beggars" since it took effect.

Many Nicaragua analysts say Mr. Ortega today is a far cry from the heavy-handed leftist who helped sink Nicaragua into the depths of poverty and despair.

"Ortega is clearly a changed man," said Larry Birns, director of the Council on Hemispheric Affairs in Washington, noting the Nicaraguan leader's willingness to accept economic reforms approved by Washington and the World Bank.

Some U.S. leaders "still have old memories of Ortega and the Sandinistas as villains with ties to Moscow," he said.

World Bank officials have expressed cautious optimism about the new administration. "We don't envisage any dramatic shift in policy," said Joseph Owen, World Bank country director for Nicaragua.

Mr. Owen noted that Nicaragua has received $378 million in "soft" loans for 14 development projects, including infrastructure, education and poverty-reduction programs.

Nicaragua hopes that confidence in its ability to manage loan money eventually will pervade White House attitudes as well.

Ortega, Again (NYT)

The New York Times, November 11, 2006

Nicaragua's top Sandinista is back — and with him international anxiety. Daniel Ortega won the presidency of Nicaragua on Sunday, raising fears that Hugo Chávez and Fidel Castro now have another faithful acolyte.

But while Mr. Ortega's election is bad news, it is not because he is still a Marxist revolutionary. He is an old-style Latin American strongman who, we fear, will further weaken Nicaragua's democratic institutions and retard economic progress. Washington's challenge will be to figure out how to help curb Mr. Ortega's authoritarian impulses without pushing him into Mr. Chávez's arms.

Mr. Ortega, who was voted out of power in 1990, won this time because his opponents could not agree on a single candidate. The 39 percent of the country that voted for him was yearning for any change that could dig the country out of its deep poverty. He still had to use a series of political maneuvers and dirty tricks to ensure his victory.

As leader of the Sandinistas in the late 1990s, he made Nicaragua ungovernable by sending protesters into the streets. In return for peace, Arnoldo Alemán, the president then, allowed Mr. Ortega to pack the Supreme Court and the election commission, and arranged for both Mr. Ortega and himself to be granted lifetime legal immunity. That allowed Mr. Ortega to escape prosecution after his stepdaughter accused him of sexual abuse, beginning when she was 11. (Since stripped of his immunity, Mr. Alemán is serving 20 years for embezzlement.)

Mr. Alemán also agreed to lower the threshold of votes required to win a first-round election — upping the chances of an Ortega victory.

In his last pre-election act of cynicism, Mr. Ortega neutralized the powerful Catholic Church's opposition by backing passage of a bill that criminalizes all abortion. Mr. Ortega was once pro-Marxist, but now he's pro-Ortega. And that's the problem.

The Other Winner In Nicaragua (WSJ)

By Mary Anastasia O'grady

The Wall Street Journal, November 10, 2006

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MANAGUA -- It was just past noon here Sunday when I made my way to a polling station in the barrio of La Chureca, a sprawling garbage dump that also happens be home to some of this city's most destitute denizens. I wanted to see how the voting in the presidential election was going in a neighborhood known as a Sandinista stronghold.

The first glimpse of La Chureca, riding along a bumpy dirt road, is heaps of rubbish as far as the eye can see, fermenting under the hot sun and the watchful eyes of circling vultures. Soon more detail comes into view: Emaciated cattle, with feral dogs under foot, are "grazing" through the mounds of trash. Naked toddlers dart in and out of corrugated-tin shacks. On Sunday afternoon, at a small school on the side of the road, the polls were open and locals were voting just as they were all around the capital. Things were calm.

La Chureca is a symbol of Nicaragua's extreme poverty but as it turns out, it's not solely the property of former Sandinista dictator Daniel Ortega, who won the presidential election with 38% of the vote. On Monday afternoon, when I interviewed right-of-center candidate Eduardo Montealegre of the Liberal Nicaraguan Alliance (ALN) -- who came in second with 29% -- I asked him about the place. He said he also campaigned door to door in the neighborhood and that he found some support there.

Mr. Montealegre seems to have done better than expected in a number of traditionally strong Sandinista regions around the country. He got beat in the rural highlands, where third-place candidate José Rizo of the Constitutional Liberal Party (PLC) acted as the spoiler, draining anti-Sandinista votes away from the ALN. He finished with 26%.

Mr. Ortega's victory has demoralized Nicaraguans who were hoping that the days of thuggish Sandinista government might be behind them. Yet despite the disappointment of an Ortega comeback, there are reasons not to paint the country with the broad brush of defeat in the aftermath of the election. Mr. Montealegre's ALN has accomplished something big for Nicaraguan democracy by unseating the corrupt PLC as the country's main center-right party and establishing itself as a credible force against the Sandinistas.

On the question of whether Sunday's vote was fair, it's safe to say that if there was serious fraud it probably occurred before the polls even opened. Complaints of late poll openings and some early closings undoubtedly have merit. In my own narrow sampling, I noted that Mr. Ortega's control of the Supreme Electoral Council made it easy for Sandinistas to slow down the process and even harass opposition-party poll workers.

Yet the bigger problem may have been the structural damage caused by "the pact," a corrupt 1999 agreement between Mr. Ortega and former PLC President Arnoldo Aleman, who is now serving a 20-year sentence for fraud and money laundering. That deal lowered the threshold for a first-round victory to 35%, and by putting the CSE in the hands of the Sandinistas, allowed the Ortega camp to manipulate voter rolls in its favor.

Even so, Mr. Ortega could not have won without help from Mr. Rizo, who was widely viewed here as Mr. Aleman's puppet. While surveys show that Nicaraguans highly disapprove of PLC corruption, it also seems that rural highlanders reasoned that only the traditional PLC machine could keep Mr. Ortega out of office. Mr. Rizo thus became Nicaragua's Ross Perot. It was in highland regions, like Matagalpa, where the Sandinista victory was sewn up.

With the odds stacked heavily against him, Mr. Montealegre might have been trounced. The fact that he was not says much about the hunger here for something other than a choice between a recycled dictator on the left and a right-wing party headed by a convicted crook. The final tallies are also a commentary on Mr. Montealegre's leadership potential.

Two years ago there was no ALN party. Mr. Montealegre broke with the PLC and fast became the symbol of popular disgust with right-wing corruption. As Eduardo Enriquez, managing editor of Nicaragua's daily newspaper La Prensa wrote in a note to me on Wednesday, "In 18 months the ALN has shown a true capacity to organize that we have not seen in the history of Nicaraguan democracy, including the accomplishment of going from zero to 30% of valid votes. This is no less than a major victory that testifies to the leadership of the candidate and the capacity to organize the ALN team. The result is that Eduardo Montealegre is the new leader of the right and the new leader of the opposition."

Mr. Montealegre, who now goes to the congress as representative, has his work cut out. The ALN will have only about 30 seats in the chamber against 37 for the Sandinistas and 18 for the PLC. The ALN will need a strategy to prohibit the authoritarian Mr. Ortega from teaming up with the PLC and steamrolling democracy à la Venezuela's Hugo Chávez. As Mr. Enriquez points out, the ALN might find a way to co-govern with the Sandinistas, as current president Enrique Bolanos has done. But the situation would be very unstable given Mr. Ortega's appetite for power.

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Mr. Enriquez, who is no apologist for Mr. Aleman, says the ALN could also try to "govern from below" by forming a coalition with the PLC to keep Mr. Ortega in check. Though this too, he says, is problematic. It might require that the ALN give Mr. Aleman a pardon, a distasteful proposition and also a risky one, since up to now the former president has demonstrated a profound lack of principles.

Still, Mr. Montealegre is not without leverage. Many Nicaraguans feel duped by the dirty tricks that the PLC used to undermine the Montealegre campaign and put Mr. Ortega in office. Both the party and Mr. Aleman are discredited. In that sense, Nicaraguans are in a better position today than they have been for many years. There might even be hope for the people of La Chureca.

Security Council Sets Palestinian Vote (AP)

By Justin Bergman, Associated Press Writer

AP, November 11, 2006

The U.N. Security Council will vote Saturday on an Arab-backed draft resolution condemning the Israeli military offensive in Gaza and demanding a withdrawal of Israeli troops from the coastal strip, a European diplomat said.

Members of the Security Council met briefly late Friday afternoon to discuss the draft, which was softened somewhat from a version being circulated earlier this week.

Still, European diplomats said Friday there remained concerns among some of the council members about the language of the draft, making passage uncertain. The diplomats spoke on condition of anonymity because consultations were still taking place.

The U.S. blocked a U.N. Security Council resolution this summer demanding Israel halt its offensive in the Gaza Strip, which it launched in June following the capture of an Israeli soldier by Hamas-linked Palestinian militants. It was the first Security Council veto in nearly two years.

Palestinians have denounced the Security Council's silence on the offensive this week, increasing its calls for action after an Israeli artillery barrage in the northern Gaza Strip town of Beit Hanoun killed 19 people on Wednesday.

The draft resolution, which was introduced by Qatar, calls for Israel to immediately cease its military operations in the Gaza Strip and withdraw its troops. It also calls upon the Palestinian Authority to take "immediate and sustained action" to bring an end to violence, including the firing of rockets on Israeli territory.

The draft requests the U.N. secretary-general establish a "fact-finding mission" to probe Wednesday's attack in Beit Hanoun, and asks the international community to restart the peace process with the "possible establishment of an international mechanism for protection of the civilian populations."

During an open session Thursday on the Gaza situation, U.S. Ambassador John Bolton called for restraint on all sides.

He said Israel must investigate the Beit Hanoun killings and take steps to avoid a repeat of the incident. He also condemned Palestinian militant rocket attacks into Israel, saying Israel has a right to defend itself.

Associated Press Writer Alexandra Olson contributed to this report.

Palestinian PM Offers To Resign For Aid (AP)

By Ibrahim Barzak, Associated Press Writer

AP, November 11, 2006

Palestinian Prime Minister Ismail Haniyeh said Friday he would be willing to sacrifice his job if the international community would lift economic sanctions that have crippled his Hamas-led government.

Haniyeh's statement was the latest indication that the Islamic Hamas group was nearing a deal to form a national unity government with Palestinian President Mahmoud Abbas' moderate Fatah Party that would be made up of independent experts.

Such a coalition would presumably present a more moderate face to the world and convince the West to restore hundreds of millions of dollars in international funding.

"When the issue of the siege is on one side, and my being prime minister is on the other, let the siege be lifted to end the suffering of the Palestinian people," Haniyeh said, referring to the sanctions that have caused widespread hardship in the West Bank and Gaza Strip.

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Haniyeh's comments came a day after Abbas spoke on the phone with his main political rival, Hamas' supreme leader Khaled Mashaal — their first conversation since April. Hamas spokesman Fawzi Barhoum said their discussion indicated the sides were nearing agreement.

The international sanctions, including tax revenues Israel has withheld since Hamas took power in March, has made it largely impossible for Hamas to pay the government's 165,000 employees.

The West, including the United States, has said it will not lift sanctions unless Hamas recognizes Israel, renounces violence and accepts past peace deals, something Hamas has so far refused to do.

The program of the proposed new unity government is vague on the key issue of recognizing Israel, calling for a Palestinian state on only the lands captured by Israel in the 1967 Mideast War. Hamas' charter calls for an Islamic state on those lands as well as Israel.

In addition to the economic sanctions, Palestinians in Gaza have weathered a monthslong Israeli offensive that began after Hamas militants tunneled into Israel and captured a soldier in June.

More than 50 people have been killed in recent days in the Israeli artillery barrage, which aimed at preventing Palestinian militants from firing rockets at Israel. Among them were 19 killed Wednesday in the northern Gaza Strip town of Beit Hanoun when shells landed as residents were sleeping.

The U.N. Security Council will vote Saturday on an Arab-backed draft resolution condemning the Israeli military offensive in Gaza and demanding a withdrawal of Israeli troops from the coastal strip, a European diplomat said.

The draft requests the U.N. secretary-general establish a "fact-finding mission" to probe Wednesday's attack in Beit Hanoun, and asks the international community to restart the peace process with the "possible establishment of an international mechanism for protection of the civilian populations."

The U.S. blocked a U.N. Security Council resolution this summer demanding Israel halt its offensive in the Gaza Strip. It was the first Security Council veto in nearly two years.

Meanwhile, thousands marched through Middle East capitals Friday to protest an Israeli offensive, their calls often spilling into a broader outcry against America's policy in the region and its backing of Israel.

In Jordan, some 1,000 demonstrators filed into the streets after Muslim noon prayers, chanting slogans in support of the Palestinians, but also against the sentencing of Saddam Hussein in neighboring Iraq.

In Sudan, about 2,000 people gathered in front of the United Nations mission building and burnt American and Israeli flags. "Down down USA, we won't be governed by the CIA," chanted the crowd, which was prevented by police from approaching the U.N. building.

Similar protests were held in Egypt, Syria and Lebanon.

In an interview with NBC's "Today" show Friday, Israeli Prime Minister Ehud Olmert defended himself against critics who said Israel was using too much force against the Palestinians, saying he thinks "we are very, very restrained in using power."

"When someone criticizes us, I say what would you do when rockets fall on the heads of innocent Israelis?" he said.

Israeli Defense Minister Amir Peretz ordered the military to "re-evaluate its policy of artillery fire in Gaza," his ministry said in a statement.

Berlin Aims To Revive Mideast 'Quartet' (FT)

By Hugh Williamson

Financial Times, November 11, 2006

Germany will try to advance the Middle East peace process next year by reviving the joint diplomatic efforts in the region by the US, European Union, Russia and the United Nations, Angela Merkel, chancellor, said yesterday.

Speaking at a security conference in Berlin, Ms Merkel said Germany would use its EU presidency from January onwards to breath new life into the Middle East "Quartet" involving these four international interests.

"We see the need to start the quartet again and will discuss this with our partners" she said, adding that Berlin was determined to contribute to helping resolve the Israeli-Palestinian conflict, "even if the negotiations involved prove to be difficult".

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Officials said the chancellor's comments reflected frustration in Germany and the EU that the quartet had been largely inactive in recent months, despite the tensions and violence in the Middle East.

Germany in January assumes both the six-month EU presidency and the year-long presidency of the G8 group of industrial countries and German diplomats admit that Berlin is under pressure to take a heavyweight leadership role in the Middle East and elsewhere in this period.

"We can't just sit back and do nothing" on the Middle East, said one German official, citing as an example the Israeli shelling in northern Gaza on Wednesday that left 18 Palestinian civilians dead.

In addition, Germany has since last month, and for the first time in its postwar history, been involved in a peacekeeping mission in the region, with several ships patrolling the Lebanese coast to prevent arms being smuggled to the Hizbollah movement. "We have a special responsibility to this region," Ms Merkel said, referring to Germany's commitment to ensure the existence of Israel, arising from its Nazi past.

Ms Merkel's announcement followed repeated suggestions by Frank-Walter Steinmeier, foreign minister, that the quartet structure be revived, in particular to draw Washington into broader international initiatives in the Middle East.

In order to reinforce the quartet's role, its mandate could be expanded to include related regional conflicts, such as that between Israel and Lebanon, Mr Steinmeier has argued. In addition, other countries, such as Egypt, could be drawn into the talks to make them more representative.

The quartet's last big policy decision was in January, when, after a meeting in London attended by Condoleezza Rice, US secretary of state, it called on Hamas to recognise Israel's right to exist, abide by past agreements and renounce violence.

Some diplomats now fear that Europe and the US could be diverging, particularly if the Palestinians succeed in their attempts to form a national unity government. While the EU would like to recognise and work with such a government, Washington is much less enthusiastic.

Additional reporting by Daniel Dombey in Brussels

Palestinians Mourn Civilians Killed By Israel (NYT)

By Ian Fisher

The New York Times, November 10, 2006

BEIT HANUN, Gaza, Nov. 9 — Palestinians marched in anger and mourning on Thursday for 18 civilians killed by Israeli artillery — baring for cameras the battered faces of two dead children. Prime Minister Ehud Olmert of Israel offered to ease tensions by meeting the Palestinian president “anytime, anyplace.”

“I am very uncomfortable with this event,” Mr. Olmert said at a business conference in Tel Aviv. “I’m very distressed.”

Saying that he had personally investigated the artillery strike, which spurred Hamas to warn that it might resume suicide bombings against Israeli civilians, Mr. Olmert called the shelling Wednesday a “mistake” caused by technical failure. And he urged Mahmoud Abbas, the Palestinian president, to meet with him immediately.

“He will be surprised when he will sit with me of how far we are prepared to go,” he said. “I can offer him a lot.”

He did not explain what he meant. But his words seemed to reflect deep embarrassment at the deaths, mostly of women and children. The strike was condemned around the world, but also by many Israelis who are concerned about the number of civilians killed in Israeli operations to curb rocket fire by Palestinian militants into Israel.

Mr. Olmert’s statement also seemed to reposition the deaths — the largest single loss of life among Palestinians in years — into the realm of politics.

Any discussion between the men would invariably center on the difficult question of prisoners. It is unclear, however, how far Mr. Olmert could move from his past insistence that an Israeli soldier captured by Palestinian militants in June must be released before he would free hundreds of Palestinians from Israeli jails.

Mr. Abbas did not immediately respond to Mr. Olmert’s offer. But he has refused other such open-ended offers, saying that he wanted a concrete deal first on the prisoners and a meeting of “substance.”

On Thursday evening, the Israeli military issued its first detailed explanation of what went wrong with the shelling, saying an aiming radar had malfunctioned, causing the rounds to hit a cluster of civilians’ houses.

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Maj. Avital Leibovich, an army spokeswoman, said that a first volley of 13 shells had been aimed at an orange grove concealing rocket launchers and landed just under a mile away from the houses. A second barrage of 11 rounds, she said, was "aimed 400 meters away from where they hit."

"What we know from aerial photos is that two houses were hit directly," she said. "Our estimate is that 5 or 6 shells of the 11 hit two houses."

She added that, as is standard practice, the system was tested on targets before being used and that it had functioned properly.

Thousands of Palestinians, waving banners and shooting guns, returned to the shrapnel-scarred houses on Thursday with the bodies of the victims, carried on stretchers and wrapped in the yellow flags of the Fatah Party, led for decades by Yasir Arafat and now by Mr. Abbas. Women wailed and screamed for revenge: "Martyrs by the millions!" they chanted. "We are going to Jerusalem!"

Many of the dead were completely covered. But family members exposed the faces of two toddlers, the youngest victims — sisters named Maisa and Maram Athamnah, — as they held their bodies over their heads for the crowd and cameras to see.

"How was this baby guilty?" asked Kamal Hamdan, 43, after one of the bodies was paraded past him.

The bodies were carried to a new cemetery and buried in a single row, the two girls in the same concrete tomb as their mother, Manal, 25. The mood was furious, with many people saying they believed that Palestinians should intensify their attacks on Israel, civilians included.

"We must continue our resistance, even if the price is as big as this," said Ataa Zania, a paramedic who helped evacuate the dead and wounded on Wednesday. "Whoever wants to liberate his country has to pay the price."

As such, there was much approval for statements from Hamas leaders that they might resume suicide bombings inside Israel.

Several political analysts and experts on Hamas said they did not expect the group to resume a large-scale campaign of suicide attacks. Hamas, they contend, undertook a major shift in direction from militant group to political leadership when it won the Palestinian elections in January, and it stands to risk that by resuming a suicide campaign.

The group seems to remain deeply engaged in politics. On Thursday, the Hamas prime minister, Ismail Haniya, met again with Mr. Abbas here in Gaza in talks on a government of national unity, in which the Hamas cabinet would step down in favor of professionals and technocrats. The talks, however, are moving slowly, with many complications and little apparent hope of a deal in the next few days.

But several experts said they did not rule out one large attack by Hamas in specific retaliation against the deaths here.

"As in physics, every action has a reaction," said Mustafah Sawwaf, a journalist and political analyst. "Now there is a lot of pressure" from Palestinians not just on Hamas, but other factions, to retaliate.

But Abu Obaida, a Hamas military spokesman, took pains to clarify a statement that the group's military wing issued the day before warning of "hard lessons" in store for the United States, as Israel's ally. He strongly denied that Hamas was calling for violence against Americans or their interests.

The "only theater of operations is Palestine, its only target is the Israeli occupation," he said. "We have no intention of targeting any other nation or extending our theater of operation beyond the current one at this time.

"Of course," he added, "this does not clear the United States of its moral obligation to try and be even-handed and objective instead of its bias toward Israel."

Olmert: Israel Won't Stop Targeting Gaza (AP-Y)

By Sarah El Deeb, Associated Press Writer

AP, November 10, 2006

Israel will keep targeting Palestinian rocket squads in Gaza despite the risk of inadvertently hitting civilians, Israeli Prime Minister Ehud Olmert said Thursday, as tens of thousands of Palestinians buried 18 victims of an errant Israeli artillery strike.

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Women collapsed in grief, gunmen fired in the air and a man hoisted his dead baby aloft during the funeral procession in the northern Gaza border town of Beit Hanoun, where several Israeli shells struck a residential area early Wednesday. All of the dead belonged to a single extended family.

The Israeli military confirmed Thursday evening for the first time that its artillery caused the casulaties, suspending the shelling.

Amid the anguish, moderate Palestinian President Mahmoud Abbas picked up the phone and called his main political rival, Hamas' supreme leader Khaled Mashaal — a move that could help prevent the Islamic militant group from renewing attacks on Israel and also pave the way for a moderate Palestinian government.

Abbas and Mashaal, who lives in exile in Damascus, Syria, agreed to meet after agreement has been reached on a new government of experts, to be appointed by Hamas and Abbas' Fatah movement, said a senior Palestinian official who sat in on the conversation. Both sides hope that such a government will be acceptable to the West and end a crippling international aid boycott.

Abbas had refused to talk to Mashaal since April, when the Hamas leader harshly criticized the Palestinian president in a speech. However, with violence threatening to escalate further after the Beit Hanoun strike and militants calling for revenge, he contacted Mashaal to try to lock up a coalition deal. A key sticking point is the choice of a new prime minister who has ties to Hamas, but would also be acceptable to the West.

In Jerusalem, Olmert said that while he regrets the latest deaths, Israel will press ahead with strikes against Palestinian militants firing rockets at Israeli border towns.

"The military will continue as long as there will be Qassam shooting," he said, using the name for Hamas' homemade rockets. "We are not going to stop," indicating Israel would keep up its airstrikes in Gaza aimed at militants even with the artillery falling silent for now.

"We will take precautions in order to avoid unnecessary mistakes," he said. "We will do everything in our power to avoid it. I think it would not be serious to promise that it may not happen. It may happen."

Olmert said the artillery was meant to hit an orange grove from which troops saw rockets fired seconds earlier, but instead hit homes in Beit Hanoun, some 500 meters (yards) away.

The military said the results of its inquiry concluded that "the Palestinian civilian casualties were caused by IDF (Israeli army) artillery." The military statement said the inquiry determined the problem was a "technical failure" in the system that directs the fire. It said the army commander ordered a halt to artillery fire at Gaza until a further check is completed.

The Defense Ministry said in a statement that Defense Minister Amir Peretz ordered the military to "re-evaluate its policy of artillery fire in Gaza, including the safety range."

Beit Hanoun has been the focus of a week-long Israeli offensive meant to halt rocket the attacks. Wednesday's shelling came a day after Israeli ground forces pulled out of Beit Hanoun.

The shells landed as residents were still asleep, and witnesses said many were killed as they fled their homes in panic. The 18 dead was the highest Palestinian civilian toll in a single incident since the current conflict erupted in September 2000. The highest toll of Israeli civilians was 29 killed in a Palestinian suicide bombing at a Passover gathering in March 2002.

In Thursday's funeral, the bodies arrived at the cemetery in a convoy of 18 ambulances which drove from the local hospital through the artillery-scarred cluster of apartment buildings. Cries of "God is greater than Israel and America," punctuated by gunshots, rang out as the bodies were brought out on stretchers.

"I will avenge, I will avenge!" screamed one of the victims' relatives as he fired his weapon, voicing a common sentiment among the mourners.

"The Zionist enemy understands only the language of force and therefore I say, 'an eye for an eye, a nose for a nose,'" chanted Abdel al-Hakim Awad, a Fatah spokesman. "The residents of Sderot, the residents of Ashkelon, even the residents of Tel Aviv, are not going to enjoy security or peace as long as you are suffering, our beloved people in Beit Hanoun."

The freshly dug graves were lined up in a single row, each marked by a concrete block. A Palestinian flag fluttered over each one.

Two Israeli unmanned aircraft buzzed overhead.

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All of the dead belonged to the al-Athamnas, a prominent family in town that includes several doctors and professionals. Family members said they had fled during the recent Israeli offensive, returning home after Tuesday's pullout.

The U.N. Security Council was to meet in special session later Thursday. Palestinians hoped for a condemnation of Israel, on top of the denunciations Israel absorbed from governments worldwide after the attack.

Israeli police, fearing revenge attacks, stepped up their alert level, mobilizing forces across the country.

Anaylsis: Hamas Has Big Stake In Truce (AP-Y)

By Steven Gutkin, Associated Press Writer

AP, November 10, 2006

Hamas' threats to resume attacks inside Israel are playing well on the Palestinian street, but the group has a big stake in keeping its truce with Israel as it struggles to end a Western aid boycott and transform itself into a legitimate political power.

Hamas is already moving ahead with efforts to form a national unity government with the rival Fatah Party despite the killing of 18 Palestinian civilians by an errant Israeli artillery barrage. Such a government, made up of independent experts, would presumably project a more moderate face to the world.

However, killings of Palestinian civilians have often led to spiraling violence in the past. And Palestinians, furious over what they see as Israeli brutality and a lukewarm international response, are in no mood for concessions.

"While our children are drowning in their blood in Gaza, their children in Israel should not be any safer," a Hamas spokesman, Fawzi Barhoum, said Thursday as tens of thousands marched through Gaza's streets in funeral processions.

His comments echoed those of Hamas' exiled leader, Khaled Mashaal, who canceled a cease-fire with Israel and said his militants would answer the Gaza deaths with "deeds, not words."

It's difficult to persuade Hamas to share power in a more moderate government "when people are burying their children, burying their women, seeing this massive destruction," said Palestinian chief negotiator Saeb Erekat.

Still, a telephone conversation between Palestinian President Mahmoud Abbas and Mashaal indicated that Wednesday's bloodshed in Gaza would not derail coalition talks. The two men hadn't spoken for months, and aides to Abbas said their discussion Thursday boded well for progress.

Even Israelis, aware of Hamas' stake in continued calm, didn't seem to be taking Mashaal's threats too seriously. "His language is very often like that. It's nothing new," said Israeli Foreign Ministry spokesman Mark Regev.

Israeli Prime Minister Ehud Olmert said the artillery barrage in Beit Hanoun was caused by a "technical failure" and said he was "very distressed" by what happened. He also called for an immediate meeting with Abbas.

Previous episodes illustrated how quickly violence can spin out of control. A June 9 explosion at a Gaza beach that killed eight civilians was followed by the capture of an Israeli soldier by Hamas-linked militants and an Israeli invasion of Gaza. Israel and Hezbollah guerrillas in Lebanon fought a 34-day war after two Israeli soldiers were seized.

Still, this time there might be enough forces at play to prevent an escalation.

Hamas, which came to power in March after winning legislative elections, was met with a devastating international aid boycott that hindered its ability to pay tens of thousands of public workers whose salaries are the backbone of the Palestinian economy.

Before the deaths in Beit Hanoun, Hamas and Fatah said they were close to forming a national unity government that many Palestinians hoped would be the beginning of the end of the international boycott.

Hamas killed scores of Israelis in suicide bombings before 2005, but has refrained from such attacks for almost two years — even as it kept firing rockets into Israel.

Ahmed Yousef, senior political adviser to Palestinian Prime Minister Ismail Haniyeh of Hamas, signaled the group would not resume the sort of attacks that would invite harsh Israeli reprisals and impede Hamas's ability to govern.

"There is no decision to resume suicide bombing in Israel, but I don't rule out that other Palestinian parties would resort to such attacks," said Yousef, apparently referring to the militants of Islamic Jihad, which is not participating in the truce.

In Israel, there is growing criticism of the military's use of artillery against Palestinian militants, saying it subjects civilians to undue danger and ultimately harms Israeli interests.

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"Instead of more and more pointless military operations, which will not lead to anything except kindling more hatred, we must try a completely different path," said an editorial in the Haaretz daily.

Israeli politicians and military commanders are under great pressure, however, to stop daily rocket fire from Gaza on southern Israeli towns.

Wednesday's bloodshed was preceded by a weeklong Israeli offensive in Beit Hanoun that killed more than 50 Palestinians. Shortly after Israel pulled out, rocket fire resumed.

Israeli political analyst Yossi Alpher said there's nothing the army can do to halt the rocket fire, which has persisted unabated since Israel withdrew from the Gaza Strip more than a year ago.

"We don't have a solution short of reoccupying every single house and every square meter of land and we're not going to do that," he said.

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Steven Gutkin is AP's bureau chief in Jerusalem.

The Perils Of Inaction (NYT)

The New York Times, November 10, 2006

There have never been easy answers for how to broker peace between Israel and the Palestinians. But the horrifying price of ignoring the problem was made clear again this week when errant Israeli tank shells crashed into a Gaza neighborhood, killing 18 people, including seven children, as they slept.

There is more than enough blame to go around. Militants in Gaza constantly lob crude rockets across the border. The Hamas movement — voted into power last winter — is refusing to even implicitly recognize Israel, although doing so would mean resumption of international aid and lessening the desperation of its own people. Hamas's military wing has called for attacks on American targets in retaliation for the Gaza deaths.

And even as he expressed his distress for the deaths in Gaza — and called for an immediate meeting with Mahmoud Abbas, the moderate Palestinian president — Prime Minister Ehud Olmert said Israel would continue striking militants, and could not promise that mistakes "may not happen."

Yesterday, analysts were trying to figure out which was the most immediate danger: a new wave of terrorist attacks against Americans, the start of a full scale Israeli-Palestinian war, or a civil war between Hamas and its rival Fatah if talks on forming a unity government fail.

In such times, President Bush's call for "care and restraint" on all sides seems woefully inadequate. That is also how we would describe Secretary of State Condoleezza Rice's sterile tour of the region last month. Since her return, the administration has not taken a single step to revive peace talks.

If there is any way out, Mr. Bush needs to pledge his prestige and the full resources of his remaining presidency to negotiating a Middle East peace. Even before Mr. Olmert visits Washington next week, Mr. Bush should send Ms. Rice back to the region to broker an immediate cease-fire.

She needs to insist that the Israelis restrain their offensives into Palestinian territory and cease all settlement construction. And she needs to make clear to the Palestinians that while words are important, there will be no resumption of aid until their security forces move aggressively to halt rocket and terrorist attacks against Israel.

We had hoped Mr. Bush and Ms. Rice would have figured out the cost of inaction and drift after last summer's disastrous war in Lebanon. Perhaps this week's return look into the abyss will stir them.

Under Heavy Police Guard, Gay Rights Advocates Rally In Jerusalem (NYT)

By Greg Myre

The New York Times, November 11, 2006

JERUSALEM, Nov. 10 — After Supreme Court rulings, criticism from the Vatican and several nights of rioting by angry opponents, Jerusalem's gay community held a small, orderly rally Friday under a heavy police guard.

The police contingent of 3,000 was nearly as large as the crowd, which cheered speeches and danced to music from a stage draped in rainbow banners at Hebrew University's sports stadium.

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The venue was changed twice as the police sought a secure area, well away from an Orthodox Jewish neighborhood where youths have rioted in opposition to the event. Friday's rally was much more modest than the original plan, which had called for a large march through the city center, and organizers and participants were divided on whether to declare it a full success.

"I'm disappointed because I believe the religious people won this battle, and the people who believe in democracy and human rights lost," Jonathan Oron, 29, a graduate student at Tel Aviv University, said at the rally.

But Avshalom Vilan, a member of Parliament from the left-wing Meretz Party, said, "This is a success, because we stood up for the basic principle of our right to demonstrate."

Many in the crowd said they were not gay, and had come to show support for civil rights in what has become a contentious annual affair in this religious, conservative city.

Jerusalem Open House, a gay and lesbian group, has held a similar event for the past five years, and the buildup this year was again marked by staunch opposition from Jewish, Muslim and Christian leaders, who rarely find points of agreement.

"If it was up to me, I would send the gay community, who insisted on celebrating in Jerusalem, to Sodom and Gomorrah," said Eli Yishai, one of Israel's deputy prime ministers and the leader of Shas, an Orthodox party that belongs to Prime Minister Ehud Olmert's governing coalition.

Noting that Christian and Muslim clerics also opposed the event, Mr. Yishai told Israel Radio, "If we cannot be sensitive to Jewish feelings, perhaps we can listen to those of other religions."

In liberal, secular Tel Aviv, gay-themed events take place without a ripple. But in Jerusalem, there is always friction.

Last year, a 10-day international gay festival was planned for Jerusalem in August, and faced strong opposition from religious groups. The event was canceled when the Israeli government scheduled the planned withdrawal of Jewish settlers from the Gaza Strip at the same time, and Israeli security officials expressed concern that they would be stretched too thin.

Instead, a local march was held last year, when an Orthodox man stabbed and wounded three participants.

This year, some Orthodox leaders again expressed strong opposition in advance of the march. On several nights during the past week, young men in the Orthodox neighborhood of Mea Shearim rioted, throwing stones at police officers and burning garbage in the streets.

"I think there has been a general weakening of the rule of law in Israel, and some people feel they can trample on the rights of others," said Noa Sattath, a leader of Jerusalem Open House.

In recent months, members of a parliamentary committee held two lengthy debates on the event. Israel's Supreme Court rejected several petitions seeking to bar it.

The Vatican on Wednesday urged the Israeli government to cancel the rally, saying it would "prove offensive to the great majority of Jews, Muslims and Christians, given the sacred character of the city of Jerusalem."

With the police serving as mediators, the march was first postponed and moved to a part of the city dominated by government buildings, regarded as a secure area.

But after the Israeli military killed 18 Palestinian civilians in a shelling attack in the Gaza Strip on Wednesday, the Israeli security forces went on a heightened state of alert to guard against a Palestinian attack. The police sought an even more secure location for Friday's rally, and moved it to the Hebrew University stadium. They blocked off streets for a half-mile in all directions.

Orthodox leaders agreed not to stage protests on Friday. However, in a one-man demonstration, Rabbi Yehuda Levin, who flew in from Brooklyn, denounced the rally from the front gate of the stadium.

"They are making a statement against God himself," said Rabbi Levin, of the Union of Orthodox Rabbis of the United States and Canada. "They are creating bad feelings. They are not being tolerant of our feelings."

Also, the police said they had detained about 30 gay activists who sought to march from a park in Jerusalem, and held five Orthodox men in the same area who were found with knives.

Israeli Gay Rights Parade Called Off (LAT)

By Richard Boudreaux

The Los Angeles Times, November 11, 2006

DOJ_NMG_0093461

JERUSALEM — As the Israeli-Palestinian conflict boiled over this week, it competed for headlines here with a pivotal clash in Israel's culture war between secular and Orthodox Jewish values.

The inflammatory issue: gay rights in the Holy Land.

For days, Israeli television aired images of ultra-Orthodox Jews in black suits and hats, pelting police with stones and setting cars afire in a crusade against a planned gay pride march through Jerusalem.

The battle ended Friday in a setback for Israel's gay community, which bowed to police and rabbinical pressure to take the annual event off the streets and confine it to a stadium. Nearly 4,000 revelers waved rainbow flags and danced to live rock and rap music, but the mood was dampened by a sense of retreat.

"They decided to lock us in a cage," said Ronen Hady-Cohen, a 30-year-old medical student who walked through a protective cordon of 3,000 police officers to get to the rally at Hebrew University's fenced-in sports field. "The ultra-Orthodox interpret this as a victory, and I'm afraid that a lot of Israelis agree."

The flap over the parade reflected a sharp divide in Israeli society.

The country's democracy encompasses an array of secular groups that defend gay interests and have begun a campaign for same-sex marriage. Tel Aviv has a vibrant gay scene. Like nearly every Israeli, gays and lesbians are drafted into the army and given an opportunity to advance up the ranks.

But ultra-Orthodox religious leaders, who consider homosexuality an abomination, wield enormous power. They and their 500,000 followers — about 7% of Israel's population — are especially numerous and influential in Jerusalem, a city sacred not only to Jews but to Christians and Muslims as well.

Ultra-Orthodox clerics lobbied to have the gay parade stopped for the first time since it was first held in 2001 and called for a death curse on the organizers.

They got support from the top Muslim cleric in the Palestinian territories, Jerusalem Grand Mufti Mohammed Hussein, who declared that being gay is a crime. The Vatican and Christian evangelical groups denounced the planned parade as an offense to religious sensibilities.

Prime Minister Ehud Olmert weighed in, saying a gay parade would be a "provocative act," even though his lesbian daughter, Dana, of whom he is supportive, planned to take part.

Israel's Supreme Court turned down an appeal to block the march, and the attorney general ordered police officials to meet with organizers to agree on a route. But with ultra-Orthodox groups promising a large counter-demonstration, police feared a repeat of the bloodshed of last year, when three gay marchers were stabbed.

By midweek, Israel's other conflict had complicated the picture: Armed Palestinians were vowing to avenge Wednesday's killing of 18 civilians in Gaza by errant Israeli artillery shells.

Police officials said they could not mobilize the 9,000 officers needed to keep peace between gay marchers and their antagonists and still defend the country from terrorism.

Under a deal worked out by Jerusalem's police chief, the parade was canceled and Orthodox leaders agreed not to hold street demonstrations against the stadium rally.

"Today is a great victory for religious power," said Yehuda Levin, a New York-based ultra-Orthodox rabbi who came here to lobby. "The sodomites are back in the figurative closet. They are not free to provoke."

About 50 gay activists tried to march along the proposed route anyway but were blocked by police, who detained 20. Meanwhile, five young Orthodox men armed with brass knuckles, knives, clubs and a loaded pistol were arrested in a park near the stadium.

In the stadium, police detained a man who rushed the stage shouting antigay slurs.

The crowd at the event included a group of observant Jews from the Reform and Conservative streams of Judaism, who held signs calling for peaceful coexistence.

Hady-Cohen, the medical student, was there representing a small group of gay Orthodox Jews.

"Despite the caustic reactions, the religious community is finally talking about the subject and starting to realize it has homosexual and lesbian members," said Avigail Sperber, a 33-year-old filmmaker who leads an Orthodox Jewish lesbian group called Bat Kol, a term meaning God's female voice.

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In a speech to the crowd, rally organizer Elena Canetti said she had rejected appeals to move the event to a more gay-friendly environment.

"Why not leave Jerusalem to the fanatics? Because I will not give up my right to live openly as a lesbian in my city," she said.

"If we flee to another city, to Tel Aviv, or Amsterdam, or San Francisco, we will find ourselves centimeter by centimeter giving way to bullies and violence."

U.N. Delivers Plan For Court In Hariri Case To Lebanon (NYT)

By Warren Hoge

The New York Times, November 11, 2006

UNITED NATIONS, Nov. 10 — The United Nations delivered a draft document to the Lebanese government on Friday outlining the framework of an international tribunal to try suspects in the assassination of the country's former prime minister, Rafik Hariri.

The killing is being investigated by a United Nations commission. The chief prosecutor, Serge Brammertz, told the Security Council in September that he was developing evidence suitable for presentation to a court.

The investigation has already implicated senior Lebanese and Syrian security officials, though Syria has denied any role.

The draft arrived in Beirut at a moment of heightened political tension. The Syrian-supported Hezbollah militia is seeking more power in the government and is not eager to see the tribunal go forward.

Mr. Hariri was killed along with 22 others in a truck bombing in downtown Beirut on Feb. 14, 2005.

He had been known as a fierce opponent of Syrian domination of his country, and his killing provoked civic outrage and mass demonstrations that led Syria to comply with a Security Council resolution calling on it to withdraw its troops from Lebanon after a 29-year presence.

The Brammertz investigation has concluded that the Hariri killing was highly organized and planned by professionals with past experience in such activities.

The special court will have jurisdiction over suspects in the Hariri killing and in 14 other assassinations that the Brammertz commission has been investigating.

The final draft does not include an earlier mention of the possibility of trials on crimes against humanity. But among the crimes the tribunal can judge, the draft lists acts of terrorism, crimes and offenses against life and personal integrity, illicit associations and failure to report crimes or evidence of conspiracy.

The draft was approved this week by the five permanent members of the Security Council after procedural objections from Russia were met over how the judges and prosecutors were to be chosen.

The draft calls for the judges to be appointed by the secretary general in consultation with a selection panel and the Lebanese government, and most of them to be from outside Lebanon. The lead prosecutor will be international and the deputy will be Lebanese.

The final draft stakes out no clear position on whether top leaders will be liable to prosecution by the court or whether they can claim head-of-state immunity.

The court's location has also been left open. United Nations diplomats said they were looking for a site in the immediate region but outside of Lebanon, which does not want the court on its territory.

The personal representative of Secretary General Kofi Annan, Geir Pederson, gave copies on Friday to Fouad Siniora, the Lebanese prime minister, and other officials in Beirut. Mr. Siniora's office said the cabinet would take it up starting Nov. 20, after he returns from a trip abroad.

If Lebanon signs off on the draft, Mr. Annan will send a report to the Security Council with the agreed-upon language. The court does not need a vote or a resolution to come into being, only the consensus of the 15 Council members.

A Royal Emirati Whose Career Fuels Young Women's Dreams (NYT)

By Hassan M. Fattah

The New York Times, November 11, 2006

Dubai, United Arab Emirates

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FOR Sheika Lubna al-Qassimi, the most memorable moments typically happen in the shopping malls and public gatherings of this rapidly growing nation, not in the halls of power she navigates every day. They come when young Emirati women approach her to take their photograph with her, tell her their dreams or, best of all, ask her for career advice.

During those moments, she says, she realizes how much has changed for women here since she first started out in business, but she also sees how much farther they still have to go.

"I had to prove that stamina and delivering have nothing to do with gender," she told a group of young entrepreneurs recently. "We are the ones who usually discourage ourselves even before anyone else discourages us."

After decades of pushing the barriers in a region where women have traditionally been kept out of the public sphere, Sheika Lubna now towers as one of the country's most influential women. She is the first woman here to be a minister, but no less important, she is the minister of economy and planning, a particularly important position in a nation that is a major oil producer and relies so heavily on foreign investment, and where the economy continues to boom.

On any given day, she may be shuttling between world capitals to sign trade agreements, or between cities in the Emirates to garner support for her policies, or to lend support for a cause. She has pushed for the deregulation of cross-border trade while answering calls for greater oversight over the investment sector and stumping for foreign investment in her country.

But throughout, she has remained conscious of her role in chipping away at the restrictions women face in this region.

"Every day and night, I think about how the girls need to change," Sheika Lubna said emphatically. "Ultimately, I am out there for them."

THE United Arab Emirates have one of the fastest growing economies in the Middle East, and also have one of the most open societies in the Persian Gulf. Women are afforded many freedoms and are encouraged to work and take part in public life. But ultimately this is a traditional society for local women, where marriage and family are still central in a woman's life, where the law favors men in issues of family and where many women opt for reliable government jobs or simply choose to stay at home.

But with the outside world crashing into Emirati homes, and divorce rates on the rise, women must be better prepared to take care of themselves than their mothers' generation, Sheika Lubna and other women here argue.

As a woman who challenged all the societal rules in the 1970s, working her way up the ranks as a computer engineer, then a chief executive and a government minister, she has sought to prove to women here that they, too, must begin assuming a greater role in public life.

Her family is the ruling family of the emirate of Sharjah, the emirate neighboring Dubai; her uncle is the ruler. As royalty, she faced even more traditional demands than most. Moreover, she never really needed to work, and if she chose to, she could have opted for a low-key job in a ceremonial role or as a bureaucrat.

She chose the hard way, however. When other women were staying home in the late 1970s, Sheika Lubna left for California to study computer engineering, becoming one of the first Emirati women to travel abroad for study.

"She has always been a woman in a man's world, and maybe some of these things might not have looked right at the time," said Farouk El-Baz, director of the Center for Remote Sensing at Boston University, who is a confidant of the sheika and a close friend of the family. "She's a person who cannot take 'no' for an answer. She would think about any challenge thoroughly, then begin to tackle it."

When she returned in 1981, she took a job as a programmer for an Indian software firm called Datamation, working as the sole woman on a team of mostly Indian programmers — something virtually unheard of in the day. She parlayed that experience into a job at the Dubai Ports Authority, where she rose to being an information technology manager, developing a documentation system that helped reduce the time needed for paperwork from one hour per ship to 10 minutes.

That led to the creation of an online marketplace for supporting purchase orders for companies in Dubai's free-trade zones, and later led her to start a business-to-business auction site, Tejari, on the eve of the dot-com collapse. That company survived the rout, and today it does business throughout the Middle East.

BUT when she received the telephone call in late 2004 asking her if she was willing to be nominated as a minister, Sheika Lubna was surprisingly ambivalent, she said. She had been planning to enroll in a Ph.D. program at the Massachusetts Institute of Technology, and the high-stress position would have delayed her studies, she said.

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"When I got the call I thought, 'I don't want to do this. I want to go to M.I.T.,' " she said. "But the call for the country never goes away. It would be the first time a woman took a powerful position in cabinet. I was a change agent, but I would now become a role model."

This spring, when American senators and representatives got up in arms over the planned sale of some operations at major American ports to DP World, Sheika Lubna's former employer, she traveled to Washington without an entourage and became one of the most public faces of the United Arab Emirates.

As she set out to advocate for the Emirates, people at home, especially young women seeking to break out of the traditional mold, saw a different message: it was time to rise to the challenge.

"We were misunderstood because no one knew anything about us," Sheika Lubna said as she recounted the political firestorm that erupted over the ports deal. "But we have a responsibility to explain ourselves and who we want to be."

She won over many Americans with her folksy, girl-next-door charm, seeking to settle stereotypes and misconceptions about the Arab world and usher the United Arab Emirates onto the world stage.

When an American businesswoman asked her if women could work in the Emirates, she answered, matter-of-factly, "I was the C.E.O. of a company," and continued the conversation.

When another asked her if women could drive in her country, she noted that she had spent years commuting between her home in Sharjah and Dubai, but she admitted wryly that she was glad to now have a driver.

"Women always told me, 'you're a sheika; why are you doing all of this?' " she said with a degree of amazement. "But when you break out of the mold, you can break all the taboos. I had nothing to refer to, but I did have a blind belief that this is the right path."

Poland Sets Referendum On Euro, Further Clouding Stance On EU (WSJ)

By Marc Champion

The Wall Street Journal, November 11, 2006

WARSAW -- Poland plans to hold a referendum on whether to join the European Union's common currency, the euro, in 2010, adding to concerns over the commitment level of the EU's biggest new member.

Under terms of its EU membership, Poland is obliged to join in using the euro as soon as it meets certain inflation and deficit criteria. If Poles voted that they didn't want to implement the currency, the government would be under pressure to breach its treaty obligations with the EU.

That would follow a precedent set by Sweden, which has voted not to join the euro despite a legal obligation to do so. But Poland's plan is just the latest move by President Lech Kaczynski and his twin brother, Prime Minister Jaroslaw Kaczynski, to put Poland at loggerheads with the EU.

Finance Minister Zyta Gilowska told reporters Friday that she expected Poland to meet the euro entry criteria in 2009 and then to hold a referendum a year later. "Only death and taxes are certain," she said, adding that she expected that President Kaczynski, who has been skeptical of the EU, would campaign on the side of implementing the euro and that Poles would agree.

However, the decision to hold a referendum raises a question about Poland's membership intentions. The referendum would be held in the same year as Polish presidential elections, making the euro issue highly political.

Meanwhile, Poland also has said that it will veto negotiations on a new EU-Russia partnership on Monday if the deal doesn't include measures to open access to oil- and gas-pipeline networks, something Russia has said it won't accept. On Wednesday, Polish officials are expected to clash with the European Commission over the country's budget deficit. The commission is expected to declare Poland's deficit above EU limits, demanding action to bring it down. Poland's central-bank chief has called the government's deficit plans "irresponsible."

The International Monetary Fund has also said the budget-deficit projections should be lower, at a time when Poland is growing by more than 5%.

Ms. Gilowska defended the deficit level, saying she found it "difficult to understand" the commission's position. Poland has introduced radical pension overhauls that will push the deficit up to about 4% next year, above the EU's 3% limit. Ms. Gilowska said she expected the actual outcome to be 3.5%, within the cushion the commission has allowed for pension overhaul.

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Cyprus Says Rival's Transit Ban Will Hurt EU Credibility (WT)

By Andrew Borowiec

The Washington Times, November 11, 2006

NICOSIA, Cyprus -- The battle of wills over Turkey's European Union membership application heightened yesterday after the government of Cyprus warned that the bloc's credibility was at stake if it tolerates Ankara's ban on Greek Cypriot air and sea traffic.

Foreign Minister George Lillikas termed Ankara's refusal to open its harbors and airports to Greek Cypriot ships and planes a "provocation," which the EU should not tolerate.

Despite a stinging EU report on Turkey's progress on membership earlier this week, the Turkish government reaffirmed its policy of keeping Greek Cypriot traffic out unless the EU ends what Ankara describes as "the economic blockade" of the Turkish Cypriot northern part of the divided island.

The EU has given Turkey a month to liberalize trade links with all 10 countries that joined in 2004, including Cyprus. The latest report also criticized Turkey's penal code, corruption, human rights record and the interference by the military in politics.

"We want Turkey to become a member of the European family, but we don't want Turkey as it is today," Mr. Lillikas said.

Turkey feels that admitting Greek Cypriot ships and planes would be tantamount to recognition of a government that Turkey rejects as not representing all of Cyprus. The northern part of the island, the self-styled Turkish Republic of Northern Cyprus, is recognized only by Turkey.

Olli Rehn, the EU's expansion commissioner, warned that a one-month deadline given Turkey to change its policy "is likely to be the last opportunity to make real, serious progress for some years to come" on the Cyprus question, which emerged as a major obstacle in Turkey's EU hopes.

But to a number of Turkish officials and commentators, the deadline amounted to an ultimatum prior to the EU's planned summit in mid-December.

With Turkish polls showing a considerable drop in support for EU membership, some editorials wondered whether "Turkey should reject Europe before it is rejected by Europe." The government of Prime Minister Recep Tayyip Erdogan has played down the degree of tension in the EU talks, but some officials admitted the precarious nature of the bargaining.

According to Egeman Bagis, a senior adviser to the prime minister, "We can be a prosperous, Western-looking democracy without the EU. Norway has done this, so why can't we?"

Mehmet Dulger, chairman of the parliament's Foreign Affairs Committee, said that if the EU talks collapse over Cyprus, "the West would lose a vital bridge with the Islamic world at a time when having this bridge is more important than ever."

There has been a considerable shift in popular attitudes in the EU toward Turkey, a Muslim nation of 70 million.

After the latest EU report, German Chancellor Angela Merkel, a skeptic on Turkish EU membership, said, "Turkey must meet its obligations by the end of the year. Otherwise the EU will have to draw the appropriate conclusions."

U.S. Criticizes U.N. Rights Council (AP)

By Justin Bergman, Associated Press Writer

AP, November 11, 2006

The United States sharply criticized the new U.N. Human Rights Council on Friday, calling it a "disappointment" and saying it has failed to address serious violations in its first few months of operation — particularly in Sudan's Darfur region.

Sudan responded with a harsh condemnation of the U.S. human rights record and said Washington had no right to judge the effectiveness of the U.N. agency.

The barbs came during the Human Rights Council's first annual report to the General Assembly. The U.S. is not a member of the council, which was created earlier this year to replace the highly politicized and much-maligned U.N. Human Rights Commission.

Miriam Hughes, head of the economic and social development section of the U.S. mission to the U.N., criticized the council for a "slow and discouraging start," saying it has "accomplished little that will make a concrete and significant difference in the lives of millions around the world."

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Hughes said the council has failed to reach agreement on how to address "egregious violations of human rights in places such as Sudan," where more than 200,000 people have been killed in fighting between the army and rebels in Darfur since early 2003.

Referring to the two special sessions the council has held to discuss alleged human rights violations by Israel, she said some nations view the council "as just another arena in which to play political games."

"Sadly, so far the Human Rights Council, into which was put so much hope and work, has been a disappointment," Hughes said.

The council, which began its work in June, held two special sessions this summer to discuss the Israeli offensive in the Gaza Strip and the Israel-Hezbollah war in Lebanon. One of the United States' main criticisms of the former Human Rights Commission was that it spent a great deal of time criticizing Israel.

In his speech to the General Assembly, Sudanese diplomat Idrees Mohamed Ali Mohammed Saeed called the U.S. criticisms "amazing and ridiculous."

"Everybody knows the magnitude of the gross violations of human rights in the United States," said Saeed, the second secretary of the Sudanese mission. He cited as examples the treatment of prisoners at the Guantanamo Bay, Cuba, detention center and detainee abuse at Abu Ghraib prison in Iraq.

"We call upon the United States to address the human rights situation at home first and not to use and abuse the forums of human rights to settle political scores and achieve its objectives," he said.

Sudan is also not a member of the council.

Richard Grenell, spokesman for the U.S. mission to the U.N., said later by telephone that the U.S. "didn't feel the need" to respond to Saeed's statement. "The government of Sudan's record speaks for itself," he said.

The United States has been one of the most vocal critics of the violence in Darfur, which has also left 2.5 million people homeless.

U.N. investigators and rights groups have blamed the worst atrocities on the janjaweed, a pro-government militia that is widely accused of killing villagers and destroying their homes. The government denies supporting the janjaweed.

The United States opposed the establishment of the Human Rights Council earlier this year, saying it did not go far enough to prevent rights abusers from winning seats, and decided against being a candidate for the body. Cuba, Saudi Arabia, China and Russia won seats despite their poor human rights records.

The European Union offered a more positive assessment of the council's work Friday. Speaking on behalf of the EU, Finnish Ambassador Kirsti Lintonen told the General Assembly the council had addressed many important issues since its inception, including the violence between Israel and the Palestinians and the worsening crisis in Darfur.

However, she said the EU "regrets" the council did not adopt substantial decisions on the conflicts and discuss them in a more balanced manner.

The council's report, which mainly deals with the forced disappearances of people and indigenous rights, was to be considered by a General Assembly committee.

Russia Reaches Trade Deal With U.S. (WP)

By Peter Finn, Peter S. Goodman

The Washington Post, November 11, 2006

MOSCOW, Nov. 10 -- Russia and the United States on Friday announced a landmark trade agreement, substantially advancing Moscow's pursuit of World Trade Organization membership and cementing the position of the former Communist giant in the global economy.

The deal, announced here by the Russian Economic Development and Trade Ministry, was a victory for President Vladimir Putin, who has chafed at Russia's exclusion from the WTO, a global body that shapes the terms of world trade. The Bush administration, which has been locked in sometimes bitter negotiations with Moscow over the accord, characterized it as a milestone in the evolution of Russia from erstwhile Cold War enemy to a growing trading partner.

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"It is a clear indication of Russia's efforts to participate fully in and benefit from the rules-based global trading system," declared U.S. Trade Representative Susan C. Schwab in a written statement.

Russia is the largest economy still outside the WTO. Its inclusion would be a major advance in the development of a global body devoted to seeking reduction of tariffs and promoting trade around the world. Earlier this week, Vietnam, a country still controlled by the Communist Party, gained the right to join the trading body.

The top trade negotiators for Russia and the United States are planning to sign their accord next week in Vietnam's capital, Hanoi -- a city still draped in homage to Ho Chi Minh -- during a meeting of the Asia-Pacific Economic Cooperation forum. Presidents Bush and Putin are expected to toast the agreement when Bush stops off in Moscow Wednesday on his way to that meeting.

But the deal will not finalize Russia's decade-old quest for WTO membership. The Kremlin still must finish bilateral negotiations with three other countries, Costa Rica, Moldova and Georgia. The latter two have seen their wine and agricultural products banned here. Russian officials said the wine was unsafe, but the Georgians said the embargo was political retaliation for its courting of the West and its desire to join the NATO alliance.

Georgia, in particular, is likely to try to use Russia's desire for WTO membership as leverage in negotiations. Political tensions between Russia and its southern neighbor are high, and Georgia's small economy has been damaged by the bans as well as a transportation blockade. In addition, the state-controlled Russian energy giant Gazprom recently announced that it planned to more than double the price of natural gas for Georgia and cut off supplies if the Georgians don't pay.

Georgia had negotiated a trade deal with Russia in 2004 and is determined to return to the bargaining table. But officials in the capital, Tbilisi, said they would attempt to block Russian membership unless it lifts the various embargoes.

If Russia satisfies Georgia's objections and reaches agreements with Moldova and Costa Rica, it will still confront further multilateral negotiations within the WTO, giving all countries -- including United States -- another chance to extract trade concessions.

In Washington, now entering a new political era with Democrats taking charge of Congress, the Russia deal could present an early test of the new leadership's inclinations on trade. Some Democrats campaigned on opposition to liberalized trade, accusing Republicans of selling out American workers to corporate interests. Congress cannot block the Russian accord, but it must approve legislation granting Russia what is known as permanent normal trading relations before American companies can be certain of benefiting from Russia's WTO accession.

In a written statement, Sen. Max Baucus (D-Mont.), who is expected to chair the Finance Committee, praised the accord as a positive development but signaled skepticism about the details, particularly about Russia's willingness to allow American agricultural products and crack down on the rampant piracy of U.S.-made movies and software.

"Russia must take additional steps to earn a welcome into the WTO," Baucus said. "Russia maintains unacceptable levels of piracy and counterfeiting, and these must be addressed before Congress can endorse Russia's WTO membership."

But in gaining the blessing of the Bush administration, Russia's bid to join the WTO cleared what analysts said was by far the highest hurdle, making Moscow's eventual induction fairly certain.

"This is a big country, and there are big geopolitical interests in getting them in," said Jeffrey J. Schott, a trade expert at the Peterson Institute for International Economics in Washington. "This is really solving some problems that we have had in our bilateral relationship."

The Russian-American trade negotiations have been politically charged while dragging on for years as the two sides tried to resolve differences over the import of American agricultural products, the piracy of U.S. intellectual property, and access to the Russian banking and insurance sectors for American companies.

The exact terms of the agreement were not immediately released by either side. But U.S officials said Moscow had agreed to open the Russian market to American beef, poultry, pork, corn, wheat and fruit while allowing U.S. banks and insurance companies to set up and expand. The American side had to agree to comply with certain Russian food safety standards, a significant sticking point. Russia also agreed to roll back tariffs on U.S.-made machinery.

For now, trade between the two countries remains relatively modest, with the United States last year exporting nearly $4 billion of goods to Russia, according to the Commerce Department, and Russia sending some $19 billion worth of wares to the

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United States. But the trade accord should lift curbs on U.S. investment in once-sensitive Russian sectors such as telecommunications and banking, said David Tarr, an economist at the World Bank. It should also spur Moscow to open more of its economy to competition, he added. Reformers within the government, now tangling with those armored against change, will have the force of international treaties working for them.

Russian frustration over the failure to reach agreement sooner had seeped into other areas. Analysts here linked the unresolved talks to the recent decision of Aeroflot, the state airline, not to purchase 22 Boeing airplanes and the exclusion of Western energy companies from the development of a giant natural gas field in the Barents Sea.

Russia Near Deal To Join The W.T.O. (NYT)

By Andrew E. Kramer, Edmund L. Andrews

The New York Times, November 11, 2006

MOSCOW, Nov. 10 — Officials in Washington and Moscow reached an agreement in principle for Russia to join the World Trade Organization, crossing the final big hurdle in the stop-and-go cycle that has marked the process since Moscow began its application shortly after the collapse of the Soviet Union.

The deal is expected to be signed next Saturday, when both President Bush and President Vladimir V. Putin of Russia will be in Hanoi for an Asia-Pacific Economic Cooperation meeting, negotiators from both countries said. The White House also announced this week that President Bush planned to stop in Moscow on Nov. 15 on his way to Vietnam.

"We have agreement in principle and are finalizing the details," the United States trade representative, Susan Schwab, said in a statement. "It is a clear indication of Russia's efforts to participate fully in and benefit from the rules-based global trading system."

Mr. Putin has repeatedly said that joining the 149-member W.T.O. was a major foreign policy goal, though Russia's oil-driven economy will get few direct gains from membership in the organization, which sets the ground rules for globalization. But joining would give Russia a voice in world trade talks, with the potential to help set future trade policy.

"Russia today is the only major world economy outside the W.T.O. — the only one," Mr. Putin said at a news conference early in his presidency, in June 2002. "Staying outside this organization, outside this process is dangerous and stupid."

American officials say the countries gradually worked out nagging disputes on issues like agriculture inspections, chicken exports to Russia and intellectual property protection.

The Bush administration has other contentious issues with Russia, particularly its support for Iran and that country's nuclear program. There was no immediate sign of any broader deal involving those issues.

One American official said that Russian negotiators had been a "moving target" back in July, balking on issues that Washington thought had been resolved. But they said Russian officials had become more forthcoming in recent weeks.

"At the bitter end, the issues were quite trivial," said Gary C. Hufbauer, a trade policy expert at the Institute for International Economics in Washington, who has followed the negotiations.

Mr. Hufbauer suggested that Russian leaders might have decided to seal a deal out of worry that this week's elections would mean greater resistance by Democrats to an accord. "I think the Russians read the election returns and realized that if they don't go for it now, they might not get anything," he said.

Russia still must win approval from Moldova and Georgia, countries with deep grievances over a Russian ban on importing wine, ostensibly for health reasons. Those countries could further delay any final deal on W.T.O. membership, which is expected to take place next year. Russian officials have said they want to join in 2007.

Georgia first approved Russia's membership but rescinded it last month, after Russia blockaded its border. Maksim Medvedkov, Russia's chief negotiator, said Friday in remarks carried on state television that he would not negotiate with Moldova and Georgia separately but try to allay their objections during multilateral talks with the W.T.O. in Geneva.

The European Union, China and Japan have already signed off on Russian membership.

American officials said they reached agreement on longstanding disputes about American exports of poultry, beef and pork. Russia is the United States' biggest export market for chicken parts, but American producers have long complained about being hindered by Russian inspection procedures.

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The agreement also calls for Russia to offer greater access for foreign services, from construction to overnight parcel delivery and telecommunications. Russian officials also agreed to allow banks and investment firms in Russia to be owned by foreign companies, meaning that foreign banks would not need to team up with Russian partners.

American trade negotiators accepted an unusual restriction on foreign players in the banking and insurance sectors, according to the trade representative office. It will limit foreign investment to no greater than 50 percent of total investments in these businesses. In Moscow, state television reported Friday that Russia was the only country in the W.T.O. to win this concession.

Russia also promised to step up enforcement of intellectual property rights, which had been carried out in spotty fashion.

Russian trade relations with the United States, while forming only a tiny share of both countries' total foreign trade, have gone through some dismal periods. In 2002, President Bush imposed tariffs on steel, a major Russian export commodity, and Mr. Putin retaliated by banning imports of chicken thighs, known as "Bush Legs" because the product first arrived in Russia as food aid under the president's father in the early 1990s.

In contrast to China, Russia's oil-dependent economy gains little from joining the W.T.O. "China is a consumer goods manufacturer and exporter and there was a huge benefit for China," said Peter Westin, chief economist at the MDM Bank. "There will be nothing like that for Russia."

Instead, Mr. Westin and other economists say, the primary benefit for Russia would come in exposing the domestic banking, telecommunications and other sectors to more direct foreign competition. This should increase productivity.

Ford Motor, which produces about 70,000 cars a year in Russia and exports another 50,000 cars to Russia, said it was delighted by the deal. Over the next seven years, Russian duties on foreign-made cars are set to decline to 15 percent, from 25 percent today.

"What all this adds up to," said Stephen E. Biegun, Ford's vice president for international governmental affairs, "is that we will be able to grow as fast as we possibly can in Russia."

Russia's WTO Bid Comes Closer To Fruition (WSJ)

By Guy Chazan

The Wall Street Journal, November 11, 2006

MOSCOW -- Russia and the U.S. say they will sign a landmark deal in the coming days paving the way for Russia to join the World Trade Organization -- a goal that Moscow has doggedly pursued for the past 12 years and that has been one of the key objectives of Vladimir Putin's presidency.

The breakthrough removes a major irritant in relations between Moscow and Washington that have been strained by disagreements over Iran and U.S. accusations that Russia is backsliding on democracy and human rights and using energy to bully its neighbors.

"We have an agreement in principle and are finalizing the details," U.S. Trade Representative Susan Schwab said. She said the deal "will mark an important step in Russia attaining membership of the WTO."

Russian officials said delegations of both countries were trying to make sure the deal would be ready for signing when Mr. Putin and President Bush meet during the Asia-Pacific Economic Cooperation Forum summit in Hanoi, Vietnam during the week.

The U.S. is the only one of Russia's major trading partners that hasn't signed a bilateral trade deal with Moscow, provoking much frustration in the Kremlin. Russia had hoped to reach such an agreement in time for July's G-8 summit, which it hosted, and the failure to do so cast a pall over the meeting. Both countries set an informal deadline of the end of October, but a week of negotiations in Washington last month ended without progress.

Central to the deal was the resolution of a longstanding dispute over the safety of U.S. beef and pork exports. Russia insisted on inspecting all U.S. exporters' meat-production facilities before it agreed to lift restrictions on such imports. The results of the inspections, which took several months, were positive, according to a person close to the talks.

Meanwhile, the U.S. appears to have made concessions on access to Russia's financial-services market. It had initially demanded that Moscow allow foreign banks and insurance companies to open branches in Russia. According to U.S. trade

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officials, the final deal allows only insurance companies to open branches. But Russia agreed to allow the total share of foreign investment in the banking sector to rise to 50% from 25%, according to a person familiar with the talks.

Russia also agreed to improve protection and enforcement of intellectual-property rights -- a key issue for U.S. copyright groups that have long complained about rampant compact-disc and computer-software piracy in Russia.

WTO membership would mark a milestone for Russia, demonstrating to the world that it adheres to the rules of global trade, has eradicated the last vestiges of socialism and is fully integrated into the world economy.

But the country faces several more months of negotiations before it can join the WTO. Once the bilateral deal with the U.S. is signed, it must enter multilateral talks under WTO auspices in Geneva, which will set the final rules for its entry into the organization. Analysts say the U.S. has kicked some of the more contentious issues in its trade talks, such as protection of intellectual-property rights, to the multilateral forum, and negotiations there could drag on for months.

Russia also has to wrap up bilateral deals with Costa Rica, Georgia and Moldova, and some officials in the latter two countries have threatened to block Russia's WTO accession in retaliation for trade sanctions Moscow has imposed on them.

In practical terms, WTO membership may have little impact for Russian companies, since the country's main exports -- oil and gas -- are rarely subjected to protective tariffs. But it would safeguard some companies, such as steel producers, from arbitrary sanctions while allowing Western companies greater access to the potentially huge Russian market for agricultural goods, aircraft and finance.

Last month, executives from 13 major U.S. corporations, including Chevron Corp., Citigroup Inc. and Ford Motor Co., wrote to Messrs. Bush and Putin urging them to wrap up a WTO agreement, saying it was in the economic interests of both countries to reach a deal.

Andrew Somers, head of the American Chamber of Commerce in Russia, said the deal would give a huge boost to the U.S.-Russian economic relationship. "This will facilitate the conclusion of major industrial transactions between U.S. and Russian companies, including those in strategic sectors," Mr. Somers said.

Obstacles to Russia's WTO bid still remain. The U.S. Congress must decide whether to approve "permanent normal trade relations," or PNTR, with Russia before it can join the WTO. That would entail removing a Cold War-era trade restriction known as the Jackson-Vanik amendment that linked U.S. trade benefits to the emigration policies of communist countries.

Russia And US Reach Deal On WTO (FT)

By Neil Buckley, Alan Beattie, Eoin Callan

Financial Times, November 11, 2006

Russia and the US on Friday agreed in principle on the terms for Russian entry into the World Trade Organisation, giving a significant boost to Moscow's hopes of joining the 149-nation body after 13 years of talks.

The two countries are set to sign the deal in Hanoi on November 18 at the Asia-Pacific Economic Co-operation summit, following final consultations in coming days.

"Delegations from both sides have reached agreement on all the principal conditions of this agreement," the Russian economy ministry said in a statement. Susan Schwab, US Trade Representative, said agreement had been reached "in principle".

Russia, which has enjoyed an oil-fuelled economic recovery in the past eight years, is the last big market outside the aegis of the WTO. The US was the last big nation with which Moscow had still to conclude a bilateral entry deal.

Many US businesses, also enjoying rapid growth in Russia, have lobbied hard for a deal. Mr Putin made WTO membership a political priority early in his presidency.

Andrew Somers, president of the American Chamber of Commerce in Moscow, said the agreement was a "major positive milestone in relations between our two countries".

Analysts had warned any deal could face difficulties winning approval in Congress, particularly after both houses came under Democratic control this week. Congress must repeal the 1974 Jackson-Vanik amendment, which subjects Russia's trading status to annual review, to ensure Russia is granted permanent normal trading relations by the US.

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But a Bush administration official characterised meetings with Democratic leaders on Friday to brief them on the deal as "positive".

Senator Max Baucus, Democratic chair of the Senate Finance Committee, welcomed the accord, saying: “Russia’s WTO membership on commercially meaningful terms is an important goal.”

Russia must still reach a bilateral agreement with Costa Rica and confirm agreements with Moldova and Georgia – which could be complicated by its tense relations with Tbilisi – and complete multilateral talks. That could push the date for Russian entry well into next year.

Talks with the US had stalled over disagreements surrounding the liberalisation of financial services and Russia’s commitment to combat counterfeiting and piracy. The two sides hoped to reach a deal at the Group of Eight summit in July, but disagreed over US demands to export beef and pork to Russia, setting an October target for agreement.

USTR officials cautioned that Russia had not yet cleared all hurdles to WTO entry, and they would continue to press the Russian authorities for stronger commitments during the multilateral stage of the accession process.

The US, with some tacit support from Europe and Japan, has insisted that Russia must not only pass laws respecting intellectual property rights, but also ensure they are enforced.

“Our goal is to work with Russia to get them through the multilateral phase by working on issues such as enforcement,” a USTR spokesman said.

Sherman Katz, senior associate in the Carnegie Foundation think-tank in Washington, said that previous experience with China, criticised for continuing to allow counterfeiting of music and movies since joining the WTO in 2001, had made American companies and negotiators cautious.

“Both China and Russia were centrally-planned economies with no tradition of private ownership of much of anything, let alone an abstract like intellectual property,” he said.

WTO protections on intellectual property could benefit not just the international music and entertainment industry but makers of goods such as prescription medicines and designer clothes – often faked in Russia.

Russia’s economy, too, would receive a significant boost from membership, though analysts say the benefits would be less than those experienced by China, with Russian exports heavily dominated by oil and gas.

Russia Moves Closer To WTO Membership (AP)

By Jeannine Aversa, AP Economics Writer

AP, November 11, 2006

A longtime economic goal of Russia — entry into the World Trade Organization — moved a crucial step forward Friday as U.S. and Russian trade negotiators reached agreement.

It took 12 years of negotiations to get to this point, and details are still being nailed down. Both countries are hopeful that a bilateral pact can be signed next week in Hanoi, where President Bush and Russian President Vladimir Putin will be attending the annual Asia-Pacific Economic Cooperation meeting.

About four months ago, U.S. and Russia had appeared on the verge of an agreement, but it failed to materialize — right before the summit of leaders of the world's wealthiest countries in St. Petersburg, Russia. The collapse strained relations between Washington and Moscow.

Russia is the largest economy still outside the 149-nation WTO, which sets the rules for global trade. Putin's government sees membership as a way to show that his country has regained financial muscle since its economic crisis in 1998.

Even if a formal agreement is signed next week, there are other steps that still would have to be taken before Russia could become a member. Clearing those will take time — perhaps a year or two, some experts say. Others think it could be done sooner.

Membership in the WTO would mean Russia would receive the same favorable tariff rates for its products as other members. Other countries also would have to follow WTO rules in trade disputes with Russia. And, Russia — a big exporter of oil and gas — would have to abide by WTO's trade rules.

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In theory, freer trade would give Russian companies more opportunities to sell their goods on world markets, while WTO membership for Russia might make its sizable market of potential customers even more attractive to companies in the U.S. and elsewhere, experts said.

"Businesses would feel more comfortable, more at ease doing business in Russia because there would be rules," said Oscar Gonzalez, economist at John Hancock Financial Services.

Terms of the U.S.-Russia agreement weren't released. But the two sides for years have been working to resolve differences over, among other things, piracy of U.S. goods and intellectual property rights, sales of American agricultural products to the country and U.S. access to the country's banking and insurance sectors.

"We have an agreement in principle and are finalizing the details," said U.S. Trade Representative Susan Schwab. "It is a clear indication of Russia's efforts to participate fully in and benefit from the rules-based global trading system," she said. Schwab said she and her counterpart, Russian Economics Minister German Gref, hope to sign the pact in Hanoi.

Some analysts have said that a deal on the WTO could persuade Moscow to soften its opposition to punishing Iran for refusing to halt sensitive uranium enrichment. The United States and its European allies want to impose sanctions on Iran, but Russia has resisted.

Bush will meet with Putin next week in Moscow. Russia's WTO bid and Iran's nuclear ambitions probably will be discussed, said the Kremlin's deputy spokesman, Dmitry Peskov.

If Russia does eventually win entry into the WTO it won't necessarily mean an end to trade tensions. China was admitted to the WTO in 2001, and the U.S. trade deficit with Beijing has mushroomed since then. The United States complains that China has been slow to honor its commitments to open its huge economy to more U.S.-made goods and to crack down on piracy. On the other hand, U.S. companies have flocked there to have their goods manufactured at a low cost.

"Russia's entry into the WTO would be one more step in the ongoing globalization of the U.S. economy, but I don't think it will mean as much to the United States as China's entry into the WTO did because Russia doesn't have the same vast cheap pool of labor that China does. I don't think we'll see massive direct investment in Russia," said Mark Zandi, chief economist at Moody's Economy.com.

Congress would still have to pass legislation removing Russia from the 1974 Jackson-Vanik amendment, which ties Russia's trade status to whether the country is allowing Jews to freely leave the country. Congressional action is some ways off, experts said.

The newly elected Congress, which convenes in January, will be controlled by Democrats, who are less receptive to free-trade agreements than Republicans.

Associated Press writers Henry Meyer and Alex Nicholson contributed to this report from Moscow.

Russia To Sign Agreement With U.S. On Terms For WTO (BLOOM)

By Mark Drajem And Sebastian Alison

Bloomberg, November 11, 2006

Nov. 10 -- Russia and the U.S. will sign terms for the former Soviet state to join the World Trade Organization next week, clearing one of the last hurdles for an agreement that may add $10 billion a year to the Russian economy.

``We have an agreement in principle and are finalizing the details," U.S. Trade Representative Susan Schwab said in a statement. Schwab and her Russian counterpart, German Gref, plan to sign the agreement when they meet in Asia next week.

Russia, the last major economy not be a member of the WTO, has sought for more than a decade to join the Geneva-based trade body, which sets international trade and investment rules. Membership stands to boost the Russian economy through increased trade and foreign investment.

The two countries resolved long-festering disputes over trade in meat and rules for financial investment, according to details sent out by the U.S. trade office. Lobbyists say they remain at odds over Russia's intellectual property protections, and will negotiate that in the next round of talks between Russia and all 149 WTO members.

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Two other obstacles remain: Russia must overcome Georgia's opposition to its entry to the world trade arbiter, and the U.S. Congress must vote to grant Russia permanent, normal trade relations if the two countries are to enjoy all the benefits of the trade opening.

The U.S. had been the last WTO member to sign off on Russia's entry. Then, last month Georgia said it was withdrawing its support after Russia blockaded its borders.

All Must Agree

Every WTO member must agree before a new country can join the trade organization, so Georgia's opposition will still keep Russia out of the WTO. Even after negotiating the individual agreements, Russia must undertake general talks with the WTO members as a whole.

``Both parties have it as their goal to complete the process of Russia's accession to the WTO and intend to take more energetic efforts to that end," the Russian trade ministry said in a statement on its Web site.

With the Bush administration's approval, the debate will shift to Capitol Hill. U.S. lawmakers must vote on a measure to repeal a Cold War-era law that requires an annual review of Russia's trade status. If the Congress fails to approve that measure, the U.S. would have to petition the WTO to be exempt from the tariff cuts and other measures Russia has pledged.

Lawmakers have raised objections to Russia's WTO bid for a variety of reasons, including the country's weak intellectual property protections, its support of Iran's nuclear program and its pricing of natural gas exports.

Lower Tariff

Business groups expressed support for the agreement today.

Russia ``is simply too big to leave it outside" the WTO, said Frank Vargo, vice president of the National Association of Manufacturers. The agreement, which calls for Russia to lower its industrial tariff to an average of 8 percent, meets the major demands of the manufacturing group, he said.

Large banks, insurance companies and other service companies had been skeptical of the Russian talks, because the Putin administration had insisted on a cap in foreign investment. The announcement today got their support ``on balance," said Michael Ducker, chairman of the Coalition of Service Industries.

``We believe that this agreement in principle is much better than the positions that Russia started with on insurance branching," said David Snyder, vice president of the American Insurance Association. ``Years of difficult negotiations have produced much progress."

Area of Contention

Still, intellectual property rights are likely to remain an area of contention. Schwab had said that before it can join the WTO Russia must shut down allofmp3.com, which the U.S. says illegally sells copyrighted music around the world. That Web site remained in operation today.

Russia is also proceeding with a rewriting of its copyright and patent law, and that has drawn criticism from U.S. manufacturers, drug companies and recording companies. The U.S. trade office said those issues remain unsolved.

The agreement sets the stage for further progress with Russia on intellectual property rights issues through the next phase of international WTO negotiations, the trade office said.

``From here on, Russia's deeds -- rather than its words -- are the only thing that matters," said Mitch Bainwol, chairman of the Recording Industry Association of America.

U.S. Pact Paves Way For Russia In WTO (WT)

By Steve Hirsch

The Washington Times, November 11, 2006

The United States and Russia have reached a deal that would pave the way for Russia to join the World Trade Organization, the two countries announced yesterday.

"We have an agreement in principle and are finalizing the details," U.S. Trade Representative Susan C. Schwab said.

She and Russian Economic Development and Trade Minister German Gref hope to sign the agreement during the Asia-Pacific Economic Cooperation (APEC) summit next week in Vietnam.

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Russia, the last major economy not a member of the 149-member WTO, has tried for 10 years to join the Geneva trade organization, which sets international trade and investment rules. As a member, the Russian economy stands to grow by $10 billion annually through increased trade and foreign investment.

U.S. and Russian officials resolved issues over U.S. meat and poultry exports, and Russia agreed to cut tariffs on manufactured goods, the trade representative's office said. The cuts are expected to help U.S. sales of civil aircraft and parts, medical and scientific equipment, agriculture, power generation, construction equipment, information technology, and chemicals.

National Association of Manufacturers Vice President Frank Vargo called the announcement a "historic step."

"Russia is the only large economy not yet in the WTO, and it is simply too big to leave it outside," he said.

Russia agreed to help exports in the service industries, including companies in construction, finance and telecommunications services. Settling a long dispute, Russia said it would allow full foreign ownership of banks once Russia has joined the WTO, and will allow foreign insurance companies to operate through subsidiaries, although it may impose limits if foreign investment becomes too high.

The Securities Industry and Financial Markets Association praised the agreement, saying it would "further integrate Russia into the global economy."

"It will create new opportunities for securities firms and their customers, opening Russian markets to American firms and providing American expertise and capital to Russia's economy," association Co-Chief Executive Marc Lackritz said.

Russia also said it would take steps to better protect intellectual property rights, another major U.S. concern.

The agreement, Mrs. Schwab said, "is a clear indication of Russia's efforts to participate fully in and benefit from the rules-based global trading system."

But Russia still has a long way to go toward WTO membership.

Every member country must agree to Russia's membership, and Russia must reach trade deals with each member. It has yet to sign a trade agreement with Costa Rica, as well as with its former Soviet neighbors Moldova and Georgia, with whom relations are strained.

Georgian officials have signaled that they would seek to block Russia's membership after Russia imposed sweeping sanctions against Tbilisi in response to the arrest of several of its military personnel in a spying row.

Observers have suggested that progress over Russia's bid would be linked to concessions from Moscow over how to respond to Iran's disputed nuclear program.

Russia has resisted a push from Europe and the U.S. for sanctions against its trade partner, Iran. But analysts have said that a deal over the WTO could persuade Moscow to soften its opposition to punishing Tehran for its refusal to halt sensitive uranium enrichment.

In the U.S., Congress must grant Russia permanent normal trade relations status for U.S. companies to take advantage of the benefits of Russian WTO membership.

Lawmakers have raised objections to Russia's WTO bid for a variety of reasons, including the country's weak intellectual property protections, its support of Iran's nuclear program and its pricing of natural-gas exports.

Mr. Vargo noted the intellectual property measures in the agreement, saying, "A lesson we learned from China's WTO accession is that we have to see intellectual property enforcement come up to speed before -- not after -- we sign on the dotted line."

Still, intellectual property rights are likely to remain an area of contention. Mrs. Schwab has said that before it can join the WTO, Russia must shut down the Web site allofmp3.com, which the U.S. says illegally sells copyright music around the world. The Web site remained in operation yesterday.

Russia also is rewriting its copyright and patent law, and that has drawn criticism from U.S. manufacturers, drug companies and recording companies. The U.S. trade office said those issues remain unresolved.

The agreement sets the stage for further progress with Russia on intellectual property rights issues through the next phase of WTO negotiations, the trade office said.

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Envoy: U.S. Eager For India Nuke Deal (AP)

AP, November 11, 2006

A top U.S. official said Friday that Washington is eager to finalize a civilian nuclear pact with India, and urged it to work with neighboring Pakistan in the fight against terrorism when they resume peace talks next week.

The agreement to provide India with much-needed nuclear fuel is seen as a cornerstone of the emerging alliance between New Delhi and Washington after nearly a half-century of Cold War estrangement.

It has strong supporters in both U.S. political parties and was overwhelmingly endorsed by the House of Representatives in July.

The Senate, however, must still approve the deal, and Assistant Secretary of State for South Asia Richard Boucher said he was "very hopeful" the matter would be taken up by the outgoing Senate.

"We want to do it as fast as possible because it is important to the U.S.," he told reporters in New Delhi.

"We made a deal. We want to implement it as agreed as soon as we can," he said. "We are determined to do it. Whatever happens, we will make sure, it happens."

The pact is not expected to be affected by the Democrats' midterm election victory in which they took control of Congress. On Thursday, Democratic leaders in the Senate, including Sen. Joseph Biden, the top Democrat on the Senate foreign relations panel, said they were ready to move ahead with the India bill.

The deal reverses decades of U.S. anti-proliferation policy by shipping civilian nuclear technology to India in return for safeguards and inspections at certain nuclear plants. Critics say the deal would ruin global nonproliferation efforts.

Congress must approve the agreement because India has not signed the Nuclear Non-Proliferation Treaty, which current U.S. law requires for such nuclear cooperation.

Even if Congress should complete its work, several other steps remain before the plan can be implemented, including approval of the Indian exemption by the Nuclear Suppliers Group, an assembly of nations that export nuclear material.

Boucher, who is on a swing through South Asia and visited Pakistan before heading to India, also said New Delhi and Islamabad must work together against terrorism as they reopen peace talks that were stalled by July's train bombings in Mumbai, which killed 207 people.

The two-day talks begin Tuesday in New Delhi, and Boucher said "we hope they can make progress on some of the big political issues that stand between India and Pakistan."

"I am confident that both sides are getting together to try to achieve progress on issues, to try to work together against terrorism," he said.

The nuclear rivals have fought three wars since the bloody partition of the subcontinent after independence from Britain in 1947.

They began a peace process in 2004, and have since taken several fitful steps to improve relations.

But the process broke down after the Mumbai bombings, which India says were carried out by Pakistani militant groups with links to that country's intelligence service — an allegation Islamabad denies.

However, Pakistani President Gen. Pervez Musharraf and Indian Prime Minister Manmohan Singh agreed to resume talks when they met in Havana, Cuba, on the sidelines of the Nonaligned Movement Summit in September.

Trade Pacific Rim Initiative Gains A U.S. Push (WSJ)

By James Hookway

The Wall Street Journal, November 11, 2006

On the surface, the coming summit of Asian-Pacific leaders in Vietnam is all about North Korea and its nuclear weapons. Kim Jong Il won't be there. But President Bush will be in Hanoi, as will the leaders of the other nations involved in trying to find a way to curtail Mr. Kim's nuclear-weapons program: Japan, China, South Korea and Russia.

But while North Korea will be in the spotlight, some substantive negotiating may be taking place on the sidelines to break another international impasse: how to revive global free-trade talks.

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Discussions on how to further free global trade, initiated in Doha, Qatar, in 2001 under the umbrella of the World Trade Organization, collapsed this past summer. The U.S., European Union and various developing countries blame one another for the deadlock, which largely centered on how to eliminate subsidies for agricultural products.

Now, the U.S. is hoping to use the Hanoi gathering of the Asia Pacific Economic Cooperation forum on Nov. 17-19 to kick-start discussions on a long-term goal of creating a Pacific-wide free-trade area. Twenty-one nations are to attend the summit. Some, like Japan, have already indicated their cautious approval of the U.S. initiative, which was first proposed a couple of years ago by Chile.

That initial foray foundered. There wasn't enough appetite for a separate free-trade agreement focused on Pacific Rim countries at that time. And the WTO was supposed to be leading the movement toward liberalizing trade.

Since the derailment of the Doha talks, some major trading nations have been seeking an alternative forum to put free trade back on the table. And while major economies such as those of the EU, Brazil and India won't be present at the APEC summit, plenty of other heavy hitters, such as Australia, Japan, China and Russia, will be there. That makes it a useful venue to try to renew momentum for liberalizing trade and call for a resumption of the Doha round. Treasury Secretary Henry Paulson has already traveled to Vietnam to meet with other Pacific Rim finance ministers and put free trade firmly back in play.

Still, that doesn't mean the U.S. road map for a Pacific Rim bloc will be adopted wholesale in Hanoi. The Asian countries have plans of their own, and they don't necessarily include the U.S.

Earlier this year, Japan proposed a 16-nation free-trade group in East Asia comprising Southeast Asia, China, Japan, South Korea, India, Australia and New Zealand. China, meanwhile, has signaled it hopes to create a free-trade group of its own with the Association of Southeast Asian Nations, led by Indonesia, Malaysia, Singapore, Thailand and the Philippines.

In December, Asian leaders are to meet in the Philippines to try to further their own plans on this front. Trade officials in Asia say they believe the U.S. is afraid of being left behind.

US Looking For Compromise On UN Force For Darfur (AFP-Y)

AFP, November 10, 2006

The United States said it was considering compromises on the make-up of an international peacekeeping force for Darfur after Sudan rejected demands for deployment of UN troops to halt one of Africa's worst humanitarian disasters in decades.

State Department spokesman Sean McCormack said Washington still wanted United Nations "involvement" in the Darfur force, but he did not reiterate past US insistence the peacekeepers be deployed formally under the world body's banner.

"We're taking a look at how we can address the various concerns that have come up from the Sudanese government, as well as others in the region, about the nature of this international force," McCormack said.

The UN Security Council adopted a resolution in August demanding the deployment of some 20,000 UN troops to Darfur to replace an under-funded African Union (AU) force which has failed to halt the violence.

At least 200,000 people have been killed and 2.5 million others displaced since a rebellion by Darfur's mainly black African population against the Arab-led Khartoum government erupted in early 2003.

Much of the violence has been blamed on a government-funded Arab militia, known as the Janjaweed.

Sudan President Omar al-Beshir has defiantly rejected the UN resolution, fearing the UN deployment could lead to a partition of his country or arrest government officials on charges of crimes against humanity.

Beshir refused to meet last month with US President George W. Bush's personal envoy, Andrew Natsios, out of anger over a decision to extend long-standing US sanctions against Sudan linked to its human rights record and alleged ties to terrorism.

Natsios first signalled a shift in US policy late last month when he said in an interview that the international force for Darfur did not have to be a "blue-helmeted" UN operation as long as it was big enough and robust enough to halt the violence.

"If it does not have a United Nations helmet, but it is very competent and very aggressive, then we have fulfilled our intention," Natsios said, suggesting the force could be made up of Africa and Arab troops backed by UN or NATO logistical support.

McCormack was more insistent on a UN role in the operation.

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"This is not in any way to compromise on the need for this force and the need for an effective international force that would have UN involvement as central to it, as well as AU involvement as central to it," he said Thursday.

Discussions on the potential make-up of the force were continuing at the United Nations and bilaterally with countries in the region, notably Arab states, he said.

Figure Skater Is New Envoy Of Good Will Overseas (NYT)

By Helene Cooper

The New York Times, November 10, 2006

WASHINGTON, Nov. 9 — During the cold war, the State Department called on the Harlem Globetrotters to travel as good-will ambassadors to counter hostile images of America around the world. During the Cuban missile crisis, the New York City Ballet was sent to perform in Moscow, where it was received enthusiastically.

And during these troubled times? America's newest good-will ambassador is Michelle Kwan, the figure skater, who, in the words of her new boss, Karen P. Hughes, the under secretary of state for public diplomacy, "combines the power of sports diplomacy with the personal appeal of a unique American story."

On Thursday, flanked by Secretary of State Condoleezza Rice and Ms. Hughes, Ms. Kwan, 26, addressed reporters, giving the group a taste of what she would be telling the youth of the world.

She said she planned to share with young people, among other ideas, "In the reality of life, it's not always smooth sailing, and sometimes you have to pick yourself up and keep on going."

While many of the public diplomacy efforts by the United States in the past few years have been directed toward the Muslim world, it was unclear on Thursday whether Ms. Kwan would be sent to Iraq or Afghanistan. Ms. Kwan, who is of Chinese descent, said her first trip would likely be early next year, to Beijing.

"I've always wanted to somehow serve our country and to contribute and to make a difference," she said.

Afterward, reporters crowded around her with questions. "You said you'd like to share some of the values America represents with the world. What are those values?" one asked.

Ms. Kwan talked about the importance of setting goals and taking life as it comes. She also mentioned that she wanted to empower women. She said the idea of her becoming the United States public diplomacy envoy — her new title — came up in April when she met Ms. Rice at a dinner in Washington for President Hu Jintao of China. When Ms. Kwan mentioned that she would be attending the University of Denver, Ms. Rice, a Denver alumna and former competitive figure skater herself, "just lit up," Ms. Kwan said.

One reporter asked Ms. Kwan how she planned to deal with the hostility that she might meet as the public face of America. Ms. Kwan quickly showed that she was already familiar with the advice, contained in a memorandum from Ms. Hughes, recently published in The Washington Post, that advised State Department employees to hew to government policy while talking to the news media.

"I'm not here to talk about my political views," Ms. Kwan demurred. "I'm here to promote America. This is a place where anything is possible."

Greenhouse Guessing (WP)

By Robert J. Samuelson

The Washington Post, November 11, 2006

It seems impossible to have an honest conversation about global warming. I say this after diligently perusing the British government's huge report released last week by Sir Nicholas Stern, former chief economist of the World Bank and now a high-ranking civil servant. The report is a masterpiece of misleading public relations.

It foresees dire consequences if global warming isn't curbed: a worldwide depression (with a drop in output of as much as 20 percent) and flooding of many coastal cities. Meanwhile, the costs of minimizing these awful outcomes are small: only 1 percent of world economic output in 2050.

No one could fail to conclude that we should conquer global warming instantly, if not sooner. Who could disagree? Well, me. Stern's headlined conclusions are intellectual fictions. They're essentially fabrications to justify an aggressive anti-global-

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warming agenda. The danger of that is we'd end up with the worst of both worlds: a program that harms the economy without doing much to cut greenhouse gases.

Let me throw some messy realities onto Stern's tidy picture. In the debate over global warming, there's a big gap between public rhetoric (which verges on hysteria) and public behavior (which indicates indifference). People say they're worried but don't act that way. Greenhouse emissions continue to rise despite many earnest pledges to control them. Just last week the United Nations reported that of the 41 countries it monitors (not including most developing nations), 34 had increased greenhouse emissions from 2000 to 2004. These include most of the countries committed to reducing emissions under the Kyoto Protocol.

Why is this? Here are three reasons.

First: With today's technologies, we don't know how to cut greenhouse gases in politically and economically acceptable ways. The world's 1,700 or so coal-fired power plants -- big emitters of carbon dioxide, the main greenhouse gas -- are a cheap source of electricity. The wholesale cost is 4 to 5 cents a kilowatt hour, says the World Resources Institute. By contrast, solar power costs five to six times that. Although wind is roughly competitive, it can be used only in selective spots and supplies less than 1 percent of global electricity. Nuclear energy is cost-competitive but is stymied by other concerns (safety, proliferation hazards, spent fuel).

Second: In rich democracies, policies that might curb greenhouse gases require politicians and the public to act in exceptionally "enlightened" (read: "unrealistic") ways. They have to accept "pain" now for benefits that won't materialize for decades, probably after they're dead. For example, we could adopt a steep gasoline tax and much tougher fuel economy standards for vehicles. In time, that might limit emissions (personally, I favor this on national security grounds). Absent some crisis, politicians usually won't impose -- and the public won't accept -- burdens without corresponding benefits.

Third: Even if rich countries cut emissions, it won't make much difference unless poor countries do likewise -- and so far, they've refused because that might jeopardize their economic growth and poverty-reduction efforts. Poorer countries are the fastest growing source of greenhouse gas emissions, because rapid economic growth requires energy, and present forms of energy produce gases. In 2003 China's carbon dioxide emissions were 78 percent of the U.S. level. Developing countries, in total, accounted for 37 percent of greenhouse gas emissions in 2003. By 2050 their share could be 55 percent, projects the International Energy Agency (IEA).

The notion that there's only a modest tension between suppressing greenhouse gases and sustaining economic growth is highly dubious. Stern arrives at his trivial costs -- that mere 1 percent of world gross domestic product in 2050 -- by essentially assuming them. His estimates presume that, with proper policies, technological improvements will automatically reconcile declining emissions with adequate economic growth. This is a heroic leap. To check warming, Stern wants annual emissions 25 percent below current levels by 2050. The IEA projects that economic growth by 2050 would more than double emissions. At present we can't bridge that gap.

The other great distortion in Stern's report involves global warming's effects. No one knows what these might be, because we don't know how much warming might occur, when, where or how easily people might adapt. Stern's horrific specter distills many of the most terrifying guesses, including some imagined for the 22nd century, and implies that they're imminent. The idea is to scare people while reassuring them that policies to avert calamity, if started now, would be fairly easy and inexpensive.

We need more candor. Unless we develop cost-effective technologies that break the link between carbon dioxide emissions and energy use, we can't do much. Anyone serious about global warming must focus on technological progress -- and not just assume it. Otherwise, our practical choices are all bad: costly mandates and controls that harm the economy, or costly mandates and controls that barely affect greenhouse gases. Or, possibly, both.

Kosovo: Final Report On Future Delayed (NYT)

By Nicholas Wood

The New York Times, November 11, 2006

Martti Ahtisaari, the former Finnish president who leads international talks on the future of Kosovo, said he would hold back his recommendations — with independence or autonomy as options — until after parliamentary elections in Serbia, called earlier in the day for Jan. 21. Although technically a part of Serbia, the mainly Albanian province of Kosovo has been run by the

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United Nations since 1999, and a final status plan for Kosovo was to have been accomplished by the end of this year. But Western diplomats have been concerned that it might increase support for Serbian ultra-nationalists in the elections. A new Constitution passed last month reasserts the country's sovereignty over Kosovo. Kosovo's ethnic Albanian leaders are also uneasy. On Thursday, Agim Ceku, the Kosovo prime minister, said his government might unilaterally declare independence if negotiations fail to give them statehood.

Here Comes Kosovo (WP)

The Washington Post, November 10, 2006

A decision to make the Serb province independent is near. Will Serbia and Russia obstruct it?

THE SERBIAN parliament formally adopted a new national constitution on Wednesday, following its narrow approval by voters in a referendum last month. The document was a necessary replacement of the previous charter, which was adopted during the rule of nationalist warlord Slobodan Milosevic. But it may have won acceptance only because it included a preamble that would have warmed Mr. Milosevic's heart: a declaration that the province of Kosovo, which Serbia in effect lost seven years ago, is an "integral" and "inalienable" part of the country.

In fact, the United Nations, which has governed Kosovo since NATO freed it from Mr. Milosevic's brutal ethnic cleansing campaign, is due to decide the province's future by year-end -- though a decision may be delayed until after a Serbian election scheduled for late January. Serb leaders know what a U.N. mediator will recommend and what all Western governments will support: independence for the territory, perhaps with transitional conditions. Kosovo is populated overwhelmingly by ethnic Albanians; after the ethnic war Mr. Milosevic initiated, there is no chance the province can be returned to Serbian sovereignty. By incorporating a claim to Kosovo into a new constitution, Serbia's leaders staked out yet another of the reckless nationalist stands that have caused their country so much damage in the past 15 years.

They also set the stage for some difficult and potentially dangerous diplomacy between the Bush administration and Russia over the next two months -- negotiations that could settle or destabilize the Balkans and the equally volatile Caucasus region on Russia's southern border. Russia, Serbia's long-standing ally, is the largest potential obstacle to consensus in the U.N. Security Council on a Kosovo solution. Though he knows that independence for Kosovo is inevitable, Russian President Vladimir Putin is hinting that he may support Serbia's obstructionism. He may hope to extract favors from President Bush in exchange for his eventual cooperation -- such as U.S. acquiescence to Russia's entry into the World Trade Organization.

Or Mr. Putin may try to use Kosovo to trigger a showdown with his Caucasus neighbor, Georgia, which has infuriated him by embracing liberal democracy and seeking integration into Western institutions such as NATO. Mr. Putin has said that Kosovo's independence could be a precedent for Moscow-sponsored breakaway regions in Eurasia, including two rebel provinces of Georgia. If Western governments recognize Kosovo's independence, Mr. Putin could respond by recognizing Abkhazia and South Ossetia. This could easily trigger a war that would draw in Russian troops; meanwhile, Moscow's position could encourage Serbs in Kosovo and Bosnia to set up splinter states.

Moscow is no doubt hoping that as the Bush administration contemplates this scenario, as well as its continuing need for Russian help in stopping Iran's nuclear program, it will be bluffed into postponing any decision on Kosovo or will abandon its support of Georgia's democracy and NATO aspirations. Either would be a serious mistake. Putting off Kosovo's independence would only enrage the province's 2 million Albanians and trigger the Balkan meltdown that the West hopes to avoid. It would also encourage Mr. Putin's growing tendency to use threats -- whether of energy-supply interruptions or violence -- to get his way with the West.

Northern Ireland Deal Advances (NYT)

By Eamon Quinn

The New York Times, November 11, 2006

BELFAST, Northern Ireland, Nov. 10 — Britain and Ireland on Friday seized on guarded words of support from Northern Ireland's feuding Protestant and Roman Catholic political parties, saying that enough progress had been made by the first deadline they had set in a timetable for restoring local rule for the province that they could proceed to try to meet the next one.

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But a dispute about policing is casting doubt on whether the Democratic Unionist Party, led by the Rev. Ian Paisley, the veteran Protestant leader, and the main Roman Catholic party, Sinn Fein, can reach agreement by Nov. 24, when they are to nominate leaders for the power-sharing government.

A government executive branch that included Northern Ireland unionist leaders and Sinn Fein collapsed in 2002.

The unionists seek to maintain the political tie with Britain; Sinn Fein is considered the political wing of the Irish Republican Army, which has sought to separate the province from Britain.

In a joint statement, the British and Irish governments said that they were satisfied that party statements had indicated support for a government. Last month in St. Andrews, Scotland, the governments proposed a sequence of deadlines, starting Friday, for the Democratic Unionists and Sinn Fein to agree to share power in an executive apparatus that would take over most governmental powers starting next March.

As for the critical issue of policing, they proposed that London would cede full powers to the local executive branch in 2008.

In their joint statement on Friday, the British and Irish governments said that the St. Andrews Agreement remained the basis of reaching their goal, and that preparatory legislation would be worked on before Nov. 24. The foundations of an agreement, the governments said, are "support for power-sharing and the political institutions and support for policing and the rule of law."

Police Issue Stalls N. Ireland Deal (LAT)

By Kim Murphy, Times Staff Writer

The Los Angeles Times, November 10, 2006

Deadline looms on power-sharing plan as differences remain.

LONDON — The first key deadline for implementing a new power-sharing plan in Northern Ireland passed Friday with the parties still at loggerheads, but Britain and Ireland said they were satisfied that the pact "represents the basis for a political settlement" of the long-running conflict.

Both Sinn Fein and the Democratic Unionist Party, or DUP, were to have signaled their acceptance this week of the proposal brokered last month at St. Andrews, Scotland, by the British and Irish prime ministers, under which the two former adversaries would jointly head a new Belfast government.

Instead, both sides only signaled conditional acceptance, apparently stuck on the same issue that has forestalled an agreement from the beginning: the unionist party's insistence that Sinn Fein endorse the local police force — with which its military wing, the Irish Republican Army, was virtually at war for years — before joining the government.

Sinn Fein leaders believe the police force, as it was formerly constituted, was involved in the killings of Roman Catholic residents, either directly or through Protestant paramilitary forces.

The party, which for years has sought union with Ireland, has said it is prepared to accept the police force once it is assured that concrete reforms are in place, a timeframe is established for handing over control of the police to local authorities, and after the party's membership has agreed to take such a step.

The logjam has raised serious questions about whether the two parties will be able to appoint joint heads of government by a Nov. 24 deadline. The British government has said that failure to meet that deadline would result in the shutdown of the National Assembly, now meeting on an ad hoc basis, and in reimposition of British direct rule.

Sources at the DUP, which favors union with Britain, hinted of a strong possibility there would be "slippage" on the deadline.

"Before anything of the nature the government are talking about on Nov. 24 can be done … all those commitments need to be made. We are completely unequivocal on that," said a party source, speaking on condition of anonymity.

But Sinn Fein's chief negotiator, Martin McGuinness, who would be the party's top minister in any new government, said it was crucial that the deadline be met. "I firmly believe that all of the challenges we face can be overcome. On Nov. 24, the Assembly must meet as set out at St. Andrews for the nominations of the first and deputy first minister as joint and co-equal partners in a new power-sharing government," he said in Belfast.

Sinn Fein conditionally accepted the St. Andrews agreement Monday, saying it has the potential to implement the historic "Good Friday" accord reached in 1998 and restore the region's political institutions.

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Speaking Thursday night in New York after the U.S. government lifted a ban on Sinn Fein leaders addressing fundraising events, party leader Gerry Adams affirmed his commitment to moving forward. "The time to end this game is now," he said. But he said he would continue to insist on police reforms and local control.

DUP leader Ian Paisley has refused to meet Adams and says he will not form a government with a party that does not uphold basic principles of law and order.

"The foundation stone of any democratic party is that they support the police, the courts, and the rule of law," he said. "Sinn Fein must stand foursquare behind the police service and the justice system."

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Special correspondent William Graham in Belfast contributed to this report.

U.S. Official Offers A Bleak Assessment Of Somalia (NYT)

By Jeffrey Gettleman

The New York Times, November 11, 2006

NAIROBI, Kenya, Nov. 10 — A senior American military official on Friday painted a dire picture of the escalating tensions in Somalia, but said the United States was at a loss about what to do.

“We do not have a plan to solve the Somalia problem,” acknowledged the official, who spoke to reporters in Nairobi only on condition of anonymity. Somalia, once again, is at a crisis point, with rising prospects of a major war between the weak, so-called transitional government and the increasingly powerful Islamic forces that rule Mogadishu, the capital.

Since 1991, Somalia has been synonymous with anarchy, but the senior military official said the current situation was even more explosive because it threatened to drag in Somalia’s neighbors.

“If there is a war,” the official said, “the fighting ends up protracted and long and spills across the border.”

A long-simmering problem is that all of Somalia’s neighbors — Kenya, Ethiopia and Djibouti — have significant populations of ethnic Somalis. Some of the Islamic clerics in Mogadishu have vowed to invade these countries to establish a “Greater Somalia.”

Another concern is that Ethiopia and Eritrea, bitter enemies that recently fought over a stretch of desert in a war that cost 100,000 lives, are meddling in Somalia, with Eritrea suspected of sending advisers and weapons to Mogadishu to support the Islamists and Ethiopian officials now admitting, after initial denials, that hundreds of Ethiopian military advisers are in Baidoa, the seat of the transitional government. Western experts estimate that the number is actually much higher, maybe as many as 10,000 Ethiopian soldiers, and growing.

Ethiopia is one of the closest allies of the United States in Africa, but the senior military official denied that the American government was using the Ethiopian Army as a proxy force against the Islamists, whom American intelligence agents have accused of cooperating with terrorists from Al Qaeda.

“We don’t want them in there,” the official said, referring to the Ethiopians.

On Friday, [a news organization] reported that a soon-to-be-released United Nations report accused several Arab countries, including Libya and Syria, of also breaking the 14-year-old arms embargo on Somalia and funneling guns and money to the Islamist forces.

“Things have been increasingly volatile in the past two weeks,” the official said, though he did not go as far as saying war was imminent or inevitable. The official and diplomats here in Nairobi have pointed to talks this week between the speaker of the transitional Parliament and top Islamic clerics as a speck of hope.

Sharif Hassan Sheik Aden, the speaker of the transitional Parliament and one of the few politicians from Baidoa respected by the Islamists, spent several days in Mogadishu trying to coax Islamic leaders back to peace negotiations that started in June, though the latest round was broken off because the Islamists refused to negotiate while Ethiopian troops were in the country.

The Islamists, whose support seems to be growing in Mogadishu, were mildly optimistic about Sheik Aden’s visit.

“We expect to reach a solution because it is a known fact that if Somalis talk to one another they can make peace,” Sheik Hassan Dahir Aweys, leader of Somalia’s Council of Islamic Courts, told The Associated Press this week.

But, Sheik Aweys added, the Ethiopians must first leave.

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The United States has 1,800 troops stationed in Djibouti, at the mouth of the Red Sea. Their mission is to prevent terrorists from turning the Horn of Africa into a sanctuary. But the senior American military official said that if Somalia's peace talks failed and full-scale war engulfed the region, American troops would not get involved.

"We'll be watching this one," he said.

Aid Group Quits Darfur, Citing Disruptions (WP/AP)

The Washington Post, November 11, 2006

OSLO Nov. 10 -- A Norwegian refugee group said Friday that it was closing its humanitarian operations for nearly 300,000 people in Darfur because it was impossible to work in the troubled region of western Sudan.

The Norwegian Refugee Council cited "frequent disruption" of its work, saying it had been suspended five times for a total of 210 days since it started operations in mid-2004.

"We cannot work when the authorities suspend us continuously and do not respond to our repeated requests for dialogue aimed at addressing and resolving underlying reasons for this action," said Tomas C. Archer, the group's secretary general.

More than 3 1/2 years ago, ethnic African rebels accusing the central government of neglect launched a rebellion. The government is accused of responding by unleashing an Arab militia, called the Janjaweed, which has been linked to atrocities. As many as 450,000 people have died from disease and violence and 2.5 million have been displaced since fighting began.

Aid agencies have repeatedly complained about government interference in their work in Sudan. For months after the conflict broke out, Sudanese officials severely limited international aid organizations' access to Darfur. Humanitarian workers were allowed in only after protracted negotiations and international pressure.

Last year, Sudan briefly detained two officials of Doctors Without Borders, after the Dutch branch of the international medical aid group released a report that quoted hundreds of rape victims in Darfur identifying their attackers as soldiers or government-allied militiamen.

Rebels also have been accused of interfering with aid, in some cases by kidnapping aid workers.

The Norwegian group said it was pulling out 12 international and 170 local staff members running one camp for 128,000 people in southern Darfur and another for 100,000 people.

"We coordinated all aid, the fair distribution of food, medical care. Now there are 300,000 people on their own. That's what concerns us most," a spokeswoman, Astrid Sehl, said by telephone. She said the group also had to shut down an educational program for about 19,000 children and stop distributing food to about 52,000 people outside the camps.

"This decision has been the most difficult I have had to make as secretary general of NRC," Archer said. "We are all aware that the humanitarian needs are greater than ever in south Darfur."

A news release said that the Oslo-based group had been promised an answer from Sudanese authorities on the future of its humanitarian effort in Darfur but that no answer had been given.

The Norwegian Refugee Council is a private, independent foundation without religious or political affiliations. It was founded in 1946 to assist refugees after World War II and now has about 1,300 staff members in 20 countries.

Next In Darfur (WP)

The Washington Post, November 11, 2006

LAST WEEK President Bush put a brave face on the killing in Darfur, declaring that the United States was working on a plan to save the victims. The truth is that his administration has offered versions of this claim since 2004, when it first described Darfur's crisis as genocide. Sudan's murderous government, which has provided air cover to the Janjaweed death squads and has magnified civilian suffering by keeping U.N. peacekeepers away, has proved impervious to U.S. pressure. Feeling itself to be an isolated Arab elite in a resentful African country, presiding over a capital city that has absorbed 4 million or more Africans who have fled Sudan's internal wars, the ruling clique in some ways resembles the minority white regime of South Africa circa 1985. Its back is against the wall, and it is prepared to be ruthless -- particularly so long as China, Russia and the Arab states provide diplomatic cover.

Andrew S. Natsios, the president's special envoy to Sudan, visited the country recently and was treated to a characteristic prevarication. He was told that Sudan refused to accept the U.N. Security Council resolution calling for a peacekeeping force in

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Darfur, even though the professed ground for this refusal -- that U.N. peacekeepers would compromise Sudan's sovereignty -- is belied by the fact that U.N. peacekeepers are already in Sudan to monitor a north-south peace treaty. But Mr. Natsios was encouraged not to lose patience. On the contrary, he was warmly entreated to have hope: Sudan might be open to certain other peacekeeping configurations. The existing African Union force could be supplemented with Arabs, or maybe with Pakistanis, or possibly even with Norwegians. The message to the United States was: Go away and do your diplomatic thing, and if you're lucky we'll talk after that.

The Bush administration should certainly assemble commitments of peacekeeping troops and call Sudan's bluff. But it should also attempt to revive the failed Darfur peace plan negotiated this year, for without peace even a large peacekeeping mission may be doomed. Reviving the peace process means pressuring both the government and the rebels: The last agreement failed because many of rebels refused to sign on and instead resumed fighting, while the government took that as an excuse to bar U.N. peacekeepers, harass western humanitarian workers and launch a military offensive. To pressure the rebels, the United States needs to work through their backers in Eritrea and Chad. To push the government back to the talks, the United States needs to work with Sudan's diplomatic enablers in Beijing, Moscow and the Arab capitals.

The world's leaders may hope that the problem of Darfur will go away if they close their eyes long enough. But the reverse is likelier. Darfur's violence is spilling into Chad and could precipitate the collapse of that country's government. It is also contributing to the risk of renewed north-south fighting. If there is no solution in Darfur, the world will witness Darfur-like atrocities elsewhere on a scale appalling to imagine.

Nigeria's Savior, And Menace (LAT)

The Los Angeles Times, November 11, 2006

OLUSEGUN OBASANJO has done more for Nigeria than any leader in its modern history. Now that legacy is endangered — by none other than Obasanjo himself. Nigerians and the international community should keep the pressure on Obasanjo to step aside.

Nigeria, Africa's most populous nation and the United States' fifth-biggest source of imported oil, was a basket case until Obasanjo was elected in 1999. Since then, he has reformed the nation's chaotic banking sector, battled its endemic corruption and built a foundation for democracy in a nation that has never seen a peaceful transition from one elected leader to another.

But he also is nearing the end of his second and final term as president, and he has shown a worrying reluctance to step down as planned in April 2007. Five months ago, he tried to rewrite Nigeria's constitution to allow for a third term but was rebuffed by parliament. Other recent actions look suspiciously like the machinations of a budding dictator, and they may not only undo most of the good Obasanjo has accomplished but perhaps plunge his country into civil war.

At the core of the troubles is Nigeria's crusading Economic and Financial Crimes Commission, a 3-year-old agency that already has sent about 2,000 people to prison on corruption charges. (According to the commission's chief, Nuhu Ribadu, an estimated $380 billion has been stolen or wasted in Nigeria since independence in 1960.) Yet as the commission has started taking on the country's 36 state governors, many fear that Obasanjo is using it to target his political opponents and disrupt the April elections.

Even if the financial crimes commission isn't on a political witch hunt, there is no way to avoid the appearance of one so close to an election. Obasanjo should suspend the panel until after April. He also should beef up the elections agency. If he doesn't, and voids the elections to maintain power, a bloody civil war is almost certain to follow.

Which course the Nigerian president takes will affect more than his legacy and his nation. An armed insurgency in the country's south cut oil production by 25% this year, playing a key role in the run-up of crude prices that only recently began to ease. Obasanjo has a chance to become a respected elder statesman who could influence continental politics long after leaving office and bring much-needed international attention and aid to Africa. Or he could be another in a long line of Nigerian despots, cursed by his people and forgotten by history.

Don't Count Out Turkey (LAT)

The Los Angeles Times, November 10, 2006

It's too important to Europe, and vice versa, for talks over its entrance into the EU to founder.

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BULENT ECEVIT, ONE OF the most important leaders in modern Turkish history, died Sunday in Ankara. His dream may be dying a slow death in Brussels.

"There can be no Europe without Turkey, and no Turkey without Europe," Ecevit said in 1999. A four-term prime minister, Ecevit was by the end of his career a supporter of open markets and greater integration with the West.

On Wednesday, the European Commission released a progress report on Ankara's bid to join the European Union. It was highly critical of the pace of Turkey's reforms on issues such as freedom of speech and its failure to recognize Cyprus.

Cyprus is indeed the stumbling block of the day, but there is a more fundamental resistance across much of Western Europe to the idea that Turkey could join the EU. The EU is still digesting 10 new Central and Eastern European members with a lower standard of living, and there are some understandable concerns about absorbing 73 million Turks on the continent's periphery.

But the genius of Europe's enlargement process has been its ability to raise living standards in new member states while being flexible in phasing in full integration so as to not drag down living standards among richer members. Because of the terms of Poland's accession to the EU, for instance, its farmers have not impoverished French farmers. What's more, given demographic trends, Europe would increasingly benefit from Turkey's large labor pool and its vibrant consumer market.

Opposition to Turkey's candidacy in nations such as France is increasingly about cultural identity. This is unfortunate, as it undermines the idea of a largely secular Muslim Turkey serving as a bridge between West and East. Its successful integration with Christian Europe would demonstrate that the religions need not be at odds and that Western-style democracy is not unattainable in the Middle East.

But confronted with European rejection, many sectors of Turkish society seem intent on derailing integration, making the Turkey-isn't-suited claim a self-fulfilling one. Turkey's Article 301, a vague law that makes it a crime to publicly insult the nation, is a nationalist measure aimed at provoking Brussels.

And then there is Cyprus, which joined the EU in 2004 and thus has the ability to block any new members. Turkey invaded Cyprus in 1974, under Ecevit, and part of the island remains under Turkish control while Ankara refuses to recognize the Cypriot government. Talks to resolve the impasse recently collapsed.

At an EU summit in mid-December, commissioners may decide to suspend accession talks with Turkey for a year or more. That would be unfortunate — for both sides of this courtship.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Warrantless Wiretaps Unlikely To Be OK'd (AP)

By Laurie Kellman, Associated Press Writer

AP, November 11, 2006

WASHINGTON -- Legislation aimed at President Bush's once-secret program for wiretapping U.S.-foreign phone calls and computer traffic of suspected terrorists without warrants shows all the signs of not moving ahead, notwithstanding President Bush's request this week that a lame-duck Congress give it to him.

Senate Democrats, emboldened by Election Day wins that put them in control of Congress as of January, say they would rather wait until next year to look at the issue. "I can't say that we won't do it, but there's no guarantee that we're going spend a lot of time on controversial measures," Democratic Whip Richard Durbin of Illinois said Thursday.

In Senate parlance, that means no.

Republicans for months have known that no bill accomplishing Bush's goal could get filibuster-proof support from 60 senators. Sealing off any hope was what Democratic leader Harry Reid put on his lame-duck to-do list. The warrantless domestic surveillance bill was conspicuous in its absence.

As for next year, Bush should not expect Democrats to allow such legislation to pass without language establishing considerable congressional oversight of any expansion of warrantless wiretaps.

"We have been asked to make sweeping and fundamental changes in law for reasons that we do not know and in order to legalize secret, unlawful actions that the administration has refused to fully divulge," said Sen. Patrick Leahy of Vermont, the next Judiciary Committee chairman. "If legislation is needed for judicial review, then we should write that legislation together, in a bipartisan and thoughtful way."

The Bush administration has a backup plan. In speeches over the next few weeks, the Justice Department will launch a new campaign for the legislation by casting the choice as one between supporting the program or dropping it altogether -- and appearing soft on al-Qaida.

Attorney General Alberto Gonzales will make the eavesdropping program the focus of a Nov. 18 speech at the U.S. Air Force Academy. Kenneth L. Wainstein, assistant attorney general for the national security, will make a similar pitch Wednesday to the American Bar Association.

Leahy said that monitoring communications of suspected terrorists is essential but that "it needs to be done lawfully and with adequate checks and balances to prevent abuses of Americans' rights and Americans' privacy."

After the Sept. 11, 2001, terrorist attacks, Bush ordered the National Security Agency to monitor communications potentially related to al-Qaida between people in the U.S. and those overseas. He bypassed normal requirements for court approval of such eavesdropping, and the program came under harsh criticism after it was disclosed last December by The New York Times.

Democrats and Republicans on the intelligence and judiciary committees spent much of the year trying to find out details from the administration, to little avail. Much of the information is classified, and the White House has insisted that revealing it would mean compromising the war on terrorism.

The House passed a bill in September to allow warrantless wiretaps under certain restrictions. House and Senate intelligence committees and congressional leaders would have to be notified, the president would have to believe that a terrorist attack is imminent, and certification would have to be renewed every 90 days.

A Republican measure in the Senate favored by the administration would require the Justice Department to report twice a year to the House and Senate intelligence committees the number and kind of any such operations. It would permit the surveillance to continue for up to one year without a warrant.

*

The House bill is H.R. 5825; the Senate bill is S. 3931.

Social Security Data A Major Source In Terrorism Probes (WP)

By Carlos Roig And Christopher Kriva, Special to The Washington Post

The Washington Post, November 11, 2006

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Sohaib Bin Lateef left Pakistan for the United States more than 25 years ago and fulfilled his dreams with a suburban home, a family and a string of gas stations and convenience stores in St. Louis. But along the way, he says, he took some bad advice and obtained a Social Security number under a false name.

Now Bin Lateef, 47, faces deportation and stands to lose everything, even though he insists he has no ties to terrorists. The Justice Department lists his case as terrorism-related.

Since the Sept. 11, 2001, attacks, the Social Security Administration's vast databases of personal information have become a resource for federal investigators, who have asked the agency to check tens of thousands of records for number misuse and identity fraud -- potential precursors to terrorist activity. Bin Lateef is one of hundreds of people convicted as a result.

The Social Security Administration is "the Fort Knox of identity information in the United States," said James Huse, the agency's inspector general from 1998 to 2004. "That's a pretty impressive investigative tool that no other agency possesses."

From just after Sept. 11 through 2005, Social Security officials sent prosecutors 456 referrals that were classified as terrorism-related, according to statistics compiled by Syracuse University's Transactional Records Access Clearinghouse. The review shows that 91 percent of those referrals led to prosecutions.

Only the departments of Justice and Homeland Security have referred more terrorism-related cases for prosecution, according to the Syracuse records, which are based on data compiled by the Justice Department's Executive Office for United States Attorneys.

Still, few if any suspects in Social Security cases are ever linked publicly to alleged terrorist activity. Most cases referred to prosecutors in the months after Sept. 11 involved document fraud by Latino immigrants working at airports.

Previous studies by the Syracuse center found that thousands of cases have been referred by all agencies for prosecution under the labels of "international terrorism" or "antiterrorism." However, senior Justice officials instead usually cite the criminal division's much smaller list of terrorism-related cases, which as of June included 441 defendants and 261 convictions. Most on that smaller list were charged with crimes unrelated to terrorism, an earlier Washington Post analysis found.

Prosecutors generally will not discuss individual cases. Law enforcement officials have said that even if they have evidence of terrorist activity, it does not need to be made public if suspects can be arrested or deported on lesser charges, such as document fraud or immigration violations.

"Prosecution of terrorism-related targets on these types of charges is often an effective method -- and sometimes the only available method -- of deterring and disrupting potential terrorist planning and support activities without compromising national security information," Deputy Attorney General Paul J. McNulty wrote in a Justice Department report in June.

The federal law prohibiting misuse of Social Security numbers is "a very easy statute from a prosecution standpoint," said Jonathan Lasher, deputy chief counsel to the Social Security Administration's inspector general. "We don't have to prove a lot in the way of motive or intent. If you represent a number to be yours that isn't yours, you've essentially met the burden."Tapping the Data

After the 2001 attacks, authorities tapped the two main Social Security databases for information on suspected terrorists. "We were given taskings and requests, and we were responding to them as best we could in the wake of this national tragedy," said Richard A. Rohde, the Social Security Administration's assistant inspector general for investigations.

One database lists basic application information from people seeking Social Security numbers. The other contains wage and earnings histories compiled by the agency that are used to determine Social Security benefits.

The Internal Revenue code normally prohibits Social Security from releasing information in the wage and earnings database, even to law enforcement agencies. But IRS and Social Security officials are permitted to waive that rule in "life-threatening situations." A 30-day waiver was granted immediately after the Sept. 11 attacks and was extended four times by the IRS through early 2002, Lasher said.

Huse said he asked Congress several times unsuccessfully for permanent authority to release information in the wage database to federal law enforcement officials investigating potential terrorist activity.

One of the earliest uses of Social Security data in homeland security investigations came before the 2002 Winter Olympics in Salt Lake City. Ronald Ingleby, resident agent in charge of the Social Security inspector general's office there, worked with the U.S. attorney's office to acquire about 10,000 employee records from the local airport authority and had his staff search Social Security records. As a result, 69 workers were indicted for alleged misuse of Social Security numbers on applications for airport security badges.

The program, which was expanded to many of the nation's airports as well as ports and other facilities, resulted in hundreds of guilty pleas, largely from Latino workers with no discernible links to terrorist groups. The workers had used fake or stolen Social Security numbers to gain employment or acquire access badges.

Federal agents also began turning to Social Security to check dubious records brought to their attention or to run down terrorism leads. In one case, a tip that al-Qaeda might try to poison military rations led to checks on workers at a meals-ready-to-

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eat factory in Texas. Several were convicted in 2004 of possessing or using false documents, though the case files show no evidence of a poisoning plot.

Other cases led to charges against members of document-counterfeiting rings in Maryland and New York.Attracting Notice

Bin Lateef believes he originally came to the attention of investigators because he was a Pakistani national with a check-cashing company among his holdings. He said authorities began looking into his business in 2003. He also said that for a number of years he sent as much as $24,000 to $36,000 annually to his family in Pakistan, sometimes using "hawala," the system of informal money transfers in which cash moves between friends and relatives.

His lawyer believes authorities also were concerned about a September 2003 trip Bin Lateef took with his family through Pakistan, Saudi Arabia, the United Arab Emirates and Germany.

Commenting on this type of case, Jimmy Gurule, a law professor at the University of Notre Dame who was undersecretary for enforcement at the Treasury Department from 2001 to 2003, said a number of issues would have interested investigators. "The combination of the international travel, the combination of the money being transferred abroad through a hawala-type system or certainly the use of false identification documents are all red flags of possible terrorist activity," he said.

An inquiry turned up Bin Lateef's Social Security fraud. He had entered the United States on a student visa in 1980 to attend Southern Illinois University. A 1985 application to extend his stay was denied, but he said he became a legal permanent resident alien in 1988 under the Reagan administration's immigration reform.

However, to get the green card, Bin Lateef said, he used a false name on the application based on bad advice from acquaintances. A year or two later, he obtained a Social Security number with that false name.

Bin Lateef said that he has never had links to terrorist groups -- only that he went into business, raised a family and bought a home in O'Fallon, Mo., near St. Louis. "This is the only country in the whole entire world that would give me the opportunity to do what I did," he said.

William Wynne, Bin Lateef's lawyer, said, "This guy has a tattoo on his forehead that says 'productive citizen.' "

Bin Lateef pleaded guilty to felony charges of lying to federal authorities and of misusing a Social Security number. Deportation proceedings are ongoing. Prosecutors declined to comment on his case.

Like many other Social Security referrals related to homeland security prosecutions, Bin Lateef's is classified by the Justice Department as anti-terrorism.

In his report, McNulty, the deputy attorney general, signaled that investigators would continue to rely on Social Security and other government statutes not directly related to terrorism.

"There has been some criticism of our use of nonterrorism offenses, such as false statement charges, immigration fraud, and use of fraudulent travel documents, in terrorism cases," McNulty wrote. "Yet the appropriate charging of such offenses is so important to our disruption of terrorist plans that the Department has urged prosecutors to undertake initiatives to increase their use of these statutes."

Roig and Kriva were Medill School of Journalism fellows in the News 21 program of the Carnegie-Knight Initiative on the Future of Journalism Education.

Former USF Professor Must Testify In Va. Grand Jury Probe (BRAH)

The Bradenton Herald, November 11, 2006

TAMPA - Sami Al-Arian must testify before a federal grand jury despite claims that a plea agreement freed him from cooperating with the U.S. government, a federal judge ruled.

U.S. District Judge James S. Moody Jr. ruled Al-Arian must testify in the probe of International Institute of Islamic Thought in Herndon, Va., because Virginia prosecutors have granted him immunity.

In his trial, prosecutors said Al-Arian's World and Islamic Studies Enterprise got money from the Va. Institute. A jury acquitted Al-Arian, a former University of South Florida professor, of eight counts but deadlocked on nine others in December.

In Letter, Radical Cleric Details CIA Abduction, Egyptian Torture (WP)

By Craig Whitlock, Washington Post Foreign Service

The Washington Post, November 11, 2006

Friday, November 10, 2006;

MILAN, Nov. 9 -- In an account smuggled out of prison, a radical Muslim cleric has detailed how he was kidnapped by the CIA from this northern Italian city and flown to Cairo, where he was tortured for months with electric shocks and shackled to an iron rack known as "the Bride."

DOJ_NMG_0093491

Hassan Mustafa Osama Nasr, also known as Abu Omar, wrote an 11-page letter describing his 2003 abduction at the hands of the CIA and Italian secret service agents. He somehow transferred the document out of Egypt -- where he remains in custody -- and into the hands of Italian prosecutors who are investigating his disappearance.

The Milan public prosecutor's office on Thursday confirmed the authenticity of the letter, the existence of which was first reported by the Italian daily newspaper Corriere della Sera.

The document has been submitted as evidence to defense attorneys representing 25 CIA officers, a U.S. Air Force officer and nine Italian agents who have been charged with organizing the kidnapping of Nasr, an Egyptian national, in February 2003.

A copy of the document, handwritten in Arabic, was obtained by The Washington Post. Undated, it reads like a homemade legal affidavit, outlining how Nasr was seized as he was walking to a mosque in Milan, stuffed into a van and rushed to Egypt in a covert operation involving spies from three countries.

"I didn't understand anything about what was going on," Nasr wrote. "They began to punch me in the stomach and all over my body. They wrapped my entire head and face with wide tape, and cut holes over my nose and face so I could breathe."

Upon his arrival in Egypt hours later, he said, he was taken into a room by an Egyptian security official who told him that "two pashas" wanted to speak with him.

"Only one spoke, an Egyptian," he recalled. "And all he said was, 'Do you want to collaborate with us?' " Nasr said the other "pasha" appeared to be an American. His captors offered a deal: They would allow him to return to Italy if he agreed to become an informant. Nasr said he refused. As a result, he said, he was interrogated and physically abused for the next 14 months in two Cairo prisons.

Italian prosecutors charge that the CIA and the Italian military intelligence agency known as Sismi collaborated to kidnap Nasr, who was known for preaching radical sermons in Milan and railing against U.S. policies in Afghanistan and the Middle East. According to prosecutors, the abduction thwarted a separate Italian police investigation into Nasr's activities and jeopardized a surveillance operation concerning other radicals in Milan.

Court papers allege that the kidnapping was orchestrated by the CIA's station chief in Rome and involved at least two dozen CIA operatives, most of whom arrived in Italy months before to lay the groundwork. Italian judges have issued arrest warrants for the CIA officers and have pledged to try them in absentia if necessary.

Although the case has caused a furor in Italy, the U.S. government has neither confirmed nor denied playing a role in Nasr's disappearance. Egyptian officials have also remained silent. A CIA spokesman declined to comment for this story.

Nasr's wife and his lawyer in Cairo have said the cleric is still imprisoned in Egypt, although he has been released under house arrest for brief periods. It is unclear how Italian prosecutors received a copy of his letter. Investigators said handwriting experts have verified that Nasr was the author.

Prosecutors in Milan are also investigating allegations that Italian spies offered to give Nasr $2.5 million if he would sign papers saying he had left Italy voluntarily and was not kidnapped, according to Italian news reports.

The imam of a Milan mosque where Nasr preached on occasion said he also recognized the handwriting as the Egyptian's. "This is his writing, I know it for sure," said the imam, Arman Ahmed al-Hissini, who is known locally as Abu Imad and runs the Viale Jenner mosque, a few blocks from where Nasr was kidnapped.

Abdel Hamid Shaari, president of the Islamic Cultural Center in Milan, said he was worried that the public disclosure of Nasr's letter could jeopardize his life, or at least dash any chances that he might be released. "What are they going to do with him now?" Shaari said. "He's a problem for the Italians, the Egyptians and the Americans."

In his letter, Nasr described how his health had badly deteriorated. He had lost hearing in one ear from repeated beatings, he said, and his formerly pitch-black hair had turned all white. He said he was kept in a cell with no toilet and no lights, where "roaches and rats walked across my body."

He also gave a graphic account of Egyptian interrogation practices, including how he would be strapped to an iron rack nicknamed "the Bride" and zapped with electric stun guns.

On other occasions, he wrote, he was tied to a wet mattress on the floor. While one interrogator sat on a wooden chair perched on the prisoner's shoulders, another interrogator would flip a switch, sending jolts of electricity into the mattress coils.

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Britain's MI5 Warns Of Rising Terror Threat (WP)

By Mary Jordan

The Washington Post, November 11, 2006

LONDON, Nov. 10 -- British spies are watching 1,600 people in 200 cells believed to be plotting terrorist acts in Britain or overseas, according to the head of Britain's domestic spy agency.

"More and more people are moving from passive sympathy towards active terrorism," said Eliza Manningham-Buller, director general of the MI5 intelligence agency. The spy chief, who rarely speaks publicly, delivered her stark assessment Thursday in a speech at the University of London's Queen Mary College. A transcript of her remarks was posted on MI5's Web site Friday.

Manningham-Buller said a growing number of people are plotting to kill others and damage the British economy. The conspirators, she said, are motivated "by a sense of grievance and injustice driven by their interpretation of the history between the West and the Muslim world."

She also described the terrorists' "propaganda machine" as "sophisticated," noting that footage of attacks in Iraq is posted on the Internet within 30 minutes, facilitated by teams that edit the video, translate the audio into many languages and package the material for a global audience. "And, chillingly, we see the results here," she said. "Young teenagers being groomed to be suicide bombers."

Responding to her remarks, Prime Minister Tony Blair said, "It's a very long and deep struggle, but we have to stand up and be counted for what we believe in and take the fight to those people who want to entice young people into something wicked and violent but utterly futile." He said he agreed with Manningham-Buller's assessment that this terrorist threat would last a generation.

The spy chief said her agency was currently aware of about 30 plots, which "often have links back to al-Qaeda in Pakistan." It is through those links, she said, that al-Qaeda gives "guidance and training to its largely British foot soldiers here on an extensive and growing scale."

Earlier this week, a British court sentenced to life in prison an al-Qaeda operative who had made a detailed proposal to financiers in Pakistan, according to prosecutors. The operative, Dhiren Barot, 34, had plotted synchronized bomb attacks on U.S. financial institutions, along with London hotels and other sites in Britain.

U.S. intelligence officials have not publicly estimated the number of terrorist cells they are watching. In September, however, President Bush delivered a speech in which he detailed eight plots that had been thwarted as a result of intelligence gleaned from detainees in the U.S. military prison at Guantanamo Bay, Cuba.

Manningham-Buller's motivation for publicly airing her assessment was unclear. Some analysts suggested the move could be seen as a plea for more funding or for intelligence tips; others saw the speech as a way to recruit more agents.

Staffing at MI5 has increased 50 percent to 2,800 since the attacks of Sept. 11, 2001, and it will continue to grow, Manningham-Buller said. More than 6 percent of MI5 personnel are ethnic minorities, she added. The agency has actively recruited Muslims and other minorities.

But Manningham-Buller also painted a picture of an overstretched agency that has to make daily decisions about "whom to follow, whose telephone lines need listening to," and what seized evidence needs to be analyzed first.

She emphasized that the first al-Qaeda-related plot against Britain was discovered and disrupted in November 2000, long before the Iraq war started. But she also said that videotaped statements of British suicide bombers made it clear that they are motivated by "perceived worldwide and long-standing injustices against Muslims," including their interpretation of British foreign policy as "anti-Muslim," particularly in Iraq and Afghanistan.

She also warned that many countries are facing a new terrorist threat and specifically mentioned Spain, France, Canada and Germany. While terrorists were currently using homemade improvised explosive devices, she said, "tomorrow's threat may include the use of chemicals, bacteriological agents, radioactive materials and even nuclear technology."

Blair Says Homegrown Terrorism Is Generation-Long Struggle (NYT)

By Alan Cowell

The New York Times, November 11, 2006

LONDON, Nov. 10 — Prime Minister Tony Blair said Friday that the threat from homegrown Islamic terrorism would last “a generation,” reinforcing a highly unusual warning by the head of the MI5 domestic intelligence agency that it was keeping some 1,600 suspects in 200 terrorist cells under surveillance.

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The warning by Dame Eliza Manningham-Buller, head of MI5, in a speech on Thursday was by far the most extensive and somber of recent times and included assertions that about 30 terrorist conspiracies were under investigation and that "tomorrow's threat may include the use of chemicals, bacteriological agents, radioactive materials and even nuclear technology."

She also asserted that operatives for Al Qaeda in Pakistan were helping to guide some of the plots, reflecting British assessments that Qaeda operatives survived campaigns against them to steer conspiracies in Britain from afar.

"We are aware of numerous plots to kill people and to damage our economy," she said. "What do I mean by numerous? Five? Ten? No, Nearer 30 — that we know of. These plots often have links back to Al Qaeda in Pakistan and through those links, Al Qaeda gives guidance and training to its largely British foot soldiers here on an extensive and growing scale."

The British counterterrorism authorities say they cannot move too quickly to break up plots because they need enough evidence to prosecute suspects successfully.

Since the London bombings of July 2005, Britain has sounded frequent terrorist alarms, most notably last August when it issued a major alert alleging that Islamic terrorists planned to blow up trans-Atlantic airliners. And just this week, a judge sentenced a 34-year-old Muslim, Dhiren Barot, to a minimum of 40 years in prison for plotting a series of attacks in the United States and Britain from 2000 to 2004.

The news and warnings have left many Britons with mixed feelings: a sense of foreboding, but also some skepticism about the government's motives in making such announcements since there have been no attacks for more than a year.

Among the more frightening aspects of Dame Eliza's warning was her statement that support for terrorism among British Muslims was broader than previously known, as more young people had become radicalized.

"More and more people are moving from passive sympathy toward active terrorism through being radicalized or indoctrinated by friends, families, in organized training events here and overseas, by images on television, through chat rooms and Web sites on the Internet," she said.

Moreover, Dame Eliza said, since the July 2005 subway and bus attacks, five other "major conspiracies" had been thwarted in Britain, "saving many hundreds, possibly even thousands, of lives." MI5's caseload has increased 80 percent so far this year alone, she said.

Historically, the head of MI5 does not make such public pronouncements. "Emerging from the shadows is not something they like to do," said Neil Ellis, a domestic security expert at Royal United Services Institute, a research group. Indeed, Dame Eliza acknowledged in her speech to academics on Thursday night: "I rarely speak in public. I prefer to avoid the limelight and get on with my job."

But it was a sign of changed times — and, perhaps of MI5's campaign to secure more government money and expand its ranks of agents and recruits — that the text of her speech was posted Friday on the MI5 Web site, prompting some Islamic leaders to say the authorities were demonizing Britain's Muslim minority of 1.6 million.

Massoud Shadjareh, the chairman of the Islamic Human Rights Commission, said, "Although we recognize that there is a real threat, the suggestion that we could even face a nuclear threat will only contribute to paranoia rather than safety and security."

Dame Eliza echoed some longstanding arguments by Mr. Blair, who has resisted critics' accusations that his support of the United States in Iraq and Afghanistan had made Britain a target for terrorist attack. "Let there be no doubt about this," she said, "the international terrorist threat to this country is not new. It began before Iraq, before Afghanistan and before 9/11."

But she went on to say that terrorist recruiters had woven a "powerful narrative" of Muslim oppression. She said the video wills of British suicide bombers made it clear that they were motivated, in part, by their interpretation of British foreign policy, particularly in Iraq and Afghanistan, as anti-Muslim, but also by perceived worldwide and longstanding injustices against Muslims and an "extreme and minority interpretation of Islam promoted by some preachers and people of influence."

She said the terrorist threat was "serious, is growing and will, I believe, be with us for a generation."

"It is a sustained campaign, not a series of isolated incidents," she continued. "It aims to wear down our will to resist."

In a separate news conference on Friday, Mr. Blair said, "I think it's absolutely right that it will last a generation."

"It's a very long and deep struggle," he said, "but we have to stand up and be counted for what we believe in and take the fight to those people who want to entice young people into something wicked and violent but utterly futile."

Dame Eliza has presided over a major, public effort to expand MI5, which deals exclusively with domestic security and espionage. In her speech, she said the MI5 staff now numbers 2,800, "an increase of over 50 percent since 9/11."

In a telephone interview, Mr. Ellis, of the Royal United Services Institute, said there had been a series of public statements by British officials warning of an increasing threat and seeking public support. Just on Wednesday, for instance, the foreign secretary, Margaret Beckett, urged British Muslims to "speak up against extremism."

From that point of view, Mr. Ellis said, Dame Eliza may have been trying to promote this "cultural shift in how the security services engage with the public."

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"If society is to engage in this battle of ideas," Mr. Ellis said, "then perhaps we need to know the level, the size and the scale of this threat."

Judge Lets Guilty Plea Stand In Terrorism Case (WP)

By Jerry Markon

The Washington Post, November 11, 2006

A federal judge has refused to throw out the guilty plea of a convicted al-Qaeda supporter who argued that he was illegally spied on through President Bush's controversial warrantless eavesdropping program.

Iyman Faris, an Ohio truck driver, pleaded guilty in 2003 to plotting to bring down the Brooklyn Bridge and launch a simultaneous attack in Washington. He asked a judge to vacate the plea, arguing in part that the alleged surveillance violated his rights and that the government could not use it to build a case against him.

U.S. District Judge Leonie M. Brinkema rejected Faris's motion this week for reasons that are unclear because her ruling remains sealed. It is cited in the docket in U.S. District Court in Alexandria. Another docket entry says Brinkema rejected efforts by Faris's attorneys to obtain documents "relating to or concerning any warrantless electronic surveillance or monitoring" of his conversations by the National Security Agency.

Faris, a Kashmiri-born naturalized U.S. citizen, pleaded guilty to providing material support to al-Qaeda. Federal officials said he was an al-Qaeda scout who had planned with top al-Qaeda operative Khalid Sheik Mohammed to sever the cables of the Brooklyn Bridge and to derail trains in or near Washington.

Faris's attorney, David B. Smith, declined to comment on Brinkema's ruling, as did prosecutors.

Faris is one of a number of terrorism defendants who have filed legal challenges to the NSA program, under which the agency has monitored phone calls and e-mails involving U.S. residents and foreign parties without obtaining warrants from a secret court that handles such matters.

A federal judge in Detroit ruled in August that the program, which is aimed at communications of potential terrorists, is unconstitutional and violates privacy and free speech rights. The government is appealing. Bush has argued that the program is legal and necessary to protect Americans from terrorists.

Faris is unique among defendants who have challenged the surveillance because Bush administration officials have said he was spied on -- and credited the program with helping to uncover his plot.

Egyptian Says He Was Tortured After Being Kidnapped In Milan (NYT)

By Elisabetta Povoledo

The New York Times, November 11, 2006

ROME, Nov. 10 — A militant Egyptian cleric who prosecutors say was kidnapped by the Central Intelligence Agency said in a newly published account that he was tortured with electric shocks while he lay on a wet mattress in a Cairo prison and was repeatedly beaten and forced to eat rotten bread in a pitch-black cell, while rats and cockroaches ran over his body.

The cleric's recounting was contained in an affidavit given to Italian prosecutors investigating his alleged abduction. Excerpts were published in a Milan daily newspaper, Corriere della Sera, on Thursday.

"I am writing my testimony from this, my tomb," writes Hassan Mustafa Osama Nasr, known as Abu Omar, at the start of an 11-page letter that was excerpted Thursday by the newspaper. His face has been transformed, he claims, "as a result of the torture."

Milanese prosecutors have appended the account to the case they are building against 39 people, including 25 C.I.A. operatives. Prosecutors accuse them of abducting Mr. Nasr and sending him to Egypt for questioning, in the American practice of rendition. Members of the Italian secret services, including Nicolo Pollari, the country's top spy, are also under investigation in the kidnapping, which took place in Milan in February 2003.

Earlier this year, an Italian military police officer confessed to having participated in the kidnapping, which he believed was jointly organized by the American and Italian intelligence services.

In the letter, Mr. Nasr says he was stopped by an American, asked for his documents and then forced into a white van where he was "beaten on my stomach and my entire body" before being bound and gagged and taken to Cairo by plane.

In the Cairo prison, he says, he was subjected to weeks of torture while he was being interrogated. "It lasted seven months," he wrote, but "it felt like seven years." His wife, Nabila, told Milanese prosecutors that Egyptian officials had tried to bribe her husband so he would deny that he had been kidnapped.

Writing from Egypt, she said that her husband had been offered $2 million "to say that he had not been kidnapped and to say that he had come of his own free will" to Egypt, the Milan newspaper reported Friday.

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Milanese prosecutors have asked that the United States extradite the 25 operatives they believe organized and executed the kidnapping.

A Topic In The Air But One That Political Candidates Declined To Touch: Torture Of Prisoners (NYT)

By Peter Steinfels

The New York Times, November 11, 2006

The October issue of Theology Today, a scholarly journal published by the Princeton Theological Seminary, featured a series of articles on torture. "It is a matter of shame," writes one of the contributors, Jeremy Waldron, a professor of law at New York University, that "we have no choice but to conduct a national debate about torture."

That debate, Professor Waldron continues, is not about stopping torture by "corrupt and tyrannical regimes" but about whether the American people and the American nation want "to remain part of the international human rights consensus that torture is utterly beyond the pale."

There were few if any signs of such a debate in the midterm election campaigns. That cannot simply be because of the government's insistence that the United States abhors torture and does not practice it. The government insists on many things — about the war in Iraq and economic prosperity, for example — that its political opponents do not hesitate to challenge and challenge vociferously.

Torture is different. It is such a stain on personal and national character that nothing but appalling photographs could have forced the subject to the fore. When it comes to pressing the question of official complicity, no stack of equivocating documents can have similar force. In a season of shameless attack ads, torture is still too shameful to be debated.

As for religious reaction, Fleming Rutledge, the Episcopal priest and noted preacher, said in this issue of Theology Today, "In my lifetime, I do not remember any major public question being so studiously ignored as this one."

The journal articles stem from an effort to change that. They are based on presentations at the founding conference, in Princeton last January, of the National Religious Campaign Against Torture. Prominent religious leaders, Protestant (both mainline and evangelical), Roman Catholic, Eastern Orthodox, Jewish and Muslim, issued a statement, "Torture Is a Moral Issue," that was a sweet seven sentences in length:

"Torture violates the basic dignity of the human person that all religions, in their highest ideals, hold dear. It degrades everyone involved — policy makers, perpetrators and victims. It contradicts our nation's most cherished values. Any policies that permit torture and inhumane treatment are shocking and morally intolerable.

"Nothing less is at stake in the torture abuse crisis than the soul of our nation. What does it signify if torture is condemned in word but allowed in deed?

"Let America abolish torture now — without exceptions."

It is hard to say how much the Theology Today articles add to that succinct statement. In one, William T. Cavanaugh, who teaches theology at the University of St. Thomas in St. Paul, draws on his previous study of torture by the Pinochet government in Chile. His most provocative observations may be that, however counterintuitive, "those who torture tend to think of their work in extremely high moral terms."

Citing examples from Chile, Professor Cavanaugh notes that "torturers sometimes imagine their acts as a kind of self-sacrifice on their part: 'What terrible things I must do in order to defend my beloved people!' "

What goes for the individual torturer can go for the nation as a whole. "The moral purpose is made more righteous," Professor Cavanaugh writes, "by the extremity of the act of torture itself." By definition, "the threat against the nation must be extremely severe if such an extreme procedure as torture is used."

The argument is strangely circular, but it ends in the conviction, he says, that "only the most morally righteous nation could be trusted with the capacity to use torture for a good purpose."

In another article, a leading evangelical ethicist, David P. Gushee, a professor of moral philosophy at Union University in Jackson, Tenn., worries that the United States is "succumbing to the temptation to waive moral rules that we have every reason to know are applicable to us."

"We know that torture is wrong," Dr. Gushee writes, "but just not now, not in our exceptional case, not in this global war on terror. Yet we are queasy enough, that we do not want to call torture, torture."

Instead, he continues, "we deny that we are torturing, or we deny that our prisoners are really prisoners, or when pushed to the wall, we remind one another of how evil the enemy is and how much worse other countries or ideologies are."

"We give every evidence," he concludes, "of the kind of self-deception so characteristic of the descent into sin."

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Dr. Gushee has not limited his concern to scholarly pages. Last February he wrote an article for the popular evangelical monthly Christianity Today titled "5 Reasons Torture Is Always Wrong."

All these writers must step carefully around the fact that the president and other American authorities have repeatedly denied that the government tolerates torture — even while they reserve its right to use what are delicately referred to in official parlance as "enhanced" or "alternative" interrogation techniques.

Obviously, these theologians have something less than complete confidence in such official protestations, and one can understand why.

In a White House compromise with a small group of adamant Republicans, last month's Military Commissions Act, for example, left standing the United States' commitment to Common Article 3 of the Geneva Conventions protecting prisoners from violence, cruelty, torture and humiliating and degrading treatment.

But while the legislation spelled out certain "grave breaches" of Common Article 3 that would constitute war crimes, it also underlined the president's power to interpret the nation's obligations, to define what is grave or not and to screen his definitions from court challenges, and maybe even from public knowledge.

Already, the Central Intelligence Agency has warned that detained Qaeda suspects must not be allowed to disclose their treatment to courts — or perhaps even to their own lawyers — lest other terrorists "adapt their training to counter the tactics that C.I.A. can employ in interrogations."

Is there any way around this lack of transparency? Here is one idea, admittedly inspired not by sober theological analysis but by political ads.

Let all interrogations be videotaped (interrogating off camera would itself be a "grave breach"). Three years after any interrogation, the video would be made public. One could assume that by that time terrorists would have learned whatever techniques had then been in use.

The important feature, of course, would be the kind of endorsement now required of campaign advertising — a closing shot of the president on screen. "This interrogation was paid for by the American people," the president would have to say, "and I approve of its methods."

HOMELAND RESPONSE:

Democrats Still Face Hurdles In Enacting 9/11 Panel's Ideas (WP)

By Dan Eggen, Spencer S. Hsu

The Washington Post, November 11, 2006

Democratic leaders preparing to take control of Congress have vowed to push through a host of reforms recommended two years ago by the Sept. 11 commission, such as better port security and improved radio communications for first responders, but many of the most controversial changes are likely to face obstacles even with Capitol Hill in Democratic hands, according to experts and legislative aides.

Presumptive House Speaker Nancy Pelosi (D-Calif.) has made implementing the commission's recommendations one of the centerpieces of her "first 100 hours" legislative agenda, with particular focus on requiring radiation scans of all cargo that arrives by sea.

Other proposals include more money for rail security and hiring more Border Patrol agents and aviation screeners. Some Democrats also want to declassify intelligence agencies' budgets, improve management of terrorist watch lists, toughen regulation of chemical plants and improve privacy safeguards.

"As part of the first 100 hours, we will try to the best of our ability to address them in a more complete fashion than the piecemeal approach that Congress has taken thus far," said Rep. Bennie Thompson (D-Miss.), incoming chairman of the House Homeland Security Committee, referring to the commission's recommendations. "On some of the more controversial issues of cargo screening and other things, I think we can work out a compromise."

Homeland security experts cautioned that Democratic control of Congress will not guarantee implementation of some of the commission's most controversial suggestions, which have languished because of entrenched political and bureaucratic obstacles.

A prime example is the commission's call to base the federal government's homeland security funding on the actual risk of terrorist attacks or other calamities -- an approach that would generally benefit large metropolitan areas at the expense of smaller cities and rural regions. Although such an approach would favor regions represented by Democrats, lawmakers have preferred to spread dollars to as many jurisdictions as possible.

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"It's easy to say they'll implement the 9/11 recommendations. But some of the recommendations have not been implemented because they've been so hard to swallow," said Michael Greenberger, director of the Center for Health and Homeland Security at the University of Maryland. "It remains to be seen if the Democrats have an answer to that."

Democrats will face the usual divisions between the House and the Senate, as well as tensions between liberals and centrists within their own party. The Senate Homeland Security Committee is likely to be led by Joseph I. Lieberman (D-Conn.), who is more moderate than his House colleagues and who just completed, as an independent candidate, a bruising reelection campaign in which many Democrats opposed him after he lost in the primary.

The bipartisan Sept. 11 panel released its report in 2004. It subsequently issued admonishments to the Bush administration and the GOP-controlled Congress for failing to enact many of its major recommendations.

In a December 2005 "final report card," the commission gave the government mediocre to failing grades in numerous areas, including screening airline passengers and improving first responders' communication systems. Many commissioners have also pointed to mixed results in the effort to merge terrorism watch lists maintained by the FBI and other agencies.

Republican Thomas H. Kean, a former New Jersey governor who served as the commission's chairman, said yesterday that some recommendations that have languished -- including reserving portions of the broadcast spectrum for emergency responders and improvements in border security -- would be relatively easy to implement if Democrats are determined.

But he acknowledged that other changes are politically difficult, including the panel's call for restructuring the way Congress oversees and pays for homeland security programs. A Democratic leadership source, speaking on the condition of anonymity because the plans are not final, said Pelosi is likely to reorganize House committees to streamline jurisdiction over security matters.

"There's a whole realm of things that need to be done," Kean said. "The fact that the new speaker wants to make it a priority, I congratulate her."

Democrats have not spelled out how they intend to pay for their initiatives. In 2006, they unsuccessfully proposed $3 billion for rail security and $5 billion for first-responder communications equipment.

No one has figured out how to scan all cargo reliably in real-world settings.

"I should feel relieved, but I don't," said Carie Lemack, co-founder of Families of September 11 and head of a national security consulting firm.

Lemack said some of the commission's recommendations are relatively easy but have lacked the political backing to move forward. She cited naming a senior adviser to the president to oversee the lockdown of nuclear weapon materials worldwide and declassifying intelligence agencies' budgets.

James Jay Carafano, a senior research fellow at the Heritage Foundation, said lawmakers from both parties have signaled that they are unwilling to dispense homeland security funding based on risk, preferring the locality-based, pork-barrel funding that is popular at election time.

"What's left on the table is really, really hard and can't be legislated into existence, or really, really stupid and shouldn't be done anyway," Carafano said.

Some recommendations highlighted by Democrats are already in the works but face technical hurdles. These include efforts to put in place a border entry and exit screening system and to streamline the terrorism watch lists. A battle also looms over whether to pay for or delay Real ID, a multibillion-dollar effort to standardize state driver's licenses.

Other proposals by House Democrats, including hiring 2,000 new Border Patrol agents a year for five years and building a "virtual fence" using sensors and other technology, are already being adopted by the Bush administration.

Looking Into Laptops (LAT)

The Los Angeles Times, November 11, 2006

IT WAS BAD ENOUGH for international travelers earlier this year when security officials barred laptop computers from carry-on luggage. Now that the ban has been lifted, a new worry has replaced it: the prospect of U.S. customs agents snooping through your laptop — and even seizing it.

It doesn't happen often — only about 1% of executives surveyed recently by the Assn. of Corporate Travel Executives said their laptops had been confiscated — but it's enough to set off alarm bells. If your laptop holds critical banking data or operational information, the association warns, you're better off e-mailing a copy to yourself before heading to the airport. And if you have truly sensitive items, you'd better not put them on your laptop in the first place.

Officials at the Department of Homeland Security recite the familiar mantra — legitimate business travelers have nothing to fear. Immigration and Customs Enforcement agents, they say, first conduct a routine check of whether a person should be admitted to the country. If that leads them to suspect the traveler is involved in a crime, they'll search any laptop. The only time a

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computer is seized, the department said in a statement, is "if the laptop contains information with possible ties to terrorism, narcotics smuggling, child pornography or other criminal activity."

But as the department's records point out, even "legitimate business travelers" may wind up having their laptops rifled if a person fits a suspicious profile (in one case, men between the ages of 30 to 60s traveling alone from Asia), or if an individual is unlucky enough to be chosen for a random inspection. Because the Supreme Court has ruled that agents at international points of entry can perform "routine" searches without a warrant or even reasonable suspicion, some courts have interpreted that to mean all travelers are subject to inspections of their privileged and personal information at any border crossing.

There is a glimmer of hope for travelers eager to keep the authorities' hands off their hard drives. U.S. District Judge Dean D. Pregerson in Los Angeles recently ruled against a laptop search because agents didn't have a reasonable basis to suspect a U.S. traveler of having committed a crime. In Pregerson's view, searching a laptop isn't "routine," and the 4th Amendment's protection against unreasonable searches and seizures applies on the border. The government appealed the ruling to the U.S. 9th Circuit Court of Appeals.

Stopping bad guys at the border is important, and it makes sense to inspect incoming items, including laptops, for explosives and other weapons. But the government has been using the terrorist attacks of 9/11 to redefine "reasonable." There's a clear line between checking a laptop for explosives and reading its contents, and agents should have an excellent reason to cross it.

Slow Home Grants Stall Progress In New Orleans (NYT)

By Leslie Eaton

The New York Times, November 11, 2006

NEW ORLEANS — The $7.5 billion program to rebuild Louisiana by helping residents repair or replace their flooded homes has gotten off to a slow start, frustrating government officials and outraging many homeowners who say they are still in limbo 14 months after Hurricane Katrina hit.

Though nearly 79,000 families have applied to the program, called the Road Home, only 1,721 have been told how much grant money they will receive. And just 22 have received access to the cash, which was provided by federal taxpayers and is being distributed by the state.

“I don’t know of anyone who has actually received any money,” said Cassandra D. Wall, who is active in a group of homeowners from the eastern part of New Orleans. Ms. Wall said she planned to attend a protest Nov. 17 in Baton Rouge, the state capital, “to go public with the outrage and the outcry.”

Many hopes have been pinned on the Road Home program, which is widely considered the most important factor in rebuilding the ruined neighborhoods of New Orleans and is also meant to start an economic boom in southern Louisiana. Homeowners who rebuild or buy new houses in the state are eligible for grants of up to $150,000 to cover their uninsured losses, although the average award has been about $68,000.

The city’s mayor, C. Ray Nagin, is so dissatisfied with the pace of the program that on Nov. 1 he announced that the city was developing a plan to lend money to people waiting for their Road Home grants.

[Officials announced on Nov. 6 that Gov. Kathleen Babineaux Blanco had ordered the contractor managing the program to calculate 10,000 awards by the end of the month.]

“It’s time to kick into high gear,” said Walter Leger, a lawyer and a member of the Louisiana Recovery Authority, which devised the federally financed Road Home program. “It’s time to forget the reasons and excuses” for the slow pace so far.

In some ways, the program’s low-speed beginning reflects an urgent need to avoid the kind of waste and fraud that plagued federal programs after the hurricane. The government, among other things, is demanding that applicants produce details of insurance policies and payouts, proof of title to a house, and, if possible, official assessments of a home’s prestorm value. Many New Orleans residents lost such paperwork in the flood, or never had it in the first place.

But the larger explanation is that the program is, in effect, a giant experiment.

“There is no precedent,” said Andy Kopplin, executive director of the recovery authority. “Louisiana’s version is the single largest housing assistance program ever done anywhere.”

The only similar program is in Mississippi, which got a full Congressional appropriation for its roughly $3 billion plan months before Louisiana got the full $7.5 billion it asked for. The Mississippi program is smaller and differs in many details; fewer people are eligible, for example, and the grants do not have to be used for housing.

But Mississippi’s program has been plagued by some of the same problems, including a slow start that drew public criticism from, among others, Trent Lott, the state’s junior Republican senator. New data from the program show that it has now paid $320.6 million in 5,201 grants — but officials had originally planned to have given out most of the grants by the end of August, the first anniversary of the storm.

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Some Louisiana officials also point out that the Mississippi program got a public-relations black eye when it turned out that several state lawmakers had won a lucrative legal contract with the program. No accusations of fraud or conflicts of interest have surfaced in Louisiana's program.

That is not much comfort to people like Lisa A. Lincoln, a social worker flooded out of New Orleans who now lives about 130 miles away, near Lafayette. Ms. Lincoln applied for a Road Home grant in August. She was interviewed, her house was inspected and her thumbprint was taken as a fraud-prevention measure.

But she still has not heard if she will get a grant to repair her Creole cottage in the Gentilly neighborhood of New Orleans. The house still needs at least $60,000 worth of work, she said; it took all her insurance money, and help from community groups, to gut it and install some wallboard.

The delay appears to be that the program has to verify that she had insurance, and how much it paid her, she said. "And that could take however long to get," she said. "I'm in limbo."

Dealing with the insurance companies is just one challenge the program has faced, said Michael Byrne, a former New York City firefighter who is now chief program executive for ICF International, the private company the state hired to run the Road Home program.

Complicated federal regulations bar what is called "duplication of benefits," so anyone who received insurance money or housing assistance from a different government agency, like the Federal Emergency Management Agency, has to document it and have it subtracted from the Road Home grant. And there have been computer systems to coordinate, documents to verify, hundreds of people to hire and offices to open across the state and, soon, in Houston.

Even figuring out how much a house was worth before the storm — the cap on the amount of a grant — is difficult, slow and often controversial.

Michael M. Homan, a professor of theology at Xavier University, is among the few who has been told how much he can get to repair his badly damaged house in the Mid-City neighborhood. But Professor Homan thinks the amount he was offered, about $64,000, is too low.

That is because the program assigned a prestorm value to his house of $146,000, less than he paid for it in 2002 and about $40,000 less than the appraisal when he refinanced his mortgage the next year. So he has appealed, and is hoping that his grant will be increased. Because he writes about his experiences on the Internet (at michaelhoman.blogspot.com), his results are being anxiously watched by other applicants.

Professor Homan said he was not dissatisfied with the program, compared with his other experiences after the storm. It has been, he said, "a year of incredible frustration," starting when the levees broke. He had flood insurance, but is suing his insurance company, which denied his claim for wind damage.

It is not just the financial strain. As anyone here will tell you, trying to live in New Orleans is hard. Professor Homan, his wife and two children are living in the second story of their tilted house and in a FEMA trailer parked out front. Around them, some houses look abandoned, and a few have waist-high weeds in their yards.

Because housing in New Orleans has traditionally been relatively inexpensive, limiting grants to the prestorm value of a house may keep many people from rebuilding, said Melanie Ehrlich, a professor at Tulane University who is a founder of Citizens Road Home Action Team, a group that is pushing for changes in the state program.

Dr. Ehrlich, a molecular biologist, cites statistics suggesting that before the storm, about 10 percent of the city's houses were valued at less than $50,000, and about two-thirds were valued at less than $125,000, far less than it would cost to build them from scratch. State officials say that low-income homeowners will be eligible for special loans that will be forgiven if they live in their houses for five years.

Salvatore S. Barone may be a test case, of sorts. Mr. Barone and his sister inherited a house in the eastern part of New Orleans after their mother died in 2000. Mr. Barone said that the house was valued at about $72,000, and that a contractor told him it would cost $52,000 to fix the flood damage.

But his situation, like many here, is complicated. His sister, who lived in the house before the storm, failed to pay the insurance or tax bills, probably because she was suffering from dementia, Mr. Barone said, adding that she was now in a nursing home.

A former driver for United Cabs in New Orleans, Mr. Barone said he was disabled by a stroke a decade ago and lives on $699 a month in federal benefits. He is staying in a trailer in rural Mississippi.

Though he has applied for a Road Home grant, Mr. Barone must first get his name on the title to the house, a common problem in New Orleans, lawyers there say.

Paul Tuttle, the pro bono counsel for Southeast Louisiana Legal Services, said that since the storm, his office had heard from hundreds of people living in family homes that they suddenly have to prove they own.

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And the issue is critical. In Mr. Barone's case, he said, "I'll be living in a cardboard box under the Interstate if I don't get this grant."

WAR NEWS:

Pentagon To Reevaluate Strategy And Goals In Iraq (WP)

By Ann Scott Tyson

The Washington Post, November 11, 2006

The Pentagon is conducting a major review of the military's Iraq strategy to determine "what's going wrong and should be changed" to attain U.S. objectives in the war-torn country, the nation's top general said yesterday.

The chairman of the Joint Chiefs of Staff, Marine Gen. Peter Pace, initiated the review this fall after starkly deteriorating security in Baghdad led commanders there to rule out any significant cut this year in the level of U.S. troops in Iraq -- now at about 145,000 -- according to senior defense officials and sources.

Pace said he, Army Gen. George W. Casey Jr., the top U.S. commander in Iraq, and Army Gen. John P. Abizaid, who as head of Central Command oversees the U.S. military in the Middle East, are all working on recommendations for how to improve Iraq strategy.

The military's growing view that Iraq is at a crossroads, a belief spurred largely by intensified sectarian fighting and mounting U.S. casualties on the ground, coincides with political pressure in Washington to find alternatives to the current Iraq policy, heightened by this week's election and the Democratic takeover of Congress.

Pace is scheduled to meet early next week with members of the Iraq Study Group, a bipartisan commission mandated by Congress to review the Bush administration's Iraq policy and propose changes, a senior defense official said. Pace's review and other military recommendations are expected to be merged with the work of the Iraq Study Group as part of a broad effort by the administration to redefine Iraq policy. "It will become part of something bigger," the source said.

"We need to give ourselves a good, honest scrub about what is working, what is not working, what are the impediments to progress, and what should we change about the way we're doing it," Pace said in an interview yesterday with CBS News.

"We'll make the changes that are needed to get ourselves more focused on the correct objectives," Pace said, adding in a later interview that the U.S. objectives are themselves in question.

In a string of television appearances to mark Veterans Day, Pace declined to provide details of any specific recommendations for major military shifts in Iraq, saying that would be "premature" and could compromise the effort. "We should not be signaling to our enemies what we're going to do next," he told MSNBC.

Pace said he and other military officials "continuously review what's going right, what's going wrong, what needs to change" and give the defense secretary and the president their "best military advice."

Still, sources said that Pace's review marks a more fundamental and open-ended look for possible solutions in Iraq than the military has undertaken to date, growing out of a realization that Iraq could descend into chaos and that the current strategy is inadequate.

"The collapse of the strategy in Baghdad . . . caused a very deep introspection by the military," said a source connected to the Pentagon, who spoke on the condition of anonymity because of the sensitivity of the topic.

Asked by one interviewer whether the United States is winning the war in Iraq, Pace replied: "You have to define 'winning.' I don't mean to be glib about that.

"Winning, to me, is simply having each of the nations that we're trying to help have a secure environment inside of which their government and people can function," he said, in remarks that seemed to depart from the administration's more ambitious stated goal of building a democracy in Iraq.

"You are not going to do away with terrorism," Pace continued. "But you can provide governments in Iraq and Afghanistan and elsewhere with enough security capacity to keep the acts below a level at which their governments can function," he said.

Pace's comments also could foreshadow a reassertion of influence by senior officers in the wake of this week's resignation by Defense Secretary Donald H. Rumsfeld, according to military officers and analysts. Moreover, some military officers have voiced concern in recent days that if they do not assert a greater role in formulating a future course in Iraq, that course will be defined for them by the resurgence of congressional Democrats, many of whom favor a withdrawal of U.S. troops.

"Senior military officers in Rumsfeld's watch felt their counsel was only welcomed when it was congenial to Rumsfeld's view, and they now want the whole story, good and bad, to be reflected in whatever strategy the administration pursues," said Loren B. Thompson, a national security expert at the Lexington Institute, a public policy think tank.

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Pace said yesterday that he was surprised and saddened by Rumsfeld's resignation, calling him "a strong advocate for all of us in the military." But he also praised President Bush's nominee to replace Rumsfeld, former CIA chief Robert M. Gates, as a "very talented, dedicated patriot." Gates "has a reputation as a man who gets things done, a man who is collaborative and solicits subordinates' opinions," Pace said.

"Unless they get a very hard push-back from Mr. Gates during the early days of his tenure, the officers will try to reassert military control over the strategy in Iraq and the investment agenda," Thompson said.

Pace said the military will forge ahead with its work in Iraq, regardless of the change in civilian leadership at the Pentagon. "The change in leadership itself will not have a direct impact on what we do or don't do in Iraq," he said. "We in the military are used to changes of command."

Military Team Undertakes A Broad Review Of The Iraq War And The Campaign Against Terror (NYT)

By Michael R. Gordon

The New York Times, November 11, 2006

WASHINGTON, Nov. 10 — Senior military leaders have begun a broad review of strategy in Iraq and other crisis areas in the Bush administration's campaign against terrorism, according to Pentagon officials.

In a closely held effort, Gen. Peter Pace, the chairman of the Joint Chiefs of Staff, has assembled a team of some of the military's brightest and most innovative officers and told them to take a fresh look at Iraq and Afghanistan, among other flashpoints.

Pentagon officials said that the team's objective was to outline a range of options that General Pace might draw on in advising President Bush and Robert M. Gates, selected by Mr. Bush to become defense secretary, as the White House adjusts its strategy in Iraq. Ideas that have been discussed include increasing the size of the Iraqi security forces, along with the American effort to train and equip them, and adjusting the size of the American force in Iraq.

But Pentagon officials stressed that the review extended well beyond Iraq, and that some unorthodox ideas on how to fight terrorism were being weighed. The review reflects the recognition that military efforts need to be part of an overall approach that includes all aspects of American power, including diplomatic and economic.

Pentagon officials said the military review, which formally began Sept. 25, is being coordinated with the rest of the government, but that the military team had not met with members of the Iraq Study Group, the commission that is also looking into options for Iraq. The creation of that commission, headed by a former secretary of state, James A. Baker III, and Lee H. Hamilton, a former chairman of the House Foreign Affairs Committee, had raised the possibility that fundamental decisions on how to proceed in Iraq might be determined largely outside of the Pentagon. The commission is being advised by former military officers, but none of its members have served as senior military commanders.

The team involved in the military review includes Col. H. R. McMaster, the Army officer whose 2005 operation in Tal Afar has been cited as a textbook case in how to wage counterinsurgency in Iraq.

Other military officers include Col. Peter R. Mansoor, the director of the United States Army and Marine Corps Counterinsurgency Center at Fort Leavenworth, Kan., who previously commanded an Army brigade that fought the Mahdi Army militia in 2004 at Karbala.

Col. Thomas C. Greenwood, the director of the Marine Command and Staff College, who oversaw efforts to train Iraqi security forces in Anbar, the restive province in western Iraq, is also on the team. All told, more than a dozen military officers are on the team, which is overseen by Capt. Michael Rogers of the Navy, who serves as a special assistant to General Pace.

Though the review has been under way for six weeks, it has acquired special urgency as a result of the Democratic gains in the election, President Bush's decision to replace Donald H. Rumsfeld as defense secretary and the clamor for some kind of course adjustment in Iraq.

The goal is to finish the review in December, but some of its interim thinking has been made available to the military chiefs, Pentagon officials said.

Initially, the Pentagon tried to keep the existence of the review secret. But in recent days the Bush administration has advertised its willingness to consider fresh approaches in an effort to counter criticism that it was rigidly adhering to a faltering strategy. General Pace referred to the review in general terms in TV appearances today.

"We have to give ourselves a good honest scrub about what is working and what is not working, what are the impediments to progress and what should we change about the way we are doing it to make sure that we get to the objective that we set for ourselves," General Pace said in an interview with CBS. "I am looking at it with the Joint Chiefs. We're making our recommendations. We're having our dialogue."

General Pace said that Gen. George W. Casey Jr., the top commander in Iraq, and General John P. Abizaid, the head of the United States Central Command, were part of the effort.

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Mr. Bush is to meet Monday with the commission headed by Mr. Baker and Mr. Hamilton. Others who will meet with the group are Secretary of State Condoleezza Rice; Mr. Rumsfeld; the national intelligence director, John D. Negroponte; Gen. Michael V. Hayden, the director of the Central Intelligence Agency; and Zalmay Khalilzad, the American ambassador to Iraq. The study group is expected to issue its recommendations around Dec. 7.

US Army "To Suggest Iraq Changes" (BBC)

BBC.com, November 11, 2006

US military leaders are preparing to recommend changes in strategy on Iraq, America's top military officer says.

Chairman of the Joint Chiefs of Staff Gen Peter Pace said commanders were having their own dialogue and would make the changes that were needed.

President George W Bush is to meet members of a panel drawing up proposals for ending the conflict on Monday.

Iraq was a key factor in the Republican defeat in mid-term polls and US defence chief Donald Rumsfeld's resignation.

Mr Rumsfeld will be replaced by former CIA director Robert Gates, a member of the Iraq Study Group set to report to Mr Bush next week.

The White House says it is open to new thinking on the conflict, and correspondents say it would not be surprising if a real change of policy emerged soon.

Gen Pace told CBS that military leaders were taking a hard look at what they were doing in Iraq.

"We have to give ourselves a good honest scrub about what is working and what is not working... and what should we change about the way we are doing it."

But Gen Pace said Mr Rumsfeld's departure would not have a direct impact.

"We continuously review what's going right, what's going wrong, what needs to change," he added.

His comments came as the White House announced Monday's meeting with the bipartisan task force asked by Congress to examine the effectiveness of policy in Iraq.

The panel, which is led by former US Secretary of State James Baker, reportedly think that "staying the course" is an untenable long-term strategy.

It is said to have been looking at two options, both of which would amount to a reversal of the Bush administration's stance.

One is the phased withdrawal of US troops, and the other is to increase contact with Syria and Iran to help stop the fighting.

Democratic Party leaders visiting the White House in the wake of their poll victory have raised the idea of an Iraq summit.

Nancy Pelosi, the Democrat set to be the next speaker of the House of Representatives, has called for a change of strategy, describing the current policy as a "catastrophic path".

In Iraq, the health minister has said between 100,000 and 150,000 civilians have been killed in the war, far more than other previously accepted figures.

Officials say the total is based on estimates of the number of bodies brought to mortuaries and hospitals.

Casualty figures are a controversial topic, with estimates or counts ranging from 50,000 to 650,000 deaths.

Separately, the US military says three of its personnel have been killed in two separate incidents in Iraq.

At least 23 US troops have been killed in November.

In October, at least 105 soldiers were killed, the fourth highest monthly toll since US forces overthrew Saddam Hussein, and the worst for US casualties in nearly two years.

A Budding, Bipartisan Consensus On Iraq (LAT)

By Paul Richter, Doyle Mcmanus

The Los Angeles Times, November 11, 2006

WASHINGTON — With the Democratic capture of Congress boosting pressure for a bipartisan approach to the Iraq war, a rough consensus is emerging that could lead to a new direction and a gradual U.S. disengagement from the costly conflict.

There are those on both sides of the aisle who favor giving the Iraqis firm deadlines for meeting a list of political goals, with the possibility of redeploying U.S. troops if the goals aren't met — a scenario that could lead to withdrawal.

Democratic and Republican leaders also have begun to agree on ideas such as accelerating a shift of U.S. troops from a combat to an advisory role, decentralizing Iraqi government power and launching diplomatic efforts to win support from Iraq's neighbors, including Iran and Syria.

But formidable obstacles remain. Most notably, there is no clear agreement on the key issue of troop withdrawals. Some Democrats have demanded a fixed timetable for a military exit, but incoming Democratic leaders haven't endorsed the idea.

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Similarly, some Republicans — including Sen. John McCain of Arizona — have proposed an increase in U.S. troop strength, if only a temporary one, to give the Iraqi government one more chance to gain control of security in Baghdad. That idea may have lost crucial support with Tuesday's Democratic electoral success.

All of the options have distinct disadvantages. Even so, administration officials, lawmakers, military commanders and others interviewed for this article said that this growing agreement, combined with the passing of a fractious midterm election season, offered a chance for headway.

Two people familiar with the discussions of the Iraq Study Group — a bipartisan commission, backed by the White House and Congress, that will suggest changes in policy — said that one fundamental point the panel was likely to make is that the U.S. commitment to Iraq cannot be open-ended.

"The administration has been saying: 'We cannot afford to lose,' " said one of them, speaking on condition of anonymity when discussing panel views. "But at some point, the question becomes, 'Can we afford to stay?' "

Bush has said he is willing to adjust U.S. tactics but has emphasized that his goal of an Iraq that can defend, govern and sustain itself is unchanged. But like the president, key administration officials have adopted more conciliatory views after the dramatic Democratic takeover of the House and Senate.

"We have to give ourselves a good, honest scrub about what is working and what is not working, what are the impediments to progress, and what should we change," Marine Gen. Peter Pace, chairman of the Joint Chiefs of Staff, said in a CBS News interview Friday.

Considering new angles

Pace said Army Gen. George W. Casey Jr., the top commander in Iraq, and Army Gen. John P. Abizaid, who oversees U.S. forces in the Middle East, were working on a new review.

Stephen J. Hadley, the White House national security advisor, said this week that Bush thinks "we have an opportunity to define a way ahead" that will draw support from Republicans and Democrats as well as from Iraqis.

The agreements on new approaches among Democrats and Republicans carry more weight because they come at a time when centrists are gaining an important role in shaping U.S. foreign policy. Secretary of Defense Donald H. Rumsfeld was expected to be replaced soon by former CIA Director Robert M. Gates. Gates is considered a foreign policy "realist" who has been openly critical of aspects of the Iraq policy.

The Iraq Study Group will have the first opportunity for charting a new path. The congressionally organized panel is stocked with foreign policy centrists from both parties. Led by former Secretary of State James A. Baker III and former Rep. Lee H. Hamilton (D-Ind.), the panel will meet with Bush next week and hopes to release its recommendations by mid-December.

Although officials of the panel have not begun working to reach a formal consensus, it is widely expected that the group will call for engagement with Iran and Syria, proposals that are fiercely resisted by some Democrats and Republicans alike.

Baker and Hamilton have indicated they favor talking to Iran and Syria, as has Gates, who was a member of the panel before his nomination to the Pentagon post. He was replaced Friday by former secretary of State Lawrence S. Eagleburger, another Republican centrist who privately has been fiercely critical of some Bush policies.

Sen. Richard G. Lugar (R- Ind.), who is chairman of the Senate Foreign Relations Committee, and Sen. Chuck Hagel (R-Neb.), another committee member, have indicated they are open to talks with Iran and Syria. Sen. Joseph R. Biden Jr. (D-Del.), who becomes the chairman of the committee when Democrats take over the Senate, also supports the idea of talks.

The proposal for shifting more power out of Baghdad and toward Iraq's Kurdish and Shiite and Sunni Arab regions has been most visibly championed by Biden. But it also has won at least general support from lawmakers of both parties, including Lugar, Sen. Sam Brownback (R-Kan.) and Sen. Kay Bailey Hutchison (R-Texas).

But the idea of breaking the country into three fully independent parts, which Biden has not proposed, has little support because of fears it would lead to "ethnic cleansing" and could draw the neighbors into a protracted regional war.

Spreading power in Iraq

Lawmakers of both parties pressed during the election campaign for an increase in pressure on the Iraqis to reach a power-sharing deal. Yet there is no agreement on how to apply pressure on the factions to make concessions.

Many Democratic lawmakers support a plan by Sens. Carl Levin (D-Mich.), the incoming Senate Armed Services Committee chairman, and Jack Reed (D-R.I.), a committee member, to begin a "phased redeployment" of U.S. troops in order to force Iraqis to reach an agreement. But the Bush administration and its supporters strongly oppose redeployment.

Since winning control of Congress, Democratic leaders have not pushed for immediate troop reductions and have indicated that they would resist efforts by any of their members to end the mission through a funding cutoff.

Some Iraq Study Group members have appeared interested in at least temporarily increasing U.S. troop strength to see if it would suppress sectarian violence, said people close to the panel. Some insiders referred to the option as "one last chance" when it was raised earlier this fall.

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Reed, who has been one of the Democrats' point men on the issue, has signaled that he would not dismiss the idea of a temporary troop increase — as long as the Iraqis were moving toward a political deal.

Still, U.S. military officers are increasingly skeptical that adding more troops to Baghdad would help significantly, because the addition of 4,000 American troops has shown few results. Officers said they believed it would be more useful to add Iraqi military units.

Some U.S. military officers say they sense a growing consensus in Washington for imposing firmer deadlines and reducing U.S. troop presence. Some said they believed that would be the right move.

"The John Kerry position of timetables as a forcing mechanism for the Iraqis to get their act together is not that far off from what other people [involved in the U.S. effort in Iraq] are saying," said one officer, referring to a proposal by the Democratic Massachusetts senator.

'Old bulls' as guides

A Senate Republican aide agreed there were wide agreements emerging on possible policy shifts. Speaking on condition of anonymity when discussing senators' views, the aide said the "old bulls" who dominated the Foreign Relations and Armed Services committees would guide Senate consideration of the alternatives.

Bush has invited suggestions but has not signaled a shift in his Iraq policy. The president "keeps talking about victory," said David Gergen, an aide to Democratic and Republican presidents. "It may be that he plans to define 'victory' down. Or it may be that he hasn't decided to change the policy very much."

One U.S. official said that the administration had entered a more pragmatic phase and would "look again at what's workable." Officials "were going to go this way, no matter who won, once the glare of the political campaign was over," said the official, who declined to be identified because he was not authorized to speak on the policy.

He said the emphasis would be on looking for "some kind of Iraqi entity that holds together, that meets at least the minimum requirements for a state."

But he cautioned that the options under discussion by outsiders had been weighed — and several already tried out — by the administration. For example, officials have sought ways to compromise with insurgents, he said.

Other options that seem appealing "may have too high a price," he added, referring to the idea of negotiating with Syria and Iran. Iran, for example, could demand that the U.S. drop its effort to halt the Iranian nuclear program, he said.

With the Iraq war entering its fifth year in 2007, some of the observers said solutions would be difficult to find and implement, even for the high-powered Iraq Study Group.

"It's not going to be a magic bullet," said an official at the U.S. Institute of Peace, the government-funded think tank that has provided the commission with offices and staff.

A Salute To Duty And Sacrifice (WP)

By Leef Smith

The Washington Post, November 11, 2006

Norman Halfpenny heard the first strains of "The Marines' Hymn" and snapped to attention, his 73-year-old body not quite as straight as when he served as a young man in Korea and Vietnam.

He was joined yesterday by thousands like him, hundreds in wheelchairs, their hair grayed by time. Many traveled thousands of miles for this moment, on the 231st anniversary of the Marine Corps, to gather on a grassy promenade near the Quantico Marine Corps Base, to remember and cry and celebrate the opening of the National Museum of the Marine Corps.

"I made sure he got here," said Halfpenny's wife, Paulette, 63, gripping her husband's uniformed knee. The couple donated $4,000 toward the construction of the $90 million facility and traveled from their home in Arizona for the ceremony. They wanted to be among the first to visit the striking museum, designed on a sharp angle reaching skyward to invoke one of history's most famous images -- the flag being raised over Iwo Jima during World War II.

Halfpenny wanted to talk about his years of service, about the combat he saw in Korea at the famed Chosin Reservoir, where Marines valiantly fought the Chinese, but he was halted by his own tears.

"It's the Corps," he said, weeping. "Once a Marine, always a Marine."

Visitors, many in uniform, showed up hours early for the dedication ceremony, waiting eagerly for an address by President Bush, who arrived to thunderous applause. He hailed the museum as the military's most modern, giving visitors an appreciation for what it's like to serve.

"For too long, the only people to have direct experience of the Marine Corps have been the Marines themselves and the enemy who has made the mistake of taking them on," Bush said. "The Marines believe you can't know what you stand for if you don't know where you come from. The history of the Corps is now preserved behind these walls. These walls remind all who visit

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here that honor, courage and commitment are not just words. They are Corps values for a way of life that puts service before self."

The museum, which opens to the public Monday, is the creation of the Marine Corps and the Marine Corps Heritage Foundation, which raised $60 million for its construction. The Marine Corps provided another $30 million to fill out the museum's interior, which will include more than 1,000 artifacts, 1,800 photographs and personal letters from the battlefront.

The museum is split into separate galleries that focus on many of the major wars, including one gallery called "Global War on Terrorism," which displays photographs, combat art and maps fresh from battlefields in Iraq and Afghanistan. Other galleries to be installed later include ones on the Colonial period, the Civil War era and World War I.

The museum is filled with iconic artifacts -- a Grumman F9F-2B Panther, its first widely used jet; a Bell UH-1E Huey, the ubiquitous Vietnam War helicopter; the pair of American flags raised at Mount Suribachi on Iwo Jima.

Museum exhibits also include personal artifacts, such as the Medals of Honor awarded Sgt. Maj. Daniel J. Daly, often referred to as "the outstanding Marine of all time," for his heroics during the Boxer Rebellion in 1900 and the first Haitian campaign in 1915. Also on display is the M40A1 sniper rifle used by Lance Cpl. Charles Benjamin "Chuck" Mawhinney in Vietnam, where he killed a confirmed 103 enemy soldiers. And there is the overseas cap worn by legendary Maj. Gen. John A. Lejeune, who fought in World War I.

The museum, in the southeastern end of Prince William County, is expected to boost tourism and economic development in an area that has struggled. It is off Route 1 and will be open daily from 9 a.m. to 5 p.m. Admission is free. Fees will be charged for two interactive experiences -- a flight simulator and target practice.

Lou Burg, 85, flew in from Los Angeles with his daughter Myra, 47, to witness the moment. He served three years in the Corps and was a 2nd lieutenant at Iwo Jima, the bloodiest battle for the Corps during World War II. It was there that 6,800 U.S. troops, mostly Marines, were killed and nearly 20,000 were wounded during a 36-day assault that began Feb. 19, 1945.

Yesterday, Burg dressed in his red satin survivors jacket, shaking the hands of fellow Marines and soaking in the significance of his contribution. "It's important for me to be here for my children, and it's important for me to be here because of this organization," Burg said. "Mostly it's important for me to be here for my wife."

She died last year, and, to honor her, Burg had purchased a brick that was used to build the pathway outside the museum.

James Lewis, 75, saw action in Korea, fighting at Chosin Reservoir in 1950. Many did not survive the Marines' fighting withdrawal.

Yesterday, Lewis proudly wore a T-shirt that bore the words "The Chosin Few."

"This means everything to me," said Lewis, who watched the ceremony from a wheelchair.

"He's planned this for a year," said his wife, Jean, 63. The couple traveled from Houston to attend.

Before closing the ceremony, Bush told the story of Marine Cpl. Jason Dunham of New York, who would have turned 25 yesterday had he not been killed in combat two years ago. The young soldier threw himself on a grenade to save two fellow Marines.

Yesterday, Bush announced that Dunham would receive the Medal of Honor, the military's highest honor.

"As long as we have Marines like Corporal Dunham, America will never fear for her liberty," said Bush, who wiped a tear shortly after Dunham's parents were honored with a standing ovation. "As long as we have this museum, America will never forget their sacrifice."

Marines, Bush Dedicate Museum (WT)

By Tarron Lively

The Washington Times, November 11, 2006

President Bush yesterday attended the dedication ceremony for the National Museum of the Marine Corps in Quantico, Va., an event nearly 20 years in the making.

Mr. Bush and thousands of current and retired Marines converged on the Marine Corps base to celebrate the opening of museum. The dedication coincided with the 231st anniversary of the Marine Corps.

After a 21-gun salute and a flyover of four F-18 jets, Mr. Bush told the crowd that the museum will honor past and present Marines and preserve the Corps' history for future generations.

"For too long, the only people to have direct experience of the Marine Corps have been the Marines themselves -- and the enemy who's made the mistake of taking them on," Mr. Bush said, drawing cheers and applause.

"In this museum, you'll experience life from a Marine's perspective. You'll feel what it's like to go through boot camp, make an amphibious landing under fire or deploy from a helicopter in Vietnam."

The museum opens to the public Monday and is expected to attract 250,000 to 600,000 visitors annually. Admission is free.

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"The museum will not make you into a Marine -- only a drill instructor can do that," Mr. Bush said. "But by putting you in the boots of a Marine, this museum will leave you with a rich appreciation for the history of the Corps."

The 118,000-square-foot museum is adjacent to the base. The building's skyline is designed to suggest the five Marines and one Navy corpsman raising the flag at Iwo Jima in 1945.

"Marines put a great deal of stock in history," said Gen. Michael W. Hagee, the commandant of the Marine Corps. "We use it for two reasons. One, to inspire us and, two, to educate us. This museum, I believe, will do that not only for the Marines, but for the American public."

The museum is the centerpiece of the Marine Corps Heritage Center on 135 acres, donated by Prince William County, between Interstate 95 and Route 1 opposite the main gate of the Quantico base.

When completed, the complex will include a parade deck, memorial walking trails, a chapel, an Imax theater, a conference center and a hotel.

In the late 1980s, Congress authorized each military service branch to develop its own national historic center.

Construction of the Marine museum began in 2004.

"It is here that the proud history of the United States Marine Corps will be appreciated, reflected upon and enjoyed like never before," said Ron Christmas, a retired lieutenant general and president of the Marine Corps Heritage Foundation, which spearheaded the building of the museum.

During the two-hour ceremony, Mr. Bush announced that Cpl. Jason L. Dunham, of Scio, N.Y., would posthumously receive the Medal of Honor, the United States' highest military decoration.

Cpl. Dunham, who was killed near Karabilah, Iraq, in 2004 while shielding fellow Marines from a hand grenade, would have been 25 years old yesterday.

"You might say he was born to be a Marine," Mr. Bush said to Cpl. Dunham's parents, Dan and Deb Dunham, who were in attendance.

Jim Lehrer of PBS' "The NewsHour," who served three years as an infantry officer in the Corps, said such actions of courage are common for Marines.

"The death rate among Marines in Iraq has been more than double that of the other service," Mr. Lehrer said. "That's a first-to-fight, first-wave pattern that has pretty much held since the Revolutionary War ... whatever needs to be done, particularly if the need is for it to be done well, and be done immediately."

Today the Marine Corps Heritage Foundation will hold a memorial to honor deceased Marines.

Selfless Courage: Marine Is Awarded Medal Of Honor (WSJ)

By Michael M. Phillips

The Wall Street Journal, November 11, 2006

QUANTICO, Va. -- Cpl. Jason Dunham, a charismatic kid from small-town America, received the Medal of Honor for sacrificing himself to protect his fellow Marines from an Iraqi hand grenade.

President George W. Bush announced the award -- the country's highest honor for military valor -- at the opening of the Marine Corps museum here yesterday. It would have been Cpl. Dunham's 25th birthday.

"As far back as boot camp, his superiors spotted the quality that would mark this young American as an outstanding Marine: His willingness to put the needs of others before his own," Mr. Bush said. "As long as we have Marines like Cpl. Dunham, America will never fear for its liberty."

Maj. Trent Gibson, then commander2 of Kilo Co., Third Battalion, Seventh Marines, visits the scene of the grenade attack with reporter Michael Phillips.

On patrol on April 14, 2004, Cpl. Dunham found himself engaged in hand-to-hand combat with an insurgent near the Syrian border. When his attacker dropped a live hand grenade, the Marine made the split-second decision to cover the weapon with his own helmet, shielding two of his men from its full explosive force.

The other Marines staggered away from the blast, injured but alive. Cpl. Dunham suffered deep shrapnel wounds to the brain. He survived eight days in a coma, only to die with his parents at his bedside. He was 22 years old.

"There's not a day that goes by that I don't think about it," said Cpl. William Hampton, one of the Marines fighting beside Cpl. Dunham when the grenade exploded. The explosion left Cpl. Hampton, a 24-year-old from Woodinville, Wash., peppered with shrapnel. "I see my arms, I see my leg. I'm always reminded of it."

Cpl. Dunham grew up in Scio, a one-stoplight town in western New York. His father, Dan Dunham, works in a nearby factory; his mother, Deb Dunham, teaches home economics. Jason was the oldest of four children and a star athlete, with a winning grin and a natural kindness.

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He was an eager volunteer when the Marine recruiter spotted him at the local Kmart before his senior year in high school. Soon his lead-from-the-front approach won him the admiration of those above and below him, and he was given command of a 10-man infantry squad when his unit -- Kilo Co., Third Battalion, Seventh Marine Regiment -- deployed in early 2004 to the hostile desert towns of Husaybah, al Qa'im and Karabilah.

Due to complete his enlistment that July, Cpl. Dunham extended his service by several months to remain in Iraq through the battalion's entire combat tour because, as he told a friend at the time, "I want to make sure everyone makes it home alive."

In the days after he was injured, Cpl. Dunham passed through a series of military hospitals and underwent brain surgery. He never, however, awoke from his coma. His parents met him at the National Naval Medical Center in Bethesda, Md., expecting to spend months nursing their son back to health. Instead, doctors told them that the damage was too severe and that the corporal would never again understand the world around him. Following the instructions Cpl. Dunham left in his living will, the Dunhams authorized the doctors to remove him from life support.

"In the end, Cpl. Dunham, you proved that one man can make a difference," his former company commander, Maj. Trent Gibson, said in June at a ceremony renaming Scio's post office after the fallen Marine. "You proved to be utterly selfless, uniquely compassionate, and absolutely committed to your men...You were that which we all strived to be. And you were somehow more pure."

A photo of the shredded remains of the corporal's helmet was among the pieces of evidence the battalion included when it nominated the corporal for the Medal of Honor shortly after he died.

Cpl. Dunham's life and death were chronicled in a page-one story in The Wall Street Journal on May 25, 2004.

The award is often called the Congressional Medal of Honor because Congress authorized it during the Civil War. Including Cpl. Dunham's, 3,462 medals have been awarded, according to the Congressional Medal of Honor Society. Cpl. Dunham's is the second awarded for gallantry in the Iraq war. The first went to Army Sgt. 1st Class Paul R. Smith, who was killed while manning a machine gun against scores of Iraqi soldiers at Baghdad's airport in April 2003.

The president is expected to present the medal itself to Cpl. Dunham's parents at a White House ceremony at a later date.

Medal Of Honor Granted To Slain Marine (LAT)

By James Gerstenzang

The Los Angeles Times, November 11, 2006

WASHINGTON — On what would have been the 25th birthday of Marine Cpl. Jason Dunham, President Bush said Friday that the Marine would be posthumously awarded the Medal of Honor, the nation's highest decoration for valor.

Dunham, from Scio, N.Y., was 22 when he died from his wounds in April 2004, eight days after using his body and helmet to save two fellow Marines from an insurgent's grenade.

Bush recounted Dunham's exploit during a ceremony marking the opening of the National Museum of the Marine Corps at Quantico, Va.

A machine-gunner, Dunham was leading a squad manning a checkpoint in an Iraqi town near the border with Syria. As Dunham searched a vehicle, "an insurgent jumped out and grabbed the corporal by the throat," Bush said. Dunham engaged him in hand-to-hand combat, and shouted to his fellow Marines, "watch his hand."

A grenade rolled out, Bush said, adding, "Cpl. Dunham did not hesitate; he jumped on the grenade to protect his fellow Marines."

Dunham, who was with Kilo Company, 3rd Battalion, 7th Marine Regiment, based in Twentynine Palms, will be the first Marine to receive the nation's highest medal for bravery for combat since the war in Vietnam.

The award ceremony will be at the White House at a date to be selected by Bush and the Dunham family.

The president presented Dunham's actions as a reflection of the history of the Marine Corps.

"Years from now, when America looks out on a democratic Middle East growing in freedom and prosperity, Americans will speak of the battles like Fallouja with the same awe and reverence we now give to Guadalcanal and Iwo Jima," the president said to an audience of about 10,000, among them Dunham's parents.

The museum, dedicated on the 231st anniversary of the founding of the Marine Corps, is designed to evoke the photograph of the raising of the flag at Mt. Suribachi on Iwo Jima, during World War II, and to portray the Marine experience.

"In this museum, you'll feel what it's like to go through boot camp. No thanks," said Bush, who was a member of the Texas Air National Guard during Vietnam.

Marine To Receive Medal Of Honor For Iraq Heroism (CNN)

CNN.com, November 10, 2006

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(CNN) -- President Bush announced on Friday that the Medal of Honor, the nation's highest military decoration, will be awarded posthumously to Marine Cpl. Jason Dunham.

In April 2004, Dunham was leading a patrol in an Iraqi town near the Syrian border when the patrol stopped a convoy of cars leaving the scene of an attack on a Marine convoy, according to military and media accounts of the action.

An occupant of one of the cars attacked Dunham and the two fought hand to hand. As they fought, Dunham yelled to fellow Marines, "No, no watch his hand." The attacker then dropped a grenade and Dunham hurled himself on top of it, using his helmet to try to blunt the force of the blast.

Still, Dunham was critically wounded in the explosion and died eight days later at Bethesda Naval Hospital in Maryland.

"As long as we have Marines like Corporal Dunham, America will never fear for her liberty," Bush said Friday as he announced that Dunham would receive the award. Bush spoke at the dedication of the National Museum of the Marine Corps in Virginia. (Watch announcement of award at museum -- 1:27)

"His was a selfless act of courage to save his fellow Marines," Sgt. Maj. Daniel A. Huff of the 3rd Battalion, 7th Marine Regiment, was quoted as saying in Marine Corps News that April.

"He knew what he was doing," Lance Cpl. Jason A. Sanders, 21, of McAllester, Oklahoma, who was in Dunham's company, was quoted as saying by Marine Corps News. "He wanted to save Marines' lives from that grenade."

In various media accounts, fellow Marines told how Dunham had extended his enlistment shortly before he died so he could help his comrades.

"We told him he was crazy for coming out here," Lance Cpl. Mark E. Dean, 22, from Owasso, Oklahoma, said in Marine Corps News. "He decided to come out here and fight with us. All he wanted was to make sure his boys made it back home."

"He loved his country, believed in his mission, and wanted to stay with his fellow Marines and see the job through," Vice President Dick Cheney said when speaking of Dunham's heroism at a Disabled American Veterans conference in July 2004.

The Scio, New York, native would have been 25 years old on Friday.

In a letter urging Bush to honor Dunham with the Medal of Honor, Sen. Charles Schumer, D-New York, called the Marine's actions "an act of unbelievable bravery and selflessness."

Dunham's story was told in the book "The Gift of Valor," written by Wall Street Journal reporter Michael Phillips.

Dunham will be the second American to receive the Medal of Honor from service in Iraq.

Army Sgt. 1st Class Paul Ray Smith was the other, honored for action near Baghdad International Airport in April 2003, in which he killed as many as 50 enemy combatants while helping wounded comrades to safety. Smith was the only U.S. soldier killed in the battle.

At Dusty Outpost In Iraq, Cake Is Cut For Marines Young And Not So Young (NYT)

By C. J. Chivers

The New York Times, November 11, 2006

OUTPOST VIKING, Iraq, Nov. 10 — Capt. James W. Mingus faced another platoon of his marines. They stood in their fire-retardant uniforms, wearied and hungry, weapons slung across their chests and backs.

A birthday cake was on the table in front of them. One piece had been cut out with a bayonet.

The captain, 37 and the oldest marine in the rifle company he commands, had just given that piece to the platoon's youngest marine, Lance Cpl. T. J. McDowell, who is 20.

"Two hundred and thirty-one years," the captain said.

"Tradition. This is what makes us different. This is what sets us apart."

The Marine Corps celebrated its 231st birthday on Friday, an event that passes with little notice outside the corps's insular ranks, but is an essential ritual within, especially now, as the policies guiding the war seem certain to change and the reasons that brought the marines here are less clear.

No matter the changes in Washington, here in this forward base in Anbar Province, Company F, Second Battalion, Eighth Marines marked the day with the same insistence on ceremony that surrounds marines from their first seconds before an enraged drill instructor to the folded flag at the grave.

As each platoon came in from their duties on patrol or manning posts at Outpost Viking's walls, a ceremony repeated itself: a reading of a traditional birthday message from 1921, a reading of a message from the current commandant and then the cake, passed symbolically from one generation to the next.

"When were you born, Graham?" a marine called out, just before one platoon's cake-cutting ceremonies began.

Cpl. Jeremy L. Graham, who had hit four bombs in three months while riding in vehicles, and who was blasted once more on a foot patrol, answered without a pause: "1775," he said, using the year that the Marine Corps first took up arms, in a Pennsylvania tavern.

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Every year, and everywhere, it is the same, even now.

The graying marines remind marines who are new to shaving: You are part of an outfit, storied and bloodied, that is older than the nation it serves. You are one of us. Pass it on.

In peacetime it can be poignant, as the ceremony, held in veteran halls and bases, invariably attracts veterans from several generations and wars.

In Outpost Viking, which is little more than a sandbagged fortress ringed by an insurgency that hounds the marines at each turn, Captain Mingus and his noncommissioned officers needed few words. The youngest marines here already know much of what veterans tell; there are 22-year-olds on their third combat tours.

Second Battalion, Eighth Marines has been in Iraq on this rotation for a little more than three months.

Nearly 15 percent of the battalion's marines have been wounded. Five marines and one of their interpreters have been killed and 31 marines have been wounded seriously enough to require evacuation back to the states.

Each week, the number of wounded climbs. On Thursday, an improvised explosive struck a vehicle in the battalion's Weapons Company, sending shrapnel into the right leg of Lance Cpl. William J. Thorpe and shattering Lance Cpl. Daniel B. Nicholson's face.

(The week before, Lance Corporal Nicholson had said a prayer for the recovery of another marine, Lance Cpl. Colin Smith, who had been shot through the head. Now, Lance Corporal Nicholson was in a military hospital in Germany, with the others praying for him.)

Captain Mingus told the marines to observe this day every year, no matter where they were. "If you have two marines in a fighting hole somewhere, find a Twinkie, cut it in half and say, 'Happy birthday, marine,' " he said.

The hearty greetings belied an underlying unease that these men confront each day, and it was noticeable in what was left unsaid. There was little talk on Friday of saving Iraq. And there was a message implicit in the older marine's words.

Gradually, as months and tours have passed here, blending into years inside a country that has slipped out of everyone's control, the list of reasons for fighting has changed. First it shifted from finding weapons of mass destruction to removing a dictator to building a stable, democratic Iraq.

Eventually, when talk of stability in Iraq gave way to questions of whether the spasms of sectarian violence could be properly called a civil war, the marines' reasons for fighting shrank further, down to more basic things.

The captain and the others who spoke steered wide of politics, but that wide steer was noticeable. They spoke instead of fundamental sentiments, those that have always been first and last on a marine's list of reasons to fight.

Five years after the Sept. 11 attacks in the United States, and almost four years after the troops prepared to invade Iraq, many of the marines in the battalion, in their quiet times in the weeks before this day, have said they fight for two things: the corps's tradition and reputation, and for the man on their left and right.

Their Iraq is a land of dangers and deceptions, an endless test and a daily set of deadly traps. Each marine's own future can feel like an abstraction when a patrol is heading out. It is difficult to see the hidden bombs. It is harder still to see the future of Iraq, or how any of this might end.

Friday was the birthday. Each of the marines stepped into the line, just as they always do.

Five times, the cakes were cut with bayonets and pieces handed out. Then the marines filed through a field kitchen and were served lobster, steak, crab legs and shrimp. Even the exhausted smiled, leaning against blast walls designed to keep out the frequent mortar fire.

Many were bedecked with charms, a collection that provided a measure of how deeply into the combat culture these young marines had already passed. The charms were small keepsakes, often not obvious, taken from churches, homes or firefights and designated as talismans of luck.

Lance Cpl. Elijah D. Henry, from North Carolina, came for his cake. He wore a big knife. Its handle was carved from the antlers of the first deer he killed, a six-point whitetail he shot at his uncle's deer camp in southern Georgia.

He is half Irish and half Cherokee. In his pocket was a small leather bag with more charms, 100-year-old tobacco — grown by the oldest living Cherokee, he said — along with a pinch of sage, a ruby, dirt from every country he has ever visited and a shell from the 21-gun salute for his late grandfather, who was a P.O.W. in World War II.

"I guess you heard about my squirrel tails?" he said.

"I get them blessed and hand them out to my friends."

So far, he said, he had handed out five.

Cpl. Daniel M. Greenwald, from Rockland County, N.Y. passed through the line. He had threaded a dog-tag chain through the mangled remains of a Kalashnikov bullet, which on Sept. 2 hit him on the helmet and knocked him flat.

His head was soaked in blood from the impact of the helmet on his forehead, but the Kevlar kept the bullet out. Now he carries the broken bullet wherever he goes, hoping that bullets, like proverbial lightning, will not strike twice.

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The battalion commander arrived and said that the battalion's snipers had just shot three Iraqi men who were burying a bomb beside a bridge near Saqlawiya, a town not far away.

One of the insurgents was killed instantly, he said.

The other two had been wounded, and had stumbled off into the marsh and reeds. Marines were out following their blood trails, a birthday spent on the job.

Blair To Give Iraq Evidence To Baker (FT)

By James Blitz

Financial Times, November 11, 2006

Tony Blair will next week give evidence to the Iraq Study Group led by James Baker, the former US secretary of state, in the first indication Britain is being consulted by Washington over potential change of policy on the war.

As he continues the task of presenting a range of new policy alternatives on Iraq for President George W. Bush, Mr Baker is expected to interview the UK prime minister by means of a video link on Tuesday.

The decision by the Iraq Study Group to interview Mr Blair is an important boost for Downing Street, amid fears that Britain might be excluded from the US reassessment of Iraq policy following the Democrats' victory in the congressional elections.

Downing Street last night gave no details of what Mr Blair would tell Mr Baker and his co-chairman, retired US congressman Lee Hamilton. However, the prime minister is expected to set out his latest thoughts on Iraq on Monday in his annual Mansion House foreign policy speech.

Mr Blair is certain to tell Mr Baker that the US and UK must not "cut and run", remaining in Iraq until Baghdad can manage the security situation on its own. Mr Blair has told allies he is confident that the Baker-Hamilton committee will make no such recommendation.

Margaret Beckett, UK foreign secretary, spelt out the UK's position this week saying there would be no "precipitate" moves to withdraw UK troops. However, the prime minister is likely to be probed on the extent to which he believes Syria and Iran can be involved in attempts to put Iraq on a stable footing.

Mr Blair has recently launched a diplomatic initiative towards Syria, sending his most senior foreign policy adviser to Damascus to meet President Bashar al-Assad.

Mr Blair is looking to see whether Syria can be coaxed into playing a constructive role in attempts to revive the peace process between Israel and the Palestinians.

In recent weeks, Mr Blair has expressed no enthusiasm for engaging Syria and Iran in plans to put the Iraqi government on a firmer footing. He believes that the Iranian regime must be firmly faced down in its bid to acquire nuclear weapons.

However, recent leaks of the Baker-Hamilton committee's findings suggest that the ISG is looking at whether the Syrian and Iranian regimes can be involved in attempts to stabilise the situation in Iraq.

U.S. Gov't Office In Iraq Attacked (WT/AP)

By SAMEER N. YACOUB

The Washington Times/AP, November 11, 2006

BAGHDAD, Iraq (AP) -- The U.S. government's office in central Iraq came under mortar fire early Saturday, an attack that touched off a blaze in part of the complex, Iraqi police said. There was no immediate word on damage or casualties.

In the western city of Tal Afar, two suspected insurgents were killed during an overnight search for those behind a suicide bombing Friday that killed six Iraqi soldiers in the western city of Tal Afar.

Hand grenades and 20 AK-47 assault rifles were seized in the raid just east of the city, along with fake ID cars and passports, cell phones, and a pair of pickup trucks, police Brig. Najim Abdullah al-Jubouri said.

Al-Jubouri identified those killed as Zainal Abdul-Ghani Younis al-Haider and Bakir Khuweiret, and said 10 terrorist suspects were arrested.

The mortar attack was at least the second reported in recent weeks against the U.S. office in Hillah, which oversees government and diplomatic interests in the central Euphrates region, about 60 miles south of Baghdad.

Nine of the 10 mortar bombs fired landed inside the complex, police Capt. Muthanna Khalid Ali said.

He said U.S. and Iraqi forces sealed off the area and there was no word on damage or injuries.

U.S. diplomats usually refuse to comment on such reports to avoid releasing sensitive information to insurgents. Calls and e-mail seeking confirmation were not immediately returned by U.S. Embassy spokesmen in Baghdad.

Inaccurate but highly mobile, the mortar is growing increasingly popular among Iraqi fighters because it can be fired from a secure location several miles from a target and then quickly hauled away or hidden. Some insurgent groups mount the weapons on pickup trucks, remaining in constant motion except when firing.

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Tal Afar has suffered scattered insurgent attacks, even after Bush in March declared the city an example of progress made in bringing security to Iraq. Tal Afar lies 90 miles east of the Syrian border, 260 miles northwest of Baghdad.

Also Saturday, a bomber drove a car rigged with explosives into the police station in the northern town of Zaganya, killing the police chief, burning four vehicles, and badly damaging the building, the provincial police information office said.

In nearby Baqouba, 35 miles northeast of Baghdad, a staffer with the local agriculture directorate, Zuhair Hussein Alwan, was shot and killed by unknown assailants

Two bodies that had been bound and shot in the head and chest were pulled from the Tigris River Saturday morning in Suwayrah, 25 miles south of Baghdad. Scores of such bodies are recovered around Iraq each week, most believed to be the victims of sectarian death squads, morgue administrator Maamoun al-Ajili said.

Hang Hussein Fast, Clerics Say (LAT)

By Louise Roug

The Los Angeles Times, November 11, 2006

BAGHDAD — Addressing worshipers for the first time since the conviction of Saddam Hussein, many of Iraq's Shiite Muslim preachers called Friday for the speedy hanging of the former president.

Hussein, a Sunni Muslim who long repressed Iraq's Shiite majority, should be executed in public between two of the holiest Shiite sites in Iraq, a cleric demanded during his sermon in Karbala. "It's the least that could be done to this tyrant for the atrocious crimes he has committed, in this city in particular," said Sayyed Ahmed Safi, a preacher close to Grand Ayatollah Ali Sistani, the country's preeminent Shiite cleric.

Hussein was sentenced Sunday to death at the gallows in connection with his role in the killing of 148 Shiites from the village of Dujayl after a 1982 attempt to assassinate him. Dujayl was a stronghold of the devout Shiite activists who now dominate Iraq's political and religious institutions.

U.S. officials had hoped the trial of Hussein, toppled in the 2003 U.S.-led invasion, would help unite Iraq. But many now believe the verdict is heightening ethnic and sectarian tensions. Shiites in eastern Baghdad and other areas where they are concentrated cheered the decision in mass rallies as angry Sunni Arabs marched in large demonstrations north of the capital.

Speaking to worshipers in the Shiite holy city of Najaf, preacher Sadruddin Qubanchi called for Hussein to go to the gallows as soon as possible. Qubanchi likened his execution to "decapitating a snake," saying it would signify "the end of terror."

"The verdict of death is less than what he deserves," said Qubanchi, telling a crowd that Hussein's hanging would signal a new beginning for Iraq by putting an end to hopes of Hussein's supporters that he could ever return to power.

Worshipers chanted, "Execution is the least for Saddam!"

In the capital's eastern Sadr City slum, a Shiite stronghold, Sheik Abdul Zahra Swaidi told a large crowd that Hussein was getting what he deserved.

"Saddam's family and followers stole Iraq's wealth and are paying for killings, displacement, assassinations," Swaidi said. "We ask the government and the court to carry out Saddam's execution — Iraqis demand it."

A legal expert in the Dujayl case said Hussein could be executed inside the notorious Abu Ghraib prison within the next four or five months. Prime Minister Nouri Maliki, a Shiite, has said Hussein could be hanged by the end of the year.

International observers have questioned the fairness of the trial. Some say the U.S.-backed court was illegitimate and the proceedings deeply flawed, and they note that the verdict came two days before America's midterm election.

Egyptian President Hosni Mubarak warned this week that the execution of Hussein would deepen sectarian and ethnic strife and "explode violence like waterfalls in Iraq."

Leaders of other key American allies, such as Saudi Arabia and Jordan, have not criticized the verdict.

At a mosque in the southern Iraqi city of Kufa, Shiite cleric Juma Khafaji called for the government to speed up Hussein's execution. Khafaji, who is close to the anti-American Shiite cleric Muqtada Sadr, warned other countries not to interfere to protect Hussein and lashed out at those who stood by "when Hussein was killing the Iraqis."

In Iraq, Sunni Arab politicians have protested the verdict, saying it was the foregone result of a biased court.

Qubanchi in his sermon on Friday said Sunni Arab lawmakers had "made politics more chaotic" and warned Sunni blocs to "forget about Saddam."

In Baghdad, meanwhile, Sunni preacher Hashim Yahya preached reconciliation to a crowd in a mosque but also issued not-so-veiled warnings to Shiite power brokers.

"Iraq has, regrettably, become a field for settling scores," he said. "Those who are powerful now must always remember God's might and power. The oppressed Iraqis will eventually question the officials about their deeds."

Nat'l Guard Units Face 2nd Tours In Iraq (AP)

DOJ_NMG_0093512

By Lolita C. Baldor,
AP, November 11, 2006

The nation's citizen soldiers, already strained by long tours in Iraq and Afghanistan, could be tapped again under new plans being developed by the Pentagon.

National Guard combat brigades that have already served in Iraq may be called for a second tour, likely breaking the 24-month deployment limit initially set by the Pentagon, the Guard's top general said.

While active-duty soldiers and smaller Guard units and members have returned to Iraq for multiple tours, the new plans would, for the first time, send entire Guard combat brigades back to the battlefront. Brigades generally have about 3,500 troops.

The move — which could include brigades from Arkansas, Florida, Indiana and North Carolina — would force the Pentagon to make the first large-scale departure from its previous decision not to deploy reserves for more than a cumulative 24 months in Iraq.

For some units, a second tour would mean they would likely exceed that two-year maximum. The planning was described by Lt. Gen. H. Steven Blum, who commands the Guard, in an Associated Press interview this week.

In a related move, the Pentagon is preparing to release a list of active units — and perhaps reserves as well — scheduled to go to Iraq that would largely maintain the current level of forces there over the next two years, another senior defense official said Thursday. There are about 152,000 U.S. troops in Iraq.

That official requested anonymity because the plan has not been made public.

The Pentagon routinely notifies units to prepare for deployment, knowing it is easier to cancel a move overseas than to suddenly make such a large troop movement.

It was not clear whether this week's resignation of Defense Secretary Donald H. Rumsfeld would affect deployment plans. President Bush has selected former CIA chief Robert Gates, who has criticized U.S. policy in Iraq, to replace Rumsfeld, but he has not yet been confirmed by the Senate.

"We are doing contingency planning for one or two (units), and we have contingency plans for more than two if necessary," Blum said Wednesday. The North Carolina brigade, he said, is being considered since it was one of the first to go to Iraq after the war began in 2003.

Blum also said defense officials have been discussing whether they need to adjust their policy that limits the deployment of reserves in the war to 24 months.

"When that policy was originally formulated, I seriously doubt anyone thought we would be where we are today, at the level of commitment that is necessary today," he said.

Just last month, defense officials said the Marines are drawing up similar plans that would for the first time send some reserve combat battalions back to Iraq for a second tour.

Under the authority by which Bush ordered a call-up of the Guard and Reserve after the Sept. 11, 2001, terrorist attacks, troops could be mobilized an unlimited number of times as long as each mobilization is no longer than 24 consecutive months.

Until now, Pentagon officials have interpreted that as 24 cumulative months.

While the ultimate goal for the National Guard is to deploy one year overseas and spend six years at home, Blum said current demands could force soldiers to deploy as often as one year every three or four years.

Blum said he believes that Guard combat brigades are prepared and willing to make a second trip to Iraq if needed.

He said the first units to deploy in the war — such as the 30th Infantry Brigade from North Carolina, the 76th Infantry Brigade from Indiana, the 53rd Infantry Brigade from Florida and the 39th Infantry Brigade from Arkansas — would probably be among those first called for a second tour.

"Logic would lead you to go back to the ones that went first, and start going around again," said Blum. "But that's probably not exactly how we'll do it" because the decision will depend partly on what types of units are needed.

Blum also said the Pentagon will no longer break up the brigades and send them to war in smaller units. He said Guard brigades are more effective working as teams.

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On the Net:
Defense Department: http://www.defenselink.mil

Guard Units Could Do 2nd Tour In Iraq (LAT/AP)

The Los Angeles Times, November 11, 2006

WASHINGTON — The Pentagon is developing plans that for the first time would send entire National Guard combat brigades back to Iraq for a second tour, the Guard's top general said in the latest sign of how thinly stretched the military has become.

DOJ_NMG_0093513

Smaller Guard units and individual troops have already returned to Iraq for longer periods, and some active duty units have served multiple tours. Brigades generally have about 3,500 troops.

The move — which could include brigades from North Carolina, Florida, Arkansas and Indiana — would be the Pentagon's first large-scale departure from its previous decision not to deploy reserves for more than a total of 24 months in Iraq.

A second tour would probably put some units over that two-year maximum. The planning was described by Lt. Gen. H. Steven Blum, who commands the Guard, in an Associated Press interview this week.

In a related move, the Pentagon is preparing to release a list of active units — and perhaps reserves as well — scheduled to go to Iraq that would largely maintain the current level of forces there over the next two years, another senior defense official said Thursday. There are about 152,000 U.S. troops in Iraq.

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Tall Afar's Long Road Back (WP)

By Josh White

The Washington Post, November 11, 2006

TALL AFAR, Iraq -- A year ago, U.S. officials championed the military's success in pushing insurgents out of this city in Iraq's northwestern desert, reclaiming it for the roughly 250,000 residents and eliminating an insurgent safe haven. President Bush publicly praised the 3rd Armored Cavalry Regiment's effort.

In the months since, soldiers say, Tall Afar has proved a model for the rest of Iraq, an insurgent stronghold turned relatively peaceful. Attacks dwindled to almost none in August before a spate of violence in September and October tied to the Muslim holy month of Ramadan. The local government is strong. Iraqi security forces are poised to take control from the roughly 1,000 U.S. troops in the region, which is a reduction of 75 percent from the U.S. presence here last spring.

"I think Tall Afar is on its way," said Lt. Col. Malcolm Frost, who commands the 3rd Squadron, 4th Cavalry Regiment, based just southwest of the city and now in charge of the region. "I think it's a beacon of light, not just for security but also in local government infrastructure. I think we're close to the tipping point."

But the road to stability in Tall Afar has been long and bumpy, and it continues to pose daily challenges. The city's transformation underscores how difficult it will be for parts of Iraq -- especially Baghdad -- to mirror its success.

The unemployment rate here is nearly 70 percent. Officials estimate that fewer than half of Tall Afar's residents remained here or returned after the last big U.S.-Iraqi military operation in September 2005. Many of the city's buildings are vacant or were destroyed in the fighting last year. Hundreds of millions of dollars was promised to help rebuild and restore Tall Afar, but the money has just started to trickle in through the Iraqi central government's staggeringly slow bureaucracy. And Iraqi forces have only recently taken the lead in providing security, helped in large part by the population drop and lack of attacks.

Though sectarian violence has been stemmed by cooperation among Sunni and Shiite Muslim sheiks here, insurgents attack Shiite civilians in the southern part of Tall Afar and Iraqi forces in the north. Officials call it a delicate balance.

"Tall Afar was another Fallujah or Ramadi," said Mayor Najim al-Jibouri, referring to cities in western Iraq that have experienced heavy fighting between U.S. forces and insurgents. "But with the help of the people, everyone gained the momentum and claimed Tall Afar from the terrorists and vowed not to go back to the old, bad days. Still, there are a lot of shortcomings that really disappoint us. Things like that prolong the life of the insurgency."

The mayor points mainly to the lack of help from the Iraqi government, which has left parts of the city a shambles. The city's northwest quadrant is like a ghost town, with scores of vacant houses, some reduced to rubble by fighting more than a year ago, almost entirely cordoned off with Iraqi police checkpoints designed to choke the insurgents' ability to move.

Soldiers call the northwest neighborhood the city's "gated community" because Iraqi forces have put such a stranglehold on it. In addition to reducing attacks, the restrictions have kept some people from moving back in, officials said.

Capt. Luke Hale, the U.S. squadron's intelligence officer, said the security situation in Tall Afar is tied closely to the economy. For example, he said, attacks sometimes increase because insurgents are willing to pay a local resident to place a roadside bomb. The focus of violence is in the city's northwest, where troops have found significant weapons caches and safe houses and last week recovered 85 pounds of homemade explosives, sticks of TNT and other materials probably destined for more attacks, Hale said.

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During the past nine months, U.S. soldiers have logged an average of about one attack against them per day in Tall Afar, but nearly 45 percent have involved relatively harmless small-arms fire. Roadside bombs were planted at an average of six per month from February to August, with just two in July and none in August -- vastly fewer than what insurgents unleashed in previous years.

"It was very, very bad before," said Falah Hassan, 23, an Iraqi police sergeant who works with U.S. soldiers. He pointed excitedly to a wall-size map of the city he has lived in since birth. "Everyone was afraid to move around because of the insurgents. Now it's much, much better. Tall Afar is coming back."

However, insurgents have begun sabotaging homes with massive explosives to try to lure, trap and kill Iraqi forces who enter. The soldiers here call them "house-borne improvised explosive devices," and three such homes have been leveled in recent weeks, causing some Iraqi soldiers to hesitate when chasing insurgents into vacant buildings.

Still, the Iraqi forces are out front, while U.S. forces hang back more and more. At an old granary on the edge of town, American soldiers are working directly with their Iraqi counterparts to clean up the city and restore services.

"The Iraqi security forces are definitely on the offense, and the insurgents are definitely on the defense and reeling," said Capt. Mike Lingenfelter, 32, of Panhandle, Tex., whose Comanche Troop lives at the granary and patrols the city. "It's working. They're almost there."

On a recent patrol through several parts of the city, Lt. Joshua Murphy, 24, of Owensboro, Ky., highlighted the strong Iraqi police presence and noted that there had been several days of calm after Ramadan, when nine suicide bombers set off explosives.

"The less of a presence we have here, the better we're doing," Murphy said, glancing out his Humvee's window at an Iraqi checkpoint made of plywood and sandbags. "They're taking over."

At a security meeting last week, two dozen Iraqi police and army leaders met with the mayor and U.S. officials at a castle atop one of Tall Afar's highest points. The chief concern among the Iraqis was the lack of strength demonstrated by the country's criminal justice system. Officials said they had seen insurgents arrested here return to the streets after being released in Baghdad.

"At the end, after we catch the people, we see them on the road again, and it's very disappointing," said Col. Muhammad, who runs the Qadisiyah neighborhood police station. "These groups build again even when they are in the cells."

The Iraqi government's overall lack of ability to respond to the local success in Tall Afar is a significant concern, several officials said.

"We had high hopes the Iraqi government would be able to produce more visible, tangible results quicker," said Brig. Gen. Mick Bednarek, deputy commander for operations with Multinational Division -- North, based in Tikrit. "How long will a civilized people that are very much in need of basic fundamental services wait before they are frustrated and look somewhere else?"

Jibouri, the mayor, said: "You can't separate what happens in Tall Afar and what happens in the rest of Iraq. If Iraq recovers, Tall Afar will recover. If Iraq doesn't succeed, Tall Afar will again fall."

Decrepit Healthcare Adds To Toll In Iraq (LAT)

By Louise Roug

The Los Angeles Times, November 11, 2006

Thousands of Iraqis are believed to have died from shortages of medicine, vital equipment and qualified doctors, despite an infusion of nearly half a billion dollars from U.S. coffers into the country's healthcare system, Iraqi officials and American observers say.

Raging sectarian violence as well as theft, corruption and mismanagement have drained health resources and made deliveries of supplies difficult. Exacerbating the crisis, hundreds of doctors have been killed, and thousands have fled Iraq. The child mortality rate, a key indicator of a nation's health, has worsened since the U.S.-led invasion in 2003, according to Iraqi government figures.

In the most sinister reported development, provincial Sunni Muslim doctors charge that Shiite Muslims who control the Health Ministry deliberately withhold medicines and other vital supplies. Privately, some U.S. officials say that hard-line Shiites use the ministry for political and sectarian ends.

This fall, U.S. troops raided the ministry, arresting employees suspected of kidnapping and killing patients at the Medical City Hospital in Baghdad. Afterward, ministry officials severed ties with the Americans and refused to open an $800,000 clinic built by the U.S. Army Corps of Engineers in a deprived Sunni neighborhood in the capital.

The clinic has since been opened, but relations are still strained between U.S. military officials and the ministry, which is staffed by Shiites loyal to anti-American cleric Muqtada Sadr.

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Across Iraq, a country whose healthcare was once the envy of the region, many hospitals have neither computers nor meaningful patient files. Functioning X-ray machines and MRI scanners are few and far between.

At one of the busiest hospitals in Baghdad, five people die on average every day because the staff does not have the equipment to treat heart attacks and other commonplace illnesses and injuries, said Husam Abud, a doctor at Yarmouk Hospital. That translates to more than 1,800 preventable deaths in a year in that hospital alone.

"Frankly speaking, if we get cases of cancer, we can't treat them," he said. "They'll probably end their days here. We don't have the adequate medication or the adequate equipment, and specialized doctors are not available."

A pharmacist in the town of Taji, north of Baghdad, described a looming "humanitarian catastrophe" as medicine, blood bags, oxygen, anesthetics, vaccines and IV fluid run out. Taji has a hospital, but the surgical room contains little medicine and fewer instruments. In September, doctors there were forced to turn away a pregnant woman who was experiencing labor complications. She died on her way to another hospital.

Already overburdened by large numbers of civilian victims of the civil war, hospitals also are stretched by Iraqi military and police casualties. Because the security forces have no emergency facilities, soldiers take wounded comrades to hospitals for care, often forcing doctors at gunpoint to treat them first, U.S. military officials say.

Healthcare in Iraq once was first rate. Medicine and hospital care were free, doctors well-educated and respected. But neglect by former President Saddam Hussein and years of United Nations sanctions laid waste to the system.

Since 2003, U.S. agencies have spent at least $493 million of Iraqi reconstruction funds on healthcare, but no new hospitals and only a few clinics have been built. With reconstruction funds running out, officials can point to few success stories beyond a child vaccination campaign. Hospitals looted in the first days after the invasion remain decrepit, without vital equipment and supplies. The hospital rehabilitation program has been plagued by cost overruns and complaints of shoddy but expensive work.

A flagship $50-million children's hospital in the southern city of Basra, a pet project of First Lady Laura Bush, has run far behind schedule and over budget. If it is ever finished, the hospital probably will end up costing at least $40 million more than planned, not including medical equipment, according to a congressional report by the special inspector general for Iraq reconstruction.

The largest U.S.-funded construction program in the healthcare sector has fallen far short. A project to build 150 primary healthcare centers in Iraq was initially scaled back to 142 because of cost overruns. But only six clinics are open to the public, five of them in Shiite neighborhoods of Baghdad, according to a information provided by the U.S. Agency for International Development.

In Sunni-dominated Al Anbar province, the poorest, most dangerous part of the country, it has become increasingly difficult to get medical care. Several clinics have shut down in Ramadi, Hit, Haditha and Fallouja as doctors have fled and supplies have dwindled, local officials say.

The nation's health has deteriorated to a level not seen since the 1950s, said Joseph Chamie, former director of the U.N. Population Division and an Iraq specialist.

"They were at the forefront," he said, referring to healthcare just before the 1991 Persian Gulf War. "Now they're looking more and more like a country in sub-Saharan Africa."

At the outset of the 2003 war, the U.S. administration pledged to cut the child mortality rate in half by 2005. But instead it has worsened, from 125 deaths per 1,000 births in 2002 to 130 per 1,000 this year, according to Health Ministry figures. By comparison, the child mortality rate in the United States was 8 per 1,000 births in 2005.

Meanwhile, the Health Ministry's budget has grown substantially — $1.1 billion this year, compared with $22 million in 2002. More than 55% of its funds are spent on medication and medical supplies, and 33% on salaries. Remaining funds are spent on upkeep and auxiliary work, according to ministry figures.

But much of the medicine and medical supplies never benefit the most needy patients.

There is no reliable system for government agencies to track deliveries of medicines and equipment. Large quantities cannot be accounted for, according to a Western official who declined to be identified.

"The system still hemorrhages a massive amount of the goods for health at a time when the people can least afford to be without medicines," Richard Garfield, a Columbia University healthcare expert, told a Senate committee hearing in July. "The value of medicines lost this way far outweighs the amount lost to corruption, either before or after the invasion."

In Hussein's hometown, Tikrit, 57 truckloads of medicine have disappeared within the last two weeks, according to Sgt. 1st Class Jeff Newkirk, a civil affairs officer who operates in the area. Health workers have run out of such everyday items as painkillers, plastic gloves, test tubes and blood bags, said Jasim Mukhlis, a 28-year-old Turkmen who works in the outpatient pharmacy.

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The once well-funded hospital in the city now needs repairs to its roof and water pipes. The only available MRI scanner has been broken for eight months, but the Health Ministry has refused to send engineers, local officials say. As a result, patients sometimes have to travel about 200 miles to the northern city of Mosul for scans, say doctors, who perform only the most urgent operations in the hospital.

Three newly built clinics remain unopened, lacking doctors and supplies. Omar Hadithi, a local doctor, said Shiite officials take care of Shiite regions.

"The officials in the ministry think that our province received special treatment during Saddam's reign, so they are treating it with less care," he said.

Doctors and officials in Baqubah also charge that the Shiite-run ministry discriminates against them.

"We have no medications or blood serum supplies," said Tariq Hiali, a Baqubah health official. "The Ministry of Health is not providing us with medications and medical equipment; they consider [us to be] terrorists."

Qasim Yahya, a Health Ministry spokesman, denied that the ministry discriminates against Sunnis. Supplies are available to all, but must be picked up in Baghdad, he said, adding that the ministry is not responsible for delivery.

Sending Shiite ministry workers to Sunni-dominated areas might indeed be a dicey proposition.

And Sunni health workers say it is too dangerous for them to travel to the capital, especially to the ministry. Health Minister Ali Shammari is a member of Sadr's political movement, and the militiamen nominally loyal to the radical Shiite cleric, the Al Mahdi army, control the Health Ministry complex and the surrounding area.

Ali Mahdawi, a Sunni health official from Baqubah, disappeared inside the ministry complex four months ago as he was on his way to a meeting with the health minister. Mahdawi and his guards have not been heard from since, according to his colleagues and American officials.

"The ambulances we send to Baghdad are being intercepted by the Mahdi army," said Jamal Qadoori, an employee at Baqubah's blood bank. The Shiite militiamen then sell the stolen supplies on the black market, getting as much as $100 for blood bags, he said.

But both Shiite and Sunni health workers are targeted. At least 455 doctors, medical staffers and hospital guards on both sides of the sectarian divide have been killed since 2003, according to Health Ministry figures. In the same period, about 7,000 doctors left the country, according to the Doctors Assn. of Iraq.

In a few provinces, healthcare has not deteriorated since the U.S.-led invasion. The quiet, semiautonomous Kurdish region in the north has benefited from the influx of Arab doctors fleeing the violence in the capital. And in the south, Japanese forces have built or rehabilitated three hospitals and 32 health clinics in the peaceful Shiite-dominated Muthanna province. As a result, child mortality rates have improved there, according to provincial health director Falah Hassan.

But in most of the country, the situation has grown worse. Like violence, theft and corruption have become endemic. People caring for sick or injured family members say health workers are on the take and refuse to treat patients unless they're paid extra.

"They will not take care of the patient unless you pay them money all the time," said Akram Hussein, whose 75-year-old grandmother was taken to the Chawader Hospital in Baghdad's sprawling Shiite neighborhood of Sadr City recently. "We paid money to the cleaners and the nurses."

When his grandmother was in need of an important injection, the doctor also demanded extra: 5,000 dinar, or about $4.

Hussein's family didn't complain to the manager, he said, "fearing they might leave her completely."

After 10 days, she died.

"God decides people's ages," Hussein said. "But I think that the lack of care in this hospital caused the death of my grandmother."

Rumsfeld May Face Abuse Charges (BBC)

BBC.com, November 11, 2006

Donald Rumsfeld, who quit as US defence secretary this week, may face criminal charges in Germany for alleged abuses in Guantanamo Bay and Iraq.

A complaint has been launched by the US-based Centre for Constitutional Rights, representing a Saudi detained in Cuba and 11 Iraqis held in Baghdad.

German law allows the pursuit of cases originating anywhere in the world.

The centre made a similar request in 2004 but German prosecutors dropped that case.

The Centre for Constitutional Rights argues that Mr Rumsfeld was instrumental in abuses committed at Guantanamo Bay and at Abu Ghraib jail in Baghdad.

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The lawyer group alleges that Mr Rumsfeld personally approved torture to be used to extract information from the prisoners.

It is also seeking to prosecute US Attorney General Alberto Gonzales and former CIA director George Tenet, among others.

The group's complaint will be filed to German federal prosecutors on Tuesday, a spokesperson for the group said.

The prosecutors will have to again decide whether the complaint should be heard.

Mr Rumsfeld resigned on Wednesday following Republican losses to the Democrats in the US mid-term elections.

The Pentagon has not yet commented on the issue.

The US denies any torture has taken place at Guantanamo Bay and has defended its interrogation techniques.

Abuse of prisoners at Abu Ghraib was brought to world attention after photographs of the incidents were released and published.

Rummy's Got A New Woe - Torture Suit By 9/11 Thug (NYDN)

By James Gordon Meek, Daily News Washington Bureau

New York Daily News, November 11, 2006

WASHINGTON - A New York human rights group plans to sue Defense Secretary Donald Rumsfeld for mistreating a 9/11 plotter and a former American general intends to back up the case, Time magazine reported yesterday.

The Center for Constitutional Rights will file the claim in Germany next week on behalf of Mohammad Al-Qahtani and 11 Iraqis who claim they were tortured in Baghdad's infamous Abu Ghraib prison. German courts claim a "universal jurisdiction" for war crimes.

Qahtani, who was stopped by an alert U.S. Customs officer in Orlando, Fla., before meeting with 9/11 cell leader Mohamed Atta days before the attacks, claims in legal papers he was tortured at the U.S. military prison in Guantanamo Bay, Cuba.

The CCR alleges that abuse of terrorist suspects at Gitmo and Abu Ghraib were condoned or authorized by Rumsfeld, who was axed by President Bush after this week's election results.

Retired Army Col. Janis Karpinski is the star witness backing the detainees, who also name ex-CIA Director George Tenet, Attorney General Alberto Gonzales, ex-Iraq commander Lt. Gen. Ricardo Sanchez and retired Gitmo commander Maj. Gen. Geoffrey Miller.

Before Bush demoted her from brigadier general because of the abuse, Karpinski commanded the Long Island-based 800th Military Police Brigade that ran all of Iraq's prisons, including Abu Ghraib.

"It was clear the knowledge and responsibility [for Abu Ghraib detainee abuses] goes all the way to the top of the chain of command to the Secretary of Defense Donald Rumsfeld," Karpinski said in the legal brief.

Karpinski did not return calls by the Daily News yesterday.

Rumsfeld Rides Off Into The Sunset (FT)

By Demetri Sevastopulo In Washington

Financial Times, November 11, 2006

“Stuff happens.”

Donald Rumsfeld, the US defence secretary, this week was put out to pasture following a turbulent six years at the Pentagon.

Mr Rumsfeld will go down in history as one of the most controversial figures of the Bush presidency. Comparisons will inevitably be made with Robert McNamara, the Vietnam-era defence secretary, who was fired after he disagreed with President Lyndon Johnson about US policy in Vietnam.

Mr Rumsfeld did not have a McNamaraesque epiphany about the direction of the war. He was a true believer to his bitter end. But President George W. Bush was forced to jettison him after the US expressed its total dissatisfaction with the war in this week’s mid-term -elections.

Always combative, often charming, sometimes a bully, Mr Rumsfeld introduced a style of Pentagon press conference that both entertained and infuriated.

Trying to pin down the former university wrestling champion was about as easy as finding Osama bin Laden, which, as the defence secretary himself explained, is not easy.

“If you’re chasing the chicken around the chicken yard and you don’t have him yet, and the question is how close are you? The answer is, it’s tough to characterise because there’s lots of zigs and zags.”

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In his own form of Socratic soliloquy, he might have summed up his fate something like this: “Goodness gracious me...Did I see this coming? No. Should I have? Perhaps. Was I wrong? Of course not. You should know that. What does it all mean? It is what it is.”

How surprised Mr Rumsfeld really was at being replaced is one of those known unknowns that first made his name as a poet whose rhetorical musings have been compiled in Pieces of Intelligence: The Existential Poetry of Donald H. Rumsfeld.

“As we know, there are known knowns. There are things we know we know. We also know there are known unknowns. That is to say we know there are some things we do not know. But there are also unknown unknowns, the ones we don’t know we don’t know.”

He once, uncharacteristically, explained his problem: “I’m brusque. I’m impatient. It’s genetic. I can’t help it.”

The former naval pilot had many careers. A Congressman and top official in the administrations of presidents Richard Nixon and Gerald Ford, he later left government to run several companies, before returning in 2001 as the Bush administration’s poet-in-residence.

As far back as the 1960s, he was considered a supreme Washington infighter. One of the compliments Mr Nixon paid to him was that he was a “ruthless little bastard”.

But Mr Rumsfeld appeared to relish the bruising battles he had with other administration officials, and especially with Colin Powell, the former secretary of state. At a White House meeting in 2004, the defence chief stunned the other attendees by reached over and drank Mr Powell’s Diet Coke because he could not find one himself.

After eyebrows were raised, Condoleezza Rice, then national security adviser, interjected: “Now that Don has had his Diet Coke, perhaps we can start.” Mr Powell’s office had no recollection of the event.

But, privately, even some of his foes recognised his sense of humour, which appeared intact the day after he had been fired. Giving the Landon lecture at Kansas State University, Rummy the Gladiator joked: “I hope all of you appreciate how I have managed so skilfully public affairs for this event.”

What Mr Rumsfeld does next is another “known unknown”. Perhaps he will visit old friends, including one who has been waiting patiently in a Mongolian field.

During a visit to Ulan Bator last year, Mr Rumsfeld was given a horse he named Montana. But since he could not bring Montana back to the US, the Mongolian defence minister told him tradition dictated that he would be put out to pasture until his master returned.

For Rumsfeld, his rocky ride has come to an end. But as he himself once quipped: “How does it end? It ends, that’s all”

Afghanistan Waits For Peace Five Years After Fall Of Taliban (AFP)

By Sylvie Briand

AFP, November 11, 2006

Five years after US-led forces drove the Taliban from Kabul, peace remains a distant dream in Afghanistan with militant attacks at an all-time high, a despondent population and widespread corruption.

The violence, in its bloodiest phase since November 2001 with some 1,000 civilians killed this year, results from "the failure of international intervention to stop the cycle of decades of conflict," says the International Crisis Group, a leading think-tank.

"The primary error of the Americans and their allies has been to not grant enough troops and resources, which has allowed the return of the Taliban, and resulted in the disillusionment of the people and the unpopularity of the government," added Ahmed Rashid, a Pakistani expert on Afghanistan.

The NATO-led International Security Assistance Force (ISAF) had only 4,500 members in 2002, all deployed around Kabul. The alliance now commands some 31,000 troops, boosted by 10,000 troops from the US-led coalition that ousted the Taliban five years ago.

By comparison Kosovo, which is around 60 times smaller than Afghanistan, played host to 40,000 NATO soldiers after the 1999 bombing campaign against Serbian forces.

ISAF's chief, British General David Richards, has himself said that current troops numbers are insufficient to counter the violence that has effectively doubled since 2004 and is now marked by a previously alien phenomenon here -- suicide bombings.

The international community's other mistake, according to Rashid, is its failure to press Pakistani authorities to stop allowing their territory to serve as a "refuge for the Taliban".

"The Americans were more worried about Al-Qaeda in Afghanistan than they were about the Taliban. But the lack of pressure by Pakistan means that the Taliban have reorganised with the help of Al-Qaeda," Rashid said.

The United States launched Operation Enduring Freedom in Afghanistan to track down Osama bin Laden after the September 11, 2001 attacks on New York and Washington.

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Faced with US air raids and the oncoming Northern Alliance forces, the Taliban abandoned Kabul on the night of November 12, around a month after the operation started.

But the Al-Qaeda chief remains at large, as does the Taliban's supreme leader, Mullah Mohammad Omar.

Much-needed reconstruction has stopped in several areas because of combat or the withdrawal of Afghan and foreign aid workers, "calling into question some of the modest gains achieved since 2001 such as the return of children to school, especially girls," says US-based Human Rights Watch.

To meet the needs of this destitute country, the NATO forces have embarked on building bridges, schools and clinics but "without a state capable of keeping them up, it is pointless," says Joanna Nathan, a Kabul-based analyst with the International Crisis Group (ICG).

The group has called for reforms in the Afghan government and for a campaign against endemic corruption to stop disillusioned Afghans from swelling the ranks of an insurgency that the ICG says "is going to last for years".

In the eyes of many Afghans the situation is worse than it was five years ago: the cost of living has increased, infrastructure remains deficient and security is still not assured, according to the non-governmental organisation Action Against Hunger.

The insurgents are not the only source of violence, according to experts who also point to local warlords who are often implicated in drug trafficking. Afghanistan is the world's leading producer of opium.

The situation is particularly bad in the south of the country where the Taliban insurgency and the drug trade are both concentrated.

"You would not be able to grow massive poppy fields in regions that were under the control of the central government and foreign forces," Nathan said.

In Pakistan, Recent Attacks Shred Hopes For Regional Peace Model (WP)

By Pamela Constable, Kamran Khan

The Washington Post, November 11, 2006

PESHAWAR, Pakistan -- Two months ago, Pakistan's president, Gen. Pervez Musharraf, triumphantly announced a peace pact with Islamic extremists in the North Waziristan tribal district near the Afghan border, saying he hoped it would become a model for curbing domestic Islamic militancy and cross-border insurgent attacks in Afghanistan.

Today that model lies in shreds. Northwestern Pakistan's fragile political peace has been shattered by two devastating attacks: a government missile strike that killed 82 people at an Islamic school in the Bajaur tribal district on Oct. 30, and a retaliatory suicide bombing Wednesday that killed 42 army recruits at a training camp in the Malakand tribal district.

The missile strike was based on U.S. intelligence reports that the school was being used as a training site for Islamic insurgents, who have found sanctuary across the semi-autonomous tribal areas where Osama bin Laden and other al-Qaeda figures may also be hiding. Now, officials are predicting a new wave of violence, as anti-government anger spreads and religious extremists call for holy war against the Pakistani military and Western forces fighting in Afghanistan.

"This is a disaster. We all recognize the gravity of the situation," said a senior military official in this northwestern provincial capital, speaking on condition of anonymity. "It's a nightmare to have an army being attacked on its own soil and by its own people." After the two incidents, he added, "the doors to peaceful negotiated settlements are closed. I am afraid we are on a war course in the tribal areas."

Public condemnation of the missile attack has been almost universal in Pakistan. Many people say they believe it was actually carried out by a U.S. Predator drone, which witnesses described as circling overhead before Pakistani helicopter gunships arrived. U.S. and Pakistani officials have denied that.

Local leaders have also vehemently asserted that the school, run by a cleric from a banned extremist group, was used only for religious studies and that many young students were killed in the strike. No physical evidence of a training camp has been publicly produced, journalists have been barred from the site, and most of the victims' bodies were too disfigured to identify.

"This was a crime against humanity. Everyone hates America now, and they hate Musharraf for giving in to American pressure," said Bashir Ahmed, 25, a produce trader in a Peshawar market crowded with crates of bananas and pomegranates. "America is the enemy of all Muslims, but they will never defeat us, because we are all becoming al-Qaeda now, even me."

Pakistani military and intelligence officials said they had little choice but to bomb the site after they received overwhelming proof from U.S. intelligence sources that it was being used as a training center for insurgents. A refusal to act, the Pakistanis said, would have badly damaged their relations with the United States, which counts Pakistan as a key ally in the war against al-Qaeda and fundamentalist Islamic terrorism.

"They loaded us with evidence. The strike was absolutely inevitable," said a senior intelligence official, also speaking on condition of anonymity. Another official called the attack a "major test" of military and intelligence cooperation between the United

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States and Pakistan. "We thought about other options, but the Americans weren't ready to take any chances," he said. "We were caught between the devil and the deep sea."

Public outrage has also flared over Wednesday's suicide bombing, in which a man wrapped in a cloak strolled among army recruits exercising on a field and detonated powerful explosives, killing more Pakistani troops than any previous terrorist attack. But many Pakistanis view that bombing as a predictable response to an ill-conceived military action taken under U.S. pressure.

Ansar Abbasi, Islamabad bureau chief for the News International newspaper, called the Bajaur attack "outrageous" and argued in a column that while it might have raised Musharraf's tough-guy image in the West, it served no national interest and could only exacerbate conflict between the army and the civilian populace. "Have we not fallen into a U.S. trap?" he asked.

One political leader in Peshawar said the Bajaur site was definitely a terrorist base but that it was not "politically correct to say so" in the region. Bajaur elders had reached a peace accord similar to the Waziristan pact, he said, but the missile strike came just hours before they were to sign it. "People find this mind-boggling and impossible to understand," he said.

The Musharraf government has long been caught between conflicting domestic and international pressures. Western powers have demanded that it crack down on religious extremists and hunt down al-Qaeda fugitives, widely reported to be hiding in the semi-autonomous tribal belt. But Islamic groups are politically dominant in Pakistan's northwest, and many tribal fighters have fiercely resisted military efforts to dislodge Islamic militants from their midst.

Musharraf's recent attempt at compromise, a series of negotiated settlements with armed Islamic groups and tribal leaders, has been controversial. Critics charge that pacts in North and South Waziristan left both areas under the control of extremists who continue to export violence to Afghanistan. They say the deals were aimed only at extricating army troops from the tribal areas, where they had suffered heavy casualties and public hostility during months of fighting.

At the same time, however, the growing violence has led to urgent calls for mass tribal conflict-resolution meetings, known as jirgas. Afghan President Hamid Karzai recently proposed a series of jirgas in both countries, and the Awami National Party, which represents the ethnic Pashtuns who predominate in Pakistan's northwest, has called for a separate tribal jirga. Party leaders say the only antidote to Islamic radicalization is the ancient tribal code known as Pashtunwali, which prescribes consensual pacts to halt feuds.

"Even though Talibanization is spreading, Pashtunwali is still in people's blood," said Afrasiab Khattak, an Awami party official and human rights activist in Peshawar. "We don't want to settle scores or embarrass the government. Our only agenda is to stop this conflict from getting worse."

The dominant political group in the northwest, a religious party called Jamaat-e-Islami, responded to the Bajaur attack by staging nationwide protests. While Jamaat officially opposes terrorism and has played a responsible leadership role in provincial government for the past several years, it issued calls for jihad after the missile strike, and several key leaders resigned from their government posts or seats in parliament.

In interviews here, several Jamaat leaders echoed the current ambivalence, saying they were horrified by suicide bombings but furious at Western military interference in the region and opposed to the moderate version of Islam promoted by Musharraf.

Abdul Akbar Chitrali, a cleric and Jamaat politician who directs an Islamic academy for boys in Peshawar called the Garden of Knowledge, said he believes in spreading Islam by peaceful means. "But when someone invades you, you have no choice but to resist," he said. "The Americans and NATO have no right to occupy Afghanistan. They are the hooligans causing our problems, not the Taliban or al-Qaeda."

It may never be known whether the tiny Islamic school in Bajaur's Chingai village was a garden of knowledge or a staging ground for terrorists. A group of lawyers from Peshawar who visited the site last week said they saw no evidence of training or weapons.

What they did see was disturbing enough: a tense, angry crowd that surrounded their vehicles, shouting for holy war against the Pakistani and U.S. governments, less than a week after local leaders had been ready to sign a peace pact with the government.

"If it was a military camp, I found no sign of it. But the people were very inflamed," said Barrister Baachaa, one of the lawyers. "Bajauris are known to be quiet and not carrying guns, but the mood is becoming very militant. If Bajaur can fall into Talibanization, so can the other tribal areas, and then I fear it can spread to the settled areas, too," he said. "This has to be contained, but the way they did it in Bajaur has only made it worse."

Khan reported from Karachi.

Then And Now, Female Soldiers Just Do Their Jobs (NYT)

By Maura J. Casey

The New York Times, November 11, 2006

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One of my most prized possessions is a set of World War II dog tags. They are inscribed with my mother's name and serial number: Jane I. Murray, A-218847.

She enlisted in the Women's Army Corps at 21, determined to get as near to the front as possible. She got no closer to combat than Fort Riley, Kan. Her Army years became her one great adventure before returning to marry and have six children in seven years, a daunting task for which her warrior's ethos probably came in handy.

My mother's service gave her a lifelong belief in women's abilities. She horrified my friends during the Vietnam War when she argued that women should have been included in the draft, since they had an equal obligation to serve. The courage and competence of women currently serving in Iraq and Afghanistan would have come as no surprise to her.

Yet, despite what women in uniform have accomplished, there are critics who want to curtail their military roles. Despite Pentagon policy that keeps women from entering combat units like infantry, armor or field artillery, some conservatives profess horror that women are members of any combat support units in harm's way.

Because of this, Representative Duncan Hunter, the California Republican who is the outgoing chairman of the House Armed Services Committee, tried to amend the 2006 defense authorization bill to restrict the role of women in the Army. It would have barred women from nearly 22,000 jobs. The measure was withdrawn once it became clear it wouldn't pass.

But reality has overrun critics' arguments. Between Iraq and Afghanistan, 68 women have been killed in action, and 436 have been wounded, according to the Pentagon's Web site. In the midst of what is truly a 360-degree front, some still insist that women should not be in the line of fire before the country has an "open debate" on the impact of women on morale, readiness and military cohesion in time of war.

In truth, that debate has never ended, no matter how well women have served, and has largely been a ludicrous waste of time and millions of dollars. In the last 30 years, two federal commissions examined the impact of women in the military for months on end.

The Army alone has conducted at least a dozen major studies on how women should be utilized. The studies found that, properly armed and trained, women enhance unit readiness and cohesion, said Brig. Gen. Pat Foote, who is retired. "Women have been pulled through more knotholes with people questioning their abilities," she said. "Women can do anything they are trained for."

The questions prove equally exasperating to women like Col. Patricia Jernigan, retired, who is a board member for the United States Army Women's Foundation. "An airplane doesn't care who is flying it," she said. "A rifle doesn't care who is firing it. Judge women on performance."

Given the ease of modern communication, from cellphones to e-mail, if women were not measuring up in Iraq, that would have become very clear by now. Last year, the Pentagon quietly approved creation of the Combat Action Badge, awarded to Army combat support soldiers who come under fire and engage the enemy. Sgt. April Pashley, of Egg Harbor Township, N.J., was among the first five recipients.

My mother never fought. But every day for the 30-plus years she lived after the war, she was proud she had enlisted. And despite the passage of time, there remains a fundamental bond between the experience of Army women today and that of my mother, so very long ago: all she wanted was to be a good soldier.

CORPORATE SCANDALS:

Fastow Gets His Moment In The Sun (NYT)

By Alexei Barrionuevo

The New York Times, November 10, 2006

HOUSTON, Nov. 3 — No one sold tickets, but the Andrew S. Fastow show cost a small fortune.

And while it was light on laughs, it even featured window washers who moved in the background like shadowy ninjas before a nervous audience of big-name Wall Street lawyers representing some of the largest banks in the world.

For eight and a half days, Mr. Fastow, Enron's former chief financial officer, held some 70 lawyers rapt in a downtown Houston conference room as he delivered the most expansive deposition yet in a spate of lawsuits stemming from Enron's 2001 collapse. His much-anticipated appearance, which ended on Nov. 2, was the first time an Enron insider had sought to help shareholders recover money in the civil litigation.

Lawyers representing Enron investors have already won settlements for $7.3 billion of the $40 billion shareholders claim they lost in Enron's 2001 collapse. On Nov. 1, the latest settlement — an agreement by Arthur Andersen, Enron's former accounting firm, to pay $72.5 million — was disclosed.

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But it is far from clear whether the testimony of Mr. Fastow, a convicted felon who masterminded some of the fraudulent transactions that hid the company's poor financial health, will be enough to push the seven banks that have not settled to the negotiating table.

A number of the banks named in the consolidated Enron shareholders' suit argued that they were now in the catbird seat, and they played down the significance of Mr. Fastow's deposition.

The Royal Bank of Scotland, one of the seven banks yet to settle, said "there was nothing in Fastow's deposition that changes R.B.S.'s view of the case."

Merrill Lynch said the deposition "did not break any material new factual ground." Mark Herr, a Merrill spokesman, said the bank viewed a decision by a federal appeals court on Nov. 1 as more important than what Mr. Fastow had to say.

The appeals court said it would review the basis on which Judge Melinda Harmon of United States District Court allowed the case to proceed as a class action. If the court rules that Judge Harmon erred in certifying the class, the civil suit could be thrown out for the remaining banks.

Judge Harmon dropped Barclays and Deutsche Bank from the shareholder suit this summer, saying their actions amounted to aiding and abetting Enron but not to direct involvement in the fraud.

Plaintiffs' lawyers, though, hailed Mr. Fastow's appearance as a milestone in the sprawling and stunningly expensive Enron civil litigation.

Mr. Fastow calmly outlined the role of the banks in helping Enron meet its earnings targets while hiding its poor cash flow and mounting debt. He named specific bankers without prompting, recounted private conversations with them and corroborated sheaves of the banks' internal documents, according to those who witnessed the deposition.

He testified that he viewed the banks as Enron's "problem solvers." They would "lend their balance sheets," he said, and provide loans disguised as something else to pump up Enron's poor cash flow and reduce the debt on its balance sheet.

"We were changing how Enron appeared to the outside world," Mr. Fastow said in his deposition.

According to J. B. Heaton, a lawyer who represents several investment funds holding Enron debt and seeking relief in a private-action suit, "there were no smoking guns" in Mr. Fastow's testimony.

Mr. Heaton added, though, that "it was the power of corroboration and the consistency under nine days of questioning that was so impressive. That's why it was believable."

The deposition drew lawyers representing 10 major banks and top Enron executives who have not been charged with crimes. It was also streamed live over the Internet so law firms in New York, London and elsewhere could listen in.

With the typical lawyer in the case billing about $450 an hour, the legal fees just to follow the testimony could cost at least $2.1 million, and the overall price tag of the litigation is expected to reach hundreds of millions of dollars.

Mr. Fastow's switch from defendant to plaintiffs' witness was engineered by Lerach Coughlin, the San Diego-based law firm pursuing shareholders' claims. It released Mr. Fastow from the shareholder case after he agreed to give a sworn declaration and sit for the deposition. The firm is paying legal fees for Mr. Fastow's lawyer, Craig Smyser.

Mr. Fastow acknowledged in his deposition that he hoped his criminal sentence might be lowered if he agreed to help the shareholders recover money in the civil case. Yet Mr. Smyser said Mr. Fastow was motivated more by a need to set the record straight.

"This was part of a personal journey to redeem himself as much as he can," Mr. Smyser said.

Judge Harmon granted Mr. Fastow daily release from a Houston federal detention center after he gave the court a 25-page statement detailing what he viewed as the banks' roles in Enron's fraud. Mr. Fastow offered the statement on the day he was sentenced for fraud; a judge reduced his sentence to 6 years, from the 10 he had expected to receive.

[Mr. Fastow was moved on Nov. 7 to Oakdale, La., where he will serve his time in a minimum-security camp in the same complex as a low-security prison where Bernard J. Ebbers, the former chief executive of WorldCom, is serving his 25-year sentence for fraud.]

Each day United States marshals escorted a shackled Mr. Fastow from the detention center, where he awaited his prison assignment in solitary confinement, to the 21st floor of a downtown Houston office building, where a "deposition center" was set up specifically for the Enron civil cases.

Dressed in olive green garb, he sat in front of a blue screen with his back to the windows and answered questions, with only occasional breaks, from 9 a.m. to nearly 6 p.m. on most days.

Tensions were high that first morning, according to several people who witnessed the deposition. About 30 lawyers packed into the main conference room, sitting on either side of Mr. Fastow. Almost 40 more watched on video feeds in two overflow rooms.

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Suddenly, four shadowy figures with ropes appeared, hanging outside the windows of the main room, which had the blinds drawn. A marshal scrambled to the windows. One lawyer for a major bank said the figures resembled ninjas. It turned out they were window washers.

"A lot of uncomfortable smiles broke out," Mr. Heaton said. During the deposition, Mr. Fastow discussed how he prioritized the banks Enron dealt with. "Tier 1" banks were those willing to lend Enron up to $1 billion. In October 2001, as Enron's financial situation was unraveling, he sought to elevate two banks — Chase and Citibank — into an even higher category if they would agree to help bail out Enron by lending up to $2 billion between them, he said.

Mr. Fastow said he tried to make clear to Citibank, a unit of Citicorp, and Chase, a unit of J. P. Morgan Chase, that "this was extraordinarily important to Enron and that this would, going forward, set them apart from any other bank."

Both banks declined to comment. They have previously settled shareholder claims but still face billions of dollars of liability in private-action suits.

While Mr. Fastow gave testimony useful to the plaintiffs' cases, he also gave some ammunition to defense lawyers by admitting that he consistently lied to the banks about Enron's true financial condition. He never "opened his kimono," he said, for fear that they would effectively shut Enron down if they knew how precarious its position was.

And Mr. Fastow revealed more about Enron's corporate culture. In early 1999, a tour with analysts of Enron's new energy services trading floor was staged to make it look busier than it was, he said. Mr. Fastow wanted to play music from the movie "The Sting" during a dry run, as a joke.

He changed his mind after learning that Kenneth L. Lay, the company's chief executive, would be there. "I didn't think he had the same sense of humor," Mr. Fastow said.

Corporate Crime In H-P Case, New Sheriff Comes To Town (WSJ)

By George Anders

The Wall Street Journal, November 11, 2006

The criminal prosecution of former Hewlett-Packard Co. chairman Patricia Dunn -- who is due to be arraigned on Friday -- could get a fresh look from one of California's best-known politicians.

On Nov. 7, California voters picked Democrat Jerry Brown -- the former governor and presidential candidate -- to be the state's next attorney general. Mr. Brown, who is currently mayor of Oakland, will begin his new job Jan. 9.

As attorney general, Mr. Brown will have ultimate authority in deciding how to proceed with People vs. Dunn, a case filed in state court in San Jose last month by William Lockyer, the current AG. The state's case focused on allegedly improper techniques used by H-P and its agents to gather phone records and other personal data for an investigation of boardroom leaks.

Mr. Lockyer took a negative view of H-P's conduct. "One of our state's most venerable corporate institutions lost its way," he said in an Oct. 4 briefing about the state's case. "In this misguided effort, people inside and outside H-P violated privacy rights and broke state law."

Tom Dresslar, a spokesman for the attorney general's office, said he expects the Dunn case will be "a candidate for review" by Mr. Brown, "if only to get him up to speed on the evidence we gathered and why we brought the case."

During his campaign for the AG post, the 68-year-old Mr. Brown focused his attention on other issues, vowing to take steps to protect public safety, abortion rights and California's recently enacted curbs on greenhouse-gas emissions. A spokesman for Mr. Brown declined to comment on how the attorney general-elect might view the Dunn case.

Mr. Dresslar reaffirmed his office's confidence in the merits of the H-P privacy-invasion case. "We had prosecutors with a combined 74 years of experience working on the case," he said. Still, he acknowledged that with Mr. Lockyer's tenure coming to an end, cases in progress could be reassessed. Mr. Lockyer was elected state treasurer on Tuesday; he will switch to his new job in early January.

Ms. Dunn and four other people were criminally charged in the state's case last month. The other defendants, including former H-P ethics director Kevin Hunsaker, have already entered pleas of not guilty. Ms. Dunn is expected to do the same at her arraignment.

3 Qwest Executives Cash In Options (AP)

By The Associated Press

AP, November 11, 2006

DENVER, Nov. 10 (AP) — Three executives at Qwest Communications International made more than $43 million by cashing in stock options, according to regulatory filings.

The chief executive, Richard C. Notebaert, made a profit of $18.4 million and the chief financial officer, Oren G. Shaffer, made $18.5 million, according to a Securities and Exchange Commission filing.

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The chief legal officer, Richard N. Baer, made a $6.4 million profit, according to documents filed earlier this week.

A Qwest spokesman, Nicholas Sweers, said that Mr. Notebaert planned to donate his after-tax proceeds to charities. Mr. Sweers did not identify the charities.

Mr. Shaffer and Mr. Baer have not revealed any plans for their proceeds.

The sales were disclosed about a month after Qwest's founder and largest shareholder, Philip F. Anschutz, contracted to sell 80 million shares through 2010.

Mr. Sweers said the executives retained substantial stock options. With Qwest share prices up by more than 80 percent year-over-year, "all shareholders have been rewarded by the company's financial and operational performance," Mr. Sweers said.

Qwest has announced plans to buy back up to $2 billion worth of its stock over two years.

Its shares fell 22 cents, to $8.23.

The company, based in Denver, is the primary phone service provider in 14 Midwestern and Western states.

SEC, Accounting Board Officials To Weigh Sarbanes-Oxley Update (WP)

By Carrie Johnson

The Washington Post, November 11, 2006

Leaders of the Securities and Exchange Commission and the panel that oversees the accounting industry will meet Sunday in an effort to resolve differences over how to overhaul a controversial corporate accountability measure that business groups have targeted as overly expensive.

Tension over a part of the 2002 Sarbanes-Oxley law, which requires companies to review their financial controls and to have auditors pass judgment on them, spilled into public view this week after the release of portions of a letter by SEC Chairman Christopher Cox proposing changes.

The Public Company Accounting Oversight Board, which reviews the work of auditors, met privately for 90 minutes yesterday to consider how to respond to Cox's letter, which urged the board to be flexible and cost-conscious in response to complaints from businesses. Cox and former Federal Reserve Board official Mark W. Olson, who now leads the accounting panel, are to meet this weekend to discuss the issues.

The exact language in Cox's letter has not been made public. Both agencies declined to release it yesterday. But speculation raged after reports suggested that Cox had proposed that small and mid-size companies could avoid reviews of their internal controls altogether or that regulators could render the reviews virtually useless by significantly heightening the standard for what kinds of transactions were important enough for auditors to assess.

Cox, in a telephone interview yesterday, rejected the notion that regulators would gut the internal control standard, which was put in place to help detect fraud and financial errors. Instead, he said, the goal was to retool the provision using "the lessons learned from the past four years," including making sure that "things that don't have to do with financial statements don't have excessive attention" and ensuring that small companies do not bear "disproportionate" cost burdens. Cox declined to be more specific, adding that some of the language mentioned earlier in the week was flatly inaccurate or had already been "overtaken by events."

Several of Cox's ideas spring from a report last year by a committee of small business leaders, which entreated the agency to exempt their companies from internal control reviews. Cox publicly rejected that option. But concern has persisted over the wording of the changes, and what they mean in practice, which can be difficult to grasp for anyone who is not an accountant.

Any formal proposals from the session between Cox and Olson would be unveiled at open meetings next month and subject to public comment, after which they could be modified, regulators from both agencies noted.

After years-long and increasingly intense lobbying, congressional leaders including the presumptive chairman of the House Financial Services Committee, Barney Frank (D-Mass.), and Senate Banking Committee member Charles E. Schumer (D-N.Y.) have called on regulators to ease the burden for industry.

Regulators are racing against the clock. The SEC and the accounting oversight board need a plan in place by March or April at the latest to influence the next round of corporate audits.

The nation's biggest accounting firms have reaped record profits from more-intense audits since Congress passed the law after scandals at Enron Corp. and WorldCom Inc. four years ago. PricewaterhouseCoopers LLP, Deloitte & Touche LLP, KPMG and Ernst & Young renewed a plea this week to insulate themselves from liability for failed audits. Because the firms insure themselves, they say they are at risk of financial disaster if they are deceived by a team of executives engaged in fraud. It is unclear whether the industry, which was tarnished after failing to detect widespread accounting fraud in recent years, has recovered sufficient clout to move ahead with liability reform.

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The ongoing and increasingly heated debate over the internal controls provision also renewed tensions between the accounting oversight board, whose members and budget are approved by the SEC, and securities regulators. The board, which was created under the Sarbanes-Oxley law, has struggled to maintain its independence after early skirmishes over leadership. In February, the Free Enterprise Fund sued the board, arguing among other things that it lacked authority under the U.S. Constitution. A federal judge in Washington is considering the case and has requested argument from both sides next month.

SEC Chairman Backs Creation Of One Regulator For Brokerages (WSJ)

By Judith Burns, Randall Smith

The Wall Street Journal, November 11, 2006

BOCA RATON, Fla. -- The chairman of the Securities and Exchange Commission threw his weight behind regulatory relief for Wall Street, endorsing creation of a single regulator to oversee brokerage firms.

Talks to merge the oversight of securities firms by the National Association of Securities Dealers and NYSE Group Inc.'s New York Stock Exchange have heated up, and could result in an accord in the next few months, according to people familiar with the talks.

The new entity, which hasn't been named yet, would combine the two regulators' routine rule-making, inspection and enforcement functions, while leaving in place the ability of the Big Board and other exchanges to police their own trading.

In a speech before a few hundred securities-industry professionals attending a meeting of the Securities and Financial Markets Association here Friday, Christopher Cox repeatedly criticized the current regulatory setup as "antiquated," "redundant," "needless and often harmful."

A new single regulator could be "more nimble and cost effective," he added. And in response to questions he predicted it could be up and running within a year.

Wall Street's main lobbying group, recently renamed SIFMA (after a merger of the stock-market and bond-market trade groups), has been pressing for such relief for several years.

But the effort has gained steam this year amid a broad deregulatory push-back against some rules adopted after the severe stock-market decline of 2000-02 and the collapse of Enron Corp.

Both Wall Street and corporate executives have argued that such rules need to be relaxed so global public companies don't avoid U.S. exchanges. In his speech Mr. Cox said failure to act on the regulatory consolidation could "impair" the strength of U.S. capital markets.

Hedge Funds Could Face New Limits (BLOOM)

By Bloomberg News

Bloomberg, November 11, 2006

The Securities and Exchange Commission will propose rules next month raising asset requirements for investing in hedge funds after one fund, Amaranth Advisers, lost $6.5 billion on bad natural gas trades.

The changes will be proposed to the S.E.C.'s five commissioners at a December meeting in Washington, the agency chairman, Christopher Cox, said yesterday. He did not specify how the agency might limit the pool of hedge-fund investors.

“We’re going to make it very clear that hedge funds are risky investments that are not for mom and pop by fencing it off with higher standards to accrediting investors,” Mr. Cox said in an interview.

Hedge funds are open to individuals with at least $1 million in assets or at least $200,000 in income for the last two years, and also institutions like insurance companies, mutual funds and pension funds. Since Amaranth collapsed in September, lawmakers have become increasingly concerned that a hedge fund meltdown could put pension fund investments at risk.

Mr. Cox said at the meeting on Dec. 13, the S.E.C. would also propose a hedge fund anti-fraud rule as well as new guidelines to help companies and auditors interpret the Sarbanes-Oxley corporate governance law in a way that saves time and money.

The chairman of the Senate Finance Committee, Charles E. Grassley, Republican of Iowa, has asked Mr. Cox and the Treasury secretary Henry M. Paulson Jr. to figure out ways to increase transparency in the $1.3 trillion hedge-fund industry, which is largely unregulated. A federal appeals court in June rejected rules requiring hedge funds to register with the S.E.C. The agency wanted funds to report their size, number of employees and types of clients, and submit to random inspections.

Mr. Cox said that the shift in control of Congress to the Democrats should not impede efforts to revise corporate governance laws.

“This is a hugely bipartisan issue,” Mr. Cox said. “The concerns that we’ve heard expressed on behalf of investors and small companies, and on behalf of the marketplace in general, have come roundly from Democrats and Republicans.”

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Spitzer's Successor May Not Follow In His Footsteps (WSJ)

By Paul Davies

The Wall Street Journal, November 11, 2006

Cuomo Targets Medicaid Fraud, Guns, Government Corruption; Grasso Case Will Be Early Test

Soon, there will be a new sheriff in town.

New York state's departing attorney general, Eliot Spitzer, used the once-provincial job to propel himself onto the national stage: Applying little-known state laws, he crusaded against bad behavior in mutual funds, banking and the insurance businesses, forcing billions of dollars in penalties. He also took on business titans such as Dick Grasso, the former head of the New York Stock Exchange, charging that he was overpaid.

His successor, 48-year-old Andrew Cuomo, inherits an office that has been transformed. Now everyone is waiting to see how Mr. Cuomo, who was elected on Tuesday in a landslide, plans to wield his power.

In an interview, Mr. Cuomo, the son of former New York Gov. Mario Cuomo, signaled that he intends to be different from Mr. Spitzer. Unlike the hard-nosed Mr. Spitzer -- who in his office keeps a picture of Teddy Roosevelt, another New York maverick, who famously crusaded a century ago to break up monopoly businesses like Standard Oil -- Mr. Cuomo said he works best "collaboratively." Mr. Cuomo said his top priorities are to clamp down on Medicaid fraud, the sale and use of illegal guns, and government corruption.

"Just the way Eliot exposed corruption on Wall Street, the attorney general has a responsibility to expose corruption in government," Mr. Cuomo said. He plans to go after big business whenever necessary, but said times have changed since the widespread scandals that erupted after the stock-market bubble burst earlier in the decade. Mr. Spitzer, he said, filled a void left by federal regulators who were slow to respond to questionable business practices.

Mr. Spitzer, who was elected New York's governor on Tuesday, will start his new job in January, as does Mr. Cuomo.

Mr. Cuomo's first test will likely be the case Mr. Spitzer brought against Mr. Grasso. In 2004, Mr. Spitzer sued the former Big Board chief over his $187.5 million compensation package, alleging it was excessive under the state's not-for-profit laws. (The NYSE is now part of a public, for-profit entity, NYSE Group Inc.) Mr. Grasso denies the charges and the lawsuit has turned into a major battle in state court.

Several appeals are still pending, but the judge in the case ruled that Mr. Grasso should give back as much as $100 million in compensation.

The case is expected to go to trial during the first half of 2007, and thus will be prosecuted by Mr. Cuomo's office. Mr. Cuomo brings fresh perspective to the case, which has been bitterly fought on both sides. Depending on how the appeals play out, some speculate that Mr. Cuomo could broker a settlement that avoids a trial. However, any perception that he is giving in could be politically problematic, given that the public now has high expectations for what once was considered a second-tier office.

Mr. Cuomo said he is reviewing the Grasso case and declined to comment on his position.

Despite Mr. Cuomo's shift in priorities for the office, he is expected to maintain a high profile. Politically ambitious, he, too, will likely try to use the position as a launching pad to higher office. "I would be very surprised if the basic playbook were thrown out the window, especially since it was so effective," said Thomas Curran, a former Manhattan assistant district attorney who is now a partner at Ganfer & Shore LLP.

Politics are in Mr. Cuomo's DNA. His father, Mario, was New York's governor from 1983 to 1995. Mr. Cuomo was married to Robert Kennedy's daughter, Kerry, before getting divorced in 2003.

A graduate of Albany Law School, Mr. Cuomo worked in his father's administration before a brief stint as a Manhattan assistant district attorney. He later started a nonprofit that built housing for the homeless. After serving as housing secretary in the Clinton administration, he ran unsuccessfully for New York governor in 2002.

Some observers expect Mr. Cuomo could eventually run for the U.S. Senate if Hillary Clinton (who was re-elected Tuesday) decides to run for president. Wendy Katz, a spokeswoman for Mr. Cuomo, said: "Andrew has said he is 100% focused on serving New Yorkers as their next attorney general, and those are his plans."

In addition to fighting Medicaid fraud and government corruption, Mr. Cuomo says he plans to pursue civil-rights cases and push the federal government to do more to strengthen environmental regulations.

He plans to focus on more-traditional consumer issues, the mainstay of the office, which traces its roots back to Dutch colonial days in the 1600s. Several early New York attorneys general parlayed the job to national office, including Aaron Burr, who held the office in the late 1700s before eventually becoming Thomas Jefferson's vice president (and, of course, killing Alexander Hamilton in a duel).

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Mr. Spitzer did his share of consumer cases. But he made his name prosecuting big, national corporations in part by using obscure state laws such as the 1921 Martin Act, which let him subpoena documents and force executives to testify -- powers that most state attorneys general don't have.

"Eliot is a very tough act to follow," said John Moscow, a former Manhattan assistant district attorney, who is now a partner at the law firm Rosner, Moscow & Napierala.

Investigating conflicts of interest on Wall Street was Mr. Spitzer's first big splash. In 2002, he exposed how analysts at major Wall Street firms hyped stocks backed by their firms' investment-banking division. Eventually, 10 top Wall Street firms, without admitting or denying guilt, paid a combined $1.4 billion to settle investigations into conflicts of interest between their investment-banking and analyst-research divisions.

Mr. Spitzer took on the mutual-fund industry, investigating a practice known as "market timing" or "late trading" in which fund companies cut special deals with major investors, allowing them to buy fund shares after the market closed, a practice that raised expenses and lowered returns for other shareholders. Since 2003, 18 firms have reached settlements totaling more than $4 billion in fines, penalties and fee cuts for investors.

Mr. Spitzer then went after major insurance brokers, suing Marsh & McLennan Cos. for alleged bid rigging of contracts. The firm paid $850 million in restitution to its policy holders and Chief Executive Jeffrey Greenberg was forced out of his job. American International Group Inc. agreed to pay $1.6 billion in February to settle improper accounting and bid-rigging charges, which forced the resignation of Mr. Greenberg's father, CEO Maurice "Hank" Greenberg.

Mr. Cuomo shrugged off comparisons between himself and Mr. Spitzer. "You do the best you can to meet the needs of the job at the time," he said.

Write to Paul Davies at paul.davies@wsj.com1

Korean Prosecutors Hit Snags In Inquiry Of Lone Star Deal (WSJ)

By Laura Santini

The Wall Street Journal, November 11, 2006

South Korean prosecutors are hitting some stumbling blocks in their investigation of Dallas private-equity firm Lone Star Funds and its 2003 acquisition of Korea Exchange Bank, even as a recent assessment by Korean tax authorities almost wiped out the bank's earnings for the latest quarter.

Tuesday, the Seoul Central District Court rejected prosecutors' second request for arrest warrants for Lone Star Vice Chairman Ellis Short, General Counsel Michael Thomson and country head Paul Yoo, citing lack of evidence regarding warrant petitions for the first two men. Regarding Mr. Yoo, who resides in Korea, the court said he didn't pose a flight risk and wasn't likely to destroy evidence gathered by prosecutors.

Then, Thursday, in an apparent sign of frustration, prosecutors emailed a seven-page document to about 3,000 prominent Koreans, including lawyers, academics and journalists, criticizing the court's rebuff as hampering the investigation.

"We are concerned about the court's decision," a spokesman for the prosecutor's office said. Prosecutors say they are preparing a third petition.

Also Thursday, the prosecutors issued a summons to Messrs. Short and Thomson demanding they appear in Seoul Monday. A lawyer for Lone Star described the summons and the mass email as attempts to justify the third application to the court.

It is unlikely that Messrs. Short and Thomson will travel to Korea on short notice, the lawyer said, adding that Mr. Thomson has met with prosecutors in Seoul several times and as recently as last month.

The Supreme Prosecutor's Office is investigating a number of alleged improprieties concerning the firm's acquisition of Korea Exchange Bank. Lone Star has said the firm and its executives are innocent of the charges. The probe began early this year.

Friday, KEB reported that its third-quarter net profit had dropped 90% from a year earlier, to 51.8 billion won ($55.3 million), because of a provision of 247 billion won made to cover back taxes the government says KEB owes. Revenue declined 7.3% to 1.63 trillion won.

Last month Korea's National Tax Service completed a seven-month audit of KEB for fiscal years 2001 through 2004, assessing back taxes of 311 billion won. At issue are loan-loss provisions that KEB carried forward when it merged the credit-card unit in 2004, lowering its tax bill.

The bank defended its accounting method, saying that it will appeal the tax agency's assessment. "We strongly disagree with the most significant elements of the preliminary assessment and have formally filed for a review and appeal," it said. The National Tax Service declined to comment.

--Lina Yoon and Jeongjin Lim contributed to this article.

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CRIMINAL LAW:

Supreme Court Will Consider Jud (SLPD)

By Adam Sichko, POST-DISPATCH WASHINGTON BUREAU

St. Louis Post-Dispatch, November 11, 2006

WASHINGTON — Mario Claiborne faced a likely prison sentence of 37 to 46 months as he stood before a U.S. District Court judge in March 2005.

That was the recommended range for a prison term under federal sentencing guidelines. But Judge Carol E. Jackson chose to knock nearly two years off the prison term for the 21-year-old St. Louisan, who had pleaded guilty to two cocaine-related offenses.

Claiborne's case now sits before the Supreme Court, which will answer a central question: How does a judge adequately justify a sentence that's well outside the prison term recommended by federal guidelines?

The court agreed last week to hear Claiborne's case, along with a similar case from North Carolina. That case raises the question of how much weight should be given to the advisory guidelines and whether a sentence within the suggested range can automatically be presumed "reasonable."

Lower courts have divided over those issues since the court decided last year to make the guidelines advisory, not mandatory. While district courts were no longer bound by those guidelines, they were still required to take them into account.

In the 2005 opinion, issued before Claiborne was sentenced, the 5-4 Supreme Court majority said it hoped the changes would help "avoid excessive sentencing disparities" while maintaining a level of flexibility. But two justices in that majority, swing vote Sandra Day O'Connor and then-Chief Justice William Rehnquist, are no longer on the court.

Now, the court will re-examine that decision for the first time and seek to clarify whether a presumption of "reasonableness" given to sentencing guidelines actually implies that they're more "mandatory" than "advisory."

Claiborne had no criminal record before he was arrested twice in 2003, both times for cocaine-related activity. In May, he sold 0.23 grams of cocaine base to an undercover police officer in St. Louis, according to court documents. Almost six months later, he dropped a bag of 5.03 grams of cocaine base as he tried to run from St. Louis police.

The judge concluded that even the minimum recommended sentence of 37 months was "excessive." She cited Claiborne's lack of a prior criminal record, the "small quantity" of cocaine he had possessed and the court's finding that he'd be unlikely to commit similar crimes in the future.

"I don't want to minimize what you did — you committed two serious felony offenses," the judge told Claiborne, according to court transcripts. Just after that, the judge said: "I come to the conclusion that a 37-month sentence would be tantamount to throwing you away."

The Justice Department appealed. Government attorneys disputed the lower court's conclusion that Claiborne was unlikely to repeat a similar offense again, calling it nothing more than "a speculative hope." They noted that Claiborne had been arrested for another felony less than half a year after his first arrest for a similar offense.

"It strains credulity to suggest that there are many drug dealers who deal in such quantities first-time offenders or not who receive sentences as low as 15 months' imprisonment," government attorneys wrote.

In February 2006, the 8th U.S. Circuit Court of Appeals in St. Louis agreed that the proposed 15-month prison term was far too short and reflected "substantial leniency."

"The sixty percent reduction granted to Claiborne was an extraordinary variance that is not supported by comparably extraordinary circumstances," the appeals court wrote.

The Supreme Court will likely hear the case in spring 2007.

Agent's Article Puts Case At Risk (AP)

AP, November 11, 2006

BURLINGTON, Vt. (AP) -- The man accused of killing a University of Vermont student from Arlington, Va., is asking a judge to dismiss the charges because an FBI agent wrote a newspaper opinion piece about the case that referred to the suspect as "evil," a "sexual predator" and a "two-legged hyena."

In the opinion piece, which appeared Wednesday in the weekly newspaper Seven Days, the agent wrote anonymously and described his personal reaction during the search for the man accused of killing 21-year-old Michelle Gardner-Quinn.

David Sleigh, the attorney for suspect Brian Rooney, filed a motion Wednesday after the article appeared. He said the article made it impossible for Mr. Rooney to get a fair trial.

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"Agents of the state have deliberately disseminated highly inflammatory and prejudicial comments to the press," Mr. Sleigh said in a three-page motion.

Mr. Rooney has pleaded not guilty to a charge of aggravated murder for the Oct. 7 abduction, assault and killing of Miss Gardner-Quinn after the two met by chance in downtown Burlington.

If convicted, Mr. Rooney, 36, of Richmond, Vt., could be sentenced to life in prison without the possibility of parole.

"I view this release as an unauthorized release," said Burlington Police Chief Thomas Tremblay.

The story was bylined "An Anonymous Cop," but FBI spokesman Paul Holstein said the author was an FBI agent.

"We're not happy with it, and we'll take steps to ensure it doesn't happen again," Mr. Holstein said. "We take it very seriously when we have an unauthorized media contact, and it also is an issue because we have a policy that we do not discuss ongoing investigations or prosecutions."

The article describes the agent's response to the search for Miss Gardner-Quinn and then the efforts to find her killer. Mr. Rooney is not named in the article, but it's clear he is the subject.

Mr. Sleigh contends the article, as well as an appearance of a Burlington police officer on a national cable news program, made it impossible for Mr. Rooney to receive a fair trial.

Seven Days co-publisher and editor Pamela Polston said the paper granted the author's request for anonymity after verifying his identity. She defended the paper's decision to publish the piece.

"We stand behind the freedom of expression of every citizen, including that of law-enforcement officers, and, like all newspapers, offer a forum to our readers for that expression," she said.

Mistrial Called In Online Ad Fraud Case (WP)

By Carrie Johnson, Washington Post Staff Writer

The Washington Post, November 11, 2006

A federal judge declared a mistrial in the fraud case against former PurchasePro Inc. chief executive Charles E. Johnson Jr. after his attorney successfully petitioned to withdraw nearly three weeks into the case, according to court records.

The prosecution of Johnson, an entrepreneur who came under government scrutiny for engaging in questionable last-minute advertising deals with America Online Inc. during the Internet boom, will be separated from the case against three other defendants in the Alexandria trial. Johnson will be tried separately, U.S. District Judge Walter D. Kelley Jr. ruled Thursday.

The exact reasons for the mistrial remained under court seal, although two sources who spoke on condition of anonymity because of the judge's order said they pertained to allegations of misconduct by Johnson, 45, a tough-talking former college basketball player. Johnson, who is known by his nickname "Junior," did not return calls to his cellphone yesterday.

In opening statements to the jury last month, Assistant U.S. Attorney Charles F. Connolly accused Johnson of directing subordinates to destroy e-mail messages, computers and other evidence and suggested that Johnson, whose father was a policeman and former security company operator, had threatened employees who failed to bend to his will.

Johnson denied the charges against him and argued that he put his wealth and his health on the line in an ill-fated attempt to save PurchasePro, his Las Vegas software company.

Johnson's former lawyer, onetime Washington federal prosecutor Preston Burton, yesterday declined to comment, citing ethical strictures. Burton, of the law firm Orrick, Herrington & Sutcliffe LLP, appeared in court Thursday morning for sealed proceedings related to the mistrial, according to the court docket.

Mark W. Foster, a legal ethics expert at Zuckerman Spaeder LLP in the District, said allowing a defense lawyer to quit midstream is rare, particularly in the U.S. District Court for the Eastern District of Virginia, known as the "rocket docket" for its speed and judicial efficiency.

Under Virginia ethics rules, however, defense lawyers are required to come forward if they become aware that their clients intend to break the law or if they possess information that clients have "perpetrated a fraud" on the court by tampering with evidence or other maneuvers.

It remains to be seen what impact the absence of Johnson, who took an active role in his defense, will have on the case. Johnson's actions in the first few months of 2001, as his company struggled to meet analyst targets and as he faced a personal financial crunch, were a centerpiece of the prosecution.

The unusual move left three defendants, former AOL employees Kent D. Wakeford and John P. Tuli and former PurchasePro executive Christopher J. Benyo. The fraud and conspiracy case against them will resume Thursday, when the judge is expected to inform jurors about the mistrial.

Prosecutors contend that PurchasePro and AOL employees worked in tandem to mislead auditors about the nature of a series of ad deals in early 2001. The agreements helped both companies meet revenue expectations at a time when the technology sector had begun to crater.

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Anti-Foley Blogger Speaks Out (LAT)

By Noam N. Levey, Times Staff Writer

The Los Angeles Times, November 10, 2006

The man who first posted the now-resigned congressman's e-mails says he was angry about a culture of corruption.

WASHINGTON — Lane Hudson had no idea he would bring down a congressman when he sat in his living room and turned on his laptop one Sunday morning nearly seven weeks ago.

The former congressional aide, who is gay, had been railing for weeks on his anonymous blog against congressmen who sexually preyed on young people. That day in late September, he decided to post a series of suggestive e-mail exchanges between Rep. Mark Foley and a male former congressional page.

"I thought, 'Here we go. Let's see what happens,' " Hudson, 29, said in a recent interview.

Within days, he had his answer.

Foley, a six-term Florida Republican, resigned in disgrace. And Hudson had launched the biggest Washington sex scandal since Monica S. Lewinsky.

Hudson remained anonymous throughout the fall as the scandal raged and GOP leaders complained of a Democratic conspiracy. Then two weeks ago, he was unmasked by bloggers, who identified him as an organizer for a national gay rights group; Hudson was fired.

'No one did anything'

On the terrace of a hotel in Miami Beach, where he went to escape the political storm, Hudson for the first time talked publicly about his role in the Internet-fueled scandal.

Occasionally defensive and slightly ill at ease, the ambitious South Carolina Democrat fiercely denied a preelection plot. Rather, he said, he was driven by genuine anger at a corrupt environment that protected the powerful on Capitol Hill.

"It's the Washington culture that allowed this to happen," he said. "Now we know the FBI, a host of media organizations, Republican leadership — all were in possession of this same information. And no one did anything about it."

Hudson, who will not say where he got the e-mails, shared them with the Los Angeles Times in July. He posted them anonymously in September, he said, frustrated that the paper was still conducting research and had not published an article.

Hudson's rise to political muckraker and minor Web celebrity did not happen overnight. He has been working phones and knocking on doors for Democratic candidates since his mother took him to volunteer for a relative of his second-grade teacher who was running for the South Carolina Legislature.

"My mother said, Republicans take care of the rich and Democrats take care of everyone else. And we were everyone else," said Hudson, who grew up in the state's cotton country.

Hudson volunteered for candidates through high school and college, including the head of his alma mater. "He was a whirling dervish," recalled Alex Sanders, former president of the College of Charleston, who ran unsuccessfully for the U.S. Senate four years ago.

Hudson moved north in 2001 to join the D.C. staff of Sen. Ernest F. Hollings, South Carolina's last Democratic senator, but he couldn't get to the center of the action in Washington and didn't stay long.

Hudson tried jobs raising money for an Episcopal school in Washington and worked at a bank in Charleston, S.C. In 2004, he went to Wisconsin to work for the unsuccessful presidential campaign of Sen. John F. Kerry (D-Mass.).

"He wants to be involved…. And he really believes in the campaigns he works in," said Liz Patterson, a former South Carolina congresswoman for whom Hudson volunteered in high school. "But the campaigns he has worked on, we haven't won…. I think he's still trying to find his place."

This summer, Hudson moved back to Washington.

Then he acquired the e-mails.

Hudson will say only that the e-mails "weren't hard to come by." Since the scandal broke, it has become clear that numerous media outlets, Republican House leaders, a government reform group and the FBI had them.

Those e-mails — all to a former page from Louisiana — were not sexually explicit. But in one, the congressman asked the boy for a photo and, in another, commented that a different former page was "in really great shape."

Memories triggered

Hudson said he knew immediately that something wasn't right.

Eleven years earlier, as an 18-year-old congressional intern, Hudson had been approached by Foley at a Capitol Hill bar, Hudson said. The congressman asked Hudson for his e-mail address and started sending him invitations to drinks and meals.

"Honestly, I had forgotten about the whole incident," Hudson said. But this summer, a former page mentioned in a casual conversation that Foley "hit on him all the time."

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"It kind of clicked in my head," Hudson said. "I asked another friend who had been a page. I heard the same kind of story, and realized that this guy is just a real creep."

Hudson contacted The Times and, without disclosing his plan to the paper, started an anonymous blog he titled Stop Sex Predators.

"This blog is dedicated to exposing sex predators before they can get to our kids," Hudson announced in his first posting, July 28.

Breathless posts would follow, recapping congressional sex scandals dating to the 1970s and decrying sexual liaisons between interns and older Washington officials.

"The blog was my backup," Hudson said recently. "The blogosphere isn't subject to the same rules as the Washington culture, as the mainstream media."

Just after 11 a.m. Sunday, Sept. 24, Hudson put up the Foley e-mails.

"This is absolutely amazing … ," he wrote that morning. "There must be even more out there. E-mail me … and let me know what we should do!!!!"

By that Wednesday, Wonkette, a popular Washington gossip site, had linked to Hudson's blog. On Thursday, ABC News posted an article on its website.

And Friday, after the network confronted Foley with a series of sexually explicit instant messages between the lawmaker and a different former page, Foley resigned.

"Wow!" Hudson titled a posting that night. In it, he said: "This is a good start…. Maybe we can keep stopping them!!!!!"

Scary response

But the sense of triumph faded as Hudson was deluged with e-mails from journalists and others trying to find out who he was and what he knew.

"Thank you for your interest," he said in a posting a few days after Foley's resignation, "but if you were doing your job to begin with, Mark Foley would have been exposed a long time ago…. I'm nobody that anybody should care about. So, please, go about your day as if I don't exist."

Hudson said he got warnings that he should watch his back. "I kind of got scared," he said.

He scaled back his Internet postings.

And then someone found him out.

Tracking Hudson's Internet profile, a blogger traced him to Human Rights Campaign, a leading national gay political organization.

On Oct. 25, the group fired him. Vice President of Programs David M. Smith praised Hudson's work but said he had violated policy by using a Human Rights Campaign computer to work on his blog.

Hudson flew to New York and then to Miami.

"You know, I had no interest in being public about this," he said last weekend in Miami Beach.

"This was about exposing someone who was a sexual predator. And that's it.

"It's like it's accepted to come to D.C. and have high ideals and believe in something and then have it go away," he continued. "This whole Washington culture allows that to happen. It's not only accepted, it's expected that people become callous and lose their ideals and their focus. And that makes me mad."

Hudson said he was apprehensive about what would happen next.

But he has few regrets. "I did the right thing," he said.

And by election night, he was back in Washington to celebrate the Democratic victories.

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4 Plead Guilty In Wave Of Eco-sabotage (OREG)

By Bryan Denson, The Oregonian

The Oregonian, November 11, 2006

Federal court - An Ashland man admits to conspiracy and arson as part of a radical environmental movement

EUGENE -- For 20 years he denied involvement in eco-sabotage while supporting those who took part. He extolled the virtues of firebombs while serving as a volunteer firefighter. But on Thursday, Jonathan Paul stood before a federal judge and declared himself guilty of arson and conspiracy.

The Ashland resident, 40, a leading voice in the nation's radical movement to protect whales, wild horses and wilderness areas, was one of four people to plead guilty to conspiracy for their roles in a five-year campaign of sabotage in Oregon, Washington, California, Wyoming and Colorado.

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The four were snagged by the largest investigation of eco-sabotage in U.S. history, an 18-crime inquiry into arsons and vandalism the government dubbed "Operation Backfire." Federal prosecutors have charged 13 men and women in Oregon with crimes, most committed on behalf of the Animal Liberation Front and Earth Liberation Front. The two organizations are characterized by the FBI as the nation's leading domestic terrorist threats.

Thursday's pleas by Paul, Daniel G. McGowan of New York and Nathan F. Block and Joyanna L. Zacher, both of Olympia, brought the number of convictions in Oregon to 10, with two others convicted outside Oregon for related crimes. Four others remain fugitives.

At a press conference in Portland, U.S. Attorney Karin Immergut and Robert Jordan, the FBI's special agent in charge for Oregon, declared victory.

"These people claimed they did what they did to protect the environment," Jordan said. "Along the way, they destroyed more than $30 million worth of resources. They spent year after year using violence to try to intimidate you and your government into their twisted way of thinking."

The four defendants in Thursday's hearing pleaded guilty in an agreement with prosecutors, who recommended shorter prison sentences than they were facing. McGowan, Block and Zacher faced 20 years to life and Paul faced as long as 30 years, said Assistant U.S. Attorney Stephen Peifer.

McGowan, 32, sobbing before U.S. District Judge Ann Aiken as he pleaded guilty to arson, said his actions were not the work of a terrorist, but an idealistic young man who cared deeply about saving forests. Block and Zacher pleaded guilty to multiple counts of arson.

The government recommended a sentence of eight years for McGowan, Block and Zacher, and five years for Paul. They are likely to be sentenced early next spring, said Assistant U.S. Attorney Kirk A. Engdall in Eugene.

Defense lawyers had filed court papers seeking to determine whether the government had used warrantless wiretaps to collect evidence against their clients. But they dropped their request and said that helped them strike their plea deals, a claim dismissed by the government.

"There's absolutely no basis for the claim that the NSA (National Security Agency) was involved in this case in any way," said Peifer.

The Jonathan Christopher Mark Paul who sat in court Thursday looked like a milder, middle-aged version of the brash young man who spoke up for the ALF and ELF in an interview with The Oregonian in late spring of 1999.

He was a seasoned activist then, comfortable answering questions on his lawn near Williams in Southern Oregon. Authorities had charged him with a 1986 Animal Liberation Front raid on a University of Oregon lab, a charge dismissed.

Paul lived in a redwood rental home in Northern California, where he broke bread with some of the stars of the radical environmental movement. He was an animal-rights activist who helped unify the so-called bunny huggers and tree huggers. They became fundamentalists in a belief that humans had no business plundering living things for profit.

Paul morphed into a public voice against logging and whaling, denying in his 1999 interviews with The Oregonian that he had taken part in underground eco-sabotage.

Six years passed before the feds closed in. They indicted Paul and a dozen others for their roles in the Operation Backfire crimes.

The indictment accused Paul and others of performing surveillance on Redmond's Cavel West slaughterhouse in 1997, preparing incendiaries, checking their two-way radios and then planting their firebombs for the conflagration that followed.

The Animal Liberation Front later claimed responsibility for burning down the "Cavel West Horse Murdering Plant," claiming success because the company did not reopen.

In his interview nearly two years later with The Oregonian, Paul mentioned the Cavel West arson as a good example of economic sabotage. "Complete success," he said.

On Thursday, after his court appearance, Paul stood atop the steps of Eugene's new federal courthouse with co-defendant McGowan and a gang of friends and supporters. The men let others speak for them.

One of those was Paul's actress sister, former "Baywatch" TV star Alexandra Paul. She described her brother as a man who infiltrated and exposed the mink industry, liberated suffering lab animals, and who got between whales and the men who hunted them.

Aimee Green of The Oregonian staff contributed to this report. Bryan Denson: 503-294-7614; bryandenson@news.oregonian.com.

4 More Plead Guilty In Ecosabotage Cases; Trial May Be Avoided (SEATIMES)

By Hal Bernton, Seattle Times staff reporter

The Seattle Times, November 11, 2006

DOJ_NMG_0093533

PORTLAND — Four more people Thursday pleaded guilty to arson crimes on behalf of the Earth Liberation Front and Animal Liberation Front, raising the possibility that the Justice Department's largest-ever prosecution of ecosabotage will wrap up without a trial.

Since the first arrests in December, the federal government in Washington and Oregon has obtained 12 guilty pleas from men and women who participated in more than 20 arsons and other acts of sabotage in six states. Four other alleged participants have fled the country, including former Microsoft computer-programmer Joseph Dibee, whom federal officials believe has taken refuge in Syria.

Only one defendant still is preparing for a trial. She is Briana Waters, a California violin teacher accused of acting as a lookout in the 2001 arson that destroyed the University of Washington Urban Horticulture Center.

The most recent pleas unfolded Thursday in U.S. District Court in Eugene. They prompted Robert Jordan, FBI special agent in charge for Oregon, to declare victory in a decadelong effort to track down and prosecute the stealthy arsonists of the ELF and ALF.

Calling themselves "the family," cell members fabricated bombs in clean rooms without leaving behind telltale evidence and used hand signals and code words to maintain secrecy. Between 1996 and 2001, various members of the group launched attacks against federal, university and private property that caused some $30 million worth of damage.

"Instead of using reason and logic, they used fire bombs and destruction. Instead of using peaceful, lawful methods they used fears and threats," Jordan said in Portland.

The guilty pleas reflect the strength of the government's evidence, which was bolstered by extensive informants' testimony. The pleas also reflect the harsh consequences should defendants risk a trial and end up being convicted.

Under mandatory minimum sentences approved by Congress, judges would have been required to send most of the defendants to prison for at least 30 years, and some risked life imprisonment for use of firebombs.

Two of the defendants who pleaded guilty in Eugene court are Washington residents. Joyanna L. Zarcher, 28, and Nathan F. Block, 25, who lived together in Olympia before their arrests earlier this year. The government recommended that each serve eight years in prison.

Jonathan Paul, a high-profile Northwest environmental activist who joined in the 1999 protests against the Makah whaling hunt, also entered a guilty plea Thursday.

Paul joined in the July 21, 1997, arson at the Cavel West Horse Meatpacking Plant in Redmond, Ore. The government recommended that he serve five years in prison.

In a statement Thursday, Paul said that his crime was in response to the slaughter of wild horses — "the personification of the American spirit." As Paul viewed the flames, he realized that "fire was an unacceptable means to an end, no matter how compelling," according to the statement.

Paul now lives in southern Oregon, where he has been a volunteer firefighter.

Daniel McGowan, another defendant, spoke of his crimes as he entered his plea.

"I hope you will see that my actions were not those of a terrorist, but of a concerned young person who was deeply troubled by the destruction of Oregon's beautiful old-growth forests and the dangers of genetically modified trees," McGowan, 32, of New York City, said in a tearful statement in court. "... I realized that burning things down did not fit with my visions or belief about how to create a better world. So I stopped committing these crimes."

McGowan's recommended sentence is eight years.

A sentencing date for the defendants has not been set.

The four plea agreements entered Thursday differed in one substantial way from earlier plea agreements: These defendants acknowledged their crimes. But unlike defendants involved in earlier plea agreements, they did not pledge to provide information to assist in prosecuting other individuals, according to Amanda Lee, a Seattle attorney representing McGowan.

These agreements were reached about two months after defendants, in court motions, demanded to know whether warrantless wiretaps by the National Security Agency were used against them.

Assistant U.S. Attorney Kirk Engdall said surveillance was not a factor. Defense attorney Amanda Lee of Seattle said the timing of the plea agreement led her to believe it was.

Engdall and other state, federal and Eugene city officials say that persistence and interagency cooperation were key to cracking the case. They also enlisted the aid of an early informant, Jake Ferguson, who secretly tape-recorded conversations with others.

Though Ferguson has acknowledged participation in arsons, he has not been charged. On Thursday, U.S. Attorney Karin Immergut said, "We are still considering what charges to bring, and what to do with him."

Material from The Associated Press is included in this report.

DOJ_NMG_0093534

Four More Guilty In String Of Arsons (ERG)

By Bill Bishop And David Steves, The Register-Guard

Eugene Register-Guard, November 10, 2006

The final four defendants awaiting trial for conspiring in arsons and sabotage by radical environmental groups took plea deals Thursday in federal court in Eugene, bringing a declaration of victory among law enforcement agencies that worked a decade to dismantle the secretive cell.

In public statements, two of the defendants expressed their regret for crimes they now consider misguided deeds done out of deep devotion to environmental causes.

The four are among 13 defendants in "Operation Backfire," the name investigators gave to their effort to solve a score of arsons over five years in six states that did an estimated $30 million in damage. Most of the arsons were claimed by the shadowy Environmental Liberation Front and Animal Liberation Front.

With Thursday's court action, all defendants have pleaded guilty except three who remain fugitives and are believed to be out of the country.

Under the plea deals, three of the defendants - Daniel Gerard McGowan, 32; Nathan Fraser Block, 25; and Joyanna Zacher, 28 - may get eight-year prison terms. The fourth, Jonathan Christopher Mark Paul, 40, may get a five-year term. All are free to argue for shorter terms at their sentencing hearings, which have not yet been scheduled.

advertisement

Six co-defendants earlier took plea deals that will bring sentences ranging from just over three years to just under 16 years. They also agreed to cooperate in the investigation.

McGowan admitted taking part in 2001 fires at the Superior Lumber Co. in Glendale and at Jefferson Poplar Farm in Clatskanie. Block and Zacher admitted their roles in 2001 in burning 35 vehicles at the former Joe Romania Chevrolet Truck Center in Eugene and in the fire at Jefferson Poplar Farm.

Paul admitted helping to destroy the Cavel West Horse Meatpacking plant in Redmond in 1997.

Thursday's plea deals, unlike the six earlier ones, do not require the defendants to testify against each other or against other co-conspirators - a condition the four defendants demanded in a joint settlement offer made to the government.

Assistant U.S. Attorney Kirk Engdall said the government accepted the no-testimony proposal in order to settle the case. But the defendants' demand carried a price. The government is recommending the four get proportionately longer sentences than the six co-defendants who agreed to cooperate fully, he said.

While the case is all but over, more arrests are possible, Engdall said.

"We believe we have basically disassembled the Northwest cell of ELF/ALF arsonists," Engdall said. "There may be other arrests."

Within moments of the guilty pleas in Eugene, U.S. Attorney Karin Immergut led seven other local, state and federal law-enforcement officials into a press conference in Portland's federal courthouse.

Immergut praised the hard work and cooperation of the FBI; Bureau of Alcohol, Tobacco, Firearms and Explosives; Eugene Police; Lane County sheriff's office; Bureau of Land Management; U.S. Forest Service; Oregon State Police and the state Department of Justice.

"They were relentless, persistent, thorough and dogged," she said. "They got the job done."

Immergut called the four guilty pleas the conclusion of "the largest case of domestic terrorism in United States history," later amending that to say it was the largest case of eco-terrorism.

Environmental activists have criticized the use of the "terrorism" label against perpetrators of property crimes, saying the label unfairly taints the legal efforts of legitimate activist groups and government dissidents. U.S. District Judge Ann Aiken will decide whether to apply harsher sentences under the federal terrorism statute when the defendants are sentenced.

Robert Jordan, the FBI's special agent in charge in Oregon, said the conspirators deserve the punishment awaiting them.

Government Claims Victory Over Ecoterrorism Outfit (AP)

By Jeff Barnard

AP, November 11, 2006

EUGENE, Ore. -- Five years ago a special ecoterrorism task force was stymied by a string of firebombings that caused some $30 million in damage to western ranger stations, genetic engineering facilities, a truck dealership, a ski resort, wild horse corrals and lumber mills.

On Thursday, federal authorities declared they had destroyed the shadowy Earth Liberation Front and Animal Liberation Front, which claimed responsibility for the largest case of ecoterrorism in U.S. history.

Four more people pleaded guilty in U.S. District Court to conspiracy and arson charges stemming from firebombings in Oregon.

That brought to 12 -- 10 in Oregon and two in Washington -- the number of people headed for prison as part of the local, state and federal investigation known as Operation Backfire that was aided by an informant with a wire.

Three suspects remain fugitives. Prescott, Ariz., bookstore owner William C. Rodgers, described as the leader of the Eugene-based cell known as The Family, committed suicide in jail.

"The pleas of these individuals today together with (earlier guilty pleas) have effectively dismantled the Northwest cells of the organizations operating loosely under the mantles of ALF and ELF," U.S. Attorney Karin Immergut said in Portland.

"Today we can declare victory in that fight," added Robert Jordan, FBI special agent in charge for Oregon.

The firebombings attributed to The Family stopped after the terrorist attacks of Sept. 11, 2001, and two of the four pleading guilty Thursday said they quit the attacks because they realized that was the wrong way to protect animals and the environment.

"I hope you will see that my actions were not those of a terrorist, but of a concerned young person who was deeply troubled by the destruction of Oregon's beautiful old-growth forests and the dangers of genetically modified trees," Daniel G. McGowan, 32, of New York City said in a tearful statement read in court. "After taking part in these two actions, I realized that burning things down did not fit with my visions or belief about how to create a better world. So I stopped committing these crimes."

After years of finding little more than melted five-gallon buckets and the residue of diesel fuel, investigators got a break in 2002 when one of the people involved in firebombing a logging company and a gravel pit in 2001 told his girlfriend, and she told her father, a state fire marshal.

Three people were convicted, and the alleged leader of that group, Michael "Tre Arrow" Scarpitti, is being held in Victoria, British Columbia, on a shoplifting charge, fighting extradition.

In 2005, the task force known as Operation Backfire adopted a cold case approach and landed an informant, unindicted co-conspirator Jacob Fergusen of Eugene, who wore a hidden recording device as he traveled the country talking with his old friends, who had disbanded.

Assistant U.S. Attorney Steven Peifer said in Portland that the cell was tough to crack, because the members assembled their bombs in clean rooms, leaving behind no fingerprints or even DNA evidence, seldom talked to each other, and used code words and even hand signals.

The four in court Thursday were Joyanna L. Zarcher, 28, and Nathan F. Block, 25, both of Olympia, Wash.; Jonathan Christopher Mark Paul, 40, of Ashland, and McGowan.

They were headed for trial on charges carrying life sentences when the plea agreement was announced, two months after they demanded to know whether warrantless wiretaps by the National Security Agency were used against them. Their guilty pleas came with recommended sentences of five to eight years in prison.

Assistant U.S. Attorney Kirk Engdall denied NSA surveillance was a factor in the investigation or the plea agreement, but defense attorney Amanda Lee of Seattle said the timing of the plea agreement led her to believe it was.

She said the defendants were happy they would not have to testify against others.

Sentencing is not expected until spring, but prosecutors recommended eight years in prison for Block, Zacher and McGowan, the son of a New York transit policeman who was working for a nonprofit law firm helping abused women when he was arrested in New York.

Because he had taken part in only one firebombing, Paul's recommended sentence was five years.

McGowan pleaded guilty to conspiracy to commit arson and topple a high-voltage electric tower in Central Oregon in December 1999, serving as lookout for the 2001 firebombing of the Superior Lumber Co. office in Glendale, and attempted arson and arson at the Jefferson Poplar Farm in Clatskanie in 2001.

Block and Zacher both pleaded guilty to the conspiracy charge, setting fire to SUVs at the Romania Chevrolet Truck Center in Eugene in 2001 and attempted arson and arson at the tree farm. Prosecutors recommended a sentence of eight years for each.

Paul, an independently wealthy animal rights activist and volunteer firefighter, pleaded guilty to conspiracy and the 1997 firebombing of the Cavel West horse slaughterhouse in Redmond.

His sister, actress Alexandra Paul, read a statement outside the courthouse saying Paul had fought against mink farms, laboratory testing of animals, and Indian whale hunting, and he had always taken responsibility for his actions.

"When Mr. Paul saw the flames engulf the Cavel West slaughterhouse in Redmond, Ore., he realized that fire was an unacceptable means to an end, no matter how compelling," she said.

Paul Pleads Guilty To Eco-arson (MEDMT)

DOJ_NMG_0093536

Medford Mail Tribune, November 11, 2006

Greensprings man calls it 'unacceptable means to an end'; 3 others admit guilt

EUGENE — Greensprings resident Jonathan Paul pleaded guilty Thursday to arson and conspiracy to commit arson in a 1997 firebombing of a horse slaughterhouse in Redmond.

Paul, 40, also repudiated violence as a way to protect the environment or animals during a plea hearing with three other defendants in the new U.S. District Court here. All four had been arrested in the federal government's "Operation Backfire" investigation of Animal Liberation Front and Earth Liberation Front activities beginning in fall 1996 and continuing through fall 2001.

A five-year sentence has been recommended for Paul, whom prosecutors say was a member of the ALF at the time the slaughterhouse was destroyed by fire on July 21, 1997. The plant, which suffered more than $1 million in damage, was not rebuilt.

The arson charge carries a potential maximum sentence of up to 20 years in prison and a $250,000 fine.

After the hearing, Paul's sister, actress Alexandra Paul, read a statement for the family.

"When Mr. Paul saw the flames engulf the Cavel West slaughterhouse in Redmond, he realized that fire was an unacceptable means to an end, no matter how compelling," she said. "He immediately abandoned arson as a valid way of making the mistreatment of animals unprofitable."

She also noted that her brother, a volunteer firefighter, had a legacy of personal responsibility that included working to stop cruelty to animals as well as taking action to protect the environment. She would not take questions.

During a break in the hearing, Jonathan Paul declined to talk to the Mail Tribune. "Talk to my lawyer," he said.

Attorney Marc Blackman of Portland was equally closemouthed after the hearing. "I have no idea how it will turn out," he said of Paul's sentencing, which is expected in the spring.

In addition to Paul, the other three defendants in court Thursday included Daniel McGowan, 32, of New York City, and Nathan Block, 25, and Joyanna Zarcher, 28, both of Olympia, Wash.

An eight-year sentence has been recommended for McGowan, who was working for a nonprofit law firm helping abused women when he was arrested in New York. He pleaded guilty to serving as a lookout for the 2001 firebombing of the Superior Lumber Co. office in Glendale; conspiracy to commit arson and topple a high-voltage electrical tower in Central Oregon in late 1999; and attempted arson and arson at the Jefferson Poplar Farm in Clatskanie in 2001.

McGowan, who made a statement before Judge Ann Aiken, said he regretted the actions that brought him to court but said he remained committed to protecting the environment.

Block and Zarcher both pleaded guilty to a conspiracy charge related to setting fire to SUVs at the Romania Chevrolet Truck Center in Eugene in 2001 and attempted arson and arson at the tree farm that year. Like McGowan, they are facing the recommended sentence of eight years.

"The pleas of these individuals today, together with (earlier guilty pleas) have effectively dismantled the Northwest cells of the organizations operating loosely under the mantles of ALF and ELF," declared U.S. Attorney Karin Immergut during a press conference in Portland, according to The Associated Press.

"Today we can declare victory in that fight," said Robert Jordan, FBI special agent in charge for Oregon.

With Thursday's hearing, a dozen alleged ALF or ELF defendants have now pleaded guilty to conspiracy and arson charges in the investigation, which involved cases in Oregon, Washington, California, Wyoming and Colorado.

In Eugene, the small courtroom was packed with supporters of the four defendants.

"We're here to show moral support for Jonathan," said one, who would not give his name. "He did the wrong thing but his heart is in the right place."

Before the plea bargain agreement was announced this week, all four defendants had been scheduled for trials on charges that could have carried life sentences. Two months ago, their defense attorneys had asked the federal government whether warrantless wiretaps by the National Security Agency had been used against the defendants.

Assistant U.S. Attorney Kirk Engdall denied the NSA surveillance was a factor in the investigation or the plea agreement, according to the AP. However, Amanda Lee, an attorney representing McGowan, said Thursday she believed it was a factor, given the timing of the plea agreements. She noted the four defendants did not testify against each other as part of the plea.

Gun Collector Fails Polygraph Over Second Barrel Purchase (SEATIMES)

The Seattle Times, November 11, 2006

A Bellevue gun collector questioned in the 2001 slaying of Seattle federal prosecutor Thomas Wales has failed an FBI polygraph test about whether he owned two gun barrels that were the same type as the one used in the shooting, his lawyer said Thursday.

Albert Kwan agreed to the polygraph test last month after he was indicted and jailed in a different case for illegal possession of a machine gun.

His lawyer, Joseph Conte, of Washington, D.C., revealed the test result at a Thursday court hearing.

At the hearing, U.S. District Judge Thomas Zilly released Kwan from custody on the condition that Kwan post a $250,000 bond. Zilly also ordered Kwan to wear a location monitor, not possess firearms, and surrender his Hong Kong, British and U.S. passports.

Previously, Kwan refused four times to testify before the grand jury investigating the Wales killing, invoking his Fifth Amendment right against self-incrimination.

FBI agents do not believe Kwan shot Wales, but want to know if he provided the gun barrel to someone who did.

Slugs and shell casings from the Wales crime scene show that the weapon was an Eastern European handgun called a Makarov that was fitted with a replacement barrel, the FBI said. Wales was shot to death in his Queen Anne home on Oct. 11, 2001.

FBI agents have pressed Kwan about his apparent purchase of two Makarov replacement barrels.

Kwan's lawyers have said he only recalls buying one barrel, which he turned over to the FBI and which has been ruled out in the crime.

But the FBI has receipts showing Kwan bought two in 1996 from the Minnesota company that makes them, according to a recent affidavit by Special Agent Ron Bone, lead investigator in the Wales case.

The lead suspect in the homicide is a commercial airline pilot formerly of Bellevue who now lives in Snohomish. Wales had prosecuted the pilot for fraud, but charges eventually were dropped.

Before the pilot moved from Bellevue, he lived only several miles from Kwan.

After Thursday's hearing, Conte said federal investigators told him that Kwan had failed the polygraph. Conte said he wants an independent polygraph examiner to review the government's test.

"It's our opinion that if you can't help the government, then they say you're not telling the truth," the lawyer said.

Polygraph evidence is generally not admissible in criminal cases because results are not considered reliable enough. Steven Clymer, the special prosecutor assigned to the Wales investigation, declined to comment.

Agents have tried to trace the roughly 3,500 barrels sold in the U.S. by the Minnesota company before Wales was killed. The FBI said 69 such barrels had been shipped to customers within 50 miles of the Queen Anne homicide scene.

Agents have not been able to locate and test about 30 of those barrels, including the one they are pressing Kwan about.

When Kwan was first contacted by the FBI in August 2003, he evaded agents, ignored a subpoena and provided misleading information about his travel and whereabouts, according to agent Bone's affidavit.

Kwan was arrested as a material witness in January 2005 at Seattle-Tacoma International Airport as he prepared to travel to China, Bone wrote.

The gun collector was held for 23 days during which agents searched his Bellevue home. There they found hundreds of legal firearms, including several machine guns. Federal agents seized an M-14 assault rifle they allege was an unlicensed machine gun.

Kwan was indicted in September on the gun charge. A federal magistrate ordered that Kwan be kept in custody as a flight risk and a potential danger to the community.

Kwan's attorneys asserted that authorities brought the charge to try to pressure Kwan into cooperating with the Wales probe.

Man Once Held In Wales Killing Fails Polygraph (AP)

AP, November 11, 2006

SEATTLE (AP) -- A Bellevue gun collector failed an FBI polygraph test about whether he owned two gun barrels like those used to kill federal prosecutor Thomas Wales, his lawyer says.

Albert K. Kwan has been a person of interest in the unsolved 2001 slaying because sales records indicate he purchased the two gun barrels from a Minnesota company back in the mid-1990s. While prosecutors apparently do not believe Kwan shot Wales, they are interested in knowing if he provided a gun barrel to the person who did.

Kwan has only provided one Makarov pistol replacement barrel to investigators, maintaining he doesn't remember ever purchasing a second one. He agreed to take a polygraph test last month after he was indicted on an unrelated charge of illegal machine gun possession.

After a U.S. District Court hearing Thursday, Kwan's lawyer, Joseph Conte, told The Seattle time that according to federal investigators, Kwan failed the polygraph. Conte said he wants an independent polygraph examiner to review the government's test.

"It's our opinion that if you can't help the government, then they say you're not telling the truth," the lawyer said.

At the hearing, Judge Thomas Zilly said he would release Kwan from custody on the machine gun charge as long as he posts a $250,000 bond, wears a location monitor, does not possess firearms, and surrenders his Hong Kong, British and U.S. passports.

Previously, Kwan refused four times to testify before the grand jury investigating the killing of Wales, invoking his Fifth Amendment right against self-incrimination.

The only publicly identified suspect in the Wales killing is a commercial airline pilot, formerly of Bellevue and now of Snohomish, whom Wales had prosecuted in a fraud case. When Wales was killed, the pilot lived just a few miles from Kwan. Kwan's lawyers have said they do not believe Kwan and the pilot ever met; the pilot's lawyer insists he's innocent.

Former LAPD Spokesman Indicted On Sex Charges (LAT)

From A Times Staff Writer

The Los Angeles Times, November 11, 2006

Former Los Angeles police spokesman Roderick "Rod" Bernsen was indicted Thursday on two felony counts of "abusive sexual contact" stemming from an alleged incident with two 12-year-old boys in a cruise ship sauna.

Bernsen, 58, also a former Fox 11 news reporter, was arrested Oct. 7 after the boys told the FBI that he had tried to talk with them about sex and then touched one boy's penis with his toe and spanked another's bare buttocks, according to an affidavit.

If convicted, he faces up to two years in prison, a spokesman for the U.S. attorney said.

Bernsen's attorney, Alan Rubin, said his client was innocent. "He is a good guy, a decent guy, and he will defend against these charges," he said.

Suit Links Ovitz To Pellicano Case (LAT)

By Andrew Blankstein And Greg Krikorian, Times Staff Writers

The Los Angeles Times, November 10, 2006

The former Hollywood agent's attorney denies ex-reporter's allegation that he took part in a plan to threaten her.

A former Los Angeles Times reporter has alleged in a civil lawsuit that onetime Hollywood power broker Michael Ovitz participated with indicted private investigator Anthony Pellicano and others to intimidate and threaten her.

The former reporter, Anita M. Busch, originally filed a civil suit in 2004 that identified Pellicano, several of his associates and numerous unnamed defendants as responsible for an alleged campaign of "threats, intimidation, harassment and invasion of privacy for the purpose of deterring … and retaliating against [Busch] for investigating and writing articles about the entertainment business."

An amendment to the civil complaint, which was filed Monday in Los Angeles County Superior Court, states that one of those unnamed defendants — identified earlier as "Doe 4" — is Ovitz, a co-founder of one of Hollywood's best known talent agencies, Creative Artists Agency.

Other than naming Ovitz, Busch's filing details no alleged actions by Ovitz.

The suit says only that he was one of dozens of defendants who were involved in "directing, organizing, commanding, employing and/or hiring individuals to engage in the unlawful and tortious conduct."

Busch and her attorney, Ian Herzog, could not be reached for comment.

In a brief statement, Ovitz's attorney, James Ellis, said: "My client had nothing to do with this. It's unfortunate that Ms. Busch has chosen to involve him in this matter."

Ovitz previously has acknowledged that his outside law firm hired Pellicano to assist in the defense of three lawsuits filed in 2002 against Artist Management Group, a second talent agency established by Ovitz. Pellicano was paid $75,000 for that work.

After helping found Creative Artists Agency, Ovitz became president of Walt Disney Co. under then-Chief Executive Michael Eisner. But the two had a falling out, and the former talent agent was fired after 15 months.

In the late 1990s, Ovitz formed Artists Management Group, which aimed to revolutionize Hollywood by representing talent and producing a broad slate of TV and movie projects while distributing content in innovative ways. Ovitz no longer works as a talent agent.

Federal authorities would not comment on the latest development in the civil lawsuit.

One former assistant U.S. attorney who is not involved in the case said the decision by Busch and her attorney to name Ovitz could indicate that they had recently obtained new information as part of their lawsuit, either from federal prosecutors or other potential witnesses.

"Practically speaking, it means they are prepared to take him on and put the financial resources behind a lawsuit against a person with substantial means to defend himself," said the former federal prosecutor, who declined to be identified because of the continuing probe.

Ellis disagreed. "That's pretty rampant speculation, and I fundamentally disagree with its premise," he said. "I'm certainly unaware that my client's status in this case has changed at all over the past few years."

Ovitz's name first surfaced in connection with the Busch case in February, when attorneys for Busch subpoenaed him to provide a sworn deposition in the civil case.

Busch's suit, which was filed nearly two years before the indictment of Pellicano in February, accused the former private eye and others of tracking down and threatening the reporter over unspecified stories about the entertainment business.

It also accused former Los Angeles police Sgt. Mark Arneson of illegally accessing confidential police databases to give Pellicano confidential background information about her. Arneson also has been indicted and, like Pellicano and five others, is awaiting trial next year.

The indictment states that Arneson, at Pellicano's behest, unlawfully ran Busch's name through confidential law enforcement databases in the spring of 2002, when Busch and former New York Times reporter Bernard Weinraub were reporting and writing stories for the New York Times about Ovitz.

The timing also coincided with a hard-hitting Vanity Fair piece about the Hollywood power broker that mentioned Busch, Weinraub and two Creative Artists Agency executives: Bryan Lourd and Kevin Huvane. They were former Ovitz proteges but had a high-profile split with him that was detailed in the magazine.

The federal indictment against Pellicano names the two reporters and the two CAA executives as victims of illegal background checks by the private eye and other defendants.

According to the indictment, Busch had her records illegally accessed on May 16, 2002, less than a month before she found a fish with a rose in its mouth and a note reading "Stop" on the windshield of her car.

Federal prosecutors have accused Pellicano, Arneson and Rayford Earl Turner, a former employee of SBC and Pacific Bell, of repeatedly violating the federal Racketeer Influenced and Corrupt Organizations Act by establishing a criminal "enterprise" that enhanced Pellicano's business.

The indictment describes Pellicano as the conspiracy's organizer and leader, and charges that the trio used wiretaps, protected computers, bribery, identity theft and obstruction to enhance the Hollywood private eye's reputation and ongoing relationship with "lucrative clients, including entertainment celebrities and executives, attorneys and law firms."

The intent of obtaining the potentially scandalous information, authorities say, was so that Pellicano's clients could scare off a lawsuit or gain the upper hand in litigation.

Nearly a dozen people — among them actors Sylvester Stallone and Keith Carradine — allegedly were the targets of wiretaps conducted by Pellicano and the others between August 2000 and November 2002, the federal indictment alleges.

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Microsoft Targets Piracy (FT)

By Joe Leahy In Mumbai

Financial Times, November 11, 2006

Microsoft needs to do more to crack the consumer market in developing countries, with piracy and affordability holding back sales in regions ranging from Asia and eastern Europe to Latin America, its chief executive told the FT.

Steve Ballmer said the group had launched initiatives such as XP StarterEdition, a Windows software package with reduced features, and Flexgo, a pay-as-you-go PC, but these had not yet signficantly penetrated the middle-income markets in countries such as India and China.

"On a per-cent basis, it [emerging markets] is the most rapidly growing part of our business but it's still a relatively small percentage. We have two issues: number one is where are the PCs and number two is piracy rates are also high in so-called emerging markets," Mr Ballmer said in an interview in Mumbai.

Microsoft declined to provide a breakdown of its revenue by region or product. But Mr Ballmer, in Mumbai on a three-day visit to India, said emerging markets globally accounted for roughly 20 per cent of its total business, excluding software sales to hardware vendors, Xbox and other revenue streams such as advertising.

Total revenue in the year ended June was $44.282bn. While this was growing rapidly, the company could do better to reach middle-income consumers in developing countries. The company has sold only about 1m copies of Windows XP Starter since it was first piloted in 2004, most of these through government-sponsored programmes.

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"XP Starter takes us a small way down the road, [but] we've got more to do," Mr Ballmer said. "Not just ourselves - when you think of what it takes to deliver the experience, it takes hardware, it takes software, it takes internet connectivity."

He cast doubt on whether a US$100 laptop being developed by the Massachussetts Institute of Technology for low-income children, which uses a wind-up crank arm to generate power rather than a battery, would be any more successful in penetrating low-end markets. There were already computers on the market in India for US$200 with built-in powerpacks. Connecting to the internet was the most expensive part of owning a PC.

"Even in India, you will pay more than US$100 a year to connect yourself to the internet," Mr Ballmer said.

Microsoft was working on new initiatives to "re-engineer" the computing experience, Mr Ballmer said. He declined to elaborate on most of them but said one proposal was a plan to connect mobile phones that had their own micro-processors to keyboards and screens, using them as a computing platform.

Dion Wiggins, analyst with Gartner in Hong Kong, said Microsoft has tended to concentrate its innovation at the top end of the market, leaving behind the mass, lower end consumers.

But Starter Edition, while it still needed some improvements - for instance, it currently does not allow users to upgrade to full Windows - had made great strides. He said he expected Microsoft to begin pushing it much harder a few months after it launched Vista, its new operating system, early next year.

"Windows Starter Edition is now a relatively mature product and ready for bigger things," Mr Wiggins said.

CIVIL LAW:

U.S. Settles Civil Case Against British Online Gambling Company BetOnSports (FINDLAW/AP)

By Christopher Leonard, Associated Press Writer

AP, November 11, 2006

(AP) - ST. LOUIS-U.S. Attorney Catherine Hanaway reached a settlement with online gambling company BetOnSports PLC that permanently bars the London-based company from accepting any bets from the United States.

The lawsuit has been closely watched by the online gambling industry, which generates about $6 billion (â‚¬4.7 billion) annually in the United States.

The settlement announced Thursday ends a massive civil case Hanaway filed this summer. It does not affect a criminal case still pending against several BetOnSports employees, including Chief Executive David Carruthers, who remains under house arrest in a St. Louis suburb.

Carruthers faces 22 counts of fraud and racketeering charges. His case is scheduled to go to trial early next year. BetOnSports fired him soon after he was arrested in July.

Hanaway spokeswoman Jan Diltz said the U.S. Attorney's Office would not comment on the civil settlement because the criminal case is ongoing.

BetOnSports said in a statement that it did not admit wrongdoing by entering the settlement.

Spokesman Kevin Smith said about 20 percent of the company's revenue came from other countries, most of them in Asia.

"That will be the total focus of the company now," he said.

The settlement requires BetOnSports to open a toll-free telephone service to inform bettors how they can reclaim wagers pending before the suit was filed.

Smith said the hot line should be running within a week. He said he did not know how BetOnSports planned to refund customers.

BetOnSports must also take out an advertisement in a major newspaper telling customers that Internet gambling is illegal in the United States and the company will no longer take their bets. It must post similar messages on its Web sites.

The settlement is not likely to have a huge effect on the Internet gambling industry, said Nelson Rose, a professor at Whittier College of Law and an expert on Internet gambling.

Rose said companies paid more attention to the recent passage of the Unlawful Internet Gambling Enforcement Act, which President George W. Bush signed into law Oct. 13. The act cracks down on banks that transfer bets placed on the Internet.

Rose said passage of the act forced Internet gambling companies to decide whether they want to risk doing business in the United States.

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CIVIL RIGHTS:

Feds Probe Care At Ore. Mental Hospital (AP)

AP, November 11, 2006

PORTLAND, Ore. -- Federal investigators are looking into patient care at the hospital made famous in the movie "One Flew Over the Cuckoo's Nest," where there have been reports of abuse, short staffing and overcrowding.

The Oregon State Hospital is one of the oldest and most dilapidated state mental institutions in the nation. The movie was filmed there in 1975.

Justice Department officials are expected to visit the hospital next week. The department alerted Gov. Ted Kulongoski in June that it would investigate whether patients' constitutional rights were violated.

The facility is at the center of discussions about reforming mental health care in Oregon. Reports of abuse and other problems led lawmakers to reassess the hospital's future.

Lawmakers have proposed replacing it with two separate hospitals and two residential facilities at an estimated cost of at least $324 million.

It's unclear how long the investigation could take. Justice Department spokeswoman Cynthia Magnuson said she could not discuss the timeline or details of the investigation.

Human Trafficking Cases Increase In El Paso (EPT)

By Louie Gilot

El Paso (TX) Times, November 11, 2006

A billboard encourages reporting suspected human trafficking. (Yasmin A. Aboytes / El Paso Times)Photographs of men, women and children filled the screen. But they didn't tell the whole story.

A shy Chinese boy is pictured. He was forced to work in restaurants in El Paso and North Carolina.

A young woman poses on a stationary bike. She was lured into the sex trade from her native Uzbekistan.

Two middle-aged couples smile at the camera. The pair on the left were deaf and mute victims of human traffickers. On the right were the traffickers.

"You have to look beneath the surface. You'll not know it when you see it," Brandy Gardes, an assistant U.S. attorney in El Paso, told hundreds of law enforcement officers and social workers at a conference last month in El Paso.

Officials have called human trafficking one of the toughest crimes to tackle.

It is hard to identify and hard to prove. Victims are often too scared to speak out. And the public and juries have a hard time believing slavery still goes on in the United States.

The U.S. Department of State estimated that 18,000 to 20,000 people are trafficked into the

Advertisement

United States each year and held by force or coercion for sexual slavery and forced labor. Between 2001 and 2005, the Justice Department prosecuted fewer than 150 alleged traffickers.

There are no figures for El Paso, but it was chosen by the Justice Department as the site of one of 18 new human-trafficking task forces in the nation as part of a far-reaching effort to bring the problem out of the shadows.

A community's response

Task-force coordinator Paul Piñon is training police officers to recognize the signs.

He said El Pasoans can also play a crucial role in spotting traffickers' safe houses and trafficking victims. "We feel that the majority of situations will come to light through the involvement of the community."

Neighbors may notice that a large number of people live in a house but never congregate outside except to be picked up for work.

Often, El Paso is a pit stop for traffickers on their way to California and elsewhere.

But some cases with elements of human trafficking began here.

Gardes prosecuted two such cases -- the 1998 exploitation of Mexican deaf and mute men and women by two El Paso sisters, and the 2001 sexual exploitation of women from Uzbekistan by a UTEP research assistant. The culprits were convicted, but not for human smuggling, and were sentenced to prison time.

Trafficking victims are not necessarily foreigners, but the great majority are.

One case going to trial Monday can also be classified as human trafficking, Gardes said. It is the prosecution of the owners of a far East El Paso quarry, where Mexican undocumented immigrants worked and lived in substandard conditions. The owners were charged with harboring undocumented immigrants.

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Gardes said prosecutors usually apply human-trafficking charges in cases where the use of force can be proved because those cases are stronger in court. However, most human traffickers use coercion or fraud to keep their victims enslaved.

Not 'vanilla smuggling'

Often, what starts as "plain old, vanilla human smuggling," as Gardes put it, turns into trafficking when the migrant can't pay.

Gardes showed the photograph of a field worker standing on top of a large farm truck -- a scene common across the Southwest. His name is Ricardo, she said. He was smuggled across the border in Arizona and abandoned in the desert for eight days with only three days' worth of food and water. He was found by another smuggler who offered to guide him, for a fee. When Ricardo couldn't pay, the smuggler sold him to a Florida labor contractor for $1,100.

This became Ricardo's debt. He worked in a field for $80 a week to repay it. At the same time, his trafficker overcharged him for rent and other necessities. Gardes said he was never meant to be able to repay the debt.

One day, another trafficking victim escaped, was recaptured and was beaten in front of Ricardo and the others. "At this point, Ricardo realized this was really slavery," Gardes said.

Ricardo eventually escaped and testified against his traffickers. He still receives death threats.

In a recent case in El Paso, police rescued a 15-year-old Salvadoran girl at the Downtown Greyhound bus station after her smuggler asked her family in California for ransom.

In Juárez, officials at Casa del Migrante shelter, which helps migrants after they have been deported back to Mexico or after they fail to cross, said they have housed a few women who said their smugglers tried to sell them.

Brainwashed

Collaboration between police and private aid organizations is crucial to tackle human trafficking, officials said.

A new El Paso case in which a 14-year-old Guatemalan boy allegedly held in Fabens was presented as a model of cooperation to the White House's faith-based initiative task force, social workers involved said. The boy allegedly worked at a Fabens store, slept in a camper shell in a backyard and washed his clothes with a garden hose. Law enforcement officials would not say more because the investigation continues.

When the boy was placed in custody at the migrant children detention center in Canutillo, he was suicidal and refused to speak to FBI agents for two days.

Elvia Garcia, a supervisor at the Diocesan Migrant and Refugee Services, was called to help.

After several hours of small talk, the boy finally opened up.

"It takes a whole community to take care of a victim of trafficking," Garcia said.

Many victims come from Third World countries where police corruption is rampant, and they learn not to trust law enforcement officers. They are also brainwashed by traffickers who tell them the police would not believe their outcry and would put them in jail or deport them.

In reality, victims of trafficking have legal recourse.

In 2000, the Congress passed the Trafficking Victims Protection Act, which broadened the federal status and gave victims the T Visa to allow a three-year stay in the United States. During that time, victims can apply for a green card.

Charles Song, the director of legal services for the Coalition to Abolish Slavery and Trafficking in Los Angeles, said that less than 1 percent of trafficking victims he has helped chose to go back to their countries. That's because traffickers often have associates abroad who threaten the victims and their families.

Florencia Molina, 34, of Mexico, was a trafficking victim in Los Angeles in 2002, sewing dresses for 17 hours a day, every day for months. At night, she was locked inside the clandestine workshop. Her trafficker held her papers, and Molina did not speak English. She summoned the courage to flee and ended up testifying for the FBI.

Molina spoke at the El Paso conference. She said that her trafficker, an important woman in her native Mexican village, was sentenced to six months of house arrest. Then she went to Mexico, looking for Molina.

Molina obtained a T Visa and is living in hiding in the Los Angeles area. She now works as a security guard and dreams of becoming a sheriff's deputy, she said.

"I feel protected in the United States," she said.

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2 LAPD Officers Investigated In Beating Case (LAT)

By Richard Winton, Times Staff Writer

The Los Angeles Times, November 10, 2006

Two Los Angeles police officers were under investigation today for allegedly beating a man during a videotaped arrest in Hollywood that LAPD Chief William J. Bratton called "disturbing."

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The video of the Aug. 11 incident, posted on the YouTube website, shows one of the officers holding down William Cardenas, 24, as the other officer places his knee on the man's throat and punches him in the face six times.

Cardenas, who is lying on his back, is heard yelling, "I can't breathe!"

He was arrested on suspicion of using violence or threats to prevent an officer from performing his duty and was charged with two counts of resisting arrest, said LAPD Lt. Paul Vernon.

Cardenas remains in custody.

The tape was photographed by an unnamed neighbor who gave it to B. Kwaku Duren, a lawyer who represents Cardenas.

Bratton cautioned that the videotape only reflected a part of the struggle with Officers Alexander Schlegel and Patrick Farrell, who is seen punching Cardenas.

"There is no denying that the video is disturbing," Bratton said. "But as to whether the actions of the officers were appropriate in light of what they were experiencing, and the totality of the circumstances, is what the investigation will determine."

Bratton said that Cardenas was not seriously hurt. "The guy got punched but that is not life-threatening."

The chief also pointed out that the incident showed that a federal oversight program of the department -- imposed under a consent decree -- was working. Even before the video became public, an investigation of the incident was underway based on the officers' report and interviews with witnesses, he said.

"All the steps of consent decree have been complied with," Bratton said. "That is the good side. There is no taking away the beating itself."

The incident began when the officers spotted Cardenas, a Gordon Street gang member wanted on a felony warrant for stolen goods, and he fled, police said. During the subsequent arrest, a struggle ensued and the officers reported that they used force to subdue the suspect.

After the arrest, witnesses told investigators that they saw the officers punch Cardenas in the upper torso, Bratton said.

During a preliminary hearing on Aug. 29, Cardenas' attorneys produced the beating video that was subsequently turned over to prosecutors and police, the chief said. The officers have since been assigned to desk duties while the investigation continues.

The district attorney's office is also reviewing Cardenas' case, said Jane Robison, a spokeswoman for the office.

"Policing is often not pretty," Bratton said. "Looking at a slice of [the video] makes it look less pretty, but my obligations is to wait until all the facts are in."

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Beating Of L.A. Suspect Sparks Outcry (WP)

By Sonya Geis And Hamil R. Harris, Washington Post Staff Writers

The Washington Post, November 11, 2006

Police and FBI Investigate Case After Tape Was Shown on YouTube

LOS ANGELES, Nov. 10 -- A video of Los Angeles police officers punching a suspect in the face set off a wave of outrage that crashed onto the doorstep of police headquarters Friday after the tape was posted on YouTube.

It was an uncomfortable echo of earlier Los Angeles Police Department scandals, including the videotaped Rodney King beating. The department, which operates under a federal consent decree, has instituted many reforms but has periodically suffered through police brutality embarrassments.

The lawyer for the suspect shown in the video said his client's experience shows little has changed. "The Los Angeles Police Department needs to make those reforms real, because they have not been made real," B. Kwaku Duren said at a news conference in front of police headquarters Friday. "That video speaks for itself."

The video of an August arrest came to light this week after portions of it appeared on the videosharing Web site YouTube and several thousand people watched it.

Shot by a bystander, it shows two police officers attempting to arrest William Cardenas, 24. As one officer sits on his thighs and holds his arm, the other places his knee across Cardenas's chest and throat and quickly punches him five times in the head. Cardenas can be heard crying, "Let go of me! I can't breathe! I can't breathe!"

Cardenas had a split lip, black eyes and a bloody face afterward, Duren said.

Police described Cardenas as a known gang member, which his lawyer disputed. Cardenas had run from officers who wanted to arrest him on a warrant for receiving a stolen gun, Duren said. Previously, Cardenas had been arrested for attempted murder but was never charged.

After reviewing evidence from prosecutors and seeing the video at a preliminary hearing, a judge found enough evidence to try Cardenas for resisting arrest.

The LAPD began investigating the incident on the day of the arrest, in compliance with a consent decree requirement to investigate all allegations of police abuse, police officials said. The FBI launched a separate investigation Thursday.

Both officers in the video, Alexander Schlegel and Patrick Farrell, were reassigned to desk jobs. Schlegel had two previous abuse complaints against him, officials confirmed. He was exonerated in one instance, and in the other the district attorney did not find grounds to file charges.

"Police work is not always pretty," Chief William J. Bratton said. "But in my 36 years in law enforcement, I've learned not to make a judgment until I have all the facts."

According to preliminary hearing transcripts, Cardenas and two friends were drinking beer on a street corner when police recognized him and called for him to put his hands up. Cardenas ran.

When police caught him, Schlegel pushed him in the back, he fell, "and his face bounced off the sidewalk."

Cardenas tried to hit the officer, Schlegel testified. Then Farrell hit him twice, and Schlegel used pepper spray on him, Schlegel said. The officers reported the use of force that day, police officials said.

From her second-floor apartment, Melissa Aguayo, 17, watched it happen. "He kept saying, 'You're choking me, you're choking me,' " she said Friday. "They kept saying, 'You are resisting arrest,' and they kept hitting him."

Connie Rice, a civil rights lawyer who has watched the Los Angles Police Department for 20 years, said the incident is not atypical and reflects a "use of force culture" at the department that is "calibrated higher and more aggressively than other police departments."

Nonetheless, "This is not your grandfather's LAPD," she said. Rice credited Bratton with valuing community policing and with presiding over a changing culture, in which fewer officers see aggressive policing as acceptable.

Under Los Angeles's well-liked police chief, crime in the city has fallen 40 percent in four years.

"Twenty years ago, 99 percent of LAPD officers would have seen that video and would have said, 'What's the problem?' " Rice said. "In 2006, at least a third to half would say, 'We've got a problem.' That's a difference."

Police Beating Video From L.A. Demonstrates The Power Of YouTube Again (USAT/AP)

USA Today, November 11, 2006

LOS ANGELES (AP) — An FBI investigation prompted by video footage of a man being punched repeatedly in the face by police has demonstrated anew the power of the Internet sensation of the year, YouTube.com.

In addition to being a monumental time-waster around the office, YouTube could also become a tool for keeping police honest, some say.

VIDEO: Arrest investigated

This week, a clip on the post-it-yourself video website triggered a police-brutality investigation by the FBI. The footage shows the Aug. 11 arrest of alleged gang member William Cardenas, 24. Two Los Angeles officers can be seen holding him down on a Hollywood street; one punches him several times in the face before they are able to handcuff him.

The Los Angeles Police Department is also investigating the officers' conduct.

Police Chief William Bratton said he found the video to be "disturbing," but stressed that the 20-second clip amounts to only a fraction of what transpired.

The Los Angeles Times reported Friday that a Superior Court commissioner viewed the video nearly two months ago, heard the officers' testimony, and concluded that their conduct was "more than reasonable" because Cardenas was resisting.

Cop Watch LA, a police watchdog group, posted the video on YouTube, said organizer Joaquin Cienfuegos. Cienfuegos said the video was shot by a neighbor of Cardenas with a cellphone camera. The neighbor gave it to Cardenas' family, who then gave it to Cop Watch, according to Cienfuegos.

In recent months, videos posted on YouTube have rocked political campaigns, brought fame — or infamy — to previously unknown talents and cast unwanted attention on the gaffes of the famous. YouTube and similar video sites are also increasingly becoming repositories for videos that purport to detail wrongdoing by police.

Such amateur clips help cast a spotlight on police wrongdoing that could otherwise go unreported, said Ramona Ripston, executive director of the ACLU of Southern California.

"Unless we throw light onto activities of government, all activities, you never find out what happened," Ripston said. "This video is an example."

Police said Cardenas had been wanted on charges of receiving stolen property. In an arrest report obtained by the Associated Press, the officers said they tried to arrest Cardenas after spotting him on the sidewalk, but Cardenas ran.

The officers caught up to him, tripped him and swarmed over him to apply handcuffs, the report said. In their report, they admitted hitting him repeatedly in the face, saying that he was resisting and that they feared he might grab one of their guns.

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Cardenas suffered cuts and bruises on his arms, leg and face, and received stitches on an eyelid. His attorney, B. Kwaku Duren, accused the officers using excessive force.

Police spokesman Lt. Paul Vernon said Friday that such videos often do not show the whole story.

"The officers' actions in these situations are based on the totality of what is going on in the officers' mind," Vernon said. "You don't know in the total context of this what occurred."

As of Friday, the clip had received more than 155,000 views on YouTube. It was posted on Oct. 18.

A search on YouTube for the terms "police brutality" found more than 500 videos, including ones that claim to show police violence in the U.S. and as far away as Egypt and Hungary. A search of Google's video site also yielded hundreds of videos.

In response to the surge in amateur videos, some law enforcement agencies have installed cameras in squad cars to protect officers against false allegations.

Police defense attorney John Barnett said the public shouldn't draw conclusions when watching the clip of Cardenas' arrest. Barnett represented one of the officers in the 1991 Rodney King beating and an Inglewood police officer, Jeremy Morse, who was videotaped roughing up a 16-year-old boy.

Two juries deadlocked in Morse's case, and four officers were acquitted in the King trial, touching off riots in Los Angeles.

"It's very difficult to find jurors who haven't already come to a conclusion," Barnett said. "The public has the perception of what the facts are, but you have to figure out a way to get them back to square one."

Legal observers said the public has become somewhat desensitized to questionable police tactics caught on tape because such videos have become more prevalent since the King beating. In many cases, officers have been exonerated.

"The first reaction by people is one of outrage," said Eugene O'Donnell, a professor of police studies at the John Jay College of Criminal Justice in New York City. "But the more you see police officers using force on tape, the more you get used to it."

Landscapers Cause Furor By Shunning Gay Clients (NYT)

By Ralph Blumenthal

The New York Times, November 11, 2006

HOUSTON, Nov. 10 — Last month, a local landscaping firm prompted a furor here by telling a gay couple in an e-mail message, “We choose not to work for homosexuals.”

The message quickly made its way around the Internet, and the company, Garden Guy Inc., was bombarded with threats and hate mail. But since then, the company’s owners say they have gained far more business than they have lost.

In an interview Friday, Sabrina Farber, 34, co-owner of the company with her husband, Todd, 37, said the company had picked up $40,000 in new business in the past two weeks, while losing only two clients worth about $500 each a year.

“I’m not saying that to gloat,” said Mrs. Farber, who described the frenzy as ugly and emotionally draining. But she said they would not do it differently and deserved credit for not masking their refusal with excuses.

“Why can’t people handle it when you say the truth?” she said.

One of the two gay clients, Gary Lackey, said, “We’re hoping things would die down” and declined to comment further in a telephone interview. The other member of the couple, Michael Lord, did not return a call.

The law appears to be on the Farbers’ side, said Lisa Graybill, legal director of the American Civil Liberties Union of Texas.

“The federal law of public accommodations says if you hang out a shingle or open your door you don’t get to say, ‘Only to whites,’ ” Ms. Graybill said. But sexual orientation is not protected. And while some localities, like Seattle, have adopted ordinances extending antidiscrimination protection to gay men and lesbians, she said, Houston has not.

The uproar began after Mr. Lord contacted Garden Guy, whose Web site contains this slogan: “Treating you with respect and honesty are the cornerstones of our reputation.”

It also carries citations from the New Testament — Mrs. Farber volunteered that her husband was Jewish and now practices Christianity — and a message against same-sex marriage that the gay couple evidently overlooked: “The God-ordained institution of marriage is under attack in courts across the nation and your help is needed.”

Mrs. Farber and Mr. Lord talked business on the phone, but after Mr. Lord’s references to his “partner,” Mrs. Farber e-mailed Mr. Lord to cancel their appointment.

“I am appreciative of your time on the phone today and glad you contacted us,” she wrote. “I need to tell you that we cannot meet with you because we choose not to work for homosexuals.”

In the ensuing uproar, the family had to change its private phone numbers, Mrs. Farber said, and turned over to the police copies of threatening messages like “I will sodomize their children.”

Mrs. Farber said her husband, who holds a degree in horticulture from Texas A&M University, had done landscaping for gay clients before but had become increasingly “grieved” over visiting their homes to discuss design and plantings.

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Dumbfounded by the e-mail message, Mr. Lord and Mr. Lackey forwarded it to friends, and it circulated widely on gay Web sites. A copy reached The Houston Chronicle, where a columnist, Rick Casey, broke the story on Oct. 20, suggesting that the Farbers "should refuse to do business with all sinners."

With the affair spreading to the radio airwaves, Houstonians have piled on.

"It seems to me the Farbers must be a little naïve," a letter writer, Joseph Carroll, wrote The Chronicle. "Don't they realize they are probably doing business with homosexuals every day? They should check out their pharmacist, hair dresser, bank teller, the nurse at their doctor's office, the waiter at their favorite restaurant and the church secretary."

The Association of Professional Landscape Designers condemned the action of the Farbers, whose membership has lapsed, and instituted a requirement for members to abide by an antidiscrimination clause.

In addition to the criticism of the Farbers, there was also widespread support. Mrs. Farber cited one e-mail message from "Eric in St. Louis," who wrote: "Life to the Farbers who have planted themselves like solid oak trees against these strong winds of perversion."

Mrs. Farber said she and her husband never claimed to be perfect.

"We're sinners, Todd and I," Mrs. Farber said. But she added: "My husband made a personal choice, according to something he felt in his heart. It was never a judgmental choice or a hating choice or even a choice that said, 'Well, we're better than them.' "

Gain For Same-Sex Marriage In Massachusetts (NYT)

By Pam Belluck

The New York Times, November 10, 2006

BOSTON, Nov. 9 — Lawmakers in Massachusetts, the only state where same-sex marriage is legal, dealt what appeared to be a fatal blow Thursday to a proposed constitutional amendment to ban it.

In a flurry of strategic maneuvering, supporters of same-sex marriage managed to persuade enough legislators to vote to recess a constitutional convention until the afternoon of Jan. 2, the last day of the legislative session.

On that day, lawmakers and advocates on both sides said, it appeared likely that the legislature would adjourn without voting on the measure, killing it.

"For all intents and purposes, the debate has ended," said Representative Byron Rushing, a Boston Democrat and the assistant majority leader. "What members are expecting is that the majority of constituents are going to say, 'Thank you, we're glad it's over, we think it has been discussed enough.' "

The measure had been expected by both sides to gain easily the 50 votes required from the 200 legislators as the first step toward making same-sex marriages illegal.

Kris Mineau, president of the Massachusetts Family Institute, which sponsored the amendment, called the recess vote a "travesty," and, waving a copy of the State Constitution, said the legislators had "just said that it's irrelevant."

As for whether the fight was over, Mr. Mineau said, "We're assessing the situation."

Gov. Mitt Romney, a Republican who opposes same-sex marriage, said the vote was a "triumph of arrogance over democracy." He said that he would "explore any alternatives" to try to force a vote, but that "my options are limited."

Eric Fehrnstrom, a spokesman for Mr. Romney, said: "The fact that they put this off until the end of the year makes it easier for them to adjourn. If they were giving consideration, I think they would have recessed until tomorrow or maybe Monday or Tuesday next week."

The action on Thursday came two days after Massachusetts voters elected Deval L. Patrick, a same-sex marriage supporter, as the state's first Democratic governor in 16 years. Democrats were also elected to all of the statewide offices, leaving the state's Republican Party in shambles.

But the fact that the amendment had enough supporters to pass the first 50-vote round indicated that the issue of same-sex marriage remains divisive three years after the state's highest court ruled that such marriages were constitutional in Massachusetts. More than 8,000 same-sex couples have since married.

To bring the amendment before the legislature, the Massachusetts Family Institute had gathered 170,000 petition signatures. If the amendment were to get 50 votes, it would then require the votes of 50 legislators in another constitutional convention in the 2007-8 legislative session. Then it would be voted on in a referendum in November 2008.

Polls have generally found that just more than half of the citizens surveyed supported same-sex marriage, but about the same number wanted the constitutional amendment to come before voters.

The vote to recess followed a day of intense politicking and strategizing by supporters of same-sex marriage. Many legislators, even supporters of such marriages, had said they planned to vote for the amendment for fear that if they did not they would appear to be shirking their responsibility.

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Gay rights advocates persuaded the legislators to first take up another amendment to ban same-sex marriage, one introduced nearly two years ago by a conservative lawmaker, but which was now considered by Mr. Mineau and other same-sex marriage opponents to be unable to pass constitutional muster because it would nullify the same-sex marriages that had already taken place.

Because that amendment had been initiated by a legislator and not a citizens' group, it would have needed 101 votes to pass. On Thursday it was defeated unanimously.

Arline Isaacson, co-chairwoman of the Massachusetts Gay and Lesbian Political Caucus, said the plan was to give the legislators political cover with their constituents, because they "can all point to the fact that they fully debated same-sex marriage and took a vote on it."

Same-sex marriage advocates also persuaded lawmakers to vote for a recess and not an adjournment because if they adjourned, Governor Romney could call them back into session.

Representative Michael A. Costello, a Democrat from Newburyport and a strong opponent of the amendment, said: "The way I looked at it was that we would kill it with a handgun or a hand grenade. It's never been proper to put civil rights on the ballot. So we killed it through procedure, rather than on substance."

The debate in the House was full of impassioned speeches.

"I'm 3,000 feet to the right of Attila the Hun, they tell me," Representative Marie J. Parente, a Democrat from Milford who had lost her re-election bid on Tuesday, told her colleagues. "But you're not. You're the other side. The gracious people, the liberal people, the socially conscious people."

For the 170,000 people who signed the petition and want a referendum, "does your graciousness end?" she asked. "Give the people the right to be heard."

Senator Jarrett T. Barrios, who is gay and married, told the chamber, "It's time for a little straight talk."

Pointing to his wedding band, he said: "You don't have to live next to us. You don't have to like us. We are only asking you to end the debate," so that "we will at least have the right to enjoy the same rights that the rest of you have enjoyed from time immemorial."

The Court And Abortion (NYT)

The New York Times, November 11, 2006

The Supreme Court unnecessarily returned to the politically charged area of abortion this week, hearing arguments in a case testing some of the core principles of Roe v. Wade and the court's own credibility as an institution removed from politics.

At issue, once again, is a deceptively broad ban on so-called partial-birth abortions. The court struck down a similar measure just six years ago, but since then two new justices have arrived. In the interest of women's privacy and health — and in defense of the court's own reputation — the justices should strike down this far-reaching assault on reproductive freedom.

In 2000, the court struck down a nearly identical Nebraska law for essentially two reasons. It found that the law's imprecise language applied not just to a single late-term abortion method — as the ban's supporters claimed — but would criminalize other common abortion procedures that are constitutionally protected. The court also ruled that the law was unconstitutional because it provided no exception to protect a woman's health.

In a cynical move in 2003, Congress passed a law remarkably similar to the one the court had just struck down — with a definition of the procedures it was outlawing about as sweeping as Nebraska's. Defying the Supreme Court, moreover, Congress refused to include an exception for protecting the health of the woman. Instead, it simply made the medically inaccurate assertion that the ill-defined procedure it outlawed was never necessary to preserve a woman's health. Every lower federal court that has considered the Congressional ban has held it to be unconstitutional.

If Justice Sandra Day O'Connor, who cast the deciding vote in 2000, had not retired, it is highly unlikely the court would have agreed to entertain this rerun. But without her, it is not clear that there are still five votes to defeat this assault on Roe , or to uphold the bedrock requirement that abortion restrictions have an exception for protecting a woman's health.

It seems unlikely that Chief Justice John Roberts or Justice Samuel Alito will provide the fifth vote. That means that Justice Anthony Kennedy, the current swing justice, is likely to decide this case. In 2000, Justice Kennedy joined those who would have upheld the Nebraska law. But at oral argument his questions suggested that he may take issue with Congress's assertion that the ban would not put women's health at risk — an encouraging sign.

Even justices who oppose abortion rights need to be concerned about that. They also need to worry about how the court will look if the recent change in its membership produces a starkly different result on an issue so vital to women's privacy and health.

Choosing Choice (LAT)

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The Los Angeles Times, November 11, 2006

THE BALLOTS CAST across the nation spoke so unambiguously about abortion that even the most intransigent anti-abortionists should be able to construe the message: Voters do not want Big Brother opening the doors of private homes — or the doctor's office — and coercing people's most personal medical decisions.

Anti-abortionists have been craving a test case to put before the U.S. Supreme Court, in hopes of overturning Roe vs. Wade — and thought they had it when the South Dakota Legislature passed a ban on abortion. Instead of challenging the law in court, though, pro-choice forces cleverly put the matter to a popular referendum. Even in that socially conservative, anti-abortion state, a decisive majority Tuesday preserved a woman's right to choose. To some extent, they were bothered by the ban's extraordinary lack of compassion, refusing to exempt even the victims of rape and incest. But a frequently voiced complaint about the ban was that government simply shouldn't interfere with private lives.

That's a closely held American value and one that Republicans should embrace again lest they want to see this midterm election be a harbinger of a long-range trend.

Both California and Oregon voted down attempts to require parental notification before a minor can obtain an abortion. In several other states, anti-abortion congressional candidates were defeated, and Kansas' Phill Kline, the state attorney general who notoriously overreached the powers of his office in his single-minded attack on family planning and abortion clinics, was turned out of office.

In California, Proposition 85 was the second attempt within a year to impose parental notification on girls, most of whom already talk to their parents before opting for an abortion. Both efforts failed at the polls.

Heedless of this abundantly clear message, anti-abortion forces are redoubling their efforts. Their latest idea: requiring pregnant women to view a 3-D ultrasound of their fetuses, thus forcing patients to undergo a certain medical procedure before seeking the treatment of their choice. For what other medical situation would this kind of government interference be tolerated?

The voters have spoken resoundingly on abortion and the right to privacy. Those who want to turn government into Big Brother need to heed the message and give it up.

Keeping The Voting Clean (NYT)

By Richard L. Hasen

The New York Times, November 11, 2006

AS election mishaps hindered voting on Tuesday from Cleveland to Denver, some people were already calling for giving up on the new electronic voting machines, which were themselves put in place to prevent another hanging-chad fiasco like that in Florida in 2000.

The calls will only get louder as the public learns more about Florida's 13th Congressional District — coincidentally, Katherine Harris's old district — where voting machines apparently lost or failed to record up to 18,000 votes in a race where the Democratic and Republican candidates are just a few hundred votes apart. If everyone just voted by mail or with pencil and paper, the argument goes, our voting problems would be solved.

But this reaction to the bugs and glitches shows that Americans have not learned the right lesson from 2000: the problem is not with the technology of running our elections but rather with the people running them.

The United States should join the rest of the world's advanced democracies and put nonpartisan professionals in charge. We need officials whose ultimate allegiance is to the fairness, integrity and professionalism of the election process, not to helping one party or the other gain political advantage. We don't need disputes like the current one in Florida being resolved by party hacks.

Critics of electronic voting raise two main issues: machines are susceptible to fraud (or hacking) and they are difficult to use.

Fraud problems would not go away if we switched to vote by mail, as Oregon has. Such voting — let's call it mandatory absentee balloting — takes the voter out of the polling booth and puts him at home or elsewhere, someplace where votes could be sold to the highest bidder. Most of the documented cases of voting fraud in the United States in recent years involve absentee ballots. At the beginning of the last century, voter turnout declined as states adopted secret, in-person balloting, most likely because corrupt politicians stopped buying votes since they couldn't verify that people were really voting for their candidate.

True, squeaky-clean Oregon has been able to use the vote-by-mail system. But it is not clear that clean elections could be held in places with more rancorous partisan disputes over election rules and vote counting. And mail-in ballots don't eliminate the problem anyway: losers still have an incentive to claim fraud and try to get a close election result overturned. Public opinion on the integrity of the election process is volatile, and surveys show losers have less confidence in the fairness of the process than winners do.

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Voting with pencil and paper creates its own problems. With long ballots like California's it would take many days to calculate results, and the potential for election administrator error or fraud — if votes were really to be counted by hand, as opposed to optically scanned — would be enormous.

Nor would a switch to vote by mail or pencil and paper necessarily solve anything. Across the country last Tuesday we saw all kinds of mundane problems: not enough ballots, polls opening late, disputes about which voter identification rules applied. Problems arose with absentee ballots, too. Some were mailed to the wrong address, or with incorrect postage, or with inaccurate or incomplete information. Then there's the question of accurately counting only the validly cast absentee ballots.

The point is not that electronic voting is the best system; maybe it should be scrapped. The real solution is to create a cadre of dedicated, professional nonpartisan administrators with enough money to run a scrupulously fair and voter-friendly system of election administration to resolve such questions.

To improve the chances that states will choose an independent and competent chief elections officer, states should enact laws making that officer a long-term gubernatorial appointee who takes office only upon confirmation by a 75 percent vote of the legislature — a supermajority requirement that would ensure that a candidate has true bipartisan support. Nonpartisanship in election administration is no dream. It is how Canada and Australia run their national elections.

We've moved in exactly the wrong direction. Election administration reform has become more, not less, politicized since Bush v. Gore. Since 2004, voter identification laws have been supported only by Republican legislatures and opposed by Democrats. The debate over election integrity versus election access makes administration just another locus for partisan debate. This should and can end with nonpartisan professional administration.

Even with divided government coming again to Washington, there is an opportunity to take steps that would keep each party from gaining partisan advantage, and that can end our biannual anxiety over whether we are headed for another election meltdown.

ANTITRUST:

DOJ Targets 36 Markets In NAR Antitrust Suit (INMAN)

By Glenn Roberts Jr., Inman News

Inman News, November 11, 2006

Realtor association seeks rule change for separate contested listings policy

NEW ORLEANS -- The Justice Department, as a part of its antitrust lawsuit against the 1.3-million-member National Association of Realtors trade group, has identified 36 market areas in which association policy for the online display and sharing of property information has allegedly caused anticompetitive effects, said Laurie Janik, general counsel for the group.

Filed last year, the lawsuit charges that the Realtor group's policies are illegal because they could potentially be used to squelch real estate competition, while the Realtor group has maintained that its policies provide for ample online information about properties.

"They've identified 36 markets to us where they intend to prove anticompetitive effects," Janik said Friday during a meeting for multiple listing service executives at a Realtor conference in New Orleans."We'll be waiting to see just what types of proof they plan to advance from those marketplaces."

Lawyers for the association, meanwhile, are conducting interviews with MLS officials in those markets to gather information for its defense.

Issues of data protection and control are at the core of the legal scuffle, as some brokers have pushed the association to better serve their interests by helping to safeguard control over property information that they say is a vital part of their business.

A major contention in the Justice Department lawsuit is on a policy provision that allows brokers who are members of Realtor-affiliated MLSs to block their listings from display on other MLS participants' Web sites, Janik said. "We believe it's a very justifiable position, but the government seems to think that once a broker has decided to participate in the MLS then you also must allow your listings to be displayed on a competitors' ... Web site."

Also, Justice Department officials object to a Realtor policy which requires that Realtor MLS participants must "actually be engaged in listing or selling the type of property that's listed in the MLS," while the former policy simply required that an MLS participant possess a broker's license.

"The reason for the rule change is largely driven by the Internet," she said. "We all know there are plenty of people out there with brokers' licenses -- so you get the license, you get the valuable data feed, you get to display it on your Web site and make all sorts of money even though you never list or sell a property. We don't think those people belong in the MLS and so that's what I think will be the second biggest issue in the lawsuit."

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The association is also grappling with other legal issues, Janik noted, including eight Federal Trade Commission investigations and seven Justice Department investigations that have focused on a specific classification of property listings. The federal agencies are targeting MLS rules restricting the display of exclusive agency listings on some public property-search Web sites -- exclusive agency listings provide that sellers do not have to pay a commission to a real estate broker if they locate a buyer without the assistance of the broker.

The MLSs' restrictions did not affect exclusive right to sell listings, a more common form of listing in which the broker is guaranteed compensation whether or not the seller independently locates a buyer.

A group of Realtor-affiliated MLSs have eliminated the policies after the federal agencies began investigating their policies, while some of the investigations are still outstanding and the FTC has announced legal action against two MLSs in Michigan.

In July, the National Association of Realtors hosted a "fly-in" event in Chicago and invited all of the lawyers for MLSs involved in the investigations, Janik said. The participants of that meeting signed a joint defense agreement and a confidentiality agreement, she said.

After that meeting, Janik and an antitrust lawyer representing NAR met with FTC and Justice Department staff to discuss the issues surrounding exclusive agency listings.

"We wanted to make sure they understood that MLSs had a legitimate concern and a legitimate reason not to be advertising exclusive agency listings on the Internet ... and that those MLSs that excluded these listings from (distribution to some public Web sites) were doing it because it is not consistent with the purpose of the MLSs to be helping home sellers sell their homes themselves and cut brokers out of commissions."

In some cases, Janik said, sellers in exclusive agency listings contracts have displayed for-sale-by-owner signs on their properties.

In response, Janik said that the association is considering a proposal to change listings policy so that brokers -- rather than MLSs -- could make independent choices about whether or not to exclude exclusive agency listings from their Web sites.

"Brokers are always entitled to make independent business decisions. There's no collusion, there's nothing illegal about that," she said. "The MLS as a group of competitors ... would not be making a joint decision; there would be no agreement among competitors." And that represents an important legal distinction, she said.

The association has shared its proposed changes to listings policy with the Justice Department and FTC, and Janik said she expects the association would be safe in adopting this policy change, though she added that the agencies have not provided written approval of the proposal.

The proposed changes would also provide that MLSs can choose to exclude exclusive agency or exclusive right to sell listings from being sent to public Web sites when the street address of the property is being shown on the Internet and when a for-sale-by-owner sign or other sign on the property indicates that the seller is soliciting direct contact from buyers.

This is intended to prevent situations in which sellers receive the benefit of MLS visibility but could potentially block MLS subscribers from participating in the real estate transaction, she said. This proposed change may be a tough sell to the federal agencies, she added.

"There is some disagreement with us and the FTC over that portion and no one is obviously promising this a clean bill of health," Janik said. "And there are some risks of adopting this policy. The risk of doing nothing I think is far greater," she said. "I think narrowing the policy -- narrowing it or getting rid of it entirely ... are probably the only two viable choices we get," she said.

If the proposal is adopted by the association's leadership, it will be an optional policy "for those who love to take risks," she said.

MLSs that do not have the staff to actively visit MLS-listed properties to ensure that there are no for-sale-by-owner signs could rely on "the age-old MLS rules enforcement practice of 'tattle-taling,'" she said. "And it seems to work pretty well."

While the rule would prevent sellers from displaying a for-sale-by-owner sign on their properties when listing a home with an MLS, sellers could still use other non-MLS venues to market their homes, such bulletin boards, Web sites such as craigslist.org, and fliers at the local church, "because it has nothing to do with the resources of the MLS," Janik said. "The only way the MLS connection can be made is with the address and the for-sale sign. It's a very narrow exception."

Also during her legal update, Janik said, "There is a movement among some states to put some definitions in the state law as to what constitutes an exclusive right to sell listing," citing an example of one state that may be considering language stating that "any property that is marketed for sale by owner is not an exclusive right to sell listing."

Motorola To Buy Rival Of BlackBerry (AP)

By The Associated Press
AP, November 11, 2006

DOJ_NMG_0093551

CHICAGO, Nov. 10 (AP) — The cellphone maker Motorola said Friday that it would buy Good Technology, a rival of BlackBerry, in a deal that should improve the prospects for its new Q hand-held device.

The financial terms were not disclosed.

The deal underscores efforts by Motorola, a leading maker of handsets, to sell more mobile devices that offer access to e-mail and other business-oriented services. In September, it agreed to spend $3.9 billion to buy Symbol Technologies, a maker of portable bar code scanners and customized hand-held computers.

Motorola said Good Technology, a privately held firm based in Santa Clara, Calif., that provides computing software and services for the Treo and other smartphones, will join its mobile devices unit. That unit has flourished in the last couple of years thanks to the success of the Razr phones.

Ron Garriques, president of the mobile devices division, said Good Technology's services, products and customers all complement its business.

"This acquisition will continue to strengthen Motorola as a leading provider of mobility devices and solutions both for enterprise customers and consumers," he said.

Hoping to come up with another Razr-like blockbuster in the fast-growing smartphone category, Motorola introduced a Qwerty hand-held device, called the Q, this year to compete against the BlackBerry and the Treo, which also runs on Good Technology software.

Albert Lin, an analyst for American Technology Research, said Good Technology was probably the best available acquisition for Motorola in the category short of buying Research in Motion., the Canadian maker of the BlackBerry.

"The Q has been somewhat disappointing and they're looking for ways to reinvigorate that product line," he said. Good Technology, founded in 2000, originally offered its own handheld device but now focuses on software and services.

Shares in Motorola rose 18 cents, to $21.38 on the New York Stock Exchange, down 5.4 percent this year.

Bulldog Edition Clash Of Cultures Exacerbates Woes For Tribune Co. (WSJ)

By Sarah Ellison

The Wall Street Journal, November 10, 2006

L.A. and Chicago Newspapers Are Riven by a Big Debate Over Process and Purpose 'It's a Tragic, Bad Marriage'

LOS ANGELES -- Earlier this summer, Dennis FitzSimons, chief executive of Tribune Co., traveled here to meet a group of Los Angeles Times editors and reporters. Mr. FitzSimons was running late and, according to two people in attendance, the assembled group joked about saving all the hard questions for the top executive of their parent company.

When Mr. FitzSimons finally arrived, a reporter asked: "Why do you hate the L.A. Times?"

When Chicago-based Tribune Co. acquired Times Mirror six years ago, it was more than an $8 billion fusion of two media companies. The merger also threw together two competing and incompatible cultures, each rooted in the traditions of their respective flagship newspapers, the Chicago Tribune and the Los Angeles Times.

Some Tribune executives think the Times is arrogant, spoiled and overstaffed, a paper with global ambitions that has ignored local readers. Some Times people consider the Chicago Tribune an inferior, provincial product. Times denizens, proud of their city's position as the nation's second largest, see the paper's owners as bean counters in business suits. Tribune thinks its Californian charges are too slick and prefer to take pride in the company's Chicago roots.

Unlike many battles between journalists and corporate bosses, which focus largely on spending, this one is also driven by fundamental differences between the philosophies of the two newspapers.

"It's a tragic, bad marriage," L.A. Times editor Dean Baquet has told colleagues. Mr. Baquet's own tenure was cut short amid the infighting and his last day is today.

Across the country, once-profitable newspapers are being ravaged by the Internet in a historic industry shift. The traditionally high margins of newspaper publishers have been squeezed as both readers and advertisers abandon the medium. Investor confidence has plummeted over the industry's uncertain growth prospects.

Even in 2000, some executives saw trouble looming. The solution dreamed up by Tribune and Times Mirror was to merge their operations in a way that allowed them to sell combined packages of newspaper and local TV advertising in the same big, urban markets. The strategy was a dud. In September, Tribune said it was exploring various strategic options, which may include a sale of the entire company or some of its divisions.

The deteriorating financial environment exposed tensions at Tribune that had been simmering for years. As the company tried to consolidate, a common industry response, it ran into problems merging two disparate cultures amid serious economic travails. Some of the battles, such as whether to focus on local news at the expense of national or international coverage, reflect a broader soul-searching under way across the industry.

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Matters came to a head this week when Tribune forced out Mr. Baquet as Times editor. Mr. Baquet had taken up the cudgel against Tribune's attempt to cut costs that culminated in a feisty speech at an editors' conference in New Orleans two weeks ago. Tribune executives took his comments personally, say people familiar with their thinking. Back in Los Angeles, staffers wore Dean Baquet T-shirts and have adorned their cubicles with his picture.

Many inside the company sensed the growing collision of cultures during the summer meeting with Mr. FitzSimons. Simon Li, the paper's foreign editor at the time, asked whether Tribune wanted the Times to concentrate on local stories, according to people who were there. The Times has long prided itself on its international presence, which editors felt the Tribune didn't appreciate.

Scott Smith, Tribune's president of publishing, said the need for local coverage was increasing. According to Henry Weinstein, the paper's legal-affairs reporter, who was at the meeting, Mr. Smith added that readers get their foreign and national news from a lot of places, such as Google or Yahoo Web sites.

Some in the room were stunned. Google and Yahoo do virtually no newsgathering of their own. Their sites publish stories from other news sources, including the L.A. Times. "It was mind-boggling that they thought there was some elf who plunked those stories there," says Mr. Weinstein. Mr. Smith recalls the conversation differently. He says he cited news sources such as broadcast TV, cable and online, and also talked of the company's commitment to national and international coverage.

In the same meeting, according to attendants, Mr. FitzSimons told the group that he didn't hate the Times and that the paper's success was important to Tribune. A reporter countered that when the L.A. Times won five Pulitzer Prizes in 2004, the chief executive hadn't come to the celebration. Mr. FitzSimons said he hadn't been invited.

Asked to comment for this article, Mr. Smith said in a written statement: "Each of our newspapers is committed to serving their communities exceptionally well through the very best locally focused journalism plus great coverage of national, international news and features." He added: "This broader coverage is enhanced through collaboration where each newspaper has access to the best stories created by talented journalists throughout the company."

Times Mirror and Tribune were both founded by conservative civic boosters. Tribune was started in 1847 and came into its own under Colonel Robert R. McCormick, who railed against Franklin D. Roosevelt and the New Deal. The Tribune carried an American flag on its front-page banner, which also proclaimed it "World's Greatest Newspaper." It still occupies what was one of Chicago's earliest skyscrapers, heavy with fine stonework and quotations about press freedom on the walls.

Gen. Harrison Gray Otis founded Times Mirror in 1884. Under his family's ownership, the Los Angeles Times supported the expansion of the city's water supply, an event fictionalized in the movie "Chinatown." In the center of its lobby is a giant globe.

The two papers started to part ways when a fourth generation took over the L.A. Times. Under Otis Chandler, who was publisher from 1960 to 1980, the paper beefed up staffing levels and overseas reporting. He wanted to emulate East Coast institutions such as the New York Times and Washington Post. Photocopies of Mr. Chandler's image now festoon the Times newsroom.

The sprawling Los Angeles area is a patchwork of sometimes-disconnected communities, making local coverage a tricky proposition. The Times publishes ambitious, lengthy front-page features. But some locals complain that events halfway across the world are more thoroughly covered than news in their own backyard. The Times doesn't dominate its market the way many Eastern newspapers do. An exploding Latino population exacerbated that problem. So did the Internet.

"I didn't want to come back to work for a really good local newspaper and I still don't," says Douglas Frantz, who was coaxed from the New York Times to become a managing editor under Mr. Baquet.

Chicago, by contrast, is a venerable prairie city of neighborhoods and strong civic identity. In 1988, the Tribune won a Pulitzer for coverage of corruption at Chicago's City Council. Two of the honored reporters were Mr. Baquet and the Tribune's current editor Ann Marie Lipinski. She cites a feature that tracked a Chicago fugitive living in Mexico as an example of how the paper marries local and international coverage.

The paper has a folksy feel. One column, called "What's Your Problem?", allows readers to write in with everyday complaints. A few weeks ago, the paper held a lunch to celebrate the column's one-year anniversary. "It was a virtual lovefest with readers," says Ms. Lipinski.

In 2000, when Tribune first announced the merger with Times Mirror, it seemed like a savior. The L.A. Times had barely emerged from a major scandal. Departing from basic journalistic ethics, the paper published a special edition of its Sunday magazine focused on the new Staples Center while agreeing to share the resulting profits with the arena owners.

The conflict hurt the paper's credibility and led to the departure of a series of top executives and editors. It also helped convince the controlling Chandler family to give up their publishing empire. Times Mirror was notoriously poorly managed, and Tribune, known for its disciplined management, had been eyeing the property for years.

Tribune, which also owned the Orlando, Fla., Sentinel and two smaller papers, initially invested in the Times. It put Baltimore Sun editor John Carroll in charge and paid for a new California production facility.

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But the deal was struck at the height of the dotcom boom. Its rationale quickly faltered as newspapers became a less appealing venue for national advertising. Readers and advertisers instead flocked to cable television and the Internet.

In response, in 2002, Tribune began cutting costs heavily. Some of the most high-profile cuts came at the Baltimore Sun and Long Island, N.Y.'s Newsday, both Times Mirror properties, where there was an exodus of top editors. The Los Angeles Times proved the most difficult terrain. Tribune executives and Times editors were almost immediately at loggerheads.

The Tribune company wanted to encourage centralization and cooperation between its papers, allowing it to eliminate overlapping positions. Under the Chandlers, Times Mirror operated as a confederation of separate newspapers.

"They came into this deal with an idea of making a lot on national advertising and finding a lot of synergies, and none of that worked," says Mr. Carroll. "So they went on a cost-cutting binge."

On paper, Tribune saw obvious opportunities to eliminate redundancies. The Washington bureaus could theoretically be combined into one operation. Executives asked why the company needed to publish four different reviews of the same book.

Jack Fuller, a Pulitzer Prize winner at the Chicago Tribune and Tribune's publishing president, wanted to proceed carefully. Even though the L.A. Times was generally seen as overstaffed -- at the time it had 1,160 editorial staffers compared with the Tribune's roughly 680 -- Mr. Fuller didn't want to preside over the paper's decline, according to people familiar with his thinking. He was also conflicted, these people say: He wanted to hold up journalistic standards, but his job was also to make money.

"Broadly, his position, which none of us disputed, was that we didn't buy the L.A. Times, this great newspaper, to screw it up," says Howard Tyner, who succeeded Mr. Fuller as editor of the Chicago Tribune and has since retired. "And to go in with an ax was a good way to screw it up."

Mr. Carroll's approach to the 2002 budget pressures was to cut staffing at local editions in areas such as Orange County and the San Fernando Valley to preserve jobs in Washington and overseas. "We can either be five pretty good papers or one great one," he told staffers after he took the job, according to several Times staffers.

Some at Tribune say that likely contributed to declining circulation in Southern California, according to people familiar with their thinking. Mr. Carroll blames other problems for the declines, such as tighter controls on circulation following a scandal at the company's Newsday, and cutbacks in the paper's promotional budget.

Mr. Tyner says the Times Mirror papers resisted cooperating because they resented the loss of control. "I think it comes down to the fact that some of the big Times Mirror editors felt that working together was more of a threat to their style of journalism than a way to save it," says Mr. Tyner.

Tribune Co.'s Washington bureaus became a symbol -- some said an obsession -- of how the company wanted its newspapers to cooperate. At the time of the merger, Tribune's papers were already housed in the same building. After months of planning, Tribune moved five bureaus belonging to its Times Mirror papers to the same location, including the L.A. Times. Now, all of Tribune's nine Washington bureaus are "co-located" in the same building, with a common reception area and a centralized open meeting place where daily meetings to coordinate coverage take place around a U-shaped conference table.

When the idea of joining Washington bureaus first was raised, many Times Mirror editors objected strenuously. They argued that their stories needed to be tailored to individual markets and they couldn't share reporters with a paper from Chicago or Virginia.

Tribune is famous for benchmarking studies that compare its papers to one another. The company uses various measures, such as editorial costs as a percentage of revenue, number of staffers, average pay, newsprint and nonpayroll expenses.

In 2003, to push back on the question of the Washington bureau, Gerould Kern, Tribune's vice president of editorial, took a number of stories over a period of several months and compared them. "There was a high degree of overlapping coverage of routine events," Mr. Kern recalls. "There weren't a lot of stories that were related to their markets."

At that time, Mr. Kern says Tribune's D.C. bureaus were sharing as little as 8% of their content. Today, 35% to 40% of the content from D.C. is shared between papers, he says. The Los Angeles Times takes stories "less so than others," he says, but they do use some from the Chicago Tribune and other papers, while still debating about how to credit them.

The changes have allowed Tribune to cut the size of its D.C. newspaper and TV operations from 130 reporters in 2003 to 107 today.

Mr. Kern's studies also revealed another source of tension. In comparison after comparison, the Chicago Tribune was putting out its paper with fewer employees. L.A. Times executives countered that their product was of a higher quality.

In the summer of 2005, Mr. Carroll retired, citing the budget cuts as a primary reason. He was succeeded by Mr. Baquet. The paper's publisher, John Puerner, had left earlier that year for similar reasons.

In the last weeks of Mr. Carroll's tenure, Tribune surveyed the staffs of all its 11 papers. At the L.A. Times, the results showed that staff members supported Messrs. Carroll and Baquet and yet were "devastating in their attitude towards Tribune," Mr. Baquet says. When he first took over as editor, "I wanted to ease that."

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Mr. Baquet went to Tribune-wide editors' meetings held roughly twice a year. Mr. Carroll didn't engage in such events. "John may as well have taken his shoes off to clip his nails at those meetings," says one top Tribune company editor, an assessment Mr. Carroll doesn't dispute. At one such meeting earlier this year, Mr. FitzSimons, Tribune's CEO, pulled Mr. Baquet aside and said how much he appreciated his participation in the discussion, according to people familiar with the matter.

In fall 2005, shortly after Mr. Baquet took the job as editor, Mr. Kern, Tribune's editorial vice president, said all of the company's newspapers needed to cut 25% from their foreign budgets, according to people familiar with the matter. Mr. Baquet told colleagues he planned to take a lead role in the project to maintain as much control as possible.

As part of that year's cuts, the Times shut down one of its three printing plants and cut about 300 jobs, or between 8% and 10% of its work force. Roughly 90 of those were newsroom jobs.

As cost pressures increased, the two papers continued to spar, even about seemingly insignificant details. Last year, the Los Angeles Times won two Pulitzers -- one for a series on racial injustice and another on Russia's struggle with terrorism. The Chicago Tribune won one, for an account of a deadly 10-second tornado in Utica, Ill. When Tribune Co. sent out a congratulatory note to employees, the Chicago Tribune was listed before the Los Angeles Times. Staffers at the L.A. Times felt that Tribune had again shown preference for its hometown paper.

Earlier this year, the L.A. Times sent a reporter to cover a murder in Wisconsin, something that irked some Tribune executives, according to people familiar with their thinking. They thought such a story should have been left to the Chicago Tribune.

In May, Jeff Johnson, then publisher of the L.A. Times, went to Chicago to discuss budgets for 2007. He was told to cut another $45 million, roughly the same amount he had cut the year before, according to people familiar with the exchange. That was roughly twice what the Chicago Tribune was asked to cut from its budget, according to people familiar with both paper's finances.

Mr. Johnson, having suffered through one round of cost cutting, balked. After he returned to Los Angeles, Mr. Johnson, along with Mr. Baquet, was quoted in an L.A. Times story opposing the proposed budget cuts. Mr. Johnson's words carried a special edge because he had worked on the Tribune side of the house before moving to Los Angeles.

L.A. Times columnist Steve Lopez supported Mr. Johnson's apostasy. In an interview with the New York Times, he said the publisher had taken "a stiff drink of the Dean Baquet Kool-Aid."

Many predicted Mr. Johnson would be fired. Los Angeles civic leaders sent a letter to Mr. FitzSimons complaining about budget cuts. Wealthy Angelenos, including entertainment mogul David Geffen and real-estate tycoon Eli Broad, have expressed interest in buying the paper.

In early October, David Hiller, then publisher of the Chicago Tribune, flew to Los Angeles with Mr. Smith and several other Tribune executives. Tribune had decided that Mr. Hiller was going to take over at the L.A. Times and that Mr. Johnson was out.

People at the paper say an L.A. Times reporter received a tip that the men were in town. The reporter had also heard that Mr. Hiller's reservation was for a longer stay than that of the other executives, these people say. He passed the news onto a few editors, who surmised it meant that Mr. Johnson was out.

That Wednesday and Thursday, as the rumor spread, a steady stream of senior editors went into Mr. Baquet's office and urged him to stay, regardless of what happened to Mr. Johnson. Mr. Baquet didn't make any promises, according to several of the people who talked to him, but said he would put the paper first in any decision he made about his future.

Tribune planned to announce the change of publisher on Thursday. At breakfast that day, Mr. Hiller met Mr. Baquet at the Omni hotel in downtown Los Angeles, a few blocks from the Times's headquarters. When the waiter came by to pour Mr. Hiller's coffee, Mr. Baquet says he raised his hand to block the move, adding: "He'll have Kool-Aid." Mr. Hiller laughed, Mr. Baquet recalls.

Mr. Hiller said he was coming to the job with no preconceived notions, both men say. He asked Mr. Baquet to stay on at the paper and try to reach an accommodation. Mr. Baquet says he agreed.

In his first day on the job, Mr. Hiller went to the paper's news meeting. He was asked about the differences between the Tribune and the Times. Some L.A. Times staffers wanted him to acknowledge that theirs was a better paper, according to people who were there. Mr. Hiller ducked the question. He talked about how the two cities were different and how the papers were similar.

Earlier this week, Mr. Hiller put out a memo to the Times staff, saying that the paper needed to "focus relentlessly on growing local audience," unlike, he said, the New York Times, a paper that has been steadily increasing national coverage. He concluded: "We cannot allow ourselves to feel victimized by change or be in denial of what needs to be done to move us ahead." Many saw the news as a sign of more cuts to come.

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On Tuesday, Mr. Baquet announced he was leaving. His replacement, James O'Shea, a longtime editor at the Chicago Tribune, takes over from Mr. Baquet as editor of the L.A. Times on Monday. In an interview last week before his appointment was made public, he said reporters should be worrying more about readership than about cost cutting.

"The whole damn industry is focused on the wrong thing," he said. "We're all worried about how many people we have, and what we should really be worried about is declining readership."

At Mr. O'Shea's going-away party earlier this week, he got an ovation from the Chicago Tribune newsroom, say people who were there. They also gave him a gift: a plastic shield and body armor.

Write to Sarah Ellison at sarah.ellison@wsj.com1

ENVIRONMENT:

EPA Wants Man Fined For Silence On Pollution Role (SPT)

By Carrie Weimar

St Petersburg (FL) Times, November 11, 2006

TAMPA - A Dover business owner is facing fines of $32,500 a day for failing to comply with requests from the Environmental Protection Agency.

In a criminal complaint, the federal agency accuses Hugh Johnson, owner of Johnson's Oil Service, of ignoring requests for information regarding his alleged involvement in the pollution of what became a Superfund site in Polk County.

The site, 5015 State Road 60 in Mulberry, is the former home of Sadler Drum, which specialized in the washing and reconditioning of chemical drums. The owner abandoned the site in 1997, leaving hundreds of empty containers.

The EPA investigated the site and discovered the presence of dozens of dangerous chemicals. The cleanup cost more than $900,000 and 65 potentially responsible parties were identified, including Johnson, according to court documents.

Johnson did not return messages left at Johnson Oil Service on Friday.

The EPA sent a registered letter to Johnson in June 2003, requesting more information. Johnson signed for the letter but did not respond, the court documents said.

Letters also were sent in July and August 2004. Again, Johnson signed for them but did not respond, the documents said.

In June 2006, the Justice Department intervened, sending notice to Johnson he must respond or face judicial enforcement. Johnson did not respond.

The EPA is asking a judge to fine Johnson up to $27,500 a day for each day of noncompliance between June 2003 and March 2004. The amount increases to $32,500 a day after March 2004.

No trial date has yet been set.

Carrie Weimar can be reached at 813 226-3416 or cweimar@sptimes.com

Lawsuit Says Family Damaged Wetlands In Chesapeake (VP)

By Scott Harper

Virginian-Pilot, November 11, 2006

NORFOLK - The Justice Department has filed a federal lawsuit seeking fines and restoration of nontidal wetlands in southern Chesapeake that the government says were damaged in 1999.

But the property owners, the Bosher family, said this week that they did nothing wrong and that they were cleaning out existing ditches on their farmland at the time.

Family members say they have since spent thousands of dollars trying to clarify the issue with federal regulators, to no avail.

"It's been the most expensive, prolonged and painful experience," said Kitty Bosher, president and secretary of Sea Bay Development Corp. and Green Sea Farms LLC.

The two entities, both family-run, are listed as the owners of the site in question, known as the Bosher tract. At 1,560 acres, the tract is one of the largest undeveloped properties left in southern Chesapeake.

The case is another in a series of federal actions in recent years intended to protect nontidal wetlands - low-lying fields and forests found throughout Hampton Roads that filter pollutants, control flooding and provide wildlife habitat.

Such land features often are hard to differentiate from slightly squishy, unregulated properties, however, and do not resemble cattail-lined marshes and swamps, which are considered tidal wetlands.

Energy Demand Is Expected To Rise In 4th Quarter (WSJ)

DOJ_NMG_0093556

By Spencer Swartz

The Wall Street Journal, November 11, 2006

LONDON -- The International Energy Agency said global energy demand will jump in the fourth quarter because of U.S. consumption, while demand for oil produced by the Organization of Petroleum Exporting Countries will rise to its highest level in four years.

The energy watchdog Friday said global oil demand will rise 2.6% from the year-earlier period, when demand was crimped by mild weather and the impact of Hurricane Katrina in the U.S., the world's biggest energy market.

In its widely watched monthly oil-market report for November, the IEA said global demand for OPEC oil is expected to rise 1.6 million barrels a day in the fourth quarter from the third quarter because of weaker output from non-OPEC countries.

The IEA trimmed its outlook for growth in 2006 global oil demand to 1.1% from 1.2% in its October report. Demand growth for 2007 was unchanged at 1.7%, the agency said. The IEA revised its fourth-quarter forecast for non-OPEC supply to 51.7 million barrels a day, a decrease of 200,000 barrels a day, and pegged 2006 growth at 700,000 barrels a day, saying weaker supplies in the North Sea, Russia, China, Brazil and Angola will counter "upward adjustments for North America, Australia, Azerbaijan and non-OPEC biofuels."

The Paris-based IEA's outlook points to tighter market conditions and higher energy prices just as OPEC oil-production cuts take effect. OPEC's output cuts, aimed unofficially at supporting oil prices back to the $60-a-barrel level, were sharply criticized by some oil analysts because of the onset of winter in the Northern Hemisphere and uncertainty about the strength of the global economy.

"To make an output cut in the fourth quarter is clearly going to tighten the market, the extent of which depends on how much output is actually cut and that's an uncertain situation," said Lawrence Eagles, editor of the IEA's monthly oil report.

Overall, the IEA expects OPEC's Doha deal to bolster falling oil prices by cutting 1.2 million barrels a day of actual output that will yield a physical reduction of 600,000 barrels a day to 900,000 barrels a day. "Depending upon compliance by non-Gulf members, some 600,000 to 900,000 barrels a day might be removed from the market as a result of the Doha decision," the report said.

Bill Allowing More Drilling Along Coasts Appears Dead (NYT)

By Clifford Krauss

The New York Times, November 11, 2006

HOUSTON, Nov. 9 — Just a few months ago House Republicans and representatives of the energy industry were poised to rewrite a quarter-century of national energy policy and open the seas off the Atlantic and Pacific coasts to oil and gas drilling, which environmentalists had fervently resisted.

But Tuesday's Democratic victory in midterm elections has changed the legislative landscape, obliterating the chances that anything close to the aggressive drilling bill passed by the House of Representatives will be enacted for years to come.

Now, with the Democrats' mid-term election victory, the proponents of drilling off the nation's beaches are reluctantly jockeying to settle for a small patch of new offshore exploration allowed in a competing and more modest Senate drilling bill. "I don't want to end up having no progress," said Representative John E. Peterson, a Pennsylvania Republican who is a leading proponent for expanded offshore drilling. "Something is better than nothing."

He added, "With Nancy Pelosi as speaker it will be difficult to talk about producing in the outer continental shelf."

Dave Parker, president of the American Gas Association, which represents utilities, said: "It's a matter of being pragmatic. The Republicans who had thought they would retain control basically now have one option, which is to accept the Senate-passed version."

The Senate bill opens to bidding 8.3 million acres of federal waters in the Gulf of Mexico. The waters, south of the Florida Panhandle and 235 miles west of Tampa, are thought to hold 5.8 trillion cubic feet of natural gas and 1.3 billion barrels of crude oil.

Exxon Mobil, Shell, BP, ConocoPhillips and many independents are expected to make bids in the area, known as Lease Area 181, which is attractive because it is relatively shallow and close to pipelines and other infrastructure built previously.

Many lawmakers and energy industry officials had expressed little enthusiasm for the Senate bill before the election. They said it was too limited because it would produce, at most, only the equivalent of two months of domestic demand for oil, along with enough gas to cool and heat six million homes for 15 years.

Unlike the House version, the Senate bill would prohibit drilling over a far greater area, in particular a section 125 miles off most of Florida's west coast.

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The House bill, passed in June, would virtually eliminate a federal moratorium on drilling on most of the outer continental shelf off the Atlantic and Pacific coasts that has been in place since 1982. In the summer, energy industry leaders were in strong support of the House bill.

Industry officials said drilling off the two coasts would add enormous amounts of oil and gas to the national inventory over many years, though the exact amounts are not known.

Brian J. Kennedy, deputy chief of staff for the House Committee on Resources, conceded that there was now no chance of expanding offshore drilling at anything close to what the House had hoped for, but he expressed hope that a law could be enacted in the lame-duck session.

Speaking of Representative Richard W. Pombo of California, chairman of the Resources Committee and chief backer of the House bill, Mr. Kennedy added, “The chairman wants a bill and he’ll do everything he can to make sure we get a bill.” Mr. Pombo lost his re-election bid.

Mr. Kennedy said Senate and House leaders had already agreed to some compromises, a provision to recover up to $13 billion in lost revenue from energy companies and a set-aside of some future energy production revenue for rural schools.

Some Senate Republicans would like to amend the Senate bill to give Virginia an option to opt out of the moratorium, according to Congressional sources. But it remains doubtful Senate Democratic leaders would go along with such a version.

Before the midterm election was tallied, lobbyists for energy and manufacturing companies switched tack and began pressing Congressional leaders and the White House to enact the Senate bill passed in August and discard most if not all of the far more ambitious House bill.

Industry officials said the lobbying campaign began weeks ago when it became clear that Democrats had a good chance of taking the House. “I would hope that the House could appreciate what is possible and try to help move forward for the American people,” John Hofmeister, president of Shell Oil, said in an interview. “Let’s get a bill cleared that the president can sign.”

IMMIGRATION:

Democrats To "Revisit" Law Creating Border Fence (WT/UPI)

By Shaun Waterman

The Washington Times, November 11, 2006

Democrats will look again at the legislation mandating 698 miles of fencing along the U.S.-Mexico border and might seek to scrap the plan altogether when they take control of Congress next year.

Rep. Bennie Thompson, Mississippi Democrat, told reporters this week that he expected to "revisit" the issue when he becomes chairman of the House Homeland Security Committee in the 110th Congress.

Mr. Thompson said the Department of Homeland Security's (DHS) new border enforcement program, known as the Secure Border Initiative or SBI Net -- which includes monitors, cameras and other integrated surveillance systems -- is a viable alternative to fencing.

"We might do away with it, or look at [integrating it into] SBI Net," he said. "A virtual fence rather than a real one."

President Bush and Homeland Security Secretary Michael Chertoff have voiced similar concerns about building the fence.

DHS spokesman Russ Knocke told United Press International that in remote border areas, "virtual fencing ... is more advantageous," whereas "traditional fencing has a core role in our border security strategy ... especially in urban areas."

"We're optimistic that working with Congress we'll get the flexibility to integrate traditional fencing into a seamless, high-tech border security system," Mr. Knocke said.

Mr. Thompson also pledged more aggressive oversight of the department, saying that improving its responsiveness to congressional requests for information and reports would be at the "top of my agenda."

He said his committee would seek to boost funding for rail and mass transit; strengthen security regulations for chemical plants and container cargo; and implement what he said were a number of recommendations from the September 11 commission that have yet to be addressed.

Mr. Thompson pledged to pass an authorization bill for the department. The committee has approved an authorization bill the past three years, but the legislation hasn't passed the full Senate, which some attribute to turf conflicts with other committees.

Mr. Thompson acknowledged that "there will still be some split jurisdiction," but maintained that Democrats would be in a better position to work out turf issues. "We can make it work," he said.

He pledged to demand answers from Mr. Chertoff on what he said was an unacceptable level of vacancies in the department's senior ranks.

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"The secretary needs to come clean with the committee and tell us why he can't fill these positions," Mr. Thompson said, adding that Mr. Chertoff would need to come up with ideas to address the situation, "or we will have to provide some ideas for him."

CONGRESS-ADMINISTRATION:

Bush, Pelosi Pledge To Work Together (MCT)

By Ron Hutcheson

McClatchy Newspapers, November 10, 2006

WASHINGTON - After demonizing each other on the campaign trail, President Bush and House Democratic Leader Nancy Pelosi met over plates of pasta at the White House on Thursday and agreed to seek common ground on Iraq and other national problems.

The bipartisan pledges of cooperation generated considerable skepticism in Washington, a city accustomed to partisan warfare. But Bush has reached effectively across party lines before, both as governor of Texas and early in his presidency.

"We won't agree on every issue," Bush told reporters after the peacemaking lunch. "But we do agree that we love America equally, that we're concerned about the future of this country and that we will do our very best to address big problems."

Pelosi, a California liberal who's in line to become speaker of the House of Representatives, said she would use her leadership role to represent "all of the House, not just the Democrats."

Bush also reached out to Senate Democrats, who took control of their chamber Thursday when Sen. George Allen, R-Va., conceded defeat to Democrat James Webb. Bush placed a congratulatory phone call to Senate Democratic Leader Harry Reid of Nevada and invited him to the White House on Friday.

Some Democrats who have worked with Bush in the past said Tuesday's elections brought out a side of him that's been missing in recent years.

Former Texas state Rep. Paul Sadler, a Democrat who considers Bush a friend, said he was puzzled by the style the president adopted when he moved to Washington in 2000. "It's almost like he was hijacked," Sadler said.

In Texas, Bush worked closely with Sadler and other Democrats on a host of issues, including an unsuccessful effort to overhaul the state's tax system. The late Lt. Gov. Bob Bullock, the state's leading Democrat at the time, became so fond of Bush that he supported his re-election as governor.

As a presidential candidate, Bush pledged to bring that spirit to Washington, saying he wanted to be "a uniter, not a divider." He started out that way, at least on some issues. During his first year in office, Bush joined forces with Sen. Edward Kennedy, D-Mass., to pass his No Child Left Behind education law.

"The folks at the Crawford Coffee Shop would be somewhat shocked when I told them I actually like the fellow. He is a fabulous United States senator," Bush said when he signed the legislation in January 2002 with Kennedy at his side. "When he's against you, it's tough. When he's with you, it is a great experience."

The fracture in bipartisan cooperation widened during the 2002 election, when Bush cast Democrats as soft on terrorism. It became a chasm with the bitterness over the Iraq war.

Former Texas State Rep. Mark Stiles, another Democrat who worked with Bush, blamed party politics for Bush's transition from uniter to divider. Stiles, who quit politics and is now a political independent, said he has been surprised by the harshness of Bush's campaign attacks.

"That's not the George Bush that I know. He can work with anybody," Stiles said. "When you get up there, things change. Maybe the system's changed him."

Both Sadler and Stiles speculated that political adviser Karl Rove pushed the president to become more partisan. Rove, who's known for hardball politics, is one of the few presidential advisers who came with Bush from Texas and remains on the job. He's considered Bush's closest adviser, eclipsed only by the president's wife.

To be sure, Democrats also have played a big role in escalating partisan warfare. But on Thursday, both Bush and Pelosi tried to distance themselves from their previous attacks on each other.

"The elections are now behind us," Bush said. "But the challenges still remain."

On A Shifting Field, A Sense Of Rising Expectations (NYT)

By Sheryl Gay Stolberg

The New York Times, November 10, 2006

DOJ_NMG_0093559

WASHINGTON, Nov. 9 — It was no doubt inadvertent, but it was hard not to find some symbolism in the moment Thursday in the Oval Office when President Bush seemed to forget that Vice President Dick Cheney was in the room.

Representatives Nancy Pelosi, the Democratic leader who is soon to become the first female speaker of the House, and Steny H. Hoyer, the Democratic whip, had come to the White House for lunch. As the two Democrats, Mr. Bush and Mr. Cheney sat in front of a fireplace, the president spoke about the importance of working together to get things done.

"Both of us recognize — all three of us," Mr. Bush said, apparently referring to himself, Ms. Pelosi and Mr. Hoyer, "recognize that when you win, you have a responsibility to do the best you can for the country."

The omission of Mr. Cheney, the embodiment of the administration's approach to national security, raised an intriguing question. As Mr. Bush grapples with the loss of his Republican majority in Congress, how far will he go to reinvent himself, and who — or what philosophies — is he willing to jettison along the way?

Defense Secretary Donald H. Rumsfeld has already been pushed out the door, and there were questions on Thursday about the future of Karl Rove, the political strategist whose divide-and-conquer tactics failed on Tuesday for the first time. Asked what role Mr. Rove would play now, Tony Snow, the White House press secretary, offered little insight.

"That's a good process question," Mr. Snow said, "for which I don't have an answer."

It has been six years since Mr. Bush was elected on a record of working with moderate Democrats in Texas and a promise of being "a uniter, not a divider." In that time, his efforts at unity have been intended mostly to hold together and motivate his conservative base: social conservatives who oppose same-sex marriage, fiscal conservatives who demand spending restraint, neo-conservatives whose muscular foreign policy vision provided the foundation for the democracy agenda and the Iraq war.

Now that Republicans have taken what he calls "a thumping" — losing control of both the House and Senate in a virtual political earthquake — Mr. Bush is striking a conciliatory note. Last week, Democrats were weak on defense and wrong on taxes. By Thursday, Mr. Bush had this to say about them:

"We won't agree on every issue, but we do agree that we love America equally, that we're concerned about the future of this country and that we will do our very best to address big problems."

It might seem like the new George W. Bush — or maybe the old one, returning to his Texas governor roots. But, Republicans say, it is really just the same President Bush — the first M.B.A. president, pragmatic enough to recognize, as he himself might say, that he must adjust his tactics to changing conditions on the ground.

"You're seeing the George Bush who has always been adept at playing the hand he is dealt," said Charlie Black, a Republican strategist with close ties to the White House.

Vin Weber, a Republican former congressman and lobbyist, put it this way: "I've never thought that George Bush was a rigid ideologue; I've never thought that he was a hardened partisan. He is a businessman first, and in business you don't spend a lot of time crying about changed circumstances. You figure out quickly how to adapt, and that's what he's doing."

But Mr. Bush demonstrated Thursday that he is not going overboard to adapt.

With his cabinet arrayed behind him, he greeted reporters in the Rose Garden to say that, before Republicans ceded control of Congress at the end of the year, he wanted them to pass legislation codifying his authority to run a once-secret domestic wiretapping program — anathema to many Democrats. Mr. Bush is also pressing the lame-duck Senate to confirm John R. Bolton, whom he installed as ambassador to the United Nations during a recess, circumventing Democrats who oppose Mr. Bolton.

Mr. Snow, the press secretary, was told that did not exactly sound like an olive branch, and he replied, "Let me put it this way, olive branches work in two directions."

Neo-conservatives, though chastened by Tuesday's results, said they did not expect radical change, despite Mr. Bush's announcement that he would nominate Robert M. Gates, a former C.I.A. director, to succeed Mr. Rumsfeld.

"I don't think Gates means the president is looking for a way out of Iraq," said William Kristol, the editor of The Weekly Standard, a conservative magazine. "Gates means he knew he had to make a change and get a fresh face in to build public support. So long as Bush is president, he's not going to want to withdraw from Iraq, and he's not going to want to go back to a pre-9/11 foreign policy, and that's really the core of it."

Democrats, not surprisingly, were a tad suspicious. Tom Daschle, who served as Democratic leader of the Senate during the brief period when Democrats were in the majority under Mr. Bush, said he saw little evidence that the White House could depart from its "arrogance and extraordinary single-mindedness."

Mr. Daschle invoked Gov. Arnold Schwarzenegger of California, who famously repaired his relationship with Democrats. "But I don't think he's motivated in the same way," Mr. Daschle said of Mr. Bush. "Arnold Schwarzenegger wanted to get re-elected. There's no real motivation for Bush."

But there is motivation for Democrats — and Mr. Bush intends to exploit that if he can.

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“Their whole theme has been the do-nothing Congress,” Mr. Black, the Republican strategist, said. “Now, if they get in there and make themselves vulnerable to that charge, it hurts them in ’08. He knows that they have an incentive to get things done, and he’s going to take advantage of that.”

If it works — and that is a big if — some Republicans say it could be an opportunity for Mr. Bush to refurbish his presidency. It is an old saw of politics that you never win by losing, but Tuesday’s drubbing leaves Mr. Bush a liberated man, free to cooperate with Democrats without worrying about his base or the next election.

“It could be the saving grace of his administration,” said Kenneth M. Duberstein, chief of staff to President Ronald Reagan, “because it gives him an opportunity to demonstrate real presidential leadership that is inclusive, right of center but not far right of center, which is where the American people are.”

Gridlock Need Not Be Inevitable For Bush (AP-Y)

By Laurie Kellman, Associated Press Writer

AP, November 10, 2006

Now that voters have rejected one-party rule in Washington, can a president of one party and a Congress led by the other play nicely enough to accomplish anything in the next two years?

It's been done in the past.

Still, President Bush and lawmakers on both sides of the aisle will have to put aside at least some of their pre-election rancor and suppress any desire to get even.

For his part, Bush tried to move past the bitter tone of the campaign within hours of its end by granting a top demand of the Democrats: the ouster of Defense Secretary Donald H. Rumsfeld. And he invited newly empowered Democratic leaders to lunch at the White House — serving Speaker-in-waiting Nancy Pelosi her favorite food, chocolate.

For her part, Pelosi stopped calling Bush incompetent and dangerous. Instead, she made a point of deeming the lunch lovely and speaking of "some areas" where bipartisanship was possible.

Yet to be seen is whether the conciliatory gestures and promises to work together can endure long enough for Congress and the president to produce laws addressing big problems and restore trust in the government.

Role models exist. So does the motivation to follow their lead as the two years before the 2008 elections tick away. Providing the opportunity: a slate of stalled legislation on immigration, Iraq and terrorism that voters named as important in exit polls this week.

Bush and Congress might follow the lead of President Eisenhower and the new Democratic majority of 1954, which established the Interstate highway system less than two years later.

They can look to President Nixon, who signed into law major environmental initiatives — the Clean Air Act and the Environmental Protection Agency — negotiated with Democratic majorities on Capitol Hill.

Ronald Reagan and the Democratic House and Senate passed legislation sustaining Social Security for another three decades. A key deficit reduction program and the Americans With Disabilities Act became law when Democrats ran the Congress and Bush's father was president.

And in the 1990s, President Clinton and a new Republican majority overhauled the nation's welfare laws, an achievement each side hailed as one of its best.

Many experts say that Democrats and Republicans are too polarized for that to happen now, despite the initial overtures of good will.

"White House officials do not expect that a Democratic-controlled Congress would work with them in any sincere or meaningful way," said George C. Edwards III, a political science professor at Texas A&M University. "True or not, this perception could become a self-fulfilling prophecy."

Democrats admit to struggling with the temptation to get even for six years of being shut out of final negotiations with the White House and majority Republicans on major issues like homeland security, tax cuts and the Medicare prescription drug program.

But both Bush and the Democrats have reasons to mend fences. In the twilight of a wartime presidency, Bush could polish his legacy by reviving his uniter-not-a-divider campaign promise of 2000.

Lawmakers in both parties, some of them beginning what amounts to a two-year job interview for the presidency, also have an incentive to move away from confrontation politics. If they need a reminder, they might look at the 61 percent disapproval rating Congress received in the exit polls this week.

As for Bush, he's got a long way to build on the 43 percent approval rating those same polls gave him.

"There's no way in the world that Democrats can achieve anything if we try to get even," cautioned Rep. Charlie Rangel of New York, the likely next chairman of the Ways and Means Committee.

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Opportunities for forging compromises addressing serious problems include:

· Overhauling immigration policy to bestow legal status on some of the 11 million illegal immigrants in the country.

· Agreeing on a course for the war in Iraq, the top issue voters identified in pre-election polls.

· Fixing the alternative minimum tax, a measure that was intended to close tax loopholes for millionaires but that now, through inflation, threatens to impose higher taxes on millions of middle-income families.

_Addressing looming insolvencies in the Social Security and Medicare programs as post-World War II baby boomers retire.

_Improving health programs for the nation's 24 million veterans and the tens of thousands more who will pile into the system as a result of Iraq and Afghan wars.

Bush Meets With Pelosi; Both Vow Cooperation (WP)

By Michael Abramowitz And Jonathan Weisman, Washington Post Staff Writers

The Washington Post, November 11, 2006

President Bush, confronted face to face with the reality of divided government, broke bread with the two top House Democrats at the White House and vowed not to allow partisan divisions to hobble the remaining two years of his presidency.

After meeting separately with his Cabinet and the outgoing GOP congressional leadership, Bush laid out an agenda for the lame-duck congressional session that begins next week, including a nuclear technology deal with India, a free-trade agreement with Vietnam and his plan to permit wiretapping of terrorism suspects without a court warrant.

But prospects for controversial items such as wiretapping legislation seemed remote yesterday, as the concession of Sen. George Allen (R) in Virginia made it official that the Democrats will control that chamber as well as the House come January.

Meeting with reporters in her office after meeting with Bush at the White House, the House speaker-to-be, Nancy Pelosi (D-Calif.), said Democrats could reach accord with Bush on the legislation but will insist on some kind of judicial review of each wiretap the Justice Department seeks.

Pelosi and Bush offered smiles and pledges of cooperation as they faced reporters in the Oval Office after a lunch of pasta salad in the president's private dining room. "We won't agree on every issue," Bush said. "But we do agree that we love America equally, that we are concerned about the future of the country and that we will do our very best to address big problems."

"We both extended the hand of friendship," said Pelosi, who will be the first female speaker of the House in history when the new Congress convenes.

The meeting was the first substantive discussion between Bush and Democrats since the election Tuesday returned the opposition party to power on Capitol Hill. In recent years, Bush has governed without the support of congressional Democrats on most issues, and the new political reality will require him to work much more closely with Pelosi and the soon-to-be Senate majority leader, Harry M. Reid (D-Nev.). Bush is to meet today with Reid and Sen. Richard J. Durbin (D-Ill.), the next Democratic whip.

Despite deep philosophical differences and sharp election-year rhetoric from both sides, the White House and congressional Democrats may share some interest in finding common ground on such issues as overhauling the immigration system, education and energy, according to lawmakers and administration officials. Democratic leaders seem anxious to show they can deliver as a governing party after years in opposition, while Bush is aware that his final two years will be bereft of any significant initiative unless he can work with the party he demonized on the campaign trail.

Despite conciliatory rhetoric, there were flashes yesterday of the potential obstacles ahead. The White House once again asked the Senate to approve the nomination of controversial U.N. Ambassador John R. Bolton, who holds the post after a recess appointment, but Democrats -- and a key Republican -- quickly moved to block the action. In her interview with reporters, Pelosi said Democrats will act immediately to reinstate lapsed budget rules, which mandate that any new tax cuts or spending increases be paid for with equal spending cuts or tax hikes. That would all but shut the door on Bush's main economic priority, making his first-term tax cuts permanent.

The new House and Senate leadership will also quickly challenge Bush on stem cell research, Pelosi said. Democrats expect to pass legislation early next year that would be almost identical to the only bill he has vetoed, a measure to expand federal funding of stem cells beyond the few lines already in existence. The addition of 29 Democratic seats in the House and six in the Senate is probably not enough to override a veto, Pelosi conceded, but Democrats hope to "build public support for a signature."

But Pelosi and the House's No. 2 Democrat, Rep. Steny H. Hoyer (Md.), who also attended the White House lunch, indicated they came away from their meeting with a sense that they could work with Bush. In an apparent effort to demonstrate goodwill, Pelosi added that Democrats will take up the "innovation agenda" laid out by Bush nearly a year ago in his State of the Union address, and pass his proposals to increase funding for basic scientific research and alternative energy programs.

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Hoyer said in an interview that he believed the two sides could also reach agreement on a comprehensive immigration bill that includes both tough enforcement measures and some kind of guest-worker program. Such legislation has been blocked by House GOP leadership, and Hoyer pointed out, "The Senate Democrats and the Senate Republicans and the House Democrats are more in agreement than the president and House Republicans."

Hoyer, who faces a challenge for the job of majority leader from Rep. John P. Murtha (D-Pa.), described the lunch session as a cordial meeting in which a variety of topics -- fiscal policy, Social Security, Medicare and Iraq, among others -- were discussed in general terms. He said Vice President Cheney also attended but said little beyond pleasantries.

"There was no point in time where we said, 'We'll support this, and the president would support that.' That was not the point of the meeting," Hoyer said. He said Pelosi "clearly made the point that the American people believe that we are doing in Iraq is not working, and we need to address it. . . . The president said, 'I hope we can discuss that.' "

Pelosi has indicated that the first order of business when the new House convenes will be a package of bills touted during the campaign that include raising the minimum wage, cutting student loan rates and allowing the federal government to negotiate lower drug prices with pharmaceutical companies -- which Congress barred when it approved a new Medicare drug plan for seniors.

On some issues, Democrats are plainly hoping to put Bush on the defensive with legislation they believe is popular with the American people -- confronting Bush with a choice of whether to go along or fight on unfavorable terrain.

"They are not going to invite each other to their respective Christmas dinners, but I think there's an agenda that Pelosi has put on the table that the president could embrace," said John Podesta, the president of the Center for American Progress and a former Clinton White House chief of staff. "It's kind of galling to him to do it, but the public would reward him. Having to explain to the American people why you wouldn't want the authority to negotiate with drug companies about prices would be hard to do."

Edward Kutler, a Washington lobbyist and former aide to onetime GOP Speaker Newt Gingrich (Ga.), said the Democrats seem to be dangling "veto bait" before the president that could "poison the well" before too long. "There's possibility for bipartisan compromise," he said, "but there's a limited window and there's a limited universe of issues."

"A lot of Republicans are going to say, the Democrats won -- let's let the Democrats produce legislation and see what can be done," he added.

Once the honeymoon ends, said John J. Pitney Jr., a congressional expert at Claremont McKenna College, "not a lot" will get done. "The relationship is going to be a mix between cooperation and confrontation, but given the chemistry, confrontation is going to be much more prevalent," he said.

Bush could work w ith a Democratic legislature when he was a governor. But, referring to the late conservative Democratic legislative leader in Texas, Pitney asked: "Does Nancy Pelosi look like Bob Bullock? Congressional Democrats are quite different from their counterparts in Austin."

White House counselor Dan Bartlett said of the Pelosi-Bush-Hoyer session: "It genuinely was a positive meeting. The attitude of the Democratic leaders was one of cooperation."

Referring to energy, immigration and education, Bartlett added: "There are issues when you peel back the rhetoric where you find greater consensus."

Democratic Victory Raises Spirits Of Those Favoring Citizenship For Illegal Aliens (NYT)

By Randal C. Archibold

The New York Times, November 10, 2006

PHOENIX, Nov. 9 — Supporters of granting citizenship to some or all illegal immigrants say the Democratic takeover of Congress has galvanized their cause and could lead to sweeping changes in immigration law.

Democrats will take over leadership of committees in the House and the Senate that could guide new immigration legislation, while President Bush and the presumptive House speaker, Representative Nancy Pelosi of California, have cast changes to immigration laws as an opportunity to demonstrate bipartisan bonhomie.

“We have never had the table set for the possibility of action as we do now,” Andrea LaRue, a Democratic political consultant, said in a conference call with reporters.

Some immigration experts, however, predict a more arduous debate. Although conservative Republicans have led the opposition to accommodating some illegal immigrants, a handful of the newly elected Democrats, including Claire A. McCaskill of Missouri and Jim Webb of Virginia in the Senate, campaigned promising a tough approach to illegal immigration.

Some Democratic incumbents who won re-election did the same.

“It is still a long way from a deal,” said Roberto Suro of the Pew Hispanic Center, a Washington research group. “The question is, can somebody illuminate a middle ground where people who come at this issue from all different directions can reach a settlement.”

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Supporters of more relaxed policies on illegal immigration count among the casualties of the Democratic victory at least 11 House members who had opposed giving illegal immigrants an opportunity to gain legal residency and, ultimately, citizenship.

Representative J. D. Hayworth published a book on immigration titled "Whatever It Takes" and campaigned heavily on a platform of sealing the border and ejecting illegal immigrants.

Although Mr. Hayworth, a six-term Republican from the suburbs of Phoenix, has not conceded defeat, unofficial tallies indicate that he has lost his seat by four percentage points to a Democrat, Harry Mitchell.

Mr. Mitchell, who is a former mayor of Tempe, had said that a path to citizenship made sense in some cases.

Also in Arizona, a self-described Minuteman border vigilante, Randy Graf, a Republican seeking an open seat near the border, was soundly defeated by Gabrielle Giffords, a Democrat willing to consider citizenship for some illegal immigrants.

The Republican-controlled Congress failed to pass a broad immigration bill this session, stuck over whether to provide steps toward citizenship for illegal immigrants, although a measure calling for 700 miles of fencing on the 2,000-mile border was approved, with the backing of several Democrats, and signed by Mr. Bush.

Many political analysts, however, called the fence an election-eve effort to placate conservatives that stood little chance of being completely built.

Still, the Federation for American Immigration Reform, a Washington group favoring tighter limits on immigration, said six state ballot initiatives making life harder on illegal immigrants were approved by voters on Tuesday, four of them in Arizona, where immigration is intensely discussed, and two in Colorado.

The Arizona measures include blocking illegal immigrants from collecting punitive damages in civil lawsuits, being released on bail for serious felonies and taking state-subsidized adult education and child care programs.

In Colorado, the measures require the state attorney general to sue the federal government for failing to enforce immigration laws and deny tax credits to employers who knowingly hire illegal workers.

Bruce Merrill, an Arizona State University pollster, said the measures were popular because voters believed the federal government was not taking action.

"My feeling is that the frustration with nothing being done was so strong that if there had been 10 initiatives dealing with cracking down on illegal immigration, all 10 of them would have passed," Mr. Merrill said.

"In other words," he said, "what the initiatives were proposing substantively may not have been as important as giving people something, anything, they could vote for to feel something was being done."

Advocates of a get-tough approach said that despite their losses they had gained in the battle of ideas.

"When the incumbent Democrat runs a race on securing the border and cutting taxes, our ideas are doing just fine, let's remember that," said Len Munsil, the Republican candidate for governor who was soundly defeated by the incumbent, Janet Napolitano, a Democrat.

The governor had declared an emergency on the border last year and called for National Guard troops to go there.

Senator Jon Kyl, a two-term Republican who supports a temporary guest worker program but not provisions that would lead to citizenship for illegal workers already here, won re-election by a healthy margin.

The final days of the race, however, focused less on immigration than on the backgrounds of the contenders.

Still, immigration advocates said the Democratic gains had brought new energy to a cause that seemed to flag after a round of demonstrations in the spring were followed by disappointing results in legislation and voter registration drives that fell short of goals.

The election "shows what we have been saying all along, that the anti-immigrant, enforcement-only rhetoric to motivate conservative voters was not reflecting where the majority of Americans are on this issue," said Angela Sembrano, director of the Central American Resource Center in Los Angeles, one of the groups that helped organize large pro-immigrant marches in the spring.

Ms. Sembrano and other protest leaders said that, in the afterglow of election night, they would refrain from detailing what they will ask of Democrats until they meet with the new leadership in the coming weeks. But Chung-Wha Hong, executive director the New York Immigration Coalition, said the goal would still be "legalization for as many people as possible."

People on all sides of the immigration debate had watched Arizona closely because illegal immigration has surged dramatically here in the past decade while its politics drifted toward the center from the right.

Earl de Berge, a veteran pollster here, said Republicans who made a hard-line approach the centerpiece of their campaigns misjudged a moderating shift.

"The fact is immigration was not, never has been, and is not the No. 1 issue in this state," Mr. De Berge said. "The big issues were the same as the ones nationally, the war, the economy and Bush and so on."

"The mistake Graf and Hayworth made," he said, "is that they simply were outmaneuvered by their own insistence on beating on that one issue."

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"This," he added, "is a moderate state, not a conservative Republican state."

Harry Reid, An Infighter With A Sharp Jab (NYT)

By Mark Leibovich

The New York Times, November 10, 2006

WASHINGTON, Nov. 9 — Harry Reid began Election Day with 50 situps and 80 push-ups (very red state of him) and 40 minutes of yoga (very blue state of him).

He spent most of the momentous day in his Senate office, waiting. Just after 2 p.m., he finally heard some actual news: Britney Spears was filing for divorce.

"Britney Spears," Mr. Reid said, shaking his head. "She loses a little weight, and now she's getting all cocky about things." He added, "Britney has gotten her mojo back."

Few would peg Mr. Reid, 66, as someone with anything to say about Britney Spears or, for that matter, someone who would ever use the word "mojo." But he is a tricky figure to pigeonhole or predict, a Democrat who is a Mormon opposed to abortion and who looks more like a civics teacher than someone set to become the most powerful person in the Senate.

He makes an unlikely front man, a role that was displayed Thursday amid chants of "Harry, Harry" at a Capitol Hill rally shortly after Senator George Allen's concession in Virginia ensured that Democrats would have a majority in the Senate. Mr. Reid is low-key, deferential and somewhat sheepish, qualities that make it easy to misread or underestimate him.

"People can say he is a nice guy, but that just totally misses it," said Senator Hillary Rodham Clinton, Democrat of New York. "He's got a spine of steel, and he will go toe-to-toe with anyone."

Harry Mason Reid is the product of the tiny desert town of Searchlight, Nev., whose father, a hard-rock miner, battled alcoholism and depression before killing himself at 58. The future senator hitchhiked 40 miles to attend high school in Henderson, where he became an amateur boxer.

He came to Washington to attend law school, working nights as a Capitol police officer. He was elected to the Nevada State Assembly at 28, served as lieutenant governor and later led the state's Gaming Commission, a job that pitted him against organized crime figures. (Mr. Reid's wife, Landra, once found a bomb under the hood of the family car.) He was elected to Congress in 1982, and moved to the Senate four years later.

Mr. Reid has brought his pugilistic sensibility to his career, often taking jabs at those he deems unworthy. In Mr. Reid's two-year run as minority leader, he called Alan Greenspan, the former Federal Reserve chairman, "a political hack"; Justice Clarence Thomas "an embarrassment"; and President Bush a "loser" and a "liar." Within that litany, Mr. Reid says he regrets only calling Mr. Bush a loser.

All of which has made Mr. Reid a reliable bogeyman among Republicans on the stump. But he has also enjoyed the loyalty and, for the most part, the unity of a potentially fractious Democratic caucus that includes several would-be presidential candidates.

That devotion was displayed and returned on election night, as Mr. Reid placed phone calls to successful Democratic Senate candidates from his suite at the Hyatt Regency Hotel.

"Bob, you did it, my man," Mr. Reid said to Senator Robert Menendez, who was re-elected in New Jersey.

"Hillary, you're the best to work with," Mr. Reid told Mrs. Clinton. "Love you," he signed off. (Mrs. Clinton offers that she ended the call by saying, "Love you, too, Harry.")

Mr. Reid also professed his love to Senator Kent Conrad, who was re-elected in North Dakota. ("Love you, man.")

Later, when Claire C. McCaskill, another Democrat, was declared the winner in Missouri, Mr. Reid kissed the television.

He and Senator Charles E. Schumer, the New Yorker who leads the Democratic Senatorial Campaign Committee, kept whacking each other like kids. "Remember, Chuck, when they said Sherrod was too liberal?" Mr. Reid said of Sherrod Brown, the newly elected senator from Ohio.

Mr. Schumer said nothing, but gave Mr. Reid something between a pat on the head and a noogie.

By Thursday, the elation of early Wednesday had given way to exhaustion and talk of working with Republicans. "It is time for bipartisanship," Mr. Reid said at the rally, a few seconds after he was introduced for the first time as the majority leader of the Senate. (It is not official until January.)

He took the stage to the blare of Sheryl Crow's "A Change Would Do You Good," but it looked as if a good night's sleep would do him better. His makeup could not hide the bags and crags on his un-Botoxed face.

People who know Mr. Reid say he is much more suited to work with Republicans than his partisan reputation would suggest.

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"His personality will be more conducive to being a majority leader than minority leader," said Sig Rogich, a Republican consultant from Nevada and a close friend of Mr. Reid. "He has always been more of a consensus-building type than the over-the-top partisan that his current role has demanded."

Some of those considered the most effective recent majority leaders have been strategists and rule-book students, like George J. Mitchell, Democrat of Maine, or Bob Dole, Republican of Kansas. Mr. Reid's supporters say he fits in that tradition. "I doubt that anyone knows any more rules of the Senate than Harry," said Frank J. Fahrenkopf Jr., the former chairman of the Republican National Committee and a longtime friend of Mr. Reid.

Mr. Reid is often credited with outmaneuvering his predecessor, Senator Bill Frist, Republican of Tennessee, who had relatively little legislative experience when he became majority leader in 2003. Mr. Reid once shut down the Senate, invoking a little-used procedure to force closed-door discussion about the intelligence the Bush administration used to justify war in Iraq, and he succeeded in holding his caucus together to defeat efforts by Republicans to prohibit filibusters over judicial appointments, retaining a long-held Senate precedent. Mr. Reid voted against Mr. Bush's nominations of John G. Roberts Jr. and Samuel A. Alito Jr. to the Supreme Court; opposed Republican efforts to abolish the estate tax; and supported giving the president authorization to invade Iraq, though he now advocates a phased withdrawal of American troops.

Mr. Reid will not venture a guess about what kind of majority leader he will be. "I'm going to throw bombs sometimes — I'm going to be conciliatory other times," he said in his office late Thursday. "If it comes to me that Alan Greenspan is a political hack, I'm just going to say that. I'm just going to be who I am. "

Mr. Reid added that he would "try not to be obnoxious," but also allowed that "the Senate is not a place for hugs and kisses." He said he realized that as a legislator, he could not get anything done without compromising with the president, whom he was scheduled to meet with Friday morning. He said he could not remember the last time he was invited to the White House.

"I have hope it will change," Mr. Reid said of his largely nonexistent working relationship with Mr. Bush and other administration officials. "Whether it will or not, I can't say."

Mr. Reid is nothing if not battle-worn and realistic, friends say. He describes himself as "a pessimist about everything in life," which is generally not something politicians admit.

"I never thought we could do it," he said of winning the Senate. "I knew it was possible in my head, but I never let my heart believe it."

Bush, Democrats Pledge To Work Together (AP-Y)

By Jennifer Loven, Associated Press Writer

AP, November 10, 2006

President Bush opened the Oval Office Friday for a second day in a row to Democrats who will rule Capitol Hill next year, and both sides promised cooperation. But Democrats' heads were shaking over Bush demands for the current lame-duck GOP Congress to enact measures they oppose.

"It's a little bit of a mixed message, sure," said Jim Manley, spokesman for Senate Democratic Leader Harry Reid, who is set to be majority leader when his party assumes power in January. "Folks are scratching their heads a little bit."

Bush invited Reid and the Senate's No. 2 Democrat, Dick Durbin, to his office for a nearly hourlong meeting aimed at charting a way forward in a government to be divided between a Republican White House and a Democratic Congress.

Bush had had lunch a day earlier with House Democratic leader Nancy Pelosi, expected be the next speaker of the House.

"My attitude about this is that there is a great opportunity for us to show the country that Republicans and Democrats are equally as patriotic and equally concerned about the future, and that we can work together," said Bush, appearing in a good-natured mood when he, Reid and Durbin appeared before reporters in the Oval Office afterward.

Reid and Durbin agreed. "The only way to move forward is with bipartisanship and openness, and to get some results," Reid said. "And we've made a commitment, the four of us here today, that's what we're going to do."

Vice President Dick Cheney, who completed the foursome, did not speak in public.

Bush found common ground in the Western roots he shares with Reid, who is from Nevada. "We tend to speak the same language, pretty plainspoken people, which should bode well for our relationship," the president said.

But one of the president's first public acts after his party's losses in Tuesday's elections — voting that was widely seen as a rebuke of his leadership and policies — was to press for an aggressive agenda while Congress remains in GOP hands for the next two months.

On his list are at least two items deeply controversial to Democrats: legalizing his warrantless eavesdropping program, stalled in the Senate because of a Democratic filibuster threat, and confirming John Bolton to be U.S. ambassador to the United Nations, which Democrats have said is unlikely to happen.

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Durbin had said on Thursday, "For a Republican Congress to have gone forward for two years and produced so little, and then for the president to come up with a huge agenda for the next two weeks, you have to ask him, 'Why didn't you use some of the time you spent arguing on some less important issues before?'"

White House press secretary Tony Snow said both the eavesdropping and Bolton-nomination issues were crucial, and that Democrats should see their merits.

"Bipartisanship works both ways," he said. "I don't think you should look at these as necessarily provocative."

Bolton has held the post on a temporary basis for more than a year, and Bush cannot make a second recess appointment of him. Without confirmation, Bolton would have to leave the job in January. Snow said the White House doesn't consider his nomination dead, despite statements from the Hill that make it seem that way.

Snow left open the possibility that Bolton could play the same role at the U.N., just with a different title.

"I'm not aware of that, but I am not going to rule anything in or out," he said.

Both Pelosi and Reid complimented Bush after the meetings. Pelosi said "I think we can find a way to have agreement on" the eavesdropping bill while making clear that would involve changes, such as adding some form of judicial review.

Manley said it was important that Bush was reaching out, noting Reid and the president probably had not met since the summer. But he also said many Democrats on Capitol Hill are skeptical after six years of being largely ignored.

For their part, Democrats are not shrinking from an agenda that Bush clearly does not like, including funding for embryonic stem cell research, government negotiation of drug prices and reinstating budget rules that would make extending the president's tax cuts difficult.

Bush, Pelosi Look Ahead Over Lunch (WT)

By Joseph Curl, The Washington Times

The Washington Times, November 10, 2006

President Bush and Rep. Nancy Pelosi, the likely speaker of the House, yesterday buried the hatchet -- gently -- as the two sat down for an Oval Office lunch after a vitriolic campaign that put Democrats in control of Congress for the first time in 12 years.

"Both of us recognize ... that when you win, you have a responsibility to do the best you can for the country," the president said. "The elections are now behind us, and the congresswoman's party won. ... Therefore, we're going to work together to address those challenges in a constructive way. We won't agree on every issue, but ... we will do our very best to address big problems."

On a day when Republicans conceded the last two contested Senate seats and made official the Democratic sweep of Congress, Mrs. Pelosi agreed that the leaders at the two ends of Pennsylvania Avenue wouldn't agree always -- or even often -- but offered her own olive branch after the bruising campaign.

"I look forward to working in a confidence-building way with the president, recognizing that we have our differences and we will debate them, and that is what our founders intended. But we will do so in a way that gets results for the American people," she said. "We've made history. Now we have to make progress. And I look forward to working with the president to do just that."

Yesterday, Republican Sens. George Allen of Virginia and Conrad Burns of Montana formally acknowledged defeat in their re-election bids, giving the Democrats 49 seats in the chamber. Along with two Democrat-leaning independents, that will make Democratic Sen. Harry Reid of Nevada the next majority leader.

"It's time for results," Mr. Reid said at a raucous celebratory rally yesterday afternoon outside the Capitol.

But the campaign left a bitter trail between Mr. Bush and Mrs. Pelosi. She called him "incompetent," "oblivious, in denial, dangerous" and "shallow," and often implied that he was stupid, a man with "no judgment, no experience and no knowledge."

He mocked her as a liar who talked tax cuts but must be a "secret admirer" and warned that if she took the helm, "terrorists win and America loses."

When asked about yesterday's lunch menu, presidential counselor Dan Bartlett joked that "for the president, it's probably a little bit of crow."

Since the president suffered what he called a "thumping" in Tuesday's elections, he has already acquiesced twice to the San Francisco liberal's demands. On Wednesday, he accepted Secretary of Defense Donald H. Rumsfeld's resignation, and yesterday, he offered an olive branch by saying he is "open to any idea or suggestion" on how to prosecute the war against terror and "and ensuring that Iraq's democratic government succeeds."

The new conciliatory stance is a far cry from what the president said repeatedly on the campaign trail.

"This debate on Iraq -- if you listen carefully for a Democrat plan for success, they don't have one," he said at one rally. "However they put it, the Democrat approach in Iraq comes down to this: The terrorists win and America loses. ... The Democrat goal is to get out of Iraq. The Republican goal is to win in Iraq."

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But Mr. Bush, humbled by losing Republican control of both the House and the Senate, struck a new tone of bipartisanship yesterday after a morning meeting with his Cabinet. "It is our responsibility to put the elections behind us and work together on the great issues facing America. ... The American people expect us to rise above partisan differences, and my administration will do its part."

In the end, Mr. Bush, who has spent much of his time in office irking Democrats by going it alone, vowed with Mrs. Pelosi at his side that their luncheon was "the beginning of a series of meetings we'll have over the next couple of years, all aimed at solving problems and leading the country."

The president's priorities include the passage of spending bills funding government's continued operation "with strong fiscal discipline and without diminishing our capacity to fight the war on terror"; legislation retroactively authorizing his warrantless domestic surveillance of terror suspects; energy legislation; and congressional approval for a landmark civilian nuclear cooperation agreement with India and for normalizing trade relations with Vietnam.

The president hopes to be able to convince Democrats that those issues "rise above partisan difference." But Democrats have opposed many of his proposals in the past, and because they hold gavels in both chambers of Congress, they will be in the position to scrub his legislation.

With Democrats holding only the thinnest edge in the Senate, that chamber's Republicans can use all manner of procedural rules to have a major say in what happens.

"With 49 Republican senators, we still have the ability to shape and, when necessary, to block legislation," Sen. John Cornyn of Texas said on Fox.

For her part, Mrs. Pelosi has vowed not to seek Mr. Bush's impeachment or to tie up the House with punitive investigations of the executive branch, and yesterday repeated that pledge.

"Democrats are not about getting even. Democrats are about helping the American people to get ahead," she said.

At the Capitol Hill rally, Sen. Charles E. Schumer of New York, who led Senate Democrats' re-election team, sounded a similar note.

"Our joy today will vanish if we can't produce for the American people," he said.

Still, Democrats fired plenty of warning shots on a variety of issues yesterday, including judicial nominations and the terrorist-surveillance bill.

"My message to the president would be: Send us moderate judicial candidates," said Sen. Richard J. Durbin of Illinois, the Democratic whip. "Don't send us extreme candidates, because I think the president will run into trouble if he does."

The two sides also remain divided over Iraq.

" 'Full speed ahead'? I don't think so," Mrs. Pelosi said on CNN, mocking Vice President Dick Cheney's assertion that the administration would continue its war strategy without change.

But Mr. Bush dug in his heels as well, saying that he will not consider pulling U.S. troops from Iraq before victory is achieved.

"If the goal is success, then we can work together. If the goal is get out now regardless, then that's going to be hard to work together," he said.

The president did acknowledge that although both sides can move away from their rhetoric, neither party will compromise their core values.

Mrs. Pelosi is "not going to abandon her principles and I'm not going to abandon mine," he said.

Bush In Overture To Democrats (FT)

By Demetri Sevastopulo, Edward Luce And Stephanie Kirchgaessner In Washington

Financial Times, November 10, 2006

President George W. Bush on Thursday said he would welcome new policy ideas on Iraq as he adopted a conciliatory tone following the capture of both houses of Congress by the Democrats.

Mr Bush's overture came as the Democrats sealed their election victory by securing the Virginia Senate seat they needed to clinch the narrowest of majorities in the upper house.

George Allen, the Republican senator and one-time presidential hopeful, conceded defeat to Jim Webb, his Democrat challenger, on Thursday evening.

The win gave the Democrats far greater control over foreign policy than their control of the House of Representatives alone would have offered.

Flanked by his cabinet in the White House Rose Garden, Mr Bush, who was already in danger of becoming a lame duck president after the Democrats took the House, urged both US parties to set aside differences on Iraq and domestic policy. He

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said: "I'm open to any idea or suggestion that will help us achieve our goals of defeating the terrorists and ensuring that Iraq's democratic government succeeds."

The Democrats remain divided on Iraq with some, such as John Kerry, the losing 2004 presidential candidate, arguing for a timetable for withdrawal and others, such as Hillary Clinton, resisting explicit deadlines.

Steve Clemons, of the liberal New America Foundation, said: "If the Dems had just controlled the House, they could have got away with posturing and public hearings. With the Senate, people are looking to the Democrats to govern. It changes the strategy completely."

Mr Bush will next week meet members of the Iraq Study Group, the bipartisan commission led by James Baker, the former secretary of state, which is expected to recommend new policy options for Iraq.

The president also urged lawmakers to finish working on spending bills, energy legislation and other measures, such as the Terrorist Surveillance Act, before the next session of Congress begins in January.

The Democrats' victory in the Senate paves the way for a more aggressive legislative agenda in Congress, which will be spearheaded by the new chairmen of the congressional committees. Two fierce critics of administration policy in Iraq – Carl Levin and Joseph Biden – are to take over as chairmen of the Senate armed services and foreign relations committees, respectively.

Jeff Bingaman, incoming chairman of the energy committee, will probably put climate change at the centre of his agenda.

Opposition to Mr Bush's social security proposals will be strengthened with the expected appointment of Max Baucus as chair of the finance committee.

Bush Asks Congress To Approve Bolton (FT)

By Demetri Sevastopulo In Washington

Financial Times, November 10, 2006

President George W. Bush has asked Congress to approve John Bolton, his controversial ambassador to the United Nations, for a second term, in the face of opposition from key Democrats.

The move comes in spite of conciliatory rhetoric from Mr Bush on Thursday that he wants to work with Democrats after they routed the Republicans in the congressional mid-term elections.

Mr Bolton, who once remarked that "If the UN secretary building in New York lost 10 stories, it wouldn't make a bit of difference", received a recess appointment last year after the Senate foreign relations committee opposed his nomination. Recess appointments do not require Senate approval.

Democrats, and one Republican, on the committee opposed sending Mr Bolton, who has a poor reputation internationally, to the UN following multiple allegations that he twisted intelligence and bullied colleagues who failed to endorse his hardline views.

Tony Snow, White House press secretary, on Thursday said Mr Bush discussed his desire to keep Mr Bolton at the UN at a breakfast meeting on Thursday with Republican congressional leaders.

"This is something that we think is important, that he stay there," said Mr Snow.

But White House hopes of keeping Mr Bolton in New York were immediately dashed when Lincoln Chafee, a Rhode Island Republican member of the foreign relations committee who just lost his seat in Tuesday's elections, said he would oppose Mr Bolton.

Joseph Biden, the Delaware Democrat who will become chairman of the Senate foreign relations committee in January, on Thursday said there was no point for the committee to even discuss the appointment.

"I see no point in considering Mr Bolton's nomination again in the foreign relations committee because regardless of what happens there, he is unlikely to be considered by the full Senate," said Mr Biden.

The push to give Mr Bolton another term comes as the Security Council must deal with a number of crucial issues, including on Iran, North Korea, Sudan and Lebanon. Mr Bolton has also been the US point man on UN reform.

Sean McCormack, the State department spokesman, said Mr Bolton deserved an "up-or-down vote", meaning the Senate foreign relations committee should approve his nomination so it can be brought to the Senate floor for a final vote.

"He has been extraordinarily effective up there at the UN. And now is not the time to have a gap in your UN ambassador."

Mr Bush could give Mr Bolton a second "recess appointment" but Senate rules would then require that he does not receive a salary. Asked whether that was a possibility, Mr McCormack replied: "I don't know how enthusiastic he would be about working without pay. I haven't asked him that question. That's kind of a personal question."

Additional reporting by Mark Turner at the United Nations

Bolton Unlikely To Win Senate Approval (AP-Y)

DOJ_NMG_0093569

By Anne Plummer Flaherty, Associated Press Writer

AP, November 10, 2006

John Bolton's prospects for staying on as U.N. ambassador essentially died Thursday as Democrats and a pivotal Republican said they would continue to oppose his nomination.

It was another blow to President Bush, two days after Democrats triumphed in elections that will give them control of Congress next year. On Wednesday, Bush had announced that Defense Secretary Donald H. Rumsfeld, a polarizing figure and face of the Iraq war, would step down.

On Thursday, the White House resubmitted Bolton's nomination to the Senate, where the appointment has languished for more than a year. Bush appointed him to the job temporarily in August 2005 while Congress was in recess, an appointment that will expire when the Congress adjourns, no later than January.

Sen. Lincoln Chafee, R-R.I., who was defeated by Democrat Sheldon Whitehouse on Tuesday, told reporters in Rhode Island that he would continue opposing Bolton. That would likely deny Republicans the votes needed to move Bolton's nomination from the Senate Foreign Relations Committee to the full Senate.

"The American people have spoken out against the president's agenda on a number of fronts, and presumably one of those is on foreign policy," Chafee said. "And at this late stage in my term, I'm not going to endorse something the American people have spoke out against."

Democrats indicated that even should the Senate try debating Bolton's nomination when lawmakers reconvene next week — still under Republican control — they would stretch out debate on Bolton with the aim of killing it. Republicans lack the 60 votes needed to force a vote on the nomination.

"I see no point in considering Mr. Bolton's nomination again in the Foreign Relations Committee because, regardless of what happens there, he is unlikely to be considered by the full Senate," said Sen. Joe Biden of Delaware, top Democrat on the Foreign Relations Committee.

Bolton's 2005 recess appointment came after Democrats blocked repeated attempts by GOP leaders to grant him Senate confirmation. Democrats said Bolton was a bully who lacked the diplomatic skills necessary to broker international deals.

In 2005, Chafee wavered on his support for Bolton, citing concerns at one point about Bolton's tie to a government investigation into faulty prewar intelligence on Iraq. In September, Chafee — who was in a tight re-election race — said he would oppose Bolton's nomination until the administration answered questions about its policy in the Middle East, which in effect delayed any vote until after the elections.

Bush asked congressional Republicans Thursday morning at the White House to confirm Bolton during their "lame duck" session beginning next week, said White House spokesman Tony Snow.

Asked if Bush thinks Bolton will be confirmed, Snow said, "We'll find out."

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Associated Press writer Michelle R. Smith in Rhode Island contributed to this report.

Bolton May Not Return As U.N. Envoy (WP)

By Dafna Linzer, Washington Post Staff Writer

The Washington Post, November 10, 2006

Key lawmakers said yesterday they would block the nomination of John R. Bolton as ambassador to the United Nations, all but killing chances for him to remain in the post past December.

For nearly 20 months, President Bush has tried, unsuccessfully, to get Bolton confirmed in a job he has held since August 2005. Bolton then received a recess appointment after not getting enough support in the Senate.

Sen. Joseph R. Biden Jr. (Del.), the ranking Democrat on the Foreign Relations Committee and its presumed chairman when the Democrats take control of the Senate in January, said yesterday that Bolton's nomination is "going nowhere."

"I see no point in considering Mr. Bolton's nomination again in the Foreign Relations Committee because, regardless of what happens there, he is unlikely to be considered by the full Senate," Biden said in a statement.

The White House had hoped Sen. Lincoln D. Chafee (R.I.), a moderate Republican who earlier raised questions about Bolton and the administration's policies in the Middle East, would support Bolton after the election. But Chafee lost his seat Tuesday.

"On Tuesday, the American people sent a clear message of dissatisfaction with the foreign policy approach of the Bush administration," Chafee said in a statement. "To confirm Mr. Bolton to the position of U.N. ambassador would fly in the face of the clear consensus of the country that a new direction is called for." Chafee said Bolton lacks the "collaborative approach" needed to make the United States "the strongest country in a peaceful world."

Without Chafee's support, Republicans on the committee do not have enough votes to recommend Bolton's confirmation.

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Bolton's nomination, in early spring of 2005, fell apart within weeks. The Senate committee hearings were dominated by heated testimony from former colleagues and several intelligence officials; they described Bolton as a bully who pressured analysts, cherry-picked intelligence and hid information from the secretary of state. The committee did not support the nomination but agreed to send it to the full Senate for consideration.

Several Republicans then joined with Democrats to block a vote on the nomination until the White House turned over documents relating to Bolton's tenure as undersecretary of state for arms control during Bush's first term. The White House refused, insisting that Bolton deserved a vote by the full Senate.

Bolton's recess appointment is set to expire at the end of December, when the current Congress goes out of session. With only a few months remaining, the White House tried again to get Bolton confirmed during the summer. The American Israel Public Affairs Committee came to the administration's aid, lobbying heavily for Bolton's nomination. It persuaded several Democrats to support Bolton but the nomination was snagged by Chafee.

White House spokesman Tony Snow would not predict yesterday whether Bolton would get confirmed or say what the White House's contingency plans are if the nomination falls through again. "This is something that we think is important, that he stay there," Snow told reporters.

National security adviser Stephen J. Hadley urged senators to judge Bolton solely on his performance at the United Nations over the past year. "I would hope that people would step back, take a look at John's record up there, and reach the judgment that the president has reached -- that he does a terrific job for the American people."

In a statement yesterday, Bush named five congressional priorities he hopes will be tackled before the end of the year. Bolton was not on the list.

Yesterday, a White House official, who spoke on condition of anonymity, said the administration had explored options for keeping Bolton at the United Nations. A second recess appointment is not possible, but officials considered making Bolton an "acting ambassador." But the official, who would discuss internal deliberations only on the condition of anonymity, said none of the options is appealing, especially given the strong opposition shown by the Democrats, who are poised to take over Congress.

If there is no confirmation, "we assume he'll probably resign," the official said. Several administration officials speculated that Zalmay Khalilzad, the ambassador to Iraq, could be a candidate to replace Bolton.

U.N. Envoy Confirmation Unlikely (LAT)

By Maggie Farley

The Los Angeles Times, November 10, 2006

UNITED NATIONS — John R. Bolton's prospects for remaining the U.S. ambassador to the United Nations dwindled Thursday as Democrats and a key Republican senator rejected efforts to have the still-Republican- controlled Senate confirm his nomination.

The White House continued to explore ways to keep Bolton at the U.N. without going through a confirmation process.

Outgoing Sen. Lincoln Chafee (R-R.I.), who holds the swing vote that would determine whether the evenly split foreign relations committee reconsiders Bolton, said he would not support the nomination, which the White House resubmitted Thursday.

"To confirm Mr. Bolton to the position of U.N. ambassador would fly in the face of the clear consensus of the country that a new direction is called for," he told a news conference in Rhode Island. Chafee lost his reelection bid Tuesday.

"I have long believed that the go-it-alone philosophy that has driven this administration's approach to international relations has damaged our leadership position in the world," Chafee said.

When senators blocked Bolton's nomination last year, Bush put him in the position using a special recess appointment that expires upon Congress' adjournment this year.

In September, Bolton's nomination came up again. Chafee, who had expressed reservations about Bolton's style of diplomacy and his effectiveness, came under intense pressure from Democrats and Republicans.

Chafee requested then that the hearing on Bolton be delayed until after the election, citing unresolved questions about the administration's Middle East policy.

Chafee said Thursday: "Mr. Bolton does not demonstrate the kind of collaborative approach that I believe will be called for if we are to restore the United States' position as the strongest country in a peaceful world."

Chafee's comments echoed those of Sen. Joseph R. Biden Jr. (D-Del.), who is expected to be chairman of the foreign relations committee when the Democrats take control of the Senate in January.

Biden said Thursday that Bolton would not get a Senate hearing until the White House provided relevant National Security Agency documents that the committee requested last year.

"I see no point in considering Mr. Bolton's nomination," Biden said.

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That leaves the White House to decide how hard it wants to push Bolton for the post in the face of a decisive defeat in Tuesday's election, and how he could stay in the job without going through confirmation hearings.

He could technically receive a second recess appointment, but under U.S. law, could not be paid for his work under those circumstances.

Other possibilities include creating a position that would allow him to continue his work at the U.N., such as ambassador-at-large for U.N. issues, or special advisor to the president for the United Nations, said one U.S. diplomat.

White House lawyers have also proposed appointing Bolton as deputy ambassador, which does not require a Senate confirmation, and allowing him to perform as the acting ambassador.

Sen. Christopher J. Dodd (D-Conn.), said Bush was making a political error by "trying to jam this nomination through" in defiance of the demand for change expressed by voters this week. "Sadly, Mr. Bolton doesn't represent change but a failed status quo."

Names being floated as possible contenders to replace Bolton include former Sen. George Mitchell (D-Maine); Zalmay Khalilzad, now U.S. ambassador to Iraq; and Paula Dobriansky, undersecretary of State for democracy and global affairs. Chafee's name has also been mentioned.

On Thursday, White House spokesman Tony Snow said the administration considered it important for Bolton to stay at the U.N.

And the White House national security advisor, Stephen Hadley said the administration hoped "people will step back and look" at Bolton's record at the U.N. over the last year.

"John has done a terrific job," Hadley told reporters at a news briefing. "He has gotten out of the United Nations some very important resolutions on some of the most important issues for our national security."

Hadley pointed specifically to resolutions on North Korea, "which many people thought we could not get."

"He has been a champion of reform, and he has been a clear advocate of American values," Hadley said.

At the United Nations, reviews of Bolton's performance have been mixed, but most diplomats agree that he hasn't turned out to be the destructive force that they feared he would be.

Though he threatened to withhold U.S. contributions to the U.N. until institutional changes were made, last-minute compromises by the State Department minimized the diplomatic damage.

His prediction that the new Human Rights Council would be worse than the dysfunctional body it replaced turned out to be true, though some diplomats say that U.S. failure to support the body made his prophecy a self-fulfilling one.

In the Security Council, Bolton has forged agreements with colleagues on several difficult issues, including two unanimous sanctions resolutions on North Korea. He also counts as victories putting Myanmar, formerly Burma, on the Security Council agenda, and blocking Venezuela from a seat on the Security Council, where it would have had a high-profile anti-U.S. platform.

"He is like Dr. Jekyll and Mr. Hyde," said Edward C. Luck, director of Columbia University's Center on International Organization. "He has done remarkably well on big issues in the council, but he treats the rest of the institution with disdain."

Luck continued: "If he wants to achieve reform, which was supposed to be his strength, his performance is highly disappointing. But if he wants to show that the U.N. is unreformable, he is doing a good job of it."

In New York on Thursday, Bolton received the news about Chafee's rejection as he was about to meet with key ambassadors on a sanctions resolution for Iran. He declined to comment.

But Bolton has been giving hints that his days may be numbered. This week, when a loyal staffer returned from a vacation with a new beard and told Bolton he wasn't going to shave until the ambassador was confirmed, Bolton quipped, "You may be waiting awhile."

Bush Renominates Bolton Ahead Of Change In Senate (WT)

By Stephen Dinan, The Washington Times

The Washington Times, November 10, 2006

President Bush yesterday renominated John R. Bolton in a power play designed to force the U.N. ambassador through the Senate before Republicans lose control at the end of this year.

The nomination comes as Mr. Bush has spent the past two days talking about striking a bipartisan chord on domestic policies and suggests that, even with Democrats in control of the Capitol, the president will assert his constitutional role in foreign policy.

White House officials said Mr. Bolton, who is currently serving as a temporary recess appointment, deserves Senate approval.

"I would hope that people would step back, take a look at John's record up there, and reach the judgment that the president's reached, that he does a terrific job," said National Security Adviser Stephen J. Hadley.

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Democrats last year blocked Mr. Bolton's nomination with a filibuster, forcing Mr. Bush to use his recess-appointment power. That appointment expires as the new Congress takes over under Democratic control next year.

Sen. Joseph R. Biden Jr., who is in line to become chairman of the Senate Foreign Relations Committee, said Mr. Bolton still can't win confirmation and that it's a waste of time for the committee to take up his nomination.

The Delaware Democrat said his party blocked Mr. Bolton last year because the administration wouldn't let them see intelligence documents the Democrats believe would prove Mr. Bolton led a retribution effort against a State Department employee.

"Unless the administration provides the Senate with the documents it is entitled to see, Mr. Bolton should not get a vote," Mr. Biden said.

Republicans have to overcome more than just Democrat objections. Sen. Lincoln Chafee, Rhode Island Republican, who lost his bid for re-election, had opposed Mr. Bolton. As a member of the committee, he could keep the nomination bottled up and never let it get to the floor.

Asked whether the White House would pressure Mr. Chafee to change his mind, Mr. Hadley suggested a slightly softer strategy.

"You say pressure, I would say explain and persuade," he said.

He said Mr. Bolton has been instrumental in winning U.N. resolutions on North Korea's nuclear program and missile tests and that it would be a mistake to replace him.

One Senate aide familiar with Republican leaders' thinking said if they can get over Republican objections and are left solely with Democrats' opposition, they will probably try to force Democrats into a filibuster.

White House Press Secretary Tony Snow said it's too early to talk about whether the White House might give Mr. Bolton another recess appointment, should his nomination fail again.

In two different votes last year, Mr. Bolton fell four votes and six votes shy of the 60-vote threshold needed to overcome a filibuster in the Senate.

With Power Set To Be Split, Wiretaps Re-emerge As Issue (NYT)

By Eric Lichtblau

The New York Times, November 10, 2006

WASHINGTON, Nov. 9 — The Bush administration escalated its defense of the National Security Agency's domestic wiretapping program on Thursday, even as Democrats in Congress vowed to investigate the program aggressively once they assume power.

In Washington, President Bush urged that during the lame-duck session that starts next week, Congress pass a bill effectively authorizing the program. And in San Francisco, the Justice Department told a federal court that public scrutiny of the operation risked "exceptionally grave harm to national security."

But Democrats sounded impatient to begin getting more answers after what they characterized as 11 months of stonewalling by the administration since the program was publicly disclosed last December.

"This administration first hid its domestic spying program from Congress and Americans for years, and when it was discovered, has ducked and weaved on its legal justifications," said Senator Patrick J. Leahy of Vermont, who is to become chairman of the Senate Judiciary Committee when Democrats take control.

"We all believe that monitoring the communications of suspected terrorists is essential," Mr. Leahy said. "But especially when the monitoring involves Americans, it needs to be done lawfully and with adequate checks and balances to prevent abuses of Americans' rights and Americans' privacy."

The shift in power on Capitol Hill sets up the likelihood of a showdown between the White House and Congress over the direction of not only the N.S.A. program but also a range of other aggressive counterterrorism operations that the administration has undertaken since the attacks of Sept. 11, 2001.

This September, the House approved legislation that would effectively authorize the government to continue the program, in which the agency, without warrants, carries out surveillance on communications into and out of the United States that are suspected of involving terrorism. But Senate legislation on the issue, backed by the White House, stalled last month.

Republicans have held out hope of getting such legislation approved by the full Congress during the lame-duck session, and Mr. Bush pushed anew on that front Thursday, calling passage an "important priority in the war on terror."

Senator Arlen Specter, the Pennsylvania Republican who currently leads the Judiciary Committee and is the main advocate of wiretapping legislation there, acknowledged the difficulty of getting his bill through the Senate now.

"There's been a seismic change in the Senate landscape," Mr. Specter said in a telephone interview, "so I'm not sure exactly how all that is going to work out."

Emboldened by their electoral victory, Democrats said they believed it would be all but impossible for the Republicans to pass wiretapping legislation before the current Congress adjourns, or to win approval of separate legislation immunizing telephone companies from liability over their cooperation in wiretapping operations.

"There's no chance of that happening," predicted a senior Democratic aide for the House Judiciary Committee, who spoke only on condition of anonymity because he was not authorized to discuss the issue.

"This is a program a lot of people here thought was excessive," the aide said of the N.S.A. operation. "There's a history of concern here."

Indeed, rather than move to authorize the program, Democrats said they would push in January to investigate how the program had been run and would seek legislation to restrict or ban outright the use of wiretaps without warrants.

Representative John Conyers Jr., the Michigan Democrat who is all but assured of taking over the House Judiciary Committee, has been one of the fiercest critics of the program and some other counterterrorism operations, saying he considers them abusive and potentially illegal infringements on civil liberties.

Groups that are suing the government and the telecommunications companies over the wiretapping program said Thursday that they hoped more aggressive oversight would help their cause.

"If Congress has some hearings and digs into this, we may know a lot more," said Cindy Cohn, legal director of the Electronic Frontier Foundation, which is suing AT&T.

The Justice Department urged a federal district judge in San Francisco on Thursday to delay considering any further issues in that suit until an appeals court considers an earlier ruling of his against the government.

The government is invoking a "state secret" privilege in opposing such lawsuits, and it argued Thursday that further proceedings delving into intelligence operations "could lead to serious consequences" by compromising national security.

The judge, Vaughn R. Walker, has already rejected that argument once, ruling in July that the case involving AT&T could proceed without a "reasonable danger" that it would harm national security. It is this ruling that the government is appealing.

Bipartisanship On Hold (NYT)

The New York Times, November 10, 2006

President Bush was back on TV yesterday, without the scowl he'd been sporting the day after the election but with the surviving members of his Cabinet. He talked about how much he was looking forward to lunching with Nancy Pelosi and Harry Reid and working on "the great issues facing America." Mr. Bush said his team would "respect the results" of the election.

Just maybe not right away.

Without missing a beat, Mr. Bush made it clear that, for now, his idea of how to "put the elections behind us" is to use the Republicans' last two months in control of Congress to try to push through one of the worst ideas his administration and its Republican allies on Capitol Hill have come up with: a bill that would legalize his illegal wiretapping program and gut the law that limits a president's ability to abuse his power in this way.

Mr. Bush listed his priorities for the forthcoming lame duck session of Congress. It was an odd list that included only two really urgent items — the bills that keep federal money flowing and the nomination of Robert Gates as the next secretary of defense. The rest was a grab bag that included one worthy but hardly urgent idea (getting Vietnam into the World Trade Organization) and a series of ideas ranging from bad to truly awful that Mr. Bush has been unable to get through Congress and hopes to ram through in the Republicans' last weeks.

For example, he wants the Senate to ratify his recess appointment of John Bolton as ambassador to the United Nations. That vote, which is likely to be strongly debated, can easily wait for the new Congress, and should. Mr. Bush also pressed for quick passage of "the bipartisan energy legislation," which had Congressional officials scratching their heads in puzzlement about which bill he might mean. And he wants immediate approval of his administration's deal to sell civilian nuclear technology to India despite that nation's refusal to sign or abide by the Nuclear Nonproliferation Treaty.

That was a bad idea from the start. But the wiretapping bill is simply outrageous, and it has no business being discussed in this lame duck session.

The bill Mr. Bush wants was drafted by Vice President Dick Cheney's lawyers and by Senator Arlen Specter, the outgoing Republican chairman of the Judiciary Committee. Mr. Specter presented it as a compromise that would regulate the president's ability to spy on Americans' phone calls and e-mail without a court order. It really was a cave-in to Mr. Bush's effort to expand his power beyond limits that have existed for nearly 30 years.

Mr. Bush has acknowledged that he authorized the National Security Agency to conduct certain kinds of domestic wiretapping without obtaining the warrant required by the 1978 Foreign Intelligence Surveillance Act. He has claimed that the law hindered the hunt for terrorists, but has not offered a scrap of evidence for that claim. He has also never described the program's overall scope, and almost none of the lawmakers who will vote on this bill if Mr. Bush has his way have any idea what it entails.

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Senator Dianne Feinstein, the California Democrat who is one of the few members who does know, has said there is nothing in the program that could not be done legally. She has proposed a more modest bill that would give the government more flexibility to eavesdrop first and get permission later. But Mr. Bush is not interested. He wants the bill that would gut the law, absolve him of illegal behavior and turn over the task of determining the constitutionality of his program to a court that is not equipped to make that judgment.

Since the White House has continued the wiretapping without legislative approval, there is no conceivable reason why Mr. Bush should see this as an emergency. His real motive could be to create a bargaining chip that would allow him to get a narrower bill giving the telephone companies immunity for helping the administration conduct the unlawful eavesdropping. That's an absurdly bad idea.

There are plenty of responsible lawmakers in both parties who are sympathetic to the idea that the executive branch needed more flexibility to pursue terrorists after 9/11. It has been obvious all along that if the president feels current law is too restrictive, he should explain its shortcomings to members of Congress and ask them to amend it. The Republican majority was never going to insist on that, but the new Democratic leadership might.

The White House refuses to explain itself because this has never been about catching terrorists. It is about overturning the crucial limits placed on executive authority after Watergate and Vietnam. Mr. Cheney and a few other hard-liners have been trying to turn back the clock and have succeeded in some truly scary ways, including the military commissions act they pushed through Congress before the elections. It is vital that they not be allowed to do any more harm.

Democrats Are Set To Subpoena (LAT)

By Richard B. Schmitt And Richard Simon, Times Staff Writers

The Los Angeles Times, November 10, 2006

The new majority is expected to hold hearings on military spending and the Iraq war -- just for starters.

WASHINGTON — Rep. Ike Skelton knows what he will do in one of his first acts as chairman of the Armed Services Committee in the Democratic-led House: resurrect the subcommittee on oversight and investigations.

The panel was disbanded by the Republicans after they won control of Congress in 1994. Now, Skelton (D-Mo.) intends to use it as a forum to probe Pentagon spending and the Bush administration's conduct of the Iraq war.

It has been 12 years since Democrats were in control of both the House and Senate. But they are looking to make up for lost time, and in some cases, make the Bush administration and its business allies sweat.

With control of every committee in Congress starting in January, the new majority will inherit broad powers to subpoena and investigate. And that is expected to translate into wide-ranging and contentious hearings.

The agenda is likely to be dominated by the Iraq war, but could include probes into the Bush administration's warrantless surveillance, environmental policies and new prescription-drug program for seniors. Industries, such as oil companies, could also come under closer scrutiny.

"The American people sent a clear message that they do not want a rubber-stamp Congress that simply signs off the president's agenda," said Rep. John Conyers Jr. (D-Mich.), who is in line to become chairman of the House Judiciary Committee. "Instead, they have voted for a new direction for America and a real check and balance against government overreaching."

Conyers and other Democrats say that sort of scrutiny has been noticeably absent over the last six years. Democrats accuse Republicans of being complicit as Bush has led the nation into an unwinnable war and adopted economic polices that favor the affluent and big business.

Under Republican control, Congress did subpoena baseball players to discuss steroid use and summon oil industry executives to justify record profits at a time of high gasoline prices.

"What we have to be wary of, and the American public will be wary of, is a subpoena bazaar here on Capitol Hill, and government by investigation by Democrats," said Kevin Madden, a spokesman for House Majority Leader John A. Boehner (R-Ohio).

But even some scholars say recent GOP oversight has been lax. "This could be remembered as a historically unique period in which an administration got immunity from Congress to engage in errors with impunity," said Charles Tiefer, a University of Baltimore law professor and a former House counsel.

Democrats face a delicate balancing test, mindful of a public backlash if they focus more on investigating than legislating.

Their leader, Rep. Nancy Pelosi (D-San Francisco), has already ruled some investigations out of bounds. Conyers has wanted Congress to determine whether there are grounds to impeach Bush. But Pelosi has said that will not happen.

While there is pent-up demand among Democrats in Congress and their constituencies to oversee the Bush administration, their new caucus will also include a number of moderates and conservatives, which may force the leadership to tone down its act.

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"The Democrats are going to be cross-pressured. They could hold impeachment hearings. They could make people in the Bush administration look absolutely terrible. It wouldn't be hard," said Joel Aberbach, a UCLA political science professor. "But there may be a little restraint because of their political needs in terms of consolidating themselves and looking to the 2008 election."

Democrats are expected to bore into the Iraq war, including review of no-bid contracts for reconstruction, intelligence failures and decisions to ignore the advice of military commanders about troop levels.

"Rather than focus on the failings of the war, though, these events will be staged in order to highlight the administration's incompetence and inflexibility," said William Howell, an associate professor at the Harris School of Public Policy at the University of Chicago.

Rep. Bart Stupak (D-Mich.), the ranking member of the House Energy and Commerce subcommittee on oversight and investigations, said, if he becomes chairman, he would look into "security at our nuclear labs, oversight of the Food and Drug Administration, and energy policy."

Now that they have the power of the subpoena, Democrats expect to be able to get the administration's attention. A number of senior Democrats have complained that the administration has ignored their inquiries.

Rep. James L. Oberstar, the top Democrat on the House Transportation Committee, this year was in the middle of grilling Homeland Security Secretary Michael Chertoff on the administration's response to Hurricane Katrina when the Republican chairing the hearing cut him off. He had used his allotted five minutes.

Now that Oberstar, of Minnesota, is in line to become the committee chairman, among his first acts is expected to be scrapping the five-minute rule established by the GOP majority.

"I would guess that we're going to have some fairly long hearings," said Jim Berard, an Oberstar spokesman.

The new Congress will also be marked by the ascendancy of some old watchdogs.

Rep. Henry A. Waxman (D-Los Angeles) is set to head the House Government Reform Committee. Waxman used another committee to push for landmark laws reducing pesticides in food and regulating nursing homes in the 1980s and 1990s. He also famously put tobacco company executives on the spot at a high-profile hearing in which they testified under oath that they did not believe that nicotine was addictive.

Since Bush took office, Waxman has written letters to the White House seeking information on a wide range of subjects — often getting no response. Now, with the power to issue subpoenas, he is likely to get answers.

Waxman wants to investigate waste, fraud, profiteering and "whether government is doing the job it's supposed to do."

"When Clinton was president, there was not an accusation too small for them not to launch investigations and issue subpoenas," Waxman said of congressional Republicans. "When Bush became president, there wasn't a scandal big enough for them to ignore. I think they've given us a good model on how not to behave."

The most senior member of the House, Rep. John D. Dingell (D-Mich.), is also scheduled to play a crucial role in the new Congress, again becoming chairman of the House Energy and Commerce Committee.

He already has a number of subjects he wants to look into, including the Medicare prescription drug benefit and an overhaul of energy policy, two of the GOP's proudest achievements.

"We're not after anybody," Dingell said, but he said if anyone from the administration has "useful things to tell us," they will be "invited to come forward."

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Democrats Poised To Flex New Muscles (WSJ)

By Yochi J. Dreazen, Jay Solomon And Robert Block
The Wall Street Journal, November 10, 2006
Lawmakers Vow to Probe Bush's Prewar Case, Katrina Contracts, Corporate America

WASHINGTON -- The Democrats' sweep of the House and the Senate gives the party powerful tools for probing certain controversies of the Bush administration's years in office, from its use of faulty prewar intelligence on Iraq to its effort to rebuild New Orleans.

With President Bush retaining his veto pen, the Democratic majorities may have a difficult time passing laws, especially in areas like health care and Social Security. But some Democrats in both the House and the Senate already are signaling a willingness to conduct tough oversight of the Bush administration's policies and to reopen lingering controversies -- particularly over pre-Iraq intelligence -- the Republican-led Congress largely ignored.

In the Senate, the likely new Intelligence Committee chairman, Jay Rockefeller of West Virginia, says he will complete an investigation into the White House's case for invading Iraq that Republicans were accused of stalling. Michigan Sen. Carl Levin is

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in line to take over the most powerful congressional oversight body, the Senate's Permanent Subcommittee on Investigations, which routinely sends staffers to Iraq and other overseas countries. Mr. Levin, a critic of the Iraq war, has previously promised to conduct tougher oversight of the administration's use of no-bid contracting in Iraq, where the $21.8 billion U.S.-led rebuilding effort is winding down without having restored prewar levels of water or electricity. (See related article.1)

In the House, Rep. Bennie Thompson of Mississippi, expected to take over the House Committee on Homeland Security, is promising to haul Homeland Security Secretary Michael Chertoff before the panel to face questions on issues ranging from the no-bid contracts awarded after Hurricane Katrina to the number of vacancies in the department's senior management.

"The secretary only came before our committee two times this entire year, and that is not enough," Mr. Thompson said. "He cannot be a stranger before the Homeland Security Committee. He is going to have to be fully engaged, and I am going to demand that of him."

ELECTION FALLOUT

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Mr. Thompson is likely to be one of the largest burrs in the side of the Bush administration, as is California Rep. Henry Waxman, who will run the House Government Reform Committee. Mr. Waxman, an unrelenting critic of the White House, said he will boost oversight of the Bush administration and broad swaths of corporate America, with a particular focus on prescription-drug prices, oil-company profits and Halliburton Co.'s contracting work in Iraq.

The Democrats' choices about how to use their expanded oversight powers, which enable them to subpoena information, call hearings and compel witnesses to appear, will shape the next two years in Washington.

But Democrats will face internal divisions as they decide where to focus their investigative muscle. Liberal Democrats such as the membership of the activist organization MoveOn.org want the party to investigate the administration's case for the Iraq war and instances of possible corporate misconduct. By contrast, centrist and conservative Democrats like New York Sen. Hillary Clinton and many of the newly elected lawmakers from Southern and Western states argue the party should avoid taking too harsh a stance against big business or the Bush administration.

Democrats already are signaling they will proceed cautiously on Iraq. A spokeswoman says Mr. Rockefeller "will press to complete the remaining sections of the committee's Iraq review," but noted the lawmaker also was aware the panel "has other pressing issues that must be a priority going forward."

The reports concern one of the most controversial aspects of the Bush administration's years in power, its prewar case that Iraq possessed weapons of mass destruction and an active nuclear-weapons program.

When no weapons were found, the outgoing chairman of the Senate intelligence panel, Kansas Republican Pat Roberts, agreed in 2004 to conduct a five-part study of prewar intelligence on Iraq.

Two parts of the study were made public in September, including one that criticized Bush administration efforts to link Saddam Hussein to al Qaeda. But the most politically sensitive sections of the reports, say officials involved in them, have yet to be completed.

One will contrast prewar statements made by Mr. Bush and other senior administration officials about Iraq's military and terrorist capabilities with the underlying intelligence available at the time. Another looks into the work of Douglas Feith's office; at the time, Mr. Feith was a senior political appointee to the Pentagon, and his office promoted intelligence linking Iraq to al Qaeda.

Mr. Rockefeller's decision about how fast to proceed with the Iraq investigations will be watched by his fellow Democrats, many of whom believe the Bush administration willfully misled Congress and the American people in the run-up to the war. Mr. Rockefeller also will face intraparty pressure to conduct inquires into the Central Intelligence Agency's secret-prison programs for al Qaeda suspects and the White House's efforts to monitor telephone calls without seeking warrants. An aide to Mr. Rockefeller said those "are two areas that are ripe for aggressive oversight."

In the House, Democrats like Mr. Thompson will oversee domestic security for the first time since the Sept. 11 terrorist attacks and the creation of the Department of Homeland Security. Party officials said the Democrats are going to set the agenda on issues ranging from immigration enforcement to improved support for local responders. But their intentions to close the gaps in the nation's defenses are almost certain to go hand in hand with their desire to use their new power to bash the administration's security failures.

Mr. Thompson's legislative staff already is crafting bills designed to boost the counterterrorism skills of the nation's police departments through the creation of training centers and grants allowing the departments to send liaison officers to work

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overseas. Democrats have also vowed to move legislation for greater rail and mass-transit security, as well as allocate additional money to inspect cargo carried on commercial airliners.

The ambitions, however, go far beyond bolstering hometown police and helping secure railways. House Democratic leader Nancy Pelosi said she plans to pass all 41 of the 9/11 Commission's recommendations within 100 legislative hours of the Democratic takeover of the House. While Republicans' failures to embrace all the report's proposals have provided the Democrats with political fodder, the party doesn't have a bill drawn up to carry out Ms. Pelosi's plan or estimates of the costs.

Mr. Thompson said he will work with Mr. Chertoff and the Republicans on his panel to find solutions to pressing homeland-security issues, but makes clear he is prepared to go it alone if consensus proves elusive.

"If the secretary has some ideas, then he needs to lay them out," he said. "If not, I am convinced that our committee will step forward and provide some ideas for him."

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Democrats Weigh New Power As Leaders (NYT)

By Carl Hulse

The New York Times, November 10, 2006

WASHINGTON, Nov. 9 — When Democrats take control of the Senate in January, they will immediately assume far more power to influence President Bush's agenda, particularly his choice of executive and judicial nominations that must pass through the chamber.

By virtue of their de facto 51-to-49 majority, Democrats will now control the committees and the floor schedule — a factor Mr. Bush will have to weigh in his selection of high-level candidates. (The Senate split 49 to 49, but tipping the scales toward the Democrats are Senator-elect Bernard Sanders of Vermont, an independent who caucuses with Democrats, and Senator Joseph I. Lieberman of Connecticut, a Democrat who ran as an independent after losing in the primary.)

"It means send us more moderate people or don't waste your time," said Senator Richard J. Durbin of Illinois, the second-in-command and a member of the Judiciary Committee, which considers judicial nominees.

Republicans acknowledge that the shift will be a significant factor in high-profile nominations, such as any to fill Supreme Court vacancies, in the remainder of the president's term. But they also say that the Senate tradition of respecting the rights of the minority gives them the same opportunities to influence the agenda that Democrats used during their years out of power.

"It is clearly going to be harder to get his people through, not easier," said Senator John Cornyn, a Texas Republican and White House ally who also sits on the Judiciary Committee. "But the Senate is different from the House, and 49 Republican senators can certainly shape a piece of legislation that goes through, or if they feel it is bad enough, they have the power to kill it."

The new majority leader, Senator Harry Reid of Nevada, promised Thursday to have a more collegial relationship with the minority Republicans than he said was shown to the Democrats over the past four years of partisanship and procedural gamesmanship.

"They've set a bad example in not working with us," Mr. Reid told cheering supporters who gathered across from the Capitol to celebrate the Democrat victory. "We're not following that example."

In contrast to the House, the Senate has experienced more regular shifts in party control over the years — Democrats were last in the majority in 2002 — and many current members are accustomed to suddenly going from committee chairman to ranking minority member. In fact, many of the Democrats in line to take over important committees have wielded the gavel before, sometimes alongside the Republican who will be leaving the chairmanship.

For instance, Senator Carl Levin, a Michigan Democrat and a leading party voice on military issues, has led the Armed Services Committee and has a good working relationship with senior Republicans on the panel. He will now play a major role in determining the approach on Iraq.

But there are pronounced ideological differences between the incoming leaders and those they will be replacing, as well as other lingering issues. On the Intelligence Committee, Senator John D. Rockefeller IV of West Virginia, the top Democrat, has feuded with Senator Pat Roberts of Kansas, the Republican chairman, over Mr. Roberts' reluctance to challenge the administration's handling of intelligence preceding the Iraq war.

In what could be the biggest policy divide on the panels, Senator Barbara Boxer, the liberal California Democrat and environmental advocate, is in line to take control of the Environment and Public Works Committee from Senator James M. Inhofe of Oklahoma, who has disputed that humans are causing global warming.

"He thinks global warming is a hoax and I think it is the challenge of our generation," said Ms. Boxer, who said she has a cordial working relationship with Mr. Inhofe. "We have to move on it."

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In other notable changes, Senator Robert C. Byrd, 88, the West Virginia Democrat elected to his ninth term, is expected to resume his role as chairman of the Appropriations Committee. Senator Edward M. Kennedy of Massachusetts, also re-elected, will be back at the Health, Education, Labor and Pensions Committee. Senator Joseph R. Biden Jr. of Delaware will be at the helm of the Foreign Relations Committee.

With new power, Senate Republicans said Democrats will now have to do more than criticize. "Now that Democrats will have control of Congress for the next two years, they have a new responsibility for one of the most important issues of our time," said Amy Call, a spokeswoman for Senator Bill Frist of Tennessee, the majority leader who is retiring at the end of the year. "Quite simply, how shall we win the war on terror?"

While there will no doubt be clashes with Mr. Bush, there are also some issues where he could find the new Senate easier to work with than the old one. Democrats have been much more supportive than Republicans of Mr. Bush's broad approach on immigration and that issue could get new traction.

Democrats have been cheered by Mr. Bush's new bipartisan tone in recent days and say they are willing to reciprocate. But some also noted that the president laid out a very ambitious agenda for the post-election session scheduled to begin Monday under Republican control, including seeking approval of the nomination of John R. Bolton as ambassador to the United Nations. Mr. Bolton is serving as ambassador under an interim appointment after his nomination stalled in the Senate.

"The president has indicated that he understands the significance of Tuesday's election and the need to work in a bipartisan fashion to move our nation forward," said Senator Christopher J. Dodd, Democrat of Connecticut and a Bolton critic.

"But," he added, "trying to jam this nomination through during a lame-duck session may indicate that the president didn't fully hear the voice of the American public — and that is troubling."

Democrats have complained for years that Republicans have run roughshod over the minority party in both the House and Senate, and they promise to restore more traditional processes, including having open negotiations between the House and Senate over major legislation.

With the pickup of six Senate seats that even he did not anticipate, Mr. Reid is more than secure in his post as party leader, with Mr. Durbin as the assistant leader. The party is exploring ways to recognize the leadership role of Senator Charles E. Schumer of New York. Mr. Schumer, the architect of the Democrats' triumph as head of the Democratic Senatorial Campaign Committee, has been invited to lead that group for the 2008 elections if he chooses.

In the House, Representative Rahm Emanuel of Illinois, who led the successful campaign effort there, announced Thursday that he would seek to lead the Democratic conference — the fourth-ranking leadership slot. The decision could earn Mr. Emanuel, 47, further goodwill by averting a potentially divisive contest for the majority whip position with Representative James E. Clyburn of South Carolina.

"I seek this post, and not any other, because I believe what we need now is a unified Democratic caucus, focused squarely on the business of moving this country forward," Mr. Emanuel said in a statement.

Sweep Gives Dems Power To Put Plans Into Action (USAT)

By Jill Lawrence, Usa Today

USA Today, November 10, 2006

Allen concedes to Webb, won't seek recount

WASHINGTON — The resolution of the Virginia Senate race Thursday completed a Democratic sweep of Congress, setting the stage for a rush of ideas, investigations and confirmation skirmishes from a party largely left out of national decision-making for the past four years.

The Democratic Senate takeover became official when Republican Sen. George Allen conceded to Democrat Jim Webb in Virginia. Earlier Thursday, Sen. Conrad Burns, R-Mont., conceded defeat to Democrat Jon Tester, who had already been declared the winner. House Democrats sealed their majority Wednesday.

The loss of both chambers will hamper President Bush's ability to advance proposals on Capitol Hill or kill what he doesn't like. "Bush won't have anyone to sweep the Democrats' ideas under the carpet," says Bruce Reed, a former White House aide who is president of the Democratic Leadership Council (DLC). "If Democrats on the Hill don't want to deal with Bush's agenda, they don't have to."

The new Senate will have 49 Democrats, two independents who vote with them, and 49 Republicans.

Allen was about 9,000 votes behind Webb as a statewide canvass continued, close enough to request a taxpayer-financed recount. Allen said that could drag on until Christmas and he had decided against it.

"I do not wish to cause more rancor by protracted litigation, which would, in my judgment, not alter the results," Allen said in a bittersweet speech to supporters in Alexandria, Va.

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Webb, a onetime Republican who served as Ronald Reagan's Navy secretary and supported Allen in 2000, told cheering Democrats down the road in Arlington that Allen had called to congratulate him. “We will begin the process of putting this country back on the track where it needs to be,” Webb said of new Democratic majorities.

Senate Minority Leader Harry Reid, D-Nev., surrounded by his jubilant leadership team on Capitol Hill, said Democrats will prove they can work with Republicans. “They've set a very bad example in not working with us,” he said. “We're not following that example. We're reaching out to them.”

Bush, after meeting Thursday with House Democratic leader Nancy Pelosi, in line to be speaker, said the election was over and her party had won. “We won't agree on every issue, but we do agree that we love America equally, that we're concerned about the future of this country, and that we will do our very best to address big problems,” he said.

Some Republicans facing voters in two years may work with Democrats even if Bush doesn't, says Julian Zelizer, a political scientist at Boston University. “There is a lot of frustration and fear about 2008,” he says. “People don't care about Bush anymore,” he adds, they just want a big domestic policy achievement and “a way out of this war.”

Norman Ornstein, co-author of The Broken Branch, a book about Congress, predicts “double-barreled investigations” of Iraq war contracts and the conduct of the war, with House and Senate Democrats “calling in generals left and right” to testify. “That's a nasty thing for a president to have to deal with,” he says.

Sen. Evan Bayh, D-Ind., a 2008 presidential prospect, says there is “pent-up demand” for oversight of the Bush administration, but Democrats should not pursue investigations that seem like “partisan payback.” He says the standard should be whether people at home would say “if I were there, I'd be asking those questions, too.”

Scrutiny of clear problem areas such as the conduct of the Iraq war or the response to Hurricane Katrina is fair game, he told reporters and editors from USA TODAY and Gannett News Service.

The Senate's constitutional responsibility to advise and consent on presidential nominations presents more opportunity for conflict. Ornstein says he expects Democrats to do “just what Republicans did in (Bill) Clinton's final two years” when it comes to judicial nominations: “sit on them and let very few of them out” of committee for votes on the floor.

The DLC's Reed says Bush will have to consult with Democrats on nominees, including Supreme Court justices, if he wants them to succeed: “If Bush chooses to send up extremely conservative nominees, they're not likely to go anywhere.”

Reed was domestic policy adviser to President Clinton when Republicans captured Congress in 1994. He says it will take time for Bush and his aides to adjust to losing Congress. “They're in shock,” he says, speaking from personal experience. “They're going to flop around for a while trying to figure out what to do. They're going to have to grieve.”

Now The Decider Must Listen (WP)

By Eugene Robinson

The Washington Post, November 10, 2006

Short of actual insurrection, I don't think the country could have spoken more clearly than it did Tuesday. But there's one question still to be answered, and in honor of Donald Rumsfeld, who now can devote full time and attention to stretching the boundaries of modern philosophy, let's call it a "known unknown": Did George W. Bush really hear what the nation told him about Iraq?

I think he did, but I'm pessimistic that he'll listen.

Since the election, the president has been saying all the right things about bipartisanship, about how eager he is to work with the new Democratic leadership on Capitol Hill. But what choice does he have after an electoral "thumpin' " of such historic proportions?

Power rules in Washington the way money rules in New York or celebrity in Los Angeles, and the White House has measurably less power today than it had a week ago. If Bush doesn't find a way to work with the opposition, he might as well spend the rest of his term at the ranch out in Crawford, riding his mountain bike and clearing all that pesky brush.

Never mind that after each of his slim victories, Bush claimed the kind of mandate that can be conferred only by a landslide. Never mind that he made no effort to govern from the center, with bipartisan support. He acted as if Democrats didn't exist, except as foils for his overheated rhetoric. Now they are indispensable to the remainder of his presidency and to the legacy he ultimately leaves behind.

There are indeed issues on which Bush and the Democrats will find the "common ground" that everyone claims to be seeking. The president's plan on immigration was blocked by Republicans, and now that the Great Wall of Arizona has been approved, maybe Washington will be able to come up with a reasonable, workable solution to the problem of undocumented migrants.

In exit polls, voters said they were deeply concerned about "corruption" in Washington -- a perfect issue to tackle in the new bipartisan spirit. Both parties will agree to ignore the basic problem, which is the corrosive effect that money has on our

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whole political system. The president and Congress will bravely declare their opposition to influence-peddling and various other sins. Then they will join in crafting "reform" legislation that might have some effect on the margins and that definitely will create more paperwork for lawyers -- but that leaves the current system pretty much in place.

Hey, Republican lobbyists have been gorging themselves at the public trough for a decade. Wouldn't be fair to deny Democratic lobbyists their turn, would it?

Iraq is another story. The election was also a referendum on George W. Bush's war, and clearly he understands that. He had been working on Rumsfeld's ouster for some time, but announcing it the day after the thumpin' seemed to be a concession.

What I haven't heard from Bush is any willingness to change his basic policy in Iraq. In his news conference Wednesday, he essentially retracted the aspersions he had cast on the Democratic Party's patriotism. But his message was that he's happy to work with the Democrats -- as long as they agree to his basic war policy, which is to keep American troops in Iraq "until the job is done."

I haven't heard an admission from Bush that the conflict has fundamentally changed, that American soldiers are now dying not to overthrow a tyrant (done that) or, primarily, even to fight an insurgency (still doing that), but to tamp down a sectarian civil war. I haven't heard an admission from Bush that the war was poorly planned, that the occupation has been poorly handled or that our supposed Iraqi allies have their own interests that don't necessarily coincide with ours.

I haven't seen any indication that Bush is ready to ask himself the questions that millions of Americans posed on Tuesday: What are we accomplishing in Iraq? What kind of country, realistically, will we leave behind? Will leaving Iraq, in, say, five years make us any safer than leaving Iraq now? Will our extended presence even make life better for Iraqis?

Democrats were restrained during the campaign, which was smart. But now it's time for them to ask those hard questions -- and use their new power to compel answers. Even if they have to be unfashionably partisan about it.

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New Majority Plans Early Security Push (USAT)

By Thomas Frank And Mimi Hall, Usa Today

USA Today, November 10, 2006

Aviation officials say that may mean policies that could cripple industry

WASHINGTON — Democrats say they will use their majority in Congress to strengthen domestic security by putting millions of dollars into technology at airports and ports and increasing government oversight.

But they also may push policies that aviation officials say could cripple the industry, such as requiring screening of all cargo before it's put on passenger planes.

House Democrats made domestic security a centerpiece of their campaign this year and vowed to fulfill all the 9/11 Commission's recommendations. “Real security” is the first of six policies Democrats will push when they take control of Congress in January, according to a manifesto they recently published to highlight differences with Republicans.

Democrats won control of the House and Senate in Tuesday's elections.

That could mean more money for the Transportation Security Administration to buy machines that better detect weapons on passengers and in carry-on bags, and to hire additional screeners.

“I expect a much more supportive attitude on better funding TSA to get them the equipment they need and maybe more personnel,” said Rep. Peter DeFazio, D-Ore., a senior member of the TSA oversight committee.

Government reports blame screener staffing shortages for longer security lines and outmoded machines for bombs and guns slipping past screeners in tests by undercover investigators. The number of screeners dropped from 45,000 to 43,000 in the last year. Funding for new bomb detectors fell from $180 million two years ago to $141 million this year.

Rep. Dan Lungren, R-Calif., chairman of the TSA oversight committee, said Democrats may struggle to find extra money for TSA. “I hope that we're going to try to work for better government, but that means doing it in the context of what's affordable,” Lungren said.

DeFazio suggested a possible increase in security fees that are added to every airplane ticket — an idea the administration has proposed in the past two years but which Congress killed amid airline protest.

Other areas that Democrats will push:

·More grants for local emergency responders and better organization of the Federal Emergency Management Agency. This is a priority for the likely new chairman of the subcommittee that sets Homeland Security Department spending, Rep. David Price of North Carolina, a state vulnerable to hurricanes.

“After 9/11, many local first responders got additional responsibilities, but the federal government has done an inadequate job in supporting them,” said Price spokesman Paul Cox.

·Stronger port security through more grants and possibly requiring more screening of cargo containers being unloaded.

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"Most major seaports are in Democratic strongholds," said retired Coast Guard officer Stephen Flynn of the Council on Foreign Relations think tank. "This is a visible issue for them as they look to be seen as energetic on security."

·Forcing chemical plants to check employee backgrounds and use safer materials that would make them less of a terrorist target. Democrats have sought such measures through bills that have failed in the past three years.

They will still face opposition from the chemical industry and Republicans who oppose mandates on businesses.

·More intensive scrutiny of Homeland Security and TSA leaders. "There'll definitely be a lot of investigation into what TSA has done to date in terms of new technologies and screening air cargo," said Peter Kant, a lobbyist for Rapiscan Systems, which sells TSA screening equipment.

·Setting a deadline for full screening of the 3 million tons of cargo loaded onto passenger planes each year. The TSA has proposed steps to screen more cargo. "A key difference is setting a firm deadline," said Tom Blank, TSA's former acting deputy administrator.

Jon Kent, a lobbyist for air-cargo groups, said requiring all air cargo to go through bomb detectors before being put on passenger planes "would be a disaster for air commerce" because screening would take so long.

Kent wonders if Democrats will be as adamant as they were when they were out of power. "It's far easier to take an absolute position," Kent said, "when you don't have to worry about the consequences."

Dingell Wants To Cut U.S. Oil Habit (USAT)

By James R. Healey, Usa Today

USA Today, November 10, 2006

Democrat set to rule again over energy

Conventional wisdom says that Democrats, who will control both houses of Congress next year, will somehow cut America's dependence on oil, especially imported, and trim the average American's fuel bill.

That could be hard.

"A lot of things have been said in the campaigns, but when you finally have to sit down and govern, you see things differently," says John Felmy, economist and spokesman for the American Petroleum Institute, Big Oil's trade association.

In the catbird seat — perhaps the hot seat — is Rep. John Dingell, D-Mich., who again becomes chairman of the House Energy and Commerce Committee, a post he held before the Republicans took control of Congress. The committee's wide-ranging mandate includes authority over consumer affairs and energy policy.

Dingell says he wants to cut the U.S. oil habit, promising the committee's help in "making the United States energy-independent."

At the same time, though, he must represent the interests of the Michigan-based auto industry. Energy-conservation initiatives can cost automakers hundreds of millions of dollars for research and development of fuel-efficiency hardware and software for which new car buyers won't pay extra.

"John Dingell has traditionally done a great job representing his constituents in Michigan. People in the House and the Senate look to him for guidance on" auto-related issues, says Marchant Wentworth, legislative representative on energy issues for the Union of Concerned Scientists.

UCS believes automakers could make vehicles much more fuel efficient using off-the-shelf components and systems that would add little or nothing to the cost and price.

Dingell is not eager to force automakers to improve fuel economy by boosting what's known as CAFE, for corporate average fuel economy. In an interview, he said, "The committee only has so much time," and noted that the CAFE standards recently were boosted. Fuel economy standards, he said, "can be addressed very well, automobile or light trucks, within the framework of existing law," which "gives an awful lot of freedom to the administration" to adjust the standards to keep up with improving technology.

"If you're talking about straight CAFE, you can't regard the arrival of John Dingell in that position as good news," said Therese Langer, transportation program director for the American Council for an Energy-Efficient Economy.

However, she noted, Dingell "gave a speech to the industry in Detroit a couple of years ago, saying, 'I've been sticking up for you, and now we want you to get more efficient.' "

She said energy and alternative fuel issues will become more visible in a Democrat-controlled Congress, but, "It's hard to say if something new and significant will pass. I don't regard it as a big change; there are a lot of the same players. But these things will get a lot more air time."

Energy, in fact, might not be Dingell's and the committee's priority.

"We'll try to see which issues are ready, and go into them as fast as the business of the committee permits," he said. "We'll kill the closest snake first."

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Dingell is passionate about overhauling health care by getting cheaper generic dugs to market faster; giving the government the authority to negotiate Medicare drug prices with pharmaceutical companies; stopping what he says are "almost certain overpayments" to health insurance companies; and regulating dietary supplements, which, he says, "are killing people." He wouldn't name the supplements he considers dangerous.

Cheaper health care would be a boon to the Detroit auto industry, which has more retirees to support and an older workforce than the U.S.-based foreign automakers.

Likely to get attention:

·Alternative fuels. Look for moves to extend tax benefits to wind and solar power and for producing so-called biomass fuels, such as ethanol, typically made from corn, and new tax breaks for non-petroleum fuels.

Both parties already agree, more or less, on such benefits, so extending and boosting them "will be the quickest thing Congress can do" to act on the energy-independence promise, notes UCS' Wentworth.

And it'll be good politics, considering that corn for ethanol mainly is grown in the Midwest. "All paths lead through Iowa for the presidency," noted Tom Kloza, veteran analyst at consultant Oil Price Information Service. Iowa's early political caucuses often make or break presidential hopefuls.

·Big Oil subsidies. "We'll take a look," Dingell said. Wentworth said that halting some subsidies — begun when oil prices were low but suspect now that prices and profits are high — would provide the money Democrats want to invest in alternative-fuel technology.

·Conservation. "If you went through the (1973-74) Arab oil embargo, as I did, we found that … failing to be prepared and have good conservation practices was hideously costly," Dingell said.

Before then, Japanese cars were a curiosity. When Americans discovered the Japanese machines got double or triple the mileage of big American cars, a rush to buy Japanese began. Detroit is still reeling from that shift.

First, Ethics Reform (WP)

The Washington Post, November 10, 2006

The 'culture of corruption' helped Democrats win. Now they need to fix the mess.

ONE OF THE loudest messages from Tuesday's elections was disgust with the way Washington does business. In exit polls, 42 percent of voters said corruption and scandals in government were extremely important in their decisions -- a greater share than for the war in Iraq, terrorism or the economy. House Democrats have vowed to quickly adopt new ethics rules; their package is good but could be improved. Senate Democrats, who, after yesterday's gracious concession by Sen. George Allen (R-Va.), will control the chamber, say they too have heard the voters' demand for change.

The House Democrats' package, which incoming speaker Nancy Pelosi (Calif.) promised to enact during the Democrats' first day in control, would prohibit lawmakers and their staff from accepting meals, gifts and trips paid for by lobbyists or organizations that employ lobbyists. To end a Jack Abramoff practice -- the use of nonprofit groups to disguise trips paid for by lobbyists or other interested parties -- the Democrats' measure would require advance approval for other travel. Lawmakers would be barred from riding corporate jets for official travel but could still do so on campaign and political trips, a loophole that ought to be plugged. Lawmakers and staffers would have to wait two years, not one as currently, to lobby their former colleagues.

The weakest link in the House package concerns enforcement. A new Office of Public Integrity would review lobbyists' filings, but lawmakers would remain under the jurisdiction of the House ethics committee, whose sorry performance this year argues for a system less susceptible to partisan stalemate. Reps. Christopher Shays (R-Conn.) and Martin T. Meehan (D-Mass.) have proposed an independent investigator who would provide greater scrutiny and accountability while leaving ultimate authority to elected officials. The new House leaders should incorporate that plan into their package.

Changing Senate rules is more complicated because doing so requires a two-thirds vote, but the office of the incoming majority leader, Sen. Harry M. Reid (D-Nev.), said yesterday that he is also committed to swift action. Only the House Democrats promised before the election to make ethics a priority, but if the election results helped refocus Senate Democrats on ethics issues, that's all to the good. One major shortcoming in the proposal endorsed by Senate Democrats this year involved the use of corporate aircraft. Simply requiring that lawmakers disclose their acceptance of such cut-rate flights isn't adequate; if they fly on corporate jets, they ought to be required to pay market rates.

Then, after changing ethics rules, the new Congress needs to pass the lobbying reform legislation that its predecessor neglected to its peril.

The Family-Friendly Congress? (NYT)

By Judith Warner

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The New York Times, November 10, 2006

Washington

WHILE the excitement over Nancy Pelosi, most likely to be our first female speaker of the House, is still fresh, and while those of us who care about these things are still bubbling over the election of the highest number of women to Congress in history, I'd like to issue a challenge: Ladies, step up to the plate on behalf of the rest of America's women — and their families.

This shouldn't be a radical idea. Ms. Pelosi has, after all, spent months now reminding us that she is not merely a capable leader, not just a whiz-bang political fund-raiser, but, first and foremost, "a mother and a grandmother."

That's lovely for her; but if Ms. Pelosi's experience of motherhood is to have any meaning for the rest of us, or any relevance to her life as a politician, we've got to see some follow-through. Because if, as Ms. Pelosi has repeatedly said, she'll be taking up the speaker's gavel "on behalf of America's children," there's a lot of work to do. For children can't thrive if their families are stressed and, at every point on the socioeconomic spectrum now, it seems that American families are cracking at the seams.

The Center for WorkLife Law at the University of California Hastings College of the Law released a study last month noting that "workplace inflexibility, the lack of family supports and workplace bias" are forcing American mothers out of the work force — whether they can really afford to "opt out" or not.

This comes on the heels of news articles showing how working-class moms are putting their youngsters in all-night child care, and how couples are increasingly enduring split-shift work schedules — putting their health and marriages at risk — to avoid the costs and anxieties of day care. All this paints a picture of family life in America that is very grim for all but the very privileged.

For years now, there have been murmurings — and more — from various corners of Congress in favor of change. Representative Lynn Woolsey's Balancing Act bill, which calls for a wide array of measures to reduce the stresses on working families, has been languishing for years. Senators Christopher Dodd and Ted Kennedy have gestured toward legislation on paid family leave and guaranteed sick leave. There was even a much-overlooked bill introduced in the Senate by Hillary Clinton this summer (and in the House by Rosa DeLauro of Connecticut) to provide low-income parents with subsidies to stay at home and care for their infants themselves.

It's time to light a fire under these kinds of initiatives. Ms. Pelosi's current promises — to raise the minimum wage, cut the interest rates on student loans and make some college tuition tax deductible — are a laudable start, but American families, whose needs have been increasingly neglected since the early 1980s, need so much more: quality after-school programs; national standards for child care; voucher programs and tax subsidies to help pay for that care; universal, voluntary public preschool; paid family leave; and incentives for businesses to make part-time and flex-time work financially viable.

In short, we need to make the kind of glorious life that's enjoyed by upper-middle-class mothers and grandmothers like Ms. Pelosi and her colleagues possible for everyone else.

This isn't a radical leftist agenda. In fact, there's no better antidote to the selfish individualism and empty materialism that Americans of all political stripes say is corrupting our country than policies that allow families to spend more, and better, time together.

In recent years, pro-family Democrats were out in the legislative wilderness. Now, there's simply no excuse for inaction. It's time to shoot for the moon. Risk a presidential veto. And let the proponents of "family values" show their true colors.

Alternative Minimum Tax Targeted (WP)

By Lori Montgomery

The Washington Post, November 11, 2006

Democratic leaders this week vowed to make the alternative minimum tax a centerpiece of next year's budget debate, saying the levy threatens to unfairly increase tax bills for millions of middle-class families by the end of the decade.

The complex and expensive tax was designed to prevent the super-rich from using deductions, credits and other shelters to avoid paying the Internal Revenue Service. But because of rising incomes, the tax is expected to expand to more than 30 million taxpayers in 2010 from 3.8 million mostly well-off households in 2006.

Fixing the AMT has long been a top priority for Sen. Max Baucus (D-Mont.), who is in line to head the Senate Finance Committee. Last year, Baucus co-authored a bill to repeal the tax with Senate Finance Chairman Charles E. Grassley (R-Iowa).

Rep. Charles B. Rangel (D-N.Y.), the presumptive chairman of the tax-writing House Ways and Means Committee, this week put fixing the AMT at the top of his agenda, calling it far more urgent than dealing with President Bush's request to extend the 2001 and 2003 tax cuts, which are scheduled to expire in 2010.

And yesterday, House Democratic Whip Steny H. Hoyer (D-Md.), who is campaigning to keep his leadership post, said Democrats will make "fixing the AMT . . . a priority of tax policy next year."

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The focus on the AMT is hardly surprising, given that victims of the tax have been concentrated in high-cost urban areas such as Washington, New York and San Francisco -- places that tend to vote Democratic. Rangel, Hoyer and Nancy Pelosi (D-Calif.), the presumptive House speaker, all represent states hit hard by the AMT, which is sometimes called the "blue-state tax." To map states with the highest concentrations of AMT taxpayers is to draw bull's-eyes over California and the Northeastern seaboard.

Locally, an estimated 240,000 families and individuals in the District, Maryland and Virginia will have to pay the AMT at tax time in April, according to projections by the nonprofit Citizens for Tax Justice. That is an increase of nearly 100,000 local families since 2003.

These taxpayers would owe the IRS $6,813 in additional taxes on average, according to an analysis by the Tax Policy Center, a joint project of the Urban Institute and the Brookings Institution.

"Seventy percent of my friends are on the AMT. We're the demographic," said the center's co-director, Leonard Burman, a senior fellow at the Urban Institute who lives in Arlington and, like many interviewed for this story, has been hit by the AMT. "If you have children, if you pay high state and local income taxes, you're going to be subject to the AMT. That's the professional class in the Washington and New York suburbs, and Los Angeles and San Francisco. You can see it in the data."

In simple terms, the AMT is sort of a flat tax with two brackets, 26 and 28 percent, and fewer deductions. Credits for dependents, medical expenses, and state and local taxes are all disallowed. Instead, taxpayers get a single big deduction, called the AMT exemption, which is set this year at $62,550 for married couples and $42,500 for singles. Taxpayers must compute their taxes both ways and pay whichever is higher.

The impact is harshest on taxpayers with annual incomes of $100,000 to $500,000. The truly rich typically are not affected because their regular tax rates already are higher than under the AMT.

This year, the AMT is expected to ensnare 3.8 million taxpayers. Next year, the AMT exemption is scheduled to drop precipitously, causing that number to balloon to 23 million households, according to the congressional Joint Committee on Taxation.

By 2010, "the AMT will become the de facto tax system for filers in the $200,000 to $500,000 income range, 94 percent of whom will face the tax," according to a report by the Tax Policy Center. About half of tax filers making $75,000 to $100,000 will have to pay the tax, including 89 percent of married couples in that income bracket who have at least two children.

In the past, Congress has patched the AMT one year at a time, primarily by increasing the exemption amount. Next year, to hold the number of affected taxpayers steady at about 4 million, the patch would cost about $50 billion, according to the Joint Committee on Taxation.

Getting rid of the tax altogether would be even more expensive: more than $1 trillion over the next decade, by various estimates. Budget experts doubt that Democrats can do it without reneging on their promise to reduce the budget deficit or winning an agreement from Republicans to raise taxes elsewhere.

In recent weeks, experts from both parties have called the nation's fiscal situation dire and called for a bipartisan summit to address a variety of ticking time bombs set to explode soon after the 2008 presidential election, including the AMT, Social Security, Medicaid and Medicare.

"You cannot solve this nation's fiscal problems without increased revenue," Robert E. Rubin, the Clinton administration Treasury secretary, told the Economic Club of Washington this week.

Political analysts see little chance for that kind of cooperation until after 2008. Bush is heavily committed to maintaining his tax cuts, arguing that they have spurred the nation's economy. And analysts say Bush is unlikely to participate in a summit that could produce the kind of tax increase that helped drive his father, President George H.W. Bush, out of office.

White House spokesman Tony Fratto said this week that fixing the AMT is "absolutely a priority" for the president. But for now, Fratto said, "The Democrats have an opportunity to put their ideas on the table."

Rangel, it seems, is ready to rumble. When asked about whether he favored making the Bush tax cuts permanent during his first news conference after the Democrats claimed control of the House, Rangel demurred and raised the issue of the AMT.

Rangel's aides, meanwhile, have been marshaling evidence that Bush tax cuts have exacerbated the effects of the AMT by reducing regular taxes for many families but not their AMT rates, forcing them to pay the higher amounts. And families thrown into the AMT don't benefit from many of the deductions, rate cuts and credits that comprise the Bush tax cuts, said John Buckley, the Democrats' chief tax counsel on the Ways and Means Committee.

"The real story on the AMT is how it takes back the Bush tax cuts," Buckley said. "For people who are married with children or live in states with income taxes, the tax cuts are temporary unless you fix the AMT."

Ex-Treasury Head Rubin Urges Democrats To Mull Tax Increase (WSJ)

By Deborah Solomon

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The Wall Street Journal, November 11, 2006

WASHINGTON -- Former Treasury Secretary Robert Rubin has some advice for the Democrats who will soon control Congress: Raise taxes.

Mr. Rubin, who helped engineer a budget surplus while serving under President Clinton, is advising Democrats that there's no way to deal with the "deep threat" posed by the nation's fiscal problems without a combination of spending control and higher taxes.

"We are at a critical juncture," Mr. Rubin told the Economic Club of Washington Thursday night. "You cannot solve the nation's fiscal problems without increased revenues."

But raising taxes is a message many Democratic lawmakers are unlikely to utter aloud -- at least for now. President Bush and other Republicans consistently warned during the midterm campaign that, if elected, Democrats would increase taxes and hurt the economy. President Bush has insisted that his 2001 and 2003 tax cuts have helped the economy and lowered the unemployment rate and that any tax increase or failure to make those cuts permanent would weaken the economy.

Since winning control, the Democratic leadership has insisted there are no plans for a wholesale rollback of President Bush's tax cuts. But they do acknowledge they're thinking about ways to raise revenue, including potentially rescinding some of the tax cuts for the wealthiest Americans, according to a spokeswoman for California Rep. Nancy Pelosi, who is in line to become the next House speaker.

Many political observers say Democrats may ultimately have no choice but to raise taxes if they follow through with their plans to implement "pay as you go" budgeting, which requires that any tax cut be offset by spending cuts or new revenue. Among the Democrats' priorities is to ease the burden of the alternative minimum tax, which could cost the government $1 trillion over 10 years.

Ms. Pelosi, along with New York Rep. Charles Rangel, who is expected to become chairman of the tax-writing House Ways and Means Committee, insist they are also looking at other approaches besides raising taxes, such as trying to close the estimated $350 billion "tax gap" -- the money the government says it's owed from individuals and businesses but can't collect. A senior aide to Mr. Rangel said Democrats may look to boost funding to the Internal Revenue Service to help close some of that gap.

In his speech, Mr. Rubin said the combination of the nation's budget deficit, the growing costs of programs like Medicare and Social Security and a heavy reliance on foreign borrowing pose "a deep threat to our economy and the global economy" and said politicians will need to employ "some combination of revenues and spending discipline."

But he said Democrats should rest easy about what impact any tax increase would have. "I think if you were to increase taxes right now you would have probably about zero negative effect on the economy," he said.

The Wages Of Politics (WSJ)

The Wall Street Journal, November 11, 2006

A hike in the national minimum wage seems all but certain to become one of the first fruits of the Democrats' victories this week. Nancy Pelosi, the presumptive Speaker of the House, has pledged to raise the minimum by over $2, to $7.25 from $5.15. And President Bush has already signaled he'd go along. At the state level, six states not only approved minimum wage hikes in referendums this week but indexed the minimum to inflation going forward. We hope Mr. Bush fights off any attempt at federal indexation and insists on a provision to protect small business.

Raising the minimum wage has been a hardy perennial of the left for decades now. What is striking is the degree to which is has come to be seen as an economic free lunch. Even some reputedly unbiased economists have started to tout the view that raising the minimum wage has no discernible effect on job creation.

But if this were true, they'd be calling for a $10, $20 or even $50-an-hour minimum wage. They're not, and neither is Nancy Pelosi. That's because the law of demand is one of the most dependable precepts of economics. It says that when the price of something goes up, demand for it goes down. An employee's wages are the price the employer pays for his services, so raising their wages means forcing employers to pay more for workers. The price goes up and there is downward pressure on demand for workers. Other things being equal, jobs are lost.

For a long time, this was so obvious that no serious person doubted it. But a couple of studies in the 1990s purported to find no evidence of job loss associated with minimum-wage hikes, and it's been off to the races ever since. Classical economics teaches that for a given job, there is a market-clearing price -- the price at which both someone is willing to do it and someone else is willing to pay them to do it. If you raise the legal minimum above that price, you may get more people willing to perform the job, but you'll probably also get less people (employers) willing to pay the new, higher price to get the job done.

To picture how this works, think about the grocery bagger in the supermarket, a classic low-wage service job. Supermarkets hire grocery baggers for the minimum wage, or close to it, because it's a perk that makes their customers'

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experience a bit nicer and helps move the lines along, possibly requiring fewer cashiers, who cost more to hire than grocery baggers.

Now, if you pass a law saying everyone, including grocery baggers, has to be paid $10 an hour, what happens? The supermarket probably hires fewer baggers, or has them work fewer hours. Perhaps they decide they only need baggers between 4 p.m. and 7 p.m. If you put the minimum wage up to $20 an hour, shoppers bag their own groceries. This is so clear that it's taken some time for the defenders of an ever-rising minimum wage to come up with an adequate theory to obscure it.

Most jobs do not involve bagging groceries. But most jobs don't pay the minimum wage. The Bureau of Labor Statistics puts the number of minimum-wage earners at 2% of the work force. The majority of these are under 25 years old and single. Minimum-wage jobs also tend to have higher turnover.

The theory propounded by the advocates of a higher minimum wage is this: The market for minimum-wage jobs is neither efficient nor fair. Workers don't have adequate information about the alternatives available to them, and employers don't know enough about what the true market-clearing price is. So employers impose an artificially low wage rate on the disadvantaged, who as a result don't work as hard and tend to quit more often than they would if they were paid "fairly." Raising the minimum wage increases productivity and decreases turnover (because workers are more satisfied), which lowers the real cost of the job as well as the frictional costs of constantly seeking and training new workers (costs the employer was unwittingly paying because he didn't know the "correct" price to pay his workers). Everyone is better off; no one suffers.

The problems that afflict this idyll are no different from every attempt to replace market-determined prices with planned ones. Even if it is true that some workers are underpaid, and it probably is (we've never met another journalist who thought ink-stained wretches, as a class, were overpaid), there's still the problem of determining what the right wage is. Why would anyone suppose that Nancy Pelosi knows that better than the supermarket manager?

As for the employer who supposedly harms himself and his business by driving off underpaid workers, who is to say he doesn't know what he is doing? Perhaps years of experience have taught him that grocery baggers leave after six months no matter what you pay them (within reason). In any case, we doubt that Ms. Pelosi loses a lot of sleep over the capitalists' misunderstanding of their own labor pool.

It is implicit in the logic behind raising the minimum wage that if we squeeze employers just a little, they won't even notice. Another argument, this one made explicitly, is that jobs are destroyed, but the wage gains more than make up for the reduced number of jobs. But this is only true if it's not your job that is destroyed. If you are a young black male, you are slightly more likely than the general population to be paid minimum wage, but you are almost 10 times as likely not to have a job at all. And if you're unemployed, raising the minimum wage not only doesn't help you find a job; it probably hurts. Welcome to Speaker Pelosi's idea of progress.

Time For The $5.15 Minimum Wage To Punch Out? (WSJ)

By Sarah Nassauer

The Wall Street Journal, November 11, 2006

Here's a look at some of the issues:

How many would be affected by the change? Because many states have minimum-wages that surpass the federal law, the Economic Policy Institute, Washington, D.C., estimates that only about 15 million people would be affected by a federal minimum-wage increase to $7.25. That number could decrease slightly after the six states that voted to implement a wage increase on Tuesday put their laws into action. The EPI includes some "spillover" in this figure -- that is, people who made more then $7.25 before the change but will likely get an increase in pay to stay in the same relative position on their company's pay scale.

Would some lose their jobs as a result? This is a hotly debated question. Traditionally, labor unions have pushed for wage increases, saying unemployment isn't a factor, while the restaurant, retail, and small-business industries have said raising the minimum wage will create job loses. Young and unskilled workers are the groups usually singled out as most at risk.

A watershed study by economists David Card and Alan B. Krueger in 1994 said that minimum-wage increases in New Jersey didn't result in job losses in the fast-food industry. But that stance has been challenged by other economists. A 2003 survey by Dan Fuller and Doris Geide-Stevenson said that 46% of academic economists in the U.S. agreed with the statement, "a minimum-wage increases unemployment among young and unskilled workers," while 28% partly agreed, and 27% disagreed. A similar study from 1978, published in the American Economic Review, said 90% of economists surveyed agreed or partly agreed with the statement.

Regardless of what economists say, public opinion has always been strongly in favor of lifting the federal minimum wage.

Do some earn less than the federal minimum wage? The U.S. Department of Labor estimates that about 1.4 million people earn below minimum wage and that 72% of those people work in the leisure and hospitality industry. This figure can be

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misleading because the Labor Department data are based on answers given by workers. Many people round down their salary to $5 an hour when they respond to the survey. The Labor Department says 300,000 people said they earned exactly $5 an hour on the 2005 survey.

Also, many people who work in food preparation -- waiters, for example -- take home paychecks of less than $5.15 an hour because of a federal "tip-credit" law, which allows employers to pay workers less per-hour if they meet minimum-wage standards based on tips.

All six states that put a minimum-wage referendum on ballots Nov. 7 passed an increase.

In the wake of the Great Depression, Congress set the first minimum wage in October 1938 at 25 cents an hour under the Fair Labor Standards Act. The act also established maximum working hours and banned most child labor.

Gallup Polls taken to gauge public opinion on minimum-wage increases since 1937 show that public opinion has never been against raising the minimum wage. The level of support varied from about 55% in 1945 to 83% in 2006.

Minimum-wage workers tend to be young. About half of workers earning $5.15 or less in 2005 were under 25 years old, and about one-fourth of workers earning at or below the minimum wage were 16 to 19. Among employed teenagers, about 9% earned $5.15 or less.

The industry with the highest proportion of workers with reported hourly wages at or below $5.15 in 2005 was leisure and hospitality, at about 14%. About three-fifths of all workers paid at or below the federal minimum wage were in this industry, primarily in food services.

As of Dec. 2, the U.S. will have gone nine years, four months and one day without increasing the federal minimum wage, the longest stretch in the nation's history. The longest stretch to date is from 1981 to 1990, when the federal minimum wage was raised to $3.80.

Slow Track (WSJ)

By Greg Hitt, Neil King , Jr.

The Wall Street Journal, November 11, 2006

WASHINGTON -- The Democrats' sweep of Congress is set to deliver a blow to President Bush's free-trade ambitions and could hamper impending trade deals both big and small.

Democrats' stances against free trade helped build the party's success at the polls and could tip the balance on trade matters. The new dynamic could put a definitive end to the already troubled effort to reach a global agreement to reduce tariffs and open markets, known as the Doha round. It also could put in jeopardy smaller deals such as those the U.S. has crafted with Peru and Colombia, intended to boost two-way trade by lowering tariffs and increasing intellectual-property protections.

Two dozen tightly contested races turned partly on Democrats' protectionist platforms, according to Public Citizen, a liberal advocacy group. All told, 16 incoming "trade skeptics" are set to replace "trade friendly" Republicans in the House, according to a study by the Swiss Institute for International Economics at the University of St. Gallen. Five new Senate Democrats are viewed as more critical on trade than were their opponents.

"The House and Senate are going to exert themselves on trade much more aggressively," vows Ohio Democrat Sherrod Brown, whose successful campaign against free-trade Republican Sen. Mike DeWine was built on opposition to the Bush trade agenda. In one television advertisement he stood before an abandoned local factory, contending Mr. DeWine had supported trade agreements that cost the state jobs. "Congress has given too much of its authority to the president," he says. "We've just ceded our power."

A lame-duck session of the current Congress is set to vote as early as next week on whether to lift Cold War-era economic restrictions on Vietnam, which has just joined the World Trade Organization, and grant it the same benefits as other U.S. trading partners. That vote is expected to pass easily, despite some opposition in the textile industry.

After that, Democrats are gearing up for a major pushback against the Bush administration on other trade fronts, most notably on a vote next year on whether to renew the president's authority to negotiate trade deals with other countries, without amendment from Congress. That authority expires in the summer.

The U.S. in the past 20 years has championed global and regional trade deals that have significantly lowered tariffs and have helped spur a boom in global trade. Advocates assert that the U.S. would benefit from more liberalization, both to bring in lower-cost imports and to increase exports. Opponents argue lowering trade barriers has hollowed out the U.S. manufacturing base and done lasting harm to many pockets of the economy.

Special presidential trade-negotiating authority, often called "fast track," is critical to getting deals done. Other countries are reluctant to negotiate with the U.S. if there is a chance the deals could changed by Congress instead of just approved or rejected. Democratic critics have long complained that the Republican Congress gave too much negotiating latitude to Mr. Bush and want to rein the president in.

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Trade experts say Democrats may try to exact concessions from President Bush that would render a deal on fast-track nearly impossible. For instance, some Democrats have suggested significantly increasing the $1 billion the government gives yearly to workers displaced by foreign competition. Others are proposing compromises such as limiting fast-track authority only to the Doha talks.

Some business officials expressed cautious optimism that trade liberalization won't grind to a halt in the next Congress. "The trade agenda may change, may be done in a different way, but it isn't going to end altogether," says Bill Miller, a congressional liaison for the U.S. Chamber of Commerce. He and others said past Republican dismissiveness of Democratic concerns on recent trade legislation -- such as labor rights and environmental protection in recent trade bills -- may have stirred some of the deepest opposition. A more cooperative environment could make a difference, they said.

Charlene Barshefsky, President Clinton's trade representative, agrees, predicting Democrats could show real cooperation to try to secure the Doha round. "I see tougher sailing ahead, but not necessarily history-altering events," she said.

The first test may be the U.S.'s proposed trade pact with Peru, which the Bush administration had hoped would be voted on this fall, before the new Congress is sworn in. Many Democrats oppose the deal, including Rep. Charles Rangel, a New York Democrat who is poised to take over the House Ways and Means Committee. Mr. Rangel wants labor protections to be included. Though no final decisions have been made, Republican leaders are wary of bringing the deal forward for a vote, especially after the signal sent by Tuesday's vote.

Even in states that historically have rejected anti-free-trade campaigns, such as Iowa, Kansas and Missouri, candidates who ran heavily on such a platform won. While the dominant themes of the campaign were Iraq, terror and scandal, there were plenty of signs that economic insecurity was coloring voters' decisions.

In exit polls, half of voters said they felt the "state of the national economy" was "not so good," or "poor." Economic concerns were particularly big in the industrial Midwest, where free-trade critics won some of their biggest gains and voters in some states put economic concerns first.

Mr. Rangel said he wants to renew the president's fast-track authority but that the president would need to consider Democratic priorities in return. Extending the authority depends on whether Mr. Bush "wants both parties to participate in discussions," Mr. Rangel said in an interview before the election.

After the new Congress is seated in January, Democrats are all but certain to seek modifications to a trade deal with Columbia. As with the Peru deal, they are likely to push for stronger language on worker protections. Both pacts would give them their first real opportunity to wrangle more concessions in an area over which their party and Republicans have been fighting for years.

Another big issue is agriculture: Congress next year must either renew or rewrite the current farm bill, a huge mass of legislation that covers all U.S. farm policy, including subsidies. The biggest sticking point within the Doha round is the big subsidies the Europeans, Japanese and U.S. give to support farmers. Developing countries argue these payments distort the export market.

To reinvigorate the Doha talks, Democrats would have to be willing to enact steep farm-subsidy cuts, a move many analysts doubt they will take.

Democrats also could push tough measures of their own. They have floated various bills to squeeze imports from China or to try to manage the country's trade imbalance. Others seek to impose various restrictions or punishments for intellectual-property violations or its failure to allow its currency, the yuan, to strengthen further. Those have been shelved until now, partly because of a lack of support from the Republican leadership and the White House.

Congressional Democrats have long been moving away from free-trade support. In the 1990s, dozens of House Democrats regularly supported free-trade initiatives like the North American Free Trade Agreement backed by then-President Clinton, which won 102 Democratic votes. But only 15 Democrats backed the Central American Free Trade Agreement negotiated by the Bush administration in 2005.

The incoming batch of trade skeptics that unseated incumbent Republicans largely represents a new breed. Many are conservative on issues such as gun ownership and abortion and on economic issues like taxes, but veer populist on trade issues.

In the union-heavy areas north and east of Pittsburgh, Democrat Jason Altmire struck a starkly antitrade tone in his bid for a House seat, beating Republican Rep. Melissa Hart, who had ran on an overt free-trade plank. "I'm not protectionist, but my view is that future trade deals can't just give the store away," Mr. Altmire says.

Indiana's Joe Donnelly pointed to job losses in his own district and promised to insist on strong labor and environmental protections in future deals. He said he would have voted against Cafta and recent trade deals with Chile and Singapore.

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In North Carolina, former National Football League quarterback Heath Shuler won on a campaign that was pro-guns and antiabortion but also strongly antitrade. He beat up on his opponent, Rep. Charles Taylor, for having cast no vote at all when Cafta squeaked through, which Mr. Taylor blamed on a technical glitch.

Economic Populism Pays For Democrats (FT)

By Edward Luce, Alim Remtulla

Financial Times, November 11, 2006

Defeated Republicans have found solace in the fact that many of their victorious Democratic opponents are "social conservatives". They point to James Webb, who surprised everyone by winning the bitter and close Senate race in Virginia on Thursday, giving his party a majority of one in the upper house to complement its decisive victory in the House of Representatives.

However, neither Mr Webb nor the majority of the Democratic freshmen who won elections this week can so easily be fitted into that category. Punching the air and holding up the dusty boots of his son who is serving in Iraq, Mr Webb told cheering supporters in Arlington that his election was as much a vote for economic fairness as it was for a change of course in Iraq.

Although Mr Webb supports the right to bear arms – a virtual necessity for anyone wanting to represent the Commonwealth of Virginia – the Vietnam veteran is pro-abortion and only lukewarm in his opposition to homosexual marriage.

One or two of his colleagues, including Bob Casey, the new senator for Pennsylvania, and Heath Shuler, a Democratic representative for North Carolina, are "pro-life" but the large majority of new Democrat lawmakers support the woman's right to choose.

More significantly a majority of the intake, including Mr Webb, are economic populists who are deeply suspicious of free trade and quick to blame China and other developing countries for the loss of US jobs. Some, such as Sherrod Brown, the new Democratic senator for the key Midwest state of Ohio, which has lost 200,000 manufacturing jobs since Mr Bush came to power, won the election virtually on that issue alone.

"We will focus on economic fairness in a country divided too much by class in an age of the internationalisation of American corporations," said Mr Webb in a victory rally speech that devoted more to the economy than all other themes combined. "At a time when profits are at a record high and wages are at a low, we will focus on bridging the class divide."

Labelled the "middle-class squeeze" by Democrats and "median wage stagnation" by economists, the incomes of median American households have barely shifted since George W. Bush was elected on a ticket of "compassionate conservatism" in 2000. However, in important parts of America, including large swathes of the Midwest and the north-east, which provided a majority of the Democratic gains, economic anxiety came a close second to the Iraq war in motivating voter turnout.

In a study of the election campaign, Robert Borosage, head of the liberal Campaign for a Fairer America, said there were more political advertisements "painting big oil [companies] and big pharma as threats than advertisements warning about bin Laden". According to Stan Greenberg, a Democratic pollster, 41 per cent of those who voted Democrat cited their disquiet over the Iraq war as their main reason for voting compared with 26 per cent on jobs and the economy. However, if the 23 per cent citing "corruption in Washington" is included, then domestic concerns trumped Iraq.

Democratic campaigns overwhelmingly linked middle-class economic anxieties to the Republican Congress's promiscuous use of tax breaks for large companies in exchange for campaign finance. "On the economy Democrats ran remarkably populist campaigns," said Mr Borosage. "Democrats linked corruption to economic woes, charging incumbents with being in the pockets of big oil and doing nothing about gas prices and being in the pockets of big pharma and doing nothing about drugs prices."

The most obvious economic consequence of the Democratic victory is that it will be virtually impossible for Mr Bush to renew his fast-track trade negotiating authority next year in order to revive the dormant Doha round of world trade talks. However, the administration's bilateral trade initiatives could run aground far more quickly.

Many leading Democrats, including Mr Brown and Mr Webb, campaigned for "fair trade" and "putting Americans first", which is code for including labour standards in bilateral trade agreements and being more critical of companies that "outsource" manufacturing jobs to China and service sector jobs to India. They are likely to be aggressive in pushing for tougher scrutiny of explicit and hidden tax breaks for large energy and pharmaceutical companies – known as "corporate welfare".

As the world focuses on the brewing debate over Iraq between the Bush administration and a Democratic Capitol Hill, the battle to define America's response to globalisation is also hotting up. "Both the Democrats and the Bush administration will want the other side to get the blame if their mutual promise of bipartisanship falls apart," said a senior Democratic strategist. "It could be over Iraq, it could be over the economy."

Congress Likely To Clash With Bush On Trade (LAT)

By Molly Hennessy-Fiske

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The Los Angeles Times, November 11, 2006

WASHINGTON — Congressional Democrats pledged this week to work with President Bush when they assume control of the House and Senate next year, but there is one issue where disagreement seems all but assured: U.S. trade policy.

For the last six years Bush has had little difficulty getting trade agreements through a business-friendly Republican Congress, but the new Democratic majority will include several members who campaigned against free trade.

One of the first battles could be over the president's authority to get trade deals approved quickly.

The U.S. Trade Promotion Authority Act, known as "fast track," streamlines the approval process by allowing the president to negotiate trade agreements without consulting Congress, and requires an up-or-down vote within 90 days. Passed in 2002, it expires in July, and the Bush administration is expected to seek reauthorization.

Senator-elect Rep. Sherrod Brown (D-Ohio) — a foe of free trade while in the House — and a slate of new lawmakers plan to block fast track unless it's amended to include protections for domestic and foreign workers.

"It's not going to be the president's call on getting what he wants," Brown said Friday. "I don't think the Bush administration will go for [reauthorization] right away, but we need to start now."

Sen. Debbie Stabenow (D-Mich.), who won reelection by promising legislation to create a trade prosecutor to investigate countries such as China that violate U.S. trade agreements, said Bush's trade policies have failed to protect American workers.

"Our trade policy needs to be one that expands jobs in America and maintains our standard of living. It should not be about creating a race to the bottom on wages," Stabenow said Friday, adding that she plans to resubmit the trade prosecutor bill in January.

Democratic party leaders also have indicated that trade is among their top priorities. Rep. Charles B. Rangel (D-N.Y.), set to chair the powerful House Ways and Means Committee that oversees trade agreements, is expected to tackle trade policy immediately.

House Minority Leader Nancy Pelosi (D-San Francisco), likely the next Speaker of the House, intends to address Democrats' trade concerns as part of the majority's "Six for '06" agenda — "looking at trade policies and making them more fair" for U.S. workers, according to spokesman Brendan Daly.

Republicans will push for approval of several specific trade agreements during this month's lame duck session, according to staffers on Capitol Hill and at the Office of the U.S. trade representative. The list includes agreements with Colombia and Peru and normalizing trade relations with Vietnam in time for the president's visit to Hanoi next week for the Asia-Pacific Economic Cooperation summit.

As for fast track, R. Bruce Josten, executive vice president at the U.S. Chamber of Commerce, says he expects a limited extension, one that would only allow specific trade deals to go forward. But he worries the Democratic Congress will turn protectionist, bogging down trade agreements with extra requirements and penalizing countries like China.

He pointed to a bill proposed by Sens. Charles E. Schumer (D-N.Y.) and Lindsey Graham (R-S.C.) earlier this year that would have imposed a 27.5% tariff on Chinese imports until that country revalued its currency. "Are you just going to do that with China?" Josten asked. "What about Japan? What about India?"

U.S. trade officials are optimistic that they can preserve the president's trade authority with the help of moderate Democrats. They are counting on more senior, moderate lawmakers to shape trade policy, including Rangel and Sen. Max Baucus (D-Mont.), incoming chair of the Finance Committee, which oversees trade policy in the Senate.

"The chairmen who actually will map out the agenda have sort of said this is what we want to do, that they want to work with us," on reauthorizing fast track, said Sean Spicer, a spokesman for the office of the U.S. trade representative.

Rangel supports fast track "in principle," according to a congressional staff member, but believes trade policy needs to include more enforcement of worker protections.

"His view is that the confidence in U.S. trade policy has dramatically declined. There's been a broad perception that globalization is not being structured in a way that its benefits are being spread broadly," said the staff member, who asked not to be identified.

Rep. Ellen A. Tauscher (D-Alamo), an investment banker who chairs the moderate New Democrat Coalition, told the pro-business group Thursday that she is circumspect about renewing fast track.

"We don't believe we've gotten the best agreements through the authority we gave this president," she said, "and frankly, unless there's some changes, I think we have to consider what we will do, whether it lapses and we wait until we have a Democratic president in 2008."

Tipping Point For Trade (WP)

By Harold Meyerson

The Washington Post, November 11, 2006

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The architect built his house of straw. The foundation -- the Republican base -- may have retained its brick-like solidity in support of its candidates Tuesday, just as Karl Rove predicted. But the house itself -- and the House itself -- was blown to smithereens, with massive shifts among moderate and independent voters to the Democratic column. And for all the talk of coming Democratic dissonance within their expanded congressional delegations, it's clear that on economic policy, a new progressive center has formed.

The Democrats' pickups came largely in the Northeast, Midwest and Mountain West. In the South, outside of Florida, they won just a couple of new seats. Moderate Northern Republicans in both houses -- including the most moderate, Rhode Island's Lincoln Chafee in the Senate and Iowa's Jim Leach in the House -- went down to defeat. The Republican Party that limps away from this election is rooted more firmly in the South -- which is precisely the party's problem. It was the Southernized GOP from which both moderates and mountain-state libertarians ran screaming in this election. The results from Arizona are particularly instructive. Not only did Democrats pick up two House seats there, but Arizona voters also became the first in the nation to reject a ban on gay marriage. The gap between Goldwater libertarianism and Southern religious traditionalism widened to a gulf this week.

But what of the Democrats? Is the incoming congressional majority a powder keg of veteran liberals and rookie moderates just primed for explosion? Can Nancy Pelosi navigate the treacherous shoals of gay marriage and school prayer?

Well, sure. It will be Pelosi who will control the agenda in the House, which means the issues that unite Democrats will be the ones that come to a vote. And the Democrats are far more united on a range of key issues than is commonly believed.

Ironically, one issue that unites the new majority is an issue that has historically divided Democrats perhaps more than any other: trade.

Since the passage of the North American Free Trade Act in 1993, House Democrats have been moving steadily away from a trade policy that benefits globe-trotting corporations and investment funds while depressing wages here in the States. Senate Democrats, on the other hand, have split fairly evenly on trade legislation over the past decade.

Tuesday's election changed all that. Looking at the Democrats who picked up formerly Republican House seats, Public Citizen's Global Trade Watch tallies 27 who defeated (or replaced resigning) free-trade Republicans and who campaigned against the kind of trade deals that Congress has ratified. The fair-trade 27 insist instead on deals that stress labor rights and environmental standards. In North Carolina, Democrat Heath Shuler -- ostensibly one of the new conservative Democrats -- attacked his opponent, Republican Charles Taylor, for backing off his commitment to vote against the Central American Free Trade Agreement. "It's not right when Congress passes trade bills that send our jobs overseas," said one Shuler ad.

In the incoming Senate delegation, the contrast is even sharper. The Democratic pickups -- Missouri's Claire McCaskill, Montana's Jon Tester, Ohio's Sherrod Brown, Pennsylvania's Bob Casey, Rhode Island's Sheldon Whitehouse and Virginia's James Webb -- all unseated free-trade incumbents with campaigns that stressed the need to pay far greater attention to the downward leveling that globalization entails. Tester ran ads attacking trade agreements for putting "our jobs and the viability of family farms and ranches across Montana in jeopardy." Webb's Web site states, "We must reexamine our tax and trade policies and reinstitute notions of fairness."

Exit polling made clear that the fair-trade Democrats have tapped into a profound national anxiety. When asked whether life for the next generation would be better, worse or about the same as life today, 40 percent responded "worse," while just 30 percent answered "better." That's a stunning figure to emerge from what has historically been perhaps the most optimistic of nations.

The Senate in particular will see real changes. The addition of Sherrod Brown and Vermont's Bernie Sanders will give fair-trade forces some passionate voices to go with their increased numbers; Brown is poised to emerge as a national leader in this fight.

When the president's fast-track authority expires next summer, it is plainly not going to be renewed. "Congress is done with ceding all trade authority to the president," Brown said Friday. A new majority on trade issues has formed. And having lost both houses in 1994 in part because of Democratic voters' discontent with NAFTA, the Democrats now seem to have won them back after a campaign in which they charged that our corporate-led globalization hardly seems to be building the best of all possible worlds.

Labor Movement Dusts Off Agenda As Power Shifts In Congress (NYT)

By Steven Greenhouse

The New York Times, November 11, 2006

After the Republicans took control of the House in 1994, perhaps no group was on the outs as much as organized labor. But now that the Democrats have swept both houses of Congress, the nation's labor unions feel as if they are back — and then some.

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Eager to be treated as an important force, union leaders have worked overtime since Election Day reminding Democrats about all that organized labor did to help put them over the top, including spending more than $100 million and dispatching more than 100,000 volunteers to help get out the vote.

After years of being sidelined by the Republican majority, the nation's unions are now pushing Congress to act on a long list of issues: improving mine safety, putting a brake on outsourcing, making it easier to unionize workers and extending health coverage to millions of uninsured Americans.

"There's a lot of pent-up demand on organized labor's part," said Randel Johnson, vice president for labor, immigration and employee benefits of the United States Chamber of Commerce. "Money talks, and they dumped a lot of money into the campaign."

For now at least, organized labor sounds fully in tune with the presumed House speaker, Nancy Pelosi of California, because they both want to raise the minimum wage, rein in drug prices and help students with high college tuitions.

Representative George Miller, a California Democrat and ally of Ms. Pelosi who is expected to become chairman of the House Committee on Education and the Workforce, said, "There's a strong sense among the members that a lot of middle-class workers are getting left out of the economic growth in this country, and we are eager to do something about that."

Mr. Miller and Senator Edward M. Kennedy, the Massachusetts Democrat who is expected to head the Senate Labor Committee, say that raising the federal minimum wage will be the first issue they address.

"Clearly the minimum wage is front and center," Mr. Miller said.

Even with Democrats back in power, organized labor faces serious hurdles. Republicans and even some Democrats are uncomfortable with labor's demand to deny the Bush administration trade promotion authority, which makes it easier to negotiate trade pacts because Congress would be barred from amending them.

In the Senate, Republicans are likely to use the filibuster to block one of labor's most coveted pieces of legislation, a bill that would in many ways make it easier for unions to organize workers. The bill would, among other things, greatly increase penalties for companies that illegally fire workers to undermine unionization drives. Labor sees the bill, which is co-sponsored by more than 90 percent of House Democrats, as pivotal for reversing labor's decline.

"The filibuster, there's no question it's a hurdle," said William Samuel, the legislative director of the A.F.L.-C.I.O. "We will have to build a movement behind this legislation because it will give workers more bargaining power to respond to the loss of pensions, health coverage and jobs with good wages."

John J. Sweeney, the A.F.L.-C.I.O. president, said unions and the Democrats largely agree on most issues. Mr. Sweeney's wish list includes barring federal contracts for companies that send jobs overseas and making it harder for companies to shed their pension obligations when they file for bankruptcy protection.

Mr. Sweeney was eager to talk about how well labor did on Election Day. He pointed out that nonunion voters split more or less evenly between Democratic and Republican House candidates, while union members preferred Democratic candidates by a margin of 30 percentage points.

Union leaders said that among all voters nationwide, there was a 6.8 million-vote margin in favor of Democrats over Republicans in the House races. The A.F.L.-C.I.O. pointed to exit polls showing that members of union households accounted for 5.6 million of that margin.

"We were by far the most powerful turnout engine on the progressive side," Mr. Sweeney said.

Labor unions helped orchestrate successful minimum wage initiatives in Montana, Missouri, Ohio and three other states. Those efforts encouraged many low-income workers to vote, giving an additional lift to Democrats, especially in close contests like the Senate race in Montana.

"The Democrats wouldn't have won nearly as many seats without labor's money and manpower," said Larry J. Sabato, a political scientist at the University of Virginia.

Professor Sabato said unions were not as demanding as they had sometimes been in past decades. "They're not pushing the Democrats far to the left on many subjects," he said. "They want to win, too. They were perfectly willing to back a lot of those moderate to conservative Democrats, who are Blue Dogs."

Representative Jim Matheson, a Utah Democrat who is co-chairman of the Blue Dog Coalition of moderate to conservative Democrats, said he strongly supported a higher minimum wage and the Employee Free Choice Act, the bill that would make it easier to unionize workers.

"A lot of Blue Dogs have a strong labor record," Mr. Matheson said. "But I'm a pro-trade Democrat, and that's where labor and I are on different sides of some issues. I'm a strong believer in the economic growth benefits of free trade."

Labor is urging Congress to block the ratification of free-trade accords negotiated with Peru and Colombia unless President Bush includes stronger protections on worker rights, human rights and the environment. Many unions have also pledged to

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oppose granting Mr. Bush new trade promotion authority to help him complete a worldwide trade agreement as well as free-trade accords with individual countries.

"If you look at the new Democrats elected, if they mentioned trade it was almost always unfavorable," said Gary C. Hufbauer, a senior fellow at the Peterson Institute for International Economics. "Those Democrats are replacing a lot of pro-trade Republicans. There's been a substantial shift."

Mr. Hufbauer said Mr. Bush might have to do a lot of horse trading, like agreeing to a higher minimum wage and higher housing subsidies for the poor, to persuade Mr. Sweeney not to block some trade pacts and legislation.

When several unions quit the A.F.L.-C.I.O last year, many Democrats feared that the schism would hurt labor's effectiveness in election campaigns.

"People said the split would be terrible for labor in politics," said Anna Burger, chairwoman of the breakaway coalition, Change to Win. "Labor had its best year ever."

Ms. Burger said the two union federations were seeking to cooperate on a lobbying program. Her coalition is making a big push for universal health coverage.

"More and more workers are losing their health coverage," Ms. Burger said. "We need a way to stop that once and for all. One way to do that is extend the health insurance program that covers everyone in Congress. If it's good enough for them, why isn't it good enough for every American?"

Choice For Intelligence Panel Poses Early Test For Pelosi (NYT)

By Mark Mazzetti

The New York Times, November 10, 2006

WASHINGTON, Nov. 9 — Her boss may want her gone, but Representative Jane Harman happens to think she is good at her job. And she has no intention of leaving it without a fight.

Ms. Harman argues that her role as the ranking Democrat on the House Intelligence Committee makes her the logical candidate to become chairman when the new Congress begins in January.

Representative Nancy Pelosi, the party's leader and presumptive House speaker in the next Congress, has indicated she has other plans.

The two women, both from California, have long had a frosty relationship, and Ms. Pelosi has been angry with Ms. Harman for not using her position on the Intelligence Committee to attack the Bush administration aggressively.

But Ms. Harman said that making her chairman would be good politics, citing Tuesday's victories as proof that Democrats will thrive by taking a centrist stance on issues of war and terrorism — as she has done for the past four years.

"The new crowd coming into the House are mostly moderates and conservatives who were in substantial part elected on a security message," Ms. Harman said in an interview on Thursday. "To keep our majority, we need to keep a tough and smart message on security."

Ms. Pelosi has told colleagues she plans to replace Ms. Harman on the Intelligence Committee, possibly with Representative Alcee Hastings of Florida, although she has given no public indication of her choice for the post since the election.

Many Democrats are closely watching the decision for signs of two things: how the speaker-in-waiting will chart her party's course on national security issues and how she will handle her first postelection test in dealing with the often fractious Democratic caucus.

"This is the battle that nobody wanted," one senior Democratic strategist said. "For Nancy to start off her speakership with a fight is a great shame."

In addition to pointing to her record over the past four years, Ms Harman said she was once made a promise by senior Democrats that she would assume control of the Intelligence Committee if her party regained power in the House.

"My view of this has to do with what is fair in terms of the commitments that were made to me," she said.

The promise came in the form of a letter in 1999, when Representative Richard A. Gephardt of Missouri, who was then the House Democratic leader, recruited her to try to regain her Congressional seat in 2000 after she relinquished it in 1998 to run for governor of California.

But allies of Ms. Pelosi said that when she appointed Ms. Harman as ranking member of the Intelligence Committee in 2003, her intention was always to have Ms. Harman serve only two terms.

The selection of Mr. Hastings, a black member of the committee, would win Ms. Pelosi support from the powerful Congressional Black Caucus. But his past could provide ammunition for Republicans: Mr. Hastings was impeached and removed by the Senate from a federal judgeship in 1989 on a bribery charge. (He was acquitted in the related criminal case.)

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Some leading Democrats said that choosing Mr. Hastings over Ms. Harman would send exactly the wrong message at a time when Democrats were struggling to prove their bona fides on national security.

“A lot of people would be astonished,” said Leslie H. Gelb, a former president of the Council on Foreign Relations and a State Department official in the Carter administration. “I think it would send a signal that Democrats are not going to be as serious about national security as they need to be.”

Representative Silvestre Reyes. Democrat of Texas and also a committee member, has emerged as a possible compromise candidate. But Ms. Pelosi has also told colleagues that she could select someone who is not currently on the committee.

Appearing Wednesday on CNN, Ms. Pelosi said that it was her prerogative to select an entirely new Intelligence Committee at the beginning of each Congress, and that it is the one committee on which seniority rules are not recognized.

Reid, Pelosi Expected To Keep Tight Rein In Both Chambers (WP)

By Charles Babington And Jonathan Weisman, Washington Post Staff Writers

The Washington Post, November 10, 2006

After two days of watching Rep. Nancy Pelosi hailed as a political pioneer and the toast of her party, Sen. Harry M. Reid joined her yesterday atop the first Democratic-controlled Congress in a dozen years thanks to a razor-thin election in Virginia.

What seemed almost unthinkable a year ago -- Pelosi as House speaker and Reid as Senate majority leader in the 110th Congress -- suddenly is reality, sending the two into overdrive as they approve committee chairmen, set priorities, and referee disputes between colleagues who are planning to hire more staffers and move into larger offices.

The Democrats' success in the Bush presidency's final two years will depend largely on the compatibility and forcefulness of the two barely tested leaders, according to some lawmakers and political experts. Reid, a former boxer from Nevada, is a camera-averse Senate insider who has used rear-guard tactics to bedevil Senate Republicans on Social Security, nominations and other issues in recent years. Pelosi is a wealthy San Franciscan who grew up in a Baltimore political family and now has reached the highest elected post of any American woman.

They know that voters will expect results. But the Democrats' majorities in the House -- and especially the Senate -- are so slender that they will have to make at least modest accommodations to President Bush and Republican lawmakers on many matters. Reid and Pelosi are not particularly close, associates say, but they are disciplined realists who value party loyalty and are unafraid to tell colleagues or supporters not to overreach in a still-divided political climate.

"Both have shown how good they are at counting noses and enforcing party discipline," said Bruce Reed, a former Clinton White House aide who heads the centrist Democratic Leadership Council. Under their leadership, "the House and Senate Democratic caucuses have been more united than ever," he said. "They'll need that trait even more in the majority because they can leave no nose behind."

Yesterday, Reid echoed Pelosi's earlier assertion that Democrats will push an agenda to help middle-class families and reduce the deficit while also treating Republican lawmakers more generously than the GOP had treated Democrats during their years in the minority.

"The election is over, and it's time for a change," Reid told a cheering throng of Democratic aides outside the Capitol. They assembled shortly after Sen. George Allen (R-Va.) conceded defeat to James Webb, handing Democrats their 51st vote in the 100-member chamber.

Aides and friends say Reid and Pelosi are strongly partisan people who fumed under the heavy hand of GOP majorities, especially in the House, and who made no secret of their distaste for Bush's handling of the Iraq war and other policies. But the sources said the two also realize they must minimize differences within their caucuses. And they know they must balance the stridently anti-Bush sentiments of some liberal constituents against the more pragmatic pocketbook concerns of moderate and unaffiliated voters who were crucial to this week's election results.

"You have to govern from the center," Pelosi said yesterday. "We are in a completely different place now. We are setting our legislative agenda."

At the outdoor rally, where Reid was joined by Sens. Richard J. Durbin (D-Ill.) and Charles E. Schumer (D-N.Y.), the future majority leader stuck to generalities about his party's intentions.

"It's time for bipartisanship, it's time for open government, transparency, and it's a time for results," Reid said. "There must be a new direction in Iraq," he said, along with more affordable college tuition and health care, greater energy independence, and smaller deficits.

Reid did not say how Democrats would shrink the deficit while boosting college aid, and insiders said such challenges will be the test of the effectiveness and savvy of a Reid-and-Pelosi-led Congress. Both leaders agreed on the "Six for '06" priorities, which include relatively popular measures such as raising the minimum wage.

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"But it gets more complicated after that," said a former White House and congressional aide who knows Democratic lawmakers well. Especially in the Senate, he said, a party with a 51 to 49 majority will find it difficult to surgically raise, lower or leave alone certain taxes without opening the door for Republicans to push their own priorities.

Pelosi said that Democratic leaders want to demonstrate their effectiveness, and build up some trust with the White House, by tackling legislation that will have bipartisan support. Bush's "innovation agenda," laid out last year in his State of the Union address, has largely lain dormant. Democrats would like to take up Bush's proposals to expand funding for basic research and alternative energy sources such as ethanol, she said.

Democrats would also work with Bush to resurrect his proposed overhaul of the nation's immigration laws, which would pair tough border security measures with new paths to legal work and citizenship for the country's 11 million to 12 million illegal immigrants, Pelosi said. And she is convinced Bush will back a higher minimum wage.

But even Pelosi questioned how quickly such legislative efforts can come together. "I guess the word 'rapid' is what gives me hesitation," she told a handful of reporters in her office.

Pelosi continues to put flesh on the bare-bones proposals that Democratic candidates campaigned on. As soon as she is elected speaker -- which does not appear in doubt -- Democrats will vote on a substantive slate of changes to the way the House operates, she said. They will include rules to diminish lobbyists' influence, ensure that lawmakers and the public have time to read legislation before lawmakers vote on it, open House-Senate legislative negotiating sessions to the media, and reinstitute lapsed budget rules that say any new spending or tax cuts must be offset by equal tax hikes or spending cuts.

Democrats also will extend new rules mandating that each home-district pet project, known as an earmark, be identified by the name of the lawmaker who sponsored it. Earmarks would have to be authorized by policymaking committees before they are approved by the Appropriations Committee.

Democrats avoided a potentially brutal intraparty fight yesterday when Democratic Congressional Campaign Committee Chairman Rahm Emanuel (Ill.) decided not to run for the post of House majority whip next week. That would have pitted Emanuel, who has a huge well of support from this year's successful campaign, against James E. Clyburn (S.C.), the current chairman of the Democratic Caucus and the only African American in the Democratic leadership.

After delicate negotiations with Pelosi, Emanuel agreed to stand for caucus chairman, leaving the whip post to Clyburn. Under the agreement, John B. Larson (Conn.), the caucus vice chairman, will stay at that post rather than seek promotion, but both Emanuel and Larson would be offered additional power and responsibilities, according to Democratic leadership aides.

Emanuel's decision raised pressure on John P. Murtha (Pa.) to drop his challenge to House Minority Whip Steny H. Hoyer (Md.) for the post of House majority leader. But that battle continued to heat up ahead of the Thursday vote.

Congress will reassemble next week for a lame-duck session devoted mostly to completing work on the spending bills needed to keep the government operating. But with Democrats assuming the majority in January, not much will happen, Senate Republican aides conceded.

Pride Of Baltimore (WP)

By Lynne Duke, Washington Post Staff Writer

The Washington Post, November 10, 2006

Nancy Pelosi Learned Her Politics At the Elbow of Her Father the Mayor

BALTIMORE -- When she wasn't racing to school at St. Leo's in her blue uniform or buying sweets in Mugavero's Confectionery or playing on front stoops up and down the block, Little Nancy sometimes worked the front desk at the family home at 245 Albemarle St., taking down the requests and sad stories of the folks who arrived to seek help from Big Tommy, her dad.

Or maybe she was riding around with her dad and his bullhorn, as he touted his candidacy from a convertible.

The late Thomas J. D'Alesandro Jr., also known as Old Tommy or Tommy the Elder, was the flamboyant and legendary machine politician, a Roosevelt Democrat, whose only daughter is the woman poised to be the speaker of the House, second in line of succession from the presidency.

She grew up stuffing envelopes for her dad. She grew up watching how the political game was played. She saw how favors were handed out, how chits were called in. She watched her mother balance full-time motherhood with grass-roots organizing, and later followed her example. Albemarle Street was Nancy Pelosi's training ground, the center of a political universe forged from a community as tight-knit as an Italian village.

Critics deride Pelosi, 66, for a presumed lightweight liberalism they attribute to her latter-day home in San Francisco. But her liberalism -- and the keen political instincts and skill at the inside parry of the game -- can be traced more deeply and more precisely back to Albemarle Street, to the political empire that grew there when her father held court through decades of an intensely political life.

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In that brick rowhouse on the corner of Albemarle and Fawn streets, politics was a family business that became a local dynasty. Big Tommy served 22 consecutive terms in public office, from state delegate to city councilman to U.S. congressman to Baltimore mayor, followed by a low-level appointment from President John F. Kennedy to something called the Federal Renegotiation Board.

One of Pelosi's five brothers, Thomas J. D'Alesandro III, Young Tommy, served on the Baltimore City Council and became the city's mayor as well.

Theirs was the politics of the New Deal, of the hand up for those who were down.

"It was always about the progressive economic agenda for a fair economy, where many Americans, all Americans, could participate in the economic success of our country," Pelosi said yesterday when asked about the influence of her family's politics on her own.

"What I got from them was about economic fairness," Pelosi said. "That was the difference between Republicans and Democrats all those years ago." She also learned about the power of loyalty, both extending it and enforcing it.

And even though the D'Alesandros could have moved away from the neighborhood's narrow streets and tight rowhouses, they stayed, no matter the patriarch's success.

That is one reason for the degree of pride that folks there express for Pelosi's success -- her family stayed rooted right with the rest of them.

"She wasn't born with a silver spoon, growing up around here," says Marion "Mugs" Mugavero, 84, who ran his confectionery for 59 years. "She grew up like the rest of us."

Except that her father became the go-to guy for Baltimore politics, a man with visitors from high places.

"He was good friends with Harry Truman," recalls Dominic "Fuzzy" Leonardi, 80. "When Truman was running for president, [Big Tommy] went and picked him up and brought him to his house" in a 1936 Plymouth.

"We had a lot of politicians coming down here," Leonardi said, seated on a bench along High Street yesterday as he is most days with his pal, Michael Trombetta, also 80. They listed Spiro Agnew, Jimmy Carter and Ronald Reagan as the pols they remember making a pilgrimage to see Big Tommy.

"They all came down to see him," Trombetta says.

Little Italy, where Pelosi grew up, occupies about a dozen square blocks near Baltimore's Inner Harbor, and was, in its day, the prototypical ethnic enclave in a city that was a patchwork -- and remains so, to an extent -- of Italian, German, Jewish, African American and Irish.

More than a civic duty, politics during her parents' day was about survival for the sons and daughters of Italian immigrants forging their way in a big city. It was about jobs. It was about favors of the political ward bosses. It was about patronage in a society in which the sons and daughters of immigrants often could depend only on themselves.

"There weren't a lot of vertical lines open to those kids, and the ward was where you got jobs. They would get you jobs," says Gilbert Sanders, a Baltimore historian and author of "The Neighborhood: The Story of Baltimore's Little Italy."

"And whole political machines were born out of these jobs. A job driving a car for city hall. A job picking up trash. Jobs were everything."

And Big Tommy "was the king of it," Sanders says. "It's just the way things were. It's not pejorative at all. These kids, you don't think they went off to Yale, do ya?"

John Pente, 96 and a lifelong Little Italy resident, remembers being destitute and with no prospects in 1930.

"It was the time of the Depression," Pente says. "I came out of Calvert Hall [high school] with a diploma under my arm and no job."

So he went to Big Tommy.

"He helped me get a job as a timekeeper" for the workers at a construction site.

And of course, such favors, such help, cemented a bond between patron and politician.

Pente shrugs and describes the ethic this way: "You scratch my back, I'll scratch your back. We all looked out for him."

Big Tommy tried to help people with scholarships, with education, with assimilation.

"You had a lot of foreigners here that needed to get around and get their citizenships and they didn't speak English," Mugavero recalls.

Big-city machine politics, no matter where it was practiced, often was a magnet for criminality. If a person betrayed the boss's loyalty, the consequences sometimes weren't pretty. Corruption often went with the territory.

In 1953, one of D'Alesandro's longtime associates, also a relative by marriage, was caught up in a bribery probe related to off-street parking. But Big Tommy was not known as a politico with dirty hands. Not even when the Teamsters tried to strong-arm the mayor during a city garbage strike in 1956 did he buckle to mob pressure.

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Tom J. O'Donnell, 95, was D'Alesandro's press secretary in those days and remembers well how the mayor ran afoul of the Teamsters when he declared one Friday that striking garbage collectors would be fired if they did not return to work on Monday.

That Saturday, he got a visit from a Teamsters official sent by Jimmy Hoffa himself.

"He told the mayor, 'Mr. Jimmy directed me to tell you that he is very unhappy with what you are doing,' " says O'Donnell, reading from a self-published book about his years with D'Alesandro. "And the mayor spoke up and said, 'You go back and tell Mr. Jimmy I'm very unhappy with the garbage piling up on the streets of Baltimore, and I'm not going to stand for it.' " And when Monday came, says O'Donnell, most of the striking workers were back on the job.

This political toughness runs through his daughter, who, as minority leader, has not been reluctant to bare her teeth or throw her elbows to enforce party discipline.

O'Donnell tells the story of D'Alesandro's entry into politics, when he entered the Maryland House of Delegates in 1926, an Italian boy making good for his people.

He wore patent-leather shoes and spats, an Oxford gray suit, a polka-dot bow tie and a derby, for he wanted to dress in the manner he thought would befit the men of high standing he would be joining.

"He said he thought he would encounter men of the stature of Thomas Jefferson, Patrick Henry and the like, and he was greatly disappointed when they were just ordinary people," O'Donnell said.

Through his political career, the polka-dot bow tie would remain his lucky charm. He told Sandler once that he'd lost an election the one time he did not wear that polka-dot tie.

Out of the political game, he remained a force. The house on Albemarle still received visitors seeking Big Tommy's blessing for political careers.

J. Joseph Curran Jr., the Maryland attorney general and the father-in-law of Gov.-elect Martin O'Malley, was among them.

"Tommy the Elder: I remember when I would want to run for office and they would say, 'Well, why don't you go see Tommy,' and you'd go down to the D'Alesandro house down on Albemarle Street and I said, 'Mr. Mayor, I want you to know I'm thinking about running and I'd appreciate your advice and help.' "

D'Alesandro appointed Curran's father to the City Council. He also attended grade school early in the last century with Curran's mother.

"It was smart politics, because then you have someone you like and who likes your mother and father," he said.

That was in 1968. By then, Pelosi was long gone -- to college, to marriage and family and then a political career of her own -- which started in 1987, the same year her father died.

But these many years since she pitched in as a girl on the fringes of her father's political machine, Little Nancy still bears the family imprint. Big Tommy's political world was her own.

Staff writers Jonathan Weisman and Juliet Eilperin contributed to this story.

The Determined Democrat (FT)

By Holly Yeager

Financial Times, November 11, 2006

Just days after the 2004 elections, when Democrats lost seats in Congress and John Kerry failed to oust George W. Bush from the White House, Nancy Pelosi, the party's leader in the House of Representatives, started planning for the midterm contests.

While pundits were talking about the arrival of a permanent Republican majority, she began recruiting candidates, targeting key races, tightening party discipline and, with other leaders, developing a message – critical of the war in Iraq, united in opposition to Mr Bush's proposed Social Security reforms – that would change the playing field.

"Many of the Republicans who are out there . . . were masquerading at home as moderates and voting here with a rightwing radical agenda," she said angrily at a press conference in her Capitol Hill office, foreshadowing a theme that would be heard around the country two years later. "They got away with it once. But we'll shine the spotlight on their voting patterns, and people will see that they're not the moderates they advertised themselves to be at home."

The strategy was effective, helping to oust Republicans across the country and positioning Mrs Pelosi, 66, to become the first female speaker of the House in US history.

A workaholic and self-confessed chocoholic, Mrs Pelosi has long been a vocal cheerleader and effective fundraiser for her party (she raised more than $100m for Democrats in the past four years – a feat matched only by the Clintons). But that this mother of five who first ran for public office 20 years ago is also a keen political strategist should not come as a surprise. Her late father, Thomas D'Alesandro Jr, spent 10 years in Congress, then a dozen as mayor of Baltimore. Known as "Old Tommy", he kept a "favour file" in the living room of their Little Italy home, tracking good deeds that he and the Baltimore Democratic machine had done for people – in case they needed to ask for something in return.

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Mrs Pelosi – "little Nancy" back then, the youngest of six children and the only girl – says she also learnt from him to count votes. "Going into an election, they'd sit around the table and they had these yellow legal pads and they'd say, 'How many votes does it take to win?' and it's still the same thing."

To get the votes Democrats needed on Tuesday, she travelled the country for months, appearing at fundraisers and campaign rallies, encouraging candidates and offering whatever help her Washington team could provide.

"She stood on a front lawn in Pennsylvania to help me champion the need for embryonic stem cell research," said Patrick Murphy, one of five Iraq war veterans elected this week. "For the minority leader to come to a race where most political analysts didn't give me a shot at winning – I will never forget that."

Republicans had hoped she would play a different role in the election. Mrs Pelosi, who married her college sweetheart, a wealthy investment banker, represents San Francisco in the House. In the closing weeks of the campaign, Republicans frequently invoked the famously liberal city, warning of the kinds of left-of-centre policies they said she would champion if Democrats took control.

But Rahm Emanuel, the Chicago congressman who ran the Democrats' campaign team, said the focus on Mrs Pelosi – who, until this week, was not a well known public figure – did not work. "In every district that the Republicans ran an ad against Nancy Pelosi . . . the Democrats will have that seat," he said.

However, questions about her politics persist. Mrs Pelosi's voting record is solidly liberal, and she has been a harsh critic of Mr Bush and the outgoing Republican congressional leadership, making many wary of her pledges to forge a bipartisan environment, on the Hill and with the White House.

"As speaker, I understand my responsibility: speaker of the House, of all of the House, not just the Democrats, and the responsibility to work with the administration to make progress for the American people," she said after a pasta lunch with the president on Thursday.

But close advisers say she is a pragmatic leader who has several reasons to run the House from the centre, rather than the far-left. Many candidates she recruited are moderates, including some whose views on social issues put them closer to Republicans. "It's not, 'do you agree with me?'" said George Crawford, her former chief of staff, of her approach. "It's, 'can you get elected in your district?'"

The election of several such candidates will increase the influence of centrists within the Democratic caucus, while the desire to protect the new majority – and elect a Democratic president – in 2008 will further encourage co-operation, he said. "She is not just interested in being speaker for two years."

That does not mean Mrs Pelosi will not be tough. Democrats have attacked what they called the Republican "culture of corruption" and she has shown little tolerance for misdeeds within her own ranks. Despite the objections of the black caucus, she quickly removed William Jefferson, a New Orleans congressman, from the powerful ways and means committee when he came under federal investigation in a bribery scandal.

Mrs Pelosi has vowed to make a new rules and ethics package the first order of House business in January. While Howard Dean, chairman of the Democratic National Committee, differed sharply with Mrs Pelosi and Mr Emanuel on campaign strategy, he thinks her stance on ethics will be one of her strengths.

"I think Pelosi is going to be really great on corruption issues. I don't think she'll tolerate it for a second," Mr Dean said.

A devout Catholic, Mrs Pelosi makes frequent mention of her family. She warned aides this week she might have to alter her schedule at short notice to fly to New York, where one of her four daughters, Alexandra, was due to deliver a baby – her sixth grandchild.

The younger Pelosi, a documentary filmmaker, may also prove to be an invaluable resource for her mother. Her award-winning film, Journeys with George, chronicles Mr Bush's 2000 presidential campaign. The film shows candidate Bush, then Texas governor, as "a uniter not a divider", before the bitter partisanship that has characterised recent relations between the White House and Capitol Hill.

"Maybe we can find some common ground," Mr Bush says to the filmmaker, as he lightheartedly tries to quell a disagreement between two factions of the press corps that travelled with him. Whether Mrs Pelosi can find that common ground with him now is the main question.

2 Democrats Vie For House No. 2 (WT)

By Charles Hurt, The Washington Times

The Washington Times, November 10, 2006

House Democrats face their first major internal battle since Tuesday's stunning victory, a fight that pits some of the chamber's anti-war Democrats against the ideological center of their party.

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Rep. Steny H. Hoyer of Maryland, now the No. 2 Democrat in the caucus and thus in line to hold the majority leader's post, faces a challenge from Rep. John P. Murtha of Pennsylvania, who has come to represent the party's anti-war movement because of his strong critique of the Bush administration's handling of the war.

Though Mr. Murtha is otherwise a fairly conservative Democrat, his position on the war appeals to many liberals in his ranks and, say Democratic staffers, he has the private blessing of Rep. Nancy Pelosi of California, the caucus's head and the presumed next House speaker.

Within minutes of Democrats' capturing the 15th seat needed to take control of the House, Mr. Hoyer tried tightening his grip on the majority leader position by reminding fellow Democrats that he had been a central figure in their caucus during their darkest times.

"We have put forward responsible budgets, proposed smarter defense policies, advanced innovative ideas on energy independence and stood strong against the privatization of Social Security," he said. "I have been proud to be a part of all of those efforts every step of the way."

He also has said he has the votes to sew up the No. 2 position.

Mr. Murtha reminded colleagues that his strongest voice in recent years came in opposition to the Iraq war, which strategists on both sides credit in part for Democrats' enormous victories this week.

"Talk is cheap, which is why, up until Iraq forced me to, I didn't do a lot of it," the former Marine told colleagues. "But empty rhetoric is expensive. It has cost America three years in a failed war at nearly three thousand lives lost and will cost us a trillion dollars by the time we can extricate ourselves from it."

While the liberal Mrs. Pelosi must figure out how to unify an increasingly conservative caucus, she addresses the leadership fight for the No. 2 spot gingerly. She's officially staying out of the contest -- which will be decided next week -- but few wonder where she stands.

She has a long friendship with Mr. Murtha and, Democrats say, supports his candidacy. Mr. Hoyer, in contrast, has been Mrs. Pelosi's rival for leadership positions in previous years.

But the last thing she wants is a nasty internal fight that exacerbates differences in her caucus between the fierce anti-war Democrats and those from the more conservative wing, many of whom were elected to Republican-held seats this week.

Some Democrats also worry about moving Mr. Murtha into a high-profile leadership position after running so many campaigns about cleaning up the corruption in Congress. Mr. Murtha was among eight members of Congress caught up in the so-called Abscam bribery scandal of the 1970s and 1980s. While Mr. Murtha told the FBI agents posing as representatives of a fictitious Arab sheik that he was "not interested," he pointedly left open the possibility of future dealings.

While much of Mr. Murtha's support stems from his anti-war credentials, Hoyer supporters are quick to highlight Mr. Murtha's conservative position on abortion and other issues.

"Steny has an unwavering commitment to core Democratic principles," a group of top Democrats wrote in a letter to colleagues on Mr. Hoyer's behalf. "There simply is no question that Steny is deeply committed to our Party's efforts on civil and human rights, our support for working men and women, our commitment to education and health care, and our fight to protect the environment -- to name a few."

The letter was signed by Democratic Reps. Barney Frank of Massachusetts, John D. Dingell of Michigan, John Lewis of Georgia, Henry A. Waxman of California and Ike Skelton of Missouri, among others.

Other leadership races got settled smoothly for Democrats yesterday.

Rep. Rahm Emanuel, the Illinois Democrat who is credited with picking up nearly 30 seats Tuesday, decided to avoid a fight for the No. 3 position of majority whip, which will go to Rep. James E. Clyburn of South Carolina. Mr. Emanuel -- in his second term in Congress -- will become conference chairman and the youngest member of leadership.

"I seek this post, and not any other, because I believe what we need now is a unified Democratic caucus, focused squarely on the business of moving this country forward," he said yesterday.

Meanwhile on the Republican side, Rep. Mike Pence of Indiana, who is challenging Majority Leader John A. Boehner of Ohio for minority leader, will pick up the endorsement today of the conservative group Club for Growth.

Democrats Ready To Flex Congressional Muscle (CHIT)

By Mike Dorning, Washington Bureau

Chicago Tribune, November 10, 2006

WASHINGTON -- Democrats solidified control over both chambers of Congress on Thursday as Republican Sen. George Allen conceded defeat to Democrat James Webb in Virginia's tight Senate contest, giving Democrats a slender 51-49 majority in the Senate.

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The resolution of that race ushers in an era of divided government amid voter discontent with Republican President Bush and the war in Iraq. It will be the first time Democrats have held both houses of Congress since 1994.

Democratic control of the legislative branch will raise pressure for a change of direction in Iraq and impede the Bush administration's efforts to move the federal judiciary rightward. Democrats also have promised to rapidly pass legislation to raise the minimum wage, expand stem cell research, reduce the price of prescription drugs offered through Medicare, make some college tuition expenses tax-deductible and more strictly regulate lobbying and congressional ethics.

With Democrats controlling Capitol Hill, the president stands a better chance of gaining passage of his proposals for comprehensive immigration reform that includes a path to legalization for undocumented immigrants and an expanded guest worker program.

Incoming Senate Foreign Relations Chairman Joseph Biden (D-Del.) signaled that the chances of a re-appointment of controversial UN Ambassador John Bolton are effectively dead. Bush was unable to win Senate confirmation for Bolton to the UN post so he used a constitutional prerogative to grant Bolton a "recess appointment" that expires when this congressional session ends.

Outgoing moderate Republican Sen. Lincoln Chafee of Rhode Island also said Thursday he would block any attempt to use the post-election lame-duck session of the current Republican-controlled Senate to confirm Bolton.

"The election's over. It's time for a change," declared incoming Senate Majority Leader Harry Reid (D-Nev.), speaking shortly after Allen's concession at a celebratory Democratic rally on the lawn of the Capitol.

"Millions of people spoke on Tuesday night, and we heard the message," added Sen. Dick Durbin (D-Ill.), the party's second-ranking leader in the Senate. "America can do better. We can come together on a bipartisan basis to solve the real problems facing our country."

Sen. Barack Obama (D-Ill.), speaking Thursday in Chicago, said, ""I think there's no doubt that if the Democrats squander the opportunity we've been given over the next two years, we'll have problems in '08. We've now got joint responsibility."

Noting that Bush still has more than two years left in his term, Obama said, "The question is going to be how does the president react? If he's somebody who is willing to engage in a bipartisan discussion on issues like Iraq, on issues like budget reform… are those all issues that he wants to work on?"

Earlier in the day, Bush met with incoming House Speaker Nancy Pelosi (D-Calif.) for a private lunch at the White House.

"We won't agree on every issue," Bush said after the lunch. But "we will do our very best to address big problems."

Reid and Durbin are scheduled to meet with Bush Friday.

Rep. Rahm Emanuel, the Chicago Democrat who led his party's successful campaign to take over the House, announced late Thursday that he would forgo a bid he had been considering for the influential third-ranking leadership post, majority whip. Instead, he will run for a post one rung down the leadership ladder, Democratic Caucus chairman.

A Democratic source said Pelosi had urged Emanuel not to make a bid for the whip post in order to avoid a divisive internal fight with the Congressional Black Caucus, which is strongly backing the only declared candidate for the post, Rep. James Clyburn (D-S.C.). Clyburn is currently Democratic Caucus chairman and the only African-American in the party leadership.

"I seek this post, and not any other," Emanuel said in a statement announcing his candidacy for caucus chairman, "because I believe what we need now is a unified Democratic caucus, focused squarely on the business of moving this country forward."

The caucus chairman typically is a mostly ceremonial position but Democratic aides said Emanuel would be given additional duties, including responsibility for rapid response to Republican attacks, input into party policy positions and a role in strategy for re-electing vulnerable incumbents.

According to the Associated Press, Democrats have won at least 230 House seats, giving them 12 more votes than the 218 needed to control the 435-member chamber. Two more uncalled races appeared to be leaning Democratic Thursday evening. Republicans had won 196 seats, with 7 uncalled races leaning in their direction.

Two days after the polls closed in Virginia, Allen conceded defeat in a Senate re-election campaign that two months ago he had been comfortably leading in the polls as he considered a bid for the 2008 Republican presidential nomination.

But in August he was videotaped calling a Democratic campaign worker of Indian descent a "macaca," a term considered a racial slur by some. Afterward, several former teammates from his days of playing football for the University of Virginia said he had frequently used a racial slur for blacks—an accusation that Allen denied.

Democrat Webb held a lead of 8,942 votes among 2.37 million cast as of Thursday evening, according to the web site of the Virginia State Board of Elections.

Speaking to supporters in Alexandria, Va., Allen said a preliminary re-canvass of votes suggested an official recount would not change the result.

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"The Bible teaches us that there's a time and place for everything," Allen said. "Today I've called and congratulated Jim Webb and his team for their victory. They had the prevailing winds."

Webb, a former Republican and the Reagan administration's secretary of the Navy, stressed his opposition to the war in Iraq during the campaign. One trademark of his campaign was to carry around the state a pair of combat boots that he was given by his son, who is serving in Iraq. At the rally, he waved the pair of boots to cheers from his supporters.

"We're going to work hard to bring a sense of responsibility in our foreign policy that will, in my view, result soon in a diplomatic solution in Iraq," he said.

Tribune staff reporter Gerry Doyle contributed to this report from Chicago.

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Scandals Have Touched Some Key Democrats (WSJ)

By Brody Mullins

The Wall Street Journal, November 10, 2006

Incoming Leaders in House And Senate Vow to Approve An Ethics-Reform Package

WASHINGTON -- After winning an election shaped by corruption as much as Iraq, Democrats are about to elevate a set of leaders in the House and Senate that will include lawmakers who have had their own brushes with scandal.

Sen. Harry Reid (D., Nev.), who is expected to be elected to majority leader in the Senate, has come under attack for his relationship with Republican lobbyist Jack Abramoff, a profitable land deal, and whether he inappropriately used campaign funds to give Christmas bonuses to employees at his condo complex.

In the House, West Virginia Democratic Rep. Allan Mollohan, whose conduct is being investigated by the Justice Department, is in line for a senior position on the Appropriations Committee. Meanwhile, Rep. Alcee Hastings, a Florida Democrat, is vying to become chairman of the Intelligence Committee. Once a federal judge, Mr. Hastings was impeached by Congress more than a decade ago after he was charged with -- and acquitted of -- taking a $150,000 bribe. Mr. Hastings declined to comment.

A fourth Democrat, Rep. William Jefferson of Louisiana, under Justice Department investigation for accepting bribes, came out ahead of 12 other candidates vying for his seat on Election Day, but faces a December runoff under Louisiana's unique election system. A spokeswoman for Mr. Jefferson said he has "consistently said that he is innocent of all the allegations."

Democratic leaders in both chambers say they will make it a top priority to approve an ethics-reform package that tightens rules for lawmakers, congressional aides and lobbyists. Republicans made the same promise a year ago after a Justice Department corruption probe garnered guilty pleas from a pair of one-time aides to former Republican Rep. Tom DeLay of Texas as well as from Mr. Abramoff, who was close to Mr. DeLay and other Republican lawmakers.

Democrats were successful in exploiting the corruption scandal on the campaign trail. Nearly three of four voters said that "corruption and scandals" in government were extremely important or very important in their votes, according to exit polls.

Indeed, four Republican lawmakers with ties to Mr. Abramoff lost their re-election bids, including Sen. Conrad Burns of Montana and Reps. Richard Pombo of California, J.D. Hayworth of Arizona and John Sweeney of New York.

Three other Republicans in the House gave up their seats due to federal investigations into their ties with lobbyists. Reps. Duke Cunningham of California and Bob Ney of Ohio gave up their seats after pleading guilty to accepting bribes from lobbyists. Mr. DeLay decided not to seek re-election after he was tied to the scandal involving Mr. Abramoff. Democrats won two of the three elections to fill those seats.

Now that Democrats are in control of Congress, however, some of those same corruption issues may come back to hound the party. Mr. Reid, for example, is one of a handful of Democrats in Congress who had ties to Mr. Abramoff.

Mr. Abramoff employed as a lobbyist one of Mr. Reid's former aides and the Democratic leader received more than $40,000 in campaign donations from the lobbyist's fund-raising network.

In 2002, Mr. Reid sent a letter asking the Interior Department to block an Indian tribe in Louisiana from opening a casino that would have competed with an existing casino operated by one of Mr. Abramoff's clients. The day after Mr. Reid sent his letter, Mr. Abramoff's client, a tribe called the Coushattas, sent a $5,000 contribution to one of Mr. Reid's fund-raising groups.

Jim Manley, a spokesman for Mr. Reid, said that the senator "has long opposed the expansion of off-reservation Indian gaming," and any official action he took was consistent with that view. Another top Democrat, Sen. Byron Dorgan of North Dakota, has returned $67,000 in donations received from Mr. Abramoff's lobbying firm and clients.

Mr. Reid admitted last month that he used campaign funds to pay $3,000 in Christmas bonuses to the employees of the Ritz-Carlton in Washington, where Mr. Reid lives. Mr. Reid said he often holds fund-raisers and campaign events at his condo and that it was appropriate to use his campaign account to reimburse the staff for extra work. Nevertheless, Mr. Reid agreed to

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write a personal check to cover the costs. Mr. Reid also amended his personal financial records to more clearly indicate his profits from a business deal in Nevada.

Mr. Manley said that "whenever a question has been raised, he has taken swift action to address it, which is far different from how Republicans handle things."

Mr. Reid was born in the Nevada desert and was once an amateur boxer and Capitol police officer. A lawyer, Mr. Reid became head of the Nevada Gaming Commission in the late 1970s. He was elected to the U.S. House in 1982 and the U.S. Senate in 1986. When Democratic Sen. Tom Daschle of South Dakota was defeated for re-election in 2004, Mr. Reid took over as majority leader. He is considered a tough and smart legislator. His even-keeled manner has won praise from other Democrats. He holds a seat on the Appropriations Committee and takes credit for many of the federal dollars that Congress sends to his home state.

On the other side of the Capitol, Mr. Mollohan is being investigated by federal prosecutors who are examining his practice of directing federal funds to nonprofit groups he set up in his home state that are run by real-estate partners or political allies.

Some of the groups got grand-jury subpoenas, indicating an active investigation. No charges have been brought and Mr. Mollohan has denied the allegations. He stepped down as ranking Democrat on the House ethics committee earlier this year after his pattern of earmarking became public. The allegations became an issue in his campaign against challenger Christopher Wakim, a Republican state legislator. But Rep. Mollohan won easily, with 64% of the vote to 36% for Mr. Wakim. A spokesman for Mr. Mollohan didn't return a call or email yesterday.

Mr. Jefferson, the Louisiana Democrat, was kicked off the House tax-writing committee after the Federal Bureau of Investigation said he was hiding $90,000 in cash in a freezer in his home. No charges have been filed, but investigators said in court papers that he took the cash for his role in securing communications contracts. Mr. Jefferson has denied any misconduct and was the front-runner in a field of 13 candidates in Tuesday's results, winning 30% of the vote.

--John R. Wilke and Robert Block contributed to this article.

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Connecticut's Dodd May Lead Banking Committee (USAT)

By Sue Kirchhoff, Usa Today

USA Today, November 10, 2006

Among goals: More transparent markets

WASHINGTON — Christopher Dodd of Connecticut, a second-generation senator exploring a 2008 presidential bid, is in line to be chairman of the Senate Banking Committee, now that Democrats have a majority in that chamber.

In his 26 years in Congress, Dodd, 62, has been a strong advocate for the insurance and financial services industries in his state. Such firms as Bear Stearns, Lehman Bros. and Goldman Sachs are atop Dodd's list of political action committee donors, according to the Center for Responsive Politics.

Insurance lobbyists are hoping Dodd will play a key role in a possible extension of federally backed terrorism insurance. Dodd was one of the authors of a current law, crafted after the 2001 terrorist attacks, that expires next year.

“We certainly hope there will be a long-term mechanism put in place. … It's fundamentally important,” says the American Insurance Association's Julie Rochman.

Kurt Pfotenhauer of the Mortgage Bankers Association calls Dodd the type of Democrat who is “not allergic to business.”

At the same time, consumer advocates note Dodd's progressive streak. He backs a minimum wage increase and pushed for greater disclosure of credit card interest rates and tougher standards for offering cards to people under 21.

“He's been very strong on credit cards. I would anticipate that consumers will have access,” says Allen Fishbein of the Consumer Federation of America.

In a statement this week, Dodd outlined general goals, including preventing outsourcing of militarily sensitive jobs, improving the transparency of markets, expanding affordable housing and beefing up market terrorism protections.

Dodd is the son of a former senator, Thomas Dodd, who was also a prosecutor in the Nuremberg trials of top Nazis after World War II.

Dodd was an author of the 1993 Family and Medical Leave Act and helped craft a law improving the voting process after the 2000 elections. In recent months, he's been traveling the country to test support for a possible presidential bid.

Though he voted for the Iraq war, he is now a sharp critic of President Bush's handling of the conflict. Dodd has said he regrets letting fellow Democrats talk him out of mounting a filibuster against recent legislation governing military tribunals, which he says violates international law banning torture.

In a swing through Iowa, Dodd said the law was in stark contrast with the Nuremberg trials. He referred to letters his father wrote his mother during the Nuremberg proceedings, telling her he would never do anything as vital.

Dodd supported the Sarbanes-Oxley law after the Enron scandal, requiring more business transparency. The business community is now pushing to relax the law, but the outcome is unclear.

"I suspect, just because of the business community's focus, at some point (Congress) will be discussing Sarbanes-Oxley," says Mark Peterson of the American Institute of Certified Public Accountants. "Legislation, probably not. Oversight hearings, sure, at some point."

Some Defense Firms More At Ease As McCain Denied Oversight Chair (WSJ)

By Jonathan Karp And Andy Pasztor

The Wall Street Journal, November 10, 2006

Democratic control of Congress has sparked uncertainty among defense contractors after six years of tremendous growth, but many industry executives are relieved that Arizona Republican Sen. John McCain, a strident critic of Pentagon weapons-buying practices, won't become chairman of the Armed Services Committee.

The anticipated Democratic chairman, Michigan Sen. Carl Levin, brings his own longstanding skepticism of the industry and some of its prized weapons programs, particularly missile defense. Yet the soft-spoken Mr. Levin is likely to change the tone and focus of the committee's oversight efforts.

Unlike Mr. McCain, whose investigations into Boeing Co.'s ethical lapses laid the path for the panel to examine weapons-contract details and contractor profit margins, Mr. Levin has signaled that his priority will be the war in Iraq.

He fired a salvo in a post-election conference call with reporters Wednesday by criticizing the Bush administration for failing to include war costs in the regular Pentagon budget, which must be approved by the Armed Services Committee. Instead, the White House has resorted to increasingly large emergency-spending requests, which don't have the same accountability. Mr. Levin said the U.S. needs "honest" and "rational budgeting."

Michele Flournoy, a senior adviser at the Center for Strategic & International Studies think tank in Washington and a former Clinton administration Pentagon official, predicts Mr. Levin will concentrate on bringing oversight to the conduct of the Iraq war and ensuring funding to equip overstretched U.S. forces.

"Unlike some other senators, Sen. Levin isn't known to harbor any deep grudges against defense companies," she said. "He'll be a friend to the military and a friend to industry."

Even though the defense industry has benefited greatly from recent Republican control, some defense executives grew so peeved at Mr. McCain that they privately rooted for a Democratic takeover of the Senate. Had Republicans retained control of the chamber, he was likely to succeed Virginia Sen. John Warner, whose tenure would have been terminated by party-imposed term limits. As a minority member, the Arizona Republican will have less clout in setting the committee's agenda, and because of his expected presidential run in 2008, Mr. McCain can't count on the same level of bipartisan support that has long been a committee trademark.

The setback to Mr. McCain may provide some relief to companies he has targeted, such as Lockheed Martin Corp. and Boeing. But it is less positive for Northrop Grumman Corp., which has benefited from his demands for a fair competition against Boeing to supply aerial-refueling planes. With the change in leadership, senior Republican senators from the South will be less able to help Northrop's Gulf Coast shipyards.

Mr. McCain's office didn't respond to requests for comment.

Industry officials expect heightened scrutiny by a Democratic-led committee, but say Mr. Levin's is likely to focus less on the industry and more on the vast sums being outsourced to support the troops. "He will look at whether we have appropriate safeguards for services contracts, and that leads to things in Iraq," said one defense-industry executive who had extensive experience in government.

The 72-year-old Michigan Democrat, known for his collegial manner but also his persistence after more than two decades on the panel, sometimes can be a partisan and stubborn industry critic. When the military buildup of the 1980s was tainted by bribery and influence-peddling scandals, he blasted top Republican Pentagon appointees as "pitifully poor managers" who saddled the military with "more anticompetitive practices" than any previous administration.

These days, Mr. McCain is the defense industry's biggest irritant. He began by spearheading the drive that thwarted an Air Force plan to lease aerial-refueling planes from Boeing. Pentagon and Justice Department investigations backed up many of his allegations. Later, he used his position as a subcommittee chairman to browbeat senior executives and force the Pentagon to rewrite contracts, including the Boeing-led Army modernization program and Lockheed Martin's C-130J cargo plane.

His tenacious campaigns were cast as efforts to bring transparency and cost-savings to multibillion-dollar weapons programs. Pentagon officials, industry officials and Wall Street analysts complained about what they considered Mr. McCain's micromanaging. In June, however, Mr. McCain was dealt a rebuke when the full Senate easily approved a contract for Lockheed's F-22 stealth fighter jet he had argued against.

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Treasury Chief Set To Seek Deals (NYT)

By Steven R. Weisman

The New York Times, November 11, 2006

WASHINGTON, Nov. 10 — For his first months in office, Treasury Secretary Henry M. Paulson Jr. kept to the shadows while cabinet colleagues were campaigning for a Republican Congress. He made it plain that he disliked politicking, and he irritated some Republicans the Friday before Election Day by not joining the administration chorus talking up a drop in the jobless rate.

But now the new Treasury chief is set to plunge in. Untainted by the harshly partisan rhetoric of the past, he hopes to use his prowess as the former head of Goldman Sachs not just to pursue critical economic deals with China and other American trading partners but — equally important for the weakened administration — to explore deal-making with Democrats in Congress, as well.

An objective is to restore the long-term financial stability of Social Security and Medicare as baby boomers head toward retirement.

While that may prove politically impossible, in the short term Mr. Paulson is also expected to be at the center of efforts to find economic issues on which Congressional Democrats and the Bush administration can agree next year.

Lawmakers in both parties say talks may include middle-class tax breaks and simplification of the tax code. Democrats, for their part, hope to use Mr. Paulson's comments this summer, in which he deplored income inequality, to press for a minimum wage increase.

The White House says it is counting on the best from Mr. Paulson. But the chances for real cooperation are limited.

Mr. Paulson could easily run up against hard-liners in the administration who are likely to doubt that negotiation with the Democrats is the best course for Republicans already looking ahead to the 2008 elections. And while there is much talk in Washington of finding common ground after the vitriolic campaign, the mood could sour as early as next week when Congress returns for a lame-duck session where Republicans will still be in control.

"I have every reason to believe that Paulson will have some influence with the president," said Representative Charles B. Rangel of New York, the expected Democratic chairman of the House Ways and Means Committee. "The question is how much."

The day after the Democratic victory in the midterm elections, President Bush announced that he asked Mr. Paulson "to reach out to folks on the Hill" on Social Security and Medicare, subjects that inevitably will lead to discussions about taxes and spending.

"With the election over, there may be an opportunity for some renaissance of bipartisanship," said Joshua B. Bolten, the White House chief of staff. "Hank Paulson is an important ingredient in that chemistry."

In an interview after the voting this week, Mr. Paulson said he was determined to work with Democrats to get something done next year.

"It has always been my view, even before the election, that on the major issues this country is facing, any solution was going to have to take a bipartisan approach," he said. "We were going to have to build a consensus, no matter who won the election."

Mr. Paulson is a professed neophyte in political and legislative warfare, but is recognized as a master at striking bargains in the business world. As chief executive of Goldman Sachs he made billions of dollars in investment banking deals in the United States, as well as in China, Germany and other countries.

"I don't think you'll find anybody as tenacious as he is," said John F. W. Rogers, a managing director at Goldman Sachs who served for a time as Mr. Paulson's chief of staff there. He added that it was instructive to go hiking with Mr. Paulson, an avid outdoorsman whose environmental views are not always in sync with the administration's.

"It's like a forced march," Mr. Rogers said. "If he sees a downed tree, he says, 'You can go over it, you can go under it, but you can't go around it.' There's an active sense of attacking problems head-on."

He has already delved into the issues presented by China. Mr. Paulson plans to lead an unusual delegation to China in December that will include at least a half-dozen cabinet colleagues dealing with issues like commerce, trade, energy and transportation. The trip underscores his first-among-equals status in the cabinet when it comes to economic matters.

For all his business experience, though, others who know Mr. Paulson say that he may have trouble navigating the egos and competing interests on Capitol Hill as well as those inside the administration.

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Beginning to address government benefit programs could be an early test of Mr. Paulson's leadership and negotiating skills. The Treasury chief has repeatedly asserted that he wants to fix Social Security and Medicare, which are set to rise sharply in cost in the coming years, and to work with Democrats on solutions.

But Democrats say that if the Treasury chief revives Mr. Bush's emphasis on private investment accounts, as a partial replacement for Social Security for future retirees, it will be rejected — and seen as an act of bad faith.

"I once told President Bush that if he took private accounts off the table, I would go around the country with him in support of Social Security reforms," Mr. Rangel recalled. "He said, 'As long as I'm president, private accounts will be on the table.' Well, if he says that now, he's basically saying he doesn't want a deal on Social Security."

Mr. Bush said a couple of weeks ago that he would continue to push for private investment accounts. But the president also said that he would retain Defense Secretary Donald H. Rumsfeld, only to reverse himself this week.

Senator Charles E. Grassley, the Iowa Republican who will lose his position as chairman of the Finance Committee next year, said it appeared that Mr. Paulson was already advocating more efforts to listen to Congress. But it was not clear whether he could persuade Vice President Dick Cheney or Karl Rove, the political strategist, to go along.

"I don't know whether he's going to win or lose," Mr. Grassley said, "but I sure applaud what he's doing."

In recent weeks, the Treasury secretary has spent a lot of time courting lawmakers like Mr. Rangel, who will be at the center of any discussion of taxes and benefit programs, and Senator Max Baucus of Montana, his counterpart as the expected chairman of the Finance Committee.

"I'm very impressed," Mr. Baucus said. "Hank Paulson seems to have very few ideological bones in his body."

But there is also precedent to consider or — possibly for this president — to avoid. Mr. Bush's father, President George H. W. Bush, negotiated a grand budget and tax deal with Congress in 1990, only to have it shot down by Republicans in the House because it contemplated some tax increases. (Later that year, after a temporary government shutdown, lawmakers finally approved a budget that included limited tax increases.)

That budget deal remains a source of bitterness among conservatives. Some argued that it was an excellent model for cooperation — in that Democrats accepted some spending cuts — and helped usher in economic growth in the 1990s. But it also involved Mr. Bush's going back on his "read my lips: no new taxes" pledge in the 1988 presidential campaign.

If there are marathon negotiations to resolve tax and budget issues, an administration official said, they would not take place at Andrews Air Force Base, the scene of the 1990 talks.

Taking over as Treasury chief this summer, Mr. Paulson has surrounded himself with an eclectic team. The only top official he has brought from his time at Goldman Sachs is Robert K. Steel, now the under secretary of the Treasury for domestic finance.

His chief of staff and top political aide is James Wilkinson, a veteran of Texas politics who has served as a top aide to Mr. Bush and Secretary of State Condoleezza Rice.

The environment in Congress on budget and tax issues will be tricky, because Democrats are loath to begin the discussion of increasing any taxes, having been accused by Republicans of being a bunch of tax raisers in the last election.

But Democrats all say they embrace enactment of a "pay as you go" regime in which any future tax cuts or spending increases will have to be paid for by spending cuts or tax increases elsewhere. While few insiders expect major changes to Mr. Bush's big tax cuts until after the 2008 election, the subject of increasing some taxes, or scaling back past tax cuts, may end up on the table next year.

Democrats, however, are determined to increase the minimum wage, now $5.15 an hour, to $7 or more. Mr. Paulson has not taken any stand on whether he would favor such an increase.

Mr. Paulson has declared that his other economic priorities are to combat protectionist sentiment in the United States and to engage in a widespread dialogue with China that could eventually prod the Chinese leadership to overhaul their nation's economic practices.

Mr. Paulson succeeded in persuading Mr. Bush to let him head an inter-agency committee of cabinet members on dealing with China. He did so by lining up support among the cabinet members and the White House staff first.

The mid-December trip is aimed at persuading the Chinese to liberalize their economy, crack down on piracy, discuss future cooperation on energy and encourage greater flexibility in currency practices.

Mr. Paulson is to be accompanied by Susan C. Schwab, the United States trade representative; Carlos M. Gutierrez, the commerce secretary; and Samuel W. Bodman, the energy secretary. Treasury officials say they would like quick progress on China's practice of keeping its currency artificially low in relation to the dollar, which aggravates the trade imbalance by making exports to America cheaper and imports to China more expensive. But many experts say the Chinese are resisting out of concern that such a step could damage their banking system, throwing people out of work.

Mr. Paulson will be raising the pressure on China, but political experts say his skills have mostly revealed themselves so far in getting United States lawmakers to withdraw a bill punishing China if it does not change its currency policy.

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The Treasury secretary also hopes to help Ms. Schwab get a global trade deal that could be approved by Congress next year. But the consensus among Congressional leaders is that it is probably too late for that.

Beyond a possible breakthrough with China, they say that Mr. Paulson's greatest hope for success lies in striking smaller bargains on the budget and taxes. Mr. Rangel and Mr. Baucus said it would be better to reach agreements on incremental tax issues first to build up trust.

Mr. Paulson, in the interview, also said he thought that the approach of reaching for "low-hanging fruit" on economic issues might make sense.

"I'm hoping there will be some things that we can get some quick victories on," Mr. Paulson said. "Then if we can get some things done, it will be a good basis for going on to more difficult issues."

U.N. Post Will Test Bush On Pledge For Consensus (NYT)

By Helene Cooper

The New York Times, November 11, 2006

WASHINGTON, Nov. 10 — President Bush has pledged to be a bipartisan consensus builder now that Democrats are to control Congress, and since Wednesday he has made conciliatory gestures. The question now is whether Mr. Bush is ready to junk all of his make-nice pledges in order to keep John R. Bolton at the United Nations.

Officially, administration officials say they plan to make all the necessary calls to Republicans and Democrats on the Senate Foreign Relations Committee to try to persuade them to confirm Mr. Bolton for a new term.

"He has been extraordinarily effective up there at the U.N., and now is not the time to have a gap," said Sean McCormack, the State Department spokesman.

But with the announcement on Thursday by Senator Lincoln Chafee, Republican of Rhode Island, that he would deny Republicans on the committee the last vote needed to send Mr. Bolton's nomination to the full Senate, some administration officials privately acknowledge that Mr. Bolton's chances of confirmation are "nil," one State Department official said.

Mr. Chafee, who was defeated for re-election on Tuesday, said: "The American people have spoken out against the president's agenda on a number of fronts, and presumably one of those is on foreign policy. And at this late stage in my term, I'm not going to endorse something the American people have spoken out against."

In this situation, the usual next step would be for Mr. Bolton to withdraw from consideration and for Mr. Bush to nominate a less polarizing candidate. Names that have been floated both inside and outside the administration include Zalmay Khalilzad, the American ambassador to Iraq; Philip D. Zelikow, the State Department counselor; Paula Dobriansky, under secretary of state for democracy and global affairs; and even Mr. Chafee.

But Mr. Bolton is keen to stay at the helm of the American team at the United Nations, administration officials say, and White House officials, including Mr. Bush's counsel, Harriet E. Miers, have been looking into whether the president can somehow bypass the Senate and keep him there. Administration officials said Vice President Dick Cheney was backing exploration of such a move.

Mr. Bolton "could be named acting permanent representative or deputy U.N. ambassador or something else that doesn't require confirmation," a senior administration official said.

Obviously, doing that will anger Democrats, the official said. "But we'll see."

When senators blocked Mr. Bolton's confirmation last year, Mr. Bush gave him a recess appointment, which expires when this Congress adjourns. Mr. Bush could give Mr. Bolton a second recess appointment as the United Nations ambassador, but under the law he could not be paid for his work.

White House officials are looking into whether he can be paid by some other entity and still serve as ambassador, or whether a de facto position could be created in which Mr. Bolton served as ambassador for all intents and purposes, but not in name.

Such a move would almost certainly enflame relations between the White House and the ascendant Democrats and would probably kill any further talk about bipartisan cooperation.

"It looks like an act out of Cirque du Soleil," said Senator Christopher J. Dodd, Democrat of Connecticut and a member of the Foreign Relations Committee.

Mr. Dodd likened the proposed maneuver to "a vision of a contortionist" and said, "This John Bolton does not deserve to be promoted."

Tony Snow, the White House spokesman, declined on Friday to speculate about Mr. Bolton's future if his nomination did not get through the Senate.

"I think what we ought to do right now is simply allow senators in the lame-duck session to see if they will give John Bolton a fair shake," Mr. Snow said. "After that, we'll talk about possibilities."

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Mr. Bolton's allies argue that during his tenure as ambassador, the United States has been successful in getting several Security Council resolutions through the United Nations, including actions that seek to slow or halt the nuclear ambitions of Iran and North Korea. Mr. Bolton also helped to shepherd through a Security Council resolution to end the Israel-Hezbollah war in Lebanon and to establish a United Nations peacekeeping force there.

"The president believes," Mr. Snow said, "that John Bolton has done an exemplary job, and if people fairly will examine his record, his real accomplishments, his record at the United Nations, that he not only will have earned confirmation but will receive it."

Mr. Bolton's critics say he is abrasive and represents a hard-line, conservative ideology at odds with the multilateral approach at the United Nations.

Administration officials say Mr. Bush resubmitted Mr. Bolton's nomination as part of a public relations strategy to put the onus on the Democrats for not allowing a vote on his appointment to go to the floor.

Democrats say that if the administration circumvents the Senate by trying a special appointment, they will portray Mr. Bush as insincere in his pledge to seek a middle ground.

"What all of this indicates is that the bipartisanship discussion we're seeing is very thin," said Steve Clemons, director of the American Strategy program at the New America Foundation.

Mississippians Rise Up Over Rangel's Comment (NYT)

By Anthony Ramirez

The New York Times, November 11, 2006

It was a remark, says Representative Charles B. Rangel, uttered with regional pride rather than rancor. But he apologized nonetheless.

On Wednesday, the day after the Democrats won a House majority, Mr. Rangel, the Harlem Democrat poised to become chairman of the Ways and Means Committee, which writes tax legislation, talked about winning back more of the tax revenue that New York State sends to the Treasury. He said, "Mississippi gets more than their fair share back in federal money, but who the hell wants to live in Mississippi?"

Apparently, a lot of people do, and they are not shy about saying so.

Charles W. Pickering Jr., a Mississippi Republican and a colleague of Mr. Rangel's, was the first to publicly take umbrage. He reacted as if he and his state had been slapped with a glove.

"Mr. Rangel owes the people of Mississippi an apology," he said in a statement. "I hope his remarks are not the kind of insults, slander and defamation that Mississippians will come to expect from the Democrat leadership in Washington, D.C."

Mr. Pickering, who is from Laurel, Miss., marched to his peroration.

"From the coast to the Delta to the Pine Belt to the hills and across Mississippi," he said, "there is beauty in every city, charity in every heart, love in every church, and majesty in every countryside."

In Jackson, the state capital, Mr. Rangel's remarks were discussed on local television and talk radio, said David Hampton, who edits the editorial page at The Clarion-Ledger. "A lot of it was post-election Republicans saying the evil Democrats this and that and a-ha, we told you so," he said. "Mississippi sort of has an inferiority complex."

Mr. Hampton said he had received about a dozen letters to the editor and five comments on his editorial page blog, and some of it was genuine outrage.

In a letter to the editor, Wendy Barthe Peavy of Biloxi wrote: "Congressman Rangel: As a proud Mississippian and resident of the Katrina-ravaged Gulf Coast, I would be happy to tell you 'who the hell wants to live in Mississippi.'

"I will not waste your time with the litany of world-class writers, artists, athletes, entertainers, scientists, surgeons, astronauts, musicians, soldiers and statesmen who have called Mississippi home," she wrote. "I will tell you of the 93,000 people still housed in FEMA trailers due to the loss of over 10,000 apartment units and over 150,000 homes to Hurricane Katrina."

She concluded, "Congressman Rangel, these people went through hell to live in Mississippi!"

Told of Representative Pickering's comments, Mr. Rangel said he was sorry. "I certainly don't mean to offend anyone," he said in a statement issued Thursday. "I just love New York so much that I can't understand why everyone wouldn't want to live here." Attempts to reach him by telephone and e-mail for further comment were unsuccessful.

Some Mississippians were skeptical about the regional chauvinism explanation.

"I don't know if he was joking," said Debbie Crapps, 46, who lives in Florence and works as a manager at Homer's Barbeque Store in Jackson.

"I think it was a bad thing to say," Ms. Crapps said in a telephone interview. "He doesn't live in Mississippi, he doesn't know anything about us. A lot of people here have a lot to say about it because we're not a big city like New York City. We are humans. We don't think that's right."

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But Mr. Pickering, at least, was prepared to let bygones be bygones. In a statement yesterday, he said Mississippians were "quick to forgive a sincere person."

Beyond the bruised feelings, there were some fears that Mississippi's needs would be ignored by a Northerner in a powerful position. In his editorial page blog, Mr. Hampton wrote that Mississippi would have to adjust to Mr. Rangel.

"Regional insults aside," Mr. Hampton wrote, "the more serious issue is Rangel will head the powerful Ways and Means Committee at a time when there already is reluctance to continue to address Katrina-recovery needs and a perception that Mississippi got more than it should have in recovery funds."

He said Mississippi's Democrats in the House, Bennie Thompson and Gene Taylor, "have their job cut out for them," and added, "They might start with a visit to Mr. Rangel."

Pelosi Affirms Support Of Full D.C. Voting Rights (WP)

By Yolanda Woodlee

The Washington Post, November 11, 2006

U.S. Rep. Nancy Pelosi, the incoming speaker of the House of Representatives, supports District voting rights and is a co-sponsor of legislation that would give Del. Eleanor Holmes Norton (D-D.C.) a full vote in the House, a spokeswoman said yesterday.

The statement from Pelosi's office clarified her position after heated discussion on Washington Post Radio about her position on the issue. On Thursday, Pelosi said she would change House rules on the first day of the new Democratic-controlled session in January so that Norton could vote on proposed changes but not final approval of legislation on the House floor. That would be a temporary measure, Norton said.

"She wants D.C. to have full voting rights in the House," said Jennifer Crider, a spokeswoman for Pelosi (D-Calif.). "She doesn't co-sponsor many pieces of legislation."

On Thursday, Crider had referred to Pelosi's opposition to portions of an earlier version of a voting rights bill. After changes were made, Pelosi signed on to the current bill, introduced in May by Norton and U.S. Rep. Thomas M. Davis III (R-Va.).

City officials, including Mayor-elect Adrian M. Fenty and Vincent C. Gray, chairman-elect of the D.C. Council, said they are concerned that the temporary measure does not go far enough.

"This is going back to a proposal where we get a vote only if it doesn't count," Fenty said. "It doesn't make any sense. . . . We need to go to something more substantive."

The Norton-Davis bill links the D.C. vote to an additional congressional seat in Utah, raising the total number of House members from 435 to 437. Pelosi did not favor legislation that included redistricting in Utah, a move that some lawmakers feared would jeopardize that state's only Democrat representative. Pelosi later signed on to the bill after Utah made the congressional seat a statewide position.

The question for voting rights advocates is whether there will be time to consider and pass the bill before the current session ends.

Norton, who has championed voting rights for the District since she took office in 1991, said she prefers passage of the bipartisan bill this month rather than waiting until the Democrats take the majority.

Ilir Zherka, executive director of the nonprofit group D.C. Vote, is calling for an immediate vote.

"The next Congress is going to be very busy dealing with a lot of issues, and so our view is let's get this done now, because we have already dealt with the full range of questions posed about this bill," he said.

"Having got this far, to the 10-yard line, let's finish it."

Before the bill can move through Congress, however, Utah state lawmakers must vote on their portion of the measure. Aides to Gov. Jon Huntsman Jr. and Utah House Speaker Greg J. Curtis said this week that legislation creating the congressional seat could be approved in one day.

If this happens next week, Norton is optimistic that Rep. F. James Sensenbrenner Jr. (R-Wis.), chairman of the Judiciary Committee, will move the legislation to a floor vote in House. The Senate would also need to vote on it.

"The question is, is there time on their watch?" Norton said.

Full Vote Eyed For House Delegate Before Session Ends (WT)

By Gary Emerling

The Washington Times, November 11, 2006

D.C. voting rights advocates are encouraged by the recent Democratic takeover of Congress, but would prefer a bill giving their representative a full vote in the House be considered before the end of this legislative session.

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"For us, it's not necessarily a matter of Democratic control versus Republican control," said Ilir Zherka, executive director of the nonprofit advocacy group D.C. Vote. "Going into a new Congress presents new challenges and additional challenges, and we would rather complete this process now."

The D.C. Voting Rights Act was introduced in May by Rep. Thomas M. Davis III, Virginia Republican, and D.C. Delegate Eleanor Holmes Norton, a Democrat. It would give the historically Democratic city a House vote and add a seat in the House for Utah, a Republican stronghold.

The bill is now in the House Judiciary Committee, where proponents are pushing for committee Chairman F. James Sensenbrenner Jr., Wisconsin Republican, to allow it to be voted on by all 435 House members.

But the bill's move out of the committee depends on Utah lawmakers approving a redistricting map. And with the current session of a Republican Congress set to end soon, time for further action is expiring.

"In sort of such a lame-duck session where you have so many members of Congress who lost their seats, I'd be surprised if the legislation came up," said Brian Schaffner, a professor of political science at American University.

Yesterday, Doxie McCoy, a spokeswoman for Mrs. Norton, said the delegate "had the confirmed, continuing support of the new" Democratic House leadership for the bill. However, the measure must be introduced before the new Congress if no vote is taken before the current session ends.

Mr. Zherka said having to re-introduce the bill to a new Congress could create new problems. For example, new Democratic lawmakers could have concerns about adding a seat for Utah.

Other objections could be raised -- again -- over the redistricting of Utah, and restarting the process could be a step backward.

"Starting the process over again raises new questions that we would prefer not to have to answer and consider," Mr. Zherka said.

Still, the prospects for D.C. voting rights may not suffer much if put off until next year.

The measure has received bipartisan support and has already gone from the House Government Reform Committee, of which Mr. Davis is chairman, to the House Judiciary Committee.

Rep. Henry A. Waxman, California Democrat who co-sponsored the measure, is in line to replace Mr. Davis as committee chairman.

Rep. Nancy Pelosi, California Democrat who likely will be the House's next speaker, also co-sponsored the bill and is advocating rules allowing Mrs. Norton to vote on proposed changes to legislation.

Democrats in general are historically more supportive of giving the District voting rights, said Garry Young, director of the Center for Washington Area Studies at George Washington University.

"I don't think the [bill's] prospects are markedly changed, but at the same time it's obviously an issue that's a pet issue of a lot of Democrats," Mr. Young said.

D.C. Mayor-elect Adrian M. Fenty, who has pledged to actively lobby Congress for voting rights during his transition and after he takes office Jan. 2, called the Democratic takeover a "win-win" for voting advocates.

"We can try to win in the lame duck and then when the Democrats take over, I think most people know that they're even more likely to want to have two Democratic senators" as well, he said.

OTHER NEWS:

Election Past, How High Can Stocks Go? (WSJ)

By E.S. Browning

The Wall Street Journal, November 11, 2006

Now that the stock and bond markets have shrugged off the major shift of political power in Washington, investors are beginning to wonder how much higher the stock market can go.

The markets seem to have welcomed the end of the divisive political campaign. Now, people's attention is turning back to more fundamental issues -- notably strong recent corporate profits and low interest rates.

For election week, the Dow Jones Industrial Average put in a gain of 122.39 points, or 1%, to finish at 12108.43. The price of the benchmark 10-year Treasury note rose every day of the week, sending the yield down to 4.590% at week's end.

The Dow finished just short of the record close of 12176.54 that it achieved Wednesday. It rose on every day except Thursday, including a gain of 5.13 points, or 0.04%, Friday. It is up 13% in 2006.

Some sectors -- big drug companies, big telecommunications companies, big oil -- have suffered. Investors worry that Democratic legislators will try to regulate those industries more heavily, limiting profits.

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But technology stocks have done well, boosted by hopes for the economy and by a reassuring sales forecast from Cisco Systems. The prevalent view among investors was that the political campaign meant little to stocks, and that low interest rates and a resilient economy meant a lot more.

"The Republicans couldn't pass much of their program when Democrats had 45 senators. Now the Republicans have 49, so the Democrats probably can't pass anything either," said Alfred Kugel, chief investment strategist at Chicago investment-management firm Atlantic Trust/Stein Roe. "In the meantime, the economy is doing fine if you aren't in the housing business. Earnings are doing well. Employment is good."

Hopes are spreading that inflation will remain tame and that this will permit the Federal Reserve to avoid any interest-rate increases, which would be good news for consumers and businesses alike. Some pundits, in fact, forecast that the Fed could cut rates next year, to give the economy a little boost.

The dollar has been suffering compared with the euro, hitting two-month lows, as Chinese authorities hint that they will diversify into things like the euro and gold.

Investors are nervous about crude-oil futures, which bounced above $60 during the week. But the slowing economy has helped keep oil futures well off this year's highs. On Friday, they fell $1.57 to $59.59 a barrel, down 2.4% for 2006 but up 0.8% on the week.

Another worry is that the Dow industrials haven't pulled back as much as 10% since 2003, which is a long time. The industrials are up 12.7% since July 14, a big gain with very little pause to digest. But the end of the year historically has been good for stocks, and many experts think any pullback will occur next year.

The Standard & Poor's 500-stock index and Nasdaq Composite index also rose for the week. The S&P 500 Friday was up 0.19%, or 2.57 points, to 1380.90, ahead 10.6% this year.

The Nasdaq Friday rose 0.58%, or 13.71 points, to 2389.72, up 8.4% in 2006. Neither is near a record, but the Nasdaq recorded its highest finish since February 2001.

Outside the U.S., stocks advanced in dollar terms, including new highs for markets in tocks in India, Indonesia and New Zealand. The Dow Jones World Stock Index, excluding U.S. stocks, rose 0.26%, or 0.61 point, to 231.24.

In major U.S. market action:

Stocks advanced. Total trading volume for stocks listed on the New York Stock Exchange was 2.33 billion shares, as 2,182 stocks rose and 1,100 fell.

Bond prices gained. The 10-year Treasury note rose 10/32, or $3.13 for each $1,000 invested. The 30-year bond was up 18/32 to yield 4.697%.

The dollar weakened. Late in New York, the currency traded at 117.59 yen, down from 117.94, while the euro rose against the dollar to $1.2847 from $1.2823.

Shares Up, Led By Home Builders (NYT)

The New York Times, November 11, 2006

Stocks rose yesterday, wrapping up their sixth weekly gain in the last seven weeks, as falling oil prices lifted companies that thrive in an expanding economy. Treasuries had their biggest weekly gain since September on speculation that the government would curb spending.

KB Home, D. R. Horton and Centex led a rally among home builders, the best performers in the Standard & Poor's 500-stock index. Solectron, a maker of electronic components, had the index's biggest gain after saying that it would meet or exceed profit forecasts.

"I'm very positive on this market as the basic fundamentals are back in place," said John Merrill, who helps manage about $475 million as president and founder of Tanglewood Capital Management in Houston. "It's hard to have better earnings. The market does have further room to rise."

The S.& P. 500 rose 2.57 points, or 0.2 percent, to 1,380.90. The Nasdaq composite index increased 13.71 points, or 0.6 percent, to 2,389.72, its highest close since February 2001.

Walt Disney weighed on the Dow Jones industrial average, which added 5.13 points, to 12,108.43. Disney said that a higher tax rate might reduce earnings next year.

In the last five days, the S.& P. 500 rose 1.2 percent, the Dow gained 1 percent and the Nasdaq climbed 2.5 percent. Technology companies led the weekly advance on better-than-expected earnings and expectation that gridlock in Congress might forestall new regulations.

Treasuries also rose on expectations that demand for new securities would climb. Democratic control of Congress may lead to lower spending.

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Yesterday's gain helped bonds erase losses from Nov. 3, when a government report showed that the national unemployment rate fell to a five-year low, raising concern that growth might be strong enough to allow the Federal Reserve to keep interest rates steady.

The 10-year Treasury note rose 6/32, to 1009/32. The note's yield, which moves in the opposite direction from the price, fell to 4.59 percent, from 4.63 percent.

Yesterday, crude oil fell the most this month after the International Energy Agency cut its demand forecast for the third consecutive month.

World oil demand this year will average 84.49 million barrels a day, 80,000 barrels a day less than estimated last month, the agency said. Slower growth in Chinese use of transport fuels, especially gasoline, was behind the revision, it said. China, the world's second-biggest oil consumer, behind the United States, is still expected to drive growth this year and next.

"The I.E.A. has cut its demand forecast for three months in a row, which could be the start of a trend," said Kyle Cooper, director of research at IAF Advisors in Houston. "This is very different from 2004 and 2005 when we saw demand revised higher repeatedly. This may be evidence that these high prices are putting a lid on demand growth."

Crude oil for December delivery fell $1.57, or 2.6 percent, to $59.59 a barrel on the New York Mercantile Exchange. Prices were up 0.8 percent this week and are 3.1 percent higher than a year ago.

The dollar declined versus the euro and yen after the head of China's central bank, Zhou Xiaochuan, said the nation would keep diversifying its foreign exchange reserves.

The dollar fell after Mr. Zhou said China would "stick to the existing policy" of reducing the share of United States assets it holds. The European Central Bank president, Jean-Claude Trichet, and the Bank of Japan governor, Toshihiko Fukui, suggested this week that they would raise interest rates, adding to the allure of their currencies.

"It was just a timely reminder there is a potential the Chinese central bank will diversify out of dollars into euros and even sterling," said Mike Moran, senior currency strategist at Standard Chartered Bank in New York. "People have forgotten about this in a market where the dollar bears are winning out."

The dollar traded at $1.2847 per euro from $1.2824 on Thursday and $1.2718 a week ago. The dollar has declined about 1 percent this week versus the euro.

Virginia Sen. Allen Concedes Defeat (AP-Y)

By Matthew Barakat, Associated Press Writer

AP, November 10, 2006

As Sen. George Allen entered the campaign season, he anticipated smooth sailing toward an all-but-certain re-election that would bolster his presidential aspirations.

But on Thursday, suggesting that "the prevailing winds were against us," he conceded defeat to Democrat Jim Webb, ending not only his once-promising 2008 prospects but also GOP control of the U.S. Senate.

His rapid fall from political grace, aided by verbal gaffes and a nationwide Republican backlash, was complete.

Polite after a campaign that had been anything but, Allen said he would not demand a recount in a race Webb won by fewer than 9,000 votes out of 2.37 million ballots cast.

Allen said "the owners of government have spoken and I respect their decision," though a day earlier his campaign said it likely would wait for the State Board of Elections to complete its canvass before conceding.

"The Bible teaches us there is a time and place for everything, and today I called and congratulated Jim Webb and his team for their victory," Allen said.

The conservative Republican senator lost to a fellow Reagan acolyte who served as the former president's Navy secretary before becoming disenchanted with the GOP.

At a news conference and rally, Webb's supporters roared when he took his Marine son's battered combat boots from a bag and held them high above his head. Webb, whose son is fighting in Iraq, had worn the boots throughout what he called "an unnecessarily brutal campaign."

Allen chose not to demand a recount when initial canvassing of the results failed to significantly alter Webb's lead.

"I see no good purpose being served by continuously and needlessly expending money and causing any more personal animosity," he said. "Rather than bitterness, I want to focus on how best Virginians can be effectively served by their new junior senator."

Webb said Allen "was very gracious" in their conversation. He alluded to the nasty tone of the campaign, saying he told Allen that "it's vital to stop the politics of divisiveness, character assassination, distraction."

The Virginia contest was the last undecided Senate race in the country, and Webb's victory tipped the scales, giving the Democrats control of 51 Senate seats and majorities in both the House and Senate for the first time since 1994.

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Earlier in the day, Sen. Conrad Burns conceded the Montana Senate race to Democrat Jon Tester, catching Tester on the phone as he headed for a barber shop to get his famous flattop hair trimmed.

The call was "very cordial, very professional. It was positive," Tester, a farmer and state legislator, told The Associated Press.

Burns, a three-term GOP senator whose campaign was also troubled by gaffes and voter discontent, made no public appearances. But he released a statement saying he was ready to "help as Montana transitions to a new United States senator."

"We fought the good fight and we came up just a bit short. We've had a good 18 years and I am proud of my record," he said.

In Virginia, Allen had been expected to cruise to a second term this year and make a run for the White House in 2008. The son of a Hall of Fame football coach, Allen served as governor in the 1990s and was popular for abolishing parole and instituting other conservative reforms.

But in Webb he faced an unconventional challenger. Supporters drafted Webb, a political neophyte, to run because of his early opposition to the Iraq war.

Allen, 54, was comfortably ahead in polls until August, when he mockingly referred to a Webb campaign volunteer of Indian descent as "Macaca," regarded by some as a racial slur. The incident, caught on videotape, became international news. Some former football teammates from the University of Virginia also charged that Allen had commonly used a slur for blacks — something he denied.

Webb, a 60-year-old Naval Academy graduate and decorated Vietnam veteran, tried to link Allen to President Bush and the war during the campaign. He also used a video in ads that showed Reagan praising him.

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Associated Press writers Bob Lewis in Richmond and Matt Gouras in Helena, Mont., contributed to this report.

Democrats Take Control Of Senate As Allen Concedes To Webb In Va. (WP)

By Michael D. Shear And Alec MacGillis, Washington Post Staff Writers

The Washington Post, November 10, 2006

Victor Vows New Approach To Iraq War

Democrat James Webb, who campaigned for Virginia's U.S. Senate seat by opposing the war in Iraq and calling for economic fairness, yesterday succeeded in his improbable bid to unseat Republican George Allen, giving the Democrats a 51-seat majority and control of both houses of Congress.

Webb's lead over Allen widened yesterday in the post-election vote canvass, and Allen graciously conceded to Webb to make the victory official. A short time later, Virginia's newest senator, who lives in Fairfax County, addressed a giddy crowd of hundreds of supporters in front of the Arlington County Courthouse.

His victory ended two days of suspense over which party would control the Senate. Going into Tuesday's election, the Democrats needed six seats for control, and it was Webb, a former Republican and Reagan administration official, who gave them the sixth seat.

"It is Virginia that turned the Senate blue," Gov. Timothy M. Kaine (D) told the cheering crowd.

Webb will take his place in a Congress in which Democrats will control both houses for the first time in 12 years.

"Mark Warner began a journey. Tim Kaine added on to it," a triumphant Webb said, referring to the state's back-to-back Democratic governors. "We are going to add on to it even more."

Webb said that Allen called him to concede and that the two former adversaries would have lunch next week. He called the campaign "unnecessarily brutal" and said he would talk to Allen about how they can help stop "the politics of divisiveness, character assassination, distraction."

A decorated former Marine with a son serving in Iraq, Webb wore combat boots throughout the campaign as a symbol of his early criticism of the conflict. Before speaking in Arlington, Webb took off the boots and held them in the air, delighting the crowd. He promised a new approach to the war that he said will lead to a diplomatic solution.

He also said, "We are going to work very hard on issues of economic fairness in a country that has become too divided by class."

Webb will join Sen. John W. Warner (R-Va.) in the Senate, where he will likely become a member of the Senate Foreign Relations Committee and a spokesman against the war with substantial credentials. Warner and Webb are part of a small fraternity, having both served as secretary of the Navy.

Webb, 60, was a Republican for most of his life and for a time served under the godfather of the modern GOP, President Ronald Reagan. But his election to the Senate delivered a final blow to the Republican Party.

"We will begin the process of putting this country back on the track where it needs to be," Webb said at yesterday's rally.

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Sen. Charles E. Schumer (D-N.Y.), who as chairman of the Senate Democrats' campaign arm helped Webb win the Democratic primary in June and later helped finance the campaign's expensive media barrage, stood by Webb yesterday, beaming as he thanked the newest member for delivering the Senate to the Democrats.

"What color is my tie? What color is my suit? What color is my Senate?" Schumer asked the Arlington crowd, which yelled, "blue!" in response to each question. "We couldn't have taken the Senate without Jim Webb."

Shortly before Webb's speech, Allen humbly conceded defeat, bowing to the electoral reality that he trailed Webb by an insurmountable lead and sparing the country a recount that could have left control of the Senate in limbo for weeks.

"It is with deep respect for the people of Virginia, and to bind factions together for a positive purpose, that I do not wish to cause more rancor by protracted litigation which would, in my judgment, not alter the results," Allen said in a 12-minute speech to supporters at the historic Carlyle House in Old Town Alexandria.

Allen campaign officials had initially put plans into motion to challenge Virginia's election after coming within 0.3 of a percentage point of Webb's lead. But after local election officials spent Wednesday and part of yesterday reviewing the totals as part of a routine post-election canvass, Webb's margin actually grew. Webb had a lead of 8,942 votes last night.

Allen concluded that further reexamination of the 2.3 million ballots in Virginia would not change the outcome. Speaking of the nearly even percentage split of votes in the contest, Allen said, "We have two '49-ers. But one of them has 49.55, and the other has 49.25."

In a speech filled with humility and respect rarely seen on the campaign trail, Allen praised Webb and said he was not bitter about losing. The former governor, 54, hinted that his life in politics is not over despite his stunning defeat to a political newcomer who trailed him by 16 points just 12 weeks ago.

"Sometimes winds -- political or otherwise -- can blow the leaves off branches and even break limbs," said Allen, flanked by his wife, Susan, and Sen. Warner. "But a deep-rooted tree will stand, stay standing, will regrow in the next season. In this season, the people of Virginia, who I always call the owners of the government, they have spoken. And I respect their decision."

Under Virginia law, Allen could have asked for a recount because his Democratic opponent was ahead by less than 1 percentage point. But several Republican sources said Allen received pressure from advisers and GOP colleagues in Washington who believed that little would be gained.

Sources close to Allen said Republicans in Washington were in no mood for a quixotic fight over Allen.

President Bush yesterday extended an olive branch to Democrats, inviting likely House Speaker Nancy Pelosi (Calif.) and Steny H. Hoyer (Md.), the No. 2 Democrat in the House, to a private luncheon.

The supporters who gathered yesterday afternoon for Allen and Webb reflected the results.

Before Webb spoke, a dozen supporters milled about on Clarendon Boulevard, near the courthouse, holding signs. Laura Sonnenmark, of the Alexandria section of Fairfax, held a sign that read, "Thanks Jim. We knew you could do it."

She said, "We feel awesome, optimistic -- like we helped the country. To America, Virginia says, 'You're welcome.' "

The several hundred Allen staffers and supporters gathered outside the Carlyle House took the senator's concession hard, with several crying as he spoke in front of the 18th-century building. But most of those interviewed said they agreed with the decision not to pursue a recount.

"For what was best for Virginia and moving forward, he needed to do what he did today," said Anthony Bedell, 38, of Falls Church, who has worked or volunteered for several Allen campaigns. "It's a tough one to swallow, but the senator did the right thing today."

Several supporters commented on the conciliatory tone of Allen's remarks, which included a pledge to assist Webb in his transition. This tone reflected the gracious, congenial manner they have admired in Allen, supporters said. "He had class," said James Glenn, 64, of the Mount Vernon section of Fairfax. "He's a good man."

Staff writer Tim Craig contributed to this report.

Allen Concedes, Gives Senate To Democrats (WT)

By Christina Bellantoni And Seth Mclaughlin, The Washington Times

The Washington Times, November 10, 2006

Virginia Sen. George Allen yesterday conceded defeat to Democrat James H. Webb Jr. in his re-election bid, allowing Democrats to take the reins of the U.S. Senate for the first time in many years.

"In this season, the people of Virginia, who I always call the owners of the government, they have spoken, and I respect their decision," the Republican told supporters gathered in Old Town Alexandria just after calling Mr. Webb to congratulate him.

Mr. Webb unseated Mr. Allen Tuesday by just under 9,000 votes, according to an unofficial count. Mr. Allen, a former governor, noted he is within his legal rights to request a taxpayer-funded recount because the margin is three-tenths of one percent, but declined to do so.

"It is with deep respect for the people of Virginia and to bind factions together for a positive purpose that I do not wish to cause more rancor by protracted litigation, which would, in my judgment, not alter the results," Mr. Allen said, standing next to Virginia's senior Sen. John W. Warner, a Republican.

A few hours later in Arlington, Mr. Webb, a former Republican who served as President Reagan's Navy secretary, pumped his fists in the air in front of thousands of supporters gathered to cheer on the senator-elect at his victory rally.

"I am indebted to you, and I won't forget my loyalties," he said as the crowd pushed to shake his hand and thank him for delivering the Senate to the Democrats.

Mr. Allen's loss -- the third consecutive top office lost by state Republicans -- leaves the Virginia Republican party in disarray.

"George Allen is the patriarch of the modern Republican party in Virginia," said Lt. Gov. William T. Bolling, one of several Republicans jockeying to be the new leader. His win last fall buoyed depressed party loyalists after their candidate Jerry W. Kilgore lost the gubernatorial race to Democrat Timothy M. Kaine.

Now, conservatives can choose to unite behind former leaders with an anti-tax message -- such as James S. Gilmore III, the last Republican chief executive -- or centrists such as Rep. Thomas M. Davis III, who work with the opposing party. Mr. Davis won re-election Tuesday in a changing and growing Northern Virginia district that favored Mr. Webb.

The party has two years to figure out its message before two major elections -- the expected retirement of Mr. Warner from the Senate and the 2009 governor's race.

The soul-searching elevates Mr. Bolling and Attorney General Robert F. McDonnell, each of whom wants to be governor, and Mr. Davis, who is interested in being senator.

Mr. McDonnell, a longtime friend of Mr. Allen, praised him for his work eliminating parole in the 1990s as governor and for bringing jobs to Virginia. He said the concession is "an act of honor, character and putting the needs of his beloved Virginia first, attributes that have defined George Allen throughout his public career."

The anti-tax socially conservative wing of the party has struggled to woo voters in the growing Northern Virginia suburbs, which have voted Democratic in the past three statewide elections.

Mr. Gilmore, who is interested in seeking political office, said Republicans must "control spending" if they want to return to power. "This has been a chronic problem for quite a while," he said.

Mr. Gilmore would not name a new head of the party, saying it is the ideas that matter, not the personality. "The key is what is important to the people of Virginia and the United States. It is not about us, it is about them," he said.

But, the Democrats say Republicans need to realize the state has been changing, starting with Gov. Mark Warner's election in 2001.

"We have a much, much stronger Democratic Party," Mr. Webb said, standing with Mr. Kaine at his victory rally yesterday. "We have a situation in Virginia where Mark Warner began a journey, Tim Kaine has added onto it, we are going to add onto it even more."

Democratic Senatorial Campaign Committee Chairman Charles E. Schumer, sporting a blue tie and blue suit, asked the crowd what color his clothes were. "Blue!" the crowd shouted.

"We could not have taken the Senate without Jim Webb and his steadfastness," the New York Democrat said.

Mr. Kaine agreed: "It is Virginia that turned the Senate blue."

Specifically, Northern Virginia delivered Mr. Webb his slim victory, a trend Republicans are noting.

"We need to do something different," said Delegate David B. Albo, Fairfax County Republican. "From my standpoint it's not just Allen's loss. If you look at the trend, George got the same numbers Jerry Kilgore got in Northern Virginia. A lot of people think it's Iraq, I think it's that Northern Virginia is not voting for Republicans."

If Mr. Allen finds a way to motivate the region's voters, he might have a political future.

Standing at the finish of a bitter, mudslinging campaign, Mr. Allen took a conciliatory tone and said Virginians haven't seen the last of him.

Mr. Warner introduced Mr. Allen as one of Virginia's "favorite sons" and promised their friendship and working relationship would continue, a hint that the senior senator could coronate Mr. Allen to run for his seat in two years, should he retire.

"We live to fight another day for our vision of America's future," Mr. Allen said to the crowd, which was larger yesterday than some of his last few rallies combined.

Sobbing staffers and sad-faced supporters gathered around as he made his remarks, and cheered when Mr. Allen said, "come January, not as a senator but as an American citizen, you can count on me" to work on the issues he pushed during the campaign, including energy independence and competitiveness.

Many politicians say negative ads were the death knell to Mr. Allen's campaign, and Mr. Webb yesterday called on President Bush to tell members of his party to "stop the politics of divisiveness and character assassinations."

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He also noted Mr. Allen was "gracious" in his phone call and that the two men plan to have lunch next week.

Republican National Committee Chairman Ken Mehlman attributed Mr. Allen's loss to "missteps in the campaign" and "a tough environment" for Republicans this year.

He also said Mr. Allen's past success played into his downfall. As governor, he brought many technology companies to Virginia, driving population growth among residents who have been voting Democratic in Northern Virginia.

· Amy Fagan contributed to this report.

After 2 Decades In Ascent, A Stunning Breakdown (WP)

By Michael D. Shear And Tim Craig, Washington Post Staff Writers

The Washington Post, November 10, 2006

The George Allen who conceded defeat yesterday in Virginia's nasty U.S. Senate campaign was the one who revitalized Virginia's Republican Party and the one who was considered a front-runner for the White House, with his folksy, football-and-cowboy charm.

Relaxed and smiling, ever gracious, he thanked his campaign staff, talked about his two-decade record of being tough on criminals and reforming schools and finished like the veteran campaigner who won two statewide elections: "Teammates, fellow patriots, stay strong and stand strong for freedom!"

But it was an Allen who was rarely seen on the campaign trail this year.

Instead, the relentlessly cheery politician who was an up-and-comer in the national GOP spent most of the fall during his campaign against challenger James Webb in a defensive crouch, trying to deflect accusations that, down deep, he is a bully or a racist.

Allen began the campaign with a 16-point lead in the polls. As a wildly popular governor and then senator, he was considered a shoo-in for reelection. As Allen visited Iowa and New Hampshire and prepared for a 2008 presidential bid, the conventional wisdom in August was that a stunning victory in the Senate race would position him as the darling of the party.

Then came the now-legendary "macaca moment." He called a Webb volunteer of Indian descent "macaca" and welcomed him to "America and the real world of Virginia." That was followed by his awkward handling of revelations about his Jewish heritage and accusations that he used racial epithets during and after college. He also got caught up in a tide of anti-GOP sentiment that cost Republicans control of the House and the Senate.

"The kind of meltdown that occurred here is a quintessential example about how 24 hours can be a lifetime in politics," said Robert D. Holsworth, director of the Center for Public Policy at Virginia Commonwealth University.

Allen's colleague Sen. John W. Warner (R) is the state party's senior statesman. But it is Allen who has been the face of a new generation of Virginia Republican activists. In his 1993 inaugural address, after overcoming a 34-point deficit to become the state's 67th governor, Allen called the activists his "insurgents."

"George Allen, I think, singularly, turned around the fortunes of the Republican Party in Virginia," said George Mason University political science professor Mark J. Rozell. "He unabashedly reached out to the religious conservatives. Yet, he still had that nice smile, that charisma, that sunny disposition that made him appeal to moderate and independent voters."

Allen rode that appeal first into the Virginia governor's mansion and then into the nation's most exclusive club, the Senate. From there, he hoped it might be a short hop to the White House.

By last December, others thought so, too. In an article in the conservative National Review, editor Richard Lowry wrote that Allen "combines the people skills of Bill Clinton, with the convictions of a Ronald Reagan, with the non-threatening persona of George W. Bush circa 2000, before he became a hate-figure for the left."

Lowry concluded that Allen was a leading contender for the 2008 GOP nomination because he blends "amiability with competitive ruthlessness in a way that makes him, at age 53, one of the nation's top politicians."

Now, Rozell said, "no one talks seriously about George Allen being presidential timber."

Attorney General Robert F. McDonnell (R) issued a statement yesterday calling Allen "the most effective Governor of the modern Virginia era." Lt. Gov. Bill Bolling (R) praised him for efforts "to abolish parole, reform welfare, promote higher academic standards in our public schools; and bring new business, industry and jobs to Virginia."

But Richmond lobbyist Charlie Davis said Allen "lost his way" when he went to the Senate and failed to grasp the state's changing demographics and moderating politics, especially in population-rich Northern Virginia.

"Once he got inside the Beltway, he got absorbed and detached from the state," Davis said. "When he was governor and he was around the state capital, he was with real people every day who were not reluctant to share their feelings. You get to D.C., for some reason he did not realize the landscape here was changing dramatically."

Longtime Virginia Republicans say Allen also turned away from the insiders who had helped him succeed, bringing in a new team, led by campaign manager Dick Wadhams, who had little experience in Virginia.

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It wasn't until September, after the scandals erupted, that Allen brought back his trusted Virginia hands.

G. Paul Nardo, Allen's chief speechwriter when he was governor, said he was sad to see his former boss lose: "I don't think you've heard the last of him."

But Democrats -- and even some of Allen's closest allies -- said yesterday that his defeat should serve as a political red flag that Virginia is no longer the conservative, Republican red state.

"The wrath of Northern Virginia can make Virginia purple," said Gerald E. Connolly (D), chairman of the Fairfax County Board of Supervisors.

At Allen's conciliatory concession speech, several supporters said it was unfortunate that voters had been unable to see more of the same humility from him during the hard-fought campaign.

"I know that on a personal level that was his tone, but how to translate that in the midst of a campaign, we have to learn that," said Brett Berlin, 56, of Alexandria.

Others said they expected, and hoped, that Allen would run again, for Senate in 2008 or governor in 2009. "By being as gracious as he was, he preserves those options," said Howard Lee, 57, of Fairfax County.

Allen also was joined during his concession speech by his daughter, Brooke, who clutched at her side the football Allen often has with him. The senator took the football from his daughter and tossed it to a supporter, who threw it back.

"Final toss. Done," said Allen after making the catch. "See y'all."

Democrats Gain Senate And New Influence (NYT)

By John M. Broder

The New York Times, November 10, 2006

WASHINGTON, Nov. 9 — Democrats gained control of the Senate on Thursday, giving them a majority in both houses of Congress for the first time since 1994 and increased influence over President Bush's policies at home and abroad, starting with the war in Iraq.

The Democrats picked up the seat they needed to capture the Senate when the Republican incumbent in Virginia, George Allen, conceded to Jim Webb, his Democratic challenger, completing a broad realignment of power in Washington. Including two independents who align themselves with the Democrats, Democrats will have a 51-to-49 advantage in the new Senate.

Within moments of Mr. Allen's announcement, Democrats rallied outside the Capitol to celebrate their victory, cheering and chanting, while their leaders began planning how to proceed after a dozen years in which their only taste of power in Congress was when they controlled the Senate for a period in 2001 and 2002.

"The election's over," said Senator Harry Reid of Nevada, who will be the new majority leader. "It's time for a change."

Mr. Bush continued adapting to the new political climate by having lunch with Representative Nancy Pelosi, Democrat of California, who stands on the cusp of becoming the first woman to serve as speaker of the House. He invited Mr. Reid to join him at breakfast at the White House on Friday.

But even as he was extending courtesies to his new partners, Mr. Bush was demanding action on several contentious measures before the Republican-led Congress disbands next month. The president renominated John R. Bolton to the post as United Nations ambassador and asked Congress to complete work on a bill authorizing domestic surveillance by the National Security Agency, both lightning-rod matters for Democrats.

As Washington was digesting the changed balance of power, there was a sign that the 2008 contest for the presidency had already begun. Tom Vilsack, the Democratic governor of Iowa, announced he was running for president, the first high-profile entrant in an expected parade of presidential hopefuls who will enter the race in coming months.

On the other side of the partisan ledger, the chairman of the Republican National Committee, Ken Mehlman, a close associate of Mr. Bush's political strategist, Karl Rove, said he would step aside.

In Virginia, the margin separating the two Senate candidates was roughly 9,000 votes, or less than one-half of 1 percent of more than 2.3 million votes cast. Under Virginia law, Mr. Allen was entitled to request a recount at state expense, but it was clear from a preliminary review of the ballots that Mr. Allen had little hope of reversing the verdict through recounts or lawsuits.

Senior Republican officials, including a lawyer deeply involved in the 2000 Florida recount battle, counseled Mr. Allen on Wednesday to withdraw rather than fight what would ultimately be a futile battle. After deliberating a day, Mr. Allen decided not to fight.

Mr. Allen said Thursday that he did not want to subject the people of Virginia or the nation to a recount fight that could have lasted until Christmas.

"I do not wish to cause more rancor by protracted litigation that would not, in my opinion, alter the results," Mr. Allen said, speaking on an unseasonably warm mid-autumn day in Alexandria, Va., to a crowd of staffers and supporters, some in tears. "I

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see no good purpose being served by continuously and needlessly expending money and causing any more personal animosity."

He congratulated Mr. Webb on his narrow victory and made note of the favorable environment for Democrats this year. "They had the prevailing winds," Mr. Allen said.

Mr. Webb, a novelist, Marine combat veteran and former secretary of the Navy, claimed victory 90 minutes later at a rally in Arlington.

He brandished the sand-colored combat boots he wore throughout the campaign in tribute to his son, a Marine lance corporal serving in Iraq.

"Hoo-ah," shouted several marines in the audience as Mr. Webb started speaking, using the military cheer to show their support.

Mr. Webb, occasionally glancing at a three-by-five card of notes, said Mr. Allen and Senator John W. Warner, a Republican and Virginia's senior senator, had called to congratulate him, but he then spoke bitterly of the campaign, calling on Mr. Bush to denounce slice-and-dice political tactics.

"This was a brutal campaign and in many ways an unnecessarily brutal campaign," Mr. Webb said, "and I think it's hurting the country."

Mr. Webb also said that when he took his seat in the Senate he would continue to agitate for a rapid end to American military involvement in Iraq, even if it put him at odds with fellow Democrats seeking a more gradual withdrawal.

"I am walking into the Senate with the independence to represent the people who have no voice in the corridors of power and I intend to do that," he said.

Senate Democrats celebrated their triumph at a rally on Capitol Hill on Thursday afternoon.

Senator Reid and his two top lieutenants, Richard J. Durbin of Illinois, the Democratic whip, and Charles E. Schumer of New York, who ran the Senate campaign committee, appeared with flag-waving staff members.

While Mr. Reid called for bipartisanship and more openness in government, the war in Iraq was the central issue on his mind.

"We believe this country has spoken loudly and clearly," Mr. Reid said.

When Mr. Schumer spoke, his words were punctuated by shouts of "Chuck, Chuck, Chuck."

Also on Thursday, Senator Conrad Burns, Republican of Montana, conceded to Jon Tester, the Democratic State Senate president and an organic farmer, formally bringing to a close a race that members of both parties had declared over a day earlier.

Mr. Burns's phone call caught Mr. Tester on his way to the barbershop to have his distinctive flattop haircut trimmed, according to The Associated Press.

The call was "very cordial, very professional," Mr. Tester said.

Mr. Burns, a three-term senator, said in a news release, "We fought the good fight and we came up just a bit short. We've had a good 18 years, and I am proud of my record."

The new Senate will have 49 Democrats, 49 Republicans and two independents, Joseph I. Lieberman of Connecticut and Bernard Sanders of Vermont.

Mr. Lieberman and Mr. Sanders will caucus with the Democrats, giving the party effective control, with the right to name committee chairmen and dictate parliamentary rules.

Mr. Bush, who has practiced a muscular brand of partisan combat in the past six years, adopted a more conciliatory tone after his meeting with Ms. Pelosi and the Democratic House whip, Steny Hoyer of Maryland.

"The elections are now behind us, and the congresswoman's party won," Mr. Bush said as he and Vice President Dick Cheney met with the two Democrats. "But the challenges still remain and therefore, we're going to work together to address those challenges in a constructive way."

Ms. Pelosi said, "We've made history. Now we have to make progress."

The president met with his cabinet in the morning and said he had instructed them to provide briefings for Democratic leaders in Congress and new members.

Mr. Bush, knowing that he has only a few weeks left with Republicans in control on Capitol Hill, urged quick action on budget bills, energy legislation and a bill to admit Vietnam to the World Trade Organization. He is to visit Vietnam this month.

But he will face considerable difficulty with other priorities he expressed on Thursday. Mr. Bush said he wanted the Senate to act before the end of the year on his nomination of Robert M. Gates to replace Donald H. Rumsfeld as secretary of defense and of Mr. Bolton, who is serving under a recess appointment, as the permanent representative to the United Nations.

Democrats have balked at the Bolton nomination and are not expected to change their views, although it was not clear that they would have the votes to derail his confirmation while Republicans hold the Senate.

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One Republican who was defeated this week, Senator Lincoln Chafee of Rhode Island, said Thursday he would vote against confirming Mr. Bolton.

Republican recrimination over the Tuesday election wipeout continued another day, with conservatives criticizing Mr. Bush for dumping Mr. Rumsfeld the day after the election and not before, when it might have won some independent votes.

"I was very disappointed," said Newt Gingrich, the former Republican speaker of the House.

"If the president had replaced Rumsfeld two weeks ago, the Republicans would still control the Senate and they would probably have 10 more House members. For the president to have suggested for the last two weeks that there would be no change and then change the day after the election is very disheartening."

Wayne Semprini, chairman of the New Hampshire Republican Party, where two Republican members of Congress lost seats to antiwar Democrats, also said he was unhappy.

"I would have rather seen it announced a month or two months ago," Mr. Semprini said. "It might have made a difference."

Allen Concedes Defeat, Sealing Transfer Of Senate (LAT)

By Johanna Neuman, Times Staff Writer

The Los Angeles Times, November 10, 2006

WASHINGTON — Virginia Sen. George Allen (R-Va.) conceded today, putting the Senate in Democratic hands for the first time since 2003 and giving the Democrats a sweep of both houses — a seismic shift in the Washington political climate .

Montana Republican Sen. Conrad Burns conceded earlier today in his reelection bid after his Democratic challenger, Jon Tester, claimed victory Wednesday.

Coupled with Allen's defeat, those Senate victories give the party a 51-49 Senate majority, counting two independents who are expected to caucus with the Democrats.

In conceding to Democrat Jim Webb, Allen said a recount would only increase the acrimony that has recently characterized the political landscape.

"I do not wish to cause more rancor by protracted litigation which would, in my judgment, not … alter the results," he said. "I see no good purpose being served by continuously and needlessly expending money and causing any more personal animosity."

Noting that the results were close, Allen urged supporters to stay strong. "Sometimes winds, political or otherwise, can blow the leaves off branches and even break limbs," he said. "But a deep-rooted tree will stand, stay standing. It'll regrow in the next season."

Within hours, Webb responded, saying that he and Allen plan to have lunch next week to ensure a smooth transition. Allen called on President Bush to "publicly denounce campaign tactics that have divided us," noting the midterms have seen "an unnecessarily brutal campaign."

Meanwhile, Bush met today at the White House with House Speaker-elect Nancy Pelosi (D-San Francisco) and Rep. Steny Hoyer (D-Md.), appealing for bipartisanship in the next two years.

"All three of us recognize that when you win, you have a responsibility to do the best you can for the country," Bush said, calling the conversation "constructive and very friendly."

For her part, Pelosi said the meeting was "very productive" and said both sides had extended "the hand of friendship, of partnership." But in a subtle moment, she said she looked forward to working "in a confidence-building way" to bridge differences.

"We've made history," she said. "Now we have to make progress."

Senate Democrats held a rally this afternoon to claim the mantle of leadership in the upper chamber, shortly after Allen conceded his race to Webb.

Earlier, Bush met with his Cabinet and instructed them to brief key members of Congress on issues within their agencies. Conceding that many voters embraced Democrats out of frustration over the war in Iraq, Bush said he was "open to any idea or suggestion that will help us achieve our goals of defeating the terrorists and ensuring that Iraq's democratic government succeeds."

Control of both congressional chambers would give Democrats a powerful platform to advance their agenda. And for the first time during Bush's presidency, Democrats could make the legislative branch a meaningful counterweight to the White House.

Senate Democratic Leader Harry Reid of Nevada is poised to join Pelosi at the forefront of a newly energized national Democratic Party when the new Congress convenes in January. Both the Democrats and Republicans plan to select their new leaders in caucus meetings next week.

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The GOP had grabbed control of the Senate and the House with its landslide win in the 1994 midterm election. Republicans have held the House since then; Democrats regained a Senate majority for about 18 months during Bush's first term, but lost it in the 2002 election.

Webb and Tester declared victory Wednesday. Their wins completed a strong showing by Democrats that seemed unlikely even to many of the party's leaders. Although most were confident they would take the House, fewer believed the Senate was within reach.

Reid was quick to characterize the results as a mandate for sweeping change.

"The days of the do-nothing Congress are over," he said. "From changing course in Iraq to raising the minimum wage to fixing the healthcare crisis to making this country energy-independent, we're ready to get to work."

Meanwhile, White House Press Secretary Tony Snow took a lot of questions about why the president answered elusively when asked a few days before the election whether Defense Secretary Donald H. Rumsfeld would continue to serve.

Snow explained that Bush did not want to create a "political football." The idea, said Snow, was to send "an important signal to Capitol Hill, to the government of Iraq, to our military forces, and also to the terrorists that you can't jerk the president around on the basis of politics, period."

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Times staff writer Janet Hook contributed to this report.

Webb Gives Thanks Early; Allen Aides Still Stunned (WP)

By Michael D. Shear

The Washington Post, November 11, 2006

Virginia's U.S. senator-elect spent the day after clinching his victory by thanking his staff and beginning the process of making the transition from first-time candidate to freshman lawmaker.

The Democrat announced the addition of former state senator Leslie L. Byrne to his transition team, along with a lawyer from Abingdon. Byrne, also a former congresswoman from Fairfax, will help him set up his office, his spokeswoman said.

"He's tying up some loose ends from the campaign, thanking people, talking to people around the state who supported him," said Webb's campaign spokeswoman, Kristian Denny Todd. "He's working with staff to wrap up the campaign side of things."

Webb will take office when the 110th Congress begins its two-year session in January.

Since claiming victory Tuesday night, Webb has received several calls from his future colleagues, Todd said, including Arizona Sen. John McCain and Virginia Sen. John W. Warner, both Republicans.

As a first-time elected official, Webb also started receiving unsolicited advice from seasoned politicians.

State Del. L. Scott Lingamfelter (R-Prince William) said Webb's biggest challenge is likely to be his inexperience. Lingamfelter likened it to his own first year in the state legislature, when, he now admits, he was too eager to push controversial bills.

"Newly-electeds do come in sometimes with an inflated sense of their mandate," he said. "I didn't know much when I showed up, either. He certainly has the intellect to pick up on it."

Todd said Webb is planning a statewide "thank you" tour before the end of the year, but the trip's timing and details have not been determined. Next week, she said, Webb will attend a two-day Senate orientation.

She said Webb and his wife, Hong, who is pregnant, are also planning to take some time to prepare for the arrival of their child in early December.

In his speech to supporters Thursday, Webb said he had agreed to have lunch next week with Republican Sen. George Allen. Todd said that a time and place have not been determined and that Webb is waiting to hear from Allen.

"Jim is perfectly ready to schedule that when it fits into Senator Allen's schedule," she said.

But she said staff members for Allen and Webb will talk soon about how to transfer information about constituent concerns and other information to the Democrat.

Aides to Allen said they were stunned by the loss, despite knowing for weeks that the race against Webb was very close. Members of Allen's Senate staff, many of whom are young, cried Thursday when they found out he had decided not to seek a recount of the ballots.

Across the state, political observers began getting used to the idea that Allen would no longer be a Virginia senator come January.

"I'm not sure you write an obituary yet," Rep. Thomas M. Davis III (R-Va.) said Thursday. "This is a loss, but he could still come back and be governor again. He got caught up in a bad year, and it was a tough campaign."

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Del. Brian J. Moran (D-Alexandria), who is contemplating his own bid for governor in 2009, said he was surprised that Allen's usually successful kind of politics did not carry the day.

"What always made George Allen attractive was his independence," Moran said. "Over the last six years, he was merely a rubber stamp for the administration. He lost his appeal."

Another Layer Of Winners And Losers (NYT)

By Anne E. Kornblut

The New York Times, November 11, 2006

Some of the losers to emerge from the midterm elections on Tuesday were easy to spot, particularly the Republicans who were defeated.

But there were other, low-profile winners and losers along the way: the professionals who rode to victory or defeat on strategies they had created and put into place. And as the results settle in, the game of scoring their performance is under way.

The most spectacular defeat was that of Senator George Allen of Virginia, who won the prize for most breathtaking downfall, not only losing his Senate seat to help hand power of the entire body to the Democrats, but also tarnishing a once-golden reputation in under three months flat.

Less obvious but no less real was the damage to Mr. Allen's campaign manager, Dick Wadhams, a strategist once celebrated as the "next Karl Rove."

Considered a sharp and sometimes hard-nosed operative — he engineered the defeat of Tom Daschle of South Dakota, then the Senate Democratic leader, in 2004 — Mr. Wadhams had been snapped up by the fledgling Allen presidential campaign to begin running it next year. After failing to contain the damage of a single "macaca" incident, Mr. Wadhams has suffered a tarnishing of his image in Republican circles.

Another adviser to emerge somewhat tainted is Scott Howell, Mr. Allen's media strategist. In addition to consulting for several losing candidates, Mr. Howell made the advertisement in the Tennessee Senate race featuring a blond woman suggestively asking the Democratic candidate, Representative Harold E. Ford Jr., to call her.

While some strategists believe that the spot worked — the Republican, Bob Corker, won — several Republicans distanced themselves from the tactic, which Democrats denounced as race-baiting.

At a slightly more visible level, strategists agreed that the chief Democratic winners were Senator Charles E. Schumer of New York and Representative Rahm Emanuel of Illinois, the top two engineers of the Democratic takeover of Congress.

"Rahm and Chuck are given great credit," said Representative Rosa DeLauro, Democrat of Connecticut and an Emanuel ally.

The jury is still out on Howard Dean, the Democratic National Committee chairman. Mr. Dean quarreled with Mr. Schumer and Mr. Emanuel, the heads of the Senate and House campaign committees respectively, over where to spend money, although they settled some of their differences in the end.

Mr. Emanuel, in particular, pushed hard to save money for "sneak attacks" in about a half-dozen districts in the last four days.

Mr. Dean, on the other hand, argued that rebuilding the Democratic Party by spreading money through all 50 states, including those that had not voted for Democratic candidates for many years, would have the greatest effect. While he cannot claim credit for any specific victories, his efforts may have broadly helped Democrats pick up seats in some Republican strongholds.

With rumblings of a movement to draft Mr. Ford to replace Mr. Dean at the national committee, several Democrats privately said Mr. Emanuel was winning the power struggle.

"It's pretty clear that the committees work and the D.N.C. works, but they don't work together," said James Carville, the Democratic strategist. "And now we're getting ready to gear up in a presidential year, and I think Harold Ford would be a great chairman."

Karen Finney, a spokeswoman for the D.N.C., responded by saying, "After President Bush and the Republicans have admitted to a thumping, why is it that the only one complaining on the Democratic side is James Carville, who today, in addition to trashing Howard Dean, praised the R.N.C., the outfit that brought us the racist ad that defeated Harold Ford, James's supposed candidate for chair?"

Ms. Finney was referring to a comment volunteered by Mr. Carville on Thursday that the Republican National Committee "did a better job than the D.N.C. this year."

Mr. Ford is not without his own problems, however, having lost his Senate race.

On the Republican side, Ken Mehlman emerged as less of a loser than many had predicted the day after the elections, despite the drubbing his party took. Although as chairman of the Republican National Committee Mr. Mehlman led — and lost —

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the charge to retain control of Congress, he is credited with pushing candidates hard and performing as well as possible in a hostile climate.

Republicans generally said they did not blame him for the disastrous midterms; Mr. Carville said the losses should be pinned “95 percent on President Bush and 5 percent on Liddy Dole.”

He was referring to Senator Elizabeth Dole, Republican of North Carolina, who as chairwoman of the National Republican Senatorial Committee drew widespread criticism as having failed to recruit magnetic candidates and raise enough money. Mrs. Dole’s appearances on weekend news shows were occasionally painful, and, in the end, Republicans lost under her watch.

And then there was Senator John Kerry of Massachusetts.

Mr. Kerry, already tarnished by his failed presidential campaign in 2004, came out of the current season looking the worse for wear, after botching a joke that Republicans portrayed as having insulted American troops in Iraq.

“He’s a guy who was running second for the nomination,” said Stuart Stevens, a Republican consultant. “Now I don’t think a Democrat would invite him to a letter opening.”

Burns Concedes Montana Race To Democrat (AP-Y)

By Matt Gouras, Associated Press Writer

AP, November 10, 2006

U.S. Sen. Conrad Burns conceded defeat to Jon Tester on Thursday, acknowledging that a tight election had gone to the Democrats' favor, Burns' campaign told The Associated Press.

Burns, a three-term senator whose campaign was troubled by verbal gaffes and voter discontent, congratulated Tester, a farmer and state legislator.

"I stand ready to help as Montana transitions to a new United States Senator," Burns said in a statement provided to the AP. "We fought the good fight and we came up just a bit short. We've had a good 18 years and I am proud of my record."

Burns, 71, did not plan any public appearances Thursday, his campaign said.

He also didn't say what he plans to do now, though he indicated he was looking forward to taking some time off. "I hope there is still a good-sized buck out there, because I am going hunting," he said.

Burns called Tester and conceded in a friendly and cordial conversation at about 11 a.m, said Tester spokesman Matt McKenna.

"This was a hard fought campaign and I think that Montana is glad it is in their rear view mirror and Jon tester is ready to move forward," McKenna said.

Tester, who was busy with chores Thursday, picking up a barrel of oil in Great Falls on the way to his grain farm in Big Sandy, ran as an outsider to the Washington culture — the same theme Burns had used nearly two decades earlier.

"It is absolutely, critically important that we change the direction of the country," Tester, 50, said Wednesday after declaring victory by a thin margin of about 3,400 votes.

Tester said he wanted to empower the middle class, working families, small businesses and family farms and ranches — "the people who have made this country so great."

"It really is time to put politics aside," he said. "We've got many, many issues that are facing this great state and this country, both in foreign policy and domestic policy. We've talked about them for the last 18 months. Now is the time to roll up our sleeves and get some things done."

Tester's win — and fellow Democrat Jim Webb's close victory in Virginia — gave the Democrats the 51 Senate seats they need to control the chamber.

With 100 percent of precincts reporting, Tester had 198,302 votes, or 49.1 percent, to Burns' 194,904 votes, or 48.3 percent.

Together, the two campaigns spent more than $12 million.

Burns had not helped his own cause, with gaffes that included cursing at a firefighting crew in a state that sees thousands of acres burned in wildfires every summer. He was first elected in 1988 as a folksy, backslapping outsider, but this year, he was joined on the campaign trail by President Bush and Vice President Dick Cheney.

Tester resisted help from the national party during his campaign.

When Burns tried to paint Tester as a liberal who wants to raise taxes and "cut and run" from Iraq, the liberal tag didn't seem to stick to the man who sports scuffed cowboy boots and a flattop haircut.

Tester portrayed himself as a Western moderate who owns guns, opposes gay marriage and has a libertarian's suspicion of the anti-terrorism Patriot Act.

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He hammered Burns over his ties to Abramoff. Burns was a top recipient of campaign contributions from Abramoff, who pleaded guilty in January to corruption. Burns has since returned or donated to charity about $150,000 he receive that was connected to Abramoff. He maintains he did nothing wrong and was not influenced by the lobbyist.

Ballot-counting problems delayed results of the race by about seven hours, keeping the nation in suspense. Duane Winslow, election administrator for Montana's most populous area, Yellowstone County, said he made a computer error while tabulating absentee ballots that required officials to start the process over.

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Associated Press reporter Mary Clare Jalonick contributed to this

Rural Montana Farmer Is Going To Washington (LAT)

By Sam Howe Verhovek, Times Staff Writer

The Los Angeles Times, November 11, 2006

Locals are excited that one of their own is joining the Senate. They just aren't sure Jon Tester can help save towns like theirs.

BIG SANDY, MONT. — Big Sandy has had its moments in the sun.

Local boy Jeff Ament made good a few years ago as the bassist for Pearl Jam. The town's "chief claim to worldwide fame," as resident historian Keith Edwards puts it, is the Big Bud 16V-747, a custom-made behemoth that the Guinness Book of World Records lists as the largest tractor on Earth.

But in recent years, the story in Big Sandy, as in countless other farm towns across the Great Plains, has been one of loss.

So this week's win by Jon Tester — a wheat and lentil farmer who also has done stints here as a custom butcher, soil conservation board member, high school basketball referee and music teacher at Big Sandy Elementary School — was huge.

The 50-year-old Democrat eked out a win over Republican Sen. Conrad Burns in Tuesday's midterm election and is headed to Washington come January.

Tester's Western roots are genuine and about as deep as can be: He has never lived anyplace other than the family farm, which his grandparents homesteaded here in 1916.

"No question about it: This is a big deal," said Conrad Heimbigner, manager of Big Sky Auto & Ag. "I don't care if you're Democrat or Republican … this is pretty cool that we have a United States senator from Big Sandy."

In an interview, Tester agreed that his hometown could use some good news.

"It's very typical of rural Montana," the senator-to-be said. "It's struggling to survive."

Residents describe local history by ticking off what's gone: two of the three banks, the "picture show," also known as a movie theater; several restaurants and two-thirds of the student population, which peaked back in 1920. Big Sandy High School is so small that the football team plays the eight-man version, as many Plains towns do.

"Fewer farmers, fewer kids," said Edwards, 88, a retired wheat farmer, founder of the Big Sandy Historical Museum and a onetime cattle-drive partner of Tester's late father, Dave.

Some here are hoping Tester — who sports a trademark flat-top — can draw attention to the plight of dying farm towns, and perhaps even generate some solutions.

Others are not so sure.

"It's a hoot, but I'm not sure it's going to make any darn difference in the long run," said Charlie Briggs, a retired miner who was nursing a beer at lunchtime the other day at the Redneck Club & Casino, a Main Street hangout. "I'm not sure that anything can really help turn this town around."

Big Sandy, a town of about 700 in the north-central part of the state, is ringed by grain silos. It takes its name from a nearby creek, which the Blackfeet called Un-es-putcha-eka; white settlers opted for the "Big Sandy" translation offered by an Indian guide.

It is classic amber-waves-of-grain, Big Sky country — spectacularly beautiful on a blue-sky day and tremendously foreboding when the sky is shades of gray and a chill, dusty wind blows.

In the early part of the last century, people like Tester's grandparents couldn't get to places like Big Sandy fast enough. For a time, until the late 1920s, the free land, plentiful rain and abundant harvests made for a sort of paradise.

But then came the dust bowl, and many settlers left in droves.

"Forty miles from water and 40 miles from wood, now I'm leaving Montana for good," read a sign, now famous, that was left behind by a member of the Big Sandy exodus.

Still, many folks held on and made a go of it.

Tester, who is 6 feet tall and pushing 300 pounds, farms organically on his 1,800-acre spread here — and he clearly loves it.

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"I do a lot of my best thinking right here," he told a visitor over the summer, on the last day of the harvest.

More than one person here compares him to Jimmy Stewart in the famous 1939 film "Mr. Smith Goes to Washington."

But, said Edwards, "I wouldn't carry that analogy too far. I don't think it's realistic to idealize the farmer these days. He's not a straw-chewer; he's a businessman. He's out to get the last buck, even out of the federal government," which gives farmers subsidies.

"Besides, you don't get to be the president of the Montana state Senate by sitting around on your butt," Edwards added. Tester ran for state senator eight years ago and quickly rose up the ranks in Helena, the state capital.

Several people laughed when asked whether they would have thought 20 years ago that the burly butcher cutting up their cow would wind up in the U.S. Senate. But, they said, they detected clues to Tester's ever-rising ambitions over the years.

"I could tell Jon was getting real smart about politics when he decided to stop refereeing basketball games with me several years ago," said Verlin Reichelt, 56, a neighbor and fellow farmer.

"I asked him why, and he laughed and he said: 'Verlin, I'm a politician now. And no matter what you do, if you're a referee at a high school basketball game, that's going to lose you some votes. So I'm out.' "

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Lawmakers Who Won't Be Missed (WP)

By Colbert I. King

The Washington Post, November 11, 2006

"Conrad, how can you live back there [in Washington] with all those niggers?" When asked how he had responded, Sen. Burns is reported to have . . . said with a chuckle that he told the rancher that it was 'a hell of a challenge.' "

-- The Washington Post, Oct. 22, 1994

Election night in the nation's capital was a pretty tame affair, given that most of the important local races were decided in the September primary. But for some of us who live in the District, the real action on election night took place far beyond city limits.

My attention, for example, was focused on Big Sky Country, where three-term Republican Sen. Conrad Burns was locking horns with the president of the Montana Senate, Jon Tester. It wasn't until late Wednesday morning that we received the good news that Burns had been defeated. It was worth the wait.

Burns lost his seat, in part, because of his ties to corrupt lobbyist Jack Abramoff. But Burns hit rock bottom with some of us 12 years ago when we learned about his slur against the District's African American population.

At the time, Burns was the senior Republican on the D.C. appropriations subcommittee. A former livestock auctioneer and radio announcer, Burns liked to affect a folksy, aw-shucks manner. A Montana newspaper, the Bozeman Daily Chronicle, reported that during a campaign visit with the paper's editors, Burns told an anecdote about an elderly Montana rancher who wanted to know how he could stand living in the nation's capital "with all those niggers." Asked how he responded, Burns reportedly said he told the man it was "a hell of a challenge."

After Montanans raised a stink about the slur, making it clear they didn't think it was as funny as the senator did, Burns apologized.

Thanks to the wisdom of the people of Montana, Conrad Burns no longer is forced to bear the burden of living among those of us of color. The "hell of a challenge" that Burns faced for lo these many years has ended, and with it his career as a United States senator. To which I shout: "Praise God, from whom all blessings flow."

Grace was also flowing back east in North Carolina on election night. Republican Rep. Charles Taylor lost his job to Democratic challenger Heath Shuler, who once labored for our hometown National Football League team -- a fact better left undiscussed.

Taylor was defeated for reasons having little to do with his former service as chairman of the House D.C. appropriations subcommittee. But, again, we in the District had reason to follow the North Carolina vote count as closely as we watched the D.C. returns.

I'd like to believe that Taylor's loss was retributive justice for the dastardly way he treated the District when he was the chief House overseer of the city's budget.

Who can forget his Jan. 9, 1998, "Dear Colleague" letter to members of the House of Representatives? Emblazoned in large, bold type near the top of the page was this announcement: "The average D.C. student can't read this letter."

It was a Taylor taunt hurled at our public school system and at students' math and reading test scores.

This was the same barbed-tongued Charles Taylor who:

--Directed the city to immediately close the University of the District of Columbia's law school and send the students to other schools. (He didn't succeed.)

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--Used to tell us how many cops should patrol the streets and how pay raises should be awarded.

--Had his meat-ax approach to the District's budget, which then-financial control board chairman Andrew Brimmer said tore at the "very fundamental operations of government," overruled by his own House Republican leadership.

A few years ago, Rep. John Hostettler (R-Ind.) introduced legislation to overturn a D.C. Human Rights Office ruling that ordered the Boy Scouts of America to pay two gay Eagle Scout troop leaders $50,000 in damages for discrimination. Mr. Hostettler won't do that sort of thing anymore. His constituents told him to take a hike on Tuesday.

The Democratic takeover of Congress offers the prospect of relief from amendments, or riders, that House Republicans loved to attach to the D.C. budget.

Under Republican rule, Congress banned the District from spending locally raised tax dollars on free needle-exchange programs to curb the spread of HIV -- even though local jurisdictions in half the states provide such services. A Republican Congress also extended a federal restriction on abortion funding to all federal and local money spent in the District. And it adopted a rider that prevented the city from using its own money to lobby for voting representation in Congress. One Republican-led appropriations subcommittee even added a provision to the city budget imposing federal penalties on D.C. children caught smoking.

Under House GOP rule, efforts were made to repeal the District's law prohibiting residents from possessing firearms. Another Republican measure would have allowed residents, except for convicted felons, to own handguns and keep them in their homes. The city was spared that fate only because the House ended up scrapping the national gun bill to which those amendments would have been attached.

Tuesday night's election hardly catapulted the District to the Promised Land. But the regaining of Congress by Democrats may have brought the city some relief from odious Republican budget riders and a welcome respite from the District-bashing in vogue in certain quarters on Capitol Hill for the past 12 years.

Just Call Him Joe Democrat (LAT)

The Los Angeles Times, November 11, 2006

Sen. Joe Lieberman, who won reelection as an independent, has a message for his Senate colleagues in the next Congress: Call me a Democrat.

The three-term Connecticut lawmaker defied party leaders when he launched his independent bid after losing to Ned Lamont in the Democratic primary. During the campaign, he vowed to be an "independent-minded Democrat" if he were reelected.

At a postelection news conference, Lieberman said he was reassured by Senate Democratic leader Harry Reid that he would retain his seniority in the new Senate.

Democrats Win Bigger Share Of Religious Vote (WP)

By Alan Cooperman

The Washington Post, November 11, 2006

As the results of the midterm elections sank in this week, religious leaders across the ideological spectrum found something they could agree on: The "God gap" in American politics has narrowed substantially.

Religious liberals contended that a concerted effort by Democrats since 2004 to appeal to people of faith had worked minor wonders, if not electoral miracles, in races across the country.

Religious conservatives disagreed, arguing that the Republican Party lost religious voters rather than the Democrats winning them.

Either way, the national exit polls told a dramatic story of changing views in the pews: Democrats recaptured the Catholic vote they had lost two years ago. They sliced the GOP's advantage among weekly churchgoers to 12 percentage points, down from 18 points in 2004 congressional races and 22 points in the 2004 presidential contest. Democrats even siphoned off a portion of the Republican Party's most loyal base, white evangelical Protestants.

"The God gap definitely didn't disappear, but it did narrow. And it narrowed in part because evangelical voters had major questions about the direction of the country," argued Democratic pollster Celinda Lake.

In House races in 2004, 74 percent of white evangelicals voted for Republicans and 25 percent for Democrats, a 49-point spread, according to exit polls. This year, Republicans received 70 percent of the white evangelical vote and Democrats got 28 percent, a 42-point spread.

Democratic activists joyfully compared the overall seven-point shift in the evangelical vote to the inroads that President Bush made in a core Democratic constituency -- African Americans -- in battleground states in 2004. "Boy, have we come a long way since 2004," said Mara Vanderslice, who was director of religious outreach for Sen. John F. Kerry's presidential campaign.

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"We still have a long way to go, but what this election showed is that Democrats can begin to compete for the evangelical vote. Moving seven points within a community that large can absolutely swing tight races," she said.

Evangelical leaders blamed corruption and big spending by Congress -- rather than the party's positions on social issues such as same-sex marriage -- for the GOP's defeat.

Evangelical Christians are "fed up with the Republican leadership, particularly in the House," said the Rev. Richard Land, head of the public policy arm of the 16 million-member Southern Baptist Convention. "They're disgusted that Republicans came to Washington and failed to behave any better than Democrats once they got their snouts in the trough."

Roberta Combs, chairman of the Christian Coalition, said responsibility for the GOP's loss of the House and Senate "goes right back to the leadership, the corruption among Republicans."

And James Dobson, founder of Focus on the Family, issued a statement saying that "many of the Values Voters of '04 simply stayed at home this year" because the Republican Party has "consistently ignored the constituency that put them in power."

In fact, white evangelical Protestants turned out this week as heavily as they did in 2004, making up roughly 24 percent of the electorate both times. "This is a solidly Republican voting bloc that there was reason to believe might stay home. Given the polling before the election, the amazing thing was that the Democratic swing wasn't bigger," said John C. Green, a senior fellow at the nonpartisan Pew Forum on Religion and Public Life.

The finger-pointing came as conservative Christians absorbed the gravity of their losses, including the defeat of congressional standard-bearers such as Rep. John N. Hostettler (R-Ind.), Rep. Jim Ryun (R-Kan.) and Sen. Rick Santorum (R-Pa.).

In addition, voters in South Dakota overturned the nation's tightest abortion ban. In Missouri, they passed a measure supporting stem cell research. In Kansas, they defeated Phill Kline, an attorney general who had aggressively investigated abortion clinics.

Seven states passed constitutional amendments barring same-sex marriage, but by much tighter margins than in the 11 states that adopted similar measures two years ago. In Arizona this week, voters rejected a marriage amendment, the first time gay rights advocates have beaten such an initiative anywhere in the country.

In the view of religious liberals, the results showed that wedge issues have lost some power.

"People really care about right and wrong more than right and left, and their antennae were up about corruption and the war in Iraq and kitchen-table moral issues -- health care and poverty," said Alexia Kelley, executive director of Catholics in Alliance for the Common Good, a group that set out this year to challenge the religious right's hold on moral issues.

Kelley noted that Democrats received the support of 55 percent of Catholic voters and Republicans got 44 percent, a sharp reversal from 2004, when the GOP won a narrow majority of the Catholic vote in congressional races.

In the states where Democrats fielded candidates who were able to speak credibly about their faith, they made larger gains, according to Vanderslice, who served as a consultant to half a dozen Democratic candidates. Among her clients was Ted Strickland, a minister who won 58 percent of the Catholic vote and 51 percent of the white evangelical vote in the Ohio governor's race against Ken Blackwell, a Republican who has championed conservative Christian causes.

As they contemplated the results, religious conservatives anticipated attacks by business interests and fiscal conservatives within the GOP who think the party should focus on budget deficits and Iraq -- and put less emphasis on culture-war issues such as opposing embryonic stem cell research and keeping Terri Schiavo on life support.

David Barton, head of WallBuilders, a Texas-based evangelical group, predicted that fiscal conservatives would cite California's Republican governor, Arnold Schwarzenegger, as a model.

"They will say, 'Schwarzenegger won and won big; the guys that lost are the social conservatives -- Hostettler, Ryun.' And so there's going to be a push within the Republican caucus to move further away from social conservatives," Barton said.

Even before the election, former House majority leader Richard K. Armey (R-Tex.) called Dobson a "bully" who diverted the GOP from its core mission as the party of small government. On Wednesday, Sen. Arlen Specter (R-Pa.) said the GOP needs to become "a lot more progressive and a lot less ideological."

Despite the GOP's losses, conservative religious leaders gave no indication they plan to engage in the kind of introspection and repositioning that religious liberals did two years ago. And despite their anger at congressional Republicans, they did not suggest that they were about to abandon the GOP.

"Even though a lot of Democratic candidates talked about faith, and even though a lot of them are devout people who hold similar values, they are part of a party that is liberal," said Janice Shaw Crouse, director of Concerned Women for America's Beverly LaHaye Institute, a conservative Christian think tank. "So the only hope social conservatives really have is the Republican Party."

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The Architect Speaks (TIME)

By Mike Allen

Time.com, November 10, 2006

At the White House senior staff meeting in the Roosevelt Room at 7:30 a.m. on Wednesday, Chief of Staff Josh Bolten thanked Karl Rove for his hard work in the elections, and the group around the big table burst into spontaneous applause. It was a much-needed moment of cheer for Rove, the President's chief strategist, after Republicans lost the House and were headed toward the same fate in the Senate in midterm congressional elections that turned into a blue rip tide of voter ire.

"The profile of corruption in the exit polls was bigger than I'd expected," Rove tells TIME. "Abramoff, lobbying, Foley and Haggard [the disgraced evangelical leader] added to the general distaste that people have for all things Washington, and it just reached critical mass."

Exit polls showed heavy discontent with the course of the war, and Bush announced the departure of Defense Secretary Donald Rumsfeld the next day. But Rove took comfort in results of the Connecticut Senate race between the anti-war Democratic nominee, Ned Lamont, and Sen. Joseph Lieberman, who ran as an independent after losing the Democratic primary over his support for the war. "Iraq mattered," Rove says. "But it was more frustration than it was an explicit call for withdrawal. If this was a get-out-now call for withdrawal, then Lamont would not have been beaten by Lieberman. Iraq does play a role, but not the critical, central role."

And he does not believe his data let him down. "My job is not to be a prognosticator," he said. "My job is not to go out there and wring my hands and say, 'We're going to lose.' I'm looking at the data and seeing if I can figure out, Where can we be? I told the President, 'I don't know where this is going to end up. But I see our way clear to Republican control.' "

Rove, who is Deputy Chief of Staff and Senior Adviser to the President, had long been warning in speeches that Democrats suffered defeat in 1994 after ossified thinking and an entitlement mentality took over the party: "What I was trying to say was: What happened to them could happen to us," he told TIME.

White House Counselor Dan Bartlett said Bush is "deeply appreciative for the time and effort put in by Karl, and for all the political team's effort." Bartlett pointed to the President's statement at his day-after news conference that as the head of the Republican Party, he shares a large part of the responsibility. "He's not the one that's going to sit there and point fingers at others," Bartlett said.

Despite this week's repudiation of the GOP, Rove said he believes the party can still achieve a long-term majority. "I see this as much more of a transient, passing thing," he said. "The Republican Party remains at its core a small-government, low-tax, limit-spending, traditional-values, strong-defense party. I see the power of the ideas, even in a tough year." He added that he has "fundamental confidence in the power of the underlying agenda of this President," and cited fighting the war on terror, entitlement reform, energy, tax cuts, immigration reform, No Child Left Behind reauthorization, democracy agenda in the Middle East, reducing trade barriers, spending restraint and legal reform.

Rove is famous for his political statistics, and his team has come up with an array of figures to contend that the Republicans' loss of 29 seats in the House and six in the Senate is not so out of whack with the historic norms. In all sixth year midterms, the President's party has lost an average of 29 House seats and 3 Senate seats, according to these figures. In all sixth-year midterms since World War II, the loss was an average of 31 House and 6 Senate seats. And in all wartime midterms since 1860, the average loss was 32 House and 5 Senate seat.

The Republican get-out-the-vote program Rove helped invent precluded even deeper losses, he says. "People were talking 35, 40 or more and it didn't happen," he said. "There were a number of elections which were supposed to be close and ended up not being close."

The Republican National Committee has been pointing out that a small shift in votes would have made a big difference. A shift of 77,611 votes would have given Republicans control of the House, according to Bush's political team. And a shift of 2,847 votes in Montana, or 7,217 votes in Virginia, or 41,537 votes in Missouri would have given a Republicans control of the Senate. In addition, the party has calculated that the winner received 51 percent or less in 35 contests, and that 23 races were decided by two percentage points or fewer, 18 races were decided by fewer than 5,000 votes, 15 races were decided by fewer than 4,000 votes, 10 races were decided by fewer than 3,000 votes, eight were decided by fewer than 2,000 votes and five races were decided by fewer than 1,000 votes.

Rove is an enthusiastic historian, but even he has trouble coming up with a parallel for this wild week. "We may look back and see this as a unique expression," he said. Republicans can only hope.

R.I. Senator May Leave Republican Party (AP-Y)

By Michelle R. Smith, Associated Press Writer

DOJ_NMG_0093627

AP, November 10, 2006

Two days after losing a bid for a second term, Sen. Lincoln Chafee said he was unsure whether he would remain a Republican.

Chafee lost to Democrat Sheldon Whitehouse in a race seen as a referendum on President Bush and the GOP. On Thursday, he was asked whether he would stick with the Republican Party or become an independent or Democrat.

"I haven't made any decisions. I just haven't even thought about where my place is," Chafee said at a news conference. When pressed on whether his comments indicated he might leave the GOP, he replied: "That's fair."

Chafee, 53, is a lifelong Republican who has represented Rhode Island for seven years. His father held the same seat for 23 years before that.

He is the most liberal Republican in the Senate and was the sole Senate Republican to vote against the war in Iraq. But that was not enough to prevail against Whitehouse, who shared many of Chafee's views but was a Democrat in a heavily Democratic state.

Chafee said he has not decided what to do after leaving office, but he hoped to stay involved in public life. He said his loss may have helped the country by switching control of Congress.

"The people have spoken all across America. They want the Democrats and Republicans to work together," he said. "I think the president now is going to have to talk to the Democrats. I think that's going to be good for America."

Chafee said he waged a lonely campaign to bring the party to the middle. He described attending weekly lunches with fellow GOP senators and standing up to argue his point of view, often alone.

"There were times walking into my caucus room where it wasn't fun," he said, adding that he stayed with the GOP largely because it helped him bring federal dollars home to Rhode Island.

Republicans Are Ahead In Remaining House Races (WSJ)

By John Harwood

The Wall Street Journal, November 10, 2006

See updates to Washington Wire each weekday at www.washwire.com1.

REPUBLICANS LEAD in most House races that remain undecided.

Narrow margins for some candidates, such as Buchanan in Florida and incumbent Rep. Hayes in North Carolina, make recounts likely. But "it's very unusual for recounts to alter races," says Carl Forti of House Republican campaign committee, which hopes to keep Democratic gains below 30 seats.

Women gain in Congress. Female senators number 16 with wins by Klobuchar in Minnesota and McCaskill in Missouri. House increase hinges partly on undecided races in Washington, where Darcy Burner hopes to unseat Rep. Reichert.

Three undecided races feature female opponents, including Republican Rep. Wilson vs. Patricia Madrid in New Mexico.

GINGRICH EMERGES as top conservative prospect for Republican 2008 field.

Ebbing fortunes of Santorum, Allen and Frist leave opening for architect of Republicans' 1994 sweep. Gingrich faults Bush for "very disturbing" post-election news conference, saying earlier replacement of Rumsfeld might have saved control of the Senate and 10 House seats.

"He can win some primaries," says Bush ad-maker Mark McKinnon, now with 2008 front-runner McCain. Anti-Washington mood helps departing Arkansas Gov. Huckabee compete with Kansas Sen. Brownback in wooing religious right.

ECONOMIC CONSERVATIVES court incoming Democratic tax chief Rangel.

The American Council on Capital Formation invites Rangel to breakfast next week. Despite campaign attacks labeling the New York Democrat a tax-raising liberal, the council's Mark Bloomfield predicts he'll be "a centrist legislator" who "understands the importance of economic growth."

Democratic and Republican strategists predict Congress will reauthorize the Clinton-era State Children's Health Insurance Program in 2007. Some states have tightened enrollment standards, and in 2005, the number of uninsured children rose for the first time since 1998.

Joseph Antos of American Enterprise Institute says Republicans won't want to look "hard-hearted" on the issue.

TURNOUT RISES to highest midterm election level since 1982. Curtis Gans of American University's Center for the Study of the American Electorate estimates that 40.4% of those eligible to vote did so, up from 39.7% four years ago.

STARTING GUN: Departing Iowa Gov. Vilsack's entry into Democratic presidential race creates early obstacle for 2008 rivals. "What we have to do is win Iowa," says an adviser to former vice presidential nominee Edwards. In 1992, Democrats generally sidestepped Iowa because of favorite son candidacy of Sen. Harkin.

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HOOSIER POWER: Democratic strategist Steve Elmendorf calls Indiana Sen. Bayh "the front-runner" for conservative slot vacated by ex-Virginia Gov. Warner's departure from 2008 field. Bayh touts Democratic pickup of three Indiana House seats; he had also dispatched staffers to help campaigns in Iowa and New Hampshire.

OBAMA COULD cite opposition to Iraq war in a 2008 race, but one potential competitor for that constituency looms. Liberal strategist Bob Borosage says Gore would capture antiwar left "immediately" by entering.

ACTIVISTS SEEKING end to Cuban trade embargo say Democratic control of Congress improves chances. Twelve groups seeking new policy write Rangel and Sen. Baucus, incoming chairman of Senate Finance Committee.

ENVIRONMENTALISTS CLAIM big win with defeat of Rep. Pombo.

As House Resources Committee chairman, Pombo sought to overhaul Endangered Species Act. Green groups poured more than $1 million into the Republican's California district.

Wind-energy consultant Jerry McNerney, once written off, won with 53%. "We have the political strength to...defeat extreme anti-environmental politicians," says Rodger Schlickeisen of the Defenders of Wildlife Action Fund.

Pombo cited the role of "outside groups" in his defeat.

MINOR MEMOS: Blaming "arrogant Republicanism" for losses, one former Bush administration official says "I'm ticked off, too." ... Republican Rep. Tom Cole, seeking support to run House campaign committee for 2008, reminds colleagues, "The most important election is not the last one -- it's the next one."

RNC Asks Steele To Replace Mehlman (WT)

By Ralph Z. Hallow, The Washington Times

The Washington Times, November 10, 2006

Republican National Committee Chairman Ken Mehlman, whose party just lost both chambers of Congress, will leave his position in January, and the post as party chief has been offered to Maryland Lt. Gov. Michael S. Steele.

"It is true," Mr. Mehlman told The Washington Times when asked about reports last night that he would resign. "It's something I decided over the summer. No one told me I needed to. In fact, folks wanted me to stay."

Mr. Mehlman said he "told the White House over the summer it was my decision" to leave the RNC post, "win, lose or draw."

Also last night, Republican officials told The Times that Mr. Steele, who lost his bid for the U.S. Senate on Tuesday, has been sought out to succeed Mr. Mehlman as national party chairman. Those Republican officials said Mr. Steele had not made a decision whether to take the post, as of last night.

Other Republican Party officials said some Republican National Committee (RNC) members, including state party chairmen, have mounted a move to have Mr. Steele succeed Mr. Mehlman.

But they said that President Bush's political adviser Karl Rove, who is Mr. Mehlman's mentor, would rather see Mr. Steele serve in the president's Cabinet, perhaps as secretary of Housing and Urban Development. These officials said no one has actually offered Mr. Steele either the RNC post or a Cabinet post.

Steele spokesman Doug Heye said last night that "I don't know of any conversations that Lt. Gov. Steele has had on this topic, but I can tell you that there are many people who have said he would be an ideal candidate, based on the race he ran this year."

"I talked to him very briefly about it today. He has not made any decisions yet about what he will do next. He is still focused on his role as lieutenant governor," Mr. Heye said.

Mr. Steele is one of the most successful and respected black Republicans in the country. He served as the elected Maryland Republican Party chairman before running for lieutenant governor.

The White House, RNC and National Republican Senatorial Committee (NRSC) were pleased with what they called his tough but dignified performance as senatorial candidate in a liberal state that last elected a Republican senator in 1980. The NRSC had enough confidence in him as a candidate that it directed large amounts of money into independent expenditures on behalf of his campaign in the closing days.

Mr. Mehlman also told The Times he will not step down as Republican national chairman until the RNC's annual winter meeting in Washington. He said he also "will do an intensive after-action review" of the campaign.

The outgoing RNC chief was a regional political director for the 2000 Bush presidential nomination and general election campaigns and then was named White House political director after Mr. Bush's election.

Mr. Mehlman managed the successful 2004 Bush re-election campaign and implemented the vaunted "72-hour task force" -- the final days program to get out the vote for Republican candidates using the latest and most sophisticated technology and massive grass-roots, door-to-door volunteer program. That Republican "ace in the hole" failed to materialize in 2006, however.

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After the 2004 election success, he was the choice of Mr. Rove for national party chairman and Mr. Bush let it be known that he agreed. As is traditional when a Republican occupies the White House, the 165-member RNC then elected Mr. Mehlman as chairman at its winter meeting following the 2004 elections.

Earlier yesterday, Mr. Mehlman was asked at a luncheon with reporters whether he would announce his future plans at the RNC. He said he had made a decision, which he would announce at a future time.

He stressed, however, that he had made that decision before the election losses, and the two weren't related.

Asked about talk that he would join a possible presidential bid by former New York Mayor Rudolph W. Giuliani, Mr. Mehlman said, "I have no plans to do the 2008 primary. I will focus on private sector, the party generally and ultimately on [whoever is] the nominee."

"After seven years of this kind of this [brutal] schedule, I am ready -- and really looking forward to -- the private sector.

"Don't worry," Mr. Mehlman added. "I will remain committed to the cause" of conservatism.

·Jon Ward and Amy Fagan contributed to this report.

Mehlman To Step Down From RNC Post (AP-Y)

By Liz Sidoti, Associated Press Writer

AP, November 10, 2006

Republican National Committee Chairman Ken Mehlman, whose party lost both chambers of Congress in the midterm elections, will step down from his post when his two-year term ends in January, GOP officials said Thursday.

The officials spoke on the condition of anonymity because Mehlman had not yet made his intentions public.

Brian Jones, an RNC spokesman, declined to comment beyond saying that an announcement about Mehlman's future with the party would be made in the days ahead.

Democrats won control of the House and Senate on Tuesday by capitalizing on voter frustration with President Bush, the war in Iraq and the scandal-scarred Congress. Democrats also took a majority of governors' posts and gained a decisive edge in state legislatures.

The officials said Mehlman made the decision not to run for a second term more than a month or two ago — well before the election.

During his tenure, Mehlman, 40, traveled extensively to promote the Republican agenda. When he became chairman in January 2005, he said he hoped to tighten the GOP's grip on power in Washington.

"Nothing is permanent in politics," he said then. "The goal is how do you — both in the short term and the long term — do things to make it sustainable?"

Mehlman also said then that he hoped to expand the GOP base and help Bush enact his agenda.

Last year, Mehlman told NAACP members that the Republican Party was wrong for ignoring the black vote for decades and said he hoped the groups could restore their historic bond.

"Some Republicans gave up on winning the African-American vote, looking the other way or trying to benefit politically from racial polarization," Mehlman said at the NAACP convention. "I come here as Republican chairman to tell you we were wrong."

A protege of Bush's top political adviser, Karl Rove, Mehlman became RNC chairman after managing Bush's re-election campaign in 2004, when the president won re-election and Republicans expanded their majorities in the House and the Senate.

Before that campaign, he served as White House political director under Rove. In 2000, he served as national field director for Bush's first presidential campaign, charged with coordinating the efforts of GOP leaders in every state.

Previous to that, he worked on Capitol Hill and practiced environmental law in Washington. Mehlman, a Baltimore native, is a graduate of Harvard Law School and Franklin & Marshall College in Lancaster, Pa.

Republican Party Chairman Will Not Seek Another Term (NYT)

By Adam Nagourney

The New York Times, November 10, 2006

WASHINGTON, Nov. 9 — The chairman of the Republican National Committee, Ken Mehlman, said Thursday that he would not seek to retain the post when his term expires in January and would return to a job in the private sector.

“This has been a great ride, but at the same time I have a lot of interests in addition to politics,” said Mr. Mehlman, who managed President Bush’s re-election campaign in 2004 and was the White House political director before that.

The decision was not a surprise. Associates of Mr. Mehlman said in July that he would not seek a second term as chairman regardless of the outcome of the midterm elections.

He announced his decision two days after an election in which his party suffered sharp setbacks, losing control of both the House and the Senate.

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Mr. Mehlman ruled out going to work for any of the 2008 presidential candidates.

"My intention is to focus on identifying a platform that will be professionally rewarding for me for the next decade, that will include politics but not be related to politics," he said.

Mr. Mehlman's time in office has been marked by strong fund-raising — the committee spent $77 million on candidates this year — as well as the pioneering of sophisticated voter identification and turnout technologies that Republicans and Democrats said helped account for his party's successes in 2002 and 2004.

"I'd love to have him come work for me," said Gov. Mitt Romney of Massachusetts, who is preparing for a presidential run in 2008. "He has revolutionized American politics."

Mr. Romney said Republican setbacks this year came about despite the advances Mr. Mehlman made in fund-raising and voter turnout operations.

"I don't think anyone has suggested that the Republican Party's challenges two days ago were due to party machinery," he said.

The praise from Mr. Romney was echoed in an unsolicited call from James Carville, a veteran Democratic operative who is married to Mary Matalin, a veteran Republican strategist.

"The R.N.C. did a better job than the D.N.C. this year," Mr. Carville said, referring to the Democratic National Committee.

He said Democrats succeeded because the party's House and Senate campaign committees compensated for what Mr. Carville described as the shortcomings of the Democratic National Committee, allowing the party to take advantage of a wave of voter resentment directed at Republicans.

"When one of these things hit, it doesn't matter who the party chairman is," he said.

Mr. Mehlman declined to comment on who might succeed him.

Some Republicans said that Maria Cino, the deputy secretary of transportation, had emerged as an early contender.

As the national chairman, Mr. Mehlman is paid $200,000 a year. Unlike recent party leaders, he did not do outside legal or lobbying work.

He said one of his motivations in leaving politics was to make more money.

Mehlman Won't Seek Another Term As Republican Party Chief (WP)

By Dan Balz, Washington Post Staff Writer

The Washington Post, November 10, 2006

Republican National Committee Chairman Ken Mehlman, who guided President Bush's reelection campaign to victory in 2004 and saw his party suffer the loss of the House and Senate on Tuesday, will not seek a second term as party leader, informed sources said last night.

Mehlman is leaving his position voluntarily and has not come under any pressure from the White House or state party leaders to vacate his position as a result of Tuesday's elections. According to a Republican strategist familiar with developments at the RNC, Mehlman told the White House in August that he would leave after the elections.

Mehlman met with reporters yesterday to review the midterm elections at a lunch sponsored by the Christian Science Monitor and was asked whether he planned to stay on as party chairman. He declined to answer directly but said, "I will announce soon what my plan is in the future."

White House officials are trying to recruit a successor, but it was not known last night whether there was a leading candidate. One name that has emerged is that of Maryland Lt. Gov. Michael S. Steele, who just lost a bid for the Senate. But a GOP source said Steele is not likely to become chairman.

Others mentioned publicly as possible successors include Maria Cino, a former RNC official and now deputy secretary of transportation, and Mary Matalin, former communications director for Vice President Cheney and one of the party's most visible advocates. But a GOP strategist said, "From what I understand, all these names are not on the table."

Mehlman has spent the past seven years helping to advance the electoral fortunes of Bush and the Republican Party.

Assigned to help organize the Iowa caucuses in the 2000 campaign, he quickly rose through the ranks. He has been a protege and confidant of White House Deputy Chief of Staff Karl Rove and a key member of the Republican team that, until this week, had proved to be one of the most successful political units in modern American history.

Mehlman was named White House political director when the president arrived in Washington in 2001 and was elevated to campaign manager for the Bush-Cheney reelection campaign in 2004.

Mehlman used his chairmanship to strengthen the party's sophisticated machinery for identifying and turning out voters, an operation that has won plaudits even from his Democratic adversaries.

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He also spent much of his time trying to enlarge the party's coalition, particularly among Hispanics and African Americans. He helped recruit three African Americans -- Steele among them -- as statewide candidates this year. All three lost, but Mehlman said yesterday that he remained committed to making the party more diverse.

The RNC came under criticism in this campaign, however, for sponsoring an advertisement in Tennessee's Senate race that critics claimed was a thinly veiled racial appeal against Rep. Harold E. Ford Jr., who is black.

Mehlman's future plans were not disclosed last night. There has been speculation that he might join one of the 2008 presidential campaigns, but one knowledgeable strategist said he knew of no such agreement. One Republican said Mehlman, a lawyer, might join a politically connected law firm and might play a role in that capacity.

Redistricting: Home To Roost (WSJ)

By Jeanne Cummings

The Wall Street Journal, November 10, 2006

How Republicans' Gerrymandering Efforts May Have Backfired

(See Corrections & Amplifications item below.)

WASHINGTON -- Gerrymandering was supposed to cement Republican control of the House of Representatives, offering incumbents a wall of re-election protection even as public opinion turned sharply against them. Instead, the party's strategy of recrafting district boundaries may have backfired, contributing to the defeats of several lawmakers and the party's fall from power.

The reason: Republican leaders may have overreached and created so many Republican-leaning districts that they spread their core supporters too thinly. That left their incumbents vulnerable to the type of backlash from traditionally Republican-leaning independent voters that unfolded this week.

That helps to explain why three of four Republican incumbents in the Philadelphia area were beaten this week, while the remaining incumbent hung on by just a few thousand votes. In Florida, meanwhile, state lawmakers had shifted some Republican voters from the secure district of former Rep. Mark Foley in an attempt to shore up the re-election chances of Rep. Clay Shaw without risking the Foley seat. Instead, Democrats took both. In Texas, former Majority Leader Tom DeLay's decision to transfer thousands of stalwart Republican voters from his district in 2004 to boost a neighboring seat heightened the burden on the write-in candidate trying to hold Mr. DeLay's seat. She lost it.

"The trade-off in redistricting is between safety and maximizing the numbers," says Alan I. Abramowitz, a political scientist at Emory University in Atlanta. "You can't do both,"

Redistricting, the traditionally once-a-decade process of redrawing of House districts to adjust to population trends, has always been a contentious procedure. But Republicans, under the leadership of Mr. DeLay, took the opportunity to use it as a reward or punishment to new heights in 2002.

In so doing, Republicans created two new vulnerabilities: the dangerous dilution of core voters and the nurturing of a sense of invulnerability that contributes to corruption and scandal.

"You can do a little thing wrong and, if you were in a district where you might be punished, you probably wouldn't do the little thing," says Michael P. McDonald, a redistricting expert at George Mason University. Today, he said, most House districts aren't in jeopardy unless "you take a bribe for a vote and you are thrown into jail for it."

The drive to maximize seats was seen by Republicans as a matter of survival. Democrats regained ground every cycle after the 1994 Republican takeover. By 2000, the Republican majority had shrunk to 221 seats from 231 in 1994. Democrats, aligned with the chamber's one independent, needed just six seats to retake control in 2002.

So Mr. DeLay and House Speaker Dennis Hastert turned to their allies in the statehouses to redraw congressional district boundaries to erase Democratic seats and give Republicans new ones. "We wish to encourage you in these efforts, as they play a crucial role in maintaining a Republican majority," the two leaders wrote in a letter to Pennsylvania lawmakers.

There are three weapons to employ in redistricting. "Packing" involves concentrating a group of voters, such as African-Americans, in one district. "Cracking" means splitting up a group of voters to diminish their influence. "Pairing" forces two incumbents into the same district. Pennsylvania lawmakers used them all.

Philadelphia's urban voters were packed into Democratic seats, making them bluer than before. Since the state was losing two seats because of a population decline in the 2000 census, six incumbents were paired. That meant four Democrats were left to fight over two seats. And one Democrat was forced to run against an incumbent Republican in a district that favored the Republican.

Then, the legislators employed the supercomputers at Pittsburgh's Carnegie Mellon University to carve up the Philadelphia suburbs. The goal: make four Republican seats by cracking apart any Democratic strongholds left outside the city.

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One of those districts, the sixth, starts at the city line and moves west to pick up several suburbs. Then it turns back east to capture conservative Chester County. And then it shoots north into the rolling farms of conservative Berks County where it splits four townships and ends in Reading. Reading itself was broken apart, precinct by precinct, to be shared by the sixth district's then-new congressman, Republican Rep. Jim Gerlach, and incumbent Republican Rep. Joe Pitts, of the 16th District.

"If you look at the Pennsylvania map, it's ugly," says Sam Hirsch, an attorney who argued against the constitutionality of the map before the U.S. Supreme Court. Democrats lost that case 5-4.

After the Pennsylvania redistricting, the partisan make-up of the state's House delegation shifted to 12 Republicans and seven Democrats from a pre-redistricting breakdown of 10 Democrats and 11 Republicans. That meant the balance of the state's delegation shifted from one that was split roughly evenly to one in which Republicans had a five-seat edge.

In 2002 the fruits of the work in Pennsylvania -- as well as similar efforts in Ohio, Michigan and Florida -- were clear when the Republicans' U.S. House majority widened to 229-204. Mr. DeLay wasn't done, though. The next year, he pushed through a new congressional map in Texas that produced another net gain of five Republican seats in the Lone Star state. By 2004, his House majority had grown to 232-202.

While Republicans lauded their Texas coup, pro-Democratic union leaders at the AFL-CIO headquarters in Washington, across the street from the White House, pored over the 2004 presidential and congressional results. They began to put together a pattern: Republican-held House seats where Democrat John Kerry narrowly won or lost also included high concentrations of union members.

In the summer of 2005, they created a target list for the 2006 campaign. The Philadelphia suburban seats of Mr. Gerlach, Rep. Curt Weldon and Rep. Melissa Hart were on it.

Combined, the lawmakers' districts are home to 182,000 union members. With direct-mail literature and telephone calls, the labor leaders attacked the incumbents for their stands on Social Security and a host of other issues working their way through Congress.

Meanwhile, MoveOn.org, the liberal online group, was working through similar calculations. They put Rep. Michael Fitzpatrick on their target sheet. He won two years ago by 1,500 votes. MoveOn members made 102,000 telephone calls to inconsistent Democratic voters urging them to get out on Election Day. Its members donated $90,000 to his opponent's campaign.

On Tuesday, Mr. Fiztpatrick lost 50.3% to 49.7%. Ms. Hart lost 52% to 48%. Mr. Weldon, who also was stung by late disclosure of a federal investigation of his actions, lost 57% to 43%. Mr. Gerlach, the last Republican standing whose district was custom-made for him, is ahead amid final vote counting, 50.5% to 49.5%

"If Republicans had been a little less aggressive, they could have won several of those seats. If they gave the Democrats one more seat, they could have shored up by several percentage points the other seats," says Nathaniel Persily, a political scientist at the University of Pennsylvania in Philadelphia.

That isn't to say all the Republicans' 2002 redistricting plans went awry. Ohio lawmakers were more conservative than the Pennsylvanians. Before redistricting, their House delegation had 11 Republicans and eight Democrats. Like Pennsylvania, they lost two seats because of population losses. Statehouse Republicans took those two seats from the Democrats. But they only added one Republican seat, creating a partisan delegation split of 12-6.

That is one reason why today several of their incumbents are still hanging on. The state was besieged with scandals and Democrats easily won the governorship and the senate race. Seven of the state's 12 Republican incumbents were on watch lists. But Democrats only have pocketed three of them. Two incumbents were re-elected and two more are clinging to their seats, albeit with tiny margins.

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Corrections & Amplifications:

Pennsylvania Rep. Melissa Hart's district is located in a suburb of Pittsburgh. This article says it was outside of Philadelphia.

Evangelical Leader: GOP Abandoned Voters (AP-Y)

By Jennifer Talhelm, Associated Press Writer

AP, November 10, 2006

Conservative Christian leader James Dobson accused the Republican Party of abandoning values voters in the midterm elections — and paying the price by losing control of Congress. "What did they do with their power?" Dobson said in a statement. "Very little that values voters care about."

Finger-pointing abounded in the days after Democrats seized control of Congress after 12 years in the minority. Dobson, chairman of Focus on the Family, issued a statement railing against the Republicans for letting their majorities slip away.

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"They consistently ignored the constituency that put them in power until it was late in the game, and then frantically tried to catch up at the last minute," said Dobson, who argued that religious conservatives ensured GOP wins in 2004.

Dobson also criticized other conservatives, including former Majority Leader Dick Armey, R-Texas — an architect of the 1994 GOP House takeover — for complaining recently that the religious right was "too involved" with the party.

"Without the support of that specific constituency, John Kerry would be president and the Republicans would have fallen into a black hole in '04," Dobson said. "In fact, that is where they are headed if they continue to abandon their pro-moral, pro-family and pro-life base. The big tent will turn into a three-ring circus."

Dobson said he had predicted in 2004 that Republicans might squander their opportunity and pay the price in future elections.

"Sadly for conservatives, that in large measure explains what happened on Tuesday night," he said. "Many of the values voters of '04 simply stayed at home this year."

The cybersex scandal involving former Republican Rep. Mark Foley of Florida and the fall of Ted Haggard, the evangelical pastor who was fired amid allegations of gay sex and drug use, left some values voters dispirited.

More than four in 10 evangelicals said corruption and scandals were extremely important, and those who felt that way were more likely to vote for Democratic candidates than other evangelicals. About a third who were most concerned about corruption cast their votes for Democrats, according to exit polls conducted for The Associated Press and the networks.

About seven in 10 white evangelicals voted for the Republican candidate, slightly less than the eight in 10 who voted for Bush in 2004.

The relationship between religious conservatives and the GOP has frayed a bit.

Author David Kuo, a former aide in the White House Office of Faith-Based and Community Initiatives, wrote in his book, "Tempting Faith, An Inside Story of Political Seduction," that Bush aides privately called conservative Christians "nuts," "ridiculous" and "goofy."

Focus on the Family is based in Colorado Springs, Colo.

Schwarzenegger Welcomes 'New Blood' In D.C. (LAT)

By Peter Nicholas, Times Staff Writer

The Los Angeles Times, November 10, 2006

MEXICO CITY — Gov. Arnold Schwarzenegger said here today that he was heartened by Tuesday's election resulting in a Democratic takeover of Congress, welcoming what he described as "new blood coming to Washington."

Speaking publicly for the first time about his party's apparent loss of both the U.S. House and Senate, Schwarzenegger said he was hopeful that the changes will jump-start a political system that was paralyzed.

"I think it's good that there are new ideas and new blood, because Washington was stuck," the governor said, after a meeting with Mexican President Vicente Fox at Los Pinos, Mexico's equivalent of the White House. "They could not move forward. Not much was accomplished. I think it was terrible."

Schwarzenegger said he was hopeful that the results would usher in a new era of bipartisan cooperation — similar to what he said he is bringing about in Sacramento.

"So I think the people have spoken in America, all over the United States," the governor told a roomful of California and Mexican journalists. "And they've sent a very clear message to Washington: We are not happy about the way things were going. And I think we want to see a new way of going, and we want to see bipartisanship."

Soon after the governor finished speaking, one of his aides, communications director Adam Mendelsohn, told reporters that Schwarzenegger was not saying he was necessarily pleased to see Congress under Democratic control.

Rather, Schwarzenegger was making the point that "it's good there is an infusion of new ideas and desire for bipartisanship," Mendelsohn said.

Still, Schwarzenegger's tone was a marked difference from that of President Bush.

Schwarzenegger arrived in Mexico City late Wednesday for a two-day trade mission where he is meeting with various political leaders and business executives.

In the meeting with Fox, the Mexican president raised the issue of illegal immigration, a raw subject on both sides of the border. Schwarzenegger said he told Fox that plans to make the border more secure through hundreds of miles of fencing amount to "an incomplete way of solving the problem."

While the U.S. builds its fence, officials in Washington must also enact a guest worker program so that employers have a steady supply of labor and find ways to create new jobs in Mexico so that there is less incentive to cross the border illegally, Schwarzenegger said.

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Referring to the 63-person California business delegation that has joined him in Mexico, the governor said: "Right now I have with me a bunch of farmers from California and they're complaining because their crops are spoiling right now and we are losing millions and millions of dollars because we can't get the workers into California."

Schwarzenegger was accompanied at the breakfast meeting by a dozen people, including his wife, Maria Shriver; his agriculture, business and environmental Cabinet secretaries; Claire Bilby, vice president for Walt Disney Parks & Resorts; and Allan Zaremberg, president of the California Chamber of Commerce, a major business lobbying group.

Schwarzenegger gave Fox and his wife a gift of silver spurs engraved with the California seal.

The governor went from Los Pinos to a supermarket, where he examined the California produce and drank from a glass of California red wine. Large pictures of Schwarzenegger touting California products were displayed near the vegetables and wine.

"This governor really enjoys selling California — all aspects of California, whether it's tourism or the 400 different commodities we produce," said A.G. Kawamura, the governor's secretary of food and agriculture.

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Schwarzenegger Implores GOP To Follow Script Of His Sequel (WP)

By John Pomfret

The Washington Post, November 11, 2006

LOS ANGELES, Nov. 10 -- In his victory speech Tuesday night to a confetti-swamped crowd at the Beverly Hilton, Gov. Arnold Schwarzenegger had a message for the rest of the Republican Party after its worst defeat in decades.

Follow "the California way," he said. "We are proving to the nation that there is another way to go, a better path to solve problems."

Schwarzenegger's landslide victory in a largely Democratic state illustrates the growing power of moderate candidates and the electoral appeal of bipartisanship, and it could contain important lessons for Republicans and Democrats as they seek to position themselves in the future, analysts and politicians said.

"If I was a Republican National Committee chair, I would hire Arnold out and teach Republicans what is necessary to put together a winning campaign," said Sherry Bebitch Jeffe, a political analyst at the University of Southern California. "He really is the poster boy of what Republicans have denied for so long. Elections are won from the center."

In the 56-percent-to-39-percent triumph over Democratic nominee Phil Angelides, described even by his own partisans as a somewhat lackluster performer, Schwarzenegger owned the center. According to an exit poll of more than 2,000 voters done by CNN, almost 60 percent of California's independent voters chose Schwarzenegger, while 58 percent of the people who identified themselves as moderate cast ballots for him. Even 22 percent of Democratic voters voted for the governor.

The reason for this landslide, analysts said, involved the 180-degree reversal Schwarzenegger has undergone over the past year. Schwarzenegger rolled into office on the back of an unprecedented recall election in 2003, promising to govern from the center. For the first year of his administration he did just that. But in late 2004, he embraced partisan tactics. He addressed the Republican Convention, stumped for President Bush in Ohio during a critical period in Bush's reelection campaign, and then, in early 2005, decided to take on all the entrenched-Democratic Party interests in Sacramento at once, including teachers, nurses and prison guards.

"Arnold did this Karl Rove-inspired move to the right," said Bruce Cain, a professor of political science at the University of California at Berkeley. "He got carried away with the 'base' strategy because it worked in 2004. He tried a little bit of Bush politics in California."

The result? Miserable failure. Schwarzenegger pushed a series of ballot initiatives, and in June 2005 Californians defeated all of them.

"Schwarzenegger in 2005 was like an action hero playing Shakespeare," said Don Perata, the leading Democrat in the state Senate. "He wasn't comfortable."

The plot twists that followed rivaled any of the former action hero's movies. He apologized to the voters and changed character. He hired a Democrat as his chief of staff and cut bipartisan deals to limit global warming, boost the minimum wage and reduce the cost of prescription drugs. He clashed with Bush over sending the National Guard to the Mexican border and environmental issues. And he embraced a Democratic Party-inspired, multibillion-dollar bond package to rebuild California's crumbling roads, levees, ports and schools. Democratic lawmakers, including Perata, campaigned side by side with Schwarzenegger to get the bonds passed, which they did.

As Schwarzenegger said Tuesday night: "I just love doing sequels."

Schwarzenegger's bipartisanship immunized him against attacks by Angelides that a vote for Schwarzenegger was a vote for Bush. Indeed, according to the CNN exit poll, 55 percent of the voters who said they "somewhat disapproved" of the president, voted for Schwarzenegger.

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On Thursday, during a two-day trip to Mexico, Schwarzenegger actually sounded satisfied with a nationwide Democratic victory, theorizing that it might be what the country needs to force cooperation.

"I think this is good that we have new blood coming to Washington, that we have new people with new ideas coming to Washington," the governor told reporters, "because Washington was stuck."

A Democratic shift in the country might actually help Schwarzenegger's political future. He is rumored to be considering a run for the U.S. Senate in 2010 to replace Democrat Barbara Boxer.

Another factor that might hold lessons for the country involves California itself. For years, the state has been a laboratory for mean-spirited partisan political campaigns. It has been one of the leaders in spending on negative campaign ads and one of the first states where political consultants experimented with targeted mailings and robo-calls. The 2002 gubernatorial campaign is considered one of the nastiest in the nation's history.

"So," Cain said, "we've gotten sick of partisanship first." Schwarzenegger ran a reasonably clean campaign against Angelides. Perhaps the most negative ad was a lighthearted spot that showed Angelides moonwalking backward as it said he planned to take California back in time.

Patrick Dorinson, communications director for the California Republican Party, said he thinks the message in Schwarzenegger's victory is that results, not ideology, guaranteed victory.

The alternative, he suggested is "to be ideologically pure and lose."

Schwarzenegger, he said, subscribes to the "big tent" idea of the Republican Party as enunciated by Ronald Reagan in the 1960s. Despite his reputation as a hard-line conservative, as a California governor Reagan worked well with Democrats, raised state taxes and signed into law what was, for the time, one of the most liberal abortion laws in the nation.

"You mention 'big tent' to some Republicans now and they say, 'No way, we can't have that,' " Dorinson said. "We've gotten away from this idea, but that was a mistake. The center is where the future is."

Indeed, Schwarzenegger's victory reminded Republicans, said political consultant Allen Hoffenblum, that you cannot get elected by the base alone. Schwarzenegger kept his base; more than 90 percent of Republicans voted for him. But he won because of his broad appeal.

"The Bush obsession with the base, the base, the base doesn't work here," Hoffenblum said. "I think this election showed that it doesn't work anywhere else either."

Gingrich Sees Hope For Conservatives (WT)

By Ralph Z. Hallow, The Washington Times

The Washington Times, November 10, 2006

Republicans, suddenly a minority in both houses of Congress and led by an unpopular president, need to restore their image as the party of small government but at the same time avoid the image of blind obstructionism, party leaders and analysts said yesterday.

"We have to recognize that this was a defeat for Republicans, not for conservatives," former House Speaker Newt Gingrich told The Washington Times yesterday.

There is hope to advance a conservative agenda, Mr. Gingrich said, if House Republicans can find allies among conservative Democrats.

"The balance of power in the House is now 50-plus blue-dog [conservative] Democrats," he said.

It won't be easy for Republicans to recover from Tuesday's defeat, because the party has "completely lost its brand as the party of limited government and low spending," said former Rep. Pat Toomey, president of the conservative Club for Growth.

A poll of 15 key congressional districts by the Club for Growth showed voters now think "Democrats, not Republicans, are the party of smaller government," Mr. Toomey said.

By a 66 percent to 43 percent margin, voters think the "GOP used to be the party of economic growth, fiscal discipline and limited government, but in recent years, too many Republicans in Washington have become just like the big spenders that they used to oppose," the poll found.

"The American people sent a very important message to both parties and particularly to my party," Republican National Committee Chairman Ken Mehlman told reporters yesterday at a luncheon hosted by the Christian Science Monitor. "I think we've got to listen to that message. I think we've got to recommit ourselves to being the party of conservative reform."

One alumnus of the Gingrich-led 1994 "Republican Revolution" blamed Tuesday's loss on the Bush administration.

"The Republican Party ... needs to recognize that the Bush administration was largely the architect of its defeat, and that the party can no longer afford to play by yesterday's playbook," said former Rep. Bob Barr, Georgia Republican.

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According to the "old, time-worn playbook, a sitting Republican president is the head of the party and his team can pick party leaders and dictate the agenda," said Mr. Barr, who warned that "if the party follows that paradigm, it will slip further into minority status."

Republicans "must break with the White House," chart their own course "with new, younger, bolder leadership" and provide "a true alternative" to Democrats, Mr. Barr said.

However, one House Republican said, the need to show legislative accomplishments means that Republicans will have to cooperate with the new Democratic leadership -- even at the risk of alienating conservatives such as Colorado Rep. Tom Tancredo and other opponents of an immigrant guest-worker program.

"There will have to be a guest-worker program of some kind and something that is not a full amnesty," said Rep. Ralph M. Hall, Texas Republican. "That will probably lose the Tancredo faction."

Mr. Hall predicted that Mr. Tancredo "is a smart man and will find a way" to make such a compromise work.

But some warn that bipartisan cooperation can be a trap.

"It is really important that the GOP not allow itself to be drawn into the 'can't-we-all-get-along' role that the liberal pundits and media will now hammer the GOP minority to play," said elections lawyer Cleta Mitchell, a conservative Republican.

She noted that Democrats won on Tuesday after successfully blocking much of the Republican agenda. "The lesson from the Democrats may well be that getting nothing done is better than doing the things that your base opposes," Mrs. Mitchell said.

Unifying Republicans could prove a difficult challenge, given a recent outburst of finger-pointing within the party. Former Rep. Dick Armey, Texas Republican, who has publicly blamed Christian conservatives for the party's declining fortunes, yesterday wrote a column in the Wall Street Journal excoriating congressional leaders who he said had attempted "to rally their political base on wedge issues like illegal immigration and gay marriage," and had thereby "alienated independents."

Mr. Armey's criticism -- and similar comments by Sen. Arlen Specter, Pennsylvania Republican -- angered Focus on the Family Chairman James C. Dobson.

Republicans this year failed to motivate the "values voters" who helped Mr. Bush claim victory in 2004, said Mr. Dobson, who warned that some politicians are attempting to make social conservatives the scapegoats for Republican failures.

"The unfortunate thing is that Republican leaders still don't appear to get it," said Mr. Dobson, quoting Mr. Specter's Wednesday comments that the election results represented a "seismic earthquake" and advising Republicans to become "a lot more progressive and a lot less ideological."

Mr. Dobson said Mr. Armey "can't be serious" in urging Republicans to repudiate Christian conservatives.

"Someone should tell him that without the support of that specific constituency, John Kerry would be president and the Republicans would have fallen into a black hole in '04," said Mr. Dobson, who warned that the Republican Party's "big tent" could "turn into a three-ring circus."

Compounding the Republican Party's problem is the looming 2008 presidential campaign, said Rep. Ernest Istook, Oklahoma Republican.

Republicans "have a great challenge in trying to present a unified message, trying to bring House, Senate and presidential candidates all onto the same page," said Mr. Istook, who was defeated Tuesday in his campaign for governor of Oklahoma. "Unless the GOP nominee becomes apparent early, there will be a struggle to gain this unity."

Noting the defeat of Virginia Sen. George Allen, once viewed by conservatives as a favorite for the 2008 Republican presidential nomination, Mr. Istook asked, "Do we have a contender with credentials that can bring this conservative unity? Certainly not [former New York Mayor Rudolph W.] Giuliani or [Arizona Sen. John] McCain. This is why I say that it's overly optimistic to think that this is just a two-year setback that will spark an immediate rebound by the conservative movement."

· Amy Fagan contributed to this report.

Minority Report (WSJ)

By Jeff Flake

The Wall Street Journal, November 10, 2006

I was rummaging through my closet the other day when I came across an old T-shirt. Stamped across the front were the words "SCRAP THE CODE: The Armey-Tauzin Tax Reform Debates." On the back was a list of 25 cities on the "National Tax Reform Tour."

What a difference a few years makes. During this election season, Republican congressional leaders awarded members with a bronze bust of Ronald Reagan if they could prove they'd hosted town halls to explain to seniors how to sign up for the newly created Medicare Part D, which created a huge new prescription-drug entitlement in an already huge entitlement program.

And we wonder why we were beaten like a rented mule on Tuesday? * * *

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The contest between the parties has come, for now, to a decisive close. But as Republicans, we have a choice to make, and we need to make it soon. The factions of the party must decide: Are we going to re-emerge as the party of ideas -- or be content as assistant hirelings of big government?

We might begin by asking why we lost. Taxes, first, is the easy one, and there is no need for a Republican mea culpa here. We've cut taxes, and Americans and the economy are better off for it. But recently we've been satisfied with putting Democrats "on record" supporting higher taxes. We need to do more. We will soon be bumping up against the deadlines to either repeal or extend the Bush tax cuts on income, estates, capital gains and dividends. This presents an excellent opportunity to rebuild momentum. Our congressional leadership should travel around the country -- concert tour style -- explaining why individuals spend their money better than the government.

Second, spending. This one is more difficult because it requires not just a mea culpa but abject apology. Not the politician-style -- "I'm sorry if you were offended by spending that our opponents have misinterpreted as offensive" -- but rather: "We've overspent, badly, and it was offensive to you as well as our conservative principles. We're sorry, and we're going to do better."

It is not only the level of spending, of course, that has been offensive. It is the manner of spending. Pork-barrel earmarks, or "member projects" (as we preferred to call them so as not to offend our own sensibilities), greatly multiplied under Republican rule. The Democrats were happy as long as enough crumbs fell from the Republican appropriators' table. Now that we are in the minority, will we be similarly satisfied or will we seek to change the practice?

On this issue, our constituents need no convincing. They know it is wrong. We need the courage to enact meaningful reforms, doubly difficult because of the present situation. But if we are chastened -- we ought to be -- perhaps we will emerge stronger for it. If Republicans are serious about changing direction, there will be ample opportunities in the next two years to translate our dormant beliefs into action.

The Farm Bill probably provides the best example of where we've gone wrong, and what we need to do to hew back to our first principles.

During the 1990s, then-Sen. Phil Gramm accurately described U.S. farm policy as "enough to make a Russian Commissar puke." The Republicans assembled the "Freedom to Farm Act," which, starting in 1996, put U.S. farmers on a glide path toward an end to subsidies. Somewhere between the field and the silo, however, we became mired in the political mud. In 2002, we repealed the Freedom to Farm Act and in its place installed the "Farm Security Act" -- those who value the adage about trading freedom for security can pause and shudder here -- with even more lavish subsidies.

Now, with reauthorization of the Farm Bill on the horizon next year, we have to decide whether we will up the ante with Democrats in terms of red state/blue state politics in the heartland, or whether we believe our own rhetoric about free markets. This debate will have implications larger than the fiscal one. Most notably, it will determine if we are serious about the future of free trade.

Of immediate concern to Republicans in the House of Representatives is deciding who will be our standard bearer. Can those who have been a part of the current leadership team convince the other members that they've had an epiphany? It's possible, I suppose. But I think we'd be best served with some fresh faces, congressmen like Mike Pence and John Shadegg, who haven't had to travel that road to Damascus.

Mr. Flake is a Republican representative from Arizona.

Bridge To Somewhere (WSJ)

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The Wall Street Journal, November 10, 2006

As they lick their wounds, Republicans are no doubt wondering what went wrong and what to do now. The answers aren't all that complicated: Revive the reform convictions that earned them power in the 1990s, and start that process in the House of Representatives by electing a new slate of leaders.

Twelve years ago, the Newt Gingrich-led Republicans swept into power as reformers who ran against corruption and pledged to make government "smaller and smarter." Somehow, across the years, that conviction was replaced by Tom DeLay and the quest for permanent incumbency, Appropriations Chairman Jerry Lewis and the "earmark" brigade, and a retinue of Beltway retainers symbolized by Jack Abramoff. The current leadership let it all happen, and if Republicans want a shot at regaining control in 2008 they'll turn to a new generation to lead them. * * *

If we had to pick the precise moment when House Republicans lost their way, it would be three years ago during the floor vote over the Medicare prescription drug bill. So unpopular was the bill among conservatives, and rightly so, that House leaders kept the vote open for an unheard of three hours as they dragooned reluctant Members to vote aye.

The other great symbol of GOP failure is the proliferation of earmarked spending. In 1994 there were 1,500 such projects stuffed into Democratic spending bills, and Republicans called this a fiscal disgrace. This year Republicans approved closer to

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15,000 earmarks at a cost of more than $10 billion. The current leadership defended this earmarking even after such embarrassments as the Alaska Bridge to Nowhere were exposed. When they finally agreed to minimal transparency, it was too late.

Here's one telling exit poll result: In battleground districts, only one in five voters said Republicans would do a better job to "keep government spending under control"; almost twice as many voters said Democrats would do a better job. Yet this week a separate poll found that 59% of Americans still favor fewer government services and lower taxes compared with 28% who favor more government services and higher taxes. "Big government conservatism" was a nice think-tank proposition; it merely lacks support from actual voters.

As a minority party in Congress, Republicans must operate as the party of change, not of Washington insiders willing to sign away their principles for a courthouse or swimming pool in the home district. This doesn't mean they shouldn't work with Democrats when it makes policy sense. But they need to reclaim their fiscal conservative birthright.

Republicans also need to rediscover an agenda for reforming government programs that don't work or threaten to bankrupt future generations. The Gingrich Republicans did that with welfare reform in the 1990s, and they tried with Medicaid. Then President Bush gave Republicans a once-in-a-generation chance to reform Social Security and health care along free market lines, but GOP House leaders fought him behind the scenes. For this alone, they should be returned to the backbenches.

The Senate GOP also committed some of these sins, but likely Minority Leader Mitch McConnell isn't among the big offenders. He's made his mark on policy by fighting for free speech, among other things; he knows the intricacies of the Senate and is likely to prove formidable as an opposition leader.

The problem is the House, where Speaker Dennis Hastert has already announced he won't stand for minority leader. Others in the leadership are claiming to have learned their lesson and promise a new beginning. That's for Members to judge. But we'd be wary of leaders who stake their claim to power on their ability to soak the lobbying mecca of K Street, or who refused to challenge the Appropriators who did so much to besmirch the image of the current, and soon-to-vanish, GOP majority.

Republicans might also recall what happened to Democrats when they tried to regain the House in 1996 by running with the same leadership and agenda that had been ousted in 1994. Those Democrats failed, despite Bill Clinton's victory at the top of the ticket, because too many voters saw the same old story. If Republicans lose again in 2008, they could be in the minority for a long time. * * *

The good news is that a younger generation does seem to be stepping forward. Mike Pence, of Indiana, has already declared for minority leader, and John Shadegg of Arizona is seeking the number two job as whip. Paul Ryan of Wisconsin, Jeb Hensarling of Texas and Jeff Flake of Arizona (see his essay nearby) are among the other Members who have tried to put ideas above mere incumbency. Republican Members will make up their own minds, but their willingness to consider new leadership will say a lot about the lessons they've learned from this week's drubbing.

Too many Republicans were corrupted and seduced by power and forgot why voters sent them to Washington. Winning back the majority requires new faces of leadership far removed from this year's debacle.

A Putsch At The DNC? (TNR)

By Ryan Lizza

The New Republic Online, November 10, 2006

Some big name Democrats want to oust DNC Chairman Howard Dean, arguing that his stubborn commitment to the 50-state strategy and his stinginess with funds for House races cost the Democrats several pickup opportunities.

The candidate being floated to replace Dean? Harold Ford.

Says James Carville, one of the anti-Deaniacs, "Suppose Harold Ford became chairman of the DNC? How much more money do you think we could raise? Just think of the difference it could make in one day. Now probably Harold Ford wants to stay in Tennessee. I just appointed myself his campaign manager."

Steele Still A Main Attraction (WT)

By Ralph Z. Hallow, Jon Ward

The Washington Times, November 11, 2006

Lt. Gov. Michael S. Steele is being pulled in several directions -- to take over as the national leader of the Republican Party in two months, to take a Cabinet post in the Bush administration or to go into the private sector.

"No one from the White House or the Republican National Committee has formally offered me" the RNC chairmanship or a Cabinet post, Mr. Steele told The Washington Times yesterday.

Top national Republican leaders have told Mr. Steele they want him to succeed Ken Mehlman as RNC chairman in January and are discussing the move with White House chief political strategist Karl Rove.

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Other top Republicans, including Mr. Rove, think Mr. Steele should be rewarded for what was widely regarded as his high-quality campaign for the U.S. Senate, even though black Marylanders remained loyal in numbers to the Democratic Party on Tuesday to elect Mr. Steele's white opponent, Rep. Benjamin L. Cardin.

Mr. Steele, 48, sounded ready, even eager, to assume a post somewhere within the party, and to steer a GOP course distinguishable from the one that has disillusioned many voters in recent years.

"The GOP must return to efficient government, to appropriate spending priorities that are not out of line, that don't create deficits, that speak to a strong national defense without failing to understand the need for diplomacy, and the things that will keep this country strong," he said.

"My campaign opened up a lot of eyes about how we can be effective on the ground in urban communities and diverse communities across the country, and hopefully I'll have something to offer," Mr. Steele said.

Mr. Mehlman, as reported yesterday in The Washington Times, has decided to step down at the end of his two-year term when the RNC convenes its annual winter meeting in January in Washington.

Party campaign strategists and elected officials generally agree that Mr. Steele has the political experience, personality and campaign skills to continue a career in politics -- which is precisely what many in the Bush administration would like to see.

Spokesmen for the administration occasionally point out that President Bush has appointed more black, Hispanic and other minorities to top-level posts than any other president.

Mr. Steele is said to be especially popular with the 165-member RNC -- made up of 50 state party chairmen and an elected committeeman and committeewoman from each state.

"I will be happy if he decides to run for national chairman," Florida Republican Chairwoman Carole Jean Jordan said. "I served with him on the [national] committee when he was the Maryland chairman. He's one of us."

He also appears to have unqualified support from top Republicans in his own state.

"Michael would be an excellent chair," said Joyce Lyons Terhes , an RNC member from Maryland. "He is admired and respected by the members of the committee who got to know him when he was chairman of the Maryland GOP."

Others were more reserved in their judgment.

"Steele was an excellent candidate in Maryland, and his experience from that race should be a tremendous asset to the party if he succeeds Ken Mehlman as chairman of the RNC," Texas RNC member Bill Crocker said. "However, I just don't know enough about his background and basic philosophy to know whether or not he would be the best choice to succeed Mehlman."

Mr. Crocker said the national chairmanship "is going to be critically important to the well-being of the Republican Party in the foreseeable future, and we need the very best we can put there."

Some backers of Mr. Steele fear that a two-year stint as RNC chairman and therefore chief defender of Mr. Bush and his polices will undermine his future in politics by tying him too closely to a president of uncertain popularity.

But as of now, Mr. Steele doesn't sound like a partisan pit bull defending the White House.

"This election was a show of a lack of confidence in the leadership and the direction of the party and the administration," he said. "I think that as a party we need to address that."

Mr. Steele is finishing up his first and only term in elected public office, though he had been an elected county and state party chairman.

He said he has "not heard from anyone" at the White House and has not entered any serious talks with the RNC.

"There has been no serious offer or anything put on the table," Mr. Steele said. "I have just for the last few days been enjoying being at home and actually getting reacquainted with the family."

Mr. Steele has one son in college and another about to enter college, and employment in the private sector might be an attractive financial option at this point, friends say.

Cabinet secretaries earn $183,500 year.

The RNC "chairman's salary equals what the speaker of the House makes, which is roughly $200,000 a year," RNC Communications Director Brian Jones said.

And Mr. Steele said he is not finished with politics.

"Losing is something that it strengthens me. I learn from it," he said. "It doesn't mean you won't win future races."

Corporate Donors Increased Their Support For Dems (USAT)

By Paul Davidson, Usa Today

USA Today, November 10, 2006

Big business hedges bets

Democrats won the most expensive midterm election in history with stronger financial support from big business.

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Democratic congressional candidates amassed $616 million vs. $632.2 million for Republicans in the 2005-06 election cycle, according to figures through Oct. 18 from the Center for Responsive Politics.

Corporate donors traditionally favor Republican candidates. In the last midterm contest in 2002, Democrats raised $248.6 million vs. Republicans' $342.2 million.

While Democrats attracted money from longtime supporters, such as trial lawyers and labor unions, they also drew a greater share from industries that lean Republican, such as pharmaceuticals. Some businesses may have been hedging their bets as a Democratic victory appeared more likely late in the campaign.

"The reality is they have to play both sides," says Sheila Krumholz, the center's acting director.

The total cost of the 2006 federal election was an estimated $2.8 billion, a 27% jump over 2002, the center says.

Topping the list of Democratic donors was the International Brotherhood of Electrical Workers, which funneled 97% of its $2.2 million in contributions to Democrats. The union supports such Democratic-backed causes as raising the minimum wage.

The Association of Trial Lawyers of America kicked in $2.1 million, 95% to Democrats. The group is battling Republican efforts to limit big payouts in personal-injury cases.

"We're in favor of holding negligent actors accountable when their actions cause harm and injury," says Linda Lipsen, the group's senior vice president for public affairs.

Other big Democratic donors include the entertainment and publishing industries.

Media giant Time Warner channeled 71% of its $1.4 million in contributions to Democrats, the center says. The firm supports tougher digital copyright protections to prevent piracy.

The center's figures on top donors include political action committees and employees, such as top executives, and are based on government filings through summer.

Other Republican-leaning companies balanced out their giving. Wal-Mart Stores sent 31% of its $988,000 in donations to Democrats, up from 19% in the 2004 election. "We partner with elected officials from both sides of the aisle," says Wal-Mart's David Tovar. "We're finding doors are open to us across the political spectrum."

Wal-Mart is a strong supporter of free trade, an issue generally championed by Republicans.

Wall Street brokerages tilted more Democratic this year, giving 51% of their $48.2 million in political donations to Democratic candidates, up from 48% in 2004.

The industry favors extending lower capital gains taxes and bolstering retirement accounts.

Republicans Lose Ground Among Hispanic Voters (USAT)

By Kathy Kiely, Usa Today

USA Today, November 10, 2006

Democrats perceived as being on 'right side' of immigration issue

WASHINGTON — Republican gains among Hispanic voters evaporated in Tuesday's elections, and some party leaders are blaming harsh rhetoric on immigration for the reversal.

Cutting into the Democrats' traditional advantage among Hispanic voters was a key to both of President Bush's election victories. In 2004, when Bush was at the top of the ticket, 44% of Hispanics surveyed after they cast their ballots said they voted Republican. This year, the figure dropped to 29%.

The decline is significant because Hispanics are fast becoming a crucial voting bloc. Census figures show Hispanics make up at least 10% of the population in 11 of the 28 U.S. House districts that switched from Republican to Democratic hands on Tuesday.

Strategists from both parties say the vocal opposition of some Republicans to a proposed immigration bill that would give many of an estimated 12 million illegal immigrants a chance at citizenship drove Hispanics back to the Democratic camp.

"This time there is no doubt they felt Democrats were on the right side of the immigration issue," says Lionel Sosa, a Hispanic ad executive who has advised Republicans. One of the Democratic Party's top-ranking Hispanics, New Mexico Gov. Bill Richardson, agrees. He says Bush's decision to bow to conservative pressure and sign legislation authorizing construction of 700 miles of fence along the U.S.-Mexican border "sent a terrible signal."

Bush backs citizenship for many of the people who are here illegally, as do a number of potential 2008 GOP presidential candidates, including Sens. John McCain of Arizona and Sam Brownback of Kansas. But House Republican leaders blocked a path to citizenship in the immigration bill and GOP conservatives such as Indiana's John Hostettler made their opposition a campaign issue. Some members of the party believe that backfired.

"There has been too much of an anti-immigrant tone," says Rep. Lincoln Diaz-Balart, R-Fla., a Cuban immigrant. He argues that Hispanics are "a natural" Republican constituency because they are entrepreneurial and socially conservative. But

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Diaz-Balart adds, "When people start to perceive that immigrants are being put in the same category as a threat to national security, it's hard to get your message across."

In Hostettler's close race, the six-term congressman appeared with representatives of the Minutemen, a controversial citizens group that has been patrolling the border, and ran ads touting his opposition to "the nightmare of amnesty." In Arizona, Republican Randy Graf ran an advertisement showing a blond-haired child walking toward a slowly opening door as a voiceover delivered statistics about crime and other problems caused by the nation's "open door" border.

Both Hostettler and Graf lost, a point likely made by House Democratic leader Nancy Pelosi when she talked to Bush Thursday. She asked for his help in passing a bipartisan immigration bill when she and fellow Democrats start running Congress in January. "Those candidates who ran largely on immigration did not succeed," she says.

Gabrielle Giffords, the Democrat who defeated Graf, also carried Cochise County, Ariz., along the U.S.-Mexican border where frustration with immigration is highest. Gifford says she believes voters there preferred her because "people want solutions, not slogans."

Immigration could be key in a House race still to be decided. In Texas, GOP incumbent Henry Bonilla is in a runoff with Democrat Ciro Rodriguez, a former lawmaker, in a district where more than half the population is Hispanic.

Bonilla is one of only two Hispanic lawmakers who backed a controversial House bill that would make it a crime to assist illegal immigrants. He says he's taking a get-tough approach to protect his border constituents from crime and illegal drug trafficking.

But Sosa, who lives in the district and describes himself as Bonilla's friend, worries that some Hispanic residents may misinterpret his stand. "I have told him that in my opinion he should soften his position," Sosa says.

He says the election results don't mean the GOP has lost the Hispanic vote. "It means Republicans need to have a much higher sensitivity about how Latinos feel about their worth and the worth of immigrants," he says.

For Latino Voters, Best Years Are Ahead (USAT)

Commentary By Marisa Treviño

USA Today, November 10, 2006

With another election completed, one has to wonder whether the much-hyped strength of the Latino vote is a reality or simply a spin on the classic fairy tale The Boy Who Cried Wolf.

Exit poll results from Tuesday's elections show an increase in Hispanic voting from 2002. Those results appear to confirm a pre-election report by the National Association of Latino Elected and Appointed Officials (NALEO), which predicted that Latinos would make up about 6% of the vote. That's at least one percentage point up from 2002, but hardly enough to get excited about.

A Pew Hispanic Center fact sheet titled "Hispanics and the 2006 Election" provides some interesting perspectives on why Hispanics might, in fact, be a powerful voting bloc that just hasn't yet arrived.

Hispanics eligible to vote are a smaller portion of the Hispanic population — as compared with other racial/ethnic groups — because many adults are not citizens, and many citizens haven't reached voting age. Only 39% of Hispanics are eligible to vote, according to the Pew study, compared with 77% of whites, 65% of blacks and 51% of Asian-Americans.

So are all the predictions of Latino voting clout to be dismissed? No. They're just premature. The coupling of Hispanic youth and technology just might change the equation. The U.S. Census reports that last year about a third of the Latino population was younger than 18. Couple that fact with a report by the Pew Internet & American Life Project that found English-speaking Hispanics use their cellphones to access the Internet and to text message in greater percentages than any other race or ethnicity.

Armed with this data, the non-partisan Voto Latino, which aims to increase Hispanic voter participation, has targeted young Latinos by entering their world of cellphone text messaging and online social networks, such as MySpace. A simple text message from an interested Hispanic youth, or anyone for that matter, prompts an immediate response on how to get a voter registration form. Voto Latino registered about 38,000 people from September to the end of October.

Maria Teresa Petersen, executive director of Voto Latino, says 50,000 Latinos turn 18 every month in the USA. Eighty-seven percent of them are eligible to vote. One can quickly see the potential in these numbers.

Though Hispanics historically have had a poor civic participation rate, the immigration reform protests this year could be a sign of things to come. Exit polls this week showed that Hispanics voted heavily Democratic, in part because of the immigration debate.

The voices heard this past Tuesday will only grow louder in the years to come.

Marisa Treviño is a freelance writer in Dallas.

Immigration Losers (WSJ)

DOJ_NMG_0093642

The Wall Street Journal, November 10, 2006

Republicans on Tuesday managed both to lose their majority in Congress and alienate a fast-growing bloc of Latino swing voters. Other than that, the House GOP strategy of trying to save itself by bucking President Bush and using immigration as a wedge issue worked pretty well.

Republicans can't say they weren't warned. Like trade protectionism, the immigration issue is the fool's gold of American politics. Voters like to sound off to pollsters about immigrants, yet they pull the lever with other matters foremost in mind. Elections seldom if ever turn on immigration, and the GOP restrictionist message so adored by talk radio, cable news and the nativist blogosphere once again failed to deliver the goods.

Worse, this time Republicans made "securing the border" a loud national theme, only to do nothing about it save for approving a 700-mile fence along a 1,951-mile Mexican-U.S. border. They thus managed to highlight either their fecklessness in failing to do something about an allegedly urgent problem, or their cynicism in raising it at all.

In Arizona, which is ground zero in the illegal alien debate, two Republicans defined by their opposition to immigration were defeated by wide margins. Representative J.D. Hayworth, who is so proud of his desire to turn the U.S. into a single gated community that he wrote a book about it, lost handily. So did Randy Graf, another anti-immigration absolutist who ran for an open seat in a district that borders Mexico and sees more illegal immigrant traffic than perhaps any other Congressional seat in the nation.

These Democratic gains came in solidly Republican districts that President Bush won easily two years ago. Mr. Graf was seeking to fill the slot now held by Representative Jim Kolbe, an 11-term Republican who's retiring. Mr. Kolbe is a supporter of the comprehensive approach to immigration reform favored by the President but spurned by GOP restrictionists. It would combine more border security with a guest-worker program for newcomers and a path to legal status for undocumented workers already here. Mr. Kolbe won 60% of the vote in 2004. Mr. Graf was trounced, 54%-42%, on Tuesday, after having won a primary against a Republican with views similar to Mr. Kolbe's who could have held the seat.

Indiana incumbent John Hostettler, who chairs a House subcommittee on immigration and is one of his party's most outspoken restrictionists, managed to win just 39% of the vote in his losing bid for a seventh term. Mr. Hostettler's district is so Republican that John Kerry won only 38% of the vote there in 2004.

Colorado Congressman Bob Beauprez made opposition to illegal aliens the centerpiece of his gubernatorial bid. He lost to his Democratic opponent by 15 percentage points. The GOP candidate who ran to replace Mr. Beauprez in the House and appropriated much of his anti-immigration rhetoric also lost by nearly as much.

GOP Senate candidates who thought immigration would put them over the top were disappointed as well. The issue didn't help the cause of challengers like Tom Kean in New Jersey and Mike McGavick in Washington state, both of whom tried to make illegal aliens an issue down the stretch but still lost to vulnerable Democratic incumbents. Nor was it the silver bullet for Pennsylvania's Rick Santorum, who fell 59%-41%. Senator Santorum spent the summer trying to link Mexican immigrants to the Iraq war. By the end of the campaign, he was accusing anyone who favored comprehensive immigration reform of being soft on terrorism.

In addition to losing seats, however, the GOP's restrictionist strategy has reversed significant gains among Latino voters. Exit polls show that 70% of Hispanics voted Democratic in House races this year. Meanwhile, some 29% voted Republican -- an eight-percentage-point drop from the 2002 midterm, and down 15 points from the 44% won by President Bush in 2004 (which had improved from 31% in 2000).

The GOP has a long history of fumbling the immigrant issue. And Mr. Bush, a former border-state governor who knows the issue well, has wisely been trying to steer his party away from repeating those mistakes. Mr. Bush might yet save his party from losing generations of Latinos the way its xenophobic message in the early 20th century turned away Irish, Italian and Asian voters for decades. He told reporters this week that immigration is an area where "I believe we can find some common ground with the Democrats."

We hope his party lets him, having learned the hard way not to follow Lou Dobbs, Bill O'Reilly and the editors of National Review magazine down the garden path to defeat.

Recount Likely In Harris' House District (AP-Y)

By Phil Davis, Associated Press Writer

AP, November 10, 2006

The touch-screen voting machines Katherine Harris championed as secretary of state after the 2000 presidential recount may have botched this year's election to replace her in the U.S. House, and it's likely going to mean another Florida recount.

More than 18,000 Sarasota County voters who marked other races didn't have a vote register in the House race, a rate much higher than the rest of the district, elections results show.

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Florida Secretary of State Sue Cobb sent a team to Sarasota County on Thursday to observe the expected recount and audit the county's touch-screen voting machines. The county's elections supervisor, Kathy Dent, had requested the team after one of the candidates reported complaints about voting machines malfunctioning.

Earlier, Dent defended her staff and the machines, arguing that the thousands of voters must have either overlooked the race — which was pushed to a second screen by a glut of minor U.S. Senate candidates on the ballot — or simply decided not to vote for either candidate in a race marked by mudslinging.

"My machines have recorded accurately for 40 elections," Dent said.

But she couldn't explain why the undervote rate in her county was so much higher than in the four other counties in the district.

Republican Vern Buchanan declared victory in the race with a 373-vote lead over Democrat Christine Jennings — less than 0.2 percent.

"Sarasota voters have been victimized by not having their votes count," Jennings said Wednesday.

Buchanan's campaign said a recount would confirm their candidate won.

"We want to ensure every vote is counted as well," Buchanan spokeswoman Sally Tibbetts said.

Florida law requires a machine recount if the difference between the top candidates is less than half a percent. If the machine tallies find a margin of less than a quarter percent, a manual recount is conducted.

To do a manual recount for touch-screens, officials go back over the images of the electronic ballots where the machine didn't register a choice. But state rules essentially say that if the machine doesn't show that a voter chose a candidate, the voter is assumed to have meant to skip the race — it would be tough to prove otherwise.

Final results must be certified by Nov. 20.

Harris, a congresswoman since 2002, ran for U.S. Senate this year but lost to incumbent Bill Nelson.

As secretary of state in 2001, Harris had pushed for an election overhaul that outlawed the punch-card ballots involved in the 2000 presidential race recount that made Harris a GOP star. The law now required counties to use touch-screen devices or optical scan machines that read paper ballots voters filled in.

Harris spokeswoman Jennifer Marks said Harris had no comment on the House race.

In Florida, Echoes Of 2000 As Vote Questions Emerge (NYT)

By Abby Goodnough

The New York Times, November 10, 2006

SARASOTA, Fla., Nov. 9 — A Democrat who narrowly lost the Congressional race here is seeking a recount after dozens of people reported problems using Sarasota County's touch-screen voting machines and a significant number of ballots had no recorded votes in the high-profile race.

The Democrat, Christine Jennings, lost to her Republican opponent, Vern Buchanan, by just 373 votes out of a total 237,861 cast — one of the closest House races in the nation. More than 18,000 voters in Sarasota County, or 13 percent of those who went to the polls Tuesday, did not seem to vote in the Congressional race when they cast ballots, a discrepancy that Kathy Dent, the county elections supervisor, said she could not explain.

In comparison, only 2 percent of voters in one neighboring county within the same House district and 5 percent in another skipped the Congressional race, according to The Herald-Tribune of Sarasota. And many of those who did not seem to cast a vote in the House race did vote in more obscure races, like for the hospital board.

More than 100 voters have told the Jennings campaign that their votes for her did not show up on the summary screen at the end of the touch-screen voting process, and that they had to re-enter them. The candidate's lawyers said they feared that not everyone had noticed the problem or realized that they could re-enter the vote.

"There is a spontaneous combustion of outcry in this county," said Kendall Coffey, a lawyer who was on Vice President Al Gore's legal team in the 2000 presidential recount and is now working for Ms. Jennings. "We are determined to do everything we can to make sure that every vote counts and everything we can to get to the bottom of this."

A recount will almost certainly be conducted because the vote was so close. State law requires machine recounts when the margin of victory is half a percentage point or less, and manual recounts when it is a quarter of a percentage point or less. But it is not clear that a recount can recover a vote that was never properly recorded.

The Florida Elections Canvassing Commission, which includes Gov. Jeb Bush and two other state officials, both Republicans, will meet Monday and decide whether to order a recount. Secretary of State Sue M. Cobb announced Wednesday that she would send a team to conduct an audit of the county's voting system.

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Any recount results would be certified on Nov. 20, said Sterling Ivey, a spokesman for the Florida Department of State. In a manual recount of touch-screen voting results, Mr. Ivey said, canvassers try to determine whether voters who skipped making a selection in a certain race did so unintentionally.

But Rebecca Mercuri, a computer scientist and an expert on voting technology in Hamilton, N.J., who has been critical of electronic voting, said it would be impossible to figure out voter intent in a recount of touch-screen votes.

"If a vote is not recorded electronically inside the machine for whatever reason, there's no way to go back and recover it," Ms. Mercuri said. "Chances are that nothing's going to change, because those votes are gone."

A preliminary review by The Herald-Tribune found that if Ms. Jennings had won the same percentage of the 18,000 missing votes as she did among counted votes in Sarasota County, she would have won the race by about 600 votes instead of losing by 373.

Ms. Jennings, a banker, and Mr. Buchanan, a car dealer, ran a bitter and costly race to replace Representative Katherine Harris, who left her seat to run for Senate but lost by a landslide on Tuesday. Ms. Harris, a Republican, was Florida's secretary of state during the disputed 2000 presidential recount, supervising a balloting process widely considered flawed and certifying President Bush as the winner of Florida's electoral votes.

Mr. Buchanan declared victory early Wednesday and began preparing for his new job, but Ms. Jennings has refused to concede. She has not ruled out going to court, Mr. Coffey said, but she will first wait for a recount to be completed.

Some state officials, including Ms. Dent, the elections supervisor, theorized that many voters skipped the Congressional race because they were turned off by vitriolic campaigning. But Mr. Coffey said if that had been the case, other counties in the same Congressional district would have had similarly high "undervote" rates.

So many voters reported similar problems in the state's early voting period, Mr. Coffey said, that the Jennings campaign wrote a letter to Ms. Dent expressing concern. He said the results showed that an even larger portion of early voters — 20 percent of the total — did not vote in the Congressional race. By contrast, only 2 percent of voters using paper absentee ballots skipped the race, he said.

Mr. Coffey said Ms. Jennings wanted independent experts to come test the county's iVotronic voting machines, made by Election Systems and Software of Omaha. Ms. Dent did not return a call seeking comment on Wednesday.

"I don't think any of us would be satisfied with having the government do the verification," Mr. Coffey said, "because, honestly, the government appears to be part of the problem here."

Mike Lasche, a boat captain here, said that when he voted his vote for Ms. Jennings did not show up on the final review screen until he cast it a second time.

"If I had not checked carefully I would have gone on without ever thinking about it," said Mr. Lasche, 50. "You have to wonder how many people it happened to and may not have even noticed it."

Voters Say Yes To Borrowing Billions For New Projects (USAT)

By Dennis Cauchon, Usa Today

USA Today, November 10, 2006

Voters were in a borrowing mood this week.

State and local governments won approval for more than 88% of the $78.6 billion they asked to borrow in Tuesday's election, according to i-Deal, a New York company that tracked the results.

The money will be spent on schools, roads, sewers, fire stations and other projects.

California voters approved the biggest chunk of debt: $43 billion for five bond issues for roads, schools, flood control, parks and affordable housing.

"California is now leading the country in seriously addressing infrastructure needs, and we'll continue that," says Adam Mendelsohn, deputy chief of staff for Gov. Arnold Schwarzenegger.

Big bond issues approved elsewhere:

·Wake County, N.C. Voters approved borrowing $970 million to build 17 schools, buy land for 13 others and improve another 100 buildings in the county, which includes Raleigh.

·Dallas. Voters approved borrowing $1.4 billion for parks, streets and libraries. The Cotton Bowl football stadium will get a $30 million renovation, and the local farmer's market will get a $6.6 million upgrade.

·The Hartford, Conn., area. Voters approved borrowing $800 million to start a massive sewer upgrade to stop untreated sewage from flowing into streets and rivers after heavy rains.

The biggest bond issue to fail: Los Angeles' proposal to borrow $1 billion to build affordable housing.

State and local governments now owe $1.9 trillion, up 8.2% from a year ago, the Federal Reserve Board says. By comparison, the federal debt is $4.9 trillion.

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In the past 60 years, voters have approved 74% of the money requested in bond issues, according to Thomson Financial, a research firm. This year's rate will approach the record of 91.4% approval in 2004.

"States have the capacity to handle this debt. I'm not worried," says David Hitchcock, a credit analyst at the Standard & Poor's credit rating agency. He says governments, especially in the booming West, must build infrastructure to handle growing populations. Most bond issues are repaid from property taxes, and higher real estate values have made it possible to borrow more without raising tax rates, he says.

Issues driving voter approval:

·"The American people are clamoring for relief from traffic congestion," says Matt Jeanneret, senior vice president of the American Road and Transportation Builders Association.

·"People are weary of overcrowded schools," says Ed Davis, superintendent of schools in Union County, N.C. Voters there approved borrowing $174 million to build five schools.

Chris Edwards, director of tax policy at the libertarian Cato Institute, says he's surprised so many bond issues passed in a year of voter discontent. "Voters don't seem to understand that bonds are taxes," he says. "There's no such thing as a free lunch in economics."

Iowa Governor Declares For '08 (NYT/AP)

By The Associated Press

The New York Times, November 10, 2006

DES MOINES, Nov. 9 (AP) — Gov. Tom Vilsack began a long-shot bid for the White House on Thursday.

"Americans sent a clear message on Tuesday," Mr. Vilsack, a Democrat, said. "They want leaders who will take this country in a new direction. They want leaders who share their values, understand their needs and respect their intelligence. That's what I've done as governor of Iowa, and that's what I intend to do as president."

His announcement came two days after the midterm elections, which put Democrats in control of both the House and the Senate for the first time in a dozen years.

Mr. Vilsack, a two-term governor, filed documents with the Federal Election Commission in Washington to create a presidential campaign committee. His campaign started operating, with an office open and letterhead printed. His campaign Web site, tomvilsack08.com, was online by early Thursday.

He is the first Democrat to file for the presidency, although a number of better-known candidates are presumed to be running.

Although the favorite son in Iowa, Mr. Vilsack has trailed the other potential candidates in early polling, among them Senator Hillary Rodham Clinton of New York and John Edwards, the 2004 vice presidential nominee and former senator from North Carolina.

Mr. Vilsack plans a multistate tour beginning Nov. 30 to announce his bid formally. The first stop will be his hometown, Mount Pleasant, where he served as mayor and which he represented in the Iowa Senate before being elected governor in 1998.

On the Republican side, Representative Duncan Hunter of California has announced the formation of an exploratory committee. About a dozen other candidates, including Senator John McCain of Arizona and Gov. Mitt Romney of Massachusetts, are weighing bids.

McCain Plans A Committee To Study '08 (NYT)

By Anne E. Kornblut

The New York Times, November 11, 2006

Senator John McCain of Arizona is about to form an exploratory committee for a possible presidential campaign, advisers said, taking a concrete step toward a full-blown campaign in 2008.

Advisers to Mr. McCain said he had not made up his mind whether to run, although he has acknowledged that he is strongly considering doing so.

"There's not going to be a formal announcement this year," John Weaver, an adviser to Mr. McCain, said. The senator, who appears at or near the top of public opinion surveys about who should run for higher office, will wait until the Christmas holidays, when his children are home, to make a final decision, Mr. Weaver said.

"It's incorrect to characterize it as a formal decision or a final decision," he said.

Even so, the move is likely to speed up an already accelerated presidential race, in which candidates on both sides barely waited for the midterm elections to end before leaping ahead to the next campaign.

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The sudden shift in power in Congress does not appear to have slowed the rush. On Thursday, Gov. Tom Vilsack of Iowa declared his intention to run; other Democrats, including Senators Barack Obama of Illinois and Joseph R. Biden Jr. of Delaware, have said they are thinking about it and have made trips to Iowa, the home of the first caucuses.

Senator Hillary Rodham Clinton, widely considered the front-runner for the Democratic nomination, has been more coy about her intentions. Mrs. Clinton used her minimally contested Senate re-election campaign as an excuse to avoid questions about the presidency until last Tuesday; since her landslide victory she has said she is taking a break before addressing 2008.

But Mrs. Clinton has put together an imposing apparatus for a possible presidential bid and has more than $13 million left over from her nearly $38 million Senate campaign to roll into a national race. To spend that money on presidential activity, she would need to take the legal step of forming an exploratory committee along the lines of the one Mr. McCain is establishing.

Mrs. Clinton's advisers have said she is likely to make her intentions clear in December or January, although her financial advantage — particularly her expected ability to raise money down the road — gives her the option to wait until later.

Gov. Mitt Romney of Massachusetts, who is leaving office, and former Mayor Rudolph W. Giuliani of New York, both Republicans, are also preparing for possible campaigns, although neither has taken any formal legal steps.

Mr. McCain's advisers said he was moving forward with a committee — likely to be formed next week, and almost certainly by the end of the month — because he did not want to skirt regulations that forbid using money from his existing political action committee toward presidential costs, even preliminary ones like travel.

"He's preparing in case he does choose to run and gauging whether he has the support in order to make a successful run," Mr. Weaver said. "And in order to do that, we'll meet all legal requirements." He said that Mr. McCain had about $1 million in his Senate coffer, Friends of John McCain, which is transferable.

Election Doesn't Shutter Clinton Campaign Offices (NYT)

By Patrick Healy

The New York Times, November 11, 2006

Senator Hillary Rodham Clinton's re-election race may be over, but she is hardly closing up her campaign shop or worrying about deep debts.

Advisers to Mrs. Clinton say she has more than $10 million left in her political bank account, not to mention a priceless reservoir of speeches, issue research, and financial networks nationally for any future use.

Her advisers also say that she does not intend to disassemble her campaign apparatus and staff, as many candidates do when an election ends, nor does she plan to immediately close her New York City and Washington campaign offices.

Indeed, the Clinton camp has spent months building a re-election team that could easily shift into gear for a 2008 presidential bid. Fresh from her landslide victory, and with a fistful of I.O.U.'s from winning Democratic candidates nationally, Mrs. Clinton is comfortably positioned as she prepares to enter an important period of strategy talks, reading and reflection while deciding whether to run.

The millions left in her campaign account have helped fuel chatter about a presidential bid among supporters in the last few days because that money could be used for political activity if she chooses to run.

Also stirring talk about her presidential ambitions was a memo sent out on Wednesday by a senior Clinton lieutenant that highlights the senator's political gains on Tuesday in traditionally moderate and Republican areas of New York.

Mrs. Clinton is expected to make a decision on a presidential bid this winter, and there has been slightly more open discussion about 2008 between her inner circle and outer circle advisers in the last couple of weeks, members of both groups said this week. Still, some advisers and donors to Mrs. Clinton say that they do not see any urgency or signs about 2008 decision-making.

"She's so strongly positioned that she can set her own timetable for any decision she might make," said Alan Patricof, the finance chairman of her re-election campaign. "She hasn't asked anyone specifically to be at the ready; if and when she does that, it'll mean that she's in a mode to move forward."

Even if she does nothing in coming weeks, she still looms over the 2008 race: Gov. Tom Vilsack of Iowa even called her this week to give her a heads-up that he was planning to seek the Democratic presidential nomination, advisers to both of them said. Mr. Vilsack is a longtime admirer of Mrs. Clinton, his advisers said, and he is well aware that she has the standing and money to mount a formidable campaign.

Howard Wolfson, a Clinton adviser, said there were no specific plans for spending the rest of the campaign's money. He said he was not aware of any plans to dismantle the campaign staff, nor of plans to help other Democrats retire their election-year debts. At the same time, he did not rule out debt relief.

"Senator Clinton did everything she could to be as helpful as possible to candidates in the last cycle, and I'm sure if there are other things she can do to be helpful in the future, she will be," Mr. Wolfson said.

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At least one of Senator Clinton's possible rivals in 2008, should she win the Democratic nomination, is already taking steps in that direction. Former Mayor Rudolph W. Giuliani, who campaigned for more than 35 candidates this year, is looking into the campaign debts of Republicans and expects to help some candidates retire debt, according to his spokeswoman, Sunny Mindel.

Mr. Giuliani is also making his first postelection foray to a presidential swing state, Pennsylvania, on Sunday, where he will give a speech on leadership, hold a brief news conference, and dine privately with a group of young entrepreneurs, according to organizers of the event at Wilkes University.

Advisers to Mr. Giuliani said they did not expect him to announce a candidacy for the presidency during the visit, noting that it had been on his schedule for many weeks.

Clinton advisers said she had no major political travel plans or speeches in the near future. Democratic strategists with ties to the Clinton camp say the next several weeks will be a particularly sensitive time for potential candidates like Mrs. Clinton on issues like Iraq, because their fellow Democrats in the House and Senate are assembling a governing agenda and message.

For now, at least, the Clinton team has been focused on assessing the victory in New York, drawing lessons from it and thanking supporters, as Mrs. Clinton did during a statewide tour on Wednesday.

Patti Solis Doyle, a chief campaign aide and longtime adviser to Mrs. Clinton, sent e-mail messages to supporters on Wednesday to note political high points of her victory: She won 61 percent of the vote upstate, compared with 48 percent in her 2000 race, and she won 64 percent of independent voters, up from 46 percent in 2000.

"Even as she campaigned for her own re-election, Hillary headlined 131 events in 57 different cities on behalf of other Democrats," Ms. Solis Doyle wrote, underscoring Senator Clinton's national profile as well.

"President Clinton had made 97 campaign stops by last weekend, and has probably done another 10 since then."

The fact that Mrs. Clinton drew only slightly fewer votes than Eliot Spitzer, the successful Democratic candidate for governor, also drew her advisers' attention. A criticism that has been made of Mrs. Clinton is that she is a polarizing figure, certainly more than Mr. Spitzer, who is broadly popular. Yet she won 67 percent of the vote compared with his 69 percent.

"That's a very, very strong indicator of how Hillary can sell herself to voters, in New York and nationally," said one Clinton adviser, who spoke on condition of anonymity because he was not permitted to discuss 2008. "She's within two points of Eliot — the most popular guy in state politics — yet you would've thought that more people would be gunning for her than for Eliot. Yet she convinced people to be with her."

The '08 Race For The White House Begins (CQ)

By Craig Crawford

CQ Weekly, November 11, 2006

The coming presidential campaign will be the most wide open in eight decades. The future of a war is at stake. There is the potential to elect the first woman, the first African-American — or even, possibly, the first African-American woman.

To most of the political world, the 2008 presidential campaign will be considered under way this week. But, in fact, activity on the hustings in the battleground states, those with the early nominating contests, began within weeks of the day George W. Bush was re-elected in 2004.

In the wake of this week's elections, the margins of control are so narrow that establishing a firm rule over the nation's direction will not be feasible until the 44th president of the United States is elected on Nov. 4, 2008.

If Tuesday's elections were the midterms, consider 2008 the final exam. And what a brutal test it should be.

By definition, any presidential election makes history. But this one is shaping up as the biggest, baddest, meanest and, quite possibly, the most historic race for the White House in at least a generation.

With Vice President Dick Cheney unambiguously ruling out a bid, the stage is set for an epic battle without an official heir apparent on either the Democratic or Republican side.

"It's the first cycle since 1928 with no incumbent president or vice president running for the White House," said University of Virginia political science professor Larry J. Sabato. "As a result, we are seeing the earliest campaigning ever, by the most candidates in both parties."

The 2008 contest began so early that we already have a dropout. Last month, former Gov. Mark W. Warner of Virginia said he would not be running after making several forays into Iowa, New Hampshire and other early-voting or big-money states — and earning standing among the pundits as a member of the emerging Democratic field's top tier.

In Iowa, site of the first nominating test, more than two dozen potential presidential contenders from both political parties—including 10 percent of the current governors and 12 percent of the current Senate—have already racked up more than 100 campaign trips there since the last election. And the pace is picking up in early-primary states such as New Hampshire and South Carolina.

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Many of the White House hopefuls set up their federal exploration committees long ago. As a group, they have already raised a cash total that is now climbing above the tens-of-millions range. Permanent staffs have been hired. Direct-mail campaigns are under way. Consultants have designed logos, tested slogans and even made bumper stickers.

Civilians not accustomed to the guerrilla warfare of a presidential campaign might well think it is amazingly early for so many candidates to be so active. Not so. To win the biggest political prize on Earth, it pays to start now. Indeed, those who have not at least begun testing the waters by now might already be too late — so much of the big money and so many of the smart campaign people having already been spoken for.

Lining up top-shelf strategists and policy experts almost becomes a primary campaign unto itself at this early stage.

Hillary Rodham Clinton is set to inherit the bulk of her husband's constellation of political stars, James Carville first among them. And John Edwards has won the services of a top rural strategist, Dave "Mudcat" Saunders. But many of the major Democratic operatives, while quietly placing their bets on potential candidates, are hedging those bets until Clinton makes a final decision on whether to run.

On the Republican side, John McCain is mainly sticking with the team he assembled for his run in 2000 and has added some interesting names on the policy front, among them former Clinton administration drug czar Barry McCaffrey. Mitt Romney, though, scored a coup in signing on Mike Murphy, who was McCain's top adviser last time. George Allen attracted the services of GOP super-nova Mary Matalin and former Republican Party Chairman Ed Gillespie.

But nobody has won the biggest prize of all in this subcampaign — the ear of Karl Rove, the president's longtime political Svengali, who has painstakingly avoided even hinting at who he might help, or even whether he will join the fray at all. No Exaggeration

Would-be presidents are scrambling to the field so soon thanks to a genuine power vacuum in both political parties. For once, it is not hyperbole to call an election one of the most important ever, as politicians tend to say every four years — especially when it's their moment to make history.

Republicans must debate what to do after the Age of Bush, a period that featured two decades of party rule by a single family — George W. Bush's two presidential terms following the four years that his father, George Bush, spent as president starting in 1989.

A threshold question for Republicans in their nomination struggle will test the fate of social conservatism's influence. President Bush built a victorious coalition squarely founded upon the support of evangelical Christians, who are one of the most effective grass-roots players in the history of American politics. But their intensely conservative social agenda disturbs enough Americans that many Republicans, including some of the major 2008 contenders, are eager to make this next campaign about moving the GOP toward the center.

Much will depend on who among the Republicans will claim the mantle of social conservatives' darling, which the president himself will be shedding, and whether that person will possess Bush's skill at leveraging the religious base without narrowing his appeal to the rest of the electorate.

On economics, Bush has struggled to bridge a widening gap between Wall Street and Main Street, and the next nominee will be pressed to manage that rift. This tension was at the root of the roiling Republican debate over immigration, for instance. Big business, with Bush at its side, pushed GOP congressional leaders for changes aimed at legalizing the status of millions of immigrants. But rank-and-file Republicans balked in a fury, scuttling the Bush initiative.

The officially leaderless Democrats, for their part, will be in search of someone who can pull the party's varied factions together into a winning coalition — a task that even this week's sweeping victory might not come close to accomplishing.

Trickiest for the crop of Democrats running for president will be how to win over the legions of party activists who want to immediately withdraw U.S. troops from Iraq. It will be tempting for candidates to get on the good side of these voters, who are likely to dominate the primary balloting, but the obvious risk is being tagged by Republicans as weak on national security, a brand that has hobbled the party more often than not since Vietnam.

Of course, the best-case scenario for both party's candidates would be for the Iraq War to become a non-issue in the 104 weeks before Election Day 2008. But even if the Bush administration some day does begin significantly reducing troop levels, it seems a remote possibility that Iraq will not remain a national headache in two years.

The stakes for the country in the next election are as high as they are for the political parties. Polls show that voters are disgusted with the country's direction. With two years of bitterly divided government ahead of them, the voters are likely to be even unhappier when they choose the next president.

Look for the White House race to echo much of what was heard in the midterm elections, a tug of war between stay the course or time for a change. Republicans must offer some change, while making the case for keeping the status quo of a GOP-held White House. Democrats must argue for change, but without scaring people.

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They have 14 months until the votes are counted in the living rooms, cafes and schoolhouses of Iowa. And then at least two people, one Republican and one Democrat, will start moving toward a place in history. They will probably come from the roster of people, a baker's dozen from each party, whose current strengths and weakness — political, ideological and financial — are sketched in alphabetical order below. The Democrats

Evan Bayh — Junior Senator, Indiana

Rationale: A red-state darling and the son of another Democratic senator from Indiana — Birch Bayh, who sought the presidency in 1976 — this telegenic graduate of Washington's prestigious St. Albans School is a proven vote-getter in his home state, winning two terms as governor (he served from 1989 through 1996) of a state that Democrats have not carried in a presidential campaign since the Johnson landslide of 1964. A dedicated centrist and a senator since 1999, he served from 2001 to 2005 as chairman of the Democratic Leadership Council, the middle-of-the-road policy group once headed by Bill Clinton and Joseph I. Lieberman. In a blitz of campaigning for Democratic congressional candidates in 25 states this year, he has aggressively positioned himself as a Washington outsider, telling stump audiences, "The gulf between our nation's capital and the people of our country has never been greater."

Resources: With more than $10 million in his account, Bayh should have no trouble meeting the cover charge to run a credible nomination campaign. His home state's relative proximity to all-important Iowa will help him muster a network of grass-roots activists. His frequent trips to Iowa and New Hampshire in the past year have attracted local media interest and favorable comments. And his movie-star looks helped make an instant hit of his profile on the popular Facebook.com, drawing more than 2,000 "friends" to sign up.

Hobby Horse: Stressing fiscal responsibility, lower taxes, job creation and lean government, this is one Democrat who hopes to dodge the liberal label so often pinned on his party brethren in national campaigns. His Capitol Hill voting record shows that, until recently, he sided with President Bush on key issues more often than not.

Hobble Horse: Coming across as a mild- mannered Midwestern deacon is not what presidential campaign audiences expect — and in Washington, he is viewed as an intellectual lightweight. To compensate, Bayh asks Democrats, "Do we want to vent, or do we want to govern?" He might find that primary voters prefer venting.

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Joseph R. Biden Jr. — Senior Senator, Delaware

Rationale: A Democrat who talks the way many people talk, Biden's vernacular style is frequently on display in his many appearances on radio and television news shows, such as his regular gigs with syndicated host Don Imus. Despite spending more than half of his life in the Senate, the world's most elite political club — he arrived in 1973, when he was 30 — he seems to have a genuine instinct for middle-class sensibilities. Before the Iraq War, most Americans knew him from a series of bruising Judiciary Committee battles for Supreme Court nominations as he delighted liberals with his ferocious assaults on Republican presidents' choices. In past years his seat on the Foreign Relations Committee afforded him the chance to travel frequently to Iraq and stand out as one of the most vocal critics of the Bush administration's handling of Iraq.

Resources: Biden never has faced genuinely difficult re-election races in Delaware, a small state where he has not needed to develop a large financial donor base — at least by presidential campaign standards. This has left him chronically unable to raise enough money to match his White House ambition, which manifested itself in a short-lived run in 1988 and dalliances almost ever since. Still, his popularity with broadcast news producers and personalities gives him a tool for reaching voters that most rivals envy.

Hobby Horse: Despite voting for the 2002 resolution authorizing the Iraq War, Biden dissects the war's subsequent troubles with relentless passion and a knack for explaining his views in ways that average folks can grasp. And he takes great delight in pointing out that recent White House policy adjustments track his own longstanding suggestions.

Hobble Horse: If Biden could raise big bucks he would have been a serious contender in any of the last several presidential campaigns. And despite his average-Joe demeanor in public, his 33 years in the Senate — along with his reputation as the very model of a long-winded lawmaker — tag him as a creature of Washington. So, too, would the target-rich database of thousands of roll call votes from which opponents could cherry-pick.

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Wesley K. Clark — Retired General

Rationale: In an era of national security concerns that could last a generation, a retired four-star general who has been around the presidential-campaign block should be a most attractive commodity. Now a contributor to the conservative-leaning Fox News Channel, Clark has the opportunity to develop general- election appeal by reaching many voters who distrust the Democrats. Although unsuccessful in what experts deemed a disorganized 2004 bid for the Democratic nomination, he performed well enough to earn the undying loyalty of moderate voters attracted to his background as West Point graduate,

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wounded Vietnam veteran and NATO commander during the Kosovo conflict. Having run before and established modest political credentials, Clark — lacking experience as an elected official — might not be at as much of a disadvantage in a second run.

Resources: Raising $30 million in his first outing on the presidential field was not too shabby, but so far Clark has not begun to put together a serious war chest. Since most of his 2004 campaign funds came from individual donors, thanks to an effective Internet program, it is likely that he could raise plenty of start-up cash quickly if he decides to run again. But the major-league Democratic donors have shied away from him so far.

Hobby Horse: As the only potential contender in either party with such a distinguished military résumé, Clark commands attention as long as voters rate the war in Iraq as a top concern. His experience in handling the Kosovo conflict and helping negotiate the Bosnia peace accord give him unrivaled credibility.

Hobble Horse: Although Clark's lack of experience holding elective office is a plus to some voters, it is likely to remain a hindrance in the eyes of media and political elites. And he has not effectively used his time since the last campaign to shore up his credentials on the domestic front.

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Hillary Rodham Clinton — Junior Senator, New York; former First Lady

Rationale: Having evolved from Goldwater girl to first lady to player on the mighty Senate Armed Services Committee, Clinton is better known and more road-tested than any of her rivals and is by far the most politically viable woman ever to ponder the presidency. She is hugging the ideological center to shed the liberal, big-government image she acquired in a failed attempt during her husband's presidency to radically change the nation's health care system. But now she is tacking rightward, backing federal legislation against flag burning, refusing to recant her vote in 2002 to authorize the Iraq War — even sounding a distinctly centrist tone on abortion. And she seldom misses an opportunity to emphasize her conservative Republican roots growing up in the Chicago suburbs. A recent HBO documentary about Barry Goldwater prominently featured pictures of her as one of his teen supporters along with interviews of her warmly praising the father of modern conservatism.

Resources: Insiders say she will tap former Democratic National Committee Chairman Terry McAuliffe, a longtime Bill Clinton fundraiser, to oversee a nomination campaign with a donor budget expected to at least double the record-shattering $100 million that George W. Bush stockpiled in 2000. She has surprised observers by spending so much on her shoo-in second term Senate campaign, however, which means that she will not have as much left over for a presidential bid as she could have — and has fueled speculation that she might not actually run.

Hobby Horse: Clinton is a passionate policy wonk with a think tank to prove it. Founded three years ago as a refuge for Clinton administration alumni, the Center for American Progress has become an emerging force within the Democratic Party, sometimes outdoing the party's congressional leaders in taking on the Bush administration.

Hobble Horse: A stilted and sometimes boring performer on the stump, she pales in comparison with her husband when it comes to revving up crowds. And she seems cozier with the many Hollywood stars who are flocking to her cause than with the average folks she most needs to win over.

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Tom Daschle — former Senate Majority Leader, South Dakota

Rationale: Call it buyer's remorse, the notion that a nation once so high on George W. Bush might possibly embrace the man who led the Senate Democrats for a decade but lost his bid for a fourth term in South Dakota in 2004 after going toe-to-toe with the White House throughout the president's first term. Now that Bush is at rock bottom with voters, perhaps they would see Daschle's partisan warring — once so successfully targeted as "obstructionist" by the Republicans — as a badge of honor worth a belated reward. Grass-roots Democrats especially might be receptive to repaying a debt to Daschle. And with the pivotal state of Iowa neighboring his home state, he has a chance to play a role akin to that of the martyred favorite son in the first nominating contest of 2008.

Resources: As Democratic leader, Daschle was able to raise $20 million for his 2004 race back home, or $51 on every vote cast. Building the even more substantial war chest required for a presidential campaign could be an uphill struggle without the platform of an influential Capitol Hill post to help attract donors. Despite launching a new political action committee last year and testing the waters with trips to Iowa and New Hampshire last summer, Daschle has not revved up his fundraising sufficiently to convince skeptics that he can get his groove back on the cash front.

Hobby Horse: Daschle can argue that he was out front against Bush when it was hard, when the president was rated so high in the polls that many Democrats ran for the hills. And from his perch at the Washington lobby shop of Alston & Bird LLP, he has an opportunity to maintain access to party fundraisers who favored him in those heady days as a Senate leader.

Hobble Horse: Having pulled out of an expected presidential race last time, when he was at the height of his influence, Daschle could easily be written off as a has-been and a loser. Although a recent stint debating former GOP House Speaker Newt Gingrich in California earned them both points for across-the-aisle creativity, it seemed to make both men look very retro.

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Christopher J. Dodd — Senior Senator, Connecticut

Rationale: In an era when liberal Democratic partisans see the party's move to the ideological middle of the road as caving in to conservatives, Dodd is the true-blue alternative to centrism. Although he voted in favor of authorizing the war in Iraq, Dodd's liberal credentials are solid. He has a 91 percent support rating from the AFL-CIO and sided with President Bush only one-third of the time on the Senate floor last year. Dodd is a popular speaker in Democratic circles, easy-going and humorous even while hurling verbal spears at the opposing party. Within his robust résumé as a senator since 1981 — and as chairman of the Democratic National Committee from 1995 until 1997 — Dodd has the tools to bolster his case.

Resources: Dodd has raised more than $1 million to fund contributions to Democratic campaigns in the midterm election, but it will take much more to seriously get into the presidential game. Corporate givers are not fond of his longstanding opposition to their pet projects, such as restricting shareholder and class action lawsuits. Still, his home state is home to many wealthy givers, and his politics should appeal to the Hollywood money crowd.

Hobby Horse: Although he's a liberal, he is a pragmatist known for cutting deals at the last minute to shape legislation that he opposes more to his liking. In 2005, for instance, he gave in to Republicans on a bill to restrict class action lawsuits after winning concessions from them.

Hobble Horse: Another New England liberal might not be the ticket Democrats are looking for after walking the plank in 2004 with John Kerry of Massachusetts. And Republicans in Florida would have a field day with his strong support for opening up relations with Cuban dictator Fidel Castro.

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John Edwards — former senator, North Carolina; 2004 vice-presidential nominee

Rationale: As one of the few political figures on the national stage who routinely talks about fighting poverty, Edwards was a natural for the debate on helping the impoverished citizens of the Gulf states after Hurricane Katrina hit a year ago. His come-from-nothing personal story — the first in his family to go to college, he became a multimillionaire personal-injury trial lawyer before his election to the Senate from North Carolina in 1998 — makes him the genuine article when it comes to appealing to the middle class. One of the most popular speakers on the Democratic chicken-dinner circuit, Edwards is keeping a high profile outside Washington. He impressed Beltway insiders weary with Democratic waffling on the Iraq War when he wrote a Washington Post op-ed last year plainly stating that he was wrong to vote for authorizing the war while in the Senate.

Resources: Edwards raised $2.5 million for his One America Committee in the 2006 election cycle, funding a full-time staff and other expenses for one of the most aggressive PACs of the presidential wannabes. As happened at the outset of his 2004 run for the Democratic nomination, his seed money — nearly $1 million — comes from lawyers, presumably drawn to Edwards' own background. Broadening that donor base will be a major objective for him.

Hobby Horse: Edwards is all but living in Iowa, where a poll last June showed him in first place, ahead of Hillary Rodham Clinton. Iowa insiders say he has natural appeal in the state — the Des Moines Register endorsed him in 2004 — and might have won the presidential caucus if he had maintained a stronger grass-roots organization.

Hobble Horse: Washington's political insiders tend to dismiss Edwards as a poor performer on the 2004 national ticket who came across as a lightweight in the debate with Vice President Dick Cheney and could not even help carry his home state of North Carolina.

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Russ Feingold — Junior Senator, Wisconsin

Rationale: The ultimate insider-acting-like-an-outsider, Feingold often breaks ranks with his party and sometimes the entire Senate. The campaign finance overhaul enacted in 2002 over the objections of the leadership in both parties is known as the McCain-Feingold law. Perhaps the most uncompromising liberal in the Senate, Feingold's name appears as the only dissenter in the occasional Senate roll call. His lone-ranger status forever endeared him to civil libertarians in 2001, when he cast the single vote in the Senate against the counter-terrorism law dubbed the Patriot Act — and did so just six weeks after the Sept. 11 terrorist attacks. More recently, party leaders refused to even seek a vote on his resolution to censure Bush for ordering "warrantless" surveillance.

Resources: Even Democratic Party insiders grumble that Feingold goes too far in spurning the campaign finance system by refusing to accept most forms of outside money, even before McCain-Feingold took effect. Still, he has managed to raise more than $2 million for his presidential exploration fund, most of it from individual donors. The law he helped write could level the playing field to his advantage, as rivals must play by the rules he set.

Hobby Horse: No one in the presidential field for both parties has a better track record for advocating clean government, even when his stands irritate his own party's leaders. Voters cynical about corruption in Washington should find him to be a refreshing exception and tireless champion.

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Hobble Horse: Feingold's social liberalism — he opposes the death penalty and supports gay marriage — delights his loyal followers, but it could be a devastating target in a general election and severely limit his reach into middle America. He didn't help matters by once referring to Greenville, Ala., as a place of "check-cashing stores and abject trailer parks."

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Al Gore — former Vice President; 2000 presidential nominee

Rationale: Revenge-minded Democrats could have a champion in Gore if they want a do-over of the 2000 presidential election, which many believe he actually won. After wandering in the wilderness after that bitter loss, Gore re-emerged to popular acclaim as George W. Bush was tanking in the polls. It is tough to discount his claims that the United States would not be mired in Iraq if he had become president. And he restored some of the old luster by starring in a critically acclaimed film, "An Inconvenient Truth," alerting audiences to the dangers of global warming. While once rejecting any notion of another race, Gore has recently cracked the door open a bit. Party insiders believe that he will definitely run if Sen. Hillary Rodham Clinton opts out.

Resources: Gone are the heady days when Gore, as the two-term incumbent vice president under Bill Clinton, raised well above $100 million for his second presidential campaign. (He first ran in 1988, the year he turned 40, when he was a freshman senator from Tennessee.) Four years ago, when he toyed with another try, many of his financial backers abandoned him, a major factor in his final decision to sit out the 2004 campaign. If Gore joined the 2008 field, associates say he would shun the big bucks — out of necessity — and try to make it an asset by running as an outsider.

Hobby Horse: Global warming and the environment enthuse Gore like no other topic, although some observers note that he failed to make those issues much of a priority while he was vice president. On the Iraq War, he parted with Bush and most congressional Democrats in vehemently opposing the invasion early on.

Hobble Horse: Endorsing Howard Dean for president in 2003 was a sign to some Democratic insiders that Gore had simply lost his way, reducing his appeal to the party's fringe elements. And his global warming obsession is not viewed as a big enough platform to revive a presidential bid.

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John Kerry — Junior Senator, Massachusetts; 2004 presidential nominee

Rationale: The preferences of a few counties in southern Ohio cost Kerry the electoral votes that would have made him president last time. Since he came so close against an incumbent, he could put it over the top in a race for an open seat in the White House — especially considering that, since the 2004 election, the country has turned against Bush on the war in Iraq. Battle-worn from that race, the 22-year senator from Massachusetts says he has learned crucial lessons in how to run against Republicans. Primarily, he vows to fiercely defend attacks, evidenced by his initial refusal to apologize last week when Bush assailed him for joking that young Americans must get educated or "get stuck in Iraq." Instead, Kerry counterattacked, calling the president's aides hacks who are "willing to lie." He apologized for the gaffe the next day.

Resources: Money is the least of Kerry's problems. He raised nearly $350 million for his last presidential campaign and nearly $6 million in the 2006 cycle for his political action committee, Keeping America's Promise. His personal wealth, mostly from the fortune of his wife, Teresa Heinz Kerry, came in handy in his first national run, when he infused his Iowa caucus campaign with his family money in the final days and eked out a win that propelled him toward the nomination.

Hobby Horse: Kerry has determinedly used his Senate platform to extend his campaign against President Bush and fuel another presidential bid. He turned much of his 2004 campaign policy agenda into a legislative agenda. Just a few weeks after that election, for instance, he retooled his campaign health proposals into the first bill that he introduced.

Hobble Horse: Last week's imbroglio over what Kerry himself termed a "botched joke" — which, to many, appeared to suggest that American soldiers are uneducated — was yet another reminder to Democrats of how clumsy he can be on the stump. It forced him off the campaign trail as fearful Democratic candidates canceled his appearances.

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Barack Obama — Junior Senator, Illinois

Rationale: Right now he holds one of the hottest cards in American politics, his initial flirtation with a 2008 campaign generating so much enthusiasm that media pundits have labeled the nation beset with "Obama fever." With his deep baritone voice and Lincolnesque physicality, he has Oprah Winfrey swooning and Democrats cheering, attracting massive audiences on a White House exploration itinerary thinly disguised as a book tour. Although Obama once flatly ruled out a presidential bid so early into his first Senate term, on NBC's "Meet the Press" last month he acknowledged that he could well change his mind. On paper it would seem much too early in his career for such a run, but when you are holding such hot cards it is tempting to play them.

Resources: Anyone who can stir the waves as he has done usually finds that the money flows in. He raised $15 million for what was a cakewalk 2004 Senate campaign and more than $4 million this year for a federal political action committee that

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presumably would become his presidential exploration fund. Obama's biggest PAC contributors come from organized labor, and it seems he delivers, already earning a 100 percent support rating from the AFL-CIO for his Senate votes.

Hobby Horse: Obama has captivated the imagination of baby boomers in an ironic way, by arguing in his new book, "The Audacity of Hope," that it is time for American politics to move beyond them and the polarizing issues of their growing-up years in the 1960s. His forward-looking message clearly resonates with many Americans.

Hobble Horse: Although many political experts say the country would be open to electing an African-American president (his father is from Kenya, his mother is a white woman from Kansas), it would be a racial gamble for the Democratic Party to nominate only the third black senator since Reconstruction. And his far-from-ripe career on the national stage, while evoking memories of a youthful Jack Kennedy, is bound to give pause among some voters.

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Bill Richardson — Governor, New Mexico

Rationale: For starters, ethnicity and geography argue in favor of Richardson, a Latino governor in a battleground state that backed Al Gore in 2000 but George W. Bush in 2004. Add to that his varied Washington experience — 14 years in the House plus four years in the Clinton administration, first as U.N. ambassador and then as Energy secretary — and on paper you have the ingredients for national office. Richardson is a larger-than-life character who is charming on the stump. On policy matters, he is a pragmatist who remains quite popular in his politically fluid state, recently winning kudos for making good on a 2003 campaign promise to save taxpayers $90 million in state budget costs. Governors do well in presidential contests, which is enough of a reason to consider Richardson a player.

Resources: Richardson raised more than $8 million for his bid for a second term as governor this year, a sizable sum in New Mexico politics. And his shoo-in standing in that race has allowed him to spread his money around to other Democrats in the state, always good for earning chits to solidify his home-state base in a presidential campaign. Also, the bulk of his campaign funds come from business interests instead of big labor, a good talking point for any Democrat in a general-election bid.

Hobby Horse: Richardson earned foreign- policy credentials as the ambassador to the United Nations, troubleshooting hot spots from Iraq to North Korea, and he also can emphasize his popular management of New Mexico and tout what is expected to be a lopsided re-election victory.

Hobble Horse: Richardson's closet is not entirely clean. At a minimum, a presidential bid will again bring to light his brush with the Monica Lewinsky scandal, in which he reportedly offered her a job, and revelations that for years he erroneously claimed to have been drafted as a pitcher by the Kansas City A's.

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Tom Vilsack — Governor, Iowa

Rationale: Vilsack's hopes are pinned to a four-letter word: Iowa. As the outgoing governor of the state that has the first presidential nominating contest, he owns the place. Democrats take note that he was the state's first governor from their party in 32 years. In recent years he has worked hard to broaden his portfolio with a heartland-focused message assailing Washington's pork barrel spending and arguing for an end to what he derides as corporate giveaways in federal budget and tax policies. He has a strong working knowledge of economics and knows how to appeal to middle class pocketbook worries. His wife, Christie, is a talented politician in her own right and was instrumental in helping John Kerry win the Iowa caucus last time.

Resources: Vilsack raised more than $6 million for his successful 2002 re-election bid, with contributions from business groups edging out labor donors. He has raised a bit more than $2 million for his current political action committee but would need much more to convince party bosses that he can move into the major leagues of fundraising.

Hobby Horse: As one of a handful of governors in the race from either party, Vilsack is well-positioned to run against Washington at a time when voters seem disgusted by corruption in the nation's capital. And he intends to make his views of the excesses of federal spending one of his primary targets in a presidential campaign.

Hobble Horse: Another Iowan, Sen. Tom Harkin, demonstrated in his 1992 presidential bid that being a favorite son might be enough to win the state's nominating caucus, but it was much discounted by the national media and proved not to be anything close to a momentum generator for the New Hampshire primary.

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George Allen — Junior Senator, Virginia*

Rationale: A Ronald Reagan conservative with George W. Bush's down-home style, Allen has deep appeal to those social conservatives who dominate Republican presidential nominating contests. His background as Virginia governor and a solid conservative voting record during his term in the Senate present a powerful résumé. A year ago, Allen was seen as a top prospect to inherit the conservative chair in GOP circles. But a bruising re-election bid this year against Democrat Jim Webb has seeded ample doubt. Still, his troubles could be a blessing if he wins a second term. Despite his gaffes on the campaign trail and

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charges of racism in his past, Allen always could argue that these matters have now been vetted fully and dodge further discussion in a presidential run. All bets are off, of course, with Allen's loss this week.

Resources: There once was no doubt that Allen, a fundraising machine, could fund a credible presidential campaign — until his Senate re-election campaign foibles surfaced. Raising almost $14 million for his current race, much of it from outside Virginia, Allen had hoped to save a chunk of the money as seed funds for a White House run. But, instead, he has had to shovel the bulk of it into television ads in a last-minute effort to save his seat.

Hobby horse: Before his political skills were called into question this year, Allen was seen as a major talent on the stump. Never considered much of a policy wonk, he has served the GOP well on the political front, such as his successful management of the Senate Republicans' 2004 campaign team.

Hobble Horse: Even some Republicans privately say that Allen is not too bright, an image reinforced by his stumbling this year on the campaign trail. With his loss on Tuesday, Allen will likely be seen as damaged goods. And his tough race kept him tied down in Virginia, unable to travel the country earning the favor of other Republicans.

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Sam Brownback — Senior Senator, Kansas

Rationale: Brownback has an opening to seek the social conservative mantle in Republican politics, especially if Sen. George Allen loses his re-election bid in Virginia — and with it his viability for 2008. Brownback is no poser on issues of concern to evangelical Christians, who have grown restive about the Republican Party's real commitment to their cause. In Brownback, they would have a true believer who passionately denounces what he sees as the decay of American culture and has made the championing of social conservatism a centerpiece of his decade in the Senate. He has remained steadfast in opposition to stem cell research — a litmus test for anti-abortion conservatives, who view the harvesting of embryonic stem cells in the cause of medical breakthroughs as the destruction of human life. While others in his party are looking for room to wiggle toward the center on that and other socially divisive issues, Brownback has stayed put. None of his potential 2008 rivals can beat his ties to politically active religious leaders on the right.

Resources: Although he raised a respectable $2.7 million for his breezy Senate re-election campaign in 2004, Brownback has no experience in the major leagues of presidential campaign fundraising. His current political action committee, Restore America, raised just under $600,000 over the past two years. But if he can ignite the evangelical grass roots for a White House drive, Brownback could overcome a money deficit.

Hobby Horse: Brownback has cultivated Mideast credentials since the aftermath of the Sept. 11, 2001, terrorist attacks when he began making use of his standing at the time as the top-ranking Republican on the Near Eastern and South Asian Affairs Subcommittee of the Senate Foreign Relations panel. Since then, he has developed a reputation for expertise on Afghanistan and the Muslim world.

Hobble Horse: As a darling of the religious right, Brownback might have a leg up for the GOP nomination, but his appeal in a general election could be quite limited. Pragmatic Republicans would likely argue this case against him in the primary campaigns.

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Bill Frist — Senior Senator, Tennessee; Majority Leader*

Rationale: Before his stunning promotion to majority leader four years ago, Frist was seen as the heir apparent to President Bush's command of the Republican Party. Many say he was handpicked by the White House for the top Senate job. Despite a lackluster-at-best performance during his four years as GOP leader — and his decision to retire from his Tennessee seat at year's end — Frist can still argue that his résumé as a transplant surgeon and his political base in the South keep him in the running for 2008. He has struggled to balance his party's ideological divide. On the one hand, he pleased social conservatives when he set a Senate vote to overturn Florida court rulings that allowed the comatose Terri Schiavo's husband to have her life support removed. But he irritated evangelicals by taking a strong stand in favor of stem cell research — and in opposition to the Bush White House.

Resources: A very wealthy man, thanks to his own surgical prowess and a family fortune in the hospital business, Frist is comfortable and persuasive among the super-rich who fund major political campaigns. He raised nearly $6 million for his 2000 re-election and, naturally, health industry donors led the way. In the 2006 cycle, he has raised more than $7.5 million for his political action committee. If he runs for president, Frist could be one of the better-funded candidates in the field.

Hobby Horse: Frist is working hard to regain the trust of social conservatives after parting company with them on stem cell research. He got out front in the drive to ban same-sex marriage, even though it was a non-starter in the Senate. He knows that winning over the evangelicals is his first order of business for renewing interest in his presidential prospects.

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Hobble Horse: The Senate got little done on his watch, and many conservatives hold him responsible for failing to enact their agenda. And as he tries to make it up to them, moderate Republicans accuse him of pandering to the right wing. Washington insiders who were once so high on his chances now all but write him off.

* see note at the top of this story

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Newt Gingrich — former Speaker of the House, Georgia

Rationale: In a twist on Jimmy Carter's 1976 campaign slogan, "Why Not The Best?," Gingrich could use as his campaign tag line the rhetorical question, "Why Not The Past?" And why not, indeed? Gingrich, who led Republicans to control of the House in 1994 for the first time in 40 years, could be just the one to revive his party's winning spirit. With one of the sharpest minds in politics and policy, he can outtalk anyone in the game. And none of the party's current problems, from the Iraq War to the swirl of scandal around lobbyist Jack Abramoff, can be laid at Gingrich's doorstep. He's been out of politics since he resigned his House seat eight years ago, giving him the right to chide his party for losing its way, as so many grass-roots Republicans seem to think has happened. All he needs is a new contract with America.

Resources: Having been out of politics and the fundraising game for so long, Gingrich might have trouble getting up to speed. But when he was at the top of his game, as Speaker in 1996, he amassed more than $6 million for one of his more competitive House re-election races in suburban Atlanta. He has kept up ties with the money crowd as a popular speaker on the convention circuit, where well-to-do business leaders congregate.

Hobby Horse: Gingrich gives no ground when it comes to national security, arguing that the nation is already embroiled in World War III and should act accordingly. Although concerns about terrorism were not at the top of the agenda during his days in power, he has written several books about war and misses few opportunities to join the national debate.

Hobble Horse: Some think that Gingrich just talks too much, sometimes sounding like a nutty professor, and is much too eager to be provocative even at the risk of being misinterpreted. Social conservatives distrust him, and it doesn't help that he's on his third marriage. And the last big campaign he ran, the 1998 midterm, was a big enough bust for the GOP that it forced him out as Speaker.

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Rudolph Giuliani — former mayor, New York City

Rationale: No one has ever moved from a city hall to the White House, but Giuliani could be the first for one reason: He still basks in the glow from his role as "America's Mayor" five years ago, when his considered but forceful stewardship of New York City after the Sept. 11 al Qaeda hijackers' attacks on the World Trade Center earned him comparisons to Winston Churchill and prompted Time magazine to name him "person of the year." Other hallmarks of his eight years as mayor, such as fighting crime and cleaning up Times Square, bode well for making his case as a competent manager. He is a sought-after speaker on management topics. And perhaps most important to his political ambitions, Giuliani has tirelessly trooped around the country to leverage his star power stumping for Republican candidates. Despite his moderate social views, he has made a sincere effort to reach out to religious conservatives and talk in personal terms about his own beliefs.

Resources: Giuliani raised $2.4 million for his political action committee, Solutions America, in the 2006 season and gave nearly a half-million dollars to GOP candidates or other campaign committees. Among the home states of his donors, Florida and Texas are in the top five, a positive sign that he can tap the deep wells there for Republican cash. Still, he is untested as a national fundraiser.

Hobby Horse: Competence will be Giuliani's best argument. He takes pride in having run the nation's largest city and surviving the experience well-remembered as an able manager who actually got some things done. And his earlier days as a crime-fighting federal prosecutor could be cited as a credential for fighting terrorists.

Hobble Horse:Giuliani's views on abortion rights, environmental protection and other domestic issues are far to the left of the typical GOP voters' And his personal life, to put it mildly, is something of a mess. He has been married three times and his last divorce sparked a tabloid frenzy of charges and countercharges. Main Street Republicans and evangelical Christians might find it all a bit much to handle.

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Chuck Hagel — Senior Senator, Nebraska

Rationale: Call him the new John McCain. With two Purple Hearts earned as an Army infantryman in Vietnam and cozy relations with the press corps, Hagel comes across as the Republican maverick that McCain once was — before he began courting President Bush and the party's conservative wing. Early on, Hagel was a rare GOP voice in opposition to Bush's handling of the Iraq War. He did not let up, despite extreme pressure from party leaders to cool it. As a result, he is a favorite Republican to many Democrats. But he is no wild-eyed liberal, having once voted to overturn the Roe v. Wade protection of a

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woman's right to an abortion. For a presidential campaign, geography favors him: His home in Omaha is practically within walking distance of Iowa.

Resources: With just over $1 million raised by his political action committee during the 2006 cycle, Hagel shows no signs of being a campaign-finance powerhouse. He easily won re-election in 2002 with a modest $1.6 million in campaign funds. Chances are that if Bush and his friends have anything to say about it, Hagel will not be tapping a lot of traditional GOP resources. He has been a thorn in the president's side, and payback is probably on its way.

Hobby Horse: For Hagel, the word is maverick. In an era when voters are disgusted with blind partisanship, he is about as independent as they come. Like McCain and Rudolph Giuliani, his best argument to Republican primary voters is that he could appeal to a wide swath of general-election voters.

Hobble Horse: Plenty of GOP conservatives would rather set themselves on fire than see Hagel win the Republican nomination. They see his persistent criticism of the Iraq War as treason within his party, if not to the nation as a whole.

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Mike Huckabee — Governor, Arkansas

Rationale: If teaching Americans how to lose weight can make you president, then Huckabee is a shoo-in. After being diagnosed with diabetes in 2003, he set upon a life-changing course of eating less and running more. Now 110 pounds lighter than when he began his exercise and diet regimen, Huckabee last year published a book about his experiences, titled "Quit Digging Your Grave With a Knife and Fork." As governor, he has argued that promoting healthier living, among both citizens and state workers, ultimately saves taxpayers millions of dollars in medical expenses. Huckabee's weight-loss evangelism comes naturally. He is a Baptist minister accustomed to inspiring others. As Bill Clinton demonstrated, you do not get to the top of Arkansas politics and stay there without knowing how to charm a crowd. And Huckabee, who has been governor for a decade (and was lieutenant governor for three years before that), gets high marks as a crowd pleaser.

Resources:Huckabee raised $2.3 million for his last governor's campaign, in 2002. The bulk of his money came from Arkansas business interests and only a little more than 10 percent of his funds came from out of state, suggesting that he might have some difficulty financing a national race. Although Huckabee might possess some of Clinton's charisma, he does not share his fellow Arkansan's knack for fundraising.

Hobby Horse: In a party so dominated by religious conservatives when choosing presidential nominees, Huckabee's status as a Baptist minister should get him a hearing. He and his wife, Janet, entered into a "covenant marriage," a popular movement among evangelicals in which couples agree to limited legal grounds for divorce.

Hobble Horse: A penchant for granting pardons went awry for Huckabee when he released a convicted rapist, Wayne Dumond, who then committed a murder in Missouri. Look for this story to get plenty of play if Huckabee becomes a credible presidential candidate.

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Duncan Hunter — Congressman, California's 52nd District; Chairman, Armed Services Committee

Rationale: In these times of national security worries, there is nothing like an ex-Army Ranger to the rescue. In the halls of Congress, where he's been since 1981, Hunter still comes across as a trained combatant. At the helm of the House Armed Services Committee for the past four years, he has earned a reputation as a blunt and ferocious advocate for the military, especially when it comes to protecting the troops from budget cuts. When the Bush White House wanted to redesign the nation's intelligence hierarchy, the president, the vice president and many others in the administration had to personally lobby Hunter to back off his firm stand against it. He finally signed on when satisfied that the changes would not threaten the access of soldiers in the field to intelligence data.

Resources: Considering the squads of defense lobbyists who traditionally swarm the Armed Services panel's offices, running from the Rayburn Building is a fine platform for raising money, and Hunter has mustered war chests in the $1 million range for each of his last three re-election bids — none of which has been remotely close. But if Republicans lose control of the House, Hunter would lose his chairmanship and not be in as strong a position to raise money.

Hobby Horse: Beyond his solid credentials as a defense hawk, Hunter presents a social conservative portfolio that has appeal in GOP presidential primaries. He has long sponsored legislation to ban abortions. And now that building a fence along the Mexican border is in vogue, he can point out that he has proposed doing so for years.

Hobble Horse: Hunter is a powerhouse on Capitol Hill, but outside Washington and his Southern California district he remains a complete unknown. Perhaps he is expecting to have plenty of time to get outside the Beltway and build name recognition after Tuesday.

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John McCain — Senior Senator, Arizona

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Rationale: As close to a Republican heir apparent as anyone gets in the 2008 field, McCain has done his best to earn that title from tradition-minded voters in his party. His positioning as a straight-talking maverick continues to give him clear general-election appeal, so his challenge is winning over social conservatives to get the GOP nomination. Independent voters and more than a few Democrats flocked to his initial presidential campaign. At the risk of losing some of those voters, McCain has courted religious conservatives and buried the hatchet from that bitter rivalry for the GOP nomination six years ago. The result has been a swell of conventional wisdom in Washington that sees McCain as the party's most likely nominee. Look for the president himself to give that nod at some point if all goes well between the two former rivals.

Resources: Money was tight for McCain toward the end of his 2000 nomination bid, which played a role in his ultimate loss to the massively funded Bush machine. But no one on the horizon for 2008 seems able to duplicate what Bush accomplished, opening the way for McCain to play the role of the presumed nominee and attract the attendant onslaught of cash.

Hobby Horse: While the corruption scandal brought on by convicted ex-lobbyist Jack Abramoff primarily tainted the Republican Party, it could make GOP voters all the more eager to nominate McCain, who has earnestly built a squeaky-clean image — he was, of course, a principal author of the 2002 campaign finance overhaul — despite himself getting caught up in the "Keating Five" savings and loan scandal of the 1980s.

Hobble Horse: Age and health are the biggest worries for McCain. He would be 72 on Inauguration Day 2009, meaning he would be the oldest person to become president. (Ronald Reagan was just shy of his 70th birthday when he first took the oath.) And although McCain says his bout with skin cancer is behind him, it left marks on his face that — along with injuries he suffered as a prisoner of war in Vietnam — deny him the appearance of robust health that Reagan projected.

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George E. Pataki — Governor, New York

Rationale: The governor's mansion in Albany was a good enough launching pad to get Theodore and Franklin D. Roosevelt into the White House — but it proved lousy for Mario Cuomo, who had to shelve his national ambitions in 1994 after losing his bid for a fourth term to Pataki, then a relatively obscure state senator. That upset earned Pataki the awe of Republicans nationally. They have watched him ever since, and his stewardship of the state — cutting taxes and creating jobs — has not disappointed them. (He's not seeking a fourth term of his own this year.) After the attacks of Sept. 11, Pataki was in the national spotlight, side by side with Mayor Rudolph Giuliani, demonstrating a calm competence that made their party proud. Instrumental in bringing the 2004 Republican Convention to New York, Pataki on paper is ready to play an even bigger role at the next convention.

Resources: The state of New York by itself has enough money to potentially fund a presidential campaign, but in 2008 there could be three from the state dialing for dollars: Pataki, Giuliani and Democrat Hillary Rodham Clinton. The Clintons have a tried-and-tested national network. Giuliani has been out of office with plenty of time to travel the country. Pataki, without the track record of the Clintons or the free time Giuliani enjoys, could face a tough challenge finding enough cash elsewhere.

Hobby Horse: A governorship has been the job of choice in four of the past five presidential elections, and Pataki is currently the nation's longest-serving governor — with plenty of policy achievements to boast about. Tax-conscious conservatives will find Pataki's tax-cutting record quite appealing. For compassionate conservatives, he can tout his 1999 health care plan extending insurance to those without employer-provided plans.

Hobble Horse: Pataki's charisma deficit — he's considered boring on the stump — will not help him charm his way into the hearts of religious conservatives who are not going to warm up to his abortion stand and support of gay rights. Rockefeller Republicans are still not welcome in such circles.

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Condoleezza Rice — Secretary of State

Rationale: She has said no in every imaginable way, but the political world cannot stop being fascinated with the idea of Rice on the national Republican ticket. She fits the bill for those who think only a solid conservative could ever become the first woman president, let alone the first African-American in the Oval Office. Rice, of course, is both of these — and she would make history just by running and winning a single primary. Careful and calculating in public, Rice makes very few mistakes despite having so many political foes gunning for her. A stalwart in the Bush White House's war on terrorism, from national security adviser in the first term to secretary of State since last year, she has the policy platform for a credible campaign despite lacking the experience of elected office.

Resources: If the Bush family gets behind her, all things are possible. The president is her biggest fan, and so far no one knows which of the 2008 hopefuls he might favor. Such high-powered backing is probably what it would take for Rice to mount an adequately resourced campaign. She has no experience raising the amount of money needed for such an undertaking, though her fame and rock-star appeal at GOP gatherings could make up the difference.

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Hobby Horse: While she has legions of critics, no one can doubt her toughness in the national security arena. She gives no ground, whether on talk shows or in contentious Senate hearings. And the State Department turned out to provide some refuge from the brickbats being hurled at Bush's war policy, where Defense Secretary Donald H. Rumsfeld has taken ownership of the hot seat.

Hobble Horse: As a presidential candidate, Rice would face endless questions that she now mostly dodges about uncomfortable matters, such as the warnings she received about terrorist activity before Sept. 11. That headache alone could be enough to dissuade her from joining the White House fray.

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Mitt Romney — Governor, Massachusetts

Rationale: If conventional wisdom is correct and John McCain is the one to beat for the Republican nomination, someone will emerge as the conservative alternative. Bet on Romney to at least have a turn in that spotlight. Most pointedly, he rushed to President Bush's defense when McCain was taking on the White House plan to expand the authority to interrogate terror suspects. On immigration, Romney has taken a hard line, in contrast to McCain's middle-of-the-road approach in support of the president's proposals. And Romney seems to show up in religious conservative country, such as South Carolina, every time McCain tries to make his way there. Romney is doing what Sen. George Allen was planning to do until his own Senate re-election became dicey in Virginia. If Allen is out of play, Romney stands to gain.

Resources: It is hard to know which is better for training as a major league fundraiser, being governor of a good-sized state or running the Olympics. Romney has done both. He raised nearly $9.5 million for his 2002 election as Massachusetts governor (he's not running again this year), and he compiled nearly $2.5 million for his federal political action committee in the 2006 cycle. And those ties to corporate biggies when he was CEO of the 2002 Winter Olympics in Salt Lake City? Priceless.

Hobby Horse: In an age when politicians cannot stop yammering about health care, Romney did something about it, signing into law last April an insurance plan that covers nearly all Massachusetts citizens without raising taxes. The plan's emphasis on individual responsibility for premium costs and subsidies for lower-income citizens is already becoming a popular model for Republican-style health care reform.

Hobble Horse: As a Mormon, Romney faces doubts among many evangelical Christians who are suspicious of the denomination. He does his best to disarm the doubters, once even cracking a joke about polygamy, saying that he believes marriage is "between a man and woman and a woman and a woman."

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Tom Tancredo — Congressman, Colorado's 6th District

Rationale:One-issue protest candidates are a hallmark of presidential campaigns, and Tancredo aims to make illegal immigration his cause. As Congress' leading advocate for tighter border controls and the deporting of people who have immigrated illegally, he is riding a wave of conservative sentiment that is roiling the Republican Party. Even some religious conservatives are getting as agitated about immigration as they are about abortion. And Tancredo was on this case long before it was hot. He says that he began focusing on it as a state legislator in the 1970s, when waves of immigrants moved into Colorado, eventually forcing the state to implement bilingual education programs. As a self-described religious-right Republican, Tancredo only gives way to liberals on gun control — a conversion brought about by the 1999 shooting deaths at Columbine High School, just blocks from his home in the Denver suburb of Littleton.

Resources: Protest candidates don't need a lot of money to maintain their candidacy. A cell phone and a rental car is about all it takes. But Tancredo is no slacker in this regard, having hit the $1 million mark in campaign funds when necessary for his re-elections since first winning his House seat in 1998. His alignment with anti-immigration groups and evangelicals should provide a healthy source of cash and direct-mail addresses to keep a campaign as long as he likes.

Hobby Horse: Tancredo's long-standing obsession with border fences and other measures to reduce illegal immigration is no longer burdened by the nutty image it once suffered. Last month, President Bush vindicated Tancredo's movement by signing into law a bill authorizing construction of 700 miles of fence along the Mexican border.

Hobble Horse: The inconvenient truth for Tancredo is that his own grandparents were immigrants. They came to the United States from Italy, but he says they always regarded themselves as Americans and not as Italian-Americans. And since they were legal immigrants, presumably he would not have them deported if they arrived today.

Denver Wooing Democrats For '08 (USAT)

By Tom Kenworthy, Usa Today

USA Today, November 10, 2006

Hopes for convention are mile high

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DENVER — The Mile High City is hoping that a rising Democratic tide in Colorado and the West will lift its chances of hosting the party's 2008 convention.

Officials involved in Denver's bid for the convention say their prospects against rival New York City improved on Tuesday as Colorado voters put a decidedly Democratic stamp on the state.

"I think our chances are now better," says Denver City Council member Rosemary Rodriguez, who serves on the city's convention bid committee. If held in Denver, it would be the first Democratic convention here since 1908, when William Jennings Bryan was nominated.

Bryant Adams, spokesman for the Colorado Republican Party, says the GOP will bounce back from a "very difficult year" because "Republican values are in line with views and values all across the West."

Democrats in Colorado this week reclaimed the governorship after eight years of GOP rule, captured a House seat that had been Republican since 2002 and strengthened their majorities in the state House and state Senate. Colorado Democrats will hold four of seven U.S. House seats, a U.S. Senate seat and, for the first time since Dwight Eisenhower was president, control both the Legislature and governor's office.

Elsewhere in the West, Democrats picked up a Montana Senate seat, two House seats in Arizona, and re-elected governors in Wyoming, New Mexico and Arizona. Five of the eight mountain West states will have Democratic governors starting in 2007; prior to the 2002 election, they had none.

"We've had a lot of success in the West, and it seems to us here in Colorado that the way to keep it up is to focus on the western U.S.," says Steve Farber, a Denver attorney who co-chairs the city's convention effort.

"Democrats need to look at the Rocky Mountain West as their hope for the future," adds Sen. Ken Salazar, D-Colo. "We're ready. We have the facilities. We have the most beautiful state in the nation."

A spokesman for New York Mayor Michael Bloomberg did not respond to messages seeking comment. Republicans will hold their 2008 convention in Minneapolis-St. Paul.

Democratic Party Chairman Howard Dean is expected to decide between Denver and New York by early December. At a breakfast meeting with reporters in Washington on Thursday, he said both cities are still under consideration.

Sen. Harry Reid, D-Nev., who is likely to become majority leader in January, has backed Denver's bid.

New Mexico Gov. Bill Richardson, a Democrat who just won a second term, said Tuesday's election results "make a strong case for the convention going to Denver."

Referendum Revelations (WSJ)

The Wall Street Journal, November 11, 2006

Republicans took a drubbing in Tuesday's elections. But judging by the results of various referendums nationwide, some of the ideas they used to stand for are alive, well and popular among voters.

The most significant moral victory comes in Michigan, where voters approved by a surprisingly lopsided 58-42 margin Proposal 2, which bars discrimination and preferential treatment "in the operation of public employment, public education or public contracting." Michigan voters showed common sense in passing the proposal over the demagogic objections of special interests such as women's groups and minority contractors, who outspent proponents of the measure three to one and ran ads depicting it as a disaster on par with 9/11 and Hurricane Katrina.

In California, four measures that would have raised taxes in an already overtaxed state went down in flames. One of them was a 300% hike in the duty on cigarettes; another a $50 per-parcel tax on landowners. Then there was Proposition 89, which would have hiked corporate taxes by 0.2 percentage points to create campaign funds for political candidates able to raise at least $125,000 in five-dollar increments. For a state in which porn stars have been known to throw their g-strings into the political ring, this nod toward Moonbeam populism probably wasn't a good idea.

For our money, however, California's dumbest proposition was numbered 87. Backed by movie producer Stephen Bing, it would have slapped a sliding-scale tax on California oil producers in order to fund alternative energy sources and, supposedly, reduce dependence on foreign oil. But exactly how increasing the cost of domestic oil was supposed to do that -- especially when the proposition forbade energy companies from passing along the higher prices at the pump -- was a conundrum to which supporters never gave much thought. The proposition went down 45% to 55%.

Also encouraging were the nine states that passed anti-Kelo referendums, which restrict state governments from using their powers of eminent domain to transfer property from one private owner to another. That brings to nearly 40 the number of states that have responded to the Supreme Court's infamous 2005 ruling that allowed the city of New London, Connecticut, to seize 15 homes to do the bidding of corporations and developers. The three states that rejected similar measures on Tuesday -- California, Washington and Idaho -- did so in part because proponents overreached politically by insisting that landowners should

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be compensated when government regulations diminish their property values. Opponents were able to portray this as a threat to state budgets and fiscal prudence.

Social and cultural issues were also on the ballot. Arizona, where voters otherwise evicted anti-immigration Congressman J.D. Hayworth, approved a measure making English the official language by a three-to-one margin. This suggests to us that what Americans want isn't so much restricted immigration as it is a culture of assimilation. Bans on same-sex marriage -- a pre-emptive reaction in the face of judicial overreach in places like Massachusetts and New Jersey -- were approved by large margins in liberal Wisconsin and conservative South Dakota, among seven states.

At the same time, South Dakotans rejected a measure that would have banned nearly all abortions, while Missouri voted to endorse stem-cell research by the narrowest of margins, 51% to 49%: Both are useful lessons that Americans remain pragmatic and intelligently ambivalent on these difficult moral issues.

Our one disappointment was voter approval in six states for raising the minimum wage. The minimum wage is not a victimless crime, but it does tend to be an invisible one since it often takes the form of employers simply doing without some of the entry-level positions they might otherwise have filled with the young or unskilled. But with the Bush economy producing jobless figures of 4.4%, we can understand why voters are not on their guard about risks to fuller employment.

What all this tells us is that while voters have delivered a partisan rebuke to a party that likes to describe itself as conservative, they still believe in low taxes, property rights and social conservatism -- so long as it is not extreme. There's a lesson here for the next crop of GOP candidates, assuming they're willing to pay attention.

Michigan Prefers Equality (WSJ)

By Abigail Thernstrom

The Wall Street Journal, November 11, 2006

Ward Connerly has done it again: A striking 58% of Michigan voters gave the Michigan Civil Rights Initiative a thumbs up; only three counties voted against it.

The language of the MCRI closely tracks California's 1996 Proposition 209, also led by Mr. Connerly. It amends the Michigan Constitution to "ban public institutions from using affirmative-action programs that give preferential treatment to groups or individuals based on their race, gender, color, ethnicity or national origin for public employment, education or contracting purposes." The political and business establishments, pressure groups like the AARP, labor-union leaders, religious spokesmen, the professoriat, the major Detroit newspapers -- all were opposed to MCRI. But a substantial majority of ordinary voters were thinking for themselves.

Patty Alspach was perhaps a typical supporter. A Democrat, she signed the petition putting the proposition on the ballot. Meanwhile, opponents loudly claimed that the measure was misleading, that voters were being duped, that it should be tossed off the ballot. "I read it," replied Ms. Alpach. "I understood it. I signed it. Now let me vote on it."

While Mr. Connerly is the father of the civil-rights initiatives, in Michigan his role was that of mentor and fund-raiser; Jennifer Gratz, MCRI's executive director, was in charge. She'd been the lead plaintiff in Gratz v. Bollinger, one of the University of Michigan cases decided by the U.S. Supreme Court in June 2003. The Court agreed that race-driven admissions policies were okay as long as they remained a bit subtle -- but no naked point system for the color of an applicant's skin. The drive for the MCRI was launched immediately after the Gratz and Grutter decisions were announced.

The initiative's opponents enjoyed a five-fold funding advantage, which they used to broadcast a series of scary messages. The MCRI would be a tragedy on the scale of 9/11; it would perpetuate a "culture of inequity," and "endanger access to life-saving health-care services that apply only to women" -- the language of the initiative to the contrary notwithstanding. Opponents even found basketball coaches to tout the importance of seeking "diversity." In response to that last stunt, the tiny band of full-time, young MCRI workers (five on the payroll) sent a staffer -- a very short Korean immigrant, carrying a basketball and dressed for the court -- to the coaches' press conference where he stated his eagerness to add "diversity" to the game.

Such episodes reveal the youthful idealism and commitment of Ms. Gratz, 24, and her staff, so reminiscent of the civil-rights movement in its heyday. They were all 20-somethings, ready to sleep under their desks and work nonstop. Despite the provocative ugliness of the MCRI's opposition, they stuck with an unwavering, positive message -- leavened with wit.

The ban on preferences will affect the state and local government, but the University of Michigan will feel its impact most keenly. In the closing pages of "The Shape of the River," William Bowen and Derrick Bok's celebrated book on preferential admissions, the authors warn that, if barred from using racial double-standards, institutions of higher education will find another way to achieve the desired racial mix on campuses. Straight out of the Bowen and Bok playbook, University of Michigan president Mary Sue Coleman issued a statement on Tuesday night (even before the final results were in): "Regardless of what happens with Proposal 2, the University of Michigan will remain fully and completely committed to diversity. I am determined to do whatever it takes to sustain our excellence by recruiting and retaining a diverse community of students, faculty and staff."

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Brave words in the face of utter defeat. To be sure, Supreme Court opinions can often be circumvented behind closed admissions-office doors; that was certainly the story after the 1978 decision in University of California v. Bakke, which (on paper) sanctioned the use of racial identity only as a "plus" factor, one consideration among many in admitting students. But state constitutional amendments are seriously constraining, as the experience in California in the years since the passage of 209 suggests. Racial double-standards in college admissions has been markedly curtailed at the state's flagship schools.

Buried in a lengthy speech to University of Michigan students on Wednesday, Ms. Coleman did say, "of course the University of Michigan will comply with the laws of the state." It was far from her first thought, however, and she has asked the school's attorneys "for their full and undivided support in defending diversity." They'll waste their time. As George Mason University law professor David Bernstein notes, "the chances that the university would ultimately win such litigation approach zero."

Ms. Coleman's other problem is that the much-vaunted "diversity" of the university is something of a sham, as an editorial writer for the very liberal Daily Michigan newspaper has suggested. The campus "is starkly segregated . . . We live in different student neighborhoods. We go to different bars on different nights. We join in different student groups. There are even separate Greek systems." While Ms. Coleman has made the usual noises about building a "community" and "creating a diverse, welcoming campus" -- whom was she kidding? Apparently no one.

Dishonesty has always been the coin of the realm in this country when it comes to race -- from the days of the Declaration of Independence to "separate but equal" and beyond. The use of race as a decisive factor in admissions at selective colleges and universities is no exception.

The modern-day survival of racial preferences depends on sympathetic judges willing to spin dubious arguments and ignore widely available data on the pernicious impact of such preferences. But, this time, the University of Michigan may find itself without judicial recourse. The Supreme Court has never said that universities are constitutionally obligated to institute "diversity" policies. Public universities are funded by taxpayers. And those taxpayers have spoken.

Ms. Thernstrom is a senior fellow at the Manhattan Institute and vice-chair of the U.S. Commission on Civil Rights.

Trade Deficit Narrowed In September (WSJ)

By Greg Hitt And Mark Whitehouse

The Wall Street Journal, November 10, 2006

U.S.'s Imports Fell 2.1% Amid Oil-Price Decline; Gap With China Worsened

Even as the overall U.S. trade deficit narrowed in September, the country's imbalance with China continued to worsen, pointing to possible new tensions in trade policy making now that Democrats have retaken Congress.

With the price of imported oil in sharp decline, the deficit fell 6.8% to $64.3 billion in September, the Commerce Department said yesterday. A broad easing of imports on the back of the first decline in oil prices in five months combined with a continued strong export performance to improve the trade picture.

Yet there were indications that the trade gap remains a problem. September's deficit, though down from August's revised record of $68.96 billion, was still one of the largest ever. And the rapidly ballooning deficit with China showed no sign of easing.

All that could push the newly Democratic Congress to take a toughened approach to trade policy, one that incorporates worker rights and environmental protections, in addition to the business priorities that Republicans have pushed in recent years.

Michigan Rep. Sander Levin, a senior Democrat on the House Ways and Means Committee, said the rapidly growing deficit with China underscores the need for a change of direction on trade policy. "The 'hands-off, anything goes' trade policy employed by the Bush administration has not worked," said Mr. Levin, who backs proposals to incorporate worker rights into Washington's trade discussions with other countries.

The U.S. appetite for foreign-made consumer products from China, including televisions and other electronic equipment, remained strong, pushing imports from China to a record $27.6 billion in September. With U.S. exports to China essentially flat for the month, the U.S.'s total deficit with China hit a record $22.96 billion -- by far the largest of any single country -- in September, up $1 billion from the previous month.

Earlier this week, China reported that its overall trade surplus hit a monthly high of $23.83 billion in October, thanks to strong export demand from the U.S. and Europe. Discrepancies between Chinese and U.S. trade data are partly because of differences in how the two governments calculate trade, including shipments through Hong Kong.

According to the Commerce Department, the U.S.'s overall imports fell 2.1% to $187.46 billion for September, the first decline since February. Besides lower oil prices, decreased shipments from abroad of industrial supplies and automotive vehicles also contributed to the decline.

Exports rose 0.5% from August to a record $123.16 billion for September, with increases seen for everything from civilian aircraft and agricultural machinery to raw cotton and chemicals.

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Drew Matus, a senior economist at Lehman Brothers, said the September trade data suggest "a slight upward revision" -- perhaps less than 0.2 percentage point -- in third-quarter economic growth.

Other economic data out yesterday showed that despite the continued decline in gasoline prices, U.S. consumers' optimism ebbed slightly in November, according to the latest survey from the University of Michigan.

The survey's index of consumer sentiment dropped to 92.3 in the first part of November, down from 93.6 in October but still the second-highest level since July 2005, said economists who had read the report, which is distributed to subscribers. The drop suggested that the positive effect of lower gasoline prices, which bolstered sentiment in October, has begun to fade. The negative tone of political ads leading up to Tuesday's congressional election might also have taken a toll, economists said.

The average retail price of gasoline was about $2.25 a gallon in early November, compared with more than $3 a gallon in early August.

Consumers' assessments of home-buying conditions improved, though they were wary of making purchases amid falling prices. Long-term inflation expectations -- an indicator closely watched by policy makers at the Federal Reserve -- held steady, with consumers expecting inflation to average 3% over the next five years.

Separately, the number of new applicants for unemployment benefits declined, suggesting that U.S. businesses are still hiring at a healthy pace. The Labor Department said initial jobless claims fell by 20,000 to a seasonally adjusted level of 308,000 in the week ended Nov. 4. Last week, the Labor Department reported that the unemployment rate had fallen to a five-year low of 4.4% in October.

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Dow Tumbles 73 Points As Attention Shifts To The Economy, New Congress (WSJ)

By E.s. Browning

The Wall Street Journal, November 10, 2006

A day after rising 19.77 points on news that Defense Secretary Donald Rumsfeld was out, the Dow Jones Industrial Average pulled back, with investors turning their attention back to the economy.

Amid worries about rising oil futures, flagging consumer sentiment and possible Democratic efforts to restrain drug-company profits, the Dow industrials yesterday fell 73.24 points, or 0.6%, to 12103.30. A day after finishing at a record, the average still is up 12.9% for 2006. Trading activity was heavy.

More broadly, some investors are nervous that stocks may have come too far since midsummer. At its record close Wednesday, the Dow was up 13.4% since July 14.

With the Dow up so much, "we have to be wary of something happening that would cause the market to sell off hard," said Doug Johnston, head of trading at Boston-based brokerage firm Canaccord Adams.

Some big investors appeared to be selling broad baskets of stocks to hedge their market exposure, Mr. Johnston said.

Crude-oil futures, whose declines had helped fuel stock gains, surged back above $61 a barrel amid worries about declining stockpiles and the looming winter heating season. Oil futures rose $1.33, or 2.2%, to $61.16.

That gain overshadowed news that lower oil prices helped to shrink the September trade deficit. Some oil traders believe the price declines were temporary and the commodity is likely to resume its gains.

Investors also were unhappy that the University of Michigan's measure of consumer sentiment came in lower than expected.

Drug and telecom stocks led the declines, with talk that a Democratic Congress could seek to regulate those sectors more closely and hold down prices.

Large technology stocks bucked the trend, rising after Cisco Systems forecast stronger sales than analysts had expected. Cisco jumped 6% and Dell, Oracle and Yahoo all gained. But their coattails didn't reach the broader tech market, and the Nasdaq Composite Index, filled with tech stocks, fell 0.37%, or 8.93 points, to 2376.01. It remains up 7.7% this year.

The broad Standard & Poor's 500-stock index fell 0.53%, or 7.39 points, to 1378.33, still up 10.4% in 2006. Neither the S&P 500 nor the Nasdaq is near a record.

Gold futures, which often benefit from economic uncertainty, rose $18.60 to $635, the highest finish in two months.

Outside the U.S., stocks declined in dollar terms. The Dow Jones World Stock Index, excluding U.S. stocks, fell 0.07%, or 0.17 point, to 230.63.

In major U.S. market action:

Stocks retreated. Total trading volume for stocks listed on the New York Stock Exchange was 3.1 billion shares, as 1,359 stocks rose and 1,907 fell.

Bond prices were mixed. The 10-year Treasury note rose 2/32, or 63 cents for each $1,000 invested, pushing the yield down to 4.630%. The 30-year bond was down 2/32 to yield 4.734%.

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The dollar was mixed. Late in New York, it traded at 117.94 yen, up from 117.80, while the euro rose against the dollar to $1.2823 from $1.2760.

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Wyoming's Sen. Craig Thomas Has Leukemia (AP-Y)

By Mead Gruver, Associated Press Writer

AP, November 10, 2006

Sen. Craig Thomas, hospitalized since Monday with pneumonia, has been diagnosed with a form of leukemia, his spokesman said Thursday.

The Wyoming Republican, who was easily elected to a third term while in the hospital, issued a statement saying he will undergo treatment and plans to return to Congress in January.

Thomas fell ill in church in Casper on Sunday and was taken by ambulance to Wyoming Medical Center. He and his wife, Susan, flew back to Washington later in the day.

Thomas, 73, canceled campaign events Monday and was admitted to the National Naval Medical Center in Bethesda, Md., that evening, his spokesman Cameron Hardy said Thursday.

While hospitalized, doctors noticed a low white blood cell count and a bone marrow biopsy revealed leukemia, cancer of the blood and bone marrow. Thomas was to immediately begin a four- to six-week course of chemotherapy and will remain at the hospital to reduce his risk of infection, his office said in a press release Thursday.

"I am joining all of the thousands and thousands of other cancer survivors in Wyoming," Thomas said. "I certainly didn't expect this diagnosis, but I will be back by the January session ready for full service in the new Congress."

Thomas was diagnosed with acute myeloid leukemia, the most common form of the disease.

Dr. Brian Monahan, director of hematology and medical oncology at the National Naval Medical Center, said in the release that the disease usually can be forced into remission in people in Thomas' "great physical condition."

Thomas was elected to the Senate in 1994 after serving five years in the U.S. House.

Foreign Sales By U.S. Arms Makers Doubled In A Year (NYT)

By Leslie Wayne

The New York Times, November 11, 2006

Sales of military weapons by United States contractors to foreign governments doubled in the last year, as countries like Pakistan, Australia and Greece stepped up purchases of armaments and the United States government loosened policies to allow more American weapons to be sold on the world market.

A total of $21 billion in arms sales agreements were signed from September 2005 to September 2006, compared with $10.6 billion in the previous year, according to new data compiled by the Pentagon. Foreign military sales agreements have typically ranged from $10 billion to $13 billion a year since 2001.

A number of factors are behind the surge in sales. Since Sept. 11, 2001, the Bush administration has used arms sales as a way to reward allies and cement international relationships. Middle Eastern countries, flush with oil revenues, have become big buyers.

Countries like India, Pakistan and Indonesia that were once barred from buying American weapons have had those bans lifted, and some have placed big orders.

For military contractors, the sales have provided a welcome source of new revenue at a time when the Pentagon has indicated that the era of record military budgets is ending.

Because many of the weapons sold overseas are mature products, the profit margins to American arms makers are high, since the initial development costs have long been recuperated.

And in the case of some planes, like the F-16 Fighting Falcon fighter jet and the C-17 Globemaster cargo plane, foreign military sales are a way to keep open production lines that might close for lack of Pentagon orders.

“There have been a remarkable number of orders placed,” said Howard Rubel, an analyst at Jeffries & Company. “It’s another arrow in the quiver of military contractors.”

One of the biggest orders was placed by Pakistan, which had been barred from buying most American weapons because of its nuclear program. That ban was lifted last year and the country placed a $5 billion order for advanced F-16 jets made by the Lockheed Martin Corporation.

A similar ban on India was also lifted, opening up a potentially lucrative market to American contractors. India is currently looking to buy up to 126 new fighter jets, and American contractors have been flying to India to show off their wares.

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Oil profits are also behind some of the orders. Saudi Arabia said in July that it planned to spend $5.8 billion on American weapons to modernize its National Guard and will also put in more than $3 billion in orders for Black Hawk helicopters, Abrams and Bradley armored land vehicles, new radio systems and other weapons.

In the gulf region, Bahrain, Jordan and the United Arab Emirates have filed plans to buy Black Hawk helicopters — for a total of $1 billion. Oman plans to buy a $48 million anti-tank missile system. The Emirates plans to buy rocket artillery equipment and military trucks for $752 million and Bahrain will purchase Javelin missiles for $42 million.

Bahrain alone has accounted for $1 billion in foreign military sales in the five years since 9/11.

"The rise in oil prices has allowed countries like Saudi Arabia and the United Arab Emirates to increase their arms purchases dramatically," said William Hartung, director of the arms trade project at the World Policy Institute, which is part of the New School in New York.

For contractors, Mr. Hartung added, these sales "are a welcome windfall, not just icing on the cake."

These new big gulf region orders, like the Saudi deal, were not included in the $21 billion tally for 2006. They will be carried over into the 2007 tally and are a sign that next year will be as robust as this one.

"We've got a good start on 2007," said Lt. Gen. Jeffrey B. Kohler, director of the Defense Security Cooperation Agency, which manages foreign military sales.

Besides Pakistan and India, since 9/11, bans on arms sales have been lifted on Tajikistan, Serbia and Montenegro, Armenia and Azerbaijan as these countries have been identified by the State Department as critical allies in the war on terror. They have turned into buyers, although on a much smaller scale than the big Pakistani or Saudi orders.

Armenia, Azerbaijan and Tajikistan had no American arms purchases before 9/11. But as a group, they have bought $32 million in weapons under the foreign military sales program, according to statistics from the Center for Defense Information.

Foreign military sales are negotiated directly between the United States and other governments and are overseen by the State Department, the Pentagon and Congress.

Other strategically situated countries have also stepped up their purchases. Nepal, for instance, bought $1.1 million of American weapons in the full decade before 9/11, and $22 million in the five years since.

Similarly, Yemen, Djibouti and Uzbekistan bought $16.4 million combined in the decade before 9/11, and $73 million of American weapons since.

"Foreign military sales are a good hedge against potential further cuts in Pentagon procurement," said Mark T. Esper, executive vice president for defense and international affairs at the Aerospace Industries Association, a trade group.

In a conference call with analysts, Christopher E. Kubasik, chief financial officer of Lockheed, estimated that foreign sales account for 15 percent — or $5.5 billion — of Lockheed's sales, which were $37 billion in 2005.

"They're valued customers, and we plan to continue to grow in that area," he said.

Foreign sales have importance to military contractors beyond the dollar value of the contract. Once a country buys a weapon system, it will need to continue to buy spare parts or upgrades.

"In the next couple of years," said Cai von Rumohr, an analyst with Cowen & Company, "foreign sales as a percentage of company revenues will be tracking up."

Foreign sales can also keep endangered weapons programs alive.

For instance, when Boeing made some announcements that it might begin to close production of its C-17 cargo line, Canada and Australia quickly stepped in to place orders: Canada's deal is valued at $1.3 billion and Australia's at $2 billion. Orders for the F-16 from Turkey, Greece and Pakistan are pumping $11 billion into that program at a time when the Air Force is phasing out of it.

For that reason, the Aerospace Industries Association has been pressing Congress to relax rules so more foreign deals can be done outside of government scrutiny — an effort that has, so far, been rebuffed in Congress.

Last month, the industry association, along with representatives from the Boeing Company and the Northrop Grumman Corporation, met at the Heritage Foundation, a conservative Washington research group, to outline their plans to pursue this effort.

O'Malley Calls For Slots At Racetracks (WP)

By John Wagner

The Washington Post, November 11, 2006

Gov.-elect Martin O'Malley called upon the Maryland General Assembly yesterday to legalize slot machine gambling at horse tracks, saying he was "sick of this issue" but feared that the state's racing industry could collapse if lawmakers did not find common ground early in his term.

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The issue of slots dominated the first three legislative sessions of Republican Gov. Robert L. Ehrlich Jr.'s tenure, producing stalemates that contributed to his rocky relations with the Democrat-controlled legislature.

O'Malley (D) said he is eager for compromise between backers of a more expansive slots plan and those who argue that legalizing machines would be only a first step toward dramatic expansion of gambling in Maryland.

"Hopefully, we can find some room for compromise and address people's fears about this being the camel's nose under the tent, and move forward to other more pressing, important issues," O'Malley said during an interview on WTOP (103.5 FM, 820 AM), one in a series of radio and television appearances yesterday in which he was peppered with questions on the topic.

O'Malley, who is Baltimore's mayor, said slot machines at racetracks would help prop up an industry that provides 18,000 jobs in Maryland and would ensure the survival of the Preakness Stakes, a nationally renowned event at Pimlico Race Course in Baltimore that O'Malley called "the equivalent of having the Super Bowl in Maryland every year."

If legislation is not passed within two years, O'Malley said, "I think you'll see racing just give up and go to other states and the Preakness move on."

Lawmakers, who return to Annapolis in January, offered divergent views on whether a slots bill is more likely to pass a Democrat-controlled legislature under a Democratic governor than under Ehrlich, who made the issue a priority.

"If you're against it, you're against it," said House Speaker Pro Tem Adrienne A. Jones (D-Baltimore County). "I would hope we would not jump on this."

Senate President Thomas V. Mike Miller Jr. (D-Calvert), a leading slots proponent, said he was optimistic that lawmakers would pass a tracks-only bill during a "honeymoon" period afforded most new governors.

"I think it will be dealt with in the first year, and I think it will pass in the first year," he said.

Miller acknowledged that there is a key obstacle in the person of House Speaker Michael E. Busch (D-Anne Arundel), who considers the idea of placing slot machines at tracks an "unjust enrichment" of their owners. Busch was unavailable yesterday for comment, aides said.

O'Malley stressed yesterday that slots would not be a priority of his administration, saying, "It's nothing that I've ever made a central plank of my campaign."

In the closing months of a race in which O'Malley led in most polls, several gambling interests hedged their bets and gave money to both O'Malley and Ehrlich. The state Democratic Party received a $50,000 contribution from the Maryland Jockey Club, a horsemen's association controlled by Joseph A. De Francis, who has a minority share of the Pimlico and Laurel Park racetracks.

Aides said it is unlikely that O'Malley will introduce a slot machines bill and that his remarks came in anticipation of lawmakers pressing the matter. "I am so sick of this issue," he said on WTOP. "I hope that we're able to put this issue behind us."

But that may be easier said than done. Del. Peter Franchot (D-Montgomery), who was elected as Maryland comptroller Tuesday, said the bill probably would fail again even with O'Malley's backing. Franchot urged the incoming governor not to waste political capital on "a divisive issue."

"I personally think it's a loser of an issue," Franchot said. "Voters threw out the No. 1 cheerleader for slots, Bob Ehrlich."

During his media appearances yesterday, O'Malley also reiterated his support for construction of the intercounty connector, a position he told WTOP he had stated "four hundred billion times before."

And O'Malley continued to press for state School Superintendent Nancy S. Grasmick to step down.

Grasmick, who has sparred with O'Malley over Baltimore schools, reports to the State Board of Education, whose members are appointed by the governor. It probably will be July, however, before O'Malley has a chance to fill vacancies on the board and a year more before he has a majority.

"I think it would be a great time for a fresh start," O'Malley said yesterday on WUSA (Channel 9). "I think in her heart of hearts, she probably knows that, too."

A spokesman for Grasmick said this week that she has no plans to step down.

Baltimore Celebrates Political Last Hurrah? (WT)

By S.A. Miller

The Washington Times, November 11, 2006

BALTIMORE -- Residents gathered in some of the city's notoriously quirky diners and coffee shops yesterday to crow that the elections Tuesday proved they still live in the nexus of Maryland political power.

"It shows again that Baltimoreans are on top," said Bernie Shephard, a youth sports league director having breakfast at Cafe Hun, a kitschy restaurant in the working-class Hampden neighborhood.

Mr. Shephard had good reason to boast: Mayor Martin O'Malley became governor-elect, Rep. Benjamin L. Cardin joined fellow Baltimore Democrat Barbara Mikulski in the U.S. Senate and Rep. Nancy Pelosi, a California Democrat raised in the city's

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Little Italy neighborhood, is expected to be the next House speaker. Mrs. Pelosi learned politics at the knee of her father, Thomas J. D'Alesandro Jr., a Democrat with more than 20 straight terms in politics, in including jobs as Baltimore mayor and U.S. congressman.

"It's great [for] someone from our neighborhood, who played on our steps with all the other little girls, to progress like this," said John Pente, who has lived in the same Baltimore row house for each of his 96 years.

Mr. Shephard also acknowledged the growing political influence of Montgomery County, the state's wealthiest and most populous county, but said the county's connection to the District will always alienate its politicians from the rest of Maryland.

Fran Vota, 82, of Little Italy, agreed.

"They're not going to beat us, no way" Mrs. Vota said while leaving St. Leo's Catholic Church where she was making sandwiches for the homeless.

Historically the hub of state politics, Baltimore is the home or birthplace of seven of the past 12 Maryland governors and five of the state's past 10 U.S. senators.

But the city's political strength increasingly has been eroded by Montgomery and Prince George's counties, home to more than a third of registered Maryland Democrats, who dominate state politics.

The election Tuesday sent two Democrats from Montgomery County to statewide offices: Montgomery County State's Attorney Douglas F. Gansler rose to attorney general and Delegate Peter Franchot became comptroller.

Mr. Franchot replaces Baltimore's most iconic politician, William Donald Schaefer, a former governor and the Baltimore mayor who in the early 1980s led the city to an urban renaissance. He lost in the September primary.

Mr. Gansler and Mr. Franchot are just the second and third Montgomery County officials to win statewide offices. Blair Lee III, a Democrat from Silver Spring, was the first Montgomery County official to win a statewide office when he was elected lieutenant governor in the early 1970s.

They and Lt. Gov.-elect Anthony G. Brown, of Prince George's County, will hold three of the six statewide offices. The other three belong to Mr. O'Malley, Mr. Cardin and Miss Mikulski, all Baltimore Democrats.

Still, some Baltimoreans quietly concede that the sweep Tuesday might be a last stand in the city's political legacy.

"Baltimore is losing its clout," said Mary Ann Campannella, 65, president of the Little Italy Community Organization. "It saddens me because Baltimore was the political power in Maryland."

Mrs. Campannella, who was wearing pajamas and sipping coffee as she held court yesterday morning at a neighborhood diner called Gia's/Iggy's, said Montgomery and Prince George's are home to a younger generation of state leaders and voters there are better educated and more politically sophisticated than those in Baltimore.

"Our school system proves it," she said. "Graduates can't fill out a job application. How are they going to know who to vote for."

She said Mr. O'Malley is a Montgomery County native "on loan" to Baltimore and noted that Mr. Cardin is 64 and Miss Mikulski is 70.

"I'm racking my brain to think of who is the next strong [leader] in the city," Mrs. Campannella said. "I'm coming up blank."

Don Kennedy, manager of Germano's restaurant in Little Italy, sounded the same melancholy note.

"Barbara Mikulski and Ben Cardin have been in the system a long time," said Mr. Kennedy, 51. "I don't see the new crop coming up."

Democrats May Urge More Contact With U.S. Adversaries (WP)

By Glenn Kessler, Washington Post Staff Writer

The Washington Post, November 10, 2006

The Democratic takeover of Congress will raise the profile of lawmakers who have repeatedly urged the Bush administration to talk to key adversaries such as Iran, North Korea and Syria, increasing pressure on the White House to stop placing restrictions or conditions on such discussions.

The incoming chairmen of the Senate Foreign Relations Committee and the House International Relations Committee -- Sen. Joseph R. Biden Jr. of Delaware and Rep. Tom Lantos of California, respectively -- have long argued that the administration's approach to dealing with adversaries has hamstrung diplomacy. Iran and Syria are problematic neighbors of Iraq, and critics have charged that not talking to Damascus and Tehran has hurt efforts to end the violence in Iraq.

Although outgoing Senate Foreign Relations Chairman Richard G. Lugar (R-Ind.) is also an advocate of greater engagement, the new Democratic leaders say they are more likely to call hearings and demand explanations from administration officials. Lantos, who has often visited such countries as Libya and North Korea, said he is "passionately committed to having a dialogue with people we disagree with."

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Since Secretary of State Condoleezza Rice took office nearly two years ago, some restrictions on dealing with Iran and North Korea have been loosened. On North Korea, the administration has rejected calls for high-level bilateral contacts but allows them within six-nation negotiations focusing on North Korea's nuclear programs.

On Iran, the administration this year offered to join multilateral talks on Iran's nuclear program -- but only if Tehran first suspends uranium enrichment. There has been virtually no dialogue with Syria since its suspected involvement in the 2005 assassination of former Lebanese prime minister Rafik Hariri.

"This has spelled the death knell of the neo-conservative approach," Biden said. He added that "Secretary Rice is much more open to approaches different than Cheney and Rumsfeld than people think she is," although State Department officials disputed that.

The Iraq Study Group, headed by former secretary of state James A. Baker III and former representative Lee Hamilton (D-Ind.), is also expected to address the issue of whether dialogue with Iran and Syria would aid the war effort. President Bush and Democratic lawmakers have said they are eagerly awaiting the study group's conclusions.

State Department officials said yesterday they are open to ideas, but that the change in Congress will not directly affect administration policies. Officials said criticism of the administration's approach is often misguided. The administration considers talks with adversaries as a particular "card" to play in diplomacy, but merely talking does not represent a policy, one official said. Dialogue with Syria, for instance, has been limited because the administration did not want it to affect the U.N. investigation into Hariri's killing.

Another Rice aide said he does not think Democrats will press too hard at first because they are still vulnerable to charges of being weak on national security. But he acknowledged Congress would raise tough questions, noting that North Korea's recent decision to return to the six-party talks "relieved some of the pressure on us for that."

The nomination of Robert Gates as defense secretary could also change the dynamics of the administration's internal debates. Outgoing Defense Secretary Donald H. Rumsfeld is a fierce foe of engaging with enemies, but Gates two years ago co-wrote a Council on Foreign Relations report that called for a "direct dialogue" with Iran.

"The current lack of sustained engagement with Iran harms U.S. interests in a critical region," the report said, arguing the United States should explore "common interests" with Iran as it did with the Soviet Union or China when they were U.S. adversaries. The report suggested that lifting unilateral sanctions and allowing U.S.-Iranian commercial relations to flourish "could be a powerful tool" in dealing with Iran.

Zbigniew Brzezinski, national security adviser to President Jimmy Carter and co-author of the report, said he hopes Gates's presence at Bush administration policy debates will bring a "a degree of rationality, common sense, balance and historical perspective" to the table.

Brzezinski, stressing he was speaking for himself, said the administration's requirement that Iran give up enrichment before talks can start is not a "fair bargain" because Iran has a right to enrich under the nuclear Nonproliferation Treaty, and thus would be reluctant to give it up for simply talking. He said lifting trade embargoes or dismantling sanctions would be a greater inducement to start a productive dialogue with Iran on a range of issues.

Asked yesterday about Gates's writings on Iran, national security adviser Stephen J. Hadley said: "The president and Bob Gates are pretty, pretty confident themselves that they're on the same page on the basic pillars of the president's foreign policy."

Around The Globe, Relief Over U.S. Vote (WP)

By Molly Moore And Peter Finn, Washington Post Foreign Service

The Washington Post, November 10, 2006

Many Welcome Return of Bipartisan Government; Caution Heard in Russia, China

PARIS, Nov. 9 -- For Europe and much of the rest of the world, U.S. voters' repudiation of the Bush administration in midterm elections Tuesday and the dismissal of Defense Secretary Donald H. Rumsfeld on Wednesday confirmed the widespread view that President Bush and his policies have done more to tarnish America's image abroad and strain its global relations than any other U.S. president in recent history.

The Socialist Group in the European Parliament, the legislative body's second-largest voting bloc, called the election results "the beginning of the end of a six-year nightmare for the world."

The seismic political shift in the United States was greeted in many places less with jubilation than with a sense of relief that Americans had at long last come to their senses.

"It took a while for the Americans to realize who they had elected and the damage he had caused in the world," said Philippe Bas, 56, whose newsstand near a Paris subway stop was stacked with newspapers from across Europe carrying analyses of the election.

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That view was echoed in some newspaper editorials and headlines around Europe. In Britain, the headline over the Guardian newspaper's lead editorial read, "Thank you, America."

In many capitals, Rumsfeld's dismissal was as momentous as the prospect of Democratic control of the House and Senate.

"After the Democratic victory, Bush sacrifices Rumsfeld," the French daily newspaper Le Figaro declared in a banner headline Thursday. An editorial in Le Figaro described Rumsfeld as "the symbol of the horrors of the American military intervention in Iraq" and said, "By dismissing the architect of this unpopular conflict, by sanctioning the neocons' idol, George Bush shows that he stopped believing that he could 'maintain the course' in Iraq."

"Rumsfeld never had many friends in Europe," Marcin Zaborowski, who monitors transatlantic relations for the Paris-based European Union Institute for Security Studies, said in an interview. "He exemplified anything that was bad about this administration. He personified the approaches Europeans had the most problems with -- going to war in Iraq on the false premises that it was closely linked to the war on terrorism and directly linked to the events of 9/11."

Political parties, government leaders, pundits and citizens from many countries seized on the return of a bipartisan government in the United States as a harbinger of welcome change in the Bush administration's policy of using the military. But others expressed concerns about the Democratic Party's agenda promoting trade restrictions and human rights.

"I hope the policy will be better balanced regarding the use of armed forces outside the United States," Boris Gryzlov, speaker of Russia's lower house of parliament, told reporters in Moscow. "However, there are fears that the Democrats are more prone to apply double standards in human rights."

"Democrats have traditionally had more complicated relations with Russia," said Tatyana Parkhalina, a senior analyst at the Center for Problems of European Security in Moscow. "And our politicians worry that they will pay more attention to human rights, the democratic development of the country and relations with former Soviet republics. They're not happy about that."

Some Chinese analysts also said the Beijing government is worried about potential changes in the way the United States approaches trade relations, noting that Democrats have traditionally been more attuned than Republicans to labor union complaints about loss of U.S. jobs to low-wage Chinese factories.

Officials and analysts in other nations embraced the prospect of changes in U.S. social policies.

Germany's minister for economic cooperation and development, Heidemarie Wieczorek-Zeul, a Social Democrat, told the Berliner Zeitung newspaper, "There is hope that our concerns in the world -- for peace, development, environmental and climate protection -- will be given more weight on the political agenda in the USA."

On the opposite side of the globe, Mexican officials said they hope Democrats will use their new power to improve Bush's approach to immigration issues, particularly the question of constructing a barrier on the U.S.-Mexico border.

"The electoral strategy that proposed the possibility of building the wall as an element of the electoral battle failed," said RubÃ©n Aguilar, spokesman for Mexican President Vicente Fox.

Some European analysts expressed fear that some pressing issues, including the Iranian and North Korean nuclear programs, could be neglected with a lame-duck leader in the White House.

Britain's Daily Mail newspaper said in an editorial that Bush had received a "richly deserved bloody nose," but the results had "left the free world with a severely compromised leader, stripped of moral authority at home and abroad."

But one of Iran's hard-line newspapers, Kayhan, relished the prospect of a politically diminished White House. "Bush's government will be obliged to take more cautious steps and instead of creating war around the world, it will be obliged to fight politically with Democrats," it said.

Finn reported from Moscow. Correspondents Edward Cody in Beijing, Manuel Roig-Franzia in Mexico City and Kevin Sullivan in London and special correspondents Corinne Gavard in Paris and Shannon Smiley in Berlin contributed to this report.

Bush Discusses Immigration Reform With Mexico's President-elect (MCT)

By Kevin G. Hall And Pablo Bachelet

McClatchy Newspapers, November 10, 2006

WASHINGTON - President Bush welcomed Mexican President-elect Felipe Calderon to the White House on Thursday and got an earful about immigration restructuring and controversial legislation that Bush signed recently to construct 700 miles of wall along the common border.

"I explained our point of view that it isn't - can't - be a solution to the migration problem," Calderon told Spanish-language reporters in a news conference after meeting Bush. He also said he'd try to keep immigration from drowning out other important issues in the bilateral relationship.

Calderon met Bush immediately after the U.S. president had lunched with presumed House Speaker Nancy Pelosi, D-Calif., to mend relations and discuss areas in which they could find common ground.

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In the wake of his party's defeat Wednesday, Bush identified immigration revisions as one of those areas, and he repeated that in a photo session with Calderon, noting that "I assured the president-elect that the words I said in the very Oval Office that we sit about a comprehensive immigration vision are words I still believe strongly."

Although Calderon is a conservative who shares many views with Bush and, like Bush, won an election that many in his country questioned, he's been a vocal critic of the Republican-passed legislation that expands existing border-area walls in California and Arizona. Like many Mexicans, he considers it an affront that's reminiscent of the Berlin Wall, dividing families on opposite sides of a border.

"I hope the new composition of the U.S. Congress allows a solution to the (immigration) issues," Calderon told Mexican reporters, noting that Democrats have promoted immigration restructuring that includes some form of legalization for millions of Mexicans who are living in the United States now without legal documents.

Immigration-overhaul advocates celebrated Tuesday's election results, which included the re-election of Arizona's pro-overhaul Democratic governor, Janet Napolitano, and the defeat of Arizona Republican congressional candidate Randy Graf. The Minutemen, a self-proclaimed border vigilante group, had backed Graf heavily.

Several of the loudest anti-immigration voices were quieted Tuesday at the polls. They included the influential Rep. Richard Pombo, R-Calif., Rep. J.D. Hayworth, R-Ariz., and Rep. Gil Gutknecht, R-Minn., who'd wrongly predicted that immigration issues would loom larger on Election Day than the war in Iraq.

"Immigration did not work as a wedge issue," said Celinda Lake, the president of Lake Research Partners, a Democratic polling firm.

Exit polls showed that Latino voters voted Democratic by a 3-to-1 ratio nationally, said Celinda Lake, the president of Lake Research Partners, a Democratic polling firm. This reversed Republican gains with Latinos cultivated by Bush before the more conservative wing of his party pushed border security issues to the fore.

Calderon's predecessor Vicente Fox hands over the presidential sash Dec. 1. Immigration was Fox's central theme in bilateral relations, and he was deeply disappointed when U.S. immigration restructuring fell by the wayside after the Sept. 11, 2001, terrorist attacks.

Mexico's president-elect is likely to move immigration off the public radar screen, said Andrew Selee, a Mexico expert at the Woodrow Wilson International Center for Scholars.

"He's probably going to try to lower the public emphasis on migration in the relationship and lobby more effectively for passage of some sort of immigration legislation in the United States," Selee said.

Indeed, Calderon said Thursday that he didn't want immigration to overshadow issues such as anti-narcotics cooperation and trade.

He proposed a commission to study a provision of the North American Free Trade Agreement that's causing turmoil in Mexico. Under NAFTA, which took effect in 1994, U.S. exports of corn and beans have been entering Mexico gradually with reduced duties and will be granted duty-free entry in 2008.

As a result, U.S. corn for animal feed and use in food products has supplanted Mexican-grown corn quickly and has worsened the gap between Mexico's rich north and its poor, agricultural south.

The issue of U.S. corn was so controversial in Mexico that it nearly cost Calderon the election. For many Mexicans, corn is a cultural symbol rooted in Mexico's Aztec and Mayan past, and Calderon said Thursday that he wanted this commission "to find a soft landing for the end of this transition period."

Calderon Reassured On Immigration Bill (WT)

By Stephen Dinan, The Washington Times

The Washington Times, November 10, 2006

President Bush gave Mexican President-elect Felipe Calderon an assurance in the Oval Office yesterday that he will push for a broad immigration bill that includes a new guest-worker program and citizenship rights for many illegal aliens.

"I assured the president-elect that the words I said in the very Oval Office that we sit about a comprehensive immigration vision are words I still believe strongly," Mr. Bush told reporters after meeting with Mr. Calderon yesterday afternoon. The remarks came a day after Mr. Bush pledged to push the issue with the help of the new Democrat-led Congress.

Mr. Calderon said Mr. Bush "was very open to all the arguments that I have presented to him" on immigration.

The two men met face to face for the first time, ahead of Mr. Calderon's Dec. 1 inauguration. The meeting comes two weeks after Mr. Bush signed a bill authorizing nearly 700 miles of new fencing along the U.S.-Mexico border.

Although he didn't criticize the fence in his remarks to reporters in the Oval Office, Mr. Calderon said at a later press conference attended by Mexican and Spanish-language press that he told Mr. Bush the fence is a mistake.

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"I told him our opinion that [the wall] is a mistaken remedy because it doesn't resolve the problem," the president-elect said, speaking in Spanish. "But he explained that this remedy was in response to the concerns of the United States to have a secure border."

He and other Mexican officials have compared the fence -- which will be built in major smuggling corridors -- to the Berlin Wall. But the legislation enjoys widespread support in the United States, having passed both the House and Senate easily and winning an approval rate of more than 80 percent in some polls.

Mr. Calderon is dealing with political upheaval and violence in the state of Oaxaca in southern Mexico, a cause taken up yesterday by demonstrators who marched on Pennsylvania Avenue outside the White House, as the leaders were meeting.

At his Spanish press conference, Mr. Calderon put some of the burden on the United States, saying that Mexico's southern regions need more investment and that the U.S. needs to do its part to fight crime and drug-trafficking, "particularly in the reduction of the demand for drugs."

Both at his press conference and with the president, Mr. Calderon said the U.S.-Mexico relationship includes more than just immigration and border issues.

"We want to foster our trade relationship, our economic relationship even more," he said. "We both understand that the only solution to many of the problems that we have is to create well-paid jobs in Mexico."

Still, with millions of Mexicans living illegally in the United States, immigration is a dominant issue, touching on both countries' security and economy.

Mexicans living in the United States -- legally and illegally -- will send home $24 billion in remittances this year, making it one of the nation's largest sources of income, along with oil sales.

Mr. Bush and outgoing Mexican President Vicente Fox had pledged in 2001 to try to secure an immigration accord that would legalize Mexican illegal aliens, but those efforts stalled after the September 11 terrorist attacks boosted concerns over immigration and border security.

Congressional Republicans, in particular, have balked, arguing that allowing illegal aliens a path to citizenship amounts to an amnesty for bad behavior, and would encourage more illegal entry.

Iran Warns U.N. Against Sanctions (LAT)

By Kim Murphy

The Los Angeles Times, November 11, 2006

LONDON — A defiant Iran, calling the Republican defeat in the U.S. elections a "landmark victory for the Iranian nation," warned Friday that it would reassess its cooperation with international atomic regulators if the United Nations moved forward with comprehensive sanctions on Iran's nuclear program.

The caution came from Iran's top nuclear negotiator, Ali Larijani, as he concluded a day of meetings in Moscow aimed at winning Russia's support for weakening or postponing the sanctions, which European and U.S. negotiators hope to bring to the U.N. Security Council as early as the end of the month.

Iranian President Mahmoud Ahmadinejad said "the enemy cannot do a damn thing" to divert Tehran's nuclear program — one of many indications Iran might be prepared to endure an initial round of sanctions if diplomacy fails.

"By God's grace, our powerful nation will continue its path," the president said, according to the official Islamic Republic News Agency.

Shortly after Larijani's meetings in Moscow, Russia proposed significantly scaled-down sanctions amendments that would focus strictly on halting Iran's uranium enrichment and reprocessing activities and prevent the development of missiles to deliver nuclear weapons.

The proposal would leave intact Russia's $1-billion civilian nuclear power plant under construction in the Iranian city of Bushehr, a key focus of Larijani's agenda in Moscow, analysts said.

A draft resolution by Germany, Britain and France demands a ban on goods and technology that could contribute to Iran's nuclear and ballistic missile programs, and a cutoff of financial support to the programs.

It also calls for a travel ban for any officials or students related to the nuclear and ballistic missile programs and a freeze on foreign assets of people and agencies involved in those programs.

But Russian officials made it clear they believed negotiations were a better way to keep Iran engaged. "Sanctions are not going to force anyone to do anything they don't want to do," said Vitaly Churkin, Russia's ambassador to the U.N.

Larijani said Iran remained ready for dialogue and warned against adopting the European group's sanctions resolution.

"We will review our relations with the IAEA" — the International Atomic Energy Agency — "if the U.N. adopts the Eurotroika resolution without taking into account the amendments made by Russia," he said in remarks carried by the Russian news agency RIA Novosti.

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The warning carries an implicit threat to halt U.N. inspections at nuclear sites, though Iran could then lose IAEA technical cooperation on issues such as safety at nuclear facilities.

But Tehran appears to be realizing that some form of sanctions is probably inevitable, and the focus of Iran's diplomacy is to delay or at least minimize any embargo and keep the Bushehr project and its future fuel deliveries intact, analysts said.

"Some people in Tehran are resigned to the prospect of some mild sanctions being instituted in the near future. And they're preparing public opinion for that eventuality," said Kaveh L. Afrasiabi, an Iranian-born analyst who has written extensively on Iran's nuclear program.

The reaction to a "mild" level of initial sanctions would probably be largely "symbolic," he said, such as a curtailment of IAEA inspections. But sanctions would quickly strengthen hard-liners in the government, Afrasiabi said, and successive moves to ratchet up the pressure would undoubtedly bring a correspondingly harsher reaction from Iran.

"At the end of the line is Iran's exit from the [Nuclear Nonproliferation Treaty] and complete suspension of any cooperation with the IAEA altogether. So there's no bright light, even just talking about the initial sanctions," Afrasiabi said.

The nuclear agency is set to complete a report next week on Iran's compliance with inspectors who returned Friday from Tehran. Officials close to the agency said it would almost certainly confirm that Iran had started enriching uranium in a second cascade of 164 centrifuges. But with inspectors' limited access, little else is likely to be revealed.

"The IAEA is losing knowledge about what Iran is doing," said David Albright, a former weapons inspector who runs the Institute for Science and International Security. "They can see how much uranium is enriched, [but] they don't know how many centrifuges are breaking … they don't know how many are being built, and Iran doesn't have to answer questions."

Meanwhile, Tuesday's elections in the U.S. and the resignation of Defense Secretary Donald H. Rumsfeld were greeted Friday by Iran's supreme leader, Ayatollah Ali Khamenei, as a victory for Iran and a show of "public opposition to the U.S.'s war-mongering policies."

Though President Bush's nominee to be the next secretary of Defense, Robert M. Gates, is expected to help set a new course on Iraq, he may also push the Bush administration in a new direction on Iran.

Gates has said that relations with Iran should never be normalized unless the regime gives up its nuclear program and its support for terrorism.

But in an influential 2004 report, Gates argued that Iran's pursuit of nuclear weapons was largely driven by its "persistent sense of insecurity" vis-a-vis regional rivals and its "paramount adversary," the U.S. Gates said that the United States' lack of contact with Iran fueled this insecurity and that dialogue "need not await absolute harmony between the two governments."

U.S. Presses Russia To Bridge Gap Over UN Sanctions On Iran (BLOOM)

By Ed Johnson

Bloomberg, November 10, 2006

Nov. 10 (Bloomberg) -- U.S. Secretary of State Condoleezza Rice has spoken twice in the past week with her Russian counterpart to bridge differences over how to stop Iran developing nuclear weapons, the State Department said.

The U.S. is pressing for United Nations Security Council sanctions on Iran for failing to halt its uranium enrichment program. Russia, a trade partner of Iran, has proposed changes to a draft UN resolution that seeks to block the country acquiring atomic bomb and missile technology.

``She's doing her part to get this resolution over the goal line," State Department spokesman Sean McCormack told reporters in Washington yesterday. Rice spoke by telephone with Russian Foreign Minister Sergei Lavrov on Nov. 8 and also last week, he said, according to a transcript of the briefing on the department's Web site.

Iran's top nuclear negotiator, Ali Larijani, will visit Moscow today to discuss the issue with Russian officials, the state-run Iranian Students News Agency reported. Larijani plans to meet President Vladimir Putin and National Security Adviser Igor Ivanov to discuss the draft resolution.

Iran, a signatory to the nuclear Non-Proliferation Treaty, says its work is designed to fuel power plants and has repeatedly said it will press ahead with its atomic program even though the UN imposed an Aug. 31 deadline to halt enrichment. President George W. Bush's administration says the program is cover for developing a nuclear weapon.

Russian Amendments

Russia, a veto-wielding Security Council permanent member, has proposed changes to the draft circulated by the U.K., France and Germany. It has deleted a travel ban and asset freeze on officials of Iran's nuclear program and exempted from sanctions the Bushehr nuclear plant that Russia is helping build for the Islamic republic.

``We're starting to chip away at some of the issues," said McCormack, when asked if Rice made any progress in her conversations with Lavrov. ``But, you know, this is multilateral diplomacy, it takes a little bit of time."

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China's UN Ambassador Wang Guangya said this week the differences may be unbridgeable. China, like Russia, opposes the U.S.-European approach.

Ambassadors of the Security Council's five permanent members, the U.S., U.K., Russia, China and France, met yesterday in New York together with Germany's ambassador to discuss the resolution, Agence France-Presse reported.

``I do think we made progress," U.S. Ambassador John Bolton told reporters, AFP said, adding they will meet again Nov. 13.

``We are not yet at the point where we can come to agreement on various issues," AFP cited Russian Ambassador Vitaly Churkin as saying.

Rice Says US Unfazed By Growth Of China's Global Role (AFP-Y)

AFP, November 10, 2006

US Secretary of State Condoleezza Rice played down concerns over the spread of Chinese influence around the globe, saying it was better for China to have friends in the world than enemies.

"I don't see any of this as zero sum," Rice told the Singapore Straits Times newspaper in an interview, a transcript of which was released by the State Department on Thursday.

Rice was responding to a question on China's growing power and relations with nations from Asia to Africa, notably following a summit of 48 African leaders in Beijing last week that highlighted the Asian giant's deepening economic and political ties with the resource-rich continent.

"I'd like to have China have friends in the world, it's better than having China have enemies in the world," said Rice.

"There have been times when we worried about the opposite -- that China would be a destabilizing factor in the world," she said.

"So I would rather see a China that is trying to reach out, that's trying to have friendships around the world."

Rice visited Beijing two weeks ago and praised the Chinese for their leading role in nudging North Korea back to multilateral negotiations aimed at getting Pyongyang to give up its newly proven nuclear arsenal.

"We have excellent relations with China," she said.

But 10 days ahead of an Asian summit at which President George W. Bush will meet his Chinese counterpart Hu Jintao, Rice said Washington still harbored concerns about China's role.

"China has to be responsible in its engagement with the world because it is a big power, it's not just a developing country," she said.

Rice specifically echoed concerns that China's engagement with African countries can be overly focused on gaining resources and markets without adequately addressing issues of governance and human rights.

"It needs to take responsibility in Africa, not just to seek resources but also to contribute to the development of Africa and so that people's lives are better," she said.

She also said there were "some aspects of China's external policies that are not very positive."

She mentioned difficulties on intellectual property rights, "an outsized military buildup of Chinese forces" that is worrying Beijing's neighbors and human rights concerns inside the country.

"China, of course, needs also in terms of its own domestic transition to respond to the natural desires of people for human rights and for religious freedom," she said.

China: Scapegoat Or Sputnik (NYT)

By Thomas L. Friedman

The New York Times, November 10, 2006

Shanghai

As I was saying, Mr. Rove, Americans aren't as stupid as you think.

Now that we've settled that, and now that we've had an election that clarified which country is most important in shaping U.S. politics in 2006 — Iraq — I've come to visit the country that's most likely to shape U.S. politics in 2008: China.

The civil war in the Republican Party, which you are about to see, will be all about Iraq — whom to blame and how to withdraw before the issue wipes out more Republican candidates in 2008. But the coming civil war among the Democrats will be all about China.

I still believe that when the history of this era is written, the trend that historians will cite as the most significant will not be 9/11 and the U.S. invasions of Afghanistan and Iraq. It will be the rise of China and India. How the world accommodates itself to these rising powers, and how America manages the economic opportunities and challenges they pose, is still the most important global trend to watch.

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It really hits you when you see the supersize buildings sprouting in Shanghai, or when you look at the world through non-American eyes. Kishore Mahbubani, the dean of Singapore's Lee Kuan Yew School of Public Policy, told me the other day that Asia right now "is the most optimistic place in the world." More people have come out of poverty faster there — particularly in India and China — than at any time in the history of the world, and as a result, he notes, more people in Asia than anywhere else in the world today "wake up every morning sure that tomorrow is going to be better than yesterday."

But one person's optimism can be another person's flat wages. And that is why the Democrats and China are almost certain to butt heads. The Bush team's focus on Iraq and terrorism, coupled with the Democrats' lack of control over either house of Congress, has kept China-U.S. relations largely out of the headlines and on a relatively even keel during the Bush II years.

But two things will change that. One is the Democrats' return to control of both the House and Senate — powered by politicians like Nancy Pelosi, who has long taken a hard line vis-à-vis China on both economics and human rights, and Sherrod Brown, the newly elected senator from Ohio, who comes to D.C. with strong protectionist leanings from a state that has lost thousands of manufacturing jobs to Asia.

The other is the mood reflected in a Nov. 2 analysis in The Financial Times, headlined: "Anxious Middle: Why Ordinary Americans Have Missed Out on the Benefits of Growth."

Technology and globalization are flattening the global economic playing field today, enabling many more developing nations to compete for white-collar and blue-collar jobs once reserved for the developed world. This is one reason why growth in wages for the average U.S. worker has not been keeping pace with our growth in productivity and G.D.P.

"Economists call this phenomenon median wage stagnation," noted The Financial Times. "Median measures give the best picture of what is happening to the middle class because, unlike mean or average wages, median wages are not pulled upwards by rapid gains at the top. As the joke goes: Bill Gates walks into a bar and, on average, everyone there becomes a millionaire. But the median does not change."

Many Americans lately have started to get that joke, and it is one reason that with this new Democrat-led Congress we are likely to see a surge in protectionist legislation, more Wal-Mart bashing, a slowdown in free-trade expansion and increased calls for punitive actions if China doesn't reduce its trade surplus — which surged to a record in October.

China, in other words, is inevitably going to move back to the center of U.S. politics, because it crystallizes the economic challenges faced by U.S. workers in the 21st century. The big question for me is, how will President Bush and the Democratic Congress use China: as a scapegoat or a Sputnik?

Will they use it as an excuse to avoid doing the hard things, because it's all just China's fault, or as an excuse to rally the country — as we did after the Soviets leapt ahead of us in the space race and launched Sputnik — to make the kind of comprehensive changes in health care, portability of pensions, entitlements and lifelong learning to give America's middle class the best tools possible to thrive? A lot of history is going to turn on that answer, because if people don't feel they have the tools or skills to thrive in a world without walls, the pressure to put up walls, especially against China, will steadily mount.

U.S. Will Train Latin American Militaries (USAT)

By Barbara Slavin, Usa Today

USA Today, November 10, 2006

Ban lifted to offset trend toward left

WASHINGTON — Concern about leftist victories in Latin America has prompted President Bush to quietly grant a waiver that allows the United States to resume training militaries from 11 Latin American and Caribbean countries.

The administration hopes the training will forge links with countries in the region and blunt a leftward trend. Daniel Ortega, an adversary of the United States in the region during the 1980s, was elected president in Nicaragua this week. Bolivians chose another leftist, Evo Morales, last year.

A military training ban was originally designed to pressure countries into exempting U.S. soldiers from war crimes trials.

The 2002 U.S. law bars countries from receiving military aid and training if they refuse to promise immunity from prosecution to U.S. servicemembers who might get hauled before the International Criminal Court. The law allows presidential waivers.

The White House lifted the ban on 21 countries, about half in Latin America or the Caribbean, through a presidential memorandum Oct. 2 to Secretary of State Condoleezza Rice. The training is conducted in the USA.

A ban on giving countries weapons remains. Commercial arms sales are not affected, said Jose Ruiz, a U.S. Southern Command spokesman.

The training ban had resulted in a loss of U.S. influence in the region. The issue gained urgency after a string of leftist candidates came to power in Latin America.

On a trip to the region this year, Rice said that the impact of the ban had been "the same as shooting ourselves in the foot."

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China stepped into the gap. Ruiz said China "has approached every country in our area of responsibility" and has exchanged senior military officials with Ecuador, Bolivia, Chile and Cuba and provided military aid and training to Jamaica and Venezuela.

The ban remains in effect for some countries. Venezuela, whose fiery President Hugo Chávez is a critic of the Bush administration, remains ineligible because it is on a State Department list of countries alleged to have permitted the trafficking of women and children for sexual exploitation and forced labor.

Chávez is up for re-election in December and leads in the polls. Cuba is also off-limits because of a long-standing U.S. embargo against Fidel Castro's regime.

Ruiz said efforts are being made to transfer money this year to begin training foreign officers from eligible countries.

Ortega Redux: A History Smolders On Cold War Embers (NYT)

By James C. McKinley Jr.

The New York Times, November 11, 2006

MANAGUA, Nicaragua, Nov. 10 — For most of the world, the cold war ended when the Berlin Wall came down. Not so in the Caribbean basin.

Here the stubbornness of old cold warriors in Washington and the equal tenacity of leftist governments in Cuba and Venezuela have kept a miniature cold war going. Just as it was 20 years ago, Nicaragua now finds itself smack in the middle of the conflict with the election this week of Daniel Ortega, the former Marxist rebel leader, as president.

Mr. Ortega faces a balancing act no politician would envy, both inside the country and on the world stage. On the one hand, to satisfy his supporters, he must fulfill promises to "eradicate poverty," curb "savage capitalism," and remain friendly with his leftist allies, Fidel Castro of Cuba and Hugo Chávez of Venezuela. Venezuela, in particular, could be a source of cheap oil and money for social programs.

On the other hand, he can ill afford to lose more than $50 million a year in United States aid or credit from the International Monetary Fund. Neither can Nicaragua, one of the poorest countries in the hemisphere, jettison the newly approved free trade agreement between Central American countries and the United States. Just to survive economically, this nation of some 5.6 million people needs to continue exporting textiles and fruit to the United States and receiving remittances from Nicaraguans in the north.

"Nicaragua is basically a welfare state that depends on foreign inputs to survive, remittances and foreign aid," said an American diplomat, speaking on condition of anonymity.

What is more, Mr. Ortega won with only 38 percent of the vote, and the National Assembly is divided among four parties. Every move he makes will involve negotiation and compromise with conservative lawmakers, who are desperate not to anger the Bush administration.

"The problems facing him make it almost impossible to have a successful presidency," said Larry Birns, the director of the Council on Hemispheric Affairs in Washington. "He has no arrows in his quiver."

Mr. Ortega's precarious position may explain the careful nuance in his recent speeches. He ran on a rosy and vague promise of "jobs, peace and reconciliation," seldom attacked the United States, avoided Marxist rhetoric and wore his newfound religious convictions on his sleeve. These days he talks more on the stump about God than the proletariat.

For the moment, Mr. Ortega is walking very softly and speaking in dulcet tones. "Today more than ever, the Sandinistas have to be patient," he said to ecstatic Sandinista Party supporters after his victory this week. "We are not going to fall into provocations or insult anyone."

Still, once in a while, the old revolutionary flares in him. He has called President Bush "the Reagan of these times," and asserted that the "Yankee Reagan" wanted "to bring death and destruction to the region." Sometimes, he rails against the havoc the free trade agreement has wrought on small farms.

Since the election, he has taken pains to calm businessmen, assuring foreign investors on Wednesday that he will protect property rights in exchange for help combating poverty. "No one is going to allow the seizure of property big or small," he said. He has also reached out to his political opponents, saying he will keep in place reforms limiting the president's power.

Yet at his victory speech later the same day, Mr. Ortega made it clear that he would not be Washington's lackey. He thanked his leftist "brothers," Mr. Castro and Mr. Chávez, then took a dig at Washington, saying it was not the Sandinistas who broke off relations after the 1979 revolution. "It was the reverse," he said.

He also said he would push the country, which currently sells more than 60 percent of its exports to the United States, to join the anti-United States trade association Mr. Chávez wants to organize. And he said he would seek trade agreements with Europe and South America. "We have to know how to make our economy grow not depending on only one market," he said.

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So far, the Bush administration has taken a wait-and-see attitude in the face of what seems like two different Ortegas. A State Department spokesman, Gonzalo Gallegos, said the United States' cooperation with Mr. Ortega would be "based on their action in support of Nicaragua's democratic future."

Meanwhile, Mr. Castro and Mr. Chávez have used Mr. Ortega's victory to feed their own propaganda machines.

In Havana, Mr. Castro put out a statement saying the victory "fills our people with joy, at the same time filling the terrorist and genocidal government of the United States with opprobrium." In Caracas, Mr. Chávez claimed he and Mr. Ortega would be "uniting as never before" to construct a socialist future.

The outcome of this tug of war hinges on what steps Washington takes, several experts on the region said. The Bush administration has many high-ranking officials who were involved to one degree or another in the covert war against the Sandinistas and Mr. Ortega in the 1980s, among them Robert M. Gates, the man Mr. Bush put forward to be the new secretary of defense.

So even though Nicaragua is hardly a threat to national security, the memories of the 1980s may influence the Bush administration's policies, some experts say. "One of the big questions is, independent of what Ortega does, what approach will the U.S. take?" said Geoff Thale of the Washington Office on Latin America, an independent research group.

People who know Mr. Ortega worry his temper will get the best of him if Washington tries to put pressure on him.

"The worst thing that could happen is if Daniel Ortega extends his hand to Bush and Bush rejects it," said Sergio Ramírez, who was the vice president in the late 1980s under Mr. Ortega. "What will happen is that he's going to say, 'Fine, I will go with Chávez.' "

White House Watches Ortega (WT)

By Carmen Gentile, The Washington Times

The Washington Times, November 10, 2006

MIAMI — The Bush administration has adopted a wait-and-see approach toward relations with Nicaragua after the return to power of former White House foe Daniel Ortega.

Some U.S. lawmakers expressed fears before Sunday's vote that a return to power by Mr. Ortega would further embolden Latin America's anti-Washington bloc, led by Cuba's Fidel Castro and Venezuela's Hugo Chavez.

But after Mr. Ortega's clear victory in a crowded field, U.S. officials said they would respect the decision of the Nicaraguan people to re-elect the Sandinista leader who led a protracted and bloody war in the 1980s against the U.S.-backed Contra rebels.

"We ... look forward to establishing positive relations with Mr. Ortega and his new government," said Eric Watnik, a State Department spokesman.

In the days after an election in which the leftist Mr. Ortega handily defeated the U.S.-backed and Harvard-educated Eduardo Montealegre, U.S. officials were unusually reticent about the results.

Some said they were disappointed with the results and feared Mr. Ortega would roll back free-market reforms and Nicaragua's approval of the Central American Free Trade Agreement, designed to end tariffs on trade among Central American countries, the United States and the Dominican Republic.

However, the reforms instituted since Mr. Ortega was defeated 16 years ago have done little to better the lives of most Nicaraguans, about half of whom live on no more than $1 a day. The country remains the second poorest in the hemisphere ahead of only Haiti.

Before the election, Rep. Dana Rohrabacher, California Republican, wrote a letter to Homeland Security Secretary Michael Chertoff recommending a termination of the billions of dollars in remittances that flow into Nicaragua from friends and relatives living in the United States.

But administration officials say they are willing to give the benefit of the doubt to the Nicaraguan president-elect. "We will work with [Mr. Ortega] in support of Nicaragua's democratic future," Mr. Watnik said.

Hoping to assuage fears that he might return Nicaragua to the dark days of its Soviet-influenced rule and hyperinflation, Mr. Ortega told business leaders this week that he would respect the reforms implemented by the outgoing Liberal Constitutional Party.

"Sixteen years have passed since the war ended," he said before the election. "I ask God to give us a chance to govern in peace together, without political differences, everyone together so that we can pull Nicaragua out of poverty."

He did say in the campaign that CAFTA was "subject to review" and that poor Nicaraguans had been reduced to "beggars" since it took effect.

Many Nicaragua analysts say Mr. Ortega today is a far cry from the heavy-handed leftist who helped sink Nicaragua into the depths of poverty and despair.

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"Ortega is clearly a changed man," said Larry Birns, director of the Council on Hemispheric Affairs in Washington, noting the Nicaraguan leader's willingness to accept economic reforms approved by Washington and the World Bank.

Some U.S. leaders "still have old memories of Ortega and the Sandinistas as villains with ties to Moscow," he said.

World Bank officials have expressed cautious optimism about the new administration. "We don't envisage any dramatic shift in policy," said Joseph Owen, World Bank country director for Nicaragua.

Mr. Owen noted that Nicaragua has received $378 million in "soft" loans for 14 development projects, including infrastructure, education and poverty-reduction programs.

Nicaragua hopes that confidence in its ability to manage loan money eventually will pervade White House attitudes as well.

Ortega, Again (NYT)

The New York Times, November 11, 2006

Nicaragua's top Sandinista is back — and with him international anxiety. Daniel Ortega won the presidency of Nicaragua on Sunday, raising fears that Hugo Chávez and Fidel Castro now have another faithful acolyte.

But while Mr. Ortega's election is bad news, it is not because he is still a Marxist revolutionary. He is an old-style Latin American strongman who, we fear, will further weaken Nicaragua's democratic institutions and retard economic progress. Washington's challenge will be to figure out how to help curb Mr. Ortega's authoritarian impulses without pushing him into Mr. Chávez's arms.

Mr. Ortega, who was voted out of power in 1990, won this time because his opponents could not agree on a single candidate. The 39 percent of the country that voted for him was yearning for any change that could dig the country out of its deep poverty. He still had to use a series of political maneuvers and dirty tricks to ensure his victory.

As leader of the Sandinistas in the late 1990s, he made Nicaragua ungovernable by sending protesters into the streets. In return for peace, Arnoldo Alemán, the president then, allowed Mr. Ortega to pack the Supreme Court and the election commission, and arranged for both Mr. Ortega and himself to be granted lifetime legal immunity. That allowed Mr. Ortega to escape prosecution after his stepdaughter accused him of sexual abuse, beginning when she was 11. (Since stripped of his immunity, Mr. Alemán is serving 20 years for embezzlement.)

Mr. Alemán also agreed to lower the threshold of votes required to win a first-round election — upping the chances of an Ortega victory.

In his last pre-election act of cynicism, Mr. Ortega neutralized the powerful Catholic Church's opposition by backing passage of a bill that criminalizes all abortion. Mr. Ortega was once pro-Marxist, but now he's pro-Ortega. And that's the problem.

The Other Winner In Nicaragua (WSJ)

By Mary Anastasia O'grady

The Wall Street Journal, November 10, 2006

MANAGUA -- It was just past noon here Sunday when I made my way to a polling station in the barrio of La Chureca, a sprawling garbage dump that also happens be home to some of this city's most destitute denizens. I wanted to see how the voting in the presidential election was going in a neighborhood known as a Sandinista stronghold.

The first glimpse of La Chureca, riding along a bumpy dirt road, is heaps of rubbish as far as the eye can see, fermenting under the hot sun and the watchful eyes of circling vultures. Soon more detail comes into view: Emaciated cattle, with feral dogs under foot, are "grazing" through the mounds of trash. Naked toddlers dart in and out of corrugated-tin shacks. On Sunday afternoon, at a small school on the side of the road, the polls were open and locals were voting just as they were all around the capital. Things were calm.

La Chureca is a symbol of Nicaragua's extreme poverty but as it turns out, it's not solely the property of former Sandinista dictator Daniel Ortega, who won the presidential election with 38% of the vote. On Monday afternoon, when I interviewed right-of-center candidate Eduardo Montealegre of the Liberal Nicaraguan Alliance (ALN) -- who came in second with 29% -- I asked him about the place. He said he also campaigned door to door in the neighborhood and that he found some support there.

Mr. Montealegre seems to have done better than expected in a number of traditionally strong Sandinista regions around the country. He got beat in the rural highlands, where third-place candidate José Rizo of the Constitutional Liberal Party (PLC) acted as the spoiler, draining anti-Sandinista votes away from the ALN. He finished with 26%.

Mr. Ortega's victory has demoralized Nicaraguans who were hoping that the days of thuggish Sandinista government might be behind them. Yet despite the disappointment of an Ortega comeback, there are reasons not to paint the country with the broad brush of defeat in the aftermath of the election. Mr. Montealegre's ALN has accomplished something big for Nicaraguan democracy by unseating the corrupt PLC as the country's main center-right party and establishing itself as a credible force against the Sandinistas.

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On the question of whether Sunday's vote was fair, it's safe to say that if there was serious fraud it probably occurred before the polls even opened. Complaints of late poll openings and some early closings undoubtedly have merit. In my own narrow sampling, I noted that Mr. Ortega's control of the Supreme Electoral Council made it easy for Sandinistas to slow down the process and even harass opposition-party poll workers.

Yet the bigger problem may have been the structural damage caused by "the pact," a corrupt 1999 agreement between Mr. Ortega and former PLC President Arnoldo Aleman, who is now serving a 20-year sentence for fraud and money laundering. That deal lowered the threshold for a first-round victory to 35%, and by putting the CSE in the hands of the Sandinistas, allowed the Ortega camp to manipulate voter rolls in its favor.

Even so, Mr. Ortega could not have won without help from Mr. Rizo, who was widely viewed here as Mr. Aleman's puppet. While surveys show that Nicaraguans highly disapprove of PLC corruption, it also seems that rural highlanders reasoned that only the traditional PLC machine could keep Mr. Ortega out of office. Mr. Rizo thus became Nicaragua's Ross Perot. It was in highland regions, like Matagalpa, where the Sandinista victory was sewn up.

With the odds stacked heavily against him, Mr. Montealegre might have been trounced. The fact that he was not says much about the hunger here for something other than a choice between a recycled dictator on the left and a right-wing party headed by a convicted crook. The final tallies are also a commentary on Mr. Montealegre's leadership potential.

Two years ago there was no ALN party. Mr. Montealegre broke with the PLC and fast became the symbol of popular disgust with right-wing corruption. As Eduardo Enriquez, managing editor of Nicaragua's daily newspaper La Prensa wrote in a note to me on Wednesday, "In 18 months the ALN has shown a true capacity to organize that we have not seen in the history of Nicaraguan democracy, including the accomplishment of going from zero to 30% of valid votes. This is no less than a major victory that testifies to the leadership of the candidate and the capacity to organize the ALN team. The result is that Eduardo Montealegre is the new leader of the right and the new leader of the opposition."

Mr. Montealegre, who now goes to the congress as representative, has his work cut out. The ALN will have only about 30 seats in the chamber against 37 for the Sandinistas and 18 for the PLC. The ALN will need a strategy to prohibit the authoritarian Mr. Ortega from teaming up with the PLC and steamrolling democracy à la Venezuela's Hugo Chávez. As Mr. Enriquez points out, the ALN might find a way to co-govern with the Sandinistas, as current president Enrique Bolanos has done. But the situation would be very unstable given Mr. Ortega's appetite for power.

Mr. Enriquez, who is no apologist for Mr. Aleman, says the ALN could also try to "govern from below" by forming a coalition with the PLC to keep Mr. Ortega in check. Though this too, he says, is problematic. It might require that the ALN give Mr. Aleman a pardon, a distasteful proposition and also a risky one, since up to now the former president has demonstrated a profound lack of principles.

Still, Mr. Montealegre is not without leverage. Many Nicaraguans feel duped by the dirty tricks that the PLC used to undermine the Montealegre campaign and put Mr. Ortega in office. Both the party and Mr. Aleman are discredited. In that sense, Nicaraguans are in a better position today than they have been for many years. There might even be hope for the people of La Chureca.

Security Council Sets Palestinian Vote (AP)

By Justin Bergman, Associated Press Writer

AP, November 11, 2006

The U.N. Security Council will vote Saturday on an Arab-backed draft resolution condemning the Israeli military offensive in Gaza and demanding a withdrawal of Israeli troops from the coastal strip, a European diplomat said.

Members of the Security Council met briefly late Friday afternoon to discuss the draft, which was softened somewhat from a version being circulated earlier this week.

Still, European diplomats said Friday there remained concerns among some of the council members about the language of the draft, making passage uncertain. The diplomats spoke on condition of anonymity because consultations were still taking place.

The U.S. blocked a U.N. Security Council resolution this summer demanding Israel halt its offensive in the Gaza Strip, which it launched in June following the capture of an Israeli soldier by Hamas-linked Palestinian militants. It was the first Security Council veto in nearly two years.

Palestinians have denounced the Security Council's silence on the offensive this week, increasing its calls for action after an Israeli artillery barrage in the northern Gaza Strip town of Beit Hanoun killed 19 people on Wednesday.

The draft resolution, which was introduced by Qatar, calls for Israel to immediately cease its military operations in the Gaza Strip and withdraw its troops. It also calls upon the Palestinian Authority to take "immediate and sustained action" to bring an end to violence, including the firing of rockets on Israeli territory.

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The draft requests the U.N. secretary-general establish a "fact-finding mission" to probe Wednesday's attack in Beit Hanoun, and asks the international community to restart the peace process with the "possible establishment of an international mechanism for protection of the civilian populations."

During an open session Thursday on the Gaza situation, U.S. Ambassador John Bolton called for restraint on all sides.

He said Israel must investigate the Beit Hanoun killings and take steps to avoid a repeat of the incident. He also condemned Palestinian militant rocket attacks into Israel, saying Israel has a right to defend itself.

Associated Press Writer Alexandra Olson contributed to this report.

Palestinian PM Offers To Resign For Aid (AP)

By Ibrahim Barzak, Associated Press Writer

AP, November 11, 2006

Palestinian Prime Minister Ismail Haniyeh said Friday he would be willing to sacrifice his job if the international community would lift economic sanctions that have crippled his Hamas-led government.

Haniyeh's statement was the latest indication that the Islamic Hamas group was nearing a deal to form a national unity government with Palestinian President Mahmoud Abbas' moderate Fatah Party that would be made up of independent experts.

Such a coalition would presumably present a more moderate face to the world and convince the West to restore hundreds of millions of dollars in international funding.

"When the issue of the siege is on one side, and my being prime minister is on the other, let the siege be lifted to end the suffering of the Palestinian people," Haniyeh said, referring to the sanctions that have caused widespread hardship in the West Bank and Gaza Strip.

Haniyeh's comments came a day after Abbas spoke on the phone with his main political rival, Hamas' supreme leader Khaled Mashaal — their first conversation since April. Hamas spokesman Fawzi Barhoum said their discussion indicated the sides were nearing agreement.

The international sanctions, including tax revenues Israel has withheld since Hamas took power in March, has made it largely impossible for Hamas to pay the government's 165,000 employees.

The West, including the United States, has said it will not lift sanctions unless Hamas recognizes Israel, renounces violence and accepts past peace deals, something Hamas has so far refused to do.

The program of the proposed new unity government is vague on the key issue of recognizing Israel, calling for a Palestinian state on only the lands captured by Israel in the 1967 Mideast War. Hamas' charter calls for an Islamic state on those lands as well as Israel.

In addition to the economic sanctions, Palestinians in Gaza have weathered a monthslong Israeli offensive that began after Hamas militants tunneled into Israel and captured a soldier in June.

More than 50 people have been killed in recent days in the Israeli artillery barrage, which aimed at preventing Palestinian militants from firing rockets at Israel. Among them were 19 killed Wednesday in the northern Gaza Strip town of Beit Hanoun when shells landed as residents were sleeping.

The U.N. Security Council will vote Saturday on an Arab-backed draft resolution condemning the Israeli military offensive in Gaza and demanding a withdrawal of Israeli troops from the coastal strip, a European diplomat said.

The draft requests the U.N. secretary-general establish a "fact-finding mission" to probe Wednesday's attack in Beit Hanoun, and asks the international community to restart the peace process with the "possible establishment of an international mechanism for protection of the civilian populations."

The U.S. blocked a U.N. Security Council resolution this summer demanding Israel halt its offensive in the Gaza Strip. It was the first Security Council veto in nearly two years.

Meanwhile, thousands marched through Middle East capitals Friday to protest an Israeli offensive, their calls often spilling into a broader outcry against America's policy in the region and its backing of Israel.

In Jordan, some 1,000 demonstrators filed into the streets after Muslim noon prayers, chanting slogans in support of the Palestinians, but also against the sentencing of Saddam Hussein in neighboring Iraq.

In Sudan, about 2,000 people gathered in front of the United Nations mission building and burnt American and Israeli flags. "Down down USA, we won't be governed by the CIA," chanted the crowd, which was prevented by police from approaching the U.N. building.

Similar protests were held in Egypt, Syria and Lebanon.

In an interview with NBC's "Today" show Friday, Israeli Prime Minister Ehud Olmert defended himself against critics who said Israel was using too much force against the Palestinians, saying he thinks "we are very, very restrained in using power."

"When someone criticizes us, I say what would you do when rockets fall on the heads of innocent Israelis?" he said.

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Israeli Defense Minister Amir Peretz ordered the military to "re-evaluate its policy of artillery fire in Gaza," his ministry said in a statement.

Berlin Aims To Revive Mideast 'Quartet' (FT)

By Hugh Williamson

Financial Times, November 11, 2006

Germany will try to advance the Middle East peace process next year by reviving the joint diplomatic efforts in the region by the US, European Union, Russia and the United Nations, Angela Merkel, chancellor, said yesterday.

Speaking at a security conference in Berlin, Ms Merkel said Germany would use its EU presidency from January onwards to breath new life into the Middle East "Quartet" involving these four international interests.

"We see the need to start the quartet again and will discuss this with our partners" she said, adding that Berlin was determined to contribute to helping resolve the Israeli-Palestinian conflict, "even if the negotiations involved prove to be difficult".

Officials said the chancellor's comments reflected frustration in Germany and the EU that the quartet had been largely inactive in recent months, despite the tensions and violence in the Middle East.

Germany in January assumes both the six-month EU presidency and the year-long presidency of the G8 group of industrial countries and German diplomats admit that Berlin is under pressure to take a heavyweight leadership role in the Middle East and elsewhere in this period.

"We can't just sit back and do nothing" on the Middle East, said one German official, citing as an example the Israeli shelling in northern Gaza on Wednesday that left 18 Palestinian civilians dead.

In addition, Germany has since last month, and for the first time in its postwar history, been involved in a peacekeeping mission in the region, with several ships patrolling the Lebanese coast to prevent arms being smuggled to the Hizbollah movement. "We have a special responsibility to this region," Ms Merkel said, referring to Germany's commitment to ensure the existence of Israel, arising from its Nazi past.

Ms Merkel's announcement followed repeated suggestions by Frank-Walter Steinmeier, foreign minister, that the quartet structure be revived, in particular to draw Washington into broader international initiatives in the Middle East.

In order to reinforce the quartet's role, its mandate could be expanded to include related regional conflicts, such as that between Israel and Lebanon, Mr Steinmeier has argued. In addition, other countries, such as Egypt, could be drawn into the talks to make them more representative.

The quartet's last big policy decision was in January, when, after a meeting in London attended by Condoleezza Rice, US secretary of state, it called on Hamas to recognise Israel's right to exist, abide by past agreements and renounce violence.

Some diplomats now fear that Europe and the US could be diverging, particularly if the Palestinians succeed in their attempts to form a national unity government. While the EU would like to recognise and work with such a government, Washington is much less enthusiastic.

Additional reporting by Daniel Dombey in Brussels

Palestinians Mourn Civilians Killed By Israel (NYT)

By Ian Fisher

The New York Times, November 10, 2006

BEIT HANUN, Gaza, Nov. 9 — Palestinians marched in anger and mourning on Thursday for 18 civilians killed by Israeli artillery — baring for cameras the battered faces of two dead children. Prime Minister Ehud Olmert of Israel offered to ease tensions by meeting the Palestinian president “anytime, anyplace.”

“I am very uncomfortable with this event,” Mr. Olmert said at a business conference in Tel Aviv. “I’m very distressed.”

Saying that he had personally investigated the artillery strike, which spurred Hamas to warn that it might resume suicide bombings against Israeli civilians, Mr. Olmert called the shelling Wednesday a “mistake” caused by technical failure. And he urged Mahmoud Abbas, the Palestinian president, to meet with him immediately.

“He will be surprised when he will sit with me of how far we are prepared to go,” he said. “I can offer him a lot.”

He did not explain what he meant. But his words seemed to reflect deep embarrassment at the deaths, mostly of women and children. The strike was condemned around the world, but also by many Israelis who are concerned about the number of civilians killed in Israeli operations to curb rocket fire by Palestinian militants into Israel.

Mr. Olmert’s statement also seemed to reposition the deaths — the largest single loss of life among Palestinians in years — into the realm of politics.

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Any discussion between the men would invariably center on the difficult question of prisoners. It is unclear, however, how far Mr. Olmert could move from his past insistence that an Israeli soldier captured by Palestinian militants in June must be released before he would free hundreds of Palestinians from Israeli jails.

Mr. Abbas did not immediately respond to Mr. Olmert's offer. But he has refused other such open-ended offers, saying that he wanted a concrete deal first on the prisoners and a meeting of "substance."

On Thursday evening, the Israeli military issued its first detailed explanation of what went wrong with the shelling, saying an aiming radar had malfunctioned, causing the rounds to hit a cluster of civilians' houses.

Maj. Avital Leibovich, an army spokeswoman, said that a first volley of 13 shells had been aimed at an orange grove concealing rocket launchers and landed just under a mile away from the houses. A second barrage of 11 rounds, she said, was "aimed 400 meters away from where they hit."

"What we know from aerial photos is that two houses were hit directly," she said. "Our estimate is that 5 or 6 shells of the 11 hit two houses."

She added that, as is standard practice, the system was tested on targets before being used and that it had functioned properly.

Thousands of Palestinians, waving banners and shooting guns, returned to the shrapnel-scarred houses on Thursday with the bodies of the victims, carried on stretchers and wrapped in the yellow flags of the Fatah Party, led for decades by Yasir Arafat and now by Mr. Abbas. Women wailed and screamed for revenge: "Martyrs by the millions!" they chanted. "We are going to Jerusalem!"

Many of the dead were completely covered. But family members exposed the faces of two toddlers, the youngest victims — sisters named Maisa and Maram Athamnah, — as they held their bodies over their heads for the crowd and cameras to see.

"How was this baby guilty?" asked Kamal Hamdan, 43, after one of the bodies was paraded past him.

The bodies were carried to a new cemetery and buried in a single row, the two girls in the same concrete tomb as their mother, Manal, 25. The mood was furious, with many people saying they believed that Palestinians should intensify their attacks on Israel, civilians included.

"We must continue our resistance, even if the price is as big as this," said Ataa Zania, a paramedic who helped evacuate the dead and wounded on Wednesday. "Whoever wants to liberate his country has to pay the price."

As such, there was much approval for statements from Hamas leaders that they might resume suicide bombings inside Israel.

Several political analysts and experts on Hamas said they did not expect the group to resume a large-scale campaign of suicide attacks. Hamas, they contend, undertook a major shift in direction from militant group to political leadership when it won the Palestinian elections in January, and it stands to risk that by resuming a suicide campaign.

The group seems to remain deeply engaged in politics. On Thursday, the Hamas prime minister, Ismail Haniya, met again with Mr. Abbas here in Gaza in talks on a government of national unity, in which the Hamas cabinet would step down in favor of professionals and technocrats. The talks, however, are moving slowly, with many complications and little apparent hope of a deal in the next few days.

But several experts said they did not rule out one large attack by Hamas in specific retaliation against the deaths here.

"As in physics, every action has a reaction," said Mustafah Sawwaf, a journalist and political analyst. "Now there is a lot of pressure" from Palestinians not just on Hamas, but other factions, to retaliate.

But Abu Obaida, a Hamas military spokesman, took pains to clarify a statement that the group's military wing issued the day before warning of "hard lessons" in store for the United States, as Israel's ally. He strongly denied that Hamas was calling for violence against Americans or their interests.

The "only theater of operations is Palestine, its only target is the Israeli occupation," he said. "We have no intention of targeting any other nation or extending our theater of operation beyond the current one at this time.

"Of course," he added, "this does not clear the United States of its moral obligation to try and be even-handed and objective instead of its bias toward Israel."

Olmert: Israel Won't Stop Targeting Gaza (AP-Y)

By Sarah El Deeb, Associated Press Writer

AP, November 10, 2006

Israel will keep targeting Palestinian rocket squads in Gaza despite the risk of inadvertently hitting civilians, Israeli Prime Minister Ehud Olmert said Thursday, as tens of thousands of Palestinians buried 18 victims of an errant Israeli artillery strike.

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Women collapsed in grief, gunmen fired in the air and a man hoisted his dead baby aloft during the funeral procession in the northern Gaza border town of Beit Hanoun, where several Israeli shells struck a residential area early Wednesday. All of the dead belonged to a single extended family.

The Israeli military confirmed Thursday evening for the first time that its artillery caused the casulaties, suspending the shelling.

Amid the anguish, moderate Palestinian President Mahmoud Abbas picked up the phone and called his main political rival, Hamas' supreme leader Khaled Mashaal — a move that could help prevent the Islamic militant group from renewing attacks on Israel and also pave the way for a moderate Palestinian government.

Abbas and Mashaal, who lives in exile in Damascus, Syria, agreed to meet after agreement has been reached on a new government of experts, to be appointed by Hamas and Abbas' Fatah movement, said a senior Palestinian official who sat in on the conversation. Both sides hope that such a government will be acceptable to the West and end a crippling international aid boycott.

Abbas had refused to talk to Mashaal since April, when the Hamas leader harshly criticized the Palestinian president in a speech. However, with violence threatening to escalate further after the Beit Hanoun strike and militants calling for revenge, he contacted Mashaal to try to lock up a coalition deal. A key sticking point is the choice of a new prime minister who has ties to Hamas, but would also be acceptable to the West.

In Jerusalem, Olmert said that while he regrets the latest deaths, Israel will press ahead with strikes against Palestinian militants firing rockets at Israeli border towns.

"The military will continue as long as there will be Qassam shooting," he said, using the name for Hamas' homemade rockets. "We are not going to stop," indicating Israel would keep up its airstrikes in Gaza aimed at militants even with the artillery falling silent for now.

"We will take precautions in order to avoid unnecessary mistakes," he said. "We will do everything in our power to avoid it. I think it would not be serious to promise that it may not happen. It may happen."

Olmert said the artillery was meant to hit an orange grove from which troops saw rockets fired seconds earlier, but instead hit homes in Beit Hanoun, some 500 meters (yards) away.

The military said the results of its inquiry concluded that "the Palestinian civilian casualties were caused by IDF (Israeli army) artillery." The military statement said the inquiry determined the problem was a "technical failure" in the system that directs the fire. It said the army commander ordered a halt to artillery fire at Gaza until a further check is completed.

The Defense Ministry said in a statement that Defense Minister Amir Peretz ordered the military to "re-evaluate its policy of artillery fire in Gaza, including the safety range."

Beit Hanoun has been the focus of a week-long Israeli offensive meant to halt rocket the attacks. Wednesday's shelling came a day after Israeli ground forces pulled out of Beit Hanoun.

The shells landed as residents were still asleep, and witnesses said many were killed as they fled their homes in panic. The 18 dead was the highest Palestinian civilian toll in a single incident since the current conflict erupted in September 2000. The highest toll of Israeli civilians was 29 killed in a Palestinian suicide bombing at a Passover gathering in March 2002.

In Thursday's funeral, the bodies arrived at the cemetery in a convoy of 18 ambulances which drove from the local hospital through the artillery-scarred cluster of apartment buildings. Cries of "God is greater than Israel and America," punctuated by gunshots, rang out as the bodies were brought out on stretchers.

"I will avenge, I will avenge!" screamed one of the victims' relatives as he fired his weapon, voicing a common sentiment among the mourners.

"The Zionist enemy understands only the language of force and therefore I say, 'an eye for an eye, a nose for a nose,'" chanted Abdel al-Hakim Awad, a Fatah spokesman. "The residents of Sderot, the residents of Ashkelon, even the residents of Tel Aviv, are not going to enjoy security or peace as long as you are suffering, our beloved people in Beit Hanoun."

The freshly dug graves were lined up in a single row, each marked by a concrete block. A Palestinian flag fluttered over each one.

Two Israeli unmanned aircraft buzzed overhead.

All of the dead belonged to the al-Athamnas, a prominent family in town that includes several doctors and professionals. Family members said they had fled during the recent Israeli offensive, returning home after Tuesday's pullout.

The U.N. Security Council was to meet in special session later Thursday. Palestinians hoped for a condemnation of Israel, on top of the denunciations Israel absorbed from governments worldwide after the attack.

Israeli police, fearing revenge attacks, stepped up their alert level, mobilizing forces across the country.

Anaylsis: Hamas Has Big Stake In Truce (AP-Y)

DOJ_NMG_0093682

By Steven Gutkin, Associated Press Writer

AP, November 10, 2006

Hamas' threats to resume attacks inside Israel are playing well on the Palestinian street, but the group has a big stake in keeping its truce with Israel as it struggles to end a Western aid boycott and transform itself into a legitimate political power.

Hamas is already moving ahead with efforts to form a national unity government with the rival Fatah Party despite the killing of 18 Palestinian civilians by an errant Israeli artillery barrage. Such a government, made up of independent experts, would presumably project a more moderate face to the world.

However, killings of Palestinian civilians have often led to spiraling violence in the past. And Palestinians, furious over what they see as Israeli brutality and a lukewarm international response, are in no mood for concessions.

"While our children are drowning in their blood in Gaza, their children in Israel should not be any safer," a Hamas spokesman, Fawzi Barhoum, said Thursday as tens of thousands marched through Gaza's streets in funeral processions.

His comments echoed those of Hamas' exiled leader, Khaled Mashaal, who canceled a cease-fire with Israel and said his militants would answer the Gaza deaths with "deeds, not words."

It's difficult to persuade Hamas to share power in a more moderate government "when people are burying their children, burying their women, seeing this massive destruction," said Palestinian chief negotiator Saeb Erekat.

Still, a telephone conversation between Palestinian President Mahmoud Abbas and Mashaal indicated that Wednesday's bloodshed in Gaza would not derail coalition talks. The two men hadn't spoken for months, and aides to Abbas said their discussion Thursday boded well for progress.

Even Israelis, aware of Hamas' stake in continued calm, didn't seem to be taking Mashaal's threats too seriously. "His language is very often like that. It's nothing new," said Israeli Foreign Ministry spokesman Mark Regev.

Israeli Prime Minister Ehud Olmert said the artillery barrage in Beit Hanoun was caused by a "technical failure" and said he was "very distressed" by what happened. He also called for an immediate meeting with Abbas.

Previous episodes illustrated how quickly violence can spin out of control. A June 9 explosion at a Gaza beach that killed eight civilians was followed by the capture of an Israeli soldier by Hamas-linked militants and an Israeli invasion of Gaza. Israel and Hezbollah guerrillas in Lebanon fought a 34-day war after two Israeli soldiers were seized.

Still, this time there might be enough forces at play to prevent an escalation.

Hamas, which came to power in March after winning legislative elections, was met with a devastating international aid boycott that hindered its ability to pay tens of thousands of public workers whose salaries are the backbone of the Palestinian economy.

Before the deaths in Beit Hanoun, Hamas and Fatah said they were close to forming a national unity government that many Palestinians hoped would be the beginning of the end of the international boycott.

Hamas killed scores of Israelis in suicide bombings before 2005, but has refrained from such attacks for almost two years — even as it kept firing rockets into Israel.

Ahmed Yousef, senior political adviser to Palestinian Prime Minister Ismail Haniyeh of Hamas, signaled the group would not resume the sort of attacks that would invite harsh Israeli reprisals and impede Hamas's ability to govern.

"There is no decision to resume suicide bombing in Israel, but I don't rule out that other Palestinian parties would resort to such attacks," said Yousef, apparently referring to the militants of Islamic Jihad, which is not participating in the truce.

In Israel, there is growing criticism of the military's use of artillery against Palestinian militants, saying it subjects civilians to undue danger and ultimately harms Israeli interests.

"Instead of more and more pointless military operations, which will not lead to anything except kindling more hatred, we must try a completely different path," said an editorial in the Haaretz daily.

Israeli politicians and military commanders are under great pressure, however, to stop daily rocket fire from Gaza on southern Israeli towns.

Wednesday's bloodshed was preceded by a weeklong Israeli offensive in Beit Hanoun that killed more than 50 Palestinians. Shortly after Israel pulled out, rocket fire resumed.

Israeli political analyst Yossi Alpher said there's nothing the army can do to halt the rocket fire, which has persisted unabated since Israel withdrew from the Gaza Strip more than a year ago.

"We don't have a solution short of reoccupying every single house and every square meter of land and we're not going to do that," he said.

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Steven Gutkin is AP's bureau chief in Jerusalem.

The Perils Of Inaction (NYT)

DOJ_NMG_0093683

The New York Times, November 10, 2006

There have never been easy answers for how to broker peace between Israel and the Palestinians. But the horrifying price of ignoring the problem was made clear again this week when errant Israeli tank shells crashed into a Gaza neighborhood, killing 18 people, including seven children, as they slept.

There is more than enough blame to go around. Militants in Gaza constantly lob crude rockets across the border. The Hamas movement — voted into power last winter — is refusing to even implicitly recognize Israel, although doing so would mean resumption of international aid and lessening the desperation of its own people. Hamas's military wing has called for attacks on American targets in retaliation for the Gaza deaths.

And even as he expressed his distress for the deaths in Gaza — and called for an immediate meeting with Mahmoud Abbas, the moderate Palestinian president — Prime Minister Ehud Olmert said Israel would continue striking militants, and could not promise that mistakes "may not happen."

Yesterday, analysts were trying to figure out which was the most immediate danger: a new wave of terrorist attacks against Americans, the start of a full scale Israeli-Palestinian war, or a civil war between Hamas and its rival Fatah if talks on forming a unity government fail.

In such times, President Bush's call for "care and restraint" on all sides seems woefully inadequate. That is also how we would describe Secretary of State Condoleezza Rice's sterile tour of the region last month. Since her return, the administration has not taken a single step to revive peace talks.

If there is any way out, Mr. Bush needs to pledge his prestige and the full resources of his remaining presidency to negotiating a Middle East peace. Even before Mr. Olmert visits Washington next week, Mr. Bush should send Ms. Rice back to the region to broker an immediate cease-fire.

She needs to insist that the Israelis restrain their offensives into Palestinian territory and cease all settlement construction. And she needs to make clear to the Palestinians that while words are important, there will be no resumption of aid until their security forces move aggressively to halt rocket and terrorist attacks against Israel.

We had hoped Mr. Bush and Ms. Rice would have figured out the cost of inaction and drift after last summer's disastrous war in Lebanon. Perhaps this week's return look into the abyss will stir them.

Under Heavy Police Guard, Gay Rights Advocates Rally In Jerusalem (NYT)

By Greg Myre

The New York Times, November 11, 2006

JERUSALEM, Nov. 10 — After Supreme Court rulings, criticism from the Vatican and several nights of rioting by angry opponents, Jerusalem's gay community held a small, orderly rally Friday under a heavy police guard.

The police contingent of 3,000 was nearly as large as the crowd, which cheered speeches and danced to music from a stage draped in rainbow banners at Hebrew University's sports stadium.

The venue was changed twice as the police sought a secure area, well away from an Orthodox Jewish neighborhood where youths have rioted in opposition to the event. Friday's rally was much more modest than the original plan, which had called for a large march through the city center, and organizers and participants were divided on whether to declare it a full success.

"I'm disappointed because I believe the religious people won this battle, and the people who believe in democracy and human rights lost," Jonathan Oron, 29, a graduate student at Tel Aviv University, said at the rally.

But Avshalom Vilan, a member of Parliament from the left-wing Meretz Party, said, "This is a success, because we stood up for the basic principle of our right to demonstrate."

Many in the crowd said they were not gay, and had come to show support for civil rights in what has become a contentious annual affair in this religious, conservative city.

Jerusalem Open House, a gay and lesbian group, has held a similar event for the past five years, and the buildup this year was again marked by staunch opposition from Jewish, Muslim and Christian leaders, who rarely find points of agreement.

"If it was up to me, I would send the gay community, who insisted on celebrating in Jerusalem, to Sodom and Gomorrah," said Eli Yishai, one of Israel's deputy prime ministers and the leader of Shas, an Orthodox party that belongs to Prime Minister Ehud Olmert's governing coalition.

Noting that Christian and Muslim clerics also opposed the event, Mr. Yishai told Israel Radio, "If we cannot be sensitive to Jewish feelings, perhaps we can listen to those of other religions."

In liberal, secular Tel Aviv, gay-themed events take place without a ripple. But in Jerusalem, there is always friction.

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Last year, a 10-day international gay festival was planned for Jerusalem in August, and faced strong opposition from religious groups. The event was canceled when the Israeli government scheduled the planned withdrawal of Jewish settlers from the Gaza Strip at the same time, and Israeli security officials expressed concern that they would be stretched too thin.

Instead, a local march was held last year, when an Orthodox man stabbed and wounded three participants.

This year, some Orthodox leaders again expressed strong opposition in advance of the march. On several nights during the past week, young men in the Orthodox neighborhood of Mea Shearim rioted, throwing stones at police officers and burning garbage in the streets.

"I think there has been a general weakening of the rule of law in Israel, and some people feel they can trample on the rights of others," said Noa Sattath, a leader of Jerusalem Open House.

In recent months, members of a parliamentary committee held two lengthy debates on the event. Israel's Supreme Court rejected several petitions seeking to bar it.

The Vatican on Wednesday urged the Israeli government to cancel the rally, saying it would "prove offensive to the great majority of Jews, Muslims and Christians, given the sacred character of the city of Jerusalem."

With the police serving as mediators, the march was first postponed and moved to a part of the city dominated by government buildings, regarded as a secure area.

But after the Israeli military killed 18 Palestinian civilians in a shelling attack in the Gaza Strip on Wednesday, the Israeli security forces went on a heightened state of alert to guard against a Palestinian attack. The police sought an even more secure location for Friday's rally, and moved it to the Hebrew University stadium. They blocked off streets for a half-mile in all directions.

Orthodox leaders agreed not to stage protests on Friday. However, in a one-man demonstration, Rabbi Yehuda Levin, who flew in from Brooklyn, denounced the rally from the front gate of the stadium.

"They are making a statement against God himself," said Rabbi Levin, of the Union of Orthodox Rabbis of the United States and Canada. "They are creating bad feelings. They are not being tolerant of our feelings."

Also, the police said they had detained about 30 gay activists who sought to march from a park in Jerusalem, and held five Orthodox men in the same area who were found with knives.

Israeli Gay Rights Parade Called Off (LAT)

By Richard Boudreaux

The Los Angeles Times, November 11, 2006

JERUSALEM — As the Israeli-Palestinian conflict boiled over this week, it competed for headlines here with a pivotal clash in Israel's culture war between secular and Orthodox Jewish values.

The inflammatory issue: gay rights in the Holy Land.

For days, Israeli television aired images of ultra-Orthodox Jews in black suits and hats, pelting police with stones and setting cars afire in a crusade against a planned gay pride march through Jerusalem.

The battle ended Friday in a setback for Israel's gay community, which bowed to police and rabbinical pressure to take the annual event off the streets and confine it to a stadium. Nearly 4,000 revelers waved rainbow flags and danced to live rock and rap music, but the mood was dampened by a sense of retreat.

"They decided to lock us in a cage," said Ronen Hady-Cohen, a 30-year-old medical student who walked through a protective cordon of 3,000 police officers to get to the rally at Hebrew University's fenced-in sports field. "The ultra-Orthodox interpret this as a victory, and I'm afraid that a lot of Israelis agree."

The flap over the parade reflected a sharp divide in Israeli society.

The country's democracy encompasses an array of secular groups that defend gay interests and have begun a campaign for same-sex marriage. Tel Aviv has a vibrant gay scene. Like nearly every Israeli, gays and lesbians are drafted into the army and given an opportunity to advance up the ranks.

But ultra-Orthodox religious leaders, who consider homosexuality an abomination, wield enormous power. They and their 500,000 followers — about 7% of Israel's population — are especially numerous and influential in Jerusalem, a city sacred not only to Jews but to Christians and Muslims as well.

Ultra-Orthodox clerics lobbied to have the gay parade stopped for the first time since it was first held in 2001 and called for a death curse on the organizers.

They got support from the top Muslim cleric in the Palestinian territories, Jerusalem Grand Mufti Mohammed Hussein, who declared that being gay is a crime. The Vatican and Christian evangelical groups denounced the planned parade as an offense to religious sensibilities.

Prime Minister Ehud Olmert weighed in, saying a gay parade would be a "provocative act," even though his lesbian daughter, Dana, of whom he is supportive, planned to take part.

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Israel's Supreme Court turned down an appeal to block the march, and the attorney general ordered police officials to meet with organizers to agree on a route. But with ultra-Orthodox groups promising a large counter-demonstration, police feared a repeat of the bloodshed of last year, when three gay marchers were stabbed.

By midweek, Israel's other conflict had complicated the picture: Armed Palestinians were vowing to avenge Wednesday's killing of 18 civilians in Gaza by errant Israeli artillery shells.

Police officials said they could not mobilize the 9,000 officers needed to keep peace between gay marchers and their antagonists and still defend the country from terrorism.

Under a deal worked out by Jerusalem's police chief, the parade was canceled and Orthodox leaders agreed not to hold street demonstrations against the stadium rally.

"Today is a great victory for religious power," said Yehuda Levin, a New York-based ultra-Orthodox rabbi who came here to lobby. "The sodomites are back in the figurative closet. They are not free to provoke."

About 50 gay activists tried to march along the proposed route anyway but were blocked by police, who detained 20. Meanwhile, five young Orthodox men armed with brass knuckles, knives, clubs and a loaded pistol were arrested in a park near the stadium.

In the stadium, police detained a man who rushed the stage shouting antigay slurs.

The crowd at the event included a group of observant Jews from the Reform and Conservative streams of Judaism, who held signs calling for peaceful coexistence.

Hady-Cohen, the medical student, was there representing a small group of gay Orthodox Jews.

"Despite the caustic reactions, the religious community is finally talking about the subject and starting to realize it has homosexual and lesbian members," said Avigail Sperber, a 33-year-old filmmaker who leads an Orthodox Jewish lesbian group called Bat Kol, a term meaning God's female voice.

In a speech to the crowd, rally organizer Elena Canetti said she had rejected appeals to move the event to a more gay-friendly environment.

"Why not leave Jerusalem to the fanatics? Because I will not give up my right to live openly as a lesbian in my city," she said.

"If we flee to another city, to Tel Aviv, or Amsterdam, or San Francisco, we will find ourselves centimeter by centimeter giving way to bullies and violence."

U.N. Delivers Plan For Court In Hariri Case To Lebanon (NYT)

By Warren Hoge

The New York Times, November 11, 2006

UNITED NATIONS, Nov. 10 — The United Nations delivered a draft document to the Lebanese government on Friday outlining the framework of an international tribunal to try suspects in the assassination of the country's former prime minister, Rafik Hariri.

The killing is being investigated by a United Nations commission. The chief prosecutor, Serge Brammertz, told the Security Council in September that he was developing evidence suitable for presentation to a court.

The investigation has already implicated senior Lebanese and Syrian security officials, though Syria has denied any role.

The draft arrived in Beirut at a moment of heightened political tension. The Syrian-supported Hezbollah militia is seeking more power in the government and is not eager to see the tribunal go forward.

Mr. Hariri was killed along with 22 others in a truck bombing in downtown Beirut on Feb. 14, 2005.

He had been known as a fierce opponent of Syrian domination of his country, and his killing provoked civic outrage and mass demonstrations that led Syria to comply with a Security Council resolution calling on it to withdraw its troops from Lebanon after a 29-year presence.

The Brammertz investigation has concluded that the Hariri killing was highly organized and planned by professionals with past experience in such activities.

The special court will have jurisdiction over suspects in the Hariri killing and in 14 other assassinations that the Brammertz commission has been investigating.

The final draft does not include an earlier mention of the possibility of trials on crimes against humanity. But among the crimes the tribunal can judge, the draft lists acts of terrorism, crimes and offenses against life and personal integrity, illicit associations and failure to report crimes or evidence of conspiracy.

The draft was approved this week by the five permanent members of the Security Council after procedural objections from Russia were met over how the judges and prosecutors were to be chosen.

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The draft calls for the judges to be appointed by the secretary general in consultation with a selection panel and the Lebanese government, and most of them to be from outside Lebanon. The lead prosecutor will be international and the deputy will be Lebanese.

The final draft stakes out no clear position on whether top leaders will be liable to prosecution by the court or whether they can claim head-of-state immunity.

The court's location has also been left open. United Nations diplomats said they were looking for a site in the immediate region but outside of Lebanon, which does not want the court on its territory.

The personal representative of Secretary General Kofi Annan, Geir Pederson, gave copies on Friday to Fouad Siniora, the Lebanese prime minister, and other officials in Beirut. Mr. Siniora's office said the cabinet would take it up starting Nov. 20, after he returns from a trip abroad.

If Lebanon signs off on the draft, Mr. Annan will send a report to the Security Council with the agreed-upon language. The court does not need a vote or a resolution to come into being, only the consensus of the 15 Council members.

A Royal Emirati Whose Career Fuels Young Women's Dreams (NYT)

By Hassan M. Fattah

The New York Times, November 11, 2006

Dubai, United Arab Emirates

FOR Sheika Lubna al-Qassimi, the most memorable moments typically happen in the shopping malls and public gatherings of this rapidly growing nation, not in the halls of power she navigates every day. They come when young Emirati women approach her to take their photograph with her, tell her their dreams or, best of all, ask her for career advice.

During those moments, she says, she realizes how much has changed for women here since she first started out in business, but she also sees how much farther they still have to go.

"I had to prove that stamina and delivering have nothing to do with gender," she told a group of young entrepreneurs recently. "We are the ones who usually discourage ourselves even before anyone else discourages us."

After decades of pushing the barriers in a region where women have traditionally been kept out of the public sphere, Sheika Lubna now towers as one of the country's most influential women. She is the first woman here to be a minister, but no less important, she is the minister of economy and planning, a particularly important position in a nation that is a major oil producer and relies so heavily on foreign investment, and where the economy continues to boom.

On any given day, she may be shuttling between world capitals to sign trade agreements, or between cities in the Emirates to garner support for her policies, or to lend support for a cause. She has pushed for the deregulation of cross-border trade while answering calls for greater oversight over the investment sector and stumping for foreign investment in her country.

But throughout, she has remained conscious of her role in chipping away at the restrictions women face in this region.

"Every day and night, I think about how the girls need to change," Sheika Lubna said emphatically. "Ultimately, I am out there for them."

THE United Arab Emirates have one of the fastest growing economies in the Middle East, and also have one of the most open societies in the Persian Gulf. Women are afforded many freedoms and are encouraged to work and take part in public life. But ultimately this is a traditional society for local women, where marriage and family are still central in a woman's life, where the law favors men in issues of family and where many women opt for reliable government jobs or simply choose to stay at home.

But with the outside world crashing into Emirati homes, and divorce rates on the rise, women must be better prepared to take care of themselves than their mothers' generation, Sheika Lubna and other women here argue.

As a woman who challenged all the societal rules in the 1970s, working her way up the ranks as a computer engineer, then a chief executive and a government minister, she has sought to prove to women here that they, too, must begin assuming a greater role in public life.

Her family is the ruling family of the emirate of Sharjah, the emirate neighboring Dubai; her uncle is the ruler. As royalty, she faced even more traditional demands than most. Moreover, she never really needed to work, and if she chose to, she could have opted for a low-key job in a ceremonial role or as a bureaucrat.

She chose the hard way, however. When other women were staying home in the late 1970s, Sheika Lubna left for California to study computer engineering, becoming one of the first Emirati women to travel abroad for study.

"She has always been a woman in a man's world, and maybe some of these things might not have looked right at the time," said Farouk El-Baz, director of the Center for Remote Sensing at Boston University, who is a confidant of the sheika and a close friend of the family. "She's a person who cannot take 'no' for an answer. She would think about any challenge thoroughly, then begin to tackle it."

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When she returned in 1981, she took a job as a programmer for an Indian software firm called Datamation, working as the sole woman on a team of mostly Indian programmers — something virtually unheard of in the day. She parlayed that experience into a job at the Dubai Ports Authority, where she rose to being an information technology manager, developing a documentation system that helped reduce the time needed for paperwork from one hour per ship to 10 minutes.

That led to the creation of an online marketplace for supporting purchase orders for companies in Dubai's free-trade zones, and later led her to start a business-to-business auction site, Tejari, on the eve of the dot-com collapse. That company survived the rout, and today it does business throughout the Middle East.

BUT when she received the telephone call in late 2004 asking her if she was willing to be nominated as a minister, Sheika Lubna was surprisingly ambivalent, she said. She had been planning to enroll in a Ph.D. program at the Massachusetts Institute of Technology, and the high-stress position would have delayed her studies, she said.

"When I got the call I thought, 'I don't want to do this. I want to go to M.I.T.,' " she said. "But the call for the country never goes away. It would be the first time a woman took a powerful position in cabinet. I was a change agent, but I would now become a role model."

This spring, when American senators and representatives got up in arms over the planned sale of some operations at major American ports to DP World, Sheika Lubna's former employer, she traveled to Washington without an entourage and became one of the most public faces of the United Arab Emirates.

As she set out to advocate for the Emirates, people at home, especially young women seeking to break out of the traditional mold, saw a different message: it was time to rise to the challenge.

"We were misunderstood because no one knew anything about us," Sheika Lubna said as she recounted the political firestorm that erupted over the ports deal. "But we have a responsibility to explain ourselves and who we want to be."

She won over many Americans with her folksy, girl-next-door charm, seeking to settle stereotypes and misconceptions about the Arab world and usher the United Arab Emirates onto the world stage.

When an American businesswoman asked her if women could work in the Emirates, she answered, matter-of-factly, "I was the C.E.O. of a company," and continued the conversation.

When another asked her if women could drive in her country, she noted that she had spent years commuting between her home in Sharjah and Dubai, but she admitted wryly that she was glad to now have a driver.

"Women always told me, 'you're a sheika; why are you doing all of this?' " she said with a degree of amazement. "But when you break out of the mold, you can break all the taboos. I had nothing to refer to, but I did have a blind belief that this is the right path."

Poland Sets Referendum On Euro, Further Clouding Stance On EU (WSJ)

By Marc Champion

The Wall Street Journal, November 11, 2006

WARSAW -- Poland plans to hold a referendum on whether to join the European Union's common currency, the euro, in 2010, adding to concerns over the commitment level of the EU's biggest new member.

Under terms of its EU membership, Poland is obliged to join in using the euro as soon as it meets certain inflation and deficit criteria. If Poles voted that they didn't want to implement the currency, the government would be under pressure to breach its treaty obligations with the EU.

That would follow a precedent set by Sweden, which has voted not to join the euro despite a legal obligation to do so. But Poland's plan is just the latest move by President Lech Kaczynski and his twin brother, Prime Minister Jaroslaw Kaczynski, to put Poland at loggerheads with the EU.

Finance Minister Zyta Gilowska told reporters Friday that she expected Poland to meet the euro entry criteria in 2009 and then to hold a referendum a year later. "Only death and taxes are certain," she said, adding that she expected that President Kaczynski, who has been skeptical of the EU, would campaign on the side of implementing the euro and that Poles would agree.

However, the decision to hold a referendum raises a question about Poland's membership intentions. The referendum would be held in the same year as Polish presidential elections, making the euro issue highly political.

Meanwhile, Poland also has said that it will veto negotiations on a new EU-Russia partnership on Monday if the deal doesn't include measures to open access to oil- and gas-pipeline networks, something Russia has said it won't accept. On Wednesday, Polish officials are expected to clash with the European Commission over the country's budget deficit. The commission is expected to declare Poland's deficit above EU limits, demanding action to bring it down. Poland's central-bank chief has called the government's deficit plans "irresponsible."

The International Monetary Fund has also said the budget-deficit projections should be lower, at a time when Poland is growing by more than 5%.

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Ms. Gilowska defended the deficit level, saying she found it "difficult to understand" the commission's position. Poland has introduced radical pension overhauls that will push the deficit up to about 4% next year, above the EU's 3% limit. Ms. Gilowska said she expected the actual outcome to be 3.5%, within the cushion the commission has allowed for pension overhaul.

Cyprus Says Rival's Transit Ban Will Hurt EU Credibility (WT)

By Andrew Borowiec

The Washington Times, November 11, 2006

NICOSIA, Cyprus -- The battle of wills over Turkey's European Union membership application heightened yesterday after the government of Cyprus warned that the bloc's credibility was at stake if it tolerates Ankara's ban on Greek Cypriot air and sea traffic.

Foreign Minister George Lillikas termed Ankara's refusal to open its harbors and airports to Greek Cypriot ships and planes a "provocation," which the EU should not tolerate.

Despite a stinging EU report on Turkey's progress on membership earlier this week, the Turkish government reaffirmed its policy of keeping Greek Cypriot traffic out unless the EU ends what Ankara describes as "the economic blockade" of the Turkish Cypriot northern part of the divided island.

The EU has given Turkey a month to liberalize trade links with all 10 countries that joined in 2004, including Cyprus. The latest report also criticized Turkey's penal code, corruption, human rights record and the interference by the military in politics.

"We want Turkey to become a member of the European family, but we don't want Turkey as it is today," Mr. Lillikas said.

Turkey feels that admitting Greek Cypriot ships and planes would be tantamount to recognition of a government that Turkey rejects as not representing all of Cyprus. The northern part of the island, the self-styled Turkish Republic of Northern Cyprus, is recognized only by Turkey.

Olli Rehn, the EU's expansion commissioner, warned that a one-month deadline given Turkey to change its policy "is likely to be the last opportunity to make real, serious progress for some years to come" on the Cyprus question, which emerged as a major obstacle in Turkey's EU hopes.

But to a number of Turkish officials and commentators, the deadline amounted to an ultimatum prior to the EU's planned summit in mid-December.

With Turkish polls showing a considerable drop in support for EU membership, some editorials wondered whether "Turkey should reject Europe before it is rejected by Europe." The government of Prime Minister Recep Tayyip Erdogan has played down the degree of tension in the EU talks, but some officials admitted the precarious nature of the bargaining.

According to Egeman Bagis, a senior adviser to the prime minister, "We can be a prosperous, Western-looking democracy without the EU. Norway has done this, so why can't we?"

Mehmet Dulger, chairman of the parliament's Foreign Affairs Committee, said that if the EU talks collapse over Cyprus, "the West would lose a vital bridge with the Islamic world at a time when having this bridge is more important than ever."

There has been a considerable shift in popular attitudes in the EU toward Turkey, a Muslim nation of 70 million.

After the latest EU report, German Chancellor Angela Merkel, a skeptic on Turkish EU membership, said, "Turkey must meet its obligations by the end of the year. Otherwise the EU will have to draw the appropriate conclusions."

U.S. Criticizes U.N. Rights Council (AP)

By Justin Bergman, Associated Press Writer

AP, November 11, 2006

The United States sharply criticized the new U.N. Human Rights Council on Friday, calling it a "disappointment" and saying it has failed to address serious violations in its first few months of operation — particularly in Sudan's Darfur region.

Sudan responded with a harsh condemnation of the U.S. human rights record and said Washington had no right to judge the effectiveness of the U.N. agency.

The barbs came during the Human Rights Council's first annual report to the General Assembly. The U.S. is not a member of the council, which was created earlier this year to replace the highly politicized and much-maligned U.N. Human Rights Commission.

Miriam Hughes, head of the economic and social development section of the U.S. mission to the U.N., criticized the council for a "slow and discouraging start," saying it has "accomplished little that will make a concrete and significant difference in the lives of millions around the world."

Hughes said the council has failed to reach agreement on how to address "egregious violations of human rights in places such as Sudan," where more than 200,000 people have been killed in fighting between the army and rebels in Darfur since early 2003.

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Referring to the two special sessions the council has held to discuss alleged human rights violations by Israel, she said some nations view the council "as just another arena in which to play political games."

"Sadly, so far the Human Rights Council, into which was put so much hope and work, has been a disappointment," Hughes said.

The council, which began its work in June, held two special sessions this summer to discuss the Israeli offensive in the Gaza Strip and the Israel-Hezbollah war in Lebanon. One of the United States' main criticisms of the former Human Rights Commission was that it spent a great deal of time criticizing Israel.

In his speech to the General Assembly, Sudanese diplomat Idrees Mohamed Ali Mohammed Saeed called the U.S. criticisms "amazing and ridiculous."

"Everybody knows the magnitude of the gross violations of human rights in the United States," said Saeed, the second secretary of the Sudanese mission. He cited as examples the treatment of prisoners at the Guantanamo Bay, Cuba, detention center and detainee abuse at Abu Ghraib prison in Iraq.

"We call upon the United States to address the human rights situation at home first and not to use and abuse the forums of human rights to settle political scores and achieve its objectives," he said.

Sudan is also not a member of the council.

Richard Grenell, spokesman for the U.S. mission to the U.N., said later by telephone that the U.S. "didn't feel the need" to respond to Saeed's statement. "The government of Sudan's record speaks for itself," he said.

The United States has been one of the most vocal critics of the violence in Darfur, which has also left 2.5 million people homeless.

U.N. investigators and rights groups have blamed the worst atrocities on the janjaweed, a pro-government militia that is widely accused of killing villagers and destroying their homes. The government denies supporting the janjaweed.

The United States opposed the establishment of the Human Rights Council earlier this year, saying it did not go far enough to prevent rights abusers from winning seats, and decided against being a candidate for the body. Cuba, Saudi Arabia, China and Russia won seats despite their poor human rights records.

The European Union offered a more positive assessment of the council's work Friday. Speaking on behalf of the EU, Finnish Ambassador Kirsti Lintonen told the General Assembly the council had addressed many important issues since its inception, including the violence between Israel and the Palestinians and the worsening crisis in Darfur.

However, she said the EU "regrets" the council did not adopt substantial decisions on the conflicts and discuss them in a more balanced manner.

The council's report, which mainly deals with the forced disappearances of people and indigenous rights, was to be considered by a General Assembly committee.

Russia Reaches Trade Deal With U.S. (WP)

By Peter Finn, Peter S. Goodman

The Washington Post, November 11, 2006

MOSCOW, Nov. 10 -- Russia and the United States on Friday announced a landmark trade agreement, substantially advancing Moscow's pursuit of World Trade Organization membership and cementing the position of the former Communist giant in the global economy.

The deal, announced here by the Russian Economic Development and Trade Ministry, was a victory for President Vladimir Putin, who has chafed at Russia's exclusion from the WTO, a global body that shapes the terms of world trade. The Bush administration, which has been locked in sometimes bitter negotiations with Moscow over the accord, characterized it as a milestone in the evolution of Russia from erstwhile Cold War enemy to a growing trading partner.

"It is a clear indication of Russia's efforts to participate fully in and benefit from the rules-based global trading system," declared U.S. Trade Representative Susan C. Schwab in a written statement.

Russia is the largest economy still outside the WTO. Its inclusion would be a major advance in the development of a global body devoted to seeking reduction of tariffs and promoting trade around the world. Earlier this week, Vietnam, a country still controlled by the Communist Party, gained the right to join the trading body.

The top trade negotiators for Russia and the United States are planning to sign their accord next week in Vietnam's capital, Hanoi -- a city still draped in homage to Ho Chi Minh -- during a meeting of the Asia-Pacific Economic Cooperation forum. Presidents Bush and Putin are expected to toast the agreement when Bush stops off in Moscow Wednesday on his way to that meeting.

But the deal will not finalize Russia's decade-old quest for WTO membership. The Kremlin still must finish bilateral negotiations with three other countries, Costa Rica, Moldova and Georgia. The latter two have seen their wine and agricultural

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products banned here. Russian officials said the wine was unsafe, but the Georgians said the embargo was political retaliation for its courting of the West and its desire to join the NATO alliance.

Georgia, in particular, is likely to try to use Russia's desire for WTO membership as leverage in negotiations. Political tensions between Russia and its southern neighbor are high, and Georgia's small economy has been damaged by the bans as well as a transportation blockade. In addition, the state-controlled Russian energy giant Gazprom recently announced that it planned to more than double the price of natural gas for Georgia and cut off supplies if the Georgians don't pay.

Georgia had negotiated a trade deal with Russia in 2004 and is determined to return to the bargaining table. But officials in the capital, Tbilisi, said they would attempt to block Russian membership unless it lifts the various embargoes.

If Russia satisfies Georgia's objections and reaches agreements with Moldova and Costa Rica, it will still confront further multilateral negotiations within the WTO, giving all countries -- including United States -- another chance to extract trade concessions.

In Washington, now entering a new political era with Democrats taking charge of Congress, the Russia deal could present an early test of the new leadership's inclinations on trade. Some Democrats campaigned on opposition to liberalized trade, accusing Republicans of selling out American workers to corporate interests. Congress cannot block the Russian accord, but it must approve legislation granting Russia what is known as permanent normal trading relations before American companies can be certain of benefiting from Russia's WTO accession.

In a written statement, Sen. Max Baucus (D-Mont.), who is expected to chair the Finance Committee, praised the accord as a positive development but signaled skepticism about the details, particularly about Russia's willingness to allow American agricultural products and crack down on the rampant piracy of U.S.-made movies and software.

"Russia must take additional steps to earn a welcome into the WTO," Baucus said. "Russia maintains unacceptable levels of piracy and counterfeiting, and these must be addressed before Congress can endorse Russia's WTO membership."

But in gaining the blessing of the Bush administration, Russia's bid to join the WTO cleared what analysts said was by far the highest hurdle, making Moscow's eventual induction fairly certain.

"This is a big country, and there are big geopolitical interests in getting them in," said Jeffrey J. Schott, a trade expert at the Peterson Institute for International Economics in Washington. "This is really solving some problems that we have had in our bilateral relationship."

The Russian-American trade negotiations have been politically charged while dragging on for years as the two sides tried to resolve differences over the import of American agricultural products, the piracy of U.S. intellectual property, and access to the Russian banking and insurance sectors for American companies.

The exact terms of the agreement were not immediately released by either side. But U.S officials said Moscow had agreed to open the Russian market to American beef, poultry, pork, corn, wheat and fruit while allowing U.S. banks and insurance companies to set up and expand. The American side had to agree to comply with certain Russian food safety standards, a significant sticking point. Russia also agreed to roll back tariffs on U.S.-made machinery.

For now, trade between the two countries remains relatively modest, with the United States last year exporting nearly $4 billion of goods to Russia, according to the Commerce Department, and Russia sending some $19 billion worth of wares to the United States. But the trade accord should lift curbs on U.S. investment in once-sensitive Russian sectors such as telecommunications and banking, said David Tarr, an economist at the World Bank. It should also spur Moscow to open more of its economy to competition, he added. Reformers within the government, now tangling with those armored against change, will have the force of international treaties working for them.

Russian frustration over the failure to reach agreement sooner had seeped into other areas. Analysts here linked the unresolved talks to the recent decision of Aeroflot, the state airline, not to purchase 22 Boeing airplanes and the exclusion of Western energy companies from the development of a giant natural gas field in the Barents Sea.

Russia Near Deal To Join The W.T.O. (NYT)

By Andrew E. Kramer, Edmund L. Andrews

The New York Times, November 11, 2006

MOSCOW, Nov. 10 — Officials in Washington and Moscow reached an agreement in principle for Russia to join the World Trade Organization, crossing the final big hurdle in the stop-and-go cycle that has marked the process since Moscow began its application shortly after the collapse of the Soviet Union.

The deal is expected to be signed next Saturday, when both President Bush and President Vladimir V. Putin of Russia will be in Hanoi for an Asia-Pacific Economic Cooperation meeting, negotiators from both countries said. The White House also announced this week that President Bush planned to stop in Moscow on Nov. 15 on his way to Vietnam.

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"We have agreement in principle and are finalizing the details," the United States trade representative, Susan Schwab, said in a statement. "It is a clear indication of Russia's efforts to participate fully in and benefit from the rules-based global trading system."

Mr. Putin has repeatedly said that joining the 149-member W.T.O. was a major foreign policy goal, though Russia's oil-driven economy will get few direct gains from membership in the organization, which sets the ground rules for globalization. But joining would give Russia a voice in world trade talks, with the potential to help set future trade policy.

"Russia today is the only major world economy outside the W.T.O. — the only one," Mr. Putin said at a news conference early in his presidency, in June 2002. "Staying outside this organization, outside this process is dangerous and stupid."

American officials say the countries gradually worked out nagging disputes on issues like agriculture inspections, chicken exports to Russia and intellectual property protection.

The Bush administration has other contentious issues with Russia, particularly its support for Iran and that country's nuclear program. There was no immediate sign of any broader deal involving those issues.

One American official said that Russian negotiators had been a "moving target" back in July, balking on issues that Washington thought had been resolved. But they said Russian officials had become more forthcoming in recent weeks.

"At the bitter end, the issues were quite trivial," said Gary C. Hufbauer, a trade policy expert at the Institute for International Economics in Washington, who has followed the negotiations.

Mr. Hufbauer suggested that Russian leaders might have decided to seal a deal out of worry that this week's elections would mean greater resistance by Democrats to an accord. "I think the Russians read the election returns and realized that if they don't go for it now, they might not get anything," he said.

Russia still must win approval from Moldova and Georgia, countries with deep grievances over a Russian ban on importing wine, ostensibly for health reasons. Those countries could further delay any final deal on W.T.O. membership, which is expected to take place next year. Russian officials have said they want to join in 2007.

Georgia first approved Russia's membership but rescinded it last month, after Russia blockaded its border. Maksim Medvedkov, Russia's chief negotiator, said Friday in remarks carried on state television that he would not negotiate with Moldova and Georgia separately but try to allay their objections during multilateral talks with the W.T.O. in Geneva.

The European Union, China and Japan have already signed off on Russian membership.

American officials said they reached agreement on longstanding disputes about American exports of poultry, beef and pork. Russia is the United States' biggest export market for chicken parts, but American producers have long complained about being hindered by Russian inspection procedures.

The agreement also calls for Russia to offer greater access for foreign services, from construction to overnight parcel delivery and telecommunications. Russian officials also agreed to allow banks and investment firms in Russia to be owned by foreign companies, meaning that foreign banks would not need to team up with Russian partners.

American trade negotiators accepted an unusual restriction on foreign players in the banking and insurance sectors, according to the trade representative office. It will limit foreign investment to no greater than 50 percent of total investments in these businesses. In Moscow, state television reported Friday that Russia was the only country in the W.T.O. to win this concession.

Russia also promised to step up enforcement of intellectual property rights, which had been carried out in spotty fashion.

Russian trade relations with the United States, while forming only a tiny share of both countries' total foreign trade, have gone through some dismal periods. In 2002, President Bush imposed tariffs on steel, a major Russian export commodity, and Mr. Putin retaliated by banning imports of chicken thighs, known as "Bush Legs" because the product first arrived in Russia as food aid under the president's father in the early 1990s.

In contrast to China, Russia's oil-dependent economy gains little from joining the W.T.O. "China is a consumer goods manufacturer and exporter and there was a huge benefit for China," said Peter Westin, chief economist at the MDM Bank. "There will be nothing like that for Russia."

Instead, Mr. Westin and other economists say, the primary benefit for Russia would come in exposing the domestic banking, telecommunications and other sectors to more direct foreign competition. This should increase productivity.

Ford Motor, which produces about 70,000 cars a year in Russia and exports another 50,000 cars to Russia, said it was delighted by the deal. Over the next seven years, Russian duties on foreign-made cars are set to decline to 15 percent, from 25 percent today.

"What all this adds up to," said Stephen E. Biegun, Ford's vice president for international governmental affairs, "is that we will be able to grow as fast as we possibly can in Russia."

Russia's WTO Bid Comes Closer To Fruition (WSJ)

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By Guy Chazan

The Wall Street Journal, November 11, 2006

MOSCOW -- Russia and the U.S. say they will sign a landmark deal in the coming days paving the way for Russia to join the World Trade Organization -- a goal that Moscow has doggedly pursued for the past 12 years and that has been one of the key objectives of Vladimir Putin's presidency.

The breakthrough removes a major irritant in relations between Moscow and Washington that have been strained by disagreements over Iran and U.S. accusations that Russia is backsliding on democracy and human rights and using energy to bully its neighbors.

"We have an agreement in principle and are finalizing the details," U.S. Trade Representative Susan Schwab said. She said the deal "will mark an important step in Russia attaining membership of the WTO."

Russian officials said delegations of both countries were trying to make sure the deal would be ready for signing when Mr. Putin and President Bush meet during the Asia-Pacific Economic Cooperation Forum summit in Hanoi, Vietnam during the week.

The U.S. is the only one of Russia's major trading partners that hasn't signed a bilateral trade deal with Moscow, provoking much frustration in the Kremlin. Russia had hoped to reach such an agreement in time for July's G-8 summit, which it hosted, and the failure to do so cast a pall over the meeting. Both countries set an informal deadline of the end of October, but a week of negotiations in Washington last month ended without progress.

Central to the deal was the resolution of a longstanding dispute over the safety of U.S. beef and pork exports. Russia insisted on inspecting all U.S. exporters' meat-production facilities before it agreed to lift restrictions on such imports. The results of the inspections, which took several months, were positive, according to a person close to the talks.

Meanwhile, the U.S. appears to have made concessions on access to Russia's financial-services market. It had initially demanded that Moscow allow foreign banks and insurance companies to open branches in Russia. According to U.S. trade officials, the final deal allows only insurance companies to open branches. But Russia agreed to allow the total share of foreign investment in the banking sector to rise to 50% from 25%, according to a person familiar with the talks.

Russia also agreed to improve protection and enforcement of intellectual-property rights -- a key issue for U.S. copyright groups that have long complained about rampant compact-disc and computer-software piracy in Russia.

WTO membership would mark a milestone for Russia, demonstrating to the world that it adheres to the rules of global trade, has eradicated the last vestiges of socialism and is fully integrated into the world economy.

But the country faces several more months of negotiations before it can join the WTO. Once the bilateral deal with the U.S. is signed, it must enter multilateral talks under WTO auspices in Geneva, which will set the final rules for its entry into the organization. Analysts say the U.S. has kicked some of the more contentious issues in its trade talks, such as protection of intellectual-property rights, to the multilateral forum, and negotiations there could drag on for months.

Russia also has to wrap up bilateral deals with Costa Rica, Georgia and Moldova, and some officials in the latter two countries have threatened to block Russia's WTO accession in retaliation for trade sanctions Moscow has imposed on them.

In practical terms, WTO membership may have little impact for Russian companies, since the country's main exports -- oil and gas -- are rarely subjected to protective tariffs. But it would safeguard some companies, such as steel producers, from arbitrary sanctions while allowing Western companies greater access to the potentially huge Russian market for agricultural goods, aircraft and finance.

Last month, executives from 13 major U.S. corporations, including Chevron Corp., Citigroup Inc. and Ford Motor Co., wrote to Messrs. Bush and Putin urging them to wrap up a WTO agreement, saying it was in the economic interests of both countries to reach a deal.

Andrew Somers, head of the American Chamber of Commerce in Russia, said the deal would give a huge boost to the U.S.-Russian economic relationship. "This will facilitate the conclusion of major industrial transactions between U.S. and Russian companies, including those in strategic sectors," Mr. Somers said.

Obstacles to Russia's WTO bid still remain. The U.S. Congress must decide whether to approve "permanent normal trade relations," or PNTR, with Russia before it can join the WTO. That would entail removing a Cold War-era trade restriction known as the Jackson-Vanik amendment that linked U.S. trade benefits to the emigration policies of communist countries.

Russia And US Reach Deal On WTO (FT)

By Neil Buckley, Alan Beattie, Eoin Callan

Financial Times, November 11, 2006

Russia and the US on Friday agreed in principle on the terms for Russian entry into the World Trade Organisation, giving a significant boost to Moscow's hopes of joining the 149-nation body after 13 years of talks.

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The two countries are set to sign the deal in Hanoi on November 18 at the Asia-Pacific Economic Co-operation summit, following final consultations in coming days.

"Delegations from both sides have reached agreement on all the principal conditions of this agreement," the Russian economy ministry said in a statement. Susan Schwab, US Trade Representative, said agreement had been reached "in principle".

Russia, which has enjoyed an oil-fuelled economic recovery in the past eight years, is the last big market outside the aegis of the WTO. The US was the last big nation with which Moscow had still to conclude a bilateral entry deal.

Many US businesses, also enjoying rapid growth in Russia, have lobbied hard for a deal. Mr Putin made WTO membership a political priority early in his presidency.

Andrew Somers, president of the American Chamber of Commerce in Moscow, said the agreement was a "major positive milestone in relations between our two countries".

Analysts had warned any deal could face difficulties winning approval in Congress, particularly after both houses came under Democratic control this week. Congress must repeal the 1974 Jackson-Vanik amendment, which subjects Russia's trading status to annual review, to ensure Russia is granted permanent normal trading relations by the US.

But a Bush administration official characterised meetings with Democratic leaders on Friday to brief them on the deal as "positive".

Senator Max Baucus, Democratic chair of the Senate Finance Committee, welcomed the accord, saying: "Russia's WTO membership on commercially meaningful terms is an important goal."

Russia must still reach a bilateral agreement with Costa Rica and confirm agreements with Moldova and Georgia – which could be complicated by its tense relations with Tbilisi – and complete multilateral talks. That could push the date for Russian entry well into next year.

Talks with the US had stalled over disagreements surrounding the liberalisation of financial services and Russia's commitment to combat counterfeiting and piracy. The two sides hoped to reach a deal at the Group of Eight summit in July, but disagreed over US demands to export beef and pork to Russia, setting an October target for agreement.

USTR officials cautioned that Russia had not yet cleared all hurdles to WTO entry, and they would continue to press the Russian authorities for stronger commitments during the multilateral stage of the accession process.

The US, with some tacit support from Europe and Japan, has insisted that Russia must not only pass laws respecting intellectual property rights, but also ensure they are enforced.

"Our goal is to work with Russia to get them through the multilateral phase by working on issues such as enforcement," a USTR spokesman said.

Sherman Katz, senior associate in the Carnegie Foundation think-tank in Washington, said that previous experience with China, criticised for continuing to allow counterfeiting of music and movies since joining the WTO in 2001, had made American companies and negotiators cautious.

"Both China and Russia were centrally-planned economies with no tradition of private ownership of much of anything, let alone an abstract like intellectual property," he said.

WTO protections on intellectual property could benefit not just the international music and entertainment industry but makers of goods such as prescription medicines and designer clothes – often faked in Russia.

Russia's economy, too, would receive a significant boost from membership, though analysts say the benefits would be less than those experienced by China, with Russian exports heavily dominated by oil and gas.

Russia Moves Closer To WTO Membership (AP)

By Jeannine Aversa, AP Economics Writer

AP, November 11, 2006

A longtime economic goal of Russia — entry into the World Trade Organization — moved a crucial step forward Friday as U.S. and Russian trade negotiators reached agreement.

It took 12 years of negotiations to get to this point, and details are still being nailed down. Both countries are hopeful that a bilateral pact can be signed next week in Hanoi, where President Bush and Russian President Vladimir Putin will be attending the annual Asia-Pacific Economic Cooperation meeting.

About four months ago, U.S. and Russia had appeared on the verge of an agreement, but it failed to materialize — right before the summit of leaders of the world's wealthiest countries in St. Petersburg, Russia. The collapse strained relations between Washington and Moscow.

Russia is the largest economy still outside the 149-nation WTO, which sets the rules for global trade. Putin's government sees membership as a way to show that his country has regained financial muscle since its economic crisis in 1998.

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Even if a formal agreement is signed next week, there are other steps that still would have to be taken before Russia could become a member. Clearing those will take time — perhaps a year or two, some experts say. Others think it could be done sooner.

Membership in the WTO would mean Russia would receive the same favorable tariff rates for its products as other members. Other countries also would have to follow WTO rules in trade disputes with Russia. And, Russia — a big exporter of oil and gas — would have to abide by WTO's trade rules.

In theory, freer trade would give Russian companies more opportunities to sell their goods on world markets, while WTO membership for Russia might make its sizable market of potential customers even more attractive to companies in the U.S. and elsewhere, experts said.

"Businesses would feel more comfortable, more at ease doing business in Russia because there would be rules," said Oscar Gonzalez, economist at John Hancock Financial Services.

Terms of the U.S.-Russia agreement weren't released. But the two sides for years have been working to resolve differences over, among other things, piracy of U.S. goods and intellectual property rights, sales of American agricultural products to the country and U.S. access to the country's banking and insurance sectors.

"We have an agreement in principle and are finalizing the details," said U.S. Trade Representative Susan Schwab. "It is a clear indication of Russia's efforts to participate fully in and benefit from the rules-based global trading system," she said. Schwab said she and her counterpart, Russian Economics Minister German Gref, hope to sign the pact in Hanoi.

Some analysts have said that a deal on the WTO could persuade Moscow to soften its opposition to punishing Iran for refusing to halt sensitive uranium enrichment. The United States and its European allies want to impose sanctions on Iran, but Russia has resisted.

Bush will meet with Putin next week in Moscow. Russia's WTO bid and Iran's nuclear ambitions probably will be discussed, said the Kremlin's deputy spokesman, Dmitry Peskov.

If Russia does eventually win entry into the WTO it won't necessarily mean an end to trade tensions. China was admitted to the WTO in 2001, and the U.S. trade deficit with Beijing has mushroomed since then. The United States complains that China has been slow to honor its commitments to open its huge economy to more U.S.-made goods and to crack down on piracy. On the other hand, U.S. companies have flocked there to have their goods manufactured at a low cost.

"Russia's entry into the WTO would be one more step in the ongoing globalization of the U.S. economy, but I don't think it will mean as much to the United States as China's entry into the WTO did because Russia doesn't have the same vast cheap pool of labor that China does. I don't think we'll see massive direct investment in Russia," said Mark Zandi, chief economist at Moody's Economy.com.

Congress would still have to pass legislation removing Russia from the 1974 Jackson-Vanik amendment, which ties Russia's trade status to whether the country is allowing Jews to freely leave the country. Congressional action is some ways off, experts said.

The newly elected Congress, which convenes in January, will be controlled by Democrats, who are less receptive to free-trade agreements than Republicans.

Associated Press writers Henry Meyer and Alex Nicholson contributed to this report from Moscow.

Russia To Sign Agreement With U.S. On Terms For WTO (BLOOM)

By Mark Drajem And Sebastian Alison

Bloomberg, November 11, 2006

Nov. 10 -- Russia and the U.S. will sign terms for the former Soviet state to join the World Trade Organization next week, clearing one of the last hurdles for an agreement that may add $10 billion a year to the Russian economy.

``We have an agreement in principle and are finalizing the details," U.S. Trade Representative Susan Schwab said in a statement. Schwab and her Russian counterpart, German Gref, plan to sign the agreement when they meet in Asia next week.

Russia, the last major economy not be a member of the WTO, has sought for more than a decade to join the Geneva-based trade body, which sets international trade and investment rules. Membership stands to boost the Russian economy through increased trade and foreign investment.

The two countries resolved long-festering disputes over trade in meat and rules for financial investment, according to details sent out by the U.S. trade office. Lobbyists say they remain at odds over Russia's intellectual property protections, and will negotiate that in the next round of talks between Russia and all 149 WTO members.

Two other obstacles remain: Russia must overcome Georgia's opposition to its entry to the world trade arbiter, and the U.S. Congress must vote to grant Russia permanent, normal trade relations if the two countries are to enjoy all the benefits of the trade opening.

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The U.S. had been the last WTO member to sign off on Russia's entry. Then, last month Georgia said it was withdrawing its support after Russia blockaded its borders.

All Must Agree

Every WTO member must agree before a new country can join the trade organization, so Georgia's opposition will still keep Russia out of the WTO. Even after negotiating the individual agreements, Russia must undertake general talks with the WTO members as a whole.

``Both parties have it as their goal to complete the process of Russia's accession to the WTO and intend to take more energetic efforts to that end," the Russian trade ministry said in a statement on its Web site.

With the Bush administration's approval, the debate will shift to Capitol Hill. U.S. lawmakers must vote on a measure to repeal a Cold War-era law that requires an annual review of Russia's trade status. If the Congress fails to approve that measure, the U.S. would have to petition the WTO to be exempt from the tariff cuts and other measures Russia has pledged.

Lawmakers have raised objections to Russia's WTO bid for a variety of reasons, including the country's weak intellectual property protections, its support of Iran's nuclear program and its pricing of natural gas exports.

Lower Tariff

Business groups expressed support for the agreement today.

Russia ``is simply too big to leave it outside" the WTO, said Frank Vargo, vice president of the National Association of Manufacturers. The agreement, which calls for Russia to lower its industrial tariff to an average of 8 percent, meets the major demands of the manufacturing group, he said.

Large banks, insurance companies and other service companies had been skeptical of the Russian talks, because the Putin administration had insisted on a cap in foreign investment. The announcement today got their support ``on balance," said Michael Ducker, chairman of the Coalition of Service Industries.

``We believe that this agreement in principle is much better than the positions that Russia started with on insurance branching," said David Snyder, vice president of the American Insurance Association. ``Years of difficult negotiations have produced much progress."

Area of Contention

Still, intellectual property rights are likely to remain an area of contention. Schwab had said that before it can join the WTO Russia must shut down allofmp3.com, which the U.S. says illegally sells copyrighted music around the world. That Web site remained in operation today.

Russia is also proceeding with a rewriting of its copyright and patent law, and that has drawn criticism from U.S. manufacturers, drug companies and recording companies. The U.S. trade office said those issues remain unsolved.

The agreement sets the stage for further progress with Russia on intellectual property rights issues through the next phase of international WTO negotiations, the trade office said.

``From here on, Russia's deeds -- rather than its words -- are the only thing that matters," said Mitch Bainwol, chairman of the Recording Industry Association of America.

U.S. Pact Paves Way For Russia In WTO (WT)

By Steve Hirsch

The Washington Times, November 11, 2006

The United States and Russia have reached a deal that would pave the way for Russia to join the World Trade Organization, the two countries announced yesterday.

"We have an agreement in principle and are finalizing the details," U.S. Trade Representative Susan C. Schwab said.

She and Russian Economic Development and Trade Minister German Gref hope to sign the agreement during the Asia-Pacific Economic Cooperation (APEC) summit next week in Vietnam.

Russia, the last major economy not a member of the 149-member WTO, has tried for 10 years to join the Geneva trade organization, which sets international trade and investment rules. As a member, the Russian economy stands to grow by $10 billion annually through increased trade and foreign investment.

U.S. and Russian officials resolved issues over U.S. meat and poultry exports, and Russia agreed to cut tariffs on manufactured goods, the trade representative's office said. The cuts are expected to help U.S. sales of civil aircraft and parts, medical and scientific equipment, agriculture, power generation, construction equipment, information technology, and chemicals.

National Association of Manufacturers Vice President Frank Vargo called the announcement a "historic step."

"Russia is the only large economy not yet in the WTO, and it is simply too big to leave it outside," he said.

Russia agreed to help exports in the service industries, including companies in construction, finance and telecommunications services. Settling a long dispute, Russia said it would allow full foreign ownership of banks once Russia has

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joined the WTO, and will allow foreign insurance companies to operate through subsidiaries, although it may impose limits if foreign investment becomes too high.

The Securities Industry and Financial Markets Association praised the agreement, saying it would "further integrate Russia into the global economy."

"It will create new opportunities for securities firms and their customers, opening Russian markets to American firms and providing American expertise and capital to Russia's economy," association Co-Chief Executive Marc Lackritz said.

Russia also said it would take steps to better protect intellectual property rights, another major U.S. concern.

The agreement, Mrs. Schwab said, "is a clear indication of Russia's efforts to participate fully in and benefit from the rules-based global trading system."

But Russia still has a long way to go toward WTO membership.

Every member country must agree to Russia's membership, and Russia must reach trade deals with each member. It has yet to sign a trade agreement with Costa Rica, as well as with its former Soviet neighbors Moldova and Georgia, with whom relations are strained.

Georgian officials have signaled that they would seek to block Russia's membership after Russia imposed sweeping sanctions against Tbilisi in response to the arrest of several of its military personnel in a spying row.

Observers have suggested that progress over Russia's bid would be linked to concessions from Moscow over how to respond to Iran's disputed nuclear program.

Russia has resisted a push from Europe and the U.S. for sanctions against its trade partner, Iran. But analysts have said that a deal over the WTO could persuade Moscow to soften its opposition to punishing Tehran for its refusal to halt sensitive uranium enrichment.

In the U.S., Congress must grant Russia permanent normal trade relations status for U.S. companies to take advantage of the benefits of Russian WTO membership.

Lawmakers have raised objections to Russia's WTO bid for a variety of reasons, including the country's weak intellectual property protections, its support of Iran's nuclear program and its pricing of natural-gas exports.

Mr. Vargo noted the intellectual property measures in the agreement, saying, "A lesson we learned from China's WTO accession is that we have to see intellectual property enforcement come up to speed before -- not after -- we sign on the dotted line."

Still, intellectual property rights are likely to remain an area of contention. Mrs. Schwab has said that before it can join the WTO, Russia must shut down the Web site allofmp3.com, which the U.S. says illegally sells copyright music around the world. The Web site remained in operation yesterday.

Russia also is rewriting its copyright and patent law, and that has drawn criticism from U.S. manufacturers, drug companies and recording companies. The U.S. trade office said those issues remain unresolved.

The agreement sets the stage for further progress with Russia on intellectual property rights issues through the next phase of WTO negotiations, the trade office said.

Envoy: U.S. Eager For India Nuke Deal (AP)

AP, November 11, 2006

A top U.S. official said Friday that Washington is eager to finalize a civilian nuclear pact with India, and urged it to work with neighboring Pakistan in the fight against terrorism when they resume peace talks next week.

The agreement to provide India with much-needed nuclear fuel is seen as a cornerstone of the emerging alliance between New Delhi and Washington after nearly a half-century of Cold War estrangement.

It has strong supporters in both U.S. political parties and was overwhelmingly endorsed by the House of Representatives in July.

The Senate, however, must still approve the deal, and Assistant Secretary of State for South Asia Richard Boucher said he was "very hopeful" the matter would be taken up by the outgoing Senate.

"We want to do it as fast as possible because it is important to the U.S.," he told reporters in New Delhi.

"We made a deal. We want to implement it as agreed as soon as we can," he said. "We are determined to do it. Whatever happens, we will make sure, it happens."

The pact is not expected to be affected by the Democrats' midterm election victory in which they took control of Congress. On Thursday, Democratic leaders in the Senate, including Sen. Joseph Biden, the top Democrat on the Senate foreign relations panel, said they were ready to move ahead with the India bill.

The deal reverses decades of U.S. anti-proliferation policy by shipping civilian nuclear technology to India in return for safeguards and inspections at certain nuclear plants. Critics say the deal would ruin global nonproliferation efforts.

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Congress must approve the agreement because India has not signed the Nuclear Non-Proliferation Treaty, which current U.S. law requires for such nuclear cooperation.

Even if Congress should complete its work, several other steps remain before the plan can be implemented, including approval of the Indian exemption by the Nuclear Suppliers Group, an assembly of nations that export nuclear material.

Boucher, who is on a swing through South Asia and visited Pakistan before heading to India, also said New Delhi and Islamabad must work together against terrorism as they reopen peace talks that were stalled by July's train bombings in Mumbai, which killed 207 people.

The two-day talks begin Tuesday in New Delhi, and Boucher said "we hope they can make progress on some of the big political issues that stand between India and Pakistan."

"I am confident that both sides are getting together to try to achieve progress on issues, to try to work together against terrorism," he said.

The nuclear rivals have fought three wars since the bloody partition of the subcontinent after independence from Britain in 1947.

They began a peace process in 2004, and have since taken several fitful steps to improve relations.

But the process broke down after the Mumbai bombings, which India says were carried out by Pakistani militant groups with links to that country's intelligence service — an allegation Islamabad denies.

However, Pakistani President Gen. Pervez Musharraf and Indian Prime Minister Manmohan Singh agreed to resume talks when they met in Havana, Cuba, on the sidelines of the Nonaligned Movement Summit in September.

Trade Pacific Rim Initiative Gains A U.S. Push (WSJ)

By James Hookway

The Wall Street Journal, November 11, 2006

On the surface, the coming summit of Asian-Pacific leaders in Vietnam is all about North Korea and its nuclear weapons. Kim Jong Il won't be there. But President Bush will be in Hanoi, as will the leaders of the other nations involved in trying to find a way to curtail Mr. Kim's nuclear-weapons program: Japan, China, South Korea and Russia.

But while North Korea will be in the spotlight, some substantive negotiating may be taking place on the sidelines to break another international impasse: how to revive global free-trade talks.

Discussions on how to further free global trade, initiated in Doha, Qatar, in 2001 under the umbrella of the World Trade Organization, collapsed this past summer. The U.S., European Union and various developing countries blame one another for the deadlock, which largely centered on how to eliminate subsidies for agricultural products.

Now, the U.S. is hoping to use the Hanoi gathering of the Asia Pacific Economic Cooperation forum on Nov. 17-19 to kick-start discussions on a long-term goal of creating a Pacific-wide free-trade area. Twenty-one nations are to attend the summit. Some, like Japan, have already indicated their cautious approval of the U.S. initiative, which was first proposed a couple of years ago by Chile.

That initial foray foundered. There wasn't enough appetite for a separate free-trade agreement focused on Pacific Rim countries at that time. And the WTO was supposed to be leading the movement toward liberalizing trade.

Since the derailment of the Doha talks, some major trading nations have been seeking an alternative forum to put free trade back on the table. And while major economies such as those of the EU, Brazil and India won't be present at the APEC summit, plenty of other heavy hitters, such as Australia, Japan, China and Russia, will be there. That makes it a useful venue to try to renew momentum for liberalizing trade and call for a resumption of the Doha round. Treasury Secretary Henry Paulson has already traveled to Vietnam to meet with other Pacific Rim finance ministers and put free trade firmly back in play.

Still, that doesn't mean the U.S. road map for a Pacific Rim bloc will be adopted wholesale in Hanoi. The Asian countries have plans of their own, and they don't necessarily include the U.S.

Earlier this year, Japan proposed a 16-nation free-trade group in East Asia comprising Southeast Asia, China, Japan, South Korea, India, Australia and New Zealand. China, meanwhile, has signaled it hopes to create a free-trade group of its own with the Association of Southeast Asian Nations, led by Indonesia, Malaysia, Singapore, Thailand and the Philippines.

In December, Asian leaders are to meet in the Philippines to try to further their own plans on this front. Trade officials in Asia say they believe the U.S. is afraid of being left behind.

US Looking For Compromise On UN Force For Darfur (AFP-Y)

AFP, November 10, 2006

The United States said it was considering compromises on the make-up of an international peacekeeping force for Darfur after Sudan rejected demands for deployment of UN troops to halt one of Africa's worst humanitarian disasters in decades.

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State Department spokesman Sean McCormack said Washington still wanted United Nations "involvement" in the Darfur force, but he did not reiterate past US insistence the peacekeepers be deployed formally under the world body's banner.

"We're taking a look at how we can address the various concerns that have come up from the Sudanese government, as well as others in the region, about the nature of this international force," McCormack said.

The UN Security Council adopted a resolution in August demanding the deployment of some 20,000 UN troops to Darfur to replace an under-funded African Union (AU) force which has failed to halt the violence.

At least 200,000 people have been killed and 2.5 million others displaced since a rebellion by Darfur's mainly black African population against the Arab-led Khartoum government erupted in early 2003.

Much of the violence has been blamed on a government-funded Arab militia, known as the Janjaweed.

Sudan President Omar al-Beshir has defiantly rejected the UN resolution, fearing the UN deployment could lead to a partition of his country or arrest government officials on charges of crimes against humanity.

Beshir refused to meet last month with US President George W. Bush's personal envoy, Andrew Natsios, out of anger over a decision to extend long-standing US sanctions against Sudan linked to its human rights record and alleged ties to terrorism.

Natsios first signalled a shift in US policy late last month when he said in an interview that the international force for Darfur did not have to be a "blue-helmeted" UN operation as long as it was big enough and robust enough to halt the violence.

"If it does not have a United Nations helmet, but it is very competent and very aggressive, then we have fulfilled our intention," Natsios said, suggesting the force could be made up of Africa and Arab troops backed by UN or NATO logistical support.

McCormack was more insistent on a UN role in the operation.

"This is not in any way to compromise on the need for this force and the need for an effective international force that would have UN involvement as central to it, as well as AU involvement as central to it," he said Thursday.

Discussions on the potential make-up of the force were continuing at the United Nations and bilaterally with countries in the region, notably Arab states, he said.

Figure Skater Is New Envoy Of Good Will Overseas (NYT)

By Helene Cooper

The New York Times, November 10, 2006

WASHINGTON, Nov. 9 — During the cold war, the State Department called on the Harlem Globetrotters to travel as good-will ambassadors to counter hostile images of America around the world. During the Cuban missile crisis, the New York City Ballet was sent to perform in Moscow, where it was received enthusiastically.

And during these troubled times? America's newest good-will ambassador is Michelle Kwan, the figure skater, who, in the words of her new boss, Karen P. Hughes, the under secretary of state for public diplomacy, "combines the power of sports diplomacy with the personal appeal of a unique American story."

On Thursday, flanked by Secretary of State Condoleezza Rice and Ms. Hughes, Ms. Kwan, 26, addressed reporters, giving the group a taste of what she would be telling the youth of the world.

She said she planned to share with young people, among other ideas, "In the reality of life, it's not always smooth sailing, and sometimes you have to pick yourself up and keep on going."

While many of the public diplomacy efforts by the United States in the past few years have been directed toward the Muslim world, it was unclear on Thursday whether Ms. Kwan would be sent to Iraq or Afghanistan. Ms. Kwan, who is of Chinese descent, said her first trip would likely be early next year, to Beijing.

"I've always wanted to somehow serve our country and to contribute and to make a difference," she said.

Afterward, reporters crowded around her with questions. "You said you'd like to share some of the values America represents with the world. What are those values?" one asked.

Ms. Kwan talked about the importance of setting goals and taking life as it comes. She also mentioned that she wanted to empower women. She said the idea of her becoming the United States public diplomacy envoy — her new title — came up in April when she met Ms. Rice at a dinner in Washington for President Hu Jintao of China. When Ms. Kwan mentioned that she would be attending the University of Denver, Ms. Rice, a Denver alumna and former competitive figure skater herself, "just lit up," Ms. Kwan said.

One reporter asked Ms. Kwan how she planned to deal with the hostility that she might meet as the public face of America. Ms. Kwan quickly showed that she was already familiar with the advice, contained in a memorandum from Ms. Hughes, recently published in The Washington Post, that advised State Department employees to hew to government policy while talking to the news media.

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"I'm not here to talk about my political views," Ms. Kwan demurred. "I'm here to promote America. This is a place where anything is possible."

Greenhouse Guessing (WP)

By Robert J. Samuelson

The Washington Post, November 11, 2006

It seems impossible to have an honest conversation about global warming. I say this after diligently perusing the British government's huge report released last week by Sir Nicholas Stern, former chief economist of the World Bank and now a high-ranking civil servant. The report is a masterpiece of misleading public relations.

It foresees dire consequences if global warming isn't curbed: a worldwide depression (with a drop in output of as much as 20 percent) and flooding of many coastal cities. Meanwhile, the costs of minimizing these awful outcomes are small: only 1 percent of world economic output in 2050.

No one could fail to conclude that we should conquer global warming instantly, if not sooner. Who could disagree? Well, me. Stern's headlined conclusions are intellectual fictions. They're essentially fabrications to justify an aggressive anti-global-warming agenda. The danger of that is we'd end up with the worst of both worlds: a program that harms the economy without doing much to cut greenhouse gases.

Let me throw some messy realities onto Stern's tidy picture. In the debate over global warming, there's a big gap between public rhetoric (which verges on hysteria) and public behavior (which indicates indifference). People say they're worried but don't act that way. Greenhouse emissions continue to rise despite many earnest pledges to control them. Just last week the United Nations reported that of the 41 countries it monitors (not including most developing nations), 34 had increased greenhouse emissions from 2000 to 2004. These include most of the countries committed to reducing emissions under the Kyoto Protocol.

Why is this? Here are three reasons.

First: With today's technologies, we don't know how to cut greenhouse gases in politically and economically acceptable ways. The world's 1,700 or so coal-fired power plants -- big emitters of carbon dioxide, the main greenhouse gas -- are a cheap source of electricity. The wholesale cost is 4 to 5 cents a kilowatt hour, says the World Resources Institute. By contrast, solar power costs five to six times that. Although wind is roughly competitive, it can be used only in selective spots and supplies less than 1 percent of global electricity. Nuclear energy is cost-competitive but is stymied by other concerns (safety, proliferation hazards, spent fuel).

Second: In rich democracies, policies that might curb greenhouse gases require politicians and the public to act in exceptionally "enlightened" (read: "unrealistic") ways. They have to accept "pain" now for benefits that won't materialize for decades, probably after they're dead. For example, we could adopt a steep gasoline tax and much tougher fuel economy standards for vehicles. In time, that might limit emissions (personally, I favor this on national security grounds). Absent some crisis, politicians usually won't impose -- and the public won't accept -- burdens without corresponding benefits.

Third: Even if rich countries cut emissions, it won't make much difference unless poor countries do likewise -- and so far, they've refused because that might jeopardize their economic growth and poverty-reduction efforts. Poorer countries are the fastest growing source of greenhouse gas emissions, because rapid economic growth requires energy, and present forms of energy produce gases. In 2003 China's carbon dioxide emissions were 78 percent of the U.S. level. Developing countries, in total, accounted for 37 percent of greenhouse gas emissions in 2003. By 2050 their share could be 55 percent, projects the International Energy Agency (IEA).

The notion that there's only a modest tension between suppressing greenhouse gases and sustaining economic growth is highly dubious. Stern arrives at his trivial costs -- that mere 1 percent of world gross domestic product in 2050 -- by essentially assuming them. His estimates presume that, with proper policies, technological improvements will automatically reconcile declining emissions with adequate economic growth. This is a heroic leap. To check warming, Stern wants annual emissions 25 percent below current levels by 2050. The IEA projects that economic growth by 2050 would more than double emissions. At present we can't bridge that gap.

The other great distortion in Stern's report involves global warming's effects. No one knows what these might be, because we don't know how much warming might occur, when, where or how easily people might adapt. Stern's horrific specter distills many of the most terrifying guesses, including some imagined for the 22nd century, and implies that they're imminent. The idea is to scare people while reassuring them that policies to avert calamity, if started now, would be fairly easy and inexpensive.

We need more candor. Unless we develop cost-effective technologies that break the link between carbon dioxide emissions and energy use, we can't do much. Anyone serious about global warming must focus on technological progress -- and not just assume it. Otherwise, our practical choices are all bad: costly mandates and controls that harm the economy, or costly mandates and controls that barely affect greenhouse gases. Or, possibly, both.

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Kosovo: Final Report On Future Delayed (NYT)

By Nicholas Wood

The New York Times, November 11, 2006

Martti Ahtisaari, the former Finnish president who leads international talks on the future of Kosovo, said he would hold back his recommendations — with independence or autonomy as options — until after parliamentary elections in Serbia, called earlier in the day for Jan. 21. Although technically a part of Serbia, the mainly Albanian province of Kosovo has been run by the United Nations since 1999, and a final status plan for Kosovo was to have been accomplished by the end of this year. But Western diplomats have been concerned that it might increase support for Serbian ultra-nationalists in the elections. A new Constitution passed last month reasserts the country's sovereignty over Kosovo. Kosovo's ethnic Albanian leaders are also uneasy. On Thursday, Agim Ceku, the Kosovo prime minister, said his government might unilaterally declare independence if negotiations fail to give them statehood.

Here Comes Kosovo (WP)

The Washington Post, November 10, 2006

A decision to make the Serb province independent is near. Will Serbia and Russia obstruct it?

THE SERBIAN parliament formally adopted a new national constitution on Wednesday, following its narrow approval by voters in a referendum last month. The document was a necessary replacement of the previous charter, which was adopted during the rule of nationalist warlord Slobodan Milosevic. But it may have won acceptance only because it included a preamble that would have warmed Mr. Milosevic's heart: a declaration that the province of Kosovo, which Serbia in effect lost seven years ago, is an "integral" and "inalienable" part of the country.

In fact, the United Nations, which has governed Kosovo since NATO freed it from Mr. Milosevic's brutal ethnic cleansing campaign, is due to decide the province's future by year-end -- though a decision may be delayed until after a Serbian election scheduled for late January. Serb leaders know what a U.N. mediator will recommend and what all Western governments will support: independence for the territory, perhaps with transitional conditions. Kosovo is populated overwhelmingly by ethnic Albanians; after the ethnic war Mr. Milosevic initiated, there is no chance the province can be returned to Serbian sovereignty. By incorporating a claim to Kosovo into a new constitution, Serbia's leaders staked out yet another of the reckless nationalist stands that have caused their country so much damage in the past 15 years.

They also set the stage for some difficult and potentially dangerous diplomacy between the Bush administration and Russia over the next two months -- negotiations that could settle or destabilize the Balkans and the equally volatile Caucasus region on Russia's southern border. Russia, Serbia's long-standing ally, is the largest potential obstacle to consensus in the U.N. Security Council on a Kosovo solution. Though he knows that independence for Kosovo is inevitable, Russian President Vladimir Putin is hinting that he may support Serbia's obstructionism. He may hope to extract favors from President Bush in exchange for his eventual cooperation -- such as U.S. acquiescence to Russia's entry into the World Trade Organization.

Or Mr. Putin may try to use Kosovo to trigger a showdown with his Caucasus neighbor, Georgia, which has infuriated him by embracing liberal democracy and seeking integration into Western institutions such as NATO. Mr. Putin has said that Kosovo's independence could be a precedent for Moscow-sponsored breakaway regions in Eurasia, including two rebel provinces of Georgia. If Western governments recognize Kosovo's independence, Mr. Putin could respond by recognizing Abkhazia and South Ossetia. This could easily trigger a war that would draw in Russian troops; meanwhile, Moscow's position could encourage Serbs in Kosovo and Bosnia to set up splinter states.

Moscow is no doubt hoping that as the Bush administration contemplates this scenario, as well as its continuing need for Russian help in stopping Iran's nuclear program, it will be bluffed into postponing any decision on Kosovo or will abandon its support of Georgia's democracy and NATO aspirations. Either would be a serious mistake. Putting off Kosovo's independence would only enrage the province's 2 million Albanians and trigger the Balkan meltdown that the West hopes to avoid. It would also encourage Mr. Putin's growing tendency to use threats -- whether of energy-supply interruptions or violence -- to get his way with the West.

Northern Ireland Deal Advances (NYT)

By Eamon Quinn

The New York Times, November 11, 2006

BELFAST, Northern Ireland, Nov. 10 — Britain and Ireland on Friday seized on guarded words of support from Northern Ireland's feuding Protestant and Roman Catholic political parties, saying that enough progress had been made by the first deadline they had set in a timetable for restoring local rule for the province that they could proceed to try to meet the next one.

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But a dispute about policing is casting doubt on whether the Democratic Unionist Party, led by the Rev. Ian Paisley, the veteran Protestant leader, and the main Roman Catholic party, Sinn Fein, can reach agreement by Nov. 24, when they are to nominate leaders for the power-sharing government.

A government executive branch that included Northern Ireland unionist leaders and Sinn Fein collapsed in 2002.

The unionists seek to maintain the political tie with Britain; Sinn Fein is considered the political wing of the Irish Republican Army, which has sought to separate the province from Britain.

In a joint statement, the British and Irish governments said that they were satisfied that party statements had indicated support for a government. Last month in St. Andrews, Scotland, the governments proposed a sequence of deadlines, starting Friday, for the Democratic Unionists and Sinn Fein to agree to share power in an executive apparatus that would take over most governmental powers starting next March.

As for the critical issue of policing, they proposed that London would cede full powers to the local executive branch in 2008.

In their joint statement on Friday, the British and Irish governments said that the St. Andrews Agreement remained the basis of reaching their goal, and that preparatory legislation would be worked on before Nov. 24. The foundations of an agreement, the governments said, are "support for power-sharing and the political institutions and support for policing and the rule of law."

Police Issue Stalls N. Ireland Deal (LAT)

By Kim Murphy, Times Staff Writer

The Los Angeles Times, November 10, 2006

Deadline looms on power-sharing plan as differences remain.

LONDON — The first key deadline for implementing a new power-sharing plan in Northern Ireland passed Friday with the parties still at loggerheads, but Britain and Ireland said they were satisfied that the pact "represents the basis for a political settlement" of the long-running conflict.

Both Sinn Fein and the Democratic Unionist Party, or DUP, were to have signaled their acceptance this week of the proposal brokered last month at St. Andrews, Scotland, by the British and Irish prime ministers, under which the two former adversaries would jointly head a new Belfast government.

Instead, both sides only signaled conditional acceptance, apparently stuck on the same issue that has forestalled an agreement from the beginning: the unionist party's insistence that Sinn Fein endorse the local police force — with which its military wing, the Irish Republican Army, was virtually at war for years — before joining the government.

Sinn Fein leaders believe the police force, as it was formerly constituted, was involved in the killings of Roman Catholic residents, either directly or through Protestant paramilitary forces.

The party, which for years has sought union with Ireland, has said it is prepared to accept the police force once it is assured that concrete reforms are in place, a timeframe is established for handing over control of the police to local authorities, and after the party's membership has agreed to take such a step.

The logjam has raised serious questions about whether the two parties will be able to appoint joint heads of government by a Nov. 24 deadline. The British government has said that failure to meet that deadline would result in the shutdown of the National Assembly, now meeting on an ad hoc basis, and in reimposition of British direct rule.

Sources at the DUP, which favors union with Britain, hinted of a strong possibility there would be "slippage" on the deadline.

"Before anything of the nature the government are talking about on Nov. 24 can be done … all those commitments need to be made. We are completely unequivocal on that," said a party source, speaking on condition of anonymity.

But Sinn Fein's chief negotiator, Martin McGuinness, who would be the party's top minister in any new government, said it was crucial that the deadline be met. "I firmly believe that all of the challenges we face can be overcome. On Nov. 24, the Assembly must meet as set out at St. Andrews for the nominations of the first and deputy first minister as joint and co-equal partners in a new power-sharing government," he said in Belfast.

Sinn Fein conditionally accepted the St. Andrews agreement Monday, saying it has the potential to implement the historic "Good Friday" accord reached in 1998 and restore the region's political institutions.

Speaking Thursday night in New York after the U.S. government lifted a ban on Sinn Fein leaders addressing fundraising events, party leader Gerry Adams affirmed his commitment to moving forward. "The time to end this game is now," he said. But he said he would continue to insist on police reforms and local control.

DUP leader Ian Paisley has refused to meet Adams and says he will not form a government with a party that does not uphold basic principles of law and order.

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"The foundation stone of any democratic party is that they support the police, the courts, and the rule of law," he said. "Sinn Fein must stand foursquare behind the police service and the justice system."

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Special correspondent William Graham in Belfast contributed to this report.

U.S. Official Offers A Bleak Assessment Of Somalia (NYT)

By Jeffrey Gettleman

The New York Times, November 11, 2006

NAIROBI, Kenya, Nov. 10 — A senior American military official on Friday painted a dire picture of the escalating tensions in Somalia, but said the United States was at a loss about what to do.

"We do not have a plan to solve the Somalia problem," acknowledged the official, who spoke to reporters in Nairobi only on condition of anonymity. Somalia, once again, is at a crisis point, with rising prospects of a major war between the weak, so-called transitional government and the increasingly powerful Islamic forces that rule Mogadishu, the capital.

Since 1991, Somalia has been synonymous with anarchy, but the senior military official said the current situation was even more explosive because it threatened to drag in Somalia's neighbors.

"If there is a war," the official said, "the fighting ends up protracted and long and spills across the border."

A long-simmering problem is that all of Somalia's neighbors — Kenya, Ethiopia and Djibouti — have significant populations of ethnic Somalis. Some of the Islamic clerics in Mogadishu have vowed to invade these countries to establish a "Greater Somalia."

Another concern is that Ethiopia and Eritrea, bitter enemies that recently fought over a stretch of desert in a war that cost 100,000 lives, are meddling in Somalia, with Eritrea suspected of sending advisers and weapons to Mogadishu to support the Islamists and Ethiopian officials now admitting, after initial denials, that hundreds of Ethiopian military advisers are in Baidoa, the seat of the transitional government. Western experts estimate that the number is actually much higher, maybe as many as 10,000 Ethiopian soldiers, and growing.

Ethiopia is one of the closest allies of the United States in Africa, but the senior military official denied that the American government was using the Ethiopian Army as a proxy force against the Islamists, whom American intelligence agents have accused of cooperating with terrorists from Al Qaeda.

"We don't want them in there," the official said, referring to the Ethiopians.

On Friday, [a news organization] reported that a soon-to-be-released United Nations report accused several Arab countries, including Libya and Syria, of also breaking the 14-year-old arms embargo on Somalia and funneling guns and money to the Islamist forces.

"Things have been increasingly volatile in the past two weeks," the official said, though he did not go as far as saying war was imminent or inevitable. The official and diplomats here in Nairobi have pointed to talks this week between the speaker of the transitional Parliament and top Islamic clerics as a speck of hope.

Sharif Hassan Sheik Aden, the speaker of the transitional Parliament and one of the few politicians from Baidoa respected by the Islamists, spent several days in Mogadishu trying to coax Islamic leaders back to peace negotiations that started in June, though the latest round was broken off because the Islamists refused to negotiate while Ethiopian troops were in the country.

The Islamists, whose support seems to be growing in Mogadishu, were mildly optimistic about Sheik Aden's visit.

"We expect to reach a solution because it is a known fact that if Somalis talk to one another they can make peace," Sheik Hassan Dahir Aweys, leader of Somalia's Council of Islamic Courts, told The Associated Press this week.

But, Sheik Aweys added, the Ethiopians must first leave.

The United States has 1,800 troops stationed in Djibouti, at the mouth of the Red Sea. Their mission is to prevent terrorists from turning the Horn of Africa into a sanctuary. But the senior American military official said that if Somalia's peace talks failed and full-scale war engulfed the region, American troops would not get involved.

"We'll be watching this one," he said.

Aid Group Quits Darfur, Citing Disruptions (WP/AP)

The Washington Post, November 11, 2006

OSLO Nov. 10 -- A Norwegian refugee group said Friday that it was closing its humanitarian operations for nearly 300,000 people in Darfur because it was impossible to work in the troubled region of western Sudan.

The Norwegian Refugee Council cited "frequent disruption" of its work, saying it had been suspended five times for a total of 210 days since it started operations in mid-2004.

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"We cannot work when the authorities suspend us continuously and do not respond to our repeated requests for dialogue aimed at addressing and resolving underlying reasons for this action," said Tomas C. Archer, the group's secretary general.

More than 3 1/2 years ago, ethnic African rebels accusing the central government of neglect launched a rebellion. The government is accused of responding by unleashing an Arab militia, called the Janjaweed, which has been linked to atrocities. As many as 450,000 people have died from disease and violence and 2.5 million have been displaced since fighting began.

Aid agencies have repeatedly complained about government interference in their work in Sudan. For months after the conflict broke out, Sudanese officials severely limited international aid organizations' access to Darfur. Humanitarian workers were allowed in only after protracted negotiations and international pressure.

Last year, Sudan briefly detained two officials of Doctors Without Borders, after the Dutch branch of the international medical aid group released a report that quoted hundreds of rape victims in Darfur identifying their attackers as soldiers or government-allied militiamen.

Rebels also have been accused of interfering with aid, in some cases by kidnapping aid workers.

The Norwegian group said it was pulling out 12 international and 170 local staff members running one camp for 128,000 people in southern Darfur and another for 100,000 people.

"We coordinated all aid, the fair distribution of food, medical care. Now there are 300,000 people on their own. That's what concerns us most," a spokeswoman, Astrid Sehl, said by telephone. She said the group also had to shut down an educational program for about 19,000 children and stop distributing food to about 52,000 people outside the camps.

"This decision has been the most difficult I have had to make as secretary general of NRC," Archer said. "We are all aware that the humanitarian needs are greater than ever in south Darfur."

A news release said that the Oslo-based group had been promised an answer from Sudanese authorities on the future of its humanitarian effort in Darfur but that no answer had been given.

The Norwegian Refugee Council is a private, independent foundation without religious or political affiliations. It was founded in 1946 to assist refugees after World War II and now has about 1,300 staff members in 20 countries.

Next In Darfur (WP)

The Washington Post, November 11, 2006

LAST WEEK President Bush put a brave face on the killing in Darfur, declaring that the United States was working on a plan to save the victims. The truth is that his administration has offered versions of this claim since 2004, when it first described Darfur's crisis as genocide. Sudan's murderous government, which has provided air cover to the Janjaweed death squads and has magnified civilian suffering by keeping U.N. peacekeepers away, has proved impervious to U.S. pressure. Feeling itself to be an isolated Arab elite in a resentful African country, presiding over a capital city that has absorbed 4 million or more Africans who have fled Sudan's internal wars, the ruling clique in some ways resembles the minority white regime of South Africa circa 1985. Its back is against the wall, and it is prepared to be ruthless -- particularly so long as China, Russia and the Arab states provide diplomatic cover.

Andrew S. Natsios, the president's special envoy to Sudan, visited the country recently and was treated to a characteristic prevarication. He was told that Sudan refused to accept the U.N. Security Council resolution calling for a peacekeeping force in Darfur, even though the professed ground for this refusal -- that U.N. peacekeepers would compromise Sudan's sovereignty -- is belied by the fact that U.N. peacekeepers are already in Sudan to monitor a north-south peace treaty. But Mr. Natsios was encouraged not to lose patience. On the contrary, he was warmly entreated to have hope: Sudan might be open to certain other peacekeeping configurations. The existing African Union force could be supplemented with Arabs, or maybe with Pakistanis, or possibly even with Norwegians. The message to the United States was: Go away and do your diplomatic thing, and if you're lucky we'll talk after that.

The Bush administration should certainly assemble commitments of peacekeeping troops and call Sudan's bluff. But it should also attempt to revive the failed Darfur peace plan negotiated this year, for without peace even a large peacekeeping mission may be doomed. Reviving the peace process means pressuring both the government and the rebels: The last agreement failed because many of rebels refused to sign on and instead resumed fighting, while the government took that as an excuse to bar U.N. peacekeepers, harass western humanitarian workers and launch a military offensive. To pressure the rebels, the United States needs to work through their backers in Eritrea and Chad. To push the government back to the talks, the United States needs to work with Sudan's diplomatic enablers in Beijing, Moscow and the Arab capitals.

The world's leaders may hope that the problem of Darfur will go away if they close their eyes long enough. But the reverse is likelier. Darfur's violence is spilling into Chad and could precipitate the collapse of that country's government. It is also contributing to the risk of renewed north-south fighting. If there is no solution in Darfur, the world will witness Darfur-like atrocities elsewhere on a scale appalling to imagine.

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Nigeria's Savior, And Menace (LAT)

The Los Angeles Times, November 11, 2006

OLUSEGUN OBASANJO has done more for Nigeria than any leader in its modern history. Now that legacy is endangered — by none other than Obasanjo himself. Nigerians and the international community should keep the pressure on Obasanjo to step aside.

Nigeria, Africa's most populous nation and the United States' fifth-biggest source of imported oil, was a basket case until Obasanjo was elected in 1999. Since then, he has reformed the nation's chaotic banking sector, battled its endemic corruption and built a foundation for democracy in a nation that has never seen a peaceful transition from one elected leader to another.

But he also is nearing the end of his second and final term as president, and he has shown a worrying reluctance to step down as planned in April 2007. Five months ago, he tried to rewrite Nigeria's constitution to allow for a third term but was rebuffed by parliament. Other recent actions look suspiciously like the machinations of a budding dictator, and they may not only undo most of the good Obasanjo has accomplished but perhaps plunge his country into civil war.

At the core of the troubles is Nigeria's crusading Economic and Financial Crimes Commission, a 3-year-old agency that already has sent about 2,000 people to prison on corruption charges. (According to the commission's chief, Nuhu Ribadu, an estimated $380 billion has been stolen or wasted in Nigeria since independence in 1960.) Yet as the commission has started taking on the country's 36 state governors, many fear that Obasanjo is using it to target his political opponents and disrupt the April elections.

Even if the financial crimes commission isn't on a political witch hunt, there is no way to avoid the appearance of one so close to an election. Obasanjo should suspend the panel until after April. He also should beef up the elections agency. If he doesn't, and voids the elections to maintain power, a bloody civil war is almost certain to follow.

Which course the Nigerian president takes will affect more than his legacy and his nation. An armed insurgency in the country's south cut oil production by 25% this year, playing a key role in the run-up of crude prices that only recently began to ease. Obasanjo has a chance to become a respected elder statesman who could influence continental politics long after leaving office and bring much-needed international attention and aid to Africa. Or he could be another in a long line of Nigerian despots, cursed by his people and forgotten by history.

Don't Count Out Turkey (LAT)

The Los Angeles Times, November 10, 2006

It's too important to Europe, and vice versa, for talks over its entrance into the EU to founder.

BULENT ECEVIT, ONE OF the most important leaders in modern Turkish history, died Sunday in Ankara. His dream may be dying a slow death in Brussels.

"There can be no Europe without Turkey, and no Turkey without Europe," Ecevit said in 1999. A four-term prime minister, Ecevit was by the end of his career a supporter of open markets and greater integration with the West.

On Wednesday, the European Commission released a progress report on Ankara's bid to join the European Union. It was highly critical of the pace of Turkey's reforms on issues such as freedom of speech and its failure to recognize Cyprus.

Cyprus is indeed the stumbling block of the day, but there is a more fundamental resistance across much of Western Europe to the idea that Turkey could join the EU. The EU is still digesting 10 new Central and Eastern European members with a lower standard of living, and there are some understandable concerns about absorbing 73 million Turks on the continent's periphery.

But the genius of Europe's enlargement process has been its ability to raise living standards in new member states while being flexible in phasing in full integration so as to not drag down living standards among richer members. Because of the terms of Poland's accession to the EU, for instance, its farmers have not impoverished French farmers. What's more, given demographic trends, Europe would increasingly benefit from Turkey's large labor pool and its vibrant consumer market.

Opposition to Turkey's candidacy in nations such as France is increasingly about cultural identity. This is unfortunate, as it undermines the idea of a largely secular Muslim Turkey serving as a bridge between West and East. Its successful integration with Christian Europe would demonstrate that the religions need not be at odds and that Western-style democracy is not unattainable in the Middle East.

But confronted with European rejection, many sectors of Turkish society seem intent on derailing integration, making the Turkey-isn't-suited claim a self-fulfilling one. Turkey's Article 301, a vague law that makes it a crime to publicly insult the nation, is a nationalist measure aimed at provoking Brussels.

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And then there is Cyprus, which joined the EU in 2004 and thus has the ability to block any new members. Turkey invaded Cyprus in 1974, under Ecevit, and part of the island remains under Turkish control while Ankara refuses to recognize the Cypriot government. Talks to resolve the impasse recently collapsed.

At an EU summit in mid-December, commissioners may decide to suspend accession talks with Turkey for a year or more. That would be unfortunate — for both sides of this courtship.

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USDOJ- Office of Public Affairs

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To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Saturday, November 11, 2006
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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TERRORISM NEWS:

Senate Seen Unlikely To Approve Warrantless Wiretaps. The AP (11/11, Kellman) reports, "Legislation aimed at President Bush's once-secret program for wiretapping U.S.-foreign phone calls and computer traffic of suspected terrorists without warrants shows all the signs of not moving ahead, notwithstanding President Bush's request this week that a lame-duck Congress give it to him." The AP continues, "Senate Democrats, emboldened by Election Day wins that put them in control of Congress as of January, say they would rather wait until next year to look at the issue. 'I can't say that we won't do it, but there's no guarantee that we're going spend a lot of time on controversial measures,' Democratic Whip Richard Durbin of Illinois said Thursday. … In Senate parlance, that means no." The AP adds, "Republicans for months have known that no bill accomplishing Bush's goal could get filibuster-proof support from 60 senators. Sealing off any hope was what Democratic leader Harry Reid put on his lame-duck to-do list. The warrantless domestic surveillance bill was conspicuous in its absence. … As for next year, Bush should not expect Democrats to allow such legislation to pass without language establishing considerable congressional oversight of any expansion of warrantless wiretaps. … 'We have been asked to make sweeping and fundamental changes in law for reasons that we do not know and in order to legalize secret, unlawful actions that the administration has refused to fully divulge,' said Sen. Patrick Leahy of Vermont, the next Judiciary Committee chairman. 'If legislation is needed for judicial review, then we should write that legislation together, in a bipartisan and thoughtful way.' … The Bush administration has a backup plan. In speeches over the next few weeks, the Justice Department will launch a new campaign for the legislation by casting the choice as one between supporting the program or dropping it altogether -- and appearing soft on al-Qaida. .. .Attorney General Alberto Gonzales will make the eavesdropping program the focus of a Nov. 18 speech at the U.S. Air Force Academy. Kenneth L. Wainstein, assistant attorney general for the national security, will make a similar pitch Wednesday to the American Bar Association."

Social Security Databases A Resource For Terror Probes. The Washington Post (11/10, Roig, Kriva, 690K) reports that since "the Sept. 11, 2001, attacks, the Social Security Administration's vast databases of personal information have become a resource for federal investigators, who have asked the agency to check tens of thousands of records for number misuse and identity fraud -- potential precursors to terrorist activity." From "just after Sept. 11 through 2005, Social Security officials sent prosecutors 456 referrals that were classified as terrorism-related, according to statistics compiled by Syracuse University's Transactional Records Access Clearinghouse. The review shows that 91 percent of those referrals led to prosecutions." Only the "departments of Justice and Homeland Security have referred more terrorism-related cases for prosecution, according to the Syracuse records, which are based on data compiled by the Justice Department's Executive Office for United States Attorneys. Still, few if any suspects in Social Security cases are ever linked publicly to alleged terrorist activity. Most cases referred to prosecutors in the months after Sept. 11 involved document fraud by Latino immigrants working at airports." Previous studies "by the Syracuse center found that thousands of cases have been referred by all agencies for prosecution under the labels of 'international terrorism' or 'antiterrorism.' However, senior Justice officials instead usually cite the criminal division's much smaller list of terrorism-related cases, which as of June included 441 defendants and 261 convictions. Most on that smaller list were charged with crimes unrelated to terrorism, an earlier Washington Post analysis found."

Judge Rules Al Arian Must Testify In Virginia Islamic Charity Probe. The AP (11/10) reported, "Sami Al-Arian must testify before a federal grand jury despite claims that a plea agreement freed him from cooperating with the U.S. government, a federal judge ruled. U.S. District Judge James S. Moody Jr. ruled Al-Arian must testify in the probe of International Institute of Islamic Thought in Herndon, Va., because Virginia prosecutors have granted him immunity. In his trial, prosecutors said Al-Arian's World and Islamic Studies Enterprise got money from the Va. Institute."

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Radical Cleric's Letter Alleges Torture After CIA Kidnapping. The Washington Post (11/10, A23, Whitlock, 690K) reports that in an "an account smuggled out of prison, a radical Muslim cleric has detailed how he was kidnapped by the CIA from this northern Italian city" of Milan "and flown to Cairo, where he was tortured for months with electric shocks and shackled to an iron rack known as 'the Bride.'" Hassan Mustafa Osama Nasr, "also known as Abu Omar, wrote an 11-page letter describing his 2003 abduction at the hands of the CIA and Italian secret service agents. He somehow transferred the document out of Egypt -- where he remains in custody -- and into the hands of Italian prosecutors who are investigating his disappearance." The document "has been submitted as evidence to defense attorneys representing 25 CIA officers, a U.S. Air Force officer and nine Italian agents who have been charged with organizing the kidnapping of Nasr, an Egyptian national, in February 2003." In Egypt, "his captors offered a deal: They would allow him to return to Italy if he agreed to become an informant. Nasr said he refused. As a result, he said, he was interrogated and physically abused for the next 14 months in two Cairo prisons."

British Intelligence Tracking Nearly 30 Terrorist Plots. ABC World News (11/10, story 3, 1:11, Gibson) reported on an "alarming claim by the head of Britain's domestic intelligence agency. She said British authorities are tracking almost 30 terrorist plots, involving 200 terror cells and keeping tabs on 1,600 people, many of them home-grown British militants." ABC (Ross): "We're told they're talking about six operational plots that reflect advanced planning, with specific targets and recruits already selected for attacks. The speech by the British spy chief also suggested that, for the first time, British authorities believe this is being run by Al Qaeda central, directly out of Pakistan, with Al Qaeda leaders in control." NBC Nightly News (11/10, story 5, Williams) called it "a distressing report," saying Britain's domestic spy agency MI5 "warns young British Muslims are being actively targeted for recruitment by various terrorist networks."

The Washington Post (11/11, A15, Jordan) reports MI5 is "watching 1,600 people in 200 cells believed to be plotting terrorist acts in Britain or overseas." MI5 Director Eliza Manningham-Buller said, "More and more people are moving from passive sympathy towards active terrorism." Manningham-Buller said a "growing number of people are plotting to kill others and damage the British economy. The conspirators, she said, are motivated 'by a sense of grievance and injustice driven by their interpretation of the history between the West and the Muslim world.'" The AP (11/10, Gardiner) adds that Manningham-Buller said MI5 "had foiled five major plots since the July 2005 transit bomb attacks in London."

The New York Times (11/11, A6, Cowell) reports British PM Tony Blair said the "threat from homegrown Islamic terrorism would last 'a generation,'" reinforcing the "highly unusual warning" from Manningham-Buller. In her remarks, the MI5 chief "also asserted that operatives for Al Qaeda in Pakistan were helping to guide some of the plots, reflecting British assessments that Qaeda operatives survived campaigns against them to steer conspiracies in Britain from afar."

"Hundreds" Of Al Qaeda Fighters "On The Move." The CBS Evening News (11/10, lead story, 2:40, Couric) began with an exclusive report saying that "hundreds of al Qaeda fighters are on the move, moving out of Afghanistan and Pakistan. And the question tonight is, where are they headed and what are they planning? This comes as British intelligence is warning that it's tracking nearly 30 terror plots involving hundreds of people." CBS (MacVicar): "Intelligence agencies have been warned al Qaeda may be planning to attack air and rail travel in Europe during the busy holiday travel season. The warnings come from interrogations of al Qaeda suspects who were recently ordered to leave Afghanistan and Pakistan." In the "last six months, in the mountains and battlefields of Afghanistan, al Qaeda has withdrawn well-trained Arab fighters."

On the CBS Evening News (11/10, story 2, 1:50), anchor Katie Couric also interviewed John Brennan, former head of the National Counter Terrorism Center, asking, "I think some people might be confused, Mr. Brennan, because the Bush administration claims that real damage was done to al Qaeda in Afghanistan, and yet it seems to me that there are other reports that al Qaeda and other similar organizations have been empowered and are stronger than ever. So what's the truth?" Brennan: "I think al Qaeda central, the core, which is in Pakistan-Afghanistan, Osama bin Laden and Zawahiri, that core group really has been bloodied badly. But I think the whole purpose of bin Laden was al Qaeda means the foundation. He wanted it to give birth to other group, to other individuals to carry out attacks. And what we're seeing right now is the proliferation of those individuals."

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Judge Refuses To Vacate Al Qaeda Backer's Guilty Plea. The Washington Post (11/11, A12, Markon) reports US District Judge Leonie Brinkema "has refused to throw out the guilty plea of a convicted al-Qaeda supporter who argued that he was illegally spied on through President Bush's controversial warrantless eavesdropping program." Truck driver Iyman Faris pleaded guilty in 2003 to "plotting to bring down the Brooklyn Bridge and launch a simultaneous attack in Washington. He asked a judge to vacate the plea, arguing in part that the alleged surveillance violated his rights and that the government could not use it to build a case against him."

Cleric Claims He Was Kidnapped By CIA, Then Tortured. The New York Times (11/11, A7, Povoledo) reports Hassan Mustafa Osama Nasr, a "militant Egyptian cleric who prosecutors say was kidnapped" by the CIA, said in an account published in the Italian newspaper Corriere della Sera this week that he was "tortured with electric shocks while he lay on a wet mattress in a Cairo prison and was repeatedly beaten and forced to eat rotten bread in a pitch-black cell, while rats and cockroaches ran over his body." Milanese prosecutors "have appended the account to the case they are building against 39 people, including 25 C.I.A. operatives. Prosecutors accuse them of abducting Mr. Nasr and sending him to Egypt for questioning, in the American practice of rendition."

Torture Issue Was Notably Absent From US Campaigns. The New York Times (11/11, B5, Steinfels) runs a "Beliefs" feature on why US candidates declined to discuss allegations of torture during the just-ended campaign season, saying that torture "is such a stain on personal and national character that nothing but appalling photographs could have forced the subject to the fore. … In a season of shameless attack ads, torture is still too shameful to be debated."

HOMELAND RESPONSE:

Democrats May Have Hard Time Implementing 9/11 Panel Recommendations. The Washington Post (11/11, A3, Eggen, Hsu) reports Democrats "have vowed to push through a host of reforms recommended two years ago by the Sept. 11 commission, such as better port security and improved radio communications for first responders, but many of the most controversial changes are likely to face obstacles even with Capitol Hill in Democratic hands, according to experts and legislative aides." Homeland security experts said Democratic control "will not guarantee implementation of some of the commission's most controversial suggestions, which have languished because of entrenched political and bureaucratic obstacles. A prime example is the commission's call to base the federal government's homeland security funding on the actual risk of terrorist attacks or other calamities -- an approach that would generally benefit large metropolitan areas at the expense of smaller cities and rural regions. Although such an approach would favor regions represented by Democrats, lawmakers have preferred to spread dollars to as many jurisdictions as possible." Center for Health and Homeland Security Director Michael Greenberger said, "It's easy to say they'll implement the 9/11 recommendations. But some of the recommendations have not been implemented because they've been so hard to swallow."

LATimes Says Customs Laptop Searches Go Too Far. The Los Angeles Times (11/11) editorializes, "It was bad enough for international travelers earlier this year when security officials barred laptop computers from carry-on luggage. Now that the ban has been lifted, a new worry has replaced it: the prospect of U.S. customs agents snooping through your laptop -- and even seizing it. … Stopping bad guys at the border is important, and it makes sense to inspect incoming items, including laptops, for explosives and other weapons. But the government has been using the terrorist attacks of 9/11 to redefine 'reasonable.' There's a clear line between checking a laptop for explosives and reading its contents, and agents should have an excellent reason to cross it."

Louisiana Recovery Program Slow To Get Funds To Applicants. The New York Times (11/11, Eaton) reports on its front page that the "$7.5 billion program to rebuild Louisiana by helping residents repair or replace their flooded homes," known as Road Home, "has gotten off to a slow start, frustrating government officials and outraging many homeowners who say they are still in limbo 14 months after Hurricane Katrina hit." Though nearly 79,000 families have applied, "only 1,721 have been told how much grant money they will receive. And just 22 have received access to

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the cash, which was provided by federal taxpayers and is being distributed by the state."

WAR NEWS:

Pentagon Will Reevaluate Strategy In Iraq. Coverage of the planned reevaluation of Iraq strategy centered on the perceived need for change and the ability of uniformed officers to push through their ideas in the absence of outgoing Secretary Rumsfeld. NBC Nightly News (11.10, lead story, 3:00, Williams, 9.87M) reported, "It didn't take long -- just a few days after American voters spoke with a unified voice at the polls and today there were already indications this nation's Iraq policy is indeed in for a major change. First, a new boss at the Pentagon and now a new definition of what it means to win in Iraq. It's clear a major change is coming, even while this nation's troops are fighting it out on the ground in Iraq." NBC (Miklaszewski): "... the Bush Administration is struggling to come up with a new strategy for Iraq and today Joint Chief's Chairman General Pace on MSNBC described victory as simply reducing the violence to an acceptable level. ... At the same time parts of that new strategy are beginning to take shape. Military sources tell NBC News US commanders are working on plans to accelerate the turnover of more Iraqi territory from Americans to Iraqi security forces. But there is a risk. If the transition comes too fast, some areas could easily fall into the hands of sectarian militias. There are also plans to reverse Debaathification and rehire Iraqi servants whom the US fired three years ago because they were members of Saddam's Baath party." Loren Thompson, military expert: "Under Saddam you didn't get a military post unless you were a Baathist. So when you got rid of a Baathist, you got rid of anybody who knew how to run the country." Miklaszewski: "And a widespread amnesty for insurgents but not those suspected of attacking US forces or those Al Qaeda fighters, but many fear this all may be too late." Michael O'Hanlon, Brookings Institution military analyst: "There's a momentum to this insurgency and the civil war now that no good policy can even reverse even if the policy is correct." Miklaszewski: "Advisors to Robert Gates say many of these proposals should have been adopted two years ago but were rejected then by Vice President Cheney and Secretary Rumsfeld."

The Washington Post (11/11, A1, Tyson, 690K) in a front page article reports, "The Pentagon is conducting a major review of the military's Iraq strategy to determine 'what's going wrong and should be changed' to attain U.S. objectives in the war-torn country, the nation's top general said yesterday." JCS chair Gen. Peter Pace "initiated the review this fall after starkly deteriorating security in Baghdad led commanders there to rule out any significant cut this year in the level of U.S. troops in Iraq -- now at about 145,000 -- according to senior defense officials and sources. ... Pace's comments also could foreshadow a reassertion of influence by senior officers in the wake of this week's resignation by Defense Secretary Donald H. Rumsfeld, according to military officers and analysts. Moreover, some military officers have voiced concern in recent days that if they do not assert a greater role in formulating a future course in Iraq, that course will be defined for them by the resurgence of congressional Democrats, many of whom favor a withdrawal of U.S. troops."

Pace is quoted as praising both Rumsfeld ("a strong advocate") and Secretary-designate Robert Gates ("very talented, dedicated patriot [with] a reputation as a man who gets things done, a man who is collaborative and solicits subordinates' opinions").

The New York Times (11/11, Gordon, 1.16M) reports, "In a closely held effort, Gen. Peter Pace, the chairman of the Joint Chiefs of Staff, has assembled a team of some of the military's brightest and most innovative officers and told them to take a fresh look at Iraq and Afghanistan, among other flashpoints. ... Ideas that have been discussed include increasing the size of the Iraqi security forces, along with the American effort to train and equip them, and adjusting the size of the American force in Iraq. ... The review reflects the recognition that military efforts need to be part of an overall approach that includes all aspects of American power, including diplomatic and economic."

BBC.com (11/11) reports, "Chairman of the Joint Chiefs of Staff Gen Peter Pace said commanders were having their own dialogue and would make the changes that were needed. President George W Bush is to meet members of a panel drawing up proposals for ending the conflict on Monday. Iraq was a key factor in the Republican defeat in mid-term polls and US defence chief Donald Rumsfeld's resignation." The Iraq Study Group "is said to have been looking at two options, both of which would amount to a reversal of the Bush administration's stance. One is the phased withdrawal of US troops, and the other is to increase contact with Syria and Iran to help stop the fighting."

Election Seen As Referendum On Iraq. NBC Nightly News (11/10, story 6, 2:13, Williams) ran an "In Depth"

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report analyzing this week's elections, asking, "Is the political pendulum on the move in this country? Is the nation changing politically or was this simply a one-time referendum on an unpopular war in Iraq?" Analyst Stuart Rothenberg: "It's far from clear that this is a long-term change in the electorate. Rather it's a reaction to the war in Iraq, to the President's performance and to the short-term desire for change." NBC (Reid): "He does say, though, that in certain parts of the country, shifts are clearly occurring. For example, just as southern Democrats were purged from the House in 1994 when Republicans swept to the power in this election nearly all New England Republicans were purged from the House. And in the Rocky Mountain States where four years ago all eight governors were Republicans, now five are Democrats."

The Los Angeles Times (11/11, Richter, McManus) says the Democratic victories are "b oosting pressure for a bipartisan approach to the Iraq war, a rough consensus is emerging that could lead to a new direction and a gradual U.S. disengagement from the costly conflict. There are those on both sides of the aisle who favor giving the Iraqis firm deadlines for meeting a list of political goals, with the possibility of redeploying U.S. troops if the goals aren't met -- a scenario that could lead to withdrawal."

Rep. Jim Moran, appearing on MSNBC's Hardball (11/10, Matthews), said, "We need a change of command at the White House. This election was about one person and one issue: George Bush and the Iraq war. Corruption contributed to it, but it really was sending a message, and that message was sent as much by independents as it was by Democrats. That's what the Congress needs to do, to show some checks and balances, to see to it that the administration comes up with some exit strategy sooner rather than later."

Sen.-elect Bob Corker said on PBS' NewsHour (11/10, Warner), "We need to fix our strategy in Iraq and start moving ahead again so that Iraqi people can quickly secure themselves so that there's a government there that is accountable. And then we need to bring our men and women home as quickly as possible. So I'm glad that James Baker is working on a strategy that hopefully will upgrade our ability to do that. And I'm looking forward to seeing what that is."

Bush Grants Marine Posthumous Medal Of Honor At USMC Museum Ceremony. ABC World News (11/10, story 5, 0:56, Gibson) reported, "Inspiration today as President Bush honored a young Marine who gave his life in Iraq. At a ceremony for the new National Museum of the Marine Corps in Quantico, Virginia, the President said the Medal of Honor will be given to the parents of Cpl. Jason Dunham. He threw himself on a grenade to protect fellow Marines. And the President, today, was visibly moved." Bush: "As long as we have Marines like Cpl. Dunham, America will never fear for her liberty. And as long as we have this fine museum, America will never forget their sacrifice. May God bless you. May God bless the Marines. And May God bless the United States." Gibson: "Today is the Marine Corps' 231st anniversary. And it would have been Cpl. Dunham's 25th birthday."

NBC Nightly News (11/10, story 2, 2:14, Williams) reported on the award and profiled Cpl. Dunham, while the CBS Evening News (11/10, story 7, Couric) reported on the ceremony and the presentation of the Medal of Honor as a lead-in to a feature on what it takes "to become a Marine. … There's no question the training is tough. … But does it prepare young men for what they will face in Iraq?"

On the front page of its Metro section, the Washington Post (11/11, Smith, 690K) reports, "Many traveled thousands of miles for this moment, on the 231st anniversary of the Marine Corps, to gather on a grassy promenade near the Quantico Marine Corps Base, to remember and cry and celebrate the opening of the National Museum of the Marine Corps." The Post describes the museum's contents and quotes President Bush's speech.

The Washington Times (11/11, Lively, 88K) reports on its front page that the ceremony was "nearly 20 years in the making." Former Marine and journalist Jim Lehrer said, "The death rate among Marines in Iraq has been more than double that of the other service." The announcement of Dunham's MOH is also noted.

The Wall Street Journal (11/11, A4, Phillips, 2.04M) reports about the "charismatic" Dunham's posthumous award and describes the battle that cost him his life: "When his attacker dropped a live hand grenade, the Marine made the split-second decision to cover the weapon with his own helmet, shielding two of his men from its full explosive force." The Journal recalls, "Cpl. Dunham's life and death were chronicled in a page-one story in The Wall Street Journal on May 25, 2004."

The Los Angeles Times (11/11, Gerstenzang, 850K) reports that Dunham "will be the first Marine to receive the nation's highest medal for bravery for combat since the war in

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Vietnam. The award ceremony will be at the White House at a date to be selected by Bush and the Dunham family."

CNN.com (11/10) reports, "Dunham will be the second American to receive the Medal of Honor from service in Iraq. Army Sgt. 1st Class Paul Ray Smith was the other, honored [posthumously] for action near Baghdad International Airport in April 2003, in which he killed as many as 50 enemy combatants while helping wounded comrades to safety."

Marines In Iraq Mark 231st Anniversary Of Corps. The New York Times (11/11, Chivers, 1.16M) reports from Outpost Viking, Iraq, "The Marine Corps celebrated its 231st birthday on Friday, an event that passes with little notice outside the corps's insular ranks, but is an essential ritual within, especially now, as the policies guiding the war seem certain to change and the reasons that brought the marines here are less clear." The Times says bleakly of the profiled unit's losses and the allegedly changing mission for the war, "Nearly 15 percent of the battalion's marines have been wounded. Five marines and one of their interpreters have been killed and 31 marines have been wounded seriously enough to require evacuation back to the states. ... the list of reasons for fighting has changed. First it shifted from finding weapons of mass destruction to removing a dictator to building a stable, democratic Iraq. ... many of the marines in the battalion, in their quiet times in the weeks before this day, have said they fight for two things: the corps's tradition and reputation, and for the man on their left and right."

Muhajir Claims 12,000 Fighters In Iraq, Says More Attacks To Come. NBC Nightly News (11/10, lead story, 3:00. Williams) opened with a critical report saying it is "clear a major change is coming" at the Pentagon and in US Iraq policy "just a few days after American voters spoke with a unified voice at the polls." In addition to "troops are fighting it out on the ground in Iraq," NBC (Miklaszewski) said there "was also a new tape released today from Al Qaeda, and although it all sounds very horrifying, US Intelligence officials report tonight that this tape is nothing more than pure propaganda. The voice on the audio claims to be that of the leader of Al Qaeda in Iraq, al-Muhajir. In a chilling diatribe he warns, we haven't had enough of your blood yet and threatens to blow up the White House. He claims Al Qaeda now has 12,000 fighters in Iraq. He also praised Democrats for their election victory that drove Donald Rumsfeld from the Pentagon. The new threats come as the Bush Administration is struggling to come up with a new strategy for Iraq."

CNN's The Situation Room (11/10, Costello) reported, "Al Qaeda in Iraq's new leader is taunting President Bush and Donald Rumsfeld. In a new audiotape posted on an Islamist website, a man claiming to be Abu Hamza al-Muhajer calls President Bush a lame duck and the outgoing Defense Secretary a coward. And that's not all he says. He also threatens to blow up the White House."

Blair Will Give Evidence To Iraq Study Group. The Financial Times (11/11, Blitz) reports, "Tony Blair will next week give evidence to the Iraq Study Group led by James Baker, the former US secretary of state, in the first indication Britain is being consulted by Washington over potential change of policy on the war. ... The decision by the Iraq Study Group to interview Mr Blair is an important boost for Downing Street, amid fears that Britain might be excluded from the US reassessment of Iraq policy following the Democrats' victory in the congressional elections." Blair reportedly "is certain to tell Mr Baker that the US and UK must not "cut and run", remaining in Iraq until Baghdad can manage the security situation on its own. Mr Blair has told allies he is confident that the Baker-Hamilton committee will make no such recommendation."

US Office In Iraq Shelled For Second Time. The Washington Times/AP (11/11, Yacoub) reports, "The U.S. government's office in central Iraq came under mortar fire early Saturday, an attack that touched off a blaze in part of the complex, Iraqi police said. There was no immediate word on damage or casualties. ... The mortar attack was at least the second reported in recent weeks against the U.S. office in Hillah, which oversees government and diplomatic interests in the central Euphrates region, about 60 miles south of Baghdad." The mortar "is growing increasingly popular among Iraqi fighters because it can be fired from a secure location several miles from a target and then quickly hauled away or hidden."

Shays Lays Out Steps For Stabilizing Iraq. Rep. Christopher Shays, appearing on MSNBC's Hardball (11/10, Matthews), said, "There's four things we need to do. The first thing is we need to set a timeline to transfer Iraqis to patrol the streets and get our guys from patrolling the streets. The Iraqis need to start doing the police work. … The second thing we need to do is set timelines for the Iraqis -- the Shias and the Sunnis in particular -- to work out their differences on reconciliation, on de-Baathification, on where

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the oil goes and federalism. The third thing you need to do is we need to get the six…neighboring countries to come together, Iran included obviously, and say: If we fail, Iraq gets divided into three parts; none of you want that. And finally, I think you need a plebiscite. If two-thirds of the Iraqis aren't going to support our being there and our plan to withdraw, then we leave even sooner. They need to start showing some support for our troops. Otherwise, we just need to leave."

Shiite Clerics Urge Speedy Hanging Of Hussein. The Los Angeles Times(11/11, Roug, 850K) reports, "Addressing worshipers for the first time since the conviction of Saddam Hussein, many of Iraq's Shiite Muslim preachers called Friday for the speedy hanging of the former president. Hussein, a Sunni Muslim who long repressed Iraq's Shiite majority, should be executed in public between two of the holiest Shiite sites in Iraq, a cleric demanded during his sermon in Karbala. ... U.S. officials had hoped the trial of Hussein, toppled in the 2003 U.S.-led invasion, would help unite Iraq. But many now believe the verdict is heightening ethnic and sectarian tensions. Shiites in eastern Baghdad and other areas where they are concentrated cheered the decision in mass rallies as angry Sunni Arabs marched in large demonstrations north of the capital."

National Guard Units Face Second Tours In Iraq. The AP (11/11, Baldor) reports, "National Guard combat brigades that have already served in Iraq may be called for a second tour, likely breaking the 24-month deployment limit initially set by the Pentagon, the Guard's top general said. ... the new plans would, for the first time, send entire Guard combat brigades back to the battlefront. Brigades generally have about 3,500 troops." The AP adds, "In a related move, the Pentagon is preparing to release a list of active units — and perhaps reserves as well — scheduled to go to Iraq that would largely maintain the current level of forces there over the next two years, another senior defense official said Thursday. There are about 152,000 U.S. troops in Iraq. That official requested anonymity because the plan has not been made public." It was "not clear whether this week's resignation of Defense Secretary Donald H. Rumsfeld would affect deployment plans." The Los Angeles Times (11/11, 850K) carries an abbreviated version of this story.

Formerly Touted Tall Afar Struggles To Rebuild. The Washington Post (11/11, White, 690K) reports, "A year ago, U.S. officials championed the military's success in pushing insurgents out of this city in Iraq's northwestern desert, reclaiming it for the roughly 250,000 residents and eliminating an insurgent safe haven. President Bush publicly praised the 3rd Armored Cavalry Regiment's effort." However, "The unemployment rate here is nearly 70 percent. Officials estimate that fewer than half of Tall Afar's residents remained here or returned after the last big U.S.-Iraqi military operation in September 2005. Many of the city's buildings are vacant or were destroyed in the fighting last year. Hundreds of millions of dollars was promised to help rebuild and restore Tall Afar, but the money has just started to trickle in through the Iraqi central government's staggeringly slow bureaucracy. And Iraqi forces have only recently taken the lead in providing security, helped in large part by the population drop and lack of attacks." The Post says with guarded optimism, "Still, the Iraqi forces are out front, while U.S. forces hang back more and more."

Crumbling Iraqi Health Care Worsens Death Toll. The Los Angeles Times (11/11, Roug, 850K) reports in a highly critical , 1,712-word front page article, "Thousands of Iraqis are believed to have died from shortages of medicine, vital equipment and qualified doctors, despite an infusion of nearly half a billion dollars from U.S. coffers into this country's healthcare system, Iraqi officials and American observers say. ... In the most sinister reported development, provincial Sunni Muslim doctors charge that Shiite Muslims who control the Health Ministry deliberately withhold medicines and other vital supplies. Privately, some U.S. officials say that hard-line Shiites use the ministry for political and sectarian ends." Iraqi health care "was once the envy of the region. ... Medicine and hospital care were free, doctors well-educated and respected. But neglect by former President Saddam Hussein and years of United Nations sanctions laid waste to the system."

Restored Baghdad Psychiatric Hospital Serving Traumatized City. ABC World News (11/10, story 4, 2:05, Gibson) ran a feature on a Baghdad psychiatric hospital "full of patients traumatized by the violence in their city and what they have seen take place." The report focused on the impact of the war on Iraq's children. ABC (McCarthy): "The good news is that the hospital is functioning at all. Immediately after the war, psychiatric hospitals in Baghdad

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were looted and patients abandoned. Today, with US funds, these hospitals have been restored and reequipped."

Navy SEAL Is Founder Of Group For Soldiers' Families. NBC Nightly News (11/10, story 8, Fratangelo) ran a feature on the United Warriors Survivors Foundation, created by Navy SEAL Nick Rocha "for the widows of fallen operation soldiers. They meet twice a year, young, vibrant women whose lives one minute revolved around the military and the next, fell apart. … It hits home for Nick. He knows it could have easily been his family left behind." Rocha: "I can't look myself in the mirror if I don't continue to help these people and their children."

Rumsfeld Could Face Abuse Charges. BBC.com (11/11) reports, "Donald Rumsfeld, who quit as US defence secretary this week, may face criminal charges in Germany for alleged abuses in Guantanamo Bay and Iraq. A complaint has been launched by the US-based Centre for Constitutional Rights, representing a Saudi detained in Cuba and 11 Iraqis held in Baghdad." BBC.com adds, "The Pentagon has not yet commented on the issue. The US denies any torture has taken place at Guantanamo Bay and has defended its interrogation techniques."

The New York Daily News (11/11, Meek, 729K) reports that Time magazine originally broke the story of the plan to have Rumsfeld charged, saying, "Retired Army Col. Janis Karpinski is the star witness backing the detainees, who also name ex-CIA Director George Tenet, Attorney General Alberto Gonzales, ex-Iraq commander Lt. Gen. Ricardo Sanchez and retired Gitmo commander Maj. Gen. Geoffrey Miller. Before Bush demoted her from brigadier general because of the abuse, Karpinski commanded the Long Island-based 800th Military Police Brigade that ran all of Iraq's prisons, including Abu Ghraib."

Fox Report with Shepard Smith (11/10, 8:45 p.m.) broadcasted, "Outgoing Defense Secretary Donald Rumsfeld may have to worry about more than what to do with his free time. TIME magazine reports a group of former prisoners plan to file charges against Rumsfeld, Attorney General Alberto Gonzales and other American officials for their treatment at Guantanamo Bay in Cuba and Abu Ghraib in Iraq. TIME says the court papers will be filed next week in Germany. Prosecution witnesses will include the woman once responsible for Abu Ghraib, former Brigadier General Janice Karpinksi. No comment from the Pentagon." This story received light coverage in New York, Washington DC, Raleigh, and Durham.

WPIX- TV New York (11/11, 10:00 p.m.) broadcasted, "The New York City-based Center For Constitutional Rights plans to file criminal charges against Rumsfeld in a German court. Alberto Gonzales and George Tenet will be named in a complaint that claims US officials okayed the torture and abuse of suspects in Guantanamo Bay and Abu Ghraib. This first reported by TIME plays."

NC8- TV Washington, DC (11/11, 7:00 a.m.) broadcasted, "A lawsuit has now been filed over prisoner abuse allegedly committed by US military members in Iraq and at Guantanamo Bay. Those targeted by the suit include Attorney General Alberto Gonzales and now former Defense Secretary Donald Rumsfeld.

WNCN- TV Raleigh, Durham (11/11, 9:00 a.m.) broadcasted, "The lawsuit is based in Germany. Attorney General Alberto Gonzales and former CIA director George Tenet are also named in the suit. According to a TIME magazine report, the plaintiffs in the case include 11 Iraqis who were prisoners at Abu Ghraib."

FT Recalls Rumsfeld's Statements. The Financial Times (11/11, Sevastopulo) in an analysis piece reports, "Always combative, often charming, sometimes a bully, Mr Rumsfeld introduced a style of Pentagon press conference that both entertained and infuriated." Several of the secretary's elliptical statements are quoted; the FT notes that he "made his name as a poet whose rhetorical musings have been compiled in Pieces of Intelligence: The Existential Poetry of Donald H. Rumsfeld."

Scarborough Slams Bush On Timing Of Rumsfeld Exit. On MSNBC's Tucker (11/10, Carlson), ex-Rep. Joe Scarborough, now an MSNBC host himself, said, "I could not imagine how I would feel were I a Republican congressman who had blindly followed George W. Bush as most Republican congressmen have over the past six years and spent my entire campaign on the stump defending this war, and by extension, defending Donald Rumsfeld, when history of this conflict showed that he made several terrible mistakes…and then to have George W. Bush fire him the day afterward and then hear that this was in the works for quite some time, I would blame my political loss and the end of my political career on George W. Bush. And think about all the party chairmen, all the chairmen in the Republican Party in the House and the Senate that are no longer chairmen because of Rumsfeld. A lot of anger on Capitol Hill, and I

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think we are going to really see some recriminations. And you're going to have a lot of Republicans that are not going to follow George W. Bush blindly anymore."

Peace Remains "Distant Dream" In Afghanistan. AFP (11/11, Briand) reports in a highly bleak article, "Five years after US-led forces drove the Taliban from Kabul, peace remains a distant dream in Afghanistan with militant attacks at an all-time high, a despondent population and widespread corruption. ... In the eyes of many Afghans the situation is worse than it was five years ago: the cost of living has increased, infrastructure remains deficient and security is still not assured, according to the non-governmental organisation Action Against Hunger."

Musharraf's Reconciliation Efforts Said To Suffer From School Strike. In a 1,300-word analysis piece on its front page, the Washington Post (11/11, A1, Constable, Khan, 690K) reports Pakistani President Pervez Musharraf's peace and cooperation agreement with North Waziristan tribal leaders had been "a model for curbing domestic Islamic militancy and cross-border insurgent attacks," but "today that model lies in shreds." The "fragile political peace has been shattered by two devastating attacks: a government missile strike that killed 82 people at an Islamic school in the Bajaur tribal district on Oct. 30, and a retaliatory suicide bombing Wednesday that killed 42 army recruits at a training camp in the Malakand tribal district." The Post says Musharraf "has long been caught between conflicting domestic and international pressures," and his "recent attempt at compromise, a series of negotiated settlements with armed Islamic groups and tribal leaders, has been controversial. Critics charge that pacts in North and South Waziristan left both areas under the control of extremists who continue to export violence to Afghanistan."

Female Soldiers "Just Do Their Jobs." In a Veterans' Day-oriented "Editorial Observer" piece in the New York Times (11/11, 1.16M), reporter Maura Casey recalls her mother's service in World War II and writes, "Yet, despite what women in uniform have accomplished, there are critics who want to curtail their military roles. ... reality has overrun critics' arguments. Between Iraq and Afghanistan, 68 women have been killed in action, and 436 have been wounded, according to the Pentagon's Web site. ... Given the ease of modern communication, from cellphones to e-mail, if women were not measuring up in Iraq, that would have become very clear by now."

CORPORATE SCANDALS:

Fastow Deposition Will Help Shareholders Recover In Civil Suit. The New York Times (11/10, Barrionuevo) reports, "No one sold tickets, but the Andrew S. Fastow show cost a small fortune. … And while it was light on laughs, it even featured window washers who moved in the background like shadowy ninjas before a nervous audience of big-name Wall Street lawyers representing some of the largest banks in the world." The Times continues, "For eight and a half days, Mr. Fastow, Enron's former chief financial officer, held some 70 lawyers rapt in a downtown Houston conference room as he delivered the most expansive deposition yet in a spate of lawsuits stemming from Enron's 2001 collapse. His much-anticipated appearance, which ended on Nov. 2, was the first time an Enron insider had sought to help shareholders recover money in the civil litigation. … Lawyers representing Enron investors have already won settlements for $7.3 billion of the $40 billion shareholders claim they lost in Enron's 2001 collapse. On Nov. 1, the latest settlement — an agreement by Arthur Andersen, Enron's former accounting firm, to pay $72.5 million — was disclosed. … But it is far from clear whether the testimony of Mr. Fastow, a convicted felon who masterminded some of the fraudulent transactions that hid the company's poor financial health, will be enough to push the seven banks that have not settled to the negotiating table."

New California AG To Take Fresh Look At H-P Case. The Wall Street Journal (11/11, A2, Anders) reports, "The criminal prosecution of former Hewlett-Packard Co. chairman Patricia Dunn -- who is due to be arraigned on Friday -- could get a fresh look from one of California's best-known politicians." The Journal continues, "On Nov. 7, California voters picked Democrat Jerry Brown -- the former governor and presidential candidate -- to be the state's next attorney general. Mr. Brown, who is currently mayor of Oakland, will begin his new job Jan. 9." The Journal adds, "As attorney general, Mr. Brown will have ultimate authority in deciding how to proceed with People vs. Dunn, a case filed in state court in San Jose last month by William Lockyer, the current AG. The state's case focused on allegedly improper techniques used by H-P and its agents to gather phone

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records and other personal data for an investigation of boardroom leaks. … Mr. Lockyer took a negative view of H-P's conduct. 'One of our state's most venerable corporate institutions lost its way,' he said in an Oct. 4 briefing about the state's case. 'In this misguided effort, people inside and outside H-P violated privacy rights and broke state law.' … Tom Dresslar, a spokesman for the attorney general's office, said he expects the Dunn case will be "a candidate for review" by Mr. Brown, 'if only to get him up to speed on the evidence we gathered and why we brought the case.'"

Three Qwest Officials Cash In Stock Options. The AP (11/11, Press) reports, "Three executives at Qwest Communications International made more than $43 million by cashing in stock options, according to regulatory filings." The AP continues, "The chief executive, Richard C. Notebaert, made a profit of $18.4 million and the chief financial officer, Oren G. Shaffer, made $18.5 million, according to a Securities and Exchange Commission filing. .. .The chief legal officer, Richard N. Baer, made a $6.4 million profit, according to documents filed earlier this week. … A Qwest spokesman, Nicholas Sweers, said that Mr. Notebaert planned to donate his after-tax proceeds to charities. Mr. Sweers did not identify the charities. .. .Mr. Shaffer and Mr. Baer have not revealed any plans for their proceeds." The AP adds, "The sales were disclosed about a month after Qwest's founder and largest shareholder, Philip F. Anschutz, contracted to sell 80 million shares through 2010. … Mr. Sweers said the executives retained substantial stock options. With Qwest share prices up by more than 80 percent year-over-year, 'all shareholders have been rewarded by the company's financial and operational performance,' Mr. Sweers said. … Qwest has announced plans to buy back up to $2 billion worth of its stock over two years."

SEC, Accounting Board To Discuss Change To Sarbanes-Oxley Component. The Washington Post (11/11, D1, Johnson) reports SEC and Public Company Accounting Oversight Board members will meet tomorrow to discuss ways to overhaul a section of Sarbanes-Oxley "that business groups have targeted as overly expensive." The component, "which requires companies to review their financial controls and to have auditors pass judgment on them, spilled into public view this week after the release of portions of a letter by SEC Chairman Christopher Cox proposing changes." The "exact language in Cox's letter has not been made public," but "speculation raged after reports suggested that Cox had proposed that small and mid-size companies could avoid reviews of their internal controls altogether or that regulators could render the reviews virtually useless by significantly heightening the standard for what kinds of transactions were important enough for auditors to assess." The Wall Street Journal (11/11, B3, Burns, Smith) reports in a speech Friday, Cox "repeatedly criticized the current regulatory setup as 'antiquated,' 'redundant,' 'needless and often harmful.'"

SEC To Propose Further Hedge Fund Limits. Bloomberg (11/11, News) reports, "The Securities and Exchange Commission will propose rules next month raising asset requirements for investing in hedge funds after one fund, Amaranth Advisers, lost $6.5 billion on bad natural gas trades." Bloomberg continues, "The changes will be proposed to the S.E.C.'s five commissioners at a December meeting in Washington, the agency chairman, Christopher Cox, said yesterday. He did not specify how the agency might limit the pool of hedge-fund investors. … 'We're going to make it very clear that hedge funds are risky investments that are not for mom and pop by fencing it off with higher standards to accrediting investors,' Mr. Cox said in an interview." Bloomberg adds, "Hedge funds are open to individuals with at least $1 million in assets or at least $200,000 in income for the last two years, and also institutions like insurance companies, mutual funds and pension funds. Since Amaranth collapsed in September, lawmakers have become increasingly concerned that a hedge fund meltdown could put pension fund investments at risk. … Mr. Cox said at the meeting on Dec. 13, the S.E.C. would also propose a hedge fund anti-fraud rule as well as new guidelines to help companies and auditors interpret the Sarbanes-Oxley corporate governance law in a way that saves time and money."

Cuomo May Not Follow Spitzer's Lead In Pursuing Corporate Wrongdoers. The Wall Street Journal (11/11, B1, Davies) reports, "Soon, there will be a new sheriff in town. … New York state's departing attorney general, Eliot Spitzer, used the once-provincial job to propel himself onto the national stage: Applying little-known state laws, he crusaded against bad behavior in mutual funds, banking and the insurance businesses, forcing billions of dollars in penalties. He also took on business titans such as Dick Grasso, the former head of the New York Stock

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Exchange, charging that he was overpaid." The Journal continues, "His successor, 48-year-old Andrew Cuomo, inherits an office that has been transformed. Now everyone is waiting to see how Mr. Cuomo, who was elected on Tuesday in a landslide, plans to wield his power. … In an interview, Mr. Cuomo, the son of former New York Gov. Mario Cuomo, signaled that he intends to be different from Mr. Spitzer. Unlike the hard-nosed Mr. Spitzer -- who in his office keeps a picture of Teddy Roosevelt, another New York maverick, who famously crusaded a century ago to break up monopoly businesses like Standard Oil -- Mr. Cuomo said he works best 'collaboratively.' Mr. Cuomo said his top priorities are to clamp down on Medicaid fraud, the sale and use of illegal guns, and government corruption. … 'Just the way Eliot exposed corruption on Wall Street, the attorney general has a responsibility to expose corruption in government,' Mr. Cuomo said. He plans to go after big business whenever necessary, but said times have changed since the widespread scandals that erupted after the stock-market bubble burst earlier in the decade. Mr. Spitzer, he said, filled a void left by federal regulators who were slow to respond to questionable business practices."

Korean Probe Of Lone Star Deal Hits Snag. The Wall Street Journal (11/11, B2, Santini) reports, "South Korean prosecutors are hitting some stumbling blocks in their investigation of Dallas private-equity firm Lone Star Funds and its 2003 acquisition of Korea Exchange Bank, even as a recent assessment by Korean tax authorities almost wiped out the bank's earnings for the latest quarter." The Journal continues, "Tuesday, the Seoul Central District Court rejected prosecutors' second request for arrest warrants for Lone Star Vice Chairman Ellis Short, General Counsel Michael Thomson and country head Paul Yoo, citing lack of evidence regarding warrant petitions for the first two men. Regarding Mr. Yoo, who resides in Korea, the court said he didn't pose a flight risk and wasn't likely to destroy evidence gathered by prosecutors. … Then, Thursday, in an apparent sign of frustration, prosecutors emailed a seven-page document to about 3,000 prominent Koreans, including lawyers, academics and journalists, criticizing the court's rebuff as hampering the investigation." The Journal adds, "Also Thursday, the prosecutors issued a summons to Messrs. Short and Thomson demanding they appear in Seoul Monday. A lawyer for Lone Star described the summons and the mass email as attempts to justify the third application to the court. … It is unlikely that Messrs. Short and Thomson will travel to Korea on short notice, the lawyer said, adding that Mr. Thomson has met with prosecutors in Seoul several times and as recently as last month."

CRIMINAL LAW:

High Court To Consider Missouri Sentencing. The St. Louis Post-Dispatch (11/11, Sichko) reports, "Mario Claiborne faced a likely prison sentence of 37 to 46 months as he stood before a U.S. District Court judge in March 2005. … That was the recommended range for a prison term under federal sentencing guidelines. But Judge Carol E. Jackson chose to knock nearly two years off the prison term for the 21-year-old St. Louisan, who had pleaded guilty to two cocaine-related offenses." The Post-Dispatch continues, "Claiborne's case now sits before the Supreme Court, which will answer a central question: How does a judge adequately justify a sentence that's well outside the prison term recommended by federal guidelines? … The court agreed last week to hear Claiborne's case, along with a similar case from North Carolina. That case raises the question of how much weight should be given to the advisory guidelines and whether a sentence within the suggested range can automatically be presumed 'reasonable.'" The Post-Dispatch adds, "Lower courts have divided over those issues since the court decided last year to make the guidelines advisory, not mandatory. While district courts were no longer bound by those guidelines, they were still required to take them into account. … In the 2005 opinion, issued before Claiborne was sentenced, the 5-4 Supreme Court majority said it hoped the changes would help 'avoid excessive sentencing disparities' while maintaining a level of flexibility. But two justices in that majority, swing vote Sandra Day O'Connor and then-Chief Justice William Rehnquist, are no longer on the court. … Now, the court will re-examine that decision for the first time and seek to clarify whether a presumption of 'reasonableness' given to sentencing guidelines actually implies that they're more 'mandatory' than 'advisory.'"

FBI Agent's Article Puts Murder Case At Risk. The AP (11/11) reports, "The man accused of killing a University of Vermont student from Arlington, Va., is asking a judge to dismiss the charges because an FBI agent wrote a newspaper opinion piece about the case that referred to the

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suspect as 'evil,' a 'sexual predator' and a 'two-legged hyena.'" The AP continues, "In the opinion piece, which appeared Wednesday in the weekly newspaper Seven Days, the agent wrote anonymously and described his personal reaction during the search for the man accused of killing 21-year-old Michelle Gardner-Quinn. … David Sleigh, the attorney for suspect Brian Rooney, filed a motion Wednesday after the article appeared. He said the article made it impossible for Mr. Rooney to get a fair trial. … 'Agents of the state have deliberately disseminated highly inflammatory and prejudicial comments to the press,' Mr. Sleigh said in a three-page motion." The AP adds, "Mr. Rooney has pleaded not guilty to a charge of aggravated murder for the Oct. 7 abduction, assault and killing of Miss Gardner-Quinn after the two met by chance in downtown Burlington. … If convicted, Mr. Rooney, 36, of Richmond, Vt., could be sentenced to life in prison without the possibility of parole."

Judge Declares Mistrial In Online Fraud Case. The Washington Post (11/11, D01, Johnson) reports, "A federal judge declared a mistrial in the fraud case against former PurchasePro Inc. chief executive Charles E. Johnson Jr. after his attorney successfully petitioned to withdraw nearly three weeks into the case, according to court records." The Post continues, "The prosecution of Johnson, an entrepreneur who came under government scrutiny for engaging in questionable last-minute advertising deals with America Online Inc. during the Internet boom, will be separated from the case against three other defendants in the Alexandria trial. Johnson will be tried separately, U.S. District Judge Walter D. Kelley Jr. ruled Thursday." The Post adds, "The exact reasons for the mistrial remained under court seal, although two sources who spoke on condition of anonymity because of the judge's order said they pertained to allegations of misconduct by Johnson, 45, a tough-talking former college basketball player. Johnson, who is known by his nickname 'Junior,' did not return calls to his cellphone yesterday. … In opening statements to the jury last month, Assistant U.S. Attorney Charles F. Connolly accused Johnson of directing subordinates to destroy e-mail messages, computers and other evidence and suggested that Johnson, whose father was a policeman and former security company operator, had threatened employees who failed to bend to his will." The Post notes, "Johnson denied the charges against him and argued that he put his wealth and his health on the line in an ill-fated attempt to save PurchasePro, his Las Vegas software company. … Johnson's former lawyer, onetime Washington federal prosecutor Preston Burton, yesterday declined to comment, citing ethical strictures. Burton, of the law firm Orrick, Herrington & Sutcliffe LLP, appeared in court Thursday morning for sealed proceedings related to the mistrial, according to the court docket."

Former Congressional Aide Discusses Posting Foley Emails On Blog. The Los Angeles Times (11/10, Levey, 850K) reports former congressional aide Lane Hudson "had no idea he would bring down a congressman when he sat in his living room and turned on his laptop one Sunday morning nearly seven weeks ago." Lane, "who is gay, had been railing for weeks on his anonymous blog against congressmen who sexually preyed on young people. That day in late September, he decided to post a series of suggestive e-mail exchanges between Rep. Mark Foley and a male former congressional page." Hudson said, "I thought, 'Here we go. Let's see what happens.'" The Times adds, "Within days, he had his answer. Foley, a six-term Florida Republican, resigned in disgrace. And Hudson had launched the biggest Washington sex scandal since Monica S. Lewinsky." Hudson "remained anonymous throughout the fall as the scandal raged and GOP leaders complained of a Democratic conspiracy. Then two weeks ago, he was unmasked by bloggers, who identified him as an organizer for a national gay rights group; Hudson was fired." In an interview, Hudson "fiercely denied a preelection plot. Rather, he said, he was driven by genuine anger at a corrupt environment that protected the powerful on Capitol Hill." Hudson said, "It's the Washington culture that allowed this to happen. Now we know the FBI, a host of media organizations, Republican leadership — all were in possession of this same information. And no one did anything about it." Eleven years earlier, "as an 18-year-old congressional intern, Hudson had been approached by Foley at a Capitol Hill bar, Hudson said. The congressman asked Hudson for his e-mail address and started sending him invitations to drinks and meals."

Four Plead Guilty To Northwest ALF, ELF Arsons. The Oregonian (11/10, Denson) reported that on Thursday, Jonathan Paul, "a leading voice in the nation's radical movement to protect whales, wild horses and wilderness areas, was one of four people to plead guilty to conspiracy for their roles in a five-year campaign of sabotage

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in Oregon, Washington, California, Wyoming and Colorado. The four were snagged by the largest investigation of eco-sabotage in U.S. history, an 18-crime inquiry into arsons and vandalism the government dubbed 'Operation Backfire.'" The Oregonian notes that ALF and ELF "are characterized by the FBI as the nation's leading domestic terrorist threats. … At a press conference in Portland, U.S. Attorney Karin Immergut and Robert Jordan, the FBI's special agent in charge for Oregon, declared victory. 'These people claimed they did what they did to protect the environment,' Jordan said. 'Along the way, they destroyed more than $30 million worth of resources. They spent year after year using violence to try to intimidate you and your government into their twisted way of thinking.'"

The Seattle Times (11/10, Bernton) reports the pleas raised "the possibility that the Justice Department's largest-ever prosecution of ecosabotage will wrap up without a trial. Since the first arrests in December, the federal government in Washington and Oregon has obtained 12 guilty pleas," only California violin teacher Briana Waters "still is preparing for a trial" for allegedly "acting as a lookout in the 2001 arson that destroyed the University of Washington Urban Horticulture Center." The Times adds that Thursday's pleas "prompted Robert Jordan…to declare victory in a decadelong effort to track down and prosecute the stealthy arsonists of the ELF and ALF. … 'Instead of using reason and logic, they used fire bombs and destruction. Instead of using peaceful, lawful methods they used fears and threats,' Jordan said in Portland."

The Eugene Register-Guard (11/10, Bishop, Steves) reported, "In public statements, two of the defendants expressed their regret for crimes they now consider misguided deeds done out of deep devotion to environmental causes." Defendants Daniel Gerard McGowan, Nathan Fraser Block and Joyanna Zacher "may get eight-year prison terms," while Paul "may get a five-year term." At the Thursday press conference, "Immergut called the four guilty pleas the conclusion of 'the largest case of domestic terrorism in United States history,' later amending that to say it was the largest case of eco-terrorism." The Register-Guard noted, "Jordan disputed a reporter's assertion that it took a long time to solve the case. He noted how the cell took extreme measures to avoid leaving behind any DNA or fingerprint evidence. He also noted their deep commitment to secrecy."

The AP (11/10, Barnard) noted Immergut said the pleas "have effectively dismantled the Northwest cells of the organizations operating loosely under the mantles of ALF and ELF," and Jordan declared, "Today we can declare victory in that fight." The Medford Mail Tribune (11/10, Fattig) reported, "Two months ago, their defense attorneys had asked the federal government whether warrantless wiretaps by the National Security Agency had been used against the defendants. Assistant U.S. Attorney Kirk Engdall denied the NSA surveillance was a factor in the investigation or the plea agreement," but "Amanda Lee, an attorney representing McGowan, said Thursday she believed it was a factor, given the timing of the plea agreements."

Wales Murder Material Witness Failed Polygraph About Gun Barrel. The Seattle Times (11/11, Carter, Miletich) reported, "A Bellevue gun collector questioned in the 2001 slaying of Seattle federal prosecutor Thomas Wales has failed an FBI polygraph test about whether he owned two gun barrels that were the same type as the one used in the shooting, his lawyer said Thursday" at a bail hearing. "Albert Kwan agreed to the polygraph test last month after he was indicted and jailed in a different case for illegal possession of a machine gun." US District Judge Thomas Zilly "released Kwan from custody on the condition that Kwan post a $250,000 bond. Zilly also ordered Kwan to wear a location monitor, not possess firearms, and surrender his Hong Kong, British and U.S. passports." The Times notes, "FBI agents do not believe Kwan shot Wales, but want to know if he provided the gun barrel to someone who did." The AP (11/11) also reported on the story, largely drawing from the Times article.

Former LAPD Spokesman Indicted On Child Sex Abuse Charges. The Los Angeles Times (11/10) reported, "Former Los Angeles police spokesman Roderick 'Rod' Bernsen was indicted Thursday on two felony counts of 'abusive sexual contact' stemming from an alleged incident with two 12-year-old boys in a cruise ship sauna." Bernsen "was arrested Oct. 7 after the boys told the FBI that he had tried to talk with them about sex and then touched one boy's penis with his toe and spanked another's bare buttocks, according to an affidavit." The Times added, "Bernsen's attorney, Alan Rubin, said his client was innocent."

Former LATimes Reporter Names Ovitz In Pellicano Suit. The Los Angeles Times (11/10, Blankstein, Krikorian) reports, "A former Los Angeles Times

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reporter has alleged in a civil lawsuit that onetime Hollywood power broker Michael Ovitz participated with indicted private investigator Anthony Pellicano and others to intimidate and threaten her." The Times continues, "The former reporter, Anita M. Busch, originally filed the civil lawsuit in 2004 in which she identified Pellicano, several of his associates and numerous unnamed defendants as responsible for an alleged campaign of 'threats, intimidation, harassment and invasion of privacy for the purpose of deterring ... and retaliating against [Busch] for investigating and writing articles about the entertainment business.' … An amendment to the civil complaint, filed Monday in Los Angeles Superior Court, states that one of those unnamed defendants — identified earlier as 'Doe 4' — is Ovitz, who co-founded one of Hollywood's best known talent agencies, Creative Artists Agency." The Times adds, "Beyond naming Ovitz, Busch's filing does not detail any alleged actions by Ovitz. … The suit says only that he is one of dozens of defendants who were involved in 'directing, organizing, commanding, employing and/or hiring individuals to engage in the unlawful and tortious conduct.' … In a brief statement, Ovitz's attorney, James Ellis, said: 'My client had nothing to do with this. It's unfortunate that Ms. Busch has chosen to involve him in this matter.' … Ovitz has previously acknowledged that his outside law firm hired Pellicano to assist in the defense of three lawsuits filed in 2002 against Artist Management Group, a second talent agency established by Ovitz. Pellicano was paid $75,000 for that work."

Microsoft Targets Piracy In Developing Countries. The Financial Times (11/11, Leahy) reports, "Microsoft needs to do more to crack the consumer market in developing countries, with piracy and affordability holding back sales in regions ranging from Asia and eastern Europe to Latin America, its chief executive told the FT." The Times continues, "Steve Ballmer said the group had launched initiatives such as XP StarterEdition, a Windows software package with reduced features, and Flexgo, a pay-as-you-go PC, but these had not yet signficantly penetrated the middle-income markets in countries such as India and China. … 'On a per-cent basis, it [emerging markets] is the most rapidly growing part of our business but it's still a relatively small percentage. We have two issues: number one is where are the PCs and number two is piracy rates are also high in so-called emerging markets,' Mr Ballmer said in an interview in Mumbai." The Times adds, "Microsoft declined to provide a breakdown of its revenue by region or product. But Mr Ballmer, in Mumbai on a three-day visit to India, said emerging markets globally accounted for roughly 20 per cent of its total business, excluding software sales to hardware vendors, Xbox and other revenue streams such as advertising. .. .Total revenue in the year ended June was $44.282bn. While this was growing rapidly, the company could do better to reach middle-income consumers in developing countries. The company has sold only about 1m copies of Windows XP Starter since it was first piloted in 2004, most of these through government-sponsored programmes."

CIVIL LAW:

US Settles Civil Case Against BetOnSports. The AP (11/11, Leonard) reports from St. Louis, "U.S. Attorney Catherine Hanaway reached a settlement with online gambling company BetOnSports PLC that permanently bars the London-based company from accepting any bets from the United States." The AP continues, "The lawsuit has been closely watched by the online gambling industry, which generates about $6 billion annually in the United States." The AP adds, "The settlement announced Thursday ends a massive civil case Hanaway filed this summer. It does not affect a criminal case still pending against several BetOnSports employees, including Chief Executive David Carruthers, who remains under house arrest in a St. Louis suburb. … Carruthers faces 22 counts of fraud and racketeering charges. His case is scheduled to go to trial early next year. BetOnSports fired him soon after he was arrested in July. … Hanaway spokeswoman Jan Diltz said the U.S. Attorney's Office would not comment on the civil settlement because the criminal case is ongoing."

CIVIL RIGHTS:

DOJ To Probe Oregon Hospital Where "Cuckoo's Nest" Was Filmed. The AP (11/11) reports from Portland, OR, "Federal investigators are looking into patient care at the hospital made famous in the movie 'One Flew Over the Cuckoo's Nest,' where there have been reports of abuse, short staffing and overcrowding." The AP continues, "The Oregon State Hospital is one of the oldest and most dilapidated state mental institutions in the nation.

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The movie was filmed there in 1975." The AP adds, "Justice Department officials are expected to visit the hospital next week. The department alerted Gov. Ted Kulongoski in June that it would investigate whether patients' constitutional rights were violated. … It's unclear how long the investigation could take. Justice Department spokeswoman Cynthia Magnuson said she could not discuss the timeline or details of the investigation."

El Paso Task Force Targets Human Trafficking. The El Paso (TX) Times (11/11, Gilot) reports, "Photographs of men, women and children filled the screen. But they didn't tell the whole story." The Times continues, "A shy Chinese boy is pictured. He was forced to work in restaurants in El Paso and North Carolina. … A young woman poses on a stationary bike. She was lured into the sex trade from her native Uzbekistan. … Two middle-aged couples smile at the camera. The pair on the left were deaf and mute victims of human traffickers. On the right were the traffickers. … 'You have to look beneath the surface. You'll not know it when you see it,' Brandy Gardes, an assistant U.S. attorney in El Paso, told hundreds of law enforcement officers and social workers at a conference last month in El Paso." The Times adds, "Officials have called human trafficking one of the toughest crimes to tackle. … It is hard to identify and hard to prove. Victims are often too scared to speak out. And the public and juries have a hard time believing slavery still goes on in the United States. … The U.S. Department of State estimated that 18,000 to 20,000 people are trafficked into the United States each year and held by force or coercion for sexual slavery and forced labor. Between 2001 and 2005, the Justice Department prosecuted fewer than 150 alleged traffickers. … There are no figures for El Paso, but it was chosen by the Justice Department as the site of one of 18 new human-trafficking task forces in the nation as part of a far-reaching effort to bring the problem out of the shadows."

Video Shows Two LAPD Officers Beating Suspect. The Los Angeles Times (11/10, Winton) reports, "Two Los Angeles police officers were under investigation today for allegedly beating a man during a videotaped arrest in Hollywood that LAPD Chief William J. Bratton called 'disturbing.'" The Times continues, "The video of the Aug. 11 incident, posted on the YouTube website, shows one of the officers holding down William Cardenas, 24, as the other officer places his knee on the man's throat and punches him in the face six times. … Cardenas, who is lying on his back, is heard yelling, 'I can't breathe!' … He was arrested on suspicion of using violence or threats to prevent an officer from performing his duty and was charged with two counts of resisting arrest, said LAPD Lt. Paul Vernon. … Cardenas remains in custody." The Times notes, "The tape was photographed by an unnamed neighbor who gave it to B. Kwaku Duren, a lawyer who represents Cardenas. … Bratton cautioned that the videotape only reflected a part of the struggle with Officers Alexander Schlegel and Patrick Farrell, who is seen punching Cardenas."

The Washington Post (11/11, A02, Geis, Harris) reports, "It was an uncomfortable echo of earlier Los Angeles Police Department scandals, including the videotaped Rodney King beating. The department, which operates under a federal consent decree, has instituted many reforms but has periodically suffered through police brutality embarrassments." The Post continues, "The lawyer for the suspect shown in the video said his client's experience shows little has changed. 'The Los Angeles Police Department needs to make those reforms real, because they have not been made real,' B. Kwaku Duren said at a news conference in front of police headquarters Friday. 'That video speaks for itself.'"

USA Today/AP (11/11) reports, "An FBI investigation prompted by video footage of a man being punched repeatedly in the face by police has demonstrated anew the power of the Internet sensation of the year, YouTube.com. … In addition to being a monumental time-waster around the office, YouTube could also become a tool for keeping police honest, some say." The AP continues, "This week, a clip on the post-it-yourself video website triggered a police-brutality investigation by the FBI. The footage shows the Aug. 11 arrest of alleged gang member William Cardenas, 24. Two Los Angeles officers can be seen holding him down on a Hollywood street; one punches him several times in the face before they are able to handcuff him. … The Los Angeles Police Department is also investigating the officers' conduct. … Cop Watch LA, a police watchdog group, posted the video on YouTube, said organizer Joaquin Cienfuegos. Cienfuegos said the video was shot by a neighbor of Cardenas with a cellphone camera. The neighbor gave it to Cardenas' family, who then gave it to Cop Watch, according to Cienfuegos." The AP notes, "In recent months, videos posted on YouTube have rocked political campaigns, brought fame — or infamy — to previously unknown talents and cast unwanted attention

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on the gaffes of the famous. YouTube and similar video sites are also increasingly becoming repositories for videos that purport to detail wrongdoing by police."

Texas Landscapers Cause Dispute By Refusing To Do Business With Gay Clients. The New York Times (11/11, Blumenthal) reports from Houston, "Last month, a local landscaping firm prompted a furor here by telling a gay couple in an e-mail message, 'We choose not to work for homosexuals.' … The message quickly made its way around the Internet, and the company, Garden Guy Inc., was bombarded with threats and hate mail. But since then, the company's owners say they have gained far more business than they have lost." The Times continues, "In an interview Friday, Sabrina Farber, 34, co-owner of the company with her husband, Todd, 37, said the company had picked up $40,000 in new business in the past two weeks, while losing only two clients worth about $500 each a year. … 'I'm not saying that to gloat,' said Mrs. Farber, who described the frenzy as ugly and emotionally draining. But she said they would not do it differently and deserved credit for not masking their refusal with excuses. … 'Why can't people handle it when you say the truth?' she said." The Times adds, "One of the two gay clients, Gary Lackey, said, 'We're hoping things would die down' and declined to comment further in a telephone interview. The other member of the couple, Michael Lord, did not return a call. … The law appears to be on the Farbers' side, said Lisa Graybill, legal director of the American Civil Liberties Union of Texas. … 'The federal law of public accommodations says if you hang out a shingle or open your door you don't get to say, "Only to whites,"' Ms. Graybill said. But sexual orientation is not protected. And while some localities, like Seattle, have adopted ordinances extending antidiscrimination protection to gay men and lesbians, she said, Houston has not."

Massachusetts Legislature Apparently Kills Same-Sex Marriage Ban. The New York Times (11/10, Belluck, 1.16M) reports Massachusetts lawmakers, in "the only state where same-sex marriage is legal, dealt what appeared to be a fatal blow Thursday to a proposed constitutional amendment to ban it." In a "flurry of strategic maneuvering, supporters of same-sex marriage managed to persuade enough legislators to vote to recess a constitutional convention until the afternoon of Jan. 2, the last day of the legislative session." On that day, "lawmakers and advocates on both sides said, it appeared likely that the legislature would adjourn without voting on the measure, killing it." Gov. Mitt Romney "said the vote was a 'triumph of arrogance over democracy.' He said that he would 'explore any alternatives' to try to force a vote, but that 'my options are limited.'"

NYTimes, LATimes Concerned About SCOTUS Actions On Abortion. The New York Times (11/11, A14) editorializes, "The Supreme Court unnecessarily returned to the politically charged area of abortion this week, hearing arguments in a case testing some of the core principles of Roe v. Wade and the court's own credibility as an institution removed from politics. At issue, once again, is a deceptively broad ban on so-called partial-birth abortions." Justice Anthony Kennedy "is likely to decide this case. In 2000, Justice Kennedy joined those who would have upheld the Nebraska law. But at oral argument his questions suggested that he may take issue with Congress's assertion that the ban would not put women's health at risk -- an encouraging sign. Even justices who oppose abortion rights need to be concerned about that. They also need to worry about how the court will look if the recent change in its membership produces a starkly different result on an issue so vital to women's privacy and health."

The Los Angeles Times (11/11) editorializes, "Anti-abortionists have been craving a test case to put before the U.S. Supreme Court, in hopes of overturning Roe vs. Wade -- and thought they had it when the South Dakota Legislature passed a ban on abortion. Instead of challenging the law in court, though, pro-choice forces cleverly put the matter to a popular referendum. Even in that socially conservative, anti-abortion state, a decisive majority Tuesday preserved a woman's right to choose. … The voters have spoken resoundingly on abortion and the right to privacy. Those who want to turn government into Big Brother need to heed the message and give it up."

Law Professor Says Election Officials, Not Machines, Are The Problem. In a New York Times (11/11, A15) op-ed, Loyola Law School's Richard Hasen writes, "As election mishaps hindered voting on Tuesday from Cleveland to Denver, some people were already calling for giving up on the new electronic voting machines, which were themselves put in place to prevent another hanging-chad fiasco like that in Florida in 2000. … But this reaction to the bugs and glitches shows that Americans have not learned the

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right lesson from 2000: the problem is not with the technology of running our elections but rather with the people running them." The US "should join the rest of the world's advanced democracies and put nonpartisan professionals in charge."

ANTITRUST:

DOJ's Antitrust Suit Against NAR Targets 36 Markets. Inman News (11/11, Roberts) reports, "The Justice Department, as a part of its antitrust lawsuit against the 1.3-million-member National Association of Realtors trade group, has identified 36 market areas in which association policy for the online display and sharing of property information has allegedly caused anticompetitive effects, said Laurie Janik, general counsel for the group." Inman continues, "Filed last year, the lawsuit charges that the Realtor group's policies are illegal because they could potentially be used to squelch real estate competition, while the Realtor group has maintained that its policies provide for ample online information about properties. … 'They've identified 36 markets to us where they intend to prove anticompetitive effects,' Janik said Friday during a meeting for multiple listing service executives at a Realtor conference in New Orleans. 'We'll be waiting to see just what types of proof they plan to advance from those marketplaces.'" Inman notes, "Lawyers for the association, meanwhile, are conducting interviews with MLS officials in those markets to gather information for its defense. … Issues of data protection and control are at the core of the legal scuffle, as some brokers have pushed the association to better serve their interests by helping to safeguard control over property information that they say is a vital part of their business. … A major contention in the Justice Department lawsuit is on a policy provision that allows brokers who are members of Realtor-affiliated MLSs to block their listings from display on other MLS participants' Web sites, Janik said. 'We believe it's a very justifiable position, but the government seems to think that once a broker has decided to participate in the MLS then you also must allow your listings to be displayed on a competitors' ... Web site.' … Also, Justice Department officials object to a Realtor policy which requires that Realtor MLS participants must 'actually be engaged in listing or selling the type of property that's listed in the MLS,' while the former policy simply required that an MLS participant possess a broker's license."

Motorola To Purchase BlackBerry Rival. The AP (11/11, Press) reports, "The cellphone maker Motorola said Friday that it would buy Good Technology, a rival of BlackBerry, in a deal that should improve the prospects for its new Q hand-held device. … The financial terms were not disclosed." The AP continues, "The deal underscores efforts by Motorola, a leading maker of handsets, to sell more mobile devices that offer access to e-mail and other business-oriented services. In September, it agreed to spend $3.9 billion to buy Symbol Technologies, a maker of portable bar code scanners and customized hand-held computers. … Motorola said Good Technology, a privately held firm based in Santa Clara, Calif., that provides computing software and services for the Treo and other smartphones, will join its mobile devices unit. That unit has flourished in the last couple of years thanks to the success of the Razr phones." The AP adds, "Ron Garriques, president of the mobile devices division, said Good Technology's services, products and customers all complement its business. … 'This acquisition will continue to strengthen Motorola as a leading provider of mobility devices and solutions both for enterprise customers and consumers,' he said. .. .Hoping to come up with another Razr-like blockbuster in the fast-growing smartphone category, Motorola introduced a Qwerty hand-held device, called the Q, this year to compete against the BlackBerry and the Treo, which also runs on Good Technology software."

Newspaper Mergers Spotlight Cultural Differences. The Wall Street Journal (11/10, A1, Ellison) reports, "When Chicago-based Tribune Co. acquired Times Mirror six years ago, it was more than an $8 billion fusion of two media companies. The merger also threw together two competing and incompatible cultures, each rooted in the traditions of their respective flagship newspapers, the Chicago Tribune and the Los Angeles Times." The Journal continues, "Some Tribune executives think the Times is arrogant, spoiled and overstaffed, a paper with global ambitions that has ignored local readers. Some Times people consider the Chicago Tribune an inferior, provincial product. Times denizens, proud of their city's position as the nation's second largest, see the paper's owners as bean counters in business suits. Tribune thinks its Californian charges are too slick and prefer to take pride in the company's Chicago roots." The Journal adds, "Unlike many battles between journalists and corporate bosses, which

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focus largely on spending, this one is also driven by fundamental differences between the philosophies of the two newspapers. … Across the country, once-profitable newspapers are being ravaged by the Internet in a historic industry shift. The traditionally high margins of newspaper publishers have been squeezed as both readers and advertisers abandon the medium. Investor confidence has plummeted over the industry's uncertain growth prospects. … Even in 2000, some executives saw trouble looming. The solution dreamed up by Tribune and Times Mirror was to merge their operations in a way that allowed them to sell combined packages of newspaper and local TV advertising in the same big, urban markets. The strategy was a dud. In September, Tribune said it was exploring various strategic options, which may include a sale of the entire company or some of its divisions."

ENVIRONMENT:

US Seeks To Fine Florida Man Over Pollution Silence. The St Petersburg (FL) Times (11/11, Weimar) reports, "A Dover (FL) business owner is facing fines of $32,500 a day for failing to comply with requests from the Environmental Protection Agency." The Times continues, "In a criminal complaint, the federal agency accuses Hugh Johnson, owner of Johnson's Oil Service, of ignoring requests for information regarding his alleged involvement in the pollution of what became a Superfund site in Polk County. … The site, 5015 State Road 60 in Mulberry, is the former home of Sadler Drum, which specialized in the washing and reconditioning of chemical drums. The owner abandoned the site in 1997, leaving hundreds of empty containers." The Times adds, "The EPA investigated the site and discovered the presence of dozens of dangerous chemicals. The cleanup cost more than $900,000 and 65 potentially responsible parties were identified, including Johnson, according to court documents. … The EPA sent a registered letter to Johnson in June 2003, requesting more information. Johnson signed for the letter but did not respond, the court documents said. … In June 2006, the Justice Department intervened, sending notice to Johnson he must respond or face judicial enforcement. Johnson did not respond."

DOJ Suit Claims Virginia Family Damaged Wetlands. The Virginian-Pilot (11/11, Harper) reports, "The Justice Department has filed a federal lawsuit seeking fines and restoration of nontidal wetlands in southern Chesapeake that the government says were damaged in 1999. … But the property owners, the Bosher family, said this week that they did nothing wrong and that they were cleaning out existing ditches on their farmland at the time." The V-P continues, "Family members say they have since spent thousands of dollars trying to clarify the issue with federal regulators, to no avail. … 'It's been the most expensive, prolonged and painful experience,' said Kitty Bosher, president and secretary of Sea Bay Development Corp. and Green Sea Farms LLC." The V-P adds, "The two entities, both family-run, are listed as the owners of the site in question, known as the Bosher tract. At 1,560 acres, the tract is one of the largest undeveloped properties left in southern Chesapeake. … The case is another in a series of federal actions in recent years intended to protect nontidal wetlands - low-lying fields and forests found throughout Hampton Roads that filter pollutants, control flooding and provide wildlife habitat."

Global Energy Demand Expected To Jump In Current Quarter. The Wall Street Journal (11/11, A4, Swartz) reports the International Energy Agency said global energy demand "will jump in the fourth quarter because of U.S. consumption, while demand" for OPEC-produced oil "will rise to its highest level in four years." The IEA said Friday that global oil demand "will rise 2.6% from the year-earlier period, when demand was crimped by mild weather and the impact of Hurricane Katrina in the U.S., the world's biggest energy market."

Offshore Drilling Bill Appears Dead Under Democrats. The New York Times (11/11, C3, Krauss) reports that legislation that would "open the seas off the Atlantic and Pacific coasts to oil and gas drilling" appears to be dead in the wake of Democratic victories this week.

IMMIGRATION:

House To "Revisit" Border Fence Under Democrats. The Washington Times (11/11, Waterman) reports, "Democrats will look again at the legislation mandating 698 miles of fencing along the U.S.-Mexico border and might seek to scrap the plan altogether when they take control of Congress next year." Rep. Bennie Thompson, who will head the Homeland Security Committee, "told reporters this week that he expected to 'revisit' the issue."

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CONGRESS-ADMINISTRATION:

Bush, Pelosi Vow To Seek Common Ground.

President Bush and House Democratic leader Nancy Pelosi met at the White House yesterday. Their vows to seek a bipartisan path are receiving largely positive media coverage. As McClatchy (11/10, Hutcheson) reports, the "bipartisan pledges of cooperation generated considerable skepticism in Washington, a city accustomed to partisan warfare." But Bush "has reached effectively across party lines before, both as governor of Texas and early in his presidency. … Some Democrats who have worked with Bush in the past said Tuesday's elections brought out a side of him that's been missing in recent years. Former Texas state Rep. Paul Sadler, a Democrat who considers Bush a friend, said he was puzzled by the style the president adopted when he moved to Washington in 2000. 'It's almost like he was hijacked,' Sadler said."

The New York Times (11/10, Stolberg, 1.16M), under the headline "On A Shifting Playing Field, A Sense Of Rising Expectations," reports, "It might seem like the…Bush -- or maybe the old one, returning to his Texas governor roots. But, Republicans say, it is really just the same…Bush -- the first M.B.A. president, pragmatic enough to recognize, as he himself might say, that he must adjust his tactics to changing conditions on the ground. 'You're seeing the George Bush who has always been adept at playing the hand he is dealt,' said Charlie Black, a Republican strategist with close ties to the White House." Vin Weber, "a Republican former congressman and lobbyist, put it this way: 'I've never thought that George Bush was a rigid ideologue; I've never thought that he was a hardened partisan. He is a businessman first, and in business you don't spend a lot of time crying about changed circumstances. You figure out quickly how to adapt, and that's what he's doing.'"

The AP (11/10, Kellman) says "both Bush and the Democrats have reasons to mend fences. In the twilight of a wartime presidency, Bush could polish his legacy by reviving his uniter-not-a-divider campaign promise of 2000." Meanwhile, "lawmakers in both parties, some of them beginning what amounts to a two-year job interview for the presidency, also have an incentive to move away from confrontation politics. If they need a reminder, they might look at the 61 percent disapproval rating Congress received in the exit polls this week."

The Washington Post (11/10, A1, Abramowitz, Weisman, 690K) says that "despite deep philosophical differences and sharp election-year rhetoric from both sides, the White House and congressional Democrats may share some interest in finding common ground on such issues as overhauling the immigration system, education and energy, according to lawmakers and administration officials." Democratic leaders "seem anxious to show they can deliver as a governing party after years in opposition, while Bush is aware that his final two years will be bereft of any significant initiative unless he can work with the party he demonized on the campaign trail." One area where they could be progress in immigration. The New York Times (11/10, Archibold, 1.16M) notes "Democrats will take over leadership of committees in the House and the Senate that could guide new immigration legislation," while Bush and Pelosi "have cast changes to immigration laws as an opportunity to demonstrate bipartisan bonhomie. … Some immigration experts, however, predict a more arduous debate. Although conservative Republicans have led the opposition to accommodating some illegal immigrants, a handful of the newly elected Democrats, including Claire A. McCaskill of Missouri and Jim Webb of Virginia in the Senate, campaigned promising a tough approach to illegal immigration."

Hope for bipartisanship also extends to the relationship between Bush and Senate Democratic leader Harry Reid. In a largely complimentary profile of Reid, the New York Times (11/10, Leibovich, 1.16M) says "people who know" him "say he is much more suited to work with Republicans than his partisan reputation would suggest."

ABC World News (11/9, story 2, 0:30, Gibson, 8.78M) called the meeting "one of the more uplifting traditions of our democracy: political combatants coming together after a bitter election." ABC (Raddatz) added, "These are two people who have said very nasty things to one another in the past. But today, it was all smiles. The President offered his congratulations to Speaker Pelosi after a one-hour lunch today. And both said they are ready to face the challenges the country faces together." Bush: "We don't agree on every issue. But we do agree that we love America equally, that we're concerned about the future of this country, and that we will do our very best to address big problems." Pelosi: "I look forward to working in a confidence-building way with the President, recognizing that we have our differences. And will debate them. And that is what our founders intended." ABC

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(Raddatz) continued, "Differences is putting it mildly." Pelosi was shown saying, "What he says is not in touch with reality," and later, ""The President has been incompetent." And Bush was shown saying, "The Speaker would be a Congresswoman who said catching Osama bin Laden would not make America any safer."

The CBS Evening News (11/9, story 3, 2:00, Axelrod, 7.66M) said the two leader made their statements yesterday "through strained smiles." Bush: "Well, we're going to work together to address those changes in a constructive way." Pelosi: "We've made history. Now we have to make progress, and I look forward to working with the President to do just that." CBS added, "This was a day of images designed to project unity and continuity, to insurgents in Iraq who might take the election results as a sign of reduced US commitment there, and to the same Democrats the President's been slamming as soft on terror. Mr. Bush now says he welcomes their ideas on Iraq." Bush: "Whatever party we come from, we all have a responsibility to ensure that these troops have the resources and support they need to prevail. I'm open to any idea or suggestion that will help us achieve our goals of defeating the terrorists and ensuring that Iraq's Democratic government succeeds."

NBC Nightly News (11/9, lead story, 3:10, Gregory, 9.87M) reported, "Voters made clear their desire for middle ground in Washington. One day after ousting Defense Secretary Don Rumsfeld, the President appeared with his cabinet soliciting help from the Democrats on the war. … Quite a change in tone for the President."

The AP (11/10, Loven) calls Bush and Pelosi "perhaps the biggest loser and winner on Election Day," and notes they "pledged over lunch Thursday to bury the hatchet and cooperate. When possible. At the White House, where Bush had invited Pelosi for lunch, presidential aides joked that there was no crow on the menu for Bush to eat." Bush "ate a little anyway, and he saluted Pelosi, not only as Tuesday's victor but as the first woman who will ascend to the position of House speaker, next in line to the presidency after the vice president." Pelosi, "like Bush all smiles," said, "We both extended the hand of friendship, of partnership to solve the problems facing our country." She "was accompanied by Rep. Steny Hoyer, the House's second-ranking Democrat. Bush was accompanied by a stony-faced Vice President Dick Cheney."

The Washington Times (11/10, Curl, 88K) also notes Bush's "new conciliatory stance is a far cry from what the president said repeatedly on the campaign trail." But the President, "humbled by losing Republican control of both the House and the Senate, struck a new tone of bipartisanship yesterday after a morning meeting with his Cabinet." The Financial Times (11/10, Sevastopulo, Luce, Kirchgaessner) runs a similar report under the headline "Bush In Overture To Democrats."

"Symbolism" Seen In Bush's Omission Of Cheney. The New York Times (11/10, Stolberg, 1.16M) reports, "It was no doubt inadvertent, but it was hard not to find some symbolism in the moment Thursday in the Oval Office when…Bush seemed to forget that…Cheney was in the room. … 'Both of us recognize -- all three of us,' Mr. Bush said, apparently referring to himself, Ms. Pelosi and Mr. Hoyer, 'recognize that when you win, you have a responsibility to do the best you can for the country.'" The Times adds, "The omission of Mr. Cheney, the embodiment of the administration's approach to national security, raised an intriguing question. As Mr. Bush grapples with the loss of his Republican majority in Congress, how far will he go to reinvent himself, and who -- or what philosophies -- is he willing to jettison along the way?" The Times also reports that "there were questions on Thursday about the future of Karl Rove, the political strategist whose divide-and-conquer tactics failed on Tuesday for the first time. Asked what role Mr. Rove would play now, Tony Snow, the White House press secretary, offered little insight. 'That's a good process question,' Mr. Snow said, 'for which I don't have an answer.'"

Bush, Democrats Clash On Bolton, Wiretapping Program. But not all was bipartisanship in Washington yesterday. As the Financial Times (11/10, Sevastopulo) reports Bush "asked Congress to approve John Bolton, his controversial ambassador to the United Nations, for a second term, in the face of opposition from key Democrats. The move comes in spite of conciliatory rhetoric from Mr. Bush on Thursday that he wants to work with Democrats after they routed the Republicans in the congressional mid-term elections." White House spokesman Tony Snow Thursday said Bush "discussed his desire to keep Mr. Bolton at the UN at a breakfast meeting on Thursday with Republican congressional leaders." However, "White House hopes of keeping Mr. Bolton in New York were immediately dashed when Lincoln Chafee, a Rhode Island Republican member of the foreign relations committee who just lost his seat in Tuesday's elections, said he would oppose Mr. Bolton. Joseph Biden, the Delaware Democrat who will become

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chairman of the Senate foreign relations committee in January, on Thursday said there was no point for the committee to even discuss the appointment." Similarly, NBC Nightly News (11/9, lead story, 3:10, Williams, 9.87M) noted in a segment on the Democrats' electoral victory, "There are signals tonight from Capitol Hill, the top Democrats will block the re-nomination, really, of John Bolton, the UN Ambassador. He's opposed by lame duck Republican Senator Lincoln Chafee of Rhode Island."

The AP (11/10, Flaherty) says Bolton's "prospects for staying on as UN ambassador essentially died Thursday," in "another blow to…Bush." The Washington Post (11/10, A3, Linzer, 690K) and Los Angeles Times (11/10, Farley, 850K) also report the story. And the Washington Times (11/10, Dinan, 88K) notes White House Press Secretary Tony Snow "said it's too early to talk about whether the White House might give Mr. Bolton another recess appointment."

Meanwhile, the New York Times (11/10, Lichtblau, 1.16M) reports the Administration "escalated its defense of the National Security Agency's domestic wiretapping program on Thursday, even as Democrats in Congress vowed to investigate the program aggressively once they assume power." Bush "urged that during the lame-duck session that starts next week, Congress pass a bill effectively authorizing the program. And in San Francisco, the Justice Department told a federal court that public scrutiny of the operation risked 'exceptionally grave harm to national security.'" Democrats, meanwhile, "sounded impatient to begin getting more answers after what they characterized as 11 months of stonewalling by the administration since the program was publicly disclosed last December. 'This administration first hid its domestic spying program from Congress and Americans for years, and when it was discovered, has ducked and weaved on its legal justifications,' said Senator Patrick J. Leahy of Vermont, who is to become chairman of the Senate Judiciary Committee when Democrats take control."

On ABC World News (11/9, lead story, 2:50, Tapper, 8.78M), Cokie Roberts said, "Some of the people who are taking over Senate committees are no friends of George Bush. And they've made that very clear on several occasions." Leahy, for example, is described as "one of the toughest critics of the President's choices for judges and his controversial NSA wiretap program."

NBC Nightly News (11/9, story 2, 2:30, Reid, 9.87M) reported, "Congressman Henry Waxman is one of the Democrat's most aggressive investigators, targeting Iraq contractors, especially Halliburton. And as chairman of the House Government Reform Committee, he'll have vast new resources and the power to subpoena witnesses."

In an editorial, the New York Times (11/10, 1.16M) was quick to criticize Bush for putting "bipartisanship on hold." After his statements in regard to bipartisanship, the Times said, "without missing a beat…Bush made it clear that, for now, his idea of how to 'put the elections behind us' is to use the Republicans' last two months in control of Congress to try to push through one of the worst ideas his administration and its Republican allies on Capitol Hill have come up with: a bill that would legalize his illegal wiretapping program and gut the law that limits a president's ability to abuse his power in this way." Bush's priorities for the lame duck session of Congress "included one worthy but hardly urgent idea (getting Vietnam into the World Trade Organization) and a series of ideas ranging from bad to truly awful that Mr. Bush has been unable to get through Congress and hopes to ram through in the Republicans' last weeks." The Bolton vote, adds the Times, "can easily wait for the new Congress, and should."

McCaskill Would Vote To Confirm Bolton. Asked on MSNBC's Hardball (11/9, Matthews) if the Senate should confirm John Bolton's nomination to be US ambassador to the UN, Sen.-elect Claire McCaskill said, "Yes, probably. I haven't had a chance to review all of Mr. Bolton's record. But I'm a believer that the President has certain picks that he's entitled to, as long as I'm convinced that they are serious about beginning work on diplomacy. Obviously, that's been kind of AWOL in this administration, that emphasis on building alliances. Now is the time to remain committed to the United Nations, not to withdraw. I would want to get those assurances from Mr. Bolton."

Democrats Prepare To Launch Investigations. The Los Angeles Times (11/10, Schmidt, Simon, 850K), in a report titled "Democrats Are Set To Subpoena," reports Democratic "Rep. Ike Skelton knows what he will do in one of his first acts as chairman of the Armed Services Committee in the Democratic-led House: resurrect the subcommittee on oversight and investigations. The panel was disbanded by the Republicans after they won control of Congress in 1994." Now, Skelton "intends to use it as a forum to probe Pentagon spending and the Bush administration's conduct of the Iraq war." The Times adds, "With control of every committee in Congress starting in January, the new majority will inherit broad powers to subpoena and investigate. And that is

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expected to translate into wide-ranging and contentious hearings."

Meanwhile, under the headline "Democrats Poised To Flex New Muscles," the Wall Street Journal (11/10, Dreazen, Solomon, Block, 2.04M) reports "the Democrats' sweep of the House and the Senate gives the party powerful tools for probing certain controversies of the Bush administration's years in office, from its use of faulty prewar intelligence on Iraq to its effort to rebuild New Orleans." In the Senate, "the likely new Intelligence Committee chairman, Jay Rockefeller of West Virginia, says he will complete an investigation into the White House's case for invading Iraq that Republicans were accused of stalling. Michigan Sen. Carl Levin is in line to take over the most powerful congressional oversight body, the Senate's Permanent Subcommittee on Investigations, which routinely sends staffers to Iraq and other overseas countries." Levin "has previously promised to conduct tougher oversight of the administration's use of no-bid contracting in Iraq, where the $21.8 billion U.S.-led rebuilding effort is winding down without having restored prewar levels of water or electricity." In the House, Rep. Bennie Thompson, "expected to take over the House Committee on Homeland Security, is promising to haul Homeland Security Secretary Michael Chertoff before the panel to face questions on issues ranging from the no-bid contracts awarded after Hurricane Katrina to the number of vacancies in the department's senior management."

The New York Times (11/10, Hulse, 1.16M) says and in the Senate, "there are pronounced ideological differences between the incoming leaders and those they will be replacing, as well as other lingering issues." On the Intelligence Committee, Rockefeller "has feuded with Senator Pat Roberts of Kansas, the Republican chairman, over Mr. Roberts' reluctance to challenge the administration's handling of intelligence preceding the Iraq war." And "in what could be the biggest policy divide on the panels, Senator Barbara Boxer, the liberal California Democrat and environmental advocate, is in line to take control of the Environment and Public Works Committee from Senator James M. Inhofe of Oklahoma, who has disputed the existence of global warming."

USA Today (11/10, Lawrence, 2.27M) reports Norman Ornstein, "co-author of The Broken Branch, a book about Congress, predicts 'double-barreled investigations' of Iraq war contracts and the conduct of the war, with House and Senate Democrats 'calling in generals left and right' to testify. 'That's a nasty thing for a president to have to deal with,' he says." In the Washington Post (11/10, 690K), columnist Eugene Robinson says "Democrats were restrained during the campaign, which was smart. But now it's time for them to ask those hard questions -- and use their new power to compel answers. Even if they have to be unfashionably partisan about it."

Waxman Weighing Where To Start On Probes Of Bush Administration. The AP (11/10, Werner) reports Rep. Henry Waxman, "who will investigate the Bush administration's running of the government," says there are "so many areas of possible wrongdoing that his biggest problem will be deciding which ones to pursue." Addressing the Los Angeles Chamber of Commerce, he ticked off "the response to Hurricane Katrina, government contracting in Iraq and on homeland security, political interference in regulatory decisions by the Environmental Protection Agency and the Food and Drug Administration, and accusations of war profiteering." Waxman said, "I'm going to have an interesting time because the Government Reform Committee has jurisdiction over everything. The most difficult thing will be to pick and choose."

Democrats To Seek Additional Domestic Security Spending. USA Today (11/10, Frank, Hall, 2.27M) reports, "Democrats say they will use their majority in Congress to strengthen domestic security by putting millions of dollars into technology at airports and ports and increasing government oversight." But "they also may push policies that aviation officials say could cripple the industry, such as requiring screening of all cargo before it's put on passenger planes." House Democrats "made domestic security a centerpiece of their campaign this year and vowed to fulfill all the 9/11 Commission's recommendations. 'Real security' is the first of six policies Democrats will push when they take control of Congress in January, according to a manifesto they recently published to highlight differences with Republicans."

Dingell Agenda Includes Fuel Efficiency, Health Care Costs. USA Today (11/10, Healy, 2.27M) reports conventional wisdom "says that Democrats, who will control both houses of Congress next year, will somehow cut America's dependence on oil, especially imported, and trim the average American's fuel bill." Dingell says he "wants to cut the U.S. oil habit, promising the committee's help in 'making the United States energy-independent.'" At the same time, "he must represent the interests of the Michigan-based auto industry. Energy-conservation initiatives can cost

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automakers hundreds of millions of dollars for research and development of fuel-efficiency hardware and software for which new car buyers won't pay extra." Dingell is "not eager to force automakers to improve fuel economy by boosting what's known as CAFE, for corporate average fuel economy." Fuel economy standards, "he said, 'can be addressed very well, automobile or light trucks, within the framework of existing law,' which 'gives an awful lot of freedom to the administration' to adjust the standards to keep up with improving technology." USA adds Dingell is "passionate about overhauling health care by getting cheaper generic dugs to market faster; giving the government the authority to negotiate Medicare drug prices with pharmaceutical companies; stopping what he says are 'almost certain overpayments' to health insurance companies; and regulating dietary supplements, which, he says, 'are killing people.' He wouldn't name the supplements he considers dangerous."

WPost Urges Democrats To Tackle Ethics Reform First. The Washington Post (11/10, 690K) editorializes, "One of the loudest messages from Tuesday's elections was disgust with the way Washington does business. In exit polls, 42 percent of voters said corruption and scandals in government were extremely important in their decisions -- a greater share than for the war in Iraq, terrorism or the economy. House Democrats have vowed to quickly adopt new ethics rules; their package is good but could be improved. Senate Democrats, who, after yesterday's gracious concession by Sen. George Allen (R-Va.), will control the chamber, say they too have heard the voters' demand for change." The Post urges Congress to fulfill their reform vows before other priorities, adding that "after changing ethics rules, the new Congress needs to pass the lobbying reform legislation that its predecessor neglected to its peril."

Congress Urged To Take Up "Family Friendly" Measures. In a New York Times op-ed (11/10), author Judith Warner says, "While the excitement over Nancy Pelosi, most likely to be our first female speaker of the House, is still fresh, and while those of us who care about these things are still bubbling over the election of the highest number of women to Congress in history, I'd like to issue a challenge: Ladies, step up to the plate on behalf of the rest of America's women — and their families." For "years now, there have been murmurings — and more — from various corners of Congress in favor of change. Representative Lynn Woolsey's Balancing Act bill, which calls for a wide array of measures to reduce the stresses on working families, has been languishing for years. Senators Christopher Dodd and Ted Kennedy have gestured toward legislation on paid family leave and guaranteed sick leave. There was even a much-overlooked bill introduced in the Senate by Hillary Clinton this summer (and in the House by Rosa DeLauro of Connecticut) to provide low-income parents with subsidies to stay at home and care for their infants themselves. It's time to light a fire under these kinds of initiatives."

Democrats Planning Broad Economic Agenda. ABC World News (11/10, story 2, 2:10, Stark) took a look at what economic initiatives might come from the Democrats, with the party bringing "an ambitious agenda on economic issues that could affect the wallets of millions of Americans. If you're an hourly wage worker, there's a good chance you're in for a raise. Democrats want to raise minimum the wage from $5.15 to $7.25 an hour, which could ripple through to higher wages for those who make more than the minimum, too. … If you're a student or parent trying to pay for college, lower student loan rates could also be coming. Democrats say their goal is to cut federal loan rates from 6.8% to 3.4% interest. … For seniors, and possibly anyone who takes prescription drugs, lower drug costs are high on the agenda. Democrats want to rewrite the Medicare reform bill to let the government negotiate lower prescription drug prices, but face a tough battle."

Democrats Vow To Make AMT Key Budget Issue. The Washington Post (11/11, Montgomery) reports on its front page that Democrats are vowing to "make the alternative minimum tax a centerpiece of next year's budget debate, saying the levy threatens to unfairly increase tax bills for millions of middle-class families by the end of the decade." The "complex and expensive tax…is expected to expand to more than 30 million taxpayers in 2010 from 3.8 million mostly well-off households in 2006."

Rubin Urges Democrats To Raise Taxes. As part of its lead story, ABC World News (11/10, lead story, 2:05, Raddatz) reported that "at least one major division was made clear" between the two parties, "over taxes. A powerful voice urging Democrats to call for tax increases to help bring down the deficit." Ex-Treasury Secretary Robert Rubin: "You can not solve the nation's fiscal problems without increased revenues." Raddatz: "The White House today rejected Rubin's suggestion." White House Press Secretary Tony Snow: "Tax increases are bad for the economy." The Wall

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Street Journal (11/11, A5, Solomon) reports on Rubin's remarks at the Economic Club of Washington, adding that "raising taxes is a message many Democratic lawmakers are unlikely to utter aloud -- at least for now."

WSJournal Says Minimum Wage Increase Would Hurt Disadvantaged. The Wall Street Journal (11/11, A6) editorializes, "A hike in the national minimum wage seems all but certain to become one of the first fruits of the Democrats' victories this week. … It is implicit in the logic behind raising the minimum wage that if we squeeze employers just a little, they won't even notice. Another argument, this one made explicitly, is that jobs are destroyed, but the wage gains more than make up for the reduced number of jobs. But this is only true if it's not your job that is destroyed. If you are a young black male, you are slightly more likely than the general population to be paid minimum wage, but you are almost 10 times as likely not to have a job at all. And if you're unemployed, raising the minimum wage not only doesn't help you find a job; it probably hurts. Welcome to Speaker Pelosi's idea of progress." The Wall Street Journal (11/11, A5, Nassauer) also examines some of the issues and questions surrounding a minimum wage increase.

Democratic Wins Could Stymie Bush Free Trade Agenda. The Wall Street Journal (11/11, A1, Hitt, King) reports on its front page that the new Democratic domination of Capitol Hill "is set to deliver a blow to President Bush's free-trade ambitions and could hamper impending trade deals both big and small. Democrats' stances against free trade helped build the party's success at the polls and could tip the balance on trade matters." But that "new dynamic could put a definitive end to the already troubled" Doha round effort to reduce tariffs and open markets.

The Financial Times (11/11, Luce, Remtulla) writes that many of the newly elected Democrats "are economic populists who are deeply suspicious of free trade and quick to blame China and other developing countries for the loss of US jobs." The Los Angeles Times (11/11, Hennessy-Fiske) reports, "One of the first battles could be over the president's authority to get trade deals approved quickly." Sen.-elect Rep. Sherrod Brown, "a foe of free trade while in the House," and a "slate of new lawmakers plan to block fast track unless it's amended to include protections for domestic and foreign workers."

In his Washington Post (11/11, A27) column, Harold Meyerson writes, "Looking at the Democrats who picked up formerly Republican House seats, Public Citizen's Global Trade Watch tallies 27 who defeated (or replaced resigning) free-trade Republicans and who campaigned against the kind of trade deals that Congress has ratified. The fair-trade 27 insist instead on deals that stress labor rights and environmental standards. … In the incoming Senate delegation, the contrast is even sharper. The Democratic pickups -- Missouri's Claire McCaskill, Montana's Jon Tester, Ohio's Sherrod Brown, Pennsylvania's Bob Casey, Rhode Island's Sheldon Whitehouse and Virginia's James Webb -- all unseated free-trade incumbents with campaigns that stressed the need to pay far greater attention to the downward leveling that globalization entails."

Unions Reemerge As Democrats Take Control. The New York Times (11/11, A13, Greenhouse) writes that the labor movement, which has been "on the outs" with Capitol Hill since 1994, is readying its comeback. Unions, "eager to be treated as an important force," have "worked overtime since Election Day reminding Democrats about all that organized labor did to help put them over the top, including spending more than $100 million and dispatching more than 100,000 volunteers to help get out the vote."

Choice For Intelligence Chair Seen As First Challenge For Pelosi. The New York Times (11/10, Mazzetti, 1.16M) reports, "Her boss may want her gone, but Representative Jane Harman happens to think she is good at her job. And she has no intention of leaving it without a fight." Harman "argues that her role as the ranking Democrat on the House Intelligence Committee makes her the logical candidate to become chairman when the new Congress begins in January." Rep. Nancy Pelosi, "the party's leader and presumptive House speaker in the next Congress, has indicated she has other plans. The two women, both from California, have long had a frosty relationship, and Ms. Pelosi has been angry with Ms. Harman for not using her position on the Intelligence Committee to attack the Bush administration aggressively." Pelosi "has told colleagues she plans to replace Ms. Harman on the Intelligence Committee, possibly with Representative Alcee Hastings of Florida, although she has given no public indication of her choice for the post since the election." The Times adds, "Many Democrats are closely watching the decision for signs of two things: how the speaker-in-waiting will chart her party's course on national security issues and how she will handle her first postelection test in dealing with the often fractious Democratic caucus.

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'This is the battle that nobody wanted,' one senior Democratic strategist said. 'For Nancy to start off her speakership with a fight is a great shame.'"

Pelosi-Reid Relationship Could Be Key To Democratic Success. The Washington Post (11/10, A12, Banington, Weisman, 690K) reports, "After two days of watching Rep. Nancy Pelosi hailed as a political pioneer and the toast of her party, Sen. Harry M. Reid joined her yesterday atop the first Democratic-controlled Congress in a dozen years thanks to a razor-thin election in Virginia. … The Democrats' success in the Bush presidency's final two years will depend largely on the compatibility and forcefulness of the two barely tested leaders, according to some lawmakers and political experts. Reid, a former boxer from Nevada, is a camera-averse Senate insider who has used rear-guard tactics to bedevil Senate Republicans on Social Security, nominations and other issues in recent years." Pelosi "is a wealthy San Franciscan who grew up in a Baltimore political family and now has reached the highest elected post of any American woman." Yesterday, Reid "echoed Pelosi's earlier assertion that Democrats will push an agenda to help middle-class families and reduce the deficit while also treating Republican lawmakers more generously than the GOP had treated Democrats during their years in the minority."

Reid Described As Able Legislator With An Eclectic Personality. Under the headline "Harry Reid, An Infighter With A Sharp Jab," the New York Times (11/10, Leibovich, 1.16M) profiles Senate Democratic Leader Harry Leader. In a generally positive feature, the Times reports Harry Reid "began Election Day with 50 situps and 80 push-ups (very red state of him) and 40 minutes of yoga (very blue state of him). … Just after 2 p.m., he finally heard some actual news: Britney Spears was filing for divorce. 'Britney Spears,' Mr. Reid said, shaking his head. 'She loses a little weight, and now she's getting all cocky about things.' He added, 'Britney has gotten her mojo back.'" The Times adds, "Few would peg Mr. Reid, 66, as someone with anything to say about Britney Spears or, for that matter, someone who would ever use the word 'mojo.'" But "he is a tricky figure to pigeonhole or predict, a Democrat who is a Mormon opposed to abortion and who looks more like a civics teacher than someone set to become the most powerful person in the Senate. He makes an unlikely front man." The Times adds, "People who know Mr. Reid say he is much more suited to work with Republicans than his partisan reputation would suggest." Reid "is often credited with outmaneuvering his predecessor, Senator Bill Frist, Republican of Tennessee, who had relatively little legislative experience when he became majority leader in 2003." He is "nothing if not battle-worn and realistic, friends say."

Pelosi's Liberalism Said To Spring From Her Father's Politics. The Washington Post (11/10, C1, Duke, 690K) reports, "Critics deride Pelosi, 66, for a presumed lightweight liberalism they attribute to her latter-day home in San Francisco. But her liberalism -- and the keen political instincts and skill at the inside parry of the game -- can be traced more deeply and more precisely back to Albemarle Street," in Baltimore, "to the political empire that grew there when her father held court through decades of an intensely political life. The Post adds, "In that brick rowhouse on the corner of Albemarle and Fawn streets, politics was a family business that became a local dynasty."

Pelosi Learned How To Count Votes From Father. In the Financial Times (11/11), Holly Yeager profiles Pelosi, "a workaholic and self-confessed chocoholic" who "has long been a vocal cheerleader and effective fundraiser for her party (she raised more than $100m for Democrats in the past four years – a feat matched only by the Clintons). But that this mother of five who first ran for public office 20 years ago is also a keen political strategist should not come as a surprise. Her late father, Thomas D'Alesandro Jr, spent 10 years in Congress, then a dozen as mayor of Baltimore. Known as 'Old Tommy', he kept a 'favour file' in the living room of their Little Italy home, tracking good deeds that he and the Baltimore Democratic machine had done for people – in case they needed to ask for something in return. Mrs Pelosi – 'little Nancy' back then, the youngest of six children and the only girl – says she also learnt from him to count votes. 'Going into an election, they'd sit around the table and they had these yellow legal pads and they'd say, 'How many votes does it take to win?' and it's still the same thing.'"

Murtha Thinks He Has The Votes To Be Majority Leader. Asked about his run for House Majority Leader on CNN's The Situation Room (11/9, Blitzer), Rep. Jack Murtha said, "At this point I think I have the votes. We've been going over it today and we're pleased at the outcome, we're pleased at the response we're getting and we've been working hard." Murtha pointed out that he was Nancy Pelosi's "campaign manager when Steny Hoyer ran against her for minority leader. So I do have a fairly good relationship."

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The Washington Times (11/10, Hurt, 88K) reports, "Though Mr. Murtha is otherwise a fairly conservative Democrat, his position on the war appeals to many liberals in his ranks and, say Democratic staffers, he has the private blessing of Rep. Nancy Pelosi of California, the caucus's head and the presumed next House speaker." The Times adds, "Within minutes of Democrats' capturing the 15th seat needed to take control of the House, Mr. Hoyer tried tightening his grip on the majority leader position by reminding fellow Democrats that he had been a central figure in their caucus during their darkest times." Murtha "reminded colleagues that his strongest voice in recent years came in opposition to the Iraq war, which strategists on both sides credit in part for Democrats' enormous victories this week."

Emanuel To Forgo Whip Race. The Chicago Tribune (11/10, Dorning, 617K) reports Rep. Rahm Emanuel, "the Chicago Democrat who led his party's successful campaign to take over the House, announced late Thursday that he would forgo a bid he had been considering for the influential third-ranking leadership post, majority whip. Instead, he will run for a post one rung down the leadership ladder, Democratic Caucus chairman." The Tribune adds, "A Democratic source said Pelosi had urged Emanuel not to make a bid for the whip post in order to avoid a divisive internal fight with the Congressional Black Caucus, which is strongly backing the only declared candidate for the post, Rep. James Clyburn (D-S.C.). Clyburn is currently Democratic Caucus chairman and the only African-American in the party leadership."

Some Democratic Leaders, Lawmakers Touched By Scandal. The Wall Street Journal (11/10, Mullins, 2.04M) reports that after "winning an election shaped by corruption as much as Iraq, Democrats are about to elevate a set of leaders in the House and Senate that will include lawmakers who have had their own brushes with scandal." Sen. Harry Reid (D., Nev.), "who is expected to be elected to majority leader in the Senate, has come under attack for his relationship with Republican lobbyist Jack Abramoff, a profitable land deal, and whether he inappropriately used campaign funds to give Christmas bonuses to employees at his condo complex." In the House, West Virginia Democratic Rep. Allan Mollohan, "whose conduct is being investigated by the Justice Department, is in line for a senior position on the Appropriations Committee. Meanwhile, Rep. Alcee Hastings, a Florida Democrat, is vying to become chairman of the Intelligence Committee. Once a federal judge, Mr. Hastings was impeached by Congress more than a decade ago after he was charged with -- and acquitted of -- taking a $150,000 bribe. Mr. Hastings declined to comment." Democratic Rep. William Jefferson of Louisiana, "under Justice Department investigation for accepting bribes, came out ahead of 12 other candidates vying for his seat on Election Day, but faces a December runoff under Louisiana's unique election system." Democratic leaders "in both chambers say they will make it a top priority to approve an ethics-reform package that tightens rules for lawmakers, congressional aides and lobbyists. Republicans made the same promise a year ago after a Justice Department corruption probe garnered guilty pleas from a pair of one-time aides to former Republican Rep. Tom DeLay of Texas as well as from Mr. Abramoff, who was close to Mr. DeLay and other Republican lawmakers."

Dodd Likely To Chair Senate Banking Committee. USA Today (11/10, Kirchhoff, 2.27M) reports Sen. Christopher Dodd of Connecticut, "a second-generation senator exploring a 2008 presidential bid, is in line to be chairman of the Senate Banking Committee, now that Democrats have a majority in that chamber." Dodd has been "a strong advocate for the insurance and financial services industries in his state. Such firms as Bear Stearns, Lehman Bros. and Goldman Sachs are atop Dodd's list of political action committee donors, according to the Center for Responsive Politics."

Defense Contractors Relieved McCain Will Not Get Armed Services Chair. The Wall Street Journal (11/10, A8, Karp, Pasztor, 2.04M) reports many defense contractors are relieved that Sen. John McCain, "a strident critic of Pentagon weapons-buying practices, won't become chairman of the Armed Services Committee." Likely chairman Carl Levin "brings his own longstanding skepticism of the industry and some of its prized weapons programs, particularly missile defense. Yet the soft-spoken Mr. Levin is likely to change the tone and focus of the committee's oversight efforts." Unlike McCain, "whose investigations into Boeing Co.'s ethical lapses laid the path for the panel to examine weapons-contract details and contractor profit margins, Mr. Levin has signaled that his priority will be the war in Iraq."

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Paulson Emerging From "Shadows" Untainted By Partisanship. The New York Times (11/11, Weisman) writes on its front page that while Treasury Secretary Henry Paulson spent his first months in office in "the shadows while cabinet colleagues were campaigning for a Republican Congress," he is now "set to plunge in. Untainted by the harshly partisan rhetoric of the past, he hopes to use his prowess as the former head of Goldman Sachs not just to pursue critical economic deals with China and other American trading partners but -- equally important for the weakened administration -- to explore deal-making with Democrats in Congress, as well." The White House "says it is counting on the best from Mr. Paulson." However, the Times says, "the chances for real cooperation are limited."

UN's Bolton Could Be Next Victim Of Democratic Wave. The New York Times (11/11, A12, Cooper) reports that now that President Bush "has pledged to be a bipartisan consensus builder," the question "is whether Mr. Bush is ready to junk all of his make-nice pledges in order to keep John R. Bolton at the United Nations. Officially, administration officials say they plan to make all the necessary calls to Republicans and Democrats on the Senate Foreign Relations Committee to try to persuade them to confirm Mr. Bolton for a new term." But with defeated Sen. Lincoln Chafee's Thursday announcement that he would "deny Republicans on the committee the last vote needed to send Mr. Bolton's nomination to the full Senate, some administration officials privately acknowledge that Mr. Bolton's chances of confirmation are 'nil,' one State Department official said."

Rangel Apologizes To Mississippians Over Comment. The New York Times (11/11, B3, Ramirez) reports Rep. Charles Rangel apologized for a comment that he says was "uttered with regional pride rather than rancor." On Wednesday, the incoming House Ways and Means chairman "talked about winning back more of the tax revenue that New York State sends to the Treasury. He said, 'Mississippi gets more than their fair share back in federal money, but who the hell wants to live in Mississippi?' Apparently, a lot of people do, and they are not shy about saying so." One colleague, Rep. Chip Pickering "reacted as if he and his state had been slapped with a glove." On Thursday, Rangel said in a statement, "I certainly don't mean to offend anyone. I just love New York so much that I can't understand why everyone wouldn't want to live here."

Pelosi's Office Clarifies Stance On House Vote For D.C. Delegate. The Washington Post (11/11, B1, Woodlee) reports a spokeswoman for Rep. Nancy Pelosi said the likely incoming speaker supports voting rights for the District of Columbia's House delegate. The statement "clarified her position after heated discussion on Washington Post Radio about her position on the issue. On Thursday, Pelosi said she would change House rules on the first day of the new Democratic-controlled session in January" so that D.C. Del. Eleanor Holmes Norton "could vote on proposed changes but not final approval of legislation on the House floor." In a related item, the Washington Times (11/11, Emerling) reports District voting rights advocates "are encouraged by the recent Democratic takeover of Congress, but would prefer a bill giving their representative a full vote in the House be considered before the end of this legislative session."

OTHER NEWS:

With Elections Done, Dow Could Continue To Soar. The Wall Street Journal (11/11, B1, Browning) reports, "Now that the stock and bond markets have shrugged off the major shift of political power in Washington, investors are beginning to wonder how much higher the stock market can go." The markets "seem to have welcomed the end of the divisive political campaign. Now, people's attention is turning back to more fundamental issues -- notably strong recent corporate profits and low interest rates." The Dow Jones "put in a gain of 122.39 points, or 1%," for the week, finishing at 12108.43, "just short of the record close of 12176.54 that it achieved Wednesday." The New York Times (11/11, C6) reports on the week's numbers as well.

Allen Concedes Senate Election. NBC Nightly News (11/9, lead story, 3:10, Williams, 9.87M) reported, "Democrats have taken over the Senate. As you know, it all hinged on the Virginia Senate race and that is all over. In the end Jim Webb won by about 7,000 votes and with that election went control of the Senate." Sen. George Allen was shown saying, "The people of Virginia, who I always call the owners of the government, they have spoken. And I respect their decision." And Webb was shown saying, "I would like to

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also today call on our President to publicly denounce the campaign tactics that have divided us."

On CNN's Larry King Live (11/9), Webb said, "I had a strong feeling when I entered this race that we could win, if things went our way. We were down 33 points at that time, but I always believed we could win. … I was very strongly concerned about the Iraq war. I was an early voice warning against going into Iraq. But I also have strong feelings about what has been happening to our country economically, with the breakdown along class lines, in a way that we probably haven't seen since the 1880s. And that's an issue that got an enormous amount of traction."

Asked on MSNBC's Tucker (11/9) how Webb is going to get along with "real liberals, legendary liberals," in the Senate, Democratic strategist Steve McMahon said, "He's going to get along fine with them. He's a Vietnam veteran who I'm sure had some strong views about what was going on in the country while there were people over fighting the war. But at the end of the day…he's a patriot, he's a moderate, he's a centrist, he matches Virginia beautifully, and he's going to be a great US senator."

The CBS Evening News (11/9, story 4, 2:25, Atkisson, 7.66M) reported that Democratic control of the Senate "means if there's an opening on the Supreme Court, it will be tougher for President Bush to push through a conservative Supreme Court nominee and it's less likely 'Roe v. Wade' will be overturned. But even with a majority, Democrats can't count on steamrolling through everything they want. As a minority, Republicans can always filibuster in the Senate, and the President has his veto pen."

The AP (11/10, Barakat) reports "Webb's supporters roared when he took his Marine son's battered combat boots from a bag and held them high above his head at a rally. Webb, whose son is fighting in Iraq, had worn the boots throughout what he called 'an unnecessarily brutal campaign.'" Allen "chose not to demand a recount when initial canvassing of the results failed to significantly alter Webb's lead."

The Washington Post (11/10, A1, Shear, MacJillis, 690K) reports, "Webb, 60, was a Republican for most of his life and for a time served under the godfather of the modern GOP, former president Ronald Reagan. But his election to the Senate delivered a final blow to the Republican Party."

The Washington Times (11/10, Bellantoni, McLaughlin, 88K) says "Allen's loss -- the third consecutive top office lost by state Republicans -- leaves the Virginia Republican party in disarray. 'George Allen is the patriarch of the modern Republican party in Virginia,' said Lt. Gov. William T. Bolling, one of several Republicans jockeying to be the new leader. His win last fall buoyed depressed party loyalists after their candidate Jerry W. Kilgore lost the gubernatorial race to Democrat Timothy M. Kaine." Now, "conservatives can choose to unite behind former leaders with an anti-tax message -- such as James S. Gilmore III, the last Republican chief executive -- or centrists such as Rep. Thomas M. Davis III, who work with the opposing party. Mr. Davis won re-election Tuesday in a changing and growing Northern Virginia district that favored Mr. Webb." A Washington Post story (11/10, Shear, Craig) also says Allen was "the one who revitalized Virginia's Republican Party," adding he was also "considered a front-runner for the White House, with his folksy, football-and-cowboy charm." The New York Times (11/10, Broder, 1.16M), Los Angeles Times (11/10, Neuman, 850K) also report on the end of the Virginia campaign.

Webb Begins Transition As Allen Team Absorbs Stunning Loss. The Washington Post (11/11, B1, Shear) reports Sen.-elect Jim Webb "spent the day after clinching his victory by thanking his staff and beginning the process of making the transition from first-time candidate to freshman lawmaker." Webb told supporters Thursday that he "agreed to have lunch next week" with Sen. George Allen, but so far, "a time and place have not been determined" and Webb is waiting to hear from his defeated rival. Meanwhile, "aides to Allen said they were stunned by the loss, despite knowing for weeks that the race against Webb was very close. Members of Allen's Senate staff, many of whom are young, cried Thursday when they found out he had decided not to seek a recount of the ballots."

The New York Times (11/11, A12, Kornblut) writes that while "the most spectacular defeat" this week was Allen's, "who won the prize for most breathtaking downfall, not only losing his Senate seat to help hand power of the entire body to the Democrats, but also tarnishing a once-golden reputation in under three months flat," less obvious "but no less real was the damage to Mr. Allen's campaign manager, Dick Wadhams, a strategist once celebrated as the 'next Karl Rove.'"

On CNN's Lou Dobbs Tonight (11/10), host Dobbs gave Sen.-elect Jim Webb very favorable treatment during an interview, telling his "highly decorated Marine Vietnam veteran" guest that "you have the capacity, the experience and the character" to succeed in the Senate. Webb said, "One of

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the committees that I will be on, I can guarantee, will be one that deals with defense or foreign policy," and "I want to be on the Veterans' Committee. I've spent a good part of my life, as you know, either serving or working with veterans. And I feel a special obligation to the people who are serving."

Burns Concedes Defeat. The AP (11/10, Gouras) reports, "US Sen. Conrad Burns conceded defeat to Jon Tester on Thursday, acknowledging that a tight election had gone to the Democrats' favor, Burns' campaign told The Associated Press." Burns, "a three-term senator whose campaign was troubled by verbal gaffes and voter discontent, congratulated Tester, a farmer and state legislator. 'I stand ready to help as Montana transitions to a new United States Senator,' Burns said in a statement provided to the AP."

Tester's Move To Washington Will Be First Time Off The Farm. The Los Angeles Times (11/11, Verhovek) visits Big Sandy, Montana, home of Sen.-elect Jon Tester, "a wheat and lentil farmer who also has done stints here as a custom butcher, soil conservation board member, high school basketball referee and music teacher at Big Sandy Elementary School." Tester's Western roots "are genuine and about as deep as can be: He has never lived anyplace other than the family farm, which his grandparents homesteaded here in 1916."

King Glad To See Burns Go. In his Washington Post (11/11, A27) column, Colbert King writes, "Election night in the nation's capital was a pretty tame affair, given that most of the important local races were decided in the September primary. But for some of us who live in the District, the real action on election night took place far beyond city limits." Montana Sen. Conrad Burns "lost his seat, in part, because of his ties to corrupt lobbyist Jack Abramoff. But Burns hit rock bottom with some of us 12 years ago when we learned about his slur against the District's African American population."

Lieberman Says He Is Still A Democrat. The Los Angeles Times (11/11) reports Sen. Joseph Lieberman affirmed he wants to be known as a Democrat in his new Senate term. Lieberman said this week that "he was reassured by Senate Democratic leader Harry Reid that he would retain his seniority in the new Senate."

Exit Polls Show Significant Narrowing Of Parties' "God Gap." The Washington Post (11/11, A1, Cooperman) reports on its front page that in the aftermath of this week's elections, "religious leaders across the ideological spectrum found something they could agree on: The 'God gap' in American politics has narrowed substantially. Religious liberals contended that a concerted effort by Democrats since 2004 to appeal to people of faith had worked minor wonders, if not electoral miracles, in races across the country." However, religious conservatives said the GOP "lost religious voters rather than the Democrats winning them." Either way, exit polls "told a dramatic story of changing views in the pews: Democrats recaptured the Catholic vote they had lost two years ago . They sliced the GOP's advantage among weekly churchgoers to 12 percentage points, down from 18 points in 2004 congressional races and 22 points in the 2004 presidential contest. Democrats even siphoned off a portion of the Republican Party's most loyal base, white evangelical Protestants."

Rove Said Impact Of Corruption Issue Was Greater Than Anticipated. Time.com (11/10, Allen) talks with Karl Rove about this week's elections. Rove said, "The profile of corruption in the exit polls was bigger than I'd expected. Abramoff, lobbying, Foley and Haggard added to the general distaste that people have for all things Washington, and it just reached critical mass." Rove "does not believe his data let him down." Rove said, "My job is not to be a prognosticator. My job is not to go out there and wring my hands and say, 'We're going to lose.' I'm looking at the data and seeing if I can figure out, 'Where can we be?' I told the President, 'I don't know where this is going to end up. But I see our way clear to Republican control.'"

Chafee May Leave GOP. The AP (11/10, Smith) reports, "Two days after losing a bid for a second term, Sen. Lincoln Chafee said he was unsure whether he would remain a Republican." Yesterday "he was asked whether he would stick with the Republican Party or become an independent or Democrat. 'I haven't made any decisions. I just haven't even thought about where my place is,' Chafee said at a news conference. When pressed on whether his comments indicated he might leave the GOP, he replied: 'That's fair.'"

GOP Leads Most Still-Undecided House Races. The Wall Street Journal (11/10, A4, Harwood, 2.04M) "Washington Wire" reports Republicans "lead in most House races that remain undecided." Narrow margins for some "make recounts likely. But 'it's very unusual for recounts to alter races,' says Carl Forti" of the NRCC.

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Mehlman To Step Down As RNC Chairman. The Washington Times (11/10, Hallow, 88K) reports Republican National Committee Chairman Ken Mehlman, "whose party just lost both chambers of Congress, will leave his position in January, and the post as party chief has been offered to Maryland Lt. Gov. Michael S. Steele." Asked "about reports last night that he would resign," Mehlman said, "It is true. It's something I decided over the summer. No one told me I needed to. In fact, folks wanted me to stay." Mehlman said he "'told the White House over the summer it was my decision' to leave the RNC post, 'win, lose or draw.'" The Times adds Republican officials "told The Times that Mr. Steele, who lost his bid for the U.S. Senate on Tuesday, has been sought out to succeed Mr. Mehlman as national party chairman. Those Republican officials said Mr. Steele had not made a decision whether to take the post, as of last night." Other Republican Party officials "said some Republican National Committee (RNC) members, including state party chairmen, have mounted a move to have Mr. Steele succeed Mr. Mehlman. But they said that President Bush's political adviser Karl Rove, who is Mr. Mehlman's mentor, would rather see Mr. Steele serve in the president's Cabinet, perhaps as secretary of Housing and Urban Development."

The AP (11/10, Sidoti) reports Republican National Committee Chairman Ken Mehlman, "whose party lost both chambers of Congress in the midterm elections, will step down from his post when his two-year term ends in January, GOP officials said Thursday." The officials "said Mehlman made the decision not to run for a second term more than a month or two ago — well before the election."

The New York Times (11/10, Nagourney, 1.16M) reports Mehlman said, "This has been a great ride, but at the same time I have a lot of interests in addition to politics." The Times adds Mehlman "ruled out going to work for any of the 2008 presidential candidates." Mehlman said, "My intention is to focus on identifying a platform that will be professionally rewarding for me for the next decade, that will include politics but not be related to politics." The Times adds Mehlman's "time in office has been marked by strong fund-raising — the committee spent $77 million on candidates this year — as well as the pioneering of sophisticated voter identification and turnout technologies that Republicans and Democrats said helped account for his party's successes in 2002 and 2004." Gov. Mitt Romney of Massachusetts said, "I'd love to have him come work for me. He has revolutionized American politics." Romney "said Republican setbacks this year came about despite the advances Mr. Mehlman made in fund-raising and voter turnout operations." The Times adds the "praise from Mr. Romney was echoed in an unsolicited call from James Carville, a veteran Democratic operative who is married to Mary Matalin, a veteran Republican strategist." Carville said, "The R.N.C. did a better job than the D.N.C. this year."

The Washington Post (11/10, Balz, 690K) reports White House officials "are trying to recruit a successor, but it was not known last night whether there was a leading candidate. One name that has emerged as a possible chairman is that of Maryland Lt. Gov. Michael S. Steele, who just lost a bid for the Senate. But a GOP source said Steele is not likely to become chairman." Others "mentioned publicly as possible successor include Maria Cino, a former RNC official and now deputy secretary of transportation, and Mary Matalin, former communications director for Vice President Cheney and one of the party's most visible advocates. But a GOP strategist said, 'From what I understand, all these names are not on the table.'"

CNN's The Situation Room (11/9, King) reported, "It is almost certain now, all but certain, we are told by a number of Republican sources, that" RNC Chairman Ken Mehlman "will step down and leave that post by the end of the year. We want to make clear none of these sources are saying that there's any blame being assigned to Ken Mehlman. In fact, most Republican strategists at the White House and in the party across the country think that he did more than the best he could and that the damage would have even been worse in the mid-term elections if not for the RNC operation. He had told some close associates he planned to lave after the election anyway. … The number two at the Department of Transportation, Maria Cino, she's a veteran political strategist…is under consideration if Ken Mehlman steps down."

GOP Remap Strategy May Have Backfired. The Wall Street Journal (11/10, A6, Cummings, 2.04M) reports gerrymandering was "supposed to cement Republican control of the House of Representatives, offering incumbents a wall of re-election protection even as public opinion turned sharply against them. Instead, the party's strategy of recrafting district boundaries may have backfired, contributing to the defeats of several lawmakers and the party's fall from power." Republican leaders "may have overreached and created so many Republican-leaning districts that they spread their core supporters too thinly. That left their incumbents vulnerable to the type of backlash from traditionally Republican-leaning

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independent voters that unfolded this week." That "helps to explain why three of four Republican incumbents in the Philadelphia area were beaten this week, while the remaining incumbent hung on by just a few thousand votes." In Florida, meanwhile, "state lawmakers had shifted some Republican voters from the secure district of former Rep. Mark Foley in an attempt to shore up the re-election chances of Rep. Clay Shaw without risking the Foley seat. Instead, Democrats took both."

Evangelical Leader Dobson Blasts GOP. The AP (11/10, Talhelm) reports, "Conservative Christian leader James Dobson accused the Republican Party of abandoning values voters in the midterm elections — and paying the price by losing control of Congress." In a statement, Dobson said, "What did they do with their power? Very little that values voters care about." The AP ads, "Finger-pointing abounded in the days after Democrats seized control of Congress after 12 years in the minority. Dobson, chairman of Focus on the Family, issued a statement railing against the Republicans for letting their majorities slip away." The "cybersex scandal involving former Republican Rep. Mark Foley of Florida and the fall of Ted Haggard, the evangelical pastor who was fired amid allegations of gay sex and drug use, left some values voters dispirited." More than "four in 10 evangelicals said corruption and scandals were extremely important, and those who felt that way were more likely to vote for Democratic candidates than other evangelicals."

Schwarzenegger Says He Is "Heartened" By Election Results. The Los Angeles Times (11/10, Nicholas, 850K) reports California Gov. Arnold Schwarzenegger, in Mexico City, said "that he was heartened by Tuesday's election resulting in a Democratic takeover of Congress, welcoming what he described as 'new blood coming to Washington.'" Schwarzenegger "said he was hopeful that the changes will jump-start a political system that was paralyzed." After a meeting with Mexican President Vicente Fox, Schwarzenegger said, "I think it's good that there are new ideas and new blood, because Washington was stuck. They could not move forward. Not much was accomplished. I think it was terrible." The Times adds Schwarzenegger said "he was hopeful that the results would usher in a new era of bipartisan cooperation — similar to what he said he is bringing about in Sacramento." But soon after "the governor finished speaking, one of his aides, communications director Adam Mendelsohn, told reporters that Schwarzenegger was not saying he was necessarily pleased to see Congress under Democratic control. Rather, Schwarzenegger was making the point that 'it's good there is an infusion of new ideas and desire for bipartisanship,' Mendelsohn said."

Schwarzenegger Urges GOP To Join Him In Center. The Washington Post (11/11, A6, Pomfret) writes, "In his victory speech Tuesday night to a confetti-swamped crowd at the Beverly Hilton, Gov. Arnold Schwarzenegger had a message for the rest of the Republican Party after its worst defeat in decades. Follow 'the California way,' he said. 'We are proving to the nation that there is another way to go, a better path to solve problems.'" His "landslide victory in a largely Democratic state illustrates the growing power of moderate candidates and the electoral appeal of bipartisanship, and it could contain important lessons for Republicans and Democrats as they seek to position themselves in the future, analysts and politicians said." University of Southern California political analyst Sherry Bebitch Jeffe said, "If I was a Republican National Committee chair, I would hire Arnold out and teach Republicans what is necessary to put together a winning campaign. He really is the poster boy of what Republicans have denied for so long. Elections are won from the center."

Gingrich Sees Hope For Conservatives. The Washington Times (11/10, Hallow, 88K) reports Republicans, "suddenly a minority in both houses of Congress and led by an unpopular president, need to restore their image as the party of small government but at the same time avoid the image of blind obstructionism, party leaders and analysts said yesterday." Former House Speaker Newt Gingrich said, "We have to recognize that this was a defeat for Republicans, not for conservatives." Gingrich said there is "hope to advance a conservative agenda" if House Republicans "can find allies among conservative Democrats." Gingrich said, "The balance of power in the House is now 50-plus blue-dog [conservative] Democrats." The Times adds it "won't be easy for Republicans to recover from Tuesday's defeat, because the party has 'completely lost its brand as the party of limited government and low spending,' said former Rep. Pat Toomey, president of the conservative Club for Growth."

Flake Says GOP Needs To Return To Fiscal Responsibility. In a Wall Street Journal op-ed (11/10, A16), Rep. Jeff Flake says, "As Republicans, we have a choice to make, and we need to make it soon. The factions of the party must decide: Are we going to re-emerge as the party of ideas -- or be content as assistant hirelings of big government? We might begin by asking why we lost. Taxes, first, is the easy

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one, and there is no need for a Republican mea culpa here. We've cut taxes, and Americans and the economy are better off for it. But recently we've been satisfied with putting Democrats 'on record' supporting higher taxes. We need to do more." Second, "spending. This one is more difficult because it requires not just a mea culpa but abject apology. Not the politician-style – 'I'm sorry if you were offended by spending that our opponents have misinterpreted as offensive' -- but rather: 'We've overspent, badly, and it was offensive to you as well as our conservative principles. We're sorry, and we're going to do better.'" Of "immediate concern to Republicans in the House of Representatives is deciding who will be our standard bearer. Can those who have been a part of the current leadership team convince the other members that they've had an epiphany? It's possible, I suppose. But I think we'd be best served with some fresh faces, congressmen like Mike Pence and John Shadegg, who haven't had to travel that road to Damascus."

WSJournal Urges Republicans To Dump Current Leaders. The Wall Street Journal (11/10, 2.04M) says in an editorial, "As they lick their wounds, Republicans are no doubt wondering what went wrong and what to do now. The answers aren't all that complicated: Revive the reform convictions that earned them power in the 1990s, and start that process in the House of Representatives by electing a new slate of leaders. Twelve years ago, the Newt Gingrich-led Republicans swept into power as reformers who ran against corruption and pledged to make government 'smaller and smarter.' Somehow, across the years, that conviction was replaced by Tom DeLay and the quest for permanent incumbency, Appropriations Chairman Jerry Lewis and the 'earmark' brigade, and a retinue of Beltway retainers symbolized by Jack Abramoff. The current leadership let it all happen, and if Republicans want a shot at regaining control in 2008 they'll turn to a new generation to lead them." House GOP leaders "should be returned to the backbenches." Republicans "might also recall what happened to Democrats when they tried to regain the House in 1996 by running with the same leadership and agenda that had been ousted in 1994. Those Democrats failed, despite Bill Clinton's victory at the top of the ticket, because too many voters saw the same old story. If Republicans lose again in 2008, they could be in the minority for a long time." The "good news is that a younger generation does seem to be stepping forward. Mike Pence, of Indiana, has already declared for minority leader, and John Shadegg of Arizona is seeking the number two job as whip. Paul Ryan of Wisconsin, Jeb Hensarling of Texas and Jeff Flake of Arizona are among the other Members who have tried to put ideas above mere incumbency."

Some Democrats Want Ford To Replace Dean As DNC Chair. The New Republic Online (11/10, Lizza) writes that "some big name Democrats want to oust DNC Chairman Howard Dean, arguing that his stubborn commitment to the 50-state strategy and his stinginess with funds for House races cost the Democrats several pickup opportunities. The candidate being floated to replace Dean? Harold Ford." James Carville said, "Suppose Harold Ford became chairman of the DNC? How much more money do you think we could raise? Just think of the difference it could make in one day. Now probably Harold Ford wants to stay in Tennessee. I just appointed myself his campaign manager."

Steele Mum On Talk Of RNC Chairmanship. Meanwhile, on Fox News' Big Story (11/10, Gibson), Maryland Lt. Gov. Michael Steele declined to say much about rumors he might succeed Ken Mehlman as RNC chair. Steele said, "I woke up on a Wednesday morning to blogs talking about this. This is a call of the President of the United States. This is a call of the leadership of the party. I'm flattered by it. But Ken Mehlman just announced his resignation, which he had made clear very early on that it would happen. Let us enjoy this moment and celebrate his achievements. And then the President and the White House will decide who the next head of the party will be and they'll move forward from there."

The Washington Times (11/11, Hallow, Ward) says Steele "is being pulled in several directions -- to take over as the national leader of the Republican Party in two months, to take a Cabinet post in the Bush administration or to go into the private sector. … Top national Republican leaders" have told Steele they want him to succeed Mehlman, according to the Times.

Democrats' Business Donations Neared Parity With GOP. USA Today (11/10, Davidson, 2.27M) reports Democrats "won the most expensive midterm election in history with stronger financial support from big business." Democratic congressional candidates "amassed $616 million vs. $632.2 million for Republicans in the 2005-06 election cycle, according to figures through Oct. 18 from the Center for Responsive Politics." Corporate donors "traditionally favor Republican candidates. In the last midterm

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contest in 2002, Democrats raised $248.6 million vs. Republicans' $342.2 million." While Democrats "attracted money from longtime supporters, such as trial lawyers and labor unions, they also drew a greater share from industries that lean Republican, such as pharmaceuticals. Some businesses may have been hedging their bets as a Democratic victory appeared more likely late in the campaign." The "total cost of the 2006 federal election was an estimated $2.8 billion, a 27% jump over 2002, the center says." Topping the "list of Democratic donors was the International Brotherhood of Electrical Workers, which funneled 97% of its $2.2 million in contributions to Democrats. The union supports such Democratic-backed causes as raising the minimum wage." The Association of Trial Lawyers of America "kicked in $2.1 million, 95% to Democrats. The group is battling Republican efforts to limit big payouts in personal-injury cases."

GOP Lost Ground With Hispanic Voters. USA Today (11/10, Kiely, 2.27M) reports Republican gains "among Hispanic voters evaporated in Tuesday's elections, and some party leaders are blaming harsh rhetoric on immigration for the reversal." Cutting into "the Democrats' traditional advantage among Hispanic voters was a key to both of President Bush's election victories. In 2004, when Bush was at the top of the ticket, 44% of Hispanics surveyed after they cast their ballots said they voted Republican. This year, the figure dropped to 29%." The decline "is significant because Hispanics are fast becoming a crucial voting bloc. Census figures show Hispanics make up at least 10% of the population in 11 of the 28 U.S. House districts that switched from Republican to Democratic hands on Tuesday." Strategists from both parties say the vocal opposition of some Republicans to a proposed immigration bill that would give many of an estimated 12 million illegal immigrants a chance at citizenship drove Hispanics back to the Democratic camp."

Predictions Of Hispanic Voter Surge Said To Be "Just Premature." In a USA Today op-ed (11/10), Dallas freelance writer Marisa Treviño says, "Exit poll results from Tuesday's elections show an increase in Hispanic voting from 2002. Those results appear to confirm a pre-election report by the National Association of Latino Elected and Appointed Officials (NALEO), which predicted that Latinos would make up about 6% of the vote. That's at least one percentage point up from 2002, but hardly enough to get excited about." So are "all the predictions of Latino voting clout to be dismissed? No. They're just premature. The coupling of Hispanic youth and technology just might change the equation." The "non-partisan Voto Latino, which aims to increase Hispanic voter participation, has targeted young Latinos by entering their world of cellphone text messaging and online social networks, such as MySpace."

WSJournal Says GOP's Hard Line On Immigration "Fools Gold." In an editorial, the Wall Street Journal (11/10, 2.04M) says, "Republicans on Tuesday managed both to lose their majority in Congress and alienate a fast-growing bloc of Latino swing voters. Other than that, the House GOP strategy of trying to save itself by bucking President Bush and using immigration as a wedge issue worked pretty well." Republicans "can't say they weren't warned. Like trade protectionism, the immigration issue is the fool's gold of American politics. Voters like to sound off to pollsters about immigrants, yet they pull the lever with other matters foremost in mind. Elections seldom if ever turn on immigration, and the GOP restrictionist message so adored by talk radio, cable news and the nativist blogosphere once again failed to deliver the goods. … We hope" the Republican Party lets Bush address the issue, "having learned the hard way not to follow Lou Dobbs, Bill O'Reilly and the editors of National Review magazine down the garden path to defeat."

Voting Machines Backed By Harris May Have Malfunctioned In Her District. The AP (11/10, Davis) reports the "touch-screen voting machines Katherine Harris championed as secretary of state after the 2000 presidential recount may have botched this year's election to replace her in the U.S. House, and it's likely going to mean another Florida recount." More than "18,000 Sarasota County voters who marked other races didn't have a vote register in the House race, a rate much higher than the rest of the district, elections results show." Florida Secretary of State Sue Cobb "sent a team to Sarasota County on Thursday to observe the expected recount and audit the county's touch-screen voting machines. The county's elections supervisor, Kathy Dent, had requested the team after one of the candidates reported complaints about voting machines malfunctioning." Republican Vern Buchanan "declared victory in the race with a 373-vote lead over Democrat Christine Jennings — less than 0.2 percent."

The New York Times (11/10, Goodnough, 1.16M) reports Jennings "is seeking a recount after dozens of people reported problems using Sarasota County's touch-screen

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voting machines and a significant number of ballots had no recorded votes in the high-profile race." Jennings lost to Buchanan "by just 373 votes out of a total 237,861 cast — one of the closest House races in the nation. More than 18,000 voters in Sarasota County, or 13 percent of those who went to the polls Tuesday, did not seem to vote in the Congressional race when they cast ballots, a discrepancy that Kathy Dent, the county elections supervisor, said she could not explain." In comparison, 'only 2 percent of voters in one neighboring county within the same House district and 5 percent in another skipped the Congressional race, according to The Herald-Tribune of Sarasota. And many of those who did not seem to cast a vote in the House race did vote in more obscure races, like for the hospital board." A "preliminary review by The Herald-Tribune found that if Ms. Jennings had won the same percentage of the 18,000 missing votes as she did among counted votes in Sarasota County, she would have won the race by about 600 votes instead of losing by 373."

Voters Approve 88% Of $76.6 Billion In Borrowing Authority. USA Today (11/10, Cauchon, 2.27M) reports, "Voters were in a borrowing mood this week. State and local governments won approval for more than 88% of the $78.6 billion they asked to borrow in Tuesday's election, according to i-Deal, a New York company that tracked the results." The money "will be spent on schools, roads, sewers, fire stations and other projects." California voters "approved the biggest chunk of debt: $43 billion for five bond issues for roads, schools, flood control, parks and affordable housing."

Vilsack Kicks Off "Long Shot" Presidential Bid. The New York Times/AP (11/10, Glover) reports Iowa Gov. Tom Vilsack, "a centrist Democrat seeking an early edge in an all-but-certain crowded presidential field, launched a long-shot bid for the White House Thursday." Fifteen months "before his own state holds caucuses — the first step in the nominating process — Vilsack announced his candidacy, filed documents with the Federal Election Commission and heralded a multistate tour beginning Nov. 30." Overshadowing the "announcement is the upheaval in Washington as Democrats captured control of the House and Senate in Tuesday's elections. But Vilsack, a little-known Midwest governor, needs all the attention he can get — and the first infusion of campaign cash." In polls, Vilsack "has trailed the other potential candidates, among them front-runner New York Sen. Hillary Rodham Clinton and 2004 vice presidential nominee John Edwards. Earlier this year, the governor even was behind in a survey of Iowans." Vilsack will "begin his tour in his hometown of Mount Pleasant, Iowa, and will make stops in New Hampshire, Nevada, Pennsylvania and South Carolina. Vilsack was born in Pittsburgh, and the other states hold key early tests in the nomination process." Vilsack has not "been the only Democrat campaigning in Iowa. Several potential, more familiar candidates have traveled to the state, including Edwards and Illinois Sen. Barack Obama." When Iowa Sen. Tom Harkin "sought the Democratic nomination in 1992, rivals decided to cede the state to him, but Vilsack is unlikely to get such a break, strategists say."

CNN's The Situation Room (11/9, Blitzer) reported, "Outgoing Iowa Gov. Tom Vilsack is getting a jump-start on the 2008 presidential race. He's now the first Democrat to throw his hat into the ring. The outgoing Vilsack announced today he's filing the necessary paperwork to run for president. He may have an edge in the lead-off presidential caucuses. That would be in his home state of Iowa. But polls show him way behind other better-known Democrats weighing presidential bids."

ABC World News (11/9, story 4, 0:15, Gibson, 8.78M) reported, "Now that the 2006 vote is decided, here comes 2008. Iowa Governor Tom Vilsack, declared today that he's running for the presidential nomination. Iowa is where the caucuses that begin the nomination processes will be held in 15 months. There's one Republican presidential candidate so far. California congressman Duncan Hunter has taken the first steps towards running."

NBC Nightly News (11/9, story 9, 2:25, Faw, 9.87M) reported, "If you think Britney Spears, cavorting the same day she announces she's getting divorced, if you think she's getting ahead of herself, fasten your seatbelts because the presidential campaign of 2008, a mere 727 days from now, is also off and running. Today Iowa's two-term governor filed papers to run for President. Another household word, Duncan Hunter, yes the Republican from California, recently set up his exploratory committee." Rep. Duncan Hunter: "Preparing to run for President of the United States in 2008." Faw: "There is precedent, of course, for getting a head start. More than 30 years ago a relative unknown Jimmy Carter started running when almost no one was looking and look what happened to him. So it makes a certain amount of sense to start now or at least say one might." Tim Russert: But it's fair to say you're

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thinking of running for President in 2008?" Sen. Barack Obama: "It's fair, yes." Faw: "Early birds aren't foolhardy, especially unknowns who need what the anointed frontrunners already have, name recognition and money." But to "all this gearing up so early, some say enough already."

Yepsen Rates Vilsack's Chances. On MSNBC's Hardball (11/9, Matthews), David Yepsen of the Des Moines Register discussed the 2008 Iowa caucuses, saying that if Vilsack runs, he has "a real problem, because I don't see how he wins anything here. He's expected to win. If he does, people like you are going to shrug it off as expected. And if he loses, and he's running fourth place in the polls out there, then it's going to be a big hit." Sen. Barack Obama has "sure acted like a candidate. He's made three or four visits to the state and got huge crowds." As for Sen. John Kerry, Yepsen said, "I think he's finished." On the GOP side, Gov. Mitt Romney "has started early. He's organizing. He's reaching out to lots of different people. He's got religious conservatives. He's also got party moderates. … Romney, I think, has got himself in a good position."

McCain To Create Presidential Exploratory Committee. NBC Nightly News (11/10, story 4, 2:55, Williams) reported, "The week is ending with yet another political development and this one didn't take long." Sen. John McCain "will set up an exploratory committee for a 2008 presidential run. Senator McCain will talk about his plans this Sunday when he will be Tim Russert's guest on 'Meet the Press.'" The New York Times (11/11, A13, Kornblut) reports McCain advisers say the Senator has "not made up his mind whether to run, although he has acknowledged that he is strongly considering doing so. 'There's not going to be a formal announcement this year,' John Weaver, an adviser to Mr. McCain, said. The senator, who appears at or near the top of public opinion surveys about who should run for higher office, will wait until the Christmas holidays, when his children are home, to make a final decision." The AP (11/10) also reports on McCain's early move.

Clinton Has No Plans To Shut Down Campaign Apparatus. The New York Times (11/11, B1, Healy) reports that while Sen. Hillary Clinton's re-election run may be over, she is "hardly closing up her campaign shop or worrying about deep debts. Advisers to Mrs. Clinton say she has more than $10 million left in her political bank account, not to mention a priceless reservoir of speeches, issue research, and financial networks nationally for any future use. Her advisers also say that she does not intend to disassemble her campaign apparatus and staff, as many candidates do when an election ends, nor does she plan to immediately close her New York City and Washington campaign offices. Indeed, the Clinton camp has spent months building a re-election team that could easily shift into gear for a 2008 presidential bid."

More Than Two Dozen Potential Candidates In The Wings. A CQ Weekly (11/10, Crawford) piece that exceeds 10,000 words examines the prospects of more than two dozen possible presidential candidates. On the Democratic side: Sen. Evan Bayh, Sen. Joseph Biden, Wesley Clark, Clinton, Tom Daschle, Sen. Christopher Dodd, John Edwards, Sen. Russ Feingold, Al Gore, Sen. John Kerry, Sen. Barack Obama, Gov. Bill Richardson, and Gov. Tom Vilsack. On the Republican side: Sen. George Allen, Sen. Sam Brownback, Sen. Bill Frist, Newt Gingrich, Rudy Giuliani, Sen. Chuck Hagel, Gov. Mike Huckabee, Rep. Duncan Hunter, McCain, Gov. George Pataki, Secretary of State Condoleezza Rice, Gov. Mitt Romney, and Rep. Tom Tancredo.

Denver Hopes To Land 2008 Democratic Convention. USA Today (11/10, Kenworthy, 2.27M) reports, "The Mile High City is hoping that a rising Democratic tide in Colorado and the West will lift its chances of hosting the party's 2008 convention." Officials "involved in Denver's bid for the convention say their prospects against rival New York City improved on Tuesday as Colorado voters put a decidedly Democratic stamp on the state." Democrats in Colorado "this week reclaimed the governorship after eight years of GOP rule, captured a House seat that had been Republican since 2002 and strengthened their majorities in the state House and state Senate. Colorado Democrats will hold four of seven U.S. House seats, a U.S. Senate seat and, for the first time since Dwight Eisenhower was president, control both the Legislature and governor's office."

Gingrich Emerging As "Top Conservative" For 2008. The Wall Street Journal (11/10, A4, Harwood, 2.04M) "Washington Wire" reports that the "ebbing fortunes" of Sens. George Allen, Bill Frist, and Rick Santorum have left ex-House Speaker Newt Gingrich the "top conservative prospect" for the 2008 Republican presidential nomination. "'He can win some primaries,' says Bush ad-maker Mark McKinnon," who is with Sen. John McCain's likely campaign.

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WSJournal Says Conservative Values Triumphant In Referenda. The Wall Street Journal (11/11, A6) editorializes, "Republicans took a drubbing in Tuesday's elections. But judging by the results of various referendums nationwide, some of the ideas they used to stand for are alive, well and popular among voters. The most significant moral victory comes in Michigan, where voters approved by a surprisingly lopsided 58-42 margin Proposal 2, which bars discrimination and preferential treatment 'in the operation of public employment, public education or public contracting.'" In California, "four measures that would have raised taxes in an already overtaxed state went down in flames. … Also encouraging were the nine states that passed anti-Kelo referendums. … What all this tells us is that while voters have delivered a partisan rebuke to a party that likes to describe itself as conservative, they still believe in low taxes, property rights and social conservatism -- so long as it is not extreme. There's a lesson here for the next crop of GOP candidates, assuming they're willing to pay attention."

US Commission on Civil Rights Vice Chair Lauds Michigan Vote. In a Wall Street Journal (11/11, A7) op-ed, US Commission on Civil Rights Vice Chair Abigail Thernstrom writes, "Ward Connerly has done it again: A striking 58% of Michigan voters gave the Michigan Civil Rights Initiative a thumbs up; only three counties voted against it. … The modern-day survival of racial preferences depends on sympathetic judges willing to spin dubious arguments and ignore widely available data on the pernicious impact of such preferences. But, this time, the University of Michigan may find itself without judicial recourse. The Supreme Court has never said that universities are constitutionally obligated to institute 'diversity' policies. Public universities are funded by taxpayers. And those taxpayers have spoken."

Trade Deficit Narrows. The Wall Street Journal (11/10, A2, Hitt, Whitehouse, 2.04M) reports, "Even as the overall US trade deficit narrowed in September, the country's imbalance with China continued to worsen, pointing to possible new tensions in trade policy making now that Democrats have retaken Congress. With the price of imported oil in sharp decline, the deficit fell 6.8% to $64.3 billion in September, the Commerce Department said yesterday. A broad easing of imports on the back of the first decline in oil prices in five months combined with a continued strong export performance to improve the trade picture." Yet "there were indications that the trade gap remains a problem. September's deficit, though down from August's revised record of $68.96 billion, was still one of the largest ever. And the rapidly ballooning deficit with China showed no sign of easing."

Stocks Down Yesterday. NBC Nightly News (11/9, story 8, 0:10, Williams, 9.87M) reported, "On Wall Street today the Dow was off more than 73 points [to close at 12,103.30]. Nasdaq was down almost nine points [to close at 8.93] in today's trading." The Wall Street Journal (11/10, C1, Browning, 2.04M) notes "the broad Standard & Poor's 500-stock index fell 0.53%, or 7.39 points, to 1378.33, still up 10.4% in 2006."

Wyoming Senator Hospitalized With Leukemia. The AP (11/10, Gruver) reports Republican Sen. Craig Thomas of Wyoming, "hospitalized since Monday with pneumonia, has been diagnosed with a form of leukemia, his spokesman said Thursday." Thomas "who was easily elected to a third term while in the hospital, issued a statement saying he will undergo treatment and plans to return to Congress in January." While hospitalized, "doctors noticed a low white blood cell count and a bone marrow biopsy revealed leukemia, cancer of the blood and bone marrow. Thomas was to immediately begin a four- to six-week course of chemotherapy and will remain at the hospital to reduce his risk of infection, his office said in a press release Thursday."

US Arms Makers Doubled Foreign Sales In One Year. The New York Times (11/11, Wayne, 1.16M) reports in its Business section, "Sales of military weapons by United States contractors to foreign governments doubled in the last year, as countries like Pakistan, Australia and Greece stepped up purchases of armaments and the United States government loosened policies to allow more American weapons to be sold on the world market. A total of $21 billion in arms sales agreements were signed from September 2005 to September 2006, compared with $10.6 billion in the previous year, according to new data compiled by the Pentagon." The foreign sales "have provided a welcome source of new revenue at a time when the Pentagon has indicated that the era of record military budgets is ending."

O'Malley Backs Racetrack Slot Machines In Maryland. The Washington Post (11/11, B1, Wagner)

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reports Maryland Gov.-elect Martin O'Malley called upon the state legislature "to legalize slot machine gambling at horse tracks, saying he was 'sick of this issue' but feared that the state's racing industry could collapse if lawmakers did not find common ground early in his term."

O'Malley Is Latest Baltimore Politician To Move On. The Washington Times (11/11, Miller) takes a sentimental look at Baltimore reign as "the nexus of Maryland political power" as its mayor prepares to head off to Annapolis.

Democratic Congress To Push For Shift In US Foreign Policy. The Washington Post (11/10, A7, Kessler, 690K) reports the Democratic takeover of Congress "will raise the profile of lawmakers who have repeatedly urged the Bush administration to talk to key adversaries such as Iran, North Korea and Syria, increasing pressure on the White House to stop placing restrictions or conditions on such discussions." The Post notes that incoming chairmen of the Senate and House Foreign Relations Committees -- Sen. Joseph R. Biden Jr. of Delaware and Rep. Tom Lantos of California, respectively -- have "long argued that the administration's approach to dealing with adversaries has hamstrung diplomacy," particularly in the cases of Iran, Syria and North Korea. State Department officials "said that yesterday they are open to ideas, but that the change in Congress will not directly affect administration policies."

Global Outlook Upbeat In Response To Election, Rumsfeld Resignation. In a separate article, the Washington Post (11/10, A6, Moore, Finn, 690K) reports, "For Europe and much of the rest of the world, US voters' repudiation of the Bush administration in midterm elections Tuesday and the dismissal of Defense Secretary Donald H. Rumsfeld on Wednesday confirmed the widespread view that President Bush and his policies have done more to tarnish America's image abroad and strain its global relations than any other US president in recent history." The "seismic political shift" in the US was "greeted in many places less with jubilation than with a sense of relief that Americans had at long last come to their senses." The Post adds that "political parties, government leaders, pundits and citizens from many countries seized on the return of a bipartisan government in the United States as a harbinger of welcome change in the Bush administration's policy of using the military."

Bush Reassures Calderon On Immigration Reform. McClatchy (11/10, Hall, Bachelet) reports President Bush "got an earful" from Mexican President-elect Felipe Calderon "about immigration restructuring and controversial legislation" that Bush signed authorizing construction of a fence along the US-Mexican border. However, Calderon said he would "try to keep immigration from drowning out other important issues," such as anti-narcotics cooperation and trade. He also expressed hope that "the new composition of the US Congress allows a solution to the (immigration) issues."

The Washington Times (11/10, Dinan, 88K) says Bush gave Calderon "an assurance…that he will push for a broad immigration bill that includes a new guest-worker program and citizenship rights for many illegal aliens." The Times also notes that "although he didn't criticize the fence in his remarks to reporters in the Oval Office," Calderon said "at a later press conference attended by Mexican and Spanish-language press that he told Mr. Bush the fence is a mistake."

Iran Says Tough Sanctions Could Force End To Nuclear Inspections. The Los Angeles Times (11/11, Murphy) reports, "A defiant Iran, calling the Republican defeat in the U.S. elections a 'landmark victory for the Iranian nation,' warned Friday that it would reassess its cooperation with international atomic regulators if the United Nations moved forward with comprehensive sanctions on Iran's nuclear program." Chief nuclear negotiator Ali Larijani was in Moscow trying to win "Russia's support for weakening or postponing the sanctions." He "said Iran remained ready for dialogue and warned against adopting the European group's sanctions resolution." Moscow "proposed significantly scaled-down sanctions amendments that would focus strictly on halting Iran's uranium enrichment and reprocessing activities and prevent the development of missiles to deliver nuclear weapons." The Russian "proposal would leave intact Russia's $1-billion civilian nuclear power plant under construction in the Iranian city of Bushehr, a key focus of Larijani's agenda in Moscow, analysts said."

Rice Urges Russia To Bridge Gap Over UN Sanctions On Iran. Bloomberg (11/10, Johnson) reports Secretary Rice "has spoken twice in the past week with her Russian counterpart to bridge differences over how to stop Iran developing nuclear weapons," Assistance Secretary Sean McCormack said Thursday. Noting that the Secretary has spoken by telephone with Russian Foreign Minister Sergei Lavrov on Nov. 8 and also last week, McCormack said, "She's doing her part to get this resolution over the goal line."

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When asked if Rice made any progress in her conversations with Lavrov, he said, "We're starting to chip away at some of the issues, but…this is multilateral diplomacy, it takes a little bit of time."

Rice Says US Unfazed By China's Growing Global Role. AFP (11/10) reports Secretary of State Condoleezza Rice "played down concerns over the spread of Chinese influence around the globe, saying it was better for China to have friends in the world than enemies." In an interview with Singapore's Strait Times newspaper, Rice said, "I'd like to have China have friends in the world, it's better than having China have enemies in the world. There have been times when we worried about the opposite -- that China would be a destabilizing factor in the world So I would rather see a China that is trying to reach out, that's trying to have friendships around the world." As President Bush prepares to meet with Chinese President Hu Jintao at next week's APEC summit, Rice "said Washington still harbored concerns about China's role."

Friedman Says China To Dominate US Politics In 2008. New York Times (11/10, 1.16M) columnist Thomas Friedman says China is "the country that's most likely to shape US politics in 2008." The rise of China and India, he says, will be the "trend that historians will cite as the most significant" of the current era, and "how the world accommodates itself to these rising powers, and how America manages the economic opportunities and challenges they pose, is still the most important global trend to watch." And while "the Bush team's focus on Iraq and terrorism, coupled with the Democrats' lack of control over either house of Congress, has kept China-US relations largely out of the headlines and on a relatively even keel during the Bush II years," the Democrats' return to control of both the House and Senate "will change that."

US To Resume Training Of Latin American Militaries. USA Today (11/10, Slavin, 2.27M) reports on its front page that "concern about leftist victories in Latin America has prompted President Bush to quietly grant a waiver that allows the United States to resume training militaries from 11 Latin American and Caribbean countries. The administration hopes the training will forge links with countries in the region and blunt a leftward trend."

In "Precarious Position," Ortega Said To Balance Competing Demands. In an analysis of Daniel Ortega's election as president of Nicaragua, the New York Times (11/11, A3, McKinley) reports that, in Latin America, "the stubbornness of old cold warriors in Washington and the equal tenacity of leftist governments in Cuba and Venezuela have kept a miniature cold war going. Just as it was 20 years ago, Nicaragua now finds itself smack in the middle of the conflict with the election this week of" Ortega. He "faces a balancing act no politician would envy, both inside the country and on the world stage." While he must "satisfy his supporters" and "remain friendly with his leftist allies," Ortega "can ill afford to lose more than $50 million a year in United States aid or credit from the International Monetary Fund. Neither can Nicaragua, one of the poorest countries in the hemisphere, jettison the newly approved free trade agreement between Central American countries and the United States. Just to survive economically, this nation of some 5.6 million people needs to continue exporting textiles and fruit to the United States and receiving remittances from Nicaraguans in the north." His "precarious position may explain the careful nuance in his recent speeches," with the Times saying Ortega "is walking very softly and speaking in dulcet tones." He "has taken pains to calm businessmen, assuring foreign investors on Wednesday that he will protect property rights in exchange for help combating poverty," but he has "made it clear that he would not be Washington's lackey." The Administration "has taken a wait-and-see attitude in the face of what seems like two different Ortegas."

White House Adopts "Wait-And-See" Approach With Ortega. The Washington Times (11/10, Gentile, 88K) reports the Bush administration has "adopted a wait-and-see approach toward relations with Nicaragua after the return to power of former White House foe Daniel Ortega." Although some US lawmakers "expressed fears" before Sunday's vote, US officials said "after a clear victory" they would "respect the decision of the Nicaraguan people." State Department spokesman Eric Watnik said the administration is "willing to give the benefit of the doubt" to Ortega.

NYTimes Says Power, Not Ideology, Motivates Ortega. In an editorial, the New York Times (11/11, A14) calls Ortega "an old-style Latin American strongman who, we fear, will further weaken Nicaragua's democratic institutions and retard economic progress. Washington's challenge will be to figure out how to help curb Mr. Ortega's authoritarian

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impulses without pushing him into Mr. Chávez's arms." Ortega "had to use a series of political maneuvers and dirty tricks to ensure his victory," and, the Times concludes, while he "was once pro-Marxist, now he's pro-Ortega. And that's the problem."

Columnist Praises Advances Made By Opposition Party. Wall Street Journal (11/10, A17, 2.04M) columnist Mary Anastasia O'Grady says Ortega's victory "has demoralized Nicaraguans who were hoping that the days of thuggish Sandinista government might be behind them. Yet despite the disappointment of an Ortega comeback, there are reasons not to paint the country with the broad brush of defeat in the aftermath of the election." For example, she says candidate Eduardo Montealegre's Liberal Nicaraguan Alliance (ALN) has "accomplished something big for Nicaraguan democracy by unseating the corrupt PLC as the country's main center-right party and establishing itself as a credible force against the Sandinistas."

Security Council To Vote On Gaza Offensive Resolution. The AP (11/11, Bergman) reports the UN Security Council "will vote [today] on an Arab-backed draft resolution condemning the Israeli military offensive in Gaza and demanding a withdrawal of Israeli troops from the coastal strip, a European diplomat said." That text "was softened somewhat from a version being circulated earlier this week," but "diplomats said Friday there remained concerns among some of the council members about the language of the draft, making passage uncertain." Qatar proposed the text, which "calls for Israel to immediately cease its military operations in the Gaza Strip and withdraw its troops. It also calls upon the Palestinian Authority to take 'immediate and sustained action' to bring an end to violence, including the firing of rockets on Israeli territory." The resolution would ask the UNS to establish a "'fact-finding mission' to probe Wednesday's attack in Beit Hanoun, and asks the international community to restart the peace process with the 'possible establishment of an international mechanism for protection of the civilian populations.'"

Haniyeh's Resignation Offer Could Auger Unity Government. The AP (11/11, Barzak) notes Palestinian PM Ismail Haniyeh "said Friday he would be willing to sacrifice his job if the international community would lift economic sanctions that have crippled his Hamas-led government." Those remarks were "the latest indication that the Islamic Hamas group was nearing a deal to form a national unity government with Palestinian President Mahmoud Abbas' moderate Fatah Party that would be made up of independent experts. Such a coalition would presumably present a more moderate face to the world and convince the West to restore hundreds of millions of dollars in international funding." Also, Abbas spoke yesterday with Hamas "supreme leader" Khaled Mashaal, and a Hamas official "said their discussion indicated the sides were nearing agreement."

Merkel Says Berlin Will Revive Quartet Next Year. The Financial Times (11/11, Williamson) reports remarks by German Chancellor Angela Merkel that her nation "will try to advance the Middle East peace process next year by reviving the joint diplomatic efforts in the region by the US, European Union, Russia and the United Nations." She said publicly that "Germany would use its EU presidency from January onwards to breath new life into the Middle East 'Quartet' involving these four international interests." Government "officials said the chancellor's comments reflected frustration in Germany and the EU that the quartet had been largely inactive in recent months, despite the tensions and violence in the Middle East." Merkel's announcement followed repeated suggestions by [Foreign Minister Frank-Walter Steinmeier] that the quartet structure be revived, in particular to draw Washington into broader international initiatives in the Middle East." He has "argued" that "its mandate could be expanded to include related regional conflicts, such as that between Israel and Lebanon."

Palestinians Protest Attacks As Olmert Seeks Meeting With Abbas. The CBS Evening News (11/9, story 6, 0:25, Couric, 7.66M) reported, "In Gaza, tens of thousands of Palestinians took to the streets many calling for revenge following an Israeli attack that killed 18. The shells were meant to take out Hamas rockets, but instead hit several homes. Israel's Prime Minister blames the mistake on a technical failure."

The New York Times (11/10, A3, Fisher, 1.16M) reports Israeli Prime Minister Ehud Olmert Thursday said he was "very uncomfortable" and "very distressed" by the incident, and "offered to ease tensions by meeting the Palestinian president 'anytime, anyplace.'" Saying that he had "personally investigated" the artillery strike, Olmert called the shelling Wednesday a "mistake" caused by "technical failure." Olmert also said Palestinian President Mahmoud Abbas "will be surprised when he will sit with me of how far we are prepared to go. I can offer him a lot." Although he offered no further explanation, the Times says "his words seemed to reflect

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deep embarrassment at the deaths, mostly of women and children." Abbas did not immediately respond to Olmert's offer.

Olmert Says Israel Won't Stop Targeting Gaza. The AP (11/10, El Deeb) reports Olmert also said Thursday Israel "will keep targeting Palestinian rocket squads in Gaza despite the risk of inadvertently hitting civilians." Although he "regrets the latest deaths," the prime minister said Israel will "press ahead with strikes" against Palestinian militants. Also Thursday, Palestinian President Mahmoud Abbas "picked up the phone and called his main political rival, Hamas' supreme leader Khaled Mashaal," in a move the AP said "could help prevent the Islamic militant group from renewing attacks on Israel and also pave the way for a moderate Palestinian government."

Hamas Has "Big Stake" In Truce With Israel. In an analysis, the AP (11/10, Gutkin) says Hamas' threats to resume attacks inside Israel are "playing well on the Palestinian street, but the group has a big stake in keeping its truce with Israel as it struggles to end a Western aid boycott and transform itself into a legitimate political power. Hamas is already moving ahead with efforts to form a national unity government with the rival Fatah Party," which the AP says "would presumably project a more moderate face to the world."

NYTimes Calls Bush, Rice Responses "Woefully Inadequate." In an editorial, the New York Times (11/10, 1.16M) says though "there have never been easy answers for how to broker peace between Israel and the Palestinians," the "horrifying price of ignoring the problem was made clear again this week when errant Israeli tank shells crashed into a Gaza neighborhood, killing 18 people, including seven children, as they slept." After Hamas's military wing called for retaliatory attacks on American targets, the Times says "analysts were trying to figure out which was the most immediate danger: a new wave of terrorist attacks against Americans, the start of a full scale Israeli-Palestinian war, or a civil war between Hamas and its rival Fatah if talks on forming a unity government fail." In such times, the Times says President Bush's call for "care and restraint" on all sides "seems woefully inadequate. That is also how we would describe Secretary of State Condoleezza Rice's sterile tour of the region last month. Since her return, the administration has not taken a single step to revive peace talks." Therefore, it urges Bush "to pledge his prestige and the full resources of his remaining presidency to negotiating a Middle East peace. Even before Mr. Olmert visits Washington next week, Mr. Bush should send Ms. Rice back to the region to broker an immediate cease-fire."

Jerusalem's Gay Community Gathers Under Heavy Security. The New York Times (11/11, A7, Myre) reports, "After Supreme Court rulings, criticism from the Vatican and several nights of rioting by angry opponents, Jerusalem's gay community held a small, orderly rally Friday under a heavy police guard." The "venue was changed twice as the police sought a secure area, well away from an Orthodox Jewish neighborhood where youths have rioted in opposition to the event." The Times calls the event "much more modest than the original plan, which had called for a large march through the city center, and organizers and participants were divided on whether to declare it a full success." The march "was again marked by staunch opposition from Jewish, Muslim and Christian leaders, who rarely find points of agreement. … In liberal, secular Tel Aviv, gay-themed events take place without a ripple. But in Jerusalem, there is always friction," including the cancellation of last year's gay festival because of opposition and the subsequent stabbing of three marchers by an Orthodox anti-gay activist.

Under the headline, "Israeli Gay Rights Parade Called Off," the Los Angeles Times (11/11, Boudreaux) notes, "For days, Israeli television aired images of ultra-Orthodox Jews in black suits and hats, pelting police with stones and setting cars afire in a crusade against a planned gay pride march through Jerusalem." That "battle ended Friday in a setback for Israel's gay community, which bowed to police and rabbinical pressure to take the annual event off the streets and confine it to a stadium. Nearly 4,000 revelers waved rainbow flags and danced to live rock and rap music, but the mood was dampened by a sense of retreat." The controversy over the march "reflected a sharp divide in Israeli society."

Lebanese Government Considering UN Proposal For Hariri Assassination Court. The New York Times (11/11, A7, Hoge) notes the UN "delivered a draft document to the Lebanese government on Friday outlining the framework of an international tribunal to try suspects in the assassination of the country's former prime minister, Rafik Hariri." That "draft arrived in Beirut at a moment of heightened political tension. The Syrian-supported Hezbollah militia is seeking more power in the

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government and is not eager to see the tribunal go forward." The Times says the "final draft does not include an earlier mention of the possibility of trials on crimes against humanity. But among the crimes the tribunal can judge, the draft lists acts of terrorism, crimes and offenses against life and personal integrity, illicit associations and failure to report crimes or evidence of conspiracy." The concept "was approved this week by the five permanent members of the Security Council after procedural objections from Russia were met over how the judges and prosecutors were to be chosen." UN prosecutor Serge Brammertz's "investigation has already implicated senior Lebanese and Syrian security officials, though Syria has denied any role." The inquiry "has concluded that the Hariri killing was highly organized and planned by professionals with past experience in such activities."

Emirati Female Cabinet Minister Becomes Role Model For Region's Women. The New York Times (11/11, A4, Fattah) profiles Sheika Lubna al-Qassimi, minister of economy and planning for the United Arab Emirates and the nation's first female Cabinet member. "After decades of pushing the barriers in a region where women have traditionally been kept out of the public sphere, Sheika Lubna now towers as one of the country's most influential women." Hers is "a particularly important position in a nation that is a major oil producer and relies so heavily on foreign investment, and where the economy continues to boom." In spite of her work and travel schedule, "she has remained conscious of her role in chipping away at the restrictions women face in" the Middle East. Noting that the UAE has "one of the fastest growing economies in the Middle East" and is "one of the most open societies in the Persian Gulf," the Times say Sheika Lubna "has sought to prove to women here that they, too, must begin assuming a greater role in public life." Despite being a wealthy aristocrat, she "chose the hard way," studying in California and building a computer programming career in Dubai. The Times adds, "As she set out to advocate for the Emirates, people at home, especially young women seeking to break out of the traditional mold, saw a different message: it was time to rise to the challenge."

Euro Referendum Decision Could Worsen Polish-EU Relations. The Wall Street Journal (11/11, A4, Champion, 2.04M) notes Warsaw "plans to hold a referendum on whether to join the European Union's common currency, the euro, in 2010, adding to concerns over the commitment level of the EU's biggest new member." Polish rejection of the euro "would follow a precedent set by Sweden, which has voted not to join the euro despite a legal obligation to do so. But Poland's plan is just the latest move by President Lech Kaczynski and his twin brother, Prime Minister Jaroslaw Kaczynski, to put Poland at loggerheads with the EU." Polish officials predict the nation will meet euro entry criteria in 2009. The Journal says "the decision to hold a referendum raises a question about Poland's membership intentions. The referendum would be held in the same year as Polish presidential elections, making the euro issue highly political."

Greek Cypriots Demand EU Renounce Turkish Trade Ban. The Washington Times (11/11, Borowiec) reports, "The battle of wills over Turkey's European Union membership application heightened yesterday after the government of Cyprus warned that the bloc's credibility was at stake if it tolerates Ankara's ban on Greek Cypriot air and sea traffic." Foreign Minister George Lillikas "termed Ankara's refusal to open its harbors and airports to Greek Cypriot ships and planes a 'provocation' which the EU should not tolerate." The EU "has given Turkey a month to liberalize trade links with all 10 countries that joined in 2004, including Cyprus." This week's "stinging" EU report on accession progress "also criticized Turkey's penal code, corruption, human rights record and the interference by the military in politics." EU expansion commissioner Olli Rehn "warned that a one-month deadline given Turkey to change its policy 'is likely to be the last opportunity to make real, serious progress for some years to come' on the Cyprus question, which emerged as a major obstacle in Turkey's EU hopes."

US Pans UN Human Rights Council's Performance. The AP (11/10, Bergman) reports Washington "sharply criticized the new U.N. Human Rights Council on Friday, calling it a 'disappointment' and saying it has failed to address serious violations in its first few months of operation — particularly in Sudan's Darfur region. Sudan responded with a harsh condemnation of the U.S. human rights record and said Washington had no right to judge the effectiveness of the U.N. agency." USUN's Miriam Hughes "criticized the council for a 'slow and discouraging start,' saying it has 'accomplished little that will make a concrete and significant difference in the lives of millions around the

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world.'" The AP continues, "Referring to the two special sessions the council has held to discuss alleged human rights violations by Israel, she said some nations view the council 'as just another arena in which to play political games.'" In contrast, "speaking on behalf of the EU, Finnish Ambassador Kirsti Lintonen told the General Assembly the council had addressed many important issues since its inception."

US-Russia Deal Clears Way For WTO Accession. Major newspapers gave extensive coverage to the US-Russia bilateral trade agreement that advances Moscow's accession to the World Trade Organization. The Washington Post (11/11, D1, Finn, Goodman) calls its "a landmark trade agreement" that is "substantially advancing Moscow's pursuit of World Trade Organization membership and cementing the position of the former Communist giant in the global economy." The Post calls the deal "a victory for President Vladimir Putin, who has chafed at Russia's exclusion from the WTO," and the Administration "characterized it as a milestone in the evolution of Russia from erstwhile Cold War enemy to a growing trading partner." The Post notes that Russia's "inclusion" in the WTO "would be a major advance in the development of a global body devoted to seeking reduction of tariffs and promoting trade around the world." However, this "deal will not finalize Russia's decade-old quest for WTO membership. The Kremlin still must finish bilateral negotiations with three other countries, Costa Rica, Moldova and Georgia," and the latter "in particular is likely to try to use Russia's desire for WTO membership as leverage in negotiations." The Post adds, "If Russia satisfies Georgia's objections and reaches agreements with Moldova and Costa Rica, it will still confront further multilateral negotiations within the WTO, giving all countries -- including United States -- another chance to extract trade concessions."

The New York Times (11/11, C1, Kramer, Andrews) notes US and Russian negotiators are "crossing the final big hurdle in the stop-and-go cycle that has marked the process since Moscow began its application shortly after the collapse of the Soviet Union." Putin "has repeatedly said that joining the 149-member W.T.O. was a major foreign policy goal, though Russia's oil-driven economy will get few direct gains from membership."

The Wall Street Journal (11/11, A3, Chazan, 2.04M) reports the "landmark deal" is "paving the way for Russia to join the [WTO] -- a goal that Moscow has doggedly pursued for the past 12 years and that has been one of the key objectives of Vladimir Putin's presidency." Such a "breakthrough" would eliminate "a major irritant in relations…that have been strained by disagreements over Iran and U.S. accusations that Russia is backsliding on democracy and human rights and using energy to bully its neighbors." Kremlin "officials said delegations of both countries were trying to make sure the deal would be ready for signing when Mr. Putin and President Bush meet during the [APEC] Forum summit in Hanoi, Vietnam during the week." Joining the WTO "would mark a milestone for Russia, demonstrating to the world that it adheres to the rules of global trade, has eradicated the last vestiges of socialism and is fully integrated into the world economy."

The Financial Times (11/11, Buckley, Beattie, Callan) adds Washington and Moscow "agreed in principle on the terms for Russian [accession], giving a significant boost to Moscow's hopes of joining the 149-nation body after 13 years of talks. … Russia, which has enjoyed an oil-fuelled economic recovery in the past eight years, is the last big market outside the aegis of the WTO." The Times notes, "Analysts had warned any deal could face difficulties winning approval in Congress, particularly after both houses came under Democratic control this week. Congress must repeal the 1974 Jackson-Vanik amendment, which subjects Russia's trading status to annual review, to ensure Russia is granted permanent normal trading relations by the US. But a Bush administration official characterised meetings with Democratic leaders on Friday to brief them on the deal as 'positive.'"

The AP (11/11, Aversa) notes, "A longtime economic goal of Russia — entry into the [WTO] — moved a crucial step forward Friday as U.S. and Russian trade negotiators reached agreement." Accession "would mean Russia would receive the same favorable tariff rates for its products as other members. Other countries also would have to follow WTO rules in trade disputes with Russia. And, Russia — a big exporter of oil and gas — would have to abide by WTO's trade rules." Bloomberg (11/11, Drajem, Alison) says a US-Russia deal will remove "one of the last hurdles for an agreement that may add $10 billion a year to the Russian economy." However, "two other obstacles remain: Russia must overcome Georgia's opposition to its entry to the world trade arbiter, and the U.S. Congress must vote to grant Russia

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permanent, normal trade relations if the two countries are to enjoy all the benefits of the trade opening."

The Washington Times (11/11, A1, Hirsch) adds, "As a [WTO] member, the Russian economy stands to grow by $10 billion annually through increased trade and foreign investment." USTR said the two sides "resolved issues over U.S. meat and poultry exports, and Russia agreed to cut tariffs on manufactured goods… The cuts are expected to help U.S. sales of civil aircraft and parts, medical and scientific equipment, agriculture, power generation, construction equipment, information technology, and chemicals."

Boucher Says Washington Committed To India Nuclear Pact. The AP (11/10) notes Assistant Secretary of State Richard Boucher "said Friday that Washington is eager to finalize a civilian nuclear pact with India, and urged it to work with neighboring Pakistan in the fight against terrorism when they resume peace talks next week." Boucher "said he was 'very hopeful' the matter would be taken up by the outgoing Senate. 'We want to do it as fast as possible because it is important to the U.S.,' he told reporters in New Delhi." AP says the agreement "is seen as a cornerstone of the emerging alliance between New Delhi and Washington after nearly a half-century of Cold War estrangement," and says it "has strong supporters in both U.S. political parties and was overwhelmingly endorsed by the House of Representatives in July." The pact "reverses decades of U.S. anti-proliferation policy by shipping civilian nuclear technology to India in return for safeguards and inspections at certain nuclear plants. Critics say the deal would ruin global nonproliferation efforts."

Court Grants Light Sentences To Vietnamese-American Detainees. The AP (11/11, Mason) reports Vietnamese authorities "defused a political storm yesterday by issuing light sentences to three Vietnamese-Americans convicted of terrorism, preventing the closely watched case from clouding President Bush's visit next week." The Americans were sentenced to time served, as were their four Vietnamese national co-defendants, and will be deported next month. The sedition "case had attracted Washington's attention just before Mr. Bush and Secretary of State Condoleezza Rice planned to make their first visit to Hanoi for the 21-nation Asia-Pacific Economic Cooperation (APEC) summit." US Ambassador Michael Marine is quoted saying, "I am certainly pleased that they will be sent home. These individuals have been held for quite some time. That is allowed under Vietnamese law, but 14 months without being brought to trial is a long time for anyone." The AP notes a drawn-out case may have complicated the US Senate's vote to normalize trade relations with Vietnam, a prerequisite to WTO accession.

US Seeks To Revive Free Trade Talks At APEC Summit. The Wall Street Journal (11/11, A2, Hookway) reports that, "while North Korea will be in the spotlight" at next week's APEC Leaders Summit, "some substantive negotiating may be taking place on the sidelines to break another international impasse: how to revive global free-trade talks." US officials are "hoping to use the Hanoi gathering … to kick-start discussions on a long-term goal of creating a Pacific-wide free-trade area." While an "initial foray" into such a grouping "foundered" because "there wasn't enough appetite for a separate free-trade agreement focused on Pacific Rim countries," Japan and some others may now back the initiative. The Journal calls the APEC Summit "a useful venue to try to renew momentum for liberalizing trade and call for a resumption of the Doha round. Treasury Secretary Henry Paulson has already traveled to Vietnam to meet with other Pacific Rim finance ministers and put free trade firmly back in play." However, the Journal adds, "the Asian countries have plans of their own, and they don't necessarily include the U.S."

US Looking For Compromise On UN Force For Darfur. AFP (11/10) reports Washington "said it was considering compromises on the make-up of an international peacekeeping force for Darfur after Sudan rejected demands for deployment of UN troops." State Department spokesman Sean McCormack said Washington still wanted United Nations "involvement" in the Darfur force, "but he did not reiterate past US insistence the peacekeepers be deployed formally under the world body's banner." McCormack said US officials are "taking a look at how we can address the various concerns that have come up from the Sudanese government, as well as others in the region, about the nature of this international force."

US Figure Skater Selected As Good Will Ambassador. The New York Times (11/10, A8, Cooper, 1.16M) reports, "During the cold war, the State Department called on the Harlem Globetrotters to travel as good-will

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ambassadors to counter hostile images of America around the world. ... And during these troubled times? America's newest good-will ambassador is Michelle Kwan, the figure skater." The Times notes that "while many of the public diplomacy efforts by the United States in the past few years have been directed toward the Muslim world, it was unclear on Thursday whether Ms. Kwan would be sent to Iraq or Afghanistan."

Samuelson Calls For Candor On Global Warming. In his Washington Post (11/10, A31, 690K) column, Robert J. Samuelson writes that when it comes to global warming, "we need more candor. Unless we develop cost-effective technologies that break the link between carbon dioxide emissions and energy use, we can't do much. Anyone serious about global warming must focus on technological progress -- and not just assume it. Otherwise, our practical choices are all bad: costly mandates and controls that harm the economy, or costly mandates and controls that barely affect greenhouse gases. Or, possibly, both."

Ahtisaari Pushes Kosovo Final Status Plan To 2007. In a brief piece, the New York Times (11/11, A6, Wood) notes former Finnish Prime Minister Martti Ahtisaari "said he would hold back his recommendations — with independence or autonomy as options — until after parliamentary elections in Serbia, called earlier in the day for Jan. 21." While a final status plan "was to have been accomplished by the end of this year," some "diplomats have been concerned that it might increase support for Serbian ultra-nationalists in the elections." The Times adds that "Kosovo's ethnic Albanian leaders are also uneasy," and Kosovo Prime Minister Agim Ceku "said his government might unilaterally declare independence if negotiations fail to give them statehood."

WPost Urges Support For Kosovo Independence. In an editorial, the Washington Post (11/10, A30, 690K) notes that the Serbian parliament formally adopted a new national constitution on Wednesday that "included a preamble that would have warmed [Slobodan] Milosevic's heart: a declaration that the province of Kosovo, which Serbia in effect lost seven years ago, is an 'integral' and 'inalienable' part of the country." The Post says, "By incorporating a claim to Kosovo into a new constitution, Serbia's leaders staked out yet another of the reckless nationalist stands that have caused their country so much damage in the past 15 years. They also set the stage for some difficult and potentially dangerous diplomacy between the Bush administration and Russia over the next two months." But the Post warns that "putting off Kosovo's independence would only enrage the province's 2 million Albanians and trigger the Balkan meltdown that the West hopes to avoid. It would also encourage Mr. Putin's growing tendency to use threats -- whether of energy-supply interruptions or violence -- to get his way with the West."

British, Irish Officials Claim Success In Meeting First Ulster Talks Goal. The New York Times (11/11, A7, Quinn) reports British and Irish officials "seized on guarded words of support from Northern Ireland's feuding Protestant and Roman Catholic political parties, saying that enough progress had been made by the first deadline they had set in a timetable for restoring local rule for the province that they could proceed to try to meet the next one." However, "a dispute about policing is casting doubt on whether the Democratic Unionist Party…and the main Roman Catholic party, Sinn Fein, can reach agreement by Nov. 24, when they are to nominate leaders for the power-sharing government." Officials from London and Dublin "said that they were satisfied that party statements had indicated support for a government," and "said that the St. Andrews Agreement remained the basis of reaching their goal."

In more negative tones, the Los Angeles Times (11/11, Murphy) reports, "The first key deadline for implementing a new power-sharing plan in Northern Ireland passed Friday with the parties still at loggerheads, but Britain and Ireland said they were satisfied that the pact 'represents the basis for a political settlement' of the long-running conflict." Sinn Fein and the DUP "only signaled conditional acceptance, apparently stuck on the same issue that has forestalled an agreement from the beginning: the unionist party's insistence that Sinn Fein endorse the local police force — with which its military wing, the Irish Republican Army, was virtually at war for years — before joining the government." Sinn Fein "has said it is prepared to accept the police force once it is assured that concrete reforms are in place, a timeframe is established for handing over control of the police to local authorities, and after the party's membership has agreed to take such a step."

US Military Official Claims Somalia Could Slide Further Into Anarchy. The New York Times

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(11/11, A6, Gettleman) carries comments by an anonymous "senior American military official" that "painted a dire picture of the escalating tensions in Somalia." The official "said the United States was at a loss about what to do," and "aid the current situation was even more explosive because it threatened to drag in Somalia's neighbors." The Times notes the nation "once again is at a crisis point, with rising prospects of a major war between the weak, so-called transitional government and the increasingly powerful Islamic forces that rule Mogadishu, the capital." However, the source "did not go as far as saying war was imminent or inevitable. The official and diplomats here in Nairobi have pointed to talks this week between the speaker of the transitional Parliament and top Islamic clerics as a speck of hope."

Norwegian Refugee Council Leaves Darfur. The Washington Post (11/11, A21) notes the Norwegian Refugee Council "said Friday that it was closing its humanitarian operations for nearly 300,000 people in Darfur because it was impossible to work in the troubled region of western Sudan." They "cited 'frequent disruption' of its work, saying it had been suspended five times for a total of 210 days since it started operations in mid-2004." NRC had been running two refugee camps serving a combined 228,000 people. The Post adds, "Aid agencies have repeatedly complained about government interference in their work in Sudan," and "rebels also have been accused of interfering with aid, in some cases by kidnapping aid workers."

WPost Says US Must Reinvigorate Darfur Peace Process. In an editorial today, the Washington Post (11/11, A26) says Sudanese authorities have "proved impervious to U.S. pressure." The regime's "back is against the wall, and it is prepared to be ruthless -- particularly so long as China, Russia and the Arab states provide diplomatic cover." The Administration "should certainly assemble commitments of peacekeeping troops and call Sudan's bluff. But it should also attempt to revive the failed Darfur peace plan negotiated this year, for without peace even a large peacekeeping mission may be doomed." To get the rebels to the table, "the United States needs to work with Sudan's diplomatic enablers in Beijing, Moscow and the Arab capitals." The Post concludes, "Darfur's violence is spilling into Chad and could precipitate the collapse of that country's government. It is also contributing to the risk of renewed north-south fighting. If there is no solution in Darfur, the world will witness Darfur-like atrocities elsewhere on a scale appalling to imagine."

LATimes Says Nigeria's Obasanjo Should Step Down When Term Ends. In an editorial, the Los Angeles Times (11/11) calls Nigerian President Olusegun Obasanjo his nation's "savior, and menace." He "has done more for Nigeria than any leader in its modern history," but his "legacy is endangered" by his attempts to prolong his rule. Obasanjo "has shown a worrying reluctance to step down as planned in April 2007," and that initiative could "perhaps plunge his country into civil war." The Times concludes, "Which course the Nigerian president takes will affect more than his legacy and his nation." Obasanjo "has a chance to become a respected elder statesman who could influence continental politics long after leaving office and bring much-needed international attention and aid to Africa. Or he could be another in a long line of Nigerian despots, cursed by his people and forgotten by history.

LATimes Says Delay In Turkey Bid To EU Would Be "Unfortunate." The Los Angeles Times (11/10, 850K) editorializes, "On Wednesday, the European Commission released a progress report on Ankara's bid to join the European Union. It was highly critical of the pace of Turkey's reforms on issues such as freedom of speech and its failure to recognize Cyprus. Cyprus is indeed the stumbling block of the day, but there is a more fundamental resistance across much of Western Europe to the idea that Turkey could join the EU. The EU is still digesting 10 new Central and Eastern European members with a lower standard of living, and there are some understandable concerns about absorbing 73 million Turks on the continent's periphery." However, the Times says a decision by EU commissioners at a summit in mid-December to "suspend accession talks with Turkey for a year or more" would be "unfortunate — for both sides of this courtship."

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:

"Decrepit Healthcare Adds To Iraq's Mounting Toll."
"Warner's L.A. Cable Gets Static."
"Looking For A Tour Of Redemption."
"May Our Machine Take Your Order?"

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New York Times:
"Democrats, Engaging Bush, Vow Early Action Over Iraq."
"Treasury Chief Set To Seek Deals."
"What's Wrong With A Child? Psychiatrists Often Disagree."
"Slow Home Grants Stall Progress In New Orleans."
"Clearing A Path From Desktop To The Recycler."
"Ex-Quarterback Thrives As Lobbyist."

Washington Post:
"Defense Department To Reevaluate Iraq Plan."
"Democrats Win Bigger Share Of Religious Vote."
"Elections Leave Bitter Aftertaste In Pr. George's."
"Georgetown 'Apostles' Rowhouse Rebellion."
"Religious Immunity To Zoning Laws Cited."
"Democrats Have One Tax In Mind."
"Recent Attacks Shred Hopes In Pakistan."

Washington Times:
"Marines, Bush Dedicate Museum."
"Al Qaeda Gloats Over U.S. Election."
"Steele Still A Main Attraction."
"Episcopal Parish, Diocese Reach Accord."
"Anna Nicole Heats Up Bahamas In Voting Season."

Story Lineup From Last Night's Network News:
ABC: Bipartisan Cooperation; Democratic Economic Initiatives; Tracking Terror Plots; War And Violence In Iraq; Marine Honored; Wired World; World War II Veterans Honored.
CBS: Al Qaeda Terror Plots; Terror Plot Analysis; Politics And Violence In Iraq; LAPD Video Investigation; Gulf War Disease Link; Leukemia Deaths; Marine Boot Camp; Juvenile Etiquette In California.
NBC: Change In Iraq War Policy; Medal Of Honor Awarded; Democratic Congress; McCain Presidential Campaign; London Terror Plots; Election Analysis; Christmas Economy; Navy Seal Honored/ Families Remembered.

WASHINGTON'S SCHEDULE

Today's Events In Washington.
White House:
PRESIDENT BUSH -- Highlights: 10:45 a.m. President and Mrs. Bush depart The White House en route Arlington National Cemetery. 10:55 a.m. President and Mrs. Bush arrive Arlington National Cemetery. 11 a.m. President and Mrs. Bush participate in Wreath Laying Ceremony. Arlington National Cemetery, Arlington, Va. 11 a.m. Participates in wreathlaying ceremony. Arlington National Cemetery. 11:15 a.m. Makes remarks on Veterans Day. Arlington National Cemetery, Arlington, Va. 12:10 p.m. President and Mrs. Bush depart Arlington National Cemetery en route The White House. 12:20 p.m. President and Mrs. Bush arrive The White House.
VICE PRESIDENT CHENEY – No public schedule.
US Senate: No scheduled events.
US House: No scheduled events.
Other: VETERANS CONFERENCE _ The American Veterans Center's holds its Ninth Annual Conference. The event includes three full days of speakers devoted to each era from World War II through today; wreath laying ceremonies at the World War II, Korea and Vietnam War memorials; and evening receptions. Location: Hyatt Regency-Crystal City, 2799 Jefferson Davis Highway, Arlington, Va. Contacts: Tim Holbert, 202-777-7272 ext 220.

7 a.m. The Muslim American Veterans Association lays a wreath. Vietnam Memorial, Area 5. Contact: S.g. Abdul-Mateen, 301-213-2994.

8 a.m. Observance at the World War II Memorial, 17th St. between Constitution and Independence Aves. NW.

9 a.m. - 12 p.m. Storytelling at the Vietnam Women's Memorial. Arlington National Cemetery.

10 a.m. - 5 p.m. The Military Families Speak Out organization holds an event to honor American and Iraqi casualties of the Iraq war. National Mall between 14th and 15th Sts at Constitution Ave., near the Washington Monument. Contact: Ateqah Khaki, 212-260-5000.

10:30 a.m. Observance at the First Division Memorial. Grassy Panel at 17th St. south of E St. NW.

11 a.m. Veterans Day Observance. Wreath laying at the Tomb of the Unknown Soldier, folowed by a ceremony in the Memorial Amphitheater, Arlington National Cemetery. Note: Media must choose one of the other. RSVP required by Noon, Nov. 9, 703-607-8574. Pre-cabling on Nov. 8, 8am-3pm.

11 a.m. 82nd Airborne Division Association lays a wreath at the World War II Memorial. 17th St. between Constitution and Independence Aves. NW.

11 a.m. Deputy Homeland Security Secretary Michael Jackson will speak at the annual U.S. Coast Guard Veterans Day wreath laying ceremony. Arlington National Cemetery, USCG World War I Memorial, Arlington, Va.

12:30 p.m. Observance at the African-American Civil War Memorial. Time TBA. Vermont Ave. and U St. NW.

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1 p.m. Veterans Day Observance at the Vietnam Veterans Memorial Wall. With Air Force Secretary Michael Wynne; Jan Scruggs, president, Vietnam Veterans Memorial Fund; Surgeon General Kenneth Moritsugu; former astronaut Capt. Frederick Hauck; Navy Seabee Elizabeth Lopez, USNR; and others.

1 p.m. Observance at the Navy Memorial. 701 Pennsylvania Ave. NW.

2 p.m. Observance at the National Japanese American Memorial. Louisiana and New Jersey Aves. and D St. NW.

3:30 p.m. Women in Military Service for Americda Memorial observance.

4 p.m. 1st Calvary Division Association lays wreath at the World War II Memorial.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: SATURDAY, NOVEMBER 11, 2006 7:45 AM EST

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TERRORISM NEWS:

Senate Seen Unlikely To Approve Warrantless Wiretaps. The AP (11/11, Kellman) reports, "Legislation aimed at President Bush's once-secret program for wiretapping U.S.-foreign phone calls and computer traffic of suspected terrorists without warrants shows all the signs of not moving ahead, notwithstanding President Bush's request this week that a lame-duck Congress give it to him." The AP continues, "Senate Democrats, emboldened by Election Day wins that put them in control of Congress as of January, say they would rather wait until next year to look at the issue. 'I can't say that we won't do it, but there's no guarantee that we're going spend a lot of time on controversial measures,' Democratic Whip Richard Durbin of Illinois said Thursday. … In Senate parlance, that means no." The AP adds, "Republicans for months have known that no bill accomplishing Bush's goal could get filibuster-proof support from 60 senators. Sealing off any hope was what Democratic leader Harry Reid put on his lame-duck to-do list. The warrantless domestic surveillance bill was conspicuous in its absence. … As for next year, Bush should not expect Democrats to allow such legislation to pass without language establishing considerable congressional oversight of any expansion of warrantless wiretaps. … 'We have been asked to make sweeping and fundamental changes in law for reasons that we do not know and in order to legalize secret, unlawful actions that the administration has refused to fully divulge,' said Sen. Patrick Leahy of Vermont, the next Judiciary Committee chairman. 'If legislation is needed for judicial review, then we should write that legislation together, in a bipartisan and thoughtful way.' … The Bush administration has a backup plan. In speeches over the next few weeks, the Justice Department will launch a new campaign for the legislation by casting the choice as one between supporting the program or dropping it altogether -- and appearing soft on al-Qaida. .. .Attorney General Alberto Gonzales will make the eavesdropping program the focus of a Nov. 18 speech at the U.S. Air Force Academy. Kenneth L. Wainstein, assistant attorney general for the national security, will make a similar pitch Wednesday to the American Bar Association."

Social Security Databases A Resource For Terror Probes. The Washington Post (11/10, Roig, Kriva, 690K) reports that since "the Sept. 11, 2001, attacks, the Social Security Administration's vast databases of personal information have become a resource for federal investigators, who have asked the agency to check tens of thousands of records for number misuse and identity fraud -- potential precursors to terrorist activity." From "just after Sept. 11 through 2005, Social Security officials sent prosecutors 456 referrals that were classified as terrorism-related, according to statistics compiled by Syracuse University's Transactional Records Access Clearinghouse. The review shows that 91 percent of those referrals led to prosecutions." Only the "departments of Justice and Homeland Security have referred more terrorism-related cases for prosecution, according to the Syracuse records, which are based on data compiled by the Justice Department's Executive Office for United States Attorneys. Still, few if any suspects in Social Security cases are ever linked publicly to alleged terrorist activity. Most cases referred to prosecutors in the months after Sept. 11 involved document fraud by Latino immigrants working at airports." Previous studies "by the Syracuse center found that thousands of cases have been referred by all agencies for prosecution under the labels of 'international terrorism' or 'antiterrorism.' However, senior Justice officials instead usually cite the criminal division's much smaller list of terrorism-related cases, which as of June included 441 defendants and 261 convictions. Most on that smaller list were charged with crimes unrelated to terrorism, an earlier Washington Post analysis found."

Judge Rules Al Arian Must Testify In Virginia Islamic Charity Probe. The AP (11/10) reported, "Sami Al-Arian must testify before a federal grand jury despite claims that a plea agreement freed him from cooperating with the U.S. government, a federal judge ruled. U.S. District Judge James S. Moody Jr. ruled Al-Arian must testify in the probe of International Institute of Islamic Thought in Herndon, Va., because Virginia prosecutors have granted him immunity. In his trial, prosecutors said Al-Arian's World and Islamic Studies Enterprise got money from the Va. Institute."

Radical Cleric's Letter Alleges Torture After CIA Kidnapping. The Washington Post (11/10, A23, Whitlock, 690K) reports that in an "an account smuggled out of prison, a radical Muslim cleric has detailed how he was kidnapped by the CIA from this northern Italian city" of Milan "and flown to Cairo, where he was tortured for months with electric shocks and shackled to an iron rack known as 'the Bride.'" Hassan Mustafa Osama Nasr, "also known as Abu Omar, wrote an 11-page letter describing his 2003 abduction at the hands of the CIA and Italian secret service agents. He somehow transferred the document out of Egypt -- where he remains in custody -- and into the hands of Italian prosecutors who are investigating his disappearance." The document "has been submitted as evidence to defense attorneys representing 25 CIA officers, a U.S. Air Force officer and nine Italian agents

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who have been charged with organizing the kidnapping of Nasr, an Egyptian national, in February 2003." In Egypt, "his captors offered a deal: They would allow him to return to Italy if he agreed to become an informant. Nasr said he refused. As a result, he said, he was interrogated and physically abused for the next 14 months in two Cairo prisons."

British Intelligence Tracking Nearly 30 Terrorist Plots. ABC World News (11/10, story 3, 1:11, Gibson) reported on an "alarming claim by the head of Britain's domestic intelligence agency. She said British authorities are tracking almost 30 terrorist plots, involving 200 terror cells and keeping tabs on 1,600 people, many of them home-grown British militants." ABC (Ross): "We're told they're talking about six operational plots that reflect advanced planning, with specific targets and recruits already selected for attacks. The speech by the British spy chief also suggested that, for the first time, British authorities believe this is being run by Al Qaeda central, directly out of Pakistan, with Al Qaeda leaders in control." NBC Nightly News (11/10, story 5, Williams) called it "a distressing report," saying Britain's domestic spy agency MI5 "warns young British Muslims are being actively targeted for recruitment by various terrorist networks."

The Washington Post (11/11, A15, Jordan) reports MI5 is "watching 1,600 people in 200 cells believed to be plotting terrorist acts in Britain or overseas." MI5 Director Eliza Manningham-Buller said, "More and more people are moving from passive sympathy towards active terrorism." Manningham-Buller said a "growing number of people are plotting to kill others and damage the British economy. The conspirators, she said, are motivated 'by a sense of grievance and injustice driven by their interpretation of the history between the West and the Muslim world.'" The AP (11/10, Gardiner) adds that Manningham-Buller said MI5 "had foiled five major plots since the July 2005 transit bomb attacks in London."

The New York Times (11/11, A6, Cowell) reports British PM Tony Blair said the "threat from homegrown Islamic terrorism would last 'a generation,'" reinforcing the "highly unusual warning" from Manningham-Buller. In her remarks, the MI5 chief "also asserted that operatives for Al Qaeda in Pakistan were helping to guide some of the plots, reflecting British assessments that Qaeda operatives survived campaigns against them to steer conspiracies in Britain from afar."

"Hundreds" Of Al Qaeda Fighters "On The Move." The CBS Evening News (11/10, lead story, 2:40, Couric) began with an exclusive report saying that "hundreds of al Qaeda fighters are on the move, moving out of Afghanistan and Pakistan. And the question tonight is, where are they headed and what are they planning? This comes as British intelligence is warning that it's tracking nearly 30 terror plots involving hundreds of people." CBS (MacVicar): "Intelligence agencies have been warned al Qaeda may be planning to attack air and rail travel in Europe during the busy holiday travel season. The warnings come from interrogations of al Qaeda suspects who were recently ordered to leave Afghanistan and Pakistan." In the "last six months, in the mountains and battlefields of Afghanistan, al Qaeda has withdrawn well-trained Arab fighters."

On the CBS Evening News (11/10, story 2, 1:50), anchor Katie Couric also interviewed John Brennan, former head of the National Counter Terrorism Center, asking, "I think some people might be confused, Mr. Brennan, because the Bush administration claims that real damage was done to al Qaeda in Afghanistan, and yet it seems to me that there are other reports that al Qaeda and other similar organizations have been empowered and are stronger than ever. So what's the truth?" Brennan: "I think al Qaeda central, the core, which is in Pakistan-Afghanistan, Osama bin Laden and Zawahiri, that core group really has been bloodied badly. But I think the whole purpose of bin Laden was al Qaeda means the foundation. He wanted it to give birth to other group, to other individuals to carry out attacks. And what we're seeing right now is the proliferation of those individuals."

Judge Refuses To Vacate Al Qaeda Backer's Guilty Plea. The Washington Post (11/11, A12, Markon) reports US District Judge Leonie Brinkema "has refused to throw out the guilty plea of a convicted al-Qaeda supporter who argued that he was illegally spied on through President Bush's controversial warrantless eavesdropping program." Truck driver Iyman Faris pleaded guilty in 2003 to "plotting to bring down the Brooklyn Bridge and launch a simultaneous attack in Washington. He asked a judge to vacate the plea, arguing in part that the alleged surveillance violated his rights and that the government could not use it to build a case against him."

Cleric Claims He Was Kidnapped By CIA, Then Tortured. The New York Times (11/11, A7, Povoledo) reports Hassan Mustafa Osama Nasr, a "militant Egyptian cleric who prosecutors say was kidnapped" by the CIA, said in an account published in the Italian newspaper Corriere della Sera this week that he was "tortured with electric shocks while he lay on a wet mattress in a Cairo prison and was repeatedly beaten and forced to eat rotten bread in a pitch-black cell, while rats and cockroaches ran over his body." Milanese prosecutors "have appended the account to the case they are building against 39 people, including 25 C.I.A. operatives. Prosecutors accuse them of abducting Mr. Nasr

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and sending him to Egypt for questioning, in the American practice of rendition."

Torture Issue Was Notably Absent From US Campaigns. The New York Times (11/11, B5, Steinfels) runs a "Beliefs" feature on why US candidates declined to discuss allegations of torture during the just-ended campaign season, saying that torture "is such a stain on personal and national character that nothing but appalling photographs could have forced the subject to the fore. … In a season of shameless attack ads, torture is still too shameful to be debated."

HOMELAND RESPONSE:

Democrats May Have Hard Time Implementing 9/11 Panel Recommendations. The Washington Post (11/11, A3, Eggen, Hsu) reports Democrats "have vowed to push through a host of reforms recommended two years ago by the Sept. 11 commission, such as better port security and improved radio communications for first responders, but many of the most controversial changes are likely to face obstacles even with Capitol Hill in Democratic hands, according to experts and legislative aides." Homeland security experts said Democratic control "will not guarantee implementation of some of the commission's most controversial suggestions, which have languished because of entrenched political and bureaucratic obstacles. A prime example is the commission's call to base the federal government's homeland security funding on the actual risk of terrorist attacks or other calamities -- an approach that would generally benefit large metropolitan areas at the expense of smaller cities and rural regions. Although such an approach would favor regions represented by Democrats, lawmakers have preferred to spread dollars to as many jurisdictions as possible." Center for Health and Homeland Security Director Michael Greenberger said, "It's easy to say they'll implement the 9/11 recommendations. But some of the recommendations have not been implemented because they've been so hard to swallow."

LATimes Says Customs Laptop Searches Go Too Far. The Los Angeles Times (11/11) editorializes, "It was bad enough for international travelers earlier this year when security officials barred laptop computers from carry-on luggage. Now that the ban has been lifted, a new worry has replaced it: the prospect of U.S. customs agents snooping through your laptop -- and even seizing it. … Stopping bad guys at the border is important, and it makes sense to inspect incoming items, including laptops, for explosives and other weapons. But the government has been using the terrorist attacks of 9/11 to redefine 'reasonable.' There's a clear line between checking a laptop for explosives and reading its contents, and agents should have an excellent reason to cross it."

Louisiana Recovery Program Slow To Get Funds To Applicants. The New York Times (11/11, Eaton) reports on its front page that the "$7.5 billion program to rebuild Louisiana by helping residents repair or replace their flooded homes," known as Road Home, "has gotten off to a slow start, frustrating government officials and outraging many homeowners who say they are still in limbo 14 months after Hurricane Katrina hit." Though nearly 79,000 families have applied, "only 1,721 have been told how much grant money they will receive. And just 22 have received access to the cash, which was provided by federal taxpayers and is being distributed by the state."

WAR NEWS:

Pentagon Will Reevaluate Strategy In Iraq. Coverage of the planned reevaluation of Iraq strategy centered on the perceived need for change and the ability of uniformed officers to push through their ideas in the absence of outgoing Secretary Rumsfeld. NBC Nightly News (11.10, lead story, 3:00, Williams, 9.87M) reported, "It didn't take long -- just a few days after American voters spoke with a unified voice at the polls and today there were already indications this nation's Iraq policy is indeed in for a major change. First, a new boss at the Pentagon and now a new definition of what it means to win in Iraq. It's clear a major change is coming, even while this nation's troops are fighting it out on the ground in Iraq." NBC (Miklaszewski): "... the Bush Administration is struggling to come up with a new strategy for Iraq and today Joint Chief's Chairman General Pace on MSNBC described victory as simply reducing the violence to an acceptable level. ... At the same time parts of that new strategy are beginning to take shape. Military sources tell NBC News US commanders are working on plans to accelerate the turnover of more Iraqi territory from Americans to Iraqi security forces. But there is a risk. If the transition comes too fast, some areas could easily fall into the hands of sectarian militias. There are also plans to reverse Debaathification and rehire Iraqi servants whom the US fired three years ago because they were members of Saddam's Baath party." Loren Thompson, military expert: "Under Saddam you didn't get a military post unless you were a Baathist. So when you got rid of a Baathist, you got rid of anybody who knew how to run the country." Miklaszewski: "And a widespread amnesty for insurgents but not those suspected of attacking US forces or those Al Qaeda fighters, but many fear this all may be too late." Michael O'Hanlon, Brookings Institution military analyst: "There's a momentum to this insurgency and the civil war now that no good policy

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can even reverse even if the policy is correct." Miklaszewski: "Advisors to Robert Gates say many of these proposals should have been adopted two years ago but were rejected then by Vice President Cheney and Secretary Rumsfeld."

The Washington Post (11/11, A1, Tyson, 690K) in a front page article reports, "The Pentagon is conducting a major review of the military's Iraq strategy to determine 'what's going wrong and should be changed' to attain U.S. objectives in the war-torn country, the nation's top general said yesterday." JCS chair Gen. Peter Pace "initiated the review this fall after starkly deteriorating security in Baghdad led commanders there to rule out any significant cut this year in the level of U.S. troops in Iraq -- now at about 145,000 -- according to senior defense officials and sources. ... Pace's comments also could foreshadow a reassertion of influence by senior officers in the wake of this week's resignation by Defense Secretary Donald H. Rumsfeld, according to military officers and analysts. Moreover, some military officers have voiced concern in recent days that if they do not assert a greater role in formulating a future course in Iraq, that course will be defined for them by the resurgence of congressional Democrats, many of whom favor a withdrawal of U.S. troops."

Pace is quoted as praising both Rumsfeld ("a strong advocate") and Secretary-designate Robert Gates ("very talented, dedicated patriot [with] a reputation as a man who gets things done, a man who is collaborative and solicits subordinates' opinions").

The New York Times (11/11, Gordon, 1.16M) reports, "In a closely held effort, Gen. Peter Pace, the chairman of the Joint Chiefs of Staff, has assembled a team of some of the military's brightest and most innovative officers and told them to take a fresh look at Iraq and Afghanistan, among other flashpoints. ... Ideas that have been discussed include increasing the size of the Iraqi security forces, along with the American effort to train and equip them, and adjusting the size of the American force in Iraq. ... The review reflects the recognition that military efforts need to be part of an overall approach that includes all aspects of American power, including diplomatic and economic."

BBC.com (11/11) reports, "Chairman of the Joint Chiefs of Staff Gen Peter Pace said commanders were having their own dialogue and would make the changes that were needed. President George W Bush is to meet members of a panel drawing up proposals for ending the conflict on Monday. Iraq was a key factor in the Republican defeat in mid-term polls and US defence chief Donald Rumsfeld's resignation." The Iraq Study Group "is said to have been looking at two options, both of which would amount to a reversal of the Bush administration's stance. One is the phased withdrawal of US troops, and the other is to increase contact with Syria and Iran to help stop the fighting."

Election Seen As Referendum On Iraq. NBC Nightly News (11/10, story 6, 2:13, Williams) ran an "In Depth" report analyzing this week's elections, asking, "Is the political pendulum on the move in this country? Is the nation changing politically or was this simply a one-time referendum on an unpopular war in Iraq?" Analyst Stuart Rothenberg: "It's far from clear that this is a long-term change in the electorate. Rather it's a reaction to the war in Iraq, to the President's performance and to the short-term desire for change." NBC (Reid): "He does say, though, that in certain parts of the country, shifts are clearly occurring. For example, just as southern Democrats were purged from the House in 1994 when Republicans swept to the power in this election nearly all New England Republicans were purged from the House. And in the Rocky Mountain States where four years ago all eight governors were Republicans, now five are Democrats."

The Los Angeles Times (11/11, Richter, McManus) says the Democratic victories are "b oosting pressure for a bipartisan approach to the Iraq war, a rough consensus is emerging that could lead to a new direction and a gradual U.S. disengagement from the costly conflict. There are those on both sides of the aisle who favor giving the Iraqis firm deadlines for meeting a list of political goals, with the possibility of redeploying U.S. troops if the goals aren't met -- a scenario that could lead to withdrawal."

Rep. Jim Moran, appearing on MSNBC's Hardball (11/10, Matthews), said, "We need a change of command at the White House. This election was about one person and one issue: George Bush and the Iraq war. Corruption contributed to it, but it really was sending a message, and that message was sent as much by independents as it was by Democrats. That's what the Congress needs to do, to show some checks and balances, to see to it that the administration comes up with some exit strategy sooner rather than later."

Sen.-elect Bob Corker said on PBS' NewsHour (11/10, Warner), "We need to fix our strategy in Iraq and start moving ahead again so that Iraqi people can quickly secure themselves so that there's a government there that is accountable. And then we need to bring our men and women home as quickly as possible. So I'm glad that James Baker is working on a strategy that hopefully will upgrade our ability to do that. And I'm looking forward to seeing what that is."

Bush Grants Marine Posthumous Medal Of Honor At USMC Museum Ceremony. ABC World News (11/10, story 5, 0:56, Gibson) reported, "Inspiration today as President Bush honored a young Marine who gave his life in Iraq. At a ceremony for the new National Museum of the Marine Corps in Quantico, Virginia, the President said

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the Medal of Honor will be given to the parents of Cpl. Jason Dunham. He threw himself on a grenade to protect fellow Marines. And the President, today, was visibly moved." Bush: "As long as we have Marines like Cpl. Dunham, America will never fear for her liberty. And as long as we have this fine museum, America will never forget their sacrifice. May God bless you. May God bless the Marines. And May God bless the United States." Gibson: "Today is the Marine Corps' 231st anniversary. And it would have been Cpl. Dunham's 25th birthday."

NBC Nightly News (11/10, story 2, 2:14, Williams) reported on the award and profiled Cpl. Dunham, while the CBS Evening News (11/10, story 7, Couric) reported on the ceremony and the presentation of the Medal of Honor as a lead-in to a feature on what it takes "to become a Marine. … There's no question the training is tough. … But does it prepare young men for what they will face in Iraq?"

On the front page of its Metro section, the Washington Post (11/11, Smith, 690K) reports, "Many traveled thousands of miles for this moment, on the 231st anniversary of the Marine Corps, to gather on a grassy promenade near the Quantico Marine Corps Base, to remember and cry and celebrate the opening of the National Museum of the Marine Corps." The Post describes the museum's contents and quotes President Bush's speech.

The Washington Times (11/11, Lively, 88K) reports on its front page that the ceremony was "nearly 20 years in the making." Former Marine and journalist Jim Lehrer said, "The death rate among Marines in Iraq has been more than double that of the other service." The announcement of Dunham's MOH is also noted.

The Wall Street Journal (11/11, A4, Phillips, 2.04M) reports about the "charismatic" Dunham's posthumous award and describes the battle that cost him his life: "When his attacker dropped a live hand grenade, the Marine made the split-second decision to cover the weapon with his own helmet, shielding two of his men from its full explosive force." The Journal recalls, "Cpl. Dunham's life and death were chronicled in a page-one story in The Wall Street Journal on May 25, 2004."

The Los Angeles Times (11/11, Gerstenzang, 850K) reports that Dunham "will be the first Marine to receive the nation's highest medal for bravery for combat since the war in Vietnam. The award ceremony will be at the White House at a date to be selected by Bush and the Dunham family."

CNN.com (11/10) reports, "Dunham will be the second American to receive the Medal of Honor from service in Iraq. Army Sgt. 1st Class Paul Ray Smith was the other, honored [posthumously] for action near Baghdad International Airport in April 2003, in which he killed as many as 50 enemy combatants while helping wounded comrades to safety."

Marines In Iraq Mark 231st Anniversary Of Corps. The New York Times (11/11, Chivers, 1.16M) reports from Outpost Viking, Iraq, "The Marine Corps celebrated its 231st birthday on Friday, an event that passes with little notice outside the corps's insular ranks, but is an essential ritual within, especially now, as the policies guiding the war seem certain to change and the reasons that brought the marines here are less clear." The Times says bleakly of the profiled unit's losses and the allegedly changing mission for the war, "Nearly 15 percent of the battalion's marines have been wounded. Five marines and one of their interpreters have been killed and 31 marines have been wounded seriously enough to require evacuation back to the states. ... the list of reasons for fighting has changed. First it shifted from finding weapons of mass destruction to removing a dictator to building a stable, democratic Iraq. ... many of the marines in the battalion, in their quiet times in the weeks before this day, have said they fight for two things: the corps's tradition and reputation, and for the man on their left and right."

Muhajir Claims 12,000 Fighters In Iraq, Says More Attacks To Come. NBC Nightly News (11/10, lead story, 3:00. Williams) opened with a critical report saying it is "clear a major change is coming" at the Pentagon and in US Iraq policy "just a few days after American voters spoke with a unified voice at the polls." In addition to "troops are fighting it out on the ground in Iraq," NBC (Miklaszewski) said there "was also a new tape released today from Al Qaeda, and although it all sounds very horrifying, US Intelligence officials report tonight that this tape is nothing more than pure propaganda. The voice on the audio claims to be that of the leader of Al Qaeda in Iraq, al-Muhajir. In a chilling diatribe he warns, we haven't had enough of your blood yet and threatens to blow up the White House. He claims Al Qaeda now has 12,000 fighters in Iraq. He also praised Democrats for their election victory that drove Donald Rumsfeld from the Pentagon. The new threats come as the Bush Administration is struggling to come up with a new strategy for Iraq."

CNN's The Situation Room (11/10, Costello) reported, "Al Qaeda in Iraq's new leader is taunting President Bush and Donald Rumsfeld. In a new audiotape posted on an Islamist website, a man claiming to be Abu Hamza al-Muhajer calls President Bush a lame duck and the outgoing Defense Secretary a coward. And that's not all he says. He also threatens to blow up the White House."

Blair Will Give Evidence To Iraq Study Group. The Financial Times (11/11, Blitz) reports, "Tony Blair will next week give evidence to the Iraq Study Group led by James Baker, the former US secretary of state, in the first indication Britain is being consulted by Washington over potential change of policy on the war. ... The decision by the Iraq Study Group to interview Mr Blair is an important boost for Downing Street, amid fears that Britain might be excluded from the US reassessment of Iraq policy following the

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Democrats' victory in the congressional elections." Blair reportedly "is certain to tell Mr Baker that the US and UK must not "cut and run", remaining in Iraq until Baghdad can manage the security situation on its own. Mr Blair has told allies he is confident that the Baker-Hamilton committee will make no such recommendation."

US Office In Iraq Shelled For Second Time. The Washington Times/AP (11/11, Yacoub) reports, "The U.S. government's office in central Iraq came under mortar fire early Saturday, an attack that touched off a blaze in part of the complex, Iraqi police said. There was no immediate word on damage or casualties. ... The mortar attack was at least the second reported in recent weeks against the U.S. office in Hillah, which oversees government and diplomatic interests in the central Euphrates region, about 60 miles south of Baghdad." The mortar "is growing increasingly popular among Iraqi fighters because it can be fired from a secure location several miles from a target and then quickly hauled away or hidden."

Shays Lays Out Steps For Stabilizing Iraq. Rep. Christopher Shays, appearing on MSNBC's Hardball (11/10, Matthews), said, "There's four things we need to do. The first thing is we need to set a timeline to transfer Iraqis to patrol the streets and get our guys from patrolling the streets. The Iraqis need to start doing the police work. … The second thing we need to do is set timelines for the Iraqis -- the Shias and the Sunnis in particular -- to work out their differences on reconciliation, on de-Baathification, on where the oil goes and federalism. The third thing you need to do is we need to get the six…neighboring countries to come together, Iran included obviously, and say: If we fail, Iraq gets divided into three parts; none of you want that. And finally, I think you need a plebiscite. If two-thirds of the Iraqis aren't going to support our being there and our plan to withdraw, then we leave even sooner. They need to start showing some support for our troops. Otherwise, we just need to leave."

Shiite Clerics Urge Speedy Hanging Of Hussein. The Los Angeles Times(11/11, Roug, 850K) reports, "Addressing worshipers for the first time since the conviction of Saddam Hussein, many of Iraq's Shiite Muslim preachers called Friday for the speedy hanging of the former president. Hussein, a Sunni Muslim who long repressed Iraq's Shiite majority, should be executed in public between two of the holiest Shiite sites in Iraq, a cleric demanded during his sermon in Karbala. ... U.S. officials had hoped the trial of Hussein, toppled in the 2003 U.S.-led invasion, would help unite Iraq. But many now believe the verdict is heightening ethnic and sectarian tensions. Shiites in eastern Baghdad and other areas where they are concentrated cheered the decision in mass rallies as angry Sunni Arabs marched in large demonstrations north of the capital."

National Guard Units Face Second Tours In Iraq. The AP (11/11, Baldor) reports, "National Guard combat brigades that have already served in Iraq may be called for a second tour, likely breaking the 24-month deployment limit initially set by the Pentagon, the Guard's top general said. ... the new plans would, for the first time, send entire Guard combat brigades back to the battlefront. Brigades generally have about 3,500 troops." The AP adds, "In a related move, the Pentagon is preparing to release a list of active units — and perhaps reserves as well — scheduled to go to Iraq that would largely maintain the current level of forces there over the next two years, another senior defense official said Thursday. There are about 152,000 U.S. troops in Iraq. That official requested anonymity because the plan has not been made public." It was "not clear whether this week's resignation of Defense Secretary Donald H. Rumsfeld would affect deployment plans." The Los Angeles Times (11/11, 850K) carries an abbreviated version of this story.

Formerly Touted Tall Afar Struggles To Rebuild. The Washington Post (11/11, White, 690K) reports, "A year ago, U.S. officials championed the military's success in pushing insurgents out of this city in Iraq's northwestern desert, reclaiming it for the roughly 250,000 residents and eliminating an insurgent safe haven. President Bush publicly praised the 3rd Armored Cavalry Regiment's effort." However, "The unemployment rate here is nearly 70 percent. Officials estimate that fewer than half of Tall Afar's residents remained here or returned after the last big U.S.-Iraqi military operation in September 2005. Many of the city's buildings are vacant or were destroyed in the fighting last year. Hundreds of millions of dollars was promised to help rebuild and restore Tall Afar, but the money has just started to trickle in through the Iraqi central government's staggeringly slow bureaucracy. And Iraqi forces have only recently taken the lead in providing security, helped in large part by the population drop and lack of attacks." The Post says with guarded optimism, "Still, the Iraqi forces are out front, while U.S. forces hang back more and more."

Crumbling Iraqi Health Care Worsens Death Toll. The Los Angeles Times (11/11, Roug, 850K) reports in a highly critical , 1,712-word front page article, "Thousands of Iraqis are believed to have died from shortages of medicine, vital equipment and qualified doctors, despite an infusion of nearly half a billion dollars from U.S. coffers into this country's healthcare system, Iraqi officials and American observers say. ... In the most sinister reported development, provincial Sunni Muslim doctors charge that Shiite Muslims

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who control the Health Ministry deliberately withhold medicines and other vital supplies. Privately, some U.S. officials say that hard-line Shiites use the ministry for political and sectarian ends." Iraqi health care "was once the envy of the region. ... Medicine and hospital care were free, doctors well-educated and respected. But neglect by former President Saddam Hussein and years of United Nations sanctions laid waste to the system."

Restored Baghdad Psychiatric Hospital Serving Traumatized City. ABC World News (11/10, story 4, 2:05, Gibson) ran a feature on a Baghdad psychiatric hospital "full of patients traumatized by the violence in their city and what they have seen take place." The report focused on the impact of the war on Iraq's children. ABC (McCarthy): "The good news is that the hospital is functioning at all. Immediately after the war, psychiatric hospitals in Baghdad were looted and patients abandoned. Today, with US funds, these hospitals have been restored and reequipped."

Navy SEAL Is Founder Of Group For Soldiers' Families. NBC Nightly News (11/10, story 8, Fratangelo) ran a feature on the United Warriors Survivors Foundation, created by Navy SEAL Nick Rocha "for the widows of fallen operation soldiers. They meet twice a year, young, vibrant women whose lives one minute revolved around the military and the next, fell apart. … It hits home for Nick. He knows it could have easily been his family left behind." Rocha: "I can't look myself in the mirror if I don't continue to help these people and their children."

Rumsfeld Could Face Abuse Charges. BBC.com (11/11) reports, "Donald Rumsfeld, who quit as US defence secretary this week, may face criminal charges in Germany for alleged abuses in Guantanamo Bay and Iraq. A complaint has been launched by the US-based Centre for Constitutional Rights, representing a Saudi detained in Cuba and 11 Iraqis held in Baghdad." BBC.com adds, "The Pentagon has not yet commented on the issue. The US denies any torture has taken place at Guantanamo Bay and has defended its interrogation techniques."

The New York Daily News (11/11, Meek, 729K) reports that Time magazine originally broke the story of the plan to have Rumsfeld charged, saying, "Retired Army Col. Janis Karpinski is the star witness backing the detainees, who also name ex-CIA Director George Tenet, Attorney General Alberto Gonzales, ex-Iraq commander Lt. Gen. Ricardo Sanchez and retired Gitmo commander Maj. Gen. Geoffrey Miller. Before Bush demoted her from brigadier general because of the abuse, Karpinski commanded the Long Island-based 800th Military Police Brigade that ran all of Iraq's prisons, including Abu Ghraib."

Fox Report with Shepard Smith (11/10, 8:45 p.m.) broadcasted, "Outgoing Defense Secretary Donald Rumsfeld may have to worry about more than what to do with his free time. TIME magazine reports a group of former prisoners plan to file charges against Rumsfeld, Attorney General Alberto Gonzales and other American officials for their treatment at Guantanamo Bay in Cuba and Abu Ghraib in Iraq. TIME says the court papers will be filed next week in Germany. Prosecution witnesses will include the woman once responsible for Abu Ghraib, former Brigadier General Janice Karpinksi. No comment from the Pentagon." This story received light coverage in New York, Washington DC, Raleigh, and Durham.

WPIX- TV New York (11/11, 10:00 p.m.) broadcasted, "The New York City-based Center For Constitutional Rights plans to file criminal charges against Rumsfeld in a German court. Alberto Gonzales and George Tenet will be named in a complaint that claims US officials okayed the torture and abuse of suspects in Guantanamo Bay and Abu Ghraib. This first reported by TIME plays."

NC8- TV Washington, DC (11/11, 7:00 a.m.) broadcasted, "A lawsuit has now been filed over prisoner abuse allegedly committed by US military members in Iraq and at Guantanamo Bay. Those targeted by the suit include Attorney General Alberto Gonzales and now former Defense Secretary Donald Rumsfeld.

WNCN- TV Raleigh, Durham (11/11, 9:00 a.m.) broadcasted, "The lawsuit is based in Germany. Attorney General Alberto Gonzales and former CIA director George Tenet are also named in the suit. According to a TIME magazine report, the plaintiffs in the case include 11 Iraqis who were prisoners at Abu Ghraib."

FT Recalls Rumsfeld's Statements. The Financial Times (11/11, Sevastopulo) in an analysis piece reports, "Always combative, often charming, sometimes a bully, Mr Rumsfeld introduced a style of Pentagon press conference that both entertained and infuriated." Several of the secretary's elliptical statements are quoted; the FT notes that he "made his name as a poet whose rhetorical musings have been compiled in Pieces of Intelligence: The Existential Poetry of Donald H. Rumsfeld."

Scarborough Slams Bush On Timing Of Rumsfeld Exit. On MSNBC's Tucker (11/10, Carlson), ex-Rep. Joe Scarborough, now an MSNBC host himself, said, "I could not imagine how I would feel were I a Republican congressman who had blindly followed George W. Bush as most Republican congressmen have over the past six years and spent my entire campaign on the stump defending this war, and by extension, defending Donald Rumsfeld, when history of this conflict showed that he made several terrible mistakes…and then to have George W. Bush fire him the day afterward and then hear that this was in the works for quite some time, I would blame my political loss and the end of my

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political career on George W. Bush. And think about all the party chairmen, all the chairmen in the Republican Party in the House and the Senate that are no longer chairmen because of Rumsfeld. A lot of anger on Capitol Hill, and I think we are going to really see some recriminations. And you're going to have a lot of Republicans that are not going to follow George W. Bush blindly anymore."

Peace Remains "Distant Dream" In Afghanistan. AFP (11/11, Briand) reports in a highly bleak article, "Five years after US-led forces drove the Taliban from Kabul, peace remains a distant dream in Afghanistan with militant attacks at an all-time high, a despondent population and widespread corruption. ... In the eyes of many Afghans the situation is worse than it was five years ago: the cost of living has increased, infrastructure remains deficient and security is still not assured, according to the non-governmental organisation Action Against Hunger."

Musharraf's Reconciliation Efforts Said To Suffer From School Strike. In a 1,300-word analysis piece on its front page, the Washington Post (11/11, A1, Constable, Khan, 690K) reports Pakistani President Pervez Musharraf's peace and cooperation agreement with North Waziristan tribal leaders had been "a model for curbing domestic Islamic militancy and cross-border insurgent attacks," but "today that model lies in shreds." The "fragile political peace has been shattered by two devastating attacks: a government missile strike that killed 82 people at an Islamic school in the Bajaur tribal district on Oct. 30, and a retaliatory suicide bombing Wednesday that killed 42 army recruits at a training camp in the Malakand tribal district." The Post says Musharraf "has long been caught between conflicting domestic and international pressures," and his "recent attempt at compromise, a series of negotiated settlements with armed Islamic groups and tribal leaders, has been controversial. Critics charge that pacts in North and South Waziristan left both areas under the control of extremists who continue to export violence to Afghanistan."

Female Soldiers "Just Do Their Jobs." In a Veterans' Day-oriented "Editorial Observer" piece in the New York Times (11/11, 1.16M), reporter Maura Casey recalls her mother's service in World War II and writes, "Yet, despite what women in uniform have accomplished, there are critics who want to curtail their military roles. ... reality has overrun critics' arguments. Between Iraq and Afghanistan, 68 women have been killed in action, and 436 have been wounded, according to the Pentagon's Web site. ... Given the ease of modern communication, from cellphones to e-mail, if women were not measuring up in Iraq, that would have become very clear by now."

CORPORATE SCANDALS:

Fastow Deposition Will Help Shareholders Recover In Civil Suit. The New York Times (11/10, Barrionuevo) reports, "No one sold tickets, but the Andrew S. Fastow show cost a small fortune. … And while it was light on laughs, it even featured window washers who moved in the background like shadowy ninjas before a nervous audience of big-name Wall Street lawyers representing some of the largest banks in the world." The Times continues, "For eight and a half days, Mr. Fastow, Enron's former chief financial officer, held some 70 lawyers rapt in a downtown Houston conference room as he delivered the most expansive deposition yet in a spate of lawsuits stemming from Enron's 2001 collapse. His much-anticipated appearance, which ended on Nov. 2, was the first time an Enron insider had sought to help shareholders recover money in the civil litigation. … Lawyers representing Enron investors have already won settlements for $7.3 billion of the $40 billion shareholders claim they lost in Enron's 2001 collapse. On Nov. 1, the latest settlement — an agreement by Arthur Andersen, Enron's former accounting firm, to pay $72.5 million — was disclosed. … But it is far from clear whether the testimony of Mr. Fastow, a convicted felon who masterminded some of the fraudulent transactions that hid the company's poor financial health, will be enough to push the seven banks that have not settled to the negotiating table."

New California AG To Take Fresh Look At H-P Case. The Wall Street Journal (11/11, A2, Anders) reports, "The criminal prosecution of former Hewlett-Packard Co. chairman Patricia Dunn -- who is due to be arraigned on Friday -- could get a fresh look from one of California's best-known politicians." The Journal continues, "On Nov. 7, California voters picked Democrat Jerry Brown -- the former governor and presidential candidate -- to be the state's next attorney general. Mr. Brown, who is currently mayor of Oakland, will begin his new job Jan. 9." The Journal adds, "As attorney general, Mr. Brown will have ultimate authority in deciding how to proceed with People vs. Dunn, a case filed in state court in San Jose last month by William Lockyer, the current AG. The state's case focused on allegedly improper techniques used by H-P and its agents to gather phone records and other personal data for an investigation of boardroom leaks. … Mr. Lockyer took a negative view of H-P's conduct. 'One of our state's most venerable corporate institutions lost its way,' he said in an Oct. 4 briefing about the state's case. 'In this misguided effort, people inside and outside H-P violated privacy rights and broke state law.' … Tom Dresslar, a spokesman for the attorney general's office,

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said he expects the Dunn case will be "a candidate for review" by Mr. Brown, 'if only to get him up to speed on the evidence we gathered and why we brought the case.'"

Three Qwest Officials Cash In Stock Options. The AP (11/11, Press) reports, "Three executives at Qwest Communications International made more than $43 million by cashing in stock options, according to regulatory filings." The AP continues, "The chief executive, Richard C. Notebaert, made a profit of $18.4 million and the chief financial officer, Oren G. Shaffer, made $18.5 million, according to a Securities and Exchange Commission filing. .. .The chief legal officer, Richard N. Baer, made a $6.4 million profit, according to documents filed earlier this week. … A Qwest spokesman, Nicholas Sweers, said that Mr. Notebaert planned to donate his after-tax proceeds to charities. Mr. Sweers did not identify the charities. .. .Mr. Shaffer and Mr. Baer have not revealed any plans for their proceeds." The AP adds, "The sales were disclosed about a month after Qwest's founder and largest shareholder, Philip F. Anschutz, contracted to sell 80 million shares through 2010. … Mr. Sweers said the executives retained substantial stock options. With Qwest share prices up by more than 80 percent year-over-year, 'all shareholders have been rewarded by the company's financial and operational performance,' Mr. Sweers said. … Qwest has announced plans to buy back up to $2 billion worth of its stock over two years."

SEC, Accounting Board To Discuss Change To Sarbanes-Oxley Component. The Washington Post (11/11, D1, Johnson) reports SEC and Public Company Accounting Oversight Board members will meet tomorrow to discuss ways to overhaul a section of Sarbanes-Oxley "that business groups have targeted as overly expensive." The component, "which requires companies to review their financial controls and to have auditors pass judgment on them, spilled into public view this week after the release of portions of a letter by SEC Chairman Christopher Cox proposing changes." The "exact language in Cox's letter has not been made public," but "speculation raged after reports suggested that Cox had proposed that small and mid-size companies could avoid reviews of their internal controls altogether or that regulators could render the reviews virtually useless by significantly heightening the standard for what kinds of transactions were important enough for auditors to assess." The Wall Street Journal (11/11, B3, Burns, Smith) reports in a speech Friday, Cox "repeatedly criticized the current regulatory setup as 'antiquated,' 'redundant,' 'needless and often harmful.'"

SEC To Propose Further Hedge Fund Limits. Bloomberg (11/11, News) reports, "The Securities and Exchange Commission will propose rules next month raising asset requirements for investing in hedge funds after one fund, Amaranth Advisers, lost $6.5 billion on bad natural gas trades." Bloomberg continues, "The changes will be proposed to the S.E.C.'s five commissioners at a December meeting in Washington, the agency chairman, Christopher Cox, said yesterday. He did not specify how the agency might limit the pool of hedge-fund investors. … 'We're going to make it very clear that hedge funds are risky investments that are not for mom and pop by fencing it off with higher standards to accrediting investors,' Mr. Cox said in an interview." Bloomberg adds, "Hedge funds are open to individuals with at least $1 million in assets or at least $200,000 in income for the last two years, and also institutions like insurance companies, mutual funds and pension funds. Since Amaranth collapsed in September, lawmakers have become increasingly concerned that a hedge fund meltdown could put pension fund investments at risk. … Mr. Cox said at the meeting on Dec. 13, the S.E.C. would also propose a hedge fund anti-fraud rule as well as new guidelines to help companies and auditors interpret the Sarbanes-Oxley corporate governance law in a way that saves time and money."

Cuomo May Not Follow Spitzer's Lead In Pursuing Corporate Wrongdoers. The Wall Street Journal (11/11, B1, Davies) reports, "Soon, there will be a new sheriff in town. … New York state's departing attorney general, Eliot Spitzer, used the once-provincial job to propel himself onto the national stage: Applying little-known state laws, he crusaded against bad behavior in mutual funds, banking and the insurance businesses, forcing billions of dollars in penalties. He also took on business titans such as Dick Grasso, the former head of the New York Stock Exchange, charging that he was overpaid." The Journal continues, "His successor, 48-year-old Andrew Cuomo, inherits an office that has been transformed. Now everyone is waiting to see how Mr. Cuomo, who was elected on Tuesday in a landslide, plans to wield his power. … In an interview, Mr. Cuomo, the son of former New York Gov. Mario Cuomo, signaled that he intends to be different from Mr. Spitzer. Unlike the hard-nosed Mr. Spitzer -- who in his office keeps a picture of Teddy Roosevelt, another New York maverick, who famously crusaded a century ago to break up monopoly businesses like Standard Oil -- Mr. Cuomo said he works best 'collaboratively.' Mr. Cuomo said his top priorities are to clamp down on Medicaid fraud, the sale and use of illegal guns, and government corruption. … 'Just the way Eliot exposed corruption on Wall Street, the attorney general has a responsibility to expose corruption in government,' Mr. Cuomo said. He plans to go after big business whenever necessary, but said times have changed since the widespread scandals that erupted after the stock-market bubble burst earlier in the decade. Mr. Spitzer, he said, filled

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a void left by federal regulators who were slow to respond to questionable business practices."

Korean Probe Of Lone Star Deal Hits Snag. The Wall Street Journal (11/11, B2, Santini) reports, "South Korean prosecutors are hitting some stumbling blocks in their investigation of Dallas private-equity firm Lone Star Funds and its 2003 acquisition of Korea Exchange Bank, even as a recent assessment by Korean tax authorities almost wiped out the bank's earnings for the latest quarter." The Journal continues, "Tuesday, the Seoul Central District Court rejected prosecutors' second request for arrest warrants for Lone Star Vice Chairman Ellis Short, General Counsel Michael Thomson and country head Paul Yoo, citing lack of evidence regarding warrant petitions for the first two men. Regarding Mr. Yoo, who resides in Korea, the court said he didn't pose a flight risk and wasn't likely to destroy evidence gathered by prosecutors. … Then, Thursday, in an apparent sign of frustration, prosecutors emailed a seven-page document to about 3,000 prominent Koreans, including lawyers, academics and journalists, criticizing the court's rebuff as hampering the investigation." The Journal adds, "Also Thursday, the prosecutors issued a summons to Messrs. Short and Thomson demanding they appear in Seoul Monday. A lawyer for Lone Star described the summons and the mass email as attempts to justify the third application to the court. … It is unlikely that Messrs. Short and Thomson will travel to Korea on short notice, the lawyer said, adding that Mr. Thomson has met with prosecutors in Seoul several times and as recently as last month."

CRIMINAL LAW:

High Court To Consider Missouri Sentencing. The St. Louis Post-Dispatch (11/11, Sichko) reports, "Mario Claiborne faced a likely prison sentence of 37 to 46 months as he stood before a U.S. District Court judge in March 2005. … That was the recommended range for a prison term under federal sentencing guidelines. But Judge Carol E. Jackson chose to knock nearly two years off the prison term for the 21-year-old St. Louisan, who had pleaded guilty to two cocaine-related offenses." The Post-Dispatch continues, "Claiborne's case now sits before the Supreme Court, which will answer a central question: How does a judge adequately justify a sentence that's well outside the prison term recommended by federal guidelines? … The court agreed last week to hear Claiborne's case, along with a similar case from North Carolina. That case raises the question of how much weight should be given to the advisory guidelines and whether a sentence within the suggested range can automatically be presumed 'reasonable.'" The Post-Dispatch adds, "Lower courts have divided over those issues since the court decided last year to make the guidelines advisory, not mandatory. While district courts were no longer bound by those guidelines, they were still required to take them into account. … In the 2005 opinion, issued before Claiborne was sentenced, the 5-4 Supreme Court majority said it hoped the changes would help 'avoid excessive sentencing disparities' while maintaining a level of flexibility. But two justices in that majority, swing vote Sandra Day O'Connor and then-Chief Justice William Rehnquist, are no longer on the court. … Now, the court will re-examine that decision for the first time and seek to clarify whether a presumption of 'reasonableness' given to sentencing guidelines actually implies that they're more 'mandatory' than 'advisory.'"

FBI Agent's Article Puts Murder Case At Risk. The AP (11/11) reports, "The man accused of killing a University of Vermont student from Arlington, Va., is asking a judge to dismiss the charges because an FBI agent wrote a newspaper opinion piece about the case that referred to the suspect as 'evil,' a 'sexual predator' and a 'two-legged hyena.'" The AP continues, "In the opinion piece, which appeared Wednesday in the weekly newspaper Seven Days, the agent wrote anonymously and described his personal reaction during the search for the man accused of killing 21-year-old Michelle Gardner-Quinn. … David Sleigh, the attorney for suspect Brian Rooney, filed a motion Wednesday after the article appeared. He said the article made it impossible for Mr. Rooney to get a fair trial. … 'Agents of the state have deliberately disseminated highly inflammatory and prejudicial comments to the press,' Mr. Sleigh said in a three-page motion." The AP adds, "Mr. Rooney has pleaded not guilty to a charge of aggravated murder for the Oct. 7 abduction, assault and killing of Miss Gardner-Quinn after the two met by chance in downtown Burlington. … If convicted, Mr. Rooney, 36, of Richmond, Vt., could be sentenced to life in prison without the possibility of parole."

Judge Declares Mistrial In Online Fraud Case. The Washington Post (11/11, D01, Johnson) reports, "A federal judge declared a mistrial in the fraud case against former PurchasePro Inc. chief executive Charles E. Johnson Jr. after his attorney successfully petitioned to withdraw nearly three weeks into the case, according to court records." The Post continues, "The prosecution of Johnson, an entrepreneur who came under government scrutiny for engaging in questionable last-minute advertising deals with America Online Inc. during the Internet boom, will be separated from the case against three other defendants in the Alexandria trial. Johnson will be tried separately, U.S. District Judge Walter D. Kelley Jr. ruled Thursday." The Post adds, "The exact reasons for the mistrial remained under court seal, although two sources who spoke on condition of anonymity because of the judge's order said they pertained to

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allegations of misconduct by Johnson, 45, a tough-talking former college basketball player. Johnson, who is known by his nickname 'Junior,' did not return calls to his cellphone yesterday. … In opening statements to the jury last month, Assistant U.S. Attorney Charles F. Connolly accused Johnson of directing subordinates to destroy e-mail messages, computers and other evidence and suggested that Johnson, whose father was a policeman and former security company operator, had threatened employees who failed to bend to his will." The Post notes, "Johnson denied the charges against him and argued that he put his wealth and his health on the line in an ill-fated attempt to save PurchasePro, his Las Vegas software company. … Johnson's former lawyer, onetime Washington federal prosecutor Preston Burton, yesterday declined to comment, citing ethical strictures. Burton, of the law firm Orrick, Herrington & Sutcliffe LLP, appeared in court Thursday morning for sealed proceedings related to the mistrial, according to the court docket."

Former Congressional Aide Discusses Posting Foley Emails On Blog. The Los Angeles Times (11/10, Levey, 850K) reports former congressional aide Lane Hudson "had no idea he would bring down a congressman when he sat in his living room and turned on his laptop one Sunday morning nearly seven weeks ago." Lane, "who is gay, had been railing for weeks on his anonymous blog against congressmen who sexually preyed on young people. That day in late September, he decided to post a series of suggestive e-mail exchanges between Rep. Mark Foley and a male former congressional page." Hudson said, "I thought, 'Here we go. Let's see what happens.'" The Times adds, "Within days, he had his answer. Foley, a six-term Florida Republican, resigned in disgrace. And Hudson had launched the biggest Washington sex scandal since Monica S. Lewinsky." Hudson "remained anonymous throughout the fall as the scandal raged and GOP leaders complained of a Democratic conspiracy. Then two weeks ago, he was unmasked by bloggers, who identified him as an organizer for a national gay rights group; Hudson was fired." In an interview, Hudson "fiercely denied a preelection plot. Rather, he said, he was driven by genuine anger at a corrupt environment that protected the powerful on Capitol Hill." Hudson said, "It's the Washington culture that allowed this to happen. Now we know the FBI, a host of media organizations, Republican leadership — all were in possession of this same information. And no one did anything about it." Eleven years earlier, "as an 18-year-old congressional intern, Hudson had been approached by Foley at a Capitol Hill bar, Hudson said. The congressman asked Hudson for his e-mail address and started sending him invitations to drinks and meals."

Four Plead Guilty To Northwest ALF, ELF Arsons. The Oregonian (11/10, Denson) reported that on Thursday, Jonathan Paul, "a leading voice in the nation's radical movement to protect whales, wild horses and wilderness areas, was one of four people to plead guilty to conspiracy for their roles in a five-year campaign of sabotage in Oregon, Washington, California, Wyoming and Colorado. The four were snagged by the largest investigation of eco-sabotage in U.S. history, an 18-crime inquiry into arsons and vandalism the government dubbed 'Operation Backfire.'" The Oregonian notes that ALF and ELF "are characterized by the FBI as the nation's leading domestic terrorist threats. … At a press conference in Portland, U.S. Attorney Karin Immergut and Robert Jordan, the FBI's special agent in charge for Oregon, declared victory. 'These people claimed they did what they did to protect the environment,' Jordan said. 'Along the way, they destroyed more than $30 million worth of resources. They spent year after year using violence to try to intimidate you and your government into their twisted way of thinking.'"

The Seattle Times (11/10, Bernton) reports the pleas raised "the possibility that the Justice Department's largest-ever prosecution of ecosabotage will wrap up without a trial. Since the first arrests in December, the federal government in Washington and Oregon has obtained 12 guilty pleas," only California violin teacher Briana Waters "still is preparing for a trial" for allegedly "acting as a lookout in the 2001 arson that destroyed the University of Washington Urban Horticulture Center." The Times adds that Thursday's pleas "prompted Robert Jordan…to declare victory in a decadelong effort to track down and prosecute the stealthy arsonists of the ELF and ALF. … 'Instead of using reason and logic, they used fire bombs and destruction. Instead of using peaceful, lawful methods they used fears and threats,' Jordan said in Portland."

The Eugene Register-Guard (11/10, Bishop, Steves) reported, "In public statements, two of the defendants expressed their regret for crimes they now consider misguided deeds done out of deep devotion to environmental causes." Defendants Daniel Gerard McGowan, Nathan Fraser Block and Joyanna Zacher "may get eight-year prison terms," while Paul "may get a five-year term." At the Thursday press conference, "Immergut called the four guilty pleas the conclusion of 'the largest case of domestic terrorism in United States history,' later amending that to say it was the largest case of eco-terrorism." The Register-Guard noted, "Jordan disputed a reporter's assertion that it took a long time to solve the case. He noted how the cell took extreme measures to avoid leaving behind any DNA or fingerprint evidence. He also noted their deep commitment to secrecy."

The AP (11/10, Barnard) noted Immergut said the pleas "have effectively dismantled the Northwest cells of the

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organizations operating loosely under the mantles of ALF and ELF," and Jordan declared, "Today we can declare victory in that fight." The Medford Mail Tribune (11/10, Fattig) reported, "Two months ago, their defense attorneys had asked the federal government whether warrantless wiretaps by the National Security Agency had been used against the defendants. Assistant U.S. Attorney Kirk Engdall denied the NSA surveillance was a factor in the investigation or the plea agreement," but "Amanda Lee, an attorney representing McGowan, said Thursday she believed it was a factor, given the timing of the plea agreements."

Wales Murder Material Witness Failed Polygraph About Gun Barrel. The Seattle Times (11/11, Carter, Miletich) reported, "A Bellevue gun collector questioned in the 2001 slaying of Seattle federal prosecutor Thomas Wales has failed an FBI polygraph test about whether he owned two gun barrels that were the same type as the one used in the shooting, his lawyer said Thursday" at a bail hearing. "Albert Kwan agreed to the polygraph test last month after he was indicted and jailed in a different case for illegal possession of a machine gun." US District Judge Thomas Zilly "released Kwan from custody on the condition that Kwan post a $250,000 bond. Zilly also ordered Kwan to wear a location monitor, not possess firearms, and surrender his Hong Kong, British and U.S. passports." The Times notes, "FBI agents do not believe Kwan shot Wales, but want to know if he provided the gun barrel to someone who did." The AP (11/11) also reported on the story, largely drawing from the Times article.

Former LAPD Spokesman Indicted On Child Sex Abuse Charges. The Los Angeles Times (11/10) reported, "Former Los Angeles police spokesman Roderick 'Rod' Bernsen was indicted Thursday on two felony counts of 'abusive sexual contact' stemming from an alleged incident with two 12-year-old boys in a cruise ship sauna." Bernsen "was arrested Oct. 7 after the boys told the FBI that he had tried to talk with them about sex and then touched one boy's penis with his toe and spanked another's bare buttocks, according to an affidavit." The Times added, "Bernsen's attorney, Alan Rubin, said his client was innocent."

Former LATimes Reporter Names Ovitz In Pellicano Suit. The Los Angeles Times (11/10, Blankstein, Krikorian) reports, "A former Los Angeles Times reporter has alleged in a civil lawsuit that onetime Hollywood power broker Michael Ovitz participated with indicted private investigator Anthony Pellicano and others to intimidate and threaten her." The Times continues, "The former reporter, Anita M. Busch, originally filed the civil lawsuit in 2004 in which she identified Pellicano, several of his associates and numerous unnamed defendants as responsible for an alleged campaign of 'threats, intimidation, harassment and invasion of privacy for the purpose of deterring ... and retaliating against [Busch] for investigating and writing articles about the entertainment business.' … An amendment to the civil complaint, filed Monday in Los Angeles Superior Court, states that one of those unnamed defendants — identified earlier as 'Doe 4' — is Ovitz, who co-founded one of Hollywood's best known talent agencies, Creative Artists Agency." The Times adds, "Beyond naming Ovitz, Busch's filing does not detail any alleged actions by Ovitz. … The suit says only that he is one of dozens of defendants who were involved in 'directing, organizing, commanding, employing and/or hiring individuals to engage in the unlawful and tortious conduct.' … In a brief statement, Ovitz's attorney, James Ellis, said: 'My client had nothing to do with this. It's unfortunate that Ms. Busch has chosen to involve him in this matter.' … Ovitz has previously acknowledged that his outside law firm hired Pellicano to assist in the defense of three lawsuits filed in 2002 against Artist Management Group, a second talent agency established by Ovitz. Pellicano was paid $75,000 for that work."

Microsoft Targets Piracy In Developing Countries. The Financial Times (11/11, Leahy) reports, "Microsoft needs to do more to crack the consumer market in developing countries, with piracy and affordability holding back sales in regions ranging from Asia and eastern Europe to Latin America, its chief executive told the FT." The Times continues, "Steve Ballmer said the group had launched initiatives such as XP StarterEdition, a Windows software package with reduced features, and Flexgo, a pay-as-you-go PC, but these had not yet signficantly penetrated the middle-income markets in countries such as India and China. … 'On a per-cent basis, it [emerging markets] is the most rapidly growing part of our business but it's still a relatively small percentage. We have two issues: number one is where are the PCs and number two is piracy rates are also high in so-called emerging markets,' Mr Ballmer said in an interview in Mumbai." The Times adds, "Microsoft declined to provide a breakdown of its revenue by region or product. But Mr Ballmer, in Mumbai on a three-day visit to India, said emerging markets globally accounted for roughly 20 per cent of its total business, excluding software sales to hardware vendors, Xbox and other revenue streams such as advertising. .. .Total revenue in the year ended June was $44.282bn. While this was growing rapidly, the company could do better to reach middle-income consumers in developing countries. The company has sold only about 1m copies of Windows XP Starter since it was first piloted in 2004, most of these through government-sponsored programmes."

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CIVIL LAW:

US Settles Civil Case Against BetOnSports. The AP (11/11, Leonard) reports from St. Louis, "U.S. Attorney Catherine Hanaway reached a settlement with online gambling company BetOnSports PLC that permanently bars the London-based company from accepting any bets from the United States." The AP continues, "The lawsuit has been closely watched by the online gambling industry, which generates about $6 billion annually in the United States." The AP adds, "The settlement announced Thursday ends a massive civil case Hanaway filed this summer. It does not affect a criminal case still pending against several BetOnSports employees, including Chief Executive David Carruthers, who remains under house arrest in a St. Louis suburb. … Carruthers faces 22 counts of fraud and racketeering charges. His case is scheduled to go to trial early next year. BetOnSports fired him soon after he was arrested in July. … Hanaway spokeswoman Jan Diltz said the U.S. Attorney's Office would not comment on the civil settlement because the criminal case is ongoing."

CIVIL RIGHTS:

DOJ To Probe Oregon Hospital Where "Cuckoo's Nest" Was Filmed. The AP (11/11) reports from Portland, OR, "Federal investigators are looking into patient care at the hospital made famous in the movie 'One Flew Over the Cuckoo's Nest,' where there have been reports of abuse, short staffing and overcrowding." The AP continues, "The Oregon State Hospital is one of the oldest and most dilapidated state mental institutions in the nation. The movie was filmed there in 1975." The AP adds, "Justice Department officials are expected to visit the hospital next week. The department alerted Gov. Ted Kulongoski in June that it would investigate whether patients' constitutional rights were violated. … It's unclear how long the investigation could take. Justice Department spokeswoman Cynthia Magnuson said she could not discuss the timeline or details of the investigation."

El Paso Task Force Targets Human Trafficking. The El Paso (TX) Times (11/11, Gilot) reports, "Photographs of men, women and children filled the screen. But they didn't tell the whole story." The Times continues, "A shy Chinese boy is pictured. He was forced to work in restaurants in El Paso and North Carolina. … A young woman poses on a stationary bike. She was lured into the sex trade from her native Uzbekistan. … Two middle-aged couples smile at the camera. The pair on the left were deaf and mute victims of human traffickers. On the right were the traffickers. … 'You have to look beneath the surface. You'll not know it when you see it,' Brandy Gardes, an assistant U.S. attorney in El Paso, told hundreds of law enforcement officers and social workers at a conference last month in El Paso." The Times adds, "Officials have called human trafficking one of the toughest crimes to tackle. … It is hard to identify and hard to prove. Victims are often too scared to speak out. And the public and juries have a hard time believing slavery still goes on in the United States. … The U.S. Department of State estimated that 18,000 to 20,000 people are trafficked into the United States each year and held by force or coercion for sexual slavery and forced labor. Between 2001 and 2005, the Justice Department prosecuted fewer than 150 alleged traffickers. … There are no figures for El Paso, but it was chosen by the Justice Department as the site of one of 18 new human-trafficking task forces in the nation as part of a far-reaching effort to bring the problem out of the shadows."

Video Shows Two LAPD Officers Beating Suspect. The Los Angeles Times (11/10, Winton) reports, "Two Los Angeles police officers were under investigation today for allegedly beating a man during a videotaped arrest in Hollywood that LAPD Chief William J. Bratton called 'disturbing.'" The Times continues, "The video of the Aug. 11 incident, posted on the YouTube website, shows one of the officers holding down William Cardenas, 24, as the other officer places his knee on the man's throat and punches him in the face six times. … Cardenas, who is lying on his back, is heard yelling, 'I can't breathe!' … He was arrested on suspicion of using violence or threats to prevent an officer from performing his duty and was charged with two counts of resisting arrest, said LAPD Lt. Paul Vernon. … Cardenas remains in custody." The Times notes, "The tape was photographed by an unnamed neighbor who gave it to B. Kwaku Duren, a lawyer who represents Cardenas. … Bratton cautioned that the videotape only reflected a part of the struggle with Officers Alexander Schlegel and Patrick Farrell, who is seen punching Cardenas."

The Washington Post (11/11, A02, Geis, Harris) reports, "It was an uncomfortable echo of earlier Los Angeles Police Department scandals, including the videotaped Rodney King beating. The department, which operates under a federal consent decree, has instituted many reforms but has periodically suffered through police brutality embarrassments." The Post continues, "The lawyer for the suspect shown in the video said his client's experience shows little has changed. 'The Los Angeles Police Department needs to make those reforms real, because they have not been made real,' B. Kwaku Duren said at a news conference in front of police headquarters Friday. 'That video speaks for itself.'"

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USA Today/AP (11/11) reports, "An FBI investigation prompted by video footage of a man being punched repeatedly in the face by police has demonstrated anew the power of the Internet sensation of the year, YouTube.com. … In addition to being a monumental time-waster around the office, YouTube could also become a tool for keeping police honest, some say." The AP continues, "This week, a clip on the post-it-yourself video website triggered a police-brutality investigation by the FBI. The footage shows the Aug. 11 arrest of alleged gang member William Cardenas, 24. Two Los Angeles officers can be seen holding him down on a Hollywood street; one punches him several times in the face before they are able to handcuff him. … The Los Angeles Police Department is also investigating the officers' conduct. … Cop Watch LA, a police watchdog group, posted the video on YouTube, said organizer Joaquin Cienfuegos. Cienfuegos said the video was shot by a neighbor of Cardenas with a cellphone camera. The neighbor gave it to Cardenas' family, who then gave it to Cop Watch, according to Cienfuegos." The AP notes, "In recent months, videos posted on YouTube have rocked political campaigns, brought fame — or infamy — to previously unknown talents and cast unwanted attention on the gaffes of the famous. YouTube and similar video sites are also increasingly becoming repositories for videos that purport to detail wrongdoing by police."

Texas Landscapers Cause Dispute By Refusing To Do Business With Gay Clients. The New York Times (11/11, Blumenthal) reports from Houston, "Last month, a local landscaping firm prompted a furor here by telling a gay couple in an e-mail message, 'We choose not to work for homosexuals.' … The message quickly made its way around the Internet, and the company, Garden Guy Inc., was bombarded with threats and hate mail. But since then, the company's owners say they have gained far more business than they have lost." The Times continues, "In an interview Friday, Sabrina Farber, 34, co-owner of the company with her husband, Todd, 37, said the company had picked up $40,000 in new business in the past two weeks, while losing only two clients worth about $500 each a year. … 'I'm not saying that to gloat,' said Mrs. Farber, who described the frenzy as ugly and emotionally draining. But she said they would not do it differently and deserved credit for not masking their refusal with excuses. … 'Why can't people handle it when you say the truth?' she said." The Times adds, "One of the two gay clients, Gary Lackey, said, 'We're hoping things would die down' and declined to comment further in a telephone interview. The other member of the couple, Michael Lord, did not return a call. … The law appears to be on the Farbers' side, said Lisa Graybill, legal director of the American Civil Liberties Union of Texas. … 'The federal law of public accommodations says if you hang out a shingle or open your door you don't get to say, "Only to whites,"' Ms. Graybill said. But sexual orientation is not protected. And while some localities, like Seattle, have adopted ordinances extending antidiscrimination protection to gay men and lesbians, she said, Houston has not."

Massachusetts Legislature Apparently Kills Same-Sex Marriage Ban. The New York Times (11/10, Belluck, 1.16M) reports Massachusetts lawmakers, in "the only state where same-sex marriage is legal, dealt what appeared to be a fatal blow Thursday to a proposed constitutional amendment to ban it." In a "flurry of strategic maneuvering, supporters of same-sex marriage managed to persuade enough legislators to vote to recess a constitutional convention until the afternoon of Jan. 2, the last day of the legislative session." On that day, "lawmakers and advocates on both sides said, it appeared likely that the legislature would adjourn without voting on the measure, killing it." Gov. Mitt Romney "said the vote was a 'triumph of arrogance over democracy.' He said that he would 'explore any alternatives' to try to force a vote, but that 'my options are limited.'"

NYTimes, LATimes Concerned About SCOTUS Actions On Abortion. The New York Times (11/11, A14) editorializes, "The Supreme Court unnecessarily returned to the politically charged area of abortion this week, hearing arguments in a case testing some of the core principles of Roe v. Wade and the court's own credibility as an institution removed from politics. At issue, once again, is a deceptively broad ban on so-called partial-birth abortions." Justice Anthony Kennedy "is likely to decide this case. In 2000, Justice Kennedy joined those who would have upheld the Nebraska law. But at oral argument his questions suggested that he may take issue with Congress's assertion that the ban would not put women's health at risk -- an encouraging sign. Even justices who oppose abortion rights need to be concerned about that. They also need to worry about how the court will look if the recent change in its membership produces a starkly different result on an issue so vital to women's privacy and health."

The Los Angeles Times (11/11) editorializes, "Anti-abortionists have been craving a test case to put before the U.S. Supreme Court, in hopes of overturning Roe vs. Wade -- and thought they had it when the South Dakota Legislature passed a ban on abortion. Instead of challenging the law in court, though, pro-choice forces cleverly put the matter to a popular referendum. Even in that socially conservative, anti-abortion state, a decisive majority Tuesday preserved a woman's right to choose. … The voters have spoken resoundingly on abortion and the right to privacy. Those who want to turn government into Big Brother need to heed the message and give it up."

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Law Professor Says Election Officials, Not Machines, Are The Problem. In a New York Times (11/11, A15) op-ed, Loyola Law School's Richard Hasen writes, "As election mishaps hindered voting on Tuesday from Cleveland to Denver, some people were already calling for giving up on the new electronic voting machines, which were themselves put in place to prevent another hanging-chad fiasco like that in Florida in 2000. … But this reaction to the bugs and glitches shows that Americans have not learned the right lesson from 2000: the problem is not with the technology of running our elections but rather with the people running them." The US "should join the rest of the world's advanced democracies and put nonpartisan professionals in charge."

ANTITRUST:

DOJ's Antitrust Suit Against NAR Targets 36 Markets. Inman News (11/11, Roberts) reports, "The Justice Department, as a part of its antitrust lawsuit against the 1.3-million-member National Association of Realtors trade group, has identified 36 market areas in which association policy for the online display and sharing of property information has allegedly caused anticompetitive effects, said Laurie Janik, general counsel for the group." Inman continues, "Filed last year, the lawsuit charges that the Realtor group's policies are illegal because they could potentially be used to squelch real estate competition, while the Realtor group has maintained that its policies provide for ample online information about properties. … 'They've identified 36 markets to us where they intend to prove anticompetitive effects,' Janik said Friday during a meeting for multiple listing service executives at a Realtor conference in New Orleans. 'We'll be waiting to see just what types of proof they plan to advance from those marketplaces.'" Inman notes, "Lawyers for the association, meanwhile, are conducting interviews with MLS officials in those markets to gather information for its defense. … Issues of data protection and control are at the core of the legal scuffle, as some brokers have pushed the association to better serve their interests by helping to safeguard control over property information that they say is a vital part of their business. … A major contention in the Justice Department lawsuit is on a policy provision that allows brokers who are members of Realtor-affiliated MLSs to block their listings from display on other MLS participants' Web sites, Janik said. 'We believe it's a very justifiable position, but the government seems to think that once a broker has decided to participate in the MLS then you also must allow your listings to be displayed on a competitors' ... Web site.' … Also, Justice Department officials object to a Realtor policy which requires that Realtor MLS participants must 'actually be engaged in listing or selling the type of property that's listed in the MLS,' while the former policy simply required that an MLS participant possess a broker's license."

Motorola To Purchase BlackBerry Rival. The AP (11/11, Press) reports, "The cellphone maker Motorola said Friday that it would buy Good Technology, a rival of BlackBerry, in a deal that should improve the prospects for its new Q hand-held device. … The financial terms were not disclosed." The AP continues, "The deal underscores efforts by Motorola, a leading maker of handsets, to sell more mobile devices that offer access to e-mail and other business-oriented services. In September, it agreed to spend $3.9 billion to buy Symbol Technologies, a maker of portable bar code scanners and customized hand-held computers. … Motorola said Good Technology, a privately held firm based in Santa Clara, Calif., that provides computing software and services for the Treo and other smartphones, will join its mobile devices unit. That unit has flourished in the last couple of years thanks to the success of the Razr phones." The AP adds, "Ron Garriques, president of the mobile devices division, said Good Technology's services, products and customers all complement its business. … 'This acquisition will continue to strengthen Motorola as a leading provider of mobility devices and solutions both for enterprise customers and consumers,' he said. .. .Hoping to come up with another Razr-like blockbuster in the fast-growing smartphone category, Motorola introduced a Qwerty hand-held device, called the Q, this year to compete against the BlackBerry and the Treo, which also runs on Good Technology software."

Newspaper Mergers Spotlight Cultural Differences. The Wall Street Journal (11/10, A1, Ellison) reports, "When Chicago-based Tribune Co. acquired Times Mirror six years ago, it was more than an $8 billion fusion of two media companies. The merger also threw together two competing and incompatible cultures, each rooted in the traditions of their respective flagship newspapers, the Chicago Tribune and the Los Angeles Times." The Journal continues, "Some Tribune executives think the Times is arrogant, spoiled and overstaffed, a paper with global ambitions that has ignored local readers. Some Times people consider the Chicago Tribune an inferior, provincial product. Times denizens, proud of their city's position as the nation's second largest, see the paper's owners as bean counters in business suits. Tribune thinks its Californian charges are too slick and prefer to take pride in the company's Chicago roots." The Journal adds, "Unlike many battles between journalists and corporate bosses, which focus largely on spending, this one is also driven by fundamental differences between the philosophies of the two newspapers. … Across the country, once-profitable newspapers are being ravaged by the Internet in a historic industry shift. The traditionally high margins of

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newspaper publishers have been squeezed as both readers and advertisers abandon the medium. Investor confidence has plummeted over the industry's uncertain growth prospects. … Even in 2000, some executives saw trouble looming. The solution dreamed up by Tribune and Times Mirror was to merge their operations in a way that allowed them to sell combined packages of newspaper and local TV advertising in the same big, urban markets. The strategy was a dud. In September, Tribune said it was exploring various strategic options, which may include a sale of the entire company or some of its divisions."

ENVIRONMENT:

US Seeks To Fine Florida Man Over Pollution Silence. The St Petersburg (FL) Times (11/11, Weimar) reports, "A Dover (FL) business owner is facing fines of $32,500 a day for failing to comply with requests from the Environmental Protection Agency." The Times continues, "In a criminal complaint, the federal agency accuses Hugh Johnson, owner of Johnson's Oil Service, of ignoring requests for information regarding his alleged involvement in the pollution of what became a Superfund site in Polk County. … The site, 5015 State Road 60 in Mulberry, is the former home of Sadler Drum, which specialized in the washing and reconditioning of chemical drums. The owner abandoned the site in 1997, leaving hundreds of empty containers." The Times adds, "The EPA investigated the site and discovered the presence of dozens of dangerous chemicals. The cleanup cost more than $900,000 and 65 potentially responsible parties were identified, including Johnson, according to court documents. … The EPA sent a registered letter to Johnson in June 2003, requesting more information. Johnson signed for the letter but did not respond, the court documents said. … In June 2006, the Justice Department intervened, sending notice to Johnson he must respond or face judicial enforcement. Johnson did not respond."

DOJ Suit Claims Virginia Family Damaged Wetlands. The Virginian-Pilot (11/11, Harper) reports, "The Justice Department has filed a federal lawsuit seeking fines and restoration of nontidal wetlands in southern Chesapeake that the government says were damaged in 1999. … But the property owners, the Bosher family, said this week that they did nothing wrong and that they were cleaning out existing ditches on their farmland at the time." The V-P continues, "Family members say they have since spent thousands of dollars trying to clarify the issue with federal regulators, to no avail. … 'It's been the most expensive, prolonged and painful experience,' said Kitty Bosher, president and secretary of Sea Bay Development Corp. and Green Sea Farms LLC." The V-P adds, "The two entities, both family-run, are listed as the owners of the site in question, known as the Bosher tract. At 1,560 acres, the tract is one of the largest undeveloped properties left in southern Chesapeake. … The case is another in a series of federal actions in recent years intended to protect nontidal wetlands - low-lying fields and forests found throughout Hampton Roads that filter pollutants, control flooding and provide wildlife habitat."

Global Energy Demand Expected To Jump In Current Quarter. The Wall Street Journal (11/11, A4, Swartz) reports the International Energy Agency said global energy demand "will jump in the fourth quarter because of U.S. consumption, while demand" for OPEC-produced oil "will rise to its highest level in four years." The IEA said Friday that global oil demand "will rise 2.6% from the year-earlier period, when demand was crimped by mild weather and the impact of Hurricane Katrina in the U.S., the world's biggest energy market."

Offshore Drilling Bill Appears Dead Under Democrats. The New York Times (11/11, C3, Krauss) reports that legislation that would "open the seas off the Atlantic and Pacific coasts to oil and gas drilling" appears to be dead in the wake of Democratic victories this week.

IMMIGRATION:

House To "Revisit" Border Fence Under Democrats. The Washington Times (11/11, Waterman) reports, "Democrats will look again at the legislation mandating 698 miles of fencing along the U.S.-Mexico border and might seek to scrap the plan altogether when they take control of Congress next year." Rep. Bennie Thompson, who will head the Homeland Security Committee, "told reporters this week that he expected to 'revisit' the issue."

CONGRESS-ADMINISTRATION:

Bush, Pelosi Vow To Seek Common Ground. President Bush and House Democratic leader Nancy Pelosi met at the White House yesterday. Their vows to seek a bipartisan path are receiving largely positive media coverage. As McClatchy (11/10, Hutcheson) reports, the "bipartisan pledges of cooperation generated considerable skepticism in Washington, a city accustomed to partisan warfare." But Bush "has reached effectively across party lines before, both as governor of Texas and early in his presidency. … Some Democrats who have worked with Bush in the past said Tuesday's elections brought out a side of him that's been missing in recent years. Former Texas state Rep. Paul Sadler, a Democrat who considers Bush a friend, said he was

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puzzled by the style the president adopted when he moved to Washington in 2000. 'It's almost like he was hijacked,' Sadler said."

The New York Times (11/10, Stolberg, 1.16M), under the headline "On A Shifting Playing Field, A Sense Of Rising Expectations," reports, "It might seem like the…Bush -- or maybe the old one, returning to his Texas governor roots. But, Republicans say, it is really just the same…Bush -- the first M.B.A. president, pragmatic enough to recognize, as he himself might say, that he must adjust his tactics to changing conditions on the ground. 'You're seeing the George Bush who has always been adept at playing the hand he is dealt,' said Charlie Black, a Republican strategist with close ties to the White House." Vin Weber, "a Republican former congressman and lobbyist, put it this way: 'I've never thought that George Bush was a rigid ideologue; I've never thought that he was a hardened partisan. He is a businessman first, and in business you don't spend a lot of time crying about changed circumstances. You figure out quickly how to adapt, and that's what he's doing.'"

The AP (11/10, Kellman) says "both Bush and the Democrats have reasons to mend fences. In the twilight of a wartime presidency, Bush could polish his legacy by reviving his uniter-not-a-divider campaign promise of 2000." Meanwhile, "lawmakers in both parties, some of them beginning what amounts to a two-year job interview for the presidency, also have an incentive to move away from confrontation politics. If they need a reminder, they might look at the 61 percent disapproval rating Congress received in the exit polls this week."

The Washington Post (11/10, A1, Abramowitz, Weisman, 690K) says that "despite deep philosophical differences and sharp election-year rhetoric from both sides, the White House and congressional Democrats may share some interest in finding common ground on such issues as overhauling the immigration system, education and energy, according to lawmakers and administration officials." Democratic leaders "seem anxious to show they can deliver as a governing party after years in opposition, while Bush is aware that his final two years will be bereft of any significant initiative unless he can work with the party he demonized on the campaign trail." One area where they could be progress in immigration. The New York Times (11/10, Archibold, 1.16M) notes "Democrats will take over leadership of committees in the House and the Senate that could guide new immigration legislation," while Bush and Pelosi "have cast changes to immigration laws as an opportunity to demonstrate bipartisan bonhomie. … Some immigration experts, however, predict a more arduous debate. Although conservative Republicans have led the opposition to accommodating some illegal immigrants, a handful of the newly elected Democrats, including Claire A. McCaskill of Missouri and Jim Webb of Virginia in the Senate, campaigned promising a tough approach to illegal immigration."

Hope for bipartisanship also extends to the relationship between Bush and Senate Democratic leader Harry Reid. In a largely complimentary profile of Reid, the New York Times (11/10, Leibovich, 1.16M) says "people who know" him "say he is much more suited to work with Republicans than his partisan reputation would suggest."

ABC World News (11/9, story 2, 0:30, Gibson, 8.78M) called the meeting "one of the more uplifting traditions of our democracy: political combatants coming together after a bitter election." ABC (Raddatz) added, "These are two people who have said very nasty things to one another in the past. But today, it was all smiles. The President offered his congratulations to Speaker Pelosi after a one-hour lunch today. And both said they are ready to face the challenges the country faces together." Bush: "We don't agree on every issue. But we do agree that we love America equally, that we're concerned about the future of this country, and that we will do our very best to address big problems." Pelosi: "I look forward to working in a confidence-building way with the President, recognizing that we have our differences. And will debate them. And that is what our founders intended." ABC (Raddatz) continued, "Differences is putting it mildly." Pelosi was shown saying, "What he says is not in touch with reality," and later, ""The President has been incompetent." And Bush was shown saying, "The Speaker would be a Congresswoman who said catching Osama bin Laden would not make America any safer."

The CBS Evening News (11/9, story 3, 2:00, Axelrod, 7.66M) said the two leader made their statements yesterday "through strained smiles." Bush: "Well, we're going to work together to address those changes in a constructive way." Pelosi: "We've made history. Now we have to make progress, and I look forward to working with the President to do just that." CBS added, "This was a day of images designed to project unity and continuity, to insurgents in Iraq who might take the election results as a sign of reduced US commitment there, and to the same Democrats the President's been slamming as soft on terror. Mr. Bush now says he welcomes their ideas on Iraq." Bush: "Whatever party we come from, we all have a responsibility to ensure that these troops have the resources and support they need to prevail. I'm open to any idea or suggestion that will help us achieve our goals of defeating the terrorists and ensuring that Iraq's Democratic government succeeds."

NBC Nightly News (11/9, lead story, 3:10, Gregory, 9.87M) reported, "Voters made clear their desire for middle ground in Washington. One day after ousting Defense Secretary Don Rumsfeld, the President appeared with his cabinet soliciting help from the Democrats on the war. … Quite a change in tone for the President."

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The AP (11/10, Loven) calls Bush and Pelosi "perhaps the biggest loser and winner on Election Day," and notes they "pledged over lunch Thursday to bury the hatchet and cooperate. When possible. At the White House, where Bush had invited Pelosi for lunch, presidential aides joked that there was no crow on the menu for Bush to eat." Bush "ate a little anyway, and he saluted Pelosi, not only as Tuesday's victor but as the first woman who will ascend to the position of House speaker, next in line to the presidency after the vice president." Pelosi, "like Bush all smiles," said, "We both extended the hand of friendship, of partnership to solve the problems facing our country." She "was accompanied by Rep. Steny Hoyer, the House's second-ranking Democrat. Bush was accompanied by a stony-faced Vice President Dick Cheney."

The Washington Times (11/10, Curl, 88K) also notes Bush's "new conciliatory stance is a far cry from what the president said repeatedly on the campaign trail." But the President, "humbled by losing Republican control of both the House and the Senate, struck a new tone of bipartisanship yesterday after a morning meeting with his Cabinet." The Financial Times (11/10, Sevastopulo, Luce, Kirchgaessner) runs a similar report under the headline "Bush In Overture To Democrats."

"Symbolism" Seen In Bush's Omission Of Cheney. The New York Times (11/10, Stolberg, 1.16M) reports, "It was no doubt inadvertent, but it was hard not to find some symbolism in the moment Thursday in the Oval Office when…Bush seemed to forget that…Cheney was in the room. … 'Both of us recognize -- all three of us,' Mr. Bush said, apparently referring to himself, Ms. Pelosi and Mr. Hoyer, 'recognize that when you win, you have a responsibility to do the best you can for the country.'" The Times adds, "The omission of Mr. Cheney, the embodiment of the administration's approach to national security, raised an intriguing question. As Mr. Bush grapples with the loss of his Republican majority in Congress, how far will he go to reinvent himself, and who -- or what philosophies -- is he willing to jettison along the way?" The Times also reports that "there were questions on Thursday about the future of Karl Rove, the political strategist whose divide-and-conquer tactics failed on Tuesday for the first time. Asked what role Mr. Rove would play now, Tony Snow, the White House press secretary, offered little insight. 'That's a good process question,' Mr. Snow said, 'for which I don't have an answer.'"

Bush, Democrats Clash On Bolton, Wiretapping Program. But not all was bipartisanship in Washington yesterday. As the Financial Times (11/10, Sevastopulo) reports Bush "asked Congress to approve John Bolton, his controversial ambassador to the United Nations, for a second term, in the face of opposition from key Democrats. The move comes in spite of conciliatory rhetoric from Mr. Bush on Thursday that he wants to work with Democrats after they routed the Republicans in the congressional mid-term elections." White House spokesman Tony Snow Thursday said Bush "discussed his desire to keep Mr. Bolton at the UN at a breakfast meeting on Thursday with Republican congressional leaders." However, "White House hopes of keeping Mr. Bolton in New York were immediately dashed when Lincoln Chafee, a Rhode Island Republican member of the foreign relations committee who just lost his seat in Tuesday's elections, said he would oppose Mr. Bolton. Joseph Biden, the Delaware Democrat who will become chairman of the Senate foreign relations committee in January, on Thursday said there was no point for the committee to even discuss the appointment." Similarly, NBC Nightly News (11/9, lead story, 3:10, Williams, 9.87M) noted in a segment on the Democrats' electoral victory, "There are signals tonight from Capitol Hill, the top Democrats will block the re-nomination, really, of John Bolton, the UN Ambassador. He's opposed by lame duck Republican Senator Lincoln Chafee of Rhode Island."

The AP (11/10, Flaherty) says Bolton's "prospects for staying on as UN ambassador essentially died Thursday," in "another blow to…Bush." The Washington Post (11/10, A3, Linzer, 690K) and Los Angeles Times (11/10, Farley, 850K) also report the story. And the Washington Times (11/10, Dinan, 88K) notes White House Press Secretary Tony Snow "said it's too early to talk about whether the White House might give Mr. Bolton another recess appointment."

Meanwhile, the New York Times (11/10, Lichtblau, 1.16M) reports the Administration "escalated its defense of the National Security Agency's domestic wiretapping program on Thursday, even as Democrats in Congress vowed to investigate the program aggressively once they assume power." Bush "urged that during the lame-duck session that starts next week, Congress pass a bill effectively authorizing the program. And in San Francisco, the Justice Department told a federal court that public scrutiny of the operation risked 'exceptionally grave harm to national security.'" Democrats, meanwhile, "sounded impatient to begin getting more answers after what they characterized as 11 months of stonewalling by the administration since the program was publicly disclosed last December. 'This administration first hid its domestic spying program from Congress and Americans for years, and when it was discovered, has ducked and weaved on its legal justifications,' said Senator Patrick J. Leahy of Vermont, who is to become chairman of the Senate Judiciary Committee when Democrats take control."

On ABC World News (11/9, lead story, 2:50, Tapper, 8.78M), Cokie Roberts said, "Some of the people who are taking over Senate committees are no friends of George Bush. And they've made that very clear on several occasions." Leahy, for example, is described as "one of the

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toughest critics of the President's choices for judges and his controversial NSA wiretap program."

NBC Nightly News (11/9, story 2, 2:30, Reid, 9.87M) reported, "Congressman Henry Waxman is one of the Democrat's most aggressive investigators, targeting Iraq contractors, especially Halliburton. And as chairman of the House Government Reform Committee, he'll have vast new resources and the power to subpoena witnesses."

In an editorial, the New York Times (11/10, 1.16M) was quick to criticize Bush for putting "bipartisanship on hold." After his statements in regard to bipartisanship, the Times said, "without missing a beat…Bush made it clear that, for now, his idea of how to 'put the elections behind us' is to use the Republicans' last two months in control of Congress to try to push through one of the worst ideas his administration and its Republican allies on Capitol Hill have come up with: a bill that would legalize his illegal wiretapping program and gut the law that limits a president's ability to abuse his power in this way." Bush's priorities for the lame duck session of Congress "included one worthy but hardly urgent idea (getting Vietnam into the World Trade Organization) and a series of ideas ranging from bad to truly awful that Mr. Bush has been unable to get through Congress and hopes to ram through in the Republicans' last weeks." The Bolton vote, adds the Times, "can easily wait for the new Congress, and should."

McCaskill Would Vote To Confirm Bolton. Asked on MSNBC's Hardball (11/9, Matthews) if the Senate should confirm John Bolton's nomination to be US ambassador to the UN, Sen.-elect Claire McCaskill said, "Yes, probably. I haven't had a chance to review all of Mr. Bolton's record. But I'm a believer that the President has certain picks that he's entitled to, as long as I'm convinced that they are serious about beginning work on diplomacy. Obviously, that's been kind of AWOL in this administration, that emphasis on building alliances. Now is the time to remain committed to the United Nations, not to withdraw. I would want to get those assurances from Mr. Bolton."

Democrats Prepare To Launch Investigations. The Los Angeles Times (11/10, Schmidt, Simon, 850K), in a report titled "Democrats Are Set To Subpoena," reports Democratic "Rep. Ike Skelton knows what he will do in one of his first acts as chairman of the Armed Services Committee in the Democratic-led House: resurrect the subcommittee on oversight and investigations. The panel was disbanded by the Republicans after they won control of Congress in 1994." Now, Skelton "intends to use it as a forum to probe Pentagon spending and the Bush administration's conduct of the Iraq war." The Times adds, "With control of every committee in Congress starting in January, the new majority will inherit broad powers to subpoena and investigate. And that is expected to translate into wide-ranging and contentious hearings."

Meanwhile, under the headline "Democrats Poised To Flex New Muscles," the Wall Street Journal (11/10, Dreazen, Solomon, Block, 2.04M) reports "the Democrats' sweep of the House and the Senate gives the party powerful tools for probing certain controversies of the Bush administration's years in office, from its use of faulty prewar intelligence on Iraq to its effort to rebuild New Orleans." In the Senate, "the likely new Intelligence Committee chairman, Jay Rockefeller of West Virginia, says he will complete an investigation into the White House's case for invading Iraq that Republicans were accused of stalling. Michigan Sen. Carl Levin is in line to take over the most powerful congressional oversight body, the Senate's Permanent Subcommittee on Investigations, which routinely sends staffers to Iraq and other overseas countries." Levin "has previously promised to conduct tougher oversight of the administration's use of no-bid contracting in Iraq, where the $21.8 billion U.S.-led rebuilding effort is winding down without having restored prewar levels of water or electricity." In the House, Rep. Bennie Thompson, "expected to take over the House Committee on Homeland Security, is promising to haul Homeland Security Secretary Michael Chertoff before the panel to face questions on issues ranging from the no-bid contracts awarded after Hurricane Katrina to the number of vacancies in the department's senior management."

The New York Times (11/10, Hulse, 1.16M) says and in the Senate, "there are pronounced ideological differences between the incoming leaders and those they will be replacing, as well as other lingering issues." On the Intelligence Committee, Rockefeller "has feuded with Senator Pat Roberts of Kansas, the Republican chairman, over Mr. Roberts' reluctance to challenge the administration's handling of intelligence preceding the Iraq war." And "in what could be the biggest policy divide on the panels, Senator Barbara Boxer, the liberal California Democrat and environmental advocate, is in line to take control of the Environment and Public Works Committee from Senator James M. Inhofe of Oklahoma, who has disputed the existence of global warming."

USA Today (11/10, Lawrence, 2.27M) reports Norman Ornstein, "co-author of The Broken Branch, a book about Congress, predicts 'double-barreled investigations' of Iraq war contracts and the conduct of the war, with House and Senate Democrats 'calling in generals left and right' to testify. 'That's a nasty thing for a president to have to deal with,' he says." In the Washington Post (11/10, 690K), columnist Eugene Robinson says "Democrats were restrained during the campaign, which was smart. But now it's time for them to ask those hard questions -- and use their new power to compel answers. Even if they have to be unfashionably partisan about it."

Waxman Weighing Where To Start On Probes Of Bush Administration. The AP (11/10, Werner) reports Rep.

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Henry Waxman, "who will investigate the Bush administration's running of the government," says there are "so many areas of possible wrongdoing that his biggest problem will be deciding which ones to pursue." Addressing the Los Angeles Chamber of Commerce, he ticked off "the response to Hurricane Katrina, government contracting in Iraq and on homeland security, political interference in regulatory decisions by the Environmental Protection Agency and the Food and Drug Administration, and accusations of war profiteering." Waxman said, "I'm going to have an interesting time because the Government Reform Committee has jurisdiction over everything. The most difficult thing will be to pick and choose."

Democrats To Seek Additional Domestic Security Spending. USA Today (11/10, Frank, Hall, 2.27M) reports, "Democrats say they will use their majority in Congress to strengthen domestic security by putting millions of dollars into technology at airports and ports and increasing government oversight." But "they also may push policies that aviation officials say could cripple the industry, such as requiring screening of all cargo before it's put on passenger planes." House Democrats "made domestic security a centerpiece of their campaign this year and vowed to fulfill all the 9/11 Commission's recommendations. 'Real security' is the first of six policies Democrats will push when they take control of Congress in January, according to a manifesto they recently published to highlight differences with Republicans."

Dingell Agenda Includes Fuel Efficiency, Health Care Costs. USA Today (11/10, Healy, 2.27M) reports conventional wisdom "says that Democrats, who will control both houses of Congress next year, will somehow cut America's dependence on oil, especially imported, and trim the average American's fuel bill." Dingell says he "wants to cut the U.S. oil habit, promising the committee's help in 'making the United States energy-independent.'" At the same time, "he must represent the interests of the Michigan-based auto industry. Energy-conservation initiatives can cost automakers hundreds of millions of dollars for research and development of fuel-efficiency hardware and software for which new car buyers won't pay extra." Dingell is "not eager to force automakers to improve fuel economy by boosting what's known as CAFE, for corporate average fuel economy." Fuel economy standards, "he said, 'can be addressed very well, automobile or light trucks, within the framework of existing law,' which 'gives an awful lot of freedom to the administration' to adjust the standards to keep up with improving technology." USA adds Dingell is "passionate about overhauling health care by getting cheaper generic dugs to market faster; giving the government the authority to negotiate Medicare drug prices with pharmaceutical companies; stopping what he says are 'almost certain overpayments' to health insurance companies; and regulating dietary supplements, which, he says, 'are killing people.' He wouldn't name the supplements he considers dangerous."

WPost Urges Democrats To Tackle Ethics Reform First. The Washington Post (11/10, 690K) editorializes, "One of the loudest messages from Tuesday's elections was disgust with the way Washington does business. In exit polls, 42 percent of voters said corruption and scandals in government were extremely important in their decisions -- a greater share than for the war in Iraq, terrorism or the economy. House Democrats have vowed to quickly adopt new ethics rules; their package is good but could be improved. Senate Democrats, who, after yesterday's gracious concession by Sen. George Allen (R-Va.), will control the chamber, say they too have heard the voters' demand for change." The Post urges Congress to fulfill their reform vows before other priorities, adding that "after changing ethics rules, the new Congress needs to pass the lobbying reform legislation that its predecessor neglected to its peril."

Congress Urged To Take Up "Family Friendly" Measures. In a New York Times op-ed (11/10), author Judith Warner says, "While the excitement over Nancy Pelosi, most likely to be our first female speaker of the House, is still fresh, and while those of us who care about these things are still bubbling over the election of the highest number of women to Congress in history, I'd like to issue a challenge: Ladies, step up to the plate on behalf of the rest of America's women — and their families." For "years now, there have been murmurings — and more — from various corners of Congress in favor of change. Representative Lynn Woolsey's Balancing Act bill, which calls for a wide array of measures to reduce the stresses on working families, has been languishing for years. Senators Christopher Dodd and Ted Kennedy have gestured toward legislation on paid family leave and guaranteed sick leave. There was even a much-overlooked bill introduced in the Senate by Hillary Clinton this summer (and in the House by Rosa DeLauro of Connecticut) to provide low-income parents with subsidies to stay at home and care for their infants themselves. It's time to light a fire under these kinds of initiatives."

Democrats Planning Broad Economic Agenda.

ABC World News (11/10, story 2, 2:10, Stark) took a look at what economic initiatives might come from the Democrats, with the party bringing "an ambitious agenda on economic issues that could affect the wallets of millions of Americans. If you're an hourly wage worker, there's a good chance you're in for a raise. Democrats want to raise minimum the wage from $5.15 to $7.25 an hour, which could ripple through to higher wages for those who make more than the minimum, too. … If you're a student or parent trying to pay for college, lower student loan rates could also be coming. Democrats say their goal is to cut federal loan rates from 6.8% to 3.4% interest. … For seniors, and possibly anyone who takes

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prescription drugs, lower drug costs are high on the agenda. Democrats want to rewrite the Medicare reform bill to let the government negotiate lower prescription drug prices, but face a tough battle."

Democrats Vow To Make AMT Key Budget Issue. The Washington Post (11/11, Montgomery) reports on its front page that Democrats are vowing to "make the alternative minimum tax a centerpiece of next year's budget debate, saying the levy threatens to unfairly increase tax bills for millions of middle-class families by the end of the decade." The "complex and expensive tax…is expected to expand to more than 30 million taxpayers in 2010 from 3.8 million mostly well-off households in 2006."

Rubin Urges Democrats To Raise Taxes. As part of its lead story, ABC World News (11/10, lead story, 2:05, Raddatz) reported that "at least one major division was made clear" between the two parties, "over taxes. A powerful voice urging Democrats to call for tax increases to help bring down the deficit." Ex-Treasury Secretary Robert Rubin: "You can not solve the nation's fiscal problems without increased revenues." Raddatz: "The White House today rejected Rubin's suggestion." White House Press Secretary Tony Snow: "Tax increases are bad for the economy." The Wall Street Journal (11/11, A5, Solomon) reports on Rubin's remarks at the Economic Club of Washington, adding that "raising taxes is a message many Democratic lawmakers are unlikely to utter aloud -- at least for now."

WSJournal Says Minimum Wage Increase Would Hurt Disadvantaged. The Wall Street Journal (11/11, A6) editorializes, "A hike in the national minimum wage seems all but certain to become one of the first fruits of the Democrats' victories this week. … It is implicit in the logic behind raising the minimum wage that if we squeeze employers just a little, they won't even notice. Another argument, this one made explicitly, is that jobs are destroyed, but the wage gains more than make up for the reduced number of jobs. But this is only true if it's not your job that is destroyed. If you are a young black male, you are slightly more likely than the general population to be paid minimum wage, but you are almost 10 times as likely not to have a job at all. And if you're unemployed, raising the minimum wage not only doesn't help you find a job; it probably hurts. Welcome to Speaker Pelosi's idea of progress." The Wall Street Journal (11/11, A5, Nassauer) also examines some of the issues and questions surrounding a minimum wage increase.

Democratic Wins Could Stymie Bush Free Trade Agenda. The Wall Street Journal (11/11, A1, Hitt, King) reports on its front page that the new Democratic domination of Capitol Hill "is set to deliver a blow to President Bush's free-trade ambitions and could hamper impending trade deals both big and small. Democrats' stances against free trade helped build the party's success at the polls and could tip the balance on trade matters." But that "new dynamic could put a definitive end to the already troubled" Doha round effort to reduce tariffs and open markets.

The Financial Times (11/11, Luce, Remtulla) writes that many of the newly elected Democrats "are economic populists who are deeply suspicious of free trade and quick to blame China and other developing countries for the loss of US jobs." The Los Angeles Times (11/11, Hennessy-Fiske) reports, "One of the first battles could be over the president's authority to get trade deals approved quickly." Sen.-elect Rep. Sherrod Brown, "a foe of free trade while in the House," and a "slate of new lawmakers plan to block fast track unless it's amended to include protections for domestic and foreign workers."

In his Washington Post (11/11, A27) column, Harold Meyerson writes, "Looking at the Democrats who picked up formerly Republican House seats, Public Citizen's Global Trade Watch tallies 27 who defeated (or replaced resigning) free-trade Republicans and who campaigned against the kind of trade deals that Congress has ratified. The fair-trade 27 insist instead on deals that stress labor rights and environmental standards. … In the incoming Senate delegation, the contrast is even sharper. The Democratic pickups -- Missouri's Claire McCaskill, Montana's Jon Tester, Ohio's Sherrod Brown, Pennsylvania's Bob Casey, Rhode Island's Sheldon Whitehouse and Virginia's James Webb -- all unseated free-trade incumbents with campaigns that stressed the need to pay far greater attention to the downward leveling that globalization entails."

Unions Reemerge As Democrats Take Control. The New York Times (11/11, A13, Greenhouse) writes that the labor movement, which has been "on the outs" with Capitol Hill since 1994, is readying its comeback. Unions, "eager to be treated as an important force," have "worked overtime since Election Day reminding Democrats about all that organized labor did to help put them over the top, including spending more than $100 million and dispatching more than 100,000 volunteers to help get out the vote."

Choice For Intelligence Chair Seen As First Challenge For Pelosi. The New York Times (11/10, Mazzetti, 1.16M) reports, "Her boss may want her gone, but Representative Jane Harman happens to think she is good at her job. And she has no intention of leaving it without a fight." Harman "argues that her role as the ranking Democrat on the House Intelligence Committee makes her the logical candidate to become chairman when the new Congress begins in January." Rep. Nancy Pelosi, "the party's leader and presumptive House speaker in the next Congress, has indicated she has other plans. The two women, both from California, have long had a frosty relationship, and Ms. Pelosi has been angry with Ms. Harman for not using her position on

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the Intelligence Committee to attack the Bush administration aggressively." Pelosi "has told colleagues she plans to replace Ms. Harman on the Intelligence Committee, possibly with Representative Alcee Hastings of Florida, although she has given no public indication of her choice for the post since the election." The Times adds, "Many Democrats are closely watching the decision for signs of two things: how the speaker-in-waiting will chart her party's course on national security issues and how she will handle her first postelection test in dealing with the often fractious Democratic caucus. 'This is the battle that nobody wanted,' one senior Democratic strategist said. 'For Nancy to start off her speakership with a fight is a great shame.'"

Pelosi-Reid Relationship Could Be Key To Democratic Success. The Washington Post (11/10, A12, Banington, Weisman, 690K) reports, "After two days of watching Rep. Nancy Pelosi hailed as a political pioneer and the toast of her party, Sen. Harry M. Reid joined her yesterday atop the first Democratic-controlled Congress in a dozen years thanks to a razor-thin election in Virginia. … The Democrats' success in the Bush presidency's final two years will depend largely on the compatibility and forcefulness of the two barely tested leaders, according to some lawmakers and political experts. Reid, a former boxer from Nevada, is a camera-averse Senate insider who has used rear-guard tactics to bedevil Senate Republicans on Social Security, nominations and other issues in recent years." Pelosi "is a wealthy San Franciscan who grew up in a Baltimore political family and now has reached the highest elected post of any American woman." Yesterday, Reid "echoed Pelosi's earlier assertion that Democrats will push an agenda to help middle-class families and reduce the deficit while also treating Republican lawmakers more generously than the GOP had treated Democrats during their years in the minority."

Reid Described As Able Legislator With An Eclectic Personality. Under the headline "Harry Reid, An Infighter With A Sharp Jab," the New York Times (11/10, Leibovich, 1.16M) profiles Senate Democratic Leader Harry Leader. In a generally positive feature, the Times reports Harry Reid "began Election Day with 50 situps and 80 push-ups (very red state of him) and 40 minutes of yoga (very blue state of him). … Just after 2 p.m., he finally heard some actual news: Britney Spears was filing for divorce. 'Britney Spears,' Mr. Reid said, shaking his head. 'She loses a little weight, and now she's getting all cocky about things.' He added, 'Britney has gotten her mojo back.'" The Times adds, "Few would peg Mr. Reid, 66, as someone with anything to say about Britney Spears or, for that matter, someone who would ever use the word 'mojo.'" But "he is a tricky figure to pigeonhole or predict, a Democrat who is a Mormon opposed to abortion and who looks more like a civics teacher than someone set to become the most powerful person in the Senate. He makes an unlikely front man." The Times adds, "People who know Mr. Reid say he is much more suited to work with Republicans than his partisan reputation would suggest." Reid "is often credited with outmaneuvering his predecessor, Senator Bill Frist, Republican of Tennessee, who had relatively little legislative experience when he became majority leader in 2003." He is "nothing if not battle-worn and realistic, friends say."

Pelosi's Liberalism Said To Spring From Her Father's Politics. The Washington Post (11/10, C1, Duke, 690K) reports, "Critics deride Pelosi, 66, for a presumed lightweight liberalism they attribute to her latter-day home in San Francisco. But her liberalism -- and the keen political instincts and skill at the inside parry of the game -- can be traced more deeply and more precisely back to Albemarle Street," in Baltimore, "to the political empire that grew there when her father held court through decades of an intensely political life. The Post adds, "In that brick rowhouse on the corner of Albemarle and Fawn streets, politics was a family business that became a local dynasty."

Pelosi Learned How To Count Votes From Father. In the Financial Times (11/11), Holly Yeager profiles Pelosi, "a workaholic and self-confessed chocoholic" who "has long been a vocal cheerleader and effective fundraiser for her party (she raised more than $100m for Democrats in the past four years – a feat matched only by the Clintons). But that this mother of five who first ran for public office 20 years ago is also a keen political strategist should not come as a surprise. Her late father, Thomas D'Alesandro Jr, spent 10 years in Congress, then a dozen as mayor of Baltimore. Known as 'Old Tommy', he kept a 'favour file' in the living room of their Little Italy home, tracking good deeds that he and the Baltimore Democratic machine had done for people – in case they needed to ask for something in return. Mrs Pelosi – 'little Nancy' back then, the youngest of six children and the only girl – says she also learnt from him to count votes. 'Going into an election, they'd sit around the table and they had these yellow legal pads and they'd say, 'How many votes does it take to win?' and it's still the same thing.'"

Murtha Thinks He Has The Votes To Be Majority Leader. Asked about his run for House Majority Leader on CNN's The Situation Room (11/9, Blitzer), Rep. Jack Murtha said, "At this point I think I have the votes. We've been going over it today and we're pleased at the outcome, we're pleased at the response we're getting and we've been working hard." Murtha pointed out that he was Nancy Pelosi's "campaign manager when Steny Hoyer ran against her for minority leader. So I do have a fairly good relationship."

The Washington Times (11/10, Hurt, 88K) reports, "Though Mr. Murtha is otherwise a fairly conservative

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Democrat, his position on the war appeals to many liberals in his ranks and, say Democratic staffers, he has the private blessing of Rep. Nancy Pelosi of California, the caucus's head and the presumed next House speaker." The Times adds, "Within minutes of Democrats' capturing the 15th seat needed to take control of the House, Mr. Hoyer tried tightening his grip on the majority leader position by reminding fellow Democrats that he had been a central figure in their caucus during their darkest times." Murtha "reminded colleagues that his strongest voice in recent years came in opposition to the Iraq war, which strategists on both sides credit in part for Democrats' enormous victories this week."

Emanuel To Forgo Whip Race. The Chicago Tribune (11/10, Dorning, 617K) reports Rep. Rahm Emanuel, "the Chicago Democrat who led his party's successful campaign to take over the House, announced late Thursday that he would forgo a bid he had been considering for the influential third-ranking leadership post, majority whip. Instead, he will run for a post one rung down the leadership ladder, Democratic Caucus chairman." The Tribune adds, "A Democratic source said Pelosi had urged Emanuel not to make a bid for the whip post in order to avoid a divisive internal fight with the Congressional Black Caucus, which is strongly backing the only declared candidate for the post, Rep. James Clyburn (D-S.C.). Clyburn is currently Democratic Caucus chairman and the only African-American in the party leadership."

Some Democratic Leaders, Lawmakers Touched By Scandal. The Wall Street Journal (11/10, Mullins, 2.04M) reports that after "winning an election shaped by corruption as much as Iraq, Democrats are about to elevate a set of leaders in the House and Senate that will include lawmakers who have had their own brushes with scandal." Sen. Harry Reid (D., Nev.), "who is expected to be elected to majority leader in the Senate, has come under attack for his relationship with Republican lobbyist Jack Abramoff, a profitable land deal, and whether he inappropriately used campaign funds to give Christmas bonuses to employees at his condo complex." In the House, West Virginia Democratic Rep. Allan Mollohan, "whose conduct is being investigated by the Justice Department, is in line for a senior position on the Appropriations Committee. Meanwhile, Rep. Alcee Hastings, a Florida Democrat, is vying to become chairman of the Intelligence Committee. Once a federal judge, Mr. Hastings was impeached by Congress more than a decade ago after he was charged with -- and acquitted of -- taking a $150,000 bribe. Mr. Hastings declined to comment." Democratic Rep. William Jefferson of Louisiana, "under Justice Department investigation for accepting bribes, came out ahead of 12 other candidates vying for his seat on Election Day, but faces a December runoff under Louisiana's unique election system." Democratic leaders "in both chambers say they will make it a top priority to approve an ethics-reform package that tightens rules for lawmakers, congressional aides and lobbyists. Republicans made the same promise a year ago after a Justice Department corruption probe garnered guilty pleas from a pair of one-time aides to former Republican Rep. Tom DeLay of Texas as well as from Mr. Abramoff, who was close to Mr. DeLay and other Republican lawmakers."

Dodd Likely To Chair Senate Banking Committee. USA Today (11/10, Kirchhoff, 2.27M) reports Sen. Christopher Dodd of Connecticut, "a second-generation senator exploring a 2008 presidential bid, is in line to be chairman of the Senate Banking Committee, now that Democrats have a majority in that chamber." Dodd has been "a strong advocate for the insurance and financial services industries in his state. Such firms as Bear Stearns, Lehman Bros. and Goldman Sachs are atop Dodd's list of political action committee donors, according to the Center for Responsive Politics."

Defense Contractors Relieved McCain Will Not Get Armed Services Chair. The Wall Street Journal (11/10, A8, Karp, Pasztor, 2.04M) reports many defense contractors are relieved that Sen. John McCain, "a strident critic of Pentagon weapons-buying practices, won't become chairman of the Armed Services Committee." Likely chairman Carl Levin "brings his own longstanding skepticism of the industry and some of its prized weapons programs, particularly missile defense. Yet the soft-spoken Mr. Levin is likely to change the tone and focus of the committee's oversight efforts." Unlike McCain, "whose investigations into Boeing Co.'s ethical lapses laid the path for the panel to examine weapons-contract details and contractor profit margins, Mr. Levin has signaled that his priority will be the war in Iraq."

Paulson Emerging From "Shadows" Untainted By Partisanship. The New York Times (11/11, Weisman) writes on its front page that while Treasury Secretary Henry Paulson spent his first months in office in "the shadows while cabinet colleagues were campaigning for a Republican Congress," he is now "set to plunge in. Untainted by the harshly partisan rhetoric of the past, he hopes to use his prowess as the former head of Goldman Sachs not just to pursue critical economic deals with China and other American trading partners but -- equally important for the weakened administration -- to explore deal-making with Democrats in Congress, as well." The White House "says it is counting on the best from Mr. Paulson." However,

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the Times says, "the chances for real cooperation are limited."

UN's Bolton Could Be Next Victim Of Democratic Wave. The New York Times (11/11, A12, Cooper) reports that now that President Bush "has pledged to be a bipartisan consensus builder," the question "is whether Mr. Bush is ready to junk all of his make-nice pledges in order to keep John R. Bolton at the United Nations. Officially, administration officials say they plan to make all the necessary calls to Republicans and Democrats on the Senate Foreign Relations Committee to try to persuade them to confirm Mr. Bolton for a new term." But with defeated Sen. Lincoln Chafee's Thursday announcement that he would "deny Republicans on the committee the last vote needed to send Mr. Bolton's nomination to the full Senate, some administration officials privately acknowledge that Mr. Bolton's chances of confirmation are 'nil,' one State Department official said."

Rangel Apologizes To Mississippians Over Comment. The New York Times (11/11, B3, Ramirez) reports Rep. Charles Rangel apologized for a comment that he says was "uttered with regional pride rather than rancor." On Wednesday, the incoming House Ways and Means chairman "talked about winning back more of the tax revenue that New York State sends to the Treasury. He said, 'Mississippi gets more than their fair share back in federal money, but who the hell wants to live in Mississippi?' Apparently, a lot of people do, and they are not shy about saying so." One colleague, Rep. Chip Pickering "reacted as if he and his state had been slapped with a glove." On Thursday, Rangel said in a statement, "I certainly don't mean to offend anyone. I just love New York so much that I can't understand why everyone wouldn't want to live here."

Pelosi's Office Clarifies Stance On House Vote For D.C. Delegate. The Washington Post (11/11, B1, Woodlee) reports a spokeswoman for Rep. Nancy Pelosi said the likely incoming speaker supports voting rights for the District of Columbia's House delegate. The statement "clarified her position after heated discussion on Washington Post Radio about her position on the issue. On Thursday, Pelosi said she would change House rules on the first day of the new Democratic-controlled session in January" so that D.C. Del. Eleanor Holmes Norton "could vote on proposed changes but not final approval of legislation on the House floor." In a related item, the Washington Times (11/11, Emerling) reports District voting rights advocates "are encouraged by the recent Democratic takeover of Congress, but would prefer a bill giving their representative a full vote in the House be considered before the end of this legislative session."

OTHER NEWS:

With Elections Done, Dow Could Continue To Soar. The Wall Street Journal (11/11, B1, Browning) reports, "Now that the stock and bond markets have shrugged off the major shift of political power in Washington, investors are beginning to wonder how much higher the stock market can go." The markets "seem to have welcomed the end of the divisive political campaign. Now, people's attention is turning back to more fundamental issues -- notably strong recent corporate profits and low interest rates." The Dow Jones "put in a gain of 122.39 points, or 1%," for the week, finishing at 12108.43, "just short of the record close of 12176.54 that it achieved Wednesday." The New York Times (11/11, C6) reports on the week's numbers as well.

Allen Concedes Senate Election. NBC Nightly News (11/9, lead story, 3:10, Williams, 9.87M) reported, "Democrats have taken over the Senate. As you know, it all hinged on the Virginia Senate race and that is all over. In the end Jim Webb won by about 7,000 votes and with that election went control of the Senate." Sen. George Allen was shown saying, "The people of Virginia, who I always call the owners of the government, they have spoken. And I respect their decision." And Webb was shown saying, "I would like to also today call on our President to publicly denounce the campaign tactics that have divided us."

On CNN's Larry King Live (11/9), Webb said, "I had a strong feeling when I entered this race that we could win, if things went our way. We were down 33 points at that time, but I always believed we could win. … I was very strongly concerned about the Iraq war. I was an early voice warning against going into Iraq. But I also have strong feelings about what has been happening to our country economically, with the breakdown along class lines, in a way that we probably haven't seen since the 1880s. And that's an issue that got an enormous amount of traction."

Asked on MSNBC's Tucker (11/9) how Webb is going to get along with "real liberals, legendary liberals," in the Senate, Democratic strategist Steve McMahon said, "He's going to get along fine with them. He's a Vietnam veteran who I'm sure had some strong views about what was going on in the country while there were people over fighting the war. But at the end of the day…he's a patriot, he's a moderate, he's a centrist, he matches Virginia beautifully, and he's going to be a great US senator."

The CBS Evening News (11/9, story 4, 2:25, Atkisson, 7.66M) reported that Democratic control of the Senate "means if there's an opening on the Supreme Court, it will be

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tougher for President Bush to push through a conservative Supreme Court nominee and it's less likely 'Roe v. Wade' will be overturned. But even with a majority, Democrats can't count on steamrolling through everything they want. As a minority, Republicans can always filibuster in the Senate, and the President has his veto pen."

The AP (11/10, Barakat) reports "Webb's supporters roared when he took his Marine son's battered combat boots from a bag and held them high above his head at a rally. Webb, whose son is fighting in Iraq, had worn the boots throughout what he called 'an unnecessarily brutal campaign.'" Allen "chose not to demand a recount when initial canvassing of the results failed to significantly alter Webb's lead."

The Washington Post (11/10, A1, Shear, MacJillis, 690K) reports, "Webb, 60, was a Republican for most of his life and for a time served under the godfather of the modern GOP, former president Ronald Reagan. But his election to the Senate delivered a final blow to the Republican Party."

The Washington Times (11/10, Bellantoni, McLaughlin, 88K) says "Allen's loss -- the third consecutive top office lost by state Republicans -- leaves the Virginia Republican party in disarray. 'George Allen is the patriarch of the modern Republican party in Virginia,' said Lt. Gov. William T. Bolling, one of several Republicans jockeying to be the new leader. His win last fall buoyed depressed party loyalists after their candidate Jerry W. Kilgore lost the gubernatorial race to Democrat Timothy M. Kaine." Now, "conservatives can choose to unite behind former leaders with an anti-tax message -- such as James S. Gilmore III, the last Republican chief executive -- or centrists such as Rep. Thomas M. Davis III, who work with the opposing party. Mr. Davis won re-election Tuesday in a changing and growing Northern Virginia district that favored Mr. Webb." A Washington Post story (11/10, Shear, Craig) also says Allen was "the one who revitalized Virginia's Republican Party," adding he was also "considered a front-runner for the White House, with his folksy, football-and-cowboy charm." The New York Times (11/10, Broder, 1.16M), Los Angeles Times (11/10, Neuman, 850K) also report on the end of the Virginia campaign.

Webb Begins Transition As Allen Team Absorbs Stunning Loss. The Washington Post (11/11, B1, Shear) reports Sen.-elect Jim Webb "spent the day after clinching his victory by thanking his staff and beginning the process of making the transition from first-time candidate to freshman lawmaker." Webb told supporters Thursday that he "agreed to have lunch next week" with Sen. George Allen, but so far, "a time and place have not been determined" and Webb is waiting to hear from his defeated rival. Meanwhile, "aides to Allen said they were stunned by the loss, despite knowing for weeks that the race against Webb was very close. Members of Allen's Senate staff, many of whom are young, cried Thursday when they found out he had decided not to seek a recount of the ballots."

The New York Times (11/11, A12, Kornblut) writes that while "the most spectacular defeat" this week was Allen's, "who won the prize for most breathtaking downfall, not only losing his Senate seat to help hand power of the entire body to the Democrats, but also tarnishing a once-golden reputation in under three months flat," less obvious "but no less real was the damage to Mr. Allen's campaign manager, Dick Wadhams, a strategist once celebrated as the 'next Karl Rove.'"

On CNN's Lou Dobbs Tonight (11/10), host Dobbs gave Sen.-elect Jim Webb very favorable treatment during an interview, telling his "highly decorated Marine Vietnam veteran" guest that "you have the capacity, the experience and the character" to succeed in the Senate. Webb said, "One of the committees that I will be on, I can guarantee, will be one that deals with defense or foreign policy," and "I want to be on the Veterans' Committee. I've spent a good part of my life, as you know, either serving or working with veterans. And I feel a special obligation to the people who are serving."

Burns Concedes Defeat. The AP (11/10, Gouras) reports, "US Sen. Conrad Burns conceded defeat to Jon Tester on Thursday, acknowledging that a tight election had gone to the Democrats' favor, Burns' campaign told The Associated Press." Burns, "a three-term senator whose campaign was troubled by verbal gaffes and voter discontent, congratulated Tester, a farmer and state legislator. 'I stand ready to help as Montana transitions to a new United States Senator,' Burns said in a statement provided to the AP."

Tester's Move To Washington Will Be First Time Off The Farm. The Los Angeles Times (11/11, Verhovek) visits Big Sandy, Montana, home of Sen.-elect Jon Tester, "a wheat and lentil farmer who also has done stints here as a custom butcher, soil conservation board member, high school basketball referee and music teacher at Big Sandy Elementary School." Tester's Western roots "are genuine and about as deep as can be: He has never lived anyplace other than the family farm, which his grandparents homesteaded here in 1916."

King Glad To See Burns Go. In his Washington Post (11/11, A27) column, Colbert King writes, "Election night in the nation's capital was a pretty tame affair, given that most of the important local races were decided in the September primary. But for some of us who live in the District, the real action on election night took place far beyond city limits." Montana Sen. Conrad Burns "lost his seat, in part, because of his ties to corrupt lobbyist Jack Abramoff. But Burns hit rock bottom with some of us 12 years ago when we learned about his slur against the District's African American population."

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Lieberman Says He Is Still A Democrat. The Los Angeles Times (11/11) reports Sen. Joseph Lieberman affirmed he wants to be known as a Democrat in his new Senate term. Lieberman said this week that "he was reassured by Senate Democratic leader Harry Reid that he would retain his seniority in the new Senate."

Exit Polls Show Significant Narrowing Of Parties' "God Gap." The Washington Post (11/11, A1, Cooperman) reports on its front page that in the aftermath of this week's elections, "religious leaders across the ideological spectrum found something they could agree on: The 'God gap' in American politics has narrowed substantially. Religious liberals contended that a concerted effort by Democrats since 2004 to appeal to people of faith had worked minor wonders, if not electoral miracles, in races across the country." However, religious conservatives said the GOP "lost religious voters rather than the Democrats winning them." Either way, exit polls "told a dramatic story of changing views in the pews: Democrats recaptured the Catholic vote they had lost two years ago . They sliced the GOP's advantage among weekly churchgoers to 12 percentage points, down from 18 points in 2004 congressional races and 22 points in the 2004 presidential contest. Democrats even siphoned off a portion of the Republican Party's most loyal base, white evangelical Protestants."

Rove Said Impact Of Corruption Issue Was Greater Than Anticipated. Time.com (11/10, Allen) talks with Karl Rove about this week's elections. Rove said, "The profile of corruption in the exit polls was bigger than I'd expected. Abramoff, lobbying, Foley and Haggard added to the general distaste that people have for all things Washington, and it just reached critical mass." Rove "does not believe his data let him down." Rove said, "My job is not to be a prognosticator. My job is not to go out there and wring my hands and say, 'We're going to lose.' I'm looking at the data and seeing if I can figure out, 'Where can we be?' I told the President, 'I don't know where this is going to end up. But I see our way clear to Republican control.'"

Chafee May Leave GOP. The AP (11/10, Smith) reports, "Two days after losing a bid for a second term, Sen. Lincoln Chafee said he was unsure whether he would remain a Republican." Yesterday "he was asked whether he would stick with the Republican Party or become an independent or Democrat. 'I haven't made any decisions. I just haven't even thought about where my place is,' Chafee said at a news conference. When pressed on whether his comments indicated he might leave the GOP, he replied: 'That's fair.'"

GOP Leads Most Still-Undecided House Races. The Wall Street Journal (11/10, A4, Harwood, 2.04M) "Washington Wire" reports Republicans "lead in most House races that remain undecided." Narrow margins for some "make recounts likely. But 'it's very unusual for recounts to alter races,' says Carl Forti" of the NRCC.

Mehlman To Step Down As RNC Chairman. The Washington Times (11/10, Hallow, 88K) reports Republican National Committee Chairman Ken Mehlman, "whose party just lost both chambers of Congress, will leave his position in January, and the post as party chief has been offered to Maryland Lt. Gov. Michael S. Steele." Asked "about reports last night that he would resign," Mehlman said, "It is true. It's something I decided over the summer. No one told me I needed to. In fact, folks wanted me to stay." Mehlman said he "'told the White House over the summer it was my decision' to leave the RNC post, 'win, lose or draw.'" The Times adds Republican officials "told The Times that Mr. Steele, who lost his bid for the U.S. Senate on Tuesday, has been sought out to succeed Mr. Mehlman as national party chairman. Those Republican officials said Mr. Steele had not made a decision whether to take the post, as of last night." Other Republican Party officials "said some Republican National Committee (RNC) members, including state party chairmen, have mounted a move to have Mr. Steele succeed Mr. Mehlman. But they said that President Bush's political adviser Karl Rove, who is Mr. Mehlman's mentor, would rather see Mr. Steele serve in the president's Cabinet, perhaps as secretary of Housing and Urban Development."

The AP (11/10, Sidoti) reports Republican National Committee Chairman Ken Mehlman, "whose party lost both chambers of Congress in the midterm elections, will step down from his post when his two-year term ends in January, GOP officials said Thursday." The officials "said Mehlman made the decision not to run for a second term more than a month or two ago — well before the election."

The New York Times (11/10, Nagourney, 1.16M) reports Mehlman said, "This has been a great ride, but at the same time I have a lot of interests in addition to politics." The Times adds Mehlman "ruled out going to work for any of the 2008 presidential candidates." Mehlman said, "My intention is to focus on identifying a platform that will be professionally rewarding for me for the next decade, that will include politics but not be related to politics." The Times adds Mehlman's "time in office has been marked by strong fund-raising — the committee spent $77 million on candidates this year — as well as the pioneering of sophisticated voter identification and turnout technologies that Republicans and Democrats said helped account for his party's successes in 2002 and 2004." Gov. Mitt Romney of Massachusetts said, "I'd love to have him come work for me. He has revolutionized American politics." Romney "said Republican setbacks this year came about despite the advances Mr. Mehlman made in fund-raising and voter turnout operations." The Times adds the

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"praise from Mr. Romney was echoed in an unsolicited call from James Carville, a veteran Democratic operative who is married to Mary Matalin, a veteran Republican strategist." Carville said, "The R.N.C. did a better job than the D.N.C. this year."

The Washington Post (11/10, Balz, 690K) reports White House officials "are trying to recruit a successor, but it was not known last night whether there was a leading candidate. One name that has emerged as a possible chairman is that of Maryland Lt. Gov. Michael S. Steele, who just lost a bid for the Senate. But a GOP source said Steele is not likely to become chairman." Others "mentioned publicly as possible successor include Maria Cino, a former RNC official and now deputy secretary of transportation, and Mary Matalin, former communications director for Vice President Cheney and one of the party's most visible advocates. But a GOP strategist said, 'From what I understand, all these names are not on the table.'"

CNN's The Situation Room (11/9, King) reported, "It is almost certain now, all but certain, we are told by a number of Republican sources, that" RNC Chairman Ken Mehlman "will step down and leave that post by the end of the year. We want to make clear none of these sources are saying that there's any blame being assigned to Ken Mehlman. In fact, most Republican strategists at the White House and in the party across the country think that he did more than the best he could and that the damage would have even been worse in the mid-term elections if not for the RNC operation. He had told some close associates he planned to lave after the election anyway. … The number two at the Department of Transportation, Maria Cino, she's a veteran political strategist…is under consideration if Ken Mehlman steps down."

GOP Remap Strategy May Have Backfired. The Wall Street Journal (11/10, A6, Cummings, 2.04M) reports gerrymandering was "supposed to cement Republican control of the House of Representatives, offering incumbents a wall of re-election protection even as public opinion turned sharply against them. Instead, the party's strategy of recrafting district boundaries may have backfired, contributing to the defeats of several lawmakers and the party's fall from power." Republican leaders "may have overreached and created so many Republican-leaning districts that they spread their core supporters too thinly. That left their incumbents vulnerable to the type of backlash from traditionally Republican-leaning independent voters that unfolded this week." That "helps to explain why three of four Republican incumbents in the Philadelphia area were beaten this week, while the remaining incumbent hung on by just a few thousand votes." In Florida, meanwhile, "state lawmakers had shifted some Republican voters from the secure district of former Rep. Mark Foley in an attempt to shore up the re-election chances of Rep. Clay Shaw without risking the Foley seat. Instead, Democrats took both."

Evangelical Leader Dobson Blasts GOP. The AP (11/10, Talhelm) reports, "Conservative Christian leader James Dobson accused the Republican Party of abandoning values voters in the midterm elections — and paying the price by losing control of Congress." In a statement, Dobson said, "What did they do with their power? Very little that values voters care about." The AP ads, "Finger-pointing abounded in the days after Democrats seized control of Congress after 12 years in the minority. Dobson, chairman of Focus on the Family, issued a statement railing against the Republicans for letting their majorities slip away." The "cybersex scandal involving former Republican Rep. Mark Foley of Florida and the fall of Ted Haggard, the evangelical pastor who was fired amid allegations of gay sex and drug use, left some values voters dispirited." More than "four in 10 evangelicals said corruption and scandals were extremely important, and those who felt that way were more likely to vote for Democratic candidates than other evangelicals."

Schwarzenegger Says He Is "Heartened" By Election Results. The Los Angeles Times (11/10, Nicholas, 850K) reports California Gov. Arnold Schwarzenegger, in Mexico City, said "that he was heartened by Tuesday's election resulting in a Democratic takeover of Congress, welcoming what he described as 'new blood coming to Washington.'" Schwarzenegger "said he was hopeful that the changes will jump-start a political system that was paralyzed." After a meeting with Mexican President Vicente Fox, Schwarzenegger said, "I think it's good that there are new ideas and new blood, because Washington was stuck. They could not move forward. Not much was accomplished. I think it was terrible." The Times adds Schwarzenegger said "he was hopeful that the results would usher in a new era of bipartisan cooperation — similar to what he said he is bringing about in Sacramento." But soon after "the governor finished speaking, one of his aides, communications director Adam Mendelsohn, told reporters that Schwarzenegger was not saying he was necessarily pleased to see Congress under Democratic control. Rather, Schwarzenegger was making the point that 'it's good there is an infusion of new ideas and desire for bipartisanship,' Mendelsohn said."

Schwarzenegger Urges GOP To Join Him In Center. The Washington Post (11/11, A6, Pomfret) writes, "In his victory speech Tuesday night to a confetti-swamped crowd at the Beverly Hilton, Gov. Arnold Schwarzenegger had a message for the rest of the Republican Party after its worst defeat in decades. Follow 'the California way,' he said. 'We are proving to the nation that there is another way to go, a better path to solve problems.'" His "landslide victory in a largely Democratic state illustrates the growing power of moderate candidates and the electoral appeal of bipartisanship, and it could contain important lessons for

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Republicans and Democrats as they seek to position themselves in the future, analysts and politicians said." University of Southern California political analyst Sherry Bebitch Jeffe said, "If I was a Republican National Committee chair, I would hire Arnold out and teach Republicans what is necessary to put together a winning campaign. He really is the poster boy of what Republicans have denied for so long. Elections are won from the center."

Gingrich Sees Hope For Conservatives. The Washington Times (11/10, Hallow, 88K) reports Republicans, "suddenly a minority in both houses of Congress and led by an unpopular president, need to restore their image as the party of small government but at the same time avoid the image of blind obstructionism, party leaders and analysts said yesterday." Former House Speaker Newt Gingrich said, "We have to recognize that this was a defeat for Republicans, not for conservatives." Gingrich said there is "hope to advance a conservative agenda" if House Republicans "can find allies among conservative Democrats." Gingrich said, "The balance of power in the House is now 50-plus blue-dog [conservative] Democrats." The Times adds it "won't be easy for Republicans to recover from Tuesday's defeat, because the party has 'completely lost its brand as the party of limited government and low spending,' said former Rep. Pat Toomey, president of the conservative Club for Growth."

Flake Says GOP Needs To Return To Fiscal Responsibility. In a Wall Street Journal op-ed (11/10, A16), Rep. Jeff Flake says, "As Republicans, we have a choice to make, and we need to make it soon. The factions of the party must decide: Are we going to re-emerge as the party of ideas -- or be content as assistant hirelings of big government? We might begin by asking why we lost. Taxes, first, is the easy one, and there is no need for a Republican mea culpa here. We've cut taxes, and Americans and the economy are better off for it. But recently we've been satisfied with putting Democrats 'on record' supporting higher taxes. We need to do more." Second, "spending. This one is more difficult because it requires not just a mea culpa but abject apology. Not the politician-style – 'I'm sorry if you were offended by spending that our opponents have misinterpreted as offensive' -- but rather: 'We've overspent, badly, and it was offensive to you as well as our conservative principles. We're sorry, and we're going to do better.'" Of "immediate concern to Republicans in the House of Representatives is deciding who will be our standard bearer. Can those who have been a part of the current leadership team convince the other members that they've had an epiphany? It's possible, I suppose. But I think we'd be best served with some fresh faces, congressmen like Mike Pence and John Shadegg, who haven't had to travel that road to Damascus."

WSJournal Urges Republicans To Dump Current Leaders. The Wall Street Journal (11/10, 2.04M) says in an editorial, "As they lick their wounds, Republicans are no doubt wondering what went wrong and what to do now. The answers aren't all that complicated: Revive the reform convictions that earned them power in the 1990s, and start that process in the House of Representatives by electing a new slate of leaders. Twelve years ago, the Newt Gingrich-led Republicans swept into power as reformers who ran against corruption and pledged to make government 'smaller and smarter.' Somehow, across the years, that conviction was replaced by Tom DeLay and the quest for permanent incumbency, Appropriations Chairman Jerry Lewis and the 'earmark' brigade, and a retinue of Beltway retainers symbolized by Jack Abramoff. The current leadership let it all happen, and if Republicans want a shot at regaining control in 2008 they'll turn to a new generation to lead them." House GOP leaders "should be returned to the backbenches." Republicans "might also recall what happened to Democrats when they tried to regain the House in 1996 by running with the same leadership and agenda that had been ousted in 1994. Those Democrats failed, despite Bill Clinton's victory at the top of the ticket, because too many voters saw the same old story. If Republicans lose again in 2008, they could be in the minority for a long time." The "good news is that a younger generation does seem to be stepping forward. Mike Pence, of Indiana, has already declared for minority leader, and John Shadegg of Arizona is seeking the number two job as whip. Paul Ryan of Wisconsin, Jeb Hensarling of Texas and Jeff Flake of Arizona are among the other Members who have tried to put ideas above mere incumbency."

Some Democrats Want Ford To Replace Dean As DNC Chair. The New Republic Online (11/10, Lizza) writes that "some big name Democrats want to oust DNC Chairman Howard Dean, arguing that his stubborn commitment to the 50-state strategy and his stinginess with funds for House races cost the Democrats several pickup opportunities. The candidate being floated to replace Dean? Harold Ford." James Carville said, "Suppose Harold Ford became chairman of the DNC? How much more money do you think we could raise? Just think of the difference it could make in one day. Now probably Harold Ford wants to stay in Tennessee. I just appointed myself his campaign manager."

Steele Mum On Talk Of RNC Chairmanship. Meanwhile, on Fox News' Big Story (11/10, Gibson), Maryland Lt. Gov. Michael Steele declined to say much about rumors he might succeed Ken Mehlman as RNC chair. Steele said, "I woke up on a Wednesday morning to blogs talking about this. This is a call of the President of the United States. This is a call of the leadership of the party. I'm flattered by it. But Ken Mehlman just announced his resignation, which he had made clear very early on that it would happen. Let us enjoy this moment and celebrate his achievements. And then the President and the White House

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will decide who the next head of the party will be and they'll move forward from there."

The Washington Times (11/11, Hallow, Ward) says Steele "is being pulled in several directions -- to take over as the national leader of the Republican Party in two months, to take a Cabinet post in the Bush administration or to go into the private sector. … Top national Republican leaders" have told Steele they want him to succeed Mehlman, according to the Times.

Democrats' Business Donations Neared Parity With GOP. USA Today (11/10, Davidson, 2.27M) reports Democrats "won the most expensive midterm election in history with stronger financial support from big business." Democratic congressional candidates "amassed $616 million vs. $632.2 million for Republicans in the 2005-06 election cycle, according to figures through Oct. 18 from the Center for Responsive Politics." Corporate donors "traditionally favor Republican candidates. In the last midterm contest in 2002, Democrats raised $248.6 million vs. Republicans' $342.2 million." While Democrats "attracted money from longtime supporters, such as trial lawyers and labor unions, they also drew a greater share from industries that lean Republican, such as pharmaceuticals. Some businesses may have been hedging their bets as a Democratic victory appeared more likely late in the campaign." The "total cost of the 2006 federal election was an estimated $2.8 billion, a 27% jump over 2002, the center says." Topping the "list of Democratic donors was the International Brotherhood of Electrical Workers, which funneled 97% of its $2.2 million in contributions to Democrats. The union supports such Democratic-backed causes as raising the minimum wage." The Association of Trial Lawyers of America "kicked in $2.1 million, 95% to Democrats. The group is battling Republican efforts to limit big payouts in personal-injury cases."

GOP Lost Ground With Hispanic Voters. USA Today (11/10, Kiely, 2.27M) reports Republican gains "among Hispanic voters evaporated in Tuesday's elections, and some party leaders are blaming harsh rhetoric on immigration for the reversal." Cutting into "the Democrats' traditional advantage among Hispanic voters was a key to both of President Bush's election victories. In 2004, when Bush was at the top of the ticket, 44% of Hispanics surveyed after they cast their ballots said they voted Republican. This year, the figure dropped to 29%." The decline "is significant because Hispanics are fast becoming a crucial voting bloc. Census figures show Hispanics make up at least 10% of the population in 11 of the 28 U.S. House districts that switched from Republican to Democratic hands on Tuesday." Strategists from both parties say the vocal opposition of some Republicans to a proposed immigration bill that would give many of an estimated 12 million illegal immigrants a chance at citizenship drove Hispanics back to the Democratic camp."

Predictions Of Hispanic Voter Surge Said To Be "Just Premature." In a USA Today op-ed (11/10), Dallas freelance writer Marisa Treviño says, "Exit poll results from Tuesday's elections show an increase in Hispanic voting from 2002. Those results appear to confirm a pre-election report by the National Association of Latino Elected and Appointed Officials (NALEO), which predicted that Latinos would make up about 6% of the vote. That's at least one percentage point up from 2002, but hardly enough to get excited about." So are "all the predictions of Latino voting clout to be dismissed? No. They're just premature. The coupling of Hispanic youth and technology just might change the equation." The "non-partisan Voto Latino, which aims to increase Hispanic voter participation, has targeted young Latinos by entering their world of cellphone text messaging and online social networks, such as MySpace."

WSJournal Says GOP's Hard Line On Immigration "Fools Gold." In an editorial, the Wall Street Journal (11/10, 2.04M) says, "Republicans on Tuesday managed both to lose their majority in Congress and alienate a fast-growing bloc of Latino swing voters. Other than that, the House GOP strategy of trying to save itself by bucking President Bush and using immigration as a wedge issue worked pretty well." Republicans "can't say they weren't warned. Like trade protectionism, the immigration issue is the fool's gold of American politics. Voters like to sound off to pollsters about immigrants, yet they pull the lever with other matters foremost in mind. Elections seldom if ever turn on immigration, and the GOP restrictionist message so adored by talk radio, cable news and the nativist blogosphere once again failed to deliver the goods. … We hope" the Republican Party lets Bush address the issue, "having learned the hard way not to follow Lou Dobbs, Bill O'Reilly and the editors of National Review magazine down the garden path to defeat."

Voting Machines Backed By Harris May Have Malfunctioned In Her District. The AP (11/10, Davis) reports the "touch-screen voting machines Katherine Harris championed as secretary of state after the 2000 presidential recount may have botched this year's election to replace her in the U.S. House, and it's likely going to mean another Florida recount." More than "18,000 Sarasota County voters who marked other races didn't have a vote register in the House race, a rate much higher than the rest of the district, elections results show." Florida Secretary of State Sue Cobb "sent a team to Sarasota County on Thursday to observe the expected recount and audit the county's touch-screen voting machines. The county's elections supervisor, Kathy Dent, had requested the team after one of the candidates reported complaints about voting machines malfunctioning." Republican Vern Buchanan "declared victory in the race with

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a 373-vote lead over Democrat Christine Jennings — less than 0.2 percent."

The New York Times (11/10, Goodnough, 1.16M) reports Jennings "is seeking a recount after dozens of people reported problems using Sarasota County's touch-screen voting machines and a significant number of ballots had no recorded votes in the high-profile race." Jennings lost to Buchanan "by just 373 votes out of a total 237,861 cast — one of the closest House races in the nation. More than 18,000 voters in Sarasota County, or 13 percent of those who went to the polls Tuesday, did not seem to vote in the Congressional race when they cast ballots, a discrepancy that Kathy Dent, the county elections supervisor, said she could not explain." In comparison, 'only 2 percent of voters in one neighboring county within the same House district and 5 percent in another skipped the Congressional race, according to The Herald-Tribune of Sarasota. And many of those who did not seem to cast a vote in the House race did vote in more obscure races, like for the hospital board." A "preliminary review by The Herald-Tribune found that if Ms. Jennings had won the same percentage of the 18,000 missing votes as she did among counted votes in Sarasota County, she would have won the race by about 600 votes instead of losing by 373."

Voters Approve 88% Of $76.6 Billion In Borrowing Authority. USA Today (11/10, Cauchon, 2.27M) reports, "Voters were in a borrowing mood this week. State and local governments won approval for more than 88% of the $78.6 billion they asked to borrow in Tuesday's election, according to i-Deal, a New York company that tracked the results." The money "will be spent on schools, roads, sewers, fire stations and other projects." California voters "approved the biggest chunk of debt: $43 billion for five bond issues for roads, schools, flood control, parks and affordable housing."

Vilsack Kicks Off "Long Shot" Presidential Bid. The New York Times/AP (11/10, Glover) reports Iowa Gov. Tom Vilsack, "a centrist Democrat seeking an early edge in an all-but-certain crowded presidential field, launched a long-shot bid for the White House Thursday." Fifteen months "before his own state holds caucuses — the first step in the nominating process — Vilsack announced his candidacy, filed documents with the Federal Election Commission and heralded a multistate tour beginning Nov. 30." Overshadowing the "announcement is the upheaval in Washington as Democrats captured control of the House and Senate in Tuesday's elections. But Vilsack, a little-known Midwest governor, needs all the attention he can get — and the first infusion of campaign cash." In polls, Vilsack "has trailed the other potential candidates, among them front-runner New York Sen. Hillary Rodham Clinton and 2004 vice presidential nominee John Edwards. Earlier this year, the governor even was behind in a survey of Iowans." Vilsack will "begin his tour in his hometown of Mount Pleasant, Iowa, and will make stops in New Hampshire, Nevada, Pennsylvania and South Carolina. Vilsack was born in Pittsburgh, and the other states hold key early tests in the nomination process." Vilsack has not "been the only Democrat campaigning in Iowa. Several potential, more familiar candidates have traveled to the state, including Edwards and Illinois Sen. Barack Obama." When Iowa Sen. Tom Harkin "sought the Democratic nomination in 1992, rivals decided to cede the state to him, but Vilsack is unlikely to get such a break, strategists say."

CNN's The Situation Room (11/9, Blitzer) reported, "Outgoing Iowa Gov. Tom Vilsack is getting a jump-start on the 2008 presidential race. He's now the first Democrat to throw his hat into the ring. The outgoing Vilsack announced today he's filing the necessary paperwork to run for president. He may have an edge in the lead-off presidential caucuses. That would be in his home state of Iowa. But polls show him way behind other better-known Democrats weighing presidential bids."

ABC World News (11/9, story 4, 0:15, Gibson, 8.78M) reported, "Now that the 2006 vote is decided, here comes 2008. Iowa Governor Tom Vilsack, declared today that he's running for the presidential nomination. Iowa is where the caucuses that begin the nomination processes will be held in 15 months. There's one Republican presidential candidate so far. California congressman Duncan Hunter has taken the first steps towards running."

NBC Nightly News (11/9, story 9, 2:25, Faw, 9.87M) reported, "If you think Britney Spears, cavorting the same day she announces she's getting divorced, if you think she's getting ahead of herself, fasten your seatbelts because the presidential campaign of 2008, a mere 727 days from now, is also off and running. Today Iowa's two-term governor filed papers to run for President. Another household word, Duncan Hunter, yes the Republican from California, recently set up his exploratory committee." Rep. Duncan Hunter: "Preparing to run for President of the United States in 2008." Faw: "There is precedent, of course, for getting a head start. More than 30 years ago a relative unknown Jimmy Carter started running when almost no one was looking and look what happened to him. So it makes a certain amount of sense to start now or at least say one might." Tim Russert: But it's fair to say you're thinking of running for President in 2008?" Sen. Barack Obama: "It's fair, yes." Faw: "Early birds aren't foolhardy, especially unknowns who need what the anointed frontrunners already have, name recognition and money." But to "all this gearing up so early, some say enough already."

Yepsen Rates Vilsack's Chances. On MSNBC's Hardball (11/9, Matthews), David Yepsen of the Des Moines

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Register discussed the 2008 Iowa caucuses, saying that if Vilsack runs, he has "a real problem, because I don't see how he wins anything here. He's expected to win. If he does, people like you are going to shrug it off as expected. And if he loses, and he's running fourth place in the polls out there, then it's going to be a big hit." Sen. Barack Obama has "sure acted like a candidate. He's made three or four visits to the state and got huge crowds." As for Sen. John Kerry, Yepsen said, "I think he's finished." On the GOP side, Gov. Mitt Romney "has started early. He's organizing. He's reaching out to lots of different people. He's got religious conservatives. He's also got party moderates. … Romney, I think, has got himself in a good position."

McCain To Create Presidential Exploratory Committee. NBC Nightly News (11/10, story 4, 2:55, Williams) reported, "The week is ending with yet another political development and this one didn't take long." Sen. John McCain "will set up an exploratory committee for a 2008 presidential run. Senator McCain will talk about his plans this Sunday when he will be Tim Russert's guest on 'Meet the Press.'" The New York Times (11/11, A13, Kornblut) reports McCain advisers say the Senator has "not made up his mind whether to run, although he has acknowledged that he is strongly considering doing so. 'There's not going to be a formal announcement this year,' John Weaver, an adviser to Mr. McCain, said. The senator, who appears at or near the top of public opinion surveys about who should run for higher office, will wait until the Christmas holidays, when his children are home, to make a final decision." The AP (11/10) also reports on McCain's early move.

Clinton Has No Plans To Shut Down Campaign Apparatus. The New York Times (11/11, B1, Healy) reports that while Sen. Hillary Clinton's re-election run may be over, she is "hardly closing up her campaign shop or worrying about deep debts. Advisers to Mrs. Clinton say she has more than $10 million left in her political bank account, not to mention a priceless reservoir of speeches, issue research, and financial networks nationally for any future use. Her advisers also say that she does not intend to disassemble her campaign apparatus and staff, as many candidates do when an election ends, nor does she plan to immediately close her New York City and Washington campaign offices. Indeed, the Clinton camp has spent months building a re-election team that could easily shift into gear for a 2008 presidential bid."

More Than Two Dozen Potential Candidates In The Wings. A CQ Weekly (11/10, Crawford) piece that exceeds 10,000 words examines the prospects of more than two dozen possible presidential candidates. On the Democratic side: Sen. Evan Bayh, Sen. Joseph Biden, Wesley Clark, Clinton, Tom Daschle, Sen. Christopher Dodd, John Edwards, Sen. Russ Feingold, Al Gore, Sen. John Kerry, Sen. Barack Obama, Gov. Bill Richardson, and Gov. Tom Vilsack. On the Republican side: Sen. George Allen, Sen. Sam Brownback, Sen. Bill Frist, Newt Gingrich, Rudy Giuliani, Sen. Chuck Hagel, Gov. Mike Huckabee, Rep. Duncan Hunter, McCain, Gov. George Pataki, Secretary of State Condoleezza Rice, Gov. Mitt Romney, and Rep. Tom Tancredo.

Denver Hopes To Land 2008 Democratic Convention. USA Today (11/10, Kenworthy, 2.27M) reports, "The Mile High City is hoping that a rising Democratic tide in Colorado and the West will lift its chances of hosting the party's 2008 convention." Officials "involved in Denver's bid for the convention say their prospects against rival New York City improved on Tuesday as Colorado voters put a decidedly Democratic stamp on the state." Democrats in Colorado "this week reclaimed the governorship after eight years of GOP rule, captured a House seat that had been Republican since 2002 and strengthened their majorities in the state House and state Senate. Colorado Democrats will hold four of seven U.S. House seats, a U.S. Senate seat and, for the first time since Dwight Eisenhower was president, control both the Legislature and governor's office."

Gingrich Emerging As "Top Conservative" For 2008. The Wall Street Journal (11/10, A4, Harwood, 2.04M) "Washington Wire" reports that the "ebbing fortunes" of Sens. George Allen, Bill Frist, and Rick Santorum have left ex-House Speaker Newt Gingrich the "top conservative prospect" for the 2008 Republican presidential nomination. "'He can win some primaries,' says Bush ad-maker Mark McKinnon," who is with Sen. John McCain's likely campaign.

WSJournal Says Conservative Values Triumphant In Referenda. The Wall Street Journal (11/11, A6) editorializes, "Republicans took a drubbing in Tuesday's elections. But judging by the results of various referendums nationwide, some of the ideas they used to stand for are alive, well and popular among voters. The most significant moral victory comes in Michigan, where voters approved by a surprisingly lopsided 58-42 margin Proposal 2, which bars discrimination and preferential treatment 'in the operation of public employment, public education or public contracting.'" In California, "four measures that would have raised taxes in an already overtaxed state went down in flames. … Also encouraging were the nine states that passed anti-Kelo referendums. … What all this tells us is that while voters have delivered a partisan rebuke to a party that likes to describe itself as conservative, they still believe in low taxes, property rights and social conservatism -- so long as it is not extreme. There's a lesson here for the next crop of GOP candidates, assuming they're willing to pay attention."

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US Commission on Civil Rights Vice Chair Lauds Michigan Vote. In a Wall Street Journal (11/11, A7) op-ed, US Commission on Civil Rights Vice Chair Abigail Thernstrom writes, "Ward Connerly has done it again: A striking 58% of Michigan voters gave the Michigan Civil Rights Initiative a thumbs up; only three counties voted against it. … The modern-day survival of racial preferences depends on sympathetic judges willing to spin dubious arguments and ignore widely available data on the pernicious impact of such preferences. But, this time, the University of Michigan may find itself without judicial recourse. The Supreme Court has never said that universities are constitutionally obligated to institute 'diversity' policies. Public universities are funded by taxpayers. And those taxpayers have spoken."

Trade Deficit Narrows. The Wall Street Journal (11/10, A2, Hitt, Whitehouse, 2.04M) reports, "Even as the overall US trade deficit narrowed in September, the country's imbalance with China continued to worsen, pointing to possible new tensions in trade policy making now that Democrats have retaken Congress. With the price of imported oil in sharp decline, the deficit fell 6.8% to $64.3 billion in September, the Commerce Department said yesterday. A broad easing of imports on the back of the first decline in oil prices in five months combined with a continued strong export performance to improve the trade picture." Yet "there were indications that the trade gap remains a problem. September's deficit, though down from August's revised record of $68.96 billion, was still one of the largest ever. And the rapidly ballooning deficit with China showed no sign of easing."

Stocks Down Yesterday. NBC Nightly News (11/9, story 8, 0:10, Williams, 9.87M) reported, "On Wall Street today the Dow was off more than 73 points [to close at 12,103.30]. Nasdaq was down almost nine points [to close at 8.93] in today's trading." The Wall Street Journal (11/10, C1, Browning, 2.04M) notes "the broad Standard & Poor's 500-stock index fell 0.53%, or 7.39 points, to 1378.33, still up 10.4% in 2006."

Wyoming Senator Hospitalized With Leukemia. The AP (11/10, Gruver) reports Republican Sen. Craig Thomas of Wyoming, "hospitalized since Monday with pneumonia, has been diagnosed with a form of leukemia, his spokesman said Thursday." Thomas "who was easily elected to a third term while in the hospital, issued a statement saying he will undergo treatment and plans to return to Congress in January." While hospitalized, "doctors noticed a low white blood cell count and a bone marrow biopsy revealed leukemia, cancer of the blood and bone marrow. Thomas was to immediately begin a four- to six-week course of chemotherapy and will remain at the hospital to reduce his risk of infection, his office said in a press release Thursday."

US Arms Makers Doubled Foreign Sales In One Year. The New York Times (11/11, Wayne, 1.16M) reports in its Business section, "Sales of military weapons by United States contractors to foreign governments doubled in the last year, as countries like Pakistan, Australia and Greece stepped up purchases of armaments and the United States government loosened policies to allow more American weapons to be sold on the world market. A total of $21 billion in arms sales agreements were signed from September 2005 to September 2006, compared with $10.6 billion in the previous year, according to new data compiled by the Pentagon." The foreign sales "have provided a welcome source of new revenue at a time when the Pentagon has indicated that the era of record military budgets is ending."

O'Malley Backs Racetrack Slot Machines In Maryland. The Washington Post (11/11, B1, Wagner) reports Maryland Gov.-elect Martin O'Malley called upon the state legislature "to legalize slot machine gambling at horse tracks, saying he was 'sick of this issue' but feared that the state's racing industry could collapse if lawmakers did not find common ground early in his term."

O'Malley Is Latest Baltimore Politician To Move On. The Washington Times (11/11, Miller) takes a sentimental look at Baltimore reign as "the nexus of Maryland political power" as its mayor prepares to head off to Annapolis.

Democratic Congress To Push For Shift In US Foreign Policy. The Washington Post (11/10, A7, Kessler, 690K) reports the Democratic takeover of Congress "will raise the profile of lawmakers who have repeatedly urged the Bush administration to talk to key adversaries such as Iran, North Korea and Syria, increasing pressure on the White House to stop placing restrictions or conditions on such discussions." The Post notes that incoming chairmen of the Senate and House Foreign Relations Committees -- Sen. Joseph R. Biden Jr. of Delaware and Rep. Tom Lantos of California, respectively -- have "long argued that the administration's approach to dealing with adversaries has hamstrung diplomacy," particularly in the cases of Iran, Syria and North Korea. State Department officials "said that yesterday they are open to ideas, but that the change in Congress will not directly affect administration policies."

Global Outlook Upbeat In Response To Election, Rumsfeld Resignation. In a separate article, the Washington Post (11/10, A6, Moore, Finn, 690K) reports, "For Europe and much of the rest of the world, US voters' repudiation of the Bush administration in midterm elections Tuesday and the dismissal of Defense Secretary Donald H.

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Rumsfeld on Wednesday confirmed the widespread view that President Bush and his policies have done more to tarnish America's image abroad and strain its global relations than any other US president in recent history." The "seismic political shift" in the US was "greeted in many places less with jubilation than with a sense of relief that Americans had at long last come to their senses." The Post adds that "political parties, government leaders, pundits and citizens from many countries seized on the return of a bipartisan government in the United States as a harbinger of welcome change in the Bush administration's policy of using the military."

Bush Reassures Calderon On Immigration Reform. McClatchy (11/10, Hall, Bachelet) reports President Bush "got an earful" from Mexican President-elect Felipe Calderon "about immigration restructuring and controversial legislation" that Bush signed authorizing construction of a fence along the US-Mexican border. However, Calderon said he would "try to keep immigration from drowning out other important issues," such as anti-narcotics cooperation and trade. He also expressed hope that "the new composition of the US Congress allows a solution to the (immigration) issues."

The Washington Times (11/10, Dinan, 88K) says Bush gave Calderon "an assurance…that he will push for a broad immigration bill that includes a new guest-worker program and citizenship rights for many illegal aliens." The Times also notes that "although he didn't criticize the fence in his remarks to reporters in the Oval Office," Calderon said "at a later press conference attended by Mexican and Spanish-language press that he told Mr. Bush the fence is a mistake."

Iran Says Tough Sanctions Could Force End To Nuclear Inspections. The Los Angeles Times (11/11, Murphy) reports, "A defiant Iran, calling the Republican defeat in the U.S. elections a 'landmark victory for the Iranian nation,' warned Friday that it would reassess its cooperation with international atomic regulators if the United Nations moved forward with comprehensive sanctions on Iran's nuclear program." Chief nuclear negotiator Ali Larijani was in Moscow trying to win "Russia's support for weakening or postponing the sanctions." He "said Iran remained ready for dialogue and warned against adopting the European group's sanctions resolution." Moscow "proposed significantly scaled-down sanctions amendments that would focus strictly on halting Iran's uranium enrichment and reprocessing activities and prevent the development of missiles to deliver nuclear weapons." The Russian "proposal would leave intact Russia's $1-billion civilian nuclear power plant under construction in the Iranian city of Bushehr, a key focus of Larijani's agenda in Moscow, analysts said."

Rice Urges Russia To Bridge Gap Over UN Sanctions On Iran. Bloomberg (11/10, Johnson) reports Secretary Rice "has spoken twice in the past week with her Russian counterpart to bridge differences over how to stop Iran developing nuclear weapons," Assistance Secretary Sean McCormack said Thursday. Noting that the Secretary has spoken by telephone with Russian Foreign Minister Sergei Lavrov on Nov. 8 and also last week, McCormack said, "She's doing her part to get this resolution over the goal line." When asked if Rice made any progress in her conversations with Lavrov, he said, "We're starting to chip away at some of the issues, but…this is multilateral diplomacy, it takes a little bit of time."

Rice Says US Unfazed By China's Growing Global Role. AFP (11/10) reports Secretary of State Condoleezza Rice "played down concerns over the spread of Chinese influence around the globe, saying it was better for China to have friends in the world than enemies." In an interview with Singapore's Strait Times newspaper, Rice said, "I'd like to have China have friends in the world, it's better than having China have enemies in the world. There have been times when we worried about the opposite -- that China would be a destabilizing factor in the world So I would rather see a China that is trying to reach out, that's trying to have friendships around the world." As President Bush prepares to meet with Chinese President Hu Jintao at next week's APEC summit, Rice "said Washington still harbored concerns about China's role."

Friedman Says China To Dominate US Politics In 2008. New York Times (11/10, 1.16M) columnist Thomas Friedman says China is "the country that's most likely to shape US politics in 2008." The rise of China and India, he says, will be the "trend that historians will cite as the most significant" of the current era, and "how the world accommodates itself to these rising powers, and how America manages the economic opportunities and challenges they pose, is still the most important global trend to watch." And while "the Bush team's focus on Iraq and terrorism, coupled with the Democrats' lack of control over either house of Congress, has kept China-US relations largely out of the headlines and on a relatively even keel during the Bush II years," the Democrats' return to control of both the House and Senate "will change that."

US To Resume Training Of Latin American Militaries. USA Today (11/10, Slavin, 2.27M) reports on its front page that "concern about leftist victories in Latin America has prompted President Bush to quietly grant a waiver that allows the United States to resume training militaries from 11 Latin American and Caribbean countries.

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The administration hopes the training will forge links with countries in the region and blunt a leftward trend."

In "Precarious Position," Ortega Said To Balance Competing Demands. In an analysis of Daniel Ortega's election as president of Nicaragua, the New York Times (11/11, A3, McKinley) reports that, in Latin America, "the stubbornness of old cold warriors in Washington and the equal tenacity of leftist governments in Cuba and Venezuela have kept a miniature cold war going. Just as it was 20 years ago, Nicaragua now finds itself smack in the middle of the conflict with the election this week of" Ortega. He "faces a balancing act no politician would envy, both inside the country and on the world stage." While he must "satisfy his supporters" and "remain friendly with his leftist allies," Ortega "can ill afford to lose more than $50 million a year in United States aid or credit from the International Monetary Fund. Neither can Nicaragua, one of the poorest countries in the hemisphere, jettison the newly approved free trade agreement between Central American countries and the United States. Just to survive economically, this nation of some 5.6 million people needs to continue exporting textiles and fruit to the United States and receiving remittances from Nicaraguans in the north." His "precarious position may explain the careful nuance in his recent speeches," with the Times saying Ortega "is walking very softly and speaking in dulcet tones." He "has taken pains to calm businessmen, assuring foreign investors on Wednesday that he will protect property rights in exchange for help combating poverty," but he has "made it clear that he would not be Washington's lackey." The Administration "has taken a wait-and-see attitude in the face of what seems like two different Ortegas."

White House Adopts "Wait-And-See" Approach With Ortega. The Washington Times (11/10, Gentile, 88K) reports the Bush administration has "adopted a wait-and-see approach toward relations with Nicaragua after the return to power of former White House foe Daniel Ortega." Although some US lawmakers "expressed fears" before Sunday's vote, US officials said "after a clear victory" they would "respect the decision of the Nicaraguan people." State Department spokesman Eric Watnik said the administration is "willing to give the benefit of the doubt" to Ortega.

NYTimes Says Power, Not Ideology, Motivates Ortega. In an editorial, the New York Times (11/11, A14) calls Ortega "an old-style Latin American strongman who, we fear, will further weaken Nicaragua's democratic institutions and retard economic progress. Washington's challenge will be to figure out how to help curb Mr. Ortega's authoritarian impulses without pushing him into Mr. Chávez's arms." Ortega "had to use a series of political maneuvers and dirty tricks to ensure his victory," and, the Times concludes, while he "was once pro-Marxist, now he's pro-Ortega. And that's the problem."

Columnist Praises Advances Made By Opposition Party. Wall Street Journal (11/10, A17, 2.04M) columnist Mary Anastasia O'Grady says Ortega's victory "has demoralized Nicaraguans who were hoping that the days of thuggish Sandinista government might be behind them. Yet despite the disappointment of an Ortega comeback, there are reasons not to paint the country with the broad brush of defeat in the aftermath of the election." For example, she says candidate Eduardo Montealegre's Liberal Nicaraguan Alliance (ALN) has "accomplished something big for Nicaraguan democracy by unseating the corrupt PLC as the country's main center-right party and establishing itself as a credible force against the Sandinistas."

Security Council To Vote On Gaza Offensive Resolution. The AP (11/11, Bergman) reports the UN Security Council "will vote [today] on an Arab-backed draft resolution condemning the Israeli military offensive in Gaza and demanding a withdrawal of Israeli troops from the coastal strip, a European diplomat said." That text "was softened somewhat from a version being circulated earlier this week," but "diplomats said Friday there remained concerns among some of the council members about the language of the draft, making passage uncertain." Qatar proposed the text, which "calls for Israel to immediately cease its military operations in the Gaza Strip and withdraw its troops. It also calls upon the Palestinian Authority to take 'immediate and sustained action' to bring an end to violence, including the firing of rockets on Israeli territory." The resolution would ask the UNS to establish a "'fact-finding mission' to probe Wednesday's attack in Beit Hanoun, and asks the international community to restart the peace process with the 'possible establishment of an international mechanism for protection of the civilian populations.'"

Haniyeh's Resignation Offer Could Auger Unity Government. The AP (11/11, Barzak) notes Palestinian PM Ismail Haniyeh "said Friday he would be willing to sacrifice his job if the international community would lift economic sanctions that have crippled his Hamas-led government." Those remarks were "the latest indication that the Islamic Hamas group was nearing a deal to form a national unity government with Palestinian President Mahmoud Abbas' moderate Fatah Party that would be made up of independent experts. Such a coalition would presumably present a more moderate face to the world and convince the West to restore hundreds of millions of dollars in international funding." Also, Abbas spoke yesterday with Hamas "supreme leader" Khaled Mashaal, and a Hamas official "said their discussion indicated the sides were nearing agreement."

Merkel Says Berlin Will Revive Quartet Next Year. The Financial Times (11/11, Williamson) reports remarks by

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German Chancellor Angela Merkel that her nation "will try to advance the Middle East peace process next year by reviving the joint diplomatic efforts in the region by the US, European Union, Russia and the United Nations." She said publicly that "Germany would use its EU presidency from January onwards to breath new life into the Middle East 'Quartet' involving these four international interests." Government "officials said the chancellor's comments reflected frustration in Germany and the EU that the quartet had been largely inactive in recent months, despite the tensions and violence in the Middle East." Merkel's announcement followed repeated suggestions by [Foreign Minister Frank-Walter Steinmeier] that the quartet structure be revived, in particular to draw Washington into broader international initiatives in the Middle East." He has "argued" that "its mandate could be expanded to include related regional conflicts, such as that between Israel and Lebanon."

Palestinians Protest Attacks As Olmert Seeks Meeting With Abbas. The CBS Evening News (11/9, story 6, 0:25, Couric, 7.66M) reported, "In Gaza, tens of thousands of Palestinians took to the streets many calling for revenge following an Israeli attack that killed 18. The shells were meant to take out Hamas rockets, but instead hit several homes. Israel's Prime Minister blames the mistake on a technical failure."

The New York Times (11/10, A3, Fisher, 1.16M) reports Israeli Prime Minister Ehud Olmert Thursday said he was "very uncomfortable" and "very distressed" by the incident, and "offered to ease tensions by meeting the Palestinian president 'anytime, anyplace.'" Saying that he had "personally investigated" the artillery strike, Olmert called the shelling Wednesday a "mistake" caused by "technical failure." Olmert also said Palestinian President Mahmoud Abbas "will be surprised when he will sit with me of how far we are prepared to go. I can offer him a lot." Although he offered no further explanation, the Times says "his words seemed to reflect deep embarrassment at the deaths, mostly of women and children." Abbas did not immediately respond to Olmert's offer.

Olmert Says Israel Won't Stop Targeting Gaza. The AP (11/10, El Deeb) reports Olmert also said Thursday Israel "will keep targeting Palestinian rocket squads in Gaza despite the risk of inadvertently hitting civilians." Although he "regrets the latest deaths," the prime minister said Israel will "press ahead with strikes" against Palestinian militants. Also Thursday, Palestinian President Mahmoud Abbas "picked up the phone and called his main political rival, Hamas' supreme leader Khaled Mashaal," in a move the AP said "could help prevent the Islamic militant group from renewing attacks on Israel and also pave the way for a moderate Palestinian government."

Hamas Has "Big Stake" In Truce With Israel. In an analysis, the AP (11/10, Gutkin) says Hamas' threats to resume attacks inside Israel are "playing well on the Palestinian street, but the group has a big stake in keeping its truce with Israel as it struggles to end a Western aid boycott and transform itself into a legitimate political power. Hamas is already moving ahead with efforts to form a national unity government with the rival Fatah Party," which the AP says "would presumably project a more moderate face to the world."

NYTimes Calls Bush, Rice Responses "Woefully Inadequate." In an editorial, the New York Times (11/10, 1.16M) says though "there have never been easy answers for how to broker peace between Israel and the Palestinians," the "horrifying price of ignoring the problem was made clear again this week when errant Israeli tank shells crashed into a Gaza neighborhood, killing 18 people, including seven children, as they slept." After Hamas's military wing called for retaliatory attacks on American targets, the Times says "analysts were trying to figure out which was the most immediate danger: a new wave of terrorist attacks against Americans, the start of a full scale Israeli-Palestinian war, or a civil war between Hamas and its rival Fatah if talks on forming a unity government fail." In such times, the Times says President Bush's call for "care and restraint" on all sides "seems woefully inadequate. That is also how we would describe Secretary of State Condoleezza Rice's sterile tour of the region last month. Since her return, the administration has not taken a single step to revive peace talks." Therefore, it urges Bush "to pledge his prestige and the full resources of his remaining presidency to negotiating a Middle East peace. Even before Mr. Olmert visits Washington next week, Mr. Bush should send Ms. Rice back to the region to broker an immediate cease-fire."

Jerusalem's Gay Community Gathers Under Heavy Security. The New York Times (11/11, A7, Myre) reports, "After Supreme Court rulings, criticism from the Vatican and several nights of rioting by angry opponents, Jerusalem's gay community held a small, orderly rally Friday under a heavy police guard." The "venue was changed twice as the police sought a secure area, well away from an Orthodox Jewish neighborhood where youths have rioted in opposition to the event." The Times calls the event "much more modest than the original plan, which had called for a large march through the city center, and organizers and participants were divided on whether to declare it a full success." The march "was again marked by staunch opposition from Jewish, Muslim and Christian leaders, who rarely find points of agreement. … In liberal, secular Tel Aviv, gay-themed events take place without a ripple. But in Jerusalem, there is always friction," including the cancellation of last year's gay festival because of opposition and the

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subsequent stabbing of three marchers by an Orthodox anti-gay activist.

Under the headline, "Israeli Gay Rights Parade Called Off," the Los Angeles Times (11/11, Boudreaux) notes, "For days, Israeli television aired images of ultra-Orthodox Jews in black suits and hats, pelting police with stones and setting cars afire in a crusade against a planned gay pride march through Jerusalem." That "battle ended Friday in a setback for Israel's gay community, which bowed to police and rabbinical pressure to take the annual event off the streets and confine it to a stadium. Nearly 4,000 revelers waved rainbow flags and danced to live rock and rap music, but the mood was dampened by a sense of retreat." The controversy over the march "reflected a sharp divide in Israeli society."

Lebanese Government Considering UN Proposal For Hariri Assassination Court. The New York Times (11/11, A7, Hoge) notes the UN "delivered a draft document to the Lebanese government on Friday outlining the framework of an international tribunal to try suspects in the assassination of the country's former prime minister, Rafik Hariri." That "draft arrived in Beirut at a moment of heightened political tension. The Syrian-supported Hezbollah militia is seeking more power in the government and is not eager to see the tribunal go forward." The Times says the "final draft does not include an earlier mention of the possibility of trials on crimes against humanity. But among the crimes the tribunal can judge, the draft lists acts of terrorism, crimes and offenses against life and personal integrity, illicit associations and failure to report crimes or evidence of conspiracy." The concept "was approved this week by the five permanent members of the Security Council after procedural objections from Russia were met over how the judges and prosecutors were to be chosen." UN prosecutor Serge Brammertz's "investigation has already implicated senior Lebanese and Syrian security officials, though Syria has denied any role." The inquiry "has concluded that the Hariri killing was highly organized and planned by professionals with past experience in such activities."

Emirati Female Cabinet Minister Becomes Role Model For Region's Women. The New York Times (11/11, A4, Fattah) profiles Sheika Lubna al-Qassimi, minister of economy and planning for the United Arab Emirates and the nation's first female Cabinet member. "After decades of pushing the barriers in a region where women have traditionally been kept out of the public sphere, Sheika Lubna now towers as one of the country's most influential women." Hers is "a particularly important position in a nation that is a major oil producer and relies so heavily on foreign investment, and where the economy continues to boom." In spite of her work and travel schedule, "she has remained conscious of her role in chipping away at the restrictions women face in" the Middle East. Noting that the UAE has "one of the fastest growing economies in the Middle East" and is "one of the most open societies in the Persian Gulf," the Times say Sheika Lubna "has sought to prove to women here that they, too, must begin assuming a greater role in public life." Despite being a wealthy aristocrat, she "chose the hard way," studying in California and building a computer programming career in Dubai. The Times adds, "As she set out to advocate for the Emirates, people at home, especially young women seeking to break out of the traditional mold, saw a different message: it was time to rise to the challenge."

Euro Referendum Decision Could Worsen Polish-EU Relations. The Wall Street Journal (11/11, A4, Champion, 2.04M) notes Warsaw "plans to hold a referendum on whether to join the European Union's common currency, the euro, in 2010, adding to concerns over the commitment level of the EU's biggest new member." Polish rejection of the euro "would follow a precedent set by Sweden, which has voted not to join the euro despite a legal obligation to do so. But Poland's plan is just the latest move by President Lech Kaczynski and his twin brother, Prime Minister Jaroslaw Kaczynski, to put Poland at loggerheads with the EU." Polish officials predict the nation will meet euro entry criteria in 2009. The Journal says "the decision to hold a referendum raises a question about Poland's membership intentions. The referendum would be held in the same year as Polish presidential elections, making the euro issue highly political."

Greek Cypriots Demand EU Renounce Turkish Trade Ban. The Washington Times (11/11, Borowiec) reports, "The battle of wills over Turkey's European Union membership application heightened yesterday after the government of Cyprus warned that the bloc's credibility was at stake if it tolerates Ankara's ban on Greek Cypriot air and sea traffic." Foreign Minister George Lillikas "termed Ankara's refusal to open its harbors and airports to Greek Cypriot ships and planes a 'provocation' which the EU should not tolerate." The EU "has given Turkey a month to liberalize trade links with all 10 countries that joined in 2004, including Cyprus." This week's "stinging" EU report on accession progress "also criticized Turkey's penal code, corruption, human rights record and the interference by the military in politics." EU expansion commissioner Olli Rehn "warned that a one-month deadline given Turkey to change its policy 'is likely to be the last opportunity to make real, serious progress for some years to come' on the Cyprus question, which emerged as a major obstacle in Turkey's EU hopes."

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US Pans UN Human Rights Council's Performance. The AP (11/10, Bergman) reports Washington "sharply criticized the new U.N. Human Rights Council on Friday, calling it a 'disappointment' and saying it has failed to address serious violations in its first few months of operation — particularly in Sudan's Darfur region. Sudan responded with a harsh condemnation of the U.S. human rights record and said Washington had no right to judge the effectiveness of the U.N. agency." USUN's Miriam Hughes "criticized the council for a 'slow and discouraging start,' saying it has 'accomplished little that will make a concrete and significant difference in the lives of millions around the world.'" The AP continues, "Referring to the two special sessions the council has held to discuss alleged human rights violations by Israel, she said some nations view the council 'as just another arena in which to play political games.'" In contrast, "speaking on behalf of the EU, Finnish Ambassador Kirsti Lintonen told the General Assembly the council had addressed many important issues since its inception."

US-Russia Deal Clears Way For WTO Accession. Major newspapers gave extensive coverage to the US-Russia bilateral trade agreement that advances Moscow's accession to the World Trade Organization. The Washington Post (11/11, D1, Finn, Goodman) calls its "a landmark trade agreement" that is "substantially advancing Moscow's pursuit of World Trade Organization membership and cementing the position of the former Communist giant in the global economy." The Post calls the deal "a victory for President Vladimir Putin, who has chafed at Russia's exclusion from the WTO," and the Administration "characterized it as a milestone in the evolution of Russia from erstwhile Cold War enemy to a growing trading partner." The Post notes that Russia's "inclusion" in the WTO "would be a major advance in the development of a global body devoted to seeking reduction of tariffs and promoting trade around the world." However, this "deal will not finalize Russia's decade-old quest for WTO membership. The Kremlin still must finish bilateral negotiations with three other countries, Costa Rica, Moldova and Georgia," and the latter "in particular is likely to try to use Russia's desire for WTO membership as leverage in negotiations." The Post adds, "If Russia satisfies Georgia's objections and reaches agreements with Moldova and Costa Rica, it will still confront further multilateral negotiations within the WTO, giving all countries -- including United States -- another chance to extract trade concessions."

The New York Times (11/11, C1, Kramer, Andrews) notes US and Russian negotiators are "crossing the final big hurdle in the stop-and-go cycle that has marked the process since Moscow began its application shortly after the collapse of the Soviet Union." Putin "has repeatedly said that joining the 149-member W.T.O. was a major foreign policy goal, though Russia's oil-driven economy will get few direct gains from membership."

The Wall Street Journal (11/11, A3, Chazan, 2.04M) reports the "landmark deal" is "paving the way for Russia to join the [WTO] -- a goal that Moscow has doggedly pursued for the past 12 years and that has been one of the key objectives of Vladimir Putin's presidency." Such a "breakthrough" would eliminate "a major irritant in relations…that have been strained by disagreements over Iran and U.S. accusations that Russia is backsliding on democracy and human rights and using energy to bully its neighbors." Kremlin "officials said delegations of both countries were trying to make sure the deal would be ready for signing when Mr. Putin and President Bush meet during the [APEC] Forum summit in Hanoi, Vietnam during the week." Joining the WTO "would mark a milestone for Russia, demonstrating to the world that it adheres to the rules of global trade, has eradicated the last vestiges of socialism and is fully integrated into the world economy."

The Financial Times (11/11, Buckley, Beattie, Callan) adds Washington and Moscow "agreed in principle on the terms for Russian [accession], giving a significant boost to Moscow's hopes of joining the 149-nation body after 13 years of talks. … Russia, which has enjoyed an oil-fuelled economic recovery in the past eight years, is the last big market outside the aegis of the WTO." The Times notes, "Analysts had warned any deal could face difficulties winning approval in Congress, particularly after both houses came under Democratic control this week. Congress must repeal the 1974 Jackson-Vanik amendment, which subjects Russia's trading status to annual review, to ensure Russia is granted permanent normal trading relations by the US. But a Bush administration official characterised meetings with Democratic leaders on Friday to brief them on the deal as 'positive.'"

The AP (11/11, Aversa) notes, "A longtime economic goal of Russia — entry into the [WTO] — moved a crucial step forward Friday as U.S. and Russian trade negotiators reached agreement." Accession "would mean Russia would receive the same favorable tariff rates for its products as other members. Other countries also would have to follow WTO rules in trade disputes with Russia. And, Russia — a big exporter of oil and gas — would have to abide by WTO's trade rules." Bloomberg (11/11, Drajem, Alison) says a US-Russia deal will remove "one of the last hurdles for an agreement that may add $10 billion a year to the Russian economy." However, "two other obstacles remain: Russia must overcome Georgia's opposition to its entry to the world trade arbiter, and the U.S. Congress must vote to grant Russia permanent, normal trade relations if the two countries are to enjoy all the benefits of the trade opening."

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The Washington Times (11/11, A1, Hirsch) adds, "As a [WTO] member, the Russian economy stands to grow by $10 billion annually through increased trade and foreign investment." USTR said the two sides "resolved issues over U.S. meat and poultry exports, and Russia agreed to cut tariffs on manufactured goods… The cuts are expected to help U.S. sales of civil aircraft and parts, medical and scientific equipment, agriculture, power generation, construction equipment, information technology, and chemicals."

Boucher Says Washington Committed To India Nuclear Pact. The AP (11/10) notes Assistant Secretary of State Richard Boucher "said Friday that Washington is eager to finalize a civilian nuclear pact with India, and urged it to work with neighboring Pakistan in the fight against terrorism when they resume peace talks next week." Boucher "said he was 'very hopeful' the matter would be taken up by the outgoing Senate. 'We want to do it as fast as possible because it is important to the U.S.,' he told reporters in New Delhi." AP says the agreement "is seen as a cornerstone of the emerging alliance between New Delhi and Washington after nearly a half-century of Cold War estrangement," and says it "has strong supporters in both U.S. political parties and was overwhelmingly endorsed by the House of Representatives in July." The pact "reverses decades of U.S. anti-proliferation policy by shipping civilian nuclear technology to India in return for safeguards and inspections at certain nuclear plants. Critics say the deal would ruin global nonproliferation efforts."

Court Grants Light Sentences To Vietnamese-American Detainees. The AP (11/11, Mason) reports Vietnamese authorities "defused a political storm yesterday by issuing light sentences to three Vietnamese-Americans convicted of terrorism, preventing the closely watched case from clouding President Bush's visit next week." The Americans were sentenced to time served, as were their four Vietnamese national co-defendants, and will be deported next month. The sedition "case had attracted Washington's attention just before Mr. Bush and Secretary of State Condoleezza Rice planned to make their first visit to Hanoi for the 21-nation Asia-Pacific Economic Cooperation (APEC) summit." US Ambassador Michael Marine is quoted saying, "I am certainly pleased that they will be sent home. These individuals have been held for quite some time. That is allowed under Vietnamese law, but 14 months without being brought to trial is a long time for anyone." The AP notes a drawn-out case may have complicated the US Senate's vote to normalize trade relations with Vietnam, a prerequisite to WTO accession.

US Seeks To Revive Free Trade Talks At APEC Summit. The Wall Street Journal (11/11, A2, Hookway) reports that, "while North Korea will be in the spotlight" at next week's APEC Leaders Summit, "some substantive negotiating may be taking place on the sidelines to break another international impasse: how to revive global free-trade talks." US officials are "hoping to use the Hanoi gathering … to kick-start discussions on a long-term goal of creating a Pacific-wide free-trade area." While an "initial foray" into such a grouping "foundered" because "there wasn't enough appetite for a separate free-trade agreement focused on Pacific Rim countries," Japan and some others may now back the initiative. The Journal calls the APEC Summit "a useful venue to try to renew momentum for liberalizing trade and call for a resumption of the Doha round. Treasury Secretary Henry Paulson has already traveled to Vietnam to meet with other Pacific Rim finance ministers and put free trade firmly back in play." However, the Journal adds, "the Asian countries have plans of their own, and they don't necessarily include the U.S."

US Looking For Compromise On UN Force For Darfur. AFP (11/10) reports Washington "said it was considering compromises on the make-up of an international peacekeeping force for Darfur after Sudan rejected demands for deployment of UN troops." State Department spokesman Sean McCormack said Washington still wanted United Nations "involvement" in the Darfur force, "but he did not reiterate past US insistence the peacekeepers be deployed formally under the world body's banner." McCormack said US officials are "taking a look at how we can address the various concerns that have come up from the Sudanese government, as well as others in the region, about the nature of this international force."

US Figure Skater Selected As Good Will Ambassador. The New York Times (11/10, A8, Cooper, 1.16M) reports, "During the cold war, the State Department called on the Harlem Globetrotters to travel as good-will ambassadors to counter hostile images of America around the world. ... And during these troubled times? America's newest good-will ambassador is Michelle Kwan, the figure skater." The Times notes that "while many of the public diplomacy efforts by the United States in the past few years have been directed toward the Muslim world, it was unclear on Thursday whether Ms. Kwan would be sent to Iraq or Afghanistan."

Samuelson Calls For Candor On Global Warming. In his Washington Post (11/10, A31, 690K) column, Robert J. Samuelson writes that when it comes to global warming, "we need more candor. Unless we develop

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cost-effective technologies that break the link between carbon dioxide emissions and energy use, we can't do much. Anyone serious about global warming must focus on technological progress -- and not just assume it. Otherwise, our practical choices are all bad: costly mandates and controls that harm the economy, or costly mandates and controls that barely affect greenhouse gases. Or, possibly, both."

Ahtisaari Pushes Kosovo Final Status Plan To 2007. In a brief piece, the New York Times (11/11, A6, Wood) notes former Finnish Prime Minister Martti Ahtisaari "said he would hold back his recommendations — with independence or autonomy as options — until after parliamentary elections in Serbia, called earlier in the day for Jan. 21." While a final status plan "was to have been accomplished by the end of this year," some "diplomats have been concerned that it might increase support for Serbian ultra-nationalists in the elections." The Times adds that "Kosovo's ethnic Albanian leaders are also uneasy," and Kosovo Prime Minister Agim Ceku "said his government might unilaterally declare independence if negotiations fail to give them statehood."

WPost Urges Support For Kosovo Independence. In an editorial, the Washington Post (11/10, A30, 690K) notes that the Serbian parliament formally adopted a new national constitution on Wednesday that "included a preamble that would have warmed [Slobodan] Milosevic's heart: a declaration that the province of Kosovo, which Serbia in effect lost seven years ago, is an 'integral' and 'inalienable' part of the country." The Post says, "By incorporating a claim to Kosovo into a new constitution, Serbia's leaders staked out yet another of the reckless nationalist stands that have caused their country so much damage in the past 15 years. They also set the stage for some difficult and potentially dangerous diplomacy between the Bush administration and Russia over the next two months." But the Post warns that "putting off Kosovo's independence would only enrage the province's 2 million Albanians and trigger the Balkan meltdown that the West hopes to avoid. It would also encourage Mr. Putin's growing tendency to use threats -- whether of energy-supply interruptions or violence -- to get his way with the West."

British, Irish Officials Claim Success In Meeting First Ulster Talks Goal. The New York Times (11/11, A7, Quinn) reports British and Irish officials "seized on guarded words of support from Northern Ireland's feuding Protestant and Roman Catholic political parties, saying that enough progress had been made by the first deadline they had set in a timetable for restoring local rule for the province that they could proceed to try to meet the next one." However, "a dispute about policing is casting doubt on whether the Democratic Unionist Party…and the main Roman Catholic party, Sinn Fein, can reach agreement by Nov. 24, when they are to nominate leaders for the power-sharing government." Officials from London and Dublin "said that they were satisfied that party statements had indicated support for a government," and "said that the St. Andrews Agreement remained the basis of reaching their goal."

In more negative tones, the Los Angeles Times (11/11, Murphy) reports, "The first key deadline for implementing a new power-sharing plan in Northern Ireland passed Friday with the parties still at loggerheads, but Britain and Ireland said they were satisfied that the pact 'represents the basis for a political settlement' of the long-running conflict." Sinn Fein and the DUP "only signaled conditional acceptance, apparently stuck on the same issue that has forestalled an agreement from the beginning: the unionist party's insistence that Sinn Fein endorse the local police force — with which its military wing, the Irish Republican Army, was virtually at war for years — before joining the government." Sinn Fein "has said it is prepared to accept the police force once it is assured that concrete reforms are in place, a timeframe is established for handing over control of the police to local authorities, and after the party's membership has agreed to take such a step."

US Military Official Claims Somalia Could Slide Further Into Anarchy. The New York Times (11/11, A6, Gettleman) carries comments by an anonymous "senior American military official" that "painted a dire picture of the escalating tensions in Somalia." The official "said the United States was at a loss about what to do," and "aid the current situation was even more explosive because it threatened to drag in Somalia's neighbors." The Times notes the nation "once again is at a crisis point, with rising prospects of a major war between the weak, so-called transitional government and the increasingly powerful Islamic forces that rule Mogadishu, the capital." However, the source "did not go as far as saying war was imminent or inevitable. The official and diplomats here in Nairobi have pointed to talks this week between the speaker of the transitional Parliament and top Islamic clerics as a speck of hope."

Norwegian Refugee Council Leaves Darfur. The Washington Post (11/11, A21) notes the Norwegian Refugee Council "said Friday that it was closing its humanitarian operations for nearly 300,000 people in Darfur because it was impossible to work in the troubled region of western Sudan." They "cited 'frequent disruption' of its work, saying it had been suspended five times for a total of 210 days since it started operations in mid-2004." NRC had been running two refugee camps serving a combined 228,000 people. The Post adds, "Aid agencies have repeatedly complained about government interference in their work in Sudan," and "rebels

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also have been accused of interfering with aid, in some cases by kidnapping aid workers."

WPost Says US Must Reinvigorate Darfur Peace Process. In an editorial today, the Washington Post (11/11, A26) says Sudanese authorities have "proved impervious to U.S. pressure." The regime's "back is against the wall, and it is prepared to be ruthless -- particularly so long as China, Russia and the Arab states provide diplomatic cover." The Administration "should certainly assemble commitments of peacekeeping troops and call Sudan's bluff. But it should also attempt to revive the failed Darfur peace plan negotiated this year, for without peace even a large peacekeeping mission may be doomed." To get the rebels to the table, "the United States needs to work with Sudan's diplomatic enablers in Beijing, Moscow and the Arab capitals." The Post concludes, "Darfur's violence is spilling into Chad and could precipitate the collapse of that country's government. It is also contributing to the risk of renewed north-south fighting. If there is no solution in Darfur, the world will witness Darfur-like atrocities elsewhere on a scale appalling to imagine."

LATimes Says Nigeria's Obasanjo Should Step Down When Term Ends. In an editorial, the Los Angeles Times (11/11) calls Nigerian President Olusegun Obasanjo his nation's "savior, and menace." He "has done more for Nigeria than any leader in its modern history," but his "legacy is endangered" by his attempts to prolong his rule. Obasanjo "has shown a worrying reluctance to step down as planned in April 2007," and that initiative could "perhaps plunge his country into civil war." The Times concludes, "Which course the Nigerian president takes will affect more than his legacy and his nation." Obasanjo "has a chance to become a respected elder statesman who could influence continental politics long after leaving office and bring much-needed international attention and aid to Africa. Or he could be another in a long line of Nigerian despots, cursed by his people and forgotten by history.

LATimes Says Delay In Turkey Bid To EU Would Be "Unfortunate." The Los Angeles Times (11/10, 850K) editorializes, "On Wednesday, the European Commission released a progress report on Ankara's bid to join the European Union. It was highly critical of the pace of Turkey's reforms on issues such as freedom of speech and its failure to recognize Cyprus. Cyprus is indeed the stumbling block of the day, but there is a more fundamental resistance across much of Western Europe to the idea that Turkey could join the EU. The EU is still digesting 10 new Central and Eastern European members with a lower standard of living, and there are some understandable concerns about absorbing 73 million Turks on the continent's periphery." However, the Times says a decision by EU commissioners at a summit in mid-December to "suspend accession talks with Turkey for a year or more" would be "unfortunate — for both sides of this courtship."

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:
"Decrepit Healthcare Adds To Iraq's Mounting Toll."
"Warner's L.A. Cable Gets Static."
"Looking For A Tour Of Redemption."
"May Our Machine Take Your Order?"

New York Times:
"Democrats, Engaging Bush, Vow Early Action Over Iraq."
"Treasury Chief Set To Seek Deals."
"What's Wrong With A Child? Psychiatrists Often Disagree."
"Slow Home Grants Stall Progress In New Orleans."
"Clearing A Path From Desktop To The Recycler."
"Ex-Quarterback Thrives As Lobbyist."

Washington Post:
"Defense Department To Reevaluate Iraq Plan."
"Democrats Win Bigger Share Of Religious Vote."
"Elections Leave Bitter Aftertaste In Pr. George's."
"Georgetown 'Apostles' Rowhouse Rebellion."
"Religious Immunity To Zoning Laws Cited."
"Democrats Have One Tax In Mind."
"Recent Attacks Shred Hopes In Pakistan."

Washington Times:
"Marines, Bush Dedicate Museum."
"Al Qaeda Gloats Over U.S. Election."
"Steele Still A Main Attraction."
"Episcopal Parish, Diocese Reach Accord."
"Anna Nicole Heats Up Bahamas In Voting Season."

Story Lineup From Last Night's Network News:
ABC: Bipartisan Cooperation; Democratic Economic Initiatives; Tracking Terror Plots; War And Violence In Iraq; Marine Honored; Wired World; World War II Veterans Honored.
CBS: Al Qaeda Terror Plots; Terror Plot Analysis; Politics And Violence In Iraq; LAPD Video Investigation; Gulf War Disease Link; Leukemia Deaths; Marine Boot Camp; Juvenile Etiquette In California.
NBC: Change In Iraq War Policy; Medal Of Honor Awarded; Democratic Congress; McCain Presidential Campaign; London Terror Plots; Election Analysis; Christmas Economy; Navy Seal Honored/ Families Remembered.

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WASHINGTON'S SCHEDULE

Today's Events In Washington.

White House:

PRESIDENT BUSH -- Highlights: 10:45 a.m. President and Mrs. Bush depart The White House en route Arlington National Cemetery. 10:55 a.m. President and Mrs. Bush arrive Arlington National Cemetery. 11 a.m. President and Mrs. Bush participate in Wreath Laying Ceremony. Arlington National Cemetery, Arlington, Va. 11 a.m. Participates in wreathlaying ceremony. Arlington National Cemetery. 11:15 a.m. Makes remarks on Veterans Day. Arlington National Cemetery, Arlington, Va. 12:10 p.m. President and Mrs. Bush depart Arlington National Cemetery en route The White House. 12:20 p.m. President and Mrs. Bush arrive The White House.

VICE PRESIDENT CHENEY – No public schedule.

US Senate: No scheduled events.

US House: No scheduled events.

Other: VETERANS CONFERENCE _ The American Veterans Center's holds its Ninth Annual Conference. The event includes three full days of speakers devoted to each era from World War II through today; wreath laying ceremonies at the World War II, Korea and Vietnam War memorials; and evening receptions. Location: Hyatt Regency-Crystal City, 2799 Jefferson Davis Highway, Arlington, Va. Contacts: Tim Holbert, 202-777-7272 ext 220.

7 a.m. The Muslim American Veterans Association lays a wreath. Vietnam Memorial, Area 5. Contact: S.g. Abdul-Mateen, 301-213-2994.

8 a.m. Observance at the World War II Memorial, 17th St. between Constitution and Independence Aves. NW.

9 a.m. - 12 p.m. Storytelling at the Vietnam Women's Memorial. Arlington National Cemetery.

10 a.m. - 5 p.m. The Military Families Speak Out organization holds an event to honor American and Iraqi casualties of the Iraq war. National Mall between 14th and 15th Sts at Constitution Ave., near the Washington Monument. Contact: Ateqah Khaki, 212-260-5000.

10:30 a.m. Observance at the First Division Memorial. Grassy Panel at 17th St. south of E St. NW.

11 a.m. Veterans Day Observance. Wreath laying at the Tomb of the Unknown Soldier, folowed by a ceremony in the Memorial Amphitheater, Arlington National Cemetery. Note: Media must choose one of the other. RSVP required by Noon, Nov. 9, 703-607-8574. Pre-cabling on Nov. 8, 8am-3pm.

11 a.m. 82nd Airborne Division Association lays a wreath at the World War II Memorial. 17th St. between Constitution and Independence Aves. NW.

11 a.m. Deputy Homeland Security Secretary Michael Jackson will speak at the annual U.S. Coast Guard Veterans Day wreath laying ceremony. Arlington National Cemetery, USCG World War I Memorial, Arlington, Va.

12:30 p.m. Observance at the African-American Civil War Memorial. Time TBA. Vermont Ave. and U St. NW.

1 p.m. Veterans Day Observance at the Vietnam Veterans Memorial Wall. With Air Force Secretary Michael Wynne; Jan Scruggs, president, Vietnam Veterans Memorial Fund; Surgeon General Kenneth Moritsugu; former astronaut Capt. Frederick Hauck; Navy Seabee Elizabeth Lopez, USNR; and others.

1 p.m. Observance at the Navy Memorial. 701 Pennsylvania Ave. NW.

2 p.m. Observance at the National Japanese American Memorial. Louisiana and New Jersey Aves. and D St. NW.

3:30 p.m. Women in Military Service for Americda Memorial observance.

4 p.m. 1st Calvary Division Association lays wreath at the World War II Memorial.

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From: Miller, Charles S
Sent: Monday, November 13, 2006 11:56 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John (USAEO); O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 11/13/06 Civil Division News

Posada a target of new federal probes; Authorities are building a new criminal case against Cuban exile Luis Posada Carriles, zeroing in on his alleged role as the mastermind of bombings in Cuba a decade ago.

Where's the evidence for detaining Posada?
OUR OPINION: IN U.S., EVEN AN ACCUSED TERRORIST SHOULD GET DUE PROCESS

Govt will ask for Hicks' return: Ruddock

New Law May Cut Off Guantanamo Prisoners' Access to Their Lawyers

Germany weighs war crimes case against Rumsfeld

Trial to weigh cost of being framed; Cash compensation sought for lost years (Salvati)

Brockovich suits thrown out / Activist had filed against health-care providers, saying they cheated the Medicare system

Authorities: Mother Teresa's doctor used in Medicare scam

Editorial: Another good shot emerges for Cobell

Miami Herald

November 12, 2006

Posada a target of new federal probes; Authorities are building a new criminal case against Cuban exile Luis Posada Carriles, zeroing in on his alleged role as the mastermind of bombings in Cuba a decade ago.

BY ALFONSO CHARDY AND JAY WEAVER

One of the first things the businessman noticed about Luis Posada Carriles was that he spoke funny. Posada, who mumbled because of an old bullet wound in his jaw, frequently visited the businessman's Guatemala utility company in 1997 to meet with two co-workers.

The businessman grew suspicious after one of the workers told him about Cuban exile plans to assassinate Fidel Castro and after a Venezuelan politician confided that Posada, a CIA-trained explosives expert, was a "very dangerous individual."

Concerned that Posada was using his utility business to plot illicit activities, the businessman hid a transmitter in an office and overheard the two co-workers talk with Posada about placing a "putty-like explosive" in the shoes of Central

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Americans paid to pose as tourists on trips to Cuba.

Soon afterward, the businessman became a "confidential source" for the FBI's investigation into bombs that exploded at Cuban tourist sites in 1997, killing an Italian and wounding seven others.

The businessman, a Cuban-American engineer who set up the utility company in Guatemala City in 1996, could turn out to be the central figure in the Justice Department's rekindled criminal investigation of Posada. The probe is back on track -- despite the fact that the FBI field office in Miami destroyed evidence in 2003 about the initial Cuba bombing case.

Federal grand juries in New Jersey and Texas are investigating the secret activities of Posada, 78, who is detained at an immigration facility in El Paso, Texas. The Texas probe focuses on whether he lied about how he sneaked into the country. The New Jersey investigation, aided by the FBI in Miami, is zeroing in on his role as the alleged mastermind of the dozen tourist-site bombings in Cuba that investigators think were financed by Cuban exiles in Union City, N.J.

Either of the probes could lead to the first indictment of Posada in the United States.

10-PAGE AFFIDAVIT

An insight into the Justice Department's case can be found in a 10-page affidavit obtained by The Miami Herald. In the June 10, 2005, sworn statement, FBI special agent Thomas H. Rice portrayed Posada as a dangerous man bent on killing Castro and spreading terror on the communist-run island to destroy its tourism economy.

"The FBI is unable to rule out the possibility that Posada poses a threat to the national security of the United States," Rice wrote.

Among the evidence cited in the sworn statement:

** In late August 1997, the businessman at the Guatemala utility company said he and a co-worker discovered "what appeared to be explosive materials" in the firm's office, where Posada regularly met with two other workers.

The businessman later told the FBI that the materials consisted of 22 transparent plastic tubes filled with a tan substance. They were labeled with the name of the manufacturer and "explosivos de alto poder, extremadamente peligrosos" -- high-power explosives, extremely dangerous.

** The businessman said he found funnels in the office that he thought were used to mix explosive materials with liquid inside shampoo bottles. He also found a diaper that may have been used to absorb the liquid in the bottles and yield the explosives.

The businessman then found a carrying case containing a note in Spanish, which said, "The tyrant has to be eliminated, regardless of how many others are killed." Also found in the case: a note pad with Posada's name written on the first page.

** During the FBI's investigation of the 1997 Cuba bombings, agents collected records showing about $19,000 in wire transfers from the United States to "Ramon Medina," one of Posada's aliases, in El Salvador and Guatemala between Oct. 30, 1996, and Jan. 14, 1998.

WIRE TRANSFERS

The FBI agent specifically refers to an Aug. 25, 1997, fax intercepted by the businessman's co-worker at the Guatemala utility company.

The cryptic fax is signed Solo. Investigators think Posada sent the fax from El Salvador to the utility company, addressed to two alleged co-conspirators who worked there.

Handwritten in Spanish, it refers to wire money transfers totaling $3,200 from four men in Union City to pay a "hotel bill."

It also alludes to some discussion Solo had about the need for publicity for certain actions. But there is no mention of Posada or bombings.

"As I explained to you, if there is no publicity, the work is useless," Solo wrote. "The American newspapers don't publish anything that hasn't been confirmed. I need all the information regarding the discotheque in order to try to confirm it. If

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there is no publicity, there will be no payment. I'll be awaiting news today, tomorrow I'll be leaving for two days."

CRUCIAL DOCUMENT

Since the fax became public in 1998, after it was reported first in The Miami Herald and then in The New York Times, it has come to be seen as a crucial document in the current investigation. It was included in the hundreds of pages turned over May 19 to the El Paso court considering Posada's custody.

In New Jersey, three of the people mentioned in the fax -- Abel Hernández, Rubén Gonzalo and his son, José -- have been approached by FBI agents and subpoenaed by the federal grand jury in Newark. Authorities wanted to know whether they helped finance the Cuba bombings.

Attorney Gilberto Garcia, who represents the three men and two other Cuban exiles also subpoenaed by the grand jury, said none had any role in the bombings.

"My clients had no knowledge about the financing of the bombings," Garcia said. "They had no participation."

Nevertheless, Garcia said two of the five refused to testify and invoked their right against self-incrimination -- then prosecutors excused them. Two others agreed to provide information to prosecutors, and one testified before the grand jury. Those three said they had not been involved in the bombings.

Garcia said his clients' names on the Solo fax were "misappropriated." "Someone was sending these money transfers to Guatemala using their names," he said.

Although Posada was suspected as the mastermind of the bombings, he was never charged in the initial probe, largely because federal investigators insist that the Cuban government failed to help them build a case against him. But the federal case was reactivated after Posada, a Cuban-born Venezuelan citizen, sneaked into the United States last year.

The U.S. attorney's offices in Newark and El Paso declined to comment.

Eduardo Soto, Posada's attorney, said his client has not received a so-called target letter from federal authorities alleging he is a suspect in a crime. Soto said his client did not lie about his entry into the country and was not involved in the Cuba bombings.

In El Paso, three Cuban exiles from Miami -- José Pujol, Rubén López Castro and Ernesto Abreu -- have refused to testify. At least two of them, Pujol and López Castro, are facing prosecution.

The current Newark investigation has gained momentum as the FBI pieces together evidence -- including the fax allegedly sent by Posada listing suspected U.S. co-conspirators involved in the financing of the bombing campaign.

The government has stepped up its effort to keep Posada in detention because the federal judge in El Paso has set a Feb. 1 deadline for the Justice Department to demonstrate why he shouldn't be released in the United States, since he cannot be deported.

The reason: No country has offered to take him. Also, an immigration\l "l" judge\l "l" has ordered that he not be sent back to Cuba or Venezuela.

PROPAGANDA WEAPON

Castro and Venezuelan President Hugo Chávez accuse Posada of masterminding the 1976 bombing attack that brought down a Cuban airliner, killing 73 people.

Both leaders have used Posada as a propaganda weapon against the United States, which was embarrassed by his illegal entry into the country in the post-9/11 climate when antiterrorism defenses were supposed to be tighter. Castro and Chávez have accused federal officials of coddling a "terrorist."

For his part, Posada has blamed Cuban agents for a 1990 assassination attempt in which he was shot in the jaw and chest in Guatemala.

The Justice Department's renewed Cuba bombing probe was challenging at first because the FBI had destroyed some documents, such as Western Union cables and other case records, in the fall of 2003 -- after obtaining approval from the

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U.S. attorney's office in Miami.

In the initial case, the Cuban government was cooperative with federal authorities. A team of FBI agents visited Cuban counterintelli- gence officials in June 1998. The Castro government said it shared information on the tourist bombing attacks and other alleged Cuban exile terrorism activities during the 1990s.

1998 IMPASSE

Ultimately, Cuban officials refused to allow FBI agents to talk with witnesses or suspects or to conduct forensic examinations of explosive materials recovered from the tourist-site bombings, according to federal authorities.

The final breakdown came in September 1998, when a federal grand jury in Miami indicted 10 Cuban agents on charges of infiltrating South Florida to spy on the U.S. government and the Cuban-American community.

One of the key pieces of evidence in the current Cuba bombing investigation is the mysterious fax signed Solo.

The link between Posada and the fax was reported first in The Miami Herald on June 7, 1998. A New York Times article the following month said a Cuban-American businessman in Central America, Jorge "Tony" Alvarez, had discovered the fax in his office. Alvarez claimed it had been sent by Posada from El Salvador.

`A BIG SCANDAL'

The article also asserted that Posada acknowledged being the author of the fax, and an accompanying story quoted Posada as saying he was responsible for the bomb attacks at Cuban tourist sites, including the one that killed the Italian.

"We didn't want to hurt anybody," the story quoted Posada as saying. "We just wanted to make a big scandal so that the tourists don't come anymore. We don't want any more foreign investment."

For investigators, Posada's statements amounted to a confession.

Last year, prosecutors from the U.S. attorney's office in Miami sent subpoenas to The New York Times and freelance writer Ann Louise Bardach, demanding the recordings and any other documents she might have that were connected to the interview. Lawyers sought to quash the subpoenas, and the government withdrew them.

In October, the grand jury in Newark issued a new subpoena to Bardach. She said her Miami lawyer is preparing a response to quash it.

Taken together, the fax, FBI witnesses and the tapes could be crucial pieces of evidence in indicting Posada.

In testimony to an immigration court in El Paso last year, Posada acknowledged that he had made those statements to Bardach -- but noted that he did not understand her questions and did not provide proper answers because his English was poor.

In the end, the Cuban government arrested several of the bombers.

And over the next decade, the tourism industry was far from disrupted. Travel to Cuba became all the more popular, with experts estimating the total number of visitors doubling to more than two million last year.

END

Miami Herald

Mon, Nov. 13, 2006

Where's the evidence for detaining Posada?
OUR OPINION: IN U.S., EVEN AN ACCUSED TERRORIST SHOULD GET DUE PROCESS

U.S. District Judge Philip Martinez made a tough but fair decision in the case against terror suspect Luis Posada Carriles. He gave the government three months to make the case for indefinitely detaining Mr. Posada. Yet the judge didn't order Mr. Posada released, as his lawyers asked.

Mr. Posada has a shady past as a Cold War operative. Nevertheless, he is entitled to the due process required by U.S. law. Immigration authorities must provide substantive evidence before condemning someone to what could be life in prison. Mr. Posada has been accused of being a terrorist by some, including his avowed enemy Fidel Castro. But allegations, rumors and speculation aren't enough to make the case that Mr. Posada is a "terrorist" or would be an ongoing public menace while in this country.

Detained 18 months

Judge Martinez acknowledged that Mr. Posada already has been locked up "well beyond" the six-month limit set by the Supreme Court for releasing a foreigner who hasn't been deported. In fact, Mr. Posada has been detained by immigration authorities for nearly a year and a half. An immigration judge barred U.S. authorities from deporting Mr. Posada to Cuba or Venezuela under a treaty that prohibits sending anyone to a country were they might be tortured. Meanwhile, U.S. officials haven't been able to find any other country that will accept him. That's why a federal magistrate has already recommended that Mr. Posada be released.

Clearly Mr. Posada is no choir boy. He is a former CIA agent who has continued to work on overthrowing the Castro regime for decades. He advocates using any means necessary, including violence against civilians.

Suspect in bombings

Mr. Posada has long been suspected of masterminding the 1976 bombing of a Cuban jet, which killed 76 people. He was acquitted of that crime by a military tribunal in Venezuela. He was imprisoned for nine years while awaiting trial for the same crime in a civilian court before he escaped in 1985. He has been a suspect in 1997-98 bombings at Cuban tourist sites, one of which killed an Italian visitor. Though a federal grand jury in New Jersey is investigating Posada's alleged involvement, he hasn't been convicted of those bombings, either. He was tried in connection to an alleged Castro assassination plot. For that, he was convicted of endangering public safety and pardoned in 2005.

We strongly disapprove of Mr. Posada's philosophy that the ends justify the means. Our eyes would be bone dry if a judge decides that he remain detained. But such a ruling must be based on the law and hard evidence. Justice Department officials say that Mr. Posada is "an admitted mastermind of terrorist plots and attacks." Fine. Let them prove it.

END

Australian Associated Press

Nov. 13, 2006

Govt will ask for Hicks' return: Ruddock

The federal government still plans to ask the US to send terrorist suspect David Hicks home to Australia if fresh charges are not laid against him.

Attorney-General Philip Ruddock has reiterated that he expected Hicks to face new charges once the US worked out new rules for a revamped military commission system.

However, he said if no charges were brought against Hicks, the government would do the same as it did for fellow Guantanamo Bay detainee Mamdouh Habib and ask for him to be sent back to Australia.

"I assume that when the regulations are in place for military commissions ... that fresh charges will be brought," Mr Ruddock told a Human Rights and Equal Opportunity Commission forum.

"If they are not, we would seek exactly the same outcome as we did in relation to Mamdouh Habib, we would ask for his return."

State and territory attorneys-general last week demanded the federal government take urgent action to bring Hicks home after receiving a disturbing briefing about his case by his military lawyer Major Michael Mori.

Adelaide-born Hicks has been detained in the US detention centre on Cuba since he was captured with the Taliban in Afghanistan five years ago, but has yet to go to trial.

He had previously pleaded not guilty to charges of attempted murder, aiding the enemy and conspiracy, and was earmarked to appear before a US military commission.

The charges were struck out when the US Supreme Court in June ruled it was unlawful for the commission to try Hicks and other Guantanamo Bay detainees.

But US President George W Bush has since signed controversial new legislation allowing revamped military commissions to proceed.

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His fellow detainee, Mr Habib was released from Guantanamo Bay and returned to Australia in January last year after being held for more than three years without charge.

Mr Habib was arrested in Pakistan in 2001 on suspicion of training with al-Qaeda in Afghanistan.

He is now seeking compensation in the Federal Court over his imprisonment in Egypt and at Guantanamo Bay.

The Sydney father is claiming damages on a number of grounds including false imprisonment, complicity, wrongful detention and assault.

END

South Florida Sun-Sentinel

November 12, 2006

New Law May Cut Off Guantanamo Prisoners' Access to Their Lawyers

SAN JUAN, Puerto Rico {BYLINE} By Andrew O. Selsky The Associated Press Guantanamo Bay prisoners could soon lose access to their lawyers -- one of their only contacts with the outside world -- because of a new law that eliminates their right to challenge their detention in civilian courts, the lawyers fear.

Even as lawyers are asking a federal court to rule that provisions of the law are unconstitutional, the government is seeking to restrict their access to the isolated Guantanamo military base. And for at least one detainee, the government is trying to ban civilian lawyers altogether.

For now, Guantanamo officials are holding off on restricting lawyers' access to the U.S. base in southeast Cuba, Navy Commander Robert Durand said. Lawyers say doing so will further shroud the detention center in secrecy and could invite abuses.

"If attorneys were kept from visiting Guantanamo, the only information regarding conditions there would be provided by the government," said Joshua Colangelo-Bryan, a New York lawyer whose Bahraini client tried to commit suicide at Guantanamo last year as Colangelo-Bryan was visiting him.

Signed last month by President Bush, the law says no court can hear a petition of habeas corpus -- a right enshrined in the U.S. Constitution -- from any non-U.S. citizen determined to be an enemy combatant or held under suspicion of being one.

Habeas corpus, which has been around since the Magna Carta of 1215, obligates officials to explain in court why those arrested are being held.

"This law doesn't apply only to Guantanamo," said Gaillard Hunt, an attorney for a detained Pakistani businessman. "It applies to every non-U.S. citizen. It empowers the executive branch to get anyone anywhere, and there's no habeas corpus for them."

The Detainee Treatment Act, signed by Bush almost a year ago, stripped enemy combatants of the right to file habeas petitions, but the newer law makes it retroactive. Durand said from Guantanamo that if the new law forces a federal court to throw out pending habeas cases, base commanders would then have the authority to stop or curtail lawyers' visits.

David Cynamon, whose law firm represents four detainees from Kuwait, said the military hearings are no substitute for a habeas court hearing. "They were averaging three a day. These things were a joke."

A federal court of appeals in Washington can review the finding of a Combatant Status Review Tribunal, but is limited largely to considering whether it is consistent with standards and procedures established by the new law.

The government is proposing that defense lawyers can have no more than four meetings with detainees pursuing cases with the Washington appeals court. The government said in court filings it also wants to tighten censorship of mail from attorneys and allow the military to restrict what lawyers discuss with detainees, arguing that they could become violent if they hear about world events.

Defense lawyers see the proposals as an attempted blackout on news from Guantanamo.

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"It reflects a cynical attempt by the government to [stanch] the flow of information out of Guantanamo, a cynical effort by the government to conceal facts about who really is being detained at Guantanamo," said attorney Wells Dixon of the Center for Constitutional Rights, which represents several hundred Guantanamo detainees.

END

Sunday Telegraph (UK)

November 12, 2006

Germany weighs war crimes case against Rumsfeld

BY COLIN FREEMAN Chief Foreign Correspondent

DONALD RUMSFELD, the outgoing American defence secretary, faces the threat of a lawsuit in the German courts accusing him of involvement in prisoner abuses at Guantanamo Bay detention camp and in Iraq.

A writ brought by a US-based human rights group is due to be filed this week, taking advantage of German laws that allow for the prosecution of "war crimes" committed anywhere in the world. The Centre for Constitutional Rights says its will lodge charges against Mr Rumsfeld along with Alberto Gonzales, the US attorney-general, George Tenet, the former CIA director, and several other senior figures in President George W Bush's administration.

A decision by German prosecutors to allow the case to go forward would be deeply embarrassing to the chancellor, Angela Merkel, who has made efforts to improve relations with Washington since taking power a year ago. If Mr Rumsfeld were called to testify and refused, an arrest warrant applicable on German soil could be issued.

The lawsuit cites victims including 11 Iraqis held at Baghdad's Abu Ghraib prison and Saudi-born Mohammed al Qahtani, a suspected September 11 plotter who allegedly underwent torture on Mr Rumsfeld's orders at Guantanamo Bay.

A leading witness lined up for the case is Janis Karpinski, the former brigadier-general once in command of military prisons in Iraq. She is expected to testify that the controversial regime at Abu Ghraib was sanctioned by the top tier at the Pentagon. In a written statement that forms part of the court papers, she said: "It was clear the knowledge and responsibility [for what happened at Abu Ghraib] goes all the way to the top of the chain of command to the secretary of defence, Donald Rumsfeld."

Neither Mr Rumsfeld nor the German authorities have commented on the case. A previous request for a prosecution by the same human rights group was turned down by the German courts in 2004, although not before it had opened a rift between Washington and Bonn. Tensions were already high at the time because of Germany's refusal to send troops to back the US mission in Iraq. Prosecutors announced that they would not pursue the matter only after Mr Rumsfeld hinted that he would not attend a Munich security conference at which he was due to be the key speaker.

Campaigners behind the lawsuit believe that Mr Rumsfeld's resignation as defence secretary last week means the German courts will now be more likely to authorise a prosecution.

END

Boston Globe

November 13, 2006

Trial to weigh cost of being framed; Cash compensation sought for lost years

By Shelley Murphy, Globe Staff | November 13, 2006

When small-time hoodlum Edward "Teddy" Deegan was gunned down in a Chelsea alley on March 12, 1965, the FBI had a pretty good idea who did it.

Agents knew from an illegal bug that notorious hitman Joseph "The Animal" Barboza and FBI informant Vincent "Jimmy" Flemmi had sought permission from the boss of the New England Mafia to kill Deegan, according to FBI reports. And other informants named Barboza, Flemmi, and two other men as Deegan's killers, according to FBI memos.

But the case took a dramatically different turn when the FBI recruited Barboza to testify in a series of Mafia-related trials under a deal that gave him leniency for his own crimes. He admitted his role in Deegan's slaying and implicated others -- but not Flemmi -- leading to the wrongful convictions of four men who spent decades in prison before they were exonerated.

In a lawsuit that could cost the government more than $100 million in damages if it loses, lawyers allege the FBI sat on documents that would have helped those four men prove they were framed by Barboza. The suit is scheduled to go to trial Thursday in US District Court in Boston.

Peter Limone, now 72, and Joseph Salvati , 74, who were each in their early 30s with four children when convicted in 1968, spent more than 30 years in prison. Louis Greco and Henry Tameleo died in prison before being vindicated.

"It was like a perfect lie," said Boston attorney Juliane Balliro , who represents Limone, his family, and Tameleo's wife and children. "The feds insulated Barboza from any meaningful investigation in this case."

The lawsuit alleges the FBI failed to disclose critical evidence to state prosecutors, who tried the four men for murder, or to defense lawyers. It accuses the federal government of malicious prosecution, false imprisonment, conspiracy, negligence, intentional infliction of emotional distress, and depriving the men's families of their companionship. The suit was filed under the Federal Tort Claims Act, which does not allow a jury trial. The trial, expected to last four to six weeks, will be heard by US District Judge Nancy Gertner .

It's the second of a series of lawsuits alleging FBI negligence to go to trial this year in Boston. In September, a federal judge found that the FBI's mishandling of longtime informants James "Whitey" Bulger and Stephen "The Rifleman" Flemmi caused the 1984 murder of a Quincy fisherman. The judge ordered the government to pay $3.2 million to the victim's family.

Stephen and Vincent Flemmi, who died in prison in 1979, were brothers.

In their trial brief, lawyers for the men cite a series of wrongful-death convictions around the country in which more than $1 million in damages was awarded for each year of wrongful imprisonment.

By that calculation, the government would be forced to pay at least $109 million, just on the wrongful imprisonment claim. Limone spent 33 years in prison, Salvati 30 years, Greco 28 years before he died in 1995, and Tameleo 18 years before dying in 1985.

The lawyers said they are unaware of any other cases in which wrongful imprisonment lasted as long, and argued that the award should be high because the four "suffered phenomenally."

Charles Miller , a spokesman for the Department of Justice, declined to comment on the case last week. But in their pretrial memorandum, Justice Department lawyers argue that the federal government cannot be held responsible because the 1968 murder trial was prosecuted in state court by Suffolk County prosecutors who conducted their own investigation.

Justice Department lawyer Bridget Bailey Lipscomb wrote that the plaintiffs "cannot establish that the FBI owed them a duty to disclose to state authorities any information it had received from its informants or from electronic surveillance."

The FBI turned over some informant information about Deegan's slaying to state and local police, according to Lipscomb.

"I think it is totally outrageous that the federal government has had evidence in their files that my client has been innocent for over 40 years, and we have to put the family through a trial so they can rekindle the agony of all the years they had to visit him in prison," said attorney Victor Garo, who represents Salvati.

The FBI gave leniency to Barboza, who confessed to 26 killings, in exchange for his testimony against Mafia leaders. The federal Witness Protection Program was created to keep him safe.

The FBI memos that cast doubt on Barboza's credibility were uncovered six years ago by a Justice Department Task Force formed to investigate FBI corruption, after federal court hearings into the FBI's mishandling of Bulger and Stephen Flemmi.

One FBI report revealed that Barboza, who was killed in 1976, agreed to cooperate but told agents he would never provide information that would allow his close friend Vincent Flemmi to "fry." Lawyers for the four men say the document would have helped them prove that Barboza protected his friend Flemmi while falsely accusing the others.

Gail Marcinkiewicz , a spokeswoman for the FBI in Boston, declined to comment on the lawsuit, but said the agency's informant guidelines had been tightened as a result of the Bulger case. Currently, she said, "we have better oversight" on informants.

A state judge freed Limone from prison in January 2001 after the FBI memos about Barboza surfaced. Salvati was freed from prison in 1997 after then-Governor William F. Weld pardoned him.

Former governor Michael S. Dukakis , who rejected a recommendation from the state Parole Board in 1983 to grant Limone clemency, is expected to be called as a witness at the trial.

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In the cases of Greco and Tameleo, the government contends that malicious prosecution claims died with them, and that their families are not entitled to any damages for their years of imprisonment.

But attorney Howard Friedman , who represents Greco's son, Edward, said it would be unfair for the government to avoid paying damages to Greco's family just because he died in prison. "If you were to keep a cover-up going long enough for a person to die, you shouldn't benefit," Friedman said.

END

Houston Chronicle

November 12, 2006

Brockovich suits thrown out / Activist had filed against health-care providers, saying they cheated the Medicare system

DANIEL YI

SANTA ANA, CALIF. SANTA ANA, CALIF. - Erin Brockovich built a career as a celebrity crusader for weighty causes. But this time she was wrong for the role, according to a federal judge in Santa Ana.

U.S. District Judge David O. Carter has dismissed several lawsuits Brockovich filed this summer on behalf of Medicare. Carter ruled that Brockovich has no standing to sue hospitals and convalescent homes to recoup allegedly illicit funds the health-care providers received from the federally funded health plan for seniors and disabled people.

Brockovich and her lawyers claimed in state and federal courts that health-care providers were pocketing millions of taxpayer dollars by charging Medicare for medical errors and then charging again to fix those errors. She brought the suits as a citizen acting on behalf of the government\l "l".

The lawsuits did not cite specific instances of wrongdoing, pointing instead to federal reports that estimated medical errors costs Medicare more than $9 billion a year. Brockovich and her lawyers hoped to find evidence in the course of trying the cases and would have collected legal fees if they were successful.

They sued some of the nation's biggest hospital and nursing home chains, including Tenet Healthcare Corp., Adventist Health, Country Villa Service Corp., Catholic Healthcare West, Kindred Healthcare Inc. and Longwood Management Corp.

But Carter said Brockovich, a 46-year-old former legal assistant who became a celebrity after her environmental crusade against a utility company was made into a movie starring Julia Roberts, cannot serve as a plaintiff.

That's because she is not an injured party, and there is no specific law that grants her the power to sue on behalf of the government\l "l" in this case, the judge ruled.

Carter dismissed five of the lawsuits last month and last week issued tentative dismissals on 24 more. The 29 cases represent the bulk of the more than 30 lawsuits Brockovich and her lawyers filed in California. Two more cases are pending in a federal court in San Diego.

Attorneys for the hospitals called her crusade a waste of resources.

"There were 25 lawyers sitting in the courtroom all morning" waiting for the ruling Tuesday, said Mark A. Johnson, an attorney with Hooper, Lundy & Bookman Inc., which represented several defendants. "What was that costing the health-care providers? That's resources that could have gone into actual health care."

The main law firm representing Brockovich, Wilkes & McHugh, has filed similar lawsuits elsewhere in the country using other plaintiffs. The law firm did not return calls for comment.

But Brockovich issued an statement through an assistant, saying she will appeal Carter's decision.

"I am proud to be a consumer advocate on this issue and will continue to be," she said.

END

DOJ_NMG_0093809

AP

November 11, 2006

Authorities: Mother Teresa's doctor used in Medicare scam

LOS ANGELES_An Agoura Hills man was charged with a $1.4-million Medicare fraud scheme that authorities say involved misusing the records of Mother Teresa's personal doctor and homeless people on Skid Row.

Rudik Avakyan, who was scheduled for arraignment Monday, was jailed on $1.1 million bail. Authorities contend that Avakyan, 55, ran a clinic where he submitted phony bills using the Medicare and Medi-Cal cards of people he recruited at a downtown rescue mission.

The clinic's medical director was Dr. Prasantha Nath, who once treated the late Mother Teresa. He worked at the clinic for only a few weeks before quitting, but his physician provider number was used without his knowledge, the state attorney general's office said in a statement.

The clinic submitted claims for hundreds of patients that Nath "could not possibly have treated" and even submitted bills for 35 dead people, authorities said.

Some bills were submitted for patients that Nath supposedly treated at a time when he was out of the country, helping tsunami victims in Sri Lanka and the needy in India, according to investigators.

Avakyan and co-defendants, Gayane Abramyan, 44, and Lusine Khatchatryan are charged with a 37 felony counts of grand theft, attempted grand theft and filing of false claims.

Attorneys for the defendants could not immediately be located for comment Saturday.

END

Indianz.Com.

Nov. 10, 2006

Editorial: Another good shot emerges for Cobell

With Congress headed back to Washington next week under a new Democratic majority, Indian Country can get to work on a real settlement to the Cobell trust fund lawsuit.

The case came close to resolution this summer when the Senate Indian Affairs Committee advanced an $8 billion settlement that the plaintiffs and Indian stakeholders were willing to accept. But Sen. John McCain, who spent more time investigating than legislating during his past two years as chairman of the panel, unwisely let the Bush administration delay the bill not just once, but twice.

Then he let the White House kill the settlement altogether by unleashing the October Surprise -- a plan to terminate the trust without paying for past mistakes. Former National Congress of American Indians president Tex Hall rightly called it the "weakest proposal I've ever seen in my 10 years as being a tribal leader."

No one knows for sure why McCain relented, especially after he boasted that he and Congress have never bowed to the wishes of the executive branch, or anyone else for that matter. "Excuse me," he said at a hearing, his code words for "You are wrong, I am right."

As a leader on Indian issues, McCain can definitely play an important role in the 110th Congress as the plaintiffs push for a fair settlement. "We will work closely with the new Congress to resolve the litigation fairly and expeditiously," Elouise Cobell, the lead plaintiff, said yesterday.

But he gave it his "one good shot" -- those were his words remember? -- and he failed. The Democratic takeover, though, gives everyone a new start that few could have envisioned a couple of weeks ago.

With that in mind, a settlement should do the following:

- Settle the Cobell historical accounting -- and only the Cobell historical accounting -- for billions. Tribal claims should not be touched.
- Establish a commission, panel, board or other entity that will develop fiduciary standards to manage trust funds and assets. The trustee should be held accountable to the standards.

- Eliminate the Office of Special Trustee, a move that will put the Indian back in Bureau of Indian Affairs. Ross Swimmer will be looking for a new job soon anyway.

Resolving fractionated heirships is a lofty goal but not one for inclusion in the bill. After all, didn't Congress just pass yet another round of amendments to the Indian Land Consolidation Act?

"It's not the root cause of the mismanagement we're talking about," Cobell said of fractionation on *Native America Calling* on Monday. It's obvious that it will take serious study, and resources, before more legislation on this issue.

Finally, Congress must adequately fund the BIA so that it can fix the problems and carry out future solutions. The money to do this can't come from the settlement.

Once the suit is settled, Indian Country can work on other equally pressing issues that the Bush administration cast aside in order to blame inaction on Cobell. The 110th Congress gives everyone another good shot.

END

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

US: Immigrants May Be Held Indefinitely (AP-Y)

By Matt Apuzzo, Associated Press Writer

AP, November 14, 2006

Immigrants arrested in the United States may be held indefinitely on suspicion of terrorism and may not challenge their imprisonment in civilian courts, the Bush administration said Monday, opening a new legal front in the fight over the rights of detainees.

In court documents filed with the 4th U.S. Circuit Court of Appeals in Richmond, Va., the Justice Department said a new anti-terrorism law being used to hold detainees in Guantanamo Bay also applies to foreigners captured and held in the United States.

Ali Saleh Kahlah Al-Marri, a citizen of Qatar, was arrested in 2001 while studying in the United States. He has been labeled an "enemy combatant," a designation that, under a law signed last month, strips foreigners of the right to challenge their detention in federal courts.

That law is being used to argue the Guantanamo Bay cases, but Al-Marri represents the first detainee inside the United States to come under the new law. Aliens normally have the right to contest their imprisonment, such as when they are arrested on immigration violations or for other crimes.

"It's pretty stunning that any alien living in the United States can be denied this right," said Jonathan Hafetz, an attorney for Al-Marri. "It means any non-citizen, and there are millions of them, can be whisked off at night and be put in detention."

The new law says that enemy combatants will be tried before military commissions, not a civilian judge or jury, and establishes different rules of evidence in the cases. It also prohibits detainees from challenging their detention in civilian court.

In a separate court filing in Washington on Monday, the Justice Department defended that law as constitutional and necessary.

Government attorneys said foreign fighters arrested as part of an overseas military action have no constitutional rights and are being afforded more legal rights than ever.

In its short filing in the Al-Marri case, however, the Justice Department doesn't mention that Al-Marri is being held at a military prison in South Carolina — a fact that his attorneys say affords him the same rights as anyone else being held in the United States.

The Justice Department noted only that the new law applies to all enemy combatants "regardless of the location of the detention."

The Bush administration maintains that al-Marri is an al-Qaida sleeper agent. The Defense Department ordered a review of Al-Marri's status as an enemy combatant be conducted if, as requested, the case is thrown out of court.

Justice Department Wants Guantanamo Cases Dismissed (MCT)

By Carol Rosenberg, McClatchy Newspapers

McClatchy Newspapers, November 14, 2006

MIAMI - The Bush administration Monday defended a new law that strips enemy combatants at Guantanamo Bay of recourse to traditional civilian court challenge, setting the stage for a U.S. Supreme Court showdown.

In a brief, the Justice Department argued at the U.S. Court of Appeals for the D.C. Circuit that the U.S. district courts must close the files of several hundred habeas corpus petitions because the new Military Commissions Act eliminated their jurisdiction.

Attorneys for many of the 440 or so captives, some approaching five years held without charge at the remote U.S. Navy base in Cuba, argue the law is at odds with a fundamental, constitutional right to file a writ of habeas corpus - their right to challenge their detention before a civilian judge.

Once the three-court appeals panel rules, both sides anticipate an overarching constitutional challenge of the new federal law to go before the Supreme Court, which earlier backed certain detainee rights in a series of rulings.

The brief signed by Solicitor General Paul Clement argues that Congress "unambiguously" stripped the U.S. district court of that right in the new legislation, which President Bush signed on Oct. 17.

"Because there can be no question that Congress has eliminated district court jurisdiction," Clement writes, "petitioners are left to argue that the Act is unconstitutional. These arguments are without merit."

Rather than have traditional review, he adds, Congress gave the circuit appeals court - the same venue deciding the constitutionality of the law - the power to review an enemy combatant's classification.

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In that review, a captive cannot argue that he is being held illegally and indefinitely, but can challenge his designation as enemy combatant.

Moreover, the U.S. government added, the Pentagon has established its own annual review process at Guantanamo, a parole-like board of military officers, where any captive can argue why he should be set free.

For about two years now, defense attorneys for the men have sought case-by-case independent reviews, arguing that the military requires civilian oversight.

Federal judges, however, have been reluctant to intrude.

In one instance, U.S. District Judge James Robertson found that two Uighur Muslims of Chinese citizenship were unlawfully held in indefinite detention at the Guantanamo facility, but said he did not know how he could offer relief.

Some time afterward, the Pentagon arranged to airlift them and three other Uigurs to faraway Albania for resettlement.

U.S. policy prevented their repatriation, for fear they would be subjected to religious persecution, as Muslims, in their communist-ruled country.

The showdown over the Military Commissions Act is currently being played out in a pair of cases named for two of the current detainees at Guantanamo - Fawzi al-Odeh, a Kuwaiti, and Lakhdar Boumediene, an Algerian - who had separately filed suits in the lower court over their right to habeas corpus.

Envoy: Islamic Extremists Seek Weapons (AP)

By David Stringer

AP, November 14, 2006

Islamic extremists, including members of al-Qaida, have tried to acquire chemical or radiological weapons to use in attacks against Britain and other Western targets, a senior British diplomat said Monday.

The warning followed an acknowledgment last week by Britain's domestic spy chief, Dame Eliza Manningham-Buller, that authorities are tracking almost 30 terrorist plots involving 1,600 people.

Britain's Foreign Office has evidence of efforts by the terror groups to purchase chemical, biological, radiological and nuclear materials for use in attacks, the diplomat said on condition of anonymity because of the sensitive nature of his work.

Dhiren Barot, the British Muslim convert who was sentenced to life in prison last week for plotting to attack U.S. financial landmarks and London hotels, had drawn up plans to build and detonate a so-called dirty bomb, which combines radioactive materials with conventional explosives, prosecutors said.

"We know the aspiration is there, we know the efforts to get the materials are there, we know the efforts to get the technology are there," the senior diplomat said.

The diplomat acknowledged that an attack with chemical or radiological weapons would most likely be mounted with crude technology and cause mass panic rather than mass casualties.

Britain's Foreign Office is concerned over the potential access terrorists could have to substances with legitimate uses that could also be used to create weapons and biological agents like smallpox or anthrax, the official said.

Manningham-Buller, head of the British domestic spy agency MI5, said last week that her agency is monitoring 200 cells actively engaged in plotting or aiding attacks in Britain and abroad.

She said agents had foiled five major plots since the July 2005 transit bomb attacks in London, which killed 52 commuters and the four bombers.

The Foreign Office official said hundreds of British Muslims were making terrorism-related trips between Britain and Pakistan each year.

Britons with family ties to Pakistan and Pakistani nationals who have no previous links to Britain were moving easily between the two countries to plan and raise funds for plots, the official said.

Though the majority of the hundreds traveling on terrorism-related trips relay messages, raise funds or pass on information and practical skills — dozens also attend terrorist training camps in Pakistan, the diplomat said.

Three of the July bombers visited Pakistan before the London attacks, but Pakistani officials have consistently denied claims the plot was directed from inside its borders.

CIA Acknowledges 2 Interrogation Memos (WP)

By Dan Eggen

The Washington Post, November 14, 2006

After years of denials, the CIA has formally acknowledged the existence of two classified documents governing aggressive interrogation and detention policies for terrorism suspects, according to the American Civil Liberties Union.

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But CIA lawyers say the documents -- memos from President Bush and the Justice Department -- are still so sensitive that no portion can be released to the public.

The disclosures by the CIA general counsel's office came in a letter Friday to attorneys for the ACLU. The group had filed a lawsuit in U.S. District Court in New York two years ago under the Freedom of Information Act, seeking records related to U.S. interrogation and detention policies.

The lawsuit has resulted in the release of more than 100,000 pages of documents, including some that revealed internal debates over the policies governing prisoners held at the military detention facility at Guantanamo Bay, Cuba. Many other records have not been released and, in some cases, their existence has been revealed only in media reports.

Friday's letter from John L. McPherson, the CIA's associate general counsel, lists two documents that pertain to the ACLU's records request.

The ACLU describes the first as a "directive" signed by Bush governing CIA interrogation methods or allowing the agency to set up detention facilities outside the United States. McPherson describes it as a "memorandum." In September, Bush confirmed the existence of secret CIA prisons and transferred 14 remaining terrorism suspects from them to Guantanamo Bay.

The second document is an August 2002 legal memo from the Justice Department's Office of Legal Counsel to the CIA general counsel. The ACLU describes it as "specifying interrogation methods that the CIA may use against top al-Qaeda members." (This document is separate from another widely publicized Justice memo, also issued in August 2002, that narrowed the definition of torture. The Justice Department has since rescinded the latter.)

The ACLU relied on media reports to identify and describe the two documents, but the CIA and other agencies had not previously confirmed their existence. McPherson wrote that neither document can be released to the public for reasons of security and attorney-client privilege.

"The documents are withheld in their entirety because there is no meaningful non-exempt information that can be reasonably segregated from the exempt information," McPherson wrote. A spokesman for the CIA declined to comment yesterday.

Amrit Singh, one of the ACLU's attorneys on the case, said the disclosures may make it easier for the group to argue in favor of releasing the documents.

"For more than three years, they've refused to even confirm or deny the existence of these records," Singh said, referring to the group's initial document request in October 2003. "The fact that they're now choosing to do so confirms that their position was unjustified from the start. . . . Now we can begin to actually litigate the release of these documents."

Levin Vows To Probe 'abuse' Of Renditions (FT)

By Demetri Sevastopulo And Daniel Dombey

Financial Times, November 14, 2006

Carl Levin, the incoming chairman of the Senate armed services committee, on Monday pledged to scrutinise the Central Intelligence Agency renditions programme.

The Bush administration this year revealed that the US had transferred 14 high-value al-Qaeda suspects from secret CIA prisons to Guantánamo Bay. But officials have been unwilling to discuss the fate of dozens of other detainees who were rounded up around the world for interrogation.

While Congress has enacted legislation aimed at preventing abuses of detainees, there has been relatively little public scrutiny of the renditions system itself.

Asked whether he would investigate the renditions programme, including the secret prisons and missing detainees, Mr Levin replied: "Yes. Yes, yes and yes."

"I'm not comfortable with the system," he said. "I think that there's been some significant abuses which have not made us more secure but have made us less secure and have also, perhaps, cost us some real allies, as well as not producing useful information. So I think the system needs a thorough review."

In addition to examining US policy on Iraq, Mr Levin said it was important to reassess the situation in Afghanistan, including asking whether the US's allies in Nato were hampered by restrictive rules of engagement.. "We need to review the progress being made in Afghanistan, including whether our Nato allies are asserting too many limits on the use of their forces."

The Pentagon has long complained that European Nato members are hampered in Afghanistan by restrictions on rules of engagement with Taliban and other hostile forces. Poland recently announced its intention to send a caveat-free contingent of 1,000 soldiers. European countries are coming under greater pressure in the lead up to the Nato Riga summit this month.

The US has been pressing its Nato allies to do more to tackle the insurgency in the south of Afghanistan, as have the UK, Canada and the Netherlands, the countries taking the lead in Nato's operations in the south.

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Asked about the nomination of Robert Gates, the former CIA director, to replace Donald Rumsfeld as defence secretary, Mr Levin said he wanted to examine allegations by George Schultz, former secretary of state, that Mr Gates had manipulated intelligence at the CIA to suit policy goals.

"We had enough manipulating intelligence, shaping intelligence in order to give the policymakers what they wanted to hear," said Mr Levin. "And we've got to make sure that if in fact there's any truth to what secretary Shultz said that Mr Gates did, that that is not going to happen again."

Justice Department Argues For Tougher Sentence For Ressam (SEATIMES)

By Mike Carter, Seattle Times staff reporter

The Seattle Times, November 14, 2006

The judge who sentenced Ahmed Ressam to 22 years in prison should be ordered to impose a stiffer sentence on the man who planned to blow up holiday travelers at Los Angeles International Airport, a Justice Department lawyer argued Monday.

U.S. Attorney John McKay, in the unusual appeal, said U.S. District Judge John Coughenour had abused his discretion, failed to justify the sentence and misused Ressam's sentencing to criticize U.S. policy about having terrorism suspects held indefinitely or tried before secretive military tribunals.

"These are reversible errors," McKay told a three-judge panel of the 9th Circuit Court of Appeals convened in Seattle. If the sentence stands, Ressam "will be released in 15 years, leaving him, if he chooses, to rejoin his al-Qaida comrades when he is 54 years old," McKay said.

Ressam's attorney, Federal Public Defender Thomas Hillier, when questioned by Judge Pamela Ann Rymer, agreed that Coughenour needs to justify the length of the 22-year sentence to comply with case law and sentencing guidelines.

"We can't tell why he picked that number," Rymer said.

It will be many months before the case is decided. The U.S. Supreme Court last week agreed to hear two cases, about sentencing discretion, that may affect the circuit court's decision.

Ressam was arrested Dec. 14, 1999, in Port Angeles as he drove off a ferry from Victoria, B.C., in a rental car packed with explosives. The Algerian refugee later admitted he had been recruited by al-Qaida and trained at Osama bin Laden's terrorism camps in Afghanistan.

He was convicted in April 2001 of nine federal felonies, including conspiracy to commit an act of international terrorism. A month later, he began to cooperate with law enforcement.

Ressam identified at least 130 members of terrorism cells, testified in two terrorism trials and cooperated with the governments of Canada, England, France, Germany and Italy.

At one point, both prosecutors and the defense said that Ressam's sentence should be considerably lighter because of his help, and agreed to a 27-year sentence. However, Ressam's cooperation faltered in 2003 and ended by 2005. His lawyers and a government psychiatrist concluded that years in solitary confinement and repeated interrogations caused him to suffer a mental breakdown.

Last year, prosecutors argued for a 35-year sentence, saying it accounted for his cooperation but also for his failing to live up to his agreement.

Prosecutors said they had to dismiss indictments against two alleged terrorists whose cases were built on Ressam's testimony: Abu Doha, a British citizen reported to be an al-Qaida recruiter, and Samir Ait Mohamed, a Canadian who allegedly had planned to detonate a gas truck in a Jewish neighborhood in Montreal.

Defense attorneys argued for a 12 ½-year sentence, saying Ressam's information had been nearly invaluable.

When he sentenced Ressam, Coughenour ripped the Bush administration for holding suspected terrorists without trial or trying them before secret tribunals.

"I would like to convey the message that our system works," Coughenour said of the Ressam case. "We did not need to use a secret military tribunal or detain the defendant indefinitely as an enemy combatant, or deny him the right to counsel."

The judge's remarks and the 22-year sentence infuriated some prosecutors and law-enforcement officials.

At Monday's hearing, McKay argued that the appellate court should send a message back to Coughenour: that his statements were out of line.

Ressam's lawyers also asked the appeals court to reverse one of Ressam's five explosives-related convictions. That conviction, for possessing explosives while committing another felony, resulted in a mandatory 10-year sentence.

Ex-N.Y. Times Journalist Tells Of Visiting Interrogation Center (NSDY/AP)

By Mike Robinson, Associated Press Writer

DOJ_NMG_0093822

Long Island Newsday, November 14, 2006

CHICAGO -- Former New York Times journalist Judith Miller testified Monday that she saw no evidence that a grocer charged with providing money and recruits to Palestinian terrorists had been tortured when she secretly witnessed his interrogation by the Israelis in 1993.

"He was boasting. He was jaunty. There was no reason to believe that he had been subjected to that kind of treatment," Miller, who was the Times' Cairo bureau chief at the time, testified for the prosecution at Muhammad Salah's trial.

Salah, 53, and former university professor Abdelhaleem Ashqar, 48, are charged in a federal racketeering indictment with providing money and fresh recruits to Hamas in its campaign to topple the Israeli government.

The two men say they merely tried to help impoverished Palestinians suffering under the Israeli army's occupation of the West Bank and Gaza. They deny that they are Hamas members or support terrorism.

Salah was arrested in Israel in 1993 and served 4 1/2 years in Israeli prisons before his release and return to Chicago.

He claims that he was deprived of sleep, hooded and forced to sit in a tiny chair with his hands cuffed behind his back before he made a series of statements to agents of the Israeli security agency Shin Bet.

Shin Bet interrogators using aliases and testifying before a courtroom cleared of spectators have said that Salah's statements were voluntary.

Miller served 85 days in jail for civil contempt after refusing to testify before a federal grand jury in Washington's CIA leak investigation. She resigned from the Times in 2005 amid questions about whether she was insufficiently skeptical in her reporting about the possibility that Iraq had weapons of mass destruction.

Miller testified that she flew to Israel in 1993 after reading about Salah's arrest and contacted aides to Israeli Prime Minister Yitzhak Rabin, whom she described as a longtime friend.

Through Rabin and Shin Bet chief Yakov Perry, she was invited to visit the West Bank interrogation center in Ramallah provided that she would not reveal in any article she wrote that she had been there and seen Salah questioned.

She said she agreed to that condition after checking with an editor. On cross-examination, she was asked which editor had approved the visit.

"I don't recall. We had a lot of editors, sir," she said.

She also said that she could not remember whether she was allowed to use a tape recorder while watching the interrogation session on television from an adjacent room. She continued to say she could not remember after being reminded of a 1998 radio interview in which she said she had used a tape recorder.

Miller said she was taken to the interrogation center because the Israelis wanted her to write about Salah. He allegedly had already confessed that money to finance Hamas was coming out of the United States, and Israeli officials wanted to draw Americans' attention to that.

She said she was initially skeptical and believed that Salah might have been tortured into making such statements. She said she was willing to write a story only after seeing him under Israeli interrogation.

Defense attorneys repeatedly tried to portray her as biased in favor of Israel.

"Have you ever been used as a Mossad asset?" asked Salah attorney Michael Deutsch, referring to the Israeli intelligence service.

Miller said no.

Ex-NY Times Reporter Testifies At Terror Funding Trial (CHIT)

By Jeff Coen

Chicago Tribune, November 14, 2006

Former New York Times reporter Judith Miller testified Monday that a Bridgeview man accused of helping to fund Hamas showed no signs of being mistreated during an interview with an Israeli agent she witnessed in 1993, even quibbling during the session about how his coffee had been prepared.

Lawyers for Muhammad Salah have argued that Salah was tortured into making a confession while being held by Israeli agents. But Miller told a federal jury in the Dirksen U.S. Courthouse that when she saw Salah, he was relaxed and "jaunty."

Miller, who was allowed to watch the interview on a video monitor in a separate room, said she stared at Salah for several minutes. "I was looking at him closely because I had been concerned that he might have been tortured."

Miller's appearance Monday was a rare example of a high-profile journalist testifying at a federal criminal trial. Lawyers for Salah and co-defendant, Abdelhaleem Ashqar, questioned her credibility given the controversies surrounding her reporting on the war in Iraq, among other things.

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They asked about her reporting on supposed weapons of mass destruction in Iraq before the war and her decision not to answer a subpoena in the CIA leak case involving the identity of operative Valerie Plame.

Miller, a former Middle East correspondent and Cairo bureau chief of The New York Times, said she was only allowed to see Salah after making arrangements with ranking Israeli officials she knew, including Yitzhak Rabin, then Israel's prime minister.

Salah's lawyer, Michael Deutsch, asked Miller whether her job was to cultivate special access through high government officials, and whether she would then print the stories they wanted to see. As an example, he pointed to her stories in 2003 that said there were definitely weapons of mass destruction found in Iraq, which has since been disproven.

"I don't think I used the word 'definitely,'" said Miller, who denied she had made any deals to slant her writing on Salah.

Deutsch asked whether it is true that Miller is no longer at The New York Times because she had reported information fed to her by U.S. government officials in the run-up to the Iraq war.

"No, sir, that is not why I left The New York Times," said Miller, who left the paper a year ago after 28 years.

Defense lawyers also asked about the 85 days Miller spent in jail last year, which she said she chose to serve in order to protect a confidential source involved in the Plame case. She eventually did appear before a grand jury after her source—vice presidential aide Lewis "Scooter" Libby, who has since been indicted on charges of obstruction of justice—gave her clearance.

"You wouldn't be just protecting your sources here, would you?" asked Ashqar's attorney, William Moffitt.

"Every source that was important to the Salah story was disclosed" either in her articles or in a 1996 book she wrote about the Middle East, Miller said.

Deutsch asked Miller if U.S. Atty. Patrick Fitzgerald—who also led the Plame investigation—made an agreement with Miller that if she testified for the government in the Salah case, he would not indict her for perjury in the Plame matter.

"He did not," Miller answered.

Lawyers on both sides of the case spent much of Miller's time on the stand asking her how she came to see Salah in Israeli custody on Feb. 11, 1993, and what she observed.

She said she watched an Israeli agent known as "Nadav" begin talking to Salah, who seemed very calm. At one point she heard Salah discuss the coffee he had been given.

"He complained that he usually took it this way, and Nadav had forgotten to bring something," she said. Nadav began to ask about Salah's Hamas activities, and Salah seemed to speak freely about his involvement, she said.

"I was struck by the fact that he seemed very comfortable talking about it," she said. He was boasting and jaunty, Miller said. "He was almost goading [Nadav] about how Hamas was getting the better of the Israelis. "He said, 'You shut Hamas down three or four times a year, and every time we regroup,'" she said.

"'You're actually teaching us how to do our jobs better,'" Miller said Salah told the agent

The defense lawyers asked whether her access to Salah could have been engineered to influence the U.S. into taking seriously Israeli claims that Hamas had operations inside America. Miller said she did not believe she was the target of a propaganda effort, though she said she agreed governments do try to use newspapers.

"It is my experience that everyone tries to spin," she said.

Musician Waived Rights After Terror Arrest, FBI Agent Says In NY (NSDY/AP)

By Larry Neumeister, Associated Press Writer

Long Island Newsday, November 14, 2006

NEW YORK -- An FBI agent testified Monday that a jazz musician and martial arts expert looked as though "he'd been caught with his hand in the cookie jar" when he heard his voice on government audio tapes in a terrorism case.

U.S. District Judge Loretta A. Preska used the testimony by the agent, Brian Murphy, as a basis to reject defense arguments that Tarik Shah never waived his rights before making statements and briefly cooperating with the government after his May 2005 arrest.

"Mr. Shah knowingly and voluntarily waived his rights," the judge said after a two-hour hearing.

Shah and three others _ a Florida doctor, a Washington, D.C., cab driver and a Brooklyn bookstore owner _ are scheduled to stand trial in late spring on charges that they offered their skills to help terrorist organizations. All have pleaded not guilty.

Shah was accused of providing material support to terrorists by conspiring in 2001 to help an FBI cooperating witness send money to Islamic militants fighting Americans in Afghanistan.

Murphy said he played audio tapes of Shah and others discussing their plans after Shah asked him why he was being arrested. The agent said Shah looked down and sat back in his chair.

"He looked like he'd been caught with his hand in the cookie jar," Murphy said. "He said, `What do you want with me?'"

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Shah's lawyer, Josh Dratel, said statements and other evidence obtained after his arrest should be suppressed because he never signed a waiver of his rights, including the right to remain silent and to speak with an attorney.

Murphy, though, testified that Shah waived his rights orally and followed up the words with actions, including going to Baltimore, where FBI agents had arranged for him to have a taped telephone conversation with another target of the investigation.

Murphy said Shah was completely relaxed and skillful at eliciting information, delivering on a promise he had made before he went into a Baltimore hotel room to help the government.

"I will do it my way. Don't worry. You'll be impressed with the results," Murphy recalled Shah telling him.

Later, Shah met with prosecutors to offer information in a bid to cooperate further, prosecutors say.

Prosecutors Deny Padilla Torture Claims (AP)

By Curt Anderson, Associated Press Writer

AP, November 14, 2006

MIAMI — Federal prosecutors on Monday denied claims by suspected al-Qaida operative Jose Padilla that he was tortured during his 3 1/2 years in military custody as an enemy combatant.

In papers filed in federal court, prosecutors said Padilla provided no evidence to back up his claims and urged that the case against him not be dismissed based on his allegations. They insisted that Padilla was treated humanely while in a Navy brig in South Carolina.

"Padilla's conditions of confinement were humane and designed to ensure his safety and security," the government said in its filing. "His basic needs were met in a conscientious manner."

That included halal food, some outdoor exercise and medical attention when necessary. Prosecutors said Padilla never made any abuse claims while in military custody.

"Padilla's allegations of torture have no merit whatsoever," prosecutors said.

Padilla's lawyers last month asked a federal judge to dismiss the terror support charges against him based on their allegations that he suffered from "outrageous government conduct" while in military custody for more than 1,300 days. They claimed Padilla's interrogators threatened to execute him, and forced him to wear a hood and stand in stress positions for long periods of time.

Padilla's attorneys also said he believed he may have been given LSD or PCP as a "truth serum," and that he was forced to endure extreme heat and cold, bright lights or total darkness, noxious fumes and sleep deprivation.

Padilla, a 36-year-old former Chicago gang member, was declared an enemy combatant by President Bush in June 2002, shortly after he was arrested at Chicago's O'Hare International Airport. U.S. authorities initially claimed he was on an al-Qaida mission to detonate a radioactive "dirty bomb" in a U.S. city.

He was transferred to civilian custody in January to face federal terrorism support charges along with two others in Miami. Trial on those charges, which do not mention the "dirty bomb" allegations, is scheduled to begin Jan. 22.

U.S.Lawyers Deny Padilla Was Tortured (NYS)

By Josh Gerstein, Staff Reporter of the Sun

New York Sun, November 14, 2006

Federal prosecutors are denying an alleged Al Qaeda operative's claims that he was tortured during the more than three years he spent in a Navy brig.

"The government in the strongest terms denies Padilla's allegations of torture, allegations made without support and without citing a shred of record evidence," lawyers pursuing a criminal terrorism case against Padilla wrote in papers filed in federal court in Miami yesterday.

The prosecution did not address directly one of Padilla's most inflammatory claims, namely that a military team forcibly drugged him with "a sort of truth serum," possibly LSD or PCP.

"Padilla's conditions of confinement were humane and designed to ensure his safety and security. His basic needs were met in a conscientious manner, including Halal (Muslim acceptable) food, clothing, sleep, and daily medical assessment and treatment when necessary," prosecutors wrote. "While in the brig, Padilla never reported any abusive treatment to the staff or medical personnel."

Padilla's defense team has asked a judge to throw out the case on the grounds of outrageous government conduct. Defense attorneys asserted that the Brooklyn native was threatened with execution and with being cut and having alcohol poured onto his wounds.

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Prosecutors argued that even if Padilla was abused by the military, such abuse would not have an impact on the criminal case because the military and the prosecution teams are distinct.

A jailhouse convert to Islam, Padilla was arrested in Chicago in 2002 on a material witness warrant related to suspicions that he was plotting an attack involving a radioactive bomb. President Bush later designated Padilla as an enemy combatant and ordered him held without charge by the military. One federal appeals court rejected the unusual tactic, but another upheld it. Padilla was indicted last year on charges that prosecutors said were not related to the alleged dirty bomb plot.

In their new filing, prosecutors suggested that Padilla pursue a civil suit for damages if he believes he was tortured by the military.

HOMELAND RESPONSE:

California Man Accused Of Mailing Threatening Letters To US Politicians, Celebrities (FINDLAW/AP)

AP, November 14, 2006

(AP) - LOS ANGELES-A man was arrested and accused of mailing threatening letters laced with white powder to Congresswoman Nancy Pelosi, TV talk show host David Letterman and other high-profile figures, the FBI announced.

FBI agents took Chad Conrad Castagana, 39, into custody Saturday on charges of conveying false information and sending threats via the U.S. mail, the bureau said in a statement Sunday.

Castagana, of Los Angeles, was being held in a federal detention center pending an initial court appearance Monday, when prosecutors were expected to file charges.

Castagana could not be reached for comment; there was no phone listing for him and it was unclear whether he had retained a lawyer.

Authorities claim he mailed threatening letters to House speaker-in-waiting Pelosi, Letterman, New York Senator Charles Schumer, Jon Stewart of Comedy Central's "The Daily Show" and MSNBC host Keith Olbermann.

Some letters included phrases like "Death to Demagogues" and pictures of victims of the 2004 Asian tsunami, authorities said.

While the FBI is still trying to identify the white powder, preliminary tests revealed it does not pose a biological hazard.

The letters were sent with fictitious return addresses over the past three months to addresses in New York, New Jersey and San Francisco, officials said.

Authorities said they watched Castagana, who is unemployed, walk from his home to a public mailbox Thursday and deposit several letters. One was allegedly addressed to someone previously targeted and contained the white powder, the FBI said.

Anthrax Hoaxer Arrested (RC)

By John Mcardle And Paul Kane

Roll Call, November 14, 2006

The Justice Department on Monday began formally prosecuting the alleged perpetrator of a wave of threatening letters with suspicious, but ultimately harmless, powders that were sent to likely Speaker Nancy Pelosi (D-Calif.), Sen. Charles Schumer (D-N.Y.) and a host of liberal-leaning media figures.

Chad Castagana, 39, appeared in a Los Angeles federal district court to face charges of sending threats via U.S. Mail after federal investigators linked him to 17 letters sent over a roughly two-month span that contained threatening statements and various amounts of baking soda, Ajax, laundry detergent and other white powders that could have been mistaken for anthrax.

Though none of the letters was sent to Capitol Hill, the incident once again has put a focus on Congressional mail screening procedures five years after letters containing anthrax were sent to two Senate offices, leading to the deaths of five people and temporarily shutting down the Capitol complex.

Castagana was arrested Saturday at his home in San Fernando Valley, Calif., and subsequently admitted to FBI investigators that he mailed the threatening letters to Pelosi's district office, Schumer's state office, and the homes and workplaces of Comedy Central star Jon Stewart, MSNBC anchorman Keith Olbermann, late-night talk show host David Letterman and Viacom Inc. President Sumner Redstone, according to court filings released Monday.

"Castagana described himself as a compulsive voter who votes Republican, and said that he sent the letters to specific individuals because he did not like their liberal politics," an FBI affidavit states.

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Despite the timing of Castagana's letters coming near the anniversary of the Hill anthrax attacks, a spokesman for the U.S. attorney's office in Los Angeles said investigators have "no inkling whatsoever that it is related in any way, shape or form" to the October 2001 attacks.

Castagana's arrest comes as at least one more separate case of threatening hoax letters sent to former President Bill Clinton and Sen. Joseph Biden (D-Del.) remains unsolved. On Oct. 23, in a previously unreported incident, Biden's office in Wilmington, Del., received a suspicious letter that had a powdery substance in it and a threatening letter, shuttering the incoming Senate Foreign Relations chairman's hometown office for hours as authorities investigated.

Wilmington Police confirmed that they responded to the call, along with a team from the local FBI office, and, after determining the substance was not dangerous, turned the case over to the FBI.

Four days later, on Oct. 27, Clinton's Harlem office housing his foundation was hit with a letter containing a white powdery substance and a letter that U.S. Secret Service officials described to The Associated Press as a "rambling diatribe."

The former president's office was closed down for several hours as hazardous materials response teams in yellow suits roamed about the office before giving an all-clear sign, according to sources familiar with the incident.

Biden and Clinton were not in their local offices when the suspicious packages were opened by junior staffers, aides said.

Authorities involved in the Castagana case said the Biden and Clinton letters were not part of their investigation, and a source familiar with those letters indicated that investigators' initial suspicions are that the Biden-Clinton letters are connected.

An aide at the Clinton Foundation referred all comment to the Secret Service office in New York, which is leading that investigation but did not return calls seeking comment.

The Castagana investigation is being handled by the Justice Department's Joint Terrorism Task Force, which currently includes a representative of the Capitol Police Department.

Castagana's hoax letters began just after Labor Day with the first batch of letters focusing on Stewart and Olbermann. The offices of Pelosi and Schumer were targeted with letters that came almost two weeks ago, just days before the midterm elections that presumably have thrust Pelosi into the Speakership and given Schumer, the chairman of the Democratic Senatorial Campaign Committee, more prominence because of the Democratic takeover of the Senate.

A spokeswoman for Pelosi's office referred all questions regarding the case to the Capitol Police, and a spokesman for Schumer could not be reached for comment.

Alan Hoffman, Biden's chief of staff, said he has altered his office's policy dealing with mail that is sent to the two offices the Senator maintains in Delaware. Hoffman is now having all mail sent to his state offices first sent through irradiation procedures before coming into his staff's hands, a process that will delay mail delivery from constituents days or even weeks, but one Biden considers worth the wait given the most recent scare. "In retrospect, I wish I had done it sooner," Hoffman said.

Since the anthrax attacks on Capitol Hill five years ago, all mail sent to any Congressional office in the Capitol complex is routed through an irradiation process off-campus and then sent to Capitol Hill.

But Members of the House and Senate operate on an office-by-office policy in terms of handling mail sent to their state and district offices, with many opting to avoid the delays and skip the irradiation for letters and packages headed to those offices.

"There are mail screening procedures in place both on Capitol Hill and in district offices, but the committee is always looking for ways to improve the safety measures for both members and their staff particularly in light of this most recent incident," said House Administration Committee spokeswoman Salley Collins.

Senate Sergeant-at-Arms Bill Pickle was equally tight-lipped about mail screening procedures on the Senate side.

"The Senate has a very robust and aggressive mail screening process and we offer a screening service to state offices, but we do not talk about those protocols. We're always reviewing our processes and procedure," Pickle said.

The quick apprehension of Castagana came two months after the first threatening letter was meant to be sent to comedian Stewart — it actually went to a different Jon Stewart living on Manhattan's Upper West Side — standing in stark contrast to the now five-years-and-counting probe into the 2001 anthrax attacks.

As part of what was dubbed the "Amerithrax" investigation, thousands of FBI agents spanned the globe searching for the perpetrator or perpetrators of the attacks that left five people dead and dozens injured.

While FBI officials say the investigation is active and making progress, they have been at loggerheads with Congress over the probe and for almost three years have refused to brief any Member on the investigation because of alleged leaks from briefings on the Hill in 2003.

WAR NEWS:

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Bush Warns Against Pullout (LAT)

By Paul Richter

The Los Angeles Times, November 14, 2006

WASHINGTON — President Bush cautioned Monday against holding talks with Syria and Iran and beginning a withdrawal of U.S. troops from Iraq, two key proposals gaining support at home and abroad.

But the president said he was open to "new ideas" on his administration's approach to Iraq after meeting with members of the Iraq Study Group, a panel weighing U.S. options there.

Bush's warnings against talks with Syria and Iran came as British Prime Minister Tony Blair called for a Middle East strategy that could involve a "new partnership" with Iran. The Iraq Study Group is also considering whether greater U.S. involvement with Iraq's neighbors could aid the American effort.

Bush discussed Iran at a White House meeting with Israeli Prime Minister Ehud Olmert and told reporters afterward that any dealings were contingent on Tehran halting its uranium enrichment program.

"If the Iranians want to have a dialogue with us, we have shown them a way forward, and that is for them to verifiably suspend their enrichment activities," Bush said.

He cautioned against proposals for gradual or phased troop reductions in Iraq, which are gaining steam among Democrats, saying that no military option would work unless it recognized "conditions on the ground."

The developments came as the administration strained to chart a new direction for Iraq in response to a growing antiwar sentiment. Last week's midterm election, which analysts said showed a deep dissatisfaction with White House policies on the war, has increased the pressure.

Secretary of State Condoleezza Rice delayed a long-planned trip to Vietnam so she could meet at the White House with the Iraq Study Group. She also held planning sessions on the war with top-level State Department officials.

In Iraq, Army Gen. John P. Abizaid, the top U.S. commander in the Middle East, paid an unannounced visit to Prime Minister Nouri Maliki to press him on setting a timetable to take control of the nation's security.

Maliki, in turn, asked for greater authority to deploy Iraqi troops as he saw fit, said an Iraqi official who requested anonymity because of the sensitivity of the discussions.

Abizaid and other top military commanders were among those being summoned to meet with members of Congress this week to answer questions on conditions in Iraq, where civil strife in Baghdad has continued despite a U.S.-led crackdown.

The Iraq Study Group, led by former Secretary of State James A. Baker III and former Rep. Lee H. Hamilton (D-Ind.), spent the day at the White House to begin a final round of interviews and meetings aimed at forging a new approach to Iraq.

The stakes are enormous. Administration and congressional officials are hoping the 10-member panel will come up with a plan that Republicans and Democrats can support. Iraq is riven by sectarian violence nearly four years after the U.S.-led invasion toppled Saddam Hussein.

Bush and panel members exchanged questions about Iraq during a closed session that lasted more than an hour. The president later described the meeting as a "general conversation about the situation there."

Bush emphasized his misgivings about talks with Syria and Iran after meeting with Olmert.

He and Olmert said Iran aimed to develop nuclear weapons, even though Tehran insisted its nuclear program was intended only for energy purposes. Bush said if Iran failed to suspend nuclear enrichment, world powers should take steps to economically isolate Tehran.

Olmert said Iran was "not just a threat for Israel but for the whole world."

However, Israel would not oppose U.S.-Iranian negotiations, a senior Israeli official said after the Bush-Olmert meeting. Although Israel had "no objection to talking," said the senior official, speaking on condition of anonymity, it would want the U.S. to use any diplomatic opening to emphasize the nuclear question.

Bush expressed skepticism about proposals for gradual troop withdrawals in Iraq despite new efforts by Sen. Carl Levin (D-Mich.), who is expected to become the next chairman of the Senate Armed Services Committee. Levin said he thought his proposal could gain a bipartisan majority in the Senate.

Giving Iraqi leaders a firm date for a U.S. drawdown would pressure the Shiite Muslim majority to make concessions to the Sunni Arab minority, Levin said. If they did not make concessions, Levin said, he expected the country's chaos would worsen.

There are "a number of Republicans who want us to change course and to do so in a way which will send a message to the Iraqis that this is their responsibility and we cannot save them from themselves," Levin said.

Members of the Iraq Study Group spent most of the day at the White House talking to administration officials, including Rice, Vice President Dick Cheney, national security advisor Stephen Hadley, National Intelligence Director John D. Negroponte, CIA Director Michael V. Hayden, Secretary of Defense Donald H. Rumsfeld and Joint Chiefs of Staff Chairman Gen. Peter Pace.

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Today, the group is to meet senior members of the Clinton administration, including former Secretary of State Warren Christopher, former national security advisor Samuel R. "Sandy" Berger, former United Nations Ambassador Richard C. Holbrooke and possibly former President Clinton.

The panel also is scheduled to speak to Blair.

Although Bush is holding firm against some of the leading proposals for changes in Iraq, his choice of words has suggested an evolution in his goals.

The president has often declared that the U.S. aim in Iraq is to establish a democracy in the heart of the Middle East that could serve as an example to nearby countries. On Monday, Bush said his definition of success in Iraq was "a government which can sustain, govern and defend itself, and will serve as an ally in this war on terror."

He did not mention democracy.

In Iraq, U.S. military commanders have grown more emphatic about prodding the Maliki government, which they consider disorganized and unwilling to disarm militias.

Abizaid's meeting with Maliki was the third unannounced visit by a top U.S. official since the end of October. Abizaid's visit followed ones by Hadley and Negroponte.

Blair, while calling for engagement with Iran, also underlined the need to enlist moderate Arabs throughout the Middle East by demonstrating a commitment to resolving conflicts in the Palestinian territories and in Lebanon.

"Just as it is, in significant part, forces outside Iraq that are trying to create mayhem inside Iraq, so we have to have a strategy that pins them back, not only in Iraq but outside of it too," Blair said in a speech intended to clarify how America's strongest ally in Iraq viewed the next round of strategy to end the conflict.

In a briefing with reporters, Blair's official spokesman said British officials thought Syria and Iran should be given "a strategic choice" about cooperating on Iraq and elsewhere in the region.

The key, Blair said, is talking to Iran from a position of strength, once the "pressure points" Tehran is using elsewhere in the Middle East "to thwart us" are relieved.

"Offer Iran a clear strategic choice: They help the Middle East peace process, not hinder it; they stop supporting terrorism in Lebanon or Iraq; and they abide by, not flout, their international obligations. In that case, a new partnership is possible. Or alternatively they face the consequences of not doing so: isolation," Blair said.

The war in Iraq has claimed the lives of 125 British troops, and as early as 2004, Britain's army commanders expressed an interest in drawing down by at least a third the 8,000 troops deployed by the nation.

But London has been waiting for the U.S. to move first and has been hamstrung by the deteriorating security situation that has impeded the withdrawal of American forces.

Blair, who has faced strong criticism at home for appearing to follow Washington's lead too closely, made it clear that Britain intended to remain a strong ally of the U.S.

"Our partnership with America and our membership of the European Union are precisely suited to Britain," he said. "For that reason, it would be insane, in my judgment — yes, I would put it as strongly as that — for us to give up either relationship."

Bush Meets With Panel On Iraq, But Not On Policy (USAT)

By Matt Kelley

USA Today, November 14, 2006

WASHINGTON — The bipartisan Iraq Study Group spent Monday at the White House meeting with President Bush and his top advisers as the panel winds down its search for consensus on what to do next in Iraq.

Bush said he looks forward to recommendations from the group, which is headed by Republican former secretary of State James Baker and Democratic former congressman Lee Hamilton. The commission began its work last spring under the direction of Congress. It has gained political capital since voters upset with the war gave Democrats a majority in Congress last week.

The panel won't release its findings until later this month or early next month, but group members have hinted — and outside experts have predicted — that the recommendations are likely to involve pressuring the Iraqi government to make political compromises to enhance security, altering the priorities of U.S. troops and engaging in talks with Iraq's neighbors Iran and Syria.

“There are no good options, so the question becomes, what are the best of the bad ones?” says William Cohen, a former senator, R-Maine, who served as Defense secretary during President Clinton's second term.

Cohen, who is not a member of the group, and others lay out likely elements of the recommendations:

•Pushing Iraqi Prime Minister Nouri al-Maliki to crack down on sectarian militias, increase political participation by minority Sunni Arabs and distribute Iraq's oil revenue fairly. “That's the agenda on the political side: How do we engage more effectively

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with the Iraqi government to move forward on the internal issues of reconciliation and national unity?" says Michele Flournoy, a military scholar at the non-partisan Center for Strategic and International Studies.

•Shifting more U.S. troops to training and advising Iraqi security forces. Some Democrats have called for U.S. forces to be brought home starting in the next several months. "As long as the Iraqis believe we're there in some open-ended way, we're taking the pressure off of them to make some very difficult decisions," says Sen. Carl Levin, D-Mich., the incoming chairman of the Armed Services Committee.

•Negotiating with neighboring Iran and Syria, which have influence with factions in Iraq, to curb violence. British Prime Minister Tony Blair, who is scheduled to talk with the commission via satellite today, has called for such talks. Bush repeated his insistence on preconditions: that Syria stop interfering in Lebanon and end its support for extremist groups, and that Iran suspend uranium enrichment, which the United Nations Security Council considers a step toward a nuclear weapon.

Cohen predicts that the recommendations also will include appealing to U.S. allies for more troops and funding.

Bush said Monday's meetings were to exchange information, not to discuss policy recommendations. He said he is open to suggestions from the commission as well as a review underway by top officials at the Pentagon. "I believe it is very important, though, for people making suggestions to recognize that the best military options depend upon the conditions on the ground," he said.

That means no troop withdrawals until Iraq is stable, White House spokesman Tony Snow told reporters at his daily briefing. "The ultimate goal still has to be an Iraq that can sustain, govern and defend itself," he said.

The president has nominated former CIA director Robert Gates, a member of the commission until last week, to replace Donald Rumsfeld as Defense secretary. That means Gates will be familiar with the panel's recommendations and puts more pressure on Bush to endorse the Iraq Study Group's report, Cohen says. "I don't see any way the president could reject it."

Huge Task Before Iraq Study Group (CSM)

By Peter Grier

The Christian Science Monitor, November 14, 2006

WASHINGTON

For the bipartisan panel of luminaries known as the Iraq Study Group, the most important thing now may be hammering out a framework for peace in Washington, not drawing up new lists of options for US policy toward Iraq.

After all, despite all the Washington talk about cooperation since last week's elections, profound differences about the way forward remain between many Democrats and Republicans, as well as among them. Yet all sides say they are willing to listen to one another, and look for common ground.

Enter the Iraq panel, headed by former Secretary of State James Baker III and former Democratic congressmen Lee Hamilton. Timing - plus the nature of its members - may have thrust the group into a central role in perhaps the most important policy debate now facing the nation.

"Maybe an outside group can craft a policy that both sides can accept, though they don't want to have responsibility for drafting it," says William Martel, an associate professor of security studies at the Fletcher School at Tufts University in Medford, Mass.

The 10-member Iraq Study Group was created by Congress last spring. At the time the move generated little notice, apart from a flurry of activity among Washington think tank experts eager to serve as advisers to the panel.

Now its final report, expected before the end of the year, is something Washington is eagerly anticipating.

On Monday group members met with White House officials, including President Bush and Vice President Dick Cheney. They were to interview British Prime Minister Tony Blair on Tuesday via videoconference.

As to Mr. Bush's appearance before the group, presidential spokesman Tony Snow characterized it as a conversation in which both sides shared views. "This is not a deposition," Mr. Snow said.

Bush himself said he was not sure what the Iraq Study Group's report would say but that he looked forward to seeing it. "I'm not going to prejudge" the group's work, said Bush.

The full Iraq Study Group is set to meet the week after Thanksgiving to begin the contentious process of drawing up final recommendations. Messrs. Baker and Hamilton did not want to produce any lists before the election that could have been leaked for political gain.

Bush's nominee to replace Secretary of Defense Donald Rumsfeld, former Director of Intelligence Robert Gates, was a panel member. Last Friday, Baker and Hamilton announced that Gates had resigned from the group and been replaced by former Secretary of State Lawrence Eagleburger. The panel remains split between five Democrats and five Republicans.

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Given its nature, the Iraq Study Group seems unlikely to produce a report calling either for a continuation of current policy or an immediate and rapid drawdown of US forces in Iraq.

In appearances promoting a recent book, Baker, for his part, has been somewhat critical of the administration's slowness to react to Iraq's intensifying violence.

When he was secretary of State, Baker was open to talking even with US adversaries, to the point where he endured hours-long harangues from the late Syrian leader Hafez al-Assad. As commission co-chairman, Baker has already met with Javad Zarif, Iran's ambassador to the US.

It is possible the Iraq Study Group may urge some sort of regional roundtable meeting on Iraq's future that includes Iran and Syria - a recommendation the White House has previously opposed.

Former Ambassador to the UN Richard Holbrooke, a Democrat, recently said that a regional conference similar to the one he used to craft an end to the Bosnian war in 1995 might be useful.

"This war is being waged on the ground by ferocious forces which aren't necessarily going to be much interested in what regional and international players say," Mr. Holbrooke, who is not an Iraq Study Group member, said in a Council on Foreign Relations analysis. "Still, I think it's worth trying."

Of course, given the presence of Baker and other old-hand Republicans on the panel, it is also unlikely that the study group will urge any sort of timetable for a troop pullout - even a vague one. That's something Democrats might find hard to accept.

As to possible middle-ground solutions, the panel has reportedly been weighing an option called "Stability First," which emphasizes withdrawing US resources from much of the country to focus all efforts on Baghdad stability; and an option called "Redeploy and Contain," which would involve withdrawing most US forces to surrounding nations, where they would serve as a mobile reserve for Iraqi national forces.

Hamilton has said it is possible his group won't be able to come to consensus at all. As a party, Democrats remain split over the degree to which Iraq might still be saved, as well as over the nature of any troop withdrawal deadlines.

Not that the GOP, as a whole party, is now a unified front. Sen. John McCain (R) of Arizona has said what's needed now is, in fact, an increase in US force levels in Iraq, at least for a time.

As to the dialogue between the parties, while key Senate Democrats have vowed to push for a resolution that would call for troop withdrawals in a matter of months, a withdrawal timetable appears to remain an anathema to the White House.

"I don't think we're going to be receptive to the notion there's a fixed timetable at which we automatically pull out," said Bush's chief of staff, Joshua Bolten, in a weekend broadcast interview.

- Wire service material was used in this report. Iraq Study Group

At work since April, the bipartisan panel is expected to suggest changes in US policy in Iraq by year's end. Its members are:

• James Baker III, former secretary of State (George H.W. Bush), co-chairman
• Lee Hamilton, former congressman (D) of Indiana, co-chairman
• Lawrence Eagleburger, former secretary of State (George H.W. Bush)
• Vernon Jordan, attorney, presidential adviser (Clinton)
• Edwin Meese, former US attorney general (Reagan)
• Sandra Day O'Connor, former Supreme Court justice
• Leon Panetta, former White House chief of staff (Clinton)
• William Perry, former secretary of Defense (Clinton)
• Chuck Robb, former governor of Virginia (D)
• Alan Simpson, former senator (R) of Wyoming

- Compiled by Leigh Montgomery

Bush Trades Ideas On Iraq With Panel (AP-Y)

By Tom Raum And Anne Plummer Flaherty

AP, November 14, 2006

President Bush traded ideas on Iraq with a bipartisan commission Monday and promised to work with the incoming Democratic majority toward "common objectives." At the same time, he renewed his opposition to any timetable for withdrawing U.S. troops.

As Bush met with the Iraq Study Group, the Democrat in line to lead the Senate Armed Services Committee, Carl Levin of Michigan, said the administration didn't see that "we're getting deeper and deeper into a hole."

Levin and other Democrats called for some troops to come home right away, suggesting that would pressure the Iraqi government into assuming more responsibility.

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Bush in turn had stern words for the Democrats, less than a week after they won control of both chambers of Congress in midterm elections in which the Iraq war figured prominently.

Asked about proposals by Levin and others for a phased troop reduction, Bush said, "I believe it is very important ... for people making suggestions to recognize that the best military options depend upon the conditions on the ground."

While Democrats agree that troops should leave Iraq sooner rather than later, they remain divided on the specifics. Rep. John Murtha, D-Pa., a contender to become the next majority leader, supports an immediate withdrawal of all troops, whereas Levin and others favor a slower phased withdrawal and have been reluctant to suggest a firm timetable.

Whereas Murtha and some others contend violence in Iraq will continue so long as U.S. troops are present, Levin and others warn that any withdrawal of troops must be done slowly to avoid a collapse in security.

Baker's panel has been briefed on the Democrats' proposals and is considering a range of options. In addition to considering whether there should be any timetable to pull out troops, the panel is studying many other options, including whether to solicit Iran and Syria to help stop the fighting.

The president met for more than an hour with a 10-member panel headed by former Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton. He was joined by Vice President Dick Cheney, Chief of Staff Josh Bolten and National Security Adviser Stephen Hadley.

The panel then stayed around for a longer session that included other members of the president's national security team, including Secretary of State Condoleezza Rice and outgoing Defense Secretary Donald H. Rumsfeld.

Baker and Hamilton later put out a joint statement. "We were pleased to meet with senior administration officials today and look forward to our consultations with some top Democrats tomorrow. We are working expeditiously to complete our report and recommendations," the statement said.

Bush discussed the meeting with reporters during a picture-taking session in the Oval Office with visiting Israeli Prime Minister Ehud Olmert.

"I was impressed by the questions they asked. They want us to succeed in Iraq, just like I want us to succeed. So we had a really good discussion," Bush said.

As to newly empowered Democrats, he said, "What's interesting is they're beginning to understand that with victory comes responsibility, and I'm looking forward to working with the Democrats to achieve common objectives."

White House spokesman Tony Snow described the meeting with the Iraq panel as a "general conversation about the situation there," rather than a preview of what the group will recommend. "This was not proposal-shopping by the Iraq Study Group," Snow said.

The members asked questions of Bush, and he of them, Snow said, "but there was care taken not to sort of try to prejudge, or also to get a jump on what they are going to do."

Lawmakers barely had begun their postelection session Monday when debate broke out over the war in Iraq and over Democratic proposals to start bringing home U.S. troops.

Levin said in a news conference that the military had done what it could and it was up to Iraq's politicians to find consensus. "We cannot save the Iraqis from themselves," he said.

In addition, Senate Democratic Leader Harry Reid of Nevada went to the Senate floor to lend support for a change in Iraq policy.

But Republicans shot back, saying they would oppose any timetable because it could cause Iraq to collapse into chaos.

Opponents of Levin's proposal — at least for now — include Sen. John Warner, R-Va., outgoing chairman of the Armed Services Committee. He says Congress must wait until the Baker-Hamilton panel releases its recommendations.

Sens. Susan Collins of Maine and Lindsey Graham of South Carolina, two GOP members of the Armed Services Committee, said they would oppose an arbitrary withdrawal of troops. Collins and Graham have both criticized the Bush administration for its handling of the war.

Graham recently said Iraq was on the verge of chaos and demanded accountability, but on Monday he stood firm on his position that more troops, not fewer troops, are needed to settle the violence there.

Opposing views could deadlock Congress on the matter. While Republicans have the majority until the new session begins in January, they do so by a slim margin. And when Democrats take over, they too will have a razor-thin majority — far short of the 60 votes needed to cut off delaying tactics.

Meanwhile, Democratic leaders are lining up behind legislation that would extend an investigative office that unearthed millions of dollars in waste and fraud associated with the rebuilding of Iraq. Republican Collins and Democratic Sen. Russ Feingold of Wisconsin introduced legislation that would allow the office to continue through October 2008.

Under current law, it will expire in October 2007.

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Collins and Feingold offered the measure as an amendment to a military construction and veterans' spending bill that the Senate will debate Tuesday. Collins said she will press for the legislation to be taken up separately as well to improve its chances.

Rep. Ike Skelton, the incoming chairman of the Armed Services Committee, introduced a similar bill Monday that would be likely to keep the inspector general's office in business through 2009 by asking it to investigate another $1.7 billion in Iraq funding.

Even before the Iraq Study Group's work is finished, the panel's report is widely seen as an opportunity to give the campaign-weary Democratic and Republican parties a chance at consensus — or at least a framework for agreement.

Also on Monday, Gen. John Abizaid, head of the U.S. Central Command, met with the Iraqi prime minister to "reaffirm President Bush's commitment" to success in Iraq, the government said.

Baker, who served as the first President Bush's secretary of state, has said the report's recommendations are likely to fall somewhere between the troop withdrawal strategy that Republicans like to say Democrats favor and the stay-the-course policy until recently used by Bush and widely ridiculed by Democrats.

Proposed Iraq Pullout Lacking Specifics (WT)

By Stephen Dinan

The Washington Times, November 14, 2006

The White House yesterday rejected Democrats' proposals for a phased withdrawal of U.S. troops from Iraq as lacking specifics or "meat on the bones," as President Bush met with the Iraq Study Group, which is seeking to advise the administration on ways to realign Iraq policy.

Democrats have claimed a mandate after last week's elections to force a change in Iraq policy, and key Senate Democrats yesterday called for the first troops to be withdrawn within six months as a signal to Iraqis that the United States is not their "security blanket."

"That's the message that came through so clearly and powerfully last Tuesday from the American people. Most Democrats share the view that we should pressure the White House to commence the phased redeployment of U.S. troops from Iraq in four to six months," said Sen. Carl Levin of Michigan, who is in line to become the next chairman of the Senate Armed Services Committee.

His call was echoed by Sen. Harry Reid, Nevada Democrat, who is likely to become the Senate majority leader when Democrats assume control next year. Meanwhile, House Democrats' leader, Rep. Nancy Pelosi, has made Iraq the central issue in the race for House Democrats' No. 2 position by endorsing Rep. John P. Murtha of Pennsylvania, based on his opposition to the war.

Faced with the election results and emboldened Democrats, Mr. Bush is trying to keep control of the debate while still being open to suggestions from the soon-to-be new majority party on Capitol Hill.

"What's interesting is, is that they're beginning to understand that with victory comes responsibilities. And I'm looking forward to working with the Democrats to achieve common objectives," the president told reporters after a meeting with Israeli Prime Minister Ehud Olmert.

White House press secretary Tony Snow said that Democrats have not settled on a proposal and that Mr. Levin's idea isn't even fleshed out enough to respond.

"Democrats now have to put meat on the bones," he said.

The White House has turned to the Iraq Study Group, boosting the congressionally mandated panel's profile in the past week both in a postelection press conference and again with a day full of meetings between the group's members and administration officials.

Mr. Bush, Vice President Dick Cheney, National Security Adviser Stephen J. Hadley and White House Chief of Staff Joshua B. Bolten met yesterday with the group, headed by former Secretary of State James A. Baker III and former Democratic Rep. Lee H. Hamilton of Indiana for 75 minutes yesterday.

The group spent the day at the White House, also meeting with the secretaries of defense and state, the national intelligence and CIA directors, top generals and the U.S. ambassador to Iraq. Today, its members will meet with Democrats such as former National Security Adviser Samuel R. Berger, former Assistant Secretary of State Richard C. Holbrooke and former Secretary of State Warren Christopher.

Expectations for the group are growing, and those on both sides of the political divide say it could be a chance for the White House to achieve a face-saving way forward in Iraq.

The group said it wants to have a report by the end of the year.

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But Mr. Snow said the study group is just one of the voices Mr. Bush will listen to, and said Mr. Bush is responsible for making final decisions. He also cautioned against putting too much weight on the group's meetings yesterday with administration officials, saying that it was an exchange of information about what is going on in Iraq and that the group was not pitching suggestions.

"There seems to be this notion that somehow this is like a board game, where you just sort of neatly sweep all the pieces off, and then it's all done," he said.

Still, Mr. Bush's tone has already changed to the point where he is now drawing fewer lines and sounding more welcoming to outside ideas.

Asked yesterday whether he would accept recommendations from the group that included timetables, Mr. Bush did not rule it out, instead saying he will not "prejudge" the report. At a press conference last week, he announced the resignation of Defense Secretary Donald H. Rumsfeld and nominated Robert M. Gates, who until Friday was a member of the study group, as a replacement.

Mr. Levin said the change in attitude was apparent.

"I didn't hear anything about cutting and running," he said. "I didn't hear anything about if you are proposing that we begin a phased redeployment in four to six months, that somehow or other that will help the terrorists."

•Charles Hurt contributed to this article.

A Committee's Platform (NYT)

By Adam Nagourney

The New York Times, November 14, 2006

Now that the campaign is over, the campaign has begun. And as it was in the 2006 midterm elections, Topic No. 1 for the opening stage of the 2008 presidential campaign is the war in Iraq. The Senate Armed Services Committee is holding a hearing tomorrow on Iraq and Afghanistan. The committee's members include the widely perceived front-runners in both parties, Senators Hillary Rodham Clinton of New York and John McCain of Arizona.

The committee's Democratic ranks also include Senators Evan Bayh of Indiana, who is almost certain to run for president, and Joseph I. Lieberman of Connecticut, probably the strongest advocate of the war in his party. This committee provided Mrs. Clinton the forum this summer in which she excoriated Defense Secretary Donald H. Rumsfeld for "incompetence in executing the war."

Bush Says He's Open To Change In Iraq, But ... (NYT)

By Sheryl Gay Stolberg

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — President Bush spent more than an hour on Monday with the independent panel examining strategic options for Iraq, and cautioned afterward that while he was open to new ideas, it was important for "people making suggestions to recognize that the best military options depend upon conditions on the ground."

The president's brief remarks seemed aimed at Democrats, who are demanding a phased withdrawal of troops from Iraq, beginning in a matter of months. Mr. Bush has steadfastly resisted any timetable, and his comments on Monday offered the first hint of how he might respond.

Addressing reporters in the Oval Office, Mr. Bush shed little light on the substance of his hour-and-15-minute session with members of the bipartisan Iraq Study Group, led by James A. Baker III, the former secretary of state, and Lee H. Hamilton, the former congressman. The president said that they had "a good discussion," and that he was "looking forward to interesting ideas."

Mr. Bush is under intense pressure to change course in Iraq, from Democrats and from some Republicans. One leading Republican, Senator John W. Warner of Virginia, chairman of the Armed Services Committee, said in an interview on Monday that the election results were a clear cry for a new Iraq strategy.

"The American people have spoken with regard to their deep concern about the loss of life, the loss of limb, the enormity of the expenditures, the credibility of our country," Mr. Warner said.

But Mr. Warner, who created a stir among Republicans this fall when he said the situation in Iraq was "drifting sideways," appealed to his colleagues not to rush to conclusions before a report by the commission, which is expected in December.

Other Republicans also weighed in. Senator Lindsey Graham of South Carolina, a leading member of the Armed Services Committee, said in a statement that he would "adamantly oppose" any effort to set a deadline for withdrawal, calling it "equivalent to surrendering in the central battlefront in the war on terror."

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Democrats, for their part, continued their offensive, saying the American people had given them a mandate. In a news conference on Capitol Hill, Senator Carl Levin of Michigan, who will be the next Armed Services chairman, accused the administration of "ignoring obvious reality on the ground in Iraq, that we're getting deeper and deeper into a hole that we should stop digging."

The debate will soon move to the Armed Services panel. Among the senators on that committee are leading contenders in the nascent 2008 presidential campaign, Hillary Rodham Clinton and John McCain, who has been talking about increasing rather than decreasing the numbers of troops in Iraq.

On Wednesday, the committee will hear testimony from Gen. John P. Abizaid, the top military commander in the Middle East.

Iraq policy will also no doubt play a role in the confirmation hearings next month for Robert M. Gates, the former C.I.A. director, who is the president's choice to replace Donald H. Rumsfeld as secretary of defense. Mr. Gates was a member of the Iraq Study Group but stepped down when his new appointment was announced.

Senator Warner said he invited Gen. Peter Pace, who as chairman of the Joint Chiefs of Staff is conducting his own review of Iraq policy, to appear before the committee.

The Iraq Study Group, formed at the request of Congress, is in Washington this week for a last round of interviews before making its final recommendations. Vice President Dick Cheney attended the Oval Office session on Monday, and the group met with other members of the Bush foreign policy team.

In his comments, Mr. Bush appeared to be walking a fine line — declaring that he was open to new tactics in Iraq, but seeming to foreclose some options.

Before their meeting at the White House, some commission members said they sensed that the White House and the commission members were, in the words of one, "feeling each other out, trying to sense where this is going."

Mr. Baker has made no secret of his belief that the Bush administration must talk to its enemies, Syria and Iran included. In a speech on Monday, Prime Minister Tony Blair of Britain said the West should be open to Iran and Syria — but only if they take a cooperative stance.

Mr. Bush did not budge on those points. Asked about Syria, he said, "We do have an embassy there in Syria," without mentioning that contacts with the Syrian government have been limited. The president then laid out preconditions for talks with the Syrian government. Nor did Mr. Bush give any ground on Iran, instead reiterating his long-held stance that the Iranian government must suspend the enrichment of uranium before Washington will join talks.

Many officials inside and outside the administration are looking for signs that Mr. Bush will modify his views, especially now that he has nominated Mr. Gates, who led a committee of the Council on Foreign Relations calling for more engagement with Iran. But Bush aides say talking to Syria or Iran is simply not enough.

"Talking isn't a strategy," Mr. Hadley, the national security adviser, said in an interview last month. "The issue is how can we condition the environment so that Iran and Syria will make a 180-degree turn."

Expectations are high both inside and outside the administration that the Baker-Hamilton group will provide a face-saving way forward for Mr. Bush. But one leading Republican, Representative Duncan Hunter, chairman of the Armed Services Committee, said lawmakers should not delude themselves by thinking there would be easy answers.

"No matter what the commission recommends, the day after the recommendations come out, you're going to have American troops in Iraq continuing to train and stand up the Iraqi forces," Mr. Hunter said. "You have to do that. There's no shortcut to that. There's no silver bullet and there's no easy way to do it."

In Call For More Troops, McCain Places His Bet On Iraq (NYT)

By John M. Broder

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — Senator John McCain is accustomed to staking out a lonely piece of ground, but on Iraq he is virtually an army of one. Nearly alone among major political figures in calling for an increase in American forces in Iraq, Mr. McCain is either taking a principled stand or a huge political gamble. Or both.

A majority of Americans now say they think invading Iraq was a mistake and would like to see the withdrawal of at least some of the nearly 150,000 troops there, polls say. Only one in seven Americans agrees with Mr. McCain that the United States should send more soldiers and marines. Even President Bush and Vice President Dick Cheney, who assert that victory is the only acceptable outcome of the war, have not dared publicly to advocate additional deployments.

Mr. McCain, Republican of Arizona, has all but announced his intention to run for president, and his position on Iraq could be a major complication for him, particularly if violence there continues to grow and American casualties mount.

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Mr. McCain contends that the war in Iraq is worth fighting and is worth winning. He has said consistently from the start of the conflict that the only way to prevail is to send enough soldiers to do the job. His current proposal is to send 20,000 additional troops in hopes of bringing Baghdad and the restive western provinces under control.

The alternative, he said, is humiliation for the United States and disaster for Iraq.

"We're paying a price for the failure of our policy in the past," Mr. McCain said Sunday on "Meet the Press" on NBC, "and the question, then, before the American people is, are we ready to quit? And I believe the consequences of failure are chaos in the region, which will spread."

Mr. McCain said that the fate of the Iraqi venture would be decided in the next six months or so and that signaling the intention to depart, regardless of facts on the ground, only guaranteed defeat. But he also said he was willing to reach a different conclusion if the generals in charge of the American military operation or if the members of the commission led by James A. Baker III, the former secretary of state, came up with a workable alternative.

Gen. John P. Abizaid, commander of United States forces in Iraq, and top intelligence officials will go before the Senate Armed Services Committee on Wednesday to face questioning about the war for the first time since last week's election, which many viewed as a referendum on Iraq. The Baker study group is expected to report its preliminary findings and recommendations next month.

Leslie H. Gelb, former president of the Council on Foreign Relations, said Mr. McCain had painted such a dire picture of the consequences of defeat that he almost had to advocate a more forceful effort to win. If Mr. McCain were to join the chorus of those agitating for a fast or slow withdrawal, he could alienate a large swath of voters he needs to win the Republican presidential nomination, Mr. Gelb added.

"He's making the bet — and it's not a crazy bet — that the country doesn't want to lose," he said. "The public realizes we can't afford to win and probably can't win, but it doesn't want to lose. And the Republicans probably won't nominate anyone who's prepared to accept that now."

Other analysts said Mr. McCain was risking his reputation as a realist and someone who knows when to fold a losing hand by sticking obstinately to his current position.

"He would just repeat the mistake of Vietnam," said Michael E. O'Hanlon, a military analyst at the Brookings Institution, the liberal-leaning research group in Washington. "If McCain refuses to acknowledge that some wars can become simply unwinnable, he may be exposing a weakness in his thinking that ultimately deprives him of the presidency."

Last week's election robbed Mr. McCain of a prize he had sought for many years, the chairmanship of the Armed Services Committee. If Republicans had retained control of the Senate, he was in line to assume the gavel and the ability to call witnesses and set the terms of the Iraq debate in the Senate, at least in part. But the defeat of Senator George Allen, Republican of Virginia, tipped the balance of power to Democrats, putting Senator Carl Levin of Michigan, an early opponent of the war, in position to assume the post in January.

Mr. McCain can still play his gadfly role from the minority, and some welcome his voice.

"God bless him, he's about the only serious person in this whole debate," said Joshua Muravchik, resident scholar at the American Enterprise Institute, the conservative research organization in Washington. "Even a supporter of the war like myself would have to acknowledge that we're in a mess, so the question is what to do about it. And McCain is saying we ought to do what we should have done in the first place, which was send enough troops to do the job. That seems counterintuitive because the whole momentum of emotions in the country at this point is to get out of there."

Father Knows Best? (WSJ)

The Wall Street Journal, November 14, 2006

As president of Texas A&M University, Bob Gates abolished admissions preferences for the children and grandchildren of alumni, reportedly saying it was "unworthy of a great university." Funny, then, that he should be returning to Washington on the strength of his reputation as daddy's boy.

"Daddy," of course, is former President George H. W. Bush, for whom Mr. Gates served as deputy national security adviser and director of Central Intelligence. Today, the elder Mr. Bush is being celebrated as a foreign-policy sage whose adroit stewardship of the world stands in flattering contrast with current management. Mr. Gates, along with Bush 41 hands James Baker and Larry Eagleburger of the Iraq Study Group, are now supposed to play the part of the posse come to the rescue of the wayward son. Newsweek even commissioned a poll that found that "67% favor Bush Senior's internationalist approach to foreign policy over his son's more unilateral course."

Curiously, a similar percentage of Americans voted for someone other than Mr. Bush during his 1992 re-election bid. So it's worth reprising just what his "internationalist approach" achieved, and where it failed. The senior Mr. Bush is justly remembered

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as the architect of the broad coalition that evicted Saddam Hussein from Kuwait -- and of the Coalition of One that took down Manuel Noriega of Panama. Bush 41 also deserves great credit for engineering the North American Free Trade Agreement and supporting German reunification when it was opposed by the likes of Margaret Thatcher.

But consider four other shorthands for the Bush 41 record. One is "1-202-456-1414," the number for the White House switchboard. As secretary of state, Mr. Baker read it aloud in congressional testimony in 1990, ostensibly for the benefit of Israelis once they got "serious about peace." A year later, and for much the same reason, the Bush administration threatened to withhold $10 billion in commercial loan guarantees, which Israel needed to cope with the influx of some one million Russian Jews -- fully a fifth of its population.

For its efforts, the Bush administration brought Arabs and Israelis together for the Madrid Peace Conference, which set the groundwork for the Oslo Accords. These were touted as historic achievements, but for Israel it meant more terrorism, culminating in the second intifada, and for the Palestinians it meant repression in the person of Yasser Arafat and mass radicalization in the movement of Hamas. Worse, Mr. Baker fostered the fatal perception that the failure of Arabs and Jews to make peace was the root of the region's problems, not a symptom of them, and that the obstacle to peace was intransigent Israel, not militant Islam. Bob Gates later gave voice to that perception when he wrote, in a 1998 New York Times op-ed, that the road to Mideast peace must "not kowtow to Israeli Prime Minister Benjamin Netanyahu's obstructionism."

Or take "Lawrence of Serbia," the moniker Mr. Eagleburger earned for his initial indulgence, as the State Department's point man on Yugoslav affairs during the early 1990s while the country was coming apart, of Serbia's Slobodan Milosevic. Mr. Eagleburger, who had longstanding business ties in Belgrade, spent the early period of the war largely ignoring Mr. Milosevic's depredations on his neighbors, including paramilitary slaughters in Vukovar and concentration camps in Omarska. "There was a kind of preference for stability and an attachment to the old Yugoslavia over our interests in human rights," Patrick Glynn of the American Enterprise Institute told Newsday in 1992, adding the administration had "been standing by, waiting while the final solution is played out."

Which brings us to "Chicken Kiev," Mr. Bush's spectacularly misconceived August 1991 speech in what was shortly to become the capital of independent Ukraine. Mr. Bush's reluctance to acknowledge -- and better manage -- the breakup of Yugoslavia was partly a function of his reluctance to acknowledge the impending breakup of the Soviet Union and the fall from grace of his friend Mikhail Gorbachev. The U.S. was the 39th country to re-establish diplomatic ties with Lithuania, after Iceland and Mongolia had already paved the way. Once Mr. Gorbachev was gone, Mr. Bush was equally reluctant to help the new Russia get on its feet, prompting Richard Nixon to complain about the administration's "pathetically inadequate response in light of the opportunities we face in the crisis in the former Soviet Union."

But surely no Bush 41 failure was as great -- or as consequential -- as his apparently flip suggestion, following "victory" in the Gulf War, that the "Iraqi people . . . take matters into their own hands and force Saddam Hussein, the dictator, to step down." Tens of thousands of Shiites and Kurds took him seriously, and tens of thousands paid with their lives as Saddam quelled the revolt while the Bush administration stood by, lest it exceed its U.N. mandate.

None of this is to say that Mr. Gates is merely an avatar of Bush the Father, much as his nomination is being played that way in the media, or that he hasn't learned from past mistakes. But critics of the current administration and the "disaster" visited on Iraq by neoconservative ideologues might usefully reflect on the previous disasters visited by the non-ideologues on Iraqis, Croats and Bosnians, among others sacrificed in the name of prudence. A decade from now, they just might find themselves ruing the day Bush 43 abandoned his idealism -- and the people that idealism has liberated or inspired -- in the service of "realism," suffused by panic.

Get Jim In Here, Pronto! (WP)

By Michael Kinsley

The Washington Post, November 14, 2006

If I told you that there was something in Washington called the Baker commission but didn't tell you what it was about, you still could probably name many of its members. If you are of a certain age, you might wonder, "Jim or Howard?" And you might have a quibble or two.

Where is Dick Holbrooke? Does Sandra Day O'Connor's new availability mean that Madeleine Albright is out of luck from now on? Are they sure that Larry Eagleburger is still alive? But Vernon Jordan is there, along with Ed Meese and Alan Simpson and Lee Hamilton. This is one torch that has not been passed to a new generation, although former Virginia senator and presidential son-in-law Charles Robb (age 67) is a fresh face in the pool of Washington Wise Men. Welcome, Chuck.

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The Baker commission -- that's James Baker, of course -- was appointed by Congress to look into the situation in Iraq. It is expected to report early next month, and it is duly bouncing around and staffing up and holding hearings and all the things that prestigious commissions do.

Ordinarily a commission such as this has two possible purposes: action or inaction. Sometimes a problem is referred to a prestigious commission so that the commission can recommend doing things that everybody knows must be done but that nobody has the nerve to propose -- at least nobody who has to run for office. The commission can ram this policy down the politicians' allegedly unwilling throats. If it is bipartisan -- and what fun is a commission that isn't bipartisan? -- the commission also protects both parties against a stab in the back by the other. This is how Social Security was reformed and saved the last time, when the chairman of the commission was Alan Greenspan, and undoubtedly this is how it will be reformed and saved again. Hey, Greenspan's available again. Come to think of it, why isn't he on this one? He is no expert on Iraq -- but neither is Leon Panetta, another recent initiate into the Pantheon.

Welcome, Leon.

On the other hand, sometimes a problem is referred to a commission simply to get it off the table. Action is widely perceived as necessary, and the creation of a commission can be made to look like action.

So which is the Baker commission? It's got elements of both. Part of the idea, certainly, was to get the politicians over the hump of the election and give them something to say in the meantime. ("We desperately need new ideas and fresh thinking about Iraq and, indeed, the entire Middle East. I look forward to the recommendations of the Baker commission and urge them to interpret their mandate widely and boldly.") And part of the idea is to legitimize some impalatable solution. But the Baker commission may be nearly unique in that there is no obvious solution waiting to be imposed. People actually hope that it will come up with something that no one has thought of.

Good luck. The chance that this group of aging white men, plus Vernon Jordan and Sandra Day O'Connor, will come up with something original is not enormous. It's a nutty and not very attractive idea to turn an urgent issue of war and peace over to a commission. Commissions have usually been trotted out for long-run social problems: immigration, debt, health care. Going to war is something that ought to be decided by the people we elect. Congress, in recent decades, has virtually abandoned its duty under the Constitution to make the decisions about when American soldiers are sent to kill and die.

Presidents have foolishly claimed that authority. And now, inevitably, we have a president who is stuck with a war that he insisted on and a citizenry that has no interest in it.

If we had wanted our country to be run by James Baker, we had our chance. He was interested in running for president in 1996 but discovered that his interest in a James Baker presidency was not widely shared. Although he has held a variety of government posts, from undersecretary of commerce under Gerald Ford to secretary of state under Bush the Elder, and has all the trappings of enormous consequence and wisdom, such as a Presidential Medal of Freedom and his own James A. Baker III Institute for Public Policy at Rice University, Baker is essentially a political operative. His place in history is Florida 2000, where he secured the presidency for George W. Bush. Reporters were awed by his brilliance and ruthlessness. History may be less admiring of his willingness to make inconsistent arguments and to lie with a straight face.

Being a Washington Wise Man does not require much wisdom. Baker has a "conviction," said a Baker colleague quoted in The Post on Sunday, "that Iraq is the central foreign policy issue confronting the United States." Wow. Now there's an insight. Actually, it is a nice small insight into the Baker mentality that he apparently can imagine a war that is killing large numbers of young Americans every month but that is not our central foreign policy issue. Baker also believes that "the only way to address that issue successfully is to first build a bipartisan consensus." Now, that is a conviction you can sink your teeth into. People like Baker always favor a bipartisan consensus.

They don't really believe in politics, which is to say they don't really believe in democracy.

Gunmen Seize 100 At Iraq Ministry (BBC)

BBC News, November 14, 2006

Gunmen in military-style uniforms have kidnapped more than 100 men from a research institute belonging to Iraq's higher education ministry.

A ministry spokeswoman said the gunmen arrived in new pick-up vehicles and stormed the ministry's Research Directorate in central Baghdad.

They ordered women into one room and seized the men, including employees, guards and visitors to the building.

Academics and researchers have been frequent targets of violence in Iraq.

Correspondents say many Iraqis believe mass kidnappings like this latest incident are committed by members of the Shia Muslim-dominated security forces or take place with their collusion.

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The head of the parliamentary education committee, Alaa Makki, said the abductees had been both Shias and Sunnis.

Mr Makki interrupted a televised parliamentary session with the news and urged the prime minister and interior and defence ministers to respond rapidly to what he called a "national catastrophe".

Eyewitnesses say the gunmen closed off roads around the institute in Karrada district and took away their captives in handcuffs.

The higher education minister is a member of main Sunni Arab political bloc in Iraq - where most ministries are fiefdoms of the various sectarian groups.

U.S. Presses For Security Timeline (WT/AP)

By Steven R. Hurst

The Washington Times/AP, November 14, 2006

BAGHDAD -- The U.S. Central Command chief confronted Iraq's prime minister yesterday over how Iraqi forces would halt raging violence and signaled a possible prelude to shifts in American policy on engaging Iran and Syria.

The meeting came as sectarian attacks killed at least 91 persons throughout Iraq, 46 of them showing signs of torture. The U.S. military announced the deaths of four additional American soldiers. So far this month, 34 American service members have been killed or have died in Iraq.

Gen. John Abizaid, commander of all U.S. forces in the Middle East, sternly warned Prime Minister Nouri al-Maliki that he must disband Shi'ite militias and give the United States proof they were disarmed, according to senior Iraqi government officials with knowledge of what the two men discussed.

Beyond that, Gen. Abizaid asked the Iraqi leader to give the U.S. military a firm timetable for when Iraq's security forces could take full control of the country, the officials said on the condition of anonymity because of the sensitive nature of the talks.

Mr. al-Maliki has been pressing Washington to move more quickly to hand security affairs over to his army, asserting it could crush violence in the country within six months. Gen. Abizaid apparently called Mr. al-Maliki's bluff by asking the prime minister to give a detailed explanation of how he would do that. The top U.S. commander in Iraq, Gen. George Casey, recently said it would take 12 to 18 months before Iraqi security forces were ready to control the whole country with some U.S. backup.

The United States did not respond to requests for comment on yesterday's meeting.

But a brief statement by the Iraqi government said Gen. Abizaid told Mr. al-Maliki he had come to "reaffirm President Bush's commitment" to success in this country. It also said the two discussed the impact of "neighboring countries on the security situation in Iraq," a clear reference to Iran and Syria.

The reference to Iraq's neighbors coincided with a call by British Prime Minister Tony Blair for Iran and Syria to help stem bloodshed in Iraq and to join efforts to stabilize the Middle East.

The Syrian ambassador to Washington affirmed a readiness to work with the United States.

"We in Syria believe that engagement with the United States on Iraq can help a lot, because we believe that we need to stabilize the situation in Iraq and support the political process there," Imad Moustapha told the British Broadcasting Corp.

Gen. Abizaid was the third top U.S. official to visit Iraq since Oct. 30, and the meeting comes a day after Mr. al-Maliki promised to shake up his government in a bid to end the sectarian slaughter.

National Security Adviser Stephen J. Hadley was first to visit, followed five days later by U.S. National Intelligence Director John D. Negroponte.

Before Gen. Abizaid pushed the same theme, Mr. Negroponte also demanded Mr. al-Maliki disband militias by year's end -- but was met with a flat rejection. Mr. al-Maliki told Mr. Negroponte such a move would be political suicide. Mr. al-Maliki, a Shi'ite, relies heavily on two major Shi'ite political groups that run the heavily armed militias.

U.S. General Confronts Iraqi Leader On Security (WP/AP)

By Steven R. Hurst, Associated Press

The Washington Post, November 14, 2006

BAGHDAD, Nov. 13 -- The U.S. Central Command chief confronted Iraq's prime minister on Monday over how Iraqi forces would halt raging violence and signaled a possible prelude to shifts in American policy on engaging Iran and Syria.

The meeting came as sectarian attacks killed at least 90 people throughout Iraq, 46 of them showing signs of torture. The U.S. military announced the deaths of four additional American soldiers.

Army Gen. John P. Abizaid, commander of U.S. forces in the Middle East, sternly warned Prime Minister Nouri al-Maliki that he must disband Shiite militias and give the United States proof that they were disarmed, according to senior Iraqi government officials with knowledge of what the two men discussed.

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One of the militias, the Mahdi Army, is loyal to anti-American cleric Moqtada al-Sadr. On Monday night, U.S. forces raided the homes of some Sadr followers, and U.S. jets fired rockets on Shula, their northwest Baghdad neighborhood, residents said. Police said five residents were killed, although a senior Sadr aide put the death toll at nine. The U.S. military said it had no comment.

In their meeting, Abizaid also asked the Iraqi leader to give the U.S. military a firm timetable for when Iraq's security forces could take full control of the country, according to the officials, who spoke on condition of anonymity because of the sensitive nature of the talks.

Maliki has been pressing the United States to move more quickly to hand security affairs over to his army, claiming it could crush violence in the country within six months.

On Monday, Abizaid asked the prime minister to give a detailed explanation of how he would do that. The top U.S. commander in Iraq, Gen. George W. Casey Jr., recently said it would take 12 to 18 months before Iraqi security forces were ready to control the whole country with some U.S. backup.

U.S. officials did not respond to requests for comment on Monday's meeting.

Also on Monday, police said a bomb detonated on a bus in the northeast Baghdad neighborhood of Shaab shortly after noon, killing 20 people. Sunni insurgents have frequently targeted Shiite bus passengers in sectarian reprisal killings.

Hours earlier, Mohammed al-Ban, a cameraman for Iraq's independent al-Sharqiya satellite television network, was gunned down in the northern city of Mosul. His wife was wounded, police said.

Iraqi Premier And U.S. General Discuss Syria And Iran (NYT)

By Sabrina Tavernise And Qais Mizher

The New York Times, November 14, 2006

BAGHDAD, Nov. 13 — Prime Minister Nuri Kamal al-Maliki of Iraq met here on Monday with Gen. John P. Abizaid, the top American commander in the Middle East, as Iraqi political leaders prepared new candidates for about 10 cabinet posts, lawmakers said.

In the third visit by a senior American official in recent weeks, General Abizaid and Mr. Maliki discussed the “influence of the neighboring countries on the security situation,” according to a statement from the prime minister’s office.

The reference was to Syria and Iran, which the Bush administration has accused of providing financing and weapons to militias in Iraq. But as the administration begins a broad reassessment of its Iraq policy, some — including Prime Minister Tony Blair of Britain, the closest ally of America — are proposing opening talks with the two governments.

At least 79 Iraqis were killed or found dead across Iraq on Monday, Iraqi officials said, including 10 commuters on a minibus who were killed when another passenger blew himself up, a photographer and two bodyguards for Vice President Adel Abdul-Mahdi, a Shiite. The military announced the deaths of four American soldiers, in Baghdad and Salahuddin Province.

Iraqi political leaders pressed ahead with a planned cabinet shuffle, presenting Mr. Maliki with candidates for the ministry posts that he wants changed.

Mr. Maliki has not said publicly which ministers he plans to replace, but he has been under pressure from the Bush administration to make progress toward stabilizing Iraq. The cabinet moves appeared aimed, at least in part, at demonstrating that he was making an effort.

Some officials say, though, that the problems among Iraqi leaders run far deeper than a rearrangement, even a sweeping one, can fix. Shiites and Sunnis are barely able to tolerate one another, and the tense relations make progress on improvements all but impossible.

It is a problem that the incoming Democratic-controlled Congress in the United States will immediately face.

“No matter how many new ministers, they are still going to have the same institutional problems,” said one American official in Iraq, who spoke on the condition of anonymity because he did not have permission to discuss the subject publicly. American policy is about to change, and the shift will emphasize effectiveness over sectarian balance, the official said. “Instead of having a rainbow coalition, they will have people who can get stuff done,” the official said. “I think the U.S. will take a more hands-off approach.”

Mr. Maliki has not said publicly which ministers he wants to replace, but lawmakers said Monday that he had indicated they might include the ministers of health, electricity and oil. Sunnis have accused the Health Ministry — controlled by the powerful Shiite cleric Moktada al-Sadr — of sectarian bias. They also contend that it has sheltered Shiite militias that have carried out killings.

The security ministries — Interior and Defense — did not appear to be part of the shuffle.

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"Most of his problems are with the Sadrists," said Jalal al-Din al-Sagheer, a Shiite lawmaker from a rival party. There were also hints that two Sunni ministers and a Kurdish one would be replaced, Mr. Sagheer said by telephone on Monday.

But Adnan Dulaimi, a member of the largest Sunni bloc, said the replacements were distributed across sects and ethnicities. Ten of 36 cabinet posts were affected, he said.

Under the current rules, pressed on the majority Shiites by American officials early this year, Mr. Maliki cannot take sects or ethnicities out of the government altogether, and the blocs, groupings made up of political parties, will retain their allotment of ministries.

But Mr. Maliki can choose from among political parties within the blocs, which could mean that entire parties might be left out.

"He's not going to reallocate the ministries to the same parties," said Maysoon al-Damaluji, a secular lawmaker. The process, she said, could take several months.

Baha al-Aaraji, a member in Mr. Sadr's bloc, the largest in Parliament, said it presented Mr. Maliki with 18 résumés, three candidates for each of its six ministries — transport, health, civil society, tourism, agriculture and a subministry for provincial affairs. In public remarks over the past few days, Mr. Maliki has tried to press his fractious coalition to work together better. In a speech to governors of Iraqi provinces on Monday, he struck a nonsectarian tone.

Regarding taking action against militia members, he warned the governors not to "look at his background or who he represents, or what sect or group or party he is from."

The American military said Monday that on Sunday it captured four Iraqis suspected of killings, kidnappings and bomb attacks in a Sunni militant stronghold south of Baghdad. In a raid in Baghdad, it killed eight people and detained 41 Iraqis suspected of ties to Al Qaeda.

Iraqi authorities reported that the American military raided homes of supporters of Mr. Sadr in the northern Baghdad neighborhood of Shuala, The Associated Press reported. Helicopters and jets were called in and gun battles were heard by residents nearby.

Sunni Needs Not Met, General Says (USAT)

By Tom Vanden Brook,

USA Today, November 14, 2006

RAWAH, Iraq — The Shiite-dominated central government is starving Iraqi security forces in the Sunni heartland of the resources needed to fight the insurgency, according to American officers.

In Anbar province, a Sunni region west of Baghdad, many police officers haven't been paid for three months. "It's difficult to ask a man to risk his life if you can't even pay him," said Marine Brig. Gen. Robert Neller, deputy commanding general of Multinational Force West.

Winning over Sunnis is critical to achieving a political solution to the violence in Iraq. Retribution killings between the two Muslim sects have been growing this year. The dispute in Anbar highlights a growing fear among Sunnis that the government isn't sincere about helping them.

"That's why people in Anbar think the government in Baghdad doesn't want them to succeed," Neller said. "Sometimes I wonder if the government in Baghdad wants them to succeed."

Anbar is among the most dangerous areas of Iraq. Of 104 American troop deaths in October, at least 40 were in Anbar.

There are about 33,000 American troops in Anbar, spread across 53,000 square miles. The population is 1.2 million, about 80% of which are Sunnis.

In September, Marine Maj. Gen. Rick Zilmer, the commander of troops in the region, said he had enough forces to complete his primary mission of training Iraqi forces but not enough to defeat the insurgency.

That job will depend largely on the abilities of Iraqi forces. There are about 7,000 Iraqi police officers and 13,000 Iraqi army soldiers in the province.

Haider al-Ibadi, an adviser to Prime Minister Nouri al-Maliki, said corruption in Anbar has prevented the government from paying officers more quickly. Some Iraqi officials in Anbar have submitted fake names of officers and fraudulently pocketed the money, he said.

Neller said U.S. and Iraqi army forces are making progress in recruiting police despite the difficulties.

On a visit to the village of Rawah on the Euphrates River, a police officer asked Neller for American forces to provide local police with more protection.

"Let's be honest with each other," Neller told the officer. "There are not enough Marines, Iraqi army or police to cover all this ground. And I can't tell you there will be more Marines coming."

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Bishops Call For 'Responsible Transition' In Iraq (BSUN)

By Liz F. Kay

The Baltimore Sun, November 14, 2006

The president of the U.S. Conference of Catholic Bishops called Monday for dialogue and action on a responsible transition in Iraq, a statement quickly affirmed by the national group's members at their fall meeting.

"The statement offers a constructive contribution at a critical time," Bishop William S. Skylstad of Spokane, Wash., told the 250 prelates gathered at the Baltimore Marriott Waterfront.

"Our nation's military forces should remain in Iraq only as long as their presence contributes to a responsible transition. Our nation should look for effective ways to end their deployment at the earliest opportunity consistent with this goal," the statement reads.

The observance of Veterans Day this weekend reminds the bishops and most Americans of the issue of Iraq, said Bishop Thomas G. Wenski, the bishop of Orlando and chair of the conference's international policy committee, at a news conference Monday.

"We don't want to ally ourselves with the extremes of the divisive debate that has taken place until now, the extremes between 'stay the course' and 'cut and run,'" he said.

Cardinal William H. Keeler of Baltimore said in an interview that "it's essential that we lift up the moral component of the situation in Iraq. We have to extract as much of the morality issue as we can."

The Iraq statement, which builds on a response issued in January, was a last-minute addition to the agenda for the fall meeting.

"The bishops read the exit polls and saw that the voters felt the biggest moral issue facing the country was Iraq, and so they felt they needed to say something about it," said the Rev. Thomas J. Reese, the former editor of America magazine, who attended the conference Monday.

John Carr, the conference's secretariat for social development and world peace, said some bishops had asked whether the national group would address the Iraq war at their fall meeting.

The bishops' conference has issued 18 statements and letters on the war, said Carr and Wenski.

"The work has been ongoing, but the decision that the bishops could not meet without addressing Iraq came in the last 10 days," Carr said.

The bishops also voted unanimously Monday to spend $335,000 of $1 million reserved last year to support a study into the causes and context of sexual abuse by clergy.

Researchers at John Jay College of Criminal Justice at the City University of New York will conduct the analysis and raise the remainder of the money for the project, which is expected to cost between $2 million and $3 million.

Voice of the Faithful, a group of Catholic laity calling for church reform, issued a statement Monday calling for full funding of the study if necessary.

"We would hope at least some bishops would encourage the USCCB to guarantee the funding of the entire study in the event John Jay College is not able to raise all of the remaining funds necessary," according to the news release.

In other business, the bishops considered the text of documents for the laity about the church's teaching on contraception and preparation for the Eucharist and guidance for bishops about ministry for "persons with a homosexual inclination."

The bishops are expected to vote on those documents Tuesday.

U.S. Bishops Call For ‘responsible' Iraq Withdrawal (USAT)

By Cathy Lynn Grossman

USA Today, November 14, 2006

BALTIMORE — The nation's Roman Catholic bishops, on record for years opposing the Iraq war, approved a statement Monday saying U.S. troops should remain in Iraq “only as long as their presence contributes to a responsible transition.”

The statement was a last- minute addition to the agenda for nearly 300 bishops gathered at the annual fall meeting of the U.S. Conference of Catholic Bishops. Also on the agenda: controversial documents on Communion, ministering to homosexuals and contraception. Drafted at the request of several bishops, it began with “prayerful concern” for military personnel, their families and suffering Iraqis and calls for an end to “divisive rhetoric.”

It says, “Our nation should look for effective ways to end (troops') deployment at the earliest opportunity” consistent with contributing to a responsible transition.

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The statement, issued in the name of conference president Bishop William Skylstad of Spokane, Wash., reiterated bishops' "grave moral concerns" about the war and condemned torture. It calls for human rights and religious freedom for Sunni, Shia and Christian communities in Iraq.

"This is still a conservative statement. The key word is 'contribute,' " says the Rev. Thomas Reese, a fellow at the Woodstock Theological Center at Georgetown University. "The bishops can't answer this question. That's a military and political answer, but this statement points to the crux of the matter: Does American involvement contribute to improving the situation?"

Bishops will vote today on several documents that reflect their efforts to communicate core Catholic doctrine. These include:

•A document on Communion spelling out who is "worthy" to receive the Eucharist and telling believers not to seek Communion if they knowingly violate church teachings. Anyone — gay or straight — who is having sex outside marriage and married couples who are using artificial contraception should refrain, bishops say.

Rather than expecting priests to play cops over Communion, this document is directed to all the faithful "to help people form their conscience," said Bishop Arthur Serratelli of Paterson, N.J. "Moral law applies to all."

•Pastoral guidelines for bishops ministering to "persons with a homosexual inclination." It repeats the church's stance that homosexuals should be welcomed and treated with respect but should not have positions of ministry or leadership unless they are chaste.

It takes no stance on whether homosexuality is inborn or a matter of choice and says no one is morally obligated to seek therapy. The church condemns gay sexual behavior as a sin.

"The focus of the document is getting individuals to live a virtuous Catholic life," Serratelli said Monday. "The tenor is to be more welcoming than condemning."

Groups representing gay Catholics complained the bishops drafted the guidelines without consulting homosexual Catholics and said it will likely alienate them even further. DignityUSA called for gay Catholics to be able to participate in "all sacraments and roles of ministry, leadership and service."

•The bishops considered a Q&A text on the theology of marriage and procreation designed "for the first time with engaged and married couples in mind," said Baltimore Archbishop William Keeler. An accompanying report notes Catholics use artificial contraception, condemned by the church, as much as the general population.

Also, bishops approved spending $335,000 for the first year of a study into causes and context of clergy sexual abuse of minors.

U.S. Catholic Bishops Call For 'Honest Dialogue' On Iraq (WP)

By Alan Cooperman

The Washington Post, November 14, 2006

BALTIMORE, Nov. 13 -- The president of the U.S. Conference of Catholic Bishops said Monday that the United States should keep its troops in Iraq only as long as they are contributing to a "responsible transition" to Iraqi rule.

Bishop William S. Skylstad of Spokane, Wash., noted that both the U.S. bishops and top Vatican officials sharply questioned the decision to invade Iraq in 2003. As a result of the invasion, he said, the United States now has "additional moral responsibilities" to help Iraqis secure and rebuild their country.

In a four-page statement authorized by the entire body of bishops but issued in his name alone, Skylstad called for Americans to move beyond the "shrill and shallow" preelection rhetoric that "reduces the options to 'cut and run' versus 'stay the course.' " He said the nation needs an "honest dialogue" that acknowledges past mistakes, recognizes positive developments and seeks agreement on concrete steps.

The statement came as the Bush administration and the soon-to-be Democratic-controlled Congress reexamine U.S. policy in Iraq, and as the bishops primarily are focused on internal church matters, including deep cuts in their budgets and staffs.

Their agenda for three days of meetings in Baltimore this week includes statements reaffirming church teachings on contraception, Holy Communion and homosexuality. But it originally did not contain any discussion of Iraq, leading some bishops to wonder aloud whether they were avoiding the most important moral issue facing the country.

In an opening address, Archbishop Pietro Sambi, the new Vatican ambassador to the United States, said there has been a "loss of credibility in the church" because of the actions of a "small but very damaging number of its ministers and its faithful."

By a unanimous voice vote, the bishops approved spending $335,000 for research of the "causes and context" of the clergy sex abuse scandal in the church. The study will be conducted by the John Jay College of Criminal Justice in New York, which previously researched the scope of the problem and concluded that nearly 5,000 U.S. priests and deacons have molested more than 12,500 minors since 1950.

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Pakistan Link Seen In Afghan Suicide Attacks (NYT)

By Carlotta Gall

The New York Times, November 14, 2006

PESHAWAR, Pakistan, Nov. 13 — Afghan and NATO security forces have recently rounded up several men like Hafiz Daoud Shah, a 21-year-old unemployed Afghan refugee who says he drove across the border to Afghanistan in September in a taxi with three other would-be suicide bombers.

Every case, Afghan security officials say, is similar to that of Mr. Shah, who repeated his story in a rare jailhouse interview with a reporter in Kabul, the Afghan capital. The trail of organizing, financing and recruiting the bombers who have carried out a rising number of suicide attacks in Afghanistan traces back to Pakistan, they say.

"Every single bomber or I.E.D. in one way or another is linked to Pakistan," a senior Afghan intelligence official said, referring to improvised explosive devices like roadside bombs. "Their reasons are to keep Afghanistan destabilized, to make us fail, and to keep us fragmented." He would speak on the subject only if not identified.

A senior United States military official based in Afghanistan agreed for the most part. "The strong belief is that recruiting, training and provision of technical equipment for I.E.D.'s in the main takes place outside Afghanistan," he said. By I.E.D.'s he meant suicide bombers as well. He, too, did not want his name used because he knew his remarks were likely to offend Pakistani leaders.

The charge is in fact one of the most contentious that Afghan and American officials have leveled at the Pakistani leadership, which frequently denies the infiltration problem and insists that the roots of the Taliban insurgency lie in Afghanistan.

The dispute continues to divide Afghan and Pakistani leaders, even as the Bush administration tries to push them toward greater cooperation in fighting the Taliban, whose ranks have swelled to as many as 10,000 fighters this year.

A year ago, roadside bombs and suicide attacks were rare occurrences in Afghanistan. But they have grown more frequent and more deadly. There have been more than 90 suicide attacks in Afghanistan this year. In September and October, nearly 100 people were killed in such attacks.

Afghan security forces say that in the same period, they captured 17 suspected bombers, two of them would-be suicide bombers; NATO forces say they caught 10 people planning suicide bomb attacks in recent weeks.

Last week, for the first time, a Pakistani intelligence official acknowledged that suicide bombers were being trained in Bajaur, a small Pathan tribal area along the border. In a briefing given only on condition of anonymity, the official cited the training as one reason for an airstrike this month on a religious school there that killed more than 80 people.

The arrests of Mr. Shah and others like him, Afghan and NATO officials say, show that groups intent on carrying out attacks in Afghanistan continue to operate easily inside Pakistan.

Mr. Shah said he was one of four would-be suicide bombers who arrived in Kabul from Pakistan on Sept. 30. One of them killed 12 people and wounded 40 at the pedestrian entrance to the Interior Ministry the same day.

The attack was the first suicide bomb aimed not at foreign troops but at Afghans, and it terrified Kabul residents. The dead included a woman and her child.

By Mr. Shah's account, it could have been far worse. Mr. Shah said he and his cohort had planned to blow themselves up in four separate attacks in the capital. That they failed was due partly to luck and partly to vigilance by Afghan and NATO security forces. But their plot represented a clear escalation in the bombers' ambitions in Afghanistan.

Wearing a black prayer cap and long beard, Mr. Shah recounted his own involvement in the presence of two Afghan intelligence officers at a jail run by the National Directorate of Security. The Afghan intelligence officers offered up Mr. Shah because, unlike others in custody facing similar charges, his investigation was over. He is now awaiting trial.

Mr. Shah showed no signs of fear or discomfort in front of his guards. But after two weeks in detention, he complained of tiredness and headaches from a longstanding but unspecified mental ailment, something his father confirmed in a separate interview at the family home in Karachi, the southern Pakistani port city.

At first Mr. Shah, who was educated through the sixth grade, denied that he intended to be a suicide bomber, but said he had gone to Afghanistan only to fight a jihad, or holy war. "I was just thinking of fighting a jihad against the infidels," he said. "I was hearing there was fighting in Afghanistan and seeing it in the newspapers."

But by the end of the hourlong conversation, he admitted that he had intended to blow himself up in Kabul, and said he regretted his actions. He was vague about the target of his suicide mission. "I did not know where I was going to do it," he said.

After he was arrested, Mr. Shah said, he learned that one member of his group, whom he called Abdullah, succeeded in carrying out a suicide attack outside the Interior Ministry. "When I was arrested I heard about it and I thought it must be him," he said.

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"They came here to be martyred," he said of his three companions, all Pakistanis, all around the same age, and all also from Karachi.

Mr. Shah himself is one of the 2.5 million Afghans who live as refugees in Pakistan and who, officials on both sides of the border agree, frequently cycle through the ranks of the Taliban and other militant Islamic groups.

The would-be suicide bombers arrested recently, the Afghan intelligence official said, emerge from two clear strands.

Some are linked to extremist groups that have long been set up and run by Pakistani intelligence as an arm of foreign policy toward rival governments in Afghanistan and India. They are technically illegal and the government now says it has cracked down on them.

Others are allied with Afghan groups like the Taliban and the renegade militia commander Gulbuddin Hekmatyar, also a longtime protégé of Pakistani intelligence, who has now allied himself with the Taliban, Afghan and NATO officials say.

Like Mr. Shah, several other would-be bombers arrested recently have come from Pakistan or were run by commanders based there, they said.

After a bombing cell of 12 people was picked up in Kabul recently, two of the men continued to receive cellphone calls while in custody, urging them to explode their bombs, the intelligence official said. The calls came from an Afghan commander called Pir Farouq, who lives in the Shamshatoo Afghan refugee camp in Peshawar, a frontier town, and is closely allied with Mr. Hekmatyar.

When Afghan intelligence, at NATO's behest, passed on the cellphone number of Pir Farouq to Pakistani intelligence officers, their informer, a member of the commander's inner circle, was swiftly killed, his body cut into eight pieces and dumped in the camp. NATO officials described the killing to journalists.

Another group of bombers was captured as they were planning attacks on NATO forces in northern Afghanistan. That cell was also connected to Mr. Hekmatyar, but organized by another of his commanders who lives in Quetta, a Pakistani border town, the intelligence official said.

In Mr. Shah's case, he and his companions had all studied at the same religious school, or madrasa, at Masjid-e-Noor, a mosque in Mansehra Colony, a working-class district in northeastern Karachi. Mr. Shah said he studied there for four years, earning the title hafiz, given to one who has memorized the Koran.

The madrasa was run until recently by Maulavi Abdul Shakoor Khairpuri, who, Mr. Shah said, was a member of a banned jihadi group, Harkat-ul-Mujahedeen. Mr. Shah said it was the maulavi who sent them on the suicide mission.

The maulavi had given him a note addressed to a man called only Umar, who was waiting for them when they arrived in Kabul. Bearded, aged 28 or 29, Umar was a Taliban member from Kandahar, Mr. Shah said.

The note directed Umar to give the group explosives and stated that the equivalent of about $1,400 would be given to the families of each bomber after they finished their mission, Mr. Shah said.

Umar handed them a white rice bag. Inside were four khaki vests, with three pockets sewn on each side of the chest where the explosives were placed. "It has wires leading to a remote control and when you press the button it explodes," Mr. Shah said.

"The vests were heavy," he added. "There were a lot of explosives."

Mr. Shah then started looking for a taxi. Someone, apparently an intelligence agent, offered to show him but led him instead to the intelligence office, where he was arrested. The other bombers slipped away with their vests. So did Umar.

The Afghan intelligence official confirmed much of Mr. Shah's story. So did Mr. Shah's father, Ahmed Shah, interviewed last month at his home in a run-down tenement on the east side of Karachi, though he said he did not know where his son had gone after leaving home three weeks before. The gaps and discrepancies in the father's and son's accounts seemed to indicate that neither was telling the full story.

When told why his son was in jail in Kabul, the father grew angry, but showed no surprise. "How can one feel when someone leaves the house without caring for his children — he has two small children," he said, a boy of 4 and a girl of 2.

"We got tired of talking to him; you could not talk to him," the father said. "Such a disobedient child, who does not care about anyone, who does not look after his parents, should go to hell."

Mr. Shah's teacher at the local mosque also contradicted Mr. Shah's account.

Maulavi Khairpuri, interviewed at his home next to the Noor mosque, denied being a member of the banned Harkat-ul-Mujahedeen, as Mr. Shah had said. But he did acknowledge being the local secretary of a pro-Taliban party, Jamiat-ul-Ulama-i-Islam.

The maulavi said he had no idea that Mr. Shah had gone to Afghanistan. He denied sending Mr. Shah on the suicide mission. "He was not brave enough to do that," he said dismissively.

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CORPORATE SCANDALS:

Supreme Court Refuses To Hear Qwest Case Involving Privilege Protections (AP)

AP, November 14, 2006

The Supreme Court on Monday refused to consider a case in which Qwest Communications International Inc. had been ordered to produce 220,000 pages of documents to shareholders in a civil securities fraud lawsuit.

Qwest attorneys had argued the documents were protected by attorney-client and work-product privilege.

Many shareholders involved in the lawsuit reached a $450 million class action settlement with Qwest, but claims are pending against former Chief Executive Officer Joseph Nacchio and former Chief Financial Officer Robert Woodruff.

The 10th U.S. Circuit Court of Appeals upheld a lower court's decision that the company waived its privilege when it gave the documents to the Securities and Exchange Commission and Justice Department.

The shareholders sued the company in 2001, about a year before the Securities and Exchange Commission and the Justice Department opened separate investigations into accounting improprieties that eventually led Qwest to remove billions of dollars in improperly reported revenue from its books.

Based in Denver, Qwest is the primary phone service provider in 14 mostly Western states.

The case is Qwest Communications International Inc. v. New England Health Care Employees Pension Fund, 06-343.

Daimler Audit Sparks Scrutiny As Executives Are Suspended (WSJ)

By STEPHEN POWER And CHRISTOPH RAUWALD

Wall Street Journal, November 14, 2006

Disclosures About Bus Unit Prompt New Questions Tied to Internal Controls

FRANKFURT -- The suspension of several DaimlerChrysler AG executives, following an audit that disclosed what the company called irregularities at its commercial-bus business, is generating fresh scrutiny of the auto maker's internal-control and accounting mechanisms.

DaimlerChrysler, the world's fifth-largest auto maker by vehicle sales, said it detected the irregularities "in the context of a routine investigation of its own business." As a result, the company suspended an unspecified number of executives, effective immediately. A company spokeswoman said the number of employees suspended is in the "single-digit" range.

The spokeswoman declined to describe the nature of the alleged irregularities.

The auto maker also said the head of its bus operations, Wolfgang Diez, had resigned for "personal reasons" but declined to elaborate. Mr. Diez couldn't be reached.

The disclosure marks the second time this year DaimlerChrysler has publicly acknowledged having to take disciplinary action against employees as a result of possible ethical lapses within its business units. In March the company said it had dismissed or suspended several employees after an internal bribery probe found the company made "improper payments" in Africa, Asia and Eastern Europe. As previously reported, the U.S. Justice Department is conducting a criminal investigation into the bribery allegations and whether senior executives were aware of the practice, and the U.S. Securities and Exchange Commission is pursuing a parallel civil inquiry.

The DaimlerChrysler spokeswoman said the new actions aren't related to the bribery probe.

Public scrutiny of the company's control and accounting mechanisms has intensified recently as a result of the auto maker's admission on Sept. 15 that it expected its Chrysler unit to post a third-quarter loss of about €1.2 billion ($1.54 billion) -- more than double the amount it had predicted only seven weeks earlier.

The company has acknowledged being overly optimistic in continuing to build Chrysler vehicles even as inventories mounted. It has said that its practices for accounting for unsold inventories are consistent with industry practice and that it is aiming to return to profitability in the fourth quarter with new models like a compact Jeep and a redesigned Chrysler Sebring sedan. Many of the vehicles whose inventories swelled were Ram pickup trucks, Jeep sport-utility vehicles and Dodge minivans, the kinds of light trucks that U.S. auto makers have had trouble selling amid higher gasoline prices.

"They have to improve their controlling mechanisms internally," said Christoph Dolleschal, an analyst with Dresdner Kleinwort Wasserstein in Frankfurt. "There are already people saying 'how good is your controlling and auditing?' "

A DaimlerChrysler spokeswoman said company officials discovered the alleged irregularities at the bus division "on our own" and said the auto maker has taken steps to improve internal oversight. It established a "corporate compliance operations" department this year that examines its business practices to ensure compliance with anticorruption laws and the company's own

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ethics rules. The company last year set up a "sales-practices hotline" that employees can call when they have questions and to report "questionable events."

Write to Stephen Power at stephen.power@wsj.com and Christoph Rauwald at christoph.rauwald@dowjones.com

Wynn Resorts' CEO To Gain About $147 Million From Dividend (WSJ)

By Peter Sanders

The Wall Street Journal, November 14, 2006

Wynn Resorts Ltd. Chairman and Chief Executive Steve Wynn stands to reap about $147 million from the company's decision to issue a one-time special dividend of $6 a share.

Flush with roughly $1.4 billion in cash, Wynn Resorts declared the dividend -- its first since going public in 2002 -- to holders of shares of record as of Nov. 23. The total payout will amount to about $660 million. The company will pay the dividend Dec. 4.

"We have so much excess cash and had the opportunity to return capital to shareholders," Mr. Wynn said in a telephone interview from Macau.

Much of Wynn's cash on hand is a result of a $900 million windfall from the sale of a casino license in Macau to Australia's Publishing & Broadcasting Ltd. this year. Mr. Wynn opened his own casino in the Chinese enclave of Macau in September. The company also operates a namesake casino-resort in Las Vegas. Wynn Resorts shares jumped almost 8% on the news.

Mr. Wynn owned 24.5 million shares of the company, or roughly 24.2%, according to the company's most recent proxy filing. His Japanese partner in Wynn Resorts, Kazuo Okada, owns the same amount through a holding company. Each stands to reap about $147.3 million from the dividend.

For Mr. Wynn, the payday is about the same amount that he was forced to forgo last month when he was involved in a bizarre accident involving valuable art. In a much-publicized incident, Mr. Wynn, an art collector, accidentally tore a hole in the canvas of Pablo Picasso's 1932 painting "Le Rêve," which he was showing off to guests at the Wynn Las Vegas. Unfortunately, Mr. Wynn had agreed to sell the painting for $139 million to investor and art collector Steven Cohen. The sale was subsequently called off.

When asked if there was a correlation between the canceled sale and the dividend, Mr. Wynn said, "There is no connection whatsoever; that's a calculation I never came up with."

Analysts said they hadn't been expecting the dividend. Nonetheless, "the decision does not come as a surprise given Wynn's significant financial flexibility as a result of their sound operations to date," Joe Greff, casino analyst at Bear Stearns in New York, wrote in a research note.

And in a Securities and Exchange Commission filing, Wynn Resorts said the company's stockholder agreement was amended on Nov. 8 to require written consent from either Mr. Wynn or Mr. Okada's company Aruze USA Inc. before either party sells shares.

"We want to make it clear we're one shareholder," Mr. Wynn said. He added, "It creates one shareholder and makes life simple going forward especially if you want to increase your ownership, which both of us would do."

Separately, Wynn said that casino industry icon Jack Binion, whom Mr. Wynn hired in August to help open the new Macau casino, would no longer be involved in day-to-day operations in Macau. Instead, Mr. Binion will become a director of the company's Macau subsidiary. His restricted stock agreements and employment agreement will be terminated Friday. Mr. Binion wasn't able to be reached to comment.

Write to Peter Sanders at peter.sanders@wsj.com1

Sticking With One Conviction (HC)

By Kristen Hays

Houston Chronicle, November 14, 2006

Prosecutors in broadband case agree four can go, but not the fifth

The government has conceded that four of five federal convictions against the former finance chief of Enron's long-defunct broadband unit should be tossed aside because they won't stand up on appeal, according to court papers.

If U.S. District Judge Vanessa Gilmore follows the government recommendation and throws out those counts, Kevin Howard would face a maximum of 10 years in prison rather than 30 — and that's if she upholds the fifth count.

The government said in a filing that a flawed theory presented by prosecutors may have prompted jurors to convict Howard on four counts of conspiracy and wire fraud, so they should be vacated.

Howard's lawyers say the fifth conviction of falsifying books and records also was tainted and should be thrown out. Prosecutors disagree, saying it stands apart from the other counts and should stand.

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"It's great news for Kevin," Jim Lavine, one of his attorneys, said Monday of the government's concessions. "It would be even better news if the judge grants it on all five counts."

The Justice Department didn't respond to requests for comment. Gilmore has yet to rule. Howard is slated to be sentenced in February.

Last May, a jury convicted Howard, 44, of the five counts for his role in a deal where Enron sold future profits in a video-on-demand deal to an investor so the energy company could book immediate earnings. Prosecutors said the deal was a sham because Enron promised to repay the investor.

Howard's co-defendant, former in-house accountant Michael Krautz, was acquitted of the same charges.

Stems from August rulingThe government's filing last week stems from an August ruling by a three-judge panel of the 5th U.S. Circuit Court of Appeals that threw out most 2004 convictions against four former Merrill Lynch & Co. executives in another Enron case. In that trial, prosecutors said the Merrill executives deprived Enron of their "honest services" because they participated in a sham deal to help the energy company book bogus earnings.

The appeals panel ruled that the honest services theory didn't apply because the defendants' actions were aligned with corporate goals and didn't rob Enron of property or money. The panel threw out fraud and conspiracy convictions of three Merrill defendants because prosecutors wrongly applied the honest services theory, but upheld perjury and obstruction of justice convictions against one of them.

The panel also threw out fraud and conspiracy convictions against a fourth Merrill defendant for lack of evidence.

The appeals court rejected the government's request that the entire panel hear arguments on the issue. The Justice Department has not said whether it will appeal to the U.S. Supreme Court, retry the case or walk away.

But the move by prosecutors in Howard's case appears to have bypassed another potential reversal by conceding before sentencing that most of the convictions should be thrown out.

"They have to maintain their credibility in the court of appeals," said Peter Henning, a law professor at Wayne State University Law School in Detroit. "It doesn't do any good to go in and make an argument that you know is going to be a loser."

He added that Gilmore could toss out the fifth count as well.

"The question will be whether the court views that there's spillover, and whether the books and records conviction was tainted by the prejudice of having honest services in counts one through four," Henning said.

Howard and Krautz were among five former broadband executives whose first trial in 2005 ended with a handful of acquittals. Jurors were hung on dozens of other counts.

Howard and Krautz were the first of the five to be retried. Second trials of the other three are postponed indefinitely pending appeals.

Trading On The Enron Mystique (WSJ)

By Ann Davis

The Wall Street Journal, November 14, 2006

Enron is dead. Long live Enron.

Five years after the Texas energy-trading giant collapsed, the traders behind some of Enron Corp.'s brashest efforts to carve out new markets are pushing further into those frontiers.

Enron alumni have joined hedge funds and trading operations capitalizing on fast-growing commodity markets that the company once dominated or helped develop, from its stronghold of natural-gas and power trading to experimental futures markets in pollution-emission credits and weather contracts. A few Enron refugees have even joined industrial or consumer-goods firms, where they negotiate contracts to reduce the risks of volatile energy, food and raw-materials prices.

The growth of commodity markets popularized by Enron, and the ability of its veterans to raise money in budding areas, is to some a validation of at least part of the company's model: trading commodities of all kinds.

"In the general population, there is an Enron stigma. In the trading community, there is Enron mystique," says Vince Kaminski, a former quantitative expert at Enron. After Enron's Chapter 11 bankruptcy filing five years ago next month, the sought-after risk guru moved to hedge-fund giant Citadel Group, and then to Citigroup Inc.'s commodities desk. He now teaches prospective energy traders at Rice University.

Before imploding amid accounting-fraud accusations, Enron plowed big sums and talent into markets criticized after its fall as quixotic or a distraction from its core business of transporting and selling energy. It even had investigated whether it could launch movie-box-office futures as a way for studios to manage the risks of a big flop, a former Enron executive who panned the idea recalls.

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While most markets besides gas and power weren't big moneymakers for Enron, ex-traders today are piggybacking on the company's early investments in everything from pulp-and-paper products to coal trading. And they are finding their background a selling point, much as the collapse and bankruptcy of junk-bond pioneer Drexel Burnham Lambert launched dozens of careers elsewhere in the 1990s.

"Employers look at having worked at Enron as a risk-management experience, and they think people might have learned from the Enron mistake and those traders might have become better," says Michael Karp, chief executive of Options Group, an executive-search firm that works for many banks and hedge funds. The traders' renaissance comes as some Enron executives from other areas of the company have forfeited assets and begun serving prison terms. Even Enron trading veterans whose reputations were tarnished by criminal and civil probes are making inroads.

Former high-ranking executive Lou Pai, who oversaw Enron's efforts to push into a number of new trading markets, has put some of his Enron-related earnings to work as a silent backer of a Houston-area firm prominent in brokering pollution-emission credits, Element Markets LLC, court documents show.

Mr. Pai left Enron before its troubles came to light, selling hundreds of millions of dollars of stock to meet a divorce settlement, according to interviews and legal records and proceedings. He still faces civil litigation and potential regulatory scrutiny for his role in Enron's financial management, lawyers following Enron matters say.

His affiliation with Element Markets emerged after he attempted this spring to buy a portfolio of emissions credits from an Enron unit operating in bankruptcy protection. Officials of the Enron estate overseeing the sale alleged that Mr. Pai failed to disclose his identity as a former company insider in an auction. They said selling to a former insider posed a conflict and sold to another buyer.

Mr. Pai nonetheless landed the assets; he repurchased them from the winning bidder without Enron's knowledge, according to a consultant advising the Enron estate. Now Mr. Pai is working to break into trading carbon-dioxide emissions, several Enron veterans familiar with his plans say. Mr. Pai didn't return calls to his home or office.

David Delainey, a former high-ranking trading executive, pleaded guilty to insider trading in connection with Enron's collapse. Nevertheless, Louis Dreyfus Energy Services, an arm of privately owned global commodity merchant Louis Dreyfus, hired him to oversee a trading operation in Calgary, Alberta. Mr. Delainey was sentenced last month by a federal judge in Houston to 2½ years in prison. He didn't respond to interview requests before his sentencing.

Citigroup snapped up Stuart Staley, a successful coal trader at Enron. Mr. Staley, 40 years old, now runs the gas- and power-trading operations of Citigroup from Houston, where traders he sought to hire already resided or wanted to return. Lehman Brothers Holdings Inc. and Bear Stearns Cos. are building energy-trading operations in Houston, among other cities, with former Enron traders. Barclays PLC's Barclays Capital unit and Deutsche Bank AG employ former high-level Enron traders.

Constellation Energy Group Inc., a large energy merchant, is ramping up its trading of coal and emissions credits in the U.S. and Europe with former Enron traders. Tyson Foods Inc., the meat and poultry producer, hired an Enron trader to run its commodity-trading and risk-management operations.

Nowhere is the Enron "mystique" stronger than with 32-year-old trader John Arnold, who founded hedge fund Centaurus Energy LP in Houston with $8 million a few years ago and employs other Enron alumni. The firm now has an estimated $3 billion in assets and would be larger if Mr. Arnold hadn't returned many investors' cash and winnings to keep his fund from growing unwieldy, investors and traders say.

Primarily a natural-gas trader, Mr. Arnold did well last month in volatile markets even as rival Brian Hunter at Amaranth Advisors LLC suffered multibillion-dollar trading losses, commodities players familiar with Centaurus's performance say.

Investors are rushing to back other Enron veterans. A Chicago-based fund of hedge funds has invested in a firm called Top Shelf Capital in Calgary, operated by senior former Enron trader John Lavorato and an Enron colleague, Jonathan McKay. They declined interview requests.

A former colleague of Mr. Hunter at now-liquidating Amaranth, Harry Arora, also was an Enron trader. Mr. Arora founded a new hedge fund, ARCIM Advisors LLC, this summer while Amaranth was still doing well.

Also hanging out a shingle: Jeff Shankman, the former president and chief operating officer of Enron's second-largest trading division. He is launching his energy-focused hedge fund, Trident Asset Management, this week.

Enron "created a fantastic alumni network," says Mr. Shankman, 39. "The thing I regret most at Enron is having to defend my tenure there," when "most of us were hardworking, decent people who did our best for a company we believed in."

Mark Tawney and another Enron alumnus, Bill Windle, were involved in Enron's early efforts to structure weather instruments for energy companies and other firms with payouts based on precipitation and temperature that affect their businesses. They moved on to insurance giant Swiss Re to build up its weather desk and then left to form a weather-derivatives-trading hedge fund in Houston last year. After finding that the capital-intensive transactions worked best with a large financial

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institution as a credit partner, they returned investors' money and have just launched a weather-risk-management desk in Houston for a unit of RenaissanceRe Holdings Ltd., a Bermuda reinsurer.

Some days, it almost feels like they are still trading for Enron: The Tawney-Windle group bought 10 of Enron's actual trading desks from a used-furniture vendor.

Apple Hires IBM's Rosenberg To Fill General Counsel Vacancy (WSJ)

The Wall Street Journal, November 14, 2006

Apple Computer Inc. said it hired Donald J. Rosenberg from International Business Machines Corp. as senior vice president and general counsel, filling a post vacant since the spring.

Mr. Rosenberg had spent more than 30 years at IBM, most recently as the technology giant's senior vice president and general counsel. Before taking over IBM's legal department in January, Mr. Rosenberg was assistant general counsel for litigation and was responsible for IBM's interaction with government regulatory agencies. He also served as IBM's lead in-house counsel in a number of lawsuits and settlements.

"We're thrilled to welcome such a seasoned professional to our executive team," said Apple Chief Executive Steve Jobs in a press release. "Don has a broad range of experience that includes litigation, securities, intellectual property and antitrust, and he will be responsible for overseeing all legal matters and government affairs for Apple."

Nancy Heinen, Apple's former general counsel, left the Cupertino, Calif., company in May, not long before it announced "irregularities" in options grants from 1997 to 2001.

The appointment comes as Apple faces legal challenges amid problems with past stock-option grants. The company said last month that Mr. Jobs, a tech-industry icon, knew that Apple manipulated some of its stock-option grants, citing the conclusions of an internal probe that found 15 instances of improperly backdated options and raised "serious concerns" about the conduct of two former Apple executives.

Authorities are examining whether companies fabricated the date on which options were granted to executives and other employees -- a practice known as backdating -- to give the options extra value. Backdating can run afoul of securities laws. To date, more than 100 companies are under federal investigation.

Apple said Mr. Rosenberg received a B.S. in Mathematics from the State University of New York at Stony Brook and a J.D. from St. John's University School of Law.

The Options Blood Bath (WP)

The Washington Post, November 14, 2006

IN THE WAKE of the Enron Corp. scandal, we argued vigorously for new rules on corporate governance, but we never took pleasure in the demise of Enron's audit firm, Arthur Andersen LLP, which reduced competition in the over-concentrated accounting business and hurt employees who had done nothing wrong. In the current executive options scandal, likewise, defenestrating senior executives shouldn't be the priority. What matters is that the rules should prevent future abuses.

The latest scandal involves the practice of granting executive options on a day chosen retrospectively for the cheapness of a company's shares. This has the effect of enriching executives at the expense of shareholders: If a company's share price is $100, but a grant of 100,000 options is backdated to a day when the share price was $90, then the executive has been given $1 million. There's nothing wrong with such grants if they are disclosed properly. But frequently they haven't been. So far, more than 160 companies have been embroiled in the backdating scandal. More than 50 senior managers have been ousted, including, most recently, Bruce E. Karatz, chief executive of KB Home, a home-construction company, who will forfeit ill-gotten gains of about $13 million.

This loss of senior talent may be justified if the transgressions are serious. William W. McGuire, the ejected boss of UnitedHealth Group Inc., may have led his insurance firm to spectacular growth, but his greed in amassing $1.1 billion in stock options plus a pension of $5.1 million a year is matched only by the revelation that the board member who chaired the compensation committee had conflicts of interest. Even so, there are reasons to feel queasy about the broader options blood bath. The offenses mostly date from the years between Congress's 1994 obstruction of an accounting rule that would have caused the cost of executive options to be accounted for properly and the 2002 Sarbanes-Oxley law, which signaled that Congress had turned serious on accounting honesty. So however regrettable it might be, the fact is that Congress sent a signal of tolerance to which executives responded.

Moreover, there has been little consistency among companies as to what merits an executive's ejection. The board of Apple Computer Inc. appears to have gone lightly on Steve Jobs, chief executive and high-tech icon. If that is acceptable, it's hard to feel certain that other chief executives, some of them with statures approaching that of Mr. Jobs, truly deserved to go.

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If the ousting of executives provokes mixed feelings, what of reforms that might prevent abuses? Backdating was partly a way of granting executives "in-the-money" options -- ones that grant the right to buy a share for less than its current value -- without having to report them as an expense. But the accounting rule that Congress obstructed 12 years ago was finally pushed through in the wake of the Enron scandal, so now all executive stock options must be treated as an expense, whether they are in-the-money or not. So one incentive for backdating has already been abolished.

But it's still fair to ask whether the use of executive options should be reined in, if not by regulation then at least by company directors. Because options are opaque, they invite abuses. Why not give managers a stake in their company by granting them restricted stock instead?

CRIMINAL LAW:

Judge Allows Evidence In Leak Case (NYT/AP)

The New York Times/AP, November 14, 2006

WASHINGTON, Nov. 13 (AP) — Classified information will be crucial evidence in the C.I.A. leak trial and the special prosecutor, Patrick J. Fitzgerald, went too far in his proposal to limit its release, a federal judge ruled Monday.

The defendant in the case, I. Lewis Libby Jr., former chief of staff to Vice President Dick Cheney, is accused of lying about his conversations with reporters about a Central Intelligence Agency operative Valerie Wilson. Mr. Libby wants to use classified material at his trial in January to show that he had a lot on his mind and could not remember details of his conversations about Ms. Wilson when questioned by investigators.

Judge Reggie B. Walton of Federal District Court said that Mr. Libby had a right to use some classified material at trial in January and that Mr. Fitzgerald's proposed redactions were too restrictive. "He is alleging both that the volume of his work would have impacted his memory and that some of the information presented to him as the vice president's national security adviser was so potentially catastrophic to the well-being of the country that the focus he had to devote to this information also impacted his memory," Judge Walton said.

Judge: Libby May Use Classified Data (AP-Y)

By Matt Apuzzo, Associated Press Writer

AP, November 14, 2006

Classified information will be key evidence in the CIA leak trial and Special Prosecutor Patrick Fitzgerald went too far in his proposal to limit its release, a federal judge ruled Monday.

Former White House aide I. Lewis "Scooter" Libby is charged with lying to investigators in the case and wants to present classified material at his trial in January to show jurors that he had a lot on his mind and couldn't remember details about the leak.

U.S. District Judge Reggie B. Walton said Libby has a right to use some classified material at trial in January. Walton has not said publicly what must be allowed, and both sides are arguing behind closed doors over how the information will be blacked out for jurors.

In a ruling Monday, Walton said Fitzgerald's proposed redactions were too restrictive. The memory argument is a key part of Libby's defense, Walton ruled, and he must be allowed to use classified information to make that case.

"He is alleging both that the volume of his work would have impacted his memory and that some of the information presented to him as the vice president's national security adviser was so potentially catastrophic to the well-being of the country that the focus he had to devote to this information also impacted his memory," Walton said.

Walton said he isn't going to give Libby a free pass to allow all classified information into court. He said the two sides must balance Libby's need to defend himself with the government's need to protect sensitive material — a compromise that he believed could be achieved.

Walton told Fitzgerald to "go back to the drawing board and come forth with a more balanced proposal."

Libby is charged with lying to investigators about his conversations with reporters about CIA operative Valerie Plame. Plame believes her identity was leaked to the press as retribution for her husband's criticism of prewar intelligence on Iraq.

Complete Isolation Urged For Aryan Brotherhood Leaders (MCT)

By Kimberly Edds, The Orange County Register

McClatchy Newspapers, November 14, 2006

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SANTA ANA, Calif. - Four Aryan Brotherhood leaders who used an elaborate communication network to order murders and incite race wars to bolster the gang's control in prison should spend the rest of their lives cut off from almost all human contact, federal prosecutors said Monday.

Brotherhood chief Barry "The Baron" Mills, top lieutenant Tyler "The Hulk" Bingham and midlevel leaders Edgar "Snail" Hevle and Christopher Gibson were convicted in July of conspiring from behind bars to order the murders of rival gang members to protect their nationwide extortion, gambling and drug-traffic operation.

All four men, already serving time for other crimes, face life in prison without the possibility of parole.

Mills, Bingham and Hevle appeared in federal court briefly Monday to be sentenced for their role in the conspiracy. Gibson, who is recovering from back surgery, did not appear.

U.S. District Court Judge David O. Carter called the proposed conditions - which would keep the men from seeing or talking to anyone other than their attorney - "tantamount, if not worse, than death."

In court papers filed last week, Assistant U.S. Attorney Stephen Wolfe also asked that the men be banned from having any writing instruments and papers and barred from having books, magazines and other reading materials unless they came directly from the publisher.

"These are horrendous conditions," Carter said. "There is no human contact."

Carter refused to consider the restrictions without the signature of U.S. Attorney General Alberto Gonzales. He also asked for assurances from the U.S. Bureau of Prisons that they are up to the costly task. Sentencing was postponed until Nov. 21.

Just 11 federal inmates are incarcerated under such stringent conditions, Carter said. Among them are Unabomber Ted Kaczynski and Yousef Ramzi - the self-proclaimed mastermind of the 1993 World Trade Center bombing - and Hung Thanh Mai, an Asian gang member who executed rookie California Highway Patrolman Don Burt in a Fullerton parking lot and then tried to hire a hit on the trial judge and state prosecutor.

Prosecutors argue the measures are necessary to keep the Aryan leadership from commanding more violence in some of the nation's most violent prisons.

Even with Mills and Bingham housed in the nation's most heavily guarded prison in the nation - the Administrative Maximum Security Facility - in Florence, Co., the white supremacist Aryan Brotherhood has managed to communicate - and order violence, prosecutors said.

Mills, 58, was convicted of ordering the murders of a dozen people, six of which were carried out. Bingham, 59, was found guilty of calling for the death of five people. Two of those were carried out.

Defense attorneys have argued that federal prisons are violent, dangerous places and the four men were just doing what it took to survive. Forbidding access to the outside world is "draconian and cruel," lawyer Mark Fleming said.

Witnesses during the four-month trial painted the Aryan Brotherhood leaders as a ruthless group who directed murders and other violent attacks using notes written in code or with invisible ink made from fruit juice or urine that were passed from inmates to friends, family members and even corrupt prison guards.

Their orders traveled between state and federal prisons hundreds of miles apart, sparking a 1997 violent race war between Aryan and rival gang members inside a Lewisburg, Pa., prison that left two black inmates dead.

Since the indictments were handed down in 2002, the four have posted stellar progress reports, with no behavior violations, Fleming said.

"They were nothing but gentlemen throughout the entire trial."

Judge Says U.S. Attorney General Must Approve Sentencing Request For Aryan Brotherhood Leaders (FINDLAW/AP)

By Gillian Flaccus, Associated Press Writer

AP, November 14, 2006

(AP) - SANTA ANA, California-A judge postponed the sentencing of four leaders of the Aryan Brotherhood prison gang Monday, saying that any request by prosecutors to bar the defendants from receiving visitors, letters or phone calls behind bars must come from the U.S. attorney general himself.

The four men were convicted of murder, conspiracy and racketeering in a case aimed at dismantling the Aryan Brotherhood, a white supremacist organization accused of dealing drugs and spreading terror inside some of the United States' most dangerous prisons.

Prosecutors asked U.S. District Judge David O. Carter to bar the defendants from communicating with anyone but their attorneys. The government also asked that the convicts be prevented from keeping writing implements, paper or previously used reading material in their cells, but federal prosecutor Stephen Wolfe said he would drop that request.

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The judge said such restrictions were "horrendous" and had been imposed only 11 times in the history of the federal prison system. He postponed sentencing until Nov. 21.

Inmates subjected to similar restrictions include convicted Unabomber Ted Kaczynski, Sept. 11 figure Zacarias Moussaoui and Ramzi Yousef, mastermind of the 1993 bombing of the World Trade Center.

"If you're really serious about this ... the attorney general is going to make the specific request of this from the court," Carter said.

Barry "The Baron" Mills, 58, and Tyler "The Hulk" Bingham, 59, were expected to receive life sentences. Edgar "The Snail" Hevle, 54, and Christopher Overton Gibson, 46, face anywhere from 20 years to life in prison.

Mark Fleming, Mills' lawyer, said the proposed prison conditions are "draconian."

"They're cruel and unusual in my opinion," Fleming said. "It's worse than the death penalty."

Heir To Norfolk Shipyard Gets 17-1/2 Years In Child Porn Case (VP)

By Tim Mcglone, The Virginian-Pilot

Virginian-Pilot, November 14, 2006

NORFOLK - Willoughby Warren Colonna IV, heir to a shipyard worth millions, was sentenced Monday to 17 1/2 years in prison for possessing and sharing child pornography.

A federal court jury convicted Colonna in August on 10 child pornography charges, including advertising on the Internet movies depicting girls, one younger than 5, having sex with an adult.

Colonna, 26, known as Bill or Billy, testified during his trial that he had no idea his computer contained child pornography.

FBI agents, however, told the jury that Colonna admitted the images and movies were his when they raided his parents' Chesapeake home in the summer of 2004.

Family members wept in the courtroom as U.S. District Judge Robert G. Doumar handed down the sentence, which fell at the low end of federally recommended guidelines but above the mandatory minimum sentence of 15 years.

Colonna declined to make a statement at the sentencing hearing.

Colonna's grandfather, however, testified at the hearing that he had hoped his namesake would one day take over the family business, started 131 years ago by the original Willoughby Colonna.

"It's always been my dream to have it continue in the family name," Willoughby Warren Colonna Jr. said.

"I've had numerous opportunities to sell the business," he continued, "but I wouldn't feel right selling the place."

He said his grandson had worked in the shipyard along the Elizabeth River in Norfolk but had left to attend college. At one point, Colonna worked delivering pizzas.

Colonna's father testified that his son never exhibited any sexual attraction toward children.

"He's always been a good boy," said Willoughby Warren Colonna III.

"He's a very conscientious person."

Doumar asked whether he thought it peculiar that his son moved in with one of his former high school teachers when he was 18.

"Did you think that was a little odd?" the judge asked.

"Yes, I did," he answered.

The evidence at trial showed that Colonna had 400 videos on his computer that depicted prepubescent children in sexually explicit scenes, including one child younger than 5.

Assistant U.S. Attorney Michael C. Moore told the judge that Colonna could have made it easier on himself.

"This could have been a different story had he come in and pled guilty and said, 'I've got a problem and I need help,' " Moore said. "That's not the case here."

Colonna was sentenced under the federal Protect Act of 2003, which toughened child pornography and sexual abuse penalties, including mandatory minimum prison terms of 15 or 20 years for certain offenses.

"He had the promise of a great future," Doumar said in court, "which he did not seem to utilize at all."

"I don't understand any of it," he said.

Reach Tim McGlone at (757) 446-2343 or tim.mcglone@ pilotonline.com.

Study: Way Less Porn On The Web Than You Might Think (MERCN)

By Elise Ackerman

The San Jose Mercury News, November 14, 2006

A confidential analysis of Internet search queries and a random sample of Web pages taken from Google and Microsoft's giant Internet indices showed that only about 1 percent of all Web pages contain sexually explicit material.

The analysis was presented during a federal court hearing last week in Philadelphia in a suit brought by the American Civil Liberties Union against Attorney General Alberto Gonzales and obtained on Monday by the Mercury News.

The ACLU said the analysis, by Philip B. Stark, a professor of statistics at the University of California, Berkeley, did not appear to substantially help the Department of Justice in its effort to prove that criminal penalties are necessary to protect minors from exposure to sexually explicit information on the Internet.

The Justice Department had commissioned the study as part of an effort to resurrect the Children's Online Protection Act, which was signed by President Clinton in 1998, but immediately challenged by the ACLU.

A federal district court in Philadelphia and a federal appeals court found the law to be unconstitutional. In June 2005, the Supreme Court upheld the ban on enforcement of the law but sent the case back to district court for more fact finding regarding Internet filters.

``One of the things we think came out of the government's study is that the chance of running into graphic content on the Web when filters are on is extremely low," said Catherine Crump, staff attorney at the American Civil Liberties Union.

Stark's study found that only 6 percent of all queries returned a sexually explicit Web site, despite the consistant popularity of queries related to sex. It also found that the filters which did the best job blocking sexually explicit content also inadvertently blocked lots of content that was not explicit.

Government witnesses argued that while the percent of sexually explicit Web pages was small, it still amounted to a huge number. ``A lot of sexually explicit material is not blocked by filters," Stark wrote in the conclusion to his study.

Attorneys for the Justice Department were not available for comment on Monday afternoon.

The eight-year-old lawsuit ignited widespread public debate last year after Google objected to a subpoena it had received to turn over billions of Web site addresses and two months of search queries to government attorneys. Google argued in federal court that the request would put both the private queries of Google users and the Mountain View giant's trade secrets at risk.

A federal judge subsequently ordered Google to turn over 50,000 random copies of Web pages from its index, but did not require Google to produce search-engine queries. Microsoft's MSN and Yahoo provided a sample of 1 million Web sites. MSN, Yahoo and AOL also provided a week of search queries.

Seth Finkelstein, a programmer and civil-liberties activist, said Google's stance was ``horribly self-serving."

``There were no privacy implications in the sense that the data was restricted to a very small set of researcher who were under various sets of protective orders," Finkelstein said.

Finkelstein said Stark's findings about the prevalence of pornography on the Internet are similar to other academic studies.

``What we are learning about the Internet is that it reflects life and that the Internet is not -- contrary to what some people might think -- more sexual than people are in general."

Dare Enters Guilty Plea (ALBANYTU)

By Brendan J. Lyons, Senior Writer

Albany Times Union, November 14, 2006

Real estate investor blamed for Urban League collapse admits to fraud, faces 27 years in prison

ALBANY -- Aaron R. Dare, a real estate investor who was once widely regarded as a visionary and rising star in Albany's minority community, pleaded guilty Monday to felony fraud charges in U.S. District Court as part of a sweeping FBI investigation of his troubled business dealings.

Dare, 37, who was accused of driving the now-defunct Urban League of Northeastern New York into financial ruin in 2001, has been plagued for years with allegations of underhanded business dealings, mismanagement of his rental properties and a series of unpaid debts. He faces up to 27 years in prison.

The FBI investigation blew open last year when federal agents raided the downtown office of Dare and his former business partner, Albany Police Detective Kenneth P. Wilcox, who died in an April car crash while on duty. The Times Union applied last month to have the search warrant unsealed, and the request is still pending before a federal magistrate.

Meanwhile, a federal grand jury is continuing to investigate multiple real estate transactions involving Dare and his business associates, according to a source familiar with the case. Dare avoided indictment Monday when he abruptly pleaded guilty and pledged to cooperate with authorities, including testifying before the grand jury examining the case.

His attorney said he has met numerous times with Assistant U.S. Attorney Robert Storch to hammer out his plea and cooperation agreement.

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Dare pleaded guilty to three felony charges. The first involved a scam to inflate the price in an $8.5 million real estate deal in 2001 when he purchased three major multiunit properties: The converted Hinckel Brewery near Lincoln Park in Albany; the Pastures Apartments in the Albany's South End; and the Old Franklin School Apartments in Schenectady.

Dare and the seller, Bernard Watkins, were later accused in an unrelated lawsuit of privately negotiating their deal to avoid paying $400,000 to a broker who had been marketing the properties. The outcome of that lawsuit could not be determined late Monday.

In 2004, taxpayers bailed Dare out of his debt-ridden real estate business as the U.S. Department of Housing and Urban Development, which had insured Dare's purchase of the properties, took over the three apartment complexes and paid off the $7.4 million mortgage.

Watkins, who is not identified in Dare's plea agreement, is a target in the ongoing investigation, according to a source close to the case. Watkins could not be reached for comment and it's not clear whether he has retained an attorney.

In a separate charge, Dare pleaded guilty to conspiring with an unnamed business associate to falsely inflate the prices of 31 residential properties that were sold to so-called straw purchasers, including several convicted criminals, according to public records examined by the Times Union over the past year.

The mortgage fraud transactions took place between 2003 and December 2005 and allegedly involved Wilcox, according to a federal law enforcement official and another person familiar with the investigation.

The plea and cooperation agreement signed by Dare states only that a business associate, who is identified in the court papers as a "conspirator," took on the role of recruiting borrowers to obtain mortgages for residential properties that were controlled or owned by Dare and his partner.

Federal prosecutors declined to identify the properties, or the purchasers, in Dare's plea agreement.

Dare personally prepared the purchasers' mortgage applications and often falsely represented their financial backgrounds so that a bank would approve the deal, according to his plea agreement.

"As part of this scheme, the conspirator of defendant Dare would and did obtain cashier's checks in the names of borrowers as purported proof of their access to capital when, in truth and fact, this was not the borrowers' capital and the checks were retained after the closings by the conspirator of defendant Dare," the plea agreement states.

Dare and his partner in the scheme reaped the benefit of selling properties with inflated appraisals to purchasers who often had no means to pay the mortgages.

Mortgage fraud, fueled in part by a hot housing market and low interest rates, has been one of the nation's fastest-growing white-collar crimes, according to a special report last year by the Chicago Tribune.

Over the past several years, Dare and Wilcox jointly operated several limited liability corporations, including title and real estate companies. Through those companies, they bought and sold, or handled closings for, dozens of homes, most of them in Albany's inner-city neighborhoods.

Dare was just 27 when he took over the Urban League, spearheading economic development plans that included building affordable housing, sponsoring the New Covenant Charter School and constructing an office building that the city bought for its public safety headquarters after a finance company that was supposed to occupy it, NFC Corp., went bankrupt and its top official was later convicted of federal fraud charges.

Dare's expansive vision caught the attention of Gov. George Pataki and former Vice President Al Gore, both of whom visited Urban League projects in Arbor Hill.

But all the while, the group was losing millions borrowed from banks and donated by charities. It ended up broke and owing $1.8 million it could not repay.

After the Urban League collapsed, Attorney General Eliot Spitzer cited Dare for misconduct in handling its finances and barred him from leadership roles in New York charities for 10 years.

"I'm disappointed because I've known Aaron since he was a freshman at Albany High School, and I've always liked the young man," Mayor Jerry Jennings said. "It's very unfortunate that he chose to do this."

Albany Police Chief James Tuffey, who took over the department in December, said he was not aware of the federal investigation. However, several departmental sources said it was known by certain police officials that the FBI investigation was unfolding.

Dare's attorney, Arnold Proskin of Loudonville, told U.S. District Court Judge Lawrence E. Kahn that Dare agreed to plead guilty in the face of overwhelming evidence.

"I made my recommendation and he made his decision," Proskin said in court. "Ultimately, it would be a negative result at trial, and Aaron knows this."

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Dare faces a maximum potential penalty of up to 27 years in prison and fines totaling $750,000, plus restitution. Kahn ordered Dare released on recognizance, but under the supervision of U.S. probation authorities, pending his sentencing, which is scheduled for March 6.

Under federal sentencing guidelines, which take into account factors such as a person's criminal history, Dare could face much less than the maximum penalties.

But Kahn, citing those guidelines, warned Dare that "my discretion in sentencing you is somewhat limited."

Outside court, Proskin and Dare both declined to discuss the case.

"The agreement speaks for itself," Proskin said. J. Lyons can be reached at 454-5547 or by e-mail at blyons@timesunion.com.

Dare charges

Count 1: Wire fraud.

Maximum penalty: 20 years in prison, $250,000 fine.

Count 2: Causing false statements to be made to obtain loans insured by HUD.

Maximum penalty: 2 years in prison, $250,000 fine.

Count 3: Conspiracy to commit mortgage fraud.

Maximum penalty: 5 years in prison, $250,000 fine.

Sources: United States Attorney's office; U.S. District Court records.

Guilty Plea In Housing Projects Fraud Case (ALBIZ)

Albany Business Review, November 14, 2006

The former head of the Urban League in Albany, N.Y., pleaded guilty in federal court Monday to three felony fraud charges related to financing agreements for the purchase of multi-family housing projects and other residential properties in Albany and Schenectady, according to federal authorities.

Aaron R. Dare, 37, of Albany, faces 27 years in prison and/or a fine of up to $750,000 and other penalties when he is sentenced March 6, 2007.

Dare pleaded guilty to one count of wire fraud and one count of causing false statements to be made to obtain loans to purchase the Hinckel Brewery Apartments at 201 Park Ave. in Albany, the Olde Franklin School Apartments at 1675 Ave. B in Schenectady and the Historic Pastures Village Apartments in Albany, according to the U.S. Justice Department.

Dare also pleaded guilty to conspiring with another person to commit wire fraud as part of a scheme to defraud private mortgage lenders to obtain loans to buy various residential properties in and around Albany.

The pleas were entered before U.S. District Court Judge Lawrence E. Kahn.

The scheme involving the Hinckel Brewery, Olde Franklin School and Historic Pastures took place between late 2000 and August 2002. Dare provided false information to the private mortgage lender, AMI Capital Inc., of Bethesda, Md., and the U.S. Department of Housing and Urban Development concerning the experience, qualifications of himself and his purported investors, according to the Justice Department.

Promissory notes in the amounts of $1.8 million and $700,000 were prepared and executed between Dare's company, Emerge Real Properties LLC, and entities affiliated with the seller that falsely made it appear to AMI and HUD that Dare and/or Emerge had approximately $2.5 million in equity and credit to apply toward the purchase of the properties.

In fact, the promissory notes were false and fraudulent, according to the Justice Department. Dare and his companies did not have the equity and credit to apply toward the purchase of the properties. As part of the scheme, another promissory note was prepared and executed, which was not provided to AMI or HUD, that effectively cancelled out the purported equity reflected in the fraudulent $1.8 million promissory note.

Also, the stated purchase price of the properties was inflated from about $6 million to about $8.5 million to take into account the bogus promissory notes, according to the Justice Department.

AMI loaned Dare's company $7.5 million to buy the three housing projects. The loans were insured by HUD. Shortly after closing on the loans in August 2002, Dare fell behind on payments and eventually defaulted. HUD foreclosed on the properties and sold them, suffering a loss of about $1.9 million.

Former Urban League CEO Admits To Defrauding HUD (NOCOGAZ)

North Country (NY) Gazette, November 14, 2006

DOJ_NMG_0093856

ALBANY---The former chief executive officer and president of the Urban League of Northeastern New York pleaded guilty in federal court Monday to fraud charges, admitting to committing wire fraud and making a false statement in order to obtain loans from the U.S. Department of Housing and Urban Development (HUD).

Aaron R. Dare, 37, could be sentenced to 27 years in federal prison and be fined $750,000 when he is sentenced March 6.

Dare's plea related to financing agreements he made for the purchase of residential properties in Albany and Schenectady. He pleaded guilty to one count of wire fraud and one count of making a false statement in order to obtain loans to purchase the Hinckel Brewery Apartments at 201 Park Ave., Albany; the Olde Franklin School Apartments at 1675 Ave. B in Schenectady and the Historic Pastures Village Apartments between late 2000 and August 2002.

He also admitted to conspiring with another person to commit wire fraud as part of a scheme to defraud private mortgage lenders to obtain loans to buy various residential properties in and around Albany.

The U.S. Justice Department said that Dare prepared and executed promissory notes in the amount of $1.8 million and $700,000 between his company, Emerge Real Properties LLC; the mortgage lender, AMI Capital Inc. of Bethesda, Md., and HUD, to falsely make it appear to AMI and HUD that Dare and/or Emerge had approximately $2.5 million in equity and credit to apply towards purchasing the properties. DOJ said that Dare had neither the equity nor credit.

On the basis of the promissory notes and statements, AMI loaned Dare and his company $7.5 million to buy the three housing properties, the loans being insured by HUD. After the closing on the loans, Dare failed to make payments and defaulted. HUD then foreclosed on the properties and sold them at a loss of about $1.9 million. 11-13-06

4 National Guards Plead Guilty To Wire Fraud (KCAL)

KCAL-TV, CBS 2, Los Angeles, November 14, 2006

(CBS) LOS ANGELES Four National Guard members from the Southland who served together in Iraq pleaded guilty to federal charges for an embezzlement scam that cost the Army more than $340,000 in unauthorized pay, federal authorities said Monday.

Derryl Hollier and Luis Lopez of Los Angeles, Jennifer Anjakos of Chula Vista and Lomeli Chavez of Oceanside each pleaded guilty to one count of conspiracy and one count of wire fraud, according to the U.S. Justice Department.

Prosecutors say the four were members of the 223rd Finance Detachment, which processes pay for Army National Guard members. They were deployed together to Iraq from March 2004 to February 2005, when they returned to Compton, according to the government.

From March to December last year, an unnamed co-conspirator accessed a Defense Department computer that processed payroll, according to court documents. The co-conspirator entered more than $340,000 in unauthorized pay and entitlements for himself and the defendants, the court papers state.

Hollier, Lopez and Anjakos then kicked back at least $150,000 of the money to the co-conspirator, according to the government.

The four are set to be sentenced Jan. 29, when they face up to five years in prison and a fine of as much as $250,000.

The defendants have agreed to cooperate with the ongoing investigation, according to the Justice Department.

GOP Fundraiser Guilty In Ohio Coin Case (AP-Y)

By John Seewer, Associated Press Writer

AP, November 14, 2006

A former GOP fundraiser was convicted Monday of embezzling from a rare-coin investment fund in a scandal that contributed to the rout of Ohio's Republican Party on Election Day.

Tom Noe, a coin dealer and former Republican fundraiser, was convicted of 29 of the 40 counts against him, including theft, corrupt activity, money laundering, forgery and tampering with records.

The corrupt activity charge was the most serious, carrying a mandatory 10-year prison sentence.

The scandal surrounding the investment became a political liability for the GOP in Tuesday's election. Voters elected Democrats to the governor's office, a U.S. Senate seat and three of four other statewide offices after 12 years of Republican rule.

Noe stood still and stared straight ahead when the verdicts were announced. He nodded when the judge said he would be taken into custody. He did not look at jurors while the judge asked them to confirm their verdicts.

After Noe was taken from the courtroom in handcuffs, his wife, Bernadette, and their three children huddled together and hugged in a front row.

The Ohio Bureau of Workers' Compensation gave Noe $25 million in 1998, followed by another $25 million in 2001 to invest in rare coins.

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Noe, 52, was accused of using some of the money to pay off business loans and finance a lavish lifestyle. Prosecutors did not say whether he used the money to make campaign contributions to Republicans, including President Bush.

Defense attorneys declined to comment after Monday's verdict. During the trial, they insisted Noe had permission to invest the money and that the coin fund produced $7.9 million in profits over seven years.

Separately, Noe pleaded guilty to funneling $45,000 to Bush's re-election campaign and was sentenced in September to two years and three months in federal prison.

Sentencing in the rare-coin case was set for Nov. 20.

Investigations into the coin investment led to ethics charges against Republican Gov. Bob Taft, who pleaded no contest to failing to report golf outings and other gifts. Four former Taft aides pleaded no contest to similar charges.

Investigators began looking at the coin investments after The (Toledo) Blade revealed the funds' existence in April 2005. State officials initially defended the investment, saying it earned more than $15 million. But then Noe's attorney told investigators the fund had a possible shortfall of $10 million to $12 million.

Authorities raided Noe's businesses, where they seized coins, several $10,000 bills and collectibles such as a Christmas card signed by Jackie Onassis and Beanie Babies.

Before the investigation began, Noe was a star of the Republican Party and was once a member of state boards that oversee the Ohio Turnpike and Ohio's public universities. He was a top GOP fundraiser who gave more than $105,000 to Republicans including Bush and Taft in 2004.

Ohio Jury Convicts Ex-GOP Fundraiser (WP)

By Peter Slevin

The Washington Post, November 14, 2006

CHICAGO, Nov. 13 -- A federal jury in Toledo concluded Monday that former Republican fundraiser and coin dealer Tom Noe swindled the Ohio government in a risky investment scheme that raised doubts about GOP leadership and contributed to last week's virtual Democratic sweep of statewide offices.

Jurors convicted Noe, 52, a former county chairman who helped raise more than $100,000 in 2004 for the Bush-Cheney ticket, of 29 of 40 counts, including theft, corruption and forgery. He faces at least 10 years in prison for stealing from the state workers' compensation fund and trying to hide his actions.

Noe's trial, with its vivid testimony of lined pockets and bogus transactions, made headlines in the three weeks before Election Day. The details -- starting with the very idea of investing $50 million in rare coins -- provided fodder for Democratic advertisements and voter angst.

The damage to the chances of Republicans, who held every statewide office before last week's vote cost them a seat in the U.S. Senate, as well as the governor's chair, was significant even before the 12 jurors and four alternates took their seats in the courtroom.

Along the way, the investigation touched Gov. Bob Taft (R), who pleaded no contest in August 2005 to accepting secret gifts from Noe and others. Members of the governor's staff admitted to borrowing money from Noe or using his Florida home.

Noe pleaded guilty this past May to a charge of illegally funneling $45,000 to President Bush's 2004 reelection campaign. Prosecutors said he arranged for friends, including elected officials, to donate money, then reimbursed them. He was later named one of 19 Ohio "Pioneers," who had raised more than $100,000 for the ticket.

Critics used the charges against Noe, who soon resigned from the Ohio Board of Regents and the Ohio Turnpike Commission, to argue that Republicans had become the party of corruption from Columbus to Washington.

Noe's misdeeds were mentioned in tandem with wrongdoing of Rep. Robert W. Ney (R), who quit the House after pleading guilty to accepting gifts and contributions in return for official actions. Among the benefactors and beneficiaries were lobbyist Jack Abramoff and his clients.

The Toledo coin case involved two chunks of money entrusted to Noe by the Ohio Bureau of Workers' Compensation, which gave him $25 million to invest in 1998 and another $25 million in 2001. The idea was to diversify a $15 billion portfolio, but things did not work out.

Evidence from Noe's bookkeeper showed that on the day he received the first $25 million, he paid off a $396,000 bank debt and transferred $1 million to his coin shop. As time went on, investigators said, Noe wrote himself $1.8 million in checks, bought a boat and wrote $1.5 million in checks to contractors and vendors.

He bought only a few coins.

"Tom thought that we could always make up the money and always make it good," testified Timothy LaPointe, Noe's business partner, who said he falsified invoices to trick state auditors and profited nicely.

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"I did it for the money," LaPointe said, "and I did it for Tom."

Noe did not present any witnesses in his defense. His attorney told the jury that his client had done nothing wrong.

Assistant Lucas County prosecutor John Weglian offered a different version, telling jurors in closing arguments on Election Day: "The moment he got control, he began stealing."

Analysis: Missed Red Flags On Israeli Spy (UPI)

By Shaun Waterman, Upi Homeland And National Security Editor

United Press International, November 14, 2006

WASHINGTON, Nov. 13 (UPI) -- The Navy counter-intelligence officer who garnered a confession from Israeli spy Jonathon Pollard says that U.S. agencies missed a forest of red flags about him and risk repeating the same mistakes today they made more than 20 years ago.

Ron Olive, the investigator who debriefed Pollard in 1985, says in a new book that "The warning indicators and the problems were clear from the beginning of (Pollard's) career" and even before, and that his bizarre behavior should have prevented him from ever working for the U.S. government.

"It's a wake-up call to U.S. intelligence today," he told United Press International, about his account: "Capturing Jonathon Pollard," published by the Naval Institute Press.

The book discloses what Olive says are fresh details about the sensational spy case -- a whirlwind 11-day-long investigation which eventually revealed that Pollard passed 360 cubic feet of "the most classified intelligence material the United States possesses" to his Israeli handlers.

Olive's book reveals that administrative convenience and bureaucratic bungling allowed Pollard to be recruited and promoted despite being "a dreamer, a fantasist," who repeatedly exhibited behavior that should have barred him from working for any U.S. government agency.

Among the red flags that investigators missed when Pollard was being considered for a top secret clearance from the Navy was his prior rejection by the CIA, where Pollard had applied for work in 1978.

Pollard told a CIA polygraph examiner that he had used marijuana 600 times and told nine foreign nationals that he was going to work for the agency. "Not surprisingly, he didn't get the job," Olive told UPI.

But when Defense Department investigators asked the CIA if they had any record of Pollard, they were told no.

"If they had told (background investigators) that Pollard wasn't hired because of drug use, he would never have been in the history books," Olive said, adding that "It was CIA policy at the time" not to disclose the results of pre-employment polygraph tests to other U.S. agencies. He said the policy was based on a misunderstanding of federal privacy law.

Following Pollard's guilty plea, Olive says the CIA agreed to change the policy and share that kind of information during background checks.

"The agency should at least get credit for keeping him out," said one retired CIA counter-intelligence veteran.

Olive also faulted the background investigators, from the Pentagon's Defense Investigative Service, for not even bothering to check whether Pollard had a masters degree from the Fletcher School of Law and Diplomacy at Tufts University, Boston, as he claimed. In fact Pollard had dropped out and never completed the degree.

"If they had talked to one or two of his roommates" from Stamford University, where he got his first degree, said Olive, they would have come across accounts of his bizarre behavior.

Pollard told acquaintances at Stamford that he worked for the Israeli intelligence service Mossad, and had been made a colonel in an elite Israeli army unit, Olive said.

He added that on one occasion, Pollard had run through the corridors of a university building waving a firearm, shouting "everyone's out to get me."

In the event, Pollard was issued with his clearance via a waiver, said Olive, and was never actually subjected to a proper background check.

Olive said he fears a repetition of that kind of mistake is almost inevitable given the huge numbers of people being recruited to intelligence agencies and contractors to fight the war on terror.

Growing pressure for clearance investigations to be completed on a foreshortened timetable, so that people could begin work, is "a disaster waiting to happen," he said.

Even after Pollard started work for the Navy, Olive pointed out, his bizarre behavior continued, and should have raised serious questions about his reliability.

On one occasion, Olive relates, Pollard excused his lateness and disheveled appearance at a job interview for a naval intelligence post by claiming that his wife had been kidnapped by the Irish Republican Army.

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Another time, he approached senior officials, asking for permission to run a "back-channel" collection effort against South Africa.

Pollard claimed that he knew a South African naval attaché in Washington, which was true, and that his father had been CIA station chief in South Africa -- an easily checkable lie.

"We've got a kook on our hands," said then-Director of Naval Intelligence Adm. Sumner Shapiro in April 1980, after a meeting where Pollard outlined his South African scheme.

Moreover, Olive said, Pollard was in desperate financial straights, "getting eviction notices, borrowing money from friends."

"You can't do that with a clearance," said Olive, noting that one object of the clearance process is to weed out people who might have a financial motive to betray their country.

Despite all this, Olive said Pollard was repeatedly promoted and eventually his clearance, which had been reduced to a "Secret" level because of concerns about his stability, was restored after he repeatedly threatened to sue the Navy.

Olive also recounts how FBI agents interrupted his interrogation of Pollard after he had begun confessing. He had acknowledged spying for Israel, but had not yet begun to reveal details of what he stole. Two agents arrived at the interview room and told Olive that Pollard had to be taken to the magistrate's court for an initial appearance.

"I said, 'Are you crazy? ... This man has waived his Miranda rights, he is confessing to espionage.' They just said it was FBI policy that suspects be taken to court on the day of their arrest and they had to take him."

"If they would have let us (continue to) talk to him ... I was convinced in the next two or three hours, we could have gotten the whole story," said Olive.

An FBI spokesman told UPI that the policy was based on U.S. Supreme Court rulings that arrestees have to be taken before a court within "a reasonable period" of time.

"I've had the same thing happen to me (during an investigation)," said the Bureau's Michael Brooks, "and it's frustrating. But those are the rules."

FBI: Pollard Passed Info To Pakistan And Australia (JERP)

The Jerusalem Post, November 14, 2006

According to new evidence released by the FBI on Monday, Jonathan Pollard not only passed classified information on to Israel, but also to Pakistan and Australia.

In a presentation given by FBI agent Ronald Olive, which was broadcast on Channel 10, it was revealed that Pollard was also involved illegally in arms sales to Taiwan, France, Kenya, Afghanistan, and Argentina.

In his report, Olive made no mention of what type of information Pollard passed to Australia and Pakistan, nor of how it was transferred.

Olive also said the FBI had initially believed Pollard was spying for the Russians, and that they'd had no idea at the time that Israel was involved or that Pollard was even Jewish.

Justices Reinstate California Killer's Death Sentence (LAT)

By David G. Savage

The Los Angeles Times, November 14, 2006

WASHINGTON — The Supreme Court, reversing the U.S. 9th Circuit Court of Appeals, restored a death sentence Monday for a Central California man who robbed and brutally killed a young woman 25 years ago.

The justices, in a 5-4 decision, concluded that jurors who decided the fate of Fernando Belmontes had weighed all the evidence — good and bad — before condemning him to die for the murder of 19-year old Steacy McConnell in Victor, Calif.

Monday's decision, the first of this term, was the latest of many over the last decade in which the high court's conservative majority clashed with the liberal-leaning appeals court based in San Francisco.

In this case, two sides differed over how jurors would have understood the instructions they were given in California death penalty cases in the early 1980s.

Those instructions were changed in 1983 to tell jurors they could consider "any other aspect of the defendant's character or record" that might call for life in prison, rather than death, for a convicted murderer.

Before that change, jurors were given a long list of factors to consider, including whether the defendant had a mental defect or disturbance, was dominated by another person or was intoxicated at the time of the crime. Finally, jurors were told they could consider "any other circumstance which extenuates the gravity of the crime." That phrase caused considerable confusion. Some judges said it allowed jurors to consider all factors that call for leniency, such as the defendant's conversion to Christianity while in prison. Others said it barred jurors from considering evidence that did not involve the crime.

Belmontes had a long criminal record in March 1981 when he went to McConnell's home, armed with the steel bar of a dumbbell. He clubbed the young woman over the head as many as 20 times, breaking her skull. He emerged from the house covered with blood and carrying her stereo. He and his accomplices later sold it for $100.

Belmontes was arrested and put on trial in San Joaquin County and convicted of burglary and murder. During the sentencing hearing, prosecutors described his violent crimes, including a recent beating of his pregnant girlfriend. A defense lawyer described Belmontes' impoverished and troubled childhood and his embrace of Christianity while behind bars.

After hearing its instructions, the jury unanimously sentenced Belmontes to die. The California courts upheld his sentence, as did a federal judge in Sacramento.

But when his appeal eventually reached the 9th Circuit in 2003, his death sentence was reversed in a 2-1 ruling.

Judges Stephen Reinhardt and Richard Paez, both of Los Angeles, concluded there was a "reasonable probability" that jurors would have spared Belmontes had they been free to consider evidence of his "future conduct" behind bars. Reinhardt believed the instructions incorrectly told jurors to look back only at the crime and not at evidence that showed Belmontes "would adapt well to prison."

California Atty. Gen. Bill Lockyer appealed the case to the Supreme Court, which last year overturned Reinhardt's opinion in a brief order. The high court said the case should be reconsidered in light of its ruling in another case that same year, in which it had reversed the 9th Circuit and restored a death sentence for an Orange County murderer who had become a Christian while incarcerated.

Undaunted, Reinhardt and Paez reaffirmed their original ruling in favor of Belmontes.

Lockyer appealed again to the Supreme Court. This time, the justices heard arguments in the case and Monday issued a 16-page ruling reversing the 9th Circuit.

Justice Anthony M. Kennedy said the appeals courts "erred by adopting a narrow, and we conclude, an unrealistic interpretation" of the jury instructions. Two prison chaplains and Belmontes' church sponsors testified to his religious conversion at the sentencing hearing, he noted, after which the judge told jurors to weigh "all the evidence."

Kennedy wrote that it was "improbable" that the jury would hear such testimony and not take it into account.

Chief Justice John G. Roberts Jr. and Justices Antonin Scalia, Clarence Thomas and Samuel A. Alito Jr. joined Kennedy's opinion in Ayers vs. Belmontes.

The four dissenters said "the natural reading" of the instructions given to the jurors wrongly barred them from considering evidence that did not involve the crime. By this reading, good conduct behind bars could not "extenuate the gravity of the crime" and therefore did not count.

"The incremental value to California of carrying out a death sentence at this late date is far outweighed by the interest in maintaining confidence in the fairness of any proceeding that results in the state's decision to take the life of one of its citizens," said Justice John Paul Stevens. Joining him in dissent were Justices David H. Souter, Ruth Bader Ginsburg and Stephen G. Breyer.

A pro-law enforcement group in Sacramento welcomed the ruling. "This well-deserved sentence should have been executed many years ago," said Kent Scheidegger of the Criminal Justice Legal Foundation. "Claims such as this one, having nothing to do with actual guilt or innocence, should only be reviewed once, not litigated over and over for decades."

But a lawyer for Belmontes, now 44, said the case is not over yet.

"This is not the end of the road," said Eric Multhaup, a defense lawyer from Mill Valley, Calif. "This is an unwelcome setback, but there are other issues that the 9th Circuit did not address," he said, including claims that his trial lawyer was "ineffective."

Supreme Court Upholds Death Sentence In California Case (WP)

By Robert Barnes

The Washington Post, November 14, 2006

The Supreme Court's first decision of its young term was a swift but divided opinion upholding the death penalty for a California man who killed a young woman during a burglary more than 25 years ago.

Yesterday's 5 to 4 decision was the second time the fate of Fernando Belmontes reached the Supreme Court, and once again the justices sent it back to the California-based U.S. Court of Appeals for the 9th Circuit, saying the appeals court had misinterpreted the high court's rulings in overturning Belmontes's death sentence.

The court heard arguments in the case on Oct. 3, its first day hearing cases. The court's initial decisions in a term often are ones easily reached, and while yesterday's vote could not have been closer, it reflected a common split between conservatives and liberals on the court.

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After Belmontes was convicted of bludgeoning to death 19-year-old Steacy McConnell with a dumbbell bar, he and his attorneys presented evidence at the sentencing phase about his troubled childhood and also his conversion to Christianity. They offered what is known as "forward-looking" mitigating evidence, arguing that if given a life sentence, he could lead a productive existence in the structured atmosphere of a prison and perhaps even help others.

But his attorneys said the trial judge misled and confused jurors by not specifically instructing them that they could consider such evidence. Instead, the judge, after listing specific mitigating factors, issued a more generic direction to consider any other circumstance that "extenuates the gravity of the crime even though it is not a legal excuse for the crime."

Justice Anthony M. Kennedy, writing for the majority, said the judge's directions were adequate.

"It is improbable the jurors believed that the parties were engaging in an exercise in futility when respondent presented (and both counsel later discussed) his mitigating evidence in open court," he wrote.

He noted in the opinion, joined by Chief Justice John G. Roberts Jr. and Justices Antonin Scalia, Clarence Thomas and Samuel A. Alito Jr., that it was the third time the court has upheld the specific instructions. Scalia, joined by Thomas, also issued a concurring opinion that said an additional Supreme Court decision, which Kennedy said he did not need to rely on, made this "an easy case."

But Justice John Paul Stevens said the trial judge's decision not to expressly instruct jurors to consider the mitigating evidence resulted in a confusion that "pervaded every aspect of respondent's sentencing hearing."

He wrote: "I simply cannot believe that the jurors took it upon themselves to consider testimony they were all but told they were forbidden from considering." Stevens was joined in the dissent by Justices Ruth Bader Ginsburg, David H. Souter and Stephen G. Breyer.

The case is Ayers v. Belmontes, 05-493.

The court also announced yesterday that it was declining to review two highly publicized cases.

Without comment, justices decided against hearing the appeal of Michael Skakel, the nephew of Ethel Kennedy's who was convicted of beating to death his Greenwich, Conn., neighbor Martha Moxley when the two were teenagers 31 years ago. Skakel is serving a 20-year sentence. His attorneys had argued that the statute of limitations on the crime had passed before he was arrested in January 2000. He was convicted in 2002. The case is Skakel v. Connecticut, 06-52.

The court also declined to review author Lewis Perdue's contention that the blockbuster novel "The Da Vinci Code" is substantially similar to his own book, "Daughter of God." A federal judge had ruled that "Da Vinci" author Dan Brown had not copied the premise of Perdue's book, and an appeals court had upheld the decision. The case is Perdue v. Brown and Random House Inc., 06-213.

Justices Uphold A Death Sentence Twice Overturned (NYT)

By Linda Greenhouse

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — The Supreme Court on Monday reinstated a death sentence that a California jury imposed in 1982 and that was twice overturned by the federal appeals court in San Francisco.

Ruling 5 to 4, the justices held that a disputed instruction that the appeals court found had improperly constrained the jury's discretion to consider all the defendant's mitigating evidence in fact gave the jurors adequate advice and had probably not confused them.

The decision was the first of the court's new term, which began on Oct. 3, the day on which this case, Ayers v. Belmontes, No. 05-493, was argued. Usually, the first decision of a term is unanimous, or nearly so, a logical result of the fact that unanimous decisions are easier to produce than those that must await a dissenting opinion.

No one at the court on Monday could remember a term that began with a 5-to-4 decision. But while this decision might, on the surface, suggest that the current court is on the way toward setting a record for internal division, that is not necessarily the case. A more likely explanation is that much of the majority opinion was in fact drafted last spring, before the court agreed to hear California's appeal.

The entry on the court's public docket shows that while the state's appeal was pending the justices discussed it nine times at closed-door conferences. With cases typically being discussed only once or twice, if at all, nine is an unusually high number. It suggests that a group of justices was trying to win majority support for an opinion that would decide the case summarily, without argument or further briefing.

The failure of such an effort typically results in a compromise decision to accept the case for argument, with much of the opinion already having been drafted.

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In any event, the dispute among the justices, as disclosed in the opinions issued on Monday, with Justice Anthony M. Kennedy writing for the majority and Justice John Paul Stevens writing for the four dissenters, was one of nuance rather than disagreement on basic principles of death penalty jurisprudence.

The question was whether the jury instruction, which the court had found to be adequate in two earlier decisions involving different defendants, had given the jurors the impression that they could consider only one type of mitigating evidence.

The court's death-penalty precedents require that the jury be able to give open-ended consideration to any mitigating evidence the defense chooses to offer. Except for Justices Antonin Scalia and Clarence Thomas, who do not accept these precedents, there is general agreement on that point; those two justices nonetheless signed the majority opinion on the basis of their agreement with other, more specific precedents at issue in the case.

The defendant in this case, Fernando Belmontes, was convicted of beating a 19-year-old woman to death with a steel bar in the course of burglarizing her home. He wanted to present mitigating evidence not about the circumstances of the crime, but about his record during an earlier incarceration in a juvenile prison.

Mr. Belmontes was a model prisoner there who underwent a religious conversion. He wanted to argue that this record showed that he would be a well-behaved and productive inmate if he was sentenced to life in prison rather than death.

California's death penalty statute lists a number of mitigating factors that a defendant may invoke, concluding with a "catch all" factor that includes "any other circumstance which extenuates the gravity of the crime even though it is not a legal excuse for the crime."

While subsequent California Supreme Court and United States Supreme Court decisions made clear that this factor was more open ended than it appeared to be, permitting evidence that relates to the defendant's character rather than to the crime itself, the question in the case was how Mr. Belmontes's jury understood the factor in its unadorned form.

In overturning his death sentence through a writ of habeas corpus, the United States Court of Appeals for the Ninth Circuit found there was a "reasonable probability" that the jury did not realize that it could take into account Mr. Belmontes's evidence of his likely behavior as a prisoner.

Justice Kennedy's majority opinion said the Ninth Circuit was mistaken. He said that various comments by the trial judge "made it clear that the jury was to take a broad view of mitigating evidence."

Chief Justice John G. Roberts Jr. and Justice Samuel A. Alito Jr. joined the opinion along with Justices Scalia and Thomas.

In dissent, Justice Stevens said the record showed "that confusion pervaded every aspect" of the sentencing hearing, including the catch-all factor. All participants in the hearing were "addled," he added.

Justices Stephen G. Breyer, Ruth Bader Ginsburg and David H. Souter joined the dissent.

High Court Moves To Reinstate Calif. Man's Death Sentence (LAW/AP)

By Mark Sherman, The Associated Press

AP, November 14, 2006

The U.S. Supreme Court on Monday moved to reinstate the death penalty for a California man convicted of murdering a 19-year-old woman during a burglary.

Justices reversed an appeals court ruling that threw out Fernando Belmontes' death sentence because the trial judge misled jurors who were considering whether to give Belmontes the death penalty or life in prison.

The 5-4 decision was the Court's first since starting its new term in October. It reflected an increasingly common division in death penalty cases between the Court's conservative and liberal blocs.

Justice Anthony Kennedy said it was implausible to conclude that jurors failed to take all the evidence into account before settling on a sentence of death.

Belmontes beat Steacy McConnell to death with a dumbbell bar in the burglary of her home in 1981. He was convicted of the crime and sentenced to death, a decision upheld by state courts and a federal judge.

The 9th U.S. Circuit Court of Appeals, however, twice commuted the sentence. The second time was after the Supreme Court told it to reconsider Belmontes' sentence under a decision that restored the death penalty in another California murder case.

The appeals court said the trial judge misled jurors about whether they could consider the prospect that Belmontes could live a productive life behind bars based on his good behavior during an earlier commitment to a California correctional facility for youth.

"It was mistaken ... to find a 'reasonable probability' that the jury did not consider respondent's future potential," Kennedy wrote in his majority opinion. Chief Justice John Roberts and Justices Samuel Alito, Antonin Scalia and Clarence Thomas joined Kennedy's opinion.

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In his dissent, Justice John Paul Stevens said the majority opinion reaches a "strange conclusion" based upon speculation. "I simply cannot believe that the jurors took it upon themselves to consider testimony they were all but told they were forbidden from considering," Stevens said, also writing for Justices Stephen Breyer, Ruth Bader Ginsburg and David Souter.

Overseer Finds Kickback Plan At University (NYT)

By David W. Chen And Laura Mansnerus

The New York Times, November 14, 2006

TRENTON, Nov. 13 — Nearly a year after avoiding prosecution for Medicaid fraud by consenting to have a federal monitor investigate its finances, the University of Medicine and Dentistry of New Jersey is engaging in "illegal activity" that "persists to this day," according to a report from the monitor released on Monday.

The report also accused the university's interim president, Bruce C. Vladeck, who was appointed by Gov. Jon S. Corzine in the spring to restore credibility, of "trying to refute, rebut and bury" information about violations of anti-kickback laws. It was the first time that the federal monitor, Herbert J. Stern, had directly criticized Mr. Vladeck.

The report charged that university officials at "all levels" were "complicit" in concocting an illegal plan to pay 18 cardiologists nearly $6 million, starting in 2002, to refer their patients to the university's hospital, in violation of federal law. Though school officials were warned on Sept. 25 by their own consultant that such practices could be illegal, they did not report it to Mr. Stern, as required under the deferred-prosecution agreement that they signed in December 2005 to avoid criminal charges, according to the report.

The cardiology kickback scheme led to $36 million in illegal Medicare and Medicaid payments that the school may have to repay, along with $43 million in potential fines and penalties, the report said. The doctors who participated in the plan could face lawsuits, the loss of their medical licenses and even federal criminal charges, though one interviewed on Monday denied all the allegations in the report and said he had fulfilled his responsibilities at the university.

For more than a year, the university, which is the state's medical school, has been battered by an onslaught of bad news, both in print and in official investigations, suggesting that it was home to tens of millions of dollars of Medicaid fraud, wasteful spending and no-bid contracts awarded to vendors with ties to elected officials or former university trustees. The United States attorney, Christopher J. Christie, also threatened to prosecute the school.

In his report on Monday, Mr. Stern, a former judge and United States attorney, focused on how the university had been anxious in 2002 and 2003 about the prospect of losing its license to perform heart operations at University Hospital unless its cardiac surgeons conducted such procedures with more regularity.

In the report, Mr. Stern said he was particularly disturbing that Dr. Vladeck, an experienced health administrator, appeared to have misled investigators and downplayed allegations of wrongdoing found in the university consultant's report in September. Rather than being told of the consultant's report, Mr. Stern said, he learned of the cardiology scheme by reading about it in a legal publication about a settlement in a related whistleblower's lawsuit.

When asked about the monitor's report, Anna Farneski, a spokeswoman for the school, issued an unusually long statement by e-mail that was both apologetic and defensive.

"We have made it the clear and unvarying policy of the new administration at U.M.D.N.J. to cooperate with the monitor's office in full compliance with both the letter and the spirit of the deferred-prosecution agreement, and in that regard, we were particularly dismayed by the monitor's assertion that we had not been in compliance relative to this issue," she said in the statement.

In discussing the whistleblower's settlement, Ms. Farneski said that "there was no affirmative effort to conceal the substance." As for the report by the consultant, the accounting and consulting firm J. H. Cohn, Ms. Farneski said it "has serious methodological flaws."

Still, she said that "we are truly apologetic for any misunderstanding or miscommunication between anyone at U.M.D.N.J. and the monitor's office that may have occurred. We are happy to recommend to the board of trustees that it adopt all of the recommendations in the monitor's report to strengthen adherence to the deferred-prosecution agreement."

Mr. Corzine, meanwhile, offered a qualified defense of Dr. Vladeck. "Do I believe that this is a problem, paying people for no-show jobs who refer patients to a hospital?" the governor said when asked about the monitor's report after an event at the State House. "Yes, I think it's absurd and completely without any merit. Do I believe that Bruce Vladeck was authorizing that to continue? No I don't."

Still, Mr. Corzine also summed up the sentiments of many lawmakers on Monday when he put the latest trouble to befall the school in context: "There are enough major breakdowns in control and governance that existed at U.M.D.N.J. pre-2006 that not much would surprise me at this stage."

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In the report on Monday, Mr. Stern wrote that school officials, “feverishly bent” on increasing the number of procedures, came up with a plan to hire cardiologists for no-show jobs as clinical associate professors, paying them $150,000 a year or more to do nothing but refer their own patients to the hospital. Many of the cardiologists either had never used the hospital before, the report said, or had complained about its facilities and staff.

Some of these allegations first came to light in an article in The New Jersey Law Journal about a settlement in June between the university and Dr. Rohit Arora, the former chief of the school’s cardiology division. In all, the cardiologists were reported to have received $5.7 million.

But on Monday, one of those cardiologists, Dr. Jasjit S. Walia, said in an interview that the report’s allegations were untrue, and that he remains actively involved in a wide variety of teaching work at the university and was on-call at its hospital 90 days a year.

“I kept my end of the bargain,” said Dr. Walia, himself a graduate of the university. “What’s hurting is our name is being dragged through the mud, and my patients are doubting my abilities. I’m hoping for a good investigation so everything comes out.”

U.S. Attorney Launches UMDNJ Probe (CHCP)

By Jim Walsh, Courier-Post Staff

Cherry Hill Courier Post, November 14, 2006

U.S. Attorney Christopher J. Christie said today his office has begun a probe into new allegations of wrongdoing at the University of Medicine and Dentistry of New Jersey.

A monitor's report released Monday said UMDNJ has illegally paid $5.7 million in referrals to doctors in order to attract patients to its struggling cardiac surgery unit in Newark. The payments began in 2002 and continue to this day, said the monitor, retired federal judge Herbert Stern.

Christie said he was "particularly disturbed" by a finding that a purported cover-up of the payment program by UMDNJ's current management violated terms of a December 2005 deferred-prosecution agreement.

That agreement allowed UMDNJ to avoid federal prosecution for a $4.9 million Medicaid fraud. It also brought oversight by Stern, whose office has founded repeated cases of apparent improprieties at UMDNJ.

In a statement, UMDNJ said it was "moving as quickly as we can" to confirm Stern's new assertions "and to put an immediate stop to any violations we find."

UMDNJ denied any deliberate effort to hide the payments. Instead, it said, attorneys for UMDNJ "clearly erred" in failing to tell the monitor about a $2.2 million settlement of a whistleblower's lawsuit over the payments.

"We are truly apologetic for any misunderstanding or miscommunication," noted the statement. It said UMDNJ's management and trustees also were not told of the settlement.

Christie said his office "will be addressing remediation of that situation (the possible violation of the 2005 agreement) with the monitor and other interested parties in the very near future." He offered no details.

Under terms of the agreement, Stern could choose to prosecute UMDNJ for any federal crimes known to his office if he determines UMDNJ officials "knowingly and materially breached" the 2005 agreement.

Gov. Jon S. Corzine said he continues to support UMDNJ Interim President Bruce C. Vladeck.

"We will let the investigation review of those facts fall where they may," Corzine said. "If it were a policy to continue something that was inappropriate, well then, I change my view on this. But I know Dr. Vladeck as someone who has worked very hard to get control of an institution that, pretty clearly as this whole new revelation would indicate, is pretty well out of control."

Corruption Reported At N.J. Med School (AP)

By Wayne Parry, The Associated Press

AP, November 14, 2006

NEWARK, N.J. (AP) — A state-run medical school illegally billed nearly $36 million in Medicare and Medicaid services and has paid $5.7 million to doctors since 2002 for illegal referrals, according to a federal monitor's report released Monday.

Fraud monitor Herbert J. Stern reported that cardiologists were essentially given no-show teaching jobs at the University of Medicine and Dentistry of New Jersey at salaries of $150,000 or more for referring heart patients to the school.

"Unfortunately, this scheme reached well into all levels of hospital and university central administration who were complicit first in forming and expediting this illegal plan, and later in covering it up," Stern wrote.

University officials paid $2.2 million to settle a whistleblower's lawsuit, but the payout wasn't reported to the monitor or properly authorized by the school, according to the report, first reported Sunday by The Star-Ledger of Newark.

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Stern, a former federal prosecutor and judge, also alleged that Bruce Vladeck, the university's interim president, misled investigators during interviews and sought to downplay the kickback allegations.

Anna Farneski, a spokeswoman for UMDNJ, said in a statement that complaints in the whistleblower lawsuit were relayed to the monitor in January. She said that the university's counsel failed to tell the monitor and UMDNJ management about the settlement but that no effort was made to conceal it.

The school is trying to investigate assertions in the monitor's report and end any violations it may find, Farneski said. The school has been working since June to hire an outside consultant to review physician compensation and other matters, she said.

A request for comment from Vladeck was left with Farneski.

Gov. Jon Corzine expressed confidence in Vladeck.

"I know Dr. Vladeck is someone who has worked very hard to get control of an institution that pretty clearly, as this whole new revelation would indicate, was out of control," Corzine said.

The school signed an agreement with federal prosecutors last December when it was charged with Medicaid fraud involving double-billing of nearly $5 million worth of procedures. The deal included appointing Stern to look into possible Medicare and Medicaid fraud.

U.S. Attorney Christopher Christie said he was disturbed by Stern's conclusions and planned to meet with him soon. Christie declined further comment.

The school has five regional campuses and more than 4,500 students, about 11,000 full-time faculty and staff, and an annual budget of $1.6 billion.

UMDNJ Accused Of Paying Kickbacks (PHI)

By Troy Graham

The Philadelphia Inquirer, November 14, 2006

Another scandal has gripped the University of Medicine and Dentistry of New Jersey, this one, according to accusations in a federal report, involving a kickback scheme with a group of cardiologists.

Perhaps more important, the university has been accused of covering up the scheme, which would violate an earlier agreement with the U.S. Attorney that allowed UMDNJ to avoid prosecution for Medicaid fraud.

U.S. Attorney Christopher J. Christie said he was "particularly disturbed" that the agreement had been broken, though he did not say what action he would take against the university.

"We will be addressing remediation of that situation... in the very near future," he said.

UMDNJ entered into a deferred prosecution agreement last December, in part, because a conviction for Medicaid fraud could have forced the closure of its teaching hospital, University Hospital in Newark. UMDNJ has five campuses, including the School of Osteopathic Medicine in Stratford, Camden County, and a $1.6 billion budget.

A federal monitor, appointed by Christie, has been investigating a raft of problems at the university. Several other criminal probes have been launched, including one exploring whether the osteopathic school gave a no-show job to State Sen. Wayne Bryant (D., Camden) in exchange for his political influence in obtaining money.

The allegations of the kickback scheme, released yesterday in a report from the monitor, represented the first time that current UMDNJ leadership had been accused of wrongdoing.

The monitor, retired U.S. District Judge Herbert J. Stern, said the kickback scheme has continued to this day, and he accused UMDNJ's interim president, Bruce Vladeck, of misleading investigators and trying to "bury" a consultant's report that warned that the school was breaking the law.

Vladeck, a national health-care policy expert, was hired in March to help clean up the university. He did not comment yesterday, but Anna Farneski, a spokeswoman for UMDNJ, said it was Vladeck's "clear and unvarying policy" to comply with the monitor's office.

She said UMDNJ was concerned about "the persistence of any illegal or inappropriate activities at UMDNJ," but she described any problems between the university and the monitor as a "misunderstanding or miscommunication."

The university was "moving as quickly as we can to attempt to validate the assertions in this report and to put an immediate stop to any violations we find," Farneski said.

Asked about the scandal yesterday, Gov. Corzine also backed Vladeck.

"I know Dr. Vladeck is someone who has worked very hard to get control of an institution that pretty clearly, as this whole new revelation would indicate, was out of control," Corzine said.

Christie, however, declared that UMDNJ's leadership had failed "to get a handle on the problems that beset that organization."

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The kickbacks began when the state threatened in 2002 to take away UMDNJ's license to perform cardiac surgery because the school was performing too few operations to remain proficient, according to the monitor's report.

The school then came up with a plan that eventually hired 18 cardiologists and paid them as much as $180,000 each, purportedly for part-time professorships. Instead, the monitor alleged, the money was paid as a kickback for patient referrals.

The plan "was nothing more than a poorly disguised cover-up of knowing and willful violations of federal law," Stern said.

The monitor has not looked into the quality of care given to the patients who were referred to UMDNJ for cardiac procedures.

The state Division of Consumer Affairs, the agency that licenses physicians, did not respond late yesterday afternoon to a question about the status of the 18 doctors accused in the monitor's report.

Under the agreement with the U.S. Attorney, UMDNJ was obligated to tell the monitor about any whistleblowers. The university had been sued in 2003 by Rohit Arora, UMDNJ's former chief of the Division of Cardiology, who said he was forced out after he objected to the university's plan to boost cardiac surgeries by paying physicians based on referrals.

UMDNJ did not tell the monitor's office about the lawsuit, which predated the investigation, Stern said, then settled with Arora for $2.2 million in June, also without notifying his office. The monitor's staff learned of the settlement after reading about it in the New Jersey Law Journal.

Vladeck told the monitor that he was unaware of the settlement with Arora, and he told Corzine earlier this month that he was unaware of any legal problems that the school faced from anti-kickback laws.

Farneski said that Stern's office was told in January about Arora's lawsuit, and she blamed UMDNJ's lawyer for not reporting the settlement to Stern, Vladeck and UMDNJ's board.

"There was no affirmative effort to conceal the substance of the settlement," she said.

Troubles at UMDNJ

Dec. 21, 2005: The University of Medicine and Dentistry of New Jersey enters into a deferred prosecution agreement with the U.S. Attorney to avoid facing Medicaid-fraud charges. Retired U.S. District Judge Herbert J. Stern is subsequently appointed to monitor the university's finances.

January 2006:State Sen. Wayne Bryant (D., Camden) resigns from a $38,000-a-year job that the university created for him in 2003. In 2005, Bryant, then chair of the Senate Budget and Appropriations Committee, had steered a last-minute $2.7 million grant to the School of Osteopathic Medicine in Stratford, Camden County.

February 2006:Gov. Corzine recommends Bruce Vladeck, a national health policy expert, to become UMDNJ's interim president, replacing John Petillo, who resigned after UMDNJ entered the deferred prosecution agreement.

April 3, 2006: Stern releases his first quarterly report, announcing that 14 separate investigations had been launched into allegations of undue political influence, financial irregularities and other problems. Two top administrators, including the dean of the osteopathic school, resigned days before the report was released.

May 17, 2006: FBI agents raid the osteopathic school after a tipster said that Warren Wallace, an associate dean and Gloucester County freeholder, was shredding documents related to a federal investigation.

June 5, 2006: A monitor's report says Wallace had manipulated the school's petty cash system and steered a no-bid contract to a friend. Wallace had been fired the week before the report was released.

Sept. 18, 2006:The monitor finds that Bryant was given a no-show job at the osteopathic school and was paid his salary "to lobby himself." Bryant defended his work at the school, but stepped down from the budget committee the following week under pressure from fellow Democrats. A federal criminal probe into his dealings has been expanded since then.

Goya Painting Stolen While On Way To Guggenheim Exhibition (NYT)

By Felicia R. Lee

The New York Times, November 14, 2006

A painting by Goya was stolen on its way from the collection of the Toledo Museum of Art in Ohio to a major exhibition that opens on Friday at the Solomon R. Guggenheim Museum, the two institutions announced yesterday.

The museums said in a statement that the 1778 painting, “Children With a Cart,” was stolen in the vicinity of Scranton, Pa., while in the care of a professional art transporter. They said the theft was discovered last week but refused to provide additional details on the crime. Officials at both museums said the F.B.I. was investigating the case and had warned them that releasing additional information might jeopardize the inquiry.

The painting was to be included in “Spanish Painting From El Greco to Picasso: Time, Truth and History,” a sprawling exhibition of some 135 paintings by Spanish masters.

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The two museums said the painting would be “virtually impossible to sell and therefore has no value on the open market.” While art that belongs to major museums is easily identified as stolen, the statement seemed intended in part to discourage any attempt at a clandestine sale.

The painting was insured for only $1 million, the museums said. The insurer is offering a reward of up to $50,000 for information leading to the recovery of the painting, they added. Their statement urged people with information about the theft to contact the Philadelphia division of the F.B.I. at (215) 418-4000.

“We’re hoping that we’re going to get a number of tips,” Jerri Williams, a spokeswoman for the Philadelphia F.B.I. division, said. “To vet the tips, we’ve decided to release as few details as possible. If that doesn’t provide fruitful information, of course, we’ll provide more details.”

The work, an oil on canvas measuring nearly five feet high and three feet wide, is a tapestry cartoon — an image that Goya painted for a factory that manufactured tapestries for the Spanish royal court.

The catalog entry for “Children With a Cart” says that Goya conceived the work for the bedroom of the Prince of Asturias. It depicts children at play, two of them inside a cart and another dressed in Dutch style, playing drums, while a fourth plays the trumpet.

A Goya Is Stolen En Route To N.Y. Museum Show (NYS)

By Bradley Hope, Staff Reporter of the Sun

New York Sun, November 14, 2006

A Francisco de Goya y Lucientes oil painting worth more than $1 million was stolen last week on its way to New York from Ohio for a Spanish painting exhibition scheduled to open Friday, museum and FBI officials said last night.

The painting, "Children With a Cart" (1778), disappeared as it was being transported through Scranton, Pa., from the Toledo Museum of Art by a professional art transport company, museum officials said.

It was scheduled to hang in the "Spanish Painting From El Greco to Picasso: Time, Truth, and History" exhibition at the Solomon R. Guggenheim museum starting November 17.

The painting was insured for $1 million, and the insurance company has put up a $50,000 reward for information leading to the recovery of the painting.

A joint statement from the Guggenheim and Toledo Museum of Art said the painting "would be virtually impossible to sell and therefore has no value on the open market."

A spokeswoman for the Philadelphia FBI office, Gerri Williams, said the details of how the painting was stolen, and when, wouldn't be released until later this week. FBI agents want to determine how reliable tips are by the level of detail they include about the theft, she said. If the tips aren't successful, the FBI will release more details, she said.

Tracing Thieves' Easy Pickings (BUFFNEWS)

By NANCY A. FISCHER, NEWS NIAGARA BUREAU

Buffalo News, November 14, 2006

Investigators try to match hundreds of stolen artifacts with rightful owners

It started in Palmyra with a whale's tooth and a tourism map of antique shops in upstate New York.

It grew into a criminal case so large that the FBI has been called in to help local police comb through hundreds of artifacts stolen from dozens of antique shops, historical societies and other loosely supervised public places in two states.

Three brothers from Orleans County are the main suspects in the string of thefts that police say yielded a wide, sometimes priceless, bounty.

The take included a Civil War-era sword, two Presidential Medals and a Purple Heart. There were antique dolls and statues. Some were big-ticket items, others small and sentimental.

There was even a Bible from the 1700s taken from a church, sold on eBay and now believed to be in Australia.

The Ortiz brothers - Kenneth, Michael and Roy - are accused in this roadshow crime spree. All three were charged with fourth-degree criminal possession of stolen property; Kenneth and Michael remain in Orleans County Jail.

More serious charges are expected, according to investigators from several police agencies.

The Ortiz brothers admitted to hitting 200 to 500 sites during the last 18 months, using a "Sunday Driver" map for tourists that lists 112 antique dealers in New York and northern Pennsylvania, investigators said.

"It's overwhelming'

During the last year and a half, the brothers hit so many sites that even they don't remember where some of the artifacts came from, Orleans County Sheriff's Deputy Meredith Yarid said.

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"It's overwhelming," said Kenneth Strickland, an Orleans County sheriff's investigator.

The magnitude of the case - as well as the fact that the U.S. Postal Service was used to send stolen goods across and out of the country - prompted the Sheriff's Office to ask that it be turned over to the FBI, Strickland said.

The three were charged after investigators recovered 450 items in August from the homes of the brothers and the home of their father in the Town of Ridgeway.

"In most cases, they would go into local mom-and-pop-type antique shops," Strickland said, "and while one or two brothers distracted a clerk, the other would just fill [his] pockets."

Among the items recovered is a Purple Heart with the name "Herbert W. Stanford" that investigators would like to return to its owner.

Police started their investigation in Palmyra near Rochester in July 2005, when they learned that someone had stolen a whale's tooth from the Palmyra Historical Society.

A series of smaller thefts followed, and thefts that preceded it might have been going on for several years, investigators said.

The brothers found easy pickings, Strickland said, because few of the targeted shops had inventory lists or labeling systems. In some cases, the stolen items were not immediately missed, he said.

The case grew as more valuable items were reported missing, including the theft June 29 of two Presidential Medals from the Niagara County Historical Society Museum in Lockport.

Each medal was appraised at $25,000, and donated by the family of Ely S. Parker, a Seneca Indian.

Parker had received the medals from Presidents Rutherford B. Hayes and James A. Garfield for his service in the Civil War, including his preparation of a draft of the war's surrender agreement at Appomattox, Va.

"They were priceless because you can't replace them," said Melissa L. Dunlap, executive director of the Historical Society.

The Ortiz brothers are suspected of taking a display case off the wall and into a men's restroom to remove and pocket the medals, Lockport Police Detective Lt. Richard Podgers said.

Strickland said the medals were sold for about $500. Neither he nor other investigators had estimates of how much the brothers were paid for other stolen goods, but said it was likely pennies on the dollar.

Lockport police were able to recover the medals and other stolen antiques from a dealer who recently moved from Medina to South Carolina.

Trusting a hunch

The antique dealer and others who dealt with the Ortiz brothers also may face charges for knowingly selling stolen goods. "This is more than just three guys," Strickland said. "Antique dealers are supposed to get identification and receipts. They can be charged locally or face federal charges. Three or four are being looked at."

The thefts from historical societies opened up the case. Orleans County sheriff's deputies started working with police in Lockport and Palmyra - as well as in the Town of Evans in Erie County, where war helmets, a Civil War sword and an original Civil War roster were stolen in July.

Medina Police Chief Jose Avila put it all together, Podgers said.

"These guys . . . probably would have kept getting away with it if they hadn't started stealing locally," Avila said.

Kenneth Ortiz, 30, of Medina, was suspected of stealing a vehicle in the Medina Memorial Hospital parking lot June 23, Avila said. Avila said he spent a couple of weeks following him on a hunch that Ortiz might have stolen World War II medals earlier in June from the Lee Wheaton Library in Medina.

Kenneth Ortiz was charged Aug. 12 with grand larceny and accused of stealing a car. Investigators said they then searched his house and found some of the stolen antiques. Avila said he confronted Ortiz about the Medina library medals and found them buried in a swamp.

Arrests of the other brothers - Michael, 35, and Roy, 32, both of Albion - soon followed.

Podgers said he and other Lockport detectives went to the dealer in South Carolina and the dealer turned over everything he had obtained from the brothers, including the medals.

"He says he didn't know they were stolen," Podgers said.

Items still missing

Not all historical societies have been as fortunate as Niagara County's.

The Palmyra Historical Society remains without the whale's tooth. The Evans Historical Society is still trying to recover a World War II helmet, a civil defense helmet, a Civil War-type sword, and Vietnam War-era medals, stolen July 9, said Caryl A. Youngers, president of that organization.

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Evans Police Lt. Samuel DeJohn said that his department was able to recover an original Civil War roster from the dealer in South Carolina but that the dealer told investigators that other items already had been sold at the Madison-Bouckville Antique Show near Syracuse in August. "We're lucky we did get something back out of this mess, but we were lied to [by the South Carolina dealer]," DeJohn said. "Things change hands so quickly that we still don't know where our things are."

City Briefs (NYDN)

New York Daily News, November 14, 2006

Two cops responding to a 911 call in Brooklyn stormed a burning building yesterday and helped evacuate several people before firefighters arrived to douse the blaze, police said.

Officers Mike Lunetta and Yusef Sezen came upon 8747 Bay Parkway in Bensonhurst about 8 a.m. when they saw smoke, went inside and helped evacuate residents, including a 93-year-old woman, police said.

The two officers were treated for smoke inhalation at Coney Island Hospital, officials said.

Michael White

Mob-trial acquittal

A reputed high-ranking Genovese crime family capo was acquitted yesterday of obstruction-of-justice charges stemming from an FBI probe into a corrupt bus drivers union.

After nine days of deliberations, jurors in Manhattan Federal Court deadlocked on racketeering conspiracy charges involving Ciro Perrone, the 85-year-old owner of the Ozone Park, Queens, Italian eatery Don Peppe.

Prosecutors say they will try Perrone again.

Thomas Zambito

Burned body found

A charred body was found inside a burned-out car in the parking lot of the World's Fair Marina in Queens yesterday, police said.

The body, burned so badly it could not be immediately identified, was discovered about 6 a.m. in the marina's lot at 125-00 Northern Blvd. in Flushing, cops said.Rich Schapiro

Club-shooting suit

A survivor of a Chelsea nightclub bloodbath is suing the bouncer who allegedly shot him and three others in May.

The lawsuit by Yeison Correa, who survived a bullet to the back, also accuses the owners of Opus 22 of doing nothing to stop muscleman Stephen Sakai - despite allegedly knowing he was a menace.

Sakai, who is being held at Rikers Island, is charged with murdering Gustavo Cuadros, 25, and shooting Correa and two pals during the May 23 rampage.

He since has been charged with three other Brooklyn homicides that occurred last year.

Jose Martinez

Mob Goon Is Sent Away For 20 Yrs. (NYDN)

By Thomas Zambito, Daily News Staff Writer

New York Daily News, November 14, 2006

Curtis Sliwa brushed away tears yesterday as a judge sentenced a Gambino thug he long wanted to see behind bars to 20 years in prison.

Jurors may have cleared Michael Yannotti in the 1992 point-blank shooting of the radio host - but Manhattan Federal Judge Shira Scheindlin refused to show the Mafia muscle any mercy as she sent him up the river on an unrelated racketeering count.

Sliwa was shot twice as he tried to dive out the window of a stolen yellow cab whose doors had been rigged shut.

Scheindlin made clear she still believes Yannotti was the triggerman.

"How Mr. Sliwa survived the attack at all is simply a miracle," Scheindlin said.

She said Sliwa, the founder of the city's famed Guardian Angels, "demonstrated superhuman strength and ingenuity to get out of that death car."

After watching crime boss John Gotti Jr. score three mistrials for his alleged role in the shooting, Sliwa said it was the first time he'd felt a measure of justice for the attack he says wrecked his second marriage and left him with intestinal injuries that cause him suffering every day.

"This is not Sicily, this is not Baghdad, this is not Gaza," Sliwa said. "When he shot those bullets into me he attempted to stifle my free speech. ... It's a nightmare ... mentally and physically."

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Yannotti, 43, shook his head in disbelief each time Scheindlin linked him to the shooting. Prosecutors say Gotti sent Yannotti and another wiseguy to abduct Sliwa on June 19, 1992, following Sliwa's relentless on-air attacks on the Gotti clan.

Yannotti, the feds insist, jumped up from the passenger seat of the cab and, shouting, "Take this, you son of a b----," fired two shots from a .38-caliber gun that hit Sliwa in his leg and abdomen.

The 20-year sentence stunned Yannotti's supporters.

"Jesus," one whispered as Yannotti's sobbing sister ran from court.

Jurors at Yannotti's 2005 trial acquitted him of the Sliwa shooting on a vote of seven to five favoring conviction. But prosecutor Victor Hou argued that the judge could factor the shooting into Yannotti's sentence on racketeering charges that included extortion and loansharking counts because of the "ample evidence" of his involvement.

Scheindlin agreed and ignore Yannotti's handwritten plea for mercy.

"My parents are older and I don't have much time," Yannotti, 43, wrote. "I would like them to know their only son turned out all right." He asked that she allow him to restart his life with a wife he married in 1999 and two young daughters he called "the little treasures."

Sliwa vows to press ahead with a lawsuit accusing Junior Gotti of his role in his shooting.

"The guy I still hold responsible for this is John Gotti Jr.," Sliwa said.

Man Found Dead After Standoff (MH)

By Rebecca Dellagloria And David Ovalle

The Miami Herald, November 14, 2006

The word tattooed on his arm described the standoff: Drama.

After holing up inside a South Miami-Dade home for eight hours and spraying officers with fire from an assault rifle, Eusebio Estrada was found dead, apparently of a self-inflicted gunshot wound.

A member of the gang known as TOYS, he was 19.

Barricaded inside the small blue house in Homestead, Estrada kept at bay scores of heavily armed officers, rooftop snipers and military Black Hawk helicopters on loan from the nearby Homestead Air Reserve Base.

"This is about as dangerous as it gets," said Miami-Dade Special Response Team leader Lt. Jim Tietz. ``We were actively being shot at. It doesn't get any worse than that."

The Special Response Team -- aided by the FBI's SWAT team -- tried negotiating, to no avail. Ten negotiators were on hand, but Estrada refused to communicate or surrender from the home at 700 NW Eighth St.

Monday night, the department's homicide unit began piecing together exactly how he died. Miami-Dade police would not confirm that Estrada shot himself, but said their officers had not shot.

The drama started Saturday, when Estrada and Samuel Mendoza, 21, were accused of firing at Florida City police while escaping in a black Chevy Tahoe. One of them hung out the window of the car firing an AK-47 assault rifle, police said.

No officers were hurt. Investigators later discovered the Tahoe abandoned, bullet casings still inside.

A tip brought police to Mendoza's house Monday morning.

Mendoza -- the brother of a man convicted of shooting and partially blinding a Homestead police officer -- was arrested there without incident.

Authorities identified him as the brother of Salvador Mendoza, who was convicted in 2004 and sentenced to life for shooting Homestead Officer Edgard Rivera.

"I guess it runs in the family," said Florida City police Sgt. Barbara Barrett.

About 11 a.m. Monday, Estrada holed up inside the house and began firing at Homestead and Florida City officers and detectives.

Four schools were quickly put on alert. By afternoon, parents choked the streets at Homestead Middle School in a frantic rush to scoop up their children.

Images filmed by television news helicopters captured the drama as it unfolded:

• Four police officers laid belly to the ground, taking cover behind a white police sedan. An armored Miami-Dade Special Response Team van later zoomed in to give them cover.

• A woman lumbering toward a van -- pointing back toward the house -- was pulled into the armored van by a police officer.

• After tear gas was shot into the home, a man identified by family as Virgilio Vega, 23, was cuffed through security bars in the back of the home. It was unclear what his role in the standoff was or if he faces charges.

Vega's mother was at the scene, and said Estrada was her son's roommate -- they had gone to South Dade Senior High School together -- and Vega had been caught in the house when the standoff started.

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After the standoff, police admonished the TV news corps for showing live images, including positioning of officers. In the past, the department has frequently asked stations to work "cooperatively" by not airing live footage during standoff situations.

"I can't stress enough how dangerous it is for us to be put on live TV. It's unacceptable," Tietz said.

As for Estrada, he was already known to Miami-Dade's Multi-Agency Gang Task Force.

According to an arrest report in March, an officer from the task force was interviewing Estrada about gang ties when Estrada screamed: ``F--- that s---, n----. I ain't with that gang s--- no more. Why you guys f------ with me?"

He refused to calm down. Officers arrested him for disorderly conduct.

Samuel Mendoza has a lengthier criminal past -- he has logged 12 arrests since 1999. Some resulted in convictions; others were not prosecuted. He was also charged with attempted murder in 2004, but the charge was dropped. On Monday, it was unclear why.

Mendoza's mother told The Miami Herald that she hadn't seen her son for several days until he returned to their Homestead house about 3 a.m. Monday.

"He didn't say nothing," said his mother, who declined to give her first name. 'He just jumped in the shower . . . Then I looked out and my house was surrounded by cops and I said, `Did you do something?' and he said no, and I said 'If you did something you better turn yourself in.' "

Mendoza turned himself in. Estrada did not.

Miami Herald staff writers Erika Beras, Jack Dolan, Scott Hiaasen, Jack Dolan and Susannah A. Nesmith contributed to this report.

Convicted Of Killing A Witness (PHI)

By Julie Shaw

The Philadelphia Inquirer, November 14, 2006

The third time was not lucky for Felix Summers.

After two mistrials, the 25-year-old former South Philadelphia drug dealer was found guilty yesterday of first-degree murder in the 1999 shooting death of a woman who was a potential witness against him in another homicide.

A Common Pleas Court jury convicted Summers of killing Charlotte Presley, 39, in her South Philadelphia apartment on March 29, 1999. Because he was 17 when the crime occurred, he will receive an automatic life sentence when formally sentenced on Dec. 13 by Judge Carolyn Engel Temin.

The jury, which received the case yesterday afternoon, deliberated three hours before finding Summers guilty of first-degree murder, retaliation against a witness, and weapons offenses.

Summers showed no emotion in court when his guilty verdicts were read.

As he was led out of the tightly secured courtroom by sheriff's deputies, Summers glanced toward his parents and sister in the gallery, but did not say anything. Outside the courtroom, his family declined to comment.

In two previous presentations before Common Pleas Court Judge John J. Poserina Jr., in March 2005 and February of this year, the case ended in mistrial after juries deadlocked.

Assistant District Attorney Carlos Vega, the prosecutor in all three trials, said yesterday's guilty verdict shows that people who intimidate witnesses by killing them will be punished.

The trial began Wednesday, with the prosecution alleging that Summers and his associates used death threats and other tactics to intimidate witnesses - including Presley - from testifying against him.

Presley had told police two months before she was murdered that she saw Summers pull the trigger in the Jan. 12, 1999, drive-by shooting death of John Niles, 19. Niles was gunned down on South Fifth Street, near Mifflin, close to Presley's residence.

Summers, previously on the FBI's most-wanted list, had been acquitted of Niles' slaying when that case came to trial in 2000 and was also acquitted of another slaying - the August 2001 drive-by shooting death of Veronica Rios, 15.

The prosecution contended in Presley's murder that Summers returned to her neighborhood in the early morning of March 29, 1999, with the aim of killing her so she could not testify against him in Niles' slaying.

One of the prosecution's main witnesses, Sherrie Hewett, Summers' girlfriend in March 1999, testified in this trial that she and another woman, Diana Meirino, were with Summers that morning when they parked outside Presley's apartment building on the 1900 block of South Fifth.

Hewett, now 29, testified that Summers asked her to pick Presley's front-door lock, but that she did not want to. Summers and Meirino then went to Presley's door, while Hewett stayed in a minivan. Vega said that Meirino knocked on Presley's door. When Presley opened it, Summers shot her twice in the head. She died at the scene.

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Meirino, 22, was shot and killed in front of her South Fifth Street home in 2001. Summers is not charged in that case.

Janet Meirino, Diana's mother, also testified in this trial, saying that her daughter admitted aiding Summers in Presley's murder, Vega said yesterday.

Summers' defense attorney, Jack McMahon, said yesterday that this was a case of mistaken identity and a scorned girlfriend.

"We're very surprised by the verdict and speed of the verdict," McMahon said.

McMahon argued that Summers was not at Presley's apartment the night of her murder. A defense witness, Hector Fraticelli, who lived on the second-floor of the building where Presley lived, had testified that after he heard gunshots that night, he looked out his window and saw a 6-foot, dark-skinned, skinny person running from the scene, McMahon said.

Summers is heavyset.

KeyBank Vice President Charged With Embezzlement (FINDLAW/AP)

AP, November 14, 2006

(AP) - CLEVELAND-A vice president at KeyBank has been arrested on a charge that he embezzled $29 million (â,¬22.6 million) from the Cleveland-based banking company, the FBI said Monday.

David Francis Verhotz, 56, was arrested Saturday at Cleveland Hopkins International Airport after getting off a flight from Dallas. Verhotz is a senior vice president and director of the international division of KeyBank.

FBI special agent Scott Wilson said the scheme occurred from January 2004 to the present. Verhotz was to make an initial appearance in U.S. District Court on Monday afternoon.

KeyBank is owned by KeyCorp, which has more than 900 branches in 13 states.

Gutierrez Urges China Piracy Crackdown (MBSN)

By Charles Hutzler

Myrtle Beach (SC) Sun News, November 14, 2006

BEIJING - U.S. Commerce Secretary Carlos Gutierrez urged Beijing on Tuesday to toughen a crackdown on pirated goods and other copyright infringements, saying failure to do so could fuel an American backlash against trade with China.

Despite Chinese progress in protecting intellectual property rights, Gutierrez said U.S. Customs agents seized more counterfeit goods from China than all other countries combined.

To turn the tide, Gutierrez said China needs to attack the criminal gangs that are behind the manufacture and trade of most pirated goods. He also called on Beijing to amend laws to make it easier to allow criminal prosecution of infringements against intellectual property, or IP, and to step up cooperation with international law enforcement.

"Another victim of widespread IP theft in China is American support for expanding our trade relationship," Gutierrez said in a speech to Chinese and American business executives. "Those who espouse protectionism, those who would like to see protectionist policies put in place as a legitimate economic policy have a loud voice," he said. "They point to the lack of robust IP protection in China as a top reason why we should put protectionist policies in place."

The United States' long-running trade deficit with China is worsening, projected to grow by 12 percent to $228 billion this year. A persisting sore point in relations, the imbalance could become even more tricky for President Bush following the Democrats' recapture of Congress in last week's elections.

Gutierrez, on his fourth trip to China in 18 months, said he would return to Beijing next month with Treasury Secretary Henry Paulson to talk about a wide array of economic issues.

Widespread theft of intellectual property, as well as protectionist policies and unclear regulations, have long been seen as hampering foreign companies' access to the Chinese market.

To correct the imbalances and curb piracy, Gutierrez said China must open its markets more widely, especially to American entertainment companies. Limits on the number of foreign movies allowed into China has contributed to a market for pirated copies, with digital video discs of Hollywood blockbusters selling for $1 in many Chinese cities.

"The current barriers to entry for legitimate goods in the Chinese market create a haven for pirates," Gutierrez said.

Underscoring the potential benefits to both economies, Gutierrez later toured sets for two American-backed movies at the Beijing Film Studio, one for a Dreamworks Pictures' production of "The Kite-Runner" and the other for a romantic comedy being made by a Warner Bros. Pictures' joint venture.

"You have such great talent in this country, very high skilled people, very creative people, that it's important to protect their work," Gutierrez told Chinese and foreign reporters afterward the tour, as a vice minister in charge of regulating the film industry looked on.

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The vice minister, Zhao Shi, defended China's limits on foreign film imports, saying that access was improving.

"The Chinese market is opening up gradually," she said.

China has significantly tightened its lax enforcement of intellectual property rights in recent years in response to U.S. and foreign pressure and to burgeoning domestic computer software and entertainment industries.

Gutierrez credited Chinese advances, noting that Chinese and U.S. law enforcement cooperated in seizing fake Tamiflu, a drug used to fight bird flu, and that Chinese courts have ruled in favor of protecting the trademarks and patents of Pfizer, General Motors, Starbucks and Kodak among other multinationals.

Still, U.S. Customs agents so far this year had seized pirated goods worth $156 million - up from $93 million confiscated last year, he said, adding China was the largest source of these goods.

Gutierrez also called on China to share information on domestic disc makers to make it easier to trace the source of pirated DVDs and compact discs discovered overseas.

Suit Says State Failing Poor With Lack Of Counsel At Bail Hearings (BSUN)

By Greg Garland

The Baltimore Sun, November 14, 2006

Maryland is violating the rights of the poor by failing to provide them with taxpayer-funded lawyers at bail hearings, according to a suit filed on their behalf Monday by a Baltimore law firm.

The class-action suit filed by Venable, LLP targets procedures at the crowded Baltimore Central Booking and Intake Facility but has broader ramifications for jails throughout Maryland, lawyers say.

In Maryland, suspects make initial appearances before appointed district court commissioners who decide whether to set bail, and, if so, how much it should be. No formal legal training is required to become a commissioner.

"This lawsuit breaks new ground because it's the first time a lawyer has argued that the right to counsel extends to the initial appearance," said Douglas L. Colbert, a professor at the University of Maryland School of Law. A clinic he runs at the law school is assisting with the case.

The suit argues that, under the Maryland Public Defender Act, those charged with crimes are entitled to counsel at "all stages" of a criminal proceeding -- including the initial bail hearing. Those who can't afford a lawyer should be represented by a public defender, the lawsuit says. The state should also ensure that private lawyers -- who are sometimes kept out of the hearings because of security or space concerns -- also have access, Colbert said.

Added expense

Criminal suspects who are not represented at such hearings are "less likely to be released on their own recognizance, more likely to have higher and unaffordable bail, and more likely to pay the expense of a bail bondsman's non-refundable fee to regain their freedom," the suit states.

"Prolonged detention of many of the arrestees detained in Central Booking is costly, wasteful and often unnecessary," lawyers argue in the case.

The suit notes that prosecutors dismiss without trial or decline to prosecute 60 to 70 percent of the charges brought against Baltimore City defendants.

While a cost estimate for providing public defenders was not available Monday, Colbert said past studies have shown that the expense would be more than offset by savings from reducing the number of people held in jail unnecessarily.

"With representation from the outset, many people would not be spending unnecessary time in jail and taxpayers would not be spending huge sums for people who should be released pending trial," Colbert said.

Earlier attempts

Colbert has long argued for reforms to the way Maryland handles bail for criminal suspects, but said past attempts to make changes through legislation have been thwarted in the General Assembly by bail bond interests.

William E. Nolan, general counsel to the Maryland Public Defender's Office, said the agency was reviewing the suit Monday and was not prepared to comment.

David W. Weissert, who oversees district court commissioners in Maryland, also said he wanted to review the suit more closely before commenting.

Colbert said he anticipates opposition from the bail bond industry because it profits from the current system.

As an example, he said, the bail for the lead plaintiff in the lawsuit, who was arrested for a misdemeanor drug offense, was set at $25,000. His family had had to pay a bail bondsman a 10-percent non-refundable fee, or $2,500, to secure his release.

"It's excessive and far outside the ballpark of a reasonable bail," Colbert said. "His family paid $2,500 so he could get out of jail and go to work."

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Even if individuals accused of a crime eventually are released after a bail review hearing, the suit notes, their detention "may result in missed work, loss of jobs, disruption of family life, or eviction from homes."

The suit says conditions at Central Booking are "overcrowded, harsh, and sometimes dangerous. Without an attorney, plaintiff's requests for needed medical treatment or for transfer to a safer location are much more likely to be ignored."

About 250 to 275 suspects are processed at Central Booking each day, the suit says, and the facility is often at or beyond capacity.

"At times, arrestees may share a small cell meant for a few people with as many as 10 to 15 individuals in extremely cramped quar ters," the suit states.

The suit, which names Chief District Court Judge Ben C. Clyburn and several other court officials as defendants, claims failing to provide lawyers at bail hearings violates provisions of the Maryland and federal constitutions, as well as the Maryland Public Defender Act.

CIVIL LAW:

Yuma Dairy Farmer Fighting Washington (AZREP)

By Scott Wong And Kelly Carr, The Arizona Republic

Arizona Republic, November 14, 2006

Long before he discovered a way to sell milk for far less than his competitors, before he enraged the multibillon-dollar dairy industry so much that Congress passed a law to stop him, Hein Hettinga clipped cow hooves for a living.

It was menial work. But it put him on a career path that, in time, would lead him to found Yuma-based Sarah Farms, one of the largest and most innovative private dairy operations in the country.

Now, 12 years after building his dairy business into a proverbial cash cow, Hettinga finds himself waging war against big-dairy lobbyists, high-profile lawmakers and the federal government.

advertisement

At 64, the Dutch immigrant said he's simply defending his family business, preserving competition in the dairy industry and trying to keep milk prices low for consumers. His critics counter that Hettinga had long exploited a federal loophole that gave him an unfair leg up on his competitors.

Most in the dairy industry fall into two categories: those who produce the raw milk and those who process it into the milk we pour onto our cereal each morning.

Hettinga is different. The self-proclaimed black sheep guides his milk through all stages of production, from his dairy cows to his bottling plants to supermarket shelves. That enables him to cut out the middleman, reduce costs and pass those savings to his customers. And, of course, make a tidy profit.

Because of his producer-distributor status, Hettinga was able to take advantage of a technicality in Depression-era federal regulations. Those rules require milk processors who do business in certain geographic markets to pay into a revenue pool shared among farmers who own the region's dairy cooperative.

Cooperatives help stabilize the dairy market, guaranteeing farmers a place to sell their perishable products at a fixed price. That helps avert price wars and milk dumping.

Some big processors, such as Shamrock Farms, use milk from their own dairies. But they also buy milk from cooperative farmers, meaning they're still subject to federal regulations.

Hettinga bottles only his own milk, which makes him exempt.

When Hettinga began seizing a larger share of the market, the $27billion-a-year dairy industry struck back. This past spring, its most powerful members successfully lobbied Congress to support legislation targeting Sarah Farms.

The Milk Regulatory Equity Act, introduced by Republicans Rep. Devin Nunes of California and Sen. Jon Kyl of Arizona, essentially forces the Yuma farm to pay its competitors through the local dairy pool.

Because Hettinga had been trucking milk across the state border to southern California retailers, he also had been exempt from abiding by that state's pricing minimums. That allowed Hettinga to drop his prices below the prices of his competitors and secure lucrative contracts with Costco stores and local distributors.

The legislation sealed off that loophole, subjecting Hettinga to Arizona price floors.

Hettinga, whose farms have captured about 15percent of Arizona's milk market, said it was his success that made him the target of the dairy industry.

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His Yuma plant was referred to multiple times on the House floor during debate of the bill. And Sarah Farms is the only U.S. business that falls within a narrow category of dairy operations targeted by the law: Arizona producer-distributors who turn out more than 3million pounds of milk per month.

"They passed a law to kill one private dairy. Does that make any sense? It's not the way the government should conduct business, to limit competition," Hettinga said recently as he navigated his car on Interstate 8, traveling toward his Yuma plants. "Big business shouldn't be able to influence in this way. They went to the House and the Senate and said, 'This guy has to be stopped.'"

Despite passage of the law, Hettinga isn't backing down.

This summer, he and six other family members gave a total of nearly $30,000 to Jim Pederson's unsuccessful campaign for Kyl's senate seat.

And on Sept. 21, Hettinga and his wife, Ellen, sued the federal government in U.S. District Court, claiming the legislation singles out Sarah Farms and has caused the company considerable financial loss.

Hettinga said his farms and the retailers they supply have absorbed extra costs resulting from the law, estimated at about 15 cents per gallon.

Now it's just a matter of time before he is forced to hike his prices or competitors put him out of business, he said. Either way, Hettinga believes consumers will be paying more for their milk in the future.

A Justice Department spokesman said the agency had no comment about the lawsuit but that it planned to issue a legal response at the end of this month.Andrew House, senior policy adviser for Nunes, said that regulatory issues addressed by the law were thoroughly debated within the industry and Congress.

"We're pretty confident that (Hettinga) won't find much sympathy or relief in the courts," House said.

He and other proponents of the law said it was Hettinga who was disrupting the marketplace, supplying milk at bargain-basement prices to Food City, Sam's Club and Costco stores in Arizona, and undercutting competitors.

Both Costco and Sam's Club sell a 2-gallon carton of 2percent milk for $3.99, up from $3.69 a month ago.

Meanwhile, Fry's Food and Safeway, which buy milk from Arizona's dairy cooperative, sell a single gallon of 2percent milk for as much as $2.99 and $3.79, respectively. Such grocers, however, often offer significant discounts or 2-for-1 specials with a club card.

Several factors determine milk prices. Prices drop during the summer, when milk-guzzling children are absent from school cafeterias. And they rise during the holiday season, when large amounts of butter, egg nog and other dairy products are consumed.

But Hettinga's major competitors in Arizona said the legislation serves to "create a fair and equitable system."

"It levels the playing field for all Arizona dairy farmers," said Sandy Kelly, a spokeswoman for Phoenix-based Shamrock Farms Dairy, the largest family-owned dairy in the Southwest.

While Hettinga benefited from the federal loophole, critics in the dairy industry and Congress said he was received hundreds of thousands of dollars in federal subsidies.

And they scoffed at the notion that Hettinga - who drives a Lincoln Town Car, flies a private plane and owns homes in three states - is simply a small-town farmer battling the big, bad dairy industry.

"(Hettinga) is the epitome of big dairy," said House, whose boss represents the biggest dairy-producing congressional district in the country. "His is a large, conglomerate dairy corporation that has been sucking down federal subsidies."

From 1995 to 2004, Hettinga's farms collected $895,000 in such subsidies - just under $100,000 a year, according to Environmental Working Group, a Washington-based public watchdog. That ranked his farms third among dairy-subsidy recipients across the country.

House, who helped draft the legislation, said it was hypocritical of Hettinga to draw federal subsidies, "but when it comes to abiding by regulations, he doesn't want to do it because it will mean his profit margin will go down."

'I have no choice' Something as simple as the price of milk does matter to families.

Picking up a 2-gallon carton of 2percent milk at a West Valley Costco store one recent afternoon, Daisy Castillo of Surprise said she would be forced to shop for a better deal or shell out more for milk if prices are boosted.

"It's essential to our family," Castillo, 22, said while pushing her 1-year-old daughter in a cart. With the baby, Castillo's family gulps down the $3.99 2-gallon milk carton each week. "I don't think we'd stop buying it (if prices went up). But I'd be upset because I have no choice."

Hettinga supplies milk to almost all Costco, Sam's Club and Food City stores in Arizona.

Costco did not return several phone calls for this story. And Wal-Mart Stores Inc., which owns Sam's Club, said it is company policy not to comment on its relationship with suppliers.

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But Basha's Family of Stores - the parent company of Food City, Basha's Supermarkets and AJ's Fine Foods - said its shoppers have not seen a rise in milk prices because of the new legislation.

Hettinga's road to riches was a long one.

After graduating from a California high school in 1960, Hettinga was faced with a choice. He could take a job driving a truck for a local grocery store or try his fortune trimming cow hooves and castrating bulls.

Hettinga chose the latter.

It paid $2 an hour, a dollar less than the trucking job. But he learned the ins and outs of the dairy industry.

More than a decade later, he bought his own dairy farm in Chino, Calif., where like most other dairymen he shared milk profits in a cooperative.

Twelve years ago, Hettinga decided to buck the system. He built a milk processing plant in Yuma, a place where he could pasteurize and homogenize his raw milk, package it in his own bottles and ship it to stores.

"I wanted to be integrated - to have the right to sell my milk," said Hettinga, who put all of his cows up as collateral to convince banks to loan him money for the $160,000 project. "When I first made this bet, I bet everything."

Hettinga's first customer was a Food City in Phoenix. Today, he supplies about 25million gallons of milk a year to more than 60 Food Cities and almost all the Costcos and Sam's Clubs in Arizona, as well as to distributors in Mexico.

The brazen dairyman raised the stakes when he built a second Yuma processing plant. This one cost $12.5million and today supplies about 700,000gallons of milk each month to Costco stores in southern California, according to a recent media report.

Today, the Sarah Farms empire also includes 16 dairy farms across California, Texas and Arizona, six located on the road between Gila Bend and Yuma.

The road ahead Cruising along I-8 in his town car, Hettinga pulls over a set railroad tracks onto a dirt road that leads to one of his farms, Aztec Dairy in Dateland, 50 miles southwest of Gila Bend.

Here, he will check progress on the farm's feeding machines, vacuum pumps and other equipment, scan the desert for trouble spots, and make sure the cows look healthy. Then he'll make the two-hour journey to his processing plants in Yuma.

Looking after his Sarah Farms - a business he built from the ground up and named after his daughter - is a seven-day a week job. Hettinga, dressed in boots and jeans, his outfit pulled together with a gold belt buckle, jokes that he works half days: 12 hours instead of 24.

What the government is doing, the way it is targeting him, he's sure is wrong. Now, as the legal process unfolds, he continues to defend what he built.

"I got big enough that they can't kill me, but it has financially crippled me," Hettinga said. "It has stopped every independent dairyman of doing their own thing."

Reach Scott Wong at (602) 444-6914 or Kelly Carr at (602) 444-4137.

CIVIL RIGHTS:

Philly, AIDS Patient Settle Suit Over EMT Responders (AP)

AP, November 14, 2006

PHILADELPHIA - The city settled a lawsuit Monday that accused Philadelphia officials of failing to comply with an earlier settlement over the treatment of AIDS patients.

In September 2004, the Justice Department intervened in a lawsuit filed by an AIDS patient alleging that emergency medical technicians employed by the city refused to give him proper care.

The suit charged that two paramedics failed to help John Gill Smith, then 38, when they responded to a call in February 2001 that Smith was having severe chest pains. Smith's partner told the emergency workers that Smith had AIDS so they would know his health history.

One paramedic left the house with her shirt collar pulled over her face and did not return, while the other shouted at him, "Cover your face, or I'm not going to help you! If you cough on me, I can get AIDS," according to a statement from the AIDS Law Project of Pennsylvania, a nonprofit group that first filed suit over the issue in 1993.

Under the terms of Monday's settlement, pending approval by a federal court, Philadelphia will pay Smith $50,000 in damages and provide city-employed paramedics with ongoing training on infection control and HIV and AIDS transmission.

In the 1993 case, city officials agreed to pay $10,000, issue an apology and retrain workers on proper responses to people with AIDS.

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"Anyone who calls 911 needs to feel confident that the emergency personnel understand infection control," said Ronda Goldfein, executive director of the advocacy group. "We hope that today's settlement ensures that all of the city's EMT personnel are properly trained and are not afraid of sick people who need their help."

Wan J. Kim, who heads the Justice Department's civil rights programs, said that vital emergency medical services must be provided in a nondiscriminatory manner to everyone who needs help.

"The Justice Department is committed to ensuring that cities carry out this important function responsibly and in accordance with federal law."

City Settles With AIDS Patient (PHI)

By Joseph A. Slobodzian

The Philadelphia Inquirer, November 14, 2006

The City of Philadelphia has agreed to pay $50,000 and conduct mandatory training for emergency medical personnel to settle a 2003 civil-rights suit filed by a former Germantown man with AIDS who said paramedics failed to provide appropriate care after learning he had the immune disorder.

The settlement between the city and John Gill Smith, the AIDS Law Project of Pennsylvania, and the U.S. Justice Department, which joined the case on Smith's behalf, was filed yesterday in federal court in Philadelphia.

Under the agreement, the city denied violating any laws and said it settled to avoid the "expense and inconvenience of further litigation."

In addition to the $50,000 for Smith, the city will provide mandatory semiannual training on HIV/AIDS and infectious diseases for all city paramedics and emergency medical technicians.

For three years, the city will submit for court review documentation showing that the training was provided.

At issue in the suit was a February 2001 incident in which Smith, then 38, called 911 after having severe chest pains. When Smith's partner told paramedics Smith had AIDS, the lawsuit said, one left the house.

The remaining paramedic, the suit said, shouted at Smith: "Cover your face or I'm not going to help you."

The paramedics agreed to take Smith to an emergency room, the lawsuit continues, but would not help him into the ambulance, forcing Smith's partner and another friend to move him.

The case was similar to an AIDS Law Project lawsuit against the city in 1993 on behalf of a Philadelphia student refused care by a city rescue crew when they learned he had AIDS.

That lawsuit resulted in the nation's first settlement involving AIDS and the Americans with Disabilities Act. The settlement, also negotiated with the U.S. Justice Department, resulted in mandatory AIDS education for more than 2,000 Philadelphia firefighters and emergency personnel.

Ronda B. Goldfein, executive director of the AIDS Law Project, said Smith's suit showed the need for continuing training on medical issues involving diseases such as AIDS.

Goldfein said Smith, who no longer lives in the Philadelphia area, "feels a tremendous relief at finally getting this settlement. This was never about money. That was about a very scary thing that happened to [Smith] that [Smith] didn't want to happen to anybody else."

LAPD Officials 'Livid' Over New Arrest Videotape (LAT)

By Patrick Mcgreevy And Richard Winton, Times Staff Writers

The Los Angeles Times, November 14, 2006

The LAPD on Monday was grappling with another controversial videotaped arrest, this one showing an officer shoving a handcuffed suspect into a patrol car, then leaning in with a can of pepper spray to douse the man's face before shutting the door.

The arrest occurred last year on the Venice boardwalk and was the subject of a lengthy LAPD investigation. But the tape was not revealed publicly until Monday by an attorney in an interview with The Times.

A source familiar with the investigation said top LAPD brass were "livid" after reviewing the incident, which also prompted a prominent police watchdog to call on the department to develop strict rules on when officers can use pepper spray on handcuffed suspects.

The officer who used the pepper spray resigned from the department before the investigation was completed. After reviewing the tape, the city attorney's office dropped charges that the suspect resisted arrest and committed battery on a police officer.

The suspect is identified in police reports as Benjamin Barker, a transient who frequents the Venice beach area.

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Barker was arrested after getting into a scuffle with a merchant on the boardwalk. He pleaded guilty to misdemeanor battery on the shopkeeper.

The videotape shows Barker in handcuffs as he is bent over a patrol car. As the officer pushes Barker into the car, Barker can be heard saying, "Why am I going to jail?"

Once Barker is in the back seat, he starts shouting: "I can't breathe! I can't breathe! Don't spray me!"

One officer is heard saying: "He knows what's happening."

Another officer takes a pepper spray canister from his belt, shakes it and leans in to apply it to Barker's face.

The officer closes the doors of the patrol car and steps back. Barker is seen holding his face up to the car window, his features contorted in pain.

The tape has been viewed by several top LAPD officials as well as police watchdogs.

Connie Rice, chairwoman of the Police Commission's Blue Ribbon Rampart Review Panel, said she was troubled by the officer's actions and referred the tape to LAPD officials for investigation.

"I could see no justification for pepper spray," said Rice, who reviewed the tape several times. "It's a very serious use of force and you have to have a serious threat such as someone reaching for your gun. I didn't see any kind of threat from a man who was whining and annoying but not posing a threat."

The tape was also viewed by an independent monitor appointed by the federal court to oversee the LAPD after the Rampart scandal, and the monitor was concerned enough to refer it to LAPD administrators for investigation, according to several department sources who spoke on the condition of anonymity.

The Venice incident comes as the LAPD and FBI have launched investigations into another videotape showing a police officer hitting a suspect in the face several times at the end of a foot chase in Hollywood.

As in the Hollywood case, LAPD investigators focused in part on whether there were differences between what is shown on the Venice videotape and what officers later said in their arrest report.

In the arrest report, the officer described Barker as combative and said pepper spray was used after Barker spit on him once and attempted to spit on him when he was in the patrol car. The video is shot at an angle that makes it difficult to determine whether Barker spit at the officer, but there is no physical assault seen from Barker. The tape shows the officer take the pepper spray out of its holster then raise it toward Barker's face, but the actual spraying is obscured by shadows.

The officer, identified in the police report as Officer Guiterman, resigned well before the investigation was completed, and officials would not say Monday whether his departure was related to the incident.

"The officer is no longer with the department," said Mary Grady, the LAPD's communications director, adding that she would not discuss the results of a personnel investigation into those involved in the incident.

An LAPD source said the officer left the department a few months after the incident for a job out of state. The investigation into the video didn't get underway for a few more months, the source said. The video was shot by a Venice resident who turned it over to Barker's attorney.

Grady said pepper spray can be used when a suspect is deemed to be combative, and in general "spitting at an officer is deemed to be combative."

"Basically, when a suspect is uncooperative and noncompliant and combative, officers are allowed to use the spray to de-escalate a situation," she said.

But Barker's attorney and Rice said using the pepper spray was unwarranted in the case of a handcuffed suspect who did not appear to be resisting an officer's orders.

"It appears that if you … are disrespectful, they will punish you," said his attorney, John Raphling. "He is running his mouth. He is whining and crying. But he is not being aggressive or threatening to them."

In the arrest report, Guiterman said Barker sat in the back of the patrol car but with his feet on the ground outside the car.

"Barker remained rigid and took a deep breath and began to spit at me. I moved my head to the left and avoided the spit," he wrote. "If I had not moved, it would have struck me in the face. The spit landed on my right chest/armpit area."

He said Barker then cursed at him.

Fearing that Barker might spit at him or kick him, he said, he sprayed Barker twice with two one-second bursts of pepper spray.

A sergeant supervising the scene said in the initial police report that the incident had occurred as they stood at the rear door of the car. But the report was later corrected to say it took place inside the car.

For Rice, the incident is more evidence that the LAPD brass needs to tell officers to change what they do in the field.

"The LAPD needs to say 'Don't pepper-spray handcuffed suspects that are subdued just because they are mouthing off,' " Rice said.

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Grady, the police spokeswoman, said the LAPD did a thorough investigation of the incident but declined to say whether any officers faced discipline.

The Venice videotape comes five days after another video showing an LAPD officer trying to restrain a suspect in Hollywood made its way to the Internet site YouTube.

The 18-second tape shows an officer punching William Cardenas at least five times as he and his partner try to restrain and handcuff the man, a suspected gang member.

In a jailhouse interview with KABC-TV Channel 7 on Monday, Cardenas insisted that he never resisted arrest and said police used excessive force.

But several witnesses interviewed by the LAPD said Cardenas ran from officers and swung at them before they got him on the ground.

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Consumer Oversight Of The LAPD (LAT)

The Los Angeles Times, November 14, 2006

Cellphone cameras and YouTube give the community a voice in the debate over police conduct.

BLUE-RIBBON COMMISSIONS may get more publicity, but it is consumer technology that is setting the pace of police reform. In the Aug. 11 arrest of William Cardenas by two Los Angeles police officers, currently being investigated by the FBI and the Los Angeles Police Department, a bystander used her cellphone camera to capture one officer repeatedly slugging Cardenas in the face as he lay on the ground with both police officers on top of him. Now another arrest video has come to light, this one of an LAPD officer pepper-spraying a handcuffed suspect.

The Cardenas video was first posted on the website of Cop Watch Los Angeles, which collects complaints filed against officers. From there it migrated to YouTube.com, where it has been viewed almost 700,000 times. Finally it found its way to broadcast television.

It is a relatively recent development for police behavior to be subject to such close and instantaneous public scrutiny. The public was once dependent on TV photographers, with their then-bulky equipment, for images of controversial police activity. Then, in 1991, George Holliday was trying out his new video camera when he saw police officers clubbing Rodney King. His tape, replayed countless times on TV, changed history.

Today, any bystander is likely to be reasonably proficient with a cellphone camera and to have the know-how — or at least, a preteen at home with the know-how — to post the images on YouTube. That makes certain subjects, like arrests, more likely to be captured and displayed repeatedly. On YouTube are thousands of other arrest-related videos from around the world, in addition to the Cardenas clip.

That's mostly a good thing. Public confidence in the police requires monitoring outside the regular channels of self-review, and technology has democratized the process. (Of course, it could also be used to subvert it.) The video-viewing blogosphere has become a sophisticated community, famous for ferreting out fakes and identifying nuances. The blog debate on the Cardenas beating is typical in that it includes the usual pro- and anti-police diatribes, but it goes further, spotlighting details of the video. Was the suspect, for example, pinching one of the officers in the thigh, and could that have justified the brutal punches?

The last word on the Cardenas arrest will remain with the LAPD, the FBI and the courts. But the last word on how Los Angeles is policed, which tactics are acceptable and which are beyond the pale, and whether the LAPD's "warrior culture" has been sufficiently channeled belongs to the broader community. Consumer technology has made it possible for more members of that community to take part in the debate.

Councilmen Want Justice Department To Investigate Police Shooting (LCAP)

By Eric Cormier

Lake Charles (LA) American Press, November 14, 2006

Three Lake Charles city councilmen have asked the Justice Department to investigate the Oct. 12 fatal police shooting of Trent Buckins to determine if his civil rights were violated.

In a letter sent to the department's Civil Rights Division, councilmen Marshal Simien (District A), A.B. Franklin (District B) and Rodney Geyen (District C) addressed the conduct of Lake Charles police and community concerns related to the shooting.

On Monday, the American Press obtained a copy of the letter.

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"A number of complaints and recent incidents have resulted in a disconcerting erosion of confidence by African-American residents in the Lake Charles Police Department," the letter reads.

"Many in the community believe the police department's mindset may be the direct result of the current chief's philosophy."

Before the Buckins shooting, "complaints primarily involved allegations of aggressive and disrespectful behavior, bias and racial profiling, particularly of African-American males," the councilmen wrote.

"These various complaints consistently fueled tensions between the police department and the City's economically disadvantaged sector of the African-American community."

The councilmen emphasized that the shooting took place in front of Reynaud Middle School as students were arriving for school.

According to the letter, three Lake Charles police officers "wrestled Mr. Buckins to the ground and turned him on his stomach to be handcuffed. The Caucasian female officer drew her handgun while standing over Mr. Buckins.

"Two shots were fired, and Mr. Buckins lay wounded on his side in a fetal position. One of the teachers from the school across the street yelled 'you didn't have to shoot him!' "

The councilmen say the shooting "could be a smoldering powder keg and, unless an unbiased investigation takes place that would have credibility in the minority community, the situation could deteriorate rapidly regardless of current ongoing findings."

State police are investigating the shooting, but Troop D officials said the final report isn't expected to completed for at least another month.

A number of city officials and residents have met with a representative from the Justice Department's Community Relations Division to talk about the incident.

In their letter, the councilmen said the meetings are necessary, but the recent shooting is a "culmination of a pattern and practice of police misconduct targeted at African-American males.

"It is imperative that your Department investigate this incident. Not only does it have the expertise in these matters, but this would give the investigative process a transparency that is currently lacking given the close relationship between the police department and investigating agency."

Along with questioning the legitimacy of the state police investigation, the councilmen also expressed reservation about the FBI conducting an investigation since Police Chief Don Dixon is a retired FBI agent "with significant ties to the Bureau."

The councilmen asked that the Justice Department devise training, supervision, discipline and complaint recording guidelines for the Police Department.

Justices To Weigh School Diversity (USAT)

By Joan Biskupic

USA Today, November 14, 2006

LOUISVILLE — Amy Ruth remembers her first drive to the inner city, mostly black neighborhood where her sons were assigned for elementary school under a program designed to make campuses racially diverse.

“When we pulled into the neighborhood” that day last August, says Ruth, who is white, “I have to be honest, I said to my husband, ‘Let's turn around.' ” Wheatley Elementary, 10 miles from Ruth's home, is in a low-income area dotted with empty lots and run-down buildings behind barbed-wire fences.

“Let's give it a try,” Ruth, 29, recalls her husband saying.

Today, Ruth defends Jefferson County's school-assignment program, which ensures that each school's enrollment is at least 15% African-American, but no more than 50%. It's part of a plan to diversify what would be heavily minority and heavily white schools in the district, where 58% of the students are white and 36% are African-American.

“America is made up of all different cultures,” Ruth says. “Why shouldn't the schools be that way?”

In Seattle, Kathleen Brose was in a similar, but less pleasing, situation. Under that school district's diversity plan, her daughter Elisabeth was denied her first choice of a nearby high school in 2000 partly because she is white. “She was separated from friends,” Brose, 49, says. “It's tough being a teenager. There is enough angst already.”

The school districts in Louisville and Seattle are at the heart of a pair of legal disputes, now before the U.S. Supreme Court, that test whether public schools can use race as a factor in determining where students go to school. The cases, to be heard by the court Dec. 4, have drawn national attention because they could affect policies in districts across the country.

The key legal question in the Louisville and Seattle lawsuits — which were filed by parents of white students who weren't allowed to attend the schools of their choice — is whether school-assignment plans that use students' race as a factor violate the Constitution's guarantee of equality.

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It's an emotionally charged issue that gives the court its first chance to weigh in on racial policies since Chief Justice John Roberts and Justice Samuel Alito joined the nine-member court last term. The new justices are former government lawyers who, early in their careers, showed reluctance toward government race-based policies.

Alito's actions in the cases could be especially significant because he replaced the retired Sandra Day O'Connor, who often joined the court's four-member liberal wing to form a majority in favor of affirmative action policies. In 2003, her vote in a case involving the University of Michigan law school ensured that colleges could consider applicants' race to achieve diversity.

In that case — brought by a white woman rejected by the law school — O'Connor joined liberal Justices John Paul Stevens, David Souter, Ruth Bader Ginsburg and Stephen Breyer in emphasizing the value of colleges producing diverse, well-trained graduates.

The new cases differ from other affirmative action disputes the justices have faced because no individuals are being turned away entirely from an education or a job.

When the U.S. Court of Appeals for the 9th Circuit upheld Seattle's plan last year, Judge Alex Kozinski wrote that the enrollment policy might disappoint some students, "but it carries no racial stigma and says nothing at all about that individual's aptitude. The program does use race as a criterion, but only to ensure that the population of each public school roughly reflects the city's racial composition."

Groups such as Pacific Legal Foundation, representing Seattle parents challenging the city's plan, say any enrollment policy that considers a student's race — even for potential benefits such as diversity — is unconstitutional. The challengers are backed by the Bush administration, which says in a court brief that "the solution to addressing racial imbalance in communities ... is not to adopt race-conscious measures." It says the approach is at odds with the 1954 ruling in Brown v. Board of Education that struck down racial segregation in schools.

The Louisville and Seattle plans differ in their scope and history.

Louisville's Jefferson County system had a history of segregation, and three decades ago was ordered by a federal judge to impose a desegregation plan. In 2000, the order was dissolved after a judge found that the remnants of earlier discrimination had ended. But in 2001 the district established its enrollment plan to make sure schools would continue to be diverse.

Administrators say that unless they ensure integration, the district's schools will mirror the separation of whites and blacks in housing patterns across Jefferson County. "Racial isolation begets racial isolation," says Pat Todd, director of student assignments.

Lower federal courts upheld the program, citing the education benefits of racially integrated schools.

Jefferson County's policy is being challenged by Crystal Meredith, whose son, Joshua McDonald, was assigned to the Whitney Young Elementary, a downtown campus that Meredith says is an hour's drive from her home in morning traffic. Meredith says she wanted Joshua at a school closer to her home and with a more varied curriculum.

"The way they taught [at Whitney Young] was not fit for him," she says. "He was bored." Her lawyer, Teddy Gordon, says race was not a factor in her complaint.

Gordon said in a court brief that Joshua was rejected for his neighborhood school only because he is white. Gordon said the district "denigrates a 5-year-old's self worth and self-esteem by comporting him to be color-coded throughout his educational career."

Seattle's plan seeks a racial balance only in high schools. When a school has too many applicants, "tiebreakers" decide who gets in. One tiebreaker considers students' race to try to achieve diversity.

Brose, president of the parents' group that challenged the policy, says, "How are we ever going to get beyond race if we keep using it?"

Persistent Race Disparities Found (WP/AP)

By Stephen Ohlemacher

The Washington Post, November 14, 2006

Minorities Still Lag in Income, Education, Census Data Show

Decades after the civil rights movement, racial disparities in income, education and home ownership persist and, by some measurements, are growing.

White households had incomes that were two-thirds higher than those of African Americans and 40 percent higher than those of Hispanics last year, according to data released yesterday by the Census Bureau. White adults were also more likely than black and Hispanic adults to have college degrees and to own their own homes. They were less likely to live in poverty.

"Race is so associated with class in the United States that it may not be direct discrimination, but it still matters indirectly," said Dalton Conley, a sociology professor at New York University and the author of "Being Black, Living in the Red."

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"It doesn't mean it's any less powerful just because it's indirect," he said.

Home ownership grew among white middle-class families after World War II when access to credit and government programs made buying houses affordable. Black families were largely left out because of discrimination, and the effects are still being felt, said Lance Freeman, assistant professor of urban planning at Columbia University and the author of "There Goes the 'Hood."

Home ownership creates wealth, which enables families to live in good neighborhoods with good schools. It also helps families finance college, which leads to better-paying jobs, perpetuating the cycle, Freeman said.

"If your parents own their own home they can leave it to you when they pass on or they can use the equity to help you with a down payment on yours," he said.

Three-fourths of white households owned their homes in 2005, compared with 46 percent of black households and 48 percent of Hispanic households. Home ownership is near an all-time high in the United States, but racial gaps have increased in the past 25 years.

Among Hispanics, education, income and home ownership gaps are exacerbated by recent Latin American immigrants. Hispanic immigrants have, on average, lower incomes and education levels than people born in the United States. About 40 percent of Hispanics in the United States are immigrants.

Asian Americans, on average, have higher incomes and education levels than whites. However, they have higher poverty rates and lower home-ownership rates.

The Census Bureau data are from the American Community Survey, the bureau's new annual survey of 3 million households nationwide. The Associated Press compared the figures with census data from 1980, 1990 and 2000.

Among the findings:

Thirty percent of white adults had at least a bachelor's degree in 2005, while 17 percent of black adults and 12 percent of Hispanic adults had degrees. Forty-nine percent of Asian Americans had at least a bachelor's degree in 2005.

The median income for white households was $50,622 last year. It was $30,939 for black households, $36,278 for Hispanic households and $60,367 for Asian households. Hispanic households made about 76 percent as much as white households in 1980. In 2005, it was 72 percent.

Same-Sex Chicanery (WSJ)

The Wall Street Journal, November 14, 2006

One reason so many Americans despise politicians is because of the contempt that many politicians have for their fellow Americans. A case in point is the way the Massachusetts legislature used a procedural ruse to deny the voters even a chance to vote on the issue of same-sex marriage.

Recall that in 2003 four of seven Massachusetts Supreme Judicial Court Justices declared gay marriage a constitutional right. In response, opponents collected 170,000 signatures to support a ballot measure to amend the state constitution to make clear that marriage is between a man and a woman. But to get on the ballot, the amendment must also be voted on by a joint session of the legislature in two consecutive legislative sessions. Under the state constitution, 25% of the legislators must agree to put an amendment on the ballot, provided the proposal has garnered at least 25,000 signatures, which this one easily did.

Last week, the pols denied the voters even that much with a procedural trick that recessed the legislature until just hours before its term expires next January. By the time the lawmakers return, they won't have enough time to vote up or down on the measure, thus dodging a vote on a measure that 170,000 of their constituents decided merited space on the ballot. This leaves intact the judicial same-sex fiat.

"The way I looked at it was that we would kill it with a handgun or a hand grenade," explained Democratic Representative Michael Costello. "It's never been proper to put civil rights on the ballot. So we killed it through procedure, rather than on substance." In the face of such arrogant dismissals of voter preferences, no wonder our cultural debates have become so embittered.

ANTITRUST:

Concrete Price-fixing Trial Begins (INDYSTAR)

The Indianapolis Star, November 14, 2006

A jury was selected today in the trial of two Noblesville ready-mix concrete executives in connection with a broad price-fixing scheme.

DOJ_NMG_0093883

A jury of eight women and four men will begin work this afternoon in U.S. District Court in Indianapolis in the case of Chris A. and Ricky J. Beaver, managers at Beaver Materials Corp. They are the only two executives in the scheme awaiting trial after a guilty plea earlier this month by a third executive in federal court.

The men were indicted April 11 on charges of plotting to fix prices and lying to federal investigators. Their company also was charged.

Investigators say the conspiracy to "suppress or eliminate competition" in the Indianapolis-area concrete market existed from July 2000 through May 2004. The price-fixing scandal became public in June 2005, when federal prosecutors announced a $29.2 million fine against Greenfield-based Irving Materials Inc., the largest fine ever paid by a domestic cartel.

Ready-mix concrete is made on demand and hauled to work sites in cement mixers for public and private projects, such as sidewalks, driveways, bridges and roads.

In pleading guilty earlier this month, John J. Blatzheim, 52, executive vice president of Builder's Concrete & Supply Co., acknowledged he joined the local conspiracy in April 2003.

In exchange, federal prosecutors dismissed a charge of lying to the FBI and antitrust investigators that carried a five-year prison term. Blatzheim faces up to three years in prison, a year of supervised release and a fine of up to $350,000 when Chief U.S. District Judge Larry J. McKinney sentences him Feb. 9.

House Panel To Query Lucent-Alcatel Deal (AP-YBIZ)

By Christopher S. Rugaber, Ap Business Writer

AP, November 14, 2006

House Panel to Examine Terms of Lucent-Alcatel Deal

WASHINGTON (AP) -- Top executives from Lucent Technologies Inc. and Alcatel are set to testify before a House panel chaired by a lawmaker who questions the national security impact of the French company's acquisition of the former technology arm of Ma Bell.

Lucent chief executive Patricia Russo and Mike Quigley, chief operating officer of Paris-based Alcatel SA, are scheduled to appear Tuesday before the House Armed Services Committee, headed by Duncan Hunter, the outgoing Republican chairman from California.

Hunter, whose San Diego district includes many workers of Qualcomm Inc., a key competitor of Lucent and Alcatel, says he is worried about whether classified work Lucent's Bell Labs performs for the Defense Department will be kept secret when Alcatel completes its takeover of Murray Hill, N.J.-based Lucent.

"I am concerned about potential transfers of technology or sensitive information to other countries with which Alcatel has business dealings, which have included Burma, China, Iran, North Korea, Sudan and Syria," Hunter wrote in an Oct. 26 letter to President Bush.

The hearing is not expected to derail the deal, which has cleared antitrust review in the United States and European Union and been approved by shareholders of both companies. It has also been reviewed by the secretive Committee on Foreign Investment in the United States (CFIUS), an interagency panel chaired by the Treasury Department.

That recommendation was forwarded to Bush, who has until Nov. 21 to sign off on it, according to Josh Holly, Hunter's spokesman. If Bush rejects it, the panel could go back and ask the companies to make adjustments to the terms of the deal to satisfy the White House's concerns.

Two officials from CFIUS are expected to testify at the hearing: Gordon England, deputy secretary of defense, and Clay Lowery, assistant Treasury secretary for international affairs.

Holly said Hunter will ask for additional information during the hearing on what steps the companies have agreed to take to ensure the security of Lucent's classified work. The possibility that Hunter would introduce legislation to block the deal has not been ruled out, but Hunter's next steps would depend on the outcome of the hearing, Holly said.

Nancy McLernon, senior vice president at the Organization for International Investment, a business group representing U.S. subsidiaries of foreign companies, said the Lucent-Alcatel combination was likely to be approved by Bush. But she said the committee hearing is "another example of the politicization of the whole review process, which we are greatly concerned about."

The two companies announced the deal April 2. In an effort to address security concerns Lucent said it would place its sensitive businesses in a new subsidiary, to be headed by former U.S. defense secretary William Perry, former CIA chief James Woolsey and Kenneth Minihan, one-time head of the National Security Agency.

Holly said this assurance was not enough to satisfy Hunter's concerns.

Russo said in a quarterly conference call Oct. 24 that the two companies are still aiming to complete the deal by year-end.

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Shares of the companies have reacted mildly to news of the hearing, though both companies have seen their stock decline since the announcement of the deal. Lucent shares rose 2 cents Monday to close at $2.52 on the New York Stock Exchange, where they have traded in a range of $3.22 and $1.99 over the past year.

Shares of Alcatel rose 4 cents in after-hours trading Monday to $13.25 on the NYSE, also in the middle of their 52-week range of $16.51 to $10.63.

Possible Jurors Called In Microsoft Case (AP)

By David Pitt

AP, November 14, 2006

DES MOINES, Iowa — Hundreds of Iowa residents were called to jury duty Monday to be considered for a panel that will determine whether Microsoft owes customers in the state millions of dollars.

Court officials called 469 potential jurors in an effort to find eight objective people to hear the complex lawsuit, which seeks up to $450 million for Iowans who have purchased the software maker's products since 1994. The case claims anticompetitive practices by Microsoft caused consumers to pay more for its products that they would have otherwise.

Microsoft, which denies any overpricing, says its products have been widely accepted by consumers because of their low cost and high quality.

Polk County District Judge Scott Rosenberg is presiding over the case, which could last as long as six months.

Jury selection is expected to take more than a week with opening arguments expected to begin after Thanksgiving, attorneys said.

Prospective jurors were asked to view a videotape outlining the responsibilities of jury duty and fill out a lengthy questionnaire designed to determine whether they had prejudices that might eliminate them from serving.

Roxanne Conlin, a Des Moines attorney and former U.S. Attorney, represents the defendants.

Microsoft is represented by a team of attorneys led by the company's corporate counsel including Richard Wallis and Steven Aeschbacher.

As the jury selection process was under way in one courtroom, attorneys for the company and the plaintiffs continued to argue last-minute motions before the judge in another.

Microsoft objected to Conlin's plans to refer to plaintiffs as Iowa consumers rather than a specific class of consumers because it's too broad a characterization and could prejudice the jury.

The company also sought to work out a witness schedule that would allow Microsoft Chairman Bill Gates and CEO Steve Ballmer to complete their testimony during one trip to Iowa. Attorneys expect each to be on the stand for about two days in January or February.

Conlin said her experts have estimated that individuals and businesses have been overcharged as much as $450 million for Microsoft products in the last 12 years because a lack of competition has inflated the cost of the company's products.

The average consumer overcharge ranges from $10.50 for buyers of Word to $56.99 to those who purchased Excel, Conlin said.

Many customers may have purchased more than one version in 12 years, Conlin said, so they could be eligible for multiples of those amounts.

Conlin said class members include all those who bought Microsoft Windows, MS-DOS, Word, Excel, or Office software, or a personal computer on which the software was already installed between May 18, 1994, through June 30, 2006.

Wallis has said the company is looking forward to "defending its business model of selling quality software at reasonable prices."

The lawsuit was originally filed in 2000, after federal antitrust actions against Microsoft were settled. It has already been before the Iowa Supreme Court three times on various legal issues and been sent back to Polk County District Court for trial.

The Iowa case is one a few remaining state antitrust cases against the Redmond, Wash.-based software manufacturer to make it to court.

Microsoft initially faced 206 class-action lawsuits across the United States. The company said 108 were consolidated in a federal antitrust case and 96 remained in state courts.

City Sues To Block Linkup Between 2 Health Insurers (NYT)

By Richard Pérez-peÃ±a

The New York Times, November 14, 2006

DOJ_NMG_0093885

Waiting until nearly the last possible day, New York City sued yesterday to block the planned union of the HIP Health Plan of New York and GHI, charging that the combination would violate antitrust laws.

The fusion of the companies, creating the largest health insurer in the metropolitan region, with more than four million customers, is set to take effect tomorrow. The city will go to Federal District Court in Manhattan today, seeking an order to prevent that from happening.

Between them, the two companies control more than 90 percent of the health insurance market for municipal workers, city lawyers said. The fusion of GHI and HIP would create a near-monopoly, they said, with the power to raise the city's annual premiums by tens of millions of dollars.

"If HIP and GHI merge, there will be no competition between them," Michael A. Cardozo, the city's corporation counsel, or chief lawyer, said in a prepared statement. "The merged entity could raise prices substantially because the next competitor is still far more expensive."

But Eileen Margolin, senior vice president of GHI, said the fear is unfounded. She said the company's rate structure would not allow it to raise the premiums for city workers enrolled in its health maintenance organization without also raising them for other customers, a move that would drive away business.

In recent talks with the insurers, the city sought to put limits on future rate increases. Ms. Margolin said the companies believed they had allayed the city's fears.

The union of the two companies technically would not be a merger. They would jointly create a governing foundation to oversee both companies while each would operate separately and under its own name, at least at first.

The companies announced on Sept. 29, 2005, that their boards had approved a union. The plan was reviewed and approved by the United States Justice Department — which looked specifically at antitrust implications — and by the State Insurance Department, which approved the plan early last month.

The city had voiced some concerns to the Insurance Department, but did not begin serious talks with the companies until after the department gave its approval, said John R. Low-Beer, a senior lawyer in the affirmative-litigation division of the city's Law Department. Asked why the city did not object to the union earlier, he said, "It was far from clear that the merger would be approved by the Department of Insurance."

He said city officials thought there was time for more negotiation, but the companies insisted on carrying out their plan to combine tomorrow. "We don't see the magic in that date, or why they couldn't postpone it," Mr. Low-Beer said.

The deal has been under review by the office of Attorney General Eliot Spitzer, which has not announced any conclusion. The combination does not require the attorney general's approval, but he has the resources to go to court to try to stop it.

There has been a lot of consolidation in the health insurance industry in recent years, which consumer advocates have warned could reduce competition and raise premiums. Oxford Health Plans and Empire Blue Cross Blue Shield, two of the largest for-profit insurers in the region, were taken over by the two largest in the country, UnitedHealth Group and Wellpoint.

GHI and HIP occupy niches similar to each other, in the marketplace, and so are each other's primary competitors. They are the two largest remaining not-for-profit insurers in the region, and both are considered relatively low-cost insurers.

It is not clear whether the combined company would seek to convert to for-profit status, an idea that HIP had promoted but that GHI had shunned. If it became a for-profit company, it would issue stock, most of which would belong at first to the state, which would be expected to sell it. Unions representing municipal and health care workers have been jockeying for a piece of that hoped-for windfall from any stock sale, while state officials have speculated about how they would spend that any such money.

Mittal Hits Obstacle In Selling Assets Of Merger Partner Arcelor (WSJ)

By ANNE JOLIS And STEVE MCGRATH

Wall Street Journal, November 14, 2006

LONDON -- Mittal Steel Co. said it won't be able to sell its Canada-based Dofasco steel assets and is now discussing with U.S. regulators how to meet its merger commitments to offload some North American operations.

The world's biggest steelmaker by output is completing its acquisition of Arcelor SA, which is Dofasco's owner. Mittal said the Dutch foundation, or stichting, that holds the Dofasco shares had decided not to dissolve, meaning that Dofasco couldn't be sold.

Arcelor acquired Dofasco after a takeover battle with Germany's ThyssenKrupp AG in January. However, when Mittal Steel later that month launched a takeover bid for Arcelor, Mittal said it would sell Dofasco to Thyssen in an effort to get the deal approved by U.S. regulators. As part of an unsuccessful defense against Mittal's bid, Arcelor then tied up Dofasco in the stichting, giving three independent board members the sole power to decide whether Dofasco could be sold.

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ThyssenKrupp said it still had a binding agreement with Mittal and it would do everything in its power to acquire Dofasco. It said the board of Arcelor Mittal had asked the stichting's board to dissolve, but that was rejected Nov. 10. The German conglomerate also reiterated that it is planning to build a new steel mill in the U.S. if the Dofasco acquisition proves to be impossible.

In the past, Mittal executives have said they agreed with U.S. regulators to sell either the company's Sparrows Point, Md., plant or its Weirton, W.Va., plant if Dofasco wasn't sold. The U.S. Department of Justice will have the final say over whether Weirton or Sparrows Point is sold.

The Justice Department has said that the company must shed one of its North American assets by Nov. 28, although that deadline can be extended by 60 days.

Mittal said it would prefer to sell the Weirton plant, a decision welcomed by the unions at that plant because they felt it wasn't benefiting from synergies associated with being part of such a large company.

Analysts said that while the Dofasco sale would generate a healthy chunk of cash, they were neither surprised nor disappointed by the stichting's decision.

"Arcelor Mittal doesn't really need the cash from that sale, and Dofasco is a very good company -- it's very innovative, and it doesn't hurt to keep it," said Commerzbank analyst Jutta Rosenbaum.

Société Générale analyst Luc Pez said keeping Dofasco is positive, however much Mittal wanted to sell it. "They'll gain in profitability by keeping Dofasco -- it fits well with the portfolio, gives more exposure to Japanese original equipment manufacturers."

Gord Forstner, director of communications and public affairs at Dofasco, said the company had no insight into the process and was continuing to operate essentially as a stand-alone company.

--Stuart Weinberg in Toronto contributed to this article.

Write to Anne Jolis at anne.jolis@dowjones.com and Steve McGrath at steve.mcgrath@dowjones.com

EU Clears Nokia And Siemens To Combine Mobile Network Units (FINDLAW/AP)

AP, November 14, 2006

(AP) - BRUSSELS, Belgium-EU regulators on Monday waved through Nokia Corp. and Siemens AG's plans to combine their mobile network operations in a bid to compete with market leader Ericsson AB.

The European Commission said the market would remain competitive despite the "considerable market share" the new company would have in the mobile network equipment sector.

"A sufficient number of credible competitors would remain in the market, inter alia market leader Ericsson and Alcatel-Lucent. Customers - mostly network operators - would still have alternative suppliers," it said.

Regulators saw no problems in other areas Siemens or Nokia were involved in, such as fixed-line telecommunications network equipment and related mobile and fixed-line services.

The new unit, to be known as Nokia Siemens Networks, is a 50-50 joint venture between the two. Combining Nokia's network business group and Siemens' carrier-related operations should create a business with annual revenues of â,¬15.8 billion (US$20.2 billion).

EU Regulators To Approve Suez-Gaz De France Deal (WSJ)

By Adam Cohen And Anne-sylvaine Chassany

The Wall Street Journal, November 14, 2006

BRUSSELS -- European Union antitrust regulators are expected today to clear Gaz de France SA's planned merger with Suez SA.

Antitrust Commissioner Neelie Kroes has already told the companies that she would clear the deal, the two companies' chairmen said Oct. 30.

The two companies have reached agreement "on principle" with the European Commission on the merger, said Suez Chairman and Chief Executive Gerard Mestrallet, who would retain his title after the merger. "Antitrust Commissioner Kroes gave a favorable opinion on the merger," added GDF Chairman Jean-François Cirelli, who would be second in command of the merged entity.

The companies have offered several concessions in order to address the commission's antitrust concerns. Among these, GDF will sell its 26% stake in Belgium's No. 2 electricity producer, closely held Société de Production d'Electricité, and Suez will sell a 62% stake in Belgian gas distributor Distrigas SA.

When the merger was revealed in February, Belgian authorities complained that the two companies would dominate the country's natural-gas and electricity markets. Suez also owns Belgian electricity giant Electrabel SA and has a majority stake in gas transporter Fluxys SA.

The commission earlier investigated the deal to see if the French government had interfered with a potential bid for Suez by Italian energy giant Enel SpA. The commission, fighting both a rise in national protectionism and a lack of cross-border competition in the energy market, didn't find evidence of wrongdoing in the French merger.

Write to Adam Cohen at adam.cohen@dowjones.com1

ENVIRONMENT:

Democrats Warned To Push Green Bills (WT)

By Audrey Hudson

The Washington Times, November 14, 2006

Environmental groups yesterday put the soon-to-be Democrat-led Congress on notice, saying they will no longer accept logging of national forests or drilling for oil on federal land.

And don't think about stalling global-warming legislation, they warn.

Rep. John D. Dingell of Michigan, who is in line to take over the House Energy and Commerce Committee, already has called for a hearing on global warming, but environmentalists say the U.S. needs limits for greenhouse emissions, not more "fact-finding."

"The entire world's efforts will likely collapse" if the U.S. does not voluntarily limit emissions, said Phil Clapp, president of the National Environmental Trust.

"The Republican Congress has now had 239 fact-finding hearings on global warming. If another round of fact-finding becomes the Democrats' policy, they will have walked away from everything they have talked about for the past six years," Mr. Clapp said.

Mike Daulton, director of conservation policy for the Audubon Society, says the new Democrat-led Congress must be about "building consensus across the partisan divide and end the old energy policy of drill, drill, drill."

"Pombo is gone, and vanishing with him is his extreme agenda," said Mr. Daulton, referring to Rep. Richard W. Pombo, California Republican and chairman of the House Resources Committee, who lost his re-election bid last week.

"Crumbling wilderness areas are at risk" and must be protected from drilling, logging and gas exploration on public lands, Mr. Daulton said.

Anna Aurilio, with U.S. Public Interest Research Group (PIRG), said, "The message is clear" from last week's election.

"We bird-dogged campaigns around the country in 50 of the most contested races," and 19 candidates who supported the group's energy platform were elected, she said.

"Energy was definitely a factor in many of the races," she said.

Pollsters say about 3 percent of voters have listed the environment as their top concern in recent exit polling.

The environmental groups also urged Democrats not to rewrite the Endangered Species Act as proposed by Mr. Pombo and other House Republicans.

"[President] Bush and Pombo have an extreme agenda to rewrite it. We expect oversight, not a rewrite," Mr. Daulton said.

Rewriting the contentious act was a priority for Republicans, as well as approving new oil drilling in Alaska and logging in forests that have been devastated by fires. The Republican-controlled House was successful in reauthorizing the North American Wetlands Conservation Act, first enacted in 1989.

Ken Cook, president of the Environmental Working Group, said the farm bill expires next year and will also be on their wish list to include more dollars to conserve farmland rather than plant commodity crops.

"There is a long overdue change in the way Congress has conducted its business over the past dozen years," said Betsy Loyless, senior vice president of the Audubon Society.

Environmentalists, Though Winners In The Election, Warn Against Expecting Vast Changes (NYT)

By Felicity Barringer

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — Last week's election whipsawed the Congressional committees that are crucial battlegrounds for environmental and energy legislation. But even many environmentalists believe that an ambitious new agenda is unlikely.

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The leadership changes are striking. Senator Barbara Boxer, Democrat of California, who favors mandatory cuts in emissions linked to global warming, will become chairwoman of the Environment and Public Works Committee, replacing Senator James M. Inhofe, Republican of Oklahoma, who has called the scientific consensus on human-induced global warming "the greatest hoax ever perpetrated on mankind."

In the House, Jerry McNerney, a California Democrat and wind-energy executive, will replace the current chairman of the House Resources Committee, Representative Richard W. Pombo, a Republican who fought to open public lands to private interests.

"I think you'd have to go back to the Enlightenment to find such a big change in worldviews," Ken Cook, the president of the Environmental Working Group, a research organization, told reporters on Monday.

But despite the committee changes, some lobbyists are trying to dampen expectations that a major environmental agenda can speed through Congress.

While environmental groups are likely to worry less about oil and natural gas wells in the Arctic National Wildlife Refuge, they say that trying to get the new Congress to embrace initiatives like tougher automobile fuel-economy standards and requirements that industry pay more for Superfund cleanups could mean that little, if anything, will be accomplished.

Melinda Pierce, a senior lobbyist with the Sierra Club, said in an interview, "The environmental community has to recognize how difficult it's going to be to advance an environmental agenda with such narrowly held majorities."

Senator Jeff Bingaman, Democrat of New Mexico and the presumptive new chairman of the Energy Committee, said in an interview: "I think there's a danger of trying to overreach. The close divide between Democrats and Republicans ensures we can't pass anything unless we get some Republican support."

Even before the 110th Congress is sworn in, there is unfinished business for the 109th, including the question of how much to expand energy drilling along the outer continental shelf. Many on Capitol Hill believe that two rival measures — an expansive House bill and a more limited Senate bill that would open 8.3 million acres of federal waters in the Gulf of Mexico to energy exploration — have little chance of passing.

Bob Greco, an expert on oil and gas exploration and production, said he thought that Congress would eventually open more areas to the energy industry.

"Our sense is that Congress might be willing to work on a bill to improve domestic access," Mr. Greco said, adding, "You need both increased resources as well as conservation and energy efficiency."

The agenda for the next Congress is a work in progress, legislators and lobbyists said. Philip E. Clapp, president of the National Environmental Trust and a former senior Democratic Senate staff member, said in an interview on Thursday, "It's very clear that the House Democrats want to move a piece of energy legislation sometime this spring."

Mr. Clapp said the measure would probably provide incentives for the production of biologically based fuels, like ethanol.

Mr. Bingaman said he would continue to push for requirements that at least 10 percent of any utility's electricity be generated by renewable sources like geothermal, solar and wind energy by the year 2020. He also said he wanted to guide legislation mandating energy-efficiency measures through the next Congress.

In an interview on Monday, Senator Boxer said her first priority would be to hold hearings on global warming. These would first review the half-dozen proposals that senators have put forward to slow the buildup of heat-trapping greenhouse gases, then focus on choosing the best approach. "Many states are way ahead of us," she said.

Her other chief concern, she said, is "protecting children and families" from toxic chemicals, by, among other things, ensuring that the risks from Superfund sites is made public.

The views held by Representative John D. Dingell, Democrat of Michigan, show the difficulty in finding support for a broad agenda. Mr. Dingell supports the control and cleanup of toxic substances but has never embraced automobile fuel-efficiency standards.

Mandates on fuel efficiency for cars have had wavering support from Congress since the original passage of a fuel-economy law in 1975.

In March, the federal Transportation Department ruled that by 2011 the largest light trucks and sport-utility vehicles must average 24 miles per gallon and the others in this class 28.4 miles per gallon. Anna Aurelio, an environmental lobbyist for the United States Public Interest Research Group, said Monday that a 40-miles-per-gallon standard was feasible for all passenger vehicles.

In an e-mail message, Mr. Dingell was noncommittal about tightening fuel-efficiency standards but said he would be assertive in oversight of the Energy Department and of Superfund cleanups. His strong stance on oversight has been a career trademark. Given that, and the questions many Democrats have after six years with little chance to probe administration decisions, a season of oversight hearings is at hand.

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"I think we're still looking at a big turnaround in the tenor of the debate," Mr. Cook said, "and the nature of information coming out of Washington."

Troubled Seas (NYT)

The New York Times, November 14, 2006

One report after another over the last decade has documented the degradation of the world's oceans and predicted a catastrophic decline in important fish species. But in terms of sheer gloom none compares to a recent study in the journal Science. It asserts that the progressive unraveling of entire marine ecosystems up and down the food chain could lead to the "collapse" of all commercial species, possibly by the middle of this century.

The researchers — well-known marine scientists from Canada and four other countries — reached their conclusion after analyzing dozens of ecosystems around the world, 48 marine protected areas, and 53 years worth of fishing data provided by the United Nations. They found that by 2003 — the last year for which data on commercial fish catches was available — 29 percent of all species now being fished had collapsed from overfishing, habitat loss or pollution. The study defined collapse as a 90 percent decline from estimated historical highs.

The study builds upon previous studies in three important respects. Earlier work had documented a 90 percent decline in a few commercially important species like cod, tuna and swordfish; the new study includes many more species. Second, the study provides elaboration of how entire ecosystems fall apart, with the decline of one species triggering the decline of another. Third, it puts the day of reckoning right around the corner — 2048, to be precise. "Our children will see a world without seafood if we don't change things," said the lead author, Boris Worm of Dalhousie University in Nova Scotia.

The study says that the situation is not hopeless, but only if the world moves quickly to reduce overfishing and other threats. Two opportunities for change lie immediately at hand. One is a proposal now before the United Nations that would end unregulated bottom trawling on the high seas. Bottom trawling — essentially the strip-mining of the ocean floor by heavily subsidized foreign fleets — is incredibly destructive. The United Nations banned fishing with huge drift nets years ago; it should do the same with bottom trawling now.

The second is the pending reauthorization of the Magnuson-Stevens Act regulating fishing practices in U.S. waters. The Senate has approved a bill that strengthens the act in important ways. It should be an early order of business for the new Congress.

Save The Fish (WSJ)

The Wall Street Journal, November 14, 2006

We like fish. They're tasty, good for you and catching them is good sport. We'd hate to see them disappear from the Earth's waters in our lifetime, as a recent meta-analysis in Science magazine suggested could occur. The four-page paper looked at trends across various regions from different sources and concluded that if present trends continued, the total collapse of fisheries around the world could occur by 2048.

Now, extrapolation of any trend far enough into the future can bring surprising results (remember Dow 36,000?). And at least one professor of marine sciences has called this particular extrapolation "mind-bogglingly stupid." But it's certainly true that some fisheries are overtaxed. And while the problem is worse in the developing world than in First World countries, we in the West have not exactly perfected the art of fisheries management. No one believes that cows are going extinct any time soon, and chickens seem safe. So what's the problem with fish?

Well, unlike domesticated animals, no one owns them. Government programs to set catch limits and so reduce fishing effort are a constant source of friction with fishermen, who are always pushing for higher limits than regulators feel are advisable. It's not that fishermen want to decimate their cash crop. But the system is set up to encourage them to push for whatever they can get, now. There's a better way.

Iceland has saved its fishing industry by adopting a system of individual, tradeable quotas. It's not quite the same as owning the fish, but it's probably as close as you can get short of starting a fish farm. The quotas are an asset that can be bought and sold, and their value is dependent on the viability of the fishery, so they give fishermen a direct financial stake in sustaining the fishery. It also takes the hair-pulling out of the current frequent negotiations between regulators and fishermen over where to set the limits for a given year or several years.

The current U.S. law on fisheries management expires this year and must be renewed. This has occasioned a resumption of the same old fight, with fishermen demanding that certain rules be relaxed and environmentalists pushing for a tightening of the restrictions. Why not instead sell the fisheries to the fishermen? Set the quotas at a reasonable level, and let the fishermen themselves decide in whose hands they're worth the most.

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For some, this will serve as a buyout program; they will sell their quotas and retire. We suppose the environmentally minded might even be willing to purchase some quotas and keep them. This could be expensive, but if they're right about the need to reduce fishing in a particular fishery, sitting on a quota they've purchased could prove a sound investment over time. Nor are tradeable quotas merely a libertarian fantasy; groups like Environmental Defense have also come out in favor of them.

The alternative, as three decades of command-and-control fisheries management has shown, is a tragedy of the commons on the high seas. We don't expect to see the last fish hauled from the ocean, whatever the models may say. But there's no question the world could be doing a better job managing that resource. The need to reauthorize the current law offers an opportunity for rights-based reform.

FBI/DEA/ATF/USMS:

Expose A Scandal, Face A Prison Term (LAT)

By Joe Mozingo, Times Staff Writer

The Los Angeles Times, November 14, 2006

The harshest penalty in the BALCO steroid case may go to the reporters who broke the story.

SAN FRANCISCO — At a private reception at the White House Correspondents' Dinner on April 30, 2005, President Bush praised two newspaper reporters for their award-winning stories on steroid use in professional sports.

"You've done a service," Bush twice told Lance Williams and Mark Fainaru-Wada of the San Francisco Chronicle.

But today the two journalists, in a standoff with the Bush administration, face longer terms in prison than the combined sentences of all the defendants convicted in the steroid scandal they helped expose.

In September, a judge sentenced Williams, 56, and Fainaru-Wada, 41, to up to 18 months in prison for refusing to tell the U.S. Justice Department who leaked grand jury transcripts implicating baseball stars — including Barry Bonds and Jason Giambi — in the Bay Area Laboratory Co-Operative, or BALCO, steroid ring. They are free pending an appeal hearing, set for Feb. 12.

Impasses between journalists and prosecutors seeking to unmask their sources are increasingly common, familiar to anyone who followed the jailing of former New York Times reporter Judith Miller for refusing to reveal who disclosed the identity of undercover CIA operative Valerie Plame.

But the BALCO case — although not fraught with the political overtones of the Miller case — has broader implications for the media.

Not only journalists, but two former Justice Department officials, have suggested that prosecutors are overreaching. One of those officials said the subpoenas, if upheld in court, would greatly broaden the government's ability to stifle investigative reporting.

"This is very disturbing," said Mark Corallo, who was director of public affairs for the Justice Department under former Atty. Gen. John Ashcroft and involved in reviewing requests for media subpoenas.

"There is no national security issue here. There is no public safety issue. If they can make this the standard, then confidential-source reporting as you know it is done, over."

The BALCO prosecutors, Brian Hershman and Michael Raphael, argue that letting people get away with violating a federal judge's order — in this case, an order not to release grand jury material — could undermine justice.

The leak, on balance, "served only to titillate and hold up to public ridicule those athletes who admitted using steroids before the grand jury; witnesses who testified under the belief that their grand jury testimony would be 'secret,' " the prosecutors argued in court filings.

The BALCO case began in 2003, when agents in Northern California raided a Burlingame laboratory that produced performance-enhancing drugs marketed as the Clear and the Cream. Over the ensuing months, as professional athletes were testifying before the grand jury, reporters from around the nation tried to learn which of them got drugs from the firm.

But when indictments were announced Feb. 12, 2004, against four defendants — including BALCO founder Victor Conte and Bonds' weight trainer, Greg Anderson — prosecutors had redacted the drug recipients' names. With no major athletes directly implicated, the case inspired curiosity but few ripples outside the Bay Area.

"All anyone cared about were the names, and there was this big chase to get them," Williams, said in a recent interview.

He and Fainaru-Wada wrote stories about the athletes' involvement based on anonymous sources. But many readers — particularly Giants fans following Bonds' pursuit of the home run records of Babe Ruth and Hank Aaron — did not buy it, writing angry letters to the newspaper.

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The athletes' grand jury testimony, meanwhile, was distributed to all the parties and attorneys involved so they could prepare for trial. U.S. District Judge Susan Ilston ordered them to keep it to themselves.

When the Chronicle reporters published a story in June quoting from the testimony of sprinter Tim Montgomery, the judge demanded that the attorneys and parties sign sworn declarations that they were not the source of the leak.

In December, the reporters published stories directly quoting transcripts of Bonds and Giambi, with Giambi admitting under oath that he had used the drugs. Bonds told jurors that he had used a clear liquid and rubbing cream from BALCO, but denied he knew they contained steroids, the stories said.

The testimony sparked a furor; in a sport whose popularity has long been fueled by fans' passion for record-breakers, many wondered if steroids were behind a recent slew of impressive feats.

Bush urged Major League Baseball to clean up its act. MLB imposed more stringent testing and tougher punishments on dopers, and Congress interrogated five high-profile players in a televised hearing.

In San Francisco, Judge Ilston asked the Justice Department to investigate the leak. Prosecutors eventually subpoenaed the reporters.

Although some states, including California, have shield laws that protect reporters from testifying, they hold no weight in federal cases. Legislation to create a federal shield law is before Congress. The last time the Supreme Court addressed the issue was in Branzburg vs. Hayes in 1972, when it upheld contempt convictions against reporters who had refused to appear before grand juries. Since then, many courts have hewed to Justice Lewis Powell's concurring opinion that the government should strike a "proper balance between freedom of the press and the obligation of all citizens to give relevant testimony with respect to criminal conduct."

In the BALCO case, attorneys for the Hearst Corp., which owns the Chronicle, argued that no such balance had been struck. They asked the court to consider that uncovering the source of the leak was marginal when balanced against the public value of "revealing that a number of the nation's best-known and most highly paid professional athletes had lied to the public about illegally using performance-enhancing drugs."

Forcing the reporters to testify, they wrote, would set a debilitating precedent for investigative journalism. "These revelations could never have been made but for the promise two Chronicle reporters made to confidential sources that this story of sports gone awry would be told fully and accurately and that the journalists would never reveal their sources' identities."

Two former Justice Department officials backed them.

Jamie S. Gorelick, deputy attorney general under Janet Reno from 1994 to 1997, filed an affidavit saying that long-standing internal guidelines dictate that media subpoenas be issued only when "immediate action is required to avoid loss of life or the compromise of a security interest."

Corallo, the former public affairs director, wrote: "Based on my experience, I believe that the subpoenas would not have been issued under former attorney Ashcroft's administration for the further reason that compelling the reporters to testify in this instance would have an incalculable chilling effect on the press."

Tasia Scolinos, the current director of public affairs, said Atty. Gen. Alberto Gonzalez has not changed policy on subpoenaing reporters. The number of approved subpoenas has remained steady over the last 15 years: 14 from 1991 through 2000, and five since then, she said. (Those do not include subpoenas issued by special prosecutors, such as the one investigating the Plame leak.)

Scolinos said the department errs on the side of restraint, typically granting requests from field offices only if the deputy attorney general, the public affairs director and the criminal division chief agree they are merited.

Breaches of grand jury secrecy "seriously imperil the entire system's ability to investigate and uncover crime," she said, "and when a federal judge asks us to open an investigation because the grand jury process has been violated, that is something we would obviously take very seriously."

Media advocates say cases like BALCO are eroding the press' check-and-balance role in society. Lucie Morillon, of the Paris-based advocacy group Reporters Without Borders, said the United States' ranking in its annual survey of press freedom fell from 17 in 2002 to 53 in 2005. "The main thing in the U.S. is attacks on confidential sources," she said.

After hearing from both sides in July, U.S. District Judge Jeffrey White in San Francisco said the reporters had to testify. When they said they could not, he sentenced them to up to 18 months behind bars.

Hearst attorneys hope a panel of the U.S. 9th Circuit Court of Appeals reads the case law differently.

"I want people to know that if the government wins this case, all they're going to accomplish is putting two reporters in jail," said Hearst general counsel Eve Burton. "They are not going to get this information from us."

Williams, a reporter for 33 years, said he'd lose his credibility if he gave up the source.

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Fainaru-Wada, a reporter for 17 years, said he and his wife have braced his 9-year-old son and 7-year-old daughter for the possibility that he might go to prison. "We tried to make it as fundamental as possible: "We made promises, you need to keep promises. "

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(INFOBOX BELOW)

Grand juries

Their role. A federal grand jury is a panel of 23 citizens who evaluate evidence presented by prosecutors and decide if there is enough proof to return an indictment.

Why they're secret. Grand jury sessions are held in secret for several reasons: to protect jurors and witnesses from intimidation, to avoid tipping off suspects who could flee, to encourage witnesses to be forthcoming and truthful, and to avoid stigmatizing those who've been investigated but not charged.

Leaks do occur. Although prosecutors generally hold the secrecy of grand jury proceedings sacrosanct, leaks to the media are not unheard of. And if a grand jury investigation does lead to a trial, the grand jury material can be introduced as evidence and become public.

Shared testimony. In the BALCO case, the leak came after the grand jury session had ended, and the testimony was given to prosecutors, defendants and defense attorneys to prepare for trial. A judge ordered the recipients not to release the material.

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Source: Times reporting

71 Years Given In Agent's Slaying (AR)

By Jahna Berry, The Arizona Republic

The Arizona Republic, November 14, 2006

The man who dreamed up a 1994 double-cross that ended the life of a U.S. Drug Enforcement Administration special agent could spend the rest of his days behind bars.

On Monday, Augustin Vasquez Mendoza, 37, was sentenced to 71 years in prison. In August, a jury convicted him of one count of first-degree murder, two counts of aggravated assault, three counts of kidnapping, three counts of attempted armed robbery and one count of conspiracy to commit armed robbery.

Vasquez Mendoza is the last of four men who have been tried in connection with a shooting at a Glendale garage that took the life of DEA Agent Richard Fass.

After the shooting, Vasquez Mendoza fled to Mexico, where he was arrested in 2000. He was not returned to Arizona until 2005. Mexico does not extradite its citizens if they face the death penalty or life in prison with no chance of parole.

Judge Warren Granville of Maricopa County Superior Court sentenced Vasquez Mendoza to life in prison with a possibility of parole in 25 years and added 46 years for kidnapping, assault and armed robbery counts, which must be served after the murder conviction sentence.

Fass' younger brother Guillermo said he was satisfied with the sentence but it doesn't bring his family any closure.

It's been hard for his brother's widow and four children to piece their lives back together, Guillermo said. One of the agent's daughters lived with years of guilt because she didn't kiss her father goodbye the last time she saw him, the Tucson resident said.

"More than anything, it sends a statement throughout the world that criminal intent can't come into our country and kill a law enforcement official in the line of duty, flee, and think that they can get away with it," he said. "From that aspect, me and the family were happy."

Federal law enforcement officials also say that the sentence sends a message.

"This prosecution will never bring back Agent Fass," U.S. Attorney Paul Charlton said in a statement. "But DEA's relentless search for Fass' killers serves as proof that DEA never forgot, and will never forget, a fallen agent."

During the sentencing, the DEA agent's widow, Theresa, said that her husband's death left a hole in her life.

"Twelve years ago, Richard's death changed and devastated our lives," she said. "Without a choice, we were forced to move on without a husband and a father . . . The void in our hearts will never go away." Vasquez Mendoza, his relatives and his attorney asked Granville for leniency.

"I am sorry for everything that has happened," said Vasquez Mendoza, who also apologized to Fass' family and former co-workers in the courtroom. "Even though it was not my fault, I ask them for forgiveness."

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Vasquez Mendoza's attorney, JoAnn Garcia, argued that since her client wasn't at the crime scene, it would be unfair to impose a longer sentence than what the other three defendants linked to the crime received.

Granville said that the facts of the case weighed against Vasquez Mendoza.

"Four people went into that room, three people ran out and one person was left dying in that room," Granville said. "You were convicted because you . . . conspired to commit armed robbery and in committing that robbery Agent Fass was killed."

Monday's hearing was the final chapter in a saga that began when a 1994 undercover operation unraveled.

Fass, 37, was posing as a drug-dealing "uncle" at a Glendale garage. Vasquez Mendoza, his half-brother and two other men were supposed to meet Fass at the garage for a methamphetamine deal. Instead of selling drugs to the undercover agent, Vasquez Mendoza and the trio plotted to rob him of $160,000, Assistant U.S. Attorneys Kevin Rapp and Keith Vercauteren argued at trial.

Vasquez Mendoza did not go to the meeting himself and instead sent his half-brother, Juan Vasquez Rubio, and two other men. The encounter ended in bloodshed.

Vasquez Rubio, who fatally shot Fass, was sentenced to life in prison without possibility of parole plus 55 years for robbery, kidnapping and other charges, said Wyn Hornbuckle, a spokesman for the U.S. Attorney's Office.

Rafael Rubio Mendez, who shot Fass in the trigger finger, was sentenced to life in prison with the possibility of parole in 25 years, plus 43 years for robbery kidnapping and other crimes, Hornbuckle said.

Eduardo Aceves Vasquez, who cooperated with authorities, was sentenced to 2 1/2 years after he was convicted of lesser charges.

While the other three were in court, Vasquez Mendoza eluded authorities. After six years, four of them on the FBI's 10 most wanted list, and with a $2.2 million bounty on him, Vasquez Mendoza was arrested in Mexico in 2000.

DEA Agent's Killer Gets Life Term (ADS)

Arizona Daily Star, November 14, 2006

A man convicted in the June 1994 slaying of Drug Enforcement Administration agent Richard E. Fass was sentenced to life in prison.

Agustin Vasquez-Mendoza was sentenced in Maricopa County Superior Court. He was convicted on 10 counts that included armed robbery, kidnapping and first-degree murder.

Vasquez-Mendoza, a Mexican national, will be eligible for parole after serving 25 years for the murder but was sentenced to serve an additional 46 years in consecutive sentences for the nine additional counts before he could be released.

Evidence showed that Vasquez-Mendoza and three accomplices planned to rob Fass of $160,000 in cash during an undercover operation. Fass, a Tucson native, was shot to death in Glendale. The three accomplices have already been convicted.

Last Of Four Defendants In Case Of Slain Agent Gets Prison Term (AP)

AP, November 14, 2006

PHOENIX The last of four men tried in the 1994 slaying of a federal Drug Enforcement Administration special agent has been sentenced to 71 years in prison.Augustin Vasquez Mendoza was convicted in August of one count of first-degree murder and two counts of aggravated assault.He was sentenced yesterday in Maricopa County Superior Court to life in prison with a possibility of parole in 25 years.A judge also added 46 years for kidnapping, assault and armed robbery counts, which must be served after the murder conviction sentence.After D-E-A agent Richard Fass was fatally shot, authorities said Vasquez Mendoza fled to Mexico, where he was arrested in 2000.He wasn't returned to Arizona until 2005.Mexico had to be assured Vasquez Mendoza wouldn't be executed.

Information from: The Arizona Republic

Indicted Va. Sheriff Steps Down (AP)

AP, November 14, 2006

ROANOKE, Va. (AP) -- A rural county sheriff charged with taking part in a scheme to sell drugs seized from criminals has stepped down, his attorney said Monday.

Henry County Sheriff H. Franklin Cassell has informed county officials of his retirement, which is effective immediately, attorney John Lichtenstein said in a news release.

Cassell, who maintains innocence, has not been in the office since the beginning of the month, when he was indicted along with 12 of his current and former officers and seven others in the federal drug case. Cassell is charged with impeding the investigation by federal agents and with money laundering.

"The sheriff has examined the nearly constant distraction his status has become" and didn't want it to interfere with the office's work, Lichtenstein said.

Cassell, 68, had not intended to seek re-election next year, the attorney said. He has been sheriff since 1992, and before that had a career with the Virginia State Police.

Cassell said last week he would stay off the job on an unpaid leave until the case was resolved, but the county supervisors asked him to resign and said the department's operations were hindered otherwise.

"Mr. Cassell made the right and honorable decision," board chairman H.G. Vaughn said in a news release.

Deputy County Administrator Tim Hall said late Monday that he would have to review the law to determine when an election to replace Cassell must be held.

Prosecutors have said cocaine, steroids, marijuana and other drugs seized by the sheriff's department were resold to the public during the past eight years. Guns and other evidence also were stolen, they said.

Henry County, which has a population of 57,930, is on the North Carolina border.

Cassell Retires As Henry County Sheriff By Lindsey Nair (RT)

Roanoke (VA) Times, November 14, 2006

Henry County Sheriff Frank Cassell, who was indicted Oct. 31 as part of a federal corruption investigation into his department, has stepped down.

According to a press release from Cassell's attorneys, he decided to retire effective immediately after examining "the nearly constant distraction his status has become since his announcement last week."

Cassell said Thursday that he planned to place himself on unpaid administrative leave pending the outcome of the federal case, but that decision was met with frustration by some Henry County officials, including the Board of Supervisors, which had called for his resignation.

On Monday, board Chairman H.G. Vaughn said, "Mr. Cassell has made the right and honorable decision. I admire him for doing that. I wish him the best in his retirement."

Sheriff H. Frank Cassell Announces Retirement (MB)

Martinsville (VA) Bulletin, November 13, 2006

Press release from Cassell's attorneys

Monday, November 13, 2006

Henry County Sheriff H. Frank Cassell's attorneys released the following statement this afternoon:

Last week Sheriff Cassell announced that he would

"...completely and without exception remove himself from all aspects of the operation of the Henry County Sheriff's Office by placing himself on unpaid administrative leave for the pendency of this case."

His action last week was taken with the intent to ensure effective law enforcement for the people of Henry County and to remove all obstacles and distractions from the operation of the Sheriff's Office.

Since the federal government initiated this matter, the Sheriff has listened to the voices of those with whom he has worked for many years. He has also heard the requests that he make more formal and permanent the separation he announced last week.

At sixty-eight years old, Sheriff Cassell did not intend to seek re-election next year. Accordingly, with less than one year on his term, today the Sheriff has informed Henry County officials of his retirement, effective immediately. The Sheriff already had separated himself from the Office. He fully intended to remain on unpaid administrative leave. However, the Sheriff has examined the nearly constant distraction his status has become since his announcement last week. And notwithstanding that he will vigorously defend himself against these charges, the Sheriff simply will not allow the technical aspects of the status of his position to distract from the important work of the Office it has been his honor to serve for over fifteen years. Last week, his separation was complete. Now he formalizes that separation into retirement.

The Sheriff expresses his sincere appreciation to those who continue to express support for him and his family and he looks forward to his own vigorous defense.

John E. Lichtenstein
John P. Fishwick, Jr.
Gregory L. Lyons
Counsel to Sheriff Cassell

Sheriff Frank Cassell's Lawyer Makes Statement On Cassell's Future (TD)

Times Dispatch, November 13, 2006

Henry County Sheriff H. Franklin Cassell, who faces federal charges related to a drug and gun racketeering investigation, is retiring, his attorneys said.

Cassell, who has been the county's sheriff since 1992, submitted his application for retirement to Henry County Administrator Benny Summerlin today and asked that the forms be completed and forwarded to the Virginia Retirement System.

Cassell, 68, had placed himself on unpaid leave last week despite county supervisors' request that he resign. A statement released by his lawyers today said he had intended to remain on leave but changed his mind because " . . . the Sheriff simply will not allow the technical aspects of the status of his position to distract from the important work of the Office it has been his honor to serve for over fifteen years."

In late October, federal prosecutors unsealed a 50-page, 48-count indictment and announced that 20 people had been charged in an alleged racketeering operation that included distribution of illegal drugs, theft of drugs and firearms in the custody of the Henry sheriff's office, money laundering and obstruction of justice.

Besides Cassell, among those indicted are 12 former and current employees of the sheriff's office, including a major, a sergeant and a vice unit sergeant. Also charged are a former probation officer and a U.S. Postal Service employee.

Within hours of the indictment being unsealed, the Henry County Board of Supervisors passed a resolution asking Cassell to resign immediately, noting that his ability to manage the department "is irreparably damaged in light of these events."

H.G. Vaughn, chairman of the Henry Board of Supervisors, praised Cassell's retirement today as "the right and honorable" decision.

"I admire him for doing that, and I wish him the best in his retirement," Vaughn said in a statement. "My prayers go with him and his family, as well as with the others involved and their families, during the upcoming judicial proceedings. I remind the public that all are innocent until proven guilty and I ask everyone to refrain from any pre-judgment."

A supervisors meeting to discuss Cassell's status had been scheduled for Wednesday, but was cancelled after today's retirement announcement.

A circuit court judge will appoint an acting sheriff. Capt. Lane Perry has been running the sheriff's office.

Federal prosecutors said Cassell, who is free on $25,000 unsecured bond, failed to investigate misconduct, made false statements to federal investigators, and attempted to aid a money laundering scheme.

His lawyers' statement said, "The sheriff expresses his sincere appreciation to those who continue to express support for him and his family and he looks forward to his own vigorous defense."

Border Patrol Says Agents Crossed Border (AP)

AP, November 14, 2006

EL PASO, Texas (AP) -- U.S. Border Patrol agents crossed the Rio Grande into Mexico last week while chasing a drug smuggling suspect, Border Patrol officials said Monday.

The agents followed a fleeing pickup truck into the river "no more than 25 feet across the border" Thursday afternoon, Robert W. Gilbert, the chief patrol agent for the patrol's El Paso sector, said in a statement Monday.

The driver of the pickup truck, which was fitted with a camper shell and loaded with marijuana, ran into Mexico after the vehicle got stuck in the shallow river as he tried to elude the agents, authorities said.

A Mexican police officer in Guadalupe, about 25 miles southeast of El Paso, reported last week that the pursuit ended with a brief standoff between local officers and Border Patrol agents. Jose Luis Delgado, the Mexican officer, said that officials from both countries drew their weapons, but that no shots were fired.

The Border Patrol agents seized about 300 pounds of marijuana, while the truck and remaining marijuana were seized by Mexican authorities.

It was unclear how many U.S. agents crossed the river or what repercussions they may face. In his statement, Gilbert said, "This type of incident occurs periodically by agencies from both countries."

Border Patrol officials familiar with Thursday's incident and the investigation were not immediately available Monday.

According to a U.S. Homeland Security report made public this year in a newspaper report, Mexican authorities have crossed the U.S. border 216 times since 1996. Homeland Security officials have said many of those crossings were inadvertent. It is unclear how many times U.S. officials have crossed into Mexico.

S.F. Supervisors To Vote On Softening Pot Enforcement (SFC)

San Francisco Chronicle, November 13, 2006

DOJ_NMG_0093896

SAN FRANCISCO -- San Francisco's Board of Supervisors will vote Tuesday on legislation that would set nearly all crimes involving marijuana as the lowest law enforcement priority for city police.

The legislation, sponsored by Supervisor Tom Ammiano, was approved today by a board committee with the blessing of police officials and over the complaints of some residents.

"This measure, which would legalize the unlimited growth and sales (of marijuana) on private property, will make public spitting and (leaving chewing) gum ... on the sidewalk higher priorities," said Kim Stryker, voicing opposition before the supervisors' City Operations and Neighborhood Services Committee.

Ammiano introduced the legislation in August at the behest of groups pushing for the national decriminalization of marijuana. He defended the policy move, saying it is consistent with Proposition W, a measure passed in 1976 by city voters calling for an end to marijuana arrests and prosecutions, and state Proposition 215, which provides for medical use of cannabis.

"There are many better ways that we can be using our tax dollars and empowering our law enforcement than wasting money and police resources on marijuana offenses," Ammiano said. "This ordinance would allow San Francisco to join other forward-thinking cities. It will not result in San Francisco becoming Amsterdam West."

Under the proposed legislation, city police would be directed to essentially ignore most marijuana crimes unless they involve minors or acts of violence, driving under the influence or the sale or distribution of pot on public property or within view from public property.

San Francisco Police Capt. Tim Hedrick, head of the department's narcotics squad, said Ammiano's legislation is consistent with police policy on marijuana crimes. "It does not tie our hands enforcing the law," he told the committee.

But a number of residents protested the legislation, saying it will encourage crime and the use of harder drugs such as cocaine or heroin.

"It will undermine the efforts of people who live in marginal neighborhoods to make their neighborhoods safe, clean and peaceful," said Arthur Evans, a Haight-Ashbury resident. "This measure is an attack on the well-being of our neighborhoods. You should not throw obstacles in our way. You should help us to make San Francisco more safe and livable."

Supervisor Fiona Ma, a member of the committee hearing Ammiano's legislation, also spoke out against it, saying she believed it "establishes a new policy that has not been presented to the voters." Ma broke with Supervisor Jake McGoldrick, the committee's chairman, and Ammiano in voting against the legislation today.

Although the city doesn't track marijuana arrests and prosecutions, the National Organization for the Reform of Marijuana Laws (NORML) has said more than 1,000 people were arrested in cases involving the drug in 2004.

Dale Gieringer of the California chapter of NORML said cities that have adopted a lax policy toward marijuana have not seen it contribute to crime -- which is an argument activists make for legalization of marijuana under federal law.

"We have to start somewhere and we have to act locally," he added.

Dispensaries Face Strict Codes (WDN)

Whittier Daily News, November 13, 2006

PASADENA - Here, near the 10th anniversary of voter-approved medicinal marijuana in California, the going is rough for purveyors in the San Gabriel Valley. The two latest dispensaries opened and quickly shut down due to county permit violations.

"Medical functions belong in a medical facility to protect the public as well as patients," said Tony Bell, spokesman for county Supervisor Michael Antonovich. "We believe these current operators' intention is to circumvent the law. We have to be vigilant, and our office will pursue every legal avenue \."

County code mandates that medicinal marijuana dispensaries possess a business license and conditional-use permit, both required since a moratorium approved unanimously in June 2005 by the Board of Supervisors was lifted in June of this year, officials said.

On Wednesday, Alternative Caregivers of Pasadena closed shop after receiving a violation notice from county officials.

"They were conducting a medical marijuana dispensary without a conditional use permit first being obtained," said Alex Garcia with the county's regional planning department.

A hand-made sign posted on the door Thursday told patrons the dispensary, located in an office

Advertisement

building at 3868 E. Colorado Blvd., was closed.

Two blocks away and a day earlier, another outlet called California Compassionate Caregivers, at 3682 E. Colorado Blvd., also closed shop.

The owners alerted customers with a similar sign, as well as placing a farewell notice on Weedtracker.com, a Web site dedicated to medical marijuana.

"We put our heart and soul and truly wanted to make a difference, but we failed you," reads the Web posting.

Los Angeles County Counsel Rick Weiss said letters were sent to the owners of both properties informing them permits were required.

In Pasadena, a city zoning code amendment permanently banning dispensaries was approved in September 2005, said city spokeswoman Ann Erdman.

"People who advocated for medical marijuana packed the hearing room," she recalled, "but \ decided it should prohibit use in Pasadena because a lot of people try to circumvent laws."

But William Dolphin, a spokesman for Safe Access for America, a medicinal marijuana advocacy group, insisted that despite such claims, the 200,000 people considered to be in need of the drug should be able to readily obtain the information and medicine they need.

An exemption from criminal penalties for medical marijuana use created by Proposition 215, or the Compassionate Use Act, approved in November 1996 by 56 percent of voters, lies at the root of the controversy.

Since the proposition passed, two dozen cities and seven counties - including Los Angeles, Riverside and Santa Barbara - have approved regulations allowing the dispensaries. However, three times as many municipalities have passed moratoriums or bans, according to published reports.

The FDA has not approved marijuana for medical use in the United States.

Medical Marijuana Advocate Gets 3 Years Probation In Las Vegas (AP)

AP, November 14, 2006

LAS VEGAS A medical marijuana advocate has been sentenced to three years probation in a case that had been seen as a test of Nevada's medical marijuana program.A judge told 35-year-old Pierre Werner he was getting a break instead of prison time after pleading guilty to possession of marijuana with intent to distribute.But she said Werner no longer could supply marijuana to other people.Werner could have gotten up to four years in prison.He's got a license to use marijuana to treat his own symptoms of bipolar disorder.But after police found 45 marijuana plants at his home in 2004 he said he was growing pot for 50 other medical marijuana users because conflicting state laws made it difficult for them to get it.

Tougher Steroid Testing Could Soon Be In Place (WP)

By Mark Maske, Washington Post Staff Writer

The Washington Post, November 14, 2006

Representatives of the NFL and its players' union met last week and seem to be progressing toward completing an agreement to toughen the league's steroid-testing program.

Officials on both sides of the discussions said yesterday that no agreement had been completed. But the two sides, officials said, are discussing the possibilities of increasing the number of random tests and using a more sophisticated test to detect the presence of synthetic testosterone in a sample obtained via a drug test.

Commissioner Roger Goodell and Gene Upshaw, the executive director of the NFL Players Association, participated in the meeting with the league's medical advisers. League spokesman Greg Aiello confirmed that the meeting occurred but said no agreement for modifications to the testing program was finished.

Upshaw said the two sides "did not agree on any changes" but discussed methods of strengthening the program involving the frequency of tests, the type of test and the number of players tested.

Under the NFL's current steroid program, seven players per team are randomly selected each week during the season to be tested. The two sides have discussed increasing that number, perhaps even doubling it. They also have discussed making more frequent use of the costly carbon isotope ratio test to determine whether testosterone detected in a sample is natural or synthetic.

Officials said that last week's session was typical of the sort of meeting the parties often have during their annual review of the drug policy. Goodell indicated when he took office in September that he would seek to strengthen the program, and Upshaw said he would agree to any changes recommended by the sport's medical advisers.

These discussions come in the aftermath of one of the league's top defensive players, San Diego Chargers linebacker Shawne Merriman, being suspended for four games for testing positive for a banned substance that he said was in a supplement he was taking.

Upshaw said the league's leaders were told at last week's meeting that there still is no reliable urine test for human growth hormone. He previously has said that he would not agree to allow players to be blood-tested for growth hormone.

NFL, NFLPA To Get Aggressive On Steroids (FS)

DOJ_NMG_0093898

FOX Sports, November 13, 2006

FOX NFL Sunday and FOXSports.com have learned that NFL commissioner Roger Goodell, NFLPA chief Gene Upshaw and other league officials quietly met this week with a panel of scientists, doctors and experts in somewhat of a drug summit to get a more aggressive plan of attack to catch the cheaters.

The meeting took place on Thursday in New York City with half the experts in the office and others via conference call. In addition, Upshaw told FOX NFL Sunday and FOXSports.com, that he and Goodell are working on a much more aggressive testing system they hope to have in place either this year or the start of next in their battle against Human Growth Hormone, testosterone and steroids.

Perhaps the most significant step to arise out of this meeting was Upshaw admitting he and Goodell will soon agree to a new, more aggressive random testing system that will include more random tests per week, perhaps as high as 15 per club per week — up from seven per week.

But even more important is the fact that the two sides will use a more aggressive testing system either this year or next in such random tests. The system, called CIR or carbon isotope radiation testing, can unequivocally detect the use of artificial testosterone. Due to costs and a lack of lab machines the league currently only uses CIR to confirm positive tests. Under their new plan, the league will increase their spending to actually use this CIR system in random testing.

"We are looking to prevent the cheaters from doing what they try to do," said Upshaw. "The only thing I want when we increase this is notice for my players. We've got to notify these guys of what we're going to do. But once they have that notification, we plan to get much more aggressive."

The most intense discussions were centered upon human growth hormone. Despite the NFL's desire to crack down completely on users of growth hormone, the scientists and experts admitted while they are working on a urine-based test rather than the unproven blood test that exists, they're still far behind.

"There's still no viable tests for it," said Upshaw.

Other points to come out of this meeting, the first of its kind for Goodell as the new commissioner:

The scientists and doctors informed Goodell and Upshaw that people are now combining more drugs but in lower doses to avoid side effects and detection. The CIR will help catch some of those who use this strategy.

The league will try to put some unpredictability in its testing program within the next year.

Goodell wants to shorten the appeal process. Currently, a player can test positive, receive notification, then wait up to a month before he learns if his suspension will be upheld or not. The commissioner wants to significantly cut down on this time.

COME AGAIN: The 2006 season has widely been assumed to be the last hurrah for Packers future Hall Of Fame quarterback Brett Favre. But new head coach Mike McCarthy now says the franchise is doing whatever it has to do convince him to actually return for one more year.

"I know what's being said out there and written about it but I'm telling you after watching him first hand that he's part of the solution, not part of the problem," McCarthy told FOX NFL Sunday and FOXSports.com. "I'd love to have him for one more year."

McCarthy said he spoke with Favre within the last couple of weeks about such a notion and admits the next two months will be crucial in the process.

"I think these next eight games will decide it for him," said McCarthy. "It all depends how things go down the stretch."

McCarthy said the team is doing whatever it can to make Favre comfy — including giving him his own office at the team's complex so he can spend longer hours at work.

One thing McCarthy said he and GM Ted Thompson have talked about is the fact they want Favre to make a decision soon after the season ends rather than have the long, drawn-out drama that occurred this past off-season.

"That's why these next eight games are so important to him," McCarty added. "But this off-season he'll know who his receivers will be, he'll know who his o-line will be. He'll have a better sense of who we're building with."

LEWIS BOILS OVER: The Bengals are either about to step up and ride a wave to the postseason or follow suit from a week ago and completely implode. In their last game the Bengals embarrassed themselves with one wideout slamming his helmet for all to see down the stretch, a QB ripping into another wideout and then another wideout nearly crying with frustration after the game.

Enough seems to be enough for their head coach.

Team sources told FOX NFL Sunday and FOXSports.com that after last week's game head coach Marvin Lewis, for the first time after a game all season, completely ripped into his team.

According to the sources, Lewis implored his team to "stop worrying about 'me' and stop being so selfish."

Lewis has kept his patience with his team despite having to deal with several interpersonal and off-field problems plaguing his locker room — that is, until last Sunday afternoon.

Lewis also implored his team to control their emotions when they get frustrated and things go bad. Basically, if they are to head to the postseason they can't get unraveled when bad stuff happens.

Toll Mounts In Mexico's Drug War (LAT)

By Héctor Tobar And Cecilia Sánchez

The Los Angeles Times, November 14, 2006

MEXICO CITY — The death toll in Mexico's drug war has surpassed 2,000 this year, with a newspaper editor found dead in the resort city of Zihuatanejo and a police commander assassinated in Tijuana apparently among the latest victims, according to news reports.

Another police commander was killed Monday in the northern city of Monterrey, and four people were reported killed in the southern state of Guerrero.

No government agency keeps a tally of the drug-related killings, but according to human rights organizations and newspapers, an average of six people are killed in the country's drug wars every day.

The newspaper El Universal said Saturday that its tally of drug-related killings for the year had reached 2,012. Last year, more than 1,500 people were killed in violence related to a lucrative trade in illicit drugs, including cocaine and methamphetamines.

The death Friday of Misael Tamayo Hernandez, the editor of the daily newspaper El Despertar de la Costa, appeared to be the sixth killing of a Mexican journalist this year, Reporters Without Borders said.

But in a country where drug killings are often public events — a hail of bullets on a busy street, a decapitated head deposited on the steps of a government building — Tamayo's death was different.

He died before dawn in a Zihuatanejo hotel room, officials said. His sister Ruth Tamayo, who identified his body at the hotel, said he was neither shot, nor strangled with a towel, nor tied up and executed, as reported by various local media.

The editor was found with three puncture wounds on his shoulder, she said. The coroner established the cause of death as a heart attack, but could not rule out foul play until a toxicology report was complete, officials said.

"We still haven't managed to understand what happened," Ruth Tamayo said. "We're very sad, our entire family is distraught. We still can't believe it."

Having last seen him Thursday morning, Tamayo's family and co-workers became worried after he failed to show up at a 6:30 p.m. meeting at his newspaper. Within an hour, reporters and family members began searching for him.

"My brother never let the paper go to print like that," Ruth said. "The newspaper was his passion. He was the kind to call in every 10 minutes to see how things were going."

Days before he was found dead, the editor had written a column denouncing local corruption. Guerrero, which includes Zihuatanejo and Acapulco, has been ravaged by a battle between competing drug cartels and the police. Tamayo's newspaper reported extensively on the violence.

Three days before Tamayo's death, Mexican President-elect Felipe Calderon visited Zihuatanejo to deliver a speech to a foreign trade conference. He dedicated a part of his speech to addressing fears that the wave of drug-related violence might chase away foreign investment.

Calderon, set to take the oath of office Dec. 1, promised his government would not waver in its battle against drug violence.

"It's going to take work, time and money" to win the battle, Calderon said. "And it will probably cost us human lives as well…. But there is no other alternative."

In April, hit men left two severed heads outside a Guerrero state government building in Acapulco. "So that you learn to respect," read a message scrawled on a red sheet left nearby. In October, two more heads were found on Acapulco's beach.

In Tijuana on Thursday, more than 10 heavily armed men ambushed a police vehicle on a busy thoroughfare near downtown, killing one officer in a wild shootout that left a flower vendor and a taxi driver injured.

A police commander, Hector Gaxiola Gamez, narrowly escaped the attack. But the next morning, gunmen again caught up to the commander, and this time they didn't miss. Gaxiola's body, handcuffed to that of his brother, was found in an empty lot, disfigured by more than 100 gunshot wounds.

Gaxiola was the 19th law enforcement officer to be killed this year in Tijuana. Many were slain after the August capture of alleged drug lord Francisco Javier Arellano Felix, which many experts believe has triggered a battle for control of the lucrative narcotics trade in the city.

Tijuana Mayor Jorge Hank Rhon blamed the media, saying a story erroneously identifying Gaxiola as a witness in the case of the killing of another police officer had led to his death.

DOJ_NMG_0093900

"Are we becoming used to this being a 'normal' day in our country?" El Universal asked in a Saturday editorial, as the paper reported on the deaths of Tamayo and Gaxiola.

*

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Times staff writer Richard Marosi in Tijuana contributed to this report.

IMMIGRATION:

Texas Town Triggers Immigrant Fears (FINDLAW/AP)

By Anabelle Garay, Associated Press Writer

AP, November 14, 2006

(AP) - FARMERS BRANCH, Texas-Supporters say a sweeping ordinance intended to keep out illegal immigrants is necessary because the federal government has failed to address the issue. Critics argue the proposal could lead to sanctioned discrimination and racism.

Both sides are carefully watching if this Dallas suburb becomes the first city in Texas to adopt strict limits on anti-illegal immigration, a cause for concern among its large minority population.

A councilman has given city attorneys drafts of an ordinance that would make English the city's official language and proposals to fine companies and landlords who do business with illegal immigrants. The measure was expected to be submitted to the council on Monday, but there was no indication when it might be put to a vote.

More than 50 municipalities nationwide have considered, passed or rejected similar laws, but until now, that trend hasn't been matched in the Lone Star State.

"This is the first town in Texas that had the guts to do what's right," Susie Hart, who grew up in Farmers Branch, said during a recent demonstration outside City Hall. "The education system is tanking, health care has gone through the roof, everybody is bilingual."

Such sentiments and the proposed ordinance trouble many people in Texas, where many Latino families can trace their roots here to the era before statehood.

"This is not just a Farmers Branch problem," Elizabeth Villafranca said of the proposal.

Villafranca, whose family owns a Mexican restaurant here, said she worries that such laws will spread to other cities if the City Council approves the proposal.

Since 1970, Farmers Branch has changed from a small, predominantly white bedroom community with a declining population to a city of almost 28,000 people, about 37 percent of them Hispanic, according to the census.

It also is home to more than 80 corporate headquarters and more than 2,600 small and mid-size firms, many of them minority-owned.

The local debate over illegal immigration began in August and spawned demonstrations by both sides of the issue.

The Farmer's Branch proposal follows a vote this year in Hazleton, Pa., to fine landlords who rent to illegal immigrants, deny business permits to companies that employ them and require tenants to register and pay for a rental permit. However, a federal judge temporarily blocked enforcement of the Hazleton ordinance while he considers a lawsuit against the town by the Puerto Rican Legal Defense and Education Fund, the American Civil Liberties Union and other groups.

More than a dozen other Pennsylvania cities have taken up similar ordinances, as have several others in the South and a handful in California.

Many of the municipalities have based their ordinances on a model provided by the Immigration Reform Law Institute, which favors limits on immigration and is affiliated with the Federation for American Immigration Reform.

"They've all expressed a great deal of frustration with the failure of the federal government to respond" to illegal immigration, said Mike Hethmon, the institute's general counsel.

Critics fear the anti-illegal immigration rules will fuel racism and discrimination.

"Many people are assuming that all immigrants are lawbreakers, and that people who are different, who speak a different language, are to be shunned," said Cesar Perales, president and general counsel of the Puerto Rican Legal Defense and Education Fund.

On the Net:

Puerto Rican Legal Defense and Education Fund: http://www.prldef.org/

DOJ_NMG_0093901

Immigration Reform Law Institute: http://www.irli.org/

Republicans Gird For Fight Over Amnesty For Illegals (WT)

By Charles Hurt

The Washington Times, November 14, 2006

Sen. Jon Kyl said yesterday that a Republican-led filibuster would be on the table to block immigration legislation supported by congressional Democrats and President Bush that grants citizenship rights to illegal aliens.

"It would be in order," the Arizona Republican told radio host Laura Ingraham yesterday. "My only question is whether we've got the votes to do it."

The comments highlight the deep divide between most congressional Republicans and the White House over an explosive political issue. And, coming from the No. 4 Republican in the chamber, the tough talk suggests the final two years of Mr. Bush's presidency could see heightened belligerence from both Democrats and Republicans on Capitol Hill.

"This is a troubling sign," said Jim Manley, spokesman for Democratic leader Harry Reid of Nevada. "I hope the president will work with Democrats on the Hill to pass bipartisan, comprehensive immigration-reform legislation early next year."

Though Mr. Kyl indicated he would support a filibuster, he's not confident that he and his allies could secure the 40 votes necessary to block the immigration legislation that passed earlier this year. The legislation gives illegal aliens a direct path to citizenship and allows them to collect Social Security benefits for the work they've performed.

"I would certainly hope that the majority of Republicans in the Senate would not be complicit in passing legislation that is not wise, that, for example, would put everybody on a path to citizenship and say that temporary workers get to get U.S. citizenship and so on," he said. "Clearly, a majority of the Republicans in the Senate don't want that kind of legislation, but whether we've got 40 votes, I'm just not sure."

In May, 36 senators opposed the legislation. The overwhelming majority of them were Republicans. In last week's elections, four of those opponents lost their seats. Only one supporter of the bill -- Majority Leader Bill Frist of Tennessee, who is retiring -- will be replaced by a Republican who might join those opposed to the bill.

With only 32 or 33 members opposed to the legislation, a filibuster attempt seems unlikely to succeed. Even if Mr. Bush were to veto the legislation, there would be enough Senate support to override it.

All hope among tough opponents of illegal immigration rests with the House, where Republicans maintained a hard line against any legislation with even a hint of amnesty in it. Democrats picked up some 30 seats in last week's elections, but many of the new Democrats are from conservative areas and are opposed to amnesty.

The challenge would be for Republican leaders to pick off enough of those conservative Democrats to overcome broad support among most in the caucus.

Mo. Panel: Immigration, Abortion Linked (AP-Y)

By David A. Lieb, Associated Press Writer

AP, November 14, 2006

A Republican-led legislative panel claims in a new report on illegal immigration that abortion is partly to blame because it is causing a shortage of American workers.

The report from the state House Special Committee on Immigration Reform also claims "liberal social welfare policies" have discouraged Americans from working and encouraged immigrants to cross the border illegally.

The statements about abortion, welfare policies and a recommendation to abolish income taxes in favor of sales taxes were inserted into the immigration report by the committee chairman, Rep. Ed Emery.

All six Democrats on the panel refused to sign the report. Some of them called the abortion assertion ridiculous and embarrassing.

"There's a lot of editorial comment there that I couldn't really stomach," Rep. Trent Skaggs said Monday. "To be honest, I think it's a little delusional."

All 10 Republican committee members signed the report, though one of them, Rep. Billy Pat Wright, said Monday he didn't recall it connecting abortion and illegal immigration.

Emery, who equates abortion to murder, defended the assertions.

"We hear a lot of arguments today that the reason that we can't get serious about our borders is that we are desperate for all these workers," Emery said. "You don't have to think too long. If you kill 44 million of your potential workers, it's not too surprising we would be desperate for workers."

DOJ_NMG_0093902

National Right to Life estimates there have been more than 47 million abortions since the Supreme Court established a woman's right to abortion in its 1973 Roe v. Wade ruling. The immigration report estimates there are 80,000 fewer Missourians because of abortion, many of whom now would have been in a "highly productive age group for workers."

The abortion connection to illegal immigration was listed under the report's recommendations on federal social policies and potential state legislative actions on illegal hiring.

"Suggestions for how to stop illegal hiring varied without any simple solution," the report states. "The lack of traditional work ethic, combined with the effects of 30 years of abortion and expanding liberal social welfare policies have produced a shortage of workers and a lack of incentive for those who can work."

Democrats contend the abortion statement wasn't discussed, much less agreed to, by the committee. Emery said there was some testimony about abortion during a question-and-answer session at one of the hearings, although he couldn't recall by whom.

"I felt like that was significant enough and fundamental enough that it warranted addressing it in the report," he said.

Missouri does not keep records of oral testimony during legislative committee hearings.

Skaggs said the abortion statement undermines the credibility of the entire report, which was submitted to the House speaker's office late last week.

"That's ridiculous to draw that conclusion. I don't think that has anything to do with immigration," said committee member Rep. Ed Wildberger, the chairman of the House Democratic caucus.

The report also includes short essays by Emery about the history of immigration, the purpose of immigration laws and the importance of a common language. In those, he notes "the issue of illegal immigration does not lend itself to compromise."

Mo. Panel's Report Links Immigration To Abortion (WP/AP)

The Washington Post/AP, November 14, 2006

JEFFERSON CITY, Mo., Nov. 13 -- A Republican-led legislative panel says in a new report on illegal immigration that abortion is partly to blame because it is causing a shortage of American workers.

The report from the state House Special Committee on Immigration Reform also says that "liberal social welfare policies" have discouraged Americans from working and have encouraged immigrants to cross the border illegally.

The statements about abortion and welfare policies, along with a recommendation to abolish income taxes in favor of sales taxes, were inserted into the immigration report by Rep. Edgar G.H. Emery (R), the panel's chairman.

All 10 Republican committee members signed the report, while the six Democrats did not. Some of the Democrats called the abortion assertion ridiculous and embarrassing.

"There's a lot of editorial comment there that I couldn't really stomach," Rep. Trent Skaggs said Monday. "To be honest, I think it's a little delusional."

Emery, who equates abortion to murder, defended the assertions.

"We hear a lot of arguments today that the reason that we can't get serious about our borders is that we are desperate for all these workers," he said. "You don't have to think too long. If you kill 44 million of your potential workers, it's not too surprising we would be desperate for workers."

National Right to Life estimates that there have been more than 47 million abortions since the Supreme Court established a woman's right to an abortion in its 1973 Roe v. Wade ruling. The immigration report estimates that there are 80,000 fewer Missourians because of abortion, many of whom now would have been in a "highly productive age group for workers."

The statement connecting abortion to illegal immigration was listed under the report's recommendations on federal social policies and potential state legislative action on illegal hiring.

"Suggestions for how to stop illegal hiring varied without any simple solution," the report states. "The lack of traditional work ethic, combined with the effects of 30 years of abortion and expanding liberal social welfare policies have produced a shortage of workers and a lack of incentive for those who can work."

TAX:

Rubin's Tax Gambit (WSJ)

The Wall Street Journal, November 14, 2006

That was fast. A mere two days after Democrats capture Congress claiming they wouldn't raise taxes, former Treasury Secretary Robert Rubin tells them they should do so anyway.

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"You cannot solve the nation's fiscal problems without increased revenues," declared Mr. Rubin, the Democratic Party's leading economic spokesman, in a speech last Thursday. He also took a crack at economic forecasting by noting that "I think if you were to increase taxes right now, you would have probably about zero negative effect on the economy." The economics and politics here are worth parsing.

We suppose it's reassuring that Mr. Rubin now thinks the economy is strong enough to withstand a tax increase. That's a switch from his opposition to the 2003 Bush tax cuts, which he predicted would bust the budget and do little for growth. The U.S. economy proceeded to grow by an average of nearly 4% a year for three years following mid-2003, until the recent slowdown due largely to the housing slump.

Everyone makes mistakes, but raising taxes amid a housing decline doesn't sound like brilliant policy to us. Depending on inflation signals in the coming weeks, the Federal Reserve may not be done raising interest rates. The best hope for avoiding a recession next year and into 2008 is that strong corporate profits and the tight job market will lift business investment and consumer spending enough to offset the impact of tighter monetary policy. The last thing the economy needs now is a tax increase, too.

And what are the urgent "fiscal problems" that justify a tax increase, anyway? As the nearby chart shows, federal revenues in fiscal 2006 were 18.4% of GDP, higher than the 18.2% post-1965 average. In October, the first month of fiscal 2007, revenues rose by 12% from a year earlier. Mr. Rubin thinks this windfall isn't enough; perhaps he wants to return to the late Clinton years, when the feds grabbed a record 20.9% of GDP and taxpayers demanded a refund by endorsing George W. Bush's tax cut proposal in the election of 2000.

By the way, the federal deficit for fiscal 2006 was only 1.9% of GDP, which is lower than all but eight years since 1975. Add in the budget surpluses at the state level, and the overall U.S. fiscal "deficit" is economically trivial. It is all but irrelevant to Mr. Rubin's complaint that the U.S. borrows too much from "foreigners." Those foreigners invest here because of safety and soundness and the expected after-tax return. The quickest way to drive away those investors is to reduce that return by raising taxes.

Mr. Rubin's "fiscal problems" riff is really a rhetorical sleight-of-hand, using future entitlement problems to justify a tax increase today. He knows all too well that not a dime of new revenue raised today would be "saved" or otherwise devoted to paying for future Social Security or Medicare benefits. They would be spent on other things by the current Congress, just as today's surplus payroll tax revenues are spent, and just as they were spent when Mr. Rubin was at Treasury in the 1990s.

If Mr. Rubin wants to help reduce the future entitlement benefits he frets so much about, he could always support reforming those programs. Yet when President Bush invited him to participate in a bipartisan entitlement commission last year, Mr. Rubin refused.

Which is why we suspect that Mr. Rubin's real game here is politics. The Citigroup Inc. executive is part of Hillary Rodham Clinton's braintrust, and he and she would like nothing better than to coax Mr. Bush into raising taxes in the next two years. That would take the tax issue off the table in 2008, while splintering Republicans the way President George H.W. Bush's tax-hike deal with George Mitchell did going into 1992.

And if a tax increase did contribute to a severe slowdown or recession, Republicans as the incumbent party in the White House would get the political blame. Recall how Bill Clinton pinned the recession of 1990-1991 on Mr. Bush and Reaganomics, even though the Gipper had left office long before and the economy was growing at a 4% annual rate by late 1992. Readers may recall who won that election.

By the way, how does Mr. Rubin continue to dodge any historical accountability for the dot-com bust of 2000 and the recession that followed? In the liberal economic narrative, we are supposed to believe that the Clinton Administration somehow ended in 1999, and that Mr. Bush is to blame for everything that followed. Yet the Nasdaq peak came in the spring of 2000 and the third quarter of that year recorded negative growth. The shallow recession began in March 2001, with slower-than-average growth continuing until the tax cuts on dividends and the top marginal income rate passed in 2003 and the expansion moved into high gear.

If Mr. Rubin and Senator Clinton really believe the economy needs a big tax increase, by all means they should make this a plank in their 2008 agenda. But they shouldn't do so by asking fellow Democrats to betray their recent campaign pledges or Republicans to make it easier for them by repeating the GOP's blunder of the early 1990s.

CONGRESS-ADMINISTRATION:

Bush's Power To Shape Judiciary `Over' Because Of Election Loss (BLOOM)

DOJ_NMG_0093904

By James Rowley

Bloomberg, November 14, 2006

Nov. 14 (Bloomberg) -- President George W. Bush's power to shape the federal judiciary is coming to an end.

The Democrats' takeover of the Senate in January means they will be able to deny consideration of nominees whose views they oppose on issues such as abortion. While Republicans will still control the lame-duck Senate session convening this week, there's little chance of action on many judgeships.

``The Bush presidency is over with regard to judges," said Manuel Miranda, a former Senate Republican aide who heads the Washington-based Third Branch Conference, which pushes for conservative judicial nominees. The best Republicans can hope for is that blocked judgeships will be an issue in the 2008 presidential election, Miranda said.

There are 16 appeals-court vacancies now and more will probably develop during Bush's remaining two years in office. In President Bill Clinton's last two years in office, a Republican- controlled Senate shelved 16 appeals-court nominees, preserving the vacancies for Bush to fill.

With a Republican-controlled Senate, Bush put Chief Justice John Roberts and Justice Samuel Alito on the Supreme Court and appointed 46 of the 179 judges on the nation's 13 federal appeals courts.

Democratic control of the Senate limits Bush's options filling any Supreme Court vacancy that might develop before he leaves office. A nominee such as Alito -- who drew the support of just four Democratic senators -- would probably fail to win confirmation.

Reservations About Roberts

While half the Senate's 44 Democrats voted for Roberts last year, many have expressed reservations since observing his performance on the high court, said Jeff Peck, a Washington lobbyist and former Democratic counsel to the Senate Judiciary Committee.

``The benefit of doubt is diminished" for any future Supreme Court nominee, he said.

Bush is being urged by Senate Democrats to seek consensus on judicial nominees. ``Don't send us political extremists," Dick Durbin of Illinois, the Senate's No. 2 Democrat, said after the Nov. 7 election. ``I think that time has passed."

Republican activists, meanwhile, say Bush should push for strongly ideological candidates even if they won't win confirmation.

Such a strategy might force newly elected Democratic senators such as Bob Casey Jr. of Pennsylvania, Claire McCaskill of Missouri, Jim Webb of Virginia and Jon Tester of Montana ``to be put to the test," said Sean Rushton, executive director of the Committee for Justice, a Washington advocacy group that has worked to support Bush judicial nominees.

Red State Democrats

Senate Democrats Ken Salazar of Colorado, Ben Nelson of Nebraska, Tim Johnson of South Dakota, Kent Conrad of North Dakota and David Pryor of Arkansas have sometimes shown a willingness to break ranks with their party over judges. These Democrats, like McCaskill, Webb and Tester, represent states that Bush carried in the 2004 presidential election.

One sign of how confrontational Bush wants to be is whether he will ask the lame-duck Senate to reconsider five nominations that were stalled before Congress left town in September.

They include Terrence Boyle, a federal district judge in North Carolina nominated to the appeals court in Richmond, Virginia, who is opposed by Democrats who say he has shown hostility to claims of racial discrimination and environmental abuse; William Haynes II, the Defense Department's general counsel, who Democrats -- along with South Carolina Republican Lindsey Graham -- say may have helped craft a policy for interrogating suspected terrorists that justified torture; and William Myers III, a mining industry lobbyist nominated to a San Francisco-based court who Democrats say is hostile to environmental regulation.

New York Senator Charles Schumer, who led the Democrats' campaign to win control of the Senate, said resubmitting the names would lead to more partisanship and political combat.

``We are asking the president, now that we are in the majority, to do what he hasn't done before, which is consult with us," Schumer said.

Bush Leads King Groundbreaking Ceremony (AP-Y)

By Stephen Manning

AP, November 14, 2006

Martin Luther King Jr. belongs among American icons like Thomas Jefferson and Abraham Lincoln, national leaders said Monday at the ceremonial groundbreaking for a King memorial.

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"We give Martin Luther King his rightful place among the many Americans honored on the National Mall," President Bush told a crowd of about 5,000.

King's memorial, he said, "will unite the men who declared the promise of America and defended the promise of America with the man who redeemed the promise of America."

The King memorial, slated to open in the spring of 2008, will be the first monument for a civilian and black leader on the large park at Washington's core. It is also probably among the last monuments on the Mall following a 2003 vote in Congress to sharply limit development of the parkland.

The stage in front of the crowd was filled with King's fellow civil rights leaders such as Jesse Jackson, celebrities like Oprah Winfrey, politicians including Illinois Sen. Barack Obama, and three of King's children. A gospel choir sang, and Maya Angelou read poetry. Children read essays they had written about King.

Clinton, who signed legislation in 1996 authorizing the memorial, received a standing ovation from the largely black crowd. He told the crowd of King's commitment to nonviolence and social justice causes such as ending poverty, saying those goals still have not yet been achieved.

"If he were here, he would remind us that the time to do right remains," Clinton said.

The memorial will occupy a four-acre plot on the banks of the Tidal Basin, near the Potomac River. The Jefferson Memorial is across the Tidal Basin, while the Lincoln Memorial lies to the northwest, near the river.

The design is based in part on King's 1963 "I Have a Dream" speech. Before repeating the "Let freedom ring" refrain, King told the crowd, "We will be able to hew out of the mountain of despair a stone of hope."

Visitors will pass through an entryway cut through a massive stone symbolizing the mountain of despair and once inside, will come upon the missing section marking the stone of hope, bearing a carved profile of King. It will be ringed with walls chiseled with King's words that may eventually be the base for a waterfall.

Obama, who has said he is considering a presidential run in 2008, spoke shortly after Bush. He imagined bringing his two young children to the memorial when it is completed and passing through the mountain of despair.

"He never did live to see the promised land from that mountaintop," Obama said. "But he pointed the way for us."

Winfrey credited King and other civil rights leaders with making it possible for her to build her talk show empire.

"It's because of them that I can be heard," she said. "I do not take that for granted, not for one breath."

The memorial was first conceived in 1983 by members of King's fraternity, Alpha Phi Alpha. But it has been beset by delays and fundraising issues — the memorial's foundation still has only $70 million of the estimated $100 million construction cost.

Eugene Williams, a Washington resident and an Alpha Phi Alpha member, said he believed the rest of the money will be found now that people know the memorial will be built.

"Absolutely, it's coming forth," he said of funding. "This is a monument to the fact that no other person in history has done what King has done."

In a seat nearby, Carolyn Jackson of Philadelphia recalled how as an 18-year-old in 1963 she was among the vast crowd who heard King's "I Have a Dream" speech during the March on Washington. With much of the civil rights struggle still ahead, Jackson didn't imagine at the time she would be back on the National Mall again because of King.

But she was back despite the cold and rainy weather, and this time not at a memorial borrowed from another leader.

"It's a full circle for black people in this country," Jackson said.

Ground Broken For King Memorial (MCT)

By William Douglas

McClatchy Newspapers, November 14, 2006

WASHINGTON - Ordinary folks and mega-stars gathered on a muddy patch of the National Mall on Monday to break ground on a memorial honoring slain civil rights leader Martin Luther King Jr.

President Bush shared the stage with former President Bill Clinton, Sen. Barack Obama, D-Ill., talk show host Oprah Winfrey, the Rev. Jesse Jackson and the Rev. Al Sharpton to launch the first memorial on the Mall dedicated to an African-American.

"Today we see only these open acres, yet we know that when the work is done, the King Memorial will be a fitting tribute, powerful and hopeful and poetic, like the man it honors," Bush told a mostly African-American crowd of 5,000 people. "As we break ground, we remember the great obstacles that Dr. King overcame and the courage that transformed American history."

Scheduled for completion in spring 2008, the $100 million crescent-shaped memorial will stand on prime real estate: four acres of land along Washington's Tidal Basin between the Thomas Jefferson and Abraham Lincoln memorials.

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The location is symbolic and significant. Jefferson, author of the Declaration of Independence, is a founding father of the country. Lincoln signed the Emancipation Proclamation, which declared freedom from slavery.

The steps of the Lincoln Memorial are also where King delivered his "I Have a Dream" speech in the summer of 1963, capping a massive civil rights march on Washington.

"We give Martin Luther King his rightful place among the great Americans honored on our National Mall," Bush said. "And by its presence in this place it will unite the men who declared the promise of America and defended the promise of America with the man who redeemed the promise of America."

Bush received tepid applause from the crowd while Clinton, who signed the legislation to create the memorial, received loud cheers and a standing ovation. The difference in greeting wasn't lost on Bush.

"It sounds like they haven't forgotten you yet," Bush joked to Clinton and the crowd. "He's become, as you know, my fourth brother."

Bush has never been popular among African-Americans since becoming president after the contested 2000 election in which then-Vice President Al Gore captured 90 percent of the African-American vote. The White House's challenge to affirmative action policies and its response to Hurricane Katrina victims in New Orleans haven't helped his standing among African-Americans.

But politics wasn't the focus. Speaker after speaker lauded King for his contributions to the country and reminded people that, in some respects, King's dream remains a dream deferred.

"I suspect if he were here speaking at his own dedication, Dr. King would remind us that the best way to honor him is to pursue his dream and embrace his means to combat terror and create a world with more partners and fewer terrorists," Clinton said. "To grow the economy and provide equal opportunity for all to benefit from it - in incomes, health care and education."

Bush also said that racism continues in America.

"There's still prejudice that holds citizens back," he said. "And there's still a need for all Americans to hear the words of Dr. King so we can hasten the day when his message of hope takes hold in every community across our country."

For many of those in attendance, King's words and legacy live.

"I had to come here today out of love and respect for what he did for the nation," said Dena Briscoe, a U.S. Postal Service employee from Washington. "My heart compelled me to come. Martin Luther King set an example for all of us."

There are more than 650 streets bearing King's name in the United States and many statues honoring his legacy, but the Mall memorial will be the nation's way of remembering King, said Rufus Grooms, 59, from Clinton, Md.

"This will be the one the nation will know," he said.

Steve Collier, 54, showed up wearing a bracelet that his Temple Hills, Md., Shriners chapter sold to raise $5,000 to contribute to the memorial.

"It meant something to give something," Collier said.

The memorial is being paid for through contributions. The Martin Luther King Jr. National Memorial Project Foundation Inc. says it's raised about two-thirds of the $100 million needed.

Civil Rights Leaders Moved By King Memorial Groundbreaking (AJC)

By Patrice Relerford

The Atlanta Journal-Constitution, November 14, 2006

Washington — A scant half-mile from where the Rev. Martin Luther King Jr. stood on the steps of the Lincoln Memorial and urged a divided nation to complete the work of the great emancipator, ground was broken Monday for a monument to King's place in American history.

From across the political spectrum, dignitaries gathered to mark the moment and reflect on King's legacy. They included former President Bill Clinton, who signed legislation to create the monument, and President Bush, who declared, "An assassin's bullet cannot shatter the dream. It continues to inspire millions around the world."

But among the most visibly moved among the thousands at the site on the National Mall was one who shared the podium with King when his "I Have a Dream" speech gave momentum to the movement for new civil rights laws.

U.S. Rep. John Lewis, a leader of the 1963 March on Washington that culminated in King's speech, broke down in tears as he held a groundbreaking shovel.

"It's unreal. It's so fitting and appropriate," the Atlanta Democrat said of the ceremony. "Out of all the people that spoke that day, I'm the only one who is still around."

Also on hand were several of King's children, who this year laid to rest their mother, Coretta Scott King, near their father's tomb at the King Center in Atlanta.

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"My mother reminded us on so many occasions that my father just wanted to be a great pastor," the Rev. Bernice A. King, the civil rights leaders' daughter. "Little did he know he would be a great pastor to the world."

Former Atlanta Mayor Andrew Young and the Rev. Jesse Jackson, like Lewis former King deputies, and other leaders of the civil rights movement listened as Bush spoke of the importance of the monument's location, flanked by the Lincoln Memorial and the Jefferson Memorial.

"It will unite a man who declared the promise of America and the man who defended the promise of America with the man who redeemed the promise of America," Bush said.

Also attending the ceremony were luminaries such as Oprah Winfrey, poet Maya Angelou, U.S. Sen. Barack Obama of Illinois, Rep. Harold Ford Jr. of Tennessee, Secretary of State Condoleezza Rice and fashion mogul Tommy Hilfiger — a major donor to the project.

"I am who I am because of Dr. King and his hope for this country," Winfrey, the billionaire talk-show queen, said as she arrived at the ceremony.

Fifty students from across the country who won an essay contest, including 18-year-old Natasha Lawson of Augusta State University, also took part in the event.

"He's done so much [for America]," Lawson said. "He would really appreciate this."

The 4-acre monument has been in the works for more than a decade. In 1996, Clinton signed legislation proposing creation of the monument, and in 1999, it won a coveted place on the Mall.

In 2003, concerns about plans for a host of new memorials led Congress to declare the Mall a completed work of civic art, and lawmakers imposed a moratorium on new construction. But the effort for the King memorial overcame the objections, and in 2005, the Martin Luther King Jr. Memorial Project Foundation launched a drive that has so far raised at least $65.5 million.

One more obstacle remains to the construction of the monument: raising the remainder of the estimated $100 million cost, a project Hilfiger and hip-hop entrepreneur Russell Simmons are helping to lead.

Harry Johnson, president of the foundation, said he hopes construction will be completed by spring 2008.

The entrance to the memorial will include a central sculpture called "The Mountain of Despair." Recalling King's call in his 1963 speech to "hew out of the mountain of despair a stone of hope," it is split to signify the racially and socially divided American that inspired King's nonviolent efforts.

Obama, who has said he is considering a presidential run in 2008, imagined bringing his two young children to the memorial when it is completed and passing through the mountain.

"He never did live to see the promised land from that mountaintop," Obama said. "But he pointed the way for us."

Niches around the monument grounds will honor others who, like King, gave their lives to the cause of equality.

"This is not a one-man movement," said Young as those gathered around him gripped shovels. "As we turn the dirt on this ground, let us go back to our communities and turn the dirt."

Bush Leads Ceremony Launching Construction Of King Memorial (LAT)

By Mima Mohammed

The Los Angeles Times, November 14, 2006

WASHINGTON — Icons of the civil rights movement and the beneficiaries of their struggles to attain equality came together today as ground was broken for a memorial on the National Mall honoring the Rev. Martin Luther King Jr., the first commemoration there for a person of color.

President Bush, former President Bill Clinton, Sen. Barack Obama (D-Ill.), Jesse Jackson, Oprah Winfrey and a host of other politicians, civil rights activists, corporate sponsors and celebrities spoke or listened despite a light rain, chilly wind and muddy grounds.

"An assassin's bullet could not shatter his dream," Bush said of King, who was killed in April 1968 by a sniper in Memphis. Bush praised Clinton for signing the legislation that authorized the memorial.

The four-acre site along the Potomac River Tidal Basin is not far from the Lincoln Memorial where King, in 1963, delivered his "I Have a Dream" speech.

"We are in the shadow of Mr. Lincoln's memorial," Clinton said. "Lincoln saved the Union for future generations and abolished slavery, but left much undone. Here, there will be a memorial to Martin Luther King, the voice and spirit of the movement to lift the last legal racial barriers to our more perfect union."

The memorial's entry will include a sculpture called "The Mountain of Despair," a rock that signifies the divided America that King tried to unify.

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The memorial, which is being privately financed, will cost $100 million to build and maintain and organizers have raised more than $65 million, mostly from major corporations. General Motors provided $10 million and clothing manufacturer Tommy Hilfiger contributed $5 million.

The Martin Luther King Junior National Memorial Project Foundation is projecting that the memorial will be completed by spring 2008, even if all the needed money has yet to be raised.

Although the weather held down attendance, the groundbreaking ceremony drew people from all over the country.

"I was here in 1963 for Dr. King's speech and it was great to be here for another milestone," said Bill Young, a retiree from Wilmington, Del.

"I thought the speakers spoke eloquently for the need of the memorial, that it is a memorial for all people," said Michael Green, 41, a banker from Atlanta. "It was nice to see both President Bush and President Clinton united on this issue. It's about time we have a memorial to represent people of color."

Said Robert Kirkpatrick, an organizer for the International Brotherhood of Teamsters from Apple Valley, Calif.: "The importance of this memorial is that it doesn't only represent African Americans, it represents all people."

Memorial Groundbreaking Honors MLK's Legacy (USAT)

By Wendy Koch

USA Today, November 14, 2006

Presidents and celebrities hailed Martin Luther King Jr. on Monday at a groundbreaking for the first memorial on the National Mall for a non-president or an African-American.

The memorial, to be spread over 4 acres, will be inside an arc formed by monuments to presidents George Washington, Thomas Jefferson, Abraham Lincoln and Franklin Roosevelt.

“By its presence in this place, it will unite the men who declared the promise of America and defended the promise of America with the man who redeemed the promise of America,” President Bush said. “Dr. King showed us that a life of conscience and purpose can lift up many souls.”

Bush thanked his predecessor, Bill Clinton, for signing a bill in 1996 authorizing the project.

Clinton stressed the importance of the non-violence preached by King, who led civil rights marches and won the Nobel Peace Prize in 1964. “When the real battlefield is the human heart,” Clinton said, “civil disobedience works better than suicide bombings.”

Thousands attended the groundbreaking, including Secretary of State Condoleezza Rice, TV host Oprah Winfrey, poet Maya Angelou, civil rights activist Jesse Jackson, members of Congress and students from across the country.

The memorial is scheduled for completion in 2008, forty years after King's assassination. It will include waterfalls, a boulder from which King's image emerges and a circular stone wall that will chronicle his life with inscriptions of his words.

“He is not just someone a holiday is named after,” says Harry Johnson, president of the Martin Luther King Jr. National Memorial Project Foundation. His group has raised $71.5 million of the project's $100 million cost, mostly in private donations, including $2 million from Coca-Cola and $1 million each from McDonald's, Lehman Brothers, AARP and the National Education Association.

Johnson says the memorial aims to share King's dream with future generations.

“If we don't keep the information out there, the young people won't know it,” says King's older sister, Christine King Farris.

The memorial will sit amid other historical symbols, not far from the Capitol building, erected partly with slave labor, and Pennsylvania Avenue, where slave trade was conducted. Some historians caution that the monument does not itself promise progress.

“It's merely a symbol,” says John Hope Franklin, professor emeritus of history at Duke University. “I have to wait to see if Washington or the nation will be any better as a result of this gesture.”

In King's Honor, A Dream Achieved (WP)

By Petula Dvorak And Robert E. Pierre

The Washington Post, November 14, 2006

Two presidents, a renowned poet and lions of the civil rights movement joined thousands gathered on the Mall yesterday to mark the spot where a memorial will be built to honor Martin Luther King Jr., the visionary pastor who beseeched the nation to live up to its principles and earned a place in the pantheon of American history.

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Ground was broken for a memorial to the slain civil rights leader to be built along the edge of the Tidal Basin, midway between monuments to Thomas Jefferson and Abraham Lincoln. It will be the first on the Mall honoring an African American and the first that does not memorialize a president or a war hero.

Ignoring the gloomy weather, people wearing dapper hats and winter coats came by Metro, by bus, by limousine. Fathers brought sons to impart a history lesson. Celebrities waved and smiled. And dignitaries spoke of a movement sparked by a man trying to be a good minister.

President Bush said the memorial will give King his "rightful place among the great Americans honored on our Mall." He said King's message of justice and liberty "continues to inspire millions across the world" and was not silenced even when he was felled by an assassin's bullet.

"Dr. King was on this earth just 39 years," the president said, but his ideas are "eternal."

The crowd of several thousand attending the ceremonial groundbreaking gave a standing ovation to former president Bill Clinton, who signed the bill authorizing the monument on the prestigious piece of land tucked in the Tidal Basin's famous ring of cherry trees.

"It belongs here," said Clinton, basking in the crowd's enthusiasm. Jefferson "told us we were all created equal," and Lincoln abolished slavery; but both "left much undone," Clinton said.

He added that contemporary lessons could be learned from King's legacy of nonviolence. "Civil disobedience works better than suicide bombing," he said. And the memorial to King reminds people that "the time is always ripe to do right."

Clinton and Bush were joined by talk show host Oprah Winfrey, Sen. Barack Obama (D-Ill.), poet Maya Angelou, three of King's children and designer Tommy Hilfiger, among others.

On her way to the stage, gingerly stepping around the edges of mud puddles, Winfrey said she came to the event because "I've lived the dream."

On stage, she elaborated: "It is because of Dr. King that I stand, that I have a voice to be heard," Winfrey said. "I do not take that for granted. Not for one breath. . . . Because he was the seed of the free, I get to be the blossom."

King's children said they hoped the memorial would be a place where millions of children would come to learn about their father's work and the beginnings of the civil rights movement.

"Our father just wanted to be a great pastor," said Bernice King, his youngest child. "Little did he know, he became a great pastor to a nation."

The memorial is scheduled to open in 2008, though fundraising is still underway and the day's ceremonies did not mark an official beginning of construction. Organizers have raised about two-thirds of the $100 million needed to develop the four-acre site, which will include a sculpted likeness of King and references to many of his most memorable speeches, including the famous "I Have a Dream" oratory on the steps of the Lincoln Memorial.

Some in the audience remembered the sweltering August day in 1963 when King made that speech a half-mile away. The young men who marched with King are now well into their 60s and 70s. Organizers have been pushing for a monument for more than 20 years and want participants in the movement to witness its completion, said Harry E. Johnson Sr., president of the Washington, D.C. Martin Luther King Jr. National Memorial Project Foundation.

That opportunity slipped away for King's widow, Coretta Scott King, who died in January.

Lawrence Guyot is a 67-year-old District resident who worked with King in Mississippi. He said that anyone who lived through the mayhem and strife of the 1960s and said that they had envisioned such a memorial back then was "telling a lie."

Perhaps little Dontae Ryan II, 3, will tell others someday that he, too, witnessed history. Dontae watched cartoons on a portable DVD player as his father, Dontae Ryan I, listened to three of King's children speak yesterday. Ryan attended along with hundreds of other members of Alpha Phi Alpha, the fraternity that King belonged to and that has shepherded the effort for a memorial for two decades.

"He might not remember that he was here," Ryan said of his son. "But I can show him the pictures. I think it was necessary to be here, as an Alpha and as a black man."

Beritu Haile-Selassie, 54, came to the Mall and stood outside the security gates holding a handmade poster to King that read "You dared to dream! Thank you!"

And that message -- to dream -- endures. Civil rights stalwarts Andrew Young and Jesse L. Jackson teared up recalling the man they had walked alongside to help tear down the walls of segregation. As the shovels dug into the ground, Young turned to audience members and urged them: "Keep turning the dirt. Keep turning the dirt."

Automakers To Meet With Bush Today (USAT)

By Sharon Silke Carty

DOJ_NMG_0093910

USA Today, November 14, 2006

DETROIT — After months of talking about it, the heads of the Big Three automakers will get their chance to sit down today with President Bush and lay out their concerns for the future.

While no one expects the automakers to win significant promises, the fact that they get an audience at all is a symbolic victory. Automakers sat by through several postponements as President Bush met with American Idol finalists, hosted a softball game between an Air Force base and a Navy submarine base and met with small business owners and community bankers.

The meeting, originally set for May, was delayed several times before the White House decided to wait until after the Nov. 7 elections. The meeting had become a political football in the hotly contested governor's race in Michigan. The multiple cancellations caused many Detroiters to wonder if the president was giving the industry a grand brush-off. His comment suggesting that Detroit car companies should make "a product that's relevant" still stings here nearly a year later.

Last week's elections put Democrats in control of the House and Senate, some of them backers of the auto industry. That is likely to give automakers more political clout in today's get-together.

"It was certainly a better thing to have it right after the election than before the election," said David Cole, chairman of the Center for Automotive Research.

The Big Three automakers, who are losing money and market share, have said they don't plan to ask for a federal bailout like the one given to Chrysler in 1980. They just want to ensure the president is aware of the competitive pressures they face.

Back when the government guaranteed $1.5 billion in loans so Chrysler could continue borrowing money to operate, the U.S. auto industry controlled nearly 80% of the U.S. marketplace, and the only major foreign automaker with a plant in the USA was Honda. Today the Big Three hold 54% of new-vehicle sales, and nine foreign car companies operate U.S. plants.

"The auto companies are not asking for a bailout; the auto companies are asking that (the president) use his power to see that they are fairly treated in the world marketplace," Rep. John Dingell, D-Mich., said. White House spokesman Tony Snow said the president will "reaffirm his support for the American auto industry, and his support for its growth and its success."

The Big Three leaders — General Motors CEO Rick Wagoner, Ford's new CEO Alan Mulally and Chrysler CEO Tom LaSorda — are expected to discuss:

•Health care. Auto companies are looking for ways to ease rising costs. Cole says they might ask that Medicare be expanded to cover more prescription costs, or for a catastrophic health care coverage plan.

•Foreign exchange rates. The automakers will likely ask President Bush to pressure Japan to stop deflating the yen, which they argue gives Japanese automakers a significant cost advantage.

•Steel tariffs. The industry would like to see tariffs on steel repealed to help cut raw-material costs.

Embattled Car Chiefs In Appeal To Bush (FT)

By Bernard Simon

Financial Times, November 13, 2006

The chief executives of the three US carmakers will tell President George W. Bush on Wednesday that US energy, healthcare and trade policies are blunting their competitive edge against fast-growing Asian rivals.

Mr Bush is to meet Rick Wagoner of General Motors, Alan Mulally of Ford and Tom LaSorda of Chrysler, a division of Germany's DaimlerChrysler. The get-together, initially set for last spring, will be the president's first with all three executives.

The companies reported third-quarter losses in their North American operations. Toyota has overtaken Chrysler in US light vehicle sales and is expected to dislodge Ford from second place within the next year.

A GM official said that, while the Detroit companies had taken tough measures to revive North American operations, "there are some critical issues that affect the competitive landscape". The meeting "is a chance to raise the issues to the forefront, to speak directly to the president and to describe how these issues affect our bottom line".

Mr Bush is likely to adopt a more conciliatory tone than earlier in the year when he said the Detroit companies needed to build "relevant" cars.

Tony Snow, the White House spokesman, said last week the president wanted to reaffirm his support for the US car industry's "growth and success".

The executives' agenda will include a plea for wider distribution of ethanol as a substitute for petrol.

The three Detroit carmakers have already sold more than a million vehicles that can run on E85, a fuel comprising 85 per cent ethanol. They have pledged to double the number by 2010.

However, their efforts to promote E85 are hampered by the fact that it is available at fewer than 1,000 of the US's 165,000 filling stations.

The vehicle manufacturers have launched vigorous campaigns to increase public awareness of ethanol.

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Al Hubbard, director of the National Economic Council, told the Financial Times last week that Mr Bush wanted to ensure there were the right "incentives to invest" in alternative fuels.

While foreign carmakers provide healthcare benefits for their US workers, they are not burdened, as the Detroit companies are, by heavy obligations to a large group of pensioners. GM, Ford and Chrysler have urged a bigger public sector role in healthcare funding.

Toyota's report last week of record first half profits has fuelled the Detroit carmakers' accusations that Japanese and South Korean exporters are benefiting from currency manipulation by their governments. The three companies' chief economists met senior US Treasury officials recently to underline their concern.

Democrats Set To Press U.S. Automakers' Case (WP)

By Sholnn Freeman

The Washington Post, November 14, 2006

Allies of the American auto industry, brought to power in last week's elections, are set to challenge the Bush administration to level the playing field for U.S. manufacturers.

Led by lawmakers from Michigan, newly empowered Democrats said they would press the Bush administration to help pry open the Korean auto market and go after Japan on currency issues. It's an approach that could put Asian automakers on the defensive in Washington at a time when they are clobbering Detroit in the U.S. marketplace.

"This administration has been insensitive to the need to make trade a two-way street," said Rep. Sander M. Levin (D-Mich.), who is likely to be the next chairman of the House Ways and Means subcommittee on trade. "Their basic assumption has been the more trade the better, regardless of its content or shape."

Trade issues are expected to be one of the key talking points when President Bush sits down today with the chief executives of Detroit's Big Three automakers: G. Richard Wagoner Jr. of General Motors Corp., Thomas W. LaSorda of DaimlerChrysler AG's U.S.-based Chrysler division, and Alan R. Mulally, recently installed at Ford Motor Co.

In the past year, Detroit automakers have steadily tried to raise alarms in Washington about the industry's deterioration. They have been calling for more federal incentives to increase the number of alternative-fuel stations, the cutting of tariffs on steel imports, and government initiatives to curb the escalating cost of health care.

But with the change of power in Washington, automakers want more attention on trade concerns.

Overall, the Bush administration has been sensitive to such issues as taxes, prescription drugs, tort reform and energy use, automakers said. But Detroit automakers have had trouble being heard when it comes to foreign trade.

Specifically, Detroit auto officials say the artificially weak yen gives Japanese automakers a windfall of $3,000 to $9,000 per vehicle. Automakers say the Japanese government is maintaining a weak yen artificially to give its manufacturers that edge.

They're also concerned about a trade pact with South Korea being negotiated by the Bush administration. Detroit automakers want government negotiators to help them gain a foothold in the Korean market.

"We basically sell more cars out at Jerry's Ford in Northern Virginia than we do in all of Korea, and that's because Korea is a closed market to all imports, not just U.S. autos," said Ziad Ojakli, Ford's vice president of corporate affairs. "The statistic is less than 3 percent market penetration for foreign product. What's wrong with this picture?"

But auto executives will continue to have trouble winning over Republicans.

An administration official said there had not been evidence of Japanese intervention in currency markets since March 2004. There is zero correlation between the yen's strength and Detroit's slide in profitability and U.S. market share, said the official, who spoke on condition of anonymity because he isn't authorized to speak publicly on those issues.

"There's just no empirical evidence between the value of the yen and the profits of Big Three automakers," the official said.

Many Republican lawmakers have been philosophically opposed to government interference in the industry. U.S. automakers have also been confronted by influential Republicans from such Southern states as Tennessee and Alabama, where foreign automakers have opened factories over the past two decades.

Still, Detroit automakers see a more promising political environment now that Democrats are about to take control. Sen. Carl M. Levin (D-Mich.) said his party could put pressure on the White House by invoking laws that require the administration to file complaints with the World Trade Organization when U.S. companies hit trade barriers in Asia. Additionally, Sen. Debbie Stabenow (D-Mich.) said she would continue to push for the creation of a U.S. trade prosecutor's office to focus on trade violations.

"Our manufacturers are not competing against foreign companies, it's foreign countries they are up against," Sen. Levin said. "They can't be the bad cop. They can't slap the other countries in the face when they are trying to persuade the countries to let them in. The administration has to be the enforcer."

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In the House, Rep. John D. Dingell (D-Mich.) is set to become chair of the Energy and Commerce Committee, and he has said the committee will hold hearings on trade and currency issues affecting the U.S. auto industry. Rep. Levin said Democrats would defeat a Korean trade agreement if it does not address concerns of the auto industry and other U.S. manufacturers.

"We've made that clear for months, and now we are in a position to follow through," Rep. Levin said.

Japanese automakers have repeatedly pointed to the construction of more U.S. factories as a way to head off trade fears and unexpected currency swings. But their rapid sales growth in the United States will continue to be viewed as a threat to the health of U.S. companies, said Masaki Taketani, director of Asian vehicle forecasting at CSM Worldwide. He said Japanese automakers will have to expand production in North America at a faster pace to ease trade friction in Washington.

Why Bush Feels More Pressure On Manufacturing (WSJ)

By John D. Mckinnon And John D. Stoll

The Wall Street Journal, November 14, 2006

WASHINGTON -- As President Bush meets today with executives from the Big Three auto makers, Democrats are stepping up pressure to help manufacturers handle health-care costs as well as problems with energy and trade.

Last week's midterm elections revealed voters' worries about the long-term domestic economic outlook, particularly in manufacturing centers in the Midwest. The struggles of U.S. auto makers -- which are in the process of shedding 78,000 jobs by 2008 -- likely figure in such concerns.

Democrats say they will be pushing for answers. "There will be a lot more pressure" for government solutions to manufacturers' problems, said Sen. Carl Levin (D., Mich.).

Today's meeting -- postponed several times since earlier this year -- was prompted when Mr. Bush said in a Wall Street Journal interview in January that the American car companies needed to "make a relevant product," a comment that annoyed U.S. auto executives. In response, Ford Motor Co. and General Motors Corp. executives are expected to arrive at the White House in hybrid vehicles: a Ford Escape and Saturn Vue Green Line.

The executives are expected to raise four main issues in the early-afternoon meeting: energy policy; health-care; trade, including concerns about possible currency manipulation; and rising costs for materials, particularly steel.

In addition to benefits costs, the U.S. auto makers have been pinched by gasoline prices, which have reduced demand for their most profitable pickup trucks and sport-utility vehicles, as well as competition from Asia-based rivals like Toyota Motor Corp.

"We're not seeking any relief exclusive to our industry," said GM spokesman Greg Martin, "but we do hope the meeting with the president will encourage a renewed focus on issues...that affect the entire manufacturing sector."

Primary among the four concerns is health care, said John Hoffecker, a managing director with restructuring consultant AlixPartners LLP in Detroit. His firm's research shows that as recently as two years ago, GM and Ford were almost as profitable as Toyota, excluding health-care costs. "That's how big a millstone this is around the domestics' necks," he said.

Should the federal government provide financial assistance to U.S. auto makers?2

But Republicans and Democrats differ over how to fix the related problems of high insurance costs and broader lack of coverage. Republicans generally favor encouraging individuals to purchase their own coverage. Democrats favor strengthening the existing employer-based system, moving to a government-based approach, or some combination of the two. Among other things, they worry the Republican approach would further disadvantage old-line companies such as auto makers.

Democrats next year will have opportunities to showcase their ideas, such as new tax breaks for employers and possibly federal backstopping of some insurance costs. The election "was a referendum on economic policy," said Rep. Frank Pallone of New Jersey, a top Democrat on the House health subcommittee. Health insurance, he added, is "at the top of the list" of workers' problems.

Another idea is to offer government coverage for everyone under a certain age -- say, 18 or even 25 -- as part of reauthorizing the current federal program for covering low-income children. "That would be my wildest dream," said Rep. Fortney "Pete" Stark of California, a prime sponsor of the idea.

Yesterday, America's Health Insurance Plans, a trade group, moved to get ahead of the debate by proposing the federal government spend $300 billion so all children have insurance coverage within three years, and 95% of adults within 10 years.

The auto makers also are likely to again raise concerns about unfair foreign competition, particularly regarding currency manipulation by Japan. That concern doesn't appear to be shared by the Bush administration, however.

An area of potential agreement is energy. Mr. Bush gave the U.S. companies a boost with his proposal in January to accelerate research into production of alternative fuels such as ethanol. U.S. manufacturers lead the world in producing so-called flex-fuel cars that can run on gasoline or ethanol. But many Democrats say the government should do even more, and Mr. Bush suggested in a Wall Street Journal interview in September that he wants to.

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The auto makers are wary of new emissions limits on greenhouse gases believed to cause global warming. For now, the administration seems to side with the car companies. But pressure is growing in the U.S. and internationally for tough new limits on those emissions.

Gates May Rein In Pentagon Activities (WP)

By Walter Pincus

The Washington Post, November 14, 2006

Nominee Has Opposed Defense Department's Dominance in Intelligence Efforts

The nomination of Robert M. Gates as secretary of defense has begun to ease concerns in the intelligence community about the rapid growth of Pentagon intelligence activities since the attacks of Sept. 11, 2001, said experts inside and outside the government and on Capitol Hill.

Gates, a former CIA director, has a long history of opposing expansive Pentagon intelligence activities. He has voiced unease about roles being taken over by Pentagon personnel, in part because more than 80 percent of all intelligence spending is now done by Defense Department agencies.

Donald H. Rumsfeld, the outgoing defense secretary, has vastly expanded Pentagon intelligence activities, increasing operations overseas and creating a new position and a new agency to handle military intelligence.

In 1991, after being confirmed for the dual role of director of central intelligence and CIA director, Gates tried to rein in Pentagon activities by getting a White House directive from then-President George H.W. Bush that created the Community Management Staff to help oversee all intelligence activities. A CIA history of that period says Gates, whose background was as an analyst, saw the Defense Intelligence Agency "as 'feeling [its] oats' and 'moving to expand in every direction,' including pushing some 'crazy ideas' " on the collection of human intelligence.

Gates's 1991 initiative "caused some heartburn in DOD, partly because he used the word 'management,' " requiring him to send out an explanatory joint statement signed by himself and then-Defense Secretary Richard B. Cheney.

More recently, Gates watched Rumsfeld create the position of undersecretary of defense for intelligence, whose role is to coordinate and expand worldwide military intelligence activities in the post-Sept. 11 world. In an op-ed piece in The Washington Post in May, Gates wrote that he and other CIA veterans were "unhappy about the dominance of the Defense Department in the intelligence arena" at a time when "close cooperation between the military and the CIA in both clandestine and intelligence collection is essential."

The article supported Gen. Michael V. Hayden becoming CIA director in part because Hayden, while director of the National Security Agency, opposed Rumsfeld keeping control of the NSA instead of having it move to the new director of national intelligence, John D. Negroponte. Gates went on to say that the combination of Negroponte and Hayden would establish "a strong civilian institutional counterbalance and alternative strategic intelligence perspective to the historically strong Defense Department intelligence arm."

John E. McLaughlin, a former acting CIA director, said yesterday that Gates "understands more than anyone the appropriate balance between the military and civilian intelligence agencies."

One quick indication of how Gates will deal with interagency tensions will be whether Rumsfeld's undersecretary of defense for intelligence, Stephen A. Cambone, and his top deputy, Army Lt. Gen. William G. Boykin, remain in their current positions. They have backed the growth of the Counterintelligence Field Activity, the controversial new agency that in three years has spent nearly $1 billion to gather data to be used in the protection of defense facilities at home and abroad.

Both have supported the increased roles for the military in sending Pentagon intelligence collectors abroad to gather information that could be needed if military operations against terrorists were initiated in various countries. Some conflicts arose in past years when Defense agents turned up in countries without notice to U.S. ambassadors and CIA chiefs of station.

A Pentagon spokesman said Cambone had no comment on the Gates nomination. Spokesmen for Negroponte and Hayden said neither would discuss the impact that Gates may have on the intelligence community.

McLaughlin noted yesterday that Negroponte's office has taken steps to create a system of transparency, easing some of the tensions. Gates "understands better than anyone that confusion overseas has to be stopped," he said, adding that the Pentagon "is not an alien world to him."

Another former senior intelligence official, who has worked closely with Gates, said that from his experience, Gates knows what the military needs in human intelligence and analysis as well as the best way to obtain it. Having come from the analytic side of the CIA, Gates is a great believer "in established clear lanes in the road, where each agency has its own responsibilities and knows the 'crosswalks' where there is a need to work together," the official said.

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Levin Cites 'Troubling' Questions On Gates (UPI)

By Shaun Waterman, Upi Homeland And National Security Editor

United Press International, November 14, 2006

WASHINGTON, Nov. 13 (UPI) -- The incoming chairman of the Senate Armed Services Committee has "troubling" questions about Robert Gates, the nominee for defense secretary.

Sen. Carl Levin, D-Mich., who will assume the chair of the committee when the Democrats take over Congress in January, said he would not necessarily oppose Gates' confirmation, which is likely to get under way in the coming days now that Congress in back from its election break for a lame duck session.

"For me, the important thing with Mr. Gates is whether or not he is independent, whether or not he's going to speak truth to power," Levin told reporters Monday, recalling charges that Gates, as CIA director, had slanted intelligence in order to support the policies of the Reagan White House.

"If (that) did happen, it would be very troubling to me," he said, adding, "We had enough of that with (former CIA Director) George Tenet."

But Levin, who voted against Gates' confirmation as CIA chief in 1991, said he wanted to take "a fresh look at Mr. Gates.

"I'm not going to vote no because I voted no 15 years ago ... A lot has happened in 15 years. I don't want to assume that the problems that I saw 15 years ago continue to exist or that that would outweigh other pluses that might go on the scale," said Levin.

Rumsfeld Drops Plan To Go To NATO Summit (AP)

By Robert Burns

AP, November 14, 2006

Defense Secretary Donald Rumsfeld has dropped plans to join President Bush at a NATO summit this month in Latvia, in light of his announced resignation, a Rumsfeld spokesman said Monday.

The Pentagon will instead be represented at the meeting by Eric Edelman, the undersecretary of defense for policy, according to Pentagon spokeswoman Lt. Col. Karen Finn. Other officials had said earlier Monday that Gordon England, the deputy secretary of defense, might fill in for Rumsfeld at the summit meeting.

The NATO summit is Nov. 28-29 in the Latvian capital of Riga.

Pentagon press secretary Eric Ruff reaffirmed that Rumsfeld plans to remain at his post until his successor is confirmed by the Senate. Bush last week announced that he is nominating former CIA director Robert M. Gates to replace Rumsfeld, but no confirmation hearing date has been announced. Ruff said it could happen as early as the week of Dec. 4.

Keeping to his schedule Monday, Rumsfeld hosted a ceremony installing Gen. James Conway as the new commandant of the Marine Corps, replacing Gen. Michael Hagee, who is retiring.

The Pentagon has refused to release the letter of resignation that Rumsfeld submitted to Bush. Ruff said Rumsfeld did not mind if the White House released it. At the White House, spokesman Gordon Johndroe said there was no plan to release it.

Ruff said Gates and Rumsfeld might have a discussion later this week about the coming transition, but he had no specifics.

On the day Bush announced Gates as his choice to replace Rumsfeld, Gates called England and asked him to remain as the No. 2 at the Pentagon, according to an official who discussed the matter on condition of anonymity. England agreed to stay for an indefinite period, the official said.

Other senior Pentagon officials, however, are expected to leave. None has publicly announced a departure plan.

Fantastic Job, Mr. President (WP)

By Richard Cohen

The Washington Post, November 14, 2006

There is something refreshing about George Stephanopoulos. After George Bush announced that he was firing Don Rumsfeld, Stephanopoulos -- on the air at the time -- actually seemed shocked that just a week earlier the president had said he would do no such thing. Stephanopoulos not only suggested that the president had lied but that he was wrong to have done so. In Georgetown, where the ABC newsman lives, such innocence must be considered quaint.

Washington's easy acceptance of lying, especially presidential lying, is beyond lamentable. It has cost the country plenty, including, of late, a war in a godforsaken place, which we are losing and are fighting for reasons that we no longer remember or that even matter. (Democracy? Weapons of mass destruction? A link to terrorism? Aw, forget it.) In the most recent case, Bush not only lied but compounded the lie by lying about why he lied in the first place.

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Less than a week before the election, Bush told three wire service reporters that Rummy was his man -- now and until the end of his term. He said Rumsfeld and Vice President Cheney were doing "fantastic" jobs, which was so clearly not the case that one of the reporters, Terence Hunt of the Associated Press, pressed the president further.

"You see them staying with you until the end?"

"I do," Bush replied.

What Bush did not say was that at that very moment he was casting about for a Rumsfeld replacement and that Robert M. Gates, a former CIA director, was being considered for the job. By the end of that week, Gates had been summoned to Bush's Texas ranch, where, clearly, he passed presidential muster. The appointment was announced by Bush at a news conference the day after the election. The president had his excuses ready. He lied for the sake of the troops.

Bush, you see, had made a decision. The president said he "wasn't going to be talking about hypothetical troop levels or changes in command structure coming down the stretch" of the congressional campaign. As is his wont, he used the word "decision" in a Billy Grahamish sort of way, as if it had not originated in his own brain but came from what Hebrew National, the maker of franks, sausages and lunchmeats, calls "a higher authority."

In fact -- and this is a fact -- the lie about Rumsfeld was consistent with the White House's political line that everything is just hunky-dory in Iraq and that only Democrats and advocates of same-sex marriage could think otherwise. It would have been inconsistent with the political line for Bush to have admitted doubts about Rumsfeld. It had nothing to do with the troops, who really don't give a damn who the SecDef is, since he is junior to their second lieutenant as far as they are concerned.

In this way, Bush lied about the lie and then, as has become customary, draped an American flag over it: the troops, the troops. Actually, if he cared so much for the troops he would have gotten rid of Rumsfeld months ago.

It has now been a week, and the president's lie has been forgotten . . . or excused . . . or minimized. This is the way it is in Washington, a town run by politicians who routinely lie in their political commercials back home (this is the lesson of the last campaign) and then think, somehow, that they can recover their virtue by recrossing the Potomac. Deep down, they know they lack the moral standing even to feign shock. For instance, the maker of the spot used against Rep. Harold Ford Jr. is briefly condemned (but secretly admired) when, at the very least, he should have had his citizenship revoked.

So it was downright exhilarating to see Stephanopoulos express shock at Bush's lie, and it would be equally exhilarating if the new Democratic majorities evinced a similar moral indignation. Instead of reassuring the administration's serial fibbers that they will not be required to answer for their statements about Iraq, they should instead be vowing to take apart the ship of state plank by plank until they find the rot -- not impeachment, mind you, just accountability.

This is not a matter of vengeance or, God forfend, politics, but of restoring the people's faith in their government. How dare these people lie to you and me and send Americans to die in Iraq for reasons that turned out to be wholly nonexistent? One way to return to the truth is to find the liars. I ask this not for myself but -- and I mean it -- for the troops.

Nomination Still Stalled For Pentagon Oversight Job (WP)

By Griff Witte

The Washington Post, November 14, 2006

Even as the Senate moves quickly to consider Robert M. Gates's nomination to be defense secretary, the nomination of the man who would be looking over Gates's shoulder on behalf of taxpayers remains bogged down nearly six months after he was tapped to fill one of the government's most important oversight roles.

The nominee for Pentagon inspector general, David H. Laufman, is a veteran prosecutor who has vowed to be an aggressive watchdog -- especially of work in Iraq and Afghanistan. But Laufman, nominated by President Bush in June, has met resistance from Democrats who question his independence. Republicans, meanwhile, have done little to advance his nomination since confirmation hearings in July. The inaction has prompted Laufman to take the unusual step of speaking out.

"Given the nature and magnitude of U.S. involvement in Iraq and Afghanistan, and the hundreds of billions of dollars at issue in defense acquisition and contract performance, the need for aggressive oversight and accountability at the Department of Defense is critical," he said yesterday. "Yet for more than a year, there has been a void of leadership in the Office of the Inspector General and a corresponding absence of essential oversight and accountability."

The Pentagon last had a permanent inspector general in September 2005, when Joseph E. Schmitz left to become general counsel for the parent company of security firm Blackwater USA. Since then, the office of 1,250 military and civilian officers and employees has been led by acting Inspector General Thomas F. Gimble.

Gimble withstood heavy criticism last year when it came to light that his office had no personnel on the ground in Iraq, despite the hundreds of billions of dollars being spent there. Since then, a handful of auditors and inspectors have been rotating

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into Iraq from an office in Qatar. Gimble has also been faulted for not delving into the National Security Agency's warrantless surveillance program.

Laufman, an assistant U.S. attorney in Virginia who last year successfully prosecuted a man for conspiring to assassinate Bush, has said the inspector general's office should have a regular presence in Iraq. He told senators in July that the Pentagon's inspector general has the jurisdiction to investigate the NSA program and that "it is unclear why the DOD IG did not exercise its jurisdiction at the outset."

Some of Laufman's other statements to senators, however, ran afoul of the Armed Services Committee's ranking Democrat, Carl M. Levin (Mich.), who is likely to become chairman when the new Congress convenes in January. In particular, Levin was displeased that Laufman said he would consult the defense secretary before issuing reports on certain national security matters.

Laufman said his answer was based on his reading of the law, but Gimble wrote in a letter to Levin that such consultations "would be a significant change to current practice." Gimble also contradicted Laufman's statement that the two men had not talked about the issue.

At a news conference yesterday, Levin said he has "real problems with that appointment" and added that he "will continue to oppose" Laufman's confirmation.

Since July, Sen. John W. Warner (R-Va.), the committee's chairman, has declined to allow a vote on Laufman. If Laufman is not approved during the lame-duck session, the nomination will expire.

"The president strongly supports David Laufman's nomination," White House spokeswoman Emily Lawrimore said yesterday. "He believes that it's an important position and that Mr. Laufman should be able to serve in it as soon as possible."

Danielle Brian, executive director of the Project on Government Oversight, said the lack of permanent leadership at the Pentagon inspector general's office has "diminished the role of the office."

"Something needs to happen," she said. "Gridlock is not an option."

Laufman has won fans among others in the inspector general community, notably Stuart W. Bowen Jr., the special inspector general for Iraq reconstruction. "I've met David Laufman, and he's explained his vision for oversight in Iraq. He would be an excellent IG," Bowen said in a statement.

Congress recently passed legislation that would terminate Bowen's office by October of next year and turn over the job of overseeing Iraq's reconstruction to other inspectors general -- notably the Pentagon's.

The move to eliminate Bowen's office was spearheaded by Rep. Duncan Hunter (R-Calif.), chairman of the House Armed Services Committee. But members of both parties have objected. Yesterday, a bipartisan group of senators and House Democrats introduced competing versions of legislation that would extend the life of the office.

The Senate version would keep the special inspector general in business into 2008; backers of House language say their bill would prevent the office from expiring until well into 2009.

"There is no question that the Special Inspector General's office has proven to be a much-needed watchdog, auditing reconstruction contracts in Iraq and spotlighting numerous cases of waste, fraud and abuse," Sen. Susan Collins (R-Maine) said in a statement. "We must keep the watchdog on the job."

Pentagon Lacks Independent Watchdog (AP-Y)

By John Solomon, Associated Press Writer

AP, November 14, 2006

The Pentagon has been without its chief watchdog for more than a year, even as the military spends billions of dollars a month in Iraq and controversy simmers over warrantless surveillance, missing weapons and friendly fire deaths.

President Bush's nominee for the inspector general job is being held up because answers he gave lawmakers have raised concerns with a key senator about his independence.

The inspector general's job was created by Congress more than a quarter century ago to be an independent watchdog to investigate fraud, mismanagement and abuses like the infamously overpriced hammers and toilet seats that became past symbols of Pentagon waste.

The Defense Department's last inspector general, Joseph Schmitz, stepped down in August 2005, and Bush named David Laufman, a federal prosecutor with GOP credentials, to take over the job months ago.

In the interim, the office has been run by an acting inspector general, and it has been criticized as being slow to get staff on the ground to investigate Pentagon issues in Iraq and as shying away from examining the National Security Agency's electronic surveillance program.

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Laufman's nomination came to a halt after he testified to the Senate Armed Services Committee this summer that the inspector general's law requires him to consult with the defense secretary before embarking on cases involving national security and other sensitive matters.

Career employees inside the inspector general's office alerted Democratic Sen. Carl Levin's office that such consultations would be a major departure from current practice. They said they had discussed their concerns with Laufman but could not change his mind.

Levin, D-Mich., who probably will take over as chairman in January when Democrats assume control of the Senate, said Laufman's willingness to talk to the secretary jeopardized his independence.

"I have real problems with that appointment," Levin said Monday, adding that he "will continue to oppose that nomination."

Levin was correct that the current inspector general office hasn't been consulting that way. Laufman was correct in noting the federal law's language suggests he should.

The senator also is challenging Laufman's veracity because career employees said they raised concerns about the issue with Laufman. Laufman testified he shared his answers with the career staff but could not recall getting any feedback on the issue.

There has been no action on the nomination since, leaving the Pentagon's top watchdog job vacant.

Levin declined to be interviewed, but his office says he has serious reservations about the nomination. The current committee chairman, Republican John Warner of Virginia, is checking with senators this week to see if there is enough support for Laufman to proceed.

Laufman, a veteran prosecutor who won accolades for convicting a Virginia man of plotting to kill Bush, is now taking the offensive in trying to convince lawmakers he'd be the independent investigator they want.

"For too long, there has been a void of aggressive oversight and accountability at the Department of Defense — precisely when we've needed it the most," he told The Associated Press. "It's time to put politics aside and bring new leadership."

Laufman has brought to senators' attention a directive — renewed in 2004 by Defense Secretary Donald Rumsfeld's office — that requires the inspector general's general counsel office to be staffed by lawyers who work for the secretary, rather than independently hired lawyers.

Laufman is promising to try to reverse that order to increase the watchdog's independence.

Likewise, Laufman has told senators he wants to aggressively investigate the friendly fire death of former pro football player Pat Tillman and is willing to examine the NSA's anti-terror surveillance program.

The inspector general "has the necessary jurisdiction to investigate the NSA electronic surveillance program," Laufman assured senators, adding he'd first want to study the matter before deciding whether and how to investigate.

Finally, Laufman said he would model himself after Stuart Bowen, the special inspector general for Iraq reconstruction whose investigations of lost weapons and wasteful spending during the Iraq war have rankled the Bush administration.

"The outstanding work done by the Special Inspector General for Iraq Reconstruction, particularly under extremely difficult circumstances, is a model of what real oversight is about," Laufman said. "If confirmed, I look forward to partnering with Mr. Bowen and serving as a force multiplier for oversight on Iraq."

Before joining the Justice Department, Laufman served on two investigations that cleared Bush's father's administration of wrongdoing, and he later served on the bipartisan panel that toughened House ethics rules in the mid-1990s.

His nomination is getting support from fellow inspectors general, including two credited with aggressively pursuing the Bush administration.

"David is the prototype for an IG," said Interior Department inspector general Earl Devaney, whose own investigation exposed aspects of the Jack Abramoff lobbying scandal. "His investigations and his background are filled with opportunities that demonstrated his integrity."

Devaney said the lengthy vacancy of the Pentagon inspector general job also should worry people. "It is too important a job, and having the cop on the beat is just something remarkably logical," he said.

Added Bowen: "I've met David Laufman, and he's explained his vision for oversight in Iraq. He would be an excellent IG."

Pre-Holiday Menu: Legislative Buffet Or Duck (WP)

By Shalaigh Murray

The Washington Post, November 14, 2006

When Congress bolted a month before the election, lots of unfinished business was left behind. As in, almost all the fiscal 2007 spending bills, and measures to extend tax breaks, expand energy production and increase trade with Vietnam.

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Lawmakers streamed back to the Capitol yesterday for the first week of a post-election session that could extend until nearly Christmas. The calendar this week is packed with activities, such as leadership elections in both chambers and for both parties, new member photo ops, and swan-song speeches by defeated incumbents.

A few votes are expected here and there. The House last night failed to pass an agreement granting permanent normal trade status to Vietnam. The Senate plans to take it up in the next few days, barring several outstanding glitches, including an objection from Sen. Dianne Feinstein (D-Calif.). President Bush wants the Vietnam deal done by the time he arrives in Hanoi this week for an economic summit with Asian leaders.

Another priority is Senate passage of the U.S.-India Civil Nuclear Cooperation bill, permitting the U.S. to export nuclear technology to India. The measure is the centerpiece of an effort to strengthen relations between the two countries and has strong bipartisan support. Democratic Leader Harry M. Reid (Nev.) included the pact as No. 2 on his three-item lame duck wish list, delivered last week to outgoing Majority Leader Bill Frist (R-Tenn.).

Reid also pressed for action on a package of tax-break extensions, including a state sales tax deduction, research and development credit, and changes to the alternative minimum tax, all due to expire unless Congress acts soon. The package stalled before the election because the House and Senate could not agree to its contents.

If Congress is around long enough, GOP leaders hope to complete legislation to expand offshore oil and natural gas production, although key differences remain between the House and Senate versions of the bill. The gap is likely to take several weeks to bridge, House and Senate aides said.

Sometime before Friday, Congress must pass a continuing resolution to keep the government operating until the fate of nine outstanding spending bills is determined. That is not expected until after House Republicans hold their leadership elections on Friday.

House and Senate appropriators will need at least three weeks, and more likely four, to hash out final versions of the nine bills, said House Appropriations Committee spokesman John Scofield. And that is regardless of whether the bills are bundled into an omnibus package, or negotiated separately.

The other option is to pass a continuing resolution through January and make fiscal 2007 spending the Democrats' problem. Many members will be tempted to adjourn as quickly as possible in December, but punting means that scores of earmarks and bigger GOP initiatives would be sacrificed. Republicans are typically more generous toward defense and energy-related programs.

Also at loose ends is funding for the Interior Department. The chairmen of the House and Senate appropriations subcommittees that oversee the agency were defeated: Rep. Charles H. Taylor (R-N.C.) by Heath Shuler and Sen. Conrad Burns (R-Mont.) by Jon Tester.

Reid and Frist discussed the spending bills yesterday and agreed to try to push them through in December, Reid spokesman Jim Manley said. Others are skeptical that the outgoing GOP leadership will follow through on such a demanding and protracted assignment.A Fleeting Photo Op

There were smiles all around when Reid greeted eight of the nine new members of the Senate Democratic caucus. The group will not be sworn in until January, but the incoming senators showed up yesterday to take in their new surroundings. One item on the afternoon agenda: a photo session in the Nevada Democrat's office. Reporters and camera crews crammed in, and the leader agreed to take one question.

The topic was Iraq. Reid ticked off the challenges. The U.S. military "is in a state of distress," he said, and some units are deployed without being "battle ready." Iraq has "less oil, less water, less electricity than before the war," he continued. As Reid talked, the smiles slowly faded in the semicircle of incoming senators.Surprising Job Offers

And the congressional boss of the year award goes to . . . Rep.-elect Tim Mahoney (D), who won the Florida seat vacated by Mark Foley (R). Despite the inglorious end to his predecessor's House career, Mahoney hired several former Foley staffers to continue working in his district office. "They will ensure continuity and strong support for the district's residents," Mahoney said in a statement.

GOP Dilemma On Spending Bills: Pass Or Punt? (RC)

By Emily Pierce

Roll Call, November 14, 2006

While Democrats are celebrating on the other side of the finish line, the soon-to-be-ousted Republican majority seems to be having a hard time summoning the energy to complete the race to the end of the 109th Congress.

With fiscal 2007 funding for 13 Cabinet departments and an array of independent agencies still unsettled, the demoralized House GOP leadership is deciding how to wrap up what Democrats

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labeled their "do-nothing" Congress with as little rancor as possible. In fact, some are even floating the notion of punting the tough spending issues to the 110th Congress, when a newly installed Democratic majority will be on the hook for negotiating the tight spending limits — and the ones who'll take the political hits.

"I don't think these guys have the stomach to make these decisions right now," said one House GOP aide of the party's post-election mood.

The idea of passing a long-term continuing resolution that keeps the government running until early next year under current spending limits is being discussed, from both a fatigue standpoint and as a strategic move to start pushing the notion of tax-and-spend Democrats early in the 2008 election cycle.

"Strategically, getting the new House Democrats on the record on spending bills as early as possible would be a prudent way to go," said one House Republican leadership staffer. "It's in the Democrats' best interests to try and get [appropriations] off the table, and it's in our best interests to keep it on the table."

Of course, outgoing House Appropriations Chairman Jerry Lewis (R-Calif.) doesn't exactly see it that way.

"Our preference is to complete our work," said Lewis spokesman John Scofield. "We think we can get them done in a fairly transparent and fiscally responsible fashion."

However, Scofield acknowledged that the House GOP leadership will make the call on how matters will proceed — a decision that likely will be made early this week.

"There's so much up in the air right now," said the House Republican leadership staffer. "More stuff will be known as we get going later in the week."

Meanwhile, Senate Republicans say they are continuing to lay the groundwork for finishing 2007 appropriations before the end of the year, but caution that if Democrats throw up too many roadblocks to completion, "we're not going to fight them," said an aide to Senate Majority Leader Bill Frist (R-Tenn.).

By bringing the military construction and Veterans Affairs spending bill to the floor this week, Frist is hoping to set the stage for passing a few more spending bills individually through the Senate before starting to compile a catch-all, or omnibus, spending bill, aides said.

At least two other Senate appropriations bills — Energy and water, and related agencies; and State, foreign operations and related programs — are ready for floor action and could be brought up this week, said several Senate GOP aides.

However, the ability of Frist to bring those bills up depends in large part on how many amendments the military construction bill draws and whether Senators view the bill as their last chance to offer new spending projects on the floor.

"It depends on whether the leaders of both parties can convince their rank and file that this is not the last train moving," said Jenny Manley, spokeswoman for Senate Appropriations Chairman Thad Cochran (R-Miss.).

But even if the Senate is able to pass the nine spending bills it has yet to take up, an omnibus measure remains highly likely, given the limited amount of time left in the year for the House and Senate to individually send those bills to conference. So far, Congress has sent the president only two of its 11 spending bills.

While Cochran opposes having to cobble the bills together into an omnibus, Manley said he was being realistic about his limited ability to pass every bill separately.

"The only irresponsible thing to do would be to not act on the bills at all this year," she said.

The uncertainty surrounding the GOP plans for spending bills even extends to the CR it is slated to pass this week to keep the government running through the Thanksgiving holiday. While some Senate aides talked last week of a CR that lasts until Dec. 8, both House and Senate appropriations aides said that issue is unsettled, with some pushing for the CR to last until Dec. 15 instead. Either way, a lame-duck session that lasts until Dec. 22 appears highly likely. The current CR expires Friday.

GOP leaders also will have to make a decision during the lame duck on what to do with a package of middle-class tax cuts that expire at the end of the year.

Though the gambit already failed earlier this year, Frist had continued to vow to only take up the tax extenders package as part of a bill to partially repeal the estate tax and raise the minimum wage. But the Frist aide said the controversial estate tax portion likely would be jettisoned to smooth passage of the tax cut extenders, which, the aide added, could still move with a minimum-wage increase.

Efforts also will begin to try to persuade House leaders to take up a Senate-passed offshore oil drilling bill that had been blocked in part by House Resources Chairman Richard Pombo (R-Calif.), who lost re-election last Tuesday. Pombo had pushed for a larger, more controversial energy bill that Senate leaders said could not pass that chamber.

If the House takes up the Senate-passed drilling measure and passes it, it could be sent directly to the president without having to first stop in a House-Senate conference committee.

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In the meantime, both the House and Senate plan to act on a Vietnam trade bill this week, and the Senate is gearing up for debate on a U.S.-India nuclear technology deal.

Congress Reconvenes After Democratic Win (AP-Y)

By Andrew Taylor

AP, November 14, 2006

Lawmakers present and future mingled in the Capitol's marble hallways Monday as Republicans exiled from power in last week's elections glumly opened a lame-duck session and wide-eyed Democrats prepared to take over Congress.

Losing majorities in the House and Senate last week, Republicans of the fading 109th Congress still faced weighty work before year's end: keeping the government in operating funds, voting on a trade agreement with Vietnam and confirming a new defense secretary.

Senate Majority Leader Bill Frist, who is considering a bid for the GOP presidential nomination in 2008, envisioned Congress meeting three more weeks this year, this one and the first two weeks of December.

He urged Republicans not to be discouraged by this "time of transition" — and to listen to the voters who ousted them from power.

"Change can be tough," said Frist, R-Tenn., whose self-imposed 12-year term limit in the Senate comes to an end in seven weeks. "That is a very powerful message from the American people: Move forward and move forward together."

Bipartisanship was more a matter of pragmatism, noted Frist's successor.

"We can't accomplish anything as Democrats standing alone. As we've shown, the Republicans couldn't accomplish theirs standing alone," said Democratic Sen. Harry Reid of Nevada, who will become the new majority leader in January.

Returning lawmakers had company from more than 50 House members-to-be and most of the 10 senators-in-waiting. The incoming freshmen attended orientation meetings Monday and embarked on toast-of-the-town schedules — from private tours of the Capitol and the White House to dinner with Frist and a reception with President Bush.

But it wasn't out with old, in with the new just yet.

A lame-duck session could last until Dec. 22 with a two-week break for Thanksgiving. On their agenda is nine spending bills, reviving popular business and middle-income tax breaks, trade agreements with Vietnam and Peru; bioterrorism legislation and giving doctors a reprieve from billions of dollars in scheduled Medicare payment cuts.

The Senate started work Monday on a spending bill for veterans and military construction, while the House took up the Vietnam trade bill ahead of Bush's scheduled visit to the country Friday.

The atmosphere Monday echoed 1994, when Congress briefly returned after the GOP landslide to ratify a trade bill. Then, there were dozens of the "living dead" — Democratic lawmakers who lost re-election bids — who returned to Washington still smarting over their losses. There are at least 26 defeated Republican incumbents in that situation this year. Ten races, all in the House, are still undecided.

"I regret that I will not be a part of" the next Congress, Rep. Clay Shaw, R-Fla., said during debate on the trade bill. A fixture of the House for a quarter century and a chief author of the welfare reform law, Shaw was on the verge of ascending to the chairmanship of the tax-writing Ways and Means Committee before he was toppled by Democrat Ron Klein and other incumbent Republicans faltered.

Away from the television lights, other drama emerged as the House speaker-to-be, Nancy Pelosi, D-Calif., prepared to take the reins of the House and Reid did the same in the Senate.

The behind-the-scenes agenda included leadership elections and jockeying for committee and subcommittee chairmanships in the next Congress, exposing divisions on both parties.

On the Democratic side, politicking is under way for party leadership elections scheduled for Thursday. Rep. John Murtha, D-Pa., a Marine Corps veteran and hawk on military issues who became the darling of the anti-war movement after calling for a U.S. pullout from Iraq, is running against Democratic Whip Steny Hoyer of Maryland to be majority leader.

Pelosi is backing longtime ally Murtha in the majority leader race. Hoyer is an old Pelosi rival dating back to a bitter 2001 leadership race.

House Republicans also face leadership contests, with three lawmakers hoping to succeed Speaker Dennis Hastert, R-Ill., as the GOP leader. Hastert said last week that he doesn't want to be minority leader.

Majority Leader John Boehner, R-Ohio, now No. 2 to Hastert, is favored to get the job, but he faces challenges from Mike Pence, an ambitious conservative from Indiana, and from Energy and Commerce Committee Chairman Joe Barton, a 12-term Texan mounting a long-shot bid.

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Hopes For The Lame Ducks (LAT)

The Los Angeles Times, November 14, 2006

THERE IS A REASON why they call the congressional session that began Monday "lame duck." Not only does it include several Republican incumbents who will be limping away from Capitol Hill when the 110th Congress convenes on Jan. 3, 2007; but the days are also numbered for Republican control of the Senate and House.

"Lame" does not, however, mean "paralyzed." There is bipartisan support for a postelection session in which Congress catches up on unfinished appropriations and completes work on sensible initiatives such as tax credits for research and development.

And both parties seem eager to usher in a new era at the Pentagon — and in Iraq policy — by holding confirmation hearings this year for Robert M. Gates, President Bush's nominee to replace Secretary of Defense Donald H. Rumsfeld. As long as the hearings are thorough enough to clarify Gates' views on the choices in Iraq and on the proper relationship between civilian and military authority, they should take place this year. The Senate can devote more time to scrutinizing Gates if it ignores the president's reprise of his failed attempt to secure confirmation of the diplomatically challenged John R. Bolton as U.S. representative to the United Nations.

But divisive matters that can be left until next year should be left until next year. That includes energy legislation, which in the House has taken the unattractive form of a bill sponsored by Rep. Richard W. Pombo (R-Tracy) that would indiscriminately open up coastal areas for oil drilling.

The best candidate for "wait till next year" treatment is the effort to legalize the National Security Agency's warrantless eavesdropping on Americans suspected of contacts with foreign terrorists. The House-approved bill essentially rubber-stamps the program while requiring notification of Congress. But the Senate has yet to decide among three bills, all of which (believe it or not) were approved by the Judiciary Committee.

By far the best of the three bills is legislation co-sponsored by Sens. Dianne Feinstein (D-Calif.) and Arlen Specter (R-Pa.) that would bring the NSA program under the purview of the Foreign Intelligence Surveillance Act, which was created to oversee exactly this kind of activity. (The bill would actually make it easier in an emergency for the NSA to bypass FISA's requirements for a court order.) But even if the lame-duck Senate endorsed the Feinstein-Specter approach, there is no guarantee that a conference committee would have time to meet, much less craft a compromise that would balance privacy rights and the need for greater vigilance of suspected terrorists.

The NSA is continuing its surveillance while the administration appeals a federal judge's finding that the program is unconstitutional. So there is no reason for this Congress to rush to judgment on a controversial issue better left to the Congress elected on Nov. 7.

Budget Deficit Widens To $49.29 Billion (WSJ)

The Wall Street Journal, November 14, 2006

WASHINGTON -- Paced by record monthly spending and revenues, the federal government ran a deficit of $49.29 billion in October, up 4.3% from a year earlier, the Treasury Department said.

Treasury's monthly budget statement shows outlays were $216.98 billion last month, up 10% from a year earlier. Government receipts in October were $167.69 billion, up 12% from a year earlier.

Both receipts and outlays were records for the month of October, the Treasury said, while noting the government has run a deficit every October since 1954.

The Treasury also revised the government's September surplus to $56.16 billion from a previously reported $56.03 billion.

The October deficit figure was in line with the Congressional Budget Office's estimate of a $49 billion deficit. The White House has projected the budget deficit for fiscal 2007, which began Oct. 1, will total $339 billion, about one-third larger than the past fiscal year.

The CBO has projected a $286 billion budget gap for the fiscal year, and private-sector analysts also expect less government red ink.

Individual income-tax receipts totaled $86.22 billion in October, up 15% from the same period last year. Corporate income taxes totaled $9.35 billion last month, up 53% from the same period in 2005.

The government paid net interest in October on the federal debt of $18.95 billion. Net interest on the federal debt excludes interest paid on nonmarketable government securities held by federal trust funds, such as Social Security.

The Treasury said it plans to release budget data for November on Dec. 12.

HHS Chief Opposes Negotiation Of Medicare Drug Prices (WP/AP)

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By Kevin Freking

The Washington Post/AP, November 14, 2006

The nation's top health official said yesterday that the government should not negotiate Medicare drug prices, a position that sets the stage for an early confrontation with the incoming Democratic Congress.

"The idea of the government negotiating drug prices really isn't about the government negotiating drug prices," Health and Human Services Secretary Mike Leavitt said. "It's a surrogate for a much larger issue, which is really government-run health care."

About 22.5 million seniors and the disabled are enrolled in private insurance plans subsidized by the federal government. The insurers negotiate with pharmaceutical companies over how much they will pay for drugs covered by their plans.

But Democratic lawmakers have promised a new approach when they take control of Congress in January. They would let the federal government use its massive purchasing power to negotiate the price of drugs used by Medicare beneficiaries. They say that such leverage would produce substantial savings that could then be used to improve the overall program.

Leavitt said Democrats should focus their efforts next year on issues where there is broad agreement, such as expanding basic health insurance coverage.

House Minority Leader Nancy Pelosi (D-Calif.), who is likely to be the next speaker of the House, has said she would quickly push for the government to negotiate lower drug prices.

"Requiring the federal government to negotiate on behalf of seniors would generate significant savings, savings which could be used to close the gap in coverage -- or 'doughnut hole' -- that threatens millions of Medicare beneficiaries this year," Pelosi said.

Pelosi spokesman Brendan Daly said, "We want to work with Republicans on health care as well as other issues, but misleading rhetoric about 'government-run health care' does not help. . . . Democrats are proposing common-sense improvements to the complex Bush prescription drug program."

Some Democrats also will urge the government, in addition to negotiating drug prices, to run a drug program that would compete with plans provided by the insurers. Democrats have predicted that seniors would flock to the government-run plan.

Leavitt disagreed. He said the government could not develop a plan that would satisfy the needs of a broad range of consumers.

Lowering Medicare Drug Prices (NYT)

The New York Times, November 14, 2006

Michael Leavitt, the secretary of health and human services, says he does not want the power to negotiate drug prices for Medicare beneficiaries, but Democrats should give it to him anyway.

The Democrats have pledged to move on the issue as soon as they take control of Congress. If they succeed, it would allow an important test of the hypothesis that government negotiators can wring lower prices from the manufacturers than those obtained by the private drug plans and pharmaceutical benefit managers that currently negotiate on behalf of Medicare beneficiaries.

The 2003 Medicare drug law — written by a Republican-dominated Congress in thrall to big drug company contributors — explicitly prohibits the federal government from negotiating drug prices or establishing a list of preferred drugs.

The Democrats are only beginning to explore what they want the government to do. Some advocates want the government to mandate hefty discounts for all Medicare drug purchases — an approach that some experts fear could deprive the industry of revenues needed to develop new drugs. Others would have officials step in only when private plans prove inept or when there is no alternative to a high-priced drug.

The approach that most appeals to us would direct the secretary of health and human services to set up one or more government-operated drug plans to compete with the private plans. That could be started while the new Congress holds hearings to examine broader possibilities.

There is no guarantee that government negotiators would do better. Medicare's chief actuary concluded last year that the government would be unlikely to get bigger discounts, and the head of the Congressional Budget Office judged in 2004 that for most drugs that was true. Some experts believe the government would not press manufacturers hard, because of the lobbying clout of the pharmaceutical industry and of Medicare beneficiaries seeking access to the newest (and most expensive) medicines.

Right now, private plans are not doing all that well at obtaining discounts for their clients. Surveys by House Democrats, consumer groups and academic experts have found that the prices charged to beneficiaries when their coverage runs out — a

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rough surrogate, perhaps, for what the plans actually paid for the drugs — are significantly higher than the drug prices negotiated by the Department of Veterans Affairs, the Medicaid program for the poor, and foreign governments, among others.

President Bush might be inclined to veto any bill that tried to insert the government into price negotiations. But if presented with a bill to set up government-operated drug plans to go head to head with the private plans, he would have to explain why he is afraid of a real market competition.

In Backing Murtha, Pelosi Draws Fire (WP)

By Jonathan Weisman

Washington Post, November 14, 2006

Her Ethics Vow Is Questioned

House Speaker-designate Nancy Pelosi's endorsement of Rep. John P. Murtha's bid for House majority leader set off a furor yesterday on Capitol Hill, with critics charging that she is undercutting her pledge to clean up corruption by backing a veteran lawmaker who they say has repeatedly skirted ethical boundaries.

Pelosi (D-Calif.) directly intervened in the heated contest between Murtha (D-Pa.) and House Minority Whip Steny H. Hoyer (D-Md.) on Sunday by circulating a letter to Democratic lawmakers. The letter voiced her support for Murtha and put her prestige on the line in a closely fought leadership battle. Some Democratic lawmakers and watchdog groups say they are baffled that Pelosi would go out of her way to back Murtha's candidacy after pledging to make the new 110th Congress the most ethical and corruption-free in history.

Murtha, a longtime senior Democrat on the House Appropriations Committee, has battled accusations over the years that he has traded federal spending for campaign contributions, that he has abused his post as ranking party member on the Appropriations defense subcommittee, and that he has stood in the way of ethics investigations. Those charges come on top of Murtha's involvement 26 years ago in the FBI's Abscam bribery sting.

"Pelosi's endorsement suggests to me she was interested in the culture of corruption only as a campaign issue and has no real interest in true reform," said Melanie Sloan, executive director of Citizens for Responsibility and Ethics in Washington (CREW), a Democratic-leaning group. "It is shocking to me that someone with [Murtha's] ethics problems could be number two in the House leadership."

"People have known about these things for months," said one Democratic House member who spoke on the condition of anonymity because he did not want to anger the presumed incoming speaker. "I am sure they are going to become much more important in the next few days."

Andrew Koneschusky, a spokesman for Murtha, declined to discuss ethics issues, saying: "We are focused on the future. We are focused on electing the best candidate to lead our party and deliver the change the American people want, and that is Jack Murtha. We are looking forward, not backward."

Pelosi said in her letter that she was swayed to endorse Murtha, a longtime ally, by his early call for a withdrawal of U.S. forces from Iraq. Pelosi aides and Murtha supporters said the charges against him are trivial or untrue. A senior Pelosi aide conceded that her endorsement is risky but said that she had to show her loyalty to Murtha, who has been steadfastly loyal to her.

As for the ethics issue, "there's no substance to it," said Rep. Linda T. Sanchez (D-Calif.), a strong supporter of Murtha.

At issue is Murtha's relationships with two defense lobbyists. Paul Magliocchetti of the PMA Group is a former aide to the lawmaker, and Robert "Kit" Murtha is his brother and was a senior partner at KSA Consulting from 2002 to 2005.

The PMA Group has become the go-to firm to approach Murtha as ranking Democrat on the Appropriations defense subcommittee, CREW charges. In the 2006 defense appropriations bill, PMA clients reaped at least 60 special provisions, or "earmarks," worth more than $95 million.

The PMA Group and its clients have been top campaign contributors for Murtha: $274,649 in the 2006 campaign cycle, $236,799 in the 2004 cycle and $279,074 in the 2002 cycle, according to CREW's tallies.

After Kit Murtha joined KSA Consulting in 2002, one of his first clients was a wireless networking company called Aeptec Microsystems Inc., which was seeking to build a business complex in Murtha's district with a Pennsylvania state grant. Aeptec executive Michael Hoban contributed $2,000 to Murtha's campaign that year.

In 2004, Murtha helped secure the grant. A few months later, the Appropriations subcommittee approved a $4.2 million earmark for the company.

Murtha may be the Democratic Party's consummate dealer in home-district spending. Taxpayers for Common Sense identified more than $103 million in earmarks in the 2006 defense spending bill that Murtha requested for his home district in southwestern Pennsylvania -- nearly $80 million of which cleared President Bush's desk.

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"Hoyer gains his influence the 'regular' way," said Steve Ellis of Taxpayers for Common Sense. "He travels, and he raises money for his leadership [political action committee], which doles it out to help Democrats get elected. Murtha doesn't bother with that nicety. For years, he has used his powerful perch as the ranking Democrat on the defense appropriations subcommittee to dole out earmarks to build influence. Hoyer raises campaign cash; Murtha taps the taxpayer for influence."

Former congressman Chris Bell (D-Tex.) said yesterday that Murtha helped elevate Rep. Alan B. Mollohan (W.Va.) to the top Democratic spot on the House ethics committee, and that Murtha and Mollohan have worked to slow the ethics process to a crawl for much of the past two years.

As for the Abscam case, Murtha was not indicted and his conduct was cleared by the House ethics committee, but he did meet with FBI agents posing as Arab sheiks and, after refusing bribes on several occasions, appeared to leave open the possibility of doing business later. Hoyer has been criticizes as well for his legislative dealings, especially for his close ties to lobbyists and business interests. But it is Murtha's record that Pelosi will have to defend, watchdog groups said yesterday.

Rep. Michael E. Capuano (D-Mass.), a Murtha supporter, said he was not aware of the ethical issues around the lawmaker. but said they will have little impact on Democrats as they gather Thursday to choose the next majority leader.

"The bottom line is, Nancy has decided what team she wants," Capuano said. "What members have to ask themselves is whether they want a unified leadership team or a fractured leadership team. That will make a difference in the next two years."

Hoyer and Pelosi have had a strained relationship since Hoyer competed with her in 2001 for the post of minority whip; Murtha managed her winning campaign. The urge to stay loyal to the presumed new Democratic speaker -- as well as to curry favor to obtain committee assignments -- will bring a substantial number of votes to Murtha, one of his supporters said.

Hoyer supporters continue to say he has more than enough votes to prevail, regardless of Pelosi's wishes. Rep. David E. Price (D-N.C.) said Pelosi timed her endorsement to come out after the votes were solidified, giving a nod to Murtha for the sake of loyalty but doing little to sway the election.

"This race is already a done deal," agreed Rep. Jim Matheson (D-Utah).

In the Senate, Democrats will elect new leaders today and Republicans will follow tomorrow. The top two Democratic leadership positions are set. Harry M. Reid (Nev.) will remain as party leader and Richard J. Durbin (Ill.) will remain as whip, but this time they will be in the majority, not the minority. A change is possible at the No. 3 slot, conference secretary. Sen. Debbie Stabenow (Mich.) holds that position, but Senate sources said she may surrender it for a seat on the Finance Committee.

It was unclear who would succeed her, but Senate aides said it probably would be another woman. Charles E. Schumer (N.Y.) will remain chairman of the Democratic Senatorial Campaign Committee.

Among Republicans, Mitch McConnell (Ky.) is set to become Senate minority leader, moving into the vacancy left by the retiring Bill Frist (Tenn.). There could be a contest between two Southerners seeking to succeed McConnell as party whip. Senate insiders said Lamar Alexander (Tenn.) appears to have enough votes, but former majority leader Trent Lott (Miss.) was still seeking support yesterday.

Sen. Jon Kyl (Ariz.) is in line for the No. 3 post of Republican Conference chairman, now held by Rick Santorum (Pa.), who lost last week. Sen. John Ensign (Nev.) has agreed to chair the party's campaign committee, succeeding Elizabeth Dole (N.C.) after a disappointing election for the GOP.

House Dems Brace For 2nd Round (USAT)

By Kathy Kiely

USA Today, November 14, 2006

WASHINGTON — House Democrats are locked in an internal dispute over a top post that highlights the party's ideological tensions and the assertive style of their leader, Nancy Pelosi, less than a week after winning majority control for the first time since 1994.

Pelosi's decision to endorse her close friend, Rep. John Murtha of Pennsylvania, for House majority leader over her current deputy, Rep. Steny Hoyer of Maryland, was a surprise to some. Pelosi, a California Democrat, is in line to be the first female speaker of the House.

“This is her first real decision, and it's a tough one,” says Stephen Hess, a scholar with the Brookings Institution, a Washington think tank. “I think it's very risky.”

For Pelosi, the risk is that she could end up on the losing end of an intraparty fight before she even takes the speaker's gavel in January. House Democrats, including those elected last week, will cast secret ballots for leaders on Thursday.

For Democrats, the risk is that their political honeymoon will be embittered by an awkward political fight. “We Democrats hate to see this,” says Rep. Elijah Cummings of Maryland, a Hoyer supporter. “Most of us like both of them.”

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Murtha and Hoyer supporters disputed the significance of Pelosi's endorsement. Cummings says, “The question is whether she'll fight for Murtha.” Rep. Gene Taylor of Mississippi, a Murtha supporter, said “she already is” by making her preference public in a letter released Sunday.

Hoyer is a tireless political strategist who raised more than $600,000 for this year's Democratic candidates and campaigned in 80 districts. Murtha, a hawk on defense and foreign policy, helped the party find its voice on Iraq when he called last year for U.S. troops to withdraw from Iraq. Some Democrats think that was key to the party's victory.

“The tide changed the day Jack Murtha publicly spoke out against the war in Iraq,” Rep. Bill Pascrell, D-N.J., said in a letter to colleagues. Pascrell is backing Murtha. Even Cummings said Murtha “deserves a lot of credit” for changing the debate on Iraq.

Bruce Braley, an incoming House member from Iowa, agreed that voter anger over Iraq was “the biggest factor” in his election and that it could fuel support for Murtha. “Everybody in the caucus is impacted by how the public perceives our position on Iraq,” said Braley, who supports Hoyer. Braley said Hoyer gave him advice, helped him raise money and loaned him a staff member for the campaign's final week.

Hoyer is confident of victory. “It looks very good,” he said Monday about the contest. He insisted he will hold no grudges against Pelosi for backing Murtha.

“She's a very loyal person,” Hoyer said.

Murtha was not available for comment Monday. He released a statement Sunday that he is “deeply gratified” for Pelosi's support.

Murtha and Pelosi are an odd couple: She hews to the liberal views of her San Francisco constituents; he's one of his party's more conservative members.

Pelosi told USA TODAY in July that the two bonded when Murtha visited her office shortly after her election in 1987 and spotted a carving in coal of a miner. Mining is an important industry in Murtha's western Pennsylvania district.

In 2001, Murtha managed Pelosi's successful campaign against Hoyer to be Democratic whip, the party's chief vote counter.

Some Democrats from rural areas like Murtha's politics. “He's pro-life and pro-gun,” Taylor said.

Cummings said Hoyer deserves the leader's job “because he has crisscrossed the country trying to help Democrats” and has been a good partner to Pelosi. “They strike the right balance,” Cummings said.

Murtha has been criticized by government watchdog groups such as the liberal Citizens for Responsibility and Ethics in Washington (CREW).

In the 1970s, Murtha was investigated, but never charged, in the Abscam sting that caught some members of Congress taking bribes. His brother, Kit Murtha, is a lobbyist whose clients have received defense contracts while Murtha has been the top-ranking Democrat on the defense appropriations committee.

“How can Americans believe that the Democrats will return integrity to the House when future Speaker Pelosi has endorsed an ethically-challenged member?” said Melanie Stone of CREW.

Power Struggles Unravel Democrats' Unity (LAT)

By Janet Hook And Richard Simon

The Los Angeles Times, November 14, 2006

WASHINGTON — Democrats returned to Capitol Hill on Monday to prepare for a transfer of power in Congress, but their postelection emphasis on unity quickly dissolved into power struggles and jockeying over the spoils of victory.

Much of the squabbling stemmed from the decision over the weekend by presumed House Speaker Nancy Pelosi to endorse a longtime loyalist to be her second-in-command. In backing Iraq war critic Rep. John P. Murtha of Pennsylvania for the post, Pelosi, of San Francisco, turned her back on another Democrat who is in line for the job and is favored by many of her party's more moderate members.

In her first high-profile move after the election, Pelosi signaled that she can be expected to prize personal loyalty as she oversees the fractious party.

Rep. Steny H. Hoyer of Maryland, whom Pelosi did not support for the No. 2 post, may have enough votes to win the job of House majority leader himself. Hoyer is the current minority whip.

"Everywhere you go on Capitol Hill today, this is the topic of conversation," said Rep. Dennis Cardoza (D-Atwater), who supports Hoyer. "It would have been easier for some of us not to have to exercise our independence quite so early."

The House Democratic Caucus is scheduled to select its majority leader Thursday.

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Pelosi may have another problem. As the crop of freshly elected Democrats — including many younger ones who campaigned to the right of the party line — came to Capitol Hill for orientation Monday, they encountered a leadership dominated by mostly liberal, old-school Democrats.

Cardoza, a leader of the conservative coalition in the House known as the Blue Dogs, warned that Democratic cohesion would suffer if the liberals in line to head many of the chamber's key committees don't take party moderates into account. "We have to try to build a consensus, and it's not going to be an automatic, top-down way, or we'll have conflict on the floor," Cardoza said.

Despite such concerns, Democrats continued to celebrate recapturing the power they lost 12 years ago.

"Everybody's smiling, everybody's high-fiving," said Rep. Bob Filner (D-Chula Vista), who is likely to become chairman of the Veterans' Affairs Committee.

Republicans, meanwhile, plunged into a round of recriminations provoked by their election losses. House leadership contests were developing, pitting more conservative party members against those who have been at the helm.

"We did not just lose our majority — we lost our way," said Rep. Mike Pence (R-Ind.), who is trying to oust Rep. John A. Boehner (R-Ohio) as the GOP leader in the next Congress.

In his case against Boehner, Pence contends that public disaffection over the growth in government spending under the GOP-controlled Congress paved the way for the election losses.

The lame-duck session that brought members of both parties back to the Capitol this week will grapple with the year's unfinished business — including the need to pass a raft of spending bills that fund major government agencies. But much of the spotlight will be on the decisions that lay the groundwork for next year's session.

The transfer of power in the Senate has been marked by minimal conflict within the parties. Sen. Harry Reid of Nevada, minority leader for the last two years, will be elected majority leader today. His chief lieutenant, Sen. Richard J. Durbin of Illinois, will be majority whip.

Senate Republicans are poised to elect on Wednesday a new party leader, Sen. Mitch McConnell of Kentucky. He will replace Sen. Bill Frist of Tennessee, who is retiring.

Significantly more drama surrounds the contests in the House.

Emotions and tensions are running high in the battle between Hoyer and Murtha. As in most congressional leadership elections, the outcome hinges largely on personal relationships, not ideology. But divisions over the war in Iraq are playing a part. Murtha, known as a strong supporter of the military, emerged as a hero of the left when he became a leading critic of the conflict a year ago; Hoyer has been more hawkish.

And even though Hoyer has served as Pelosi's chief deputy, the two haven't healed the split between them caused by past leadership fights. Still, many House Democrats were surprised that she went public with her endorsement of Murtha.

A Democrat close to Pelosi said she was motivated by her loyalty to Murtha — a firm ally as she moved up the leadership ladder — and her belief that Democrats would not have won control of Congress if he had not taken the lead in ramping up the party's opposition to President Bush's policy in Iraq.

Some argued that by publicly siding with Murtha, Pelosi could undercut one of her boldest pronouncements in the wake of her party's victory — that they would run "the most honest, the most open and the most ethical Congress in history."

These critics point to Murtha's brush with the law in the 1980s, when he was investigated in connection with the Abscam bribery scandal on Capitol Hill. He was cleared in that probe, but some watchdog groups have continued to question his ethics. As a senior member of the House Appropriations Committee, Murtha has been an unapologetic master of "earmarking" money for local projects — a practice the critics say invites corruption.

"John Murtha is not the right poster child" for a message that stresses ethics, said Thomas Mann, an expert on Congress at the centrist Brookings Institution think tank.

Pelosi will make another potentially divisive decision in the coming weeks when she chooses the new leader of the Intelligence Committee. Her associates say she has decided not to elevate Rep. Jane Harman of Venice, the ranking Democrat on the panel but a colleague with whom Pelosi has had strained relations.

Next in line for the chair is Rep. Alcee L. Hastings (D-Fla.), an African American. He is backed by the Congressional Black Caucus, but some Democrats worry that he would undermine the party's message on ethics because he was impeached as a federal judge in the early 1980s.

On other panels, Pelosi is expected to stick to tradition and allow seniority to dictate committee leadership choices. With that approach, Democrats will return the powerful positions to some lawmakers who held the jobs before the GOP takeover after the 1994 elections. Also, Pelosi has indicated that the principal forum for investigations and oversight will be the Government Reform Committee, to be chaired by Rep. Henry A. Waxman (D-Los Angeles).

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A key question is whether, under Democratic rule, committees will become throwbacks to the days when chairmen presided over insular fiefdoms that took little input from party leaders. Pelosi has made it clear that she expects panel chiefs to behave more like team players — even if she does not impose the kind of discipline enforced by former Rep. Tom DeLay when he was a GOP House leader.

"She is not dictatorial like DeLay, but she has a game plan," said Daniel Weiss, chief of staff to Rep. George Miller (D-Martinez), incoming chairman of the Committee on Education and the Workforce.

Pelosi Backs Murtha As House Leader (FT)

By Stephanie Kirchgaessner

Financial Times, November 14, 2006

Nancy Pelosi, incoming Democratic Speaker of the House, came under fire from an ethics watchdog on Monday following her endorsement of John Murtha to the number two leadership post in the new Congress.

Melanie Sloan, a former prosecutor who heads Citizens for Responsibility and Ethics in Washington (Crew), said Mrs Pelosi's support of the Pennsylvania Democrat did not bode well for the future Speaker's commitment to enacting ethics legislation.

Mr Murtha is a veteran lawmaker whose ties to the military have made him one of the most effective Democratic party voices in opposition to the administration's conduct of the war in Iraq.

But he has been frequently criticised by Crew over allegations that he abused his position as a member of the defence appropriations sub-committee by showing favour to a lobbying firm of a former long-term staffer and clients of Robert "Kit" Murtha, his brother.

He has also been criticised for taking advantage of earmarking, the practice of appropriating funds for government projects that benefit individual lawmakers' constituents.

"How can Americans believe that the Democrats will return integrity to the House when future Speaker Pelosi has endorsed an ethically challenged member for a leadership position? Rep Murtha is the wrong choice for the job," Ms Sloan said.

Mr Murtha's office did not return calls for comment.

In supporting Mr Murtha, Mrs Pelosi has made the forthcoming election for majority leader the earliest test of her leadership. He is competing for the job with Mrs Pelosi's current deputy, Maryland's Steny Hoyer, who claimed over the weekend to have the support of the majority of the Democratic caucus behind him.

In her letter, Mrs Pelosi credited Mr Murtha for helping to change the national debate on Iraq, making it the central theme of the election and the Democrats' victory over Republicans.

"Your strong voice for national security, the war on terror and Iraq provides genuine leadership for our party, and I count on you to continue to lead on these vital issues," she said.

But her choice could have wider ramifications for Democrats' pledge to enact meaningful lobbying and earmark reform.

On Monday Mrs Pelosi was criticised by John Boehner, the current majority leader, for claims that she has changed her position on earmark reform six days after the election.

Pelosi Draws Fire For Backing Murtha (WT)

By Charles Hurt

The Washington Times, November 14, 2006

House Democratic leader Nancy Pelosi is under fire from fellow Democrats and outside liberals for publicly backing Rep. John P. Murtha's bid to become majority leader, saying that the presumed speaker's acts have cast doubt on her party's promise to clean up the "culture of corruption" in Washington.

"How can Americans believe that the Democrats will return integrity to the House when future Speaker Pelosi has endorsed an ethically challenged member for a leadership position?" said Melanie Sloan, executive director of the liberal group Citizens for Responsibility and Ethics in Washington (CREW). "Representative Murtha is the wrong choice for this job."

Most notably, Mr. Murtha was an "unindicted co-conspirator" in the Abscam scandal of the 1980s when FBI agents posed as emissaries of an Arab sheik and lured several congressmen into a Capitol Hill town house to hand out $50,000 bribes. Mr. Murtha was among those offered money, but he declined.

"I'm not interested. I'm sorry," he said, adding: "You know, we do business for a while, maybe I'll be interested, maybe I won't."

The following year, the ethics panel in the then-Democrat-controlled House declined -- on a "near party-line vote," according to press accounts at the time -- to file ethics charges against the Pennsylvania Democrat.

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More recently, according to press reports and a dossier compiled by CREW, Mr. Murtha abused his position as ranking member of the defense appropriations subcommittee of the House Appropriations Committee to benefit clients of his brother, Robert "Kit" Murtha, who is a registered lobbyist. The $417 billion defense appropriations bill that went through the subcommittee in 2004 benefited at least 10 companies represented by Robert Murtha's firm, which lobbied the congressman directly, according to the group.

"Future House Speaker Pelosi's endorsement of Rep. Murtha, one of the most unethical members of Congress, shows that she may have prioritized ethics reform merely to win votes with no real commitment to changing the culture of corruption," Ms. Sloan said.

Pelosi spokeswoman Jennifer Crider dismissed the concerns and said Mr. Murtha "has addressed these issues."

"Leader Pelosi will show that Democrats will change the way business is done in Washington," Ms. Crider said.

But many Democrats adamantly oppose Mr. Murtha and say Mrs. Pelosi blundered badly by throwing her public support behind a tainted figure just one week after winning so many campaigns that promised to clean up corruption in Washington.

"This is cloakroom conversation," one Democrat said. "This sends a very bad message as the first thing she's gotten involved in. The whole Abscam thing is a problem, and so is the whole wheeler-dealer thing."

Rep. Steny H. Hoyer, the Maryland Democrat who now holds the whip position, has said he has the votes needed to win the majority-leader post in this week's elections among Democrats. Hoyer allies say he has the support of 13 of the 19 top Democrats in the House and public statements of support from at least 28 of the 40 new members.

In addition to concerns about Mr. Murtha's background, many Hoyer supporters also say they are concerned about too much power in the hands of Mrs. Pelosi and one of her closest confidants -- Mr. Murtha. Mr. Hoyer provided a counterbalance as a Pelosi rival in past leadership elections, they say, which is why so many committee chairmen-to-be support him.

Many centrist Democrats, whose ranks ballooned in the last election, also support Mr. Hoyer.

"If moderates don't feel they have a voice in the leadership, Pelosi will have a problem because the moderates will revolt," one Democrat said.

While Mr. Murtha has fewer public supporters, he's picked up one of the most influential.

"I salute your courageous leadership that changed the national debate and helped make Iraq the central issue of this historic election," Mrs. Pelosi wrote in a personal letter to Mr. Murtha. "Your leadership gave so many Americans, including respected military leaders, the encouragement to voice their own disapproval at a failed policy ... . The enthusiastic response of Americans all across this nation gave an enormous lift to our Democratic efforts, and your unsurpassed personal solicitations produced millions of dollars."

Republicans, meanwhile, sat back and enjoyed the first fight inside the new Democratic majority.

"If this is the way Nancy Pelosi plans to clean up Washington, Republicans could be back in the majority sooner than they think," said one Republican staffer.

Backing This Hopeful For No. 2 Job Is Risky For Incoming House Speaker (NYT)

By Carl Hulse

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — The intensifying fight for the No. 2 Democratic leadership job in the House is evolving into an early test of the power of the incoming House speaker, Nancy Pelosi, after her decision to throw her public support behind Representative John P. Murtha of Pennsylvania.

Mr. Murtha, widely considered an underdog to Representative Steny H. Hoyer of Maryland, the current second-ranking Democrat, sought on Monday to use a new letter of support from Ms. Pelosi to gain ground, asking for new pledges from Democrats who converged on Washington after their decisive midterm election victory.

Mr. Murtha and his allies said the role he played in questioning the war in Iraq had helped legitimize Democratic opposition to the war and turn it into a winning campaign issue, making him the natural choice for majority leader at a time when Iraq policy will dominate Congress.

“When the public speaks, things are going to change,” Mr. Murtha, a decorated Vietnam veteran, said on Monday.

Mr. Hoyer and Mr. Murtha are similar in some respects, both veterans of the byzantine appropriations process and skilled in winning money for local projects in the annual spending bills. While Mr. Murtha has been closely allied with Ms. Pelosi against the war, he is well to the right of her on many social issues like abortion and gun control and is known for his ability to work with conservatives in both parties. Mr. Hoyer is more liberal over all on social issues but is considered a pro-business Democrat.

While Mr. Hoyer has been a fixture in the party leadership, Mr. Murtha eschewed the spotlight and seemed content to wield his considerable influence well behind the scenes until he took a highly publicized stand against the war.

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But Mr. Murtha is also coming under the spotlight on another subject that dominated the campaign: Congressional ethics. He helped block changes in ethics policies that Democrats proposed last year. He has also been an astute backroom-deal maker known for trading votes for the pet projects known as earmarks. He has had family members who lobbied on issues under his control, and he was caught up in the Abscam corruption scandal more than 25 years ago, though he was never charged.

The leader of one watchdog group said Monday that Mr. Murtha's record should disqualify him for the No. 2 job, particularly since Democrats campaigned so hard against Republican corruption and have promised to make new ethics and lobbying rules a priority.

"How can Americans believe that the Democrats will return integrity to the House when future Speaker Pelosi has endorsed an ethically challenged member for a leadership position?" asked Melanie Sloan, executive director of Citizens for Responsibility and Ethics in Washington, a Democratic-leaning group that focuses on government integrity. "Representative Murtha is the wrong choice for this job."

Mr. Murtha dismissed the attack and promised that, if elected majority leader, he would help formulate a strict ethics policy. "Wait until you see the ethics package we support and we pass," he said. "No meals, no trips, nothing. I support it 100 percent."

Mr. Hoyer, who learned of Ms. Pelosi's letter of support for Mr. Murtha while he was courting new Democratic members at a reception on Sunday, said he did not expect much of a shift in votes as a result of what he described as her low-key endorsement.

"We have seen no sign of that," Mr. Hoyer said.

He and his allies say he has well more than a majority of Democrats pledged to back him in Thursday's election, providing a cushion to account for any lawmakers who might stray in the secret ballot.

Mr. Hoyer said Ms. Pelosi, with whom he has had an occasionally tense relationship since he unsuccessfully challenged her for party whip in 2001, had already told him she would vote for Mr. Murtha. But Mr. Hoyer said many of their colleagues believed that he and Ms. Pelosi had demonstrated a strong ability to work together over the past four years.

"We got the victory," he said. "Why change?"

Ms. Pelosi's preference for Mr. Murtha had been well known since he ran her campaign for House whip against Mr. Hoyer. In the past year, she has come to believe that Mr. Murtha did the party — and her — a service by putting his own military credentials behind a call to begin removing troops from Iraq.

But the letter of support she provided Mr. Murtha was surprising, since it meant that Ms. Pelosi could be perceived as being weakened before she even takes her new office if Mr. Murtha falls short.

Ms. Pelosi's allies said she was willing to take the risk because of her deep loyalty to Mr. Murtha and since it was already assumed by many that she was working to advance his candidacy.

She and her allies have also taken the view that Mr. Murtha's scrapes regarding ethics should not be an impediment to his election. And some of his backers say the Abscam scandal of 1980 is ancient history.

In that case, Mr. Murtha was among lawmakers caught on film being offered bribes by F.B.I. agents posing as Arab businessmen. Mr. Murtha, a protégé of Speaker Thomas P. O'Neill Jr., refused a bribe, saying he was not interested "at this point." He went on to testify against some of those sent to prison, and the federal government chose not to indict him. He was cleared by the House ethics committee, but the committee counsel quit after the case was dropped.

"It was 26 years ago," said Representative Kendrick B. Meek, Democrat of Florida and a former Florida state trooper who is supporting Mr. Murtha.

Mr. Meek said he and others believed that Democrats needed a close-knit leadership team at this critical point, avoiding conflict in the crucial positions. "We need a united top shelf," he said.

But Mr. Hoyer has won support from respected veterans who are in line to take over top committees, including Representatives Henry A. Waxman of California, John D. Dingell of Michigan, Barney Frank of Massachusetts and Ike Skelton of Missouri, along with Representative John Lewis of Georgia, a veteran of the civil rights struggle. He has also won public support from leading Democratic progressives and more than 20 of the incoming freshmen.

Democrats on both sides of the leadership fight say that they wish the battle could have been avoided, in the interests of starting out together, but that such contests are a fact of life, particularly with the lure of new power.

"They happen, and we will deal with them and see what happens," said Representative George Miller, Democrat of California.

A Choice For Democrats (WP)

The Washington Post, November 14, 2006

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LOYALTY IS an admirable quality, but sometimes it can be taken too far. That is the case with the decision by the incoming House speaker, Nancy Pelosi (D-Calif.), to offer a public endorsement of the bid of Pennsylvania Rep. John P. Murtha (D) to become majority leader. Ms. Pelosi's preference for Mr. Murtha was no secret; he managed her campaign for minority leader against Rep. Steny H. Hoyer (D-Md.), now Mr. Murtha's rival for the majority leader post. What was surprising was that Ms. Pelosi would weigh in publicly on Mr. Murtha's behalf, albeit -- as she pointedly noted at the beginning of her letter -- in response to his request.

On the merits, Mr. Hoyer is by far the better choice for the job. He is a moderate and highly capable legislator whose selection would reinforce Ms. Pelosi's announced commitment to govern from the center.

Mr. Murtha's candidacy is troubling for several reasons, beginning with his position on the war in Iraq. A former Marine, Mr. Murtha deserves credit for sounding an alarm about the deteriorating situation a year ago. But his descriptions of the stakes there have been consistently unrealistic, and his solutions irresponsible. Just last week he denied that the United States was fighting terrorism in Iraq, though al-Qaeda is known to play a major part in the insurgency. He said the United States should abandon even the effort to train the Iraqi army and should "redeploy as soon as practicable," an extreme step that most congressional Democrats oppose. He claimed that "stability in the Middle East, stability in Iraq," would come from such an abrupt withdrawal; in fact, virtually all Iraqi and Middle Eastern leaders have said that it would lead to a greatly escalated conflict that could spread through the region.

Mr. Murtha would also be the wrong choice as majority leader after an election in which a large number of voters expressed unhappiness with Washington business as usual. Mr. Murtha has been a force against stronger ethics and lobbying rules. He was one of just four Democrats whose votes helped kill a strong Democratic package of lobbying reforms this spring.

As a senior member of the House Appropriations Committee, he has been an avid participant in the orgy of earmarking, including numerous projects sought by a lobbying firm that employed his brother. During the Abscam congressional bribery investigation in 1980, Mr. Murtha was videotaped discussing a bribe with an undercover FBI agent. ("You know, we do business for a while, maybe I'll be interested, maybe I won't, you know," Mr. Murtha said.) He wasn't indicted, but it's fair to say the episode raised questions about his integrity.

Mr. Hoyer says he has the support of a majority of members of the Democratic caucus. We hope they aren't persuaded otherwise by Ms. Pelosi's letter.

Reid Backed Planned Bridge Near His Land (AP-Y)

AP, November 14, 2006

Senate Minority Leader Harry Reid, D-Nev., backed funding for a bridge between Nevada and Arizona that could affect the value of property he owns nearby.

The planned span over the Colorado River between Laughlin, Nev., and Bullhead City, Ariz., got an $18 million boost in last year's massive federal transportation bill.

Reid, who's in line to become Senate majority leader after last week's election, owns 160 acres of undeveloped property in Bullhead City, several miles from the proposed bridge sites. Development is booming in the area and local officials in Laughlin and Bullhead City support a new crossing to ease traffic on the one existing bridge. They also expect it would add to property values.

Reid aides said his support for the bridge has nothing to do with his ownership of the Bullhead City property, which he values between $500,000 and $1 million on his annual financial disclosure forms. His spokesman said he had no plans to develop the property.

After the Los Angeles Times published a story on the issue Monday, Reid's office issued a five-page fact sheet in response.

According to the statement, Laughlin officials began pushing for another bridge after the nearby Hoover dam crossing was closed because of security concerns after the Sept. 11, 2001, terror attacks, pushing traffic onto a single Laughlin-Bullhead City bridge.

Reid and others in the Nevada delegation responded, securing $500,000 for planning in 2004. Reid and Rep. Jon Porter, R-Nev., then pushed for the $18 million in last year's $286 billion highway-mass transit bill.

A final location has not been designated for the bridge, which is projected to cost $30 million to $40 million.

"Sen. Reid's support for the bridge had absolutely nothing to do with property he owned," said the statement from his office. "Sen. Reid supported this project for one reason only — his continuing efforts to move Nevada forward."

Reid and other incoming Democratic leaders have promised to bring more openness to the practice of earmarking, where lawmakers insert funding for pet projects into legislation with little scrutiny.

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House Speaker Dennis Hastert, R-Ill., was criticized after it was disclosed that he sold property near his home in Kendall County, Ill., for a $1.8 million profit last year after championing a $207 million earmark in the same bill for a nearby connector road.

'Draft Cantor' Move Pondered (RC)

By Susan Davis

Roll Call, November 14, 2006

Unhappy with the current candidates, a small but aggressive group of House Republicans are agitating for current Chief Deputy Majority Whip Eric Cantor (Va.) to get into the race for Minority Whip, according to interviews with multiple GOP lawmakers who requested anonymity.

These Members are emboldened by what they say is a lack of support for incumbent Majority Whip Roy Blunt's (Mo.) campaign, and frustration that the popular Cantor opted out of a leadership bid in deference to Blunt, who elevated the Virginian to Chief Deputy Whip when he was a freshman.

Cantor has pledged to not challenge Blunt head-on in a leadership race — a pledge Cantor has no intention of breaking, according to sources not affiliated with Cantor's office.

"This is not Eric working this, we are honoring his commitment to Roy," said one House Republican. But "it's not fair. We don't feel like we are being given the opportunity to vote for the guy we want in there."

Cantor's office, meanwhile, emphasized his work on behalf of Blunt.

"Congressman Cantor is not in the race and is enjoying the opportunity to help Congressman Blunt," said Rob Collins, a top aide to Cantor.

"Congressman Cantor believes we need to move beyond this election to begin to define how the liberal agenda in Congress will weaken America. Mr. Cantor looks forward to working with the next Republican Whip, Roy Blunt and the rest of the leadership team to do just that."

Members interviewed for this story stopped short of officially calling it a draft movement to get Cantor in the Whip race, but they are examining Republican Conference rules governing leadership races to discuss options to get Cantor on the ballot through a nominating petition, or spark a grass-roots campaign for him as a write-in candidate for Whip.

By nearly all accounts, Cantor has significant support in the Conference, making him a likely favorite in any race. Members said they would not be working to force Cantor into a bid if they believed Blunt already had locked up the votes for his bid.

"This is a very volatile situation right now," observed another Member sympathetic to Blunt. "I am as certain as I can be that Blunt does not have the votes right now."

Rep. John Shadegg (Ariz.) is the only challenger to Blunt in the Whip race. His support is difficult to ascertain because he has not released a list of public backers, but neither has Blunt. Shadegg's bid has been aided by the perception that Blunt is not viewed as favorably in his race as now-Majority Leader John Boehner (Ohio) is in his bid for Minority Leader.

But Cantor would scramble the current dynamic as Members who have committed to Shadegg could jump ship if Cantor somehow gets in. "I am supporting John Shadegg but if Eric gets in the race, he's got my support," said a third Member.

Privately, Shadegg also has told lawmakers that he would maintain Cantor as Chief Deputy Whip if he is elected, according to Members.

Lawmakers who are trying to get Cantor in the race said Member-to-Member conversations picked up dramatically Monday as Members returned to town. Approximately six to 10 Members actively are discussing getting Cantor into the race, and if that support intensifies significantly, there could be an effort to ask Blunt to step out of the race.

"I believe there will be a very strong push to ask Mr. Blunt to step aside" if the support for Cantor intensifies, observed another Member. The Member said it would be a "calculated risk" because if Blunt declined to exit the race and won, it could aggravate tensions within the Conference.

Blunt's office emphatically refutes that he is considering dropping his bid.

"Congressman Blunt has spoken to every member of the Conference with the help of Mr. Cantor. They are a good team," said Burson Taylor, a spokeswoman for Blunt. "Congressman Blunt is grateful for all of Mr. Cantor's support. ... We feel very good about where we are right now."

Blunt met with more than two dozen supportive Members on Monday night in his Whip office to discuss his leadership campaign.

In other races, Boehner held a conference call with supportive Members on Sunday evening. According to sources familiar with the call, Boehner he was confident he would win the Minority Leader race, going so far as to say he could win it on a first ballot, despite facing challenges from Rep. Mike Pence (Ind.) and Energy and Commerce Chairman Joe Barton (Texas).

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Barton and Pence both met with reporters Monday to promote their candidacies. Barton outlined a nine-step program to winning back the House majority, and reiterated his "Majority Back Guarantee" pledge to return the GOP to the majority in six years or less, or opt out of a leadership bid.

The House Republican Conference will meet Wednesday and Thursday this week to give members an opportunity to hear from each leadership candidate before Friday's scheduled elections.

Additionally, the Republican Study Committee will meet Wednesday with prospective leadership candidates.

Rep. Jack Kingston (Ga.) made his plea for Conference chairman on the Internet, with a video blog outlining his credentials for the post. Kingston is in a four-way race for the chairmanship against GOP Reps. Marsha Blackburn (Tenn.), Adam Putnam (Fla.) and Dan Lungren (Calif.).

Blackburn issued a "Dear Colleague" letter and messaging strategy, focusing on her private career in sales and marketing. "For twenty years I made my living helping small and large clients develop successful outreach plans, and I both appeared in and produced local television consumer affairs segments," she wrote. "I would like to put this experience to work for our Republican Conference."

While Blackburn largely has avoided stressing the fact that many Members believe a female presence should be in the leadership team, she has increasingly noted that the Conference will need someone to put up against presumed Speaker Nancy Pelosi (D-Calif.). The only other woman seeking a leadership post is Rep. Kay Granger (Texas), a vice chairman candidate.

Putnam's entry into the race has made it competitive, and while some Capitol Hill observers have speculated that Blackburn would have a better shot to win if she entered the vice chairman race, her office emphatically has shot down such suggestions.

The marathon race for National Republican Congressional Committee chairman picked up some speed, with the three candidates actively courting support. Rep. Tom Cole (Okla.) sent out a memo last week, and Rep. Phil English (Pa.) sent a "Dear Colleague" letter Thursday asking for votes. Rep. Pete Sessions (Texas) also is vying to head up the campaign committee.

While this race has been ongoing for most of the 109th Congress because NRCC Chairman Tom Reynolds (N.Y.) is term-limited, the race has taken on a greater sense of urgency now that Republicans have been relegated to minority status. "If you want to win back the majority, this is the race that really matters," said one lobbyist with ties to leadership.

In the Republican Policy Committee chairman race, Rep. Darrell Issa (Calif.) launched a Web site Monday, www.gopleadership.org, in support of his candidacy against Rep. Thaddeus McCotter (Mich.), who claimed the private backing of more than 50 Members on Friday.

Hispanic Is Expected To Be The Next Public Face Of The G.O.P. (NYT)

By Adam Nagourney

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — Senator Mel Martinez of Florida is expected to be elected general chairman of the Republican National Committee in January, party officials said Monday. That would apparently make him the first Hispanic leader of the party and address concerns among Republican strategists that the party's standing among Hispanic voters had been hurt in the fight over immigration.

Mr. Martinez, 60, who will not step down from the Senate, will serve as the public face of the party — raising money, appearing on television and helping to rebuild the party after its losses in the election last week, officials said. Mike Duncan, who has been general counsel of the committee since 2002, will be named chairman, serving under Mr. Martinez and in charge of the day-to-day operations of the committee.

The appointments will be recommended by President Bush, all but assuring their ratification when the committee meets in January, party officials said. The two men will succeed Ken Mehlman, who is stepping down as party chairman and returning to the private sector when his term ends in January.

Mr. Martinez and Mr. Duncan will effectively share the responsibilities of Mr. Mehlman under the proposed arrangement, which was described by Republican officials who requested anonymity in exchange for discussing a decision that is not expected to be announced until later this week. That would allow Mr. Martinez to stay in the Senate, where the midterm election last week left Democrats with a 51-to-49 majority.

The two-person arrangement, with a public official as the party's face — and chief fund-raiser — is not unusual. Paul Laxalt, the former senator from Nevada, was the Republicans' general chairman when Ronald Reagan was president, while Frank J. Fahrenkopf Jr. was chairman.

Mr. Martinez, a senator for just under two years, was not available for comment, his aides said.

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The selection of Mr. Martinez, who was born in Cuba, would follow an election in which Republicans suffered sharp setbacks in achieving one of Mr. Mehlman's main political goals: expanding the appeal of Republicans among Hispanic voters.

The percentage of Hispanics who voted for Republicans fell to 29 percent, from 44 percent in 2004. The decline came after a campaign in which many Congressional Republicans ran campaigns calling for tough anti-immigration measures and opposed measures that would allow for some illegal immigrants to apply for citizenship.

Democrats were quick to seize on the selection of Mr. Martinez as a signal of how worried Republicans were about suffering setbacks among Hispanics, the fastest-growing part of the electorate. "One of the greatest success stories of the early Rove era was their success with Latino voters," said Simon Rosenberg, the president of the centrist New Democratic Network, referring to Karl Rove, the president's chief political strategist. "And that has unraveled for them this year."

Before being elected to the Senate in a tight contest in 2004, Mr. Martinez, a lawyer, was secretary of the Department of Housing and Urban Development under Mr. Bush. Mr. Martinez, who has long been close to Mr. Bush, headed his Florida campaign in 2000. Republican officials said that in turning to Mr. Martinez, the White House saw someone who was a strong fund-raiser and could be an effective spokesman for the party, filling a role that will be important at least until the field of presidential contenders becomes clear.

Also on Monday, a spokeswoman for Senator Trent Lott of Mississippi, the former Senate Republican leader, announced that he would seek to rejoin the leadership ranks this week after leaving the top job four years ago in an uproar over a racially charged comment.

Mr. Lott will oppose Senator Lamar Alexander of Tennessee for the No. 2 slot of whip in an election on Wednesday. Mr. Lott had been quietly testing his support. Should Mr. Lott win, it would be a remarkable comeback for the conservative legislative tactician. He was forced out in late 2002 after joking at the 100th birthday party for Senator Strom Thurmond that the nation would have been better off had Mr. Thurmond won the presidency in 1948, when he ran on a segregationist ticket. The remark drew strong criticism as being racially insensitive.

Lott Enlists Allies For Bid (RC)

By Erin P. Billings

Roll Call, November 14, 2006

As he presses ahead with his under-the-radar bid for Minority Whip, Sen. Trent Lott (R-Miss.) has enlisted roughly 10 Senators representing a cross section of the Republican Conference to help press his case in what appears to be a nail-biter contest for the No. 2 GOP leadership slot.

Lott has declined requests in recent days to talk about his leadership bid, but his office now avows that the one-time Majority Leader is actively campaigning for Whip against Sen. Lamar Alexander (R-Tenn.). Republican sources in both the Lott and Alexander camps said the race is very tight heading into Wednesday's secret-ballot vote of 49 Republican Senators.

"Sen. Lott is running for Republican Whip," said Lott spokeswoman Susan Irby. "His name will be on the ballot. We are closing in on victory."

Lott has long hinted at a return to leadership, but kept his campaign largely on the sidelines until after his friend, Sen. Rick Santorum (R-Pa.), then also a candidate for the GOP Whip slot, lost his campaign for re-election Nov. 7. Since then, however, Lott has been talking to his colleagues and soliciting support for the job, sources close to the Senator said.

"He's made a lot of visits, and continues to make visits," said a source close to Lott.

As part of that, Lott has tapped several of his colleagues to make calls on his behalf and help line up commitments for his bid. They include junior Senators and several veteran Republicans including Sen. John McCain (Ariz.), a high-profile Senator and frontrunner for the 2008 GOP presidential nomination, several sources confirmed.

"There are about 10 guys and gals on the ground who have been asked to do one or two things," said the source close to Lott. "Obviously this is an inside game in the Senate."

One thing is abundantly clear: Lott is running his own style of race. Unlike Alexander, he has made few public comments about his campaign and hasn't yet confirmed to the press whether he actually is running for the job.

Opinions differ on the motivation behind Lott's quiet campaign strategy, but most agree he could and may still bow out if he is unable to muster up a majority to win. As it stands, the Minority Whip post is the only contested race facing the Conference this week.

"If you don't announce until you have the votes, it's safer because you can save face if you don't have the votes," suggested one GOP Senate aide. "You don't want to be the guy who went from being leader to the guy who lost to Lamar. It's a risk."

A Lott ally added: "If Lott feels he can't win, he's not running."

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While Lott and his backers stress his leadership experience, political savvy and knowledge of Senate strategy and tactics, Alexander has touted his desire to bring a "fresh face" to leadership and focused his candidacy around a message of unity — he insists he has no higher ambitions beyond Whip — and helping likely incoming Minority Leader Mitch McConnell (Ky.) chart a course for the new minority Conference.

Those behind Alexander argue the Tennesseean isn't in it for himself, but rather to help build up the GOP team at a time when it is arguably demoralized and shaken. Lott's supporters, however, contend it is now more than ever that the GOP needs a shot in the arm, coming in the form of experience and a proven vote counter, to go at Democrats head on.

Lott has served as Whip in both the House and Senate, winning the latter contest by challenging and beating out then-Sen. Alan Simpson (R-Wyo.). Lott moved into the Majority Leader slot in 1996, a position he held until 2002 when he was forced to step down amid controversy over remarks at a birthday celebration for the late Sen. Strom Thurmond (R-S.C.) that were perceived as racially insensitive.

While Senators may still remember the incident, some now insist privately that Lott was treated unfairly, especially in the face of some recent events dogging the GOP.

"In light of the treatment that [Speaker Dennis] Hastert got from the [ex-Rep. Mark] Foley (R-Fla.) case, a lot of Members view Lott as getting a really raw deal," said one GOP Senate aide.

Backers of both Alexander and Lott have kept most of their supporter's names out of the headlines, but late last week Alexander claimed the support of a majority of the 49 voting Senators for the Whip post (only Senators slated to serve in the 110th Congress are allowed to cast votes in the contest). Alexander, a first-term Senator, former Tennessee governor and one-time presidential hopeful, entered the race late last year and has been collecting votes for some months.

"Alexander is seen as a team player and also people appreciate that nobody is running for president in the leadership," said a Republican Senate staffer. "They are all pulling for the team."

Alexander would need to have at least 25 Republicans on his side to win election to post, and he stressed Monday that his strength is growing, saying: "On Thursday a majority of my colleagues had committed to vote for me for Whip. Today, I have more commitments than I had on Thursday and I'm still working to build a consensus within our caucus."

Several GOP aides suggested that Alexander probably has a majority of Republican Senators backing him, but that the race is still fluid and likely will end up being extremely close. Aides to Senators backing Alexander and Lott alike suggested Monday that the outcome could come down to three or four Senators' votes.

Another Lott ally said while the Mississippi Senator isn't likely to stand for a vote if he can't win, he "has a very good way of pulling it out and coming out on top."

Lott supporters suggested Monday that the Mississippi Republican's campaign is fueled by the GOP's newfound minority status, and a desire among many Senators bring back a tested leader and one-time Whip who can help win the chamber in 2008.

"More than ever we need that brain power," said a Republican Senate aide. "There has been such a void — it's been a while since we've had somebody who knew what they were doing pulling the levers around here."

Emily Pierce contributed to this report.

Public Expects The Dems To Deliver (USAT)

By Jill Lawrence

USA Today, November 14, 2006

WASHINGTON — Americans are pinning their hopes for the country's future on the incoming Democratic Congress and its largely unfamiliar leaders, the latest USA TODAY/Gallup Poll shows.

In the poll taken Thursday through Sunday, just after Democrats swept to majorities in the House and Senate, 61% of those surveyed said that they want Democrats to have more influence than President Bush on the direction of the nation. Nearly half said the country will be better off under Democrats; 16% said it will be worse off; and one-third predicted no difference.

Bush's job-approval rating was 33%, tying his second-lowest ever. The Republican Party was viewed favorably by 35% — an eight-year low.

Democrats had a 57% favorable rating, their highest since January 2004 and 4 percentage points higher than the 53% share that exit polls indicated the party's congressional candidates won on Election Day.

Joel Benenson, a Democratic strategist whose firm worked on several Senate races, said the poll underscores the message voters sent Bush. "They expect the Democratic Party to have influence with the president," he said. "They want things to get done. They think the Democrats can help make that happen."

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Wes Anderson, a Republican strategist whose firm handled independent spending for the GOP Senate campaign committee, said voters fired his party for incompetence. "The challenge for the Democrats at this point is living up to the billing," he said. "The bar is set probably higher than they want it to be set."

Democrats appear for now to have buried their image as soft on security, despite charges by Bush and other Republicans that terrorists would gain ground if Democrats won majorities. By 63%-33%, poll respondents said it is not likely Democrats in Congress will take steps that would weaken national security.

In other expectations, 6 in 10 said it is likely Democrats in Congress will raise taxes. Half said it's likely Democrats will make prescription drugs less expensive and vote to pull all U.S. troops out of Iraq.

There was skepticism about Democratic pledges to clean up ethics and cut the budget deficit. About half said it's unlikely that Democrats will try to reduce corruption; 58% said deficit reduction is unlikely.

The Democrats set to lead their party on Capitol Hill are relatively unknown. House Minority Leader Nancy Pelosi of California, in line to be speaker, had a 38% favorable rating. The same percentage said they had never heard of her or had no opinion about her.

More than half said they'd never heard of Sen. Harry Reid, D-Nev., or had no opinion of him. The future Senate majority leader was viewed favorably by 27%.

Only 24% in the poll identify themselves as Republicans, down from 31% just before the election. That's the smallest percentage since December 1998, when only 20% said they were Republicans. The post-election dropoff is not unusual for a losing party; self-identified Democrats fell from 34% to 28% in 1994, when Republicans seized Congress.

Democrats stayed relatively constant, edging from 34% to 35%. Independents registered the largest gain, from 32% before the election to 40% afterward.

Defense Secretary Donald Rumsfeld, who announced his plans to resign the day after the election and before the poll was taken, shot to a record 57% unfavorable rating — up 12 points since September.

Bring On The Seinfeld Congress (NYT)

By John Tierney

The New York Times, November 14, 2006

I'm afraid the election results still haven't registered in Washington. Democrats and Republicans keep making noises about working together to accomplish great things. But that's not what Americans voted for. They voted for gridlock.

They gave Congress a Seinfeld mandate to do nothing. The Democrats offered no bold new ideas, and they were rewarded with victory. Voters would like them to mop up the messes made by Republicans, but that's it. Find a way out of Iraq, and then avoid any more excellent adventures dreamed up by neoconservatives.

Besides Iraq, the big issue bothering voters was corruption, and the best way to appease them is by working less. The fewer favors you hand out, the fewer chances to sell your vote. The smartest political move for either party would be to take a vow of abstinence by outlawing earmarks.

It's traditional in Washington to measure a Congress's success by the number of bills it passes, but that's only because of all the lobbyists, lawyers and journalists whose livelihoods depend on quantity, not quality. A do-nothing Congress is bad for the local economy.

But it's fine for the rest of the country. The prospect of gridlock has been welcomed, as usual, on Wall Street. The brief era of fiscal responsibility in Washington in the 1990s occurred only because a Democratic president and a Republican Congress couldn't agree on how to spend the surplus.

The most successful legislation of the past decade was welfare reform, which essentially repealed the damage of the do-something Congresses of the 1960s and 1970s. Most of the legislative "victories" of President Bush's first term — like the No Child Left Behind Act and the prescription drug benefit — have turned out to be expensive mistakes.

Some Democrats say they'd like to expand these programs, but they've been vague about how to pay for them — and loath to talk about raising taxes. In fact, they've said one of their first priorities is cutting taxes. They want to reduce the impact of the alternative minimum tax, which hurts people making between $100,000 and $500,000 per year, especially ones living in areas with high local taxes.

But these victims are concentrated in blue states, the very places that keep electing senators who denounce "tax cuts for the rich." Why should Republicans agree to give affluent Democratic voters a tax break? Grant them their wish for social justice. If Republicans do nothing, the alternative minimum tax will gradually hit more and more people, bringing America closer to the flat-tax system favored by Republican economists.

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If House Republicans heed the election results — and polls showing that most Americans want the federal government to do less — they'll elect Mike Pence of Indiana as their new leader. He's got the fiscal do-nothing credentials, having voted against Bush's expensive Medicare and education reforms.

He has also avoided the Republicans' losing strategy of bashing immigrants. Instead of just trying to seal the border, he has proposed letting immigrants enter legally if there are jobs waiting for them. With him in charge, Republicans could work out a deal with Democrats to undo Congress's past mistakes and let market forces, not rigid quotas, determine who enters America.

It's always possible, of course, that Democrats and Republicans could agree on some radical new venture. I still like to fantasize about a grand bargain on global warming: the Republicans support a carbon tax, and the Democrats agree to refund all the revenue into new personal retirement accounts for Social Security recipients. But I'm not expecting to see them make that deal any time soon.

Whatever they do the next two years, I won't be here to kick them around. This is my last column on the Op-Ed page. I've enjoyed the past couple of years in Washington, but one election cycle is enough. I'm returning full time to the subject and the city closest to my heart: science and New York. I'll be writing a column and a blog for the Science Times section.

I hate to abandon my libertarian comrades here fighting in the belly of the beast, but this is the right moment to leave. After six years of libertarians reluctantly electing Republicans as the lesser of two evils, we've finally had enough. We've voted out big-government conservatism, and the result is the happy state of gridlock. For now, our work is done. See you in January in a new column on a new page.

Sit Down And Legislate For A While (NYT)

By Adam Clymer

The New York Times, November 14, 2006

CONGRATULATIONS to the new class of freshmen senators-elect. Please stay a while.

In the era of the short attention span, a lifetime in the Senate may be hard for baby boomers to comprehend. It's certainly a difficult notion for the news media, easily bored by public figures who have been around for a long time, and already racing their engines to start covering the 2008 race for the White House. Instead of singling out potential legislators who may someday save Social Security or raise foreign aid to a substantial level, reporters are on the hunt for future presidents.

But the United States Senate deserves more from its members, new and old, than being treated as just a line on a would-be president's résumé. The framers, after all, dealt with the legislative branch in Article I of the Constitution, and not by accident.

There are, of course, practical arguments for senators to try for the White House as soon as they can. The less time in the Senate, the fewer votes there will be for their opponents' attack ads to distort. They may also sound less like senators if they run early — before they absorb the Beltway vernacular that mistakes phrases like "amendment in the second degree" or "recommit to conference" for comprehensible English.

Then there is what I call the "elevator factor." The Capitol has tiny elevators reserved for senators, and as they are cooped up together with colleagues who have been talked about as, or have actually become, candidates, they can't help thinking, "I'd be better than him" or, these days, "her."

Senators will also seek excitement in the frozen corn stubble of Iowa because the Senate lately can be a drag. The Senate's level of partisanship is almost as bad as the House's and the filibuster, or the threat of one, is now used routinely, not just for great issues of state. And — though this is sure to change with the incoming Democratic majority — recent Senates have abandoned oversight hearings, like the ones that brought Harry Truman to national attention during World War II.

Senators are always going to run for president — they are exposed to important issues and have the egos to think they know how to solve them. But a freshman, settling down into one of those desks in the back with ancient sets of initials carved into it, would do well to recall that Henry Clay, Daniel Webster, Robert Wagner, Henry Cabot Lodge, Arthur Vandenberg and Ted Kennedy, to cite a few, all influenced the nation more than most presidents do — in large part because their longevity gave them an understanding of how the Senate works and the perspective to see what it needed to do.

Sure, Senators Clay, Webster and Kennedy all tried for the White House, but not until they were established figures in the Senate. Mr. Kennedy, in fact, became a historic "lawmaker" — literally, not in the casual headline usage — only after he abandoned his hopes of the presidency.

But there aren't enough like them. Too many senators worship at the Church of the Sunday Talk Show, and then, pleased with the attention, abandon the Senate for the alternative universe of nearly full-time presidential campaigning.

This next session of the Senate is not going to solve some great national problem like energy, but it can achieve smaller but important things like last year's bipartisan (mostly Hillary Clinton and Lindsey Graham) success in getting health care for National

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Guard and Reserve troops and their families. If that sort of issue is beneath freshman senators, then they're in the wrong line of work.

Junior senators should look for allies, and work with them to do something useful. There are a good handful of colleagues on both sides of the aisle who take their current jobs seriously — gentlemen like Charles Grassley or Jeff Bingaman, who are worth getting to know, regardless of party. They don't make magazine covers, but with some help these diligent lawmakers might restore to the Senate the considerable institutional pride it once deserved.

So, to those freshman senators-elect pondering the need for presidential exploratory committees: Wait a while. At least a term.

Don't imitate the able but impatient John Edwards, who ran during his first term, or Barack Obama, who is apparently considering the Edwards example.

If the presidency is really your goal, Senator Clinton is a better model. For six years she has worked at being a senator. She may be using her job as a steppingstone to the White House, but she's still giving full value both to the institution and to her constituents.

After all, concentrating on the Senate doesn't mean giving up on the presidency. Though a sitting senator hasn't been sent to the White House since 1960, senators with serious records do get to be president — after those records have gotten them picked as vice president, most recently, Harry Truman, Lyndon Johnson and Richard Nixon.

And if senators try for the presidency (or less arduously, the vice presidency) based on records of accomplishment rather than on reputations of presumed charisma or rafts of media buzz, they will be better presidents if they get there and can have a sense of pride even if they don't.

Besides, being a good senator is what the voters last week hired them to do.

A Question Of Ethics (USAT)

By Jonathan Turley

USA Today, November 14, 2006

In her first statement after the Democratic takeover of the House, the presumptive new speaker, Nancy Pelosi of California, pledged that her party would create "the most honest, the most open and the most ethical Congress in history."

History, however, should give citizens pause before they celebrate the dawn of a new day. Pelosi's promise is eerily similar to the vows of her two predecessors.

Notably, in this election, Democrats took back the seats that they lost in 1994 when Newt Gingrich, who became speaker, led a Republican takeover based in part on his promise to create the most ethical Congress in history. Yet, ethics quickly gave way to earmarks, and Gingrich left the House in scandal.

We heard the same words from Dennis Hastert in 1999, when he became speaker. During Hastert's speakership, the leadership actually loosened ethics rules and prevented some bipartisan reforms from coming to the House floor. Hastert even engineered the removal of GOP members from the ethics committee who had voted to admonish former majority leader Tom DeLay for his misconduct — before DeLay resigned under indictment.

This history explains why lobbyists on K Street are not packing moving boxes in anticipation of an outbreak of good government. After all, these same Democrats remained silent for many years in the face of corrupt practices, often engaging in the very conduct that would now have to be prohibited.

Even so, there is one unexpected glimmer of hope: They might not have a choice. To the surprise of both parties, exit polls cited corruption in Congress as one of the most important issues motivating citizens to vote. President Bush had campaigned for some of the most corrupt members of Congress. His political adviser, Karl Rove, admitted after the elections that "the profile of corruption in the exit polls was bigger than I'd expected."

Of course, "reform" can take the most curious forms in the parallel moral universe of Congress. For example, in 1997, the mislabeled House Ethics Reform Task Force moved to prevent ethics charges rather than ethics violations. Not only did the members bar citizens from bringing charges, but both parties also entered into a secret 7-year moratorium on any ethics charges by members.

While Republicans richly deserve the lion's share of blame for the grotesquely corrupt 109th Congress, it is only fair to note that ranking Democrats have long fought to preserve and benefit from many of the same loopholes and technicalities.

Democratic whip Dick Durbin of Illinois has been criticized for accepting trips for himself and his wife that were paid for by outside groups such as the not-for-profit Aspen Institute. Likewise, the presumptive Senate majority leader, Harry Reid of Nevada, was recently scrutinized for alleged ethics lapses, including a controversial land deal in Las Vegas and the use of campaign funds to give Christmas bonuses to workers at his luxury condo building in Washington.

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None of this means that the Democrats cannot show that they are capable of personal change with needed political reform. Yet, the last Democratic proposals for ethics reforms contain obvious gaps that would allow the continuation of corrupt practices, including some favored by their leadership.

If Pelosi is serious about “draining the swamp,” here are 10 practices that would have to end:

•Free vacations. Prohibit travel for members and their family and staff paid by outside groups, including not-for-profit organizations.

•Playing the market. Bar members from legislating in areas where they have financial interests by closing a loophole in the definition of “outside income,” which excludes investments and stocks. Better yet, require the use of blind trusts by members (already used by executive and judicial officers).

•Quid pro quo deals. End the practice of receiving windfall private deals from partners, who then receive generous government contracts. Require recusal from any matter in which a business partner has a direct financial interest.

•Self-policing. Create an independent office of ethics in which non-members investigate and rule on allegations of unethical conduct.

•Misuse of campaign funds. Prohibit the use of such funds for any purpose other than direct campaign costs for the original recipient, barring the transfer of funds to other candidates.

•Family lobbyists. Bar members from any official contact with family members who are employed as lobbyists and require recusal from any committee with jurisdiction over issues on which a spouse or a child is a lobbyist. Enact an ethics principle that expressly condemns the employment of spouses or children as lobbyists as harmful to the institution.

•Family businesses. Strengthen nepotism rules, including a ban on the hiring of spouses and family as campaign staff or contractors.

•Gifts. Change the scope of prohibited gifts to include the use of private jets by members and catered food for members or staff. Also require the valuation of gifts by an independent ethics committee.

•Club privileges. End all special access to the floor and other areas for former members that allows them free access as lobbyists.

•Earmarks. The primary currency for corrupt practices and pork barrel projects remains earmarks — special pet projects inserted into budgets outside of the usual competitive bidding and appropriations processes. Democrats have proposed changes but not the most obvious: Ban earmarks.

Believing in Pelosi's promise is the ultimate victory of hope over experience. Indeed, Democratic proposals still fall short of a true cleaning as opposed to a quick dust and polish in the “first 100 hours.” Yet, if she implements these 10 reforms, Pelosi can prove that it is possible for reformed sinners to sin no more.

Jonathan Turley is the Shapiro Professor of Public Interest Law at George Washington University and a member of USA TODAY's board of contributors.

Democrats' Real Victory (WP)

By E. J. Dionne Jr.

The Washington Post, November 14, 2006

LITTLE ROCK -- Elections provoke myth-spinning. Republicans are in danger of spinning away from a full appreciation of the magnitude of their defeat last week. Democrats could spin themselves into useless arguments rooted in the past and ignore the opportunity American voters have offered them.

Some Republicans, including President Bush's political architect, Karl Rove, are trying to say that Tuesday's vote was no big deal. Democratic gains were at or below the incumbent party's usual losses in the sixth year of a presidency, and anyway many of the Democrats elected this year are "conservative."

Republicans believe this spin at their peril.

Many who play down the Democratic gains are the very same people who said six months ago that the Democrats had no chance of winning either the House or Senate. Incumbent-friendly congressional boundaries and the fact that many of the House and Senate seats Democrats needed to win were in previously pro-Bush areas meant Democrats needed a big and unlikely surge.

The surge happened. Votes are still being tallied, but it appears that the Democrats emerged with at least as large a margin in the popular vote in this year's House races as Bush enjoyed in winning two years ago. If Rove could claim that Bush's narrow majority was part of a "rolling realignment" to the Republicans, why is a comparable majority the other way insignificant? Democrats, by the way, also have an estimated 11 percent lead in the vote totals for Senate races and a 7 percent lead in governors' contests.

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The notion that this election produced a different kind of "conservative" majority is simply wrong. Yes, Democrats won in part by nominating moderate candidates in moderate areas. But every newly elected Democrat was, by any fair reckoning, somewhere to the left of the vanquished Republican, especially on Iraq and economic issues.

Moreover, voters on Tuesday sent to Congress a pack of unapologetic progressives, including Sherrod Brown of Ohio and Bernie Sanders of Vermont in the Senate, and such new House members as John Yarmuth of Kentucky, Carol Shea-Porter in New Hampshire and Dave Loebsack in Iowa, among many others.

Some Republicans say that Sen. Joe Lieberman's reelection as an independent suggests that rejection of Bush's Iraq policies was not, to use Rove's word, the "determining" factor in the election. But exit polls make clear that Lieberman won despite his support for the war, not because of it.

Connecticut voters disapproved of the war by a margin of two to one, and nearly two-thirds favored withdrawing some or all of our troops. Lieberman, who enjoyed residual affection among Connecticut Democrats, managed to carry close to 40 percent of the vote among those who favored troop withdrawals, including a remarkable 29 percent among those who favor withdrawing all our troops.

Republicans make a mistake if they dismiss the depth of the Democratic victory and the disintegration of their coalition. Democrats now control 28 of the 50 governorships, many of them in previously red states such as Arkansas, and they picked up legislative chambers in seven states.

Democrats converted one-time Bush voters in large numbers and cut into core Republican constituencies. As the National Journal's Tom Edsall has pointed out, Republicans lost ground among white men, married people and religious voters. Nationwide, one of every seven Bush voters from 2004 backed a Democratic House candidate. In Ohio, Brown won 20 percent of those who voted for Bush two years ago; in Montana, Democrat Jon Tester won 18 percent of the Bush voters. In the Ohio governor's race, Ted Strickland, the winning Democrat, won 30 percent of Bush supporters from 2004.

But victory has not prevented the revival of what feels like an ancient feud between Democratic centrists, who are emphasizing the importance of moderate voters in Tuesday's results, and those on the party's left who point to the centrality of economic populism and impatience with the Iraq war.

To which the only rational response is: Stop! Moderates were indeed central to the Democrats' triumph, because Republicans vacated the political center. But these are angry moderates. Many are unhappy about Iraq, less on ideological grounds than because the Bush policy is such an obvious failure. The new Democratic voters are a mix of social conservatives (especially in the South and parts of the Midwest such as Indiana) and social libertarians (especially in the West). Many (especially in the Midwest) are angry about the flight of manufacturing jobs overseas.

Holding this coalition together will require subtlety and an acknowledgment that the comfortable old battles of the 1980s and '90s are irrelevant to 2006 and 2008. The old arrangements are dead, a truth that both parties need to recognize.

Clinton Outlines Legislative Priorities (AP-Y)

By Beth Fouhy, Associated Press Writer

AP, November 14, 2006

Democratic Sen. Hillary Rodham Clinton on Monday outlined an ambitious agenda of legislative priorities while continuing to deflect questions about her presumed presidential ambitions.

"I will look at the possibilities, but I ... haven't really had the time to talk to people about it," Clinton told a breakfast gathering hosted by the Association for a Better New York. "It's been a busy election season that worked out well, so I will think about it. I'm open to thoughts."

Clinton was returning to Washington on Monday to participate in a lame-duck session of Congress in which lawmakers will tackle several pieces of unfinished business before ceding control of both the Senate and House to Democrats early next year.

But the New York senator was clearly looking ahead to the next Congress, which she, like other Democrats, has vowed will operate on a more bipartisan basis than it had under Republican control.

"We are ready to roll up our sleeves and work with our Republican counterparts. Our country works best when we govern from the vital, dynamic center," she said.

But Clinton still had bitter words for President Bush and his political advisers, including lead strategist Karl Rove, for creating a polarized environment that had stifled debate or disagreement.

"Karl Rove's theory is you just take your base, and you expand your base, and you basically just role over everybody who gets in your way," she said.

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Since cruising to re-election last week against a weak Republican challenger, Clinton has parried repeated questions about her political future. While she hasn't disclosed her plans, polls show her the clear front-runner for the 2008 Democratic presidential nomination, with a national infrastructure of strategists and advisers and at least $10 million in her campaign account.

"Before, I didn't have time to think — I was too focused on what I was doing," she later told reporters. "I'm thrilled by the results, and now I'll have some time to think."

In her remarks, Clinton outlined a range of challenges she said Democrats would tackle in the coming months, such as trimming the federal deficit, reducing dependence on foreign oil, and improving the image of the United States abroad.

She also said Democrats would focus on improving the quality and affordability of health care — a touchy matter for the former first lady, who in 1993 led her husband's calamitous attempt to overhaul the nation's health care system. The failure of that effort helped Republicans win control of both the Senate and House the following year.

"Health care is coming back," Clinton warned, adding, "It may be a bad dream for some."

Sleepless Over Security Breaches (WP)

By Stephen Barr

The Washington Post, November 14, 2006

Nearly 40 percent of federal technology officials say worries about security breaches involving telecommuters cause them to toss and turn at night, according to a survey released yesterday.

Asked which security issues keep them up at night, the technology officials listed concerns about remote access to systems, violation of employee privacy and disruption of agency operations.

The survey of 200 federal technology officials was conducted in August, when outrage remained strong over the May theft of a laptop and external hard drive from the home of an analyst for the Veterans Affairs Department. Although police recovered the equipment, the theft put millions of veterans at risk of identity theft.

"Right now, the aspect of security getting the most attention is data theft associated with laptops or personal digital assistants," said Gerald T. Charles Jr., an executive with Cisco Systems Inc., which sponsored the survey.

Concerns over computer security appear to be slowing the government's efforts to increase telecommuting, Charles said. Still, he noted, agencies are rethinking how they do business as they seek to use technology to respond to emergencies or to realign their workforces, he said.

For example, the General Services Administration and the Defense Department are examining whether telecommuting can help ease the demands on office space and traffic systems that will be placed on Fort Belvoir when base-closing orders relocate thousands of workers to southern Fairfax County over the next few years, Charles said.

The House Government Reform Committee and other congressional panels have faulted federal agencies for doing a poor job of protecting their information networks and computers from hackers and viruses. In a bid to tighten security, Congress approved the 2002 Federal Information Security Management Act, which requires agencies to meet certain computer security standards and to create procedures for reporting security problems.

The Cisco survey found that getting into compliance with the law and meeting goals laid out by the Office of Management and Budget and the Congress are key priorities for federal tech officials in the coming year.

But the technology officials listed a lack of personnel, tight budgets and problems in understanding FISMA regulations as key challenges in implementing security solutions.

Federal technology officials, representing 45 agencies and the military, also reported losing sleep over inadequately trained or unconcerned employees and software flaws.

Despite their concerns, 58 percent of the survey respondents said progress is being made on computer security at their agencies.

Cisco, the world's largest maker of computer networking equipment, sponsored the survey to help guide its business strategy, Charles said.Hearing for Regulatory Czar

Susan E. Dudley, President Bush's nominee to oversee federal regulatory policy at the OMB, told a Senate committee yesterday that her writings at a think tank were sometimes provocative but should not be taken as a sign that she would try to undermine or block federal rules that seek to protect the environment and public safety.

For the past eight years, Dudley has taught and written about regulation for the Mercatus Center at George Mason University. Her critics had assailed her for comments involving air bags, arsenic limits in drinking water and workplace injuries and said her writings show that she would take a hands-off approach to regulating corporations.

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Sen. Susan Collins (R-Maine), chairman of the Senate Homeland Security and Governmental Affairs Committee, and the committee's Democrats expressed concern about Dudley's writings. Sen. Daniel K. Akaka (D-Hawaii) told Dudley that regulatory decisions "cannot be left to political whim or individual political preferences."

Dudley promised to enforce the law and abide by presidential directives. She described herself as "fair and open-minded" and said her writings had sought to challenge how people think about the consequences of regulation.

After the hearing, Collins said Dudley "did a good job" and demonstrated that she understands the responsibilities of the OMB regulatory post.

Collins said she intends to hold the hearing record open so Democrats may ask more questions of Dudley. The nomination should come up for a vote next month, Collins said.

Panel To Target Shell Companies (WT)

By Jerry Seper

The Washington Times, November 14, 2006

Officials in all 50 states will incorporate nearly 2 million companies this year without identifying the owners -- a fact a Senate subcommittee fears could help money launderers, tax evaders or terrorist financiers.

"Although the vast majority of companies formed in the U.S. serve legitimate commercial purposes, they are attractive vehicles for those seeking to launder money, evade taxes or finance terrorism," said Sen. Norm Coleman, Minnesota Republican and chairman of the Senate Homeland Security and Governmental Affairs permanent subcommittee on investigations.

"Without company-ownership information, it is often difficult, and at times impossible, for U.S. law enforcement to identify and prosecute the criminals behind U.S. shell companies that are engaged in illicit activities," Mr. Coleman said.

A subcommittee hearing today will explore how to reduce the potential for abuse while preserving what Mr. Coleman described as "an effective, efficient system that does not derail or unnecessarily delay" legitimate businesses.

"Criminals seeking to launder money, evade taxes or commit other crimes want to cloak their actions in secrecy," said the subcommittee's ranking Democrat, Sen. Carl Levin of Michigan. "And right now, that's exactly what they get when they establish a U.S. shell company."

At the center of the hearing is an April report by the Government Accountability Office (GAO) that said none of the 50 states routinely requires applicants to disclose who will own a corporation and most states do not require ownership information for a new limited liability company. The report said the absence of company-ownership information enables people to conceal their identities while operating as U.S. companies.

At the hearing, officials from the Justice Department, the Internal Revenue Service and the Financial Crimes Enforcement Network are expected to testify about an increase in the use of U.S. shell companies for illicit activities and how their investigations have been impeded by the lack of company-ownership information.

The GAO report noted that U.S. Immigration and Customs Enforcement (ICE) officials reported that a Nevada-based corporation received more than 3,700 suspicious wire transfers totaling $81 million over two years, but the case was not prosecuted, because ICE was unable to identify the corporation's owners.

It also said the Financial Crimes Enforcement Network found that from April 1996 to January 2004, financial institutions filed 397 suspicious-activity reports, concerning a total of almost $4 billion that involved U.S. shell companies, Eastern European countries and U.S. bank accounts.

The report also said the FBI found that U.S. shell companies are being used to launder billions from the former Soviet Union and that the bureau has more than 100 open cases investigating market manipulation, most of which involve U.S. shell companies. It said a Justice Department report found that Russian officials used shell companies in Pennsylvania and Delaware to divert $15 million in international aid intended to upgrade the safety of former Soviet nuclear-power plants.

OTHER NEWS:

Industrials Rise 23.45 To 12131.88 Amid Optimism (WSJ)

By E.S. Browning

The Wall Street Journal, November 14, 2006

Stocks crept higher, as investors looked ahead to what they hope will be reassuring inflation data and positive news from the Federal Reserve.

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Ahead of a stream of government reports today, the Dow Jones Industrial Average rose 23.45 points, or 0.19%, to 12131.88. It is up 13.2% in 2006, less than 50 points from the Nov. 8 record finish of 12176.54, and has risen in five of the past six sessions.

Reflecting optimism about economic growth, technology stocks were among the leaders. The tech-laden Nasdaq Composite Index rose 0.70%, or 16.66 points, to 2406.38. It is ahead 9.1% this year, at its highest finish since 2001. It still would have to more than double to hit its own record, 5048.62, from March 2000.

Today, the government releases October wholesale inflation data and retail-sales numbers. The Federal Reserve is due to publish a summary of the minutes of its October interest-rate policy meeting. Consumer-price inflation numbers are due Thursday.

Hopes are high. Investors expect the inflation data to indicate that the pace of price increases is slowly falling back into the 2%-or-less annual range that the Fed considers acceptable. People think retail sales will show steady, although not eye-popping, gains ahead of what they hope will be a good holiday season. And they think the Fed minutes will contain no surprises, with most policy makers continuing to believe that, as long as inflation and growth remain moderate, interest rates can stay unchanged.

Any divergence from these expectations could send stocks lower, but lately, the economic news has been fair-to-good, and investors are hoping it will stay that way.

Investors were reassured by the continuing drop in crude-oil futures, which finished yesterday at their lowest level in more than a week. Crude fell back below $59, dropping $1.01 to $58.58 a barrel, a 4% decline for the year.

Richard Fisher, president of the Dallas Federal Reserve Bank, said the U.S. economy is "growing forcefully," which further allayed worries that the economy could slump.

The broad Standard & Poor's 500-stock Index rose 0.25%, or 3.52 points, to 1384.42, up 10.9% this year. It, too, is far from its record, 1527.46, also hit in March 2000.

In major U.S. market action:

Stocks advanced1. Total trading volume for stocks listed on the New York Stock Exchange was 2.39 billion shares, as 1,815 stocks rose and 1,513 fell.

Bond prices declined2. The 10-year Treasury note fell 5/32, or $1.56 for each $1,000 invested, pushing the yield up to 4.607%. The 30-year bond was down 5/32 to yield 4.706%.

The dollar strengthened3. Late in New York, it traded at 118.19 yen, up from 117.59 yen, while the euro fell against the dollar to $1.2803 from $1.2847.

Write to E.S. Browning at jim.browning@wsj.com4

Looking Back On Louis Brandeis On His 150th Birthday (NYT)

By Adam Cohen

The New York Times, November 14, 2006

In 1908, Louis Brandeis turned American law on its head with the “Brandeis brief.” The Supreme Court was in the midst of the notorious Lochner era, in which a pro-business majority routinely struck down laws protecting workers’ health and safety. Brandeis was defending an Oregon law that limited women’s workdays to 10 hours. It seemed likely the court would rule, as it just had in a similar case, that maximum-hours laws violated employers’ “right of free contract.”

In his brief, Brandeis devoted just two pages to legal analysis. He spent more than 100 pages setting out statistical and sociological data on the harm that long workdays did to women. His use of facts and sociological arguments was both shocking and enormously successful. The court upheld Oregon’s law, 9 to 0.

Brandeis, whose crusades against insurance companies and banks earned him the title “the people’s lawyer,” was born 150 years ago this week. He has many claims to fame: champion of the New Deal, first Jewish Supreme Court justice, creator of the legal doctrine of privacy. But it is Brandeis’s insistence on injecting facts and real-world analysis into the law that is his most lasting achievement, and one that resounds especially strongly today, when “reality-based” logic is so embattled.

Brandeis was born in Louisville, Ky., shortly before the start of the Civil War. As a Southerner and the son of a small merchant, he grew up with a Jeffersonian mistrust of big business. He entered Harvard Law School in 1875, and after graduating first in his class, remained in Boston to practice law. As a young lawyer, he co-wrote an article for the Harvard Law Review, “The Right to Privacy,” that Roscoe Pound, dean of the law school, would later say “did nothing less than add a chapter to our law.”

Brandeis was drawn to social causes. His first major victory was blocking a company from securing a monopolistic right to operate Boston’s subway system. Later, as special counsel to the Interstate Commerce Commission, he took on the railroad barons, insisting that they should not get rate increases “so long as the vicious system of interlocking directorates makes it impossible to know how much of the money is honestly and efficiently spent.”

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And he fought for workers. The Brandeis brief may not look particularly progressive by contemporary standards. It emphasizes women's feeble physical condition compared with men's, and quotes such authorities as a cotton mill machine operator who told a Senate committee, "I have noticed that the hard, slavish overwork is driving those girls into the saloons." But the brief was perfectly calibrated for the Supreme Court of its day. In appealing to the justices' paternalistic concern for women, it found a chink in the court's pro-business armor.

Brandeis was so enamored of facts and real-world consequences that he found himself moonlighting as a journalist. He wrote a fine series of muckraking articles on the "money trusts" for Harper's Weekly, which were later published as the book "Other People's Money and How the Bankers Use It."

When President Woodrow Wilson nominated Brandeis to the Supreme Court in 1916, conservatives worried that he would inject radical new ideas into the law. He did, on subjects ranging from civil liberties to workers' rights. (In 1937, he was part of the five-member majority that finally ended the Lochner era by upholding a state minimum wage law.) But it was his methodology, as much as his end results, that shook up the legal world. To Brandeis, every opinion — even on a subject as mundane as whether a state can require ice sellers to get a permit — was a chance to hold forth on the case's practical importance.

For Brandeis, raw data was always key. Oliver Wendell Holmes, his distinguished senior colleague, once complained that Brandeis "drove a harpoon into my midriff by saying that it would be for the good of my soul to devote my next leisure to the study of some domain of fact — suggesting the textile industry." Holmes protested, "I hate facts," but grumpily took a government report along with him on his summer vacation.

The Brandeis brief today bears the truest mark of a transformative idea: as radical as it was in its time, today it looks thoroughly conventional. Generations of litigators were quick to adopt its approach. The civil rights lawyers in Brown v. Board of Education prevailed in large part because of their Brandeisian briefs that presented social science data on the effect of segregation on black children.

We are living in an era when facts, and rational analysis, are on the ropes. The president has been inhabiting a world, Ron Suskind wrote in a 2004 New York Times Magazine article, that scorns "the reality-based community." Congress routinely adopts policies that cater to special interests, which are then justified by the sort of smarmy, fact-free spin that the comedian Stephen Colbert has labeled "truthiness."

But courts operating on the Brandeis model have, at their best, been a check on this disturbing trend. In its proudest moments, from the civil rights rulings of the 1960s to recent decisions reining in the Bush administration's war-on-terror excesses, the Supreme Court has insisted on focusing resolutely on the facts, and on the practical effect of the challenged policies on real people.

Decisions like these are Brandeis's true legacy. His greatest lesson was that — as he wrote in a famous dissent, excoriating the majority for not letting government do more to battle the Great Depression — "in the exercise of this high power, we must be ever on our guard, lest we erect our prejudices into legal principles."

Restaurant Group Sues Over Health Plan (NYT)

By Carolyn Marshall

The New York Times, November 14, 2006

SAN FRANCISCO, Nov. 13 — A legal battle over a plan to offer free or low-cost health care to all uninsured residents here has been set in motion by a group of the city's most important and beloved constituents: restaurants.

A culinary trade group with more than 800 members has sued the city, saying a central provision of the health care program, established by the city's Board of Supervisors in July, violates federal employment law.

The group, the Golden Gate Restaurant Association, filed the lawsuit in Federal District Court here. It urges the court to strike down the part of the plan that requires businesses with 20 or more employees to pay for the cost of each worker's health care. The ordinance is to take effect in July 2007.

The association argues that the program conflicts with the federal Employee Retirement Income Security Act, or Erisa, saying that the act exclusively governs the administration of employee welfare benefit plans.

"We are for health care and support expanding coverage for all," said Kevin Westlye, executive director of the association. "But there are no cost controls in this ordinance. Many businesses simply can't afford it."

Mr. Westlye said the restaurant association had worked closely with the city in developing the measure, the San Francisco Health Care Security Ordinance, which is intended to give an estimated 82,000 uninsured residents access to medical services, at a cost of $200 million a year.

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The program does not offer health insurance but rather finances the cost of services provided by hospitals, doctors and health networks. Financing would come from taxes, sliding-scale premiums and businesses, whose contributions would total $30 million to $40 million a year.

"We said that won't work," Mr. Westlye said. "That model is broken, which is why we have a national health care crisis."

The group is seeking an injunction to block only the requirement that businesses pay into the plan, "without disturbing all other lawful parts of the ordinance," the suit says. It also asks the court to settle a fundamental dispute: whether the national standards for benefit and pension plans described by Erisa apply to and trump provisions for health benefits established by the San Francisco ordinance.

The restaurant association argues that parts of the ordinance are pre-empted by federal law.

In a similar conflict, a federal judge in Maryland struck down that state's health insurance law in July. Citing Erisa, the judge ruled that the state law violated federal law by requiring an employer contribution to the plan.

San Francisco officials were aware of the Maryland case as they drafted their ordinance, said Matt Dorsey, a spokesman for the San Francisco city attorney, Dennis Herrera. Mr. Dorsey said great care had been taken to avoid the problems that arose in Maryland.

"We believe the San Francisco legislation was narrowly tailored to avoid pre-emption by Erisa," Mr. Dorsey said.

When the ordinance was being drafted, the restaurant group proposed other ways to finance health care, including a quarter-cent sales tax, Mr. Westlye said, but negotiations failed. The group then tried to draft a ballot measure, but state law prohibits establishing sales tax through voter initiatives, he said.

The group was reluctant to file a lawsuit, Mr. Westlye said, but after negotiating with city officials for a year, attending public hearings and exploring ballot initiatives, it ran out of options.

"We told them this will hit restaurants broadside; we can't afford it," Mr. Westlye said. "The answer we got back from public officials was, 'Raise your prices.' "

But with 2,500 restaurants, cafes and bistros in the city, he said, "there's only so much elasticity."

Mr. Dorsey said the city's position was that Erisa rules did not pre-empt the new health care program.

"We'll see them in court," he said.

Fla. Senator Mel Martinez To Chair RNC (AP-Y)

By Liz Sidoti

AP, November 14, 2006

Florida Sen. Mel Martinez, a prominent Hispanic who previously served in President Bush's Cabinet, will assume the high-profile post of Republican National Committee general chairman, GOP officials said Monday.

Martinez, 60, will remain in the Senate when he takes the reins of the RNC in January, said the officials, who spoke on condition of anonymity to avoid pre-empting a formal announcement. The first-term senator will be the face of the party, focusing on fundraising, outreach and travel to promote the GOP agenda.

At the same time, Mike Duncan, the RNC's current general counsel and a former party treasurer, will be named chairman and will be put in charge of running the everyday operations at the party's Capitol Hill headquarters, the officials said.

The current party chairman, Ken Mehlman, is leaving his post in January at the end of his two-year term.

As a team, Martinez and Duncan will be responsible for leading the RNC during Bush's final two years in office and throughout the 2008 presidential election cycle.

Splitting the chairmanship in two is not new.

President Reagan once chose Sen. Paul Laxalt of Nevada to be general chairman while Frank Fahrenkopf was chairman, and President Clinton initially had Sen. Christopher Dodd of Connecticut and Don Fowler share the Democratic Party role in the same fashion.

Kerry Feehery, a Martinez spokeswoman, and her counterparts at the RNC declined to comment.

By tapping Martinez to be the party's public persona, the White House turned to a lawmaker who has been a staunch supporter of the president — including on the issue of comprehensive immigration reform that includes a guest-worker program — and one of the more politically savvy Republican senators.

Martinez, of Cuban descent, will fill the post as the GOP is seeking to make inroads with Hispanics, considered a swing voting group. He is one of three Hispanics in the Senate along with Democratic Sens. Ken Salazar of Colorado and Bob Menendez of New Jersey.

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In last week's elections, exit polls conducted for The Associated Press and the networks showed 69 percent of Hispanics voted for Democrats compared with 30 percent for Republicans, a decline for the GOP compared with 2004 when Bush got about 40 percent of the Hispanic vote.

Martinez served as Bush's secretary of Housing and Urban Development from 2001 until 2003, when he resigned to run for the Senate seat left open by Democratic Sen. Bob Graham's retirement.

In a race marked by hard-hitting television ads and squabbling over Iraq, Martinez was elected with 49 percent of the vote — a slim margin that was credited to Bush's win in that state.

Early in his Senate tenure, Martinez faced a politically unflattering situation.

A Martinez aide wrote a one-page unsigned memo that laid out the political benefits of getting involved in the fate of Terri Schiavo, a Florida woman whose end-of-life battle became a rallying cry for conservatives. Senate Republicans disavowed the memo. Its author resigned.

Before serving in the Cabinet, Martinez's national profile was raised as the drama surrounding a Cuban boy named Elian Gonzalez unfolded in 2000.

The top county official in Orange County, Fla., at the time, Martinez argued on national television talk shows and before a U.S. Senate committee that the boy should stay in the United States. He also invited Gonzalez to Walt Disney World before the boy was returned to Cuba.

For his part, Martinez fled Cuba in 1962 as a 15-year-old. His parents remained on the communist island, hoping one day to join him. He eventually was placed with a foster family in Orlando, studied English and worked odd jobs that helped him buy his father a used car when his parents arrived in the United States four years later.

Martinez put himself through college, earned a law degree, and eventually made millions as a trial lawyer before entering politics.

Associated Press Writer Brendan Farrington in Florida contributed to this report.

Florida Senator Will Be A Top RNC Officer (WP)

By Jim VandeHei

The Washington Post, November 14, 2006

Sen. Mel Martinez (R-Fla.), a close White House ally and a Cuban American, has agreed to become the next general chairman of the Republican National Committee, GOP officials said. The appointment comes in the wake of an election that yielded shrinking GOP support from Hispanic voters.

Martinez, a first-term senator, will remain in office and serve as the party's chief spokesman and fundraiser heading into the 2008 elections. Mike Duncan, the RNC's current general counsel and a former party treasurer, will manage day-to-day operations and be elected chairman in January, Republican aides said.

An official announcement is expected soon.

The current RNC chairman, Ken Mehlman, will step aside in January, after spending much of his tenure updating the party's technological infrastructure and reaching out to minority groups, especially African Americans and Hispanics. Exit polls last week showed that Mehlman's efforts were overwhelmed by voter concerns about the war, corruption and the hard-line approach some Republicans assumed in this year's immigration debate.

Democrats won 69 percent of the Hispanic vote last Tuesday, a 10-year high. That was seen as a big setback at the White House in particular, after Bush won 55 percent of the Hispanic vote in 2004.

Mehlman said in an interview last week that he is concerned about where the party stands with Hispanics. Hispanics are not single-issue voters, but GOP officials said the tone of the immigration debate hurt the party's standing with the fastest-growing minority group.

While Bush pushed for a comprehensive package that included a path to citizenship for illegal immigrants, the Republican-controlled Congress demanded a fence-first law that emphasized security.

Exit polling showed that 57 percent of voters favor allowing illegal immigrants a shot at legal status. Martinez is a leading advocate of a Bush-style solution to the nation's immigration problems.

The selection of Martinez was a setback for Maryland Lt. Gov. Michael S. Steele, who last week lost a Senate race and who has expressed interest in the job. GOP officials said it was not coincidental that both Steele and Martinez are minorities who have shown an ability to broaden the party's appeal. Republicans captured 10 percent of the African American vote last week, identical to the 2004 number.

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It also does not hurt that Martinez is familiar with Florida, the electoral prize that has been a main arena in recent presidential elections. Martinez won election there in 2004, after resigning as secretary of Housing and Urban Development to make the run.

Martinez earned some national fame in 2000 when, as a top U.S. official, he strenuously argued before Congress and TV cameras that a Cuban boy named Elian Gonzalez should not be forced to return to Cuba. Five years later, he was again on the national stage, this time unintentionally, when a top aide of his was outed as the author of a memo detailing a political strategy for intervening to keep Terri Schiavo, the brain-damaged Florida woman, alive.

The only Hispanic Republican in the Senate, Martinez, 60, is expected to focus mostly on speaking out for GOP candidates, raising money and pushing the party to broaden its reach. Duncan will be the nuts-and-bolts leader. The dual-leadership model is fairly common for modern party committees. It allows high-profile party officials to lend their experience to the committee without being consumed by managing a large organization.

Florida's Martinez Tapped For RNC Chief (WT)

By Ralph Z. Hallow

The Washington Times, November 14, 2006

Florida Sen. Mel Martinez, co-author of a bill to grant amnesty to illegal aliens, has been picked by White House strategist Karl Rove to be general chairman of the Republican National Committee, RNC officials confirmed yesterday.

Some RNC members greeted the news as another example of White House cronyism, reminiscent of President Bush's attempt to name his personal friend and general counsel Harriet Miers to the Supreme Court, a nomination withdrawn in response to outrage from the party's conservative supporters.

While the chairman is elected by the 165-member RNC -- which next meets in Washington in January -- the committee traditionally acts as a rubber stamp for a Republican president when the party controls the White House.

The surprise Martinez appointment, leaked yesterday to selected TV outlets and wire services, cut off a move by conservative Republicans to have Maryland Lt. Gov. Michael S. Steele take over the national party chairmanship. Current Chairman Ken Mehlman announced last week he would step down at the January meeting.

While Mr. Martinez will remain in his Senate seat in becoming the public spokesman for the RNC as general chairman, committee members said, the RNC's current general counsel Mike Duncan -- a committee member from Kentucky -- will be named chairman to run the day-to-day national party operations.

Mr. Martinez "will do a first-rate job for the Republican Party," said Sen. Chuck Hagel, Nebraska Republican, who said he has "the highest regard for his ability and experience, and highly [supports] his candidacy."

An RNC spokeswoman said she could not officially confirm the Martinez-Duncan appointments and that an official announcement would be made in a couple of days. Mr. Martinez served as the Bush administration's secretary of Housing and Urban Development before narrowly winning a 2004 Senate race in Florida.

Some RNC members, already dismayed by last week's election that swept Republicans from control of Congress, expressed anger at the way Mr. Rove leaked his choice of Mr. Martinez immediately after a conference call in which the Florida senator's name was floated for the first time.

During the call yesterday with RNC members in which Mr. Rove, Mr. Mehlman and White House Political Director Sara Taylor participated, some members raised the names of Mr. Martinez and Mr. Duncan as possible successors to Mr. Mehlman, said an RNC member who was involved.

"But Rove and Mehlman never said they were going to name these people as chairmen, and we never voted or even gave our opinion," the member said.

The move was seen as a signal that the White House intends to push through Congress the "comprehensive" immigration bill -- which Mr. Martinez and Mr. Hagel backed in the Senate -- that was blocked by conservative Republicans in the House.

"Clearly, Martinez is going to lead the fight for amnesty that Bush couldn't win when Republicans controlled the Congress," the RNC member said.

While campaigning for the Senate in Maryland, Mr. Steele was an outspoken critic of the Hagel-Martinez measure -- which would have created a guest-worker program and allowed most illegal aliens to become citizens -- blaming "the partisan gamesmanship of Washington insiders" for the failure to deal with the problem.

"Until we see Congress take some real and immediate steps to secure our borders, we can hardly expect Americans to seriously consider proposals for dealing with those illegal immigrants already in our country and those employers who fail to adequately report them," Mr. Steele told the Baltimore Sun in August.

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Aides to the lieutenant governor confided that Mr. Steele was "furious over his treatment by Bush operatives," who they said accused him of "not being a team player" because he had spoken to The Washington Times last week after his name was first proposed for the RNC post. Steele aides said White House officials threatened to withhold from Mr. Steele a Cabinet appointment he had been promised in lieu of the RNC chairmanship.

Mr. Steele's campaign -- particularly his humorous TV ads and his nationally televised debate against Democratic Rep. Benjamin L. Cardin on NBC's "Meet the Press" -- impressed many conservative Republicans.

"Michael Steele would make a superb Republican National Committee chairman," former House Speaker Newt Gingrich told The Washington Times. "His race for the Senate was probably the most positive and most likable of any race in 2006."

"Steele ran one of the best Senate campaigns in the country," said North Carolina Rep. Patrick T. McHenry. "Steele would be great in a prominent and strategy-making spot in the party."

"Everybody I know down here who got a chance to see Steele's campaign ads thought they were great -- they had substance, and so does he," said Cindy Costa, a South Carolina RNC member from Charleston.

Two months after taking office, Mr. Martinez was involved in an incident that caused Republicans embarrassment in the Terri Schiavo case, when -- as he later explained -- he accidentally handed Sen. Tom Harkin, Iowa Democrat, a memo describing political motivations for the high-profile congressional effort to save the incapacitated Florida woman's life.

"This is an important moral issue, and the pro-life base will be excited that the Senate is debating this important issue," said the March 2005 memo, written by a Martinez aide. "This is a great political issue because Senator [Bill] Nelson of Florida has already refused to become a co-sponsor, and this is a tough issue for Democrats."

Some RNC members yesterday saw the naming of Mr. Martinez as a continuing tendency of the Bush administration to manipulate the national party.

Diversity In Cannon Fodder (WP)

By Eugene Robinson

The Washington Post, November 14, 2006

It didn't work. The Republican Party put up three high-profile black candidates to try to weaken the bond between the Democratic Party and African Americans, and all three got slammed by the voters, big-time. After a week of reflection, maybe Ken Blackwell, Lynn Swann and Michael Steele have come to understand that they were never intended to be viable candidates. From the start, they were more like cannon fodder.

There is no reason Republicans can't someday win a big share of the African American vote. All the GOP has to do is adopt policies that most black Americans believe will work to their advantage, rather than leave them behind. Oh, and Republicans also need to drop all those coded appeals to white racists, such as the infamous "Playboy party" ad that helped defeat Democrat Harold Ford Jr. in Tennessee.

Instead of making a legitimate play for the black vote, Republicans convinced themselves that tokenism would be enough. Judging from last Tuesday's returns, they didn't convince anybody else.

Whatever Karl Rove was smoking when he issued all those hyper-confident preelection forecasts, he and other Republican strategists couldn't have seriously thought that Ken Blackwell would win the race for governor of Ohio. Blackwell's far-right views are too extreme for a state so evenly divided between red and blue, and his controversial tenure as Ohio's secretary of state -- his decisions may have decided who won that state in the 2004 presidential contest, and thus who won the White House -- ensured that Democrats would be motivated to come out and vote against him.

If Blackwell's candidacy was a long shot, Swann's run for governor of Pennsylvania was more of a joke. The Republicans chose as their candidate a man who was one of the finest wide receivers ever to play in the National Football League -- and who really should have stuck with football.

Swann, a political novice, lost his race by 21 percentage points. He did better than the experienced Blackwell, who lost by 24 points. Swann was merely unimpressive; Blackwell was scary.

Michael Steele's run for the Senate was another story. Steele, Maryland's lieutenant governor, was recruited by the White House to run in what has historically been a Democratic stronghold. He was another sacrificial lamb, like Blackwell and Swann, an African American face meant as a demonstration to voters that the Republican Party had finally become serious about diversity.

Then funny things started happening. Steele's white opponent, Rep. Ben Cardin, ran an unimaginative and plodding campaign. Steele, on the other hand, proved to be a natural on the trail.

Steele's television ads deserve a page in the annals of American politics. Shot against a white background, they had the minimalist look and post-postmodern sensibility of those commercials for Apple or the Gap. They managed to deliver all image

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and no substance -- and, yes, I meant to use those absolute terms "all" and "no." Speaking to the camera, Steele told voters he knew what they were thinking -- but didn't specify what that might be. He promised to be a different kind of senator -- again, no hint of what that might mean. About the only thing the ads firmly established was that Steele likes puppies.

Republican strategists looked at the numbers and saw that Steele might actually win as long as he kept pretending not to be a Republican. Several prominent black Democrats, piqued that there were no African Americans at the top of the ticket in Maryland, endorsed Steele. Some analysts saw the race as a toss-up.

Last week Steele lost by 10 points. That's better than Blackwell and Swann did, but still a landslide.

Nationwide, the black vote went overwhelmingly to Democratic candidates, as usual. In some races, there were indications that Latino voters are becoming angry about the Republicans' demagoguery over the immigration issue.

I remember attending the 2000 Republican convention, when the party made a great show of supposed inclusion. On the podium, you saw a rainbow of speakers and performers. Out in the hall, the number of black and brown faces was statistically insignificant.

Maybe someday the Republican Party will make a serious play for minority voters, but it won't be with a platform of tax cuts for the wealthy and indiscriminate spending cuts for social programs. The party will never break through until it manages to dispel its image of hostility toward policies that seek to lift up the disadvantaged. African Americans would love to have a real choice between the two parties, and maybe we will someday.

In the meantime, Republicans, don't bother with tokens. They don't fool anybody.

Democrats Fail To Hit The Beat In Dixieland (FT)

By Andrew Ward

Financial Times, November 14, 2006

As Democrats elsewhere in the US celebrated victory in last week's midterm election, John Bradbury, the party's candidate in Georgia's ninth congressional district, had little to cheer about.

Mr Bradbury, who quit his job as a long-distance truck driver to run for office, received only 23 per cent of the vote as Nathan Deal, his Republican opponent, was elected for an eighth consecutive term.

"We were heartened by what we saw nationally," he says. "But it was obvious early on that the national trend would not be reflected locally."

Mr Bradbury's mixed emotions were shared with Democrats across the south as the party made little progress towards loosening the Republican stranglehold over Dixieland.

While Democrats made inroads into the peripheries of the south, winning a Senate seat in Virginia and House seats in North Carolina, Florida and Texas, the Deep South states, such as Georgia, Alabama and Mississippi, remained dominated by Republicans.

Exit polls showed that only 36 per cent of white voters in the south voted for Democratic House candidates, compared with 58 per cent in the north-east where the party made its biggest gains.

"The values and priorities of Americans in different parts of the country are diverging," says Merle Black, professor of politics at Atlanta's Emory University and author of a soon-to-be-published book called Divided America. For Republicans, the preservation of its critical southern support base was the sole source of comfort from an otherwise miserable election.

But analysts warn that an increased concentration of southern conservatives among the party leadership could make it difficult to win back moderate voters elsewhere in the country.

"There will be tension between southern Republicans who believe the party lost because it wasn't conservative enough and others who want to shift to the centre," says Charles Bullock, professor of political science at the University of Georgia.

For Democrats, the election proved that the party is capable of winning power in Washington without the south. But it also showed that the push by Howard Dean, the chairman of the Democratic National Committee, to make the party competitive nationwide – the so-called "50-state strategy" – has a long way to go.

Once dominant in the south, the Democrats have been declining in the region since Richard Nixon's "southern strategy" to convert white southerners to the Republicans in 1968. The realignment has become entrenched over the past two decades as the Republicans have claimed a monopoly on Bible Belt social values.

"Republicans have been successful in defining Democrats as a party of urban liberals and African-Americans," explains Seth Cohen, a Georgia-based attorney and Democratic activist.

Nowhere has the shift in loyalty been clearer than in Georgia's ninth congressional district, stretching from the affluent northern suburbs of Atlanta to the foothills of the Appalachian Mountains.

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Mr Deal, the incumbent, was first elected in 1992 as a Democrat, continuing the party's 119-year unbroken hold on the seat. But he switched sides in 1995 and the district has since become so reliably Republican that he ran unopposed in three of the past five elections.

Mr Bradbury, a resident of the district, developed the idea to challenge Mr Deal during his long truck drives delivering building materials around the south-east. Radio reports about the war in Iraq and corruption in Washington convinced him that the ninth district deserved a choice, however slim his chance of winning.

With a campaign budget of about $10,000 (£7,810) – nearly half of it funded with his own cash –- Mr Bradbury was no match for Mr Deal, who raised more than $1m. On the campaign trail, he found voters open to his arguments but deeply suspicious of his party.

"What bothers people about the Democrats are wedge issues such as abortion and gun control," he says. "We need to convince voters that we are not going to take their guns and kill their babies."

Jim Webb, the victorious Senate candidate in Virginia, and Harold Ford, who narrowly lost the Tennessee Senate race, have been cited as models for how Democrats can compete effectively in the south. Both combined traditional Democratic policies on healthcare and the minimum wage with conservative stances on gay marriage, gun control and immigration.

Mr Bradbury says he sees signs of life returning to the Democrats in northern Georgia, citing several counties where the party is becoming more organised after years of dormancy. "It's going to take a lot of intensive work at the grassroots level," he says.

The 50-year-old father of three is considering running for Congress again in 2008 but accepts that may be too soon for the ninth district to return to the Democratic fold. "Will it happen in my lifetime? Yes. Will it happen in my political lifetime? I'm not sure."

Connecticut Race Tightens, Error Found (AP-Y)

By Susan Haigh, Associated Press Writer

AP, November 14, 2006

Democrat Joe Courtney's lead in the 2nd Congressional District dropped to 66 votes Monday after officials discovered he was mistakenly given 100 extra votes over Republican Rep. Rob Simmons, an election official said.

"It was human error," said Lebanon election moderator John Bendoraitis. "It was strictly misreading one number on one machine."

The discovery significantly tightens one of the closest congressional races in the nation. Preliminary Election Day returns had Courtney winning by 167 votes out of nearly 250,000 ballots cast.

It was one of 10 races across the nation that remained unresolved in the days after Election Day, and the only one in which a Democratic challenger had the lead.

Courtney claimed victory on Wednesday and was in Washington Monday to attend orientation sessions. Simmons has not conceded the race.

"We remain highly confident in the results for us and Joe is currently in Washington at the orientation getting ready to take his seat in the 110th Congress," said Courtney spokesman Brian Farber.

Bendoraitis said the error happened when an official on election night read the vote total on one of six machines as 363 votes for Courtney when it should have been 263. With the revised total, Courtney received 1,353 votes in Lebanon, compared with 1,585 for Simmons.

More than 30 of the 65 towns in the district were recounting their votes Monday. Others had already completed their recounts, and the rest must finish by the weekend.

As of Sunday, Courtney held a 166-vote lead.

"These things definitely happen," said state Republican Party Chairman George Gallo. "I still have hope in this stuff."

The recount was triggered because Courtney's unofficial victory margin of 167 votes was less than half of 1 percent and fewer than 2,000 votes.

Confusion, East To West (RC)

By Nicole Duran And David M. Drucker

Roll Call, November 14, 2006

A week after Election Day, 11 House candidates had yet to concede their races, as thousands of ballots face scrutiny in districts across America — with Republicans holding out hope that they might snatch one more seat from the jaws of defeat.

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Rep. Rob Simmons (R-Conn.) gained 101 votes Monday when election officials in the Nutmeg State discovered a clerical error, leaving him only 66 votes behind former state Rep. Joe Courtney (D), who already declared victory and arrived in Washington, D.C., Monday for freshman orientation.

On the flip side, Republicans looked poised to escape with a host of narrow victories — including a few in highly vulnerable seats — even as the Democrats in those races refuse to quit.

Good-government advocates said the number of elections that haven't been resolved isn't altogether surprising. At least one race, in Florida's 13th district, is headed to court.

"Given how close how many of these races are, we don't think it's surprising at all," said Mary Boyle of Common Cause. "You have close races and you have doubts about voting machines and voting processes. Put those things together, it certainly could make it harder for people to concede quickly."

The margin of victory in several races last Tuesday was narrow, and while the Democrats swept to a major victory in the House, the GOP managed to hold off what could have been a much larger Democratic surge.

It looks as if Republican Conference Chairwoman Deborah Pryce (Ohio) and Rep. Heather Wilson (R-N.M.), both of whom were in serious danger of losing their seats, will return for the 110th Congress.

However, the Republicans came up short on plenty of close calls. Among them were two races in Georgia that, in the final weeks of the election, were considered their best opportunity for pickups in the 2006 cycle.

Meanwhile, in Arizona's 5th district, Rep. J.D. Hayworth (R) will not concede to Rep.-elect Harry Mitchell (D), although Republicans do not expect the outcome to change.

The National Republican Congressional Committee deployed teams of lawyers, political aides and communications specialists to the districts where recounts were possible last week. Feeling more confident this week, they have been recalled from everywhere but Florida and Connecticut.

Bill Burton, spokesman for the Democratic Congressional Campaign Committee, said Democratic operatives also remain in those districts, though he would not disclose if DCCC staffers are also working in other districts.

"We're committed to making sure all the votes are counted in all these districts and we're confident they will be," Burton said.

The House Administration Committee, which has jurisdiction over federal elections, has deployed Republican and Democratic committee staffers to several states.

Republican observers have been sent to Connecticut's 2nd district, Florida's 13th, New Mexico's 1st and Washington's 8th.

"If it appears there's going to be a very narrow margin of victory in either direction, it is common to dispatch someone," said Salley Collins, the committee's GOP spokeswoman. "They're just there to observe and report back."

Democratic staffers are on the ground in Ohio's 2nd and 15th districts, North Carolina's 8th district, in addition to Washington and New Mexico, according to Denise Mixon, the committee's Democratic spokeswoman.

Connecticut's 2nd district

The 66-vote difference in the New London-based district is the narrowest margin among the unresolved House races.

Courtney declared victory but Simmons has yet to concede.

Courtney originally had a 167-vote lead but that was cut by 101 votes as election officials began recounting. Because the original difference in votes cast for the two was less than half of 1 percent, an automatic recount, as required by state law, was triggered.

As of late Monday, less than half of the towns in the district had recounted their ballots; by law, the recounts must be completed by Friday.

Florida's 13th district

Unlucky 13 and the shadow of Rep. Katherine Harris (R-Fla.), who, as Florida secretary of state, rose to infamy during the 2000 presidential debacle in the Sunshine State, combined to make the campaign to succeed Harris the most chaotic race still in flux in the country.

More than 18,000 ballots were cast in the Sarasota-based district without indicating a choice for the highly competitive House race, an unusually high number.

Bank executive Christine Jennings (D), who trails auto dealer Vern Buchanan (R) by just 373 votes, thinks the new touch-screen voting machines used in Sarasota County malfunctioned, and sued Monday night to seize the machines and their data and extend the time necessary for a recount.

Outside groups also say the discrepancy is puzzling and Common Cause has gone so far as to call for a revote. "That's a very unusual step but we think this is a very extraordinary circumstance," Boyle said.

Georgia's 8th and 12th districts

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With nearly all precincts reporting in the 8th district, Rep. Jim Marshall (D) was leading former Rep. Mac Collins (R) by 1.2 points, while in the 12th, Rep. John Barrow (D) was up on former Rep. Max Burns (R) by a mere 928 votes.

Neither Republican has conceded.

If the results hold, Burns can request a recount under Georgia law. However, Collins, because the margin in his race exceeds 1 percent, cannot.

"I don't expect the outcome to change" in either district, NRCC spokesman Carl Forti conceded.

New Mexico's 1st district

Wilson edged out state Attorney General Patricia Madrid (D) by 1,337 votes.

Ray Baray, a spokesman for the New Mexico secretary of state's office, said a recount has failed to change the outcome of any race there going back at least to 1998.

The Madrid campaign could not be reached for comment Monday. It is likely she is waiting for the final count from Bernalillo County (Albuquerque) before deciding whether to ask for a recount, which she can do no matter the margin of victory.

North Carolina's 8th district

Rep. Robin Hayes (R) finished 465 votes ahead of teacher Larry Kissell (D).

Kissell would have the right to request a recount if Hayes' margin of victory shrunk to within 1 percent. But Johnnie McLean, a spokeswoman for the North Carolina Board of Elections, said recounts rarely change the outcome there.

The Hayes campaign is confident his victory will hold regardless, according to a spokesman. However, with 1,500 provisional ballots left to count, Kissell campaign spokesman Steve Hudson sounded optimistic that things could change before the obituary on his race is written.

"Our goal is to win it by Friday," Hudson said. "It's definitely going to get much closer."

All counties in North Carolina meet Friday to certify their results, with the state scheduled to certify on Nov. 28. Per a recently enacted state law, all votes are randomly canvassed following an election to ensure accuracy.

Ohio's 2nd district

Rep. Jean Schmidt (R) unofficially leads Victoria Wulsin (D) by 2,323 votes, but Wulsin refuses to concede.

A unknown number of provisional and absentee ballots remain uncounted, prompting Wulsin to ask local election officials how many exist.

She has not ruled out seeking a recount after all the votes are tallied.

Ohio's 15th district

Franklin County Commissioner Mary Jo Kilroy (D) will not throw in the towel against Pryce until some 18,000 provisional and absentee ballots are counted.

Kilroy spokeswoman Amanda Wurst said she believes those ballots disproportionately contain votes for the Democrat and could erase the 3,536-vote advantage Pryce currently enjoys.

Kilroy aggressively courted college-age voters, who use provisional ballots in higher numbers because of their tendency to move around a lot, which makes it harder to prove their voting eligibility.

Wurst said the process is taking longer this year because newly enacted voter identification laws caused more provisional ballots to be cast. Additionally, more absentee ballots than usual were dropped now that voters do not need a reason to request one.

By law, elections officials have to start counting these ballots by Nov. 22.

Washington's 8th district

Freshman Rep. Dave Reichert (R) currently leads former Microsoft manager Darcy Burner (D) by 3,514 votes in the suburban Seattle district.

The Evergreen State enjoys high voter turnout, much of it by mail. As many as 20,000 absentee ballots remain uncounted in King County alone. The district also includes Pierce County.

Washington is infamous for its protracted recounts and many Republicans remain bitter over the outcome of the 2004 gubernatorial race, which they believe was skewed by negligence and/or fraud in heavily-Democratic King County.

The Washington secretary of state has until Dec. 7 to certify the results.

Wyoming At-Large

The unofficial tally gives 93,335 votes to Rep. Barbara Cubin (R) and 92,324 to Democrat Gary Trauner, according to state Election Director Peggy Nighswonger.

Those results will be certified Wednesday.

Separated by more than 1 percent, Trauner has until Friday to seek a recount.

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Nighswonger said there is no reason to suspect that Cubin's lead won't hold and Trauner has indicated he will not challenge the results.

"I will respect and accept the outcome" if Cubin's victory margin is not small enough to trigger an automatic recount, Trauner told the Casper Star-Tribune.

Should Trauner reverse course, he would have to submit $100 with an affidavit outlining the need for a recount.

If he seeks a recount and loses after a second tallying of the votes, he would be on the hook for the cost, estimated at $500 per county.

Trio Of House Members Weigh Possible '07 Campaigns (RC)

By Lauren W. Whittington

Roll Call, November 14, 2006

While exuberant House Democrats celebrated their new-found majority status last week, the midterm election results threw a monkey wrench into the future plans of a handful of lawmakers eyeing runs for other offices in 2007.

Reps. Chaka Fattah (D-Pa.), Ben Chandler (D-Ky.) and Bobby Jindal (R-La.) top the list of Members contemplating political campaigns in the off-year, and all are expected to make their decisions known shortly.

Last week, Democratic Illinois Reps. Jesse Jackson Jr. and Luis Gutierrez wasted little time in pulling the plug on their potential bids for mayor of Chicago in light of the news that their party is set to return to power after a 12-year hiatus.

For the two Chicago lawmakers, the decision to stay put versus gambling on going up against Mayor Richard Daley (D) seemed cut and dried.

Gutierrez, elected in 1992, served only two years in the majority before the 1994 GOP revolution. He is now set to become a Financial Services subcommittee chairman.

Jackson, who has a seat on the powerful Appropriations Committee, never has served in the majority.

But there are others who are still mulling runs in 2007, when off-year elections afford Members the opportunity to run for another office without having to give up their Congressional seats.

The first to decide about a 2007 bid likely will be Fattah, who has been gearing up to run for mayor of Philadelphia.

Fattah is expected to make an official announcement about his plans in the next week.

"He has said on or before his 50th birthday," which is Nov. 21, said Fattah spokeswoman Debra Anderson.

Fattah, first elected in 1994, is a member of the Appropriations Committee and no doubt will wield more power in the Democratically-controlled 110th Congress. Still, he is far down the line in seniority to become a cardinal, and he appears more likely than not to gamble on the free run regardless of the power shift.

With current Mayor John Street (D) term-limited and unable to seek another term, a wide-open Democratic primary is expected next year in the City of Brotherly Love.

Rep. Robert Brady (Pa.), chairman of the Philadelphia Democratic Party, also has had his name floated recently as among those interested in a mayoral bid. But many observers believe he is unlikely to run.

Other potential Democratic contenders include former Philadelphia City Councilman Michael Nutter, former City Controller Jonathan Saidel, state Rep. Dwight Evans, businessman Tom Knox and labor leader John Dougherty. Nutter is the only one who officially has announced his candidacy.

Elsewhere in the country, Democratic leaders in Kentucky are waiting to hear from Chandler, who could seek a rematch next year with now-Gov. Ernie Fletcher (R), a former Congressman. Chandler, who was then state attorney general, lost to Fletcher in 2003 but was elected to succeed him in the House in a 2004 special election.

"He's the elephant, or the donkey, in the room," said one source familiar with state politics, noting that Chandler likely would be the clear frontrunner for the Democratic nod next year if he wants it. "They're waiting to hear back from him."

Chandler is expected to make his announcement soon, said spokeswoman Jennifer Spalding, who also noted that his new-found majority status would be a factor for consideration.

"He's hoping to make that decision before Thanksgiving," Spalding said. "But the Democrats taking back the House is certainly a huge part of that decision-making process."

Several Democrats have been mentioned as possible candidates if Chandler doesn't run.

Fletcher's first term as governor has been marred by scandal, and although he has said he is running again, he faces the likelihood of a bruising primary.

Paducah businessman Billy Harper (R) already has tossed his hat into the ring against Chandler, and there are other GOP candidates likely to follow.

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Some observers wonder whether GOP Rep. Anne Northup (Ky.), who was defeated in her Louisville-based district last week, might run against Fletcher next year — or whether Republican returning Members of the Bluegrass State delegation might gamble on a run now that they are in the minority.

Among House Republicans, Jindal is first and foremost among likely contenders for other political offices in 2007.

Jindal is widely expected to run for governor next year — a decision it would appear his new minority status would have little impact on.

Jindal ran for governor in 2003 and lost a runoff to now-Gov. Kathleen Blanco (D) by 4 points after finishing first in the all-party primary. He was elected to the House in 2004.

Last week, Jindal expressed interest in another gubernatorial bid and said he and his wife currently are mulling that option.

"He is going, in the next few weeks, to talk to supporters," said Trey Williams, Jindal's communication director. "He then will make a decision, probably in January."

House Members have seen mixed results in off-year election bids in recent years.

Rep. Xavier Becerra (D-Calif.) ran for Los Angeles mayor in 2001, losing badly in a primary campaign that never really gained traction.

In 2005, Rep. Anthony Weiner (D-N.Y.) gambled on a bid to become mayor of New York and narrowly missed making the Democratic runoff. He is widely expected to try again in 2009, when the job will be vacant.

In fact, Fletcher's 2003 gubernatorial bid is the only off-year election success story for any House Member since 2000.

Downcast GOP Faces Retirement Questions (RC)

By Lauren W. Whittington And Erin P. Billings

Roll Call, November 14, 2006

Still reeling from a crippling electoral loss last week, Senate Republicans are privately bracing for another difficult cycle in 2008 and trying to figure out if they can quell the increased likelihood that some key incumbents may be ready to throw in the towel.

Retirements are on both parties' minds, but for the GOP, the prospect of their incumbents stepping aside is of greater consequence since 21 of their 49 Senators are up for re-election in 2008. With Republicans losing the majority, many of their most senior Senators must hand over powerful chairmanships and face Democratic rule.

"It's going to be a very uphill cycle," said one high-level Republican Senate aide. "We've got to find a way to gain seats and not lose them in a lopsided field."

The GOP certainly is at a mathematical disadvantage in 2008. Just 12 of the 51 Democratic Senators (the party counts two Independents in its Caucus) will be in-cycle.

"There are more of them than there are of us, and that's to our benefit," said Phil Singer, spokesman for the Democratic Senatorial Campaign Committee. "Having said that, we will encourage all of our incumbents to continue serving in the Senate."

Six of that dozen will become committee chairmen in January: Sens. Max Baucus (Mont.) on Finance, Joseph Biden (Del.) on Foreign Relations, Tom Harkin (Iowa) on Agriculture, Nutrition and Forestry, Jay Rockefeller (W.Va.) on Intelligence, Carl Levin (Mich.) on Armed Services and John Kerry (Mass.) on Small Business and Entrepreneurship.

By contrast, nine Republican Senators facing re-election in 2008 will trade in their gavels for ranking member status on Jan. 3. That in and of itself could give senior GOP Senators pause when thinking about another grueling campaign.

"Obviously, these Senators are going to think about themselves and their families," one Senate Republican aide said. "But particularly when you are talking to older Members, it's not like you can offer them more seniority or power, particularly now that we are in the minority."

At least publicly, GOP Senate leaders aren't ready to start speculating about the next cycle. When asked about his fears of future retirements in the Republican Conference, incoming Minority Leader Mitch McConnell (R-Ky.) demurred: "I'm not going to start talking about that."

Soon to face a committee demotion are Republican Sens. Saxby Chambliss (Ga.) now Agriculture, Nutrition and Forestry chairman, Susan Collins (Maine) on Homeland Security and Governmental Affairs, Larry Craig (Idaho) on Veterans Affairs, Pete Domenici (N.M.) on Energy and Natural Resources, Mike Enzi (Wyo.) on Health, Education, Labor and Pensions, James Inhofe (Okla.) on Environment and Public Works, Pat Roberts (Kan.) on Intelligence and Ted Stevens on Commerce, Science and Transportation.

Sen. John Warner (R-Va.), current Armed Services chairman and also among those up for re-election in 2008, was slated to lose his gavel this year anyway due to term limits. Rumors have circulated for some time that the 79-year-old Senator may be ready to end his tenure at the end of the 110th Congress.

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Republicans acknowledge it is too soon to know exactly how many of their incumbents may be eyeing the door, especially now that they no longer control the chamber. The one advantage, some say, is that many of the 21 GOP Senators up for re-election in 2008 are long-standing Members who have seen power shifts before.

"We're optimistic there won't be any retirements," said a senior GOP Senate aide. "These Senators don't think in single-year terms."

Among those Republicans mentioned as possible retirees next cycle are Sen. Wayne Allard (Colo.), who made a campaign promise to serve just two terms; Cochran, who just lost the Appropriations gavel; outgoing National Republican Senatorial Committee Chairwoman Elizabeth Dole (N.C.); Domenici, who is slated to lose his top GOP status on Energy in the 111th Congress; Inhofe; Stevens; and Warner.

Democrats are not immune from retirement fears either, but with newfound power on the Hill, insiders doubt many, if any, will step aside now. The exceptions may be Rockefeller, dogged by some ongoing health problems, or Kerry and Biden, both of whom want to run for president.

The task for candidate recruitment next cycle falls to Sen. Charles Schumer (N.Y.), who has agreed to a second term as chairman of the DSCC, and Sen. John Ensign (Nev.), who is slated to take over the NRSC.

Here is an early look at the class of Senators up for re-election in 2008:

Lamar Alexander (R-Tenn.)

Alexander is gunning to become Senate Minority Whip in the next Congress. It's hard to see how any top Democrats even contemplate a race against him. Rep. Harold Ford Jr. (D), having just lost an open-seat race, might be mentioned. But taking on a widely popular ex-governor like Alexander doesn't seem like a realistic prospect.

Wayne Allard (R-Colo.)

This race will be one of the most competitive of the 2008 cycle regardless of what Allard decides to do. Allard said he would serve two terms when he was elected in 1996, but he has yet to reveal whether he will adhere to that pledge.

Rep. Mark Udall (D) has said he is running for the seat either way, and as of mid-October, he had $1.26 million in the bank already. Unless he decides to stay in the House now that the Democrats have the majority, he must be considered the frontrunner for the Democratic nomination.

If Allard does opt for retirement, Rep. Tom Tancredo (R) has said he will run. But he is unlikely to be the top choice of GOP leaders. Other possible contenders include outgoing Gov. Bill Owens, former Reps. Bob Schaffer and Scott McInnis and state Attorney General John Suther.

Colorado has been a killing field for Republicans in the past two election cycles, but that doesn't mean Udall would be a shoo-in.

Max Baucus (D-Mont.)

Baucus' re-election prospects rest largely on Rep. Denny Rehberg (R), who has been mulling and preparing for a run for higher office. Rehberg is the state's lone Congressman — next Congress he also will be the only Republican in the delegation — and it would be a battle of epic proportions. If he chooses not to run, Republicans likely would try to woo former Gov. Marc Racicot (R), but it's too soon to get a sense about whether Racicot might be interested.

Without those two big names, it's hard to see Baucus getting much of a real race. Still, the underlying Republican nature of the state also means Democrats can't take their eyes off it.

Joseph Biden (D-Del.)

Biden has said he is running for president in 2008. The question is whether that means he's ready to leave the Senate behind — a prospect that seems less likely now that he is set to take the Foreign Relations Committee gavel.

But if he does, Rep. Mike Castle would be the consensus GOP choice. Biden's son, Beau, was just elected state attorney general and has long been mentioned as a possible successor to his father or to Castle.

Saxby Chambliss (R-Ga.)

Democrats would like nothing better than to avenge the defeat of former Sen. Max Cleland (D-Ga.) by knocking off Chambliss. The problem is that the Peach State has grown more and more friendly to Republicans.

It's hard to see Chambliss getting much of a real challenge unless Rep. Jim Marshall (D), who has been eyeing a statewide run, decides to take him on. Marshall just won re-election with 51 percent of the vote, not a promising sign for a Senate bid. Plus, the new Democratic majority in the House could be strong incentive to stay put.

The first signal of his future plans could come as early as Jan. 3, when many eyes will be watching to see if Marshall casts his vote for Rep. Nancy Pelosi (D-Calif.) to be Speaker.

Outgoing Lt. Gov. Mark Taylor (D) just got trounced in his gubernatorial bid, and outgoing Secretary of State Cathy Cox (D) lost an abysmally run primary campaign to Taylor. Neither looks like a realistic option for national Democrats.

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Former Georgia Secretary of State Lewis Massey and Michelle Nunn, daughter of former Sen. Sam Nunn (D-Ga.), looked at running for an open Senate seat in 2004 but ultimately declined.

If they weren't willing to run for an open seat, it's hard to believe they'd be interested in taking on Chambliss. But both could have a bright political future if and when Georgia Democrats are able to find their way.

Thad Cochran (R-Miss.)

With the loss of the GOP majority, Cochran moves from chairman to ranking member of the Appropriations Committee — a move that puts him on a list of potential GOP retirements in 2008.

If he runs again, this seat is safe.

But expect Democrats to make a strong play for an open seat, just as they were anticipating doing if Sen. Trent Lott (R-Miss.) had opted for retirement instead of re-election this year.

In an open-seat scenario, Democrats would coalesce behind former state Attorney General Mike Moore (D). On the GOP side, one or more of the state's GOP House Members look likely to run. Rep. Chip Pickering (R) is all but certain to run if there is an open seat, but Rep. Roger Wicker (R) also has been eyeing a Senate run. Wicker is an appropriator, and the GOP's new minority status in the House could help fuel the decision about his future plans.

Norm Coleman (R-Minn.)

Minnesota will be a fiercely fought battleground in 2008, both on the presidential and Senate levels. Coleman has prepared for a tough fight, even if it isn't already obvious who it will come from.

Liberal talk-show host Al Franken has said he is planning to run as a Democrat, but it's highly likely party leaders will search for an alternative.

Rep. Betty McCollum (D), Minneapolis Mayor R.T. Ryback, St. Paul Mayor Chris Coleman, wealthy attorney Mike Ciresi and outgoing Attorney General Mike Hatch, who narrowly lost the gubernatorial race last week, all are possible contenders.

Susan Collins (R-Maine)

Collins has never been as popular as Sen. Olympia Snowe (R-Maine) back home. The question is who might step forward to challenge her in 2008.

Rep. Tom Allen (D) might be a logical choice, but with Democrats now in the majority in the House, it's tough to see him gambling on a Senate run. State Senate Majority Leader Michael Brennan (D) also may take a look.

John Cornyn (R-Texas)

Cornyn is not expected to face any major challenge in his first re-election campaign.

Larry Craig (R-Idaho)

Craig lost the chairmanship of the Veterans Affairs Committee when the GOP lost its Senate majority. Unless he decides to call it quits, he's a safe bet for re-election.

Elizabeth Dole (R-N.C.)

Dole advisers insist she will seek a second term, even if some Republican insiders seem to have remaining doubts.

Gov. Mike Easley (D) is term-limited and cannot run for re-election in 2008. But he has shown little interest in running for higher office thus far.

If Dole runs again, it's difficult to see any top challengers emerging.

Pete Domenici (R-N.M.)

Domenici tops the list of possible GOP retirements, although sources say it is unlikely he will make an early decision — even if GOP leaders push him to.

Rep. Heather Wilson would be the GOP frontrunner to succeed him if he does retire, but there are early indications that Rep. Steve Pearce (R) is not willing to cede her the nomination.

GOP leaders are likely to do whatever they can to avoid a bloody primary that would lay bare the divisions between moderates and conservatives in the state party. Party strategists also fear losing one or both House seats if they are vacated.

Rep. Tom Udall may not seek the Democratic nomination, even though he probably would be the frontrunner for it if he wanted to run.

With Democrats now in control of the House he appears content to rise through the committee leadership ranks — or wait to become Interior secretary, as his father was, if a Democrat is elected president.

If Udall doesn't run, Lt. Gov. Diane Denish, Albuquerque Mayor Martin Chavez or Public Regulation Commission Chairman Ben Ray Lujan — son of the state Speaker — may seek the Democratic nomination.

Gov. Bill Richardson (D) has said he has no interest in running for Senate — though there is some talk that he will encourage a strong Democrat to run even if Domenici seeks a seventh term. Richardson is close to the Lujans.

Dick Durbin (D-Ill.)

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Durbin is set to become Majority Whip in the new Congress. He is not likely to face a tough contest back home in increasingly Democrat-friendly Illinois.

Mike Enzi (R-Wyo.)

Enzi is expected to cruise to a third term.

Lindsey Graham (R-S.C.)

Graham's biggest threat would seem to come in the form of a primary challenge from the right, but there is none on the horizon.

Chuck Hagel (R-Neb.)

Hagel is not expected to face a difficult re-election contest if he runs again.

Tom Harkin (D-Iowa)

Republicans made a pass at ousting Harkin in 2002 but came up way short.

Republicans lost two House seats in Iowa in 2006, another sign that generating a tough contest for Harkin next cycle may again prove to be a tall order.

James Inhofe (R-Okla.)

Inhofe is not expected to face an aggressive re-election challenge, should he choose to run again.

Even if there is an open seat, Democrats might think twice before contesting it in a presidential election year given former Rep. Brad Carson's (D-Okla.) 2004 open-seat performance.

Carson, who was widely hailed as the best possible candidate Democrats could have gotten, suffered a 12-point loss.

Of course, if Gov. Brad Henry (D) decided he was interested in running for Senate, all bets would be off. Henry was just overwhelmingly re-elected to a second term.

Tim Johnson (D-S.D.)

After winning re-election in 2002 by just 524 votes, Johnson would appear to be the most vulnerable Democrat up for re-election in 2008.

But Democrats warn against writing his obituary just yet and argue that his approval ratings currently are higher than they have ever been.

The natural challenger to Johnson would be Gov. Mike Rounds (R), who was just elected to a second term last week. He has not signaled whether he will challenge Johnson in 2008, but there is little doubt he will face pressure from national GOP leaders to do so.

Still, Democrats point out that while Rounds won re-election, an abortion ban he signed into law was rejected by the voters in a statewide referendum.

Regardless, a Rounds versus Johnson contest would be among the most closely watched in the country.

John Kerry (D-Mass.)

The line of would-be successors to Kerry is long, and it begins with the 10-Member Bay State House delegation.

Kerry, the Democrats' 2004 White House nominee, is preparing to run for president again in 2008. If he does, there is much speculation that he might decide not to run for re-election.

Reps. Ed Markey (D) and Marty Meehan (D) have the largest campaign war chests and top the list of would-be contenders looking to move over from the House.

Still, with Democrats now in power in the House, there appears to be less incentive for most of the delegation to gamble on winning a bloody primary.

Markey is set to become an Energy and Commerce subcommittee chairman, and Meehan will gain an Armed Services subcommittee gavel. Rep. Barney Frank (D) is the incoming Financial Services chairman, and Rep. Jim McGovern will become the No. 2 Democrat on the Rules panel. Rep. Bill Delahunt (D) is in line to become chairman of an International Relations subcommittee, and Rep. Richard Neal (D) also is in line to become a Way and Means subcommittee chairman.

Rep. John Olver, just about the only Massachusetts Democrat who has not expressed interest in the Senate seat, is set to become an Appropriations cardinal.

If Kerry does run for re-election, he is not expected to face any significant challenge.

Mary Landrieu (D-La.)

It's almost a given that Landrieu will face a tough re-election contest in 2008, even if it isn't yet clear who is running against her.

There have been murmurs that state Treasurer John Kennedy (D) might be preparing to switch parties and run.

Now that Republicans no longer hold the House majority, perhaps one of the delegation's GOP Members will decide to run.

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Rep. Bobby Jindal (R) is preparing to run for governor next year. If he is successful in ousting Gov. Kathleen Blanco (D), the target on Landrieu only will get bigger. If he loses narrowly, he might look to the Senate race as a consolation prize.

Frank Lautenberg (D-N.J.)

Lautenberg, who came out of retirement in 2002 to win this seat, appears to want another term, even though he will be 84 in 2008.

There are no signs he will have a competitive race for re-election.

Carl Levin (D-Mich.)

Levin will not face a competitive race for a sixth term. Republicans tried to make Sen. Debbie Stabenow's (D-Mich.) re-election difficult this year and they failed miserably. There is no evidence they'll be any more successful against a much more entrenched incumbent.

Mitch McConnell (R-Ky.)

The incoming Minority Leader doesn't appear particularly vulnerable to a tough re-election challenge.

That said, many will be watching what happens back home in the 2007 gubernatorial contest, when embattled Gov. Ernie Fletcher (R) faces re-election.

If Democrats are able to win the governor's office, chatter about taking on McConnell, who essentially runs the state GOP, might increase. But it still seems like a long shot.

Mark Pryor (D-Ark.)

Pryor, a member of the "Gang of 14," appears to be on solid ground heading into his first re-election race. Republicans just lost control of the state's governorship and only one Republican remains in the six-person Congressional delegation.

Outgoing Gov. Mike Huckabee (R) is preparing a White House run in 2008, but short of him opting to run for Senate instead, Pryor would appear to be fine.

Jack Reed (D-R.I.)

Reed is about as safe as safe incumbents come, especially considering voters in the Ocean State just threw out their Republican Senator primarily because they didn't like his party affiliation.

Pat Roberts (R-Kan.)

Roberts will be ranking member on the Intelligence Committee next Congress.

Democrats did just pick up a House seat in the Prairie State, where voters also overwhelmingly re-elected the Democratic governor.

Still, producing a tough challenge for Roberts won't be an easy task.

Rep. Dennis Moore (D) has been mentioned before, but he appears to have secured his GOP-leaning seat and House Democratic leaders would go out of their way to convince him not to leave.

Jay Rockefeller (D-W.Va.)

Rockefeller, 69, appears to be Democrats' most apparent retirement concern. In recent years his health has fluctuated, leading some to question whether he might run for a fifth term.

If he runs again, Rockefeller should have little trouble winning.

If he doesn't, Rep. Shelley Moore Capito would be the consensus GOP nominee.

On the Democratic side, former Gov. Gaston Caperton would be a top contender if he is interested. Caperton is now serving as president of the College Board.

State Treasurer John Perdue (D) also is mentioned as a possibility.

Democratic Reps. Alan Mollohan and Nick Rahall also might look at trying to move to the other chamber, although both now have big incentives to stay put in the House.

Rahall will become Resources chairman and Mollohan an Appropriations cardinal when the 110th Congress is gaveled in.

Jeff Sessions (R-Ala.)

Rep. Artur Davis (D) recently said he is mulling a challenge to Sessions in 2008. Davis hasn't been shy about his statewide ambitions, but it's questionable whether he'd leave behind his rising-star status in the Democratic-controlled House to run against Sessions.

It isn't likely Sessions will get a strong challenge otherwise.

Gordon Smith (R-Ore.)

Smith would appear to be increasingly vulnerable in a state that is growing more Democratic. But he maintains a close relationship with Sen. Ron Wyden (D), and unless former Gov. John Kitzhaber (D) decides to run, there aren't any obvious strong challengers on the horizon — yet.

Ted Stevens (R-Alaska)

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Republican strategists continue to insist that Stevens is not a retirement threat in 2008. Provided he runs again, his re-election contest will be a snoozer.

If he doesn't, the race could become quite competitive.

John Sununu (R-N.H.)

Sununu's greatest re-election challenge would come from Gov. John Lynch (D), who was just re-elected to a second two-year term.

Lynch, who ousted a Republican incumbent in 2004, has not indicated if he is interested in running for Senate.

A huge Democratic wave hit New Hampshire this year, and the fact that both GOP House Members were swept out of office must make Sununu nervous. Beyond Lynch, it's unclear whom party leaders might turn to. But the 2006 results make what once looked like a solid GOP hold in 2008 worth a second look from Democrats.

John Warner (R-Va.)

Warner heads into the 110th Congress without a ranking member title and with much speculation about his political future.

With back-to-back statewide losses for the Virginia GOP, Warner will face increasing pressure to run for a sixth term.

If he does, he would not face a competitive challenge.

But if there is an opening, expect a bloody GOP primary between Rep. Tom Davis and one or more of his House colleagues. Reps. Eric Cantor and Bob Goodlatte have been contemplating Senate bids, as has former Virginia Gov. Jim Gilmore (R).

On the Democratic side, hopes of picking up the seat rest squarely on the shoulders of former Gov. Mark Warner.

Mark Warner recently called off a 2008 White House bid, and he would be the strong favorite in an open-seat contest if he were to run. He ran for the Senate in 1996, losing by 5 points to John Warner. But many Democratic insiders believe he is more likely to run for governor again in 2009 than for a six-year Senate term.

If he does decline a run, he likely would help the party find another candidate. After Sen. George Allen's (R) ouster this year and Gov. Tim Kaine's (D) victory last year, an open seat in the Commonwealth is not an opportunity that Democrats are likely to waste.

Josh Kurtz contributed to this report.

Democrats' Wins Hinged On Muslims (WT)

By Eric Pfeiffer

The Washington Times, November 14, 2006

Muslim voters, an electoral ally of President Bush as recently as 2000, played a key role in turning over control of the Senate to Democrats, a study shows.

"Although the-get-out-the-vote campaign was nonpartisan, there is no doubt that our strategy to support a large Muslim voter turnout in areas with potentially close election races was a correct one," said Mahdi Bray, director of the Muslim American Society (MAS) Freedom Foundation. "We looked at the states with close races and matched them up with states that had a large concentration of Muslims."

MAS also targeted races in Florida, Georgia, Michigan, North Carolina, Ohio and Pennsylvania.

In the U.S. Senate race in Virginia, more than 50,000 self-identified Muslim voters went to the polls, MAS said. A commanding majority of them, 92 percent, or 47,092, voted for the Democratic challenger, James H. Webb Jr. Mr. Webb won his race against Sen. George Allen, the Republican incumbent, by 9,326 votes.

"If Muslims had decided to put their weight behind Allen, Republicans would have had at least a tie in the Senate," said Mukit Hossain of MAS, which conducted the survey.

Muslim turnout of registered voters was exceptionally high in Virginia, at 86 percent, MAS reported. About 13 percent, or 7,822, of them were first-time voters.

Muslims also celebrated the victory of Keith Ellison, the first Muslim elected to Congress. The Democrat won his race with 56 percent of the vote in Minnesota's traditionally liberal 5th District. Mr. Ellison, who describes himself as a moderate Muslim, won the backing of the National Jewish Democratic Council, even though his opponent, Republican Alan Fine, was Jewish.

Muslim voters have not always turned against Republican candidates. A survey by the Center for American Islamic Relations found that 78 percent of Muslims supported Mr. Bush during his first presidential election in 2000.

CAIR found that Muslims were drawn to Mr. Bush's conservative stances on social issues and their hope that he would overturn provisions of a 1996 law, backed by the Clinton administration, that allowed for "secret evidence" in the deportation of immigrants with suspected terrorist ties.

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Some estimates show that 60,000 Muslims voted for Mr. Bush in Florida. Those numbers nearly flipped in 2004, with most surveys showing Mr. Bush receiving about 7 percent of Muslim support against his opponent, Sen. John Kerry, Massachusetts Democrat.

Mr. Hossain is president of the Virginia Muslim Political Action Committee, a group that endorsed Mr. Webb's candidacy. However, Mr. Hossain says neither the Virginia PAC nor MAS has a partisan affiliation. He said the PAC endorsed Mr. Webb and other Democratic candidates because of their positions on civil liberties, immigration and health care.

Mr. Hossain did not hide his personal preference for Mr. Webb and his enthusiasm for Democratic victories a week ago, appearing at a press conference yesterday wearing a Webb campaign button on his jacket.

Female Voters Played Key Role In Midterms (WT)

By Cheryl Wetzstein

The Washington Times, November 14, 2006

Women -- especially blacks and Hispanics -- helped Democrats win power this month, and they are determined to ensure their issues aren't neglected, women's rights leaders said yesterday.

The airwaves may be filled with "white males gloating about how they won this election," but "without African Americans, Latinos and women," there would have been no victory, said E. Faye Williams, president of the National Congress of Black Women.

Top legislative items include raising the minimum wage to $7.25 an hour, providing "fair pay" for women and broadening access to emergency contraception, Kim Gandy, president of the National Organization for Women (NOW), said at a National Council of Women's Organizations (NCWO) press conference yesterday.

In state after state, women's votes pushed Democrats over the top, said Eleanor Smeal, president of the Feminist Majority Foundation, citing data from a new election analysis from Lake Research Partners for Ms. magazine and Women Donors Network.

Ms. Smeal, publisher of Ms. magazine, said the victories of Sens.-elect James H. Webb Jr. in Virginia, Jon Tester in Montana and Claire McCaskill in Missouri were particularly satisfying.

Olga Vives, NOW executive vice president, said Hispanic voters, angry over a "hatred-filled approach" to immigration policy, helped chase out one Republican senator and at least three Republican congressmen, and forced another Republican congressman into a runoff race. The Hispanic vote was "disastrous" to Republicans, she said.

After 12 years of neglect under Republican rule, the women's right's agenda is "broad and long," said Ms. Gandy.

But initial legislative plans from putative congressional leaders, Rep. Nancy Pelosi, California Democrat, and Sen. Harry Reid, Nevada Democrat, "bode well for women, if they are not blocked by Bush allies still stung by the voters' repudiation of their agenda," she said.

The new Congress should see a resurgence of power from the women's congressional caucus, said NCWO leader Martha Burk. The 40-member "blue dog" conservative Democrat caucus may be attracting press coverage as a new power broker, but that distinction more rightly belongs to the women's caucus, which has at least 70 members, said pollster Denise Baer, president of Strategic Research Concepts.

A final key goal is to keep close ties with Mrs. Pelosi.

"People are going to be jockeying so much for their own interests and their own agendas -- she's going to be a target," said Yvonne Scruggs-Leftwich, a longtime civil rights activist.

She "needs a point person" whose sole job is to "listen to what's going on in the real world" and get back to people, she said. "We are all sophisticated. We know [Mrs. Pelosi] can't come to the phone. But somebody's got to be the message carrier."

AP: Giuliani Takes Step Toward '08 Bid (AP-Y)

By Devlin Barrett, Associated Press Writer

AP, November 14, 2006

Former New York City mayor Rudy Giuliani, a moderate Republican best known for his stewardship of the city after the Sept. 11 terrorist attacks, has taken the first step in a 2008 presidential bid.

The former mayor filed papers to create the Rudy Giuliani Presidential Exploratory Committee, Inc., establishing a New York-based panel that would allow him to raise money to explore a White House run and travel the country.

The four-page filing, obtained by The Associated Press, lists the purpose of the non-profit corporation "to conduct federal 'testing the waters' activity under the Federal Election Campaign Act for Rudy Giuliani."

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The paperwork, dated last Friday, is signed by Bobby Burchfield, a partner at the DC-based law firm of McDermott Will & Emery, a firm that handles political work.

Giuliani spokeswoman Sunny Mindel declined to comment.

One potential rival for the GOP nomination, Sen. John McCain of Arizona, said Sunday he was taking the initial step of setting up an exploratory committee.

Under federal election law, an exploratory committee allows an individual to travel and gauge the level of support for a candidacy without formally declaring themselves a candidate and adhering to all the federal rules of fundraising. An individual who spends money only to test the waters — but not to campaign for office — does not have to register as a candidate under the election law.

The GOP field is expected to grow with Massachusetts Gov. Mitt Romney, Sen. Bill Frist of Tennessee, Arkansas Gov. Mike Huckabee and New York Gov. George Pataki expected to join the presidential fray.

Democratic Gov. Tom Vilsack of Iowa has filed to establish a full-blown campaign committee and will make a more formal announcement of his candidacy later this month.

Giuliani was widely praised for leading the city during and after the terror attacks of Sept. 11, 2001. He has said for months that he would wait until the end of the 2006 elections to decide whether to embark on a White House bid.

The former mayor is a moderate who supports gun control, same-sex civil unions, embryonic stem-cell research and abortion rights — stands that would put him at odds with the majority of the GOP conservative base.

Giuliani has tried to sidestep those differences and offered strong praise for President Bush at the 2004 GOP convention in New York.

"It doesn't matter what the media does to ridicule him or misinterpret him or defeat him. They ridiculed Winston Churchill. They belittled Ronald Reagan. But like President Bush, they were optimists. Leaders need to be optimists. Their vision is beyond the present, and it's set on a future of real peace and security," Giuliani said.

"Some call it stubbornness. I call it principled leadership."

In 2006, the Giuliani brand remained strong. He headlined fundraisers for Republican candidates nationwide and his travel has done little to deny 2008 ambitions. During a visit earlier this month to Columbia, S.C., Giuliani dodged the question: "There's a chance, but that's after this election is over."

He then left South Carolina for New Hampshire, site of the nation's first primary and another GOP fundraiser.

Giuliani enjoys strong name recognition and a recent AP-AOL News poll conducted in late October found that among Republicans Giuliani was essentially tied with Condoleezza Rice and McCain on who they would most like to see elected president in 2008.

Rice has insisted that she will not run.

Giuliani, who was in his final months as New York City mayor when a pair of planes crashed into the World Trade Center's towers, became a national hero. Within hours of the attack, the mayor was visiting the site, caked in dust and walking through the chaos — a moment replayed repeatedly on television.

Assuming the role of "America's Mayor" and Time Magazine's Person of the Year for 2001, Giuliani remained an in-demand speaker and GOP fundraiser. He was the first Republican to lead New York in decades, had cut crime and redeveloped rundown parts of the city.

He was a former U.S. attorney, leading campaigns against organized crime and corruption. He spent two years as the Justice Department's No. 3 post, overseeing all U.S. attorneys, the Drug Enforcement Agency and the U.S. Marshals Service. The Brooklyn native was first elected New York's mayor in 1993.

Giuliani eyed a run for the U.S. Senate in 2000, but ended that bid while battling prostate cancer and a made-for-tabloids divorce from television star Donna Hanover. The messy divorce and his relationship with Judith Nathan also made his campaign against Hillary Rodham Clinton all the more difficult.

Long before the Sept. 11 attacks, the mayor cultivated a kind of celebrity status. He made a cameo on "Seinfeld" in 1993 and "Mad About You" the next year. He hosted Saturday Night Live in 1997 and followed up with other cameos. And in 2002, he was a presenter at MTV's Video Music Awards.

The filing is available at: http://wid.ap.org/documents/giuliani_filing.pdf

Giuliani Takes First Step Toward Presidential Bid (NYT)

By Sewell Chan

The New York Times, November 14, 2006

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Rudolph W. Giuliani, the former mayor of New York City, has taken the first step toward mounting a presidential candidacy, forming an organization on Friday to explore a White House run.

Mr. Giuliani stopped short of filing documents with the Federal Election Commission to create a presidential campaign committee, a step that Gov. Tom Vilsack of Iowa, a Democrat, has taken. Instead, he filed to form a nonprofit group in New York State. Other politicians, like Senator John McCain, Republican of Arizona, have said they planned to file.

"Mayor Giuliani has not made a decision yet," John H. Gross, a lawyer at Proskauer Rose and a former campaign treasurer for Mr. Giuliani, said in a statement. "With the filing of this document, we have taken the necessary legal steps so an organization can be put in place and money can be raised to explore a possible presidential run in 2008."

In another statement, Anthony V. Carbonetti, a former chief of staff to Mr. Giuliani, said, "Rudy has traveled the country campaigning tirelessly on behalf of Republican candidates and has had the opportunity to speak with Americans on a wide variety of issues. They have been encouraging him to run for president, and this filing affords him the opportunity to raise money and put together an organization to assist him in making his decision."

As news of Mr. Giuliani's action emerged today, some Democrats rushed to criticize him. "It's unclear whether or not Rudy Giuliani will be able to just 'explain away' the fact that he's consistently taken positions that are completely opposite to the conservative Republican base on issues they hold near and dear," a spokeswoman for the Democratic National Committee, Karen Finney, said in a statement.

Mr. Giuliani, who was mayor from 1993 to 2001, has expressed socially liberal views including support for gay rights and abortion rights. He has traveled widely in recent months, stumping for Republican candidates in Florida, Illinois, Michigan, New Hampshire, South Carolina and elsewhere. Several of those candidates lost in the midterm elections last week when the Democrats recaptured both houses of Congress.

On Sunday, after a speech in Wilkes-Barre, Pa., Mr. Giuliani said he did not view the election as a rebuke to Republicans, but urged the party to commit itself to fiscal discipline and immigration reform.

Federal election law allows individuals exploring a candidacy to "test the waters" before deciding to run for federal office. The prospective candidate does not need to register with the commission, but must abide by the same contribution and spending limits as declared candidates.

The commission advises any individual doing such preliminary exploration to keep detailed financial records, because if the individual formally becomes a candidate, money raised and spent on "testing the waters" will be considered as contributions and expenditures under federal law.

Individuals who are "testing the waters" may pay for polling, phone calls, travel, political consultants, office space and stationery, among other things. But they may not raise more money than "reasonably required for exploratory activity," use public advertising to publicize their intention to run, make statements that refer to themselves as candidates, or campaign for office.

"It's likely that presidential candidates will have to raise at least $100 million by the end of 2007," the chairman of the Federal Election Commission, Michael E. Toner, said in an interview. "Rudy Giuliani is clearly one of those candidates who can raise that amount of money."

Once prospective presidential candidates file exploratory papers with the Federal Election Commission, they are required to file monthly fund-raising reports. Several aspirants intend to wait until at least January, so that their first fund-raising disclosure is not due until late February, giving them more time to raise money.

If Mr. Giuliani decides to run, he will be able to transfer money from his new organization, the Rudy Giuliani Presidential Exploratory Committee, to his federal campaign committee.

In a four-page filing submitted on Friday to the New York State Department of State and obtained by The New York Times, the new organization was listed as a nonprofit corporation. Bobby R. Burchfield, a partner who handles corporate litigation at McDermott Will & Emery, a firm in Washington, filed the papers. Mr. Gross was listed as a director of the organization, along with Peter J. Powers, a former deputy mayor, and Dennison Young Jr., a former federal prosecutor who was Mr. Giuliani's chief counsel.

Leader Of Virginia's Republicans Resigns (RTD)

By Tyler Whitley

Richmond Times-Dispatch, November 14, 2006

Kate Obenshain Griffin, who presided over two straight statewide losses, resigned yesterday as chairwoman of the Republican Party of Virginia, effective tomorrow.

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She said she will serve as chief of staff for the remainder of U.S. Sen. George Allen's term and take responsibility for closing his offices in Washington and around the state, and assisting with a smooth transition. She said Allen asked her to serve as chief of staff.

Allen, who lost the Senate race to Democrat Jim Webb last Tuesday, will serve until the first week in January, when Webb is sworn in.

"I can think of no higher honor than doing all I can to preserve his outstanding legacy and helping to fortify his future," Griffin said.

Griffin is an Allen protégé. She is the daughter of the late Richard D. Obenshain, considered the founder of the modern Republican Party in Virginia. Obenshain was killed in a plane crash in August 1978 while running for the U.S. Senate. His replacement, John W. Warner, is serving his 28th year in the Senate.

It is customary for party chairmen to leave after a series of losses. The party's candidate for governor, Jerry W. Kilgore, lost to Democrat Timothy M. Kaine last year. Griffin said no one asked her to quit.

"I'm proud of the job we have done," she said, but declined to answer when asked whether she resigned knowing she would be asked to.

"Senator Allen's loss is certainly fresh on all our minds and heavy on our hearts," Griffin said. "Of course, that loss was coupled with a tremendous victory in that we returned all our congressmen and congresswomen to the U.S. House of Representatives."

Griffin praised the existing staff of the state Republican Party, which runs the day-to-day-activities. Shawn Smith, the party's executive director, is expected to resign today. He declined to comment when asked whether he planned to stay on.

"She has been a loyal advocate for our conservative cause," Smith said.

Republican sources say Allen is pushing for Ed Gillespie, who lives in Fairfax County and is a former chairman of the Republican National Committee, to be chairman of the state party. Gillespie was an adviser to the Allen campaign.

The sources said Gillespie would have the prestige to stand up against the various factions that are already fighting for control of the party.

Dick Wadhams, who ran Allen's Senate campaign and who is being blamed by many Republicans for the loss, had been Allen's chief of staff before the campaign. But sources say he has already returned to his home in Colorado.

Griffin, who lives in Winchester, has been chairwoman for three years. She was brought in by Allen and Kilgore after an eavesdropping scandal left the party in disarray. The chairman and executive director both lost their jobs.

"We have come through many challenges that have threatened our party to its core," Griffin wrote yesterday in a letter to Republican leaders.

She said the party's finances are stable and its infrastructure, including voter lists and technology, is in good shape.

After her brief tenure on Capitol Hill, Griffin said she looks forward to "a somewhat normal life with particular attention to my No. 1 job -- being a mom." She has four children, ages 9 to 4, and is married to Phillip S. Griffin II, a Winchester lawyer. She worked in the Allen administration when he was governor from 1994 to 1998.

For Evangelicals, Supporting Israel Is 'God's Foreign Policy' (NYT)

By David D. Kirkpatrick

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — As Israeli bombs fell on Lebanon for a second week last July, the Rev. John Hagee of San Antonio arrived in Washington with 3,500 evangelicals for the first annual conference of his newly founded organization, Christians United For Israel.

At a dinner addressed by the Israeli ambassador, a handful of Republican senators and the chairman of the Republican Party, Mr. Hagee read greetings from President Bush and Prime Minister Ehud Olmert of Israel and dispatched the crowd with a message for their representatives in Congress. Tell them "to let Israel do their job" of destroying the Lebanese militia, Hezbollah, Mr. Hagee said.

He called the conflict "a battle between good and evil" and said support for Israel was "God's foreign policy."

The next day he took the same message to the White House.

Many conservative Christians say they believe that the president's support for Israel fulfills a biblical injunction to protect the Jewish state, which some of them think will play a pivotal role in the second coming. Many on the left, in turn, fear that such theology may influence decisions the administration makes toward Israel and the Middle East.

Administration officials say that the meeting with Mr. Hagee was a courtesy for a political ally and that evangelical theology has no effect on policy making. But the alliance of Israel, its evangelical Christian supporters and President Bush has never been

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closer or more potent. In the wake of the summer war in southern Lebanon, reports that Hezbollah's sponsor, Iran, may be pushing for nuclear weapons have galvanized conservative Christian support for Israel into a political force that will be hard to ignore.

For one thing, white evangelicals make up about a quarter of the electorate. Whatever strains may be creeping into the Israeli-American alliance over Iraq, the Palestinians and Iran, a large part of the Republican Party's base remains committed to a fiercely pro-Israel agenda that seems likely to have an effect on policy choices.

Mr. Hagee says his message for the White House was, "Every time there has been a fight like this over the last 50 years, the State Department would send someone over in a jet to call for a cease-fire. The terrorists would rest, rearm and retaliate." He added, "Appeasement has never helped the Jewish people."

This time Elliott Abrams, the White House deputy national security adviser who met with him, essentially agreed, Mr. Hagee said.

Leaving the White House offices, "we felt we were on the right track," he said.

Now, in tandem with the Israeli government, many evangelical Christians have focused on a new villain, Iran's president, Mahmoud Ahmadinejad. Evangelical broadcasters and commentators have seized on Mr. Ahmadinejad's comments questioning the Holocaust and calling for the abolition of the Israeli state. And many evangelicals now talk of the Iranian leader as a "mortal threat" to Israel.

Some evangelical leaders say they are wary of reports that a panel including former Secretary of State James A. Baker III might recommend negotiating with Iran about the future of Iraq. "It certainly bothers me," said Dr. James C. Dobson, founder of Focus on the Family and one of the most influential conservative Christians. "That has the same kind of feel to it as the British negotiating with Germany, Italy and Japan in the run up to World War II."

At rallies this fall for Christian conservative voters, Dr. Dobson sometimes singled out Mr. Ahmadinejad as a reason to go to the polls, arguing that Democrats could not be trusted to face down such dangers. "Hitler told everybody what he was going to do, and Ahmadinejad is saying exactly what he is going to do," Dr. Dobson explained. "He is talking genocide."

The same name, with many pronunciations, comes up repeatedly on Christian talk radio shows, said Gary Bauer, a Christian conservative political organizer. "I am not sure there is a foreign leader who has made a bigger splash in American culture since Khrushchev, certainly among committed Christians," he said.

Mr. Hagee, for his part, said Mr. Ahmadinejad's comments about Israel and the Holocaust were part of what motivated him to found Christians United For Israel late last year. Since the fight with Hezbollah, Mr. Hagee said, he is doing all he can to keep the pressure on United States officials to take a hard line with Iran.

When 5,000 evangelicals gathered last month for a "Night to Honor Israel" at his San Antonio megachurch, for example, Mr. Ahmadinejad was much discussed.

Mr. Hagee compared the Iranian leader with the biblical pharaoh of Egypt. "Pharaoh threatened Israel and he ended up fish food," Mr. Hagee said, to great applause.

Evangelical Christians who know President Bush, including Marvin Olasky, editor of the magazine World and a former Bush adviser, said Mr. Bush, unlike President Reagan, has never shown any interest in prophecies of the second coming.

Such theological details, however, have not kept the Israeli government and Jewish pro-Israel lobbying groups from capitalizing on the powerful support of American evangelicals. Fearing a backlash over Lebanon last July, Israeli officials and their American allies sought public statements of support from American evangelicals. Some groups declined because of risks to missionaries in the Arab world.

Dr. Dobson read a statement on his popular radio program expressing "heartache" at the civilian casualties but comparing Israel's fight to "the Biblical skirmish between little David and mighty Goliath." He explained, "There sits little Israel with its five million beleaguered Jews, surrounded by five hundred million Muslims whose leaders are determined to drive it into the sea."

Rabbi Yechiel Eckstein, the founder of the International Fellowship of Christians and Jews and the Israeli government's official goodwill ambassador to evangelicals, said the statements turned out to be superfluous because there was a groundswell of grass roots evangelical support.

Mr. Eckstein said he had discovered the depth of that support when he ran television commercials on the Fox News Channel seeking donations. The response, mainly from evangelicals, "burned out the call centers," Mr. Eckstein said. During the five-week war, his group added 30,000 new donors. Thanks to the influx of money, he said his organization has exceeded its income from the first 10 months of last year by 60 percent, putting it on track to pull in $80 million this year. "The war really generated a momentum," Mr. Eckstein said.

Evangelicals' support for Israel, of course, is far from uniform. Mr. Hagee is an author of several books about the interpretation of biblical prophecies. He says he believes the Bible assigns Israel a pivotal role as a harbinger of the second

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coming. Citing passages from Revelation and Ezekiel, he argues that conflict between Israel and Iran may be a sign that that time is approaching.

Others say they believe more generally that God maintains his Old Testament covenant with the Jewish people and thus commands Christian believers to help protect their "older brothers."

"My theology indicates that Israel is covenant land," Dr. Dobson said in an interview.

Many conservative Christians and their Jewish allies acknowledge a certain tension between the evangelical belief in a Biblical commission to convert non-Christians and their simultaneous desire to help the Jews of Israel.

"Despite all the spiritual shortcomings of the Jewish people," Dr. Dobson said, "according to scripture — and those criticisms come not from Christians but from the Old Testament. Just look in Deuteronomy, where Jews are referred to as a stiff-necked and stubborn people — despite all of that, God has chosen to bless them as his people. God chose to bless Abraham and his seed not because they were a perfect people any more than the rest of the human family."

Dr. Dobson, along with some other evangelicals, has expressed disappointment with what he saw as the Bush administration's pressure on Israel to sign the cease-fire that ended the fight.

"They began by saying they had to take a hard line, by saying they would support Israel and they ended up urging them to compromise and go home," Dr. Dobson said. "All that is going to do is allow everybody to reload. That didn't solve anything." (Mr. Hagee said that he believed the administration gave Israel "ample time" but that Israel erred by not "unleashing the full might of its ground troops" until it was too late.)

The Israeli government and its American allies have been building their alliance with evangelicals for decades. Israeli officials began working closely with Mr. Hagee and his church, for example, a quarter century ago, when he met several times with then-Prime Minister Menachem Begin.

The Jerusalem Post, an English-language newspaper, recently started an edition for American Christians.

The Israeli government temporarily cut off ties with the Christian broadcaster Pat Robertson after he suggested that Prime Minister Ariel Sharon's stroke might have been God's punishment for withdrawing from territory that belonged to the Biblical Israel. But then Mr. Robertson flew to Israel during the fight with Hezbollah. In a gesture of reconciliation, the Israeli government recently worked with him to film a television commercial to attract Christian tourists.

"Israel — to walk where Jesus walked, to pray where Jesus prayed, to stand where he stood — there is no other place like it on earth," Mr. Robertson says in the commercial, according to the Jerusalem Post.

The Third California (WSJ)

By Joel Kotkin

The Wall Street Journal, November 14, 2006

LOS ANGELES -- Amidst the Republican rout, some important political lessons can be drawn from the results in California. Oft dismissed by conservatives as "the left coast" and written off as hopelessly blue, the state election revealed some critical trends that may prove decisive -- for both parties -- in 2008 and beyond.

Arnold Schwarzenegger's 17-point victory alone commands some attention, since it is easily the most impressive score by any Republican in a Democratic-leaning state this year -- and it suggests a future for pro-environment, pro-business, fiscally conservative and socially moderate politics. In trying to excuse their drubbing at the top of the ticket, some California Democrats spin the tale that Mr. Schwarzenegger won only by morphing into one of them. Yet in reality, Phil Angelides, the man he defeated, was the clear favorite of party activists who just this spring brimmed with confidence about their chances of bringing the Terminator to extinction.

Mr. Angelides duly followed the left-wing, Bush-bashing script -- seemingly ideal in a state where barely one in three voters supports the president. Campaigning against Iraq and for a classic redistributionist agenda funded with higher taxes, Mr. Angelides won handily among liberal voters in a state where Democrats outnumber Republicans by 43% to 34%.

The key to Mr. Schwarzenegger's victory lay not in seducing the left, but through his mastery of the state's rising independent center. According to exit polls, he beat Mr. Angelides by nearly 20 points among self-described moderates and independents. These voters may well be the key to the political future, certainly in California. * * *

As political analysts such as New America's David Lesher have pointed out, the "not party" now constitutes California's ascendant political grouping. Over the past decade, people registering without a major party affiliation have accounted for a remarkable 91% of all the growth in the electorate. They now constitute one in every five voters. These independents clearly have the wind to their backs, with disproportionate support among both Latino adults and young people. Indeed, nearly 40% of the state's voters under 25 have chosen to either register as "decline to state" or belong to a small party. If these trends continue, by 2025 independents could outnumber both Democrats and Republicans.

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Such independents were critical in the recall of former Gov. Gray Davis and Mr. Schwarzenegger's election in 2003, but they are far from traditional conservatives. In fact, according to a Public Policy Institute of California survey conducted by Mark Baldassare, most are both environment-oriented -- Mr. Schwarzenegger's tough stand on global warming probably paid off with many of them -- and moderate to liberal on social issues. Yet at the same time, a majority also believes that government "wastes a lot of the taxpayers' money." In short, they blend anti-government populism with environmental consciousness.

The fiscal conservatism of California's electorate was plainly evident in the initiatives, where voters resoundingly voted down many of the pet pork-barrel projects of the elite left. They rejected one measure that would have steeply lifted the cost of cigarettes to pay for health care, and another that sought new levies on California's oil industry in order to fund renewable fuels and energy-awareness education. Similarly, voters overwhelmingly turned down a cynical bid by public employee unions to promote public financing of political campaigns and to tilt laws on contributions in ways that favored unions over businesses. This politically motivated raid on the Treasury lost almost three-to-one, passing only in the leftist stronghold of San Francisco.

On the other hand, the voters did embrace a series of infrastructure bonds that had been agreed upon by the legislature and the governor. Although the measures lacked imagination and were far from adequate to meet the state's growing needs, Californians proved willing to pay for new investments in the state's creaking physical public works. * * *

Two factors help explain California's lurch to the middle. One is demographics, and the other our real-life experience with what Republicans like to call "the Pelosi Democrats."

As to the former, California is in the midst of a massive movement of population -- and political power -- away from the coasts and toward what Brookings demographer Bill Frey and I have described as "the third California." This vast region, whose politics trend moderate to conservative, extends from the areas north of Sacramento down to the sprawling suburbs of San Bernardino-Riverside, east of Los Angeles.

The geographic shift is driven by such things as comparatively low housing prices, growing job opportunities for middle-class families and, for businesses, an often more welcoming regulatory environment. Since 2000, the third California is home to the vast majority of the state's population growth. The population in this region has grown by over 12%; coastal southern California ("the second California"), by contrast, has grown by barely 4%, while the Bay area ("the first California") has increased only marginally. Today, the third California accounts for almost 30% of the state's population. It already has more people than the liberal Bay area, and that gap is expected to widen significantly.

Some theorize that as coastal voters move east, they will bring their liberal values along with Whole Foods and Starbucks. Yet the evidence so far shows that these voters are changed by their new circumstances, such as home-ownership and childbearing, that may make them less likely to stick to liberal orthodoxies. "If you look at the results here, this place remains pretty conservative," suggests John Husing, a prominent economist in the San Bernardino-Riverside region and a self-described long-time middle-of-the-road Democrat. "These are people who came out of the coasts and like the fact they are new property owners and they want to protect what they have."

These trends were already evident in 2004, when support in the third California helped President Bush to add two-and-a-half points to his total in 2000. This year, the more nuanced approach of Mr. Schwarzenegger worked even better. San Francisco, Marin, Alameda and Los Angeles counties all dutifully voted for Mr. Angelides, but their voters were swamped by big counties like Fresno, Riverside and Kern, which backed Mr. Schwarzenegger by better than 2-1. Perhaps most significantly, Hispanics, particularly inland, also support him. He won 40% of the Latino vote, compared to the less than 30% who supported GOP congressional candidates nationwide, and he pulled this off despite an ill-advised flirtation with anti-immigration activists earlier in the year.

Meanwhile, those who think doctrinaire right-wingers have much of a future in the state are delusional. As Mr. Schwarzenegger was coasting to victory, his most attractive right-wing running mates, Tom McClintock and Bruce McPherson, failed to break past 45% of the vote.

In what could be a harbinger of things to come, the dynamic in California was driven in large part by the long-standing Democratic control of the legislature. Unlike the rest of the country, we may have already experienced what it's like to be ruled by "Pelosi Democrats."

The far-left character of the legislature has been shaped as much by bipartisan gerrymandering as by shifts in public opinion. The drawing of district lines assures that GOP districts are more likely to elect fundamentalist Republicans like Mr. McClintock who cannot win statewide. Yet the biggest winners have been the shaping of immigrant-dominated districts, which have few voters but many people. These have proved easy pickings for the increasingly Latino-dominated Democratic political machines, and their public employee and trial-lawyer allies. This has created a seemingly permanent, increasingly leftist Democratic majority in both houses. Despite the centrist tilt of the electorate, moderates in both parties have become an endangered species in Sacramento.

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This unfortunate confluence does much to explain how Mr. Schwarzenegger got into office in the first place. Under relentless pressure from his party's left in the legislature, Gray Davis -- against his natural instincts -- caved in to a radical agenda that boosted workers' compensation rates to stratospheric levels, promoted the rights of "transgender" workers, and encouraged employees to sue their bosses. The resulting fiscal disaster, job losses and frustration among businesses, big and small, helped propel Mr. Schwarzenegger into office. Since then, the Democratic leadership has continued to keep him there by pushing such unpopular measures as drivers' licenses for illegal aliens, as well as a bonehead attempt to force schools to include "the contributions" of gays and lesbians in public-school textbooks. Such walks on the ideological wild side have kept the legislature unpopular with voters. In May, the solons had approval ratings of 23%.

Herein may lie the most critical lesson that California can pass on to the rest of the country. Unwilling to let the loonies have clear access to the Treasury, Californians have decided to stymie them with -- literally in this case -- a political strongman. If Ms. Pelosi's crew starts acting in much the same way as their Sacramento counterparts, Americans in the rest of the country could opt for a similar strategy when the next presidential election comes around.

Mr. Kotkin, an Irvine senior fellow at the New America Foundation, is the author of "The City: A Global History," just published in paperback by Modern Library.

Insurers' Plan Aims To Cover Uninsured (WP/AP)

By Kevin Freking

The Washington Post, November 14, 2006

WASHINGTON -- Health insurance companies proposed a $300 billion plan Monday aimed at getting coverage for all uninsured children in three years and for most adults within 10.

The plan includes tax breaks for the working poor and increased spending by the government for Medicaid and the State Children's Health Insurance Program.

"This bold program would expand coverage to tens of millions within a framework that is fiscally sound and promotes individual responsibility," said J. Grover Thomas Jr., board chairman of America's Health Insurance Plans.

The largest of the tax breaks would go for universal health accounts. Individuals could set aside up to $2,000 a year and families up to $4,000 and use the money to pay for any type of health insurance, not just plans that require patients to pay significant upfront costs.

The insurers also called for giving low-income families a tax credit worth up to $500 when they secure health insurance for their children.

They said their proposal would go a long way toward providing basic coverage to more than 40 million uninsured, the group said.

The trade group made no recommendations as to how the government should pay the bill of $300 billion over 10 years, but it noted that expanding coverage to the uninsured would bring significant savings to the insured. That's because the insured subsidize much of the health care provided to the uninsured in the form of higher monthly premiums.

Americans spend about $2 trillion a year on health care, and about $600 billion of that money comes from the federal government.

Health and Human Services Secretary Mike Leavitt said Monday morning that he had not yet seen the insurers' proposal, but he did sense that there were opportunities to expand insurance coverage next year that lawmakers from both parties could back.

Lawmakers from both parties have said reauthorizing the children's health program next year would be a priority, and many have expressed hope that the program would be expanded.

The American Medical Association, which represents physicians, said it welcomed the plan.

"Clearly, current programs to cover the uninsured are insufficient and more must be done," said Dr. Ardis D. Hoven, an AMA board member.

"The fact that even the health insurance industry is talking reform shows a growing consensus that reform is really needed," said Sen. Ted Kennedy, D-Mass., who is expected next year to oversee the Senate's Committee on Health, Education, Labor and Pensions. "We showed in Massachusetts that bipartisan progress on health care is possible, and we should do the same here in Washington."

The expansion of Medicaid, a state-federal partnership, to all people at 100 percent of poverty would help about 12 million people become insured. The universal health accounts would help about 25 million people afford insurance, the insurance group said.

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The early focus would be on children. The trade group calls for letting families at 300 percent of poverty or below participate in the State Children's Health Insurance Program. That expansion would help about 5 million people get insurance. The child tax credit would help about 3 million get coverage.

The goal is to get all uninsured children coverage within three years, and 95 percent of uninsured adults would get coverage within 10 years. Insurers would contribute through efforts to rein in administrative costs, the group said.

Health Insurance Industry Urges Expansion Of Coverage (NYT)

By Robert Pear

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — The health insurance industry proposed an expansion of Medicaid and new tax breaks on Monday with the goal of guaranteeing coverage for all children in three years and for virtually all adults within 10 years.

New members of Congress, especially those elected on a pledge to help the uninsured, are likely to embrace many of the proposals, which provide a benchmark for debate on the issue. The debate is likely to rage in the next Congress and in the 2008 presidential campaign.

The latest government figures show that 46.6 million Americans lacked health insurance in 2005, an increase of 17 percent, or 6.8 million, from 2000.

"We believe that every American should have access to affordable health care coverage," said J. Grover Thomas Jr., chairman of America's Health Insurance Plans, the main lobby for the industry, which offered the proposals.

The industry proposed these steps, estimated to cost $300 billion over 10 years:

¶The federal government and the states should expand Medicaid to cover all adults with annual incomes under the poverty level, including single adults who cannot now qualify. The poverty level is $16,600 for a family of three and $9,800 for an individual.

¶The Children's Health Insurance Program, financed jointly by the federal government and the states, should, at a minimum, cover all children in families with incomes less than twice the poverty level.

¶Congress should create tax incentives for people to establish "universal health accounts." People could take tax deductions for amounts contributed to such accounts. They could use the accounts to pay premiums for any type of health insurance. The federal government would help pay premiums for people with incomes below certain levels.

¶Congress should establish a tax credit for individuals and families who buy health insurance for their children. The credit would be $200 a child, up to a maximum of $500 for a family. It would be available to families with incomes up to three times the poverty level — up to $60,000 for a family of four.

The industry did not say how its proposals would be paid for; did not recommend any budget cuts or tax increases; and did not say what, if anything, it would do to slow the growth of health costs.

When hospitals care for the uninsured, they often pass on some of the costs to people who have health insurance. Jay M. Gellert, president of Health Net, a managed-care company based in Woodland Hills, Calif., said this "cost shift" threatened to make coverage unaffordable for employers, who provide health benefits to 175 million people.

Ronald F. Pollack, the executive director of Families USA, a liberal-leaning consumer group, said: "Given the insurance industry's history as a major opponent of health care reform in 1993-94, this set of proposals is very welcome. The proposals for public programs, in particular, are laudable."

Grace-Marie Turner, president of the Galen Institute, a research center that advocates free-market health policies, said: "Conservatives will be able to support this. It has something for everyone."

Under current law, employers can generally take tax deductions for the cost of providing health benefits to employees. The industry plan calls for a similar deduction for people who buy coverage on their own, in the individual health insurance market.

In a sense, insurers, like other industries, are recommending tax subsidies for the products they sell. More generally, they are proposing a public-private partnership to cope with a problem — the soaring cost of health care and health insurance — that affects families, employers and the nation's ability to compete in a global economy.

"We are the last industrialized country in the world not to have universal coverage," said George C. Halvorson, chairman of the Kaiser Permanente health plan.

Many economists say the tax code is biased against individual insurance. The industry said it was proposing "full tax deductibilty for health insurance premiums" to correct the bias.

C. Eugene Steuerle, a senior fellow at the Urban Institute, said he worried that such a change could create incentives for some employees to buy insurance on their own, rather than through the workplace. "Unless carefully designed," he said, "that

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change could reduce the incentives for employers to provide coverage, and we could get a net increase in the number of people without insurance."

Mr. Thomas, who is chairman of Trustmark Mutual Holding Company, based in Lake Forest, Ill., said this concern was unfounded. Workers would generally lose the employer's subsidy for their health care if they bought insurance outside the workplace, he said.

Many economists say the tax code, by subsidizing the purchase of health insurance, has fostered excessive use of health care services, driving up costs. "New subsidies could aggravate that problem," Mr. Steuerle said.

Hope For Millions Without Health Coverage (LAT)

By Ricardo Alonso-zaldivar

The Los Angeles Times, November 14, 2006

WASHINGTON — Alarmed by the relentless erosion of employer-sponsored medical benefits, the health insurance industry today unveiled a proposal to extend coverage to more than 46 million uninsured persons.

Combining solutions favored by Democrats with some that Republicans have backed, the proposal by America's Health Insurance Plans calls for providing coverage within three years to all uninsured children, currently numbering about 8 million, and within 10 years to virtually all adults.

The trade group's plan would rely on a mixture of expanded federal and state programs and tax credits for workers and their families to purchase private health insurance.

"We should transcend the rigidly partisan political debates that have led only to stalemate," the group said in a statement accompanying the proposal. "Our nation needs a pragmatic approach driven by a broad understanding of the nature of the challenge and a strong commitment to the goal of covering all Americans."

AHIP, as the group is known, represents almost 1,300 companies that provide health insurance policies, including traditional fee-for-service plans and managed-care plans such as health maintenance organizations.

The insurance industry said its plan would cost the federal government $300 billion over 10 years, but the proposal lacked specifics on how it would be financed. Other estimates of providing coverage for all have been higher, $50 billion to $80 billion a year. By comparison, the federal government already spends more than $530 billion a year on two giant healthcare programs, Medicare for the elderly and Medicaid for the poor.

The high cost of health insurance is the main reason for the rising number of uninsured Americans. The Kaiser Family Foundation's 2006 healthcare survey found an average cost of almost $11,500 a year for an employer-sponsored family plan. Employers, particularly smaller businesses, have been shedding coverage as costs have risen, and many individuals find it too costly to purchase a plan on their own.

With Democrats taking over Congress next year, many policy leaders in the medical community, labor unions and even corporate boardrooms are hoping to revive a national debate that has been dormant since the collapse of the Clinton administration's plan more than 10 years ago.

"The election shows that Americans pay attention and they're willing to support change," Dr. Raymond J. Gibbons, president of the American Heart Assn., said Sunday at the group's annual scientific conference in Chicago. "There has been woefully little public discussion and, as a result, we haven't had the kind of national dialogue that's needed to find a solution."

Polls show that Americans strongly back guaranteed coverage for all, but support melts away if it would mean significantly higher taxes — suggesting that the next debate on overhauling healthcare will focus on controlling costs.

Already, U.S. employers say the high cost of health insurance for their workers puts them at a competitive disadvantage in the global marketplace. General Motors, for example, spent $5.3 billion for healthcare in 2005, more than it did on steel.

The health insurance industry's proposal would build on the current system, a mix of federal and state programs, employer plans and individuals buying their own coverage.

It calls for the expansion of the federally funded State Children's Health Insurance Program to cover all children in families with incomes up to twice the federal poverty level. That would help most children in low-income working families, since a family of four making up to $40,000 would be able to receive benefits.

Similarly, the plan would expand Medicaid eligibility to adults earning up to the federal poverty level, which is $9,800 for a single person.

The idea of using existing government programs to solve the problem of the uninsured has strong support among Democrats. But the insurance industry proposal also calls for two new tax breaks, a kind of approach traditionally favored by Republicans.

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A new $200-per-child tax credit, or up to $500 per family, would go to middle-class families who could show that their children were covered. The plan also calls for the creation of universal health accounts, a kind of tax break that would make it more affordable for the self-employed and those not covered by an employer to buy coverage on their own.

Banks Pile Into Health Savings Accounts (WSJ)

By Ann Carrns

The Wall Street Journal, November 14, 2006

Just in time for benefits-enrollment season, health savings accounts are getting a big push from your local bank.

Nearly 1,100 banks now offer the tax-favored spending accounts, more than triple the number at the end of 2005, according to market-research firm Information Strategies Inc. The growth comes as more employees enroll in high-deductible health plans, which are paired with health savings accounts, or HSAs, to help pay for the deductible and other out-of-pocket medical costs. But savings not needed to pay medical expenses can accumulate in a HSA for years, and this has sparked bank interest in offering such accounts.

The abundance of new HSA offerings is triggering competition that is helping to push fees lower and expanding the options for consumers to invest their savings. Most HSAs previously earned interest, sometimes at relatively low rates. Now, banks increasingly are offering other investment options, including mutual funds, if consumers have a minimum required balance.

Consumers eligible to open a HSA have greater options. Here's what to consider:

• Accounts must be paired with a high-deductible health plan.

• Set-up charges and monthly fees can vary widely.

• Some HSAs offer investment options, while others only pay interest.

Plus, see a comparison of HSA offerings.

Among other options: Bank of America Corp. is expected to announce this week that it will introduce a new credit card, in partnership with major health plans, that will let holders earn rewards points that convert automatically into cash in their HSAs. And in January, the bank's customers will be able to invest their HSA balances in mutual funds offered by the bank's Columbia Management arm.

J.P. Morgan Chase & Co., which previously marketed its HSAs primarily through employers, will begin later this month to allow individuals to enroll for the accounts online. The bank also offers mutual-fund investments to its HSA holders.

The abundance of new offerings means consumers interested in a HSA need to shop around. The accounts vary widely in their structure and fees. Initial setup charges are $10 to $20 at Chase, for instance, but free at U.S. Bancorp. Ongoing monthly fees are $4 at BB&T Corp., but free at Huntington Bancshares Inc. Not all banks disclose the fees on their Web sites, while others make the information frustratingly hard to find.

It doesn't help that interest rates paid on the balances in HSAs vary widely. HSA Bank, of Sheboygan, Wisc., which specializes in health savings accounts and has customers in all 50 states, pays 1.98% interest on an average daily balance of $1,000, although rates are higher for bigger balances. Chase's current rate is 4.11%, regardless of the balance, while Bank of America pays 2.96%. Some banks offer a tiered system, including BB&T, which pays 1.49% for balances up to $2,499. That jumps to 4.47% for balances of $25,000 and greater.

The widening availability of HSAs is expected to help propel the total number of accounts by year end to about 3.6 million, holding $5 billion in combined deposits, according to Information Strategies. That's up from 1.1 million accounts and deposits totaling $1.2 billion at the end of 2005. The accounts are fairly new -- Congress first authorized them in 2003 -- so the number of account holders is still a small proportion of health-plan enrollees overall.

HSAs are funded with pretax money, and income continues to grow tax free. What's more, account holders don't have to pay taxes on withdrawals as long as the money is used for qualified medical expenses. However, withdrawals to pay for other expenses are taxed, and the account holder will likely also have to pay a penalty. Because the penalty disappears after an account holder turns 65, HSAs are increasingly being used as a tax-deferred savings vehicle to help cover both medical and non-medical expenses in retirement.

To qualify to open an account, you must first be enrolled in a high-deductible health plan, which typically charges the consumer a lower premium than plans that have smaller deductibles. About 75% of all HSAs have been opened directly by consumers, but that percentage is expected to slide as more big companies begin adopting the high-deductible health plans to help reduce soaring costs of health-care benefits. Some employers pay fees and make contributions into HSAs for their workers.

Early offerings of HSAs were led by niche banks catering to small-business owners wanting to offer some health-care options to workers while watching the bottom line. Now, bigger banks are increasingly getting into the business, attracted by the lucrative combination of deposits, account fees and sales leads for mutual funds and other investments generated by customers.

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In turn, the presence of big banks in the industry is expected to quickly spread awareness and hasten the adoption of HSAs, experts say.

"We think it's going to be a great opportunity," says Karen Hill, vice president in the consumer-product management group at KeyCorp, a Cleveland bank with branches in 13 states that will start offering health savings accounts by year end. And Huntington Bancshares, in Columbus, Ohio, will promote its new health savings account, to be launched early next year, to business customers interested in offering them to employees. Individuals also will be able to open an HSA on Huntington's Web site.

Industry officials say improvements are still needed with HSAs, especially in areas such as customer service. For instance, many banks offer debit cards that HSA holders can use to make purchases. Most of these cards, however, aren't able to track whether charged expenses are qualified to count toward a health plan's deductible. This can be a big headache for customers stuck monitoring their spending and holding on to receipts in order to avoid federal penalties on nonqualifying purchases. One new debit-card offering, planned by KeyCorp for early next year, will include an optional feature that allows consumers to restrict the card's use only to health-care providers and pharmacies.

Write to Ann Carrns at ann.carrns@wsj.com1

Lame Ducks Wing It (WP)

By Libby Copeland

The Washington Post, November 14, 2006

This is not just the season when bright-eyed freshmen arrive for their congressional orientation. It is also the season of What Now? for the many officeholders and staffers who will be out of jobs in January. Not even former senators are free from the specter of college tuition bills.

"The first thing you do is, you buy a tin cup and pencils so that you can be assured of some income tomorrow," says former Oklahoma governor Frank Keating, who, after finishing his second term in 2003, went on to head the American Council of Life Insurers and to write children's books.

Envy the lucky corporate recruiters and their ringing phones. Pity the members of Congress who hoped against hope that they wouldn't be looking for work right now.

Some of them don't even have rÃ©sumÃ©s.

"It's probably been 20 or 30 years for some of these folks since they've looked for a job," says Nels Olson, who heads the Washington office of Korn/Ferry International, a headhunting firm.

On the other hand, in a few months these former members may be stinking rich in their new gigs, so maybe we shouldn't feel bad for them.

Washington's biennial job search is bigger than usual this year. In addition to members of Congress who are retiring or who lost their reelection bids, hundreds of Republican committee staffers may lose their jobs because Democrats are taking over the House and the Senate.

Too bad there's no way to measure the exchange of business cards in the nation's capital. Imagine the paper wasted. Imagine the traffic at Kinko's through December, with folks copying their cover letters. Some savvy staffers started making discreet calls about new jobs even before they knew the results of their bosses' reelection campaigns.

Oh, the exhilaration and exhaustion of the job search. Although former members of Congress are typically not reduced to perusing the classifieds, they are not immune to the pain of being rejected by prospective employers. The amount of money an outgoing member can command varies widely. A former member of Congress with a rock-star reputation might make, say, $2 million a year, says Olson. Another, lesser member might earn only a puny $300,000.

"Some are in great demand," says Robert Barnett, an attorney who has represented many high-profile government officials -- including Bill Clinton -- in their move to the private sector. "Others, unfortunately, have very, very few options."

This is one of the reasons that some firms use recruiters. Stuart Pape, the managing partner at the law firm Patton Boggs, says intermediaries minimize the "potential awkwardness" that might arise if a firm makes an unwanted overture to an outgoing member, or an outgoing member makes an unwanted overture to a firm.

And some former members don't transition well to the world of private industry. Perhaps they're not used to having people say no to them, or maybe they don't have much management acumen.

"It can be challenging to go from one of 100 in the Senate into the real world," says Ivan H. Adler, a lobbying recruiter at the McCormick Group in Arlington. "They're like popcorn in the pan. Some pop and some don't."

Barnett, who -- unlike a headhunter -- is retained by the employee rather than the employer, negotiates jobs along a wide spectrum, from law and lobbying firms to trade associations, television punditry gigs and paid speech tours.

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"I have a whole 10-page, single-spaced checklist of issues that come up in these negotiations," he says, ticking off compensation, bonuses, raises, stock options and such matters as whether the employee gets car service or gets to fly first class. Sometimes the employee who retained him can get an employer to pay Barnett's fee. The hottest of the hotshots get to bring along a few of their own staff members -- whose salaries are, of course, paid by the new employer.

Former senator Warren B. Rudman (R-N.H.), who is now "of counsel" to Paul, Weiss, Rifkind, Wharton & Garrison LLP, says that when he announced he was retiring in 1992 he fielded two dozen calls from lobbying and law firms. A former lawyer, he didn't hire anyone to negotiate his salary and benefits.

"I'm very experienced at it," he says. "I couldn't think of anybody better."

With two years to go in the current presidential administration, firms have already begun to compile their wish lists for those at the White House and in Cabinet departments.

"We've sat down with firms and, much like the NBA draft, done a draft in a variety of areas," Adler says. Firms start by considering a best-case scenario, obtaining a high-level "King Kong," and then work their way down to a "cheetah," perhaps a staffer. To take a hypothetical, consider the Justice Department, he says. "If we can't get the attorney general, who's next?"

Although Adler works for the firms that hire him, he also is contacted by prospective employees. Yesterday, by 3 p.m. he'd heard from eight already. Not all of these people are losing their jobs in January, Adler says. Some have started thinking about their next step even though their jobs are good for another two years. The midterms, he says, were a "psychological impetus" for a lot of people to start looking, whether they have to or not.

1981 (WSJ)

By George Melloan

The Wall Street Journal, November 14, 2006

Nancy Pelosi gets a "favorable" rating from only 24% of the respondents to a new Rasmussen poll, exactly the same as the soon-to-be-demoted Dennis Hastert. She is viewed unfavorably by 44%. In short, the first female speaker of the House starts with a large deficit in public confidence. She would be unwise to think that the only way to go from here is up.

A greater wisdom would suggest that the Democrats -- their victory last Tuesday notwithstanding -- will need far more political wisdom than they have displayed in the recent past if they are to maintain more than a temporary grip on power. The voters turned against the Republicans, as Dick Armey made clear on this page last week, because they forgot their lines and lapsed into partisan gibberish. Their audience got up and left.

The Democrats have not shown much evidence that they can do better. By and large they stick to the old mantra about being the party defending the weak and the poor, with very few specifics. But the party probably has more substance than it has sometimes displayed during its years in the wilderness. And clearly, the voters are demanding something more from Congress than old-fashioned pork-barrel, party-machine politics. * * *

To find a template for how the Democrats might conduct themselves profitably over the next two years, it is useful to go back 25 years to the signature achievement of the supply-side revolution, the Kemp-Roth tax bill. It was this sharp cut in tax rates, particularly in the highest income brackets, that set public policy on a new course under Ronald Reagan. Republicans celebrate this as solely their achievement -- or at least those do who haven't forgotten why their party started winning, instead of losing, elections. But the revolution could not have been launched without the aid of some thoughtful Democrats. Their party, after all, was in control of the House, which initiates tax legislation, in 1981 -- with a hearty 56% to 44% majority.

The Republicans had just elected Reagan, aided by Jimmy Carter's string of economic and foreign-policy disasters. But the party was hardly unified. Indeed, it looked a great deal like it has looked over the last two years, as a body trying to live up to its reputation as "the stupid party." As Irving Kristol wrote on this page on Nov. 20, 1981, the new Senate was in the hands of conservative Republicans who had "never learned nor forgotten any economics since the days of Herbert Hoover" and were thus wary of tax cuts.

Even the new administration was riddled with doubters, as the president learned to his dismay when his bright, young budget director, David Stockman (in the Atlantic magazine in November 1981) called Kemp-Roth -- signed by the president three months earlier -- a "Trojan horse" designed to lower taxes on high incomes, that would lead to large budget deficits.

But Rep. Jack Kemp of New York and Sen. William Roth of Delaware had established a supply-side beachhead in the Republican Party years earlier, with the help of the editorial page of this newspaper. The late Robert L. Bartley, who became editor of this page in 1972, spotted the merits of supply-side economics early in his tenure, drawing on the talents of editorial writers Jude Wanniski and Paul Craig Roberts and economists who were little known at the time, among them Arthur Laffer and Robert Mundell.

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The 1970s were a time of economic-policy chaos, touched off when Richard Nixon abandoned the Bretton Woods monetary system and inflicted wage and price controls on the economy in August 1971. Among the results were fuel shortages and an inflation that could not be suppressed by government controls (something intelligent economists have always known).

On the intellectual front, however, something good happened. Events discredited Keynesian economic theory, which had dominated academic and political thought since the '30s. The U.S. economy lapsed into stagflation, something not possible if you believe, as most Keynesians did, that economic growth and moderate inflation are handmaidens. Politicians had flocked to Keynesianism because it gave them intellectual underpinning for something they love to do -- spend public funds -- by arguing that government can counter recession by writing more checks.

There was nothing complicated about supply-side theory. It was classical economics. Fundamentally, it held that you have to produce if you want to consume and that anything the government does to discourage production is damaging to economic growth. That includes not only excessive economic regulation (e.g., price and wage controls) but high tax rates on the marginal earnings of the most productive citizens. These are the people who earn surpluses above their immediate needs and thereby build the total pool of capital available to expand the capital stock and create new jobs.

Art Laffer, who was also a former hireling in the budget office, argued as well that static calculations of how much revenues would be lost by the tax cuts were wrong because they ignored the fact that the cuts would stimulate economic activity and draw funds hidden in tax shelters back into the revenue stream. He proved to be right.

Reagan -- who co-majored in economics at little Eureka College in Illinois back when they were still teaching classical economics -- had learned early in life that you have to work to eat, and understood all this well. Shortly after he took office, he put forward the Kemp-Roth bill, which called for a 30% reduction in tax rates.

The Democrats in the House also had been going through a learning process. Tip O'Neill, for all his rhetorical excesses, was a strong leader of the Democrat caucus and a practical politician. The Democrats knew that the nation's capital base had been dangerously eroded during the '70s inflation and that their party deserved some blame. So "capital formation" became the mantra of the Democrats and it was a very good one.

As Irving Kristol wrote in his 1981 piece, the Republican supply-siders and the Democrat capital formation crowd found a common purpose, overwhelming the troglodytes of both parties. Kemp-Roth passed, although congressional budget deficit worriers insisted on phasing it in over three years and reducing the size of the cuts to 25%. Meanwhile, Paul Volcker over at the Fed was slaughtering inflation, and quite a few unfortunates who had banked on its continuance, with a severe clampdown on money creation. The combination of congressional timidity and tight money provoked a sharp recession in 1982, one that sent even larger numbers of Republicans running for cover and brought jeers from their natural enemies.

But in January 1983, Bob Bartley opened the year with an editorial titled "At Last, a Tax Cut," making the point that, after all the hedges Congress had installed in Kemp-Roth, the year would finally bring a true reduction in tax rates that would benefit economic growth. He was right on the money. The economy soon leaped from the recession and the stagnation of the '70s. The growth rate exceeded the historically respectable 3% for the rest of the Reagan administration, and was the basis for the last 25 years of largely uninterrupted economic growth. Keynesian theory was finally dead and classical economics had been restored to its proper place.

Yet one point has been mostly overlooked. The Democrats who wanted policies to encourage capital formation were essentially on the same page as Reagan and the supply-siders. Capital formation is impossible without government policies that encourage work and investment. So the Democrats, if they had wanted to, could have taken some of the credit for the supply-side revolution. Not many have wanted to, apparently.

But that was yesterday, and now the Democrats are back in power in Congress. President Bush introduced some daring, new and much-needed policies in his first six years -- notably Social Security and immigration reform -- only to see them sidetracked by Republican disunity and weak leadership in Congress. Will the voters' decision to throw the bums out and give the Democrats a try produce better results? The congressional Democrats of 2006 don't look much like those of 25 years ago. But they now have an opportunity to demonstrate whether they can think as well as talk.

Mr. Melloan is a former deputy editor of the Journal's editorial page.

Let's Fight To Make America's Agenda The GOP's Agenda (RC)

By Rep. Joe Barton

Roll Call, November 14, 2006

My commitment to every House Republican is a legislative agenda that matches America's, and my "majority-back guarantee" is this: We will achieve a net gain of seats in each upcoming election cycle. If we fail to regain the majority within three election cycles, I will not seek the position of Minority Leader in the succeeding session.

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No Republican should be the next Minority Leader, but the voters of America decided otherwise, and I honor their decision.

House Republicans were once on track to become a permanent majority. Now some say the train has outrun the tracks, that we seemed to care more about the smoke and fire in the engine than who was in the cars and where we were taking them.

Let's get back on track by starting with the people who work and pay taxes and who expect us to deliver on our commitment to less government and more freedom. Government runs on the money taken from their pockets, and issue No. 1 should be sticking with the tax cuts so that working families decide how to spend their money instead of politicians and bureaucrats.

Next, "balance the budget" has been the oath and curse of every politician in the past half-century, and a promise to do it begins with a credibility gap. It is true that we've cut the deficit by $165 billion, but hardly anybody believes that balancing the budget by spending less is a consistent priority. That needs to change.

We should start with real entitlement reform. Entitlement spending amounts to $1.4 trillion, and it is now 53 percent of the budget and growing. Entitlement spending costs each American taxpayer $7,698 a year. People who work and pay taxes need help, too. If you believe in the sunrise, you also must believe in the sunset, and it seems clear that it is time for the sun to set on some programs.

It takes guts to say no, but the answer to bad ideas must be no. It's wrong when Medicaid, which is a welfare program for poor people, is spending its dollars on nursing home care for people who hide their wealth to seem poor.

It also is time to put the privacy of the people ahead of the needs of business. On the wall of my office is a sign that every visitor notices. It says, "Fear God, Tell the Truth, Make a Profit." Protecting privacy is about truth, not profit. I believe strongly in both, but truth-telling comes ahead of profit-making for a reason.

Finally, the House also has a responsibility that it even fails to recognize, much less exercise: holding the Senate accountable. In George Washington's ancient cup-and-saucer description of how Congress works, the Senate was the saucer where hot ideas from the House were poured so they might cool. That was then. Now it is the place where good bills go to die, and it is an elephants' graveyard for the president's agenda.

One final thing we need to get right as a party and as an institution is ethics. Nearly every Member of the House, on both sides of the aisle, is totally honest and hardworking. Yet voters are told every day that we are crooks, and they believe it. We need to come up with simple rules that are transparent to the public. When the occasional bad apple falls, let's deal with it openly, quickly and cleanly.

Where did we go wrong? Probably in blurring the essence of what makes Republicans distinct from Democrats. We spent money without requiring accountability, so much so that sometimes we must have looked like Democrats-lite. And except for welfare reform, we somehow managed to avoid credit for the good things that we did well despite rugged opposition and biting criticism from Democrats.

I know that when the Republican agenda matches America's agenda, our party prospers. That's why we won the majority in 1994, and while we have our disagreements, our party does not suffer the affliction of being a boiling-mad collection of fringe interests that make average Americans cringe.

Whoever does for America what Americans want done — cuts people's taxes, balances their budget, protects their privacy, cherishes integrity — they will be on track to become the most successful political party in history. That should be us, and that's why I am running for Minority Leader.

Rep. Joe Barton (R-Texas) is chairman of the Energy and Commerce Committee.

Bush And Israeli Prime Minister Maintain Tough Front On Iran (NYT)

By Jim Rutenberg

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — President Bush and Prime Minister Ehud Olmert of Israel kept up their tough talk on Iran on Monday, warning it once again to drop its nuclear ambitions, even as Prime Minister Tony Blair of Britain suggested that Tehran could take a role in stabilizing Iraq under "a new partnership."

Officials in Israel have expressed increasing fear that Mr. Bush will reduce the pressure on Iran to cease its nuclear program as calls increase from European allies and at home to seek Tehran's help in Iraq.

But Mr. Bush, speaking after his meeting with the Israeli leader, said his position on talks with Iran had not changed. "If the Iranians want to have a dialogue with us, we have shown them a way forward," he said, "and that is for them to verify — verifiably suspend their enrichment activities."

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In comments to reporters, Mr. Olmert warned that Iran posed a threat not just to Israel, but to the world. A spokeswoman said later that was his main message to President Bush during their nearly hour-long Oval Office meeting on Monday, though State Department officials said Mr. Bush needed no such reminders.

"The fact that the leader of a nation such as Iran can threaten the very existence of another nation, as he does towards Israel," Mr. Olmert said of the Iranian leader Mahmoud Ahmadinejad, "is not something that we can tolerate or would ever tolerate."

Mr. Blair spoke in a foreign policy address in Britain about the same time that Mr. Bush and Mr. Olmert met, first in the Oval Office and then for a working lunch that included some of their top aides. It was the second White House meeting between the leaders since Mr. Olmert became prime minister, and their first since Israel's unsuccessful campaign against Hezbollah in Lebanon this summer.

Though Mr. Blair's stance on Iran, telegraphed in the British press beforehand, hovered over the talks in Washington, American officials were careful to note that Mr. Blair had made tough demands, including an insistence that Iran would have to change its behavior drastically to become a negotiating partner.

Both Mr. Bush and Mr. Olmert entered the talks in weakened political positions: Mr. Olmert's popularity has dipped significantly since the 34-day war with Hezbollah; Mr. Bush lost his governing Congressional majority just one week ago.

Mr. Bush and Mr. Olmert also warned Syria against interfering in Lebanon, where Hezbollah has provoked a political crisis by seeking more power in the government. But the two leaders seemed more open than they have been recently concerning possibly closer relations with Syria, with Mr. Olmert saying, "I hope that one day the conditions for contacts between them and us will be created."

A spokeswoman for Mr. Olmert, Miri Eisin, said Mr. Olmert and Mr. Bush discussed everything from the American elections to the Israeli economy. But Ms. Eisin said that "the Iranian issue was the main issue on the table" and that Mr. Olmert was comforted by Mr. Bush's tone.

Ms. Eisin said Mr. Bush and Mr. Olmert also discussed the Israeli-Palestinian peace process, though that process is in limbo as the militant Palestinian faction of Hamas seeks a new political leader who can work with President Mahmoud Abbas of the Palestinian Authority to form a coalition government. The United States and the European Union have suspended aid to the Authority until Hamas, which came into power in the spring, recognizes Israel and existing Palestinian agreements with it. Hamas and Mr. Abbas are seeking a way to restart the flow of money.

Bush Meets With Israeli PM, Urges Global Isolation Of Iran (USAT)

From Wire Reports

USA Today, November 14, 2006

WASHINGTON — President Bush called Monday for worldwide isolation of Iran until it "gives up its nuclear ambitions."

The risk to the world extends beyond Israel and the Middle East, Bush said after meeting with Israeli Prime Minister Ehud Olmert at the White House. The United States and Israel say Iran is working on nuclear weapons. Iran says its work is aimed at producing energy.

"Iran's nuclear ambitions are not in the world's interest," Bush said. "If Iran had nuclear weapons it would be terribly destabilizing."

Olmert said he was not looking for a confrontation with Iran. "I am not looking for wars," he said before meeting Bush. Israel is worried by Iranian President Mahmoud Ahmadinejad's repeated calls to destroy Israel. Olmert said: "This is not an issue of Israel only. This is a moral issue of the whole world."

Bush's prescription for dealing with Iran: having the United Nations impose sanctions to force Iran to stop uranium enrichment. Diplomats at the U.N. have been trying to agree on a resolution that would place sanctions on Iran for refusing to halt its enrichment program.

"If they continue to move forward with the program, there has to be a consequence," Bush said. "And a good place to start is working together to isolate the country."

Palestinian gestures toward peacemaking with Israel also were a key topic. In an interview with the Palestinian daily Al-Quds published Monday, Olmert said he would be willing to talk to the militant Hamas group that has led the Palestinian government since January if it renounced violence, recognized Israel and accepted past peace deals, as demanded by the United States, the European Union and Israel.

Bush, Olmert Unite Against Nuclear Arms In Iran (WT)

By Stephen Dinan And David Sands

DOJ_NMG_0093975

The Washington Times, November 14, 2006

President Bush and Israeli Prime Minister Ehud Olmert said yesterday that they cannot accept a nuclear-armed Iran, and the Israeli leader accused the Islamic republic of "fanaticism."

After a private meeting at the White House, they told reporters that they want to continue to isolate Iran until it halts uranium-enrichment efforts, which they think is part of a nuclear-weapons program.

"It's very important for the world to unite with one common voice to say to the Iranians that if you choose to continue forward, you'll be isolated. And one source of isolation would be economic isolation," Mr. Bush told reporters.

The United States has let European nations take the lead in the slow diplomacy to try to block Iran's nuclear program, but Mr. Bush -- with Israel as a very interested partner -- has pushed for stronger statements and specific consequences should Iran continue the program.

Mr. Olmert said that Israel, which is widely thought to have a nuclear arsenal, is worried about statements by Iran's president threatening the existence of Israel and that those threats are "not something that we can tolerate or would ever tolerate, and certainly not when we know that he is trying to possess nuclear weapons."

Briefing reporters after the White House meeting, Olmert spokeswoman Miri Eisin said the Iran problem and the Israeli-Palestinian peace process took up much of the discussions, with broad areas of agreement on both issues between the two leaders.

Mrs. Eisin said Israel was "not against compromise" with Tehran so long as the Islamic republic did not develop or acquire nuclear weapons. Iran, she said, "needs to fear the implications if they don't compromise" on the nuclear issue.

The spokeswoman sidestepped questions about an upcoming Iraq report by a bipartisan commission led by former Secretary of State James A. Baker III. The panel, which met with Mr. Bush yesterday just before Mr. Olmert did, is said to be considering several major changes to U.S. policy on Iraq and the Middle East, including direct talks with Syria and Iran, and pressure on Israel to seek a peace deal with moderate Palestinians.

Mrs. Eisin said that Israel recently has seen "very positive" statements by moderate Arab leaders in Egypt, Saudi Arabia and Jordan about reviving the peace process and that Mr. Olmert repeatedly has stressed willingness to meet with Palestinian Authority head Mahmoud Abbas "at any time."

The spokeswoman said that Mr. Bush and Mr. Olmert had a "long discussion" on Iraq, and that Mr. Olmert gave assurances that "Israel will be behind America whatever the U.S. chooses to do."

There were no major points of disagreement in the talks, Mrs. Eisin said.

"Not every visit is a dramatic one," she said. "This was not a dramatic visit."

Bush, Olmert Warn Of Threat In Iran (AP)

By Barry Schweid

AP, November 14, 2006

At a potential turning point in its war in Iraq, the Bush administration paused Monday to huddle with worried ally Israel over the crisis next door in Iran and to take stock of other Mideast trouble spots.

Israel is worried that political fallout from the Republican election losses and rising calls for U.S. engagement with Iran may soften President Bush's resolve against a country whose president has said the Jewish state should be wiped from the map. Bush offered some reassurance on Iran during an Oval Office meeting with Israeli Prime Minister Ehud Olmert.

"I recognize the threat to world peace that the Iranians ... pose, as does the prime minister," Bush told reporters following the 90-minute meeting.

Olmert's White House meeting, his first since an inconclusive war with Hezbollah militants in Lebanon weakened his own political footing at home, also covered the deteriorating political situations in the Palestinians territories and in Lebanon, U.S. and Israeli officials said. Iraq was a topic, but Israelis made clear that Iran's influence and support for terrorism was foremost on Olmert's mind.

"The Iran issue was the main issue on the table," Olmert spokeswoman Miri Eisin told reporters after the session. "Talking about what you do with this combination, what do you do with a president who not only backs terror but is actively pursuing nuclear weapons?"

The United States alleges that Iran has a rogue nuclear weapons program and is pressing for United Nations Security Council sanctions to punish Iran if it will not scale back sensitive nuclear fuel production. Israel is a presumed target if Iran produced a bomb. Iran denies that it is trying to build nuclear weapons.

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The nuclear threat has been the focus of recent U.S. concern about its old adversary, but Iran also has unique influence within its Shiite neighbor Iraq and the potential to undermine the U.S. goals for a unified Iraqi government up to the task of securing and running the country when the U.S. withdraws.

Bush saw Olmert on the same day he was interviewed by an independent panel studying U.S. options in the Iraq war. The bipartisan group's report next month is expected to offer the Bush administration a possible path to change course or scale back its ambitions in the war now in its fourth year.

The Iraq Study Group may also address possible U.S. responses if the rising sectarian warfare in Iraq becomes the all-out civil war that Israel and many other Mideast neighbors fear.

One of the group's co-chairs, the influential Bush family adviser James A. Baker III, has said the United States should not cut off dialogue with its adversaries, and the group may recommend a new overture to Iran and Syria. Israeli officials say they fear any accommodation of Iran, and has tried to keep up pressure among European allies as well as the United States.

"There is no question that the Iranian threat is not just a threat for Israel, but for the whole world," Olmert said following the session with Bush. "The fanaticism and the extremism of the Iranian government, and the fact that the leader of a nation such as Iran can threaten the very existence of another nation, as he does towards the state of Israel, is not something that we can tolerate."

The Bush administration reversed itself earlier this year and offered to bargain face to face with Iran for the first time in years, if Iran would first suspend disputed nuclear activities.

Iran has so far refused the offer and spurned a package of economic and political incentives that the West hoped to trade for nuclear concessions.

Bush said the U.S. has not changed the terms, and he warned of "economic isolation" for Iran if it presses ahead.

"There has to be a consequence for their intransigence," Bush said.

Negotiations over initial, mild U.N. sanctions on Iran have gone slowly this fall, and it is not clear that the United States has support from key partners Russia and China to slap more punishing restrictions on the oil-rich regime. Neither the U.S. nor Israel has independent economic clout with Iran.

Why Iran Shares U.S. Spotlight With Iraq (WSJ)

By Yochi J. Dreazen And Neil King Jr.

The Wall Street Journal, November 14, 2006

WASHINGTON -- Last week's midterm elections were largely about Iraq, but when President Bush departs for an eight-day Asia swing today, another country will top his list of concerns: Iran.

How to deter Iran's nuclear ambitions and persuade the country to help stabilize neighboring Iraq is expected to be a main topic during Mr. Bush's private meetings with Russian President Vladimir Putin and Chinese President Hu Jintao. Russia and China have expressed reservations about U.S. and European efforts to pass a United Nations Security Council resolution designed to force Iran to rein in its nuclear program.

The Bush administration has long ruled out direct talks with Iran unless Tehran suspends its uranium-enrichment efforts. But the White House is facing mounting domestic and international pressure to seek Iranian help in calming the situation in Iraq. British Prime Minister Tony Blair and Australian Premier John Howard said Monday they were in favor of talking to Iran and Syria about ways to reduce the violence in Iraq -- a stance shared by many influential U.S. lawmakers from both parties.

Calls for direct talks with Iran are likely to increase. The Iraq Study Group, a bipartisan panel led by former Republican Secretary of State James Baker and former Rep. Lee Hamilton, a Democrat, is expected to recommend that the U.S. negotiate with regional powerhouses like Iran and Syria about Iraq, said people familiar with its work.

Members of the Baker-Hamilton commission met with Mr. Bush and his top national-security team for the first time yesterday at the White House. Speaking to reporters afterward, Mr. Bush said he was "impressed by the questions they asked" and looking forward to reading the group's report. Many say they hope the report, which is expected next month, can serve as a blueprint for overhauling U.S. policy in Iraq.

The administration would face tough choices in any potential negotiations with Iran. Tehran is expected to seek U.S. concessions regarding its nuclear program in exchange for providing any assistance in Iraq. Mr. Bush has ruled out allowing Iran to develop nuclear weapons, so it is unclear what, if anything, the U.S. would be willing to give Iran in return for its help.

"They would certainly want a quid pro quo. And the question would be: If they want it, what are we prepared to give them?" said David Steinberg, a foreign-policy expert at Georgetown University.

White House officials yesterday reiterated that the U.S. would talk to Iran only if it halts its uranium-enrichment work, citing Mr. Bush's comments yesterday that his position on Iran "hasn't changed." National Security Council spokesman Gordon

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Johndroe declined to say whether the administration expects Iran to seek U.S. concessions on its nuclear program in return for any assistance in Iraq, or how the U.S. would respond.

"What we expect Iran to do is stop meddling in Iraq, and to stop providing weapons there that are used to kill Iraqis and Americans," he said.

Mr. Bush is bringing a range of objectives to his Asia trip, which will take him to Singapore, Vietnam and Indonesia. The centerpiece is a three-day stop in Hanoi for the Asia-Pacific Economic Cooperation forum, where Mr. Bush is scheduled to sit down Sunday with a number of regional leaders, including President Hu, to talk trade, regional security, and issues such as North Korea's nuclear program.

Mr. Bush will depart for Asia on a sour note after the lame-duck Congress failed to pass legislation lifting Cold War-era economic restrictions on Vietnam and granting the country the same benefits as other U.S. trading partners in the World Trade Organization. Mr. Bush had hoped to arrive in Vietnam with the measure in place, but the congressional setback makes that far less likely. Even if they opt to try again, supporters of the bill have only a small window of time this week to get the bill through both the House and the Senate before Mr. Bush's arrival in Vietnam Friday.

Still, Iran will cast a shadow over Mr. Bush's trip, as he seeks to reach consensus with several putative allies over the nuclear programs of both Iran and North Korea.

For more than two months, the five permanent members of the U.N. Security Council -- the U.S., Britain, France, China and Russia -- have tussled over how to pressure Tehran after it spurned an earlier U.N. resolution demanding it suspend its uranium-enrichment work, and persuade it to join talks on the future of its nuclear program.

Negotiations at the U.N. over the issue ground to a halt last week over Russian objections to a draft sanctions resolution put forward by Britain, France and Germany. Both Russia and China worry that a possible hard-line resolution could pave the way for an eventual military attack on Iran by the U.S. and others. Russia is also concerned that a sanctions push may turn Iran away from future talks and spur it to follow the example set by North Korea, which conducted its first nuclear-weapons test.

Moscow is eager to preserve Russia's lucrative business dealings with Iran, primarily at the nuclear-reactor project in the Iranian port city of Bushehr.

China, which considers Iran to be far less important strategically than North Korea, also is anxious to preserve good relations with Iran. Iran is China's third-largest supplier of crude oil and an expanding market for Chinese goods.

Mr. Putin met Saturday with Iran's top nuclear negotiator, Ali Larijani, as part of a Russian bid to head off international sanctions against Iran and launch six-country talks that would include both Iran and the U.S.

Last week's Democratic sweep to take control of Congress, combined with the anticipated recommendations of the Iraq Study Group, have led many to conclude that U.S. talks may be inevitable both with Iran and with Syria, another Iraqi neighbor and U.S. rival.

"There is no alternative to this approach," said Imad Moustapha, Syria's ambassador to Washington, who said he has met with people working on the Baker report. "If not today, if not in two months time, eventually the U.S. will re-engage with Syria. It is inevitable. And the same goes for Iran."

Write to Yochi J. Dreazen at yochi.dreazen@wsj.com1 and Neil King Jr. at neil.king@wsj.com2

Tug Of War With U.S. Unsettles Neighbors (WT)

By Iason Athanasiadis

The Washington Times, November 14, 2006

TEHRAN -- Iranian leaders say that years of efforts to improve relations with the country's Arab neighbors are being undermined by the hard-line policies of President Mahmoud Ahmadinejad and the nation's support for Shi'ite groups in Iraq.

Some diplomats and foreign policy analysts argue that the United States is working to hasten this process by encouraging the formation of a Sunni political coalition in Baghdad with the tacit support of the region's conservative Arab states.

"The U.S. strategically needs to stay in Iraq, but all conditions are against it," said Ali Khorram, an analyst who has served as Iran's ambassador to various U.N. bodies. "For the situation to change, they're fabricating an enemy for the Arab countries of the region -- and that is the Islamic Republic of Iran."

Splits reportedly have been developing within the Iranian leadership since before the summer. A faction led by Ali Larijani, the secretary of the Supreme National Security Council, supports reopening negotiations with the West over Iran's nuclear program. Another group, led by Mr. Ahmadinejad, maintains a hard-line stance.

Mr. Ahmadinejad "is counting for everything on Iraq, on the U.S. getting stuck there," said a close acquaintance of the president. "But he doesn't realize that [President] Bush doesn't care, he doesn't have anything to lose."

Mr. Ahmadinejad "is doing a big gamble, and it's not a calculated one."

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Iran suffered through a destructive eight-year war after an Iraqi invasion in September 1980. The Arab states of the Persian Gulf bankrolled Saddam Hussein's war effort with an estimated $1 billion a year because they feared an aggressive revolutionary Shi'ite republic.

Since the start of that war, Iran has worked diplomatically to reassure its Arab neighbors that it is not a threat. President Mohammed Khatami pursued that effort aggressively until Mr. Ahmadinejad replaced him last year.

"Mahmoud [Ahmadinejad] is demolishing all these efforts that Khatami made to allay the Arabs' fears of us," said the president's close acquaintance.

"He believes that Iran has to be a superpower and does not like the Arab monarchies because he's anti-shah. So he's returning the revolution to where we started, and it's taken 25 years to assure [the Arabs] that we're not a threat."

Mr. Ahmadinejad told Jordan's King Abdullah II that improved relations with Arab states were a priority for his government, the Islamic Republic News Agency reported.

The leaders of Sunni Arab powerhouses Saudi Arabia, Egypt and Jordan have warned against the creeping influence of political Shi'ite Islam after political gains by the minority sect in Iraq and Lebanon.

Many Iranians interpreted the war this summer between Israel and the Shi'ite Lebanese political movement Hezbollah as an indirect attempt by Israel and the United States to obstruct Tehran's reach in the Arab Middle East by targeting its Lebanese ally.

Saudi Arabia surprised the region when it publicly condemned Hezbollah's seizure of two Israeli soldiers -- the act that sparked the war -- as an "uncalculated adventure."

Egyptian Foreign Minister Ahmed Abul Gheit said Hezbollah Secretary-General Hassan Nasrallah sought a war with Israel "to find a way out" from international pressure for Lebanon to disarm his group and replace its soldiers in southern Lebanon with the Lebanese army.

Jordan's King Abdullah cautioned against a "Shi'ite axis" stretching from Tehran to Beirut, arcing across Baghdad and Damascus.

With a cease-fire holding in Lebanon, the focus has shifted to Iraq, where Iran has established a strong network of allies through generous funding to mostly Shi'ite and Kurdish groups. Several Shi'ite political groups waited out Saddam's rule in Tehran and returned in 2003 during the U.S.-led invasion.

"The U.S. will not leave Iraq until its attrition increases and reaches Vietnam levels," Mr. Khorram said. "Otherwise, both Republicans and Democrats will continue the policy of remaining there. U.S. politicians don't listen to anyone except a very high casualty rate."

Israel Army To Resume Guerrilla Training (AP)

By Mark Lavie

AP, November 14, 2006

The Israeli military will restore its guerrilla warfare training center following its experience fighting Hezbollah militants in Lebanon, using a distinctly modern method — paintball.

During the 34-day war last summer, Hezbollah guerrillas exacted a heavy toll against the Israelis with ambushes, mortars and anti-tank missiles. While not admitting that lack of guerrilla training was a factor in its shortcomings, the Israeli military is planning to restart the program, according to the current issue of the soldiers' weekly, Bamahaneh.

The Israeli military closed down its guerrilla warfare training facility at the Elyakim base in Israel's north after Israeli forces pulled out of Lebanon in 2000, following an 18-year guerrilla war against Hezbollah.

The military has been harshly criticized for the way it handled the latest fighting in Lebanon, and many soldiers, especially reservists, complained their equipment and training were inadequate.

Soldiers will learn camouflage techniques, navigation by GPS satellite systems, construction of hidden outposts and other skills, Bamahaneh said, and they will test their newly won abilities in paintball maneuvers.

Lt. Col. Lior Lifshitz, commander of the Elyakim base, told the weekly that he hopes to set up a permanent paintball course at the base. In addition, the guerrilla training will be taken to all the bases in the northern command area, with courses for both soldiers and officers.

"Our goal is to establish a cycle, so that within two years officers would receive extensive training and soldiers some training," Lifshitz told the publication.

The new center, which is to be operational within a few months, will also supply guerrilla warfare equipment to the various army units, the weekly reported.

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Bush Faces New Calls To Shift Policies On Mideast (WP)

By Michael Abramowitz And Thomas E. Ricks

The Washington Post, November 14, 2006

President Bush came under new pressure yesterday at home and abroad to alter his policies in the Middle East. British Prime Minister Tony Blair pushed for a broader Arab-Israeli peace initiative to help stabilize Iraq, while the incoming chairman of the Senate Armed Services Committee pledged to take a hard line on seeking early troop withdrawals.

Bush offered little indication that he is planning to adjust his approach, telling reporters gathered in the Oval Office that "the best military options depend upon the conditions on the ground" in Iraq. The president also met for more than an hour with former secretary of state James A. Baker III, former representative Lee H. Hamilton (D-Ind.) and other members of the bipartisan Iraq Study Group, which is looking to chart a new course in the war.

Asked about calls for dialogue with Iran and Syria to help curb violence in Iraq, Bush said there was no change in his position that Iran must first suspend uranium enrichment. "Our focus of this administration is to convince the Iranians to give up its nuclear weapons ambitions," Bush said after a meeting with Israeli Prime Minister Ehud Olmert. "That focus is based upon our strong desire for there to be peace in the Middle East. And an Iran with a nuclear weapon would be a destabilizing influence."

Bush and Olmert told reporters that they spoke at length about the problems posed by Iran. "There is no question that the Iranian threat is not just a threat for Israel but for the whole world," Olmert said.

The day's events underscored the rapidly evolving political landscape for the White House, which finds itself trying to balance the desire for change voiced by the electorate last Tuesday with the president's frequently stated conviction that the United States must remain engaged militarily in Iraq until the government there can maintain its own security.

The White House will also have to deal with a Congress controlled by Democrats, a difference highlighted by Sen. Carl M. Levin (D-Mich.) as he outlined the new agenda of the Armed Services Committee, which for the past four years has been largely deferential to Bush's conduct of the war. Levin said he plans to step up the committee's activities, reviewing the state of military readiness and conducting more oversight of such issues as the rendition of terrorism suspects to countries suspected of practicing torture.

Levin also served notice that he intends to take a strong line on withdrawing U.S. forces from Iraq, telling reporters that he thinks a slim majority of the Senate may back his call for a "phased redeployment" of more than 140,000 U.S. troops.

"We had 40 senators who voted that way essentially six months ago, roughly, and there may be 50 or 51 senators that will vote that way now," Levin said at a news conference, referring to a bill that would call on the president to inform the Iraqi government that U.S. forces would begin leaving Iraq in four to six months.

In London, meanwhile, Blair suggested a desire for a more aggressive Western initiative to resolve the Israeli-Palestinian conflict as a key to tamping down violence in the region, a recommendation that is also reportedly under consideration by the Iraq Study Group. Blair said that resolving the Arab-Israeli dispute, stabilizing Lebanon and pressuring Iran to halt its support of militants are key to helping reduce bloodshed in Iraq.

"A major part of the answer to Iraq lies not in Iraq itself but outside it, in the whole of the region where the same forces are at work, where the roots of this global terrorism are to be found, where the extremism flourishes," said Blair, Bush's closest international ally on Iraq.

Blair is scheduled to amplify his views today in a private videoconference with members of the Baker-Hamilton group, which will soon begin deliberating specific recommendations after months of interviews with senior policymakers in America, Iraq and elsewhere.

The White House was extremely guarded yesterday about the round of meetings the study group held with Bush and other members of his administration, including Secretary of State Condoleezza Rice, national security adviser Stephen J. Hadley and Vice President Cheney. Bush said he was not going to "prejudge" the group's report, which is expected in early December. He said that they had a "really good discussion" and that he was looking forward to "interesting ideas."

White House press secretary Tony Snow and other aides offered little elaboration, describing the session as a "general conversation about the situation there." Snow said it was not a time for "proposal shopping" by the study group.

Rice postponed a trip to Vietnam for an Asia-Pacific conference to instead hold informal talks about Iraq at the State Department and the White House, the State Department said. She spent about an hour with the Iraq Study Group and planned to leave today for Vietnam.

While the Baker-Hamilton group is looking at a range of issues, many lawmakers believe its significance may be more about politics than advancing new proposals. "By now the lack of a silver bullet is clear to everybody," said Rep. Tom Lantos (D-Calif.), the incoming chairman of the House International Relations Committee. "I think the value of the Baker-Hamilton commission is it is bipartisan, and hopefully it will receive serious bipartisan study."

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Levin said he has "some optimism" that the study group will come up with some viable alternatives to the Bush administration's current policy. He also emphasized that it may not be necessary for the Senate to bend to reach agreement with the White House. In addition to "most Democrats," he said, "I believe there are some Republicans who are interested in changing the dynamic in Iraq."

Levin emphasized repeatedly that he does not believe that the current approach to Iraq is sustainable. "We're getting deeper and deeper into a hole that we should stop digging, and that we should look for alternatives in order to promote the chances of success in Iraq," he said.

Like many U.S. officials, Levin expressed some frustration with the lack of political progress in Iraq in recent months. "We cannot save the Iraqis from themselves," he said. "They, and they alone, are going to decide whether they're going to have a nation or whether they're going to have an all-out civil war."

Bush Focuses On Mideast As Troubles Mount (FT)

By Guy Dinmore And Sharmila Devi

Financial Times, November 14, 2006

President George W. Bush and his cabinet on Monday grappled with the full range of Middle East crises – from the Israeli-Palestinian conflict to Iraq's spiraling violence and the nuclear stand-off with Iran – as the White House comes under increasing pressure to change strategy on all fronts and find solutions through re-engagement.

Promising a "fresh look" and an openness to any new ideas on Iraq after the Republicans' defeat in mid-term elections for Congress last week, Mr Bush and his aides met in the Oval Office with members of the independent Iraq Study Group, headed by former Secretary of State James Baker and former Democratic congressman Lee Hamilton.

The two sides shared views on the situation in Iraq, said Tony Snow, White House spokesman. "This was not a deposition," he told reporters. The group, backed by Congress, is expected to release its recommendations on the way forward in Iraq early next year when the new Democratic- controlled Congress will start work.

Analysts say Mr Baker and Mr Hamilton are looking at an integrated response to the crisis in Iraq, which will include recommendations for a regional dialogue bringing in Iran and Syria, and possibly a renewed effort to engage in the Israeli-Palestinian peace process.

Tony Blair, the UK prime minister, is the latest ally to add his voice to calls on the US to involve Iran and Syria in dialogue on Iraq rather than seek only to isolate them.

Former officials said Ehud Olmert, the Israeli prime minister who also met Mr Bush in the White House on Monday, was alarmed at suggestions of linkage between the peace process and events in Iraq or Iran's nuclear programme. A senior state department official raised a storm in September when he suggested at a pro-Israel forum that the US needed to make progress towards a two-state solution to the Palestinian conflict in order to gain leverage among Arab allies in forming a strong coalition against Iran.

Mr Bush, speaking alongside Mr Olmert, responded to Mr Blair's proposals by reiterating the US would not negotiate directly with Iran until it suspended its nuclear fuel programme, as demanded by the UN Security Council.

Both leaders, who would both find a warmer welcome in each other's legislatures rather than at home, spoke of the threat presented by Iran's nuclear programme. Mr Bush said Iran should face "isolation" through sanctions, which the US is struggling to organize in the face of opposition from China and Russia at the UN.

Earlier, Mr Olmert said on Iran: "I am not looking for wars." In an interview with NBC, he said he would accept "every compromise that will stop Iran from acquiring nuclear capabilities which will be acceptable to President Bush".

Asked about the possibility of Israeli re-opening peace talks with Syria, Mr Olmert Israel " would love to be able to have negotiations with Syria" but that Syria's behaviour in Lebanon and Iraq ruled out talks.

Blair Calls For 'Whole Middle East' Strategy, Pressure On Iran (WP)

By Kevin Sullivan

The Washington Post, November 14, 2006

LONDON, Nov. 13 -- Prime Minister Tony Blair said Monday that any solution to the Iraq crisis must involve a "whole Middle East" strategy that starts with addressing the Israeli-Palestinian conflict and includes pressuring Iran to stop backing radical extremists across the region.

"Just as the situation is evolving, so our strategy has to evolve to meet it," Blair said in a foreign policy speech a day before he was to share his views in a videoconference with the Iraq Study Group, which is reviewing U.S. policy in Iraq.

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Blair, who has been President Bush's chief foreign ally in the Iraq war, offered no dramatic new policy proposals on Iraq or the Israeli-Palestinian conflict, which he called the region's "core" issue.

But he placed new emphasis on the importance of confronting outside elements -- he singled out at length the government in Iran -- that are "trying to create mayhem inside Iraq."

"A major part of the answer to Iraq lies not in Iraq itself but outside it," Blair said during the speech at London's ornate Guildhall. He said Iraq policy must address the broader issue of a global anti-Western campaign of "terrorism based on a thoroughly warped misinterpretation of Islam."

"In Iraq, the pressure from such terrorism has changed the nature of the battle. Its purpose is now plain: to provoke civil war," Blair said, adding that Iran, al-Qaeda and other outside extremists were joining forces with Iraqi radicals to "foment hatred" and choke off development of Iraq's democratically elected government.

Blair said Iran was backing Shiite militias in Iraq, Hezbollah in Lebanon and the most radical elements of Hamas in the Palestinian territories. He said Iran was "using the pressure points in the region to thwart us."

"What is happening in the Middle East is not complex," Blair said. "It is simple. Iran is being confronted over its nuclear weapons ambitions. Its stock market has lost a third of its value in the last year, and foreign credit is increasingly hard to come by. The statements of the president -- such as wiping Israel from the face of the earth -- are causing alarm, even in Iran."

He said Iran's strategy has been to "put obstacles in the path to peace and paint us -- as they did over the Israel-Lebanon conflict -- as the aggressors. They inflame the Arab street. They create political turmoil in our democratic politics."

Blair said "a new partnership is possible" with Iran if it supports the peace process between Israel and the Palestinians, stops supporting extremists and cooperates with U.N. demands to curb its nuclear ambitions.

"Alternatively, they face the consequences of not doing so -- isolation," Blair said.

Blair passionately defended his close alliance with Bush and the United States, which has severely damaged his popularity among the British public.

"We need America. That is a fact," he said, calling Britain's partnerships with the United States and the European Union crucial to the country's future strength.

"Take any problem Britain wants solving: global terrorism (assuming you don't believe that, but for George Bush, it wouldn't exist); climate change; Israel-Palestine; Iran and North Korea's nuclear program; world trade; or Africa right now, Sudan in particular; global poverty. We may agree or disagree with the United States' position on some or all of these issues. But none of these vital British concerns can be addressed, let alone solved, without America."

Blair also defended Bush, who is wildly unpopular in Britain. He said some in Britain profess that it is not America they dislike, but Bush personally.

"That's a comforting argument. It separates anti-America from anti-Bush," Blair said. "However, in my view it is also a cop-out."

He said the Sept. 11, 2001, attacks "would have changed any American president's foreign policy."

"Following 9/11, American policy was going to shift," he said. "It was going to get out after the terrorists with all America's might, and any president who didn't do it wasn't going to be president for long."

Blair Urges Strategy Change In Mideast, Spotlighting Iran (NYT)

By Alan Cowell

The New York Times, November 14, 2006

LONDON, Nov. 13 — Confronted by likely changes in American policy on the war in Iraq, Prime Minister Tony Blair of Britain said Monday that the “nature of the battle” had changed and that Western strategy in the Middle East must “evolve,” possibly to include a “new partnership” with Iran.

Iran has a choice, Mr. Blair said, of partnership or isolation. But he took pains, in his annual foreign policy speech, to avoid giving the impression that he was making major policy changes in response to uncertainties surrounding the Bush administration after the American elections last week. He also laced his speech with criticism of Iran, accusing it of “using pressure points in the region” to thwart Western diplomacy.

President Bush said Monday in Washington that Iran must first halt its enrichment of nuclear fuel if it wanted to enter into negotiations, calling the prospect of a nuclear Iran “incredibly destabilizing.”

Mr. Blair’s nuanced gestures on Iran, and also Syria, were made a day before he speaks by video link to a bipartisan panel in Washington, the Iraq Study Group, on some of the same themes. Mr. Bush spoke to the group on Monday. Mr. Blair’s address Monday night was his first major statement since last week’s triumph by the Democrats in the American elections.

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He rebutted the notion that Iraq's turmoil could be attributed to the way Britain and the United States had conducted their occupation.

He said terrorism in Iraq had "changed the nature of the battle," and added: "Its purpose is now plain: to provoke civil war. The violence is not therefore an accident or the result of faulty planning. It is a deliberate strategy. It is the direct result of outside extremists teaming up with internal extremists."

But he acknowledged that the Western strategy should change. "Just as the situation is evolving, so our strategy should evolve to meet it," he said.

He urged a major political, economic and military strengthening of the Iraqi government but went on to say that a "whole Middle East strategy" was needed: "Just as it is, in significant part, forces outside Iraq that are trying to create mayhem inside Iraq, so we have to have a strategy that pins them back, not only in Iraq but outside it, too."

"There is a fundamental misunderstanding that this is about changing policy on Syria and Iran," he continued. "First, those two countries do not at all share identical interests. But in any event that is not where we start."

Mr. Blair called a settlement between Israel and the Palestinians "the core" of the broader effort for peace, followed by a renewed effort to resolve differences over Lebanon.

Criticizing Iran's leadership, he said, "They help the most extreme elements of Hamas in Palestine, Hezbollah in Lebanon, Shia militia in Iraq." He repeated a call he made in July for Western powers to "offer Iran a clear strategic choice" to help Middle East peace efforts, withdraw support for "terrorism in Lebanon or Iraq" and abide by international nuclear obligations.

In advance of his speech, British newspapers and official leaks of the address had suggested that Mr. Blair would seek a new compact with both Syria and Iran as potential interlocutors for Middle East peace. But a British official, who spoke on condition of anonymity under civil service rules, said Mr. Blair did not wish to give the impression "that there is some big strategic shift going on" because Britain had always "had a policy of engagement with" Syria and Iran.

Des Browne, defense secretary of Britain, told the BBC on Monday, "Change has been under way for some time now and it distorts the reality to suggest that that change is predicated upon a change in American politics."

Britain, with France and Germany, has played a central role spearheading European efforts, in tandem with the United States, to curb Iran's nuclear ambitions. Mr. Blair sent his chief foreign policy adviser, Sir Nigel Sheinwald, on an unannounced visit to Syria last month, apparently to sound out the leadership there on its readiness to promote settlement efforts.

Mr. Blair also dwelt on his close support for the United States in Iraq, an alliance that has cost him much of the popularity he had when he took power in 1997. "We need America; that is a fact," he said.

But he balanced his remarks with overtures toward the European Union, some of whose leaders have questioned Mr. Blair's close ties to Mr. Bush.

"Our partnership with America and our membership of the European Union are precisely suited to Britain," he said. "For that reason, it would be insane for us to give up either relationship."

Mr. Blair is already under pressure from his own military to withdraw from Iraq. But calls by Democrats in the United States for new thinking on Iraq have unnerved some British politicians, who fear that a speedy American withdrawal would jeopardize British troops.

William Hague, the opposition Conservative Party spokesman on foreign affairs, said Monday, "It is very important that there is heavy British involvement in that reassessment, that it is not just an American process."

Blair Wants Iran To Aid Mideast Peace (AP)

By David Stringer

AP, November 14, 2006

The West should press Iran to help stem bloodshed in neighboring Iraq and build stability across the Middle East, British Prime Minister Tony Blair said Monday, outlining his hopes for a future peace process in the region.

Blair also rebuked critics who argue Britain's close relationship with the United States has been damaging and defended close involvement with the European Union, according to a text of his speech prepared for delivery.

"It would be insane — yes, I would put it as strongly as that — for us to give up either relationship," according to his speech. "Anti-Americanism or Euro-skepticism are not merely foolish, they are the surest route to the destruction of our true national interest."

Britain has sent more troops to Iraq than any nation besides the United States, and rising violence there — and a British death toll that reached 125 on Sunday — have heightened calls for a course change.

Because much of the militancy in Iraq comes from outside its borders, Blair said a "whole Middle East strategy" was needed to counter it.

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Resolving the Israeli-Palestinian conflict must be the core of such an approach, he argued, followed by efforts to stabilize Lebanon and unite moderate Arabs and Muslims behind a push for peace in those countries and in Iraq, Blair's speech said.

"A major part of the answer to Iraq lies not in Iraq itself but outside it, in the whole of the region where the same forces are at work, where the roots of this global terrorism are to be found, where the extremism flourishes," he said.

Blair accused Tehran of aiding Shiite militias in Iraq, Hezbollah in Lebanon and the most extreme elements of Hamas in the Palestinian territories.

"They put obstacles in the path to peace, paint us ... as the aggressors, inflame the Arab street and create political turmoil in our democratic politics," his text said.

The West must reiterate demands that Iran cease its support for extremists and suspend its uranium enrichment program. "Or alternatively they face the consequences of not doing so — isolation," he said.

Blair's address, to be delivered a day before he speaks by video-link to America's Iraq Study Group — a bipartisan Washington commission attempting to set a new course for the Iraq war_ is aimed at promoting dialogue with both Iran and Syria, his office said.

The prime minister's spokesman rejected the possibility that either country could be rewarded for cooperation in the Middle East peace process, ruling out any negotiations with Iran over its contentious nuclear program in return for support over Iraq.

President Bush's chief of staff, Josh Bolten, said Sunday the White House would consider opening talks with Syria and Iran if the study group headed by former Secretary of State James A Baker III and former Democratic Rep. Lee Hamilton recommended it.

Blair said international forces must "plug any gaps" in training, equipment and command and control in the Iraqi army, as well as helping Baghdad's interior minister root out sectarianism in the police force. The prime minister has repeatedly said that British troops will remain in Iraq until Iraqi forces can take responsibility for security.

Blair Presses For Rethink In Iraq, Warns Iran (AFP)

By Prashant Rao

AFP, November 14, 2006

British Prime Minister Tony Blair called for a change in strategy in violence-torn Iraq, in particular warning Iran to stop aiding insurgents there and elsewhere.

In a keynote speech in London, he said the three-year-old conflict -- in which US and British troops appear increasingly mired -- needs to be seen as part of a "whole Middle East" strategy.

"Just as the situation is evolving, so our strategy has to evolve to meet it," he said.

In advance of the speech, Blair's office had suggested he would focus his message on efforts to persuade Syria and Iran to help defuse the violence in Iraq, as well as elsewhere.

But the final version of the speech omitted almost all reference to Syria, while offering Iran a "strategic choice": essentially, help the West or face increasing isolation.

"There is a fundamental misunderstanding that this (strategy in the Middle East) is about changing policy on Syria and Iran ... in any event that is not where we start."

"On the contrary, a whole-region policy should start with Israel/Palestine. That is the core. We should then make progress on Lebanon. We should unite all moderate Arab and Muslim voices behind a push for peace in those countries but also in Iraq," he said.

In the wide-ranging address, he said a major part of the answer to the Iraq problem "lies not in Iraq itself but outside it, in the whole of the region where the same forces are at work."

"Just as it is, in significant part, forces outside Iraq that are trying to create mayhem inside Iraq, so we have to have a strategy that pins them back, not only in Iraq but outside of it too ...

"This is what I call a 'whole Middle East' strategy," he said.

Pressure for a change of direction in Iraq has been fueled by defeat for the Republican Party in last week's American mid-term elections, which led to the departure of Defence Secretary Donald Rumsfeld and leaves Bush more vulnerable in Congress.

Speaking on Iran, Blair said Tehran's strategy was simple: to deflect pressure from the West over its nuclear plans -- which Washington suspects are a cover for developing atomic weapons -- it was helping extremists in Lebanon, Iraq, and in the Palestinian territories.

"It is a perfectly straightforward and clear strategy. It will only be defeated by an equally clear one," he said.

Under this, the West should "offer Iran a clear strategic choice: they help the Middle East peace process not hinder it; they stop supporting terrorism in Lebanon or Iraq; they abide by, not flout, their international obligations.

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"In that case, a new partnership is possible. Or alternatively they face the consequences of not doing so: isolation," he said.

Blair's speech came a day before he is due to give video-link evidence to the Iraq Study Group, the bipartisan panel led by former US secretary of state James Baker, which is looking at current coalition policy in Iraq.

The British leader's testimony to the panel will come a day after the appearance of US President George W. Bush before the experts on Monday.

Speaking ahead of his testimony, Bush also warned the Iranians.

"It's very important for the world to unite with one common voice to say to the Iranians that, if you choose to continue forward, you'll be isolated," he said. "There has to be a consequence for their intransigence."

Candidate For Palestinian Premier Emerges (WP)

By Scott Wilson

The Washington Post, November 14, 2006

JERUSALEM, Nov. 13 -- A former university president in the Gaza Strip emerged Monday as the top candidate to head a Palestinian national unity government now being assembled in a bid to end the economic sanctions that have crippled the Hamas-led administration.

Officials from the rival Hamas and Fatah movements said Mohammed Shubeir, 60, is the consensus choice to serve as prime minister in a future power-sharing government whose creation has proved elusive for months.

Shubeir is not a member of Hamas, the radical Islamic movement that has run the Palestinian Authority since soon after it won January parliamentary elections. But he is closely identified with Hamas in Gaza City, where he served as president of the Islamic University of Gaza -- a key training ground for the movement's leadership -- for 12 years before stepping down in 2005.

Shubeir's selection would mark a significant step toward resolving the months-long political crisis that has battered the Palestinian economy and set off a surge of partisan fighting in the territories, especially in Gaza. As prime minister, he would be part of a new cabinet that, in addition to ministers from Hamas and Fatah, would include technocrats from outside the two main parties, including some who have worked closely with the United States.

But officials from both parties warned that work remained to be done on the future government's political program, which international donors say must recognize Israel's right to exist, renounce violence and honor previous agreements with the Jewish state in return for a resumption of aid.

"It's not a done deal yet," said Saeb Erekat, a Fatah lawmaker and the Palestinians' chief negotiator with Israel, who called Shubeir "a very strong candidate" who would be nominated only if a deal is reached on a governing platform. "For the Quartet, it's the program. That's what will matter most."

After Hamas's electoral victory, the United States, the United Nations, Russia and the European Union, known collectively as the Quartet, cut off aid that accounted for nearly half of the Palestinian Authority's operating budget. Israel also froze the roughly $55 million in monthly tax revenue it collects on the Palestinians' behalf. Israel, the United States and the European Union classify Hamas, whose founding charter calls for Israel's destruction, as a terrorist organization.

Hamas leaders refused to meet the Quartet's conditions. Their popularity in the territories slipped amid deepening economic hardship. The authority's 165,000 civil servants, more than half of them in the security forces, have received only a small fraction of their salaries in the past nine months.

Until now, Hamas officials in Gaza and the West Bank have shown more willingness to compromise than the group's hard-line political leadership in exile, led by Khaled Mashal in the Syrian capital of Damascus. Prime Minister Ismail Haniyeh of Hamas, an Islamic University graduate, has already agreed to step aside so an independent official can lead the next government.

Hamas and Fatah officials said Mashal has endorsed Shubeir, who has a doctorate in microbiology from West Virginia University. Shubeir's father was a leader of the Muslim Brotherhood, the Islamic movement from which Hamas emerged. His candidacy also fulfills a demand by Hamas that the next prime minister come from Gaza.

But Hamas officials are still seeking assurances from Palestinian Authority President Mahmoud Abbas, a member of Fatah, that international donors will restore aid if they dissolve the government. Those guarantees have not been given, although U.S. officials have been consulting closely with Abbas during the process.

Micaela Schweitzer-Bluhm, a spokeswoman for the U.S. Consulate in Jerusalem, said that regardless of who is in the next cabinet, it must meet the Quartet's criteria to receive aid.

"It is not the United States' role to decide who is and who is not in the Palestinian government," she said. "That is for them to decide."

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Hamas, Fatah Agree On Leader (WT/AP)

By Sarah El Deeb, Associated Press

The Washington Times, November 14, 2006

GAZA CITY, Gaza Strip -- The rival Fatah and Hamas movements yesterday agreed on a candidate for prime minister of their emerging coalition government, turning to a U.S.-educated professor to end months of infighting and help lift a painful international aid boycott.

The agreement was the strongest sign of progress in the negotiations, which have dragged on for months, but the government's acceptance by the United States and European Union -- both key aid donors -- could hinge on whether it will recognize Israel and renounce violence.

The compromise to make Mohammed Shabir prime minister was announced in Syria by Moussa Abu Marzouk, a top official in Hamas' exiled leadership. Palestinian Authority President Mahmoud Abbas of Fatah also supports the nomination, aides said.

Hamas and Fatah are hopeful that the 60-year-old Mr. Shabir, a soft-spoken intellectual with a doctorate in microbiology from West Virginia University, will help persuade Israel and the West to lift economic sanctions imposed after the Hamas-led government took office in March.

The international community says the Palestinian government must renounce violence, accept previous peace deals and recognize Israel's right to exist. Hamas has rejected these conditions repeatedly.

Mr. Shabir has never voiced his positions on Israel publicly, but colleagues describe him as pragmatic. Speaking to Israel's Ha'aretz daily, he said he would act "realistically" if he is formally nominated.

Mr. Shabir is well-known in the Gaza Strip and has the stature to bridge the differences between Hamas and Mr. Abbas' more moderate Fatah. The power struggle between the sides has erupted into violence periodically.

Mr. Shabir was president of Gaza's Islamic University, a Hamas stronghold, for 15 years before retiring last year. In the high-profile position, he maintained good relations with Hamas.

Many senior Hamas officials worked or taught at the university. They include the current prime minister, Ismail Haniyeh, who was Mr. Shabir's chief of staff. While thought to be sympathetic to Hamas, Mr. Shabir is not known to be a member.

Mr. Shabir also enjoys a good relationship with Fatah. When longtime Palestinian leader Yasser Arafat was alive, Mr. Shabir was a frequent visitor.

If formally nominated, Mr. Shabir would lead an emerging government of professionals -- acceptable to the major political parties but independent of them -- that Mr. Abbas hopes will satisfy the international demands.

Officials say the so-called technocrat government would take a vague position toward Israel and focus on internal Palestinian affairs, while allowing Mr. Abbas to pursue peace talks with Israel. Mr. Abbas was elected in a separate presidential vote last year.

Respected economist Salam Fayyad is being considered for the post of finance minister, a job he held until the Hamas-led government took office. Mr. Fayyad, a former International Monetary Fund official, was credited with fighting mismanagement and cronyism.

Hamas Preparing To Relinquish Control (MCT)

By Dion Nissenbaum

McClatchy, November 14, 2006

RAMALLAH, West Bank - Ten months after seizing power in a historic election, the hard-line Hamas movement is preparing to relinquish control of the Palestinian Authority in hopes of ending the international economic blockade that has prevented Hamas from effectively running the government.

In a significant concession, the Islamist militant group agreed Monday to accept a United States-educated microbiology professor to replace Hamas leader Ismail Haniyeh as prime minister. As the new prime minister, Mohammed Shabir would head a coalition of largely apolitical intellectuals designed to end the Palestinian government's global isolation.

Although a new unity government could end Hamas' short-lived reign as the ruling Palestinian party in the Cabinet, it remains far from certain that it will succeed in persuading critical foreign donors to restore millions in funding.

As soon as Hamas formed the government in March, Israel and the international community cut off virtually all outside funding to the Palestinians. Since then, the Palestinian government has ground to a halt. Hospitals are barely running. Schools have been closed for weeks. Government workers haven't been paid regular salaries in months.

Hamas is still refusing to meet one of the core international demands, though: explicit recognition of Israel.

"It is impossible for us to come out and say we recognize Israel," said Hamas negotiator Eesa Nashar.

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If the new unity government fails to take that step, it seems unlikely that Israel, the European Union and the United States will agree to resume help for the Palestinian Authority.

Palestinian leaders have been mired in negotiations over the unity government for months. Negotiators have announced breakthroughs at various points, only to have each deal break down.

One sticking point until now has been Hamas' demand that it retain the post of prime minister. But Haniyeh and his political party now have agreed to cede control to a government led by largely apolitical specialists.

On Monday, the parties settled on Shabir, the longtime head of Islamic University in Gaza City, as the new prime minister.

Shabir, 60, served as president of the Hamas-allied university for 15 years.

Although the campus has produced and hired many top Hamas leaders, Shabir hasn't been a prominent political figure. Shabir, who received a doctorate in microbiology from West Virginia University, has maintained good relations with leaders from Hamas and its more moderate rivals in the Fatah party.

If the deal falls into place, Haniyeh would resign as prime minister, clearing the way for Palestinian Authority President Mahmoud Abbas to name Shabir as his replacement. Hamas and Abbas' Fatah party still have to agree on who will fill the other Cabinet posts, including that of foreign minister.

Hamas' decision is a significant concession. It long had argued that the international community should support its government because it fairly won the Palestinian elections in January.

Israeli leaders suggested that the political change was a clear sign that the international isolation had been a success.

"This policy is apparently working, and the proof of this is that Hamas members understand they cannot continue with their ideology and remain in power and receive money or legitimization from the international community," Israeli Foreign Minister Tzipi Livni said in a weekend interview on Israel Radio.

Hamas leaders rejected that contention and noted that they'd sought to form a unity government from the start. Fatah refused to join the government until Hamas agreed to moderate its hard-line position on Israel.

Before restoring funding to the Palestinians, Israel and its global allies, known as the Quartet (Russia, the United States, the United Nations and the European Union), have demanded that the Palestinian government recognize Israel, accept past agreements and renounce violence.

If the new government takes those steps, Israeli and American officials said Monday that they would agree to work with the Palestinian coalition - even if it includes members of Hamas.

"If the government guidelines recognize the three conditions of the Quartet, then we would deal with that government," said Miri Eisin, a spokeswoman for Israeli Prime Minister Ehud Olmert.

But Hamas is still refusing to explicitly accept Israel as a neighbor. Instead, it's agreeing to accept a platform that implicitly recognizes Israel.

Still, leaders with Hamas and Fatah voiced optimism Monday that the final critical details could be worked out and that the unity government could be installed by early December.

"We have arrived at the point of no return with regard to the formation of a national government," said Fatah spokesman Walid Awad. "We think there will be a positive outcome."

World Leaders Release Plan For Resolving East-West Rift (NYT)

By Sebnem Arsu

The New York Times, November 14, 2006

ISTANBUL, Nov. 13 — Leaders from a variety of cultural and religious backgrounds on Monday announced a United Nations initiative to resolve the conflict between the West and the Muslim world.

They issued a framework for their effort, prepared over the past year, that singled out the Palestinian-Israeli conflict as a primary source of the deepening split.

“No other conflict carries such a powerful symbolic and emotional charge among people far removed from the battlefield,” Kofi Annan, the United Nations secretary general, said at a news conference. “As long as the Palestinians live under occupation, exposed to daily frustration and humiliation, and as long as Israelis are blown up in buses and in dance halls, so long will passions everywhere be inflamed.”

The report was drafted by 20 scholars and other leaders, including Archbishop Desmond Tutu of South Africa, Mohammad Khatami, the former Iranian president, and others from many nations. It calls for collective action on issues of education, youth and immigration.

Members of the panel and Mr. Annan emphasized their view that the causes of tensions are primarily political, not religious.

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The secretary general will appoint a representative to oversee the follow-up of the recommendations, which, Mr. Annan warned, will have little impact if Muslims in violent places — whether Iraqis, Afghans, Chechens or Palestinians — continue to perceive their situation merely as a case of being made victims by non-Muslims.

"If these conflicts or difficult situations can be resolved, it will have a positive impact on the work we are doing here," Mr. Annan said.

The host of the event, Prime Minister Recep Tayyip Erdogan of Turkey, emphasized the symbolic importance of holding it in Istanbul, which bridges East and West and is the leading city in a predominantly Muslim country taking steps to join the European Union.

Joining the European Union, he said, would "prove that the polarization between cultures is actually artificial and contrived."

The Alliance of Civilizations Initiative was the idea of Prime Minister José Luis Rodríguez Zapatero of Spain, who suggested it six months after terrorist bombings in Madrid killed 191 people in 2004.

"We're going to immobilize extremists, prevent their actions," Mr. Zapatero said here. "Nobody should doubt our victory."

Mr. Annan said in a written statement: "The problem is not the Koran or the Torah or the Bible. Indeed, I have often said that the problem is never the faith, it is the faithful and how they behave toward each other."

No Clash Of Civilizations, Says UN Report (CSM)

By Dan Murphy

The Christian Science Monitor, November 14, 2006

CAIRO

A UN-sponsored group called the Alliance of Civilizations, created last year to find ways to bridge the growing divide between Muslim and Western societies, released a first report Monday that says the conflict over Israel and the Palestinian territories is the central driver in global tensions.

"Our emphasis on the Israeli-Palestinian conflict is not meant to imply that it is the overt cause of all tensions between Muslim and Western societies," write the report's authors, a group of academics and present and former government officials from 19 different countries. "Nevertheless, it is our view that the Israeli-Palestinian issue has taken on a symbolic value that colors cross cultural and political relations ... well beyond its limited geographic scope."

But while the authors hope their report will invigorate and create cross-cultural dialogue, its tone implies that it is unlikely to be well received by the United States and Israel, focusing as it does on allegations of double standards by those two nations while giving less time to the faults of the Palestinians or specific Muslim governments.

Criticism of US policies, though at times oblique, is a major feature of the document and hits on themes that have angered representatives of the Bush administration in the past. For instance, in a discussion of Al Qaeda's attack on the US on Sept. 11, the report states: "Later, these attacks were presented as one of the justifications for the invasion of Iraq, whose link with them has never been demonstrated, feeding a perception among Muslim societies of unjust aggression stemming from the West."

While that is indeed a common view in Muslim countries, it is unlikely to gain the favor of the current US administration, whose representative to the United Nations, John Bolton, is an ardent supporter of the invasion of Iraq and a frequent critic of the world body. Earlier this year, Mr. Bolton characterized the UN Human Rights Commission as packed with officials from "some of the world's most notorious human rights abusers."

The report is the result of a UN-sanctioned "High Level Group" meeting of some twenty "eminent personalities" that UN Secretary-General Kofi Annan appointed last year. The group, which was cosponsored by the Prime Ministers of Turkey and Spain and included among its authors Nobel Peace Prize-winner Archbishop Desmond Tutu and former Iranian president Mohammed Khatami, issued the final report on Nov. 13 at its final meeting in Istanbul.

To be sure, the report is also framed as a direct challenge to the notion that a "Clash of Civilizations" is imminent - a concept first popularized by Samuel Huntington's 1996 book of the same name.

In a statement, Mr. Kofi Annan said it was clear that religion is not at the root of current tensions.

"The problem is not the Koran or the Torah or the Bible," Mr. Annan said. "The problem is never the faith, it is the faithful and how they behave towards each other."

That sentiment was echoed in an editorial published in the Houston Chronicle on Sunday by three of the report's authors, who also said that political repression in the Muslim world contributes to extremism.

"Denying peaceful opposition movements the freedom to express their views and jailing their supporters generate anger and resentment, encouraging some to join violent groups," wrote Mr. Tutu, former Indonesian foreign minister Ali Alatas, and Andri Azoulay, an advisor to Morocco's King Muhammed VI.

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"When Western governments lend their support - tacitly or overtly - to authoritarian regimes, they become part of the problem," the authors wrote.

The overall objective of the paper is to set out problems between the Muslim and the West as a matter of politics, and not of culture, and tends to see anger and misunderstanding as largely a problem of inadequate education.

For instance, the authors point to a recent Gallup poll that found 57 percent of Americans either responded "nothing" or "I don't know" when asked what they most admired about Muslim societies, as evidence for a need for education systems in both the West and Muslim countries to provide a "basic understanding of religious traditions other than their own."

The authors also point to another recent survey that found 30 percent of US government money for cultural exchanges go to programs with Europe - the societies with which the US has the most in common - while just 6 percent go to programs with the Middle East, arguably the place where such efforts could do the most good. How to build an alliance of civilizations

The UN's High Level Group report includes a set of concrete recommendations for the international community. Among the recommendations:

• The international community should draft a white paper to analyze the Israeli-Palestinian conflict.
• An international conference should be convened to reinvigorate the Middle East peace process.
• Ruling parties in the Muslim world should provide space for the participation of peaceful political groups.
• Leaders and shapers of public opinion should behave responsibly and work to promote understanding among cultures.
• The UN should appoint a high representative to assist in defusing cross-cultural tensions.
• The UN should establish a forum for the alliance of civilizations under its auspices.
• Journalists should receive improved training in intercultural understanding.
• Media content should aim to promote intercultural dialogue.
• Educational materials and media literacy programs in schools should face a critical review.
• Governments should increase the number of international youth exchanges and youth-oriented websites.
• The international community should create media campaigns to combat discrimination.

Source: United Nations Fourth High Level Group, www.unaoc.org

S. Korea: Nuke Talks May Begin In Dec. (AP)

By Jae-soon Chang

AP, November 14, 2006

South Korea's nuclear envoy said Tuesday that long-stalled six-party talks on North Korea's nuclear program could resume by mid-December.

On Monday, South Korea balked at Washington's demand that it fully join a U.S.-led effort to intercept North Korean ships suspected of carrying supplies for the North's nuclear and missile weapons programs.

The South insisted that it was already doing enough to stem possible weapons proliferation from North Korea and announced no new measures to sanction the North under a U.N. Security Council resolution condemning Pyongyang's first test of a nuclear device on Oct. 9.

North Korea agreed earlier this month to return to the negotiations with China, Japan, South Korea, Russia and the United States after staying away from the talks for a year. A specific date for resuming the talks has not been set.

"I think it's possible to resume (the talks) by mid-December," Chun Yung-woo, Seoul's chief negotiator to the talks, said on South Korean radio channel PBC.

"We are making preparations with the thinking that it's more important to achieve substantial progress when the six-party talks resume than how quickly we would resume the talks," he said.

Chun could not immediately be reached for comment.

State Department spokesman Sean McCormack also said no date has been set for resuming the talks and he ruled out November but said there is still hope for a meeting in December.

Once the talks resume, the top priority will be on determining whether North Korea is willing to give up its nuclear program, Chun said. He also said the North should not expect rewards just for returning to the negotiating table.

Chun was expected to discuss strategy for the nuclear talks with his U.S. and Japanese counterparts Wednesday in Hanoi on the sidelines of the Asia-Pacific Economic Cooperation forum.

Meanwhile, Japan adopted a list of embargoed luxury items as part of its sanctions imposed on Pyongyang. Chief Cabinet Secretary Yasuhisa Shiozaki said the list comprised 24 luxury goods believed to be used by senior North Korean officials such as cigarettes, liquor, perfume and motorcycles.

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"We hope that North Korea will accept these measures taken by Japan as the message of the international community's strong concern and condemnation" of its nuclear program, Shiozaki said.

The ban on luxury items is in line with U.N. sanctions that ban the sale of major arms to North Korea and call for the inspection of cargo entering and leaving the country. The U.N. resolution also calls for the freezing of assets of businesses supplying the North's nuclear and ballistic weapons programs, as well as restrictions on sales of luxury goods and travel bans on Pyongyang officials.

South Korea's hesitation to join the ship interception regime underscored Seoul's reluctance to anger Pyongyang and complicated efforts to resolve the standoff over the North's nuclear program now that the communist regime has agreed to return to nuclear disarmament talks.

Seoul has joined the U.S.-led initiative, aimed largely at stopping North Korean weapons traffic at sea, only as an observer out of concern that its stopping and searching North Korean ships could lead to armed clashes.

Monitoring North Korean shipping would be much more difficult without South Korea, because countries in the initiative can only conduct searches within the territorial waters of participating countries. Ships on the high seas have right of free passage under international law.

The South insists it could inspect North Korean ships under an inter-Korean agreement but it has never done so despite allowing dozens of the communist country's vessels to transit its waters.

The United States played down South Korea's rejection of the attempts to intercept North Korean ships suspected of carrying nuclear supplies, saying Monday the decision would not harm international efforts to confront the North's nuclear weapons program.

"I'm not going to sit here and second-guess the South Koreans. They're valued allies," White House spokesman Tony Snow told reporters. "They have taken some steps that they'd never taken before with regard to North Korea. And obviously they're serious partners in the six-party talks."

The two Koreas are still technically at war as the 1950-53 Korean War ended in a truce, not a peace treaty. But their relations have warmed since the first, and only, summit of their leaders in 2000.

Bush Hopes To Reassert U.S. Leadership During Asia Trip (MCT)

By Ron Hutcheson

McClatchy Newspapers, November 14, 2006

WASHINGTON - A politically wounded President Bush heads to Asia on Tuesday to reassert American leadership in a region grappling with the rise of China and the threat of a nuclear-armed North Korea.

Foreign policy issues will top the agenda during Bush's swing through Singapore, Vietnam and Indonesia, but domestic politics have added a new dimension to the trip. His return to the world stage comes a week after voters handed control of Congress to Democrats in an election that was widely viewed as a rebuke to Bush.

Former White House adviser Mike Green said Asian leaders will be looking for signs of weakness in the American president.

"The Asian leaders will be looking at President Bush's body language," said Green, now an Asia specialist at the Center for Strategic and International Studies. "They know he has two years left, but they're going to be all looking to see how he plays the game after this political setback."

Perceptions about Bush's clout could come into play as he tries to bolster a somewhat shaky international coalition that's working to stifle North Korea's nuclear ambitions. Russia, China, South Korea and Japan share Bush's desire to keep nuclear weapons out of the Korean peninsula, but they don't always agree with his tactics.

Bush will get a chance to shore up support for his approach during a 21-nation summit in Vietnam this weekend.

A show of solidarity against North Korea at the annual Asia Pacific Economic Cooperation forum, commonly known as APEC, could help persuade the reclusive regime in Pyongyang to give up its nuclear ambitions in exchange for economic benefits.

North Korea has agreed to resume six-way talks over its nuclear program with its Asian neighbors and the United States, but no date has been set. North Korea's Oct. 9 test of a nuclear device underscored the futility of previous negotiations.

Bush will meet briefly with Russian President Vladimir Putin, a key player in the standoff with North Korea, on his way to Asia. Bush and his wife, Laura, will spend about 45 minutes with Putin and his wife, Ludmila, during a refueling stop in Moscow.

The president's first Asia stop is Singapore, an international trading center with strong ties to the United States.

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He'll arrive in Vietnam on Friday facing a schedule packed with meetings and social events. In addition to attending APEC forums and dinners, Bush will hold a series of one-on-one meetings in Hanoi with leaders from Australia, Vietnam, South Korea, China and Japan. He'll also get together again with Putin.

China's fast economic growth and its place as the world's fourth-largest economy give it increasing importance in the Asia-Pacific region.

"In many respects, the larger story line that's playing out at APEC is China's rise," said Kurt Campbell, the director of international studies at the Center for Strategic and International Studies in Washington. "What China has accomplished over a shorter period of time is much more dramatic than even America's entry into global politics."

Bush will stop in Indonesia, the world's most populous Muslim nation, on his return trip to Washington, via Hawaii, next week.

Bush's visit to Vietnam, the centerpiece of his Asian tour, is rife with symbolism and historical baggage.

The APEC meeting is a coming-out party for a communist nation that's reaping the fruits of capitalism after a devastating war with the United States.

Like China, Vietnam has embraced free-market principles while clinging to authoritarian one-party rule. Vietnam's economy grew by 8.4 percent last year, a rate exceeded only by China.

"A lot has changed. They've joined the world," said Frederick Brown, a former diplomat and an Asia expert at the Nitze School of Advanced International Studies at the Johns Hopkins University.

As a measure of how much things have changed, Bush's trip will include a stop at Vietnam's stock market in Ho Chi Minh City, formerly Saigon. At times it's hard to remember that North Vietnam won a conflict that was billed at the time as a key battle in the global struggle between communism and capitalism.

"We'll accomplish more with books and ideas than we ever could with bombs," said Clifford Schultz, a business professor at Arizona State University who also teaches marketing classes in Ho Chi Minh City. "Well over half the population is under 25. They want their blue jeans. They want their iPods. They want their Internet cafes."

But the war that claimed more than 58,000 American lives and about 2 million Vietnamese casualties cannot be forgotten.

Bush will get a briefing Saturday on efforts to find the remains of American military personnel. The remains of more than 800 American war dead have been returned in recent years, but about 1,800 remain unaccounted for.

Southeast Asia Trip To Test Bush's Stature (WP)

By Michael A. Fletcher

The Washington Post, November 14, 2006

President Bush leaves tonight for a week-long visit to Southeast Asia that may offer an early indication of how the political "thumping" he took a week ago will affect his standing on the world stage.

Bush leaves Washington for a series of summits and an economic conference in Vietnam one week after elections in which Democrats won control of both houses of Congress, in what was widely interpreted as an expression of voter unhappiness over the Iraq war.

But just as Iraq poses a long-term challenge for the U.S. policymakers, so, too, do the forces shaping Southeast Asia, a region of booming economies that has its own festering pockets of terrorism. The area also is important to solving another major item on the U.S. foreign policy agenda: the long-standing problem of North Korea's nuclear weapons program.

Bush's visit to Singapore, Vietnam and Indonesia is intended to focus heavily on trade issues, global health concerns such as AIDS and avian flu, as well as the North Korea question. But just as important may be how Bush is perceived by the other leaders at the meeting in the aftermath of his recent political setback.

Our "Asian friends will be watching initially President Bush and his team in terms of his body language, his statements to see whether he will be weakened or committed to going forward with a broad and purposeful agenda in Asia as a whole," said Kurt Campbell, a senior vice president at the Center for Strategic and International Studies.

One thing Asian leaders will be watching for is whether Bush can still deliver on trade-liberalization legislation, given his weakened political state and the populist opposition to many free-trade agreements, according to some analysts.

The Bush administration is pressing Congress to pass a bill granting Vietnam permanent normal trade relations before the president arrives in Hanoi on Friday, a step that is needed for U.S. firms to take advantage of the low tariffs that nation will enact as a newly minted member of the World Trade Organization.

Vietnam, which boasts the fastest-growing economy in Asia, is also one of the world's fastest-growing markets for U.S. goods.

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But the House failed to pass the legislation last night. The vote of 228 to 161 in favor of the bill fell short of the two-thirds majority required by a procedure that limited debate.

Republicans planned to bring up the measure again tomorrow under normal procedures, requiring only a majority for passage, House aides said. The Senate is expected to take up the issue later in the week.

Passing the legislation ahead of the meeting "would be useful for President Bush," said Grant Aldonas, a former undersecretary of commerce for international trade in the Bush administration. "It would be useful, certainly, for the United States to ensure that our trading partners in Asia know that we're prepared to be at the table -- both Congress and the president -- and contributing to an aggressive trade policy."

Yesterday, the United States removed Vietnam from its list of nations that do not allow religious freedom, citing what it called Vietnam's greater tolerance for religious expression.

While trade will take center stage during his trip, Bush also is expected to use the opportunity to meet with partners in an effort to continue pressing North Korea to give up -- or at least limit -- its nuclear weapons program. North Korea agreed to return to six-party nuclear-disarmament talks late last month, just weeks after it conducted its first test of a nuclear device. As a result of that test, the United Nations swiftly imposed sanctions on goods flowing in and out of North Korea.

"It's . . . not always helpful, to answer the question, you know, can we live with or not live with a nuclear North Korea?" said Michael Green, former senior director for Asia at the National Security Council under Bush. "What does that mean? Does it mean we're going to attack North Korea because of the nuclear weapons program? I think the answer is no. Does it mean we go on with business as usual? Of course not."

While the U.N. sanctions have clearly exacted a toll on North Korea, Bush is expected to use the visit and a meeting with South Korean President Roh Moo Hyun to pressure him to do more to enforce the U.N. sanctions. Yesterday, South Korea said it will not take part in a U.S.-led plan to intercept shipments of weapons of mass destruction that may have involved the South Korean military stopping North Korean ships.

"The Republic of Korea is doing virtually nothing to impose a cost on the north," Green said. "That will be a difficult discussion."

The first stop on the president's trip will be Singapore, the booming city-state where on Thursday he is scheduled to give the major speech of his trip on the cooperation between the United States and Asia to combat poverty, disease and terrorism. On Friday, he will become the second U.S. president to visit Vietnam since the fall of Saigon when he travels to Hanoi.

In Vietnam, Bush will take part in a series of meetings with other world leaders and visit a program working to learn the fate of soldiers still missing in action from the Vietnam War. He also will take part in meetings of the Asia-Pacific Economic Cooperation forum, an organization that includes 21 nations that together account for half the world's trade and 57 percent of the global economic output.

Later, the president will travel to Ho Chi Minh City. There the president will tour a medical institute that focuses on AIDS and avian flu research, before taking part in events showcasing Vietnam's fast-growing economy.

On Monday, he will travel to Indonesia, the world's largest majority-Muslim nation, where he is scheduled to visit an educational program and hold a news conference with President Susilo Bambang Yudhoyono, before going to Hawaii. Next Tuesday, he will have breakfast with U.S. troops in Honolulu before returning to Washington.

US Congress Rejects Vietnam Trade Deal (FT)

By Eoin Callan

Financial Times, November 14, 2006

The US Congress rejected a deal to normalise trade relations with Vietnam in a setback for President George W. Bush ahead of a visit to Hanoi to discuss economic issues at the annual summit of the Asia-Pacific Economic Cooperation forum.

The trade pact was defeated when it lost the support of dozens of Republicans and Democrats after being rushed through a special “lame-duck” session of the House of Representatives before the transfer of power to the incoming majority following last week’s mid-term elections.

The defeat underlines the difficulties facing the Bush administration and congressional leaders in forging a working cross-party majority on trade bills in the wake of election victories last week for economic populists with a deep suspicion of free trade, in a Democratic sweep of congress.

The pact was the final step in normalising relations between the former adversaries and was to clear the way for Vietnam to become the 150th member of the World Trade Organisation with US support after more than 10 years of negotiations.

Supporters of the pact on Monday night said they expected the bill to be revived and passed by a simple majority vote as early as Wednesday after failing to secure the two-thirds needed to pass the bill without a debate.

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The defeat of the first major piece of legislation brought forward since the election by the Bush administration was seen as a setback for the White House, which made clear the president's desire to arrive at the summit with the deal in hand.

Virginia Foote, of the US Vietnam Trade Council, said: "I think this is an embarrassment on the eve of Bush's trip to Vietnam. This legislation was mishandled, but we expect the bill to move again and pass in a couple of days as it has strong bipartisan support."

Ms Foote cited the opposition of Republicans as the decisive factor in bringing down the bill in a 228-161 vote in favour, noting that the support from Democrats represented a high-watermark compared to recent trade legislation.

A spokesperson for the US Chamber of Commerce said: "We're shocked and dumbfounded. This sends the wrong signal about the future of the US trade agenda."

The chamber blamed the influence of unions, which are seeking tougher labour standards in trade deals and helped Democrats get elected in key battleground states on protectionist platforms.

A lobbyist for the chamber said a last-minute letter on Monday from the AFL-CIO had swung opposition to the deal.

Thea Lee, policy director of the AFL-CIO, played down the impact of the letter, but said: "People are sensing there is an uneasiness about the current trade policy. As of a few days ago there is a new balance of power in Washington, and people are still trying to work out where it lies."

A Setback For Vietnam Trade Bill (NYT)

By Steven R. Weisman

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — In an embarrassing legislative setback for the administration, the House of Representatives defeated a measure late Monday that the president had sought to normalize trade relations with Vietnam, four days before Mr. Bush was scheduled to leave for his first visit to that country.

The setback may be only temporary, however.

The legislation embodies approval by Congress of what is known as "permanent normal trade relations" with Vietnam, which would make it easier for that country to join the World Trade Organization and would allow American companies to share in the benefits of the open market.

The legislation received a majority vote but fell short of the two-thirds needed for passage under special rules that speeded its consideration in the House. The vote came on the first day of the lame-duck session in which the outgoing House, still controlled by a Republican majority, met to pass crucial bills by the end of this year.

The legislation received 228 votes in favor and 161 against, but it needed 32 more votes to pass on Monday. House Republican leaders said they would bring the legislation back in the next couple of days under normal procedures, which require only a majority, or 218 votes, for passage.

Though perhaps symbolic, the defeat in the House was an embarrassment not only for Mr. Bush but also for the departing Republican leaders, who had earlier in the day expressed confidence that they had the two-thirds needed for the bill to pass in the House.

Republican leaders expect the bill to pass the Senate later this week, despite the misgivings from some lawmakers.

The White House still hopes for the bill's approval in the next couple of days so that President Bush can cite its passage as a milestone in relations with Vietnam while attending the Asia Pacific Economic Cooperation summit meeting in Hanoi.

The loss, however temporary, was also a portent that trade bills could face tougher odds in the lame-duck session and in January, when Democrats take control of both the House and Senate. Many Democrats who won election last week pledged to try to block trade bills they viewed as threatening American jobs.

It is not clear whether the preliminary defeat was spurred by anti-trade sentiment or lingering sentiment against Vietnam, which many conservatives still regard as an enemy three decades after the end of a war in which tens of thousands of Americans died.

Trade bills for Peru, other Andean nations and a larger body of poor countries in Africa, Asia and Latin America are also on the schedule for the lame-duck Congressional session, and it is not clear whether the defeat of the Vietnam bill would damp the chances for these bills.

There was no immediate comment on the defeat from the Bush administration.

Susan C. Schwab, the chief United States trade negotiator, flew to Vietnam on Monday for what had been planned as a set of meetings to celebrate a step forward for a country that was a bitter enemy of the United States a generation ago.

Ms. Schwab had called on Congress to approve the measure to "integrate this economically vibrant country into the global community of trading nations" and "open up exciting new trade and investment opportunities" for American companies.

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The Bush administration has argued that despite the past bitterness with Vietnam, and a Vietnamese economy that is still heavily influenced by the government, the best strategy to open it up to private investment from the West is to have Vietnam become a member of the World Trade Organization, which oversees trade rules. Trade negotiators last week approved Vietnam's entry into the W.T.O.

The legislation is necessary because a cold-war-era measure known as the Jackson-Vanik law requires an annual review of Vietnam's political and economic practices and an annual granting of trade preferences, and that law must be rescinded under W.T.O. rules.

The administration argues that giving Vietnam "normal" trade preferences is the best way of getting it to adhere to the rule of law in trade relations, including provisions that allow the United States to pursue its rights through the organization.

Belonging to the trade organization also obliges Vietnam to end curbs on imports, eliminate certain subsidies and act to outlaw piracy of American software, videos and other copyrighted items.

Even under the law, however, the United States still has the right to designate Vietnam a "nonmarket economy" — that is, a state-controlled economy that continues to operate under Communist principles. But the Bush administration sought the trade bill as a means to get Vietnam to change.

U.S. Trade Deals In Colombia, Peru Are Put To The Test (WSJ)

By Bob Davis

The Wall Street Journal, November 14, 2006

WASHINGTON -- The election of a Democratic-controlled Congress more skeptical about the value of free trade is forcing Colombia and Peru to decide whether they need to make additional concessions on labor issues to win congressional approval of trade deals they have negotiated with the U.S.

The two South American nations have negotiated deals with the U.S. that liberalize trade in a host of areas, including industrial tariffs, textiles, and apparel and service industries. Peru already has ratified the pact; Colombia plans to sign its agreement next week and ratify it afterward. Congress isn't likely to take up either measure until next year, after the Democrats take control.

Democrats have long complained that the South American agreements -- as well as other deals signed by the Bush administration -- skimp on protections of labor rights. That has presented Colombia and Peru with a dilemma: Should they make concessions beyond what the White House has sought -- which is sure to be controversial at home -- or face possible rejection of the deals by Congress.

Yesterday, Colombian President Alvaro Uribe said he didn't plan to accept changes in the deal. "I consider that the provisions we have included to protect workers in the agreement are clear provisions" and didn't need to be augmented, he said, after a day of lobbying on Capitol Hill. "More than the provisions, we have the political will to protect our workers."

Earlier in the day, Hernando de Soto, a Peruvian economist appointed as special trade envoy, took a more conciliatory stance. He said his country had a "game plan" to present to the U.S. that "should put to rest the concerns many Democrats have concerning labor and other matters," according to [a news service]. But he wasn't more specific.

The trade deals generally require countries to enforce their labor standards, but don't mandate the level of protection or whether countries must include such specific protections as the right to organize or to bargain collectively. The Bush administration argues that the pacts boost trade protection for workers, and do so in a way that avoids confrontations. Many Democrats want additional assurances labor provisions are ultimately enforceable by trade sanctions.

Election Alters Trade Climate (WP)

By Peter S. Goodman

The Washington Post, November 14, 2006

As Democrats prepare to take control of Congress, incoming leaders are planning to insert labor and environmental protections into pending trade treaties and to demand that the Bush administration adopt similar measures in future pacts it negotiates, congressional aides and government officials said yesterday.

The Democrats plan to insert restrictive provisions into two pending trade deals with Peru and Colombia, measures that would limit duty-free access to the U.S. market for goods made in those countries if factories are found to use child labor or deny workers the right to organize unions.

Republicans have historically opposed restrictive provisions in treaties as against the interests of U.S. business and consumers. President Bush has already signed the Peru accord and is expected to sign the Colombia treaty this month.

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Democrats plan to take a similar approach to deals still being negotiated by the United States trade representative with South Korea, Malaysia and Panama, Capitol Hill aides said.

The new atmosphere surrounding trade issues was underscored last night as members of the House -- breaking with Democratic and Republican leaders -- voted to reject a normal trade relationship with Vietnam, following that country's accession to the World Trade Organization last week.

At the center of the new trade dynamic is the fate of the president's so-called fast-track trade authority -- the administration's existing power to call for a simple up-or-down congressional vote on trade pacts without opening them for amendments. The administration's authority is set to expire at the end of June. Democratic leaders say they are inclined to renew it but only if labor and environmental provisions are included.

Yesterday, Sen. Max Baucus, the Montana Democrat in line to chair the Finance Committee, said any law reauthorizing the president's fast-track authority would have to "strengthen labor and environmental provisions in some way to win broader Democratic support."

The shift on trade policy is a reaction to more than a dozen years of efforts by the Bush and Clinton administrations to boost trade by opening foreign markets to U.S. goods while allowing greater access to imports from China, Latin America and elsewhere.

The U.S. mood mirrors a world trend, as people on every shore grapple with the challenges of globalization. In Eastern Europe, former communists are returning to power, riding electoral discontent over the loss of jobs. South Korean farmers are protesting the prospect of imported U.S. rice if a free-trade deal is struck. From Ohio to Montana, incoming Democrats made trade an issue in the campaign, accusing Republicans of selling out American workers to corporate interests, and vowing to oppose further trade liberalization.

"For 20 years, we've been told, 'Don't worry, there's going to be a more sophisticated economy, an economy based on knowledge and information,' " said Auggie Tantillo, executive director of the American Manufacturing Trade Action Coalition, which represents U.S. factories, including textile mills in Southern states that have been ravaged by competition from China. "Manufacturing? Well, we can supposedly let that go, because we're going to get something better. Well, we've been waiting, and now we're making less money, and workers are told they have to give up health benefits and pensions and wondering, 'How am I going to make it?' "

Such feelings played a role in the voter anger that remade Congress in last week's elections, he said. "It's going to be heavy lifting for the administration to convince Democrats in the House and Senate to give this president the hand to go out and pursue his trade agenda," Tantillo said.

Business leaders took that message from the startling vote in the House last night, which rejected what had seemed a virtual certainty -- the approval of normal trade relations with Vietnam. The vote needed a two-thirds majority, but it failed 228-161, with Democrats voting it down 94-90.

"It sends a very bad signal to the business community," said Nicole Venable, director of international trade and global competitiveness at the U.S. Chamber of Commerce. "This bill should have been a no-brainer."

Analysts have noted that expanding trade has historically been a bipartisan effort. A dozen years ago, President Clinton, a Democrat, relied largely on Republican support in Congress to gain passage of the North American Free Trade Agreement. Trade proponents said that growing commerce has created new markets for U.S. businesses abroad, while stocking shelves at home with low-priced goods.

"Globalized sourcing has brought enormous benefits to the American consumer," said Hallock Northcott, president of the American Association of Exporters and Importers.

For now, both sides in Washington are speaking the language of bipartisanship, a dynamic that is expected to hold for at least a while as some relatively uncontroversial trade issues come before Congress.

Administration officials hope to gain congressional authority soon to renew a set of reduced tariffs for Andean countries, a form of aid in the U.S. campaign to discourage their production of narcotics. Congress must also take up renewal of reduced duties for the world's poorest countries, while extending parts of a preferential trade accord with African nations.

After that, the rhetoric of cooperation could be tested, as the Bush administration seeks approval for free-trade agreements it has already struck with Peru and Colombia. A U.S. government official who spoke on condition that he not be named because he lacks authorization said the administration was "not looking to reopen negotiations" on those treaties. But a Democratic congressional aide involved in trade issues said the leadership would negotiate with the U.S. trade representative to ensure that labor protections are written into the treaties, along with beefed-up enforcement mechanisms. "We want to tighten that up," the aide said.

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The details now rest with Baucus and Rep. Charles B. Rangel (D-N.Y.), who is expected to oversee the House Ways and Means Committee. While both presumptive chairman have pledged to engage the administration on trade, they are cognizant that at least some of the groundswell of support for their party was the result of disenchantment over U.S. job losses, including jobs moving overseas.

The fate of the president's fast-track authority may be a litmus test. Eight years ago, a Republican Congress did not renew Clinton's ability to negotiate trade pacts, with leaders in the House reluctant to hand the Democratic president a key victory ahead of the 2000 election. Democrats may make a similar calculation this time.

The administration is expected to make a final push to strike a deal with the European Union and developing nations on the now-stalled global tariff reduction talks known as the Doha round before Bush's existing fast-track authority expires.

That would kick the issue to the Democrats and perhaps test their cohesion, pitting some of the newcomers who are skeptical about trade against those worried about alienating business.

"The Democrats have rhetorically painted themselves into a corner," said Gary C. Hufbauer, a trade expert at the Peterson Institute for International Economics, in Washington. "The leadership doesn't want to be painted as obstructionist on trade."

Election Pushes Globalization To Forefront (USAT)

By David J. Lynch

USA Today, November 14, 2006

WASHINGTON — To hear some Democrats tell it, the United States is engaged in a costly, ill-advised foreign adventure that is long overdue for a change of course.

Not the war in Iraq. Globalization.

Several members of the Democratic Congress that takes office in January say the Bush administration's unquestioning celebration of free trade is bleeding the middle class and endangering the American Dream. Democrats such as Sen.-elect Sherrod Brown of Ohio want a tougher approach to future trade deals. Others, including veterans of the Clinton administration who back trade, say the solution is to craft new policies that take the sting out of job losses caused by foreign competition.

The new congressional lineup raises the prospect of the most significant globalization debate since the 1992 presidential campaign's bitter exchanges over the North American Free Trade Agreement (NAFTA). Some already expect the issue to play a prominent role in the run-up to the 2008 election.

“There is a real debate on whether to go further and continue reducing trade barriers and opening markets and if so, at what pace and how,” says Fred Bergsten, director of the Peterson Institute for International Economics.

In offices on Capitol Hill and in downtown think tanks, Democratic politicians and trade specialists suddenly find their opinions matter in a way they haven't for a dozen years. At the Hamilton Project, the brainchild of Robert Rubin, the former Treasury secretary, economists are mulling new social insurance programs they argue will promote economic growth by soothing public fears of potential financial harm. One idea: reworking unemployment insurance to target aid to those who are out of work the longest.

Despite the political upheaval in Washington and the rising popular angst, the U.S. economy is now so deeply intertwined with other nations that it may be too late to turn back, say mainstream economists. Unlike two decades ago when trade with Japan triggered enormous public unease, U.S. manufacturers are heavily reliant upon imported components for their assembly lines and can't risk an interruption of global commerce.

“Our economy is becoming much more integrated with China,” says trade historian Douglas Irwin of Dartmouth College. “It's not ‘them' exporting to ‘us.' It's U.S. multinationals' factories there exporting to us.”

Worries over trade-related job losses, of course, aren't new. In the 1980s, union workers, angry over surging Japanese imports, smashed Toyotas in factory parking lots in Detroit. In 1993, Ross Perot warned Americans a “giant sucking sound” would result from NAFTA sending millions of good jobs to Mexico.

Anti-globalization protestors rampaged through Seattle during a World Trade Organization summit seven years ago. And during the 2004 presidential election, outsourcing of jobs to India ignited intense controversy.

But today's public anxieties are both broader and more intense. In exit polls last week, 40% of voters said they expect the next generation of Americans to have a lower standard of living vs. 30% who said they expect life to improve.

That pessimism may be linked to deep dissatisfaction over the way globalization is working. In a 2005 Program on International Policy Attitudes poll, only 16% of respondents backed the current U.S. approach; 56% said they favor expanded trade but only if much more is done to help affected U.S. workers. Almost one-quarter of those surveyed said they opposed further trade liberalization because the costs would outweigh the benefits.

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Democratic candidates used trade as a key issue in 100 congressional districts, according to the left-leaning Public Citizen. Among them: Jim Webb, whose Senate victory in Virginia gave the Democrats control of both houses of Congress for the first time in 12 years. The former Marine and one-time Reagan administration official made "economic fairness" a central element of his campaign and called for overhauling trade laws "so that free trade becomes fair trade."

For two decades, it has been an article of faith, under Democrats and Republicans alike, that gains from free trade far exceeded losses. "Globalization" became the label given to the elimination of barriers to the free movement of goods and capital, but not people, across national borders.

Fueled by the collapse of communism almost two decades ago and the continuing revolution in information technology and telecommunications, that process has delivered enormous benefits for the USA. On an annual basis, globalization boosts the U.S. economy by $1 trillion, or roughly $10,000 per household, according to the Peterson Institute. Those broad gains dwarf $54 billion in costs to the families that suffer trade-related job losses. But the gains are dispersed throughout the economy in the form of less expensive clothing, cars and phone calls while the costs are concentrated in the heartbreak of an estimated 225,000 individual job losses.

Rising waves of public unease are being driven by the relentless march of globalization as well as broader economic maladies. In the 1990s, trade-related job losses were confined to comparatively low-wage, low-skill factory jobs. Globalization enthusiasts argued that the USA would prosper by building a knowledge economy filled with well-paid, white-collar positions.

But in recent years, even those jobs have begun drifting to developing countries such as India and China. From 1999 to 2005, the USA lost 139,510 computer-programming jobs, more than one out of every four such positions in the country, according to Catherine Mann, a Peterson Institute economist. There were also small declines in the ranks of electrical engineers and database administrators. All three of these job categories are well-paid: Programmers average $67,400 annually.

At the same time, middle-class families face heightened financial risks. Incomes are more volatile, even as the economy prospers. About half of all families suffer a drop in income over any two-year period, and those who fall today fall further than in the past, according to Jacob Hacker, author of The Great Risk Shift.

In the early 1970s, the typical family that stumbled lost 27% of its annual income. But over the last decade, as globalization moved into high gear, the income loss averaged around 40%. For a family in 2004 earning the median income of $43,200, that would mean a crippling decline of $17,280.

The risk of suffering a 50% drop in family income has more than doubled since the early 1970s, according to Hacker, a political science professor at Yale University. That may be because, even amid a growing economy, the typical spell of unemployment has grown longer. In the 1970s, workers who lost their jobs typically were unemployed for 6.3 weeks, says economist Howard Rosen. Today, those handed pink slips endure on average an additional two weeks of enforced idleness before finding new work.

These real-life financial strains coupled with a steady parade of headlines about mushrooming U.S. trade deficits badly eroded public support for globalization. Earlier this year, Congress forced a foreign company, Dubai Ports World, to sell its stake in operations at six U.S. ports. Negotiations on a new global trade agreement ran aground this summer. And amid a $200 billion trade deficit with China, the U.S. continues to criticize Beijing over a currency policy that some in Congress say costs millions of U.S. jobs.

Those who profit from global financial integration recognize the political headwinds they're confronting, including the risk of a drift toward protectionism. In June, even as U.S. exports were hitting another record, the National Foreign Trade Council board, whose members include Boeing, General Motors, ExxonMobil and Wal-Mart, discussed the gathering storm.

"We agreed the message that globalization is a good thing has fallen flat and no longer resonates. … Not enough people believe it anymore," says Bill Reinsch, the council's president.

In August, Federal Reserve Board Chairman Ben Bernanke warned that "further progress in global economic integration should not be taken for granted" and suggested additional measures are needed to spread globalization's benefits.

The same month, Treasury Secretary Henry Paulson acknowledged the pain caused by trade but rejected limiting cross-border commerce. Instead, he called for "thinking more creatively" about ways to help those who lose out.

In a subsequent interview, President Bush told USA TODAY that affected workers should take courses at local community colleges.

Now, it's the Democrats' turn to weigh in. On the left, lawmakers such as Brown seek a wholesale overhaul of the U.S. approach to trade negotiations, including renegotiating NAFTA and trade ties with China. Brown wants any new trade accords to include protections for labor, the environment and food safety. And he suggested that the administration's hopes of renewing the president's negotiating authority for new trade deals, which expires next summer, could hinge on winning approval for a "new direction" on trade policy.

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"We don't know exactly what the new road is, but we're going to hit the brakes on this road," says Lori Wallach, director of Public Citizen's Global Trade Watch.

Meanwhile, self-described centrists at the Hamilton Project, based at the Brookings Institution, back concepts such as wage insurance to partially compensate workers who take lower-paying jobs after being rendered jobless by foreign competition. Peter Orszag, project director, says new social insurance schemes "could be growth enhancing" if they prevent a protectionist backlash that would crimp cross-border trade.

Existing worker protections are widely regarded as inadequate. Even after a major expansion four years ago, the Labor Department's trade adjustment assistance program helps only about 50,000 people each year and is derided by many as "burial insurance," says Howard Rosen, a former Democratic senate staffer deeply involved in writing the original trade adjustment legislation.

Adding urgency to the debate is the prospect of today's deflating housing bubble causing the economy to slow. Current worries over the costs of global integration arose at a time when soaring real estate values held the economy aloft and helped keep unemployment near rock bottom. Indeed, even as it led to rising inequality and middle-class insecurity, globalization enabled the U.S. to finance a consumption boom by borrowing massive amounts of money from China, says Jeffrey Frieden, author of Global Capitalism.

That can't go on forever.

"There is a broad sense of unease in the land with the pattern of international economic integration, which has been mitigated by the fact that the country has experienced a consumption boom for the past 10 years or so," says Frieden. "What if that starts not being the case?"

Commerce Secretary Tries Personal Persuasion In China (NYT/AP)

By The Associated Press

The New York Times, November 14, 2006

BEIJING, Tuesday, Nov. 14 (AP) — Commerce Secretary Carlos M. Gutierrez urged Beijing on Tuesday to toughen a crackdown on pirated goods and other copyright infringements, saying failure to do so could fuel an American backlash against trade with China.

Despite Chinese progress in protecting intellectual property rights, Mr. Gutierrez said American Customs agents seized more counterfeit goods from China than all other countries combined.

To turn the tide, he said China needs to attack the criminal gangs that are behind the manufacture and trade of most pirated goods. He also called on Beijing to amend laws to make it easier to allow criminal prosecution of infringements against intellectual property, or I.P., and to step up cooperation with international law enforcement.

"Another victim of widespread I.P. theft in China is American support for expanding our trade relationship," Mr. Gutierrez told Chinese and American business executives. "Those who espouse protectionism, those who would like to see protectionist policies put in place as a legitimate economic policy have a loud voice."

The United States' trade deficit with China is worsening, projected to grow 12 percent to $228 billion this year. Mr. Gutierrez, on his fourth trip to China in 18 months, said he would return to Beijing next month with Treasury Secretary Henry M. Paulson Jr. to talk about a wide array of economic issues.

Widespread theft of intellectual property, as well as protectionist policies and unclear regulations, have long been seen as hampering foreign companies' access to the Chinese market.

To correct the imbalances and curb piracy, Mr. Gutierrez said China must open its markets more widely, especially to American entertainment companies.

Limits on the number of foreign movies allowed into China has contributed to a market for pirated copies, with digital video discs of Hollywood blockbusters selling for $1 in many Chinese cities.

U.S., Chinese Discuss Piracy, Trade Barriers (WSJ/AP)

The Wall Street Journal, November 14, 2006

BEIJING -- U.S. Commerce Secretary Carlos Gutierrez began a trip to Beijing on Monday to help American entrepreneurs clinch deals and to discuss barriers that have contributed to a soaring and politically touchy Chinese trade surplus.

Highlighting his efforts to increase U.S. exports, Mr. Gutierrez on Monday watched Motorola Inc. sign a contract to supply $1.6 billion worth of mobile phones to a Chinese distributor. He also presided at a ceremony by the home-entertainment division of News Corp.'s Twentieth Century Fox studio announcing a plan to distribute moderately priced DVDs in the piracy-plagued China market.

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Around the signings, Mr. Gutierrez held talks with senior Chinese trade officials that he said broadly covered access to the China market, persisting product piracy and unclear government regulations.

Also highlighting efforts by U.S. businesses to expand their presence in China, International Business Machines Corp. may be joining Citigroup Inc. in its bid to take a majority stake in China's Guangdong Development Bank, a person familiar with the deal said Monday. (See related article2.)

Americans are worried about record trade imbalances with China -- projected to rise 12% to $228 billion this year. Pressure on the Bush administration over the deficit is expected to increase following the opposition Democratic Party's recapture of Congress in elections last week.

Trying to seize the initiative, Chinese Vice Premier Wu Yi told Mr. Gutierrez: "We welcome the exports of your country. The Chinese market is completely opened to the outside world." Mr. Wu reiterated a long-standing Chinese complaint that American export controls prohibited the transfer of high-technology products, thereby keeping some U.S. goods out of China.

Mr. Gutierrez, who brought along a delegation of 25 American businesses, from heavy equipment makers to architecture firms, stressed that Washington sought more open markets, not protectionism. "Ultimately what counts is results. Both sides are increasing the amount of business they do with each other," he told reporters. He said that American exports this year totaled about $50 billion in products and services and were up 34% this year to date.

Concerns, however, continued over Chinese regulations limiting the retail business of U.S. and other foreign banks and the widespread copying of U.S. goods and other infringements of intellectual property, Mr. Gutierrez said.

"The United States and China will continue to fight piracy. This is a priority for both governments," Mr. Gutierrez said at a signing ceremony for the Fox deal. "We will both work as hard as we have to stamp out piracy."

Deals like the Fox arrangement are part of an effort by American entertainment companies to offer Chinese consumers inexpensive but legal CDs and DVDs as an alternative to cheap pirated ones widely available in China. Such pirated products, Mr. Gutierrez said, are costing American companies "hundreds of millions of dollars" in sales.

Under the deal, Twentieth Century Fox Home Entertainment will begin distributing DVDs through Chinese video distributor Zoke Culture Group, the companies said.

Also signed Monday was the Motorola contract to supply 12 million mobile handsets to Shenzhen Telling Telecom Development Co., executives from both companies said.

A subsidiary of U.S.-based Han's Technologies Inc. also signed an agreement to build and operate seven water supply plants and 13 wastewater treatments plants to the Chinese county of Xiangshan. Terms weren't disclosed.

Lebanese Cabinet Approves U.N. Tribunal (AP)

By Zeina Karam

AP, November 14, 2006

A weakened Lebanese government Monday approved a U.N. plan for an international tribunal for suspects in the assassination of former Prime Minister Rafik Hariri — despite the resignation of six ministers and the objections of the president.

The vote was a victory for Prime Minister Fuad Saniora, who is facing a challenge from Hezbollah, which has threatened mass protests unless the group and its Shiite Muslim allies gain effective veto power in the Cabinet. All 18 ministers remaining in the Cabinet voted for the U.N. plan, which begins the process of prosecuting Hariri's alleged killers in a court with international legitimacy.

The draft document now returns to the Security Council for endorsement, but its final approval by the weakened government was far from certain.

"Our aim is to achieve justice and only justice," Saniora said after the three-hour Cabinet meeting.

Hariri was killed with 22 others in a suicide truck bombing in February 2005. The assassination sparked huge protests against Syria, which was widely seen as culpable. Syria denied involvement, but was forced to withdraw its troops from Lebanon, ending a 29-year presence. Subsequent elections produced an anti-Syrian majority in parliament and in the Cabinet.

However, some opposition figures said the Cabinet's approval was illegal because none of the five Shiite ministers who resigned Saturday was present.

Lahoud said Sunday that Saniora's government was no longer legitimate because the constitution states that "all sects should be justly represented in the Cabinet." The constitution recognizes 18 religion-based communities and most of them are represented in a full Cabinet by at least one minister. Half the ministers have to be Christian and half Muslim.

Lahoud added that all decisions taken by the Cabinet, including Monday's, were "null and void" and had no constitutional value.

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Michel Aoun, the leader of a Christian faction allied with Hezbollah, concurred, saying: "The government has lost its legitimacy and its decision today to approve the draft document ... is meaningless."

Environment Minister Yaacoub Sarraf, a Christian minister allied with the president, resigned shortly before the Cabinet meeting, citing similar objections.

"I don't see myself belonging to any constitutional authority in which an entire sect is absent," Sarraf wrote in his letter of resignation.

Saniora refused to accept Sarraf's resignation, as he had refused to accept those of the Hezbollah and Shiite Amal ministers on Saturday.

The prime minister insisted the Cabinet's move was legal, and his Information Minister Ghazi Aridi extended a hand to opponents, saying the government was willing discuss their grievances.

"We have no choice but dialogue to agree on all the issues," Aridi said.

Saniora still has the necessary two-thirds of the 24-member Cabinet in order to hold meetings and make decisions, but he will find it difficult to govern as passing legislation depends on forging alliances among the many factions in parliament.

The U.N. proposals seek to create a "tribunal with an international character," but Lahoud has criticized the presence of foreign judges and said he would not pass an earlier draft.

Once the Security Council has endorsed the final draft, it must be approved by Lebanon's Cabinet again, signed by the president and approved by parliament.

The anti-Syrian camp in Lebanon has charged that Syria is behind the opposition to the tribunal because it seeks to avoid the prosecution of the Syrians implicated in Hariri's killing by a U.N. inquiry. Hezbollah officials have denied they are opposed to a U.N. tribunal and Aoun called the accusation "a lie."

Al-Qaida Threatens To Topple Lebanon Govt. (AP)

AP, November 14, 2006

Al-Qaida has purportedly issued a statement threatening to topple Lebanon's "corrupt" Western-backed government, according to a London-based Arabic newspaper Monday.

The Al-Hayat newspaper reported that al-Qaida issued the statement from the Palestinian refugee camp of Nahr el-Bared in northern Lebanon.

"The organization has arrived in Lebanon and we will work on destroying this corrupt government that receives orders from the American administration," Al-Hayat said, quoting the statement.

Although it was impossible to verify the authenticity of the message, Information Minister Ghazi Aridi cast doubt on its veracity Monday.

"There is nothing that proves that this statement was issued by al-Qaida," he told reporters Monday following a cabinet meeting in which the government approved a U.N. draft setting up an international tribunal to try suspects in the 2005 assassination of former Prime Minister Rafik Hariri.

Aridi suggested the statement could be the work of local or regional groups that were opposed to the international tribunal in an attempt to intimidate the ministers ahead of the vote on Monday.

Al-Hayat did not say how it obtained the message, and Palestinian factions denied any such statement was issued from the camp. Following a meeting by representatives of various Palestinian factions in Nahr el-Bared camp, they issued a statement saying there was "absolutely no presence" for al-Qaida in Palestinian camps in northern Lebanon.

Although al-Qaida has rarely carried out attacks in Lebanon, it is believed to have sympathizers among extremist factions in Palestinian refugee camps.

Lebanon's Interior Minister Ahmed Fatfat has warned in recent months that al-Qaida was attempting to establish itself in Lebanon.

In December, al-Qaida in Iraq claimed responsibility for a rocket attack into northern Israel apparently carried out by a radical Palestinian group, and Fatfat has said Lebanese authorities had broken up four al-Qaida cells this year.

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Defenses On Subs To Be Reviewed (WT)

By Bill Gertz,

The Washington Times, November 14, 2006

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Navy officials confirmed yesterday that an aircraft carrier battle group failed to detect a Chinese submarine that surfaced within weapons range of the USS Kitty Hawk. Anti-submarine defenses for the carrier battle group will be reviewed as a result, they said.

"It was not detected," said one Navy official of the encounter with a Chinese diesel-powered attack submarine. "And we're concerned about that, obviously."

The Chinese Song-class attack submarine surfaced near the carrier in deep waters off Okinawa on Oct. 26. It was armed with wake-homing torpedos and anti-ship cruise missiles.

The officials said it was unusual for the submarine to be operating in deep ocean waters, but the incident was not like the April 2001 collision of a U.S. EP-3 surveillance aircraft and Chinese F-8 jet that ruptured military ties.

"We were operating in international waters, and they were operating in international waters," the official said. "From that standpoint, nobody was endangering anybody. Nobody felt threatened."

However, other defense officials said the submarine surfacing was a provocative action by the Chinese military, which has placed a high priority on practicing anti-aircraft-carrier operations against U.S. carriers and warships in preparation for a possible future conflict over Taiwan.

The carrier was not engaged in anti-submarine warfare exercises at the time and thus did not have active patrols for submarines, the Navy official said. As a result, submarine defenses for the carrier and its accompanying warships will be reviewed, he said.

The submarine was spotted by carrier-based aircraft conducting routine surveillance.

The submarine encounter also took U.S. intelligence agencies by surprise because of years of analyses that continue to portray a benign China, said a defense official.

"Our China analysts appeared to be stunned that China would shadow a U.S. carrier as far away as Okinawa," the defense official said.

The Japan-based Kitty Hawk and associated warships are the only Asia-based battle group and would be the first to respond to a crisis concerning Taiwan, which China has threatened with force in the past.

The encounter also was unusual because Chinese submarines normally do not operate in deep waters, both officials said.

"From our standpoint, ... it shows that they continue to develop blue-water capabilities," the Navy official said.

Pentagon and military officials initially declined to discuss anything about the submarine incident, claiming details were classified. Some details were then disclosed after The Washington Times reported the encounter in yesterday's editions.

Disclosure of the submarine encounter comes as the U.S. Pacific Fleet commander, Adm. Gary Roughead, is visiting China for meetings with Chinese military officials.

A Pacific Fleet spokesman said Adm. Roughead could not be reached yesterday on whether he planned to raise the submarine encounter during talks with the Chinese.

Adm. Roughead told reporters in Beijing yesterday that he hopes to better understand the intentions behind China's naval buildup during his weeklong visit.

"When asked if the PLA navy is a threat, I've been on the record as saying no," the four-star admiral said, referring to Chinese forces, the People's Liberation Army. "But I really would like to know what the intent is in some of the developments that I see in the PLA navy."

Adm. Roughead is in China as the U.S. and Chinese militaries conduct a joint search-and-rescue operation exercise.

The visit is part of an ambitious program being promoted by the commander of U.S. forces in the Pacific, Adm. William J. Fallon, to develop closer ties with the Chinese military.

The program has been plagued by a lack of reciprocity on the part of China's military, which continues to refuse U.S. military visitors to key military facilities or to observe military exercise. By contrast, the U.S. military has given Chinese military visitors access to sensitive U.S. facilities and military exercises.

Also, China is continuing to block U.S. military officials from visiting a secret underground command center in Beijing known as the Western Hills.

Adm. Roughead is scheduled to meet Chinese navy commander Vice Admiral Wu Shengli and the commander of the South China Sea Fleet. Those talks could shed light on China's aggressive naval buildup.

"Clearly, the growth in the capacity and capability of the navy since I've first been exposed to it in the '90s, the ability to go into the blue water is very, very clear," he said. "I look forward to having discussions about what the vision is and perhaps what some of the operating doctrine might be."

William Tripplett, a former Senate Foreign Relations Committee staff specialist on China, said the failure to track the submarine was alarming.

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"China's tracking of the Kitty Hawk, undetected by U.S. Navy anti-submarine warfare assets, is a shocking development," he said.

Commander: China Sub Stalked U.S. Carrier (AP)

AP, November 14, 2006

A Chinese submarine came close to the USS Kitty Hawk carrier group in the Pacific Ocean last month, a top U.S. naval commander said Tuesday.

The aircraft carrier and supporting ships were conducting war games at the time but were not engaged in anti-submarine exercises, Adm. William Fallon, the commander of U.S. Pacific Command, told reporters.

But they had been, he said, "and if this Chinese sub came in the middle of this, then it could have escalated into something that could have been very unforeseen."

Fallon, who is in Kuala Lumpur for a 23-nation Chief of Defense Forces meeting, gave no other details.

He was commenting on a report on the Washington Times' Web site Tuesday that said a Chinese submarine "stalked" the Kitty Hawk and surfaced within torpedo firing range.

Poisoned Arrows Vs. Machine Guns (NYT)

By Nicholas D. Kristof

The New York Times, November 14, 2006

KOUKOU, Chad

Around this remote market town are janjaweed, the Sudanese-sponsored Arab militias that hunt down black Africans and shoot or rape them. The janjaweed are armed with AK-47s, grenade launchers and heavy machine guns mounted on pickup trucks.

Here in Koukou, the Africans are waiting for the attackers — with bows and arrows.

The international community has shamefully abandoned the people of eastern Chad, allowing the Darfur genocide to spread relentlessly. Incredibly, this year some 15,000 Chadians have sought security by fleeing into Darfur.

So the people in little Chadian towns like Koukou are left to themselves, and they have organized a self-defense force out of the town's 2,000 people. They have 12 hunting rifles, and every man has bows and arrows. Many also carry spears or swords.

It is an astonishing sight in the 21st century: Almost every male you meet here over the age of 12 carries a homemade bow and a quiver of arrows, just in case they come across marauders with machine guns. It is as crazy as it is courageous.

"I will try to defend myself with this bow and arrow," said Muhammad Hamid, a 40-year-old farmer walking down the path by the town. "If I die, that's O.K., but I will try to fight."

Mr. Muhammad gave me a demonstration of his archery and it was, frankly, pitiful. He could fire the arrow only about 50 feet. Another villager sent the arrow only 40 feet.

Yet the villagers are fighting for the lives of their loved ones, and that counts for something. They also apply traditional poison to the arrowheads, and they say that if it reaches the bloodstream it is deadly. In a destroyed village southwest of here, I saw a janjaweed horse that had been killed by a defender's arrow.

The local peasants certainly do better than I do. When I ran into a band of janjaweed yesterday in a burned-out village near here, I fled. The peasants of Koukou stand their ground.

Indeed, the archers of Koukou managed to turn back an attack by the janjaweed over two days in May. One janjaweed fighter they killed carried a Sudanese military identity card — one more indication that Sudan is behind these attacks.

"God gave us help to win," said Muhammad Ibrahim, the chief of the locality, explaining the janjaweed retreat in May. But after a string of attacks on 20 villages in the area over the last 10 days, he now expects another assault on Koukou by the janjaweed.

The townspeople have talked about pulling up stakes and moving en masse, but they have nowhere to go.

The courage of ordinary citizens here offers a pointed contrast to the fecklessness everywhere else. France, the former colonial power here, has troops in both Chad and the Central African Republic — which it seems ready to use primarily to evacuate Europeans as order collapses. (During the Rwandan genocide, France left its local staff to be butchered but took care to evacuate the embassy dog.)

As for the U.S., President Bush has found the courage to do little more than demand that the U.N. do something. Frankly, we should be embarrassed that the mightiest superpower in the history of the world can't summon the gumption of Chadian peasants with bows and arrows.

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Already, the U.N. and the major powers have allowed hundreds of thousands of people to be killed in Darfur. Now they seem equally ready to allow the genocide to spread to a far larger area and cause the collapse of Chad and the Central African Republic.

Local Chadians in this region, from the sultan to the homeless people now sleeping under trees, regularly plead for U.N. peacekeepers, or any international intervention.

Here's a suggestion: How about a joint U.S. and French operation to fly sorties, at the invitation of the Chadian government, from the French air base in Abéché, Chad, to strafe janjaweed raiding parties? Most of the janjaweed destroying eastern Chad seem to be Sudanese, guided by some Chadian Arabs who know this territory, and many appear to be in it for the pay and the spoils. Such mercenaries may find it less of an adventure if they risk being gunned down themselves.

In this semidesert land, large bands of janjaweed can be spotted relatively easily. And there is no sovereignty objection in assisting Chad in securing its own territory.

The people in Koukou and other towns here, with their bows and arrows, have the guts to stand up to genocide. I wish we did.

U.N. Pledges $77M For Darfur Forces (AP-Y)

By Les Neuhaus, Associated Press Writer

AP, November 14, 2006

The United Nations said Monday it has pledged about $77 million in personnel and equipment to help the overwhelmed African Union force in Darfur as Sudan blocks the world body from sending its own peacekeepers to the war-torn region.

The package includes military and police advisers, communications equipment and tools like night-vision goggles, said Hedi Annabi, the U.N. assistant secretary general for peacekeeping operations. It will be given to the African Union as soon as possible.

The aid has been offered because of Sudan's refusal to allow a U.N. peacekeeping force in Darfur, Annabi told reporters.

"That (willingness) is not there today (for a United Nations peacekeeping force), so in the meantime we are looking at ways in which we can move forward by reinforcing (the African Union Mission in Sudan) to enable it to go on with its tasks effectively," Annabi said.

The U.N. Department of Peacekeeping Operations in New York said the Sudanese government initially agreed to allow the United Nations to provide the AU troops with a support package worth about $22 million. Annabi was able to secure the government's agreement to allow the rest of the $77 million aid package to go through in the last few days.

Annabi, who recently visited Sudan, said he will soon start discussions on another support package for the AU force, but he did not say how much that would be worth.

Annabi spoke after a meeting of African Union, U.N. and Sudanese officials to discuss the deteriorating situation in Darfur with the AU's mandate due to expire on Dec. 31.

The U.N. Security Council voted in August to send more than 20,000 peacekeepers to Darfur to replace the ill-equipped and underfunded African Union force, but Sudan has rejected this.

The African Union currently has 7,000 troops in the violence-plagued region to monitor a shaky cease-fire signed earlier this year by the government and one rebel faction.

The announcement came as the U.N. reported nearly 40 civilian deaths in the last few days in attacks in Darfur by Arab militiamen — some of whom were backed by Sudanese military vehicles.

U.N. Secretary-General Kofi Annan and the African Union also have invited representatives from the five permanent members of the Security Council, several African countries, the League of Arab States and the European Union to discuss the deteriorating situation in Darfur, U.N. spokesman Stephane Dujarric said.

Dujarric said Annan would attend the meeting Thursday in Ethiopia, as would representatives from Sudan's government.

The African Union's peace and security commissioner Said Djinnit said the organization's peacekeeping mission needed even more donor support. Some pledged millions a few months ago, but little has been received, he said.

"This is a matter of urgency," he said. "This ad hoc way of funding the mission is unsustainable."

The African Union force has been unable to curb violence in Darfur, where more than 200,000 people have been killed and 2.5 million displaced since the conflict began in February 2003, when ethnic African tribesmen took up arms against the Arab-led government in Khartoum.

U.N. investigators and rights groups have blamed the worst atrocities on the janjaweed, a pro-government militia that is widely accused of killing villagers and destroying their homes. The government denies supporting the militia.

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Associated Press writer Justin Bergman at the United Nations contributed to this report.

Sinn Fein-Unionist Pact Lagging (WT)

By Anthony Healy

The Washington Times, November 14, 2006

DUBLIN -- A deal between Sinn Fein and the Democratic Unionist Party is falling behind schedule, but it still offers hope for a permanent solution to the "troubles" in Northern Ireland.

The St. Andrew's Agreement, concluded last month in Scotland, provides for a power-sharing home-rule government in Belfast and has wide support from both the pro-Irish Catholics, represented by Sinn Fein, and the pro-British Protestants, represented by the DUP.

The Unionists, however, are refusing to go forward without a firm commitment from Sinn Fein to support and respect the Police Service of Northern Ireland -- a bitter pill for the party to swallow after decades of distrust during struggles between the police and Sinn Fein's allies in the Irish Republican Army.

Sinn Fein is to hold a special party conference to decide the issue, the final hurdle to the restoration of the home-rule government established at Stormont in 1999 and suspended by Prime Minister Tony Blair in 2002. A source close to Sinn Fein said that the most likely date for the conference would be in January.

Sinn Fein leader Gerry Adams indicated during a fundraising event in New York last week that his party would seek some assurances in exchange for the concession. "We are determined to ensure that all elements in policing are accountable. That is the focus of our negotiations with the British government at this time," he said.

Mr. Adam's comments came just days after a human rights group headed by Notre Dame Law School professor Doug Cassel concluded that Northern Ireland police and the British Army were involved in the slayings of 74 Catholics between 1972 and 1977. Mr. Cassel called on the British government to apologize to the families of the victims.

The DUP, for its part, says Sinn Fein's delay in stating its support for the police and the courts has had "clear, adverse implications for the timetable laid out in the St. Andrew's Agreement."

Both parties had been expected to endorse the agreement by last weekend and to make a firm commitment to power sharing -- along with their nominations for the posts of first minister and deputy first minister -- by Nov. 24.

It now appears that the Nov. 24 deadline will not be met, but if Sinn Fein needs more time it will certainly get it. As one Irish politician stated, "The prize is too big."

If the policing issue can be settled, it is expected that elections to the new executive will take place in March.

US Grants Mali 461 Million Dollars For Airport, Irrigation Expansion (AFP)

AFP, November 14, 2006

The United States signed a 461 million dollar aid "compact" with Mali to finance a giant irrigation project and expand the international airport in the poverty-stricken African nation.

US Secretary of State Condoleezza Rice said the grant from the Millennium Challenge Corporation (MCC) was a reward for good governance and a commitment to democracy by the government of Malian President Amadou Toumani Toure.

"The Millennium Challenge Corporation rewards those countries which have demonstrated their commitment to ruling justly," Rice said at a ceremony at the State Department attended by Toure and other senior US and Malian officials.

The bulk of the five-year assistance package will provide 235 million dollars to finance a massive irrigation and modernization program in Mali's Alatona region designed to increase food production and improve land tenure security in an area now dominated by subsistence agriculture, officials said.

Another 90 million dollars will be used to expand the freight and passenger capacity of Bamako international airport, the economic lifeline of the land-locked North African country.

Some 94 million dollars were earmarked for the development of an industrial park near the airport while the remainder of the funds will be spent on management of the projects.

The three projects were developed jointly by US and Malian authorities in what Toure hailed as "a new vision of development assistance".

"These projects are an enormous source of hope for our nation," Toure said, adding that the US-financed programs will boost agricultural production, open Mali to world markets and strengthen its industrial base.

Mali, one of the world's poorest countries with annual per capita income of 380 dollars, is the 10th nation to benefit from grants by the Millennium Challenge Corporation, which was launched by President George W. Bush in 2004 with the stated aim of promoting good governance, economic freedom and growth.

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Other recipients are Armenia, Benin, Cape Verde, Georgia, Ghana, Honduras, Madagascar, Nicaragua and Vanuatu.

In all the MCC has signed aid agreements totalling 2.5 billion dollars.

Ambassador John Danilovich, chief executive of the MCC, said the aid program signed Monday "promises to unleash growth in the business and agriculture sectors that will help replace poverty with prosperity for tens of thousands of Malians."

The US and Mali also will collaborate in another way this week, as the US military will start training the army in Mali in anti-terrorism techniques and in peace-keeping operations, the Malian military said.

"The training will take place starting Wednesday or Thursday in (the northern cities of) Timbuktu and in Gao," said Colonel Abdoulaye Coulibaly, spokesman for the Malian army.

Between 300 and 350 Malian soldiers will undergo training for "several weeks," he added.

The desert north of Mali, vast and difficult to monitor, is an important point of passage for traffickers, especially of weapons, and for terrorist groups active in the Sahara, such as the Salafist Group for Preaching and Combat, an Algerian group having allegiances to Al-Qaeda.

Giant Neighbors Russia, China See Fault Lines Start To Appear (WSJ)

By Guy Chazan

The Wall Street Journal, November 14, 2006

AYATSKOYE, Russia -- When Vladimir Shiryaev bought Ayatskoye, a near-bankrupt farm in the Urals, in 2000, he wondered how he would ever get the harvest in. Most of the local labor force was either too old or too drunk to work.

So he sought rescue from a group of Chinese laborers, led by a woman from Inner Mongolia named Meng Dani. He leased them about 50 acres, and within a few months they were growing tomatoes and cabbages on land that had stood untilled for years.

Mr. Shiryaev is delighted with his hard-working new tenants. "They've got a really serious operation going here," he says. "I really hope they can inspire the locals to work harder." Regional officials are so impressed they're now planning to turn millions of acres of long-uncultivated fields over to Chinese peasants like Ms. Meng.

But among many natives here in Russia's heartland, the idea has proved controversial. "Those farmers are a landing force," says Igor Vyaginsky, a crew-cut local activist from the Movement Against Illegal Immigration with a penchant for military terminology. "They'll establish a bridgehead and then spread out. We could end up losing our territory."

The dispute over Ayatskoye is typical of the tension at the heart of the Russia-China relationship. Russia is finding it hard to cope with the emergence of a new global power right on its doorstep, and many Russians fear being overwhelmed by their dynamic and more-populous neighbor. But on the ground, especially in Russia's sparsely populated countryside, Chinese labor is helping to stave off economic ruin.

To the outside world, Russia and China appear to be cozying up like never before. In October 2004, Moscow ceded territory to its southern neighbor to resolve a longstanding border conflict that had sparked a war in the late 1960s. The following year the two carried out their first-ever joint military exercise. China buys about $1 billion worth of Russian weapons every year, making it the Russian arms industry's biggest customer. Altogether, the two countries' trade was valued at $29 billion last year, an increase of 37% over 2004.

Meanwhile, as China scours the world for energy to power its booming economy, it's increasingly looking to Russia's bountiful reserves of oil and gas. Last week, the Kremlin's oil company, state-controlled OAO Rosneft, pledged to nearly double crude exports to China and said it was teaming up with China National Petroleum Corp. to build an oil refinery and operate gas stations in China.

But China's efforts to strengthen its economic ties with Russia have run into repeated roadblocks. Only one of Beijing's state energy companies has so far succeeded in gaining a stake in a Russian oil field, and only when it agreed to relinquish a controlling stake to Rosneft. Despite years of trying, Beijing has so far failed to secure access to a planned pipeline carrying Siberian crude to the Pacific. Russia, concerned about becoming too dependent on one customer, has refused to commit to building a spur that would link the pipeline to northern China, instead hinting that it will rely on rail shipments -- which are much costlier and less reliable.

Even when the Chinese try to invest in less-sensitive sectors than energy, the relationship can be fractious. In St. Petersburg, Russia's second-largest city, local politicians have campaigned to block a $1.3 billion real-estate development by a conglomerate of five Chinese state-owned companies. The concern: that the 553.5-acre project, which would include housing, schools, hospitals, recreation and retail, would become a "Chinatown"-style enclave for illegal immigrants.

Array of Obstacles

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In Blagoveshchensk, a city on the Russian-Chinese border, efforts to build trade have fallen flat. Eleven years after Moscow signed a deal to build a bridge across the Amur River, a vast array of bureaucratic obstacles is still preventing construction -- despite pleas from Beijing to speed things up.

Behind the ambivalence is a fear that once the floodgates are opened, Russia could be swamped by Chinese immigrants. The surrounding tensions over linguistic, cultural and economic differences echo those along the U.S.-Mexico border, where states have to deal with a constant flow of legal and illegal immigrants seeking opportunity. In Russia the concern is heightened by the stark contrast between China's enormous population and Russia's steep demographic decline.

The differences are most palpable in Russia's Far East, a vast region bordering on China that has more than a third of Russia's territory but just 5% of its population -- seven million people. Across the border are China's three northeastern provinces -- Heilongjian, Jilin and Liaoning -- with a combined population of more than 100 million.

Inevitably, tens of thousands of Chinese migrants are already crossing over to fill the void, some of them settling down and acquiring Russian citizenship. According to the official count, there are about 250,000 Chinese living in Russia. Some Russian academics say they could become the predominant ethnic group in the Far East and eastern Siberia by the year 2025.

Visiting Blagoveshchensk in 2000, President Vladimir Putin warned that if the authorities failed to develop the region, "even the indigenous Russian population will mainly be speaking Japanese, Korean and Chinese in a few decades."

Yet in the countryside and Russia's provincial capitals, the Chinese are often seen quite differently -- as a potential lifeline for an economy desperately in need of extra hands.

One such capital is Yekaterinburg, a big industrial center about 50 miles south of Ayatskoye. Agriculture in the surrounding region has long been in crisis: The rural population collapsed in the 1990s as newly privatized collective farms went bust and men drifted away to find jobs on city construction sites and the oil rigs of Siberia.

Now, says the regional agriculture minister, Sergei Chemezov, one in four farms is bankrupt and more than 10% of arable land -- about 400,000 acres -- is uncultivated. The Yekaterinburg region now has to import 20% of its grain.

"When you fly over China, you can see every inch is farmed," Mr. Chemezov said in an interview in his office, which is decorated with miniature sheaves of corn and a huge stuffed owl. "Then you cross the border and on the Russian side it's just vast emptiness. Terribly sad!"

He sees the solution in imported Chinese labor. Last summer, Mr. Chemezov announced plans to grant millions of acres of land on 49-year leases to any Chinese workers willing to farm it. He has no takers yet, but the Chinese have already installed an agricultural attache at their consulate in Yekaterinburg to help bring Chinese labor to local farms.

The inspiration, says Mr. Chemezov, came from Ayatskoye.

Mr. Shiryaev, the farm's 53-year-old owner, was born in Ayatskoye, when it was a big Soviet collective farm. He recalls a childhood playing soccer, driving tractors and making hay in the sunshine. Communist subsidies for rural areas delivered abundant machinery and fertilizer, free school meals, and teachers from Moscow and St. Petersburg.

The idyll collapsed in 1992, when the farm was privatized and the subsidies evaporated. Ayatskoye's new managers sold off tractors for parts. Peasants slaughtered their cows for food. With no money to buy fuel for planting or harvesting, most of the farm's 10,000 acres of arable land fell out of use. Wages weren't paid, and most of the male population left. "The only people left there now are old women and drunkards," says Mr. Shiryaev.

He moved to Yekaterinburg, where he trained in law, worked as a judge, and established a flourishing legal practice. In 2000, Ayatskoye's managers turned to him in desperation. The farm was virtually bankrupt, they said. Mr. Shiryaev, whose elderly mother still lives there, paid about $25,000 for a controlling stake and set about trying to turn things around.

Finding anyone to run Ayatskoye was hard. He went through four managers in six years. But the lack of manpower was the biggest problem. Of 32 workers, only 15 regularly turned up for work. Many of the rest went off on drunken binges that could last a whole week, he says. Getting the harvest in safely was a heroic achievement. Mr. Shiryaev said he has lent Ayatskoye $100,000 a year since taking it over. Most of the money remains unpaid.

Finding a Solution

Mr. Shiryaev finally found a solution last March. It came from Tagansky Ryad, a huge clothing market in Yekaterinburg that is the hub of the city's Chinatown. There, some 30,000 Chinese traders live and work, many out of primitive metal shipping containers, eating at the Peking Cafe and gambling at the neon-lit Shanghai Casino.

He was approached by Meng Dani, who was at the time selling cheap Chinese coats in Tagansky Ryad. She and some of her fellow traders wanted to branch out into agriculture, knowing they could sell their produce in the market. Mr. Shiryaev says he was immediately interested, because he "knew how hard Chinese people work." So he offered to let them rent 50 acres of land for a nominal fee. They agreed and shortly afterward, 14 of them moved to Ayatskoye.

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It was a hard year. The summer was cold and the harvest smaller than they bargained for. None of the workers had any agricultural training and they made a string of missteps, such as trying to grow eggplants -- unsuitable for the harsh Urals climate.

But before long they were growing tomatoes, cabbages and beetroot on the plot and selling it at the local market. Villagers came over to buy their tomatoes. "They were really good, really juicy," says Tatyana Byzova, a technician at the local school. "I don't understand how they managed to grow them without greenhouses."

They plowed their profits back into the farm, buying a second-hand tractor. Mr. Shiryaev gave them wood to build a house to replace their makeshift shacks. Next year he has promised to lease them another 50 acres, and in 2008 another 50.

Mr. Shiryaev hoped their zeal would inspire the locals. So far, it hasn't. "Our people are not prepared to work with their bare hands, with hoes and shovels, 12 to 14 hours a day the way they do," he says. Most prefer, he said, "to find release in the daily festival of vodka."

Some of the locals object to that characterization. "We're not all lazy here," says Lyubov Rubtsova, a worker in the village clubhouse. "I'd also work hard if I was paid a decent wage."

The Chinese workers' reputation has spread. Area farms and poultry factories, all with their own labor shortage, call almost daily, asking Meng Dani and her team to help out loading trucks and driving tractors. Ms. Meng -- whom the Russians call Tanya -- usually says they're too busy with their own work.

On a sunny day in October, Mr. Shiryaev drove in his silver Toyota Land Cruiser to see the new tenants, who live at the end of an unpaved, potholed road on the fringes of the village, beyond the garbage dump. The men -- all from Jilin in northeastern China -- were welding scrap metal into stoves for greenhouses that the farm recently added, while Ms. Meng stacked Chinese cabbage on the back of a truck.

It had been a frustrating day. She spent most of it trying to find a driver to take her produce to market. "The Russians drink a lot," said Ms. Meng, 33 years old. "They don't want to work." Relations with locals were mostly cordial, she said, although "their cows keep coming over and eating our cabbages."

Mr. Shiryaev chatted with "Tanya" about her plans for the spring. The ranks of new greenhouses spread out to the horizon, alternating with neat rows of cabbages. Mr. Shiryaev looked beyond the patch of land of the Chinese farm, toward long-abandoned fields that are gradually being reclaimed by nature: Weeds, wild fir and pine now stand where wheat once grew. "That land will probably never be farmed again," he sighed.

Mr. Shiryaev got back into his Land Cruiser and drove off to see his mother, Tatyana, a 75-year-old pensioner. Ms. Shiryaeva, who lives in a crumbling workers' apartment block from the 1970s with no indoor plumbing, served a meal of pickled cucumbers, tomatoes and mushrooms and bowls of Siberian dumplings.

After a couple of shots of vodka, she vented her opinion on the Chinese workers her son has brought to Ayatskoye. "They'll make themselves at home and then start lording it over us," she said. "We'll be under their thumb."

Ms. Shiryaeva, a stout, toothless woman in a flower-patterned dress, was also suspicious of the newcomers' farming methods. "They use too much fertilizer," she said. "How else can they get their tomatoes that red?"

Mr. Shiryaev, too, is mindful of the risks of bringing Chinese people to this faraway spot with its villages gradually emptying out of Russians. "If they begin to dominate, this place won't be Russia anymore," he said.

Back in the Chinese colony, Ms. Meng sat in her chilly hut, decorated only with a map of Russia -- in Chinese. To her, Russia is a vast country with a lot of empty territory: If no one else is farming it, why shouldn't she? "I feel so sorry for the land," she said. "There's so much of it, and so little of it is used." Back in her hometown, Hailar, in Inner Mongolia, there's "little land, a lot of people, and no work."

Al-Jazeera Aims For No 'accent' In English (USAT)

By Peter Johnson

USA Today, November 14, 2006

Al-Jazeera, the Arab news network the Bush administration says is a tool of al-Qaeda, will launch Wednesday its English version, which will be available in 70 million households worldwide.

Al-Jazeera International will broadcast from Doha, Qatar, and from bureaus in Kuala Lumpur, Malaysia; London; and Washington, D.C. Cable and satellite distribution deals are expected to be announced today.

Programs will include talk and feature shows and several daily newscasts featuring live reports from the four regions with "different cultural views of the day's events," says Will Stebbins, AJI's Washington bureau chief.

"There's an appetite for international news that doesn't come from a specific national perspective," he says. "We're not going to have any accent."

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Dave Marash, a former ABC Nightline correspondent who'll co-anchor a daily newscast, says Al-Jazeera got a black eye from the Bush administration for airing Osama bin Laden videotapes and live reports from Fallujah, Iraq.

Al-Jazeera reported news in both cases, he says, and its journalistic "aspirations, tactics and techniques" are like those of any mainstream news outlet. "No holds barred, political ideology, party affiliation. When people actually see the product, I think a lot of that (criticism) is going to go away."

The White House issued a tepid welcome. "A free press has the responsibility to report news responsibly and accurately, and we work with all outlets that do so," spokeswoman Dana Perino said.

In the USA, most cable firms have refused to give AJI channel space, which means, for now, AJI will primarily be available at English.aljazeera.net.

That will limit Al-Jazeera's reach, says Tom Rosenstiel of the Project for Excellence in Journalism. The Web "is the technology of the future, but it remains to be seen what kind of impact that can have as a platform for a largely TV-driven product."

Mr. Putin's Legacy (NYT)

The New York Times, November 14, 2006

The Russian Constitution limits a president to two terms, which would mean a natural conclusion to Vladimir Putin's presidency in 2008, and so far, Mr. Putin says he will abide by the legal limit. But there are growing calls — spontaneous or orchestrated by the Kremlin — to change the Constitution.

Given his sway over the Russian Parliament, Mr. Putin would have no trouble warping the Constitution. It would be a tragic mistake. History will judge him by how well he helps Russia move from its totalitarian past to a democratic future. His record is not encouraging.

Mr. Putin likes to boast about Russia's economy, which will grow — thanks to high oil prices — at 6.6 percent this year. Russia has paid off almost all of its Soviet debt, and life is improving. All of this has made Mr. Putin very popular with Russians. But many of them seem unconcerned about their declining freedoms. The government has muscled out independent news media and jailed political rivals, and never stops trying to muffle groups that do not follow the Kremlin line.

At his latest three-hour town meeting, Mr. Putin was lionized. Arkady Kokayev, a truck driver, phoned in to ask, "What will happen to us and this country after you leave?" Mr. Putin assured him that all would be well, and that while he would respect the Constitution, he would still "influence the life in our country" after leaving office.

That is an admirable pledge. We hope for the sake of Russia's democracy that he will keep it.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

US: Immigrants May Be Held Indefinitely (AP-Y)

DOJ_NMG_0094011

By Matt Apuzzo, Associated Press Writer

AP, November 14, 2006

Immigrants arrested in the United States may be held indefinitely on suspicion of terrorism and may not challenge their imprisonment in civilian courts, the Bush administration said Monday, opening a new legal front in the fight over the rights of detainees.

In court documents filed with the 4th U.S. Circuit Court of Appeals in Richmond, Va., the Justice Department said a new anti-terrorism law being used to hold detainees in Guantanamo Bay also applies to foreigners captured and held in the United States.

Ali Saleh Kahlah Al-Marri, a citizen of Qatar, was arrested in 2001 while studying in the United States. He has been labeled an "enemy combatant," a designation that, under a law signed last month, strips foreigners of the right to challenge their detention in federal courts.

That law is being used to argue the Guantanamo Bay cases, but Al-Marri represents the first detainee inside the United States to come under the new law. Aliens normally have the right to contest their imprisonment, such as when they are arrested on immigration violations or for other crimes.

"It's pretty stunning that any alien living in the United States can be denied this right," said Jonathan Hafetz, an attorney for Al-Marri. "It means any non-citizen, and there are millions of them, can be whisked off at night and be put in detention."

The new law says that enemy combatants will be tried before military commissions, not a civilian judge or jury, and establishes different rules of evidence in the cases. It also prohibits detainees from challenging their detention in civilian court.

In a separate court filing in Washington on Monday, the Justice Department defended that law as constitutional and necessary.

Government attorneys said foreign fighters arrested as part of an overseas military action have no constitutional rights and are being afforded more legal rights than ever.

In its short filing in the Al-Marri case, however, the Justice Department doesn't mention that Al-Marri is being held at a military prison in South Carolina — a fact that his attorneys say affords him the same rights as anyone else being held in the United States.

The Justice Department noted only that the new law applies to all enemy combatants "regardless of the location of the detention."

The Bush administration maintains that al-Marri is an al-Qaida sleeper agent. The Defense Department ordered a review of Al-Marri's status as an enemy combatant be conducted if, as requested, the case is thrown out of court.

Justice Department Wants Guantanamo Cases Dismissed (MCT)

By Carol Rosenberg, McClatchy Newspapers

McClatchy Newspapers, November 14, 2006

MIAMI - The Bush administration Monday defended a new law that strips enemy combatants at Guantanamo Bay of recourse to traditional civilian court challenge, setting the stage for a U.S. Supreme Court showdown.

In a brief, the Justice Department argued at the U.S. Court of Appeals for the D.C. Circuit that the U.S. district courts must close the files of several hundred habeas corpus petitions because the new Military Commissions Act eliminated their jurisdiction.

Attorneys for many of the 440 or so captives, some approaching five years held without charge at the remote U.S. Navy base in Cuba, argue the law is at odds with a fundamental, constitutional right to file a writ of habeas corpus - their right to challenge their detention before a civilian judge.

Once the three-court appeals panel rules, both sides anticipate an overarching constitutional challenge of the new federal law to go before the Supreme Court, which earlier backed certain detainee rights in a series of rulings.

The brief signed by Solicitor General Paul Clement argues that Congress "unambiguously" stripped the U.S. district court of that right in the new legislation, which President Bush signed on Oct. 17.

"Because there can be no question that Congress has eliminated district court jurisdiction," Clement writes, "petitioners are left to argue that the Act is unconstitutional. These arguments are without merit."

Rather than have traditional review, he adds, Congress gave the circuit appeals court - the same venue deciding the constitutionality of the law - the power to review an enemy combatant's classification.

In that review, a captive cannot argue that he is being held illegally and indefinitely, but can challenge his designation as enemy combatant.

Moreover, the U.S. government added, the Pentagon has established its own annual review process at Guantanamo, a parole-like board of military officers, where any captive can argue why he should be set free.

DOJ_NMG_0094012

For about two years now, defense attorneys for the men have sought case-by-case independent reviews, arguing that the military requires civilian oversight.

Federal judges, however, have been reluctant to intrude.

In one instance, U.S. District Judge James Robertson found that two Uighur Muslims of Chinese citizenship were unlawfully held in indefinite detention at the Guantanamo facility, but said he did not know how he could offer relief.

Some time afterward, the Pentagon arranged to airlift them and three other Uigurs to faraway Albania for resettlement.

U.S. policy prevented their repatriation, for fear they would be subjected to religious persecution, as Muslims, in their communist-ruled country.

The showdown over the Military Commissions Act is currently being played out in a pair of cases named for two of the current detainees at Guantanamo - Fawzi al-Odeh, a Kuwaiti, and Lakhdar Boumediene, an Algerian - who had separately filed suits in the lower court over their right to habeas corpus.

Envoy: Islamic Extremists Seek Weapons (AP)

By David Stringer

AP, November 14, 2006

Islamic extremists, including members of al-Qaida, have tried to acquire chemical or radiological weapons to use in attacks against Britain and other Western targets, a senior British diplomat said Monday.

The warning followed an acknowledgment last week by Britain's domestic spy chief, Dame Eliza Manningham-Buller, that authorities are tracking almost 30 terrorist plots involving 1,600 people.

Britain's Foreign Office has evidence of efforts by the terror groups to purchase chemical, biological, radiological and nuclear materials for use in attacks, the diplomat said on condition of anonymity because of the sensitive nature of his work.

Dhiren Barot, the British Muslim convert who was sentenced to life in prison last week for plotting to attack U.S. financial landmarks and London hotels, had drawn up plans to build and detonate a so-called dirty bomb, which combines radioactive materials with conventional explosives, prosecutors said.

"We know the aspiration is there, we know the efforts to get the materials are there, we know the efforts to get the technology are there," the senior diplomat said.

The diplomat acknowledged that an attack with chemical or radiological weapons would most likely be mounted with crude technology and cause mass panic rather than mass casualties.

Britain's Foreign Office is concerned over the potential access terrorists could have to substances with legitimate uses that could also be used to create weapons and biological agents like smallpox or anthrax, the official said.

Manningham-Buller, head of the British domestic spy agency MI5, said last week that her agency is monitoring 200 cells actively engaged in plotting or aiding attacks in Britain and abroad.

She said agents had foiled five major plots since the July 2005 transit bomb attacks in London, which killed 52 commuters and the four bombers.

The Foreign Office official said hundreds of British Muslims were making terrorism-related trips between Britain and Pakistan each year.

Britons with family ties to Pakistan and Pakistani nationals who have no previous links to Britain were moving easily between the two countries to plan and raise funds for plots, the official said.

Though the majority of the hundreds traveling on terrorism-related trips relay messages, raise funds or pass on information and practical skills — dozens also attend terrorist training camps in Pakistan, the diplomat said.

Three of the July bombers visited Pakistan before the London attacks, but Pakistani officials have consistently denied claims the plot was directed from inside its borders.

CIA Acknowledges 2 Interrogation Memos (WP)

By Dan Eggen

The Washington Post, November 14, 2006

After years of denials, the CIA has formally acknowledged the existence of two classified documents governing aggressive interrogation and detention policies for terrorism suspects, according to the American Civil Liberties Union.

But CIA lawyers say the documents -- memos from President Bush and the Justice Department -- are still so sensitive that no portion can be released to the public.

The disclosures by the CIA general counsel's office came in a letter Friday to attorneys for the ACLU. The group had filed a lawsuit in U.S. District Court in New York two years ago under the Freedom of Information Act, seeking records related to U.S. interrogation and detention policies.

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The lawsuit has resulted in the release of more than 100,000 pages of documents, including some that revealed internal debates over the policies governing prisoners held at the military detention facility at Guantanamo Bay, Cuba. Many other records have not been released and, in some cases, their existence has been revealed only in media reports.

Friday's letter from John L. McPherson, the CIA's associate general counsel, lists two documents that pertain to the ACLU's records request.

The ACLU describes the first as a "directive" signed by Bush governing CIA interrogation methods or allowing the agency to set up detention facilities outside the United States. McPherson describes it as a "memorandum." In September, Bush confirmed the existence of secret CIA prisons and transferred 14 remaining terrorism suspects from them to Guantanamo Bay.

The second document is an August 2002 legal memo from the Justice Department's Office of Legal Counsel to the CIA general counsel. The ACLU describes it as "specifying interrogation methods that the CIA may use against top al-Qaeda members." (This document is separate from another widely publicized Justice memo, also issued in August 2002, that narrowed the definition of torture. The Justice Department has since rescinded the latter.)

The ACLU relied on media reports to identify and describe the two documents, but the CIA and other agencies had not previously confirmed their existence. McPherson wrote that neither document can be released to the public for reasons of security and attorney-client privilege.

"The documents are withheld in their entirety because there is no meaningful non-exempt information that can be reasonably segregated from the exempt information," McPherson wrote. A spokesman for the CIA declined to comment yesterday.

Amrit Singh, one of the ACLU's attorneys on the case, said the disclosures may make it easier for the group to argue in favor of releasing the documents.

"For more than three years, they've refused to even confirm or deny the existence of these records," Singh said, referring to the group's initial document request in October 2003. "The fact that they're now choosing to do so confirms that their position was unjustified from the start. . . . Now we can begin to actually litigate the release of these documents."

Levin Vows To Probe 'abuse' Of Renditions (FT)

By Demetri Sevastopulo And Daniel Dombey

Financial Times, November 14, 2006

Carl Levin, the incoming chairman of the Senate armed services committee, on Monday pledged to scrutinise the Central Intelligence Agency renditions programme.

The Bush administration this year revealed that the US had transferred 14 high-value al-Qaeda suspects from secret CIA prisons to Guantánamo Bay. But officials have been unwilling to discuss the fate of dozens of other detainees who were rounded up around the world for interrogation.

While Congress has enacted legislation aimed at preventing abuses of detainees, there has been relatively little public scrutiny of the renditions system itself.

Asked whether he would investigate the renditions programme, including the secret prisons and missing detainees, Mr Levin replied: "Yes. Yes, yes and yes."

"I'm not comfortable with the system," he said. "I think that there's been some significant abuses which have not made us more secure but have made us less secure and have also, perhaps, cost us some real allies, as well as not producing useful information. So I think the system needs a thorough review."

In addition to examining US policy on Iraq, Mr Levin said it was important to reassess the situation in Afghanistan, including asking whether the US's allies in Nato were hampered by restrictive rules of engagement.. "We need to review the progress being made in Afghanistan, including whether our Nato allies are asserting too many limits on the use of their forces."

The Pentagon has long complained that European Nato members are hampered in Afghanistan by restrictions on rules of engagement with Taliban and other hostile forces. Poland recently announced its intention to send a caveat-free contingent of 1,000 soldiers. European countries are coming under greater pressure in the lead up to the Nato Riga summit this month.

The US has been pressing its Nato allies to do more to tackle the insurgency in the south of Afghanistan, as have the UK, Canada and the Netherlands, the countries taking the lead in Nato's operations in the south.

Asked about the nomination of Robert Gates, the former CIA director, to replace Donald Rumsfeld as defence secretary, Mr Levin said he wanted to examine allegations by George Schultz, former secretary of state, that Mr Gates had manipulated intelligence at the CIA to suit policy goals.

"We had enough manipulating intelligence, shaping intelligence in order to give the policymakers what they wanted to hear," said Mr Levin. "And we've got to make sure that if in fact there's any truth to what secretary Shultz said that Mr Gates did, that that is not going to happen again."

DOJ_NMG_0094014

Justice Department Argues For Tougher Sentence For Ressam (SEATIMES)

By Mike Carter, Seattle Times staff reporter

The Seattle Times, November 14, 2006

The judge who sentenced Ahmed Ressam to 22 years in prison should be ordered to impose a stiffer sentence on the man who planned to blow up holiday travelers at Los Angeles International Airport, a Justice Department lawyer argued Monday.

U.S. Attorney John McKay, in the unusual appeal, said U.S. District Judge John Coughenour had abused his discretion, failed to justify the sentence and misused Ressam's sentencing to criticize U.S. policy about having terrorism suspects held indefinitely or tried before secretive military tribunals.

"These are reversible errors," McKay told a three-judge panel of the 9th Circuit Court of Appeals convened in Seattle. If the sentence stands, Ressam "will be released in 15 years, leaving him, if he chooses, to rejoin his al-Qaida comrades when he is 54 years old," McKay said.

Ressam's attorney, Federal Public Defender Thomas Hillier, when questioned by Judge Pamela Ann Rymer, agreed that Coughenour needs to justify the length of the 22-year sentence to comply with case law and sentencing guidelines.

"We can't tell why he picked that number," Rymer said.

It will be many months before the case is decided. The U.S. Supreme Court last week agreed to hear two cases, about sentencing discretion, that may affect the circuit court's decision.

Ressam was arrested Dec. 14, 1999, in Port Angeles as he drove off a ferry from Victoria, B.C., in a rental car packed with explosives. The Algerian refugee later admitted he had been recruited by al-Qaida and trained at Osama bin Laden's terrorism camps in Afghanistan.

He was convicted in April 2001 of nine federal felonies, including conspiracy to commit an act of international terrorism. A month later, he began to cooperate with law enforcement.

Ressam identified at least 130 members of terrorism cells, testified in two terrorism trials and cooperated with the governments of Canada, England, France, Germany and Italy.

At one point, both prosecutors and the defense said that Ressam's sentence should be considerably lighter because of his help, and agreed to a 27-year sentence. However, Ressam's cooperation faltered in 2003 and ended by 2005. His lawyers and a government psychiatrist concluded that years in solitary confinement and repeated interrogations caused him to suffer a mental breakdown.

Last year, prosecutors argued for a 35-year sentence, saying it accounted for his cooperation but also for his failing to live up to his agreement.

Prosecutors said they had to dismiss indictments against two alleged terrorists whose cases were built on Ressam's testimony: Abu Doha, a British citizen reported to be an al-Qaida recruiter, and Samir Ait Mohamed, a Canadian who allegedly had planned to detonate a gas truck in a Jewish neighborhood in Montreal.

Defense attorneys argued for a 12 ½-year sentence, saying Ressam's information had been nearly invaluable.

When he sentenced Ressam, Coughenour ripped the Bush administration for holding suspected terrorists without trial or trying them before secret tribunals.

"I would like to convey the message that our system works," Coughenour said of the Ressam case. "We did not need to use a secret military tribunal or detain the defendant indefinitely as an enemy combatant, or deny him the right to counsel."

The judge's remarks and the 22-year sentence infuriated some prosecutors and law-enforcement officials.

At Monday's hearing, McKay argued that the appellate court should send a message back to Coughenour: that his statements were out of line.

Ressam's lawyers also asked the appeals court to reverse one of Ressam's five explosives-related convictions. That conviction, for possessing explosives while committing another felony, resulted in a mandatory 10-year sentence.

Ex-N.Y. Times Journalist Tells Of Visiting Interrogation Center (NSDY/AP)

By Mike Robinson, Associated Press Writer

Long Island Newsday, November 14, 2006

CHICAGO -- Former New York Times journalist Judith Miller testified Monday that she saw no evidence that a grocer charged with providing money and recruits to Palestinian terrorists had been tortured when she secretly witnessed his interrogation by the Israelis in 1993.

"He was boasting. He was jaunty. There was no reason to believe that he had been subjected to that kind of treatment," Miller, who was the Times' Cairo bureau chief at the time, testified for the prosecution at Muhammad Salah's trial.

DOJ_NMG_0094015

Salah, 53, and former university professor Abdelhaleem Ashqar, 48, are charged in a federal racketeering indictment with providing money and fresh recruits to Hamas in its campaign to topple the Israeli government.

The two men say they merely tried to help impoverished Palestinians suffering under the Israeli army's occupation of the West Bank and Gaza. They deny that they are Hamas members or support terrorism.

Salah was arrested in Israel in 1993 and served 4 1/2 years in Israeli prisons before his release and return to Chicago.

He claims that he was deprived of sleep, hooded and forced to sit in a tiny chair with his hands cuffed behind his back before he made a series of statements to agents of the Israeli security agency Shin Bet.

Shin Bet interrogators using aliases and testifying before a courtroom cleared of spectators have said that Salah's statements were voluntary.

Miller served 85 days in jail for civil contempt after refusing to testify before a federal grand jury in Washington's CIA leak investigation. She resigned from the Times in 2005 amid questions about whether she was insufficiently skeptical in her reporting about the possibility that Iraq had weapons of mass destruction.

Miller testified that she flew to Israel in 1993 after reading about Salah's arrest and contacted aides to Israeli Prime Minister Yitzhak Rabin, whom she described as a longtime friend.

Through Rabin and Shin Bet chief Yakov Perry, she was invited to visit the West Bank interrogation center in Ramallah provided that she would not reveal in any article she wrote that she had been there and seen Salah questioned.

She said she agreed to that condition after checking with an editor. On cross-examination, she was asked which editor had approved the visit.

"I don't recall. We had a lot of editors, sir," she said.

She also said that she could not remember whether she was allowed to use a tape recorder while watching the interrogation session on television from an adjacent room. She continued to say she could not remember after being reminded of a 1998 radio interview in which she said she had used a tape recorder.

Miller said she was taken to the interrogation center because the Israelis wanted her to write about Salah. He allegedly had already confessed that money to finance Hamas was coming out of the United States, and Israeli officials wanted to draw Americans' attention to that.

She said she was initially skeptical and believed that Salah might have been tortured into making such statements. She said she was willing to write a story only after seeing him under Israeli interrogation.

Defense attorneys repeatedly tried to portray her as biased in favor of Israel.

"Have you ever been used as a Mossad asset?" asked Salah attorney Michael Deutsch, referring to the Israeli intelligence service.

Miller said no.

Ex-NY Times Reporter Testifies At Terror Funding Trial (CHIT)

By Jeff Coen

Chicago Tribune, November 14, 2006

Former New York Times reporter Judith Miller testified Monday that a Bridgeview man accused of helping to fund Hamas showed no signs of being mistreated during an interview with an Israeli agent she witnessed in 1993, even quibbling during the session about how his coffee had been prepared.

Lawyers for Muhammad Salah have argued that Salah was tortured into making a confession while being held by Israeli agents. But Miller told a federal jury in the Dirksen U.S. Courthouse that when she saw Salah, he was relaxed and "jaunty."

Miller, who was allowed to watch the interview on a video monitor in a separate room, said she stared at Salah for several minutes. "I was looking at him closely because I had been concerned that he might have been tortured."

Miller's appearance Monday was a rare example of a high-profile journalist testifying at a federal criminal trial. Lawyers for Salah and co-defendant, Abdelhaleem Ashqar, questioned her credibility given the controversies surrounding her reporting on the war in Iraq, among other things.

They asked about her reporting on supposed weapons of mass destruction in Iraq before the war and her decision not to answer a subpoena in the CIA leak case involving the identity of operative Valerie Plame.

Miller, a former Middle East correspondent and Cairo bureau chief of The New York Times, said she was only allowed to see Salah after making arrangements with ranking Israeli officials she knew, including Yitzhak Rabin, then Israel's prime minister.

Salah's lawyer, Michael Deutsch, asked Miller whether her job was to cultivate special access through high government officials, and whether she would then print the stories they wanted to see. As an example, he pointed to her stories in 2003 that said there were definitely weapons of mass destruction found in Iraq, which has since been disproven.

"I don't think I used the word 'definitely,'" said Miller, who denied she had made any deals to slant her writing on Salah.

DOJ_NMG_0094016

Deutsch asked whether it is true that Miller is no longer at The New York Times because she had reported information fed to her by U.S. government officials in the run-up to the Iraq war.

"No, sir, that is not why I left The New York Times," said Miller, who left the paper a year ago after 28 years.

Defense lawyers also asked about the 85 days Miller spent in jail last year, which she said she chose to serve in order to protect a confidential source involved in the Plame case. She eventually did appear before a grand jury after her source—vice presidential aide Lewis "Scooter" Libby, who has since been indicted on charges of obstruction of justice—gave her clearance.

"You wouldn't be just protecting your sources here, would you?" asked Ashqar's attorney, William Moffitt.

"Every source that was important to the Salah story was disclosed" either in her articles or in a 1996 book she wrote about the Middle East, Miller said.

Deutsch asked Miller if U.S. Atty. Patrick Fitzgerald—who also led the Plame investigation—made an agreement with Miller that if she testified for the government in the Salah case, he would not indict her for perjury in the Plame matter.

"He did not," Miller answered.

Lawyers on both sides of the case spent much of Miller's time on the stand asking her how she came to see Salah in Israeli custody on Feb. 11, 1993, and what she observed.

She said she watched an Israeli agent known as "Nadav" begin talking to Salah, who seemed very calm. At one point she heard Salah discuss the coffee he had been given.

"He complained that he usually took it this way, and Nadav had forgotten to bring something," she said. Nadav began to ask about Salah's Hamas activities, and Salah seemed to speak freely about his involvement, she said.

"I was struck by the fact that he seemed very comfortable talking about it," she said. He was boasting and jaunty, Miller said. "He was almost goading [Nadav] about how Hamas was getting the better of the Israelis. "He said, 'You shut Hamas down three or four times a year, and every time we regroup,'" she said.

"'You're actually teaching us how to do our jobs better,'" Miller said Salah told the agent

The defense lawyers asked whether her access to Salah could have been engineered to influence the U.S. into taking seriously Israeli claims that Hamas had operations inside America. Miller said she did not believe she was the target of a propaganda effort, though she said she agreed governments do try to use newspapers.

"It is my experience that everyone tries to spin," she said.

Musician Waived Rights After Terror Arrest, FBI Agent Says In NY (NSDY/AP)

By Larry Neumeister, Associated Press Writer

Long Island Newsday, November 14, 2006

NEW YORK -- An FBI agent testified Monday that a jazz musician and martial arts expert looked as though "he'd been caught with his hand in the cookie jar" when he heard his voice on government audio tapes in a terrorism case.

U.S. District Judge Loretta A. Preska used the testimony by the agent, Brian Murphy, as a basis to reject defense arguments that Tarik Shah never waived his rights before making statements and briefly cooperating with the government after his May 2005 arrest.

"Mr. Shah knowingly and voluntarily waived his rights," the judge said after a two-hour hearing.

Shah and three others _ a Florida doctor, a Washington, D.C., cab driver and a Brooklyn bookstore owner _ are scheduled to stand trial in late spring on charges that they offered their skills to help terrorist organizations. All have pleaded not guilty.

Shah was accused of providing material support to terrorists by conspiring in 2001 to help an FBI cooperating witness send money to Islamic militants fighting Americans in Afghanistan.

Murphy said he played audio tapes of Shah and others discussing their plans after Shah asked him why he was being arrested. The agent said Shah looked down and sat back in his chair.

"He looked like he'd been caught with his hand in the cookie jar," Murphy said. "He said, `What do you want with me?'"

Shah's lawyer, Josh Dratel, said statements and other evidence obtained after his arrest should be suppressed because he never signed a waiver of his rights, including the right to remain silent and to speak with an attorney.

Murphy, though, testified that Shah waived his rights orally and followed up the words with actions, including going to Baltimore, where FBI agents had arranged for him to have a taped telephone conversation with another target of the investigation.

Murphy said Shah was completely relaxed and skillful at eliciting information, delivering on a promise he had made before he went into a Baltimore hotel room to help the government.

"I will do it my way. Don't worry. You'll be impressed with the results," Murphy recalled Shah telling him.

Later, Shah met with prosecutors to offer information in a bid to cooperate further, prosecutors say.

DOJ_NMG_0094017

Prosecutors Deny Padilla Torture Claims (AP)

By Curt Anderson, Associated Press Writer

AP, November 14, 2006

MIAMI — Federal prosecutors on Monday denied claims by suspected al-Qaida operative Jose Padilla that he was tortured during his 3 1/2 years in military custody as an enemy combatant.

In papers filed in federal court, prosecutors said Padilla provided no evidence to back up his claims and urged that the case against him not be dismissed based on his allegations. They insisted that Padilla was treated humanely while in a Navy brig in South Carolina.

"Padilla's conditions of confinement were humane and designed to ensure his safety and security," the government said in its filing. "His basic needs were met in a conscientious manner."

That included halal food, some outdoor exercise and medical attention when necessary. Prosecutors said Padilla never made any abuse claims while in military custody.

"Padilla's allegations of torture have no merit whatsoever," prosecutors said.

Padilla's lawyers last month asked a federal judge to dismiss the terror support charges against him based on their allegations that he suffered from "outrageous government conduct" while in military custody for more than 1,300 days. They claimed Padilla's interrogators threatened to execute him, and forced him to wear a hood and stand in stress positions for long periods of time.

Padilla's attorneys also said he believed he may have been given LSD or PCP as a "truth serum," and that he was forced to endure extreme heat and cold, bright lights or total darkness, noxious fumes and sleep deprivation.

Padilla, a 36-year-old former Chicago gang member, was declared an enemy combatant by President Bush in June 2002, shortly after he was arrested at Chicago's O'Hare International Airport. U.S. authorities initially claimed he was on an al-Qaida mission to detonate a radioactive "dirty bomb" in a U.S. city.

He was transferred to civilian custody in January to face federal terrorism support charges along with two others in Miami. Trial on those charges, which do not mention the "dirty bomb" allegations, is scheduled to begin Jan. 22.

U.S.Lawyers Deny Padilla Was Tortured (NYS)

By Josh Gerstein, Staff Reporter of the Sun

New York Sun, November 14, 2006

Federal prosecutors are denying an alleged Al Qaeda operative's claims that he was tortured during the more than three years he spent in a Navy brig.

"The government in the strongest terms denies Padilla's allegations of torture, allegations made without support and without citing a shred of record evidence," lawyers pursuing a criminal terrorism case against Padilla wrote in papers filed in federal court in Miami yesterday.

The prosecution did not address directly one of Padilla's most inflammatory claims, namely that a military team forcibly drugged him with "a sort of truth serum," possibly LSD or PCP.

"Padilla's conditions of confinement were humane and designed to ensure his safety and security. His basic needs were met in a conscientious manner, including Halal (Muslim acceptable) food, clothing, sleep, and daily medical assessment and treatment when necessary," prosecutors wrote. "While in the brig, Padilla never reported any abusive treatment to the staff or medical personnel."

Padilla's defense team has asked a judge to throw out the case on the grounds of outrageous government conduct. Defense attorneys asserted that the Brooklyn native was threatened with execution and with being cut and having alcohol poured onto his wounds.

Prosecutors argued that even if Padilla was abused by the military, such abuse would not have an impact on the criminal case because the military and the prosecution teams are distinct.

A jailhouse convert to Islam, Padilla was arrested in Chicago in 2002 on a material witness warrant related to suspicions that he was plotting an attack involving a radioactive bomb. President Bush later designated Padilla as an enemy combatant and ordered him held without charge by the military. One federal appeals court rejected the unusual tactic, but another upheld it. Padilla was indicted last year on charges that prosecutors said were not related to the alleged dirty bomb plot.

In their new filing, prosecutors suggested that Padilla pursue a civil suit for damages if he believes he was tortured by the military.

DOJ_NMG_0094018

HOMELAND RESPONSE:

California Man Accused Of Mailing Threatening Letters To US Politicians, Celebrities (FINDLAW/AP)

AP, November 14, 2006

(AP) - LOS ANGELES-A man was arrested and accused of mailing threatening letters laced with white powder to Congresswoman Nancy Pelosi, TV talk show host David Letterman and other high-profile figures, the FBI announced.

FBI agents took Chad Conrad Castagana, 39, into custody Saturday on charges of conveying false information and sending threats via the U.S. mail, the bureau said in a statement Sunday.

Castagana, of Los Angeles, was being held in a federal detention center pending an initial court appearance Monday, when prosecutors were expected to file charges.

Castagana could not be reached for comment; there was no phone listing for him and it was unclear whether he had retained a lawyer.

Authorities claim he mailed threatening letters to House speaker-in-waiting Pelosi, Letterman, New York Senator Charles Schumer, Jon Stewart of Comedy Central's "The Daily Show" and MSNBC host Keith Olbermann.

Some letters included phrases like "Death to Demagogues" and pictures of victims of the 2004 Asian tsunami, authorities said.

While the FBI is still trying to identify the white powder, preliminary tests revealed it does not pose a biological hazard.

The letters were sent with fictitious return addresses over the past three months to addresses in New York, New Jersey and San Francisco, officials said.

Authorities said they watched Castagana, who is unemployed, walk from his home to a public mailbox Thursday and deposit several letters. One was allegedly addressed to someone previously targeted and contained the white powder, the FBI said.

Anthrax Hoaxer Arrested (RC)

By John Mcardle And Paul Kane

Roll Call, November 14, 2006

The Justice Department on Monday began formally prosecuting the alleged perpetrator of a wave of threatening letters with suspicious, but ultimately harmless, powders that were sent to likely Speaker Nancy Pelosi (D-Calif.), Sen. Charles Schumer (D-N.Y.) and a host of liberal-leaning media figures.

Chad Castagana, 39, appeared in a Los Angeles federal district court to face charges of sending threats via U.S. Mail after federal investigators linked him to 17 letters sent over a roughly two-month span that contained threatening statements and various amounts of baking soda, Ajax, laundry detergent and other white powders that could have been mistaken for anthrax.

Though none of the letters was sent to Capitol Hill, the incident once again has put a focus on Congressional mail screening procedures five years after letters containing anthrax were sent to two Senate offices, leading to the deaths of five people and temporarily shutting down the Capitol complex.

Castagana was arrested Saturday at his home in San Fernando Valley, Calif., and subsequently admitted to FBI investigators that he mailed the threatening letters to Pelosi's district office, Schumer's state office, and the homes and workplaces of Comedy Central star Jon Stewart, MSNBC anchorman Keith Olbermann, late-night talk show host David Letterman and Viacom Inc. President Sumner Redstone, according to court filings released Monday.

"Castagana described himself as a compulsive voter who votes Republican, and said that he sent the letters to specific individuals because he did not like their liberal politics," an FBI affidavit states.

Despite the timing of Castagana's letters coming near the anniversary of the Hill anthrax attacks, a spokesman for the U.S. attorney's office in Los Angeles said investigators have "no inkling whatsoever that it is related in any way, shape or form" to the October 2001 attacks.

Castagana's arrest comes as at least one more separate case of threatening hoax letters sent to former President Bill Clinton and Sen. Joseph Biden (D-Del.) remains unsolved. On Oct. 23, in a previously unreported incident, Biden's office in Wilmington, Del., received a suspicious letter that had a powdery substance in it and a threatening letter, shuttering the incoming Senate Foreign Relations chairman's hometown office for hours as authorities investigated.

Wilmington Police confirmed that they responded to the call, along with a team from the local FBI office, and, after determining the substance was not dangerous, turned the case over to the FBI.

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Four days later, on Oct. 27, Clinton's Harlem office housing his foundation was hit with a letter containing a white powdery substance and a letter that U.S. Secret Service officials described to The Associated Press as a "rambling diatribe."

The former president's office was closed down for several hours as hazardous materials response teams in yellow suits roamed about the office before giving an all-clear sign, according to sources familiar with the incident.

Biden and Clinton were not in their local offices when the suspicious packages were opened by junior staffers, aides said.

Authorities involved in the Castagana case said the Biden and Clinton letters were not part of their investigation, and a source familiar with those letters indicated that investigators' initial suspicions are that the Biden-Clinton letters are connected.

An aide at the Clinton Foundation referred all comment to the Secret Service office in New York, which is leading that investigation but did not return calls seeking comment.

The Castagana investigation is being handled by the Justice Department's Joint Terrorism Task Force, which currently includes a representative of the Capitol Police Department.

Castagana's hoax letters began just after Labor Day with the first batch of letters focusing on Stewart and Olbermann. The offices of Pelosi and Schumer were targeted with letters that came almost two weeks ago, just days before the midterm elections that presumably have thrust Pelosi into the Speakership and given Schumer, the chairman of the Democratic Senatorial Campaign Committee, more prominence because of the Democratic takeover of the Senate.

A spokeswoman for Pelosi's office referred all questions regarding the case to the Capitol Police, and a spokesman for Schumer could not be reached for comment.

Alan Hoffman, Biden's chief of staff, said he has altered his office's policy dealing with mail that is sent to the two offices the Senator maintains in Delaware. Hoffman is now having all mail sent to his state offices first sent through irradiation procedures before coming into his staff's hands, a process that will delay mail delivery from constituents days or even weeks, but one Biden considers worth the wait given the most recent scare. "In retrospect, I wish I had done it sooner," Hoffman said.

Since the anthrax attacks on Capitol Hill five years ago, all mail sent to any Congressional office in the Capitol complex is routed through an irradiation process off-campus and then sent to Capitol Hill.

But Members of the House and Senate operate on an office-by-office policy in terms of handling mail sent to their state and district offices, with many opting to avoid the delays and skip the irradiation for letters and packages headed to those offices.

"There are mail screening procedures in place both on Capitol Hill and in district offices, but the committee is always looking for ways to improve the safety measures for both members and their staff particularly in light of this most recent incident," said House Administration Committee spokeswoman Salley Collins.

Senate Sergeant-at-Arms Bill Pickle was equally tight-lipped about mail screening procedures on the Senate side.

"The Senate has a very robust and aggressive mail screening process and we offer a screening service to state offices, but we do not talk about those protocols. We're always reviewing our processes and procedure," Pickle said.

The quick apprehension of Castagana came two months after the first threatening letter was meant to be sent to comedian Stewart — it actually went to a different Jon Stewart living on Manhattan's Upper West Side — standing in stark contrast to the now five-years-and-counting probe into the 2001 anthrax attacks.

As part of what was dubbed the "Amerithrax" investigation, thousands of FBI agents spanned the globe searching for the perpetrator or perpetrators of the attacks that left five people dead and dozens injured.

While FBI officials say the investigation is active and making progress, they have been at loggerheads with Congress over the probe and for almost three years have refused to brief any Member on the investigation because of alleged leaks from briefings on the Hill in 2003.

WAR NEWS:

Bush Warns Against Pullout (LAT)

By Paul Richter

The Los Angeles Times, November 14, 2006

WASHINGTON — President Bush cautioned Monday against holding talks with Syria and Iran and beginning a withdrawal of U.S. troops from Iraq, two key proposals gaining support at home and abroad.

But the president said he was open to "new ideas" on his administration's approach to Iraq after meeting with members of the Iraq Study Group, a panel weighing U.S. options there.

Bush's warnings against talks with Syria and Iran came as British Prime Minister Tony Blair called for a Middle East strategy that could involve a "new partnership" with Iran. The Iraq Study Group is also considering whether greater U.S. involvement with Iraq's neighbors could aid the American effort.

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Bush discussed Iran at a White House meeting with Israeli Prime Minister Ehud Olmert and told reporters afterward that any dealings were contingent on Tehran halting its uranium enrichment program.

"If the Iranians want to have a dialogue with us, we have shown them a way forward, and that is for them to verifiably suspend their enrichment activities," Bush said.

He cautioned against proposals for gradual or phased troop reductions in Iraq, which are gaining steam among Democrats, saying that no military option would work unless it recognized "conditions on the ground."

The developments came as the administration strained to chart a new direction for Iraq in response to a growing antiwar sentiment. Last week's midterm election, which analysts said showed a deep dissatisfaction with White House policies on the war, has increased the pressure.

Secretary of State Condoleezza Rice delayed a long-planned trip to Vietnam so she could meet at the White House with the Iraq Study Group. She also held planning sessions on the war with top-level State Department officials.

In Iraq, Army Gen. John P. Abizaid, the top U.S. commander in the Middle East, paid an unannounced visit to Prime Minister Nouri Maliki to press him on setting a timetable to take control of the nation's security.

Maliki, in turn, asked for greater authority to deploy Iraqi troops as he saw fit, said an Iraqi official who requested anonymity because of the sensitivity of the discussions.

Abizaid and other top military commanders were among those being summoned to meet with members of Congress this week to answer questions on conditions in Iraq, where civil strife in Baghdad has continued despite a U.S.-led crackdown.

The Iraq Study Group, led by former Secretary of State James A. Baker III and former Rep. Lee H. Hamilton (D-Ind.), spent the day at the White House to begin a final round of interviews and meetings aimed at forging a new approach to Iraq.

The stakes are enormous. Administration and congressional officials are hoping the 10-member panel will come up with a plan that Republicans and Democrats can support. Iraq is riven by sectarian violence nearly four years after the U.S.-led invasion toppled Saddam Hussein.

Bush and panel members exchanged questions about Iraq during a closed session that lasted more than an hour. The president later described the meeting as a "general conversation about the situation there."

Bush emphasized his misgivings about talks with Syria and Iran after meeting with Olmert.

He and Olmert said Iran aimed to develop nuclear weapons, even though Tehran insisted its nuclear program was intended only for energy purposes. Bush said if Iran failed to suspend nuclear enrichment, world powers should take steps to economically isolate Tehran.

Olmert said Iran was "not just a threat for Israel but for the whole world."

However, Israel would not oppose U.S.-Iranian negotiations, a senior Israeli official said after the Bush-Olmert meeting. Although Israel had "no objection to talking," said the senior official, speaking on condition of anonymity, it would want the U.S. to use any diplomatic opening to emphasize the nuclear question.

Bush expressed skepticism about proposals for gradual troop withdrawals in Iraq despite new efforts by Sen. Carl Levin (D-Mich.), who is expected to become the next chairman of the Senate Armed Services Committee. Levin said he thought his proposal could gain a bipartisan majority in the Senate.

Giving Iraqi leaders a firm date for a U.S. drawdown would pressure the Shiite Muslim majority to make concessions to the Sunni Arab minority, Levin said. If they did not make concessions, Levin said, he expected the country's chaos would worsen.

There are "a number of Republicans who want us to change course and to do so in a way which will send a message to the Iraqis that this is their responsibility and we cannot save them from themselves," Levin said.

Members of the Iraq Study Group spent most of the day at the White House talking to administration officials, including Rice, Vice President Dick Cheney, national security advisor Stephen Hadley, National Intelligence Director John D. Negroponte, CIA Director Michael V. Hayden, Secretary of Defense Donald H. Rumsfeld and Joint Chiefs of Staff Chairman Gen. Peter Pace.

Today, the group is to meet senior members of the Clinton administration, including former Secretary of State Warren Christopher, former national security advisor Samuel R. "Sandy" Berger, former United Nations Ambassador Richard C. Holbrooke and possibly former President Clinton.

The panel also is scheduled to speak to Blair.

Although Bush is holding firm against some of the leading proposals for changes in Iraq, his choice of words has suggested an evolution in his goals.

The president has often declared that the U.S. aim in Iraq is to establish a democracy in the heart of the Middle East that could serve as an example to nearby countries. On Monday, Bush said his definition of success in Iraq was "a government which can sustain, govern and defend itself, and will serve as an ally in this war on terror."

He did not mention democracy.

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In Iraq, U.S. military commanders have grown more emphatic about prodding the Maliki government, which they consider disorganized and unwilling to disarm militias.

Abizaid's meeting with Maliki was the third unannounced visit by a top U.S. official since the end of October. Abizaid's visit followed ones by Hadley and Negroponte.

Blair, while calling for engagement with Iran, also underlined the need to enlist moderate Arabs throughout the Middle East by demonstrating a commitment to resolving conflicts in the Palestinian territories and in Lebanon.

"Just as it is, in significant part, forces outside Iraq that are trying to create mayhem inside Iraq, so we have to have a strategy that pins them back, not only in Iraq but outside of it too," Blair said in a speech intended to clarify how America's strongest ally in Iraq viewed the next round of strategy to end the conflict.

In a briefing with reporters, Blair's official spokesman said British officials thought Syria and Iran should be given "a strategic choice" about cooperating on Iraq and elsewhere in the region.

The key, Blair said, is talking to Iran from a position of strength, once the "pressure points" Tehran is using elsewhere in the Middle East "to thwart us" are relieved.

"Offer Iran a clear strategic choice: They help the Middle East peace process, not hinder it; they stop supporting terrorism in Lebanon or Iraq; and they abide by, not flout, their international obligations. In that case, a new partnership is possible. Or alternatively they face the consequences of not doing so: isolation," Blair said.

The war in Iraq has claimed the lives of 125 British troops, and as early as 2004, Britain's army commanders expressed an interest in drawing down by at least a third the 8,000 troops deployed by the nation.

But London has been waiting for the U.S. to move first and has been hamstrung by the deteriorating security situation that has impeded the withdrawal of American forces.

Blair, who has faced strong criticism at home for appearing to follow Washington's lead too closely, made it clear that Britain intended to remain a strong ally of the U.S.

"Our partnership with America and our membership of the European Union are precisely suited to Britain," he said. "For that reason, it would be insane, in my judgment — yes, I would put it as strongly as that — for us to give up either relationship."

Bush Meets With Panel On Iraq, But Not On Policy (USAT)

By Matt Kelley

USA Today, November 14, 2006

WASHINGTON — The bipartisan Iraq Study Group spent Monday at the White House meeting with President Bush and his top advisers as the panel winds down its search for consensus on what to do next in Iraq.

Bush said he looks forward to recommendations from the group, which is headed by Republican former secretary of State James Baker and Democratic former congressman Lee Hamilton. The commission began its work last spring under the direction of Congress. It has gained political capital since voters upset with the war gave Democrats a majority in Congress last week.

The panel won't release its findings until later this month or early next month, but group members have hinted — and outside experts have predicted — that the recommendations are likely to involve pressuring the Iraqi government to make political compromises to enhance security, altering the priorities of U.S. troops and engaging in talks with Iraq's neighbors Iran and Syria.

“There are no good options, so the question becomes, what are the best of the bad ones?” says William Cohen, a former senator, R-Maine, who served as Defense secretary during President Clinton's second term.

Cohen, who is not a member of the group, and others lay out likely elements of the recommendations:

·Pushing Iraqi Prime Minister Nouri al-Maliki to crack down on sectarian militias, increase political participation by minority Sunni Arabs and distribute Iraq's oil revenue fairly. “That's the agenda on the political side: How do we engage more effectively with the Iraqi government to move forward on the internal issues of reconciliation and national unity?” says Michele Flournoy, a military scholar at the non-partisan Center for Strategic and International Studies.

·Shifting more U.S. troops to training and advising Iraqi security forces. Some Democrats have called for U.S. forces to be brought home starting in the next several months. “As long as the Iraqis believe we're there in some open-ended way, we're taking the pressure off of them to make some very difficult decisions,” says Sen. Carl Levin, D-Mich., the incoming chairman of the Armed Services Committee.

·Negotiating with neighboring Iran and Syria, which have influence with factions in Iraq, to curb violence. British Prime Minister Tony Blair, who is scheduled to talk with the commission via satellite today, has called for such talks. Bush repeated his insistence on preconditions: that Syria stop interfering in Lebanon and end its support for extremist groups, and that Iran suspend uranium enrichment, which the United Nations Security Council considers a step toward a nuclear weapon.

Cohen predicts that the recommendations also will include appealing to U.S. allies for more troops and funding.

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Bush said Monday's meetings were to exchange information, not to discuss policy recommendations. He said he is open to suggestions from the commission as well as a review underway by top officials at the Pentagon. “I believe it is very important, though, for people making suggestions to recognize that the best military options depend upon the conditions on the ground,” he said.

That means no troop withdrawals until Iraq is stable, White House spokesman Tony Snow told reporters at his daily briefing. “The ultimate goal still has to be an Iraq that can sustain, govern and defend itself,” he said.

The president has nominated former CIA director Robert Gates, a member of the commission until last week, to replace Donald Rumsfeld as Defense secretary. That means Gates will be familiar with the panel's recommendations and puts more pressure on Bush to endorse the Iraq Study Group's report, Cohen says. “I don't see any way the president could reject it.”

Huge Task Before Iraq Study Group (CSM)

By Peter Grier

The Christian Science Monitor, November 14, 2006

WASHINGTON

For the bipartisan panel of luminaries known as the Iraq Study Group, the most important thing now may be hammering out a framework for peace in Washington, not drawing up new lists of options for US policy toward Iraq.

After all, despite all the Washington talk about cooperation since last week's elections, profound differences about the way forward remain between many Democrats and Republicans, as well as among them. Yet all sides say they are willing to listen to one another, and look for common ground.

Enter the Iraq panel, headed by former Secretary of State James Baker III and former Democratic congressmen Lee Hamilton. Timing - plus the nature of its members - may have thrust the group into a central role in perhaps the most important policy debate now facing the nation.

"Maybe an outside group can craft a policy that both sides can accept, though they don't want to have responsibility for drafting it," says William Martel, an associate professor of security studies at the Fletcher School at Tufts University in Medford, Mass.

The 10-member Iraq Study Group was created by Congress last spring. At the time the move generated little notice, apart from a flurry of activity among Washington think tank experts eager to serve as advisers to the panel.

Now its final report, expected before the end of the year, is something Washington is eagerly anticipating.

On Monday group members met with White House officials, including President Bush and Vice President Dick Cheney. They were to interview British Prime Minister Tony Blair on Tuesday via videoconference.

As to Mr. Bush's appearance before the group, presidential spokesman Tony Snow characterized it as a conversation in which both sides shared views. "This is not a deposition," Mr. Snow said.

Bush himself said he was not sure what the Iraq Study Group's report would say but that he looked forward to seeing it. "I'm not going to prejudge" the group's work, said Bush.

The full Iraq Study Group is set to meet the week after Thanksgiving to begin the contentious process of drawing up final recommendations. Messrs. Baker and Hamilton did not want to produce any lists before the election that could have been leaked for political gain.

Bush's nominee to replace Secretary of Defense Donald Rumsfeld, former Director of Intelligence Robert Gates, was a panel member. Last Friday, Baker and Hamilton announced that Gates had resigned from the group and been replaced by former Secretary of State Lawrence Eagleburger. The panel remains split between five Democrats and five Republicans.

Given its nature, the Iraq Study Group seems unlikely to produce a report calling either for a continuation of current policy or an immediate and rapid drawdown of US forces in Iraq.

In appearances promoting a recent book, Baker, for his part, has been somewhat critical of the administration's slowness to react to Iraq's intensifying violence.

When he was secretary of State, Baker was open to talking even with US adversaries, to the point where he endured hours-long harangues from the late Syrian leader Hafez al-Assad. As commission co-chairman, Baker has already met with Javad Zarif, Iran's ambassador to the US.

It is possible the Iraq Study Group may urge some sort of regional roundtable meeting on Iraq's future that includes Iran and Syria - a recommendation the White House has previously opposed.

Former Ambassador to the UN Richard Holbrooke, a Democrat, recently said that a regional conference similar to the one he used to craft an end to the Bosnian war in 1995 might be useful.

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"This war is being waged on the ground by ferocious forces which aren't necessarily going to be much interested in what regional and international players say," Mr. Holbrooke, who is not an Iraq Study Group member, said in a Council on Foreign Relations analysis. "Still, I think it's worth trying."

Of course, given the presence of Baker and other old-hand Republicans on the panel, it is also unlikely that the study group will urge any sort of timetable for a troop pullout - even a vague one. That's something Democrats might find hard to accept.

As to possible middle-ground solutions, the panel has reportedly been weighing an option called "Stability First," which emphasizes withdrawing US resources from much of the country to focus all efforts on Baghdad stability; and an option called "Redeploy and Contain," which would involve withdrawing most US forces to surrounding nations, where they would serve as a mobile reserve for Iraqi national forces.

Hamilton has said it is possible his group won't be able to come to consensus at all. As a party, Democrats remain split over the degree to which Iraq might still be saved, as well as over the nature of any troop withdrawal deadlines.

Not that the GOP, as a whole party, is now a unified front. Sen. John McCain (R) of Arizona has said what's needed now is, in fact, an increase in US force levels in Iraq, at least for a time.

As to the dialogue between the parties, while key Senate Democrats have vowed to push for a resolution that would call for troop withdrawals in a matter of months, a withdrawal timetable appears to remain an anathema to the White House.

"I don't think we're going to be receptive to the notion there's a fixed timetable at which we automatically pull out," said Bush's chief of staff, Joshua Bolten, in a weekend broadcast interview.

- Wire service material was used in this report. Iraq Study Group

At work since April, the bipartisan panel is expected to suggest changes in US policy in Iraq by year's end. Its members are:

· James Baker III, former secretary of State (George H.W. Bush), co-chairman
· Lee Hamilton, former congressman (D) of Indiana, co-chairman
· Lawrence Eagleburger, former secretary of State (George H.W. Bush)
· Vernon Jordan, attorney, presidential adviser (Clinton)
· Edwin Meese, former US attorney general (Reagan)
· Sandra Day O'Connor, former Supreme Court justice
· Leon Panetta, former White House chief of staff (Clinton)
· William Perry, former secretary of Defense (Clinton)
· Chuck Robb, former governor of Virginia (D)
· Alan Simpson, former senator (R) of Wyoming
- Compiled by Leigh Montgomery

Bush Trades Ideas On Iraq With Panel (AP-Y)

By Tom Raum And Anne Plummer Flaherty

AP, November 14, 2006

President Bush traded ideas on Iraq with a bipartisan commission Monday and promised to work with the incoming Democratic majority toward "common objectives." At the same time, he renewed his opposition to any timetable for withdrawing U.S. troops.

As Bush met with the Iraq Study Group, the Democrat in line to lead the Senate Armed Services Committee, Carl Levin of Michigan, said the administration didn't see that "we're getting deeper and deeper into a hole."

Levin and other Democrats called for some troops to come home right away, suggesting that would pressure the Iraqi government into assuming more responsibility.

Bush in turn had stern words for the Democrats, less than a week after they won control of both chambers of Congress in midterm elections in which the Iraq war figured prominently.

Asked about proposals by Levin and others for a phased troop reduction, Bush said, "I believe it is very important ... for people making suggestions to recognize that the best military options depend upon the conditions on the ground."

While Democrats agree that troops should leave Iraq sooner rather than later, they remain divided on the specifics. Rep. John Murtha, D-Pa., a contender to become the next majority leader, supports an immediate withdrawal of all troops, whereas Levin and others favor a slower phased withdrawal and have been reluctant to suggest a firm timetable.

Whereas Murtha and some others contend violence in Iraq will continue so long as U.S. troops are present, Levin and others warn that any withdrawal of troops must be done slowly to avoid a collapse in security.

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Baker's panel has been briefed on the Democrats' proposals and is considering a range of options. In addition to considering whether there should be any timetable to pull out troops, the panel is studying many other options, including whether to solicit Iran and Syria to help stop the fighting.

The president met for more than an hour with a 10-member panel headed by former Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton. He was joined by Vice President Dick Cheney, Chief of Staff Josh Bolten and National Security Adviser Stephen Hadley.

The panel then stayed around for a longer session that included other members of the president's national security team, including Secretary of State Condoleezza Rice and outgoing Defense Secretary Donald H. Rumsfeld.

Baker and Hamilton later put out a joint statement. "We were pleased to meet with senior administration officials today and look forward to our consultations with some top Democrats tomorrow. We are working expeditiously to complete our report and recommendations," the statement said.

Bush discussed the meeting with reporters during a picture-taking session in the Oval Office with visiting Israeli Prime Minister Ehud Olmert.

"I was impressed by the questions they asked. They want us to succeed in Iraq, just like I want us to succeed. So we had a really good discussion," Bush said.

As to newly empowered Democrats, he said, "What's interesting is they're beginning to understand that with victory comes responsibility, and I'm looking forward to working with the Democrats to achieve common objectives."

White House spokesman Tony Snow described the meeting with the Iraq panel as a "general conversation about the situation there," rather than a preview of what the group will recommend. "This was not proposal-shopping by the Iraq Study Group," Snow said.

The members asked questions of Bush, and he of them, Snow said, "but there was care taken not to sort of try to prejudge, or also to get a jump on what they are going to do."

Lawmakers barely had begun their postelection session Monday when debate broke out over the war in Iraq and over Democratic proposals to start bringing home U.S. troops.

Levin said in a news conference that the military had done what it could and it was up to Iraq's politicians to find consensus. "We cannot save the Iraqis from themselves," he said.

In addition, Senate Democratic Leader Harry Reid of Nevada went to the Senate floor to lend support for a change in Iraq policy.

But Republicans shot back, saying they would oppose any timetable because it could cause Iraq to collapse into chaos.

Opponents of Levin's proposal — at least for now — include Sen. John Warner, R-Va., outgoing chairman of the Armed Services Committee. He says Congress must wait until the Baker-Hamilton panel releases its recommendations.

Sens. Susan Collins of Maine and Lindsey Graham of South Carolina, two GOP members of the Armed Services Committee, said they would oppose an arbitrary withdrawal of troops. Collins and Graham have both criticized the Bush administration for its handling of the war.

Graham recently said Iraq was on the verge of chaos and demanded accountability, but on Monday he stood firm on his position that more troops, not fewer troops, are needed to settle the violence there.

Opposing views could deadlock Congress on the matter. While Republicans have the majority until the new session begins in January, they do so by a slim margin. And when Democrats take over, they too will have a razor-thin majority — far short of the 60 votes needed to cut off delaying tactics.

Meanwhile, Democratic leaders are lining up behind legislation that would extend an investigative office that unearthed millions of dollars in waste and fraud associated with the rebuilding of Iraq. Republican Collins and Democratic Sen. Russ Feingold of Wisconsin introduced legislation that would allow the office to continue through October 2008.

Under current law, it will expire in October 2007.

Collins and Feingold offered the measure as an amendment to a military construction and veterans' spending bill that the Senate will debate Tuesday. Collins said she will press for the legislation to be taken up separately as well to improve its chances.

Rep. Ike Skelton, the incoming chairman of the Armed Services Committee, introduced a similar bill Monday that would be likely to keep the inspector general's office in business through 2009 by asking it to investigate another $1.7 billion in Iraq funding.

Even before the Iraq Study Group's work is finished, the panel's report is widely seen as an opportunity to give the campaign-weary Democratic and Republican parties a chance at consensus — or at least a framework for agreement.

Also on Monday, Gen. John Abizaid, head of the U.S. Central Command, met with the Iraqi prime minister to "reaffirm President Bush's commitment" to success in Iraq, the government said.

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Baker, who served as the first President Bush's secretary of state, has said the report's recommendations are likely to fall somewhere between the troop withdrawal strategy that Republicans like to say Democrats favor and the stay-the-course policy until recently used by Bush and widely ridiculed by Democrats.

Proposed Iraq Pullout Lacking Specifics (WT)

By Stephen Dinan

The Washington Times, November 14, 2006

The White House yesterday rejected Democrats' proposals for a phased withdrawal of U.S. troops from Iraq as lacking specifics or "meat on the bones," as President Bush met with the Iraq Study Group, which is seeking to advise the administration on ways to realign Iraq policy.

Democrats have claimed a mandate after last week's elections to force a change in Iraq policy, and key Senate Democrats yesterday called for the first troops to be withdrawn within six months as a signal to Iraqis that the United States is not their "security blanket."

"That's the message that came through so clearly and powerfully last Tuesday from the American people. Most Democrats share the view that we should pressure the White House to commence the phased redeployment of U.S. troops from Iraq in four to six months," said Sen. Carl Levin of Michigan, who is in line to become the next chairman of the Senate Armed Services Committee.

His call was echoed by Sen. Harry Reid, Nevada Democrat, who is likely to become the Senate majority leader when Democrats assume control next year. Meanwhile, House Democrats' leader, Rep. Nancy Pelosi, has made Iraq the central issue in the race for House Democrats' No. 2 position by endorsing Rep. John P. Murtha of Pennsylvania, based on his opposition to the war.

Faced with the election results and emboldened Democrats, Mr. Bush is trying to keep control of the debate while still being open to suggestions from the soon-to-be new majority party on Capitol Hill.

"What's interesting is, is that they're beginning to understand that with victory comes responsibilities. And I'm looking forward to working with the Democrats to achieve common objectives," the president told reporters after a meeting with Israeli Prime Minister Ehud Olmert.

White House press secretary Tony Snow said that Democrats have not settled on a proposal and that Mr. Levin's idea isn't even fleshed out enough to respond.

"Democrats now have to put meat on the bones," he said.

The White House has turned to the Iraq Study Group, boosting the congressionally mandated panel's profile in the past week both in a postelection press conference and again with a day full of meetings between the group's members and administration officials.

Mr. Bush, Vice President Dick Cheney, National Security Adviser Stephen J. Hadley and White House Chief of Staff Joshua B. Bolten met yesterday with the group, headed by former Secretary of State James A. Baker III and former Democratic Rep. Lee H. Hamilton of Indiana for 75 minutes yesterday.

The group spent the day at the White House, also meeting with the secretaries of defense and state, the national intelligence and CIA directors, top generals and the U.S. ambassador to Iraq. Today, its members will meet with Democrats such as former National Security Adviser Samuel R. Berger, former Assistant Secretary of State Richard C. Holbrooke and former Secretary of State Warren Christopher.

Expectations for the group are growing, and those on both sides of the political divide say it could be a chance for the White House to achieve a face-saving way forward in Iraq.

The group said it wants to have a report by the end of the year.

But Mr. Snow said the study group is just one of the voices Mr. Bush will listen to, and said Mr. Bush is responsible for making final decisions. He also cautioned against putting too much weight on the group's meetings yesterday with administration officials, saying that it was an exchange of information about what is going on in Iraq and that the group was not pitching suggestions.

"There seems to be this notion that somehow this is like a board game, where you just sort of neatly sweep all the pieces off, and then it's all done," he said.

Still, Mr. Bush's tone has already changed to the point where he is now drawing fewer lines and sounding more welcoming to outside ideas.

Asked yesterday whether he would accept recommendations from the group that included timetables, Mr. Bush did not rule it out, instead saying he will not "prejudge" the report. At a press conference last week, he announced the resignation of Defense

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Secretary Donald H. Rumsfeld and nominated Robert M. Gates, who until Friday was a member of the study group, as a replacement.

Mr. Levin said the change in attitude was apparent.

"I didn't hear anything about cutting and running," he said. "I didn't hear anything about if you are proposing that we begin a phased redeployment in four to six months, that somehow or other that will help the terrorists."

·Charles Hurt contributed to this article.

A Committee's Platform (NYT)

By Adam Nagourney

The New York Times, November 14, 2006

Now that the campaign is over, the campaign has begun. And as it was in the 2006 midterm elections, Topic No. 1 for the opening stage of the 2008 presidential campaign is the war in Iraq. The Senate Armed Services Committee is holding a hearing tomorrow on Iraq and Afghanistan. The committee's members include the widely perceived front-runners in both parties, Senators Hillary Rodham Clinton of New York and John McCain of Arizona.

The committee's Democratic ranks also include Senators Evan Bayh of Indiana, who is almost certain to run for president, and Joseph I. Lieberman of Connecticut, probably the strongest advocate of the war in his party. This committee provided Mrs. Clinton the forum this summer in which she excoriated Defense Secretary Donald H. Rumsfeld for "incompetence in executing the war."

Bush Says He's Open To Change In Iraq, But ... (NYT)

By Sheryl Gay Stolberg

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — President Bush spent more than an hour on Monday with the independent panel examining strategic options for Iraq, and cautioned afterward that while he was open to new ideas, it was important for "people making suggestions to recognize that the best military options depend upon conditions on the ground."

The president's brief remarks seemed aimed at Democrats, who are demanding a phased withdrawal of troops from Iraq, beginning in a matter of months. Mr. Bush has steadfastly resisted any timetable, and his comments on Monday offered the first hint of how he might respond.

Addressing reporters in the Oval Office, Mr. Bush shed little light on the substance of his hour-and-15-minute session with members of the bipartisan Iraq Study Group, led by James A. Baker III, the former secretary of state, and Lee H. Hamilton, the former congressman. The president said that they had "a good discussion," and that he was "looking forward to interesting ideas."

Mr. Bush is under intense pressure to change course in Iraq, from Democrats and from some Republicans. One leading Republican, Senator John W. Warner of Virginia, chairman of the Armed Services Committee, said in an interview on Monday that the election results were a clear cry for a new Iraq strategy.

"The American people have spoken with regard to their deep concern about the loss of life, the loss of limb, the enormity of the expenditures, the credibility of our country," Mr. Warner said.

But Mr. Warner, who created a stir among Republicans this fall when he said the situation in Iraq was "drifting sideways," appealed to his colleagues not to rush to conclusions before a report by the commission, which is expected in December.

Other Republicans also weighed in. Senator Lindsey Graham of South Carolina, a leading member of the Armed Services Committee, said in a statement that he would "adamantly oppose" any effort to set a deadline for withdrawal, calling it "equivalent to surrendering in the central battlefront in the war on terror."

Democrats, for their part, continued their offensive, saying the American people had given them a mandate. In a news conference on Capitol Hill, Senator Carl Levin of Michigan, who will be the next Armed Services chairman, accused the administration of "ignoring obvious reality on the ground in Iraq, that we're getting deeper and deeper into a hole that we should stop digging."

The debate will soon move to the Armed Services panel. Among the senators on that committee are leading contenders in the nascent 2008 presidential campaign, Hillary Rodham Clinton and John McCain, who has been talking about increasing rather than decreasing the numbers of troops in Iraq.

On Wednesday, the committee will hear testimony from Gen. John P. Abizaid, the top military commander in the Middle East.

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Iraq policy will also no doubt play a role in the confirmation hearings next month for Robert M. Gates, the former C.I.A. director, who is the president's choice to replace Donald H. Rumsfeld as secretary of defense. Mr. Gates was a member of the Iraq Study Group but stepped down when his new appointment was announced.

Senator Warner said he invited Gen. Peter Pace, who as chairman of the Joint Chiefs of Staff is conducting his own review of Iraq policy, to appear before the committee.

The Iraq Study Group, formed at the request of Congress, is in Washington this week for a last round of interviews before making its final recommendations. Vice President Dick Cheney attended the Oval Office session on Monday, and the group met with other members of the Bush foreign policy team.

In his comments, Mr. Bush appeared to be walking a fine line — declaring that he was open to new tactics in Iraq, but seeming to foreclose some options.

Before their meeting at the White House, some commission members said they sensed that the White House and the commission members were, in the words of one, "feeling each other out, trying to sense where this is going."

Mr. Baker has made no secret of his belief that the Bush administration must talk to its enemies, Syria and Iran included. In a speech on Monday, Prime Minister Tony Blair of Britain said the West should be open to Iran and Syria — but only if they take a cooperative stance.

Mr. Bush did not budge on those points. Asked about Syria, he said, "We do have an embassy there in Syria," without mentioning that contacts with the Syrian government have been limited. The president then laid out preconditions for talks with the Syrian government. Nor did Mr. Bush give any ground on Iran, instead reiterating his long-held stance that the Iranian government must suspend the enrichment of uranium before Washington will join talks.

Many officials inside and outside the administration are looking for signs that Mr. Bush will modify his views, especially now that he has nominated Mr. Gates, who led a committee of the Council on Foreign Relations calling for more engagement with Iran. But Bush aides say talking to Syria or Iran is simply not enough.

"Talking isn't a strategy," Mr. Hadley, the national security adviser, said in an interview last month. "The issue is how can we condition the environment so that Iran and Syria will make a 180-degree turn."

Expectations are high both inside and outside the administration that the Baker-Hamilton group will provide a face-saving way forward for Mr. Bush. But one leading Republican, Representative Duncan Hunter, chairman of the Armed Services Committee, said lawmakers should not delude themselves by thinking there would be easy answers.

"No matter what the commission recommends, the day after the recommendations come out, you're going to have American troops in Iraq continuing to train and stand up the Iraqi forces," Mr. Hunter said. "You have to do that. There's no shortcut to that. There's no silver bullet and there's no easy way to do it."

In Call For More Troops, McCain Places His Bet On Iraq (NYT)

By John M. Broder

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — Senator John McCain is accustomed to staking out a lonely piece of ground, but on Iraq he is virtually an army of one. Nearly alone among major political figures in calling for an increase in American forces in Iraq, Mr. McCain is either taking a principled stand or a huge political gamble. Or both.

A majority of Americans now say they think invading Iraq was a mistake and would like to see the withdrawal of at least some of the nearly 150,000 troops there, polls say. Only one in seven Americans agrees with Mr. McCain that the United States should send more soldiers and marines. Even President Bush and Vice President Dick Cheney, who assert that victory is the only acceptable outcome of the war, have not dared publicly to advocate additional deployments.

Mr. McCain, Republican of Arizona, has all but announced his intention to run for president, and his position on Iraq could be a major complication for him, particularly if violence there continues to grow and American casualties mount.

Mr. McCain contends that the war in Iraq is worth fighting and is worth winning. He has said consistently from the start of the conflict that the only way to prevail is to send enough soldiers to do the job. His current proposal is to send 20,000 additional troops in hopes of bringing Baghdad and the restive western provinces under control.

The alternative, he said, is humiliation for the United States and disaster for Iraq.

"We're paying a price for the failure of our policy in the past," Mr. McCain said Sunday on "Meet the Press" on NBC, "and the question, then, before the American people is, are we ready to quit? And I believe the consequences of failure are chaos in the region, which will spread."

Mr. McCain said that the fate of the Iraqi venture would be decided in the next six months or so and that signaling the intention to depart, regardless of facts on the ground, only guaranteed defeat. But he also said he was willing to reach a different

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conclusion if the generals in charge of the American military operation or if the members of the commission led by James A. Baker III, the former secretary of state, came up with a workable alternative.

Gen. John P. Abizaid, commander of United States forces in Iraq, and top intelligence officials will go before the Senate Armed Services Committee on Wednesday to face questioning about the war for the first time since last week's election, which many viewed as a referendum on Iraq. The Baker study group is expected to report its preliminary findings and recommendations next month.

Leslie H. Gelb, former president of the Council on Foreign Relations, said Mr. McCain had painted such a dire picture of the consequences of defeat that he almost had to advocate a more forceful effort to win. If Mr. McCain were to join the chorus of those agitating for a fast or slow withdrawal, he could alienate a large swath of voters he needs to win the Republican presidential nomination, Mr. Gelb added.

"He's making the bet — and it's not a crazy bet — that the country doesn't want to lose," he said. "The public realizes we can't afford to win and probably can't win, but it doesn't want to lose. And the Republicans probably won't nominate anyone who's prepared to accept that now."

Other analysts said Mr. McCain was risking his reputation as a realist and someone who knows when to fold a losing hand by sticking obstinately to his current position.

"He would just repeat the mistake of Vietnam," said Michael E. O'Hanlon, a military analyst at the Brookings Institution, the liberal-leaning research group in Washington. "If McCain refuses to acknowledge that some wars can become simply unwinnable, he may be exposing a weakness in his thinking that ultimately deprives him of the presidency."

Last week's election robbed Mr. McCain of a prize he had sought for many years, the chairmanship of the Armed Services Committee. If Republicans had retained control of the Senate, he was in line to assume the gavel and the ability to call witnesses and set the terms of the Iraq debate in the Senate, at least in part. But the defeat of Senator George Allen, Republican of Virginia, tipped the balance of power to Democrats, putting Senator Carl Levin of Michigan, an early opponent of the war, in position to assume the post in January.

Mr. McCain can still play his gadfly role from the minority, and some welcome his voice.

"God bless him, he's about the only serious person in this whole debate," said Joshua Muravchik, resident scholar at the American Enterprise Institute, the conservative research organization in Washington. "Even a supporter of the war like myself would have to acknowledge that we're in a mess, so the question is what to do about it. And McCain is saying we ought to do what we should have done in the first place, which was send enough troops to do the job. That seems counterintuitive because the whole momentum of emotions in the country at this point is to get out of there."

Father Knows Best? (WSJ)

The Wall Street Journal, November 14, 2006

As president of Texas A&M University, Bob Gates abolished admissions preferences for the children and grandchildren of alumni, reportedly saying it was "unworthy of a great university." Funny, then, that he should be returning to Washington on the strength of his reputation as daddy's boy.

"Daddy," of course, is former President George H. W. Bush, for whom Mr. Gates served as deputy national security adviser and director of Central Intelligence. Today, the elder Mr. Bush is being celebrated as a foreign-policy sage whose adroit stewardship of the world stands in flattering contrast with current management. Mr. Gates, along with Bush 41 hands James Baker and Larry Eagleburger of the Iraq Study Group, are now supposed to play the part of the posse come to the rescue of the wayward son. Newsweek even commissioned a poll that found that "67% favor Bush Senior's internationalist approach to foreign policy over his son's more unilateral course."

Curiously, a similar percentage of Americans voted for someone other than Mr. Bush during his 1992 re-election bid. So it's worth reprising just what his "internationalist approach" achieved, and where it failed. The senior Mr. Bush is justly remembered as the architect of the broad coalition that evicted Saddam Hussein from Kuwait -- and of the Coalition of One that took down Manuel Noriega of Panama. Bush 41 also deserves great credit for engineering the North American Free Trade Agreement and supporting German reunification when it was opposed by the likes of Margaret Thatcher.

But consider four other shorthands for the Bush 41 record. One is "1-202-456-1414," the number for the White House switchboard. As secretary of state, Mr. Baker read it aloud in congressional testimony in 1990, ostensibly for the benefit of Israelis once they got "serious about peace." A year later, and for much the same reason, the Bush administration threatened to withhold $10 billion in commercial loan guarantees, which Israel needed to cope with the influx of some one million Russian Jews -- fully a fifth of its population.

For its efforts, the Bush administration brought Arabs and Israelis together for the Madrid Peace Conference, which set the groundwork for the Oslo Accords. These were touted as historic achievements, but for Israel it meant more terrorism, culminating

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in the second intifada, and for the Palestinians it meant repression in the person of Yasser Arafat and mass radicalization in the movement of Hamas. Worse, Mr. Baker fostered the fatal perception that the failure of Arabs and Jews to make peace was the root of the region's problems, not a symptom of them, and that the obstacle to peace was intransigent Israel, not militant Islam. Bob Gates later gave voice to that perception when he wrote, in a 1998 New York Times op-ed, that the road to Mideast peace must "not kowtow to Israeli Prime Minister Benjamin Netanyahu's obstructionism."

Or take "Lawrence of Serbia," the moniker Mr. Eagleburger earned for his initial indulgence, as the State Department's point man on Yugoslav affairs during the early 1990s while the country was coming apart, of Serbia's Slobodan Milosevic. Mr. Eagleburger, who had longstanding business ties in Belgrade, spent the early period of the war largely ignoring Mr. Milosevic's depredations on his neighbors, including paramilitary slaughters in Vukovar and concentration camps in Omarska. "There was a kind of preference for stability and an attachment to the old Yugoslavia over our interests in human rights," Patrick Glynn of the American Enterprise Institute told Newsday in 1992, adding the administration had "been standing by, waiting while the final solution is played out."

Which brings us to "Chicken Kiev," Mr. Bush's spectacularly misconceived August 1991 speech in what was shortly to become the capital of independent Ukraine. Mr. Bush's reluctance to acknowledge -- and better manage -- the breakup of Yugoslavia was partly a function of his reluctance to acknowledge the impending breakup of the Soviet Union and the fall from grace of his friend Mikhail Gorbachev. The U.S. was the 39th country to re-establish diplomatic ties with Lithuania, after Iceland and Mongolia had already paved the way. Once Mr. Gorbachev was gone, Mr. Bush was equally reluctant to help the new Russia get on its feet, prompting Richard Nixon to complain about the administration's "pathetically inadequate response in light of the opportunities we face in the crisis in the former Soviet Union."

But surely no Bush 41 failure was as great -- or as consequential -- as his apparently flip suggestion, following "victory" in the Gulf War, that the "Iraqi people . . . take matters into their own hands and force Saddam Hussein, the dictator, to step down." Tens of thousands of Shiites and Kurds took him seriously, and tens of thousands paid with their lives as Saddam quelled the revolt while the Bush administration stood by, lest it exceed its U.N. mandate.

None of this is to say that Mr. Gates is merely an avatar of Bush the Father, much as his nomination is being played that way in the media, or that he hasn't learned from past mistakes. But critics of the current administration and the "disaster" visited on Iraq by neoconservative ideologues might usefully reflect on the previous disasters visited by the non-ideologues on Iraqis, Croats and Bosnians, among others sacrificed in the name of prudence. A decade from now, they just might find themselves ruing the day Bush 43 abandoned his idealism -- and the people that idealism has liberated or inspired -- in the service of "realism," suffused by panic.

Get Jim In Here, Pronto! (WP)

By Michael Kinsley

The Washington Post, November 14, 2006

If I told you that there was something in Washington called the Baker commission but didn't tell you what it was about, you still could probably name many of its members. If you are of a certain age, you might wonder, "Jim or Howard?" And you might have a quibble or two.

Where is Dick Holbrooke? Does Sandra Day O'Connor's new availability mean that Madeleine Albright is out of luck from now on? Are they sure that Larry Eagleburger is still alive? But Vernon Jordan is there, along with Ed Meese and Alan Simpson and Lee Hamilton. This is one torch that has not been passed to a new generation, although former Virginia senator and presidential son-in-law Charles Robb (age 67) is a fresh face in the pool of Washington Wise Men. Welcome, Chuck.

The Baker commission -- that's James Baker, of course -- was appointed by Congress to look into the situation in Iraq. It is expected to report early next month, and it is duly bouncing around and staffing up and holding hearings and all the things that prestigious commissions do.

Ordinarily a commission such as this has two possible purposes: action or inaction. Sometimes a problem is referred to a prestigious commission so that the commission can recommend doing things that everybody knows must be done but that nobody has the nerve to propose -- at least nobody who has to run for office. The commission can ram this policy down the politicians' allegedly unwilling throats. If it is bipartisan -- and what fun is a commission that isn't bipartisan? -- the commission also protects both parties against a stab in the back by the other. This is how Social Security was reformed and saved the last time, when the chairman of the commission was Alan Greenspan, and undoubtedly this is how it will be reformed and saved again. Hey, Greenspan's available again. Come to think of it, why isn't he on this one? He is no expert on Iraq -- but neither is Leon Panetta, another recent initiate into the Pantheon.

Welcome, Leon.

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On the other hand, sometimes a problem is referred to a commission simply to get it off the table. Action is widely perceived as necessary, and the creation of a commission can be made to look like action.

So which is the Baker commission? It's got elements of both. Part of the idea, certainly, was to get the politicians over the hump of the election and give them something to say in the meantime. ("We desperately need new ideas and fresh thinking about Iraq and, indeed, the entire Middle East. I look forward to the recommendations of the Baker commission and urge them to interpret their mandate widely and boldly.") And part of the idea is to legitimize some impalatable solution. But the Baker commission may be nearly unique in that there is no obvious solution waiting to be imposed. People actually hope that it will come up with something that no one has thought of.

Good luck. The chance that this group of aging white men, plus Vernon Jordan and Sandra Day O'Connor, will come up with something original is not enormous. It's a nutty and not very attractive idea to turn an urgent issue of war and peace over to a commission. Commissions have usually been trotted out for long-run social problems: immigration, debt, health care. Going to war is something that ought to be decided by the people we elect. Congress, in recent decades, has virtually abandoned its duty under the Constitution to make the decisions about when American soldiers are sent to kill and die.

Presidents have foolishly claimed that authority. And now, inevitably, we have a president who is stuck with a war that he insisted on and a citizenry that has no interest in it.

If we had wanted our country to be run by James Baker, we had our chance. He was interested in running for president in 1996 but discovered that his interest in a James Baker presidency was not widely shared. Although he has held a variety of government posts, from undersecretary of commerce under Gerald Ford to secretary of state under Bush the Elder, and has all the trappings of enormous consequence and wisdom, such as a Presidential Medal of Freedom and his own James A. Baker III Institute for Public Policy at Rice University, Baker is essentially a political operative. His place in history is Florida 2000, where he secured the presidency for George W. Bush. Reporters were awed by his brilliance and ruthlessness. History may be less admiring of his willingness to make inconsistent arguments and to lie with a straight face.

Being a Washington Wise Man does not require much wisdom. Baker has a "conviction," said a Baker colleague quoted in The Post on Sunday, "that Iraq is the central foreign policy issue confronting the United States." Wow. Now there's an insight. Actually, it is a nice small insight into the Baker mentality that he apparently can imagine a war that is killing large numbers of young Americans every month but that is not our central foreign policy issue. Baker also believes that "the only way to address that issue successfully is to first build a bipartisan consensus." Now, that is a conviction you can sink your teeth into. People like Baker always favor a bipartisan consensus.

They don't really believe in politics, which is to say they don't really believe in democracy.

Gunmen Seize 100 At Iraq Ministry (BBC)

BBC News, November 14, 2006

Gunmen in military-style uniforms have kidnapped more than 100 men from a research institute belonging to Iraq's higher education ministry.

A ministry spokeswoman said the gunmen arrived in new pick-up vehicles and stormed the ministry's Research Directorate in central Baghdad.

They ordered women into one room and seized the men, including employees, guards and visitors to the building.

Academics and researchers have been frequent targets of violence in Iraq.

Correspondents say many Iraqis believe mass kidnappings like this latest incident are committed by members of the Shia Muslim-dominated security forces or take place with their collusion.

The head of the parliamentary education committee, Alaa Makki, said the abductees had been both Shias and Sunnis.

Mr Makki interrupted a televised parliamentary session with the news and urged the prime minister and interior and defence ministers to respond rapidly to what he called a "national catastrophe".

Eyewitnesses say the gunmen closed off roads around the institute in Karrada district and took away their captives in handcuffs.

The higher education minister is a member of main Sunni Arab political bloc in Iraq - where most ministries are fiefdoms of the various sectarian groups.

U.S. Presses For Security Timeline (WT/AP)

By Steven R. Hurst

The Washington Times/AP, November 14, 2006

BAGHDAD -- The U.S. Central Command chief confronted Iraq's prime minister yesterday over how Iraqi forces would halt raging violence and signaled a possible prelude to shifts in American policy on engaging Iran and Syria.

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The meeting came as sectarian attacks killed at least 91 persons throughout Iraq, 46 of them showing signs of torture. The U.S. military announced the deaths of four additional American soldiers. So far this month, 34 American service members have been killed or have died in Iraq.

Gen. John Abizaid, commander of all U.S. forces in the Middle East, sternly warned Prime Minister Nouri al-Maliki that he must disband Shi'ite militias and give the United States proof they were disarmed, according to senior Iraqi government officials with knowledge of what the two men discussed.

Beyond that, Gen. Abizaid asked the Iraqi leader to give the U.S. military a firm timetable for when Iraq's security forces could take full control of the country, the officials said on the condition of anonymity because of the sensitive nature of the talks.

Mr. al-Maliki has been pressing Washington to move more quickly to hand security affairs over to his army, asserting it could crush violence in the country within six months. Gen. Abizaid apparently called Mr. al-Maliki's bluff by asking the prime minister to give a detailed explanation of how he would do that. The top U.S. commander in Iraq, Gen. George Casey, recently said it would take 12 to 18 months before Iraqi security forces were ready to control the whole country with some U.S. backup.

The United States did not respond to requests for comment on yesterday's meeting.

But a brief statement by the Iraqi government said Gen. Abizaid told Mr. al-Maliki he had come to "reaffirm President Bush's commitment" to success in this country. It also said the two discussed the impact of "neighboring countries on the security situation in Iraq," a clear reference to Iran and Syria.

The reference to Iraq's neighbors coincided with a call by British Prime Minister Tony Blair for Iran and Syria to help stem bloodshed in Iraq and to join efforts to stabilize the Middle East.

The Syrian ambassador to Washington affirmed a readiness to work with the United States.

"We in Syria believe that engagement with the United States on Iraq can help a lot, because we believe that we need to stabilize the situation in Iraq and support the political process there," Imad Moustapha told the British Broadcasting Corp.

Gen. Abizaid was the third top U.S. official to visit Iraq since Oct. 30, and the meeting comes a day after Mr. al-Maliki promised to shake up his government in a bid to end the sectarian slaughter.

National Security Adviser Stephen J. Hadley was first to visit, followed five days later by U.S. National Intelligence Director John D. Negroponte.

Before Gen. Abizaid pushed the same theme, Mr. Negroponte also demanded Mr. al-Maliki disband militias by year's end -- but was met with a flat rejection. Mr. al-Maliki told Mr. Negroponte such a move would be political suicide. Mr. al-Maliki, a Shi'ite, relies heavily on two major Shi'ite political groups that run the heavily armed militias.

U.S. General Confronts Iraqi Leader On Security (WP/AP)

By Steven R. Hurst, Associated Press

The Washington Post, November 14, 2006

BAGHDAD, Nov. 13 -- The U.S. Central Command chief confronted Iraq's prime minister on Monday over how Iraqi forces would halt raging violence and signaled a possible prelude to shifts in American policy on engaging Iran and Syria.

The meeting came as sectarian attacks killed at least 90 people throughout Iraq, 46 of them showing signs of torture. The U.S. military announced the deaths of four additional American soldiers.

Army Gen. John P. Abizaid, commander of U.S. forces in the Middle East, sternly warned Prime Minister Nouri al-Maliki that he must disband Shiite militias and give the United States proof that they were disarmed, according to senior Iraqi government officials with knowledge of what the two men discussed.

One of the militias, the Mahdi Army, is loyal to anti-American cleric Moqtada al-Sadr. On Monday night, U.S. forces raided the homes of some Sadr followers, and U.S. jets fired rockets on Shula, their northwest Baghdad neighborhood, residents said. Police said five residents were killed, although a senior Sadr aide put the death toll at nine. The U.S. military said it had no comment.

In their meeting, Abizaid also asked the Iraqi leader to give the U.S. military a firm timetable for when Iraq's security forces could take full control of the country, according to the officials, who spoke on condition of anonymity because of the sensitive nature of the talks.

Maliki has been pressing the United States to move more quickly to hand security affairs over to his army, claiming it could crush violence in the country within six months.

On Monday, Abizaid asked the prime minister to give a detailed explanation of how he would do that. The top U.S. commander in Iraq, Gen. George W. Casey Jr., recently said it would take 12 to 18 months before Iraqi security forces were ready to control the whole country with some U.S. backup.

U.S. officials did not respond to requests for comment on Monday's meeting.

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Also on Monday, police said a bomb detonated on a bus in the northeast Baghdad neighborhood of Shaab shortly after noon, killing 20 people. Sunni insurgents have frequently targeted Shiite bus passengers in sectarian reprisal killings.

Hours earlier, Mohammed al-Ban, a cameraman for Iraq's independent al-Sharqiya satellite television network, was gunned down in the northern city of Mosul. His wife was wounded, police said.

Iraqi Premier And U.S. General Discuss Syria And Iran (NYT)

By Sabrina Tavernise And Qais Mizher

The New York Times, November 14, 2006

BAGHDAD, Nov. 13 — Prime Minister Nuri Kamal al-Maliki of Iraq met here on Monday with Gen. John P. Abizaid, the top American commander in the Middle East, as Iraqi political leaders prepared new candidates for about 10 cabinet posts, lawmakers said.

In the third visit by a senior American official in recent weeks, General Abizaid and Mr. Maliki discussed the "influence of the neighboring countries on the security situation," according to a statement from the prime minister's office.

The reference was to Syria and Iran, which the Bush administration has accused of providing financing and weapons to militias in Iraq. But as the administration begins a broad reassessment of its Iraq policy, some — including Prime Minister Tony Blair of Britain, the closest ally of America — are proposing opening talks with the two governments.

At least 79 Iraqis were killed or found dead across Iraq on Monday, Iraqi officials said, including 10 commuters on a minibus who were killed when another passenger blew himself up, a photographer and two bodyguards for Vice President Adel Abdul-Mahdi, a Shiite. The military announced the deaths of four American soldiers, in Baghdad and Salahuddin Province.

Iraqi political leaders pressed ahead with a planned cabinet shuffle, presenting Mr. Maliki with candidates for the ministry posts that he wants changed.

Mr. Maliki has not said publicly which ministers he plans to replace, but he has been under pressure from the Bush administration to make progress toward stabilizing Iraq. The cabinet moves appeared aimed, at least in part, at demonstrating that he was making an effort.

Some officials say, though, that the problems among Iraqi leaders run far deeper than a rearrangement, even a sweeping one, can fix. Shiites and Sunnis are barely able to tolerate one another, and the tense relations make progress on improvements all but impossible.

It is a problem that the incoming Democratic-controlled Congress in the United States will immediately face.

"No matter how many new ministers, they are still going to have the same institutional problems," said one American official in Iraq, who spoke on the condition of anonymity because he did not have permission to discuss the subject publicly. American policy is about to change, and the shift will emphasize effectiveness over sectarian balance, the official said. "Instead of having a rainbow coalition, they will have people who can get stuff done," the official said. "I think the U.S. will take a more hands-off approach."

Mr. Maliki has not said publicly which ministers he wants to replace, but lawmakers said Monday that he had indicated they might include the ministers of health, electricity and oil. Sunnis have accused the Health Ministry — controlled by the powerful Shiite cleric Moktada al-Sadr — of sectarian bias. They also contend that it has sheltered Shiite militias that have carried out killings.

The security ministries — Interior and Defense — did not appear to be part of the shuffle.

"Most of his problems are with the Sadrists," said Jalal al-Din al-Sagheer, a Shiite lawmaker from a rival party. There were also hints that two Sunni ministers and a Kurdish one would be replaced, Mr. Sagheer said by telephone on Monday.

But Adnan Dulaimi, a member of the largest Sunni bloc, said the replacements were distributed across sects and ethnicities. Ten of 36 cabinet posts were affected, he said.

Under the current rules, pressed on the majority Shiites by American officials early this year, Mr. Maliki cannot take sects or ethnicities out of the government altogether, and the blocs, groupings made up of political parties, will retain their allotment of ministries.

But Mr. Maliki can choose from among political parties within the blocs, which could mean that entire parties might be left out.

"He's not going to reallocate the ministries to the same parties," said Maysoon al-Damaluji, a secular lawmaker. The process, she said, could take several months.

Baha al-Aaraji, a member in Mr. Sadr's bloc, the largest in Parliament, said it presented Mr. Maliki with 18 résumés, three candidates for each of its six ministries — transport, health, civil society, tourism, agriculture and a subministry for provincial affairs. In public remarks over the past few days, Mr. Maliki has tried to press his fractious coalition to work together better. In a speech to governors of Iraqi provinces on Monday, he struck a nonsectarian tone.

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Regarding taking action against militia members, he warned the governors not to “look at his background or who he represents, or what sect or group or party he is from.”

The American military said Monday that on Sunday it captured four Iraqis suspected of killings, kidnappings and bomb attacks in a Sunni militant stronghold south of Baghdad. In a raid in Baghdad, it killed eight people and detained 41 Iraqis suspected of ties to Al Qaeda.

Iraqi authorities reported that the American military raided homes of supporters of Mr. Sadr in the northern Baghdad neighborhood of Shuala, The Associated Press reported. Helicopters and jets were called in and gun battles were heard by residents nearby.

Sunni Needs Not Met, General Says (USAT)

By Tom Vanden Brook,

USA Today, November 14, 2006

RAWAH, Iraq — The Shiite-dominated central government is starving Iraqi security forces in the Sunni heartland of the resources needed to fight the insurgency, according to American officers.

In Anbar province, a Sunni region west of Baghdad, many police officers haven't been paid for three months. "It's difficult to ask a man to risk his life if you can't even pay him," said Marine Brig. Gen. Robert Neller, deputy commanding general of Multinational Force West.

Winning over Sunnis is critical to achieving a political solution to the violence in Iraq. Retribution killings between the two Muslim sects have been growing this year. The dispute in Anbar highlights a growing fear among Sunnis that the government isn't sincere about helping them.

"That's why people in Anbar think the government in Baghdad doesn't want them to succeed," Neller said. "Sometimes I wonder if the government in Baghdad wants them to succeed."

Anbar is among the most dangerous areas of Iraq. Of 104 American troop deaths in October, at least 40 were in Anbar.

There are about 33,000 American troops in Anbar, spread across 53,000 square miles. The population is 1.2 million, about 80% of which are Sunnis.

In September, Marine Maj. Gen. Rick Zilmer, the commander of troops in the region, said he had enough forces to complete his primary mission of training Iraqi forces but not enough to defeat the insurgency.

That job will depend largely on the abilities of Iraqi forces. There are about 7,000 Iraqi police officers and 13,000 Iraqi army soldiers in the province.

Haider al-Ibadi, an adviser to Prime Minister Nouri al-Maliki, said corruption in Anbar has prevented the government from paying officers more quickly. Some Iraqi officials in Anbar have submitted fake names of officers and fraudulently pocketed the money, he said.

Neller said U.S. and Iraqi army forces are making progress in recruiting police despite the difficulties.

On a visit to the village of Rawah on the Euphrates River, a police officer asked Neller for American forces to provide local police with more protection.

"Let's be honest with each other," Neller told the officer. "There are not enough Marines, Iraqi army or police to cover all this ground. And I can't tell you there will be more Marines coming."

Bishops Call For 'Responsible Transition' In Iraq (BSUN)

By Liz F. Kay

The Baltimore Sun, November 14, 2006

The president of the U.S. Conference of Catholic Bishops called Monday for dialogue and action on a responsible transition in Iraq, a statement quickly affirmed by the national group's members at their fall meeting.

"The statement offers a constructive contribution at a critical time," Bishop William S. Skylstad of Spokane, Wash., told the 250 prelates gathered at the Baltimore Marriott Waterfront.

"Our nation's military forces should remain in Iraq only as long as their presence contributes to a responsible transition. Our nation should look for effective ways to end their deployment at the earliest opportunity consistent with this goal," the statement reads.

The observance of Veterans Day this weekend reminds the bishops and most Americans of the issue of Iraq, said Bishop Thomas G. Wenski, the bishop of Orlando and chair of the conference's international policy committee, at a news conference Monday.

"We don't want to ally ourselves with the extremes of the divisive debate that has taken place until now, the extremes between 'stay the course' and 'cut and run,'" he said.

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Cardinal William H. Keeler of Baltimore said in an interview that "it's essential that we lift up the moral component of the situation in Iraq. We have to extract as much of the morality issue as we can."

The Iraq statement, which builds on a response issued in January, was a last-minute addition to the agenda for the fall meeting.

"The bishops read the exit polls and saw that the voters felt the biggest moral issue facing the country was Iraq, and so they felt they needed to say something about it," said the Rev. Thomas J. Reese, the former editor of America magazine, who attended the conference Monday.

John Carr, the conference's secretariat for social development and world peace, said some bishops had asked whether the national group would address the Iraq war at their fall meeting.

The bishops' conference has issued 18 statements and letters on the war, said Carr and Wenski.

"The work has been ongoing, but the decision that the bishops could not meet without addressing Iraq came in the last 10 days," Carr said.

The bishops also voted unanimously Monday to spend $335,000 of $1 million reserved last year to support a study into the causes and context of sexual abuse by clergy.

Researchers at John Jay College of Criminal Justice at the City University of New York will conduct the analysis and raise the remainder of the money for the project, which is expected to cost between $2 million and $3 million.

Voice of the Faithful, a group of Catholic laity calling for church reform, issued a statement Monday calling for full funding of the study if necessary.

"We would hope at least some bishops would encourage the USCCB to guarantee the funding of the entire study in the event John Jay College is not able to raise all of the remaining funds necessary," according to the news release.

In other business, the bishops considered the text of documents for the laity about the church's teaching on contraception and preparation for the Eucharist and guidance for bishops about ministry for "persons with a homosexual inclination."

The bishops are expected to vote on those documents Tuesday.

U.S. Bishops Call For 'responsible' Iraq Withdrawal (USAT)

By Cathy Lynn Grossman

USA Today, November 14, 2006

BALTIMORE — The nation's Roman Catholic bishops, on record for years opposing the Iraq war, approved a statement Monday saying U.S. troops should remain in Iraq "only as long as their presence contributes to a responsible transition."

The statement was a last- minute addition to the agenda for nearly 300 bishops gathered at the annual fall meeting of the U.S. Conference of Catholic Bishops. Also on the agenda: controversial documents on Communion, ministering to homosexuals and contraception. Drafted at the request of several bishops, it began with "prayerful concern" for military personnel, their families and suffering Iraqis and calls for an end to "divisive rhetoric."

It says, "Our nation should look for effective ways to end (troops') deployment at the earliest opportunity" consistent with contributing to a responsible transition.

The statement, issued in the name of conference president Bishop William Skylstad of Spokane, Wash., reiterated bishops' "grave moral concerns" about the war and condemned torture. It calls for human rights and religious freedom for Sunni, Shia and Christian communities in Iraq.

"This is still a conservative statement. The key word is 'contribute,' " says the Rev. Thomas Reese, a fellow at the Woodstock Theological Center at Georgetown University. "The bishops can't answer this question. That's a military and political answer, but this statement points to the crux of the matter: Does American involvement contribute to improving the situation?"

Bishops will vote today on several documents that reflect their efforts to communicate core Catholic doctrine. These include:

·A document on Communion spelling out who is "worthy" to receive the Eucharist and telling believers not to seek Communion if they knowingly violate church teachings. Anyone — gay or straight — who is having sex outside marriage and married couples who are using artificial contraception should refrain, bishops say.

Rather than expecting priests to play cops over Communion, this document is directed to all the faithful "to help people form their conscience," said Bishop Arthur Serratelli of Paterson, N.J. "Moral law applies to all."

·Pastoral guidelines for bishops ministering to "persons with a homosexual inclination." It repeats the church's stance that homosexuals should be welcomed and treated with respect but should not have positions of ministry or leadership unless they are chaste.

It takes no stance on whether homosexuality is inborn or a matter of choice and says no one is morally obligated to seek therapy. The church condemns gay sexual behavior as a sin.

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"The focus of the document is getting individuals to live a virtuous Catholic life," Serratelli said Monday. "The tenor is to be more welcoming than condemning."

Groups representing gay Catholics complained the bishops drafted the guidelines without consulting homosexual Catholics and said it will likely alienate them even further. DignityUSA called for gay Catholics to be able to participate in "all sacraments and roles of ministry, leadership and service."

·The bishops considered a Q&A text on the theology of marriage and procreation designed "for the first time with engaged and married couples in mind," said Baltimore Archbishop William Keeler. An accompanying report notes Catholics use artificial contraception, condemned by the church, as much as the general population.

Also, bishops approved spending $335,000 for the first year of a study into causes and context of clergy sexual abuse of minors.

U.S. Catholic Bishops Call For 'Honest Dialogue' On Iraq (WP)

By Alan Cooperman

The Washington Post, November 14, 2006

BALTIMORE, Nov. 13 -- The president of the U.S. Conference of Catholic Bishops said Monday that the United States should keep its troops in Iraq only as long as they are contributing to a "responsible transition" to Iraqi rule.

Bishop William S. Skylstad of Spokane, Wash., noted that both the U.S. bishops and top Vatican officials sharply questioned the decision to invade Iraq in 2003. As a result of the invasion, he said, the United States now has "additional moral responsibilities" to help Iraqis secure and rebuild their country.

In a four-page statement authorized by the entire body of bishops but issued in his name alone, Skylstad called for Americans to move beyond the "shrill and shallow" preelection rhetoric that "reduces the options to 'cut and run' versus 'stay the course.' " He said the nation needs an "honest dialogue" that acknowledges past mistakes, recognizes positive developments and seeks agreement on concrete steps.

The statement came as the Bush administration and the soon-to-be Democratic-controlled Congress reexamine U.S. policy in Iraq, and as the bishops primarily are focused on internal church matters, including deep cuts in their budgets and staffs.

Their agenda for three days of meetings in Baltimore this week includes statements reaffirming church teachings on contraception, Holy Communion and homosexuality. But it originally did not contain any discussion of Iraq, leading some bishops to wonder aloud whether they were avoiding the most important moral issue facing the country.

In an opening address, Archbishop Pietro Sambi, the new Vatican ambassador to the United States, said there has been a "loss of credibility in the church" because of the actions of a "small but very damaging number of its ministers and its faithful."

By a unanimous voice vote, the bishops approved spending $335,000 for research of the "causes and context" of the clergy sex abuse scandal in the church. The study will be conducted by the John Jay College of Criminal Justice in New York, which previously researched the scope of the problem and concluded that nearly 5,000 U.S. priests and deacons have molested more than 12,500 minors since 1950.

Pakistan Link Seen In Afghan Suicide Attacks (NYT)

By Carlotta Gall

The New York Times, November 14, 2006

PESHAWAR, Pakistan, Nov. 13 — Afghan and NATO security forces have recently rounded up several men like Hafiz Daoud Shah, a 21-year-old unemployed Afghan refugee who says he drove across the border to Afghanistan in September in a taxi with three other would-be suicide bombers.

Every case, Afghan security officials say, is similar to that of Mr. Shah, who repeated his story in a rare jailhouse interview with a reporter in Kabul, the Afghan capital. The trail of organizing, financing and recruiting the bombers who have carried out a rising number of suicide attacks in Afghanistan traces back to Pakistan, they say.

"Every single bomber or I.E.D. in one way or another is linked to Pakistan," a senior Afghan intelligence official said, referring to improvised explosive devices like roadside bombs. "Their reasons are to keep Afghanistan destabilized, to make us fail, and to keep us fragmented." He would speak on the subject only if not identified.

A senior United States military official based in Afghanistan agreed for the most part. "The strong belief is that recruiting, training and provision of technical equipment for I.E.D.'s in the main takes place outside Afghanistan," he said. By I.E.D.'s he meant suicide bombers as well. He, too, did not want his name used because he knew his remarks were likely to offend Pakistani leaders.

The charge is in fact one of the most contentious that Afghan and American officials have leveled at the Pakistani leadership, which frequently denies the infiltration problem and insists that the roots of the Taliban insurgency lie in Afghanistan.

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The dispute continues to divide Afghan and Pakistani leaders, even as the Bush administration tries to push them toward greater cooperation in fighting the Taliban, whose ranks have swelled to as many as 10,000 fighters this year.

A year ago, roadside bombs and suicide attacks were rare occurrences in Afghanistan. But they have grown more frequent and more deadly. There have been more than 90 suicide attacks in Afghanistan this year. In September and October, nearly 100 people were killed in such attacks.

Afghan security forces say that in the same period, they captured 17 suspected bombers, two of them would-be suicide bombers; NATO forces say they caught 10 people planning suicide bomb attacks in recent weeks.

Last week, for the first time, a Pakistani intelligence official acknowledged that suicide bombers were being trained in Bajaur, a small Pathan tribal area along the border. In a briefing given only on condition of anonymity, the official cited the training as one reason for an airstrike this month on a religious school there that killed more than 80 people.

The arrests of Mr. Shah and others like him, Afghan and NATO officials say, show that groups intent on carrying out attacks in Afghanistan continue to operate easily inside Pakistan.

Mr. Shah said he was one of four would-be suicide bombers who arrived in Kabul from Pakistan on Sept. 30. One of them killed 12 people and wounded 40 at the pedestrian entrance to the Interior Ministry the same day.

The attack was the first suicide bomb aimed not at foreign troops but at Afghans, and it terrified Kabul residents. The dead included a woman and her child.

By Mr. Shah's account, it could have been far worse. Mr. Shah said he and his cohort had planned to blow themselves up in four separate attacks in the capital. That they failed was due partly to luck and partly to vigilance by Afghan and NATO security forces. But their plot represented a clear escalation in the bombers' ambitions in Afghanistan.

Wearing a black prayer cap and long beard, Mr. Shah recounted his own involvement in the presence of two Afghan intelligence officers at a jail run by the National Directorate of Security. The Afghan intelligence officers offered up Mr. Shah because, unlike others in custody facing similar charges, his investigation was over. He is now awaiting trial.

Mr. Shah showed no signs of fear or discomfort in front of his guards. But after two weeks in detention, he complained of tiredness and headaches from a longstanding but unspecified mental ailment, something his father confirmed in a separate interview at the family home in Karachi, the southern Pakistani port city.

At first Mr. Shah, who was educated through the sixth grade, denied that he intended to be a suicide bomber, but said he had gone to Afghanistan only to fight a jihad, or holy war. "I was just thinking of fighting a jihad against the infidels," he said. "I was hearing there was fighting in Afghanistan and seeing it in the newspapers."

But by the end of the hourlong conversation, he admitted that he had intended to blow himself up in Kabul, and said he regretted his actions. He was vague about the target of his suicide mission. "I did not know where I was going to do it," he said.

After he was arrested, Mr. Shah said, he learned that one member of his group, whom he called Abdullah, succeeded in carrying out a suicide attack outside the Interior Ministry. "When I was arrested I heard about it and I thought it must be him," he said.

"They came here to be martyred," he said of his three companions, all Pakistanis, all around the same age, and all also from Karachi.

Mr. Shah himself is one of the 2.5 million Afghans who live as refugees in Pakistan and who, officials on both sides of the border agree, frequently cycle through the ranks of the Taliban and other militant Islamic groups.

The would-be suicide bombers arrested recently, the Afghan intelligence official said, emerge from two clear strands.

Some are linked to extremist groups that have long been set up and run by Pakistani intelligence as an arm of foreign policy toward rival governments in Afghanistan and India. They are technically illegal and the government now says it has cracked down on them.

Others are allied with Afghan groups like the Taliban and the renegade militia commander Gulbuddin Hekmatyar, also a longtime protégé of Pakistani intelligence, who has now allied himself with the Taliban, Afghan and NATO officials say.

Like Mr. Shah, several other would-be bombers arrested recently have come from Pakistan or were run by commanders based there, they said.

After a bombing cell of 12 people was picked up in Kabul recently, two of the men continued to receive cellphone calls while in custody, urging them to explode their bombs, the intelligence official said. The calls came from an Afghan commander called Pir Farouq, who lives in the Shamshatoo Afghan refugee camp in Peshawar, a frontier town, and is closely allied with Mr. Hekmatyar.

When Afghan intelligence, at NATO's behest, passed on the cellphone number of Pir Farouq to Pakistani intelligence officers, their informer, a member of the commander's inner circle, was swiftly killed, his body cut into eight pieces and dumped in the camp. NATO officials described the killing to journalists.

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Another group of bombers was captured as they were planning attacks on NATO forces in northern Afghanistan. That cell was also connected to Mr. Hekmatyar, but organized by another of his commanders who lives in Quetta, a Pakistani border town, the intelligence official said.

In Mr. Shah's case, he and his companions had all studied at the same religious school, or madrasa, at Masjid-e-Noor, a mosque in Mansehra Colony, a working-class district in northeastern Karachi. Mr. Shah said he studied there for four years, earning the title hafiz, given to one who has memorized the Koran.

The madrasa was run until recently by Maulavi Abdul Shakoor Khairpuri, who, Mr. Shah said, was a member of a banned jihadi group, Harkat-ul-Mujahedeen. Mr. Shah said it was the maulavi who sent them on the suicide mission.

The maulavi had given him a note addressed to a man called only Umar, who was waiting for them when they arrived in Kabul. Bearded, aged 28 or 29, Umar was a Taliban member from Kandahar, Mr. Shah said.

The note directed Umar to give the group explosives and stated that the equivalent of about $1,400 would be given to the families of each bomber after they finished their mission, Mr. Shah said.

Umar handed them a white rice bag. Inside were four khaki vests, with three pockets sewn on each side of the chest where the explosives were placed. "It has wires leading to a remote control and when you press the button it explodes," Mr. Shah said.

"The vests were heavy," he added. "There were a lot of explosives."

Mr. Shah then started looking for a taxi. Someone, apparently an intelligence agent, offered to show him but led him instead to the intelligence office, where he was arrested. The other bombers slipped away with their vests. So did Umar.

The Afghan intelligence official confirmed much of Mr. Shah's story. So did Mr. Shah's father, Ahmed Shah, interviewed last month at his home in a run-down tenement on the east side of Karachi, though he said he did not know where his son had gone after leaving home three weeks before. The gaps and discrepancies in the father's and son's accounts seemed to indicate that neither was telling the full story.

When told why his son was in jail in Kabul, the father grew angry, but showed no surprise. "How can one feel when someone leaves the house without caring for his children — he has two small children," he said, a boy of 4 and a girl of 2.

"We got tired of talking to him; you could not talk to him," the father said. "Such a disobedient child, who does not care about anyone, who does not look after his parents, should go to hell."

Mr. Shah's teacher at the local mosque also contradicted Mr. Shah's account.

Maulavi Khairpuri, interviewed at his home next to the Noor mosque, denied being a member of the banned Harkat-ul-Mujahedeen, as Mr. Shah had said. But he did acknowledge being the local secretary of a pro-Taliban party, Jamiat-ul-Ulama-i-Islam.

The maulavi said he had no idea that Mr. Shah had gone to Afghanistan. He denied sending Mr. Shah on the suicide mission. "He was not brave enough to do that," he said dismissively.

CORPORATE SCANDALS:

Supreme Court Refuses To Hear Qwest Case Involving Privilege Protections (AP)

AP, November 14, 2006

The Supreme Court on Monday refused to consider a case in which Qwest Communications International Inc. had been ordered to produce 220,000 pages of documents to shareholders in a civil securities fraud lawsuit.

Qwest attorneys had argued the documents were protected by attorney-client and work-product privilege.

Many shareholders involved in the lawsuit reached a $450 million class action settlement with Qwest, but claims are pending against former Chief Executive Officer Joseph Nacchio and former Chief Financial Officer Robert Woodruff.

The 10th U.S. Circuit Court of Appeals upheld a lower court's decision that the company waived its privilege when it gave the documents to the Securities and Exchange Commission and Justice Department.

The shareholders sued the company in 2001, about a year before the Securities and Exchange Commission and the Justice Department opened separate investigations into accounting improprieties that eventually led Qwest to remove billions of dollars in improperly reported revenue from its books.

Based in Denver, Qwest is the primary phone service provider in 14 mostly Western states.

The case is Qwest Communications International Inc. v. New England Health Care Employees Pension Fund, 06-343.

Daimler Audit Sparks Scrutiny As Executives Are Suspended (WSJ)

By STEPHEN POWER And CHRISTOPH RAUWALD

Wall Street Journal, November 14, 2006

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Disclosures About Bus Unit Prompt New Questions Tied to Internal Controls

FRANKFURT -- The suspension of several DaimlerChrysler AG executives, following an audit that disclosed what the company called irregularities at its commercial-bus business, is generating fresh scrutiny of the auto maker's internal-control and accounting mechanisms.

DaimlerChrysler, the world's fifth-largest auto maker by vehicle sales, said it detected the irregularities "in the context of a routine investigation of its own business." As a result, the company suspended an unspecified number of executives, effective immediately. A company spokeswoman said the number of employees suspended is in the "single-digit" range.

The spokeswoman declined to describe the nature of the alleged irregularities.

The auto maker also said the head of its bus operations, Wolfgang Diez, had resigned for "personal reasons" but declined to elaborate. Mr. Diez couldn't be reached.

The disclosure marks the second time this year DaimlerChrysler has publicly acknowledged having to take disciplinary action against employees as a result of possible ethical lapses within its business units. In March the company said it had dismissed or suspended several employees after an internal bribery probe found the company made "improper payments" in Africa, Asia and Eastern Europe. As previously reported, the U.S. Justice Department is conducting a criminal investigation into the bribery allegations and whether senior executives were aware of the practice, and the U.S. Securities and Exchange Commission is pursuing a parallel civil inquiry.

The DaimlerChrysler spokeswoman said the new actions aren't related to the bribery probe.

Public scrutiny of the company's control and accounting mechanisms has intensified recently as a result of the auto maker's admission on Sept. 15 that it expected its Chrysler unit to post a third-quarter loss of about €1.2 billion ($1.54 billion) -- more than double the amount it had predicted only seven weeks earlier.

The company has acknowledged being overly optimistic in continuing to build Chrysler vehicles even as inventories mounted. It has said that its practices for accounting for unsold inventories are consistent with industry practice and that it is aiming to return to profitability in the fourth quarter with new models like a compact Jeep and a redesigned Chrysler Sebring sedan. Many of the vehicles whose inventories swelled were Ram pickup trucks, Jeep sport-utility vehicles and Dodge minivans, the kinds of light trucks that U.S. auto makers have had trouble selling amid higher gasoline prices.

"They have to improve their controlling mechanisms internally," said Christoph Dolleschal, an analyst with Dresdner Kleinwort Wasserstein in Frankfurt. "There are already people saying 'how good is your controlling and auditing?' "

A DaimlerChrysler spokeswoman said company officials discovered the alleged irregularities at the bus division "on our own" and said the auto maker has taken steps to improve internal oversight. It established a "corporate compliance operations" department this year that examines its business practices to ensure compliance with anticorruption laws and the company's own ethics rules. The company last year set up a "sales-practices hotline" that employees can call when they have questions and to report "questionable events."

Write to Stephen Power at stephen.power@wsj.com and Christoph Rauwald at christoph.rauwald@dowjones.com

Wynn Resorts' CEO To Gain About $147 Million From Dividend (WSJ)

By Peter Sanders

The Wall Street Journal, November 14, 2006

Wynn Resorts Ltd. Chairman and Chief Executive Steve Wynn stands to reap about $147 million from the company's decision to issue a one-time special dividend of $6 a share.

Flush with roughly $1.4 billion in cash, Wynn Resorts declared the dividend -- its first since going public in 2002 -- to holders of shares of record as of Nov. 23. The total payout will amount to about $660 million. The company will pay the dividend Dec. 4.

"We have so much excess cash and had the opportunity to return capital to shareholders," Mr. Wynn said in a telephone interview from Macau.

Much of Wynn's cash on hand is a result of a $900 million windfall from the sale of a casino license in Macau to Australia's Publishing & Broadcasting Ltd. this year. Mr. Wynn opened his own casino in the Chinese enclave of Macau in September. The company also operates a namesake casino-resort in Las Vegas. Wynn Resorts shares jumped almost 8% on the news.

Mr. Wynn owned 24.5 million shares of the company, or roughly 24.2%, according to the company's most recent proxy filing. His Japanese partner in Wynn Resorts, Kazuo Okada, owns the same amount through a holding company. Each stands to reap about $147.3 million from the dividend.

For Mr. Wynn, the payday is about the same amount that he was forced to forgo last month when he was involved in a bizarre accident involving valuable art. In a much-publicized incident, Mr. Wynn, an art collector, accidentally tore a hole in the canvas of Pablo Picasso's 1932 painting "Le Rêve," which he was showing off to guests at the Wynn Las Vegas. Unfortunately,

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Mr. Wynn had agreed to sell the painting for $139 million to investor and art collector Steven Cohen. The sale was subsequently called off.

When asked if there was a correlation between the canceled sale and the dividend, Mr. Wynn said, "There is no connection whatsoever; that's a calculation I never came up with."

Analysts said they hadn't been expecting the dividend. Nonetheless, "the decision does not come as a surprise given Wynn's significant financial flexibility as a result of their sound operations to date," Joe Greff, casino analyst at Bear Stearns in New York, wrote in a research note.

And in a Securities and Exchange Commission filing, Wynn Resorts said the company's stockholder agreement was amended on Nov. 8 to require written consent from either Mr. Wynn or Mr. Okada's company Aruze USA Inc. before either party sells shares.

"We want to make it clear we're one shareholder," Mr. Wynn said. He added, "It creates one shareholder and makes life simple going forward especially if you want to increase your ownership, which both of us would do."

Separately, Wynn said that casino industry icon Jack Binion, whom Mr. Wynn hired in August to help open the new Macau casino, would no longer be involved in day-to-day operations in Macau. Instead, Mr. Binion will become a director of the company's Macau subsidiary. His restricted stock agreements and employment agreement will be terminated Friday. Mr. Binion wasn't able to be reached to comment.

Write to Peter Sanders at peter.sanders@wsj.com1

Sticking With One Conviction (HC)

By Kristen Hays

Houston Chronicle, November 14, 2006

Prosecutors in broadband case agree four can go, but not the fifth

The government has conceded that four of five federal convictions against the former finance chief of Enron's long-defunct broadband unit should be tossed aside because they won't stand up on appeal, according to court papers.

If U.S. District Judge Vanessa Gilmore follows the government recommendation and throws out those counts, Kevin Howard would face a maximum of 10 years in prison rather than 30 — and that's if she upholds the fifth count.

The government said in a filing that a flawed theory presented by prosecutors may have prompted jurors to convict Howard on four counts of conspiracy and wire fraud, so they should be vacated.

Howard's lawyers say the fifth conviction of falsifying books and records also was tainted and should be thrown out. Prosecutors disagree, saying it stands apart from the other counts and should stand.

"It's great news for Kevin," Jim Lavine, one of his attorneys, said Monday of the government's concessions. "It would be even better news if the judge grants it on all five counts."

The Justice Department didn't respond to requests for comment. Gilmore has yet to rule. Howard is slated to be sentenced in February.

Last May, a jury convicted Howard, 44, of the five counts for his role in a deal where Enron sold future profits in a video-on-demand deal to an investor so the energy company could book immediate earnings. Prosecutors said the deal was a sham because Enron promised to repay the investor.

Howard's co-defendant, former in-house accountant Michael Krautz, was acquitted of the same charges.

Stems from August rulingThe government's filing last week stems from an August ruling by a three-judge panel of the 5th U.S. Circuit Court of Appeals that threw out most 2004 convictions against four former Merrill Lynch & Co. executives in another Enron case. In that trial, prosecutors said the Merrill executives deprived Enron of their "honest services" because they participated in a sham deal to help the energy company book bogus earnings.

The appeals panel ruled that the honest services theory didn't apply because the defendants' actions were aligned with corporate goals and didn't rob Enron of property or money. The panel threw out fraud and conspiracy convictions of three Merrill defendants because prosecutors wrongly applied the honest services theory, but upheld perjury and obstruction of justice convictions against one of them.

The panel also threw out fraud and conspiracy convictions against a fourth Merrill defendant for lack of evidence.

The appeals court rejected the government's request that the entire panel hear arguments on the issue. The Justice Department has not said whether it will appeal to the U.S. Supreme Court, retry the case or walk away.

But the move by prosecutors in Howard's case appears to have bypassed another potential reversal by conceding before sentencing that most of the convictions should be thrown out.

"They have to maintain their credibility in the court of appeals," said Peter Henning, a law professor at Wayne State University Law School in Detroit. "It doesn't do any good to go in and make an argument that you know is going to be a loser."

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He added that Gilmore could toss out the fifth count as well.

"The question will be whether the court views that there's spillover, and whether the books and records conviction was tainted by the prejudice of having honest services in counts one through four," Henning said.

Howard and Krautz were among five former broadband executives whose first trial in 2005 ended with a handful of acquittals. Jurors were hung on dozens of other counts.

Howard and Krautz were the first of the five to be retried. Second trials of the other three are postponed indefinitely pending appeals.

Trading On The Enron Mystique (WSJ)

By Ann Davis

The Wall Street Journal, November 14, 2006

Enron is dead. Long live Enron.

Five years after the Texas energy-trading giant collapsed, the traders behind some of Enron Corp.'s brashest efforts to carve out new markets are pushing further into those frontiers.

Enron alumni have joined hedge funds and trading operations capitalizing on fast-growing commodity markets that the company once dominated or helped develop, from its stronghold of natural-gas and power trading to experimental futures markets in pollution-emission credits and weather contracts. A few Enron refugees have even joined industrial or consumer-goods firms, where they negotiate contracts to reduce the risks of volatile energy, food and raw-materials prices.

The growth of commodity markets popularized by Enron, and the ability of its veterans to raise money in budding areas, is to some a validation of at least part of the company's model: trading commodities of all kinds.

"In the general population, there is an Enron stigma. In the trading community, there is Enron mystique," says Vince Kaminski, a former quantitative expert at Enron. After Enron's Chapter 11 bankruptcy filing five years ago next month, the sought-after risk guru moved to hedge-fund giant Citadel Group, and then to Citigroup Inc.'s commodities desk. He now teaches prospective energy traders at Rice University.

Before imploding amid accounting-fraud accusations, Enron plowed big sums and talent into markets criticized after its fall as quixotic or a distraction from its core business of transporting and selling energy. It even had investigated whether it could launch movie-box-office futures as a way for studios to manage the risks of a big flop, a former Enron executive who panned the idea recalls.

While most markets besides gas and power weren't big moneymakers for Enron, ex-traders today are piggybacking on the company's early investments in everything from pulp-and-paper products to coal trading. And they are finding their background a selling point, much as the collapse and bankruptcy of junk-bond pioneer Drexel Burnham Lambert launched dozens of careers elsewhere in the 1990s.

"Employers look at having worked at Enron as a risk-management experience, and they think people might have learned from the Enron mistake and those traders might have become better," says Michael Karp, chief executive of Options Group, an executive-search firm that works for many banks and hedge funds. The traders' renaissance comes as some Enron executives from other areas of the company have forfeited assets and begun serving prison terms. Even Enron trading veterans whose reputations were tarnished by criminal and civil probes are making inroads.

Former high-ranking executive Lou Pai, who oversaw Enron's efforts to push into a number of new trading markets, has put some of his Enron-related earnings to work as a silent backer of a Houston-area firm prominent in brokering pollution-emission credits, Element Markets LLC, court documents show.

Mr. Pai left Enron before its troubles came to light, selling hundreds of millions of dollars of stock to meet a divorce settlement, according to interviews and legal records and proceedings. He still faces civil litigation and potential regulatory scrutiny for his role in Enron's financial management, lawyers following Enron matters say.

His affiliation with Element Markets emerged after he attempted this spring to buy a portfolio of emissions credits from an Enron unit operating in bankruptcy protection. Officials of the Enron estate overseeing the sale alleged that Mr. Pai failed to disclose his identity as a former company insider in an auction. They said selling to a former insider posed a conflict and sold to another buyer.

Mr. Pai nonetheless landed the assets; he repurchased them from the winning bidder without Enron's knowledge, according to a consultant advising the Enron estate. Now Mr. Pai is working to break into trading carbon-dioxide emissions, several Enron veterans familiar with his plans say. Mr. Pai didn't return calls to his home or office.

David Delainey, a former high-ranking trading executive, pleaded guilty to insider trading in connection with Enron's collapse. Nevertheless, Louis Dreyfus Energy Services, an arm of privately owned global commodity merchant Louis Dreyfus,

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hired him to oversee a trading operation in Calgary, Alberta. Mr. Delainey was sentenced last month by a federal judge in Houston to 2½ years in prison. He didn't respond to interview requests before his sentencing.

Citigroup snapped up Stuart Staley, a successful coal trader at Enron. Mr. Staley, 40 years old, now runs the gas- and power-trading operations of Citigroup from Houston, where traders he sought to hire already resided or wanted to return. Lehman Brothers Holdings Inc. and Bear Stearns Cos. are building energy-trading operations in Houston, among other cities, with former Enron traders. Barclays PLC's Barclays Capital unit and Deutsche Bank AG employ former high-level Enron traders.

Constellation Energy Group Inc., a large energy merchant, is ramping up its trading of coal and emissions credits in the U.S. and Europe with former Enron traders. Tyson Foods Inc., the meat and poultry producer, hired an Enron trader to run its commodity-trading and risk-management operations.

Nowhere is the Enron "mystique" stronger than with 32-year-old trader John Arnold, who founded hedge fund Centaurus Energy LP in Houston with $8 million a few years ago and employs other Enron alumni. The firm now has an estimated $3 billion in assets and would be larger if Mr. Arnold hadn't returned many investors' cash and winnings to keep his fund from growing unwieldy, investors and traders say.

Primarily a natural-gas trader, Mr. Arnold did well last month in volatile markets even as rival Brian Hunter at Amaranth Advisors LLC suffered multibillion-dollar trading losses, commodities players familiar with Centaurus's performance say.

Investors are rushing to back other Enron veterans. A Chicago-based fund of hedge funds has invested in a firm called Top Shelf Capital in Calgary, operated by senior former Enron trader John Lavorato and an Enron colleague, Jonathan McKay. They declined interview requests.

A former colleague of Mr. Hunter at now-liquidating Amaranth, Harry Arora, also was an Enron trader. Mr. Arora founded a new hedge fund, ARCIM Advisors LLC, this summer while Amaranth was still doing well.

Also hanging out a shingle: Jeff Shankman, the former president and chief operating officer of Enron's second-largest trading division. He is launching his energy-focused hedge fund, Trident Asset Management, this week.

Enron "created a fantastic alumni network," says Mr. Shankman, 39. "The thing I regret most at Enron is having to defend my tenure there," when "most of us were hardworking, decent people who did our best for a company we believed in."

Mark Tawney and another Enron alumnus, Bill Windle, were involved in Enron's early efforts to structure weather instruments for energy companies and other firms with payouts based on precipitation and temperature that affect their businesses. They moved on to insurance giant Swiss Re to build up its weather desk and then left to form a weather-derivatives-trading hedge fund in Houston last year. After finding that the capital-intensive transactions worked best with a large financial institution as a credit partner, they returned investors' money and have just launched a weather-risk-management desk in Houston for a unit of RenaissanceRe Holdings Ltd., a Bermuda reinsurer.

Some days, it almost feels like they are still trading for Enron: The Tawney-Windle group bought 10 of Enron's actual trading desks from a used-furniture vendor.

Apple Hires IBM's Rosenberg To Fill General Counsel Vacancy (WSJ)

The Wall Street Journal, November 14, 2006

Apple Computer Inc. said it hired Donald J. Rosenberg from International Business Machines Corp. as senior vice president and general counsel, filling a post vacant since the spring.

Mr. Rosenberg had spent more than 30 years at IBM, most recently as the technology giant's senior vice president and general counsel. Before taking over IBM's legal department in January, Mr. Rosenberg was assistant general counsel for litigation and was responsible for IBM's interaction with government regulatory agencies. He also served as IBM's lead in-house counsel in a number of lawsuits and settlements.

"We're thrilled to welcome such a seasoned professional to our executive team," said Apple Chief Executive Steve Jobs in a press release. "Don has a broad range of experience that includes litigation, securities, intellectual property and antitrust, and he will be responsible for overseeing all legal matters and government affairs for Apple."

Nancy Heinen, Apple's former general counsel, left the Cupertino, Calif., company in May, not long before it announced "irregularities" in options grants from 1997 to 2001.

The appointment comes as Apple faces legal challenges amid problems with past stock-option grants. The company said last month that Mr. Jobs, a tech-industry icon, knew that Apple manipulated some of its stock-option grants, citing the conclusions of an internal probe that found 15 instances of improperly backdated options and raised "serious concerns" about the conduct of two former Apple executives.

Authorities are examining whether companies fabricated the date on which options were granted to executives and other employees -- a practice known as backdating -- to give the options extra value. Backdating can run afoul of securities laws. To date, more than 100 companies are under federal investigation.

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Apple said Mr. Rosenberg received a B.S. in Mathematics from the State University of New York at Stony Brook and a J.D. from St. John's University School of Law.

The Options Blood Bath (WP)

The Washington Post, November 14, 2006

IN THE WAKE of the Enron Corp. scandal, we argued vigorously for new rules on corporate governance, but we never took pleasure in the demise of Enron's audit firm, Arthur Andersen LLP, which reduced competition in the over-concentrated accounting business and hurt employees who had done nothing wrong. In the current executive options scandal, likewise, defenestrating senior executives shouldn't be the priority. What matters is that the rules should prevent future abuses.

The latest scandal involves the practice of granting executive options on a day chosen retrospectively for the cheapness of a company's shares. This has the effect of enriching executives at the expense of shareholders: If a company's share price is $100, but a grant of 100,000 options is backdated to a day when the share price was $90, then the executive has been given $1 million. There's nothing wrong with such grants if they are disclosed properly. But frequently they haven't been. So far, more than 160 companies have been embroiled in the backdating scandal. More than 50 senior managers have been ousted, including, most recently, Bruce E. Karatz, chief executive of KB Home, a home-construction company, who will forfeit ill-gotten gains of about $13 million.

This loss of senior talent may be justified if the transgressions are serious. William W. McGuire, the ejected boss of UnitedHealth Group Inc., may have led his insurance firm to spectacular growth, but his greed in amassing $1.1 billion in stock options plus a pension of $5.1 million a year is matched only by the revelation that the board member who chaired the compensation committee had conflicts of interest. Even so, there are reasons to feel queasy about the broader options blood bath. The offenses mostly date from the years between Congress's 1994 obstruction of an accounting rule that would have caused the cost of executive options to be accounted for properly and the 2002 Sarbanes-Oxley law, which signaled that Congress had turned serious on accounting honesty. So however regrettable it might be, the fact is that Congress sent a signal of tolerance to which executives responded.

Moreover, there has been little consistency among companies as to what merits an executive's ejection. The board of Apple Computer Inc. appears to have gone lightly on Steve Jobs, chief executive and high-tech icon. If that is acceptable, it's hard to feel certain that other chief executives, some of them with statures approaching that of Mr. Jobs, truly deserved to go.

If the ousting of executives provokes mixed feelings, what of reforms that might prevent abuses? Backdating was partly a way of granting executives "in-the-money" options -- ones that grant the right to buy a share for less than its current value -- without having to report them as an expense. But the accounting rule that Congress obstructed 12 years ago was finally pushed through in the wake of the Enron scandal, so now all executive stock options must be treated as an expense, whether they are in-the-money or not. So one incentive for backdating has already been abolished.

But it's still fair to ask whether the use of executive options should be reined in, if not by regulation then at least by company directors. Because options are opaque, they invite abuses. Why not give managers a stake in their company by granting them restricted stock instead?

CRIMINAL LAW:

Judge Allows Evidence In Leak Case (NYT/AP)

The New York Times/AP, November 14, 2006

WASHINGTON, Nov. 13 (AP) — Classified information will be crucial evidence in the C.I.A. leak trial and the special prosecutor, Patrick J. Fitzgerald, went too far in his proposal to limit its release, a federal judge ruled Monday.

The defendant in the case, I. Lewis Libby Jr., former chief of staff to Vice President Dick Cheney, is accused of lying about his conversations with reporters about a Central Intelligence Agency operative Valerie Wilson. Mr. Libby wants to use classified material at his trial in January to show that he had a lot on his mind and could not remember details of his conversations about Ms. Wilson when questioned by investigators.

Judge Reggie B. Walton of Federal District Court said that Mr. Libby had a right to use some classified material at trial in January and that Mr. Fitzgerald's proposed redactions were too restrictive. "He is alleging both that the volume of his work would have impacted his memory and that some of the information presented to him as the vice president's national security adviser was so potentially catastrophic to the well-being of the country that the focus he had to devote to this information also impacted his memory," Judge Walton said.

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Judge: Libby May Use Classified Data (AP-Y)

By Matt Apuzzo, Associated Press Writer

AP, November 14, 2006

Classified information will be key evidence in the CIA leak trial and Special Prosecutor Patrick Fitzgerald went too far in his proposal to limit its release, a federal judge ruled Monday.

Former White House aide I. Lewis "Scooter" Libby is charged with lying to investigators in the case and wants to present classified material at his trial in January to show jurors that he had a lot on his mind and couldn't remember details about the leak.

U.S. District Judge Reggie B. Walton said Libby has a right to use some classified material at trial in January. Walton has not said publicly what must be allowed, and both sides are arguing behind closed doors over how the information will be blacked out for jurors.

In a ruling Monday, Walton said Fitzgerald's proposed redactions were too restrictive. The memory argument is a key part of Libby's defense, Walton ruled, and he must be allowed to use classified information to make that case.

"He is alleging both that the volume of his work would have impacted his memory and that some of the information presented to him as the vice president's national security adviser was so potentially catastrophic to the well-being of the country that the focus he had to devote to this information also impacted his memory," Walton said.

Walton said he isn't going to give Libby a free pass to allow all classified information into court. He said the two sides must balance Libby's need to defend himself with the government's need to protect sensitive material — a compromise that he believed could be achieved.

Walton told Fitzgerald to "go back to the drawing board and come forth with a more balanced proposal."

Libby is charged with lying to investigators about his conversations with reporters about CIA operative Valerie Plame. Plame believes her identity was leaked to the press as retribution for her husband's criticism of prewar intelligence on Iraq.

Complete Isolation Urged For Aryan Brotherhood Leaders (MCT)

By Kimberly Edds, The Orange County Register

McClatchy Newspapers, November 14, 2006

SANTA ANA, Calif. - Four Aryan Brotherhood leaders who used an elaborate communication network to order murders and incite race wars to bolster the gang's control in prison should spend the rest of their lives cut off from almost all human contact, federal prosecutors said Monday.

Brotherhood chief Barry "The Baron" Mills, top lieutenant Tyler "The Hulk" Bingham and midlevel leaders Edgar "Snail" Hevle and Christopher Gibson were convicted in July of conspiring from behind bars to order the murders of rival gang members to protect their nationwide extortion, gambling and drug-traffic operation.

All four men, already serving time for other crimes, face life in prison without the possibility of parole.

Mills, Bingham and Hevle appeared in federal court briefly Monday to be sentenced for their role in the conspiracy. Gibson, who is recovering from back surgery, did not appear.

U.S. District Court Judge David O. Carter called the proposed conditions - which would keep the men from seeing or talking to anyone other than their attorney - "tantamount, if not worse, than death."

In court papers filed last week, Assistant U.S. Attorney Stephen Wolfe also asked that the men be banned from having any writing instruments and papers and barred from having books, magazines and other reading materials unless they came directly from the publisher.

"These are horrendous conditions," Carter said. "There is no human contact."

Carter refused to consider the restrictions without the signature of U.S. Attorney General Alberto Gonzales. He also asked for assurances from the U.S. Bureau of Prisons that they are up to the costly task. Sentencing was postponed until Nov. 21.

Just 11 federal inmates are incarcerated under such stringent conditions, Carter said. Among them are Unabomber Ted Kaczynski and Yousef Ramzi - the self-proclaimed mastermind of the 1993 World Trade Center bombing - and Hung Thanh Mai, an Asian gang member who executed rookie California Highway Patrolman Don Burt in a Fullerton parking lot and then tried to hire a hit on the trial judge and state prosecutor.

Prosecutors argue the measures are necessary to keep the Aryan leadership from commanding more violence in some of the nation's most violent prisons.

Even with Mills and Bingham housed in the nation's most heavily guarded prison in the nation - the Administrative Maximum Security Facility - in Florence, Co., the white supremacist Aryan Brotherhood has managed to communicate - and order violence, prosecutors said.

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Mills, 58, was convicted of ordering the murders of a dozen people, six of which were carried out. Bingham, 59, was found guilty of calling for the death of five people. Two of those were carried out.

Defense attorneys have argued that federal prisons are violent, dangerous places and the four men were just doing what it took to survive. Forbidding access to the outside world is "draconian and cruel," lawyer Mark Fleming said.

Witnesses during the four-month trial painted the Aryan Brotherhood leaders as a ruthless group who directed murders and other violent attacks using notes written in code or with invisible ink made from fruit juice or urine that were passed from inmates to friends, family members and even corrupt prison guards.

Their orders traveled between state and federal prisons hundreds of miles apart, sparking a 1997 violent race war between Aryan and rival gang members inside a Lewisburg, Pa., prison that left two black inmates dead.

Since the indictments were handed down in 2002, the four have posted stellar progress reports, with no behavior violations, Fleming said.

"They were nothing but gentlemen throughout the entire trial."

Judge Says U.S. Attorney General Must Approve Sentencing Request For Aryan Brotherhood Leaders (FINDLAW/AP)

By Gillian Flaccus, Associated Press Writer

AP, November 14, 2006

(AP) - SANTA ANA, California-A judge postponed the sentencing of four leaders of the Aryan Brotherhood prison gang Monday, saying that any request by prosecutors to bar the defendants from receiving visitors, letters or phone calls behind bars must come from the U.S. attorney general himself.

The four men were convicted of murder, conspiracy and racketeering in a case aimed at dismantling the Aryan Brotherhood, a white supremacist organization accused of dealing drugs and spreading terror inside some of the United States' most dangerous prisons.

Prosecutors asked U.S. District Judge David O. Carter to bar the defendants from communicating with anyone but their attorneys. The government also asked that the convicts be prevented from keeping writing implements, paper or previously used reading material in their cells, but federal prosecutor Stephen Wolfe said he would drop that request.

The judge said such restrictions were "horrendous" and had been imposed only 11 times in the history of the federal prison system. He postponed sentencing until Nov. 21.

Inmates subjected to similar restrictions include convicted Unabomber Ted Kaczynski, Sept. 11 figure Zacarias Moussaoui and Ramzi Yousef, mastermind of the 1993 bombing of the World Trade Center.

"If you're really serious about this ... the attorney general is going to make the specific request of this from the court," Carter said.

Barry "The Baron" Mills, 58, and Tyler "The Hulk" Bingham, 59, were expected to receive life sentences. Edgar "The Snail" Hevle, 54, and Christopher Overton Gibson, 46, face anywhere from 20 years to life in prison.

Mark Fleming, Mills' lawyer, said the proposed prison conditions are "draconian."

"They're cruel and unusual in my opinion," Fleming said. "It's worse than the death penalty."

Heir To Norfolk Shipyard Gets 17-1/2 Years In Child Porn Case (VP)

By Tim Mcglone, The Virginian-Pilot

Virginian-Pilot, November 14, 2006

NORFOLK - Willoughby Warren Colonna IV, heir to a shipyard worth millions, was sentenced Monday to 17 1/2 years in prison for possessing and sharing child pornography.

A federal court jury convicted Colonna in August on 10 child pornography charges, including advertising on the Internet movies depicting girls, one younger than 5, having sex with an adult.

Colonna, 26, known as Bill or Billy, testified during his trial that he had no idea his computer contained child pornography.

FBI agents, however, told the jury that Colonna admitted the images and movies were his when they raided his parents' Chesapeake home in the summer of 2004.

Family members wept in the courtroom as U.S. District Judge Robert G. Doumar handed down the sentence, which fell at the low end of federally recommended guidelines but above the mandatory minimum sentence of 15 years.

Colonna declined to make a statement at the sentencing hearing.

Colonna's grandfather, however, testified at the hearing that he had hoped his namesake would one day take over the family business, started 131 years ago by the original Willoughby Colonna.

"It's always been my dream to have it continue in the family name," Willoughby Warren Colonna Jr. said.

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"I've had numerous opportunities to sell the business," he continued, "but I wouldn't feel right selling the place."

He said his grandson had worked in the shipyard along the Elizabeth River in Norfolk but had left to attend college. At one point, Colonna worked delivering pizzas.

Colonna's father testified that his son never exhibited any sexual attraction toward children.

"He's always been a good boy," said Willoughby Warren Colonna III.

"He's a very conscientious person."

Doumar asked whether he thought it peculiar that his son moved in with one of his former high school teachers when he was 18.

"Did you think that was a little odd?" the judge asked.

"Yes, I did," he answered.

The evidence at trial showed that Colonna had 400 videos on his computer that depicted prepubescent children in sexually explicit scenes, including one child younger than 5.

Assistant U.S. Attorney Michael C. Moore told the judge that Colonna could have made it easier on himself.

"This could have been a different story had he come in and pled guilty and said, 'I've got a problem and I need help,' " Moore said. "That's not the case here."

Colonna was sentenced under the federal Protect Act of 2003, which toughened child pornography and sexual abuse penalties, including mandatory minimum prison terms of 15 or 20 years for certain offenses.

"He had the promise of a great future," Doumar said in court, "which he did not seem to utilize at all."

"I don't understand any of it," he said.

Reach Tim McGlone at (757) 446-2343 or tim.mcglone@ pilotonline.com.

Study: Way Less Porn On The Web Than You Might Think (MERCN)

By Elise Ackerman

The San Jose Mercury News, November 14, 2006

A confidential analysis of Internet search queries and a random sample of Web pages taken from Google and Microsoft's giant Internet indices showed that only about 1 percent of all Web pages contain sexually explicit material.

The analysis was presented during a federal court hearing last week in Philadelphia in a suit brought by the American Civil Liberties Union against Attorney General Alberto Gonzales and obtained on Monday by the Mercury News.

The ACLU said the analysis, by Philip B. Stark, a professor of statistics at the University of California, Berkeley, did not appear to substantially help the Department of Justice in its effort to prove that criminal penalties are necessary to protect minors from exposure to sexually explicit information on the Internet.

The Justice Department had commissioned the study as part of an effort to resurrect the Children's Online Protection Act, which was signed by President Clinton in 1998, but immediately challenged by the ACLU.

A federal district court in Philadelphia and a federal appeals court found the law to be unconstitutional. In June 2005, the Supreme Court upheld the ban on enforcement of the law but sent the case back to district court for more fact finding regarding Internet filters.

``One of the things we think came out of the government's study is that the chance of running into graphic content on the Web when filters are on is extremely low,'' said Catherine Crump, staff attorney at the American Civil Liberties Union.

Stark's study found that only 6 percent of all queries returned a sexually explicit Web site, despite the consistant popularity of queries related to sex. It also found that the filters which did the best job blocking sexually explicit content also inadvertently blocked lots of content that was not explicit.

Government witnesses argued that while the percent of sexually explicit Web pages was small, it still amounted to a huge number. ``A lot of sexually explicit material is not blocked by filters,'' Stark wrote in the conclusion to his study.

Attorneys for the Justice Department were not available for comment on Monday afternoon.

The eight-year-old lawsuit ignited widespread public debate last year after Google objected to a subpoena it had received to turn over billions of Web site addresses and two months of search queries to government attorneys. Google argued in federal court that the request would put both the private queries of Google users and the Mountain View giant's trade secrets at risk.

A federal judge subsequently ordered Google to turn over 50,000 random copies of Web pages from its index, but did not require Google to produce search-engine queries. Microsoft's MSN and Yahoo provided a sample of 1 million Web sites. MSN, Yahoo and AOL also provided a week of search queries.

Seth Finkelstein, a programmer and civil-liberties activist, said Google's stance was ``horribly self-serving.''

``There were no privacy implications in the sense that the data was restricted to a very small set of researcher who were under various sets of protective orders,'' Finkelstein said.

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Finkelstein said Stark's findings about the prevalence of pornography on the Internet are similar to other academic studies.

``What we are learning about the Internet is that it reflects life and that the Internet is not -- contrary to what some people might think -- more sexual than people are in general."

Dare Enters Guilty Plea (ALBANYTU)

By Brendan J. Lyons, Senior Writer

Albany Times Union, November 14, 2006

Real estate investor blamed for Urban League collapse admits to fraud, faces 27 years in prison

ALBANY -- Aaron R. Dare, a real estate investor who was once widely regarded as a visionary and rising star in Albany's minority community, pleaded guilty Monday to felony fraud charges in U.S. District Court as part of a sweeping FBI investigation of his troubled business dealings.

Dare, 37, who was accused of driving the now-defunct Urban League of Northeastern New York into financial ruin in 2001, has been plagued for years with allegations of underhanded business dealings, mismanagement of his rental properties and a series of unpaid debts. He faces up to 27 years in prison.

The FBI investigation blew open last year when federal agents raided the downtown office of Dare and his former business partner, Albany Police Detective Kenneth P. Wilcox, who died in an April car crash while on duty. The Times Union applied last month to have the search warrant unsealed, and the request is still pending before a federal magistrate.

Meanwhile, a federal grand jury is continuing to investigate multiple real estate transactions involving Dare and his business associates, according to a source familiar with the case. Dare avoided indictment Monday when he abruptly pleaded guilty and pledged to cooperate with authorities, including testifying before the grand jury examining the case.

His attorney said he has met numerous times with Assistant U.S. Attorney Robert Storch to hammer out his plea and cooperation agreement.

Dare pleaded guilty to three felony charges. The first involved a scam to inflate the price in an $8.5 million real estate deal in 2001 when he purchased three major multiunit properties: The converted Hinckel Brewery near Lincoln Park in Albany; the Pastures Apartments in the Albany's South End; and the Old Franklin School Apartments in Schenectady.

Dare and the seller, Bernard Watkins, were later accused in an unrelated lawsuit of privately negotiating their deal to avoid paying $400,000 to a broker who had been marketing the properties. The outcome of that lawsuit could not be determined late Monday.

In 2004, taxpayers bailed Dare out of his debt-ridden real estate business as the U.S. Department of Housing and Urban Development, which had insured Dare's purchase of the properties, took over the three apartment complexes and paid off the $7.4 million mortgage.

Watkins, who is not identified in Dare's plea agreement, is a target in the ongoing investigation, according to a source close to the case. Watkins could not be reached for comment and it's not clear whether he has retained an attorney.

In a separate charge, Dare pleaded guilty to conspiring with an unnamed business associate to falsely inflate the prices of 31 residential properties that were sold to so-called straw purchasers, including several convicted criminals, according to public records examined by the Times Union over the past year.

The mortgage fraud transactions took place between 2003 and December 2005 and allegedly involved Wilcox, according to a federal law enforcement official and another person familiar with the investigation.

The plea and cooperation agreement signed by Dare states only that a business associate, who is identified in the court papers as a "conspirator," took on the role of recruiting borrowers to obtain mortgages for residential properties that were controlled or owned by Dare and his partner.

Federal prosecutors declined to identify the properties, or the purchasers, in Dare's plea agreement.

Dare personally prepared the purchasers' mortgage applications and often falsely represented their financial backgrounds so that a bank would approve the deal, according to his plea agreement.

"As part of this scheme, the conspirator of defendant Dare would and did obtain cashier's checks in the names of borrowers as purported proof of their access to capital when, in truth and fact, this was not the borrowers' capital and the checks were retained after the closings by the conspirator of defendant Dare," the plea agreement states.

Dare and his partner in the scheme reaped the benefit of selling properties with inflated appraisals to purchasers who often had no means to pay the mortgages.

Mortgage fraud, fueled in part by a hot housing market and low interest rates, has been one of the nation's fastest-growing white-collar crimes, according to a special report last year by the Chicago Tribune.

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Over the past several years, Dare and Wilcox jointly operated several limited liability corporations, including title and real estate companies. Through those companies, they bought and sold, or handled closings for, dozens of homes, most of them in Albany's inner-city neighborhoods.

Dare was just 27 when he took over the Urban League, spearheading economic development plans that included building affordable housing, sponsoring the New Covenant Charter School and constructing an office building that the city bought for its public safety headquarters after a finance company that was supposed to occupy it, NFC Corp., went bankrupt and its top official was later convicted of federal fraud charges.

Dare's expansive vision caught the attention of Gov. George Pataki and former Vice President Al Gore, both of whom visited Urban League projects in Arbor Hill.

But all the while, the group was losing millions borrowed from banks and donated by charities. It ended up broke and owing $1.8 million it could not repay.

After the Urban League collapsed, Attorney General Eliot Spitzer cited Dare for misconduct in handling its finances and barred him from leadership roles in New York charities for 10 years.

"I'm disappointed because I've known Aaron since he was a freshman at Albany High School, and I've always liked the young man," Mayor Jerry Jennings said. "It's very unfortunate that he chose to do this."

Albany Police Chief James Tuffey, who took over the department in December, said he was not aware of the federal investigation. However, several departmental sources said it was known by certain police officials that the FBI investigation was unfolding.

Dare's attorney, Arnold Proskin of Loudonville, told U.S. District Court Judge Lawrence E. Kahn that Dare agreed to plead guilty in the face of overwhelming evidence.

"I made my recommendation and he made his decision," Proskin said in court. "Ultimately, it would be a negative result at trial, and Aaron knows this."

Dare faces a maximum potential penalty of up to 27 years in prison and fines totaling $750,000, plus restitution. Kahn ordered Dare released on recognizance, but under the supervision of U.S. probation authorities, pending his sentencing, which is scheduled for March 6.

Under federal sentencing guidelines, which take into account factors such as a person's criminal history, Dare could face much less than the maximum penalties.

But Kahn, citing those guidelines, warned Dare that "my discretion in sentencing you is somewhat limited."

Outside court, Proskin and Dare both declined to discuss the case.

"The agreement speaks for itself," Proskin said. J. Lyons can be reached at 454-5547 or by e-mail at blyons@timesunion.com.

Dare charges

Count 1: Wire fraud.

Maximum penalty: 20 years in prison, $250,000 fine.

Count 2: Causing false statements to be made to obtain loans insured by HUD.

Maximum penalty: 2 years in prison, $250,000 fine.

Count 3: Conspiracy to commit mortgage fraud.

Maximum penalty: 5 years in prison, $250,000 fine.

Sources: United States Attorney's office; U.S. District Court records.

Guilty Plea In Housing Projects Fraud Case (ALBIZ)

Albany Business Review, November 14, 2006

The former head of the Urban League in Albany, N.Y., pleaded guilty in federal court Monday to three felony fraud charges related to financing agreements for the purchase of multi-family housing projects and other residential properties in Albany and Schenectady, according to federal authorities.

Aaron R. Dare, 37, of Albany, faces 27 years in prison and/or a fine of up to $750,000 and other penalties when he is sentenced March 6, 2007.

Dare pleaded guilty to one count of wire fraud and one count of causing false statements to be made to obtain loans to purchase the Hinckel Brewery Apartments at 201 Park Ave. in Albany, the Olde Franklin School Apartments at 1675 Ave. B in Schenectady and the Historic Pastures Village Apartments in Albany, according to the U.S. Justice Department.

Dare also pleaded guilty to conspiring with another person to commit wire fraud as part of a scheme to defraud private mortgage lenders to obtain loans to buy various residential properties in and around Albany.

The pleas were entered before U.S. District Court Judge Lawrence E. Kahn.

DOJ_NMG_0094048

The scheme involving the Hinckel Brewery, Olde Franklin School and Historic Pastures took place between late 2000 and August 2002. Dare provided false information to the private mortgage lender, AMI Capital Inc., of Bethesda, Md., and the U.S. Department of Housing and Urban Development concerning the experience, qualifications of himself and his purported investors, according to the Justice Department.

Promissory notes in the amounts of $1.8 million and $700,000 were prepared and executed between Dare's company, Emerge Real Properties LLC, and entities affiliated with the seller that falsely made it appear to AMI and HUD that Dare and/or Emerge had approximately $2.5 million in equity and credit to apply toward the purchase of the properties.

In fact, the promissory notes were false and fraudulent, according to the Justice Department. Dare and his companies did not have the equity and credit to apply toward the purchase of the properties. As part of the scheme, another promissory note was prepared and executed, which was not provided to AMI or HUD, that effectively cancelled out the purported equity reflected in the fraudulent $1.8 million promissory note.

Also, the stated purchase price of the properties was inflated from about $6 million to about $8.5 million to take into account the bogus promissory notes, according to the Justice Department.

AMI loaned Dare's company $7.5 million to buy the three housing projects. The loans were insured by HUD. Shortly after closing on the loans in August 2002, Dare fell behind on payments and eventually defaulted. HUD foreclosed on the properties and sold them, suffering a loss of about $1.9 million.

Former Urban League CEO Admits To Defrauding HUD (NOCOGAZ)

North Country (NY) Gazette, November 14, 2006

ALBANY---The former chief executive officer and president of the Urban League of Northeastern New York pleaded guilty in federal court Monday to fraud charges, admitting to committing wire fraud and making a false statement in order to obtain loans from the U.S. Department of Housing and Urban Development (HUD).

Aaron R. Dare, 37, could be sentenced to 27 years in federal prison and be fined $750,000 when he is sentenced March 6.

Dare's plea related to financing agreements he made for the purchase of residential properties in Albany and Schenectady. He pleaded guilty to one count of wire fraud and one count of making a false statement in order to obtain loans to purchase the Hinckel Brewery Apartments at 201 Park Ave., Albany; the Olde Franklin School Apartments at 1675 Ave. B in Schenectady and the Historic Pastures Village Apartments between late 2000 and August 2002.

He also admitted to conspiring with another person to commit wire fraud as part of a scheme to defraud private mortgage lenders to obtain loans to buy various residential properties in and around Albany.

The U.S. Justice Department said that Dare prepared and executed promissory notes in the amount of $1.8 million and $700,000 between his company, Emerge Real Properties LLC; the mortgage lender, AMI Capital Inc. of Bethesda, Md., and HUD, to falsely make it appear to AMI and HUD that Dare and/or Emerge had approximately $2.5 million in equity and credit to apply towards purchasing the properties. DOJ said that Dare had neither the equity nor credit.

On the basis of the promissory notes and statements, AMI loaned Dare and his company $7.5 million to buy the three housing properties, the loans being insured by HUD. After the closing on the loans, Dare failed to make payments and defaulted. HUD then foreclosed on the properties and sold them at a loss of about $1.9 million. 11-13-06

4 National Guards Plead Guilty To Wire Fraud (KCAL)

KCAL-TV, CBS 2, Los Angeles, November 14, 2006

(CBS) LOS ANGELES Four National Guard members from the Southland who served together in Iraq pleaded guilty to federal charges for an embezzlement scam that cost the Army more than $340,000 in unauthorized pay, federal authorities said Monday.

Derryl Hollier and Luis Lopez of Los Angeles, Jennifer Anjakos of Chula Vista and Lomeli Chavez of Oceanside each pleaded guilty to one count of conspiracy and one count of wire fraud, according to the U.S. Justice Department.

Prosecutors say the four were members of the 223rd Finance Detachment, which processes pay for Army National Guard members. They were deployed together to Iraq from March 2004 to February 2005, when they returned to Compton, according to the government.

From March to December last year, an unnamed co-conspirator accessed a Defense Department computer that processed payroll, according to court documents. The co-conspirator entered more than $340,000 in unauthorized pay and entitlements for himself and the defendants, the court papers state.

Hollier, Lopez and Anjakos then kicked back at least $150,000 of the money to the co-conspirator, according to the government.

The four are set to be sentenced Jan. 29, when they face up to five years in prison and a fine of as much as $250,000.

The defendants have agreed to cooperate with the ongoing investigation, according to the Justice Department.

GOP Fundraiser Guilty In Ohio Coin Case (AP-Y)

By John Seewer, Associated Press Writer

AP, November 14, 2006

A former GOP fundraiser was convicted Monday of embezzling from a rare-coin investment fund in a scandal that contributed to the rout of Ohio's Republican Party on Election Day.

Tom Noe, a coin dealer and former Republican fundraiser, was convicted of 29 of the 40 counts against him, including theft, corrupt activity, money laundering, forgery and tampering with records.

The corrupt activity charge was the most serious, carrying a mandatory 10-year prison sentence.

The scandal surrounding the investment became a political liability for the GOP in Tuesday's election. Voters elected Democrats to the governor's office, a U.S. Senate seat and three of four other statewide offices after 12 years of Republican rule.

Noe stood still and stared straight ahead when the verdicts were announced. He nodded when the judge said he would be taken into custody. He did not look at jurors while the judge asked them to confirm their verdicts.

After Noe was taken from the courtroom in handcuffs, his wife, Bernadette, and their three children huddled together and hugged in a front row.

The Ohio Bureau of Workers' Compensation gave Noe $25 million in 1998, followed by another $25 million in 2001 to invest in rare coins.

Noe, 52, was accused of using some of the money to pay off business loans and finance a lavish lifestyle. Prosecutors did not say whether he used the money to make campaign contributions to Republicans, including President Bush.

Defense attorneys declined to comment after Monday's verdict. During the trial, they insisted Noe had permission to invest the money and that the coin fund produced $7.9 million in profits over seven years.

Separately, Noe pleaded guilty to funneling $45,000 to Bush's re-election campaign and was sentenced in September to two years and three months in federal prison.

Sentencing in the rare-coin case was set for Nov. 20.

Investigations into the coin investment led to ethics charges against Republican Gov. Bob Taft, who pleaded no contest to failing to report golf outings and other gifts. Four former Taft aides pleaded no contest to similar charges.

Investigators began looking at the coin investments after The (Toledo) Blade revealed the funds' existence in April 2005. State officials initially defended the investment, saying it earned more than $15 million. But then Noe's attorney told investigators the fund had a possible shortfall of $10 million to $12 million.

Authorities raided Noe's businesses, where they seized coins, several $10,000 bills and collectibles such as a Christmas card signed by Jackie Onassis and Beanie Babies.

Before the investigation began, Noe was a star of the Republican Party and was once a member of state boards that oversee the Ohio Turnpike and Ohio's public universities. He was a top GOP fundraiser who gave more than $105,000 to Republicans including Bush and Taft in 2004.

Ohio Jury Convicts Ex-GOP Fundraiser (WP)

By Peter Slevin

The Washington Post, November 14, 2006

CHICAGO, Nov. 13 -- A federal jury in Toledo concluded Monday that former Republican fundraiser and coin dealer Tom Noe swindled the Ohio government in a risky investment scheme that raised doubts about GOP leadership and contributed to last week's virtual Democratic sweep of statewide offices.

Jurors convicted Noe, 52, a former county chairman who helped raise more than $100,000 in 2004 for the Bush-Cheney ticket, of 29 of 40 counts, including theft, corruption and forgery. He faces at least 10 years in prison for stealing from the state workers' compensation fund and trying to hide his actions.

Noe's trial, with its vivid testimony of lined pockets and bogus transactions, made headlines in the three weeks before Election Day. The details -- starting with the very idea of investing $50 million in rare coins -- provided fodder for Democratic advertisements and voter angst.

The damage to the chances of Republicans, who held every statewide office before last week's vote cost them a seat in the U.S. Senate, as well as the governor's chair, was significant even before the 12 jurors and four alternates took their seats in the courtroom.

Along the way, the investigation touched Gov. Bob Taft (R), who pleaded no contest in August 2005 to accepting secret gifts from Noe and others. Members of the governor's staff admitted to borrowing money from Noe or using his Florida home.

Noe pleaded guilty this past May to a charge of illegally funneling $45,000 to President Bush's 2004 reelection campaign. Prosecutors said he arranged for friends, including elected officials, to donate money, then reimbursed them. He was later named one of 19 Ohio "Pioneers," who had raised more than $100,000 for the ticket.

Critics used the charges against Noe, who soon resigned from the Ohio Board of Regents and the Ohio Turnpike Commission, to argue that Republicans had become the party of corruption from Columbus to Washington.

Noe's misdeeds were mentioned in tandem with wrongdoing of Rep. Robert W. Ney (R), who quit the House after pleading guilty to accepting gifts and contributions in return for official actions. Among the benefactors and beneficiaries were lobbyist Jack Abramoff and his clients.

The Toledo coin case involved two chunks of money entrusted to Noe by the Ohio Bureau of Workers' Compensation, which gave him $25 million to invest in 1998 and another $25 million in 2001. The idea was to diversify a $15 billion portfolio, but things did not work out.

Evidence from Noe's bookkeeper showed that on the day he received the first $25 million, he paid off a $396,000 bank debt and transferred $1 million to his coin shop. As time went on, investigators said, Noe wrote himself $1.8 million in checks, bought a boat and wrote $1.5 million in checks to contractors and vendors.

He bought only a few coins.

"Tom thought that we could always make up the money and always make it good," testified Timothy LaPointe, Noe's business partner, who said he falsified invoices to trick state auditors and profited nicely.

"I did it for the money," LaPointe said, "and I did it for Tom."

Noe did not present any witnesses in his defense. His attorney told the jury that his client had done nothing wrong.

Assistant Lucas County prosecutor John Weglian offered a different version, telling jurors in closing arguments on Election Day: "The moment he got control, he began stealing."

Analysis: Missed Red Flags On Israeli Spy (UPI)

By Shaun Waterman, Upi Homeland And National Security Editor

United Press International, November 14, 2006

WASHINGTON, Nov. 13 (UPI) -- The Navy counter-intelligence officer who garnered a confession from Israeli spy Jonathon Pollard says that U.S. agencies missed a forest of red flags about him and risk repeating the same mistakes today they made more than 20 years ago.

Ron Olive, the investigator who debriefed Pollard in 1985, says in a new book that "The warning indicators and the problems were clear from the beginning of (Pollard's) career" and even before, and that his bizarre behavior should have prevented him from ever working for the U.S. government.

"It's a wake-up call to U.S. intelligence today," he told United Press International, about his account: "Capturing Jonathon Pollard," published by the Naval Institute Press.

The book discloses what Olive says are fresh details about the sensational spy case -- a whirlwind 11-day-long investigation which eventually revealed that Pollard passed 360 cubic feet of "the most classified intelligence material the United States possesses" to his Israeli handlers.

Olive's book reveals that administrative convenience and bureaucratic bungling allowed Pollard to be recruited and promoted despite being "a dreamer, a fantasist," who repeatedly exhibited behavior that should have barred him from working for any U.S. government agency.

Among the red flags that investigators missed when Pollard was being considered for a top secret clearance from the Navy was his prior rejection by the CIA, where Pollard had applied for work in 1978.

Pollard told a CIA polygraph examiner that he had used marijuana 600 times and told nine foreign nationals that he was going to work for the agency. "Not surprisingly, he didn't get the job," Olive told UPI.

But when Defense Department investigators asked the CIA if they had any record of Pollard, they were told no.

"If they had told (background investigators) that Pollard wasn't hired because of drug use, he would never have been in the history books," Olive said, adding that "It was CIA policy at the time" not to disclose the results of pre-employment polygraph tests to other U.S. agencies. He said the policy was based on a misunderstanding of federal privacy law.

Following Pollard's guilty plea, Olive says the CIA agreed to change the policy and share that kind of information during background checks.

"The agency should at least get credit for keeping him out," said one retired CIA counter-intelligence veteran.

Olive also faulted the background investigators, from the Pentagon's Defense Investigative Service, for not even bothering to check whether Pollard had a masters degree from the Fletcher School of Law and Diplomacy at Tufts University, Boston, as he claimed. In fact Pollard had dropped out and never completed the degree.

"If they had talked to one or two of his roommates" from Stamford University, where he got his first degree, said Olive, they would have come across accounts of his bizarre behavior.

Pollard told acquaintances at Stamford that he worked for the Israeli intelligence service Mossad, and had been made a colonel in an elite Israeli army unit, Olive said.

He added that on one occasion, Pollard had run through the corridors of a university building waving a firearm, shouting "everyone's out to get me."

In the event, Pollard was issued with his clearance via a waiver, said Olive, and was never actually subjected to a proper background check.

Olive said he fears a repetition of that kind of mistake is almost inevitable given the huge numbers of people being recruited to intelligence agencies and contractors to fight the war on terror.

Growing pressure for clearance investigations to be completed on a foreshortened timetable, so that people could begin work, is "a disaster waiting to happen," he said.

Even after Pollard started work for the Navy, Olive pointed out, his bizarre behavior continued, and should have raised serious questions about his reliability.

On one occasion, Olive relates, Pollard excused his lateness and disheveled appearance at a job interview for a naval intelligence post by claiming that his wife had been kidnapped by the Irish Republican Army.

Another time, he approached senior officials, asking for permission to run a "back-channel" collection effort against South Africa.

Pollard claimed that he knew a South African naval attaché in Washington, which was true, and that his father had been CIA station chief in South Africa -- an easily checkable lie.

"We've got a kook on our hands," said then-Director of Naval Intelligence Adm. Sumner Shapiro in April 1980, after a meeting where Pollard outlined his South African scheme.

Moreover, Olive said, Pollard was in desperate financial straights, "getting eviction notices, borrowing money from friends."

"You can't do that with a clearance," said Olive, noting that one object of the clearance process is to weed out people who might have a financial motive to betray their country.

Despite all this, Olive said Pollard was repeatedly promoted and eventually his clearance, which had been reduced to a "Secret" level because of concerns about his stability, was restored after he repeatedly threatened to sue the Navy.

Olive also recounts how FBI agents interrupted his interrogation of Pollard after he had begun confessing. He had acknowledged spying for Israel, but had not yet begun to reveal details of what he stole. Two agents arrived at the interview room and told Olive that Pollard had to be taken to the magistrate's court for an initial appearance.

"I said, 'Are you crazy? ... This man has waived his Miranda rights, he is confessing to espionage.' They just said it was FBI policy that suspects be taken to court on the day of their arrest and they had to take him."

"If they would have let us (continue to) talk to him ... I was convinced in the next two or three hours, we could have gotten the whole story," said Olive.

An FBI spokesman told UPI that the policy was based on U.S. Supreme Court rulings that arrestees have to be taken before a court within "a reasonable period" of time.

"I've had the same thing happen to me (during an investigation)," said the Bureau's Michael Brooks, "and it's frustrating. But those are the rules."

FBI: Pollard Passed Info To Pakistan And Australia (JERP)

The Jerusalem Post, November 14, 2006

According to new evidence released by the FBI on Monday, Jonathan Pollard not only passed classified information on to Israel, but also to Pakistan and Australia.

In a presentation given by FBI agent Ronald Olive, which was broadcast on Channel 10, it was revealed that Pollard was also involved illegally in arms sales to Taiwan, France, Kenya, Afghanistan, and Argentina.

In his report, Olive made no mention of what type of information Pollard passed to Australia and Pakistan, nor of how it was transferred.

Olive also said the FBI had initially believed Pollard was spying for the Russians, and that they'd had no idea at the time that Israel was involved or that Pollard was even Jewish.

Justices Reinstate California Killer's Death Sentence (LAT)

By David G. Savage

The Los Angeles Times, November 14, 2006

DOJ_NMG_0094052

WASHINGTON — The Supreme Court, reversing the U.S. 9th Circuit Court of Appeals, restored a death sentence Monday for a Central California man who robbed and brutally killed a young woman 25 years ago.

The justices, in a 5-4 decision, concluded that jurors who decided the fate of Fernando Belmontes had weighed all the evidence — good and bad — before condemning him to die for the murder of 19-year old Steacy McConnell in Victor, Calif.

Monday's decision, the first of this term, was the latest of many over the last decade in which the high court's conservative majority clashed with the liberal-leaning appeals court based in San Francisco.

In this case, two sides differed over how jurors would have understood the instructions they were given in California death penalty cases in the early 1980s.

Those instructions were changed in 1983 to tell jurors they could consider "any other aspect of the defendant's character or record" that might call for life in prison, rather than death, for a convicted murderer.

Before that change, jurors were given a long list of factors to consider, including whether the defendant had a mental defect or disturbance, was dominated by another person or was intoxicated at the time of the crime. Finally, jurors were told they could consider "any other circumstance which extenuates the gravity of the crime." That phrase caused considerable confusion. Some judges said it allowed jurors to consider all factors that call for leniency, such as the defendant's conversion to Christianity while in prison. Others said it barred jurors from considering evidence that did not involve the crime.

Belmontes had a long criminal record in March 1981 when he went to McConnell's home, armed with the steel bar of a dumbbell. He clubbed the young woman over the head as many as 20 times, breaking her skull. He emerged from the house covered with blood and carrying her stereo. He and his accomplices later sold it for $100.

Belmontes was arrested and put on trial in San Joaquin County and convicted of burglary and murder. During the sentencing hearing, prosecutors described his violent crimes, including a recent beating of his pregnant girlfriend. A defense lawyer described Belmontes' impoverished and troubled childhood and his embrace of Christianity while behind bars.

After hearing its instructions, the jury unanimously sentenced Belmontes to die. The California courts upheld his sentence, as did a federal judge in Sacramento.

But when his appeal eventually reached the 9th Circuit in 2003, his death sentence was reversed in a 2-1 ruling.

Judges Stephen Reinhardt and Richard Paez, both of Los Angeles, concluded there was a "reasonable probability" that jurors would have spared Belmontes had they been free to consider evidence of his "future conduct" behind bars. Reinhardt believed the instructions incorrectly told jurors to look back only at the crime and not at evidence that showed Belmontes "would adapt well to prison."

California Atty. Gen. Bill Lockyer appealed the case to the Supreme Court, which last year overturned Reinhardt's opinion in a brief order. The high court said the case should be reconsidered in light of its ruling in another case that same year, in which it had reversed the 9th Circuit and restored a death sentence for an Orange County murderer who had become a Christian while incarcerated.

Undaunted, Reinhardt and Paez reaffirmed their original ruling in favor of Belmontes.

Lockyer appealed again to the Supreme Court. This time, the justices heard arguments in the case and Monday issued a 16-page ruling reversing the 9th Circuit.

Justice Anthony M. Kennedy said the appeals courts "erred by adopting a narrow, and we conclude, an unrealistic interpretation" of the jury instructions. Two prison chaplains and Belmontes' church sponsors testified to his religious conversion at the sentencing hearing, he noted, after which the judge told jurors to weigh "all the evidence."

Kennedy wrote that it was "improbable" that the jury would hear such testimony and not take it into account.

Chief Justice John G. Roberts Jr. and Justices Antonin Scalia, Clarence Thomas and Samuel A. Alito Jr. joined Kennedy's opinion in Ayers vs. Belmontes.

The four dissenters said "the natural reading" of the instructions given to the jurors wrongly barred them from considering evidence that did not involve the crime. By this reading, good conduct behind bars could not "extenuate the gravity of the crime" and therefore did not count.

"The incremental value to California of carrying out a death sentence at this late date is far outweighed by the interest in maintaining confidence in the fairness of any proceeding that results in the state's decision to take the life of one of its citizens," said Justice John Paul Stevens. Joining him in dissent were Justices David H. Souter, Ruth Bader Ginsburg and Stephen G. Breyer.

A pro-law enforcement group in Sacramento welcomed the ruling. "This well-deserved sentence should have been executed many years ago," said Kent Scheidegger of the Criminal Justice Legal Foundation. "Claims such as this one, having nothing to do with actual guilt or innocence, should only be reviewed once, not litigated over and over for decades."

But a lawyer for Belmontes, now 44, said the case is not over yet.

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"This is not the end of the road," said Eric Multhaup, a defense lawyer from Mill Valley, Calif. "This is an unwelcome setback, but there are other issues that the 9th Circuit did not address," he said, including claims that his trial lawyer was "ineffective."

Supreme Court Upholds Death Sentence In California Case (WP)

By Robert Barnes

The Washington Post, November 14, 2006

The Supreme Court's first decision of its young term was a swift but divided opinion upholding the death penalty for a California man who killed a young woman during a burglary more than 25 years ago.

Yesterday's 5 to 4 decision was the second time the fate of Fernando Belmontes reached the Supreme Court, and once again the justices sent it back to the California-based U.S. Court of Appeals for the 9th Circuit, saying the appeals court had misinterpreted the high court's rulings in overturning Belmontes's death sentence.

The court heard arguments in the case on Oct. 3, its first day hearing cases. The court's initial decisions in a term often are ones easily reached, and while yesterday's vote could not have been closer, it reflected a common split between conservatives and liberals on the court.

After Belmontes was convicted of bludgeoning to death 19-year-old Steacy McConnell with a dumbbell bar, he and his attorneys presented evidence at the sentencing phase about his troubled childhood and also his conversion to Christianity. They offered what is known as "forward-looking" mitigating evidence, arguing that if given a life sentence, he could lead a productive existence in the structured atmosphere of a prison and perhaps even help others.

But his attorneys said the trial judge misled and confused jurors by not specifically instructing them that they could consider such evidence. Instead, the judge, after listing specific mitigating factors, issued a more generic direction to consider any other circumstance that "extenuates the gravity of the crime even though it is not a legal excuse for the crime."

Justice Anthony M. Kennedy, writing for the majority, said the judge's directions were adequate.

"It is improbable the jurors believed that the parties were engaging in an exercise in futility when respondent presented (and both counsel later discussed) his mitigating evidence in open court," he wrote.

He noted in the opinion, joined by Chief Justice John G. Roberts Jr. and Justices Antonin Scalia, Clarence Thomas and Samuel A. Alito Jr., that it was the third time the court has upheld the specific instructions. Scalia, joined by Thomas, also issued a concurring opinion that said an additional Supreme Court decision, which Kennedy said he did not need to rely on, made this "an easy case."

But Justice John Paul Stevens said the trial judge's decision not to expressly instruct jurors to consider the mitigating evidence resulted in a confusion that "pervaded every aspect of respondent's sentencing hearing."

He wrote: "I simply cannot believe that the jurors took it upon themselves to consider testimony they were all but told they were forbidden from considering." Stevens was joined in the dissent by Justices Ruth Bader Ginsburg, David H. Souter and Stephen G. Breyer.

The case is Ayers v. Belmontes, 05-493.

The court also announced yesterday that it was declining to review two highly publicized cases.

Without comment, justices decided against hearing the appeal of Michael Skakel, the nephew of Ethel Kennedy's who was convicted of beating to death his Greenwich, Conn., neighbor Martha Moxley when the two were teenagers 31 years ago. Skakel is serving a 20-year sentence. His attorneys had argued that the statute of limitations on the crime had passed before he was arrested in January 2000. He was convicted in 2002. The case is Skakel v. Connecticut, 06-52.

The court also declined to review author Lewis Perdue's contention that the blockbuster novel "The Da Vinci Code" is substantially similar to his own book, "Daughter of God." A federal judge had ruled that "Da Vinci" author Dan Brown had not copied the premise of Perdue's book, and an appeals court had upheld the decision. The case is Perdue v. Brown and Random House Inc., 06-213.

Justices Uphold A Death Sentence Twice Overturned (NYT)

By Linda Greenhouse

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — The Supreme Court on Monday reinstated a death sentence that a California jury imposed in 1982 and that was twice overturned by the federal appeals court in San Francisco.

Ruling 5 to 4, the justices held that a disputed instruction that the appeals court found had improperly constrained the jury's discretion to consider all the defendant's mitigating evidence in fact gave the jurors adequate advice and had probably not confused them.

DOJ_NMG_0094054

The decision was the first of the court's new term, which began on Oct. 3, the day on which this case, Ayers v. Belmontes, No. 05-493, was argued. Usually, the first decision of a term is unanimous, or nearly so, a logical result of the fact that unanimous decisions are easier to produce than those that must await a dissenting opinion.

No one at the court on Monday could remember a term that began with a 5-to-4 decision. But while this decision might, on the surface, suggest that the current court is on the way toward setting a record for internal division, that is not necessarily the case. A more likely explanation is that much of the majority opinion was in fact drafted last spring, before the court agreed to hear California's appeal.

The entry on the court's public docket shows that while the state's appeal was pending the justices discussed it nine times at closed-door conferences. With cases typically being discussed only once or twice, if at all, nine is an unusually high number. It suggests that a group of justices was trying to win majority support for an opinion that would decide the case summarily, without argument or further briefing.

The failure of such an effort typically results in a compromise decision to accept the case for argument, with much of the opinion already having been drafted.

In any event, the dispute among the justices, as disclosed in the opinions issued on Monday, with Justice Anthony M. Kennedy writing for the majority and Justice John Paul Stevens writing for the four dissenters, was one of nuance rather than disagreement on basic principles of death penalty jurisprudence.

The question was whether the jury instruction, which the court had found to be adequate in two earlier decisions involving different defendants, had given the jurors the impression that they could consider only one type of mitigating evidence.

The court's death-penalty precedents require that the jury be able to give open-ended consideration to any mitigating evidence the defense chooses to offer. Except for Justices Antonin Scalia and Clarence Thomas, who do not accept these precedents, there is general agreement on that point; those two justices nonetheless signed the majority opinion on the basis of their agreement with other, more specific precedents at issue in the case.

The defendant in this case, Fernando Belmontes, was convicted of beating a 19-year-old woman to death with a steel bar in the course of burglarizing her home. He wanted to present mitigating evidence not about the circumstances of the crime, but about his record during an earlier incarceration in a juvenile prison.

Mr. Belmontes was a model prisoner there who underwent a religious conversion. He wanted to argue that this record showed that he would be a well-behaved and productive inmate if he was sentenced to life in prison rather than death.

California's death penalty statute lists a number of mitigating factors that a defendant may invoke, concluding with a "catch all" factor that includes "any other circumstance which extenuates the gravity of the crime even though it is not a legal excuse for the crime."

While subsequent California Supreme Court and United States Supreme Court decisions made clear that this factor was more open ended than it appeared to be, permitting evidence that relates to the defendant's character rather than to the crime itself, the question in the case was how Mr. Belmontes's jury understood the factor in its unadorned form.

In overturning his death sentence through a writ of habeas corpus, the United States Court of Appeals for the Ninth Circuit found there was a "reasonable probability" that the jury did not realize that it could take into account Mr. Belmontes's evidence of his likely behavior as a prisoner.

Justice Kennedy's majority opinion said the Ninth Circuit was mistaken. He said that various comments by the trial judge "made it clear that the jury was to take a broad view of mitigating evidence."

Chief Justice John G. Roberts Jr. and Justice Samuel A. Alito Jr. joined the opinion along with Justices Scalia and Thomas.

In dissent, Justice Stevens said the record showed "that confusion pervaded every aspect" of the sentencing hearing, including the catch-all factor. All participants in the hearing were "addled," he added.

Justices Stephen G. Breyer, Ruth Bader Ginsburg and David H. Souter joined the dissent.

High Court Moves To Reinstate Calif. Man's Death Sentence (LAW/AP)

By Mark Sherman, The Associated Press

AP, November 14, 2006

The U.S. Supreme Court on Monday moved to reinstate the death penalty for a California man convicted of murdering a 19-year-old woman during a burglary.

Justices reversed an appeals court ruling that threw out Fernando Belmontes' death sentence because the trial judge misled jurors who were considering whether to give Belmontes the death penalty or life in prison.

The 5-4 decision was the Court's first since starting its new term in October. It reflected an increasingly common division in death penalty cases between the Court's conservative and liberal blocs.

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Justice Anthony Kennedy said it was implausible to conclude that jurors failed to take all the evidence into account before settling on a sentence of death.

Belmontes beat Steacy McConnell to death with a dumbbell bar in the burglary of her home in 1981. He was convicted of the crime and sentenced to death, a decision upheld by state courts and a federal judge.

The 9th U.S. Circuit Court of Appeals, however, twice commuted the sentence. The second time was after the Supreme Court told it to reconsider Belmontes' sentence under a decision that restored the death penalty in another California murder case.

The appeals court said the trial judge misled jurors about whether they could consider the prospect that Belmontes could live a productive life behind bars based on his good behavior during an earlier commitment to a California correctional facility for youth.

"It was mistaken ... to find a 'reasonable probability' that the jury did not consider respondent's future potential," Kennedy wrote in his majority opinion. Chief Justice John Roberts and Justices Samuel Alito, Antonin Scalia and Clarence Thomas joined Kennedy's opinion.

In his dissent, Justice John Paul Stevens said the majority opinion reaches a "strange conclusion" based upon speculation. "I simply cannot believe that the jurors took it upon themselves to consider testimony they were all but told they were forbidden from considering," Stevens said, also writing for Justices Stephen Breyer, Ruth Bader Ginsburg and David Souter.

Overseer Finds Kickback Plan At University (NYT)

By David W. Chen And Laura Mansnerus

The New York Times, November 14, 2006

TRENTON, Nov. 13 — Nearly a year after avoiding prosecution for Medicaid fraud by consenting to have a federal monitor investigate its finances, the University of Medicine and Dentistry of New Jersey is engaging in “illegal activity” that “persists to this day,” according to a report from the monitor released on Monday.

The report also accused the university’s interim president, Bruce C. Vladeck, who was appointed by Gov. Jon S. Corzine in the spring to restore credibility, of “trying to refute, rebut and bury” information about violations of anti-kickback laws. It was the first time that the federal monitor, Herbert J. Stern, had directly criticized Mr. Vladeck.

The report charged that university officials at “all levels” were “complicit” in concocting an illegal plan to pay 18 cardiologists nearly $6 million, starting in 2002, to refer their patients to the university’s hospital, in violation of federal law. Though school officials were warned on Sept. 25 by their own consultant that such practices could be illegal, they did not report it to Mr. Stern, as required under the deferred-prosecution agreement that they signed in December 2005 to avoid criminal charges, according to the report.

The cardiology kickback scheme led to $36 million in illegal Medicare and Medicaid payments that the school may have to repay, along with $43 million in potential fines and penalties, the report said. The doctors who participated in the plan could face lawsuits, the loss of their medical licenses and even federal criminal charges, though one interviewed on Monday denied all the allegations in the report and said he had fulfilled his responsibilities at the university.

For more than a year, the university, which is the state’s medical school, has been battered by an onslaught of bad news, both in print and in official investigations, suggesting that it was home to tens of millions of dollars of Medicaid fraud, wasteful spending and no-bid contracts awarded to vendors with ties to elected officials or former university trustees. The United States attorney, Christopher J. Christie, also threatened to prosecute the school.

In his report on Monday, Mr. Stern, a former judge and United States attorney, focused on how the university had been anxious in 2002 and 2003 about the prospect of losing its license to perform heart operations at University Hospital unless its cardiac surgeons conducted such procedures with more regularity.

In the report, Mr. Stern said he was particularly disturbing that Dr. Vladeck, an experienced health administrator, appeared to have misled investigators and downplayed allegations of wrongdoing found in the university consultant’s report in September. Rather than being told of the consultant’s report, Mr. Stern said, he learned of the cardiology scheme by reading about it in a legal publication about a settlement in a related whistleblower’s lawsuit.

When asked about the monitor’s report, Anna Farneski, a spokeswoman for the school, issued an unusually long statement by e-mail that was both apologetic and defensive.

“We have made it the clear and unvarying policy of the new administration at U.M.D.N.J. to cooperate with the monitor’s office in full compliance with both the letter and the spirit of the deferred-prosecution agreement, and in that regard, we were particularly dismayed by the monitor’s assertion that we had not been in compliance relative to this issue,” she said in the statement.

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In discussing the whistleblower's settlement, Ms. Farneski said that "there was no affirmative effort to conceal the substance." As for the report by the consultant, the accounting and consulting firm J. H. Cohn, Ms. Farneski said it "has serious methodological flaws."

Still, she said that "we are truly apologetic for any misunderstanding or miscommunication between anyone at U.M.D.N.J. and the monitor's office that may have occurred. We are happy to recommend to the board of trustees that it adopt all of the recommendations in the monitor's report to strengthen adherence to the deferred-prosecution agreement."

Mr. Corzine, meanwhile, offered a qualified defense of Dr. Vladeck. "Do I believe that this is a problem, paying people for no-show jobs who refer patients to a hospital?" the governor said when asked about the monitor's report after an event at the State House. "Yes, I think it's absurd and completely without any merit. Do I believe that Bruce Vladeck was authorizing that to continue? No I don't."

Still, Mr. Corzine also summed up the sentiments of many lawmakers on Monday when he put the latest trouble to befall the school in context: "There are enough major breakdowns in control and governance that existed at U.M.D.N.J. pre-2006 that not much would surprise me at this stage."

In the report on Monday, Mr. Stern wrote that school officials, "feverishly bent" on increasing the number of procedures, came up with a plan to hire cardiologists for no-show jobs as clinical associate professors, paying them $150,000 a year or more to do nothing but refer their own patients to the hospital. Many of the cardiologists either had never used the hospital before, the report said, or had complained about its facilities and staff.

Some of these allegations first came to light in an article in The New Jersey Law Journal about a settlement in June between the university and Dr. Rohit Arora, the former chief of the school's cardiology division. In all, the cardiologists were reported to have received $5.7 million.

But on Monday, one of those cardiologists, Dr. Jasjit S. Walia, said in an interview that the report's allegations were untrue, and that he remains actively involved in a wide variety of teaching work at the university and was on-call at its hospital 90 days a year.

"I kept my end of the bargain," said Dr. Walia, himself a graduate of the university. "What's hurting is our name is being dragged through the mud, and my patients are doubting my abilities. I'm hoping for a good investigation so everything comes out."

U.S. Attorney Launches UMDNJ Probe (CHCP)

By Jim Walsh, Courier-Post Staff

Cherry Hill Courier Post, November 14, 2006

U.S. Attorney Christopher J. Christie said today his office has begun a probe into new allegations of wrongdoing at the University of Medicine and Dentistry of New Jersey.

A monitor's report released Monday said UMDNJ has illegally paid $5.7 million in referrals to doctors in order to attract patients to its struggling cardiac surgery unit in Newark. The payments began in 2002 and continue to this day, said the monitor, retired federal judge Herbert Stern.

Christie said he was "particularly disturbed" by a finding that a purported cover-up of the payment program by UMDNJ's current management violated terms of a December 2005 deferred-prosecution agreement.

That agreement allowed UMDNJ to avoid federal prosecution for a $4.9 million Medicaid fraud. It also brought oversight by Stern, whose office has founded repeated cases of apparent improprieties at UMDNJ.

In a statement, UMDNJ said it was "moving as quickly as we can" to confirm Stern's new assertions "and to put an immediate stop to any violations we find."

UMDNJ denied any deliberate effort to hide the payments. Instead, it said, attorneys for UMDNJ "clearly erred" in failing to tell the monitor about a $2.2 million settlement of a whistleblower's lawsuit over the payments.

"We are truly apologetic for any misunderstanding or miscommunication," noted the statement. It said UMDNJ's management and trustees also were not told of the settlement.

Christie said his office "will be addressing remediation of that situation (the possible violation of the 2005 agreement) with the monitor and other interested parties in the very near future." He offered no details.

Under terms of the agreement, Stern could choose to prosecute UMDNJ for any federal crimes known to his office if he determines UMDNJ officials "knowingly and materially breached" the 2005 agreement.

Gov. Jon S. Corzine said he continues to support UMDNJ Interim President Bruce C. Vladeck.

"We will let the investigation review of those facts fall where they may," Corzine said. "If it were a policy to continue something that was inappropriate, well then, I change my view on this. But I know Dr. Vladeck as someone who has worked very hard to get control of an institution that, pretty clearly as this whole new revelation would indicate, is pretty well out of control."

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Corruption Reported At N.J. Med School (AP)

By Wayne Parry, The Associated Press

AP, November 14, 2006

NEWARK, N.J. (AP) — A state-run medical school illegally billed nearly $36 million in Medicare and Medicaid services and has paid $5.7 million to doctors since 2002 for illegal referrals, according to a federal monitor's report released Monday.

Fraud monitor Herbert J. Stern reported that cardiologists were essentially given no-show teaching jobs at the University of Medicine and Dentistry of New Jersey at salaries of $150,000 or more for referring heart patients to the school.

"Unfortunately, this scheme reached well into all levels of hospital and university central administration who were complicit first in forming and expediting this illegal plan, and later in covering it up," Stern wrote.

University officials paid $2.2 million to settle a whistleblower's lawsuit, but the payout wasn't reported to the monitor or properly authorized by the school, according to the report, first reported Sunday by The Star-Ledger of Newark.

Stern, a former federal prosecutor and judge, also alleged that Bruce Vladeck, the university's interim president, misled investigators during interviews and sought to downplay the kickback allegations.

Anna Farneski, a spokeswoman for UMDNJ, said in a statement that complaints in the whistleblower lawsuit were relayed to the monitor in January. She said that the university's counsel failed to tell the monitor and UMDNJ management about the settlement but that no effort was made to conceal it.

The school is trying to investigate assertions in the monitor's report and end any violations it may find, Farneski said. The school has been working since June to hire an outside consultant to review physician compensation and other matters, she said.

A request for comment from Vladeck was left with Farneski.

Gov. Jon Corzine expressed confidence in Vladeck.

"I know Dr. Vladeck is someone who has worked very hard to get control of an institution that pretty clearly, as this whole new revelation would indicate, was out of control," Corzine said.

The school signed an agreement with federal prosecutors last December when it was charged with Medicaid fraud involving double-billing of nearly $5 million worth of procedures. The deal included appointing Stern to look into possible Medicare and Medicaid fraud.

U.S. Attorney Christopher Christie said he was disturbed by Stern's conclusions and planned to meet with him soon. Christie declined further comment.

The school has five regional campuses and more than 4,500 students, about 11,000 full-time faculty and staff, and an annual budget of $1.6 billion.

UMDNJ Accused Of Paying Kickbacks (PHI)

By Troy Graham

The Philadelphia Inquirer, November 14, 2006

Another scandal has gripped the University of Medicine and Dentistry of New Jersey, this one, according to accusations in a federal report, involving a kickback scheme with a group of cardiologists.

Perhaps more important, the university has been accused of covering up the scheme, which would violate an earlier agreement with the U.S. Attorney that allowed UMDNJ to avoid prosecution for Medicaid fraud.

U.S. Attorney Christopher J. Christie said he was "particularly disturbed" that the agreement had been broken, though he did not say what action he would take against the university.

"We will be addressing remediation of that situation... in the very near future," he said.

UMDNJ entered into a deferred prosecution agreement last December, in part, because a conviction for Medicaid fraud could have forced the closure of its teaching hospital, University Hospital in Newark. UMDNJ has five campuses, including the School of Osteopathic Medicine in Stratford, Camden County, and a $1.6 billion budget.

A federal monitor, appointed by Christie, has been investigating a raft of problems at the university. Several other criminal probes have been launched, including one exploring whether the osteopathic school gave a no-show job to State Sen. Wayne Bryant (D., Camden) in exchange for his political influence in obtaining money.

The allegations of the kickback scheme, released yesterday in a report from the monitor, represented the first time that current UMDNJ leadership had been accused of wrongdoing.

The monitor, retired U.S. District Judge Herbert J. Stern, said the kickback scheme has continued to this day, and he accused UMDNJ's interim president, Bruce Vladeck, of misleading investigators and trying to "bury" a consultant's report that warned that the school was breaking the law.

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Vladeck, a national health-care policy expert, was hired in March to help clean up the university. He did not comment yesterday, but Anna Farneski, a spokeswoman for UMDNJ, said it was Vladeck's "clear and unvarying policy" to comply with the monitor's office.

She said UMDNJ was concerned about "the persistence of any illegal or inappropriate activities at UMDNJ," but she described any problems between the university and the monitor as a "misunderstanding or miscommunication."

The university was "moving as quickly as we can to attempt to validate the assertions in this report and to put an immediate stop to any violations we find," Farneski said.

Asked about the scandal yesterday, Gov. Corzine also backed Vladeck.

"I know Dr. Vladeck is someone who has worked very hard to get control of an institution that pretty clearly, as this whole new revelation would indicate, was out of control," Corzine said.

Christie, however, declared that UMDNJ's leadership had failed "to get a handle on the problems that beset that organization."

The kickbacks began when the state threatened in 2002 to take away UMDNJ's license to perform cardiac surgery because the school was performing too few operations to remain proficient, according to the monitor's report.

The school then came up with a plan that eventually hired 18 cardiologists and paid them as much as $180,000 each, purportedly for part-time professorships. Instead, the monitor alleged, the money was paid as a kickback for patient referrals.

The plan "was nothing more than a poorly disguised cover-up of knowing and willful violations of federal law," Stern said.

The monitor has not looked into the quality of care given to the patients who were referred to UMDNJ for cardiac procedures.

The state Division of Consumer Affairs, the agency that licenses physicians, did not respond late yesterday afternoon to a question about the status of the 18 doctors accused in the monitor's report.

Under the agreement with the U.S. Attorney, UMDNJ was obligated to tell the monitor about any whistleblowers. The university had been sued in 2003 by Rohit Arora, UMDNJ's former chief of the Division of Cardiology, who said he was forced out after he objected to the university's plan to boost cardiac surgeries by paying physicians based on referrals.

UMDNJ did not tell the monitor's office about the lawsuit, which predated the investigation, Stern said, then settled with Arora for $2.2 million in June, also without notifying his office. The monitor's staff learned of the settlement after reading about it in the New Jersey Law Journal.

Vladeck told the monitor that he was unaware of the settlement with Arora, and he told Corzine earlier this month that he was unaware of any legal problems that the school faced from anti-kickback laws.

Farneski said that Stern's office was told in January about Arora's lawsuit, and she blamed UMDNJ's lawyer for not reporting the settlement to Stern, Vladeck and UMDNJ's board.

"There was no affirmative effort to conceal the substance of the settlement," she said.

Troubles at UMDNJ

Dec. 21, 2005: The University of Medicine and Dentistry of New Jersey enters into a deferred prosecution agreement with the U.S. Attorney to avoid facing Medicaid-fraud charges. Retired U.S. District Judge Herbert J. Stern is subsequently appointed to monitor the university's finances.

January 2006:State Sen. Wayne Bryant (D., Camden) resigns from a $38,000-a-year job that the university created for him in 2003. In 2005, Bryant, then chair of the Senate Budget and Appropriations Committee, had steered a last-minute $2.7 million grant to the School of Osteopathic Medicine in Stratford, Camden County.

February 2006:Gov. Corzine recommends Bruce Vladeck, a national health policy expert, to become UMDNJ's interim president, replacing John Petillo, who resigned after UMDNJ entered the deferred prosecution agreement.

April 3, 2006: Stern releases his first quarterly report, announcing that 14 separate investigations had been launched into allegations of undue political influence, financial irregularities and other problems. Two top administrators, including the dean of the osteopathic school, resigned days before the report was released.

May 17, 2006: FBI agents raid the osteopathic school after a tipster said that Warren Wallace, an associate dean and Gloucester County freeholder, was shredding documents related to a federal investigation.

June 5, 2006: A monitor's report says Wallace had manipulated the school's petty cash system and steered a no-bid contract to a friend. Wallace had been fired the week before the report was released.

Sept. 18, 2006:The monitor finds that Bryant was given a no-show job at the osteopathic school and was paid his salary "to lobby himself." Bryant defended his work at the school, but stepped down from the budget committee the following week under pressure from fellow Democrats. A federal criminal probe into his dealings has been expanded since then.

Goya Painting Stolen While On Way To Guggenheim Exhibition (NYT)

By Felicia R. Lee

The New York Times, November 14, 2006

A painting by Goya was stolen on its way from the collection of the Toledo Museum of Art in Ohio to a major exhibition that opens on Friday at the Solomon R. Guggenheim Museum, the two institutions announced yesterday.

The museums said in a statement that the 1778 painting, “Children With a Cart,” was stolen in the vicinity of Scranton, Pa., while in the care of a professional art transporter. They said the theft was discovered last week but refused to provide additional details on the crime. Officials at both museums said the F.B.I. was investigating the case and had warned them that releasing additional information might jeopardize the inquiry.

The painting was to be included in “Spanish Painting From El Greco to Picasso: Time, Truth and History,” a sprawling exhibition of some 135 paintings by Spanish masters.

The two museums said the painting would be “virtually impossible to sell and therefore has no value on the open market.” While art that belongs to major museums is easily identified as stolen, the statement seemed intended in part to discourage any attempt at a clandestine sale.

The painting was insured for only $1 million, the museums said. The insurer is offering a reward of up to $50,000 for information leading to the recovery of the painting, they added. Their statement urged people with information about the theft to contact the Philadelphia division of the F.B.I. at (215) 418-4000.

“We’re hoping that we’re going to get a number of tips,” Jerri Williams, a spokeswoman for the Philadelphia F.B.I. division, said. “To vet the tips, we’ve decided to release as few details as possible. If that doesn’t provide fruitful information, of course, we’ll provide more details.”

The work, an oil on canvas measuring nearly five feet high and three feet wide, is a tapestry cartoon — an image that Goya painted for a factory that manufactured tapestries for the Spanish royal court.

The catalog entry for “Children With a Cart” says that Goya conceived the work for the bedroom of the Prince of Asturias. It depicts children at play, two of them inside a cart and another dressed in Dutch style, playing drums, while a fourth plays the trumpet.

A Goya Is Stolen En Route To N.Y. Museum Show (NYS)

By Bradley Hope, Staff Reporter of the Sun

New York Sun, November 14, 2006

A Francisco de Goya y Lucientes oil painting worth more than $1 million was stolen last week on its way to New York from Ohio for a Spanish painting exhibition scheduled to open Friday, museum and FBI officials said last night.

The painting, "Children With a Cart" (1778), disappeared as it was being transported through Scranton, Pa., from the Toledo Museum of Art by a professional art transport company, museum officials said.

It was scheduled to hang in the "Spanish Painting From El Greco to Picasso: Time, Truth, and History" exhibition at the Solomon R. Guggenheim museum starting November 17.

The painting was insured for $1 million, and the insurance company has put up a $50,000 reward for information leading to the recovery of the painting.

A joint statement from the Guggenheim and Toledo Museum of Art said the painting "would be virtually impossible to sell and therefore has no value on the open market."

A spokeswoman for the Philadelphia FBI office, Gerri Williams, said the details of how the painting was stolen, and when, wouldn't be released until later this week. FBI agents want to determine how reliable tips are by the level of detail they include about the theft, she said. If the tips aren't successful, the FBI will release more details, she said.

Tracing Thieves' Easy Pickings (BUFFNEWS)

By NANCY A. FISCHER, NEWS NIAGARA BUREAU

Buffalo News, November 14, 2006

Investigators try to match hundreds of stolen artifacts with rightful owners

It started in Palmyra with a whale's tooth and a tourism map of antique shops in upstate New York.

It grew into a criminal case so large that the FBI has been called in to help local police comb through hundreds of artifacts stolen from dozens of antique shops, historical societies and other loosely supervised public places in two states.

Three brothers from Orleans County are the main suspects in the string of thefts that police say yielded a wide, sometimes priceless, bounty.

The take included a Civil War-era sword, two Presidential Medals and a Purple Heart. There were antique dolls and statues. Some were big-ticket items, others small and sentimental.

There was even a Bible from the 1700s taken from a church, sold on eBay and now believed to be in Australia.

The Ortiz brothers - Kenneth, Michael and Roy - are accused in this roadshow crime spree. All three were charged with fourth-degree criminal possession of stolen property; Kenneth and Michael remain in Orleans County Jail.

More serious charges are expected, according to investigators from several police agencies.

The Ortiz brothers admitted to hitting 200 to 500 sites during the last 18 months, using a "Sunday Driver" map for tourists that lists 112 antique dealers in New York and northern Pennsylvania, investigators said.

"It's overwhelming'

During the last year and a half, the brothers hit so many sites that even they don't remember where some of the artifacts came from, Orleans County Sheriff's Deputy Meredith Yarid said.

"It's overwhelming," said Kenneth Strickland, an Orleans County sheriff's investigator.

The magnitude of the case - as well as the fact that the U.S. Postal Service was used to send stolen goods across and out of the country - prompted the Sheriff's Office to ask that it be turned over to the FBI, Strickland said.

The three were charged after investigators recovered 450 items in August from the homes of the brothers and the home of their father in the Town of Ridgeway.

"In most cases, they would go into local mom-and-pop-type antique shops," Strickland said, "and while one or two brothers distracted a clerk, the other would just fill [his] pockets."

Among the items recovered is a Purple Heart with the name "Herbert W. Stanford" that investigators would like to return to its owner.

Police started their investigation in Palmyra near Rochester in July 2005, when they learned that someone had stolen a whale's tooth from the Palmyra Historical Society.

A series of smaller thefts followed, and thefts that preceded it might have been going on for several years, investigators said.

The brothers found easy pickings, Strickland said, because few of the targeted shops had inventory lists or labeling systems. In some cases, the stolen items were not immediately missed, he said.

The case grew as more valuable items were reported missing, including the theft June 29 of two Presidential Medals from the Niagara County Historical Society Museum in Lockport.

Each medal was appraised at $25,000, and donated by the family of Ely S. Parker, a Seneca Indian.

Parker had received the medals from Presidents Rutherford B. Hayes and James A. Garfield for his service in the Civil War, including his preparation of a draft of the war's surrender agreement at Appomattox, Va.

"They were priceless because you can't replace them," said Melissa L. Dunlap, executive director of the Historical Society.

The Ortiz brothers are suspected of taking a display case off the wall and into a men's restroom to remove and pocket the medals, Lockport Police Detective Lt. Richard Podgers said.

Strickland said the medals were sold for about $500. Neither he nor other investigators had estimates of how much the brothers were paid for other stolen goods, but said it was likely pennies on the dollar.

Lockport police were able to recover the medals and other stolen antiques from a dealer who recently moved from Medina to South Carolina.

Trusting a hunch

The antique dealer and others who dealt with the Ortiz brothers also may face charges for knowingly selling stolen goods. "This is more than just three guys," Strickland said. "Antique dealers are supposed to get identification and receipts. They can be charged locally or face federal charges. Three or four are being looked at."

The thefts from historical societies opened up the case. Orleans County sheriff's deputies started working with police in Lockport and Palmyra - as well as in the Town of Evans in Erie County, where war helmets, a Civil War sword and an original Civil War roster were stolen in July.

Medina Police Chief Jose Avila put it all together, Podgers said.

"These guys . . . probably would have kept getting away with it if they hadn't started stealing locally," Avila said.

Kenneth Ortiz, 30, of Medina, was suspected of stealing a vehicle in the Medina Memorial Hospital parking lot June 23, Avila said. Avila said he spent a couple of weeks following him on a hunch that Ortiz might have stolen World War II medals earlier in June from the Lee Wheaton Library in Medina.

Kenneth Ortiz was charged Aug. 12 with grand larceny and accused of stealing a car. Investigators said they then searched his house and found some of the stolen antiques. Avila said he confronted Ortiz about the Medina library medals and found them buried in a swamp.

Arrests of the other brothers - Michael, 35, and Roy, 32, both of Albion - soon followed.

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Podgers said he and other Lockport detectives went to the dealer in South Carolina and the dealer turned over everything he had obtained from the brothers, including the medals.

"He says he didn't know they were stolen," Podgers said.

Items still missing

Not all historical societies have been as fortunate as Niagara County's.

The Palmyra Historical Society remains without the whale's tooth. The Evans Historical Society is still trying to recover a World War II helmet, a civil defense helmet, a Civil War-type sword, and Vietnam War-era medals, stolen July 9, said Caryl A. Youngers, president of that organization.

Evans Police Lt. Samuel DeJohn said that his department was able to recover an original Civil War roster from the dealer in South Carolina but that the dealer told investigators that other items already had been sold at the Madison-Bouckville Antique Show near Syracuse in August. "We're lucky we did get something back out of this mess, but we were lied to [by the South Carolina dealer]," DeJohn said. "Things change hands so quickly that we still don't know where our things are."

City Briefs (NYDN)

New York Daily News, November 14, 2006

Two cops responding to a 911 call in Brooklyn stormed a burning building yesterday and helped evacuate several people before firefighters arrived to douse the blaze, police said.

Officers Mike Lunetta and Yusef Sezen came upon 8747 Bay Parkway in Bensonhurst about 8 a.m. when they saw smoke, went inside and helped evacuate residents, including a 93-year-old woman, police said.

The two officers were treated for smoke inhalation at Coney Island Hospital, officials said.

Michael White

Mob-trial acquittal

A reputed high-ranking Genovese crime family capo was acquitted yesterday of obstruction-of-justice charges stemming from an FBI probe into a corrupt bus drivers union.

After nine days of deliberations, jurors in Manhattan Federal Court deadlocked on racketeering conspiracy charges involving Ciro Perrone, the 85-year-old owner of the Ozone Park, Queens, Italian eatery Don Peppe.

Prosecutors say they will try Perrone again.

Thomas Zambito

Burned body found

A charred body was found inside a burned-out car in the parking lot of the World's Fair Marina in Queens yesterday, police said.

The body, burned so badly it could not be immediately identified, was discovered about 6 a.m. in the marina's lot at 125-00 Northern Blvd. in Flushing, cops said.Rich Schapiro

Club-shooting suit

A survivor of a Chelsea nightclub bloodbath is suing the bouncer who allegedly shot him and three others in May.

The lawsuit by Yeison Correa, who survived a bullet to the back, also accuses the owners of Opus 22 of doing nothing to stop muscleman Stephen Sakai - despite allegedly knowing he was a menace.

Sakai, who is being held at Rikers Island, is charged with murdering Gustavo Cuadros, 25, and shooting Correa and two pals during the May 23 rampage.

He since has been charged with three other Brooklyn homicides that occurred last year.

Jose Martinez

Mob Goon Is Sent Away For 20 Yrs. (NYDN)

By Thomas Zambito, Daily News Staff Writer

New York Daily News, November 14, 2006

Curtis Sliwa brushed away tears yesterday as a judge sentenced a Gambino thug he long wanted to see behind bars to 20 years in prison.

Jurors may have cleared Michael Yannotti in the 1992 point-blank shooting of the radio host - but Manhattan Federal Judge Shira Scheindlin refused to show the Mafia muscle any mercy as she sent him up the river on an unrelated racketeering count.

Sliwa was shot twice as he tried to dive out the window of a stolen yellow cab whose doors had been rigged shut.

Scheindlin made clear she still believes Yannotti was the triggerman.

"How Mr. Sliwa survived the attack at all is simply a miracle," Scheindlin said.

She said Sliwa, the founder of the city's famed Guardian Angels, "demonstrated superhuman strength and ingenuity to get out of that death car."

After watching crime boss John Gotti Jr. score three mistrials for his alleged role in the shooting, Sliwa said it was the first time he'd felt a measure of justice for the attack he says wrecked his second marriage and left him with intestinal injuries that cause him suffering every day.

"This is not Sicily, this is not Baghdad, this is not Gaza," Sliwa said. "When he shot those bullets into me he attempted to stifle my free speech. ... It's a nightmare ... mentally and physically."

Yannotti, 43, shook his head in disbelief each time Scheindlin linked him to the shooting. Prosecutors say Gotti sent Yannotti and another wiseguy to abduct Sliwa on June 19, 1992, following Sliwa's relentless on-air attacks on the Gotti clan.

Yannotti, the feds insist, jumped up from the passenger seat of the cab and, shouting, "Take this, you son of a b----," fired two shots from a .38-caliber gun that hit Sliwa in his leg and abdomen.

The 20-year sentence stunned Yannotti's supporters.

"Jesus," one whispered as Yannotti's sobbing sister ran from court.

Jurors at Yannotti's 2005 trial acquitted him of the Sliwa shooting on a vote of seven to five favoring conviction. But prosecutor Victor Hou argued that the judge could factor the shooting into Yannotti's sentence on racketeering charges that included extortion and loansharking counts because of the "ample evidence" of his involvement.

Scheindlin agreed and ignore Yannotti's handwritten plea for mercy.

"My parents are older and I don't have much time," Yannotti, 43, wrote. "I would like them to know their only son turned out all right." He asked that she allow him to restart his life with a wife he married in 1999 and two young daughters he called "the little treasures."

Sliwa vows to press ahead with a lawsuit accusing Junior Gotti of his role in his shooting.

"The guy I still hold responsible for this is John Gotti Jr.," Sliwa said.

Man Found Dead After Standoff (MH)

By Rebecca Dellagloria And David Ovalle

The Miami Herald, November 14, 2006

The word tattooed on his arm described the standoff: Drama.

After holing up inside a South Miami-Dade home for eight hours and spraying officers with fire from an assault rifle, Eusebio Estrada was found dead, apparently of a self-inflicted gunshot wound.

A member of the gang known as TOYS, he was 19.

Barricaded inside the small blue house in Homestead, Estrada kept at bay scores of heavily armed officers, rooftop snipers and military Black Hawk helicopters on loan from the nearby Homestead Air Reserve Base.

"This is about as dangerous as it gets," said Miami-Dade Special Response Team leader Lt. Jim Tietz. ``We were actively being shot at. It doesn't get any worse than that."

The Special Response Team -- aided by the FBI's SWAT team -- tried negotiating, to no avail. Ten negotiators were on hand, but Estrada refused to communicate or surrender from the home at 700 NW Eighth St.

Monday night, the department's homicide unit began piecing together exactly how he died. Miami-Dade police would not confirm that Estrada shot himself, but said their officers had not shot.

The drama started Saturday, when Estrada and Samuel Mendoza, 21, were accused of firing at Florida City police while escaping in a black Chevy Tahoe. One of them hung out the window of the car firing an AK-47 assault rifle, police said.

No officers were hurt. Investigators later discovered the Tahoe abandoned, bullet casings still inside.

A tip brought police to Mendoza's house Monday morning.

Mendoza -- the brother of a man convicted of shooting and partially blinding a Homestead police officer -- was arrested there without incident.

Authorities identified him as the brother of Salvador Mendoza, who was convicted in 2004 and sentenced to life for shooting Homestead Officer Edgard Rivera.

"I guess it runs in the family," said Florida City police Sgt. Barbara Barrett.

About 11 a.m. Monday, Estrada holed up inside the house and began firing at Homestead and Florida City officers and detectives.

Four schools were quickly put on alert. By afternoon, parents choked the streets at Homestead Middle School in a frantic rush to scoop up their children.

Images filmed by television news helicopters captured the drama as it unfolded:

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· Four police officers laid belly to the ground, taking cover behind a white police sedan. An armored Miami-Dade Special Response Team van later zoomed in to give them cover.

· A woman lumbering toward a van -- pointing back toward the house -- was pulled into the armored van by a police officer.

· After tear gas was shot into the home, a man identified by family as Virgilio Vega, 23, was cuffed through security bars in the back of the home. It was unclear what his role in the standoff was or if he faces charges.

Vega's mother was at the scene, and said Estrada was her son's roommate -- they had gone to South Dade Senior High School together -- and Vega had been caught in the house when the standoff started.

After the standoff, police admonished the TV news corps for showing live images, including positioning of officers. In the past, the department has frequently asked stations to work "cooperatively" by not airing live footage during standoff situations.

"I can't stress enough how dangerous it is for us to be put on live TV. It's unacceptable," Tietz said.

As for Estrada, he was already known to Miami-Dade's Multi-Agency Gang Task Force.

According to an arrest report in March, an officer from the task force was interviewing Estrada about gang ties when Estrada screamed: ``F--- that s---, n----. I ain't with that gang s--- no more. Why you guys f------ with me?"

He refused to calm down. Officers arrested him for disorderly conduct.

Samuel Mendoza has a lengthier criminal past -- he has logged 12 arrests since 1999. Some resulted in convictions; others were not prosecuted. He was also charged with attempted murder in 2004, but the charge was dropped. On Monday, it was unclear why.

Mendoza's mother told The Miami Herald that she hadn't seen her son for several days until he returned to their Homestead house about 3 a.m. Monday.

"He didn't say nothing," said his mother, who declined to give her first name. 'He just jumped in the shower . . . Then I looked out and my house was surrounded by cops and I said, `Did you do something?' and he said no, and I said 'If you did something you better turn yourself in.' "

Mendoza turned himself in. Estrada did not.

Miami Herald staff writers Erika Beras, Jack Dolan, Scott Hiaasen, Jack Dolan and Susannah A. Nesmith contributed to this report.

Convicted Of Killing A Witness (PHI)

By Julie Shaw

The Philadelphia Inquirer, November 14, 2006

The third time was not lucky for Felix Summers.

After two mistrials, the 25-year-old former South Philadelphia drug dealer was found guilty yesterday of first-degree murder in the 1999 shooting death of a woman who was a potential witness against him in another homicide.

A Common Pleas Court jury convicted Summers of killing Charlotte Presley, 39, in her South Philadelphia apartment on March 29, 1999. Because he was 17 when the crime occurred, he will receive an automatic life sentence when formally sentenced on Dec. 13 by Judge Carolyn Engel Temin.

The jury, which received the case yesterday afternoon, deliberated three hours before finding Summers guilty of first-degree murder, retaliation against a witness, and weapons offenses.

Summers showed no emotion in court when his guilty verdicts were read.

As he was led out of the tightly secured courtroom by sheriff's deputies, Summers glanced toward his parents and sister in the gallery, but did not say anything. Outside the courtroom, his family declined to comment.

In two previous presentations before Common Pleas Court Judge John J. Poserina Jr., in March 2005 and February of this year, the case ended in mistrial after juries deadlocked.

Assistant District Attorney Carlos Vega, the prosecutor in all three trials, said yesterday's guilty verdict shows that people who intimidate witnesses by killing them will be punished.

The trial began Wednesday, with the prosecution alleging that Summers and his associates used death threats and other tactics to intimidate witnesses - including Presley - from testifying against him.

Presley had told police two months before she was murdered that she saw Summers pull the trigger in the Jan. 12, 1999, drive-by shooting death of John Niles, 19. Niles was gunned down on South Fifth Street, near Mifflin, close to Presley's residence.

Summers, previously on the FBI's most-wanted list, had been acquitted of Niles' slaying when that case came to trial in 2000 and was also acquitted of another slaying - the August 2001 drive-by shooting death of Veronica Rios, 15.

The prosecution contended in Presley's murder that Summers returned to her neighborhood in the early morning of March 29, 1999, with the aim of killing her so she could not testify against him in Niles' slaying.

One of the prosecution's main witnesses, Sherrie Hewett, Summers' girlfriend in March 1999, testified in this trial that she and another woman, Diana Meirino, were with Summers that morning when they parked outside Presley's apartment building on the 1900 block of South Fifth.

Hewett, now 29, testified that Summers asked her to pick Presley's front-door lock, but that she did not want to. Summers and Meirino then went to Presley's door, while Hewett stayed in a minivan. Vega said that Meirino knocked on Presley's door. When Presley opened it, Summers shot her twice in the head. She died at the scene.

Meirino, 22, was shot and killed in front of her South Fifth Street home in 2001. Summers is not charged in that case.

Janet Meirino, Diana's mother, also testified in this trial, saying that her daughter admitted aiding Summers in Presley's murder, Vega said yesterday.

Summers' defense attorney, Jack McMahon, said yesterday that this was a case of mistaken identity and a scorned girlfriend.

"We're very surprised by the verdict and speed of the verdict," McMahon said.

McMahon argued that Summers was not at Presley's apartment the night of her murder. A defense witness, Hector Fraticelli, who lived on the second-floor of the building where Presley lived, had testified that after he heard gunshots that night, he looked out his window and saw a 6-foot, dark-skinned, skinny person running from the scene, McMahon said.

Summers is heavyset.

KeyBank Vice President Charged With Embezzlement (FINDLAW/AP)

AP, November 14, 2006

(AP) - CLEVELAND-A vice president at KeyBank has been arrested on a charge that he embezzled $29 million (â¬22.6 million) from the Cleveland-based banking company, the FBI said Monday.

David Francis Verhotz, 56, was arrested Saturday at Cleveland Hopkins International Airport after getting off a flight from Dallas. Verhotz is a senior vice president and director of the international division of KeyBank.

FBI special agent Scott Wilson said the scheme occurred from January 2004 to the present. Verhotz was to make an initial appearance in U.S. District Court on Monday afternoon.

KeyBank is owned by KeyCorp, which has more than 900 branches in 13 states.

Gutierrez Urges China Piracy Crackdown (MBSN)

By Charles Hutzler

Myrtle Beach (SC) Sun News, November 14, 2006

BEIJING - U.S. Commerce Secretary Carlos Gutierrez urged Beijing on Tuesday to toughen a crackdown on pirated goods and other copyright infringements, saying failure to do so could fuel an American backlash against trade with China.

Despite Chinese progress in protecting intellectual property rights, Gutierrez said U.S. Customs agents seized more counterfeit goods from China than all other countries combined.

To turn the tide, Gutierrez said China needs to attack the criminal gangs that are behind the manufacture and trade of most pirated goods. He also called on Beijing to amend laws to make it easier to allow criminal prosecution of infringements against intellectual property, or IP, and to step up cooperation with international law enforcement.

"Another victim of widespread IP theft in China is American support for expanding our trade relationship," Gutierrez said in a speech to Chinese and American business executives. "Those who espouse protectionism, those who would like to see protectionist policies put in place as a legitimate economic policy have a loud voice," he said. "They point to the lack of robust IP protection in China as a top reason why we should put protectionist policies in place."

The United States' long-running trade deficit with China is worsening, projected to grow by 12 percent to $228 billion this year. A persisting sore point in relations, the imbalance could become even more tricky for President Bush following the Democrats' recapture of Congress in last week's elections.

Gutierrez, on his fourth trip to China in 18 months, said he would return to Beijing next month with Treasury Secretary Henry Paulson to talk about a wide array of economic issues.

Widespread theft of intellectual property, as well as protectionist policies and unclear regulations, have long been seen as hampering foreign companies' access to the Chinese market.

To correct the imbalances and curb piracy, Gutierrez said China must open its markets more widely, especially to American entertainment companies. Limits on the number of foreign movies allowed into China has contributed to a market for pirated copies, with digital video discs of Hollywood blockbusters selling for $1 in many Chinese cities.

"The current barriers to entry for legitimate goods in the Chinese market create a haven for pirates," Gutierrez said.

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Underscoring the potential benefits to both economies, Gutierrez later toured sets for two American-backed movies at the Beijing Film Studio, one for a Dreamworks Pictures' production of "The Kite-Runner" and the other for a romantic comedy being made by a Warner Bros. Pictures' joint venture.

"You have such great talent in this country, very high skilled people, very creative people, that it's important to protect their work," Gutierrez told Chinese and foreign reporters afterward the tour, as a vice minister in charge of regulating the film industry looked on.

The vice minister, Zhao Shi, defended China's limits on foreign film imports, saying that access was improving.

"The Chinese market is opening up gradually," she said.

China has significantly tightened its lax enforcement of intellectual property rights in recent years in response to U.S. and foreign pressure and to burgeoning domestic computer software and entertainment industries.

Gutierrez credited Chinese advances, noting that Chinese and U.S. law enforcement cooperated in seizing fake Tamiflu, a drug used to fight bird flu, and that Chinese courts have ruled in favor of protecting the trademarks and patents of Pfizer, General Motors, Starbucks and Kodak among other multinationals.

Still, U.S. Customs agents so far this year had seized pirated goods worth $156 million - up from $93 million confiscated last year, he said, adding China was the largest source of these goods.

Gutierrez also called on China to share information on domestic disc makers to make it easier to trace the source of pirated DVDs and compact discs discovered overseas.

Suit Says State Failing Poor With Lack Of Counsel At Bail Hearings (BSUN)

By Greg Garland

The Baltimore Sun, November 14, 2006

Maryland is violating the rights of the poor by failing to provide them with taxpayer-funded lawyers at bail hearings, according to a suit filed on their behalf Monday by a Baltimore law firm.

The class-action suit filed by Venable, LLP targets procedures at the crowded Baltimore Central Booking and Intake Facility but has broader ramifications for jails throughout Maryland, lawyers say.

In Maryland, suspects make initial appearances before appointed district court commissioners who decide whether to set bail, and, if so, how much it should be. No formal legal training is required to become a commissioner.

"This lawsuit breaks new ground because it's the first time a lawyer has argued that the right to counsel extends to the initial appearance," said Douglas L. Colbert, a professor at the University of Maryland School of Law. A clinic he runs at the law school is assisting with the case.

The suit argues that, under the Maryland Public Defender Act, those charged with crimes are entitled to counsel at "all stages" of a criminal proceeding -- including the initial bail hearing. Those who can't afford a lawyer should be represented by a public defender, the lawsuit says. The state should also ensure that private lawyers -- who are sometimes kept out of the hearings because of security or space concerns -- also have access, Colbert said.

Added expense

Criminal suspects who are not represented at such hearings are "less likely to be released on their own recognizance, more likely to have higher and unaffordable bail, and more likely to pay the expense of a bail bondsman's non-refundable fee to regain their freedom," the suit states.

"Prolonged detention of many of the arrestees detained in Central Booking is costly, wasteful and often unnecessary," lawyers argue in the case.

The suit notes that prosecutors dismiss without trial or decline to prosecute 60 to 70 percent of the charges brought against Baltimore City defendants.

While a cost estimate for providing public defenders was not available Monday, Colbert said past studies have shown that the expense would be more than offset by savings from reducing the number of people held in jail unnecessarily.

"With representation from the outset, many people would not be spending unnecessary time in jail and taxpayers would not be spending huge sums for people who should be released pending trial," Colbert said.

Earlier attempts

Colbert has long argued for reforms to the way Maryland handles bail for criminal suspects, but said past attempts to make changes through legislation have been thwarted in the General Assembly by bail bond interests.

William E. Nolan, general counsel to the Maryland Public Defender's Office, said the agency was reviewing the suit Monday and was not prepared to comment.

David W. Weissert, who oversees district court commissioners in Maryland, also said he wanted to review the suit more closely before commenting.

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Colbert said he anticipates opposition from the bail bond industry because it profits from the current system.

As an example, he said, the bail for the lead plaintiff in the lawsuit, who was arrested for a misdemeanor drug offense, was set at $25,000. His family had had to pay a bail bondsman a 10-percent non-refundable fee, or $2,500, to secure his release.

"It's excessive and far outside the ballpark of a reasonable bail," Colbert said. "His family paid $2,500 so he could get out of jail and go to work."

Even if individuals accused of a crime eventually are released after a bail review hearing, the suit notes, their detention "may result in missed work, loss of jobs, disruption of family life, or eviction from homes."

The suit says conditions at Central Booking are "overcrowded, harsh, and sometimes dangerous. Without an attorney, plaintiff's requests for needed medical treatment or for transfer to a safer location are much more likely to be ignored."

About 250 to 275 suspects are processed at Central Booking each day, the suit says, and the facility is often at or beyond capacity.

"At times, arrestees may share a small cell meant for a few people with as many as 10 to 15 individuals in extremely cramped quar ters," the suit states.

The suit, which names Chief District Court Judge Ben C. Clyburn and several other court officials as defendants, claims failing to provide lawyers at bail hearings violates provisions of the Maryland and federal constitutions, as well as the Maryland Public Defender Act.

CIVIL LAW:

Yuma Dairy Farmer Fighting Washington (AZREP)

By Scott Wong And Kelly Carr, The Arizona Republic

Arizona Republic, November 14, 2006

Long before he discovered a way to sell milk for far less than his competitors, before he enraged the multibillon-dollar dairy industry so much that Congress passed a law to stop him, Hein Hettinga clipped cow hooves for a living.

It was menial work. But it put him on a career path that, in time, would lead him to found Yuma-based Sarah Farms, one of the largest and most innovative private dairy operations in the country.

Now, 12 years after building his dairy business into a proverbial cash cow, Hettinga finds himself waging war against big-dairy lobbyists, high-profile lawmakers and the federal government.

advertisement

At 64, the Dutch immigrant said he's simply defending his family business, preserving competition in the dairy industry and trying to keep milk prices low for consumers. His critics counter that Hettinga had long exploited a federal loophole that gave him an unfair leg up on his competitors.

Most in the dairy industry fall into two categories: those who produce the raw milk and those who process it into the milk we pour onto our cereal each morning.

Hettinga is different. The self-proclaimed black sheep guides his milk through all stages of production, from his dairy cows to his bottling plants to supermarket shelves. That enables him to cut out the middleman, reduce costs and pass those savings to his customers. And, of course, make a tidy profit.

Because of his producer-distributor status, Hettinga was able to take advantage of a technicality in Depression-era federal regulations. Those rules require milk processors who do business in certain geographic markets to pay into a revenue pool shared among farmers who own the region's dairy cooperative.

Cooperatives help stabilize the dairy market, guaranteeing farmers a place to sell their perishable products at a fixed price. That helps avert price wars and milk dumping.

Some big processors, such as Shamrock Farms, use milk from their own dairies. But they also buy milk from cooperative farmers, meaning they're still subject to federal regulations.

Hettinga bottles only his own milk, which makes him exempt.

When Hettinga began seizing a larger share of the market, the $27billion-a-year dairy industry struck back. This past spring, its most powerful members successfully lobbied Congress to support legislation targeting Sarah Farms.

The Milk Regulatory Equity Act, introduced by Republicans Rep. Devin Nunes of California and Sen. Jon Kyl of Arizona, essentially forces the Yuma farm to pay its competitors through the local dairy pool.

Because Hettinga had been trucking milk across the state border to southern California retailers, he also had been exempt from abiding by that state's pricing minimums. That allowed Hettinga to drop his prices below the prices of his competitors and secure lucrative contracts with Costco stores and local distributors.

The legislation sealed off that loophole, subjecting Hettinga to Arizona price floors.

Hettinga, whose farms have captured about 15percent of Arizona's milk market, said it was his success that made him the target of the dairy industry.

His Yuma plant was referred to multiple times on the House floor during debate of the bill. And Sarah Farms is the only U.S. business that falls within a narrow category of dairy operations targeted by the law: Arizona producer-distributors who turn out more than 3million pounds of milk per month.

"They passed a law to kill one private dairy. Does that make any sense? It's not the way the government should conduct business, to limit competition," Hettinga said recently as he navigated his car on Interstate 8, traveling toward his Yuma plants. "Big business shouldn't be able to influence in this way. They went to the House and the Senate and said, 'This guy has to be stopped.'"

Despite passage of the law, Hettinga isn't backing down.

This summer, he and six other family members gave a total of nearly $30,000 to Jim Pederson's unsuccessful campaign for Kyl's senate seat.

And on Sept. 21, Hettinga and his wife, Ellen, sued the federal government in U.S. District Court, claiming the legislation singles out Sarah Farms and has caused the company considerable financial loss.

Hettinga said his farms and the retailers they supply have absorbed extra costs resulting from the law, estimated at about 15 cents per gallon.

Now it's just a matter of time before he is forced to hike his prices or competitors put him out of business, he said. Either way, Hettinga believes consumers will be paying more for their milk in the future.

A Justice Department spokesman said the agency had no comment about the lawsuit but that it planned to issue a legal response at the end of this month.Andrew House, senior policy adviser for Nunes, said that regulatory issues addressed by the law were thoroughly debated within the industry and Congress.

"We're pretty confident that (Hettinga) won't find much sympathy or relief in the courts," House said.

He and other proponents of the law said it was Hettinga who was disrupting the marketplace, supplying milk at bargain-basement prices to Food City, Sam's Club and Costco stores in Arizona, and undercutting competitors.

Both Costco and Sam's Club sell a 2-gallon carton of 2percent milk for $3.99, up from $3.69 a month ago.

Meanwhile, Fry's Food and Safeway, which buy milk from Arizona's dairy cooperative, sell a single gallon of 2percent milk for as much as $2.99 and $3.79, respectively. Such grocers, however, often offer significant discounts or 2-for-1 specials with a club card.

Several factors determine milk prices. Prices drop during the summer, when milk-guzzling children are absent from school cafeterias. And they rise during the holiday season, when large amounts of butter, egg nog and other dairy products are consumed.

But Hettinga's major competitors in Arizona said the legislation serves to "create a fair and equitable system."

"It levels the playing field for all Arizona dairy farmers," said Sandy Kelly, a spokeswoman for Phoenix-based Shamrock Farms Dairy, the largest family-owned dairy in the Southwest.

While Hettinga benefited from the federal loophole, critics in the dairy industry and Congress said he was received hundreds of thousands of dollars in federal subsidies.

And they scoffed at the notion that Hettinga - who drives a Lincoln Town Car, flies a private plane and owns homes in three states - is simply a small-town farmer battling the big, bad dairy industry.

"(Hettinga) is the epitome of big dairy," said House, whose boss represents the biggest dairy-producing congressional district in the country. "His is a large, conglomerate dairy corporation that has been sucking down federal subsidies."

From 1995 to 2004, Hettinga's farms collected $895,000 in such subsidies - just under $100,000 a year, according to Environmental Working Group, a Washington-based public watchdog. That ranked his farms third among dairy-subsidy recipients across the country.

House, who helped draft the legislation, said it was hypocritical of Hettinga to draw federal subsidies, "but when it comes to abiding by regulations, he doesn't want to do it because it will mean his profit margin will go down."

'I have no choice' Something as simple as the price of milk does matter to families.

Picking up a 2-gallon carton of 2percent milk at a West Valley Costco store one recent afternoon, Daisy Castillo of Surprise said she would be forced to shop for a better deal or shell out more for milk if prices are boosted.

"It's essential to our family," Castillo, 22, said while pushing her 1-year-old daughter in a cart. With the baby, Castillo's family gulps down the $3.99 2-gallon milk carton each week. "I don't think we'd stop buying it (if prices went up). But I'd be upset because I have no choice."

Hettinga supplies milk to almost all Costco, Sam's Club and Food City stores in Arizona.

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Costco did not return several phone calls for this story. And Wal-Mart Stores Inc., which owns Sam's Club, said it is company policy not to comment on its relationship with suppliers.

But Basha's Family of Stores - the parent company of Food City, Basha's Supermarkets and AJ's Fine Foods - said its shoppers have not seen a rise in milk prices because of the new legislation.

Hettinga's road to riches was a long one.

After graduating from a California high school in 1960, Hettinga was faced with a choice. He could take a job driving a truck for a local grocery store or try his fortune trimming cow hooves and castrating bulls.

Hettinga chose the latter.

It paid $2 an hour, a dollar less than the trucking job. But he learned the ins and outs of the dairy industry.

More than a decade later, he bought his own dairy farm in Chino, Calif., where like most other dairymen he shared milk profits in a cooperative.

Twelve years ago, Hettinga decided to buck the system. He built a milk processing plant in Yuma, a place where he could pasteurize and homogenize his raw milk, package it in his own bottles and ship it to stores.

"I wanted to be integrated - to have the right to sell my milk," said Hettinga, who put all of his cows up as collateral to convince banks to loan him money for the $160,000 project. "When I first made this bet, I bet everything."

Hettinga's first customer was a Food City in Phoenix. Today, he supplies about 25million gallons of milk a year to more than 60 Food Cities and almost all the Costcos and Sam's Clubs in Arizona, as well as to distributors in Mexico.

The brazen dairyman raised the stakes when he built a second Yuma processing plant. This one cost $12.5million and today supplies about 700,000gallons of milk each month to Costco stores in southern California, according to a recent media report.

Today, the Sarah Farms empire also includes 16 dairy farms across California, Texas and Arizona, six located on the road between Gila Bend and Yuma.

The road ahead Cruising along I-8 in his town car, Hettinga pulls over a set railroad tracks onto a dirt road that leads to one of his farms, Aztec Dairy in Dateland, 50 miles southwest of Gila Bend.

Here, he will check progress on the farm's feeding machines, vacuum pumps and other equipment, scan the desert for trouble spots, and make sure the cows look healthy. Then he'll make the two-hour journey to his processing plants in Yuma.

Looking after his Sarah Farms - a business he built from the ground up and named after his daughter - is a seven-day a week job. Hettinga, dressed in boots and jeans, his outfit pulled together with a gold belt buckle, jokes that he works half days: 12 hours instead of 24.

What the government is doing, the way it is targeting him, he's sure is wrong. Now, as the legal process unfolds, he continues to defend what he built.

"I got big enough that they can't kill me, but it has financially crippled me," Hettinga said. "It has stopped every independent dairyman of doing their own thing."

Reach Scott Wong at (602) 444-6914 or Kelly Carr at (602) 444-4137.

CIVIL RIGHTS:

Philly, AIDS Patient Settle Suit Over EMT Responders (AP)

AP, November 14, 2006

PHILADELPHIA - The city settled a lawsuit Monday that accused Philadelphia officials of failing to comply with an earlier settlement over the treatment of AIDS patients.

In September 2004, the Justice Department intervened in a lawsuit filed by an AIDS patient alleging that emergency medical technicians employed by the city refused to give him proper care.

The suit charged that two paramedics failed to help John Gill Smith, then 38, when they responded to a call in February 2001 that Smith was having severe chest pains. Smith's partner told the emergency workers that Smith had AIDS so they would know his health history.

One paramedic left the house with her shirt collar pulled over her face and did not return, while the other shouted at him, "Cover your face, or I'm not going to help you! If you cough on me, I can get AIDS," according to a statement from the AIDS Law Project of Pennsylvania, a nonprofit group that first filed suit over the issue in 1993.

Under the terms of Monday's settlement, pending approval by a federal court, Philadelphia will pay Smith $50,000 in damages and provide city-employed paramedics with ongoing training on infection control and HIV and AIDS transmission.

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In the 1993 case, city officials agreed to pay $10,000, issue an apology and retrain workers on proper responses to people with AIDS.

"Anyone who calls 911 needs to feel confident that the emergency personnel understand infection control," said Ronda Goldfein, executive director of the advocacy group. "We hope that today's settlement ensures that all of the city's EMT personnel are properly trained and are not afraid of sick people who need their help."

Wan J. Kim, who heads the Justice Department's civil rights programs, said that vital emergency medical services must be provided in a nondiscriminatory manner to everyone who needs help.

"The Justice Department is committed to ensuring that cities carry out this important function responsibly and in accordance with federal law."

City Settles With AIDS Patient (PHI)

By Joseph A. Slobodzian

The Philadelphia Inquirer, November 14, 2006

The City of Philadelphia has agreed to pay $50,000 and conduct mandatory training for emergency medical personnel to settle a 2003 civil-rights suit filed by a former Germantown man with AIDS who said paramedics failed to provide appropriate care after learning he had the immune disorder.

The settlement between the city and John Gill Smith, the AIDS Law Project of Pennsylvania, and the U.S. Justice Department, which joined the case on Smith's behalf, was filed yesterday in federal court in Philadelphia.

Under the agreement, the city denied violating any laws and said it settled to avoid the "expense and inconvenience of further litigation."

In addition to the $50,000 for Smith, the city will provide mandatory semiannual training on HIV/AIDS and infectious diseases for all city paramedics and emergency medical technicians.

For three years, the city will submit for court review documentation showing that the training was provided.

At issue in the suit was a February 2001 incident in which Smith, then 38, called 911 after having severe chest pains. When Smith's partner told paramedics Smith had AIDS, the lawsuit said, one left the house.

The remaining paramedic, the suit said, shouted at Smith: "Cover your face or I'm not going to help you."

The paramedics agreed to take Smith to an emergency room, the lawsuit continues, but would not help him into the ambulance, forcing Smith's partner and another friend to move him.

The case was similar to an AIDS Law Project lawsuit against the city in 1993 on behalf of a Philadelphia student refused care by a city rescue crew when they learned he had AIDS.

That lawsuit resulted in the nation's first settlement involving AIDS and the Americans with Disabilities Act. The settlement, also negotiated with the U.S. Justice Department, resulted in mandatory AIDS education for more than 2,000 Philadelphia firefighters and emergency personnel.

Ronda B. Goldfein, executive director of the AIDS Law Project, said Smith's suit showed the need for continuing training on medical issues involving diseases such as AIDS.

Goldfein said Smith, who no longer lives in the Philadelphia area, "feels a tremendous relief at finally getting this settlement. This was never about money. That was about a very scary thing that happened to [Smith] that [Smith] didn't want to happen to anybody else."

LAPD Officials 'Livid' Over New Arrest Videotape (LAT)

By Patrick Mcgreevy And Richard Winton, Times Staff Writers

The Los Angeles Times, November 14, 2006

The LAPD on Monday was grappling with another controversial videotaped arrest, this one showing an officer shoving a handcuffed suspect into a patrol car, then leaning in with a can of pepper spray to douse the man's face before shutting the door.

The arrest occurred last year on the Venice boardwalk and was the subject of a lengthy LAPD investigation. But the tape was not revealed publicly until Monday by an attorney in an interview with The Times.

A source familiar with the investigation said top LAPD brass were "livid" after reviewing the incident, which also prompted a prominent police watchdog to call on the department to develop strict rules on when officers can use pepper spray on handcuffed suspects.

The officer who used the pepper spray resigned from the department before the investigation was completed. After reviewing the tape, the city attorney's office dropped charges that the suspect resisted arrest and committed battery on a police officer.

The suspect is identified in police reports as Benjamin Barker, a transient who frequents the Venice beach area.

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Barker was arrested after getting into a scuffle with a merchant on the boardwalk. He pleaded guilty to misdemeanor battery on the shopkeeper.

The videotape shows Barker in handcuffs as he is bent over a patrol car. As the officer pushes Barker into the car, Barker can be heard saying, "Why am I going to jail?"

Once Barker is in the back seat, he starts shouting: "I can't breathe! I can't breathe! Don't spray me!"

One officer is heard saying: "He knows what's happening."

Another officer takes a pepper spray canister from his belt, shakes it and leans in to apply it to Barker's face.

The officer closes the doors of the patrol car and steps back. Barker is seen holding his face up to the car window, his features contorted in pain.

The tape has been viewed by several top LAPD officials as well as police watchdogs.

Connie Rice, chairwoman of the Police Commission's Blue Ribbon Rampart Review Panel, said she was troubled by the officer's actions and referred the tape to LAPD officials for investigation.

"I could see no justification for pepper spray," said Rice, who reviewed the tape several times. "It's a very serious use of force and you have to have a serious threat such as someone reaching for your gun. I didn't see any kind of threat from a man who was whining and annoying but not posing a threat."

The tape was also viewed by an independent monitor appointed by the federal court to oversee the LAPD after the Rampart scandal, and the monitor was concerned enough to refer it to LAPD administrators for investigation, according to several department sources who spoke on the condition of anonymity.

The Venice incident comes as the LAPD and FBI have launched investigations into another videotape showing a police officer hitting a suspect in the face several times at the end of a foot chase in Hollywood.

As in the Hollywood case, LAPD investigators focused in part on whether there were differences between what is shown on the Venice videotape and what officers later said in their arrest report.

In the arrest report, the officer described Barker as combative and said pepper spray was used after Barker spit on him once and attempted to spit on him when he was in the patrol car. The video is shot at an angle that makes it difficult to determine whether Barker spit at the officer, but there is no physical assault seen from Barker. The tape shows the officer take the pepper spray out of its holster then raise it toward Barker's face, but the actual spraying is obscured by shadows.

The officer, identified in the police report as Officer Guiterman, resigned well before the investigation was completed, and officials would not say Monday whether his departure was related to the incident.

"The officer is no longer with the department," said Mary Grady, the LAPD's communications director, adding that she would not discuss the results of a personnel investigation into those involved in the incident.

An LAPD source said the officer left the department a few months after the incident for a job out of state. The investigation into the video didn't get underway for a few more months, the source said. The video was shot by a Venice resident who turned it over to Barker's attorney.

Grady said pepper spray can be used when a suspect is deemed to be combative, and in general "spitting at an officer is deemed to be combative."

"Basically, when a suspect is uncooperative and noncompliant and combative, officers are allowed to use the spray to de-escalate a situation," she said.

But Barker's attorney and Rice said using the pepper spray was unwarranted in the case of a handcuffed suspect who did not appear to be resisting an officer's orders.

"It appears that if you … are disrespectful, they will punish you," said his attorney, John Raphling. "He is running his mouth. He is whining and crying. But he is not being aggressive or threatening to them."

In the arrest report, Guiterman said Barker sat in the back of the patrol car but with his feet on the ground outside the car.

"Barker remained rigid and took a deep breath and began to spit at me. I moved my head to the left and avoided the spit," he wrote. "If I had not moved, it would have struck me in the face. The spit landed on my right chest/armpit area."

He said Barker then cursed at him.

Fearing that Barker might spit at him or kick him, he said, he sprayed Barker twice with two one-second bursts of pepper spray.

A sergeant supervising the scene said in the initial police report that the incident had occurred as they stood at the rear door of the car. But the report was later corrected to say it took place inside the car.

For Rice, the incident is more evidence that the LAPD brass needs to tell officers to change what they do in the field.

"The LAPD needs to say 'Don't pepper-spray handcuffed suspects that are subdued just because they are mouthing off,' " Rice said.

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Grady, the police spokeswoman, said the LAPD did a thorough investigation of the incident but declined to say whether any officers faced discipline.

The Venice videotape comes five days after another video showing an LAPD officer trying to restrain a suspect in Hollywood made its way to the Internet site YouTube.

The 18-second tape shows an officer punching William Cardenas at least five times as he and his partner try to restrain and handcuff the man, a suspected gang member.

In a jailhouse interview with KABC-TV Channel 7 on Monday, Cardenas insisted that he never resisted arrest and said police used excessive force.

But several witnesses interviewed by the LAPD said Cardenas ran from officers and swung at them before they got him on the ground.

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Consumer Oversight Of The LAPD (LAT)

The Los Angeles Times, November 14, 2006

Cellphone cameras and YouTube give the community a voice in the debate over police conduct.

BLUE-RIBBON COMMISSIONS may get more publicity, but it is consumer technology that is setting the pace of police reform. In the Aug. 11 arrest of William Cardenas by two Los Angeles police officers, currently being investigated by the FBI and the Los Angeles Police Department, a bystander used her cellphone camera to capture one officer repeatedly slugging Cardenas in the face as he lay on the ground with both police officers on top of him. Now another arrest video has come to light, this one of an LAPD officer pepper-spraying a handcuffed suspect.

The Cardenas video was first posted on the website of Cop Watch Los Angeles, which collects complaints filed against officers. From there it migrated to YouTube.com, where it has been viewed almost 700,000 times. Finally it found its way to broadcast television.

It is a relatively recent development for police behavior to be subject to such close and instantaneous public scrutiny. The public was once dependent on TV photographers, with their then-bulky equipment, for images of controversial police activity. Then, in 1991, George Holliday was trying out his new video camera when he saw police officers clubbing Rodney King. His tape, replayed countless times on TV, changed history.

Today, any bystander is likely to be reasonably proficient with a cellphone camera and to have the know-how — or at least, a preteen at home with the know-how — to post the images on YouTube. That makes certain subjects, like arrests, more likely to be captured and displayed repeatedly. On YouTube are thousands of other arrest-related videos from around the world, in addition to the Cardenas clip.

That's mostly a good thing. Public confidence in the police requires monitoring outside the regular channels of self-review, and technology has democratized the process. (Of course, it could also be used to subvert it.) The video-viewing blogosphere has become a sophisticated community, famous for ferreting out fakes and identifying nuances. The blog debate on the Cardenas beating is typical in that it includes the usual pro- and anti-police diatribes, but it goes further, spotlighting details of the video. Was the suspect, for example, pinching one of the officers in the thigh, and could that have justified the brutal punches?

The last word on the Cardenas arrest will remain with the LAPD, the FBI and the courts. But the last word on how Los Angeles is policed, which tactics are acceptable and which are beyond the pale, and whether the LAPD's "warrior culture" has been sufficiently channeled belongs to the broader community. Consumer technology has made it possible for more members of that community to take part in the debate.

Councilmen Want Justice Department To Investigate Police Shooting (LCAP)

By Eric Cormier

Lake Charles (LA) American Press, November 14, 2006

Three Lake Charles city councilmen have asked the Justice Department to investigate the Oct. 12 fatal police shooting of Trent Buckins to determine if his civil rights were violated.

In a letter sent to the department's Civil Rights Division, councilmen Marshal Simien (District A), A.B. Franklin (District B) and Rodney Geyen (District C) addressed the conduct of Lake Charles police and community concerns related to the shooting.

On Monday, the American Press obtained a copy of the letter.

"A number of complaints and recent incidents have resulted in a disconcerting erosion of confidence by African-American residents in the Lake Charles Police Department," the letter reads.

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"Many in the community believe the police department's mindset may be the direct result of the current chief's philosophy."

Before the Buckins shooting, "complaints primarily involved allegations of aggressive and disrespectful behavior, bias and racial profiling, particularly of African-American males," the councilmen wrote.

"These various complaints consistently fueled tensions between the police department and the City's economically disadvantaged sector of the African-American community."

The councilmen emphasized that the shooting took place in front of Reynaud Middle School as students were arriving for school.

According to the letter, three Lake Charles police officers "wrestled Mr. Buckins to the ground and turned him on his stomach to be handcuffed. The Caucasian female officer drew her handgun while standing over Mr. Buckins.

"Two shots were fired, and Mr. Buckins lay wounded on his side in a fetal position. One of the teachers from the school across the street yelled 'you didn't have to shoot him!' "

The councilmen say the shooting "could be a smoldering powder keg and, unless an unbiased investigation takes place that would have credibility in the minority community, the situation could deteriorate rapidly regardless of current ongoing findings."

State police are investigating the shooting, but Troop D officials said the final report isn't expected to completed for at least another month.

A number of city officials and residents have met with a representative from the Justice Department's Community Relations Division to talk about the incident.

In their letter, the councilmen said the meetings are necessary, but the recent shooting is a "culmination of a pattern and practice of police misconduct targeted at African-American males.

"It is imperative that your Department investigate this incident. Not only does it have the expertise in these matters, but this would give the investigative process a transparency that is currently lacking given the close relationship between the police department and investigating agency."

Along with questioning the legitimacy of the state police investigation, the councilmen also expressed reservation about the FBI conducting an investigation since Police Chief Don Dixon is a retired FBI agent "with significant ties to the Bureau."

The councilmen asked that the Justice Department devise training, supervision, discipline and complaint recording guidelines for the Police Department.

Justices To Weigh School Diversity (USAT)

By Joan Biskupic

USA Today, November 14, 2006

LOUISVILLE — Amy Ruth remembers her first drive to the inner city, mostly black neighborhood where her sons were assigned for elementary school under a program designed to make campuses racially diverse.

“When we pulled into the neighborhood” that day last August, says Ruth, who is white, “I have to be honest, I said to my husband, ‘Let's turn around.' ” Wheatley Elementary, 10 miles from Ruth's home, is in a low-income area dotted with empty lots and run-down buildings behind barbed-wire fences.

“Let's give it a try,” Ruth, 29, recalls her husband saying.

Today, Ruth defends Jefferson County's school-assignment program, which ensures that each school's enrollment is at least 15% African-American, but no more than 50%. It's part of a plan to diversify what would be heavily minority and heavily white schools in the district, where 58% of the students are white and 36% are African-American.

“America is made up of all different cultures,” Ruth says. “Why shouldn't the schools be that way?”

In Seattle, Kathleen Brose was in a similar, but less pleasing, situation. Under that school district's diversity plan, her daughter Elisabeth was denied her first choice of a nearby high school in 2000 partly because she is white. “She was separated from friends,” Brose, 49, says. “It's tough being a teenager. There is enough angst already.”

The school districts in Louisville and Seattle are at the heart of a pair of legal disputes, now before the U.S. Supreme Court, that test whether public schools can use race as a factor in determining where students go to school. The cases, to be heard by the court Dec. 4, have drawn national attention because they could affect policies in districts across the country.

The key legal question in the Louisville and Seattle lawsuits — which were filed by parents of white students who weren't allowed to attend the schools of their choice — is whether school-assignment plans that use students' race as a factor violate the Constitution's guarantee of equality.

It's an emotionally charged issue that gives the court its first chance to weigh in on racial policies since Chief Justice John Roberts and Justice Samuel Alito joined the nine-member court last term. The new justices are former government lawyers who, early in their careers, showed reluctance toward government race-based policies.

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Alito's actions in the cases could be especially significant because he replaced the retired Sandra Day O'Connor, who often joined the court's four-member liberal wing to form a majority in favor of affirmative action policies. In 2003, her vote in a case involving the University of Michigan law school ensured that colleges could consider applicants' race to achieve diversity.

In that case — brought by a white woman rejected by the law school — O'Connor joined liberal Justices John Paul Stevens, David Souter, Ruth Bader Ginsburg and Stephen Breyer in emphasizing the value of colleges producing diverse, well-trained graduates.

The new cases differ from other affirmative action disputes the justices have faced because no individuals are being turned away entirely from an education or a job.

When the U.S. Court of Appeals for the 9th Circuit upheld Seattle's plan last year, Judge Alex Kozinski wrote that the enrollment policy might disappoint some students, "but it carries no racial stigma and says nothing at all about that individual's aptitude. The program does use race as a criterion, but only to ensure that the population of each public school roughly reflects the city's racial composition."

Groups such as Pacific Legal Foundation, representing Seattle parents challenging the city's plan, say any enrollment policy that considers a student's race — even for potential benefits such as diversity — is unconstitutional. The challengers are backed by the Bush administration, which says in a court brief that "the solution to addressing racial imbalance in communities ... is not to adopt race-conscious measures." It says the approach is at odds with the 1954 ruling in Brown v. Board of Education that struck down racial segregation in schools.

The Louisville and Seattle plans differ in their scope and history.

Louisville's Jefferson County system had a history of segregation, and three decades ago was ordered by a federal judge to impose a desegregation plan. In 2000, the order was dissolved after a judge found that the remnants of earlier discrimination had ended. But in 2001 the district established its enrollment plan to make sure schools would continue to be diverse.

Administrators say that unless they ensure integration, the district's schools will mirror the separation of whites and blacks in housing patterns across Jefferson County. "Racial isolation begets racial isolation," says Pat Todd, director of student assignments.

Lower federal courts upheld the program, citing the education benefits of racially integrated schools.

Jefferson County's policy is being challenged by Crystal Meredith, whose son, Joshua McDonald, was assigned to the Whitney Young Elementary, a downtown campus that Meredith says is an hour's drive from her home in morning traffic. Meredith says she wanted Joshua at a school closer to her home and with a more varied curriculum.

"The way they taught [at Whitney Young] was not fit for him," she says. "He was bored." Her lawyer, Teddy Gordon, says race was not a factor in her complaint.

Gordon said in a court brief that Joshua was rejected for his neighborhood school only because he is white. Gordon said the district "denigrates a 5-year-old's self worth and self-esteem by comporting him to be color-coded throughout his educational career."

Seattle's plan seeks a racial balance only in high schools. When a school has too many applicants, "tiebreakers" decide who gets in. One tiebreaker considers students' race to try to achieve diversity.

Brose, president of the parents' group that challenged the policy, says, "How are we ever going to get beyond race if we keep using it?"

Persistent Race Disparities Found (WP/AP)

By Stephen Ohlemacher

The Washington Post, November 14, 2006

Minorities Still Lag in Income, Education, Census Data Show

Decades after the civil rights movement, racial disparities in income, education and home ownership persist and, by some measurements, are growing.

White households had incomes that were two-thirds higher than those of African Americans and 40 percent higher than those of Hispanics last year, according to data released yesterday by the Census Bureau. White adults were also more likely than black and Hispanic adults to have college degrees and to own their own homes. They were less likely to live in poverty.

"Race is so associated with class in the United States that it may not be direct discrimination, but it still matters indirectly," said Dalton Conley, a sociology professor at New York University and the author of "Being Black, Living in the Red."

"It doesn't mean it's any less powerful just because it's indirect," he said.

Home ownership grew among white middle-class families after World War II when access to credit and government programs made buying houses affordable. Black families were largely left out because of discrimination, and the effects are still

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being felt, said Lance Freeman, assistant professor of urban planning at Columbia University and the author of "There Goes the 'Hood."

Home ownership creates wealth, which enables families to live in good neighborhoods with good schools. It also helps families finance college, which leads to better-paying jobs, perpetuating the cycle, Freeman said.

"If your parents own their own home they can leave it to you when they pass on or they can use the equity to help you with a down payment on yours," he said.

Three-fourths of white households owned their homes in 2005, compared with 46 percent of black households and 48 percent of Hispanic households. Home ownership is near an all-time high in the United States, but racial gaps have increased in the past 25 years.

Among Hispanics, education, income and home ownership gaps are exacerbated by recent Latin American immigrants. Hispanic immigrants have, on average, lower incomes and education levels than people born in the United States. About 40 percent of Hispanics in the United States are immigrants.

Asian Americans, on average, have higher incomes and education levels than whites. However, they have higher poverty rates and lower home-ownership rates.

The Census Bureau data are from the American Community Survey, the bureau's new annual survey of 3 million households nationwide. The Associated Press compared the figures with census data from 1980, 1990 and 2000.

Among the findings:

Thirty percent of white adults had at least a bachelor's degree in 2005, while 17 percent of black adults and 12 percent of Hispanic adults had degrees. Forty-nine percent of Asian Americans had at least a bachelor's degree in 2005.

The median income for white households was $50,622 last year. It was $30,939 for black households, $36,278 for Hispanic households and $60,367 for Asian households. Hispanic households made about 76 percent as much as white households in 1980. In 2005, it was 72 percent.

Same-Sex Chicanery (WSJ)

The Wall Street Journal, November 14, 2006

One reason so many Americans despise politicians is because of the contempt that many politicians have for their fellow Americans. A case in point is the way the Massachusetts legislature used a procedural ruse to deny the voters even a chance to vote on the issue of same-sex marriage.

Recall that in 2003 four of seven Massachusetts Supreme Judicial Court Justices declared gay marriage a constitutional right. In response, opponents collected 170,000 signatures to support a ballot measure to amend the state constitution to make clear that marriage is between a man and a woman. But to get on the ballot, the amendment must also be voted on by a joint session of the legislature in two consecutive legislative sessions. Under the state constitution, 25% of the legislators must agree to put an amendment on the ballot, provided the proposal has garnered at least 25,000 signatures, which this one easily did.

Last week, the pols denied the voters even that much with a procedural trick that recessed the legislature until just hours before its term expires next January. By the time the lawmakers return, they won't have enough time to vote up or down on the measure, thus dodging a vote on a measure that 170,000 of their constituents decided merited space on the ballot. This leaves intact the judicial same-sex fiat.

"The way I looked at it was that we would kill it with a handgun or a hand grenade," explained Democratic Representative Michael Costello. "It's never been proper to put civil rights on the ballot. So we killed it through procedure, rather than on substance." In the face of such arrogant dismissals of voter preferences, no wonder our cultural debates have become so embittered.

ANTITRUST:

Concrete Price-fixing Trial Begins (INDYSTAR)

The Indianapolis Star, November 14, 2006

A jury was selected today in the trial of two Noblesville ready-mix concrete executives in connection with a broad price-fixing scheme.

A jury of eight women and four men will begin work this afternoon in U.S. District Court in Indianapolis in the case of Chris A. and Ricky J. Beaver, managers at Beaver Materials Corp. They are the only two executives in the scheme awaiting trial after a guilty plea earlier this month by a third executive in federal court.

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The men were indicted April 11 on charges of plotting to fix prices and lying to federal investigators. Their company also was charged.

Investigators say the conspiracy to "suppress or eliminate competition" in the Indianapolis-area concrete market existed from July 2000 through May 2004. The price-fixing scandal became public in June 2005, when federal prosecutors announced a $29.2 million fine against Greenfield-based Irving Materials Inc., the largest fine ever paid by a domestic cartel.

Ready-mix concrete is made on demand and hauled to work sites in cement mixers for public and private projects, such as sidewalks, driveways, bridges and roads.

In pleading guilty earlier this month, John J. Blatzheim, 52, executive vice president of Builder's Concrete & Supply Co., acknowledged he joined the local conspiracy in April 2003.

In exchange, federal prosecutors dismissed a charge of lying to the FBI and antitrust investigators that carried a five-year prison term. Blatzheim faces up to three years in prison, a year of supervised release and a fine of up to $350,000 when Chief U.S. District Judge Larry J. McKinney sentences him Feb. 9.

House Panel To Query Lucent-Alcatel Deal (AP-YBIZ)

By Christopher S. Rugaber, Ap Business Writer

AP, November 14, 2006

House Panel to Examine Terms of Lucent-Alcatel Deal

WASHINGTON (AP) -- Top executives from Lucent Technologies Inc. and Alcatel are set to testify before a House panel chaired by a lawmaker who questions the national security impact of the French company's acquisition of the former technology arm of Ma Bell.

Lucent chief executive Patricia Russo and Mike Quigley, chief operating officer of Paris-based Alcatel SA, are scheduled to appear Tuesday before the House Armed Services Committee, headed by Duncan Hunter, the outgoing Republican chairman from California.

Hunter, whose San Diego district includes many workers of Qualcomm Inc., a key competitor of Lucent and Alcatel, says he is worried about whether classified work Lucent's Bell Labs performs for the Defense Department will be kept secret when Alcatel completes its takeover of Murray Hill, N.J.-based Lucent.

"I am concerned about potential transfers of technology or sensitive information to other countries with which Alcatel has business dealings, which have included Burma, China, Iran, North Korea, Sudan and Syria," Hunter wrote in an Oct. 26 letter to President Bush.

The hearing is not expected to derail the deal, which has cleared antitrust review in the United States and European Union and been approved by shareholders of both companies. It has also been reviewed by the secretive Committee on Foreign Investment in the United States (CFIUS), an interagency panel chaired by the Treasury Department.

That recommendation was forwarded to Bush, who has until Nov. 21 to sign off on it, according to Josh Holly, Hunter's spokesman. If Bush rejects it, the panel could go back and ask the companies to make adjustments to the terms of the deal to satisfy the White House's concerns.

Two officials from CFIUS are expected to testify at the hearing: Gordon England, deputy secretary of defense, and Clay Lowery, assistant Treasury secretary for international affairs.

Holly said Hunter will ask for additional information during the hearing on what steps the companies have agreed to take to ensure the security of Lucent's classified work. The possibility that Hunter would introduce legislation to block the deal has not been ruled out, but Hunter's next steps would depend on the outcome of the hearing, Holly said.

Nancy McLernon, senior vice president at the Organization for International Investment, a business group representing U.S. subsidiaries of foreign companies, said the Lucent-Alcatel combination was likely to be approved by Bush. But she said the committee hearing is "another example of the politicization of the whole review process, which we are greatly concerned about."

The two companies announced the deal April 2. In an effort to address security concerns Lucent said it would place its sensitive businesses in a new subsidiary, to be headed by former U.S. defense secretary William Perry, former CIA chief James Woolsey and Kenneth Minihan, one-time head of the National Security Agency.

Holly said this assurance was not enough to satisfy Hunter's concerns.

Russo said in a quarterly conference call Oct. 24 that the two companies are still aiming to complete the deal by year-end.

Shares of the companies have reacted mildly to news of the hearing, though both companies have seen their stock decline since the announcement of the deal. Lucent shares rose 2 cents Monday to close at $2.52 on the New York Stock Exchange, where they have traded in a range of $3.22 and $1.99 over the past year.

Shares of Alcatel rose 4 cents in after-hours trading Monday to $13.25 on the NYSE, also in the middle of their 52-week range of $16.51 to $10.63.

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Possible Jurors Called In Microsoft Case (AP)

By David Pitt

AP, November 14, 2006

DES MOINES, Iowa — Hundreds of Iowa residents were called to jury duty Monday to be considered for a panel that will determine whether Microsoft owes customers in the state millions of dollars.

Court officials called 469 potential jurors in an effort to find eight objective people to hear the complex lawsuit, which seeks up to $450 million for Iowans who have purchased the software maker's products since 1994. The case claims anticompetitive practices by Microsoft caused consumers to pay more for its products that they would have otherwise.

Microsoft, which denies any overpricing, says its products have been widely accepted by consumers because of their low cost and high quality.

Polk County District Judge Scott Rosenberg is presiding over the case, which could last as long as six months.

Jury selection is expected to take more than a week with opening arguments expected to begin after Thanksgiving, attorneys said.

Prospective jurors were asked to view a videotape outlining the responsibilities of jury duty and fill out a lengthy questionnaire designed to determine whether they had prejudices that might eliminate them from serving.

Roxanne Conlin, a Des Moines attorney and former U.S. Attorney, represents the defendants.

Microsoft is represented by a team of attorneys led by the company's corporate counsel including Richard Wallis and Steven Aeschbacher.

As the jury selection process was under way in one courtroom, attorneys for the company and the plaintiffs continued to argue last-minute motions before the judge in another.

Microsoft objected to Conlin's plans to refer to plaintiffs as Iowa consumers rather than a specific class of consumers because it's too broad a characterization and could prejudice the jury.

The company also sought to work out a witness schedule that would allow Microsoft Chairman Bill Gates and CEO Steve Ballmer to complete their testimony during one trip to Iowa. Attorneys expect each to be on the stand for about two days in January or February.

Conlin said her experts have estimated that individuals and businesses have been overcharged as much as $450 million for Microsoft products in the last 12 years because a lack of competition has inflated the cost of the company's products.

The average consumer overcharge ranges from $10.50 for buyers of Word to $56.99 to those who purchased Excel, Conlin said.

Many customers may have purchased more than one version in 12 years, Conlin said, so they could be eligible for multiples of those amounts.

Conlin said class members include all those who bought Microsoft Windows, MS-DOS, Word, Excel, or Office software, or a personal computer on which the software was already installed between May 18, 1994, through June 30, 2006.

Wallis has said the company is looking forward to "defending its business model of selling quality software at reasonable prices."

The lawsuit was originally filed in 2000, after federal antitrust actions against Microsoft were settled. It has already been before the Iowa Supreme Court three times on various legal issues and been sent back to Polk County District Court for trial.

The Iowa case is one a few remaining state antitrust cases against the Redmond, Wash.-based software manufacturer to make it to court.

Microsoft initially faced 206 class-action lawsuits across the United States. The company said 108 were consolidated in a federal antitrust case and 96 remained in state courts.

City Sues To Block Linkup Between 2 Health Insurers (NYT)

By Richard Pérez-peÃ±a

The New York Times, November 14, 2006

Waiting until nearly the last possible day, New York City sued yesterday to block the planned union of the HIP Health Plan of New York and GHI, charging that the combination would violate antitrust laws.

The fusion of the companies, creating the largest health insurer in the metropolitan region, with more than four million customers, is set to take effect tomorrow. The city will go to Federal District Court in Manhattan today, seeking an order to prevent that from happening.

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Between them, the two companies control more than 90 percent of the health insurance market for municipal workers, city lawyers said. The fusion of GHI and HIP would create a near-monopoly, they said, with the power to raise the city's annual premiums by tens of millions of dollars.

"If HIP and GHI merge, there will be no competition between them," Michael A. Cardozo, the city's corporation counsel, or chief lawyer, said in a prepared statement. "The merged entity could raise prices substantially because the next competitor is still far more expensive."

But Eileen Margolin, senior vice president of GHI, said the fear is unfounded. She said the company's rate structure would not allow it to raise the premiums for city workers enrolled in its health maintenance organization without also raising them for other customers, a move that would drive away business.

In recent talks with the insurers, the city sought to put limits on future rate increases. Ms. Margolin said the companies believed they had allayed the city's fears.

The union of the two companies technically would not be a merger. They would jointly create a governing foundation to oversee both companies while each would operate separately and under its own name, at least at first.

The companies announced on Sept. 29, 2005, that their boards had approved a union. The plan was reviewed and approved by the United States Justice Department — which looked specifically at antitrust implications — and by the State Insurance Department, which approved the plan early last month.

The city had voiced some concerns to the Insurance Department, but did not begin serious talks with the companies until after the department gave its approval, said John R. Low-Beer, a senior lawyer in the affirmative-litigation division of the city's Law Department. Asked why the city did not object to the union earlier, he said, "It was far from clear that the merger would be approved by the Department of Insurance."

He said city officials thought there was time for more negotiation, but the companies insisted on carrying out their plan to combine tomorrow. "We don't see the magic in that date, or why they couldn't postpone it," Mr. Low-Beer said.

The deal has been under review by the office of Attorney General Eliot Spitzer, which has not announced any conclusion. The combination does not require the attorney general's approval, but he has the resources to go to court to try to stop it.

There has been a lot of consolidation in the health insurance industry in recent years, which consumer advocates have warned could reduce competition and raise premiums. Oxford Health Plans and Empire Blue Cross Blue Shield, two of the largest for-profit insurers in the region, were taken over by the two largest in the country, UnitedHealth Group and Wellpoint.

GHI and HIP occupy niches similar to each other, in the marketplace, and so are each other's primary competitors. They are the two largest remaining not-for-profit insurers in the region, and both are considered relatively low-cost insurers.

It is not clear whether the combined company would seek to convert to for-profit status, an idea that HIP had promoted but that GHI had shunned. If it became a for-profit company, it would issue stock, most of which would belong at first to the state, which would be expected to sell it. Unions representing municipal and health care workers have been jockeying for a piece of that hoped-for windfall from any stock sale, while state officials have speculated about how they would spend that any such money.

Mittal Hits Obstacle In Selling Assets Of Merger Partner Arcelor (WSJ)

By ANNE JOLIS And STEVE MCGRATH

Wall Street Journal, November 14, 2006

LONDON -- Mittal Steel Co. said it won't be able to sell its Canada-based Dofasco steel assets and is now discussing with U.S. regulators how to meet its merger commitments to offload some North American operations.

The world's biggest steelmaker by output is completing its acquisition of Arcelor SA, which is Dofasco's owner. Mittal said the Dutch foundation, or stichting, that holds the Dofasco shares had decided not to dissolve, meaning that Dofasco couldn't be sold.

Arcelor acquired Dofasco after a takeover battle with Germany's ThyssenKrupp AG in January. However, when Mittal Steel later that month launched a takeover bid for Arcelor, Mittal said it would sell Dofasco to Thyssen in an effort to get the deal approved by U.S. regulators. As part of an unsuccessful defense against Mittal's bid, Arcelor then tied up Dofasco in the stichting, giving three independent board members the sole power to decide whether Dofasco could be sold.

ThyssenKrupp said it still had a binding agreement with Mittal and it would do everything in its power to acquire Dofasco. It said the board of Arcelor Mittal had asked the stichting's board to dissolve, but that was rejected Nov. 10. The German conglomerate also reiterated that it is planning to build a new steel mill in the U.S. if the Dofasco acquisition proves to be impossible.

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In the past, Mittal executives have said they agreed with U.S. regulators to sell either the company's Sparrows Point, Md., plant or its Weirton, W.Va., plant if Dofasco wasn't sold. The U.S. Department of Justice will have the final say over whether Weirton or Sparrows Point is sold.

The Justice Department has said that the company must shed one of its North American assets by Nov. 28, although that deadline can be extended by 60 days.

Mittal said it would prefer to sell the Weirton plant, a decision welcomed by the unions at that plant because they felt it wasn't benefiting from synergies associated with being part of such a large company.

Analysts said that while the Dofasco sale would generate a healthy chunk of cash, they were neither surprised nor disappointed by the stichting's decision.

"Arcelor Mittal doesn't really need the cash from that sale, and Dofasco is a very good company -- it's very innovative, and it doesn't hurt to keep it," said Commerzbank analyst Jutta Rosenbaum.

Société Générale analyst Luc Pez said keeping Dofasco is positive, however much Mittal wanted to sell it. "They'll gain in profitability by keeping Dofasco -- it fits well with the portfolio, gives more exposure to Japanese original equipment manufacturers."

Gord Forstner, director of communications and public affairs at Dofasco, said the company had no insight into the process and was continuing to operate essentially as a stand-alone company.

--Stuart Weinberg in Toronto contributed to this article.

Write to Anne Jolis at anne.jolis@dowjones.com and Steve McGrath at steve.mcgrath@dowjones.com

EU Clears Nokia And Siemens To Combine Mobile Network Units (FINDLAW/AP)

AP, November 14, 2006

(AP) - BRUSSELS, Belgium-EU regulators on Monday waved through Nokia Corp. and Siemens AG's plans to combine their mobile network operations in a bid to compete with market leader Ericsson AB.

The European Commission said the market would remain competitive despite the "considerable market share" the new company would have in the mobile network equipment sector.

"A sufficient number of credible competitors would remain in the market, inter alia market leader Ericsson and Alcatel-Lucent. Customers - mostly network operators - would still have alternative suppliers," it said.

Regulators saw no problems in other areas Siemens or Nokia were involved in, such as fixed-line telecommunications network equipment and related mobile and fixed-line services.

The new unit, to be known as Nokia Siemens Networks, is a 50-50 joint venture between the two. Combining Nokia's network business group and Siemens' carrier-related operations should create a business with annual revenues of â,¬15.8 billion (US$20.2 billion).

EU Regulators To Approve Suez-Gaz De France Deal (WSJ)

By Adam Cohen And Anne-sylvaine Chassany

The Wall Street Journal, November 14, 2006

BRUSSELS -- European Union antitrust regulators are expected today to clear Gaz de France SA's planned merger with Suez SA.

Antitrust Commissioner Neelie Kroes has already told the companies that she would clear the deal, the two companies' chairmen said Oct. 30.

The two companies have reached agreement "on principle" with the European Commission on the merger, said Suez Chairman and Chief Executive Gerard Mestrallet, who would retain his title after the merger. "Antitrust Commissioner Kroes gave a favorable opinion on the merger," added GDF Chairman Jean-François Cirelli, who would be second in command of the merged entity.

The companies have offered several concessions in order to address the commission's antitrust concerns. Among these, GDF will sell its 26% stake in Belgium's No. 2 electricity producer, closely held Société de Production d'Electricité, and Suez will sell a 62% stake in Belgian gas distributor Distrigas SA.

When the merger was revealed in February, Belgian authorities complained that the two companies would dominate the country's natural-gas and electricity markets. Suez also owns Belgian electricity giant Electrabel SA and has a majority stake in gas transporter Fluxys SA.

The commission earlier investigated the deal to see if the French government had interfered with a potential bid for Suez by Italian energy giant Enel SpA. The commission, fighting both a rise in national protectionism and a lack of cross-border competition in the energy market, didn't find evidence of wrongdoing in the French merger.

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ENVIRONMENT:

Democrats Warned To Push Green Bills (WT)

By Audrey Hudson

The Washington Times, November 14, 2006

Environmental groups yesterday put the soon-to-be Democrat-led Congress on notice, saying they will no longer accept logging of national forests or drilling for oil on federal land.

And don't think about stalling global-warming legislation, they warn.

Rep. John D. Dingell of Michigan, who is in line to take over the House Energy and Commerce Committee, already has called for a hearing on global warming, but environmentalists say the U.S. needs limits for greenhouse emissions, not more "fact-finding."

"The entire world's efforts will likely collapse" if the U.S. does not voluntarily limit emissions, said Phil Clapp, president of the National Environmental Trust.

"The Republican Congress has now had 239 fact-finding hearings on global warming. If another round of fact-finding becomes the Democrats' policy, they will have walked away from everything they have talked about for the past six years," Mr. Clapp said.

Mike Daulton, director of conservation policy for the Audubon Society, says the new Democrat-led Congress must be about "building consensus across the partisan divide and end the old energy policy of drill, drill, drill."

"Pombo is gone, and vanishing with him is his extreme agenda," said Mr. Daulton, referring to Rep. Richard W. Pombo, California Republican and chairman of the House Resources Committee, who lost his re-election bid last week.

"Crumbling wilderness areas are at risk" and must be protected from drilling, logging and gas exploration on public lands, Mr. Daulton said.

Anna Aurilio, with U.S. Public Interest Research Group (PIRG), said, "The message is clear" from last week's election.

"We bird-dogged campaigns around the country in 50 of the most contested races," and 19 candidates who supported the group's energy platform were elected, she said.

"Energy was definitely a factor in many of the races," she said.

Pollsters say about 3 percent of voters have listed the environment as their top concern in recent exit polling.

The environmental groups also urged Democrats not to rewrite the Endangered Species Act as proposed by Mr. Pombo and other House Republicans.

"[President] Bush and Pombo have an extreme agenda to rewrite it. We expect oversight, not a rewrite," Mr. Daulton said.

Rewriting the contentious act was a priority for Republicans, as well as approving new oil drilling in Alaska and logging in forests that have been devastated by fires. The Republican-controlled House was successful in reauthorizing the North American Wetlands Conservation Act, first enacted in 1989.

Ken Cook, president of the Environmental Working Group, said the farm bill expires next year and will also be on their wish list to include more dollars to conserve farmland rather than plant commodity crops.

"There is a long overdue change in the way Congress has conducted its business over the past dozen years," said Betsy Loyless, senior vice president of the Audubon Society.

Environmentalists, Though Winners In The Election, Warn Against Expecting Vast Changes (NYT)

By Felicity Barringer

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — Last week's election whipsawed the Congressional committees that are crucial battlegrounds for environmental and energy legislation. But even many environmentalists believe that an ambitious new agenda is unlikely.

The leadership changes are striking. Senator Barbara Boxer, Democrat of California, who favors mandatory cuts in emissions linked to global warming, will become chairwoman of the Environment and Public Works Committee, replacing Senator James M. Inhofe, Republican of Oklahoma, who has called the scientific consensus on human-induced global warming "the greatest hoax ever perpetrated on mankind."

In the House, Jerry McNerney, a California Democrat and wind-energy executive, will replace the current chairman of the House Resources Committee, Representative Richard W. Pombo, a Republican who fought to open public lands to private interests.

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"I think you'd have to go back to the Enlightenment to find such a big change in worldviews," Ken Cook, the president of the Environmental Working Group, a research organization, told reporters on Monday.

But despite the committee changes, some lobbyists are trying to dampen expectations that a major environmental agenda can speed through Congress.

While environmental groups are likely to worry less about oil and natural gas wells in the Arctic National Wildlife Refuge, they say that trying to get the new Congress to embrace initiatives like tougher automobile fuel-economy standards and requirements that industry pay more for Superfund cleanups could mean that little, if anything, will be accomplished.

Melinda Pierce, a senior lobbyist with the Sierra Club, said in an interview, "The environmental community has to recognize how difficult it's going to be to advance an environmental agenda with such narrowly held majorities."

Senator Jeff Bingaman, Democrat of New Mexico and the presumptive new chairman of the Energy Committee, said in an interview: "I think there's a danger of trying to overreach. The close divide between Democrats and Republicans ensures we can't pass anything unless we get some Republican support."

Even before the 110th Congress is sworn in, there is unfinished business for the 109th, including the question of how much to expand energy drilling along the outer continental shelf. Many on Capitol Hill believe that two rival measures — an expansive House bill and a more limited Senate bill that would open 8.3 million acres of federal waters in the Gulf of Mexico to energy exploration — have little chance of passing.

Bob Greco, an expert on oil and gas exploration and production, said he thought that Congress would eventually open more areas to the energy industry.

"Our sense is that Congress might be willing to work on a bill to improve domestic access," Mr. Greco said, adding, "You need both increased resources as well as conservation and energy efficiency."

The agenda for the next Congress is a work in progress, legislators and lobbyists said. Philip E. Clapp, president of the National Environmental Trust and a former senior Democratic Senate staff member, said in an interview on Thursday, "It's very clear that the House Democrats want to move a piece of energy legislation sometime this spring."

Mr. Clapp said the measure would probably provide incentives for the production of biologically based fuels, like ethanol.

Mr. Bingaman said he would continue to push for requirements that at least 10 percent of any utility's electricity be generated by renewable sources like geothermal, solar and wind energy by the year 2020. He also said he wanted to guide legislation mandating energy-efficiency measures through the next Congress.

In an interview on Monday, Senator Boxer said her first priority would be to hold hearings on global warming. These would first review the half-dozen proposals that senators have put forward to slow the buildup of heat-trapping greenhouse gases, then focus on choosing the best approach. "Many states are way ahead of us," she said.

Her other chief concern, she said, is "protecting children and families" from toxic chemicals, by, among other things, ensuring that the risks from Superfund sites is made public.

The views held by Representative John D. Dingell, Democrat of Michigan, show the difficulty in finding support for a broad agenda. Mr. Dingell supports the control and cleanup of toxic substances but has never embraced automobile fuel-efficiency standards.

Mandates on fuel efficiency for cars have had wavering support from Congress since the original passage of a fuel-economy law in 1975.

In March, the federal Transportation Department ruled that by 2011 the largest light trucks and sport-utility vehicles must average 24 miles per gallon and the others in this class 28.4 miles per gallon. Anna Aurelio, an environmental lobbyist for the United States Public Interest Research Group, said Monday that a 40-miles-per-gallon standard was feasible for all passenger vehicles.

In an e-mail message, Mr. Dingell was noncommittal about tightening fuel-efficiency standards but said he would be assertive in oversight of the Energy Department and of Superfund cleanups. His strong stance on oversight has been a career trademark. Given that, and the questions many Democrats have after six years with little chance to probe administration decisions, a season of oversight hearings is at hand.

"I think we're still looking at a big turnaround in the tenor of the debate," Mr. Cook said, "and the nature of information coming out of Washington."

Troubled Seas (NYT)

The New York Times, November 14, 2006

One report after another over the last decade has documented the degradation of the world's oceans and predicted a catastrophic decline in important fish species. But in terms of sheer gloom none compares to a recent study in the journal

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Science. It asserts that the progressive unraveling of entire marine ecosystems up and down the food chain could lead to the "collapse" of all commercial species, possibly by the middle of this century.

The researchers — well-known marine scientists from Canada and four other countries — reached their conclusion after analyzing dozens of ecosystems around the world, 48 marine protected areas, and 53 years worth of fishing data provided by the United Nations. They found that by 2003 — the last year for which data on commercial fish catches was available — 29 percent of all species now being fished had collapsed from overfishing, habitat loss or pollution. The study defined collapse as a 90 percent decline from estimated historical highs.

The study builds upon previous studies in three important respects. Earlier work had documented a 90 percent decline in a few commercially important species like cod, tuna and swordfish; the new study includes many more species. Second, the study provides elaboration of how entire ecosystems fall apart, with the decline of one species triggering the decline of another. Third, it puts the day of reckoning right around the corner — 2048, to be precise. "Our children will see a world without seafood if we don't change things," said the lead author, Boris Worm of Dalhousie University in Nova Scotia.

The study says that the situation is not hopeless, but only if the world moves quickly to reduce overfishing and other threats. Two opportunities for change lie immediately at hand. One is a proposal now before the United Nations that would end unregulated bottom trawling on the high seas. Bottom trawling — essentially the strip-mining of the ocean floor by heavily subsidized foreign fleets — is incredibly destructive. The United Nations banned fishing with huge drift nets years ago; it should do the same with bottom trawling now.

The second is the pending reauthorization of the Magnuson-Stevens Act regulating fishing practices in U.S. waters. The Senate has approved a bill that strengthens the act in important ways. It should be an early order of business for the new Congress.

Save The Fish (WSJ)

The Wall Street Journal, November 14, 2006

We like fish. They're tasty, good for you and catching them is good sport. We'd hate to see them disappear from the Earth's waters in our lifetime, as a recent meta-analysis in Science magazine suggested could occur. The four-page paper looked at trends across various regions from different sources and concluded that if present trends continued, the total collapse of fisheries around the world could occur by 2048.

Now, extrapolation of any trend far enough into the future can bring surprising results (remember Dow 36,000?). And at least one professor of marine sciences has called this particular extrapolation "mind-bogglingly stupid." But it's certainly true that some fisheries are overtaxed. And while the problem is worse in the developing world than in First World countries, we in the West have not exactly perfected the art of fisheries management. No one believes that cows are going extinct any time soon, and chickens seem safe. So what's the problem with fish?

Well, unlike domesticated animals, no one owns them. Government programs to set catch limits and so reduce fishing effort are a constant source of friction with fishermen, who are always pushing for higher limits than regulators feel are advisable. It's not that fishermen want to decimate their cash crop. But the system is set up to encourage them to push for whatever they can get, now. There's a better way.

Iceland has saved its fishing industry by adopting a system of individual, tradeable quotas. It's not quite the same as owning the fish, but it's probably as close as you can get short of starting a fish farm. The quotas are an asset that can be bought and sold, and their value is dependent on the viability of the fishery, so they give fishermen a direct financial stake in sustaining the fishery. It also takes the hair-pulling out of the current frequent negotiations between regulators and fishermen over where to set the limits for a given year or several years.

The current U.S. law on fisheries management expires this year and must be renewed. This has occasioned a resumption of the same old fight, with fishermen demanding that certain rules be relaxed and environmentalists pushing for a tightening of the restrictions. Why not instead sell the fisheries to the fishermen? Set the quotas at a reasonable level, and let the fishermen themselves decide in whose hands they're worth the most.

For some, this will serve as a buyout program; they will sell their quotas and retire. We suppose the environmentally minded might even be willing to purchase some quotas and keep them. This could be expensive, but if they're right about the need to reduce fishing in a particular fishery, sitting on a quota they've purchased could prove a sound investment over time. Nor are tradeable quotas merely a libertarian fantasy; groups like Environmental Defense have also come out in favor of them.

The alternative, as three decades of command-and-control fisheries management has shown, is a tragedy of the commons on the high seas. We don't expect to see the last fish hauled from the ocean, whatever the models may say. But there's no question the world could be doing a better job managing that resource. The need to reauthorize the current law offers an opportunity for rights-based reform.

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FBI/DEA/ATF/USMS:

Expose A Scandal, Face A Prison Term (LAT)

By Joe Mozingo, Times Staff Writer

The Los Angeles Times, November 14, 2006

The harshest penalty in the BALCO steroid case may go to the reporters who broke the story.

SAN FRANCISCO — At a private reception at the White House Correspondents' Dinner on April 30, 2005, President Bush praised two newspaper reporters for their award-winning stories on steroid use in professional sports.

"You've done a service," Bush twice told Lance Williams and Mark Fainaru-Wada of the San Francisco Chronicle.

But today the two journalists, in a standoff with the Bush administration, face longer terms in prison than the combined sentences of all the defendants convicted in the steroid scandal they helped expose.

In September, a judge sentenced Williams, 56, and Fainaru-Wada, 41, to up to 18 months in prison for refusing to tell the U.S. Justice Department who leaked grand jury transcripts implicating baseball stars — including Barry Bonds and Jason Giambi — in the Bay Area Laboratory Co-Operative, or BALCO, steroid ring. They are free pending an appeal hearing, set for Feb. 12.

Impasses between journalists and prosecutors seeking to unmask their sources are increasingly common, familiar to anyone who followed the jailing of former New York Times reporter Judith Miller for refusing to reveal who disclosed the identity of undercover CIA operative Valerie Plame.

But the BALCO case — although not fraught with the political overtones of the Miller case — has broader implications for the media.

Not only journalists, but two former Justice Department officials, have suggested that prosecutors are overreaching. One of those officials said the subpoenas, if upheld in court, would greatly broaden the government's ability to stifle investigative reporting.

"This is very disturbing," said Mark Corallo, who was director of public affairs for the Justice Department under former Atty. Gen. John Ashcroft and involved in reviewing requests for media subpoenas.

"There is no national security issue here. There is no public safety issue. If they can make this the standard, then confidential-source reporting as you know it is done, over."

The BALCO prosecutors, Brian Hershman and Michael Raphael, argue that letting people get away with violating a federal judge's order — in this case, an order not to release grand jury material — could undermine justice.

The leak, on balance, "served only to titillate and hold up to public ridicule those athletes who admitted using steroids before the grand jury; witnesses who testified under the belief that their grand jury testimony would be 'secret,' " the prosecutors argued in court filings.

The BALCO case began in 2003, when agents in Northern California raided a Burlingame laboratory that produced performance-enhancing drugs marketed as the Clear and the Cream. Over the ensuing months, as professional athletes were testifying before the grand jury, reporters from around the nation tried to learn which of them got drugs from the firm.

But when indictments were announced Feb. 12, 2004, against four defendants — including BALCO founder Victor Conte and Bonds' weight trainer, Greg Anderson — prosecutors had redacted the drug recipients' names. With no major athletes directly implicated, the case inspired curiosity but few ripples outside the Bay Area.

"All anyone cared about were the names, and there was this big chase to get them," Williams, said in a recent interview.

He and Fainaru-Wada wrote stories about the athletes' involvement based on anonymous sources. But many readers — particularly Giants fans following Bonds' pursuit of the home run records of Babe Ruth and Hank Aaron — did not buy it, writing angry letters to the newspaper.

The athletes' grand jury testimony, meanwhile, was distributed to all the parties and attorneys involved so they could prepare for trial. U.S. District Judge Susan Ilston ordered them to keep it to themselves.

When the Chronicle reporters published a story in June quoting from the testimony of sprinter Tim Montgomery, the judge demanded that the attorneys and parties sign sworn declarations that they were not the source of the leak.

In December, the reporters published stories directly quoting transcripts of Bonds and Giambi, with Giambi admitting under oath that he had used the drugs. Bonds told jurors that he had used a clear liquid and rubbing cream from BALCO, but denied he knew they contained steroids, the stories said.

The testimony sparked a furor; in a sport whose popularity has long been fueled by fans' passion for record-breakers, many wondered if steroids were behind a recent slew of impressive feats.

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Bush urged Major League Baseball to clean up its act. MLB imposed more stringent testing and tougher punishments on dopers, and Congress interrogated five high-profile players in a televised hearing.

In San Francisco, Judge Ilston asked the Justice Department to investigate the leak. Prosecutors eventually subpoenaed the reporters.

Although some states, including California, have shield laws that protect reporters from testifying, they hold no weight in federal cases. Legislation to create a federal shield law is before Congress. The last time the Supreme Court addressed the issue was in Branzburg vs. Hayes in 1972, when it upheld contempt convictions against reporters who had refused to appear before grand juries. Since then, many courts have hewed to Justice Lewis Powell's concurring opinion that the government should strike a "proper balance between freedom of the press and the obligation of all citizens to give relevant testimony with respect to criminal conduct."

In the BALCO case, attorneys for the Hearst Corp., which owns the Chronicle, argued that no such balance had been struck. They asked the court to consider that uncovering the source of the leak was marginal when balanced against the public value of "revealing that a number of the nation's best-known and most highly paid professional athletes had lied to the public about illegally using performance-enhancing drugs."

Forcing the reporters to testify, they wrote, would set a debilitating precedent for investigative journalism. "These revelations could never have been made but for the promise two Chronicle reporters made to confidential sources that this story of sports gone awry would be told fully and accurately and that the journalists would never reveal their sources' identities."

Two former Justice Department officials backed them.

Jamie S. Gorelick, deputy attorney general under Janet Reno from 1994 to 1997, filed an affidavit saying that long-standing internal guidelines dictate that media subpoenas be issued only when "immediate action is required to avoid loss of life or the compromise of a security interest."

Corallo, the former public affairs director, wrote: "Based on my experience, I believe that the subpoenas would not have been issued under former attorney Ashcroft's administration for the further reason that compelling the reporters to testify in this instance would have an incalculable chilling effect on the press."

Tasia Scolinos, the current director of public affairs, said Atty. Gen. Alberto Gonzalez has not changed policy on subpoenaing reporters. The number of approved subpoenas has remained steady over the last 15 years: 14 from 1991 through 2000, and five since then, she said. (Those do not include subpoenas issued by special prosecutors, such as the one investigating the Plame leak.)

Scolinos said the department errs on the side of restraint, typically granting requests from field offices only if the deputy attorney general, the public affairs director and the criminal division chief agree they are merited.

Breaches of grand jury secrecy "seriously imperil the entire system's ability to investigate and uncover crime," she said, "and when a federal judge asks us to open an investigation because the grand jury process has been violated, that is something we would obviously take very seriously."

Media advocates say cases like BALCO are eroding the press' check-and-balance role in society. Lucie Morillon, of the Paris-based advocacy group Reporters Without Borders, said the United States' ranking in its annual survey of press freedom fell from 17 in 2002 to 53 in 2005. "The main thing in the U.S. is attacks on confidential sources," she said.

After hearing from both sides in July, U.S. District Judge Jeffrey White in San Francisco said the reporters had to testify. When they said they could not, he sentenced them to up to 18 months behind bars.

Hearst attorneys hope a panel of the U.S. 9th Circuit Court of Appeals reads the case law differently.

"I want people to know that if the government wins this case, all they're going to accomplish is putting two reporters in jail," said Hearst general counsel Eve Burton. "They are not going to get this information from us."

Williams, a reporter for 33 years, said he'd lose his credibility if he gave up the source.

Fainaru-Wada, a reporter for 17 years, said he and his wife have braced his 9-year-old son and 7-year-old daughter for the possibility that he might go to prison. "We tried to make it as fundamental as possible: "We made promises, you need to keep promises. "

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(INFOBOX BELOW)

Grand juries

Their role. A federal grand jury is a panel of 23 citizens who evaluate evidence presented by prosecutors and decide if there is enough proof to return an indictment.

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Why they're secret. Grand jury sessions are held in secret for several reasons: to protect jurors and witnesses from intimidation, to avoid tipping off suspects who could flee, to encourage witnesses to be forthcoming and truthful, and to avoid stigmatizing those who've been investigated but not charged.

Leaks do occur. Although prosecutors generally hold the secrecy of grand jury proceedings sacrosanct, leaks to the media are not unheard of. And if a grand jury investigation does lead to a trial, the grand jury material can be introduced as evidence and become public.

Shared testimony. In the BALCO case, the leak came after the grand jury session had ended, and the testimony was given to prosecutors, defendants and defense attorneys to prepare for trial. A judge ordered the recipients not to release the material.

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Source: Times reporting

71 Years Given In Agent's Slaying (AR)

By Jahna Berry, The Arizona Republic

The Arizona Republic, November 14, 2006

The man who dreamed up a 1994 double-cross that ended the life of a U.S. Drug Enforcement Administration special agent could spend the rest of his days behind bars.

On Monday, Augustin Vasquez Mendoza, 37, was sentenced to 71 years in prison. In August, a jury convicted him of one count of first-degree murder, two counts of aggravated assault, three counts of kidnapping, three counts of attempted armed robbery and one count of conspiracy to commit armed robbery.

Vasquez Mendoza is the last of four men who have been tried in connection with a shooting at a Glendale garage that took the life of DEA Agent Richard Fass.

After the shooting, Vasquez Mendoza fled to Mexico, where he was arrested in 2000. He was not returned to Arizona until 2005. Mexico does not extradite its citizens if they face the death penalty or life in prison with no chance of parole.

Judge Warren Granville of Maricopa County Superior Court sentenced Vasquez Mendoza to life in prison with a possibility of parole in 25 years and added 46 years for kidnapping, assault and armed robbery counts, which must be served after the murder conviction sentence.

Fass' younger brother Guillermo said he was satisfied with the sentence but it doesn't bring his family any closure.

It's been hard for his brother's widow and four children to piece their lives back together, Guillermo said. One of the agent's daughters lived with years of guilt because she didn't kiss her father goodbye the last time she saw him, the Tucson resident said.

"More than anything, it sends a statement throughout the world that criminal intent can't come into our country and kill a law enforcement official in the line of duty, flee, and think that they can get away with it," he said. "From that aspect, me and the family were happy."

Federal law enforcement officials also say that the sentence sends a message.

"This prosecution will never bring back Agent Fass," U.S. Attorney Paul Charlton said in a statement. "But DEA's relentless search for Fass' killers serves as proof that DEA never forgot, and will never forget, a fallen agent."

During the sentencing, the DEA agent's widow, Theresa, said that her husband's death left a hole in her life.

"Twelve years ago, Richard's death changed and devastated our lives," she said. "Without a choice, we were forced to move on without a husband and a father . . . The void in our hearts will never go away." Vasquez Mendoza, his relatives and his attorney asked Granville for leniency.

"I am sorry for everything that has happened," said Vasquez Mendoza, who also apologized to Fass' family and former co-workers in the courtroom. "Even though it was not my fault, I ask them for forgiveness."

Vasquez Mendoza's attorney, JoAnn Garcia, argued that since her client wasn't at the crime scene, it would be unfair to impose a longer sentence than what the other three defendants linked to the crime received.

Granville said that the facts of the case weighed against Vasquez Mendoza.

"Four people went into that room, three people ran out and one person was left dying in that room," Granville said. "You were convicted because you . . . conspired to commit armed robbery and in committing that robbery Agent Fass was killed."

Monday's hearing was the final chapter in a saga that began when a 1994 undercover operation unraveled.

Fass, 37, was posing as a drug-dealing "uncle" at a Glendale garage. Vasquez Mendoza, his half-brother and two other men were supposed to meet Fass at the garage for a methamphetamine deal. Instead of selling drugs to the undercover agent, Vasquez Mendoza and the trio plotted to rob him of $160,000, Assistant U.S. Attorneys Kevin Rapp and Keith Vercauteren argued at trial.

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Vasquez Mendoza did not go to the meeting himself and instead sent his half-brother, Juan Vasquez Rubio, and two other men. The encounter ended in bloodshed.

Vasquez Rubio, who fatally shot Fass, was sentenced to life in prison without possibility of parole plus 55 years for robbery, kidnapping and other charges, said Wyn Hornbuckle, a spokesman for the U.S. Attorney's Office.

Rafael Rubio Mendez, who shot Fass in the trigger finger, was sentenced to life in prison with the possibility of parole in 25 years, plus 43 years for robbery kidnapping and other crimes, Hornbuckle said.

Eduardo Aceves Vasquez, who cooperated with authorities, was sentenced to 2 1/2 years after he was convicted of lesser charges.

While the other three were in court, Vasquez Mendoza eluded authorities. After six years, four of them on the FBI's 10 most wanted list, and with a $2.2 million bounty on him, Vasquez Mendoza was arrested in Mexico in 2000.

DEA Agent's Killer Gets Life Term (ADS)

Arizona Daily Star, November 14, 2006

A man convicted in the June 1994 slaying of Drug Enforcement Administration agent Richard E. Fass was sentenced to life in prison.

Agustin Vasquez-Mendoza was sentenced in Maricopa County Superior Court. He was convicted on 10 counts that included armed robbery, kidnapping and first-degree murder.

Vasquez-Mendoza, a Mexican national, will be eligible for parole after serving 25 years for the murder but was sentenced to serve an additional 46 years in consecutive sentences for the nine additional counts before he could be released.

Evidence showed that Vasquez-Mendoza and three accomplices planned to rob Fass of $160,000 in cash during an undercover operation. Fass, a Tucson native, was shot to death in Glendale. The three accomplices have already been convicted.

Last Of Four Defendants In Case Of Slain Agent Gets Prison Term (AP)

AP, November 14, 2006

PHOENIX The last of four men tried in the 1994 slaying of a federal Drug Enforcement Administration special agent has been sentenced to 71 years in prison.Augustin Vasquez Mendoza was convicted in August of one count of first-degree murder and two counts of aggravated assault.He was sentenced yesterday in Maricopa County Superior Court to life in prison with a possibility of parole in 25 years.A judge also added 46 years for kidnapping, assault and armed robbery counts, which must be served after the murder conviction sentence.After D-E-A agent Richard Fass was fatally shot, authorities said Vasquez Mendoza fled to Mexico, where he was arrested in 2000.He wasn't returned to Arizona until 2005.Mexico had to be assured Vasquez Mendoza wouldn't be executed.

Information from: The Arizona Republic

Indicted Va. Sheriff Steps Down (AP)

AP, November 14, 2006

ROANOKE, Va. (AP) -- A rural county sheriff charged with taking part in a scheme to sell drugs seized from criminals has stepped down, his attorney said Monday.

Henry County Sheriff H. Franklin Cassell has informed county officials of his retirement, which is effective immediately, attorney John Lichtenstein said in a news release.

Cassell, who maintains innocence, has not been in the office since the beginning of the month, when he was indicted along with 12 of his current and former officers and seven others in the federal drug case. Cassell is charged with impeding the investigation by federal agents and with money laundering.

"The sheriff has examined the nearly constant distraction his status has become" and didn't want it to interfere with the office's work, Lichtenstein said.

Cassell, 68, had not intended to seek re-election next year, the attorney said. He has been sheriff since 1992, and before that had a career with the Virginia State Police.

Cassell said last week he would stay off the job on an unpaid leave until the case was resolved, but the county supervisors asked him to resign and said the department's operations were hindered otherwise.

"Mr. Cassell made the right and honorable decision," board chairman H.G. Vaughn said in a news release.

Deputy County Administrator Tim Hall said late Monday that he would have to review the law to determine when an election to replace Cassell must be held.

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Prosecutors have said cocaine, steroids, marijuana and other drugs seized by the sheriff's department were resold to the public during the past eight years. Guns and other evidence also were stolen, they said.

Henry County, which has a population of 57,930, is on the North Carolina border.

Cassell Retires As Henry County Sheriff By Lindsey Nair (RT)

Roanoke (VA) Times, November 14, 2006

Henry County Sheriff Frank Cassell, who was indicted Oct. 31 as part of a federal corruption investigation into his department, has stepped down.

According to a press release from Cassell's attorneys, he decided to retire effective immediately after examining "the nearly constant distraction his status has become since his announcement last week."

Cassell said Thursday that he planned to place himself on unpaid administrative leave pending the outcome of the federal case, but that decision was met with frustration by some Henry County officials, including the Board of Supervisors, which had called for his resignation.

On Monday, board Chairman H.G. Vaughn said, "Mr. Cassell has made the right and honorable decision. I admire him for doing that. I wish him the best in his retirement."

Sheriff H. Frank Cassell Announces Retirement (MB)

Martinsville (VA) Bulletin, November 13, 2006

Press release from Cassell's attorneys

Monday, November 13, 2006

Henry County Sheriff H. Frank Cassell's attorneys released the following statement this afternoon:

Last week Sheriff Cassell announced that he would

"...completely and without exception remove himself from all aspects of the operation of the Henry County Sheriff's Office by placing himself on unpaid administrative leave for the pendency of this case."

His action last week was taken with the intent to ensure effective law enforcement for the people of Henry County and to remove all obstacles and distractions from the operation of the Sheriff's Office.

Since the federal government initiated this matter, the Sheriff has listened to the voices of those with whom he has worked for many years. He has also heard the requests that he make more formal and permanent the separation he announced last week.

At sixty-eight years old, Sheriff Cassell did not intend to seek re-election next year. Accordingly, with less than one year on his term, today the Sheriff has informed Henry County officials of his retirement, effective immediately. The Sheriff already had separated himself from the Office. He fully intended to remain on unpaid administrative leave. However, the Sheriff has examined the nearly constant distraction his status has become since his announcement last week. And notwithstanding that he will vigorously defend himself against these charges, the Sheriff simply will not allow the technical aspects of the status of his position to distract from the important work of the Office it has been his honor to serve for over fifteen years. Last week, his separation was complete. Now he formalizes that separation into retirement.

The Sheriff expresses his sincere appreciation to those who continue to express support for him and his family and he looks forward to his own vigorous defense.

John E. Lichtenstein
John P. Fishwick, Jr.
Gregory L. Lyons
Counsel to Sheriff Cassell

Sheriff Frank Cassell's Lawyer Makes Statement On Cassell's Future (TD)

Times Dispatch, November 13, 2006

Henry County Sheriff H. Franklin Cassell, who faces federal charges related to a drug and gun racketeering investigation, is retiring, his attorneys said.

Cassell, who has been the county's sheriff since 1992, submitted his application for retirement to Henry County Administrator Benny Summerlin today and asked that the forms be completed and forwarded to the Virginia Retirement System.

Cassell, 68, had placed himself on unpaid leave last week despite county supervisors' request that he resign. A statement released by his lawyers today said he had intended to remain on leave but changed his mind because " . . . the Sheriff simply will not allow the technical aspects of the status of his position to distract from the important work of the Office it has been his honor to serve for over fifteen years."

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In late October, federal prosecutors unsealed a 50-page, 48-count indictment and announced that 20 people had been charged in an alleged racketeering operation that included distribution of illegal drugs, theft of drugs and firearms in the custody of the Henry sheriff's office, money laundering and obstruction of justice.

Besides Cassell, among those indicted are 12 former and current employees of the sheriff's office, including a major, a sergeant and a vice unit sergeant. Also charged are a former probation officer and a U.S. Postal Service employee.

Within hours of the indictment being unsealed, the Henry County Board of Supervisors passed a resolution asking Cassell to resign immediately, noting that his ability to manage the department "is irreparably damaged in light of these events."

H.G. Vaughn, chairman of the Henry Board of Supervisors, praised Cassell's retirement today as "the right and honorable" decision.

"I admire him for doing that, and I wish him the best in his retirement," Vaughn said in a statement. "My prayers go with him and his family, as well as with the others involved and their families, during the upcoming judicial proceedings. I remind the public that all are innocent until proven guilty and I ask everyone to refrain from any pre-judgment."

A supervisors meeting to discuss Cassell's status had been scheduled for Wednesday, but was cancelled after today's retirement announcement.

A circuit court judge will appoint an acting sheriff. Capt. Lane Perry has been running the sheriff's office.

Federal prosecutors said Cassell, who is free on $25,000 unsecured bond, failed to investigate misconduct, made false statements to federal investigators, and attempted to aid a money laundering scheme.

His lawyers' statement said, "The sheriff expresses his sincere appreciation to those who continue to express support for him and his family and he looks forward to his own vigorous defense."

Border Patrol Says Agents Crossed Border (AP)

AP, November 14, 2006

EL PASO, Texas (AP) -- U.S. Border Patrol agents crossed the Rio Grande into Mexico last week while chasing a drug smuggling suspect, Border Patrol officials said Monday.

The agents followed a fleeing pickup truck into the river "no more than 25 feet across the border" Thursday afternoon, Robert W. Gilbert, the chief patrol agent for the patrol's El Paso sector, said in a statement Monday.

The driver of the pickup truck, which was fitted with a camper shell and loaded with marijuana, ran into Mexico after the vehicle got stuck in the shallow river as he tried to elude the agents, authorities said.

A Mexican police officer in Guadalupe, about 25 miles southeast of El Paso, reported last week that the pursuit ended with a brief standoff between local officers and Border Patrol agents. Jose Luis Delgado, the Mexican officer, said that officials from both countries drew their weapons, but that no shots were fired.

The Border Patrol agents seized about 300 pounds of marijuana, while the truck and remaining marijuana were seized by Mexican authorities.

It was unclear how many U.S. agents crossed the river or what repercussions they may face. In his statement, Gilbert said, "This type of incident occurs periodically by agencies from both countries."

Border Patrol officials familiar with Thursday's incident and the investigation were not immediately available Monday.

According to a U.S. Homeland Security report made public this year in a newspaper report, Mexican authorities have crossed the U.S. border 216 times since 1996. Homeland Security officials have said many of those crossings were inadvertent. It is unclear how many times U.S. officials have crossed into Mexico.

S.F. Supervisors To Vote On Softening Pot Enforcement (SFC)

San Francisco Chronicle, November 13, 2006

SAN FRANCISCO -- San Francisco's Board of Supervisors will vote Tuesday on legislation that would set nearly all crimes involving marijuana as the lowest law enforcement priority for city police.

The legislation, sponsored by Supervisor Tom Ammiano, was approved today by a board committee with the blessing of police officials and over the complaints of some residents.

"This measure, which would legalize the unlimited growth and sales (of marijuana) on private property, will make public spitting and (leaving chewing) gum ... on the sidewalk higher priorities," said Kim Stryker, voicing opposition before the supervisors' City Operations and Neighborhood Services Committee.

Ammiano introduced the legislation in August at the behest of groups pushing for the national decriminalization of marijuana. He defended the policy move, saying it is consistent with Proposition W, a measure passed in 1976 by city voters calling for an end to marijuana arrests and prosecutions, and state Proposition 215, which provides for medical use of cannabis.

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"There are many better ways that we can be using our tax dollars and empowering our law enforcement than wasting money and police resources on marijuana offenses," Ammiano said. "This ordinance would allow San Francisco to join other forward-thinking cities. It will not result in San Francisco becoming Amsterdam West."

Under the proposed legislation, city police would be directed to essentially ignore most marijuana crimes unless they involve minors or acts of violence, driving under the influence or the sale or distribution of pot on public property or within view from public property.

San Francisco Police Capt. Tim Hedrick, head of the department's narcotics squad, said Ammiano's legislation is consistent with police policy on marijuana crimes. "It does not tie our hands enforcing the law," he told the committee.

But a number of residents protested the legislation, saying it will encourage crime and the use of harder drugs such as cocaine or heroin.

"It will undermine the efforts of people who live in marginal neighborhoods to make their neighborhoods safe, clean and peaceful," said Arthur Evans, a Haight-Ashbury resident. "This measure is an attack on the well-being of our neighborhoods. You should not throw obstacles in our way. You should help us to make San Francisco more safe and livable."

Supervisor Fiona Ma, a member of the committee hearing Ammiano's legislation, also spoke out against it, saying she believed it "establishes a new policy that has not been presented to the voters." Ma broke with Supervisor Jake McGoldrick, the committee's chairman, and Ammiano in voting against the legislation today.

Although the city doesn't track marijuana arrests and prosecutions, the National Organization for the Reform of Marijuana Laws (NORML) has said more than 1,000 people were arrested in cases involving the drug in 2004.

Dale Gieringer of the California chapter of NORML said cities that have adopted a lax policy toward marijuana have not seen it contribute to crime -- which is an argument activists make for legalization of marijuana under federal law.

"We have to start somewhere and we have to act locally," he added.

Dispensaries Face Strict Codes (WDN)

Whittier Daily News, November 13, 2006

PASADENA - Here, near the 10th anniversary of voter-approved medicinal marijuana in California, the going is rough for purveyors in the San Gabriel Valley. The two latest dispensaries opened and quickly shut down due to county permit violations.

"Medical functions belong in a medical facility to protect the public as well as patients," said Tony Bell, spokesman for county Supervisor Michael Antonovich. "We believe these current operators' intention is to circumvent the law. We have to be vigilant, and our office will pursue every legal avenue \."

County code mandates that medicinal marijuana dispensaries possess a business license and conditional-use permit, both required since a moratorium approved unanimously in June 2005 by the Board of Supervisors was lifted in June of this year, officials said.

On Wednesday, Alternative Caregivers of Pasadena closed shop after receiving a violation notice from county officials.

"They were conducting a medical marijuana dispensary without a conditional use permit first being obtained," said Alex Garcia with the county's regional planning department.

A hand-made sign posted on the door Thursday told patrons the dispensary, located in an office

Advertisement

building at 3868 E. Colorado Blvd., was closed.

Two blocks away and a day earlier, another outlet called California Compassionate Caregivers, at 3682 E. Colorado Blvd., also closed shop.

The owners alerted customers with a similar sign, as well as placing a farewell notice on Weedtracker.com, a Web site dedicated to medical marijuana.

"We put our heart and soul and truly wanted to make a difference, but we failed you," reads the Web posting.

Los Angeles County Counsel Rick Weiss said letters were sent to the owners of both properties informing them permits were required.

In Pasadena, a city zoning code amendment permanently banning dispensaries was approved in September 2005, said city spokeswoman Ann Erdman.

"People who advocated for medical marijuana packed the hearing room," she recalled, "but \ decided it should prohibit use in Pasadena because a lot of people try to circumvent laws."

But William Dolphin, a spokesman for Safe Access for America, a medicinal marijuana advocacy group, insisted that despite such claims, the 200,000 people considered to be in need of the drug should be able to readily obtain the information and medicine they need.

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An exemption from criminal penalties for medical marijuana use created by Proposition 215, or the Compassionate Use Act, approved in November 1996 by 56 percent of voters, lies at the root of the controversy.

Since the proposition passed, two dozen cities and seven counties - including Los Angeles, Riverside and Santa Barbara - have approved regulations allowing the dispensaries. However, three times as many municipalities have passed moratoriums or bans, according to published reports.

The FDA has not approved marijuana for medical use in the United States.

Medical Marijuana Advocate Gets 3 Years Probation In Las Vegas (AP)

AP, November 14, 2006

LAS VEGAS A medical marijuana advocate has been sentenced to three years probation in a case that had been seen as a test of Nevada's medical marijuana program.A judge told 35-year-old Pierre Werner he was getting a break instead of prison time after pleading guilty to possession of marijuana with intent to distribute.But she said Werner no longer could supply marijuana to other people.Werner could have gotten up to four years in prison.He's got a license to use marijuana to treat his own symptoms of bipolar disorder.But after police found 45 marijuana plants at his home in 2004 he said he was growing pot for 50 other medical marijuana users because conflicting state laws made it difficult for them to get it.

Tougher Steroid Testing Could Soon Be In Place (WP)

By Mark Maske, Washington Post Staff Writer

The Washington Post, November 14, 2006

Representatives of the NFL and its players' union met last week and seem to be progressing toward completing an agreement to toughen the league's steroid-testing program.

Officials on both sides of the discussions said yesterday that no agreement had been completed. But the two sides, officials said, are discussing the possibilities of increasing the number of random tests and using a more sophisticated test to detect the presence of synthetic testosterone in a sample obtained via a drug test.

Commissioner Roger Goodell and Gene Upshaw, the executive director of the NFL Players Association, participated in the meeting with the league's medical advisers. League spokesman Greg Aiello confirmed that the meeting occurred but said no agreement for modifications to the testing program was finished.

Upshaw said the two sides "did not agree on any changes" but discussed methods of strengthening the program involving the frequency of tests, the type of test and the number of players tested.

Under the NFL's current steroid program, seven players per team are randomly selected each week during the season to be tested. The two sides have discussed increasing that number, perhaps even doubling it. They also have discussed making more frequent use of the costly carbon isotope ratio test to determine whether testosterone detected in a sample is natural or synthetic.

Officials said that last week's session was typical of the sort of meeting the parties often have during their annual review of the drug policy. Goodell indicated when he took office in September that he would seek to strengthen the program, and Upshaw said he would agree to any changes recommended by the sport's medical advisers.

These discussions come in the aftermath of one of the league's top defensive players, San Diego Chargers linebacker Shawne Merriman, being suspended for four games for testing positive for a banned substance that he said was in a supplement he was taking.

Upshaw said the league's leaders were told at last week's meeting that there still is no reliable urine test for human growth hormone. He previously has said that he would not agree to allow players to be blood-tested for growth hormone.

NFL, NFLPA To Get Aggressive On Steroids (FS)

FOX Sports, November 13, 2006

FOX NFL Sunday and FOXSports.com have learned that NFL commissioner Roger Goodell, NFLPA chief Gene Upshaw and other league officials quietly met this week with a panel of scientists, doctors and experts in somewhat of a drug summit to get a more aggressive plan of attack to catch the cheaters.

The meeting took place on Thursday in New York City with half the experts in the office and others via conference call. In addition, Upshaw told FOX NFL Sunday and FOXSports.com, that he and Goodell are working on a much more aggressive testing system they hope to have in place either this year or the start of next in their battle against Human Growth Hormone, testosterone and steroids.

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Perhaps the most significant step to arise out of this meeting was Upshaw admitting he and Goodell will soon agree to a new, more aggressive random testing system that will include more random tests per week, perhaps as high as 15 per club per week — up from seven per week.

But even more important is the fact that the two sides will use a more aggressive testing system either this year or next in such random tests. The system, called CIR or carbon isotope radiation testing, can unequivocally detect the use of artificial testosterone. Due to costs and a lack of lab machines the league currently only uses CIR to confirm positive tests. Under their new plan, the league will increase their spending to actually use this CIR system in random testing.

"We are looking to prevent the cheaters from doing what they try to do," said Upshaw. "The only thing I want when we increase this is notice for my players. We've got to notify these guys of what we're going to do. But once they have that notification, we plan to get much more aggressive."

The most intense discussions were centered upon human growth hormone. Despite the NFL's desire to crack down completely on users of growth hormone, the scientists and experts admitted while they are working on a urine-based test rather than the unproven blood test that exists, they're still far behind.

"There's still no viable tests for it," said Upshaw.

Other points to come out of this meeting, the first of its kind for Goodell as the new commissioner:

The scientists and doctors informed Goodell and Upshaw that people are now combining more drugs but in lower doses to avoid side effects and detection. The CIR will help catch some of those who use this strategy.

The league will try to put some unpredictability in its testing program within the next year.

Goodell wants to shorten the appeal process. Currently, a player can test positive, receive notification, then wait up to a month before he learns if his suspension will be upheld or not. The commissioner wants to significantly cut down on this time.

COME AGAIN: The 2006 season has widely been assumed to be the last hurrah for Packers future Hall Of Fame quarterback Brett Favre. But new head coach Mike McCarthy now says the franchise is doing whatever it has to do convince him to actually return for one more year.

"I know what's being said out there and written about it but I'm telling you after watching him first hand that he's part of the solution, not part of the problem," McCarthy told FOX NFL Sunday and FOXSports.com. "I'd love to have him for one more year."

McCarthy said he spoke with Favre within the last couple of weeks about such a notion and admits the next two months will be crucial in the process.

"I think these next eight games will decide it for him," said McCarthy. "It all depends how things go down the stretch."

McCarthy said the team is doing whatever it can to make Favre comfy — including giving him his own office at the team's complex so he can spend longer hours at work.

One thing McCarthy said he and GM Ted Thompson have talked about is the fact they want Favre to make a decision soon after the season ends rather than have the long, drawn-out drama that occurred this past off-season.

"That's why these next eight games are so important to him," McCarty added. "But this off-season he'll know who his receivers will be, he'll know who his o-line will be. He'll have a better sense of who we're building with."

LEWIS BOILS OVER: The Bengals are either about to step up and ride a wave to the postseason or follow suit from a week ago and completely implode. In their last game the Bengals embarrassed themselves with one wideout slamming his helmet for all to see down the stretch, a QB ripping into another wideout and then another wideout nearly crying with frustration after the game.

Enough seems to be enough for their head coach.

Team sources told FOX NFL Sunday and FOXSports.com that after last week's game head coach Marvin Lewis, for the first time after a game all season, completely ripped into his team.

According to the sources, Lewis implored his team to "stop worrying about 'me' and stop being so selfish."

Lewis has kept his patience with his team despite having to deal with several interpersonal and off-field problems plaguing his locker room — that is, until last Sunday afternoon.

Lewis also implored his team to control their emotions when they get frustrated and things go bad. Basically, if they are to head to the postseason they can't get unraveled when bad stuff happens.

Toll Mounts In Mexico's Drug War (LAT)

By Héctor Tobar And Cecilia Sánchez

The Los Angeles Times, November 14, 2006

MEXICO CITY — The death toll in Mexico's drug war has surpassed 2,000 this year, with a newspaper editor found dead in the resort city of Zihuatanejo and a police commander assassinated in Tijuana apparently among the latest victims, according to news reports.

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Another police commander was killed Monday in the northern city of Monterrey, and four people were reported killed in the southern state of Guerrero.

No government agency keeps a tally of the drug-related killings, but according to human rights organizations and newspapers, an average of six people are killed in the country's drug wars every day.

The newspaper El Universal said Saturday that its tally of drug-related killings for the year had reached 2,012. Last year, more than 1,500 people were killed in violence related to a lucrative trade in illicit drugs, including cocaine and methamphetamines.

The death Friday of Misael Tamayo Hernandez, the editor of the daily newspaper El Despertar de la Costa, appeared to be the sixth killing of a Mexican journalist this year, Reporters Without Borders said.

But in a country where drug killings are often public events — a hail of bullets on a busy street, a decapitated head deposited on the steps of a government building — Tamayo's death was different.

He died before dawn in a Zihuatanejo hotel room, officials said. His sister Ruth Tamayo, who identified his body at the hotel, said he was neither shot, nor strangled with a towel, nor tied up and executed, as reported by various local media.

The editor was found with three puncture wounds on his shoulder, she said. The coroner established the cause of death as a heart attack, but could not rule out foul play until a toxicology report was complete, officials said.

"We still haven't managed to understand what happened," Ruth Tamayo said. "We're very sad, our entire family is distraught. We still can't believe it."

Having last seen him Thursday morning, Tamayo's family and co-workers became worried after he failed to show up at a 6:30 p.m. meeting at his newspaper. Within an hour, reporters and family members began searching for him.

"My brother never let the paper go to print like that," Ruth said. "The newspaper was his passion. He was the kind to call in every 10 minutes to see how things were going."

Days before he was found dead, the editor had written a column denouncing local corruption. Guerrero, which includes Zihuatanejo and Acapulco, has been ravaged by a battle between competing drug cartels and the police. Tamayo's newspaper reported extensively on the violence.

Three days before Tamayo's death, Mexican President-elect Felipe Calderon visited Zihuatanejo to deliver a speech to a foreign trade conference. He dedicated a part of his speech to addressing fears that the wave of drug-related violence might chase away foreign investment.

Calderon, set to take the oath of office Dec. 1, promised his government would not waver in its battle against drug violence.

"It's going to take work, time and money" to win the battle, Calderon said. "And it will probably cost us human lives as well…. But there is no other alternative."

In April, hit men left two severed heads outside a Guerrero state government building in Acapulco. "So that you learn to respect," read a message scrawled on a red sheet left nearby. In October, two more heads were found on Acapulco's beach.

In Tijuana on Thursday, more than 10 heavily armed men ambushed a police vehicle on a busy thoroughfare near downtown, killing one officer in a wild shootout that left a flower vendor and a taxi driver injured.

A police commander, Hector Gaxiola Gamez, narrowly escaped the attack. But the next morning, gunmen again caught up to the commander, and this time they didn't miss. Gaxiola's body, handcuffed to that of his brother, was found in an empty lot, disfigured by more than 100 gunshot wounds.

Gaxiola was the 19th law enforcement officer to be killed this year in Tijuana. Many were slain after the August capture of alleged drug lord Francisco Javier Arellano Felix, which many experts believe has triggered a battle for control of the lucrative narcotics trade in the city.

Tijuana Mayor Jorge Hank Rhon blamed the media, saying a story erroneously identifying Gaxiola as a witness in the case of the killing of another police officer had led to his death.

"Are we becoming used to this being a 'normal' day in our country?" El Universal asked in a Saturday editorial, as the paper reported on the deaths of Tamayo and Gaxiola.

*

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Times staff writer Richard Marosi in Tijuana contributed to this report.

IMMIGRATION:

Texas Town Triggers Immigrant Fears (FINDLAW/AP)

By Anabelle Garay, Associated Press Writer

AP, November 14, 2006

(AP) - FARMERS BRANCH, Texas-Supporters say a sweeping ordinance intended to keep out illegal immigrants is necessary because the federal government has failed to address the issue. Critics argue the proposal could lead to sanctioned discrimination and racism.

Both sides are carefully watching if this Dallas suburb becomes the first city in Texas to adopt strict limits on anti-illegal immigration, a cause for concern among its large minority population.

A councilman has given city attorneys drafts of an ordinance that would make English the city's official language and proposals to fine companies and landlords who do business with illegal immigrants. The measure was expected to be submitted to the council on Monday, but there was no indication when it might be put to a vote.

More than 50 municipalities nationwide have considered, passed or rejected similar laws, but until now, that trend hasn't been matched in the Lone Star State.

"This is the first town in Texas that had the guts to do what's right," Susie Hart, who grew up in Farmers Branch, said during a recent demonstration outside City Hall. "The education system is tanking, health care has gone through the roof, everybody is bilingual."

Such sentiments and the proposed ordinance trouble many people in Texas, where many Latino families can trace their roots here to the era before statehood.

"This is not just a Farmers Branch problem," Elizabeth Villafranca said of the proposal.

Villafranca, whose family owns a Mexican restaurant here, said she worries that such laws will spread to other cities if the City Council approves the proposal.

Since 1970, Farmers Branch has changed from a small, predominantly white bedroom community with a declining population to a city of almost 28,000 people, about 37 percent of them Hispanic, according to the census.

It also is home to more than 80 corporate headquarters and more than 2,600 small and mid-size firms, many of them minority-owned.

The local debate over illegal immigration began in August and spawned demonstrations by both sides of the issue.

The Farmer's Branch proposal follows a vote this year in Hazleton, Pa., to fine landlords who rent to illegal immigrants, deny business permits to companies that employ them and require tenants to register and pay for a rental permit. However, a federal judge temporarily blocked enforcement of the Hazleton ordinance while he considers a lawsuit against the town by the Puerto Rican Legal Defense and Education Fund, the American Civil Liberties Union and other groups.

More than a dozen other Pennsylvania cities have taken up similar ordinances, as have several others in the South and a handful in California.

Many of the municipalities have based their ordinances on a model provided by the Immigration Reform Law Institute, which favors limits on immigration and is affiliated with the Federation for American Immigration Reform.

"They've all expressed a great deal of frustration with the failure of the federal government to respond" to illegal immigration, said Mike Hethmon, the institute's general counsel.

Critics fear the anti-illegal immigration rules will fuel racism and discrimination.

"Many people are assuming that all immigrants are lawbreakers, and that people who are different, who speak a different language, are to be shunned," said Cesar Perales, president and general counsel of the Puerto Rican Legal Defense and Education Fund.

On the Net:

Puerto Rican Legal Defense and Education Fund: http://www.prldef.org/

Immigration Reform Law Institute: http://www.irli.org/

Republicans Gird For Fight Over Amnesty For Illegals (WT)

By Charles Hurt

The Washington Times, November 14, 2006

Sen. Jon Kyl said yesterday that a Republican-led filibuster would be on the table to block immigration legislation supported by congressional Democrats and President Bush that grants citizenship rights to illegal aliens.

"It would be in order," the Arizona Republican told radio host Laura Ingraham yesterday. "My only question is whether we've got the votes to do it."

The comments highlight the deep divide between most congressional Republicans and the White House over an explosive political issue. And, coming from the No. 4 Republican in the chamber, the tough talk suggests the final two years of Mr. Bush's presidency could see heightened belligerence from both Democrats and Republicans on Capitol Hill.

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"This is a troubling sign," said Jim Manley, spokesman for Democratic leader Harry Reid of Nevada. "I hope the president will work with Democrats on the Hill to pass bipartisan, comprehensive immigration-reform legislation early next year."

Though Mr. Kyl indicated he would support a filibuster, he's not confident that he and his allies could secure the 40 votes necessary to block the immigration legislation that passed earlier this year. The legislation gives illegal aliens a direct path to citizenship and allows them to collect Social Security benefits for the work they've performed.

"I would certainly hope that the majority of Republicans in the Senate would not be complicit in passing legislation that is not wise, that, for example, would put everybody on a path to citizenship and say that temporary workers get to get U.S. citizenship and so on," he said. "Clearly, a majority of the Republicans in the Senate don't want that kind of legislation, but whether we've got 40 votes, I'm just not sure."

In May, 36 senators opposed the legislation. The overwhelming majority of them were Republicans. In last week's elections, four of those opponents lost their seats. Only one supporter of the bill -- Majority Leader Bill Frist of Tennessee, who is retiring -- will be replaced by a Republican who might join those opposed to the bill.

With only 32 or 33 members opposed to the legislation, a filibuster attempt seems unlikely to succeed. Even if Mr. Bush were to veto the legislation, there would be enough Senate support to override it.

All hope among tough opponents of illegal immigration rests with the House, where Republicans maintained a hard line against any legislation with even a hint of amnesty in it. Democrats picked up some 30 seats in last week's elections, but many of the new Democrats are from conservative areas and are opposed to amnesty.

The challenge would be for Republican leaders to pick off enough of those conservative Democrats to overcome broad support among most in the caucus.

Mo. Panel: Immigration, Abortion Linked (AP-Y)

By David A. Lieb, Associated Press Writer

AP, November 14, 2006

A Republican-led legislative panel claims in a new report on illegal immigration that abortion is partly to blame because it is causing a shortage of American workers.

The report from the state House Special Committee on Immigration Reform also claims "liberal social welfare policies" have discouraged Americans from working and encouraged immigrants to cross the border illegally.

The statements about abortion, welfare policies and a recommendation to abolish income taxes in favor of sales taxes were inserted into the immigration report by the committee chairman, Rep. Ed Emery.

All six Democrats on the panel refused to sign the report. Some of them called the abortion assertion ridiculous and embarrassing.

"There's a lot of editorial comment there that I couldn't really stomach," Rep. Trent Skaggs said Monday. "To be honest, I think it's a little delusional."

All 10 Republican committee members signed the report, though one of them, Rep. Billy Pat Wright, said Monday he didn't recall it connecting abortion and illegal immigration.

Emery, who equates abortion to murder, defended the assertions.

"We hear a lot of arguments today that the reason that we can't get serious about our borders is that we are desperate for all these workers," Emery said. "You don't have to think too long. If you kill 44 million of your potential workers, it's not too surprising we would be desperate for workers."

National Right to Life estimates there have been more than 47 million abortions since the Supreme Court established a woman's right to abortion in its 1973 Roe v. Wade ruling. The immigration report estimates there are 80,000 fewer Missourians because of abortion, many of whom now would have been in a "highly productive age group for workers."

The abortion connection to illegal immigration was listed under the report's recommendations on federal social policies and potential state legislative actions on illegal hiring.

"Suggestions for how to stop illegal hiring varied without any simple solution," the report states. "The lack of traditional work ethic, combined with the effects of 30 years of abortion and expanding liberal social welfare policies have produced a shortage of workers and a lack of incentive for those who can work."

Democrats contend the abortion statement wasn't discussed, much less agreed to, by the committee. Emery said there was some testimony about abortion during a question-and-answer session at one of the hearings, although he couldn't recall by whom.

"I felt like that was significant enough and fundamental enough that it warranted addressing it in the report," he said.

Missouri does not keep records of oral testimony during legislative committee hearings.

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Skaggs said the abortion statement undermines the credibility of the entire report, which was submitted to the House speaker's office late last week.

"That's ridiculous to draw that conclusion. I don't think that has anything to do with immigration," said committee member Rep. Ed Wildberger, the chairman of the House Democratic caucus.

The report also includes short essays by Emery about the history of immigration, the purpose of immigration laws and the importance of a common language. In those, he notes "the issue of illegal immigration does not lend itself to compromise."

Mo. Panel's Report Links Immigration To Abortion (WP/AP)

The Washington Post/AP, November 14, 2006

JEFFERSON CITY, Mo., Nov. 13 -- A Republican-led legislative panel says in a new report on illegal immigration that abortion is partly to blame because it is causing a shortage of American workers.

The report from the state House Special Committee on Immigration Reform also says that "liberal social welfare policies" have discouraged Americans from working and have encouraged immigrants to cross the border illegally.

The statements about abortion and welfare policies, along with a recommendation to abolish income taxes in favor of sales taxes, were inserted into the immigration report by Rep. Edgar G.H. Emery (R), the panel's chairman.

All 10 Republican committee members signed the report, while the six Democrats did not. Some of the Democrats called the abortion assertion ridiculous and embarrassing.

"There's a lot of editorial comment there that I couldn't really stomach," Rep. Trent Skaggs said Monday. "To be honest, I think it's a little delusional."

Emery, who equates abortion to murder, defended the assertions.

"We hear a lot of arguments today that the reason that we can't get serious about our borders is that we are desperate for all these workers," he said. "You don't have to think too long. If you kill 44 million of your potential workers, it's not too surprising we would be desperate for workers."

National Right to Life estimates that there have been more than 47 million abortions since the Supreme Court established a woman's right to an abortion in its 1973 Roe v. Wade ruling. The immigration report estimates that there are 80,000 fewer Missourians because of abortion, many of whom now would have been in a "highly productive age group for workers."

The statement connecting abortion to illegal immigration was listed under the report's recommendations on federal social policies and potential state legislative action on illegal hiring.

"Suggestions for how to stop illegal hiring varied without any simple solution," the report states. "The lack of traditional work ethic, combined with the effects of 30 years of abortion and expanding liberal social welfare policies have produced a shortage of workers and a lack of incentive for those who can work."

TAX:

Rubin's Tax Gambit (WSJ)

The Wall Street Journal, November 14, 2006

That was fast. A mere two days after Democrats capture Congress claiming they wouldn't raise taxes, former Treasury Secretary Robert Rubin tells them they should do so anyway.

"You cannot solve the nation's fiscal problems without increased revenues," declared Mr. Rubin, the Democratic Party's leading economic spokesman, in a speech last Thursday. He also took a crack at economic forecasting by noting that "I think if you were to increase taxes right now, you would have probably about zero negative effect on the economy." The economics and politics here are worth parsing.

We suppose it's reassuring that Mr. Rubin now thinks the economy is strong enough to withstand a tax increase. That's a switch from his opposition to the 2003 Bush tax cuts, which he predicted would bust the budget and do little for growth. The U.S. economy proceeded to grow by an average of nearly 4% a year for three years following mid-2003, until the recent slowdown due largely to the housing slump.

Everyone makes mistakes, but raising taxes amid a housing decline doesn't sound like brilliant policy to us. Depending on inflation signals in the coming weeks, the Federal Reserve may not be done raising interest rates. The best hope for avoiding a recession next year and into 2008 is that strong corporate profits and the tight job market will lift business investment and consumer spending enough to offset the impact of tighter monetary policy. The last thing the economy needs now is a tax increase, too.

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And what are the urgent "fiscal problems" that justify a tax increase, anyway? As the nearby chart shows, federal revenues in fiscal 2006 were 18.4% of GDP, higher than the 18.2% post-1965 average. In October, the first month of fiscal 2007, revenues rose by 12% from a year earlier. Mr. Rubin thinks this windfall isn't enough; perhaps he wants to return to the late Clinton years, when the feds grabbed a record 20.9% of GDP and taxpayers demanded a refund by endorsing George W. Bush's tax cut proposal in the election of 2000.

By the way, the federal deficit for fiscal 2006 was only 1.9% of GDP, which is lower than all but eight years since 1975. Add in the budget surpluses at the state level, and the overall U.S. fiscal "deficit" is economically trivial. It is all but irrelevant to Mr. Rubin's complaint that the U.S. borrows too much from "foreigners." Those foreigners invest here because of safety and soundness and the expected after-tax return. The quickest way to drive away those investors is to reduce that return by raising taxes.

Mr. Rubin's "fiscal problems" riff is really a rhetorical sleight-of-hand, using future entitlement problems to justify a tax increase today. He knows all too well that not a dime of new revenue raised today would be "saved" or otherwise devoted to paying for future Social Security or Medicare benefits. They would be spent on other things by the current Congress, just as today's surplus payroll tax revenues are spent, and just as they were spent when Mr. Rubin was at Treasury in the 1990s.

If Mr. Rubin wants to help reduce the future entitlement benefits he frets so much about, he could always support reforming those programs. Yet when President Bush invited him to participate in a bipartisan entitlement commission last year, Mr. Rubin refused.

Which is why we suspect that Mr. Rubin's real game here is politics. The Citigroup Inc. executive is part of Hillary Rodham Clinton's braintrust, and he and she would like nothing better than to coax Mr. Bush into raising taxes in the next two years. That would take the tax issue off the table in 2008, while splintering Republicans the way President George H.W. Bush's tax-hike deal with George Mitchell did going into 1992.

And if a tax increase did contribute to a severe slowdown or recession, Republicans as the incumbent party in the White House would get the political blame. Recall how Bill Clinton pinned the recession of 1990-1991 on Mr. Bush and Reaganomics, even though the Gipper had left office long before and the economy was growing at a 4% annual rate by late 1992. Readers may recall who won that election.

By the way, how does Mr. Rubin continue to dodge any historical accountability for the dot-com bust of 2000 and the recession that followed? In the liberal economic narrative, we are supposed to believe that the Clinton Administration somehow ended in 1999, and that Mr. Bush is to blame for everything that followed. Yet the Nasdaq peak came in the spring of 2000 and the third quarter of that year recorded negative growth. The shallow recession began in March 2001, with slower-than-average growth continuing until the tax cuts on dividends and the top marginal income rate passed in 2003 and the expansion moved into high gear.

If Mr. Rubin and Senator Clinton really believe the economy needs a big tax increase, by all means they should make this a plank in their 2008 agenda. But they shouldn't do so by asking fellow Democrats to betray their recent campaign pledges or Republicans to make it easier for them by repeating the GOP's blunder of the early 1990s.

CONGRESS-ADMINISTRATION:

Bush's Power To Shape Judiciary `Over' Because Of Election Loss (BLOOM)

By James Rowley

Bloomberg, November 14, 2006

Nov. 14 (Bloomberg) -- President George W. Bush's power to shape the federal judiciary is coming to an end.

The Democrats' takeover of the Senate in January means they will be able to deny consideration of nominees whose views they oppose on issues such as abortion. While Republicans will still control the lame-duck Senate session convening this week, there's little chance of action on many judgeships.

``The Bush presidency is over with regard to judges," said Manuel Miranda, a former Senate Republican aide who heads the Washington-based Third Branch Conference, which pushes for conservative judicial nominees. The best Republicans can hope for is that blocked judgeships will be an issue in the 2008 presidential election, Miranda said.

There are 16 appeals-court vacancies now and more will probably develop during Bush's remaining two years in office. In President Bill Clinton's last two years in office, a Republican- controlled Senate shelved 16 appeals-court nominees, preserving the vacancies for Bush to fill.

With a Republican-controlled Senate, Bush put Chief Justice John Roberts and Justice Samuel Alito on the Supreme Court and appointed 46 of the 179 judges on the nation's 13 federal appeals courts.

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Democratic control of the Senate limits Bush's options filling any Supreme Court vacancy that might develop before he leaves office. A nominee such as Alito -- who drew the support of just four Democratic senators -- would probably fail to win confirmation.

Reservations About Roberts

While half the Senate's 44 Democrats voted for Roberts last year, many have expressed reservations since observing his performance on the high court, said Jeff Peck, a Washington lobbyist and former Democratic counsel to the Senate Judiciary Committee.

``The benefit of doubt is diminished'' for any future Supreme Court nominee, he said.

Bush is being urged by Senate Democrats to seek consensus on judicial nominees. ``Don't send us political extremists,'' Dick Durbin of Illinois, the Senate's No. 2 Democrat, said after the Nov. 7 election. ``I think that time has passed.''

Republican activists, meanwhile, say Bush should push for strongly ideological candidates even if they won't win confirmation.

Such a strategy might force newly elected Democratic senators such as Bob Casey Jr. of Pennsylvania, Claire McCaskill of Missouri, Jim Webb of Virginia and Jon Tester of Montana ``to be put to the test,'' said Sean Rushton, executive director of the Committee for Justice, a Washington advocacy group that has worked to support Bush judicial nominees.

Red State Democrats

Senate Democrats Ken Salazar of Colorado, Ben Nelson of Nebraska, Tim Johnson of South Dakota, Kent Conrad of North Dakota and David Pryor of Arkansas have sometimes shown a willingness to break ranks with their party over judges. These Democrats, like McCaskill, Webb and Tester, represent states that Bush carried in the 2004 presidential election.

One sign of how confrontational Bush wants to be is whether he will ask the lame-duck Senate to reconsider five nominations that were stalled before Congress left town in September.

They include Terrence Boyle, a federal district judge in North Carolina nominated to the appeals court in Richmond, Virginia, who is opposed by Democrats who say he has shown hostility to claims of racial discrimination and environmental abuse; William Haynes II, the Defense Department's general counsel, who Democrats -- along with South Carolina Republican Lindsey Graham -- say may have helped craft a policy for interrogating suspected terrorists that justified torture; and William Myers III, a mining industry lobbyist nominated to a San Francisco-based court who Democrats say is hostile to environmental regulation.

New York Senator Charles Schumer, who led the Democrats' campaign to win control of the Senate, said resubmitting the names would lead to more partisanship and political combat.

``We are asking the president, now that we are in the majority, to do what he hasn't done before, which is consult with us,'' Schumer said.

Bush Leads King Groundbreaking Ceremony (AP-Y)

By Stephen Manning

AP, November 14, 2006

Martin Luther King Jr. belongs among American icons like Thomas Jefferson and Abraham Lincoln, national leaders said Monday at the ceremonial groundbreaking for a King memorial.

"We give Martin Luther King his rightful place among the many Americans honored on the National Mall," President Bush told a crowd of about 5,000.

King's memorial, he said, "will unite the men who declared the promise of America and defended the promise of America with the man who redeemed the promise of America."

The King memorial, slated to open in the spring of 2008, will be the first monument for a civilian and black leader on the large park at Washington's core. It is also probably among the last monuments on the Mall following a 2003 vote in Congress to sharply limit development of the parkland.

The stage in front of the crowd was filled with King's fellow civil rights leaders such as Jesse Jackson, celebrities like Oprah Winfrey, politicians including Illinois Sen. Barack Obama, and three of King's children. A gospel choir sang, and Maya Angelou read poetry. Children read essays they had written about King.

Clinton, who signed legislation in 1996 authorizing the memorial, received a standing ovation from the largely black crowd. He told the crowd of King's commitment to nonviolence and social justice causes such as ending poverty, saying those goals still have not yet been achieved.

"If he were here, he would remind us that the time to do right remains," Clinton said.

The memorial will occupy a four-acre plot on the banks of the Tidal Basin, near the Potomac River. The Jefferson Memorial is across the Tidal Basin, while the Lincoln Memorial lies to the northwest, near the river.

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The design is based in part on King's 1963 "I Have a Dream" speech. Before repeating the "Let freedom ring" refrain, King told the crowd, "We will be able to hew out of the mountain of despair a stone of hope."

Visitors will pass through an entryway cut through a massive stone symbolizing the mountain of despair and once inside, will come upon the missing section marking the stone of hope, bearing a carved profile of King. It will be ringed with walls chiseled with King's words that may eventually be the base for a waterfall.

Obama, who has said he is considering a presidential run in 2008, spoke shortly after Bush. He imagined bringing his two young children to the memorial when it is completed and passing through the mountain of despair.

"He never did live to see the promised land from that mountaintop," Obama said. "But he pointed the way for us."

Winfrey credited King and other civil rights leaders with making it possible for her to build her talk show empire.

"It's because of them that I can be heard," she said. "I do not take that for granted, not for one breath."

The memorial was first conceived in 1983 by members of King's fraternity, Alpha Phi Alpha. But it has been beset by delays and fundraising issues — the memorial's foundation still has only $70 million of the estimated $100 million construction cost.

Eugene Williams, a Washington resident and an Alpha Phi Alpha member, said he believed the rest of the money will be found now that people know the memorial will be built.

"Absolutely, it's coming forth," he said of funding. "This is a monument to the fact that no other person in history has done what King has done."

In a seat nearby, Carolyn Jackson of Philadelphia recalled how as an 18-year-old in 1963 she was among the vast crowd who heard King's "I Have a Dream" speech during the March on Washington. With much of the civil rights struggle still ahead, Jackson didn't imagine at the time she would be back on the National Mall again because of King.

But she was back despite the cold and rainy weather, and this time not at a memorial borrowed from another leader.

"It's a full circle for black people in this country," Jackson said.

Ground Broken For King Memorial (MCT)

By William Douglas

McClatchy Newspapers, November 14, 2006

WASHINGTON - Ordinary folks and mega-stars gathered on a muddy patch of the National Mall on Monday to break ground on a memorial honoring slain civil rights leader Martin Luther King Jr.

President Bush shared the stage with former President Bill Clinton, Sen. Barack Obama, D-Ill., talk show host Oprah Winfrey, the Rev. Jesse Jackson and the Rev. Al Sharpton to launch the first memorial on the Mall dedicated to an African-American.

"Today we see only these open acres, yet we know that when the work is done, the King Memorial will be a fitting tribute, powerful and hopeful and poetic, like the man it honors," Bush told a mostly African-American crowd of 5,000 people. "As we break ground, we remember the great obstacles that Dr. King overcame and the courage that transformed American history."

Scheduled for completion in spring 2008, the $100 million crescent-shaped memorial will stand on prime real estate: four acres of land along Washington's Tidal Basin between the Thomas Jefferson and Abraham Lincoln memorials.

The location is symbolic and significant. Jefferson, author of the Declaration of Independence, is a founding father of the country. Lincoln signed the Emancipation Proclamation, which declared freedom from slavery.

The steps of the Lincoln Memorial are also where King delivered his "I Have a Dream" speech in the summer of 1963, capping a massive civil rights march on Washington.

"We give Martin Luther King his rightful place among the great Americans honored on our National Mall," Bush said. "And by its presence in this place it will unite the men who declared the promise of America and defended the promise of America with the man who redeemed the promise of America."

Bush received tepid applause from the crowd while Clinton, who signed the legislation to create the memorial, received loud cheers and a standing ovation. The difference in greeting wasn't lost on Bush.

"It sounds like they haven't forgotten you yet," Bush joked to Clinton and the crowd. "He's become, as you know, my fourth brother."

Bush has never been popular among African-Americans since becoming president after the contested 2000 election in which then-Vice President Al Gore captured 90 percent of the African-American vote. The White House's challenge to affirmative action policies and its response to Hurricane Katrina victims in New Orleans haven't helped his standing among African-Americans.

But politics wasn't the focus. Speaker after speaker lauded King for his contributions to the country and reminded people that, in some respects, King's dream remains a dream deferred.

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"I suspect if he were here speaking at his own dedication, Dr. King would remind us that the best way to honor him is to pursue his dream and embrace his means to combat terror and create a world with more partners and fewer terrorists," Clinton said. "To grow the economy and provide equal opportunity for all to benefit from it - in incomes, health care and education."

Bush also said that racism continues in America.

"There's still prejudice that holds citizens back," he said. "And there's still a need for all Americans to hear the words of Dr. King so we can hasten the day when his message of hope takes hold in every community across our country."

For many of those in attendance, King's words and legacy live.

"I had to come here today out of love and respect for what he did for the nation," said Dena Briscoe, a U.S. Postal Service employee from Washington. "My heart compelled me to come. Martin Luther King set an example for all of us."

There are more than 650 streets bearing King's name in the United States and many statues honoring his legacy, but the Mall memorial will be the nation's way of remembering King, said Rufus Grooms, 59, from Clinton, Md.

"This will be the one the nation will know," he said.

Steve Collier, 54, showed up wearing a bracelet that his Temple Hills, Md., Shriners chapter sold to raise $5,000 to contribute to the memorial.

"It meant something to give something," Collier said.

The memorial is being paid for through contributions. The Martin Luther King Jr. National Memorial Project Foundation Inc. says it's raised about two-thirds of the $100 million needed.

Civil Rights Leaders Moved By King Memorial Groundbreaking (AJC)

By Patrice Relerford

The Atlanta Journal-Constitution, November 14, 2006

Washington — A scant half-mile from where the Rev. Martin Luther King Jr. stood on the steps of the Lincoln Memorial and urged a divided nation to complete the work of the great emancipator, ground was broken Monday for a monument to King's place in American history.

From across the political spectrum, dignitaries gathered to mark the moment and reflect on King's legacy. They included former President Bill Clinton, who signed legislation to create the monument, and President Bush, who declared, "An assassin's bullet cannot shatter the dream. It continues to inspire millions around the world."

But among the most visibly moved among the thousands at the site on the National Mall was one who shared the podium with King when his "I Have a Dream" speech gave momentum to the movement for new civil rights laws.

U.S. Rep. John Lewis, a leader of the 1963 March on Washington that culminated in King's speech, broke down in tears as he held a groundbreaking shovel.

"It's unreal. It's so fitting and appropriate," the Atlanta Democrat said of the ceremony. "Out of all the people that spoke that day, I'm the only one who is still around."

Also on hand were several of King's children, who this year laid to rest their mother, Coretta Scott King, near their father's tomb at the King Center in Atlanta.

"My mother reminded us on so many occasions that my father just wanted to be a great pastor," the Rev. Bernice A. King, the civil rights leaders' daughter. "Little did he know he would be a great pastor to the world."

Former Atlanta Mayor Andrew Young and the Rev. Jesse Jackson, like Lewis former King deputies, and other leaders of the civil rights movement listened as Bush spoke of the importance of the monument's location, flanked by the Lincoln Memorial and the Jefferson Memorial.

"It will unite a man who declared the promise of America and the man who defended the promise of America with the man who redeemed the promise of America," Bush said.

Also attending the ceremony were luminaries such as Oprah Winfrey, poet Maya Angelou, U.S. Sen. Barack Obama of Illinois, Rep. Harold Ford Jr. of Tennessee, Secretary of State Condoleezza Rice and fashion mogul Tommy Hilfiger — a major donor to the project.

"I am who I am because of Dr. King and his hope for this country," Winfrey, the billionaire talk-show queen, said as she arrived at the ceremony.

Fifty students from across the country who won an essay contest, including 18-year-old Natasha Lawson of Augusta State University, also took part in the event.

"He's done so much [for America]," Lawson said. "He would really appreciate this."

The 4-acre monument has been in the works for more than a decade. In 1996, Clinton signed legislation proposing creation of the monument, and in 1999, it won a coveted place on the Mall.

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In 2003, concerns about plans for a host of new memorials led Congress to declare the Mall a completed work of civic art, and lawmakers imposed a moratorium on new construction. But the effort for the King memorial overcame the objections, and in 2005, the Martin Luther King Jr. Memorial Project Foundation launched a drive that has so far raised at least $65.5 million.

One more obstacle remains to the construction of the monument: raising the remainder of the estimated $100 million cost, a project Hilfiger and hip-hop entrepreneur Russell Simmons are helping to lead.

Harry Johnson, president of the foundation, said he hopes construction will be completed by spring 2008.

The entrance to the memorial will include a central sculpture called "The Mountain of Despair." Recalling King's call in his 1963 speech to "hew out of the mountain of despair a stone of hope," it is split to signify the racially and socially divided American that inspired King's nonviolent efforts.

Obama, who has said he is considering a presidential run in 2008, imagined bringing his two young children to the memorial when it is completed and passing through the mountain.

"He never did live to see the promised land from that mountaintop," Obama said. "But he pointed the way for us."

Niches around the monument grounds will honor others who, like King, gave their lives to the cause of equality.

"This is not a one-man movement," said Young as those gathered around him gripped shovels. "As we turn the dirt on this ground, let us go back to our communities and turn the dirt."

Bush Leads Ceremony Launching Construction Of King Memorial (LAT)

By Mima Mohammed

The Los Angeles Times, November 14, 2006

WASHINGTON — Icons of the civil rights movement and the beneficiaries of their struggles to attain equality came together today as ground was broken for a memorial on the National Mall honoring the Rev. Martin Luther King Jr., the first commemoration there for a person of color.

President Bush, former President Bill Clinton, Sen. Barack Obama (D-Ill.), Jesse Jackson, Oprah Winfrey and a host of other politicians, civil rights activists, corporate sponsors and celebrities spoke or listened despite a light rain, chilly wind and muddy grounds.

"An assassin's bullet could not shatter his dream," Bush said of King, who was killed in April 1968 by a sniper in Memphis. Bush praised Clinton for signing the legislation that authorized the memorial.

The four-acre site along the Potomac River Tidal Basin is not far from the Lincoln Memorial where King, in 1963, delivered his "I Have a Dream" speech.

"We are in the shadow of Mr. Lincoln's memorial," Clinton said. "Lincoln saved the Union for future generations and abolished slavery, but left much undone. Here, there will be a memorial to Martin Luther King, the voice and spirit of the movement to lift the last legal racial barriers to our more perfect union."

The memorial's entry will include a sculpture called "The Mountain of Despair," a rock that signifies the divided America that King tried to unify.

The memorial, which is being privately financed, will cost $100 million to build and maintain and organizers have raised more than $65 million, mostly from major corporations. General Motors provided $10 million and clothing manufacturer Tommy Hilfiger contributed $5 million.

The Martin Luther King Junior National Memorial Project Foundation is projecting that the memorial will be completed by spring 2008, even if all the needed money has yet to be raised.

Although the weather held down attendance, the groundbreaking ceremony drew people from all over the country.

"I was here in 1963 for Dr. King's speech and it was great to be here for another milestone," said Bill Young, a retiree from Wilmington, Del.

"I thought the speakers spoke eloquently for the need of the memorial, that it is a memorial for all people," said Michael Green, 41, a banker from Atlanta. "It was nice to see both President Bush and President Clinton united on this issue. It's about time we have a memorial to represent people of color."

Said Robert Kirkpatrick, an organizer for the International Brotherhood of Teamsters from Apple Valley, Calif.: "The importance of this memorial is that it doesn't only represent African Americans, it represents all people."

Memorial Groundbreaking Honors MLK's Legacy (USAT)

By Wendy Koch

USA Today, November 14, 2006

Presidents and celebrities hailed Martin Luther King Jr. on Monday at a groundbreaking for the first memorial on the National Mall for a non-president or an African-American.

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The memorial, to be spread over 4 acres, will be inside an arc formed by monuments to presidents George Washington, Thomas Jefferson, Abraham Lincoln and Franklin Roosevelt.

"By its presence in this place, it will unite the men who declared the promise of America and defended the promise of America with the man who redeemed the promise of America," President Bush said. "Dr. King showed us that a life of conscience and purpose can lift up many souls."

Bush thanked his predecessor, Bill Clinton, for signing a bill in 1996 authorizing the project.

Clinton stressed the importance of the non-violence preached by King, who led civil rights marches and won the Nobel Peace Prize in 1964. "When the real battlefield is the human heart," Clinton said, "civil disobedience works better than suicide bombings."

Thousands attended the groundbreaking, including Secretary of State Condoleezza Rice, TV host Oprah Winfrey, poet Maya Angelou, civil rights activist Jesse Jackson, members of Congress and students from across the country.

The memorial is scheduled for completion in 2008, forty years after King's assassination. It will include waterfalls, a boulder from which King's image emerges and a circular stone wall that will chronicle his life with inscriptions of his words.

"He is not just someone a holiday is named after," says Harry Johnson, president of the Martin Luther King Jr. National Memorial Project Foundation. His group has raised $71.5 million of the project's $100 million cost, mostly in private donations, including $2 million from Coca-Cola and $1 million each from McDonald's, Lehman Brothers, AARP and the National Education Association.

Johnson says the memorial aims to share King's dream with future generations.

"If we don't keep the information out there, the young people won't know it," says King's older sister, Christine King Farris.

The memorial will sit amid other historical symbols, not far from the Capitol building, erected partly with slave labor, and Pennsylvania Avenue, where slave trade was conducted. Some historians caution that the monument does not itself promise progress.

"It's merely a symbol," says John Hope Franklin, professor emeritus of history at Duke University. "I have to wait to see if Washington or the nation will be any better as a result of this gesture."

In King's Honor, A Dream Achieved (WP)

By Petula Dvorak And Robert E. Pierre

The Washington Post, November 14, 2006

Two presidents, a renowned poet and lions of the civil rights movement joined thousands gathered on the Mall yesterday to mark the spot where a memorial will be built to honor Martin Luther King Jr., the visionary pastor who beseeched the nation to live up to its principles and earned a place in the pantheon of American history.

Ground was broken for a memorial to the slain civil rights leader to be built along the edge of the Tidal Basin, midway between monuments to Thomas Jefferson and Abraham Lincoln. It will be the first on the Mall honoring an African American and the first that does not memorialize a president or a war hero.

Ignoring the gloomy weather, people wearing dapper hats and winter coats came by Metro, by bus, by limousine. Fathers brought sons to impart a history lesson. Celebrities waved and smiled. And dignitaries spoke of a movement sparked by a man trying to be a good minister.

President Bush said the memorial will give King his "rightful place among the great Americans honored on our Mall." He said King's message of justice and liberty "continues to inspire millions across the world" and was not silenced even when he was felled by an assassin's bullet.

"Dr. King was on this earth just 39 years," the president said, but his ideas are "eternal."

The crowd of several thousand attending the ceremonial groundbreaking gave a standing ovation to former president Bill Clinton, who signed the bill authorizing the monument on the prestigious piece of land tucked in the Tidal Basin's famous ring of cherry trees.

"It belongs here," said Clinton, basking in the crowd's enthusiasm. Jefferson "told us we were all created equal," and Lincoln abolished slavery; but both "left much undone," Clinton said.

He added that contemporary lessons could be learned from King's legacy of nonviolence. "Civil disobedience works better than suicide bombing," he said. And the memorial to King reminds people that "the time is always ripe to do right."

Clinton and Bush were joined by talk show host Oprah Winfrey, Sen. Barack Obama (D-Ill.), poet Maya Angelou, three of King's children and designer Tommy Hilfiger, among others.

On her way to the stage, gingerly stepping around the edges of mud puddles, Winfrey said she came to the event because "I've lived the dream."

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On stage, she elaborated: "It is because of Dr. King that I stand, that I have a voice to be heard," Winfrey said. "I do not take that for granted. Not for one breath. . . . Because he was the seed of the free, I get to be the blossom."

King's children said they hoped the memorial would be a place where millions of children would come to learn about their father's work and the beginnings of the civil rights movement.

"Our father just wanted to be a great pastor," said Bernice King, his youngest child. "Little did he know, he became a great pastor to a nation."

The memorial is scheduled to open in 2008, though fundraising is still underway and the day's ceremonies did not mark an official beginning of construction. Organizers have raised about two-thirds of the $100 million needed to develop the four-acre site, which will include a sculpted likeness of King and references to many of his most memorable speeches, including the famous "I Have a Dream" oratory on the steps of the Lincoln Memorial.

Some in the audience remembered the sweltering August day in 1963 when King made that speech a half-mile away. The young men who marched with King are now well into their 60s and 70s. Organizers have been pushing for a monument for more than 20 years and want participants in the movement to witness its completion, said Harry E. Johnson Sr., president of the Washington, D.C. Martin Luther King Jr. National Memorial Project Foundation.

That opportunity slipped away for King's widow, Coretta Scott King, who died in January.

Lawrence Guyot is a 67-year-old District resident who worked with King in Mississippi. He said that anyone who lived through the mayhem and strife of the 1960s and said that they had envisioned such a memorial back then was "telling a lie."

Perhaps little Dontae Ryan II, 3, will tell others someday that he, too, witnessed history. Dontae watched cartoons on a portable DVD player as his father, Dontae Ryan I, listened to three of King's children speak yesterday. Ryan attended along with hundreds of other members of Alpha Phi Alpha, the fraternity that King belonged to and that has shepherded the effort for a memorial for two decades.

"He might not remember that he was here," Ryan said of his son. "But I can show him the pictures. I think it was necessary to be here, as an Alpha and as a black man."

Beritu Haile-Selassie, 54, came to the Mall and stood outside the security gates holding a handmade poster to King that read "You dared to dream! Thank you!"

And that message -- to dream -- endures. Civil rights stalwarts Andrew Young and Jesse L. Jackson teared up recalling the man they had walked alongside to help tear down the walls of segregation. As the shovels dug into the ground, Young turned to audience members and urged them: "Keep turning the dirt. Keep turning the dirt."

Automakers To Meet With Bush Today (USAT)

By Sharon Silke Carty

USA Today, November 14, 2006

DETROIT — After months of talking about it, the heads of the Big Three automakers will get their chance to sit down today with President Bush and lay out their concerns for the future.

While no one expects the automakers to win significant promises, the fact that they get an audience at all is a symbolic victory. Automakers sat by through several postponements as President Bush met with American Idol finalists, hosted a softball game between an Air Force base and a Navy submarine base and met with small business owners and community bankers.

The meeting, originally set for May, was delayed several times before the White House decided to wait until after the Nov. 7 elections. The meeting had become a political football in the hotly contested governor's race in Michigan. The multiple cancellations caused many Detroiters to wonder if the president was giving the industry a grand brush-off. His comment suggesting that Detroit car companies should make “a product that's relevant” still stings here nearly a year later.

Last week's elections put Democrats in control of the House and Senate, some of them backers of the auto industry. That is likely to give automakers more political clout in today's get-together.

“It was certainly a better thing to have it right after the election than before the election,” said David Cole, chairman of the Center for Automotive Research.

The Big Three automakers, who are losing money and market share, have said they don't plan to ask for a federal bailout like the one given to Chrysler in 1980. They just want to ensure the president is aware of the competitive pressures they face.

Back when the government guaranteed $1.5 billion in loans so Chrysler could continue borrowing money to operate, the U.S. auto industry controlled nearly 80% of the U.S. marketplace, and the only major foreign automaker with a plant in the USA was Honda. Today the Big Three hold 54% of new-vehicle sales, and nine foreign car companies operate U.S. plants.

“The auto companies are not asking for a bailout; the auto companies are asking that (the president) use his power to see that they are fairly treated in the world marketplace,” Rep. John Dingell, D-Mich., said. White House spokesman Tony Snow said the president will “reaffirm his support for the American auto industry, and his support for its growth and its success.”

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The Big Three leaders — General Motors CEO Rick Wagoner, Ford's new CEO Alan Mulally and Chrysler CEO Tom LaSorda — are expected to discuss:

·Health care. Auto companies are looking for ways to ease rising costs. Cole says they might ask that Medicare be expanded to cover more prescription costs, or for a catastrophic health care coverage plan.

·Foreign exchange rates. The automakers will likely ask President Bush to pressure Japan to stop deflating the yen, which they argue gives Japanese automakers a significant cost advantage.

·Steel tariffs. The industry would like to see tariffs on steel repealed to help cut raw-material costs.

Embattled Car Chiefs In Appeal To Bush (FT)

By Bernard Simon

Financial Times, November 13, 2006

The chief executives of the three US carmakers will tell President George W. Bush on Wednesday that US energy, healthcare and trade policies are blunting their competitive edge against fast-growing Asian rivals.

Mr Bush is to meet Rick Wagoner of General Motors, Alan Mulally of Ford and Tom LaSorda of Chrysler, a division of Germany's DaimlerChrysler. The get-together, initially set for last spring, will be the president's first with all three executives.

The companies reported third-quarter losses in their North American operations. Toyota has overtaken Chrysler in US light vehicle sales and is expected to dislodge Ford from second place within the next year.

A GM official said that, while the Detroit companies had taken tough measures to revive North American operations, "there are some critical issues that affect the competitive landscape". The meeting "is a chance to raise the issues to the forefront, to speak directly to the president and to describe how these issues affect our bottom line".

Mr Bush is likely to adopt a more conciliatory tone than earlier in the year when he said the Detroit companies needed to build "relevant" cars.

Tony Snow, the White House spokesman, said last week the president wanted to reaffirm his support for the US car industry's "growth and success".

The executives' agenda will include a plea for wider distribution of ethanol as a substitute for petrol.

The three Detroit carmakers have already sold more than a million vehicles that can run on E85, a fuel comprising 85 per cent ethanol. They have pledged to double the number by 2010.

However, their efforts to promote E85 are hampered by the fact that it is available at fewer than 1,000 of the US's 165,000 filling stations.

The vehicle manufacturers have launched vigorous campaigns to increase public awareness of ethanol.

Al Hubbard, director of the National Economic Council, told the Financial Times last week that Mr Bush wanted to ensure there were the right "incentives to invest" in alternative fuels.

While foreign carmakers provide healthcare benefits for their US workers, they are not burdened, as the Detroit companies are, by heavy obligations to a large group of pensioners. GM, Ford and Chrysler have urged a bigger public sector role in healthcare funding.

Toyota's report last week of record first half profits has fuelled the Detroit carmakers' accusations that Japanese and South Korean exporters are benefiting from currency manipulation by their governments. The three companies' chief economists met senior US Treasury officials recently to underline their concern.

Democrats Set To Press U.S. Automakers' Case (WP)

By Sholnn Freeman

The Washington Post, November 14, 2006

Allies of the American auto industry, brought to power in last week's elections, are set to challenge the Bush administration to level the playing field for U.S. manufacturers.

Led by lawmakers from Michigan, newly empowered Democrats said they would press the Bush administration to help pry open the Korean auto market and go after Japan on currency issues. It's an approach that could put Asian automakers on the defensive in Washington at a time when they are clobbering Detroit in the U.S. marketplace.

"This administration has been insensitive to the need to make trade a two-way street," said Rep. Sander M. Levin (D-Mich.), who is likely to be the next chairman of the House Ways and Means subcommittee on trade. "Their basic assumption has been the more trade the better, regardless of its content or shape."

Trade issues are expected to be one of the key talking points when President Bush sits down today with the chief executives of Detroit's Big Three automakers: G. Richard Wagoner Jr. of General Motors Corp., Thomas W. LaSorda of DaimlerChrysler AG's U.S.-based Chrysler division, and Alan R. Mulally, recently installed at Ford Motor Co.

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In the past year, Detroit automakers have steadily tried to raise alarms in Washington about the industry's deterioration. They have been calling for more federal incentives to increase the number of alternative-fuel stations, the cutting of tariffs on steel imports, and government initiatives to curb the escalating cost of health care.

But with the change of power in Washington, automakers want more attention on trade concerns.

Overall, the Bush administration has been sensitive to such issues as taxes, prescription drugs, tort reform and energy use, automakers said. But Detroit automakers have had trouble being heard when it comes to foreign trade.

Specifically, Detroit auto officials say the artificially weak yen gives Japanese automakers a windfall of $3,000 to $9,000 per vehicle. Automakers say the Japanese government is maintaining a weak yen artificially to give its manufacturers that edge.

They're also concerned about a trade pact with South Korea being negotiated by the Bush administration. Detroit automakers want government negotiators to help them gain a foothold in the Korean market.

"We basically sell more cars out at Jerry's Ford in Northern Virginia than we do in all of Korea, and that's because Korea is a closed market to all imports, not just U.S. autos," said Ziad Ojakli, Ford's vice president of corporate affairs. "The statistic is less than 3 percent market penetration for foreign product. What's wrong with this picture?"

But auto executives will continue to have trouble winning over Republicans.

An administration official said there had not been evidence of Japanese intervention in currency markets since March 2004. There is zero correlation between the yen's strength and Detroit's slide in profitability and U.S. market share, said the official, who spoke on condition of anonymity because he isn't authorized to speak publicly on those issues.

"There's just no empirical evidence between the value of the yen and the profits of Big Three automakers," the official said.

Many Republican lawmakers have been philosophically opposed to government interference in the industry. U.S. automakers have also been confronted by influential Republicans from such Southern states as Tennessee and Alabama, where foreign automakers have opened factories over the past two decades.

Still, Detroit automakers see a more promising political environment now that Democrats are about to take control. Sen. Carl M. Levin (D-Mich.) said his party could put pressure on the White House by invoking laws that require the administration to file complaints with the World Trade Organization when U.S. companies hit trade barriers in Asia. Additionally, Sen. Debbie Stabenow (D-Mich.) said she would continue to push for the creation of a U.S. trade prosecutor's office to focus on trade violations.

"Our manufacturers are not competing against foreign companies, it's foreign countries they are up against," Sen. Levin said. "They can't be the bad cop. They can't slap the other countries in the face when they are trying to persuade the countries to let them in. The administration has to be the enforcer."

In the House, Rep. John D. Dingell (D-Mich.) is set to become chair of the Energy and Commerce Committee, and he has said the committee will hold hearings on trade and currency issues affecting the U.S. auto industry. Rep. Levin said Democrats would defeat a Korean trade agreement if it does not address concerns of the auto industry and other U.S. manufacturers.

"We've made that clear for months, and now we are in a position to follow through," Rep. Levin said.

Japanese automakers have repeatedly pointed to the construction of more U.S. factories as a way to head off trade fears and unexpected currency swings. But their rapid sales growth in the United States will continue to be viewed as a threat to the health of U.S. companies, said Masaki Taketani, director of Asian vehicle forecasting at CSM Worldwide. He said Japanese automakers will have to expand production in North America at a faster pace to ease trade friction in Washington.

Why Bush Feels More Pressure On Manufacturing (WSJ)

By John D. Mckinnon And John D. Stoll

The Wall Street Journal, November 14, 2006

WASHINGTON -- As President Bush meets today with executives from the Big Three auto makers, Democrats are stepping up pressure to help manufacturers handle health-care costs as well as problems with energy and trade.

Last week's midterm elections revealed voters' worries about the long-term domestic economic outlook, particularly in manufacturing centers in the Midwest. The struggles of U.S. auto makers -- which are in the process of shedding 78,000 jobs by 2008 -- likely figure in such concerns.

Democrats say they will be pushing for answers. "There will be a lot more pressure" for government solutions to manufacturers' problems, said Sen. Carl Levin (D., Mich.).

Today's meeting -- postponed several times since earlier this year -- was prompted when Mr. Bush said in a Wall Street Journal interview in January that the American car companies needed to "make a relevant product," a comment that annoyed U.S. auto executives. In response, Ford Motor Co. and General Motors Corp. executives are expected to arrive at the White House in hybrid vehicles: a Ford Escape and Saturn Vue Green Line.

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The executives are expected to raise four main issues in the early-afternoon meeting: energy policy; health-care; trade, including concerns about possible currency manipulation; and rising costs for materials, particularly steel.

In addition to benefits costs, the U.S. auto makers have been pinched by gasoline prices, which have reduced demand for their most profitable pickup trucks and sport-utility vehicles, as well as competition from Asia-based rivals like Toyota Motor Corp.

"We're not seeking any relief exclusive to our industry," said GM spokesman Greg Martin, "but we do hope the meeting with the president will encourage a renewed focus on issues...that affect the entire manufacturing sector."

Primary among the four concerns is health care, said John Hoffecker, a managing director with restructuring consultant AlixPartners LLP in Detroit. His firm's research shows that as recently as two years ago, GM and Ford were almost as profitable as Toyota, excluding health-care costs. "That's how big a millstone this is around the domestics' necks," he said.

Should the federal government provide financial assistance to U.S. auto makers?2

But Republicans and Democrats differ over how to fix the related problems of high insurance costs and broader lack of coverage. Republicans generally favor encouraging individuals to purchase their own coverage. Democrats favor strengthening the existing employer-based system, moving to a government-based approach, or some combination of the two. Among other things, they worry the Republican approach would further disadvantage old-line companies such as auto makers.

Democrats next year will have opportunities to showcase their ideas, such as new tax breaks for employers and possibly federal backstopping of some insurance costs. The election "was a referendum on economic policy," said Rep. Frank Pallone of New Jersey, a top Democrat on the House health subcommittee. Health insurance, he added, is "at the top of the list" of workers' problems.

Another idea is to offer government coverage for everyone under a certain age -- say, 18 or even 25 -- as part of reauthorizing the current federal program for covering low-income children. "That would be my wildest dream," said Rep. Fortney "Pete" Stark of California, a prime sponsor of the idea.

Yesterday, America's Health Insurance Plans, a trade group, moved to get ahead of the debate by proposing the federal government spend $300 billion so all children have insurance coverage within three years, and 95% of adults within 10 years.

The auto makers also are likely to again raise concerns about unfair foreign competition, particularly regarding currency manipulation by Japan. That concern doesn't appear to be shared by the Bush administration, however.

An area of potential agreement is energy. Mr. Bush gave the U.S. companies a boost with his proposal in January to accelerate research into production of alternative fuels such as ethanol. U.S. manufacturers lead the world in producing so-called flex-fuel cars that can run on gasoline or ethanol. But many Democrats say the government should do even more, and Mr. Bush suggested in a Wall Street Journal interview in September that he wants to.

The auto makers are wary of new emissions limits on greenhouse gases believed to cause global warming. For now, the administration seems to side with the car companies. But pressure is growing in the U.S. and internationally for tough new limits on those emissions.

Gates May Rein In Pentagon Activities (WP)

By Walter Pincus

The Washington Post, November 14, 2006

Nominee Has Opposed Defense Department's Dominance in Intelligence Efforts

The nomination of Robert M. Gates as secretary of defense has begun to ease concerns in the intelligence community about the rapid growth of Pentagon intelligence activities since the attacks of Sept. 11, 2001, said experts inside and outside the government and on Capitol Hill.

Gates, a former CIA director, has a long history of opposing expansive Pentagon intelligence activities. He has voiced unease about roles being taken over by Pentagon personnel, in part because more than 80 percent of all intelligence spending is now done by Defense Department agencies.

Donald H. Rumsfeld, the outgoing defense secretary, has vastly expanded Pentagon intelligence activities, increasing operations overseas and creating a new position and a new agency to handle military intelligence.

In 1991, after being confirmed for the dual role of director of central intelligence and CIA director, Gates tried to rein in Pentagon activities by getting a White House directive from then-President George H.W. Bush that created the Community Management Staff to help oversee all intelligence activities. A CIA history of that period says Gates, whose background was as an analyst, saw the Defense Intelligence Agency "as 'feeling [its] oats' and 'moving to expand in every direction,' including pushing some 'crazy ideas' " on the collection of human intelligence.

Gates's 1991 initiative "caused some heartburn in DOD, partly because he used the word 'management,' " requiring him to send out an explanatory joint statement signed by himself and then-Defense Secretary Richard B. Cheney.

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More recently, Gates watched Rumsfeld create the position of undersecretary of defense for intelligence, whose role is to coordinate and expand worldwide military intelligence activities in the post-Sept. 11 world. In an op-ed piece in The Washington Post in May, Gates wrote that he and other CIA veterans were "unhappy about the dominance of the Defense Department in the intelligence arena" at a time when "close cooperation between the military and the CIA in both clandestine and intelligence collection is essential."

The article supported Gen. Michael V. Hayden becoming CIA director in part because Hayden, while director of the National Security Agency, opposed Rumsfeld keeping control of the NSA instead of having it move to the new director of national intelligence, John D. Negroponte. Gates went on to say that the combination of Negroponte and Hayden would establish "a strong civilian institutional counterbalance and alternative strategic intelligence perspective to the historically strong Defense Department intelligence arm."

John E. McLaughlin, a former acting CIA director, said yesterday that Gates "understands more than anyone the appropriate balance between the military and civilian intelligence agencies."

One quick indication of how Gates will deal with interagency tensions will be whether Rumsfeld's undersecretary of defense for intelligence, Stephen A. Cambone, and his top deputy, Army Lt. Gen. William G. Boykin, remain in their current positions. They have backed the growth of the Counterintelligence Field Activity, the controversial new agency that in three years has spent nearly $1 billion to gather data to be used in the protection of defense facilities at home and abroad.

Both have supported the increased roles for the military in sending Pentagon intelligence collectors abroad to gather information that could be needed if military operations against terrorists were initiated in various countries. Some conflicts arose in past years when Defense agents turned up in countries without notice to U.S. ambassadors and CIA chiefs of station.

A Pentagon spokesman said Cambone had no comment on the Gates nomination. Spokesmen for Negroponte and Hayden said neither would discuss the impact that Gates may have on the intelligence community.

McLaughlin noted yesterday that Negroponte's office has taken steps to create a system of transparency, easing some of the tensions. Gates "understands better than anyone that confusion overseas has to be stopped," he said, adding that the Pentagon "is not an alien world to him."

Another former senior intelligence official, who has worked closely with Gates, said that from his experience, Gates knows what the military needs in human intelligence and analysis as well as the best way to obtain it. Having come from the analytic side of the CIA, Gates is a great believer "in established clear lanes in the road, where each agency has its own responsibilities and knows the 'crosswalks' where there is a need to work together," the official said.

Levin Cites 'Troubling' Questions On Gates (UPI)

By Shaun Waterman, Upi Homeland And National Security Editor

United Press International, November 14, 2006

WASHINGTON, Nov. 13 (UPI) -- The incoming chairman of the Senate Armed Services Committee has "troubling" questions about Robert Gates, the nominee for defense secretary.

Sen. Carl Levin, D-Mich., who will assume the chair of the committee when the Democrats take over Congress in January, said he would not necessarily oppose Gates' confirmation, which is likely to get under way in the coming days now that Congress in back from its election break for a lame duck session.

"For me, the important thing with Mr. Gates is whether or not he is independent, whether or not he's going to speak truth to power," Levin told reporters Monday, recalling charges that Gates, as CIA director, had slanted intelligence in order to support the policies of the Reagan White House.

"If (that) did happen, it would be very troubling to me," he said, adding, "We had enough of that with (former CIA Director) George Tenet."

But Levin, who voted against Gates' confirmation as CIA chief in 1991, said he wanted to take "a fresh look at Mr. Gates.

"I'm not going to vote no because I voted no 15 years ago ... A lot has happened in 15 years. I don't want to assume that the problems that I saw 15 years ago continue to exist or that that would outweigh other pluses that might go on the scale," said Levin.

Rumsfeld Drops Plan To Go To NATO Summit (AP)

By Robert Burns

AP, November 14, 2006

Defense Secretary Donald Rumsfeld has dropped plans to join President Bush at a NATO summit this month in Latvia, in light of his announced resignation, a Rumsfeld spokesman said Monday.

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The Pentagon will instead be represented at the meeting by Eric Edelman, the undersecretary of defense for policy, according to Pentagon spokeswoman Lt. Col. Karen Finn. Other officials had said earlier Monday that Gordon England, the deputy secretary of defense, might fill in for Rumsfeld at the summit meeting.

The NATO summit is Nov. 28-29 in the Latvian capital of Riga.

Pentagon press secretary Eric Ruff reaffirmed that Rumsfeld plans to remain at his post until his successor is confirmed by the Senate. Bush last week announced that he is nominating former CIA director Robert M. Gates to replace Rumsfeld, but no confirmation hearing date has been announced. Ruff said it could happen as early as the week of Dec. 4.

Keeping to his schedule Monday, Rumsfeld hosted a ceremony installing Gen. James Conway as the new commandant of the Marine Corps, replacing Gen. Michael Hagee, who is retiring.

The Pentagon has refused to release the letter of resignation that Rumsfeld submitted to Bush. Ruff said Rumsfeld did not mind if the White House released it. At the White House, spokesman Gordon Johndroe said there was no plan to release it.

Ruff said Gates and Rumsfeld might have a discussion later this week about the coming transition, but he had no specifics.

On the day Bush announced Gates as his choice to replace Rumsfeld, Gates called England and asked him to remain as the No. 2 at the Pentagon, according to an official who discussed the matter on condition of anonymity. England agreed to stay for an indefinite period, the official said.

Other senior Pentagon officials, however, are expected to leave. None has publicly announced a departure plan.

Fantastic Job, Mr. President (WP)

By Richard Cohen

The Washington Post, November 14, 2006

There is something refreshing about George Stephanopoulos. After George Bush announced that he was firing Don Rumsfeld, Stephanopoulos -- on the air at the time -- actually seemed shocked that just a week earlier the president had said he would do no such thing. Stephanopoulos not only suggested that the president had lied but that he was wrong to have done so. In Georgetown, where the ABC newsman lives, such innocence must be considered quaint.

Washington's easy acceptance of lying, especially presidential lying, is beyond lamentable. It has cost the country plenty, including, of late, a war in a godforsaken place, which we are losing and are fighting for reasons that we no longer remember or that even matter. (Democracy? Weapons of mass destruction? A link to terrorism? Aw, forget it.) In the most recent case, Bush not only lied but compounded the lie by lying about why he lied in the first place.

Less than a week before the election, Bush told three wire service reporters that Rummy was his man -- now and until the end of his term. He said Rumsfeld and Vice President Cheney were doing "fantastic" jobs, which was so clearly not the case that one of the reporters, Terence Hunt of the Associated Press, pressed the president further.

"You see them staying with you until the end?"

"I do," Bush replied.

What Bush did not say was that at that very moment he was casting about for a Rumsfeld replacement and that Robert M. Gates, a former CIA director, was being considered for the job. By the end of that week, Gates had been summoned to Bush's Texas ranch, where, clearly, he passed presidential muster. The appointment was announced by Bush at a news conference the day after the election. The president had his excuses ready. He lied for the sake of the troops.

Bush, you see, had made a decision. The president said he "wasn't going to be talking about hypothetical troop levels or changes in command structure coming down the stretch" of the congressional campaign. As is his wont, he used the word "decision" in a Billy Grahamish sort of way, as if it had not originated in his own brain but came from what Hebrew National, the maker of franks, sausages and lunchmeats, calls "a higher authority."

In fact -- and this is a fact -- the lie about Rumsfeld was consistent with the White House's political line that everything is just hunky-dory in Iraq and that only Democrats and advocates of same-sex marriage could think otherwise. It would have been inconsistent with the political line for Bush to have admitted doubts about Rumsfeld. It had nothing to do with the troops, who really don't give a damn who the SecDef is, since he is junior to their second lieutenant as far as they are concerned.

In this way, Bush lied about the lie and then, as has become customary, draped an American flag over it: the troops, the troops. Actually, if he cared so much for the troops he would have gotten rid of Rumsfeld months ago.

It has now been a week, and the president's lie has been forgotten . . . or excused . . . or minimized. This is the way it is in Washington, a town run by politicians who routinely lie in their political commercials back home (this is the lesson of the last campaign) and then think, somehow, that they can recover their virtue by recrossing the Potomac. Deep down, they know they lack the moral standing even to feign shock. For instance, the maker of the spot used against Rep. Harold Ford Jr. is briefly condemned (but secretly admired) when, at the very least, he should have had his citizenship revoked.

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So it was downright exhilarating to see Stephanopoulos express shock at Bush's lie, and it would be equally exhilarating if the new Democratic majorities evinced a similar moral indignation. Instead of reassuring the administration's serial fibbers that they will not be required to answer for their statements about Iraq, they should instead be vowing to take apart the ship of state plank by plank until they find the rot -- not impeachment, mind you, just accountability.

This is not a matter of vengeance or, God forfend, politics, but of restoring the people's faith in their government. How dare these people lie to you and me and send Americans to die in Iraq for reasons that turned out to be wholly nonexistent? One way to return to the truth is to find the liars. I ask this not for myself but -- and I mean it -- for the troops.

Nomination Still Stalled For Pentagon Oversight Job (WP)

By Griff Witte

The Washington Post, November 14, 2006

Even as the Senate moves quickly to consider Robert M. Gates's nomination to be defense secretary, the nomination of the man who would be looking over Gates's shoulder on behalf of taxpayers remains bogged down nearly six months after he was tapped to fill one of the government's most important oversight roles.

The nominee for Pentagon inspector general, David H. Laufman, is a veteran prosecutor who has vowed to be an aggressive watchdog -- especially of work in Iraq and Afghanistan. But Laufman, nominated by President Bush in June, has met resistance from Democrats who question his independence. Republicans, meanwhile, have done little to advance his nomination since confirmation hearings in July. The inaction has prompted Laufman to take the unusual step of speaking out.

"Given the nature and magnitude of U.S. involvement in Iraq and Afghanistan, and the hundreds of billions of dollars at issue in defense acquisition and contract performance, the need for aggressive oversight and accountability at the Department of Defense is critical," he said yesterday. "Yet for more than a year, there has been a void of leadership in the Office of the Inspector General and a corresponding absence of essential oversight and accountability."

The Pentagon last had a permanent inspector general in September 2005, when Joseph E. Schmitz left to become general counsel for the parent company of security firm Blackwater USA. Since then, the office of 1,250 military and civilian officers and employees has been led by acting Inspector General Thomas F. Gimble.

Gimble withstood heavy criticism last year when it came to light that his office had no personnel on the ground in Iraq, despite the hundreds of billions of dollars being spent there. Since then, a handful of auditors and inspectors have been rotating into Iraq from an office in Qatar. Gimble has also been faulted for not delving into the National Security Agency's warrantless surveillance program.

Laufman, an assistant U.S. attorney in Virginia who last year successfully prosecuted a man for conspiring to assassinate Bush, has said the inspector general's office should have a regular presence in Iraq. He told senators in July that the Pentagon's inspector general has the jurisdiction to investigate the NSA program and that "it is unclear why the DOD IG did not exercise its jurisdiction at the outset."

Some of Laufman's other statements to senators, however, ran afoul of the Armed Services Committee's ranking Democrat, Carl M. Levin (Mich.), who is likely to become chairman when the new Congress convenes in January. In particular, Levin was displeased that Laufman said he would consult the defense secretary before issuing reports on certain national security matters.

Laufman said his answer was based on his reading of the law, but Gimble wrote in a letter to Levin that such consultations "would be a significant change to current practice." Gimble also contradicted Laufman's statement that the two men had not talked about the issue.

At a news conference yesterday, Levin said he has "real problems with that appointment" and added that he "will continue to oppose" Laufman's confirmation.

Since July, Sen. John W. Warner (R-Va.), the committee's chairman, has declined to allow a vote on Laufman. If Laufman is not approved during the lame-duck session, the nomination will expire.

"The president strongly supports David Laufman's nomination," White House spokeswoman Emily Lawrimore said yesterday. "He believes that it's an important position and that Mr. Laufman should be able to serve in it as soon as possible."

Danielle Brian, executive director of the Project on Government Oversight, said the lack of permanent leadership at the Pentagon inspector general's office has "diminished the role of the office."

"Something needs to happen," she said. "Gridlock is not an option."

Laufman has won fans among others in the inspector general community, notably Stuart W. Bowen Jr., the special inspector general for Iraq reconstruction. "I've met David Laufman, and he's explained his vision for oversight in Iraq. He would be an excellent IG," Bowen said in a statement.

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Congress recently passed legislation that would terminate Bowen's office by October of next year and turn over the job of overseeing Iraq's reconstruction to other inspectors general -- notably the Pentagon's.

The move to eliminate Bowen's office was spearheaded by Rep. Duncan Hunter (R-Calif.), chairman of the House Armed Services Committee. But members of both parties have objected. Yesterday, a bipartisan group of senators and House Democrats introduced competing versions of legislation that would extend the life of the office.

The Senate version would keep the special inspector general in business into 2008; backers of House language say their bill would prevent the office from expiring until well into 2009.

"There is no question that the Special Inspector General's office has proven to be a much-needed watchdog, auditing reconstruction contracts in Iraq and spotlighting numerous cases of waste, fraud and abuse," Sen. Susan Collins (R-Maine) said in a statement. "We must keep the watchdog on the job."

Pentagon Lacks Independent Watchdog (AP-Y)

By John Solomon, Associated Press Writer

AP, November 14, 2006

The Pentagon has been without its chief watchdog for more than a year, even as the military spends billions of dollars a month in Iraq and controversy simmers over warrantless surveillance, missing weapons and friendly fire deaths.

President Bush's nominee for the inspector general job is being held up because answers he gave lawmakers have raised concerns with a key senator about his independence.

The inspector general's job was created by Congress more than a quarter century ago to be an independent watchdog to investigate fraud, mismanagement and abuses like the infamously overpriced hammers and toilet seats that became past symbols of Pentagon waste.

The Defense Department's last inspector general, Joseph Schmitz, stepped down in August 2005, and Bush named David Laufman, a federal prosecutor with GOP credentials, to take over the job months ago.

In the interim, the office has been run by an acting inspector general, and it has been criticized as being slow to get staff on the ground to investigate Pentagon issues in Iraq and as shying away from examining the National Security Agency's electronic surveillance program.

Laufman's nomination came to a halt after he testified to the Senate Armed Services Committee this summer that the inspector general's law requires him to consult with the defense secretary before embarking on cases involving national security and other sensitive matters.

Career employees inside the inspector general's office alerted Democratic Sen. Carl Levin's office that such consultations would be a major departure from current practice. They said they had discussed their concerns with Laufman but could not change his mind.

Levin, D-Mich., who probably will take over as chairman in January when Democrats assume control of the Senate, said Laufman's willingness to talk to the secretary jeopardized his independence.

"I have real problems with that appointment," Levin said Monday, adding that he "will continue to oppose that nomination."

Levin was correct that the current inspector general office hasn't been consulting that way. Laufman was correct in noting the federal law's language suggests he should.

The senator also is challenging Laufman's veracity because career employees said they raised concerns about the issue with Laufman. Laufman testified he shared his answers with the career staff but could not recall getting any feedback on the issue.

There has been no action on the nomination since, leaving the Pentagon's top watchdog job vacant.

Levin declined to be interviewed, but his office says he has serious reservations about the nomination. The current committee chairman, Republican John Warner of Virginia, is checking with senators this week to see if there is enough support for Laufman to proceed.

Laufman, a veteran prosecutor who won accolades for convicting a Virginia man of plotting to kill Bush, is now taking the offensive in trying to convince lawmakers he'd be the independent investigator they want.

"For too long, there has been a void of aggressive oversight and accountability at the Department of Defense — precisely when we've needed it the most," he told The Associated Press. "It's time to put politics aside and bring new leadership."

Laufman has brought to senators' attention a directive — renewed in 2004 by Defense Secretary Donald Rumsfeld's office — that requires the inspector general's general counsel office to be staffed by lawyers who work for the secretary, rather than independently hired lawyers.

Laufman is promising to try to reverse that order to increase the watchdog's independence.

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Likewise, Laufman has told senators he wants to aggressively investigate the friendly fire death of former pro football player Pat Tillman and is willing to examine the NSA's anti-terror surveillance program.

The inspector general "has the necessary jurisdiction to investigate the NSA electronic surveillance program," Laufman assured senators, adding he'd first want to study the matter before deciding whether and how to investigate.

Finally, Laufman said he would model himself after Stuart Bowen, the special inspector general for Iraq reconstruction whose investigations of lost weapons and wasteful spending during the Iraq war have rankled the Bush administration.

"The outstanding work done by the Special Inspector General for Iraq Reconstruction, particularly under extremely difficult circumstances, is a model of what real oversight is about," Laufman said. "If confirmed, I look forward to partnering with Mr. Bowen and serving as a force multiplier for oversight on Iraq."

Before joining the Justice Department, Laufman served on two investigations that cleared Bush's father's administration of wrongdoing, and he later served on the bipartisan panel that toughened House ethics rules in the mid-1990s.

His nomination is getting support from fellow inspectors general, including two credited with aggressively pursuing the Bush administration.

"David is the prototype for an IG," said Interior Department inspector general Earl Devaney, whose own investigation exposed aspects of the Jack Abramoff lobbying scandal. "His investigations and his background are filled with opportunities that demonstrated his integrity."

Devaney said the lengthy vacancy of the Pentagon inspector general job also should worry people. "It is too important a job, and having the cop on the beat is just something remarkably logical," he said.

Added Bowen: "I've met David Laufman, and he's explained his vision for oversight in Iraq. He would be an excellent IG."

Pre-Holiday Menu: Legislative Buffet Or Duck (WP)

By Shalaigh Murray

The Washington Post, November 14, 2006

When Congress bolted a month before the election, lots of unfinished business was left behind. As in, almost all the fiscal 2007 spending bills, and measures to extend tax breaks, expand energy production and increase trade with Vietnam.

Lawmakers streamed back to the Capitol yesterday for the first week of a post-election session that could extend until nearly Christmas. The calendar this week is packed with activities, such as leadership elections in both chambers and for both parties, new member photo ops, and swan-song speeches by defeated incumbents.

A few votes are expected here and there. The House last night failed to pass an agreement granting permanent normal trade status to Vietnam. The Senate plans to take it up in the next few days, barring several outstanding glitches, including an objection from Sen. Dianne Feinstein (D-Calif.). President Bush wants the Vietnam deal done by the time he arrives in Hanoi this week for an economic summit with Asian leaders.

Another priority is Senate passage of the U.S.-India Civil Nuclear Cooperation bill, permitting the U.S. to export nuclear technology to India. The measure is the centerpiece of an effort to strengthen relations between the two countries and has strong bipartisan support. Democratic Leader Harry M. Reid (Nev.) included the pact as No. 2 on his three-item lame duck wish list, delivered last week to outgoing Majority Leader Bill Frist (R-Tenn.).

Reid also pressed for action on a package of tax-break extensions, including a state sales tax deduction, research and development credit, and changes to the alternative minimum tax, all due to expire unless Congress acts soon. The package stalled before the election because the House and Senate could not agree to its contents.

If Congress is around long enough, GOP leaders hope to complete legislation to expand offshore oil and natural gas production, although key differences remain between the House and Senate versions of the bill. The gap is likely to take several weeks to bridge, House and Senate aides said.

Sometime before Friday, Congress must pass a continuing resolution to keep the government operating until the fate of nine outstanding spending bills is determined. That is not expected until after House Republicans hold their leadership elections on Friday.

House and Senate appropriators will need at least three weeks, and more likely four, to hash out final versions of the nine bills, said House Appropriations Committee spokesman John Scofield. And that is regardless of whether the bills are bundled into an omnibus package, or negotiated separately.

The other option is to pass a continuing resolution through January and make fiscal 2007 spending the Democrats' problem. Many members will be tempted to adjourn as quickly as possible in December, but punting means that scores of earmarks and bigger GOP initiatives would be sacrificed. Republicans are typically more generous toward defense and energy-related programs.

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Also at loose ends is funding for the Interior Department. The chairmen of the House and Senate appropriations subcommittees that oversee the agency were defeated: Rep. Charles H. Taylor (R-N.C.) by Heath Shuler and Sen. Conrad Burns (R-Mont.) by Jon Tester.

Reid and Frist discussed the spending bills yesterday and agreed to try to push them through in December, Reid spokesman Jim Manley said. Others are skeptical that the outgoing GOP leadership will follow through on such a demanding and protracted assignment.A Fleeting Photo Op

There were smiles all around when Reid greeted eight of the nine new members of the Senate Democratic caucus. The group will not be sworn in until January, but the incoming senators showed up yesterday to take in their new surroundings. One item on the afternoon agenda: a photo session in the Nevada Democrat's office. Reporters and camera crews crammed in, and the leader agreed to take one question.

The topic was Iraq. Reid ticked off the challenges. The U.S. military "is in a state of distress," he said, and some units are deployed without being "battle ready." Iraq has "less oil, less water, less electricity than before the war," he continued. As Reid talked, the smiles slowly faded in the semicircle of incoming senators.Surprising Job Offers

And the congressional boss of the year award goes to . . . Rep.-elect Tim Mahoney (D), who won the Florida seat vacated by Mark Foley (R). Despite the inglorious end to his predecessor's House career, Mahoney hired several former Foley staffers to continue working in his district office. "They will ensure continuity and strong support for the district's residents," Mahoney said in a statement.

GOP Dilemma On Spending Bills: Pass Or Punt? (RC)

By Emily Pierce

Roll Call, November 14, 2006

While Democrats are celebrating on the other side of the finish line, the soon-to-be-ousted Republican majority seems to be having a hard time summoning the energy to complete the race to the end of the 109th Congress.

With fiscal 2007 funding for 13 Cabinet departments and an array of independent agencies still unsettled, the demoralized House GOP leadership is deciding how to wrap up what Democrats

labeled their “do-nothing” Congress with as little rancor as possible. In fact, some are even floating the notion of punting the tough spending issues to the 110th Congress, when a newly installed Democratic majority will be on the hook for negotiating the tight spending limits — and the ones who’ll take the political hits.

“I don’t think these guys have the stomach to make these decisions right now,” said one House GOP aide of the party’s post-election mood.

The idea of passing a long-term continuing resolution that keeps the government running until early next year under current spending limits is being discussed, from both a fatigue standpoint and as a strategic move to start pushing the notion of tax-and-spend Democrats early in the 2008 election cycle.

“Strategically, getting the new House Democrats on the record on spending bills as early as possible would be a prudent way to go,” said one House Republican leadership staffer. “It’s in the Democrats’ best interests to try and get [appropriations] off the table, and it’s in our best interests to keep it on the table.”

Of course, outgoing House Appropriations Chairman Jerry Lewis (R-Calif.) doesn’t exactly see it that way.

“Our preference is to complete our work,” said Lewis spokesman John Scofield. “We think we can get them done in a fairly transparent and fiscally responsible fashion.”

However, Scofield acknowledged that the House GOP leadership will make the call on how matters will proceed — a decision that likely will be made early this week.

“There’s so much up in the air right now,” said the House Republican leadership staffer. “More stuff will be known as we get going later in the week.”

Meanwhile, Senate Republicans say they are continuing to lay the groundwork for finishing 2007 appropriations before the end of the year, but caution that if Democrats throw up too many roadblocks to completion, “we’re not going to fight them,” said an aide to Senate Majority Leader Bill Frist (R-Tenn.).

By bringing the military construction and Veterans Affairs spending bill to the floor this week, Frist is hoping to set the stage for passing a few more spending bills individually through the Senate before starting to compile a catch-all, or omnibus, spending bill, aides said.

At least two other Senate appropriations bills — Energy and water, and related agencies; and State, foreign operations and related programs — are ready for floor action and could be brought up this week, said several Senate GOP aides.

However, the ability of Frist to bring those bills up depends in large part on how many amendments the military construction bill draws and whether Senators view the bill as their last chance to offer new spending projects on the floor.

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"It depends on whether the leaders of both parties can convince their rank and file that this is not the last train moving," said Jenny Manley, spokeswoman for Senate Appropriations Chairman Thad Cochran (R-Miss.).

But even if the Senate is able to pass the nine spending bills it has yet to take up, an omnibus measure remains highly likely, given the limited amount of time left in the year for the House and Senate to individually send those bills to conference. So far, Congress has sent the president only two of its 11 spending bills.

While Cochran opposes having to cobble the bills together into an omnibus, Manley said he was being realistic about his limited ability to pass every bill separately.

"The only irresponsible thing to do would be to not act on the bills at all this year," she said.

The uncertainty surrounding the GOP plans for spending bills even extends to the CR it is slated to pass this week to keep the government running through the Thanksgiving holiday. While some Senate aides talked last week of a CR that lasts until Dec. 8, both House and Senate appropriations aides said that issue is unsettled, with some pushing for the CR to last until Dec. 15 instead. Either way, a lame-duck session that lasts until Dec. 22 appears highly likely. The current CR expires Friday.

GOP leaders also will have to make a decision during the lame duck on what to do with a package of middle-class tax cuts that expire at the end of the year.

Though the gambit already failed earlier this year, Frist had continued to vow to only take up the tax extenders package as part of a bill to partially repeal the estate tax and raise the minimum wage. But the Frist aide said the controversial estate tax portion likely would be jettisoned to smooth passage of the tax cut extenders, which, the aide added, could still move with a minimum-wage increase.

Efforts also will begin to try to persuade House leaders to take up a Senate-passed offshore oil drilling bill that had been blocked in part by House Resources Chairman Richard Pombo (R-Calif.), who lost re-election last Tuesday. Pombo had pushed for a larger, more controversial energy bill that Senate leaders said could not pass that chamber.

If the House takes up the Senate-passed drilling measure and passes it, it could be sent directly to the president without having to first stop in a House-Senate conference committee.

In the meantime, both the House and Senate plan to act on a Vietnam trade bill this week, and the Senate is gearing up for debate on a U.S.-India nuclear technology deal.

Congress Reconvenes After Democratic Win (AP-Y)

By Andrew Taylor

AP, November 14, 2006

Lawmakers present and future mingled in the Capitol's marble hallways Monday as Republicans exiled from power in last week's elections glumly opened a lame-duck session and wide-eyed Democrats prepared to take over Congress.

Losing majorities in the House and Senate last week, Republicans of the fading 109th Congress still faced weighty work before year's end: keeping the government in operating funds, voting on a trade agreement with Vietnam and confirming a new defense secretary.

Senate Majority Leader Bill Frist, who is considering a bid for the GOP presidential nomination in 2008, envisioned Congress meeting three more weeks this year, this one and the first two weeks of December.

He urged Republicans not to be discouraged by this "time of transition" — and to listen to the voters who ousted them from power.

"Change can be tough," said Frist, R-Tenn., whose self-imposed 12-year term limit in the Senate comes to an end in seven weeks. "That is a very powerful message from the American people: Move forward and move forward together."

Bipartisanship was more a matter of pragmatism, noted Frist's successor.

"We can't accomplish anything as Democrats standing alone. As we've shown, the Republicans couldn't accomplish theirs standing alone," said Democratic Sen. Harry Reid of Nevada, who will become the new majority leader in January.

Returning lawmakers had company from more than 50 House members-to-be and most of the 10 senators-in-waiting. The incoming freshmen attended orientation meetings Monday and embarked on toast-of-the-town schedules — from private tours of the Capitol and the White House to dinner with Frist and a reception with President Bush.

But it wasn't out with old, in with the new just yet.

A lame-duck session could last until Dec. 22 with a two-week break for Thanksgiving. On their agenda is nine spending bills, reviving popular business and middle-income tax breaks, trade agreements with Vietnam and Peru; bioterrorism legislation and giving doctors a reprieve from billions of dollars in scheduled Medicare payment cuts.

The Senate started work Monday on a spending bill for veterans and military construction, while the House took up the Vietnam trade bill ahead of Bush's scheduled visit to the country Friday.

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The atmosphere Monday echoed 1994, when Congress briefly returned after the GOP landslide to ratify a trade bill. Then, there were dozens of the "living dead" — Democratic lawmakers who lost re-election bids — who returned to Washington still smarting over their losses. There are at least 26 defeated Republican incumbents in that situation this year. Ten races, all in the House, are still undecided.

"I regret that I will not be a part of" the next Congress, Rep. Clay Shaw, R-Fla., said during debate on the trade bill. A fixture of the House for a quarter century and a chief author of the welfare reform law, Shaw was on the verge of ascending to the chairmanship of the tax-writing Ways and Means Committee before he was toppled by Democrat Ron Klein and other incumbent Republicans faltered.

Away from the television lights, other drama emerged as the House speaker-to-be, Nancy Pelosi, D-Calif., prepared to take the reins of the House and Reid did the same in the Senate.

The behind-the-scenes agenda included leadership elections and jockeying for committee and subcommittee chairmanships in the next Congress, exposing divisions on both parties.

On the Democratic side, politicking is under way for party leadership elections scheduled for Thursday. Rep. John Murtha, D-Pa., a Marine Corps veteran and hawk on military issues who became the darling of the anti-war movement after calling for a U.S. pullout from Iraq, is running against Democratic Whip Steny Hoyer of Maryland to be majority leader.

Pelosi is backing longtime ally Murtha in the majority leader race. Hoyer is an old Pelosi rival dating back to a bitter 2001 leadership race.

House Republicans also face leadership contests, with three lawmakers hoping to succeed Speaker Dennis Hastert, R-Ill., as the GOP leader. Hastert said last week that he doesn't want to be minority leader.

Majority Leader John Boehner, R-Ohio, now No. 2 to Hastert, is favored to get the job, but he faces challenges from Mike Pence, an ambitious conservative from Indiana, and from Energy and Commerce Committee Chairman Joe Barton, a 12-term Texan mounting a long-shot bid.

Hopes For The Lame Ducks (LAT)

The Los Angeles Times, November 14, 2006

THERE IS A REASON why they call the congressional session that began Monday "lame duck." Not only does it include several Republican incumbents who will be limping away from Capitol Hill when the 110th Congress convenes on Jan. 3, 2007; but the days are also numbered for Republican control of the Senate and House.

"Lame" does not, however, mean "paralyzed." There is bipartisan support for a postelection session in which Congress catches up on unfinished appropriations and completes work on sensible initiatives such as tax credits for research and development.

And both parties seem eager to usher in a new era at the Pentagon — and in Iraq policy — by holding confirmation hearings this year for Robert M. Gates, President Bush's nominee to replace Secretary of Defense Donald H. Rumsfeld. As long as the hearings are thorough enough to clarify Gates' views on the choices in Iraq and on the proper relationship between civilian and military authority, they should take place this year. The Senate can devote more time to scrutinizing Gates if it ignores the president's reprise of his failed attempt to secure confirmation of the diplomatically challenged John R. Bolton as U.S. representative to the United Nations.

But divisive matters that can be left until next year should be left until next year. That includes energy legislation, which in the House has taken the unattractive form of a bill sponsored by Rep. Richard W. Pombo (R-Tracy) that would indiscriminately open up coastal areas for oil drilling.

The best candidate for "wait till next year" treatment is the effort to legalize the National Security Agency's warrantless eavesdropping on Americans suspected of contacts with foreign terrorists. The House-approved bill essentially rubber-stamps the program while requiring notification of Congress. But the Senate has yet to decide among three bills, all of which (believe it or not) were approved by the Judiciary Committee.

By far the best of the three bills is legislation co-sponsored by Sens. Dianne Feinstein (D-Calif.) and Arlen Specter (R-Pa.) that would bring the NSA program under the purview of the Foreign Intelligence Surveillance Act, which was created to oversee exactly this kind of activity. (The bill would actually make it easier in an emergency for the NSA to bypass FISA's requirements for a court order.) But even if the lame-duck Senate endorsed the Feinstein-Specter approach, there is no guarantee that a conference committee would have time to meet, much less craft a compromise that would balance privacy rights and the need for greater vigilance of suspected terrorists.

The NSA is continuing its surveillance while the administration appeals a federal judge's finding that the program is unconstitutional. So there is no reason for this Congress to rush to judgment on a controversial issue better left to the Congress elected on Nov. 7.

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Budget Deficit Widens To $49.29 Billion (WSJ)

The Wall Street Journal, November 14, 2006

WASHINGTON -- Paced by record monthly spending and revenues, the federal government ran a deficit of $49.29 billion in October, up 4.3% from a year earlier, the Treasury Department said.

Treasury's monthly budget statement shows outlays were $216.98 billion last month, up 10% from a year earlier. Government receipts in October were $167.69 billion, up 12% from a year earlier.

Both receipts and outlays were records for the month of October, the Treasury said, while noting the government has run a deficit every October since 1954.

The Treasury also revised the government's September surplus to $56.16 billion from a previously reported $56.03 billion.

The October deficit figure was in line with the Congressional Budget Office's estimate of a $49 billion deficit. The White House has projected the budget deficit for fiscal 2007, which began Oct. 1, will total $339 billion, about one-third larger than the past fiscal year.

The CBO has projected a $286 billion budget gap for the fiscal year, and private-sector analysts also expect less government red ink.

Individual income-tax receipts totaled $86.22 billion in October, up 15% from the same period last year. Corporate income taxes totaled $9.35 billion last month, up 53% from the same period in 2005.

The government paid net interest in October on the federal debt of $18.95 billion. Net interest on the federal debt excludes interest paid on nonmarketable government securities held by federal trust funds, such as Social Security.

The Treasury said it plans to release budget data for November on Dec. 12.

HHS Chief Opposes Negotiation Of Medicare Drug Prices (WP/AP)

By Kevin Freking

The Washington Post/AP, November 14, 2006

The nation's top health official said yesterday that the government should not negotiate Medicare drug prices, a position that sets the stage for an early confrontation with the incoming Democratic Congress.

"The idea of the government negotiating drug prices really isn't about the government negotiating drug prices," Health and Human Services Secretary Mike Leavitt said. "It's a surrogate for a much larger issue, which is really government-run health care."

About 22.5 million seniors and the disabled are enrolled in private insurance plans subsidized by the federal government. The insurers negotiate with pharmaceutical companies over how much they will pay for drugs covered by their plans.

But Democratic lawmakers have promised a new approach when they take control of Congress in January. They would let the federal government use its massive purchasing power to negotiate the price of drugs used by Medicare beneficiaries. They say that such leverage would produce substantial savings that could then be used to improve the overall program.

Leavitt said Democrats should focus their efforts next year on issues where there is broad agreement, such as expanding basic health insurance coverage.

House Minority Leader Nancy Pelosi (D-Calif.), who is likely to be the next speaker of the House, has said she would quickly push for the government to negotiate lower drug prices.

"Requiring the federal government to negotiate on behalf of seniors would generate significant savings, savings which could be used to close the gap in coverage -- or 'doughnut hole' -- that threatens millions of Medicare beneficiaries this year," Pelosi said.

Pelosi spokesman Brendan Daly said, "We want to work with Republicans on health care as well as other issues, but misleading rhetoric about 'government-run health care' does not help. . . . Democrats are proposing common-sense improvements to the complex Bush prescription drug program."

Some Democrats also will urge the government, in addition to negotiating drug prices, to run a drug program that would compete with plans provided by the insurers. Democrats have predicted that seniors would flock to the government-run plan.

Leavitt disagreed. He said the government could not develop a plan that would satisfy the needs of a broad range of consumers.

Lowering Medicare Drug Prices (NYT)

The New York Times, November 14, 2006

Michael Leavitt, the secretary of health and human services, says he does not want the power to negotiate drug prices for Medicare beneficiaries, but Democrats should give it to him anyway.

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The Democrats have pledged to move on the issue as soon as they take control of Congress. If they succeed, it would allow an important test of the hypothesis that government negotiators can wring lower prices from the manufacturers than those obtained by the private drug plans and pharmaceutical benefit managers that currently negotiate on behalf of Medicare beneficiaries.

The 2003 Medicare drug law — written by a Republican-dominated Congress in thrall to big drug company contributors — explicitly prohibits the federal government from negotiating drug prices or establishing a list of preferred drugs.

The Democrats are only beginning to explore what they want the government to do. Some advocates want the government to mandate hefty discounts for all Medicare drug purchases — an approach that some experts fear could deprive the industry of revenues needed to develop new drugs. Others would have officials step in only when private plans prove inept or when there is no alternative to a high-priced drug.

The approach that most appeals to us would direct the secretary of health and human services to set up one or more government-operated drug plans to compete with the private plans. That could be started while the new Congress holds hearings to examine broader possibilities.

There is no guarantee that government negotiators would do better. Medicare's chief actuary concluded last year that the government would be unlikely to get bigger discounts, and the head of the Congressional Budget Office judged in 2004 that for most drugs that was true. Some experts believe the government would not press manufacturers hard, because of the lobbying clout of the pharmaceutical industry and of Medicare beneficiaries seeking access to the newest (and most expensive) medicines.

Right now, private plans are not doing all that well at obtaining discounts for their clients. Surveys by House Democrats, consumer groups and academic experts have found that the prices charged to beneficiaries when their coverage runs out — a rough surrogate, perhaps, for what the plans actually paid for the drugs — are significantly higher than the drug prices negotiated by the Department of Veterans Affairs, the Medicaid program for the poor, and foreign governments, among others.

President Bush might be inclined to veto any bill that tried to insert the government into price negotiations. But if presented with a bill to set up government-operated drug plans to go head to head with the private plans, he would have to explain why he is afraid of a real market competition.

In Backing Murtha, Pelosi Draws Fire (WP)

By Jonathan Weisman

Washington Post, November 14, 2006

Her Ethics Vow Is Questioned

House Speaker-designate Nancy Pelosi's endorsement of Rep. John P. Murtha's bid for House majority leader set off a furor yesterday on Capitol Hill, with critics charging that she is undercutting her pledge to clean up corruption by backing a veteran lawmaker who they say has repeatedly skirted ethical boundaries.

Pelosi (D-Calif.) directly intervened in the heated contest between Murtha (D-Pa.) and House Minority Whip Steny H. Hoyer (D-Md.) on Sunday by circulating a letter to Democratic lawmakers. The letter voiced her support for Murtha and put her prestige on the line in a closely fought leadership battle. Some Democratic lawmakers and watchdog groups say they are baffled that Pelosi would go out of her way to back Murtha's candidacy after pledging to make the new 110th Congress the most ethical and corruption-free in history.

Murtha, a longtime senior Democrat on the House Appropriations Committee, has battled accusations over the years that he has traded federal spending for campaign contributions, that he has abused his post as ranking party member on the Appropriations defense subcommittee, and that he has stood in the way of ethics investigations. Those charges come on top of Murtha's involvement 26 years ago in the FBI's Abscam bribery sting.

"Pelosi's endorsement suggests to me she was interested in the culture of corruption only as a campaign issue and has no real interest in true reform," said Melanie Sloan, executive director of Citizens for Responsibility and Ethics in Washington (CREW), a Democratic-leaning group. "It is shocking to me that someone with [Murtha's] ethics problems could be number two in the House leadership."

"People have known about these things for months," said one Democratic House member who spoke on the condition of anonymity because he did not want to anger the presumed incoming speaker. "I am sure they are going to become much more important in the next few days."

Andrew Koneschusky, a spokesman for Murtha, declined to discuss ethics issues, saying: "We are focused on the future. We are focused on electing the best candidate to lead our party and deliver the change the American people want, and that is Jack Murtha. We are looking forward, not backward."

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Pelosi said in her letter that she was swayed to endorse Murtha, a longtime ally, by his early call for a withdrawal of U.S. forces from Iraq. Pelosi aides and Murtha supporters said the charges against him are trivial or untrue. A senior Pelosi aide conceded that her endorsement is risky but said that she had to show her loyalty to Murtha, who has been steadfastly loyal to her.

As for the ethics issue, "there's no substance to it," said Rep. Linda T. Sanchez (D-Calif.), a strong supporter of Murtha.

At issue is Murtha's relationships with two defense lobbyists. Paul Magliocchetti of the PMA Group is a former aide to the lawmaker, and Robert "Kit" Murtha is his brother and was a senior partner at KSA Consulting from 2002 to 2005.

The PMA Group has become the go-to firm to approach Murtha as ranking Democrat on the Appropriations defense subcommittee, CREW charges. In the 2006 defense appropriations bill, PMA clients reaped at least 60 special provisions, or "earmarks," worth more than $95 million.

The PMA Group and its clients have been top campaign contributors for Murtha: $274,649 in the 2006 campaign cycle, $236,799 in the 2004 cycle and $279,074 in the 2002 cycle, according to CREW's tallies.

After Kit Murtha joined KSA Consulting in 2002, one of his first clients was a wireless networking company called Aeptec Microsystems Inc., which was seeking to build a business complex in Murtha's district with a Pennsylvania state grant. Aeptec executive Michael Hoban contributed $2,000 to Murtha's campaign that year.

In 2004, Murtha helped secure the grant. A few months later, the Appropriations subcommittee approved a $4.2 million earmark for the company.

Murtha may be the Democratic Party's consummate dealer in home-district spending. Taxpayers for Common Sense identified more than $103 million in earmarks in the 2006 defense spending bill that Murtha requested for his home district in southwestern Pennsylvania -- nearly $80 million of which cleared President Bush's desk.

"Hoyer gains his influence the 'regular' way," said Steve Ellis of Taxpayers for Common Sense. "He travels, and he raises money for his leadership [political action committee], which doles it out to help Democrats get elected. Murtha doesn't bother with that nicety. For years, he has used his powerful perch as the ranking Democrat on the defense appropriations subcommittee to dole out earmarks to build influence. Hoyer raises campaign cash; Murtha taps the taxpayer for influence."

Former congressman Chris Bell (D-Tex.) said yesterday that Murtha helped elevate Rep. Alan B. Mollohan (W.Va.) to the top Democratic spot on the House ethics committee, and that Murtha and Mollohan have worked to slow the ethics process to a crawl for much of the past two years.

As for the Abscam case, Murtha was not indicted and his conduct was cleared by the House ethics committee, but he did meet with FBI agents posing as Arab sheiks and, after refusing bribes on several occasions, appeared to leave open the possibility of doing business later. Hoyer has been criticizes as well for his legislative dealings, especially for his close ties to lobbyists and business interests. But it is Murtha's record that Pelosi will have to defend, watchdog groups said yesterday.

Rep. Michael E. Capuano (D-Mass.), a Murtha supporter, said he was not aware of the ethical issues around the lawmaker. but said they will have little impact on Democrats as they gather Thursday to choose the next majority leader.

"The bottom line is, Nancy has decided what team she wants," Capuano said. "What members have to ask themselves is whether they want a unified leadership team or a fractured leadership team. That will make a difference in the next two years."

Hoyer and Pelosi have had a strained relationship since Hoyer competed with her in 2001 for the post of minority whip; Murtha managed her winning campaign. The urge to stay loyal to the presumed new Democratic speaker -- as well as to curry favor to obtain committee assignments -- will bring a substantial number of votes to Murtha, one of his supporters said.

Hoyer supporters continue to say he has more than enough votes to prevail, regardless of Pelosi's wishes. Rep. David E. Price (D-N.C.) said Pelosi timed her endorsement to come out after the votes were solidified, giving a nod to Murtha for the sake of loyalty but doing little to sway the election.

"This race is already a done deal," agreed Rep. Jim Matheson (D-Utah).

In the Senate, Democrats will elect new leaders today and Republicans will follow tomorrow. The top two Democratic leadership positions are set. Harry M. Reid (Nev.) will remain as party leader and Richard J. Durbin (Ill.) will remain as whip, but this time they will be in the majority, not the minority. A change is possible at the No. 3 slot, conference secretary. Sen. Debbie Stabenow (Mich.) holds that position, but Senate sources said she may surrender it for a seat on the Finance Committee.

It was unclear who would succeed her, but Senate aides said it probably would be another woman. Charles E. Schumer (N.Y.) will remain chairman of the Democratic Senatorial Campaign Committee.

Among Republicans, Mitch McConnell (Ky.) is set to become Senate minority leader, moving into the vacancy left by the retiring Bill Frist (Tenn.). There could be a contest between two Southerners seeking to succeed McConnell as party whip. Senate insiders said Lamar Alexander (Tenn.) appears to have enough votes, but former majority leader Trent Lott (Miss.) was still seeking support yesterday.

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Sen. Jon Kyl (Ariz.) is in line for the No. 3 post of Republican Conference chairman, now held by Rick Santorum (Pa.), who lost last week. Sen. John Ensign (Nev.) has agreed to chair the party's campaign committee, succeeding Elizabeth Dole (N.C.) after a disappointing election for the GOP.

House Dems Brace For 2nd Round (USAT)

By Kathy Kiely

USA Today, November 14, 2006

WASHINGTON — House Democrats are locked in an internal dispute over a top post that highlights the party's ideological tensions and the assertive style of their leader, Nancy Pelosi, less than a week after winning majority control for the first time since 1994.

Pelosi's decision to endorse her close friend, Rep. John Murtha of Pennsylvania, for House majority leader over her current deputy, Rep. Steny Hoyer of Maryland, was a surprise to some. Pelosi, a California Democrat, is in line to be the first female speaker of the House.

"This is her first real decision, and it's a tough one," says Stephen Hess, a scholar with the Brookings Institution, a Washington think tank. "I think it's very risky."

For Pelosi, the risk is that she could end up on the losing end of an intraparty fight before she even takes the speaker's gavel in January. House Democrats, including those elected last week, will cast secret ballots for leaders on Thursday.

For Democrats, the risk is that their political honeymoon will be embittered by an awkward political fight. "We Democrats hate to see this," says Rep. Elijah Cummings of Maryland, a Hoyer supporter. "Most of us like both of them."

Murtha and Hoyer supporters disputed the significance of Pelosi's endorsement. Cummings says, "The question is whether she'll fight for Murtha." Rep. Gene Taylor of Mississippi, a Murtha supporter, said "she already is" by making her preference public in a letter released Sunday.

Hoyer is a tireless political strategist who raised more than $600,000 for this year's Democratic candidates and campaigned in 80 districts. Murtha, a hawk on defense and foreign policy, helped the party find its voice on Iraq when he called last year for U.S. troops to withdraw from Iraq. Some Democrats think that was key to the party's victory.

"The tide changed the day Jack Murtha publicly spoke out against the war in Iraq," Rep. Bill Pascrell, D-N.J., said in a letter to colleagues. Pascrell is backing Murtha. Even Cummings said Murtha "deserves a lot of credit" for changing the debate on Iraq.

Bruce Braley, an incoming House member from Iowa, agreed that voter anger over Iraq was "the biggest factor" in his election and that it could fuel support for Murtha. "Everybody in the caucus is impacted by how the public perceives our position on Iraq," said Braley, who supports Hoyer. Braley said Hoyer gave him advice, helped him raise money and loaned him a staff member for the campaign's final week.

Hoyer is confident of victory. "It looks very good," he said Monday about the contest. He insisted he will hold no grudges against Pelosi for backing Murtha.

"She's a very loyal person," Hoyer said.

Murtha was not available for comment Monday. He released a statement Sunday that he is "deeply gratified" for Pelosi's support.

Murtha and Pelosi are an odd couple: She hews to the liberal views of her San Francisco constituents; he's one of his party's more conservative members.

Pelosi told USA TODAY in July that the two bonded when Murtha visited her office shortly after her election in 1987 and spotted a carving in coal of a miner. Mining is an important industry in Murtha's western Pennsylvania district.

In 2001, Murtha managed Pelosi's successful campaign against Hoyer to be Democratic whip, the party's chief vote counter.

Some Democrats from rural areas like Murtha's politics. "He's pro-life and pro-gun," Taylor said.

Cummings said Hoyer deserves the leader's job "because he has crisscrossed the country trying to help Democrats" and has been a good partner to Pelosi. "They strike the right balance," Cummings said.

Murtha has been criticized by government watchdog groups such as the liberal Citizens for Responsibility and Ethics in Washington (CREW).

In the 1970s, Murtha was investigated, but never charged, in the Abscam sting that caught some members of Congress taking bribes. His brother, Kit Murtha, is a lobbyist whose clients have received defense contracts while Murtha has been the top-ranking Democrat on the defense appropriations committee.

"How can Americans believe that the Democrats will return integrity to the House when future Speaker Pelosi has endorsed an ethically-challenged member?" said Melanie Stone of CREW.

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Power Struggles Unravel Democrats' Unity (LAT)

By Janet Hook And Richard Simon

The Los Angeles Times, November 14, 2006

WASHINGTON — Democrats returned to Capitol Hill on Monday to prepare for a transfer of power in Congress, but their postelection emphasis on unity quickly dissolved into power struggles and jockeying over the spoils of victory.

Much of the squabbling stemmed from the decision over the weekend by presumed House Speaker Nancy Pelosi to endorse a longtime loyalist to be her second-in-command. In backing Iraq war critic Rep. John P. Murtha of Pennsylvania for the post, Pelosi, of San Francisco, turned her back on another Democrat who is in line for the job and is favored by many of her party's more moderate members.

In her first high-profile move after the election, Pelosi signaled that she can be expected to prize personal loyalty as she oversees the fractious party.

Rep. Steny H. Hoyer of Maryland, whom Pelosi did not support for the No. 2 post, may have enough votes to win the job of House majority leader himself. Hoyer is the current minority whip.

"Everywhere you go on Capitol Hill today, this is the topic of conversation," said Rep. Dennis Cardoza (D-Atwater), who supports Hoyer. "It would have been easier for some of us not to have to exercise our independence quite so early."

The House Democratic Caucus is scheduled to select its majority leader Thursday.

Pelosi may have another problem. As the crop of freshly elected Democrats — including many younger ones who campaigned to the right of the party line — came to Capitol Hill for orientation Monday, they encountered a leadership dominated by mostly liberal, old-school Democrats.

Cardoza, a leader of the conservative coalition in the House known as the Blue Dogs, warned that Democratic cohesion would suffer if the liberals in line to head many of the chamber's key committees don't take party moderates into account. "We have to try to build a consensus, and it's not going to be an automatic, top-down way, or we'll have conflict on the floor," Cardoza said.

Despite such concerns, Democrats continued to celebrate recapturing the power they lost 12 years ago.

"Everybody's smiling, everybody's high-fiving," said Rep. Bob Filner (D-Chula Vista), who is likely to become chairman of the Veterans' Affairs Committee.

Republicans, meanwhile, plunged into a round of recriminations provoked by their election losses. House leadership contests were developing, pitting more conservative party members against those who have been at the helm.

"We did not just lose our majority — we lost our way," said Rep. Mike Pence (R-Ind.), who is trying to oust Rep. John A. Boehner (R-Ohio) as the GOP leader in the next Congress.

In his case against Boehner, Pence contends that public disaffection over the growth in government spending under the GOP-controlled Congress paved the way for the election losses.

The lame-duck session that brought members of both parties back to the Capitol this week will grapple with the year's unfinished business — including the need to pass a raft of spending bills that fund major government agencies. But much of the spotlight will be on the decisions that lay the groundwork for next year's session.

The transfer of power in the Senate has been marked by minimal conflict within the parties. Sen. Harry Reid of Nevada, minority leader for the last two years, will be elected majority leader today. His chief lieutenant, Sen. Richard J. Durbin of Illinois, will be majority whip.

Senate Republicans are poised to elect on Wednesday a new party leader, Sen. Mitch McConnell of Kentucky. He will replace Sen. Bill Frist of Tennessee, who is retiring.

Significantly more drama surrounds the contests in the House.

Emotions and tensions are running high in the battle between Hoyer and Murtha. As in most congressional leadership elections, the outcome hinges largely on personal relationships, not ideology. But divisions over the war in Iraq are playing a part. Murtha, known as a strong supporter of the military, emerged as a hero of the left when he became a leading critic of the conflict a year ago; Hoyer has been more hawkish.

And even though Hoyer has served as Pelosi's chief deputy, the two haven't healed the split between them caused by past leadership fights. Still, many House Democrats were surprised that she went public with her endorsement of Murtha.

A Democrat close to Pelosi said she was motivated by her loyalty to Murtha — a firm ally as she moved up the leadership ladder — and her belief that Democrats would not have won control of Congress if he had not taken the lead in ramping up the party's opposition to President Bush's policy in Iraq.

Some argued that by publicly siding with Murtha, Pelosi could undercut one of her boldest pronouncements in the wake of her party's victory — that they would run "the most honest, the most open and the most ethical Congress in history."

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These critics point to Murtha's brush with the law in the 1980s, when he was investigated in connection with the Abscam bribery scandal on Capitol Hill. He was cleared in that probe, but some watchdog groups have continued to question his ethics. As a senior member of the House Appropriations Committee, Murtha has been an unapologetic master of "earmarking" money for local projects — a practice the critics say invites corruption.

"John Murtha is not the right poster child" for a message that stresses ethics, said Thomas Mann, an expert on Congress at the centrist Brookings Institution think tank.

Pelosi will make another potentially divisive decision in the coming weeks when she chooses the new leader of the Intelligence Committee. Her associates say she has decided not to elevate Rep. Jane Harman of Venice, the ranking Democrat on the panel but a colleague with whom Pelosi has had strained relations.

Next in line for the chair is Rep. Alcee L. Hastings (D-Fla.), an African American. He is backed by the Congressional Black Caucus, but some Democrats worry that he would undermine the party's message on ethics because he was impeached as a federal judge in the early 1980s.

On other panels, Pelosi is expected to stick to tradition and allow seniority to dictate committee leadership choices. With that approach, Democrats will return the powerful positions to some lawmakers who held the jobs before the GOP takeover after the 1994 elections. Also, Pelosi has indicated that the principal forum for investigations and oversight will be the Government Reform Committee, to be chaired by Rep. Henry A. Waxman (D-Los Angeles).

A key question is whether, under Democratic rule, committees will become throwbacks to the days when chairmen presided over insular fiefdoms that took little input from party leaders. Pelosi has made it clear that she expects panel chiefs to behave more like team players — even if she does not impose the kind of discipline enforced by former Rep. Tom DeLay when he was a GOP House leader.

"She is not dictatorial like DeLay, but she has a game plan," said Daniel Weiss, chief of staff to Rep. George Miller (D-Martinez), incoming chairman of the Committee on Education and the Workforce.

Pelosi Backs Murtha As House Leader (FT)

By Stephanie Kirchgaessner

Financial Times, November 14, 2006

Nancy Pelosi, incoming Democratic Speaker of the House, came under fire from an ethics watchdog on Monday following her endorsement of John Murtha to the number two leadership post in the new Congress.

Melanie Sloan, a former prosecutor who heads Citizens for Responsibility and Ethics in Washington (Crew), said Mrs Pelosi's support of the Pennsylvania Democrat did not bode well for the future Speaker's commitment to enacting ethics legislation.

Mr Murtha is a veteran lawmaker whose ties to the military have made him one of the most effective Democratic party voices in opposition to the administration's conduct of the war in Iraq.

But he has been frequently criticised by Crew over allegations that he abused his position as a member of the defence appropriations sub-committee by showing favour to a lobbying firm of a former long-term staffer and clients of Robert "Kit" Murtha, his brother.

He has also been criticised for taking advantage of earmarking, the practice of appropriating funds for government projects that benefit individual lawmakers' constituents.

"How can Americans believe that the Democrats will return integrity to the House when future Speaker Pelosi has endorsed an ethically challenged member for a leadership position? Rep Murtha is the wrong choice for the job," Ms Sloan said.

Mr Murtha's office did not return calls for comment.

In supporting Mr Murtha, Mrs Pelosi has made the forthcoming election for majority leader the earliest test of her leadership. He is competing for the job with Mrs Pelosi's current deputy, Maryland's Steny Hoyer, who claimed over the weekend to have the support of the majority of the Democratic caucus behind him.

In her letter, Mrs Pelosi credited Mr Murtha for helping to change the national debate on Iraq, making it the central theme of the election and the Democrats' victory over Republicans.

"Your strong voice for national security, the war on terror and Iraq provides genuine leadership for our party, and I count on you to continue to lead on these vital issues," she said.

But her choice could have wider ramifications for Democrats' pledge to enact meaningful lobbying and earmark reform.

On Monday Mrs Pelosi was criticised by John Boehner, the current majority leader, for claims that she has changed her position on earmark reform six days after the election.

Pelosi Draws Fire For Backing Murtha (WT)

DOJ_NMG_0094119

By Charles Hurt

The Washington Times, November 14, 2006

House Democratic leader Nancy Pelosi is under fire from fellow Democrats and outside liberals for publicly backing Rep. John P. Murtha's bid to become majority leader, saying that the presumed speaker's acts have cast doubt on her party's promise to clean up the "culture of corruption" in Washington.

"How can Americans believe that the Democrats will return integrity to the House when future Speaker Pelosi has endorsed an ethically challenged member for a leadership position?" said Melanie Sloan, executive director of the liberal group Citizens for Responsibility and Ethics in Washington (CREW). "Representative Murtha is the wrong choice for this job."

Most notably, Mr. Murtha was an "unindicted co-conspirator" in the Abscam scandal of the 1980s when FBI agents posed as emissaries of an Arab sheik and lured several congressmen into a Capitol Hill town house to hand out $50,000 bribes. Mr. Murtha was among those offered money, but he declined.

"I'm not interested. I'm sorry," he said, adding: "You know, we do business for a while, maybe I'll be interested, maybe I won't."

The following year, the ethics panel in the then-Democrat-controlled House declined -- on a "near party-line vote," according to press accounts at the time -- to file ethics charges against the Pennsylvania Democrat.

More recently, according to press reports and a dossier compiled by CREW, Mr. Murtha abused his position as ranking member of the defense appropriations subcommittee of the House Appropriations Committee to benefit clients of his brother, Robert "Kit" Murtha, who is a registered lobbyist. The $417 billion defense appropriations bill that went through the subcommittee in 2004 benefited at least 10 companies represented by Robert Murtha's firm, which lobbied the congressman directly, according to the group.

"Future House Speaker Pelosi's endorsement of Rep. Murtha, one of the most unethical members of Congress, shows that she may have prioritized ethics reform merely to win votes with no real commitment to changing the culture of corruption," Ms. Sloan said.

Pelosi spokeswoman Jennifer Crider dismissed the concerns and said Mr. Murtha "has addressed these issues."

"Leader Pelosi will show that Democrats will change the way business is done in Washington," Ms. Crider said.

But many Democrats adamantly oppose Mr. Murtha and say Mrs. Pelosi blundered badly by throwing her public support behind a tainted figure just one week after winning so many campaigns that promised to clean up corruption in Washington.

"This is cloakroom conversation," one Democrat said. "This sends a very bad message as the first thing she's gotten involved in. The whole Abscam thing is a problem, and so is the whole wheeler-dealer thing."

Rep. Steny H. Hoyer, the Maryland Democrat who now holds the whip position, has said he has the votes needed to win the majority-leader post in this week's elections among Democrats. Hoyer allies say he has the support of 13 of the 19 top Democrats in the House and public statements of support from at least 28 of the 40 new members.

In addition to concerns about Mr. Murtha's background, many Hoyer supporters also say they are concerned about too much power in the hands of Mrs. Pelosi and one of her closest confidants -- Mr. Murtha. Mr. Hoyer provided a counterbalance as a Pelosi rival in past leadership elections, they say, which is why so many committee chairmen-to-be support him.

Many centrist Democrats, whose ranks ballooned in the last election, also support Mr. Hoyer.

"If moderates don't feel they have a voice in the leadership, Pelosi will have a problem because the moderates will revolt," one Democrat said.

While Mr. Murtha has fewer public supporters, he's picked up one of the most influential.

"I salute your courageous leadership that changed the national debate and helped make Iraq the central issue of this historic election," Mrs. Pelosi wrote in a personal letter to Mr. Murtha. "Your leadership gave so many Americans, including respected military leaders, the encouragement to voice their own disapproval at a failed policy ... . The enthusiastic response of Americans all across this nation gave an enormous lift to our Democratic efforts, and your unsurpassed personal solicitations produced millions of dollars."

Republicans, meanwhile, sat back and enjoyed the first fight inside the new Democratic majority.

"If this is the way Nancy Pelosi plans to clean up Washington, Republicans could be back in the majority sooner than they think," said one Republican staffer.

Backing This Hopeful For No. 2 Job Is Risky For Incoming House Speaker (NYT)

By Carl Hulse

The New York Times, November 14, 2006

DOJ_NMG_0094120

WASHINGTON, Nov. 13 — The intensifying fight for the No. 2 Democratic leadership job in the House is evolving into an early test of the power of the incoming House speaker, Nancy Pelosi, after her decision to throw her public support behind Representative John P. Murtha of Pennsylvania.

Mr. Murtha, widely considered an underdog to Representative Steny H. Hoyer of Maryland, the current second-ranking Democrat, sought on Monday to use a new letter of support from Ms. Pelosi to gain ground, asking for new pledges from Democrats who converged on Washington after their decisive midterm election victory.

Mr. Murtha and his allies said the role he played in questioning the war in Iraq had helped legitimize Democratic opposition to the war and turn it into a winning campaign issue, making him the natural choice for majority leader at a time when Iraq policy will dominate Congress.

"When the public speaks, things are going to change," Mr. Murtha, a decorated Vietnam veteran, said on Monday.

Mr. Hoyer and Mr. Murtha are similar in some respects, both veterans of the byzantine appropriations process and skilled in winning money for local projects in the annual spending bills. While Mr. Murtha has been closely allied with Ms. Pelosi against the war, he is well to the right of her on many social issues like abortion and gun control and is known for his ability to work with conservatives in both parties. Mr. Hoyer is more liberal over all on social issues but is considered a pro-business Democrat.

While Mr. Hoyer has been a fixture in the party leadership, Mr. Murtha eschewed the spotlight and seemed content to wield his considerable influence well behind the scenes until he took a highly publicized stand against the war.

But Mr. Murtha is also coming under the spotlight on another subject that dominated the campaign: Congressional ethics. He helped block changes in ethics policies that Democrats proposed last year. He has also been an astute backroom-deal maker known for trading votes for the pet projects known as earmarks. He has had family members who lobbied on issues under his control, and he was caught up in the Abscam corruption scandal more than 25 years ago, though he was never charged.

The leader of one watchdog group said Monday that Mr. Murtha's record should disqualify him for the No. 2 job, particularly since Democrats campaigned so hard against Republican corruption and have promised to make new ethics and lobbying rules a priority.

"How can Americans believe that the Democrats will return integrity to the House when future Speaker Pelosi has endorsed an ethically challenged member for a leadership position?" asked Melanie Sloan, executive director of Citizens for Responsibility and Ethics in Washington, a Democratic-leaning group that focuses on government integrity. "Representative Murtha is the wrong choice for this job."

Mr. Murtha dismissed the attack and promised that, if elected majority leader, he would help formulate a strict ethics policy. "Wait until you see the ethics package we support and we pass," he said. "No meals, no trips, nothing. I support it 100 percent."

Mr. Hoyer, who learned of Ms. Pelosi's letter of support for Mr. Murtha while he was courting new Democratic members at a reception on Sunday, said he did not expect much of a shift in votes as a result of what he described as her low-key endorsement.

"We have seen no sign of that," Mr. Hoyer said.

He and his allies say he has well more than a majority of Democrats pledged to back him in Thursday's election, providing a cushion to account for any lawmakers who might stray in the secret ballot.

Mr. Hoyer said Ms. Pelosi, with whom he has had an occasionally tense relationship since he unsuccessfully challenged her for party whip in 2001, had already told him she would vote for Mr. Murtha. But Mr. Hoyer said many of their colleagues believed that he and Ms. Pelosi had demonstrated a strong ability to work together over the past four years.

"We got the victory," he said. "Why change?"

Ms. Pelosi's preference for Mr. Murtha had been well known since he ran her campaign for House whip against Mr. Hoyer. In the past year, she has come to believe that Mr. Murtha did the party — and her — a service by putting his own military credentials behind a call to begin removing troops from Iraq.

But the letter of support she provided Mr. Murtha was surprising, since it meant that Ms. Pelosi could be perceived as being weakened before she even takes her new office if Mr. Murtha falls short.

Ms. Pelosi's allies said she was willing to take the risk because of her deep loyalty to Mr. Murtha and since it was already assumed by many that she was working to advance his candidacy.

She and her allies have also taken the view that Mr. Murtha's scrapes regarding ethics should not be an impediment to his election. And some of his backers say the Abscam scandal of 1980 is ancient history.

In that case, Mr. Murtha was among lawmakers caught on film being offered bribes by F.B.I. agents posing as Arab businessmen. Mr. Murtha, a protégé of Speaker Thomas P. O'Neill Jr., refused a bribe, saying he was not interested "at this point." He went on to testify against some of those sent to prison, and the federal government chose not to indict him. He was cleared by the House ethics committee, but the committee counsel quit after the case was dropped.

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"It was 26 years ago," said Representative Kendrick B. Meek, Democrat of Florida and a former Florida state trooper who is supporting Mr. Murtha.

Mr. Meek said he and others believed that Democrats needed a close-knit leadership team at this critical point, avoiding conflict in the crucial positions. "We need a united top shelf," he said.

But Mr. Hoyer has won support from respected veterans who are in line to take over top committees, including Representatives Henry A. Waxman of California, John D. Dingell of Michigan, Barney Frank of Massachusetts and Ike Skelton of Missouri, along with Representative John Lewis of Georgia, a veteran of the civil rights struggle. He has also won public support from leading Democratic progressives and more than 20 of the incoming freshmen.

Democrats on both sides of the leadership fight say that they wish the battle could have been avoided, in the interests of starting out together, but that such contests are a fact of life, particularly with the lure of new power.

"They happen, and we will deal with them and see what happens," said Representative George Miller, Democrat of California.

A Choice For Democrats (WP)

The Washington Post, November 14, 2006

LOYALTY IS an admirable quality, but sometimes it can be taken too far. That is the case with the decision by the incoming House speaker, Nancy Pelosi (D-Calif.), to offer a public endorsement of the bid of Pennsylvania Rep. John P. Murtha (D) to become majority leader. Ms. Pelosi's preference for Mr. Murtha was no secret; he managed her campaign for minority leader against Rep. Steny H. Hoyer (D-Md.), now Mr. Murtha's rival for the majority leader post. What was surprising was that Ms. Pelosi would weigh in publicly on Mr. Murtha's behalf, albeit -- as she pointedly noted at the beginning of her letter -- in response to his request.

On the merits, Mr. Hoyer is by far the better choice for the job. He is a moderate and highly capable legislator whose selection would reinforce Ms. Pelosi's announced commitment to govern from the center.

Mr. Murtha's candidacy is troubling for several reasons, beginning with his position on the war in Iraq. A former Marine, Mr. Murtha deserves credit for sounding an alarm about the deteriorating situation a year ago. But his descriptions of the stakes there have been consistently unrealistic, and his solutions irresponsible. Just last week he denied that the United States was fighting terrorism in Iraq, though al-Qaeda is known to play a major part in the insurgency. He said the United States should abandon even the effort to train the Iraqi army and should "redeploy as soon as practicable," an extreme step that most congressional Democrats oppose. He claimed that "stability in the Middle East, stability in Iraq," would come from such an abrupt withdrawal; in fact, virtually all Iraqi and Middle Eastern leaders have said that it would lead to a greatly escalated conflict that could spread through the region.

Mr. Murtha would also be the wrong choice as majority leader after an election in which a large number of voters expressed unhappiness with Washington business as usual. Mr. Murtha has been a force against stronger ethics and lobbying rules. He was one of just four Democrats whose votes helped kill a strong Democratic package of lobbying reforms this spring.

As a senior member of the House Appropriations Committee, he has been an avid participant in the orgy of earmarking, including numerous projects sought by a lobbying firm that employed his brother. During the Abscam congressional bribery investigation in 1980, Mr. Murtha was videotaped discussing a bribe with an undercover FBI agent. ("You know, we do business for a while, maybe I'll be interested, maybe I won't, you know," Mr. Murtha said.) He wasn't indicted, but it's fair to say the episode raised questions about his integrity.

Mr. Hoyer says he has the support of a majority of members of the Democratic caucus. We hope they aren't persuaded otherwise by Ms. Pelosi's letter.

Reid Backed Planned Bridge Near His Land (AP-Y)

AP, November 14, 2006

Senate Minority Leader Harry Reid, D-Nev., backed funding for a bridge between Nevada and Arizona that could affect the value of property he owns nearby.

The planned span over the Colorado River between Laughlin, Nev., and Bullhead City, Ariz., got an $18 million boost in last year's massive federal transportation bill.

Reid, who's in line to become Senate majority leader after last week's election, owns 160 acres of undeveloped property in Bullhead City, several miles from the proposed bridge sites. Development is booming in the area and local officials in Laughlin and Bullhead City support a new crossing to ease traffic on the one existing bridge. They also expect it would add to property values.

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Reid aides said his support for the bridge has nothing to do with his ownership of the Bullhead City property, which he values between $500,000 and $1 million on his annual financial disclosure forms. His spokesman said he had no plans to develop the property.

After the Los Angeles Times published a story on the issue Monday, Reid's office issued a five-page fact sheet in response.

According to the statement, Laughlin officials began pushing for another bridge after the nearby Hoover dam crossing was closed because of security concerns after the Sept. 11, 2001, terror attacks, pushing traffic onto a single Laughlin-Bullhead City bridge.

Reid and others in the Nevada delegation responded, securing $500,000 for planning in 2004. Reid and Rep. Jon Porter, R-Nev., then pushed for the $18 million in last year's $286 billion highway-mass transit bill.

A final location has not been designated for the bridge, which is projected to cost $30 million to $40 million.

"Sen. Reid's support for the bridge had absolutely nothing to do with property he owned," said the statement from his office. "Sen. Reid supported this project for one reason only — his continuing efforts to move Nevada forward."

Reid and other incoming Democratic leaders have promised to bring more openness to the practice of earmarking, where lawmakers insert funding for pet projects into legislation with little scrutiny.

House Speaker Dennis Hastert, R-Ill., was criticized after it was disclosed that he sold property near his home in Kendall County, Ill., for a $1.8 million profit last year after championing a $207 million earmark in the same bill for a nearby connector road.

'Draft Cantor' Move Pondered (RC)

By Susan Davis

Roll Call, November 14, 2006

Unhappy with the current candidates, a small but aggressive group of House Republicans are agitating for current Chief Deputy Majority Whip Eric Cantor (Va.) to get into the race for Minority Whip, according to interviews with multiple GOP lawmakers who requested anonymity.

These Members are emboldened by what they say is a lack of support for incumbent Majority Whip Roy Blunt's (Mo.) campaign, and frustration that the popular Cantor opted out of a leadership bid in deference to Blunt, who elevated the Virginian to Chief Deputy Whip when he was a freshman.

Cantor has pledged to not challenge Blunt head-on in a leadership race — a pledge Cantor has no intention of breaking, according to sources not affiliated with Cantor's office.

"This is not Eric working this, we are honoring his commitment to Roy," said one House Republican. But "it's not fair. We don't feel like we are being given the opportunity to vote for the guy we want in there."

Cantor's office, meanwhile, emphasized his work on behalf of Blunt.

"Congressman Cantor is not in the race and is enjoying the opportunity to help Congressman Blunt," said Rob Collins, a top aide to Cantor.

"Congressman Cantor believes we need to move beyond this election to begin to define how the liberal agenda in Congress will weaken America. Mr. Cantor looks forward to working with the next Republican Whip, Roy Blunt and the rest of the leadership team to do just that."

Members interviewed for this story stopped short of officially calling it a draft movement to get Cantor in the Whip race, but they are examining Republican Conference rules governing leadership races to discuss options to get Cantor on the ballot through a nominating petition, or spark a grass-roots campaign for him as a write-in candidate for Whip.

By nearly all accounts, Cantor has significant support in the Conference, making him a likely favorite in any race. Members said they would not be working to force Cantor into a bid if they believed Blunt already had locked up the votes for his bid.

"This is a very volatile situation right now," observed another Member sympathetic to Blunt. "I am as certain as I can be that Blunt does not have the votes right now."

Rep. John Shadegg (Ariz.) is the only challenger to Blunt in the Whip race. His support is difficult to ascertain because he has not released a list of public backers, but neither has Blunt. Shadegg's bid has been aided by the perception that Blunt is not viewed as favorably in his race as now-Majority Leader John Boehner (Ohio) is in his bid for Minority Leader.

But Cantor would scramble the current dynamic as Members who have committed to Shadegg could jump ship if Cantor somehow gets in. "I am supporting John Shadegg but if Eric gets in the race, he's got my support," said a third Member.

Privately, Shadegg also has told lawmakers that he would maintain Cantor as Chief Deputy Whip if he is elected, according to Members.

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Lawmakers who are trying to get Cantor in the race said Member-to-Member conversations picked up dramatically Monday as Members returned to town. Approximately six to 10 Members actively are discussing getting Cantor into the race, and if that support intensifies significantly, there could be an effort to ask Blunt to step out of the race.

"I believe there will be a very strong push to ask Mr. Blunt to step aside" if the support for Cantor intensifies, observed another Member. The Member said it would be a "calculated risk" because if Blunt declined to exit the race and won, it could aggravate tensions within the Conference.

Blunt's office emphatically refutes that he is considering dropping his bid.

"Congressman Blunt has spoken to every member of the Conference with the help of Mr. Cantor. They are a good team," said Burson Taylor, a spokeswoman for Blunt. "Congressman Blunt is grateful for all of Mr. Cantor's support. ... We feel very good about where we are right now."

Blunt met with more than two dozen supportive Members on Monday night in his Whip office to discuss his leadership campaign.

In other races, Boehner held a conference call with supportive Members on Sunday evening. According to sources familiar with the call, Boehner he was confident he would win the Minority Leader race, going so far as to say he could win it on a first ballot, despite facing challenges from Rep. Mike Pence (Ind.) and Energy and Commerce Chairman Joe Barton (Texas).

Barton and Pence both met with reporters Monday to promote their candidacies. Barton outlined a nine-step program to winning back the House majority, and reiterated his "Majority Back Guarantee" pledge to return the GOP to the majority in six years or less, or opt out of a leadership bid.

The House Republican Conference will meet Wednesday and Thursday this week to give members an opportunity to hear from each leadership candidate before Friday's scheduled elections.

Additionally, the Republican Study Committee will meet Wednesday with prospective leadership candidates.

Rep. Jack Kingston (Ga.) made his plea for Conference chairman on the Internet, with a video blog outlining his credentials for the post. Kingston is in a four-way race for the chairmanship against GOP Reps. Marsha Blackburn (Tenn.), Adam Putnam (Fla.) and Dan Lungren (Calif.).

Blackburn issued a "Dear Colleague" letter and messaging strategy, focusing on her private career in sales and marketing. "For twenty years I made my living helping small and large clients develop successful outreach plans, and I both appeared in and produced local television consumer affairs segments," she wrote. "I would like to put this experience to work for our Republican Conference."

While Blackburn largely has avoided stressing the fact that many Members believe a female presence should be in the leadership team, she has increasingly noted that the Conference will need someone to put up against presumed Speaker Nancy Pelosi (D-Calif.). The only other woman seeking a leadership post is Rep. Kay Granger (Texas), a vice chairman candidate.

Putnam's entry into the race has made it competitive, and while some Capitol Hill observers have speculated that Blackburn would have a better shot to win if she entered the vice chairman race, her office emphatically has shot down such suggestions.

The marathon race for National Republican Congressional Committee chairman picked up some speed, with the three candidates actively courting support. Rep. Tom Cole (Okla.) sent out a memo last week, and Rep. Phil English (Pa.) sent a "Dear Colleague" letter Thursday asking for votes. Rep. Pete Sessions (Texas) also is vying to head up the campaign committee.

While this race has been ongoing for most of the 109th Congress because NRCC Chairman Tom Reynolds (N.Y.) is term-limited, the race has taken on a greater sense of urgency now that Republicans have been relegated to minority status. "If you want to win back the majority, this is the race that really matters," said one lobbyist with ties to leadership.

In the Republican Policy Committee chairman race, Rep. Darrell Issa (Calif.) launched a Web site Monday, www.gopleadership.org, in support of his candidacy against Rep. Thaddeus McCotter (Mich.), who claimed the private backing of more than 50 Members on Friday.

Hispanic Is Expected To Be The Next Public Face Of The G.O.P. (NYT)

By Adam Nagourney

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — Senator Mel Martinez of Florida is expected to be elected general chairman of the Republican National Committee in January, party officials said Monday. That would apparently make him the first Hispanic leader of the party and address concerns among Republican strategists that the party's standing among Hispanic voters had been hurt in the fight over immigration.

Mr. Martinez, 60, who will not step down from the Senate, will serve as the public face of the party — raising money, appearing on television and helping to rebuild the party after its losses in the election last week, officials said. Mike Duncan, who

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has been general counsel of the committee since 2002, will be named chairman, serving under Mr. Martinez and in charge of the day-to-day operations of the committee.

The appointments will be recommended by President Bush, all but assuring their ratification when the committee meets in January, party officials said. The two men will succeed Ken Mehlman, who is stepping down as party chairman and returning to the private sector when his term ends in January.

Mr. Martinez and Mr. Duncan will effectively share the responsibilities of Mr. Mehlman under the proposed arrangement, which was described by Republican officials who requested anonymity in exchange for discussing a decision that is not expected to be announced until later this week. That would allow Mr. Martinez to stay in the Senate, where the midterm election last week left Democrats with a 51-to-49 majority.

The two-person arrangement, with a public official as the party's face — and chief fund-raiser — is not unusual. Paul Laxalt, the former senator from Nevada, was the Republicans' general chairman when Ronald Reagan was president, while Frank J. Fahrenkopf Jr. was chairman.

Mr. Martinez, a senator for just under two years, was not available for comment, his aides said.

The selection of Mr. Martinez, who was born in Cuba, would follow an election in which Republicans suffered sharp setbacks in achieving one of Mr. Mehlman's main political goals: expanding the appeal of Republicans among Hispanic voters.

The percentage of Hispanics who voted for Republicans fell to 29 percent, from 44 percent in 2004. The decline came after a campaign in which many Congressional Republicans ran campaigns calling for tough anti-immigration measures and opposed measures that would allow for some illegal immigrants to apply for citizenship.

Democrats were quick to seize on the selection of Mr. Martinez as a signal of how worried Republicans were about suffering setbacks among Hispanics, the fastest-growing part of the electorate. "One of the greatest success stories of the early Rove era was their success with Latino voters," said Simon Rosenberg, the president of the centrist New Democratic Network, referring to Karl Rove, the president's chief political strategist. "And that has unraveled for them this year."

Before being elected to the Senate in a tight contest in 2004, Mr. Martinez, a lawyer, was secretary of the Department of Housing and Urban Development under Mr. Bush. Mr. Martinez, who has long been close to Mr. Bush, headed his Florida campaign in 2000. Republican officials said that in turning to Mr. Martinez, the White House saw someone who was a strong fund-raiser and could be an effective spokesman for the party, filling a role that will be important at least until the field of presidential contenders becomes clear.

Also on Monday, a spokeswoman for Senator Trent Lott of Mississippi, the former Senate Republican leader, announced that he would seek to rejoin the leadership ranks this week after leaving the top job four years ago in an uproar over a racially charged comment.

Mr. Lott will oppose Senator Lamar Alexander of Tennessee for the No. 2 slot of whip in an election on Wednesday. Mr. Lott had been quietly testing his support. Should Mr. Lott win, it would be a remarkable comeback for the conservative legislative tactician. He was forced out in late 2002 after joking at the 100th birthday party for Senator Strom Thurmond that the nation would have been better off had Mr. Thurmond won the presidency in 1948, when he ran on a segregationist ticket. The remark drew strong criticism as being racially insensitive.

Lott Enlists Allies For Bid (RC)

By Erin P. Billings

Roll Call, November 14, 2006

As he presses ahead with his under-the-radar bid for Minority Whip, Sen. Trent Lott (R-Miss.) has enlisted roughly 10 Senators representing a cross section of the Republican Conference to help press his case in what appears to be a nail-biter contest for the No. 2 GOP leadership slot.

Lott has declined requests in recent days to talk about his leadership bid, but his office now avows that the one-time Majority Leader is actively campaigning for Whip against Sen. Lamar Alexander (R-Tenn.). Republican sources in both the Lott and Alexander camps said the race is very tight heading into Wednesday's secret-ballot vote of 49 Republican Senators.

"Sen. Lott is running for Republican Whip," said Lott spokeswoman Susan Irby. "His name will be on the ballot. We are closing in on victory."

Lott has long hinted at a return to leadership, but kept his campaign largely on the sidelines until after his friend, Sen. Rick Santorum (R-Pa.), then also a candidate for the GOP Whip slot, lost his campaign for re-election Nov. 7. Since then, however, Lott has been talking to his colleagues and soliciting support for the job, sources close to the Senator said.

"He's made a lot of visits, and continues to make visits," said a source close to Lott.

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As part of that, Lott has tapped several of his colleagues to make calls on his behalf and help line up commitments for his bid. They include junior Senators and several veteran Republicans including Sen. John McCain (Ariz.), a high-profile Senator and frontrunner for the 2008 GOP presidential nomination, several sources confirmed.

"There are about 10 guys and gals on the ground who have been asked to do one or two things," said the source close to Lott. "Obviously this is an inside game in the Senate."

One thing is abundantly clear: Lott is running his own style of race. Unlike Alexander, he has made few public comments about his campaign and hasn't yet confirmed to the press whether he actually is running for the job.

Opinions differ on the motivation behind Lott's quiet campaign strategy, but most agree he could and may still bow out if he is unable to muster up a majority to win. As it stands, the Minority Whip post is the only contested race facing the Conference this week.

"If you don't announce until you have the votes, it's safer because you can save face if you don't have the votes," suggested one GOP Senate aide. "You don't want to be the guy who went from being leader to the guy who lost to Lamar. It's a risk."

A Lott ally added: "If Lott feels he can't win, he's not running."

While Lott and his backers stress his leadership experience, political savvy and knowledge of Senate strategy and tactics, Alexander has touted his desire to bring a "fresh face" to leadership and focused his candidacy around a message of unity — he insists he has no higher ambitions beyond Whip — and helping likely incoming Minority Leader Mitch McConnell (Ky.) chart a course for the new minority Conference.

Those behind Alexander argue the Tennesseean isn't in it for himself, but rather to help build up the GOP team at a time when it is arguably demoralized and shaken. Lott's supporters, however, contend it is now more than ever that the GOP needs a shot in the arm, coming in the form of experience and a proven vote counter, to go at Democrats head on.

Lott has served as Whip in both the House and Senate, winning the latter contest by challenging and beating out then-Sen. Alan Simpson (R-Wyo.). Lott moved into the Majority Leader slot in 1996, a position he held until 2002 when he was forced to step down amid controversy over remarks at a birthday celebration for the late Sen. Strom Thurmond (R-S.C.) that were perceived as racially insensitive.

While Senators may still remember the incident, some now insist privately that Lott was treated unfairly, especially in the face of some recent events dogging the GOP.

"In light of the treatment that [Speaker Dennis] Hastert got from the [ex-Rep. Mark] Foley (R-Fla.) case, a lot of Members view Lott as getting a really raw deal," said one GOP Senate aide.

Backers of both Alexander and Lott have kept most of their supporter's names out of the headlines, but late last week Alexander claimed the support of a majority of the 49 voting Senators for the Whip post (only Senators slated to serve in the 110th Congress are allowed to cast votes in the contest). Alexander, a first-term Senator, former Tennessee governor and one-time presidential hopeful, entered the race late last year and has been collecting votes for some months.

"Alexander is seen as a team player and also people appreciate that nobody is running for president in the leadership," said a Republican Senate staffer. "They are all pulling for the team."

Alexander would need to have at least 25 Republicans on his side to win election to post, and he stressed Monday that his strength is growing, saying: "On Thursday a majority of my colleagues had committed to vote for me for Whip. Today, I have more commitments than I had on Thursday and I'm still working to build a consensus within our caucus."

Several GOP aides suggested that Alexander probably has a majority of Republican Senators backing him, but that the race is still fluid and likely will end up being extremely close. Aides to Senators backing Alexander and Lott alike suggested Monday that the outcome could come down to three or four Senators' votes.

Another Lott ally said while the Mississippi Senator isn't likely to stand for a vote if he can't win, he "has a very good way of pulling it out and coming out on top."

Lott supporters suggested Monday that the Mississippi Republican's campaign is fueled by the GOP's newfound minority status, and a desire among many Senators bring back a tested leader and one-time Whip who can help win the chamber in 2008.

"More than ever we need that brain power," said a Republican Senate aide. "There has been such a void — it's been a while since we've had somebody who knew what they were doing pulling the levers around here."

Emily Pierce contributed to this report.

Public Expects The Dems To Deliver (USAT)

By Jill Lawrence

USA Today, November 14, 2006

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WASHINGTON — Americans are pinning their hopes for the country's future on the incoming Democratic Congress and its largely unfamiliar leaders, the latest USA TODAY/Gallup Poll shows.

In the poll taken Thursday through Sunday, just after Democrats swept to majorities in the House and Senate, 61% of those surveyed said that they want Democrats to have more influence than President Bush on the direction of the nation. Nearly half said the country will be better off under Democrats; 16% said it will be worse off; and one-third predicted no difference.

Bush's job-approval rating was 33%, tying his second-lowest ever. The Republican Party was viewed favorably by 35% — an eight-year low.

Democrats had a 57% favorable rating, their highest since January 2004 and 4 percentage points higher than the 53% share that exit polls indicated the party's congressional candidates won on Election Day.

Joel Benenson, a Democratic strategist whose firm worked on several Senate races, said the poll underscores the message voters sent Bush. “They expect the Democratic Party to have influence with the president,” he said. “They want things to get done. They think the Democrats can help make that happen.”

Wes Anderson, a Republican strategist whose firm handled independent spending for the GOP Senate campaign committee, said voters fired his party for incompetence. “The challenge for the Democrats at this point is living up to the billing,” he said. “The bar is set probably higher than they want it to be set.”

Democrats appear for now to have buried their image as soft on security, despite charges by Bush and other Republicans that terrorists would gain ground if Democrats won majorities. By 63%-33%, poll respondents said it is not likely Democrats in Congress will take steps that would weaken national security.

In other expectations, 6 in 10 said it is likely Democrats in Congress will raise taxes. Half said it's likely Democrats will make prescription drugs less expensive and vote to pull all U.S. troops out of Iraq.

There was skepticism about Democratic pledges to clean up ethics and cut the budget deficit. About half said it's unlikely that Democrats will try to reduce corruption; 58% said deficit reduction is unlikely.

The Democrats set to lead their party on Capitol Hill are relatively unknown. House Minority Leader Nancy Pelosi of California, in line to be speaker, had a 38% favorable rating. The same percentage said they had never heard of her or had no opinion about her.

More than half said they'd never heard of Sen. Harry Reid, D-Nev., or had no opinion of him. The future Senate majority leader was viewed favorably by 27%.

Only 24% in the poll identify themselves as Republicans, down from 31% just before the election. That's the smallest percentage since December 1998, when only 20% said they were Republicans. The post-election dropoff is not unusual for a losing party; self-identified Democrats fell from 34% to 28% in 1994, when Republicans seized Congress.

Democrats stayed relatively constant, edging from 34% to 35%. Independents registered the largest gain, from 32% before the election to 40% afterward.

Defense Secretary Donald Rumsfeld, who announced his plans to resign the day after the election and before the poll was taken, shot to a record 57% unfavorable rating — up 12 points since September.

Bring On The Seinfeld Congress (NYT)

By John Tierney

The New York Times, November 14, 2006

I’m afraid the election results still haven’t registered in Washington. Democrats and Republicans keep making noises about working together to accomplish great things. But that’s not what Americans voted for. They voted for gridlock.

They gave Congress a Seinfeld mandate to do nothing. The Democrats offered no bold new ideas, and they were rewarded with victory. Voters would like them to mop up the messes made by Republicans, but that’s it. Find a way out of Iraq, and then avoid any more excellent adventures dreamed up by neoconservatives.

Besides Iraq, the big issue bothering voters was corruption, and the best way to appease them is by working less. The fewer favors you hand out, the fewer chances to sell your vote. The smartest political move for either party would be to take a vow of abstinence by outlawing earmarks.

It’s traditional in Washington to measure a Congress’s success by the number of bills it passes, but that’s only because of all the lobbyists, lawyers and journalists whose livelihoods depend on quantity, not quality. A do-nothing Congress is bad for the local economy.

But it’s fine for the rest of the country. The prospect of gridlock has been welcomed, as usual, on Wall Street. The brief era of fiscal responsibility in Washington in the 1990s occurred only because a Democratic president and a Republican Congress couldn’t agree on how to spend the surplus.

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The most successful legislation of the past decade was welfare reform, which essentially repealed the damage of the do-something Congresses of the 1960s and 1970s. Most of the legislative "victories" of President Bush's first term — like the No Child Left Behind Act and the prescription drug benefit — have turned out to be expensive mistakes.

Some Democrats say they'd like to expand these programs, but they've been vague about how to pay for them — and loath to talk about raising taxes. In fact, they've said one of their first priorities is cutting taxes. They want to reduce the impact of the alternative minimum tax, which hurts people making between $100,000 and $500,000 per year, especially ones living in areas with high local taxes.

But these victims are concentrated in blue states, the very places that keep electing senators who denounce "tax cuts for the rich." Why should Republicans agree to give affluent Democratic voters a tax break? Grant them their wish for social justice. If Republicans do nothing, the alternative minimum tax will gradually hit more and more people, bringing America closer to the flat-tax system favored by Republican economists.

If House Republicans heed the election results — and polls showing that most Americans want the federal government to do less — they'll elect Mike Pence of Indiana as their new leader. He's got the fiscal do-nothing credentials, having voted against Bush's expensive Medicare and education reforms.

He has also avoided the Republicans' losing strategy of bashing immigrants. Instead of just trying to seal the border, he has proposed letting immigrants enter legally if there are jobs waiting for them. With him in charge, Republicans could work out a deal with Democrats to undo Congress's past mistakes and let market forces, not rigid quotas, determine who enters America.

It's always possible, of course, that Democrats and Republicans could agree on some radical new venture. I still like to fantasize about a grand bargain on global warming: the Republicans support a carbon tax, and the Democrats agree to refund all the revenue into new personal retirement accounts for Social Security recipients. But I'm not expecting to see them make that deal any time soon.

Whatever they do the next two years, I won't be here to kick them around. This is my last column on the Op-Ed page. I've enjoyed the past couple of years in Washington, but one election cycle is enough. I'm returning full time to the subject and the city closest to my heart: science and New York. I'll be writing a column and a blog for the Science Times section.

I hate to abandon my libertarian comrades here fighting in the belly of the beast, but this is the right moment to leave. After six years of libertarians reluctantly electing Republicans as the lesser of two evils, we've finally had enough. We've voted out big-government conservatism, and the result is the happy state of gridlock. For now, our work is done. See you in January in a new column on a new page.

Sit Down And Legislate For A While (NYT)

By Adam Clymer

The New York Times, November 14, 2006

CONGRATULATIONS to the new class of freshmen senators-elect. Please stay a while.

In the era of the short attention span, a lifetime in the Senate may be hard for baby boomers to comprehend. It's certainly a difficult notion for the news media, easily bored by public figures who have been around for a long time, and already racing their engines to start covering the 2008 race for the White House. Instead of singling out potential legislators who may someday save Social Security or raise foreign aid to a substantial level, reporters are on the hunt for future presidents.

But the United States Senate deserves more from its members, new and old, than being treated as just a line on a would-be president's résumé. The framers, after all, dealt with the legislative branch in Article I of the Constitution, and not by accident.

There are, of course, practical arguments for senators to try for the White House as soon as they can. The less time in the Senate, the fewer votes there will be for their opponents' attack ads to distort. They may also sound less like senators if they run early — before they absorb the Beltway vernacular that mistakes phrases like "amendment in the second degree" or "recommit to conference" for comprehensible English.

Then there is what I call the "elevator factor." The Capitol has tiny elevators reserved for senators, and as they are cooped up together with colleagues who have been talked about as, or have actually become, candidates, they can't help thinking, "I'd be better than him" or, these days, "her."

Senators will also seek excitement in the frozen corn stubble of Iowa because the Senate lately can be a drag. The Senate's level of partisanship is almost as bad as the House's and the filibuster, or the threat of one, is now used routinely, not just for great issues of state. And — though this is sure to change with the incoming Democratic majority — recent Senates have abandoned oversight hearings, like the ones that brought Harry Truman to national attention during World War II.

Senators are always going to run for president — they are exposed to important issues and have the egos to think they know how to solve them. But a freshman, settling down into one of those desks in the back with ancient sets of initials carved into it, would do well to recall that Henry Clay, Daniel Webster, Robert Wagner, Henry Cabot Lodge, Arthur Vandenberg and Ted

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Kennedy, to cite a few, all influenced the nation more than most presidents do — in large part because their longevity gave them an understanding of how the Senate works and the perspective to see what it needed to do.

Sure, Senators Clay, Webster and Kennedy all tried for the White House, but not until they were established figures in the Senate. Mr. Kennedy, in fact, became a historic "lawmaker" — literally, not in the casual headline usage — only after he abandoned his hopes of the presidency.

But there aren't enough like them. Too many senators worship at the Church of the Sunday Talk Show, and then, pleased with the attention, abandon the Senate for the alternative universe of nearly full-time presidential campaigning.

This next session of the Senate is not going to solve some great national problem like energy, but it can achieve smaller but important things like last year's bipartisan (mostly Hillary Clinton and Lindsey Graham) success in getting health care for National Guard and Reserve troops and their families. If that sort of issue is beneath freshman senators, then they're in the wrong line of work.

Junior senators should look for allies, and work with them to do something useful. There are a good handful of colleagues on both sides of the aisle who take their current jobs seriously — gentlemen like Charles Grassley or Jeff Bingaman, who are worth getting to know, regardless of party. They don't make magazine covers, but with some help these diligent lawmakers might restore to the Senate the considerable institutional pride it once deserved.

So, to those freshman senators-elect pondering the need for presidential exploratory committees: Wait a while. At least a term.

Don't imitate the able but impatient John Edwards, who ran during his first term, or Barack Obama, who is apparently considering the Edwards example.

If the presidency is really your goal, Senator Clinton is a better model. For six years she has worked at being a senator. She may be using her job as a steppingstone to the White House, but she's still giving full value both to the institution and to her constituents.

After all, concentrating on the Senate doesn't mean giving up on the presidency. Though a sitting senator hasn't been sent to the White House since 1960, senators with serious records do get to be president — after those records have gotten them picked as vice president, most recently, Harry Truman, Lyndon Johnson and Richard Nixon.

And if senators try for the presidency (or less arduously, the vice presidency) based on records of accomplishment rather than on reputations of presumed charisma or rafts of media buzz, they will be better presidents if they get there and can have a sense of pride even if they don't.

Besides, being a good senator is what the voters last week hired them to do.

A Question Of Ethics (USAT)

By Jonathan Turley

USA Today, November 14, 2006

In her first statement after the Democratic takeover of the House, the presumptive new speaker, Nancy Pelosi of California, pledged that her party would create "the most honest, the most open and the most ethical Congress in history."

History, however, should give citizens pause before they celebrate the dawn of a new day. Pelosi's promise is eerily similar to the vows of her two predecessors.

Notably, in this election, Democrats took back the seats that they lost in 1994 when Newt Gingrich, who became speaker, led a Republican takeover based in part on his promise to create the most ethical Congress in history. Yet, ethics quickly gave way to earmarks, and Gingrich left the House in scandal.

We heard the same words from Dennis Hastert in 1999, when he became speaker. During Hastert's speakership, the leadership actually loosened ethics rules and prevented some bipartisan reforms from coming to the House floor. Hastert even engineered the removal of GOP members from the ethics committee who had voted to admonish former majority leader Tom DeLay for his misconduct — before DeLay resigned under indictment.

This history explains why lobbyists on K Street are not packing moving boxes in anticipation of an outbreak of good government. After all, these same Democrats remained silent for many years in the face of corrupt practices, often engaging in the very conduct that would now have to be prohibited.

Even so, there is one unexpected glimmer of hope: They might not have a choice. To the surprise of both parties, exit polls cited corruption in Congress as one of the most important issues motivating citizens to vote. President Bush had campaigned for some of the most corrupt members of Congress. His political adviser, Karl Rove, admitted after the elections that "the profile of corruption in the exit polls was bigger than I'd expected."

Of course, "reform" can take the most curious forms in the parallel moral universe of Congress. For example, in 1997, the mislabeled House Ethics Reform Task Force moved to prevent ethics charges rather than ethics violations. Not only did the

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members bar citizens from bringing charges, but both parties also entered into a secret 7-year moratorium on any ethics charges by members.

While Republicans richly deserve the lion's share of blame for the grotesquely corrupt 109th Congress, it is only fair to note that ranking Democrats have long fought to preserve and benefit from many of the same loopholes and technicalities.

Democratic whip Dick Durbin of Illinois has been criticized for accepting trips for himself and his wife that were paid for by outside groups such as the not-for-profit Aspen Institute. Likewise, the presumptive Senate majority leader, Harry Reid of Nevada, was recently scrutinized for alleged ethics lapses, including a controversial land deal in Las Vegas and the use of campaign funds to give Christmas bonuses to workers at his luxury condo building in Washington.

None of this means that the Democrats cannot show that they are capable of personal change with needed political reform. Yet, the last Democratic proposals for ethics reforms contain obvious gaps that would allow the continuation of corrupt practices, including some favored by their leadership.

If Pelosi is serious about "draining the swamp," here are 10 practices that would have to end:

·Free vacations. Prohibit travel for members and their family and staff paid by outside groups, including not-for-profit organizations.

·Playing the market. Bar members from legislating in areas where they have financial interests by closing a loophole in the definition of "outside income," which excludes investments and stocks. Better yet, require the use of blind trusts by members (already used by executive and judicial officers).

·Quid pro quo deals. End the practice of receiving windfall private deals from partners, who then receive generous government contracts. Require recusal from any matter in which a business partner has a direct financial interest.

·Self-policing. Create an independent office of ethics in which non-members investigate and rule on allegations of unethical conduct.

·Misuse of campaign funds. Prohibit the use of such funds for any purpose other than direct campaign costs for the original recipient, barring the transfer of funds to other candidates.

·Family lobbyists. Bar members from any official contact with family members who are employed as lobbyists and require recusal from any committee with jurisdiction over issues on which a spouse or a child is a lobbyist. Enact an ethics principle that expressly condemns the employment of spouses or children as lobbyists as harmful to the institution.

·Family businesses. Strengthen nepotism rules, including a ban on the hiring of spouses and family as campaign staff or contractors.

·Gifts. Change the scope of prohibited gifts to include the use of private jets by members and catered food for members or staff. Also require the valuation of gifts by an independent ethics committee.

·Club privileges. End all special access to the floor and other areas for former members that allows them free access as lobbyists.

·Earmarks. The primary currency for corrupt practices and pork barrel projects remains earmarks — special pet projects inserted into budgets outside of the usual competitive bidding and appropriations processes. Democrats have proposed changes but not the most obvious: Ban earmarks.

Believing in Pelosi's promise is the ultimate victory of hope over experience. Indeed, Democratic proposals still fall short of a true cleaning as opposed to a quick dust and polish in the "first 100 hours." Yet, if she implements these 10 reforms, Pelosi can prove that it is possible for reformed sinners to sin no more.

Jonathan Turley is the Shapiro Professor of Public Interest Law at George Washington University and a member of USA TODAY's board of contributors.

Democrats' Real Victory (WP)

By E. J. Dionne Jr.

The Washington Post, November 14, 2006

LITTLE ROCK -- Elections provoke myth-spinning. Republicans are in danger of spinning away from a full appreciation of the magnitude of their defeat last week. Democrats could spin themselves into useless arguments rooted in the past and ignore the opportunity American voters have offered them.

Some Republicans, including President Bush's political architect, Karl Rove, are trying to say that Tuesday's vote was no big deal. Democratic gains were at or below the incumbent party's usual losses in the sixth year of a presidency, and anyway many of the Democrats elected this year are "conservative."

Republicans believe this spin at their peril.

Many who play down the Democratic gains are the very same people who said six months ago that the Democrats had no chance of winning either the House or Senate. Incumbent-friendly congressional boundaries and the fact that many of the House

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and Senate seats Democrats needed to win were in previously pro-Bush areas meant Democrats needed a big and unlikely surge.

The surge happened. Votes are still being tallied, but it appears that the Democrats emerged with at least as large a margin in the popular vote in this year's House races as Bush enjoyed in winning two years ago. If Rove could claim that Bush's narrow majority was part of a "rolling realignment" to the Republicans, why is a comparable majority the other way insignificant? Democrats, by the way, also have an estimated 11 percent lead in the vote totals for Senate races and a 7 percent lead in governors' contests.

The notion that this election produced a different kind of "conservative" majority is simply wrong. Yes, Democrats won in part by nominating moderate candidates in moderate areas. But every newly elected Democrat was, by any fair reckoning, somewhere to the left of the vanquished Republican, especially on Iraq and economic issues.

Moreover, voters on Tuesday sent to Congress a pack of unapologetic progressives, including Sherrod Brown of Ohio and Bernie Sanders of Vermont in the Senate, and such new House members as John Yarmuth of Kentucky, Carol Shea-Porter in New Hampshire and Dave Loebsack in Iowa, among many others.

Some Republicans say that Sen. Joe Lieberman's reelection as an independent suggests that rejection of Bush's Iraq policies was not, to use Rove's word, the "determining" factor in the election. But exit polls make clear that Lieberman won despite his support for the war, not because of it.

Connecticut voters disapproved of the war by a margin of two to one, and nearly two-thirds favored withdrawing some or all of our troops. Lieberman, who enjoyed residual affection among Connecticut Democrats, managed to carry close to 40 percent of the vote among those who favored troop withdrawals, including a remarkable 29 percent among those who favor withdrawing all our troops.

Republicans make a mistake if they dismiss the depth of the Democratic victory and the disintegration of their coalition. Democrats now control 28 of the 50 governorships, many of them in previously red states such as Arkansas, and they picked up legislative chambers in seven states.

Democrats converted one-time Bush voters in large numbers and cut into core Republican constituencies. As the National Journal's Tom Edsall has pointed out, Republicans lost ground among white men, married people and religious voters. Nationwide, one of every seven Bush voters from 2004 backed a Democratic House candidate. In Ohio, Brown won 20 percent of those who voted for Bush two years ago; in Montana, Democrat Jon Tester won 18 percent of the Bush voters. In the Ohio governor's race, Ted Strickland, the winning Democrat, won 30 percent of Bush supporters from 2004.

But victory has not prevented the revival of what feels like an ancient feud between Democratic centrists, who are emphasizing the importance of moderate voters in Tuesday's results, and those on the party's left who point to the centrality of economic populism and impatience with the Iraq war.

To which the only rational response is: Stop! Moderates were indeed central to the Democrats' triumph, because Republicans vacated the political center. But these are angry moderates. Many are unhappy about Iraq, less on ideological grounds than because the Bush policy is such an obvious failure. The new Democratic voters are a mix of social conservatives (especially in the South and parts of the Midwest such as Indiana) and social libertarians (especially in the West). Many (especially in the Midwest) are angry about the flight of manufacturing jobs overseas.

Holding this coalition together will require subtlety and an acknowledgment that the comfortable old battles of the 1980s and '90s are irrelevant to 2006 and 2008. The old arrangements are dead, a truth that both parties need to recognize.

Clinton Outlines Legislative Priorities (AP-Y)

By Beth Fouhy, Associated Press Writer

AP, November 14, 2006

Democratic Sen. Hillary Rodham Clinton on Monday outlined an ambitious agenda of legislative priorities while continuing to deflect questions about her presumed presidential ambitions.

"I will look at the possibilities, but I ... haven't really had the time to talk to people about it," Clinton told a breakfast gathering hosted by the Association for a Better New York. "It's been a busy election season that worked out well, so I will think about it. I'm open to thoughts."

Clinton was returning to Washington on Monday to participate in a lame-duck session of Congress in which lawmakers will tackle several pieces of unfinished business before ceding control of both the Senate and House to Democrats early next year.

But the New York senator was clearly looking ahead to the next Congress, which she, like other Democrats, has vowed will operate on a more bipartisan basis than it had under Republican control.

"We are ready to roll up our sleeves and work with our Republican counterparts. Our country works best when we govern from the vital, dynamic center," she said.

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But Clinton still had bitter words for President Bush and his political advisers, including lead strategist Karl Rove, for creating a polarized environment that had stifled debate or disagreement.

"Karl Rove's theory is you just take your base, and you expand your base, and you basically just role over everybody who gets in your way," she said.

Since cruising to re-election last week against a weak Republican challenger, Clinton has parried repeated questions about her political future. While she hasn't disclosed her plans, polls show her the clear front-runner for the 2008 Democratic presidential nomination, with a national infrastructure of strategists and advisers and at least $10 million in her campaign account.

"Before, I didn't have time to think — I was too focused on what I was doing," she later told reporters. "I'm thrilled by the results, and now I'll have some time to think."

In her remarks, Clinton outlined a range of challenges she said Democrats would tackle in the coming months, such as trimming the federal deficit, reducing dependence on foreign oil, and improving the image of the United States abroad.

She also said Democrats would focus on improving the quality and affordability of health care — a touchy matter for the former first lady, who in 1993 led her husband's calamitous attempt to overhaul the nation's health care system. The failure of that effort helped Republicans win control of both the Senate and House the following year.

"Health care is coming back," Clinton warned, adding, "It may be a bad dream for some."

Sleepless Over Security Breaches (WP)

By Stephen Barr

The Washington Post, November 14, 2006

Nearly 40 percent of federal technology officials say worries about security breaches involving telecommuters cause them to toss and turn at night, according to a survey released yesterday.

Asked which security issues keep them up at night, the technology officials listed concerns about remote access to systems, violation of employee privacy and disruption of agency operations.

The survey of 200 federal technology officials was conducted in August, when outrage remained strong over the May theft of a laptop and external hard drive from the home of an analyst for the Veterans Affairs Department. Although police recovered the equipment, the theft put millions of veterans at risk of identity theft.

"Right now, the aspect of security getting the most attention is data theft associated with laptops or personal digital assistants," said Gerald T. Charles Jr., an executive with Cisco Systems Inc., which sponsored the survey.

Concerns over computer security appear to be slowing the government's efforts to increase telecommuting, Charles said. Still, he noted, agencies are rethinking how they do business as they seek to use technology to respond to emergencies or to realign their workforces, he said.

For example, the General Services Administration and the Defense Department are examining whether telecommuting can help ease the demands on office space and traffic systems that will be placed on Fort Belvoir when base-closing orders relocate thousands of workers to southern Fairfax County over the next few years, Charles said.

The House Government Reform Committee and other congressional panels have faulted federal agencies for doing a poor job of protecting their information networks and computers from hackers and viruses. In a bid to tighten security, Congress approved the 2002 Federal Information Security Management Act, which requires agencies to meet certain computer security standards and to create procedures for reporting security problems.

The Cisco survey found that getting into compliance with the law and meeting goals laid out by the Office of Management and Budget and the Congress are key priorities for federal tech officials in the coming year.

But the technology officials listed a lack of personnel, tight budgets and problems in understanding FISMA regulations as key challenges in implementing security solutions.

Federal technology officials, representing 45 agencies and the military, also reported losing sleep over inadequately trained or unconcerned employees and software flaws.

Despite their concerns, 58 percent of the survey respondents said progress is being made on computer security at their agencies.

Cisco, the world's largest maker of computer networking equipment, sponsored the survey to help guide its business strategy, Charles said.Hearing for Regulatory Czar

Susan E. Dudley, President Bush's nominee to oversee federal regulatory policy at the OMB, told a Senate committee yesterday that her writings at a think tank were sometimes provocative but should not be taken as a sign that she would try to undermine or block federal rules that seek to protect the environment and public safety.

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For the past eight years, Dudley has taught and written about regulation for the Mercatus Center at George Mason University. Her critics had assailed her for comments involving air bags, arsenic limits in drinking water and workplace injuries and said her writings show that she would take a hands-off approach to regulating corporations.

Sen. Susan Collins (R-Maine), chairman of the Senate Homeland Security and Governmental Affairs Committee, and the committee's Democrats expressed concern about Dudley's writings. Sen. Daniel K. Akaka (D-Hawaii) told Dudley that regulatory decisions "cannot be left to political whim or individual political preferences."

Dudley promised to enforce the law and abide by presidential directives. She described herself as "fair and open-minded" and said her writings had sought to challenge how people think about the consequences of regulation.

After the hearing, Collins said Dudley "did a good job" and demonstrated that she understands the responsibilities of the OMB regulatory post.

Collins said she intends to hold the hearing record open so Democrats may ask more questions of Dudley. The nomination should come up for a vote next month, Collins said.

Panel To Target Shell Companies (WT)

By Jerry Seper

The Washington Times, November 14, 2006

Officials in all 50 states will incorporate nearly 2 million companies this year without identifying the owners -- a fact a Senate subcommittee fears could help money launderers, tax evaders or terrorist financiers.

"Although the vast majority of companies formed in the U.S. serve legitimate commercial purposes, they are attractive vehicles for those seeking to launder money, evade taxes or finance terrorism," said Sen. Norm Coleman, Minnesota Republican and chairman of the Senate Homeland Security and Governmental Affairs permanent subcommittee on investigations.

"Without company-ownership information, it is often difficult, and at times impossible, for U.S. law enforcement to identify and prosecute the criminals behind U.S. shell companies that are engaged in illicit activities," Mr. Coleman said.

A subcommittee hearing today will explore how to reduce the potential for abuse while preserving what Mr. Coleman described as "an effective, efficient system that does not derail or unnecessarily delay" legitimate businesses.

"Criminals seeking to launder money, evade taxes or commit other crimes want to cloak their actions in secrecy," said the subcommittee's ranking Democrat, Sen. Carl Levin of Michigan. "And right now, that's exactly what they get when they establish a U.S. shell company."

At the center of the hearing is an April report by the Government Accountability Office (GAO) that said none of the 50 states routinely requires applicants to disclose who will own a corporation and most states do not require ownership information for a new limited liability company. The report said the absence of company-ownership information enables people to conceal their identities while operating as U.S. companies.

At the hearing, officials from the Justice Department, the Internal Revenue Service and the Financial Crimes Enforcement Network are expected to testify about an increase in the use of U.S. shell companies for illicit activities and how their investigations have been impeded by the lack of company-ownership information.

The GAO report noted that U.S. Immigration and Customs Enforcement (ICE) officials reported that a Nevada-based corporation received more than 3,700 suspicious wire transfers totaling $81 million over two years, but the case was not prosecuted, because ICE was unable to identify the corporation's owners.

It also said the Financial Crimes Enforcement Network found that from April 1996 to January 2004, financial institutions filed 397 suspicious-activity reports, concerning a total of almost $4 billion that involved U.S. shell companies, Eastern European countries and U.S. bank accounts.

The report also said the FBI found that U.S. shell companies are being used to launder billions from the former Soviet Union and that the bureau has more than 100 open cases investigating market manipulation, most of which involve U.S. shell companies. It said a Justice Department report found that Russian officials used shell companies in Pennsylvania and Delaware to divert $15 million in international aid intended to upgrade the safety of former Soviet nuclear-power plants.

OTHER NEWS:

Industrials Rise 23.45 To 12131.88 Amid Optimism (WSJ)

By E.S. Browning

The Wall Street Journal, November 14, 2006

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Stocks crept higher, as investors looked ahead to what they hope will be reassuring inflation data and positive news from the Federal Reserve.

Ahead of a stream of government reports today, the Dow Jones Industrial Average rose 23.45 points, or 0.19%, to 12131.88. It is up 13.2% in 2006, less than 50 points from the Nov. 8 record finish of 12176.54, and has risen in five of the past six sessions.

Reflecting optimism about economic growth, technology stocks were among the leaders. The tech-laden Nasdaq Composite Index rose 0.70%, or 16.66 points, to 2406.38. It is ahead 9.1% this year, at its highest finish since 2001. It still would have to more than double to hit its own record, 5048.62, from March 2000.

Today, the government releases October wholesale inflation data and retail-sales numbers. The Federal Reserve is due to publish a summary of the minutes of its October interest-rate policy meeting. Consumer-price inflation numbers are due Thursday.

Hopes are high. Investors expect the inflation data to indicate that the pace of price increases is slowly falling back into the 2%-or-less annual range that the Fed considers acceptable. People think retail sales will show steady, although not eye-popping, gains ahead of what they hope will be a good holiday season. And they think the Fed minutes will contain no surprises, with most policy makers continuing to believe that, as long as inflation and growth remain moderate, interest rates can stay unchanged.

Any divergence from these expectations could send stocks lower, but lately, the economic news has been fair-to-good, and investors are hoping it will stay that way.

Investors were reassured by the continuing drop in crude-oil futures, which finished yesterday at their lowest level in more than a week. Crude fell back below $59, dropping $1.01 to $58.58 a barrel, a 4% decline for the year.

Richard Fisher, president of the Dallas Federal Reserve Bank, said the U.S. economy is "growing forcefully," which further allayed worries that the economy could slump.

The broad Standard & Poor's 500-stock Index rose 0.25%, or 3.52 points, to 1384.42, up 10.9% this year. It, too, is far from its record, 1527.46, also hit in March 2000.

In major U.S. market action:

Stocks advanced1. Total trading volume for stocks listed on the New York Stock Exchange was 2.39 billion shares, as 1,815 stocks rose and 1,513 fell.

Bond prices declined2. The 10-year Treasury note fell 5/32, or $1.56 for each $1,000 invested, pushing the yield up to 4.607%. The 30-year bond was down 5/32 to yield 4.706%.

The dollar strengthened3. Late in New York, it traded at 118.19 yen, up from 117.59 yen, while the euro fell against the dollar to $1.2803 from $1.2847.

Write to E.S. Browning at jim.browning@wsj.com4

Looking Back On Louis Brandeis On His 150th Birthday (NYT)

By Adam Cohen

The New York Times, November 14, 2006

In 1908, Louis Brandeis turned American law on its head with the “Brandeis brief.” The Supreme Court was in the midst of the notorious Lochner era, in which a pro-business majority routinely struck down laws protecting workers’ health and safety. Brandeis was defending an Oregon law that limited women’s workdays to 10 hours. It seemed likely the court would rule, as it just had in a similar case, that maximum-hours laws violated employers’ “right of free contract.”

In his brief, Brandeis devoted just two pages to legal analysis. He spent more than 100 pages setting out statistical and sociological data on the harm that long workdays did to women. His use of facts and sociological arguments was both shocking and enormously successful. The court upheld Oregon’s law, 9 to 0.

Brandeis, whose crusades against insurance companies and banks earned him the title “the people’s lawyer,” was born 150 years ago this week. He has many claims to fame: champion of the New Deal, first Jewish Supreme Court justice, creator of the legal doctrine of privacy. But it is Brandeis’s insistence on injecting facts and real-world analysis into the law that is his most lasting achievement, and one that resounds especially strongly today, when “reality-based” logic is so embattled.

Brandeis was born in Louisville, Ky., shortly before the start of the Civil War. As a Southerner and the son of a small merchant, he grew up with a Jeffersonian mistrust of big business. He entered Harvard Law School in 1875, and after graduating first in his class, remained in Boston to practice law. As a young lawyer, he co-wrote an article for the Harvard Law Review, “The Right to Privacy,” that Roscoe Pound, dean of the law school, would later say “did nothing less than add a chapter to our law.”

Brandeis was drawn to social causes. His first major victory was blocking a company from securing a monopolistic right to operate Boston’s subway system. Later, as special counsel to the Interstate Commerce Commission, he took on the railroad

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barons, insisting that they should not get rate increases "so long as the vicious system of interlocking directorates makes it impossible to know how much of the money is honestly and efficiently spent."

And he fought for workers. The Brandeis brief may not look particularly progressive by contemporary standards. It emphasizes women's feeble physical condition compared with men's, and quotes such authorities as a cotton mill machine operator who told a Senate committee, "I have noticed that the hard, slavish overwork is driving those girls into the saloons." But the brief was perfectly calibrated for the Supreme Court of its day. In appealing to the justices' paternalistic concern for women, it found a chink in the court's pro-business armor.

Brandeis was so enamored of facts and real-world consequences that he found himself moonlighting as a journalist. He wrote a fine series of muckraking articles on the "money trusts" for Harper's Weekly, which were later published as the book "Other People's Money and How the Bankers Use It."

When President Woodrow Wilson nominated Brandeis to the Supreme Court in 1916, conservatives worried that he would inject radical new ideas into the law. He did, on subjects ranging from civil liberties to workers' rights. (In 1937, he was part of the five-member majority that finally ended the Lochner era by upholding a state minimum wage law.) But it was his methodology, as much as his end results, that shook up the legal world. To Brandeis, every opinion — even on a subject as mundane as whether a state can require ice sellers to get a permit — was a chance to hold forth on the case's practical importance.

For Brandeis, raw data was always key. Oliver Wendell Holmes, his distinguished senior colleague, once complained that Brandeis "drove a harpoon into my midriff by saying that it would be for the good of my soul to devote my next leisure to the study of some domain of fact — suggesting the textile industry." Holmes protested, "I hate facts," but grumpily took a government report along with him on his summer vacation.

The Brandeis brief today bears the truest mark of a transformative idea: as radical as it was in its time, today it looks thoroughly conventional. Generations of litigators were quick to adopt its approach. The civil rights lawyers in Brown v. Board of Education prevailed in large part because of their Brandeisian briefs that presented social science data on the effect of segregation on black children.

We are living in an era when facts, and rational analysis, are on the ropes. The president has been inhabiting a world, Ron Suskind wrote in a 2004 New York Times Magazine article, that scorns "the reality-based community." Congress routinely adopts policies that cater to special interests, which are then justified by the sort of smarmy, fact-free spin that the comedian Stephen Colbert has labeled "truthiness."

But courts operating on the Brandeis model have, at their best, been a check on this disturbing trend. In its proudest moments, from the civil rights rulings of the 1960s to recent decisions reining in the Bush administration's war-on-terror excesses, the Supreme Court has insisted on focusing resolutely on the facts, and on the practical effect of the challenged policies on real people.

Decisions like these are Brandeis's true legacy. His greatest lesson was that — as he wrote in a famous dissent, excoriating the majority for not letting government do more to battle the Great Depression — "in the exercise of this high power, we must be ever on our guard, lest we erect our prejudices into legal principles."

Restaurant Group Sues Over Health Plan (NYT)

By Carolyn Marshall

The New York Times, November 14, 2006

SAN FRANCISCO, Nov. 13 — A legal battle over a plan to offer free or low-cost health care to all uninsured residents here has been set in motion by a group of the city's most important and beloved constituents: restaurants.

A culinary trade group with more than 800 members has sued the city, saying a central provision of the health care program, established by the city's Board of Supervisors in July, violates federal employment law.

The group, the Golden Gate Restaurant Association, filed the lawsuit in Federal District Court here. It urges the court to strike down the part of the plan that requires businesses with 20 or more employees to pay for the cost of each worker's health care. The ordinance is to take effect in July 2007.

The association argues that the program conflicts with the federal Employee Retirement Income Security Act, or Erisa, saying that the act exclusively governs the administration of employee welfare benefit plans.

"We are for health care and support expanding coverage for all," said Kevin Westlye, executive director of the association. "But there are no cost controls in this ordinance. Many businesses simply can't afford it."

Mr. Westlye said the restaurant association had worked closely with the city in developing the measure, the San Francisco Health Care Security Ordinance, which is intended to give an estimated 82,000 uninsured residents access to medical services, at a cost of $200 million a year.

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The program does not offer health insurance but rather finances the cost of services provided by hospitals, doctors and health networks. Financing would come from taxes, sliding-scale premiums and businesses, whose contributions would total $30 million to $40 million a year.

"We said that won't work," Mr. Westlye said. "That model is broken, which is why we have a national health care crisis."

The group is seeking an injunction to block only the requirement that businesses pay into the plan, "without disturbing all other lawful parts of the ordinance," the suit says. It also asks the court to settle a fundamental dispute: whether the national standards for benefit and pension plans described by Erisa apply to and trump provisions for health benefits established by the San Francisco ordinance.

The restaurant association argues that parts of the ordinance are pre-empted by federal law.

In a similar conflict, a federal judge in Maryland struck down that state's health insurance law in July. Citing Erisa, the judge ruled that the state law violated federal law by requiring an employer contribution to the plan.

San Francisco officials were aware of the Maryland case as they drafted their ordinance, said Matt Dorsey, a spokesman for the San Francisco city attorney, Dennis Herrera. Mr. Dorsey said great care had been taken to avoid the problems that arose in Maryland.

"We believe the San Francisco legislation was narrowly tailored to avoid pre-emption by Erisa," Mr. Dorsey said.

When the ordinance was being drafted, the restaurant group proposed other ways to finance health care, including a quarter-cent sales tax, Mr. Westlye said, but negotiations failed. The group then tried to draft a ballot measure, but state law prohibits establishing sales tax through voter initiatives, he said.

The group was reluctant to file a lawsuit, Mr. Westlye said, but after negotiating with city officials for a year, attending public hearings and exploring ballot initiatives, it ran out of options.

"We told them this will hit restaurants broadside; we can't afford it," Mr. Westlye said. "The answer we got back from public officials was, 'Raise your prices.' "

But with 2,500 restaurants, cafes and bistros in the city, he said, "there's only so much elasticity."

Mr. Dorsey said the city's position was that Erisa rules did not pre-empt the new health care program.

"We'll see them in court," he said.

Fla. Senator Mel Martinez To Chair RNC (AP-Y)

By Liz Sidoti

AP, November 14, 2006

Florida Sen. Mel Martinez, a prominent Hispanic who previously served in President Bush's Cabinet, will assume the high-profile post of Republican National Committee general chairman, GOP officials said Monday.

Martinez, 60, will remain in the Senate when he takes the reins of the RNC in January, said the officials, who spoke on condition of anonymity to avoid pre-empting a formal announcement. The first-term senator will be the face of the party, focusing on fundraising, outreach and travel to promote the GOP agenda.

At the same time, Mike Duncan, the RNC's current general counsel and a former party treasurer, will be named chairman and will be put in charge of running the everyday operations at the party's Capitol Hill headquarters, the officials said.

The current party chairman, Ken Mehlman, is leaving his post in January at the end of his two-year term.

As a team, Martinez and Duncan will be responsible for leading the RNC during Bush's final two years in office and throughout the 2008 presidential election cycle.

Splitting the chairmanship in two is not new.

President Reagan once chose Sen. Paul Laxalt of Nevada to be general chairman while Frank Fahrenkopf was chairman, and President Clinton initially had Sen. Christopher Dodd of Connecticut and Don Fowler share the Democratic Party role in the same fashion.

Kerry Feehery, a Martinez spokeswoman, and her counterparts at the RNC declined to comment.

By tapping Martinez to be the party's public persona, the White House turned to a lawmaker who has been a staunch supporter of the president — including on the issue of comprehensive immigration reform that includes a guest-worker program — and one of the more politically savvy Republican senators.

Martinez, of Cuban descent, will fill the post as the GOP is seeking to make inroads with Hispanics, considered a swing voting group. He is one of three Hispanics in the Senate along with Democratic Sens. Ken Salazar of Colorado and Bob Menendez of New Jersey.

In last week's elections, exit polls conducted for The Associated Press and the networks showed 69 percent of Hispanics voted for Democrats compared with 30 percent for Republicans, a decline for the GOP compared with 2004 when Bush got about 40 percent of the Hispanic vote.

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Martinez served as Bush's secretary of Housing and Urban Development from 2001 until 2003, when he resigned to run for the Senate seat left open by Democratic Sen. Bob Graham's retirement.

In a race marked by hard-hitting television ads and squabbling over Iraq, Martinez was elected with 49 percent of the vote — a slim margin that was credited to Bush's win in that state.

Early in his Senate tenure, Martinez faced a politically unflattering situation.

A Martinez aide wrote a one-page unsigned memo that laid out the political benefits of getting involved in the fate of Terri Schiavo, a Florida woman whose end-of-life battle became a rallying cry for conservatives. Senate Republicans disavowed the memo. Its author resigned.

Before serving in the Cabinet, Martinez's national profile was raised as the drama surrounding a Cuban boy named Elian Gonzalez unfolded in 2000.

The top county official in Orange County, Fla., at the time, Martinez argued on national television talk shows and before a U.S. Senate committee that the boy should stay in the United States. He also invited Gonzalez to Walt Disney World before the boy was returned to Cuba.

For his part, Martinez fled Cuba in 1962 as a 15-year-old. His parents remained on the communist island, hoping one day to join him. He eventually was placed with a foster family in Orlando, studied English and worked odd jobs that helped him buy his father a used car when his parents arrived in the United States four years later.

Martinez put himself through college, earned a law degree, and eventually made millions as a trial lawyer before entering politics.

Associated Press Writer Brendan Farrington in Florida contributed to this report.

Florida Senator Will Be A Top RNC Officer (WP)

By Jim VandeHei

The Washington Post, November 14, 2006

Sen. Mel Martinez (R-Fla.), a close White House ally and a Cuban American, has agreed to become the next general chairman of the Republican National Committee, GOP officials said. The appointment comes in the wake of an election that yielded shrinking GOP support from Hispanic voters.

Martinez, a first-term senator, will remain in office and serve as the party's chief spokesman and fundraiser heading into the 2008 elections. Mike Duncan, the RNC's current general counsel and a former party treasurer, will manage day-to-day operations and be elected chairman in January, Republican aides said.

An official announcement is expected soon.

The current RNC chairman, Ken Mehlman, will step aside in January, after spending much of his tenure updating the party's technological infrastructure and reaching out to minority groups, especially African Americans and Hispanics. Exit polls last week showed that Mehlman's efforts were overwhelmed by voter concerns about the war, corruption and the hard-line approach some Republicans assumed in this year's immigration debate.

Democrats won 69 percent of the Hispanic vote last Tuesday, a 10-year high. That was seen as a big setback at the White House in particular, after Bush won 55 percent of the Hispanic vote in 2004.

Mehlman said in an interview last week that he is concerned about where the party stands with Hispanics. Hispanics are not single-issue voters, but GOP officials said the tone of the immigration debate hurt the party's standing with the fastest-growing minority group.

While Bush pushed for a comprehensive package that included a path to citizenship for illegal immigrants, the Republican-controlled Congress demanded a fence-first law that emphasized security.

Exit polling showed that 57 percent of voters favor allowing illegal immigrants a shot at legal status. Martinez is a leading advocate of a Bush-style solution to the nation's immigration problems.

The selection of Martinez was a setback for Maryland Lt. Gov. Michael S. Steele, who last week lost a Senate race and who has expressed interest in the job. GOP officials said it was not coincidental that both Steele and Martinez are minorities who have shown an ability to broaden the party's appeal. Republicans captured 10 percent of the African American vote last week, identical to the 2004 number.

It also does not hurt that Martinez is familiar with Florida, the electoral prize that has been a main arena in recent presidential elections. Martinez won election there in 2004, after resigning as secretary of Housing and Urban Development to make the run.

Martinez earned some national fame in 2000 when, as a top U.S. official, he strenuously argued before Congress and TV cameras that a Cuban boy named Elian Gonzalez should not be forced to return to Cuba. Five years later, he was again on the

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national stage, this time unintentionally, when a top aide of his was outed as the author of a memo detailing a political strategy for intervening to keep Terri Schiavo, the brain-damaged Florida woman, alive.

The only Hispanic Republican in the Senate, Martinez, 60, is expected to focus mostly on speaking out for GOP candidates, raising money and pushing the party to broaden its reach. Duncan will be the nuts-and-bolts leader. The dual-leadership model is fairly common for modern party committees. It allows high-profile party officials to lend their experience to the committee without being consumed by managing a large organization.

Florida's Martinez Tapped For RNC Chief (WT)

By Ralph Z. Hallow

The Washington Times, November 14, 2006

Florida Sen. Mel Martinez, co-author of a bill to grant amnesty to illegal aliens, has been picked by White House strategist Karl Rove to be general chairman of the Republican National Committee, RNC officials confirmed yesterday.

Some RNC members greeted the news as another example of White House cronyism, reminiscent of President Bush's attempt to name his personal friend and general counsel Harriet Miers to the Supreme Court, a nomination withdrawn in response to outrage from the party's conservative supporters.

While the chairman is elected by the 165-member RNC -- which next meets in Washington in January -- the committee traditionally acts as a rubber stamp for a Republican president when the party controls the White House.

The surprise Martinez appointment, leaked yesterday to selected TV outlets and wire services, cut off a move by conservative Republicans to have Maryland Lt. Gov. Michael S. Steele take over the national party chairmanship. Current Chairman Ken Mehlman announced last week he would step down at the January meeting.

While Mr. Martinez will remain in his Senate seat in becoming the public spokesman for the RNC as general chairman, committee members said, the RNC's current general counsel Mike Duncan -- a committee member from Kentucky -- will be named chairman to run the day-to-day national party operations.

Mr. Martinez "will do a first-rate job for the Republican Party," said Sen. Chuck Hagel, Nebraska Republican, who said he has "the highest regard for his ability and experience, and highly [supports] his candidacy."

An RNC spokeswoman said she could not officially confirm the Martinez-Duncan appointments and that an official announcement would be made in a couple of days. Mr. Martinez served as the Bush administration's secretary of Housing and Urban Development before narrowly winning a 2004 Senate race in Florida.

Some RNC members, already dismayed by last week's election that swept Republicans from control of Congress, expressed anger at the way Mr. Rove leaked his choice of Mr. Martinez immediately after a conference call in which the Florida senator's name was floated for the first time.

During the call yesterday with RNC members in which Mr. Rove, Mr. Mehlman and White House Political Director Sara Taylor participated, some members raised the names of Mr. Martinez and Mr. Duncan as possible successors to Mr. Mehlman, said an RNC member who was involved.

"But Rove and Mehlman never said they were going to name these people as chairmen, and we never voted or even gave our opinion," the member said.

The move was seen as a signal that the White House intends to push through Congress the "comprehensive" immigration bill -- which Mr. Martinez and Mr. Hagel backed in the Senate -- that was blocked by conservative Republicans in the House.

"Clearly, Martinez is going to lead the fight for amnesty that Bush couldn't win when Republicans controlled the Congress," the RNC member said.

While campaigning for the Senate in Maryland, Mr. Steele was an outspoken critic of the Hagel-Martinez measure -- which would have created a guest-worker program and allowed most illegal aliens to become citizens -- blaming "the partisan gamesmanship of Washington insiders" for the failure to deal with the problem.

"Until we see Congress take some real and immediate steps to secure our borders, we can hardly expect Americans to seriously consider proposals for dealing with those illegal immigrants already in our country and those employers who fail to adequately report them," Mr. Steele told the Baltimore Sun in August.

Aides to the lieutenant governor confided that Mr. Steele was "furious over his treatment by Bush operatives," who they said accused him of "not being a team player" because he had spoken to The Washington Times last week after his name was first proposed for the RNC post. Steele aides said White House officials threatened to withhold from Mr. Steele a Cabinet appointment he had been promised in lieu of the RNC chairmanship.

Mr. Steele's campaign -- particularly his humorous TV ads and his nationally televised debate against Democratic Rep. Benjamin L. Cardin on NBC's "Meet the Press" -- impressed many conservative Republicans.

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"Michael Steele would make a superb Republican National Committee chairman," former House Speaker Newt Gingrich told The Washington Times. "His race for the Senate was probably the most positive and most likable of any race in 2006."

"Steele ran one of the best Senate campaigns in the country," said North Carolina Rep. Patrick T. McHenry. "Steele would be great in a prominent and strategy-making spot in the party."

"Everybody I know down here who got a chance to see Steele's campaign ads thought they were great -- they had substance, and so does he," said Cindy Costa, a South Carolina RNC member from Charleston.

Two months after taking office, Mr. Martinez was involved in an incident that caused Republicans embarrassment in the Terri Schiavo case, when -- as he later explained -- he accidentally handed Sen. Tom Harkin, Iowa Democrat, a memo describing political motivations for the high-profile congressional effort to save the incapacitated Florida woman's life.

"This is an important moral issue, and the pro-life base will be excited that the Senate is debating this important issue," said the March 2005 memo, written by a Martinez aide. "This is a great political issue because Senator [Bill] Nelson of Florida has already refused to become a co-sponsor, and this is a tough issue for Democrats."

Some RNC members yesterday saw the naming of Mr. Martinez as a continuing tendency of the Bush administration to manipulate the national party.

Diversity In Cannon Fodder (WP)

By Eugene Robinson

The Washington Post, November 14, 2006

It didn't work. The Republican Party put up three high-profile black candidates to try to weaken the bond between the Democratic Party and African Americans, and all three got slammed by the voters, big-time. After a week of reflection, maybe Ken Blackwell, Lynn Swann and Michael Steele have come to understand that they were never intended to be viable candidates. From the start, they were more like cannon fodder.

There is no reason Republicans can't someday win a big share of the African American vote. All the GOP has to do is adopt policies that most black Americans believe will work to their advantage, rather than leave them behind. Oh, and Republicans also need to drop all those coded appeals to white racists, such as the infamous "Playboy party" ad that helped defeat Democrat Harold Ford Jr. in Tennessee.

Instead of making a legitimate play for the black vote, Republicans convinced themselves that tokenism would be enough. Judging from last Tuesday's returns, they didn't convince anybody else.

Whatever Karl Rove was smoking when he issued all those hyper-confident preelection forecasts, he and other Republican strategists couldn't have seriously thought that Ken Blackwell would win the race for governor of Ohio. Blackwell's far-right views are too extreme for a state so evenly divided between red and blue, and his controversial tenure as Ohio's secretary of state -- his decisions may have decided who won that state in the 2004 presidential contest, and thus who won the White House -- ensured that Democrats would be motivated to come out and vote against him.

If Blackwell's candidacy was a long shot, Swann's run for governor of Pennsylvania was more of a joke. The Republicans chose as their candidate a man who was one of the finest wide receivers ever to play in the National Football League -- and who really should have stuck with football.

Swann, a political novice, lost his race by 21 percentage points. He did better than the experienced Blackwell, who lost by 24 points. Swann was merely unimpressive; Blackwell was scary.

Michael Steele's run for the Senate was another story. Steele, Maryland's lieutenant governor, was recruited by the White House to run in what has historically been a Democratic stronghold. He was another sacrificial lamb, like Blackwell and Swann, an African American face meant as a demonstration to voters that the Republican Party had finally become serious about diversity.

Then funny things started happening. Steele's white opponent, Rep. Ben Cardin, ran an unimaginative and plodding campaign. Steele, on the other hand, proved to be a natural on the trail.

Steele's television ads deserve a page in the annals of American politics. Shot against a white background, they had the minimalist look and post-postmodern sensibility of those commercials for Apple or the Gap. They managed to deliver all image and no substance -- and, yes, I meant to use those absolute terms "all" and "no." Speaking to the camera, Steele told voters he knew what they were thinking -- but didn't specify what that might be. He promised to be a different kind of senator -- again, no hint of what that might mean. About the only thing the ads firmly established was that Steele likes puppies.

Republican strategists looked at the numbers and saw that Steele might actually win as long as he kept pretending not to be a Republican. Several prominent black Democrats, piqued that there were no African Americans at the top of the ticket in Maryland, endorsed Steele. Some analysts saw the race as a toss-up.

Last week Steele lost by 10 points. That's better than Blackwell and Swann did, but still a landslide.

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Nationwide, the black vote went overwhelmingly to Democratic candidates, as usual. In some races, there were indications that Latino voters are becoming angry about the Republicans' demagoguery over the immigration issue.

I remember attending the 2000 Republican convention, when the party made a great show of supposed inclusion. On the podium, you saw a rainbow of speakers and performers. Out in the hall, the number of black and brown faces was statistically insignificant.

Maybe someday the Republican Party will make a serious play for minority voters, but it won't be with a platform of tax cuts for the wealthy and indiscriminate spending cuts for social programs. The party will never break through until it manages to dispel its image of hostility toward policies that seek to lift up the disadvantaged. African Americans would love to have a real choice between the two parties, and maybe we will someday.

In the meantime, Republicans, don't bother with tokens. They don't fool anybody.

Democrats Fail To Hit The Beat In Dixieland (FT)

By Andrew Ward

Financial Times, November 14, 2006

As Democrats elsewhere in the US celebrated victory in last week's midterm election, John Bradbury, the party's candidate in Georgia's ninth congressional district, had little to cheer about.

Mr Bradbury, who quit his job as a long-distance truck driver to run for office, received only 23 per cent of the vote as Nathan Deal, his Republican opponent, was elected for an eighth consecutive term.

"We were heartened by what we saw nationally," he says. "But it was obvious early on that the national trend would not be reflected locally."

Mr Bradbury's mixed emotions were shared with Democrats across the south as the party made little progress towards loosening the Republican stranglehold over Dixieland.

While Democrats made inroads into the peripheries of the south, winning a Senate seat in Virginia and House seats in North Carolina, Florida and Texas, the Deep South states, such as Georgia, Alabama and Mississippi, remained dominated by Republicans.

Exit polls showed that only 36 per cent of white voters in the south voted for Democratic House candidates, compared with 58 per cent in the north-east where the party made its biggest gains.

"The values and priorities of Americans in different parts of the country are diverging," says Merle Black, professor of politics at Atlanta's Emory University and author of a soon-to-be-published book called Divided America. For Republicans, the preservation of its critical southern support base was the sole source of comfort from an otherwise miserable election.

But analysts warn that an increased concentration of southern conservatives among the party leadership could make it difficult to win back moderate voters elsewhere in the country.

"There will be tension between southern Republicans who believe the party lost because it wasn't conservative enough and others who want to shift to the centre," says Charles Bullock, professor of political science at the University of Georgia.

For Democrats, the election proved that the party is capable of winning power in Washington without the south. But it also showed that the push by Howard Dean, the chairman of the Democratic National Committee, to make the party competitive nationwide – the so-called "50-state strategy" – has a long way to go.

Once dominant in the south, the Democrats have been declining in the region since Richard Nixon's "southern strategy" to convert white southerners to the Republicans in 1968. The realignment has become entrenched over the past two decades as the Republicans have claimed a monopoly on Bible Belt social values.

"Republicans have been successful in defining Democrats as a party of urban liberals and African-Americans," explains Seth Cohen, a Georgia-based attorney and Democratic activist.

Nowhere has the shift in loyalty been clearer than in Georgia's ninth congressional district, stretching from the affluent northern suburbs of Atlanta to the foothills of the Appalachian Mountains.

Mr Deal, the incumbent, was first elected in 1992 as a Democrat, continuing the party's 119-year unbroken hold on the seat. But he switched sides in 1995 and the district has since become so reliably Republican that he ran unopposed in three of the past five elections.

Mr Bradbury, a resident of the district, developed the idea to challenge Mr Deal during his long truck drives delivering building materials around the south-east. Radio reports about the war in Iraq and corruption in Washington convinced him that the ninth district deserved a choice, however slim his chance of winning.

With a campaign budget of about $10,000 (£7,810) – nearly half of it funded with his own cash — Mr Bradbury was no match for Mr Deal, who raised more than $1m. On the campaign trail, he found voters open to his arguments but deeply suspicious of his party.

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"What bothers people about the Democrats are wedge issues such as abortion and gun control," he says. "We need to convince voters that we are not going to take their guns and kill their babies."

Jim Webb, the victorious Senate candidate in Virginia, and Harold Ford, who narrowly lost the Tennessee Senate race, have been cited as models for how Democrats can compete effectively in the south. Both combined traditional Democratic policies on healthcare and the minimum wage with conservative stances on gay marriage, gun control and immigration.

Mr Bradbury says he sees signs of life returning to the Democrats in northern Georgia, citing several counties where the party is becoming more organised after years of dormancy. "It's going to take a lot of intensive work at the grassroots level," he says.

The 50-year-old father of three is considering running for Congress again in 2008 but accepts that may be too soon for the ninth district to return to the Democratic fold. "Will it happen in my lifetime? Yes. Will it happen in my political lifetime? I'm not sure."

Connecticut Race Tightens, Error Found (AP-Y)

By Susan Haigh, Associated Press Writer

AP, November 14, 2006

Democrat Joe Courtney's lead in the 2nd Congressional District dropped to 66 votes Monday after officials discovered he was mistakenly given 100 extra votes over Republican Rep. Rob Simmons, an election official said.

"It was human error," said Lebanon election moderator John Bendoraitis. "It was strictly misreading one number on one machine."

The discovery significantly tightens one of the closest congressional races in the nation. Preliminary Election Day returns had Courtney winning by 167 votes out of nearly 250,000 ballots cast.

It was one of 10 races across the nation that remained unresolved in the days after Election Day, and the only one in which a Democratic challenger had the lead.

Courtney claimed victory on Wednesday and was in Washington Monday to attend orientation sessions. Simmons has not conceded the race.

"We remain highly confident in the results for us and Joe is currently in Washington at the orientation getting ready to take his seat in the 110th Congress," said Courtney spokesman Brian Farber.

Bendoraitis said the error happened when an official on election night read the vote total on one of six machines as 363 votes for Courtney when it should have been 263. With the revised total, Courtney received 1,353 votes in Lebanon, compared with 1,585 for Simmons.

More than 30 of the 65 towns in the district were recounting their votes Monday. Others had already completed their recounts, and the rest must finish by the weekend.

As of Sunday, Courtney held a 166-vote lead.

"These things definitely happen," said state Republican Party Chairman George Gallo. "I still have hope in this stuff."

The recount was triggered because Courtney's unofficial victory margin of 167 votes was less than half of 1 percent and fewer than 2,000 votes.

Confusion, East To West (RC)

By Nicole Duran And David M. Drucker

Roll Call, November 14, 2006

A week after Election Day, 11 House candidates had yet to concede their races, as thousands of ballots face scrutiny in districts across America — with Republicans holding out hope that they might snatch one more seat from the jaws of defeat.

Rep. Rob Simmons (R-Conn.) gained 101 votes Monday when election officials in the Nutmeg State discovered a clerical error, leaving him only 66 votes behind former state Rep. Joe Courtney (D), who already declared victory and arrived in Washington, D.C., Monday for freshman orientation.

On the flip side, Republicans looked poised to escape with a host of narrow victories — including a few in highly vulnerable seats — even as the Democrats in those races refuse to quit.

Good-government advocates said the number of elections that haven't been resolved isn't altogether surprising. At least one race, in Florida's 13th district, is headed to court.

"Given how close how many of these races are, we don't think it's surprising at all," said Mary Boyle of Common Cause. "You have close races and you have doubts about voting machines and voting processes. Put those things together, it certainly could make it harder for people to concede quickly."

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The margin of victory in several races last Tuesday was narrow, and while the Democrats swept to a major victory in the House, the GOP managed to hold off what could have been a much larger Democratic surge.

It looks as if Republican Conference Chairwoman Deborah Pryce (Ohio) and Rep. Heather Wilson (R-N.M.), both of whom were in serious danger of losing their seats, will return for the 110th Congress.

However, the Republicans came up short on plenty of close calls. Among them were two races in Georgia that, in the final weeks of the election, were considered their best opportunity for pickups in the 2006 cycle.

Meanwhile, in Arizona's 5th district, Rep. J.D. Hayworth (R) will not concede to Rep.-elect Harry Mitchell (D), although Republicans do not expect the outcome to change.

The National Republican Congressional Committee deployed teams of lawyers, political aides and communications specialists to the districts where recounts were possible last week. Feeling more confident this week, they have been recalled from everywhere but Florida and Connecticut.

Bill Burton, spokesman for the Democratic Congressional Campaign Committee, said Democratic operatives also remain in those districts, though he would not disclose if DCCC staffers are also working in other districts.

"We're committed to making sure all the votes are counted in all these districts and we're confident they will be," Burton said.

The House Administration Committee, which has jurisdiction over federal elections, has deployed Republican and Democratic committee staffers to several states.

Republican observers have been sent to Connecticut's 2nd district, Florida's 13th, New Mexico's 1st and Washington's 8th.

"If it appears there's going to be a very narrow margin of victory in either direction, it is common to dispatch someone," said Salley Collins, the committee's GOP spokeswoman. "They're just there to observe and report back."

Democratic staffers are on the ground in Ohio's 2nd and 15th districts, North Carolina's 8th district, in addition to Washington and New Mexico, according to Denise Mixon, the committee's Democratic spokeswoman.

Connecticut's 2nd district

The 66-vote difference in the New London-based district is the narrowest margin among the unresolved House races.

Courtney declared victory but Simmons has yet to concede.

Courtney originally had a 167-vote lead but that was cut by 101 votes as election officials began recounting. Because the original difference in votes cast for the two was less than half of 1 percent, an automatic recount, as required by state law, was triggered.

As of late Monday, less than half of the towns in the district had recounted their ballots; by law, the recounts must be completed by Friday.

Florida's 13th district

Unlucky 13 and the shadow of Rep. Katherine Harris (R-Fla.), who, as Florida secretary of state, rose to infamy during the 2000 presidential debacle in the Sunshine State, combined to make the campaign to succeed Harris the most chaotic race still in flux in the country.

More than 18,000 ballots were cast in the Sarasota-based district without indicating a choice for the highly competitive House race, an unusually high number.

Bank executive Christine Jennings (D), who trails auto dealer Vern Buchanan (R) by just 373 votes, thinks the new touch-screen voting machines used in Sarasota County malfunctioned, and sued Monday night to seize the machines and their data and extend the time necessary for a recount.

Outside groups also say the discrepancy is puzzling and Common Cause has gone so far as to call for a revote. "That's a very unusual step but we think this is a very extraordinary circumstance," Boyle said.

Georgia's 8th and 12th districts

With nearly all precincts reporting in the 8th district, Rep. Jim Marshall (D) was leading former Rep. Mac Collins (R) by 1.2 points, while in the 12th, Rep. John Barrow (D) was up on former Rep. Max Burns (R) by a mere 928 votes.

Neither Republican has conceded.

If the results hold, Burns can request a recount under Georgia law. However, Collins, because the margin in his race exceeds 1 percent, cannot.

"I don't expect the outcome to change" in either district, NRCC spokesman Carl Forti conceded.

New Mexico's 1st district

Wilson edged out state Attorney General Patricia Madrid (D) by 1,337 votes.

Ray Baray, a spokesman for the New Mexico secretary of state's office, said a recount has failed to change the outcome of any race there going back at least to 1998.

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The Madrid campaign could not be reached for comment Monday. It is likely she is waiting for the final count from Bernalillo County (Albuquerque) before deciding whether to ask for a recount, which she can do no matter the margin of victory.

North Carolina's 8th district

Rep. Robin Hayes (R) finished 465 votes ahead of teacher Larry Kissell (D).

Kissell would have the right to request a recount if Hayes' margin of victory shrunk to within 1 percent. But Johnnie McLean, a spokeswoman for the North Carolina Board of Elections, said recounts rarely change the outcome there.

The Hayes campaign is confident his victory will hold regardless, according to a spokesman. However, with 1,500 provisional ballots left to count, Kissell campaign spokesman Steve Hudson sounded optimistic that things could change before the obituary on his race is written.

"Our goal is to win it by Friday," Hudson said. "It's definitely going to get much closer."

All counties in North Carolina meet Friday to certify their results, with the state scheduled to certify on Nov. 28. Per a recently enacted state law, all votes are randomly canvassed following an election to ensure accuracy.

Ohio's 2nd district

Rep. Jean Schmidt (R) unofficially leads Victoria Wulsin (D) by 2,323 votes, but Wulsin refuses to concede.

A unknown number of provisional and absentee ballots remain uncounted, prompting Wulsin to ask local election officials how many exist.

She has not ruled out seeking a recount after all the votes are tallied.

Ohio's 15th district

Franklin County Commissioner Mary Jo Kilroy (D) will not throw in the towel against Pryce until some 18,000 provisional and absentee ballots are counted.

Kilroy spokeswoman Amanda Wurst said she believes those ballots disproportionately contain votes for the Democrat and could erase the 3,536-vote advantage Pryce currently enjoys.

Kilroy aggressively courted college-age voters, who use provisional ballots in higher numbers because of their tendency to move around a lot, which makes it harder to prove their voting eligibility.

Wurst said the process is taking longer this year because newly enacted voter identification laws caused more provisional ballots to be cast. Additionally, more absentee ballots than usual were dropped now that voters do not need a reason to request one.

By law, elections officials have to start counting these ballots by Nov. 22.

Washington's 8th district

Freshman Rep. Dave Reichert (R) currently leads former Microsoft manager Darcy Burner (D) by 3,514 votes in the suburban Seattle district.

The Evergreen State enjoys high voter turnout, much of it by mail. As many as 20,000 absentee ballots remain uncounted in King County alone. The district also includes Pierce County.

Washington is infamous for its protracted recounts and many Republicans remain bitter over the outcome of the 2004 gubernatorial race, which they believe was skewed by negligence and/or fraud in heavily-Democratic King County.

The Washington secretary of state has until Dec. 7 to certify the results.

Wyoming At-Large

The unofficial tally gives 93,335 votes to Rep. Barbara Cubin (R) and 92,324 to Democrat Gary Trauner, according to state Election Director Peggy Nighswonger.

Those results will be certified Wednesday.

Separated by more than 1 percent, Trauner has until Friday to seek a recount.

Nighswonger said there is no reason to suspect that Cubin's lead won't hold and Trauner has indicated he will not challenge the results.

"I will respect and accept the outcome" if Cubin's victory margin is not small enough to trigger an automatic recount, Trauner told the Casper Star-Tribune.

Should Trauner reverse course, he would have to submit $100 with an affidavit outlining the need for a recount.

If he seeks a recount and loses after a second tallying of the votes, he would be on the hook for the cost, estimated at $500 per county.

Trio Of House Members Weigh Possible '07 Campaigns (RC)

By Lauren W. Whittington

Roll Call, November 14, 2006

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While exuberant House Democrats celebrated their new-found majority status last week, the midterm election results threw a monkey wrench into the future plans of a handful of lawmakers eyeing runs for other offices in 2007.

Reps. Chaka Fattah (D-Pa.), Ben Chandler (D-Ky.) and Bobby Jindal (R-La.) top the list of Members contemplating political campaigns in the off-year, and all are expected to make their decisions known shortly.

Last week, Democratic Illinois Reps. Jesse Jackson Jr. and Luis Gutierrez wasted little time in pulling the plug on their potential bids for mayor of Chicago in light of the news that their party is set to return to power after a 12-year hiatus.

For the two Chicago lawmakers, the decision to stay put versus gambling on going up against Mayor Richard Daley (D) seemed cut and dried.

Gutierrez, elected in 1992, served only two years in the majority before the 1994 GOP revolution. He is now set to become a Financial Services subcommittee chairman.

Jackson, who has a seat on the powerful Appropriations Committee, never has served in the majority.

But there are others who are still mulling runs in 2007, when off-year elections afford Members the opportunity to run for another office without having to give up their Congressional seats.

The first to decide about a 2007 bid likely will be Fattah, who has been gearing up to run for mayor of Philadelphia.

Fattah is expected to make an official announcement about his plans in the next week.

"He has said on or before his 50th birthday," which is Nov. 21, said Fattah spokeswoman Debra Anderson.

Fattah, first elected in 1994, is a member of the Appropriations Committee and no doubt will wield more power in the Democratically-controlled 110th Congress. Still, he is far down the line in seniority to become a cardinal, and he appears more likely than not to gamble on the free run regardless of the power shift.

With current Mayor John Street (D) term-limited and unable to seek another term, a wide-open Democratic primary is expected next year in the City of Brotherly Love.

Rep. Robert Brady (Pa.), chairman of the Philadelphia Democratic Party, also has had his name floated recently as among those interested in a mayoral bid. But many observers believe he is unlikely to run.

Other potential Democratic contenders include former Philadelphia City Councilman Michael Nutter, former City Controller Jonathan Saidel, state Rep. Dwight Evans, businessman Tom Knox and labor leader John Dougherty. Nutter is the only one who officially has announced his candidacy.

Elsewhere in the country, Democratic leaders in Kentucky are waiting to hear from Chandler, who could seek a rematch next year with now-Gov. Ernie Fletcher (R), a former Congressman. Chandler, who was then state attorney general, lost to Fletcher in 2003 but was elected to succeed him in the House in a 2004 special election.

"He's the elephant, or the donkey, in the room," said one source familiar with state politics, noting that Chandler likely would be the clear frontrunner for the Democratic nod next year if he wants it. "They're waiting to hear back from him."

Chandler is expected to make his announcement soon, said spokeswoman Jennifer Spalding, who also noted that his new-found majority status would be a factor for consideration.

"He's hoping to make that decision before Thanksgiving," Spalding said. "But the Democrats taking back the House is certainly a huge part of that decision-making process."

Several Democrats have been mentioned as possible candidates if Chandler doesn't run.

Fletcher's first term as governor has been marred by scandal, and although he has said he is running again, he faces the likelihood of a bruising primary.

Paducah businessman Billy Harper (R) already has tossed his hat into the ring against Chandler, and there are other GOP candidates likely to follow.

Some observers wonder whether GOP Rep. Anne Northup (Ky.), who was defeated in her Louisville-based district last week, might run against Fletcher next year — or whether Republican returning Members of the Bluegrass State delegation might gamble on a run now that they are in the minority.

Among House Republicans, Jindal is first and foremost among likely contenders for other political offices in 2007.

Jindal is widely expected to run for governor next year — a decision it would appear his new minority status would have little impact on.

Jindal ran for governor in 2003 and lost a runoff to now-Gov. Kathleen Blanco (D) by 4 points after finishing first in the all-party primary. He was elected to the House in 2004.

Last week, Jindal expressed interest in another gubernatorial bid and said he and his wife currently are mulling that option.

"He is going, in the next few weeks, to talk to supporters," said Trey Williams, Jindal's communication director. "He then will make a decision, probably in January."

House Members have seen mixed results in off-year election bids in recent years.

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Rep. Xavier Becerra (D-Calif.) ran for Los Angeles mayor in 2001, losing badly in a primary campaign that never really gained traction.

In 2005, Rep. Anthony Weiner (D-N.Y.) gambled on a bid to become mayor of New York and narrowly missed making the Democratic runoff. He is widely expected to try again in 2009, when the job will be vacant.

In fact, Fletcher's 2003 gubernatorial bid is the only off-year election success story for any House Member since 2000.

Downcast GOP Faces Retirement Questions (RC)

By Lauren W. Whittington And Erin P. Billings

Roll Call, November 14, 2006

Still reeling from a crippling electoral loss last week, Senate Republicans are privately bracing for another difficult cycle in 2008 and trying to figure out if they can quell the increased likelihood that some key incumbents may be ready to throw in the towel.

Retirements are on both parties' minds, but for the GOP, the prospect of their incumbents stepping aside is of greater consequence since 21 of their 49 Senators are up for re-election in 2008. With Republicans losing the majority, many of their most senior Senators must hand over powerful chairmanships and face Democratic rule.

"It's going to be a very uphill cycle," said one high-level Republican Senate aide. "We've got to find a way to gain seats and not lose them in a lopsided field."

The GOP certainly is at a mathematical disadvantage in 2008. Just 12 of the 51 Democratic Senators (the party counts two Independents in its Caucus) will be in-cycle.

"There are more of them than there are of us, and that's to our benefit," said Phil Singer, spokesman for the Democratic Senatorial Campaign Committee. "Having said that, we will encourage all of our incumbents to continue serving in the Senate."

Six of that dozen will become committee chairmen in January: Sens. Max Baucus (Mont.) on Finance, Joseph Biden (Del.) on Foreign Relations, Tom Harkin (Iowa) on Agriculture, Nutrition and Forestry, Jay Rockefeller (W.Va.) on Intelligence, Carl Levin (Mich.) on Armed Services and John Kerry (Mass.) on Small Business and Entrepreneurship.

By contrast, nine Republican Senators facing re-election in 2008 will trade in their gavels for ranking member status on Jan. 3. That in and of itself could give senior GOP Senators pause when thinking about another grueling campaign.

"Obviously, these Senators are going to think about themselves and their families," one Senate Republican aide said. "But particularly when you are talking to older Members, it's not like you can offer them more seniority or power, particularly now that we are in the minority."

At least publicly, GOP Senate leaders aren't ready to start speculating about the next cycle. When asked about his fears of future retirements in the Republican Conference, incoming Minority Leader Mitch McConnell (R-Ky.) demurred: "I'm not going to start talking about that."

Soon to face a committee demotion are Republican Sens. Saxby Chambliss (Ga.) now Agriculture, Nutrition and Forestry chairman, Susan Collins (Maine) on Homeland Security and Governmental Affairs, Larry Craig (Idaho) on Veterans Affairs, Pete Domenici (N.M.) on Energy and Natural Resources, Mike Enzi (Wyo.) on Health, Education, Labor and Pensions, James Inhofe (Okla.) on Environment and Public Works, Pat Roberts (Kan.) on Intelligence and Ted Stevens on Commerce, Science and Transportation.

Sen. John Warner (R-Va.), current Armed Services chairman and also among those up for re-election in 2008, was slated to lose his gavel this year anyway due to term limits. Rumors have circulated for some time that the 79-year-old Senator may be ready to end his tenure at the end of the 110th Congress.

Republicans acknowledge it is too soon to know exactly how many of their incumbents may be eyeing the door, especially now that they no longer control the chamber. The one advantage, some say, is that many of the 21 GOP Senators up for re-election in 2008 are long-standing Members who have seen power shifts before.

"We're optimistic there won't be any retirements," said a senior GOP Senate aide. "These Senators don't think in single-year terms."

Among those Republicans mentioned as possible retirees next cycle are Sen. Wayne Allard (Colo.), who made a campaign promise to serve just two terms; Cochran, who just lost the Appropriations gavel; outgoing National Republican Senatorial Committee Chairwoman Elizabeth Dole (N.C.); Domenici, who is slated to lose his top GOP status on Energy in the 111th Congress; Inhofe; Stevens; and Warner.

Democrats are not immune from retirement fears either, but with newfound power on the Hill, insiders doubt many, if any, will step aside now. The exceptions may be Rockefeller, dogged by some ongoing health problems, or Kerry and Biden, both of whom want to run for president.

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The task for candidate recruitment next cycle falls to Sen. Charles Schumer (N.Y.), who has agreed to a second term as chairman of the DSCC, and Sen. John Ensign (Nev.), who is slated to take over the NRSC.

Here is an early look at the class of Senators up for re-election in 2008:

Lamar Alexander (R-Tenn.)

Alexander is gunning to become Senate Minority Whip in the next Congress. It's hard to see how any top Democrats even contemplate a race against him. Rep. Harold Ford Jr. (D), having just lost an open-seat race, might be mentioned. But taking on a widely popular ex-governor like Alexander doesn't seem like a realistic prospect.

Wayne Allard (R-Colo.)

This race will be one of the most competitive of the 2008 cycle regardless of what Allard decides to do. Allard said he would serve two terms when he was elected in 1996, but he has yet to reveal whether he will adhere to that pledge.

Rep. Mark Udall (D) has said he is running for the seat either way, and as of mid-October, he had $1.26 million in the bank already. Unless he decides to stay in the House now that the Democrats have the majority, he must be considered the frontrunner for the Democratic nomination.

If Allard does opt for retirement, Rep. Tom Tancredo (R) has said he will run. But he is unlikely to be the top choice of GOP leaders. Other possible contenders include outgoing Gov. Bill Owens, former Reps. Bob Schaffer and Scott McInnis and state Attorney General John Suther.

Colorado has been a killing field for Republicans in the past two election cycles, but that doesn't mean Udall would be a shoo-in.

Max Baucus (D-Mont.)

Baucus' re-election prospects rest largely on Rep. Denny Rehberg (R), who has been mulling and preparing for a run for higher office. Rehberg is the state's lone Congressman — next Congress he also will be the only Republican in the delegation — and it would be a battle of epic proportions. If he chooses not to run, Republicans likely would try to woo former Gov. Marc Racicot (R), but it's too soon to get a sense about whether Racicot might be interested.

Without those two big names, it's hard to see Baucus getting much of a real race. Still, the underlying Republican nature of the state also means Democrats can't take their eyes off it.

Joseph Biden (D-Del.)

Biden has said he is running for president in 2008. The question is whether that means he's ready to leave the Senate behind — a prospect that seems less likely now that he is set to take the Foreign Relations Committee gavel.

But if he does, Rep. Mike Castle would be the consensus GOP choice. Biden's son, Beau, was just elected state attorney general and has long been mentioned as a possible successor to his father or to Castle.

Saxby Chambliss (R-Ga.)

Democrats would like nothing better than to avenge the defeat of former Sen. Max Cleland (D-Ga.) by knocking off Chambliss. The problem is that the Peach State has grown more and more friendly to Republicans.

It's hard to see Chambliss getting much of a real challenge unless Rep. Jim Marshall (D), who has been eyeing a statewide run, decides to take him on. Marshall just won re-election with 51 percent of the vote, not a promising sign for a Senate bid. Plus, the new Democratic majority in the House could be strong incentive to stay put.

The first signal of his future plans could come as early as Jan. 3, when many eyes will be watching to see if Marshall casts his vote for Rep. Nancy Pelosi (D-Calif.) to be Speaker.

Outgoing Lt. Gov. Mark Taylor (D) just got trounced in his gubernatorial bid, and outgoing Secretary of State Cathy Cox (D) lost an abysmally run primary campaign to Taylor. Neither looks like a realistic option for national Democrats.

Former Georgia Secretary of State Lewis Massey and Michelle Nunn, daughter of former Sen. Sam Nunn (D-Ga.), looked at running for an open Senate seat in 2004 but ultimately declined.

If they weren't willing to run for an open seat, it's hard to believe they'd be interested in taking on Chambliss. But both could have a bright political future if and when Georgia Democrats are able to find their way.

Thad Cochran (R-Miss.)

With the loss of the GOP majority, Cochran moves from chairman to ranking member of the Appropriations Committee — a move that puts him on a list of potential GOP retirements in 2008.

If he runs again, this seat is safe.

But expect Democrats to make a strong play for an open seat, just as they were anticipating doing if Sen. Trent Lott (R-Miss.) had opted for retirement instead of re-election this year.

In an open-seat scenario, Democrats would coalesce behind former state Attorney General Mike Moore (D). On the GOP side, one or more of the state's GOP House Members look likely to run. Rep. Chip Pickering (R) is all but certain to run if there is

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an open seat, but Rep. Roger Wicker (R) also has been eyeing a Senate run. Wicker is an appropriator, and the GOP's new minority status in the House could help fuel the decision about his future plans.

Norm Coleman (R-Minn.)

Minnesota will be a fiercely fought battleground in 2008, both on the presidential and Senate levels. Coleman has prepared for a tough fight, even if it isn't already obvious who it will come from.

Liberal talk-show host Al Franken has said he is planning to run as a Democrat, but it's highly likely party leaders will search for an alternative.

Rep. Betty McCollum (D), Minneapolis Mayor R.T. Ryback, St. Paul Mayor Chris Coleman, wealthy attorney Mike Ciresi and outgoing Attorney General Mike Hatch, who narrowly lost the gubernatorial race last week, all are possible contenders.

Susan Collins (R-Maine)

Collins has never been as popular as Sen. Olympia Snowe (R-Maine) back home. The question is who might step forward to challenge her in 2008.

Rep. Tom Allen (D) might be a logical choice, but with Democrats now in the majority in the House, it's tough to see him gambling on a Senate run. State Senate Majority Leader Michael Brennan (D) also may take a look.

John Cornyn (R-Texas)

Cornyn is not expected to face any major challenge in his first re-election campaign.

Larry Craig (R-Idaho)

Craig lost the chairmanship of the Veterans Affairs Committee when the GOP lost its Senate majority. Unless he decides to call it quits, he's a safe bet for re-election.

Elizabeth Dole (R-N.C.)

Dole advisers insist she will seek a second term, even if some Republican insiders seem to have remaining doubts.

Gov. Mike Easley (D) is term-limited and cannot run for re-election in 2008. But he has shown little interest in running for higher office thus far.

If Dole runs again, it's difficult to see any top challengers emerging.

Pete Domenici (R-N.M.)

Domenici tops the list of possible GOP retirements, although sources say it is unlikely he will make an early decision — even if GOP leaders push him to.

Rep. Heather Wilson would be the GOP frontrunner to succeed him if he does retire, but there are early indications that Rep. Steve Pearce (R) is not willing to cede her the nomination.

GOP leaders are likely to do whatever they can to avoid a bloody primary that would lay bare the divisions between moderates and conservatives in the state party. Party strategists also fear losing one or both House seats if they are vacated.

Rep. Tom Udall may not seek the Democratic nomination, even though he probably would be the frontrunner for it if he wanted to run.

With Democrats now in control of the House he appears content to rise through the committee leadership ranks — or wait to become Interior secretary, as his father was, if a Democrat is elected president.

If Udall doesn't run, Lt. Gov. Diane Denish, Albuquerque Mayor Martin Chavez or Public Regulation Commission Chairman Ben Ray Lujan — son of the state Speaker — may seek the Democratic nomination.

Gov. Bill Richardson (D) has said he has no interest in running for Senate — though there is some talk that he will encourage a strong Democrat to run even if Domenici seeks a seventh term. Richardson is close to the Lujans.

Dick Durbin (D-Ill.)

Durbin is set to become Majority Whip in the new Congress. He is not likely to face a tough contest back home in increasingly Democrat-friendly Illinois.

Mike Enzi (R-Wyo.)

Enzi is expected to cruise to a third term.

Lindsey Graham (R-S.C.)

Graham's biggest threat would seem to come in the form of a primary challenge from the right, but there is none on the horizon.

Chuck Hagel (R-Neb.)

Hagel is not expected to face a difficult re-election contest if he runs again.

Tom Harkin (D-Iowa)

Republicans made a pass at ousting Harkin in 2002 but came up way short.

Republicans lost two House seats in Iowa in 2006, another sign that generating a tough contest for Harkin next cycle may again prove to be a tall order.

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James Inhofe (R-Okla.)

Inhofe is not expected to face an aggressive re-election challenge, should he choose to run again.

Even if there is an open seat, Democrats might think twice before contesting it in a presidential election year given former Rep. Brad Carson's (D-Okla.) 2004 open-seat performance.

Carson, who was widely hailed as the best possible candidate Democrats could have gotten, suffered a 12-point loss.

Of course, if Gov. Brad Henry (D) decided he was interested in running for Senate, all bets would be off. Henry was just overwhelmingly re-elected to a second term.

Tim Johnson (D-S.D.)

After winning re-election in 2002 by just 524 votes, Johnson would appear to be the most vulnerable Democrat up for re-election in 2008.

But Democrats warn against writing his obituary just yet and argue that his approval ratings currently are higher than they have ever been.

The natural challenger to Johnson would be Gov. Mike Rounds (R), who was just elected to a second term last week. He has not signaled whether he will challenge Johnson in 2008, but there is little doubt he will face pressure from national GOP leaders to do so.

Still, Democrats point out that while Rounds won re-election, an abortion ban he signed into law was rejected by the voters in a statewide referendum.

Regardless, a Rounds versus Johnson contest would be among the most closely watched in the country.

John Kerry (D-Mass.)

The line of would-be successors to Kerry is long, and it begins with the 10-Member Bay State House delegation.

Kerry, the Democrats' 2004 White House nominee, is preparing to run for president again in 2008. If he does, there is much speculation that he might decide not to run for re-election.

Reps. Ed Markey (D) and Marty Meehan (D) have the largest campaign war chests and top the list of would-be contenders looking to move over from the House.

Still, with Democrats now in power in the House, there appears to be less incentive for most of the delegation to gamble on winning a bloody primary.

Markey is set to become an Energy and Commerce subcommittee chairman, and Meehan will gain an Armed Services subcommittee gavel. Rep. Barney Frank (D) is the incoming Financial Services chairman, and Rep. Jim McGovern will become the No. 2 Democrat on the Rules panel. Rep. Bill Delahunt (D) is in line to become chairman of an International Relations subcommittee, and Rep. Richard Neal (D) also is in line to become a Way and Means subcommittee chairman.

Rep. John Olver, just about the only Massachusetts Democrat who has not expressed interest in the Senate seat, is set to become an Appropriations cardinal.

If Kerry does run for re-election, he is not expected to face any significant challenge.

Mary Landrieu (D-La.)

It's almost a given that Landrieu will face a tough re-election contest in 2008, even if it isn't yet clear who is running against her.

There have been murmurs that state Treasurer John Kennedy (D) might be preparing to switch parties and run.

Now that Republicans no longer hold the House majority, perhaps one of the delegation's GOP Members will decide to run.

Rep. Bobby Jindal (R) is preparing to run for governor next year. If he is successful in ousting Gov. Kathleen Blanco (D), the target on Landrieu only will get bigger. If he loses narrowly, he might look to the Senate race as a consolation prize.

Frank Lautenberg (D-N.J.)

Lautenberg, who came out of retirement in 2002 to win this seat, appears to want another term, even though he will be 84 in 2008.

There are no signs he will have a competitive race for re-election.

Carl Levin (D-Mich.)

Levin will not face a competitive race for a sixth term. Republicans tried to make Sen. Debbie Stabenow's (D-Mich.) re-election difficult this year and they failed miserably. There is no evidence they'll be any more successful against a much more entrenched incumbent.

Mitch McConnell (R-Ky.)

The incoming Minority Leader doesn't appear particularly vulnerable to a tough re-election challenge.

That said, many will be watching what happens back home in the 2007 gubernatorial contest, when embattled Gov. Ernie Fletcher (R) faces re-election.

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If Democrats are able to win the governor's office, chatter about taking on McConnell, who essentially runs the state GOP, might increase. But it still seems like a long shot.

Mark Pryor (D-Ark.)

Pryor, a member of the "Gang of 14," appears to be on solid ground heading into his first re-election race. Republicans just lost control of the state's governorship and only one Republican remains in the six-person Congressional delegation.

Outgoing Gov. Mike Huckabee (R) is preparing a White House run in 2008, but short of him opting to run for Senate instead, Pryor would appear to be fine.

Jack Reed (D-R.I.)

Reed is about as safe as safe incumbents come, especially considering voters in the Ocean State just threw out their Republican Senator primarily because they didn't like his party affiliation.

Pat Roberts (R-Kan.)

Roberts will be ranking member on the Intelligence Committee next Congress.

Democrats did just pick up a House seat in the Prairie State, where voters also overwhelmingly re-elected the Democratic governor.

Still, producing a tough challenge for Roberts won't be an easy task.

Rep. Dennis Moore (D) has been mentioned before, but he appears to have secured his GOP-leaning seat and House Democratic leaders would go out of their way to convince him not to leave.

Jay Rockefeller (D-W.Va.)

Rockefeller, 69, appears to be Democrats' most apparent retirement concern. In recent years his health has fluctuated, leading some to question whether he might run for a fifth term.

If he runs again, Rockefeller should have little trouble winning.

If he doesn't, Rep. Shelley Moore Capito would be the consensus GOP nominee.

On the Democratic side, former Gov. Gaston Caperton would be a top contender if he is interested. Caperton is now serving as president of the College Board.

State Treasurer John Perdue (D) also is mentioned as a possibility.

Democratic Reps. Alan Mollohan and Nick Rahall also might look at trying to move to the other chamber, although both now have big incentives to stay put in the House.

Rahall will become Resources chairman and Mollohan an Appropriations cardinal when the 110th Congress is gaveled in.

Jeff Sessions (R-Ala.)

Rep. Artur Davis (D) recently said he is mulling a challenge to Sessions in 2008. Davis hasn't been shy about his statewide ambitions, but it's questionable whether he'd leave behind his rising-star status in the Democratic-controlled House to run against Sessions.

It isn't likely Sessions will get a strong challenge otherwise.

Gordon Smith (R-Ore.)

Smith would appear to be increasingly vulnerable in a state that is growing more Democratic. But he maintains a close relationship with Sen. Ron Wyden (D), and unless former Gov. John Kitzhaber (D) decides to run, there aren't any obvious strong challengers on the horizon — yet.

Ted Stevens (R-Alaska)

Republican strategists continue to insist that Stevens is not a retirement threat in 2008. Provided he runs again, his re-election contest will be a snoozer.

If he doesn't, the race could become quite competitive.

John Sununu (R-N.H.)

Sununu's greatest re-election challenge would come from Gov. John Lynch (D), who was just re-elected to a second two-year term.

Lynch, who ousted a Republican incumbent in 2004, has not indicated if he is interested in running for Senate.

A huge Democratic wave hit New Hampshire this year, and the fact that both GOP House Members were swept out of office must make Sununu nervous. Beyond Lynch, it's unclear whom party leaders might turn to. But the 2006 results make what once looked like a solid GOP hold in 2008 worth a second look from Democrats.

John Warner (R-Va.)

Warner heads into the 110th Congress without a ranking member title and with much speculation about his political future.

With back-to-back statewide losses for the Virginia GOP, Warner will face increasing pressure to run for a sixth term.

If he does, he would not face a competitive challenge.

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But if there is an opening, expect a bloody GOP primary between Rep. Tom Davis and one or more of his House colleagues. Reps. Eric Cantor and Bob Goodlatte have been contemplating Senate bids, as has former Virginia Gov. Jim Gilmore (R).

On the Democratic side, hopes of picking up the seat rest squarely on the shoulders of former Gov. Mark Warner.

Mark Warner recently called off a 2008 White House bid, and he would be the strong favorite in an open-seat contest if he were to run. He ran for the Senate in 1996, losing by 5 points to John Warner. But many Democratic insiders believe he is more likely to run for governor again in 2009 than for a six-year Senate term.

If he does decline a run, he likely would help the party find another candidate. After Sen. George Allen's (R) ouster this year and Gov. Tim Kaine's (D) victory last year, an open seat in the Commonwealth is not an opportunity that Democrats are likely to waste.

Josh Kurtz contributed to this report.

Democrats' Wins Hinged On Muslims (WT)

By Eric Pfeiffer

The Washington Times, November 14, 2006

Muslim voters, an electoral ally of President Bush as recently as 2000, played a key role in turning over control of the Senate to Democrats, a study shows.

"Although the-get-out-the-vote campaign was nonpartisan, there is no doubt that our strategy to support a large Muslim voter turnout in areas with potentially close election races was a correct one," said Mahdi Bray, director of the Muslim American Society (MAS) Freedom Foundation. "We looked at the states with close races and matched them up with states that had a large concentration of Muslims."

MAS also targeted races in Florida, Georgia, Michigan, North Carolina, Ohio and Pennsylvania.

In the U.S. Senate race in Virginia, more than 50,000 self-identified Muslim voters went to the polls, MAS said. A commanding majority of them, 92 percent, or 47,092, voted for the Democratic challenger, James H. Webb Jr. Mr. Webb won his race against Sen. George Allen, the Republican incumbent, by 9,326 votes.

"If Muslims had decided to put their weight behind Allen, Republicans would have had at least a tie in the Senate," said Mukit Hossain of MAS, which conducted the survey.

Muslim turnout of registered voters was exceptionally high in Virginia, at 86 percent, MAS reported. About 13 percent, or 7,822, of them were first-time voters.

Muslims also celebrated the victory of Keith Ellison, the first Muslim elected to Congress. The Democrat won his race with 56 percent of the vote in Minnesota's traditionally liberal 5th District. Mr. Ellison, who describes himself as a moderate Muslim, won the backing of the National Jewish Democratic Council, even though his opponent, Republican Alan Fine, was Jewish.

Muslim voters have not always turned against Republican candidates. A survey by the Center for American Islamic Relations found that 78 percent of Muslims supported Mr. Bush during his first presidential election in 2000.

CAIR found that Muslims were drawn to Mr. Bush's conservative stances on social issues and their hope that he would overturn provisions of a 1996 law, backed by the Clinton administration, that allowed for "secret evidence" in the deportation of immigrants with suspected terrorist ties.

Some estimates show that 60,000 Muslims voted for Mr. Bush in Florida. Those numbers nearly flipped in 2004, with most surveys showing Mr. Bush receiving about 7 percent of Muslim support against his opponent, Sen. John Kerry, Massachusetts Democrat.

Mr. Hossain is president of the Virginia Muslim Political Action Committee, a group that endorsed Mr. Webb's candidacy. However, Mr. Hossain says neither the Virginia PAC nor MAS has a partisan affiliation. He said the PAC endorsed Mr. Webb and other Democratic candidates because of their positions on civil liberties, immigration and health care.

Mr. Hossain did not hide his personal preference for Mr. Webb and his enthusiasm for Democratic victories a week ago, appearing at a press conference yesterday wearing a Webb campaign button on his jacket.

Female Voters Played Key Role In Midterms (WT)

By Cheryl Wetzstein

The Washington Times, November 14, 2006

Women -- especially blacks and Hispanics -- helped Democrats win power this month, and they are determined to ensure their issues aren't neglected, women's rights leaders said yesterday.

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The airwaves may be filled with "white males gloating about how they won this election," but "without African Americans, Latinos and women," there would have been no victory, said E. Faye Williams, president of the National Congress of Black Women.

Top legislative items include raising the minimum wage to $7.25 an hour, providing "fair pay" for women and broadening access to emergency contraception, Kim Gandy, president of the National Organization for Women (NOW), said at a National Council of Women's Organizations (NCWO) press conference yesterday.

In state after state, women's votes pushed Democrats over the top, said Eleanor Smeal, president of the Feminist Majority Foundation, citing data from a new election analysis from Lake Research Partners for Ms. magazine and Women Donors Network.

Ms. Smeal, publisher of Ms. magazine, said the victories of Sens.-elect James H. Webb Jr. in Virginia, Jon Tester in Montana and Claire McCaskill in Missouri were particularly satisfying.

Olga Vives, NOW executive vice president, said Hispanic voters, angry over a "hatred-filled approach" to immigration policy, helped chase out one Republican senator and at least three Republican congressmen, and forced another Republican congressman into a runoff race. The Hispanic vote was "disastrous" to Republicans, she said.

After 12 years of neglect under Republican rule, the women's right's agenda is "broad and long," said Ms. Gandy.

But initial legislative plans from putative congressional leaders, Rep. Nancy Pelosi, California Democrat, and Sen. Harry Reid, Nevada Democrat, "bode well for women, if they are not blocked by Bush allies still stung by the voters' repudiation of their agenda," she said.

The new Congress should see a resurgence of power from the women's congressional caucus, said NCWO leader Martha Burk. The 40-member "blue dog" conservative Democrat caucus may be attracting press coverage as a new power broker, but that distinction more rightly belongs to the women's caucus, which has at least 70 members, said pollster Denise Baer, president of Strategic Research Concepts.

A final key goal is to keep close ties with Mrs. Pelosi.

"People are going to be jockeying so much for their own interests and their own agendas -- she's going to be a target," said Yvonne Scruggs-Leftwich, a longtime civil rights activist.

She "needs a point person" whose sole job is to "listen to what's going on in the real world" and get back to people, she said. "We are all sophisticated. We know [Mrs. Pelosi] can't come to the phone. But somebody's got to be the message carrier."

AP: Giuliani Takes Step Toward '08 Bid (AP-Y)

By Devlin Barrett, Associated Press Writer

AP, November 14, 2006

Former New York City mayor Rudy Giuliani, a moderate Republican best known for his stewardship of the city after the Sept. 11 terrorist attacks, has taken the first step in a 2008 presidential bid.

The former mayor filed papers to create the Rudy Giuliani Presidential Exploratory Committee, Inc., establishing a New York-based panel that would allow him to raise money to explore a White House run and travel the country.

The four-page filing, obtained by The Associated Press, lists the purpose of the non-profit corporation "to conduct federal 'testing the waters' activity under the Federal Election Campaign Act for Rudy Giuliani."

The paperwork, dated last Friday, is signed by Bobby Burchfield, a partner at the DC-based law firm of McDermott Will & Emery, a firm that handles political work.

Giuliani spokeswoman Sunny Mindel declined to comment.

One potential rival for the GOP nomination, Sen. John McCain of Arizona, said Sunday he was taking the initial step of setting up an exploratory committee.

Under federal election law, an exploratory committee allows an individual to travel and gauge the level of support for a candidacy without formally declaring themselves a candidate and adhering to all the federal rules of fundraising. An individual who spends money only to test the waters — but not to campaign for office — does not have to register as a candidate under the election law.

The GOP field is expected to grow with Massachusetts Gov. Mitt Romney, Sen. Bill Frist of Tennessee, Arkansas Gov. Mike Huckabee and New York Gov. George Pataki expected to join the presidential fray.

Democratic Gov. Tom Vilsack of Iowa has filed to establish a full-blown campaign committee and will make a more formal announcement of his candidacy later this month.

Giuliani was widely praised for leading the city during and after the terror attacks of Sept. 11, 2001. He has said for months that he would wait until the end of the 2006 elections to decide whether to embark on a White House bid.

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The former mayor is a moderate who supports gun control, same-sex civil unions, embryonic stem-cell research and abortion rights — stands that would put him at odds with the majority of the GOP conservative base.

Giuliani has tried to sidestep those differences and offered strong praise for President Bush at the 2004 GOP convention in New York.

"It doesn't matter what the media does to ridicule him or misinterpret him or defeat him. They ridiculed Winston Churchill. They belittled Ronald Reagan. But like President Bush, they were optimists. Leaders need to be optimists. Their vision is beyond the present, and it's set on a future of real peace and security," Giuliani said.

"Some call it stubbornness. I call it principled leadership."

In 2006, the Giuliani brand remained strong. He headlined fundraisers for Republican candidates nationwide and his travel has done little to deny 2008 ambitions. During a visit earlier this month to Columbia, S.C., Giuliani dodged the question: "There's a chance, but that's after this election is over."

He then left South Carolina for New Hampshire, site of the nation's first primary and another GOP fundraiser.

Giuliani enjoys strong name recognition and a recent AP-AOL News poll conducted in late October found that among Republicans Giuliani was essentially tied with Condoleezza Rice and McCain on who they would most like to see elected president in 2008.

Rice has insisted that she will not run.

Giuliani, who was in his final months as New York City mayor when a pair of planes crashed into the World Trade Center's towers, became a national hero. Within hours of the attack, the mayor was visiting the site, caked in dust and walking through the chaos — a moment replayed repeatedly on television.

Assuming the role of "America's Mayor" and Time Magazine's Person of the Year for 2001, Giuliani remained an in-demand speaker and GOP fundraiser. He was the first Republican to lead New York in decades, had cut crime and redeveloped rundown parts of the city.

He was a former U.S. attorney, leading campaigns against organized crime and corruption. He spent two years as the Justice Department's No. 3 post, overseeing all U.S. attorneys, the Drug Enforcement Agency and the U.S. Marshals Service. The Brooklyn native was first elected New York's mayor in 1993.

Giuliani eyed a run for the U.S. Senate in 2000, but ended that bid while battling prostate cancer and a made-for-tabloids divorce from television star Donna Hanover. The messy divorce and his relationship with Judith Nathan also made his campaign against Hillary Rodham Clinton all the more difficult.

Long before the Sept. 11 attacks, the mayor cultivated a kind of celebrity status. He made a cameo on "Seinfeld" in 1993 and "Mad About You" the next year. He hosted Saturday Night Live in 1997 and followed up with other cameos. And in 2002, he was a presenter at MTV's Video Music Awards.

The filing is available at: http://wid.ap.org/documents/giuliani_filing.pdf

Giuliani Takes First Step Toward Presidential Bid (NYT)

By Sewell Chan

The New York Times, November 14, 2006

Rudolph W. Giuliani, the former mayor of New York City, has taken the first step toward mounting a presidential candidacy, forming an organization on Friday to explore a White House run.

Mr. Giuliani stopped short of filing documents with the Federal Election Commission to create a presidential campaign committee, a step that Gov. Tom Vilsack of Iowa, a Democrat, has taken. Instead, he filed to form a nonprofit group in New York State. Other politicians, like Senator John McCain, Republican of Arizona, have said they planned to file.

“Mayor Giuliani has not made a decision yet,” John H. Gross, a lawyer at Proskauer Rose and a former campaign treasurer for Mr. Giuliani, said in a statement. “With the filing of this document, we have taken the necessary legal steps so an organization can be put in place and money can be raised to explore a possible presidential run in 2008.”

In another statement, Anthony V. Carbonetti, a former chief of staff to Mr. Giuliani, said, “Rudy has traveled the country campaigning tirelessly on behalf of Republican candidates and has had the opportunity to speak with Americans on a wide variety of issues. They have been encouraging him to run for president, and this filing affords him the opportunity to raise money and put together an organization to assist him in making his decision.”

As news of Mr. Giuliani’s action emerged today, some Democrats rushed to criticize him. “It’s unclear whether or not Rudy Giuliani will be able to just ‘explain away’ the fact that he’s consistently taken positions that are completely opposite to the conservative Republican base on issues they hold near and dear,” a spokeswoman for the Democratic National Committee, Karen Finney, said in a statement.

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Mr. Giuliani, who was mayor from 1993 to 2001, has expressed socially liberal views including support for gay rights and abortion rights. He has traveled widely in recent months, stumping for Republican candidates in Florida, Illinois, Michigan, New Hampshire, South Carolina and elsewhere. Several of those candidates lost in the midterm elections last week when the Democrats recaptured both houses of Congress.

On Sunday, after a speech in Wilkes-Barre, Pa., Mr. Giuliani said he did not view the election as a rebuke to Republicans, but urged the party to commit itself to fiscal discipline and immigration reform.

Federal election law allows individuals exploring a candidacy to "test the waters" before deciding to run for federal office. The prospective candidate does not need to register with the commission, but must abide by the same contribution and spending limits as declared candidates.

The commission advises any individual doing such preliminary exploration to keep detailed financial records, because if the individual formally becomes a candidate, money raised and spent on "testing the waters" will be considered as contributions and expenditures under federal law.

Individuals who are "testing the waters" may pay for polling, phone calls, travel, political consultants, office space and stationery, among other things. But they may not raise more money than "reasonably required for exploratory activity," use public advertising to publicize their intention to run, make statements that refer to themselves as candidates, or campaign for office.

"It's likely that presidential candidates will have to raise at least $100 million by the end of 2007," the chairman of the Federal Election Commission, Michael E. Toner, said in an interview. "Rudy Giuliani is clearly one of those candidates who can raise that amount of money."

Once prospective presidential candidates file exploratory papers with the Federal Election Commission, they are required to file monthly fund-raising reports. Several aspirants intend to wait until at least January, so that their first fund-raising disclosure is not due until late February, giving them more time to raise money.

If Mr. Giuliani decides to run, he will be able to transfer money from his new organization, the Rudy Giuliani Presidential Exploratory Committee, to his federal campaign committee.

In a four-page filing submitted on Friday to the New York State Department of State and obtained by The New York Times, the new organization was listed as a nonprofit corporation. Bobby R. Burchfield, a partner who handles corporate litigation at McDermott Will & Emery, a firm in Washington, filed the papers. Mr. Gross was listed as a director of the organization, along with Peter J. Powers, a former deputy mayor, and Dennison Young Jr., a former federal prosecutor who was Mr. Giuliani's chief counsel.

Leader Of Virginia's Republicans Resigns (RTD)

By Tyler Whitley

Richmond Times-Dispatch, November 14, 2006

Kate Obenshain Griffin, who presided over two straight statewide losses, resigned yesterday as chairwoman of the Republican Party of Virginia, effective tomorrow.

She said she will serve as chief of staff for the remainder of U.S. Sen. George Allen's term and take responsibility for closing his offices in Washington and around the state, and assisting with a smooth transition. She said Allen asked her to serve as chief of staff.

Allen, who lost the Senate race to Democrat Jim Webb last Tuesday, will serve until the first week in January, when Webb is sworn in.

"I can think of no higher honor than doing all I can to preserve his outstanding legacy and helping to fortify his future," Griffin said.

Griffin is an Allen protégé. She is the daughter of the late Richard D. Obenshain, considered the founder of the modern Republican Party in Virginia. Obenshain was killed in a plane crash in August 1978 while running for the U.S. Senate. His replacement, John W. Warner, is serving his 28th year in the Senate.

It is customary for party chairmen to leave after a series of losses. The party's candidate for governor, Jerry W. Kilgore, lost to Democrat Timothy M. Kaine last year. Griffin said no one asked her to quit.

"I'm proud of the job we have done," she said, but declined to answer when asked whether she resigned knowing she would be asked to.

"Senator Allen's loss is certainly fresh on all our minds and heavy on our hearts," Griffin said. "Of course, that loss was coupled with a tremendous victory in that we returned all our congressmen and congresswomen to the U.S. House of Representatives."

Griffin praised the existing staff of the state Republican Party, which runs the day-to-day-activities. Shawn Smith, the party's executive director, is expected to resign today. He declined to comment when asked whether he planned to stay on.

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"She has been a loyal advocate for our conservative cause," Smith said.

Republican sources say Allen is pushing for Ed Gillespie, who lives in Fairfax County and is a former chairman of the Republican National Committee, to be chairman of the state party. Gillespie was an adviser to the Allen campaign.

The sources said Gillespie would have the prestige to stand up against the various factions that are already fighting for control of the party.

Dick Wadhams, who ran Allen's Senate campaign and who is being blamed by many Republicans for the loss, had been Allen's chief of staff before the campaign. But sources say he has already returned to his home in Colorado.

Griffin, who lives in Winchester, has been chairwoman for three years. She was brought in by Allen and Kilgore after an eavesdropping scandal left the party in disarray. The chairman and executive director both lost their jobs.

"We have come through many challenges that have threatened our party to its core," Griffin wrote yesterday in a letter to Republican leaders.

She said the party's finances are stable and its infrastructure, including voter lists and technology, is in good shape.

After her brief tenure on Capitol Hill, Griffin said she looks forward to "a somewhat normal life with particular attention to my No. 1 job -- being a mom." She has four children, ages 9 to 4, and is married to Phillip S. Griffin II, a Winchester lawyer. She worked in the Allen administration when he was governor from 1994 to 1998.

For Evangelicals, Supporting Israel Is 'God's Foreign Policy' (NYT)

By David D. Kirkpatrick

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — As Israeli bombs fell on Lebanon for a second week last July, the Rev. John Hagee of San Antonio arrived in Washington with 3,500 evangelicals for the first annual conference of his newly founded organization, Christians United For Israel.

At a dinner addressed by the Israeli ambassador, a handful of Republican senators and the chairman of the Republican Party, Mr. Hagee read greetings from President Bush and Prime Minister Ehud Olmert of Israel and dispatched the crowd with a message for their representatives in Congress. Tell them "to let Israel do their job" of destroying the Lebanese militia, Hezbollah, Mr. Hagee said.

He called the conflict "a battle between good and evil" and said support for Israel was "God's foreign policy."

The next day he took the same message to the White House.

Many conservative Christians say they believe that the president's support for Israel fulfills a biblical injunction to protect the Jewish state, which some of them think will play a pivotal role in the second coming. Many on the left, in turn, fear that such theology may influence decisions the administration makes toward Israel and the Middle East.

Administration officials say that the meeting with Mr. Hagee was a courtesy for a political ally and that evangelical theology has no effect on policy making. But the alliance of Israel, its evangelical Christian supporters and President Bush has never been closer or more potent. In the wake of the summer war in southern Lebanon, reports that Hezbollah's sponsor, Iran, may be pushing for nuclear weapons have galvanized conservative Christian support for Israel into a political force that will be hard to ignore.

For one thing, white evangelicals make up about a quarter of the electorate. Whatever strains may be creeping into the Israeli-American alliance over Iraq, the Palestinians and Iran, a large part of the Republican Party's base remains committed to a fiercely pro-Israel agenda that seems likely to have an effect on policy choices.

Mr. Hagee says his message for the White House was, "Every time there has been a fight like this over the last 50 years, the State Department would send someone over in a jet to call for a cease-fire. The terrorists would rest, rearm and retaliate." He added, "Appeasement has never helped the Jewish people."

This time Elliott Abrams, the White House deputy national security adviser who met with him, essentially agreed, Mr. Hagee said.

Leaving the White House offices, "we felt we were on the right track," he said.

Now, in tandem with the Israeli government, many evangelical Christians have focused on a new villain, Iran's president, Mahmoud Ahmadinejad. Evangelical broadcasters and commentators have seized on Mr. Ahmadinejad's comments questioning the Holocaust and calling for the abolition of the Israeli state. And many evangelicals now talk of the Iranian leader as a "mortal threat" to Israel.

Some evangelical leaders say they are wary of reports that a panel including former Secretary of State James A. Baker III might recommend negotiating with Iran about the future of Iraq. "It certainly bothers me," said Dr. James C. Dobson, founder of Focus on the Family and one of the most influential conservative Christians. "That has the same kind of feel to it as the British negotiating with Germany, Italy and Japan in the run up to World War II."

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At rallies this fall for Christian conservative voters, Dr. Dobson sometimes singled out Mr. Ahmadinejad as a reason to go to the polls, arguing that Democrats could not be trusted to face down such dangers. “Hitler told everybody what he was going to do, and Ahmadinejad is saying exactly what he is going to do,” Dr. Dobson explained. “He is talking genocide.”

The same name, with many pronunciations, comes up repeatedly on Christian talk radio shows, said Gary Bauer, a Christian conservative political organizer. “I am not sure there is a foreign leader who has made a bigger splash in American culture since Khrushchev, certainly among committed Christians,” he said.

Mr. Hagee, for his part, said Mr. Ahmadinejad’s comments about Israel and the Holocaust were part of what motivated him to found Christians United For Israel late last year. Since the fight with Hezbollah, Mr. Hagee said, he is doing all he can to keep the pressure on United States officials to take a hard line with Iran.

When 5,000 evangelicals gathered last month for a “Night to Honor Israel” at his San Antonio megachurch, for example, Mr. Ahmadinejad was much discussed.

Mr. Hagee compared the Iranian leader with the biblical pharaoh of Egypt. “Pharaoh threatened Israel and he ended up fish food,” Mr. Hagee said, to great applause.

Evangelical Christians who know President Bush, including Marvin Olasky, editor of the magazine World and a former Bush adviser, said Mr. Bush, unlike President Reagan, has never shown any interest in prophecies of the second coming.

Such theological details, however, have not kept the Israeli government and Jewish pro-Israel lobbying groups from capitalizing on the powerful support of American evangelicals. Fearing a backlash over Lebanon last July, Israeli officials and their American allies sought public statements of support from American evangelicals. Some groups declined because of risks to missionaries in the Arab world.

Dr. Dobson read a statement on his popular radio program expressing “heartache” at the civilian casualties but comparing Israel’s fight to “the Biblical skirmish between little David and mighty Goliath.” He explained, “There sits little Israel with its five million beleaguered Jews, surrounded by five hundred million Muslims whose leaders are determined to drive it into the sea.”

Rabbi Yechiel Eckstein, the founder of the International Fellowship of Christians and Jews and the Israeli government’s official goodwill ambassador to evangelicals, said the statements turned out to be superfluous because there was a groundswell of grass roots evangelical support.

Mr. Eckstein said he had discovered the depth of that support when he ran television commercials on the Fox News Channel seeking donations. The response, mainly from evangelicals, “burned out the call centers,” Mr. Eckstein said. During the five-week war, his group added 30,000 new donors. Thanks to the influx of money, he said his organization has exceeded its income from the first 10 months of last year by 60 percent, putting it on track to pull in $80 million this year. “The war really generated a momentum,” Mr. Eckstein said.

Evangelicals’ support for Israel, of course, is far from uniform. Mr. Hagee is an author of several books about the interpretation of biblical prophecies. He says he believes the Bible assigns Israel a pivotal role as a harbinger of the second coming. Citing passages from Revelation and Ezekiel, he argues that conflict between Israel and Iran may be a sign that that time is approaching.

Others say they believe more generally that God maintains his Old Testament covenant with the Jewish people and thus commands Christian believers to help protect their “older brothers.”

“My theology indicates that Israel is covenant land,” Dr. Dobson said in an interview.

Many conservative Christians and their Jewish allies acknowledge a certain tension between the evangelical belief in a Biblical commission to convert non-Christians and their simultaneous desire to help the Jews of Israel.

“Despite all the spiritual shortcomings of the Jewish people,” Dr. Dobson said, “according to scripture — and those criticisms come not from Christians but from the Old Testament. Just look in Deuteronomy, where Jews are referred to as a stiff-necked and stubborn people — despite all of that, God has chosen to bless them as his people. God chose to bless Abraham and his seed not because they were a perfect people any more than the rest of the human family.”

Dr. Dobson, along with some other evangelicals, has expressed disappointment with what he saw as the Bush administration’s pressure on Israel to sign the cease-fire that ended the fight.

“They began by saying they had to take a hard line, by saying they would support Israel and they ended up urging them to compromise and go home,” Dr. Dobson said. “All that is going to do is allow everybody to reload. That didn’t solve anything.” (Mr. Hagee said that he believed the administration gave Israel “ample time” but that Israel erred by not “unleashing the full might of its ground troops” until it was too late.)

The Israeli government and its American allies have been building their alliance with evangelicals for decades. Israeli officials began working closely with Mr. Hagee and his church, for example, a quarter century ago, when he met several times with then-Prime Minister Menachem Begin.

The Jerusalem Post, an English-language newspaper, recently started an edition for American Christians.

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The Israeli government temporarily cut off ties with the Christian broadcaster Pat Robertson after he suggested that Prime Minister Ariel Sharon's stroke might have been God's punishment for withdrawing from territory that belonged to the Biblical Israel. But then Mr. Robertson flew to Israel during the fight with Hezbollah. In a gesture of reconciliation, the Israeli government recently worked with him to film a television commercial to attract Christian tourists.

"Israel — to walk where Jesus walked, to pray where Jesus prayed, to stand where he stood — there is no other place like it on earth," Mr. Robertson says in the commercial, according to the Jerusalem Post.

The Third California (WSJ)

By Joel Kotkin

The Wall Street Journal, November 14, 2006

LOS ANGELES -- Amidst the Republican rout, some important political lessons can be drawn from the results in California. Oft dismissed by conservatives as "the left coast" and written off as hopelessly blue, the state election revealed some critical trends that may prove decisive -- for both parties -- in 2008 and beyond.

Arnold Schwarzenegger's 17-point victory alone commands some attention, since it is easily the most impressive score by any Republican in a Democratic-leaning state this year -- and it suggests a future for pro-environment, pro-business, fiscally conservative and socially moderate politics. In trying to excuse their drubbing at the top of the ticket, some California Democrats spin the tale that Mr. Schwarzenegger won only by morphing into one of them. Yet in reality, Phil Angelides, the man he defeated, was the clear favorite of party activists who just this spring brimmed with confidence about their chances of bringing the Terminator to extinction.

Mr. Angelides duly followed the left-wing, Bush-bashing script -- seemingly ideal in a state where barely one in three voters supports the president. Campaigning against Iraq and for a classic redistributionist agenda funded with higher taxes, Mr. Angelides won handily among liberal voters in a state where Democrats outnumber Republicans by 43% to 34%.

The key to Mr. Schwarzenegger's victory lay not in seducing the left, but through his mastery of the state's rising independent center. According to exit polls, he beat Mr. Angelides by nearly 20 points among self-described moderates and independents. These voters may well be the key to the political future, certainly in California. * * *

As political analysts such as New America's David Lesher have pointed out, the "not party" now constitutes California's ascendant political grouping. Over the past decade, people registering without a major party affiliation have accounted for a remarkable 91% of all the growth in the electorate. They now constitute one in every five voters. These independents clearly have the wind to their backs, with disproportionate support among both Latino adults and young people. Indeed, nearly 40% of the state's voters under 25 have chosen to either register as "decline to state" or belong to a small party. If these trends continue, by 2025 independents could outnumber both Democrats and Republicans.

Such independents were critical in the recall of former Gov. Gray Davis and Mr. Schwarzenegger's election in 2003, but they are far from traditional conservatives. In fact, according to a Public Policy Institute of California survey conducted by Mark Baldassare, most are both environment-oriented -- Mr. Schwarzenegger's tough stand on global warming probably paid off with many of them -- and moderate to liberal on social issues. Yet at the same time, a majority also believes that government "wastes a lot of the taxpayers' money." In short, they blend anti-government populism with environmental consciousness.

The fiscal conservatism of California's electorate was plainly evident in the initiatives, where voters resoundingly voted down many of the pet pork-barrel projects of the elite left. They rejected one measure that would have steeply lifted the cost of cigarettes to pay for health care, and another that sought new levies on California's oil industry in order to fund renewable fuels and energy-awareness education. Similarly, voters overwhelmingly turned down a cynical bid by public employee unions to promote public financing of political campaigns and to tilt laws on contributions in ways that favored unions over businesses. This politically motivated raid on the Treasury lost almost three-to-one, passing only in the leftist stronghold of San Francisco.

On the other hand, the voters did embrace a series of infrastructure bonds that had been agreed upon by the legislature and the governor. Although the measures lacked imagination and were far from adequate to meet the state's growing needs, Californians proved willing to pay for new investments in the state's creaking physical public works. * * *

Two factors help explain California's lurch to the middle. One is demographics, and the other our real-life experience with what Republicans like to call "the Pelosi Democrats."

As to the former, California is in the midst of a massive movement of population -- and political power -- away from the coasts and toward what Brookings demographer Bill Frey and I have described as "the third California." This vast region, whose politics trend moderate to conservative, extends from the areas north of Sacramento down to the sprawling suburbs of San Bernardino-Riverside, east of Los Angeles.

The geographic shift is driven by such things as comparatively low housing prices, growing job opportunities for middle-class families and, for businesses, an often more welcoming regulatory environment. Since 2000, the third California is home to

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the vast majority of the state's population growth. The population in this region has grown by over 12%; coastal southern California ("the second California"), by contrast, has grown by barely 4%, while the Bay area ("the first California") has increased only marginally. Today, the third California accounts for almost 30% of the state's population. It already has more people than the liberal Bay area, and that gap is expected to widen significantly.

Some theorize that as coastal voters move east, they will bring their liberal values along with Whole Foods and Starbucks. Yet the evidence so far shows that these voters are changed by their new circumstances, such as home-ownership and childbearing, that may make them less likely to stick to liberal orthodoxies. "If you look at the results here, this place remains pretty conservative," suggests John Husing, a prominent economist in the San Bernardino-Riverside region and a self-described long-time middle-of-the-road Democrat. "These are people who came out of the coasts and like the fact they are new property owners and they want to protect what they have."

These trends were already evident in 2004, when support in the third California helped President Bush to add two-and-a-half points to his total in 2000. This year, the more nuanced approach of Mr. Schwarzenegger worked even better. San Francisco, Marin, Alameda and Los Angeles counties all dutifully voted for Mr. Angelides, but their voters were swamped by big counties like Fresno, Riverside and Kern, which backed Mr. Schwarzenegger by better than 2-1. Perhaps most significantly, Hispanics, particularly inland, also support him. He won 40% of the Latino vote, compared to the less than 30% who supported GOP congressional candidates nationwide, and he pulled this off despite an ill-advised flirtation with anti-immigration activists earlier in the year.

Meanwhile, those who think doctrinaire right-wingers have much of a future in the state are delusional. As Mr. Schwarzenegger was coasting to victory, his most attractive right-wing running mates, Tom McClintock and Bruce McPherson, failed to break past 45% of the vote.

In what could be a harbinger of things to come, the dynamic in California was driven in large part by the long-standing Democratic control of the legislature. Unlike the rest of the country, we may have already experienced what it's like to be ruled by "Pelosi Democrats."

The far-left character of the legislature has been shaped as much by bipartisan gerrymandering as by shifts in public opinion. The drawing of district lines assures that GOP districts are more likely to elect fundamentalist Republicans like Mr. McClintock who cannot win statewide. Yet the biggest winners have been the shaping of immigrant-dominated districts, which have few voters but many people. These have proved easy pickings for the increasingly Latino-dominated Democratic political machines, and their public employee and trial-lawyer allies. This has created a seemingly permanent, increasingly leftist Democratic majority in both houses. Despite the centrist tilt of the electorate, moderates in both parties have become an endangered species in Sacramento.

This unfortunate confluence does much to explain how Mr. Schwarzenegger got into office in the first place. Under relentless pressure from his party's left in the legislature, Gray Davis -- against his natural instincts -- caved in to a radical agenda that boosted workers' compensation rates to stratospheric levels, promoted the rights of "transgender" workers, and encouraged employees to sue their bosses. The resulting fiscal disaster, job losses and frustration among businesses, big and small, helped propel Mr. Schwarzenegger into office. Since then, the Democratic leadership has continued to keep him there by pushing such unpopular measures as drivers' licenses for illegal aliens, as well as a bonehead attempt to force schools to include "the contributions" of gays and lesbians in public-school textbooks. Such walks on the ideological wild side have kept the legislature unpopular with voters. In May, the solons had approval ratings of 23%.

Herein may lie the most critical lesson that California can pass on to the rest of the country. Unwilling to let the loonies have clear access to the Treasury, Californians have decided to stymie them with -- literally in this case -- a political strongman. If Ms. Pelosi's crew starts acting in much the same way as their Sacramento counterparts, Americans in the rest of the country could opt for a similar strategy when the next presidential election comes around.

Mr. Kotkin, an Irvine senior fellow at the New America Foundation, is the author of "The City: A Global History," just published in paperback by Modern Library.

Insurers' Plan Aims To Cover Uninsured (WP/AP)

By Kevin Freking

The Washington Post, November 14, 2006

WASHINGTON -- Health insurance companies proposed a $300 billion plan Monday aimed at getting coverage for all uninsured children in three years and for most adults within 10.

The plan includes tax breaks for the working poor and increased spending by the government for Medicaid and the State Children's Health Insurance Program.

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"This bold program would expand coverage to tens of millions within a framework that is fiscally sound and promotes individual responsibility," said J. Grover Thomas Jr., board chairman of America's Health Insurance Plans.

The largest of the tax breaks would go for universal health accounts. Individuals could set aside up to $2,000 a year and families up to $4,000 and use the money to pay for any type of health insurance, not just plans that require patients to pay significant upfront costs.

The insurers also called for giving low-income families a tax credit worth up to $500 when they secure health insurance for their children.

They said their proposal would go a long way toward providing basic coverage to more than 40 million uninsured, the group said.

The trade group made no recommendations as to how the government should pay the bill of $300 billion over 10 years, but it noted that expanding coverage to the uninsured would bring significant savings to the insured. That's because the insured subsidize much of the health care provided to the uninsured in the form of higher monthly premiums.

Americans spend about $2 trillion a year on health care, and about $600 billion of that money comes from the federal government.

Health and Human Services Secretary Mike Leavitt said Monday morning that he had not yet seen the insurers' proposal, but he did sense that there were opportunities to expand insurance coverage next year that lawmakers from both parties could back.

Lawmakers from both parties have said reauthorizing the children's health program next year would be a priority, and many have expressed hope that the program would be expanded.

The American Medical Association, which represents physicians, said it welcomed the plan.

"Clearly, current programs to cover the uninsured are insufficient and more must be done," said Dr. Ardis D. Hoven, an AMA board member.

"The fact that even the health insurance industry is talking reform shows a growing consensus that reform is really needed," said Sen. Ted Kennedy, D-Mass., who is expected next year to oversee the Senate's Committee on Health, Education, Labor and Pensions. "We showed in Massachusetts that bipartisan progress on health care is possible, and we should do the same here in Washington."

The expansion of Medicaid, a state-federal partnership, to all people at 100 percent of poverty would help about 12 million people become insured. The universal health accounts would help about 25 million people afford insurance, the insurance group said.

The early focus would be on children. The trade group calls for letting families at 300 percent of poverty or below participate in the State Children's Health Insurance Program. That expansion would help about 5 million people get insurance. The child tax credit would help about 3 million get coverage.

The goal is to get all uninsured children coverage within three years, and 95 percent of uninsured adults would get coverage within 10 years. Insurers would contribute through efforts to rein in administrative costs, the group said.

Health Insurance Industry Urges Expansion Of Coverage (NYT)

By Robert Pear

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — The health insurance industry proposed an expansion of Medicaid and new tax breaks on Monday with the goal of guaranteeing coverage for all children in three years and for virtually all adults within 10 years.

New members of Congress, especially those elected on a pledge to help the uninsured, are likely to embrace many of the proposals, which provide a benchmark for debate on the issue. The debate is likely to rage in the next Congress and in the 2008 presidential campaign.

The latest government figures show that 46.6 million Americans lacked health insurance in 2005, an increase of 17 percent, or 6.8 million, from 2000.

“We believe that every American should have access to affordable health care coverage,” said J. Grover Thomas Jr., chairman of America’s Health Insurance Plans, the main lobby for the industry, which offered the proposals.

The industry proposed these steps, estimated to cost $300 billion over 10 years:

¶The federal government and the states should expand Medicaid to cover all adults with annual incomes under the poverty level, including single adults who cannot now qualify. The poverty level is $16,600 for a family of three and $9,800 for an individual.

¶The Children’s Health Insurance Program, financed jointly by the federal government and the states, should, at a minimum, cover all children in families with incomes less than twice the poverty level.

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¶Congress should create tax incentives for people to establish "universal health accounts." People could take tax deductions for amounts contributed to such accounts. They could use the accounts to pay premiums for any type of health insurance. The federal government would help pay premiums for people with incomes below certain levels.

¶Congress should establish a tax credit for individuals and families who buy health insurance for their children. The credit would be $200 a child, up to a maximum of $500 for a family. It would be available to families with incomes up to three times the poverty level — up to $60,000 for a family of four.

The industry did not say how its proposals would be paid for; did not recommend any budget cuts or tax increases; and did not say what, if anything, it would do to slow the growth of health costs.

When hospitals care for the uninsured, they often pass on some of the costs to people who have health insurance. Jay M. Gellert, president of Health Net, a managed-care company based in Woodland Hills, Calif., said this "cost shift" threatened to make coverage unaffordable for employers, who provide health benefits to 175 million people.

Ronald F. Pollack, the executive director of Families USA, a liberal-leaning consumer group, said: "Given the insurance industry's history as a major opponent of health care reform in 1993-94, this set of proposals is very welcome. The proposals for public programs, in particular, are laudable."

Grace-Marie Turner, president of the Galen Institute, a research center that advocates free-market health policies, said: "Conservatives will be able to support this. It has something for everyone."

Under current law, employers can generally take tax deductions for the cost of providing health benefits to employees. The industry plan calls for a similar deduction for people who buy coverage on their own, in the individual health insurance market.

In a sense, insurers, like other industries, are recommending tax subsidies for the products they sell. More generally, they are proposing a public-private partnership to cope with a problem — the soaring cost of health care and health insurance — that affects families, employers and the nation's ability to compete in a global economy.

"We are the last industrialized country in the world not to have universal coverage," said George C. Halvorson, chairman of the Kaiser Permanente health plan.

Many economists say the tax code is biased against individual insurance. The industry said it was proposing "full tax deductibilty for health insurance premiums" to correct the bias.

C. Eugene Steuerle, a senior fellow at the Urban Institute, said he worried that such a change could create incentives for some employees to buy insurance on their own, rather than through the workplace. "Unless carefully designed," he said, "that change could reduce the incentives for employers to provide coverage, and we could get a net increase in the number of people without insurance."

Mr. Thomas, who is chairman of Trustmark Mutual Holding Company, based in Lake Forest, Ill., said this concern was unfounded. Workers would generally lose the employer's subsidy for their health care if they bought insurance outside the workplace, he said.

Many economists say the tax code, by subsidizing the purchase of health insurance, has fostered excessive use of health care services, driving up costs. "New subsidies could aggravate that problem," Mr. Steuerle said.

Hope For Millions Without Health Coverage (LAT)

By Ricardo Alonso-zaldivar

The Los Angeles Times, November 14, 2006

WASHINGTON — Alarmed by the relentless erosion of employer-sponsored medical benefits, the health insurance industry today unveiled a proposal to extend coverage to more than 46 million uninsured persons.

Combining solutions favored by Democrats with some that Republicans have backed, the proposal by America's Health Insurance Plans calls for providing coverage within three years to all uninsured children, currently numbering about 8 million, and within 10 years to virtually all adults.

The trade group's plan would rely on a mixture of expanded federal and state programs and tax credits for workers and their families to purchase private health insurance.

"We should transcend the rigidly partisan political debates that have led only to stalemate," the group said in a statement accompanying the proposal. "Our nation needs a pragmatic approach driven by a broad understanding of the nature of the challenge and a strong commitment to the goal of covering all Americans."

AHIP, as the group is known, represents almost 1,300 companies that provide health insurance policies, including traditional fee-for-service plans and managed-care plans such as health maintenance organizations.

The insurance industry said its plan would cost the federal government $300 billion over 10 years, but the proposal lacked specifics on how it would be financed. Other estimates of providing coverage for all have been higher, $50 billion to $80 billion a

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year. By comparison, the federal government already spends more than $530 billion a year on two giant healthcare programs, Medicare for the elderly and Medicaid for the poor.

The high cost of health insurance is the main reason for the rising number of uninsured Americans. The Kaiser Family Foundation's 2006 healthcare survey found an average cost of almost $11,500 a year for an employer-sponsored family plan. Employers, particularly smaller businesses, have been shedding coverage as costs have risen, and many individuals find it too costly to purchase a plan on their own.

With Democrats taking over Congress next year, many policy leaders in the medical community, labor unions and even corporate boardrooms are hoping to revive a national debate that has been dormant since the collapse of the Clinton administration's plan more than 10 years ago.

"The election shows that Americans pay attention and they're willing to support change," Dr. Raymond J. Gibbons, president of the American Heart Assn., said Sunday at the group's annual scientific conference in Chicago. "There has been woefully little public discussion and, as a result, we haven't had the kind of national dialogue that's needed to find a solution."

Polls show that Americans strongly back guaranteed coverage for all, but support melts away if it would mean significantly higher taxes — suggesting that the next debate on overhauling healthcare will focus on controlling costs.

Already, U.S. employers say the high cost of health insurance for their workers puts them at a competitive disadvantage in the global marketplace. General Motors, for example, spent $5.3 billion for healthcare in 2005, more than it did on steel.

The health insurance industry's proposal would build on the current system, a mix of federal and state programs, employer plans and individuals buying their own coverage.

It calls for the expansion of the federally funded State Children's Health Insurance Program to cover all children in families with incomes up to twice the federal poverty level. That would help most children in low-income working families, since a family of four making up to $40,000 would be able to receive benefits.

Similarly, the plan would expand Medicaid eligibility to adults earning up to the federal poverty level, which is $9,800 for a single person.

The idea of using existing government programs to solve the problem of the uninsured has strong support among Democrats. But the insurance industry proposal also calls for two new tax breaks, a kind of approach traditionally favored by Republicans.

A new $200-per-child tax credit, or up to $500 per family, would go to middle-class families who could show that their children were covered. The plan also calls for the creation of universal health accounts, a kind of tax break that would make it more affordable for the self-employed and those not covered by an employer to buy coverage on their own.

Banks Pile Into Health Savings Accounts (WSJ)

By Ann Carrns

The Wall Street Journal, November 14, 2006

Just in time for benefits-enrollment season, health savings accounts are getting a big push from your local bank.

Nearly 1,100 banks now offer the tax-favored spending accounts, more than triple the number at the end of 2005, according to market-research firm Information Strategies Inc. The growth comes as more employees enroll in high-deductible health plans, which are paired with health savings accounts, or HSAs, to help pay for the deductible and other out-of-pocket medical costs. But savings not needed to pay medical expenses can accumulate in a HSA for years, and this has sparked bank interest in offering such accounts.

The abundance of new HSA offerings is triggering competition that is helping to push fees lower and expanding the options for consumers to invest their savings. Most HSAs previously earned interest, sometimes at relatively low rates. Now, banks increasingly are offering other investment options, including mutual funds, if consumers have a minimum required balance.

Consumers eligible to open a HSA have greater options. Here's what to consider:

· Accounts must be paired with a high-deductible health plan.

· Set-up charges and monthly fees can vary widely.

· Some HSAs offer investment options, while others only pay interest.

Plus, see a comparison of HSA offerings.

Among other options: Bank of America Corp. is expected to announce this week that it will introduce a new credit card, in partnership with major health plans, that will let holders earn rewards points that convert automatically into cash in their HSAs. And in January, the bank's customers will be able to invest their HSA balances in mutual funds offered by the bank's Columbia Management arm.

J.P. Morgan Chase & Co., which previously marketed its HSAs primarily through employers, will begin later this month to allow individuals to enroll for the accounts online. The bank also offers mutual-fund investments to its HSA holders.

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The abundance of new offerings means consumers interested in a HSA need to shop around. The accounts vary widely in their structure and fees. Initial setup charges are $10 to $20 at Chase, for instance, but free at U.S. Bancorp. Ongoing monthly fees are $4 at BB&T Corp., but free at Huntington Bancshares Inc. Not all banks disclose the fees on their Web sites, while others make the information frustratingly hard to find.

It doesn't help that interest rates paid on the balances in HSAs vary widely. HSA Bank, of Sheboygan, Wisc., which specializes in health savings accounts and has customers in all 50 states, pays 1.98% interest on an average daily balance of $1,000, although rates are higher for bigger balances. Chase's current rate is 4.11%, regardless of the balance, while Bank of America pays 2.96%. Some banks offer a tiered system, including BB&T, which pays 1.49% for balances up to $2,499. That jumps to 4.47% for balances of $25,000 and greater.

The widening availability of HSAs is expected to help propel the total number of accounts by year end to about 3.6 million, holding $5 billion in combined deposits, according to Information Strategies. That's up from 1.1 million accounts and deposits totaling $1.2 billion at the end of 2005. The accounts are fairly new -- Congress first authorized them in 2003 -- so the number of account holders is still a small proportion of health-plan enrollees overall.

HSAs are funded with pretax money, and income continues to grow tax free. What's more, account holders don't have to pay taxes on withdrawals as long as the money is used for qualified medical expenses. However, withdrawals to pay for other expenses are taxed, and the account holder will likely also have to pay a penalty. Because the penalty disappears after an account holder turns 65, HSAs are increasingly being used as a tax-deferred savings vehicle to help cover both medical and non-medical expenses in retirement.

To qualify to open an account, you must first be enrolled in a high-deductible health plan, which typically charges the consumer a lower premium than plans that have smaller deductibles. About 75% of all HSAs have been opened directly by consumers, but that percentage is expected to slide as more big companies begin adopting the high-deductible health plans to help reduce soaring costs of health-care benefits. Some employers pay fees and make contributions into HSAs for their workers.

Early offerings of HSAs were led by niche banks catering to small-business owners wanting to offer some health-care options to workers while watching the bottom line. Now, bigger banks are increasingly getting into the business, attracted by the lucrative combination of deposits, account fees and sales leads for mutual funds and other investments generated by customers. In turn, the presence of big banks in the industry is expected to quickly spread awareness and hasten the adoption of HSAs, experts say.

"We think it's going to be a great opportunity," says Karen Hill, vice president in the consumer-product management group at KeyCorp, a Cleveland bank with branches in 13 states that will start offering health savings accounts by year end. And Huntington Bancshares, in Columbus, Ohio, will promote its new health savings account, to be launched early next year, to business customers interested in offering them to employees. Individuals also will be able to open an HSA on Huntington's Web site.

Industry officials say improvements are still needed with HSAs, especially in areas such as customer service. For instance, many banks offer debit cards that HSA holders can use to make purchases. Most of these cards, however, aren't able to track whether charged expenses are qualified to count toward a health plan's deductible. This can be a big headache for customers stuck monitoring their spending and holding on to receipts in order to avoid federal penalties on nonqualifying purchases. One new debit-card offering, planned by KeyCorp for early next year, will include an optional feature that allows consumers to restrict the card's use only to health-care providers and pharmacies.

Write to Ann Carrns at ann.carrns@wsj.com1

Lame Ducks Wing It (WP)

By Libby Copeland

The Washington Post, November 14, 2006

This is not just the season when bright-eyed freshmen arrive for their congressional orientation. It is also the season of What Now? for the many officeholders and staffers who will be out of jobs in January. Not even former senators are free from the specter of college tuition bills.

"The first thing you do is, you buy a tin cup and pencils so that you can be assured of some income tomorrow," says former Oklahoma governor Frank Keating, who, after finishing his second term in 2003, went on to head the American Council of Life Insurers and to write children's books.

Envy the lucky corporate recruiters and their ringing phones. Pity the members of Congress who hoped against hope that they wouldn't be looking for work right now.

Some of them don't even have rÃ©sumÃ©s.

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"It's probably been 20 or 30 years for some of these folks since they've looked for a job," says Nels Olson, who heads the Washington office of Korn/Ferry International, a headhunting firm.

On the other hand, in a few months these former members may be stinking rich in their new gigs, so maybe we shouldn't feel bad for them.

Washington's biennial job search is bigger than usual this year. In addition to members of Congress who are retiring or who lost their reelection bids, hundreds of Republican committee staffers may lose their jobs because Democrats are taking over the House and the Senate.

Too bad there's no way to measure the exchange of business cards in the nation's capital. Imagine the paper wasted. Imagine the traffic at Kinko's through December, with folks copying their cover letters. Some savvy staffers started making discreet calls about new jobs even before they knew the results of their bosses' reelection campaigns.

Oh, the exhilaration and exhaustion of the job search. Although former members of Congress are typically not reduced to perusing the classifieds, they are not immune to the pain of being rejected by prospective employers. The amount of money an outgoing member can command varies widely. A former member of Congress with a rock-star reputation might make, say, $2 million a year, says Olson. Another, lesser member might earn only a puny $300,000.

"Some are in great demand," says Robert Barnett, an attorney who has represented many high-profile government officials -- including Bill Clinton -- in their move to the private sector. "Others, unfortunately, have very, very few options."

This is one of the reasons that some firms use recruiters. Stuart Pape, the managing partner at the law firm Patton Boggs, says intermediaries minimize the "potential awkwardness" that might arise if a firm makes an unwanted overture to an outgoing member, or an outgoing member makes an unwanted overture to a firm.

And some former members don't transition well to the world of private industry. Perhaps they're not used to having people say no to them, or maybe they don't have much management acumen.

"It can be challenging to go from one of 100 in the Senate into the real world," says Ivan H. Adler, a lobbying recruiter at the McCormick Group in Arlington. "They're like popcorn in the pan. Some pop and some don't."

Barnett, who -- unlike a headhunter -- is retained by the employee rather than the employer, negotiates jobs along a wide spectrum, from law and lobbying firms to trade associations, television punditry gigs and paid speech tours.

"I have a whole 10-page, single-spaced checklist of issues that come up in these negotiations," he says, ticking off compensation, bonuses, raises, stock options and such matters as whether the employee gets car service or gets to fly first class. Sometimes the employee who retained him can get an employer to pay Barnett's fee. The hottest of the hotshots get to bring along a few of their own staff members -- whose salaries are, of course, paid by the new employer.

Former senator Warren B. Rudman (R-N.H.), who is now "of counsel" to Paul, Weiss, Rifkind, Wharton & Garrison LLP, says that when he announced he was retiring in 1992 he fielded two dozen calls from lobbying and law firms. A former lawyer, he didn't hire anyone to negotiate his salary and benefits.

"I'm very experienced at it," he says. "I couldn't think of anybody better."

With two years to go in the current presidential administration, firms have already begun to compile their wish lists for those at the White House and in Cabinet departments.

"We've sat down with firms and, much like the NBA draft, done a draft in a variety of areas," Adler says. Firms start by considering a best-case scenario, obtaining a high-level "King Kong," and then work their way down to a "cheetah," perhaps a staffer. To take a hypothetical, consider the Justice Department, he says. "If we can't get the attorney general, who's next?"

Although Adler works for the firms that hire him, he also is contacted by prospective employees. Yesterday, by 3 p.m. he'd heard from eight already. Not all of these people are losing their jobs in January, Adler says. Some have started thinking about their next step even though their jobs are good for another two years. The midterms, he says, were a "psychological impetus" for a lot of people to start looking, whether they have to or not.

1981 (WSJ)

By George Melloan

The Wall Street Journal, November 14, 2006

Nancy Pelosi gets a "favorable" rating from only 24% of the respondents to a new Rasmussen poll, exactly the same as the soon-to-be-demoted Dennis Hastert. She is viewed unfavorably by 44%. In short, the first female speaker of the House starts with a large deficit in public confidence. She would be unwise to think that the only way to go from here is up.

A greater wisdom would suggest that the Democrats -- their victory last Tuesday notwithstanding -- will need far more political wisdom than they have displayed in the recent past if they are to maintain more than a temporary grip on power. The voters turned against the Republicans, as Dick Armey made clear on this page last week, because they forgot their lines and lapsed into partisan gibberish. Their audience got up and left.

The Democrats have not shown much evidence that they can do better. By and large they stick to the old mantra about being the party defending the weak and the poor, with very few specifics. But the party probably has more substance than it has sometimes displayed during its years in the wilderness. And clearly, the voters are demanding something more from Congress than old-fashioned pork-barrel, party-machine politics. * * *

To find a template for how the Democrats might conduct themselves profitably over the next two years, it is useful to go back 25 years to the signature achievement of the supply-side revolution, the Kemp-Roth tax bill. It was this sharp cut in tax rates, particularly in the highest income brackets, that set public policy on a new course under Ronald Reagan. Republicans celebrate this as solely their achievement -- or at least those do who haven't forgotten why their party started winning, instead of losing, elections. But the revolution could not have been launched without the aid of some thoughtful Democrats. Their party, after all, was in control of the House, which initiates tax legislation, in 1981 -- with a hearty 56% to 44% majority.

The Republicans had just elected Reagan, aided by Jimmy Carter's string of economic and foreign-policy disasters. But the party was hardly unified. Indeed, it looked a great deal like it has looked over the last two years, as a body trying to live up to its reputation as "the stupid party." As Irving Kristol wrote on this page on Nov. 20, 1981, the new Senate was in the hands of conservative Republicans who had "never learned nor forgotten any economics since the days of Herbert Hoover" and were thus wary of tax cuts.

Even the new administration was riddled with doubters, as the president learned to his dismay when his bright, young budget director, David Stockman (in the Atlantic magazine in November 1981) called Kemp-Roth -- signed by the president three months earlier -- a "Trojan horse" designed to lower taxes on high incomes, that would lead to large budget deficits.

But Rep. Jack Kemp of New York and Sen. William Roth of Delaware had established a supply-side beachhead in the Republican Party years earlier, with the help of the editorial page of this newspaper. The late Robert L. Bartley, who became editor of this page in 1972, spotted the merits of supply-side economics early in his tenure, drawing on the talents of editorial writers Jude Wanniski and Paul Craig Roberts and economists who were little known at the time, among them Arthur Laffer and Robert Mundell.

The 1970s were a time of economic-policy chaos, touched off when Richard Nixon abandoned the Bretton Woods monetary system and inflicted wage and price controls on the economy in August 1971. Among the results were fuel shortages and an inflation that could not be suppressed by government controls (something intelligent economists have always known).

On the intellectual front, however, something good happened. Events discredited Keynesian economic theory, which had dominated academic and political thought since the '30s. The U.S. economy lapsed into stagflation, something not possible if you believe, as most Keynesians did, that economic growth and moderate inflation are handmaidens. Politicians had flocked to Keynesianism because it gave them intellectual underpinning for something they love to do -- spend public funds -- by arguing that government can counter recession by writing more checks.

There was nothing complicated about supply-side theory. It was classical economics. Fundamentally, it held that you have to produce if you want to consume and that anything the government does to discourage production is damaging to economic growth. That includes not only excessive economic regulation (e.g., price and wage controls) but high tax rates on the marginal earnings of the most productive citizens. These are the people who earn surpluses above their immediate needs and thereby build the total pool of capital available to expand the capital stock and create new jobs.

Art Laffer, who was also a former hireling in the budget office, argued as well that static calculations of how much revenues would be lost by the tax cuts were wrong because they ignored the fact that the cuts would stimulate economic activity and draw funds hidden in tax shelters back into the revenue stream. He proved to be right.

Reagan -- who co-majored in economics at little Eureka College in Illinois back when they were still teaching classical economics -- had learned early in life that you have to work to eat, and understood all this well. Shortly after he took office, he put forward the Kemp-Roth bill, which called for a 30% reduction in tax rates.

The Democrats in the House also had been going through a learning process. Tip O'Neill, for all his rhetorical excesses, was a strong leader of the Democrat caucus and a practical politician. The Democrats knew that the nation's capital base had been dangerously eroded during the '70s inflation and that their party deserved some blame. So "capital formation" became the mantra of the Democrats and it was a very good one.

As Irving Kristol wrote in his 1981 piece, the Republican supply-siders and the Democrat capital formation crowd found a common purpose, overwhelming the troglodytes of both parties. Kemp-Roth passed, although congressional budget deficit worriers insisted on phasing it in over three years and reducing the size of the cuts to 25%. Meanwhile, Paul Volcker over at the Fed was slaughtering inflation, and quite a few unfortunates who had banked on its continuance, with a severe clampdown on money creation. The combination of congressional timidity and tight money provoked a sharp recession in 1982, one that sent even larger numbers of Republicans running for cover and brought jeers from their natural enemies.

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But in January 1983, Bob Bartley opened the year with an editorial titled "At Last, a Tax Cut," making the point that, after all the hedges Congress had installed in Kemp-Roth, the year would finally bring a true reduction in tax rates that would benefit economic growth. He was right on the money. The economy soon leaped from the recession and the stagnation of the '70s. The growth rate exceeded the historically respectable 3% for the rest of the Reagan administration, and was the basis for the last 25 years of largely uninterrupted economic growth. Keynesian theory was finally dead and classical economics had been restored to its proper place.

Yet one point has been mostly overlooked. The Democrats who wanted policies to encourage capital formation were essentially on the same page as Reagan and the supply-siders. Capital formation is impossible without government policies that encourage work and investment. So the Democrats, if they had wanted to, could have taken some of the credit for the supply-side revolution. Not many have wanted to, apparently.

But that was yesterday, and now the Democrats are back in power in Congress. President Bush introduced some daring, new and much-needed policies in his first six years -- notably Social Security and immigration reform -- only to see them sidetracked by Republican disunity and weak leadership in Congress. Will the voters' decision to throw the bums out and give the Democrats a try produce better results? The congressional Democrats of 2006 don't look much like those of 25 years ago. But they now have an opportunity to demonstrate whether they can think as well as talk.

Mr. Melloan is a former deputy editor of the Journal's editorial page.

Let's Fight To Make America's Agenda The GOP's Agenda (RC)

By Rep. Joe Barton

Roll Call, November 14, 2006

My commitment to every House Republican is a legislative agenda that matches America's, and my "majority-back guarantee" is this: We will achieve a net gain of seats in each upcoming election cycle. If we fail to regain the majority within three election cycles, I will not seek the position of Minority Leader in the succeeding session.

No Republican should be the next Minority Leader, but the voters of America decided otherwise, and I honor their decision.

House Republicans were once on track to become a permanent majority. Now some say the train has outrun the tracks, that we seemed to care more about the smoke and fire in the engine than who was in the cars and where we were taking them.

Let's get back on track by starting with the people who work and pay taxes and who expect us to deliver on our commitment to less government and more freedom. Government runs on the money taken from their pockets, and issue No. 1 should be sticking with the tax cuts so that working families decide how to spend their money instead of politicians and bureaucrats.

Next, "balance the budget" has been the oath and curse of every politician in the past half-century, and a promise to do it begins with a credibility gap. It is true that we've cut the deficit by $165 billion, but hardly anybody believes that balancing the budget by spending less is a consistent priority. That needs to change.

We should start with real entitlement reform. Entitlement spending amounts to $1.4 trillion, and it is now 53 percent of the budget and growing. Entitlement spending costs each American taxpayer $7,698 a year. People who work and pay taxes need help, too. If you believe in the sunrise, you also must believe in the sunset, and it seems clear that it is time for the sun to set on some programs.

It takes guts to say no, but the answer to bad ideas must be no. It's wrong when Medicaid, which is a welfare program for poor people, is spending its dollars on nursing home care for people who hide their wealth to seem poor.

It also is time to put the privacy of the people ahead of the needs of business. On the wall of my office is a sign that every visitor notices. It says, "Fear God, Tell the Truth, Make a Profit." Protecting privacy is about truth, not profit. I believe strongly in both, but truth-telling comes ahead of profit-making for a reason.

Finally, the House also has a responsibility that it even fails to recognize, much less exercise: holding the Senate accountable. In George Washington's ancient cup-and-saucer description of how Congress works, the Senate was the saucer where hot ideas from the House were poured so they might cool. That was then. Now it is the place where good bills go to die, and it is an elephants' graveyard for the president's agenda.

One final thing we need to get right as a party and as an institution is ethics. Nearly every Member of the House, on both sides of the aisle, is totally honest and hardworking. Yet voters are told every day that we are crooks, and they believe it. We need to come up with simple rules that are transparent to the public. When the occasional bad apple falls, let's deal with it openly, quickly and cleanly.

Where did we go wrong? Probably in blurring the essence of what makes Republicans distinct from Democrats. We spent money without requiring accountability, so much so that sometimes we must have looked like Democrats-lite. And except for

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welfare reform, we somehow managed to avoid credit for the good things that we did well despite rugged opposition and biting criticism from Democrats.

I know that when the Republican agenda matches America's agenda, our party prospers. That's why we won the majority in 1994, and while we have our disagreements, our party does not suffer the affliction of being a boiling-mad collection of fringe interests that make average Americans cringe.

Whoever does for America what Americans want done — cuts people's taxes, balances their budget, protects their privacy, cherishes integrity — they will be on track to become the most successful political party in history. That should be us, and that's why I am running for Minority Leader.

Rep. Joe Barton (R-Texas) is chairman of the Energy and Commerce Committee.

Bush And Israeli Prime Minister Maintain Tough Front On Iran (NYT)

By Jim Rutenberg

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — President Bush and Prime Minister Ehud Olmert of Israel kept up their tough talk on Iran on Monday, warning it once again to drop its nuclear ambitions, even as Prime Minister Tony Blair of Britain suggested that Tehran could take a role in stabilizing Iraq under "a new partnership."

Officials in Israel have expressed increasing fear that Mr. Bush will reduce the pressure on Iran to cease its nuclear program as calls increase from European allies and at home to seek Tehran's help in Iraq.

But Mr. Bush, speaking after his meeting with the Israeli leader, said his position on talks with Iran had not changed. "If the Iranians want to have a dialogue with us, we have shown them a way forward," he said, "and that is for them to verify — verifiably suspend their enrichment activities."

In comments to reporters, Mr. Olmert warned that Iran posed a threat not just to Israel, but to the world. A spokeswoman said later that was his main message to President Bush during their nearly hour-long Oval Office meeting on Monday, though State Department officials said Mr. Bush needed no such reminders.

"The fact that the leader of a nation such as Iran can threaten the very existence of another nation, as he does towards Israel," Mr. Olmert said of the Iranian leader Mahmoud Ahmadinejad, "is not something that we can tolerate or would ever tolerate."

Mr. Blair spoke in a foreign policy address in Britain about the same time that Mr. Bush and Mr. Olmert met, first in the Oval Office and then for a working lunch that included some of their top aides. It was the second White House meeting between the leaders since Mr. Olmert became prime minister, and their first since Israel's unsuccessful campaign against Hezbollah in Lebanon this summer.

Though Mr. Blair's stance on Iran, telegraphed in the British press beforehand, hovered over the talks in Washington, American officials were careful to note that Mr. Blair had made tough demands, including an insistence that Iran would have to change its behavior drastically to become a negotiating partner.

Both Mr. Bush and Mr. Olmert entered the talks in weakened political positions: Mr. Olmert's popularity has dipped significantly since the 34-day war with Hezbollah; Mr. Bush lost his governing Congressional majority just one week ago.

Mr. Bush and Mr. Olmert also warned Syria against interfering in Lebanon, where Hezbollah has provoked a political crisis by seeking more power in the government. But the two leaders seemed more open than they have been recently concerning possibly closer relations with Syria, with Mr. Olmert saying, "I hope that one day the conditions for contacts between them and us will be created."

A spokeswoman for Mr. Olmert, Miri Eisin, said Mr. Olmert and Mr. Bush discussed everything from the American elections to the Israeli economy. But Ms. Eisin said that "the Iranian issue was the main issue on the table" and that Mr. Olmert was comforted by Mr. Bush's tone.

Ms. Eisin said Mr. Bush and Mr. Olmert also discussed the Israeli-Palestinian peace process, though that process is in limbo as the militant Palestinian faction of Hamas seeks a new political leader who can work with President Mahmoud Abbas of the Palestinian Authority to form a coalition government. The United States and the European Union have suspended aid to the Authority until Hamas, which came into power in the spring, recognizes Israel and existing Palestinian agreements with it. Hamas and Mr. Abbas are seeking a way to restart the flow of money.

Bush Meets With Israeli PM, Urges Global Isolation Of Iran (USAT)

From Wire Reports

USA Today, November 14, 2006

WASHINGTON — President Bush called Monday for worldwide isolation of Iran until it "gives up its nuclear ambitions."

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The risk to the world extends beyond Israel and the Middle East, Bush said after meeting with Israeli Prime Minister Ehud Olmert at the White House. The United States and Israel say Iran is working on nuclear weapons. Iran says its work is aimed at producing energy.

"Iran's nuclear ambitions are not in the world's interest," Bush said. "If Iran had nuclear weapons it would be terribly destabilizing."

Olmert said he was not looking for a confrontation with Iran. "I am not looking for wars," he said before meeting Bush. Israel is worried by Iranian President Mahmoud Ahmadinejad's repeated calls to destroy Israel. Olmert said: "This is not an issue of Israel only. This is a moral issue of the whole world."

Bush's prescription for dealing with Iran: having the United Nations impose sanctions to force Iran to stop uranium enrichment. Diplomats at the U.N. have been trying to agree on a resolution that would place sanctions on Iran for refusing to halt its enrichment program.

"If they continue to move forward with the program, there has to be a consequence," Bush said. "And a good place to start is working together to isolate the country."

Palestinian gestures toward peacemaking with Israel also were a key topic. In an interview with the Palestinian daily Al-Quds published Monday, Olmert said he would be willing to talk to the militant Hamas group that has led the Palestinian government since January if it renounced violence, recognized Israel and accepted past peace deals, as demanded by the United States, the European Union and Israel.

Bush, Olmert Unite Against Nuclear Arms In Iran (WT)

By Stephen Dinan And David Sands

The Washington Times, November 14, 2006

President Bush and Israeli Prime Minister Ehud Olmert said yesterday that they cannot accept a nuclear-armed Iran, and the Israeli leader accused the Islamic republic of "fanaticism."

After a private meeting at the White House, they told reporters that they want to continue to isolate Iran until it halts uranium-enrichment efforts, which they think is part of a nuclear-weapons program.

"It's very important for the world to unite with one common voice to say to the Iranians that if you choose to continue forward, you'll be isolated. And one source of isolation would be economic isolation," Mr. Bush told reporters.

The United States has let European nations take the lead in the slow diplomacy to try to block Iran's nuclear program, but Mr. Bush -- with Israel as a very interested partner -- has pushed for stronger statements and specific consequences should Iran continue the program.

Mr. Olmert said that Israel, which is widely thought to have a nuclear arsenal, is worried about statements by Iran's president threatening the existence of Israel and that those threats are "not something that we can tolerate or would ever tolerate, and certainly not when we know that he is trying to possess nuclear weapons."

Briefing reporters after the White House meeting, Olmert spokeswoman Miri Eisin said the Iran problem and the Israeli-Palestinian peace process took up much of the discussions, with broad areas of agreement on both issues between the two leaders.

Mrs. Eisin said Israel was "not against compromise" with Tehran so long as the Islamic republic did not develop or acquire nuclear weapons. Iran, she said, "needs to fear the implications if they don't compromise" on the nuclear issue.

The spokeswoman sidestepped questions about an upcoming Iraq report by a bipartisan commission led by former Secretary of State James A. Baker III. The panel, which met with Mr. Bush yesterday just before Mr. Olmert did, is said to be considering several major changes to U.S. policy on Iraq and the Middle East, including direct talks with Syria and Iran, and pressure on Israel to seek a peace deal with moderate Palestinians.

Mrs. Eisin said that Israel recently has seen "very positive" statements by moderate Arab leaders in Egypt, Saudi Arabia and Jordan about reviving the peace process and that Mr. Olmert repeatedly has stressed willingness to meet with Palestinian Authority head Mahmoud Abbas "at any time."

The spokeswoman said that Mr. Bush and Mr. Olmert had a "long discussion" on Iraq, and that Mr. Olmert gave assurances that "Israel will be behind America whatever the U.S. chooses to do."

There were no major points of disagreement in the talks, Mrs. Eisin said.

"Not every visit is a dramatic one," she said. "This was not a dramatic visit."

Bush, Olmert Warn Of Threat In Iran (AP)

By Barry Schweid

AP, November 14, 2006

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At a potential turning point in its war in Iraq, the Bush administration paused Monday to huddle with worried ally Israel over the crisis next door in Iran and to take stock of other Mideast trouble spots.

Israel is worried that political fallout from the Republican election losses and rising calls for U.S. engagement with Iran may soften President Bush's resolve against a country whose president has said the Jewish state should be wiped from the map. Bush offered some reassurance on Iran during an Oval Office meeting with Israeli Prime Minister Ehud Olmert.

"I recognize the threat to world peace that the Iranians ... pose, as does the prime minister," Bush told reporters following the 90-minute meeting.

Olmert's White House meeting, his first since an inconclusive war with Hezbollah militants in Lebanon weakened his own political footing at home, also covered the deteriorating political situations in the Palestinians territories and in Lebanon, U.S. and Israeli officials said. Iraq was a topic, but Israelis made clear that Iran's influence and support for terrorism was foremost on Olmert's mind.

"The Iran issue was the main issue on the table," Olmert spokeswoman Miri Eisin told reporters after the session. "Talking about what you do with this combination, what do you do with a president who not only backs terror but is actively pursuing nuclear weapons?"

The United States alleges that Iran has a rogue nuclear weapons program and is pressing for United Nations Security Council sanctions to punish Iran if it will not scale back sensitive nuclear fuel production. Israel is a presumed target if Iran produced a bomb. Iran denies that it is trying to build nuclear weapons.

The nuclear threat has been the focus of recent U.S. concern about its old adversary, but Iran also has unique influence within its Shiite neighbor Iraq and the potential to undermine the U.S. goals for a unified Iraqi government up to the task of securing and running the country when the U.S. withdraws.

Bush saw Olmert on the same day he was interviewed by an independent panel studying U.S. options in the Iraq war. The bipartisan group's report next month is expected to offer the Bush administration a possible path to change course or scale back its ambitions in the war now in its fourth year.

The Iraq Study Group may also address possible U.S. responses if the rising sectarian warfare in Iraq becomes the all-out civil war that Israel and many other Mideast neighbors fear.

One of the group's co-chairs, the influential Bush family adviser James A. Baker III, has said the United States should not cut off dialogue with its adversaries, and the group may recommend a new overture to Iran and Syria. Israeli officials say they fear any accommodation of Iran, and has tried to keep up pressure among European allies as well as the United States.

"There is no question that the Iranian threat is not just a threat for Israel, but for the whole world," Olmert said following the session with Bush. "The fanaticism and the extremism of the Iranian government, and the fact that the leader of a nation such as Iran can threaten the very existence of another nation, as he does towards the state of Israel, is not something that we can tolerate."

The Bush administration reversed itself earlier this year and offered to bargain face to face with Iran for the first time in years, if Iran would first suspend disputed nuclear activities.

Iran has so far refused the offer and spurned a package of economic and political incentives that the West hoped to trade for nuclear concessions.

Bush said the U.S. has not changed the terms, and he warned of "economic isolation" for Iran if it presses ahead.

"There has to be a consequence for their intransigence," Bush said.

Negotiations over initial, mild U.N. sanctions on Iran have gone slowly this fall, and it is not clear that the United States has support from key partners Russia and China to slap more punishing restrictions on the oil-rich regime. Neither the U.S. nor Israel has independent economic clout with Iran.

Why Iran Shares U.S. Spotlight With Iraq (WSJ)

By Yochi J. Dreazen And Neil King Jr.

The Wall Street Journal, November 14, 2006

WASHINGTON -- Last week's midterm elections were largely about Iraq, but when President Bush departs for an eight-day Asia swing today, another country will top his list of concerns: Iran.

How to deter Iran's nuclear ambitions and persuade the country to help stabilize neighboring Iraq is expected to be a main topic during Mr. Bush's private meetings with Russian President Vladimir Putin and Chinese President Hu Jintao. Russia and China have expressed reservations about U.S. and European efforts to pass a United Nations Security Council resolution designed to force Iran to rein in its nuclear program.

The Bush administration has long ruled out direct talks with Iran unless Tehran suspends its uranium-enrichment efforts. But the White House is facing mounting domestic and international pressure to seek Iranian help in calming the situation in Iraq.

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British Prime Minister Tony Blair and Australian Premier John Howard said Monday they were in favor of talking to Iran and Syria about ways to reduce the violence in Iraq -- a stance shared by many influential U.S. lawmakers from both parties.

Calls for direct talks with Iran are likely to increase. The Iraq Study Group, a bipartisan panel led by former Republican Secretary of State James Baker and former Rep. Lee Hamilton, a Democrat, is expected to recommend that the U.S. negotiate with regional powerhouses like Iran and Syria about Iraq, said people familiar with its work.

Members of the Baker-Hamilton commission met with Mr. Bush and his top national-security team for the first time yesterday at the White House. Speaking to reporters afterward, Mr. Bush said he was "impressed by the questions they asked" and looking forward to reading the group's report. Many say they hope the report, which is expected next month, can serve as a blueprint for overhauling U.S. policy in Iraq.

The administration would face tough choices in any potential negotiations with Iran. Tehran is expected to seek U.S. concessions regarding its nuclear program in exchange for providing any assistance in Iraq. Mr. Bush has ruled out allowing Iran to develop nuclear weapons, so it is unclear what, if anything, the U.S. would be willing to give Iran in return for its help.

"They would certainly want a quid pro quo. And the question would be: If they want it, what are we prepared to give them?" said David Steinberg, a foreign-policy expert at Georgetown University.

White House officials yesterday reiterated that the U.S. would talk to Iran only if it halts its uranium-enrichment work, citing Mr. Bush's comments yesterday that his position on Iran "hasn't changed." National Security Council spokesman Gordon Johndroe declined to say whether the administration expects Iran to seek U.S. concessions on its nuclear program in return for any assistance in Iraq, or how the U.S. would respond.

"What we expect Iran to do is stop meddling in Iraq, and to stop providing weapons there that are used to kill Iraqis and Americans," he said.

Mr. Bush is bringing a range of objectives to his Asia trip, which will take him to Singapore, Vietnam and Indonesia. The centerpiece is a three-day stop in Hanoi for the Asia-Pacific Economic Cooperation forum, where Mr. Bush is scheduled to sit down Sunday with a number of regional leaders, including President Hu, to talk trade, regional security, and issues such as North Korea's nuclear program.

Mr. Bush will depart for Asia on a sour note after the lame-duck Congress failed to pass legislation lifting Cold War-era economic restrictions on Vietnam and granting the country the same benefits as other U.S. trading partners in the World Trade Organization. Mr. Bush had hoped to arrive in Vietnam with the measure in place, but the congressional setback makes that far less likely. Even if they opt to try again, supporters of the bill have only a small window of time this week to get the bill through both the House and the Senate before Mr. Bush's arrival in Vietnam Friday.

Still, Iran will cast a shadow over Mr. Bush's trip, as he seeks to reach consensus with several putative allies over the nuclear programs of both Iran and North Korea.

For more than two months, the five permanent members of the U.N. Security Council -- the U.S., Britain, France, China and Russia -- have tussled over how to pressure Tehran after it spurned an earlier U.N. resolution demanding it suspend its uranium-enrichment work, and persuade it to join talks on the future of its nuclear program.

Negotiations at the U.N. over the issue ground to a halt last week over Russian objections to a draft sanctions resolution put forward by Britain, France and Germany. Both Russia and China worry that a possible hard-line resolution could pave the way for an eventual military attack on Iran by the U.S. and others. Russia is also concerned that a sanctions push may turn Iran away from future talks and spur it to follow the example set by North Korea, which conducted its first nuclear-weapons test.

Moscow is eager to preserve Russia's lucrative business dealings with Iran, primarily at the nuclear-reactor project in the Iranian port city of Bushehr.

China, which considers Iran to be far less important strategically than North Korea, also is anxious to preserve good relations with Iran. Iran is China's third-largest supplier of crude oil and an expanding market for Chinese goods.

Mr. Putin met Saturday with Iran's top nuclear negotiator, Ali Larijani, as part of a Russian bid to head off international sanctions against Iran and launch six-country talks that would include both Iran and the U.S.

Last week's Democratic sweep to take control of Congress, combined with the anticipated recommendations of the Iraq Study Group, have led many to conclude that U.S. talks may be inevitable both with Iran and with Syria, another Iraqi neighbor and U.S. rival.

"There is no alternative to this approach," said Imad Moustapha, Syria's ambassador to Washington, who said he has met with people working on the Baker report. "If not today, if not in two months time, eventually the U.S. will re-engage with Syria. It is inevitable. And the same goes for Iran."

Write to Yochi J. Dreazen at yochi.dreazen@wsj.com1 and Neil King Jr. at neil.king@wsj.com2

Tug Of War With U.S. Unsettles Neighbors (WT)

By Iason Athanasiadis

The Washington Times, November 14, 2006

TEHRAN -- Iranian leaders say that years of efforts to improve relations with the country's Arab neighbors are being undermined by the hard-line policies of President Mahmoud Ahmadinejad and the nation's support for Shi'ite groups in Iraq.

Some diplomats and foreign policy analysts argue that the United States is working to hasten this process by encouraging the formation of a Sunni political coalition in Baghdad with the tacit support of the region's conservative Arab states.

"The U.S. strategically needs to stay in Iraq, but all conditions are against it," said Ali Khorram, an analyst who has served as Iran's ambassador to various U.N. bodies. "For the situation to change, they're fabricating an enemy for the Arab countries of the region -- and that is the Islamic Republic of Iran."

Splits reportedly have been developing within the Iranian leadership since before the summer. A faction led by Ali Larijani, the secretary of the Supreme National Security Council, supports reopening negotiations with the West over Iran's nuclear program. Another group, led by Mr. Ahmadinejad, maintains a hard-line stance.

Mr. Ahmadinejad "is counting for everything on Iraq, on the U.S. getting stuck there," said a close acquaintance of the president. "But he doesn't realize that [President] Bush doesn't care, he doesn't have anything to lose."

Mr. Ahmadinejad "is doing a big gamble, and it's not a calculated one."

Iran suffered through a destructive eight-year war after an Iraqi invasion in September 1980. The Arab states of the Persian Gulf bankrolled Saddam Hussein's war effort with an estimated $1 billion a year because they feared an aggressive revolutionary Shi'ite republic.

Since the start of that war, Iran has worked diplomatically to reassure its Arab neighbors that it is not a threat. President Mohammed Khatami pursued that effort aggressively until Mr. Ahmadinejad replaced him last year.

"Mahmoud [Ahmadinejad] is demolishing all these efforts that Khatami made to allay the Arabs' fears of us," said the president's close acquaintance.

"He believes that Iran has to be a superpower and does not like the Arab monarchies because he's anti-shah. So he's returning the revolution to where we started, and it's taken 25 years to assure [the Arabs] that we're not a threat."

Mr. Ahmadinejad told Jordan's King Abdullah II that improved relations with Arab states were a priority for his government, the Islamic Republic News Agency reported.

The leaders of Sunni Arab powerhouses Saudi Arabia, Egypt and Jordan have warned against the creeping influence of political Shi'ite Islam after political gains by the minority sect in Iraq and Lebanon.

Many Iranians interpreted the war this summer between Israel and the Shi'ite Lebanese political movement Hezbollah as an indirect attempt by Israel and the United States to obstruct Tehran's reach in the Arab Middle East by targeting its Lebanese ally.

Saudi Arabia surprised the region when it publicly condemned Hezbollah's seizure of two Israeli soldiers -- the act that sparked the war -- as an "uncalculated adventure."

Egyptian Foreign Minister Ahmed Abul Gheit said Hezbollah Secretary-General Hassan Nasrallah sought a war with Israel "to find a way out" from international pressure for Lebanon to disarm his group and replace its soldiers in southern Lebanon with the Lebanese army.

Jordan's King Abdullah cautioned against a "Shi'ite axis" stretching from Tehran to Beirut, arcing across Baghdad and Damascus.

With a cease-fire holding in Lebanon, the focus has shifted to Iraq, where Iran has established a strong network of allies through generous funding to mostly Shi'ite and Kurdish groups. Several Shi'ite political groups waited out Saddam's rule in Tehran and returned in 2003 during the U.S.-led invasion.

"The U.S. will not leave Iraq until its attrition increases and reaches Vietnam levels," Mr. Khorram said. "Otherwise, both Republicans and Democrats will continue the policy of remaining there. U.S. politicians don't listen to anyone except a very high casualty rate."

Israel Army To Resume Guerrilla Training (AP)

By Mark Lavie

AP, November 14, 2006

The Israeli military will restore its guerrilla warfare training center following its experience fighting Hezbollah militants in Lebanon, using a distinctly modern method — paintball.

During the 34-day war last summer, Hezbollah guerrillas exacted a heavy toll against the Israelis with ambushes, mortars and anti-tank missiles. While not admitting that lack of guerrilla training was a factor in its shortcomings, the Israeli military is planning to restart the program, according to the current issue of the soldiers' weekly, Bamahaneh.

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The Israeli military closed down its guerrilla warfare training facility at the Elyakim base in Israel's north after Israeli forces pulled out of Lebanon in 2000, following an 18-year guerrilla war against Hezbollah.

The military has been harshly criticized for the way it handled the latest fighting in Lebanon, and many soldiers, especially reservists, complained their equipment and training were inadequate.

Soldiers will learn camouflage techniques, navigation by GPS satellite systems, construction of hidden outposts and other skills, Bamahaneh said, and they will test their newly won abilities in paintball maneuvers.

Lt. Col. Lior Lifshitz, commander of the Elyakim base, told the weekly that he hopes to set up a permanent paintball course at the base. In addition, the guerrilla training will be taken to all the bases in the northern command area, with courses for both soldiers and officers.

"Our goal is to establish a cycle, so that within two years officers would receive extensive training and soldiers some training," Lifshitz told the publication.

The new center, which is to be operational within a few months, will also supply guerrilla warfare equipment to the various army units, the weekly reported.

Bush Faces New Calls To Shift Policies On Mideast (WP)

By Michael Abramowitz And Thomas E. Ricks

The Washington Post, November 14, 2006

President Bush came under new pressure yesterday at home and abroad to alter his policies in the Middle East. British Prime Minister Tony Blair pushed for a broader Arab-Israeli peace initiative to help stabilize Iraq, while the incoming chairman of the Senate Armed Services Committee pledged to take a hard line on seeking early troop withdrawals.

Bush offered little indication that he is planning to adjust his approach, telling reporters gathered in the Oval Office that "the best military options depend upon the conditions on the ground" in Iraq. The president also met for more than an hour with former secretary of state James A. Baker III, former representative Lee H. Hamilton (D-Ind.) and other members of the bipartisan Iraq Study Group, which is looking to chart a new course in the war.

Asked about calls for dialogue with Iran and Syria to help curb violence in Iraq, Bush said there was no change in his position that Iran must first suspend uranium enrichment. "Our focus of this administration is to convince the Iranians to give up its nuclear weapons ambitions," Bush said after a meeting with Israeli Prime Minister Ehud Olmert. "That focus is based upon our strong desire for there to be peace in the Middle East. And an Iran with a nuclear weapon would be a destabilizing influence."

Bush and Olmert told reporters that they spoke at length about the problems posed by Iran. "There is no question that the Iranian threat is not just a threat for Israel but for the whole world," Olmert said.

The day's events underscored the rapidly evolving political landscape for the White House, which finds itself trying to balance the desire for change voiced by the electorate last Tuesday with the president's frequently stated conviction that the United States must remain engaged militarily in Iraq until the government there can maintain its own security.

The White House will also have to deal with a Congress controlled by Democrats, a difference highlighted by Sen. Carl M. Levin (D-Mich.) as he outlined the new agenda of the Armed Services Committee, which for the past four years has been largely deferential to Bush's conduct of the war. Levin said he plans to step up the committee's activities, reviewing the state of military readiness and conducting more oversight of such issues as the rendition of terrorism suspects to countries suspected of practicing torture.

Levin also served notice that he intends to take a strong line on withdrawing U.S. forces from Iraq, telling reporters that he thinks a slim majority of the Senate may back his call for a "phased redeployment" of more than 140,000 U.S. troops.

"We had 40 senators who voted that way essentially six months ago, roughly, and there may be 50 or 51 senators that will vote that way now," Levin said at a news conference, referring to a bill that would call on the president to inform the Iraqi government that U.S. forces would begin leaving Iraq in four to six months.

In London, meanwhile, Blair suggested a desire for a more aggressive Western initiative to resolve the Israeli-Palestinian conflict as a key to tamping down violence in the region, a recommendation that is also reportedly under consideration by the Iraq Study Group. Blair said that resolving the Arab-Israeli dispute, stabilizing Lebanon and pressuring Iran to halt its support of militants are key to helping reduce bloodshed in Iraq.

"A major part of the answer to Iraq lies not in Iraq itself but outside it, in the whole of the region where the same forces are at work, where the roots of this global terrorism are to be found, where the extremism flourishes," said Blair, Bush's closest international ally on Iraq.

Blair is scheduled to amplify his views today in a private videoconference with members of the Baker-Hamilton group, which will soon begin deliberating specific recommendations after months of interviews with senior policymakers in America, Iraq and elsewhere.

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The White House was extremely guarded yesterday about the round of meetings the study group held with Bush and other members of his administration, including Secretary of State Condoleezza Rice, national security adviser Stephen J. Hadley and Vice President Cheney. Bush said he was not going to "prejudge" the group's report, which is expected in early December. He said that they had a "really good discussion" and that he was looking forward to "interesting ideas."

White House press secretary Tony Snow and other aides offered little elaboration, describing the session as a "general conversation about the situation there." Snow said it was not a time for "proposal shopping" by the study group.

Rice postponed a trip to Vietnam for an Asia-Pacific conference to instead hold informal talks about Iraq at the State Department and the White House, the State Department said. She spent about an hour with the Iraq Study Group and planned to leave today for Vietnam.

While the Baker-Hamilton group is looking at a range of issues, many lawmakers believe its significance may be more about politics than advancing new proposals. "By now the lack of a silver bullet is clear to everybody," said Rep. Tom Lantos (D-Calif.), the incoming chairman of the House International Relations Committee. "I think the value of the Baker-Hamilton commission is it is bipartisan, and hopefully it will receive serious bipartisan study."

Levin said he has "some optimism" that the study group will come up with some viable alternatives to the Bush administration's current policy. He also emphasized that it may not be necessary for the Senate to bend to reach agreement with the White House. In addition to "most Democrats," he said, "I believe there are some Republicans who are interested in changing the dynamic in Iraq."

Levin emphasized repeatedly that he does not believe that the current approach to Iraq is sustainable. "We're getting deeper and deeper into a hole that we should stop digging, and that we should look for alternatives in order to promote the chances of success in Iraq," he said.

Like many U.S. officials, Levin expressed some frustration with the lack of political progress in Iraq in recent months. "We cannot save the Iraqis from themselves," he said. "They, and they alone, are going to decide whether they're going to have a nation or whether they're going to have an all-out civil war."

Bush Focuses On Mideast As Troubles Mount (FT)

By Guy Dinmore And Sharmila Devi

Financial Times, November 14, 2006

President George W. Bush and his cabinet on Monday grappled with the full range of Middle East crises – from the Israeli-Palestinian conflict to Iraq's spiraling violence and the nuclear stand-off with Iran – as the White House comes under increasing pressure to change strategy on all fronts and find solutions through re-engagement.

Promising a "fresh look" and an openness to any new ideas on Iraq after the Republicans' defeat in mid-term elections for Congress last week, Mr Bush and his aides met in the Oval Office with members of the independent Iraq Study Group, headed by former Secretary of State James Baker and former Democratic congressman Lee Hamilton.

The two sides shared views on the situation in Iraq, said Tony Snow, White House spokesman. "This was not a deposition," he told reporters. The group, backed by Congress, is expected to release its recommendations on the way forward in Iraq early next year when the new Democratic- controlled Congress will start work.

Analysts say Mr Baker and Mr Hamilton are looking at an integrated response to the crisis in Iraq, which will include recommendations for a regional dialogue bringing in Iran and Syria, and possibly a renewed effort to engage in the Israeli-Palestinian peace process.

Tony Blair, the UK prime minister, is the latest ally to add his voice to calls on the US to involve Iran and Syria in dialogue on Iraq rather than seek only to isolate them.

Former officials said Ehud Olmert, the Israeli prime minister who also met Mr Bush in the White House on Monday, was alarmed at suggestions of linkage between the peace process and events in Iraq or Iran's nuclear programme. A senior state department official raised a storm in September when he suggested at a pro-Israel forum that the US needed to make progress towards a two-state solution to the Palestinian conflict in order to gain leverage among Arab allies in forming a strong coalition against Iran.

Mr Bush, speaking alongside Mr Olmert, responded to Mr Blair's proposals by reiterating the US would not negotiate directly with Iran until it suspended its nuclear fuel programme, as demanded by the UN Security Council.

Both leaders, who would both find a warmer welcome in each other's legislatures rather than at home, spoke of the threat presented by Iran's nuclear programme. Mr Bush said Iran should face "isolation" through sanctions, which the US is struggling to organize in the face of opposition from China and Russia at the UN.

Earlier, Mr Olmert said on Iran: "I am not looking for wars." In an interview with NBC, he said he would accept "every compromise that will stop Iran from acquiring nuclear capabilities which will be acceptable to President Bush".

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Asked about the possibility of Israeli re-opening peace talks with Syria, Mr Olmert Israel " would love to be able to have negotiations with Syria" but that Syria's behaviour in Lebanon and Iraq ruled out talks.

Blair Calls For 'Whole Middle East' Strategy, Pressure On Iran (WP)

By Kevin Sullivan

The Washington Post, November 14, 2006

LONDON, Nov. 13 -- Prime Minister Tony Blair said Monday that any solution to the Iraq crisis must involve a "whole Middle East" strategy that starts with addressing the Israeli-Palestinian conflict and includes pressuring Iran to stop backing radical extremists across the region.

"Just as the situation is evolving, so our strategy has to evolve to meet it," Blair said in a foreign policy speech a day before he was to share his views in a videoconference with the Iraq Study Group, which is reviewing U.S. policy in Iraq.

Blair, who has been President Bush's chief foreign ally in the Iraq war, offered no dramatic new policy proposals on Iraq or the Israeli-Palestinian conflict, which he called the region's "core" issue.

But he placed new emphasis on the importance of confronting outside elements -- he singled out at length the government in Iran -- that are "trying to create mayhem inside Iraq."

"A major part of the answer to Iraq lies not in Iraq itself but outside it," Blair said during the speech at London's ornate Guildhall. He said Iraq policy must address the broader issue of a global anti-Western campaign of "terrorism based on a thoroughly warped misinterpretation of Islam."

"In Iraq, the pressure from such terrorism has changed the nature of the battle. Its purpose is now plain: to provoke civil war," Blair said, adding that Iran, al-Qaeda and other outside extremists were joining forces with Iraqi radicals to "foment hatred" and choke off development of Iraq's democratically elected government.

Blair said Iran was backing Shiite militias in Iraq, Hezbollah in Lebanon and the most radical elements of Hamas in the Palestinian territories. He said Iran was "using the pressure points in the region to thwart us."

"What is happening in the Middle East is not complex," Blair said. "It is simple. Iran is being confronted over its nuclear weapons ambitions. Its stock market has lost a third of its value in the last year, and foreign credit is increasingly hard to come by. The statements of the president -- such as wiping Israel from the face of the earth -- are causing alarm, even in Iran."

He said Iran's strategy has been to "put obstacles in the path to peace and paint us -- as they did over the Israel-Lebanon conflict -- as the aggressors. They inflame the Arab street. They create political turmoil in our democratic politics."

Blair said "a new partnership is possible" with Iran if it supports the peace process between Israel and the Palestinians, stops supporting extremists and cooperates with U.N. demands to curb its nuclear ambitions.

"Alternatively, they face the consequences of not doing so -- isolation," Blair said.

Blair passionately defended his close alliance with Bush and the United States, which has severely damaged his popularity among the British public.

"We need America. That is a fact," he said, calling Britain's partnerships with the United States and the European Union crucial to the country's future strength.

"Take any problem Britain wants solving: global terrorism (assuming you don't believe that, but for George Bush, it wouldn't exist); climate change; Israel-Palestine; Iran and North Korea's nuclear program; world trade; or Africa right now, Sudan in particular; global poverty. We may agree or disagree with the United States' position on some or all of these issues. But none of these vital British concerns can be addressed, let alone solved, without America."

Blair also defended Bush, who is wildly unpopular in Britain. He said some in Britain profess that it is not America they dislike, but Bush personally.

"That's a comforting argument. It separates anti-America from anti-Bush," Blair said. "However, in my view it is also a cop-out."

He said the Sept. 11, 2001, attacks "would have changed any American president's foreign policy."

"Following 9/11, American policy was going to shift," he said. "It was going to get out after the terrorists with all America's might, and any president who didn't do it wasn't going to be president for long."

Blair Urges Strategy Change In Mideast, Spotlighting Iran (NYT)

By Alan Cowell

The New York Times, November 14, 2006

LONDON, Nov. 13 — Confronted by likely changes in American policy on the war in Iraq, Prime Minister Tony Blair of Britain said Monday that the "nature of the battle" had changed and that Western strategy in the Middle East must "evolve," possibly to include a "new partnership" with Iran.

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Iran has a choice, Mr. Blair said, of partnership or isolation. But he took pains, in his annual foreign policy speech, to avoid giving the impression that he was making major policy changes in response to uncertainties surrounding the Bush administration after the American elections last week. He also laced his speech with criticism of Iran, accusing it of "using pressure points in the region" to thwart Western diplomacy.

President Bush said Monday in Washington that Iran must first halt its enrichment of nuclear fuel if it wanted to enter into negotiations, calling the prospect of a nuclear Iran "incredibly destabilizing."

Mr. Blair's nuanced gestures on Iran, and also Syria, were made a day before he speaks by video link to a bipartisan panel in Washington, the Iraq Study Group, on some of the same themes. Mr. Bush spoke to the group on Monday. Mr. Blair's address Monday night was his first major statement since last week's triumph by the Democrats in the American elections.

He rebutted the notion that Iraq's turmoil could be attributed to the way Britain and the United States had conducted their occupation.

He said terrorism in Iraq had "changed the nature of the battle," and added: "Its purpose is now plain: to provoke civil war. The violence is not therefore an accident or the result of faulty planning. It is a deliberate strategy. It is the direct result of outside extremists teaming up with internal extremists."

But he acknowledged that the Western strategy should change. "Just as the situation is evolving, so our strategy should evolve to meet it," he said.

He urged a major political, economic and military strengthening of the Iraqi government but went on to say that a "whole Middle East strategy" was needed: "Just as it is, in significant part, forces outside Iraq that are trying to create mayhem inside Iraq, so we have to have a strategy that pins them back, not only in Iraq but outside it, too."

"There is a fundamental misunderstanding that this is about changing policy on Syria and Iran," he continued. "First, those two countries do not at all share identical interests. But in any event that is not where we start."

Mr. Blair called a settlement between Israel and the Palestinians "the core" of the broader effort for peace, followed by a renewed effort to resolve differences over Lebanon.

Criticizing Iran's leadership, he said, "They help the most extreme elements of Hamas in Palestine, Hezbollah in Lebanon, Shia militia in Iraq." He repeated a call he made in July for Western powers to "offer Iran a clear strategic choice" to help Middle East peace efforts, withdraw support for "terrorism in Lebanon or Iraq" and abide by international nuclear obligations.

In advance of his speech, British newspapers and official leaks of the address had suggested that Mr. Blair would seek a new compact with both Syria and Iran as potential interlocutors for Middle East peace. But a British official, who spoke on condition of anonymity under civil service rules, said Mr. Blair did not wish to give the impression "that there is some big strategic shift going on" because Britain had always "had a policy of engagement with" Syria and Iran.

Des Browne, defense secretary of Britain, told the BBC on Monday, "Change has been under way for some time now and it distorts the reality to suggest that that change is predicated upon a change in American politics."

Britain, with France and Germany, has played a central role spearheading European efforts, in tandem with the United States, to curb Iran's nuclear ambitions. Mr. Blair sent his chief foreign policy adviser, Sir Nigel Sheinwald, on an unannounced visit to Syria last month, apparently to sound out the leadership there on its readiness to promote settlement efforts.

Mr. Blair also dwelt on his close support for the United States in Iraq, an alliance that has cost him much of the popularity he had when he took power in 1997. "We need America; that is a fact," he said.

But he balanced his remarks with overtures toward the European Union, some of whose leaders have questioned Mr. Blair's close ties to Mr. Bush.

"Our partnership with America and our membership of the European Union are precisely suited to Britain," he said. "For that reason, it would be insane for us to give up either relationship."

Mr. Blair is already under pressure from his own military to withdraw from Iraq. But calls by Democrats in the United States for new thinking on Iraq have unnerved some British politicians, who fear that a speedy American withdrawal would jeopardize British troops.

William Hague, the opposition Conservative Party spokesman on foreign affairs, said Monday, "It is very important that there is heavy British involvement in that reassessment, that it is not just an American process."

Blair Wants Iran To Aid Mideast Peace (AP)

By David Stringer

AP, November 14, 2006

The West should press Iran to help stem bloodshed in neighboring Iraq and build stability across the Middle East, British Prime Minister Tony Blair said Monday, outlining his hopes for a future peace process in the region.

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Blair also rebuked critics who argue Britain's close relationship with the United States has been damaging and defended close involvement with the European Union, according to a text of his speech prepared for delivery.

"It would be insane — yes, I would put it as strongly as that — for us to give up either relationship," according to his speech. "Anti-Americanism or Euro-skepticism are not merely foolish, they are the surest route to the destruction of our true national interest."

Britain has sent more troops to Iraq than any nation besides the United States, and rising violence there — and a British death toll that reached 125 on Sunday — have heightened calls for a course change.

Because much of the militancy in Iraq comes from outside its borders, Blair said a "whole Middle East strategy" was needed to counter it.

Resolving the Israeli-Palestinian conflict must be the core of such an approach, he argued, followed by efforts to stabilize Lebanon and unite moderate Arabs and Muslims behind a push for peace in those countries and in Iraq, Blair's speech said.

"A major part of the answer to Iraq lies not in Iraq itself but outside it, in the whole of the region where the same forces are at work, where the roots of this global terrorism are to be found, where the extremism flourishes," he said.

Blair accused Tehran of aiding Shiite militias in Iraq, Hezbollah in Lebanon and the most extreme elements of Hamas in the Palestinian territories.

"They put obstacles in the path to peace, paint us ... as the aggressors, inflame the Arab street and create political turmoil in our democratic politics," his text said.

The West must reiterate demands that Iran cease its support for extremists and suspend its uranium enrichment program. "Or alternatively they face the consequences of not doing so — isolation," he said.

Blair's address, to be delivered a day before he speaks by video-link to America's Iraq Study Group — a bipartisan Washington commission attempting to set a new course for the Iraq war_ is aimed at promoting dialogue with both Iran and Syria, his office said.

The prime minister's spokesman rejected the possibility that either country could be rewarded for cooperation in the Middle East peace process, ruling out any negotiations with Iran over its contentious nuclear program in return for support over Iraq.

President Bush's chief of staff, Josh Bolten, said Sunday the White House would consider opening talks with Syria and Iran if the study group headed by former Secretary of State James A Baker III and former Democratic Rep. Lee Hamilton recommended it.

Blair said international forces must "plug any gaps" in training, equipment and command and control in the Iraqi army, as well as helping Baghdad's interior minister root out sectarianism in the police force. The prime minister has repeatedly said that British troops will remain in Iraq until Iraqi forces can take responsibility for security.

Blair Presses For Rethink In Iraq, Warns Iran (AFP)

By Prashant Rao

AFP, November 14, 2006

British Prime Minister Tony Blair called for a change in strategy in violence-torn Iraq, in particular warning Iran to stop aiding insurgents there and elsewhere.

In a keynote speech in London, he said the three-year-old conflict -- in which US and British troops appear increasingly mired -- needs to be seen as part of a "whole Middle East" strategy.

"Just as the situation is evolving, so our strategy has to evolve to meet it," he said.

In advance of the speech, Blair's office had suggested he would focus his message on efforts to persuade Syria and Iran to help defuse the violence in Iraq, as well as elsewhere.

But the final version of the speech omitted almost all reference to Syria, while offering Iran a "strategic choice": essentially, help the West or face increasing isolation.

"There is a fundamental misunderstanding that this (strategy in the Middle East) is about changing policy on Syria and Iran ... in any event that is not where we start."

"On the contrary, a whole-region policy should start with Israel/Palestine. That is the core. We should then make progress on Lebanon. We should unite all moderate Arab and Muslim voices behind a push for peace in those countries but also in Iraq," he said.

In the wide-ranging address, he said a major part of the answer to the Iraq problem "lies not in Iraq itself but outside it, in the whole of the region where the same forces are at work."

"Just as it is, in significant part, forces outside Iraq that are trying to create mayhem inside Iraq, so we have to have a strategy that pins them back, not only in Iraq but outside of it too ...

"This is what I call a 'whole Middle East' strategy," he said.

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Pressure for a change of direction in Iraq has been fueled by defeat for the Republican Party in last week's American mid-term elections, which led to the departure of Defence Secretary Donald Rumsfeld and leaves Bush more vulnerable in Congress.

Speaking on Iran, Blair said Tehran's strategy was simple: to deflect pressure from the West over its nuclear plans -- which Washington suspects are a cover for developing atomic weapons -- it was helping extremists in Lebanon, Iraq, and in the Palestinian territories.

"It is a perfectly straightforward and clear strategy. It will only be defeated by an equally clear one," he said.

Under this, the West should "offer Iran a clear strategic choice: they help the Middle East peace process not hinder it; they stop supporting terrorism in Lebanon or Iraq; they abide by, not flout, their international obligations.

"In that case, a new partnership is possible. Or alternatively they face the consequences of not doing so: isolation," he said.

Blair's speech came a day before he is due to give video-link evidence to the Iraq Study Group, the bipartisan panel led by former US secretary of state James Baker, which is looking at current coalition policy in Iraq.

The British leader's testimony to the panel will come a day after the appearance of US President George W. Bush before the experts on Monday.

Speaking ahead of his testimony, Bush also warned the Iranians.

"It's very important for the world to unite with one common voice to say to the Iranians that, if you choose to continue forward, you'll be isolated," he said. "There has to be a consequence for their intransigence."

Candidate For Palestinian Premier Emerges (WP)

By Scott Wilson

The Washington Post, November 14, 2006

JERUSALEM, Nov. 13 -- A former university president in the Gaza Strip emerged Monday as the top candidate to head a Palestinian national unity government now being assembled in a bid to end the economic sanctions that have crippled the Hamas-led administration.

Officials from the rival Hamas and Fatah movements said Mohammed Shubeir, 60, is the consensus choice to serve as prime minister in a future power-sharing government whose creation has proved elusive for months.

Shubeir is not a member of Hamas, the radical Islamic movement that has run the Palestinian Authority since soon after it won January parliamentary elections. But he is closely identified with Hamas in Gaza City, where he served as president of the Islamic University of Gaza -- a key training ground for the movement's leadership -- for 12 years before stepping down in 2005.

Shubeir's selection would mark a significant step toward resolving the months-long political crisis that has battered the Palestinian economy and set off a surge of partisan fighting in the territories, especially in Gaza. As prime minister, he would be part of a new cabinet that, in addition to ministers from Hamas and Fatah, would include technocrats from outside the two main parties, including some who have worked closely with the United States.

But officials from both parties warned that work remained to be done on the future government's political program, which international donors say must recognize Israel's right to exist, renounce violence and honor previous agreements with the Jewish state in return for a resumption of aid.

"It's not a done deal yet," said Saeb Erekat, a Fatah lawmaker and the Palestinians' chief negotiator with Israel, who called Shubeir "a very strong candidate" who would be nominated only if a deal is reached on a governing platform. "For the Quartet, it's the program. That's what will matter most."

After Hamas's electoral victory, the United States, the United Nations, Russia and the European Union, known collectively as the Quartet, cut off aid that accounted for nearly half of the Palestinian Authority's operating budget. Israel also froze the roughly $55 million in monthly tax revenue it collects on the Palestinians' behalf. Israel, the United States and the European Union classify Hamas, whose founding charter calls for Israel's destruction, as a terrorist organization.

Hamas leaders refused to meet the Quartet's conditions. Their popularity in the territories slipped amid deepening economic hardship. The authority's 165,000 civil servants, more than half of them in the security forces, have received only a small fraction of their salaries in the past nine months.

Until now, Hamas officials in Gaza and the West Bank have shown more willingness to compromise than the group's hard-line political leadership in exile, led by Khaled Mashal in the Syrian capital of Damascus. Prime Minister Ismail Haniyeh of Hamas, an Islamic University graduate, has already agreed to step aside so an independent official can lead the next government.

Hamas and Fatah officials said Mashal has endorsed Shubeir, who has a doctorate in microbiology from West Virginia University. Shubeir's father was a leader of the Muslim Brotherhood, the Islamic movement from which Hamas emerged. His candidacy also fulfills a demand by Hamas that the next prime minister come from Gaza.

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But Hamas officials are still seeking assurances from Palestinian Authority President Mahmoud Abbas, a member of Fatah, that international donors will restore aid if they dissolve the government. Those guarantees have not been given, although U.S. officials have been consulting closely with Abbas during the process.

Micaela Schweitzer-Bluhm, a spokeswoman for the U.S. Consulate in Jerusalem, said that regardless of who is in the next cabinet, it must meet the Quartet's criteria to receive aid.

"It is not the United States' role to decide who is and who is not in the Palestinian government," she said. "That is for them to decide."

Hamas, Fatah Agree On Leader (WT/AP)

By Sarah El Deeb, Associated Press

The Washington Times, November 14, 2006

GAZA CITY, Gaza Strip -- The rival Fatah and Hamas movements yesterday agreed on a candidate for prime minister of their emerging coalition government, turning to a U.S.-educated professor to end months of infighting and help lift a painful international aid boycott.

The agreement was the strongest sign of progress in the negotiations, which have dragged on for months, but the government's acceptance by the United States and European Union -- both key aid donors -- could hinge on whether it will recognize Israel and renounce violence.

The compromise to make Mohammed Shabir prime minister was announced in Syria by Moussa Abu Marzouk, a top official in Hamas' exiled leadership. Palestinian Authority President Mahmoud Abbas of Fatah also supports the nomination, aides said.

Hamas and Fatah are hopeful that the 60-year-old Mr. Shabir, a soft-spoken intellectual with a doctorate in microbiology from West Virginia University, will help persuade Israel and the West to lift economic sanctions imposed after the Hamas-led government took office in March.

The international community says the Palestinian government must renounce violence, accept previous peace deals and recognize Israel's right to exist. Hamas has rejected these conditions repeatedly.

Mr. Shabir has never voiced his positions on Israel publicly, but colleagues describe him as pragmatic. Speaking to Israel's Ha'aretz daily, he said he would act "realistically" if he is formally nominated.

Mr. Shabir is well-known in the Gaza Strip and has the stature to bridge the differences between Hamas and Mr. Abbas' more moderate Fatah. The power struggle between the sides has erupted into violence periodically.

Mr. Shabir was president of Gaza's Islamic University, a Hamas stronghold, for 15 years before retiring last year. In the high-profile position, he maintained good relations with Hamas.

Many senior Hamas officials worked or taught at the university. They include the current prime minister, Ismail Haniyeh, who was Mr. Shabir's chief of staff. While thought to be sympathetic to Hamas, Mr. Shabir is not known to be a member.

Mr. Shabir also enjoys a good relationship with Fatah. When longtime Palestinian leader Yasser Arafat was alive, Mr. Shabir was a frequent visitor.

If formally nominated, Mr. Shabir would lead an emerging government of professionals -- acceptable to the major political parties but independent of them -- that Mr. Abbas hopes will satisfy the international demands.

Officials say the so-called technocrat government would take a vague position toward Israel and focus on internal Palestinian affairs, while allowing Mr. Abbas to pursue peace talks with Israel. Mr. Abbas was elected in a separate presidential vote last year.

Respected economist Salam Fayyad is being considered for the post of finance minister, a job he held until the Hamas-led government took office. Mr. Fayyad, a former International Monetary Fund official, was credited with fighting mismanagement and cronyism.

Hamas Preparing To Relinquish Control (MCT)

By Dion Nissenbaum

McClatchy, November 14, 2006

RAMALLAH, West Bank - Ten months after seizing power in a historic election, the hard-line Hamas movement is preparing to relinquish control of the Palestinian Authority in hopes of ending the international economic blockade that has prevented Hamas from effectively running the government.

In a significant concession, the Islamist militant group agreed Monday to accept a United States-educated microbiology professor to replace Hamas leader Ismail Haniyeh as prime minister. As the new prime minister, Mohammed Shabir would head a coalition of largely apolitical intellectuals designed to end the Palestinian government's global isolation.

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Although a new unity government could end Hamas' short-lived reign as the ruling Palestinian party in the Cabinet, it remains far from certain that it will succeed in persuading critical foreign donors to restore millions in funding.

As soon as Hamas formed the government in March, Israel and the international community cut off virtually all outside funding to the Palestinians. Since then, the Palestinian government has ground to a halt. Hospitals are barely running. Schools have been closed for weeks. Government workers haven't been paid regular salaries in months.

Hamas is still refusing to meet one of the core international demands, though: explicit recognition of Israel.

"It is impossible for us to come out and say we recognize Israel," said Hamas negotiator Eesa Nashar.

If the new unity government fails to take that step, it seems unlikely that Israel, the European Union and the United States will agree to resume help for the Palestinian Authority.

Palestinian leaders have been mired in negotiations over the unity government for months. Negotiators have announced breakthroughs at various points, only to have each deal break down.

One sticking point until now has been Hamas' demand that it retain the post of prime minister. But Haniyeh and his political party now have agreed to cede control to a government led by largely apolitical specialists.

On Monday, the parties settled on Shabir, the longtime head of Islamic University in Gaza City, as the new prime minister.

Shabir, 60, served as president of the Hamas-allied university for 15 years.

Although the campus has produced and hired many top Hamas leaders, Shabir hasn't been a prominent political figure. Shabir, who received a doctorate in microbiology from West Virginia University, has maintained good relations with leaders from Hamas and its more moderate rivals in the Fatah party.

If the deal falls into place, Haniyeh would resign as prime minister, clearing the way for Palestinian Authority President Mahmoud Abbas to name Shabir as his replacement. Hamas and Abbas' Fatah party still have to agree on who will fill the other Cabinet posts, including that of foreign minister.

Hamas' decision is a significant concession. It long had argued that the international community should support its government because it fairly won the Palestinian elections in January.

Israeli leaders suggested that the political change was a clear sign that the international isolation had been a success.

"This policy is apparently working, and the proof of this is that Hamas members understand they cannot continue with their ideology and remain in power and receive money or legitimization from the international community," Israeli Foreign Minister Tzipi Livni said in a weekend interview on Israel Radio.

Hamas leaders rejected that contention and noted that they'd sought to form a unity government from the start. Fatah refused to join the government until Hamas agreed to moderate its hard-line position on Israel.

Before restoring funding to the Palestinians, Israel and its global allies, known as the Quartet (Russia, the United States, the United Nations and the European Union), have demanded that the Palestinian government recognize Israel, accept past agreements and renounce violence.

If the new government takes those steps, Israeli and American officials said Monday that they would agree to work with the Palestinian coalition - even if it includes members of Hamas.

"If the government guidelines recognize the three conditions of the Quartet, then we would deal with that government," said Miri Eisin, a spokeswoman for Israeli Prime Minister Ehud Olmert.

But Hamas is still refusing to explicitly accept Israel as a neighbor. Instead, it's agreeing to accept a platform that implicitly recognizes Israel.

Still, leaders with Hamas and Fatah voiced optimism Monday that the final critical details could be worked out and that the unity government could be installed by early December.

"We have arrived at the point of no return with regard to the formation of a national government," said Fatah spokesman Walid Awad. "We think there will be a positive outcome."

World Leaders Release Plan For Resolving East-West Rift (NYT)

By Sebnem Arsu

The New York Times, November 14, 2006

ISTANBUL, Nov. 13 — Leaders from a variety of cultural and religious backgrounds on Monday announced a United Nations initiative to resolve the conflict between the West and the Muslim world.

They issued a framework for their effort, prepared over the past year, that singled out the Palestinian-Israeli conflict as a primary source of the deepening split.

“No other conflict carries such a powerful symbolic and emotional charge among people far removed from the battlefield,” Kofi Annan, the United Nations secretary general, said at a news conference. “As long as the Palestinians live under occupation,

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exposed to daily frustration and humiliation, and as long as Israelis are blown up in buses and in dance halls, so long will passions everywhere be inflamed."

The report was drafted by 20 scholars and other leaders, including Archbishop Desmond Tutu of South Africa, Mohammad Khatami, the former Iranian president, and others from many nations. It calls for collective action on issues of education, youth and immigration.

Members of the panel and Mr. Annan emphasized their view that the causes of tensions are primarily political, not religious.

The secretary general will appoint a representative to oversee the follow-up of the recommendations, which, Mr. Annan warned, will have little impact if Muslims in violent places — whether Iraqis, Afghans, Chechens or Palestinians — continue to perceive their situation merely as a case of being made victims by non-Muslims.

"If these conflicts or difficult situations can be resolved, it will have a positive impact on the work we are doing here," Mr. Annan said.

The host of the event, Prime Minister Recep Tayyip Erdogan of Turkey, emphasized the symbolic importance of holding it in Istanbul, which bridges East and West and is the leading city in a predominantly Muslim country taking steps to join the European Union.

Joining the European Union, he said, would "prove that the polarization between cultures is actually artificial and contrived."

The Alliance of Civilizations Initiative was the idea of Prime Minister José Luis Rodríguez Zapatero of Spain, who suggested it six months after terrorist bombings in Madrid killed 191 people in 2004.

"We're going to immobilize extremists, prevent their actions," Mr. Zapatero said here. "Nobody should doubt our victory."

Mr. Annan said in a written statement: "The problem is not the Koran or the Torah or the Bible. Indeed, I have often said that the problem is never the faith, it is the faithful and how they behave toward each other."

No Clash Of Civilizations, Says UN Report (CSM)

By Dan Murphy

The Christian Science Monitor, November 14, 2006

CAIRO

A UN-sponsored group called the Alliance of Civilizations, created last year to find ways to bridge the growing divide between Muslim and Western societies, released a first report Monday that says the conflict over Israel and the Palestinian territories is the central driver in global tensions.

"Our emphasis on the Israeli-Palestinian conflict is not meant to imply that it is the overt cause of all tensions between Muslim and Western societies," write the report's authors, a group of academics and present and former government officials from 19 different countries. "Nevertheless, it is our view that the Israeli-Palestinian issue has taken on a symbolic value that colors cross cultural and political relations ... well beyond its limited geographic scope."

But while the authors hope their report will invigorate and create cross-cultural dialogue, its tone implies that it is unlikely to be well received by the United States and Israel, focusing as it does on allegations of double standards by those two nations while giving less time to the faults of the Palestinians or specific Muslim governments.

Criticism of US policies, though at times oblique, is a major feature of the document and hits on themes that have angered representatives of the Bush administration in the past. For instance, in a discussion of Al Qaeda's attack on the US on Sept. 11, the report states: "Later, these attacks were presented as one of the justifications for the invasion of Iraq, whose link with them has never been demonstrated, feeding a perception among Muslim societies of unjust aggression stemming from the West."

While that is indeed a common view in Muslim countries, it is unlikely to gain the favor of the current US administration, whose representative to the United Nations, John Bolton, is an ardent supporter of the invasion of Iraq and a frequent critic of the world body. Earlier this year, Mr. Bolton characterized the UN Human Rights Commission as packed with officials from "some of the world's most notorious human rights abusers."

The report is the result of a UN-sanctioned "High Level Group" meeting of some twenty "eminent personalities" that UN Secretary-General Kofi Annan appointed last year. The group, which was cosponsored by the Prime Ministers of Turkey and Spain and included among its authors Nobel Peace Prize-winner Archbishop Desmond Tutu and former Iranian president Mohammed Khatami, issued the final report on Nov. 13 at its final meeting in Istanbul.

To be sure, the report is also framed as a direct challenge to the notion that a "Clash of Civilizations" is imminent - a concept first popularized by Samuel Huntington's 1996 book of the same name.

In a statement, Mr. Kofi Annan said it was clear that religion is not at the root of current tensions.

"The problem is not the Koran or the Torah or the Bible," Mr. Annan said. "The problem is never the faith, it is the faithful and how they behave towards each other."

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That sentiment was echoed in an editorial published in the Houston Chronicle on Sunday by three of the report's authors, who also said that political repression in the Muslim world contributes to extremism.

"Denying peaceful opposition movements the freedom to express their views and jailing their supporters generate anger and resentment, encouraging some to join violent groups," wrote Mr. Tutu, former Indonesian foreign minister Ali Alatas, and Andri Azoulay, an advisor to Morocco's King Muhammed VI.

"When Western governments lend their support - tacitly or overtly - to authoritarian regimes, they become part of the problem," the authors wrote.

The overall objective of the paper is to set out problems between the Muslim and the West as a matter of politics, and not of culture, and tends to see anger and misunderstanding as largely a problem of inadequate education.

For instance, the authors point to a recent Gallup poll that found 57 percent of Americans either responded "nothing" or "I don't know" when asked what they most admired about Muslim societies, as evidence for a need for education systems in both the West and Muslim countries to provide a "basic understanding of religious traditions other than their own."

The authors also point to another recent survey that found 30 percent of US government money for cultural exchanges go to programs with Europe - the societies with which the US has the most in common - while just 6 percent go to programs with the Middle East, arguably the place where such efforts could do the most good. How to build an alliance of civilizations

The UN's High Level Group report includes a set of concrete recommendations for the international community. Among the recommendations:

· The international community should draft a white paper to analyze the Israeli-Palestinian conflict.
· An international conference should be convened to reinvigorate the Middle East peace process.
· Ruling parties in the Muslim world should provide space for the participation of peaceful political groups.
· Leaders and shapers of public opinion should behave responsibly and work to promote understanding among cultures.
· The UN should appoint a high representative to assist in defusing cross-cultural tensions.
· The UN should establish a forum for the alliance of civilizations under its auspices.
· Journalists should receive improved training in intercultural understanding.
· Media content should aim to promote intercultural dialogue.
· Educational materials and media literacy programs in schools should face a critical review.
· Governments should increase the number of international youth exchanges and youth-oriented websites.
· The international community should create media campaigns to combat discrimination.

Source: United Nations Fourth High Level Group, www.unaoc.org

S. Korea: Nuke Talks May Begin In Dec. (AP)

By Jae-soon Chang

AP, November 14, 2006

South Korea's nuclear envoy said Tuesday that long-stalled six-party talks on North Korea's nuclear program could resume by mid-December.

On Monday, South Korea balked at Washington's demand that it fully join a U.S.-led effort to intercept North Korean ships suspected of carrying supplies for the North's nuclear and missile weapons programs.

The South insisted that it was already doing enough to stem possible weapons proliferation from North Korea and announced no new measures to sanction the North under a U.N. Security Council resolution condemning Pyongyang's first test of a nuclear device on Oct. 9.

North Korea agreed earlier this month to return to the negotiations with China, Japan, South Korea, Russia and the United States after staying away from the talks for a year. A specific date for resuming the talks has not been set.

"I think it's possible to resume (the talks) by mid-December," Chun Yung-woo, Seoul's chief negotiator to the talks, said on South Korean radio channel PBC.

"We are making preparations with the thinking that it's more important to achieve substantial progress when the six-party talks resume than how quickly we would resume the talks," he said.

Chun could not immediately be reached for comment.

State Department spokesman Sean McCormack also said no date has been set for resuming the talks and he ruled out November but said there is still hope for a meeting in December.

Once the talks resume, the top priority will be on determining whether North Korea is willing to give up its nuclear program, Chun said. He also said the North should not expect rewards just for returning to the negotiating table.

Chun was expected to discuss strategy for the nuclear talks with his U.S. and Japanese counterparts Wednesday in Hanoi on the sidelines of the Asia-Pacific Economic Cooperation forum.

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Meanwhile, Japan adopted a list of embargoed luxury items as part of its sanctions imposed on Pyongyang. Chief Cabinet Secretary Yasuhisa Shiozaki said the list comprised 24 luxury goods believed to be used by senior North Korean officials such as cigarettes, liquor, perfume and motorcycles.

"We hope that North Korea will accept these measures taken by Japan as the message of the international community's strong concern and condemnation" of its nuclear program, Shiozaki said.

The ban on luxury items is in line with U.N. sanctions that ban the sale of major arms to North Korea and call for the inspection of cargo entering and leaving the country. The U.N. resolution also calls for the freezing of assets of businesses supplying the North's nuclear and ballistic weapons programs, as well as restrictions on sales of luxury goods and travel bans on Pyongyang officials.

South Korea's hesitation to join the ship interception regime underscored Seoul's reluctance to anger Pyongyang and complicated efforts to resolve the standoff over the North's nuclear program now that the communist regime has agreed to return to nuclear disarmament talks.

Seoul has joined the U.S.-led initiative, aimed largely at stopping North Korean weapons traffic at sea, only as an observer out of concern that its stopping and searching North Korean ships could lead to armed clashes.

Monitoring North Korean shipping would be much more difficult without South Korea, because countries in the initiative can only conduct searches within the territorial waters of participating countries. Ships on the high seas have right of free passage under international law.

The South insists it could inspect North Korean ships under an inter-Korean agreement but it has never done so despite allowing dozens of the communist country's vessels to transit its waters.

The United States played down South Korea's rejection of the attempts to intercept North Korean ships suspected of carrying nuclear supplies, saying Monday the decision would not harm international efforts to confront the North's nuclear weapons program.

"I'm not going to sit here and second-guess the South Koreans. They're valued allies," White House spokesman Tony Snow told reporters. "They have taken some steps that they'd never taken before with regard to North Korea. And obviously they're serious partners in the six-party talks."

The two Koreas are still technically at war as the 1950-53 Korean War ended in a truce, not a peace treaty. But their relations have warmed since the first, and only, summit of their leaders in 2000.

Bush Hopes To Reassert U.S. Leadership During Asia Trip (MCT)

By Ron Hutcheson

McClatchy Newspapers, November 14, 2006

WASHINGTON - A politically wounded President Bush heads to Asia on Tuesday to reassert American leadership in a region grappling with the rise of China and the threat of a nuclear-armed North Korea.

Foreign policy issues will top the agenda during Bush's swing through Singapore, Vietnam and Indonesia, but domestic politics have added a new dimension to the trip. His return to the world stage comes a week after voters handed control of Congress to Democrats in an election that was widely viewed as a rebuke to Bush.

Former White House adviser Mike Green said Asian leaders will be looking for signs of weakness in the American president.

"The Asian leaders will be looking at President Bush's body language," said Green, now an Asia specialist at the Center for Strategic and International Studies. "They know he has two years left, but they're going to be all looking to see how he plays the game after this political setback."

Perceptions about Bush's clout could come into play as he tries to bolster a somewhat shaky international coalition that's working to stifle North Korea's nuclear ambitions. Russia, China, South Korea and Japan share Bush's desire to keep nuclear weapons out of the Korean peninsula, but they don't always agree with his tactics.

Bush will get a chance to shore up support for his approach during a 21-nation summit in Vietnam this weekend.

A show of solidarity against North Korea at the annual Asia Pacific Economic Cooperation forum, commonly known as APEC, could help persuade the reclusive regime in Pyongyang to give up its nuclear ambitions in exchange for economic benefits.

North Korea has agreed to resume six-way talks over its nuclear program with its Asian neighbors and the United States, but no date has been set. North Korea's Oct. 9 test of a nuclear device underscored the futility of previous negotiations.

Bush will meet briefly with Russian President Vladimir Putin, a key player in the standoff with North Korea, on his way to Asia. Bush and his wife, Laura, will spend about 45 minutes with Putin and his wife, Ludmila, during a refueling stop in Moscow.

The president's first Asia stop is Singapore, an international trading center with strong ties to the United States.

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He'll arrive in Vietnam on Friday facing a schedule packed with meetings and social events. In addition to attending APEC forums and dinners, Bush will hold a series of one-on-one meetings in Hanoi with leaders from Australia, Vietnam, South Korea, China and Japan. He'll also get together again with Putin.

China's fast economic growth and its place as the world's fourth-largest economy give it increasing importance in the Asia-Pacific region.

"In many respects, the larger story line that's playing out at APEC is China's rise," said Kurt Campbell, the director of international studies at the Center for Strategic and International Studies in Washington. "What China has accomplished over a shorter period of time is much more dramatic than even America's entry into global politics."

Bush will stop in Indonesia, the world's most populous Muslim nation, on his return trip to Washington, via Hawaii, next week.

Bush's visit to Vietnam, the centerpiece of his Asian tour, is rife with symbolism and historical baggage.

The APEC meeting is a coming-out party for a communist nation that's reaping the fruits of capitalism after a devastating war with the United States.

Like China, Vietnam has embraced free-market principles while clinging to authoritarian one-party rule. Vietnam's economy grew by 8.4 percent last year, a rate exceeded only by China.

"A lot has changed. They've joined the world," said Frederick Brown, a former diplomat and an Asia expert at the Nitze School of Advanced International Studies at the Johns Hopkins University.

As a measure of how much things have changed, Bush's trip will include a stop at Vietnam's stock market in Ho Chi Minh City, formerly Saigon. At times it's hard to remember that North Vietnam won a conflict that was billed at the time as a key battle in the global struggle between communism and capitalism.

"We'll accomplish more with books and ideas than we ever could with bombs," said Clifford Schultz, a business professor at Arizona State University who also teaches marketing classes in Ho Chi Minh City. "Well over half the population is under 25. They want their blue jeans. They want their iPods. They want their Internet cafes."

But the war that claimed more than 58,000 American lives and about 2 million Vietnamese casualties cannot be forgotten.

Bush will get a briefing Saturday on efforts to find the remains of American military personnel. The remains of more than 800 American war dead have been returned in recent years, but about 1,800 remain unaccounted for.

Southeast Asia Trip To Test Bush's Stature (WP)

By Michael A. Fletcher

The Washington Post, November 14, 2006

President Bush leaves tonight for a week-long visit to Southeast Asia that may offer an early indication of how the political "thumping" he took a week ago will affect his standing on the world stage.

Bush leaves Washington for a series of summits and an economic conference in Vietnam one week after elections in which Democrats won control of both houses of Congress, in what was widely interpreted as an expression of voter unhappiness over the Iraq war.

But just as Iraq poses a long-term challenge for the U.S. policymakers, so, too, do the forces shaping Southeast Asia, a region of booming economies that has its own festering pockets of terrorism. The area also is important to solving another major item on the U.S. foreign policy agenda: the long-standing problem of North Korea's nuclear weapons program.

Bush's visit to Singapore, Vietnam and Indonesia is intended to focus heavily on trade issues, global health concerns such as AIDS and avian flu, as well as the North Korea question. But just as important may be how Bush is perceived by the other leaders at the meeting in the aftermath of his recent political setback.

Our "Asian friends will be watching initially President Bush and his team in terms of his body language, his statements to see whether he will be weakened or committed to going forward with a broad and purposeful agenda in Asia as a whole," said Kurt Campbell, a senior vice president at the Center for Strategic and International Studies.

One thing Asian leaders will be watching for is whether Bush can still deliver on trade-liberalization legislation, given his weakened political state and the populist opposition to many free-trade agreements, according to some analysts.

The Bush administration is pressing Congress to pass a bill granting Vietnam permanent normal trade relations before the president arrives in Hanoi on Friday, a step that is needed for U.S. firms to take advantage of the low tariffs that nation will enact as a newly minted member of the World Trade Organization.

Vietnam, which boasts the fastest-growing economy in Asia, is also one of the world's fastest-growing markets for U.S. goods.

But the House failed to pass the legislation last night. The vote of 228 to 161 in favor of the bill fell short of the two-thirds majority required by a procedure that limited debate.

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Republicans planned to bring up the measure again tomorrow under normal procedures, requiring only a majority for passage, House aides said. The Senate is expected to take up the issue later in the week.

Passing the legislation ahead of the meeting "would be useful for President Bush," said Grant Aldonas, a former undersecretary of commerce for international trade in the Bush administration. "It would be useful, certainly, for the United States to ensure that our trading partners in Asia know that we're prepared to be at the table -- both Congress and the president -- and contributing to an aggressive trade policy."

Yesterday, the United States removed Vietnam from its list of nations that do not allow religious freedom, citing what it called Vietnam's greater tolerance for religious expression.

While trade will take center stage during his trip, Bush also is expected to use the opportunity to meet with partners in an effort to continue pressing North Korea to give up -- or at least limit -- its nuclear weapons program. North Korea agreed to return to six-party nuclear-disarmament talks late last month, just weeks after it conducted its first test of a nuclear device. As a result of that test, the United Nations swiftly imposed sanctions on goods flowing in and out of North Korea.

"It's . . . not always helpful, to answer the question, you know, can we live with or not live with a nuclear North Korea?" said Michael Green, former senior director for Asia at the National Security Council under Bush. "What does that mean? Does it mean we're going to attack North Korea because of the nuclear weapons program? I think the answer is no. Does it mean we go on with business as usual? Of course not."

While the U.N. sanctions have clearly exacted a toll on North Korea, Bush is expected to use the visit and a meeting with South Korean President Roh Moo Hyun to pressure him to do more to enforce the U.N. sanctions. Yesterday, South Korea said it will not take part in a U.S.-led plan to intercept shipments of weapons of mass destruction that may have involved the South Korean military stopping North Korean ships.

"The Republic of Korea is doing virtually nothing to impose a cost on the north," Green said. "That will be a difficult discussion."

The first stop on the president's trip will be Singapore, the booming city-state where on Thursday he is scheduled to give the major speech of his trip on the cooperation between the United States and Asia to combat poverty, disease and terrorism. On Friday, he will become the second U.S. president to visit Vietnam since the fall of Saigon when he travels to Hanoi.

In Vietnam, Bush will take part in a series of meetings with other world leaders and visit a program working to learn the fate of soldiers still missing in action from the Vietnam War. He also will take part in meetings of the Asia-Pacific Economic Cooperation forum, an organization that includes 21 nations that together account for half the world's trade and 57 percent of the global economic output.

Later, the president will travel to Ho Chi Minh City. There the president will tour a medical institute that focuses on AIDS and avian flu research, before taking part in events showcasing Vietnam's fast-growing economy.

On Monday, he will travel to Indonesia, the world's largest majority-Muslim nation, where he is scheduled to visit an educational program and hold a news conference with President Susilo Bambang Yudhoyono, before going to Hawaii. Next Tuesday, he will have breakfast with U.S. troops in Honolulu before returning to Washington.

US Congress Rejects Vietnam Trade Deal (FT)

By Eoin Callan

Financial Times, November 14, 2006

The US Congress rejected a deal to normalise trade relations with Vietnam in a setback for President George W. Bush ahead of a visit to Hanoi to discuss economic issues at the annual summit of the Asia-Pacific Economic Cooperation forum.

The trade pact was defeated when it lost the support of dozens of Republicans and Democrats after being rushed through a special “lame-duck” session of the House of Representatives before the transfer of power to the incoming majority following last week’s mid-term elections.

The defeat underlines the difficulties facing the Bush administration and congressional leaders in forging a working cross-party majority on trade bills in the wake of election victories last week for economic populists with a deep suspicion of free trade, in a Democratic sweep of congress.

The pact was the final step in normalising relations between the former adversaries and was to clear the way for Vietnam to become the 150th member of the World Trade Organisation with US support after more than 10 years of negotiations.

Supporters of the pact on Monday night said they expected the bill to be revived and passed by a simple majority vote as early as Wednesday after failing to secure the two-thirds needed to pass the bill without a debate.

The defeat of the first major piece of legislation brought forward since the election by the Bush administration was seen as a setback for the White House, which made clear the president’s desire to arrive at the summit with the deal in hand.

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Virginia Foote, of the US Vietnam Trade Council, said: "I think this is an embarrassment on the eve of Bush's trip to Vietnam. This legislation was mishandled, but we expect the bill to move again and pass in a couple of days as it has strong bipartisan support."

Ms Foote cited the opposition of Republicans as the decisive factor in bringing down the bill in a 228-161 vote in favour, noting that the support from Democrats represented a high-watermark compared to recent trade legislation.

A spokesperson for the US Chamber of Commerce said: "We're shocked and dumbfounded. This sends the wrong signal about the future of the US trade agenda."

The chamber blamed the influence of unions, which are seeking tougher labour standards in trade deals and helped Democrats get elected in key battleground states on protectionist platforms.

A lobbyist for the chamber said a last-minute letter on Monday from the AFL-CIO had swung opposition to the deal.

Thea Lee, policy director of the AFL-CIO, played down the impact of the letter, but said: "People are sensing there is an uneasiness about the current trade policy. As of a few days ago there is a new balance of power in Washington, and people are still trying to work out where it lies."

A Setback For Vietnam Trade Bill (NYT)

By Steven R. Weisman

The New York Times, November 14, 2006

WASHINGTON, Nov. 13 — In an embarrassing legislative setback for the administration, the House of Representatives defeated a measure late Monday that the president had sought to normalize trade relations with Vietnam, four days before Mr. Bush was scheduled to leave for his first visit to that country.

The setback may be only temporary, however.

The legislation embodies approval by Congress of what is known as "permanent normal trade relations" with Vietnam, which would make it easier for that country to join the World Trade Organization and would allow American companies to share in the benefits of the open market.

The legislation received a majority vote but fell short of the two-thirds needed for passage under special rules that speeded its consideration in the House. The vote came on the first day of the lame-duck session in which the outgoing House, still controlled by a Republican majority, met to pass crucial bills by the end of this year.

The legislation received 228 votes in favor and 161 against, but it needed 32 more votes to pass on Monday. House Republican leaders said they would bring the legislation back in the next couple of days under normal procedures, which require only a majority, or 218 votes, for passage.

Though perhaps symbolic, the defeat in the House was an embarrassment not only for Mr. Bush but also for the departing Republican leaders, who had earlier in the day expressed confidence that they had the two-thirds needed for the bill to pass in the House.

Republican leaders expect the bill to pass the Senate later this week, despite the misgivings from some lawmakers.

The White House still hopes for the bill's approval in the next couple of days so that President Bush can cite its passage as a milestone in relations with Vietnam while attending the Asia Pacific Economic Cooperation summit meeting in Hanoi.

The loss, however temporary, was also a portent that trade bills could face tougher odds in the lame-duck session and in January, when Democrats take control of both the House and Senate. Many Democrats who won election last week pledged to try to block trade bills they viewed as threatening American jobs.

It is not clear whether the preliminary defeat was spurred by anti-trade sentiment or lingering sentiment against Vietnam, which many conservatives still regard as an enemy three decades after the end of a war in which tens of thousands of Americans died.

Trade bills for Peru, other Andean nations and a larger body of poor countries in Africa, Asia and Latin America are also on the schedule for the lame-duck Congressional session, and it is not clear whether the defeat of the Vietnam bill would damp the chances for these bills.

There was no immediate comment on the defeat from the Bush administration.

Susan C. Schwab, the chief United States trade negotiator, flew to Vietnam on Monday for what had been planned as a set of meetings to celebrate a step forward for a country that was a bitter enemy of the United States a generation ago.

Ms. Schwab had called on Congress to approve the measure to "integrate this economically vibrant country into the global community of trading nations" and "open up exciting new trade and investment opportunities" for American companies.

The Bush administration has argued that despite the past bitterness with Vietnam, and a Vietnamese economy that is still heavily influenced by the government, the best strategy to open it up to private investment from the West is to have Vietnam

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become a member of the World Trade Organization, which oversees trade rules. Trade negotiators last week approved Vietnam's entry into the W.T.O.

The legislation is necessary because a cold-war-era measure known as the Jackson-Vanik law requires an annual review of Vietnam's political and economic practices and an annual granting of trade preferences, and that law must be rescinded under W.T.O. rules.

The administration argues that giving Vietnam "normal" trade preferences is the best way of getting it to adhere to the rule of law in trade relations, including provisions that allow the United States to pursue its rights through the organization.

Belonging to the trade organization also obliges Vietnam to end curbs on imports, eliminate certain subsidies and act to outlaw piracy of American software, videos and other copyrighted items.

Even under the law, however, the United States still has the right to designate Vietnam a "nonmarket economy" — that is, a state-controlled economy that continues to operate under Communist principles. But the Bush administration sought the trade bill as a means to get Vietnam to change.

U.S. Trade Deals In Colombia, Peru Are Put To The Test (WSJ)

By Bob Davis

The Wall Street Journal, November 14, 2006

WASHINGTON -- The election of a Democratic-controlled Congress more skeptical about the value of free trade is forcing Colombia and Peru to decide whether they need to make additional concessions on labor issues to win congressional approval of trade deals they have negotiated with the U.S.

The two South American nations have negotiated deals with the U.S. that liberalize trade in a host of areas, including industrial tariffs, textiles, and apparel and service industries. Peru already has ratified the pact; Colombia plans to sign its agreement next week and ratify it afterward. Congress isn't likely to take up either measure until next year, after the Democrats take control.

Democrats have long complained that the South American agreements -- as well as other deals signed by the Bush administration -- skimp on protections of labor rights. That has presented Colombia and Peru with a dilemma: Should they make concessions beyond what the White House has sought -- which is sure to be controversial at home -- or face possible rejection of the deals by Congress.

Yesterday, Colombian President Alvaro Uribe said he didn't plan to accept changes in the deal. "I consider that the provisions we have included to protect workers in the agreement are clear provisions" and didn't need to be augmented, he said, after a day of lobbying on Capitol Hill. "More than the provisions, we have the political will to protect our workers."

Earlier in the day, Hernando de Soto, a Peruvian economist appointed as special trade envoy, took a more conciliatory stance. He said his country had a "game plan" to present to the U.S. that "should put to rest the concerns many Democrats have concerning labor and other matters," according to [a news service]. But he wasn't more specific.

The trade deals generally require countries to enforce their labor standards, but don't mandate the level of protection or whether countries must include such specific protections as the right to organize or to bargain collectively. The Bush administration argues that the pacts boost trade protection for workers, and do so in a way that avoids confrontations. Many Democrats want additional assurances labor provisions are ultimately enforceable by trade sanctions.

Election Alters Trade Climate (WP)

By Peter S. Goodman

The Washington Post, November 14, 2006

As Democrats prepare to take control of Congress, incoming leaders are planning to insert labor and environmental protections into pending trade treaties and to demand that the Bush administration adopt similar measures in future pacts it negotiates, congressional aides and government officials said yesterday.

The Democrats plan to insert restrictive provisions into two pending trade deals with Peru and Colombia, measures that would limit duty-free access to the U.S. market for goods made in those countries if factories are found to use child labor or deny workers the right to organize unions.

Republicans have historically opposed restrictive provisions in treaties as against the interests of U.S. business and consumers. President Bush has already signed the Peru accord and is expected to sign the Colombia treaty this month. Democrats plan to take a similar approach to deals still being negotiated by the United States trade representative with South Korea, Malaysia and Panama, Capitol Hill aides said.

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The new atmosphere surrounding trade issues was underscored last night as members of the House -- breaking with Democratic and Republican leaders -- voted to reject a normal trade relationship with Vietnam, following that country's accession to the World Trade Organization last week.

At the center of the new trade dynamic is the fate of the president's so-called fast-track trade authority -- the administration's existing power to call for a simple up-or-down congressional vote on trade pacts without opening them for amendments. The administration's authority is set to expire at the end of June. Democratic leaders say they are inclined to renew it but only if labor and environmental provisions are included.

Yesterday, Sen. Max Baucus, the Montana Democrat in line to chair the Finance Committee, said any law reauthorizing the president's fast-track authority would have to "strengthen labor and environmental provisions in some way to win broader Democratic support."

The shift on trade policy is a reaction to more than a dozen years of efforts by the Bush and Clinton administrations to boost trade by opening foreign markets to U.S. goods while allowing greater access to imports from China, Latin America and elsewhere.

The U.S. mood mirrors a world trend, as people on every shore grapple with the challenges of globalization. In Eastern Europe, former communists are returning to power, riding electoral discontent over the loss of jobs. South Korean farmers are protesting the prospect of imported U.S. rice if a free-trade deal is struck. From Ohio to Montana, incoming Democrats made trade an issue in the campaign, accusing Republicans of selling out American workers to corporate interests, and vowing to oppose further trade liberalization.

"For 20 years, we've been told, 'Don't worry, there's going to be a more sophisticated economy, an economy based on knowledge and information,' " said Auggie Tantillo, executive director of the American Manufacturing Trade Action Coalition, which represents U.S. factories, including textile mills in Southern states that have been ravaged by competition from China. "Manufacturing? Well, we can supposedly let that go, because we're going to get something better. Well, we've been waiting, and now we're making less money, and workers are told they have to give up health benefits and pensions and wondering, 'How am I going to make it?' "

Such feelings played a role in the voter anger that remade Congress in last week's elections, he said. "It's going to be heavy lifting for the administration to convince Democrats in the House and Senate to give this president the hand to go out and pursue his trade agenda," Tantillo said.

Business leaders took that message from the startling vote in the House last night, which rejected what had seemed a virtual certainty -- the approval of normal trade relations with Vietnam. The vote needed a two-thirds majority, but it failed 228-161, with Democrats voting it down 94-90.

"It sends a very bad signal to the business community," said Nicole Venable, director of international trade and global competitiveness at the U.S. Chamber of Commerce. "This bill should have been a no-brainer."

Analysts have noted that expanding trade has historically been a bipartisan effort. A dozen years ago, President Clinton, a Democrat, relied largely on Republican support in Congress to gain passage of the North American Free Trade Agreement. Trade proponents said that growing commerce has created new markets for U.S. businesses abroad, while stocking shelves at home with low-priced goods.

"Globalized sourcing has brought enormous benefits to the American consumer," said Hallock Northcott, president of the American Association of Exporters and Importers.

For now, both sides in Washington are speaking the language of bipartisanship, a dynamic that is expected to hold for at least a while as some relatively uncontroversial trade issues come before Congress.

Administration officials hope to gain congressional authority soon to renew a set of reduced tariffs for Andean countries, a form of aid in the U.S. campaign to discourage their production of narcotics. Congress must also take up renewal of reduced duties for the world's poorest countries, while extending parts of a preferential trade accord with African nations.

After that, the rhetoric of cooperation could be tested, as the Bush administration seeks approval for free-trade agreements it has already struck with Peru and Colombia. A U.S. government official who spoke on condition that he not be named because he lacks authorization said the administration was "not looking to reopen negotiations" on those treaties. But a Democratic congressional aide involved in trade issues said the leadership would negotiate with the U.S. trade representative to ensure that labor protections are written into the treaties, along with beefed-up enforcement mechanisms. "We want to tighten that up," the aide said.

The details now rest with Baucus and Rep. Charles B. Rangel (D-N.Y.), who is expected to oversee the House Ways and Means Committee. While both presumptive chairman have pledged to engage the administration on trade, they are cognizant that at least some of the groundswell of support for their party was the result of disenchantment over U.S. job losses, including jobs moving overseas.

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The fate of the president's fast-track authority may be a litmus test. Eight years ago, a Republican Congress did not renew Clinton's ability to negotiate trade pacts, with leaders in the House reluctant to hand the Democratic president a key victory ahead of the 2000 election. Democrats may make a similar calculation this time.

The administration is expected to make a final push to strike a deal with the European Union and developing nations on the now-stalled global tariff reduction talks known as the Doha round before Bush's existing fast-track authority expires.

That would kick the issue to the Democrats and perhaps test their cohesion, pitting some of the newcomers who are skeptical about trade against those worried about alienating business.

"The Democrats have rhetorically painted themselves into a corner," said Gary C. Hufbauer, a trade expert at the Peterson Institute for International Economics, in Washington. "The leadership doesn't want to be painted as obstructionist on trade."

Election Pushes Globalization To Forefront (USAT)

By David J. Lynch

USA Today, November 14, 2006

WASHINGTON — To hear some Democrats tell it, the United States is engaged in a costly, ill-advised foreign adventure that is long overdue for a change of course.

Not the war in Iraq. Globalization.

Several members of the Democratic Congress that takes office in January say the Bush administration's unquestioning celebration of free trade is bleeding the middle class and endangering the American Dream. Democrats such as Sen.-elect Sherrod Brown of Ohio want a tougher approach to future trade deals. Others, including veterans of the Clinton administration who back trade, say the solution is to craft new policies that take the sting out of job losses caused by foreign competition.

The new congressional lineup raises the prospect of the most significant globalization debate since the 1992 presidential campaign's bitter exchanges over the North American Free Trade Agreement (NAFTA). Some already expect the issue to play a prominent role in the run-up to the 2008 election.

“There is a real debate on whether to go further and continue reducing trade barriers and opening markets and if so, at what pace and how,” says Fred Bergsten, director of the Peterson Institute for International Economics.

In offices on Capitol Hill and in downtown think tanks, Democratic politicians and trade specialists suddenly find their opinions matter in a way they haven't for a dozen years. At the Hamilton Project, the brainchild of Robert Rubin, the former Treasury secretary, economists are mulling new social insurance programs they argue will promote economic growth by soothing public fears of potential financial harm. One idea: reworking unemployment insurance to target aid to those who are out of work the longest.

Despite the political upheaval in Washington and the rising popular angst, the U.S. economy is now so deeply intertwined with other nations that it may be too late to turn back, say mainstream economists. Unlike two decades ago when trade with Japan triggered enormous public unease, U.S. manufacturers are heavily reliant upon imported components for their assembly lines and can't risk an interruption of global commerce.

“Our economy is becoming much more integrated with China,” says trade historian Douglas Irwin of Dartmouth College. “It's not ‘them' exporting to ‘us.' It's U.S. multinationals' factories there exporting to us.”

Worries over trade-related job losses, of course, aren't new. In the 1980s, union workers, angry over surging Japanese imports, smashed Toyotas in factory parking lots in Detroit. In 1993, Ross Perot warned Americans a “giant sucking sound” would result from NAFTA sending millions of good jobs to Mexico.

Anti-globalization protestors rampaged through Seattle during a World Trade Organization summit seven years ago. And during the 2004 presidential election, outsourcing of jobs to India ignited intense controversy.

But today's public anxieties are both broader and more intense. In exit polls last week, 40% of voters said they expect the next generation of Americans to have a lower standard of living vs. 30% who said they expect life to improve.

That pessimism may be linked to deep dissatisfaction over the way globalization is working. In a 2005 Program on International Policy Attitudes poll, only 16% of respondents backed the current U.S. approach; 56% said they favor expanded trade but only if much more is done to help affected U.S. workers. Almost one-quarter of those surveyed said they opposed further trade liberalization because the costs would outweigh the benefits.

Democratic candidates used trade as a key issue in 100 congressional districts, according to the left-leaning Public Citizen. Among them: Jim Webb, whose Senate victory in Virginia gave the Democrats control of both houses of Congress for the first time in 12 years. The former Marine and one-time Reagan administration official made “economic fairness” a central element of his campaign and called for overhauling trade laws “so that free trade becomes fair trade.”

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For two decades, it has been an article of faith, under Democrats and Republicans alike, that gains from free trade far exceeded losses. “Globalization” became the label given to the elimination of barriers to the free movement of goods and capital, but not people, across national borders.

Fueled by the collapse of communism almost two decades ago and the continuing revolution in information technology and telecommunications, that process has delivered enormous benefits for the USA. On an annual basis, globalization boosts the U.S. economy by $1 trillion, or roughly $10,000 per household, according to the Peterson Institute. Those broad gains dwarf $54 billion in costs to the families that suffer trade-related job losses. But the gains are dispersed throughout the economy in the form of less expensive clothing, cars and phone calls while the costs are concentrated in the heartbreak of an estimated 225,000 individual job losses.

Rising waves of public unease are being driven by the relentless march of globalization as well as broader economic maladies. In the 1990s, trade-related job losses were confined to comparatively low-wage, low-skill factory jobs. Globalization enthusiasts argued that the USA would prosper by building a knowledge economy filled with well-paid, white-collar positions.

But in recent years, even those jobs have begun drifting to developing countries such as India and China. From 1999 to 2005, the USA lost 139,510 computer-programming jobs, more than one out of every four such positions in the country, according to Catherine Mann, a Peterson Institute economist. There were also small declines in the ranks of electrical engineers and database administrators. All three of these job categories are well-paid: Programmers average $67,400 annually.

At the same time, middle-class families face heightened financial risks. Incomes are more volatile, even as the economy prospers. About half of all families suffer a drop in income over any two-year period, and those who fall today fall further than in the past, according to Jacob Hacker, author of The Great Risk Shift.

In the early 1970s, the typical family that stumbled lost 27% of its annual income. But over the last decade, as globalization moved into high gear, the income loss averaged around 40%. For a family in 2004 earning the median income of $43,200, that would mean a crippling decline of $17,280.

The risk of suffering a 50% drop in family income has more than doubled since the early 1970s, according to Hacker, a political science professor at Yale University. That may be because, even amid a growing economy, the typical spell of unemployment has grown longer. In the 1970s, workers who lost their jobs typically were unemployed for 6.3 weeks, says economist Howard Rosen. Today, those handed pink slips endure on average an additional two weeks of enforced idleness before finding new work.

These real-life financial strains coupled with a steady parade of headlines about mushrooming U.S. trade deficits badly eroded public support for globalization. Earlier this year, Congress forced a foreign company, Dubai Ports World, to sell its stake in operations at six U.S. ports. Negotiations on a new global trade agreement ran aground this summer. And amid a $200 billion trade deficit with China, the U.S. continues to criticize Beijing over a currency policy that some in Congress say costs millions of U.S. jobs.

Those who profit from global financial integration recognize the political headwinds they're confronting, including the risk of a drift toward protectionism. In June, even as U.S. exports were hitting another record, the National Foreign Trade Council board, whose members include Boeing, General Motors, ExxonMobil and Wal-Mart, discussed the gathering storm.

“We agreed the message that globalization is a good thing has fallen flat and no longer resonates. … Not enough people believe it anymore,” says Bill Reinsch, the council's president.

In August, Federal Reserve Board Chairman Ben Bernanke warned that “further progress in global economic integration should not be taken for granted” and suggested additional measures are needed to spread globalization's benefits.

The same month, Treasury Secretary Henry Paulson acknowledged the pain caused by trade but rejected limiting cross-border commerce. Instead, he called for “thinking more creatively” about ways to help those who lose out.

In a subsequent interview, President Bush told USA TODAY that affected workers should take courses at local community colleges.

Now, it's the Democrats' turn to weigh in. On the left, lawmakers such as Brown seek a wholesale overhaul of the U.S. approach to trade negotiations, including renegotiating NAFTA and trade ties with China. Brown wants any new trade accords to include protections for labor, the environment and food safety. And he suggested that the administration's hopes of renewing the president's negotiating authority for new trade deals, which expires next summer, could hinge on winning approval for a “new direction” on trade policy.

“We don't know exactly what the new road is, but we're going to hit the brakes on this road,” says Lori Wallach, director of Public Citizen's Global Trade Watch.

Meanwhile, self-described centrists at the Hamilton Project, based at the Brookings Institution, back concepts such as wage insurance to partially compensate workers who take lower-paying jobs after being rendered jobless by foreign competition.

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Peter Orszag, project director, says new social insurance schemes "could be growth enhancing" if they prevent a protectionist backlash that would crimp cross-border trade.

Existing worker protections are widely regarded as inadequate. Even after a major expansion four years ago, the Labor Department's trade adjustment assistance program helps only about 50,000 people each year and is derided by many as "burial insurance," says Howard Rosen, a former Democratic senate staffer deeply involved in writing the original trade adjustment legislation.

Adding urgency to the debate is the prospect of today's deflating housing bubble causing the economy to slow. Current worries over the costs of global integration arose at a time when soaring real estate values held the economy aloft and helped keep unemployment near rock bottom. Indeed, even as it led to rising inequality and middle-class insecurity, globalization enabled the U.S. to finance a consumption boom by borrowing massive amounts of money from China, says Jeffrey Frieden, author of Global Capitalism.

That can't go on forever.

"There is a broad sense of unease in the land with the pattern of international economic integration, which has been mitigated by the fact that the country has experienced a consumption boom for the past 10 years or so," says Frieden. "What if that starts not being the case?"

Commerce Secretary Tries Personal Persuasion In China (NYT/AP)

By The Associated Press

The New York Times, November 14, 2006

BEIJING, Tuesday, Nov. 14 (AP) — Commerce Secretary Carlos M. Gutierrez urged Beijing on Tuesday to toughen a crackdown on pirated goods and other copyright infringements, saying failure to do so could fuel an American backlash against trade with China.

Despite Chinese progress in protecting intellectual property rights, Mr. Gutierrez said American Customs agents seized more counterfeit goods from China than all other countries combined.

To turn the tide, he said China needs to attack the criminal gangs that are behind the manufacture and trade of most pirated goods. He also called on Beijing to amend laws to make it easier to allow criminal prosecution of infringements against intellectual property, or I.P., and to step up cooperation with international law enforcement.

"Another victim of widespread I.P. theft in China is American support for expanding our trade relationship," Mr. Gutierrez told Chinese and American business executives. "Those who espouse protectionism, those who would like to see protectionist policies put in place as a legitimate economic policy have a loud voice."

The United States' trade deficit with China is worsening, projected to grow 12 percent to $228 billion this year. Mr. Gutierrez, on his fourth trip to China in 18 months, said he would return to Beijing next month with Treasury Secretary Henry M. Paulson Jr. to talk about a wide array of economic issues.

Widespread theft of intellectual property, as well as protectionist policies and unclear regulations, have long been seen as hampering foreign companies' access to the Chinese market.

To correct the imbalances and curb piracy, Mr. Gutierrez said China must open its markets more widely, especially to American entertainment companies.

Limits on the number of foreign movies allowed into China has contributed to a market for pirated copies, with digital video discs of Hollywood blockbusters selling for $1 in many Chinese cities.

U.S., Chinese Discuss Piracy, Trade Barriers (WSJ/AP)

The Wall Street Journal, November 14, 2006

BEIJING -- U.S. Commerce Secretary Carlos Gutierrez began a trip to Beijing on Monday to help American entrepreneurs clinch deals and to discuss barriers that have contributed to a soaring and politically touchy Chinese trade surplus.

Highlighting his efforts to increase U.S. exports, Mr. Gutierrez on Monday watched Motorola Inc. sign a contract to supply $1.6 billion worth of mobile phones to a Chinese distributor. He also presided at a ceremony by the home-entertainment division of News Corp.'s Twentieth Century Fox studio announcing a plan to distribute moderately priced DVDs in the piracy-plagued China market.

Around the signings, Mr. Gutierrez held talks with senior Chinese trade officials that he said broadly covered access to the China market, persisting product piracy and unclear government regulations.

Also highlighting efforts by U.S. businesses to expand their presence in China, International Business Machines Corp. may be joining Citigroup Inc. in its bid to take a majority stake in China's Guangdong Development Bank, a person familiar with the deal said Monday. (See related article2.)

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Americans are worried about record trade imbalances with China -- projected to rise 12% to $228 billion this year. Pressure on the Bush administration over the deficit is expected to increase following the opposition Democratic Party's recapture of Congress in elections last week.

Trying to seize the initiative, Chinese Vice Premier Wu Yi told Mr. Gutierrez: "We welcome the exports of your country. The Chinese market is completely opened to the outside world." Mr. Wu reiterated a long-standing Chinese complaint that American export controls prohibited the transfer of high-technology products, thereby keeping some U.S. goods out of China.

Mr. Gutierrez, who brought along a delegation of 25 American businesses, from heavy equipment makers to architecture firms, stressed that Washington sought more open markets, not protectionism. "Ultimately what counts is results. Both sides are increasing the amount of business they do with each other," he told reporters. He said that American exports this year totaled about $50 billion in products and services and were up 34% this year to date.

Concerns, however, continued over Chinese regulations limiting the retail business of U.S. and other foreign banks and the widespread copying of U.S. goods and other infringements of intellectual property, Mr. Gutierrez said.

"The United States and China will continue to fight piracy. This is a priority for both governments," Mr. Gutierrez said at a signing ceremony for the Fox deal. "We will both work as hard as we have to stamp out piracy."

Deals like the Fox arrangement are part of an effort by American entertainment companies to offer Chinese consumers inexpensive but legal CDs and DVDs as an alternative to cheap pirated ones widely available in China. Such pirated products, Mr. Gutierrez said, are costing American companies "hundreds of millions of dollars" in sales.

Under the deal, Twentieth Century Fox Home Entertainment will begin distributing DVDs through Chinese video distributor Zoke Culture Group, the companies said.

Also signed Monday was the Motorola contract to supply 12 million mobile handsets to Shenzhen Telling Telecom Development Co., executives from both companies said.

A subsidiary of U.S.-based Han's Technologies Inc. also signed an agreement to build and operate seven water supply plants and 13 wastewater treatments plants to the Chinese county of Xiangshan. Terms weren't disclosed.

Lebanese Cabinet Approves U.N. Tribunal (AP)

By Zeina Karam

AP, November 14, 2006

A weakened Lebanese government Monday approved a U.N. plan for an international tribunal for suspects in the assassination of former Prime Minister Rafik Hariri — despite the resignation of six ministers and the objections of the president.

The vote was a victory for Prime Minister Fuad Saniora, who is facing a challenge from Hezbollah, which has threatened mass protests unless the group and its Shiite Muslim allies gain effective veto power in the Cabinet. All 18 ministers remaining in the Cabinet voted for the U.N. plan, which begins the process of prosecuting Hariri's alleged killers in a court with international legitimacy.

The draft document now returns to the Security Council for endorsement, but its final approval by the weakened government was far from certain.

"Our aim is to achieve justice and only justice," Saniora said after the three-hour Cabinet meeting.

Hariri was killed with 22 others in a suicide truck bombing in February 2005. The assassination sparked huge protests against Syria, which was widely seen as culpable. Syria denied involvement, but was forced to withdraw its troops from Lebanon, ending a 29-year presence. Subsequent elections produced an anti-Syrian majority in parliament and in the Cabinet.

However, some opposition figures said the Cabinet's approval was illegal because none of the five Shiite ministers who resigned Saturday was present.

Lahoud said Sunday that Saniora's government was no longer legitimate because the constitution states that "all sects should be justly represented in the Cabinet." The constitution recognizes 18 religion-based communities and most of them are represented in a full Cabinet by at least one minister. Half the ministers have to be Christian and half Muslim.

Lahoud added that all decisions taken by the Cabinet, including Monday's, were "null and void" and had no constitutional value.

Michel Aoun, the leader of a Christian faction allied with Hezbollah, concurred, saying: "The government has lost its legitimacy and its decision today to approve the draft document ... is meaningless."

Environment Minister Yaacoub Sarraf, a Christian minister allied with the president, resigned shortly before the Cabinet meeting, citing similar objections.

"I don't see myself belonging to any constitutional authority in which an entire sect is absent," Sarraf wrote in his letter of resignation.

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Saniora refused to accept Sarraf's resignation, as he had refused to accept those of the Hezbollah and Shiite Amal ministers on Saturday.

The prime minister insisted the Cabinet's move was legal, and his Information Minister Ghazi Aridi extended a hand to opponents, saying the government was willing discuss their grievances.

"We have no choice but dialogue to agree on all the issues," Aridi said.

Saniora still has the necessary two-thirds of the 24-member Cabinet in order to hold meetings and make decisions, but he will find it difficult to govern as passing legislation depends on forging alliances among the many factions in parliament.

The U.N. proposals seek to create a "tribunal with an international character," but Lahoud has criticized the presence of foreign judges and said he would not pass an earlier draft.

Once the Security Council has endorsed the final draft, it must be approved by Lebanon's Cabinet again, signed by the president and approved by parliament.

The anti-Syrian camp in Lebanon has charged that Syria is behind the opposition to the tribunal because it seeks to avoid the prosecution of the Syrians implicated in Hariri's killing by a U.N. inquiry. Hezbollah officials have denied they are opposed to a U.N. tribunal and Aoun called the accusation "a lie."

Al-Qaida Threatens To Topple Lebanon Govt. (AP)

AP, November 14, 2006

Al-Qaida has purportedly issued a statement threatening to topple Lebanon's "corrupt" Western-backed government, according to a London-based Arabic newspaper Monday.

The Al-Hayat newspaper reported that al-Qaida issued the statement from the Palestinian refugee camp of Nahr el-Bared in northern Lebanon.

"The organization has arrived in Lebanon and we will work on destroying this corrupt government that receives orders from the American administration," Al-Hayat said, quoting the statement.

Although it was impossible to verify the authenticity of the message, Information Minister Ghazi Aridi cast doubt on its veracity Monday.

"There is nothing that proves that this statement was issued by al-Qaida," he told reporters Monday following a cabinet meeting in which the government approved a U.N. draft setting up an international tribunal to try suspects in the 2005 assassination of former Prime Minister Rafik Hariri.

Aridi suggested the statement could be the work of local or regional groups that were opposed to the international tribunal in an attempt to intimidate the ministers ahead of the vote on Monday.

Al-Hayat did not say how it obtained the message, and Palestinian factions denied any such statement was issued from the camp. Following a meeting by representatives of various Palestinian factions in Nahr el-Bared camp, they issued a statement saying there was "absolutely no presence" for al-Qaida in Palestinian camps in northern Lebanon.

Although al-Qaida has rarely carried out attacks in Lebanon, it is believed to have sympathizers among extremist factions in Palestinian refugee camps.

Lebanon's Interior Minister Ahmed Fatfat has warned in recent months that al-Qaida was attempting to establish itself in Lebanon.

In December, al-Qaida in Iraq claimed responsibility for a rocket attack into northern Israel apparently carried out by a radical Palestinian group, and Fatfat has said Lebanese authorities had broken up four al-Qaida cells this year.

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Defenses On Subs To Be Reviewed (WT)

By Bill Gertz,

The Washington Times, November 14, 2006

Navy officials confirmed yesterday that an aircraft carrier battle group failed to detect a Chinese submarine that surfaced within weapons range of the USS Kitty Hawk. Anti-submarine defenses for the carrier battle group will be reviewed as a result, they said.

"It was not detected," said one Navy official of the encounter with a Chinese diesel-powered attack submarine. "And we're concerned about that, obviously."

The Chinese Song-class attack submarine surfaced near the carrier in deep waters off Okinawa on Oct. 26. It was armed with wake-homing torpedos and anti-ship cruise missiles.

The officials said it was unusual for the submarine to be operating in deep ocean waters, but the incident was not like the April 2001 collision of a U.S. EP-3 surveillance aircraft and Chinese F-8 jet that ruptured military ties.

"We were operating in international waters, and they were operating in international waters," the official said. "From that standpoint, nobody was endangering anybody. Nobody felt threatened."

However, other defense officials said the submarine surfacing was a provocative action by the Chinese military, which has placed a high priority on practicing anti-aircraft-carrier operations against U.S. carriers and warships in preparation for a possible future conflict over Taiwan.

The carrier was not engaged in anti-submarine warfare exercises at the time and thus did not have active patrols for submarines, the Navy official said. As a result, submarine defenses for the carrier and its accompanying warships will be reviewed, he said.

The submarine was spotted by carrier-based aircraft conducting routine surveillance.

The submarine encounter also took U.S. intelligence agencies by surprise because of years of analyses that continue to portray a benign China, said a defense official.

"Our China analysts appeared to be stunned that China would shadow a U.S. carrier as far away as Okinawa," the defense official said.

The Japan-based Kitty Hawk and associated warships are the only Asia-based battle group and would be the first to respond to a crisis concerning Taiwan, which China has threatened with force in the past.

The encounter also was unusual because Chinese submarines normally do not operate in deep waters, both officials said.

"From our standpoint, ... it shows that they continue to develop blue-water capabilities," the Navy official said.

Pentagon and military officials initially declined to discuss anything about the submarine incident, claiming details were classified. Some details were then disclosed after The Washington Times reported the encounter in yesterday's editions.

Disclosure of the submarine encounter comes as the U.S. Pacific Fleet commander, Adm. Gary Roughead, is visiting China for meetings with Chinese military officials.

A Pacific Fleet spokesman said Adm. Roughead could not be reached yesterday on whether he planned to raise the submarine encounter during talks with the Chinese.

Adm. Roughead told reporters in Beijing yesterday that he hopes to better understand the intentions behind China's naval buildup during his weeklong visit.

"When asked if the PLA navy is a threat, I've been on the record as saying no," the four-star admiral said, referring to Chinese forces, the People's Liberation Army. "But I really would like to know what the intent is in some of the developments that I see in the PLA navy."

Adm. Roughead is in China as the U.S. and Chinese militaries conduct a joint search-and-rescue operation exercise.

The visit is part of an ambitious program being promoted by the commander of U.S. forces in the Pacific, Adm. William J. Fallon, to develop closer ties with the Chinese military.

The program has been plagued by a lack of reciprocity on the part of China's military, which continues to refuse U.S. military visitors to key military facilities or to observe military exercise. By contrast, the U.S. military has given Chinese military visitors access to sensitive U.S. facilities and military exercises.

Also, China is continuing to block U.S. military officials from visiting a secret underground command center in Beijing known as the Western Hills.

Adm. Roughead is scheduled to meet Chinese navy commander Vice Admiral Wu Shengli and the commander of the South China Sea Fleet. Those talks could shed light on China's aggressive naval buildup.

"Clearly, the growth in the capacity and capability of the navy since I've first been exposed to it in the '90s, the ability to go into the blue water is very, very clear," he said. "I look forward to having discussions about what the vision is and perhaps what some of the operating doctrine might be."

William Tripplett, a former Senate Foreign Relations Committee staff specialist on China, said the failure to track the submarine was alarming.

"China's tracking of the Kitty Hawk, undetected by U.S. Navy anti-submarine warfare assets, is a shocking development," he said.

Commander: China Sub Stalked U.S. Carrier (AP)

AP, November 14, 2006

A Chinese submarine came close to the USS Kitty Hawk carrier group in the Pacific Ocean last month, a top U.S. naval commander said Tuesday.

The aircraft carrier and supporting ships were conducting war games at the time but were not engaged in anti-submarine exercises, Adm. William Fallon, the commander of U.S. Pacific Command, told reporters.

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But they had been, he said, "and if this Chinese sub came in the middle of this, then it could have escalated into something that could have been very unforeseen."

Fallon, who is in Kuala Lumpur for a 23-nation Chief of Defense Forces meeting, gave no other details.

He was commenting on a report on the Washington Times' Web site Tuesday that said a Chinese submarine "stalked" the Kitty Hawk and surfaced within torpedo firing range.

Poisoned Arrows Vs. Machine Guns (NYT)

By Nicholas D. Kristof

The New York Times, November 14, 2006

KOUKOU, Chad

Around this remote market town are janjaweed, the Sudanese-sponsored Arab militias that hunt down black Africans and shoot or rape them. The janjaweed are armed with AK-47s, grenade launchers and heavy machine guns mounted on pickup trucks.

Here in Koukou, the Africans are waiting for the attackers — with bows and arrows.

The international community has shamefully abandoned the people of eastern Chad, allowing the Darfur genocide to spread relentlessly. Incredibly, this year some 15,000 Chadians have sought security by fleeing into Darfur.

So the people in little Chadian towns like Koukou are left to themselves, and they have organized a self-defense force out of the town's 2,000 people. They have 12 hunting rifles, and every man has bows and arrows. Many also carry spears or swords.

It is an astonishing sight in the 21st century: Almost every male you meet here over the age of 12 carries a homemade bow and a quiver of arrows, just in case they come across marauders with machine guns. It is as crazy as it is courageous.

"I will try to defend myself with this bow and arrow," said Muhammad Hamid, a 40-year-old farmer walking down the path by the town. "If I die, that's O.K., but I will try to fight."

Mr. Muhammad gave me a demonstration of his archery and it was, frankly, pitiful. He could fire the arrow only about 50 feet. Another villager sent the arrow only 40 feet.

Yet the villagers are fighting for the lives of their loved ones, and that counts for something. They also apply traditional poison to the arrowheads, and they say that if it reaches the bloodstream it is deadly. In a destroyed village southwest of here, I saw a janjaweed horse that had been killed by a defender's arrow.

The local peasants certainly do better than I do. When I ran into a band of janjaweed yesterday in a burned-out village near here, I fled. The peasants of Koukou stand their ground.

Indeed, the archers of Koukou managed to turn back an attack by the janjaweed over two days in May. One janjaweed fighter they killed carried a Sudanese military identity card — one more indication that Sudan is behind these attacks.

"God gave us help to win," said Muhammad Ibrahim, the chief of the locality, explaining the janjaweed retreat in May. But after a string of attacks on 20 villages in the area over the last 10 days, he now expects another assault on Koukou by the janjaweed.

The townspeople have talked about pulling up stakes and moving en masse, but they have nowhere to go.

The courage of ordinary citizens here offers a pointed contrast to the fecklessness everywhere else. France, the former colonial power here, has troops in both Chad and the Central African Republic — which it seems ready to use primarily to evacuate Europeans as order collapses. (During the Rwandan genocide, France left its local staff to be butchered but took care to evacuate the embassy dog.)

As for the U.S., President Bush has found the courage to do little more than demand that the U.N. do something. Frankly, we should be embarrassed that the mightiest superpower in the history of the world can't summon the gumption of Chadian peasants with bows and arrows.

Already, the U.N. and the major powers have allowed hundreds of thousands of people to be killed in Darfur. Now they seem equally ready to allow the genocide to spread to a far larger area and cause the collapse of Chad and the Central African Republic.

Local Chadians in this region, from the sultan to the homeless people now sleeping under trees, regularly plead for U.N. peacekeepers, or any international intervention.

Here's a suggestion: How about a joint U.S. and French operation to fly sorties, at the invitation of the Chadian government, from the French air base in Abéché, Chad, to strafe janjaweed raiding parties? Most of the janjaweed destroying eastern Chad seem to be Sudanese, guided by some Chadian Arabs who know this territory, and many appear to be in it for the pay and the spoils. Such mercenaries may find it less of an adventure if they risk being gunned down themselves.

In this semidesert land, large bands of janjaweed can be spotted relatively easily. And there is no sovereignty objection in assisting Chad in securing its own territory.

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The people in Koukou and other towns here, with their bows and arrows, have the guts to stand up to genocide. I wish we did.

U.N. Pledges $77M For Darfur Forces (AP-Y)

By Les Neuhaus, Associated Press Writer

AP, November 14, 2006

The United Nations said Monday it has pledged about $77 million in personnel and equipment to help the overwhelmed African Union force in Darfur as Sudan blocks the world body from sending its own peacekeepers to the war-torn region.

The package includes military and police advisers, communications equipment and tools like night-vision goggles, said Hedi Annabi, the U.N. assistant secretary general for peacekeeping operations. It will be given to the African Union as soon as possible.

The aid has been offered because of Sudan's refusal to allow a U.N. peacekeeping force in Darfur, Annabi told reporters.

"That (willingness) is not there today (for a United Nations peacekeeping force), so in the meantime we are looking at ways in which we can move forward by reinforcing (the African Union Mission in Sudan) to enable it to go on with its tasks effectively," Annabi said.

The U.N. Department of Peacekeeping Operations in New York said the Sudanese government initially agreed to allow the United Nations to provide the AU troops with a support package worth about $22 million. Annabi was able to secure the government's agreement to allow the rest of the $77 million aid package to go through in the last few days.

Annabi, who recently visited Sudan, said he will soon start discussions on another support package for the AU force, but he did not say how much that would be worth.

Annabi spoke after a meeting of African Union, U.N. and Sudanese officials to discuss the deteriorating situation in Darfur with the AU's mandate due to expire on Dec. 31.

The U.N. Security Council voted in August to send more than 20,000 peacekeepers to Darfur to replace the ill-equipped and underfunded African Union force, but Sudan has rejected this.

The African Union currently has 7,000 troops in the violence-plagued region to monitor a shaky cease-fire signed earlier this year by the government and one rebel faction.

The announcement came as the U.N. reported nearly 40 civilian deaths in the last few days in attacks in Darfur by Arab militiamen — some of whom were backed by Sudanese military vehicles.

U.N. Secretary-General Kofi Annan and the African Union also have invited representatives from the five permanent members of the Security Council, several African countries, the League of Arab States and the European Union to discuss the deteriorating situation in Darfur, U.N. spokesman Stephane Dujarric said.

Dujarric said Annan would attend the meeting Thursday in Ethiopia, as would representatives from Sudan's government.

The African Union's peace and security commissioner Said Djinnit said the organization's peacekeeping mission needed even more donor support. Some pledged millions a few months ago, but little has been received, he said.

"This is a matter of urgency," he said. "This ad hoc way of funding the mission is unsustainable."

The African Union force has been unable to curb violence in Darfur, where more than 200,000 people have been killed and 2.5 million displaced since the conflict began in February 2003, when ethnic African tribesmen took up arms against the Arab-led government in Khartoum.

U.N. investigators and rights groups have blamed the worst atrocities on the janjaweed, a pro-government militia that is widely accused of killing villagers and destroying their homes. The government denies supporting the militia.

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Associated Press writer Justin Bergman at the United Nations contributed to this report.

Sinn Fein-Unionist Pact Lagging (WT)

By Anthony Healy

The Washington Times, November 14, 2006

DUBLIN -- A deal between Sinn Fein and the Democratic Unionist Party is falling behind schedule, but it still offers hope for a permanent solution to the "troubles" in Northern Ireland.

The St. Andrew's Agreement, concluded last month in Scotland, provides for a power-sharing home-rule government in Belfast and has wide support from both the pro-Irish Catholics, represented by Sinn Fein, and the pro-British Protestants, represented by the DUP.

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The Unionists, however, are refusing to go forward without a firm commitment from Sinn Fein to support and respect the Police Service of Northern Ireland -- a bitter pill for the party to swallow after decades of distrust during struggles between the police and Sinn Fein's allies in the Irish Republican Army.

Sinn Fein is to hold a special party conference to decide the issue, the final hurdle to the restoration of the home-rule government established at Stormont in 1999 and suspended by Prime Minister Tony Blair in 2002. A source close to Sinn Fein said that the most likely date for the conference would be in January.

Sinn Fein leader Gerry Adams indicated during a fundraising event in New York last week that his party would seek some assurances in exchange for the concession. "We are determined to ensure that all elements in policing are accountable. That is the focus of our negotiations with the British government at this time," he said.

Mr. Adam's comments came just days after a human rights group headed by Notre Dame Law School professor Doug Cassel concluded that Northern Ireland police and the British Army were involved in the slayings of 74 Catholics between 1972 and 1977. Mr. Cassel called on the British government to apologize to the families of the victims.

The DUP, for its part, says Sinn Fein's delay in stating its support for the police and the courts has had "clear, adverse implications for the timetable laid out in the St. Andrew's Agreement."

Both parties had been expected to endorse the agreement by last weekend and to make a firm commitment to power sharing -- along with their nominations for the posts of first minister and deputy first minister -- by Nov. 24.

It now appears that the Nov. 24 deadline will not be met, but if Sinn Fein needs more time it will certainly get it. As one Irish politician stated, "The prize is too big."

If the policing issue can be settled, it is expected that elections to the new executive will take place in March.

US Grants Mali 461 Million Dollars For Airport, Irrigation Expansion (AFP)

AFP, November 14, 2006

The United States signed a 461 million dollar aid "compact" with Mali to finance a giant irrigation project and expand the international airport in the poverty-stricken African nation.

US Secretary of State Condoleezza Rice said the grant from the Millennium Challenge Corporation (MCC) was a reward for good governance and a commitment to democracy by the government of Malian President Amadou Toumani Toure.

"The Millennium Challenge Corporation rewards those countries which have demonstrated their commitment to ruling justly," Rice said at a ceremony at the State Department attended by Toure and other senior US and Malian officials.

The bulk of the five-year assistance package will provide 235 million dollars to finance a massive irrigation and modernization program in Mali's Alatona region designed to increase food production and improve land tenure security in an area now dominated by subsistence agriculture, officials said.

Another 90 million dollars will be used to expand the freight and passenger capacity of Bamako international airport, the economic lifeline of the land-locked North African country.

Some 94 million dollars were earmarked for the development of an industrial park near the airport while the remainder of the funds will be spent on management of the projects.

The three projects were developed jointly by US and Malian authorities in what Toure hailed as "a new vision of development assistance".

"These projects are an enormous source of hope for our nation," Toure said, adding that the US-financed programs will boost agricultural production, open Mali to world markets and strengthen its industrial base.

Mali, one of the world's poorest countries with annual per capita income of 380 dollars, is the 10th nation to benefit from grants by the Millennium Challenge Corporation, which was launched by President George W. Bush in 2004 with the stated aim of promoting good governance, economic freedom and growth.

Other recipients are Armenia, Benin, Cape Verde, Georgia, Ghana, Honduras, Madagascar, Nicaragua and Vanuatu.

In all the MCC has signed aid agreements totalling 2.5 billion dollars.

Ambassador John Danilovich, chief executive of the MCC, said the aid program signed Monday "promises to unleash growth in the business and agriculture sectors that will help replace poverty with prosperity for tens of thousands of Malians."

The US and Mali also will collaborate in another way this week, as the US military will start training the army in Mali in anti-terrorism techniques and in peace-keeping operations, the Malian military said.

"The training will take place starting Wednesday or Thursday in (the northern cities of) Timbuktu and in Gao," said Colonel Abdoulaye Coulibaly, spokesman for the Malian army.

Between 300 and 350 Malian soldiers will undergo training for "several weeks," he added.

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The desert north of Mali, vast and difficult to monitor, is an important point of passage for traffickers, especially of weapons, and for terrorist groups active in the Sahara, such as the Salafist Group for Preaching and Combat, an Algerian group having allegiances to Al-Qaeda.

Giant Neighbors Russia, China See Fault Lines Start To Appear (WSJ)

By Guy Chazan

The Wall Street Journal, November 14, 2006

AYATSKOYE, Russia -- When Vladimir Shiryaev bought Ayatskoye, a near-bankrupt farm in the Urals, in 2000, he wondered how he would ever get the harvest in. Most of the local labor force was either too old or too drunk to work.

So he sought rescue from a group of Chinese laborers, led by a woman from Inner Mongolia named Meng Dani. He leased them about 50 acres, and within a few months they were growing tomatoes and cabbages on land that had stood untilled for years.

Mr. Shiryaev is delighted with his hard-working new tenants. "They've got a really serious operation going here," he says. "I really hope they can inspire the locals to work harder." Regional officials are so impressed they're now planning to turn millions of acres of long-uncultivated fields over to Chinese peasants like Ms. Meng.

But among many natives here in Russia's heartland, the idea has proved controversial. "Those farmers are a landing force," says Igor Vyaginsky, a crew-cut local activist from the Movement Against Illegal Immigration with a penchant for military terminology. "They'll establish a bridgehead and then spread out. We could end up losing our territory."

The dispute over Ayatskoye is typical of the tension at the heart of the Russia-China relationship. Russia is finding it hard to cope with the emergence of a new global power right on its doorstep, and many Russians fear being overwhelmed by their dynamic and more-populous neighbor. But on the ground, especially in Russia's sparsely populated countryside, Chinese labor is helping to stave off economic ruin.

To the outside world, Russia and China appear to be cozying up like never before. In October 2004, Moscow ceded territory to its southern neighbor to resolve a longstanding border conflict that had sparked a war in the late 1960s. The following year the two carried out their first-ever joint military exercise. China buys about $1 billion worth of Russian weapons every year, making it the Russian arms industry's biggest customer. Altogether, the two countries' trade was valued at $29 billion last year, an increase of 37% over 2004.

Meanwhile, as China scours the world for energy to power its booming economy, it's increasingly looking to Russia's bountiful reserves of oil and gas. Last week, the Kremlin's oil company, state-controlled OAO Rosneft, pledged to nearly double crude exports to China and said it was teaming up with China National Petroleum Corp. to build an oil refinery and operate gas stations in China.

But China's efforts to strengthen its economic ties with Russia have run into repeated roadblocks. Only one of Beijing's state energy companies has so far succeeded in gaining a stake in a Russian oil field, and only when it agreed to relinquish a controlling stake to Rosneft. Despite years of trying, Beijing has so far failed to secure access to a planned pipeline carrying Siberian crude to the Pacific. Russia, concerned about becoming too dependent on one customer, has refused to commit to building a spur that would link the pipeline to northern China, instead hinting that it will rely on rail shipments -- which are much costlier and less reliable.

Even when the Chinese try to invest in less-sensitive sectors than energy, the relationship can be fractious. In St. Petersburg, Russia's second-largest city, local politicians have campaigned to block a $1.3 billion real-estate development by a conglomerate of five Chinese state-owned companies. The concern: that the 553.5-acre project, which would include housing, schools, hospitals, recreation and retail, would become a "Chinatown"-style enclave for illegal immigrants.

Array of Obstacles

In Blagoveshchensk, a city on the Russian-Chinese border, efforts to build trade have fallen flat. Eleven years after Moscow signed a deal to build a bridge across the Amur River, a vast array of bureaucratic obstacles is still preventing construction -- despite pleas from Beijing to speed things up.

Behind the ambivalence is a fear that once the floodgates are opened, Russia could be swamped by Chinese immigrants. The surrounding tensions over linguistic, cultural and economic differences echo those along the U.S.-Mexico border, where states have to deal with a constant flow of legal and illegal immigrants seeking opportunity. In Russia the concern is heightened by the stark contrast between China's enormous population and Russia's steep demographic decline.

The differences are most palpable in Russia's Far East, a vast region bordering on China that has more than a third of Russia's territory but just 5% of its population -- seven million people. Across the border are China's three northeastern provinces -- Heilongjian, Jilin and Liaoning -- with a combined population of more than 100 million.

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Inevitably, tens of thousands of Chinese migrants are already crossing over to fill the void, some of them settling down and acquiring Russian citizenship. According to the official count, there are about 250,000 Chinese living in Russia. Some Russian academics say they could become the predominant ethnic group in the Far East and eastern Siberia by the year 2025.

Visiting Blagoveshchensk in 2000, President Vladimir Putin warned that if the authorities failed to develop the region, "even the indigenous Russian population will mainly be speaking Japanese, Korean and Chinese in a few decades."

Yet in the countryside and Russia's provincial capitals, the Chinese are often seen quite differently -- as a potential lifeline for an economy desperately in need of extra hands.

One such capital is Yekaterinburg, a big industrial center about 50 miles south of Ayatskoye. Agriculture in the surrounding region has long been in crisis: The rural population collapsed in the 1990s as newly privatized collective farms went bust and men drifted away to find jobs on city construction sites and the oil rigs of Siberia.

Now, says the regional agriculture minister, Sergei Chemezov, one in four farms is bankrupt and more than 10% of arable land -- about 400,000 acres -- is uncultivated. The Yekaterinburg region now has to import 20% of its grain.

"When you fly over China, you can see every inch is farmed," Mr. Chemezov said in an interview in his office, which is decorated with miniature sheaves of corn and a huge stuffed owl. "Then you cross the border and on the Russian side it's just vast emptiness. Terribly sad!"

He sees the solution in imported Chinese labor. Last summer, Mr. Chemezov announced plans to grant millions of acres of land on 49-year leases to any Chinese workers willing to farm it. He has no takers yet, but the Chinese have already installed an agricultural attache at their consulate in Yekaterinburg to help bring Chinese labor to local farms.

The inspiration, says Mr. Chemezov, came from Ayatskoye.

Mr. Shiryaev, the farm's 53-year-old owner, was born in Ayatskoye, when it was a big Soviet collective farm. He recalls a childhood playing soccer, driving tractors and making hay in the sunshine. Communist subsidies for rural areas delivered abundant machinery and fertilizer, free school meals, and teachers from Moscow and St. Petersburg.

The idyll collapsed in 1992, when the farm was privatized and the subsidies evaporated. Ayatskoye's new managers sold off tractors for parts. Peasants slaughtered their cows for food. With no money to buy fuel for planting or harvesting, most of the farm's 10,000 acres of arable land fell out of use. Wages weren't paid, and most of the male population left. "The only people left there now are old women and drunkards," says Mr. Shiryaev.

He moved to Yekaterinburg, where he trained in law, worked as a judge, and established a flourishing legal practice. In 2000, Ayatskoye's managers turned to him in desperation. The farm was virtually bankrupt, they said. Mr. Shiryaev, whose elderly mother still lives there, paid about $25,000 for a controlling stake and set about trying to turn things around.

Finding anyone to run Ayatskoye was hard. He went through four managers in six years. But the lack of manpower was the biggest problem. Of 32 workers, only 15 regularly turned up for work. Many of the rest went off on drunken binges that could last a whole week, he says. Getting the harvest in safely was a heroic achievement. Mr. Shiryaev said he has lent Ayatskoye $100,000 a year since taking it over. Most of the money remains unpaid.

Finding a Solution

Mr. Shiryaev finally found a solution last March. It came from Tagansky Ryad, a huge clothing market in Yekaterinburg that is the hub of the city's Chinatown. There, some 30,000 Chinese traders live and work, many out of primitive metal shipping containers, eating at the Peking Cafe and gambling at the neon-lit Shanghai Casino.

He was approached by Meng Dani, who was at the time selling cheap Chinese coats in Tagansky Ryad. She and some of her fellow traders wanted to branch out into agriculture, knowing they could sell their produce in the market. Mr. Shiryaev says he was immediately interested, because he "knew how hard Chinese people work." So he offered to let them rent 50 acres of land for a nominal fee. They agreed and shortly afterward, 14 of them moved to Ayatskoye.

It was a hard year. The summer was cold and the harvest smaller than they bargained for. None of the workers had any agricultural training and they made a string of missteps, such as trying to grow eggplants -- unsuitable for the harsh Urals climate.

But before long they were growing tomatoes, cabbages and beetroot on the plot and selling it at the local market. Villagers came over to buy their tomatoes. "They were really good, really juicy," says Tatyana Byzova, a technician at the local school. "I don't understand how they managed to grow them without greenhouses."

They plowed their profits back into the farm, buying a second-hand tractor. Mr. Shiryaev gave them wood to build a house to replace their makeshift shacks. Next year he has promised to lease them another 50 acres, and in 2008 another 50.

Mr. Shiryaev hoped their zeal would inspire the locals. So far, it hasn't. "Our people are not prepared to work with their bare hands, with hoes and shovels, 12 to 14 hours a day the way they do," he says. Most prefer, he said, "to find release in the daily festival of vodka."

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Some of the locals object to that characterization. "We're not all lazy here," says Lyubov Rubtsova, a worker in the village clubhouse. "I'd also work hard if I was paid a decent wage."

The Chinese workers' reputation has spread. Area farms and poultry factories, all with their own labor shortage, call almost daily, asking Meng Dani and her team to help out loading trucks and driving tractors. Ms. Meng -- whom the Russians call Tanya -- usually says they're too busy with their own work.

On a sunny day in October, Mr. Shiryaev drove in his silver Toyota Land Cruiser to see the new tenants, who live at the end of an unpaved, potholed road on the fringes of the village, beyond the garbage dump. The men -- all from Jilin in northeastern China -- were welding scrap metal into stoves for greenhouses that the farm recently added, while Ms. Meng stacked Chinese cabbage on the back of a truck.

It had been a frustrating day. She spent most of it trying to find a driver to take her produce to market. "The Russians drink a lot," said Ms. Meng, 33 years old. "They don't want to work." Relations with locals were mostly cordial, she said, although "their cows keep coming over and eating our cabbages."

Mr. Shiryaev chatted with "Tanya" about her plans for the spring. The ranks of new greenhouses spread out to the horizon, alternating with neat rows of cabbages. Mr. Shiryaev looked beyond the patch of land of the Chinese farm, toward long-abandoned fields that are gradually being reclaimed by nature: Weeds, wild fir and pine now stand where wheat once grew. "That land will probably never be farmed again," he sighed.

Mr. Shiryaev got back into his Land Cruiser and drove off to see his mother, Tatyana, a 75-year-old pensioner. Ms. Shiryaeva, who lives in a crumbling workers' apartment block from the 1970s with no indoor plumbing, served a meal of pickled cucumbers, tomatoes and mushrooms and bowls of Siberian dumplings.

After a couple of shots of vodka, she vented her opinion on the Chinese workers her son has brought to Ayatskoye. "They'll make themselves at home and then start lording it over us," she said. "We'll be under their thumb."

Ms. Shiryaeva, a stout, toothless woman in a flower-patterned dress, was also suspicious of the newcomers' farming methods. "They use too much fertilizer," she said. "How else can they get their tomatoes that red?"

Mr. Shiryaev, too, is mindful of the risks of bringing Chinese people to this faraway spot with its villages gradually emptying out of Russians. "If they begin to dominate, this place won't be Russia anymore," he said.

Back in the Chinese colony, Ms. Meng sat in her chilly hut, decorated only with a map of Russia -- in Chinese. To her, Russia is a vast country with a lot of empty territory: If no one else is farming it, why shouldn't she? "I feel so sorry for the land," she said. "There's so much of it, and so little of it is used." Back in her hometown, Hailar, in Inner Mongolia, there's "little land, a lot of people, and no work."

Al-Jazeera Aims For No 'accent' In English (USAT)

By Peter Johnson

USA Today, November 14, 2006

Al-Jazeera, the Arab news network the Bush administration says is a tool of al-Qaeda, will launch Wednesday its English version, which will be available in 70 million households worldwide.

Al-Jazeera International will broadcast from Doha, Qatar, and from bureaus in Kuala Lumpur, Malaysia; London; and Washington, D.C. Cable and satellite distribution deals are expected to be announced today.

Programs will include talk and feature shows and several daily newscasts featuring live reports from the four regions with "different cultural views of the day's events," says Will Stebbins, AJI's Washington bureau chief.

"There's an appetite for international news that doesn't come from a specific national perspective," he says. "We're not going to have any accent."

Dave Marash, a former ABC Nightline correspondent who'll co-anchor a daily newscast, says Al-Jazeera got a black eye from the Bush administration for airing Osama bin Laden videotapes and live reports from Fallujah, Iraq.

Al-Jazeera reported news in both cases, he says, and its journalistic "aspirations, tactics and techniques" are like those of any mainstream news outlet. "No holds barred, political ideology, party affiliation. When people actually see the product, I think a lot of that (criticism) is going to go away."

The White House issued a tepid welcome. "A free press has the responsibility to report news responsibly and accurately, and we work with all outlets that do so," spokeswoman Dana Perino said.

In the USA, most cable firms have refused to give AJI channel space, which means, for now, AJI will primarily be available at English.aljazeera.net.

That will limit Al-Jazeera's reach, says Tom Rosenstiel of the Project for Excellence in Journalism. The Web "is the technology of the future, but it remains to be seen what kind of impact that can have as a platform for a largely TV-driven product."

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Mr. Putin's Legacy (NYT)

The New York Times, November 14, 2006

The Russian Constitution limits a president to two terms, which would mean a natural conclusion to Vladimir Putin's presidency in 2008, and so far, Mr. Putin says he will abide by the legal limit. But there are growing calls — spontaneous or orchestrated by the Kremlin — to change the Constitution.

Given his sway over the Russian Parliament, Mr. Putin would have no trouble warping the Constitution. It would be a tragic mistake. History will judge him by how well he helps Russia move from its totalitarian past to a democratic future. His record is not encouraging.

Mr. Putin likes to boast about Russia's economy, which will grow — thanks to high oil prices — at 6.6 percent this year. Russia has paid off almost all of its Soviet debt, and life is improving. All of this has made Mr. Putin very popular with Russians. But many of them seem unconcerned about their declining freedoms. The government has muscled out independent news media and jailed political rivals, and never stops trying to muffle groups that do not follow the Kremlin line.

At his latest three-hour town meeting, Mr. Putin was lionized. Arkady Kokayev, a truck driver, phoned in to ask, "What will happen to us and this country after you leave?" Mr. Putin assured him that all would be well, and that while he would respect the Constitution, he would still "influence the life in our country" after leaving office.

That is an admirable pledge. We hope for the sake of Russia's democracy that he will keep it.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

US Argues For Indefinite Detention Of Terror Suspects. The AP (11/14, Apuzzo) reports, "Immigrants arrested in the United States may be held indefinitely on suspicion of terrorism and may not challenge their imprisonment in civilian courts, the Bush administration said Monday, opening a new legal front in the fight over the rights of detainees." The AP continues, "In court documents filed with the 4th U.S. Circuit Court of Appeals in Richmond, Va., the Justice Department said a new anti-terrorism law being used to hold detainees in Guantanamo Bay also applies to foreigners captured and held in the United States." The AP adds, "Ali Saleh Kahlah Al-Marri, a citizen of Qatar, was arrested in 2001 while studying in the United States. He has been labeled an 'enemy combatant,' a designation that, under a law signed last month, strips foreigners of the right to challenge their detention in federal courts. … That law is being used to argue the Guantanamo Bay cases, but Al-Marri represents the first detainee inside the United States to come under the new law. Aliens normally have the right to contest their imprisonment, such as when they are arrested on immigration violations or for other crimes." The AP notes, "The new law says that enemy combatants will be tried before military commissions, not a civilian judge or jury, and establishes different rules of evidence in the cases. It also prohibits detainees from challenging their detention in civilian court. … In a separate court filing in Washington on Monday, the Justice Department defended that law as constitutional and necessary. … Government attorneys said foreign fighters arrested as part of an overseas military action have no constitutional rights and are being afforded more legal rights than ever."

McClatchy Newspapers (11/14, Rosenberg) reports, "The Bush administration Monday defended a new law that strips enemy combatants at Guantanamo Bay of recourse to traditional civilian court challenge, setting the stage for a U.S. Supreme Court showdown." McClatchy continues, "In a brief, the Justice Department argued at the U.S. Court of Appeals for the D.C. Circuit that the U.S. district courts must close the files of several hundred habeas corpus petitions because the

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new Military Commissions Act eliminated their jurisdiction. … Attorneys for many of the 440 or so captives, some approaching five years held without charge at the remote U.S. Navy base in Cuba, argue the law is at odds with a fundamental, constitutional right to file a writ of habeas corpus - their right to challenge their detention before a civilian judge." McClatchy adds, "Once the three-court appeals panel rules, both sides anticipate an overarching constitutional challenge of the new federal law to go before the Supreme Court, which earlier backed certain detainee rights in a series of rulings. … The brief signed by Solicitor General Paul Clement argues that Congress 'unambiguously' stripped the U.S. district court of that right in the new legislation, which President Bush signed on Oct. 17. … 'Because there can be no question that Congress has eliminated district court jurisdiction,' Clement writes, 'petitioners are left to argue that the Act is unconstitutional. These arguments are without merit.' … Rather than have traditional review, he adds, Congress gave the circuit appeals court - the same venue deciding the constitutionality of the law - the power to review an enemy combatant's classification."

British Officials Says Al Qaeda Sought WMD. The AP (11/14, Stringer) reports a senior British diplomat warned Monday that "Islamic extremists, including members of al-Qaeda, have tried to acquire chemical or radiological weapons to use in attacks against Britain and other Western targets." Britain's Foreign Office "has evidence of efforts by the terror groups to purchase chemical, biological, radiological and nuclear materials for use in attacks," the diplomat said. In particular, the Foreign Office is "concerned over the potential access terrorists could have to substances with legitimate uses that could also be used to create weapons and biological agents like smallpox or anthrax," the official said.

CIA Admits Existence Of Interrogation Documents. The Washington Post (11/14, A29, Eggen, 690K) reports, "After years of denials, the CIA has formally acknowledged the existence of two classified documents governing aggressive interrogation and detention policies for terrorism suspects, according to the American Civil Liberties Union. But CIA lawyers say the documents -- memos from President Bush and the Justice Department -- are still so sensitive that no portion can be released to the public." The disclosures, made Friday in a letter from John L. McPherson, the CIA's associate general counsel, to attorneys for the ACLU, came in response to a lawsuit filed by the group "in US District Court in New York two years ago under the Freedom of Information Act, seeking records related to US interrogation and detention policies."

Levin Pledges To Investigate CIA Renditions Program. The Financial Times (11/14, Sevastopulo, Dombey) reports, "Carl Levin, the incoming chairman of the Senate armed services committee, on Monday pledged to scrutinise the Central Intelligence Agency renditions programme. … While Congress has enacted legislation aimed at preventing abuses of detainees, there has been relatively little public scrutiny of the renditions system itself." Levin said he was "not comfortable with the system" and that it may have "cost us some real allies, as well as not producing useful information."

DOJ Seeks Tougher Sentence For Ressam. The Seattle Times (11/14, Carter) reports, "The judge who sentenced Ahmed Ressam to 22 years in prison should be ordered to impose a stiffer sentence on the man who planned to blow up holiday travelers at Los Angeles International Airport, a Justice Department lawyer argued Monday." The Times continues, "U.S. Attorney John McKay, in the unusual appeal, said U.S. District Judge John Coughenour had abused his discretion, failed to justify the sentence and misused Ressam's sentencing to criticize U.S. policy about having terrorism suspects held indefinitely or tried before secretive military tribunals. … 'These are reversible errors,' McKay told a three-judge panel of the 9th Circuit Court of Appeals convened in Seattle. If the sentence stands, Ressam 'will be released in 15 years, leaving him, if he chooses, to rejoin his al-Qaida comrades when he is 54 years old,' McKay said." The Times adds, "Ressam's attorney, Federal Public Defender Thomas Hillier, when questioned by Judge Pamela Ann Rymer, agreed that Coughenour needs to justify the length of the 22-year sentence to comply with case law and sentencing guidelines. … 'We can't tell why he picked that number,' Rymer said." The Times notes, "It will be many months before the case is decided. The U.S. Supreme Court last week agreed to hear two cases, about sentencing discretion, that may affect the circuit court's decision. … Ressam was arrested Dec. 14, 1999, in Port Angeles as he drove off a ferry from Victoria, B.C., in a rental car packed with

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explosives. The Algerian refugee later admitted he had been recruited by al-Qaida and trained at Osama bin Laden's terrorism camps in Afghanistan. … He was convicted in April 2001 of nine federal felonies, including conspiracy to commit an act of international terrorism. A month later, he began to cooperate with law enforcement."

Miller Testifies Salah Was "Boasting," "Jaunty" During Israeli Interrogation. In a widely-distributed story, the AP (11/14, Robinson) reports, "Former New York Times journalist Judith Miller testified Monday that she saw no evidence that a grocer charged with providing money and recruits to Palestinian terrorists had been tortured when she secretly witnessed his interrogation by the Israelis in 1993. 'He was boasting. He was jaunty. There was no reason to believe that he had been subjected to that kind of treatment,' Miller, who was the Times' Cairo bureau chief at the time, testified for the prosecution at Muhammad Salah's trial." The AP adds, "Miller said she was taken to the interrogation center because the Israelis wanted her to write about Salah. He allegedly had already confessed that money to finance Hamas was coming out of the United States." Miller "said she was initially skeptical and believed that Salah might have been tortured into making such statements." The Chicago Tribune (11/14, Coen, 617K) notes, "Lawyers for Salah and co-defendant, Abdelhaleem Ashqar, questioned her credibility given the controversies surrounding her reporting on the war in Iraq, among other things."

In Light Of FBI Agent's Testimony, Judge Rules Terror Suspect Waived Rights. The AP (11/14, Neumeister) reports, "An FBI agent testified Monday that a jazz musician and martial arts expert looked as though 'he'd been caught with his hand in the cookie jar' when he heard his voice on government audio tapes in a terrorism case. U.S. District Judge Loretta A. Preska used the testimony by the agent, Brian Murphy, as a basis to reject defense arguments that Tarik Shah never waived his rights before making statements and briefly cooperating with the government after his May 2005 arrest." The AP adds, "Shah's lawyer, Josh Dratel, said statements and other evidence obtained after his arrest should be suppressed because he never signed a waiver of his rights, including the right to remain silent and to speak with an attorney. Murphy, though, testified that Shah waived his rights orally and followed up the words with actions, including going to Baltimore, where FBI agents had arranged for him to have a taped telephone conversation with another target of the investigation."

US Denies Padilla Torture Claims. The AP (11/14, Anderson) reports, "Federal prosecutors on Monday denied claims by suspected al-Qaida operative Jose Padilla that he was tortured during his 3 1/2 years in military custody as an enemy combatant. In papers filed in federal court, prosecutors said Padilla provided no evidence to back up his claims and urged that the case against him not be dismissed based on his allegations. They insisted that Padilla was treated humanely" and noted that he was provided with "halal food, some outdoor exercise and medical attention when necessary. Prosecutors said Padilla never made any abuse claims while in military custody." The New York Sun (11/14, Gerstein) adds, "The prosecution did not address directly one of Padilla's most inflammatory claims, namely that a military team forcibly drugged him with 'a sort of truth serum,' possibly LSD or PCP." In yesterday's filing, "prosecutors suggested that Padilla pursue a civil suit for damages if he believes he was tortured by the military."

HOMELAND RESPONSE:

US Charges California Man With Mailing Threatening Letters To Politicians, Celebrities. The AP (11/14) reports from Los Angeles, "A man was arrested and accused of mailing threatening letters laced with white powder to Congresswoman Nancy Pelosi, TV talk show host David Letterman and other high-profile figures, the FBI announced." The AP continues, "FBI agents took Chad Conrad Castagana, 39, into custody Saturday on charges of conveying false information and sending threats via the U.S. mail, the bureau said in a statement Sunday. … Castagana, of Los Angeles, was being held in a federal detention center pending an initial court appearance Monday, when prosecutors were expected to file charges." The AP adds, "Authorities claim he mailed threatening letters to House speaker-in-waiting Pelosi, Letterman, New York Senator Charles Schumer, Jon Stewart of Comedy Central's 'The Daily Show' and MSNBC host Keith Olbermann. … Some letters included phrases like 'Death to Demagogues' and pictures of victims of the 2004 Asian tsunami, authorities said. … While the FBI is still trying to identify the white powder,

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preliminary tests revealed it does not pose a biological hazard."

Roll Call (11/14, McArdle, Kane) reports Chad Castagana appeared in a Los Angeles federal district court Monday "to face charges of sending threats via US Mail after federal investigators linked him to 17 letters sent over a roughly two-month span that contained threatening statements and various amounts of baking soda, Ajax, laundry detergent and other white powders that could have been mistaken for anthrax." The letters, which were sent to likely Speaker Nancy Pelosi, Sen. Charles Schumer "and a host of liberal-leaning media figures" were not sent to Capitol Hill, but have renewed "focus on Congressional mail screening procedures five years after letters containing anthrax were sent to two Senate offices, leading to the deaths of five people and temporarily shutting down the Capitol complex."

WAR NEWS:

Bush Meets With Iraq Study Group, Dismisses Democratic Pullout Plan. President Bush's meeting with his Iraq Study Group is being portrayed as a reaction to the midterm elections – with Republican losses blamed on the Administration's Iraq policies. NBC Nightly News (11/13, lead story, Williams, 9.87M), for example, reported, "Analysts have all told us the central message that voters seemed to be sending on election day all across this country was that a new policy is needed for the war in Iraq. The day after the vote, Defense Secretary Rumsfeld was out. Today it became clear it won't stop there. A special commission formed by Congress a while back is readying its report on Iraq." Similarly, the Los Angeles Times (11/14, Richter, 850K) says "the administration strained to chart a new direction for Iraq in response to a growing antiwar sentiment. Last week's midterm election, which analysts said showed a deep dissatisfaction with White House policies on the war, has increased the pressure."

Media coverage of the day's debates on Iraq is generally negative toward the White House. The CBS Evening News (11/13, lead story, 2:40, Couric, 7.66M), in a report typical of the tenor of the coverage, reported, "Just about everyone agrees Iraq is a mess. The question now is: Can the President and the new Congress led by the Democrats agree on how to get out of it? The Democrats want a phased withdrawal. The President has been dead set against that," but "he did say it's time for a fresh perspective." CBS (Axelrod) added, "About a week ago, the Bush administration's public stance on Iraq was absolutely winning, if you will, full speed ahead. It seems to be full speed ahead on finding a way out of the mess in Iraq." The "Baker-Hamilton commission" spent "eight hours…at the White House today, their first stop, a sit-down with the President and Vice President." The White House "says this was a discussion, not a deposition. No policy alternatives were exchanged by either side. The President always says he changes according to conditions on the ground and what he thinks those conditions are."

On PBS's News Hour with Jim Lehrer (11/13, 7:15 p.m.), Sen. Carl Levin echoed that theme, saying, "The President just a few weeks ago said that we absolutely are winning in Iraq; that is not facing reality at all. The Vice President said just a few weeks ago we should go full-steam ahead with our policy in Iraq; that is not reality either. Our policy is not working in Iraq. We've got to change course. This whole mantra about staying the course, staying the course, and if you suggest anything else, you're somehow or another unpatriotic, you're cutting and running, that no longer works, because the American people resoundingly rejected that kind of a stay-the-course approach."

ABC World News (11/13, lead story, 2:40, Raddatz, 8.78M) reported, "The ten members of the bipartisan Iraq Study Group gathered at the White House today, peppering the President and his team with question for nearly 90 minutes. … A White House official says the group asked questions about the security situation and reconstruction in Iraq. Careful, said the official, not to reveal the final recommend recommendations that will come from the ISG. Another official familiar with the Iraq Study Group tells ABC News that the members of group 'shake their heads at some of the policy decisions that have been made.'"

ABC World News (11/13, story 2, 1:30, Karl, 8.78M) also reported, "As high as the expectations are elsewhere for this group to come to some kind of a solution for Iraq, the expectations are quite low among senior military officers. The big problem is this group doesn't have much in the way of military experience. If you look at the ten commissioners, only one has ties to the military, former Defense Secretary Bill Perry. But by and large, this is a group with not much in the way of military ties, and senior military officers don't think they're going to get a new strategy, a military strategy out of a group like that." Fox News' Special Report (11/7, Baier) was less negative when it reported that "analysts say the Iraq Study

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Group won't have all of the answers, but could have suggestions to help move the Iraqi political and economic process along." Michael O'Hanlon, Brookings Institution: "I don't think any of them are going to be silver bullets. A couple of ideas include, for example, let's create more jobs in Iraq. Let's try to have a nationwide job public works program, sort of like FDR in the 1930s in the US not so much for the economic value of those jobs, but to get people off the street."

USA Today (11/14, Kelley, 2.27M), analyzing the possible recommendations from the ISG, quotes former Sen. William Cohen, who served as Defense secretary during President Clinton's second term, "There are no good options, so the question becomes, what are the best of the bad ones?" The Christian Science Monitor (11/14, Grier, 59K) notes members of the ISG "were to interview British Prime Minister Tony Blair on Tuesday via videoconference."

The White House's dismissal of a Democratic call for a phased pullout from Iraq was also criticized – and portrayed as a reversal of previous statements urging Democratic input. NBC Nightly News (11/13, lead story, Gregory, 9.87M) said, "The White House has made it clear that the President's open to a major course correction on Iraq but today, the White House also resisted Democratic calls for a gradual troop pullout." Bush was shown saying, "I believe it is very important, though, for people making suggestions to recognize that the best military options depend upon the conditions on the ground." But "the conditions, Democrats answered, are getting worse." Sen. Carl Levin said, "It is less likely that the Iraqis will take the important steps to reach political compromise if they believe that we are simply there in an open-ended way." NBC added, "After first saying it wanted ideas from Democrats on Iraq, today the White House suggested they were merely floating slogans." Tony Snow, White House Press Secretary: "As far as trying to get me to again respond to something that is an idea, but it's a caricature of a plan because it doesn't have any meat and bones on it."

The AP (11/14, Raum, Flaherty) reports Bush "had stern words for the Democrats, less than a week after they won control of both chambers of Congress in midterm elections in which the Iraq war figured prominently."

The Washington Times (11/14, Dinan, 88K) reports Bush faces "the election results and emboldened Democrats," and "is trying to keep control of the debate while still being open to suggestions from the soon-to-be new majority party on Capitol Hill."

On PBS's News Hour with Jim Lehrer (11/13, 7:13 p.m.), GOP Sen. Chuck Hagel said, "We don't have many options in Iraq right now, and the options we do have are pretty limited. That's just the force of reality that's in play. And we have to be mindful of that reality, not just from the electoral, the political reality, but what's going on in Iraq. We're in a lot of trouble in Iraq, and I believe there is a civil war raging in Iraq. And we have got to be wise now in what course we move toward over the next few months."

On CNN's Lou Dobbs Tonight (11/13, 6:33 p.m.), GOP Rep. Duncan Hunter (R) said, "[N]o matter what the Iraq Study Group does, we're basically in the second phase of a three-phase plan that we've used in nations around the world for 60 years. … And lastly, the third phase is, the Americans leave. Everything depends right now…on the standing up of the second phase, that is, the Iraqi military. And that has to -- when the Iraq Study Group comes in with their recommendation the next day, the American trainers in Iraq will walk out to their jobs and they will continue to train those Iraqi battalions. So that still has to be done. … [W[e're in phase two right now and so the idea that somehow somebody's got to be fired, I think that was some of the thinking that the country experienced with respect to Secretary Rumsfeld."

Murtha Touts Plans To Push For US Pullout From Iraq. On the CBS Evening News (11/13, story 2, 2:45, Couric, 7.66M) last night, anchor Katie Couric interviewed Democratic Rep. Jack Murtha, who discussed his plans to push for the withdrawal of US troops from Iraq and Democratic priorities such as rewriting the Medicare prescription drug law. Couric did not ask Murtha about the leadership race, nor did she ask questions about the criticism of Murtha's ethics. Couric reported that Rep. Murtha "told me that he intends to press harder than ever for an American troop pullout from Iraq." Rep. John Murtha: "We are caught in a civil war and I am absolutely convinced there's no alternative; we have lost the hearts and minds of the people, 70 to 80 percent of the Iraqis want us out of there. Most of the American public wants us out of there. We are spending $8 billion a month, Katie. And we need to start to redeploy our troops and that will increase stability of what the White House says." Couric: "When you say 'redeploy,' you are talking about complete withdrawal?" Rep. John Murtha: "Complete redeployment of our troops out of Iraq over a period of time. They have no incentive to take over their own destiny. I think that's the first step in solving this problem." Couric: "What

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about those who say if US forces leave en masse that the country will descend into further chaos?" Rep. John Murtha: "They say they have more confidence in their own forces and police and military. So I don't agree with that." Couric: "Now that the Democrats consider taken over both houses of Congress, what are they really empowered to do in terms of foreign policy, Congressman?" Rep. John Murtha: "Let me tell you, every solution, everything we look for has to become about with the Iraqi war, $8 billion a month, $11 million an hour, the people say they want Medicare to be changed. The drug program changed, educational benefits to be improved. None is that is going to happen until we stop spending $8 billion a month." Couric: "You were called a Defeatocrat, a liberal turncoat. John McCain said you had become too emotional, the Chairman of the Joint Chiefs of Staff said your comments were damaging to troop morale. Did you feel vindicated last Tuesday?" Rep John Murtha: "I did because I saw the difference when I first spoke out and most of the American public disagreed with the position, most public agrees we have to do something, change the direction of this country. We have to reduce the spending. We have to change our priorities in this country and I think the President is going to recognize that and we are ready to work with him."

Senate Armed Forces Hearing On Iraq Could Help Set Stage For 2008. The New York Times (11/14, Nagourney, 1.16M) reports that as "it was in the 2006 midterm elections, Topic No. 1 for the opening stage of the 2008 presidential campaign is the war in Iraq. The Senate Armed Services Committee is holding a hearing tomorrow on Iraq and Afghanistan. The committee's members include the widely perceived front-runners in both parties, Senators Hillary Rodham Clinton of New York and John McCain of Arizona." Among the panel's Democrats are Sens. Evan Bayh, "who is almost certain to run for president," and Sen. Joseph I. Lieberman, "probably the strongest advocate of the war in his party. This committee provided Mrs. Clinton the forum this summer in which she excoriated Defense Secretary Donald H. Rumsfeld for 'incompetence in executing the war.'" The New York Times (11/14, Stolberg, 1.16M) runs another story in which it says that on Wednesday, "the committee will hear testimony from Gen. John P. Abizaid, the top military commander in the Middle East."

McCain An "Army On One" In Calling For Boost In Iraq Troop Levels. The New York Times (11/14, Broder, 1.16M) reports that on Iraq, Sen. John McCain is "virtually an army of one. Nearly alone among major political figures in calling for an increase in American forces in Iraq, Mr. McCain is either taking a principled stand or a huge political gamble. Or both." A majority of Americans "now say they think invading Iraq was a mistake and would like to see the withdrawal of at least some of the nearly 150,000 troops there, polls say. Only one in seven Americans agrees with Mr. McCain that the United States should send more soldiers and marines. Even President Bush and Vice President Dick Cheney, who assert that victory is the only acceptable outcome of the war, have not dared publicly to advocate additional deployments." But McCain "has all but announced his intention to run for president, and his position on Iraq could be a major complication for him, particularly if violence there continues to grow and American casualties mount." McCain "contends that the war in Iraq is worth fighting and is worth winning. He has said consistently from the start of the conflict that the only way to prevail is to send enough soldiers to do the job. His current proposal is to send 20,000 additional troops in hopes of bringing Baghdad and the restive western provinces under control." McCain says the "alternative…is humiliation for the United States and disaster for Iraq."

More Commentary. In his Wall Street Journal column (11/14), Bret Stephens says, "Today, the elder Mr. Bush is being celebrated as a foreign-policy sage whose adroit stewardship of the world stands in flattering contrast with current management." Incoming Defense Secretary Robert Gates, "along with Bush 41 hands James Baker and Larry Eagleburger of the Iraq Study Group, are now supposed to play the part of the posse come to the rescue of the wayward son. Newsweek even commissioned a poll that found that '67% favor Bush Senior's internationalist approach to foreign policy over his son's more unilateral course.' Curiously, a similar percentage of Americans voted for someone other than Mr. Bush during his 1992 re-election bid. So it's worth reprising just what his 'internationalist approach' achieved, and where it failed." Stephens critiques the Bush '41 record on Israel, the dissolution of Yugoslavia and the Soviet Union, and the failure to support the Iraqi Shiites after the '91 Gulf War. None of this "is to say that Mr. Gates is merely an avatar of Bush the Father, much as his nomination is being played that way in the media, or that he hasn't learned from past mistakes. But critics of the current administration and the 'disaster' visited on Iraq by neoconservative ideologues might usefully reflect on the previous disasters visited by the non-ideologues on Iraqis, Croats and Bosnians, among others sacrificed in the name of prudence."

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In the Washington Post (11/14, 690K), columnist Michael Kinsley writes, "The chance that this group of aging white men, plus Vernon Jordan and Sandra Day O'Connor, will come up with something original is not enormous. It's a nutty and not very attractive idea to turn an urgent issue of war and peace over to a commission. Commissions have usually been trotted out for long-run social problems: immigration, debt, health care. ... Baker is essentially a political operative. His place in history is Florida 2000, where he secured the presidency for George W. Bush. Reporters were awed by his brilliance and ruthlessness. History may be less admiring of his willingness to make inconsistent arguments and to lie with a straight face. ... People like Baker always favor a bipartisan consensus. They don't really believe in politics, which is to say they don't really believe in democracy."

On Fox News Special Report (11/7) Roll Call editor Mort Kondracke said that Sen. Carl Levin's proposal is "more pressure." Kondracke: "The Administration has been applying a lot of pressure on the Maliki government to shape up, to and it did in fact Maliki did announce that he's going to shake up his cabinet, but he's going to get the militias under control, he's going to achieve national reconciliation and those things he has not done. And what Levin seems to be doing is to underscore that by starting withdrawals, you know, as of a not fixed time. Because he says in there, there's the line, four to six months after the President says that we're going to do that." Fred Barnes, Weekly Standard: "I hope it doesn't come to a point where they actually have to start the withdrawals, that would be a huge mistake. We have to win there. It would be so disastrous for the Middle East, the world, the United States, and withdrawing is withdrawing even, you know, starting with, what 30,000, 40,00 troops, I think, would be a huge mistake"

Gunmen Kidnap More Than 100 From Iraqi Research Institute . On its Web site, BBC News (11/14) reports, "Gunmen in military-style uniforms have kidnapped more than 100 men from a research institute belonging to Iraq's higher education ministry. A ministry spokeswoman said the gunmen arrived in new pick-up vehicles and stormed the ministry's Research Directorate in central Baghdad. … Correspondents say many Iraqis believe mass kidnappings like this latest incident are committed by members of the Shia Muslim-dominated security forces or take place with their collusion."

Abizaid Urges Maliki To Disband Shiite Militias. The Washington Times and Washington Post, among other newspapers, run an AP (11/14, Hurst) reporting, "The US Central Command chief confronted Iraq's prime minister on Monday over how Iraqi forces would halt raging violence and signaled a possible prelude to shifts in American policy on engaging Iran and Syria." The meeting came "as sectarian attacks killed at least 90 people throughout Iraq, 46 of them showing signs of torture. The U.S. military announced the deaths of four additional American soldiers." Gen. John Abizaid "sternly warned Prime Minister Nouri al-Maliki that he must disband Shiite militias and give the United States proof that they were disarmed, according to senior Iraqi government officials with knowledge of what the two men discussed."

The New York Times (11/14, Tavernise, Mizher, 1.16M) reports Abizaid and Maliki also "discussed the 'influence of the neighboring countries on the security situation,' according to a statement from the prime minister's office. The reference was to Syria and Iran, which the Bush administration has accused of providing financing and weapons to militias in Iraq."

US Officers Says Sunni Needs Have Not Been Met. USA Today (11/14, Vanden Brook, 2.27M) reports, "The Shiite-dominated central government is starving Iraqi security forces in the Sunni heartland of the resources needed to fight the insurgency, according to American officers. ... Winning over Sunnis is critical to achieving a political solution to the violence in Iraq. Retribution killings between the two Muslim sects have been growing this year. The dispute in Anbar highlights a growing fear among Sunnis that the government isn't sincere about helping them."

Four More US Soldiers Killed In Iraq. NBC Nightly News (11/13, story 2, Williams, 9.87M) reported "the US military announced the deaths of four more American soldiers" in Iraq, "two yesterday and two today. Also today scores of Iraqis were killed, at least 12 of 20 of them in a bus bombing in a Shi'ite neighborhood in Baghdad."

US Bishops Urge "Responsible" Pullout From Iraq. The Baltimore Sun (11/14, Kay, 257K) reports Bishop William S. Skylstad, the president of the US Conference of Catholic Bishops, "called Monday for dialogue and action on a responsible transition in Iraq, a statement quickly affirmed by the national group's members at their fall

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meeting." Under the headline "US Bishops Call For 'Responsible' Iraq Withdrawal," USA Today (11/14, Grossman, 2.27M) reports the statement says, "Our nation should look for effective ways to end (troops') deployment at the earliest opportunity" consistent "with contributing to a responsible transition"

The Washington Post (11/14, A15, Cooperman, 690K) notes Bishop Skylstad said that "the United States should keep its troops in Iraq only as long as they are contributing to a 'responsible transition' to Iraqi rule." Skylstad added "both the US bishops and top Vatican officials sharply questioned the decision to invade Iraq in 2003. As a result of the invasion, he said, the United States now has 'additional moral responsibilities' to help Iraqis secure and rebuild their country." The statement "came as the Bush administration and the soon-to-be Democratic-controlled Congress reexamine US policy in Iraq, and as the bishops primarily are focused on internal church matters, including deep cuts in their budgets and staffs."

Afghan Suicide Attacks Linked To Pakistan. In a front page article, the New York Times (11/14, A1, Gall, 1.16M) reports Afghan and NATO security forces have identified a "trail of organizing, financing and recruiting…bombers who have carried out a rising number of suicide attacks in Afghanistan [that] traces back to Pakistan." Meanwhile, "A senior United States military official based in Afghanistan agreed for the most part," saying, "The strong belief is that recruiting, training and provision of technical equipment for I.E.D.'s in the main takes place outside Afghanistan." The Times says the charge "is in fact one of the most contentious that Afghan and American officials have leveled at the Pakistani leadership" and "continues to divide Afghan and Pakistani leaders, even as the Bush administration tries to push them toward greater cooperation in fighting the Taliban."

CORPORATE SCANDALS:

High Court Will Not Hear Qwest Case Involving Privilege Protections. The AP (11/14) reports, "The Supreme Court on Monday refused to consider a case in which Qwest Communications International Inc. had been ordered to produce 220,000 pages of documents to shareholders in a civil securities fraud lawsuit." The AP continues, "Qwest attorneys had argued the documents were protected by attorney-client and work-product privilege. … Many shareholders involved in the lawsuit reached a $450 million class action settlement with Qwest, but claims are pending against former Chief Executive Officer Joseph Nacchio and former Chief Financial Officer Robert Woodruff." The AP adds, "The 10th U.S. Circuit Court of Appeals upheld a lower court's decision that the company waived its privilege when it gave the documents to the Securities and Exchange Commission and Justice Department. … The shareholders sued the company in 2001, about a year before the Securities and Exchange Commission and the Justice Department opened separate investigations into accounting improprieties that eventually led Qwest to remove billions of dollars in improperly reported revenue from its books."

Audit Sparks Scrutiny Of DaimlerChrysler Executives. The Wall Street Journal (11/14, A17, Power, Rauwald) reports, "The suspension of several DaimlerChrysler AG executives, following an audit that disclosed what the company called irregularities at its commercial-bus business, is generating fresh scrutiny of the auto maker's internal-control and accounting mechanisms." The Journal continues, "DaimlerChrysler, the world's fifth-largest auto maker by vehicle sales, said it detected the irregularities 'in the context of a routine investigation of its own business.' As a result, the company suspended an unspecified number of executives, effective immediately. A company spokeswoman said the number of employees suspended is in the 'single-digit' range. … The spokeswoman declined to describe the nature of the alleged irregularities." The Journal adds, "The auto maker also said the head of its bus operations, Wolfgang Diez, had resigned for 'personal reasons' but declined to elaborate. Mr. Diez couldn't be reached. … The disclosure marks the second time this year DaimlerChrysler has publicly acknowledged having to take disciplinary action against employees as a result of possible ethical lapses within its business units. In March the company said it had dismissed or suspended several employees after an internal bribery probe found the company made 'improper payments' in Africa, Asia and Eastern Europe. As previously reported, the U.S. Justice Department is conducting a criminal investigation into the bribery allegations and whether senior executives were aware of the practice, and the U.S. Securities and Exchange Commission is pursuing a parallel civil inquiry. … The

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DaimlerChrysler spokeswoman said the new actions aren't related to the bribery probe."

Wynn Resorts' CEO Gains $147 Million Dividend Windfall. The Wall Street Journal (11/14, A3, Sanders) reports, "Wynn Resorts Ltd. Chairman and Chief Executive Steve Wynn stands to reap about $147 million from the company's decision to issue a one-time special dividend of $6 a share." The Journal continues, "Flush with roughly $1.4 billion in cash, Wynn Resorts declared the dividend -- its first since going public in 2002 -- to holders of shares of record as of Nov. 23. The total payout will amount to about $660 million. The company will pay the dividend Dec. 4. … 'We have so much excess cash and had the opportunity to return capital to shareholders,' Mr. Wynn said in a telephone interview from Macau." The Journal adds, "Much of Wynn's cash on hand is a result of a $900 million windfall from the sale of a casino license in Macau to Australia's Publishing & Broadcasting Ltd. this year. Mr. Wynn opened his own casino in the Chinese enclave of Macau in September. The company also operates a namesake casino-resort in Las Vegas. Wynn Resorts shares jumped almost 8% on the news. .. .Mr. Wynn owned 24.5 million shares of the company, or roughly 24.2%, according to the company's most recent proxy filing. His Japanese partner in Wynn Resorts, Kazuo Okada, owns the same amount through a holding company. Each stands to reap about $147.3 million from the dividend. … For Mr. Wynn, the payday is about the same amount that he was forced to forgo last month when he was involved in a bizarre accident involving valuable art. In a much-publicized incident, Mr. Wynn, an art collector, accidentally tore a hole in the canvas of Pablo Picasso's 1932 painting 'Le Rêve,' which he was showing off to guests at the Wynn Las Vegas. Unfortunately, Mr. Wynn had agreed to sell the painting for $139 million to investor and art collector Steven Cohen. The sale was subsequently called off. … When asked if there was a correlation between the canceled sale and the dividend, Mr. Wynn said, 'There is no connection whatsoever; that's a calculation I never came up with.'"

Charges May Be Tossed In Enron Broadband Case. The Houston Chronicle (11/14, Hays) reports, "The government has conceded that four of five federal convictions against the former finance chief of Enron's long-defunct broadband unit should be tossed aside because they won't stand up on appeal, according to court papers." The Chronicle continues, "If U.S. District Judge Vanessa Gilmore follows the government recommendation and throws out those counts, Kevin Howard would face a maximum of 10 years in prison rather than 30 — and that's if she upholds the fifth count. … The government said in a filing that a flawed theory presented by prosecutors may have prompted jurors to convict Howard on four counts of conspiracy and wire fraud, so they should be vacated." The Chronicle adds, "Howard's lawyers say the fifth conviction of falsifying books and records also was tainted and should be thrown out. Prosecutors disagree, saying it stands apart from the other counts and should stand. … 'It's great news for Kevin,' Jim Lavine, one of his attorneys, said Monday of the government's concessions. 'It would be even better news if the judge grants it on all five counts.' … The Justice Department didn't respond to requests for comment. Gilmore has yet to rule. Howard is slated to be sentenced in February." The Chronicle notes, "Last May, a jury convicted Howard, 44, of the five counts for his role in a deal where Enron sold future profits in a video-on-demand deal to an investor so the energy company could book immediate earnings. Prosecutors said the deal was a sham because Enron promised to repay the investor. … Howard's co-defendant, former in-house accountant Michael Krautz, was acquitted of the same charges."

Former Enron Employees Flourish By Capitalizing On Alumni Links. The Wall Street Journal (11/14, C1, Davis) reports, "Enron is dead. Long live Enron. … Five years after the Texas energy-trading giant collapsed, the traders behind some of Enron Corp.'s brashest efforts to carve out new markets are pushing further into those frontiers." The Journal continues, "Enron alumni have joined hedge funds and trading operations capitalizing on fast-growing commodity markets that the company once dominated or helped develop, from its stronghold of natural-gas and power trading to experimental futures markets in pollution-emission credits and weather contracts. A few Enron refugees have even joined industrial or consumer-goods firms, where they negotiate contracts to reduce the risks of volatile energy, food and raw-materials prices." The Journal adds, "The growth of commodity markets popularized by Enron, and the ability of its veterans to raise money in budding areas, is to some a validation of at least part of the company's model: trading commodities of all kinds. … Before imploding amid accounting-fraud accusations, Enron plowed big sums and talent into markets criticized after its fall as quixotic or a distraction from its core business of transporting and selling

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energy. It even had investigated whether it could launch movie-box-office futures as a way for studios to manage the risks of a big flop, a former Enron executive who panned the idea recalls. … While most markets besides gas and power weren't big moneymakers for Enron, ex-traders today are piggybacking on the company's early investments in everything from pulp-and-paper products to coal trading. And they are finding their background a selling point, much as the collapse and bankruptcy of junk-bond pioneer Drexel Burnham Lambert launched dozens of careers elsewhere in the 1990s."

Apple Hires IBM Attorney To Fill GC Vacancy. The Wall Street Journal (11/14) reports, "Apple Computer Inc. said it hired Donald J. Rosenberg from International Business Machines Corp. as senior vice president and general counsel, filling a post vacant since the spring." The Journal continues, "Mr. Rosenberg had spent more than 30 years at IBM, most recently as the technology giant's senior vice president and general counsel. Before taking over IBM's legal department in January, Mr. Rosenberg was assistant general counsel for litigation and was responsible for IBM's interaction with government regulatory agencies. He also served as IBM's lead in-house counsel in a number of lawsuits and settlements. … 'We're thrilled to welcome such a seasoned professional to our executive team,' said Apple Chief Executive Steve Jobs in a press release. 'Don has a broad range of experience that includes litigation, securities, intellectual property and antitrust, and he will be responsible for overseeing all legal matters and government affairs for Apple.'" The Journal notes, "Nancy Heinen, Apple's former general counsel, left the Cupertino, Calif., company in May, not long before it announced 'irregularities' in options grants from 1997 to 2001. … The appointment comes as Apple faces legal challenges amid problems with past stock-option grants. The company said last month that Mr. Jobs, a tech-industry icon, knew that Apple manipulated some of its stock-option grants, citing the conclusions of an internal probe that found 15 instances of improperly backdated options and raised "serious concerns" about the conduct of two former Apple executives."

WPost Suggests Restricted Stock Instead Of Backdated Options. The Washington Post (11/14, 690K) editorializes that the latest options scandal "involves the practice of granting executive options on a day chosen retrospectively for the cheapness of a company's shares. … There's nothing wrong with such grants if they are disclosed properly. But frequently they haven't been. So far, more than 160 companies have been embroiled in the backdating scandal. More than 50 senior managers have been ousted, including, most recently, Bruce E. Karatz, chief executive of KB Home, a home-construction company, who will forfeit ill-gotten gains of about $13 million." The Post concludes, "If the ousting of executives provokes mixed feelings, what of reforms that might prevent abuses? Backdating was partly a way of granting executives 'in-the-money' options -- ones that grant the right to buy a share for less than its current value -- without having to report them as an expense. … [I]t's still fair to ask whether the use of executive options should be reined in, if not by regulation then at least by company directors. Because options are opaque, they invite abuses. Why not give managers a stake in their company by granting them restricted stock instead?"

CRIMINAL LAW:

Judge Allows Libby To Use Classified Evidence. The New York Times/AP (11/14, Press) reports, "Classified information will be crucial evidence in the C.I.A. leak trial and the special prosecutor, Patrick J. Fitzgerald, went too far in his proposal to limit its release, a federal judge ruled Monday. The defendant in the case, I. Lewis Libby Jr., former chief of staff to Vice President Dick Cheney, is accused of lying about his conversations with reporters about a Central Intelligence Agency operative Valerie Wilson. … Judge Reggie B. Walton of Federal District Court said that Mr. Libby had a right to use some classified material at trial in January and that Mr. Fitzgerald's proposed redactions were too restrictive."

The AP (11/14, Apuzzo) reports, "Walton said he isn't going to give Libby a free pass to allow all classified information into court. He said the two sides must balance Libby's need to defend himself with the government's need to protect sensitive material — a compromise that he believed could be achieved."

Judge Says Gonzales Must Approve Sentencing Request For Aryan Brotherhood Leaders. McClatchy Newspapers (11/14, Edds) reports, "Four Aryan Brotherhood leaders who used an elaborate communication network to order murders and incite race

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wars to bolster the gang's control in prison should spend the rest of their lives cut off from almost all human contact, federal prosecutors said Monday." McClatchy continues, "Brotherhood chief Barry 'The Baron' Mills, top lieutenant Tyler 'The Hulk' Bingham and midlevel leaders Edgar 'Snail' Hevle and Christopher Gibson were convicted in July of conspiring from behind bars to order the murders of rival gang members to protect their nationwide extortion, gambling and drug-traffic operation. … All four men, already serving time for other crimes, face life in prison without the possibility of parole." McClatchy adds, "Mills, Bingham and Hevle appeared in federal court briefly Monday to be sentenced for their role in the conspiracy. Gibson, who is recovering from back surgery, did not appear. … U.S. District Court Judge David O. Carter called the proposed conditions - which would keep the men from seeing or talking to anyone other than their attorney – 'tantamount, if not worse, than death.' … In court papers filed last week, Assistant U.S. Attorney Stephen Wolfe also asked that the men be banned from having any writing instruments and papers and barred from having books, magazines and other reading materials unless they came directly from the publisher. … 'These are horrendous conditions,' Carter said. 'There is no human contact.' … Carter refused to consider the restrictions without the signature of U.S. Attorney General Alberto Gonzales. He also asked for assurances from the U.S. Bureau of Prisons that they are up to the costly task. Sentencing was postponed until Nov. 21."

The AP (11/14, Flaccus) reports, "A judge postponed the sentencing of four leaders of the Aryan Brotherhood prison gang Monday, saying that any request by prosecutors to bar the defendants from receiving visitors, letters or phone calls behind bars must come from the U.S. attorney general himself." The AP continues, "The four men were convicted of murder, conspiracy and racketeering in a case aimed at dismantling the Aryan Brotherhood, a white supremacist organization accused of dealing drugs and spreading terror inside some of the United States' most dangerous prisons. … Prosecutors asked U.S. District Judge David O. Carter to bar the defendants from communicating with anyone but their attorneys. The government also asked that the convicts be prevented from keeping writing implements, paper or previously used reading material in their cells, but federal prosecutor Stephen Wolfe said he would drop that request." The AP notes, "Inmates subjected to similar restrictions include convicted Unabomber Ted Kaczynski, Sept. 11 figure Zacarias Moussaoui and Ramzi Yousef, mastermind of the 1993 bombing of the World Trade Center. … 'If you're really serious about this ... the attorney general is going to make the specific request of this from the court,' Carter said."

Norfolk Shipyard Heir Sentenced In Child Porn Case. The Virginian-Pilot (11/14, McGlone) reports, "Willoughby Warren Colonna IV, heir to a shipyard worth millions, was sentenced Monday to 17 1/2 years in prison for possessing and sharing child pornography." The V-P continues, "A federal court jury convicted Colonna in August on 10 child pornography charges, including advertising on the Internet movies depicting girls, one younger than 5, having sex with an adult. … Colonna, 26, known as Bill or Billy, testified during his trial that he had no idea his computer contained child pornography. … FBI agents, however, told the jury that Colonna admitted the images and movies were his when they raided his parents' Chesapeake home in the summer of 2004." The V-P adds, "Family members wept in the courtroom as U.S. District Judge Robert G. Doumar handed down the sentence, which fell at the low end of federally recommended guidelines but above the mandatory minimum sentence of 15 years. … The evidence at trial showed that Colonna had 400 videos on his computer that depicted prepubescent children in sexually explicit scenes, including one child younger than 5. … Assistant U.S. Attorney Michael C. Moore told the judge that Colonna could have made it easier on himself. … 'This could have been a different story had he come in and pled guilty and said, "I've got a problem and I need help,"' Moore said. 'That's not the case here.' … Colonna was sentenced under the federal Protect Act of 2003, which toughened child pornography and sexual abuse penalties, including mandatory minimum prison terms of 15 or 20 years for certain offenses."

DOJ Study Examines Extent Of Internet Pornography. The San Jose Mercury News (11/14, Ackerman) reports, "A confidential analysis of Internet search queries and a random sample of Web pages taken from Google and Microsoft's giant Internet indices showed that only about 1 percent of all Web pages contain sexually explicit material." The News continues, "The analysis was presented during a federal court hearing last week in Philadelphia in a suit brought by the American Civil Liberties Union against Attorney General Alberto Gonzales and obtained on Monday by the Mercury News." The News adds,

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"The ACLU said the analysis, by Philip B. Stark, a professor of statistics at the University of California, Berkeley, did not appear to substantially help the Department of Justice in its effort to prove that criminal penalties are necessary to protect minors from exposure to sexually explicit information on the Internet. … The Justice Department had commissioned the study as part of an effort to resurrect the Children's Online Protection Act, which was signed by President Clinton in 1998, but immediately challenged by the ACLU." The News notes, "A federal district court in Philadelphia and a federal appeals court found the law to be unconstitutional. In June 2005, the Supreme Court upheld the ban on enforcement of the law but sent the case back to district court for more fact finding regarding Internet filters. … Stark's study found that only 6 percent of all queries returned a sexually explicit Web site, despite the consistant popularity of queries related to sex. It also found that the filters which did the best job blocking sexually explicit content also inadvertently blocked lots of content that was not explicit. … Government witnesses argued that while the percent of sexually explicit Web pages was small, it still amounted to a huge number. 'A lot of sexually explicit material is not blocked by filters,' Stark wrote in the conclusion to his study."

Albany Real Estate Investor Pleads Guilty To Fraud In FBI Probe. The Albany Times Union (11/14, Lyons, 100K) reports, "Aaron R. Dare, a real estate investor who was once widely regarded as a visionary and rising star in Albany's minority community, pleaded guilty Monday to felony fraud charges in U.S. District Court as part of a sweeping FBI investigation of his troubled business dealings. Dare, 37, who was accused of driving the now-defunct Urban League of Northeastern New York into financial ruin in 2001, has been plagued for years with allegations of underhanded business dealings, mismanagement of his rental properties and a series of unpaid debts." The Times Union notes, "The FBI investigation blew open last year when federal agents raided the downtown office of Dare and his former business partner, Albany Police Detective Kenneth P. Wilcox, who died in an April car crash while on duty. … Meanwhile, a federal grand jury is continuing to investigate multiple real estate transactions involving Dare and his business associates, according to a source familiar with the case."

The Albany Business Review (11/13) reported, "Dare pleaded guilty to one count of wire fraud and one count of causing false statements to be made to obtain loans to purchase the Hinckel Brewery Apartments…in Albany, the Olde Franklin School Apartments…in Schenectady and the Historic Pastures Village Apartments in Albany, according to the U.S. Justice Department. Dare also pleaded guilty to conspiring with another person to commit wire fraud as part of a scheme to defraud private mortgage lenders to obtain loans to buy various residential properties in and around Albany."

The North Country (NY) Gazette (11/14) reports, "Dare's plea related to financing agreements he made for the purchase of residential properties in Albany and Schenectady. He pleaded guilty to one count of wire fraud and one count of making a false statement in order to obtain loans to purchase the Hinckel Brewery Apartments at 201 Park Ave., Albany; the Olde Franklin School Apartments at 1675 Ave. B in Schenectady and the Historic Pastures Village Apartments between late 2000 and August 2002. … He also admitted to conspiring with another person to commit wire fraud as part of a scheme to defraud private mortgage lenders to obtain loans to buy various residential properties in and around Albany." The Gazette adds, "The U.S. Justice Department said that Dare prepared and executed promissory notes in the amount of $1.8 million and $700,000 between his company, Emerge Real Properties LLC; the mortgage lender, AMI Capital Inc. of Bethesda, Md., and HUD, to falsely make it appear to AMI and HUD that Dare and/or Emerge had approximately $2.5 million in equity and credit to apply towards purchasing the properties. DOJ said that Dare had neither the equity nor credit."

Four National Guardsmen Plead Guilty To Wire Fraud. KCAL-TV, CBS 2, Los Angeles (11/14) reports, "Four National Guard members from the Southland who served together in Iraq pleaded guilty to federal charges for an embezzlement scam that cost the Army more than $340,000 in unauthorized pay, federal authorities said Monday." KCAL-TV continues, "Derryl Hollier and Luis Lopez of Los Angeles, Jennifer Anjakos of Chula Vista and Lomeli Chavez of Oceanside each pleaded guilty to one count of conspiracy and one count of wire fraud, according to the U.S. Justice Department." KCAL-TV adds, "Prosecutors say the four were members of the 223rd Finance Detachment, which processes pay for Army National Guard members. They were deployed together to Iraq from March 2004 to February 2005, when they returned to Compton, according to the government. … From March to December last year, an

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unnamed co-conspirator accessed a Defense Department computer that processed payroll, according to court documents. The co-conspirator entered more than $340,000 in unauthorized pay and entitlements for himself and the defendants, the court papers state. … Hollier, Lopez and Anjakos then kicked back at least $150,000 of the money to the co-conspirator, according to the government. … The four are set to be sentenced Jan. 29, when they face up to five years in prison and a fine of as much as $250,000."

Noe Convicted In Ohio Coin Scandal. The AP (11/14, Seewer) reports that Tome Noe, a coin dealer and former GOP fundraiser, was convicted of "embezzling from a rare-coin investment fund in a scandal that contributed to the rout of Ohio's Republican Party on Election Day." He was "convicted of 29 of the 40 counts against him, including theft, corrupt activity, money laundering, forgery and tampering with records." The AP adds, "Noe, 52, was accused of using some of the money to pay off business loans and finance a lavish lifestyle. Prosecutors did not say whether he used the money to make campaign contributions to Republicans, including President Bush."

Noe Trial Damaged Republican Electoral Chances In Ohio. The Washington Post (11/14, Slevin, 690K) reports, "Noe's trial, with its vivid testimony of lined pockets and bogus transactions, made headlines in the three weeks before Election Day. The details -- starting with the very idea of investing $50 million in rare coins -- provided fodder for Democratic advertisements and voter angst. The damage to the chances of Republicans, who held every statewide office before last week's vote cost them a seat in the U.S. Senate, as well as the governor's chair, was significant even before the 12 jurors and four alternates took their seats in the courtroom.

Former Investigator Says Intelligence Agencies Repeatedly Missed Pollard Red Flags. UPI (11/14, Waterman) reports, "The Navy counter-intelligence officer who garnered a confession from Israeli spy Jonathon Pollard says that U.S. agencies missed a forest of red flags about him and risk repeating the same mistakes today they made more than 20 years ago." In his new book, "Capturing Jonathon Pollard," Ron Olive says "that administrative convenience and bureaucratic bungling allowed Pollard to be recruited and promoted despite being 'a dreamer, a fantasist,' who repeatedly exhibited behavior that should have barred him from working for any U.S. government agency." UPI notes, "Olive also recounts how FBI agents interrupted his interrogation of Pollard after he had begun confessing. … An FBI spokesman told UPI that the policy was based on U.S. Supreme Court rulings that arrestees have to be taken before a court within 'a reasonable period' of time. 'I've had the same thing happen to me (during an investigation),' said the Bureau's Michael Brooks, 'and it's frustrating. But those are the rules.'"

Meanwhile, the Jerusalem Post (11/14) reports, "According to new evidence released by the FBI on Monday, Jonathan Pollard not only passed classified information on to Israel, but also to Pakistan and Australia. In a presentation given by FBI agent Ronald Olive…it was revealed that Pollard was also involved illegally in arms sales to Taiwan, France, Kenya, Afghanistan, and Argentina." The Post adds, "Olive also said the FBI had initially believed Pollard was spying for the Russians, and that they'd had no idea at the time that Israel was involved or that Pollard was even Jewish."

High Court Reinstates Death Sentence. The Los Angeles Times (11/14, Savage, 850K) reports, "The Supreme Court, reversing the US 9th Circuit Court of Appeals, restored the death sentence today for a Central California man who robbed and brutally killed a young woman 25 years ago." The justices, in a 5-4 decision, "concluded that jurors who decided the fate of Fernando Belmontes had weighed all the evidence -- good and bad -- before condemning him to die for murdering 19-year-old Steacy McConnell in Victor, Calif."

The Washington Post (11/14, A8, Barnes, 690K) reports, "Yesterday's 5 to 4 decision was the second time the fate of Fernando Belmontes reached the Supreme Court, and once again the justices sent it back to the California-based US Court of Appeals for the 9th Circuit, saying the appeals court had misinterpreted the high court's rulings in overturning Belmontes's death sentence."

The New York Times (11/14, Greenhouse, 1.16M) says "no one at the court on Monday could remember a term that began with a 5-to-4 decision." But "while this decision might, on the surface, suggest that the current court is on the way toward setting a record for internal division, that is not necessarily the case. A more likely explanation is that much of the majority opinion was in fact drafted last spring, before the court agreed to hear California's appeal." The Times adds, "In overturning his death sentence through a writ of habeas corpus, the United States Court of Appeals for the

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Ninth Circuit found there was a 'reasonable probability' that the jury did not realize that it could take into account Mr. Belmontes's evidence of his likely behavior as a prisoner." Justice Kennedy's majority opinion "said the Ninth Circuit was mistaken. He said that various comments by the trial judge 'made it clear that the jury was to take a broad view of mitigating evidence.'" Chief Justice John G. Roberts Jr. and Justice Samuel A. Alito Jr. "joined the opinion along with Justices Scalia and Thomas." In dissent, Justice Stevens "said the record showed 'that confusion pervaded every aspect' of the sentencing hearing, including the catch-all factor. All participants in the hearing were "addled," he added. Justices Stephen G. Breyer, Ruth Bader Ginsburg and David H. Souter joined the dissent."

The AP (11/14, Sherman) reports, "Belmontes beat Steacy McConnell to death with a dumbbell bar in the burglary of her home in 1981. He was convicted of the crime and sentenced to death, a decision upheld by state courts and a federal judge. … The 9th U.S. Circuit Court of Appeals, however, twice commuted the sentence. The second time was after the Supreme Court told it to reconsider Belmontes' sentence under a decision that restored the death penalty in another California murder case. … The appeals court said the trial judge misled jurors about whether they could consider the prospect that Belmontes could live a productive life behind bars based on his good behavior during an earlier commitment to a California correctional facility for youth. … 'It was mistaken ... to find a "reasonable probability" that the jury did not consider respondent's future potential,' Kennedy wrote in his majority opinion. Chief Justice John Roberts and Justices Samuel Alito, Antonin Scalia and Clarence Thomas joined Kennedy's opinion."

Federal Monitor Alleges Illegal Kickback Scheme At UMDNJ. The New York Times (11/14, Chen, Mansnerus, 1.16M) reports, "Nearly a year after avoiding prosecution for Medicaid fraud by consenting to have a federal monitor investigate its finances, the University of Medicine and Dentistry of New Jersey is engaging in 'illegal activity' that 'persists to this day,' according to a report from the monitor released on Monday." Federal Monitor Herbert J. Stern's "report also accused the university's interim president, Bruce C. Vladeck, who was appointed by Gov. Jon S. Corzine in the spring to restore credibility, of 'trying to refute, rebut and bury' information about violations of anti-kickback laws." The Times adds, "The report charged that university officials at 'all levels' were 'complicit' in concocting an illegal plan to pay 18 cardiologists nearly $6 million, starting in 2002, to refer their patients to the university's hospital, in violation of federal law. … The cardiology kickback scheme led to $36 million in illegal Medicare and Medicaid payments that the school may have to repay, along with $43 million in potential fines and penalties, the report said."

The Cherry Hill Courier Post (11/14, Walsh) reports "In a statement, UMDNJ said it was 'moving as quickly as we can' to confirm Stern's new assertions 'and to put an immediate stop to any violations we find.' UMDNJ denied any deliberate effort to hide the payments. Instead, it said, attorneys for UMDNJ 'clearly erred' in failing to tell the monitor about a $2.2 million settlement of a whistleblower's lawsuit over the payments." Meanwhile, US Attorney Christopher J. Christie "said his office 'will be addressing remediation of that situation (the possible violation of the 2005 agreement) with the monitor and other interested parties in the very near future.'" The AP (11/14, Parry) notes that "Stern reported that cardiologists were essentially given no-show teaching jobs…at salaries of $150,000 or more for referring heart patients to the school." Additionally, "University officials paid $2.2 million to settle a whistleblower's lawsuit, but the payout wasn't reported to the monitor or properly authorized by the school." UMDNJ spokeswoman Anna Farneski said in a statement "that the university's counsel failed to tell the monitor and UMDNJ management about the settlement but that no effort was made to conceal it."

The Philadelphia Inquirer (11/14, Shiffman, 385K) reports, "Asked about the scandal yesterday, Gov. Corzine…backed Vladeck. 'I know Dr. Vladeck is someone who has worked very hard to get control of an institution that pretty clearly, as this whole new revelation would indicate, was out of control,' Corzine said. Christie, however, declared that UMDNJ's leadership had failed 'to get a handle on the problems that beset that organization.'"

Goya Painting Stolen In Transit To NYC Exhibit. The New York Times (11/14, Lee, 1.16M) reports Goya's "Children With a Cart" was "stolen on its way from the collection of the Toledo Museum of Art in Ohio to a major exhibition that opens on Friday at the Solomon R. Guggenheim Museum, the two institutions announced yesterday." It "was stolen in the vicinity of Scranton, Pa., while in the care of a professional art transporter." The museums' "statement urged people with information about the theft to

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contact the Philadelphia division of the F.B.I. at (215) 418-4000. 'We're hoping that we're going to get a number of tips,' Jerri Williams, a spokeswoman for the Philadelphia F.B.I. division, said. 'To vet the tips, we've decided to release as few details as possible. If that doesn't provide fruitful information, of course, we'll provide more details.'" The New York Sun (11/14, Hope) also reports that Williams "said the details of how the painting was stolen, and when, wouldn't be released until later this week. FBI agents want to determine how reliable tips are by the level of detail they include about the theft, she said." The Sun notes, "The FBI has a special art crime team comprised of 12 special agents."

New York Brothers Charged In Antiques Theft Spree. The Buffalo News (11/13, Fischer) reported, "It started in Palmyra with a whale's tooth and a tourism map of antique shops in upstate New York. It grew into a criminal case so large that the FBI has been called in to help local police comb through hundreds of artifacts stolen from dozens of antique shops, historical societies and other loosely supervised public places in two states." Brothers Kenneth, Michael and Roy Ortiz, of Orleans County, N.Y., "are accused in this roadshow crime spree. All three were charged with fourth-degree criminal possession of stolen property; Kenneth and Michael remain in Orleans County Jail." They "admitted to hitting 200 to 500 sites during the last 18 months…investigators said."

Reputed Genovese Capo Acquitted Of Obstruction Charges. The New York Daily News (11/14, Zambito, 729K) reports, "A reputed high-ranking Genovese crime family capo was acquitted yesterday of obstruction-of-justice charges stemming from an FBI probe into a corrupt bus drivers union. After nine days of deliberations, jurors in Manhattan Federal Court deadlocked on racketeering conspiracy charges involving Ciro Perrone, the 85-year-old owner of the Ozone Park, Queens, Italian eatery Don Peppe. Prosecutors say they will try Perrone again."

Judge Sentences Alleged Sliwa Shooter To 20 Years In Prison. The New York Daily News (11/14, Zambito, 729K) reports, "Curtis Sliwa brushed away tears yesterday as a judge sentenced a Gambino thug he long wanted to see behind bars to 20 years in prison. Jurors may have cleared Michael Yannotti in the 1992 point-blank shooting of the radio host -- but Manhattan Federal Judge Shira Scheindlin refused to show the Mafia muscle any mercy as she sent him up the river on an unrelated racketeering count. Sliwa was shot twice as he tried to dive out the window of a stolen yellow cab whose doors had been rigged shut. Scheindlin made clear she still believes Yannotti was the triggerman." The Daily News notes, "After watching crime boss John Gotti Jr. score three mistrials for his alleged role in the shooting, Sliwa said it was the first time he'd felt a measure of justice for the attack he says wrecked his second marriage and left him with intestinal injuries that cause him suffering every day."

Miami Gang Member Commits Suicide During Armed Standoff. The Miami Herald (11/14, Dellagloria, Ovalle, 286K) reports, "After holing up inside a South Miami-Dade home for eight hours and spraying officers with fire from an assault rifle, Eusebio Estrada was found dead, apparently of a self-inflicted gunshot wound. A member of the gang known as TOYS, he was 19." He "kept at bay scores of heavily armed officers, rooftop snipers and military Black Hawk helicopters on loan from the nearby Homestead Air Reserve Base." The Miami-Dade "Special Response Team -- aided by the FBI's SWAT team -- tried negotiating, to no avail." The Herald notes, "The drama started Saturday, when Estrada and Samuel Mendoza, 21, were accused of firing at Florida City police while escaping in a black Chevy Tahoe. … No officers were hurt," and "a tip brought police to Mendoza's house Monday morning."

Philadelphia Drug Dealer Convicted Of Murdering Witness. The Philadelphia Inquirer (11/14, Shaw, 385K) reports, "The third time was not lucky for Felix Summers. After two mistrials, the 25-year-old former South Philadelphia drug dealer was found guilty yesterday of first-degree murder in the 1999 shooting death of a woman who was a potential witness against him in another homicide. … Because he was 17 when the crime occurred, he will receive an automatic life sentence when formally sentenced on Dec. 13 by Judge Carolyn Engel Temin." The Inquirer notes that the murdered witness, Charlotte Presley, "had told police two months before she was murdered that she saw Summers pull the trigger in the Jan. 12, 1999, drive-by shooting death of John Niles, 19. … Summers, previously on the FBI's most-wanted list, had been acquitted of Niles' slaying when that case came to trial in 2000 and was also acquitted of another

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slaying -- the August 2001 drive-by shooting death of Veronica Rios, 15."

Ohio Bank Official Charged With Embezzlement. The AP (11/14) reports, "A vice president at KeyBank has been arrested on a charge that he embezzled $29 million from the Cleveland-based banking company, the FBI said Monday." The AP continues, "David Francis Verhotz, 56, was arrested Saturday at Cleveland Hopkins International Airport after getting off a flight from Dallas. Verhotz is a senior vice president and director of the international division of KeyBank." The AP adds, "FBI special agent Scott Wilson said the scheme occurred from January 2004 to the present. Verhotz was to make an initial appearance in U.S. District Court on Monday afternoon."

Gutierrez Urges PRC To Toughen Piracy Crackdown. The AP (11/13, Hutzler) reports, "U.S. Commerce Secretary Carlos Gutierrez urged Beijing on Tuesday to toughen a crackdown on pirated goods and other copyright infringements, saying failure to do so could fuel an American backlash against trade with China. Despite Chinese progress in protecting intellectual property rights, Gutierrez said U.S. Customs agents seized more counterfeit goods from China than all other countries combined. To turn the tide, Gutierrez said China needs to attack the criminal gangs that are behind the manufacture and trade of most pirated goods. He also called on Beijing to amend laws to make it easier to allow criminal prosecution of infringements against intellectual property…and to step up cooperation with international law enforcement.

Suit Claims Maryland Fails Poor With Lack Of Bail Hearing Counsel. The Baltimore Sun (11/14, Garland) reports, "Maryland is violating the rights of the poor by failing to provide them with taxpayer-funded lawyers at bail hearings, according to a suit filed on their behalf Monday by a Baltimore law firm." The Sun continues, "The class-action suit filed by Venable, LLP targets procedures at the crowded Baltimore Central Booking and Intake Facility but has broader ramifications for jails throughout Maryland, lawyers say." The Sun adds, "In Maryland, suspects make initial appearances before appointed district court commissioners who decide whether to set bail, and, if so, how much it should be. No formal legal training is required to become a commissioner. … 'This lawsuit breaks new ground because it's the first time a lawyer has argued that the right to counsel extends to the initial appearance,' said Douglas L. Colbert, a professor at the University of Maryland School of Law. A clinic he runs at the law school is assisting with the case." The Sun notes, "The suit argues that, under the Maryland Public Defender Act, those charged with crimes are entitled to counsel at 'all stages' of a criminal proceeding -- including the initial bail hearing. Those who can't afford a lawyer should be represented by a public defender, the lawsuit says. The state should also ensure that private lawyers -- who are sometimes kept out of the hearings because of security or space concerns -- also have access, Colbert said. … Criminal suspects who are not represented at such hearings are 'less likely to be released on their own recognizance, more likely to have higher and unaffordable bail, and more likely to pay the expense of a bail bondsman's non-refundable fee to regain their freedom,' the suit states."

CIVIL LAW:

Arizona Dairy Farmer Sues US Over Milk Cooperative Law. The Arizona Republic (11/14, Wong, Carr) reports on Arizona dairy farmer Hein Hettinga, who founded "Yuma-based Sarah Farms, one of the largest and most innovative private dairy operations in the country. … Now, 12 years after building his dairy business into a proverbial cash cow, Hettinga finds himself waging war against big-dairy lobbyists, high-profile lawmakers and the federal government." The Republic continues, "At 64, the Dutch immigrant said he's simply defending his family business, preserving competition in the dairy industry and trying to keep milk prices low for consumers. His critics counter that Hettinga had long exploited a federal loophole that gave him an unfair leg up on his competitors. … The self-proclaimed black sheep guides his milk through all stages of production, from his dairy cows to his bottling plants to supermarket shelves. That enables him to cut out the middleman, reduce costs and pass those savings to his customers. And, of course, make a tidy profit. … Because of his producer-distributor status, Hettinga was able to take advantage of a technicality in Depression-era federal regulations. Those rules require milk processors who do business in certain geographic markets to pay into a revenue pool shared among farmers who own the region's dairy cooperative. … Cooperatives help stabilize the dairy market, guaranteeing farmers a place to sell their perishable products

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at a fixed price. That helps avert price wars and milk dumping. … Some big processors, such as Shamrock Farms, use milk from their own dairies. But they also buy milk from cooperative farmers, meaning they're still subject to federal regulations. … Hettinga bottles only his own milk, which makes him exempt." The Republic notes, "When Hettinga began seizing a larger share of the market, the $27billion-a-year dairy industry struck back. This past spring, its most powerful members successfully lobbied Congress to support legislation targeting Sarah Farms. … The Milk Regulatory Equity Act, introduced by Republicans Rep. Devin Nunes of California and Sen. Jon Kyl of Arizona, essentially forces the Yuma farm to pay its competitors through the local dairy pool. … Sarah Farms is the only U.S. business that falls within a narrow category of dairy operations targeted by the law: Arizona producer-distributors who turn out more than 3million pounds of milk per month. … And on Sept. 21, Hettinga and his wife, Ellen, sued the federal government in U.S. District Court, claiming the legislation singles out Sarah Farms and has caused the company considerable financial loss."

CIVIL RIGHTS:

DOJ Brokers Settlement Over Philadelphia EMT Treatment Of AIDS Patients. The AP (11/14) reports, "The city settled a lawsuit Monday that accused Philadelphia officials of failing to comply with an earlier settlement over the treatment of AIDS patients." The AP continues, "In September 2004, the Justice Department intervened in a lawsuit filed by an AIDS patient alleging that emergency medical technicians employed by the city refused to give him proper care." The AP adds, "The suit charged that two paramedics failed to help John Gill Smith, then 38, when they responded to a call in February 2001 that Smith was having severe chest pains. Smith's partner told the emergency workers that Smith had AIDS so they would know his health history. … One paramedic left the house with her shirt collar pulled over her face and did not return, while the other shouted at him, 'Cover your face, or I'm not going to help you! If you cough on me, I can get AIDS,' according to a statement from the AIDS Law Project of Pennsylvania, a nonprofit group that first filed suit over the issue in 1993." The AP notes, "Under the terms of Monday's settlement, pending approval by a federal court, Philadelphia will pay Smith $50,000 in damages and provide city-employed paramedics with ongoing training on infection control and HIV and AIDS transmission. … Wan J. Kim, who heads the Justice Department's civil rights programs, said that vital emergency medical services must be provided in a nondiscriminatory manner to everyone who needs help. … 'The Justice Department is committed to ensuring that cities carry out this important function responsibly and in accordance with federal law.'"

The Philadelphia Inquirer (11/14, Slobodzian), reports, "Under the agreement, the city denied violating any laws and said it settled to avoid the 'expense and inconvenience of further litigation.' … In addition to the $50,000 for Smith, the city will provide mandatory semiannual training on HIV/AIDS and infectious diseases for all city paramedics and emergency medical technicians. … For three years, the city will submit for court review documentation showing that the training was provided."

LAPD Under Fire For Another Arrest Videotape. The Los Angeles Times (11/14, McGreevy, Winton) reports, "The LAPD on Monday was grappling with another controversial videotaped arrest, this one showing an officer shoving a handcuffed suspect into a patrol car, then leaning in with a can of pepper spray to douse the man's face before shutting the door." The Times continues, "The arrest occurred last year on the Venice boardwalk and was the subject of a lengthy LAPD investigation. But the tape was not revealed publicly until Monday by an attorney in an interview with The Times. … A source familiar with the investigation said top LAPD brass were 'livid' after reviewing the incident, which also prompted a prominent police watchdog to call on the department to develop strict rules on when officers can use pepper spray on handcuffed suspects." The Times adds, "The officer who used the pepper spray resigned from the department before the investigation was completed. After reviewing the tape, the city attorney's office dropped charges that the suspect resisted arrest and committed battery on a police officer. … The suspect is identified in police reports as Benjamin Barker, a transient who frequents the Venice beach area. … Barker was arrested after getting into a scuffle with a merchant on the boardwalk. He pleaded guilty to misdemeanor battery on the shopkeeper."

LATimes Says Video Technology Furthers Debate On Policing. In an editorial, the Los Angeles Times (11/14, 850K) writes of the Cardenas arrest video, "Today, any bystander is likely to be reasonably proficient with a cellphone

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camera and to have the know-how…to post the images on YouTube. That makes certain subjects, like arrests, more likely to be captured and displayed repeatedly. … That's mostly a good thing. Public confidence in the police requires monitoring outside the regular channels of self-review, and technology has democratized the process." The Times adds, "The last word on the Cardenas arrest will remain with the LAPD, the FBI and the courts. But the last word on how Los Angeles is policed, which tactics are acceptable and which are beyond the pale, and whether the LAPD's 'warrior culture' has been sufficiently channeled belongs to the broader community. Consumer technology has made it possible for more members of that community to take part in the debate."

DOJ Asked To Probe Lake Charles, LA, Police Shooting. The Lake Charles (LA) American Press (11/14, Cormier) reports, "Three Lake Charles city councilmen have asked the Justice Department to investigate the Oct. 12 fatal police shooting of Trent Buckins to determine if his civil rights were violated." The AP continues, "In a letter sent to the department's Civil Rights Division, councilmen Marshal Simien (District A), A.B. Franklin (District B) and Rodney Geyen (District C) addressed the conduct of Lake Charles police and community concerns related to the shooting. … On Monday, the American Press obtained a copy of the letter. .. 'A number of complaints and recent incidents have resulted in a disconcerting erosion of confidence by African-American residents in the Lake Charles Police Department,' the letter reads. … 'Many in the community believe the police department's mindset may be the direct result of the current chief's philosophy.'" The AP adds, "Before the Buckins shooting, 'complaints primarily involved allegations of aggressive and disrespectful behavior, bias and racial profiling, particularly of African-American males,' the councilmen wrote. … 'These various complaints consistently fueled tensions between the police department and the City's economically disadvantaged sector of the African-American community.' … The councilmen emphasized that the shooting took place in front of Reynaud Middle School as students were arriving for school."

Supreme Court To Consider Use Of Race In School Assignment Programs. USA Today (11/14, Biskupic, 2.27M) reports on a Jefferson County, KY, "school-assignment program, which ensures that each school's enrollment is at least 15% African-American, but no more than 50%. It's part of a plan to diversify what would be heavily minority and heavily white schools in the district, where 58% of the students are white and 36% are African-American." Under Seattle's "school district's diversity plan," a girl "was denied her first choice of a nearby high school in 2000 partly because she is white." The school districts in Louisville and Seattle "are at the heart of a pair of legal disputes, now before the US Supreme Court, that test whether public schools can use race as a factor in determining where students go to school. The cases, to be heard by the court Dec. 4, have drawn national attention because they could affect policies in districts across the country." USA Today adds, "The key legal question in the Louisville and Seattle lawsuits -- which were filed by parents of white students who weren't allowed to attend the schools of their choice -- is whether school-assignment plans that use students' race as a factor violate the Constitution's guarantee of equality."

Statistics Show Continued Wealth Disparities Between Races. The Washington Post/AP (11/14, A3, Ohlemacher) reports, "Decades after the civil rights movement, racial disparities in income, education and home ownership persist and, by some measurements, are growing. White households had incomes that were two-thirds higher than those of African Americans and 40 percent higher than those of Hispanics last year, according to data released yesterday by the Census Bureau." The Post adds, "Three-fourths of white households owned their homes in 2005, compared with 46 percent of black households and 48 percent of Hispanic households. Home ownership is near an all-time high in the United States, but racial gaps have increased in the past 25 years."

"Arrogance" Seen In Massachusetts Legislature Move On Gay Marriage. The Wall Street Journal (11/14, 2.04M) editorializes, "One reason so many Americans despise politicians is because of the contempt that many politicians have for their fellow Americans. A case in point is the way the Massachusetts legislature used a procedural ruse to deny the voters even a chance to vote on the issue of same-sex marriage. … Last week, the pols denied the voters even that much with a procedural trick that recessed the legislature until just hours before its term expires next January." The Journal concludes, "In the face of such arrogant dismissals of voter

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preferences, no wonder our cultural debates have become so embittered."

ANTITRUST:

Jury Selected In Indiana Concrete Price-Fixing Trial. The Indianapolis Star (11/14) reports, "A jury was selected today in the trial of two Noblesville (IN) ready-mix concrete executives in connection with a broad price-fixing scheme." The Star continues, "A jury of eight women and four men will begin work this afternoon in U.S. District Court in Indianapolis in the case of Chris A. and Ricky J. Beaver, managers at Beaver Materials Corp. They are the only two executives in the scheme awaiting trial after a guilty plea earlier this month by a third executive in federal court." The Star adds, "The men were indicted April 11 on charges of plotting to fix prices and lying to federal investigators. Their company also was charged. … Investigators say the conspiracy to 'suppress or eliminate competition' in the Indianapolis-area concrete market existed from July 2000 through May 2004. The price-fixing scandal became public in June 2005, when federal prosecutors announced a $29.2 million fine against Greenfield-based Irving Materials Inc., the largest fine ever paid by a domestic cartel. .. .Ready-mix concrete is made on demand and hauled to work sites in cement mixers for public and private projects, such as sidewalks, driveways, bridges and roads." The Star notes, "In pleading guilty earlier this month, John J. Blatzheim, 52, executive vice president of Builder's Concrete & Supply Co., acknowledged he joined the local conspiracy in April 2003. .. .In exchange, federal prosecutors dismissed a charge of lying to the FBI and antitrust investigators that carried a five-year prison term. Blatzheim faces up to three years in prison, a year of supervised release and a fine of up to $350,000 when Chief U.S. District Judge Larry J. McKinney sentences him Feb. 9."

House Committee To Review Lucent-Alcatel Deal. The AP (11/14, Rugaber) reports, "Top executives from Lucent Technologies Inc. and Alcatel are set to testify before a House panel chaired by a lawmaker who questions the national security impact of the French company's acquisition of the former technology arm of Ma Bell." The AP continues, "Lucent chief executive Patricia Russo and Mike Quigley, chief operating officer of Paris-based Alcatel SA, are scheduled to appear Tuesday before the House Armed Services Committee, headed by Duncan Hunter, the outgoing Republican chairman from California." The AP adds, "Hunter, whose San Diego district includes many workers of Qualcomm Inc., a key competitor of Lucent and Alcatel, says he is worried about whether classified work Lucent's Bell Labs performs for the Defense Department will be kept secret when Alcatel completes its takeover of Murray Hill, N.J.-based Lucent. … 'I am concerned about potential transfers of technology or sensitive information to other countries with which Alcatel has business dealings, which have included Burma, China, Iran, North Korea, Sudan and Syria,' Hunter wrote in an Oct. 26 letter to President Bush. .. .The hearing is not expected to derail the deal, which has cleared antitrust review in the United States and European Union and been approved by shareholders of both companies. It has also been reviewed by the secretive Committee on Foreign Investment in the United States (CFIUS), an interagency panel chaired by the Treasury Department."

Jury Pool Called In Iowa Microsoft Trial. The AP (11/14, Pitt) reports from Des Moines, IA, "Hundreds of Iowa residents were called to jury duty Monday to be considered for a panel that will determine whether Microsoft owes customers in the state millions of dollars." The AP continues, "Court officials called 469 potential jurors in an effort to find eight objective people to hear the complex lawsuit, which seeks up to $450 million for Iowans who have purchased the software maker's products since 1994. The case claims anticompetitive practices by Microsoft caused consumers to pay more for its products that they would have otherwise." The AP adds, "Microsoft, which denies any overpricing, says its products have been widely accepted by consumers because of their low cost and high quality. .. .Polk County District Judge Scott Rosenberg is presiding over the case, which could last as long as six months. … Jury selection is expected to take more than a week with opening arguments expected to begin after Thanksgiving, attorneys said." The AP notes, "Prospective jurors were asked to view a videotape outlining the responsibilities of jury duty and fill out a lengthy questionnaire designed to determine whether they had prejudices that might eliminate them from serving. .. .Roxanne Conlin, a Des Moines attorney and former U.S. Attorney, represents the defendants."

New York Sues To Block Merger Of HIP, GHI. The New York Times (11/14, Pérez-Peña) reports, "Waiting until nearly the last possible day, New York City sued

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yesterday to block the planned union of the HIP Health Plan of New York and GHI, charging that the combination would violate antitrust laws. The fusion of the companies, creating the largest health insurer in the metropolitan region, with more than four million customers, is set to take effect tomorrow." The city "will go to Federal District Court in Manhattan today, seeking an order to prevent that from happening. Between them, the two companies control more than 90 percent of the health insurance market for municipal workers, city lawyers said. The fusion of GHI and HIP would create a near-monopoly, they said, with the power to raise the city's annual premiums by tens of millions of dollars."

Mittal's Sale Of Arcelor Assets Hits Snag. The Wall Street Journal (11/14, C3, Jolis, McGrath) reports from London, "Mittal Steel Co. said it won't be able to sell its Canada-based Dofasco steel assets and is now discussing with U.S. regulators how to meet its merger commitments to offload some North American operations." The Journal continues, "The world's biggest steelmaker by output is completing its acquisition of Arcelor SA, which is Dofasco's owner. Mittal said the Dutch foundation, or stichting, that holds the Dofasco shares had decided not to dissolve, meaning that Dofasco couldn't be sold." The Journal adds, "Arcelor acquired Dofasco after a takeover battle with Germany's ThyssenKrupp AG in January. However, when Mittal Steel later that month launched a takeover bid for Arcelor, Mittal said it would sell Dofasco to Thyssen in an effort to get the deal approved by U.S. regulators. As part of an unsuccessful defense against Mittal's bid, Arcelor then tied up Dofasco in the stichting, giving three independent board members the sole power to decide whether Dofasco could be sold. … ThyssenKrupp said it still had a binding agreement with Mittal and it would do everything in its power to acquire Dofasco. It said the board of Arcelor Mittal had asked the stichting's board to dissolve, but that was rejected Nov. 10. The German conglomerate also reiterated that it is planning to build a new steel mill in the U.S. if the Dofasco acquisition proves to be impossible." The Journal notes, "In the past, Mittal executives have said they agreed with U.S. regulators to sell either the company's Sparrows Point, Md., plant or its Weirton, W.Va., plant if Dofasco wasn't sold. The U.S. Department of Justice will have the final say over whether Weirton or Sparrows Point is sold. … The Justice Department has said that the company must shed one of its North American assets by Nov. 28, although that deadline can be extended by 60 days."

EU Clears Nokia-Siemens Mobile Network Combination. The AP (11/14) reports, "EU regulators on Monday waved through Nokia Corp. and Siemens AG's plans to combine their mobile network operations in a bid to compete with market leader Ericsson AB." The AP continues, "The European Commission said the market would remain competitive despite the "considerable market share" the new company would have in the mobile network equipment sector. … 'A sufficient number of credible competitors would remain in the market, inter alia market leader Ericsson and Alcatel-Lucent. Customers - mostly network operators - would still have alternative suppliers,' it said." The AP notes, "Regulators saw no problems in other areas Siemens or Nokia were involved in, such as fixed-line telecommunications network equipment and related mobile and fixed-line services."

EU Approves Suez-Gaz De France Merger. The Wall Street Journal (11/14, Cohen, Chassany) reports, "European Union antitrust regulators are expected today to clear Gaz de France SA's planned merger with Suez SA." The Journal continues, "Antitrust Commissioner Neelie Kroes has already told the companies that she would clear the deal, the two companies' chairmen said Oct. 30. … The two companies have reached agreement 'on principle' with the European Commission on the merger, said Suez Chairman and Chief Executive Gerard Mestrallet, who would retain his title after the merger. 'Antitrust Commissioner Kroes gave a favorable opinion on the merger,' added GDF Chairman Jean-François Cirelli, who would be second in command of the merged entity." The Journal notes, "The companies have offered several concessions in order to address the commission's antitrust concerns. Among these, GDF will sell its 26% stake in Belgium's No. 2 electricity producer, closely held Société de Production d'Electricité, and Suez will sell a 62% stake in Belgian gas distributor Distrigas SA. … When the merger was revealed in February, Belgian authorities complained that the two companies would dominate the country's natural-gas and electricity markets. Suez also owns Belgian electricity giant Electrabel SA and has a majority stake in gas transporter Fluxys SA."

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ENVIRONMENT:

Environmental Groups Call On Democrats To Press Green Policies. The Washington Times (11/14, Hudson, 88K) reports, "Environmental groups yesterday put the soon-to-be Democrat-led Congress on notice, saying they will no longer accept logging of national forests or drilling for oil on federal land." Phill Clapp, president of the National Environmental Trust: "The Republican Congress has now had 239 fact-finding hearings on global warming. If another round of fact-finding becomes the Democrats' policy, they will have walked away from everything they have talked about for the past six years." Miek Daulton, director of conservation for the Audubon Society, "the new Democrat-led Congress must be about 'building consensus across the partisan divide and end the old energy policy of drill, drill, drill.'"

Lobbyists Play Down Possibility Of Major Agenda Change. The New York Times (11/14, Barringer, 1.16M) reports, "Last week's election whipsawed the Congressional committees that are crucial battlegrounds for environmental and energy legislation. But even many environmentalists believe that an ambitious new agenda is unlikely." In spite of "committee changes, some lobbyists are trying to dampen expectations that a major environmental agenda can speed through Congress. While environmental groups are likely to worry less about oil and natural gas wells in the Arctic National Wildlife Refuge, they say that trying to get the new Congress to embrace initiatives like tougher automobile fuel-economy standards and requirements that industry pay more for Superfund cleanups could mean that little, if anything, will be accomplished."

NYTimes, WSJournal Weigh In On Possible Fishing Reforms. The New York Times (11/14, 1.16M) editorializes, "[I]n terms of sheer gloom none compares to a recent study in the journal Science. It asserts that the progressive unraveling of entire marine ecosystems up and down the food chain could lead to the "collapse" of all commercial species, possibly by the middle of this century." The Times notes that the study, by "well-known marine scientists from Canada and four other countries," says the situation is not "hopeless, but only if the world moves quickly to reduce overfishing and other threats." The Times sees "two opportunities." First, it calls on the UN to ban bottom trawling, and it asks the new Congress to reauthorize the "Magnuson-Stevens Act regulating fishing practices in U.S. waters" as an "early order of business for the new Congress."

Meanwhile, the Wall Street Journal (11/14, 2.04M) editorializes, "Now, extrapolation of any trend far enough into the future can bring surprising results (remember Dow 36,000?). And at least one professor of marine sciences has called this particular extrapolation 'mind-bogglingly stupid.' But it's certainly true that some fisheries are overtaxed." The Journal notes, "Iceland has saved its fishing industry by adopting a system of individual, tradeable quotas. … The quotas are an asset that can be bought and sold, and their value is dependent on the viability of the fishery, so they give fishermen a direct financial stake in sustaining the fishery." The Journal says current US fisheries management law "must be renewed," but adds, "Why not instead sell the fisheries to the fishermen? Set the quotas at a reasonable level, and let the fishermen themselves decide in whose hands they're worth the most." The Journal adds, "The need to reauthorize the current law offers an opportunity for rights-based reform."

FBI/DEA/ATF/USMS:

Reporters May Face Toughest Penalty In BALCO Case. The Los Angeles Times (11/14, Mozingo) reports, "At a private reception at the White House Correspondents' Dinner on April 30, 2005, President Bush praised two newspaper reporters for their award-winning stories on steroid use in professional sports. … 'You've done a service,' Bush twice told Lance Williams and Mark Fainaru-Wada of the San Francisco Chronicle." The Times continues, "But today the two journalists, in a standoff with the Bush administration, face longer terms in prison than the combined sentences of all the defendants convicted in the steroid scandal they helped expose. … In September, a judge sentenced Williams, 56, and Fainaru-Wada, 41, to up to 18 months in prison for refusing to tell the U.S. Justice Department who leaked grand jury transcripts implicating baseball stars — including Barry Bonds and Jason Giambi — in the Bay Area Laboratory Co-Operative, or BALCO, steroid ring. They are free pending an appeal hearing, set for Feb. 12." The Times adds, "Impasses between journalists and prosecutors seeking to unmask their sources are increasingly common, familiar to anyone who followed the jailing of former New York Times reporter Judith Miller for refusing to reveal

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who disclosed the identity of undercover CIA operative Valerie Plame. … But the BALCO case — although not fraught with the political overtones of the Miller case — has broader implications for the media. … Not only journalists, but two former Justice Department officials, have suggested that prosecutors are overreaching. One of those officials said the subpoenas, if upheld in court, would greatly broaden the government's ability to stifle investigative reporting."

Man Convicted Of Murdering DEA Agent Gets 71-Year Sentence In Arizona. The Arizona Republic (11/14, Berry) reports the man who "dreamed up a 1994 double-cross that ended the life of a U.S. Drug Enforcement Administration special agent could spend the rest of his days behind bars. On Monday, Augustin Vasquez Mendoza, 37, was sentenced to 71 years in prison. In August, a jury convicted him of one count of first-degree murder, two counts of aggravated assault, three counts of kidnapping, three counts of attempted armed robbery and one count of conspiracy to commit armed robbery." Vasquez Mendoza "is the last of four men who have been tried in connection with a shooting…that took the life of DEA agent Richard Fass."

The Arizona Daily Star (11/14) reports, "Vasquez-Mendoza, a Mexican national, will be eligible for parole after serving 25 years for the murder but was sentenced to serve an additional 46 years in consecutive sentences for the nine additional counts before he could be released."

The AP reports, "After DEA agent Richard Fass was fatally shot, authorities said Vasquez Mendoza fled to Mexico, where he was arrested in 2000. He wasn't returned to Arizona until 2005. Mexico had to be assured Vasquez Mendoza wouldn't be executed." KOLD-TV in Tucson used the AP story.

Local TV Coverage. KSAZ-TV, Phoenix (11/13, 10:00 p.m.) aired, "The man convicted of killing a drug enforcement agent is sentenced to life today. Augustin Mendoza is the last of four people tried for the murder of Richard Fass, shot to death during an undercover drug sale. The agent's family is glad this whole thing has finally come to an end."

KTVK-TV, Phoenix (11/13, 5:30 p.m.) aired, "The judge sentenced Augustin Vasquez- Mendoza to life imprisonment with no possibility of parole for 25 years."

KGUN-TV, Tucson-Sierra Vista (11/13, 10:00 p.m.) aired, "Life in prison, that's the sentence for a man convicted in the 1994 killing of federal agent Richard Fass. Mexican officials extradited Augustin Vasquez-Mendoza in 2005. A jury convicted him in August."

KVOA-TV, Tucson-Sierra Vista (11/13, 6:00 p.m.) aired, "Late this afternoon, a judge sentenced Augustin Vasquez-Mendoza. He's accused of orchestrating a drug deal in June of 1994, where Richard Fass was killed while working undercover. The search for Vasquez-Mendoza was one of the largest by both Mexico and United States. Mendoza is the fourth person to be sentenced in Fass's death."

Virginia Sheriff Indicted In Drug Case Announces His Retirement. In Roanoke, the AP (11/14) reports a sheriff "charged with taking part in a scheme to sell drugs seized from criminals has stepped down," according to his attorney. Henry County Sheriff H. Franklin Cassell "has informed county officials of his retirement, which is effective immediately, attorney John Lichtenstein said in a news release. Cassell, who maintains innocence, has not been in the office since the beginning of the month, when he was indicted along with 12 of his current and former officers and seven others in the federal drug case. Cassell is charged with impeding the investigation by federal agents and with money laundering." News outlets that used the AP story include FOX News, the New York Times, Washington Post, Washington Times, Houston Chronicle, and Contra Costa Times.

The Roanoke (VA) Times (11/13) reports, "According to a press release from Cassell's attorneys, he decided to retire effective immediately after examining 'the nearly constant distraction his status has become since his announcement last week.' Cassell said Thursday that he planned to place himself on unpaid administrative leave pending the outcome of the federal case, but that decision was met with frustration by some Henry County officials, including the Board of Supervisors, which had called for his resignation."

The Martinsville (VA) Bulletin (11/13) has posted the press release on its Web site.

The Richmond (VA) Times Dispatch (11/13) reports, "A supervisors meeting to discuss Cassell's status had been scheduled for Wednesday, but was canceled after [the] retirement announcement."

Authorities Say Increased Border Security Causes Drug Smugglers To Change Tactics. FOX Special Report (11/13, story 8, 0:45, Angle) aired, "The effort to prevent criminals from smuggling illegal drugs across

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the US border with Mexico may have resulted in some unintended consequences in northern California." Sheriff's detective Steve Brooks said, "Increased border security has made it difficult to smuggle in large quantities of pot, so instead, the cartel smuggles seeds and illegal immigrant workers who set up camp in remote areas, grow the marijuana and protect it from intruders." FOX continued, "This year, California rangers destroyed a record number of marijuana plants, worth more than $6 billion. And, they say, they're determined to do even better next …season."

US Border Patrol Acknowledges Agents Chased Drug Suspect Into Mexico. In El Paso, Texas, the AP (11/14) reports U.S. Border Patrol officials said Monday that Border Patrol agents "crossed the Rio Grande into Mexico last week while chasing a drug-smuggling suspect. The agents followed a fleeing pickup truck into the river 'no more than 25 feet across the border' Thursday afternoon, Robert W. Gilbert, the chief patrol agent for the patrol's El Paso sector, said in a statement Monday." According to a U.S. Homeland Security report "made public this year in a newspaper report, Mexican authorities have crossed the U.S. border 216 times since 1996 … It is unclear how many times U.S. officials have crossed into Mexico."

Supervisors In San Francisco To Vote On Relaxing Marijuana Enforcement. The San Francisco Chronicle (11/13) reports San Francisco's Board of Supervisors "will vote Tuesday on legislation that would set nearly all crimes involving marijuana as the lowest law enforcement priority for city police. The legislation, sponsored by Supervisor Tom Ammiano, was approved…by a board committee with the blessing of police officials and over the complaints of some residents. … Under the proposed legislation, city police would be directed to essentially ignore most marijuana crimes unless they involve minors or acts of violence, driving under the influence, or the sale or distribution of pot on public property or within view from public property."

Permit Violations Cause California Marijuana Dispensaries To Close. The Whittier (CA) Daily News (11/14) writes, "The going is rough for purveyors in the San Gabriel Valley. The two latest [marijuana] dispensaries opened and quickly shut down due to county permit violations. … County code mandates that medicinal marijuana dispensaries possess a business license and conditional-use permit, both required since a moratorium approved unanimously in June 2005 by the Board of Supervisors was lifted in June of this year, officials said. … On Wednesday, Alternative Caregivers of Pasadena closed shop after receiving a violation notice from county officials. … Two blocks away and a day earlier, another outlet called California Compassionate Caregivers…also closed shop."

In Nevada, Advocate Gets Probation In Medical Marijuana Case. In Las Vegas, the AP (11/14) reports a medical marijuana advocate "has been sentenced to three years probation in a case that had been seen as a test of Nevada's medical marijuana program. A judge told 35-year-old Pierre Werner he was getting a break instead of prison time after pleading guilty to possession of marijuana with intent to distribute. But she said Werner no longer could supply marijuana to other people. … He's got a license to use marijuana to treat his own symptoms of bipolar disorder."

NFL, Union Consider Tougher Drug-Testing Program. The Washington Post (11/14) reports representatives of the NFL and its players union "met last week and seem to be progressing toward completing an agreement to toughen the league's steroid-testing program. Officials on both sides of the discussions said yesterday that no agreement had been completed. But the two sides, officials said, are discussing the possibilities of increasing the number of random tests and using a more sophisticated test to detect the presence of synthetic testosterone."

On its Web site, FOX Sports (11/13) reports, "NFL commissioner Roger Goodell, NFLPA chief Gene Upshaw and other league officials quietly met this week with a panel of scientists, doctors and experts in somewhat of a drug summit to get a more aggressive plan of attack to catch the cheaters. … In addition, Upshaw told FOX NFL Sunday and FOXSports.com, that he and Goodell are working on a much more aggressive testing system they hope to have in place either this year or the start of next in their battle against human growth hormone, testosterone and steroids."

Report: More Than 2,000 Killed This Year In Mexico's Drug War. The Los Angeles Times (11/14) reports, "The death toll in Mexico's drug war has surpassed 2,000 this year. … No government agency keeps a tally of the

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drug-related killings, but according to human rights organizations and newspapers, an average of six people are killed in the country's drug wars every day. … A police commander, Hector Gaxiola Gamez, narrowly escaped [an] attack. But the next morning, gunmen again caught up to the commander, and this time they didn't miss. … Gaxiola was the 19th law enforcement officer to be killed this year in Tijuana. Many were slain after the August capture of alleged drug lord Francisco Javier Arellano Felix, which many experts believe has triggered a battle for control of the lucrative narcotics trade in the city."

IMMIGRATION:

Texas Town Raises Immigrant Fears With Exclusion Ordinance. The AP (11/14, Garay) reports fromo Farmers Branch, TX, "Supporters say a sweeping ordinance intended to keep out illegal immigrants is necessary because the federal government has failed to address the issue. Critics argue the proposal could lead to sanctioned discrimination and racism." The AP continues, "Both sides are carefully watching if this Dallas suburb becomes the first city in Texas to adopt strict limits on anti-illegal immigration, a cause for concern among its large minority population." The AP adds, "A councilman has given city attorneys drafts of an ordinance that would make English the city's official language and proposals to fine companies and landlords who do business with illegal immigrants. The measure was expected to be submitted to the council on Monday, but there was no indication when it might be put to a vote. … More than 50 municipalities nationwide have considered, passed or rejected similar laws, but until now, that trend hasn't been matched in the Lone Star State." The AP notes, "Since 1970, Farmers Branch has changed from a small, predominantly white bedroom community with a declining population to a city of almost 28,000 people, about 37 percent of them Hispanic, according to the census. … It also is home to more than 80 corporate headquarters and more than 2,600 small and mid-size firms, many of them minority-owned. … The local debate over illegal immigration began in August and spawned demonstrations by both sides of the issue."

Kyl Signals Possible Filibuster For Immigration Legislation. The Washington Times (11/14, Hurt, 88K) reports that Arizona Sen. John Kyl (R) said a filibuster is "on the table to block immigration legislation supported by congressional Democrats and President Bush that grants citizenship rights to illegal aliens." His remarks, made to radio host Laura Ingraham Monday, "highlight the deep divide between most congressional Republicans and the White House over" the "explosive" issue. The Times notes that Kyl is "not confident that he and his allies could secure the 40 votes necessary to block the immigration legislation that passed earlier this year."

Missouri Committee Blames Illegal Immigration On Abortion, Welfare. The AP (11/14, Lieb) reports, that a "Republican-led" Missouri state House Special Committee on Immigration Reform says "in a new report on illegal immigration that abortion is partly to blame because it is causing a shortage of American workers." It also "claims 'liberal social welfare policies' have discouraged Americans from working and encouraged immigrants to cross the border illegally. The statements about abortion, welfare policies and a recommendation to abolish income taxes in favor of sales taxes were inserted into the immigration report by the committee chairman, Rep. Ed Emery." The panel's six Democrats "refused to sign the report" and some "called the abortion assertion ridiculous and embarrassing." Emery: "We hear a lot of arguments today that the reason that we can't get serious about our borders is that we are desperate for all these workers. … You don't have to think too long. If you kill 44 million of your potential workers, it's not too surprising we would be desperate for workers." The story also appeared in the Washington Post (11/14, A9, 690K).

TAX:

WSJournal Rejects Rubin's Call For Tax Increase. The Wall Street Journal (11/14, 2.04M) editorializes, "We suppose it's reassuring that" former Treasury Secretary Robert. Rubin "now thinks the economy is strong enough to withstand a tax increase. … Everyone makes mistakes, but raising taxes amid a housing decline doesn't sound like brilliant policy to us. Depending on inflation signals in the coming weeks, the Federal Reserve may not be done raising interest rates. The best hope for avoiding a recession next year and into 2008 is that strong corporate profits and the tight job market will lift business investment and consumer spending enough to offset the impact of tighter

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monetary policy. The last thing the economy needs now is a tax increase, too." The Journal adds, "Mr. Rubin's 'fiscal problems' riff is really a rhetorical sleight-of-hand, using future entitlement problems to justify a tax increase today. He knows all too well that not a dime of new revenue raised today would be 'saved' or otherwise devoted to paying for future Social Security or Medicare benefits."

CONGRESS-ADMINISTRATION:

Democratic Takeover Of Senate May End Bush Ability To Shape Judiciary. Bloomberg (11/14, Rowley) reports President George W. Bush's "power to shape the federal judiciary is coming to an end." The Democrats' "takeover of the Senate in January means they will be able to deny consideration of nominees whose views they oppose on issues such as abortion. While Republicans will still control the lame-duck Senate session convening this week, there's little chance of action on many judgeships." Manuel Miranda, "a former Senate Republican aide who heads the Washington-based Third Branch Conference, which pushes for conservative judicial nominees," said, "The Bush presidency is over with regard to judges." Miranda said the "best Republicans can hope for is that blocked judgeships will be an issue in the 2008 presidential election." Bloomberg added there are "16 appeals-court vacancies now and more will probably develop during Bush's remaining two years in office. In President Bill Clinton's last two years in office, a Republican- controlled Senate shelved 16 appeals-court nominees, preserving the vacancies for Bush to fill."

Bush Leads Groundbreaking Ceremony For Martin Luther King Memorial. President Bush yesterday attended the groundbreaking for the Martin Luther King memorial in Washington. NBC Nightly News (11/13, story 11, 2:05, Williams, 9.87M) reported, "Here in Washington, between the beautiful memorials to Lincoln and Jefferson and not far from where Dr. Martin Luther King, Jr., delivered his iconic, 'I have a dream' speech, they broke ground today for a new memorial. One that will continue that dream." NBC (Faw) added, "Are we having a revival here today, one of the speakers wondered. Part jubilee it was also remembrance of what happened on the steps of Lincoln memorial nearby 43 years ago. A moment enshrined but for some obscured with the passage of time. Sen. Barack Obama: "The man we honor today did what God required. In the end, that is what I will tell my daughters." Former President Bill Clinton: "If he were here he would remind us that the time remains ripe to do right." President Bush: "Dr. King showed us that a life of conscious and purpose can lift up many souls."

The story was reported by all three network newscasts, although the CBS Evening News (11/13, story 8, 1:05, Couric, 7.66M) did not mention Bush in the story. Said CBS, "The ceremony today was especially emotional for two men who worked alongside him, Jesse Jackson & Andrew Young." Andrew Young: "As we turn these shovels, we are just beginning to turn the dirt and as we turn the dirt at this ground, let us go back to our communities and turn the dirt and provide a clean and pure lifestyle for our children."

ABC World News (11/13, story 5, 2:10, Gibson, 8.78M) showed Bush saying, "We will continue to trust in the power of those words."

The AP (11/14, Manning) notes Bush said, "We give Martin Luther King his rightful place among the many Americans honored on the National Mall." The King memorial, "slated to open in the spring of 2008, will be the first monument for a civilian and black leader on the large park at Washington's core. It is also probably among the last monuments on the Mall following a 2003 vote in Congress to sharply limit development of the parkland."

McClatchy (11/14, Douglas) reports Bush "received tepid applause from the crowd while Clinton…received loud cheers and a standing ovation. The difference in greeting wasn't lost on Bush. 'It sounds like they haven't forgotten you yet,' Bush joked to Clinton and the crowd. 'He's become, as you know, my fourth brother.'" Bush "has never been popular among African-Americans since becoming president after the contested 2000 election in which then-Vice President Al Gore captured 90 percent of the African-American vote. The White House's challenge to affirmative action policies and its response to Hurricane Katrina victims in New Orleans haven't helped his standing among African-Americans."

The Atlanta Journal-Constitution (11/14, Relerford, 379K) reports Clinton "signed legislation to create the monument." Among "the most visibly moved among the thousands at the site on the National Mall was one who shared the podium with King when his 'I Have a Dream' speech gave momentum to the movement for new civil rights laws." US Rep. John Lewis, "a leader of the 1963 March on Washington that culminated in King's speech, broke down in tears as he held a groundbreaking shovel." The Los Angeles

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Times (11/14, Mohammed, 850K), USA Today (11/14, Koch, 2.27M) and the Washington Post (11/14, A1, Dvorak, Pierre, 690K) run similar reports.

Bush To Meet With Automakers. USA Today (11/14, Carty, 2.27M) reports, "After months of talking about it, the heads of the Big Three automakers will get their chance to sit down today with President Bush and lay out their concerns for the future." While "no one expects the automakers to win significant promises, the fact that they get an audience at all is a symbolic victory." Automakers "sat by through several postponements as President Bush met with American Idol finalists, hosted a softball game between an Air Force base and a Navy submarine base and met with small business owners and community bankers." The meeting, "originally set for May, was delayed several times before the White House decided to wait until after the Nov. 7 elections." The meeting "had become a political football in the hotly contested governor's race in Michigan. The multiple cancellations caused many Detroiters to wonder if the president was giving the industry a grand brush-off. His comment suggesting that Detroit car companies should make 'a product that's relevant' still stings here nearly a year later." The Financial Times (11/14, Simon) notes Bush "is to meet Rick Wagoner of General Motors, Alan Mulally of Ford and Tom LaSorda of Chrysler, a division of Germany's DaimlerChrysler."

The Washington Post (11/14, D1, Freeman, 690K) reports, "Allies of the American auto industry, brought to power in last week's elections, are set to challenge the Bush administration to level the playing field for US manufacturers. Led by lawmakers from Michigan, newly empowered Democrats said they would press the Bush administration to help pry open the Korean auto market and go after Japan on currency issues." It is "an approach that could put Asian automakers on the defensive in Washington at a time when they are clobbering Detroit in the US marketplace." The Post adds, "Trade issues are expected to be one of the key talking points when President Bush sits down today with the chief executives of Detroit's Big Three automakers. … In the past year, Detroit automakers have steadily tried to raise alarms in Washington about the industry's deterioration. They have been calling for more federal incentives to increase the number of alternative-fuel stations, the cutting of tariffs on steel imports, and government initiatives to curb the escalating cost of health care." But "with the change of power in Washington, automakers want more attention on trade concerns."

The Wall Street Journal (11/14, A3, McKinnon, Stoll, 2.04M) also says "auto makers…are likely to again raise concerns about unfair foreign competition, particularly regarding currency manipulation by Japan. That concern doesn't appear to be shared by the Bush administration, however. An area of potential agreement is energy. Mr. Bush gave the US companies a boost with his proposal in January to accelerate research into production of alternative fuels such as ethanol." The auto makers "are wary of new emissions limits on greenhouse gases believed to cause global warming. For now, the administration seems to side with the car companies. But pressure is growing in the US and internationally for tough new limits on those emissions."

Gates Expected To Curb Pentagon Growth. The Washington Post (11/14, Pincus, 690K) reports, "The nomination of Robert M. Gates as secretary of defense has begun to ease concerns in the intelligence community about the rapid growth of Pentagon intelligence activities since the attacks of Sept. 11, 2001, said experts inside and outside the government and on Capitol Hill. Gates, a former CIA director, has a long history of opposing expansive Pentagon intelligence activities. He has voiced unease about roles being taken over by Pentagon personnel, in part because more than 80 percent of all intelligence spending is now done by Defense Department agencies." Secretary Rumsfeld had "vastly expanded Pentagon intelligence activities, increasing operations overseas and creating a new position and a new agency to handle military intelligence." The Post adds, "One quick indication of how Gates will deal with interagency tensions will be whether Rumsfeld's undersecretary of defense for intelligence, Stephen A. Cambone, and his top deputy, Army Lt. Gen. William G. Boykin, remain in their current positions. They have backed the growth of the Counterintelligence Field Activity, the controversial new agency that in three years has spent nearly $1 billion to gather data to be used in the protection of defense facilities at home and abroad."

Levin Has "Troubling Questions" About Gates. UPI (11/13, Waterman) reports, "The incoming chairman of the Senate Armed Services Committee has 'troubling' questions about Robert Gates, the nominee for defense secretary. Sen. Carl Levin, D-Mich., who will assume the chair of the committee when the Democrats take over

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Congress in January, said he would not necessarily oppose Gates' confirmation ... 'For me, the important thing with Mr. Gates is whether or not he is independent, whether or not he's going to speak truth to power,' Levin told reporters Monday, recalling charges that Gates, as CIA director, had slanted intelligence in order to support the policies of the Reagan White House."

Hearing May Be In December. On CNN's The Situation Room with Wolf Blitzer (11/13, 5:50 p.m.) Virginia Sen. John Warner (R), who chairs the Senate Armed Services Committee, said, "Our committee presumably if the White House comes forward with the nomination of Gates, will have that the first week, the hearing, in December."

Rumsfeld Will Not Attend NATO Summit. The AP (11/14, Burns) reports, "Defense Secretary Donald Rumsfeld has dropped plans to join President Bush at a NATO summit this month in Latvia, in light of his announced resignation, a Rumsfeld spokesman said Monday. The Pentagon will instead be represented at the meeting by Eric Edelman, the undersecretary of defense for policy." The AP continues, "The Pentagon has refused to release the letter of resignation that Rumsfeld submitted to Bush. Ruff said Rumsfeld did not mind if the White House released it. At the White House, spokesman Gordon Johndroe said there was no plan to release it. ... On the day Bush announced Gates as his choice to replace Rumsfeld, Gates called [Gordon] England and asked him to remain as the No. 2 at the Pentagon, according to an official who discussed the matter on condition of anonymity. England agreed to stay for an indefinite period, the official said. Other senior Pentagon officials, however, are expected to leave." About 13 sites carried this story.

Bush Accused Of Lying About Rumsfeld's Departure. In his Washington Post column (11/14, A31), Richard Cohen says, "There is something refreshing about George Stephanopoulos. After George Bush announced that he was firing Don Rumsfeld, Stephanopoulos -- on the air at the time -- actually seemed shocked that just a week earlier the president had said he would do no such thing. Stephanopoulos not only suggested that the president had lied but that he was wrong to have done so. In Georgetown, where the ABC newsman lives, such innocence must be considered quaint. Washington's easy acceptance of lying, especially presidential lying, is beyond lamentable. It has cost the country plenty, including, of late, a war in a godforsaken place, which we are losing and are fighting for reasons that we no longer remember or that even matter. (Democracy? Weapons of mass destruction? A link to terrorism? Aw, forget it.) In the most recent case, Bush not only lied but compounded the lie by lying about why he lied in the first place."

Nomination Remains Stalled On Pentagon Oversight Post. The Washington Post (11/14, Witte, 690K) reports, "Even as the Senate moves quickly to consider Robert M. Gates's nomination to be defense secretary, the nomination of the man who would be looking over Gates's shoulder on behalf of taxpayers remains bogged down nearly six months after he was tapped to fill one of the government's most important oversight roles. The nominee for Pentagon inspector general, David H. Laufman, is a veteran prosecutor who has vowed to be an aggressive watchdog -- especially of work in Iraq and Afghanistan. But Laufman, nominated by President Bush in June, has met resistance from Democrats who question his independence." Laufman has resorted to the "unusual step of speaking out" and has won support from Stuart Bowen, who said, "He would be an excellent IG." The Post reports, "The Pentagon last had a permanent inspector general in September 2005, when Joseph E. Schmitz left to become general counsel for the parent company of security firm Blackwater USA. Since then, the office of 1,250 military and civilian officers and employees has been led by acting Inspector General Thomas F. Gimble," who "withstood heavy criticism last year when it came to light that his office had no personnel on the ground in Iraq."

The AP (11/14, Solomon) reports, "President Bush's nominee for the inspector general job is being held up because answers he gave lawmakers have raised concerns with a key senator about his independence. ... Laufman's nomination came to a halt after he testified to the Senate Armed Services Committee this summer that the inspector general's law requires him to consult with the defense secretary before embarking on cases involving national security and other sensitive matters. Career employees inside the inspector general's office alerted Democratic Sen. Carl Levin's office that such consultations would be a major departure from current practice. They said they had discussed their concerns with Laufman but could not change his mind."

Lame-Duck Congress Tackles Spending Bills, Other Priorities. ABC World News (11/13, story 8, 0:25, Gibson, 8.78M) reported, "Back in Washington,

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Congress has returned for a lame duck session. There are spending bills needed to keep the government running and a host of other issues. Two items the President wants may be nonstarters: the confirmation of John Bolton as UN Ambassador and approval of a domestic eavesdropping bill."

The Washington Post (11/14, A29, Muray, 690K) reports one "priority" is "Senate passage of the US-India Civil Nuclear Cooperation bill, permitting the US to export nuclear technology to India. The measure is the centerpiece of an effort to strengthen relations between the two countries and has strong bipartisan support. Democratic Leader Harry M. Reid (Nev.) included the pact as No. 2 on his three-item lame duck wish list, delivered last week to outgoing Majority Leader Bill Frist (R-Tenn.)." Reid also "pressed for action on a package of tax-break extensions, including a state sales tax deduction, research and development credit, and changes to the alternative minimum tax, all due to expire unless Congress acts soon. The package stalled before the election because the House and Senate could not agree to its contents." The Post adds, "If Congress is around long enough, GOP leaders hope to complete legislation to expand offshore oil and natural gas production, although key differences remain between the House and Senate versions of the bill."

Roll Call (11/14, Pierce) reports, "The idea of passing a long-term continuing resolution that keeps the government running until early next year under current spending limits is being discussed, from both a fatigue standpoint and as a strategic move to start pushing the notion of tax-and-spend Democrats early in the 2008 election cycle. 'Strategically, getting the new House Democrats on the record on spending bills as early as possible would be a prudent way to go,' said one House Republican leadership staffer. 'It's in the Democrats' best interests to try and get [appropriations] off the table, and it's in our best interests to keep it on the table.'"

The AP (11/14, Taylor) reports Senate Majority Leader Bill Frist, "who is considering a bid for the GOP presidential nomination in 2008, envisioned Congress meeting three more weeks this year, this one and the first two weeks of December." He "urged Republicans not to be discouraged by this 'time of transition' -- and to listen to the voters who ousted them from power.

LATimes Says Lame Duck Congress Should Skip NSA Surveillance Measure. The Los Angeles Times (11/14, 850K) says in an editorial that in the lame duck session of Congress, "Divisive matters that can be left until next year should be left until next year. That includes energy legislation, which in the House has taken the unattractive form of a bill sponsored by Rep. Richard W. Pombo (R-Tracy) that would indiscriminately open up coastal areas for oil drilling." But the "best candidate for 'wait till next year' treatment is the effort to legalize the National Security Agency's warrantless eavesdropping on Americans suspected of contacts with foreign terrorists. The House-approved bill essentially rubber-stamps the program while requiring notification of Congress. But the Senate has yet to decide among three bills, all of which (believe it or not) were approved by the Judiciary Committee."

October Budget Deficit 4.3% Higher Than Last Year. The Wall Street Journal (11/14, A2, 2.04M) reports, "Paced by record monthly spending and revenues, the federal government ran a deficit of $49.29 billion in October, up 4.3% from a year earlier, the Treasury Department said." Treasury's monthly budget statement "shows outlays were $216.98 billion last month, up 10% from a year earlier. Government receipts in October were $167.69 billion, up 12% from a year earlier. Both receipts and outlays were records for the month of October, the Treasury said, while noting the government has run a deficit every October since 1954." The Treasury also "revised the government's September surplus to $56.16 billion from a previously reported $56.03 billion." The October deficit figure "was in line with the Congressional Budget Office's estimate of a $49 billion deficit. The White House has projected the budget deficit for fiscal 2007, which began Oct. 1, will total $339 billion, about one-third larger than the past fiscal year."

HHS Chief Opposes Negotiation Proposals On Medicare Drug Prices. The AP (11/14, Freking) reports, "The nation's top health official said yesterday that the government should not negotiate Medicare drug prices, a position that sets the stage for an early confrontation with the incoming Democratic Congress." Health and Human Services Secretary Mike Leavitt said, "The idea of the government negotiating drug prices really isn't about the government negotiating drug prices. … It's a surrogate for a much larger issue, which is really government-run health care." But Democratic lawmakers "have promised a new approach when they take control of Congress in January. They would let the federal government use its massive purchasing power to negotiate the price of drugs used by

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Medicare beneficiaries. They say that such leverage would produce substantial savings that could then be used to improve the overall program."

Democrats Urged To Pursue Lower Drug Prices. In an editorial, the New York Times (11/14, 1.16M) writes, "Michael Leavitt, the secretary of health and human services, says he does not want the power to negotiate drug prices for Medicare beneficiaries, but Democrats should give it to him anyway." The Democrats "have pledged to move on the issue as soon as they take control of Congress. If they succeed, it would allow an important test of the hypothesis that government negotiators can wring lower prices from the manufacturers than those obtained by the private drug plans and pharmaceutical benefit managers that currently negotiate on behalf of Medicare beneficiaries." President Bush "might be inclined to veto any bill that tried to insert the government into price negotiations. But if presented with a bill to set up government-operated drug plans to go head to head with the private plans, he would have to explain why he is afraid of a real market competition."

Pelosi Draws Fire For Backing Murtha In House Leadership Race. The Washington Post (11/14, A1, Weisman, 690K) reports House Speaker-designate Nancy Pelosi's "endorsement of Rep. John P. Murtha's bid for House majority leader set off a furor yesterday on Capitol Hill, with critics charging that she is undercutting her pledge to clean up corruption by backing a veteran lawmaker who they say has repeatedly skirted ethical boundaries." Pelosi "directly intervened in the heated contest between Murtha (D-Pa.) and House Minority Whip Steny H. Hoyer (D-Md.) on Sunday by circulating a letter to Democratic lawmakers." Some "Democratic lawmakers and watchdog groups say they are baffled that Pelosi would go out of her way to back Murtha's candidacy after pledging to make the new 110th Congress the most ethical and corruption-free in history." Murtha, "a longtime senior Democrat on the House Appropriations Committee, has battled accusations over the years that he has traded federal spending for campaign contributions, that he has abused his post as ranking party member on the Appropriations defense subcommittee, and that he has stood in the way of ethics investigations. Those charges come on top of Murtha's involvement 26 years ago in the FBI's Abscam bribery sting." Melanie Sloan, executive director of Citizens for Responsibility and Ethics in Washington (CREW), "a Democratic-leaning group," said, "Pelosi's endorsement suggests to me she was interested in the culture of corruption only as a campaign issue and has no real interest in true reform. It is shocking to me that someone with [Murtha's] ethics problems could be number two in the House leadership."

On the cable news shows, Democrats offered qualified opinions of the race between Reps. Steny Hoyer and John Murtha for the position of House Majority Leader. On MSNBC's Hardball with Chris Matthews (11/13, 5:08 p.m.), WA7 Rep. Jim McDermott (D) said, "There's nothing wrong with" Steny Hoyer. "Nobody's saying he isn't a good leader. But Jack" Murtha "has demonstrated that on the toughest issue facing this country for the last six years he had the courage to go out and say to the president: Mr. President, you are wrong, we must make a change. Nobody else said that in the leadership."

On MSNBC's Hardball with Chris Matthews (11/13, 5:06 p.m.), CA10 Rep. Ellen Tausher (D) said, "I don't see any differences" between Murtha and Hoyer "in Iraq," but "in other issues, I see big differences. Steny not only campaigned for me but was here when I came back to help me get the positions that I wanted on the Armed Services Committee. Nancy Pelosi is going be our Speaker, but there is a team that got us into the majority. It was the minority leader and whip. That is the team that brought us in here."

USA Today (11/14, Kiely, 2.27M) reports House Democrats "are locked in an internal dispute over a top post that highlights the party's ideological tensions and the assertive style of their leader, Nancy Pelosi, less than a week after winning majority control for the first time since 1994." Brookings Institution analyst Stephen Hess said, "This is her first real decision, and it's a tough one. I think it's very risky." USA adds that for Pelosi, "the risk is that she could end up on the losing end of an intraparty fight before she even takes the speaker's gavel in January." For Democrats, "the risk is that their political honeymoon will be embittered by an awkward political fight."

The Los Angeles Times (11/14, Hook, Simon, 850K) reports Democrats' "postelection emphasis on unity quickly dissolved into power struggles and jockeying over the spoils of victory." In her "first high-profile move after the election, Pelosi signaled that she can be expected to prize personal loyalty as she oversees the fractious party." Pelosi "may have another problem. As the crop of freshly elected Democrats — including many younger ones who campaigned to the right of the party line — came to Capitol Hill for orientation Monday,

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they encountered a leadership dominated by mostly liberal, old-school Democrats."

The Financial Times (11/14, Kirchgaessner) reports Pelosi "came under fire from an ethics watchdog on Monday following her endorsement of John Murtha to the number two leadership post in the new Congress." Melanie Sloan, "a former prosecutor who heads Citizens for Responsibility and Ethics in Washington (Crew), said Mrs Pelosi's support of the Pennsylvania Democrat did not bode well for the future Speaker's commitment to enacting ethics legislation." Murtha "has been frequently criticised by Crew over allegations that he abused his position as a member of the defence appropriations sub-committee by showing favour to a lobbying firm of a former long-term staffer and clients of Robert 'Kit' Murtha, his brother." Rep. Murtha has also "been criticised for taking advantage of earmarking, the practice of appropriating funds for government projects that benefit individual lawmakers' constituents."

The Washington Times (11/14, Hurt, 88K) reports Pelosi "is under fire from fellow Democrats and outside liberals for publicly backing" Murtha's "bid to become majority leader, saying that the presumed speaker's acts have cast doubt on her party's promise to clean up the 'culture of corruption' in Washington." The Times highlights Murtha's role in Abscam, noting he was "an 'unindicted co-conspirator.'"

The New York Times (11/14, Hulse, 1.16M) reports the "intensifying fight" for the majority leader post "is evolving into an early test of the power of the incoming House speaker, Nancy Pelosi, after her decision to throw her public support behind Representative John P. Murtha of Pennsylvania." Murtha "sought on Monday to use a new letter of support from Ms. Pelosi to gain ground, asking for new pledges from Democrats who converged on Washington after their decisive midterm election victory." While Mr. Hoyer "has been a fixture in the party leadership, Mr. Murtha eschewed the spotlight and seemed content to wield his considerable influence well behind the scenes until he took a highly publicized stand against the war." But Murtha is "also coming under the spotlight on another subject that dominated the campaign: Congressional ethics. He helped block changes in ethics policies that Democrats proposed last year." Murtha has also "had family members who lobbied on issues under his control, and he was caught up in the Abscam corruption scandal more than 25 years ago, though he was never charged." After CREW executive director Melanie Sloan criticized Pelosi's support for his candidacy, Murtha "dismissed the attack and promised that, if elected majority leader, he would help formulate a strict ethics policy." Murtha said, "Wait until you see the ethics package we support and we pass. No meals, no trips, nothing. I support it 100 percent."

Hoyer Says Conflict With Pelosi "Does Not Exist," Sees Blue Dog Support. On CNN's The Situation Room with Wolf Blitzer (11/13, 4:23 p.m.), MD5 Rep. Steny Hoyer (D), the House Minority Whip, said, "I think much is made of the conflict" between Pelosi and himself "that, frankly, both Nancy and I say does not exist. Are there differences of opinion from time to time? Certainly, there are. But Nancy had differences with Dick Gephardt. She had a close, very effective working relationship with him. And we'll continue that. We'll continue it because Nancy and I are both focused on our Democratic message, our Democratic agenda and having success for our country and for working people in this country."

On MSNBC's MSNBC Live (11/13, 1:20 p.m.), Hoyer rejected anchor Chris Jansing's contention that Murtha has a better working relationship with Pelosi. Hoyer said, "I think that's my opponent's proposition, which I think clearly is wrong. First of all, Nancy Pelosi herself just two days ago on television said that she had a good relationship with us both and worked closely with us both. I think that is an accurate representation. In fact, Nancy and I for the last four years have worked together very closely to create the most unified caucus in the last 50 years. And what we need is a unified caucus as we move forward. "

On CNN's The Situation Room with Wolf Blitzer (11/13, 4:27 p.m.), Hoyer said, "The majority of the blue dogs are conservative Democrats; overwhelming majority are supporting me. The new Democrats are supporting me. And, frankly, many of the liberals and progressives, a large number are supporting me as well. Why? Because I've been able to bring together our caucus, create unity, working with Nancy Pelosi. And that's why I think my colleagues are supporting me for this position of majority leader."

WPost Backs Hoyer For Majority Leader. The Washington Post (11/14, 690K) reports says in an editorial, "On the merits, Mr. Hoyer is by far the better choice for the job. He is a moderate and highly capable legislator whose selection would reinforce Ms. Pelosi's announced commitment to govern from the center. Mr. Murtha's candidacy is troubling for several reasons, beginning with his

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position on the war in Iraq. A former Marine, Mr. Murtha deserves credit for sounding an alarm about the deteriorating situation a year ago. But his descriptions of the stakes there have been consistently unrealistic, and his solutions irresponsible." Murtha "would also be the wrong choice as majority leader after an election in which a large number of voters expressed unhappiness with Washington business as usual. Mr. Murtha has been a force against stronger ethics and lobbying rules. He was one of just four Democrats whose votes helped kill a strong Democratic package of lobbying reforms this spring."

Reid Backed Bridge That Could Boost Values Of Property He Owns. The AP (11/14) reports Senate Minority Leader Harry Reid "backed funding for a bridge between Nevada and Arizona that could affect the value of property he owns nearby." The "planned span over the Colorado River between Laughlin, Nev., and Bullhead City, Ariz., got an $18 million boost in last year's massive federal transportation bill." Reid, who will become Senate Majority Leader when Congress reconvenes, "owns 160 acres of undeveloped property in Bullhead City, several miles from the proposed bridge sites. Development is booming in the area and local officials in Laughlin and Bullhead City support a new crossing to ease traffic on the one existing bridge. They also expect it would add to property values." Reid aides "said his support for the bridge has nothing to do with his ownership of the Bullhead City property, which he values between $500,000 and $1 million on his annual financial disclosure forms. His spokesman said he had no plans to develop the property." After the Los Angeles Times "published a story on the issue Monday, Reid's office issued a five-page fact sheet in response."

House GOP Group Considers "Draft Cantor" Effort. Roll Call (11/14, Davis) reports, "Unhappy with the current candidates, a small but aggressive group of House Republicans are agitating for current Chief Deputy Majority Whip Eric Cantor (Va.) to get into the race for Minority Whip, according to interviews with multiple GOP lawmakers who requested anonymity." The members are "emboldened by what they say is a lack of support for incumbent Majority Whip Roy Blunt's (Mo.) campaign, and frustration that the popular Cantor opted out of a leadership bid in deference to Blunt, who elevated the Virginian to Chief Deputy Whip when he was a freshman." Cantor has "pledged to not challenge Blunt head-on in a leadership race — a pledge Cantor has no intention of breaking, according to sources not affiliated with Cantor's office." Cantor's office, "meanwhile, emphasized his work on behalf of Blunt." Roll Call adds the members "interviewed for this story stopped short of officially calling it a draft movement to get Cantor in the Whip race, but they are examining Republican Conference rules governing leadership races to discuss options to get Cantor on the ballot through a nominating petition, or spark a grass-roots campaign for him as a write-in candidate for Whip." By "nearly all accounts, Cantor has significant support in the Conference, making him a likely favorite in any race. Members said they would not be working to force Cantor into a bid if they believed Blunt already had locked up the votes for his bid."

Lott To Run For Senate Minority Whip. The New York Times (11/14, Nagourney, 1.16M) reports a spokeswoman for former Senate Majority Leader Trent Lott "announced that he would seek to rejoin the leadership ranks this week after leaving the top job four years ago in an uproar over a racially charged comment." Lott will "oppose Senator Lamar Alexander of Tennessee for the No. 2 slot of whip in an election on Wednesday. Mr. Lott had been quietly testing his support. Should Mr. Lott win, it would be a remarkable comeback for the conservative legislative tactician."

Roll Call (11/14, Billings) reports that as he "presses ahead with his under-the-radar bid for Minority Whip," Lott has "enlisted roughly 10 Senators representing a cross section of the Republican Conference to help press his case in what appears to be a nail-biter contest for the No. 2 GOP leadership slot." Lott has "declined requests in recent days to talk about his leadership bid, but his office now avows that the one-time Majority Leader is actively campaigning for Whip against Sen. Lamar Alexander (R-Tenn.). Republican sources in both the Lott and Alexander camps said the race is very tight heading into Wednesday's secret-ballot vote of 49 Republican Senators." One thing "is abundantly clear: Lott is running his own style of race. Unlike Alexander, he has made few public comments about his campaign and hasn't yet confirmed to the press whether he actually is running for the job." Opinions "differ on the motivation behind Lott's quiet campaign strategy, but most agree he could and may still bow out if he is unable to muster up a majority to win. As it stands, the Minority Whip post is the only contested race facing the Conference this week."

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Poll Shows Public Wants Democrats, Not Bush, To Influence Country's Future. USA Today (11/14, Lawrence, 2.27M) reports Americans are "pinning their hopes for the country's future on the incoming Democratic Congress and its largely unfamiliar leaders, the latest USA TODAY/Gallup Poll shows." In the poll "taken Thursday through Sunday, just after Democrats swept to majorities in the House and Senate, 61% of those surveyed said that they want Democrats to have more influence than President Bush on the direction of the nation. Nearly half said the country will be better off under Democrats; 16% said it will be worse off; and one-third predicted no difference." Bush's job-approval rating "was 33%, tying his second-lowest ever. The Republican Party was viewed favorably by 35% — an eight-year low." Democrats had "a 57% favorable rating, their highest since January 2004 and 4 percentage points higher than the 53% share that exit polls indicated the party's congressional candidates won on Election Day." Democrats "appear for now to have buried their image as soft on security, despite charges by Bush and other Republicans that terrorists would gain ground if Democrats won majorities. By 63%-33%, poll respondents said it is not likely Democrats in Congress will take steps that would weaken national security." In other expectations, "6 in 10 said it is likely Democrats in Congress will raise taxes. Half said it's likely Democrats will make prescription drugs less expensive and vote to pull all U.S. troops out of Iraq."

Tierney Says Voters Gave Democrats "Seinfeld" Mandate. In his New York Times column (11/14), John Tierney says, "I'm afraid the election results still haven't registered in Washington. Democrats and Republicans keep making noises about working together to accomplish great things. But that's not what Americans voted for. They voted for gridlock. They gave Congress a Seinfeld mandate to do nothing. The Democrats offered no bold new ideas, and they were rewarded with victory. Voters would like them to mop up the messes made by Republicans, but that's it. Find a way out of Iraq, and then avoid any more excellent adventures dreamed up by neoconservatives. Besides Iraq, the big issue bothering voters was corruption, and the best way to appease them is by working less. The fewer favors you hand out, the fewer chances to sell your vote. The smartest political move for either party would be to take a vow of abstinence by outlawing earmarks."

Incoming Senators Urged To Waive Higher Aspirations For Now. In a New York Times op-ed (11/14), Adam Clymer criticizes the trend among recently elected senators to leave after a term to seek the presidency: "So, to those freshman senators-elect pondering the need for presidential exploratory committees: Wait a while. At least a term. Don't imitate the able but impatient John Edwards, who ran during his first term, or Barack Obama, who is apparently considering the Edwards example. If the presidency is really your goal, Senator Clinton is a better model. For six years she has worked at being a senator. She may be using her job as a steppingstone to the White House, but she's still giving full value both to the institution and to her constituents."

Turley Says Congress Needs To Address Ethics Reform. In a USA Today op-ed (11/14), George Washington University law professor Jonathan Turley says, "Voters sent Congress a clear message: End corruption now. Will Democrats listen and, more important, act? In her first statement after the Democratic takeover of the House, the presumptive new speaker, Nancy Pelosi of California, pledged that her party would create 'the most honest, the most open and the most ethical Congress in history.' History, however, should give citizens pause before they celebrate the dawn of a new day. Pelosi's promise is eerily similar to the vows of her two predecessors." This history "explains why lobbyists on K Street are not packing moving boxes in anticipation of an outbreak of good government. After all, these same Democrats remained silent for many years in the face of corrupt practices, often engaging in the very conduct that would now have to be prohibited." But they "might not have a choice. To the surprise of both parties, exit polls cited corruption in Congress as one of the most important issues motivating citizens to vote."

GOP, Democrats Both Said To Be Misreading Election Results. In his Washington Post column (11/14, A31), E.J. Dionne Jr. says, "Elections provoke myth-spinning. Republicans are in danger of spinning away from a full appreciation of the magnitude of their defeat last week. Democrats could spin themselves into useless arguments rooted in the past and ignore the opportunity American voters have offered them." Some Republicans, "including President Bush's political architect, Karl Rove, are trying to say that Tuesday's vote was no big deal." Meanwhile, "many who play down the Democratic gains are the very same people who said six months ago that the Democrats had no chance of winning either the House or Senate. Incumbent-friendly congressional boundaries and the fact that many of the House and Senate seats Democrats needed to win were in

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previously pro-Bush areas meant Democrats needed a big and unlikely surge. The surge happened." But the Democratic "victory has not prevented the revival of what feels like an ancient feud between Democratic centrists, who are emphasizing the importance of moderate voters in Tuesday's results, and those on the party's left who point to the centrality of economic populism and impatience with the Iraq war."

Lieberman Deemed Unlikely To Switch Parties. Over the weekend, Connecticut Sen. Joseph Lieberman (D) caused speculation about his party status when he floated the possibility he might change parties. That speculation continued on the Sunday news shows, but former Sen. William Cohen and Sen. John Warner both deemed his switch unlikely. On CNN's The Situation Room With Wolf Blitzer (11/13, 5:40 p.m.), Cohen, a Republican who served as Defense Secretary in the Clinton Administration, said it was "remotely possible" but "not likely" Lieberman would caucus with Republicans. Cohen added, "I think he will wait and see how far to the left the Democrats might decide to go on secure issues." Cohen called Lieberman the "governor on the accelerator" for the Democratic majority.

On CNN's The Situation Room with Wolf Blitzer (11/13, 5:53 p.m.), Virginia Sen. John Warner (R) said he would take Lieberman "at his word." Said Warner: "He's going to become an independent Democrat, work within their structure, and therefore I think any speculation of the type post by your question … I would suggest you put that aside and let the senator from Connecticut re-establish himself."

On CNN's The Situation Room with Wolf Blitzer (11/13, 5:38 p.m.), reporter Carol Costello noted Lieberman's debt to the GOP, saying: "It could be Lieberman is just feeling the love for those who put him back in office. For a guy that's been a Democrat for decades, he sure got a lot of Republican support. Senator Susan Collins of Maine spoke glowingly of him. John McCain allowed two of his aides to consult with the Lieberman camp. Newt Gingrich endorsed his run. Even President Bush chose to support him by deciding not to outwardly support Connecticut Republican candidate."

On Fox News Channel's The Big Story With John Gibson (11/13, 5:33 p.m.) Rep. Christopher Shays (R) said Lieberman "is going to be a Democrat. I mean, I don't see him becoming a Republican, because I don't think the Democrats would be so foolish as to turn their back on someone who was their vice presidential candidate just a few years ago."

Clinton Outlines Legislative Priorities For Coming Session Of Congress. The AP (11/14, Fouhy) reports Sen. Hillary Clinton "outlined an ambitious agenda of legislative priorities while continuing to deflect questions about her presumed presidential ambitions." At a breakfast meeting hosted by the Association for a Better New York, Clinton said, "I will look at the possibilities, but I ... haven't really had the time to talk to people about it. It's been a busy election season that worked out well, so I will think about it. I'm open to thoughts." The AP adds Clinton was "clearly looking ahead to the next Congress, which she, like other Democrats, has vowed will operate on a more bipartisan basis than it had under Republican control." But Clinton "still had bitter words for President Bush and his political advisers, including lead strategist Karl Rove, for creating a polarized environment that had stifled debate or disagreement." Clinton said, "Karl Rove's theory is you just take your base, and you expand your base, and you basically just role over everybody who gets in your way." The AP adds Clinton "outlined a range of challenges she said Democrats would tackle in the coming months, such as trimming the federal deficit, reducing dependence on foreign oil, and improving the image of the United States abroad." She also "said Democrats would focus on improving the quality and affordability of health care — a touchy matter for the former first lady, who in 1993 led her husband's calamitous attempt to overhaul the nation's health care system." Clinton said, "Health care is coming back. It may be a bad dream for some."

Agency Tech Officials Remain Mindful Of VA Laptop Theft. The Washington Post's (11/14, D4, Barr) "Federal Diary" column reports, "Nearly 40 percent of federal technology officials say worries about security breaches involving telecommuters cause them to toss and turn at night, according to a survey released yesterday," by Cisco Systems, Inc. The Post adds that technology "officials listed concerns about remote access to systems, violation of employee privacy and disruption of agency operations," according to the results of a "survey of 200 federal technology officials" conducted "in August, when outrage remained strong over the May theft of a laptop and external hard drive from the home of an analyst for the Veterans Affairs Department." The Post

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notes that Cisco Systems executive Gerald T. Charles Jr., suggested "concerns over computer security appear to be slowing the government's efforts to increase telecommuting," but he also "noted, agencies are rethinking how they do business as they seek to use technology to respond to emergencies or to realign their workforces."

Senate Panel To Explore Reducing Potential For Incorporation Abuse. The Washington Times (11/14, Seper, 88K) reports, "Officials in all 50 states will incorporate nearly 2 million companies this year without identifying the owners -- a fact a Senate subcommittee fears could help money launderers, tax evaders or terrorist financiers." The Senate Homeland Security and Government Affairs permanent subcommittee on investigations "hearing today will explore how to reduce the potential for abuse while preserving what" Minnesota Sen. Norm Coleman (R), the panel's chairman, "described as 'an effective, efficient system that does not derail or unnecessarily delay" legitimate businesses.'" The Times adds, "g is an April report by the Government Accountability Office (GAO) that said none of the 50 states routinely requires applicants to disclose who will own a corporation and most states do not require ownership information for a new limited liability company. The report said the absence of company-ownership information enables people to conceal their identities while operating as U.S. companies."

OTHER NEWS:

Stocks Rise Amid Optimism About Economic News. NBC Nightly News (11/13, story 9, 0:10, Williams, 9.87M) reported, "On Wall Street…stocks finished higher. The Dow was up more than 23 points [to close at 12,131.88]. NASDAQ gained almost 17 points [to close at 2,406.38]." The Wall Street Journal (11/14, C1, Browning, 2.04M) says stocks "crept higher, as investors looked ahead to what they hope will be reassuring inflation data and positive news from the Federal Reserve. … Reflecting optimism about economic growth, technology stocks were among the leaders." The broad Standard & Poor's 500-stock Index rose 0.25%, or 3.52 points, to 1384.42, up 10.9% this year."

Brandeis Remembered For "Fact-Based" Legal Philosophy. In his "Editorial Observer" column in the New York Times (11/14), Adam Cohen writes, "In 1908, Louis Brandeis turned American law on its head with the 'Brandeis brief.' The Supreme Court was in the midst of the notorious Lochner era, in which a pro-business majority routinely struck down laws protecting workers' health and safety. Brandeis was defending an Oregon law that limited women's workdays to 10 hours. It seemed likely the court would rule, as it just had in a similar case, that maximum-hours laws violated employers' 'right of free contract.' … In his brief, Brandeis devoted just two pages to legal analysis. He spent more than 100 pages setting out statistical and sociological data on the harm that long workdays did to women. His use of facts and sociological arguments was both shocking and enormously successful. The court upheld Oregon's law, 9 to 0." Cohen continues, "Brandeis, whose crusades against insurance companies and banks earned him the title 'the people's lawyer,' was born 150 years ago this week. He has many claims to fame: champion of the New Deal, first Jewish Supreme Court justice, creator of the legal doctrine of privacy. But it is Brandeis's insistence on injecting facts and real-world analysis into the law that is his most lasting achievement, and one that resounds especially strongly today, when 'reality-based' logic is so embattled." Cohen concludes, "We are living in an era when facts, and rational analysis, are on the ropes. … But courts operating on the Brandeis model have, at their best, been a check on this disturbing trend. In its proudest moments, from the civil rights rulings of the 1960s to recent decisions reining in the Bush administration's war-on-terror excesses, the Supreme Court has insisted on focusing resolutely on the facts, and on the practical effect of the challenged policies on real people. … Decisions like these are Brandeis's true legacy. His greatest lesson was that — as he wrote in a famous dissent, excoriating the majority for not letting government do more to battle the Great Depression — 'in the exercise of this high power, we must be ever on our guard, lest we erect our prejudices into legal principles.'"

Restaurant Group Files Suit Over San Francisco Health Plan. The New York Times (11/14, Marshall) reports, "A legal battle over a plan to offer free or low-cost health care to all uninsured residents here has been set in motion by a group of the city's most important and beloved constituents: restaurants." Golden Gate Restaurant Association, "a culinary trade group with more than 800 members, has sued the city, saying a central provision of the

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health care program, established by the city's Board of Supervisors in July, violates federal employment law." The group "urges the court to strike down the part of the plan that requires businesses with 20 or more employees to pay for the cost of each worker's health care."

Martinez, Duncan To Take Reins Of RNC. The AP (11/14, Sidoti) reports Florida Sen. Mel Martinez, "a prominent Hispanic who previously served in President Bush's Cabinet, will assume the high-profile post of Republican National Committee general chairman, GOP officials said Monday." The officials said Martinez "will remain in the Senate when he takes the reins of the RNC in January," and he "will be the face of the party, focusing on fundraising, outreach and travel to promote the GOP agenda." At the "same time, Mike Duncan, the RNC's current general counsel and a former party treasurer, will be named chairman and will be put in charge of running the everyday operations at the party's Capitol Hill headquarters, the officials said." As a team, Martinez and Duncan "will be responsible for leading the RNC during Bush's final two years in office and throughout the 2008 presidential election cycle."

The Washington Post (11/14, A4, VandeHei, 690K) reports Martinez's appointment "comes in the wake of an election that yielded shrinking GOP support from Hispanic voters." Exit polls last week showed that outgoing Chairman Ken Mehlman's "efforts were overwhelmed by voter concerns about the war, corruption and the hard-line approach some Republicans assumed in this year's immigration debate." Democrats "won 69 percent of the Hispanic vote last Tuesday, a 10-year high. That was seen as a big setback at the White House in particular, after Bush won 55 percent of the Hispanic vote in 2004." Mehlman said "in an interview last week that he is concerned about where the party stands with Hispanics. Hispanics are not single-issue voters, but GOP officials said the tone of the immigration debate hurt the party's standing with the fastest-growing minority group." The "selection of Martinez was a setback for Maryland Lt. Gov. Michael S. Steele, who last week lost a Senate race and who has expressed interest in the job."

The New York Times (11/14, Nagourney, 1.16M) reports Martinez's election to RNC general chairman will "apparently make him the first Hispanic leader of the party and address concerns among Republican strategists that the party's standing among Hispanic voters had been hurt in the fight over immigration." The "two-person arrangement, with a public official as the party's face — and chief fund-raiser — is not unusual. Paul Laxalt, the former senator from Nevada, was the Republicans' general chairman when Ronald Reagan was president, while Frank J. Fahrenkopf Jr. was chairman." The "selection of Mr. Martinez, who was born in Cuba, would follow an election in which Republicans suffered sharp setbacks in achieving one of Mr. Mehlman's main political goals: expanding the appeal of Republicans among Hispanic voters." Democrats were "quick to seize on the selection of Mr. Martinez as a signal of how worried Republicans were about suffering setbacks among Hispanics, the fastest-growing part of the electorate."

The Washington Times (11/14, Hallow, 88K) reports Sen. Martinez, "co-author of a bill to grant amnesty to illegal aliens, has been picked by White House strategist Karl Rove to be general chairman of the Republican National Committee, RNC officials confirmed yesterday." Some RNC members "greeted the news as another example of White House cronyism, reminiscent of President Bush's attempt to name his personal friend and general counsel Harriet Miers to the Supreme Court, a nomination withdrawn in response to outrage from the party's conservative supporters." The "surprise Martinez appointment, leaked yesterday to selected TV outlets and wire services, cut off a move by conservative Republicans to have Maryland Lt. Gov. Michael S. Steele take over the national party chairmanship." Some RNC members, "already dismayed by last week's election that swept Republicans from control of Congress, expressed anger at the way Mr. Rove leaked his choice of Mr. Martinez immediately after a conference call in which the Florida senator's name was floated for the first time." The move was "seen as a signal that the White House intends to push through Congress the 'comprehensive' immigration bill -- which Mr. Martinez and Mr. Hagel backed in the Senate -- that was blocked by conservative Republicans in the House." The Times adds that while "campaigning for the Senate in Maryland, Mr. Steele was an outspoken critic of the Hagel-Martinez measure -- which would have created a guest-worker program and allowed most illegal aliens to become citizens -- blaming 'the partisan gamesmanship of Washington insiders' for the failure to deal with the problem.'" Aides to "the lieutenant governor confided that Mr. Steele was 'furious over his treatment by Bush operatives,' who they said accused him of 'not being a team player' because he had spoken to The Washington Times last week after his name was first proposed for the RNC post. Steele aides said White

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House officials threatened to withhold from Mr. Steele a Cabinet appointment he had been promised in lieu of the RNC chairmanship."

Steele Sees "A Lot Of Time" Before GOP Makes Inroads On Black Vote. On CNN's American Morning (11/13, 5:33 p.m.), Maryland Lt. Gov. Michael Steele (R) said, "I think the more we engage at a human level with folks and the more we have to work to dispel the image of the GOP as detached, uninterested, not concerned about the African-American experience -- and, of course, Katrina is an example, again, which didn't help, which sits at the forefront of that -- I think we can make the difference. But it's going to take some time, a lot of time."

GOP Accused Of Running Black Candidates Without Appealing To Black Voters. In his Washington Post column (11/14, A31), Eugene Robinson says, "It didn't work. The Republican Party put up three high-profile black candidates to try to weaken the bond between the Democratic Party and African Americans, and all three got slammed by the voters, big-time. After a week of reflection, maybe Ken Blackwell, Lynn Swann and Michael Steele have come to understand that they were never intended to be viable candidates. From the start, they were more like cannon fodder." To "win a big share of the African American vote," the GOP has to "adopt policies that most black Americans believe will work to their advantage, rather than leave them behind. Oh, and Republicans also need to drop all those coded appeals to white racists, such as the infamous 'Playboy party' ad that helped defeat Democrat Harold Ford Jr. in Tennessee."

Deep South Rebuffs Democrats. The Financial Times (11/14, Ward) reports that in the South, Democrats "made little progress towards loosening the Republican stranglehold over Dixieland." While they "made inroads into the peripheries of the south, winning a Senate seat in Virginia and House seats in North Carolina, Florida and Texas, the Deep South states, such as Georgia, Alabama and Mississippi, remained dominated by Republicans." Exit polls "showed that only 36 per cent of white voters in the south voted for Democratic House candidates, compared with 58 per cent in the north-east where the party made its biggest gains." Merle Black, professor of politics at Atlanta's Emory University, said, "The values and priorities of Americans in different parts of the country are diverging." The Times adds that for Republicans, "the preservation of its critical southern support base was the sole source of comfort from an otherwise miserable election. But analysts warn that an increased concentration of southern conservatives among the party leadership could make it difficult to win back moderate voters elsewhere in the country."

Courtney's Lead Falls To 66 Votes In Connecticut's 2nd CD. The AP (11/14, Haigh) reports Democrat Joe Courtney's "lead in the 2nd Congressional District dropped to 66 votes Monday after officials discovered he was mistakenly given 100 extra votes over Republican Rep. Rob Simmons, an election official said." Lebanon election moderator John Bendoraitis said, "It was human error. It was strictly misreading one number on one machine." The AP adds the discovery "significantly tightens one of the closest congressional races in the nation. Preliminary Election Day returns had Courtney winning by 167 votes out of nearly 250,000 ballots cast." Courtney "claimed victory on Wednesday and was in Washington Monday to attend orientation sessions. Simmons has not conceded the race."

Candidates In 11 House Races Yet To Concede. Roll Call (11/14, Duran, Drucker) reports a week after Election Day, "11 House candidates had yet to concede their races, as thousands of ballots face scrutiny in districts across America — with Republicans holding out hope that they might snatch one more seat" – that of Rep. Simmons – "from the jaws of defeat." On the "flip side, Republicans looked poised to escape with a host of narrow victories — including a few in highly vulnerable seats — even as the Democrats in those races refuse to quit." Good-government advocates "said the number of elections that haven't been resolved isn't altogether surprising. At least one race, in Florida's 13th district, is headed to court." It "looks as if Republican Conference Chairwoman Deborah Pryce (Ohio) and Rep. Heather Wilson (R-N.M.), both of whom were in serious danger of losing their seats, will return for the 110th Congress." However, the Republicans "came up short on plenty of close calls. Among them were two races in Georgia that, in the final weeks of the election, were considered their best opportunity for pickups in the 2006 cycle. Meanwhile, in Arizona's 5th district, Rep. J.D. Hayworth (R) will not concede to Rep.-elect Harry Mitchell (D), although Republicans do not

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expect the outcome to change." The races listed by Roll Call include CT2, FL13, NM1, WA8, OH2, OH15, NC8 and WY-AL.

Three House Members Considering 2007 Races. Roll Call (11/14, Whittington) reports while "exuberant House Democrats celebrated their new-found majority status last week, the midterm election results threw a monkey wrench into the future plans of a handful of lawmakers eyeing runs for other offices in 2007." Reps. Chaka Fattah (D-Pa.), Ben Chandler (D-Ky.) and Bobby Jindal (R-La.) "top the list of Members contemplating political campaigns in the off-year, and all are expected to make their decisions known shortly." Last week, Democratic Illinois Reps. Jesse Jackson Jr. and Luis Gutierrez "wasted little time in pulling the plug on their potential bids for mayor of Chicago in light of the news that their party is set to return to power after a 12-year hiatus." The first "to decide about a 2007 bid likely will be Fattah, who has been gearing up to run for mayor of Philadelphia." Democratic leaders in Kentucky "are waiting to hear from Chandler, who could seek a rematch next year with now-Gov. Ernie Fletcher (R), a former Congressman. Chandler, who was then state attorney general, lost to Fletcher in 2003 but was elected to succeed him in the House in a 2004 special election." Among House Republicans, Jindal is "first and foremost among likely contenders for other political offices in 2007. Jindal is widely expected to run for governor next year — a decision it would appear his new minority status would have little impact on."

Senate Republicans Worry Retirements May Weaken Hand For 2008. Roll Call (11/14, Whittington, Billings) reports, "Still reeling from a crippling electoral loss last week, Senate Republicans are privately bracing for another difficult cycle in 2008 and trying to figure out if they can quell the increased likelihood that some key incumbents may be ready to throw in the towel." Retirements are "on both parties' minds, but for the GOP, the prospect of their incumbents stepping aside is of greater consequence since 21 of their 49 Senators are up for re-election in 2008. With Republicans losing the majority, many of their most senior Senators must hand over powerful chairmanships and face Democratic rule." The GOP "certainly is at a mathematical disadvantage in 2008. Just 12 of the 51 Democratic Senators (the party counts two Independents in its Caucus) will be in-cycle." By contrast, "nine Republican Senators facing re-election in 2008 will trade in their gavels for ranking member status on Jan. 3. That in and of itself could give senior GOP Senators pause when thinking about another grueling campaign."

Muslim Voters Said To Have Played Key Role In Democrats' Senate Win. The Washington Times (11/14, Pfeiffer, 88K) reports, "Muslim voters, an electoral ally of President Bush as recently as 2000, played a key role in turning over control of the Senate to Democrats, a study shows." Mahdi Bray, director of the Muslim American Society (MAS) Freedom Foundation, said, "Although the-get-out-the-vote campaign was nonpartisan, there is no doubt that our strategy to support a large Muslim voter turnout in areas with potentially close election races was a correct one." The Times adds MAS "also targeted races in Florida, Georgia, Michigan, North Carolina, Ohio and Pennsylvania. In the U.S. Senate race in Virginia, more than 50,000 self-identified Muslim voters went to the polls, MAS said. A commanding majority of them, 92 percent, or 47,092, voted for the Democratic challenger, James H. Webb Jr. Mr. Webb won his race against Sen. George Allen, the Republican incumbent, by 9,326 votes."

Women Voters Credited With Providing Democrats Margins In Key Races. The Washington Times (11/14, Wetzstein, 88K) reports women – "especially blacks and Hispanics -- helped Democrats win power this month, and they are determined to ensure their issues aren't neglected, women's rights leaders said yesterday." At a National Council of Women's Organizations (NCWO) press conference, Eleanor Smeal, president of the Feminist Majority Foundation said that in "state after state, women's votes pushed Democrats over the top," citing "data from a new election analysis from Lake Research Partners for Ms. magazine and Women Donors Network." Smeal, "publisher of Ms. magazine, said the victories of Sens.-elect James H. Webb Jr. in Virginia, Jon Tester in Montana and Claire McCaskill in Missouri were particularly satisfying."

Giuliani Forms '08 Exploratory Committee. The AP (11/14, Barrett) reports former New York City mayor Rudy Giuliani, "a moderate Republican best known for his stewardship of the city after the Sept. 11 terrorist attacks, has taken the first step in a 2008 presidential bid." Giuliani "filed papers to create the Rudy Giuliani Presidential Exploratory Committee, Inc., establishing a New York-based panel that would allow him to raise money to explore a White House run

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and travel the country." The "four-page filing, obtained by The Associated Press, lists the purpose of the non-profit corporation 'to conduct federal 'testing the waters' activity under the Federal Election Campaign Act for Rudy Giuliani.'" One "potential rival for the GOP nomination, Sen. John McCain of Arizona, said Sunday he was taking the initial step of setting up an exploratory committee." The GOP field "is expected to grow with Massachusetts Gov. Mitt Romney, Sen. Bill Frist of Tennessee, Arkansas Gov. Mike Huckabee and New York Gov. George Pataki expected to join the presidential fray." Giuliani is "a moderate who supports gun control, same-sex civil unions, embryonic stem-cell research and abortion rights — stands that would put him at odds with the majority of the GOP conservative base. Giuliani has tried to sidestep those differences and offered strong praise for President Bush at the 2004 GOP convention in New York."

Giuliani's move was noted by both ABC and NBC last night. ABC World News (11/13, story 7, 0:15, Gibson, 8.78M) reported, "There are more politicians taking preliminary steps toward running for president. Today, we learned former New York Mayor Republican Rudy Giuliani has created papers to create a Republican exploratory committee."

NBC Nightly News (11/13, story 4, , Williams, 9.87M) reported, "One more note on politics, that sound you might have heard late today was another hat landing in the ring. Former New York mayor Rudy Giuliani has made it official -- he has filed papers to form a Presidential exploratory committee. The first step for a run for the White House in 2008."

The New York Times (11/14, Chan, 1.16M) reports John H. Gross, "a lawyer at Proskauer Rose and a former campaign treasurer for Mr. Giuliani," said in a statement, "Mayor Giuliani has not made a decision yet. With the filing of this document, we have taken the necessary legal steps so an organization can be put in place and money can be raised to explore a possible presidential run in 2008." The Times adds that as "news of Mr. Giuliani's action emerged today, some Democrats rushed to criticize him." Democratic National Committee spokeswoman Karen Finney said, "It's unclear whether or not Rudy Giuliani will be able to just 'explain away' the fact that he's consistently taken positions that are completely opposite to the conservative Republican base on issues they hold near and dear." The Times adds that on Sunday, "after a speech in Wilkes-Barre, Pa., Mr. Giuliani said he did not view the election as a rebuke to Republicans, but urged the party to commit itself to fiscal discipline and immigration reform."

Sources Say Allen Wants Gillespie To Serve As Virginia GOP Chairman. The Richmond Times-Dispatch (11/14, Whitley) reports that Kate Obenshain Griffin, "who presided over two straight statewide losses, resigned yesterday as chairwoman of the Republican Party of Virginia, effective tomorrow. She said she will serve as chief of staff for the remainder of U.S. Sen. George Allen's term and take responsibility for closing his offices in Washington and around the state, and assisting with a smooth transition. She said Allen asked her to serve as chief of staff." GOP sources "say Allen is pushing for Ed Gillespie, who lives in Fairfax County and is a former chairman of the Republican National Committee, to be chairman of the state party. Gillespie was an adviser to the Allen campaign. The sources said Gillespie would have the prestige to stand up against the various factions that are already fighting for control of the party."

Evangelical Support For Israel Remains Strong. The New York Times (11/14, Kirkpatrick, 1.16M) reports that as Israeli bombs "fell on Lebanon for a second week last July, the Rev. John Hagee of San Antonio arrived in Washington with 3,500 evangelicals for the first annual conference of his newly founded organization, Christians United For Israel." At a dinner "addressed by the Israeli ambassador, a handful of Republican senators and the chairman of the Republican Party, Mr. Hagee read greetings from President Bush and Prime Minister Ehud Olmert of Israel and dispatched the crowd with a message for their representatives in Congress. Tell them 'to let Israel do their job' of destroying the Lebanese militia, Hezbollah, Mr. Hagee said." Hagee "called the conflict 'a battle between good and evil' and said support for Israel was 'God's foreign policy.' The next day he took the same message to the White House." The Times adds, "Many conservative Christians say they believe that the president's support for Israel fulfills a biblical injunction to protect the Jewish state, which some of them think will play a pivotal role in the second coming. Many on the left, in turn, fear that such theology may influence decisions the administration makes toward Israel and the Middle East."

Schwarzenegger Win In California Seen As Having National Implications. In a Wall Street

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Journal op-ed (11/14), Joel Kotkin of the New America Foundation says the California election results "revealed some critical trends that may prove decisive -- for both parties -- in 2008 and beyond." Gov. Arnold Schwarzenegger's "17-point victory alone commands some attention, since it is easily the most impressive score by any Republican in a Democratic-leaning state this year -- and it suggests a future for pro-environment, pro-business, fiscally conservative and socially moderate politics." In "trying to excuse their drubbing at the top of the ticket, some California Democrats spin the tale that Mr. Schwarzenegger won only by morphing into one of them. Yet in reality, Phil Angelides, the man he defeated, was the clear favorite of party activists who just this spring brimmed with confidence about their chances of bringing the Terminator to extinction." Angelides "duly followed the left-wing, Bush-bashing script -- seemingly ideal in a state where barely one in three voters supports the president. Campaigning against Iraq and for a classic redistributionist agenda funded with higher taxes, Mr. Angelides won handily among liberal voters in a state where Democrats outnumber Republicans by 43% to 34%." But the "key to Mr. Schwarzenegger's victory lay not in seducing the left, but through his mastery of the state's rising independent center. According to exit polls, he beat Mr. Angelides by nearly 20 points among self-described moderates and independents. These voters may well be the key to the political future, certainly in California." Such independents "were critical in the recall of former Gov. Gray Davis and Mr. Schwarzenegger's election in 2003, but they are far from traditional conservatives. In fact, according to a Public Policy Institute of California survey conducted by Mark Baldassare, most are both environment-oriented -- Mr. Schwarzenegger's tough stand on global warming probably paid off with many of them -- and moderate to liberal on social issues. Yet at the same time, a majority also believes that government 'wastes a lot of the taxpayers' money.' In short, they blend anti-government populism with environmental consciousness."

Insurers Propose Plan To Cover Uninsured. The AP (11/13, Freking) reported, "Health insurance companies proposed a $300 billion plan Monday aimed at getting coverage for all uninsured children in three years and for most adults within 10. The plan includes tax breaks for the working poor and increased spending by the government for Medicaid and the State Children's Health Insurance Program." J. Grover Thomas Jr., board chairman of America's Health Insurance Plans, said, "This bold program would expand coverage to tens of millions within a framework that is fiscally sound and promotes individual responsibility." The trade group "made no recommendations as to how the government should pay the bill of $300 billion over 10 years, but it noted that expanding coverage to the uninsured would bring significant savings to the insured."

The New York Times (11/14, Pear, 1.16M) reports, "New members of Congress, especially those elected on a pledge to help the uninsured, are likely to embrace many of the proposals, which provide a benchmark for debate on the issue. The debate is likely to rage in the next Congress and in the 2008 presidential campaign." Still, "the industry did not say how its proposals would be paid for; did not recommend any budget cuts or tax increases; and did not say what, if anything, it would do to slow the growth of health costs. When hospitals care for the uninsured, they often pass on some of the costs to people who have health insurance. Jay M. Gellert, president of Health Net, a managed-care company based in Woodland Hills, Calif., said this 'cost shift' threatened to make coverage unaffordable for employers, who provide health benefits to 175 million people."

The Los Angeles Times (11/13, Alonso-Zaldivar, 850K) reported the idea "of using existing government programs to solve the problem of the uninsured has strong support among Democrats. But the insurance industry proposal also calls for two new tax breaks, a kind of approach traditionally favored by Republicans. A new $200-per-child tax credit, or up to $500 per family, would go to middle-class families who could show that their children were covered. The plan also calls for the creation of universal health accounts, a kind of tax break that would make it more affordable for the self-employed and those not covered by an employer to buy coverage on their own."

More Banks Begin Offering HSAs. The Wall Street Journal (11/14, D1, Carrns, 2.04M) reports, "Just in time for benefits-enrollment season, health savings accounts are getting a big push from your local bank. Nearly 1,100 banks now offer the tax-favored spending accounts, more than triple the number at the end of 2005, according to market-research firm Information Strategies Inc. The growth comes as more employees enroll in high-deductible health plans, which are paired with health savings accounts, or HSAs, to help pay for the deductible and other out-of-pocket medical costs. But savings not needed to pay medical

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expenses can accumulate in a HSA for years, and this has sparked bank interest in offering such accounts."

Congressmen, Aides Re-Enter Job Market After Election. In its Style section, the Washington Post (11/14, C1, Copeland, 690K) reports, "Envy the lucky corporate recruiters and their ringing phones. Pity the members of Congress who hoped against hope that they wouldn't be looking for work right now. Some of them don't even have résumés. On the other hand, in a few months these former members may be stinking rich in their new gigs, so maybe we shouldn't feel bad for them." The Post adds, "Although former members of Congress are typically not reduced to perusing the classifieds, they are not immune to the pain of being rejected by prospective employers. The amount of money an outgoing member can command varies widely. A former member of Congress with a rock-star reputation might make, say, $2 million a year, says" recruiter Nels Olson of the headhunting firm Korn/Ferry International. However, a "lesser member might earn only a puny $300,000."

Mahoney Hires Foley Aides. The Washington Post (11/14, A29, Muray, 690K) reports, "And the congressional boss of the year award goes to...Rep.-elect Tim Mahoney (D), who won the Florida seat vacated by Mark Foley (R). Despite the inglorious end to his predecessor's House career, Mahoney hired several former Foley staffers to continue working in his district office." Said Mahoney, "They will ensure continuity and strong support for the district's residents."

Melloan Sees Opportunity For Democrats To "Think As Well As Talk." In an op-ed published in the Wall Street Journal (11/14, A20, 2.04M), George Melloan, former deputy editor of the Journal's editorial page, writes, "To find a template for how the Democrats might conduct themselves profitably over the next two years, it is useful to go back 25 years to the signature achievement of the supply-side revolution, the Kemp-Roth tax bill. … Republicans celebrate this as solely their achievement -- or at least those do who haven't forgotten why their party started winning, instead of losing, elections. But the revolution could not have been launched without the aid of some thoughtful Democrats." Melloan adds, "But that was yesterday, and now the Democrats are back in power in Congress. President Bush introduced some daring, new and much-needed policies in his first six years -- notably Social Security and immigration reform -- only to see them sidetracked by Republican disunity and weak leadership in Congress. Will the voters' decision to throw the bums out and give the Democrats a try produce better results? The congressional Democrats of 2006 don't look much like those of 25 years ago.

Barton Calls For Republicans To "Get Back On Track." In an op-ed appearing in Roll Call (11/14) TX6 Rep. Joe Barton (R), who is running for House Minority Leader, writes, "House Republicans were once on track to become a permanent majority. Now some say the train has outrun the tracks, that we seemed to care more about the smoke and fire in the engine than who was in the cars and where we were taking them. Let's get back on track by starting with the people who work and pay taxes and who expect us to deliver on our commitment to less government and more freedom." Barton outlines an agenda that includes entitlement reform, individual privacy, Senate oversight, and ethics reform.

Bush, Olmert Urge Tehran To Abandon Nuclear Program. The New York Times (11/14, A6, Rutenberg, 1.16M) reports President Bush and Israeli Prime Minister Ehud Olmert "kept up their tough talk on Iran on Monday, warning it once again to drop its nuclear ambitions." Officials in Israel, adds the Times, "have expressed increasing fear that Mr. Bush will reduce the pressure on Iran to cease its nuclear program as calls increase from European allies and at home to seek Tehran's help in Iraq. But Mr. Bush, speaking after his meeting with the Israeli leader, said his position on talks with Iran had not changed." Meanwhile, a spokeswoman for Olmert said his message to Bush was a warning "that Iran posed a threat not just to Israel, but to the world…though State Department officials said Mr. Bush needed no such reminders." In addition, the two leaders also "warned Syria against interfering in Lebanon," but "seemed more open than they have been recently concerning possibly closer relations with Syria," with Olmert saying, "I hope that one day the conditions for contacts between them and us will be created."

In a report on the Iraq Study Group's recommendations, the CBS Evening News (11/13, lead story, 2:40, Axelrod, 7.66M) noted that one scenario proposed included "engaging Syria and Iran more directly in bringing peace to Iraq," but "when Mr. Bush addressed Iran today after a meeting with

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Israel's prime minister, he only spoke only of [Iran's nuclear] program and further isolation. … The White House says this was a discussion, not a deposition. No policy alternatives were exchanged by either side. The President always says he changes according to conditions on the ground and what he thinks those conditions are." Similarly, ABC World News (11/13, lead story, 2:40, Raddatz, 8.78M) reported, "The President says he's open to new ideas [on Iraq] and he is getting them from everywhere. … But President Bush has made it clear he has no intention of engaging Syria and Iran unless big changes are made in those countries, and he has no intention of withdrawing troops until the job is done."

USA Today (11/14, A6, 2.27M) notes that Olmert said he was "not looking for wars," but is "worried" by Iranian President Mahmoud Ahmadinejad's repeated calls to destroy Israel.

The Washington Times (11/14, Dinan, Sands, 88K) reports that Olmert spokeswoman Miri Eisin "said the Iran problem and the Israeli-Palestinian peace process took up much of the discussions, with broad areas of agreement on both issues between the two leaders." Eisin said Israel was "not against compromise" with Tehran so long as it did not develop or acquire nuclear weapons. The spokeswoman also noted that Israel "recently has seen 'very positive' statements by moderate Arab leaders in Egypt, Saudi Arabia and Jordan about reviving the peace process and that Mr. Olmert repeatedly has stressed willingness to meet with Palestinian Authority head Mahmoud Abbas 'at any time.'"

The AP (11/14, Schweid) reports, "At a potential turning point in its war in Iraq, the Bush administration paused Monday to huddle with worried ally Israel over the crisis next door in Iran and to take stock of other Mideast trouble spots. Israel is worried that political fallout from the Republican election losses and rising calls for US engagement with Iran may soften President Bush's resolve." The AP notes that the Bush administration "reversed itself earlier this year and offered to bargain face to face with Iran for the first time in years, if Iran would first suspend disputed nuclear activities."

Iran Expected To Dominate Bush's Trip To APEC Summit. The Wall Street Journal (11/14, A4, Dreazen, King, 2.04M) reports, "How to deter Iran's nuclear ambitions and persuade the country to help stabilize neighboring Iraq is expected to be a main topic during Mr. Bush's private meetings with Russian President Vladimir Putin and Chinese President Hu Jintao. Russia and China have expressed reservations about US and European efforts to pass a United Nations Security Council resolution designed to force Iran to rein in its nuclear program." Although the Bush administration has "long ruled out direct talks" with Tehran unless it suspends its uranium-enrichment efforts," the Journal says the White House is "facing mounting domestic and international pressure to seek Iranian help in calming the situation in Iraq. British Prime Minister Tony Blair and Australian Premier John Howard said Monday they were in favor of talking to Iran and Syria about ways to reduce the violence in Iraq -- a stance shared by many influential US lawmakers from both parties."

US Seeks To Hasten Domestic Divides In Iran. The Washington Times (11/14, Athanasiadis, 88K) reports, "Iranian leaders say that years of efforts to improve relations with the country's Arab neighbors are being undermined by the hard-line policies of President Mahmoud Ahmadinejad and the nation's support for Shi'ite groups in Iraq. Some diplomats and foreign policy analysts argue that the United States is working to hasten this process by encouraging the formation of a Sunni political coalition in Baghdad with the tacit support of the region's conservative Arab states." According to the Times, "Splits reportedly have been developing within the Iranian leadership since before the summer." For example, "A faction led by Ali Larijani, the secretary of the Supreme National Security Council, supports reopening negotiations with the West over Iran's nuclear program," while "another group, led by Mr. Ahmadinejad, maintains a hard-line stance."

Israeli Army To Resume Guerrilla Training. The AP (11/14, Lavie) reports, "The Israeli military will restore its guerrilla warfare training center following its experience fighting Hezbollah militants in Lebanon." While "not admitting that lack of guerrilla training was a factor in its shortcomings," the Israeli military said it is planning to restart the program, which was closed down after Israeli forces pulled out of Lebanon in 2000.

Bush Mideast Policy Under Fire On Several Fronts. In a front page article titled "Bush Faces New Calls To Shift Policies On Mideast," the Washington Post (11/14, A1, Abramowitz, Ricks, 690K) reports Bush "came under new pressure yesterday at home and abroad to alter his policies in the Middle East. British Prime Minister Tony Blair pushed for a broader Arab-Israeli peace initiative to help stabilize Iraq, while the incoming chairman of the Senate Armed Services Committee pledged to take a hard line on

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seeking early troop withdrawals." However, Bush "offered little indication that he is planning to adjust his approach," telling reporters gathered in the Oval Office that "the best military options depend upon the conditions on the ground" in Iraq. Asked about calls for dialogue with Iran and Syria to help curb violence in Iraq, Bush "said there was no change in his position that Iran must first suspend uranium enrichment." The Post says the day's events "underscored the rapidly evolving political landscape for the White House, which finds itself trying to balance the desire for change voiced by the electorate last Tuesday with the president's frequently stated conviction that the United States must remain engaged militarily in Iraq until the government there can maintain its own security."

Similarly, the Financial Times (11/14, Dinmore, Devi) reports Bush and his cabinet Monday "grappled with the full range of Middle East crises -- from the Israeli-Palestinian conflict to Iraq's spiraling violence and the nuclear stand-off with Iran -- as the White House comes under increasing pressure to change strategy on all fronts and find solutions through re-engagement." According to former officials, Olmert was "alarmed at suggestions of linkage between the peace process and events in Iraq or Iran's nuclear programme. A senior State Department official raised a storm in September when he suggested at a pro-Israel forum that the US needed to make progress towards a two-state solution to the Palestinian conflict in order to gain leverage among Arab allies in forming a strong coalition against Iran."

The Washington Post (11/14, A25, Sullivan, 690K) also reports Blair "said Monday that any solution to the Iraq crisis must involve a 'whole Middle East' strategy that starts with addressing the Israeli-Palestinian conflict and includes pressuring Iran to stop backing radical extremists across the region." Although he offered "no dramatic new policy proposals" on Iraq or the Israeli-Palestinian conflict, Blair "placed new emphasis on the importance of confronting outside elements -- he singled out at length the government in Iran -- that are 'trying to create mayhem inside Iraq.'" Blair also stressed that Iraq policy must address the broader issue of a global anti-Western campaign of "terrorism based on a thoroughly warped misinterpretation of Islam."

The New York Times (11/14, A10, Cowell, 1.16M) says, "Confronted by likely changes in American policy on the war in Iraq," Prime Minister Tony Blair of Britain said Monday that the "nature of the battle" had changed and that Western strategy in the Middle East must "evolve," possibly to include a "new partnership" with Iran. The Times says Blair "took pains, in his annual foreign policy speech, to avoid giving the impression that he was making major policy changes in response to uncertainties surrounding the Bush administration after the American elections last week." He also "laced his speech with criticism of Iran," accusing it of "using pressure points in the region" to thwart Western diplomacy.

The AP (11/14, Stringer) says Blair's address is "aimed at promoting dialogue with both Iran and Syria," but a spokesman "rejected the possibility that either country could be rewarded for cooperation in the Middle East peace process, ruling out any negotiations with Iran over its contentious nuclear program in return for support over Iraq." However, AFP (11/14, Rao) notes that the final version of the speech "omitted almost all reference to Syria, while offering Iran a 'strategic choice:' essentially, help the West or face increasing isolation."

Syrian Ambassador Says US Must "Show Some Humility." On CNN's Your World Today (11/13, 1:41 p.m.), Syrian Ambassador Imad Moustapha said, "we believe it's time for the United States to show some humility and admit, even to itself, it does not have to do this publicly, but that its policies in Iraq have dramatically failed and they need to think outside the box." Moustapha added, "It's so important to remember that in the first three years, we actually did offer the United States to help towards stabilizing the situation in Iraq. Because the United States administration was driven by its ideological agenda about categorizing nations into evil nations and good nations and to putting somebody in the access of evil, rogue states, all this ideological, neoconservative policies -- because of this, there was no cooperation whatsoever."

Shubeir Emerges As Top Candidate For Palestinian Unity Government. The Washington Post (11/14, A26, Wilson, 690K) reports Mohammed Shubeir, a former university president in Gaza, "emerged Monday as the top candidate to head a Palestinian national unity government now being assembled in a bid to end the economic sanctions that have crippled the Hamas-led administration." Although Shubeir is "not a member of Hamas," he is "closely identified with Hamas in Gaza City, where he served as president of the Islamic University of Gaza -- a key training ground for the movement's leadership -- for

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12 years before stepping down in 2005." The Post says Shubeir's selection would mark "a significant step toward resolving the months-long political crisis that has battered the Palestinian economy and set off a surge of partisan fighting in the territories, especially in Gaza. As prime minister, he would be part of a new cabinet that, in addition to ministers from Hamas and Fatah, would include technocrats from outside the two main parties, including some who have worked closely with the United States."

The Washington Times/AP (11/14, El Deeb) calls the agreement on Shubeir the "strongest sign of progress in the negotiations," but warns that the government's "acceptance by the United States and European Union -- both key aid donors -- could hinge on whether it will recognize Israel and renounce violence." Similarly, McClatchy (11/14, Nissenbaum) calls the moved "a significant concession" on the part of Hamas. Meanwhile, Israeli leaders "suggested that the political change was a clear sign that the international isolation had been a success." Israeli Foreign Minister Tzipi Livni said in a weekend interview on Israel Radio that Hamas "understand[s] they cannot continue with their ideology and remain in power and receive money or legitimization from the international community."

UN Announces Initiative To Bridge East-West Divide. The New York Times (11/14, A3, Arsu, 1.16M) reports, "Leaders from a variety of cultural and religious backgrounds on Monday announced a United Nations initiative to resolve the conflict between the West and the Muslim world. They issued a framework for their effort, prepared over the past year, that singled out the Palestinian-Israeli conflict as a primary source of the deepening split." Out-going UN Secretary-General Kofi Annan told reporters, "No other conflict carries such a powerful symbolic and emotional charge among people far removed from the battlefield. As long as the Palestinians live under occupation, exposed to daily frustration and humiliation, and as long as Israelis are blown up in buses and in dance halls, so long will passions everywhere be inflamed." The secretary-general will appoint a representative to oversee the follow-up of the recommendations, "which, Mr. Annan warned, will have little impact if Muslims in violent places -- whether Iraqis, Afghans, Chechens or Palestinians -- continue to perceive their situation merely as a case of being made victims by non-Muslims."

The Christian Science Monitor (11/14, Murphy, 59K) notes, "While the authors hope their report will invigorate and create cross-cultural dialogue, its tone implies that it is unlikely to be well received by the United States and Israel, focusing as it does on allegations of double standards by those two nations while giving less time to the faults of the Palestinians or specific Muslim governments." The Monitor notes that "criticism of US policies, though at times oblique, is a major feature of the document and hits on themes that have angered representatives of the Bush administration in the past."

Seoul Says Six-Party Talks Could Resume In Mid-December. The AP (11/14, Chang) reports Seoul's "nuclear envoy said Tuesday that long-stalled six-party talks on North Korea's nuclear program could resume by mid-December." In an interview with South Korean radio channel PBC, Chun Yung-woo, Seoul's chief negotiator to the talks, said, "I think it's possible to resume (the talks) by mid-December. We are making preparations with the thinking that it's more important to achieve substantial progress when the six-party talks resume than how quickly we would resume the talks." In Washington, Assistant Secretary McCormack "said no date has been set for resuming the talks and he ruled out November but said there is still hope for a meeting in December." Meanwhile, Japan on Monday "adopted a list of embargoed luxury items as part of its sanctions imposed on Pyongyang." Chief Cabinet Secretary Yasuhisa Shiozaki said, "We hope that North Korea will accept these measures taken by Japan as the message of the international community's strong concern and condemnation" of its nuclear program.

"Politically Wounded" Bush Heads To Asia Today. McClatchy (11/14, Hutcheson) reports, "A politically wounded President Bush heads to Asia on Tuesday to reassert American leadership in a region grappling with the rise of China and the threat of a nuclear-armed North Korea." Foreign policy issues "will top the agenda during Bush's swing through Singapore, Vietnam and Indonesia, but domestic politics have added a new dimension to the trip. His return to the world stage comes a week after voters handed control of Congress to Democrats in an election that was widely viewed as a rebuke to Bush." Former White House adviser Mike Green "said Asian leaders will be looking for signs of weakness in the American president. … Perceptions about Bush's clout could come into play as he tries to bolster

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a somewhat shaky international coalition that's working to stifle North Korea's nuclear ambitions. Russia, China, South Korea and Japan share Bush's desire to keep nuclear weapons out of the Korean peninsula, but they don't always agree with his tactics." Bush "will get a chance to shore up support for his approach during a 21-nation summit in Vietnam this weekend."

The Washington Post (11/14, A23, Fletcher, 690K) runs a similar story under the headline "Southeast Asia Trip To Test Bush's Stature," reporting the trip "may offer an early indication of how the political 'thumping'" Bush "took a week ago will affect his standing on the world stage." The Post adds, "Bush's visit to Singapore, Vietnam and Indonesia is intended to focus heavily on trade issues, global health concerns such as AIDS and avian flu, as well as the North Korea question." But "just as important may be how Bush is perceived by the other leaders at the meeting in the aftermath of his recent political setback. … One thing Asian leaders will be watching for is whether Bush can still deliver on trade-liberalization legislation, given his weakened political state and the populist opposition to many free-trade agreements, according to some analysts."

On Eve Of Bush's Trip, House Rejects Vietnam Trade Deal. The Financial Times (11/14, Callan) reports, "The US Congress rejected a deal to normalise trade relations with Vietnam in a setback for President George W. Bush ahead of a visit to Hanoi to discuss economic issues at the annual summit of the Asia-Pacific Economic Cooperation forum." The trade pact "was defeated when it lost the support of dozens of Republicans and Democrats after being rushed through a special 'lame-duck' session of the House of Representatives before the transfer of power to the incoming majority following last week's mid-term elections." The defeat "underlines the difficulties facing the Bush administration and congressional leaders in forging a working cross-party majority on trade bills in the wake of election victories last week for economic populists with a deep suspicion of free trade, in a Democratic sweep of congress."

The New York Times (11/14, Weisman, 1.16M) calls the vote "an embarrassing legislative setback for the administration." Although the measure "received 228 votes in favor and 161 against…it needed 32 more votes to pass on Monday. House Republican leaders said they would bring the legislation back in the next couple of days under normal procedures, which require only a majority, or 218 votes, for passage." The Times adds, "Though perhaps symbolic, the defeat in the House was an embarrassment not only for Mr. Bush but also for the departing Republican leaders, who had earlier in the day expressed confidence that they had the two-thirds needed for the bill to pass in the House."

Colombia, Peru, Ponder Effect Of Democratic Congress On Trade Accords. The Wall Street Journal (11/14, A8, Davis, 2.04M) reports, "The election of a Democratic-controlled Congress more skeptical about the value of free trade is forcing Colombia and Peru to decide whether they need to make additional concessions on labor issues to win congressional approval of trade deals they have negotiated with the U.S." The two nations "have negotiated deals with the US that liberalize trade in a host of areas, including industrial tariffs, textiles, and apparel and service industries. Peru already has ratified the pact; Colombia plans to sign its agreement next week and ratify it afterward. Congress isn't likely to take up either measure until next year, after the Democrats take control." Yesterday, "Colombian President Alvaro Uribe said he didn't plan to accept changes in the deal." Meanwhile, "Hernando de Soto, a Peruvian economist appointed as special trade envoy, took a more conciliatory stance. He said his country had a 'game plan' to present to the US that 'should put to rest the concerns many Democrats have concerning labor and other matters,' according to [a news service]. But he wasn't more specific."

The Washington Post (11/14, D1, Goodman, 690K) reports, "As Democrats prepare to take control of Congress, incoming leaders are planning to insert labor and environmental protections into pending trade treaties and to demand that the Bush administration adopt similar measures in future pacts it negotiates, congressional aides and government officials said yesterday." The Democrats "plan to insert restrictive provisions into two pending trade deals with Peru and Colombia, measures that would limit duty-free access to the US market for goods made in those countries if factories are found to use child labor or deny workers the right to organize unions." Under the headline "Election Pushes Globalization To Forefront," USA Today (11/14, Lynch, 2.27M) says "several members of the Democratic Congress that takes office in January say the Bush administration's unquestioning celebration of free trade is bleeding the middle class and endangering the American Dream."

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Gutierrez Urges Chinese Crackdown On Pirated Goods. The New York Times and Wall Street Journal, among other newspapers, run an AP story (11/14) reporting, "Commerce Secretary Carlos M. Gutierrez urged Beijing on Tuesday to toughen a crackdown on pirated goods and other copyright infringements, saying failure to do so could fuel an American backlash against trade with China. Despite Chinese progress in protecting intellectual property rights, Mr. Gutierrez said American Customs agents seized more counterfeit goods from China than all other countries combined." The AP adds, "Widespread theft of intellectual property, as well as protectionist policies and unclear regulations, have long been seen as hampering foreign companies' access to the Chinese market. To correct the imbalances and curb piracy, Mr. Gutierrez said China must open its markets more widely, especially to American entertainment companies. "

Lebanese Cabinet Approves UN Tribunal For Hariri Suspects. The AP (11/14, Karam) reports that a "weakened" Lebanese government Monday approved a U.N. plan for an international tribunal for suspects in the assassination of former Prime Minister Rafik Hariri, "despite the resignation of six ministers and the objections of the president." The AP called the vote "a victory" for Lebanese Prime Minister Fuad Saniora, but warns that the final approval of the measure, which now goes back to the UN, "by the weakened government was far from certain."

Lebanese Officials Dismisses Al-Qaeda Threat As Attempt To Influence Tribunal Vote. The AP (11/14) reports Al-Qaeda has purportedly issued a statement "threatening to topple Lebanon's 'corrupt' Western-backed government," according to an article published in the London-based Arabic newspaper, Al-Hayat, Monday. The newspaper reported that al-Qaeda "issued the statement from the Palestinian refugee camp of Nahr el-Bared in northern Lebanon," saying the group "has arrived in Lebanon and we will work on destroying this corrupt government that receives orders from the American administration." However, Lebanese Information Minister Ghazi Aridi "cast doubt on its veracity," saying, "There is nothing that proves that this statement was issued by al-Qaeda." Instead, he suggested that the statement "could be the work of local or regional groups that were opposed to the international tribunal in an attempt to intimidate the ministers ahead of the vote on Monday."

Navy Will Review Sub Defenses. The Washington Times (11/14, Gertz, 88K) reports, "Navy officials confirmed yesterday that an aircraft carrier battle group failed to detect a Chinese submarine that surfaced within weapons range of the USS Kitty Hawk. Anti-submarine defenses for the carrier battle group will be reviewed as a result, they said. ... [Some] defense officials said the submarine surfacing was a provocative action by the Chinese military, which has placed a high priority on practicing anti-aircraft-carrier operations against U.S. carriers and warships in preparation for a possible future conflict over Taiwan. ... The submarine encounter also took U.S. intelligence agencies by surprise because of years of analyses that continue to portray a benign China, said a defense official. ... The encounter also was unusual because Chinese submarines normally do not operate in deep waters, both officials said." China specialist William Tripplett called the failure to track the sub "alarming." The Times adds that a US-Chinese program promoted by Adm. William Fallon "has been plagued by a lack of reciprocity on the part of China's military, which continues to refuse U.S. military visitors to key military facilities or to observe military exercise."

The AP (11/13) reports, following up the Washington Times story of November 13, "A Chinese submarine came close to the USS Kitty Hawk carrier group in the Pacific Ocean last month, a top U.S. naval commander said Tuesday. ... [Admiral Fallon] was commenting on a report on the Washington Times' Web site Tuesday that said a Chinese submarine 'stalked' the Kitty Hawk and surfaced within torpedo firing range."

Darfur Crisis Spreads Into Chad. NBC Nightly News (11/13, story 6, 2:50, Williams, 9.87M) reported, "At least 200,000 have died in the past three years in this crisis." Ann Curry reports that "at a refugee camp across the border in Chad where many now fear a new kind of Darfur is taking shape there." She said, "More than 20 villages have been systemically set on fire here in Chad in the last 10 days," and "today, the President of Chad has declared a state of emergency." The fires of "ethnic cleansing in Darfur are now raging in eastern Chad." On Wednesday morning "the farming village of Tamajour became the latest target," and two days later, Tamajour was "still smoldering." The Arab militia, the Janjaweed, "acting on behalf of the Sudanese government, had swept in on horseback, firing heavy weapons, torching thatched huts, burning three children and

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an elderly man to death," with the goal of wiping "ethnic Africans from these lands." Today, "when humanitarian groups, including the USAID, went to investigate another village that had been attacked they were fired upon."

In a column in the New York Times (11/14, 1.16M), Nicholas Kristof writes President Bush has "found the courage to do little more than demand that the UN do something. … Frankly, we should be embarrassed that the mightiest superpower in the history of the world can't summon the gumption of Chadian peasants with bows and arrows."

UN Pledges $77 Million Package To Darfur. The AP (11/14, Neuhaus) reports, "The United Nations said Monday it has pledged about $77 million in personnel and equipment to help the overwhelmed African Union force in Darfur as Sudan blocks the world body from sending its own peacekeepers to the war-torn region." Hedi Annabi, the UN assistant secretary general for peacekeeping operations said the package will have "military and police advisers, communications equipment and tools like night-vision goggles," and "it will be given to the African Union as soon as possible." The aid "has been offered because of Sudan's refusal to allow a UN peacekeeping force in Darfur," said Annabi. He also said that he will "start discussions on another support package for the AU force, but he did not say how much that would be worth.

Sinn Fein- Unionist Agreement Delayed. The Washington Times (11/14, Healy, 88K) reports in Dublin, that the St. Andrew's Agreement "between Sinn Fein and the Democratic Unionist Party is falling behind schedule, but it still offers hope for a permanent solution to the 'troubles' in Northern Ireland." Both parties were expected to "endorse the agreement by last weekend and to make a firm commitment to power sharing," along with "their nominations for the posts of first minister and deputy first minister" by Nov. 24. The Unionists "are refusing to go forward without a firm commitment from Sinn Fein to support and respect the Police Service of Northern Ireland -- a bitter pill for the party to swallow after decades of distrust during struggles between the police and Sinn Fein's allies in the Irish Republican Army." S

MCC Awards $461 Million Package To Mali. AFP (11/14) reports, "The United States signed a 461 million dollar aid "compact" with Mali to finance a giant irrigation project and expand the international airport in the poverty-stricken African nation." US Secretary of State Condoleezza Rice said the Millennium Challenge Corporation (MCC) grant "was a reward for good governance and a commitment to democracy by the government of Malian President Amadou Toumani Toure." The five-year assistance package "will provide 235 million dollars to finance a massive irrigation and modernization program in Mali's Alatona region designed to increase food production and improve land tenure security in an area now dominated by subsistence agriculture." Toure said, "These projects are an enormous source of hope for our nation." Also, the US military will "start training the army in Mali in anti-terrorism techniques and in peace-keeping operations," and will train "between 300 and 350 Malian soldiers" for "several weeks." The desert north of Mali is "an important point of passage for traffickers, especially of weapons, and for terrorist groups active in the Sahara."

Chinese Immigration Into Russia Sparks Tensions. The Wall Street Journal (11/14, A1, Chazan, 2.04M) reports that after a successful operation of Chinese laborers growing fruits and vegetables on unused land in Ayatskoye, Russia, regional officials are "so impressed they're now planning to turn millions of acres of long-uncultivated fields over to Chinese peasants." However, "among many natives here in Russia's heartland, the idea has proved controversial." Regional agriculture minister, Sergei Chemezov said, "One in four farms is bankrupt and more than 10% of arable land -- about 400,000 acres -- is uncultivated," and "sees the solution in imported Chinese labor," that helps "stave off economic ruin." Igor Vyaginsky, a crew-cut local activist from the Movement Against Illegal Immigration said of the Chinese, "They'll establish a bridgehead and then spread out. We could end up losing our territory." The dispute over Ayatskoye is "typical of the tension at the heart of the Russia-China relationship." Russia is "finding it hard to cope with the emergence of a new global power right on its doorstep," and many Russians "fear being overwhelmed by their dynamic and more-populous neighbor." The concern is "heightened by the stark contrast between China's enormous population and Russia's steep demographic decline."

White House Offers "Tepid Welcome" To Al-Jazeera's English Version. USA Today (11/14, Johnson, 2.27M) reports, "Al-Jazeera, the Arab news network the Bush administration says is a tool of al-Qaeda, will launch Wednesday its English version, which will be available in 70 million households worldwide." The network "will broadcast

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from Doha, Qatar, and from bureaus in Kuala Lumpur, Malaysia; London; and Washington, D.C. Cable and satellite distribution deals are expected to be announced today." The White House "issued a tepid welcome," and spokeswoman Dana Perino said, "A free press has the responsibility to report news responsibly and accurately, and we work with all outlets that do so."

NYTimes Says Putin Should Leave Power In 2008. The New York Times (11/14, 1.16M) editorializes that although the Russian Constitution has a two-term limit for presidents, "there are growing calls -- spontaneous or orchestrated by the Kremlin -- to change the Constitution." Although President Vladimir Putin says "he will abide by the legal limit," he would have "no trouble warping the Constitution," but that would be a "tragic mistake." With Russia's economy improving, Putin is "lionized," and many Russians "seem unconcerned about their declining freedoms," as the government has "muscled out independent news media and jailed political rivals, and never stops trying to muffle groups that do not follow the Kremlin line." The editorial hopes that "for the sake of Russia's democracy" he will keep his pledge to respect the Constitution.

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Bush Warns Against Pullout."
"Expose A Scandal, Face A Prison Term."
"Paris' Mode Moderne."
"Insurers Propose To Close Gap."
"LAPD Officials 'Livid' Over New Arrest Videotape."
"Few Clues And Reluctant Witnesses."

USA Today:
"Sunni Needs Not Met, General Says."
"Should Government Take A Yardstick To Colleges?."
"Public Expects The Dems To Deliver."

New York Times:
"Pakistan Link Seen in Afghan Suicide Attacks."
"For Evangelicals, Supporting Israel Is 'God's Foreign Policy'."
"After Vote, Public Demands Change: Take Down the Signs."
"As Math Scores Lag, a New Push for the Basics."
"Bush Says He's Open to Change in Iraq, but ...."
"For Montauk, It's Lighthouse vs. Surf's Up!."

Washington Post:
"In King's Honor, A Dream Achieved."
"Bush Faces New Calls to Shift Policies On Mideast."
"Va. Space Industry Poised for Takeoff."
"In Backing Murtha, Pelosi Draws Fire."
"Metro Picks L.A. Official, D.C. Native As Manager."
"Breast Cancer Risk Linked To Red Meat, Study Finds."

Washington Times:
"Fenty Vows No New DC Taxes."
"Defense On Subs to be Reviewed."
"In Soup Redskins Turn To Campbell."
"Proposed Iraq Pullout Lacking Specifics."
"Florida's martinez Tapped For RNC Chief."
"Britons Critical Of Christless Christmass."
"Pelosi Draws Fire For Backing Murtha."

Atlanta Journal-Constitution
"Doctors Short On Flue Shots."
"Clayton Sheriff Stops Paying For Choir Duty."
"A Dream Realized: Ground Broken For King Memorial."
"Here's The Wrap or Rap On School Sales."

Houston Chronicle:
"Dallas Suburb Targets Illegal Immigrants."
"Demand grow For Housing Downtown."
"Preserving King's Legacy For Generations To Come."
"Bush Tells Iraq Panel: Go Slow On Withdrawl."

Story Lineup From Last Night's Network News:
ABC: ISG Recommendation-Iraq; ISG Recommendation-Analysis; Iraqi Little Boy; Runway Safety; King Memorial; Natural Gas Texas; Republicans Exploring Presidency; Lame Duck Session; Heart Attack Prevention; Wild Pigs-Texas.
CBS: ISG Recommendation-Iraq; Murtha Interview; Abizaid-Shiite Militias; Al-Rubaie-Iraq's Future; Tamiflu FDA Warning; Heart Attack Treatment; Senior Care; King Memorial; Tuskegee Airmen Honored.
NBC: ISG Recommendation-Iraq; Iraq Sectarian Violence; Congressional Freshman Orientation; Giuliani's Presidential Exploration; Troops Recovering; Darfur Crisis; Tamiflu FDA Warning; Breast Cancer Risk; Stock Market; Ford-Oldest Living President; King Memorial.

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Story Lineup From This Morning's Radio News Broadcasts:

ABC: White House-Iraq Study Group; Blair-Iraq Study Group; Blair-Middle East Strategy; IN-Plane Crash; Bush-Vietnam; Vietnam War Soldier's Remains Identified; WA-Reichert Wins; Chicago, IL-American Boy Lobbies To Keep Mexican Mother From Being Deported; TX-Illegal Immigration Ordinance; Stock Markets.

CBS: Iraq-Abductions; Iraq-US Military Raids In Ramadi; White House-Iraq Study Group; Blair-Iraq Study Group; Blair-Middle East Strategy; Bush-Meeting With Domestic Carmakers; Giuliani-Presidential Exploratory Committee.

NPR: White House-Iraq Study Group; Blair-Middle East Strategy; Olmert-Meeting With Bush, Congressional Leaders; Tokyo Stock Market; Giuliani-Presidential Exploratory Committee; Canada-Environmental Objections To Oil Sands Project.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Meets with auto industry CEOs, Roosevelt Room; departs for APEC meeting in Vietnam.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: 9 a.m. JUDICIARY _ Full Committee. Hearing on competition in sports programming and broadcasting and its impact on consumers. Location: Room 226, Dirksen.

10 a.m. HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS _ Full Committee. Hearing on pending nominations. Location: Room 342, Dirksen.

11 a.m. FINANCE _ Full Committee. Hearing on pending nominations. Location: Room 215, Dirksen.

2 p.m. JUDICIARY _ Full Committee. Hearing on pending nominations. Location: Room 226, Dirksen.

2:30 p.m. HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS _ Permanent Investigations Subcommittee. Hearing on problems states encounter with newly organized coproration and problems in identifying the owners of the company. Stuart G. Nash - associate deputy attorney general and director, Organized Crime Drug Enforcement Task Force; Steven Burgess, IRS; Yvonne Jones, GAO; Jamal El-Hindi, Financial Crimes Enforcement Network, Vienna, Va.; Richard J. Geisenberger, assistant secretary of state, State of Delaware; Scott W. Anderson, deputy secretary of state for commercial recordings, Office of the Secretary of State, Nevada; Laurie Flynn, chief legal counsel, Office of the Secretary of the Commonwealth of Massachusetts. Location: Room 342, Dirksen.

US House: FLOOR SCHEDULE _ 10 a.m. Meets for morning hour and at 11 a.m. for legislative business. Highlights: Suspensions (7 bills): 1) H.J.Res. 96 - Recognizing the contributions of the Christmas tree industry to the United States economy; 2) H.R. __ - To amend title 38, United States Code, to extend certain expiring provisions of law; 3) H.R. 1245 - Gynecologic Cancer Education and Awareness Act of 2005; 4) H.R. 864 - Sober Truth on Preventing Underage Drinking Act; 5) H.Res. 993 - Expressing the sense of the House of Representatives with respect to raising awareness and enhancing the state of computer security in the United States, and supporting the goals and ideals of National Cyber Security Awareness Month; 6) H.R. 5585 - Financial Netting Improvements Act of 2007); 7) H.J.Res. __ - Making further continuing appropriations for the fiscal year 2007, and for other purposes.

10 a.m. INTERNATIONAL RELATIONS _ Africa, Global Human Rights and International Operations Subcommittee. Oversight hearing on the Hague Convention on International Adoptions. Deputy Secretary of State Catherine Barry; Lori Scialabba, DHS; Richard Klarberg, Council on Accreditation; Dana Andrews, Colorado Department of human Services; Thomas DiFilipo, Joint Council on International Children's Services; Thomas Atwood, National Council for Adoption. Location: Room 2172, Rayburn.

2 p.m. ARMED SERVICES _ Full Committee. Hearing on the national security implications of the Lucent-Alcatel merger. Lucent CEO Patricia Russo; Alcatel CDOO, Mike Quigley; Deputy Defense Secretary Gordon England. Location: Room 2118, Rayburn.

2 p.m. JUDICIARY _ Commercial and Administrative Law Subcommittee. Hearing on the ``Administrative Law, Process and Procedure Project for the 21st Century." Location: Room 2141, Rayburn.

Other: ISRAELI PRIME MINISTER OLMERT _ Highlights: 8 a.m. Departure from Andrews AFB. Closed press.

EDUCATION _ The Public Education Network holds its 16th annual conference on the transformation of public education by local education funds. Highlights: 8:30 a.m. Session on No Child Left Behind Act, with Gov. Robert Wise of the Alliance fof Excellent Education, Dan Challener of the

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Public Education Foundation, others. 9:30 a.m. Session on the election results, with Jack Jennings of the Center on Education Policy and pollster Celinda Lake. 12:30 p.m. Luncheon speaker - Geoffrey Canada, the Harlem Children's Zone. Location: Fairmont Hotel, 2401 M St. NW.

MIDEAST _ The Middle East Institute holds its 60th annual conference. Highlights: 9 a.m. Panel on engaging political Islam, with Maysam al-Faruqi, Georgetown University; Richard Murphy, former Assistant Secretary of State; S. Abdallah Schleifer, DC Bureau Chief, Al Arabiya. 10:45 a.m. Panel on making peace in Sudan, with Tim Carney, former US Ambassador to Sudan; John Prendergast, International Crisis Group, others. 1:30 p.m. Panel on America's partnership with the Gulf Region, with Rachel Bronson, Council on Foreign Relations; John Hillen, Assistant Secretary of State, Political-Military Affairs; Jamal Khashoggi, Embassy of Saudi Arabia. 3:30 p.m. Panel on Israel's evolving foreign policy, with Geoffrey Aronson, Foundation for Middle East Peace; Daniel Levy, former advisor to PM Barak/New America Foundation; Yoram Peri, Tel Aviv University; Daniel Seidemann, legal advisor and expert on Jerusalem. Location: National Press Club.

COCAINE-SENTENCING _ 9:15 a.m. - 5 p.m. The US Sentencing Commission holds a public hearing titled ``Cocaine and Federal Sentencing Policy -- 2006." The Commission will hear from representatives of law enforcement, the legal community, the judiciary, interested community groups, and the scientific community to address issues associated with federal cocaine sentencing policy. Location: Georgetown University Law Center, Gewirz Student Center, 12th floor Conference Room.

FRESHMAN PICTURE _ 8 a.m. Official class portrait of the House Freshman Class. Location: East Front Steps, Capitol.

IMMIGRATION _ 8:30 a.m. NDN holds a forum on immigration and the Latino vote, with Frank Sharry of the National Immigration Forum, Sergio Bendixen of Bendixen Associates, others. Location: Phoenix Hotel, 520 N. Capitol St.

SCHIEFFER-MIDTERMS _ 8:30 a.m. Bob Schieffer, CBS News chief Washington correspondent and moderator of ``face the Nation," will speak at the Johns Hopkins Paul H. Nitze School of Advanced International Studies. Topic: ``Politics and Policy After the Midterm Elections: Looking Ahead to 2008." Location: Room 500, Bernstein-Offit Building, 1717 Massachusetts Ave. NW.

CONNECTICUT DEMOCRATS _ 8:45 a.m. Connecticut's Democratic Delegation will welcome Congressman-elect Joe Courtney and Congressman-elect Chris Murphy at a media availability. Location: Cannon Terrace. Notes: Rain location is Room HC-7, Capitol.

GLOBAL TRADE _ 9 a.m. The Global Business Dialogue and the National Foreign Trade Council will host a panel discussion on the status of the President's Trade Promotion Authority, also known as ``Fast Track," and the outlook for renewing it. Location: Hamilton Crowne Plaza, 14th and K Sts. NW.

LEBANON _ 9 a.m. The Gallup Organization releases the initial findings of an in-depty study on the views and opinions of the citizens of Lebanon immediately following the recent 34-day conflict. Location: Suite 200, 901 F St. NW.

US-INDIA NUCLEAR _ 9 a.m. - 10:30 a.m. The Arms Control Association holds a press briefing, ``The Senate and the U.S.-Indian Nuclear Deal: Issues and Alternatives." Location: Carnegie Endowment for International Peace, Choate Room, 1779 Massachusetts Ave. NW.

EMPLOYERS-HEALTH COVERAGE _ 9:30 a.m. Health and business experts, including California HealthCare Foundation CEO Mark Smith and former GE health leader Francois de Brantes hold a news briefing, ``Will Employer-Based Health Coverage Endure." They will discuss a new survey that gauges public attitudes towards coverage, choice and mandates amid worsening danger signs, and debate the future of private insurance. Location: Columbus Club, Union Station.

PUTIN _ 10 a.m. - 12 p.m. The Jamestown Foundation hosts a a program, ``Putin and the Succession Question: What Happens Between Now and 2008?" Presenter: Dr. Nikolai V. Zlobin, Senior Fellow and Director of Russian and Asian Programs, Center for Defense Information (CDI). Discussant: Mr. Peter Reddaway, Professor Emeritus of Political Science and International Affairs, George Washington University. Location: The Jamestown Foundation, 1111 16th St. NW, 7th Floor Conference Room.

GILMORE V. GONZALES _ 10:30 a.m. News conference on the Gilmore v. Gonzales case pending before the Supreme Court. Participants are John Gilmore, his attorneys and representatives of groups filing amici briefs, including the Reporters Committee for Freedom of the Press, American Society of newspaper Editors, others. Location: Akin Gump Straus Hauer and Feld LLP, 1333 New Hampshire Ave. NW.

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HOYER _ 11 a.m. House Democratic Whip Steny Hoyer holds a pen and pad only briefing. Location: Room H-306, Capitol.

R&D CREDIT _ 11 a.m. R&D Credit supporters hold a press briefing urge swift action by Congress to send a bill to the President during the Lame Duck session that will seamlessly restore and strengthen the R&D tax credit. The credit expired 11 months ago.Participants include members of Congress and Business Trade Association Presidents; including AeA, EIA, ITAA, ITI, TechNet. Location: Room 124, Dirksen Senate Office Building.

SCIENCE AND SECULARISM _ 11 a.m. The Center for Inquiry holds a press briefing to issue a new declaration ``In Defense of Science and Secularism'' and announce the opening of a new Office of Public Policy in Washington. D.C., a pro-science, pro-church-state separation lobbying and public policy apparatus. Speakers include Paul Kurtz, founder and chairman of the Center for Inquiry; and Paul Delos Boyer, Nobel Prize winner in chemistry -- 1997. Location: National Press Club.

TRUCKS-FUEL EFFICIENCY _ 11 a.m. Dave Hobson, Assistant House Majority Whip, joins John Mizroch, principal deputy assistant secretary, Office of Energy Efficiency, others, hold a press conference on improvements in large truck aerodynamics that can help reduce fuel use and save hundreds of millions of gallons of fuel annually. Location: L'Enfant Plaza median, 1000 Independence Ave. SW, outside DOT headquarters.

DEMOCRATS-PLANS _ 11:30 a.m. Following their leadership elections, the Senate Democratic Leadership will highlight their plans to move America in a new direction. Location: Senate Ohio Clock Corridor.

ELECTION ANALYSIS _ 12 p.m. DLA Piper US LLP holds a program analyzing the 2006 elections, with former House Majority Leaders Dick Armey and Dick Gephardt and Norman Ornstein of the American Enterprise Institute. Location: Ballroom, Willard Inter-Continental Hotel, 1401 Pennsylvania Ave. NW.

IRAQ-WAR CRIMES _ 12 p.m. The Center for Constitutional Rights, others, hold a telephone news briefing from Berlin on a criminal complaint being filed with German authorities concerning U.S. war crimes in Iraq, with CCR President Michael Ratner, Attorneys, others. Contacts: David Lerner, 212-260-5000. Notes: Callin number: 888-288-0321; passcode: 539547.

LATIN AMERICA-APEC _ 12:30 p.m. - 2 p.m. The Heritage Foundation hosts a luncheon discussion at which experts will outline the security implications, economic factors and the impact the Latin American countries will play at the upcoming APEC meeting. Participants: David Asher, Senior Associate Fellow, Asian Studies Center The Heritage Foundation; Steve Johnson Senior Policy Analyst, Kathryn and Shelby Davis Institute for International Studies The Heritage Foundation; and Anthony Kim Research Associate, Center for International Trade and Economics The Heritage Foundation. The event is hosted by Aerica Veazey Director, Washington Roundtable for the Asia-Pacific Press, The Heritage Foundation. Location: The Heritage Foundation, Davis Center 214 Massachusetts Ave. NE.

FAKE NEWS _ 2 p.m. The Center for Media and Democracy holds a media teleconference with with Free Press and FCC Commissioners Jonathan S. Adelstein and Michael J. Copps to release its latest report on the ongoing incidence of ``fake news'' on local TV stations nationwide. The new report, ``Still Not the News,'' captures 46 TV stations slipping corporate-sponsored ``video news releases, or VNRs -- segments promoting commercial brands and products -- into news broadcasts without revealing their sources to viewers. Contacts: Craig Aaron, 202-265-1490 ext 25. Notes: To join, call 973-582-2770 -- conference code 8109530.

SPECTRUM POLICY _ 2:15 p.m. - 5:30 p.m. The National Center for Technology and Laws Information Economy Project will host Innovation, Technology and Spectrum Policy: A Mini-Conference and the significant attention thta has been focused on municipal wi-fi initiatives and T.V. band spectrum reallocation for unlicensed use. This event will gather industry experts with diverse viewpoints to consider these and other proposals in the search for pro-consumer spectrum policies. Wireless technology pioneer and Qualcomm Chairman Dr. Irwin Mark Jacobs will deliver the keynote address. Highlights: 2:15 p.m. Keynote Addressby Dr. Irwin Mark Jacobs, Chairman of the Board, Qualcomm. 3 p.m. Municipal Wi-Fi: The Reality, with Coleman Bazelon, Vice President, Analysis Group; Dewayne Hendricks, CEO, Dandin Group, Inc.; and Andrew Orlowski, The Register. 4:15 p.m. TV Band ``White Space: Two Views, with Pierre de Vries, Senior Fellow, USC Annenberg Center for Communication; Thomas Hazlett, Professor of Law & Economics and Director, Information Economy Project, George Mason University School of Law; and Andrew Kreig, President, Wireless Communications Association

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(Moderator). Location: George Mason University School of Law, 3301 Fairfax Drive, Arlington, Va., Room 322.

IRAQ RECONSTRUCTION _ 2:30 p.m. Sens. Susan Collins, R-Maine; Russ Feingold, D-Wis.; Joseph Lieberman, D-Conn.; and Norm Coleman, R-Minn., hold a press conference on the legislation they cosponsored extending the mandate of the office of the Special Inspector General for Iraq Reconstruction (SIGIR). Location: Senate radio/TV Gallery.

SECURITY-MALACCA _ 3:30 p.m. The Wilson Center for International Scholars holds a program on energy security in the Strait of Malacca. Location: 6th floor auditorium, Wilson Center, Reagan Trade Building.

MIKULSKI-SENATE WOMEN _ 4 p.m. Sen. Barbara Mikulski holds her traditional, bipartisan Senate Women Power Workshop. Location: Room 503, Hart.

REGULATORY REFORM _ 5 p.m. - 7 p.m. Roger Noll, emeritus professor of economics at Stanford University, delivers the 2006 AEI-Brookings Joint Center Distinguished Lecture on why regulatory reform has stalled and why certain costly regulatory practices are spreading to the rest of the world. Contacts: Veronique Rodman, 202-862-4871. Notes: Wine and cheese reception at 6:30 p.m.

VICTIMS OF COMMUNISM _ 6:30 p.m. The Victims of Communism Memorial Foundation hosts an awards event at which Sen. John Warner, R-Va., will present a Truman-Reagan Medal of Freedom to Edwin J. Feulner, president of the Heritage Foundation. Defense Secretary Donald Rumsfeld will deliver brief remarks about Feulner, a longtime friend and colleague. Location: Embassy of the Czech Republic, 3900 Spring of Freedom St. NW.

MIDTERMS-MEDIA _ 8 p.m. - 9 p.m. American University's School of Communications hosts ``An American Forum" panel discussion, ``The Mid-terms and the Media." Participants: Ana Marie Cox, editor, Time.com and founding editor of the political blog Wonkette; Dotty Lynch, executive in residence, AU Achool of Communication and political consultant, CBS News; Ken Walsh, chief White House correspondent, U.S. News & World Report; and David Winston, founder and president, The Winston Group. Location: Room 1, AU's Ward Circle Building, 4400 Massachusetts Ave/ NW.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: TUESDAY, NOVEMBER 14, 2006 7:45 AM EST

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TERRORISM NEWS:

US Argues For Indefinite Detention Of Terror Suspects. The AP (11/14, Apuzzo) reports, "Immigrants arrested in the United States may be held indefinitely on suspicion of terrorism and may not challenge their imprisonment in civilian courts, the Bush administration said Monday, opening a new legal front in the fight over the rights of detainees." The AP continues, "In court documents filed with the 4th U.S. Circuit Court of Appeals in Richmond, Va., the Justice Department said a new anti-terrorism law being used to hold detainees in Guantanamo Bay also applies to foreigners captured and held in the United States." The AP adds, "Ali Saleh Kahlah Al-Marri, a citizen of Qatar, was arrested in 2001 while studying in the United States. He has been labeled an 'enemy combatant,' a designation that, under a law signed last month, strips foreigners of the right to challenge their detention in federal courts. … That law is being used to argue the Guantanamo Bay cases, but Al-Marri represents the first detainee inside the United States to come under the new law. Aliens normally have the right to contest their imprisonment, such as when they are arrested on immigration violations or for other crimes." The AP notes, "The new law says that enemy combatants will be tried before military commissions, not a civilian judge or jury, and establishes different rules of evidence in the cases. It also prohibits detainees from challenging their detention in civilian court. … In a separate court filing in Washington on Monday, the Justice Department defended that law as constitutional and necessary. … Government attorneys said foreign fighters arrested as part of an overseas military action have no constitutional rights and are being afforded more legal rights than ever."

McClatchy Newspapers (11/14, Rosenberg) reports, "The Bush administration Monday defended a new law that strips enemy combatants at Guantanamo Bay of recourse to traditional civilian court challenge, setting the stage for a U.S. Supreme Court showdown." McClatchy continues, "In a brief, the Justice Department argued at the U.S. Court of Appeals for the D.C. Circuit that the U.S. district courts must close the files of several hundred habeas corpus petitions because the new Military Commissions Act eliminated their jurisdiction. … Attorneys for many of the 440 or so captives, some approaching five years held without charge at the remote U.S. Navy base in Cuba, argue the law is at odds with a fundamental, constitutional right to file a writ of habeas corpus - their right to challenge their detention before a civilian judge." McClatchy adds, "Once the three-court appeals panel rules, both sides anticipate an overarching constitutional challenge of the new federal law to go before the Supreme Court, which earlier backed certain detainee rights in a series of rulings. … The brief signed by Solicitor General Paul Clement argues that Congress 'unambiguously' stripped the U.S. district court of that right in the new legislation, which President Bush signed on Oct. 17. … 'Because there can be no question that Congress has eliminated district court jurisdiction,' Clement writes, 'petitioners are left to argue that the Act is unconstitutional. These arguments are without merit.' … Rather than have traditional review, he adds, Congress gave the circuit appeals court - the same venue deciding the constitutionality of the law - the power to review an enemy combatant's classification."

British Officials Says Al Qaeda Sought WMD. The AP (11/14, Stringer) reports a senior British diplomat warned Monday that "Islamic extremists, including members of al-Qaeda, have tried to acquire chemical or radiological weapons to use in attacks against Britain and other Western targets." Britain's Foreign Office "has evidence of efforts by the terror groups to purchase chemical, biological, radiological and nuclear materials for use in attacks," the diplomat said. In particular, the Foreign Office is "concerned over the potential access terrorists could have to substances with legitimate uses that could also be used to create weapons and biological agents like smallpox or anthrax," the official said.

CIA Admits Existence Of Interrogation Documents. The Washington Post (11/14, A29, Eggen, 690K) reports, "After years of denials, the CIA has formally acknowledged the existence of two classified documents governing aggressive interrogation and detention policies for terrorism suspects, according to the American Civil Liberties Union. But CIA lawyers say the documents -- memos from President Bush and the Justice Department -- are still so sensitive that no portion can be released to the public." The disclosures, made Friday in a letter from John L. McPherson, the CIA's associate general counsel, to attorneys for the ACLU, came in response to a lawsuit filed by the group "in US District Court in New York two years ago under the Freedom of Information Act, seeking records related to US interrogation and detention policies."

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Levin Pledges To Investigate CIA Renditions Program. The Financial Times (11/14, Sevastopulo, Dombey) reports, "Carl Levin, the incoming chairman of the Senate armed services committee, on Monday pledged to scrutinise the Central Intelligence Agency renditions programme. … While Congress has enacted legislation aimed at preventing abuses of detainees, there has been relatively little public scrutiny of the renditions system itself." Levin said he was "not comfortable with the system" and that it may have "cost us some real allies, as well as not producing useful information."

DOJ Seeks Tougher Sentence For Ressam. The Seattle Times (11/14, Carter) reports, "The judge who sentenced Ahmed Ressam to 22 years in prison should be ordered to impose a stiffer sentence on the man who planned to blow up holiday travelers at Los Angeles International Airport, a Justice Department lawyer argued Monday." The Times continues, "U.S. Attorney John McKay, in the unusual appeal, said U.S. District Judge John Coughenour had abused his discretion, failed to justify the sentence and misused Ressam's sentencing to criticize U.S. policy about having terrorism suspects held indefinitely or tried before secretive military tribunals. … 'These are reversible errors,' McKay told a three-judge panel of the 9th Circuit Court of Appeals convened in Seattle. If the sentence stands, Ressam 'will be released in 15 years, leaving him, if he chooses, to rejoin his al-Qaida comrades when he is 54 years old,' McKay said." The Times adds, "Ressam's attorney, Federal Public Defender Thomas Hillier, when questioned by Judge Pamela Ann Rymer, agreed that Coughenour needs to justify the length of the 22-year sentence to comply with case law and sentencing guidelines. … 'We can't tell why he picked that number,' Rymer said." The Times notes, "It will be many months before the case is decided. The U.S. Supreme Court last week agreed to hear two cases, about sentencing discretion, that may affect the circuit court's decision. … Ressam was arrested Dec. 14, 1999, in Port Angeles as he drove off a ferry from Victoria, B.C., in a rental car packed with explosives. The Algerian refugee later admitted he had been recruited by al-Qaida and trained at Osama bin Laden's terrorism camps in Afghanistan. … He was convicted in April 2001 of nine federal felonies, including conspiracy to commit an act of international terrorism. A month later, he began to cooperate with law enforcement."

Miller Testifies Salah Was "Boasting," "Jaunty" During Israeli Interrogation. In a widely-distributed story, the AP (11/14, Robinson) reports, "Former New York Times journalist Judith Miller testified Monday that she saw no evidence that a grocer charged with providing money and recruits to Palestinian terrorists had been tortured when she secretly witnessed his interrogation by the Israelis in 1993. 'He was boasting. He was jaunty. There was no reason to believe that he had been subjected to that kind of treatment,' Miller, who was the Times' Cairo bureau chief at the time, testified for the prosecution at Muhammad Salah's trial." The AP adds, "Miller said she was taken to the interrogation center because the Israelis wanted her to write about Salah. He allegedly had already confessed that money to finance Hamas was coming out of the United States." Miller "said she was initially skeptical and believed that Salah might have been tortured into making such statements." The Chicago Tribune (11/14, Coen, 617K) notes, "Lawyers for Salah and co-defendant, Abdelhaleem Ashqar, questioned her credibility given the controversies surrounding her reporting on the war in Iraq, among other things."

In Light Of FBI Agent's Testimony, Judge Rules Terror Suspect Waived Rights. The AP (11/14, Neumeister) reports, "An FBI agent testified Monday that a jazz musician and martial arts expert looked as though 'he'd been caught with his hand in the cookie jar' when he heard his voice on government audio tapes in a terrorism case. U.S. District Judge Loretta A. Preska used the testimony by the agent, Brian Murphy, as a basis to reject defense arguments that Tarik Shah never waived his rights before making statements and briefly cooperating with the government after his May 2005 arrest." The AP adds, "Shah's lawyer, Josh Dratel, said statements and other evidence obtained after his arrest should be suppressed because he never signed a waiver of his rights, including the right to remain silent and to speak with an attorney. Murphy, though, testified that Shah waived his rights orally and followed up the words with actions, including going to Baltimore, where FBI agents had arranged for him to have a taped telephone conversation with another target of the investigation."

US Denies Padilla Torture Claims. The AP (11/14, Anderson) reports, "Federal prosecutors on Monday denied claims by suspected al-Qaida operative Jose Padilla that he was tortured during his 3 1/2 years in military custody as an enemy combatant. In papers filed in federal court, prosecutors said Padilla provided no evidence to back up his claims and urged that the case against him not be dismissed based on his allegations. They insisted that Padilla was treated humanely" and noted that he was provided with "halal food, some outdoor exercise and medical attention when necessary. Prosecutors said Padilla never made any abuse claims while in military custody." The New York Sun (11/14, Gerstein) adds, "The prosecution did not address directly one of Padilla's most inflammatory claims, namely that a military team forcibly drugged him with 'a sort of truth serum,' possibly LSD or PCP." In yesterday's filing, "prosecutors suggested

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that Padilla pursue a civil suit for damages if he believes he was tortured by the military."

HOMELAND RESPONSE:

US Charges California Man With Mailing Threatening Letters To Politicians, Celebrities. The AP (11/14) reports from Los Angeles, "A man was arrested and accused of mailing threatening letters laced with white powder to Congresswoman Nancy Pelosi, TV talk show host David Letterman and other high-profile figures, the FBI announced." The AP continues, "FBI agents took Chad Conrad Castagana, 39, into custody Saturday on charges of conveying false information and sending threats via the U.S. mail, the bureau said in a statement Sunday. … Castagana, of Los Angeles, was being held in a federal detention center pending an initial court appearance Monday, when prosecutors were expected to file charges." The AP adds, "Authorities claim he mailed threatening letters to House speaker-in-waiting Pelosi, Letterman, New York Senator Charles Schumer, Jon Stewart of Comedy Central's 'The Daily Show' and MSNBC host Keith Olbermann. … Some letters included phrases like 'Death to Demagogues' and pictures of victims of the 2004 Asian tsunami, authorities said. … While the FBI is still trying to identify the white powder, preliminary tests revealed it does not pose a biological hazard."

Roll Call (11/14, McArdle, Kane) reports Chad Castagana appeared in a Los Angeles federal district court Monday "to face charges of sending threats via US Mail after federal investigators linked him to 17 letters sent over a roughly two-month span that contained threatening statements and various amounts of baking soda, Ajax, laundry detergent and other white powders that could have been mistaken for anthrax." The letters, which were sent to likely Speaker Nancy Pelosi, Sen. Charles Schumer "and a host of liberal-leaning media figures" were not sent to Capitol Hill, but have renewed "focus on Congressional mail screening procedures five years after letters containing anthrax were sent to two Senate offices, leading to the deaths of five people and temporarily shutting down the Capitol complex."

WAR NEWS:

Bush Meets With Iraq Study Group, Dismisses Democratic Pullout Plan. President Bush's meeting with his Iraq Study Group is being portrayed as a reaction to the midterm elections – with Republican losses blamed on the Administration's Iraq policies. NBC Nightly News (11/13, lead story, Williams, 9.87M), for example, reported, "Analysts have all told us the central message that voters seemed to be sending on election day all across this country was that a new policy is needed for the war in Iraq. The day after the vote, Defense Secretary Rumsfeld was out. Today it became clear it won't stop there. A special commission formed by Congress a while back is readying its report on Iraq." Similarly, the Los Angeles Times (11/14, Richter, 850K) says "the administration strained to chart a new direction for Iraq in response to a growing antiwar sentiment. Last week's midterm election, which analysts said showed a deep dissatisfaction with White House policies on the war, has increased the pressure."

Media coverage of the day's debates on Iraq is generally negative toward the White House. The CBS Evening News (11/13, lead story, 2:40, Couric, 7.66M), in a report typical of the tenor of the coverage, reported, "Just about everyone agrees Iraq is a mess. The question now is: Can the President and the new Congress led by the Democrats agree on how to get out of it? The Democrats want a phased withdrawal. The President has been dead set against that," but "he did say it's time for a fresh perspective." CBS (Axelrod) added, "About a week ago, the Bush administration's public stance on Iraq was absolutely winning, if you will, full speed ahead. It seems to be full speed ahead on finding a way out of the mess in Iraq." The "Baker-Hamilton commission" spent "eight hours…at the White House today, their first stop, a sit-down with the President and Vice President." The White House "says this was a discussion, not a deposition. No policy alternatives were exchanged by either side. The President always says he changes according to conditions on the ground and what he thinks those conditions are."

On PBS's News Hour with Jim Lehrer (11/13, 7:15 p.m.), Sen. Carl Levin echoed that theme, saying, "The President just a few weeks ago said that we absolutely are winning in Iraq; that is not facing reality at all. The Vice President said just a few weeks ago we should go full-steam ahead with our policy in Iraq; that is not reality either. Our policy is not working in Iraq. We've got to change course. This whole mantra about staying the course, staying the course, and if you suggest anything else, you're somehow or another unpatriotic, you're cutting and running, that no longer works, because the American people resoundingly rejected that kind of a stay-the-course approach."

ABC World News (11/13, lead story, 2:40, Raddatz, 8.78M) reported, "The ten members of the bipartisan Iraq Study Group gathered at the White House today, peppering the President and his team with question for nearly 90 minutes. … A White House official says the group asked questions about the security situation and reconstruction in Iraq. Careful, said the official, not to reveal the final recommend recommendations that will come from the ISG. Another official familiar with the Iraq Study Group tells ABC

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News that the members of group 'shake their heads at some of the policy decisions that have been made.'"

ABC World News (11/13, story 2, 1:30, Karl, 8.78M) also reported, "As high as the expectations are elsewhere for this group to come to some kind of a solution for Iraq, the expectations are quite low among senior military officers. The big problem is this group doesn't have much in the way of military experience. If you look at the ten commissioners, only one has ties to the military, former Defense Secretary Bill Perry. But by and large, this is a group with not much in the way of military ties, and senior military officers don't think they're going to get a new strategy, a military strategy out of a group like that." Fox News' Special Report (11/7, Baier) was less negative when it reported that "analysts say the Iraq Study Group won't have all of the answers, but could have suggestions to help move the Iraqi political and economic process along." Michael O'Hanlon, Brookings Institution: "I don't think any of them are going to be silver bullets. A couple of ideas include, for example, let's create more jobs in Iraq. Let's try to have a nationwide job public works program, sort of like FDR in the 1930s in the US not so much for the economic value of those jobs, but to get people off the street."

USA Today (11/14, Kelley, 2.27M), analyzing the possible recommendations from the ISG, quotes former Sen. William Cohen, who served as Defense secretary during President Clinton's second term, "There are no good options, so the question becomes, what are the best of the bad ones?" The Christian Science Monitor (11/14, Grier, 59K) notes members of the ISG "were to interview British Prime Minister Tony Blair on Tuesday via videoconference."

The White House's dismissal of a Democratic call for a phased pullout from Iraq was also criticized – and portrayed as a reversal of previous statements urging Democratic input. NBC Nightly News (11/13, lead story, Gregory, 9.87M) said, "The White House has made it clear that the President's open to a major course correction on Iraq but today, the White House also resisted Democratic calls for a gradual troop pullout." Bush was shown saying, "I believe it is very important, though, for people making suggestions to recognize that the best military options depend upon the conditions on the ground." But "the conditions, Democrats answered, are getting worse." Sen. Carl Levin said, "It is less likely that the Iraqis will take the important steps to reach political compromise if they believe that we are simply there in an open-ended way." NBC added, "After first saying it wanted ideas from Democrats on Iraq, today the White House suggested they were merely floating slogans." Tony Snow, White House Press Secretary: "As far as trying to get me to again respond to something that is an idea, but it's a caricature of a plan because it doesn't have any meat and bones on it."

The AP (11/14, Raum, Flaherty) reports Bush "had stern words for the Democrats, less than a week after they won control of both chambers of Congress in midterm elections in which the Iraq war figured prominently."

The Washington Times (11/14, Dinan, 88K) reports Bush faces "the election results and emboldened Democrats," and "is trying to keep control of the debate while still being open to suggestions from the soon-to-be new majority party on Capitol Hill."

On PBS's News Hour with Jim Lehrer (11/13, 7:13 p.m.), GOP Sen. Chuck Hagel said, "We don't have many options in Iraq right now, and the options we do have are pretty limited. That's just the force of reality that's in play. And we have to be mindful of that reality, not just from the electoral, the political reality, but what's going on in Iraq. We're in a lot of trouble in Iraq, and I believe there is a civil war raging in Iraq. And we have got to be wise now in what course we move toward over the next few months."

On CNN's Lou Dobbs Tonight (11/13, 6:33 p.m.), GOP Rep. Duncan Hunter (R) said, "[N]o matter what the Iraq Study Group does, we're basically in the second phase of a three-phase plan that we've used in nations around the world for 60 years. … And lastly, the third phase is, the Americans leave. Everything depends right now…on the standing up of the second phase, that is, the Iraqi military. And that has to -- when the Iraq Study Group comes in with their recommendation the next day, the American trainers in Iraq will walk out to their jobs and they will continue to train those Iraqi battalions. So that still has to be done. … [W[e're in phase two right now and so the idea that somehow somebody's got to be fired, I think that was some of the thinking that the country experienced with respect to Secretary Rumsfeld."

Murtha Touts Plans To Push For US Pullout From Iraq. On the CBS Evening News (11/13, story 2, 2:45, Couric, 7.66M) last night, anchor Katie Couric interviewed Democratic Rep. Jack Murtha, who discussed his plans to push for the withdrawal of US troops from Iraq and Democratic priorities such as rewriting the Medicare prescription drug law. Couric did not ask Murtha about the leadership race, nor did she ask questions about the criticism of Murtha's ethics. Couric reported that Rep. Murtha "told me that he intends to press harder than ever for an American troop pullout from Iraq." Rep. John Murtha: "We are caught in a civil war and I am absolutely convinced there's no alternative; we have lost the hearts and minds of the people, 70 to 80 percent of the Iraqis want us out of there. Most of the American public wants us out of there. We are spending $8 billion a month, Katie. And we need to start to redeploy our troops and that will increase stability of what the White House says." Couric: "When you say 'redeploy,' you are talking about complete withdrawal?" Rep. John Murtha: "Complete redeployment of our troops out of Iraq over a period of time. They have no incentive to take over their own destiny. I think that's the first step in solving this problem."

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Couric: "What about those who say if US forces leave en masse that the country will descend into further chaos?" Rep. John Murtha: "They say they have more confidence in their own forces and police and military. So I don't agree with that." Couric: "Now that the Democrats consider taken over both houses of Congress, what are they really empowered to do in terms of foreign policy, Congressman?" Rep. John Murtha: "Let me tell you, every solution, everything we look for has to become about with the Iraqi war, $8 billion a month, $11 million an hour, the people say they want Medicare to be changed. The drug program changed, educational benefits to be improved. None is that is going to happen until we stop spending $8 billion a month." Couric: "You were called a Defeatocrat, a liberal turncoat. John McCain said you had become too emotional, the Chairman of the Joint Chiefs of Staff said your comments were damaging to troop morale. Did you feel vindicated last Tuesday?" Rep John Murtha: "I did because I saw the difference when I first spoke out and most of the American public disagreed with the position, most public agrees we have to do something, change the direction of this country. We have to reduce the spending. We have to change our priorities in this country and I think the President is going to recognize that and we are ready to work with him."

Senate Armed Forces Hearing On Iraq Could Help Set Stage For 2008. The New York Times (11/14, Nagourney, 1.16M) reports that as "it was in the 2006 midterm elections, Topic No. 1 for the opening stage of the 2008 presidential campaign is the war in Iraq. The Senate Armed Services Committee is holding a hearing tomorrow on Iraq and Afghanistan. The committee's members include the widely perceived front-runners in both parties, Senators Hillary Rodham Clinton of New York and John McCain of Arizona." Among the panel's Democrats are Sens. Evan Bayh, "who is almost certain to run for president," and Sen. Joseph I. Lieberman, "probably the strongest advocate of the war in his party. This committee provided Mrs. Clinton the forum this summer in which she excoriated Defense Secretary Donald H. Rumsfeld for 'incompetence in executing the war.'" The New York Times (11/14, Stolberg, 1.16M) runs another story in which it says that on Wednesday, "the committee will hear testimony from Gen. John P. Abizaid, the top military commander in the Middle East."

McCain An "Army On One" In Calling For Boost In Iraq Troop Levels. The New York Times (11/14, Broder, 1.16M) reports that on Iraq, Sen. John McCain is "virtually an army of one. Nearly alone among major political figures in calling for an increase in American forces in Iraq, Mr. McCain is either taking a principled stand or a huge political gamble. Or both." A majority of Americans "now say they think invading Iraq was a mistake and would like to see the withdrawal of at least some of the nearly 150,000 troops there, polls say. Only one in seven Americans agrees with Mr. McCain that the United States should send more soldiers and marines. Even President Bush and Vice President Dick Cheney, who assert that victory is the only acceptable outcome of the war, have not dared publicly to advocate additional deployments." But McCain "has all but announced his intention to run for president, and his position on Iraq could be a major complication for him, particularly if violence there continues to grow and American casualties mount." McCain "contends that the war in Iraq is worth fighting and is worth winning. He has said consistently from the start of the conflict that the only way to prevail is to send enough soldiers to do the job. His current proposal is to send 20,000 additional troops in hopes of bringing Baghdad and the restive western provinces under control." McCain says the "alternative…is humiliation for the United States and disaster for Iraq."

More Commentary. In his Wall Street Journal column (11/14), Bret Stephens says, "Today, the elder Mr. Bush is being celebrated as a foreign-policy sage whose adroit stewardship of the world stands in flattering contrast with current management." Incoming Defense Secretary Robert Gates, "along with Bush 41 hands James Baker and Larry Eagleburger of the Iraq Study Group, are now supposed to play the part of the posse come to the rescue of the wayward son. Newsweek even commissioned a poll that found that '67% favor Bush Senior's internationalist approach to foreign policy over his son's more unilateral course.' Curiously, a similar percentage of Americans voted for someone other than Mr. Bush during his 1992 re-election bid. So it's worth reprising just what his 'internationalist approach' achieved, and where it failed." Stephens critiques the Bush '41 record on Israel, the dissolution of Yugoslavia and the Soviet Union, and the failure to support the Iraqi Shiites after the '91 Gulf War. None of this "is to say that Mr. Gates is merely an avatar of Bush the Father, much as his nomination is being played that way in the media, or that he hasn't learned from past mistakes. But critics of the current administration and the 'disaster' visited on Iraq by neoconservative ideologues might usefully reflect on the previous disasters visited by the non-ideologues on Iraqis, Croats and Bosnians, among others sacrificed in the name of prudence."

In the Washington Post (11/14, 690K), columnist Michael Kinsley writes, "The chance that this group of aging white men, plus Vernon Jordan and Sandra Day O'Connor, will come up with something original is not enormous. It's a nutty and not very attractive idea to turn an urgent issue of war and peace over to a commission. Commissions have usually been trotted out for long-run social problems: immigration, debt, health care. ... Baker is essentially a political operative. His place in history is Florida 2000, where he secured the presidency for George W. Bush. Reporters were awed by his brilliance and ruthlessness. History may be less admiring of his willingness to make inconsistent

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arguments and to lie with a straight face. ... People like Baker always favor a bipartisan consensus. They don't really believe in politics, which is to say they don't really believe in democracy."

On Fox News Special Report (11/7) Roll Call editor Mort Kondracke said that Sen. Carl Levin's proposal is "more pressure." Kondracke: "The Administration has been applying a lot of pressure on the Maliki government to shape up, to and it did in fact Maliki did announce that he's going to shake up his cabinet, but he's going to get the militias under control, he's going to achieve national reconciliation and those things he has not done. And what Levin seems to be doing is to underscore that by starting withdrawals, you know, as of a not fixed time. Because he says in there, there's the line, four to six months after the President says that we're going to do that." Fred Barnes, Weekly Standard: "I hope it doesn't come to a point where they actually have to start the withdrawals, that would be a huge mistake. We have to win there. It would be so disastrous for the Middle East, the world, the United States, and withdrawing is withdrawing even, you know, starting with, what 30,000, 40,00 troops, I think, would be a huge mistake"

Gunmen Kidnap More Than 100 From Iraqi Research Institute . On its Web site, BBC News (11/14) reports, "Gunmen in military-style uniforms have kidnapped more than 100 men from a research institute belonging to Iraq's higher education ministry. A ministry spokeswoman said the gunmen arrived in new pick-up vehicles and stormed the ministry's Research Directorate in central Baghdad. … Correspondents say many Iraqis believe mass kidnappings like this latest incident are committed by members of the Shia Muslim-dominated security forces or take place with their collusion."

Abizaid Urges Maliki To Disband Shiite Militias. The Washington Times and Washington Post, among other newspapers, run an AP (11/14, Hurst) reporting, "The US Central Command chief confronted Iraq's prime minister on Monday over how Iraqi forces would halt raging violence and signaled a possible prelude to shifts in American policy on engaging Iran and Syria." The meeting came "as sectarian attacks killed at least 90 people throughout Iraq, 46 of them showing signs of torture. The U.S. military announced the deaths of four additional American soldiers." Gen. John Abizaid "sternly warned Prime Minister Nouri al-Maliki that he must disband Shiite militias and give the United States proof that they were disarmed, according to senior Iraqi government officials with knowledge of what the two men discussed."

The New York Times (11/14, Tavernise, Mizher, 1.16M) reports Abizaid and Maliki also "discussed the 'influence of the neighboring countries on the security situation,' according to a statement from the prime minister's office. The reference was to Syria and Iran, which the Bush administration has accused of providing financing and weapons to militias in Iraq."

US Officers Says Sunni Needs Have Not Been Met. USA Today (11/14, Vanden Brook, 2.27M) reports, "The Shiite-dominated central government is starving Iraqi security forces in the Sunni heartland of the resources needed to fight the insurgency, according to American officers. ... Winning over Sunnis is critical to achieving a political solution to the violence in Iraq. Retribution killings between the two Muslim sects have been growing this year. The dispute in Anbar highlights a growing fear among Sunnis that the government isn't sincere about helping them."

Four More US Soldiers Killed In Iraq. NBC Nightly News (11/13, story 2, Williams, 9.87M) reported "the US military announced the deaths of four more American soldiers" in Iraq, "two yesterday and two today. Also today scores of Iraqis were killed, at least 12 of 20 of them in a bus bombing in a Shi'ite neighborhood in Baghdad."

US Bishops Urge "Responsible" Pullout From Iraq. The Baltimore Sun (11/14, Kay, 257K) reports Bishop William S. Skylstad, the president of the US Conference of Catholic Bishops, "called Monday for dialogue and action on a responsible transition in Iraq, a statement quickly affirmed by the national group's members at their fall meeting." Under the headline "US Bishops Call For 'Responsible' Iraq Withdrawal," USA Today (11/14, Grossman, 2.27M) reports the statement says, "Our nation should look for effective ways to end (troops') deployment at the earliest opportunity" consistent "with contributing to a responsible transition"

The Washington Post (11/14, A15, Cooperman, 690K) notes Bishop Skylstad said that "the United States should keep its troops in Iraq only as long as they are contributing to a 'responsible transition' to Iraqi rule." Skylstad added "both the US bishops and top Vatican officials sharply questioned the decision to invade Iraq in 2003. As a result of the invasion, he said, the United States now has 'additional moral responsibilities' to help Iraqis secure and rebuild their country." The statement "came as the Bush administration and the soon-to-be Democratic-controlled Congress reexamine US policy in Iraq, and as the bishops primarily are focused on internal church matters, including deep cuts in their budgets and staffs."

Afghan Suicide Attacks Linked To Pakistan. In a front page article, the New York Times (11/14, A1, Gall, 1.16M) reports Afghan and NATO security forces have identified a "trail of organizing, financing and recruiting…bombers who have carried out a rising number of suicide attacks in Afghanistan [that] traces back to Pakistan."

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Meanwhile, "A senior United States military official based in Afghanistan agreed for the most part," saying, "The strong belief is that recruiting, training and provision of technical equipment for I.E.D.'s in the main takes place outside Afghanistan." The Times says the charge "is in fact one of the most contentious that Afghan and American officials have leveled at the Pakistani leadership" and "continues to divide Afghan and Pakistani leaders, even as the Bush administration tries to push them toward greater cooperation in fighting the Taliban."

CORPORATE SCANDALS:

High Court Will Not Hear Qwest Case Involving Privilege Protections. The AP (11/14) reports, "The Supreme Court on Monday refused to consider a case in which Qwest Communications International Inc. had been ordered to produce 220,000 pages of documents to shareholders in a civil securities fraud lawsuit." The AP continues, "Qwest attorneys had argued the documents were protected by attorney-client and work-product privilege. … Many shareholders involved in the lawsuit reached a $450 million class action settlement with Qwest, but claims are pending against former Chief Executive Officer Joseph Nacchio and former Chief Financial Officer Robert Woodruff." The AP adds, "The 10th U.S. Circuit Court of Appeals upheld a lower court's decision that the company waived its privilege when it gave the documents to the Securities and Exchange Commission and Justice Department. … The shareholders sued the company in 2001, about a year before the Securities and Exchange Commission and the Justice Department opened separate investigations into accounting improprieties that eventually led Qwest to remove billions of dollars in improperly reported revenue from its books."

Audit Sparks Scrutiny Of DaimlerChrysler Executives. The Wall Street Journal (11/14, A17, Power, Rauwald) reports, "The suspension of several DaimlerChrysler AG executives, following an audit that disclosed what the company called irregularities at its commercial-bus business, is generating fresh scrutiny of the auto maker's internal-control and accounting mechanisms." The Journal continues, "DaimlerChrysler, the world's fifth-largest auto maker by vehicle sales, said it detected the irregularities 'in the context of a routine investigation of its own business.' As a result, the company suspended an unspecified number of executives, effective immediately. A company spokeswoman said the number of employees suspended is in the 'single-digit' range. … The spokeswoman declined to describe the nature of the alleged irregularities." The Journal adds, "The auto maker also said the head of its bus operations, Wolfgang Diez, had resigned for 'personal reasons' but declined to elaborate. Mr. Diez couldn't be reached. … The disclosure marks the second time this year DaimlerChrysler has publicly acknowledged having to take disciplinary action against employees as a result of possible ethical lapses within its business units. In March the company said it had dismissed or suspended several employees after an internal bribery probe found the company made 'improper payments' in Africa, Asia and Eastern Europe. As previously reported, the U.S. Justice Department is conducting a criminal investigation into the bribery allegations and whether senior executives were aware of the practice, and the U.S. Securities and Exchange Commission is pursuing a parallel civil inquiry. … The DaimlerChrysler spokeswoman said the new actions aren't related to the bribery probe."

Wynn Resorts' CEO Gains $147 Million Dividend Windfall. The Wall Street Journal (11/14, A3, Sanders) reports, "Wynn Resorts Ltd. Chairman and Chief Executive Steve Wynn stands to reap about $147 million from the company's decision to issue a one-time special dividend of $6 a share." The Journal continues, "Flush with roughly $1.4 billion in cash, Wynn Resorts declared the dividend -- its first since going public in 2002 -- to holders of shares of record as of Nov. 23. The total payout will amount to about $660 million. The company will pay the dividend Dec. 4. … 'We have so much excess cash and had the opportunity to return capital to shareholders,' Mr. Wynn said in a telephone interview from Macau." The Journal adds, "Much of Wynn's cash on hand is a result of a $900 million windfall from the sale of a casino license in Macau to Australia's Publishing & Broadcasting Ltd. this year. Mr. Wynn opened his own casino in the Chinese enclave of Macau in September. The company also operates a namesake casino-resort in Las Vegas. Wynn Resorts shares jumped almost 8% on the news. .. .Mr. Wynn owned 24.5 million shares of the company, or roughly 24.2%, according to the company's most recent proxy filing. His Japanese partner in Wynn Resorts, Kazuo Okada, owns the same amount through a holding company. Each stands to reap about $147.3 million from the dividend. … For Mr. Wynn, the payday is about the same amount that he was forced to forgo last month when he was involved in a bizarre accident involving valuable art. In a much-publicized incident, Mr. Wynn, an art collector, accidentally tore a hole in the canvas of Pablo Picasso's 1932 painting 'Le Rêve,' which he was showing off to guests at the Wynn Las Vegas. Unfortunately, Mr. Wynn had agreed to sell the painting for $139 million to investor and art collector Steven Cohen. The sale was subsequently called off. … When asked if there was a correlation between the canceled sale and the dividend, Mr. Wynn said, 'There is no connection whatsoever; that's a calculation I never came up with.'"

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Charges May Be Tossed In Enron Broadband Case. The Houston Chronicle (11/14, Hays) reports, "The government has conceded that four of five federal convictions against the former finance chief of Enron's long-defunct broadband unit should be tossed aside because they won't stand up on appeal, according to court papers." The Chronicle continues, "If U.S. District Judge Vanessa Gilmore follows the government recommendation and throws out those counts, Kevin Howard would face a maximum of 10 years in prison rather than 30 — and that's if she upholds the fifth count. … The government said in a filing that a flawed theory presented by prosecutors may have prompted jurors to convict Howard on four counts of conspiracy and wire fraud, so they should be vacated." The Chronicle adds, "Howard's lawyers say the fifth conviction of falsifying books and records also was tainted and should be thrown out. Prosecutors disagree, saying it stands apart from the other counts and should stand. … 'It's great news for Kevin,' Jim Lavine, one of his attorneys, said Monday of the government's concessions. 'It would be even better news if the judge grants it on all five counts.' … The Justice Department didn't respond to requests for comment. Gilmore has yet to rule. Howard is slated to be sentenced in February." The Chronicle notes, "Last May, a jury convicted Howard, 44, of the five counts for his role in a deal where Enron sold future profits in a video-on-demand deal to an investor so the energy company could book immediate earnings. Prosecutors said the deal was a sham because Enron promised to repay the investor. … Howard's co-defendant, former in-house accountant Michael Krautz, was acquitted of the same charges."

Former Enron Employees Flourish By Capitalizing On Alumni Links. The Wall Street Journal (11/14, C1, Davis) reports, "Enron is dead. Long live Enron. … Five years after the Texas energy-trading giant collapsed, the traders behind some of Enron Corp.'s brashest efforts to carve out new markets are pushing further into those frontiers." The Journal continues, "Enron alumni have joined hedge funds and trading operations capitalizing on fast-growing commodity markets that the company once dominated or helped develop, from its stronghold of natural-gas and power trading to experimental futures markets in pollution-emission credits and weather contracts. A few Enron refugees have even joined industrial or consumer-goods firms, where they negotiate contracts to reduce the risks of volatile energy, food and raw-materials prices." The Journal adds, "The growth of commodity markets popularized by Enron, and the ability of its veterans to raise money in budding areas, is to some a validation of at least part of the company's model: trading commodities of all kinds. … Before imploding amid accounting-fraud accusations, Enron plowed big sums and talent into markets criticized after its fall as quixotic or a distraction from its core business of transporting and selling energy. It even had investigated whether it could launch movie-box-office futures as a way for studios to manage the risks of a big flop, a former Enron executive who panned the idea recalls. … While most markets besides gas and power weren't big moneymakers for Enron, ex-traders today are piggybacking on the company's early investments in everything from pulp-and-paper products to coal trading. And they are finding their background a selling point, much as the collapse and bankruptcy of junk-bond pioneer Drexel Burnham Lambert launched dozens of careers elsewhere in the 1990s."

Apple Hires IBM Attorney To Fill GC Vacancy. The Wall Street Journal (11/14) reports, "Apple Computer Inc. said it hired Donald J. Rosenberg from International Business Machines Corp. as senior vice president and general counsel, filling a post vacant since the spring." The Journal continues, "Mr. Rosenberg had spent more than 30 years at IBM, most recently as the technology giant's senior vice president and general counsel. Before taking over IBM's legal department in January, Mr. Rosenberg was assistant general counsel for litigation and was responsible for IBM's interaction with government regulatory agencies. He also served as IBM's lead in-house counsel in a number of lawsuits and settlements. … 'We're thrilled to welcome such a seasoned professional to our executive team,' said Apple Chief Executive Steve Jobs in a press release. 'Don has a broad range of experience that includes litigation, securities, intellectual property and antitrust, and he will be responsible for overseeing all legal matters and government affairs for Apple.'" The Journal notes, "Nancy Heinen, Apple's former general counsel, left the Cupertino, Calif., company in May, not long before it announced 'irregularities' in options grants from 1997 to 2001. … The appointment comes as Apple faces legal challenges amid problems with past stock-option grants. The company said last month that Mr. Jobs, a tech-industry icon, knew that Apple manipulated some of its stock-option grants, citing the conclusions of an internal probe that found 15 instances of improperly backdated options and raised "serious concerns" about the conduct of two former Apple executives."

WPost Suggests Restricted Stock Instead Of Backdated Options. The Washington Post (11/14, 690K) editorializes that the latest options scandal "involves the practice of granting executive options on a day chosen retrospectively for the cheapness of a company's shares. … There's nothing wrong with such grants if they are disclosed properly. But frequently they haven't been. So far, more than 160 companies have been embroiled in the backdating scandal. More than 50 senior managers have been ousted, including, most recently, Bruce E. Karatz, chief executive of

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KB Home, a home-construction company, who will forfeit ill-gotten gains of about $13 million." The Post concludes, "If the ousting of executives provokes mixed feelings, what of reforms that might prevent abuses? Backdating was partly a way of granting executives 'in-the-money' options -- ones that grant the right to buy a share for less than its current value -- without having to report them as an expense. … [I]t's still fair to ask whether the use of executive options should be reined in, if not by regulation then at least by company directors. Because options are opaque, they invite abuses. Why not give managers a stake in their company by granting them restricted stock instead?"

CRIMINAL LAW:

Judge Allows Libby To Use Classified Evidence. The New York Times/AP (11/14, Press) reports, "Classified information will be crucial evidence in the C.I.A. leak trial and the special prosecutor, Patrick J. Fitzgerald, went too far in his proposal to limit its release, a federal judge ruled Monday. The defendant in the case, I. Lewis Libby Jr., former chief of staff to Vice President Dick Cheney, is accused of lying about his conversations with reporters about a Central Intelligence Agency operative Valerie Wilson. … Judge Reggie B. Walton of Federal District Court said that Mr. Libby had a right to use some classified material at trial in January and that Mr. Fitzgerald's proposed redactions were too restrictive."

The AP (11/14, Apuzzo) reports, "Walton said he isn't going to give Libby a free pass to allow all classified information into court. He said the two sides must balance Libby's need to defend himself with the government's need to protect sensitive material — a compromise that he believed could be achieved."

Judge Says Gonzales Must Approve Sentencing Request For Aryan Brotherhood Leaders. McClatchy Newspapers (11/14, Edds) reports, "Four Aryan Brotherhood leaders who used an elaborate communication network to order murders and incite race wars to bolster the gang's control in prison should spend the rest of their lives cut off from almost all human contact, federal prosecutors said Monday." McClatchy continues, "Brotherhood chief Barry 'The Baron' Mills, top lieutenant Tyler 'The Hulk' Bingham and midlevel leaders Edgar 'Snail' Hevle and Christopher Gibson were convicted in July of conspiring from behind bars to order the murders of rival gang members to protect their nationwide extortion, gambling and drug-traffic operation. … All four men, already serving time for other crimes, face life in prison without the possibility of parole." McClatchy adds, "Mills, Bingham and Hevle appeared in federal court briefly Monday to be sentenced for their role in the conspiracy. Gibson, who is recovering from back surgery, did not appear. … U.S. District Court Judge David O. Carter called the proposed conditions - which would keep the men from seeing or talking to anyone other than their attorney – 'tantamount, if not worse, than death.' … In court papers filed last week, Assistant U.S. Attorney Stephen Wolfe also asked that the men be banned from having any writing instruments and papers and barred from having books, magazines and other reading materials unless they came directly from the publisher. … 'These are horrendous conditions,' Carter said. 'There is no human contact.' … Carter refused to consider the restrictions without the signature of U.S. Attorney General Alberto Gonzales. He also asked for assurances from the U.S. Bureau of Prisons that they are up to the costly task. Sentencing was postponed until Nov. 21."

The AP (11/14, Flaccus) reports, "A judge postponed the sentencing of four leaders of the Aryan Brotherhood prison gang Monday, saying that any request by prosecutors to bar the defendants from receiving visitors, letters or phone calls behind bars must come from the U.S. attorney general himself." The AP continues, "The four men were convicted of murder, conspiracy and racketeering in a case aimed at dismantling the Aryan Brotherhood, a white supremacist organization accused of dealing drugs and spreading terror inside some of the United States' most dangerous prisons. … Prosecutors asked U.S. District Judge David O. Carter to bar the defendants from communicating with anyone but their attorneys. The government also asked that the convicts be prevented from keeping writing implements, paper or previously used reading material in their cells, but federal prosecutor Stephen Wolfe said he would drop that request." The AP notes, "Inmates subjected to similar restrictions include convicted Unabomber Ted Kaczynski, Sept. 11 figure Zacarias Moussaoui and Ramzi Yousef, mastermind of the 1993 bombing of the World Trade Center. … 'If you're really serious about this ... the attorney general is going to make the specific request of this from the court,' Carter said."

Norfolk Shipyard Heir Sentenced In Child Porn Case. The Virginian-Pilot (11/14, McGlone) reports, "Willoughby Warren Colonna IV, heir to a shipyard worth millions, was sentenced Monday to 17 1/2 years in prison for possessing and sharing child pornography." The V-P continues, "A federal court jury convicted Colonna in August on 10 child pornography charges, including advertising on the Internet movies depicting girls, one younger than 5, having sex with an adult. … Colonna, 26, known as Bill or Billy, testified during his trial that he had no idea his computer contained child pornography. … FBI agents, however, told the jury that Colonna admitted the images and movies were

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his when they raided his parents' Chesapeake home in the summer of 2004." The V-P adds, "Family members wept in the courtroom as U.S. District Judge Robert G. Doumar handed down the sentence, which fell at the low end of federally recommended guidelines but above the mandatory minimum sentence of 15 years. … The evidence at trial showed that Colonna had 400 videos on his computer that depicted prepubescent children in sexually explicit scenes, including one child younger than 5. … Assistant U.S. Attorney Michael C. Moore told the judge that Colonna could have made it easier on himself. … 'This could have been a different story had he come in and pled guilty and said, "I've got a problem and I need help,"' Moore said. 'That's not the case here.' … Colonna was sentenced under the federal Protect Act of 2003, which toughened child pornography and sexual abuse penalties, including mandatory minimum prison terms of 15 or 20 years for certain offenses."

DOJ Study Examines Extent Of Internet Pornography. The San Jose Mercury News (11/14, Ackerman) reports, "A confidential analysis of Internet search queries and a random sample of Web pages taken from Google and Microsoft's giant Internet indices showed that only about 1 percent of all Web pages contain sexually explicit material." The News continues, "The analysis was presented during a federal court hearing last week in Philadelphia in a suit brought by the American Civil Liberties Union against Attorney General Alberto Gonzales and obtained on Monday by the Mercury News." The News adds, "The ACLU said the analysis, by Philip B. Stark, a professor of statistics at the University of California, Berkeley, did not appear to substantially help the Department of Justice in its effort to prove that criminal penalties are necessary to protect minors from exposure to sexually explicit information on the Internet. … The Justice Department had commissioned the study as part of an effort to resurrect the Children's Online Protection Act, which was signed by President Clinton in 1998, but immediately challenged by the ACLU." The News notes, "A federal district court in Philadelphia and a federal appeals court found the law to be unconstitutional. In June 2005, the Supreme Court upheld the ban on enforcement of the law but sent the case back to district court for more fact finding regarding Internet filters. … Stark's study found that only 6 percent of all queries returned a sexually explicit Web site, despite the consistant popularity of queries related to sex. It also found that the filters which did the best job blocking sexually explicit content also inadvertently blocked lots of content that was not explicit. … Government witnesses argued that while the percent of sexually explicit Web pages was small, it still amounted to a huge number. 'A lot of sexually explicit material is not blocked by filters,' Stark wrote in the conclusion to his study."

Albany Real Estate Investor Pleads Guilty To Fraud In FBI Probe. The Albany Times Union (11/14, Lyons, 100K) reports, "Aaron R. Dare, a real estate investor who was once widely regarded as a visionary and rising star in Albany's minority community, pleaded guilty Monday to felony fraud charges in U.S. District Court as part of a sweeping FBI investigation of his troubled business dealings. Dare, 37, who was accused of driving the now-defunct Urban League of Northeastern New York into financial ruin in 2001, has been plagued for years with allegations of underhanded business dealings, mismanagement of his rental properties and a series of unpaid debts." The Times Union notes, "The FBI investigation blew open last year when federal agents raided the downtown office of Dare and his former business partner, Albany Police Detective Kenneth P. Wilcox, who died in an April car crash while on duty. … Meanwhile, a federal grand jury is continuing to investigate multiple real estate transactions involving Dare and his business associates, according to a source familiar with the case."

The Albany Business Review (11/13) reported, "Dare pleaded guilty to one count of wire fraud and one count of causing false statements to be made to obtain loans to purchase the Hinckel Brewery Apartments…in Albany, the Olde Franklin School Apartments…in Schenectady and the Historic Pastures Village Apartments in Albany, according to the U.S. Justice Department. Dare also pleaded guilty to conspiring with another person to commit wire fraud as part of a scheme to defraud private mortgage lenders to obtain loans to buy various residential properties in and around Albany."

The North Country (NY) Gazette (11/14) reports, "Dare's plea related to financing agreements he made for the purchase of residential properties in Albany and Schenectady. He pleaded guilty to one count of wire fraud and one count of making a false statement in order to obtain loans to purchase the Hinckel Brewery Apartments at 201 Park Ave., Albany; the Olde Franklin School Apartments at 1675 Ave. B in Schenectady and the Historic Pastures Village Apartments between late 2000 and August 2002. … He also admitted to conspiring with another person to commit wire fraud as part of a scheme to defraud private mortgage lenders to obtain loans to buy various residential properties in and around Albany." The Gazette adds, "The U.S. Justice Department said that Dare prepared and executed promissory notes in the amount of $1.8 million and $700,000 between his company, Emerge Real Properties LLC; the mortgage lender, AMI Capital Inc. of Bethesda, Md., and HUD, to falsely make it appear to AMI and HUD that Dare and/or Emerge had approximately $2.5 million in equity and credit to apply towards purchasing the properties. DOJ said that Dare had neither the equity nor credit."

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Four National Guardsmen Plead Guilty To Wire Fraud. KCAL-TV, CBS 2, Los Angeles (11/14) reports, "Four National Guard members from the Southland who served together in Iraq pleaded guilty to federal charges for an embezzlement scam that cost the Army more than $340,000 in unauthorized pay, federal authorities said Monday." KCAL-TV continues, "Derryl Hollier and Luis Lopez of Los Angeles, Jennifer Anjakos of Chula Vista and Lomeli Chavez of Oceanside each pleaded guilty to one count of conspiracy and one count of wire fraud, according to the U.S. Justice Department." KCAL-TV adds, "Prosecutors say the four were members of the 223rd Finance Detachment, which processes pay for Army National Guard members. They were deployed together to Iraq from March 2004 to February 2005, when they returned to Compton, according to the government. … From March to December last year, an unnamed co-conspirator accessed a Defense Department computer that processed payroll, according to court documents. The co-conspirator entered more than $340,000 in unauthorized pay and entitlements for himself and the defendants, the court papers state. … Hollier, Lopez and Anjakos then kicked back at least $150,000 of the money to the co-conspirator, according to the government. … The four are set to be sentenced Jan. 29, when they face up to five years in prison and a fine of as much as $250,000."

Noe Convicted In Ohio Coin Scandal. The AP (11/14, Seewer) reports that Tome Noe, a coin dealer and former GOP fundraiser, was convicted of "embezzling from a rare-coin investment fund in a scandal that contributed to the rout of Ohio's Republican Party on Election Day." He was "convicted of 29 of the 40 counts against him, including theft, corrupt activity, money laundering, forgery and tampering with records." The AP adds, "Noe, 52, was accused of using some of the money to pay off business loans and finance a lavish lifestyle. Prosecutors did not say whether he used the money to make campaign contributions to Republicans, including President Bush."

Noe Trial Damaged Republican Electoral Chances In Ohio. The Washington Post (11/14, Slevin, 690K) reports, "Noe's trial, with its vivid testimony of lined pockets and bogus transactions, made headlines in the three weeks before Election Day. The details -- starting with the very idea of investing $50 million in rare coins -- provided fodder for Democratic advertisements and voter angst. The damage to the chances of Republicans, who held every statewide office before last week's vote cost them a seat in the U.S. Senate, as well as the governor's chair, was significant even before the 12 jurors and four alternates took their seats in the courtroom.

Former Investigator Says Intelligence Agencies Repeatedly Missed Pollard Red Flags. UPI (11/14, Waterman) reports, "The Navy counter-intelligence officer who garnered a confession from Israeli spy Jonathon Pollard says that U.S. agencies missed a forest of red flags about him and risk repeating the same mistakes today they made more than 20 years ago." In his new book, "Capturing Jonathon Pollard," Ron Olive says "that administrative convenience and bureaucratic bungling allowed Pollard to be recruited and promoted despite being 'a dreamer, a fantasist,' who repeatedly exhibited behavior that should have barred him from working for any U.S. government agency." UPI notes, "Olive also recounts how FBI agents interrupted his interrogation of Pollard after he had begun confessing. … An FBI spokesman told UPI that the policy was based on U.S. Supreme Court rulings that arrestees have to be taken before a court within 'a reasonable period' of time. 'I've had the same thing happen to me (during an investigation),' said the Bureau's Michael Brooks, 'and it's frustrating. But those are the rules.'"

Meanwhile, the Jerusalem Post (11/14) reports, "According to new evidence released by the FBI on Monday, Jonathan Pollard not only passed classified information on to Israel, but also to Pakistan and Australia. In a presentation given by FBI agent Ronald Olive…it was revealed that Pollard was also involved illegally in arms sales to Taiwan, France, Kenya, Afghanistan, and Argentina." The Post adds, "Olive also said the FBI had initially believed Pollard was spying for the Russians, and that they'd had no idea at the time that Israel was involved or that Pollard was even Jewish."

High Court Reinstates Death Sentence. The Los Angeles Times (11/14, Savage, 850K) reports, "The Supreme Court, reversing the US 9th Circuit Court of Appeals, restored the death sentence today for a Central California man who robbed and brutally killed a young woman 25 years ago." The justices, in a 5-4 decision, "concluded that jurors who decided the fate of Fernando Belmontes had weighed all the evidence -- good and bad -- before condemning him to die for murdering 19-year-old Steacy McConnell in Victor, Calif."

The Washington Post (11/14, A8, Barnes, 690K) reports, "Yesterday's 5 to 4 decision was the second time the fate of Fernando Belmontes reached the Supreme Court, and once again the justices sent it back to the California-based US Court of Appeals for the 9th Circuit, saying the appeals court had misinterpreted the high court's rulings in overturning Belmontes's death sentence."

The New York Times (11/14, Greenhouse, 1.16M) says "no one at the court on Monday could remember a term that began with a 5-to-4 decision." But "while this decision might, on the surface, suggest that the current court is on the way

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toward setting a record for internal division, that is not necessarily the case. A more likely explanation is that much of the majority opinion was in fact drafted last spring, before the court agreed to hear California's appeal." The Times adds, "In overturning his death sentence through a writ of habeas corpus, the United States Court of Appeals for the Ninth Circuit found there was a 'reasonable probability' that the jury did not realize that it could take into account Mr. Belmontes's evidence of his likely behavior as a prisoner." Justice Kennedy's majority opinion "said the Ninth Circuit was mistaken. He said that various comments by the trial judge 'made it clear that the jury was to take a broad view of mitigating evidence.'" Chief Justice John G. Roberts Jr. and Justice Samuel A. Alito Jr. "joined the opinion along with Justices Scalia and Thomas." In dissent, Justice Stevens "said the record showed 'that confusion pervaded every aspect' of the sentencing hearing, including the catch-all factor. All participants in the hearing were "addled," he added. Justices Stephen G. Breyer, Ruth Bader Ginsburg and David H. Souter joined the dissent."

The AP (11/14, Sherman) reports, "Belmontes beat Steacy McConnell to death with a dumbbell bar in the burglary of her home in 1981. He was convicted of the crime and sentenced to death, a decision upheld by state courts and a federal judge. … The 9th U.S. Circuit Court of Appeals, however, twice commuted the sentence. The second time was after the Supreme Court told it to reconsider Belmontes' sentence under a decision that restored the death penalty in another California murder case. … The appeals court said the trial judge misled jurors about whether they could consider the prospect that Belmontes could live a productive life behind bars based on his good behavior during an earlier commitment to a California correctional facility for youth. … 'It was mistaken ... to find a "reasonable probability" that the jury did not consider respondent's future potential,' Kennedy wrote in his majority opinion. Chief Justice John Roberts and Justices Samuel Alito, Antonin Scalia and Clarence Thomas joined Kennedy's opinion."

Federal Monitor Alleges Illegal Kickback Scheme At UMDNJ. The New York Times (11/14, Chen, Mansnerus, 1.16M) reports, "Nearly a year after avoiding prosecution for Medicaid fraud by consenting to have a federal monitor investigate its finances, the University of Medicine and Dentistry of New Jersey is engaging in 'illegal activity' that 'persists to this day,' according to a report from the monitor released on Monday." Federal Monitor Herbert J. Stern's "report also accused the university's interim president, Bruce C. Vladeck, who was appointed by Gov. Jon S. Corzine in the spring to restore credibility, of 'trying to refute, rebut and bury' information about violations of anti-kickback laws." The Times adds, "The report charged that university officials at 'all levels' were 'complicit' in concocting an illegal plan to pay 18 cardiologists nearly $6 million, starting in 2002, to refer their patients to the university's hospital, in violation of federal law. … The cardiology kickback scheme led to $36 million in illegal Medicare and Medicaid payments that the school may have to repay, along with $43 million in potential fines and penalties, the report said."

The Cherry Hill Courier Post (11/14, Walsh) reports "In a statement, UMDNJ said it was 'moving as quickly as we can' to confirm Stern's new assertions 'and to put an immediate stop to any violations we find.' UMDNJ denied any deliberate effort to hide the payments. Instead, it said, attorneys for UMDNJ 'clearly erred' in failing to tell the monitor about a $2.2 million settlement of a whistleblower's lawsuit over the payments." Meanwhile, US Attorney Christopher J. Christie "said his office 'will be addressing remediation of that situation (the possible violation of the 2005 agreement) with the monitor and other interested parties in the very near future.'" The AP (11/14, Parry) notes that "Stern reported that cardiologists were essentially given no-show teaching jobs…at salaries of $150,000 or more for referring heart patients to the school." Additionally, "University officials paid $2.2 million to settle a whistleblower's lawsuit, but the payout wasn't reported to the monitor or properly authorized by the school." UMDNJ spokeswoman Anna Farneski said in a statement "that the university's counsel failed to tell the monitor and UMDNJ management about the settlement but that no effort was made to conceal it."

The Philadelphia Inquirer (11/14, Shiffman, 385K) reports, "Asked about the scandal yesterday, Gov. Corzine…backed Vladeck. 'I know Dr. Vladeck is someone who has worked very hard to get control of an institution that pretty clearly, as this whole new revelation would indicate, was out of control,' Corzine said. Christie, however, declared that UMDNJ's leadership had failed 'to get a handle on the problems that beset that organization.'"

Goya Painting Stolen In Transit To NYC Exhibit. The New York Times (11/14, Lee, 1.16M) reports Goya's "Children With a Cart" was "stolen on its way from the collection of the Toledo Museum of Art in Ohio to a major exhibition that opens on Friday at the Solomon R. Guggenheim Museum, the two institutions announced yesterday." It "was stolen in the vicinity of Scranton, Pa., while in the care of a professional art transporter." The museums' "statement urged people with information about the theft to contact the Philadelphia division of the F.B.I. at (215) 418-4000. 'We're hoping that we're going to get a number of tips,' Jerri Williams, a spokeswoman for the Philadelphia F.B.I. division, said. 'To vet the tips, we've decided to release as few details as possible. If that doesn't

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provide fruitful information, of course, we'll provide more details.'" The New York Sun (11/14, Hope) also reports that Williams "said the details of how the painting was stolen, and when, wouldn't be released until later this week. FBI agents want to determine how reliable tips are by the level of detail they include about the theft, she said." The Sun notes, "The FBI has a special art crime team comprised of 12 special agents."

New York Brothers Charged In Antiques Theft Spree. The Buffalo News (11/13, Fischer) reported, "It started in Palmyra with a whale's tooth and a tourism map of antique shops in upstate New York. It grew into a criminal case so large that the FBI has been called in to help local police comb through hundreds of artifacts stolen from dozens of antique shops, historical societies and other loosely supervised public places in two states." Brothers Kenneth, Michael and Roy Ortiz, of Orleans County, N.Y., "are accused in this roadshow crime spree. All three were charged with fourth-degree criminal possession of stolen property; Kenneth and Michael remain in Orleans County Jail." They "admitted to hitting 200 to 500 sites during the last 18 months…investigators said."

Reputed Genovese Capo Acquitted Of Obstruction Charges. The New York Daily News (11/14, Zambito, 729K) reports, "A reputed high-ranking Genovese crime family capo was acquitted yesterday of obstruction-of-justice charges stemming from an FBI probe into a corrupt bus drivers union. After nine days of deliberations, jurors in Manhattan Federal Court deadlocked on racketeering conspiracy charges involving Ciro Perrone, the 85-year-old owner of the Ozone Park, Queens, Italian eatery Don Peppe. Prosecutors say they will try Perrone again."

Judge Sentences Alleged Sliwa Shooter To 20 Years In Prison. The New York Daily News (11/14, Zambito, 729K) reports, "Curtis Sliwa brushed away tears yesterday as a judge sentenced a Gambino thug he long wanted to see behind bars to 20 years in prison. Jurors may have cleared Michael Yannotti in the 1992 point-blank shooting of the radio host -- but Manhattan Federal Judge Shira Scheindlin refused to show the Mafia muscle any mercy as she sent him up the river on an unrelated racketeering count. Sliwa was shot twice as he tried to dive out the window of a stolen yellow cab whose doors had been rigged shut. Scheindlin made clear she still believes Yannotti was the triggerman." The Daily News notes, "After watching crime boss John Gotti Jr. score three mistrials for his alleged role in the shooting, Sliwa said it was the first time he'd felt a measure of justice for the attack he says wrecked his second marriage and left him with intestinal injuries that cause him suffering every day."

Miami Gang Member Commits Suicide During Armed Standoff. The Miami Herald (11/14, Dellagloria, Ovalle, 286K) reports, "After holing up inside a South Miami-Dade home for eight hours and spraying officers with fire from an assault rifle, Eusebio Estrada was found dead, apparently of a self-inflicted gunshot wound. A member of the gang known as TOYS, he was 19." He "kept at bay scores of heavily armed officers, rooftop snipers and military Black Hawk helicopters on loan from the nearby Homestead Air Reserve Base." The Miami-Dade "Special Response Team -- aided by the FBI's SWAT team -- tried negotiating, to no avail." The Herald notes, "The drama started Saturday, when Estrada and Samuel Mendoza, 21, were accused of firing at Florida City police while escaping in a black Chevy Tahoe. … No officers were hurt," and "a tip brought police to Mendoza's house Monday morning."

Philadelphia Drug Dealer Convicted Of Murdering Witness. The Philadelphia Inquirer (11/14, Shaw, 385K) reports, "The third time was not lucky for Felix Summers. After two mistrials, the 25-year-old former South Philadelphia drug dealer was found guilty yesterday of first-degree murder in the 1999 shooting death of a woman who was a potential witness against him in another homicide. … Because he was 17 when the crime occurred, he will receive an automatic life sentence when formally sentenced on Dec. 13 by Judge Carolyn Engel Temin." The Inquirer notes that the murdered witness, Charlotte Presley, "had told police two months before she was murdered that she saw Summers pull the trigger in the Jan. 12, 1999, drive-by shooting death of John Niles, 19. … Summers, previously on the FBI's most-wanted list, had been acquitted of Niles' slaying when that case came to trial in 2000 and was also acquitted of another slaying -- the August 2001 drive-by shooting death of Veronica Rios, 15."

Ohio Bank Official Charged With Embezzlement. The AP (11/14) reports, "A vice president at KeyBank has been arrested on a charge that he embezzled $29 million from the Cleveland-based banking company, the FBI said Monday." The AP continues, "David Francis Verhotz, 56, was arrested Saturday at Cleveland Hopkins International Airport after getting off a flight from Dallas. Verhotz is a senior vice president and director of the international division of KeyBank." The AP adds, "FBI special agent Scott Wilson said the scheme occurred from January 2004 to the present. Verhotz was to make an initial appearance in U.S. District Court on Monday afternoon."

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Gutierrez Urges PRC To Toughen Piracy Crackdown. The AP (11/13, Hutzler) reports, "U.S. Commerce Secretary Carlos Gutierrez urged Beijing on Tuesday to toughen a crackdown on pirated goods and other copyright infringements, saying failure to do so could fuel an American backlash against trade with China. Despite Chinese progress in protecting intellectual property rights, Gutierrez said U.S. Customs agents seized more counterfeit goods from China than all other countries combined. To turn the tide, Gutierrez said China needs to attack the criminal gangs that are behind the manufacture and trade of most pirated goods. He also called on Beijing to amend laws to make it easier to allow criminal prosecution of infringements against intellectual property…and to step up cooperation with international law enforcement.

Suit Claims Maryland Fails Poor With Lack Of Bail Hearing Counsel. The Baltimore Sun (11/14, Garland) reports, "Maryland is violating the rights of the poor by failing to provide them with taxpayer-funded lawyers at bail hearings, according to a suit filed on their behalf Monday by a Baltimore law firm." The Sun continues, "The class-action suit filed by Venable, LLP targets procedures at the crowded Baltimore Central Booking and Intake Facility but has broader ramifications for jails throughout Maryland, lawyers say." The Sun adds, "In Maryland, suspects make initial appearances before appointed district court commissioners who decide whether to set bail, and, if so, how much it should be. No formal legal training is required to become a commissioner. … 'This lawsuit breaks new ground because it's the first time a lawyer has argued that the right to counsel extends to the initial appearance,' said Douglas L. Colbert, a professor at the University of Maryland School of Law. A clinic he runs at the law school is assisting with the case." The Sun notes, "The suit argues that, under the Maryland Public Defender Act, those charged with crimes are entitled to counsel at 'all stages' of a criminal proceeding -- including the initial bail hearing. Those who can't afford a lawyer should be represented by a public defender, the lawsuit says. The state should also ensure that private lawyers -- who are sometimes kept out of the hearings because of security or space concerns -- also have access, Colbert said. … Criminal suspects who are not represented at such hearings are 'less likely to be released on their own recognizance, more likely to have higher and unaffordable bail, and more likely to pay the expense of a bail bondsman's non-refundable fee to regain their freedom,' the suit states."

CIVIL LAW:

Arizona Dairy Farmer Sues US Over Milk Cooperative Law. The Arizona Republic (11/14, Wong, Carr) reports on Arizona dairy farmer Hein Hettinga, who founded "Yuma-based Sarah Farms, one of the largest and most innovative private dairy operations in the country. … Now, 12 years after building his dairy business into a proverbial cash cow, Hettinga finds himself waging war against big-dairy lobbyists, high-profile lawmakers and the federal government." The Republic continues, "At 64, the Dutch immigrant said he's simply defending his family business, preserving competition in the dairy industry and trying to keep milk prices low for consumers. His critics counter that Hettinga had long exploited a federal loophole that gave him an unfair leg up on his competitors. … The self-proclaimed black sheep guides his milk through all stages of production, from his dairy cows to his bottling plants to supermarket shelves. That enables him to cut out the middleman, reduce costs and pass those savings to his customers. And, of course, make a tidy profit. … Because of his producer-distributor status, Hettinga was able to take advantage of a technicality in Depression-era federal regulations. Those rules require milk processors who do business in certain geographic markets to pay into a revenue pool shared among farmers who own the region's dairy cooperative. … Cooperatives help stabilize the dairy market, guaranteeing farmers a place to sell their perishable products at a fixed price. That helps avert price wars and milk dumping. … Some big processors, such as Shamrock Farms, use milk from their own dairies. But they also buy milk from cooperative farmers, meaning they're still subject to federal regulations. … Hettinga bottles only his own milk, which makes him exempt." The Republic notes, "When Hettinga began seizing a larger share of the market, the $27billion-a-year dairy industry struck back. This past spring, its most powerful members successfully lobbied Congress to support legislation targeting Sarah Farms. … The Milk Regulatory Equity Act, introduced by Republicans Rep. Devin Nunes of California and Sen. Jon Kyl of Arizona, essentially forces the Yuma farm to pay its competitors through the local dairy pool. … Sarah Farms is the only U.S. business that falls within a narrow category of dairy operations targeted by the law: Arizona producer-distributors who turn out more than 3million pounds of milk per month. … And on Sept. 21, Hettinga and his wife, Ellen, sued the federal government in U.S. District Court, claiming the legislation singles out Sarah Farms and has caused the company considerable financial loss."

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CIVIL RIGHTS:

DOJ Brokers Settlement Over Philadelphia EMT Treatment Of AIDS Patients. The AP (11/14) reports, "The city settled a lawsuit Monday that accused Philadelphia officials of failing to comply with an earlier settlement over the treatment of AIDS patients." The AP continues, "In September 2004, the Justice Department intervened in a lawsuit filed by an AIDS patient alleging that emergency medical technicians employed by the city refused to give him proper care." The AP adds, "The suit charged that two paramedics failed to help John Gill Smith, then 38, when they responded to a call in February 2001 that Smith was having severe chest pains. Smith's partner told the emergency workers that Smith had AIDS so they would know his health history. … One paramedic left the house with her shirt collar pulled over her face and did not return, while the other shouted at him, 'Cover your face, or I'm not going to help you! If you cough on me, I can get AIDS,' according to a statement from the AIDS Law Project of Pennsylvania, a nonprofit group that first filed suit over the issue in 1993." The AP notes, "Under the terms of Monday's settlement, pending approval by a federal court, Philadelphia will pay Smith $50,000 in damages and provide city-employed paramedics with ongoing training on infection control and HIV and AIDS transmission. … Wan J. Kim, who heads the Justice Department's civil rights programs, said that vital emergency medical services must be provided in a nondiscriminatory manner to everyone who needs help. … 'The Justice Department is committed to ensuring that cities carry out this important function responsibly and in accordance with federal law.'"

The Philadelphia Inquirer (11/14, Slobodzian), reports, "Under the agreement, the city denied violating any laws and said it settled to avoid the 'expense and inconvenience of further litigation.' … In addition to the $50,000 for Smith, the city will provide mandatory semiannual training on HIV/AIDS and infectious diseases for all city paramedics and emergency medical technicians. … For three years, the city will submit for court review documentation showing that the training was provided."

LAPD Under Fire For Another Arrest Videotape. The Los Angeles Times (11/14, McGreevy, Winton) reports, "The LAPD on Monday was grappling with another controversial videotaped arrest, this one showing an officer shoving a handcuffed suspect into a patrol car, then leaning in with a can of pepper spray to douse the man's face before shutting the door." The Times continues, "The arrest occurred last year on the Venice boardwalk and was the subject of a lengthy LAPD investigation. But the tape was not revealed publicly until Monday by an attorney in an interview with The Times. … A source familiar with the investigation said top LAPD brass were 'livid' after reviewing the incident, which also prompted a prominent police watchdog to call on the department to develop strict rules on when officers can use pepper spray on handcuffed suspects." The Times adds, "The officer who used the pepper spray resigned from the department before the investigation was completed. After reviewing the tape, the city attorney's office dropped charges that the suspect resisted arrest and committed battery on a police officer. … The suspect is identified in police reports as Benjamin Barker, a transient who frequents the Venice beach area. … Barker was arrested after getting into a scuffle with a merchant on the boardwalk. He pleaded guilty to misdemeanor battery on the shopkeeper."

LATimes Says Video Technology Furthers Debate On Policing. In an editorial, the Los Angeles Times (11/14, 850K) writes of the Cardenas arrest video, "Today, any bystander is likely to be reasonably proficient with a cellphone camera and to have the know-how…to post the images on YouTube. That makes certain subjects, like arrests, more likely to be captured and displayed repeatedly. … That's mostly a good thing. Public confidence in the police requires monitoring outside the regular channels of self-review, and technology has democratized the process." The Times adds, "The last word on the Cardenas arrest will remain with the LAPD, the FBI and the courts. But the last word on how Los Angeles is policed, which tactics are acceptable and which are beyond the pale, and whether the LAPD's 'warrior culture' has been sufficiently channeled belongs to the broader community. Consumer technology has made it possible for more members of that community to take part in the debate."

DOJ Asked To Probe Lake Charles, LA, Police Shooting. The Lake Charles (LA) American Press (11/14, Cormier) reports, "Three Lake Charles city councilmen have asked the Justice Department to investigate the Oct. 12 fatal police shooting of Trent Buckins to determine if his civil rights were violated." The AP continues, "In a letter sent to the department's Civil Rights Division, councilmen Marshal Simien (District A), A.B. Franklin (District B) and Rodney Geyen (District C) addressed the conduct of Lake Charles police and community concerns related to the shooting. … On Monday, the American Press obtained a copy of the letter. .. 'A number of complaints and recent incidents have resulted in a disconcerting erosion of confidence by African-American residents in the Lake Charles Police Department,' the letter reads. … 'Many in the community believe the police department's mindset may be the direct result of the current chief's philosophy.'" The AP adds, "Before the Buckins shooting, 'complaints primarily involved allegations of aggressive and disrespectful behavior, bias and racial

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profiling, particularly of African-American males,' the councilmen wrote. … 'These various complaints consistently fueled tensions between the police department and the City's economically disadvantaged sector of the African-American community.' … The councilmen emphasized that the shooting took place in front of Reynaud Middle School as students were arriving for school."

Supreme Court To Consider Use Of Race In School Assignment Programs. USA Today (11/14, Biskupic, 2.27M) reports on a Jefferson County, KY, "school-assignment program, which ensures that each school's enrollment is at least 15% African-American, but no more than 50%. It's part of a plan to diversify what would be heavily minority and heavily white schools in the district, where 58% of the students are white and 36% are African-American." Under Seattle's "school district's diversity plan," a girl "was denied her first choice of a nearby high school in 2000 partly because she is white." The school districts in Louisville and Seattle "are at the heart of a pair of legal disputes, now before the US Supreme Court, that test whether public schools can use race as a factor in determining where students go to school. The cases, to be heard by the court Dec. 4, have drawn national attention because they could affect policies in districts across the country." USA Today adds, "The key legal question in the Louisville and Seattle lawsuits -- which were filed by parents of white students who weren't allowed to attend the schools of their choice -- is whether school-assignment plans that use students' race as a factor violate the Constitution's guarantee of equality."

Statistics Show Continued Wealth Disparities Between Races. The Washington Post/AP (11/14, A3, Ohlemacher) reports, "Decades after the civil rights movement, racial disparities in income, education and home ownership persist and, by some measurements, are growing. White households had incomes that were two-thirds higher than those of African Americans and 40 percent higher than those of Hispanics last year, according to data released yesterday by the Census Bureau." The Post adds, "Three-fourths of white households owned their homes in 2005, compared with 46 percent of black households and 48 percent of Hispanic households. Home ownership is near an all-time high in the United States, but racial gaps have increased in the past 25 years."

"Arrogance" Seen In Massachusetts Legislature Move On Gay Marriage. The Wall Street Journal (11/14, 2.04M) editorializes, "One reason so many Americans despise politicians is because of the contempt that many politicians have for their fellow Americans. A case in point is the way the Massachusetts legislature used a procedural ruse to deny the voters even a chance to vote on the issue of same-sex marriage. … Last week, the pols denied the voters even that much with a procedural trick that recessed the legislature until just hours before its term expires next January." The Journal concludes, "In the face of such arrogant dismissals of voter preferences, no wonder our cultural debates have become so embittered."

ANTITRUST:

Jury Selected In Indiana Concrete Price-Fixing Trial. The Indianapolis Star (11/14) reports, "A jury was selected today in the trial of two Noblesville (IN) ready-mix concrete executives in connection with a broad price-fixing scheme." The Star continues, "A jury of eight women and four men will begin work this afternoon in U.S. District Court in Indianapolis in the case of Chris A. and Ricky J. Beaver, managers at Beaver Materials Corp. They are the only two executives in the scheme awaiting trial after a guilty plea earlier this month by a third executive in federal court." The Star adds, "The men were indicted April 11 on charges of plotting to fix prices and lying to federal investigators. Their company also was charged. … Investigators say the conspiracy to 'suppress or eliminate competition' in the Indianapolis-area concrete market existed from July 2000 through May 2004. The price-fixing scandal became public in June 2005, when federal prosecutors announced a $29.2 million fine against Greenfield-based Irving Materials Inc., the largest fine ever paid by a domestic cartel. .. .Ready-mix concrete is made on demand and hauled to work sites in cement mixers for public and private projects, such as sidewalks, driveways, bridges and roads." The Star notes, "In pleading guilty earlier this month, John J. Blatzheim, 52, executive vice president of Builder's Concrete & Supply Co., acknowledged he joined the local conspiracy in April 2003. .. .In exchange, federal prosecutors dismissed a charge of lying to the FBI and antitrust investigators that carried a five-year prison term. Blatzheim faces up to three years in prison, a year of supervised release and a fine of up to $350,000 when Chief U.S. District Judge Larry J. McKinney sentences him Feb. 9."

House Committee To Review Lucent-Alcatel Deal. The AP (11/14, Rugaber) reports, "Top executives from Lucent Technologies Inc. and Alcatel are set to testify before a House panel chaired by a lawmaker who questions the national security impact of the French company's acquisition of the former technology arm of Ma Bell." The AP continues, "Lucent chief executive Patricia Russo and Mike Quigley, chief operating officer of Paris-based Alcatel SA, are scheduled to appear Tuesday before the House Armed

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Services Committee, headed by Duncan Hunter, the outgoing Republican chairman from California." The AP adds, "Hunter, whose San Diego district includes many workers of Qualcomm Inc., a key competitor of Lucent and Alcatel, says he is worried about whether classified work Lucent's Bell Labs performs for the Defense Department will be kept secret when Alcatel completes its takeover of Murray Hill, N.J.-based Lucent. … 'I am concerned about potential transfers of technology or sensitive information to other countries with which Alcatel has business dealings, which have included Burma, China, Iran, North Korea, Sudan and Syria,' Hunter wrote in an Oct. 26 letter to President Bush. .. .The hearing is not expected to derail the deal, which has cleared antitrust review in the United States and European Union and been approved by shareholders of both companies. It has also been reviewed by the secretive Committee on Foreign Investment in the United States (CFIUS), an interagency panel chaired by the Treasury Department."

Jury Pool Called In Iowa Microsoft Trial. The AP (11/14, Pitt) reports from Des Moines, IA, "Hundreds of Iowa residents were called to jury duty Monday to be considered for a panel that will determine whether Microsoft owes customers in the state millions of dollars." The AP continues, "Court officials called 469 potential jurors in an effort to find eight objective people to hear the complex lawsuit, which seeks up to $450 million for Iowans who have purchased the software maker's products since 1994. The case claims anticompetitive practices by Microsoft caused consumers to pay more for its products that they would have otherwise." The AP adds, "Microsoft, which denies any overpricing, says its products have been widely accepted by consumers because of their low cost and high quality. .. .Polk County District Judge Scott Rosenberg is presiding over the case, which could last as long as six months. … Jury selection is expected to take more than a week with opening arguments expected to begin after Thanksgiving, attorneys said." The AP notes, "Prospective jurors were asked to view a videotape outlining the responsibilities of jury duty and fill out a lengthy questionnaire designed to determine whether they had prejudices that might eliminate them from serving. .. .Roxanne Conlin, a Des Moines attorney and former U.S. Attorney, represents the defendants."

New York Sues To Block Merger Of HIP, GHI. The New York Times (11/14, Pérez-Peña) reports, "Waiting until nearly the last possible day, New York City sued yesterday to block the planned union of the HIP Health Plan of New York and GHI, charging that the combination would violate antitrust laws. The fusion of the companies, creating the largest health insurer in the metropolitan region, with more than four million customers, is set to take effect tomorrow." The city "will go to Federal District Court in Manhattan today, seeking an order to prevent that from happening. Between them, the two companies control more than 90 percent of the health insurance market for municipal workers, city lawyers said. The fusion of GHI and HIP would create a near-monopoly, they said, with the power to raise the city's annual premiums by tens of millions of dollars."

Mittal's Sale Of Arcelor Assets Hits Snag. The Wall Street Journal (11/14, C3, Jolis, McGrath) reports from London, "Mittal Steel Co. said it won't be able to sell its Canada-based Dofasco steel assets and is now discussing with U.S. regulators how to meet its merger commitments to offload some North American operations." The Journal continues, "The world's biggest steelmaker by output is completing its acquisition of Arcelor SA, which is Dofasco's owner. Mittal said the Dutch foundation, or stichting, that holds the Dofasco shares had decided not to dissolve, meaning that Dofasco couldn't be sold." The Journal adds, "Arcelor acquired Dofasco after a takeover battle with Germany's ThyssenKrupp AG in January. However, when Mittal Steel later that month launched a takeover bid for Arcelor, Mittal said it would sell Dofasco to Thyssen in an effort to get the deal approved by U.S. regulators. As part of an unsuccessful defense against Mittal's bid, Arcelor then tied up Dofasco in the stichting, giving three independent board members the sole power to decide whether Dofasco could be sold. … ThyssenKrupp said it still had a binding agreement with Mittal and it would do everything in its power to acquire Dofasco. It said the board of Arcelor Mittal had asked the stichting's board to dissolve, but that was rejected Nov. 10. The German conglomerate also reiterated that it is planning to build a new steel mill in the U.S. if the Dofasco acquisition proves to be impossible." The Journal notes, "In the past, Mittal executives have said they agreed with U.S. regulators to sell either the company's Sparrows Point, Md., plant or its Weirton, W.Va., plant if Dofasco wasn't sold. The U.S. Department of Justice will have the final say over whether Weirton or Sparrows Point is sold. … The Justice Department has said that the company must shed one of its North American assets by Nov. 28, although that deadline can be extended by 60 days."

EU Clears Nokia-Siemens Mobile Network Combination. The AP (11/14) reports, "EU regulators on Monday waved through Nokia Corp. and Siemens AG's plans to combine their mobile network operations in a bid to compete with market leader Ericsson AB." The AP continues, "The European Commission said the market would remain competitive despite the "considerable market share" the new company would have in the mobile network equipment sector. … 'A sufficient number of credible competitors would remain in the market, inter alia market leader Ericsson and Alcatel-Lucent. Customers - mostly network operators - would

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still have alternative suppliers,' it said." The AP notes, "Regulators saw no problems in other areas Siemens or Nokia were involved in, such as fixed-line telecommunications network equipment and related mobile and fixed-line services."

EU Approves Suez-Gaz De France Merger. The Wall Street Journal (11/14, Cohen, Chassany) reports, "European Union antitrust regulators are expected today to clear Gaz de France SA's planned merger with Suez SA." The Journal continues, "Antitrust Commissioner Neelie Kroes has already told the companies that she would clear the deal, the two companies' chairmen said Oct. 30. … The two companies have reached agreement 'on principle' with the European Commission on the merger, said Suez Chairman and Chief Executive Gerard Mestrallet, who would retain his title after the merger. 'Antitrust Commissioner Kroes gave a favorable opinion on the merger,' added GDF Chairman Jean-François Cirelli, who would be second in command of the merged entity." The Journal notes, "The companies have offered several concessions in order to address the commission's antitrust concerns. Among these, GDF will sell its 26% stake in Belgium's No. 2 electricity producer, closely held Société de Production d'Electricité, and Suez will sell a 62% stake in Belgian gas distributor Distrigas SA. … When the merger was revealed in February, Belgian authorities complained that the two companies would dominate the country's natural-gas and electricity markets. Suez also owns Belgian electricity giant Electrabel SA and has a majority stake in gas transporter Fluxys SA."

ENVIRONMENT:

Environmental Groups Call On Democrats To Press Green Policies. The Washington Times (11/14, Hudson, 88K) reports, "Environmental groups yesterday put the soon-to-be Democrat-led Congress on notice, saying they will no longer accept logging of national forests or drilling for oil on federal land." Phill Clapp, president of the National Environmental Trust: "The Republican Congress has now had 239 fact-finding hearings on global warming. If another round of fact-finding becomes the Democrats' policy, they will have walked away from everything they have talked about for the past six years." Miek Daulton, director of conservation for the Audubon Society, "the new Democrat-led Congress must be about 'building consensus across the partisan divide and end the old energy policy of drill, drill, drill.'"

Lobbyists Play Down Possibility Of Major Agenda Change. The New York Times (11/14, Barringer, 1.16M) reports, "Last week's election whipsawed the Congressional committees that are crucial battlegrounds for environmental and energy legislation. But even many environmentalists believe that an ambitious new agenda is unlikely." In spite of "committee changes, some lobbyists are trying to dampen expectations that a major environmental agenda can speed through Congress. While environmental groups are likely to worry less about oil and natural gas wells in the Arctic National Wildlife Refuge, they say that trying to get the new Congress to embrace initiatives like tougher automobile fuel-economy standards and requirements that industry pay more for Superfund cleanups could mean that little, if anything, will be accomplished."

NYTimes, WSJournal Weigh In On Possible Fishing Reforms. The New York Times (11/14, 1.16M) editorializes, "[I]n terms of sheer gloom none compares to a recent study in the journal Science. It asserts that the progressive unraveling of entire marine ecosystems up and down the food chain could lead to the "collapse" of all commercial species, possibly by the middle of this century." The Times notes that the study, by "well-known marine scientists from Canada and four other countries," says the situation is not "hopeless, but only if the world moves quickly to reduce overfishing and other threats." The Times sees "two opportunities." First, it calls on the UN to ban bottom trawling, and it asks the new Congress to reauthorize the "Magnuson-Stevens Act regulating fishing practices in U.S. waters" as an "early order of business for the new Congress."

Meanwhile, the Wall Street Journal (11/14, 2.04M) editorializes, "Now, extrapolation of any trend far enough into the future can bring surprising results (remember Dow 36,000?). And at least one professor of marine sciences has called this particular extrapolation 'mind-bogglingly stupid.' But it's certainly true that some fisheries are overtaxed." The Journal notes, "Iceland has saved its fishing industry by adopting a system of individual, tradeable quotas. … The quotas are an asset that can be bought and sold, and their value is dependent on the viability of the fishery, so they give fishermen a direct financial stake in sustaining the fishery." The Journal says current US fisheries management law "must be renewed," but adds, "Why not instead sell the fisheries to the fishermen? Set the quotas at a reasonable level, and let the fishermen themselves decide in whose hands they're worth the most." The Journal adds, "The need to reauthorize the current law offers an opportunity for rights-based reform."

FBI/DEA/ATF/USMS:

Reporters May Face Toughest Penalty In BALCO Case. The Los Angeles Times (11/14, Mozingo) reports, "At a private reception at the White House Correspondents' Dinner on April 30, 2005, President Bush praised two newspaper reporters for their award-winning

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stories on steroid use in professional sports. … 'You've done a service,' Bush twice told Lance Williams and Mark Fainaru-Wada of the San Francisco Chronicle." The Times continues, "But today the two journalists, in a standoff with the Bush administration, face longer terms in prison than the combined sentences of all the defendants convicted in the steroid scandal they helped expose. … In September, a judge sentenced Williams, 56, and Fainaru-Wada, 41, to up to 18 months in prison for refusing to tell the U.S. Justice Department who leaked grand jury transcripts implicating baseball stars — including Barry Bonds and Jason Giambi — in the Bay Area Laboratory Co-Operative, or BALCO, steroid ring. They are free pending an appeal hearing, set for Feb. 12." The Times adds, "Impasses between journalists and prosecutors seeking to unmask their sources are increasingly common, familiar to anyone who followed the jailing of former New York Times reporter Judith Miller for refusing to reveal who disclosed the identity of undercover CIA operative Valerie Plame. … But the BALCO case — although not fraught with the political overtones of the Miller case — has broader implications for the media. … Not only journalists, but two former Justice Department officials, have suggested that prosecutors are overreaching. One of those officials said the subpoenas, if upheld in court, would greatly broaden the government's ability to stifle investigative reporting."

Man Convicted Of Murdering DEA Agent Gets 71-Year Sentence In Arizona. The Arizona Republic (11/14, Berry) reports the man who "dreamed up a 1994 double-cross that ended the life of a U.S. Drug Enforcement Administration special agent could spend the rest of his days behind bars. On Monday, Augustin Vasquez Mendoza, 37, was sentenced to 71 years in prison. In August, a jury convicted him of one count of first-degree murder, two counts of aggravated assault, three counts of kidnapping, three counts of attempted armed robbery and one count of conspiracy to commit armed robbery." Vasquez Mendoza "is the last of four men who have been tried in connection with a shooting…that took the life of DEA agent Richard Fass."

The Arizona Daily Star (11/14) reports, "Vasquez-Mendoza, a Mexican national, will be eligible for parole after serving 25 years for the murder but was sentenced to serve an additional 46 years in consecutive sentences for the nine additional counts before he could be released."

The AP reports, "After DEA agent Richard Fass was fatally shot, authorities said Vasquez Mendoza fled to Mexico, where he was arrested in 2000. He wasn't returned to Arizona until 2005. Mexico had to be assured Vasquez Mendoza wouldn't be executed." KOLD-TV in Tucson used the AP story.

Local TV Coverage. KSAZ-TV, Phoenix (11/13, 10:00 p.m.) aired, "The man convicted of killing a drug enforcement agent is sentenced to life today. Augustin Mendoza is the last of four people tried for the murder of Richard Fass, shot to death during an undercover drug sale. The agent's family is glad this whole thing has finally come to an end."

KTVK-TV, Phoenix (11/13, 5:30 p.m.) aired, "The judge sentenced Augustin Vasquez- Mendoza to life imprisonment with no possibility of parole for 25 years."

KGUN-TV, Tucson-Sierra Vista (11/13, 10:00 p.m.) aired, "Life in prison, that's the sentence for a man convicted in the 1994 killing of federal agent Richard Fass. Mexican officials extradited Augustin Vasquez-Mendoza in 2005. A jury convicted him in August."

KVOA-TV, Tucson-Sierra Vista (11/13, 6:00 p.m.) aired, "Late this afternoon, a judge sentenced Augustin Vasquez-Mendoza. He's accused of orchestrating a drug deal in June of 1994, where Richard Fass was killed while working undercover. The search for Vasquez-Mendoza was one of the largest by both Mexico and United States. Mendoza is the fourth person to be sentenced in Fass's death."

Virginia Sheriff Indicted In Drug Case Announces His Retirement. In Roanoke, the AP (11/14) reports a sheriff "charged with taking part in a scheme to sell drugs seized from criminals has stepped down," according to his attorney. Henry County Sheriff H. Franklin Cassell "has informed county officials of his retirement, which is effective immediately, attorney John Lichtenstein said in a news release. Cassell, who maintains innocence, has not been in the office since the beginning of the month, when he was indicted along with 12 of his current and former officers and seven others in the federal drug case. Cassell is charged with impeding the investigation by federal agents and with money laundering." News outlets that used the AP story include FOX News, the New York Times, Washington Post, Washington Times, Houston Chronicle, and Contra Costa Times.

The Roanoke (VA) Times (11/13) reports, "According to a press release from Cassell's attorneys, he decided to retire effective immediately after examining 'the nearly constant distraction his status has become since his announcement last week.' Cassell said Thursday that he planned to place himself on unpaid administrative leave pending the outcome of the federal case, but that decision was met with frustration by some Henry County officials, including the Board of Supervisors, which had called for his resignation."

The Martinsville (VA) Bulletin (11/13) has posted the press release on its Web site.

The Richmond (VA) Times Dispatch (11/13) reports, "A supervisors meeting to discuss Cassell's status had been scheduled for Wednesday, but was canceled after [the] retirement announcement."

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Authorities Say Increased Border Security Causes Drug Smugglers To Change Tactics. FOX Special Report (11/13, story 8, 0:45, Angle) aired, "The effort to prevent criminals from smuggling illegal drugs across the US border with Mexico may have resulted in some unintended consequences in northern California." Sheriff's detective Steve Brooks said, "Increased border security has made it difficult to smuggle in large quantities of pot, so instead, the cartel smuggles seeds and illegal immigrant workers who set up camp in remote areas, grow the marijuana and protect it from intruders." FOX continued, "This year, California rangers destroyed a record number of marijuana plants, worth more than $6 billion. And, they say, they're determined to do even better next …season."

US Border Patrol Acknowledges Agents Chased Drug Suspect Into Mexico. In El Paso, Texas, the AP (11/14) reports U.S. Border Patrol officials said Monday that Border Patrol agents "crossed the Rio Grande into Mexico last week while chasing a drug-smuggling suspect. The agents followed a fleeing pickup truck into the river 'no more than 25 feet across the border' Thursday afternoon, Robert W. Gilbert, the chief patrol agent for the patrol's El Paso sector, said in a statement Monday." According to a U.S. Homeland Security report "made public this year in a newspaper report, Mexican authorities have crossed the U.S. border 216 times since 1996 … It is unclear how many times U.S. officials have crossed into Mexico."

Supervisors In San Francisco To Vote On Relaxing Marijuana Enforcement. The San Francisco Chronicle (11/13) reports San Francisco's Board of Supervisors "will vote Tuesday on legislation that would set nearly all crimes involving marijuana as the lowest law enforcement priority for city police. The legislation, sponsored by Supervisor Tom Ammiano, was approved…by a board committee with the blessing of police officials and over the complaints of some residents. … Under the proposed legislation, city police would be directed to essentially ignore most marijuana crimes unless they involve minors or acts of violence, driving under the influence, or the sale or distribution of pot on public property or within view from public property."

Permit Violations Cause California Marijuana Dispensaries To Close. The Whittier (CA) Daily News (11/14) writes, "The going is rough for purveyors in the San Gabriel Valley. The two latest [marijuana] dispensaries opened and quickly shut down due to county permit violations. … County code mandates that medicinal marijuana dispensaries possess a business license and conditional-use permit, both required since a moratorium approved unanimously in June 2005 by the Board of Supervisors was lifted in June of this year, officials said. … On Wednesday, Alternative Caregivers of Pasadena closed shop after receiving a violation notice from county officials. … Two blocks away and a day earlier, another outlet called California Compassionate Caregivers…also closed shop."

In Nevada, Advocate Gets Probation In Medical Marijuana Case. In Las Vegas, the AP (11/14) reports a medical marijuana advocate "has been sentenced to three years probation in a case that had been seen as a test of Nevada's medical marijuana program. A judge told 35-year-old Pierre Werner he was getting a break instead of prison time after pleading guilty to possession of marijuana with intent to distribute. But she said Werner no longer could supply marijuana to other people. … He's got a license to use marijuana to treat his own symptoms of bipolar disorder."

NFL, Union Consider Tougher Drug-Testing Program. The Washington Post (11/14) reports representatives of the NFL and its players union "met last week and seem to be progressing toward completing an agreement to toughen the league's steroid-testing program. Officials on both sides of the discussions said yesterday that no agreement had been completed. But the two sides, officials said, are discussing the possibilities of increasing the number of random tests and using a more sophisticated test to detect the presence of synthetic testosterone."

On its Web site, FOX Sports (11/13) reports, "NFL commissioner Roger Goodell, NFLPA chief Gene Upshaw and other league officials quietly met this week with a panel of scientists, doctors and experts in somewhat of a drug summit to get a more aggressive plan of attack to catch the cheaters. … In addition, Upshaw told FOX NFL Sunday and FOXSports.com, that he and Goodell are working on a much more aggressive testing system they hope to have in place either this year or the start of next in their battle against human growth hormone, testosterone and steroids."

Report: More Than 2,000 Killed This Year In Mexico's Drug War. The Los Angeles Times (11/14) reports, "The death toll in Mexico's drug war has surpassed 2,000 this year. … No government agency keeps a tally of the drug-related killings, but according to human rights organizations and newspapers, an average of six people are killed in the country's drug wars every day. … A police commander, Hector Gaxiola Gamez, narrowly escaped [an] attack. But the next morning, gunmen again caught up to the commander, and this time they didn't miss. … Gaxiola was the 19th law enforcement officer to be killed this year in Tijuana. Many were slain after the August capture of alleged drug lord Francisco Javier Arellano Felix, which many experts

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believe has triggered a battle for control of the lucrative narcotics trade in the city."

IMMIGRATION:

Texas Town Raises Immigrant Fears With Exclusion Ordinance. The AP (11/14, Garay) reports fromo Farmers Branch, TX, "Supporters say a sweeping ordinance intended to keep out illegal immigrants is necessary because the federal government has failed to address the issue. Critics argue the proposal could lead to sanctioned discrimination and racism." The AP continues, "Both sides are carefully watching if this Dallas suburb becomes the first city in Texas to adopt strict limits on anti-illegal immigration, a cause for concern among its large minority population." The AP adds, "A councilman has given city attorneys drafts of an ordinance that would make English the city's official language and proposals to fine companies and landlords who do business with illegal immigrants. The measure was expected to be submitted to the council on Monday, but there was no indication when it might be put to a vote. … More than 50 municipalities nationwide have considered, passed or rejected similar laws, but until now, that trend hasn't been matched in the Lone Star State." The AP notes, "Since 1970, Farmers Branch has changed from a small, predominantly white bedroom community with a declining population to a city of almost 28,000 people, about 37 percent of them Hispanic, according to the census. … It also is home to more than 80 corporate headquarters and more than 2,600 small and mid-size firms, many of them minority-owned. … The local debate over illegal immigration began in August and spawned demonstrations by both sides of the issue."

Kyl Signals Possible Filibuster For Immigration Legislation. The Washington Times (11/14, Hurt, 88K) reports that Arizona Sen. John Kyl (R) said a filibuster is "on the table to block immigration legislation supported by congressional Democrats and President Bush that grants citizenship rights to illegal aliens." His remarks, made to radio host Laura Ingraham Monday, "highlight the deep divide between most congressional Republicans and the White House over" the "explosive" issue. The Times notes that Kyl is "not confident that he and his allies could secure the 40 votes necessary to block the immigration legislation that passed earlier this year."

Missouri Committee Blames Illegal Immigration On Abortion, Welfare. The AP (11/14, Lieb) reports, that a "Republican-led" Missouri state House Special Committee on Immigration Reform says "in a new report on illegal immigration that abortion is partly to blame because it is causing a shortage of American workers." It also "claims 'liberal social welfare policies' have discouraged Americans from working and encouraged immigrants to cross the border illegally. The statements about abortion, welfare policies and a recommendation to abolish income taxes in favor of sales taxes were inserted into the immigration report by the committee chairman, Rep. Ed Emery." The panel's six Democrats "refused to sign the report" and some "called the abortion assertion ridiculous and embarrassing." Emery: "We hear a lot of arguments today that the reason that we can't get serious about our borders is that we are desperate for all these workers. … You don't have to think too long. If you kill 44 million of your potential workers, it's not too surprising we would be desperate for workers." The story also appeared in the Washington Post (11/14, A9, 690K).

TAX:

WSJournal Rejects Rubin's Call For Tax Increase. The Wall Street Journal (11/14, 2.04M) editorializes, "We suppose it's reassuring that" former Treasury Secretary Robert. Rubin "now thinks the economy is strong enough to withstand a tax increase. … Everyone makes mistakes, but raising taxes amid a housing decline doesn't sound like brilliant policy to us. Depending on inflation signals in the coming weeks, the Federal Reserve may not be done raising interest rates. The best hope for avoiding a recession next year and into 2008 is that strong corporate profits and the tight job market will lift business investment and consumer spending enough to offset the impact of tighter monetary policy. The last thing the economy needs now is a tax increase, too." The Journal adds, "Mr. Rubin's 'fiscal problems' riff is really a rhetorical sleight-of-hand, using future entitlement problems to justify a tax increase today. He knows all too well that not a dime of new revenue raised today would be 'saved' or otherwise devoted to paying for future Social Security or Medicare benefits."

CONGRESS-ADMINISTRATION:

Democratic Takeover Of Senate May End Bush Ability To Shape Judiciary. Bloomberg (11/14, Rowley) reports President George W. Bush's "power to shape the federal judiciary is coming to an end." The Democrats' "takeover of the Senate in January means they will be able to deny consideration of nominees whose views they oppose on issues such as abortion. While Republicans will still control the lame-duck Senate session convening this week, there's little chance of action on many judgeships." Manuel Miranda, "a former Senate Republican aide who heads the

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Washington-based Third Branch Conference, which pushes for conservative judicial nominees," said, "The Bush presidency is over with regard to judges." Miranda said the "best Republicans can hope for is that blocked judgeships will be an issue in the 2008 presidential election." Bloomberg added there are "16 appeals-court vacancies now and more will probably develop during Bush's remaining two years in office. In President Bill Clinton's last two years in office, a Republican- controlled Senate shelved 16 appeals-court nominees, preserving the vacancies for Bush to fill."

Bush Leads Groundbreaking Ceremony For Martin Luther King Memorial. President Bush yesterday attended the groundbreaking for the Martin Luther King memorial in Washington. NBC Nightly News (11/13, story 11, 2:05, Williams, 9.87M) reported, "Here in Washington, between the beautiful memorials to Lincoln and Jefferson and not far from where Dr. Martin Luther King, Jr., delivered his iconic, 'I have a dream' speech, they broke ground today for a new memorial. One that will continue that dream." NBC (Faw) added, "Are we having a revival here today, one of the speakers wondered. Part jubilee it was also remembrance of what happened on the steps of Lincoln memorial nearby 43 years ago. A moment enshrined but for some obscured with the passage of time. Sen. Barack Obama: "The man we honor today did what God required. In the end, that is what I will tell my daughters." Former President Bill Clinton: "If he were here he would remind us that the time remains ripe to do right." President Bush: "Dr. King showed us that a life of conscious and purpose can lift up many souls."

The story was reported by all three network newscasts, although the CBS Evening News (11/13, story 8, 1:05, Couric, 7.66M) did not mention Bush in the story. Said CBS, "The ceremony today was especially emotional for two men who worked alongside him, Jesse Jackson & Andrew Young." Andrew Young: "As we turn these shovels, we are just beginning to turn the dirt and as we turn the dirt at this ground, let us go back to our communities and turn the dirt and provide a clean and pure lifestyle for our children."

ABC World News (11/13, story 5, 2:10, Gibson, 8.78M) showed Bush saying, "We will continue to trust in the power of those words."

The AP (11/14, Manning) notes Bush said, "We give Martin Luther King his rightful place among the many Americans honored on the National Mall." The King memorial, "slated to open in the spring of 2008, will be the first monument for a civilian and black leader on the large park at Washington's core. It is also probably among the last monuments on the Mall following a 2003 vote in Congress to sharply limit development of the parkland."

McClatchy (11/14, Douglas) reports Bush "received tepid applause from the crowd while Clinton…received loud cheers and a standing ovation. The difference in greeting wasn't lost on Bush. 'It sounds like they haven't forgotten you yet,' Bush joked to Clinton and the crowd. 'He's become, as you know, my fourth brother.'" Bush "has never been popular among African-Americans since becoming president after the contested 2000 election in which then-Vice President Al Gore captured 90 percent of the African-American vote. The White House's challenge to affirmative action policies and its response to Hurricane Katrina victims in New Orleans haven't helped his standing among African-Americans."

The Atlanta Journal-Constitution (11/14, Relerford, 379K) reports Clinton "signed legislation to create the monument." Among "the most visibly moved among the thousands at the site on the National Mall was one who shared the podium with King when his 'I Have a Dream' speech gave momentum to the movement for new civil rights laws." US Rep. John Lewis, "a leader of the 1963 March on Washington that culminated in King's speech, broke down in tears as he held a groundbreaking shovel." The Los Angeles Times (11/14, Mohammed, 850K), USA Today (11/14, Koch, 2.27M) and the Washington Post (11/14, A1, Dvorak, Pierre, 690K) run similar reports.

Bush To Meet With Automakers. USA Today (11/14, Carty, 2.27M) reports, "After months of talking about it, the heads of the Big Three automakers will get their chance to sit down today with President Bush and lay out their concerns for the future." While "no one expects the automakers to win significant promises, the fact that they get an audience at all is a symbolic victory." Automakers "sat by through several postponements as President Bush met with American Idol finalists, hosted a softball game between an Air Force base and a Navy submarine base and met with small business owners and community bankers." The meeting, "originally set for May, was delayed several times before the White House decided to wait until after the Nov. 7 elections." The meeting "had become a political football in the hotly contested governor's race in Michigan. The multiple cancellations caused many Detroiters to wonder if the president was giving the industry a grand brush-off. His comment suggesting that Detroit car companies should make 'a product that's relevant' still stings here nearly a year later." The Financial Times (11/14, Simon) notes Bush "is to meet Rick Wagoner of General Motors, Alan Mulally of Ford and Tom LaSorda of Chrysler, a division of Germany's DaimlerChrysler."

The Washington Post (11/14, D1, Freeman, 690K) reports, "Allies of the American auto industry, brought to power in last week's elections, are set to challenge the Bush administration to level the playing field for US manufacturers. Led by lawmakers from Michigan, newly empowered

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Democrats said they would press the Bush administration to help pry open the Korean auto market and go after Japan on currency issues." It is "an approach that could put Asian automakers on the defensive in Washington at a time when they are clobbering Detroit in the US marketplace." The Post adds, "Trade issues are expected to be one of the key talking points when President Bush sits down today with the chief executives of Detroit's Big Three automakers. … In the past year, Detroit automakers have steadily tried to raise alarms in Washington about the industry's deterioration. They have been calling for more federal incentives to increase the number of alternative-fuel stations, the cutting of tariffs on steel imports, and government initiatives to curb the escalating cost of health care." But "with the change of power in Washington, automakers want more attention on trade concerns."

The Wall Street Journal (11/14, A3, McKinnon, Stoll, 2.04M) also says "auto makers…are likely to again raise concerns about unfair foreign competition, particularly regarding currency manipulation by Japan. That concern doesn't appear to be shared by the Bush administration, however. An area of potential agreement is energy. Mr. Bush gave the US companies a boost with his proposal in January to accelerate research into production of alternative fuels such as ethanol." The auto makers "are wary of new emissions limits on greenhouse gases believed to cause global warming. For now, the administration seems to side with the car companies. But pressure is growing in the US and internationally for tough new limits on those emissions."

Gates Expected To Curb Pentagon Growth. The Washington Post (11/14, Pincus, 690K) reports, "The nomination of Robert M. Gates as secretary of defense has begun to ease concerns in the intelligence community about the rapid growth of Pentagon intelligence activities since the attacks of Sept. 11, 2001, said experts inside and outside the government and on Capitol Hill. Gates, a former CIA director, has a long history of opposing expansive Pentagon intelligence activities. He has voiced unease about roles being taken over by Pentagon personnel, in part because more than 80 percent of all intelligence spending is now done by Defense Department agencies." Secretary Rumsfeld had "vastly expanded Pentagon intelligence activities, increasing operations overseas and creating a new position and a new agency to handle military intelligence." The Post adds, "One quick indication of how Gates will deal with interagency tensions will be whether Rumsfeld's undersecretary of defense for intelligence, Stephen A. Cambone, and his top deputy, Army Lt. Gen. William G. Boykin, remain in their current positions. They have backed the growth of the Counterintelligence Field Activity, the controversial new agency that in three years has spent nearly $1 billion to gather data to be used in the protection of defense facilities at home and abroad."

Levin Has "Troubling Questions" About Gates. UPI (11/13, Waterman) reports, "The incoming chairman of the Senate Armed Services Committee has 'troubling' questions about Robert Gates, the nominee for defense secretary. Sen. Carl Levin, D-Mich., who will assume the chair of the committee when the Democrats take over Congress in January, said he would not necessarily oppose Gates' confirmation ... 'For me, the important thing with Mr. Gates is whether or not he is independent, whether or not he's going to speak truth to power,' Levin told reporters Monday, recalling charges that Gates, as CIA director, had slanted intelligence in order to support the policies of the Reagan White House."

Hearing May Be In December. On CNN's The Situation Room with Wolf Blitzer (11/13, 5:50 p.m.) Virginia Sen. John Warner (R), who chairs the Senate Armed Services Committee, said, "Our committee presumably if the White House comes forward with the nomination of Gates, will have that the first week, the hearing, in December."

Rumsfeld Will Not Attend NATO Summit. The AP (11/14, Burns) reports, "Defense Secretary Donald Rumsfeld has dropped plans to join President Bush at a NATO summit this month in Latvia, in light of his announced resignation, a Rumsfeld spokesman said Monday. The Pentagon will instead be represented at the meeting by Eric Edelman, the undersecretary of defense for policy." The AP continues, "The Pentagon has refused to release the letter of resignation that Rumsfeld submitted to Bush. Ruff said Rumsfeld did not mind if the White House released it. At the White House, spokesman Gordon Johndroe said there was no plan to release it. ... On the day Bush announced Gates as his choice to replace Rumsfeld, Gates called [Gordon] England and asked him to remain as the No. 2 at the Pentagon, according to an official who discussed the matter on condition of anonymity. England agreed to stay for an indefinite period, the official said. Other senior Pentagon officials, however, are expected to leave." About 13 sites carried this story.

Bush Accused Of Lying About Rumsfeld's Departure. In his Washington Post column (11/14, A31), Richard Cohen says, "There is something refreshing about George Stephanopoulos. After George Bush announced that he was firing Don Rumsfeld, Stephanopoulos -- on the air at the time -- actually seemed shocked that just a week earlier the president had said he would do no such thing. Stephanopoulos not only suggested that the president had lied but that he was wrong to have done so. In Georgetown, where the ABC newsman lives, such innocence must be considered quaint. Washington's easy acceptance of lying, especially presidential lying, is beyond lamentable. It has cost the country plenty, including, of late, a war in a godforsaken place, which we are losing and are fighting for

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reasons that we no longer remember or that even matter. (Democracy? Weapons of mass destruction? A link to terrorism? Aw, forget it.) In the most recent case, Bush not only lied but compounded the lie by lying about why he lied in the first place."

Nomination Remains Stalled On Pentagon Oversight Post. The Washington Post (11/14, Witte, 690K) reports, "Even as the Senate moves quickly to consider Robert M. Gates's nomination to be defense secretary, the nomination of the man who would be looking over Gates's shoulder on behalf of taxpayers remains bogged down nearly six months after he was tapped to fill one of the government's most important oversight roles. The nominee for Pentagon inspector general, David H. Laufman, is a veteran prosecutor who has vowed to be an aggressive watchdog -- especially of work in Iraq and Afghanistan. But Laufman, nominated by President Bush in June, has met resistance from Democrats who question his independence." Laufman has resorted to the "unusual step of speaking out" and has won support from Stuart Bowen, who said, "He would be an excellent IG." The Post reports, "The Pentagon last had a permanent inspector general in September 2005, when Joseph E. Schmitz left to become general counsel for the parent company of security firm Blackwater USA. Since then, the office of 1,250 military and civilian officers and employees has been led by acting Inspector General Thomas F. Gimble," who "withstood heavy criticism last year when it came to light that his office had no personnel on the ground in Iraq."

The AP (11/14, Solomon) reports, "President Bush's nominee for the inspector general job is being held up because answers he gave lawmakers have raised concerns with a key senator about his independence. ... Laufman's nomination came to a halt after he testified to the Senate Armed Services Committee this summer that the inspector general's law requires him to consult with the defense secretary before embarking on cases involving national security and other sensitive matters. Career employees inside the inspector general's office alerted Democratic Sen. Carl Levin's office that such consultations would be a major departure from current practice. They said they had discussed their concerns with Laufman but could not change his mind."

Lame-Duck Congress Tackles Spending Bills, Other Priorities. ABC World News (11/13, story 8, 0:25, Gibson, 8.78M) reported, "Back in Washington, Congress has returned for a lame duck session. There are spending bills needed to keep the government running and a host of other issues. Two items the President wants may be nonstarters: the confirmation of John Bolton as UN Ambassador and approval of a domestic eavesdropping bill."

The Washington Post (11/14, A29, Muray, 690K) reports one "priority" is "Senate passage of the US-India Civil Nuclear Cooperation bill, permitting the US to export nuclear technology to India. The measure is the centerpiece of an effort to strengthen relations between the two countries and has strong bipartisan support. Democratic Leader Harry M. Reid (Nev.) included the pact as No. 2 on his three-item lame duck wish list, delivered last week to outgoing Majority Leader Bill Frist (R-Tenn.)." Reid also "pressed for action on a package of tax-break extensions, including a state sales tax deduction, research and development credit, and changes to the alternative minimum tax, all due to expire unless Congress acts soon. The package stalled before the election because the House and Senate could not agree to its contents." The Post adds, "If Congress is around long enough, GOP leaders hope to complete legislation to expand offshore oil and natural gas production, although key differences remain between the House and Senate versions of the bill."

Roll Call (11/14, Pierce) reports, "The idea of passing a long-term continuing resolution that keeps the government running until early next year under current spending limits is being discussed, from both a fatigue standpoint and as a strategic move to start pushing the notion of tax-and-spend Democrats early in the 2008 election cycle. 'Strategically, getting the new House Democrats on the record on spending bills as early as possible would be a prudent way to go,' said one House Republican leadership staffer. 'It's in the Democrats' best interests to try and get [appropriations] off the table, and it's in our best interests to keep it on the table.'"

The AP (11/14, Taylor) reports Senate Majority Leader Bill Frist, "who is considering a bid for the GOP presidential nomination in 2008, envisioned Congress meeting three more weeks this year, this one and the first two weeks of December." He "urged Republicans not to be discouraged by this 'time of transition' -- and to listen to the voters who ousted them from power.

LATimes Says Lame Duck Congress Should Skip NSA Surveillance Measure. The Los Angeles Times (11/14, 850K) says in an editorial that in the lame duck session of Congress, "Divisive matters that can be left until next year should be left until next year. That includes energy legislation, which in the House has taken the unattractive form of a bill sponsored by Rep. Richard W. Pombo (R-Tracy) that would indiscriminately open up coastal areas for oil drilling." But the "best candidate for 'wait till next year' treatment is the effort to legalize the National Security Agency's warrantless eavesdropping on Americans suspected of contacts with foreign terrorists. The House-approved bill essentially rubber-stamps the program while requiring notification of Congress. But the Senate has yet to

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decide among three bills, all of which (believe it or not) were approved by the Judiciary Committee."

October Budget Deficit 4.3% Higher Than Last Year. The Wall Street Journal (11/14, A2, 2.04M) reports, "Paced by record monthly spending and revenues, the federal government ran a deficit of $49.29 billion in October, up 4.3% from a year earlier, the Treasury Department said." Treasury's monthly budget statement "shows outlays were $216.98 billion last month, up 10% from a year earlier. Government receipts in October were $167.69 billion, up 12% from a year earlier. Both receipts and outlays were records for the month of October, the Treasury said, while noting the government has run a deficit every October since 1954." The Treasury also "revised the government's September surplus to $56.16 billion from a previously reported $56.03 billion." The October deficit figure "was in line with the Congressional Budget Office's estimate of a $49 billion deficit. The White House has projected the budget deficit for fiscal 2007, which began Oct. 1, will total $339 billion, about one-third larger than the past fiscal year."

HHS Chief Opposes Negotiation Proposals On Medicare Drug Prices. The AP (11/14, Freking) reports, "The nation's top health official said yesterday that the government should not negotiate Medicare drug prices, a position that sets the stage for an early confrontation with the incoming Democratic Congress." Health and Human Services Secretary Mike Leavitt said, "The idea of the government negotiating drug prices really isn't about the government negotiating drug prices. … It's a surrogate for a much larger issue, which is really government-run health care." But Democratic lawmakers "have promised a new approach when they take control of Congress in January. They would let the federal government use its massive purchasing power to negotiate the price of drugs used by Medicare beneficiaries. They say that such leverage would produce substantial savings that could then be used to improve the overall program."

Democrats Urged To Pursue Lower Drug Prices. In an editorial, the New York Times (11/14, 1.16M) writes, "Michael Leavitt, the secretary of health and human services, says he does not want the power to negotiate drug prices for Medicare beneficiaries, but Democrats should give it to him anyway." The Democrats "have pledged to move on the issue as soon as they take control of Congress. If they succeed, it would allow an important test of the hypothesis that government negotiators can wring lower prices from the manufacturers than those obtained by the private drug plans and pharmaceutical benefit managers that currently negotiate on behalf of Medicare beneficiaries." President Bush "might be inclined to veto any bill that tried to insert the government into price negotiations. But if presented with a bill to set up government-operated drug plans to go head to head with the private plans, he would have to explain why he is afraid of a real market competition."

Pelosi Draws Fire For Backing Murtha In House Leadership Race. The Washington Post (11/14, A1, Weisman, 690K) reports House Speaker-designate Nancy Pelosi's "endorsement of Rep. John P. Murtha's bid for House majority leader set off a furor yesterday on Capitol Hill, with critics charging that she is undercutting her pledge to clean up corruption by backing a veteran lawmaker who they say has repeatedly skirted ethical boundaries." Pelosi "directly intervened in the heated contest between Murtha (D-Pa.) and House Minority Whip Steny H. Hoyer (D-Md.) on Sunday by circulating a letter to Democratic lawmakers." Some "Democratic lawmakers and watchdog groups say they are baffled that Pelosi would go out of her way to back Murtha's candidacy after pledging to make the new 110th Congress the most ethical and corruption-free in history." Murtha, "a longtime senior Democrat on the House Appropriations Committee, has battled accusations over the years that he has traded federal spending for campaign contributions, that he has abused his post as ranking party member on the Appropriations defense subcommittee, and that he has stood in the way of ethics investigations. Those charges come on top of Murtha's involvement 26 years ago in the FBI's Abscam bribery sting." Melanie Sloan, executive director of Citizens for Responsibility and Ethics in Washington (CREW), "a Democratic-leaning group," said, "Pelosi's endorsement suggests to me she was interested in the culture of corruption only as a campaign issue and has no real interest in true reform. It is shocking to me that someone with [Murtha's] ethics problems could be number two in the House leadership."

On the cable news shows, Democrats offered qualified opinions of the race between Reps. Steny Hoyer and John Murtha for the position of House Majority Leader. On MSNBC's Hardball with Chris Matthews (11/13, 5:08 p.m.), WA7 Rep. Jim McDermott (D) said, "There's nothing wrong with" Steny Hoyer. "Nobody's saying he isn't a good leader. But Jack" Murtha "has demonstrated that on the toughest issue facing this country for the last six years he had the courage to go out and say to the president: Mr. President, you are wrong, we must make a change. Nobody else said that in the leadership."

On MSNBC's Hardball with Chris Matthews (11/13, 5:06 p.m.), CA10 Rep. Ellen Tausher (D) said, "I don't see any differences" between Murtha and Hoyer "in Iraq," but "in other issues, I see big differences. Steny not only campaigned for me but was here when I came back to help me get the positions that I wanted on the Armed Services

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Committee. Nancy Pelosi is going be our Speaker, but there is a team that got us into the majority. It was the minority leader and whip. That is the team that brought us in here."

USA Today (11/14, Kiely, 2.27M) reports House Democrats "are locked in an internal dispute over a top post that highlights the party's ideological tensions and the assertive style of their leader, Nancy Pelosi, less than a week after winning majority control for the first time since 1994." Brookings Institution analyst Stephen Hess said, "This is her first real decision, and it's a tough one. I think it's very risky." USA adds that for Pelosi, "the risk is that she could end up on the losing end of an intraparty fight before she even takes the speaker's gavel in January." For Democrats, "the risk is that their political honeymoon will be embittered by an awkward political fight."

The Los Angeles Times (11/14, Hook, Simon, 850K) reports Democrats' "postelection emphasis on unity quickly dissolved into power struggles and jockeying over the spoils of victory." In her "first high-profile move after the election, Pelosi signaled that she can be expected to prize personal loyalty as she oversees the fractious party." Pelosi "may have another problem. As the crop of freshly elected Democrats — including many younger ones who campaigned to the right of the party line — came to Capitol Hill for orientation Monday, they encountered a leadership dominated by mostly liberal, old-school Democrats."

The Financial Times (11/14, Kirchgaessner) reports Pelosi "came under fire from an ethics watchdog on Monday following her endorsement of John Murtha to the number two leadership post in the new Congress." Melanie Sloan, "a former prosecutor who heads Citizens for Responsibility and Ethics in Washington (Crew), said Mrs Pelosi's support of the Pennsylvania Democrat did not bode well for the future Speaker's commitment to enacting ethics legislation." Murtha "has been frequently criticised by Crew over allegations that he abused his position as a member of the defence appropriations sub-committee by showing favour to a lobbying firm of a former long-term staffer and clients of Robert 'Kit' Murtha, his brother." Rep. Murtha has also "been criticised for taking advantage of earmarking, the practice of appropriating funds for government projects that benefit individual lawmakers' constituents."

The Washington Times (11/14, Hurt, 88K) reports Pelosi "is under fire from fellow Democrats and outside liberals for publicly backing" Murtha's "bid to become majority leader, saying that the presumed speaker's acts have cast doubt on her party's promise to clean up the 'culture of corruption' in Washington." The Times highlights Murtha's role in Abscam, noting he was "an 'unindicted co-conspirator.'"

The New York Times (11/14, Hulse, 1.16M) reports the "intensifying fight" for the majority leader post "is evolving into an early test of the power of the incoming House speaker, Nancy Pelosi, after her decision to throw her public support behind Representative John P. Murtha of Pennsylvania." Murtha "sought on Monday to use a new letter of support from Ms. Pelosi to gain ground, asking for new pledges from Democrats who converged on Washington after their decisive midterm election victory." While Mr. Hoyer "has been a fixture in the party leadership, Mr. Murtha eschewed the spotlight and seemed content to wield his considerable influence well behind the scenes until he took a highly publicized stand against the war." But Murtha is "also coming under the spotlight on another subject that dominated the campaign: Congressional ethics. He helped block changes in ethics policies that Democrats proposed last year." Murtha has also "had family members who lobbied on issues under his control, and he was caught up in the Abscam corruption scandal more than 25 years ago, though he was never charged." After CREW executive director Melanie Sloan criticized Pelosi's support for his candidacy, Murtha "dismissed the attack and promised that, if elected majority leader, he would help formulate a strict ethics policy." Murtha said, "Wait until you see the ethics package we support and we pass. No meals, no trips, nothing. I support it 100 percent."

Hoyer Says Conflict With Pelosi "Does Not Exist," Sees Blue Dog Support. On CNN's The Situation Room with Wolf Blitzer (11/13, 4:23 p.m.), MD5 Rep. Steny Hoyer (D), the House Minority Whip, said, "I think much is made of the conflict" between Pelosi and himself "that, frankly, both Nancy and I say does not exist. Are there differences of opinion from time to time? Certainly, there are. But Nancy had differences with Dick Gephardt. She had a close, very effective working relationship with him. And we'll continue that. We'll continue it because Nancy and I are both focused on our Democratic message, our Democratic agenda and having success for our country and for working people in this country."

On MSNBC's MSNBC Live (11/13, 1:20 p.m.), Hoyer rejected anchor Chris Jansing's contention that Murtha has a better working relationship with Pelosi. Hoyer said, "I think that's my opponent's proposition, which I think clearly is wrong. First of all, Nancy Pelosi herself just two days ago on television said that she had a good relationship with us both and worked closely with us both. I think that is an accurate representation. In fact, Nancy and I for the last four years have worked together very closely to create the most unified caucus in the last 50 years. And what we need is a unified caucus as we move forward. "

On CNN's The Situation Room with Wolf Blitzer (11/13, 4:27 p.m.), Hoyer said, "The majority of the blue dogs are conservative Democrats; overwhelming majority are supporting me. The new Democrats are supporting me. And, frankly, many of the liberals and progressives, a large number are supporting me as well. Why? Because I've been able to

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bring together our caucus, create unity, working with Nancy Pelosi. And that's why I think my colleagues are supporting me for this position of majority leader."

WPost Backs Hoyer For Majority Leader. The Washington Post (11/14, 690K) reports says in an editorial, "On the merits, Mr. Hoyer is by far the better choice for the job. He is a moderate and highly capable legislator whose selection would reinforce Ms. Pelosi's announced commitment to govern from the center. Mr. Murtha's candidacy is troubling for several reasons, beginning with his position on the war in Iraq. A former Marine, Mr. Murtha deserves credit for sounding an alarm about the deteriorating situation a year ago. But his descriptions of the stakes there have been consistently unrealistic, and his solutions irresponsible." Murtha "would also be the wrong choice as majority leader after an election in which a large number of voters expressed unhappiness with Washington business as usual. Mr. Murtha has been a force against stronger ethics and lobbying rules. He was one of just four Democrats whose votes helped kill a strong Democratic package of lobbying reforms this spring."

Reid Backed Bridge That Could Boost Values Of Property He Owns. The AP (11/14) reports Senate Minority Leader Harry Reid "backed funding for a bridge between Nevada and Arizona that could affect the value of property he owns nearby." The "planned span over the Colorado River between Laughlin, Nev., and Bullhead City, Ariz., got an $18 million boost in last year's massive federal transportation bill." Reid, who will become Senate Majority Leader when Congress reconvenes, "owns 160 acres of undeveloped property in Bullhead City, several miles from the proposed bridge sites. Development is booming in the area and local officials in Laughlin and Bullhead City support a new crossing to ease traffic on the one existing bridge. They also expect it would add to property values." Reid aides "said his support for the bridge has nothing to do with his ownership of the Bullhead City property, which he values between $500,000 and $1 million on his annual financial disclosure forms. His spokesman said he had no plans to develop the property." After the Los Angeles Times "published a story on the issue Monday, Reid's office issued a five-page fact sheet in response."

House GOP Group Considers "Draft Cantor" Effort. Roll Call (11/14, Davis) reports, "Unhappy with the current candidates, a small but aggressive group of House Republicans are agitating for current Chief Deputy Majority Whip Eric Cantor (Va.) to get into the race for Minority Whip, according to interviews with multiple GOP lawmakers who requested anonymity." The members are "emboldened by what they say is a lack of support for incumbent Majority Whip Roy Blunt's (Mo.) campaign, and frustration that the popular Cantor opted out of a leadership bid in deference to Blunt, who elevated the Virginian to Chief Deputy Whip when he was a freshman." Cantor has "pledged to not challenge Blunt head-on in a leadership race — a pledge Cantor has no intention of breaking, according to sources not affiliated with Cantor's office." Cantor's office, "meanwhile, emphasized his work on behalf of Blunt." Roll Call adds the members "interviewed for this story stopped short of officially calling it a draft movement to get Cantor in the Whip race, but they are examining Republican Conference rules governing leadership races to discuss options to get Cantor on the ballot through a nominating petition, or spark a grass-roots campaign for him as a write-in candidate for Whip." By "nearly all accounts, Cantor has significant support in the Conference, making him a likely favorite in any race. Members said they would not be working to force Cantor into a bid if they believed Blunt already had locked up the votes for his bid."

Lott To Run For Senate Minority Whip. The New York Times (11/14, Nagourney, 1.16M) reports a spokeswoman for former Senate Majority Leader Trent Lott "announced that he would seek to rejoin the leadership ranks this week after leaving the top job four years ago in an uproar over a racially charged comment." Lott will "oppose Senator Lamar Alexander of Tennessee for the No. 2 slot of whip in an election on Wednesday. Mr. Lott had been quietly testing his support. Should Mr. Lott win, it would be a remarkable comeback for the conservative legislative tactician."

Roll Call (11/14, Billings) reports that as he "presses ahead with his under-the-radar bid for Minority Whip," Lott has "enlisted roughly 10 Senators representing a cross section of the Republican Conference to help press his case in what appears to be a nail-biter contest for the No. 2 GOP leadership slot." Lott has "declined requests in recent days to talk about his leadership bid, but his office now avows that the one-time Majority Leader is actively campaigning for Whip against Sen. Lamar Alexander (R-Tenn.). Republican sources in both the Lott and Alexander camps said the race is very tight heading into Wednesday's secret-ballot vote of 49 Republican Senators." One thing "is abundantly clear: Lott is running his own style of race. Unlike Alexander, he has made few public comments about his campaign and hasn't yet confirmed to the press whether he actually is running for the job." Opinions "differ on the motivation behind Lott's quiet campaign strategy, but most agree he could and may still bow out if he is unable to muster up a majority to win. As it stands, the Minority Whip post is the only contested race facing the Conference this week."

Poll Shows Public Wants Democrats, Not Bush, To Influence Country's Future. USA Today (11/14, Lawrence, 2.27M) reports Americans are "pinning their hopes

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for the country's future on the incoming Democratic Congress and its largely unfamiliar leaders, the latest USA TODAY/Gallup Poll shows." In the poll "taken Thursday through Sunday, just after Democrats swept to majorities in the House and Senate, 61% of those surveyed said that they want Democrats to have more influence than President Bush on the direction of the nation. Nearly half said the country will be better off under Democrats; 16% said it will be worse off; and one-third predicted no difference." Bush's job-approval rating "was 33%, tying his second-lowest ever. The Republican Party was viewed favorably by 35% — an eight-year low." Democrats had "a 57% favorable rating, their highest since January 2004 and 4 percentage points higher than the 53% share that exit polls indicated the party's congressional candidates won on Election Day." Democrats "appear for now to have buried their image as soft on security, despite charges by Bush and other Republicans that terrorists would gain ground if Democrats won majorities. By 63%-33%, poll respondents said it is not likely Democrats in Congress will take steps that would weaken national security." In other expectations, "6 in 10 said it is likely Democrats in Congress will raise taxes. Half said it's likely Democrats will make prescription drugs less expensive and vote to pull all U.S. troops out of Iraq."

Tierney Says Voters Gave Democrats "Seinfeld" Mandate. In his New York Times column (11/14), John Tierney says, "I'm afraid the election results still haven't registered in Washington. Democrats and Republicans keep making noises about working together to accomplish great things. But that's not what Americans voted for. They voted for gridlock. They gave Congress a Seinfeld mandate to do nothing. The Democrats offered no bold new ideas, and they were rewarded with victory. Voters would like them to mop up the messes made by Republicans, but that's it. Find a way out of Iraq, and then avoid any more excellent adventures dreamed up by neoconservatives. Besides Iraq, the big issue bothering voters was corruption, and the best way to appease them is by working less. The fewer favors you hand out, the fewer chances to sell your vote. The smartest political move for either party would be to take a vow of abstinence by outlawing earmarks."

Incoming Senators Urged To Waive Higher Aspirations For Now. In a New York Times op-ed (11/14), Adam Clymer criticizes the trend among recently elected senators to leave after a term to seek the presidency: "So, to those freshman senators-elect pondering the need for presidential exploratory committees: Wait a while. At least a term. Don't imitate the able but impatient John Edwards, who ran during his first term, or Barack Obama, who is apparently considering the Edwards example. If the presidency is really your goal, Senator Clinton is a better model. For six years she has worked at being a senator. She may be using her job as a steppingstone to the White House, but she's still giving full value both to the institution and to her constituents."

Turley Says Congress Needs To Address Ethics Reform. In a USA Today op-ed (11/14), George Washington University law professor Jonathan Turley says, "Voters sent Congress a clear message: End corruption now. Will Democrats listen and, more important, act? In her first statement after the Democratic takeover of the House, the presumptive new speaker, Nancy Pelosi of California, pledged that her party would create 'the most honest, the most open and the most ethical Congress in history.' History, however, should give citizens pause before they celebrate the dawn of a new day. Pelosi's promise is eerily similar to the vows of her two predecessors." This history "explains why lobbyists on K Street are not packing moving boxes in anticipation of an outbreak of good government. After all, these same Democrats remained silent for many years in the face of corrupt practices, often engaging in the very conduct that would now have to be prohibited." But they "might not have a choice. To the surprise of both parties, exit polls cited corruption in Congress as one of the most important issues motivating citizens to vote."

GOP, Democrats Both Said To Be Misreading Election Results. In his Washington Post column (11/14, A31), E.J. Dionne Jr. says, "Elections provoke myth-spinning. Republicans are in danger of spinning away from a full appreciation of the magnitude of their defeat last week. Democrats could spin themselves into useless arguments rooted in the past and ignore the opportunity American voters have offered them." Some Republicans, "including President Bush's political architect, Karl Rove, are trying to say that Tuesday's vote was no big deal." Meanwhile, "many who play down the Democratic gains are the very same people who said six months ago that the Democrats had no chance of winning either the House or Senate. Incumbent-friendly congressional boundaries and the fact that many of the House and Senate seats Democrats needed to win were in previously pro-Bush areas meant Democrats needed a big and unlikely surge. The surge happened." But the Democratic "victory has not prevented the revival of what feels like an ancient feud between Democratic centrists, who are emphasizing the importance of moderate voters in Tuesday's results, and those on the party's left who point to the centrality of economic populism and impatience with the Iraq war."

Lieberman Deemed Unlikely To Switch Parties.

Over the weekend, Connecticut Sen. Joseph Lieberman (D) caused speculation about his party status when he floated the possibility he might change parties. That speculation continued on the Sunday news shows, but former Sen. William Cohen and Sen. John Warner both deemed his switch unlikely. On CNN's The Situation Room With Wolf

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Blitzer (11/13, 5:40 p.m.), Cohen, a Republican who served as Defense Secretary in the Clinton Administration, said it was "remotely possible" but "not likely" Lieberman would caucus with Republicans. Cohen added, "I think he will wait and see how far to the left the Democrats might decide to go on secure issues." Cohen called Lieberman the "governor on the accelerator" for the Democratic majority.

On CNN's The Situation Room with Wolf Blitzer (11/13, 5:53 p.m.), Virginia Sen. John Warner (R) said he would take Lieberman "at his word." Said Warner: "He's going to become an independent Democrat, work within their structure, and therefore I think any speculation of the type post by your question … I would suggest you put that aside and let the senator from Connecticut re-establish himself."

On CNN's The Situation Room with Wolf Blitzer (11/13, 5:38 p.m.), reporter Carol Costello noted Lieberman's debt to the GOP, saying: "It could be Lieberman is just feeling the love for those who put him back in office. For a guy that's been a Democrat for decades, he sure got a lot of Republican support. Senator Susan Collins of Maine spoke glowingly of him. John McCain allowed two of his aides to consult with the Lieberman camp. Newt Gingrich endorsed his run. Even President Bush chose to support him by deciding not to outwardly support Connecticut Republican candidate."

On Fox News Channel's The Big Story With John Gibson (11/13, 5:33 p.m.) Rep. Christopher Shays (R) said Lieberman "is going to be a Democrat. I mean, I don't see him becoming a Republican, because I don't think the Democrats would be so foolish as to turn their back on someone who was their vice presidential candidate just a few years ago."

Clinton Outlines Legislative Priorities For Coming Session Of Congress. The AP (11/14, Fouhy) reports Sen. Hillary Clinton "outlined an ambitious agenda of legislative priorities while continuing to deflect questions about her presumed presidential ambitions." At a breakfast meeting hosted by the Association for a Better New York, Clinton said, "I will look at the possibilities, but I ... haven't really had the time to talk to people about it. It's been a busy election season that worked out well, so I will think about it. I'm open to thoughts." The AP adds Clinton was "clearly looking ahead to the next Congress, which she, like other Democrats, has vowed will operate on a more bipartisan basis than it had under Republican control." But Clinton "still had bitter words for President Bush and his political advisers, including lead strategist Karl Rove, for creating a polarized environment that had stifled debate or disagreement." Clinton said, "Karl Rove's theory is you just take your base, and you expand your base, and you basically just role over everybody who gets in your way." The AP adds Clinton "outlined a range of challenges she said Democrats would tackle in the coming months, such as trimming the federal deficit, reducing dependence on foreign oil, and improving the image of the United States abroad." She also "said Democrats would focus on improving the quality and affordability of health care — a touchy matter for the former first lady, who in 1993 led her husband's calamitous attempt to overhaul the nation's health care system." Clinton said, "Health care is coming back. It may be a bad dream for some."

Agency Tech Officials Remain Mindful Of VA Laptop Theft. The Washington Post's (11/14, D4, Barr) "Federal Diary" column reports, "Nearly 40 percent of federal technology officials say worries about security breaches involving telecommuters cause them to toss and turn at night, according to a survey released yesterday," by Cisco Systems, Inc. The Post adds that technology "officials listed concerns about remote access to systems, violation of employee privacy and disruption of agency operations," according to the results of a "survey of 200 federal technology officials" conducted "in August, when outrage remained strong over the May theft of a laptop and external hard drive from the home of an analyst for the Veterans Affairs Department." The Post notes that Cisco Systems executive Gerald T. Charles Jr., suggested "concerns over computer security appear to be slowing the government's efforts to increase telecommuting," but he also "noted, agencies are rethinking how they do business as they seek to use technology to respond to emergencies or to realign their workforces."

Senate Panel To Explore Reducing Potential For Incorporation Abuse. The Washington Times (11/14, Seper, 88K) reports, "Officials in all 50 states will incorporate nearly 2 million companies this year without identifying the owners -- a fact a Senate subcommittee fears could help money launderers, tax evaders or terrorist financiers." The Senate Homeland Security and Government Affairs permanent subcommittee on investigations "hearing today will explore how to reduce the potential for abuse while preserving what" Minnesota Sen. Norm Coleman (R), the panel's chairman, "described as 'an effective, efficient system that does not derail or unnecessarily delay" legitimate businesses.'" The Times adds, "g is an April report by the Government Accountability Office (GAO) that said none of the 50 states routinely requires applicants to disclose who will own a corporation and most states do not require ownership information for a new limited liability company. The report said the absence of company-ownership information enables people to conceal their identities while operating as U.S. companies."

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OTHER NEWS:

Stocks Rise Amid Optimism About Economic News. NBC Nightly News (11/13, story 9, 0:10, Williams, 9.87M) reported, "On Wall Street…stocks finished higher. The Dow was up more than 23 points [to close at 12,131.88]. NASDAQ gained almost 17 points [to close at 2,406.38]." The Wall Street Journal (11/14, C1, Browning, 2.04M) says stocks "crept higher, as investors looked ahead to what they hope will be reassuring inflation data and positive news from the Federal Reserve. … Reflecting optimism about economic growth, technology stocks were among the leaders." The broad Standard & Poor's 500-stock Index rose 0.25%, or 3.52 points, to 1384.42, up 10.9% this year."

Brandeis Remembered For "Fact-Based" Legal Philosophy. In his "Editorial Observer" column in the New York Times (11/14), Adam Cohen writes, "In 1908, Louis Brandeis turned American law on its head with the 'Brandeis brief.' The Supreme Court was in the midst of the notorious Lochner era, in which a pro-business majority routinely struck down laws protecting workers' health and safety. Brandeis was defending an Oregon law that limited women's workdays to 10 hours. It seemed likely the court would rule, as it just had in a similar case, that maximum-hours laws violated employers' 'right of free contract.' … In his brief, Brandeis devoted just two pages to legal analysis. He spent more than 100 pages setting out statistical and sociological data on the harm that long workdays did to women. His use of facts and sociological arguments was both shocking and enormously successful. The court upheld Oregon's law, 9 to 0." Cohen continues, "Brandeis, whose crusades against insurance companies and banks earned him the title 'the people's lawyer,' was born 150 years ago this week. He has many claims to fame: champion of the New Deal, first Jewish Supreme Court justice, creator of the legal doctrine of privacy. But it is Brandeis's insistence on injecting facts and real-world analysis into the law that is his most lasting achievement, and one that resounds especially strongly today, when 'reality-based' logic is so embattled." Cohen concludes, "We are living in an era when facts, and rational analysis, are on the ropes. … But courts operating on the Brandeis model have, at their best, been a check on this disturbing trend. In its proudest moments, from the civil rights rulings of the 1960s to recent decisions reining in the Bush administration's war-on-terror excesses, the Supreme Court has insisted on focusing resolutely on the facts, and on the practical effect of the challenged policies on real people. … Decisions like these are Brandeis's true legacy. His greatest lesson was that — as he wrote in a famous dissent, excoriating the majority for not letting government do more to battle the Great Depression — 'in the exercise of this high power, we must be ever on our guard, lest we erect our prejudices into legal principles.'"

Restaurant Group Files Suit Over San Francisco Health Plan. The New York Times (11/14, Marshall) reports, "A legal battle over a plan to offer free or low-cost health care to all uninsured residents here has been set in motion by a group of the city's most important and beloved constituents: restaurants." Golden Gate Restaurant Association, "a culinary trade group with more than 800 members, has sued the city, saying a central provision of the health care program, established by the city's Board of Supervisors in July, violates federal employment law." The group "urges the court to strike down the part of the plan that requires businesses with 20 or more employees to pay for the cost of each worker's health care."

Martinez, Duncan To Take Reins Of RNC. The AP (11/14, Sidoti) reports Florida Sen. Mel Martinez, "a prominent Hispanic who previously served in President Bush's Cabinet, will assume the high-profile post of Republican National Committee general chairman, GOP officials said Monday." The officials said Martinez "will remain in the Senate when he takes the reins of the RNC in January," and he "will be the face of the party, focusing on fundraising, outreach and travel to promote the GOP agenda." At the "same time, Mike Duncan, the RNC's current general counsel and a former party treasurer, will be named chairman and will be put in charge of running the everyday operations at the party's Capitol Hill headquarters, the officials said." As a team, Martinez and Duncan "will be responsible for leading the RNC during Bush's final two years in office and throughout the 2008 presidential election cycle."

The Washington Post (11/14, A4, VandeHei, 690K) reports Martinez's appointment "comes in the wake of an election that yielded shrinking GOP support from Hispanic voters." Exit polls last week showed that outgoing Chairman Ken Mehlman's "efforts were overwhelmed by voter concerns about the war, corruption and the hard-line approach some Republicans assumed in this year's immigration debate." Democrats "won 69 percent of the Hispanic vote last Tuesday, a 10-year high. That was seen as a big setback at the White House in particular, after Bush won 55 percent of the Hispanic vote in 2004." Mehlman said "in an interview last week that he is concerned about where the party stands with Hispanics. Hispanics are not single-issue voters, but GOP officials said the tone of the immigration debate hurt the party's standing with the fastest-growing minority group." The "selection of Martinez was a setback for Maryland Lt. Gov. Michael S. Steele, who last week lost a Senate race and who has expressed interest in the job."

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The New York Times (11/14, Nagourney, 1.16M) reports Martinez's election to RNC general chairman will "apparently make him the first Hispanic leader of the party and address concerns among Republican strategists that the party's standing among Hispanic voters had been hurt in the fight over immigration." The "two-person arrangement, with a public official as the party's face — and chief fund-raiser — is not unusual. Paul Laxalt, the former senator from Nevada, was the Republicans' general chairman when Ronald Reagan was president, while Frank J. Fahrenkopf Jr. was chairman." The "selection of Mr. Martinez, who was born in Cuba, would follow an election in which Republicans suffered sharp setbacks in achieving one of Mr. Mehlman's main political goals: expanding the appeal of Republicans among Hispanic voters." Democrats were "quick to seize on the selection of Mr. Martinez as a signal of how worried Republicans were about suffering setbacks among Hispanics, the fastest-growing part of the electorate."

The Washington Times (11/14, Hallow, 88K) reports Sen. Martinez, "co-author of a bill to grant amnesty to illegal aliens, has been picked by White House strategist Karl Rove to be general chairman of the Republican National Committee, RNC officials confirmed yesterday." Some RNC members "greeted the news as another example of White House cronyism, reminiscent of President Bush's attempt to name his personal friend and general counsel Harriet Miers to the Supreme Court, a nomination withdrawn in response to outrage from the party's conservative supporters." The "surprise Martinez appointment, leaked yesterday to selected TV outlets and wire services, cut off a move by conservative Republicans to have Maryland Lt. Gov. Michael S. Steele take over the national party chairmanship." Some RNC members, "already dismayed by last week's election that swept Republicans from control of Congress, expressed anger at the way Mr. Rove leaked his choice of Mr. Martinez immediately after a conference call in which the Florida senator's name was floated for the first time." The move was "seen as a signal that the White House intends to push through Congress the 'comprehensive' immigration bill -- which Mr. Martinez and Mr. Hagel backed in the Senate -- that was blocked by conservative Republicans in the House." The Times adds that while "campaigning for the Senate in Maryland, Mr. Steele was an outspoken critic of the Hagel-Martinez measure -- which would have created a guest-worker program and allowed most illegal aliens to become citizens -- blaming 'the partisan gamesmanship of Washington insiders' for the failure to deal with the problem.'" Aides to "the lieutenant governor confided that Mr. Steele was 'furious over his treatment by Bush operatives,' who they said accused him of 'not being a team player' because he had spoken to The Washington Times last week after his name was first proposed for the RNC post. Steele aides said White House officials threatened to withhold from Mr. Steele a Cabinet appointment he had been promised in lieu of the RNC chairmanship."

Steele Sees "A Lot Of Time" Before GOP Makes Inroads On Black Vote. On CNN's American Morning (11/13, 5:33 p.m.), Maryland Lt. Gov. Michael Steele (R) said, "I think the more we engage at a human level with folks and the more we have to work to dispel the image of the GOP as detached, uninterested, not concerned about the African-American experience -- and, of course, Katrina is an example, again, which didn't help, which sits at the forefront of that -- I think we can make the difference. But it's going to take some time, a lot of time."

GOP Accused Of Running Black Candidates Without Appealing To Black Voters. In his Washington Post column (11/14, A31), Eugene Robinson says, "It didn't work. The Republican Party put up three high-profile black candidates to try to weaken the bond between the Democratic Party and African Americans, and all three got slammed by the voters, big-time. After a week of reflection, maybe Ken Blackwell, Lynn Swann and Michael Steele have come to understand that they were never intended to be viable candidates. From the start, they were more like cannon fodder." To "win a big share of the African American vote," the GOP has to "adopt policies that most black Americans believe will work to their advantage, rather than leave them behind. Oh, and Republicans also need to drop all those coded appeals to white racists, such as the infamous 'Playboy party' ad that helped defeat Democrat Harold Ford Jr. in Tennessee."

Deep South Rebuffs Democrats. The Financial Times (11/14, Ward) reports that in the South, Democrats "made little progress towards loosening the Republican stranglehold over Dixieland." While they "made inroads into the peripheries of the south, winning a Senate seat in Virginia and House seats in North Carolina, Florida and Texas, the Deep South states, such as Georgia, Alabama and Mississippi, remained dominated by Republicans." Exit polls "showed that only 36 per cent of white voters in the south voted for Democratic House candidates, compared with 58 per cent in the north-east where the party made its biggest gains." Merle Black, professor of politics at Atlanta's Emory University, said, "The values and priorities of Americans in different parts of the country are diverging." The Times adds that for Republicans, "the preservation of its critical southern support base was the sole source of comfort from an otherwise miserable election. But analysts warn that an increased concentration of southern conservatives among the party leadership could make it difficult to win back moderate voters elsewhere in the country."

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Courtney's Lead Falls To 66 Votes In Connecticut's 2nd CD. The AP (11/14, Haigh) reports Democrat Joe Courtney's "lead in the 2nd Congressional District dropped to 66 votes Monday after officials discovered he was mistakenly given 100 extra votes over Republican Rep. Rob Simmons, an election official said." Lebanon election moderator John Bendoraitis said, "It was human error. It was strictly misreading one number on one machine." The AP adds the discovery "significantly tightens one of the closest congressional races in the nation. Preliminary Election Day returns had Courtney winning by 167 votes out of nearly 250,000 ballots cast." Courtney "claimed victory on Wednesday and was in Washington Monday to attend orientation sessions. Simmons has not conceded the race."

Candidates In 11 House Races Yet To Concede. Roll Call (11/14, Duran, Drucker) reports a week after Election Day, "11 House candidates had yet to concede their races, as thousands of ballots face scrutiny in districts across America — with Republicans holding out hope that they might snatch one more seat" – that of Rep. Simmons – "from the jaws of defeat." On the "flip side, Republicans looked poised to escape with a host of narrow victories — including a few in highly vulnerable seats — even as the Democrats in those races refuse to quit." Good-government advocates "said the number of elections that haven't been resolved isn't altogether surprising. At least one race, in Florida's 13th district, is headed to court." It "looks as if Republican Conference Chairwoman Deborah Pryce (Ohio) and Rep. Heather Wilson (R-N.M.), both of whom were in serious danger of losing their seats, will return for the 110th Congress." However, the Republicans "came up short on plenty of close calls. Among them were two races in Georgia that, in the final weeks of the election, were considered their best opportunity for pickups in the 2006 cycle. Meanwhile, in Arizona's 5th district, Rep. J.D. Hayworth (R) will not concede to Rep.-elect Harry Mitchell (D), although Republicans do not expect the outcome to change." The races listed by Roll Call include CT2, FL13, NM1, WA8, OH2, OH15, NC8 and WY-AL.

Three House Members Considering 2007 Races. Roll Call (11/14, Whittington) reports while "exuberant House Democrats celebrated their new-found majority status last week, the midterm election results threw a monkey wrench into the future plans of a handful of lawmakers eyeing runs for other offices in 2007." Reps. Chaka Fattah (D-Pa.), Ben Chandler (D-Ky.) and Bobby Jindal (R-La.) "top the list of Members contemplating political campaigns in the off-year, and all are expected to make their decisions known shortly." Last week, Democratic Illinois Reps. Jesse Jackson Jr. and Luis Gutierrez "wasted little time in pulling the plug on their potential bids for mayor of Chicago in light of the news that their party is set to return to power after a 12-year hiatus." The first "to decide about a 2007 bid likely will be Fattah, who has been gearing up to run for mayor of Philadelphia." Democratic leaders in Kentucky "are waiting to hear from Chandler, who could seek a rematch next year with now-Gov. Ernie Fletcher (R), a former Congressman. Chandler, who was then state attorney general, lost to Fletcher in 2003 but was elected to succeed him in the House in a 2004 special election." Among House Republicans, Jindal is "first and foremost among likely contenders for other political offices in 2007. Jindal is widely expected to run for governor next year — a decision it would appear his new minority status would have little impact on."

Senate Republicans Worry Retirements May Weaken Hand For 2008. Roll Call (11/14, Whittington, Billings) reports, "Still reeling from a crippling electoral loss last week, Senate Republicans are privately bracing for another difficult cycle in 2008 and trying to figure out if they can quell the increased likelihood that some key incumbents may be ready to throw in the towel." Retirements are "on both parties' minds, but for the GOP, the prospect of their incumbents stepping aside is of greater consequence since 21 of their 49 Senators are up for re-election in 2008. With Republicans losing the majority, many of their most senior Senators must hand over powerful chairmanships and face Democratic rule." The GOP "certainly is at a mathematical disadvantage in 2008. Just 12 of the 51 Democratic Senators (the party counts two Independents in its Caucus) will be in-cycle." By contrast, "nine Republican Senators facing re-election in 2008 will trade in their gavels for ranking member status on Jan. 3. That in and of itself could give senior GOP Senators pause when thinking about another grueling campaign."

Muslim Voters Said To Have Played Key Role In Democrats' Senate Win. The Washington Times (11/14, Pfeiffer, 88K) reports, "Muslim voters, an electoral ally of President Bush as recently as 2000, played a key role in turning over control of the Senate to Democrats, a study shows." Mahdi Bray, director of the Muslim American Society (MAS) Freedom Foundation, said, "Although the-get-out-the-vote campaign was nonpartisan, there is no doubt that our strategy to support a large Muslim voter turnout in areas with potentially close election races was a correct one." The Times adds MAS "also targeted races in Florida, Georgia, Michigan, North Carolina, Ohio and Pennsylvania. In the U.S. Senate race in Virginia, more than 50,000 self-identified Muslim voters went to the polls, MAS said. A commanding majority of them, 92 percent, or 47,092, voted for the

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Democratic challenger, James H. Webb Jr. Mr. Webb won his race against Sen. George Allen, the Republican incumbent, by 9,326 votes."

Women Voters Credited With Providing Democrats Margins In Key Races. The Washington Times (11/14, Wetzstein, 88K) reports women – "especially blacks and Hispanics -- helped Democrats win power this month, and they are determined to ensure their issues aren't neglected, women's rights leaders said yesterday." At a National Council of Women's Organizations (NCWO) press conference, Eleanor Smeal, president of the Feminist Majority Foundation said that in "state after state, women's votes pushed Democrats over the top," citing "data from a new election analysis from Lake Research Partners for Ms. magazine and Women Donors Network." Smeal, "publisher of Ms. magazine, said the victories of Sens.-elect James H. Webb Jr. in Virginia, Jon Tester in Montana and Claire McCaskill in Missouri were particularly satisfying."

Giuliani Forms '08 Exploratory Committee. The AP (11/14, Barrett) reports former New York City mayor Rudy Giuliani, "a moderate Republican best known for his stewardship of the city after the Sept. 11 terrorist attacks, has taken the first step in a 2008 presidential bid." Giuliani "filed papers to create the Rudy Giuliani Presidential Exploratory Committee, Inc., establishing a New York-based panel that would allow him to raise money to explore a White House run and travel the country." The "four-page filing, obtained by The Associated Press, lists the purpose of the non-profit corporation 'to conduct federal 'testing the waters' activity under the Federal Election Campaign Act for Rudy Giuliani.'" One "potential rival for the GOP nomination, Sen. John McCain of Arizona, said Sunday he was taking the initial step of setting up an exploratory committee." The GOP field "is expected to grow with Massachusetts Gov. Mitt Romney, Sen. Bill Frist of Tennessee, Arkansas Gov. Mike Huckabee and New York Gov. George Pataki expected to join the presidential fray." Giuliani is "a moderate who supports gun control, same-sex civil unions, embryonic stem-cell research and abortion rights — stands that would put him at odds with the majority of the GOP conservative base. Giuliani has tried to sidestep those differences and offered strong praise for President Bush at the 2004 GOP convention in New York."

Giuliani's move was noted by both ABC and NBC last night. ABC World News (11/13, story 7, 0:15, Gibson, 8.78M) reported, "There are more politicians taking preliminary steps toward running for president. Today, we learned former New York Mayor Republican Rudy Giuliani has created papers to create a Republican exploratory committee."

NBC Nightly News (11/13, story 4, , Williams, 9.87M) reported, "One more note on politics, that sound you might have heard late today was another hat landing in the ring. Former New York mayor Rudy Giuliani has made it official -- he has filed papers to form a Presidential exploratory committee. The first step for a run for the White House in 2008."

The New York Times (11/14, Chan, 1.16M) reports John H. Gross, "a lawyer at Proskauer Rose and a former campaign treasurer for Mr. Giuliani," said in a statement, "Mayor Giuliani has not made a decision yet. With the filing of this document, we have taken the necessary legal steps so an organization can be put in place and money can be raised to explore a possible presidential run in 2008." The Times adds that as "news of Mr. Giuliani's action emerged today, some Democrats rushed to criticize him." Democratic National Committee spokeswoman Karen Finney said, "It's unclear whether or not Rudy Giuliani will be able to just 'explain away' the fact that he's consistently taken positions that are completely opposite to the conservative Republican base on issues they hold near and dear." The Times adds that on Sunday, "after a speech in Wilkes-Barre, Pa., Mr. Giuliani said he did not view the election as a rebuke to Republicans, but urged the party to commit itself to fiscal discipline and immigration reform."

Sources Say Allen Wants Gillespie To Serve As Virginia GOP Chairman. The Richmond Times-Dispatch (11/14, Whitley) reports that Kate Obenshain Griffin, "who presided over two straight statewide losses, resigned yesterday as chairwoman of the Republican Party of Virginia, effective tomorrow. She said she will serve as chief of staff for the remainder of U.S. Sen. George Allen's term and take responsibility for closing his offices in Washington and around the state, and assisting with a smooth transition. She said Allen asked her to serve as chief of staff." GOP sources "say Allen is pushing for Ed Gillespie, who lives in Fairfax County and is a former chairman of the Republican National Committee, to be chairman of the state party. Gillespie was an adviser to the Allen campaign. The sources said Gillespie would have the prestige to stand up against the various factions that are already fighting for control of the party."

Evangelical Support For Israel Remains Strong. The New York Times (11/14, Kirkpatrick, 1.16M) reports that as Israeli bombs "fell on Lebanon for a second week last July, the Rev. John Hagee of San Antonio arrived in Washington with 3,500 evangelicals for the first annual conference of his newly founded organization, Christians United For Israel." At a dinner "addressed by the Israeli ambassador, a handful of Republican senators and the chairman of the Republican Party, Mr. Hagee read greetings from President Bush and Prime Minister Ehud Olmert of Israel and dispatched the crowd with a message for their representatives in Congress. Tell them 'to let Israel do their job' of destroying the Lebanese militia, Hezbollah, Mr. Hagee said." Hagee "called the conflict

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'a battle between good and evil' and said support for Israel was 'God's foreign policy.' The next day he took the same message to the White House." The Times adds, "Many conservative Christians say they believe that the president's support for Israel fulfills a biblical injunction to protect the Jewish state, which some of them think will play a pivotal role in the second coming. Many on the left, in turn, fear that such theology may influence decisions the administration makes toward Israel and the Middle East."

Schwarzenegger Win In California Seen As Having National Implications. In a Wall Street Journal op-ed (11/14), Joel Kotkin of the New America Foundation says the California election results "revealed some critical trends that may prove decisive -- for both parties -- in 2008 and beyond." Gov. Arnold Schwarzenegger's "17-point victory alone commands some attention, since it is easily the most impressive score by any Republican in a Democratic-leaning state this year -- and it suggests a future for pro-environment, pro-business, fiscally conservative and socially moderate politics." In "trying to excuse their drubbing at the top of the ticket, some California Democrats spin the tale that Mr. Schwarzenegger won only by morphing into one of them. Yet in reality, Phil Angelides, the man he defeated, was the clear favorite of party activists who just this spring brimmed with confidence about their chances of bringing the Terminator to extinction." Angelides "duly followed the left-wing, Bush-bashing script -- seemingly ideal in a state where barely one in three voters supports the president. Campaigning against Iraq and for a classic redistributionist agenda funded with higher taxes, Mr. Angelides won handily among liberal voters in a state where Democrats outnumber Republicans by 43% to 34%." But the "key to Mr. Schwarzenegger's victory lay not in seducing the left, but through his mastery of the state's rising independent center. According to exit polls, he beat Mr. Angelides by nearly 20 points among self-described moderates and independents. These voters may well be the key to the political future, certainly in California." Such independents "were critical in the recall of former Gov. Gray Davis and Mr. Schwarzenegger's election in 2003, but they are far from traditional conservatives. In fact, according to a Public Policy Institute of California survey conducted by Mark Baldassare, most are both environment-oriented -- Mr. Schwarzenegger's tough stand on global warming probably paid off with many of them -- and moderate to liberal on social issues. Yet at the same time, a majority also believes that government 'wastes a lot of the taxpayers' money.' In short, they blend anti-government populism with environmental consciousness."

Insurers Propose Plan To Cover Uninsured. The AP (11/13, Freking) reported, "Health insurance companies proposed a $300 billion plan Monday aimed at getting coverage for all uninsured children in three years and for most adults within 10. The plan includes tax breaks for the working poor and increased spending by the government for Medicaid and the State Children's Health Insurance Program." J. Grover Thomas Jr., board chairman of America's Health Insurance Plans, said, "This bold program would expand coverage to tens of millions within a framework that is fiscally sound and promotes individual responsibility." The trade group "made no recommendations as to how the government should pay the bill of $300 billion over 10 years, but it noted that expanding coverage to the uninsured would bring significant savings to the insured."

The New York Times (11/14, Pear, 1.16M) reports, "New members of Congress, especially those elected on a pledge to help the uninsured, are likely to embrace many of the proposals, which provide a benchmark for debate on the issue. The debate is likely to rage in the next Congress and in the 2008 presidential campaign." Still, "the industry did not say how its proposals would be paid for; did not recommend any budget cuts or tax increases; and did not say what, if anything, it would do to slow the growth of health costs. When hospitals care for the uninsured, they often pass on some of the costs to people who have health insurance. Jay M. Gellert, president of Health Net, a managed-care company based in Woodland Hills, Calif., said this 'cost shift' threatened to make coverage unaffordable for employers, who provide health benefits to 175 million people."

The Los Angeles Times (11/13, Alonso-Zaldivar, 850K) reported the idea "of using existing government programs to solve the problem of the uninsured has strong support among Democrats. But the insurance industry proposal also calls for two new tax breaks, a kind of approach traditionally favored by Republicans. A new $200-per-child tax credit, or up to $500 per family, would go to middle-class families who could show that their children were covered. The plan also calls for the creation of universal health accounts, a kind of tax break that would make it more affordable for the self-employed and those not covered by an employer to buy coverage on their own."

More Banks Begin Offering HSAs. The Wall Street Journal (11/14, D1, Carrns, 2.04M) reports, "Just in time for benefits-enrollment season, health savings accounts are getting a big push from your local bank. Nearly 1,100 banks now offer the tax-favored spending accounts, more than triple the number at the end of 2005, according to market-research firm Information Strategies Inc. The growth comes as more employees enroll in high-deductible health plans, which are paired with health savings accounts, or HSAs, to help pay for the deductible and other out-of-pocket medical costs. But savings not needed to pay medical expenses can accumulate in a HSA for years, and this has sparked bank interest in offering such accounts."

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Congressmen, Aides Re-Enter Job Market After Election. In its Style section, the Washington Post (11/14, C1, Copeland, 690K) reports, "Envy the lucky corporate recruiters and their ringing phones. Pity the members of Congress who hoped against hope that they wouldn't be looking for work right now. Some of them don't even have résumés. On the other hand, in a few months these former members may be stinking rich in their new gigs, so maybe we shouldn't feel bad for them." The Post adds, "Although former members of Congress are typically not reduced to perusing the classifieds, they are not immune to the pain of being rejected by prospective employers. The amount of money an outgoing member can command varies widely. A former member of Congress with a rock-star reputation might make, say, $2 million a year, says" recruiter Nels Olson of the headhunting firm Korn/Ferry International. However, a "lesser member might earn only a puny $300,000."

Mahoney Hires Foley Aides. The Washington Post (11/14, A29, Muray, 690K) reports, "And the congressional boss of the year award goes to...Rep.-elect Tim Mahoney (D), who won the Florida seat vacated by Mark Foley (R). Despite the inglorious end to his predecessor's House career, Mahoney hired several former Foley staffers to continue working in his district office." Said Mahoney, "They will ensure continuity and strong support for the district's residents."

Melloan Sees Opportunity For Democrats To "Think As Well As Talk." In an op-ed published in the Wall Street Journal (11/14, A20, 2.04M), George Melloan, former deputy editor of the Journal's editorial page, writes, "To find a template for how the Democrats might conduct themselves profitably over the next two years, it is useful to go back 25 years to the signature achievement of the supply-side revolution, the Kemp-Roth tax bill. … Republicans celebrate this as solely their achievement -- or at least those do who haven't forgotten why their party started winning, instead of losing, elections. But the revolution could not have been launched without the aid of some thoughtful Democrats." Melloan adds, "But that was yesterday, and now the Democrats are back in power in Congress. President Bush introduced some daring, new and much-needed policies in his first six years -- notably Social Security and immigration reform -- only to see them sidetracked by Republican disunity and weak leadership in Congress. Will the voters' decision to throw the bums out and give the Democrats a try produce better results? The congressional Democrats of 2006 don't look much like those of 25 years ago.

Barton Calls For Republicans To "Get Back On Track." In an op-ed appearing in Roll Call (11/14) TX6 Rep. Joe Barton (R), who is running for House Minority Leader, writes, "House Republicans were once on track to become a permanent majority. Now some say the train has outrun the tracks, that we seemed to care more about the smoke and fire in the engine than who was in the cars and where we were taking them. Let's get back on track by starting with the people who work and pay taxes and who expect us to deliver on our commitment to less government and more freedom." Barton outlines an agenda that includes entitlement reform, individual privacy, Senate oversight, and ethics reform.

Bush, Olmert Urge Tehran To Abandon Nuclear Program. The New York Times (11/14, A6, Rutenberg, 1.16M) reports President Bush and Israeli Prime Minister Ehud Olmert "kept up their tough talk on Iran on Monday, warning it once again to drop its nuclear ambitions." Officials in Israel, adds the Times, "have expressed increasing fear that Mr. Bush will reduce the pressure on Iran to cease its nuclear program as calls increase from European allies and at home to seek Tehran's help in Iraq. But Mr. Bush, speaking after his meeting with the Israeli leader, said his position on talks with Iran had not changed." Meanwhile, a spokeswoman for Olmert said his message to Bush was a warning "that Iran posed a threat not just to Israel, but to the world…though State Department officials said Mr. Bush needed no such reminders." In addition, the two leaders also "warned Syria against interfering in Lebanon," but "seemed more open than they have been recently concerning possibly closer relations with Syria," with Olmert saying, "I hope that one day the conditions for contacts between them and us will be created."

In a report on the Iraq Study Group's recommendations, the CBS Evening News (11/13, lead story, 2:40, Axelrod, 7.66M) noted that one scenario proposed included "engaging Syria and Iran more directly in bringing peace to Iraq," but "when Mr. Bush addressed Iran today after a meeting with Israel's prime minister, he only spoke only of [Iran's nuclear] program and further isolation. … The White House says this was a discussion, not a deposition. No policy alternatives were exchanged by either side. The President always says he changes according to conditions on the ground and what he thinks those conditions are." Similarly, ABC World News (11/13, lead story, 2:40, Raddatz, 8.78M) reported, "The President says he's open to new ideas [on Iraq] and he is getting them from everywhere. … But President Bush has made it clear he has no intention of engaging Syria and Iran unless big changes are made in those countries, and he has no intention of withdrawing troops until the job is done."

USA Today (11/14, A6, 2.27M) notes that Olmert said he was "not looking for wars," but is "worried" by Iranian

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President Mahmoud Ahmadinejad's repeated calls to destroy Israel.

The Washington Times (11/14, Dinan, Sands, 88K) reports that Olmert spokeswoman Miri Eisin "said the Iran problem and the Israeli-Palestinian peace process took up much of the discussions, with broad areas of agreement on both issues between the two leaders." Eisin said Israel was "not against compromise" with Tehran so long as it did not develop or acquire nuclear weapons. The spokeswoman also noted that Israel "recently has seen 'very positive' statements by moderate Arab leaders in Egypt, Saudi Arabia and Jordan about reviving the peace process and that Mr. Olmert repeatedly has stressed willingness to meet with Palestinian Authority head Mahmoud Abbas 'at any time.'"

The AP (11/14, Schweid) reports, "At a potential turning point in its war in Iraq, the Bush administration paused Monday to huddle with worried ally Israel over the crisis next door in Iran and to take stock of other Mideast trouble spots. Israel is worried that political fallout from the Republican election losses and rising calls for US engagement with Iran may soften President Bush's resolve." The AP notes that the Bush administration "reversed itself earlier this year and offered to bargain face to face with Iran for the first time in years, if Iran would first suspend disputed nuclear activities."

Iran Expected To Dominate Bush's Trip To APEC Summit. The Wall Street Journal (11/14, A4, Dreazen, King, 2.04M) reports, "How to deter Iran's nuclear ambitions and persuade the country to help stabilize neighboring Iraq is expected to be a main topic during Mr. Bush's private meetings with Russian President Vladimir Putin and Chinese President Hu Jintao. Russia and China have expressed reservations about US and European efforts to pass a United Nations Security Council resolution designed to force Iran to rein in its nuclear program." Although the Bush administration has "long ruled out direct talks" with Tehran unless it suspends its uranium-enrichment efforts," the Journal says the White House is "facing mounting domestic and international pressure to seek Iranian help in calming the situation in Iraq. British Prime Minister Tony Blair and Australian Premier John Howard said Monday they were in favor of talking to Iran and Syria about ways to reduce the violence in Iraq -- a stance shared by many influential US lawmakers from both parties."

US Seeks To Hasten Domestic Divides In Iran. The Washington Times (11/14, Athanasiadis, 88K) reports, "Iranian leaders say that years of efforts to improve relations with the country's Arab neighbors are being undermined by the hard-line policies of President Mahmoud Ahmadinejad and the nation's support for Shi'ite groups in Iraq. Some diplomats and foreign policy analysts argue that the United States is working to hasten this process by encouraging the formation of a Sunni political coalition in Baghdad with the tacit support of the region's conservative Arab states." According to the Times, "Splits reportedly have been developing within the Iranian leadership since before the summer." For example, "A faction led by Ali Larijani, the secretary of the Supreme National Security Council, supports reopening negotiations with the West over Iran's nuclear program," while "another group, led by Mr. Ahmadinejad, maintains a hard-line stance."

Israeli Army To Resume Guerrilla Training. The AP (11/14, Lavie) reports, "The Israeli military will restore its guerrilla warfare training center following its experience fighting Hezbollah militants in Lebanon." While "not admitting that lack of guerrilla training was a factor in its shortcomings," the Israeli military said it is planning to restart the program, which was closed down after Israeli forces pulled out of Lebanon in 2000.

Bush Mideast Policy Under Fire On Several Fronts. In a front page article titled "Bush Faces New Calls To Shift Policies On Mideast," the Washington Post (11/14, A1, Abramowitz, Ricks, 690K) reports Bush "came under new pressure yesterday at home and abroad to alter his policies in the Middle East. British Prime Minister Tony Blair pushed for a broader Arab-Israeli peace initiative to help stabilize Iraq, while the incoming chairman of the Senate Armed Services Committee pledged to take a hard line on seeking early troop withdrawals." However, Bush "offered little indication that he is planning to adjust his approach," telling reporters gathered in the Oval Office that "the best military options depend upon the conditions on the ground" in Iraq. Asked about calls for dialogue with Iran and Syria to help curb violence in Iraq, Bush "said there was no change in his position that Iran must first suspend uranium enrichment." The Post says the day's events "underscored the rapidly evolving political landscape for the White House, which finds itself trying to balance the desire for change voiced by the electorate last Tuesday with the president's frequently stated conviction that the United States must remain engaged militarily in Iraq until the government there can maintain its own security."

Similarly, the Financial Times (11/14, Dinmore, Devi) reports Bush and his cabinet Monday "grappled with the full range of Middle East crises -- from the Israeli-Palestinian conflict to Iraq's spiraling violence and the nuclear stand-off with Iran -- as the White House comes under increasing pressure to change strategy on all fronts and find solutions through re-engagement." According to former officials, Olmert was "alarmed at suggestions of linkage between the peace process and events in Iraq or Iran's nuclear programme. A senior State Department official raised a storm in September when he suggested at a pro-Israel forum that the US needed to make progress towards a two-state solution to the Palestinian conflict in order to gain leverage among Arab allies in forming a strong coalition against Iran."

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The Washington Post (11/14, A25, Sullivan, 690K) also reports Blair "said Monday that any solution to the Iraq crisis must involve a 'whole Middle East' strategy that starts with addressing the Israeli-Palestinian conflict and includes pressuring Iran to stop backing radical extremists across the region." Although he offered "no dramatic new policy proposals" on Iraq or the Israeli-Palestinian conflict, Blair "placed new emphasis on the importance of confronting outside elements -- he singled out at length the government in Iran -- that are 'trying to create mayhem inside Iraq.'" Blair also stressed that Iraq policy must address the broader issue of a global anti-Western campaign of "terrorism based on a thoroughly warped misinterpretation of Islam."

The New York Times (11/14, A10, Cowell, 1.16M) says, "Confronted by likely changes in American policy on the war in Iraq," Prime Minister Tony Blair of Britain said Monday that the "nature of the battle" had changed and that Western strategy in the Middle East must "evolve," possibly to include a "new partnership" with Iran. The Times says Blair "took pains, in his annual foreign policy speech, to avoid giving the impression that he was making major policy changes in response to uncertainties surrounding the Bush administration after the American elections last week." He also "laced his speech with criticism of Iran," accusing it of "using pressure points in the region" to thwart Western diplomacy.

The AP (11/14, Stringer) says Blair's address is "aimed at promoting dialogue with both Iran and Syria," but a spokesman "rejected the possibility that either country could be rewarded for cooperation in the Middle East peace process, ruling out any negotiations with Iran over its contentious nuclear program in return for support over Iraq." However, AFP (11/14, Rao) notes that the final version of the speech "omitted almost all reference to Syria, while offering Iran a 'strategic choice:' essentially, help the West or face increasing isolation."

Syrian Ambassador Says US Must "Show Some Humility." On CNN's Your World Today (11/13, 1:41 p.m.), Syrian Ambassador Imad Moustapha said, "we believe it's time for the United States to show some humility and admit, even to itself, it does not have to do this publicly, but that its policies in Iraq have dramatically failed and they need to think outside the box." Moustapha added, "It's so important to remember that in the first three years, we actually did offer the United States to help towards stabilizing the situation in Iraq. Because the United States administration was driven by its ideological agenda about categorizing nations into evil nations and good nations and to putting somebody in the access of evil, rogue states, all this ideological, neoconservative policies -- because of this, there was no cooperation whatsoever."

Shubeir Emerges As Top Candidate For Palestinian Unity Government. The Washington Post (11/14, A26, Wilson, 690K) reports Mohammed Shubeir, a former university president in Gaza, "emerged Monday as the top candidate to head a Palestinian national unity government now being assembled in a bid to end the economic sanctions that have crippled the Hamas-led administration." Although Shubeir is "not a member of Hamas," he is "closely identified with Hamas in Gaza City, where he served as president of the Islamic University of Gaza -- a key training ground for the movement's leadership -- for 12 years before stepping down in 2005." The Post says Shubeir's selection would mark "a significant step toward resolving the months-long political crisis that has battered the Palestinian economy and set off a surge of partisan fighting in the territories, especially in Gaza. As prime minister, he would be part of a new cabinet that, in addition to ministers from Hamas and Fatah, would include technocrats from outside the two main parties, including some who have worked closely with the United States."

The Washington Times/AP (11/14, El Deeb) calls the agreement on Shubeir the "strongest sign of progress in the negotiations," but warns that the government's "acceptance by the United States and European Union -- both key aid donors -- could hinge on whether it will recognize Israel and renounce violence." Similarly, McClatchy (11/14, Nissenbaum) calls the moved "a significant concession" on the part of Hamas. Meanwhile, Israeli leaders "suggested that the political change was a clear sign that the international isolation had been a success." Israeli Foreign Minister Tzipi Livni said in a weekend interview on Israel Radio that Hamas "understand[s] they cannot continue with their ideology and remain in power and receive money or legitimization from the international community."

UN Announces Initiative To Bridge East-West Divide. The New York Times (11/14, A3, Arsu, 1.16M) reports, "Leaders from a variety of cultural and religious backgrounds on Monday announced a United Nations initiative to resolve the conflict between the West and the Muslim world. They issued a framework for their effort, prepared over the past year, that singled out the Palestinian-Israeli conflict as a primary source of the deepening split." Out-going UN Secretary-General Kofi Annan told reporters, "No other conflict carries such a powerful symbolic and emotional charge among people far removed from the battlefield. As long as the Palestinians live under occupation, exposed to daily frustration and humiliation, and as long as Israelis are blown up in buses and in dance halls, so long will passions everywhere be inflamed." The secretary-general will appoint a representative to oversee the follow-up of the recommendations, "which, Mr. Annan warned, will have little

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impact if Muslims in violent places -- whether Iraqis, Afghans, Chechens or Palestinians -- continue to perceive their situation merely as a case of being made victims by non-Muslims."

The Christian Science Monitor (11/14, Murphy, 59K) notes, "While the authors hope their report will invigorate and create cross-cultural dialogue, its tone implies that it is unlikely to be well received by the United States and Israel, focusing as it does on allegations of double standards by those two nations while giving less time to the faults of the Palestinians or specific Muslim governments." The Monitor notes that "criticism of US policies, though at times oblique, is a major feature of the document and hits on themes that have angered representatives of the Bush administration in the past."

Seoul Says Six-Party Talks Could Resume In Mid-December. The AP (11/14, Chang) reports Seoul's "nuclear envoy said Tuesday that long-stalled six-party talks on North Korea's nuclear program could resume by mid-December." In an interview with South Korean radio channel PBC, Chun Yung-woo, Seoul's chief negotiator to the talks, said, "I think it's possible to resume (the talks) by mid-December. We are making preparations with the thinking that it's more important to achieve substantial progress when the six-party talks resume than how quickly we would resume the talks." In Washington, Assistant Secretary McCormack "said no date has been set for resuming the talks and he ruled out November but said there is still hope for a meeting in December." Meanwhile, Japan on Monday "adopted a list of embargoed luxury items as part of its sanctions imposed on Pyongyang." Chief Cabinet Secretary Yasuhisa Shiozaki said, "We hope that North Korea will accept these measures taken by Japan as the message of the international community's strong concern and condemnation" of its nuclear program.

"Politically Wounded" Bush Heads To Asia Today. McClatchy (11/14, Hutcheson) reports, "A politically wounded President Bush heads to Asia on Tuesday to reassert American leadership in a region grappling with the rise of China and the threat of a nuclear-armed North Korea." Foreign policy issues "will top the agenda during Bush's swing through Singapore, Vietnam and Indonesia, but domestic politics have added a new dimension to the trip. His return to the world stage comes a week after voters handed control of Congress to Democrats in an election that was widely viewed as a rebuke to Bush." Former White House adviser Mike Green "said Asian leaders will be looking for signs of weakness in the American president. … Perceptions about Bush's clout could come into play as he tries to bolster a somewhat shaky international coalition that's working to stifle North Korea's nuclear ambitions. Russia, China, South Korea and Japan share Bush's desire to keep nuclear weapons out of the Korean peninsula, but they don't always agree with his tactics." Bush "will get a chance to shore up support for his approach during a 21-nation summit in Vietnam this weekend."

The Washington Post (11/14, A23, Fletcher, 690K) runs a similar story under the headline "Southeast Asia Trip To Test Bush's Stature," reporting the trip "may offer an early indication of how the political 'thumping'" Bush "took a week ago will affect his standing on the world stage." The Post adds, "Bush's visit to Singapore, Vietnam and Indonesia is intended to focus heavily on trade issues, global health concerns such as AIDS and avian flu, as well as the North Korea question." But "just as important may be how Bush is perceived by the other leaders at the meeting in the aftermath of his recent political setback. … One thing Asian leaders will be watching for is whether Bush can still deliver on trade-liberalization legislation, given his weakened political state and the populist opposition to many free-trade agreements, according to some analysts."

On Eve Of Bush's Trip, House Rejects Vietnam Trade Deal. The Financial Times (11/14, Callan) reports, "The US Congress rejected a deal to normalise trade relations with Vietnam in a setback for President George W. Bush ahead of a visit to Hanoi to discuss economic issues at the annual summit of the Asia-Pacific Economic Cooperation forum." The trade pact "was defeated when it lost the support of dozens of Republicans and Democrats after being rushed through a special 'lame-duck' session of the House of Representatives before the transfer of power to the incoming majority following last week's mid-term elections." The defeat "underlines the difficulties facing the Bush administration and congressional leaders in forging a working cross-party majority on trade bills in the wake of election victories last week for economic populists with a deep suspicion of free trade, in a Democratic sweep of congress."

The New York Times (11/14, Weisman, 1.16M) calls the vote "an embarrassing legislative setback for the administration." Although the measure "received 228 votes in favor and 161 against…it needed 32 more votes to pass on Monday. House Republican leaders said they would bring the legislation back in the next couple of days under normal procedures, which require only a majority, or 218 votes, for passage." The Times adds, "Though perhaps symbolic, the defeat in the House was an embarrassment not only for Mr. Bush but also for the departing Republican leaders, who had earlier in the day expressed confidence that they had the two-thirds needed for the bill to pass in the House."

Colombia, Peru, Ponder Effect Of Democratic Congress On Trade Accords. The Wall Street

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Journal (11/14, A8, Davis, 2.04M) reports, "The election of a Democratic-controlled Congress more skeptical about the value of free trade is forcing Colombia and Peru to decide whether they need to make additional concessions on labor issues to win congressional approval of trade deals they have negotiated with the U.S." The two nations "have negotiated deals with the US that liberalize trade in a host of areas, including industrial tariffs, textiles, and apparel and service industries. Peru already has ratified the pact; Colombia plans to sign its agreement next week and ratify it afterward. Congress isn't likely to take up either measure until next year, after the Democrats take control." Yesterday, "Colombian President Alvaro Uribe said he didn't plan to accept changes in the deal." Meanwhile, "Hernando de Soto, a Peruvian economist appointed as special trade envoy, took a more conciliatory stance. He said his country had a 'game plan' to present to the US that 'should put to rest the concerns many Democrats have concerning labor and other matters,' according to [a news service]. But he wasn't more specific."

The Washington Post (11/14, D1, Goodman, 690K) reports, "As Democrats prepare to take control of Congress, incoming leaders are planning to insert labor and environmental protections into pending trade treaties and to demand that the Bush administration adopt similar measures in future pacts it negotiates, congressional aides and government officials said yesterday." The Democrats "plan to insert restrictive provisions into two pending trade deals with Peru and Colombia, measures that would limit duty-free access to the US market for goods made in those countries if factories are found to use child labor or deny workers the right to organize unions." Under the headline "Election Pushes Globalization To Forefront," USA Today (11/14, Lynch, 2.27M) says "several members of the Democratic Congress that takes office in January say the Bush administration's unquestioning celebration of free trade is bleeding the middle class and endangering the American Dream."

Gutierrez Urges Chinese Crackdown On Pirated Goods. The New York Times and Wall Street Journal, among other newspapers, run an AP story (11/14) reporting, "Commerce Secretary Carlos M. Gutierrez urged Beijing on Tuesday to toughen a crackdown on pirated goods and other copyright infringements, saying failure to do so could fuel an American backlash against trade with China. Despite Chinese progress in protecting intellectual property rights, Mr. Gutierrez said American Customs agents seized more counterfeit goods from China than all other countries combined." The AP adds, "Widespread theft of intellectual property, as well as protectionist policies and unclear regulations, have long been seen as hampering foreign companies' access to the Chinese market. To correct the imbalances and curb piracy, Mr. Gutierrez said China must open its markets more widely, especially to American entertainment companies. "

Lebanese Cabinet Approves UN Tribunal For Hariri Suspects. The AP (11/14, Karam) reports that a "weakened" Lebanese government Monday approved a U.N. plan for an international tribunal for suspects in the assassination of former Prime Minister Rafik Hariri, "despite the resignation of six ministers and the objections of the president." The AP called the vote "a victory" for Lebanese Prime Minister Fuad Saniora, but warns that the final approval of the measure, which now goes back to the UN, "by the weakened government was far from certain."

Lebanese Officials Dismisses Al-Qaeda Threat As Attempt To Influence Tribunal Vote. The AP (11/14) reports Al-Qaeda has purportedly issued a statement "threatening to topple Lebanon's 'corrupt' Western-backed government," according to an article published in the London-based Arabic newspaper, Al-Hayat, Monday. The newspaper reported that al-Qaeda "issued the statement from the Palestinian refugee camp of Nahr el-Bared in northern Lebanon," saying the group "has arrived in Lebanon and we will work on destroying this corrupt government that receives orders from the American administration." However, Lebanese Information Minister Ghazi Aridi "cast doubt on its veracity," saying, "There is nothing that proves that this statement was issued by al-Qaeda." Instead, he suggested that the statement "could be the work of local or regional groups that were opposed to the international tribunal in an attempt to intimidate the ministers ahead of the vote on Monday."

Navy Will Review Sub Defenses. The Washington Times (11/14, Gertz, 88K) reports, "Navy officials confirmed yesterday that an aircraft carrier battle group failed to detect a Chinese submarine that surfaced within weapons range of the USS Kitty Hawk. Anti-submarine defenses for the carrier battle group will be reviewed as a result, they said. ... [Some] defense officials said the submarine surfacing was a provocative action by the Chinese military, which has placed a high priority on practicing anti-aircraft-carrier operations against U.S. carriers and warships in preparation for a possible future conflict over Taiwan. ... The submarine encounter also took U.S. intelligence agencies by surprise because of years of analyses that continue to portray a benign China, said a defense official. ... The encounter also was unusual because Chinese submarines normally do not operate in deep waters, both officials said." China specialist William Tripplett called the failure to track the sub "alarming." The Times adds that a US-Chinese program promoted by Adm. William Fallon "has been plagued by a lack of reciprocity on the part of China's military, which continues to

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refuse U.S. military visitors to key military facilities or to observe military exercise."

The AP (11/13) reports, following up the Washington Times story of November 13, "A Chinese submarine came close to the USS Kitty Hawk carrier group in the Pacific Ocean last month, a top U.S. naval commander said Tuesday. ... [Admiral Fallon] was commenting on a report on the Washington Times' Web site Tuesday that said a Chinese submarine 'stalked' the Kitty Hawk and surfaced within torpedo firing range."

Darfur Crisis Spreads Into Chad. NBC Nightly News (11/13, story 6, 2:50, Williams, 9.87M) reported, "At least 200,000 have died in the past three years in this crisis." Ann Curry reports that "at a refugee camp across the border in Chad where many now fear a new kind of Darfur is taking shape there." She said, "More than 20 villages have been systemically set on fire here in Chad in the last 10 days," and "today, the President of Chad has declared a state of emergency." The fires of "ethnic cleansing in Darfur are now raging in eastern Chad." On Wednesday morning "the farming village of Tamajour became the latest target," and two days later, Tamajour was "still smoldering." The Arab militia, the Janjaweed, "acting on behalf of the Sudanese government, had swept in on horseback, firing heavy weapons, torching thatched huts, burning three children and an elderly man to death," with the goal of wiping "ethnic Africans from these lands." Today, "when humanitarian groups, including the USAID, went to investigate another village that had been attacked they were fired upon."

In a column in the New York Times (11/14, 1.16M), Nicholas Kristof writes President Bush has "found the courage to do little more than demand that the UN do something. … Frankly, we should be embarrassed that the mightiest superpower in the history of the world can't summon the gumption of Chadian peasants with bows and arrows."

UN Pledges $77 Million Package To Darfur. The AP (11/14, Neuhaus) reports, "The United Nations said Monday it has pledged about $77 million in personnel and equipment to help the overwhelmed African Union force in Darfur as Sudan blocks the world body from sending its own peacekeepers to the war-torn region." Hedi Annabi, the UN assistant secretary general for peacekeeping operations said the package will have "military and police advisers, communications equipment and tools like night-vision goggles," and "it will be given to the African Union as soon as possible." The aid "has been offered because of Sudan's refusal to allow a UN peacekeeping force in Darfur," said Annabi. He also said that he will "start discussions on another support package for the AU force, but he did not say how much that would be worth.

Sinn Fein- Unionist Agreement Delayed. The Washington Times (11/14, Healy, 88K) reports in Dublin, that the St. Andrew's Agreement "between Sinn Fein and the Democratic Unionist Party is falling behind schedule, but it still offers hope for a permanent solution to the 'troubles' in Northern Ireland." Both parties were expected to "endorse the agreement by last weekend and to make a firm commitment to power sharing," along with "their nominations for the posts of first minister and deputy first minister" by Nov. 24. The Unionists "are refusing to go forward without a firm commitment from Sinn Fein to support and respect the Police Service of Northern Ireland -- a bitter pill for the party to swallow after decades of distrust during struggles between the police and Sinn Fein's allies in the Irish Republican Army." S

MCC Awards $461 Million Package To Mali. AFP (11/14) reports, "The United States signed a 461 million dollar aid "compact" with Mali to finance a giant irrigation project and expand the international airport in the poverty-stricken African nation." US Secretary of State Condoleezza Rice said the Millennium Challenge Corporation (MCC) grant "was a reward for good governance and a commitment to democracy by the government of Malian President Amadou Toumani Toure." The five-year assistance package "will provide 235 million dollars to finance a massive irrigation and modernization program in Mali's Alatona region designed to increase food production and improve land tenure security in an area now dominated by subsistence agriculture." Toure said, "These projects are an enormous source of hope for our nation." Also, the US military will "start training the army in Mali in anti-terrorism techniques and in peace-keeping operations," and will train "between 300 and 350 Malian soldiers" for "several weeks." The desert north of Mali is "an important point of passage for traffickers, especially of weapons, and for terrorist groups active in the Sahara."

Chinese Immigration Into Russia Sparks Tensions. The Wall Street Journal (11/14, A1, Chazan, 2.04M) reports that after a successful operation of Chinese laborers growing fruits and vegetables on unused land in Ayatskoye, Russia, regional officials are "so impressed they're now planning to turn millions of acres of long-uncultivated fields over to Chinese peasants." However, "among many natives here in Russia's heartland, the idea has proved controversial." Regional agriculture minister, Sergei Chemezov said, "One in four farms is bankrupt and more than 10% of arable land -- about 400,000 acres -- is uncultivated," and "sees the solution in imported Chinese labor," that helps "stave off economic ruin." Igor Vyaginsky, a crew-cut local activist from the Movement Against Illegal Immigration said of the Chinese, "They'll establish a

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bridgehead and then spread out. We could end up losing our territory." The dispute over Ayatskoye is "typical of the tension at the heart of the Russia-China relationship." Russia is "finding it hard to cope with the emergence of a new global power right on its doorstep," and many Russians "fear being overwhelmed by their dynamic and more-populous neighbor." The concern is "heightened by the stark contrast between China's enormous population and Russia's steep demographic decline."

White House Offers "Tepid Welcome" To Al-Jazeera's English Version. USA Today (11/14, Johnson, 2.27M) reports, "Al-Jazeera, the Arab news network the Bush administration says is a tool of al-Qaeda, will launch Wednesday its English version, which will be available in 70 million households worldwide." The network "will broadcast from Doha, Qatar, and from bureaus in Kuala Lumpur, Malaysia; London; and Washington, D.C. Cable and satellite distribution deals are expected to be announced today." The White House "issued a tepid welcome," and spokeswoman Dana Perino said, "A free press has the responsibility to report news responsibly and accurately, and we work with all outlets that do so."

NYTimes Says Putin Should Leave Power In 2008. The New York Times (11/14, 1.16M) editorializes that although the Russian Constitution has a two-term limit for presidents, "there are growing calls -- spontaneous or orchestrated by the Kremlin -- to change the Constitution." Although President Vladimir Putin says "he will abide by the legal limit," he would have "no trouble warping the Constitution," but that would be a "tragic mistake." With Russia's economy improving, Putin is "lionized," and many Russians "seem unconcerned about their declining freedoms," as the government has "muscled out independent news media and jailed political rivals, and never stops trying to muffle groups that do not follow the Kremlin line." The editorial hopes that "for the sake of Russia's democracy" he will keep his pledge to respect the Constitution.

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Bush Warns Against Pullout."
"Expose A Scandal, Face A Prison Term."
"Paris' Mode Moderne."
"Insurers Propose To Close Gap."
"LAPD Officials 'Livid' Over New Arrest Videotape."
"Few Clues And Reluctant Witnesses."

USA Today:
"Sunni Needs Not Met, General Says."
"Should Government Take A Yardstick To Colleges?."
"Public Expects The Dems To Deliver."

New York Times:
"Pakistan Link Seen in Afghan Suicide Attacks."
"For Evangelicals, Supporting Israel Is 'God's Foreign Policy'."
"After Vote, Public Demands Change: Take Down the Signs."
"As Math Scores Lag, a New Push for the Basics."
"Bush Says He's Open to Change in Iraq, but ...."
"For Montauk, It's Lighthouse vs. Surf's Up!."

Washington Post:
"In King's Honor, A Dream Achieved."
"Bush Faces New Calls to Shift Policies On Mideast."
"Va. Space Industry Poised for Takeoff."
"In Backing Murtha, Pelosi Draws Fire."
"Metro Picks L.A. Official, D.C. Native As Manager."
"Breast Cancer Risk Linked To Red Meat, Study Finds."

Washington Times:
"Fenty Vows No New DC Taxes."
"Defense On Subs to be Reviewed."
"In Soup Redskins Turn To Campbell."
"Proposed Iraq Pullout Lacking Specifics."
"Florida's martinez Tapped For RNC Chief."
"Britons Critical Of Christless Christmass."
"Pelosi Draws Fire For Backing Murtha."

Atlanta Journal-Constitution
"Doctors Short On Flue Shots."
"Clayton Sheriff Stops Paying For Choir Duty."
"A Dream Realized: Ground Broken For King Memorial."
"Here's The Wrap or Rap On School Sales."

Houston Chronicle:
"Dallas Suburb Targets Illegal Immigrants."
"Demand grow For Housing Downtown."
"Preserving King's Legacy For Generations To Come."
"Bush Tells Iraq Panel: Go Slow On Withdrawl."

Story Lineup From Last Night's Network News:
ABC: ISG Recommendation-Iraq; ISG Recommendation-Analysis; Iraqi Little Boy; Runway Safety; King Memorial; Natural Gas Texas; Republicans Exploring Presidency; Lame Duck Session; Heart Attack Prevention; Wild Pigs-Texas.
CBS: ISG Recommendation-Iraq; Murtha Interview; Abizaid-Shiite Militias; Al-Rubaie-Iraq's Future; Tamiflu FDA Warning; Heart Attack Treatment; Senior Care; King Memorial; Tuskegee Airmen Honored.
NBC: ISG Recommendation-Iraq; Iraq Sectarian Violence; Congressional Freshman Orientation; Giuliani's Presidential Exploration; Troops Recovering; Darfur Crisis; Tamiflu FDA Warning; Breast Cancer Risk; Stock Market; Ford-Oldest Living President; King Memorial.

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Story Lineup From This Morning's Radio News Broadcasts:

ABC: White House-Iraq Study Group; Blair-Iraq Study Group; Blair-Middle East Strategy; IN-Plane Crash; Bush-Vietnam; Vietnam War Soldier's Remains Identified; WA-Reichert Wins; Chicago, IL-American Boy Lobbies To Keep Mexican Mother From Being Deported; TX-Illegal Immigration Ordinance; Stock Markets.

CBS: Iraq-Abductions; Iraq-US Military Raids In Ramadi; White House-Iraq Study Group; Blair-Iraq Study Group; Blair-Middle East Strategy; Bush-Meeting With Domestic Carmakers; Giuliani-Presidential Exploratory Committee.

NPR: White House-Iraq Study Group; Blair-Middle East Strategy; Olmert-Meeting With Bush, Congressional Leaders; Tokyo Stock Market; Giuliani-Presidential Exploratory Committee; Canada-Environmental Objections To Oil Sands Project.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Meets with auto industry CEOs, Roosevelt Room; departs for APEC meeting in Vietnam.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: 9 a.m. JUDICIARY _ Full Committee. Hearing on competition in sports programming and broadcasting and its impact on consumers. Location: Room 226, Dirksen.

10 a.m. HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS _ Full Committee. Hearing on pending nominations. Location: Room 342, Dirksen.

11 a.m. FINANCE _ Full Committee. Hearing on pending nominations. Location: Room 215, Dirksen.

2 p.m. JUDICIARY _ Full Committee. Hearing on pending nominations. Location: Room 226, Dirksen.

2:30 p.m. HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS _ Permanent Investigations Subcommittee. Hearing on problems states encounter with newly organized coproration and problems in identifying the owners of the company. Stuart G. Nash - associate deputy attorney general and director, Organized Crime Drug Enforcement Task Force; Steven Burgess, IRS; Yvonne Jones, GAO; Jamal El-Hindi, Financial Crimes Enforcement Network, Vienna, Va.; Richard J. Geisenberger, assistant secretary of state, State of Delaware; Scott W. Anderson, deputy secretary of state for commercial recordings, Office of the Secretary of State, Nevada; Laurie Flynn, chief legal counsel, Office of the Secretary of the Commonwealth of Massachusetts. Location: Room 342, Dirksen.

US House: FLOOR SCHEDULE _ 10 a.m. Meets for morning hour and at 11 a.m. for legislative business. Highlights: Suspensions (7 bills): 1) H.J.Res. 96 - Recognizing the contributions of the Christmas tree industry to the United States economy; 2) H.R. __ - To amend title 38, United States Code, to extend certain expiring provisions of law; 3) H.R. 1245 - Gynecologic Cancer Education and Awareness Act of 2005; 4) H.R. 864 - Sober Truth on Preventing Underage Drinking Act; 5) H.Res. 993 - Expressing the sense of the House of Representatives with respect to raising awareness and enhancing the state of computer security in the United States, and supporting the goals and ideals of National Cyber Security Awareness Month; 6) H.R. 5585 - Financial Netting Improvements Act of 2007); 7) H.J.Res. __ - Making further continuing appropriations for the fiscal year 2007, and for other purposes.

10 a.m. INTERNATIONAL RELATIONS _ Africa, Global Human Rights and International Operations Subcommittee. Oversight hearing on the Hague Convention on International Adoptions. Deputy Secretary of State Catherine Barry; Lori Scialabba, DHS; Richard Klarberg, Council on Accreditation; Dana Andrews, Colorado Department of human Services; Thomas DiFilipo, Joint Council on International Children's Services; Thomas Atwood, National Council for Adoption. Location: Room 2172, Rayburn.

2 p.m. ARMED SERVICES _ Full Committee. Hearing on the national security implications of the Lucent-Alcatel merger. Lucent CEO Patricia Russo; Alcatel CDOO, Mike Quigley; Deputy Defense Secretary Gordon England. Location: Room 2118, Rayburn.

2 p.m. JUDICIARY _ Commercial and Administrative Law Subcommittee. Hearing on the ``Administrative Law, Process and Procedure Project for the 21st Century." Location: Room 2141, Rayburn.

Other: ISRAELI PRIME MINISTER OLMERT _ Highlights: 8 a.m. Departure from Andrews AFB. Closed press.

EDUCATION _ The Public Education Network holds its 16th annual conference on the transformation of public education by local education funds. Highlights: 8:30 a.m. Session on No Child Left Behind Act, with Gov. Robert Wise of the Alliance fof Excellent Education, Dan Challener of the Public Education Foundation, others. 9:30 a.m. Session on the election results, with Jack Jennings of the Center on Education Policy and pollster Celinda Lake. 12:30 p.m. Luncheon speaker - Geoffrey Canada, the Harlem Children's Zone. Location: Fairmont Hotel, 2401 M St. NW.

MIDEAST _ The Middle East Institute holds its 60th annual conference. Highlights: 9 a.m. Panel on engaging political Islam, with Maysam al-Faruqi, Georgetown University; Richard Murphy, former Assistant Secretary of State; S. Abdallah Schleifer, DC Bureau Chief, Al Arabiya. 10:45 a.m. Panel on making peace in Sudan, with Tim Carney, former US Ambassador to Sudan; John Prendergast,

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International Crisis Group, others. 1:30 p.m. Panel on America's partnership with the Gulf Region, with Rachel Bronson, Council on Foreign Relations; John Hillen, Assistant Secretary of State, Political-Military Affairs; Jamal Khashoggi, Embassy of Saudi Arabia. 3:30 p.m. Panel on Israel's evolving foreign policy, with Geoffrey Aronson, Foundation for Middle East Peace; Daniel Levy, former advisor to PM Barak/New America Foundation; Yoram Peri, Tel Aviv University; Daniel Seidemann, legal advisor and expert on Jerusalem. Location: National Press Club.

COCAINE-SENTENCING _ 9:15 a.m. - 5 p.m. The US Sentencing Commission holds a public hearing titled ``Cocaine and Federal Sentencing Policy -- 2006." The Commission will hear from representatives of law enforcement, the legal community, the judiciary, interested community groups, and the scientific community to address issues associated with federal cocaine sentencing policy. Location: Georgetown University Law Center, Gewirz Student Center, 12th floor Conference Room.

FRESHMAN PICTURE _ 8 a.m. Official class portrait of the House Freshman Class. Location: East Front Steps, Capitol.

IMMIGRATION _ 8:30 a.m. NDN holds a forum on immigration and the Latino vote, with Frank Sharry of the National Immigration Forum, Sergio Bendixen of Bendixen Associates, others. Location: Phoenix Hotel, 520 N. Capitol St.

SCHIEFFER-MIDTERMS _ 8:30 a.m. Bob Schieffer, CBS News chief Washington correspondent and moderator of ``face the Nation," will speak at the Johns Hopkins Paul H. Nitze School of Advanced International Studies. Topic: ``Politics and Policy After the Midterm Elections: Looking Ahead to 2008." Location: Room 500, Bernstein-Offit Building, 1717 Massachusetts Ave. NW.

CONNECTICUT DEMOCRATS _ 8:45 a.m. Connecticut's Democratic Delegation will welcome Congressman-elect Joe Courtney and Congressman-elect Chris Murphy at a media availability. Location: Cannon Terrace. Notes: Rain location is Room HC-7, Capitol.

GLOBAL TRADE _ 9 a.m. The Global Business Dialogue and the National Foreign Trade Council will host a panel discussion on the status of the President's Trade Promotion Authority, also known as ``Fast Track," and the outlook for renewing it. Location: Hamilton Crowne Plaza, 14th and K Sts. NW.

LEBANON _ 9 a.m. The Gallup Organization releases the initial findings of an in-depty study on the views and opinions of the citizens of Lebanon immediately following the recent 34-day conflict. Location: Suite 200, 901 F St. NW.

US-INDIA NUCLEAR _ 9 a.m. - 10:30 a.m. The Arms Control Association holds a press briefing, ``The Senate and the U.S.-Indian Nuclear Deal: Issues and Alternatives." Location: Carnegie Endowment for International Peace, Choate Room, 1779 Massachusetts Ave. NW.

EMPLOYERS-HEALTH COVERAGE _ 9:30 a.m. Health and business experts, including California HealthCare Foundation CEO Mark Smith and former GE health leader Francois de Brantes hold a news briefing, ``Will Employer-Based Health Coverage Endure." They will discuss a new survey that gauges public attitudes towards coverage, choice and mandates amid worsening danger signs, and debate the future of private insurance. Location: Columbus Club, Union Station.

PUTIN _ 10 a.m. - 12 p.m. The Jamestown Foundation hosts a a program, ``Putin and the Succession Question: What Happens Between Now and 2008?" Presenter: Dr. Nikolai V. Zlobin, Senior Fellow and Director of Russian and Asian Programs, Center for Defense Information (CDI). Discussant: Mr. Peter Reddaway, Professor Emeritus of Political Science and International Affairs, George Washington University. Location: The Jamestown Foundation, 1111 16th St. NW, 7th Floor Conference Room.

GILMORE V. GONZALES _ 10:30 a.m. News conference on the Gilmore v. Gonzales case pending before the Supreme Court. Participants are John Gilmore, his attorneys and representatives of groups filing amici briefs, including the Reporters Committee for Freedom of the Press, American Society of newspaper Editors, others. Location: Akin Gump Straus Hauer and Feld LLP, 1333 New Hampshire Ave. NW.

HOYER _ 11 a.m. House Democratic Whip Steny Hoyer holds a pen and pad only briefing. Location: Room H-306, Capitol.

R&D CREDIT _ 11 a.m. R&D Credit supporters hold a press briefing urge swift action by Congress to send a bill to the President during the Lame Duck session that will seamlessly restore and strengthen the R&D tax credit. The credit expired 11 months ago.Participants include members of Congress and Business Trade Association Presidents; including AeA, EIA, ITAA, ITI, TechNet. Location: Room 124, Dirksen Senate Office Building.

SCIENCE AND SECULARISM _ 11 a.m. The Center for Inquiry holds a press briefing to issue a new declaration ``In Defense of Science and Secularism" and announce the opening of a new Office of Public Policy in Washington. D.C., a pro-science, pro-church-state separation lobbying and public policy apparatus. Speakers include Paul Kurtz, founder and chairman of the Center for Inquiry; and Paul Delos Boyer, Nobel Prize winner in chemistry -- 1997. Location: National Press Club.

TRUCKS-FUEL EFFICIENCY _ 11 a.m. Dave Hobson, Assistant House Majority Whip, joins John Mizroch, principal deputy assistant secretary, Office of Energy Efficiency, others, hold a press conference on improvements in large truck aerodynamics that can help reduce fuel use and save

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hundreds of millions of gallons of fuel annually. Location: L'Enfant Plaza median, 1000 Independence Ave. SW, outside DOT headquarters.

DEMOCRATS-PLANS _ 11:30 a.m. Following their leadership elections, the Senate Democratic Leadership will highlight their plans to move America in a new direction. Location: Senate Ohio Clock Corridor.

ELECTION ANALYSIS _ 12 p.m. DLA Piper US LLP holds a program analyzing the 2006 elections, with former House Majority Leaders Dick Armey and Dick Gephardt and Norman Ornstein of the American Enterprise Institute. Location: Ballroom, Willard Inter-Continental Hotel, 1401 Pennsylvania Ave. NW.

IRAQ-WAR CRIMES _ 12 p.m. The Center for Constitutional Rights, others, hold a telephone news briefing from Berlin on a criminal complaint being filed with German authorities concerning U.S. war crimes in Iraq, with CCR President Michael Ratner, Attorneys, others. Contacts: David Lerner, 212-260-5000. Notes: Callin number: 888-288-0321; passcode: 539547.

LATIN AMERICA-APEC _ 12:30 p.m. - 2 p.m. The Heritage Foundation hosts a luncheon discussion at which experts will outline the security implications, economic factors and the impact the Latin American countries will play at the upcoming APEC meeting. Participants: David Asher, Senior Associate Fellow, Asian Studies Center The Heritage Foundation; Steve Johnson Senior Policy Analyst, Kathryn and Shelby Davis Institute for International Studies The Heritage Foundation; and Anthony Kim Research Associate, Center for International Trade and Economics The Heritage Foundation. The event is hosted by Aerica Veazey Director, Washington Roundtable for the Asia-Pacific Press, The Heritage Foundation. Location: The Heritage Foundation, Davis Center 214 Massachusetts Ave. NE.

FAKE NEWS _ 2 p.m. The Center for Media and Democracy holds a media teleconference with with Free Press and FCC Commissioners Jonathan S. Adelstein and Michael J. Copps to release its latest report on the ongoing incidence of ``fake news'' on local TV stations nationwide. The new report, ``Still Not the News,'' captures 46 TV stations slipping corporate-sponsored ``video news releases, or VNRs -- segments promoting commercial brands and products -- into news broadcasts without revealing their sources to viewers. Contacts: Craig Aaron, 202-265-1490 ext 25. Notes: To join, call 973-582-2770 -- conference code 8109530.

SPECTRUM POLICY _ 2:15 p.m. - 5:30 p.m. The National Center for Technology and Laws Information Economy Project will host Innovation, Technology and Spectrum Policy: A Mini-Conference and the significant attention thta has been focused on municipal wi-fi initiatives and T.V. band spectrum reallocation for unlicensed use. This event will gather industry experts with diverse viewpoints to consider these and other proposals in the search for pro-consumer spectrum policies. Wireless technology pioneer and Qualcomm Chairman Dr. Irwin Mark Jacobs will deliver the keynote address. Highlights: 2:15 p.m. Keynote Addressby Dr. Irwin Mark Jacobs, Chairman of the Board, Qualcomm. 3 p.m. Municipal Wi-Fi: The Reality, with Coleman Bazelon, Vice President, Analysis Group; Dewayne Hendricks, CEO, Dandin Group, Inc.; and Andrew Orlowski, The Register. 4:15 p.m. TV Band ``White Space: Two Views, with Pierre de Vries, Senior Fellow, USC Annenberg Center for Communication; Thomas Hazlett, Professor of Law & Economics and Director, Information Economy Project, George Mason University School of Law; and Andrew Kreig, President, Wireless Communications Association (Moderator). Location: George Mason University School of Law, 3301 Fairfax Drive, Arlington, Va., Room 322.

IRAQ RECONSTRUCTION _ 2:30 p.m. Sens. Susan Collins, R-Maine; Russ Feingold, D-Wis.; Joseph Lieberman, D-Conn.; and Norm Coleman, R-Minn., hold a press conference on the legislation they cosponsored extending the mandate of the office of the Special Inspector General for Iraq Reconstruction (SIGIR). Location: Senate radio/TV Gallery.

SECURITY-MALACCA _ 3:30 p.m. The Wilson Center for International Scholars holds a program on energy security in the Strait of Malacca. Location: 6th floor auditorium, Wilson Center, Reagan Trade Building.

MIKULSKI-SENATE WOMEN _ 4 p.m. Sen. Barbara Mikulski holds her traditional, bipartisan Senate Women Power Workshop. Location: Room 503, Hart.

REGULATORY REFORM _ 5 p.m. - 7 p.m. Roger Noll, emeritus professor of economics at Stanford University, delivers the 2006 AEI-Brookings Joint Center Distinguished Lecture on why regulatory reform has stalled and why certain costly regulatory practices are spreading to the rest of the world. Contacts: Veronique Rodman, 202-862-4871. Notes: Wine and cheese reception at 6:30 p.m.

VICTIMS OF COMMUNISM _ 6:30 p.m. The Victims of Communism Memorial Foundation hosts an awards event at which Sen. John Warner, R-Va., will present a Truman-Reagan Medal of Freedom to Edwin J. Feulner, president of the Heritage Foundation. Defense Secretary Donald Rumsfeld will deliver brief remarks about Feulner, a longtime friend and colleague. Location: Embassy of the Czech Republic, 3900 Spring of Freedom St. NW.

MIDTERMS-MEDIA _ 8 p.m. - 9 p.m. American University's School of Communications hosts ``An American Forum'' panel discussion, ``The Mid-terms and the Media.'' Participants: Ana Marie Cox, editor, Time.com and founding editor of the political blog Wonkette; Dotty Lynch, executive in residence, AU Achool of Communication and political consultant, CBS News; Ken Walsh, chief White House correspondent, U.S. News & World Report; and David Winston, founder and president, The Winston Group.

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Location: Room 1, AU's Ward Circle Building, 4400 Massachusetts Ave/ NW.

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Justice Department wants Guantanamo cases dismissed

Supreme Court refuses to block American's transfer to Iraq for execution

Group sues to have Rumsfeld and others investigated by Germany on war crimes charges

Maverick dairyman fights lobbyists and lawmakers; Arizona milk mogul battling with his industry

Widows of U.S. veterans sue over headstone issue

Judge orders U.S. to pay $14.6M to Delta

Miami Herald

Nov. 14, 2006

Justice Department wants Guantanamo cases dismissed

MIAMI — The Bush administration Monday defended a new law that strips enemy combatants at Guantanamo Bay of recourse to traditional civilian court challenge, setting the stage for a U.S. Supreme Court showdown.

In a brief, the Justice Department argued at the U.S. Court of Appeals for the D.C. Circuit that the U.S. district courts must close the files of several hundred habeas corpus petitions because the new Military Commissions Act eliminated their jurisdiction.

Attorneys for many of the 440 or so captives, some approaching five years held without charge at the remote U.S. Navy base in Cuba, argue the law is at odds with a fundamental, constitutional right to file a writ of habeas corpus — their right to challenge their detention before a civilian judge.

Once the three-court appeals panel rules, both sides anticipate an overarching constitutional challenge of the new federal law to go before the Supreme Court, which earlier backed certain detainee rights in a series of rulings.

The brief signed by Solicitor General Paul Clement argues that Congress "unambiguously" stripped the U.S. district court of that right in the new legislation, which President Bush signed on Oct. 17.

"Because there can be no question that Congress has eliminated district court jurisdiction," Clement writes, "petitioners are left to argue that the Act is unconstitutional. These arguments are without merit."

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Rather than have traditional review, he adds, Congress gave the circuit appeals court — the same venue deciding the constitutionality of the law — the power to review an enemy combatant's classification.

In that review, a captive cannot argue that he is being held illegally and indefinitely, but can challenge his designation as enemy combatant.

Moreover, the U.S. government added, the Pentagon has established its own annual review process at Guantanamo, a parole-like board of military officers, where any captive can argue why he should be set free.

For about two years now, defense attorneys for the men have sought case-by-case independent reviews, arguing that the military requires civilian oversight.

Federal judges, however, have been reluctant to intrude.

In one instance, U.S. District Judge James Robertson found that two Uighur Muslims of Chinese citizenship were unlawfully held in indefinite detention at the Guantanamo facility, but said he did not know how he could offer relief.

Some time afterward, the Pentagon arranged to airlift them and three other Uigurs to faraway Albania for resettlement.

U.S. policy prevented their repatriation, for fear they would be subjected to religious persecution, as Muslims, in their communist-ruled country.

The showdown over the Military Commissions Act is currently being played out in a pair of cases named for two of the current detainees at Guantanamo — Fawzi al-Odeh, a Kuwaiti, and Lakhdar Boumediene, an Algerian — who had separately filed suits in the lower court over their right to habeas corpus.

END

AP

November 14, 2006

Supreme Court refuses to block American's transfer to Iraq for execution

By: Associated Press -

WASHINGTON -- The Supreme Court refused Monday to intervene to keep an American facing a death sentence in Iraq from being handed over to authorities in Baghdad.

Muhammad Munaf has been in military custody in Iraq since last year. He was sentenced to death last month by an Iraqi judge for his role in the kidnapping of three Romanian journalists in Baghdad. He claimed his trial was flawed and his confession was coerced.

Munaf wanted justices to order military authorities to keep him under their control until U.S. courts resolve whether U.S. forces can turn over Americans who are suspected terrorists to the Iraqi government.

The court gave no explanation for its order Monday denying Munaf's request.

Munaf still is trying to persuade the entire U.S. Court of Appeals for the District of Columbia Circuit to block his transfer after U.S. District Judge Royce Lamberth and a three-judge appeals court panel refused to get involved in his case.

Lamberth and the appellate panel said they lacked authority to intervene because the Iraqi-born Munaf, who became a U.S. citizen in 2000, was being held by coalition military forces, not by the U.S. military alone.

Whether the U.S. military or coalition forces have custody of Munaf is at the heart of a legal fight over the fate of American citizens being held in Iraq. Critics say it is disingenuous because the prisons that Munaf and others are being held in are operated by the U.S. military.

The appeals court in Washington is considering the similar case of Shawqi Omar, an American citizen accused of being a top al-Qaida lieutenant in Iraq. A different federal judge blocked Omar's transfer and the appeals court, which heard arguments in September, has yet to rule.

END

AP

November 14, 2006

Group sues to have Rumsfeld and others investigated by Germany on war crimes charges

By DAVID RISING

Associated Press Writer

BERLIN_Civil rights activists filed a suit Tuesday asking German prosecutors to open a war crimes investigation of former U.S. Secretary of Defense Donald Rumsfeld and a host of other officials for their alleged roles in abuse at Iraq's Abu Ghraib prison and Guantanamo Bay.

The 220-page suit document was sent to federal prosecutors by U.S. and German attorneys under a German law that allows the prosecution of war crimes regardless of where they were committed. It alleges that Rumsfeld personally ordered and condoned torture.

"One of the goals has been to say a torturer is someone who cannot be given a safe haven," said Michael Ratner, the president of New York's Center for Constitutional Rights, which is behind the litigation.

"It sends a strong message that this is not acceptable."

The suit is brought on behalf of 12 alleged torture victims _ 11 Iraqis held at Baghdad's Abu Ghraib prison and Mohamad al-Qahtani, a Saudi being held at the U.S. military prison in Guantanamo Bay, Cuba, who has been identified by the U.S. as a would-be participant in the Sept. 11 attacks.

Captured in December 2001 along the Afghanistan-Pakistan border, al-Qahtani would not crack under normal questioning, so Rumsfeld approved harsher methods, according to testimony before U.S. Congress.

After FBI agents raised concerns, military investigators began reviewing the case and in July 2005 said they confirmed abusive and degrading treatment that included forcing al-Qahtani to wear a bra, dance with another man, stand naked in front of women and behave like a dog. Still, the Pentagon determined "no torture occurred."

Although German prosecutors already declined to investigate a more limited suit in 2004, the attorneys involved think they have a better case this time armed with documents from 2005 congressional hearings on the al-Qahtani case. They argue that Rumsfeld's resignation last week means prosecutors may be under less political pressure to shun the case.

They also have former U.S. Army Brig. Gen. Janis Karpinski, the one-time commander of all U.S. military prisons in Iraq, as a witness on their behalf.

Pentagon spokeswoman Cynthia Smith and Frank Wallenta, spokesman for German federal prosecutors, both said they could not comment because they had not yet received the suit in their offices.

In addition to Rumsfeld, the suit names U.S. Attorney General Alberto Gonzales, former CIA director George Tenet, former commander of all U.S. forces in Iraq Lt. Gen. Ricardo Sanchez and eight others, alleging that they all either ordered, aided, or failed to prevent war crimes.

A case could not be brought with the International Criminal Court, because the United States is not a member, Ratner said. The case could not be pursued through the U.N. because the U.S. has veto power, he added.

Though Ratner acknowledges it is unlikely Rumsfeld will ever end up in a German prison, a successful case here could put him in the position of former Secretary of State Henry Kissinger, who has been dogged by questions abroad about his alleged involvement in a plot in the 1970s and 1980s to eliminate Latin American dissidents.

Even if the prosecutors fail to take the case up this time, if nothing else the suit has focused renewed media attention to the issue of torture, Ratner said.

"We have won a part of this case already," he said.

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END

The Arizona Republic
Nov. 14, 2006 12:00 AM

Maverick dairyman fights lobbyists and lawmakers; Arizona milk mogul battling with his industry

Scott Wong and Kelly Carr

Long before he discovered a way to sell milk for far less than his competitors, before he enraged the multibillon-dollar dairy industry so much that Congress passed a law to stop him, Hein Hettinga clipped cow hooves for a living.

It was menial work. But it put him on a career path that, in time, would lead him to found Yuma-based Sarah Farms, one of the largest and most innovative private dairy operations in the country.

Now, 12 years after building his dairy business into a proverbial cash cow, Hettinga finds himself waging war against big-dairy lobbyists, high-profile lawmakers and the federal government.

At 64, the Dutch immigrant said he simply is defending his family business, preserving competition in the dairy industry and trying to keep milk prices low for consumers. His critics counter that Hettinga had long exploited a federal loophole that gave him an unfair leg up on his competitors.

Most in the dairy industry fall into two categories: those who produce the raw milk and those who process it into the milk we pour onto our cereal each morning.

Hettinga is different. The self-proclaimed black sheep guides his milk through all stages of production, from his dairy cows to his bottling plants to supermarket shelves. That enables him to cut out the middleman, reduce costs and pass those savings to his customers. And, of course, make a tidy profit.

Because of his producer-distributor status, Hettinga was able to take advantage of a technicality in Depression-era federal regulations. Those rules require milk processors who do business in certain geographic markets to pay into a revenue pool shared among farmers who own the region's dairy cooperative.

Cooperatives help stabilize the dairy market, guaranteeing farmers a place to sell their perishable products at a fixed price. That helps avert price wars and milk dumping.

Some big processors, such as Shamrock Farms, use milk from their own dairies. But they also buy milk from cooperative farmers, meaning they're still subject to federal regulations.

Hettinga bottles only his own milk, which made him exempt.

When Hettinga began seizing a larger share of the market, the $27 billion-a-year dairy industry struck back. This past spring, its most powerful members successfully lobbied Congress to support legislation targeting Sarah Farms.

The Milk Regulatory Equity Act, introduced by Republicans Rep. Devin Nunes of California and Sen. Jon Kyl of Arizona, essentially forces the Yuma farm to pay its competitors through the local dairy pool.

Because Hettinga had been trucking milk across the state line to Southern California retailers, he also had been exempt from abiding by that state's pricing minimums. That allowed Hettinga to drop his prices below those of his competitors and secure lucrative contracts with Costco stores and local distributors.

The legislation sealed off that loophole, subjecting Hettinga to Arizona price floors.

Hettinga, whose farms have captured about 15 percent of Arizona's milk market, said it was his success that made him the target of the dairy industry.

His Yuma plant was referred to multiple times on the House floor during debate of the bill. And Sarah Farms is the only U.S. business that falls within a narrow category of dairy operations targeted by the law: Arizona producer-distributors who turn out more than 3 million pounds of milk per month.

"They passed a law to kill one private dairy. Does that make any sense? It's not the way the government should conduct

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business, to limit competition," Hettinga said recently as he navigated his car on Interstate 8, traveling toward his Yuma plants. "Big business shouldn't be able to influence in this way."

Leveling the playing field

Despite passage of the law, Hettinga isn't backing down.

This summer, he and six other family members gave a total of nearly $30,000 to Jim Pederson's unsuccessful campaign for Kyl's Senate seat.

And on Sept. 21, Hettinga and his wife, Ellen, sued the federal government in U.S. District Court, claiming the legislation singles out Sarah Farms and has caused the company considerable financial loss.

Hettinga said his farms and the retailers they supply have absorbed extra costs resulting from the law, estimated at about 15 cents per gallon.

Now, it's just a matter of time before he is forced to hike his prices or competitors put him out of business, he said. Either way, Hettinga believes consumers will be paying more.

A Justice Department spokesman said that the agency had no comment about the lawsuit but that it plans to issue a legal response at the end of this month.

Andrew House, senior policy adviser for Nunes, said that regulatory issues addressed by the law were thoroughly debated within the industry and Congress.

He and other proponents of the law said it was Hettinga who was disrupting the marketplace, supplying milk at bargain-basement prices to Food City, Sam's Club and Costco stores in Arizona, and undercutting competitors.

Both Costco and Sam's Club sell a 2-gallon carton of 2 percent milk for $3.99, up from $3.69 a month ago.

Meanwhile, Fry's Food and Safeway, which buy milk from Arizona's dairy cooperative, sell a single gallon of 2 percent milk for as much as $2.99 and $3.79, respectively. Such grocers, however, often offer significant discounts or 2-for-1 specials with a club card.

Several factors determine milk prices. Prices drop during the summer, when milk-guzzling children are absent from school cafeterias. And they rise during the holiday season, when large amounts of dairy products are consumed.

But Hettinga's major competitors in Arizona said the legislation serves to "create a fair and equitable system."

"It levels the playing field for all Arizona dairy farmers," said Sandy Kelly, a spokeswoman for Phoenix-based Shamrock Farms Dairy.

Although Hettinga benefited from the federal loophole, critics said he received hundreds of thousands of dollars in federal subsidies.

And they scoffed at the notion that Hettinga - who drives a Lincoln Town Car, flies a private plane and owns homes in three states - is simply a small-town farmer battling the big bad dairy industry.

"(Hettinga) is the epitome of big dairy," said House, whose boss represents the biggest dairy-producing congressional district in the country

From 1995 to 2004, Hettinga's farms collected $895,000 in such subsidies, just under $100,000 a year, according to Environmental Working Group, a Washington-based public watchdog. That ranked his farms third among dairy-subsidy recipients.

House, who helped draft the legislation, said it was hypocritical of Hettinga to draw federal subsidies, "but when it comes to abiding by regulations, he doesn't want to do it because it will mean his profit margin will go down."

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'I have no choice'

Something as simple as the price of milk does matter to families. Picking up a 2-gallon pack of 2 percent milk at a West Valley Costco store one recent afternoon, Daisy Castillo of Surprise said she will be forced to shop for a better deal or shell out more for milk if prices are boosted.

"It's essential to our family," Castillo, 22, said while pushing her 1-year-old daughter in a cart. Castillo's family gulps down the $3.99 2-gallon milk pack each week. "I don't think we'd stop buying it (if prices went up). But I'd be upset because I have no choice."

Costco did not return several phone calls for this story. Wal-Mart Stores Inc., which owns Sam's Club, said it is company policy not to comment on its relationship with suppliers.

But Basha's Family of Stores, parent company of Food City, said shoppers have not seen a rise in milk prices because of the legislation.

The path to success

Hettinga's road to riches was a long one.

After graduating from a California high school in 1960, Hettinga was faced with a choice. He could take a job driving a truck for a local grocery store or try his fortune trimming cow hooves and castrating bulls.

Hettinga chose the latter.

It paid $2 an hour, a dollar less than the trucking job. But he learned the ins and outs of the dairy industry.

More than a decade later, he bought his own dairy farm in Chino, Calif., where like most other dairymen he shared milk profits in a cooperative.

Twelve years ago, Hettinga built a milk processing plant in Yuma where he could pasteurize and homogenize his raw milk, package it in his own bottles and ship it to stores.

"I wanted to be integrated, to have the right to sell my milk," said Hettinga , who put all his cows up as collateral to persuade banks to loan him money for the $160,000 project

Today, he supplies about 25 million gallons of milk a year to more than 60 Food Cities and almost all the Costcos and Sam's Clubs in Arizona, as well as to distributors in Mexico.

The dairyman raised the stakes when he built a second Yuma processing plant. This one cost $12.5 million and today supplies about 700,000 gallons of milk each month to Costco stores in Southern California, according to a recent news report.

Today, the Sarah Farms empire includes 16 dairy farms in California, Texas and Arizona, six between Gila Bend and Yuma.

Looking after Sarah Farms, a business he built from the ground up and named after his daughter, is a seven-day-a-week job. Hettinga, dressed in boots and jeans, jokes that he works half-days: 12 hours instead of 24.

Now, as the legal process unfolds, he continues to defend what he built.

"I got big enough that they can't kill me, but it has financially crippled me," Hettinga said. "It has stopped every independent dairyman of doing their own thing."

END

DOJ_NMG_0094305

AP

November 14, 2006

Widows of U.S. veterans sue over headstone issue

WASHINGTON

The widows of two U.S . combat veterans sued the government yesterday for not allowing Wiccan symbols on their husbands' military headstones.

The U.S. Department of Veterans Affairs allows military families to choose any of 38 authorized headstone images. The list includes commonly recognized symbols for Christianity, Buddhism, Islam and Judaism, as well as those for less popular religions such as Sufism Reoriented, Eckiankar and the Japanese faith Seicho-No-Ie.

The Wiccan pentacle, a five-pointed star surrounded by a circle, is not on the list, an omission that the widows say is unconstitutional.

The lawsuit was filed by Roberta Stewart, whose husband, Nevada National Guard Sgt. Patrick Stewart, was killed in combat in Afghanistan last year, and Karen DePolito, whose husband, Jerome Birnbaum, is a Korean War veteran who died last year.

END

AFX

November 13, 2006

Judge orders U.S. to pay $14.6M to Delta

WASHINGTON (AFX) - A judge has ordered the U.S. government to pay Delta Air Lines Inc. at least $14.6 million for flights the airline provided to U.S. military personnel, saying the government has no right to withhold the money to resolve an old quarrel involving ticket overcharges.

Judge Adlai S. Hardin of the U.S. Bankruptcy Court in Manhattan ruled that the government's rights as a creditor in a bankruptcy case were no different from those of other creditors. Accordingly, he said, it was obligated to pay Atlanta-based Delta for flights provided after the airline began its bankruptcy reorganization in September 2005.

'It is not inequitable to treat the government like all other creditors' who are forbidden by law from offsetting pre-bankruptcy claims against post-bankruptcy liabilities, Hardin ruled earlier this month. He said the law is designed to ensure that 'no creditor, not even the government, obtains an unfair advantage over others.'

A spokeswoman for the General Services Administration, the government agency responsible for providing transportation for federal employees, said Monday the agency had no comment.

A Delta spokeswoman, Betsy Talton, said the government owed the airline $14.6 million as of June 5 for flights provided after Delta's bankruptcy filing.

Delta sued the government in February, complaining that the GSA had instructed all federal agencies not to pay the airline for flights provided mainly to U.S. Army personnel. Delta said it agreed to provide those flights under an annual contract with the government. It said the blocked payments were accumulating at an average rate of $117,000 a day.

The government, however, contended that it had the right to withhold payments because it said Delta previously had overcharged it by $26.2 million and hadn't repaid that amount.

The overcharges involved a faulty Defense Department billing system that paid travelers for airline tickets they didn't purchase, the General Accounting Office found in 2004.

The Defense Department asked five airlines, including Delta, to return payments for unused tickets.

END

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TERRORISM NEWS:

Critics Blast DOJ Brief On Detention Policy.

The Washington Post (11/15, A03, Eggen) reports, "Critics of U.S. detention policies warned yesterday that a brief legal document filed by the Justice Department this week raises the possibility that any of the millions of immigrants living in the United States could be subject to indefinite detention if they are accused of ties to terrorist groups." The Post continues, "In a six-page motion filed in the U.S. Court of Appeals for the 4th Circuit in Richmond, Justice Department lawyers argue that an anti-terrorism law approved by Congress last month allows the government to detain any foreign national declared to be an enemy combatant, even if he is arrested and imprisoned inside the United States. … The government argues that a legal challenge by alleged al-Qaeda sleeper agent Ali Saleh Kahlah al-Marri should be dismissed because the former Bradley University graduate student has no standing in regular civilian courts. Under the new law, the Military Commissions Act, the Pentagon plans to place Marri into its new military trial system as soon as his criminal case is dismissed, according to the filing." The Post adds, "In the past, foreign nationals arrested in the United States have generally had the right to challenge their imprisonment for immigration violations or other alleged crimes in U.S. civilian courts. In the Marri case, the Justice Department essentially argues for an exception for those arrested as enemy combatants, legal experts said. … Justice spokesman Brian Roehrkasse said in a statement that Marri attended an al-Qaeda training camp, met with the alleged mastermind of the Sept. 11, 2001, attacks, Khalid Sheikh Mohammed, and entered the country "to serve as an al Qaeda sleeper agent and to explore methods of disrupting the U.S. financial system. … 'Enemy combatants are not entitled to preferential treatment merely because they have succeeded in entering our borders with the intent to harm American citizens or interests,' Roehrkasse said."

NYTimes Says Administration Has "Abused The Courts." The New York Times (11/15, 1.16M) editorializes, "When President Bush announced in September that he was transferring 14 men suspected of heinous acts of terrorism to Guantánamo Bay, his aim was baldly political -- to stampede Congress into passing a profoundly flawed law that set up military tribunals to try 'illegal enemy combatants' and absolved U.S. officials of liability for illegally detaining and torturing prisoners." But the "cynical White House move may also have unintentionally provided the loose thread to unravel the secrecy and lawlessness that have cloaked the administration's handling of terrorism suspects." When Bush "announced that he was sending the 14 prisoners to Guantánamo for trial, he effectively confirmed the existence of the secret C.I.A. prisons. Later, in the debate over the Military Commissions Act of 2006, Mr. Bush said that Congress had to absolve C.I.A. agents of any legal responsibility for their actions so he could order them to go on interrogating prisoners. That was a major blow to the C.I.A.'s legal strategy. After all, if the president could talk about the prisons and interrogations to suit his political interests, why couldn't they be discussed in court?" Courts are "sympathetic to legitimate claims of national security when it comes to intelligence and military operations. But the Bush administration has abused the courts' — and the nation's — trust in the indiscriminate way it has tried to hide its policies behind a supposed shield of national security."

Suits Allege Security Problems At SuperMax Prison.

CNN.com (11/15) reports from Florence, CO, "Two California court cases are raising questions about whether prisoners in the nation's toughest prison, SuperMax, are continuing to commit crimes by smuggling coded messages out of the high-security institution." CNN continues, "Officially known as Administrative Maximum (ADX) in Florence, Colorado, SuperMax is home to convicted terrorists such as Olympic bomber Eric Rudolph, Unabomber Ted Kaczynski and Ramzi Yousef, who led the first World Trade Center attack. … Even though he is serving a life term, Mexican Mafia leader Ruben 'Nite Owl' Castro was indicted recently on conspiracy charges that accuse him of continuing to run 18th Street Gang drug sales on the streets of Los Angeles from his SuperMax cell. … Two leaders of the Aryan Brotherhood prison gang are to be sentenced next week in federal court in Santa Ana, California. They were convicted on conspiracy charges including instigating a murderous race war at another prison through a message smuggled out of SuperMax." CNN adds, "A report by the Justice Department's inspector general found the Bureau of Prisons 'is unable to effectively monitor the mail of terrorist and other

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high-risk inmates in order to detect and prevent terrorism and criminal activities.' .. While that finding, issued in October, was aimed at the entire federal prison system, the report said SuperMax failed to monitor at least half of each month's inmate phone calls for the last year checked. … The prison employees' union and local officials say the guard force at SuperMax is well below the number employed when the prison opened a dozen years ago, and it has sunk below the minimum manpower levels established a year ago." CNN notes, "A recent ruling by a federal arbitrator said because of manpower problems at SuperMax, entire cell blocks were left without inside staffing for full shifts on a number of occasions. The doors are electronically controlled, however, and there is constant remote-control camera surveillance."

ACLU Suit Claims Warrantless Surveillance Program Is Threat To Democracy. The AP (11/15) reports, "Warrantless wiretaps that the government says are necessary to fight terrorism pose a threat to American democracy, the American Civil Liberties Union said in court papers filed Tuesday." The AP continues, "The ACLU is asking the 6th U.S. Circuit Court of Appeals to reinstate a lower court decision that said the Bush administration's warrantless surveillance program is unconstitutional." The AP adds, "President Bush has said the program is needed to detect terrorists. Opponents argue it oversteps constitutional boundaries on free speech, privacy and executive powers. … 'The government's sweeping theory of executive power would allow the president to violate any law passed by Congress,' the ACLU said. 'This theory presents a profound threat to our democratic system. … The government complains that the district court overreached, but it is the government's theory that is radical, not the district court's rejection of it.'" The AP notes, "The government argued in its brief filed last month that the surveillance program is necessary to protect the nation from an ongoing national security threat. … U.S. District Judge Anna Diggs Taylor in Detroit ruled Aug. 17 that the program violates the rights to free speech and privacy and the separation of powers. … 'The terrorist surveillance program is a critical tool that ensures we have in place an early warning system to detect and prevent a terrorist attack,' said Justice Department spokesman Charles Miller."

Al-Arian Lawyers Appeal Order To Testify In Virginia Charity Case. The AP (11/15) reports Sami Al-Arian "has appealed a federal judge's ruling that forces him to testify before a grand jury in Virginia." His lawyers "contend that the terms of his plea agreement freed him from further cooperation with the government. They asked the 11th Circuit Court of Appeals on Monday to overturn a ruling by a Tampa federal judge forcing Al-Arian to testify in the grand jury investigation of the International Institute of Islamic Thought in Herndon, Va., which funded Al-Arian's Palestinian think tank in Tampa."

Posada Carriles Associates Sentenced To Prison On Weapons Charges. The Miami Herald (11/15, Weaver, 286K) reports, "Two longtime anti-Castro activists convicted of plotting to possess illegal weapons were sentenced to between three and four years in prison Tuesday in Fort Lauderdale federal court. Santiago Alvarez, a wealthy Miami developer who has supported Cuban exile causes, must serve about four years in prison and pay a $10,000 fine. His colleague, Osvaldo Mitat, must serve three years but does not have to pay any fine." The Herald notes, "U.S. government agents first learned about Alvarez in May 2005 when he helped Cuban exile militant Luis Posada Carriles emerge from hiding before his arrest for entering the country illegally. … The government's star witness in the Alvarez-Mitat prosecution was going to be an FBI informant identified as Gilberto Abascal. … The defendants' lawyers claimed Abascal was a spy for the Cuban government and the FBI."

The South Florida Sun-Sentinel (11/15, Blum, 237K) reports, "Defense attorneys argued that the two men in the case were patriots, not crooks," but US District Judge James Cohn said at the sentencing, "This court recognizes the ultimate objective and goal of Mr. Alvarez and Mr. Mitat has always been a free and democratic Cuba. This court does not question the altruistic motive here. However … we are a nation of laws." The AP (11/15, Anderson) notes, "A search at an apartment complex revealed more weapons and thousands of rounds of ammunition. Another arms cache was found in the Bahamas, including C-4 plastic explosives, that prosecutors said was linked to Alvarez."

LATimes Says Posada Carriles Should Be Tried. The Los Angeles Times (11/15, 850K) editorializes, "It is time to bring Cuban terrorist Luis Posada Carriles to justice," as he "stands accused of conspiring to blow up a Cuban airliner in 1976, causing 73 deaths. To let him walk would clearly be an outrage, and trying him in a US courtroom after refusing to hand him over to Venezuela would create a perception problem across Latin America." The Times adds that the US

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"should broker a deal that allows Posada to be tried in a third country whose principled neutrality is not questioned in this case."

German Prosecutor To Investigate Rumsfeld For War Crimes. The New York Times (11/15, Landler, 1.16M) reports, "A week after President Bush announced that Defense Secretary Donald H. Rumsfeld would resign, lawyers asked a German prosecutor to investigate Mr. Rumsfeld and other American officials for suspected war crimes stemming from the treatment of prisoners in military jails in Iraq and Cuba. ... With lawyers all but admitting they do not expect to see Mr. Rumsfeld hauled before a German court, the suit is as much about politics as it is about law. They hope to make an example of the man who helped engineer the war policy in Iraq, hounding him into private life with suits filed in other countries if Germany does not pursue the case." One German attorney "described a protracted legal procedure, during which he said Mr. Rumsfeld might encounter trouble traveling to Germany or other European Union countries. The lawyers picked Germany in part because German law has the principle of universal jurisdiction, under which courts are entitled to prosecute people for war crimes regardless of where the crimes were committed."

The AP (11/14, Graham) reports, "The point [of the plaintiffs] was simply to increase the pressure on top brass they say are culpable." The Washington Post (11/15, 690K) carries an abbreviated version of that AP article.

Researchers Say Bin Laden's Influence On Jihadis Waning. The New York Times (11/15, Mazzetti, 1.16M) reports a US Military Academy research group has concluded that as "radical Islam spreads globally through online forums and chat rooms, a group of obscure Arab religious thinkers may come to exert more influence over the jihadist movement than Osama bin Laden and other well-known leaders of Al Qaeda." In a study "billed as the 'first systematic mapping' of an ideology sometimes called jihadism, the Combating Terrorism Center at West Point has found that Mr. bin Laden and his deputy, Ayman al-Zawahri, have had a relatively minor influence on the movement's intellectual foundation. Among the network's ideologists, they have come to be seen more as propagandists than strategic thinkers." The study "found that the scholarly work of a group of Saudi and Jordanian clerics — most notably Abu Muhammad al-Maqdisi, a Jordanian — seems more likely to influence the next generation of Islamic militants. As a result, the authors found, the death or capture of Mr. bin Laden and Mr. Zawahri would do little to slow the spread of jihadist ideology."

Michigan Bank Terminating Islamic Charity's Accounts. The AP (11/15) reports, "Comerica Bank plans to terminate on Wednesday the accounts of a Muslim charity in Southfield that was the focus of a federal raid two months ago, according to letters the bank sent charity officials. The charity has checking accounts and uses Comerica services such as online banking. The organization has circulated millions of dollars through Comerica Bank over the past decade, said Life for Relief employee Mohammed Alomari." The AP notes, "FBI agents assigned to a terrorism task force searched Life's Southfield offices on Sept. 18, seizing computer servers, donor records and other financial documents. … The FBI would not say what agents were looking for, but charity officials have said it might be related to relief work the group did in Iraq."

PATRIOT ACT:

Couple Face Patriot Act Charges For Harassing Flight Attendant. The Raleigh News & Observer (11/14, Weigl) reported, "A California couple whose in-flight friskiness on the way to the Triangle was a bit much for the other passengers are facing federal charges for harassing the flight attendant who asked them to stop. Carl Warren Persing and Dawn Elizabeth Sewell are scheduled to go to trial Dec. 11…for their behavior during a Sept. 15 flight" from Los Angeles to Raleigh, N.C. They "wouldn't halt their public displays of affection, and Persing threatened the flight attendant who made the request and refused to serve them alcohol, according to the court records." The News & Observer added that according to an affidavit filed by FBI Special Agent Michael Sutton, "The flight attendant refused to serve them alcohol. Persing called the flight attendant 'a punk.' … Persing said, 'You and I are gonna have some serious confrontation when we get off this plane.'"

The AP (11/15) reports, "According to court documents, flight attendants saw Persing and Sewell kissing, embracing and 'acting in a manner that made other passengers uncomfortable' while the plane was stopped in Phoenix. … A flight attendant asked them to stop. They obeyed initially but resumed the behavior during the flight from Phoenix to

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Raleigh, authorities said." The AP notes, "When the flight attendant again requested them to stop, Persing allegedly told the flight attendant: 'I'm going to give you one warning to get out of my face.' … Persing and Sewell continued the verbal harassment after a flight attendant refused to serve Persing alcohol, according to court documents."

AFP (11/15) reports, "A couple's ill-concealed sexual play aboard a Southwest Airlines flight from Los Angeles got them charged with violating the Patriot Act, intended for terrorist acts, and could land them in jail for 20 years." AFP continues, "On a second warning from the flight attendant, Persing snapped back threatening the flight attendant with 'serious consequences' if he did not leave them alone. … The comment was enough to have the couple, both in their early 40s, arrested when the plane reached its destination in Raleigh, North Carolina, and charged with obstructing a flight attendant and with criminal association." AFP notes, "They have been placed under legal surveillance until their trial on February 5. If found guilty, they both could be sent to jail for up to 20 years. … Persing's lawyer William Peregoy said his client was not feeling well when he placed his head on his companion's lap, and that he only threatened the flight attendant with reporting him to his superiors on landing."

HOMELAND RESPONSE:

Abizaid Seen As Possible Replacement For Negroponte. The Washington Post's (11/15, A19) Al Kamen writes in his weekly "In the Loop" column that "the buzz a couple of months back was that Gen. James Jones, chief of the European command, may be moving up to take over Centcom when Gen. John Abizaid retires at the end of this year. Then Abizaid, a civilian, would be able to be named director of national intelligence. The incumbent, John Negroponte, was said to be unhappy and itching to move to a diplomatic post, perhaps as deputy secretary of state." Kamen notes that "the diplo world is home [to Negroponte], because he has served as ambassador to Honduras, Iraq, the Philippines and the United Nations. Also, being deputy to Secretary Condoleezza Rice wouldn't be so bad, because at heart she's a sharing person." Although the plan had been previously dismissed after "Jones decided he couldn't work with Donald Rumsfeld," Kamen says "the buzz has circled back now that Rumsfeld is headed out the door."

Senate To Move On Project BioShield Revamp. The Washington Post (11/15, D1, Merle, 690K) reports, "The Senate is moving to take up legislation as soon as this week " to revamp the "struggling" Project BioShield effort, which is intended "to counter bioterrorism threats with a national stockpile of new vaccines and other drugs." The bill "creates a central authority within the Health and Human Services Department to manage the effort, sets aside an additional $1 billion for research and gives the federal government the flexibility to provide cash infusions to the small firms doing most of the work." The Post adds that the $5.6 billion effort "has been marked by delays and operational problems."

WPost Says Federal Funding For Washington Hospital A Homeland Security Matter. In an editorial urging Congress to fund the ER One project, the Washington Post (11/15, A20, 690K) writes that it would create a facility that "would in normal times provide badly needed emergency treatment to people in the District and the surrounding region and, in the event of a mass disaster, could expand its treatment areas to handle 10 times the regular number of patients. Equally important, the facility was designed to take into account new medical challenges posed by terrorism and emerging diseases." The Post states that while the facility's importance to the Washington area "is clear," it would also "serve as a prototype, providing valuable resources and lessons in emergency care. Already, health-care professionals from other parts of the country have incorporated concepts from ER One into their own operations." However, "If federal money is not forthcoming, hospital officials said, they will have no choice but to build a facility with the money on hand."

DHS IG Says Hundreds Of Unused FEMA Trailers Damaged In Storage. The Los Angeles Times (11/15, Simmons, 850K) reports a report to FEMA Director R. David Paulison by DHS IG Richard L. Skinner says hundreds of modular homes purchased by the agency "for people left homeless by hurricanes Katrina and Rita were damaged beyond repair while in storage because they were not properly protected." Skinner wrote that in the future, the agency should "only order modular housing units if their potential uses have been clearly identified and storage sites are available that provide adequate protection." FEMA spokesman Aaron Walker "said the agency took evaluations and proposals of the inspector general 'very seriously' and,

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with the help of congressional funds, FEMA was investigating 'alternative temporary housing solutions.'"

Katrina Recovery Continues For High School Football Team In Louisiana. In a 1,730 word article, the New York Times (11/15, Longman, 1.16M) reports on the South Plaquemines High Hurricanes, who have moved on to the Round of 16 following a "rousing" playoff victory over Pickering High. Noting the excitement surrounding the team's playoff run, the Times adds that "sometime over the next four weeks, the season will end and playoff euphoria will be replaced anew by uncertainty in the halting recovery from Katrina." The Times focuses on fullback Keven Smith, who "still lives in a 7-by-27-foot FEMA trailer with seven other relatives." Smith said "he does not venture outside much in the FEMA trailer park in Oakville, 30 miles from school. 'Nothing but trouble outside,' Smith said. 'Drugs. I don't get down with that.' … The family has secured a loan from the Small Business Administration to buy a double-wide trailer and hopes to return to Boothville," where they lived in a trailer before the storm, by January.

WAR NEWS:

White House Launches Its Own Formal Review Of Iraq Policies. The Washington Post (11/15, A16, Wright, 690K) reports President Bush "formally launched a sweeping internal review of Iraq policy yesterday, pulling together studies underway by various government agencies, according to U.S. officials. The initiative, begun after Bush met at the White House with his foreign policy team, parallels the effort by the bipartisan Iraq Study Group to salvage US policy in Iraq, develop an exit strategy and protect long-term US interests in the region." The Post adds, "The two reviews are not competitive, administration officials said, although the White House wants to complete the process before mid-December, about the time the Iraq Study Group's final report is expected." A "White House official said, speaking on the condition of anonymity because the new initiative has not been announced," said, "The president has asked all his national security agencies to assess the situation in Iraq, review the options and recommend the best way forward. The ISG report will be duly considered, and we look forward to their recommendations, as the president has always said." The White House review "could give the administration alternatives so that it feels less pressure to fully implement the recommendations of the Iraq Study Group report, foreign policy experts said."

The AP (11/15), meanwhile, reports, "Bitterly divided on Iraq, lawmakers in both parties are eagerly awaiting recommendations from an advisory group led by Republican and Bush family friend James A. Baker III and former Democratic Rep. Lee Hamilton." But "even if the bipartisan Iraq Study Group is able to forge a consensus on how to deal with Iraq -- a prospect that remains unclear -- the panel is unlikely to offer a solution so groundbreaking it will stave off a brewing partisan feud." An indication may be the statement Monday by Sen. Carl Levin, who is in line to be the chairman next year of the Senate Armed Services Committee. Levin said "the Bush administration didn't see that ''we're getting deeper and deeper into a hole' in Iraq."

Rice Says There's No "Magic Bullet." The AP (11/15, Gearan) reports Secretary Rice said Tuesday "there is no magic bullet" solution to the mounting problems in Iraq, and indicated "no new willingness to ask for help from US adversaries in the Middle East." Speaking en route to Hanoi for this week's APEC summit, Rice said, "It is not an issue of whether you talk to somebody," referring to suggestions that the US should engage Iraq's neighbors, Iran and Syria. She continued, "I will talk to anybody, anywhere, anytime, under the right circumstances if I think we can make progress."

Military Experts Warn Against Hasty US Withdrawal. The New York Times (11/15, Gordon, 1.16M) reports, "One of the most resonant arguments in the debate over Iraq holds that the United States can move forward by pulling its troops back, as part of a phased withdrawal," which would theoretically force the Iraqi government to "assume more responsibility for securing and rebuilding Iraq." However, this view "is being challenged by a number of military officers, experts and former generals, including some who have been among the most vehement critics of the Bush administration's Iraq policies." Rumsfeld critic and retired general Anthony Zinni "argued that any substantial reduction of American forces over the next several months would be more likely to accelerate the slide to civil war than stop it." Zinni suggests "deploying additional American forces over the next six months to 'regain momentum' as part of a broader effort to stabilize Iraq that would create more jobs, foster political reconciliation and develop more effective Iraqi security forces." Retired general John Batiste, another Rumsfeld critic, called the pullout idea "terribly naïve"; scholar

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Kenneth Pollack "also argued that a push for troop reductions would backfire by contributing to the disorder in Iraq."

Polls Find Americans Now Expect Pullout, 57% Say Democrats Lack Plan To End War. The CBS Evening New (11/14, story 4, 0:20, Couric) reported, "Most Americans expect a withdrawal of US troops now that the Democrats will be in charge of Congress, even though that is still the President's call. A CBS News poll out tonight finds 72% of Americans expect the Democrats to try to reduce the number of troops in Iraq or pull them out altogether."

The AP (11/15, Kuhnhenn) reports, "More Americans rank Iraq as the top priority of the new Democratic-controlled Congress, but nearly three out of five say the party does not have a plan to deal with the war." An Associated Press-Ipsos poll "showed lingering uncertainty about the country's direction and the ability of Democrats and President Bush to work together. … A majority of the public did not detect a clear Democratic blueprint for ending the war. Fifty-seven percent of all adults in the AP-Ipsos poll said Democrats do not have a plan for Iraq; 29 percent said they do."

Iraqi Study Group Hears From Blair. ABC World News (11/14, story 2, 0:20, Gibson, 8.78M) reported, "Using a video link, Britain's Prime Minister Tony Blair spoke with the Iraq Study Group, the bipartisan panel that's reviewing US strategy in Iraq. Blair said resolving the conflict between the Israelis and the Palestinians would help end militancy in Iraq and, he said, across the Middle East." The CBS Evening News (11/14, story 3, 0:45, Couric, 7.66M) and NBC Nightly News (11/14, story 3, 0:35, Williams, 9.87M) also ran the story. CBS reported Blair "told the panel that ending the violence in Iraq depends on getting Syria and Iran involved in the process. Blair did not set a timetable, though, for withdrawing British troops." NBC, meanwhile said the British Prime Minister "called Iran a threat to the entire Middle East but he said a strategy that wins over moderate Muslims might pressure Iran to actually work for peace."

The Washington Times/AP (11/15, Stringer) notes Blair, "Bush's closest ally on Iraq, emphasized the importance of a resolution to the Israeli-Palestinian conflict, which he said was 'important in its own right, but also to take away the issue that was most exploited by extremist elements around the region.'" Blair's spokesman "briefed reporters on background after the session."

White House Denies Rift With Blair. AFP (11/15) reports the White House "has rushed to deny claims of a diplomatic rift with its closest European ally Britain, after Prime Minister Tony Blair mooted a 'partnership' with US foes Iran and Syria" during a foreign policy address this week. White House spokesman Tony Snow told AFP Tuesday that "suggestions in the British and US media that Blair's remarks signaled cracks between Downing Street and the White House were mischaracterizations." Snow said, "Read his speech, and you'll see there is no difference between the governments."

Iraq Study Group Sparks Commentary. In her column in the New York Times (11/15, 1.16M), Maureen Dowd finds fault with both the "Idealists" who instigated the Iraq war and the first President Bush's "Realists," who failed to stop Saddam's "slaughtering thousands of innocent" Iraqis and "decided to do nothing about the genocidal Serbian war on Bosnia." She says pessimistically of James Baker, "The president got the message that some shades of gray were desirable and brought in the family fixer with the bright green ties, who is perfectly positioned to come up with a solution that will fly in Washington and flop in Baghdad."

In his Washington Post (11/15, 690K) column, David Ignatius writes of the Baker commission, "If the tipsters are right, the commission will recommend a regional dialogue that involves Iraq's neighbors -- including Iran and Syria -- along with a new effort to resolve the Israeli-Palestinian conflict. ... This 2003 [US-Iranian] dialogue collapsed largely because of an Iranian demand for 'pursuit of anti-Iranian terrorists' from the Mujaheddin-e Khalq organization who were in Iraq. Absurdly, the Pentagon balked because of a fantasy that the group could help foment revolution in Iran. The Iranians may now say that the 2003 dialogue for 'mutual respect' is off the table, but Baker should find out -- by going to Tehran. ... the essence of a negotiation is that, in the pursuit of mutual interest, the parties narrow their demands to ones that are achievable."

On MSNBC's Tucker (11/14, Carlson), A.B. Stoddard, Associate Editor of The Hill, said, "We have been reading in the papers now about the secret workings of the Iraq study group and one of the things that has emerged among some sort of old kicked around ideas, one of the new ones, is engaging Iran and Syria. So I understand why Bush is saying no, because it clearly -- we're trying to convince Iran to disengage their nuclear -- potential nuclear weapons program. I mean they say it's not, we say it is. But at the same time, the Iraq study group -- we're hanging all our hopes, the members of both parties are hanging all their hopes on the

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recommendations from that committee and I have a feeling that's sort of the most novel idea that's going to come out of it."

On MSNBC's Hardball (11/14, Matthews), former CIA officer Bob Baer said, "What Baker and that commission is looking at, I would imagine, is how do we keep the chaos in Iraq from migrating south into the Arab Gulf? Which by the way I say over and over again, 60 percent of the world's oil reserves are sitting there vulnerable."

In the Christian Science Monitor (11/15, 59K), Scott Peterson implicitly faults president Bush for making Iran a member of the "Axis of Evil" after it "helped the US extensively in Afghanistan to overthrow the Taliban and establish a new government." Today, "Bringing Iran - and Syria - into a regional process to stabilize Iraq is being touted both by British Prime Minister Tony Blair and the Iraq Study Group," but Iran is now "much more defiant, and much more over-confident" and is led by "arch-conservative Mahmoud Ahmadinejad, who has spoken vociferously at every opportunity to reinvigorate the ideals of the 1979 Islamic revolution." Peterson adds, "Beneath the heated rhetoric, Iran and the US have both sent signals for months that they are ready to engage in some way." Professor Vali Nasr suggests that Iran could "get [Iraqi Shiites] to accept political compromises with Sunnis" and could "stop funding radical parties and weapons traffic," if the US offered suitable "security guarantees."

At Least 50 People Kidnapped In Iraqi Education Ministry. The Washington Times/AP (11/15, Hurst) reports, "Suspected Shiite militiamen dressed as Interior Ministry commandos stormed a Higher Education Ministry office Tuesday and kidnapped dozens of people after clearing the area under the guise of providing security for what they claimed would be a visit by the US ambassador. Witnesses and authorities said the gunmen raced through all four stories of the building, forced men and women into separate rooms, handcuffed the men and loaded them aboard about 20 pickup trucks." The AP adds, "There were varying estimates of the number of people kidnapped, but it appeared that at least 50 were seized -- one of the largest mass abductions in Iraq. Authorities said as many as 20 were later released, but said a broadcast report that most hostages were freed appeared to be false. The assault came on a day that saw at least 117 people die in the mounting disorder and violence gripping the country."

ABC World News (11/14, lead story, 2:50, Gibson, 8.78M) called the abductions "brazen," "audacious" and "chilling." ABC (McCarthy) added, "Take a mother's anguish for her missing son. Multiply by 100. The victims of today's mass kidnapping? Government workers who administer university scholarships."

The CBS Evening News (11/14, lead story, 2:30, Couric, 7.66M) reported, "Well, just when you think it can't get any worse in Iraq, it does." CBS (Palmer) added from Iraq, "Everyone here is deeply worried that a mass abduction on this scale must have had support from inside the Iraqi security services."

NBC Nightly News (11/14, lead story, Aspell, 9.87M) reported, "The Iraqi parliament called the kidnapping a 'catastrophe,' threatening to close universities to protest the lack of security for academics. More than 150 have been murdered in the past three years. Islamic militants accuse them of being too liberal. Many teachers want to leave Iraq. … Tonight, Iraqi state TV says the local police commander and his deputy are under arrest for dereliction of duty after today's kidnappings along with three other officers. Tonight the Iraqis have launched a huge security operation to try and locate the kidnap victims. The Interior Ministry says at least 30 have already been freed." NBC Nightly News (11/14, story 2, 1:25, Espell, 9.87M) also reported that "every day Iraq appears closer to an open civil war. … The higher Education Ministry attacked today is often accused in Baghdad of having links with Sunni Muslim hard-line groups. Al Qaeda supporters. But it was attacked by a radical illegal Shi'ite militia group with links to the official Iraqi government. So we have government institutions that are now being targeted by militia groups that are themselves linked to the government."

USA Today (11/15, Brook, Sabah, 2.27M) reports Alaa Makki, "head of parliament's education committee, said the gunmen worked from a list of names. Those kidnapped included the office's deputy general directors."

The New York Times (11/15, Burns, Luo, 1.16M) reports, "Late in the evening there were conflicting reports that some or most of those taken had been freed. Iraqiya state television reported that most of those seized had been freed in security operations, but a Shiite station, Al Furat, said 25 people were still missing." The Los Angeles Times (11/15, Moore, 850K) says "the incident was similar to a raid on a Sunni Arab-owned meatpacking plant more than a month ago in which police commandos kidnapped at least 60 workers, many of whom were discovered slain days later.

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That raid sparked an investigation by the US Army and moved Iraqi Prime Minister Nouri Maliki to suspend an entire commando unit for retraining."

The Washington Post (11/15, A1, Raghavan, 690K) also reports "Tuesday's incident was a well-orchestrated reminder of how challenging basic security remains in Iraq at a time when U.S. officials are pressing Iraqi Prime Minister Nouri al-Maliki to assert more control."

The CBS Evening News (11/14, story 2, 1:45, Couric, 7.66M) interviewed Zainab al-Suwaij, "an Iraqi exile who is executive director of the American Islamic Congress. She visits Iraq monthly and is working to improve the country's education system. The killing and kidnapping of intellectuals is on the rise. Since February, many, many professors have been killed. Some 3,000 have left the country. Why are academics being targeted this way?" Al-Suwaij, "Because most of the insurgents in Iraq, they don't want the intellectuals, and they don't want people who are highly educated to be there to have a function in society and country."

Abizaid To Face An "Impatient" Congress. The Washington Post (11/15, A6, Tyson, 690K) reports, "Senate Democrats impatient to start withdrawing US troops from Iraq will inject a new political dynamic into the debate over the war beginning today as they question the military's top Middle East commander for the first time since their party swept into control of Congress this month." Army Gen. John P. Abizaid, head of the U.S. Central Command, will face questions from the Senate Armed Services Committee "on the violence in Iraq and what it means for the roughly 145,000 US troops" Democrats "have made it clear that they intend to bolster the committee's oversight role, and an influx of new members, including Democrat James Webb of Virginia, is expected to further invigorate debate. ... Democrats say a driving factor in their push for drawing down US troops in Iraq is the strain on the all-volunteer military from repeated combat zone deployments, as well as from billions of dollars' worth of equipment wear and tear that has hurt the military's preparedness should another conflict break out." Some Democrats such as Sen. Hillary Clinton "advocate increasing the size of the Army."

Bill To Extend Iraq Inspector General Wins Senate Approval. The San Jose Mercury News/AP (11/15, Frommer) reports, "The Senate approved an amendment Tuesday to extend an investigative office that unearthed millions of dollars in waste and fraud associated with the rebuilding of Iraq. The amendment, passed by voice vote as part of the military construction and veterans' spending bill, would keep the inspector general's office running through October 2008." Sens. Susan Collins, Joseph Lieberman, and Russ Feingold are quoted praising the office's performance.

Website Counts US Deaths In Iraq. The Los Angeles Times (11/15, Fausset, 850K) reports from Stone Mountain, Georgia, "No one asked Michael White to count the dead soldiers in Iraq. ... But for almost 3 1/2 years -- for no pay and no glory -- White has kept a meticulous tally of every U.S. and coalition military fatality, posting the names and the numbers on his Web site, www.icasualties.org. ... Today, the Los Angeles Times, The Washington Post, and The New York Times use White's numbers to show the extent of the nation's collective sacrifice." White "packages" the information: "One map shows the number of coalition and U.S. deaths that occurred in each Iraqi province. It reveals that Anbar province -- the largest in the nation and home to the battle-scarred city of Fallujah -- has seen more than 1,040 coalition deaths, making it a deadlier place than Baghdad, with 746 deaths. ... He also breaks down the number of deaths by city [of origin]. Those kinds of details are among the chief attractions for journalists."

Soldier In Iraqi Rape Trial Is Expected To Plead Guilty. The Washington Post (11/15, A16, White, 690K) reports, "A U.S. Army soldier who is accused of taking part in a plan to rape an Iraqi teenage girl and murder her family in March is scheduled to plead guilty today to numerous charges in a military court in Kentucky, the soldier's civilian lawyer said yesterday. Spec. James P. Barker would be the first soldier involved in the gruesome rape and killings in Mahmudiyah to publicly take responsibility for the attack," which "shocked" the US military and Iraqis. An attorney "said Barker is remorseful for the attack, which he said arose out of an extremely stressful environment in an insurgent stronghold south of Baghdad." By agreeing "to testify against others who were involved," Barker avoids the death penalty but still faces life in prison.

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Gonzales To Unveil Ashcroft Portrait At Main Justice. In his "In The Loop" column for the Washington Post (11/15, A19), Al Kamen writes, "Attorney General Alberto Gonzales, at 10 a.m. sharp on Friday, will be in the Great Hall of the Justice Department for the 'unveiling of the official portrait of former Attorney General John Ashcroft,' the department announced." Kamen adds, "This is Gonzales's second 'Great Unveiling.' The first was when he succeeded Ashcroft and took down that goofy $8,000 blue curtain that Ashcroft put up in the Great Hall to cover the bare right breast of a 12-foot statue of a woman, the Spirit of Justice (a.k.a. 'Minnie Lou')."

CORPORATE SCANDALS:

DOJ, IRS Officials Warn Lawmakers About Fraudulent "Shell Companies." The Washington Post (11/15, D02, Johnson) reports, "Lax state standards allow millions of companies to incorporate every year without their owners being identified, a practice that lets tax evasion, money laundering and securities fraud go undetected, federal officials told a Senate panel yesterday." The Post continues, "Leaders of the Senate Government Affairs Committee's permanent subcommittee on investigations sounded alarms about lenient rules that apply to about 2 million new businesses that incorporate in the United States every year. In most cases, states fail to seek basic ownership information from companies and often do not check what little data is provided in follow-up reports against criminal justice databases. … Lack of transparency over who controls the companies amounts to 'an unacceptable risk to our national security and our treasury,' said Sen. Carl M. Levin (D-Mich.), whose staff initiated the investigation." The Post adds, "Justice Department and Internal Revenue Service officials who investigate financial wrongdoing testified that they are frequently stymied by the problem. 'We have important investigations that are hitting brick walls because no one has the ownership information,' said Stuart D. Nash, associate deputy attorney general."

The Washington Times (11/15, Seper) reports, "Nash told the Homeland Security and Governmental Affairs permanent subcommittee on investigations that a person without any identification can form a corporation and establish a new business nationwide 'within as little as five minutes.' … 'The corporation is then a legal entity that can engage in business and open a bank account,' Mr. Nash said. 'Yet, some of the most important information about the corporation -- its ownership -- is nowhere recorded. If that corporation were to engage in fraudulent or negligent activity, it would be very difficult, or even impossible, to identify its beneficial owners. … Domestic or foreign law-enforcement agents would be stymied in their attempts to conduct an investigation because they would be unable to find out who is behind the illegal activity,' he said." The Times notes, "The subcommittee is investigating the issue of states incorporating nearly 2 million new U.S. companies each year without identifying the company owners, and the law-enforcement problems that result when some of these companies become engaged in money laundering, tax evasion or other crimes."

The AP (11/15, Gordon) reports, "The Justice Department said Russian officials used shell companies incorporated in Pennsylvania and Delaware to illegally divert $15 million in international aid intended for improving the safety of nuclear power plants in the former Soviet Union. … The FBI found that U.S. shell companies are being used to launder as much as $36 billion coming from the former Soviet Union."

SEC Settles Fiscal Charges With San Diego. The AP (11/15, Spagat) reports, "The U.S. Securities and Exchange Commission on Tuesday ordered San Diego to hire an independent financial consultant for three years but stopped short of levying fines to punish the nation's eighth-largest city for failing to disclose financial obligations when it sold bonds." The AP continues, "San Diego also agreed to avoid future violations of securities laws. The SEC did not sanction current or former officials but said it will continue to investigate 'individuals and other entities that may have violated the federal securities laws.'" The AP adds, "The SEC and Justice Department began investigating San Diego in February 2004 after the city admitted errors and omissions in its financial statements. The federal probes triggered tumult at City Hall that culminated in the mayor's resignation. … The city made 'misleading statements' in five bond offerings in 2002 and 2003 that raised $260 million from investors, the SEC said. … According to the SEC, the city failed to disclose that its unfunded pension liability - the gap between the value of its pension assets and its obligation to retirees - would

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balloon to $2 billion by 2009 from $284 million in 2002. The city also failed to tell potential investors it carried a $1.1 billion liability for retiree health care."

Mutual Fund Analyst At Center Of Fraud Suit Arrested. The Financial Times (11/15, White) reports, "The alleged operative at the centre of a high-profile civil lawsuit against a group of powerful hedge funds has been arrested in New York on a wire fraud charge." The Times continues, "Spyro Contogouris was taken into custody on Monday on charges that he stole more than $5m from a former employer, the US Attorney for the Southern District of New York said on Tuesday. … The charge is unrelated to the private $5bn lawsuit filed by Canadian insurance group Fairfax Financial against Mr Contogouris and a group of hedge funds including Exis Capital and SAC Capital Management, the $10bn fund run by billionaire Steven Cohen. … However, the US Attorney's office said its investigation into Mr Contogouris is continuing. And the charges may bolster the lawsuit filed by Canadian insurance group Fairfax Financial." The Times adds, "In the lawsuit, Fairfax claims Mr Contogouris and the hedge funds conspired to generate bogus analyst reports critical of the company, sent threatening letters to Prem Watsa, Fairfax chief executive, and his friends and family, tried to intimidate employees into providing sensitive inside information and attempted to plant negative news stories about the company. … The hedge funds and Mr Contogouris have denied the allegations."

Despite Scandals, Tyco To Maintain Name. The Financial Times (11/15, Guerrera, Bowe) reports, "The scandal-tainted Tyco name will survive the company's planned break-up, following the decision by Tyco Electronics, one of US conglomerate's three main units, to retain the brand despite its association with recent corporate excesses." The Times continues, "The surprising move comes after Tyco Electronics concluded that the value placed on the name by customers and employees was more powerful than the memory of Dennis Kozlowski, the former head of Tyco who has been convicted of looting the company." The Times adds, "The decision - to be announced on Wednesday - runs counter to recent trends that have seen companies such as Phillip Morris and British Petroleum change names and logos, often at great expense, in an effort to refresh their image and break with the past. … Tyco International, the group's main division which sells fire and security systems, is also expected to retain its name after the conglomerate splits into three next year, leaving the healthcare business as the only one seeking a new name." The Times notes, "Mr Kozlowski's actions earned Tyco a place in the unholy trinity of companies that exemplified the US corporate scandals of the late 1990s alongside Enron and WolrdCom, at least in the eye of the press and the investing public. … Tyco has tried to resist this perception, pointing out that, unlike the other two companies, the $40bn-a-year conglomerate stayed in business and made a fresh start under new management."

CRIMINAL LAW:

Abramoff To Report To Prison Today. The Washington Post (11/15, A06, Schmidt) reports, "Jack Abramoff, the former lobbyist blamed for a corruption scandal that contributed to the Republican loss of Congress last week, is scheduled to report to federal prison today." The Post continues, "Abramoff, 47, will begin serving a sentence of five years and 10 months at a minimum-security prison camp in Cumberland, Md., for defrauding banks of $23 million in his purchase of a Florida casino cruise line six years ago." The Post adds, "Abramoff has also pleaded guilty in Washington to fraud, tax evasion and conspiracy to bribe public officials. He is to be sentenced in that case next year, after he completes his cooperation with the Justice Department's wide-ranging investigation of his dealings with officials in Congress and executive-branch agencies. … Once a powerhouse in the Republican effort to dominate K Street, Abramoff has become a symbol of lobbying greed and excess. Eight people have been convicted or have pleaded guilty in connection with his schemes, including former Ohio representative Robert W. Ney."

The AP (11/15) reports, "If it were up to the Justice Department, Mr. Abramoff wouldn't be heading to prison – at least not yet. He could hold the key to a sweeping corruption case involving Congress and members of the Bush administration and their aides. And prosecutors said putting their star witness behind bars would impede the investigation. … But a federal judge in Miami refused to delay the sentence, meaning Mr. Abramoff's cooperation will have to continue from prison. Mr. Abramoff's lawyers had no comment." The AP adds, "Mr. Abramoff was originally assigned to a federal prison in Pennsylvania about four hours from Washington.

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Prosecutors wanted him assigned to a prison in Cumberland, Md., about two hours away. … The Justice Department said the issue has been resolved and, though the Bureau of Prisons will not comment on where Mr. Abramoff will report, prison officials began making preparation for a crush of reporters outside the Cumberland prison."

The New York Times (11/15, Shenon) reports, "Federal prosecutors say that the investigation of Mr. Abramoff's lobbying operation is far from over and that, since his plea bargain was announced last January, he has provided valuable evidence of potential wrongdoing by public officials. … Prosecutors have not identified other targets of the investigation. But the inquiry has created alarm on Capitol Hill and was a factor in the defeat in last week's elections of at least three Republican lawmakers who were portrayed by their Democratic opponents as close to Mr. Abramoff."

Abramoff Could Implicate Six To Eight Democratic Senators, Rove. On the Internet, ABC News "The Blotter" (11/14, Ross, Schwartz) reported yesterday afternoon that "sources close to the investigation say Abramoff has provided information on his dealings with and campaign contributions and gifts to 'dozens of members of Congress and staff,' including what Abramoff has reportedly described as 'six to eight seriously corrupt Democratic senators.'" The sources also say Abramoff "was about to provide information about Bush administration officials, including Karl Rove, 'accepting things of value' from Abramoff. "

University To Remove Ney's Name From Building. USA Today (11/15, Cauchon, 2.27M) notes Ney "lost his job as a congressman. Now, he's on his way to losing another classic political honor -- having a building named after him." Ohio University "has begun the process of removing Ney's name from the Robert W. Ney Center for Health and Physical Education at its campus in St. Clairsville, near the West Virginia border."

Federal Panel To Seek Ways To Curb Prison Rape. The AP (11/15, Thompson) reports, "Thomas Clinton says he and six of the other 10 homosexuals in his cell block were raped in prison. … National prison officials and experts on Tuesday said they have no idea if the 36-year-old Los Angeles man's experience is typical. They are only now beginning studies to see how widespread sexual assault and consensual sex are behind bars." The AP continues, "Spurred by a 2003 federal law, the U.S. Department of Justice's new Review Panel on Prison Rape began two days of hearings Tuesday at California's Folsom Prison to learn what the country's largest state prison system is doing about the problem. … It is the start of a monthslong national effort to find how many prison inmates are victims of sexual assault and how to deter the attacks. … 'We don't know to what extent the problem exists,' the federal rape panel's chairman, Steve McFarland, said in an interview." The AP adds, "Reports of assaults 'may be just the tip of the iceberg. We haven't a clue,' said McFarland, who also directs the Justice Department's Task Force for Faith-Based and Community Initiatives." The AP notes, "Congress, in passing the federal rape law, cited estimates that 13 percent of inmates are assaulted nationwide. The federal Bureau of Justice Statistics, in a 1997 survey, put the incidence at less than 1 percent. … California legislative researchers found 4.4 percent of California inmates reported assaults in 2000, compared to 4 percent in Florida, 2.5 percent in Texas, 2.3 percent in New York and 1.7 percent in federal penitentiaries. But reporting methods vary so widely that the figures are useless, McFarland said."

Two MS-13 Members Convicted Of Racketeering In Maryland. The Washington Post (11/15, B02, Castaneda) reports, "In the first major victory for federal prosecutors in a sweeping legal assault on MS-13 in Maryland, a federal jury in Greenbelt yesterday convicted two members of the violent Latino street gang of criminal racketeering." The Post continues, "Edgar Alberto Ayala, known as 'Pony,' 29, and Oscar Ramos Velasquez, 21, known as 'Casper,' both Salvadoran immigrants, were found guilty of conspiracy to commit murder to further the racketeering enterprise." The Post adds, "The racketeering prosecution is part of an investigative and legal offensive begun by federal authorities last year against a gang that as recently as five years ago was little known outside law enforcement circles and the neighborhoods it operates in. … Locally, law enforcement officials have attributed dozens of homicides and nonfatal assaults in recent years to MS-13 members in suburban Maryland, Northern Virginia and, to a lesser extent, the District. Nationwide, federal officials have formed an MS-13 task force, which began operating last year out of FBI headquarters. … The jury's decision, reached during five days of deliberations, means that both men are eligible for a maximum possible sentence of life in prison without parole." The Post notes, "The defendants were among 22 in Maryland charged more than a year ago under the Racketeer

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Influenced and Corrupt Organizations Act. The RICO indictment alleges that members of MS-13, a gang also known as Mara Salvatrucha, killed six people and attempted to kill four others between April 2003 and June 2005 in Prince George's and Montgomery counties."

Judge Allows DOJ To Examine Some Jefferson Documents. Roll Call (11/15, Bresnahan, Newmyer) reports, "With the corruption investigation of Rep. William Jefferson (D-La.) stalled for the last several months by a legal battle, a federal appeals court on Tuesday ordered Jefferson's lawyers to begin turning over some documents to the Department of Justice." The US Court of Appeals for the District of Columbia Circuit also "set a briefing schedule for its review of whether the May 20 FBI raid on Jefferson's Capitol Hill office was constitutional." Roll Call adds, "The briefing schedule signals that Jefferson's legal challenge to the raid is likely to continue into next summer or even well into the fall, although legal experts believe that Tuesday's order by the court could provide the Justice Department with a 'face-saving' means of indicting Jefferson before the appeals court issues a ruling." However, "it is still unlikely…that Jefferson will be indicted before the end of the year, according to legal experts -- good news for the embattled incumbent who faces a tough slog in his Louisiana runoff election."

Ruling May Delay Jefferson Probe. The New Orleans Times-Picayune (11/14, Alpert, Walsh) reports, "In an order that could delay the government's decision on whether to indict Rep. William Jefferson, a three-judge panel has put off until at least the spring a final decision on legal challenges to some documents taken in a historic raid of the congressman's Capitol Hill office last May." The Times-Picayune continues, "While the U.S. Court of Appeals for Washington D.C., said that the Justice Department can immediately begin examining those documents and computer files not challenged by Jefferson and his attorneys, it is the disputed documents that are expected to be most critical to the government's 20-month probe into allegations of bribery and corruption. Jefferson has denied wrongdoing and has not been charged in the investigation that has netted guilty pleas from two of his former associates. … 'I can't imagine that the (unchallenged) documents would yield anything of value to the government,' said Carl Tobias, a constitutional law expert at the University of Richmond." The Times-Picayune adds, "The ruling will likely force another delay in the case, which began in March 2005 and has stalled over the question of whether the search of the congressional office breached the separation between the executive and legislative branches. … Justice Department officials could decide that the additional delay in the investigation it hoped to wrap up shortly after its May 20-21 raid of Jefferson's office is unacceptable and move forward based on evidence it has already collected in the case. But that would make it harder for the agency to justify what was a highly controversial raid of Jefferson's office, drawing charges of overreach by the top Republican and Democrat in the House of Representatives."

FBI Agent Said To Believe Bulger On California Surveillance Video. KFMB-TV San Diego (11/14) reported on its Web site from a broadcast story, "The News 8 CrimeFighters are on a manhunt for a notorious Boston mob boss who was spotted in San Diego." James "Whitey" Bulger "is one of the most high-profile fugitives in America, second only to Osama bin Laden on the FBI's 10 Most Wanted list, and he "was spotted here in San Diego, catching a screening of the gangster movie 'The Departed' at a theater in Horton Plaza. … A law enforcement officer says he spotted Bulger in the crowd, and followed him to a trolley stop…before losing him. Sources confirm the FBI grabbed surveillance video from both the mall and the movie theater. While the FBI says it's a non-credible sighting, sources who viewed the surveillance tape say one agent remarked out loud, 'that's him' when the suspect appeared in the video." KFMB noted, "It was a Boston FBI agent who tipped Bulger off to the pending indictment against him in 1995. That agent was later sent to prison."

Based on the KMFB story, WBZ-TV Boston (11/14, Germano) reported on its Web site from a story broadcast yesterday, "The FBI here in Boston isn't shedding any light on this new claim from a San Diego agent that it could, in fact, be Bulger. They'll only say the Bulger investigation remains a high priority and they follow up on any and all leads. Currently, there is a $1 million reward for Bulger's arrest. He's second only to Osama bin Laden on the FBI's ten most wanted list."

The Boston Herald (11/15, Wedge, Johnson, 184K) reports, "Gail Marcinkiewicz, spokeswoman for the Boston FBI office, which is leading the task force to hunt down Bulger, said last night she could not confirm that agents seized the tapes. 'I would assume that they would,' she said. April Langwell, spokeswoman for the FBI's San Diego's

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office, said earlier yesterday they have yet to confirm that Bulger was spotted leaving the cinema. 'It would be exciting to capture him, but for right now, it was just considered non-credible information,' she said. However, several sources have told the Herald the FBI is taking the sighting seriously."

Tennessee Driving School Owner Sentenced To Prison For Bribery. The Tennessean (11/15, Bottorff) reports, "The former owner of a Murfreesboro driving school was sentenced to six years in prison for bribing employees of the Tennessee Department of Safety to help customers, federal prosecutors announced Tuesday. The sentencing follows a guilty plea entered in July by Bryan Guess to three public corruption charges related to bribes he paid the Tennessee Department of Safety, according to a press release issued by the Office of the United States Attorney for the Middle District of Tennessee. … His arrest was part of Operation Crooked Highway, a multi-agency investigation that resulted in six people charged with bribery and conspiracy." The Tennessean notes Guess also "forfeited more than $162,000 he earned as part of the scheme."

FBI Says Goya Painting Stolen From Unattended Truck. The New York Times (11/15, Ramirez, 1.16M) reports, "The F.B.I. yesterday said it had no updates on the theft of a painting by Goya that was being trucked to an exhibition opening on Friday at the Solomon R. Guggenheim Museum." However, Philadelphia FBI spokeswoman Jerri Williams did say yesterday that "the painting was found to be missing near Scranton, Pa., on Nov. 9 while the truck was unattended. 'The people who were transporting it stopped for a break,' she said, 'and the painting was taken from the vehicle.'" ABC News' The Blotter (11/14, Walter, 2:30 p.m.) added, "'It appears that the person or persons involved knew what they were doing,' a FBI spokesperson told ABC News. But the spokesperson added, 'There is no reason to believe the people transporting the artwork were involved.'" The Philadelphia Inquirer (11/15, Boyer, 385K) notes, "The insurer of the painting is offering a reward of up to $50,000 for information leading to the recovery of the painting, the FBI said. Anyone with information on the painting is asked to contact the Philadelphia Division of the FBI at 215-418-4000 or another FBI office."

35-Year-Old Brooklyn Ironworks Owner Named New Bonanno Boss. The New York Daily News (11/15, Marzulli, 729K) reports, "The Bonanno crime family has tapped a man of steel to rebuild its crumbling empire, the Daily News has learned. He's Salvatore (Sal the Ironworker) Montagna, the newly minted boss of the Mafia family, according to law enforcement sources -- and he's practically a bambino at only 35 years of age. The Sicilian-born Montagna and his wife, Francesca, own a small ironworks company in Brooklyn, but they show no signs of living the high-life of a Mafia don." Former Brooklyn US attorney's office investigator Mark Feldman "said the move clearly 'signals desperation' on the part of a mob family that has seen three bosses and acting dons bite the dust in three years." The Daily News notes author Thomas Reppetto said, "There may no longer be a boss in the sense that we understood the term, an all-powerful figure at the top, because naming an official boss provides the FBI with a clear target."

Man Sentenced To Life Term For Killing Johns Hopkins Student. The Baltimore Sun (11/15, Bykowicz, Dang) reports, "The high school dropout and transient Baltimore restaurant worker ingratiated himself into a social circle of Johns Hopkins students. But all the while, he was honing his burglary skills near the prestigious university, lifting little things, such as music players, coins and even food from the students' refrigerators." The Sun continues, "It was late Jan. 22, 2005, when Donta Maurice Allen broke into the Charles Village apartment that Linda Trinh shared with two other women, a botched burglary that, prosecutors said Tuesday, led to Allen's choking and beating Trinh and leaving her face down in her bathtub. … Allen, 28, pleaded guilty Tuesday in Baltimore Circuit Court to first-degree murder, securing a life sentence with the possibility of parole. He is to be sentenced in January." The Sun adds, "Until Tuesday, which was to be the first day of trial, city prosecutors had sought life without the possibility of parole. … During and after the court hearing, the prosecutor and defense attorney gave the first in-depth explanation of how and why the promising student, a 21-year-old biomedical engineering major with dozens of friends, died."

FBI Reenergizes Wales Murder Investigation. Under the headline "'This Is Not A Cold Case,' F.B.I. Says 5 Years After Prosecutor's Killing," the New

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York Times (11/15, Kowal, 1.16M) reports, "A failed polygraph test by a gun collector. Handwriting samples from a chief suspect. A daughter's plea for the public's help. These three strands have breathed new life into the stalled five-year investigation" into the murder of Assistant US Attorney Thomas C. Wales. "The Federal Bureau of Investigation, which has offered a $1 million reward for information leading to a conviction, says it has interviewed about 4,000 people and followed 10,000 leads in 50 states and several Eastern European countries. But there was a strong sense in Seattle that the case was stuck. The authorities used the fifth anniversary of the shooting to raise the profile of the investigation and even urged Mr. Wales's son and daughter to ask the public for help in solving the crime. … Robert Geeslin, the F.B.I. agent who is supervising the investigation, said, 'This is not a cold case.'" The Times recounts the questioning of the gun collector, Albert Kwan, and an unidentified commercial airline pilot, but suggests that neither are likely to provide significant momentum to the investigation.

North Carolina Sheriff-Elect Faces Rape Charges. The New York Times (11/15, Newspapers) reports, "A campaign for sheriff usually focuses on who would be the best candidate to fight crime. In Polk County, N.C., voters have elected a new sheriff who faces charges of raping two girls more than 15 years ago." The Times continues, "The winner, Chris Abril, was until recently the police chief here in Columbus, a small town about 80 miles west of Charlotte and the seat of Polk County. … Mr. Abril, who defeated Sheriff David Satterfield on Tuesday, has been on nondisciplinary suspension with pay since his arrest on Aug. 28 on charges that he committed two rapes, one in 1988 and the other in 1989. The victims, according to court papers, were two Polk County girls, ages 10 and 12." The Times adds, "Mr. Abril, 45, was charged with five counts of first-degree statutory rape and one count of first-degree sexual offense and was released after posting a $100,000 bond. He said the charges were politically motivated. … 'I am not capable of committing these crimes,' Mr. Abril, a Democrat, said at a rally of his political supporters shortly after his release. 'To my prosecutors, if this is not politically motivated, give me a trial in Superior Court so I can clear my name prior to the election.' … Mr. Abril said later that he had been a suspect in a single rape in the late 1980s but that no evidence existed to charge him. Somehow, he said, a second alleged victim surfaced in March, but he said he had no information beyond that."

CIVIL LAW:

Cheney Seeks Dismissal Of CIA Leak Suit. The AP (11/15, Apuzzo) reports, "Vice President Dick Cheney asked a federal judge Tuesday to dismiss a lawsuit brought against him by a former CIA operative who says the White House leaked her identity to the press." The AP continues, "Cheney's attorneys criticized the lawsuit in court papers, saying it invented constitutional rights, intruded on national security discussions and came two years after the statute of limitations had expired. … Former CIA operative Valerie Plame Wilson claims that she was outed as retribution for her husband's criticism of the administration's prewar intelligence on Iraq." The AP adds, "Special Prosecutor Patrick Fitzgerald spent years investigating who revealed her identity to syndicated columnist Robert Novak in 2003 but nobody was charged with the leak. Cheney's former chief of staff, I. Lewis 'Scooter' Libby, who faces trial in January on perjury and obstruction, is the only person charged in the case. … Wilson's civil lawsuit is continuing alongside Libby's criminal case. In seeking to dismiss the case, Cheney said Wilson doesn't have any grounds to bring the suit and, even if she did, the vice president is shielded from civil suits. … The suit centers on conversations between Cheney and Libby about Plame's job at the CIA. … 'Plaintiffs invite the judicial branch to permit intrusive discovery into those communications and to discern which among them might be, as a matter of tort law, wrongful and which not,' Cheney's attorneys wrote. 'Such an inquiry cannot be squared with basic separation of powers principles.' … The Justice Department also weighed in on behalf of Cheney and other Bush administration officials including presidential adviser Karl Rove. In briefs, the agency said government officials are shielded from civil lawsuits and that Wilson has not shown that a constitutional right was violated.

DOJ Settles Overcharge Claims With US For $49.5 Million. Bloomberg (11/15, Harris) reports, "Omnicare Inc., the largest provider of pharmacy services to U.S. nursing homes, agreed to pay $49.5 million to settle claims by the U.S. government and 42 states that it overcharged them for drugs provided to senior citizens." Bloomberg continues, "Omnicare substituted more expensive

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forms of generic versions of drugs including Zantac, an antacid, and Prozac, an antidepressant, to evade price limits for Medicaid reimbursement, said Michael Behn, a Chicago plaintiffs' attorney. The U.S. joined the false claims act suit after it was filed. … 'The health care industry should be wary of manipulating federal and state programs in this manner,' Chicago U.S. Attorney Patrick Fitzgerald said today in a statement." Bloomberg notes, "The settlement includes a 'corporate integrity agreement' requiring training and oversight at Covington, Kentucky-based Omnicare, the company said in a statement. The amount of the accord has been 'fully reserved,' said Omnicare, which didn't admit any wrongdoing as part of the accord. … Omnicare defrauded the government by changing prescriptions for a popular antacid from tablets to capsules in order to inflate government reimbursements by as much as 400 percent, according to the lawsuit filed five years ago by Behn on behalf of Illinois pharmacist Bernard Lisitza."

CIVIL RIGHTS:

Gonzales Announces Human Trafficking Task Force In New York. The AP (11/15, Thompson) reports, "Citing a farm labor contractor who withheld wages from upstate workers and used threats to keep them in line, U.S. Attorney General Alberto Gonzales announced Tuesday the creation of a human trafficking task force in western New York. … 'Human trafficking is a violation of the human body, mind and spirit,' Gonzales said during a stop which also included a helicopter tour of U.S.-Canadian border crossings." The AP continues, Buffalo was among 10 cities to receive funding last month to focus on anti-trafficking efforts. Nationally, 32 such task forces already exist. … Federal officials pointed to the arrest of Maria Garcia and several family members in Albion, Orleans County, as proof no region is immune to the problem. Garcia pleaded guilty in December 2004 to a forced labor charge following an investigation that began when some Mexican workers she recruited to upstate farms escaped her control and sought help. … Prosecutors said the workers were charged up to $1,800 for a van ride from Arizona and had money deducted from their pay for rent, food, electricity and rides to the fields. They were told they could not leave crowded housing units unless their debts were paid. … 'They had lost all liberties,' said Terrance Flynn, U.S. attorney for New York's Western District." The AP adds, "The task force, with nearly $900,000 in federal funding, will train law enforcement agencies to spot potential trafficking victims and organizations and focus resources on prosecutions. … Immigration and Customs Enforcement, Customs and Border Protection, the FBI and U.S. Department of Labor will work with local agencies and the state police. Law enforcement will also team up with organizations that deal with the immigrant community, such as the International Institute of Buffalo and Farmworkers' Legal Services."

Local Television. WGRZ- TV (11/14, 5:00 p.m.), Buffalo broadcasted, "The nation's top prosecutor was in western New York today. us attorney general alberto gonzales toured a number of border crossings. Two-On-Your-Side wanted to know if all the focus on illegal immigration on the southern border. is leaving a hole open. At noon, WGRZ- TV broadcasted, "Gonzales is holding a news conference this afternoon in buffalo to highlight efforts to fight crime along the US canadian border." This story got coverage only in local stations of Buffalo, New York. Some examples are: WIVB- TV (11/14, 11:00 p.m.), Buffalo broadcasted, "US Attorney General Alberto Gonzales made his first official visit to buffalo today, pledging to get control of human trafficking. gonzales announced 900- thousand dollars in federal funding to help law enforcers crackdown on everything from prostitution to forced indentured labor on farms. Last year Maria Garcia faced prosecution for exploiting Mexican immigrants she brought to Albion." At 6:00 p.m., WIVB- TV broadcasted, "US Attorney General Alberto Gonzalez made his first official visit to Buffalo today. And senior correspondent Rich Newberg reports America's top law enforcer is launching a new task force to combat human trafficking across the US- Canadian border." Gonzales said, "Human trafficking is a violation of the human body, mind and spirit. Right now, the victims of these criminals are out there." Gonzalez "came to buffalo to announce $900 thousand dollars in funding to crack down on human trafficking for everything from prostitution to forced labor on farms."

WIVB-TV, News 4, Buffalo, NY (11/15) reports, "Gonzales came to Buffalo to announce $900,000 in funding to crack down on human trafficking, for everything from prostitution to forced labor on farms. … Gonzales said, 'Right now, the victims of these criminals are out there. They are suffering, and they are waiting for our help.'"

WKBW- TV (11/14, 6:00 p.m.), Buffalo broadcasted, "There was another high profile politician here in the Queen City today. US Attorney General, Alberto Gonzales, paid a visit

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to his district office on Delaware Avenue in downtown Buffalo this morning. The purpose of his trip was to discuss security and crime fighting issues along the US- Canadian border. He also announced the creation of a new 'human trafficking task force.'"

WNLO- TV (11/14, 10:00 p.m.), Buffalo broadcasted, "US Attorney General Alberto Gonzales made his first official visit to Buffalo today, pledging to get control of human trafficking. Gonzales announced $900,000 in funding to help law enforcers crackdown on everything from prostitution to indentured labor on farms. Last year Maria Garcia faced federal prosecution for exploiting Mexican immigrants she brought to Albion."

DOJ To Probe Los Angeles County Youth Camps. The Los Angeles Times (11/15, Rosenblatt) reports, "The U.S. Justice Department plans to investigate dangerous conditions at Los Angeles County probation camps for teens, county officials said Tuesday." The Times continues, "The probe, announced to the Board of Supervisors last week, comes after years of federal scrutiny of county juvenile halls, and could lead to a lawsuit or consent decree, officials say. … Although details of the investigation, expected to begin early next year, remained confidential, Supervisor Gloria Molina alluded to problems with use of force and restraints of inmates during Tuesday's supervisors meeting." The Times adds, "Justice Department spokeswoman Cynthia Magnuson confirmed plans to investigate probation camps but declined to disclose specifics. … The Probation Department, which houses about 4,000 teenagers across the county on any given day, has grappled with growing violence among inmates. Youthful offenders stay for short periods in the county's three juvenile halls while their cases are adjudicated; convicted teens serve their sentences in 19 rural probation camps scattered across the region. … A 2003 Justice Department report criticized the halls for substandard medical and mental-health care, poor sanitation, overuse of pepper spray and dangerous conditions. The facilities also lacked adequate educational, social and religious opportunities, and had no effective way for minors to air grievances, federal officials found."

Arrest Videos Renew Criticism Of LAPD. USA Today (11/15, 3A, Welch, 2.27M) reports, "Video of officers using force in two separate arrests have put a new spotlight on this city's police department, 15 years after the Rodney King beating case ignited riots. In the latest case, the video shot by a witness in a public area at Venice Beach appears to show an officer using pepper spray on a handcuffed man who had been placed in the back of a patrol car." LAPD Chief William Bratton "said in a news conference Tuesday that prosecutors investigated the pepper spray case and concluded officers did not use excessive force but that an administrative review is continuing." The New York Times (11/15, 1.16M) notes, "Critics called the tapes the latest evidence of police brutality, but…Bratton pointed to rulings that were sympathetic to the officers involved in both incidents. The episodes are under investigation by the Los Angeles Police Department. The F.B.I. is also investigating the punching incident for possible civil rights violations. Department policy allows officers to use nonlethal force when a suspect is uncooperative, Chief Bratton said.

The Los Angeles Times (11/15, McGreevy, 850K) reports, "Bratton's comments come as some police watchdog groups and the American Civil Liberties Union called Tuesday on the LAPD to reexamine when officers can use pepper spray, particularly if suspects are handcuffed. Current rules allow the spray to be used whenever a suspect is 'combative,' but some say that definition is far too broad. … Bratton said he is considering an examination of when officers should use the spray." The Times notes, "The Venice incident comes as the LAPD and FBI have begun investigations into another videotape showing a police officer hitting a suspect in the face several times at the end of a foot chase in Hollywood. Police union President Bob Baker issued a statement Tuesday urging the public to be understanding of the job that officers face."

LA Police Commission Urges Speedy Investigation. KCAL-TV Los Angeles (11/14) reported on its Web site from a story broadcast yesterday, "The Los Angeles Police Commission called Tuesday for a speedy and thorough investigation into the conduct of two officers caught on videotape holding down and repeatedly punching a man, 23, during an arrest in Hollywood. … 'I would just encourage all parties who are involved ... that it be treated with the utmost speed,' Police Commissioner Andrea Ordin, who served on the Christopher Commission that investigated the LAPD in the wake of the 1991 Rodney King beating said. … Andre Birotte, the commission's inspector general, said he is reviewing the case daily." KCAL noted that "the FBI opened a preliminary inquiry into the arrest last Thursday, in response to media coverage of the video. The inquiry results will be forwarded to

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the U.S. Justice Department, which will determine whether further investigations are required, according to FBI spokeswoman Laura Eimiller."

Judge Says Michigan Inmate Death Was "Torture." The New York Times (11/15, Sander) reports, "Shackled to a concrete slab, Timothy Joe Souders spent the final days of his life naked and lying in his own urine, sweating through temperatures over 100 degrees in an isolated prison cell." The Times continues, "Mr. Souders, a 21-year-old with a history of severe mental illness, died Aug. 6 after spending four days in a segregation cell at the Southern Michigan Correctional Facility in Jackson. His death prompted state prison officials to revise their restraint policies for unruly prisoners, limiting the use of 'top of the bed' restraints to a maximum of six hours. … But this week, a federal judge in Kalamazoo said those revisions were not sufficient. Scolding corrections officials for failing to provide adequate treatment to mentally ill inmates, the judge said on Monday that the conditions leading to Mr. Souders's death constituted 'torture.' … 'You are not coat racks who collect government paychecks while your work is taken to the sexton for burial,' wrote Richard A. Enslen, a senior federal district judge. 'If a patient does not receive necessary medical or psychological services, including medicines and specialty care, it is not his problem, it is your problem.'" The Times notes, "Medical experts cited in Monday's ruling have speculated that Mr. Souders died of dehydration, though an autopsy report has not been completed. … Judge Enslen ordered an immediate ban on punitive restraints in three Jackson prison facilities holding roughly 4,500 inmates. The court has been monitoring those facilities as part of a 1985 consent decree."

Treatment Of Mentally Ill In Florida Jails Under Scrutiny. The New York Times (11/15, Goodnough) reports, "For years, circuit judges here have ordered state officials to obey Florida law and promptly transfer severely mentally ill inmates from jails to state hospitals. But with few hospital beds available, Gov. Jeb Bush's administration began flouting those court orders in August. … Now, in a growing standoff between the government of Florida and its judges, the state is being threatened with steep daily fines if it does not comply. And at least one judge has raised the possibility that the secretary of the Florida Department of Children and Families could go to jail for contempt of court. … 'This type of arrogant activity cannot be tolerated in an orderly society,' Judge Crockett Farnell of Pinellas-Pasco Circuit Court wrote in an Oct. 11 ruling." The Times continues, "State law requires that inmates found incompetent to stand trial be moved from county jails to psychiatric hospitals within 15 days of the state's receiving the commitment orders. Florida has broken that law for years, provoking some public defenders to seek court orders forcing swift compliance. … With the state now rebuffing even those orders, a rising number of mentally ill inmates, now more than 300, have been left without treatment in crowded jails because the state's 1,416 psychiatric beds are full." The Times notes, "Public defenders in Miami-Dade County describe psychotic clients who have hallucinated, mutilated themselves and attempted suicide while awaiting transfer to hospitals. The state says that shortages of beds and financing have made compliance impossible, and that court orders forcing the transfer of certain inmates are unfair to those who have waited longer. … In one of the toughest rulings to date on the subject, Judge Farnell said last month that he would start fining the department $1,000 a day for each mentally ill inmate who stayed in the Pinellas County Jail longer than 15 days. The judge, based in Clearwater, expressed outrage about the agency's 'conscious decision' to ignore court orders."

ANTITRUST:

DOJ, FTC Give Antitrust Nod To BMG Music Purchase. The AP (11/15, Veiga) reports, "The Federal Trade Commission and the Justice Department gave antitrust approval Tuesday to Universal Music Group's planned acquisition of BMG Music Publishing for $2.09 billion. … The deal must now receive approval from European regulators to become final." The AP continues, "BMG - owned by German media company Bertelsmann AG - owns the rights to more than a million songs by contemporary recording artists such as Nelly, Maroon 5 and Coldplay, as well as classic hits by the Beach Boys, Barry Manilow and other entertainers. … Universal Music Group is a unit of Paris-based Vivendi SA. Its publishing arm controls the rights to songs by artists such as 50 Cent, Mary J. Blige and Chamillionaire. … If approved, the deal would combine the No. 3 and No. 4 music publishing catalogs. … 'We were confident that the regulatory authorities would find that the acquisition did not raise competition concerns, and we appreciate that the Justice Department promptly reached the

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same conclusion,' Universal Music Group said in a prepared statement." The AP adds, "European Union regulators said earlier this month they would issue a ruling on the deal by Dec. 8."

Realtors Change Listing Service Policy Under DOJ Antitrust Pressure. Inman News (11/15, Roberts) reports, "Responding to antitrust actions and investigations by the U.S. Justice Department and Federal Trade Commission over multiple listing service restrictions for a category of property listings, directors for the National Association of Realtors approved policy changes that allow individual MLS participants to decide whether to implement restrictions on the Internet display of property listings." Inman continues, "Laurie Janik, general counsel for the Realtors group, has said that the change is legally significant in that individuals are making decisions rather than MLSs, which represent a group of real estate industry participants. The issue is unrelated to the Justice Department's antitrust lawsuit filed last year against the association over other policies for online property listings display." Inman adds, "Under the policy change approved Monday at the group's annual real estate conference, MLS participants may select listings they choose to forward for display -- or not forward -- to Web sites that are part of a broker-supported cooperative property listing system based on 'objective criteria.' … This criteria, according to the approved policy, can be based on factors such as geography, or location, list price, property type, cooperative compensation offered by listing brokers, type of listing (such as properties under 'exclusive right to sell' or 'exclusive agency' listing contracts), or 'the level of service provided by the listing firm,' according to language in the approved policy. … The FTC and Justice Department had engaged in 15 investigations over MLS policies that block exclusive agency property listings from public display on the Realtor.com and some other public-facing property-search sites, such as those MLS participants' sites that are part of the broker-sharing system known as Internet Data Exchange or IDX. Exclusive agency listings are contracts in which sellers are not obligated to pay the listing broker in a real estate transaction if the seller finds a buyer for the property without any assistance from the listing broker."

Judge Denies New York Bid To Block Insurance Merger. The AP (11/15, Neumeister) reports, "A judge on Tuesday refused a city request to immediately stop the merger of two nonprofit insurance companies that provide coverage to city workers because it violates antitrust laws." The AP continues, "U.S. District Judge Kenneth M. Karas said he did not believe the city would suffer irreparable harm if he permitted the merger to go forward Wednesday while he takes a longer look at the facts of the case and the legal history of similar mergers." The AP adds, "In a statement made after the hearing, city lawyer Michael Cardozo said the city would look for other health care providers 'who can offer comparable -- but less expensive -- health care benefits.' … On Monday, the city filed a lawsuit to block the pending merger of Group Health Inc. and the HIP Health Plan of New York, saying the union would create a virtual monopoly in the public service health care sector." The AP notes, "The merger, which has been approved by the Department of Justice and state insurance regulators, would control more than 90 percent of the city's municipal health care market and 100 percent of the low-cost market, the city said in a release."

SCOTUS Asked To Consider IPO Case. The Deal (11/15, Lindell) reports, "Lawyers for the government last week asked the Supreme Court to take a case that has the potential to wreak havoc on initial public offerings in the United States by calling into question much of the cooperation investment banks engage in when they form underwriting syndicates." The Deal continues, "The class action, Glen Billing v. Credit Suisse First Boston Ltd., charges that common practices such as setting prices and allocating shares among themselves is essentially illegal collaboration among competitors." The Deal adds, "Aside from the threat to current IPO practices, the case already has sparked a turf battle between the Securities and Exchange Commission, the primary regulator for Wall Street, and the Department of Justice, which has jurisdiction over antitrust enforcement. … But Solicitor General Paul D. Clement, answering the Supreme Court's request for a unified federal position, seems to be offering a solution that pleases both DOJ's Assistant Attorney General for Antitrust Thomas Barnett and the SEC's Associate General Counsel Richard M. Humes. Both agency officials signed on to Clement's brief filed last week, requesting the top court hear and rule on the heavily nuanced case." The Deal notes, "At issue is a September 2005 ruling by the 2nd U.S. Circuit Court of Appeals, which overturned a district court's initial ruling to dismiss the Billing case. The appeals court agreed with DOJ's argument that nefarious

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behavior should not be shielded by a regulatory scheme that doesn't adequately prevent harms that could be addressed by antitrust laws and ordered the case to proceed. … The SEC has argued that it regulates the securities industry, and antitrust law doesn't always apply, and that the court should find 'implied immunity' from antitrust laws when a pervasive regulatory scheme is in place. … Because the case was dismissed at the district court level, the merits of Billing's accusations have not been addressed. But even allowing the case to proceed would pose a threat to Wall Street, because a new avenue would be opened for plaintiffs lawyers pursuing class actions, according to Paul Atkins, a member of the Securities and Exchange Commission."

EU's Microsoft Ruling Could Come This Month. CNET News (11/15, Fried) reports, "Microsoft chief lawyer Brad Smith said Tuesday that the company expects to hear back from a European court as early as December on its appeal of the landmark antitrust ruling there. … 'We expect to get that decision really in the next several months,' Smith said during a question-and-answer session at the company's shareholder meeting in Bellevue, Wash. 'Most people think it will probably come some time between December and March or April.'" CNET continues, "The European Union's antitrust regulators slapped Microsoft with a $600 million fine in March 2004, but the software maker has been pursuing an appeal of the case with Europe's Court of First Instance. … Smith said whatever the decision is, it should give Microsoft and the industry more 'clarity.' … 'We'll all have to see where we go from there,' he said during the meeting, which was also broadcast over the Internet. 'Certainly, we and increasingly a lot of other people in Europe would like to see us get to some clear resolution so we can all focus on some other things.' … Regulators tacked on an additional $357 million fine in July, saying Microsoft was not fully complying with the 2004 ruling. Microsoft is appealing that as well."

ENVIRONMENT:

Eight States Approve Ballot Initiatives To Limit Eminent Domain. The New York Times (11/15, Pristin, 1.16M) reports voters "showed last week that the furor over a 2005 Supreme Court decision in a Connecticut eminent domain case has not abated, even in states that have already enacted legislation to restrict the use of condemnation for economic development." Ballot measures "to limit eminent domain powers to public uses were approved by large margins in eight states. Louisiana passed an eminent domain measure in September." In all, 34 states "have adopted laws or passed ballot measures in response to the Connecticut case, Kelo v. New London, which upheld the right of local officials to require the forced sale of homes and businesses for private development intended to increase the tax base of one of the state's poorest cities."

FBI/DEA/ATF/USMS:

Federal Judge Criticizes Crack Sentencing Laws. The AP (11/15, Apuzzo) reports, "A federal judge who served as a top drug policy adviser to the first President Bush and advocated harsher penalties for crack cocaine crimes said Tuesday the policy had gone too far and was undermining faith in the judicial system." The AP continues, "U.S. District Judge Reggie B. Walton told the U.S. Sentencing Commission that federal laws requiring dramatically longer sentences for crack cocaine than for cocaine powder were 'unconscionable' and contributed to the perception within minority communities that courts are unfair. … 'I never thought that the disparity should be as severe as it has become,' said Walton, who sits on the bench in Washington, where he previously served as a Superior Court judge, a federal prosecutor and a deputy drug czar." The AP adds, "The current law includes what critics have called the 100-to-1 disparity: Trafficking in 5 grams of cocaine carries a mandatory five-year prison sentence, but it takes 500 grams of cocaine powder to warrant the same sentence. … Advocates for changing the law point to crime statistics that show crack is more of an inner-city drug while cocaine powder is used more often in the suburbs. … The Sentencing Commission, which has thrice recommended that Congress narrow the sentencing gap, is again reviewing the disparity. Previous recommendations, which were not adopted, have included raising the penalties for powder cocaine and lowering them for crack." The AP notes, "The Bush administration, like the Clinton administration, indicated Tuesday that it welcomed a discussion about the sentencing disparity but adamantly opposed lowering the penalties for crack. The Justice Department says crack is more addictive and easier to sell in small doses, leading to increased violence and a greater health impact. … The Justice Department also urged the Sentencing Commission only to

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make recommendations to Congress and not to take it upon itself to narrow the gap by rewriting sentencing guidelines."

In the Christian Science Monitor (11/15), Eric E. Sterling, former counsel to the House Judiciary Committee, writes, "One of our most infamous contemporary laws is the 100-to-1 difference in sentencing between selling crack cocaine and selling powder cocaine. … Working for the House Judiciary Committee in 1986, I wrote the House bill that was the basis for that law. We made some terrible mistakes. … The law was flawed, but the Justice Department still could have used it to target high-level traffickers. But research from the US Sentencing Commission shows that three-quarters of the federal cocaine defendants - both powder and crack - are just neighborhood dealers or couriers."

Mexican Meth Kingpin Sentenced To Life In Prison For DEA Agent's Murder. The AP (11/14) reported, "A man accused of masterminding a 1994 robbery plot during which an undercover federal drug agent was killed has been sentenced to life in prison." Augustin Vasquez-Mendoza, "who had been on the FBI's Ten Most Wanted List for four years, was arrested in Mexico in 2000 but not returned to Arizona until 2005. He was alleged to be the leader of a drug ring that produced methamphetamine in Mexico for import to the U.S. Vasquez-Mendoza was sentenced Monday in Maricopa County Superior Court to life in prison with a possibility of parole after 25 years. The judge added 46 years for kidnapping, assault and armed robbery counts, which must be served after the murder conviction sentence." The AP noted, "Federal drug agent Richard Fass, 37, who was posing as a drug dealer, was killed by henchmen of Vasquez-Mendoza in Glendale while trying to buy 22 pounds of methamphetamine from them for $160,000, the government said."

Ten Men Charged, Possibly Linked To Fentany-Laced Heroin Deaths In Pennsylvania. The AP (11/15) reports ten men "have been charged with operating a drug ring in western Pennsylvania that may have been responsible for distributing deadly fentanyl-laced heroin. … Eight have been arrested and two remain fugitives, U.S. Attorney Mary Beth Buchanan said. Investigators were still collecting evidence to determine whether the men are linked to more than a dozen deaths from fentanyl-laced heroin earlier this year, Buchanan said."

The Pittsburgh Post-Gazette (11/15, Ward) reports, "Five months after fentanyl-laced heroin hit the streets of Pittsburgh and racked up at least 10 fatalities and dozens of overdoses, federal officials yesterday announced that they've broken the Hazelwood-based ring believed to be responsible. … Investigators believe the organization dismantled by 'Operation Burnout' is also linked to the spate of heroin overdoses and deaths in the area over the last several days."

The Pittsburgh Tribune-Review (11/15) reports the ring likely "supplied heroin that killed seven people across the region in the past week and caused more than a dozen nonfatal overdoses, U.S. Attorney Mary Beth Buchanan said Tuesday. Toxicology tests are being conducted to determine if that heroin also was laced with fentanyl. … Federal agents monitored the drug dealers' cell phone conversations during a five-month investigation dubbed 'Operation Burn Out,' which included Pittsburgh police and state police," authorities said.

WTAE-TV, Pittsburgh (11/14) reports, "Heroin laced with a powerful painkiller led to 50 overdoses and nine deaths in Pittsburgh and surrounding communities last summer, and now, 10 people face charges for distribution of the drug."

San Francisco Supervisors Vote To Make Marijuana Offenses Police Department's Lowest Priority. Bay City News (11/15) reports San Francisco supervisors "voted Tuesday to make marijuana offenses the police department's lowest priority, though prohibitions remain for marijuana sales in public, possession by minors or use by motorists. 'San Francisco should determine its marijuana policy locally, not hand them over to the federal Drug Enforcement Administration,' stated the ordinance by Supervisor Tom Ammiano. 'Law enforcement resources would be better spent fighting serious and violent crimes.'"

The San Francisco Chronicle (11/14, Selna) reports that the marijuana legislation, which "passed on an initial vote 8-3, would set nearly all crimes involving marijuana as the lowest law enforcement priority for city police and urges the district attorney to adopt the same policy when prosecuting criminal defendants."

KGO-TV, San Francisco-Oakland-San Jose (11/14) reports on its Web site that the proposal "passed overwhelmingly…and it gets a second reading same time next week, but that's mostly a formality. So for all intensive purposes the city has a new pot policy."

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In a separate story, KGO-TV (11/14) also reports San Francisco's proposed legislation "is similar to a measure passed by Santa Cruz voters this past Election Day. Measure K was approved by more than 60 percent of that city's voters. It makes marijuana laws the lowest enforcement priority. The new policy pertains to infractions by adults on private property. If the city's police officers don't comply with the new rule, they could find themselves on the receiving end of civil lawsuits."

Measure K Criticized. In an editorial, the Santa Cruz (CA) Sentinel (11/14) say Measure K "passed overwhelmingly, although we still believe that a number of voters didn't really understand the full implications of the measure. It's part of a national effort by a well-funded group that's trying to overturn the nation's marijuana laws. They're going about the effort by picking off far-left towns like Santa Cruz to apparently convince the rest of the country that marijuana ought to be legalized. … One more legal way to get high is not something our society needs."

Marijuana Advocate Creates Cooperative. The Lassen County (CA) Times (11/14) reports on a marijuana cooperative created in Susanville, California.

Accused Mexican Drug Ring Leader Pleads Guilty In Cocaine, Immigration Case. The Nashua (NH) Telegraph (11/15) reports a Mexican national man who "was arrested in June after he delivered nearly 2 kilograms of cocaine to a Nashua residence, was convicted Monday on federal drug trafficking and immigration charges, First Assistant U.S. Attorney Joseph Laplante said. Francisco David Avalos-Morfin, 38, of Mexico, pleaded guilty in U.S. District Court in Concord as part of a plea agreement charging him with conspiracy to distribute more than 500 grams of cocaine and unlawful re-entry into the United States, Laplante said. … Avalos-Morfin, who was living in Fitchburg, Mass., when he was arrested, was the leader of a Mexican drug ring, according to a Drug Enforcement Administration agent's affidavit filed in the case."

Uribe Seeks Extension Of US Trade Preferences For Colombia. The Wall Street Journal/Dow Jones (11/15) reports Colombian President Alvaro Uribe "is lobbying the U.S. Congress on labor issues to build support for an extension of trade preferences granted to his country and for a free trade agreement between both nations that has yet to be signed and ratified. Uribe, who traveled to Washington for two days, tried to convince U.S. legislators that the labor situation is improving in his country. … Congress authorized the Andean Trade Preferences Act, or ATPA, in 1991 to allow Colombia, Peru, Ecuador and Bolivia to export many products to the U.S. duty free, with the goal of creating new economic alternatives to the illegal cocaine trade. Congress renewed and enhanced the program in 2002. The Bush administration hopes to replace the ATPA with the free-trade agreements."

Peru Opposes Changes To Labor Standards. The Wall Street Journal/Dow Jones (11/14) also reports Peru "hopes that the U.S. Congress will approve an already-negotiated free trade agreement, but opposes reopening the pact to make changes to labor standards, the Peruvian government's trade envoy to the U.S., Hernando de Soto, said."

Investment Firms Expect Trade Deals To Be Put On Hold. The Wall Street Journal/Dow Jones (11/14) adds, "Given the murky environment for free trade deals, Wall Street investment firms are sounding more sure that the Peru and Colombia FTAs won't be considered in the U.S. Congress until next year."

IMMIGRATION:

Federal Fingerprint Database Aids Identification Of Criminal Immigrants. The AP (11/15, Marquez) reports, "Jesus F. Palacios was arrested last month after sheriff's deputies spotted him trying to jimmy a car door. … Using newly acquired access to federal immigration files, they scanned his fingerprints into a database at the police station and instantly determined the 30-year-old Mexican was a previously deported illegal immigrant with a criminal record." The AP continues, "Deputies alerted federal authorities and got an order to hold Palacios on suspicion of immigration violations. He had been removed from the U.S. at least three times after being convicted of child molestation and grand theft auto. … In the past, suspects like Palacios may have been freed on bail as deputies waited for hours for federal and state officials to do a background check. … But now, as part of a post-Sept. 11 crackdown, the Department of Homeland Security and the Justice Department are working to give local authorities rapid access to fingerprint data that can help determine if suspects under arrest are in this country illegally. … 'It has been a tremendous advantage to local law enforcement,' said Los Angeles County sheriff's Lt. Larry Bryant, who manages the database. 'There would be a very

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good chance these people would be undetected and be released if we didn't have this capability.'" The AP notes, "The Los Angeles County Sheriff's Department and nearly 50 other Southern California police and law enforcement agencies have been given rapid access to federal records on criminal immigrants. So have the police in Boston and Dallas. … The U.S. government intends to make information available to all local law enforcement agencies in the nation within two years to help catch criminal immigrants, people with ties to terrorist groups, and others who pose a threat."

Immigrants Cite Gang Violence In Asylum Applications. The Washington Post (11/15, A8, Aizenman) reports, "Increasing numbers of Salvadorans, Hondurans and Guatemalans are entering the United States illegally and applying for asylum on the grounds that their lives are imperiled by gang violence in their home countries, according to immigration lawyers and advocacy groups." The Post continues, "Although the number granted asylum barely surpassed 700 last year, asylum applications by people from those three countries have almost doubled, which lawyers attribute primarily to fear of gang violence." The Post adds, "The lawyers hope to persuade judges to more readily grant asylum to those who have risked reprisal by resisting extortion demands by gangs, testifying against gang members, renouncing their own membership in gangs or trying to avoid being forced to join gangs. … Gang violence has grown to epidemic proportions in the three countries since the mid-1990s, when the United States began sending Central American-born members of the rival Los Angeles-based Mara Salvatrucha and Mara 18 gangs back to their home countries. The deportees helped fuel the rise of ferocious sister gangs in Central America, whose estimated 60,000 members are now battling each other, the police and residents in hundreds of communities." The Post notes, "Many of those who say they fled gangs end up in the Washington area, which has one of the nation's largest Central American immigrant populations."

Martinez Criticizes GOP's "Harshness Only" Immigration Message In Election Cycle. The Washington Times (11/15, Dinan, Hallow, 88K) reports Sen. Mel Martinez, "President Bush's choice to become chairman of the Republican National Committee, said his goal will be to undo the election damage done by the border-enforcement-first message of most Republicans -- which he called 'harshness only.'" Martinez's nomination "is Mr. Bush's first major political step since last week's elections, and it is already creating division among rank-and-file Republicans, who say it puts the party on the wrong side of the immigration issue." RNC member Randy Pullen of Arizona said, "I would say it's another Harriet Miers moment." The Time adds Bush "announced the nomination in the Oval Office, saying Mr. Martinez would keep his Florida Senate seat and serve as honorary chairman, or the public face of the party. Mr. Bush also nominated Mike Duncan, the RNC's general counsel, as chairman responsible for day-to-day operations, and asked Jo Ann Davidson to remain co-chairman."

The Los Angeles Times (11/15, Wallsten, Gaouette, 850K) reports President Bush's "decision to back Sen. Mel Martinez to help lead the Republican Party, a move intended to appeal to disaffected Latino voters, drew sharp criticism Tuesday from some of the party's core conservatives, who disdain the Florida lawmaker's support for liberalized immigration laws." Criticism of Martinez "came Tuesday from several conservatives, including Curly Haugland, an RNC member from North Dakota, who said he believed the party was far too focused on pandering to minorities." Haugland said, "We're losing our base in droves because they don't get campaigned to." The Times adds Randy Pullen of Arizona, "another RNC member and an activist against illegal immigration, likened Martinez's selection to the episode last year in which Bush named his longtime friend and legal counsel to the Supreme Court, only to reverse himself after a furious conservative backlash." Another "leading critic of Bush's stance on immigration, Rep. Tom Tancredo (R-Colo.), chairman of the Congressional Immigration Reform Caucus, offered tepid support for Martinez."

Vatican Official Denounces US Border Fence. The AP (11/15, D'Emilio) reports that the Cardinal Renato Martino, "who heads the Holy See's office concerned with migrant and itinerant peoples," has "denounced a U.S. plan to build more fences along the Mexican border as 'inhumane,' and compared the project to the Cold War-era Berlin Wall." The cardinal "also denounced trafficking in humans — particularly women forced to become prostitutes and children forced into labor."

Civil Rights Group Sues Employers On Behalf Of Guest Workers. USA Today (11/15, Parker, 2.27M) reports that the Southern Poverty Law Center has filed a lawsuits against Eller and Sons Trees, three other forestry companies, and a hotel chain on behalf of guest workers. The Eller suit,

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which is now a class-action suit, "involves about 6,000 tree planters" and "is drawing national attention as one of several legal challenges to the H-2B visa program, which admits 66,000 foreigners into the USA each year to do temporary manual labor." USA Today writes Armenio Pablo-Calmo, a plaintiff in the Eller case, "says he and his co-workers were paid less than the federal minimum wage of $5.15 an hour, were not paid overtime and often were required to pay for their own tools, visas and travel costs." They seek "back wages and reimbursement of out-of-pocket costs." USA Today notes that the "'guest worker' program that is required under federal law to pay him the prevailing wage for such jobs."

Mexican-American Family Accuses Texas Rancher Of Vigilantism. The Washington Post (11/15, A3, Gaynor, 690K) reports that rancher Roger Barnett, "accused of holding a Mexican American family at gunpoint went on trial in this southern Arizona town Tuesday in a case highlighting border vigilantism, rights groups said." He faces a "civil suit brought by two local families seeking more than $200,000 in damages over an incident during a hunting jaunt two years ago." The Post adds, "Ronald and Renee Morales say their family was assaulted, battered and falsely imprisoned by Barnett during the deer hunting trip on Oct. 30, 2004. All are U.S. citizens of Mexican heritage." Additionally, "Barnett faces another suit brought by the Mexican American Legal Defense and Educational Fund last year. It alleges that he held a group of illegal entrants at gunpoint on his property."

Texas Town Passes Anti-Illegal-Alien Measures. The Washington Times (11/15, Aynesworth, 88K) reports that the Farmers Branch, TX, City Council "Monday night unanimously passed ordinances they hope will curtail illegal aliens, but said they expected the new laws to be fought in court. … Specifically, the 6-0 votes authorized fines for property owners who rent to illegal aliens and designated English as the official language -- a move designed to end printing and the conduct of city business in both English and Spanish." The Times adds, "Opponents, including the League of United Latin American Citizens (LULAC) and the Mexican American Legal Defense and Education Fund (MALDEF), vowed to file a lawsuit."

Immigrant-Advocacy Groups Criticize Plans For New Citizenship Test. The Washington Times (11/15, Price, 88K) reports plans to replace the federal government's "current test for US citizenship with one that relies less on knowledge of specific facts and more on an applicant's grasp of democratic principles" have prompted criticism from many immigrant-advocacy groups, who worry the new test may "discriminate against those who don't speak English and with less education." US Citizenship and Immigration Services spokesman Chris Bentley said "officials want a new test that can ensure that those seeking to become American citizens know about 'freedoms guaranteed by the U.S. Constitution and Bill of Rights, such as freedom of speech and freedom of religion.'" However, "more than 220 immigrant organizations, led by the Illinois Coalition of Immigrant and Refugee Rights, have signed a letter to USCIS Director Emilio Gonzalez denouncing the new test."

Companies Seek Increase IN H-1B Visas. The New York Times (11/15, Helft, 1.16M) reports, "A coalition of business and education groups" dubbed Compete America " is making a renewed push to persuade Congress to raise the number of skilled foreign workers allowed into the United States this year." It "sent a letter to every member of Congress on Monday calling for an increase in both the number of so-called H-1B visas, which are used by skilled immigrants and the number of employment-based green cards given to foreign workers." The Times adds, "Increasing the number of H-1B visas has long been a top legislative priority of technology companies, which say they cannot find enough skilled workers in the United States."

TAX:

Judge Delays KPMG Tax Shelter Trial. The New York Times (11/15, Browning) reports, "A federal judge has indefinitely postponed the trial of former employees of the accounting firm KPMG in a criminal tax shelter case, citing concerns that the defendants will not be able to pay their lawyers." The Times continues, "The judge also hinted at sanctions against the prosecution for pressuring the firm to stop paying the defendants' legal fees. Any sanctions could have a major impact on the way white-collar criminal cases are handled in the future." The Times adds, "The ruling, made late Monday by Judge Lewis A. Kaplan of the Federal District Court in Manhattan, is the latest twist in the federal case against 16 former KPMG employees and an outside investment adviser and lawyer. Prosecutors say that the defendants made, sold and used questionable tax shelters that cost the Treasury $2.5 billion in unpaid taxes. … Judge Kaplan had previously pushed back the start of the trial from September 2006 to January 2007." The Times notes, "Prosecutors say the case is the largest criminal tax-fraud trial

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in history. But it has also become something of a referendum on the prosecutorial tactics adopted in the wake of Enron and other corporate scandals. Those tactics include urging firms under investigation to cut off the payment of legal fees of employees caught up in inquiries. KPMG abandoned its longstanding practice and cut off legal fees to the defendants in early 2004, before the employees were indicted and as the firm itself came under investigation for its work with tax shelters. … KPMG, which averted criminal indictment last year by reaching a $456 million deferred-prosecution agreement with the Justice Department, says that it has no intention of paying the fees because it was defrauded by the defendants."

The Financial Times (11/15) reports, "The ruling represents a setback for prosecutors in the US attorney's office in the southern district of New York, who have been heavily criticised by Judge Lewis Kaplan for their role in pressing KPMG, the accounting firm, to cut off legal fees to its former employees." The Times continues, "Judge Kaplan cited a dispute over whether KPMG would pay the fees in a five-page ruling on Monday. … 'Given all of the current uncertainties, it is impossible now to predict with confidence when the charges in the indictment may be tried,' he said, adding that there was a 'real and growing possibility' that the defendants did not have the funds to pay for their own defence. … The dispute that caused Judge Kaplan to delay the trial centres on KPMG's unwillingness to pay the legal fees."

Liberty City Warehouse Owner Arrested On Tax Evasion Charges. The Miami Herald (11/15, Ovalle, 286K) reports, "The owner of the Liberty City warehouse where authorities say seven men plotted terror attacks has been arrested and charged with failing to pay taxes and not filing proper tax returns." George Mobassaleh "and two other men were granted bond Tuesday." The Herald notes, "The charges are unrelated to the high-profile terror investigation. … The investigation was spearheaded by the state revenue department, the Miami-Dade state attorney's office, Miami police, the FBI and the state's Division of Alcoholic Beverage Control and Tobacco Enforcement."

Rangel Plans AMT Relief, Won't Rule Out Income Tax Hike. The CBS Evening News (11/14, story 5, 2:10, Couric, 7.66M) reported, "Newly elected members of the freshmen class are attending orientation this week. They had their class photo taken today on the steps of the Capitol. Also on their agenda is taxes -- what will the Democrats be doing about that?" CBS (Attkisson) added, "Well, Katie, with Democrats soon to be running the show on Capitol Hill, one in three Americans think taxes will be going up, according to our poll. But the first thing Democrats want to do is cut a once-obscure tax that millions of Americans now know all too well," the "alternative minimum tax, or AMT." Fixing the AMT "originally aimed at the very rich but now hitting more and more of the middle class is the top priority for Charles Rangel. Think of him as the new tax sheriff in town." Rep. Charlie Rangel: "Low-income people don't have to pay this tax. The wealthy already have their tax break. This is certainly a middle-income issue." Attkisson: "One problem -- saving the middle class from having to pay the AMT would take revenue from the budget, lots of it, a trillion dollars over ten years, and someone would have it make up for it. The question is how: One possible solution, raising taxes for others. Rangel says he'd go after tax cheaters, close loopholes and do away with targeted tax breaks for industries like big oil which got billions in benefits written into the law in 2004. They could be coughing up big time." Rep. Charlie Rangel: "Technically, if you want to pin me to the cross, it is that, yes, we're going to get them. Will their taxes be increased? I'm sorry, the answer is yes. But for the majority of Americans who work every day and want an equitable distribution of the tax burdens, they don't have to worry about a tax increase." Attkisson: "On a couple of other points, Rangel told me that the estate tax, which the Republican Congress temporarily reduced, could come back for the very rich. And also, he's not ruling out an income tax rate increase down the road, if it's needed, Katie."

Democrats May Kill IRS's Private Tax Collection Program. In his "Tax Report" column for the Wall Street Journal (11/15, D2), Tom Herman writes, "Is the IRS's new private tax-collection program heading for an early death? … After years of congressional debate, the Internal Revenue Service recently began using private debt-collection agencies to help pursue people who owe taxes. The IRS has already turned over the names of more than 13,725 taxpayers who owe the government about $73.5 million. … But the program has run into renewed congressional attacks -- and could well be eliminated -- now that Democrats are poised to take control of the House and Senate. Among the strongest critics are several influential Democrats in line to take over powerful posts next year. … 'I

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think it's a terrible program, and I'm going to let [IRS officials] know in as many political and legislative ways as I can,' says Rep. Charles Rangel, the New York Democrat expected to be the next chairman of the House Ways and Means Committee." Herman adds, "Additional criticism has come recently from Sen. Max Baucus, the Montana Democrat who will take over as chairman of the Senate Finance Committee. 'Tax collection is an inherent government function and the IRS ought to take care of it in-house,' Sen. Baucus says. … The House has already voted to block funding for the debt-collector initiative for the fiscal year that began Oct. 1. The Senate hasn't acted yet. But among those concerned about the IRS program are Sen. Patty Murray of Washington, ranking Democrat on the Senate Appropriations subcommittee that includes Treasury funding."

IRS Working On Simplified 1040 Form. USA Today (11/15, Mccoy) reports, "The federal government document that tens of millions of Americans love to hate is scheduled to get a face lift." USA continues, "The IRS plans changes to Form 1040, which most taxpayers use to report their federal taxes, the agency said Tuesday. Taxpayers could begin using a revised form as soon as the 2009 tax filing season, said IRS senior spokesman Terry Lemons. … 'What we are shooting for is a form that is simpler and easier to use for taxpayers,' said Lemons, confirming mentions of the anticipated revision in a recent Government Accountability Office audit and a report by Tax Analysts, a non-profit organization that tracks tax issues." USA adds, "As envisioned by the IRS, an as-yet-undetermined number of less-frequently used lines dealing with adjustments to income, credits, taxes and payments would be removed from the cover page of Form 1040 and relocated to a new Schedule O. That would simplify the current 77-line form, and free up space for any future tax reporting changes that could conceivably be approved by Congress and the White House. … Although Form 1040 typically undergoes virtually unnoticed revisions from year to year, it hasn't been subjected to a major overhaul since 1977. According to the IRS, that revision scrapped a two-column format at the top of the tax-filing form and moved the signature line from the cover page to the final entry."

CONGRESS-ADMINISTRATION:

Some See Politics Behind Delay In Filling Washington Federal Bench Seats. The Seattle Times (11/15, Bowermaster) reports, "Despite a process designed to keep politics out of judicial selections, some in the local legal community are wondering whether politics is behind a delay by the White House in filling two vacancies on the U.S. District Court in Western Washington." The Times continues, "A seat on the federal bench in Tacoma has been open since March 2005, and a seat on the federal bench in Seattle opened in July. … In both cases, a bipartisan panel of local attorneys screened applicants and sent three recommendations to the White House; since 1997, the president has picked his nominee from among three names chosen by such panels. … But the White House, in an unprecedented move, rejected all three candidates for the Tacoma vacancy. The office of White House Counsel Harriet Miers told the bipartisan panel that none of the candidates was sufficiently qualified and asked for three more nominees." The Times adds, "The decision troubled many local lawyers and judges who know the three spurned finalists. Sources close to the selection process, speaking on condition of anonymity, called the White House decision 'appalling,' 'outrageous' and a 'travesty,' and suspect the White House already has a replacement in mind who was not on the list. … Republicans and Democrats alike said the candidates rejected by the White House were eminently qualified. One, confirmed by sources as Karen Strombom, is already a federal magistrate judge in Tacoma." The Times notes, "A new set of candidates for the Tacoma vacancy was sent to the White House in August, around the same time that candidates for the Seattle opening were proposed, sources said. A nomination still hasn't been made by the White House." The Times notes, "The finalists for the Seattle opening have heard nothing since they were interviewed by the White House in September. Nor has the selection committee, said co-chairs Jenny Durkan of Seattle and J. Vander Stoep of Chehalis. … According to several sources close to the merit panel, the candidates selected for the Seattle vacancy were King County Superior Court Judge Richard Jones, Skagit County Superior Court Judge Michael Rickert and Marc Boman, a partner at the Perkins Coie law firm. … The delay has raised questions in local legal circles about whether the White House might again reject a merit

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panel's recommendations, or choose its own nominee. … The questions intensified when rumors surfaced that John McKay, the U.S. Attorney for Western Washington, was also interviewed by the White House Counsel's Office. McKay said last summer he applied for the Seattle vacancy, and many local lawyers considered him the front-runner for the job."

Lame Duck Session Seen As Unlikely To Pass Spending Bills. The AP (11/15, Taylor) reports, "Republicans who are about to lose power in Congress began a long-shot bid Tuesday to finish budgeting nearly half a trillion dollars for domestic agencies. But GOP leaders have no game plan to do nearly a year's work in a lame-duck session likely to last just a few weeks." The "uphill task" is made "more difficult by GOP conservatives' distaste for pork-laden 'omnibus' spending bills that have frequently been the means of wrapping up unfinished congressional business." The AP adds, "With nine of 11 spending bills still unfinished more than six weeks after the Oct. 1 start of the fiscal year, the House is slated to take up a stopgap funding bill funding through Dec. 8 agencies whose budgets have yet to pass. House leaders have promised lawmakers that the postelection lame-duck session will be over by Dec. 15." The Senate "on Tuesday took up a $94 billion bill funding veterans programs and military construction projects, and farm belt lawmakers immediately tried to attach $4.9 billion worth of emergency farm aid to the bill. The left outgoing Senate Budget Committee Chairman Judd Gregg, R-N.H., complaining that Democrats were moving to bust the budget before even assuming control of the Senate."

The Washington Post (11/15, A4, Murray, 690K) notes the Senate "approved by voice vote a military-construction spending bill, but not before debate stalled for hours over an unrelated provision, disaster funding for farmers." But "the slow pace did not bode well for completing the nine 2007 spending bills that Congress left pending when it recessed a month before the Nov. 7 elections. The $94 billion military-construction measure, which funds housing and veterans programs, was supposed to be one of the easier votes. … One obstacle to a speedy wrap-up is the series of leadership elections for the next Congress that are taking place this week in the House and the Senate."

USA Today (11/15, Kiely, 2.27M) reports, "For Republican members of Congress, these are bittersweet days. An unusual post-election session, called to pass unfinished spending bills, is likely to keep members of the 109th Congress at work well into next month." It is '"as if the ghosts of Congress Past returned for one final, but not very convincing, hurrah."

White House May Try To Keep Bolton At UN In Unconfirmed Post. The Washington Post's (11/15, A19) Al Kamen writes in his weekly "In the Loop" column that although "the confirmation of John Bolton to be U.N. ambassador appears to be dead…it's not over yet. There's still talk that the White House may try to copy the Clinton administration's sleight of hand of keeping unconfirmed Justice Department civil rights chief Bill Lann Lee on as an unconfirmed acting chief. In this variation, Bolton would be put in a U.N. job that doesn't require confirmation. Then he would be named acting ambassador. But there's doubt that this could be squared with the language of the Federal Vacancies Reform Act. If the U.N. move won't fly, there's talk that Bolton could become deputy national security adviser if J.D. Crouch decides to move."

Lawmakers Suggest Leach As New UN Ambassador. The AP (11/15, Abrams) reports, "A House Republican and Democrat, in the new spirit of bipartisanship, are urging President Bush to name defeated Republican Rep. Jim Leach to be the next US ambassador to the United Nations. 'He is the most diplomatic politician I have ever met,' Rep. Earl Blumenauer, D-Ore., said of Leach, a moderate from Iowa known for his professorial sweaters, his low-key, nonpolitical approach to issues and his opposition to the war in Iraq." GOP Rep. Jim Walsh, from New York, said, "I can't think of any American better qualified to represent our interests before the United Nations." The White House "recently renominated Bolton to the post, but Senate supporters lack the votes and it appears Bolton will have to resign when Democrats take over the Senate in January." Leach "narrowly lost to college professor Dave Loebsack in last week's election, ending a 30-year career as a House legislator."

Bush Meets With Big Three Automakers. President Bush met with the head of the Big Three automakers yesterday. The coverage, generally positive toward the Administration, emphasizes the both the reportedly dire state of the US auto industry and the positive remarks of the attending executives after leaving the White House. Practically all print stories run President's characterization of the meeting as a "constructive and meaningful dialogue."

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Some reports, however, also say that "dialogue" brought little in terms of specific relief for the industry. ABC World News (11/14, story 4, 2:40, Gibson, 8.78M) reported, "This has been, as everyone knows, an awful year for the auto industry, billions of dollars in losses and wrenching job reductions. So, the leaders of the big car companies made their case. But after the meeting, there were few indications Washington would or could help." ABC (Reynolds) added, "The meeting" had "huge implications for the carmakers and manufacturing as a whole in this country." It "lasted about an hour." And "though the Administration has made clear its belief that Detroit has brought on a lot of its own headaches, Mr. Bush today emphasized the positive." Bush was shown saying, "We'll have a continuing dialogue. It's in our interests." ABC said "the automakers sounded satisfied."

However, ABC World News (11/14, story 5, 1:05, Gibson, 8.78M) also said the President "was noncommittal" in regard to the automakers' agenda in Washington, and wondered whether they "will get any help…from the Administration." ABC (Stark) added, "Not likely," and "and especially not where Detroit needs the most help, which is getting those healthcare costs down. Overhauling the American healthcare system to shift costs off of business and on to the government is a huge political undertaking. Unlikely in the next two years. And the next two years are critical for the industry."

The CBS Evening News (11/14, story 6, 0:25, Couric, 7.66M) also noted "the high cost of health care was one of the main topics" of discussion, as "automakers say paying for their employees' health care adds $1,000 to the price tag of every car. They insist they're not looking for taxpayers to bail them out. They just want to level the playing field with foreign competition."

The NBC Nightly News (11/14, story 7, 2:00, Williams, 9.87M) was more negative toward the President. Said NBC, "When President John F. Kennedy met with American automakers back in 1961 in Washington, they were among the top business executives in the world and American-made cars made up more than 85% of the car market. Well, today, when…Bush met with the automakers the atmosphere was different. American cars make up a little over half the cars on the road." Phil Lebeau of CNBC said the meeting involved "a lot of vague promises, and we should point out that market share dropped 9%. It's fallen 9% since George Bush moved into the White House six years ago."

The Detroit Free Press (11/15, Hyde, 373K) reports Vice President Dick Cheney, Treasury Secretary Hank Paulson and other officials joined General Motors' Rick Wagoner, Chrysler Group Chief Executive Tom LaSorda and Ford CEO Alan Mulally in the hour-long Oval Office meeting with Bush." The AP (11/15, Edmonds) notes Transportation Secretary Mary Peters and Karl Rove were also present. Wagoner, Mulally and LaSorda "sat side by side on a couch in the Oval Office, while the president and vice president sat in armchairs."

The AP (11/15, Thomas) reports Bush "told Detroit's auto industry leaders…he knows they are making 'tough choices' to shore up their companies in foreign competition and promised continuing dialogue as they seek help on trade and health care issues."

The Los Angeles Times (11/15, Havemann, 850K), under the headline "Detroit Automakers Get Bush's Ear, But No Promises," reports "Bush promised nothing, particularly in response to the executives' complaint that Asian countries, notably Japan, were holding the value of their currencies artificially low so that their cars would be cheaper." Bush, "who left hours after the meeting for a conference in Vietnam with Asian trading partners, was not about to roil the waters by complaining of Asian currency manipulation." Instead, "he said afterward that he would tell the Asian leaders: 'Our markets are open for your products, and we expect your markets to be open for ours, including our automobiles.'"

The Washington Post (11/15, D1, Freeman, 690K) reports that at a news conference after the meeting, the three auto executives "said they found common ground with the president on energy issues. The executives said they asked the administration to help expand the supply and distribution of alternative fuels such as ethanol." The auto executives "said Bush made no pledges to support any specific industry initiatives. Other company officials had said they had limited expectations for the meeting." Along those lines, the Washington Times (11/15, Lengell, 88K) runs a story on the meeting titled "Big 3 Automakers Commit To Reducing Oil Dependence."

USA Today (11/15, D6, 2.27M) headlines its brief report "Bush, Auto CEOs Agree On Some Issues," and says Bush "made no pledge to push for wider availability of alternative fuels, which are hard to find outside the farm belt." But he said, "As these automobile manufacturers begin to incorporate new technologies that will enable us to power our cars in different ways, it will make it easier for me to be able to

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tell the American people we're using less foreign oil. And that's in our economic interests, as well as in our national security interests."

The Wall Street Journal (11/15, A1, McCracken, Stoll, McKinnon, 2.04M) reports, "After meeting with Mr. Bush, the car makers soon will take their health-care case to Capitol Hill, where newly empowered Democrats already are talking about a reinsurance plan that would help offset catastrophic-coverage costs." Democrats, "who are more focused than Republicans on shoring up employer-based health care, also are talking about new tax breaks for employers." The Journal adds, "The fact that Mr. Bush left the door slightly open to a reinsurance proposal suggests he is reluctant to reject auto makers and their Democratic allies out of hand, after suffering the loss of both the House and Senate in this month's midterm elections."

On Fox News' Your World (11/14, Cavuto), Detroit Mayor Kwame Kilpatrick said, "When you look at number of foreclosures around America, you look at the housing market, and all the things that are ancillary to that middle class or the sustenance of the middle class tax base, the auto and the manufacturing industry is big in it. So, Washington needs to step in and do something, even if it is just enforcing its own trade policies. "

Wagoner Pleased, Says Bush "Very Well Informed" On Auto Industry Issues. On Fox News Your World (11/14, Cavuto), GM CEO Rick Wagoner said of automakers' meeting with President Bush, "There were some areas that he agreed, that we had raised, to look into, which we appreciated, with his staff. I think, more than anything, he seemed to be very well informed on our issues. And we -- we had our say. We -- we told him what was important to us, and I felt, in a lot of areas, there was pretty good alignment in our thinking and his views." Wagoner also "said that automakers "didn't bring up" a bailout during a meeting with Bush.

ABC World News (11/14, story 4, 2:40, Gibson, 8.78M) showed Wagoner saying, "I would say it was a very good dialogue. Very open, back and forth," and the Detroit Free Press (11/15, Hyde, 373K) quotes him adding, "I can honestly say that it appeared the President didn't 100 percent see it that way. … We had a good open dialogue. We agreed to continue that dialogue."

Democrats Elect Senate Leadership. NBC Nightly News (11/14, story 5, 0:45, Williams, 9.87M) reported, "Senate Democrats didn't waste any time putting their leadership team out for the next term in place. Former Senate Minority Leader Harry Reid of Nevada, who is was unopposed for the position of Majority Leader, introduced his team today. His Deputy is Dick Durbin of Illinois, New York's Chuck Schumer will continue as campaign committee chair and Washington's Senator Patty Murray was tapped to become the Conference Secretary."

The Los Angeles Times (11/15, Neuman, 850K) reports "the team looks a lot like last year's lineup." Schumer will remain head of the "cash-raising campaign committee…as well as taking on the No. 3 position -- vice chair of the Democratic Conference."

The New York Times (11/15, Stout, 1.16M) reports Reid also "said Senator Barbara Boxer of California would become chief deputy whip, and Senators Thomas R. Carper of Delaware, Bill Nelson of Florida and Russell D. Feingold of Wisconsin deputy whips. And Senator Robert C. Byrd of West Virginia will be the Senate's president pro tem and will provide 'leadership and experience gained from a lifetime of public service,' Mr. Reid said. Mr. Byrd, who won another term last week, was first elected to the Senate in 1958."

The Hill (11/15, Bolton) reports Reid appointed Sen. Debbie Stabenow "chairwoman of the Democratic Steering and Outreach Committee, a post that consults on decisions over committee assignments and heads outreach to allied coalitions such as labor unions and environmental groups." Stabenow "will replace Sen. Hillary Rodham Clinton (D-N.Y.), who will assume a new minor position as vice chair of committee outreach. There, she will assist Sen. Jeff Bingaman (D-N.M.), chairman of committee outreach, in providing 'a voice in the Democratic leadership for committee chairs.' Clinton's appointment is curious because she, unlike Bingaman, will not chair a committee in the next Congress."

Reid Says His First Senate Action Will Be $75 Billion Boost In Military Budget. The Washington Post (11/15, A1, Weisman, 690K) reports Reid "said last night that President Bush still has not grasped the urgent need to change course in Iraq. Reid vowed to press quickly for phased troop withdrawals, a more international approach to Iraq's problems and a rebuilding of the depleted U.S. military." In an interview, he "also said members of his party will have to think big on the nation's domestic issues. That includes tackling the budget deficit with strict new rules on spending, exploring an eventual expansion of Medicare to address the uninsured, and examining an increase in tax rates on upper-income Americans." But "it was on the issue of Iraq that he

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was most passionate. Voter anger over the war swept his party to power with the unlikely defeat of six Republican senators, he said. Democrats must respond to that anger, he added, with hearings to keep the heat on the Bush administration, and with calls for a regional Middle Eastern conference and a revitalized Iraqi reconstruction effort. To that end, he said, one of the first acts of the new Democratic Congress will be a $75 billion boost to the military budget to try to get the Army's diminished units back into combat shape."

Schumer Says Alito-Type Judge Won't Pass Democratic Congress. The New York Observer (11/15, Horowitz) in an article on Schumer's selection as the third-ranking Senate Democrat reports, "More than the inability to influence Iraq policy or the President's tax cuts, Chuck Schumer says that the single greatest failure of the Democrats as an opposition party was allowing Samuel Alito to join the Supreme Court." Schumer said, "One more justice would have made it a 5-4 conservative, hard-right majority for a long time. That won't happen." In addition, Schumer said, "I am writing a book, about how to build a permanent -- a long-term majority." Schumer's "book, Positively American: Winning Back the Middle Class Majority One Family at a Time, will be released right around the President's State of the Union address, and will fit neatly into the role that Mr. Schumer now envisions for himself as tactician in chief for the newly ascendant Democrats." On Democratic policy recommendations for Iraq and the Middle East, "Schumer wanted to make clear that these will not be mere suggestions to be considered or discarded by the White House as the administration sees fit." Schumer said, "Bush will be a lame duck unless he has a dramatic change of course -- unless the Rasputin-like influence of Cheney goes. You could see Cheney, just by his body language, is just angry. … If Bush doesn't budge, he will be a lame duck."

Pelosi Wades Into Majority Leader Race, Gives Murtha Full Backing. The Hill (11/15, Hearn) reports incoming House Speaker Nancy Pelosi (D-Calif.) "is imploring her colleagues to support Rep. John Murtha (D-Pa.) for majority leader, multiple House Democrats said yesterday, dealing an unexpected but not necessarily fatal blow to Murtha's opponent, Rep. Steny Hoyer (D-Md.)." It had been "unclear until yesterday whether Pelosi would use her clout to turn votes to Murtha. She endorsed him in a letter Sunday, but some dismissed it as a nod to personal loyalty rather than a statement of her intentions. But by yesterday, her intent was clear, several lawmakers said; she hopes to oust her onetime rival Hoyer from the leadership." Rep. Bill Pascrell said, "She's committed. If they thought she was just going to endorse his candidacy, they were mistaken. She didn't have to do this. It's called courage." The Hill adds that by "throwing her full weight behind Murtha, Pelosi risks suffering an early setback with her colleagues if Hoyer wins; however, a Murtha victory would cement her total control." Pelosi "called incoming Ways and Means Committee chairman Charles Rangel (D-N.Y.) yesterday morning just hours after he had told the New York Sun, 'I think Steny has done his job. I cannot think of any reason why this is happening,' prompting the paper to run the headline 'Rangel Backs Hoyer for Leader.'" Rangel said, "I don't know what article she had seen, but she had thought it was an endorsement of Steny.'" Rangel "told her it was not an endorsement but reiterated his earlier statement that 'nobody had given me any reason not to support Steny.'" Rangel "said that that statement remained true even after their conversation. 'I'm not supporting anyone right now,' he said." The Hill adds, "Yet nine other incoming full committee chairmen are supporting Hoyer. Reps. John Dingell (D-Mich.), Barney Frank (D-Mass.), Bart Gordon (D-Tenn.), Jim Oberstar (D-Minn.), Tom Lantos (D-Calif.), John Spratt (D-S.C.), Ike Skelton (D-Mo.), Bennie Thompson (D-Miss.) and Henry Waxman (D-Calif.) signed a letter yesterday backing Hoyer." Some incoming Democratic freshmen "remained steadfast in their support of Hoyer despite intense lobbying by Murtha's allies. Reps.-elect Ron Klein (D-Fla.), Kathy Castor (D-Fla.) and Phil Hare (D-Ill.) were vigorously supporting Hoyer yesterday."

CQ (11/14, Ferrechio) reports, "Years of tension between" Pelosi "and her chief deputy, Steny H. Hoyer, culminate this week, putting Pelosi's leadership to the test before she officially takes over as Speaker of the House." Pelosi has "put her credibility on the line by forgoing neutrality and endorsing Murtha." A senior Democrat said, "If they turn her down on this — this is huge." CQ adds it is a "gamble the Californian is willing to take to eliminate from her inner circle someone she views as a disloyal lieutenant, say lawmakers and staff aligned with Pelosi on the matter." After "sending Murtha a letter of endorsement Sunday, Pelosi began actively campaigning, calling the incoming freshmen and lobbying one-on-one." Under "normal circumstances, Hoyer would be viewed as a shoo-in to move from the No. 2 person in the minority to the No. 2 person in the majority." Hoyer is

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"generally well-liked by the caucus and by the incoming freshmen. He has claimed the support of two-thirds of the conservative 'Blue Dogs,' more than half the freshmen, some of the caucus's most senior Democrats, and nine of the presumptive committee chairs." One Democrat "aligned with Hoyer called Pelosi's decision to actively support Murtha 'egotistical hubris.'"

Roll Call (11/15, Bresnahan, Yachnin) reports the race "got nasty on Tuesday, as Murtha accused Hoyer's allies of spreading allegations that he was corrupt while Murtha tried to tie Hoyer to President Bush's policy on Iraq." The "back-and-forth between the two senior Democrats came as Hoyer released the names of another 35 supporters, bringing the total number of Members who have backed him for the second-highest position in the House to roughly 80." Murtha has "released the names of 22 of his supporters, meaning approximately 130 Democrats have not openly stated their preference at this point. Murtha would have to capture the vast majority of those undeclared Members to claim victory in the leadership campaign." Murtha "avowed Tuesday that he was a victim of 'swift-boating' by Hoyer and his allies via news stories linking him to the Abscam scandal of the early 1980s, as well as more recent reports that he did legislative favors for clients of his brother's lobbying firm and another firm where a former top aide worked." While not "accusing Hoyer of spreading the corruption stories himself, Murtha and his advisers suggested that Hoyer had done 'oppo research' on the veteran lawmaker and was now feeding negative information on Murtha to the press to damage the Pennsylvania Democrat's campaign for Majority Leader." Meanwhile, a Democratic lawmaker, "who is also supporting Hoyer in the leadership battle suggested that aggressive 'bullying tactics' — involving the loss or award of valuable committee assignments — employed Tuesday have roiled some lawmakers."

The New York Times (11/15, Hulse, 1.16M) reports Rep. Steny H. Hoyer "released the names of new supporters" in his bid to become majority leader, bringing his "publicly disclosed total to more than 70 out of the 118 or so required, depending on whether Democratic candidates awaiting recounts are allowed to vote." Rival John P. Murtha of Pennsylvania "on Tuesday accused critics of his ethics record of 'Swift-boat style' attacks and questioned the depth of Mr. Hoyer's opposition to the Iraq war." Murtha has "far fewer public endorsements than Mr. Hoyer. But he has one very significant one, that of incoming Speaker Nancy Pelosi of California. Ms. Pelosi appeared at a reception that Mr. Murtha held on Monday night for new Democrats and pressed colleagues to support her candidate on Tuesday." After a "watchdog group criticized Mr. Murtha on Monday for past ethics lapses and new attention focused on his involvement in the Abscam scandal in 1980, he said that he was 'disconcerted that some are making headlines by resorting to unfounded allegations that occurred 26 years ago.'"

The Los Angeles Times (11/15, Levey, Simon, 850K) reports, "Injecting the Iraq war into the escalating fight for the No. 2 spot among House Democrats," Murtha "attacked his opponent for not backing a push last year for withdrawal of U.S. troops." Hoyer "disputed the criticism of his position on the war. Murtha's charge was an effort to turn an antiwar message central to Democratic gains at the polls last week into a wedge issue in determining the party's leadership as it prepares to take control of the House in January." Murtha's "broadside also raised the prospect that the showdown with Hoyer for the majority leader's post would have a larger ideological element than often is the case. Usually, the leadership contests turn more on matters of personality and style than issues."

Fox News' Special Report (11/14, Garrett) reported, "[B]itterness raged inside the Capitol, as Pennsylvania's John Murtha accused his rival in the battle for majority leader, Maryland's Steny Hoyer, of echoing President Bush's Iraq war policy. … The Pelosi-Murtha position on the war is the reason Democrats are in the majority today, Murtha said. Congressman Hoyer's position has been to stay the course with President Bush from the very beginning. Hoyer, who opposed Murtha's call for troop withdrawals but backed Democratic calls to change course in Iraq, shot back immediately. His office released this statement: Any representation that Congressman Hoyer endorses a stay the course strategy or advocates sending more troops to Iraq is wrong." Additionally, "Murtha…dismissed scrutiny directed toward this FBI videotape from 1980, where Murtha met with FBI agents posing as Middle Eastern businessmen offering congressmen bribes. Murtha never accepted a bribe, but was named an unindicted co-conspirator in the ABSCAM investigation."

Support Of Murtha Said To Undercut Pledge For Congressional Ethics Reform. NBC Nightly News (11/14, story 6, 2:30, Williams, 9.87M) reported, "Late today I spoke to Congressman Hoyer who says he's confident he has the votes

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to win. Some of that confidence may be a result of questions that others were asking today about a part of John Murtha's record." NBC (Myers) added, "In her first interview after Democrats won control of the House, Nancy Pelosi made a sweeping promise." Rep. Nancy Pelosi: "To turn this congress into the most honest and open Congress in history. That is my pledge. That is what I intend to do." Myers: "But some Democrats and ethics experts say that promise was undercut when Pelosi endorsed this man John Murtha, for the number two leadership position in the House." Fred Wertheimer, ethics reform advocate: "Representative Murtha has basically been on the wrong side of public integrity issues during his career." Myers: "Critics claim Murtha has amassed power in part by handing out taxpayer money to special interests. Including to clients of defense lobbyists who give him big campaign contributions." Undercover FBI agent: "Each packet contains $10,000 in $100 bills." Myers: "Then there is this video from an FBI sting in 1980 known as Abscam. An undercover FBI agent offer as $50,000 bribe to Congressman Murtha who is sitting on the right." Undercover FBI agent: "I got…I went out, I got the fifty thousand, OK? From what you're telling, OK? You're telling me that that's not what you…" Rep. Murtha: "I'm not interested." Undercover FBI agent: "OK." Rep. Murtha: "At this point." Undercover FBI agent: "OK." Rep. Murtha: "You know, we do business for a while, maybe I'll be interested, maybe I won't, you know." Myers: "Murtha refuses the catch and talked about his need to be cautious because of his ambitions. As his supporters point out, that was 26 years ago." Rep. Martin Meehan: "Not only is it ancient history, the fact of the matter is, Jack Murtha was never charged with anything." Myers: "The House Ethics Committee also didn't take action against Murtha. Murtha has repeatedly denied wrongdoing and says these charges amount to 'swiftboating,' the same kind of unfair charges that helped defeat John Kerry. He now supports ethics reform."

Rangel: Hoyer's Done "Heck Of A Job." On MSNBC's Tucker (11/14, Carlson), Rep. Charles Rangel (D) said, "Steny Hoyer's done a heck of a job as our whip and I have not found any reason why he should not get support." Carlson noted that a recent press release from Rep. John Murtha (D) said, "Hoyer's position has been to stay the course with President Bush in Iraq from the very beginning and, like Senator McCain, he advocates sending more troops to Iraq." Asked if he could support Hoyer in spite of this, Rangel replied, "Yes, because a whole lot of people have got to support me, and they have a very different opinion on a lot of issues than I do. … [J]ust because we don't read from the same page as some reporters do doesn't mean that we have to be against each other. There is enough room in the Democratic Party for these two views."

Meehan Dismisses Murtha Abscam Charges. On MSNBC (11/14, O'Donnell), Rep. Martin Meehan (D) answered questions about Murtha's involvement in the Abscam bribery scandal. Meehan said, "He was never charged with anything. And the fact of the matter is I think Jack Murtha showed his principles and shows his courage and his leadership by standing up on the Iraq war and calling for America to go in a new direction. So that's the type of leadership that I'm looking for."

Ornstein Urges House Democrats To View Murtha Abscam Video. In his column in Roll Call (11/15), Norman Ornstein says there is "one thing every House Democrat must do before going into the Caucus to cast that vote for Majority Leader: Go to video.google.com, search for 'American Spectator John Murtha,' and then take 53 minutes and 40 seconds to watch the video that comes up. It is a Jan. 7, 1980, video taken by the FBI during the Abscam sting, and it shows Murtha meeting with agents disguised as Middle Eastern businessmen running an outfit they called Abdul Enterprises and offering cash for political favors, including asylum for one posing as an Arab sheik." Murtha was "one of the lawmakers targeted by the FBI. He ultimately was not charged after he cooperated with the FBI and helped implicate some of the other Members. The ethics committee voted along party lines not to bring ethics charges against him — causing the panel's special counsel, E. Barrett Prettyman Jr., to resign in protest. Murtha since has talked proudly about how he resisted the offers of cash for favors, portraying himself as a hero. Watch the video, read the transcript and you will see a different story." Murtha is "a skilled and experienced legislator, a war hero and an articulate and passionate opponent of the Bush administration policy toward Iraq. He also is deeply ethically challenged. Electing him as Majority Leader is no way to start out the most ethical Congress in history."

Some Defense Lobbyists Prefer Murtha Lose Leadership Race. The Hill (11/15, Tiron) reports some defense lobbyists "who have worked with Rep. John Murtha (D-Pa.) are hoping that Murtha loses his high-profile majority leader race against Rep. Steny Hoyer (D-Md.)." Murtha is "a longtime favorite of the defense industry, which has contributed significantly to Murtha's campaign war chest."

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While Murtha "would stay a strong ally to the defense industry as majority leader, several lobbyists said in recent days — as the competition for the No. 2 House position has intensified — that they would much rather see Murtha hold the gavel of the defense appropriations subcommittee. As such, he would have direct influence on the industry's interests." Rep. Norm Dicks (D-Wash.), "a Boeing proponent who would replace Murtha as chairman of the defense appropriations subcommittee, is also considered a friend of the industry. However, Murtha shells out far more earmarks."

More Commentary. In her Washington Post column (11/15), Ruth Marcus says, "Sorry, but I'm not buying Murtha's argument that he's the victim of a 'Swift-boating attack' over 'unfounded allegations that occurred 26 years ago.' On its own, Murtha's Abscam conduct is disqualifying. Even if it weren't, though, everything in Murtha's post-Abscam life is of a piece with the back-scratching, dealmaking style on display in the video."

In a 2,625 word column in the Wall Street Journal (11/15, 2.04M), John Fund provides more details on the response from Democrats worried about Murtha's ethics, writing that "one Democratic member" said "It's not just the Abscam scandal of the 1980s that he barely dodged, he's a disaster waiting to happen because of his current behavior." Murtha and his allies have dismissed allegations of impropriety in the Abscam probe and "Murtha has said his only interest in the purported Saudi sheiks' money was that he hoped it would be invested in businesses in his district. But the full tape makes clear that Mr. Murtha was primarily interested in talking about such investments as a possible cover should he later decide to have the money transferred." Fund notes, "It appears that what Mr. Murtha was referring to was a form of investment not for the sake of investment, but because 'that's the secret' to how you can take a bribe and get away with it."

Morris Sees "Irony" In House Liberals Taking Power After Moderates' Win. In his column in The Hill (11/15), Dick Morris says, "The results of the '06 election are in. The left wing of the Democratic Party has taken over Congress. Rep. Nancy Pelosi (D-Calif.) is the Speaker. Rep. Charles Rangel (D-N.Y.) is the new chairman of the Ways and Means panel. Sen. Harry Reid (D-Nev.) is majority leader, and Sen. Barbara Boxer (D-Calif.) runs the Environment Committee. The left is empowered." But the left achieved "these majorities…lifted by the wings of moderate, centrist Democrats who mastered their GOP opponents throughout the country. It was not liberals who defeated Republican incumbents in the House and Senate. It was moderates, future members of the Democratic Leadership Council (DLC)." The only reason Pelosi "is Speaker is that a fresh crop of moderate Democrats ousted Republican incumbents in the House. A majority of these new congressmen and -women have announced their intention to join the DLC." The "irony is that the expressed will of the American people has been so radically ignored in the shaping of the 110th Congress. The fact is that the elevation of Nancy Pelosi to the speakership is no more a legitimate expression of the voters' will than would be the retention of Dennis Hastert. The seniority system, rigidly applied by Pelosi in violation of the spirit of the Gingrich reforms of 1994, has ordained that a liberal establishment will run Congress, whatever the voters say." Morris adds observers "have to see 2007 and 2008 as the beginnings of a massive Republican revival. Only when the likes of Hillary Clinton take the White House in 2008 — still my bet — will the resurgence be fully evident. Just as she saved the GOP in 1994, she'll repeat the favor in 2010 and 2012."

Boehner Faces Two Challengers In House GOP Leadership Battle. The New York Times (11/15, Hulse, 1.16M) reports, "Still in shock over losing their 12-year-old majority to Democrats, House Republicans are engaged in their second leadership fight in a year, this one part of a soul-searching over how they lost the election and what they can do about it." Current majority leader, Representative John A. Boehner of Ohio, "the top candidate for minority leader, said Republicans focused too much on simply retaining power. A rival, Representative Mike Pence of Indiana, said Republicans needed to return to their small-government ideology." A third candidate, Rep. Joe L. Barton of Texas, said House Republicans "had to restore a more open leadership style with increased involvement from the rank and file." All "want the reversal in fortune to be temporary and say they can be the strongest foil for Democrats who will have to deliver legislative results and in two years defend seats gained this year in Republican territory." Pence, who has "led the House conservative wing, argues that Republicans need to attack the spending increases under the Republican majority and work harder to differentiate themselves from the opposition. In a conference call with Internet bloggers on Tuesday, Mr. Pence said he would aggressively push back against the White House if he

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believed that the administration was wrong." Pence said, "As Moses said famously, I've been burned by a Bush before."

The Washington Times (11/15, Hurt, 88K) reports House Republicans "are growing increasingly frustrated with their choices in the leadership elections as Senate Democrats yesterday swiftly approved a slate of top leaders." Some Republicans "have expressed reluctance to return Mr. Boehner to leadership after last week's disastrous elections, and some are opposed to Mr. Pence for forging a compromise on immigration that critics dismissed as 'amnesty.' Yesterday, Mr. Pence renounced those efforts." In an interview with talk radio host Laura Ingraham, Pence said, "All those debates about compromise are a thing of the past."

Supporters Worry Blunt Lacks Firm Vote Count. The Hill (11/15, O'Connor) reports that as much "as last week's momentous loss ushered in a new era for Republicans in the House, the GOP is on the brink of returning some familiar faces to the leadership." With Majority Leader John Boehner (R-Ohio) "all but assured of retaining the title of leader when Republicans assume the minority next year, suspense hangs on the race for whip between Reps. Roy Blunt (R-Mo.), the current occupant, and John Shadegg (R-Ariz.), a darling of the conservative media." Blunt has "told supporters in private that he has the votes to preserve his leadership post when members cast their secret ballots this Friday, members and an aide said yesterday, but some of those same supporters question the strength of his backing. Blunt made a similar prediction before losing to Boehner in their majority leader race earlier this year." Some of Blunt's allies "are desperate for him to step aside in order to clear the way for his chief deputy, Rep. Eric Cantor (R-Va.), a prolific fundraiser and established vote-counter who has been making phone calls in support of the Missouri Republican since last Wednesday." Concerned that Shadegg "would fumble some of the procedural responsibilities required of a whip, these Blunt supporters are weighing their options to elevate Cantor to the No. 2 slot in the Republican hierarchy."

The Washington Times (11/15, Hurt, 88K) reports that in the "race for Republican whip, many members say they are far less enthusiastic. The current whip -- Rep. Roy Blunt of Missouri, who hopes to retain the position -- has talked about the need for 'cultural change in Washington,' but is an old ally of ousted leader Tom DeLay. It didn't help that he attended a fundraising golf tournament last weekend, just days after his party lost 30 seats amid charges of corruption." Some say Shadegg "is uninspiring and aloof. Many have settled on Rep. Eric Cantor of Virginia, Mr. Blunt's chief deputy whip, who actively supports Mr. Blunt's re-election."

Conservatives Now Majority Of GOP Caucus. CQ (11/14, Ota) reports, "Conservatives will assert their enhanced clout in the House Republican Conference on Wednesday as they interview 17 candidates for GOP leadership posts." The conservative Republican Study Committee (RSC) is "preparing for the 110th Congress as the 'majority of the minority.' Its 107 members represent more than half of House Republicans for the first time in the group's 33-year history." None of the "current top five House GOP leaders has direct ties to the group. That's a far cry from the 107th Congress, when RSC leaders from Texas held two of the top three House Republican posts: Tom DeLay (1985-2006) as majority whip and Dick Armey (1985-2003) as majority leader." The RSC candidates "in this week's elections have not formed a ticket, pooled their resources or offered a common message. They are running independently, or in some cases against one another, to the advantage of non-RSC candidates such as John A. Boehner, R-Ohio, the favorite to win the minority leader's race." Three of "the four candidates for conference chairman are RSC members, as are two of three candidates for chairman of the National Republican Congressional Committee (NRCC)."

Sensenbrenner, Young Resist GOP Rules Limiting Committee Leadership. Roll Call (11/15, Pershing) reports that with "the GOP majority gone, most current chairmen are preparing to move into their panels' ranking member slots. But two committee heads — Judiciary Chairman Jim Sensenbrenner (R-Wis.) and Transportation and Infrastructure Chairman Don Young (R-Alaska) — are prevented by Republican Conference rules on term limits from keeping their party's top panel posts next year." Republican sources "said Sensenbrenner and Young have told the GOP leadership that they would like to keep their jobs even though both have served a full six years as chairmen, the maximum under the current rules. Their argument: The rules don't really say what they seem to say." The "'term limitation' section of Conference Rule 14 — which was implemented at the start of the 104th Congress and has not been changed since — reads, 'No individual shall serve more than three consecutive terms as chairman or ranking member of a standing, select, joint or ad hoc committee or subcommittee.'" While the "standard interpretation of that rule has been that there is a six-year limit on serving in the top

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GOP slot on a committee, period," Sensenbrenner and Young "have made the case that the phrase 'chairman or ranking member' suggests that a Member should be able to put in up to three terms in one job, and then another three in the other."

Lott, Alexander Cautious On Eve Of Minority Whip Election. The Hill (11/15, Schor) reports the Senate's "marquee GOP leadership bout will be decided this morning, as Republicans choose a new whip amid heightened campaigning by Trent Lott (R-Miss.), Lamar Alexander (R-Tenn.) and their core supporters in the conference." Lott and Alexander "appeared alternately confident and cautious, both aware that today's secret ballot would put their head counts and promises to the test." Lott said, "I want to be helpful." He called his "unusually covert comeback effort 'a family thing' and giving a nod to his close relations with past Democratic leaders, which his supporters believe would be crucial in next year's majority-Democratic Senate: 'We've got to try to keep a check on them and find a way to work with them … I could do that.'" The Hill adds Alexander has "billed himself as a more natural No. 2 than Lott, known for his comfort in the media spotlight since his House leadership rise in the 1980s. But Lott avowed his commitment to the agenda of current Majority Whip Mitch McConnell (R-Ky.), a lock to become minority leader."

Roll Call (11/15, Billings, Pierce) reports Alexander said "he was using the last hours of campaigning to make sure Senators who already had committed to him were not switching to the insurgent campaign of" Sen. Lott. Lott's "late entry into the Whip race, while not unexpected, has left the outcome in doubt, despite Alexander's claim that he has a solid majority of his colleagues behind him. As of Monday night, the Tennessee Republican and his allies reasserted that those numbers had held, and then some, while Lott's backers predicted an extremely close secret-ballot vote that ultimately would turn for the former Majority Leader." But one of Alexander's "top supporters, Sen. Bob Bennett (R-Utah), said Alexander has a solid advantage, counting 27 firm commitments in the Tennessean's camp. Bennett said that unless there is a seismic shift in support in the waning hours, Alexander should emerge as the next Republican vote counter." Roll Call adds one source "close to Lott said that 'Lamar started at a decided advantage,' but the race is now 'a dead heat.' This source suggested that there are fewer than five Senators who remain uncommitted and predicted the final result would be determined by one or two ballots."

The New York Times (11/15, Hulse, 1.16M) reports Alexander said "he had sufficient commitments to win, but Senate Republicans may be newly attracted to the tactical expertise of Mr. Lott, who was forced out in 2002 after a racially insensitive comment."

CQ (11/14, Retter) reports the race "for the second-ranking Republican leadership position in the Senate will hinge on one simple factor — in an anonymous vote, how many senators will keep their promises?" That question is "at the center of Wednesday's election to decide who will be the Senate Republican whip in the 110th Congress" in the race between Alexander and Lott. The "chamber's 49 Republicans will chose between the two popular senators in a suspense-filled race that is expected to be close. Alexander announced a week ago that he had more than 25 votes — a majority of his caucus — to become the new whip. But when Lott announced that his name would be on the ballot, Alexander began recounting his 'yes' votes." Alexander said, "I have talked to many of them again," adding that "he still has enough votes to win." CQ adds Lott's camp "is releasing little information on why he thinks he can overcome Alexander's checked-and-rechecked whip count." But leadership races "are notoriously difficult to predict because, as senators confess, they sometimes give commitments to more than one colleague."

Lame-Duck DeLay Replacement Sworn In. A front-page story in the Washington Post (11/15, A1, Carlson, 690K) reports that Shelley Sekula-Gibbs (R) "was sworn in as a congresswoman on Monday night and already she's a lame duck. Because of a weird electoral quirk, her brief term in office expires next month." Sekula-Gibbs "won a race for Congress on Nov. 7. She also lost a race for Congress on Nov. 7." With ex-House Majority Leader Tom DeLay (R) having resigned "last spring after winning the Republican primary," voters in his "old district, the 22nd, got to cast two votes for Congress" on Nov. 7. The Post notes, 'The Texas voters elected Sekula-Gibbs to fill the remaining portion of DeLay's term -- but they elected Democrat Nick Lampson to succeed DeLay in the Congress that takes office in January, a race that Sekula-Gibbs had to run as a write-in candidate. That makes for a very short congressional career for Sekula-Gibbs…probably two or three weeks, if you don't count recesses."

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DeLay Aides Resign En Masse. Roll Call (11/15, Akers) reports, "The woman who was sworn in this week as the interim Republican successor to ex-Rep. Tom DeLay (R-Texas) was, shall we say, not a hit with holdover DeLay aides. In fact, they showed their feelings about their new boss Tuesday by walking out of the office en masse and resigning, effective immediately." The "DeLay refugees, who included DeLay's personal chief of staff, David James, walked out of the office, Von Trapp family-style (though without the singing) and huddled at Starbucks to get their wits about them." Sekula-Gibbs "showed up to take over DeLay's old office on Thursday and, according to sources familiar the office dynamics, was 'mean' to the staff. On Tuesday, at her new Member's open-house reception in the office, sources charged that she was less than pleased that neither President Bush nor Vice President Cheney showed up with the rest of the welcome wagon."

Democrats Put College Affordability High On Agenda. The Wall Street Journal (11/15, D1, Chaker, 2.04M) reports, "College affordability is high on the agenda for the newly elected Democratic leadership in Congress, and that could mean good news for families worried about the rising cost of college." Democrats "have proposed…halving the interest rate on some federal student loans," allowing "tax deductions for tuition paid by families earning up to $160,000 a year" and an "expansion of the federal Pell Grant program" to $5,100 per year. The interest rate reduction for student loans is "among a number of measures they plan to introduce on the first day of the new Congress and to pass within the first 100 hours Congress is in session." Banks are concerned the proposal may "reduce lender returns" while others "say the Democrats' proposals could encourage colleges to raise tuition further."

Next Congress Expected To Be Tougher On Oil Companies. The Christian Science Monitor (11/15, Scherer, 59K) reports that "next year, Big Oil is likely to feel as if it's wearing one of those 'kick me' signs. The Democratic leadership has already indicated it will try to repeal earlier tax breaks for oil companies. A gusher of new legislation could develop as well." The Democrats "will try to put together their own version of a comprehensive energy bill that tackles everything from gas-mileage standards to tax breaks for alternative energy sources, some congressional analysts believe." Some members of the energy sector hope that, during the lame-duck session, Congress "will take up the issue of allowing drilling for oil and natural gas in the eastern part of the Gulf of Mexico." The Monitor notes, "The shift in congressional leadership may also mean additional funding for the Low Income Home Energy Assistance Program."

Environmentalists Don't Expect Radical Policy Changes. The Christian Science Monitor (11/15, Knickerbocker, 59K) reports, "After years in the political wilderness, activists and their champions in Congress are poised to take environmental policy and lawmaking in a decidedly greener direction. Climate change and renewable energy, land conservation, endangered species protection, pollution prevention -- all will get a fresh look as Democrats take over key committees and subcommittees in the US House and Senate." But "activists don't expect the new Congress to make radical changes." The Monitor says, "expect a weakened effort to drill for oil and gas in the Arctic National Wildlife Refuge in Alaska and in the Rocky Mountain states, less of a push for expansive offshore oil drilling, and more resources to bolster the Endangered Species Act and clean up toxic sites on the Superfund list."

Report Says Oil Reserves Much Larger Than Popular Estimates. McClatchy (11/15, Hall) reports, "Far from being a nearly exhausted resource, the world's oil reserves are three times bigger than what some popular estimates state, and peak global oil production is still about a quarter-century away, according to a new study by Pulitzer Prize-winning oil historian Daniel Yergin." A new report by Cambridge Energy Research Associates, which Yergin runs, "challenges an increasingly popular view that the world is about to run out of oil. On the contrary, CERA argues that the world is likely to begin running out of oil between 2030 and the middle of the century. Even so, CERA says, efforts are needed now to push that date back, such as new oil field discoveries, new technologies, energy conservation and alternative energy sources."

Senate Democrats Rush To Embrace Lieberman. The New York Times (11/15, Leibovich, 1.16M) reports Senator Joseph I. Lieberman "strode into a Democratic caucus gathering like he owned the place or, at the very least, like someone who is a flight risk and could leave at any minute, taking the Democrats' new majority with him. In other words, everyone was extra-special nice to the wayward Democrat on Tuesday." Lieberman "received a standing ovation at a caucus luncheon after Senator Harry

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Reid of Nevada, who is poised to become the majority leader, declared, 'We're all family.' All of which is particularly touching in light of recent history. It was, after all, just three months ago that Mr. Lieberman became something of a party pariah after losing the Democratic primary in Connecticut but continuing his re-election bid as an independent." Lieberman "won re-election last week without help from most of his Democratic Senate colleagues, who backed Ned Lamont, his Democratic rival, over their 'good friend Joe Lieberman.'" These, "presumably, would include 'friends' like Senator Hillary Rodham Clinton of New York, John Kerry of Massachusetts and Christopher J. Dodd of Connecticut, all Lamont supporters." Indeed, it "is hard to imagine how Mr. Lieberman could have emerged better from last week's election. He was re-elected comfortably, and the Democratic Party he still belongs to is now in the majority, assuring him the chairmanship of the powerful Homeland Security Committee. Yet that majority is slim enough, 51 to 49, to turn Mr. Lieberman into arguably the Senate's most influential member. If he defects, the Senate would effectively be under Republican control because Vice President Dick Cheney would cast tie-breaking votes."

Roberts Discusses Role At Supreme Court. ABC World News (11/14, story 6, 2:35, Greenburg, 8.78M) interviewed Chief Justice John Roberts at the University of Miami. Greenburg: "The Chief Justice sat down with me for an hour-long conversation. It was just the two of us, on a stage, in a baseball arena at the University of Miami, with 3,000 people listening in. Now, you had argued before these justices, some of them, 39 times. What was it like going straight on to the court as the boss?" Chief Justice John Roberts, US Supreme Court: "Chief Justice is unlike any other boss I've ever had. I have the same vote that everyone else does. The Chief Justice really doesn't have a lot of authority of the sort that would refer to you to call him the boss." Greenburg: "So you can't tell Justice Scalia what to do?" Chief Justice Roberts: "You know, I don't think anybody can tell Justice Scalia what to do. The only authority I have of any real significance is that I do get to assign the opinions. You want to make sure everyone has their fair share of interesting cases and has their fair share of what we call the dogs, the uninteresting cases." Greenburg: "Do you ever have to tell a justice to be quiet?" Chief Justice Roberts: "Well, we do have a rule. One of the strict rules is that nobody gets to speak twice until everyone has spoken once. And I have had to rule on whether facial expressions count as talking twice. You know, rolling the eyes. People have strong views. But, remember, we're lawyers. And it's not you know, as Holmes once said, certitude is not the test of certainty. It's not as strongly you feel about it. But how effective you can be in explaining the reasoning and getting others to understand the reasoning. And if they disagree, they don't just disagree and say I don't agree with that. They try to explain why. And it's a very important part of the process." Greenburg: "The Chief Justice thinks consensus and respect should rule at the Supreme Court. And at 51, he'll have decades to put his own stamp on the Roberts' Court. Charlie?"

Two Top Officials Leave Census Bureau. The Washington Post (11/15, A19, Willamson, 690K) reports that Census Bureau head C. Louis Kincannon, and Hermann Habermann, "a career statistician who runs the census operation," left the agency, "putting management of the agency in flux as preparations for the next census enter a critical phase." Their departure "could complicate a revision of the counting process in 2010 -- to produce a detailed picture of the U.S. population every year, rather than once a decade." The Post adds, "Kincannon officially cited family responsibilities for his departure. But in an interview he mentioned 'different views perhaps about priorities; at the agency." The Post also reports, "One person with knowledge of the situation suggested that the two officials -- especially Habermann, a career employee -- were targeted by Republicans who would want to install an official who could better protect against Democratic congressional efforts to reinvigorate adjustment efforts. … One Hill staff member with knowledge of census operations said the resignations anticipated the release in coming weeks of a congressional report on lost laptop computers at the agency."

Medicare Opens Enrollment In Drug Plans Today. The New York Times (11/15, Pear, 1.16M) reports, "Starting Wednesday, Medicare beneficiaries can sign up for prescription drug coverage or switch plans, and many may want to do so because prices have changed, with some of the most popular plans charging much higher premiums for 2007. In every state but Alaska and Hawaii, more than 50 drug plans are available. Beneficiaries have until Dec. 31 to sign up or change plans, but federal officials said they should act by Dec. 8 to avoid the problems that caused turmoil at pharmacies in January, when many people were unable to

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get their drugs." The Bush administration "says that premiums for Medicare drug coverage will average $24 a month in 2007, about the same as in 2006. But for many beneficiaries, the reality may be substantially different."

Murray Accuses Drug Industry Over "Overreach." Alan Murray writes in the Wall Street Journal's (11/15) "The Outlook" column, "Since Election Day, drug stocks" have lost nearly "$50 billion in market value." That's "the price big pharma is paying for a badly bungled political strategy. For years, the industry operated on the assumption it could get what it wanted out of Washington. Then, when the going got tough, it doubled down on Republicans." The "most conspicuous example of [the industry's] overreach was a line inserted in the Medicare Modernization Act of 2003 that prohibited the U.S. government from negotiating prices directly with drug companies." As a result, the industry's "big bet has now gone bad" as opposition to that line "has become Democratic dogma. And a few moderate Republicans are toeing the line as well." But, "that doesn't make it a good idea. Truth is, drug companies can't really 'negotiate' with the government. … With a market share of about 46%, the government would set drug prices, not negotiate them." Moreover, "negotiated prices would force drug companies to redouble their lobbying efforts in Washington."

HMOs Seen As Profiting Off Cuts To Medicaid Care. The Wall Street Journal (11/15, A1, Martinez, 2.04M) reports, "Some 55 million poor and disabled Americans are covered by Medicaid. With an annual price tag topping $300 billion, it's among the biggest government programs around. It's also a lucrative business for some private companies that act as middlemen between the government and patients." The "four of the biggest Medicaid HMOs…have seen their shares surge on the New York Stock Exchange over the past few years." But "with the growth has come criticism from some doctors and patients who accuse Medicaid HMOs of scrimping on care. Even as they restrict medical tests and use of prescription drugs, the companies spend the money they get from states on items that don't have an obvious connection to patients." Meanwhile, "executives say their profits are justly earned and don't come at patients' expense."

Collins Hoping For Lame Duck Action On Postal Service Overhaul. The Washington Post's (11/15, D4, Barr) "Federal Diary" column reports, "Sen. Susan Collins (R-Maine) said yesterday that she is not giving up on legislation that would overhaul the US Postal Service and will try to win approval of the bill next month during the lame-duck session." The Post adds that Sen. Collins has met with other leaders and the White House to see what "modifications can be made to get the bill moving," but she said, "I'm not optimistic I will be successful." The Post adds, "The Senate bill stalled in late September when the National Association of Letter Carriers objected to a relatively minor provision that would require a three-day waiting period before injured postal workers could begin drawing workers' compensation benefits," and the "letter carriers union has said it will not drop its objection to the bill, even though Collins got the White House to drop proposals that unions had claimed were dealbreakers."

Deutch Urges Gates' Confirmation. In a commentary for the New York Times (11/15, 1.16M), former DCI John Deutch writes, "Mr. Gates is an experienced Washington hand with the right temperament to change the administration's thinking about our mission in Iraq and to make much-needed long-term changes in how we defend our nation. ... Are we making progress toward meeting our minimum objectives — helping the Iraqis maintain security, establishing a working government and restoring basic services? If the answer is no, as I suspect, then Mr. Gates should tell the president that it is time to withdraw." In addition, Gates, in serving on a CFR committee studying Iranian relations, "demonstrated his pragmatic approach to foreign policy and his ability to work effectively with those of differing ideologies." He is better suited than anybody "for reforming the military's intelligence operations" and hopefully will "quickly re-establish the trusting relationship with senior military leaders — the chairman of the Joint Chiefs of Staff, the heads of the combat and supporting joint commands — that was the hallmark of Secretary of Defense William Perry's successful tenure in the 1990s."

Culberson Defends Earmarks. In a USA Today op-ed (11/15), House Appropriations Committee member Rep. John Culberson, R-Texas, says, "As a dedicated fiscal conservative who is committed to the Republican principles of limited government and a balanced budget, I believe 'earmarks' can help ensure our tax dollars are spent effectively." Because members "have a strong grasp on the needs of their districts, it is safe to assume they know which projects deserve federal support. Without earmarks,

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thousands of groundbreaking medical, science, energy and defense projects, along with critical infrastructure investments for flood control and highways, would go unfunded." Eliminating earmarks "will not save taxpayers money because the invisible bureaucracy will simply spend it. Earmarks are simply a way of directing budgeted money to specific projects. Instead of concentrating solely on earmarks, which account for about 1% of all federal spending, Congress must reform entitlement programs, which are the real source of annual deficits."

Fenty Urges Congress To Pass Bill That Would Give District Vote In House. In a piece in the Washington Post (11/15, A21, 690K), Washington, D.C. Mayor-elect Adrian Fenty (D) writes, "At the top of Congress's agenda right now should be this important part of its unfinished business: enactment of H.R. 5388, the D.C. Voting Rights Act. … The legislation provides D.C. residents with a vote in the House of Representatives while providing Utah with an additional congressional seat. Utah was the next state in line to receive an additional representative after the last census. H.R. 5388 has bipartisan support and is vote-neutral. … I urge Congress to pass this bill swiftly so that President Bush can sign it into law this year. America is the only democracy in the world that denies voting representation to the people of its capital. That needs to end right now."

Pozen Backs Opt-Out Employer Based Retirement Accounts. In a Wall Street Journal op-ed (11/15, A18), Robert Pozen of MFS Investment Management says, "Today, almost 30 million full-time employees -- 25% of the full-time work force -- are not offered a retirement plan at work." Legally, "if employees are not offered a workplace retirement plan, they can establish an individual retirement account (IRA) -- regardless of their income level. However, only a small portion of these employees have enrolled. Although employees usually say they want to save more for retirement, most cannot overcome inertia to open an account. By contrast, if an employer takes retirement contributions out of their employees' paychecks, most employees will stay in the plan -- i.e., they will not opt out. In one study, the participation rate increased to 92% from 66% in opt-out plans relative to opt-in plans, with even larger increases for low-income workers." A bipartisan Congress "should harness these forces of inertia and mandate that all employers not otherwise offering a retirement plan establish a check-off IRA (CIRA) for employees. An employer could take out a minimum percentage (e.g., 3%) of their employees' wages from their paychecks, tax deductible in the year of contribution. But employees would have 60 days from their enrollment date to increase their contribution rate, or to opt out completely of any payroll deduction."

NYTimes Says Bush Should Back Minimum Wage Hike. In an editorial, the New York Times (11/15, 1.16M) says, "At his first post-election news conference last week, President Bush said that he believed he could find common ground with the new Congress on Democrats' longstanding drive to raise the federal minimum wage. That is welcome, but long overdue." By December, "the minimum wage will have remained unchanged for the longest period since it was established in 1938. There are no valid reasons to delay an increase, and many good ones to proceed. Supporting a higher minimum wage would be a way for Mr. Bush to begin to rectify the inequality that has grown so alarmingly on his watch."

WSJournal Questions Conrad's Fiscal Responsibility. In an editorial, the Wall Street Journal (11/15, 2.04M) says, "Kent Conrad's Web site proclaims that the North Dakota Democrat 'has been a leading voice for fiscal responsibility' in Washington, and the Senator rarely misses an opportunity to bemoan 'deficits as far as the eye can see.' Maybe once Mr. Conrad comes off his latest spending binge, he can buy the rest of Washington some binoculars. Or at least enough magnifying eyewear to see $4.9 billion, which is the amount of emergency drought relief the parsimonious Mr. Conrad is attempting to shovel into a Senate military construction bill in this week's lame duck session. If this is the sort of 'fiscal discipline' we can expect from the new Democratic majority, K Street ought to be popping the champagne corks."

WPost Says Gerrymandering Limits Congressional Accountability. The Washington Post (11/15, A20, 690K) says in an editorial, "It would be easy for those complacent about partisan redistricting to look at this year's election as evidence that it's not a problem after all. Gerrymandering of congressional district lines failed to protect a number of incumbents around the country from defeat. It didn't prevent the House of Representatives from switching hands. Maybe letting politicians use sophisticated

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computers to choose their own voters actually calcifies the American electoral system less than the past few elections have suggested." The election "this year was dramatically more competitive than others in recent history. According to data from the Center for Voting and Democracy, 34 House races were decided by a margin of fewer than 5 percentage points, more than in 2002 and 2004 combined. An additional 26 were decided by fewer than 10 percentage points, compared with 28 in the past two elections combined. The reason for the change is simple: Voters were angry at Republicans. And while partisan redistricting can make red districts redder and blue districts bluer, it cannot stop either from going purple as a party fails to persuade its own voters or get them to show up at the polls." But the "overwhelming majority of seats remained beyond serious democratic competition -- as always." America is "not a Soviet republic. But even at their most competitive, House races are far from models of electoral accountability."

OTHER NEWS:

After Positive Inflation News, Dow Hits New Record. Fueled by positive economic news, the Dow Jones reached another historic high yesterday. Media coverage was subdued, with the CBS Evening News not even mentioning the development and NBC Nightly News (11/14, story 9, 0:15, Williams, 9.87M) noting the stock numbers without reporting they constituted a new record. ABC World News (11/14, story 8, 0:30, Gibson, 8.78M), meanwhile, reported, "A new economic report today has eased inflation fears and spark a big rally on Wall Street. Wholesale prices saw a decline last month, largely because of lower prices for gas and new cars. The Dow Jones Industrial Average closed at a record high 86 points to 12,218. And the NASDAQ gained 24 [to close at 2430.66]."

The AP (11/15) says "investors…were heartened' by a "report of slowing wholesale inflation," and "were cheered by comments from Federal Reserve Bank of St. Louis President William Poole, who described the Fed's interest rate policy as 'about right. Poole, who currently sits on the Fed's policy-making Open Market Committee, reassured a market that has been counting on a steady rate policy for the near future." The Labor Department "said wholesale inflation as measured by the Producer Price Index dropped by 1.6 percent last month following a 1.3 percent slide in September. Plunging energy prices were behind the declines, which gave Wall Street some relief from concerns that rising inflation might prompt the Fed to raise rates after three straight meetings where they were left unchanged." The Washington Post /AP(11/15, D5) runs a similar AP piece on Wall Street, and the Wall Street Journal (11/15, C1, Browning, 2.04M) notes "the broad Standard & Poor's 500-stock index hit a six-year closing high, rising 0.64%, or 8.80 points, to 1393.22. It is up 11.6% this year. The S&P isn't near a record, but the news that it joined the Nasdaq and the Dow at a new multi-year high pushed money managers to buy for fear of being left behind. Trading volume was heavy."

The New York Times (11/15, Peters, 1.16M) reports "consumer spending is showing signs of slowing but remains robust," and "some economists found it encouraging that yesterday's report was the second consecutive set of wholesale price data to show an overall decline. In September, wholesale prices fell 1.3 percent. For the year, prices are down 1.6 percent." The Wall Street Journal (11/15, A2, Whitehouse, 2.04M) runs a similar story under the headline "US Consumer-Spending Data Bolster Hopes For Holiday Sales," in which it says "American consumers maintained their spending in October, leading economists to hold out hope that robust holiday sales will help insulate the US economy from a sharp downturn in housing."

USA Today (11/15, Kirchhoff, 2.27M), meanwhile, offers a negative reading of the inflation news, in a story titled "Economy Seen Slowing As Wholesale Prices Plummet 1.6%," in which it reports "analysts said the Fed is still far from an all-clear on inflation."

The Financial Times (11/15, Guha, Callan, Pilling) says reports yesterday offered "hopes that inflation pressures could be easing," but also "showed the US economy feeling the strain from the sharp slowdown in the housing sector. … The latest US retail sales figures, from October, showed that consumer spending remained resilient in spite of the pressures from the housing market. Sales excluding petrol increased by 0.4 per cent over the month. Lower oil prices meant the value of total retail spending fell 0.2 per cent on the previous month." But "downward revisions to the previous two months' retail sales suggested that consumer spending was weaker than thought." The Los Angeles Times (11/15, Haddad, 850K) focuses on worries about the real estate sector in a story titled "Southern California Home Prices Hold As Sales Continue To Slow."

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Judge Wins $7 Million Libel Suit Against Illinois Newspaper. The Chicago Tribune (11/15, Kimberly) reports, "A Kane County jury Tuesday decided a small local newspaper should pay $7 million to the Illinois Supreme Court's chief justice for defaming him in two columns published three years ago." The Tribune continues, "Justice Robert Thomas cried and hugged his attorneys as Judge Donald J. O'Brien read the verdict Tuesday afternoon. Thomas, 54, of Wheaton shook hands and embraced jurors leaving the wood-paneled courtroom in the historic courthouse in downtown Geneva. … The verdict was unusual, partly because of the amount awarded and partly because the plaintiff was a sitting judge, said Bruce D. Brown, an attorney who is representing the Boston Herald in its appeal of a $2 million libel judgment awarded last year to a Massachusetts state court judge." The Tribune adds, "The newspaper found to be at fault, the Kane County Chronicle, is a daily paper owned by the Shaw Newspaper Group. It circulates mostly in St. Charles, Geneva and Batavia. Its circulation is about 14,000, down from 38,000 in 2003. … Brown said the U.S. Supreme Court set the libel standard very high for public officials: A plaintiff must prove the newspaper knew it was publishing false information or had serious doubts about its veracity. … Attorney Stephen Rosenfeld, who defended the Chronicle and its former columnist, Bill Page, said the verdict would be challenged in post-trial motions and likely on appeal. … The appeal could raise a host of legal issues because all but two of the sitting Illinois Supreme Court justices testified during the two-week trial, Rosenfeld said."

The New York Times (11/15, Seelye) reports, "The jury awarded Justice Thomas $7 million, with $5 million for damaging his reputation, $1 million for future economic losses and $1 million for humiliation. It is the second-largest award in the county's history, after a $21 million medical malpractice award this year, said F. Keith Brown, a circuit judge here. … The justice's lawyers said that Mr. Page had essentially accused him of official misconduct, a felony, when he wrote that he had traded his vote on a disciplinary case in exchange for political support for his favored candidate in a local judicial race." The Times adds, "The case was also significant because it prompted an appellate court to establish a judicial privilege in Illinois, allowing deliberations to be kept private, much like doctor-patient discussions. … Newspapers are sued frequently, but it is unusual for a judge to sue a newspaper. Of 397 complaints filed against the news media last year, judges and magistrates brought 25 of them, or 6 percent, according to the Media Law Resource Center."

Group Sues Wal-Mart Over Food Labels. The Washington Post (11/15, D03, Mui) reports, "An activist group representing small farmers has filed a complaint with the U.S. Department of Agriculture, alleging that Wal-Mart Stores Inc. incorrectly labeled several products as organic." The Post continues, "The retailer recently began expanding its assortment of organic foods as part of an effort to attract wealthier, more urban customers. In a statement yesterday, Wal-Mart defended its program and questioned the intentions of the group, called the Cornucopia Institute." The Post adds, "In an e-mail, Wal-Mart spokeswoman Karen A. Burk wrote 'it's hard to take their claims seriously' and said one of the group's founders, Mark Kastel, had worked for a Wal-Mart rival. Kastel was a consultant for Organic Valley, a national farming cooperative that competes with several of Wal-Mart's suppliers. Kastel said he has severed professional ties with the co-op, though he declined to comment on whether it donated money to Cornucopia. … In its letter to the National Organic Program, an arm of the USDA, Cornucopia said that at several stores, Wal-Mart had incorrectly labeled Stonyfield Farm all-natural yogurt as organic. It also said several stores had included non-organic products such as tofu, egg-roll wrappers and juice in a cooler designated for organic produce."

Burner Concedes To Reichert In WA8. Roll Call (11/15, Duran) reports that Democratic challenger Darcy Burner on Tuesday conceded to WA8 Rep. Dave Reichert (R). Burner, during a news conference yesterday, "made it clear that she would not seek a recount or challenge the 51 percent-to-49 percent result, even though some 20,000 absentee ballots have not been counted yet. Burner did say that her campaign will continue to monitor the vote-counting process, however, leaving open the extremely unlikely possibility that Reichert's lead could eventually shrink enough to trigger an automatic recount under state law. The victor must win by fewer than 2,000 votes and the difference between the two candidates' totals must be less than one half of 1 percent to trigger a recount. Reichert's lead extended to 4,727 votes as of Tuesday."

Results In CT2 Race Expected Wednesday Morning. Roll Call (11/15, Duran) reports that the results in the race between Democratic challenger Joe Courtney

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and CT2 Rep. Rob Simmons (R) "should be known this morning." As of Tuesday evening, Courtney led Simmons by 90 votes. Courtney's lead of 167 votes "on Election Day was narrow enough to trigger an automatic recount. All of the 65 towns in the district were expected to finish re-checking their tallies late Tuesday night. At press time, five towns had yet to finish their recounts. … Both candidates have until Nov. 21 to petition the Connecticut Supreme Court for a second recount, the cost of which would be born by the candidate who requests it.

Signs Of Democratic Wave Said To Be Evident Long Ago. In a McClatchy commentary (11/15), Steven Thomma says, "Karl Rove must read polls through red-colored glasses. That might explain why two weeks before Election Day he snapped at a reporter who dared suggest that he saw trouble in the polls for the Republicans." Rove said, "I'm looking at 68 polls a week. You may be looking at four or five public polls a week that talk about attitudes nationally but that do not impact the outcome of individual races. I'm looking at all of these . . . and adding them up. I add up to a Republican Senate and Republican House . . .You are entitled to your math and I'm entitled to THE math." McClatchy adds, "Well, Rove was wrong. His math wasn't THE math. Maybe it was what George W. Bush once called 'fuzzy math.' For the rest of us, the numbers had been adding up for more than a year." McClatchy reported "as early as May 2005 that the tide had turned against Republicans, that congressional scandals, violence in Iraq and Republican overreaching were creating a toxic political environment like the one that shadowed the Democrats in 1993 - the year before they were swept from power." Then came "McClatchy-MSNBC polling of key Senate races this fall, conducted by the respected Mason-Dixon Polling & Research, Inc. While Rove was right that many media polls surveyed the entire country - and missed on-the-ground differences - he seemed to ignore the work by Mason-Dixon, which specializes in state-by-state research." The final polls "came very close to what happened on Election Day. Eleven of our 12 state-poll results were within the margin of error, which was plus or minus 4 percentage points. … Most of our polls were much more on target than that."

Conservatives Said To Be In Denial Over Congressional Losses. In his Washington Post column (11/15, A21), Harold Meyerson says, "On their journey through the stages of grief, conservatives don't yet seem to have gotten past denial. Republicans may have lost, conservatives argue, but only because they misplaced their ideology. '[T]hey were punished not for pursuing but for forgetting conservatism,' George F. Will, conservatism's most trenchant champion, wrote on this page last week. Their mortal sin, in this gospel, was their abandonment of fiscal prudence." But while "conservatism blameless for last week's Republican debacle may stiffen conservative spines, but the very idea is the product of mushy conservative brains unwilling to acknowledge the obvious: that conservatism has never been more ascendant than during George Bush's presidency; that the Republican Party over the past six years moved well to the right of the American people on social, economic and foreign policy; and that on Nov. 7 the American people chose a more pragmatic course."

Democratic Majorities Attributed To Wins By Centrists. In a USA Today op-ed (11/15), blogger Kirsten Powers says, "Without centrist Democratic candidates, it would have been President Bush and GOP strategist Karl Rove celebrating last week. More than half of the new House members will join the New Democrat Coalition or the Blue Dog Coalition caucuses, known for their fiscal responsibility, business-friendly stance and generally more socially conservative views. While most criticized the war, few have called for an immediate withdrawal." In addition to "running fiscally responsible candidates, the Democratic Party appealed to the vital center by slaying a few of old school liberalism's sacred cows: aggressive secularism and intolerance of anti-abortion views. Yes, the war was a major issue. But it was critical that Rep. Rahm Emanuel of Illinois and Sen. Charles Schumer of New York — who ran the campaign committees — recruited candidates palatable to conservative or moderate voters who wanted to send a message about the war, but who didn't want to compromise on beliefs about abortion, gay marriage or the role of religion in public life."

NYTimes Says Election Shows Kansas No Longer GOP Bastion. The New York Times (11/15, 1.16M) says in an editorial, "It would be remiss to finish the election post-mortems without noting a major shift in the nation's heartland. Kansas -- lately considered the reddest of red states -- emerged from the election as a bastion of moderation. Just two years after President Bush carried the state by 25 percentage points, Kansas voters rebelled against continued domination of the state's politics by the sharply conservative state Republican Party. The Democratic Party posted major

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gains, including some by former Republicans who switched parties. The moderate Democratic governor, Kathleen Sebelius, received a whopping 58 percent of the vote to secure her re-election."

Democratic Lobbyists See Fortunes Rise With New Majority. The Wall Street Journal (11/15, Mullins, 2.04M) reports "another winner" on election night "was David Bolger, who exchanged high-fives with other Democrats, as the crowd applauded the party leaders. Mr. Bolger isn't a lawmaker or a congressional aide. He is a Democratic lobbyist." After "more than a decade of Republican rule in Washington, Democratic lobbyists have a lot to celebrate. Just a week after Election Day, they are getting promotions and signing up new clients." When Republicans "took over Congress in 1994, most lobbyists were Democrats. Although the power shift would ultimately have resulted in increased numbers of Republican lobbyists, the party leadership set out to accelerate the process." Former Rep. Tom DeLay "was instrumental in a strategy called the K Street Project, which pressured corporations to hire hundreds of Republican lobbyists." Five years ago, Bolger was "a victim of the K Street Project. After the 2000 election, the trade group where Mr. Bolger worked in the communications office, the U.S. Telecom Association, replaced its president, Democrat Roy Neel. Mr. Bolger lost his job in the change." Now Democrats "like Mr. Bolger, 44 years old, expect opportunities to pick up, as their effectiveness is likely to rise on Capitol Hill. The benefits from the change in the congressional majority will take months for Democratic lobbyists to chart. But already there are indications that ties to Democratic lawmakers are a valuable currency among those whose work will include lobbying the 110th Congress."

The New York Times (11/15, Zeleny, 1.16M) reports Democratic lobbyists "are fielding calls from pharmaceutical companies, the oil and gas industry and military companies, all of which had grown accustomed to patronizing Republicans, as the environment in Washington abruptly shifts." Former Rep. Vic Fazio "did not experience the pleasures of Democratic rule — until now. Suddenly he is in demand. For Mr. Fazio, who is close to Representative Nancy Pelosi, the California Democrat who is set to become House speaker, the power switch is, quite simply, good for business. Companies are scrambling to fortify lobbying teams with well-connected Democrats." While Fazio "declined to divulge his still-evolving list of prospective new clients at the law firm Akin Gump Strauss Hauer & Feld, he said he intended to bring in Democratic reinforcements to cover the load. 'I'll just have more to do and have a little more help to do it,' he said." Though this "is the moment Democrats have been craving — winning a majority so they can help shape politics and policy — some senior aides are now tempted to leave Capitol Hill to become lobbyists and potentially quadruple their salaries."

Democrats Said Not Have Articulated Party's Vision. The Hill (11/15, Blake) reports that when asked on NBC's "Meet the Press" on Sunday "what the American public was trying to tell Republicans in last week's election, Sen. John McCain (R-Ariz.) said he believed the message was: 'That we came to Washington to change government, and government changed us.'" The Hill adds if "those words sound familiar, it's because they might as well have been read straight off a Democratic talking-points memo. McCain's choice of words was a near-verbatim pull from a slogan Democrats have been using for more than a year." When a politician "repeats an opponent's slogans, that's supposedly a positive sign for the opponent, an indication that the phrase has made its way into the political lexicon. But experts say Democrats made only marginal progress this cycle on their much-hyped goals of improving their message control and employing more effective language." After the 2004 election, Democrats "turned to University of California-Berkeley linguistics professor George Lakoff, whose guidance they hoped would help them frame messages better and elicit more favorable responses from the American public, much as Republicans did in 1994 with their Contract with America. Yet even after the Democratic victories last Tuesday, Lakoff said Democrats are making fewer mistakes but still have yet to articulate a vision of what it means to be a Democrat, something they need to establish soon in preparation for 2008."

Webb Says Class Division Is Most Important Issue. In a Wall Street Journal op-ed (11/15, A18), Democratic Sen.-elect James Webb of Virginia says, "The most important -- and unfortunately the least debated -- issue in politics today is our society's steady drift toward a class-based system, the likes of which we have not seen since the 19th century. America's top tier has grown infinitely richer and more removed over the past 25 years. It is not unfair to say that they are literally living in a different country." The "politics

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of the Karl Rove era were designed to distract and divide the very people who would ordinarily be rebelling against the deterioration of their way of life. Working Americans have been repeatedly seduced at the polls by emotional issues such as the predictable mantra of 'God, guns, gays, abortion and the flag' while their way of life shifted ineluctably beneath their feet. But this election cycle showed an electorate that intends to hold government leaders accountable for allowing every American a fair opportunity to succeed."

Questions About Frontrunners Said To Leave 2008 Race Wide Open. The Christian Science Monitor (11/15, Feldmann, 59K) reports that even though a "handful of congressional races aren't quite over yet," the "jockeying for the 2008 presidential contest - going on for months, if not years - has burst fully into the open. For the Republicans, Sen. John McCain of Arizona and Rudolph Giuliani, former mayor of New York, have registered committees and signaled they're probably in. By all indications, outgoing Massachusetts Gov. Mitt Romney is in." For the Democrats, Sen. Hillary Rodham Clinton "has money and organization - and just bowed out of a party leadership position, another sign she may be in. Sen. Barack Obama of Illinois says he's pondering a run, possibly positioning himself as the un-Hillary. Outgoing Iowa Gov. Tom Vilsack is definitely in. Former vice presidential nominee John Edwards has shown all the signs." But "as of now, two years minus a few days until America elects its next president, the front-runners for major-party nomination remain Senators McCain and Clinton. Whether either will ultimately occupy the Oval Office is anyone's guess." With Clinton, "some Democrats remain concerned that she can easily win the nomination by deploying her formidable political team and fundraising ability, but can't win the general election because of her high negatives." For McCain, "the 2006 midterms brought good news and bad news. His own party took a drubbing at the hands of voters, principally in a repudiation of both President Bush and the Iraq war." But his "steadfast support for the unpopular Iraq war and continued calls for more troops in Iraq, not fewer, put him at odds with the American public on the No. 1 issue of the day."

The CBS Evening News (11/14, story 9, 2:15, Couric, 7.66M) examined the potential Republican field, reporting, "John McCain has two major speeches he'll be delivering on Thursday. Will that mark the beginning of his campaign?" CBS (Borger) added, "Oh, absolutely, Katie. He is the front-runner in the Republican Party. He's the maverick turned establishment candidate. He has raised $12 million for Republican candidates around the country. But this week, those speeches you're talking about, Katie, those are about the war in Iraq, because his position is not only continue the war but send in more troops, and that's a very unpopular position out in the country that's going to need some explaining." Couric: "I was going to say, how will that jibe with what voters said last Tuesday?" Borger: "I think right now, Katie, it's going to hurt him. We don't know where the country is going to be two years from now, and two years from now when he's running in the Republican primaries, it might not hurt him with the conservative base." Couric: "What about Massachusetts Governor Mitt Romney?" Borger: "He's the conservative governor of a very blue state. He made headlines in that state, was very popular because they passed a universal state insurance plan. That will help him, but, Katie, he's a Mormon and there are a lot of Republicans who believe that will hurt him with the evangelical base." Couric: "Gloria, what about Senator George Allen, who was defeated in Virginia?" Borger: "Katie, talk about somebody who had a bad six months. He was supposed to be the leading Republican candidate for president, and now he's out looking for a job."

Giuliani Seen As Buying Time Through Use Of State Committee. The New York Times (11/15, Chan, 1.16M) reports that by "setting up an organization in New York State to explore a White House run — but not creating a candidate committee with the Federal Election Commission — former Mayor Rudolph W. Giuliani is buying himself more time to make a decision, although he will face significant restrictions in raising money, according to several election and campaign experts." The news "that the Rudy Giuliani Presidential Exploratory Committee Inc. was established on Friday made front-page headlines yesterday, but Mr. Giuliani remains several steps away from declaring himself a candidate." The new organization "was registered as a nonprofit corporation with the New York State Department of State, but Mr. Giuliani has not committed to formally filing with the Federal Election Commission, as Gov. Tom Vilsack of Iowa, who is seeking the Democratic presidential nomination, has done." Giuliani has "said little publicly about his intentions, other than to say he expects to make a final decision by early next year. As he weighs his options, he is expected to rely heavily on the advice of a circle

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of advisers who have been with him for decades. They include Peter J. Powers, a former deputy mayor who has been a friend of Mr. Giuliani's since high school, and Dennison Young Jr., who worked with Mr. Giuliani in the United States attorney's office and was later the mayor's chief counsel." Powers and Young "are the directors of the new organization, along with John H. Gross, a lawyer who has been a campaign treasurer for Mr. Giuliani."

The CBS Evening News (11/14, story 9, 2:15, Couric, 7.66M) reported, "Let's talk about Rudy Giuliani. The 'Daily News' headline 'Ready, Set, Go.' He filed papers yesterday. What does that mean?" Borger: "It means ready, set, go. He was thinking about it. A lot of people think he's better off today than a week ago. The people who turned out in this election were the independent voters, moderate voters and Rudy Giuliani is a moderate. He's pro-gay rights and pro-abortion rights and pro-gun control. Whether he can win a Republican primary remains to be seen."

Rangel Hints Giuliani Bid Would Be Boon For Democrats. On MSNBC's Tucker (11/14, Carlson), Rep. Charles Rangel (D) said of former New York Mayor Rudy Giuliani's presidential campaign: "[U]nlike most Americans, I knew Giuliani before 9/11. And he was not only not America's mayor, he was hardly New York's mayor. But I don't want to say anything discouraging. I just hope that he puts his money there, and he runs. It's going to be fun."

Scientists, Church-State Advocates Announce New Think Tank. The Washington Post (11/15, A19, Kaufman, 690K) reports, "Concerned that the voice of science and secularism is growing ever fainter in the White House, on Capitol Hill and in culture, a group of prominent scientists and advocates of strict church-state separation yesterday announced formation of a Washington think tank designed to promote 'rationalism' as the basis of public policy. … [T]he small public policy office will lobby and sometimes litigate on behalf of science-based decision making and against religion in government affairs."

Consultant Derides Election Night Political Clichés. In an op-ed in the New York Times (11/15, 1.16M), Mike Murphy, a Republican political consultant, writes, "Watching the televised punditry about the elections, I felt pummeled by commentators repeatedly using the same clichés — most of which happen to be dead wrong. " He cites "the three worst offenders:" "All politics is local," "This is the most negative campaign ever," and "This election will all come down to turnout." Murphy writes of the last, "Swing voters respond to policy and persuasion, not process spin. The cocky Republican talk about magical 72-hour plans in the last weeks before the election was unfortunate proof that the party's high command had forgotten this most basic fact of politics, at least until the rough news of last Tuesday. Of all the clichés this year, this one was the most damaging for Republicans to believe in.

Bush Leaves For Vietnam As Congress Rejects Trade Deal. USA Today (11/15, 2.27M) reports, "President Bush was leaving Tuesday night for an eight-day tour of Asia that includes stops in Singapore, Indonesia and Vietnam, where he attends a summit of Asian-Pacific nation leaders. It will be Bush's first trip to Vietnam, where the United States fought a decade-long war in the south against communist forces that eventually triumphed and unified the country." Bush's "plan to arrive in Hanoi with a pact normalizing trade hit a bump when the lame-duck GOP-controlled House failed to approve the measure on an initial vote Monday. The 228-161 vote was short of the two-thirds majority needed for passage under the expedited rules used to consider it."

USA Today (11/15, Lynch, 2.27M) reports that as a result of Congress' move, "Bush will show up for visit overseas empty-handed." It is, adds USA Today, "a stunning setback for…Bush on the eve of a major foreign visit,." The New York Times (11/15, Weisman, 1.16M) also says "prospects for Congressional approval of several free trade bills backed by the administration were thrown into doubt Tuesday when House Republican leaders abruptly withdrew the one aimed at Vietnam on the eve of…Bush's trip." The "failure of the Vietnam bill was a deep disappointment and embarrassment for the White House." The Times adds, "The bill's failure touched off a fusillade of partisan recriminations, with Republicans blaming Democrats for trying to sabotage the bill and Democrats saying that some Republicans, bitter after losing the election last week, were trying to embarrass Mr. Bush."

The Wall Street Journal (11/15, A4, Rogers, 2.04M) reports, "Administration officials were irritated, Democrats amused, but the moves mostly captured the fractious postelection alignment here. Smarting from losses in last week's midterms, Republicans are less eager to march to the beat of the president's drum." There is "rank-and-file

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resentment that Mr. Bush didn't announce the resignation of Defense Secretary Donald Rumsfeld until after Election Day, and party leaders are more preoccupied with saving their jobs than moving the president's agenda."

The AP (11/15, Raum) describes Bush as "humbled by elections at home," and says his "challenge" in Asia "is to demonstrate that US leadership as the world's last superpower is undiminished on the world stage. … Some world leaders, particularly those who resented Bush's cowboy swagger and saw his decision to invade Iraq in 2003 as a dangerous act of unilateralism, might be gloating privately at the president's political misfortunes."

LATimes, WSJournal Weigh In On Democratic Stance On Trade Deal. In an editorial, the Los Angeles Times (11/15, 850K) says Congress' "cavalier rejection" of the "trade normalization" measure is "unconscionable, not to mention embarrassing to the president." The vote "sends a disastrous signal to the people of Vietnam (the message being that the superpower that once bombed you isn't too excited to see you prosper) and to Asian leaders. Beyond Vietnam, the cause of free trade may be in for a rough time once Democrats take control of both houses of Congress. There are troubling signs that the party's new protectionist wing will try to torpedo upcoming trade pacts with Peru and Colombia, and stand in the way of progress on a comprehensive deal to lower global trade barriers under the Doha round of WTO talks. Also endangered is Bush's fast-track trade authority, which allows him to sign trade deals subject only to a yes-or-no vote by Congress. It expires in July." President Clinton "steered the Democratic Party away from protectionism, a move that benefited the party and the nation. Taking a step backward now would only hurt both."

The Wall Street Journal (11/15, A18, 2.04M) editorializes that this week will test the Democrats' talk of "new moderation" with the "bilateral free-trade pact already signed with Peru, and an amendment to extend a key provision of the African Growth and Opportunity Act (AGOA) that Mr. Clinton and Republicans passed in a bipartisan spirit in 2000." Big Labor is "pushing" Democrats to "block a vote and demand that the pact be renegotiated to include more labor protections." The bills will be "a particular test for Charlie Rangel, the soon-to-be chairman of the House Ways and Means Committee."

Vietnamese Activists Denounce Government Harassment Ahead Of Bush Visit. The Washington Times (11/15, Kralev, 88K) reports, "Vietnamese democracy and human rights activists accused the government yesterday of stepping up harassment in an effort to silence them ahead of President Bush's visit and a high-profile economic summit this week." The activists, "some of whom are under house arrest, praised a vote in the U.S. House of Representatives on Monday that denied permanent normal trade relations (PNTR) status to Vietnam and criticized Vietnam's removal from the State Department's blacklist of countries that limit religious freedom."

US Chamber Urges US To Reassess Southeast Asia Strategy. The Financial Times (11/15, Aglionby) reports, "The US needs to reassess its strategy towards south-east Asia while countries in the region should take concrete steps to enhance their competitiveness in order to optimise trade and investment between the two, the US Chamber of Commerce recommends in its first report on ways to boost mutual business links." Tom Donohue, president and chief executive of the US Chamber of Commerce, told the Financial Times, "[The region] is our fourth-largest trading partner and we've hardly scratched the surface. … It's got potential written all over it as well as challenges."

Abe Says He'll Seek Closer US-Japan Security Ties In Meeting With Bush. The Washington Post (11/15, A12, Faiola, 690K) reports Prime Minister Shinzo Abe yesterday "outlined a vision for a stronger Japan and vowed to fortify the U.S.-Japan security alliance during his first official meeting with President Bush in Hanoi this weekend." In "a wide-ranging interview with The Washington Post," Abe also "said he would push to redraft Japan's pacifist constitution." Abe "noted that it is unclear whether Tokyo is permitted under its own constitution to shoot down a ballistic missile flying over Japanese territory en route to the United States."

Report Raises Questions About India Nuclear Deal. AFP (11/15, Parameswaran) reports, "A non-partisan US Congressional study has underlined lawmakers' unease over India's non-proliferation record and its links with nuclear renegade Iran, on the eve of a Senate vote on a landmark US atomic deal with New Delhi." The report by the Congressional Research Service "raised the issue of whether India had adequate teeth to implement export control regulations in efforts to prevent Iran from acquiring nuclear weapons." The Congressional report by Sharon Squassoni, "a national defense specialist, noted that

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President George W. Bush's administration had not formally responded to claims that India had a 'flawed' nonproliferation record in the nuclear area." It also "cited allegations that New Delhi had a 'poorly implemented' national export control system and an 'illicit' procurement system for its own nuclear weapons program, as well as a procurement system that 'may unwittingly transfer sensitive information' about uranium enrichment."

The Washington Post (11/15, A14, Linzer, 690K) reports, "For the Bush administration, the deal is part of a strategy to accelerate India's rise as a regional counterweight to China. Further, officials have argued that a nuclear arsenal in the hands of democratic India, which conducted its first nuclear test in 1974, would not be a threat to the United States." The White House "wants legislation for the deal approved by the lame-duck Congress and is hoping the Senate will vote on it by Friday."

Gutierrez Urges Continuing Trade Talks With China. The Wall Street Journal (11/15, A4, Batson, 2.04M) reports, "Secretary of Commerce Carlos Gutierrez urged continued negotiation -- rather than confrontation -- with China on ways to address its yawning trade gap with the US, saying China's leaders are moving forward with measures to address major complaints such as counterfeiting." Gutierrez, "speaking yesterday after meetings with officials including Chinese Premier Wen Jiabao and Minister of Commerce Bo Xilai, admitted he still needs more concrete results if he is to quiet domestic critics of his approach. … 'The important thing is that there is a great deal of understanding of what needs to be done' among top Chinese officials, Mr. Gutierrez said. 'Obviously the proof always is in the results, and we know that we have a lot of work to do to continue to deliver results.'" Gutierrez, in an interview, "said he also continued to lobby China to grant improved access to markets like financial services, film and retail."

The Washington Post (11/15, A8, Cody, 690K) reports Gutierrez "said Tuesday that he is telling concerned Chinese officials that the best way to avoid trade restrictions from the new Democratic-controlled Congress is to act swiftly on U.S. complaints about brand pirating and market access. 'We don't want to give anyone the justification for protectionist trade policies, which we think would be a big mistake,' Gutierrez said in an interview at a US-sponsored roundtable on intellectual property rights." The Post adds, "The suggestion from Gutierrez responded to worries among some Chinese officials and other specialists that Democrats assuming House and Senate committee chairmanships will be less friendly toward China than their outgoing Republican counterparts, particularly on such issues as trade and human rights." Presumptive incoming speaker Nancy Pelosi "has been noted here as a particular critic of the Communist Party government and its human rights record. In general, Chinese specialists said, Democratic leaders also seem more willing than Republicans to lend a sympathetic ear to complaints from labor unions that US jobs are being lost as companies expand to China, seeking to benefit from a cheap workforce." Gutierrez "said the danger of protectionist measures in Congress had been a subject of concern during his three previous trips to China as commerce secretary."

The New York Times (11/15, Lague, 1.16M) reports Gutierrez also said China "should intensify its fight against intellectual property theft with a crackdown on organized crime gangs that are responsible for widespread copyright piracy." He added "contacts between American and Chinese legal authorities and recent enforcement actions had revealed that organized crime was involved in many piracy cases. 'These are criminal organizations and one of the things they do is run a supply chain for illicit goods, pirated goods. … This is organized crime. One day it could be T-shirts, the next day it could be watches and the next day it could be medicines."

Envoys Seek Common Strategy Ahead Of Talks With Pyongyang. The AP (11/15, Lim) reports, "Nuclear envoys from the United States, South Korea and Japan will meet Wednesday to seek a common strategy ahead of the resumption of long-stalled nuclear disarmament talks with North Korea, officials said. The US and its top two Asian allies planned to meet on the sidelines of the [APEC] summit in Vietnam where North Korea is expected to be a dominant theme. South Korea said Tuesday the six-party disarmament talks that broke down in 2005 could resume by mid-December. The US administration has ruled out a first meeting in November but said it hoped for a session in December." US Assistant Secretary of State Christopher Hill said Tuesday, "We have said all along that we want to start the six-party talks as soon as possible but a key element of that is to be well prepared because when we do start, we want to be sure that we can really make progress." Hill is expected to "meet South Korea's top nuclear negotiator Chun

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Yung-woo and Japan's Kenichiro Sasae Wednesday morning to consider ways to pressure Pyongyang to give up its nuclear weapons program."

Rice Says Talks May "Not Come Quickly." The AP (11/15, Gearan) reports Secretary Rice, en route to Hanoi for this week's APEC summit, "suggested that a much-anticipated new round of talks with Pyongyang may not come quickly." The Secretary said, "We need to take our time this time and make sure when we go to the table at the six-party talks there is a reasonable chance of a successful outcome."

AFP (11/15, Harmsen), meanwhile, notes US Assistant Secretary of State Christopher Hill told reporters in Hanoi that envoys "are scrambling to set a date to resume negotiations next month." The assistant secretary is quoted as saying, "We have been in very close contact with the Chinese lately, and I think we do want to try to fix the date very soon. We will probably use the next few weeks to be very busy and maybe begin the talks sometime in early December."

Pyongyang Expected To Dominate Bush Trip To APEC Summit. AFP (11/15, Parameswaran) reports President Bush has "left to nail down trade ties with Asia and grapple with the North Korean nuclear crisis on his first foreign trip since his party's drubbing in legislative elections." US officials said "steps aimed at ending North Korea's nuclear weapons drive…are expected to be among key topics in both the APEC and [Bush's] bilateral meetings" with Russian President Vladimir Putin, Chinese President Hu Jintao, and Japanese Prime Minister Shinzo Abe.

NYTimes Urges "Full-Court Press" Against Iran. In an editorial, the New York Times (11/15, 1.16M) says Israeli Prime Minister Ehud Olmert "got what he wanted most out of his White House meeting with President Bush on Monday -- a reiteration of America's uncompromising bargaining position on the Iranian nuclear issue." However, the Times says, "Tough talk is fine, but not enough." Therefore, it argues that the "most effective response would be a full-court diplomatic press, combined with an escalating menu of international sanctions until Iran agrees to halt uranium enrichment. With the threat from Iran so clear, this is no time to invent more reasons for not talking to Syria."

Iran Says It Will Be "Fully Nuclear" Soon. This morning, the New York Times (11/15, Broad, Fathi, 1.16M) reports Iranian President Mahmoud Ahmadinejad declared yesterday that his country's nuclear program was "nearing an important milestone, even as international atomic inspectors reported that they had found unexplained traces of plutonium and that Tehran continued to be so uncooperative in answering questions that they had been unable to confirm earlier claims of progress." During a press conference, Ahmadinejad said, "I hope we can have our celebration of Iran's full nuclearization this year." Meanwhile, in its latest report on Iran's nuclear program, the International Atomic Energy Agency "said Tehran was moving ahead with its efforts to purify uranium while refusing to answer basic questions about its atomic program." The report also said inspectors had "recently found traces of yet another unexplained particle – plutonium -- on samples from containers at Karaj and was assessing a response from Tehran about its origin."

ABC World News (11/14, story 3, 0:15, Gibson, 8.78M) also reported, "Nuclear experts have found unexplained traces of plutonium and highly-enriched uranium in a nuclear facility in Iran. Iran claims the substances are the by-products of peaceful nuclear activities." NBC Nightly News (11/14, story 4, 0:15, Williams, 9.87M) added, "Tehran is still enriching uranium and could thus be hiding much more while still stonewalling the inspections needing access."

The Washington Post/AP (11/15, A13, Jahn) reports US Ambassador to the UN, John Bolton, said Ahmadinejad's comments and the IAEA's latest discoveries "both demonstrate the urgency for the Security Council to act on Iran." He said sanctions were "obviously the only means to get Iran's attention." However, a senior UN official "cautioned against reading too much into the findings of traces of highly enriched uranium and plutonium, saying that Iran had explained both and that they could plausibly be classified as byproducts of peaceful nuclear activities." The Financial Times (11/15, Smyth) notes the State Department said Ahmadinejad's comments should represent "a cold jolt to the rest of the world."

The Los Angeles Times (11/15, Rubin, 850K) says IAEA inspectors are "reluctant to make any predictions about the speed with which Iran might move ahead" due to the "increasingly limited information about Iran's nuclear operations."

AFP (11/15, Williams) says the "Iranian show of defiance comes at an awkward time for the US administration as it comes under mounting pressure to involve Iran and its regional ally Syria in talks on stabilizing Iraq, after the drubbing its current policy received at the hands of voters in mid-term elections. President…Bush's spokesman rejected

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suggestions of a growing gap with his key Iraq ally British Prime Minister Tony Blair on dialogue with Iran after the two leaders gave evidence to a study group rethinking policy on Iraq."

Ahmadinejad Says Tehran Open To Talks If US "Corrects Its Behavior." The AP (11/15, Dareini) reports Ahmadinejad also said Tuesday that Iran would talk to the United States if it "corrects its behavior," but the White House "said there would be no discussions until Tehran took a more constructive role in the region." At a news conference, Ahmadinejad "did not spell out any other conditions for US-Iranian talks, but he accused the Bush administration of pursuing a foreign policy based on aggression, oppression, unilateralism and disrespect for other nations. Ahmadinejad did not define the scope of any talks with the United States, nor did he say that Iraq or the nuclear dispute would be on the agenda of such discussions." In Washington, NSC spokesman Gordon Johndroe responded to Ahmadinejad's comments, saying: "I don't think this is about a US attitude adjustment. The collective attitude of the world is that Iran needs to play a constructive role in the region, not meddle in Iraq and stop its enrichment activities."

Hamas Reiterates Refusal To Recognize Israel. The AP (11/15, Laub) reports Hamas Tuesday "insisted" it would not recognize Israel "even after a unity government takes power in the Palestinian territories, complicating efforts to form a more moderate coalition that would clear the way for vital foreign aid." However, the group suggested that the emerging coalition "would be free to stake out a different position, apparently hoping the ambiguity in its statements will allow it to preserve its anti-Israel ideology but loosen international sanctions that have crippled the Palestinian economy." In Washington, the AP notes that President Bush "called Egyptian President Hosni Mubarak…to discuss the latest developments," the Middle East News Agency reported.

US Confirms Quartet Will Meet In Cairo Wednesday. AFP (11/15) reports the State Department confirmed Tuesday that the so-called Quartet will meet in Cairo Wednesday to discuss efforts to revive negotiations between Israel and the Palestinians. Assistant Secretary McCormack said Assistant Secretary David Welch will represent Washington at the meeting with his counterparts from Russia, the European Union and the United Nations, however he stressed that the meeting "did not signal a major initiative" to break a months-long deadlock in peacemaking efforts but an opportunity to "take stock" of the situation. McCormack "also said the meeting was arranged before last week's US elections," instead insisting that "a lot of developments, a lot of different things are going on in the Middle East. We all thought this was an appropriate time for the envoys to get together." Welch is also expected to hold separate meetings with Egyptian officials before traveling to Amman for talks the Jordanians, McCormack said.

Egypt's Influence In The Region Seen As Waning. The Wall Street Journal (11/15, A4, Fam, 2.04M) reports, "As the White House considers recalibrating its Middle East strategy, an important ally's waning clout in the region underlines some of the challenges ahead: Egypt, which for decades has acted as peacemaker and behind-the-scenes political broker for the US in the Arab world, has seen its status ebb as Mideast dynamics have been shifting. The destabilization of Iraq, the ascent of the Palestinian militant group Hamas, last summer's war in Lebanon and Iran's resurgent influence have helped erode Cairo's traditional leading role in the region. Egypt remains a strong US ally, but its diminished authority, coupled with internal stagnation, have weakened Egypt's capacity to help the US navigate the region's dicey political waters." Meanwhile, the Journal says "others, such as Qatar, which is trying to carve out a role as mediator and regional heavyweight, have emerged. And pressure has increased on the Bush administration to reach out directly to Syria and Iran, which it has snubbed despite their undeniable influence in the region's trouble spots."

UN Report Says Somalis Fought With Hezbollah Against Israel. The New York Times (11/15, Worth, 1.16M) reports, "More than 700 Islamic militants from Somalia traveled to Lebanon in July to fight alongside Hezbollah in its war against Israel," according to a United Nations report that was disclosed on Monday. The militia provided training, weapons to the Islamic alliance "struggling for control of Somalia. In addition, Hezbollah "'arranged for additional support to be given' by Iran and Syria, including weapons," and "on July 27, 200 Somali fighters also traveled to Syria to be trained in guerrilla warfare." The panel "does not say how the information was obtained, but the members "had access to information from the intelligence agencies of the Security Council's 15 current members, including Britain, France, China, Russia and the United

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States." The report "recommends that the Security Council blockade Somalia," and "warns urgently against sending any peacekeepers to the country." The report is to be discussed Friday at the Security Council.

The Washington Post (11/15, A13, Lynch, 690K) says the UN report "asserts that a huge inflow of outside military assistance, in violation of a U.N. arms embargo, is contributing to the emergence of an alliance of militants called the Islamic Courts Union as the first Islamic government since the United States overthrew Afghanistan's Taliban in 2002." The "developments in Somalia represent a setback for the United States, which had sought to prevent the militants from taking power," but the report "provided no evidence to suggest that the United States provided clandestine support to anti-Islamic forces, as officials in Somalia's interim government have alleged." However, it did "underscore the degree to which the United States' chief Middle East rivals, Iran and Syria, and its allies, Saudi Arabia and Egypt, are prepared to challenge U.S. interests in East Africa."

Hezbollah Leader Criticizes Lebanese Cabinet. The Washington Post/AP (11/15, A14) reports Hezbollah's leader Hassan Nasrallah said yesterday "the radical Shiite Muslim group would continue efforts to replace the Lebanese government, saying the Western-backed cabinet had lost all credibility after six ministers resigned." Nasrallah's remarks came "a day after the government, defying the objections of President Emile Lahoud and the resignations of six ministers, approved a U.N. plan for an international tribunal to try suspected killers of former prime minister Rafiq al-Hariri, who died in a car bombing in February 2005 that has been widely blamed on Syria."

Lebanon Crisis Said To Need Multilateral Action. The Washington Post (11/15, A20, 690K) editorializes that the Lebanon crisis is "far from over," and that Hezbollah's threats could "easily lead to violence." That would "serve the interests of the increasingly radical Iran-Syria axis, which is attempting to prevent the spread of democracy in the Middle East, drive out the West and ultimately destroy Israel." The "response to this vicious campaign" should be that the Security Council "act swiftly to establish the tribunal and begin criminal proceedings," and "consider other actions against Syria, including sanctions, if Syria continues trying to block the formation of the tribunal and sponsoring political violence in Lebanon." Also, Security Council action against Iran for its refusal to suspend its nuclear program is long overdue; governments that are holding it up, beginning with Russia, must be forced to choose between supporting sanctions and breaking off strategic cooperation with the West." Until Iran and Syria are "made to pay a price for their attempts to radicalize the Middle East, they will have no incentive to rein in clients such as Hezbollah."

Arab Gunmen Kill Over 200 Chadian Villagers. The New York Times (11/15, Polgreen, 1.16M) reports, at least 220 Chadians "have been killed by roving groups of Arab gunmen in dozens of villages over the past 10 days, according to aid workers and human rights officials along Chad's troubled border with Sudan," and the attacks "to be the work of Arab militias from both sides of the Chad-Sudan border." NBC Nightly News (11/14, story 10, 3:00, Williams, 9.87M) also reported on the crisis, saying, "The Janjaweed, the Arab militia, aligned with the Sudanese government, has used rape as a weapon of war to ethnically cleanse Darfur and now eastern Chad of blacks." Most of these women "have been raped by Janjaweed soldiers," and "some by several men at a time."

Admiral Fallon Says Chinese Sub Risked Shootout. The Washington Times (11/15, Gertz, 88K) reports, "The Navy's top commander in the Pacific said yesterday that a Chinese submarine risked setting off a military confrontation by closely shadowing a U.S. aircraft carrier sailing near Japan." Adm. William Fallon's words were his "first public comments" on the matter. While Fallon "sought to play down the incident," he also "acknowledged that the submarine's unannounced surfacing so close to the carrier was risky and in other circumstances might have produced a shootout." Beijing "said it was unaware of the incident." The Times also says US officials "who are skeptical of closer military contacts say China has used [Sino-US] exchanges in the past to gather valuable war-fighting information from the visits."

US Files WTO Complaint Against EU On Airbus Rift. The Wall Street Journal (11/15, Miller, 2.04M) reports, "Adding to growing commercial woes at European aircraft maker Airbus," the US is "set to file a revised complaint as soon as today at the World Trade Organization against subsidies that European governments give the company," according to US trade officials. The EU yesterday said it would respond by "moving ahead with its own WTO

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complaint against U.S. government subsidies given to Boeing," and that the US move "to restart the case this week has taken them by surprise and ends the de facto truce." The EU also said "it will file its legal arguments around the beginning of next year," and "a panel of three WTO judges will start meeting in March and would likely issue a judgment next September.

Democrats Want "Open Skies" Reconsideration. The Financial Times (11/15, Cameron, Callan) reports, "The new Democratic leadership in Congress on Tuesday called for a rethink of plans to give overseas investors more say in the running of US airlines, dealing a potentially critical blow to efforts to forge a new transportation deal with the European Union." The "tentative transatlantic 'open skies' pact, has been left in limbo by fierce opposition in Congress to the parallel investment reforms," led by James Oberstar, the ranking Democrat on the House transportation and infrastructure committee. Oberstar is "set to take over the chairmanship of the committee in January, and reaffirmed his opposition" on Tuesday. The Department of Transportation "has insisted there are no plans to drop the proposed rule change."

UK Demands That Halliburton Remove KBR Float. The Financial Times (11/15, Boxell) reports, "Britain has made a last-minute demand that Halliburton, the US oil services group, withdraw the imminent flotation of its KBR subsidiary or face being stripped of its ownership of the Devonport naval dockyard." Halliburton was "not available for comment on Tuesday night," but a close source said "the float was likely to be priced today, in spite of the UK government warning." In its "emergency" filing to the US Security and Exchange Commission Tuesday morning, KBR said "the loss of Devonport could have a "material adverse effect on our future prospects, business, results of operations and cash".

The Wall Street Journal (11/15, C5, Gold, Gelsi, 2.04M) says Halliburton "delayed the initial public offering of its KBR Inc. engineering and government-contracting unit by one day after the British government warned it could take back control of a major shipyard that generates significant profit for the unit." In "a letter this week, the British Ministry of Defence sought to delay the IPO to determine whether the United Kingdom's strategic interests would be preserved by a stand-alone KBR." Halliburton "plans to separate KBR, first by offering a 20% stake through the IPO and then through a tax-free spinoff in coming months."

South African Government Approves Gay Marriages. The New York Times (11/15, LaFraniere, 1.16M) reports, "South Africa's Parliament overwhelmingly voted today to legalize same-sex marriages, making the nation the first in Africa and the fifth in the world to remove legal barriers to gay and lesbian unions." Religious groups and traditional leaders strenuously opposed the measure, arguing that if necessary the constitution should be amended to outlaw same-sex unions. But the ruling African National Congress virtually demanded that lawmakers support the bill. The Washington Post/AP (11/15, A15, Nullis) also reports the story.

Cuban Military's Economic Role Could Become Problematic. The Wall Street Journal (11/15, A1, De Córdoba, 2.04M) reports, "Today Cuban generals are applying capitalist tactics to try to improve bottom lines in businesses that range from growing beans to running hotels and airlines," and The University of Miami's Institute for Cuban and Cuban-American Studies "estimates that soldiers control more than 60% of the island's economy." The military's economic role "will likely become even more critical after the death of Fidel Castro," as Cuba could be "poised" to follow the "Chinese model" of liberalization. However, it has also "introduced a corrupting influence in the military that could worsen if the military's role expands further in a post-Fidel Cuba." Soldiers involved with foreign joint ventures, "who live far better than others in the military, are viewed by many officers with distrust and envy," and "unchecked juniors could become the kernel of semicriminal mafias that could dominate much of the economy if Cuba liberalizes its economy."

LATimes Says Carriles Should Be Tried In Court. The Los Angeles Times (11/15, 850K) editorializes, "It is time to bring Cuban terrorist Luis Posada Carriles to justice," as he "stands accused of conspiring to blow up a Cuban airliner in 1976, causing 73 deaths." To let him walk "would clearly be an outrage, and trying him in a US courtroom after refusing to hand him over to Venezuela would create a perception problem across Latin America." Washington "should broker a deal that allows Posada to be tried in a third country whose principled neutrality is not questioned in this case," and an

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alternative is that the US insists "that nations band together to fight the war on terror to sound hypocritically self-serving."

Mexico Asks US Congress To Suspend Deportation Of Illegal Immigrant Parents. The AP (11/15, Watson) reports, "Second-grader Saul Arellano, a U.S. citizen, appeared in Mexico's 500-member Chamber of Deputies to plead for help in lobbying Washington to stop the deportation of his mother, an illegal immigrant who has taken refuge in a Chicago church," and his efforts "paid off with a resolution calling on the U.S. Congress to suspend the deportation of Elvira Arellano and any other illegal immigrant parents of U.S. citizens." If the US agrees, it would "create a precedent that will benefit more than 4.9 million children who have been born in the United States and whose parents live under the threat of deportation," said Mexican congressman Jose Jacques. US officials say "there is no right to sanctuary in a church under U.S. law, and nothing to prevent them from arresting Elvira Arellano," and so far, "they have not moved to seize her."

China Urged To Become Environmental-Friendly. The New York Times (11/15, Thomas L. Friedman, 1.16M) writes in a column that China is "reaching its environmental limits," and if it "doesn't radically change to greener, more sustainable modes of design, transport, production and power generation, the Chinese miracle is going to turn into an eco-nightmare." China top leaders' response is "complicated by so many Chinese flooding from the countryside to cities," and in their view, "political stability depends on finding those people jobs, and jobs depend on growth, and growth depends on China continuing to be the low-cost producer of everything." Chinese officials "fear that if they move to U.S.-level green production and environmental cleanup," it's economy will be negatively affected.

WSJournal Notes Congressmen's Pressure Bangladesh. The Wall Street Journal (11/15, A18, 2.04M) editorializes that to defend Salah Uddin Shoaib Choudhury, editor of the Weekly Blitz, who was imprisoned for 17 months in Bangladesh for writing articles "friendly to Israel and critical of Islamic militants," Illinois Representative Mark Kirk and New York Democrat Nita Lowey "introduced a resolution demanding the charges be dropped." The Bangladeshi government, "that receives $64 million a year in American aid," might also consider that "the harm it claims Mr. Choudhury's journalism has done to its national 'image' has, in fact, been wholly self-inflicted." This came after "the offices of his newspaper were bombed and later overrun by a mob," and the "government continued to press the charges."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"By Whom The Toll Is Counted."
"Conservatives Wary Of Choice To Lead RNC."
"U.S. Troops Become Sleuths In Iraq Slaying Case."
"State's Cash Flood May Be Receding, Economists Fear."
"Sweet! Chocolate Helps The Heart, Study Says."

USA Today:

"'Guest Workers' Sue Companies Over Pay."
"NASCAR's Growth Slows After 15 Years In Fast Lane."
"Runway Incidents Rise For 2nd Year."

New York Times:

"Dozens Abducted in Brazen Raid on Iraq Ministry."
"Get Out Now? Not So Fast, Experts Say."
"Study Questions Angioplasty Use in Some Patients."
"Enter, Pariah: Now It's Hugs for Lieberman."
"As Guard Changes in Congress, Lobbyists Scramble."
"Officials Clash Over Mentally Ill in Florida Jails."

Washington Post:

"Reid to Be Senate Majority Leader."
"Up to 150 Kidnapped in Baghdad."
"Lame-Duck Texas Rep. Gets Down to Work Without DeLay."
"Fenty Scores Early Legislative Victory As Stadium Parking Plan Is Approved."
"Christian Faiths Move To Condemn Gay Sex."
"Amateur Videos Put Abuse in New Light."

Washington Times:

"House GOP Scrambles For Leader."
"Activist Rap News Test For Citizens."
"Consensus On Iraq Eludes Democrats."
"Vietnamese Activist Cite Curbs On Dissent."
"Admiral Says Sub Risked A Shootout."
"Big 3 Automakers Commit To Reducing Oil Dependence."
"IPod mania To take Flight In 2007."

Atlanta Journal-Constitution:

"Cherokee Targets Illegals' Landlords."

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"Deal Opens Door To receive Lovejoy Commuter Mail."
"The Science Of The 'Right Stuff'
"Study: Late Angioplasty Won't Aid Some Heart Attack Patients."

Houston Chronicle:

"Will More Math, Science Classes Add Up?"
"Landlords Blast Illegal Immigrant Rule."
"Son, 7, Becomes Vocal Ally In Mom's Deportation Fight."
"Proud Fans rally Around Dynamo."
"Die-Hard Gamers Hope Play Station 3 IS Worth The Pause."

Story Lineup From Last Night's Network News:

ABC: Mass Kidnapping-Iraq; Iraq Insurgency-Analysis; ISG Speaks To Blair; Iraq-CBS News Poll; New Tax Strategy-Congress; Bush-Big Three Automakers; Heart Treatment; Elder Abuse–At Home; Presidential Campaign 2008; New Medical Treatments.

CBS: Mass Kidnapping-Iraq; Iraq Insurgency-Analysis; ISG Speaks To Blair; Iraq-CBS News Poll; New Tax Strategy-Congress; Bush-Big Three Automakers; Heart Treatment; Elder Abuse–At Home; Presidential Campaign 2008; New Medical Treatments

NBC: Mass kidnapping-Iraq; Mass Kidnapping-Iraq Analysis; ISG Speaks To Blair; Uranium Enrichment-Iran; Democratic Senate Leadership; Democratic House Leadership-Debate; American Auto Makers-In Trouble; Producer Price Index Decline; Stock Market; Darfur Crisis; Heart Treatment; Wall-Mart Cuts Prices; Honoring Injured Soldiers.

Story Lineup From This Morning's Radio News Broadcasts:

ABC: Iraq-Mass Kidnapping; Abizaid-Congressional Testimony; Iraq Study Group; Mississippi-Tornado; Arkansas-Flooding; Tropical Storm Sergio; Abramoff To Report To Prison.

NPR: Iraq-Car Bombing in Baghdad; Abizaid-Congressional Testimony; Colorado-Winter Storm Warming; Al Jazeera-English Language Channel; Tokyo Stock Market; Bush-Vietnam; House Of Representatives-Normalization Of Trade With Vietnam Rejected; Bush-Putin; Feinstein-49ers Name Dispute; Oakland A's-Fremont Move;

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — Air Force One arrives in Moscow; greeting from Russian President Putin; Air Force One departs Moscow, enroute Singapore.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: 10:30 a.m. APPROPRIATIONS _ Legislative Branch Subcommittee. Oversight hearing on progress of the Capitol Visitor Center. Architect of the Capitol Alan Hantman; Bernard Ungar, GAO; Bernard Ungar, GAO; Robert Hixon of the visitor center project. Location: Room 138, Dirksen.

11 a.m. ENVIRONMENT AND PUBLIC WORKS _ Full Committee. Hearing on pending nominations. Location: Room SC-4, Capitol.

11:30 a.m. ARMED SERVICES _ Full committee. Hearing on the current situation and U.S. military operations in Iraq and Afghanistan. Gen. John P. Abizaid, commander, U.S. Central Command; David M. Satterfield, senior adviser to the secretary of State and coordinator for Iraq, Department of State. Location: Room 216, Hart. Notes: Portions of hearing will be closed.

2:30 p.m. ARMED SERVICES _ Full Committee. Hearing on the situation in Iraq and Afghanistan. Lt. Gen. Michael D. Maples, director, Defense Intelligence Agency; Gen. Michael V. Hayden, director, Central Intelligence Agency. Location: Room 216, Hart. Notes: After the open session, a CLOSED session will follow in Room 219, Hart Building. Note witness list changes.

2:30 p.m. ENERGY AND NATURAL RESOURCES _ Full Committee. Hearing on a report by a presidential task force on the status of Puerto Rico. Deputy Assistant Attorney General C. Kevin Marshall; Puerto Rico Gov. Anibal Acevedo Vila; delegate Luis Fortuno; Puerto Rican Senate Minority Leader Maria de Lourdes Santiago. Location: Room 106, Dirksen.

3 p.m. HEALTH, EDUCATION, LABOR AND PENSIONS _ Full Committee. Hearing on food safety. Robert Brackett, Director, Center for Food Safety and Applied Nutrition, FDA; Lonnie King, senior veterinarian, Centers for Disease Control and Prevention; Kevin Reilly, deputy director of prevention services, California Department of Health Services; Robert Whitaker, president, MissionStar Processing, Salinas, Calif.; Terri-Anne Crawford, vice president and chief operating officer, Franwell Inc., Plant City, Fla.; Jeff Palmer, president, DayMark Safety Systems, Bowling Green, Ohio; John Vazzana, president and CEO, Intralytix, Baltimore. Location: Room 430, Dirksen.

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US House: FLOOR SCHEDULE _ 10 a.m. Meets for legislative business. Highlights: Suspensions (6 bills): 1) S. 101 - A bill to convey to the town of Frannie, Wyoming, certain land withdrawn by the Commissioner of Reclamation. 2) S. 4001 - New England Wilderness Act of 2006. 3) H.R. 5585 - Financial Netting Improvements Act of 2006. 4) H.R. 6321 - To provide a new effective date for the applicability of certain provisions of law to Public Law 105-331. 5) H.Res. 1078 - Congratulating the St. Louis Cardinals on winning the 2006 World Series. 6) H.J.Res. 100 - Making further continuing appropriations for the fiscal year 2007, and for other purposes.

10 a.m. JUDICIARY _ Crime, Terrorism and Homeland Security Subcommittee. Hearing on H.R. 5304, Preventing Harassment through Outbound Number Enforcement (PHONE) Act. Barry Sabin, deputy assistant attorney general; James Martin, president and founder, 60 Plus Association; Phil Kiko, committee staff. Location: Room 2141, Rayburn.

11 a.m. INTERNATIOLNAL RELATIONS _ Fuoll Committee. Hearing on North Korea's nuclear test. Undersecretary of State Nicholas Burns. Location: Room 2172, Rayburn.

2 p.m. JUDICIARY _ Immigration, Border Security and Claims Subcommittee. Hearing on the Energy Employees Occupational Illness Compensation Program Act. Location: Room 2141, Rayburn.

2:30 p.m. ARMED SERVICES _ full Committee. Hearing on operations in Iraq. David Satterfield, senior adviser to the Secretary of State and Coordinator for Iraq; Gen. John Abizaid, commander, U.S. Central Command. Location: Room 2118, Rayburn.

3 p.m. HOMELAND SECURITY _ Management, Integration and Oversight Subcommittee. Hearing on the Secure Border Initiative. DHS Inspector General Richard L. Skinner; Deborah J. Spero; deputy commissioner, Customs and Border Protection, DHS; Gregory L. Giddens, director, Secure Border Initiative Program, DHS; Elaine Duke, chief procurement officer, DHS; Jerry W. McElwee, Boeing Advanced Systems; Brian Seagraves, Unisys; Tom Miiller, L-3 Services Group. Location: Room 311, Cannon.

Other: DEMOCRATIC ORIENTATION _ 8 a.m. House Democrats hold a breakfast and orientation for Democratic members-elect. Location: Room HC-9, Capitol. Notes: Closed Press. Stakeout in the Center Steps Hallway.

WAINSTEIN-WIRETAPPING _ 8 a.m. - 9 a.m. Kenneth Wainstein, recently confirmed as assistant attorney general for the National Security Division at the Department of Justice, will discuss the legal issues and challenges facing the division, such as dealing with a backlog of unprocessed applications for secret wiretapping and search warrants requested under the Foreign Intelligence Surveillance Act. Wainstein will make his comments at a breakfast meeting of the American Bar Association Committee on Law and National Security. Location: University Club, 1135 16th St. NW.

ARAB-ISRAELI _ 8 a.m. - 12:30 p.m. The Wilson International Center for Scholars holds a conference on U.S. policy regarding the Arab-Israeli conflict. Participants include Israqeli Knesset member Matan Vilnai, Palestinian Authority Executive Committee member Yasser Abed Rabbo, President Itamar Rabinovich of Tel Aviv University, others. Location: Flom Auditorium, 6th floor, Reagan Trade Center.

HOUSE REPUBLICANS _ 9 a.m. Closed meeting of the House GOP Conference. Location: Room HC-5, Capitol. Notes: No media comment expected. Stakeout in the Center Steps Hallway.

CUBA AID PROGRAMS _ 10:30 a.m. Rep. Jeff Flake, -Ariz., joins Rep. William Delahunt, D-Mass., for a press conference regarding the release of a report by the Government Accountability Office (GAO) detailing poor management and oversight of Cuba aid programs. Location: House Radio/TV Gallery, Large Studio, Room H-321.

BLOGS _ 11 a.m. The George Washington University Institute for Politics, Democracy and the Internet and Edelman present a panel discussion, ``Trends in Political Blogging: A Transatlantic Perspective - The Recent and Future Impact of Blogs on Policy and Politics." Location: 7th floor, 1957 E St. NW.

BLUE DOG COALITION _ 11 a.m. The Blue Dog Coalition holds a news conference to announce its new members for the 110th Congress and to announce its leadership for the new Congress. Location: Room 2220, Rayburn.

CHAO _ 11 a.m. Labor Secretary Chao holds an awards ceremony for companies and organizations promoting equal employment opportunity. Location: Great Hall, Labor Department.

MINORITY YOUTHS _ 11 a.m. The Joint Center for Political and Economic Studies Health Policy Institute holds a news conference to release the findings of the Dellums Commission, which has studied the challenges facing young men of color in America. Location: National Press Club.

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RELIGIOUS VOTE _ 11 a.m. Sojourners/Call to Renewal holds a telephone briefing on a new exit poll on religious voting. Contacts: Colin Mathewson, 202-745-4625. Notes: Callin number: 800-658-0035; passcode: exit poll.

SCIENCE REPORT CARD _ 11 a.m. There will be a news briefing to release The Nations Report Card: Trial Urban District Assessment Science 2005, a publication of the U.S. Department of Education. This report highlights the achievement of fourth and eighth-grade students in 10 of the largest U.S. school districts that voluntarily participated in the National Assessment of Educational Progress (NAEP). Participating districts are Atlanta; Austin, Texas; Boston; Charlotte, N.C.; Chicago; Cleveland; Houston; Los Angeles; New York; and San Diego. Location: J.W. Marriott Hote, Salon D, Ballroom Level, 1331 Pennsylvania Ave. NW.

COURTS _ 12 p.m. The Center for American Progress holds a panel discussion concerning attacks on judicial independence, with former Rep. Bob Barr, Barry Friedman of New York University Law School, Dahlia Lithwick of Slate.com, and Caprice Roberts of West Virginia College of Law. Location: 10th floor, 1333 H St. NW.

PUBLIC ASSISTANCE _ 12 p.m. The New America Foundation holds a panel discussion changes to public assistance programs, with Amy Ellen Duke of the Center for Law and Social Policy, Leslie Parrish of the foundation, Dory Rand of the National Center on Poverty Law, others. Location: 7th floor, 1630 Connecticut Ave. NW.

NOTHAFT-HOUSING MARKET _ 12 p.m. - 1:30 p.m. Freddie Mac Chief Economist Frank Nothaft addresses a National Economists Club luncheon. Topic: ``The Housing and Mortgage Market Outlook: Soft Landing or Hard Fall?" Location: Chinatown Garden Restaurant, 618 H St. NW.

INDIANA-BAYH _ 2:30 p.m. Sen. Evan Bayh holds a news availability with the new Democratic House members from Indiana. Location: Room 463, Russell.

WOOLSEY-B'NAI B'RITH _ 4 p.m. - 6 p.m. Former CIA Director R. James Woolsey discusses his perspective on some of the most pressing issues of the 21st Century. Location: B'Nai B'Rith International Headquarters, 7th floor, 2020 K St. NW.

CANCER _ 7 p.m. Friends of Cancer Research holds an awards dinner honoring Sen. Arlen Specter, Acting FDA Commissioner Andrew von Eschenbach, Reps. John Dingell and Deborah Pryce, Sen. Diane Fesinstein, others. Location: Four Seasons Hotel, 2800 Pennsylvania Ave. NW.

WAL-MART _ 7 p.m. Sen. Barack Obama participates in a conference call sponsored by WakeupWalMart.com to ``put families first." Contacts: Buffy Wicks, 202-728-1801. Notes: Note separate time changes. Sen. John Edwards will participate in the conference call at 10 p.m. (cq). Call contact for details.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: WEDNESDAY, NOVEMBER 15, 2006 7:45 AM EST

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TERRORISM NEWS:

Critics Blast DOJ Brief On Detention Policy. The Washington Post (11/15, A03, Eggen) reports, "Critics of U.S. detention policies warned yesterday that a brief legal document filed by the Justice Department this week raises the possibility that any of the millions of immigrants living in the United States could be subject to indefinite detention if they are accused of ties to terrorist groups." The Post continues, "In a six-page motion filed in the U.S. Court of Appeals for the 4th Circuit in Richmond, Justice Department lawyers argue that an anti-terrorism law approved by Congress last month allows the government to detain any foreign national declared to be an enemy combatant, even if he is arrested and imprisoned inside the United States. … The government argues that a legal challenge by alleged al-Qaeda sleeper agent Ali Saleh Kahlah al-Marri should be dismissed because the former Bradley University graduate student has no standing in regular civilian courts. Under the new law, the Military Commissions Act, the Pentagon plans to place Marri into its new military trial system as soon as his criminal case is dismissed, according to the filing." The Post adds, "In the past, foreign nationals arrested in the United States have generally had the right to challenge their imprisonment for immigration violations or other alleged crimes in U.S. civilian courts. In the Marri case, the Justice Department essentially argues for an exception for those arrested as enemy combatants, legal experts said. … Justice spokesman Brian Roehrkasse said in a statement that Marri attended an al-Qaeda training camp, met with the alleged mastermind of the Sept. 11, 2001, attacks, Khalid Sheikh Mohammed, and entered the country "to serve as an al Qaeda sleeper agent and to explore methods of disrupting the U.S. financial system. … 'Enemy combatants are not entitled to preferential treatment merely because they have succeeded in entering our borders with the intent to harm American citizens or interests,' Roehrkasse said."

NYTimes Says Administration Has "Abused The Courts." The New York Times (11/15, 1.16M) editorializes, "When President Bush announced in September that he was transferring 14 men suspected of heinous acts of terrorism to Guantánamo Bay, his aim was baldly political -- to stampede Congress into passing a profoundly flawed law that set up military tribunals to try 'illegal enemy combatants' and absolved U.S. officials of liability for illegally detaining and torturing prisoners." But the "cynical White House move may also have unintentionally provided the loose thread to unravel the secrecy and lawlessness that have cloaked the administration's handling of terrorism suspects." When Bush "announced that he was sending the 14 prisoners to Guantánamo for trial, he effectively confirmed the existence of the secret C.I.A. prisons. Later, in the debate over the Military Commissions Act of 2006, Mr. Bush said that Congress had to absolve C.I.A. agents of any legal responsibility for their actions so he could order them to go on interrogating prisoners. That was a major blow to the C.I.A.'s legal strategy. After all, if the president could talk about the prisons and interrogations to suit his political interests, why couldn't they be discussed in court?" Courts are "sympathetic to legitimate claims of national security when it comes to intelligence and military operations. But the Bush administration has abused the courts' — and the nation's — trust in the indiscriminate way it has tried to hide its policies behind a supposed shield of national security."

Suits Allege Security Problems At SuperMax Prison. CNN.com (11/15) reports from Florence, CO, "Two California court cases are raising questions about whether prisoners in the nation's toughest prison, SuperMax, are continuing to commit crimes by smuggling coded messages out of the high-security institution." CNN continues, "Officially known as Administrative Maximum (ADX) in Florence, Colorado, SuperMax is home to convicted terrorists such as Olympic bomber Eric Rudolph, Unabomber Ted Kaczynski and Ramzi Yousef, who led the first World Trade Center attack. … Even though he is serving a life term, Mexican Mafia leader Ruben 'Nite Owl' Castro was indicted recently on conspiracy charges that accuse him of continuing to run 18th Street Gang drug sales on the streets of Los Angeles from his SuperMax cell. … Two leaders of the Aryan Brotherhood prison gang are to be sentenced next week in federal court in Santa Ana, California. They were convicted on conspiracy charges including instigating a murderous race war at another prison through a message smuggled out of SuperMax." CNN adds, "A report by the Justice Department's inspector general found the Bureau of Prisons 'is unable to effectively monitor the mail of terrorist and other high-risk inmates in order to detect and prevent terrorism and criminal activities.' .. While that finding, issued in October, was aimed at the entire federal prison system, the report said SuperMax failed to monitor at least half of each month's inmate phone calls for the last year checked. … The prison employees' union and local officials say the guard force at SuperMax is well below the number employed when the prison opened a dozen years ago, and it has sunk below the minimum manpower levels established a year ago." CNN notes, "A recent ruling by a federal arbitrator said because of manpower problems at SuperMax, entire cell blocks were left without inside staffing for full shifts on a number of occasions.

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The doors are electronically controlled, however, and there is constant remote-control camera surveillance."

ACLU Suit Claims Warrantless Surveillance Program Is Threat To Democracy. The AP (11/15) reports, "Warrantless wiretaps that the government says are necessary to fight terrorism pose a threat to American democracy, the American Civil Liberties Union said in court papers filed Tuesday." The AP continues, "The ACLU is asking the 6th U.S. Circuit Court of Appeals to reinstate a lower court decision that said the Bush administration's warrantless surveillance program is unconstitutional." The AP adds, "President Bush has said the program is needed to detect terrorists. Opponents argue it oversteps constitutional boundaries on free speech, privacy and executive powers. … 'The government's sweeping theory of executive power would allow the president to violate any law passed by Congress,' the ACLU said. 'This theory presents a profound threat to our democratic system. … The government complains that the district court overreached, but it is the government's theory that is radical, not the district court's rejection of it.'" The AP notes, "The government argued in its brief filed last month that the surveillance program is necessary to protect the nation from an ongoing national security threat. … U.S. District Judge Anna Diggs Taylor in Detroit ruled Aug. 17 that the program violates the rights to free speech and privacy and the separation of powers. … 'The terrorist surveillance program is a critical tool that ensures we have in place an early warning system to detect and prevent a terrorist attack,' said Justice Department spokesman Charles Miller."

Al-Arian Lawyers Appeal Order To Testify In Virginia Charity Case. The AP (11/15) reports Sami Al-Arian "has appealed a federal judge's ruling that forces him to testify before a grand jury in Virginia." His lawyers "contend that the terms of his plea agreement freed him from further cooperation with the government. They asked the 11th Circuit Court of Appeals on Monday to overturn a ruling by a Tampa federal judge forcing Al-Arian to testify in the grand jury investigation of the International Institute of Islamic Thought in Herndon, Va., which funded Al-Arian's Palestinian think tank in Tampa."

Posada Carriles Associates Sentenced To Prison On Weapons Charges. The Miami Herald (11/15, Weaver, 286K) reports, "Two longtime anti-Castro activists convicted of plotting to possess illegal weapons were sentenced to between three and four years in prison Tuesday in Fort Lauderdale federal court. Santiago Alvarez, a wealthy Miami developer who has supported Cuban exile causes, must serve about four years in prison and pay a $10,000 fine. His colleague, Osvaldo Mitat, must serve three years but does not have to pay any fine." The Herald notes, "U.S. government agents first learned about Alvarez in May 2005 when he helped Cuban exile militant Luis Posada Carriles emerge from hiding before his arrest for entering the country illegally. … The government's star witness in the Alvarez-Mitat prosecution was going to be an FBI informant identified as Gilberto Abascal. … The defendants' lawyers claimed Abascal was a spy for the Cuban government and the FBI."

The South Florida Sun-Sentinel (11/15, Blum, 237K) reports, "Defense attorneys argued that the two men in the case were patriots, not crooks," but US District Judge James Cohn said at the sentencing, "This court recognizes the ultimate objective and goal of Mr. Alvarez and Mr. Mitat has always been a free and democratic Cuba. This court does not question the altruistic motive here. However … we are a nation of laws." The AP (11/15, Anderson) notes, "A search at an apartment complex revealed more weapons and thousands of rounds of ammunition. Another arms cache was found in the Bahamas, including C-4 plastic explosives, that prosecutors said was linked to Alvarez."

LATimes Says Posada Carriles Should Be Tried. The Los Angeles Times (11/15, 850K) editorializes, "It is time to bring Cuban terrorist Luis Posada Carriles to justice," as he "stands accused of conspiring to blow up a Cuban airliner in 1976, causing 73 deaths. To let him walk would clearly be an outrage, and trying him in a US courtroom after refusing to hand him over to Venezuela would create a perception problem across Latin America." The Times adds that the US "should broker a deal that allows Posada to be tried in a third country whose principled neutrality is not questioned in this case."

German Prosecutor To Investigate Rumsfeld For War Crimes. The New York Times (11/15, Landler, 1.16M) reports, "A week after President Bush announced that Defense Secretary Donald H. Rumsfeld would resign, lawyers asked a German prosecutor to investigate Mr. Rumsfeld and other American officials for suspected war crimes stemming from the treatment of prisoners in military jails in Iraq and Cuba. ... With lawyers all but admitting they do not expect to see Mr. Rumsfeld hauled before a German court, the suit is as much about politics as it is about law. They hope to make an example of the man who helped engineer the war policy in Iraq, hounding him into private life with suits filed in other countries if Germany does not pursue the case." One German attorney "described a protracted legal procedure, during which he said Mr. Rumsfeld might encounter trouble traveling to Germany or other European Union countries. The lawyers picked Germany in part because German law has the principle of universal jurisdiction, under which courts are entitled to prosecute

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people for war crimes regardless of where the crimes were committed."

The AP (11/14, Graham) reports, "The point [of the plaintiffs] was simply to increase the pressure on top brass they say are culpable." The Washington Post (11/15, 690K) carries an abbreviated version of that AP article.

Researchers Say Bin Laden's Influence On Jihadis Waning. The New York Times (11/15, Mazzetti, 1.16M) reports a US Military Academy research group has concluded that as "radical Islam spreads globally through online forums and chat rooms, a group of obscure Arab religious thinkers may come to exert more influence over the jihadist movement than Osama bin Laden and other well-known leaders of Al Qaeda." In a study "billed as the 'first systematic mapping' of an ideology sometimes called jihadism, the Combating Terrorism Center at West Point has found that Mr. bin Laden and his deputy, Ayman al-Zawahri, have had a relatively minor influence on the movement's intellectual foundation. Among the network's ideologists, they have come to be seen more as propagandists than strategic thinkers." The study "found that the scholarly work of a group of Saudi and Jordanian clerics — most notably Abu Muhammad al-Maqdisi, a Jordanian — seems more likely to influence the next generation of Islamic militants. As a result, the authors found, the death or capture of Mr. bin Laden and Mr. Zawahri would do little to slow the spread of jihadist ideology."

Michigan Bank Terminating Islamic Charity's Accounts. The AP (11/15) reports, "Comerica Bank plans to terminate on Wednesday the accounts of a Muslim charity in Southfield that was the focus of a federal raid two months ago, according to letters the bank sent charity officials. The charity has checking accounts and uses Comerica services such as online banking. The organization has circulated millions of dollars through Comerica Bank over the past decade, said Life for Relief employee Mohammed Alomari." The AP notes, "FBI agents assigned to a terrorism task force searched Life's Southfield offices on Sept. 18, seizing computer servers, donor records and other financial documents. … The FBI would not say what agents were looking for, but charity officials have said it might be related to relief work the group did in Iraq."

PATRIOT ACT:

Couple Face Patriot Act Charges For Harassing Flight Attendant. The Raleigh News & Observer (11/14, Weigl) reported, "A California couple whose in-flight friskiness on the way to the Triangle was a bit much for the other passengers are facing federal charges for harassing the flight attendant who asked them to stop. Carl Warren Persing and Dawn Elizabeth Sewell are scheduled to go to trial Dec. 11…for their behavior during a Sept. 15 flight" from Los Angeles to Raleigh, N.C. They "wouldn't halt their public displays of affection, and Persing threatened the flight attendant who made the request and refused to serve them alcohol, according to the court records." The News & Observer added that according to an affidavit filed by FBI Special Agent Michael Sutton, "The flight attendant refused to serve them alcohol. Persing called the flight attendant 'a punk.' … Persing said, 'You and I are gonna have some serious confrontation when we get off this plane.'"

The AP (11/15) reports, "According to court documents, flight attendants saw Persing and Sewell kissing, embracing and 'acting in a manner that made other passengers uncomfortable' while the plane was stopped in Phoenix. … A flight attendant asked them to stop. They obeyed initially but resumed the behavior during the flight from Phoenix to Raleigh, authorities said." The AP notes, "When the flight attendant again requested them to stop, Persing allegedly told the flight attendant: 'I'm going to give you one warning to get out of my face.' … Persing and Sewell continued the verbal harassment after a flight attendant refused to serve Persing alcohol, according to court documents."

AFP (11/15) reports, "A couple's ill-concealed sexual play aboard a Southwest Airlines flight from Los Angeles got them charged with violating the Patriot Act, intended for terrorist acts, and could land them in jail for 20 years." AFP continues, "On a second warning from the flight attendant, Persing snapped back threatening the flight attendant with 'serious consequences' if he did not leave them alone. … The comment was enough to have the couple, both in their early 40s, arrested when the plane reached its destination in Raleigh, North Carolina, and charged with obstructing a flight attendant and with criminal association." AFP notes, "They have been placed under legal surveillance until their trial on February 5. If found guilty, they both could be sent to jail for up to 20 years. … Persing's lawyer William Peregoy said his client was not feeling well when he placed his head on his companion's lap, and that he only threatened the flight attendant with reporting him to his superiors on landing."

HOMELAND RESPONSE:

Abizaid Seen As Possible Replacement For Negroponte. The Washington Post's (11/15, A19) Al Kamen writes in his weekly "In the Loop" column that "the buzz a couple of months back was that Gen. James Jones, chief of the European command, may be moving up to take over Centcom when Gen. John Abizaid retires at the end of this year. Then Abizaid, a civilian, would be able to be

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named director of national intelligence. The incumbent, John Negroponte, was said to be unhappy and itching to move to a diplomatic post, perhaps as deputy secretary of state." Kamen notes that "the diplo world is home [to Negroponte], because he has served as ambassador to Honduras, Iraq, the Philippines and the United Nations. Also, being deputy to Secretary Condoleezza Rice wouldn't be so bad, because at heart she's a sharing person." Although the plan had been previously dismissed after "Jones decided he couldn't work with Donald Rumsfeld," Kamen says "the buzz has circled back now that Rumsfeld is headed out the door."

Senate To Move On Project BioShield Revamp. The Washington Post (11/15, D1, Merle, 690K) reports, "The Senate is moving to take up legislation as soon as this week " to revamp the "struggling" Project BioShield effort, which is intended "to counter bioterrorism threats with a national stockpile of new vaccines and other drugs." The bill "creates a central authority within the Health and Human Services Department to manage the effort, sets aside an additional $1 billion for research and gives the federal government the flexibility to provide cash infusions to the small firms doing most of the work." The Post adds that the $5.6 billion effort "has been marked by delays and operational problems."

WPost Says Federal Funding For Washington Hospital A Homeland Security Matter. In an editorial urging Congress to fund the ER One project, the Washington Post (11/15, A20, 690K) writes that it would create a facility that "would in normal times provide badly needed emergency treatment to people in the District and the surrounding region and, in the event of a mass disaster, could expand its treatment areas to handle 10 times the regular number of patients. Equally important, the facility was designed to take into account new medical challenges posed by terrorism and emerging diseases." The Post states that while the facility's importance to the Washington area "is clear," it would also "serve as a prototype, providing valuable resources and lessons in emergency care. Already, health-care professionals from other parts of the country have incorporated concepts from ER One into their own operations." However, "If federal money is not forthcoming, hospital officials said, they will have no choice but to build a facility with the money on hand."

DHS IG Says Hundreds Of Unused FEMA Trailers Damaged In Storage. The Los Angeles Times (11/15, Simmons, 850K) reports a report to FEMA Director R. David Paulison by DHS IG Richard L. Skinner says hundreds of modular homes purchased by the agency "for people left homeless by hurricanes Katrina and Rita were damaged beyond repair while in storage because they were not properly protected." Skinner wrote that in the future, the agency should "only order modular housing units if their potential uses have been clearly identified and storage sites are available that provide adequate protection." FEMA spokesman Aaron Walker "said the agency took evaluations and proposals of the inspector general 'very seriously' and, with the help of congressional funds, FEMA was investigating 'alternative temporary housing solutions.'"

Katrina Recovery Continues For High School Football Team In Louisiana. In a 1,730 word article, the New York Times (11/15, Longman, 1.16M) reports on the South Plaquemines High Hurricanes, who have moved on to the Round of 16 following a "rousing" playoff victory over Pickering High. Noting the excitement surrounding the team's playoff run, the Times adds that "sometime over the next four weeks, the season will end and playoff euphoria will be replaced anew by uncertainty in the halting recovery from Katrina." The Times focuses on fullback Keven Smith, who "still lives in a 7-by-27-foot FEMA trailer with seven other relatives." Smith said "he does not venture outside much in the FEMA trailer park in Oakville, 30 miles from school. 'Nothing but trouble outside,' Smith said. 'Drugs. I don't get down with that.' … The family has secured a loan from the Small Business Administration to buy a double-wide trailer and hopes to return to Boothville," where they lived in a trailer before the storm, by January.

WAR NEWS:

White House Launches Its Own Formal Review Of Iraq Policies. The Washington Post (11/15, A16, Wright, 690K) reports President Bush "formally launched a sweeping internal review of Iraq policy yesterday, pulling together studies underway by various government agencies, according to U.S. officials. The initiative, begun after Bush met at the White House with his foreign policy team, parallels the effort by the bipartisan Iraq Study Group to salvage US policy in Iraq, develop an exit strategy and protect long-term US interests in the region." The Post adds, "The two reviews are not competitive, administration officials said, although the White House wants to complete the process before mid-December, about the time the Iraq Study Group's final report is expected." A "White House official said, speaking on the condition of anonymity because the new initiative has not been announced," said, "The president has asked all his national security agencies to assess the situation in Iraq, review the options and recommend the best way forward. The ISG report will be duly considered, and we look forward to their recommendations, as the president has always said." The White House review "could give the administration alternatives so that it feels less pressure to fully implement the recommendations of the Iraq Study Group report, foreign policy experts said."

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The AP (11/15), meanwhile, reports, "Bitterly divided on Iraq, lawmakers in both parties are eagerly awaiting recommendations from an advisory group led by Republican and Bush family friend James A. Baker III and former Democratic Rep. Lee Hamilton." But "even if the bipartisan Iraq Study Group is able to forge a consensus on how to deal with Iraq -- a prospect that remains unclear -- the panel is unlikely to offer a solution so groundbreaking it will stave off a brewing partisan feud." An indication may be the statement Monday by Sen. Carl Levin, who is in line to be the chairman next year of the Senate Armed Services Committee. Levin said "the Bush administration didn't see that "we're getting deeper and deeper into a hole' in Iraq."

Rice Says There's No "Magic Bullet." The AP (11/15, Gearan) reports Secretary Rice said Tuesday "there is no magic bullet" solution to the mounting problems in Iraq, and indicated "no new willingness to ask for help from US adversaries in the Middle East." Speaking en route to Hanoi for this week's APEC summit, Rice said, "It is not an issue of whether you talk to somebody," referring to suggestions that the US should engage Iraq's neighbors, Iran and Syria. She continued, "I will talk to anybody, anywhere, anytime, under the right circumstances if I think we can make progress."

Military Experts Warn Against Hasty US Withdrawal. The New York Times (11/15, Gordon, 1.16M) reports, "One of the most resonant arguments in the debate over Iraq holds that the United States can move forward by pulling its troops back, as part of a phased withdrawal," which would theoretically force the Iraqi government to "assume more responsibility for securing and rebuilding Iraq." However, this view "is being challenged by a number of military officers, experts and former generals, including some who have been among the most vehement critics of the Bush administration's Iraq policies." Rumsfeld critic and retired general Anthony Zinni "argued that any substantial reduction of American forces over the next several months would be more likely to accelerate the slide to civil war than stop it." Zinni suggests "deploying additional American forces over the next six months to 'regain momentum' as part of a broader effort to stabilize Iraq that would create more jobs, foster political reconciliation and develop more effective Iraqi security forces." Retired general John Batiste, another Rumsfeld critic, called the pullout idea "terribly naïve"; scholar Kenneth Pollack "also argued that a push for troop reductions would backfire by contributing to the disorder in Iraq."

Polls Find Americans Now Expect Pullout, 57% Say Democrats Lack Plan To End War. The CBS Evening New (11/14, story 4, 0:20, Couric) reported, "Most Americans expect a withdrawal of US troops now that the Democrats will be in charge of Congress, even though that is still the President's call. A CBS News poll out tonight finds 72% of Americans expect the Democrats to try to reduce the number of troops in Iraq or pull them out altogether."

The AP (11/15, Kuhnhenn) reports, "More Americans rank Iraq as the top priority of the new Democratic-controlled Congress, but nearly three out of five say the party does not have a plan to deal with the war." An Associated Press-Ipsos poll "showed lingering uncertainty about the country's direction and the ability of Democrats and President Bush to work together. … A majority of the public did not detect a clear Democratic blueprint for ending the war. Fifty-seven percent of all adults in the AP-Ipsos poll said Democrats do not have a plan for Iraq; 29 percent said they do."

Iraqi Study Group Hears From Blair. ABC World News (11/14, story 2, 0:20, Gibson, 8.78M) reported, "Using a video link, Britain's Prime Minister Tony Blair spoke with the Iraq Study Group, the bipartisan panel that's reviewing US strategy in Iraq. Blair said resolving the conflict between the Israelis and the Palestinians would help end militancy in Iraq and, he said, across the Middle East." The CBS Evening News (11/14, story 3, 0:45, Couric, 7.66M) and NBC Nightly News (11/14, story 3, 0:35, Williams, 9.87M) also ran the story. CBS reported Blair "told the panel that ending the violence in Iraq depends on getting Syria and Iran involved in the process. Blair did not set a timetable, though, for withdrawing British troops." NBC, meanwhile said the British Prime Minister "called Iran a threat to the entire Middle East but he said a strategy that wins over moderate Muslims might pressure Iran to actually work for peace."

The Washington Times/AP (11/15, Stringer) notes Blair, "Bush's closest ally on Iraq, emphasized the importance of a resolution to the Israeli-Palestinian conflict, which he said was 'important in its own right, but also to take away the issue that was most exploited by extremist elements around the region.'" Blair's spokesman "briefed reporters on background after the session."

White House Denies Rift With Blair. AFP (11/15) reports the White House "has rushed to deny claims of a diplomatic rift with its closest European ally Britain, after Prime Minister Tony Blair mooted a 'partnership' with US foes Iran and Syria" during a foreign policy address this week. White House spokesman Tony Snow told AFP Tuesday that "suggestions in the British and US media that Blair's remarks signaled cracks between Downing Street and the White House were mischaracterizations." Snow said, "Read his speech, and you'll see there is no difference between the governments."

Iraq Study Group Sparks Commentary. In her column in the New York Times (11/15, 1.16M), Maureen Dowd finds fault with both the "Idealists" who instigated the Iraq war and the first President Bush's "Realists," who failed to stop Saddam's "slaughtering thousands of innocent" Iraqis and "decided to do nothing about the genocidal Serbian war on Bosnia." She says pessimistically of James Baker, "The president got the message that some shades of gray were

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desirable and brought in the family fixer with the bright green ties, who is perfectly positioned to come up with a solution that will fly in Washington and flop in Baghdad."

In his Washington Post (11/15, 690K) column, David Ignatius writes of the Baker commission, "If the tipsters are right, the commission will recommend a regional dialogue that involves Iraq's neighbors -- including Iran and Syria -- along with a new effort to resolve the Israeli-Palestinian conflict. ... This 2003 [US-Iranian] dialogue collapsed largely because of an Iranian demand for 'pursuit of anti-Iranian terrorists' from the Mujaheddin-e Khalq organization who were in Iraq. Absurdly, the Pentagon balked because of a fantasy that the group could help foment revolution in Iran. The Iranians may now say that the 2003 dialogue for 'mutual respect' is off the table, but Baker should find out -- by going to Tehran. ... the essence of a negotiation is that, in the pursuit of mutual interest, the parties narrow their demands to ones that are achievable."

On MSNBC's Tucker (11/14, Carlson), A.B. Stoddard, Associate Editor of The Hill, said, "We have been reading in the papers now about the secret workings of the Iraq study group and one of the things that has emerged among some sort of old kicked around ideas, one of the new ones, is engaging Iran and Syria. So I understand why Bush is saying no, because it clearly -- we're trying to convince Iran to disengage their nuclear -- potential nuclear weapons program. I mean they say it's not, we say it is. But at the same time, the Iraq study group -- we're hanging all our hopes, the members of both parties are hanging all their hopes on the recommendations from that committee and I have a feeling that's sort of the most novel idea that's going to come out of it."

On MSNBC's Hardball (11/14, Matthews), former CIA officer Bob Baer said, "What Baker and that commission is looking at, I would imagine, is how do we keep the chaos in Iraq from migrating south into the Arab Gulf? Which by the way I say over and over again, 60 percent of the world's oil reserves are sitting there vulnerable."

In the Christian Science Monitor (11/15, 59K), Scott Peterson implicitly faults president Bush for making Iran a member of the "Axis of Evil" after it "helped the US extensively in Afghanistan to overthrow the Taliban and establish a new government." Today, "Bringing Iran - and Syria - into a regional process to stabilize Iraq is being touted both by British Prime Minister Tony Blair and the Iraq Study Group," but Iran is now "much more defiant, and much more over-confident" and is led by "arch-conservative Mahmoud Ahmadinejad, who has spoken vociferously at every opportunity to reinvigorate the ideals of the 1979 Islamic revolution." Peterson adds, "Beneath the heated rhetoric, Iran and the US have both sent signals for months that they are ready to engage in some way." Professor Vali Nasr suggests that Iran could "get [Iraqi Shiites] to accept political compromises with Sunnis" and could "stop funding radical parties and weapons traffic," if the US offered suitable "security guarantees."

At Least 50 People Kidnapped In Iraqi Education Ministry. The Washington Times/AP (11/15, Hurst) reports, "Suspected Shiite militiamen dressed as Interior Ministry commandos stormed a Higher Education Ministry office Tuesday and kidnapped dozens of people after clearing the area under the guise of providing security for what they claimed would be a visit by the US ambassador. Witnesses and authorities said the gunmen raced through all four stories of the building, forced men and women into separate rooms, handcuffed the men and loaded them aboard about 20 pickup trucks." The AP adds, "There were varying estimates of the number of people kidnapped, but it appeared that at least 50 were seized -- one of the largest mass abductions in Iraq. Authorities said as many as 20 were later released, but said a broadcast report that most hostages were freed appeared to be false. The assault came on a day that saw at least 117 people die in the mounting disorder and violence gripping the country."

ABC World News (11/14, lead story, 2:50, Gibson, 8.78M) called the abductions "brazen," "audacious" and "chilling." ABC (McCarthy) added, "Take a mother's anguish for her missing son. Multiply by 100. The victims of today's mass kidnapping? Government workers who administer university scholarships."

The CBS Evening News (11/14, lead story, 2:30, Couric, 7.66M) reported, "Well, just when you think it can't get any worse in Iraq, it does." CBS (Palmer) added from Iraq, "Everyone here is deeply worried that a mass abduction on this scale must have had support from inside the Iraqi security services."

NBC Nightly News (11/14, lead story, Aspell, 9.87M) reported, "The Iraqi parliament called the kidnapping a 'catastrophe,' threatening to close universities to protest the lack of security for academics. More than 150 have been murdered in the past three years. Islamic militants accuse them of being too liberal. Many teachers want to leave Iraq. … Tonight, Iraqi state TV says the local police commander and his deputy are under arrest for dereliction of duty after today's kidnappings along with three other officers. Tonight the Iraqis have launched a huge security operation to try and locate the kidnap victims. The Interior Ministry says at least 30 have already been freed." NBC Nightly News (11/14, story 2, 1:25, Espell, 9.87M) also reported that "every day Iraq appears closer to an open civil war. … The higher Education Ministry attacked today is often accused in Baghdad of having links with Sunni Muslim hard-line groups. Al Qaeda supporters. But it was attacked by a radical illegal Shi'ite militia group with links to the official Iraqi government.

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So we have government institutions that are now being targeted by militia groups that are themselves linked to the government."

USA Today (11/15, Brook, Sabah, 2.27M) reports Alaa Makki, "head of parliament's education committee, said the gunmen worked from a list of names. Those kidnapped included the office's deputy general directors."

The New York Times (11/15, Burns, Luo, 1.16M) reports, "Late in the evening there were conflicting reports that some or most of those taken had been freed. Iraqiya state television reported that most of those seized had been freed in security operations, but a Shiite station, Al Furat, said 25 people were still missing." The Los Angeles Times (11/15, Moore, 850K) says "the incident was similar to a raid on a Sunni Arab-owned meatpacking plant more than a month ago in which police commandos kidnapped at least 60 workers, many of whom were discovered slain days later. That raid sparked an investigation by the US Army and moved Iraqi Prime Minister Nouri Maliki to suspend an entire commando unit for retraining."

The Washington Post (11/15, A1, Raghavan, 690K) also reports "Tuesday's incident was a well-orchestrated reminder of how challenging basic security remains in Iraq at a time when U.S. officials are pressing Iraqi Prime Minister Nouri al-Maliki to assert more control."

The CBS Evening News (11/14, story 2, 1:45, Couric, 7.66M) interviewed Zainab al-Suwaij, "an Iraqi exile who is executive director of the American Islamic Congress. She visits Iraq monthly and is working to improve the country's education system. The killing and kidnapping of intellectuals is on the rise. Since February, many, many professors have been killed. Some 3,000 have left the country. Why are academics being targeted this way?" Al-Suwaij, "Because most of the insurgents in Iraq, they don't want the intellectuals, and they don't want people who are highly educated to be there to have a function in society and country."

Abizaid To Face An "Impatient" Congress. The Washington Post (11/15, A6, Tyson, 690K) reports, "Senate Democrats impatient to start withdrawing US troops from Iraq will inject a new political dynamic into the debate over the war beginning today as they question the military's top Middle East commander for the first time since their party swept into control of Congress this month." Army Gen. John P. Abizaid, head of the U.S. Central Command, will face questions from the Senate Armed Services Committee "on the violence in Iraq and what it means for the roughly 145,000 US troops" Democrats "have made it clear that they intend to bolster the committee's oversight role, and an influx of new members, including Democrat James Webb of Virginia, is expected to further invigorate debate. ... Democrats say a driving factor in their push for drawing down US troops in Iraq is the strain on the all-volunteer military from repeated combat zone deployments, as well as from billions of dollars' worth of equipment wear and tear that has hurt the military's preparedness should another conflict break out." Some Democrats such as Sen. Hillary Clinton "advocate increasing the size of the Army."

Bill To Extend Iraq Inspector General Wins Senate Approval. The San Jose Mercury News/AP (11/15, Frommer) reports, "The Senate approved an amendment Tuesday to extend an investigative office that unearthed millions of dollars in waste and fraud associated with the rebuilding of Iraq. The amendment, passed by voice vote as part of the military construction and veterans' spending bill, would keep the inspector general's office running through October 2008." Sens. Susan Collins, Joseph Lieberman, and Russ Feingold are quoted praising the office's performance.

Website Counts US Deaths In Iraq. The Los Angeles Times (11/15, Fausset, 850K) reports from Stone Mountain, Georgia, "No one asked Michael White to count the dead soldiers in Iraq. ... But for almost 3 1/2 years -- for no pay and no glory -- White has kept a meticulous tally of every U.S. and coalition military fatality, posting the names and the numbers on his Web site, www.icasualties.org. ... Today, the Los Angeles Times, The Washington Post, and The New York Times use White's numbers to show the extent of the nation's collective sacrifice." White "packages" the information: "One map shows the number of coalition and U.S. deaths that occurred in each Iraqi province. It reveals that Anbar province -- the largest in the nation and home to the battle-scarred city of Fallujah -- has seen more than 1,040 coalition deaths, making it a deadlier place than Baghdad, with 746 deaths. ... He also breaks down the number of deaths by city [of origin]. Those kinds of details are among the chief attractions for journalists."

Soldier In Iraqi Rape Trial Is Expected To Plead Guilty. The Washington Post (11/15, A16, White, 690K) reports, "A U.S. Army soldier who is accused of taking part in a plan to rape an Iraqi teenage girl and murder her family in March is scheduled to plead guilty today to numerous charges in a military court in Kentucky, the soldier's civilian lawyer said yesterday. Spec. James P. Barker would be the first soldier involved in the gruesome rape and killings in Mahmudiyah to publicly take responsibility for the attack," which "shocked" the US military and Iraqis. An attorney "said Barker is remorseful for the attack, which he said arose out of an extremely stressful environment in an insurgent stronghold south of Baghdad." By agreeing "to testify against others who were involved," Barker avoids the death penalty but still faces life in prison.

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Gonzales To Unveil Ashcroft Portrait At Main Justice. In his "In The Loop" column for the Washington Post (11/15, A19), Al Kamen writes, "Attorney General Alberto Gonzales, at 10 a.m. sharp on Friday, will be in the Great Hall of the Justice Department for the 'unveiling of the official portrait of former Attorney General John Ashcroft,' the department announced." Kamen adds, "This is Gonzales's second 'Great Unveiling.' The first was when he succeeded Ashcroft and took down that goofy $8,000 blue curtain that Ashcroft put up in the Great Hall to cover the bare right breast of a 12-foot statue of a woman, the Spirit of Justice (a.k.a. 'Minnie Lou')."

CORPORATE SCANDALS:

DOJ, IRS Officials Warn Lawmakers About Fraudulent "Shell Companies." The Washington Post (11/15, D02, Johnson) reports, "Lax state standards allow millions of companies to incorporate every year without their owners being identified, a practice that lets tax evasion, money laundering and securities fraud go undetected, federal officials told a Senate panel yesterday." The Post continues, "Leaders of the Senate Government Affairs Committee's permanent subcommittee on investigations sounded alarms about lenient rules that apply to about 2 million new businesses that incorporate in the United States every year. In most cases, states fail to seek basic ownership information from companies and often do not check what little data is provided in follow-up reports against criminal justice databases. … Lack of transparency over who controls the companies amounts to 'an unacceptable risk to our national security and our treasury,' said Sen. Carl M. Levin (D-Mich.), whose staff initiated the investigation." The Post adds, "Justice Department and Internal Revenue Service officials who investigate financial wrongdoing testified that they are frequently stymied by the problem. 'We have important investigations that are hitting brick walls because no one has the ownership information,' said Stuart D. Nash, associate deputy attorney general."

The Washington Times (11/15, Seper) reports, "Nash told the Homeland Security and Governmental Affairs permanent subcommittee on investigations that a person without any identification can form a corporation and establish a new business nationwide 'within as little as five minutes.' … 'The corporation is then a legal entity that can engage in business and open a bank account,' Mr. Nash said. 'Yet, some of the most important information about the corporation -- its ownership -- is nowhere recorded. If that corporation were to engage in fraudulent or negligent activity, it would be very difficult, or even impossible, to identify its beneficial owners. … Domestic or foreign law-enforcement agents would be stymied in their attempts to conduct an investigation because they would be unable to find out who is behind the illegal activity,' he said." The Times notes, "The subcommittee is investigating the issue of states incorporating nearly 2 million new U.S. companies each year without identifying the company owners, and the law-enforcement problems that result when some of these companies become engaged in money laundering, tax evasion or other crimes."

The AP (11/15, Gordon) reports, "The Justice Department said Russian officials used shell companies incorporated in Pennsylvania and Delaware to illegally divert $15 million in international aid intended for improving the safety of nuclear power plants in the former Soviet Union. … The FBI found that U.S. shell companies are being used to launder as much as $36 billion coming from the former Soviet Union."

SEC Settles Fiscal Charges With San Diego. The AP (11/15, Spagat) reports, "The U.S. Securities and Exchange Commission on Tuesday ordered San Diego to hire an independent financial consultant for three years but stopped short of levying fines to punish the nation's eighth-largest city for failing to disclose financial obligations when it sold bonds." The AP continues, "San Diego also agreed to avoid future violations of securities laws. The SEC did not sanction current or former officials but said it will continue to investigate 'individuals and other entities that may have violated the federal securities laws.'" The AP adds, "The SEC and Justice Department began investigating San Diego in February 2004 after the city admitted errors and omissions in its financial statements. The federal probes triggered tumult at City Hall that culminated in the mayor's resignation. … The city made 'misleading statements' in five bond offerings in 2002 and 2003 that raised $260 million from investors, the SEC said. … According to the SEC, the city failed to disclose that its unfunded pension liability - the gap between the value of its pension assets and its obligation to retirees - would balloon to $2 billion by 2009 from $284 million in 2002. The city also failed to tell potential investors it carried a $1.1 billion liability for retiree health care."

Mutual Fund Analyst At Center Of Fraud Suit Arrested. The Financial Times (11/15, White) reports, "The alleged operative at the centre of a high-profile civil lawsuit against a group of powerful hedge funds has been arrested in New York on a wire fraud charge." The Times continues, "Spyro Contogouris was taken into custody on Monday on charges that he stole more than $5m from a former employer, the US Attorney for the Southern District of New York said on Tuesday. … The charge is unrelated to

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the private $5bn lawsuit filed by Canadian insurance group Fairfax Financial against Mr Contogouris and a group of hedge funds including Exis Capital and SAC Capital Management, the $10bn fund run by billionaire Steven Cohen. … However, the US Attorney's office said its investigation into Mr Contogouris is continuing. And the charges may bolster the lawsuit filed by Canadian insurance group Fairfax Financial." The Times adds, "In the lawsuit, Fairfax claims Mr Contogouris and the hedge funds conspired to generate bogus analyst reports critical of the company, sent threatening letters to Prem Watsa, Fairfax chief executive, and his friends and family, tried to intimidate employees into providing sensitive inside information and attempted to plant negative news stories about the company. … The hedge funds and Mr Contogouris have denied the allegations."

Despite Scandals, Tyco To Maintain Name. The Financial Times (11/15, Guerrera, Bowe) reports, "The scandal-tainted Tyco name will survive the company's planned break-up, following the decision by Tyco Electronics, one of US conglomerate's three main units, to retain the brand despite its association with recent corporate excesses." The Times continues, "The surprising move comes after Tyco Electronics concluded that the value placed on the name by customers and employees was more powerful than the memory of Dennis Kozlowski, the former head of Tyco who has been convicted of looting the company." The Times adds, "The decision - to be announced on Wednesday - runs counter to recent trends that have seen companies such as Phillip Morris and British Petroleum change names and logos, often at great expense, in an effort to refresh their image and break with the past. … Tyco International, the group's main division which sells fire and security systems, is also expected to retain its name after the conglomerate splits into three next year, leaving the healthcare business as the only one seeking a new name." The Times notes, "Mr Kozlowski's actions earned Tyco a place in the unholy trinity of companies that exemplified the US corporate scandals of the late 1990s alongside Enron and WolrdCom, at least in the eye of the press and the investing public. … Tyco has tried to resist this perception, pointing out that, unlike the other two companies, the $40bn-a-year conglomerate stayed in business and made a fresh start under new management."

CRIMINAL LAW:

Abramoff To Report To Prison Today. The Washington Post (11/15, A06, Schmidt) reports, "Jack Abramoff, the former lobbyist blamed for a corruption scandal that contributed to the Republican loss of Congress last week, is scheduled to report to federal prison today." The Post continues, "Abramoff, 47, will begin serving a sentence of five years and 10 months at a minimum-security prison camp in Cumberland, Md., for defrauding banks of $23 million in his purchase of a Florida casino cruise line six years ago." The Post adds, "Abramoff has also pleaded guilty in Washington to fraud, tax evasion and conspiracy to bribe public officials. He is to be sentenced in that case next year, after he completes his cooperation with the Justice Department's wide-ranging investigation of his dealings with officials in Congress and executive-branch agencies. … Once a powerhouse in the Republican effort to dominate K Street, Abramoff has become a symbol of lobbying greed and excess. Eight people have been convicted or have pleaded guilty in connection with his schemes, including former Ohio representative Robert W. Ney."

The AP (11/15) reports, "If it were up to the Justice Department, Mr. Abramoff wouldn't be heading to prison – at least not yet. He could hold the key to a sweeping corruption case involving Congress and members of the Bush administration and their aides. And prosecutors said putting their star witness behind bars would impede the investigation. … But a federal judge in Miami refused to delay the sentence, meaning Mr. Abramoff's cooperation will have to continue from prison. Mr. Abramoff's lawyers had no comment." The AP adds, "Mr. Abramoff was originally assigned to a federal prison in Pennsylvania about four hours from Washington. Prosecutors wanted him assigned to a prison in Cumberland, Md., about two hours away. … The Justice Department said the issue has been resolved and, though the Bureau of Prisons will not comment on where Mr. Abramoff will report, prison officials began making preparation for a crush of reporters outside the Cumberland prison."

The New York Times (11/15, Shenon) reports, "Federal prosecutors say that the investigation of Mr. Abramoff's lobbying operation is far from over and that, since his plea bargain was announced last January, he has provided valuable evidence of potential wrongdoing by public officials. … Prosecutors have not identified other targets of the investigation. But the inquiry has created alarm on Capitol Hill and was a factor in the defeat in last week's elections of at least three Republican lawmakers who were portrayed by their Democratic opponents as close to Mr. Abramoff."

Abramoff Could Implicate Six To Eight Democratic Senators, Rove. On the Internet, ABC News "The Blotter" (11/14, Ross, Schwartz) reported yesterday afternoon that "sources close to the investigation say Abramoff has provided information on his dealings with and campaign contributions and gifts to 'dozens of members of Congress and staff,' including what Abramoff has reportedly described as 'six to eight seriously corrupt Democratic senators.'" The sources also say Abramoff "was about to provide information about Bush administration officials, including Karl Rove, 'accepting things of value' from Abramoff. "

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University To Remove Ney's Name From Building. USA Today (11/15, Cauchon, 2.27M) notes Ney "lost his job as a congressman. Now, he's on his way to losing another classic political honor -- having a building named after him." Ohio University "has begun the process of removing Ney's name from the Robert W. Ney Center for Health and Physical Education at its campus in St. Clairsville, near the West Virginia border."

Federal Panel To Seek Ways To Curb Prison Rape. The AP (11/15, Thompson) reports, "Thomas Clinton says he and six of the other 10 homosexuals in his cell block were raped in prison. … National prison officials and experts on Tuesday said they have no idea if the 36-year-old Los Angeles man's experience is typical. They are only now beginning studies to see how widespread sexual assault and consensual sex are behind bars." The AP continues, "Spurred by a 2003 federal law, the U.S. Department of Justice's new Review Panel on Prison Rape began two days of hearings Tuesday at California's Folsom Prison to learn what the country's largest state prison system is doing about the problem. … It is the start of a monthslong national effort to find how many prison inmates are victims of sexual assault and how to deter the attacks. … 'We don't know to what extent the problem exists,' the federal rape panel's chairman, Steve McFarland, said in an interview." The AP adds, "Reports of assaults 'may be just the tip of the iceberg. We haven't a clue,' said McFarland, who also directs the Justice Department's Task Force for Faith-Based and Community Initiatives." The AP notes, "Congress, in passing the federal rape law, cited estimates that 13 percent of inmates are assaulted nationwide. The federal Bureau of Justice Statistics, in a 1997 survey, put the incidence at less than 1 percent. … California legislative researchers found 4.4 percent of California inmates reported assaults in 2000, compared to 4 percent in Florida, 2.5 percent in Texas, 2.3 percent in New York and 1.7 percent in federal penitentiaries. But reporting methods vary so widely that the figures are useless, McFarland said."

Two MS-13 Members Convicted Of Racketeering In Maryland. The Washington Post (11/15, B02, Castaneda) reports, "In the first major victory for federal prosecutors in a sweeping legal assault on MS-13 in Maryland, a federal jury in Greenbelt yesterday convicted two members of the violent Latino street gang of criminal racketeering." The Post continues, "Edgar Alberto Ayala, known as 'Pony,' 29, and Oscar Ramos Velasquez, 21, known as 'Casper,' both Salvadoran immigrants, were found guilty of conspiracy to commit murder to further the racketeering enterprise." The Post adds, "The racketeering prosecution is part of an investigative and legal offensive begun by federal authorities last year against a gang that as recently as five years ago was little known outside law enforcement circles and the neighborhoods it operates in. … Locally, law enforcement officials have attributed dozens of homicides and nonfatal assaults in recent years to MS-13 members in suburban Maryland, Northern Virginia and, to a lesser extent, the District. Nationwide, federal officials have formed an MS-13 task force, which began operating last year out of FBI headquarters. … The jury's decision, reached during five days of deliberations, means that both men are eligible for a maximum possible sentence of life in prison without parole." The Post notes, "The defendants were among 22 in Maryland charged more than a year ago under the Racketeer Influenced and Corrupt Organizations Act. The RICO indictment alleges that members of MS-13, a gang also known as Mara Salvatrucha, killed six people and attempted to kill four others between April 2003 and June 2005 in Prince George's and Montgomery counties."

Judge Allows DOJ To Examine Some Jefferson Documents. Roll Call (11/15, Bresnahan, Newmyer) reports, "With the corruption investigation of Rep. William Jefferson (D-La.) stalled for the last several months by a legal battle, a federal appeals court on Tuesday ordered Jefferson's lawyers to begin turning over some documents to the Department of Justice." The US Court of Appeals for the District of Columbia Circuit also "set a briefing schedule for its review of whether the May 20 FBI raid on Jefferson's Capitol Hill office was constitutional." Roll Call adds, "The briefing schedule signals that Jefferson's legal challenge to the raid is likely to continue into next summer or even well into the fall, although legal experts believe that Tuesday's order by the court could provide the Justice Department with a 'face-saving' means of indicting Jefferson before the appeals court issues a ruling." However, "it is still unlikely…that Jefferson will be indicted before the end of the year, according to legal experts -- good news for the embattled incumbent who faces a tough slog in his Louisiana runoff election."

Ruling May Delay Jefferson Probe. The New Orleans Times-Picayune (11/14, Alpert, Walsh) reports, "In an order that could delay the government's decision on whether to indict Rep. William Jefferson, a three-judge panel has put off until at least the spring a final decision on legal challenges to some documents taken in a historic raid of the congressman's Capitol Hill office last May." The Times-Picayune continues, "While the U.S. Court of Appeals for Washington D.C., said that the Justice Department can immediately begin examining those documents and computer files not challenged by Jefferson and his attorneys, it is the disputed documents that are expected to be most critical to the government's 20-month probe into allegations of bribery and corruption. Jefferson has denied wrongdoing and has not

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been charged in the investigation that has netted guilty pleas from two of his former associates. … 'I can't imagine that the (unchallenged) documents would yield anything of value to the government,' said Carl Tobias, a constitutional law expert at the University of Richmond." The Times-Picayune adds, "The ruling will likely force another delay in the case, which began in March 2005 and has stalled over the question of whether the search of the congressional office breached the separation between the executive and legislative branches. … Justice Department officials could decide that the additional delay in the investigation it hoped to wrap up shortly after its May 20-21 raid of Jefferson's office is unacceptable and move forward based on evidence it has already collected in the case. But that would make it harder for the agency to justify what was a highly controversial raid of Jefferson's office, drawing charges of overreach by the top Republican and Democrat in the House of Representatives."

FBI Agent Said To Believe Bulger On California Surveillance Video. KFMB-TV San Diego (11/14) reported on its Web site from a broadcast story, "The News 8 CrimeFighters are on a manhunt for a notorious Boston mob boss who was spotted in San Diego." James "Whitey" Bulger "is one of the most high-profile fugitives in America, second only to Osama bin Laden on the FBI's 10 Most Wanted list, and he "was spotted here in San Diego, catching a screening of the gangster movie 'The Departed' at a theater in Horton Plaza. … A law enforcement officer says he spotted Bulger in the crowd, and followed him to a trolley stop…before losing him. Sources confirm the FBI grabbed surveillance video from both the mall and the movie theater. While the FBI says it's a non-credible sighting, sources who viewed the surveillance tape say one agent remarked out loud, 'that's him' when the suspect appeared in the video." KFMB noted, "It was a Boston FBI agent who tipped Bulger off to the pending indictment against him in 1995. That agent was later sent to prison."

Based on the KMFB story, WBZ-TV Boston (11/14, Germano) reported on its Web site from a story broadcast yesterday, "The FBI here in Boston isn't shedding any light on this new claim from a San Diego agent that it could, in fact, be Bulger. They'll only say the Bulger investigation remains a high priority and they follow up on any and all leads. Currently, there is a $1 million reward for Bulger's arrest. He's second only to Osama bin Laden on the FBI's ten most wanted list."

The Boston Herald (11/15, Wedge, Johnson, 184K) reports, "Gail Marcinkiewicz, spokeswoman for the Boston FBI office, which is leading the task force to hunt down Bulger, said last night she could not confirm that agents seized the tapes. 'I would assume that they would,' she said. April Langwell, spokeswoman for the FBI's San Diego's office, said earlier yesterday they have yet to confirm that Bulger was spotted leaving the cinema. 'It would be exciting to capture him, but for right now, it was just considered non-credible information,' she said. However, several sources have told the Herald the FBI is taking the sighting seriously."

Tennessee Driving School Owner Sentenced To Prison For Bribery. The Tennessean (11/15, Bottorff) reports, "The former owner of a Murfreesboro driving school was sentenced to six years in prison for bribing employees of the Tennessee Department of Safety to help customers, federal prosecutors announced Tuesday. The sentencing follows a guilty plea entered in July by Bryan Guess to three public corruption charges related to bribes he paid the Tennessee Department of Safety, according to a press release issued by the Office of the United States Attorney for the Middle District of Tennessee. … His arrest was part of Operation Crooked Highway, a multi-agency investigation that resulted in six people charged with bribery and conspiracy." The Tennessean notes Guess also "forfeited more than $162,000 he earned as part of the scheme."

FBI Says Goya Painting Stolen From Unattended Truck. The New York Times (11/15, Ramirez, 1.16M) reports, "The F.B.I. yesterday said it had no updates on the theft of a painting by Goya that was being trucked to an exhibition opening on Friday at the Solomon R. Guggenheim Museum." However, Philadelphia FBI spokeswoman Jerri Williams did say yesterday that "the painting was found to be missing near Scranton, Pa., on Nov. 9 while the truck was unattended. 'The people who were transporting it stopped for a break,' she said, 'and the painting was taken from the vehicle.'" ABC News' The Blotter (11/14, Walter, 2:30 p.m.) added, "'It appears that the person or persons involved knew what they were doing,' a FBI spokesperson told ABC News. But the spokesperson added, 'There is no reason to believe the people transporting the artwork were involved.'" The Philadelphia Inquirer (11/15, Boyer, 385K) notes, "The insurer of the painting is offering a reward of up to $50,000 for information leading to the recovery of the painting, the FBI said. Anyone with information on the painting is asked to contact the Philadelphia Division of the FBI at 215-418-4000 or another FBI office."

35-Year-Old Brooklyn Ironworks Owner Named New Bonanno Boss. The New York Daily News (11/15, Marzulli, 729K) reports, "The Bonanno crime family has tapped a man of steel to rebuild its crumbling empire, the Daily News has learned. He's Salvatore (Sal the Ironworker) Montagna, the newly minted boss of the Mafia family,

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according to law enforcement sources -- and he's practically a bambino at only 35 years of age. The Sicilian-born Montagna and his wife, Francesca, own a small ironworks company in Brooklyn, but they show no signs of living the high-life of a Mafia don." Former Brooklyn US attorney's office investigator Mark Feldman "said the move clearly 'signals desperation' on the part of a mob family that has seen three bosses and acting dons bite the dust in three years." The Daily News notes author Thomas Reppetto said, "There may no longer be a boss in the sense that we understood the term, an all-powerful figure at the top, because naming an official boss provides the FBI with a clear target."

Man Sentenced To Life Term For Killing Johns Hopkins Student. The Baltimore Sun (11/15, Bykowicz, Dang) reports, "The high school dropout and transient Baltimore restaurant worker ingratiated himself into a social circle of Johns Hopkins students. But all the while, he was honing his burglary skills near the prestigious university, lifting little things, such as music players, coins and even food from the students' refrigerators." The Sun continues, "It was late Jan. 22, 2005, when Donta Maurice Allen broke into the Charles Village apartment that Linda Trinh shared with two other women, a botched burglary that, prosecutors said Tuesday, led to Allen's choking and beating Trinh and leaving her face down in her bathtub. … Allen, 28, pleaded guilty Tuesday in Baltimore Circuit Court to first-degree murder, securing a life sentence with the possibility of parole. He is to be sentenced in January." The Sun adds, "Until Tuesday, which was to be the first day of trial, city prosecutors had sought life without the possibility of parole. … During and after the court hearing, the prosecutor and defense attorney gave the first in-depth explanation of how and why the promising student, a 21-year-old biomedical engineering major with dozens of friends, died."

FBI Reenergizes Wales Murder Investigation. Under the headline "'This Is Not A Cold Case,' F.B.I. Says 5 Years After Prosecutor's Killing," the New York Times (11/15, Kowal, 1.16M) reports, "A failed polygraph test by a gun collector. Handwriting samples from a chief suspect. A daughter's plea for the public's help. These three strands have breathed new life into the stalled five-year investigation" into the murder of Assistant US Attorney Thomas C. Wales. "The Federal Bureau of Investigation, which has offered a $1 million reward for information leading to a conviction, says it has interviewed about 4,000 people and followed 10,000 leads in 50 states and several Eastern European countries. But there was a strong sense in Seattle that the case was stuck. The authorities used the fifth anniversary of the shooting to raise the profile of the investigation and even urged Mr. Wales's son and daughter to ask the public for help in solving the crime. … Robert Geeslin, the F.B.I. agent who is supervising the investigation, said, 'This is not a cold case.'" The Times recounts the questioning of the gun collector, Albert Kwan, and an unidentified commercial airline pilot, but suggests that neither are likely to provide significant momentum to the investigation.

North Carolina Sheriff-Elect Faces Rape Charges. The New York Times (11/15, Newspapers) reports, "A campaign for sheriff usually focuses on who would be the best candidate to fight crime. In Polk County, N.C., voters have elected a new sheriff who faces charges of raping two girls more than 15 years ago." The Times continues, "The winner, Chris Abril, was until recently the police chief here in Columbus, a small town about 80 miles west of Charlotte and the seat of Polk County. … Mr. Abril, who defeated Sheriff David Satterfield on Tuesday, has been on nondisciplinary suspension with pay since his arrest on Aug. 28 on charges that he committed two rapes, one in 1988 and the other in 1989. The victims, according to court papers, were two Polk County girls, ages 10 and 12." The Times adds, "Mr. Abril, 45, was charged with five counts of first-degree statutory rape and one count of first-degree sexual offense and was released after posting a $100,000 bond. He said the charges were politically motivated. … 'I am not capable of committing these crimes,' Mr. Abril, a Democrat, said at a rally of his political supporters shortly after his release. 'To my prosecutors, if this is not politically motivated, give me a trial in Superior Court so I can clear my name prior to the election.' … Mr. Abril said later that he had been a suspect in a single rape in the late 1980s but that no evidence existed to charge him. Somehow, he said, a second alleged victim surfaced in March, but he said he had no information beyond that."

CIVIL LAW:

Cheney Seeks Dismissal Of CIA Leak Suit. The AP (11/15, Apuzzo) reports, "Vice President Dick Cheney asked a federal judge Tuesday to dismiss a lawsuit brought against him by a former CIA operative who says the White House leaked her identity to the press." The AP continues, "Cheney's attorneys criticized the lawsuit in court papers, saying it invented constitutional rights, intruded on national security discussions and came two years after the statute of limitations had expired. … Former CIA operative Valerie Plame Wilson claims that she was outed as retribution for her husband's criticism of the administration's prewar intelligence on Iraq." The AP adds, "Special Prosecutor Patrick Fitzgerald spent years investigating who revealed her identity to syndicated columnist Robert Novak in 2003 but nobody was charged with the leak. Cheney's former chief of staff, I. Lewis 'Scooter' Libby, who faces trial in January on perjury and

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obstruction, is the only person charged in the case. … Wilson's civil lawsuit is continuing alongside Libby's criminal case. In seeking to dismiss the case, Cheney said Wilson doesn't have any grounds to bring the suit and, even if she did, the vice president is shielded from civil suits. … The suit centers on conversations between Cheney and Libby about Plame's job at the CIA. … 'Plaintiffs invite the judicial branch to permit intrusive discovery into those communications and to discern which among them might be, as a matter of tort law, wrongful and which not,' Cheney's attorneys wrote. 'Such an inquiry cannot be squared with basic separation of powers principles.' … The Justice Department also weighed in on behalf of Cheney and other Bush administration officials including presidential adviser Karl Rove. In briefs, the agency said government officials are shielded from civil lawsuits and that Wilson has not shown that a constitutional right was violated.

DOJ Settles Overcharge Claims With US For $49.5 Million. Bloomberg (11/15, Harris) reports, "Omnicare Inc., the largest provider of pharmacy services to U.S. nursing homes, agreed to pay $49.5 million to settle claims by the U.S. government and 42 states that it overcharged them for drugs provided to senior citizens." Bloomberg continues, "Omnicare substituted more expensive forms of generic versions of drugs including Zantac, an antacid, and Prozac, an antidepressant, to evade price limits for Medicaid reimbursement, said Michael Behn, a Chicago plaintiffs' attorney. The U.S. joined the false claims act suit after it was filed. … 'The health care industry should be wary of manipulating federal and state programs in this manner,' Chicago U.S. Attorney Patrick Fitzgerald said today in a statement." Bloomberg notes, "The settlement includes a 'corporate integrity agreement' requiring training and oversight at Covington, Kentucky-based Omnicare, the company said in a statement. The amount of the accord has been 'fully reserved,' said Omnicare, which didn't admit any wrongdoing as part of the accord. … Omnicare defrauded the government by changing prescriptions for a popular antacid from tablets to capsules in order to inflate government reimbursements by as much as 400 percent, according to the lawsuit filed five years ago by Behn on behalf of Illinois pharmacist Bernard Lisitza."

CIVIL RIGHTS:

Gonzales Announces Human Trafficking Task Force In New York. The AP (11/15, Thompson) reports, "Citing a farm labor contractor who withheld wages from upstate workers and used threats to keep them in line, U.S. Attorney General Alberto Gonzales announced Tuesday the creation of a human trafficking task force in western New York. … 'Human trafficking is a violation of the human body, mind and spirit,' Gonzales said during a stop which also included a helicopter tour of U.S.-Canadian border crossings." The AP continues, Buffalo was among 10 cities to receive funding last month to focus on anti-trafficking efforts. Nationally, 32 such task forces already exist. … Federal officials pointed to the arrest of Maria Garcia and several family members in Albion, Orleans County, as proof no region is immune to the problem. Garcia pleaded guilty in December 2004 to a forced labor charge following an investigation that began when some Mexican workers she recruited to upstate farms escaped her control and sought help. … Prosecutors said the workers were charged up to $1,800 for a van ride from Arizona and had money deducted from their pay for rent, food, electricity and rides to the fields. They were told they could not leave crowded housing units unless their debts were paid. … 'They had lost all liberties,' said Terrance Flynn, U.S. attorney for New York's Western District." The AP adds, "The task force, with nearly $900,000 in federal funding, will train law enforcement agencies to spot potential trafficking victims and organizations and focus resources on prosecutions. … Immigration and Customs Enforcement, Customs and Border Protection, the FBI and U.S. Department of Labor will work with local agencies and the state police. Law enforcement will also team up with organizations that deal with the immigrant community, such as the International Institute of Buffalo and Farmworkers' Legal Services."

Local Television. WGRZ- TV (11/14, 5:00 p.m.), Buffalo broadcasted, "The nation's top prosecutor was in western New York today. us attorney general alberto gonzales toured a number of border crossings. Two-On-Your-Side wanted to know if all the focus on illegal immigration on the southern border. is leaving a hole open. At noon, WGRZ- TV broadcasted, "Gonzales is holding a news conference this afternoon in buffalo to highlight efforts to fight crime along the US canadian border." This story got coverage only in local stations of Buffalo, New York. Some examples are: WIVB- TV (11/14, 11:00 p.m.), Buffalo broadcasted, "US Attorney General Alberto Gonzales made his first official visit to buffalo today, pledging to get control of human trafficking. gonzales announced 900- thousand dollars in federal funding to help law enforcers crackdown on everything from prostitution to forced indentured labor on farms. Last year Maria Garcia faced prosecution for exploiting Mexican immigrants she brought to Albion." At 6:00 p.m., WIVB- TV broadcasted, "US Attorney General Alberto Gonzalez made his first official visit to Buffalo today. And senior correspondent Rich Newberg reports America's top law enforcer is launching a new task force to combat human trafficking across the US- Canadian border." Gonzales said, "Human trafficking is a violation of the human body, mind and spirit. Right now, the victims of these criminals are out there."

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Gonzalez "came to buffalo to announce $900 thousand dollars in funding to crack down on human trafficking for everything from prostitution to forced labor on farms."

WIVB-TV, News 4, Buffalo, NY (11/15) reports, "Gonzales came to Buffalo to announce $900,000 in funding to crack down on human trafficking, for everything from prostitution to forced labor on farms. … Gonzales said, 'Right now, the victims of these criminals are out there. They are suffering, and they are waiting for our help.'"

WKBW- TV (11/14, 6:00 p.m.), Buffalo broadcasted, "There was another high profile politician here in the Queen City today. US Attorney General, Alberto Gonzales, paid a visit to his district office on Delaware Avenue in downtown Buffalo this morning. The purpose of his trip was to discuss security and crime fighting issues along the US- Canadian border. He also announced the creation of a new 'human trafficking task force.'"

WNLO- TV (11/14, 10:00 p.m.), Buffalo broadcasted, "US Attorney General Alberto Gonzales made his first official visit to Buffalo today, pledging to get control of human trafficking. Gonzales announced $900,000 in funding to help law enforcers crackdown on everything from prostitution to indentured labor on farms. Last year Maria Garcia faced federal prosecution for exploiting Mexican immigrants she brought to Albion."

DOJ To Probe Los Angeles County Youth Camps. The Los Angeles Times (11/15, Rosenblatt) reports, "The U.S. Justice Department plans to investigate dangerous conditions at Los Angeles County probation camps for teens, county officials said Tuesday." The Times continues, "The probe, announced to the Board of Supervisors last week, comes after years of federal scrutiny of county juvenile halls, and could lead to a lawsuit or consent decree, officials say. … Although details of the investigation, expected to begin early next year, remained confidential, Supervisor Gloria Molina alluded to problems with use of force and restraints of inmates during Tuesday's supervisors meeting." The Times adds, "Justice Department spokeswoman Cynthia Magnuson confirmed plans to investigate probation camps but declined to disclose specifics. … The Probation Department, which houses about 4,000 teenagers across the county on any given day, has grappled with growing violence among inmates. Youthful offenders stay for short periods in the county's three juvenile halls while their cases are adjudicated; convicted teens serve their sentences in 19 rural probation camps scattered across the region. … A 2003 Justice Department report criticized the halls for substandard medical and mental-health care, poor sanitation, overuse of pepper spray and dangerous conditions. The facilities also lacked adequate educational, social and religious opportunities, and had no effective way for minors to air grievances, federal officials found."

Arrest Videos Renew Criticism Of LAPD. USA Today (11/15, 3A, Welch, 2.27M) reports, "Video of officers using force in two separate arrests have put a new spotlight on this city's police department, 15 years after the Rodney King beating case ignited riots. In the latest case, the video shot by a witness in a public area at Venice Beach appears to show an officer using pepper spray on a handcuffed man who had been placed in the back of a patrol car." LAPD Chief William Bratton "said in a news conference Tuesday that prosecutors investigated the pepper spray case and concluded officers did not use excessive force but that an administrative review is continuing." The New York Times (11/15, 1.16M) notes, "Critics called the tapes the latest evidence of police brutality, but…Bratton pointed to rulings that were sympathetic to the officers involved in both incidents. The episodes are under investigation by the Los Angeles Police Department. The F.B.I. is also investigating the punching incident for possible civil rights violations. Department policy allows officers to use nonlethal force when a suspect is uncooperative, Chief Bratton said.

The Los Angeles Times (11/15, McGreevy, 850K) reports, "Bratton's comments come as some police watchdog groups and the American Civil Liberties Union called Tuesday on the LAPD to reexamine when officers can use pepper spray, particularly if suspects are handcuffed. Current rules allow the spray to be used whenever a suspect is 'combative,' but some say that definition is far too broad. … Bratton said he is considering an examination of when officers should use the spray." The Times notes, "The Venice incident comes as the LAPD and FBI have begun investigations into another videotape showing a police officer hitting a suspect in the face several times at the end of a foot chase in Hollywood. Police union President Bob Baker issued a statement Tuesday urging the public to be understanding of the job that officers face."

LA Police Commission Urges Speedy Investigation. KCAL-TV Los Angeles (11/14) reported on its Web site from a story broadcast yesterday, "The Los Angeles Police Commission called Tuesday for a speedy and thorough investigation into the conduct of two officers caught on videotape holding down and repeatedly punching a man, 23, during an arrest in Hollywood. … 'I would just encourage all parties who are involved ... that it be treated with the utmost speed,' Police Commissioner Andrea Ordin, who served on the Christopher Commission that investigated the LAPD in the wake of the 1991 Rodney King beating said. … Andre Birotte, the commission's inspector general, said he is reviewing the case daily." KCAL noted that "the FBI opened a preliminary inquiry into the arrest last Thursday, in response to media coverage of the video. The inquiry results will be

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forwarded to the U.S. Justice Department, which will determine whether further investigations are required, according to FBI spokeswoman Laura Eimiller."

Judge Says Michigan Inmate Death Was "Torture." The New York Times (11/15, Sander) reports, "Shackled to a concrete slab, Timothy Joe Souders spent the final days of his life naked and lying in his own urine, sweating through temperatures over 100 degrees in an isolated prison cell." The Times continues, "Mr. Souders, a 21-year-old with a history of severe mental illness, died Aug. 6 after spending four days in a segregation cell at the Southern Michigan Correctional Facility in Jackson. His death prompted state prison officials to revise their restraint policies for unruly prisoners, limiting the use of 'top of the bed' restraints to a maximum of six hours. … But this week, a federal judge in Kalamazoo said those revisions were not sufficient. Scolding corrections officials for failing to provide adequate treatment to mentally ill inmates, the judge said on Monday that the conditions leading to Mr. Souders's death constituted 'torture.' … 'You are not coat racks who collect government paychecks while your work is taken to the sexton for burial,' wrote Richard A. Enslen, a senior federal district judge. 'If a patient does not receive necessary medical or psychological services, including medicines and specialty care, it is not his problem, it is your problem.'" The Times notes, "Medical experts cited in Monday's ruling have speculated that Mr. Souders died of dehydration, though an autopsy report has not been completed. … Judge Enslen ordered an immediate ban on punitive restraints in three Jackson prison facilities holding roughly 4,500 inmates. The court has been monitoring those facilities as part of a 1985 consent decree."

Treatment Of Mentally Ill In Florida Jails Under Scrutiny. The New York Times (11/15, Goodnough) reports, "For years, circuit judges here have ordered state officials to obey Florida law and promptly transfer severely mentally ill inmates from jails to state hospitals. But with few hospital beds available, Gov. Jeb Bush's administration began flouting those court orders in August. … Now, in a growing standoff between the government of Florida and its judges, the state is being threatened with steep daily fines if it does not comply. And at least one judge has raised the possibility that the secretary of the Florida Department of Children and Families could go to jail for contempt of court. … 'This type of arrogant activity cannot be tolerated in an orderly society,' Judge Crockett Farnell of Pinellas-Pasco Circuit Court wrote in an Oct. 11 ruling." The Times continues, "State law requires that inmates found incompetent to stand trial be moved from county jails to psychiatric hospitals within 15 days of the state's receiving the commitment orders. Florida has broken that law for years, provoking some public defenders to seek court orders forcing swift compliance. … With the state now rebuffing even those orders, a rising number of mentally ill inmates, now more than 300, have been left without treatment in crowded jails because the state's 1,416 psychiatric beds are full." The Times notes, "Public defenders in Miami-Dade County describe psychotic clients who have hallucinated, mutilated themselves and attempted suicide while awaiting transfer to hospitals. The state says that shortages of beds and financing have made compliance impossible, and that court orders forcing the transfer of certain inmates are unfair to those who have waited longer. … In one of the toughest rulings to date on the subject, Judge Farnell said last month that he would start fining the department $1,000 a day for each mentally ill inmate who stayed in the Pinellas County Jail longer than 15 days. The judge, based in Clearwater, expressed outrage about the agency's 'conscious decision' to ignore court orders."

ANTITRUST:

DOJ, FTC Give Antitrust Nod To BMG Music Purchase. The AP (11/15, Veiga) reports, "The Federal Trade Commission and the Justice Department gave antitrust approval Tuesday to Universal Music Group's planned acquisition of BMG Music Publishing for $2.09 billion. … The deal must now receive approval from European regulators to become final." The AP continues, "BMG - owned by German media company Bertelsmann AG - owns the rights to more than a million songs by contemporary recording artists such as Nelly, Maroon 5 and Coldplay, as well as classic hits by the Beach Boys, Barry Manilow and other entertainers. … Universal Music Group is a unit of Paris-based Vivendi SA. Its publishing arm controls the rights to songs by artists such as 50 Cent, Mary J. Blige and Chamillionaire. … If approved, the deal would combine the No. 3 and No. 4 music publishing catalogs. … 'We were confident that the regulatory authorities would find that the acquisition did not raise competition concerns, and we appreciate that the Justice Department promptly reached the same conclusion,' Universal Music Group said in a prepared statement." The AP adds, "European Union regulators said earlier this month they would issue a ruling on the deal by Dec. 8."

Realtors Change Listing Service Policy Under DOJ Antitrust Pressure. Inman News (11/15, Roberts) reports, "Responding to antitrust actions and investigations by the U.S. Justice Department and Federal Trade Commission over multiple listing service restrictions for a category of property listings, directors for the National Association of Realtors approved policy changes that allow individual MLS

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participants to decide whether to implement restrictions on the Internet display of property listings." Inman continues, "Laurie Janik, general counsel for the Realtors group, has said that the change is legally significant in that individuals are making decisions rather than MLSs, which represent a group of real estate industry participants. The issue is unrelated to the Justice Department's antitrust lawsuit filed last year against the association over other policies for online property listings display." Inman adds, "Under the policy change approved Monday at the group's annual real estate conference, MLS participants may select listings they choose to forward for display -- or not forward -- to Web sites that are part of a broker-supported cooperative property listing system based on 'objective criteria.' … This criteria, according to the approved policy, can be based on factors such as geography, or location, list price, property type, cooperative compensation offered by listing brokers, type of listing (such as properties under 'exclusive right to sell' or 'exclusive agency' listing contracts), or 'the level of service provided by the listing firm,' according to language in the approved policy. … The FTC and Justice Department had engaged in 15 investigations over MLS policies that block exclusive agency property listings from public display on the Realtor.com and some other public-facing property-search sites, such as those MLS participants' sites that are part of the broker-sharing system known as Internet Data Exchange or IDX. Exclusive agency listings are contracts in which sellers are not obligated to pay the listing broker in a real estate transaction if the seller finds a buyer for the property without any assistance from the listing broker."

Judge Denies New York Bid To Block Insurance Merger. The AP (11/15, Neumeister) reports, "A judge on Tuesday refused a city request to immediately stop the merger of two nonprofit insurance companies that provide coverage to city workers because it violates antitrust laws." The AP continues, "U.S. District Judge Kenneth M. Karas said he did not believe the city would suffer irreparable harm if he permitted the merger to go forward Wednesday while he takes a longer look at the facts of the case and the legal history of similar mergers." The AP adds, "In a statement made after the hearing, city lawyer Michael Cardozo said the city would look for other health care providers 'who can offer comparable -- but less expensive -- health care benefits.' … On Monday, the city filed a lawsuit to block the pending merger of Group Health Inc. and the HIP Health Plan of New York, saying the union would create a virtual monopoly in the public service health care sector." The AP notes, "The merger, which has been approved by the Department of Justice and state insurance regulators, would control more than 90 percent of the city's municipal health care market and 100 percent of the low-cost market, the city said in a release."

SCOTUS Asked To Consider IPO Case. The Deal (11/15, Lindell) reports, "Lawyers for the government last week asked the Supreme Court to take a case that has the potential to wreak havoc on initial public offerings in the United States by calling into question much of the cooperation investment banks engage in when they form underwriting syndicates." The Deal continues, "The class action, Glen Billing v. Credit Suisse First Boston Ltd., charges that common practices such as setting prices and allocating shares among themselves is essentially illegal collaboration among competitors." The Deal adds, "Aside from the threat to current IPO practices, the case already has sparked a turf battle between the Securities and Exchange Commission, the primary regulator for Wall Street, and the Department of Justice, which has jurisdiction over antitrust enforcement. … But Solicitor General Paul D. Clement, answering the Supreme Court's request for a unified federal position, seems to be offering a solution that pleases both DOJ's Assistant Attorney General for Antitrust Thomas Barnett and the SEC's Associate General Counsel Richard M. Humes. Both agency officials signed on to Clement's brief filed last week, requesting the top court hear and rule on the heavily nuanced case." The Deal notes, "At issue is a September 2005 ruling by the 2nd U.S. Circuit Court of Appeals, which overturned a district court's initial ruling to dismiss the Billing case. The appeals court agreed with DOJ's argument that nefarious behavior should not be shielded by a regulatory scheme that doesn't adequately prevent harms that could be addressed by antitrust laws and ordered the case to proceed. … The SEC has argued that it regulates the securities industry, and antitrust law doesn't always apply, and that the court should find 'implied immunity' from antitrust laws when a pervasive regulatory scheme is in place. … Because the case was dismissed at the district court level, the merits of Billing's accusations have not been addressed. But even allowing the case to proceed would pose a threat to Wall Street, because a new avenue would be opened for plaintiffs lawyers pursuing class actions, according to Paul Atkins, a member of the Securities and Exchange Commission."

EU's Microsoft Ruling Could Come This Month. CNET News (11/15, Fried) reports, "Microsoft chief lawyer Brad Smith said Tuesday that the company expects to hear back from a European court as early as December on its appeal of the landmark antitrust ruling there. … 'We expect to get that decision really in the next several months,' Smith said during a question-and-answer session at the company's shareholder meeting in Bellevue, Wash. 'Most people think it will probably come some time between December and March or April.'" CNET continues, "The European Union's antitrust

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regulators slapped Microsoft with a $600 million fine in March 2004, but the software maker has been pursuing an appeal of the case with Europe's Court of First Instance. … Smith said whatever the decision is, it should give Microsoft and the industry more 'clarity.' … 'We'll all have to see where we go from there,' he said during the meeting, which was also broadcast over the Internet. 'Certainly, we and increasingly a lot of other people in Europe would like to see us get to some clear resolution so we can all focus on some other things.' … Regulators tacked on an additional $357 million fine in July, saying Microsoft was not fully complying with the 2004 ruling. Microsoft is appealing that as well."

ENVIRONMENT:

Eight States Approve Ballot Initiatives To Limit Eminent Domain. The New York Times (11/15, Pristin, 1.16M) reports voters "showed last week that the furor over a 2005 Supreme Court decision in a Connecticut eminent domain case has not abated, even in states that have already enacted legislation to restrict the use of condemnation for economic development." Ballot measures "to limit eminent domain powers to public uses were approved by large margins in eight states. Louisiana passed an eminent domain measure in September." In all, 34 states "have adopted laws or passed ballot measures in response to the Connecticut case, Kelo v. New London, which upheld the right of local officials to require the forced sale of homes and businesses for private development intended to increase the tax base of one of the state's poorest cities."

FBI/DEA/ATF/USMS:

Federal Judge Criticizes Crack Sentencing Laws. The AP (11/15, Apuzzo) reports, "A federal judge who served as a top drug policy adviser to the first President Bush and advocated harsher penalties for crack cocaine crimes said Tuesday the policy had gone too far and was undermining faith in the judicial system." The AP continues, "U.S. District Judge Reggie B. Walton told the U.S. Sentencing Commission that federal laws requiring dramatically longer sentences for crack cocaine than for cocaine powder were 'unconscionable' and contributed to the perception within minority communities that courts are unfair. … 'I never thought that the disparity should be as severe as it has become,' said Walton, who sits on the bench in Washington, where he previously served as a Superior Court judge, a federal prosecutor and a deputy drug czar." The AP adds, "The current law includes what critics have called the 100-to-1 disparity: Trafficking in 5 grams of cocaine carries a mandatory five-year prison sentence, but it takes 500 grams of cocaine powder to warrant the same sentence. … Advocates for changing the law point to crime statistics that show crack is more of an inner-city drug while cocaine powder is used more often in the suburbs. … The Sentencing Commission, which has thrice recommended that Congress narrow the sentencing gap, is again reviewing the disparity. Previous recommendations, which were not adopted, have included raising the penalties for powder cocaine and lowering them for crack." The AP notes, "The Bush administration, like the Clinton administration, indicated Tuesday that it welcomed a discussion about the sentencing disparity but adamantly opposed lowering the penalties for crack. The Justice Department says crack is more addictive and easier to sell in small doses, leading to increased violence and a greater health impact. … The Justice Department also urged the Sentencing Commission only to make recommendations to Congress and not to take it upon itself to narrow the gap by rewriting sentencing guidelines."

In the Christian Science Monitor (11/15), Eric E. Sterling, former counsel to the House Judiciary Committee, writes, "One of our most infamous contemporary laws is the 100-to-1 difference in sentencing between selling crack cocaine and selling powder cocaine. … Working for the House Judiciary Committee in 1986, I wrote the House bill that was the basis for that law. We made some terrible mistakes. … The law was flawed, but the Justice Department still could have used it to target high-level traffickers. But research from the US Sentencing Commission shows that three-quarters of the federal cocaine defendants - both powder and crack - are just neighborhood dealers or couriers."

Mexican Meth Kingpin Sentenced To Life In Prison For DEA Agent's Murder. The AP (11/14) reported, "A man accused of masterminding a 1994 robbery plot during which an undercover federal drug agent was killed has been sentenced to life in prison." Augustin Vasquez-Mendoza, "who had been on the FBI's Ten Most Wanted List for four years, was arrested in Mexico in 2000 but not returned to Arizona until 2005. He was alleged to be the leader of a drug ring that produced methamphetamine in Mexico for import to the U.S. Vasquez-Mendoza was sentenced Monday in Maricopa County Superior Court to life in prison with a possibility of parole after 25 years. The judge added 46 years for kidnapping, assault and armed robbery counts, which must be served after the murder conviction sentence." The AP noted, "Federal drug agent Richard Fass, 37, who was posing as a drug dealer, was killed by henchmen of Vasquez-Mendoza in Glendale while trying to buy 22 pounds of methamphetamine from them for $160,000, the government said."

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Ten Men Charged, Possibly Linked To Fentany-Laced Heroin Deaths In Pennsylvania. The AP (11/15) reports ten men "have been charged with operating a drug ring in western Pennsylvania that may have been responsible for distributing deadly fentanyl-laced heroin. … Eight have been arrested and two remain fugitives, U.S. Attorney Mary Beth Buchanan said. Investigators were still collecting evidence to determine whether the men are linked to more than a dozen deaths from fentanyl-laced heroin earlier this year, Buchanan said."

The Pittsburgh Post-Gazette (11/15, Ward) reports, "Five months after fentanyl-laced heroin hit the streets of Pittsburgh and racked up at least 10 fatalities and dozens of overdoses, federal officials yesterday announced that they've broken the Hazelwood-based ring believed to be responsible. … Investigators believe the organization dismantled by 'Operation Burnout' is also linked to the spate of heroin overdoses and deaths in the area over the last several days."

The Pittsburgh Tribune-Review (11/15) reports the ring likely "supplied heroin that killed seven people across the region in the past week and caused more than a dozen nonfatal overdoses, U.S. Attorney Mary Beth Buchanan said Tuesday. Toxicology tests are being conducted to determine if that heroin also was laced with fentanyl. … Federal agents monitored the drug dealers' cell phone conversations during a five-month investigation dubbed 'Operation Burn Out,' which included Pittsburgh police and state police," authorities said.

WTAE-TV, Pittsburgh (11/14) reports, "Heroin laced with a powerful painkiller led to 50 overdoses and nine deaths in Pittsburgh and surrounding communities last summer, and now, 10 people face charges for distribution of the drug."

San Francisco Supervisors Vote To Make Marijuana Offenses Police Department's Lowest Priority. Bay City News (11/15) reports San Francisco supervisors "voted Tuesday to make marijuana offenses the police department's lowest priority, though prohibitions remain for marijuana sales in public, possession by minors or use by motorists. 'San Francisco should determine its marijuana policy locally, not hand them over to the federal Drug Enforcement Administration,' stated the ordinance by Supervisor Tom Ammiano. 'Law enforcement resources would be better spent fighting serious and violent crimes.'"

The San Francisco Chronicle (11/14, Selna) reports that the marijuana legislation, which "passed on an initial vote 8-3, would set nearly all crimes involving marijuana as the lowest law enforcement priority for city police and urges the district attorney to adopt the same policy when prosecuting criminal defendants."

KGO-TV, San Francisco-Oakland-San Jose (11/14) reports on its Web site that the proposal "passed overwhelmingly…and it gets a second reading same time next week, but that's mostly a formality. So for all intensive purposes the city has a new pot policy."

In a separate story, KGO-TV (11/14) also reports San Francisco's proposed legislation "is similar to a measure passed by Santa Cruz voters this past Election Day. Measure K was approved by more than 60 percent of that city's voters. It makes marijuana laws the lowest enforcement priority. The new policy pertains to infractions by adults on private property. If the city's police officers don't comply with the new rule, they could find themselves on the receiving end of civil lawsuits."

Measure K Criticized. In an editorial, the Santa Cruz (CA) Sentinel (11/14) say Measure K "passed overwhelmingly, although we still believe that a number of voters didn't really understand the full implications of the measure. It's part of a national effort by a well-funded group that's trying to overturn the nation's marijuana laws. They're going about the effort by picking off far-left towns like Santa Cruz to apparently convince the rest of the country that marijuana ought to be legalized. … One more legal way to get high is not something our society needs."

Marijuana Advocate Creates Cooperative. The Lassen County (CA) Times (11/14) reports on a marijuana cooperative created in Susanville, California.

Accused Mexican Drug Ring Leader Pleads Guilty In Cocaine, Immigration Case. The Nashua (NH) Telegraph (11/15) reports a Mexican national man who "was arrested in June after he delivered nearly 2 kilograms of cocaine to a Nashua residence, was convicted Monday on federal drug trafficking and immigration charges, First Assistant U.S. Attorney Joseph Laplante said. Francisco David Avalos-Morfin, 38, of Mexico, pleaded guilty in U.S. District Court in Concord as part of a plea agreement charging him with conspiracy to distribute more than 500 grams of cocaine and unlawful re-entry into the United States, Laplante said. … Avalos-Morfin, who was living in Fitchburg, Mass., when he was arrested, was the leader of a Mexican drug ring, according to a Drug Enforcement Administration agent's affidavit filed in the case."

Uribe Seeks Extension Of US Trade Preferences For Colombia. The Wall Street Journal/Dow Jones (11/15) reports Colombian President Alvaro Uribe "is lobbying the U.S. Congress on labor issues to build support for an extension of trade preferences granted to his country and for a free trade agreement between both nations that has yet to be signed and ratified. Uribe, who traveled to Washington for two days, tried to convince U.S. legislators that the labor situation is improving in his country. … Congress authorized the Andean Trade Preferences Act,

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or ATPA, in 1991 to allow Colombia, Peru, Ecuador and Bolivia to export many products to the U.S. duty free, with the goal of creating new economic alternatives to the illegal cocaine trade. Congress renewed and enhanced the program in 2002. The Bush administration hopes to replace the ATPA with the free-trade agreements."

Peru Opposes Changes To Labor Standards. The Wall Street Journal/Dow Jones (11/14) also reports Peru "hopes that the U.S. Congress will approve an already-negotiated free trade agreement, but opposes reopening the pact to make changes to labor standards, the Peruvian government's trade envoy to the U.S., Hernando de Soto, said."

Investment Firms Expect Trade Deals To Be Put On Hold. The Wall Street Journal/Dow Jones (11/14) adds, "Given the murky environment for free trade deals, Wall Street investment firms are sounding more sure that the Peru and Colombia FTAs won't be considered in the U.S. Congress until next year."

IMMIGRATION:

Federal Fingerprint Database Aids Identification Of Criminal Immigrants. The AP (11/15, Marquez) reports, "Jesus F. Palacios was arrested last month after sheriff's deputies spotted him trying to jimmy a car door. … Using newly acquired access to federal immigration files, they scanned his fingerprints into a database at the police station and instantly determined the 30-year-old Mexican was a previously deported illegal immigrant with a criminal record." The AP continues, "Deputies alerted federal authorities and got an order to hold Palacios on suspicion of immigration violations. He had been removed from the U.S. at least three times after being convicted of child molestation and grand theft auto. … In the past, suspects like Palacios may have been freed on bail as deputies waited for hours for federal and state officials to do a background check. … But now, as part of a post-Sept. 11 crackdown, the Department of Homeland Security and the Justice Department are working to give local authorities rapid access to fingerprint data that can help determine if suspects under arrest are in this country illegally. … 'It has been a tremendous advantage to local law enforcement,' said Los Angeles County sheriff's Lt. Larry Bryant, who manages the database. 'There would be a very good chance these people would be undetected and be released if we didn't have this capability.'" The AP notes, "The Los Angeles County Sheriff's Department and nearly 50 other Southern California police and law enforcement agencies have been given rapid access to federal records on criminal immigrants. So have the police in Boston and Dallas. … The U.S. government intends to make information available to all local law enforcement agencies in the nation within two years to help catch criminal immigrants, people with ties to terrorist groups, and others who pose a threat."

Immigrants Cite Gang Violence In Asylum Applications. The Washington Post (11/15, A8, Aizenman) reports, "Increasing numbers of Salvadorans, Hondurans and Guatemalans are entering the United States illegally and applying for asylum on the grounds that their lives are imperiled by gang violence in their home countries, according to immigration lawyers and advocacy groups." The Post continues, "Although the number granted asylum barely surpassed 700 last year, asylum applications by people from those three countries have almost doubled, which lawyers attribute primarily to fear of gang violence." The Post adds, "The lawyers hope to persuade judges to more readily grant asylum to those who have risked reprisal by resisting extortion demands by gangs, testifying against gang members, renouncing their own membership in gangs or trying to avoid being forced to join gangs. … Gang violence has grown to epidemic proportions in the three countries since the mid-1990s, when the United States began sending Central American-born members of the rival Los Angeles-based Mara Salvatrucha and Mara 18 gangs back to their home countries. The deportees helped fuel the rise of ferocious sister gangs in Central America, whose estimated 60,000 members are now battling each other, the police and residents in hundreds of communities." The Post notes, "Many of those who say they fled gangs end up in the Washington area, which has one of the nation's largest Central American immigrant populations."

Martinez Criticizes GOP's "Harshness Only" Immigration Message In Election Cycle. The Washington Times (11/15, Dinan, Hallow, 88K) reports Sen. Mel Martinez, "President Bush's choice to become chairman of the Republican National Committee, said his goal will be to undo the election damage done by the border-enforcement-first message of most Republicans -- which he called 'harshness only.'" Martinez's nomination "is Mr. Bush's first major political step since last week's elections, and it is already creating division among rank-and-file Republicans, who say it puts the party on the wrong side of the immigration issue." RNC member Randy Pullen of Arizona said, "I would say it's another Harriet Miers moment." The Time adds Bush "announced the nomination in the Oval Office, saying Mr. Martinez would keep his Florida Senate seat and serve as honorary chairman, or the public face of the party. Mr. Bush also nominated Mike Duncan, the RNC's general counsel, as chairman responsible for day-to-day operations, and asked Jo Ann Davidson to remain co-chairman."

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The Los Angeles Times (11/15, Wallsten, Gaouette, 850K) reports President Bush's "decision to back Sen. Mel Martinez to help lead the Republican Party, a move intended to appeal to disaffected Latino voters, drew sharp criticism Tuesday from some of the party's core conservatives, who disdain the Florida lawmaker's support for liberalized immigration laws." Criticism of Martinez "came Tuesday from several conservatives, including Curly Haugland, an RNC member from North Dakota, who said he believed the party was far too focused on pandering to minorities." Haugland said, "We're losing our base in droves because they don't get campaigned to." The Times adds Randy Pullen of Arizona, "another RNC member and an activist against illegal immigration, likened Martinez's selection to the episode last year in which Bush named his longtime friend and legal counsel to the Supreme Court, only to reverse himself after a furious conservative backlash." Another "leading critic of Bush's stance on immigration, Rep. Tom Tancredo (R-Colo.), chairman of the Congressional Immigration Reform Caucus, offered tepid support for Martinez."

Vatican Official Denounces US Border Fence. The AP (11/15, D'Emilio) reports that the Cardinal Renato Martino, "who heads the Holy See's office concerned with migrant and itinerant peoples," has "denounced a U.S. plan to build more fences along the Mexican border as 'inhumane,' and compared the project to the Cold War-era Berlin Wall." The cardinal "also denounced trafficking in humans — particularly women forced to become prostitutes and children forced into labor."

Civil Rights Group Sues Employers On Behalf Of Guest Workers. USA Today (11/15, Parker, 2.27M) reports that the Southern Poverty Law Center has filed a lawsuits against Eller and Sons Trees, three other forestry companies, and a hotel chain on behalf of guest workers. The Eller suit, which is now a class-action suit, "involves about 6,000 tree planters" and "is drawing national attention as one of several legal challenges to the H-2B visa program, which admits 66,000 foreigners into the USA each year to do temporary manual labor." USA Today writes Armenio Pablo-Calmo, a plaintiff in the Eller case, "says he and his co-workers were paid less than the federal minimum wage of $5.15 an hour, were not paid overtime and often were required to pay for their own tools, visas and travel costs." They seek "back wages and reimbursement of out-of-pocket costs." USA Today notes that the "'guest worker' program that is required under federal law to pay him the prevailing wage for such jobs."

Mexican-American Family Accuses Texas Rancher Of Vigilantism. The Washington Post (11/15, A3, Gaynor, 690K) reports that rancher Roger Barnett, "accused of holding a Mexican American family at gunpoint went on trial in this southern Arizona town Tuesday in a case highlighting border vigilantism, rights groups said." He faces a "civil suit brought by two local families seeking more than $200,000 in damages over an incident during a hunting jaunt two years ago." The Post adds, "Ronald and Renee Morales say their family was assaulted, battered and falsely imprisoned by Barnett during the deer hunting trip on Oct. 30, 2004. All are U.S. citizens of Mexican heritage." Additionally, "Barnett faces another suit brought by the Mexican American Legal Defense and Educational Fund last year. It alleges that he held a group of illegal entrants at gunpoint on his property."

Texas Town Passes Anti-Illegal-Alien Measures. The Washington Times (11/15, Aynesworth, 88K) reports that the Farmers Branch, TX, City Council "Monday night unanimously passed ordinances they hope will curtail illegal aliens, but said they expected the new laws to be fought in court. … Specifically, the 6-0 votes authorized fines for property owners who rent to illegal aliens and designated English as the official language -- a move designed to end printing and the conduct of city business in both English and Spanish." The Times adds, "Opponents, including the League of United Latin American Citizens (LULAC) and the Mexican American Legal Defense and Education Fund (MALDEF), vowed to file a lawsuit."

Immigrant-Advocacy Groups Criticize Plans For New Citizenship Test. The Washington Times (11/15, Price, 88K) reports plans to replace the federal government's "current test for US citizenship with one that relies less on knowledge of specific facts and more on an applicant's grasp of democratic principles" have prompted criticism from many immigrant-advocacy groups, who worry the new test may "discriminate against those who don't speak English and with less education." US Citizenship and Immigration Services spokesman Chris Bentley said "officials want a new test that can ensure that those seeking to become American citizens know about 'freedoms guaranteed by the U.S. Constitution and Bill of Rights, such as freedom of speech and freedom of religion.'" However, "more than 220 immigrant organizations, led by the Illinois Coalition of Immigrant and Refugee Rights, have signed a letter to USCIS Director Emilio Gonzalez denouncing the new test."

Companies Seek Increase IN H-1B Visas. The New York Times (11/15, Helft, 1.16M) reports, "A coalition of business and education groups" dubbed Compete America " is making a renewed push to persuade Congress to raise the number of skilled foreign workers allowed into the United States this year." It "sent a letter to every member of Congress on Monday calling for an increase in both the number of so-called H-1B visas, which are used by skilled immigrants and the number of employment-based green cards given to foreign workers." The Times adds, "Increasing the number of H-1B visas has long been a top legislative priority of technology companies, which say they cannot find enough skilled workers in the United States."

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TAX:

Judge Delays KPMG Tax Shelter Trial. The New York Times (11/15, Browning) reports, "A federal judge has indefinitely postponed the trial of former employees of the accounting firm KPMG in a criminal tax shelter case, citing concerns that the defendants will not be able to pay their lawyers." The Times continues, "The judge also hinted at sanctions against the prosecution for pressuring the firm to stop paying the defendants' legal fees. Any sanctions could have a major impact on the way white-collar criminal cases are handled in the future." The Times adds, "The ruling, made late Monday by Judge Lewis A. Kaplan of the Federal District Court in Manhattan, is the latest twist in the federal case against 16 former KPMG employees and an outside investment adviser and lawyer. Prosecutors say that the defendants made, sold and used questionable tax shelters that cost the Treasury $2.5 billion in unpaid taxes. … Judge Kaplan had previously pushed back the start of the trial from September 2006 to January 2007." The Times notes, "Prosecutors say the case is the largest criminal tax-fraud trial in history. But it has also become something of a referendum on the prosecutorial tactics adopted in the wake of Enron and other corporate scandals. Those tactics include urging firms under investigation to cut off the payment of legal fees of employees caught up in inquiries. KPMG abandoned its longstanding practice and cut off legal fees to the defendants in early 2004, before the employees were indicted and as the firm itself came under investigation for its work with tax shelters. … KPMG, which averted criminal indictment last year by reaching a $456 million deferred-prosecution agreement with the Justice Department, says that it has no intention of paying the fees because it was defrauded by the defendants."

The Financial Times (11/15) reports, "The ruling represents a setback for prosecutors in the US attorney's office in the southern district of New York, who have been heavily criticised by Judge Lewis Kaplan for their role in pressing KPMG, the accounting firm, to cut off legal fees to its former employees." The Times continues, "Judge Kaplan cited a dispute over whether KPMG would pay the fees in a five-page ruling on Monday. … 'Given all of the current uncertainties, it is impossible now to predict with confidence when the charges in the indictment may be tried,' he said, adding that there was a 'real and growing possibility' that the defendants did not have the funds to pay for their own defence. … The dispute that caused Judge Kaplan to delay the trial centres on KPMG's unwillingness to pay the legal fees."

Liberty City Warehouse Owner Arrested On Tax Evasion Charges. The Miami Herald (11/15, Ovalle, 286K) reports, "The owner of the Liberty City warehouse where authorities say seven men plotted terror attacks has been arrested and charged with failing to pay taxes and not filing proper tax returns." George Mobassaleh "and two other men were granted bond Tuesday." The Herald notes, "The charges are unrelated to the high-profile terror investigation. … The investigation was spearheaded by the state revenue department, the Miami-Dade state attorney's office, Miami police, the FBI and the state's Division of Alcoholic Beverage Control and Tobacco Enforcement."

Rangel Plans AMT Relief, Won't Rule Out Income Tax Hike. The CBS Evening News (11/14, story 5, 2:10, Couric, 7.66M) reported, "Newly elected members of the freshmen class are attending orientation this week. They had their class photo taken today on the steps of the Capitol. Also on their agenda is taxes -- what will the Democrats be doing about that?" CBS (Attkisson) added, "Well, Katie, with Democrats soon to be running the show on Capitol Hill, one in three Americans think taxes will be going up, according to our poll. But the first thing Democrats want to do is cut a once-obscure tax that millions of Americans now know all too well," the "alternative minimum tax, or AMT." Fixing the AMT "originally aimed at the very rich but now hitting more and more of the middle class is the top priority for Charles Rangel. Think of him as the new tax sheriff in town." Rep. Charlie Rangel: "Low-income people don't have to pay this tax. The wealthy already have their tax break. This is certainly a middle-income issue." Attkisson: "One problem -- saving the middle class from having to pay the AMT would take revenue from the budget, lots of it, a trillion dollars over ten years, and someone would have it make up for it. The question is how: One possible solution, raising taxes for others. Rangel says he'd go after tax cheaters, close loopholes and do away with targeted tax breaks for industries like big oil which got billions in benefits written into the law in 2004. They could be coughing up big time." Rep. Charlie Rangel: "Technically, if you want to pin me to the cross, it is that, yes, we're going to get them. Will their taxes be increased? I'm sorry, the answer is yes. But for the majority of Americans who work every day and want an equitable distribution of the tax burdens, they don't have to worry about a tax increase." Attkisson: "On a couple of other points, Rangel told me that the estate tax, which the Republican Congress temporarily reduced, could come back for the very rich. And also, he's not ruling out an income tax rate increase down the road, if it's needed, Katie."

Democrats May Kill IRS's Private Tax Collection Program. In his "Tax Report" column for the Wall Street

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Journal (11/15, D2), Tom Herman writes, "Is the IRS's new private tax-collection program heading for an early death? … After years of congressional debate, the Internal Revenue Service recently began using private debt-collection agencies to help pursue people who owe taxes. The IRS has already turned over the names of more than 13,725 taxpayers who owe the government about $73.5 million. … But the program has run into renewed congressional attacks -- and could well be eliminated -- now that Democrats are poised to take control of the House and Senate. Among the strongest critics are several influential Democrats in line to take over powerful posts next year. … 'I think it's a terrible program, and I'm going to let [IRS officials] know in as many political and legislative ways as I can,' says Rep. Charles Rangel, the New York Democrat expected to be the next chairman of the House Ways and Means Committee." Herman adds, "Additional criticism has come recently from Sen. Max Baucus, the Montana Democrat who will take over as chairman of the Senate Finance Committee. 'Tax collection is an inherent government function and the IRS ought to take care of it in-house,' Sen. Baucus says. … The House has already voted to block funding for the debt-collector initiative for the fiscal year that began Oct. 1. The Senate hasn't acted yet. But among those concerned about the IRS program are Sen. Patty Murray of Washington, ranking Democrat on the Senate Appropriations subcommittee that includes Treasury funding."

IRS Working On Simplified 1040 Form. USA Today (11/15, Mccoy) reports, "The federal government document that tens of millions of Americans love to hate is scheduled to get a face lift." USA continues, "The IRS plans changes to Form 1040, which most taxpayers use to report their federal taxes, the agency said Tuesday. Taxpayers could begin using a revised form as soon as the 2009 tax filing season, said IRS senior spokesman Terry Lemons. … 'What we are shooting for is a form that is simpler and easier to use for taxpayers,' said Lemons, confirming mentions of the anticipated revision in a recent Government Accountability Office audit and a report by Tax Analysts, a non-profit organization that tracks tax issues." USA adds, "As envisioned by the IRS, an as-yet-undetermined number of less-frequently used lines dealing with adjustments to income, credits, taxes and payments would be removed from the cover page of Form 1040 and relocated to a new Schedule O. That would simplify the current 77-line form, and free up space for any future tax reporting changes that could conceivably be approved by Congress and the White House. … Although Form 1040 typically undergoes virtually unnoticed revisions from year to year, it hasn't been subjected to a major overhaul since 1977. According to the IRS, that revision scrapped a two-column format at the top of the tax-filing form and moved the signature line from the cover page to the final entry."

CONGRESS-ADMINISTRATION:

Some See Politics Behind Delay In Filling Washington Federal Bench Seats. The Seattle Times (11/15, Bowermaster) reports, "Despite a process designed to keep politics out of judicial selections, some in the local legal community are wondering whether politics is behind a delay by the White House in filling two vacancies on the U.S. District Court in Western Washington." The Times continues, "A seat on the federal bench in Tacoma has been open since March 2005, and a seat on the federal bench in Seattle opened in July. … In both cases, a bipartisan panel of local attorneys screened applicants and sent three recommendations to the White House; since 1997, the president has picked his nominee from among three names chosen by such panels. … But the White House, in an unprecedented move, rejected all three candidates for the Tacoma vacancy. The office of White House Counsel Harriet Miers told the bipartisan panel that none of the candidates was sufficiently qualified and asked for three more nominees." The Times adds, "The decision troubled many local lawyers and judges who know the three spurned finalists. Sources close to the selection process, speaking on condition of anonymity, called the White House decision 'appalling,' 'outrageous' and a 'travesty,' and suspect the White House already has a replacement in mind who was not on the list. … Republicans and Democrats alike said the candidates rejected by the White House were eminently qualified. One, confirmed by sources as Karen Strombom, is already a federal magistrate judge in Tacoma." The Times notes, "A new set of candidates for the Tacoma vacancy was sent to the White House in August, around the same time that candidates for the Seattle opening were proposed, sources said. A nomination still hasn't been made by the White House." The Times notes, "The finalists for the Seattle opening have heard nothing since they were interviewed by the White House in September. Nor has the selection committee, said co-chairs Jenny Durkan of Seattle and J. Vander Stoep of Chehalis. … According to several sources close to the merit panel, the candidates selected for the Seattle vacancy were King County Superior Court Judge Richard Jones, Skagit County Superior Court Judge Michael Rickert and Marc Boman, a partner at the Perkins Coie law firm. … The delay has raised questions in local legal circles about whether the White House might again reject a merit panel's recommendations, or choose its own nominee. … The questions intensified when rumors surfaced that John McKay, the U.S. Attorney for Western Washington, was also interviewed by the White House Counsel's Office. McKay said

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last summer he applied for the Seattle vacancy, and many local lawyers considered him the front-runner for the job."

Lame Duck Session Seen As Unlikely To Pass Spending Bills. The AP (11/15, Taylor) reports, "Republicans who are about to lose power in Congress began a long-shot bid Tuesday to finish budgeting nearly half a trillion dollars for domestic agencies. But GOP leaders have no game plan to do nearly a year's work in a lame-duck session likely to last just a few weeks." The "uphill task" is made "more difficult by GOP conservatives' distaste for pork-laden 'omnibus' spending bills that have frequently been the means of wrapping up unfinished congressional business." The AP adds, "With nine of 11 spending bills still unfinished more than six weeks after the Oct. 1 start of the fiscal year, the House is slated to take up a stopgap funding bill funding through Dec. 8 agencies whose budgets have yet to pass. House leaders have promised lawmakers that the postelection lame-duck session will be over by Dec. 15." The Senate "on Tuesday took up a $94 billion bill funding veterans programs and military construction projects, and farm belt lawmakers immediately tried to attach $4.9 billion worth of emergency farm aid to the bill. The left outgoing Senate Budget Committee Chairman Judd Gregg, R-N.H., complaining that Democrats were moving to bust the budget before even assuming control of the Senate."

The Washington Post (11/15, A4, Murray, 690K) notes the Senate "approved by voice vote a military-construction spending bill, but not before debate stalled for hours over an unrelated provision, disaster funding for farmers." But "the slow pace did not bode well for completing the nine 2007 spending bills that Congress left pending when it recessed a month before the Nov. 7 elections. The $94 billion military-construction measure, which funds housing and veterans programs, was supposed to be one of the easier votes. … One obstacle to a speedy wrap-up is the series of leadership elections for the next Congress that are taking place this week in the House and the Senate."

USA Today (11/15, Kiely, 2.27M) reports, "For Republican members of Congress, these are bittersweet days. An unusual post-election session, called to pass unfinished spending bills, is likely to keep members of the 109th Congress at work well into next month." It is '"as if the ghosts of Congress Past returned for one final, but not very convincing, hurrah."

White House May Try To Keep Bolton At UN In Unconfirmed Post. The Washington Post's (11/15, A19) Al Kamen writes in his weekly "In the Loop" column that although "the confirmation of John Bolton to be U.N. ambassador appears to be dead…it's not over yet. There's still talk that the White House may try to copy the Clinton administration's sleight of hand of keeping unconfirmed Justice Department civil rights chief Bill Lann Lee on as an unconfirmed acting chief. In this variation, Bolton would be put in a U.N. job that doesn't require confirmation. Then he would be named acting ambassador. But there's doubt that this could be squared with the language of the Federal Vacancies Reform Act. If the U.N. move won't fly, there's talk that Bolton could become deputy national security adviser if J.D. Crouch decides to move."

Lawmakers Suggest Leach As New UN Ambassador. The AP (11/15, Abrams) reports, "A House Republican and Democrat, in the new spirit of bipartisanship, are urging President Bush to name defeated Republican Rep. Jim Leach to be the next US ambassador to the United Nations. 'He is the most diplomatic politician I have ever met,' Rep. Earl Blumenauer, D-Ore., said of Leach, a moderate from Iowa known for his professorial sweaters, his low-key, nonpolitical approach to issues and his opposition to the war in Iraq." GOP Rep. Jim Walsh, from New York, said, "I can't think of any American better qualified to represent our interests before the United Nations." The White House "recently renominated Bolton to the post, but Senate supporters lack the votes and it appears Bolton will have to resign when Democrats take over the Senate in January." Leach "narrowly lost to college professor Dave Loebsack in last week's election, ending a 30-year career as a House legislator."

Bush Meets With Big Three Automakers. President Bush met with the head of the Big Three automakers yesterday. The coverage, generally positive toward the Administration, emphasizes the both the reportedly dire state of the US auto industry and the positive remarks of the attending executives after leaving the White House. Practically all print stories run President's characterization of the meeting as a "constructive and meaningful dialogue." Some reports, however, also say that "dialogue" brought little in terms of specific relief for the industry. ABC World News (11/14, story 4, 2:40, Gibson, 8.78M) reported, "This has been, as everyone knows, an awful year for the auto industry, billions of dollars in losses and wrenching job reductions. So, the leaders of the big car companies made their case. But after the meeting, there were few indications Washington would or could help." ABC (Reynolds) added, "The meeting" had "huge implications for the carmakers and manufacturing as a whole in this country." It "lasted about an hour." And "though the Administration has made clear its belief that Detroit has brought on a lot of its own headaches, Mr. Bush today emphasized the positive." Bush was shown saying, "We'll have a continuing dialogue. It's in our interests." ABC said "the automakers sounded satisfied."

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However, ABC World News (11/14, story 5, 1:05, Gibson, 8.78M) also said the President "was noncommittal" in regard to the automakers' agenda in Washington, and wondered whether they "will get any help…from the Administration." ABC (Stark) added, "Not likely," and "and especially not where Detroit needs the most help, which is getting those healthcare costs down. Overhauling the American healthcare system to shift costs off of business and on to the government is a huge political undertaking. Unlikely in the next two years. And the next two years are critical for the industry."

The CBS Evening News (11/14, story 6, 0:25, Couric, 7.66M) also noted "the high cost of health care was one of the main topics" of discussion, as "automakers say paying for their employees' health care adds $1,000 to the price tag of every car. They insist they're not looking for taxpayers to bail them out. They just want to level the playing field with foreign competition."

The NBC Nightly News (11/14, story 7, 2:00, Williams, 9.87M) was more negative toward the President. Said NBC, "When President John F. Kennedy met with American automakers back in 1961 in Washington, they were among the top business executives in the world and American-made cars made up more than 85% of the car market. Well, today, when…Bush met with the automakers the atmosphere was different. American cars make up a little over half the cars on the road." Phil Lebeau of CNBC said the meeting involved "a lot of vague promises, and we should point out that market share dropped 9%. It's fallen 9% since George Bush moved into the White House six years ago."

The Detroit Free Press (11/15, Hyde, 373K) reports Vice President Dick Cheney, Treasury Secretary Hank Paulson and other officials joined General Motors' Rick Wagoner, Chrysler Group Chief Executive Tom LaSorda and Ford CEO Alan Mulally in the hour-long Oval Office meeting with Bush." The AP (11/15, Edmonds) notes Transportation Secretary Mary Peters and Karl Rove were also present. Wagoner, Mulally and LaSorda "sat side by side on a couch in the Oval Office, while the president and vice president sat in armchairs."

The AP (11/15, Thomas) reports Bush "told Detroit's auto industry leaders…he knows they are making 'tough choices' to shore up their companies in foreign competition and promised continuing dialogue as they seek help on trade and health care issues."

The Los Angeles Times (11/15, Havemann, 850K), under the headline "Detroit Automakers Get Bush's Ear, But No Promises," reports "Bush promised nothing, particularly in response to the executives' complaint that Asian countries, notably Japan, were holding the value of their currencies artificially low so that their cars would be cheaper." Bush, "who left hours after the meeting for a conference in Vietnam with Asian trading partners, was not about to roil the waters by complaining of Asian currency manipulation." Instead, "he said afterward that he would tell the Asian leaders: 'Our markets are open for your products, and we expect your markets to be open for ours, including our automobiles.'"

The Washington Post (11/15, D1, Freeman, 690K) reports that at a news conference after the meeting, the three auto executives "said they found common ground with the president on energy issues. The executives said they asked the administration to help expand the supply and distribution of alternative fuels such as ethanol." The auto executives "said Bush made no pledges to support any specific industry initiatives. Other company officials had said they had limited expectations for the meeting." Along those lines, the Washington Times (11/15, Lengell, 88K) runs a story on the meeting titled "Big 3 Automakers Commit To Reducing Oil Dependence."

USA Today (11/15, D6, 2.27M) headlines its brief report "Bush, Auto CEOs Agree On Some Issues," and says Bush "made no pledge to push for wider availability of alternative fuels, which are hard to find outside the farm belt." But he said, "As these automobile manufacturers begin to incorporate new technologies that will enable us to power our cars in different ways, it will make it easier for me to be able to tell the American people we're using less foreign oil. And that's in our economic interests, as well as in our national security interests."

The Wall Street Journal (11/15, A1, McCracken, Stoll, McKinnon, 2.04M) reports, "After meeting with Mr. Bush, the car makers soon will take their health-care case to Capitol Hill, where newly empowered Democrats already are talking about a reinsurance plan that would help offset catastrophic-coverage costs." Democrats, "who are more focused than Republicans on shoring up employer-based health care, also are talking about new tax breaks for employers." The Journal adds, "The fact that Mr. Bush left the door slightly open to a reinsurance proposal suggests he is reluctant to reject auto makers and their Democratic allies out of hand, after suffering the loss of both the House and Senate in this month's midterm elections."

On Fox News' Your World (11/14, Cavuto), Detroit Mayor Kwame Kilpatrick said, "When you look at number of foreclosures around America, you look at the housing market, and all the things that are ancillary to that middle class or the sustenance of the middle class tax base, the auto and the manufacturing industry is big in it. So, Washington needs to step in and do something, even if it is just enforcing its own trade policies. "

Wagoner Pleased, Says Bush "Very Well Informed" On Auto Industry Issues. On Fox News Your World (11/14, Cavuto), GM CEO Rick Wagoner said of automakers' meeting with President Bush, "There were some areas that he agreed, that we had raised, to look into, which we appreciated, with his staff. I think, more than anything, he

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seemed to be very well informed on our issues. And we -- we had our say. We -- we told him what was important to us, and I felt, in a lot of areas, there was pretty good alignment in our thinking and his views." Wagoner also "said that automakers "didn't bring up" a bailout during a meeting with Bush.

ABC World News (11/14, story 4, 2:40, Gibson, 8.78M) showed Wagoner saying, "I would say it was a very good dialogue. Very open, back and forth," and the Detroit Free Press (11/15, Hyde, 373K) quotes him adding, "I can honestly say that it appeared the President didn't 100 percent see it that way. … We had a good open dialogue. We agreed to continue that dialogue."

Democrats Elect Senate Leadership. NBC Nightly News (11/14, story 5, 0:45, Williams, 9.87M) reported, "Senate Democrats didn't waste any time putting their leadership team out for the next term in place. Former Senate Minority Leader Harry Reid of Nevada, who is was unopposed for the position of Majority Leader, introduced his team today. His Deputy is Dick Durbin of Illinois, New York's Chuck Schumer will continue as campaign committee chair and Washington's Senator Patty Murray was tapped to become the Conference Secretary."

The Los Angeles Times (11/15, Neuman, 850K) reports "the team looks a lot like last year's lineup." Schumer will remain head of the "cash-raising campaign committee…as well as taking on the No. 3 position -- vice chair of the Democratic Conference."

The New York Times (11/15, Stout, 1.16M) reports Reid also "said Senator Barbara Boxer of California would become chief deputy whip, and Senators Thomas R. Carper of Delaware, Bill Nelson of Florida and Russell D. Feingold of Wisconsin deputy whips. And Senator Robert C. Byrd of West Virginia will be the Senate's president pro tem and will provide 'leadership and experience gained from a lifetime of public service,' Mr. Reid said. Mr. Byrd, who won another term last week, was first elected to the Senate in 1958."

The Hill (11/15, Bolton) reports Reid appointed Sen. Debbie Stabenow "chairwoman of the Democratic Steering and Outreach Committee, a post that consults on decisions over committee assignments and heads outreach to allied coalitions such as labor unions and environmental groups." Stabenow "will replace Sen. Hillary Rodham Clinton (D-N.Y.), who will assume a new minor position as vice chair of committee outreach. There, she will assist Sen. Jeff Bingaman (D-N.M.), chairman of committee outreach, in providing 'a voice in the Democratic leadership for committee chairs.' Clinton's appointment is curious because she, unlike Bingaman, will not chair a committee in the next Congress."

Reid Says His First Senate Action Will Be $75 Billion Boost In Military Budget. The Washington Post (11/15, A1, Weisman, 690K) reports Reid "said last night that President Bush still has not grasped the urgent need to change course in Iraq. Reid vowed to press quickly for phased troop withdrawals, a more international approach to Iraq's problems and a rebuilding of the depleted U.S. military." In an interview, he "also said members of his party will have to think big on the nation's domestic issues. That includes tackling the budget deficit with strict new rules on spending, exploring an eventual expansion of Medicare to address the uninsured, and examining an increase in tax rates on upper-income Americans." But "it was on the issue of Iraq that he was most passionate. Voter anger over the war swept his party to power with the unlikely defeat of six Republican senators, he said. Democrats must respond to that anger, he added, with hearings to keep the heat on the Bush administration, and with calls for a regional Middle Eastern conference and a revitalized Iraqi reconstruction effort. To that end, he said, one of the first acts of the new Democratic Congress will be a $75 billion boost to the military budget to try to get the Army's diminished units back into combat shape."

Schumer Says Alito-Type Judge Won't Pass Democratic Congress. The New York Observer (11/15, Horowitz) in an article on Schumer's selection as the third-ranking Senate Democrat reports, "More than the inability to influence Iraq policy or the President's tax cuts, Chuck Schumer says that the single greatest failure of the Democrats as an opposition party was allowing Samuel Alito to join the Supreme Court." Schumer said, "One more justice would have made it a 5-4 conservative, hard-right majority for a long time. That won't happen." In addition, Schumer said, "I am writing a book, about how to build a permanent -- a long-term majority." Schumer's "book, Positively American: Winning Back the Middle Class Majority One Family at a Time, will be released right around the President's State of the Union address, and will fit neatly into the role that Mr. Schumer now envisions for himself as tactician in chief for the newly ascendant Democrats." On Democratic policy recommendations for Iraq and the Middle East, "Schumer wanted to make clear that these will not be mere suggestions to be considered or discarded by the White House as the administration sees fit." Schumer said, "Bush will be a lame duck unless he has a dramatic change of course -- unless the Rasputin-like influence of Cheney goes. You could see Cheney, just by his body language, is just angry. … If Bush doesn't budge, he will be a lame duck."

Pelosi Wades Into Majority Leader Race, Gives Murtha Full Backing. The Hill (11/15, Hearn) reports incoming House Speaker Nancy Pelosi (D-Calif.) "is imploring her colleagues to support Rep. John Murtha (D-Pa.) for majority leader, multiple House Democrats said yesterday, dealing an unexpected but not necessarily fatal blow to Murtha's opponent, Rep. Steny Hoyer (D-Md.)." It had been

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"unclear until yesterday whether Pelosi would use her clout to turn votes to Murtha. She endorsed him in a letter Sunday, but some dismissed it as a nod to personal loyalty rather than a statement of her intentions. But by yesterday, her intent was clear, several lawmakers said; she hopes to oust her onetime rival Hoyer from the leadership." Rep. Bill Pascrell said, "She's committed. If they thought she was just going to endorse his candidacy, they were mistaken. She didn't have to do this. It's called courage." The Hill adds that by "throwing her full weight behind Murtha, Pelosi risks suffering an early setback with her colleagues if Hoyer wins; however, a Murtha victory would cement her total control." Pelosi "called incoming Ways and Means Committee chairman Charles Rangel (D-N.Y.) yesterday morning just hours after he had told the New York Sun, 'I think Steny has done his job. I cannot think of any reason why this is happening,' prompting the paper to run the headline 'Rangel Backs Hoyer for Leader.'" Rangel said, "I don't know what article she had seen, but she had thought it was an endorsement of Steny.'" Rangel "told her it was not an endorsement but reiterated his earlier statement that 'nobody had given me any reason not to support Steny.'" Rangel "said that that statement remained true even after their conversation. 'I'm not supporting anyone right now,' he said." The Hill adds, "Yet nine other incoming full committee chairmen are supporting Hoyer. Reps. John Dingell (D-Mich.), Barney Frank (D-Mass.), Bart Gordon (D-Tenn.), Jim Oberstar (D-Minn.), Tom Lantos (D-Calif.), John Spratt (D-S.C.), Ike Skelton (D-Mo.), Bennie Thompson (D-Miss.) and Henry Waxman (D-Calif.) signed a letter yesterday backing Hoyer." Some incoming Democratic freshmen "remained steadfast in their support of Hoyer despite intense lobbying by Murtha's allies. Reps.-elect Ron Klein (D-Fla.), Kathy Castor (D-Fla.) and Phil Hare (D-Ill.) were vigorously supporting Hoyer yesterday."

CQ (11/14, Ferrechio) reports, "Years of tension between" Pelosi "and her chief deputy, Steny H. Hoyer, culminate this week, putting Pelosi's leadership to the test before she officially takes over as Speaker of the House." Pelosi has "put her credibility on the line by forgoing neutrality and endorsing Murtha." A senior Democrat said, "If they turn her down on this — this is huge." CQ adds it is a "gamble the Californian is willing to take to eliminate from her inner circle someone she views as a disloyal lieutenant, say lawmakers and staff aligned with Pelosi on the matter." After "sending Murtha a letter of endorsement Sunday, Pelosi began actively campaigning, calling the incoming freshmen and lobbying one-on-one." Under "normal circumstances, Hoyer would be viewed as a shoo-in to move from the No. 2 person in the minority to the No. 2 person in the majority." Hoyer is "generally well-liked by the caucus and by the incoming freshmen. He has claimed the support of two-thirds of the conservative 'Blue Dogs,' more than half the freshmen, some of the caucus's most senior Democrats, and nine of the presumptive committee chairs." One Democrat "aligned with Hoyer called Pelosi's decision to actively support Murtha 'egotistical hubris.'"

Roll Call (11/15, Bresnahan, Yachnin) reports the race "got nasty on Tuesday, as Murtha accused Hoyer's allies of spreading allegations that he was corrupt while Murtha tried to tie Hoyer to President Bush's policy on Iraq." The "back-and-forth between the two senior Democrats came as Hoyer released the names of another 35 supporters, bringing the total number of Members who have backed him for the second-highest position in the House to roughly 80." Murtha has "released the names of 22 of his supporters, meaning approximately 130 Democrats have not openly stated their preference at this point. Murtha would have to capture the vast majority of those undeclared Members to claim victory in the leadership campaign." Murtha "avowed Tuesday that he was a victim of 'swift-boating' by Hoyer and his allies via news stories linking him to the Abscam scandal of the early 1980s, as well as more recent reports that he did legislative favors for clients of his brother's lobbying firm and another firm where a former top aide worked." While not "accusing Hoyer of spreading the corruption stories himself, Murtha and his advisers suggested that Hoyer had done 'oppo research' on the veteran lawmaker and was now feeding negative information on Murtha to the press to damage the Pennsylvania Democrat's campaign for Majority Leader." Meanwhile, a Democratic lawmaker, "who is also supporting Hoyer in the leadership battle suggested that aggressive 'bullying tactics' — involving the loss or award of valuable committee assignments — employed Tuesday have roiled some lawmakers."

The New York Times (11/15, Hulse, 1.16M) reports Rep. Steny H. Hoyer "released the names of new supporters" in his bid to become majority leader, bringing his "publicly disclosed total to more than 70 out of the 118 or so required, depending on whether Democratic candidates awaiting recounts are allowed to vote." Rival John P. Murtha of Pennsylvania "on Tuesday accused critics of his ethics record of 'Swift-boat style' attacks and questioned the depth of Mr. Hoyer's opposition to the Iraq war." Murtha has "far fewer public endorsements than Mr. Hoyer. But he has one very significant one, that of incoming Speaker Nancy Pelosi of California. Ms. Pelosi appeared at a reception that Mr. Murtha held on Monday night for new Democrats and pressed colleagues to support her candidate on Tuesday." After a "watchdog group criticized Mr. Murtha on Monday for past ethics lapses and new attention focused on his involvement in the Abscam scandal in 1980, he said that he was 'disconcerted that some are making headlines by resorting to unfounded allegations that occurred 26 years ago.'"

The Los Angeles Times (11/15, Levey, Simon, 850K) reports, "Injecting the Iraq war into the escalating fight for the

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No. 2 spot among House Democrats," Murtha "attacked his opponent for not backing a push last year for withdrawal of U.S. troops." Hoyer "disputed the criticism of his position on the war. Murtha's charge was an effort to turn an antiwar message central to Democratic gains at the polls last week into a wedge issue in determining the party's leadership as it prepares to take control of the House in January." Murtha's "broadside also raised the prospect that the showdown with Hoyer for the majority leader's post would have a larger ideological element than often is the case. Usually, the leadership contests turn more on matters of personality and style than issues."

Fox News' Special Report (11/14, Garrett) reported, "[B]itterness raged inside the Capitol, as Pennsylvania's John Murtha accused his rival in the battle for majority leader, Maryland's Steny Hoyer, of echoing President Bush's Iraq war policy. … The Pelosi-Murtha position on the war is the reason Democrats are in the majority today, Murtha said. Congressman Hoyer's position has been to stay the course with President Bush from the very beginning. Hoyer, who opposed Murtha's call for troop withdrawals but backed Democratic calls to change course in Iraq, shot back immediately. His office released this statement: Any representation that Congressman Hoyer endorses a stay the course strategy or advocates sending more troops to Iraq is wrong." Additionally, "Murtha…dismissed scrutiny directed toward this FBI videotape from 1980, where Murtha met with FBI agents posing as Middle Eastern businessmen offering congressmen bribes. Murtha never accepted a bribe, but was named an unindicted co-conspirator in the ABSCAM investigation."

Support Of Murtha Said To Undercut Pledge For Congressional Ethics Reform. NBC Nightly News (11/14, story 6, 2:30, Williams, 9.87M) reported, "Late today I spoke to Congressman Hoyer who says he's confident he has the votes to win. Some of that confidence may be a result of questions that others were asking today about a part of John Murtha's record." NBC (Myers) added, "In her first interview after Democrats won control of the House, Nancy Pelosi made a sweeping promise." Rep. Nancy Pelosi: "To turn this congress into the most honest and open Congress in history. That is my pledge. That is what I intend to do." Myers: "But some Democrats and ethics experts say that promise was undercut when Pelosi endorsed this man John Murtha, for the number two leadership position in the House." Fred Wertheimer, ethics reform advocate: "Representative Murtha has basically been on the wrong side of public integrity issues during his career." Myers: "Critics claim Murtha has amassed power in part by handing out taxpayer money to special interests. Including to clients of defense lobbyists who give him big campaign contributions." Undercover FBI agent: "Each packet contains $10,000 in $100 bills." Myers: "Then there is this video from an FBI sting in 1980 known as Abscam. An undercover FBI agent offer as $50,000 bribe to Congressman Murtha who is sitting on the right." Undercover FBI agent: "I got…I went out, I got the fifty thousand, OK? From what you're telling, OK? You're telling me that that's not what you…" Rep. Murtha: "I'm not interested." Undercover FBI agent: "OK." Rep. Murtha: "At this point." Undercover FBI agent: "OK." Rep. Murtha: "You know, we do business for a while, maybe I'll be interested, maybe I won't, you know." Myers: "Murtha refuses the catch and talked about his need to be cautious because of his ambitions. As his supporters point out, that was 26 years ago." Rep. Martin Meehan: "Not only is it ancient history, the fact of the matter is, Jack Murtha was never charged with anything." Myers: "The House Ethics Committee also didn't take action against Murtha. Murtha has repeatedly denied wrongdoing and says these charges amount to 'swiftboating,' the same kind of unfair charges that helped defeat John Kerry. He now supports ethics reform."

Rangel: Hoyer's Done "Heck Of A Job." On MSNBC's Tucker (11/14, Carlson), Rep. Charles Rangel (D) said, "Steny Hoyer's done a heck of a job as our whip and I have not found any reason why he should not get support." Carlson noted that a recent press release from Rep. John Murtha (D) said, "Hoyer's position has been to stay the course with President Bush in Iraq from the very beginning and, like Senator McCain, he advocates sending more troops to Iraq." Asked if he could support Hoyer in spite of this, Rangel replied, "Yes, because a whole lot of people have got to support me, and they have a very different opinion on a lot of issues than I do. … [J]ust because we don't read from the same page as some reporters do doesn't mean that we have to be against each other. There is enough room in the Democratic Party for these two views."

Meehan Dismisses Murtha Abscam Charges. On MSNBC (11/14, O'Donnell), Rep. Martin Meehan (D) answered questions about Murtha's involvement in the Abscam bribery scandal. Meehan said, "He was never charged with anything. And the fact of the matter is I think Jack Murtha showed his principles and shows his courage and his leadership by standing up on the Iraq war and calling for America to go in a new direction. So that's the type of leadership that I'm looking for."

Ornstein Urges House Democrats To View Murtha Abscam Video. In his column in Roll Call (11/15), Norman Ornstein says there is "one thing every House Democrat must do before going into the Caucus to cast that vote for Majority Leader: Go to video.google.com, search for 'American Spectator John Murtha,' and then take 53 minutes and 40 seconds to watch the video that comes up. It is a Jan. 7, 1980, video taken by the FBI during the Abscam sting, and it shows Murtha meeting with agents disguised as Middle Eastern businessmen running an outfit they called Abdul Enterprises and offering cash for political favors, including

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asylum for one posing as an Arab sheik." Murtha was "one of the lawmakers targeted by the FBI. He ultimately was not charged after he cooperated with the FBI and helped implicate some of the other Members. The ethics committee voted along party lines not to bring ethics charges against him — causing the panel's special counsel, E. Barrett Prettyman Jr., to resign in protest. Murtha since has talked proudly about how he resisted the offers of cash for favors, portraying himself as a hero. Watch the video, read the transcript and you will see a different story." Murtha is "a skilled and experienced legislator, a war hero and an articulate and passionate opponent of the Bush administration policy toward Iraq. He also is deeply ethically challenged. Electing him as Majority Leader is no way to start out the most ethical Congress in history."

Some Defense Lobbyists Prefer Murtha Lose Leadership Race. The Hill (11/15, Tiron) reports some defense lobbyists "who have worked with Rep. John Murtha (D-Pa.) are hoping that Murtha loses his high-profile majority leader race against Rep. Steny Hoyer (D-Md.)." Murtha is "a longtime favorite of the defense industry, which has contributed significantly to Murtha's campaign war chest." While Murtha "would stay a strong ally to the defense industry as majority leader, several lobbyists said in recent days — as the competition for the No. 2 House position has intensified — that they would much rather see Murtha hold the gavel of the defense appropriations subcommittee. As such, he would have direct influence on the industry's interests." Rep. Norm Dicks (D-Wash.), "a Boeing proponent who would replace Murtha as chairman of the defense appropriations subcommittee, is also considered a friend of the industry. However, Murtha shells out far more earmarks."

More Commentary. In her Washington Post column (11/15), Ruth Marcus says, "Sorry, but I'm not buying Murtha's argument that he's the victim of a 'Swift-boating attack' over 'unfounded allegations that occurred 26 years ago.' On its own, Murtha's Abscam conduct is disqualifying. Even if it weren't, though, everything in Murtha's post-Abscam life is of a piece with the back-scratching, dealmaking style on display in the video."

In a 2,625 word column in the Wall Street Journal (11/15, 2.04M), John Fund provides more details on the response from Democrats worried about Murtha's ethics, writing that "one Democratic member" said "It's not just the Abscam scandal of the 1980s that he barely dodged, he's a disaster waiting to happen because of his current behavior." Murtha and his allies have dismissed allegations of impropriety in the Abscam probe and "Murtha has said his only interest in the purported Saudi sheiks' money was that he hoped it would be invested in businesses in his district. But the full tape makes clear that Mr. Murtha was primarily interested in talking about such investments as a possible cover should he later decide to have the money transferred." Fund notes, "It appears that what Mr. Murtha was referring to was a form of investment not for the sake of investment, but because 'that's the secret' to how you can take a bribe and get away with it."

Morris Sees "Irony" In House Liberals Taking Power After Moderates' Win. In his column in The Hill (11/15), Dick Morris says, "The results of the '06 election are in. The left wing of the Democratic Party has taken over Congress. Rep. Nancy Pelosi (D-Calif.) is the Speaker. Rep. Charles Rangel (D-N.Y.) is the new chairman of the Ways and Means panel. Sen. Harry Reid (D-Nev.) is majority leader, and Sen. Barbara Boxer (D-Calif.) runs the Environment Committee. The left is empowered." But the left achieved "these majorities…lifted by the wings of moderate, centrist Democrats who mastered their GOP opponents throughout the country. It was not liberals who defeated Republican incumbents in the House and Senate. It was moderates, future members of the Democratic Leadership Council (DLC)." The only reason Pelosi "is Speaker is that a fresh crop of moderate Democrats ousted Republican incumbents in the House. A majority of these new congressmen and -women have announced their intention to join the DLC." The "irony is that the expressed will of the American people has been so radically ignored in the shaping of the 110th Congress. The fact is that the elevation of Nancy Pelosi to the speakership is no more a legitimate expression of the voters' will than would be the retention of Dennis Hastert. The seniority system, rigidly applied by Pelosi in violation of the spirit of the Gingrich reforms of 1994, has ordained that a liberal establishment will run Congress, whatever the voters say." Morris adds observers "have to see 2007 and 2008 as the beginnings of a massive Republican revival. Only when the likes of Hillary Clinton take the White House in 2008 — still my bet — will the resurgence be fully evident. Just as she saved the GOP in 1994, she'll repeat the favor in 2010 and 2012."

Boehner Faces Two Challengers In House GOP Leadership Battle. The New York Times (11/15, Hulse, 1.16M) reports, "Still in shock over losing their 12-year-old majority to Democrats, House Republicans are engaged in their second leadership fight in a year, this one part of a soul-searching over how they lost the election and what they can do about it." Current majority leader, Representative John A. Boehner of Ohio, "the top candidate for minority leader, said Republicans focused too much on simply retaining power. A rival, Representative Mike Pence of Indiana, said Republicans needed to return to their small-government ideology." A third candidate, Rep. Joe L. Barton of Texas, said House Republicans "had to restore a more open leadership style with increased involvement from the rank and file." All "want the reversal in fortune to be temporary and say

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they can be the strongest foil for Democrats who will have to deliver legislative results and in two years defend seats gained this year in Republican territory." Pence, who has "led the House conservative wing, argues that Republicans need to attack the spending increases under the Republican majority and work harder to differentiate themselves from the opposition. In a conference call with Internet bloggers on Tuesday, Mr. Pence said he would aggressively push back against the White House if he believed that the administration was wrong." Pence said, "As Moses said famously, I've been burned by a Bush before."

The Washington Times (11/15, Hurt, 88K) reports House Republicans "are growing increasingly frustrated with their choices in the leadership elections as Senate Democrats yesterday swiftly approved a slate of top leaders." Some Republicans "have expressed reluctance to return Mr. Boehner to leadership after last week's disastrous elections, and some are opposed to Mr. Pence for forging a compromise on immigration that critics dismissed as 'amnesty.' Yesterday, Mr. Pence renounced those efforts." In an interview with talk radio host Laura Ingraham, Pence said, "All those debates about compromise are a thing of the past."

Supporters Worry Blunt Lacks Firm Vote Count. The Hill (11/15, O'Connor) reports that as much "as last week's momentous loss ushered in a new era for Republicans in the House, the GOP is on the brink of returning some familiar faces to the leadership." With Majority Leader John Boehner (R-Ohio) "all but assured of retaining the title of leader when Republicans assume the minority next year, suspense hangs on the race for whip between Reps. Roy Blunt (R-Mo.), the current occupant, and John Shadegg (R-Ariz.), a darling of the conservative media." Blunt has "told supporters in private that he has the votes to preserve his leadership post when members cast their secret ballots this Friday, members and an aide said yesterday, but some of those same supporters question the strength of his backing. Blunt made a similar prediction before losing to Boehner in their majority leader race earlier this year." Some of Blunt's allies "are desperate for him to step aside in order to clear the way for his chief deputy, Rep. Eric Cantor (R-Va.), a prolific fundraiser and established vote-counter who has been making phone calls in support of the Missouri Republican since last Wednesday." Concerned that Shadegg "would fumble some of the procedural responsibilities required of a whip, these Blunt supporters are weighing their options to elevate Cantor to the No. 2 slot in the Republican hierarchy."

The Washington Times (11/15, Hurt, 88K) reports that in the "race for Republican whip, many members say they are far less enthusiastic. The current whip -- Rep. Roy Blunt of Missouri, who hopes to retain the position -- has talked about the need for 'cultural change in Washington,' but is an old ally of ousted leader Tom DeLay. It didn't help that he attended a fundraising golf tournament last weekend, just days after his party lost 30 seats amid charges of corruption." Some say Shadegg "is uninspiring and aloof. Many have settled on Rep. Eric Cantor of Virginia, Mr. Blunt's chief deputy whip, who actively supports Mr. Blunt's re-election."

Conservatives Now Majority Of GOP Caucus. CQ (11/14, Ota) reports, "Conservatives will assert their enhanced clout in the House Republican Conference on Wednesday as they interview 17 candidates for GOP leadership posts." The conservative Republican Study Committee (RSC) is "preparing for the 110th Congress as the 'majority of the minority.' Its 107 members represent more than half of House Republicans for the first time in the group's 33-year history." None of the "current top five House GOP leaders has direct ties to the group. That's a far cry from the 107th Congress, when RSC leaders from Texas held two of the top three House Republican posts: Tom DeLay (1985-2006) as majority whip and Dick Armey (1985-2003) as majority leader." The RSC candidates "in this week's elections have not formed a ticket, pooled their resources or offered a common message. They are running independently, or in some cases against one another, to the advantage of non-RSC candidates such as John A. Boehner, R-Ohio, the favorite to win the minority leader's race." Three of "the four candidates for conference chairman are RSC members, as are two of three candidates for chairman of the National Republican Congressional Committee (NRCC)."

Sensenbrenner, Young Resist GOP Rules Limiting Committee Leadership. Roll Call (11/15, Pershing) reports that with "the GOP majority gone, most current chairmen are preparing to move into their panels' ranking member slots. But two committee heads — Judiciary Chairman Jim Sensenbrenner (R-Wis.) and Transportation and Infrastructure Chairman Don Young (R-Alaska) — are prevented by Republican Conference rules on term limits from keeping their party's top panel posts next year." Republican sources "said Sensenbrenner and Young have told the GOP leadership that they would like to keep their jobs even though both have served a full six years as chairmen, the maximum under the current rules. Their argument: The rules don't really say what they seem to say." The "'term limitation' section of Conference Rule 14 — which was implemented at the start of the 104th Congress and has not been changed since — reads, 'No individual shall serve more than three consecutive terms as chairman or ranking member of a standing, select, joint or ad hoc committee or subcommittee.'" While the "standard interpretation of that rule has been that there is a six-year limit on serving in the top GOP slot on a committee, period," Sensenbrenner and Young "have made the case that the phrase 'chairman or

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ranking member' suggests that a Member should be able to put in up to three terms in one job, and then another three in the other."

Lott, Alexander Cautious On Eve Of Minority Whip Election. The Hill (11/15, Schor) reports the Senate's "marquee GOP leadership bout will be decided this morning, as Republicans choose a new whip amid heightened campaigning by Trent Lott (R-Miss.), Lamar Alexander (R-Tenn.) and their core supporters in the conference." Lott and Alexander "appeared alternately confident and cautious, both aware that today's secret ballot would put their head counts and promises to the test." Lott said, "I want to be helpful." He called his "unusually covert comeback effort 'a family thing' and giving a nod to his close relations with past Democratic leaders, which his supporters believe would be crucial in next year's majority-Democratic Senate: 'We've got to try to keep a check on them and find a way to work with them … I could do that.'" The Hill adds Alexander has "billed himself as a more natural No. 2 than Lott, known for his comfort in the media spotlight since his House leadership rise in the 1980s. But Lott avowed his commitment to the agenda of current Majority Whip Mitch McConnell (R-Ky.), a lock to become minority leader."

Roll Call (11/15, Billings, Pierce) reports Alexander said "he was using the last hours of campaigning to make sure Senators who already had committed to him were not switching to the insurgent campaign of" Sen. Lott. Lott's "late entry into the Whip race, while not unexpected, has left the outcome in doubt, despite Alexander's claim that he has a solid majority of his colleagues behind him. As of Monday night, the Tennessee Republican and his allies reasserted that those numbers had held, and then some, while Lott's backers predicted an extremely close secret-ballot vote that ultimately would turn for the former Majority Leader." But one of Alexander's "top supporters, Sen. Bob Bennett (R-Utah), said Alexander has a solid advantage, counting 27 firm commitments in the Tennessean's camp. Bennett said that unless there is a seismic shift in support in the waning hours, Alexander should emerge as the next Republican vote counter." Roll Call adds one source "close to Lott said that 'Lamar started at a decided advantage,' but the race is now 'a dead heat.' This source suggested that there are fewer than five Senators who remain uncommitted and predicted the final result would be determined by one or two ballots."

The New York Times (11/15, Hulse, 1.16M) reports Alexander said "he had sufficient commitments to win, but Senate Republicans may be newly attracted to the tactical expertise of Mr. Lott, who was forced out in 2002 after a racially insensitive comment."

CQ (11/14, Retter) reports the race "for the second-ranking Republican leadership position in the Senate will hinge on one simple factor — in an anonymous vote, how many senators will keep their promises?" That question is "at the center of Wednesday's election to decide who will be the Senate Republican whip in the 110th Congress" in the race between Alexander and Lott. The "chamber's 49 Republicans will chose between the two popular senators in a suspense-filled race that is expected to be close. Alexander announced a week ago that he had more than 25 votes — a majority of his caucus — to become the new whip. But when Lott announced that his name would be on the ballot, Alexander began recounting his 'yes' votes." Alexander said, "I have talked to many of them again," adding that "he still has enough votes to win." CQ adds Lott's camp "is releasing little information on why he thinks he can overcome Alexander's checked-and-rechecked whip count." But leadership races "are notoriously difficult to predict because, as senators confess, they sometimes give commitments to more than one colleague."

Lame-Duck DeLay Replacement Sworn In. A front-page story in the Washington Post (11/15, A1, Carlson, 690K) reports that Shelley Sekula-Gibbs (R) "was sworn in as a congresswoman on Monday night and already she's a lame duck. Because of a weird electoral quirk, her brief term in office expires next month." Sekula-Gibbs "won a race for Congress on Nov. 7. She also lost a race for Congress on Nov. 7." With ex-House Majority Leader Tom DeLay (R) having resigned "last spring after winning the Republican primary," voters in his "old district, the 22nd, got to cast two votes for Congress" on Nov. 7. The Post notes, 'The Texas voters elected Sekula-Gibbs to fill the remaining portion of DeLay's term -- but they elected Democrat Nick Lampson to succeed DeLay in the Congress that takes office in January, a race that Sekula-Gibbs had to run as a write-in candidate. That makes for a very short congressional career for Sekula-Gibbs…probably two or three weeks, if you don't count recesses."

DeLay Aides Resign En Masse. Roll Call (11/15, Akers) reports, "The woman who was sworn in this week as the interim Republican successor to ex-Rep. Tom DeLay (R-Texas) was, shall we say, not a hit with holdover DeLay aides. In fact, they showed their feelings about their new boss Tuesday by walking out of the office en masse and resigning, effective immediately." The "DeLay refugees, who included DeLay's personal chief of staff, David James, walked out of the office, Von Trapp family-style (though without the singing) and huddled at Starbucks to get their wits about them." Sekula-Gibbs "showed up to take over DeLay's old office on Thursday and, according to sources familiar the office dynamics, was 'mean' to the staff. On Tuesday, at her new Member's open-house reception in the office, sources charged that she was less than pleased that neither

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President Bush nor Vice President Cheney showed up with the rest of the welcome wagon."

Democrats Put College Affordability High On Agenda. The Wall Street Journal (11/15, D1, Chaker, 2.04M) reports, "College affordability is high on the agenda for the newly elected Democratic leadership in Congress, and that could mean good news for families worried about the rising cost of college." Democrats "have proposed…halving the interest rate on some federal student loans," allowing "tax deductions for tuition paid by families earning up to $160,000 a year" and an "expansion of the federal Pell Grant program" to $5,100 per year. The interest rate reduction for student loans is "among a number of measures they plan to introduce on the first day of the new Congress and to pass within the first 100 hours Congress is in session." Banks are concerned the proposal may "reduce lender returns" while others "say the Democrats' proposals could encourage colleges to raise tuition further."

Next Congress Expected To Be Tougher On Oil Companies. The Christian Science Monitor (11/15, Scherer, 59K) reports that "next year, Big Oil is likely to feel as if it's wearing one of those 'kick me' signs. The Democratic leadership has already indicated it will try to repeal earlier tax breaks for oil companies. A gusher of new legislation could develop as well." The Democrats "will try to put together their own version of a comprehensive energy bill that tackles everything from gas-mileage standards to tax breaks for alternative energy sources, some congressional analysts believe." Some members of the energy sector hope that, during the lame-duck session, Congress "will take up the issue of allowing drilling for oil and natural gas in the eastern part of the Gulf of Mexico." The Monitor notes, "The shift in congressional leadership may also mean additional funding for the Low Income Home Energy Assistance Program."

Environmentalists Don't Expect Radical Policy Changes. The Christian Science Monitor (11/15, Knickerbocker, 59K) reports, "After years in the political wilderness, activists and their champions in Congress are poised to take environmental policy and lawmaking in a decidedly greener direction. Climate change and renewable energy, land conservation, endangered species protection, pollution prevention -- all will get a fresh look as Democrats take over key committees and subcommittees in the US House and Senate." But "activists don't expect the new Congress to make radical changes." The Monitor says, "expect a weakened effort to drill for oil and gas in the Arctic National Wildlife Refuge in Alaska and in the Rocky Mountain states, less of a push for expansive offshore oil drilling, and more resources to bolster the Endangered Species Act and clean up toxic sites on the Superfund list."

Report Says Oil Reserves Much Larger Than Popular Estimates. McClatchy (11/15, Hall) reports, "Far from being a nearly exhausted resource, the world's oil reserves are three times bigger than what some popular estimates state, and peak global oil production is still about a quarter-century away, according to a new study by Pulitzer Prize-winning oil historian Daniel Yergin." A new report by Cambridge Energy Research Associates, which Yergin runs, "challenges an increasingly popular view that the world is about to run out of oil. On the contrary, CERA argues that the world is likely to begin running out of oil between 2030 and the middle of the century. Even so, CERA says, efforts are needed now to push that date back, such as new oil field discoveries, new technologies, energy conservation and alternative energy sources."

Senate Democrats Rush To Embrace Lieberman. The New York Times (11/15, Leibovich, 1.16M) reports Senator Joseph I. Lieberman "strode into a Democratic caucus gathering like he owned the place or, at the very least, like someone who is a flight risk and could leave at any minute, taking the Democrats' new majority with him. In other words, everyone was extra-special nice to the wayward Democrat on Tuesday." Lieberman "received a standing ovation at a caucus luncheon after Senator Harry Reid of Nevada, who is poised to become the majority leader, declared, 'We're all family.' All of which is particularly touching in light of recent history. It was, after all, just three months ago that Mr. Lieberman became something of a party pariah after losing the Democratic primary in Connecticut but continuing his re-election bid as an independent." Lieberman "won re-election last week without help from most of his Democratic Senate colleagues, who backed Ned Lamont, his Democratic rival, over their 'good friend Joe Lieberman.'" These, "presumably, would include 'friends' like Senator Hillary Rodham Clinton of New York, John Kerry of Massachusetts and Christopher J. Dodd of Connecticut, all Lamont supporters." Indeed, it "is hard to imagine how Mr. Lieberman could have emerged better from last week's election. He was re-elected comfortably, and the Democratic Party he still belongs to is now in the majority, assuring him the chairmanship of the powerful Homeland Security Committee. Yet that majority is slim enough, 51 to 49, to turn Mr. Lieberman into arguably the Senate's most influential member. If he defects, the Senate would effectively be under Republican control because Vice President Dick Cheney would cast tie-breaking votes."

Roberts Discusses Role At Supreme Court. ABC World News (11/14, story 6, 2:35, Greenburg, 8.78M) interviewed Chief Justice John Roberts at the University of Miami. Greenburg: "The Chief Justice sat down with me for an hour-long conversation. It was just the two of us, on a

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stage, in a baseball arena at the University of Miami, with 3,000 people listening in. Now, you had argued before these justices, some of them, 39 times. What was it like going straight on to the court as the boss?" Chief Justice John Roberts, US Supreme Court: "Chief Justice is unlike any other boss I've ever had. I have the same vote that everyone else does. The Chief Justice really doesn't have a lot of authority of the sort that would refer to you to call him the boss." Greenburg: "So you can't tell Justice Scalia what to do?" Chief Justice Roberts: "You know, I don't think anybody can tell Justice Scalia what to do. The only authority I have of any real significance is that I do get to assign the opinions. You want to make sure everyone has their fair share of interesting cases and has their fair share of what we call the dogs, the uninteresting cases." Greenburg: "Do you ever have to tell a justice to be quiet?" Chief Justice Roberts: "Well, we do have a rule. One of the strict rules is that nobody gets to speak twice until everyone has spoken once. And I have had to rule on whether facial expressions count as talking twice. You know, rolling the eyes. People have strong views. But, remember, we're lawyers. And it's not you know, as Holmes once said, certitude is not the test of certainty. It's not as strongly you feel about it. But how effective you can be in explaining the reasoning and getting others to understand the reasoning. And if they disagree, they don't just disagree and say I don't agree with that. They try to explain why. And it's a very important part of the process." Greenburg: "The Chief Justice thinks consensus and respect should rule at the Supreme Court. And at 51, he'll have decades to put his own stamp on the Roberts' Court. Charlie?"

Two Top Officials Leave Census Bureau. The Washington Post (11/15, A19, Willamson, 690K) reports that Census Bureau head C. Louis Kincannon, and Hermann Habermann, "a career statistician who runs the census operation," left the agency, "putting management of the agency in flux as preparations for the next census enter a critical phase." Their departure "could complicate a revision of the counting process in 2010 -- to produce a detailed picture of the U.S. population every year, rather than once a decade." The Post adds, "Kincannon officially cited family responsibilities for his departure. But in an interview he mentioned 'different views perhaps about priorities; at the agency." The Post also reports, "One person with knowledge of the situation suggested that the two officials -- especially Habermann, a career employee -- were targeted by Republicans who would want to install an official who could better protect against Democratic congressional efforts to reinvigorate adjustment efforts. … One Hill staff member with knowledge of census operations said the resignations anticipated the release in coming weeks of a congressional report on lost laptop computers at the agency."

Medicare Opens Enrollment In Drug Plans Today. The New York Times (11/15, Pear, 1.16M) reports, "Starting Wednesday, Medicare beneficiaries can sign up for prescription drug coverage or switch plans, and many may want to do so because prices have changed, with some of the most popular plans charging much higher premiums for 2007. In every state but Alaska and Hawaii, more than 50 drug plans are available. Beneficiaries have until Dec. 31 to sign up or change plans, but federal officials said they should act by Dec. 8 to avoid the problems that caused turmoil at pharmacies in January, when many people were unable to get their drugs." The Bush administration "says that premiums for Medicare drug coverage will average $24 a month in 2007, about the same as in 2006. But for many beneficiaries, the reality may be substantially different."

Murray Accuses Drug Industry Over "Overreach." Alan Murray writes in the Wall Street Journal's (11/15) "The Outlook" column, "Since Election Day, drug stocks" have lost nearly "$50 billion in market value." That's "the price big pharma is paying for a badly bungled political strategy. For years, the industry operated on the assumption it could get what it wanted out of Washington. Then, when the going got tough, it doubled down on Republicans." The "most conspicuous example of [the industry's] overreach was a line inserted in the Medicare Modernization Act of 2003 that prohibited the U.S. government from negotiating prices directly with drug companies." As a result, the industry's "big bet has now gone bad" as opposition to that line "has become Democratic dogma. And a few moderate Republicans are toeing the line as well." But, "that doesn't make it a good idea. Truth is, drug companies can't really 'negotiate' with the government. … With a market share of about 46%, the government would set drug prices, not negotiate them." Moreover, "negotiated prices would force drug companies to redouble their lobbying efforts in Washington."

HMOs Seen As Profiting Off Cuts To Medicaid Care. The Wall Street Journal (11/15, A1, Martinez, 2.04M) reports, "Some 55 million poor and disabled Americans are covered by Medicaid. With an annual price tag topping $300 billion, it's among the biggest government programs around. It's also a lucrative business for some private companies that act as middlemen between the government and patients." The "four of the biggest Medicaid HMOs…have seen their shares surge on the New York Stock Exchange over the past few years." But "with the growth has come criticism from some doctors and patients who accuse Medicaid HMOs of scrimping on care. Even as they restrict medical tests and use of prescription drugs, the companies spend the money they get from states on items that don't have an obvious connection to patients." Meanwhile, "executives say their profits are justly earned and don't come at patients' expense."

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Collins Hoping For Lame Duck Action On Postal Service Overhaul. The Washington Post's (11/15, D4, Barr) "Federal Diary" column reports, "Sen. Susan Collins (R-Maine) said yesterday that she is not giving up on legislation that would overhaul the US Postal Service and will try to win approval of the bill next month during the lame-duck session." The Post adds that Sen. Collins has met with other leaders and the White House to see what "modifications can be made to get the bill moving," but she said, "I'm not optimistic I will be successful." The Post adds, "The Senate bill stalled in late September when the National Association of Letter Carriers objected to a relatively minor provision that would require a three-day waiting period before injured postal workers could begin drawing workers' compensation benefits," and the "letter carriers union has said it will not drop its objection to the bill, even though Collins got the White House to drop proposals that unions had claimed were dealbreakers."

Deutch Urges Gates' Confirmation. In a commentary for the New York Times (11/15, 1.16M), former DCI John Deutch writes, "Mr. Gates is an experienced Washington hand with the right temperament to change the administration's thinking about our mission in Iraq and to make much-needed long-term changes in how we defend our nation. ... Are we making progress toward meeting our minimum objectives — helping the Iraqis maintain security, establishing a working government and restoring basic services? If the answer is no, as I suspect, then Mr. Gates should tell the president that it is time to withdraw." In addition, Gates, in serving on a CFR committee studying Iranian relations, "demonstrated his pragmatic approach to foreign policy and his ability to work effectively with those of differing ideologies." He is better suited than anybody "for reforming the military's intelligence operations" and hopefully will "quickly re-establish the trusting relationship with senior military leaders — the chairman of the Joint Chiefs of Staff, the heads of the combat and supporting joint commands — that was the hallmark of Secretary of Defense William Perry's successful tenure in the 1990s."

Culberson Defends Earmarks. In a USA Today op-ed (11/15), House Appropriations Committee member Rep. John Culberson, R-Texas, says, "As a dedicated fiscal conservative who is committed to the Republican principles of limited government and a balanced budget, I believe 'earmarks' can help ensure our tax dollars are spent effectively." Because members "have a strong grasp on the needs of their districts, it is safe to assume they know which projects deserve federal support. Without earmarks, thousands of groundbreaking medical, science, energy and defense projects, along with critical infrastructure investments for flood control and highways, would go unfunded." Eliminating earmarks "will not save taxpayers money because the invisible bureaucracy will simply spend it. Earmarks are simply a way of directing budgeted money to specific projects. Instead of concentrating solely on earmarks, which account for about 1% of all federal spending, Congress must reform entitlement programs, which are the real source of annual deficits."

Fenty Urges Congress To Pass Bill That Would Give District Vote In House. In a piece in the Washington Post (11/15, A21, 690K), Washington, D.C. Mayor-elect Adrian Fenty (D) writes, "At the top of Congress's agenda right now should be this important part of its unfinished business: enactment of H.R. 5388, the D.C. Voting Rights Act. … The legislation provides D.C. residents with a vote in the House of Representatives while providing Utah with an additional congressional seat. Utah was the next state in line to receive an additional representative after the last census. H.R. 5388 has bipartisan support and is vote-neutral. … I urge Congress to pass this bill swiftly so that President Bush can sign it into law this year. America is the only democracy in the world that denies voting representation to the people of its capital. That needs to end right now."

Pozen Backs Opt-Out Employer Based Retirement Accounts. In a Wall Street Journal op-ed (11/15, A18), Robert Pozen of MFS Investment Management says, "Today, almost 30 million full-time employees -- 25% of the full-time work force -- are not offered a retirement plan at work." Legally, "if employees are not offered a workplace retirement plan, they can establish an individual retirement account (IRA) -- regardless of their income level. However, only a small portion of these employees have enrolled. Although employees usually say they want to save more for retirement, most cannot overcome inertia to open an account. By contrast, if an employer takes retirement contributions out of their employees' paychecks, most employees will stay in the plan -- i.e., they will not opt out. In one study, the participation rate increased to 92% from 66% in opt-out plans relative to opt-in plans, with even larger increases for low-income workers." A bipartisan Congress "should harness these forces of inertia and mandate that all employers not otherwise offering a retirement plan establish a check-off IRA (CIRA) for employees. An employer could take out a minimum percentage (e.g., 3%) of their employees' wages from their paychecks, tax deductible in the year of contribution. But employees would have 60 days from their enrollment date to increase their contribution rate, or to opt out completely of any payroll deduction."

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NYTimes Says Bush Should Back Minimum Wage Hike. In an editorial, the New York Times (11/15, 1.16M) says, "At his first post-election news conference last week, President Bush said that he believed he could find common ground with the new Congress on Democrats' longstanding drive to raise the federal minimum wage. That is welcome, but long overdue." By December, "the minimum wage will have remained unchanged for the longest period since it was established in 1938. There are no valid reasons to delay an increase, and many good ones to proceed. Supporting a higher minimum wage would be a way for Mr. Bush to begin to rectify the inequality that has grown so alarmingly on his watch."

WSJournal Questions Conrad's Fiscal Responsibility. In an editorial, the Wall Street Journal (11/15, 2.04M) says, "Kent Conrad's Web site proclaims that the North Dakota Democrat 'has been a leading voice for fiscal responsibility' in Washington, and the Senator rarely misses an opportunity to bemoan 'deficits as far as the eye can see.' Maybe once Mr. Conrad comes off his latest spending binge, he can buy the rest of Washington some binoculars. Or at least enough magnifying eyewear to see $4.9 billion, which is the amount of emergency drought relief the parsimonious Mr. Conrad is attempting to shovel into a Senate military construction bill in this week's lame duck session. If this is the sort of 'fiscal discipline' we can expect from the new Democratic majority, K Street ought to be popping the champagne corks."

WPost Says Gerrymandering Limits Congressional Accountability. The Washington Post (11/15, A20, 690K) says in an editorial, "It would be easy for those complacent about partisan redistricting to look at this year's election as evidence that it's not a problem after all. Gerrymandering of congressional district lines failed to protect a number of incumbents around the country from defeat. It didn't prevent the House of Representatives from switching hands. Maybe letting politicians use sophisticated computers to choose their own voters actually calcifies the American electoral system less than the past few elections have suggested." The election "this year was dramatically more competitive than others in recent history. According to data from the Center for Voting and Democracy, 34 House races were decided by a margin of fewer than 5 percentage points, more than in 2002 and 2004 combined. An additional 26 were decided by fewer than 10 percentage points, compared with 28 in the past two elections combined. The reason for the change is simple: Voters were angry at Republicans. And while partisan redistricting can make red districts redder and blue districts bluer, it cannot stop either from going purple as a party fails to persuade its own voters or get them to show up at the polls." But the "overwhelming majority of seats remained beyond serious democratic competition -- as always." America is "not a Soviet republic. But even at their most competitive, House races are far from models of electoral accountability."

OTHER NEWS:

After Positive Inflation News, Dow Hits New Record. Fueled by positive economic news, the Dow Jones reached another historic high yesterday. Media coverage was subdued, with the CBS Evening News not even mentioning the development and NBC Nightly News (11/14, story 9, 0:15, Williams, 9.87M) noting the stock numbers without reporting they constituted a new record. ABC World News (11/14, story 8, 0:30, Gibson, 8.78M), meanwhile, reported, "A new economic report today has eased inflation fears and spark a big rally on Wall Street. Wholesale prices saw a decline last month, largely because of lower prices for gas and new cars. The Dow Jones Industrial Average closed at a record high 86 points to 12,218. And the NASDAQ gained 24 [to close at 2430.66]."

The AP (11/15) says "investors…were heartened' by a "report of slowing wholesale inflation," and "were cheered by comments from Federal Reserve Bank of St. Louis President William Poole, who described the Fed's interest rate policy as 'about right. Poole, who currently sits on the Fed's policy-making Open Market Committee, reassured a market that has been counting on a steady rate policy for the near future." The Labor Department "said wholesale inflation as measured by the Producer Price Index dropped by 1.6 percent last month following a 1.3 percent slide in September. Plunging energy prices were behind the declines, which gave Wall Street some relief from concerns that rising inflation might prompt the Fed to raise rates after three straight meetings where they were left unchanged." The Washington Post /AP(11/15, D5) runs a similar AP piece on Wall Street, and the Wall Street Journal (11/15, C1, Browning, 2.04M) notes "the broad Standard & Poor's 500-stock index hit a six-year closing high, rising 0.64%, or 8.80 points, to 1393.22. It is up 11.6% this year. The S&P isn't near a record, but the news that it joined the Nasdaq and the Dow at a new multi-year high pushed money managers to buy for fear of being left behind. Trading volume was heavy."

The New York Times (11/15, Peters, 1.16M) reports "consumer spending is showing signs of slowing but remains robust," and "some economists found it encouraging that yesterday's report was the second consecutive set of wholesale price data to show an overall decline. In September, wholesale prices fell 1.3 percent. For the year, prices are down 1.6 percent." The Wall Street Journal (11/15, A2, Whitehouse, 2.04M) runs a similar story under the

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headline "US Consumer-Spending Data Bolster Hopes For Holiday Sales," in which it says "American consumers maintained their spending in October, leading economists to hold out hope that robust holiday sales will help insulate the US economy from a sharp downturn in housing."

USA Today (11/15, Kirchhoff, 2.27M), meanwhile, offers a negative reading of the inflation news, in a story titled "Economy Seen Slowing As Wholesale Prices Plummet 1.6%," in which it reports "analysts said the Fed is still far from an all-clear on inflation."

The Financial Times (11/15, Guha, Callan, Pilling) says reports yesterday offered "hopes that inflation pressures could be easing," but also "showed the US economy feeling the strain from the sharp slowdown in the housing sector. … The latest US retail sales figures, from October, showed that consumer spending remained resilient in spite of the pressures from the housing market. Sales excluding petrol increased by 0.4 per cent over the month. Lower oil prices meant the value of total retail spending fell 0.2 per cent on the previous month." But "downward revisions to the previous two months' retail sales suggested that consumer spending was weaker than thought." The Los Angeles Times (11/15, Haddad, 850K) focuses on worries about the real estate sector in a story titled "Southern California Home Prices Hold As Sales Continue To Slow."

Judge Wins $7 Million Libel Suit Against Illinois Newspaper. The Chicago Tribune (11/15, Kimberly) reports, "A Kane County jury Tuesday decided a small local newspaper should pay $7 million to the Illinois Supreme Court's chief justice for defaming him in two columns published three years ago." The Tribune continues, "Justice Robert Thomas cried and hugged his attorneys as Judge Donald J. O'Brien read the verdict Tuesday afternoon. Thomas, 54, of Wheaton shook hands and embraced jurors leaving the wood-paneled courtroom in the historic courthouse in downtown Geneva. … The verdict was unusual, partly because of the amount awarded and partly because the plaintiff was a sitting judge, said Bruce D. Brown, an attorney who is representing the Boston Herald in its appeal of a $2 million libel judgment awarded last year to a Massachusetts state court judge." The Tribune adds, "The newspaper found to be at fault, the Kane County Chronicle, is a daily paper owned by the Shaw Newspaper Group. It circulates mostly in St. Charles, Geneva and Batavia. Its circulation is about 14,000, down from 38,000 in 2003. … Brown said the U.S. Supreme Court set the libel standard very high for public officials: A plaintiff must prove the newspaper knew it was publishing false information or had serious doubts about its veracity. … Attorney Stephen Rosenfeld, who defended the Chronicle and its former columnist, Bill Page, said the verdict would be challenged in post-trial motions and likely on appeal. … The appeal could raise a host of legal issues because all but two of the sitting Illinois Supreme Court justices testified during the two-week trial, Rosenfeld said."

The New York Times (11/15, Seelye) reports, "The jury awarded Justice Thomas $7 million, with $5 million for damaging his reputation, $1 million for future economic losses and $1 million for humiliation. It is the second-largest award in the county's history, after a $21 million medical malpractice award this year, said F. Keith Brown, a circuit judge here. … The justice's lawyers said that Mr. Page had essentially accused him of official misconduct, a felony, when he wrote that he had traded his vote on a disciplinary case in exchange for political support for his favored candidate in a local judicial race." The Times adds, "The case was also significant because it prompted an appellate court to establish a judicial privilege in Illinois, allowing deliberations to be kept private, much like doctor-patient discussions. … Newspapers are sued frequently, but it is unusual for a judge to sue a newspaper. Of 397 complaints filed against the news media last year, judges and magistrates brought 25 of them, or 6 percent, according to the Media Law Resource Center."

Group Sues Wal-Mart Over Food Labels. The Washington Post (11/15, D03, Mui) reports, "An activist group representing small farmers has filed a complaint with the U.S. Department of Agriculture, alleging that Wal-Mart Stores Inc. incorrectly labeled several products as organic." The Post continues, "The retailer recently began expanding its assortment of organic foods as part of an effort to attract wealthier, more urban customers. In a statement yesterday, Wal-Mart defended its program and questioned the intentions of the group, called the Cornucopia Institute." The Post adds, "In an e-mail, Wal-Mart spokeswoman Karen A. Burk wrote 'it's hard to take their claims seriously' and said one of the group's founders, Mark Kastel, had worked for a Wal-Mart rival. Kastel was a consultant for Organic Valley, a national farming cooperative that competes with several of Wal-Mart's suppliers. Kastel said he has severed professional ties with the co-op, though he declined to comment on whether it donated money to Cornucopia. … In its letter to the National Organic Program, an arm of the USDA, Cornucopia said that at several stores, Wal-Mart had incorrectly labeled Stonyfield Farm all-natural yogurt as organic. It also said several stores had included non-organic products such as tofu, egg-roll wrappers and juice in a cooler designated for organic produce."

Burner Concedes To Reichert In WA8. Roll Call (11/15, Duran) reports that Democratic challenger Darcy Burner on Tuesday conceded to WA8 Rep. Dave Reichert (R). Burner, during a news conference yesterday, "made it clear that she would not seek a recount or challenge the 51

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percent-to-49 percent result, even though some 20,000 absentee ballots have not been counted yet. Burner did say that her campaign will continue to monitor the vote-counting process, however, leaving open the extremely unlikely possibility that Reichert's lead could eventually shrink enough to trigger an automatic recount under state law. The victor must win by fewer than 2,000 votes and the difference between the two candidates' totals must be less than one half of 1 percent to trigger a recount. Reichert's lead extended to 4,727 votes as of Tuesday."

Results In CT2 Race Expected Wednesday Morning. Roll Call (11/15, Duran) reports that the results in the race between Democratic challenger Joe Courtney and CT2 Rep. Rob Simmons (R) "should be known this morning." As of Tuesday evening, Courtney led Simmons by 90 votes. Courtney's lead of 167 votes "on Election Day was narrow enough to trigger an automatic recount. All of the 65 towns in the district were expected to finish re-checking their tallies late Tuesday night. At press time, five towns had yet to finish their recounts. … Both candidates have until Nov. 21 to petition the Connecticut Supreme Court for a second recount, the cost of which would be born by the candidate who requests it.

Signs Of Democratic Wave Said To Be Evident Long Ago. In a McClatchy commentary (11/15), Steven Thomma says, "Karl Rove must read polls through red-colored glasses. That might explain why two weeks before Election Day he snapped at a reporter who dared suggest that he saw trouble in the polls for the Republicans." Rove said, "I'm looking at 68 polls a week. You may be looking at four or five public polls a week that talk about attitudes nationally but that do not impact the outcome of individual races. I'm looking at all of these . . . and adding them up. I add up to a Republican Senate and Republican House . . .You are entitled to your math and I'm entitled to THE math." McClatchy adds, "Well, Rove was wrong. His math wasn't THE math. Maybe it was what George W. Bush once called 'fuzzy math.' For the rest of us, the numbers had been adding up for more than a year." McClatchy reported "as early as May 2005 that the tide had turned against Republicans, that congressional scandals, violence in Iraq and Republican overreaching were creating a toxic political environment like the one that shadowed the Democrats in 1993 - the year before they were swept from power." Then came "McClatchy-MSNBC polling of key Senate races this fall, conducted by the respected Mason-Dixon Polling & Research, Inc. While Rove was right that many media polls surveyed the entire country - and missed on-the-ground differences - he seemed to ignore the work by Mason-Dixon, which specializes in state-by-state research." The final polls "came very close to what happened on Election Day. Eleven of our 12 state-poll results were within the margin of error, which was plus or minus 4 percentage points. … Most of our polls were much more on target than that."

Conservatives Said To Be In Denial Over Congressional Losses. In his Washington Post column (11/15, A21), Harold Meyerson says, "On their journey through the stages of grief, conservatives don't yet seem to have gotten past denial. Republicans may have lost, conservatives argue, but only because they misplaced their ideology. '[T]hey were punished not for pursuing but for forgetting conservatism,' George F. Will, conservatism's most trenchant champion, wrote on this page last week. Their mortal sin, in this gospel, was their abandonment of fiscal prudence." But while "conservatism blameless for last week's Republican debacle may stiffen conservative spines, but the very idea is the product of mushy conservative brains unwilling to acknowledge the obvious: that conservatism has never been more ascendant than during George Bush's presidency; that the Republican Party over the past six years moved well to the right of the American people on social, economic and foreign policy; and that on Nov. 7 the American people chose a more pragmatic course."

Democratic Majorities Attributed To Wins By Centrists. In a USA Today op-ed (11/15), blogger Kirsten Powers says, "Without centrist Democratic candidates, it would have been President Bush and GOP strategist Karl Rove celebrating last week. More than half of the new House members will join the New Democrat Coalition or the Blue Dog Coalition caucuses, known for their fiscal responsibility, business-friendly stance and generally more socially conservative views. While most criticized the war, few have called for an immediate withdrawal." In addition to "running fiscally responsible candidates, the Democratic Party appealed to the vital center by slaying a few of old school liberalism's sacred cows: aggressive secularism and intolerance of anti-abortion views. Yes, the war was a major issue. But it was critical that Rep. Rahm Emanuel of Illinois and Sen. Charles Schumer of New York — who ran the campaign committees — recruited candidates palatable to conservative or moderate voters who wanted to send a message about the war, but who didn't want to compromise on beliefs about abortion, gay marriage or the role of religion in public life."

NYTimes Says Election Shows Kansas No Longer GOP Bastion. The New York Times (11/15, 1.16M) says in an editorial, "It would be remiss to finish the election post-mortems without noting a major shift in the nation's heartland. Kansas -- lately considered the reddest of red states -- emerged from the election as a bastion of moderation. Just two years after President Bush carried the state by 25 percentage points, Kansas voters rebelled against continued domination of the state's politics by the sharply conservative

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state Republican Party. The Democratic Party posted major gains, including some by former Republicans who switched parties. The moderate Democratic governor, Kathleen Sebelius, received a whopping 58 percent of the vote to secure her re-election."

Democratic Lobbyists See Fortunes Rise With New Majority. The Wall Street Journal (11/15, Mullins, 2.04M) reports "another winner" on election night "was David Bolger, who exchanged high-fives with other Democrats, as the crowd applauded the party leaders. Mr. Bolger isn't a lawmaker or a congressional aide. He is a Democratic lobbyist." After "more than a decade of Republican rule in Washington, Democratic lobbyists have a lot to celebrate. Just a week after Election Day, they are getting promotions and signing up new clients." When Republicans "took over Congress in 1994, most lobbyists were Democrats. Although the power shift would ultimately have resulted in increased numbers of Republican lobbyists, the party leadership set out to accelerate the process." Former Rep. Tom DeLay "was instrumental in a strategy called the K Street Project, which pressured corporations to hire hundreds of Republican lobbyists." Five years ago, Bolger was "a victim of the K Street Project. After the 2000 election, the trade group where Mr. Bolger worked in the communications office, the U.S. Telecom Association, replaced its president, Democrat Roy Neel. Mr. Bolger lost his job in the change." Now Democrats "like Mr. Bolger, 44 years old, expect opportunities to pick up, as their effectiveness is likely to rise on Capitol Hill. The benefits from the change in the congressional majority will take months for Democratic lobbyists to chart. But already there are indications that ties to Democratic lawmakers are a valuable currency among those whose work will include lobbying the 110th Congress."

The New York Times (11/15, Zeleny, 1.16M) reports Democratic lobbyists "are fielding calls from pharmaceutical companies, the oil and gas industry and military companies, all of which had grown accustomed to patronizing Republicans, as the environment in Washington abruptly shifts." Former Rep. Vic Fazio "did not experience the pleasures of Democratic rule — until now. Suddenly he is in demand. For Mr. Fazio, who is close to Representative Nancy Pelosi, the California Democrat who is set to become House speaker, the power switch is, quite simply, good for business. Companies are scrambling to fortify lobbying teams with well-connected Democrats." While Fazio "declined to divulge his still-evolving list of prospective new clients at the law firm Akin Gump Strauss Hauer & Feld, he said he intended to bring in Democratic reinforcements to cover the load. 'I'll just have more to do and have a little more help to do it,' he said." Though this "is the moment Democrats have been craving — winning a majority so they can help shape politics and policy — some senior aides are now tempted to leave Capitol Hill to become lobbyists and potentially quadruple their salaries."

Democrats Said Not Have Articulated Party's Vision. The Hill (11/15, Blake) reports that when asked on NBC's "Meet the Press" on Sunday "what the American public was trying to tell Republicans in last week's election, Sen. John McCain (R-Ariz.) said he believed the message was: 'That we came to Washington to change government, and government changed us.'" The Hill adds if "those words sound familiar, it's because they might as well have been read straight off a Democratic talking-points memo. McCain's choice of words was a near-verbatim pull from a slogan Democrats have been using for more than a year." When a politician "repeats an opponent's slogans, that's supposedly a positive sign for the opponent, an indication that the phrase has made its way into the political lexicon. But experts say Democrats made only marginal progress this cycle on their much-hyped goals of improving their message control and employing more effective language." After the 2004 election, Democrats "turned to University of California-Berkeley linguistics professor George Lakoff, whose guidance they hoped would help them frame messages better and elicit more favorable responses from the American public, much as Republicans did in 1994 with their Contract with America. Yet even after the Democratic victories last Tuesday, Lakoff said Democrats are making fewer mistakes but still have yet to articulate a vision of what it means to be a Democrat, something they need to establish soon in preparation for 2008."

Webb Says Class Division Is Most Important Issue. In a Wall Street Journal op-ed (11/15, A18), Democratic Sen.-elect James Webb of Virginia says, "The most important -- and unfortunately the least debated -- issue in politics today is our society's steady drift toward a class-based system, the likes of which we have not seen since the 19th century. America's top tier has grown infinitely richer and more removed over the past 25 years. It is not unfair to say that they are literally living in a different country." The "politics of the Karl Rove era were designed to distract and divide the very people who would ordinarily be rebelling against the deterioration of their way of life. Working Americans have been repeatedly seduced at the polls by emotional issues such as the predictable mantra of 'God, guns, gays, abortion and the flag' while their way of life shifted ineluctably beneath their feet. But this election cycle showed an electorate that intends to hold government leaders accountable for allowing every American a fair opportunity to succeed."

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Questions About Frontrunners Said To Leave 2008 Race Wide Open. The Christian Science Monitor (11/15, Feldmann, 59K) reports that even though a "handful of congressional races aren't quite over yet," the "jockeying for the 2008 presidential contest - going on for months, if not years - has burst fully into the open. For the Republicans, Sen. John McCain of Arizona and Rudolph Giuliani, former mayor of New York, have registered committees and signaled they're probably in. By all indications, outgoing Massachusetts Gov. Mitt Romney is in." For the Democrats, Sen. Hillary Rodham Clinton "has money and organization - and just bowed out of a party leadership position, another sign she may be in. Sen. Barack Obama of Illinois says he's pondering a run, possibly positioning himself as the un-Hillary. Outgoing Iowa Gov. Tom Vilsack is definitely in. Former vice presidential nominee John Edwards has shown all the signs." But "as of now, two years minus a few days until America elects its next president, the front-runners for major-party nomination remain Senators McCain and Clinton. Whether either will ultimately occupy the Oval Office is anyone's guess." With Clinton, "some Democrats remain concerned that she can easily win the nomination by deploying her formidable political team and fundraising ability, but can't win the general election because of her high negatives." For McCain, "the 2006 midterms brought good news and bad news. His own party took a drubbing at the hands of voters, principally in a repudiation of both President Bush and the Iraq war." But his "steadfast support for the unpopular Iraq war and continued calls for more troops in Iraq, not fewer, put him at odds with the American public on the No. 1 issue of the day."

The CBS Evening News (11/14, story 9, 2:15, Couric, 7.66M) examined the potential Republican field, reporting, "John McCain has two major speeches he'll be delivering on Thursday. Will that mark the beginning of his campaign?" CBS (Borger) added, "Oh, absolutely, Katie. He is the front-runner in the Republican Party. He's the maverick turned establishment candidate. He has raised $12 million for Republican candidates around the country. But this week, those speeches you're talking about, Katie, those are about the war in Iraq, because his position is not only continue the war but send in more troops, and that's a very unpopular position out in the country that's going to need some explaining." Couric: "I was going to say, how will that jibe with what voters said last Tuesday?" Borger: "I think right now, Katie, it's going to hurt him. We don't know where the country is going to be two years from now, and two years from now when he's running in the Republican primaries, it might not hurt him with the conservative base." Couric: "What about Massachusetts Governor Mitt Romney?" Borger: "He's the conservative governor of a very blue state. He made headlines in that state, was very popular because they passed a universal state insurance plan. That will help him, but, Katie, he's a Mormon and there are a lot of Republicans who believe that will hurt him with the evangelical base." Couric: "Gloria, what about Senator George Allen, who was defeated in Virginia?" Borger: "Katie, talk about somebody who had a bad six months. He was supposed to be the leading Republican candidate for president, and now he's out looking for a job."

Giuliani Seen As Buying Time Through Use Of State Committee. The New York Times (11/15, Chan, 1.16M) reports that by "setting up an organization in New York State to explore a White House run — but not creating a candidate committee with the Federal Election Commission — former Mayor Rudolph W. Giuliani is buying himself more time to make a decision, although he will face significant restrictions in raising money, according to several election and campaign experts." The news "that the Rudy Giuliani Presidential Exploratory Committee Inc. was established on Friday made front-page headlines yesterday, but Mr. Giuliani remains several steps away from declaring himself a candidate." The new organization "was registered as a nonprofit corporation with the New York State Department of State, but Mr. Giuliani has not committed to formally filing with the Federal Election Commission, as Gov. Tom Vilsack of Iowa, who is seeking the Democratic presidential nomination, has done." Giuliani has "said little publicly about his intentions, other than to say he expects to make a final decision by early next year. As he weighs his options, he is expected to rely heavily on the advice of a circle of advisers who have been with him for decades. They include Peter J. Powers, a former deputy mayor who has been a friend of Mr. Giuliani's since high school, and Dennison Young Jr., who worked with Mr. Giuliani in the United States attorney's office and was later the mayor's chief counsel." Powers and Young "are the directors of the new organization, along with John H. Gross, a lawyer who has been a campaign treasurer for Mr. Giuliani."

The CBS Evening News (11/14, story 9, 2:15, Couric, 7.66M) reported, "Let's talk about Rudy Giuliani. The 'Daily News' headline 'Ready, Set, Go.' He filed papers yesterday. What does that mean?" Borger: "It means ready, set, go. He was thinking about it. A lot of people think he's better off today than a week ago. The people who turned out in this election were the independent voters, moderate voters and Rudy Giuliani is a moderate. He's pro-gay rights and pro-abortion rights and pro-gun control. Whether he can win a Republican primary remains to be seen."

Rangel Hints Giuliani Bid Would Be Boon For Democrats. On MSNBC's Tucker (11/14, Carlson), Rep. Charles Rangel (D) said of former New York Mayor Rudy Giuliani's presidential campaign: "[U]nlike most Americans, I

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knew Giuliani before 9/11. And he was not only not America's mayor, he was hardly New York's mayor. But I don't want to say anything discouraging. I just hope that he puts his money there, and he runs. It's going to be fun."

Scientists, Church-State Advocates Announce New Think Tank. The Washington Post (11/15, A19, Kaufman, 690K) reports, "Concerned that the voice of science and secularism is growing ever fainter in the White House, on Capitol Hill and in culture, a group of prominent scientists and advocates of strict church-state separation yesterday announced formation of a Washington think tank designed to promote 'rationalism' as the basis of public policy. … [T]he small public policy office will lobby and sometimes litigate on behalf of science-based decision making and against religion in government affairs."

Consultant Derides Election Night Political Clichés. In an op-ed in the New York Times (11/15, 1.16M), Mike Murphy, a Republican political consultant, writes, "Watching the televised punditry about the elections, I felt pummeled by commentators repeatedly using the same clichés — most of which happen to be dead wrong. " He cites "the three worst offenders:" "All politics is local," "This is the most negative campaign ever," and "This election will all come down to turnout." Murphy writes of the last, "Swing voters respond to policy and persuasion, not process spin. The cocky Republican talk about magical 72-hour plans in the last weeks before the election was unfortunate proof that the party's high command had forgotten this most basic fact of politics, at least until the rough news of last Tuesday. Of all the clichés this year, this one was the most damaging for Republicans to believe in.

Bush Leaves For Vietnam As Congress Rejects Trade Deal. USA Today (11/15, 2.27M) reports, "President Bush was leaving Tuesday night for an eight-day tour of Asia that includes stops in Singapore, Indonesia and Vietnam, where he attends a summit of Asian-Pacific nation leaders. It will be Bush's first trip to Vietnam, where the United States fought a decade-long war in the south against communist forces that eventually triumphed and unified the country." Bush's "plan to arrive in Hanoi with a pact normalizing trade hit a bump when the lame-duck GOP-controlled House failed to approve the measure on an initial vote Monday. The 228-161 vote was short of the two-thirds majority needed for passage under the expedited rules used to consider it."

USA Today (11/15, Lynch, 2.27M) reports that as a result of Congress' move, "Bush will show up for visit overseas empty-handed." It is, adds USA Today, "a stunning setback for…Bush on the eve of a major foreign visit,." The New York Times (11/15, Weisman, 1.16M) also says "prospects for Congressional approval of several free trade bills backed by the administration were thrown into doubt Tuesday when House Republican leaders abruptly withdrew the one aimed at Vietnam on the eve of…Bush's trip." The "failure of the Vietnam bill was a deep disappointment and embarrassment for the White House." The Times adds, "The bill's failure touched off a fusillade of partisan recriminations, with Republicans blaming Democrats for trying to sabotage the bill and Democrats saying that some Republicans, bitter after losing the election last week, were trying to embarrass Mr. Bush."

The Wall Street Journal (11/15, A4, Rogers, 2.04M) reports, "Administration officials were irritated, Democrats amused, but the moves mostly captured the fractious postelection alignment here. Smarting from losses in last week's midterms, Republicans are less eager to march to the beat of the president's drum." There is "rank-and-file resentment that Mr. Bush didn't announce the resignation of Defense Secretary Donald Rumsfeld until after Election Day, and party leaders are more preoccupied with saving their jobs than moving the president's agenda."

The AP (11/15, Raum) describes Bush as "humbled by elections at home," and says his "challenge" in Asia "is to demonstrate that US leadership as the world's last superpower is undiminished on the world stage. … Some world leaders, particularly those who resented Bush's cowboy swagger and saw his decision to invade Iraq in 2003 as a dangerous act of unilateralism, might be gloating privately at the president's political misfortunes."

LATimes, WSJournal Weigh In On Democratic Stance On Trade Deal. In an editorial, the Los Angeles Times (11/15, 850K) says Congress' "cavalier rejection" of the "trade normalization" measure is "unconscionable, not to mention embarrassing to the president." The vote "sends a disastrous signal to the people of Vietnam (the message being that the superpower that once bombed you isn't too excited to see you prosper) and to Asian leaders. Beyond Vietnam, the cause of free trade may be in for a rough time once Democrats take control of both houses of Congress. There are troubling signs that the party's new protectionist wing will try to torpedo upcoming trade pacts with Peru and Colombia, and stand in the way of progress on a comprehensive deal to lower global trade barriers under the Doha round of WTO talks. Also endangered is Bush's fast-track trade authority, which allows him to sign trade deals subject only to a yes-or-no vote by Congress. It expires in July." President Clinton "steered the Democratic Party away from protectionism, a move that benefited the party and the nation. Taking a step backward now would only hurt both."

The Wall Street Journal (11/15, A18, 2.04M) editorializes that this week will test the Democrats' talk of "new moderation" with the "bilateral free-trade pact already

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signed with Peru, and an amendment to extend a key provision of the African Growth and Opportunity Act (AGOA) that Mr. Clinton and Republicans passed in a bipartisan spirit in 2000." Big Labor is "pushing" Democrats to "block a vote and demand that the pact be renegotiated to include more labor protections." The bills will be "a particular test for Charlie Rangel, the soon-to-be chairman of the House Ways and Means Committee."

Vietnamese Activists Denounce Government Harassment Ahead Of Bush Visit. The Washington Times (11/15, Kralev, 88K) reports, "Vietnamese democracy and human rights activists accused the government yesterday of stepping up harassment in an effort to silence them ahead of President Bush's visit and a high-profile economic summit this week." The activists, "some of whom are under house arrest, praised a vote in the U.S. House of Representatives on Monday that denied permanent normal trade relations (PNTR) status to Vietnam and criticized Vietnam's removal from the State Department's blacklist of countries that limit religious freedom."

US Chamber Urges US To Reassess Southeast Asia Strategy. The Financial Times (11/15, Aglionby) reports, "The US needs to reassess its strategy towards south-east Asia while countries in the region should take concrete steps to enhance their competitiveness in order to optimise trade and investment between the two, the US Chamber of Commerce recommends in its first report on ways to boost mutual business links." Tom Donohue, president and chief executive of the US Chamber of Commerce, told the Financial Times, "[The region] is our fourth-largest trading partner and we've hardly scratched the surface. … It's got potential written all over it as well as challenges."

Abe Says He'll Seek Closer US-Japan Security Ties In Meeting With Bush. The Washington Post (11/15, A12, Faiola, 690K) reports Prime Minister Shinzo Abe yesterday "outlined a vision for a stronger Japan and vowed to fortify the U.S.-Japan security alliance during his first official meeting with President Bush in Hanoi this weekend." In "a wide-ranging interview with The Washington Post," Abe also "said he would push to redraft Japan's pacifist constitution." Abe "noted that it is unclear whether Tokyo is permitted under its own constitution to shoot down a ballistic missile flying over Japanese territory en route to the United States."

Report Raises Questions About India Nuclear Deal. AFP (11/15, Parameswaran) reports, "A non-partisan US Congressional study has underlined lawmakers' unease over India's non-proliferation record and its links with nuclear renegade Iran, on the eve of a Senate vote on a landmark US atomic deal with New Delhi." The report by the Congressional Research Service "raised the issue of whether India had adequate teeth to implement export control regulations in efforts to prevent Iran from acquiring nuclear weapons." The Congressional report by Sharon Squassoni, "a national defense specialist, noted that President George W. Bush's administration had not formally responded to claims that India had a 'flawed' nonproliferation record in the nuclear area." It also "cited allegations that New Delhi had a 'poorly implemented' national export control system and an 'illicit' procurement system for its own nuclear weapons program, as well as a procurement system that 'may unwittingly transfer sensitive information' about uranium enrichment."

The Washington Post (11/15, A14, Linzer, 690K) reports, "For the Bush administration, the deal is part of a strategy to accelerate India's rise as a regional counterweight to China. Further, officials have argued that a nuclear arsenal in the hands of democratic India, which conducted its first nuclear test in 1974, would not be a threat to the United States." The White House "wants legislation for the deal approved by the lame-duck Congress and is hoping the Senate will vote on it by Friday."

Gutierrez Urges Continuing Trade Talks With China. The Wall Street Journal (11/15, A4, Batson, 2.04M) reports, "Secretary of Commerce Carlos Gutierrez urged continued negotiation -- rather than confrontation -- with China on ways to address its yawning trade gap with the US, saying China's leaders are moving forward with measures to address major complaints such as counterfeiting." Gutierrez, "speaking yesterday after meetings with officials including Chinese Premier Wen Jiabao and Minister of Commerce Bo Xilai, admitted he still needs more concrete results if he is to quiet domestic critics of his approach. … 'The important thing is that there is a great deal of understanding of what needs to be done' among top Chinese officials, Mr. Gutierrez said. 'Obviously the proof always is in the results, and we know that we have a lot of work to do to continue to deliver results.'" Gutierrez, in an interview, "said he also continued to lobby China to grant improved access to markets like financial services, film and retail."

The Washington Post (11/15, A8, Cody, 690K) reports Gutierrez "said Tuesday that he is telling concerned Chinese officials that the best way to avoid trade restrictions from the new Democratic-controlled Congress is to act swiftly on U.S. complaints about brand pirating and market access. 'We don't want to give anyone the justification for protectionist trade policies, which we think would be a big mistake,' Gutierrez said in an interview at a US-sponsored roundtable on intellectual property rights." The Post adds, "The suggestion from Gutierrez responded to worries among some Chinese officials and other specialists that Democrats

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assuming House and Senate committee chairmanships will be less friendly toward China than their outgoing Republican counterparts, particularly on such issues as trade and human rights." Presumptive incoming speaker Nancy Pelosi "has been noted here as a particular critic of the Communist Party government and its human rights record. In general, Chinese specialists said, Democratic leaders also seem more willing than Republicans to lend a sympathetic ear to complaints from labor unions that US jobs are being lost as companies expand to China, seeking to benefit from a cheap workforce." Gutierrez "said the danger of protectionist measures in Congress had been a subject of concern during his three previous trips to China as commerce secretary."

The New York Times (11/15, Lague, 1.16M) reports Gutierrez also said China "should intensify its fight against intellectual property theft with a crackdown on organized crime gangs that are responsible for widespread copyright piracy." He added "contacts between American and Chinese legal authorities and recent enforcement actions had revealed that organized crime was involved in many piracy cases. 'These are criminal organizations and one of the things they do is run a supply chain for illicit goods, pirated goods. … This is organized crime. One day it could be T-shirts, the next day it could be watches and the next day it could be medicines."

Envoys Seek Common Strategy Ahead Of Talks With Pyongyang. The AP (11/15, Lim) reports, "Nuclear envoys from the United States, South Korea and Japan will meet Wednesday to seek a common strategy ahead of the resumption of long-stalled nuclear disarmament talks with North Korea, officials said. The US and its top two Asian allies planned to meet on the sidelines of the [APEC] summit in Vietnam where North Korea is expected to be a dominant theme. South Korea said Tuesday the six-party disarmament talks that broke down in 2005 could resume by mid-December. The US administration has ruled out a first meeting in November but said it hoped for a session in December." US Assistant Secretary of State Christopher Hill said Tuesday, "We have said all along that we want to start the six-party talks as soon as possible but a key element of that is to be well prepared because when we do start, we want to be sure that we can really make progress." Hill is expected to "meet South Korea's top nuclear negotiator Chun Yung-woo and Japan's Kenichiro Sasae Wednesday morning to consider ways to pressure Pyongyang to give up its nuclear weapons program."

Rice Says Talks May "Not Come Quickly." The AP (11/15, Gearan) reports Secretary Rice, en route to Hanoi for this week's APEC summit, "suggested that a much-anticipated new round of talks with Pyongyang may not come quickly." The Secretary said, "We need to take our time this time and make sure when we go to the table at the six-party talks there is a reasonable chance of a successful outcome."

AFP (11/15, Harmsen), meanwhile, notes US Assistant Secretary of State Christopher Hill told reporters in Hanoi that envoys "are scrambling to set a date to resume negotiations next month." The assistant secretary is quoted as saying, "We have been in very close contact with the Chinese lately, and I think we do want to try to fix the date very soon. We will probably use the next few weeks to be very busy and maybe begin the talks sometime in early December."

Pyongyang Expected To Dominate Bush Trip To APEC Summit. AFP (11/15, Parameswaran) reports President Bush has "left to nail down trade ties with Asia and grapple with the North Korean nuclear crisis on his first foreign trip since his party's drubbing in legislative elections." US officials said "steps aimed at ending North Korea's nuclear weapons drive…are expected to be among key topics in both the APEC and [Bush's] bilateral meetings" with Russian President Vladimir Putin, Chinese President Hu Jintao, and Japanese Prime Minister Shinzo Abe.

NYTimes Urges "Full-Court Press" Against Iran. In an editorial, the New York Times (11/15, 1.16M) says Israeli Prime Minister Ehud Olmert "got what he wanted most out of his White House meeting with President Bush on Monday -- a reiteration of America's uncompromising bargaining position on the Iranian nuclear issue." However, the Times says, "Tough talk is fine, but not enough." Therefore, it argues that the "most effective response would be a full-court diplomatic press, combined with an escalating menu of international sanctions until Iran agrees to halt uranium enrichment. With the threat from Iran so clear, this is no time to invent more reasons for not talking to Syria."

Iran Says It Will Be "Fully Nuclear" Soon. This morning, the New York Times (11/15, Broad, Fathi, 1.16M) reports Iranian President Mahmoud Ahmadinejad declared yesterday that his country's nuclear program was "nearing an important milestone, even as international atomic inspectors reported that they had found unexplained traces of plutonium and that Tehran continued to be so uncooperative in answering questions that they had been unable to confirm earlier claims of progress." During a press conference, Ahmadinejad said, "I hope we can have our celebration of Iran's full nuclearization this year." Meanwhile, in its latest report on Iran's nuclear program, the International Atomic Energy Agency "said Tehran was moving ahead with its efforts to purify uranium while refusing to answer basic questions about its atomic program." The report also said inspectors had "recently found traces of yet another unexplained particle – plutonium -- on samples from containers at Karaj and was assessing a response from Tehran about its origin."

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ABC World News (11/14, story 3, 0:15, Gibson, 8.78M) also reported, "Nuclear experts have found unexplained traces of plutonium and highly-enriched uranium in a nuclear facility in Iran. Iran claims the substances are the by-products of peaceful nuclear activities." NBC Nightly News (11/14, story 4, 0:15, Williams, 9.87M) added, "Tehran is still enriching uranium and could thus be hiding much more while still stonewalling the inspections needing access."

The Washington Post/AP (11/15, A13, Jahn) reports US Ambassador to the UN, John Bolton, said Ahmadinejad's comments and the IAEA's latest discoveries "both demonstrate the urgency for the Security Council to act on Iran." He said sanctions were "obviously the only means to get Iran's attention." However, a senior UN official "cautioned against reading too much into the findings of traces of highly enriched uranium and plutonium, saying that Iran had explained both and that they could plausibly be classified as byproducts of peaceful nuclear activities." The Financial Times (11/15, Smyth) notes the State Department said Ahmadinejad's comments should represent "a cold jolt to the rest of the world."

The Los Angeles Times (11/15, Rubin, 850K) says IAEA inspectors are "reluctant to make any predictions about the speed with which Iran might move ahead" due to the "increasingly limited information about Iran's nuclear operations."

AFP (11/15, Williams) says the "Iranian show of defiance comes at an awkward time for the US administration as it comes under mounting pressure to involve Iran and its regional ally Syria in talks on stabilizing Iraq, after the drubbing its current policy received at the hands of voters in mid-term elections. President…Bush's spokesman rejected suggestions of a growing gap with his key Iraq ally British Prime Minister Tony Blair on dialogue with Iran after the two leaders gave evidence to a study group rethinking policy on Iraq."

Ahmadinejad Says Tehran Open To Talks If US "Corrects Its Behavior." The AP (11/15, Dareini) reports Ahmadinejad also said Tuesday that Iran would talk to the United States if it "corrects its behavior," but the White House "said there would be no discussions until Tehran took a more constructive role in the region." At a news conference, Ahmadinejad "did not spell out any other conditions for US-Iranian talks, but he accused the Bush administration of pursuing a foreign policy based on aggression, oppression, unilateralism and disrespect for other nations. Ahmadinejad did not define the scope of any talks with the United States, nor did he say that Iraq or the nuclear dispute would be on the agenda of such discussions." In Washington, NSC spokesman Gordon Johndroe responded to Ahmadinejad's comments, saying: "I don't think this is about a US attitude adjustment. The collective attitude of the world is that Iran needs to play a constructive role in the region, not meddle in Iraq and stop its enrichment activities."

Hamas Reiterates Refusal To Recognize Israel. The AP (11/15, Laub) reports Hamas Tuesday "insisted" it would not recognize Israel "even after a unity government takes power in the Palestinian territories, complicating efforts to form a more moderate coalition that would clear the way for vital foreign aid." However, the group suggested that the emerging coalition "would be free to stake out a different position, apparently hoping the ambiguity in its statements will allow it to preserve its anti-Israel ideology but loosen international sanctions that have crippled the Palestinian economy." In Washington, the AP notes that President Bush "called Egyptian President Hosni Mubarak…to discuss the latest developments," the Middle East News Agency reported.

US Confirms Quartet Will Meet In Cairo Wednesday. AFP (11/15) reports the State Department confirmed Tuesday that the so-called Quartet will meet in Cairo Wednesday to discuss efforts to revive negotiations between Israel and the Palestinians. Assistant Secretary McCormack said Assistant Secretary David Welch will represent Washington at the meeting with his counterparts from Russia, the European Union and the United Nations, however he stressed that the meeting "did not signal a major initiative" to break a months-long deadlock in peacemaking efforts but an opportunity to "take stock" of the situation. McCormack "also said the meeting was arranged before last week's US elections," instead insisting that "a lot of developments, a lot of different things are going on in the Middle East. We all thought this was an appropriate time for the envoys to get together." Welch is also expected to hold separate meetings with Egyptian officials before traveling to Amman for talks the Jordanians, McCormack said.

Egypt's Influence In The Region Seen As Waning. The Wall Street Journal (11/15, A4, Fam, 2.04M) reports, "As the White House considers recalibrating its Middle East strategy, an important ally's waning clout in the region underlines some of the challenges ahead: Egypt, which for decades has acted as peacemaker and behind-the-scenes political broker for the US in the Arab world, has seen its status ebb as Mideast dynamics have been shifting. The destabilization of Iraq, the ascent of the Palestinian militant group Hamas, last summer's war in Lebanon and Iran's resurgent influence have helped erode Cairo's traditional leading role in the region. Egypt remains a strong US ally, but its diminished authority, coupled with internal stagnation, have weakened Egypt's capacity to help the US navigate the region's dicey political waters." Meanwhile, the Journal says "others, such as Qatar, which is trying to carve out a role as mediator and regional heavyweight, have emerged. And

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pressure has increased on the Bush administration to reach out directly to Syria and Iran, which it has snubbed despite their undeniable influence in the region's trouble spots."

UN Report Says Somalis Fought With Hezbollah Against Israel. The New York Times (11/15, Worth, 1.16M) reports, "More than 700 Islamic militants from Somalia traveled to Lebanon in July to fight alongside Hezbollah in its war against Israel," according to a United Nations report that was disclosed on Monday. The militia provided training, weapons to the Islamic alliance "struggling for control of Somalia. In addition, Hezbollah "'arranged for additional support to be given' by Iran and Syria, including weapons," and "on July 27, 200 Somali fighters also traveled to Syria to be trained in guerrilla warfare." The panel "does not say how the information was obtained, but the members "had access to information from the intelligence agencies of the Security Council's 15 current members, including Britain, France, China, Russia and the United States." The report "recommends that the Security Council blockade Somalia," and "warns urgently against sending any peacekeepers to the country." The report is to be discussed Friday at the Security Council.

The Washington Post (11/15, A13, Lynch, 690K) says the UN report "asserts that a huge inflow of outside military assistance, in violation of a U.N. arms embargo, is contributing to the emergence of an alliance of militants called the Islamic Courts Union as the first Islamic government since the United States overthrew Afghanistan's Taliban in 2002." The "developments in Somalia represent a setback for the United States, which had sought to prevent the militants from taking power," but the report "provided no evidence to suggest that the United States provided clandestine support to anti-Islamic forces, as officials in Somalia's interim government have alleged." However, it did "underscore the degree to which the United States' chief Middle East rivals, Iran and Syria, and its allies, Saudi Arabia and Egypt, are prepared to challenge U.S. interests in East Africa."

Hezbollah Leader Criticizes Lebanese Cabinet. The Washington Post/AP (11/15, A14) reports Hezbollah's leader Hassan Nasrallah said yesterday "the radical Shiite Muslim group would continue efforts to replace the Lebanese government, saying the Western-backed cabinet had lost all credibility after six ministers resigned." Nasrallah's remarks came "a day after the government, defying the objections of President Emile Lahoud and the resignations of six ministers, approved a U.N. plan for an international tribunal to try suspected killers of former prime minister Rafiq al-Hariri, who died in a car bombing in February 2005 that has been widely blamed on Syria."

Lebanon Crisis Said To Need Multilateral Action. The Washington Post (11/15, A20, 690K) editorializes that the Lebanon crisis is "far from over," and that Hezbollah's threats could "easily lead to violence." That would "serve the interests of the increasingly radical Iran-Syria axis, which is attempting to prevent the spread of democracy in the Middle East, drive out the West and ultimately destroy Israel." The "response to this vicious campaign" should be that the Security Council "act swiftly to establish the tribunal and begin criminal proceedings," and "consider other actions against Syria, including sanctions, if Syria continues trying to block the formation of the tribunal and sponsoring political violence in Lebanon." Also, Security Council action against Iran for its refusal to suspend its nuclear program is long overdue; governments that are holding it up, beginning with Russia, must be forced to choose between supporting sanctions and breaking off strategic cooperation with the West." Until Iran and Syria are "made to pay a price for their attempts to radicalize the Middle East, they will have no incentive to rein in clients such as Hezbollah."

Arab Gunmen Kill Over 200 Chadian Villagers. The New York Times (11/15, Polgreen, 1.16M) reports, at least 220 Chadians "have been killed by roving groups of Arab gunmen in dozens of villages over the past 10 days, according to aid workers and human rights officials along Chad's troubled border with Sudan," and the attacks "to be the work of Arab militias from both sides of the Chad-Sudan border." NBC Nightly News (11/14, story 10, 3:00, Williams, 9.87M) also reported on the crisis, saying, "The Janjaweed, the Arab militia, aligned with the Sudanese government, has used rape as a weapon of war to ethnically cleanse Darfur and now eastern Chad of blacks." Most of these women "have been raped by Janjaweed soldiers," and "some by several men at a time."

Admiral Fallon Says Chinese Sub Risked Shootout. The Washington Times (11/15, Gertz, 88K) reports, "The Navy's top commander in the Pacific said yesterday that a Chinese submarine risked setting off a military confrontation by closely shadowing a U.S. aircraft carrier sailing near Japan." Adm. William Fallon's words were his "first public comments" on the matter. While Fallon "sought to play down the incident," he also "acknowledged that the submarine's unannounced surfacing so close to the carrier was risky and in other circumstances might have produced a shootout." Beijing "said it was unaware of the incident." The Times also says US officials "who are skeptical of closer military contacts say China has used [Sino-US] exchanges in the past to gather valuable war-fighting information from the visits."

US Files WTO Complaint Against EU On Airbus Rift. The Wall Street Journal (11/15, Miller, 2.04M) reports, "Adding to growing commercial woes at European aircraft

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maker Airbus," the US is "set to file a revised complaint as soon as today at the World Trade Organization against subsidies that European governments give the company," according to US trade officials. The EU yesterday said it would respond by "moving ahead with its own WTO complaint against U.S. government subsidies given to Boeing," and that the US move "to restart the case this week has taken them by surprise and ends the de facto truce." The EU also said "it will file its legal arguments around the beginning of next year," and "a panel of three WTO judges will start meeting in March and would likely issue a judgment next September.

Democrats Want "Open Skies" Reconsideration. The Financial Times (11/15, Cameron, Callan) reports, "The new Democratic leadership in Congress on Tuesday called for a rethink of plans to give overseas investors more say in the running of US airlines, dealing a potentially critical blow to efforts to forge a new transportation deal with the European Union." The "tentative transatlantic 'open skies' pact, has been left in limbo by fierce opposition in Congress to the parallel investment reforms," led by James Oberstar, the ranking Democrat on the House transportation and infrastructure committee. Oberstar is "set to take over the chairmanship of the committee in January, and reaffirmed his opposition" on Tuesday. The Department of Transportation "has insisted there are no plans to drop the proposed rule change."

UK Demands That Halliburton Remove KBR Float. The Financial Times (11/15, Boxell) reports, "Britain has made a last-minute demand that Halliburton, the US oil services group, withdraw the imminent flotation of its KBR subsidiary or face being stripped of its ownership of the Devonport naval dockyard." Halliburton was "not available for comment on Tuesday night," but a close source said "the float was likely to be priced today, in spite of the UK government warning." In its "emergency" filing to the US Security and Exchange Commission Tuesday morning, KBR said "the loss of Devonport could have a "material adverse effect on our future prospects, business, results of operations and cash".

The Wall Street Journal (11/15, C5, Gold, Gelsi, 2.04M) says Halliburton "delayed the initial public offering of its KBR Inc. engineering and government-contracting unit by one day after the British government warned it could take back control of a major shipyard that generates significant profit for the unit." In "a letter this week, the British Ministry of Defence sought to delay the IPO to determine whether the United Kingdom's strategic interests would be preserved by a stand-alone KBR." Halliburton "plans to separate KBR, first by offering a 20% stake through the IPO and then through a tax-free spinoff in coming months."

South African Government Approves Gay Marriages. The New York Times (11/15, LaFraniere, 1.16M) reports, "South Africa's Parliament overwhelmingly voted today to legalize same-sex marriages, making the nation the first in Africa and the fifth in the world to remove legal barriers to gay and lesbian unions." Religious groups and traditional leaders strenuously opposed the measure, arguing that if necessary the constitution should be amended to outlaw same-sex unions. But the ruling African National Congress virtually demanded that lawmakers support the bill. The Washington Post/AP (11/15, A15, Nullis) also reports the story.

Cuban Military's Economic Role Could Become Problematic. The Wall Street Journal (11/15, A1, De Córdoba, 2.04M) reports, "Today Cuban generals are applying capitalist tactics to try to improve bottom lines in businesses that range from growing beans to running hotels and airlines," and The University of Miami's Institute for Cuban and Cuban-American Studies "estimates that soldiers control more than 60% of the island's economy." The military's economic role "will likely become even more critical after the death of Fidel Castro," as Cuba could be "poised" to follow the "Chinese model" of liberalization. However, it has also "introduced a corrupting influence in the military that could worsen if the military's role expands further in a post-Fidel Cuba." Soldiers involved with foreign joint ventures, "who live far better than others in the military, are viewed by many officers with distrust and envy," and "unchecked juniors could become the kernel of semicriminal mafias that could dominate much of the economy if Cuba liberalizes its economy."

LATimes Says Carriles Should Be Tried In Court. The Los Angeles Times (11/15, 850K) editorializes, "It is time to bring Cuban terrorist Luis Posada Carriles to justice," as he "stands accused of conspiring to blow up a Cuban airliner in 1976, causing 73 deaths." To let him walk "would clearly be an outrage, and trying him in a US courtroom after refusing to hand him over to Venezuela would create a perception problem across Latin America." Washington "should broker a deal that allows Posada to be tried in a third country whose principled neutrality is not questioned in this case," and an alternative is that the US insists "that nations band together to fight the war on terror to sound hypocritically self-serving."

Mexico Asks US Congress To Suspend Deportation Of Illegal Immigrant Parents. The AP (11/15, Watson) reports, "Second-grader Saul Arellano, a U.S. citizen, appeared in Mexico's 500-member Chamber of

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Deputies to plead for help in lobbying Washington to stop the deportation of his mother, an illegal immigrant who has taken refuge in a Chicago church," and his efforts "paid off with a resolution calling on the U.S. Congress to suspend the deportation of Elvira Arellano and any other illegal immigrant parents of U.S. citizens." If the US agrees, it would "create a precedent that will benefit more than 4.9 million children who have been born in the United States and whose parents live under the threat of deportation," said Mexican congressman Jose Jacques. US officials say "there is no right to sanctuary in a church under U.S. law, and nothing to prevent them from arresting Elvira Arellano," and so far, "they have not moved to seize her."

China Urged To Become Environmental-Friendly. The New York Times (11/15, Thomas L. Friedman, 1.16M) writes in a column that China is "reaching its environmental limits," and if it "doesn't radically change to greener, more sustainable modes of design, transport, production and power generation, the Chinese miracle is going to turn into an eco-nightmare." China top leaders' response is "complicated by so many Chinese flooding from the countryside to cities," and in their view, "political stability depends on finding those people jobs, and jobs depend on growth, and growth depends on China continuing to be the low-cost producer of everything." Chinese officials "fear that if they move to U.S.-level green production and environmental cleanup," it's economy will be negatively affected.

WSJournal Notes Congressmen's Pressure Bangladesh. The Wall Street Journal (11/15, A18, 2.04M) editorializes that to defend Salah Uddin Shoaib Choudhury, editor of the Weekly Blitz, who was imprisoned for 17 months in Bangladesh for writing articles "friendly to Israel and critical of Islamic militants," Illinois Representative Mark Kirk and New York Democrat Nita Lowey "introduced a resolution demanding the charges be dropped." The Bangladeshi government, "that receives $64 million a year in American aid," might also consider that "the harm it claims Mr. Choudhury's journalism has done to its national 'image' has, in fact, been wholly self-inflicted." This came after "the offices of his newspaper were bombed and later overrun by a mob," and the "government continued to press the charges."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"By Whom The Toll Is Counted."
"Conservatives Wary Of Choice To Lead RNC."
"U.S. Troops Become Sleuths In Iraq Slaying Case."
"State's Cash Flood May Be Receding, Economists Fear."
"Sweet! Chocolate Helps The Heart, Study Says."

USA Today:
"'Guest Workers' Sue Companies Over Pay."
"NASCAR's Growth Slows After 15 Years In Fast Lane."
"Runway Incidents Rise For 2nd Year."

New York Times:
"Dozens Abducted in Brazen Raid on Iraq Ministry."
"Get Out Now? Not So Fast, Experts Say."
"Study Questions Angioplasty Use in Some Patients."
"Enter, Pariah: Now It's Hugs for Lieberman."
"As Guard Changes in Congress, Lobbyists Scramble."
"Officials Clash Over Mentally Ill in Florida Jails."

Washington Post:
"Reid to Be Senate Majority Leader."
"Up to 150 Kidnapped in Baghdad."
"Lame-Duck Texas Rep. Gets Down to Work Without DeLay."
"Fenty Scores Early Legislative Victory As Stadium Parking Plan Is Approved."
"Christian Faiths Move To Condemn Gay Sex."
"Amateur Videos Put Abuse in New Light."

Washington Times:
"House GOP Scrambles For Leader."
"Activist Rap News Test For Citizens."
"Consensus On Iraq Eludes Democrats."
"Vietnamese Activist Cite Curbs On Dissent."
"Admiral Says Sub Risked A Shootout."
"Big 3 Automakers Commit To Reducing Oil Dependence."
"IPod mania To take Flight In 2007."

Atlanta Journal-Constitution:
"Cherokee Targets Illegals' Landlords."
"Deal Opens Door To receive Lovejoy Commuter Mail."
"The Science Of The 'Right Stuff'
"Study: Late Angioplasty Won't Aid Some Heart Attack Patients."

Houston Chronicle:
"Will More Math, Science Classes Add Up?"
"Landlords Blast Illegal Immigrant Rule."
"Son, 7, Becomes Vocal Ally In Mom's Deportation Fight."
"Proud Fans rally Around Dynamo."
"Die-Hard Gamers Hope Play Station 3 IS Worth The Pause."

Story Lineup From Last Night's Network News:

ABC: Mass Kidnapping-Iraq; Iraq Insurgency-Analysis; ISG Speaks To Blair; Iraq-CBS News Poll; New Tax Strategy-Congress; Bush-Big Three Automakers; Heart Treatment; Elder Abuse–At Home; Presidential Campaign 2008; New Medical Treatments.

CBS: Mass Kidnapping-Iraq; Iraq Insurgency-Analysis; ISG Speaks To Blair; Iraq-CBS News Poll; New Tax Strategy-

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Congress; Bush-Big Three Automakers; Heart Treatment; Elder Abuse–At Home; Presidential Campaign 2008; New Medical Treatments

NBC: Mass kidnapping-Iraq; Mass Kidnapping-Iraq Analysis; ISG Speaks To Blair; Uranium Enrichment-Iran; Democratic Senate Leadership; Democratic House Leadership-Debate; American Auto Makers-In Trouble; Producer Price Index Decline; Stock Market; Darfur Crisis; Heart Treatment; Wall-Mart Cuts Prices; Honoring Injured Soldiers.

Story Lineup From This Morning's Radio News Broadcasts:

ABC: Iraq-Mass Kidnapping; Abizaid-Congressional Testimony; Iraq Study Group; Mississippi-Tornado; Arkansas-Flooding; Tropical Storm Sergio; Abramoff To Report To Prison.

NPR: Iraq-Car Bombing in Baghdad; Abizaid-Congressional Testimony; Colorado-Winter Storm Warming; Al Jazeera-English Language Channel; Tokyo Stock Market; Bush-Vietnam; House Of Representatives-Normalization Of Trade With Vietnam Rejected; Bush-Putin; Feinstein-49ers Name Dispute; Oakland A's-Fremont Move;

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Air Force One arrives in Moscow; greeting from Russian President Putin; Air Force One departs Moscow, enroute Singapore.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: 10:30 a.m. APPROPRIATIONS _ Legislative Branch Subcommittee. Oversight hearing on progress of the Capitol Visitor Center. Architect of the Capitol Alan Hantman; Bernard Ungar, GAO; Bernard Ungar, GAO; Robert Hixon of the visitor center project. Location: Room 138, Dirksen.

11 a.m. ENVIRONMENT AND PUBLIC WORKS _ Full Committee. Hearing on pending nominations. Location: Room SC-4, Capitol.

11:30 a.m. ARMED SERVICES _ Full committee. Hearing on the current situation and U.S. military operations in Iraq and Afghanistan. Gen. John P. Abizaid, commander, U.S. Central Command; David M. Satterfield, senior adviser to the secretary of State and coordinator for Iraq, Department of State. Location: Room 216, Hart. Notes: Portions of hearing will be closed.

2:30 p.m. ARMED SERVICES _ Full Committee. Hearing on the situation in Iraq and Afghanistan. Lt. Gen. Michael D. Maples, director, Defense Intelligence Agency; Gen. Michael V. Hayden, director, Central Intelligence Agency. Location: Room 216, Hart. Notes: After the open session, a CLOSED session will follow in Room 219, Hart Building. Note witness list changes.

2:30 p.m. ENERGY AND NATURAL RESOURCES _ Full Committee. Hearing on a report by a presidential task force on the status of Puerto Rico. Deputy Assistant Attorney General C. Kevin Marshall; Puerto Rico Gov. Anibal Acevedo Vila; delegate Luis Fortuno; Puerto Rican Senate Minority Leader Maria de Lourdes Santiago. Location: Room 106, Dirksen.

3 p.m. HEALTH, EDUCATION, LABOR AND PENSIONS _ Full Committee. Hearing on food safety. Robert Brackett, Director, Center for Food Safety and Applied Nutrition, FDA; Lonnie King, senior veterinarian, Centers for Disease Control and Prevention; Kevin Reilly, deputy director of prevention services, California Department of Health Services; Robert Whitaker, president, MissionStar Processing, Salinas, Calif.; Terri-Anne Crawford, vice president and chief operating officer, Franwell Inc., Plant City, Fla.; Jeff Palmer, president, DayMark Safety Systems, Bowling Green, Ohio; John Vazzana, president and CEO, Intralytix, Baltimore. Location: Room 430, Dirksen.

US House: FLOOR SCHEDULE _ 10 a.m. Meets for legislative business. Highlights: Suspensions (6 bills): 1) S. 101 - A bill to convey to the town of Frannie, Wyoming, certain land withdrawn by the Commissioner of Reclamation. 2) S. 4001 - New England Wilderness Act of 2006. 3) H.R. 5585 - Financial Netting Improvements Act of 2006. 4) H.R. 6321 - To provide a new effective date for the applicability of certain provisions of law to Public Law 105-331. 5) H.Res. 1078 - Congratulating the St. Louis Cardinals on winning the 2006 World Series. 6) H.J.Res. 100 - Making further continuing appropriations for the fiscal year 2007, and for other purposes.

10 a.m. JUDICIARY _ Crime, Terrorism and Homeland Security Subcommittee. Hearing on H.R. 5304, Preventing Harassment through Outbound Number Enforcement (PHONE) Act. Barry Sabin, deputy assistant attorney general; James Martin, president and founder, 60 Plus Association; Phil Kiko, committee staff. Location: Room 2141, Rayburn.

11 a.m. INTERNATIOLNAL RELATIONS _ Fuoll Committee. Hearing on North Korea's nuclear test. Undersecretary of State Nicholas Burns. Location: Room 2172, Rayburn.

2 p.m. JUDICIARY _ Immigration, Border Security and Claims Subcommittee. Hearing on the Energy Employees Occupational Illness Compensation Program Act. Location: Room 2141, Rayburn.

2:30 p.m. ARMED SERVICES _ full Committee. Hearing on operations in Iraq. David Satterfield, senior adviser to the Secretary of State and Coordinator for Iraq; Gen. John Abizaid, commander, U.S. Central Command. Location: Room 2118, Rayburn.

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3 p.m. HOMELAND SECURITY _ Management, Integration and Oversight Subcommittee. Hearing on the Secure Border Initiative. DHS Inspector General Richard L. Skinner; Deborah J. Spero; deputy commissioner, Customs and Border Protection, DHS; Gregory L. Giddens, director, Secure Border Initiative Program, DHS; Elaine Duke, chief procurement officer, DHS; Jerry W. McElwee, Boeing Advanced Systems; Brian Seagraves, Unisys; Tom Miiller, L-3 Services Group. Location: Room 311, Cannon.

Other: DEMOCRATIC ORIENTATION _ 8 a.m. House Democrats hold a breakfast and orientation for Democratic members-elect. Location: Room HC-9, Capitol. Notes: Closed Press. Stakeout in the Center Steps Hallway.

WAINSTEIN-WIRETAPPING _ 8 a.m. - 9 a.m. Kenneth Wainstein, recently confirmed as assistant attorney general for the National Security Division at the Department of Justice, will discuss the legal issues and challenges facing the division, such as dealing with a backlog of unprocessed applications for secret wiretapping and search warrants requested under the Foreign Intelligence Surveillance Act. Wainstein will make his comments at a breakfast meeting of the American Bar Association Committee on Law and National Security. Location: University Club, 1135 16th St. NW.

ARAB-ISRAELI _ 8 a.m. - 12:30 p.m. The Wilson International Center for Scholars holds a conference on U.S. policy regarding the Arab-Israeli conflict. Participants include Israqeli Knesset member Matan Vilnai, Palestinian Authority Executive Committee member Yasser Abed Rabbo, President Itamar Rabinovich of Tel Aviv University, others. Location: Flom Auditorium, 6th floor, Reagan Trade Center.

HOUSE REPUBLICANS _ 9 a.m. Closed meeting of the House GOP Conference. Location: Room HC-5, Capitol. Notes: No media comment expected. Stakeout in the Center Steps Hallway.

CUBA AID PROGRAMS _ 10:30 a.m. Rep. Jeff Flake, - Ariz., joins Rep. William Delahunt, D-Mass., for a press conference regarding the release of a report by the Government Accountability Office (GAO) detailing poor management and oversight of Cuba aid programs. Location: House Radio/TV Gallery, Large Studio, Room H-321.

BLOGS _ 11 a.m. The George Washington University Institute for Politics, Democracy and the Internet and Edelman present a panel discussion, ``Trends in Political Blogging: A Transatlantic Perspective - The Recent and Future Impact of Blogs on Policy and Politics." Location: 7th floor, 1957 E St. NW.

BLUE DOG COALITION _ 11 a.m. The Blue Dog Coalition holds a news conference to announce its new members for the 110th Congress and to announce its leadership for the new Congress. Location: Room 2220, Rayburn.

CHAO _ 11 a.m. Labor Secretary Chao holds an awards ceremony for companies and organizations promoting equal employment opportunity. Location: Great Hall, Labor Department.

MINORITY YOUTHS _ 11 a.m. The Joint Center for Political and Economic Studies Health Policy Institute holds a news conference to release the findings of the Dellums Commission, which has studied the challenges facing young men of color in America. Location: National Press Club.

RELIGIOUS VOTE _ 11 a.m. Sojourners/Call to Renewal holds a telephone briefing on a new exit poll on religious voting. Contacts: Colin Mathewson, 202-745-4625. Notes: Callin number: 800-658-0035; passcode: exit poll.

SCIENCE REPORT CARD _ 11 a.m. There will be a news briefing to release The Nations Report Card: Trial Urban District Assessment Science 2005, a publication of the U.S. Department of Education. This report highlights the achievement of fourth and eighth-grade students in 10 of the largest U.S. school districts that voluntarily participated in the National Assessment of Educational Progress (NAEP). Participating districts are Atlanta; Austin, Texas; Boston; Charlotte, N.C.; Chicago; Cleveland; Houston; Los Angeles; New York; and San Diego. Location: J.W. Marriott Hote, Salon D, Ballroom Level, 1331 Pennsylvania Ave. NW.

COURTS _ 12 p.m. The Center for American Progress holds a panel discussion concerning attacks on judicial independence, with former Rep. Bob Barr, Barry Friedman of New York University Law School, Dahlia Lithwick of Slate.com, and Caprice Roberts of West Virginia College of Law. Location: 10th floor, 1333 H St. NW.

PUBLIC ASSISTANCE _ 12 p.m. The New America Foundation holds a panel discussion changes to public assistance programs, with Amy Ellen Duke of the Center for Law and Social Policy, Leslie Parrish of the foundation, Dory Rand of the National Center on Poverty Law, others. Location: 7th floor, 1630 Connecticut Ave. NW.

NOTHAFT-HOUSING MARKET _ 12 p.m. - 1:30 p.m. Freddie Mac Chief Economist Frank Nothaft addresses a National Economists Club luncheon. Topic: ``The Housing and Mortgage Market Outlook: Soft Landing or Hard Fall?" Location: Chinatown Garden Restaurant, 618 H St. NW.

INDIANA-BAYH _ 2:30 p.m. Sen. Evan Bayh holds a news availability with the new Democratic House members from Indiana. Location: Room 463, Russell.

WOOLSEY-B'NAI B'RITH _ 4 p.m. - 6 p.m. Former CIA Director R. James Woolsey discusses his perspective on some of the most pressing issues of the 21st Century. Location: B'Nai B'Rith International Headquarters, 7th floor, 2020 K St. NW.

CANCER _ 7 p.m. Friends of Cancer Research holds an awards dinner honoring Sen. Arlen Specter, Acting FDA Commissioner Andrew von Eschenbach, Reps. John Dingell

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and Deborah Pryce, Sen. Diane Fesinstein, others. Location: Four Seasons Hotel, 2800 Pennsylvania Ave. NW.

WAL-MART _ 7 p.m. Sen. Barack Obama participates in a conference call sponsored by WakeupWalMart.com to ``put families first." Contacts: Buffy Wicks, 202-728-1801. Notes: Note separate time changes. Sen. John Edwards will participate in the conference call at 10 p.m. (cq). Call contact for details.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Justice Department's Brief On Detention Policy Draws Ire (WP)

By Dan Eggen
The Washington Post, November 15, 2006

DOJ_NMG_0094420

Critics of U.S. detention policies warned yesterday that a brief legal document filed by the Justice Department this week raises the possibility that any of the millions of immigrants living in the United States could be subject to indefinite detention if they are accused of ties to terrorist groups.

In a six-page motion filed in the U.S. Court of Appeals for the 4th Circuit in Richmond, Justice Department lawyers argue that an anti-terrorism law approved by Congress last month allows the government to detain any foreign national declared to be an enemy combatant, even if he is arrested and imprisoned inside the United States.

The government argues that a legal challenge by alleged al-Qaeda sleeper agent Ali Saleh Kahlah al-Marri should be dismissed because the former Bradley University graduate student has no standing in regular civilian courts. Under the new law, the Military Commissions Act, the Pentagon plans to place Marri into its new military trial system as soon as his criminal case is dismissed, according to the filing.

In the past, foreign nationals arrested in the United States have generally had the right to challenge their imprisonment for immigration violations or other alleged crimes in U.S. civilian courts. In the Marri case, the Justice Department essentially argues for an exception for those arrested as enemy combatants, legal experts said.

"It's been the case since the nation's founding that immigrants have a constitutional right to test their detention in a court," said one of Marri's attorneys, Jonathan Hafetz, of the Brennan Center for Justice at the New York University School of Law. "What it means is that any of the millions of immigrants in the United States could be arrested, taken from their homes and thrown in a military jail and denied their right to go to court."

Justice spokesman Brian Roehrkasse said in a statement that Marri attended an al-Qaeda training camp, met with the alleged mastermind of the Sept. 11, 2001, attacks, Khalid Sheikh Mohammed, and entered the country "to serve as an al Qaeda sleeper agent and to explore methods of disrupting the U.S. financial system.

"Enemy combatants are not entitled to preferential treatment merely because they have succeeded in entering our borders with the intent to harm American citizens or interests," Roehrkasse said.

Marri, a Qatari national, has been in a military brig in South Carolina since he was accused in June 2003 of being an al-Qaeda "sleeper" agent sent to the United States to stage attacks after the Sept. 11 attacks. Marri has filed a petition in federal court alleging that he is being jailed unlawfully and deprived of rights of due process. That claim was rejected by a district court and is on appeal.

Justice lawyers argue in their court filing that Marri "has been properly detained as an enemy combatant" and has not produced any evidence rebutting the government's allegations against him. The government makes no mention in the filing that Marri was arrested and imprisoned inside the territorial United States.

The distinction could prove important, because legal experts on both sides of the issue agree that the location of Marri's arrest and detention gives him an important legal advantage over detainees arrested overseas. About 435 such detainees are confined at the military prison at Guantanamo Bay, Cuba.

"It was pretty clear that they'd try to get his complaint dismissed," said Robert Chesney, a specialist in national security law at Wake Forest University. "What's different about al-Marri is that he's not just an enemy combatant at Gitmo; he's an enemy combatant captured and held in the U.S. . . . He may have a much stronger constitutional argument."

The provision of the military commissions act that stripped detainees of access to U.S. courts was approved by Congress last month and aimed primarily at Guantanamo Bay detainees, many of whom had filed legal challenges to their prolonged confinement. The new law provides for trials of enemy combatants before military panels instead of civilian judges or juries.

Douglas Kmiec, a Pepperdine University law professor who was a Justice Department official during the Ronald Reagan and George H.W. Bush administrations, said the Justice brief signals that this administration believes Congress has given it clear authority to declare foreign nationals as enemy combatants, wherever they are captured.

"It not only opens up the universe of people who may be subjected to these specialized procedures, but it does it emphatically with Congress's approval," Kmiec said. "It remains to be seen whether that changes the judicial dynamic."

Spin And Consequences (NYT)

The New York Times, November 15, 2006

DOJ_NMG_0094421

When President Bush announced in September that he was transferring 14 men suspected of heinous acts of terrorism to Guantánamo Bay, his aim was baldly political — to stampede Congress into passing a profoundly flawed law that set up military tribunals to try "illegal enemy combatants" and absolved U.S. officials of liability for illegally detaining and torturing prisoners.

But that cynical White House move may also have unintentionally provided the loose thread to unravel the secrecy and lawlessness that have cloaked the administration's handling of terrorism suspects.

For more than two years, the Central Intelligence Agency and the Justice Department have vigorously battled efforts to force the administration to account for the network of secret C.I.A. camps at which specially designated prisoners are hidden away. It has resisted a lawsuit by the American Civil Liberties Union that seeks the release of documents relating to prisoner policies, including the C.I.A. prisons. Government lawyers have argued that even admitting that some documents existed would endanger national security.

But when Mr. Bush announced that he was sending the 14 prisoners to Guantánamo for trial, he effectively confirmed the existence of the secret C.I.A. prisons. Later, in the debate over the Military Commissions Act of 2006, Mr. Bush said that Congress had to absolve C.I.A. agents of any legal responsibility for their actions so he could order them to go on interrogating prisoners.

That was a major blow to the C.I.A.'s legal strategy. After all, if the president could talk about the prisons and interrogations to suit his political interests, why couldn't they be discussed in court?

The Justice Department quietly reversed field after Mr. Bush's announcement, and it informed the A.C.L.U. in a letter last week that two of the documents the group has been seeking do, in fact, exist — although it is still refusing to release them.

One of those documents is a presidential order signed by Mr. Bush authorizing the C.I.A. to set up prisons outside the United States to house terrorism suspects. The other is a 2002 memo from the Justice Department outlining what sorts of "aggressive interrogation techniques" may be used against those prisoners. That phrase, we now know, is Bush administration code for acts that the rest of the world regards as abuse and even torture.

The government now has to file a detailed argument by the end of this month explaining why it believes these documents should not be made public.

Courts are sympathetic to legitimate claims of national security when it comes to intelligence and military operations. But the Bush administration has abused the courts' — and the nation's — trust in the indiscriminate way it has tried to hide its policies behind a supposed shield of national security. At the very least, it should now be much harder for government lawyers to do that.

It would be even better if the courts ultimately compelled the release of these and other documents. Americans have a right to know what standards their president has been applying to the treatment of prisoners. The nation's image is at stake, as well as the safety of every man and woman who is fighting Mr. Bush's so-called war on terror.

SuperMax Prison Is Super Lax, Court Cases Allege (CNN)

CNN.com, November 15, 2006

FLORENCE, Colorado (CNN) -- Two California court cases are raising questions about whether prisoners in the nation's toughest prison, SuperMax, are continuing to commit crimes by smuggling coded messages out of the high-security institution.

Officially known as Administrative Maximum (ADX) in Florence, Colorado, SuperMax is home to convicted terrorists such as Olympic bomber Eric Rudolph, Unabomber Ted Kaczynski and Ramzi Yousef, who led the first World Trade Center attack.

Even though he is serving a life term, Mexican Mafia leader Ruben "Nite Owl" Castro was indicted recently on conspiracy charges that accuse him of continuing to run 18th Street Gang drug sales on the streets of Los Angeles from his SuperMax cell.

Two leaders of the Aryan Brotherhood prison gang are to be sentenced next week in federal court in Santa Ana, California. They were convicted on conspiracy charges including instigating a murderous race war at another prison through a message smuggled out of SuperMax.

A report by the Justice Department's inspector general found the Bureau of Prisons "is unable to effectively monitor the mail of terrorist and other high-risk inmates in order to detect and prevent terrorism and criminal activities."

While that finding, issued in October, was aimed at the entire federal prison system, the report said SuperMax failed to monitor at least half of each month's inmate phone calls for the last year checked.

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The prison employees' union and local officials say the guard force at SuperMax is well below the number employed when the prison opened a dozen years ago, and it has sunk below the minimum manpower levels established a year ago.

The warden at SuperMax and top prisons officials in Washington declined CNN requests for an interview.

Colorado State Democratic Rep. Buffie McFadyen, whose Pueblo district includes SuperMax, said budget problems for the prison system have left the top-security facility short-changed and short-staffed.

Terrorists inside the prison could be plotting another attack without anyone knowing it, McFadyen said.

"Absolutely. Could happen, could happen," she said. "And that should be frightening for any citizen in the United States of America."

The two Aryan Brotherhood leaders, Barry Mills and Tyler Bingham, were convicted of smuggling out a message in invisible ink calling for a racial war against blacks at a prison in Pennsylvania.

Federal prosecutor Terri K. Flynn said of the message, "It was written in grapefruit juice. And pretty much, you write it in a Q-tip or toothpick, and then the back of it is heated up, and the message becomes visible."

Prosecutors asked for the death sentence for Mills and Bingham, but the jury deadlocked on that part of the case, and so both face automatic sentences next week of life without parole.

Mills already is serving a life sentence on a previous conviction.

So is Castro, who was convicted in another drug conspiracy case more than a decade ago. The latest federal indictment says he used coded letters, phone calls and his girlfriend's help to get messages out of SuperMax and that he supervised the collection of kickbacks on drug sales in his gang's territory just west of downtown Los Angeles.

No date has been set for his trial.

A recent ruling by a federal arbitrator said because of manpower problems at SuperMax, entire cell blocks were left without inside staffing for full shifts on a number of occasions. The doors are electronically controlled, however, and there is constant remote-control camera surveillance.

In addition, the arbitrator found, "Inmate cells were no longer being searched on a regular basis due to lack of staff."

The inspector general's report said, at times, the special investigators who are supposed to read inmate mail at SuperMax were pulled from their duties to fill vacancies in the cell block staffing.

The Justice Department inquiry was initiated when Spanish authorities found a SuperMax inmate, Mohammed Salameh, who rented the Ryder truck used in the first World Trade Center bombing in 1993, had been sending letters to a terror cell with links to suspects in the deadly 2004 Madrid train bombings.

Since then, SuperMax staffing has continued to drop, the prison union says. A decision on prison system funding is pending in Congress' current lame-duck session.

ACLU: Warrantless Surveillance Program Threatens Democracy (AP)

AP, November 15, 2006

CINCINNATI - Warrantless wiretaps that the government says are necessary to fight terrorism pose a threat to American democracy, the American Civil Liberties Union said in court papers filed Tuesday.

The ACLU is asking the 6th U.S. Circuit Court of Appeals to reinstate a lower court decision that said the Bush administration's warrantless surveillance program is unconstitutional.

President Bush has said the program is needed to detect terrorists. Opponents argue it oversteps constitutional boundaries on free speech, privacy and executive powers.

"The government's sweeping theory of executive power would allow the president to violate any law passed by Congress," the ACLU said. "This theory presents a profound threat to our democratic system.

"The government complains that the district court overreached, but it is the government's theory that is radical, not the district court's rejection of it."

The government argued in its brief filed last month that the surveillance program is necessary to protect the nation from an ongoing national security threat.

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U.S. District Judge Anna Diggs Taylor in Detroit ruled Aug. 17 that the program violates the rights to free speech and privacy and the separation of powers.

A three-judge panel of the Cincinnati-based appeals court ruled Oct. 4 that the administration could keep the program in place while it appeals Taylor's decision.

The surveillance program monitors international phone calls and e-mails to or from the United States involving people suspected by the government of having terrorist links. A secret court has been set up to grant warrants for such surveillance, but the government says it can't always wait for a court to act.

The ACLU filed a lawsuit in January seeking to stop the program on behalf of journalists, scholars and lawyers claiming it has made it difficult for them to do their jobs because they believe many of their overseas contacts are likely targets.

"The terrorist surveillance program is a critical tool that ensures we have in place an early warning system to detect and prevent a terrorist attack," said Justice Department spokesman Charles Miller.

"In the ongoing conflict with al-Qaida and its allies, the president has the primary duty under the Constitution to protect the American people. As we stated in our appeal, the Constitution gives the president the full authority necessary to carry out that solemn duty, and we believe the program is lawful and protects civil liberties."

Al-Arian Appeals Ruling That Forces His Testimony (AP)

AP, November 15, 2006

TAMPA -- A former Tampa college professor who pleaded guilty to aiding a Palestinian terrorist group has appealed a federal judge's ruling that forces him to testify before a grand jury in Virginia.

Attorneys for former University of South Florida professor Sami Al-Arian contend that the terms of his plea agreement freed him from further cooperation with the government.

They asked the 11th Circuit Court of Appeals on Monday to overturn a ruling by a Tampa federal judge forcing Al-Arian to testify in the grand jury investigation of the International Institute of Islamic Thought in Herndon, Va., which funded Al-Arian's Palestinian think tank in Tampa.

Al-Arian pleaded guilty in April to one count of aiding the Palestinian Islamic Jihad with nonviolent activities and was sentenced to 57 months in prison. Prosecutors had accused him of being an active member of the PIJ, but a six month trial last year failed to produce a guilty verdict.

When called before the grand jury in Alexandria, Va., on Oct. 19, Al-Arian refused to answer questions, prompting a prosecutor to suggest that a contempt order should be issued that could extend Al-Arian's prison sentence by 18 months.

Federal Judge Sentences Cuban Exiles On Weapons Charges (MH)

By Jay Weaver

The Miami Herald, November 15, 2006

Two longtime anti-Castro activists convicted of plotting to possess illegal weapons were sentenced to between three and four years in prison Tuesday in Fort Lauderdale federal court.

Santiago Alvarez, a wealthy Miami developer who has supported Cuban exile causes, must serve about four years in prison and pay a $10,000 fine. His colleague, Osvaldo Mitat, must serve three years but does not have to pay any fine.

Both men, who pleaded guilty in September on the eve of their high-stakes trial, avoided the possibility of imprisonment for the rest of their lives.

Alvarez, 65, and Mitat, 64, had cut plea deals on one count of conspiring to possess illegal weapons. The other charges, including possessing illegal weapons, were dropped. Those offenses, coupled with the conspiracy count, carried a maximum of 20 years in prison.

U.S. District Judge James Cohn, who imposed the sentences, had rejected bids by the pair's legal team to move the men's trial to Miami federal court and also opposed an 11th-hour proposal to include Cuban Americans from Miami-Dade County in the Broward County jury pool.

Cuban exile leaders, who view the two men as patriots in the long struggle to topple Cuba leader Fidel Castro, criticized those decisions and lamented the plea deals.

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Both men, who have been in custody for one year, were accused of conspiring to stash machine guns, firearms, a silencer and a grenade launcher in a Broward apartment complex that belonged to Alvarez. Both were ordered to forfeit those weapons as part of their sentencings.

U.S. government agents first learned about Alvarez in May 2005 when he helped Cuban exile militant Luis Posada Carriles emerge from hiding before his arrest for entering the country illegally. Posada, who has been implicated in various alleged terror attacks against Cuba, is still in federal custody in Texas.

The government's star witness in the Alvarez-Mitat prosecution was going to be an FBI informant identified as Gilberto Abascal. He allegedly transported the weapons from the Broward apartment building to Mitat in Miami -- tipping off agents from Alcohol, Tobacco and Firearms, Immigration and Customs Enforcement and the FBI.

The defendants' lawyers claimed Abascal was a spy for the Cuban government and the FBI. At trial, they had planned to show that Abascal set up his former friends, Alvarez and Mitat.

Federal prosecutors Jacqueline Arango and Randy Hummel had planned to blunt attacks on their witness by proving to jurors that the two defendants conspired to hide weapons in a storage facility at the Lauderhill complex.

Although they never accused the men of planning to use those firearms in an attack against the Cuban government, the prosecutors intended to introduce evidence that showed Alvarez had financed a failed 2001 incursion against Castro, among other paramilitary activities.

The defendants' high-powered legal team -- Robert Josefsberg, Kendall Coffey, Ben Kuehne, Arturo Hernandez and Peter Prieto -- was negotiating the plea deal with prosecutors until just before trial.

That deal, however, had been on the table for months. It took the threat of trial for both sides to reach a meeting of the minds.

Prominent Cuban Exile Gets Almost 4 Years In Prison In Arms Case (FLSUNSEN)

By Vanessa Blum, Sun-sentinel.com

South Florida Sun-Sentinel, November 15, 2006

FORT LAUDERDALE -- Prominent Cuban exile Santiago Alvarez was sentenced on Monday to almost four years in federal prison in a weapons case.

Alvarez recently admitted he illegally stashed weapons at a Lauderhill apartment complex and attempted to move them after federal authorities appeared at his office with a search warrant.

In addition to the 46 months prison sentence, U.S. District Court Judge James Cohn also ordered Alvarez, 65, to serve two years of probation and pay a $10,000 fine.

Alvarez's long-time pal and co-defendant, Osvaldo Mitat, 64, was sentenced to 3 years, 1 month in federal prison in the case to be followed by two years of probation. Mitat had also pleaded guilty in the case.

Defense attorneys argued that the two men in the case were patriots, not crooks.

But Cohn answered, "This court recognizes the ultimate objective and goal of Mr. Alvarez and Mr. Mitat has always been a free and democratic Cuba. This court does not question the altruistic motive here. However … we are a nation of laws."

Alvarez, a real-estate developer, and co-defendant Osvaldo Mitat recently pleaded guilty to a single conspiracy charge stemming from the Nov. 18 seizure of a white fishing cooler containing machine guns, numerous firearms with serial numbers removed, an unregistered silencer and a grenade launcher.

Prosecutors contended Alvarez and Mitat both staunch anti-Castro Cuban exiles, maintained caches of weapons, including one in the Bahamas, to use in attacks on Cuba.

According to a factual summary of the case agreed to Monday by both sides: Federal agents executed a search warrant on Alvarez's Hialeah office Nov. 18, after intercepting a parcel addressed to Alvarez containing counterfeit Guatemalan identification documents. As the search continued, Alvarez asked an employee to transport a cooler containing weapons from the Lauderhill apartment to a location in Miami, where Mitat would pick it up.

The employee, who was an FBI informant, tipped off agents to the exchange. Authorities arrested Mitat as he took possession of the weapons and arrested Alvarez later.

DOJ_NMG_0094425

Before his arrest, Alvarez was best known for his support of Cuban militant Luis Posada Carilles. Cuban and Venezuelan authorities accuse Posada of orchestrating the bombing of a Cuban airliner in 1976 that killed 73 people.

When Posada mysteriously arrived in Miami in 2005 after years in hiding, Alvarez acted as his chief spokesman and defender. Posada is in federal custody in El Paso, Texas, where he has been held since his arrest on immigration charges.

Anti-Castro Activist Gets 4 Years (AP)

By Curt Anderson, Associated Press Writer

AP, November 15, 2006

FORT LAUDERDALE, Fla. — A Cuban-American activist was sentenced Tuesday to nearly four years in prison for hiding military-style weapons in what prosecutors said was to be an attempt to overthrow the Cuban government.

U.S. District Judge James Cohn imposed a 46-month term on wealthy developer Santiago Alvarez, a key benefactor of jailed Cuban militant Luis Posada Carriles, for conspiring to possess arms including machine guns and a grenade launcher.

Osvaldo Mitat, an Alvarez employee, was sentenced to 37 months on the same count. Both will get credit for the year they have served.

Alvarez, 65, and Mitat, 64, pleaded guilty in September in a plea deal that included dismissal of five other criminal charges. They were arrested a year ago after an informant tipped off the FBI that a large marine cooler full of weapons was being moved from apartments in Broward County owned by Alvarez to Mitat in Miami.

A search at an apartment complex revealed more weapons and thousands of rounds of ammunition. Another arms cache was found in the Bahamas, including C-4 plastic explosives, that prosecutors said was linked to Alvarez.

Defense lawyers said attempts by exiles to bring freedom to Cuba were comparable to risks taken by heroes of the American Revolution and communist resistance figures such as Poland's Lech Walesa.

"That's why they did what they did. They are great patriots," attorney Robert Josefsberg said.

Cohn said that he recognized the men's goal was "a free and democratic Cuba" but that the serious nature of the crime demanded punishment.

"Nobody questions the underlying motives here," Cohn said. "However, as we all know, we are a nation of laws. Sanctions must be imposed."

Alvarez is a longtime associate of Posada, a former CIA operative accused by Cuba and Venezuela of masterminding the 1976 bombing of a Cuban airliner that killed 73 people. A judge has ruled that Posada, now in immigration custody in Texas, must be deported to a country other than those two, but the U.S. cannot find one willing to take him.

U.S. Attorney R. Alexander Acosta of Miami, who is also Cuban-American, declined to comment.

Bring The Cuban Terrorist To Justice (LAT)

The Los Angeles Times, November 15, 2006

IT IS TIME TO BRING Cuban terrorist Luis Posada Carriles to justice. Dithering on the part of the U.S. is leaving the nation open to charges of hypocrisy in the war on terror — specifically, to the charge that some forms of terrorism are more acceptable than others.

The 78-year-old Posada is lionized by hard-line anti-Castro Cuban exiles in Miami. He stands accused of conspiring to blow up a Cuban airliner in 1976, causing 73 deaths. He denies involvement, but newly declassified documents place him at planning sessions for the attack.

Posada has boasted of bombing hotels in Havana that resulted in one death and 11 injuries. In 2000, a Panamanian jury convicted Posada and three other terrorists of plotting to assassinate Cuban President Fidel Castro, and they were jailed. Outgoing Panamanian President Mireya Moscoso, however, pardoned the four — some believe as a favor to the White House.

A naturalized Venezuelan citizen, Posada was arrested in spring 2005 for entering the U.S. illegally. An immigration judge has since blocked his deportation to stand trial in either Venezuela or Cuba because of concerns about the fairness of any proceeding in those countries. The Bush administration now faces a choice between trying Posada in this country or setting him free in February.

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Letting him walk would clearly be an outrage, and trying him in a U.S. courtroom after refusing to hand him over to Venezuela would create a perception problem across Latin America. The State Department has approached a few countries to take Posada, but all have refused.

It isn't clear whether Spain is one of these nations, but the Socialist government of Jose Luis Rodriguez Zapatero should be encouraged to resolve this impasse. Madrid is a credible interlocutor between Washington and Latin America, and Spanish courts have a recent tradition — thanks in large measure to crusading magistrate Baltasar Garzon, who pursued former Chilean dictator Augusto Pinochet, among others — of aggressively taking on cases of universal jurisdiction.

Washington should broker a deal that allows Posada to be tried in a third country whose principled neutrality is not questioned in this case — even if it means upsetting some Cuban Americans in Miami or putting up with some embarrassing revelations about CIA activity among the exile community.

The alternative is for the U.S. insistence that nations band together to fight the war on terror to sound hypocritically self-serving.

12 Detainees Sue Rumsfeld In Germany, Citing Abuse (NYT)

By Mark Landler

The New York Times, November 15, 2006

FRANKFURT, Nov. 14 — A week after President Bush announced that Defense Secretary Donald H. Rumsfeld would resign, lawyers asked a German prosecutor to investigate Mr. Rumsfeld and other American officials for suspected war crimes stemming from the treatment of prisoners in military jails in Iraq and Cuba.

The lawsuit filed in Karlsruhe on Tuesday cites 11 other current and former American officials, including Attorney General Alberto R. Gonzales, who it says helped formulate legal reasoning legitimizing the use of torture.

The suit, filed by civil-rights legal groups on behalf of 12 detainees — 11 Iraqis and a Saudi — asserts that they were subjected to beatings, sleep deprivation, withholding of food and sexual humiliation.

With lawyers all but admitting they do not expect to see Mr. Rumsfeld hauled before a German court, the suit is as much about politics as it is about law. They hope to make an example of the man who helped engineer the war policy in Iraq, hounding him into private life with suits filed in other countries if Germany does not pursue the case.

"Even if we never put Rumsfeld on trial in a German court, he will be harassed and publicly stamped as a torturer," said Wolfgang Kaleck, a Berlin lawyer who filed the complaint along with the Center for Constitutional Rights, an American group, and other legal organizations.

Mr. Kaleck acknowledged that Germany would be reluctant to prosecute top American officials. But he described a protracted legal procedure, during which he said Mr. Rumsfeld might encounter trouble traveling to Germany or other European Union countries. The lawyers picked Germany in part because German law has the principle of universal jurisdiction, under which courts are entitled to prosecute people for war crimes regardless of where the crimes were committed.

The Pentagon is in the process of reviewing the filing, said a spokeswoman, Cynthia O. Smith. "We have no reason to believe the suit has merit," she said, adding that the allegations of abuse at the Abu Ghraib prison in Baghdad and at Guantánamo Bay, Cuba, had been reviewed by Congress and the courts.

The German prosecutor's office confirmed it had received the document and said it would begin reviewing it.

This is the second time lawyers have asked German prosecutors to investigate Mr. Rumsfeld in connection with accusations of war crimes. Prosecutors turned down a request in February 2005, saying the case would be better handled by United States prosecutors.

The lawyers contend that almost two years later, the United States has done nothing to investigate the role of senior Bush administration officials in the treatment of prisoners who are suspected terrorists.

Moreover, they contend, the Military Commissions Act, passed in September, will make it harder to prosecute American officials at home if charged with violating the Geneva Conventions because it is intended to provide retroactive immunity dating to the Sept. 11 attacks.

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"We've had two years of complete inaction by the Bush administration," said Kenneth Roth, the executive director of Human Rights Watch, which has expressed support for the case. "They've been very good at prosecuting lower-level officials, but done nothing to investigate high-level officials."

Among the others charged in the suit are John C. Yoo and Jay S. Bybee, two former Justice department lawyers who were integral in drafting the administration's legal arguments for treatment of suspected terrorists. It also cites George J. Tenet, the former director of the Central Intelligence Agency.

Janis L. Karpinski, who as a brigadier general commanded the military police unit at Abu Ghraib and was relieved of her command and demoted to colonel after the abuses came to light, has offered to testify. Ms. Karpinski, who was a defendant in the first lawsuit and has since left the Army Reserve, traveled to Berlin to offer to stand as a witness.

While the first lawsuit focused on Abu Ghraib, this one includes as a plaintiff Mohammed al-Qahtani, a Saudi who was arrested in Afghanistan months after American officials said he tried to meet some of the Sept. 11 hijackers. A lawyer for Mr. Qahtani, who is being held at Guantánamo Bay, says he was subjected to abuse authorized by Mr. Rumsfeld.

The lawyers said they also chose to file the suit in Germany for practical reasons. Several military officials implicated in the mistreatment at Abu Ghraib returned to bases in Germany and, if still here, could testify.

The lawsuit comes at an awkward time for Chancellor Angela Merkel, who has been trying to improve German-American relations.

Prosecuting high-level officials for war crimes in foreign countries has a patchy record, legal experts say. A Spanish judge was unable to win the extradition of Gen. Augusto Pinochet, the former Chilean dictator, to face trial for crimes against humanity. But General Pinochet was held in London, and upon return to Chile, he found himself under legal siege.

Henry A. Kissinger, a former secretary of state, has been sought for questioning by overseas courts about involvement with Latin American dictatorships in the 1970s.

"If I were Rumsfeld's travel agent, I would advise him to choose some other part of 'old Europe,' " said Detlev F. Vagts, emeritus professor of international law at Harvard Law School, referring to Mr. Rumsfeld's now famous poke at two wayward American allies, Germany and France. "There is some danger out there."

War Crimes Probe Sought For Rumsfeld (AP)

By Stephen Graham

AP, November 15, 2006

Lawyers for inmates of Iraq's Abu Ghraib prison and Guantanamo Bay asked German prosecutors Tuesday to open a war crimes investigation of outgoing Defense Secretary Donald H. Rumsfeld and other U.S. officials for their alleged roles in abuse at the detention centers.

Although the lawyers who filed the lawsuit acknowledged while there was little chance of seeing Rumsfeld in a German jail, the point was simply to increase the pressure on top brass they say are culpable. German federal prosecutors said they would examine the case.

"We are not expecting that Rumsfeld will appear in a court, but we are hoping investigators will begin looking into the case," said Wolfgang Kaleck, a German lawyer involved in the suit.

The 220-page lawsuit, which also names 13 other U.S. officials, was sent to federal prosecutors under a German law that allows the prosecution of war crimes regardless of where they were committed. It alleges that Rumsfeld personally ordered and condoned torture.

Bryan Whitman, a Pentagon spokesman, said U.S. officials had not seen the complaint, but said media reports suggested it was "frivolous."

"Abu Ghraib is something that the U.S. government has investigated very thoroughly," Whitman said, noting more than a dozen probes as well as congressional hearings. "The appropriate individuals have been held accountable."

Former U.S. Army Brig. Gen. Janis Karpinski, the one-time commander of all U.S. military prisons in Iraq, said she would testify against her superiors because only a handful of low-ranking soldiers have been convicted in the abuse at Baghdad's Abu Ghraib prison.

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Karpinski, who was relieved of her command and demoted to colonel last year, said she wanted to "be a voice for my soldiers."

"They were tried and convicted in the world court before they ever set foot in any courtroom ... while people who are far more culpable and responsible have walked away blameless," Karpinski said during a presentation of the case in Berlin.

There have been 11 convictions and about a dozen courts-martial in the United States related to Abu Ghraib.

The suit is brought on behalf of 12 alleged torture victims — 11 Iraqis held at Abu Ghraib and Mohamad al-Qahtani, a Saudi being held at the U.S. military prison in Guantanamo Bay, Cuba, who has been identified by the U.S. as a would-be participant in the Sept. 11, 2001, attacks.

Captured in December 2001 along the Afghanistan-Pakistan border, al-Qahtani would not crack under normal questioning, so Rumsfeld approved harsher methods, according to the testimony before Congress.

After FBI agents raised concerns, military investigators began reviewing the case and in July 2005 said they confirmed abusive and degrading treatment that included forcing al-Qahtani to wear a bra, dance with another man, stand naked in front of women, and behave like a dog. Still, the Pentagon determined "no torture occurred."

German prosecutors already declined to investigate a more limited lawsuit in 2005, arguing that it was up to the U.S. to hold any inquiry and that there were no indications U.S. authorities or courts would refrain from doing so.

Since then, there have been "no efforts in the United States to go up the chain of command — they've basically been given impunity from any investigation or prosecution," said Michael Ratner, president of New York's Center for Constitutional Rights, which is behind the litigation.

The attorneys think they have a better case this time, armed with documents from 2005 congressional hearings on the al-Qahtani case. They argue that Rumsfeld's resignation last week means prosecutors may be under less political pressure to avoid the case.

In addition to Rumsfeld, the suit names Attorney General Alberto Gonzales, former CIA director George Tenet, former commander of all U.S. forces in Iraq Lt. Gen. Ricardo Sanchez and eight others, alleging they either ordered, aided, or failed to prevent war crimes.

The lawyers said the case could not be brought with the International Criminal Court, because the United States is not a member, and could not be pursued through the U.N. because the U.S. has veto power.

Kaleck said the suit's backers would appeal if prosecutors refuse to take up the case, and raised the prospect of further attempts in other European countries.

Rumsfeld Probe Sought In Germany (WP/AP)

The Washington Post/AP, November 15, 2006

BERLIN, Nov. 14 -- Attorneys for inmates detained by the United States at Iraq's Abu Ghraib prison and at Guantanamo Bay, Cuba, asked German prosecutors Tuesday to open a war crimes investigation of outgoing Defense Secretary Donald H. Rumsfeld and other U.S. officials for their alleged roles in abuse at the detention centers.

"We are not expecting that Rumsfeld will appear in a court, but we are hoping investigators will begin looking into the case," said Wolfgang Kaleck, a German lawyer involved in the suit. German federal prosecutors said they would examine the case.

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Pentagon spokesman Bryan Whitman said U.S. officials had not seen the complaint but suggested that it was "frivolous."

Qaeda Leaders Losing Sway Over Militants, Study Finds (NYT)

By Mark Mazzetti

The New York Times, November 15, 2006

DOJ_NMG_0094429

WASHINGTON, Nov. 14 — As radical Islam spreads globally through online forums and chat rooms, a group of obscure Arab religious thinkers may come to exert more influence over the jihadist movement than Osama bin Laden and other well-known leaders of Al Qaeda, a research group at the United States Military Academy has concluded.

In a study billed as the "first systematic mapping" of an ideology sometimes called jihadism, the Combating Terrorism Center at West Point has found that Mr. bin Laden and his deputy, Ayman al-Zawahri, have had a relatively minor influence on the movement's intellectual foundation. Among the network's ideologists, they have come to be seen more as propagandists than strategic thinkers.

And while the two Qaeda leaders have released a flurry of video and audio messages to their followers over the past year, the study found that the scholarly work of a group of Saudi and Jordanian clerics — most notably Abu Muhammad al-Maqdisi, a Jordanian — seems more likely to influence the next generation of Islamic militants.

As a result, the authors found, the death or capture of Mr. bin Laden and Mr. Zawahri would do little to slow the spread of jihadist ideology.

"It would be a blow in terms of the emotional impact, but in terms of the larger movement that the foot soldiers are being recruited into, it wouldn't put much of a dent into it at all," said William McCants, the chief author of the new report, "The Militant Ideology Atlas."

The 382-page report, a kind of who's who of the global jihadist movement, examines the most influential and widely read texts among the thousands of tracts in Al Qaeda's online library, known as the Tawhed.

With the dismantling of the Qaeda hierarchy that existed on Sept. 11, 2001, and the diffusion of the jihadist movement into smaller, more localized cells, the Tawhed has gained new significance in helping to shape militant thought.

American officials say they fear that the next generation of terrorist attacks could be carried out not by militants trained in Al Qaeda camps but by fighters influenced by radical texts posted online.

"The radicalization process is occurring more quickly, more widely and more anonymously in the Internet age, raising the likelihood of surprise attacks by unknown groups whose members and supporters may be difficult to pinpoint," concluded a National Intelligence Estimate on global terrorism completed this year.

With the American military reorganizing to fight what could be a battle for decades against radical militants, the military academy has become one of the Pentagon's centers of research on counterterrorism and jihadist ideology. Although situated at West Point, the Combating Terrorism Center is an independent research group financed by private sources and the government.

The report found that radical Islam, sometimes called Salafism, is so deeply embedded in the Arab world that Salafis now constitute a "majority or significant portion" of the Muslim population in the Middle East and North Africa.

"Western governments have neither the local credibility nor the cultural expertise necessary to diminish the popularity of Salafism," the study found.

The report said most Salafis are not jihadis who are committed to violence, and some outside experts said the spread of radical ideology in cyberspace could lead to opportunities for Western efforts to exploit divisions within the movement.

Bruce Hoffman, a terrorism expert at Georgetown University and a senior fellow at the Combating Terrorism Center, said it was far too early to presume that Mr. bin Laden and Mr. Zawahri had lost all influence over a movement they helped build. At the same time, he said, the two men have recently been issuing what amount to policy statements that are unlikely to inspire legions of new followers.

"Bin Laden's message is well known," he said. "It is the deeper arguments that are bringing people into the movement."

Comerica To Close Muslim Charity's Accounts (AP)

AP, November 15, 2006

DETROIT (AP) — Comerica Bank plans to terminate on Wednesday the accounts of a Muslim charity in Southfield that was the focus of a federal raid two months ago, according to letters the bank sent charity officials.

The charity has checking accounts and uses Comerica services such as online banking. The organization has circulated millions of dollars through Comerica Bank over the past decade, said Life for Relief employee Mohammed Alomari.

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Kathy Pitton, a vice president with Comerica Bank, told the Detroit Free Press that the bank has the right to terminate any bank account with or without cause.

FBI agents assigned to a terrorism task force searched Life's Southfield offices on Sept. 18, seizing computer servers, donor records and other financial documents. They also searched the homes of the charity's chief executive, an ex-employee and two board members.

The FBI would not say what agents were looking for, but charity officials have said it might be related to relief work the group did in Iraq.

Three days after the raid, Life for Relief officials received a letter from Karen Davis at Comerica Bank, telling them "we are terminating our relationship with you."

"The reaction from the bank was cold," charity attorney Shereef Akeel said. "It's like a friend you know for many years who turns their back on you."

No charges have been brought in the case. Life has sought to reassure the Detroit area's Muslim community that it is legal to donate money to the organization, which was founded in 1992 by Iraqi immigrants.

PATRIOT ACT:

California Couple's Passion Brings On The Heat In N.C (RN&O)

By Andrea Weigl

Raleigh News & Observer, November 15, 2006

A California couple whose in-flight friskiness on the way to the Triangle was a bit much for the other passengers are facing federal charges for harassing the flight attendant who asked them to stop.

Carl Warren Persing and Dawn Elizabeth Sewell are scheduled to go to trial Dec. 11 at the federal courthouse in Wilmington for their behavior during a Sept. 15 flight. The indictment states that "the defendants repeatedly engaged in overt sexual activity in the cabin of the plane to such an extent that the flight attendant had to direct them to stop."

But Persing and Sewell wouldn't halt their public displays of affection, and Persing threatened the flight attendant who made the request and refused to serve them alcohol, according to the court records.

Efforts to reach Persing, of Lakewood, Calif., and Sewell, of Huntington Beach, Calif., were unsuccessful. Their defense lawyers did not return messages Monday.

It is unclear how often disruptive passengers are charged with crimes. The Federal Aviation Administration tracks only incidents involving unruly passengers that are reported by the flight crew and are not referred to law enforcement. There were 79 incidents this year as of Sept. 20 -- in comparison to last year's total of 203.

FBI special agent Michael Sutton wrote in an affidavit that Persing and Sewell were on a Southwest Airlines flight from Los Angeles to Raleigh-Durham International Airport with a stop in Phoenix. On the first leg of the trip, Persing and Sewell sat in separate rows, and Persing was served one alcoholic drink. From Phoenix to RDU, the pair sat next to each other.

While the plane was on the ground in Phoenix, the couple was kissing, embracing and "acting in a manner that made other passengers uncomfortable," Sutton wrote in his affidavit.

"Persing was observed nuzzling or kissing Sewell on the neck, and around the collarbone in the vicinity of her breast," Sutton wrote. Persing was also observed with his face pressed against Sewell's lap.

At first, the couple complied with a request from a flight attendant to stop their behavior. But they soon resumed during the flight. When asked again, according to Sutton's affidavit, Persing told the flight attendant: "I'm going to give you one warning to get out of my face."

Things deteriorated from there, according to Sutton's affidavit: The flight attendant refused to serve them alcohol. Persing called the flight attendant "a punk." Persing kept asking for alcohol. Sewell told the flight attendants that she worked for a lawyer and it was illegal not to serve alcohol to them. The flight attendant told them to stop asking for alcohol. Persing said, "You and I are gonna have some serious confrontation when we get off this plane."

When the couple got off the plane, law enforcement officials were waiting.

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Staff writer Andrea Weigl can be reached at 829-4848 or aweigl@newsobserver.com.

California Couple Faces Federal Charges For "Overt Sexual Activity" On Plane Flight (FINDLAW/AP)

AP, November 15, 2006

(AP) - RALEIGH, North Carolina-A California couple are facing federal charges after allegedly refusing to stop "overt sexual activity" on a flight to Raleigh.

Carl Warren Persing, of Lakewood, California, and Dawn Elizabeth Sewell, of Huntington Beach, California, were indicted on charges of interfering with flight crew members during their Sept. 15 Southwest Airlines flight from Los Angeles.

According to court documents, flight attendants saw Persing and Sewell kissing, embracing and "acting in a manner that made other passengers uncomfortable" while the plane was stopped in Phoenix.

A flight attendant asked them to stop. They obeyed initially but resumed the behavior during the flight from Phoenix to Raleigh, authorities said.

When the flight attendant again requested them to stop, Persing allegedly told the flight attendant: "I'm going to give you one warning to get out of my face."

Persing and Sewell continued the verbal harassment after a flight attendant refused to serve Persing alcohol, according to court documents.

Law enforcement officials were waiting for the couple when they arrived at Raleigh-Durham International Airport. Messages left by The Associated Press for Persing and Sewell's attorneys were not returned.

Mid-flight Sexual Play Lands US Couple Afoul Of Anti-terrorism Law (AFP)

AFP, November 15, 2006

WASHINGTON (AFP) - A couple's ill-concealed sexual play aboard a Southwest Airlines flight from Los Angeles got them charged with violating the Patriot Act, intended for terrorist acts, and could land them in jail for 20 years.

According to their indictment, Carl Persing and Dawn Sewell were allegedly snuggling and kissing inappropriately, "making other passengers uncomfortable," when a flight attendant asked them to stop.

"Persing was observed nuzzling or kissing Sewell on the neck, and ... with his face pressed against Sewell's vaginal area. During these actions, Sewell was observed smiling," reads the indictment filed by the Federal Bureau of Investigation.

On a second warning from the flight attendant, Persing snapped back threatening the flight attendant with "serious consequences" if he did not leave them alone.

The comment was enough to have the couple, both in their early 40s, arrested when the plane reached its destination in Raleigh, North Carolina, and charged with obstructing a flight attendant and with criminal association.

They have been placed under legal surveillance until their trial on February 5. If found guilty, they both could be sent to jail for up to 20 years.

Persing's lawyer William Peregoy said his client was not feeling well when he placed his head on his companion's lap, and that he only threatened the flight attendant with reporting him to his superiors on landing.

HOMELAND RESPONSE:

Pentagon Classifieds (WP)

By Al Kamen

The Washington Post, November 15, 2006

Ah, autumn. The crunch of leaves underfoot. Pigskin in the air. The quickening rhythm of Xerox machines pumping out r?sum?s. And nowhere in the administration are they pumping faster than at the Pentagon and the national security apparatus.

The buzz a couple of months back was that Gen. James Jones, chief of the European command, may be moving up to take over Centcom when Gen. John Abizaid retires at the end of this year. Then Abizaid, a civilian, would be able to be named

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director of national intelligence. The incumbent, John Negroponte, was said to be unhappy and itching to move to a diplomatic post, perhaps as deputy secretary of state.

Let's pause here to, in the best Rummy style, ask and answer our own questions: Why would Negroponte ever give up a Cabinet post for a deputyship? The answer: The diplo world is home, because he has served as ambassador to Honduras, Iraq, the Philippines and the United Nations. Also, being deputy to Secretary Condoleezza Rice wouldn't be so bad, because at heart she's a sharing person. Her former deputy, Robert Zoellick, had a huge portfolio, including China, Latin America, Southeast Asia and Sudan.

Anyway, that was said to be the plan until Jones decided he couldn't work with Donald Rumsfeld and declined the Centcom job. But the buzz has circled back now that Rumsfeld is headed out the door, although this time it's Lt. Gen. David Petraeus who's supposedly in the slot to replace Abizaid at year's end. Gen. Peter Chiarelli, now the No. 2 in Baghdad, is to replace Gen. George Casey when Casey returns to the Pentagon next year to become Army chief of staff.Bolton's 'Acting' Ability

The confirmation of John Bolton to be U.N. ambassador appears to be dead, but it's not over yet. There's still talk that the White House may try to copy the Clinton administration's sleight of hand of keeping unconfirmed Justice Department civil rights chief Bill Lann Lee on as an unconfirmed acting chief.

In this variation, Bolton would be put in a U.N. job that doesn't require confirmation. Then he would be named acting ambassador. But there's doubt that this could be squared with the language of the Federal Vacancies Reform Act.

If the U.N. move won't fly, there's talk that Bolton could become deputy national security adviser if J.D. Crouch decides to move.

Senate To Take Up Biological Threats (WP)

By Renae Merle

The Washington Post, November 15, 2006

The Senate is moving to take up legislation as soon as this week revamping a struggling multibillion-dollar effort to counter bioterrorism threats with a national stockpile of new vaccines and other drugs.

The legislation creates a central authority within the Health and Human Services Department to manage the effort, sets aside an additional $1 billion for research and gives the federal government the flexibility to provide cash infusions to the small firms doing most of the work.

Supporters of the bill, which is more than a year in the making, are cautiously optimistic that it will pass. Sen. Harry M. Reid (D-Nev.), who is slated to take over as majority leader, listed it among his priorities for Congress's lame-duck session.

"From a policy standpoint, there is nobody shooting at it," said Sen. Richard Burr (R-N.C.), one of the bill's sponsors.

If passed, the legislation would have to be reconciled with the House version, which was passed in September. The initiative is intended to salvage the Bush administration's Project BioShield, a $5.6 billion program to counter biological and radioactive weapons.

The two-year effort has been marked by delays and operational problems. Some companies, for example, have floundered as they conducted research and testing because the bulk of government payments typically do not arrive until firms are ready to produce approved drugs.

Meanwhile, Project BioShield's most significant investment, a nearly $1 billion effort by VaxGen Inc. to develop an anthrax vaccine, is in limbo after the Food and Drug Administration refused to let the company conduct human tests and Health and Human Services threatened to end the company's contract.

Project BioShield "didn't work because a majority of the companies choose not to participate and the ones that did, they were not financed through the valley of death," Burr said.

The new legislation aims to correct those problems, but it still may face some questions. Sen. Patty Murray (D-Wash.), who said she supports the intent of the bill, nonetheless raised safety concerns.

"We need to debate compensating those who may suffer adversely from new vaccines or treatments and expand protections for high risk populations like children, pregnant women, and the elderly," Murray said in a statement.

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Under the current proposal, the bill would create the Biomedical Advanced Research and Development Authority to oversee the effort. The bill also attempts to pump more government money into the private market sooner. Under current law, participating companies are not paid until they deliver the drugs, even though Health and Human Services has the authority to give companies a 10 percent prepayment, which would have to be repaid if the company failed to deliver the product. But the agency has never exercised that option.

The legislation would speed up the development cycle by allowing Health and Human Services to pay companies up to 5 percent of the value of their contract when they reach certain milestones, providing them with a welcome cash infusion. The Senate version would also allocate $1 billion over three years for research not funded by a Project BioShield contract or the National Institutes of Health. The House version of the legislation sets aside $160 million per year for two years.

"The federal government is now their venture capital partner," Burr said.

Lance Ignon, VaxGen's vice president for corporate affairs, applauded the notion of the government playing a larger role in sharing the financial risk. Under the current program, "we have all of the financial risk," he said.

The change would not be a "panacea" in VaxGen's case, he said, but could be helpful to the company and the industry in general.

"The success of our nation's bio-defense effort will rest in large measure on the ability to form true partnerships between government and industry based on mutual respect," Ignon said. That includes an "understanding of the almost inevitable setbacks one encounters in drug development."

A National Priority (WP)

The Washington Post, November 15, 2006

EVEN BEFORE Sept. 11, 2001, emergency care specialists at Washington Hospital Center had been developing plans to better deal with the medical consequences of horrific events such as terrorism, disasters and epidemics. The result -- an emergency facility able to cope with catastrophe -- will become a reality only if Congress funds a project that is vital to the Washington area and important to the entire country.

To its credit, the Senate, with the support of the Bush administration, has included $15 million in a 2007 appropriations bill to start the project's construction. Called ER One, the facility would in normal times provide badly needed emergency treatment to people in the District and the surrounding region and, in the event of a mass disaster, could expand its treatment areas to handle 10 times the regular number of patients. Equally important, the facility was designed to take into account new medical challenges posed by terrorism and emerging diseases. An outbreak of smallpox, the impact of a "dirty bomb" or contagion from severe acute respiratory syndrome (SARS) are more than just theoretical possibilities for a hospital that treated the victims of the Sept. 11 attack on the Pentagon as well as the 2001 anthrax scare.

The importance of the facility to the Washington area -- home to the federal government and by any measure at high risk for attack -- is clear. Five years after Sept. 11, the area is simply not prepared as it should be to handle disaster. The facility also would serve as a prototype, providing valuable resources and lessons in emergency care. Already, health-care professionals from other parts of the country have incorporated concepts from ER One into their own operations.

Now is the time of reckoning for the project. Washington Hospital Center, which provides more acute care than any other hospital in the region, is operating out of badly outmoded and cramped emergency facilities. If federal money is not forthcoming, hospital officials said, they will have no choice but to build a facility with the money on hand. Eventually, $100 million will be needed for ER One, with the hospital providing some $25 million. Some House members are concerned that state formula funding would be used to pay the federal share, and there's a chance Congress will leave town without reaching any spending agreement.

In many respects, planners of ER One imagined the unimaginable as they developed specialized equipment and patient protocols. What's really unimaginable is not acting now to secure the nation's capital.

FEMA Emergency Homes Go To Waste (LAT)

By Ann M. Simmons

The Los Angeles Times, November 15, 2006

DOJ_NMG_0094434

NEW ORLEANS — Hundreds of modular homes purchased by the Federal Emergency Management Agency for people left homeless by hurricanes Katrina and Rita were damaged beyond repair while in storage because they were not properly protected, according to a government report.

Units worth a total ranging from $3 million to $4 million will have to be written off, Homeland Security Inspector General Richard L. Skinner writes in a report to FEMA Director R. David Paulison.

Most of the homes were at an Army depot in Texarkana, Texas, where intense heat and rain had destroyed tarps covering the units. Cardboard containers holding toilets and fittings had deteriorated in the weather and caused the frames and wood of some components to warp, Skinner wrote.

In the future, FEMA should "only order modular housing units if their potential uses have been clearly identified and storage sites are available that provide adequate protection," Skinner advised.

"Given that some modular home units are designed to be assembled soon after they are received … many modular home units are questionable choices for emergency housing," the report said.

But in his annual performance plan for 2007, which was released Monday, Skinner said that because of the lack of alternative housing in the Gulf Coast region, some transitional housing sites might end up becoming permanent.

And since some of these communities were plagued by violence, drugs and gang activity, the situation was "a recipe for human tragedy and a brewing public relations nightmare" for FEMA and Homeland Security.

Aaron Walker, a FEMA spokesman, said the agency took evaluations and proposals of the inspector general "very seriously" and, with the help of congressional funds, FEMA was investigating "alternative temporary housing solutions."

Life Is Complicated At Louisiana School (NYT)

By Jeré Longman

The New York Times, November 15, 2006

PORT SULPHUR, La., Nov. 14 — A handshake seemed inadequate after such a startling turnaround for South Plaquemines High School, so fullback Keven Smith kissed Coach Cyril Crutchfield on the cheek. Then he kissed quarterback Ridge Turner. Other players poured a cooler of water over Crutchfield's head, and fans hoisted him on their shoulders. Far from home, they staked claim to the victor's territory by chanting: "Whose field? Crutchfield!"

Defeat seemed inevitable as the Class 2A playoffs opened last Friday night, with South Plaquemines trailing by 27-6 in the first quarter and by 34-12 in the third. But the team rallied in a downpour as Turner rushed for three touchdowns and threw for a pair. As lightning spidered across the sky ahead of a cold front, the Hurricanes stunned host Pickering High, 40-36, in the piney woods of central Louisiana.

It was a rousing victory for newly formed South Plaquemines and a testament to the resiliency of its students and supporters from the hurricane-shattered communities of Port Sulphur, Buras and Boothville-Venice in lower Plaquemines Parish.

"Call everybody!" screamed Andria Barthelemy, whose son, Lorne, is a seventh-grade lineman. "Call the White House!"

Yet nothing is uncomplicated these days for the residents of lower Plaquemines. On the six-hour ride home, the team stopped at a McDonald's to celebrate, only to discover that someone had apparently broken into the visitors' locker room during the game and had stolen cash, a DVD player, even one player's sneakers.

Fourteen months earlier, Hurricane Katrina had destroyed the players' homes, their possessions, their former schools and their football seasons. Now someone had swiped their spending money. In what seemed a perverse joke, Smith said a $20 bill had been removed from his wallet and replaced with a single dollar.

"With the baby coming, I need all the money I can get," said Smith, whose girlfriend is pregnant.

South Plaquemines (5-6) will play Clinton (9-2) on Friday in the Round of 16 here at home, for only the second time this season. Some fans have scheduled the day off from work. Tailgating will start in early afternoon. But sometime over the next four weeks, the season will end and playoff euphoria will be replaced anew by uncertainty in the halting recovery from Katrina.

More than a year after the storm, Smith still lives in a 7-by-27-foot FEMA trailer with seven other relatives. He sleeps in a bed with his father. His mother sleeps on a fold-out sofa, while his sister and her four children take the bunk beds and a mattress fashioned from cushions and the kitchen table.

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When he needs privacy to study, Smith leaves the trailer to read by the dome lights of his father's pickup truck.

"Peace and quiet, that's something you don't really get in the house," Smith said.

Otherwise, he said, he does not venture outside much in the FEMA trailer park in Oakville, 30 miles from school.

"Nothing but trouble outside," Smith said. "Drugs. I don't get down with that."

Before the hurricane, his family lived in a trailer in rural Boothville, a hub of the fishing and oil and gas industries. His grandmother, an uncle and several aunts lived in the same enclave. School was a five-minute walk, and he could hunt rabbits in the backyard. His father, Norman, a crane operator, owned a trawler and shrimped in his spare time.

"The boat was the wife; I was the girlfriend," Smith's mother, Veronia Jones-Smith, a custodian, said with a laugh.

The family has secured a loan from the Small Business Administration to buy a double-wide trailer and hopes to return to Boothville by January. Even so, Keven said he worried about his parents, who have high blood pressure. He worries especially about his mother and the stress of caring for grandchildren, ages 13, 11, 6 and 4, in such a cramped space.

"I tell her to calm down; she's about to catch a heart attack," Smith said.

At 18, he will soon have his own child-rearing responsibilities. His girlfriend, Whitney Allen, 16, is due to give birth in January to a son he plans to name Keven Jr. He and Allen met after Katrina, having evacuated to Lafayette, La., two teenagers running from the storm into unintended consequence.

"Sometimes I feel old," Smith said.

This is not how he expected to spend his senior season, putting baby beds and strollers on layaway, saving money that his mother gives him for football trips and hunting for dollar-store bargains on diapers and baby clothes.

"I love my son and he's not even here yet," Smith said. And yet, he added: "Sometimes, at home, I'll be thinking, What if I hadn't gotten her pregnant? I wonder how different it would be. Or would it be different?"

His first response, he said, was shock: "What am I going to do with a son?" His parents were disappointed, he said, but "not mad enough to put me out."

Instead, they told him, "It's time to be a man and take care of your responsibility."

Smith began speaking with Julie Butler, who teaches classes in adult responsibility at South Plaquemines. Teenage pregnancy is a problem here, school officials said, where many students are from low socioeconomic backgrounds. At least four girls are pregnant or have given birth recently, officials said. Smith's best friend on the team, Warren Mayes, a senior defensive end, is the father of a 10-month-old son.

"The educational level of many parents is no higher than high school, so education isn't stressed," Butler said. "Kids are raising kids, who are raising kids. With Keven, I'm hoping he'll break the cycle."

She has assisted Smith as he seeks financial aid for college or trade school. He hopes to become a licensed practical nurse and, eventually, a registered nurse. He said he planned to propose to Allen, who attends high school in New Orleans, on Jan. 3, their first anniversary. College football is a dream likely deferred, perhaps now beyond his reach. He is not even sure if he will play basketball at South Plaquemines.

"If my responsibilities tell me otherwise, I've got to do otherwise," he said.

His senior football season has been one of jarring interruption. During the opener, Smith talked back after Crutchfield reprimanded him and was suspended for a week. Smith then quit the team. He said he looked for a job to prepare for the birth of his son. After sitting out four games, though, he began to miss football and his teammates, who were struggling through a 1-4 start.

"I thought I had let my dawgs down," Smith said of his teammates. "I felt they needed me."

His mother told him not to worry about a job right away. Even with the complications of pending fatherhood, she wanted him to enjoy his senior year. "We'll work it out," she said.

Smith apologized to Crutchfield, and the coach reinstated him.

"He was so respectful; it really touched me," Crutchfield said.

Upon his return, Smith switched from defensive end to fullback, and at 5 feet 6 inches and 210 pounds, he proved to be a powerful runner. If Jerome Bettis, retired from the Pittsburgh Steelers, was the Bus, then Smith was the Minibus. Then he got a pair of flat tires.

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After scoring three touchdowns in the league championship game on Oct. 20, Smith sprained his left ankle. A week later, in the regular-season finale, he was hit in the end zone as he scored and flipped the ball to the referee, straining a tendon in his right ankle. He has been slow to recover. South Plaquemines lacks an athletic trainer, and the nearest orthopedic clinic is 40 miles away in New Orleans.

Last Friday, Smith had his ankles taped and swallowed a few pain-relief pills, but he began the playoff game on the bench. "I can't cut," he said glumly.

With South Plaquemines trailing by 27-12 at halftime, he decided to test his tender ankles. "The adrenaline's flowing," Smith said as he jogged onto the field. "I don't feel anything."

He carried the ball several times, bulling ahead for a first down, but his mobility was restricted and he returned to the sideline. Inexorably, the Hurricanes began their revival. Turner threw for a 26-yard touchdown, then zigzagged into the end zone from 17 yards and 19 yards, drawing South Plaquemines to 34-32 early in the fourth quarter.

Lightning lighted the sky like an X-ray, thunder crackled and fat drops of rain began to splatter, sending fans running for cover at a concession stand. The South Plaquemines players began running, too, but they were whooping and hollering and bounding expectantly along the sideline.

Once a ruinous threat, bad weather was now a playoff talisman. Four days earlier, a rainstorm inspired the most spirited practice of the season. Yet another storm arrived during this improbable comeback.

"Hurricane weather!" Smith and others yelled.

"Wash 'em out, 'Canes, wash 'em out!" the cheerleaders chanted.

With 6 minutes 12 seconds remaining, South Plaquemines took a tenuous 40-34 lead on a pinballing 2-yard run by James Brown. Later, guard Dwayne Ancar came out with a throbbing headache and lay facedown on a runway near the stadium track. While others shouted encouragement, he found the gathering noise excruciating and screamed, "Shut up, I have a migraine!"

The slippery ball kept wriggling free from players on both teams. Pinned near their end zone, the Hurricanes took a deliberate safety. Pickering threatened but fumbled again, and South Plaquemines secured the ball and the victory.

"A hurricane hit tonight!" someone shouted in the jubilant locker room. "Category 5," linebacker Trey Stewart said. The season will soon end, and, ultimately, education, not football, will most likely map the future of teenage fathers like Smith, Butler said. With only a high school diploma, she said, Smith and others risk tumbling into welfare or getting a base-pay job with the parish, $14,000 to $17,000 a year, hardly enough to raise a family.

"Keven's a bright kid, one that makes you glad to come to work," Butler said. "He knows what he doesn't want to happen. As long as he believes in himself as much as we believe in him, he will make it. Sometimes, it's hard for kids to look up at the big picture when they're always looking down, trying to get over one hurdle or the next."

WAR NEWS:

Bush Initiates Iraq Policy Review Separate From Baker Group's (WP)

By Robin Wright

The Washington Post, November 15, 2006

President Bush formally launched a sweeping internal review of Iraq policy yesterday, pulling together studies underway by various government agencies, according to U.S. officials.

The initiative, begun after Bush met at the White House with his foreign policy team, parallels the effort by the bipartisan Iraq Study Group to salvage U.S. policy in Iraq, develop an exit strategy and protect long-term U.S. interests in the region. The two reviews are not competitive, administration officials said, although the White House wants to complete the process before mid-December, about the time the Iraq Study Group's final report is expected.

The White House's decision changes the dynamics of what happens next to U.S. policy deliberations. The administration will have its own working document as well as recommendations from an independent bipartisan commission to consider as it struggles to prevent further deterioration in Iraq.

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"The president has asked all his national security agencies to assess the situation in Iraq, review the options and recommend the best way forward. The ISG report will be duly considered, and we look forward to their recommendations, as the president has always said," a White House official said, speaking on the condition of anonymity because the new initiative has not been announced. "The president indicated Monday that he is interested in hearing interesting ideas both within his administration and from the Baker-Hamilton commission."

The White House review could give the administration alternatives so that it feels less pressure to fully implement the recommendations of the Iraq Study Group report, foreign policy experts said.

Bush made the decision after his national security team held secret meetings Friday and Saturday to discuss the disparate efforts inside the administration and the implications for Iraq after the Republican defeat in the midterm elections. Further informal meetings were held Monday before yesterday's decision, officials said.

The administration said its review is not a response to the imminent report of the study group, which is led by James A. Baker III, who was secretary of state under George H.W. Bush, and Lee H. Hamilton, a Democrat and former chairman of what is now the House International Relations Committee. The group wrapped up months of hearings yesterday by interviewing three Democratic policymakers: former secretary of state Warren Christopher, former national security adviser Samuel R. "Sandy" Berger and former U.N. ambassador Richard C. Holbrooke. The panel's members, gathered at the White House, also spoke yesterday by videoconference with British Prime Minister Tony Blair.

Blair, in London, told the panel that the most decisive steps the United States can take to end Iraq's violence would be working for an end to the Israeli-Palestinian conflict and helping Iraq's fragile government improve its army, end sectarianism within its security forces and distribute revenue more fairly across the country, according to Blair's spokesman.

The panel of five Democrats and five Republicans is to hold one more meeting today before drafters begin pulling together the first version of a report, according to a spokesman for the U.S. Institute of Peace, which is running the commission. The panel may meet again to review and discuss the draft. The goal is broad consensus.

The administration's new review "was not done in response to the ISG, but it came about as a result of everybody looking at facts on the ground," a State Department official said. But the administration is basically trying to do in one month what the ISG has done over eight months.

The review will knit together separate efforts that have been underway at the State Department and the Pentagon over the past six weeks, U.S. officials said. It will also include reports by the CIA and the National Security Council. National Security Adviser Stephen J. Hadley will oversee the expedited review and integrate the various papers, officials said.

In a measure of the suddenness and importance of the review, Secretary of State Condoleezza Rice this week postponed a long-planned trip to an Asia-Pacific conference in Vietnam to take part in discussions about Iraq.

Rice has been doing "a lot of thinking" about the issue over the past two months, State Department spokesman Sean McCormack said yesterday. "The primary focus is on the State Department's role in Iraq and are we pursuing the proper policies, are we seeking the right objectives, are we using the right means to achieve those objectives, following the right strategies and right tactics?" he told reporters.

Rice's trip to Baghdad last month was a turning point in her thinking, officials said.

One component of the larger effort is likely to be a military review initiated in mid-September by Marine Gen. Peter Pace, chairman of the joint chiefs of staff. His assessment of U.S. anti-terrorism efforts, with a core focus on Iraq, includes 16 top commanders meeting daily to brainstorm on questions such as "Where are we going? What are we trying to do? Are we going to get there this way?" according to a joint staff spokesperson.

"Nothing is off the table. They are looking at the whole spectrum of less forces, more forces," a senior defense official said. But the military is keeping close control over its review, which "is completely separate from the Iraq Study Group and not connected with any political effort that might also be going on. This is the chairman's. . . . There is no intent for it to be folded in or incorporated in someone else's bigger product," the joint staff spokesperson said.

The administration's policy review comes almost a year after it issued a 38-page "National Strategy for Victory in Iraq," released with much fanfare Nov. 30, 2005. It outlined the "eight pillars" for victory, which included defeating terrorists, moving toward military self-reliance, improving the rule of law, increasing international support and strengthening the economy.

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Iraq Panel Unlikely To End Debate On War (NYT/AP)

By The Associated Press

The New York Times, November 15, 2006

Filed at 3:03 p.m. ET

WASHINGTON (AP) -- Bitterly divided on Iraq, lawmakers in both parties are eagerly awaiting recommendations from an advisory group led by Republican and Bush family friend James A. Baker III and former Democratic Rep. Lee Hamilton.

But even if the bipartisan Iraq Study Group is able to forge a consensus on how to deal with Iraq -- a prospect that remains unclear -- the panel is unlikely to offer a solution so groundbreaking it will stave off a brewing partisan feud.

Sen. Carl Levin, D-Mich., who is in line to be the chairman next year of the Senate Armed Services Committee, said Monday the Bush administration didn't see that "we're getting deeper and deeper into a hole" in Iraq.

Two options under discussion at one point by the study group -- greater cooperation with Iran and Syria, and a phased withdrawal of U.S. troops -- would require a major policy shift by the Bush administration.

Republicans oppose setting any type of timetable for withdrawal from Iraq, and the United States has no diplomatic ties with Iran.

The panel's members, gathered at the White House, spoke Tuesday with British Prime Minister Tony Blair by videoconference from London.

Blair told them the most decisive steps the U.S. could take to end the violence in Iraq would be to work for an end to the Israeli-Palestinian conflict and to help the Iraqi government improve its army, end sectarianism in its security forces and distribute revenue more fairly across the country.

Ending the Israeli-Palestinian dispute would remove an issue that extremists in the region exploit and boost pressure on Iran and Syria to help staunch the bloodshed in Iraq, Blair said.

Blair's comments were described in London by his spokesman, who spoke on condition of anonymity in keeping with government policy.

The Iraq study panel, established by Congress in March, is not expected to unveil its findings until some time after Thanksgiving. According to a Democratic aide, Baker told a senator he won't issue any plan unless the group finds consensus.

The panel consists of five Democrats and five Republicans, each prominent members in their political camps and holding their own ideas on how Iraq should be settled.

Yet Baker's group has become the beacon of hope for lawmakers who want to resolve the Iraq war before the 2008 presidential elections. Polls of voters in last week's midterm elections, which returned Democrats to power in the next Congress, found a majority -- about six in 10 -- disapproved of the war in Iraq. Two-thirds of independent voters said they disapproved of the war.

Later Tuesday, the study group was to meet at the Woodrow Wilson International Center for Scholars in Washington with foreign policy advisers from the Clinton administration, including Sandy Berger, Clinton's national security adviser; Richard Holbrooke, former ambassador to the U.N.; and Warren Christopher, former secretary of state.

On Monday, Blair said Iran and Syria's aid should be solicited to help stem the violence in Iraq. Resolving the Israeli-Palestinian conflict and stabilizing Lebanon also would help to unite the region behind peace, he said.

Bush's chief of staff, Josh Bolten, said the White House would consider opening talks with Syria and Iran if Baker and Hamilton recommended it.

Baker's group also has been briefed by Democrats on their plan to begin pulling out some troops right away. Levin and other Democrats agree this is a necessary first step to put political pressure on the Iraqis.

Aside from that initial step, Democrats remain divided on what should happen next, how many troops should leave and how many should stay.

Several Republicans staunchly oppose setting any timetable because they say Iraq could collapse into chaos. Sen. Lindsey Graham, R-S.C., said shortly before the Nov. 7 elections that the Bush administration had led Iraq to the verge of chaos. On Monday, Graham reiterated his position that more troops, not fewer troops, are needed to settle the violence there.

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"That should be our goal in the coming months, to provide a better security situation on the ground," Graham said, echoing a comment by Bush.

"I believe it is very important ... for people making suggestions to recognize that the best military options depend upon the conditions on the ground," the president said.

Sens. John Warner, R-Va., who is chairman of the Armed Services Committee, and Sen. Susan Collins, R-Maine, also warned against any timetable.

Rice Says 'No Magic Bullet' To Fix Iraq (AP)

By Anne Gearan

AP, November 15, 2006

Secretary of State Condoleezza Rice said Tuesday "there is no magic bullet" solution to the mounting problems in Iraq, and she indicated no new willingness to ask for help from U.S. adversaries in the Middle East.

"It is not an issue of whether you talk to somebody," Rice said. "I will talk to anybody, anywhere, anytime, under the right circumstances if I think we can make progress. I am not afraid to talk to anyone."

Members of the Republican foreign policy establishment and some U.S. allies have suggested that the Bush administration was shortsighted to refuse wider dialogue with Iran, which holds huge influence over its Shiite neighbor Iraq, and in cutting off most diplomacy with Syria.

Rice spoke en route a Pacific Rim economic meeting in Vietnam. Although last month's North Korean nuclear test will be a focus of diplomatic meetings during the Asia-Pacific Economic Cooperation summit in Hanoi, Rice suggested that a much-anticipated new round of talks with Pyongyang may not come quickly.

The North agreed in principle to return to arms control negotiations following its symbolic test, but there is no firm date for the session. The six-nation talks are aimed at shuttering Pyongyang's nuclear program.

"We need to take our time this time and make sure when we go to the table at the six-party talks there is a reasonable chance of a successful outcome," Rice said.

In Hanoi, the top U.S. nuclear envoy said Wednesday that talks with North Korea will succeed only if the reclusive communist regime lives up to commitments it made last year to abandon nuclear weapons in exchange for aid and security guarantees.

Christopher Hill met with his counterparts from South Korea and Japan on the sidelines the APEC summit to seek a common strategy ahead of the resumption of the long-stalled talks.

The six-party talks — involving the U.S., Japan, China, Russia and both Koreas — stalled a year ago when North Korea boycotted over U.S.-imposed financial restrictions. The North agreed to return to the talks after it shocked the world by testing a nuclear device on Oct. 9, a move that triggered U.N. sanctions.

South Korea has said the talks could resume by mid-December. The U.S. administration has ruled out a first meeting in November but said it hoped for a session in December.

"We are very disappointed that (North Korea) stayed away from the talks for about a year now," Hill said.

"I think we've all made very clear that we don't accept North Korea as a nuclear state," he added.

South Korean nuclear envoy Chun Yung-woo said, "There should not be talks for the sake of talks." The comments were some of the strongest Chun has made about the North.

A week after Republicans lost control of Congress in large part because of public dissatisfaction with the Iraq war, the Bush administration is reevaluating military and diplomatic strategy and making contingency plans if the situation gets worse.

Rice spent nearly two full days this week huddled with advisers on Iraq and talking to a bipartisan panel whose recommendations are due next month. The panel may recommend the kind of engagement with Iran and Syria that Rice and President Bush have so far ruled out.

"I don't think that there are any magic bullets about Iraq," Rice told reporters aboard her plane. "This is a complicated place, they are in a difficult time."

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Gunmen dressed as police commandos kidnapped scores of staff and visitors at an education ministry office Tuesday in one of the biggest mass abductions since the start of the U.S. occupation in 2003. Five senior police officers — including the neighborhood police chief — were arrested.

At least 82 people were killed or found dead in murders, bombings and clashes nationwide, part of a tide of sectarian killings that the democratically elected Iraq government and their American protectors have been unable to slow.

Rice said improvement will require greater responsibility from Iraqis for their own security and "better help from Iraq's neighbors." She gave no specifics about changes in U.S. policy or participation that may be in the offing.

The Iraq study panel, established by Congress in March, has become a beacon of hope for lawmakers who want to resolve the Iraq war before the 2008 presidential elections. Polls of voters in last week's midterm elections, which returned Democrats to power in the next Congress, found a majority — about six in 10 — disapproved of the war. Two-thirds of independent voters said they disapproved of the war.

The panel is also expected to give political cover to the administration if it pursues a significant shift, such as side-by-side cooperation with Iran and Syria or a phased withdrawal of U.S. forces.

The panel, co-chaired by Republican and Bush family friend James A. Baker III and former Democratic Rep. Lee Hamilton, heard Tuesday from British Prime Minister Tony Blair.

Blair, the Bush administration's staunchest ally in the war, advocates seeking Iran's help in ending the violence in Iraq. Aides say he also wants to encourage dialogue with Syria.

Bush's chief of staff, Josh Bolten, said this week that the White House would consider opening talks with Syria and Iran if Baker and Hamilton recommended it.

Get Out Now? Not So Fast, Experts Say (NYT)

By Michale R. Gordon

The New York Times, November 15, 2006

WASHINGTON, Nov. 14 — One of the most resonant arguments in the debate over Iraq holds that the United States can move forward by pulling its troops back, as part of a phased withdrawal. If American troops begin to leave and the remaining forces assume a more limited role, the argument holds, it will galvanize the Iraqi government to assume more responsibility for securing and rebuilding Iraq.

This is the case now being argued by many Democrats, most notably Senator Carl Levin of Michigan, the incoming chairman of the Senate Armed Services Committee, who asserts that the withdrawal of American troops from Iraq should begin within four to six months.

But this argument is being challenged by a number of military officers, experts and former generals, including some who have been among the most vehement critics of the Bush administration's Iraq policies.

Anthony C. Zinni, the former head of the United States Central Command and one of the retired generals who called for the resignation of Defense Secretary Donald H. Rumsfeld, argued that any substantial reduction of American forces over the next several months would be more likely to accelerate the slide to civil war than stop it.

"The logic of this is you put pressure on Maliki and force him to stand up to this," General Zinni said in an interview, referring to Nuri Kamal al-Maliki, the Iraqi prime minister. "Well, you can't put pressure on a wounded guy. There is a premise that the Iraqis are not doing enough now, that there is a capability that they have not employed or used. I am not so sure they are capable of stopping sectarian violence."

Instead of taking troops out, General Zinni said, it would make more sense to consider deploying additional American forces over the next six months to "regain momentum" as part of a broader effort to stabilize Iraq that would create more jobs, foster political reconciliation and develop more effective Iraqi security forces.

The debate over American troop levels in Iraq was raging well before the establishment in March of the bipartisan Iraq Study Group led by James A. Baker III, a former secretary of state, and Lee H. Hamilton, a former congressman. Initially, it centered on Mr. Rumsfeld's stewardship at the Pentagon and whether the United States had deployed sufficient forces and taken the requisite nation-building steps to defeat, or at least contain, a virulent insurgency.

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But as the character of the Iraq conflict has changed over the past year, so has the debate. The primary worry for American commanders now is preventing the bloody cycle of drive-by shootings, kidnappings and bombings from spiraling into an all-out civil war.

With more American than Iraqi soldiers in Baghdad, there has been mounting frustration on the part of American officials over the failure of the Iraqi government to send sufficient reinforcements to the Iraqi capital, to establish a genuine "unity government" and to effectively challenge the power of the militias, some of whom have infiltrated the very Iraqi Army and police units that the American military is working with.

In essence, the current debate turns on whether Iraqi leaders would be susceptible to the sort of blunt American pressure entailed by troop reductions. Arguing that such pressure was necessary, Senator Levin joined forces with another Democrat, Senator Jack Reed of Rhode Island, to offer an amendment in June calling for a phased reduction of American troops, a measure he stressed has been supported by all of the potential Democratic presidential candidates. The proposal is less sweeping than most other Democratic proposals, which have called for the withdrawal of all American forces over a fixed time frame. Senator Levin's plan has assumed more political importance following the Democratic gains in the midterm elections.

"There is no purely military solution here," Mr. Levin said in an interview. "They have got to reach a political compromise in Iraq. The leaders have got to make concessions involving power sharing and resource sharing or else this insurgency and the violence continues to spiral."

While Mr. Levin's plan calls for beginning troop reductions over the next six months, it does not stipulate a time-frame for completing the withdrawal, or spell out precisely how many troops should be removed in the initial phase. The plan, however, does call for shifting the American military role to more limited missions like protecting the American Embassy, training the Iraqi forces and engaging in counterterrorist operations against cells of Al Qaeda.

"The point of the proposal is to force the Iraqis to take hold of the situation politically," Mr. Levin said.

But some current and retired military officers say the situation in Baghdad and other parts of Iraq is too precarious to start thinning out the number of American troops. In addition, they worry that some Shiite leaders would see the reduction of American troops as an opportunity to unleash their militias against the Sunnis and engage in wholesale ethnic cleansing to consolidate their control of the capital.

John Batiste, a retired Army major general who also joined in the call for Mr. Rumsfeld's resignation, described the Congressional proposals for troop withdrawals as "terribly naïve."

"There are lots of things that have to happen to set them up for success," General Batiste, who commanded a division in Iraq, said in an interview, describing the Iraqi government. "Until they happen, it does not matter what we tell Maliki."

Before considering troop reductions, General Batiste said, the United States needs to take an array of steps, including fresh efforts to alleviate unemployment in Iraq, secure its long and porous borders, enlist more cooperation from tribal sheiks, step up the effort to train Iraq's security forces, engage Iraq's neighbors and weaken, or if necessary, crush the militias.

Indeed, General Batiste has recently written that pending the training of an effective Iraqi force, it may be necessary to deploy tens of thousands of additional "coalition troops." General Batiste said he hoped that Arab and other foreign nations could be encouraged to send troops.

Some military experts said that while the American military is stretched thin, the number of American troops in Iraq could be increased temporarily — by perhaps 10,000 or more, in addition to the 150,000 or so already there — by prolonging combat tours.

Kenneth M. Pollack, an expert at the Brookings Institution who served on the staff of the National Security Council during the Clinton administration, also argued that a push for troop reductions would backfire by contributing to the disorder in Iraq.

"If we start pulling out troops and the violence gets worse and the control of the militias increases and people become confirmed in their suspicion that the United States is not going to be there to prevent civil war, they are to going to start making decisions today to prepare for the eventuality of civil war tomorrow," he said. "That is how civil wars start."

Poll: Most Doubt Dems Have Plan For Iraq (AP-Y)

By Jim Kuhnhenn

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AP, November 15, 2006

More Americans rank Iraq as the top priority of the new Democratic-controlled Congress, but nearly three out of five say the party does not have a plan to deal with the war.

In the aftermath of an anti-Republican wave, the latest Associated Press-Ipsos poll showed lingering uncertainty about the country's direction and the ability of Democrats and President Bush to work together. Underscoring the country's political divisions, Democrats expressed more confidence and optimism than Republicans.

The poll was conducted Nov. 10-12 as the public adjusted to Washington's new division of labor, with President Bush in the White House and Democrats holding the reins of Congress for the first time in 12 years.

While voters in Election Day surveys said corruption and scandal in Congress was one of the most important factors in their vote, the postelection poll showed that 37 percent of all adults said the war in Iraq should be at the top of the congressional agenda during the next two years. The issue of terrorism, the second most mentioned priority, was ranked highest by 15 percent of those polled.

Though voters apparently embraced the Democratic mantra of changing course in Iraq, a majority of the public did not detect a clear Democratic blueprint for ending the war. Fifty-seven percent of all adults in the AP-Ipsos poll said Democrats do not have a plan for Iraq; 29 percent said they do. The poll of 1,002 adults has a margin of error of 3 percentage points.

That finding strikes at the heart of a Democratic dilemma. The party has been of one voice in criticizing President Bush's strategy for the war but has been more equivocal on how to move in a different direction.

Democrats such as Sen. John Kerry of Massachusetts and Rep. John Murtha of Pennsylvania want a fixed deadline to pull all troops out of the country. Other Democrats, including some party leaders, have voiced support for a staggered withdrawal that demands greater responsibility from the Iraqis.

The public's perception was reinforced during the campaign, when President Bush time and again told voters that the Democrats had little to offer on the war.

"Everyone agrees that we're going to have to begin redeployment," Rep. Ike Skelton, D-Mo., said of the Democratic position. Skelton, in line to become chairman of the House Armed Services Committee, has proposed withdrawing a U.S. brigade for every three Iraqi combat brigades rated fully capable. Skelton opposes setting a timetable for withdrawal but said at least one U.S. battalion or brigade should pull out promptly.

"It should send a clear message to the Iraqi government, the Iraqi people and the American people that we're not there to stay," he said.

No doubt, the election results have put Democrats in something of a box, said Stephen Biddle, a defense policy expert at the Council of Foreign Relations.

"It's a very, very awkward thing to run a war from the Congress," he said. "The public wants them to do something. And they don't want to go into 2008 and be accused of being the do-nothing 110th Congress."

In separate interviews, some voters appeared sympathetic.

John Rodon, a retiree from Green Bay, Wis., said the situation in Iraq is "a big mistake" and voted for a Democrat for Congress. He doubted, however, that the Democrats would solve the war.

"I don't think anybody has an answer for this," he said.

Francis Curran, a 43-year-old carpenter from Jupiter, Fla., said he thinks Democrats would approach Iraq with a better lens.

"You can't solve that problem without involving the other players in the region. I think Democrats might be more willing to at least not call (Iranian President Mahmoud Ahmadinejad) the Axis of Evil," Curran said. "I don't know if the president would go with this, but this administration has to involve other nations in that region."

For now, Democrats appear willing to wait for the recommendations of a bipartisan Iraq study group led by former Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton. The group's findings are expected within the next few weeks. The Senate Democratic leader, Harry Reid of Nevada, also wants a bipartisan congressional summit to debate Iraq.

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"Iraq has to be done on a bipartisan basis," Reid said Tuesday. "This is not a time for threatening the president with anything. We're going to see how we can work with him to change course in Iraq."

Though uncertain about the Democrats' plan for Iraq, many Americans are upbeat about Democratic control of Congress. For every 10 adults surveyed, four said the country will be better off, three said it would not make much difference and two said the country will be worse off. Most Democrats shared that optimism. Republicans tended to be pessimistic or anticipated no discernible change.

Overall, Americans tended to hold Bush responsible for Republicans losses last week. Forty-five percent of adults surveyed said Bush deserves all or a great deal of the blame. But only 22 percent of Republican voters attributed the losses to Bush.

Americans were split when asked if the president and Democrats in Congress could work together. Forty-seven percent said they were confident that two could cooperate and 51 percent said they were not.

In the wake of the election, Democrats as well as the president and his Republican allies have emphasized the need for bipartisanship on the war and on a number of other legislative fronts. Democrats and Bush have said they see an opportunity to pass comprehensive legislation on immigration that had been blocked in the House.

Blair Advises Baker's Panel (WT/AP)

By David Stringer

The Washington Times, November 15, 2006

LONDON -- British Prime Minister Tony Blair told the U.S. advisory group reviewing strategy on Iraq yesterday that a push for peace across the Middle East and help for Baghdad to root out sectarianism in its security forces were key to stemming bloodshed, his official spokesman said.

The British leader made his remarks to the bipartisan panel headed by former Secretary of State James A. Baker III as both Syria and Iran said they would not rule out talks with the United States on the future of Iraq -- reportedly a key recommendation being considered by the Baker group.

But Iranian President Mahmoud Ahmadinejad said Tehran was willing to talk only if the United States "corrects its behavior" in the region, a suggestion quickly shot down by the White House.

"I don't think this is about a U.S. attitude adjustment," said White House National Security Council spokesman Gordon Johndroe. "The collective attitude of the world is that Iran needs to play a constructive role in the region, not meddle in Iraq, and to stop its [nuclear] activities."

The United States accuses both Syria and Iran of fueling insurgent forces challenging the U.S.-backed government in Iraq and of supporting terrorist groups in Lebanon and the Palestinian territories that have attacked Israel.

But yesterday's diplomatic back-and-forth showed how much the report by Mr. Baker's Iraq Study Group, now expected before the end of the year, is already driving the U.S. and Middle East policy debate, with both allies and adversaries bracing for a major U.S. course change on Iraq.

Speaking privately via video link to the Baker commission, Mr. Blair set no timetable for the withdrawal of British or other coalition troops from Iraq, his spokesman said, but had stressed the importance of what he called in a speech Monday a "whole Middle East strategy" to counter militancy across the region.

The British prime minister, President Bush's closest ally on Iraq, emphasized the importance of a resolution to the Israeli-Palestinian conflict, which he said was "important in its own right, but also to take away the issue that was most exploited by extremist elements around the region."

Mr. Blair's spokesman briefed reporters on background after the session.

Mr. Blair said a positive strategy for the Israeli-Palestinian conflict would help Britain and the United States win the support of moderate Muslims and increase pressure on Iran and Syria to work for peace, the spokesman said.

Mr. Blair told the panel that "the only way to deal with Iran" was to "take away their ability to exploit Muslim opinion and to confront both it and Syria with the strategic choice of whether to be supportive of the solution, or face isolation."

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Responding to press speculation that the Baker panel will urge direct U.S. contacts with both Syria and Iran, a leading official Syrian newspaper said in an editorial yesterday that Damascus "is ready for dialogue with the United States to achieve security and stability" in Iraq.

"The ball is in their court," the editorial said.

Mr. Ahmadinejad's comments were the highest-level statement to date from Tehran that it would consider direct engagement with the Bush administration on Iraq, though the hard-line Iranian leader gave few clues on how U.S. policy would have to change.

In a Tehran press conference, Mr. Ahmadinejad accused the Bush administration of pursuing a foreign policy of aggression and unilateralism, but said Iran's Islamic republic was prepared to talk to any country except Israel.

"Should the United States correct its behavior, we will talk to them," Mr. Ahmadinejad said.

US Denies Rift With Blair On Syria, Iran (AFP)

By Stephen Collinson

AFP, November 15, 2006

The White House has rushed to deny claims of a diplomatic rift with its closest European ally Britain, after Prime Minister Tony Blair mooted a "partnership" with US foes Iran and Syria.

As the impact of a major foreign policy address by the British leader started to sink in, the White House bristled Tuesday at suggestions Blair had struck out from Washington, issuing a fact sheet to debunk the claim.

Blair on Monday laid out a "whole Middle East strategy" involving a push for a solution to the Israeli-Palestinian crisis, a plan for Iraq and a "strategic" choice of cooperation or isolation to be offered to Iran.

On Tuesday, the British premier testified by video link-up to the US Iraq Study Group, probing possible new strategies on the war and called for a "strategic choice" for Iran and Syria, his office said.

His remarks were seen by some observers in both countries as an attempt to influence US policy in the Middle East, at a time when changes in Iraq strategy are being contemplated following the Republican defeat in mid-term elections.

President George W. Bush's spokesman Tony Snow however told AFP on Tuesday that suggestions in the British and US media that Blair's remarks signalled cracks between Downing Street and the White House were mischaracterizations.

"Read his speech, and you'll see there is no difference between the governments," Snow said.

State Department spokesman Sean McCormack acknowledged Britain and the United States had historically slightly differed towards Iran -- but did not see "a particularly new policy statement" in Blair's speech.

The White House drew particular reference to Blair's comment that "there is a fundamental misunderstanding that this is about changing policy on Syria and Iran."

The White House fact sheet unflatteringly compared coverage of Blair's speech by US-based reporters on The New York Times and The Washington Post and their colleagues in London.

London-based reporters for the two US newspapers wrote that Blair took pains to ensure his remarks were not seen as a dramatic new policy shift.

But the fact sheet noted colleagues on the same papers in the United States had wrongly seen Blair's speech as a policy shift on Iran and Syria, stating: "Prime Minister Blair's Policy Is Not New And Is Similar To President Bush's Policy."

In his speech Monday, Blair said the West should "offer Iran a clear strategic choice: they help the Middle East peace process not hinder it; they stop supporting terrorism in Lebanon or Iraq; they abide by, not flout, their international obligations.

"In that case, a new partnership is possible. Or alternatively they face the consequences of not doing so: isolation," he said, adding that Tehran must also stop its nuclear enrichment drive.

On Monday, Bush said in a joint appearance with Israeli Prime Minister Ehud Olmert that talks with Iran were only possible if Tehran halted its nuclear program in line with an already stated international initiative.

A Downing Street spokeswoman told AFP on Tuesday that Blair also had told the US Iraq Study Group in the videoconference that any solution in Iraq must be part of a broader Middle East strategy which would also include a plan to resolve the Israeli-Palestinian conflict.

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US Secretary of State Condoleezza Rice, however, refused late Tuesday to make a link between the lack of progress in the Israeli-Palestinian conflict and the unrest in Iraq.

"I think we have to be careful not to say well, if there is an Israeli/Palestinian breakthrough, that will help in Iraq. Iraq is involved in its own struggles," Rice told reporters on her way to an Asia-Pacific summit in Vietnam.

Blair's speech on Monday puzzled some observers, evidenced by several different interpretations on offer in different newspapers on both sides of the Atlantic.

Nile Gardiner, a policy analyst at the Heritage Foundation think tank, which has close links to the Bush administration, said the speech was a "major shift in British policy" and an attempt to influence the US Iraq Study Group.

"Over here, I think the speech hasn't really sunk in, but it will do in the next few days," he said.

Pouring Chardonnay Diplomacy (NYT)

By Maureen Dowd

The New York Times, November 15, 2006

Washington

The foreign affairs fur is flying.

I'm not talking about the catfight between two strong-willed, expensively dressed Democratic pols married to California gazillionaires, with Speaker-elect Nancy Pelosi trying to yank Jane Harman from heading the House Intelligence Committee.

I'm talking about the catfight between the Idealists and the Realists.

After an election that spurned ideology, and the triumphant return of the Bush 41 pragmatists James Baker and Robert Gates, the self-proclaimed Idealists are reduced to hissing from the sidelines.

The Vulcans and neocons had grandiose plans to restore trumpets, morality and spine to foreign policy, to establish America as a hyperpower with a duty to export democracy — by force and on its own, if necessary. But now the grandiose experiment of Iraq is in a sulfurous shambles, and the Realpolitik crowd is back cleaning up.

In The Wall Street Journal, Michael Rubin of the American Enterprise Institute railed against the evils of "chardonnay diplomacy," recalling that in 1983, Donald Rumsfeld, President Reagan's Middle East envoy, met with Saddam Hussein in Baghdad, hoping to restore relations out of a concern over growing Iranian influence. He didn't bother to mention Saddam's use of chemical weapons.

"Mr. Gates was the C.I.A.'s deputy director for intelligence at the time of Mr. Rumsfeld's infamous handshake, deputy director of central intelligence when Saddam gassed the Kurds, and deputy national security adviser when Saddam crushed the Shiite uprising," Mr. Rubin wrote. "Mr. Baker was as central."

Rummy, he said, "worked to right past wrongs." By contrast, the neocons fear, Mr. Gates and Mr. Baker are back winking at dictators. Already they're talking about cozying up to the evil leaders of Iran and Syria and perhaps dreaming of more concessions to the Palestinians. (Israel and its supporters among Christian evangelicals are having conniptions.)

The Idealists who loved Ronald Reagan's evocation of Thomas Paine — "We have it in our power to begin the world over again" — are right that Americans yearn for a moral foreign policy. It was sickening in 1989 to see Brent Scowcroft — another realist back in fashion — offering a cozy supper toast to Chinese leaders only six months after Tiananmen Square, and getting Poppy to lecture Ukrainians not to break the iron grip of Moscow.

It was sickening, after Bush père sold the Persian Gulf war as a moral mission, to see the 41 team decide at the end not to intervene to stop Saddam from slaughtering thousands of innocent Shiites and Kurds who rose up as the president had asked.

It was sickening when the first Bush administration decided to do nothing about the genocidal Serbian war on Bosnia in 1992. As Secretary of State Baker frostily explained, "We do not have a dog in that fight." Justifying the administration's tough stance toward Israel, the Velvet Hammer made another notorious comment. "(Expletive deleted) the Jews," he told a colleague privately. "They didn't vote for us anyway."

But while the Idealists have a point, they also have a problem. Their moral war in Iraq was sold four years ago with two big lies: that Saddam had W.M.D. and that the Iraqis were yearning for democracy. And it has continued in a fog of deception about

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imaginary progress. It is immoral to put troops' lives at risk because one is doctrinaire, to make people die for a failure of flexibility.

America's bungled occupation and naïve assumptions unleashed sectarian bloodletting that could ultimately, as The Times's John Burns wrote, "match the mass killing that characterized Mr. Hussein's psychopathic years in power" and embolden authoritarian Arab leaders.

Bush junior cast himself as the Reagan heir. But as President Reagan showed in Lebanon, when he pulled out troops after 241 servicemen were blown up, and in Reykjavik negotiating with Mikhail Gorbachev on nuclear arms, he was incredibly flexible — an effective contrast with his inflexible rhetoric. He pursued openings and even radical diplomacy. If the Gipper was wood, the Decider is stone.

Voters rejected W.'s black-and-white, good-and-evil, incompetent foreign policy last week. The president got the message that some shades of gray were desirable and brought in the family fixer with the bright green ties, who is perfectly positioned to come up with a solution that will fly in Washington and flop in Baghdad.

As the theologian Reinhold Niebuhr taught, morality without realism is naïvité or worse, and realism without morality is cynicism or worse. Morality should open your eyes, not close them.

Baker Ex Machina (WP)

By David Ignatius

The Washington Post, November 15, 2006

In ancient Roman drama, when the plot got too convoluted to be resolved by mere humans, one of the gods would be hoisted over the stage to dispense wisdom and avert tragedy. The practice was known by a Latin term, deus ex machina, or "god from a machine." In our times, it is called the "Baker-Hamilton commission."

I am all for smoke and mirrors, and gods descending from cranes, if that will help the United States regain some strategic initiative in the Middle East. And already, the Iraq Study Group seems to be having that effect. Before it has said a word, the group is generating a sense of possibility. Politicians across the Middle East are wondering how to game the new American initiative. That is what diplomacy does -- it creates space for maneuver. It also, almost by definition, creates expectations that cannot be realized.

The first step President Bush should take is to institutionalize the momentum created by the Iraq Study Group process by naming its co-chairman, James A. Baker III, as a special Middle East emissary. The former secretary of state has given the term "wheeler-dealer" a good name. He's the only American diplomat I can think of who might cause Iranian President Mahmoud Ahmadinejad to check for his wallet.

But within the next few weeks, Baker and the other gods must come down from the rafters and confront the all-too-human players on the stage. If the tipsters are right, the commission will recommend a regional dialogue that involves Iraq's neighbors -- including Iran and Syria -- along with a new effort to resolve the Israeli-Palestinian conflict.

Let's focus on Iran. Baker met in September with Iran's ambassador to the United Nations, Javad Zarif, and heard a detailed explanation of why Iran is wary about such talks. The Iranian envoy is said to have explained that Tehran shares America's interest in calming the situation in Iraq and that contrary to U.S. fears, it doesn't seek a Shiite victory in the Iraqi civil war. The Iranians say they don't want a partition of Iraq either. Tehran wants a unified, democratic Iraq -- with its Shiite allies in the driver's seat, to be sure, but with Sunnis content enough that they stop fighting.

Iran is suspicious of a U.S. policy that seeks Iranian help even as it encourages regime change in Tehran. "You don't negotiate with someone who wants to overthrow you," one Iranian official told me. Iran's ruling mullahs are said to worry on a deeper level that in talking with America, the Islamic republic would lose its legitimacy. There's an abiding suspicion that such a dialogue would bring only "humiliation and intimidation," as one Iranian official puts it.

How to bridge this gap? There's actually a precise formula that was laid out by Iranian diplomats in early 2003, while they were conducting back-channel talks about Afghanistan and Iraq with the United States. Those conversations, mediated by the Swiss ambassador in Tehran, produced an Iranian document outlining the path to a broad "dialogue in mutual respect."

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The Iranians thought they were amending a document drafted by Richard Armitage, the deputy secretary of state at the time. Armitage tells me he has no recollection of such a proposal, but its provenance matters less than the fact that the Iranians found it an acceptable framework. The document they bounced back to the United States summarized "Iranian aims," headed by a "halt in U.S. hostile behavior," "abolishment of all sanctions" and joint efforts to achieve a democratic Iraq. The Iranians accepted that U.S. aims in the negotiations would include assurances that Iran wouldn't develop nuclear weapons and recognition of Israel under a two-state solution to the Palestinian problem.

This 2003 dialogue collapsed largely because of an Iranian demand for "pursuit of anti-Iranian terrorists" from the Mujaheddin-e Khalq organization who were in Iraq. Absurdly, the Pentagon balked because of a fantasy that the group could help foment revolution in Iran. The Iranians may now say that the 2003 dialogue for "mutual respect" is off the table, but Baker should find out -- by going to Tehran.

Iran will demand a price for any help it offers in Iraq. So will Syria, which is already positioning its proxies for restoration of Syrian influence in Lebanon. There will be a temptation to overreach, as the Syrians clearly are doing, and the prices demanded may be too steep for America to pay. But the essence of a negotiation is that, in the pursuit of mutual interest, the parties narrow their demands to ones that are achievable. This is the kind of conversation America should be having and -- god-from-a-machine willing -- it may begin soon.

The writer co-hosts, with Newsweek's Fareed Zakaria, PostGlobal, an online discussion of international issues athttp://blog.washingtonpost.com/postglobal. His e-mail address isdavidignatius@washpost.com.

Can Iran Help Stabilize Iraq? (CSM)

By Scott Peterson

The Christian Science Monitor, November 15, 2006

BAGHDAD

Iran has been here before, called upon by arch-foe America to assist in a neighborhood security problem. After 9/11, Iran helped the US extensively in Afghanistan to overthrow the Taliban and establish a new government.

It anticipated better relations in exchange for its assistance. But it was soon dubbed a member of the "Axis of Evil" by President Bush in his 2002 State of the Union address.

The outcome of that flicker of cooperation may increase Iran's wariness if it yet again receives a request from the US for help, this time in Iraq.

"This led the Iranians to conclude the US was intent on overthrowing their regime, and would not be affected by cooperative behavior," says Barnett Rubin, of New York University.

Bringing Iran - and Syria - into a regional process to stabilize Iraq is being touted both by British Prime Minister Tony Blair and the Iraq Study Group, the US commission studying options that both Republicans and Democrats hope will provide a framework for facesaving change in Iraq.

But the calculus has changed since the 2003 Iraq invasion. As the US has become more mired in the war, Iran has gained confidence that it was unlikely to face US-engineered "regime change." Iran still has numerous reasons to engage, but the price-tag may be higher.

"We're going into this with a handicap of having weakened ourselves over the past three years, and trying to negotiate over Iraq at a time when Iraq itself is in the worst situation it could be," says Vali Nasr, a professor of national security at the Naval Postgraduate School in Monterey, Calif.

"You are dealing with an Iran that is much more defiant, and much more over-confident," he adds. "Therefore Iranians may not be looking to build relations with the US ... but see it as an opportunity to pull US-Iran relations back from the brink."

The soft-spoken and reform-minded president Iran had in 2001 has also been replaced by arch-conservative Mahmoud Ahmadinejad, who has spoken vociferously at every opportunity to reinvigorate the ideals of the 1979 Islamic revolution, a key pillar of which was the slogan: "Death to the Great Satan."

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"It is obviously in the national interest of Iran to have a stable Iraq," says Mr. Rubin, who advised UN negotiating teams on Afghanistan in 2001. "The question is whether the Bush administration is willing to overcome its ideological depiction of Iran as part of the axis of evil...[and] Ahmadinejad is willing to be pragmatic...despite his ideological commitments."

Mr. Ahmadinejad said Tuesday that Iran's position remained that it would speak to the US, but only if American officials change their "attitude" toward the Islamic Republic, and "correct[s] their behavior." He said he was preparing a message to Americans.

Foreign Minister Manoucher Mottaki also offered little hint at Iran's response Tuesday, saying it would consider any offer. The day before, officials gloated over the Republican defeat, saying they hoped it would yield a "180 degree" policy change.

But beneath the heated rhetoric, Iran and the US have both sent signals for months that they are ready to engage in some way.

Even Iran's supreme religious leader, Ayatollah Ali Khamenei, approved talks about Iraq earlier this year that Washington had authorized the US ambassador in Baghdad to conduct.

Iran wants all issues on the table, from its controversial nuclear program and resumption of US-Iran ties, to Iranian support for Hizbullah in Lebanon and Palestinian militants.

The US, so far, has demanded strict limits on topics. It has also insisted that Iran suspend nuclear enrichment activities before any talks can begin.

But such a hard line was taken before Democratic victories in Congress, and the replacement of Defense chief Donald Rumsfeld with Robert Gates, who has made clear in the past his desire to see US-Iran engagement. And before Hizbullah, with Iranian help and blessings, delivered what Tehran and Beirut declared a "victory" against Israel in fighting during July and August.

"You can say there is a cautious optimism [in Tehran] that something is going to happen," says Nasser Hadian-Jazy, a political scientist at Tehran University. That hopefulness prevails even though the 2001 Afghanistan example makes Iran "far more careful about what they give and what they want."

"It should not be a cosmetic relationship, addressing issues in a superficial way, by the US telling Iran: 'You do this; you do that"; that's not going to work," says Professor Hadian-Jazy. "This takes real strategic thinking on both sides."

That means coping with inevitable clashes: Israel is concerned that Washington is giving Iran too much of the regional pie, and local Sunni nations are likely to complain that Shiite Iran's influence will rise further.

But Iran also has much to offer, if it plays a role similar to the one it played in Afghanistan. US officials routinely complain that Iran is destabilizing Iraq. Iranians say Iran has decided not to - so far.

"[Iran] has already built a very important infrastructure in Iraq - military, security - but they have not yet used these resources," says Hadian-Jazy. "It is rather a guarantee against possible US military action. They want US decision-makers to think twice before taking action."

Those dangers have long been understood in Washington and London. Prime Minister Blair talked with the Iraq Study Group Tuesday by video-link. In a speech Monday night - in which he berated Iran for putting "obstacles in the path to peace, paint us ... as the aggressors" - he said that Iran should be part of the solution.

"A major part of the answer to Iraq lies not in Iraq itself but outside it, in the whole of the region where the same forces are at work, where the roots of this global terrorism are to be found, where the extremism flourishes," Mr. Blair said. Iran had to play a positive role, and suspend its nuclear enrichment program, he said, or "face the consequences of not doing so - isolation."

But such isolation would cause perhaps greater consequences for Mr. Bush and Blair, because of the influential role Iran could potentially play with Iraq's majority Shiite population.

"Iran has enough levers, money, weapons, political and cultural influence," says Nasr. "And if there is a political formula on the table.... There is a certain degree of trust, to get [Iraqi Shiites] to accept political compromises with Sunnis they would not before."

A similar dynamic was often at play during Arab-Israeli "talks" for decades, says Nasr, when "you always needed a regional power to handhold the partner."

That could be Iran's most important step, he says, though it could also stop funding radical parties and weapons traffic.

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But those decisions may depend upon the US, and what security guarantees, if any - a longstanding Iranian demand - it is willing to offer as it calls for Iran to help.

"Iran will be more willing to cooperate, if there is a minimal understanding [on security]," says Nasr, a point that applies not just to Iran.

"All countries around Iraq are hedging their bets. They're not sure what will happen, the type of government, if the US will stay or go, [so] everybody has a maximalist position," he adds. "By limiting uncertainty, the US can bring some stability."

Gunmen Kidnap Dozens From Iraq Ministry Office (USAT)

By Tom Vanden Brook And Zaid Sabah

USA Today, November 15, 2006

BAGHDAD — Six senior police officers were arrested Tuesday after gunmen dressed in commando uniforms kidnapped dozens of male staff and visitors from a Higher Education Ministry office.

The Interior Ministry said that among those arrested was the police chief for the Karradah district, the central Baghdad region where the daylight raid occurred.

Prime Minister Nouri al-Maliki, who leads a Shiite-dominated Iraqi government, said the attack was "the result of disagreements and conflict between militias."

Assassinations and kidnappings have become common as fighting between Sunni and Shiite Muslims has increased dramatically this year.

Higher Education Minister Abed Theyab initially said as many as 150 people had been seized, which would have made it the largest such abduction during the conflict. Later, the prime minister's office said 45 to 50 people had been taken and 20 of them had been released within hours.

During the 20-minute raid, the gunmen raced through the four-story building and separated men and women. The male hostages were then loaded into about 30 vehicles, Higher Education Ministry spokesman Basil al-Khatib said.

Alaa Makki, head of parliament's education committee, said the gunmen worked from a list of names. Those kidnapped included the office's deputy general directors.

Theyab ordered the closing of colleges and universities in response to the attack. The order was rescinded after the Iraqi police and army promised to increase security, al-Khatib said.

"Higher education in Iraq is targeted and the goal is hindering the wheel of progress and science," Theyab said.

The abductions took place at a Higher Education Ministry office that handles research grants and academic exchanges.

Al-Khatib said the ministry had earlier asked al-Maliki's government for increased protection but received no response.

"We are a scientific and academic institution," al-Khatib said. "We can't bring tanks and warplanes to protect our facilities. It is the government's job."

Academics are frequently targeted. Recent victims include a prominent Sunni geology professor and the dean of Baghdad University's economics department.

Baghdad University students are worried about their safety.

"There is no security," said Ahmad Abdel-Ilah, 20, a civil engineering student. "We expect to be kidnapped. Everybody is targeted."

Iraq has about 100,000 students at colleges and universities, according to government statistics.

In other Iraq news:

•A car bomb exploded in Baghdad's Shurja commercial hub Tuesday afternoon, killing 21 people and wounding 25.

•The U.S. military issued a statement that said 11 insurgents were killed in several operations in Ramadi, west of Baghdad.

• A suicide car bomber killed seven in Baghdad's Sadr City Shiite slum.

Dozens Abducted In Brazen Raid On Iraq Ministry (NYT)

By John F. Burns And Michael Luo

The New York Times, November 15, 2006

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BAGHDAD, Wednesday, Nov. 15 — Gunmen dressed in Iraqi police commando uniforms and driving vehicles with Interior Ministry markings rounded up dozens of people inside a government building in the heart of Baghdad on Tuesday and drove off with them in one of the most brazen mass kidnappings since a wave of sectarian abductions and killings became a feature of the war.

Although some Iraqi officials said as many as 150 people had been taken, the American military command put the total at 55.

Witnesses said as many as 50 gunmen arrived at the Ministry of Higher Education compound at midmorning, forced their way past a handful of guards and stormed through a four-story building, herding office workers, visitors and even a delivery boy outside at rifle point. After women were separated, the men were loaded aboard a fleet of more than 30 pickup trucks and two larger trucks, then driven away through heavy traffic toward mainly Shiite neighborhoods on the city's eastern edge, officials and witnesses said.

Late in the evening there were conflicting reports that some or most of those taken had been freed. Iraqiya state television reported that most of those seized had been freed in security operations, but a Shiite station, Al Furat, said 25 people were still missing. None of the reports could be confirmed.

A spokesman for the Interior Ministry, which is responsible for the police, announced on state television several hours after the abductions that orders had been issued for the arrest of several police commanders from the Karada area in eastern Baghdad, site of the Higher Education Ministry.

The announcement combined with other details, including accounts by one of a group of about a dozen people released by the kidnappers later on Tuesday, to suggest that the abductions may have been the latest in a series of mass kidnappings carried out by Shiite gangs and death squads operating from inside the Interior Ministry, or with access to its uniforms and vehicles. If the abductions are traced to groups operating under Interior Ministry cover, they seem certain to add a new level of crisis to the political tensions in Baghdad.

On Wednesday, an Interior Ministry spokesman said a brigade of the police searching in eastern Baghdad had found and freed 30 kidnap victims. He said the brigade was continuing its search and expected to free the remaining victims before the end of the day.

Recent events in the United States, including the Democrats' midterm election gains last week and the resignation of Defense Secretary Donald H. Rumsfeld, have intensified American pressure on Prime Minister Nuri Kamal al-Maliki and the alliance of Shiite religious groups he leads to act decisively to improve his government's performance — in effect, to show that America has trustworthy partner, and help to head off the momentum in Washington for a withdrawal of American troops.

Action against sectarian militias and death squads, particularly those associated with the governing Shiite parties, tops the American priorities that have been urged on the Iraqi leader, most recently in a meeting in Baghdad Monday with the top American military commander in the Middle East, Gen. John P. Abizaid.

Late on Tuesday, Mr. Maliki, appearing on state-run television, seemed eager to establish that he had responded swiftly to the abductions, saying that he had ordered the Defense and Interior Ministries to mount an intensive search for those seized.

During a meeting with the Iraqi president, Jalal Talabani, Mr. Maliki appeared to suggest that the kidnappers came from the Mahdi Army, an unruly militia headed by the Shiite cleric Moktada al-Sadr, a mainstay of the ruling Shiite alliance. "What is happening is not terrorism, but the result of disagreements and conflict between militias belonging to this side or that," he said.

The 56-year-old prime minister said security sweeps had been responsible for the dozen people released earlier in the day, though that did not immediately tally with the account given by a Shiite ministry official who was among those set free. The official said he and others in his group were separated from the main body of those seized by their kidnappers after the gunmen quizzed all their captives about their identities and occupations. After being driven blindfolded to a rural area in northern Baghdad, the official said, they were abandoned and left to make their own way to safety.

The government's swift response in ordering the arrest of the police commanders broke with a pattern of inaction in several earlier mass kidnappings that appeared to have been linked to Shiite death squads.

While concern to show a new resolve to restive critics of the war in Washington was likely to have been a major spur, another was the sheer scale and audacity of the attack. By seizing such a large number of people from a government building, in

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the center of the capital, in broad daylight, the kidnappers appeared to be sending a message that they could pounce anywhere with impunity.

The precise number abducted remained uncertain. In an angry, anguished address delivered on live television, Abed Thiab al-Ajili, the higher education minister and a member of the country's largest Sunni political bloc, told Parliament that 100 to 150 people had been taken; ministry officials said they included Sunnis, Shiites, Kurds and Christians. A similar figure was given by the Shiite ministry official who was released. His figure, though, appeared to be based on a rough count of the people working in the building and visitors, rather than an accurate head count of those abducted.

The American military command, which sent troops to the site of the kidnappings, said its investigation showed that the number of men taken was about 55. It also said there were indications that the kidnapping victims had been taken to the Baladiyat district in eastern Baghdad, a predominantly Shiite neighborhood on the southern fringe of Sadr City about three miles from the building where they were seized.

The fact that the kidnappers took captives from a wide cross-section of Iraq's cultural and religious groups created some confusion about their motives, though many previous kidnappings have followed a similar pattern.

In his speech to Parliament, Mr. Ajili, the higher education minister, skirted the question of whether the kidnapping was motivated by sectarian hatred. But he suggested that the Maliki government was incompetent, if not complicit in the abductions. He said he had repeatedly asked the government for additional security to protect the ministry and members of the university community, who have been favorite targets for assassination since the toppling of Saddam Hussein.

According to a tally by The Associated Press, more than 150 educators have been killed, and thousands of others have fled the country. "I told the M.O.I. and M.O.D. if you can't protect the universities, give me 800 recruits and I will do this mission," Mr. Ajili said, referring to the Ministries of Interior and Defense. "But they rejected the idea."

Shiite leaders have often said that kidnappers who have been linked to the Interior Ministry have in fact been criminal thugs, or even Sunni insurgents, who have acquired the military-style uniforms used in the attack from street markets where they are widely available. Basil al-Khateed, a spokesman for the Higher Education Ministry, counseled against hasty conclusions. "It's not clear if this kidnapping was sectarian or not," he said.

Witnesses said the gunmen arrived at the ministry about 9:30 a.m. in a long line of vehicles that appeared to be on police business. "I saw around 30 Interior Ministry vehicles which did not have license plates close the road, and then the commandos stepped out of their vehicles," said one man who worked in a government agency nearby but asked not to be identified. Mr. Khateed, the ministry spokesman, said the gunmen told ministry guards and onlookers that the American ambassador was arriving.

The ministry official who was later released said he was in his office inside the building. The gunmen, in the blue camouflage uniforms worn by police commandos, flooded into the building, the official said, and told him they were from the government's integrity commission, an agency that investigates corruption.

Suddenly, however, the gunmen cocked their weapons and yelled for everyone to stay where they were, the official said. They gathered the women in one room, before eventually letting them go, Mr. Ajili, the minister, said, but not before taking their cellphones and sorting through them for newer models, which they stole, leaving older models behind. He said the men taken captive had their hands bound behind them and their eyes blindfolded before being taken out to the pickup trucks.

Iraqi police and army units in the area did nothing to stop the abductions, witnesses and officials said, either because they believed the gunmen were legitimate commandos, or, some suggested, because they were part of a preset plan. "We are astonished by this," said Saleem Abdulla, a lawmaker from the Iraqi Consensus Front, the main Sunni bloc in Parliament. "It just seems so odd. How can people kidnap about 100 people like that, in daylight?"

He added: "And what about the vehicles? What about the checkpoints? Aren't we in a state of emergency? And no one can trace these people? No one can follow them to find out who they are? It is very odd. We think there has to be some link between these gangs and powerful men in the M.O.I."

The released Shiite official, who spoke later on Iraqi television but did not give his name, said the gunmen yelled at motorists to clear the road as they headed east through the traffic from the ministry building.

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The official said the gunmen had taken their captives into a large hall with a concrete floor, then began to quiz each of them, demanding their names, often an indicator of their sect, as well as identity cards. “They split us into two groups,” he said. “The first group, they said, ‘We will release you.’ The second group, ‘We will keep you for additional investigation.’ They put me in the group that would be released. When they said that, I thought, no, they will kill me. I was sure they would kill me. They were shouting, ‘We will kill everyone who doesn’t listen to us.’ ”

But the gunmen put him and the others in his group back onto the pickup trucks, and drove them elsewhere, the official said. There, he said, they were told to sit on the ground and not move, and warned that anyone removing a blindfold would be killed.

But after 10 minutes of silence, he said, one of the men in the group mustered the courage to clear his eyes, and told the others they were safe. “We don’t know why they took us, and why they released us,” the official said. “It’s a terrorist operation with a big criminal ring that planned this.”

Elsewhere, a car bomb exploded near a busy market in the capital, killing 10 people and wounding 25 others, an Interior Ministry official said. Late Monday and into Tuesday, clashes erupted between members of the Mahdi Army militia and American troops, leaving six civilians dead and 13 wounded, an Interior Ministry official said. The police found 25 bodies dumped across the city on Tuesday, the official said.

Scores Kidnapped From Iraq Research Center (LAT)

By Solomon Moore, Times Staff Writer

The Los Angeles Times, November 15, 2006

BAGHDAD — A large force wearing the uniform of Iraqi police commandos kidnapped at least 70 people from a Higher Education Ministry building in a highly coordinated raid this morning, witnesses said.

Dozens of masked men armed with AK-47s, U.S.-made grenade launchers and M-16 rifles cordoned off Nidal Street, only a few blocks from City Hall, with more than 30 vehicles, including armored sport utility vehicles, witnesses said. The trucks didn't have license plates, witnesses said, and many had high-caliber machine guns mounted in their back beds.

The gunmen stormed the five-story office building and searched it room by room, detaining people along the way, witnesses and education officials said.

The captives included 17 guards stationed at the facility, the Scholarship and Cultural Relations Directorate of the Higher Education Ministry. A number of other employees and even visitors who had business with the agency were taken. The raiders separated men from women, locked the men together in a daisy-chain with plastic cuffs and loaded them into vehicles at gunpoint.

"They beat some of the women," said a witness who gave his name as Abu Aya and said one of the captives, a cafeteria worker, was his cousin. "One woman's eye was bloody."

An Interior Ministry official said that several police officers have been detained in connection with the raid, including the Karada sector police chief.

The incident was similar to a raid on a Sunni Arab-owned meatpacking plant more than a month ago in which police commandos kidnapped at least 60 workers, many of whom were discovered slain days later. That raid sparked an investigation by the U.S. Army and moved Iraqi Prime Minister Nouri Maliki to suspend an entire commando unit for retraining.

A Facilities Protection Service guard stationed at a small hospital behind the higher education building said that the gunmen appeared to be highly organized.

"They came from there waving like they were official," the guard said, pointing to the end of an alleyway behind the directorate. "They looked trigger-happy though. One officer pointed his gun at a man on a bicycle. They even took civilians just standing around on the street."

"Men wearing police commando uniforms entered the building and took our mobile phones," said Nour Hussein, 23, a cleaner who works at the directorate. "At the entrance, they were hitting the guards very hard with their hands. They took all of the employees and left some of the women after locking them in a room They hit employees, visitors and guards."

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The gunmen whisked the captives away in a matter of minutes, witnesses said. Estimates of the number of captives ranged from 70 to 150. The witnesses said that traffic and patrol officers stationed nearby did not interfere.

Today's raid followed a series of police attacks on the directorate building, according to witnesses. Bullet holes and shattered windows marred the five-story building, evidence of several shootouts over the last two months.

The hospital guard, who identified himself as Abu Hassan, said guards at the directorate and police engaged in a 90-minute gun battle a week ago. He surmised that today's attack was payback. Gunfire was minimal during the raid and several witnesses said that the building's guards did not resist the large force.

Basil Khateeb, a ministry spokesman, said that Maliki rejected a move by the ministry to close down Iraq's higher education facilities and created a committee to investigate today's raid.

Although the kidnap victims included Shiite Muslims and Sunni Arabs, Sunni leaders claimed that the raid was a sectarian attack. Sunnis dominate the Higher Education Ministry.

"We are sure that this operation is not simply criminal but political in nature," said Ammar Wajuih, a Sunni member of parliament. "It happened in an area that is known for being thick with Iraqi security forces and checkpoints."

The kidnappings took place on a day when Iraqi authorities announced the violent deaths of at least 43 people around the country.

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Times staff writers Saad Khalaf and Zeena Kareem in Baghdad and correspondents in Baghdad, Baqubah, Hillah, Kirkuk, Tikrit and Basra contributed to this report.

Scores Kidnapped At Iraqi Ministry (WP)

By Sudarsan Raghavan

The Washington Post, November 15, 2006

BAGHDAD, Nov. 15 -- Signs of the abduction were everywhere. A splatter of blood smeared on the gray floor. A black telephone, yanked out of its socket, tangled in a mess of cords. The dirt outlines of boot prints on a door the kidnappers had kicked. And at the reception desk, next to a pile of papers, a single pink rose, abandoned in the chaos.

This was the scene Tuesday at an Iraqi Ministry of Higher Education building, one hour after a small army of 80 gunmen, dressed in police uniforms, staged a swift, brazen daylight raid, seizing scores of employees and visitors.

It was one of the largest mass abductions since the U.S.-led invasion in 2003, startling even by the standards of a nation reeling from sectarian strife, daily bombings and death squads. The last high-profile mass kidnapping occurred in July, when gunmen seized more than 30 people from an Iraqi Olympics Committee meeting. Six were later released, but the fate of the rest is still unknown.

Tuesday's incident was a well-orchestrated reminder of how challenging basic security remains in Iraq at a time when U.S. officials are pressing Iraqi Prime Minister Nouri al-Maliki to assert more control. The abductions came on a day when at least 117 people were killed in car bombings, clashes and other violence around the country.

Estimates of the number of kidnap victims varied widely. The prime minister's office said about 50 employees were abducted, but the Ministry of Higher Education said as many as 150 employees and visitors were taken.

Early Wednesday, an Interior Ministry spokesman said a joint Iraqi police and army operation had secured the release of more than 30 of the kidnap victims. "The operation is still running, the number is still changing," said Brig. Gen. Abdul Kareem Khalaf, the spokesman.

Five senior police officials -- the police chief and four high-ranking deputies in the Karrada neighborhood where the abductions took place -- had been arrested by Tuesday evening. Politicians were branding the kidnappings "a national catastrophe" and a loss of credibility for Iraq.

The kidnapping unfolded about 10:30 a.m., when gunmen arrived in a convoy of 25 to 30 blue-and-yellow police cars and pickup trucks, some mounted with machine guns. All drove without license plates, said witnesses. The gunmen wore neither hoods nor masks. They clutched police-issue weapons such as Glock pistols, witnesses said.

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Some fired their guns into the air, ordering pedestrians off the street. The U.S. ambassador was coming, witnesses heard the gunmen yelling, and they were there to provide security and clear the path.

"They told me to get inside," said Hadi Karim, a carpenter who was working in an office across the street. "I had to close the door or they would shoot me."

Then the official-looking convoy sped past the lone guard at the security gate, who didn't offer any resistance, past a set of 30-foot blast walls and entered the parking lot of the building. It houses the Higher Education Ministry's scholarship and cultural relations directorate, an agency responsible for granting scholarships to Iraqi professors and students applying to study abroad.

The gunmen stormed through the entrance. One walked up to a receptionist and said the men were from the Interior Ministry, which oversees the police, said Basil al-Khateeb, a spokesman for the Higher Education Ministry, who said he had spoken with the receptionist. "Those who came were not like other attackers, thieves or looters," he added. "They came in an official way."

The gunmen speedily weeded out the men from the women. The women were taken to a room and locked up, witnesses said. The men were pushed into the trucks and driven away. The kidnapped included employees and visitors to the agency, janitors and PhDs, even a deputy general director of the agency. Some were blindfolded and tossed into the backs of pickup trucks, said witnesses.

They included Sunni Muslims and Shiite Muslims, Kurds and Christians, suggesting that the kidnappers might not be connected with the sectarian violence that is ravaging Iraq.

"They took everyone -- Sunnis and Shiites," said Hussam Yassin, a goateed man in his 20s and a Higher Education Ministry employee whose two cousins, both engineers, were among those abducted. "They took all the men, even a 60-year-old man."

Still, it was unclear Tuesday night whether the gunmen were members of the police or impostors. Militias associated with religious groups have been widely seen as fomenting the sectarian violence gripping the country, and Shiite militias are believed to have infiltrated the Shiite-dominated police force, which Sunnis have long accused of conducting mass abductions.

The minister of higher education is a member of the Iraqi Accordance Front, the largest Sunni Muslim bloc in parliament. At the same time, Karrada is increasingly becoming a stronghold of the Mahdi Army, the militia linked to radical Shiite cleric Moqtada al-Sadr. And the dominant Shiite religious party in government, the Supreme Council for the Islamic Revolution in Iraq, also has an armed wing, the Badr Organization, that is known to have strong links within the police.

On Tuesday, at a televised meeting with President Jalal Talabani, Maliki appeared to imply that the kidnappings might be linked to militia rivalries. "What is happening is not terrorism, but the result of disagreements and conflict between militias belonging to this side or that," Maliki said.

If the kidnappings were militia-related, it would underscore Maliki's inability to disarm the groups and could erode his relationship with U.S. officials who have been pressuring him to take tougher action against the militias.

As the convoy left through the gate, Karim, the carpenter, watched from his window across the street. He noticed something different, he said. The convoy had grown by several cars, apparently stolen from inside the parking lot.

"They left with more cars than they came in," said Karim, adding that the convoy turned left onto his street and headed toward the neighborhood of Baladiyat.

He paused, then spoke about how Iraqis like him had lived through wars against Iran, Israel and Iraq's Kurdish minority. "We're used to wars, but not something like this," he said.

The kidnappings were the latest to target academics and a blow to efforts to keep members of Iraq's trained middle class from fleeing the country. Last month, within the same week, gunmen assassinated a Sunni professor and the Shiite dean of Baghdad University's economics department.

Higher Education Minister Abed Thiyab promptly suspended classes at all universities, fearing that more professors or students could be targeted. He told parliament that he had repeatedly asked for more security to protect academic institutions but that his request had not been fulfilled.

"We strongly condemn this act because it is a savage terrorist action," Thiyab said. "This contradicts the sense of credibility in the new Iraq."

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Alaa Maki, a Sunni politician who heads the parliament's education committee, interrupted a parliamentary session and branded the abductions a "national catastrophe."

At the ministry building, dozens of relatives of the kidnap victims had converged at the security gate. Some were openly wailing, others stood solemnly. They were Shiites, Sunnis and Christians seeking answers for the disappearance of their sons, brothers and cousins.

One angry Shiite man yelled at police officials investigating the scene: "Now you will say the militias did this. You will never be brave enough to say policemen did this."

On a nearby street, a man whose brother was a victim said: "Where can we go? The police kidnapped him."

Crouched against a wall, Jindeel Hassan was crying. His brother, Ali, was one of those kidnapped. Hassan said that his brother told him one month ago that the agency had received a threat letter.

"They are all clean people there," explained Hassan. "There are Sunnis, Shiites, Kurds, Christians, all educated people, working together."

"It's a big crime. I feel sadness, suffering, torture," Hassan added, directing his words at those who abducted Ali: "You leave the American occupiers, and you come and kill your country's sons?"

U.S. Commander In Iraq To Face Democrats Eager For Troop Cuts (WP)

By Ann Scott Tyson

The Washington Post, November 15, 2006

Senate Democrats impatient to start withdrawing U.S. troops from Iraq will inject a new political dynamic into the debate over the war beginning today as they question the military's top Middle East commander for the first time since their party swept into control of Congress this month.

Army Gen. John P. Abizaid, head of the U.S. Central Command, which oversees American forces in the Middle East, will face questions on the violence in Iraq and what it means for the roughly 145,000 U.S. troops there during scheduled testimony today before the Senate Armed Services Committee, senators from both parties said.

Senior Democrats and Republicans on the committee are deeply divided over basic issues such as troop levels and strategy and whether Iraq is already in a state of civil war. Still, they are united by a concern for American forces. Committee Chairman John W. Warner (R-Va.), for example, said he will quiz Abizaid on the risks that U.S. troops could face if embedded with Iraqi units under an Iraqi chain of command.

"We've got to be very careful we are not putting at risk life and limb of American forces by putting them with Iraqis," he said in an interview. "What kind of orders will the Iraqi forces receive?" he asked, voicing concern over sectarian influences within the Iraqi military.

Democrats have made it clear that they intend to bolster the committee's oversight role, and an influx of new members, including Democrat James Webb of Virginia, is expected to further invigorate debate. Webb, a former active-duty Marine and one of only a handful of members of Congress with offspring serving in Iraq, secured a seat on the committee yesterday, according to his spokeswoman, Kristian Denny Todd.

The committee plans to hold confirmation hearings Dec. 4 or 5 for former CIA chief Robert M. Gates, President Bush's nominee to replace Defense Secretary Donald H. Rumsfeld, who resigned the day after the Nov. 7 midterm elections. The panel will also weigh in on the congressionally created Iraq Study Group as well as on a sweeping review of Iraq strategy initiated by Gen. Peter Pace, chairman of the Joint Chiefs of Staff.

The Pace review will cover strategy and the viability of increasing or decreasing troop levels in Iraq, as well as stress on the force, according to Warner.

Sen. Carl M. Levin (D-Mich.), poised to take over as Armed Services Committee chairman, said that Iraq is headed into an abyss of civil war and that only by beginning a troop pullout in four to six months can Washington exert the necessary pressure on Iraqi leaders to forge political solutions to the country's violence.

What Iraqis "need to hear, and what the American people need to hear, is that we are darned impatient," Levin said at a news conference Monday, recounting a conversation with President Bush.

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Levin said he believes a majority of the Senate would now back a bipartisan resolution he initiated on a phased pullout.

Sen. Jack Reed (D-R.I.), a committee member who joined with 40 other senators in backing the resolution six months ago, said in an interview: "The best approach is to clearly state the policy to begin redeployment. The critical problems . . . are political in nature," not military, he said.

Democrats say a driving factor in their push for drawing down U.S. troops in Iraq is the strain on the all-volunteer military from repeated combat zone deployments, as well as from billions of dollars' worth of equipment wear and tear that has hurt the military's preparedness should another conflict break out.

Some Democrats on the committee, including Sen. Hillary Rodham Clinton (N.Y.), advocate increasing the size of the Army, which has about 500,000 active-duty soldiers, to improve readiness and ease the strain on the force.

Leading Republicans, for their part, are arguing against a timetable for troop withdrawals while urging a more measured approach to redefining Iraq strategy.

Sen. John McCain (R-Ariz.), set to become the committee's ranking minority member, made it clear that he vehemently opposes a timetable for withdrawing troops and instead favors a substantial increase in U.S. ground forces in Iraq.

If the United States begins a phased withdrawal, "chaos will ensue, and that chaos will spread throughout the region," McCain said in an interview. "We need to get more troops into the equation to try to get Iraqis trained," he said, adding that "the Iraqi military is doing better but is not yet prepared to take over."

McCain, who has advocated increasing U.S. forces in Iraq for years, said that of a string of U.S. mistakes there, "one of our greatest failures was not having enough troops from the beginning."

Feingold Pushes Bill To Extend Iraq Inspector General (MERC/AP)

By Frederic J. Frommer

The San Jose Mercury News/AP, November 15, 2006

WASHINGTON - The Senate approved an amendment Tuesday to extend an investigative office that unearthed millions of dollars in waste and fraud associated with the rebuilding of Iraq.

The amendment, passed by voice vote as part of the military construction and veterans' spending bill, would keep the inspector general's office running through October 2008. Under current law, it will expire in October 2007.

The amendment was offered by Republican Susan Collins, the chairwoman of the Homeland Security and Governmental Affairs Committee, and Wisconsin Democrat Russ Feingold.

"That office has been enormously effective as a watchdog," Collins said in a telephone interview. "It's inconceivable to me that we would allow it to expire prematurely when literally billions of dollars are still being spent on Iraqi reconstruction projects."

The overall spending bill passed the Senate by voice vote Tuesday night.

Connecticut Sen. Joseph Lieberman, who will become chairman of the committee when Democrats take over the Senate next year, called the office "critically necessary."

"And it's delivered - often to our consternation," he said at a new conference with Collins, Feingold and Sen. Norm Coleman, R-Minn.

"This is something that has actually gone right," said Feingold, a harsh critic of the war. "And it would be a real serious mistake to undo it prematurely."

Led by Stuart Bowen Jr., the Office of the Special Inspector General for Iraq Reconstruction tracks spending in the multibillion-dollar effort to rebuild Iraq.

The agency's work has resulted in four criminal convictions and, most recently, evidence that a Halliburton subsidiary exploited federal regulations to hide details on its contract performance.

"Until taxpayer dollars are finished being spent in Iraq, we need oversight," said Coleman.

Earlier this year, Collins pushed through the Senate a measure that would allow the agency to review more than $6 billion in additional funding aimed at stabilizing Iraq - in effect keeping the IG office in business.

But that provision, added to a major defense bill, was stripped from the final legislation when it was negotiated with Rep. Duncan Hunter, chairman of the House Armed Services Committee.

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Hunter did not return phone and e-mail messages seeking comment Tuesday. In a statement a couple of weeks ago, he said he agreed the office had been useful but that a termination date was needed.

Setting the 2007 date "ensures that we have a smooth transition from the special inspector general to the inspectors general of State and Defense," Hunter said in that statement.

Collins said she didn't think the latest provision would face similar obstacles when House and Senate negotiators finalize the military construction and veterans' spending bill.

"I don't think so, now that this issue has been exposed to the light of day, there has been a groundswell of support for retaining the office," she said. "And I'm very hopeful that the Congress will act promptly to extend the office."

By Whom The Toll Is Counted (LAT)

By Richard Fausset

The Los Angeles Times, November 15, 2006

NO one asked Michael White to count the dead soldiers in Iraq.

He is not a military man, and he has no friends or relatives who serve. He is a guy with a Honda Civic, a mortgage and a job in a suburban office park. A guy with a wife and a 7-year-old daughter who has soccer games to go to.

But for almost 3 1/2 years — for no pay and no glory — White has kept a meticulous tally of every U.S. and coalition military fatality, posting the names and the numbers on his website, http://www.icasualties.org .

It started as a hobby — the work of a war critic who wanted to help keep the facts straight. Today, the Los Angeles Times, Washington Post and New York Times use White's numbers to show the extent of the nation's collective sacrifice. Bloggers use his numbers to quell conspiracy theories, and soldiers' parents call up the site to make sure their children are not listed on it. Job seekers have sent him resumes, unaware that the operation is little more than a guy and his laptop.

White is a former post-punk guitar player who, at age 50, favors khakis and sensible shoes. He is proud of his work, and pleased that people are paying attention. But like many Americans, he doesn't know when the war will end — and he wonders how long the site will dominate his life.

He has been particularly busy of late. His own statistics show that October was the deadliest month for U.S. forces in Iraq since January 2005, with 105 fatalities. This month, as of Tuesday, 35 more troops have died. The total number of American military fatalities stands at 2,853. It will surpass the 3,000 mark in a few months if current trends hold.

"I work on the site every morning, every lunch, every evening," White said. "I'm sure my wife resents it, as well she should…. There's housework that doesn't get done. There's yardwork that doesn't get done."

His wife, Ashley, admits that his obsession can be frustrating. "When I want to do something fun on the weekends, it competes with his work on the site," she said. "On the other hand, I'm very proud of him for his commitment."

Like most Americans with scant ties to the war effort, White could have kept its grisly rhythms at a distance. Instead, those rhythms now define him. And yet Iraq can still seem worlds from his tidy suburban cul-de-sac, and the breakfast nook where he does most of his work on a round wooden table. A window behind him offers a view of the train tracks where, about year ago, he remembers seeing a train loaded with Humvees — a rare reminder of life during wartime.

AND even now, White can seem unsure about his motivation for assuming his peculiar burden.

"Why do I do it? If you ask my mother or my sister, they'd say, 'That's Michael: obsessive,' " he said. "It's like when I was 14 years old and locked myself in my bedroom to memorize every word to [Bob Dylan's] 'Like A Rolling Stone.' "

White is of average height, with an open, sanguine face and a measured voice that is both soft and firm. He is a Southern liberal who never considered himself an activist, but he has long had an interest in politics and current events. He traces it to his upbringing in South Carolina, where he lived through the tension of desegregation.

His most reliable passion, however, has always been music. When George W. Bush was elected president in 2000, he retreated into the "Anthology of American Folk Music," the Harry Smith-compiled landmark of the genre, immersing himself in its crackly old spirituals and Scots-Irish murder ballads.

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His reaction to Iraq was different. About two months after the U.S.-led invasion in March 2003, White discovered that a California antiwar protester named Pat Kneisler had posted a self-researched tally of troop casualties on Daily Kos, a pro-Democratic website. Like White, Kneisler had been frustrated by differing fatality counts in the media.

White contacted her and offered to keep the count going on his own site, lunaville.org — the name for the make-believe city where he set his daughter's bedtime stories.

Kneisler accepted the offer, and the pair set about their common task from different sides of the country. For White, it was a protest, albeit a low-key sort that suited his personality.

"I'm not the kind of person who will stand on a street corner holding a sign," he said. "Maybe I'd be a better person if I was."

Then, as now, the Department of Defense kept its own tally of U.S. casualties on its website, http://www.defenselink.mil . But White and Kneisler were concerned that the numbers were updated slowly, and didn't seem to be consistent in media accounts.

"The concept from the get-go was to get an accurate count," White said. "I'd pick up the morning paper and it would say the number was X, and then I'd hear a news report that said five more troops had been killed. But the next day in the paper the number was still X. It was always behind, and I wanted to know what the immediate tally was."

The pair used official military news releases for their list, cross-checking them with reports from journalists who were traveling with coalition troops. Over time they earned a reputation among media and military families for being accurate and quick to update their figures.

THE traffic to the site soon overwhelmed White's home server. When he switched to a commercial host, the traffic outstripped his subscription plan: At one point, he ended up with a $1,000 monthly bill. So he changed the terms of his subscription and put up a request for donations. Today, donors keep the bills paid.

There were more changes as the war dragged on. The name "icasualties" supplanted "lunaville." ("Yeah," Ashley said. "Some bedtime story, huh?") They added links to news stories, and began counting casualties in Afghanistan.

Kneisler dropped out of the project in April without explaining her reasons to White. She would not comment for this story. In the past, White said, they had argued over whether to post the name of a soldier who had been run over by a car while on leave back in the United States. He refused to include the fatality in the official count because it wasn't war-related.

White added features that packaged the casualty numbers — on the wounded as well as the dead — in ways that the Pentagon had not. The idea, he said, was to generate the kind of detailed data that corporate executives demand for their board meetings.

One map shows the number of coalition and U.S. deaths that occurred in each Iraqi province. It reveals that Al Anbar province, the largest in the nation and a stronghold of Sunni Muslim insurgents, has seen at least 1,044 coalition deaths, making it a deadlier place than Baghdad province, with at least 746 deaths. Some fatalities, the website notes, cannot be identified by province.

Some of the charts focus on fatalities among non-U.S. coalition troops: of the 246 killed, 125 were from the United Kingdom, 33 from Italy, and Poland and Ukraine have each lost 18. Another chart shows the number of U.S. troops killed each month by roadside bombs, known as improvised explosive devices, or IEDs.

SOME of the information on White's site, such as the number of U.S. deaths per state, is also available from the Defense Department, but White often updates his numbers faster. And his information, arguably, is easier to find: For one, the government's state-by-state fatality breakdown is accessible at a much more unwieldy URL (

And White goes one step further. He also breaks down the number of deaths by city.

Those kinds of details are among the chief attractions for journalists. In September, the New York Times used White's figures to show that Houston, at the time, had sacrificed more soldiers in Iraq and Afghanistan than any other city, 27. (With the death of Marine Cpl. Benjamin S. Rosales in Iraq in October, that number is now 28).

On Oct. 19, USA Today used icasualties.org's numbers to show the five deadliest days in Iraq thus far in 2006. (The deadliest was Jan. 7, when 18 U.S. troops were killed — nine of them in a helicopter crash).

Marine Corps Maj. Stewart T. Upton, a Defense Department spokesman, said he hadn't heard of the site before. "People should look to the Department of Defense for the official numbers," he said.

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The essence of White's work starts with his search for casualty news releases from the coalition, the Multi-National Force-Iraq. The releases, available at its website, http://www.mnf-iraq.com , contain minimal details of the death — typically, its date and location, and what branch of the military the troop was in, and the cause.

White posts these deaths in his main database as "NAME NOT RELEASED YET", and counts them as "Reported U.S. Deaths Pending DoD Confirmation."

Then he goes to the Department of Defense website, where a more detailed news release is made public 24 hours after the family is notified. These generally contain the deceased's name, age, rank, hometown and a more thorough description of the cause of death.

When a specific news release matches a generic one, White fills in the details. It is these details that allow him to generate many of his original charts and graphs. But sometimes the generic and the specific news releases do not match up. Checking against details in news reports has become more difficult, he said, because fewer reporters appear to be traveling with military units. Instead, some of his best fact-checkers are the military personnel and families who use the site.

THOSE families visit for different reasons. Diane Santoriello, 57, of Penn Hills, Pa., checks icasualties.org every morning, writing the latest casualty count on a sticky note she posts on her computer.

Santoriello lost her son, Army 1st Lt. Neil A. Santoriello, in August 2004 when he was killed by an IED outside of Fallouja, in Al Anbar province. She has become an outspoken critic of the war. She says she misses the time she spent writing to him on her computer.

"I think part of it is a replacement for e-mailing him," she said.

Elsa De La Fuente, 49, of Miami, first visited the site about two months ago. A few weeks had gone by, and she hadn't heard from her 27-year-old son, stationed in or around Tikrit. She was relieved to find that his name was not on the list.

De La Fuente checks the site regularly. She said she preferred its presentation of cold facts to the emotionally charged images she had to endure on television and in newspapers.

"The statistics will show you," she said. "You don't need to shoot pictures or anything."

White has kept his site free of politics — largely because he has learned how much the families of troops rely on his numbers.

"It's awful hard to read those e-mails," he said. "You have to acknowledge their loss in a nonpartisan way. That's one reason the site's agenda is separate from my politics. It's documentary. It doesn't have a political agenda. It answers a question I want answered."

But some questions are easier to answer than others. White also has been trying to keep track of Iraqi civilian deaths, tallying the numbers from news reports. But he knows it's not an accurate way to count, and his numbers only go back to January 2005.

His chart lists 19,526 Iraqi civilians killed since that date. Below that total, a sentence in red type says "Total Prior to 2005," followed by a question mark.

"This is not a complete list," the site states, "nor can we verify these totals."

His list of private contractors who died in Iraq carries a similar disclaimer. It is one of the few collections of its kind that is publicly available.

But so far he has found only 370 names by scouring news reports. The Department of Labor has tallied 650 such deaths through late October, but will not release the names for reasons of confidentiality.

And so White's work continues. There is a Starbucks near his office with Wi-Fi. Sometimes he glances down at the newspapers for sale and sees his numbers splashed across the front page.

Sometimes the faux bossa nova plays and the milk foam whooshes, and the world seems at peace, but for the clack of Michael White's keyboard.

Guilty Plea Expected In Iraq Rape Trial (WP)

By Josh White

The Washington Post, November 15, 2006

DOJ_NMG_0094460

A U.S. Army soldier who is accused of taking part in a plan to rape an Iraqi teenage girl and murder her family in March is scheduled to plead guilty today to numerous charges in a military court in Kentucky, the soldier's civilian lawyer said yesterday.

Spec. James P. Barker would be the first soldier involved in the gruesome rape and killings in Mahmudiyah to publicly take responsibility for the attack, which shocked both the U.S. military and the Iraqi community where the family lived. Prosecutors say the soldiers raped and killed a 14-year-old girl and gunned down her parents and 4-year-old sister.

Barker has agreed to testify against others who were involved, said David Sheldon, a Washington-based military defense lawyer. As part of his plea deal, Barker will not face the death penalty, Sheldon added, but he could receive life in prison on charges that include murder, rape and arson.

"Specialist Barker wanted to take responsibility for his role in the crimes that he committed with these other soldiers," Sheldon said. "He will cooperate fully with the prosecution."

Barker, who is also represented by Capt. James D. Culp, plans to plead guilty at Fort Campbell today, Sheldon said.

Four other members of Barker's company have been implicated in the attack, including former private Steven D. Green, who is charged with murder in federal court in Kentucky and has entered a not-guilty plea. Green's lawyers could not be reached yesterday.

Sheldon said that the soldiers had discussed raping the 14-year-old after they visited her house several weeks before the attack, and that on March 12 they agreed to sneak away from their military checkpoint to rape her and kill anyone else in the house.

At the home, about 300 yards from the checkpoint, Green allegedly rounded up the family members and put them in the bedroom while Barker and another soldier raped the 14-year-old, Sheldon said. Evidence in the case shows that Green shot the father in the head with his shotgun before finding an AK-47 rifle in the house and shooting the mother and the 4-year-old.

Green is accused of then raping the 14-year-old before shooting her in the head with the AK-47, according to court documents.

It was the American shotgun shell, left behind at the scene of the crime, that prompted Army officials to suspect U.S. soldiers were involved in the case, Sheldon said. Another soldier in the unit alerted authorities months later, initiating a formal investigation that led to the current charges.

Sheldon said Barker is remorseful for the attack, which he said arose out of an extremely stressful environment in an insurgent stronghold south of Baghdad.

"All of these soldiers were in a situation where they were sleep-deprived and where they had been drinking whiskey," Sheldon said. "In Specialist Barker's case, he had acute stress syndrome as a result of the traumatic events that he witnessed over the course of the previous two to three months."

Green has been singled out as the instigator of the attack. He was discharged from the Army weeks after it happened, although military officials have said they did not know of his alleged involvement at the time. Military documents show that members of Green's unit had concerns about his behavior and were unaware of his "personal problems" before his enlistment.

"Soldier needs to go for the best of the soldiers he serves with and U.S. Army," said a comment from his battalion's command sergeant major on a form dated April 16, a month after the Mahmudiyah rape and slayings. "He can't be counted on to do the right thing."

CORPORATE SCANDALS:

Incorporation Rules Enable Fraud, Officials Warn Panel (WP)

By Carrie Johnson

The Washington Post, November 15, 2006

Lax state standards allow millions of companies to incorporate every year without their owners being identified, a practice that lets tax evasion, money laundering and securities fraud go undetected, federal officials told a Senate panel yesterday.

Leaders of the Senate Government Affairs Committee's permanent subcommittee on investigations sounded alarms about lenient rules that apply to about 2 million new businesses that incorporate in the United States every year. In most cases, states

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fail to seek basic ownership information from companies and often do not check what little data is provided in follow-up reports against criminal justice databases.

Lack of transparency over who controls the companies amounts to "an unacceptable risk to our national security and our treasury," said Sen. Carl M. Levin (D-Mich.), whose staff initiated the investigation.

Justice Department and Internal Revenue Service officials who investigate financial wrongdoing testified that they are frequently stymied by the problem. "We have important investigations that are hitting brick walls because no one has the ownership information," said Stuart D. Nash, associate deputy attorney general.

Immigration and Customs Enforcement investigators pointed authorities to a Nevada company that received nearly 3,800 suspect wire transfers totaling $81 million over two years. But the case did not move forward because authorities could not identify who owned the business, lawmakers said.

The FBI has opened 103 investigations into stock market manipulation, most of them involving shell companies whose owners are unknown to authorities. The bureau said shell businesses have been used to launder as much as $36 billion from countries in the former Soviet Union. A previous report by the Justice Department disclosed that Russian officials used shell companies in Delaware and Pennsylvania to siphon $15 million that was supposed to pay for safety upgrades for former nuclear power plants.

In many cases, states do not have an incentive to seek detailed information about business owners because the lure of incorporation fees and related funds is too great. In Delaware alone, nearly one-quarter of the state's revenue comes from such fees, according to a Government Accountability Office report on the issue released in April.

Technology that allows companies to incorporate online without requiring the owners to appear in person in a state office is also raising concerns. In some states, including Delaware and Nevada, corporations can pay an extra fee to complete the incorporation process in an hour, lawmakers said.

"What is needed is a level playing field, a system that avoids a race to the bottom," said Sen. Norm Coleman (R-Minn.).

Fixing the problem could be difficult. States and the federal government have clashed over who has the authority to regulate business. At the hearing, senators asked law enforcement officials to look more closely at the problem and to recommend a solution.

Some state regulators argue that seeking more information could raise privacy considerations. And Yvonne Jones, director of the financial markets team at the GAO, said that state officials interviewed by her staff expressed concern that widespread change could require action by state legislatures and could increase fees.

Senate Warned Of Threats From 'Shell Companies' (WT)

By Jerry Seper, The Washington Times

The Washington Times, November 15, 2006

A top Justice Department official told a Senate subcommittee yesterday that while new businesses play an essential role in the nation's economy, a growing number of "shell companies" now being formed legitimately could be used for money laundering, bribery, corruption, tax fraud and the financing of terrorist activities.

Associate Deputy Attorney General Stuart Nash told the Homeland Security and Governmental Affairs permanent subcommittee on investigations that a person without any identification can form a corporation and establish a new business nationwide "within as little as five minutes."

"The corporation is then a legal entity that can engage in business and open a bank account," Mr. Nash said. "Yet, some of the most important information about the corporation -- its ownership -- is nowhere recorded. If that corporation were to engage in fraudulent or negligent activity, it would be very difficult, or even impossible, to identify its beneficial owners.

"Domestic or foreign law-enforcement agents would be stymied in their attempts to conduct an investigation because they would be unable to find out who is behind the illegal activity," he said.

The subcommittee is investigating the issue of states incorporating nearly 2 million new U.S. companies each year without identifying the company owners, and the law-enforcement problems that result when some of these companies become engaged in money laundering, tax evasion or other crimes.

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"Although the vast majority of companies formed in the U.S. serve legitimate commercial purposes, they are attractive vehicles for those seeking to launder money, evade taxes or finance terrorism," said Sen. Norm Coleman, Minnesota Republican and subcommittee chairman.

"Without company ownership information, it is often difficult and at times impossible for U.S. law enforcement to identify and prosecute the criminals behind U.S. shell companies that are engaged in illicit activities," Mr. Coleman said.

The Government Accountability Office reported earlier this year that none of the 50 states routinely require applicants to disclose who will own a corporation and most states do not require ownership information for a new limited liability company. The report said the absence of ownership information allowed people to conceal their identities while operating as U.S. companies.

Sen. Carl Levin of Michigan, the committee's ranking Democrat, said many states compete with each other to sign up new businesses -- offering the service for a median fee of $100. For example, he said, Nevada boasts that it can set up a legitimate company within an hour.

Mr. Levin said the United States was home to 12 million companies in 2004, including 9 million corporations and 3.8 million limited-liability corporations.

In that year alone, he said, the 50 states incorporated more than 1.9 million new businesses. He called on the Justice Department to come up with the "proper corrections" to end what he called a "problem that has been with us for more than two decades."

Mr. Levin said a person who wants to set up a U.S. company typically provides less information than is required to open a bank account or get a driver's license.

In most cases, he said, they do not have to provide the name or address of a single owner of the new company.

Shell Companies Proliferate In U.S. (AP)

By Marcy Gordon, The Associated Press

AP, November 15, 2006

WASHINGTON - Some $15 million in international aid for improving the safety of nuclear power plants in the former Soviet Union was diverted. Shell companies in the United States are used to launder as much as $36 billion from former Soviet republics. Millions in taxable income are hidden in bank accounts in the Caribbean.

All because, congressional investigators say, U.S. states grant incorporation to nearly 2 million new companies a year without identifying their owners -- lenience that allows people to hide their identities and shell companies to launder money, evade taxes or finance terrorism.

Officials of the U.S. Justice Department, the Internal Revenue Service and a financial crimes division of the Treasury Department told Congress at a hearing Tuesday that their agencies' law enforcement efforts have been hampered by the absence of information on company ownership. Shell companies exist mainly on paper and lack real operations. The use of shell companies incorporated in the United States for illicit activities is rising, the officials say.

A report by the Government Accountability Office, Congress' investigative arm, found that none of the 50 states customarily requires disclosure of the owners of companies that are not publicly traded. Other countries do require ownership information to be provided, lawmakers say.

The investigative panel of the Senate Homeland Security and Governmental Affairs Committee is examining the issue.

"Criminals seeking to launder money, evade taxes or commit other crimes want to cloak their actions in secrecy," Sen. Carl Levin of Michigan, the panel's senior Democrat, said. "And right now, that's exactly what they get when they establish a U.S. shell company."

Among examples cited by the GAO report:

Officials of U.S. Immigration and Customs Enforcement reported that a Nevada-based company received more than 3,700 suspicious wire transfers totaling $81 million over two years, but the case wasn't prosecuted because the agency could not identify the company's owners.

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The Justice Department said Russian officials used shell companies incorporated in Pennsylvania and Delaware to illegally divert $15 million in international aid intended for improving the safety of nuclear power plants in the former Soviet Union.

The FBI found that U.S. shell companies are being used to launder as much as $36 billion coming from the former Soviet Union.

San Diego Avoids Fine In Settlement With SEC (AP)

By Elliot Spagat, AP Business Writer

AP, November 15, 2006

The U.S. Securities and Exchange Commission on Tuesday ordered San Diego to hire an independent financial consultant for three years but stopped short of levying fines to punish the nation's eighth-largest city for failing to disclose financial obligations when it sold bonds.

San Diego also agreed to avoid future violations of securities laws. The SEC did not sanction current or former officials but said it will continue to investigate "individuals and other entities that may have violated the federal securities laws."

The SEC and Justice Department began investigating San Diego in February 2004 after the city admitted errors and omissions in its financial statements. The federal probes triggered tumult at City Hall that culminated in the mayor's resignation.

The city made "misleading statements" in five bond offerings in 2002 and 2003 that raised $260 million from investors, the SEC said.

According to the SEC, the city failed to disclose that its unfunded pension liability - the gap between the value of its pension assets and its obligation to retirees - would balloon to $2 billion by 2009 from $284 million in 2002. The city also failed to tell potential investors it carried a $1.1 billion liability for retiree health care.

"The city's enormous pension and retiree health liabilities and failure to disclose those liabilities placed the city in serious financial straits," the SEC said in its 22-page order.

Mayor Jerry Sanders, a former police chief who was elected last year, said the settlement "marks a major milestone in San Diego's emergence from the financial wilderness."

City Attorney Michael Aguirre, who helped broker the settlement, said the SEC correctly avoided a stiffer penalty because taxpayers suffered just as much as bond investors.

San Diego's ability to borrow money has been crippled since the scandal turned the city into a Wall Street pariah. The city still must complete overdue financial audits dating back to 2003 before it can tap financial markets. Sanders said he expected to finish those audits soon and return to bond markets next year.

Michael Conger, an attorney who successfully sued the city in 2003 on behalf of retirees, said the SEC let San Diego off the hook - and appropriately so.

"The SEC is saying we appreciate what you've done so far, don't do it again, and we're going to put you on three years' probation," Conger said. "Now let's look at the individuals."

The SEC said city officials who worked on the misleading financial documents were aware of San Diego's liabilities and "acted recklessly" by failing to disclose them. It commended the city for replacing key employees and its auditor and characterized Mayor Dick Murphy's resignation last year as a step toward recovery.

Five former city and pension fund officials were charged with federal fraud and conspiracy in January. Conger said he suspected the SEC would urge the Justice Department to pursue additional charges against people who signed misleading documents.

Randall Lee, director of the SEC's Pacific region, declined to identify any individuals under investigation.

San Diego's problems began in 1980, when the city began spending above-average returns on its pension investments to give annual bonus checks to retirees. The city decided in 1996 and again in 2002 to avoid payments to the pension fund but at the same time enhanced retirement benefits.

Its unfunded pension liability currently stands at $1.43 billion.

Analyst At Centre Of Fraud Suit Arrested (FT)

By Ben White

DOJ_NMG_0094464

Financial Times, November 15, 2006

The alleged operative at the centre of a high-profile civil lawsuit against a group of powerful hedge funds has been arrested in New York on a wire fraud charge.

Spyro Contogouris was taken into custody on Monday on charges that he stole more than $5m from a former employer, the US Attorney for the Southern District of New York said on Tuesday.

The charge is unrelated to the private $5bn lawsuit filed by Canadian insurance group Fairfax Financial against Mr Contogouris and a group of hedge funds including Exis Capital and SAC Capital Management, the $10bn fund run by billionaire Steven Cohen.

However, the US Attorney's office said its investigation into Mr Contogouris is continuing. And the charges may bolster the lawsuit filed by Canadian insurance group Fairfax Financial.

An attorney for Mr Contogouris declined to comment as did attorneys for Exis and SAC.

In the lawsuit, Fairfax claims Mr Contogouris and the hedge funds conspired to generate bogus analyst reports critical of the company, sent threatening letters to Prem Watsa, Fairfax chief executive, and his friends and family, tried to intimidate employees into providing sensitive inside information and attempted to plant negative news stories about the company.

The hedge funds and Mr Contogouris have denied the allegations.

Fairfax has seen its shares rise more than 40 per cent since the lawsuit was filed. People close to the company say the rise is due at least in part to a stoppage in the alleged dirty tricks.

Mr Contogouris has said he was working for the FBI on a probe into Fairfax. The FBI declined to comment on that assertion.

Scandal-tainted Tyco Name To Live On (FT)

By Francesco Guerrera And Christopher Bowe In New York

Financial Times, November 15, 2006

The scandal-tainted Tyco name will survive the company's planned break-up, following the decision by Tyco Electronics, one of US conglomerate's three main units, to retain the brand despite its association with recent corporate excesses.

The surprising move comes after Tyco Electronics concluded that the value placed on the name by customers and employees was more powerful than the memory of Dennis Kozlowski, the former head of Tyco who has been convicted of looting the company.

The decision - to be announced on Wednesday - runs counter to recent trends that have seen companies such as Phillip Morris and British Petroleum change names and logos, often at great expense, in an effort to refresh their image and break with the past.

Tyco International, the group's main division which sells fire and security systems, is also expected to retain its name after the conglomerate splits into three next year, leaving the healthcare business as the only one seeking a new name.

Mr Kozlowski's actions earned Tyco a place in the unholy trinity of companies that exemplified the US corporate scandals of the late 1990s alongside Enron and WolrdCom, at least in the eye of the press and the investing public.

Tyco has tried to resist this perception, pointing out that, unlike the other two companies, the $40bn-a-year conglomerate stayed in business and made a fresh start under new management.

The decision by Tyco Electronics, which has revenues of about $13bn a year from selling electronic components, to change its logo but not its name came after it asked an independent research company to canvass more than 10,000 employees and over 1,000 customers across the globe.

"I joined Tyco Electronics in January and if you'd asked me then I would have said there was a high chance of a change in name," said Tom Lynch, Tyco Electronics' chief executive. "But employees and customers told us that the value of the brand was much more than any of the things that went on".

The company said the perception of a scandal-tainted company was predominantly a US one and that employees and customers in the rest of the world, which accounts for the majority of Tyco Electronics' business, liked the brand.

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The move by Tyco's new management, which conducted most of the brand analysis in-house, could also mark a swing in the balance of power on image matters away from outside consultants and towards corporate executives.

However, brand experts said that, in general, companies with a troubled past should grasp the chance to start with a clean slate.

"Brand awareness and customers' liking of a name make a very small contribution to customers' engagement and loyalty," said Robert Passikoff , president of New York-based Brand Keys. "The name may be known but it is known for a reason".

By keeping the Tyco name on the electronics unit, the group has preserved the company's connection with its roots. Tyco Laboratores was incorporated in 1962 and some of its earliest work was in electronics. For almost 30 years Tyco remained a relatively small unknown company in New Hampshire, until Mr Kozlowski became chief executive in 1992 and perhaps sullied the name forever.

He and Mark Swartz, his chief financial officer, were convicted in 2005 for theft and fraudulent gains of more than $600m. They are serving at least eight years in prison and must pay about $240m in restitution.

Known as "deal-a-day Dennis," Mr Kozlowski grew Tyco from its roots and $2bn in sales in 1990 to a conglomerate with $36bn in 2002, when he was indicted by New York City prosecutors for fraud and theft.

CRIMINAL LAW:

Abramoff Is To Begin Sentence Today (WP)

By Susan Schmidt, Washington Post Staff Writer

The Washington Post, November 15, 2006

Jack Abramoff, the former lobbyist blamed for a corruption scandal that contributed to the Republican loss of Congress last week, is scheduled to report to federal prison today.

Abramoff, 47, will begin serving a sentence of five years and 10 months at a minimum-security prison camp in Cumberland, Md., for defrauding banks of $23 million in his purchase of a Florida casino cruise line six years ago.

Abramoff has also pleaded guilty in Washington to fraud, tax evasion and conspiracy to bribe public officials. He is to be sentenced in that case next year, after he completes his cooperation with the Justice Department's wide-ranging investigation of his dealings with officials in Congress and executive-branch agencies.

Once a powerhouse in the Republican effort to dominate K Street, Abramoff has become a symbol of lobbying greed and excess. Eight people have been convicted or have pleaded guilty in connection with his schemes, including former Ohio representative Robert W. Ney.

Abramoff could receive a prison term of more than nine years on the Washington conviction, but prosecutors are expected to recommend a lower sentence based on what they have said is his substantial assistance in the ongoing probe. They have also agreed to recommend that the sentences from the Washington and Miami cases be served concurrently.

People involved in the case who spoke on the condition of anonymity said that Abramoff was to be sent to Cumberland. The federal Bureau of Prisons declined to comment. The Cumberland facility contains a medium-security prison and a minimum-security prison camp, where 320 inmates with sentences of less than 10 years live in dormitories. Most inmates at the Cumberland facilities have been convicted of drug charges, according to the Bureau of Prisons.

White House political adviser Karl Rove has blamed the Republican defeat at the polls last week on the Abramoff scandal and other ethics allegations involving members of Congress. Rove said that of the 28 House seats Republicans lost, 10 were lost because of ethics scandals and six were lost because incumbents did not react quickly enough to the issue. The October congressional page scandal involving Republican congressman Mark Foley of Florida "revived all the stuff about Abramoff and added to it," Rove told The Washington Post in a recent interview.

Andrew Blum, a spokesman for Abramoff's lawyers, declined to discuss prison arrangements. "We are still working on the logistics of the Miami sentence and cannot provide any additional comment other than that," Blum said.

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Abramoff's business partner in the Florida cruise line purchase, Adam Kidan, received the same sentence and reported to prison in New Jersey last month. He is expected to testify as a government witness early next year in the Florida state trial of three men accused in connection with the gangland-style murder of the man who sold them the cruise line, SunCruz Casinos.

Abramoff and Kidan admitted to conspiracy and wire fraud in preparing a counterfeit $23 million wire transfer to fraudulently obtain a $60 million loan.

Abramoff To Enter Prison (AP)

Associated Press

AP, November 15, 2006

Prosecutors say having star witness behind bars hurts corruption case

WASHINGTON – Jack Abramoff, the lobbyist known for lavishing politicians with football tickets or whisking them away on exotic golf junkets, takes on a new identity on Wednesday: federal inmate No. 27593-112.

Mr. Abramoff is to report to federal prison to begin serving a nearly six-year sentence for a fraudulent deal to buy a fleet of casino ships in Florida. He also is awaiting sentencing for corrupting government officials and their staff members.

If it were up to the Justice Department, Mr. Abramoff wouldn't be heading to prison – at least not yet. He could hold the key to a sweeping corruption case involving Congress and members of the Bush administration and their aides. And prosecutors said putting their star witness behind bars would impede the investigation.

But a federal judge in Miami refused to delay the sentence, meaning Mr. Abramoff's cooperation will have to continue from prison. Mr. Abramoff's lawyers had no comment.

Mr. Abramoff was originally assigned to a federal prison in Pennsylvania about four hours from Washington. Prosecutors wanted him assigned to a prison in Cumberland, Md., about two hours away.

The Justice Department said the issue has been resolved and, though the Bureau of Prisons will not comment on where Mr. Abramoff will report, prison officials began making preparation for a crush of reporters outside the Cumberland prison.

Mr. Abramoff enjoyed access and influence across Capitol Hill, from his close ties to congressmen to his hundreds of contacts with White House officials. He kept his powerful friends flush with campaign cash, gifts and trips such as a $92,000 chartered jet to Scotland for a golf outing with Rep. Bob Ney, Bush administration official David Safavian and congressional aides.

Mr. Ney was convicted in the case when he admitted last month that he took official actions on behalf of Mr. Abramoff's clients in exchange for his gifts and campaign donations. Mr. Safavian was sentenced in October to 18 months in prison for lying to investigators about his ties to Mr. Abramoff.

The investigation had already ensnared Mr. Ney's former chief of staff and two aides to former House Majority Leader Tom DeLay.

Abramoff Set To Start Prison Term (NYT)

By Philip Shenon

The New York Times, November 15, 2006

WASHINGTON, Nov. 14 — Jack Abramoff, the former lobbyist at the center of a major influence-peddling scandal, is scheduled to enter prison on Wednesday, over the protests of prosecutors who wanted him to remain free to cooperate in an investigation that has threatened to implicate several members of Congress.

Mr. Abramoff was sentenced in March to five years and 10 months after pleading guilty in Miami to fraud charges involving his purchase of a gambling cruise-ship line.

He is still awaiting sentencing in Washington on charges that he conspired to provide illegal gifts to lawmakers, including former Representative Bob Ney, Republican of Ohio. Mr. Ney is also facing prison after pleading guilty to corruption.

People with knowledge of the case, speaking on condition of anonymity, said Mr. Abramoff was expected to serve most of his sentence at a federal prison in Cumberland, Md., about 140 miles from Washington, which would allow prosecutors to continue their debriefings of him.

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The Justice Department had wanted to delay Mr. Abramoff's confinement for at least several months, but Judge Paul Huck of Federal District Court refused.

Federal prosecutors say that the investigation of Mr. Abramoff's lobbying operation is far from over and that, since his plea bargain was announced last January, he has provided valuable evidence of potential wrongdoing by public officials.

Prosecutors have not identified other targets of the investigation. But the inquiry has created alarm on Capitol Hill and was a factor in the defeat in last week's elections of at least three Republican lawmakers who were portrayed by their Democratic opponents as close to Mr. Abramoff.

Mr. Ney is scheduled to be sentenced in January after acknowledging that he had accepted illegal gifts from Mr. Abramoff and his partners.

A former White House budget official, David Safavian, was sentenced last month to 18 months in prison for lying to federal investigators about his knowledge of Mr. Abramoff's lobbying work and the circumstances of the golfing trip. </NYT_TEXT>

Abramoff Reports To Prison Tomorrow; Offers Testimony On Democratic Senators (ABC)

By Brian Ross And Rhonda Schwartz

ABCNews, November 15, 2006

Convicted lobbyist Jack Abramoff is scheduled to report to federal prison tomorrow, over the objections of federal prosecutors who say they still need his help to pursue leads on officials he allegedly bribed.

Sources close to the investigation say Abramoff has provided information on his dealings with and campaign contributions and gifts to "dozens of members of Congress and staff," including what Abramoff has reportedly described as "six to eight seriously corrupt Democratic senators."

The sources say Abramoff was about to provide information about Bush administration officials, including Karl Rove, "accepting things of value" from Abramoff.

THE BLOTTER RECOMMENDS

Follow the Bouncing Bribe Scandal: Keeping Tabs on the Abramoff Lobbying Investigation

Photos See Who Went on One of Abramoff's Trips to Scotland

Click Here to Check Out More of the Brian Ross Page

Rove has denied any wrongdoing in his dealings with Abramoff. But the lobbyist visited the White House at least seven times, according to Secret Service logs obtained by Judicial Watch.

Abramoff has been meeting almost daily in secret locations around Washington with Justice Department investigators who are examining thousands of e-mails and documents, according to sources close to the investigation. The convicted lobbyist was spotted in downtown Washington, D.C., yesterday, carrying a computer laptop case.

But the prosecutors' easy access to Abramoff has now ended.

After granting several delays, the federal judge in Florida, who sentenced Abramoff to six years for fraud in a casino boat gambling scheme, has ordered him to report to prison tomorrow.

ABC News has learned that the court has granted a request from prosecutors that Abramoff be incarcerated at the closest prison to Washington, D.C., the Federal Correction Institute in Cumberland, Md., where Abramoff is expected to report tomorrow.

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November 14, 2006 in Abramoff Lobbying Scandal | Permalink | User Comments (77)

User Comments

There are 37,000 lobbyist working in Washington D.C. they earn on average over 200k a year. Nancy Pelosi stated she was going to "drain the swamp" I have news for her. When you start draining the water, you are going to find things in the mud that you thought were long discarded. Some of these bad things were thrown in by the Republican's and other's were thrown in by the Democrat's. Good luck there, Nancy.

Posted by: mike jones | Nov 14, 2006 4:38:41 PM

i hope the dems finally correct the illegal activities at the marianas island

Posted by: la | Nov 14, 2006 4:52:18 PM

DOJ_NMG_0094468

Pure B.S. If anything access to Abramoff ought to be easier if he's in prison!

Posted by: pesfb | Nov 14, 2006 4:53:47 PM

If Abramoff pulls down 40-50% of Congress I say he deserves a full pardon and a Medal of Freedom.

Posted by: Karl | Nov 14, 2006 4:55:37 PM

Name the names and let's investigate. Regardless of party, the guilty must lose their government jobs.

Posted by: steve | Nov 14, 2006 5:03:54 PM

Just what this country needs at a time when Iraq is turning from worse to worst.

These people, Democrats or Republicans should come out clean and quit Congress! I would love to hear the names of these Senators.

While I am a Democrat, this act is inexcusable.

Posted by: Dhwani | Nov 14, 2006 5:04:34 PM

like the peeling of an smelly stinky onion, the more you peel the stronger the stink, the more the smell penetrates your senses until you cannot deal with it anymore. Politics is the onion and corrupt politicians are the layers. each layer/politician is as corrupt as the next. and these are the people that are in power run our country....you all should be ashamed of yourselves....smiley glad hands...it's that hand they offer out to people that is stabbing the moral fiber of america

Posted by: wiz | Nov 14, 2006 5:10:59 PM

Just you wait. It will be interesting to see how many of the Congress have dirty hands.

They all belong in jail next to Abramoff.

Posted by: skirtlehid | Nov 14, 2006 5:14:46 PM

hey....is that george costanza

Posted by: beetle | Nov 14, 2006 5:17:13 PM

FULL DISCLOSURE Rep or Dem. Root out the bums and put them in prison too. Have you ever noticed that 99% of the time the briber goes to jail while the corrupt politician goes scott free?! Bummer

Posted by: W.L. | Nov 14, 2006 5:19:14 PM

DOZENS of members of Congress? Amazing.

I think we, Americans should accept the fact that corruption cannot be stopped. Forget about this and talk about Iraq. The situation there is worse than Iraq.

Posted by: Dhwani | Nov 14, 2006 5:24:00 PM

I'm just wondering why someone who was so deep in with the republicans would have been bribing Dems too. I'm not saying it didn't happen, but it seems very convenient that after all this time, all these months (after the dems won new 6 senate seats) we're just now hearing that well, lo and behold there are 5-6 dirty dems. I'm just wondering, since Karl Rove couldn't fix the elections, maybe he found a way to fix the after effects.

Posted by: Doubtful | Nov 14, 2006 5:24:02 PM

Is anyone even remotely surprised that Democrats are just as crooked as their Republican counterparts? It has gotten to the point where the only thing a moderate voter can do is vote for term limits or vote against the incumbant - regardless of party affiliation. The longer they stay in power, the more corrupt they become. At least we can limit the damage by voting them out of office as soon as possible.

Posted by: Gary | Nov 14, 2006 5:24:45 PM

It isn't that interesting at all. Abramoff has been saying all along that democrats took bribes. In fact, Harry Reid took an enormous amount of money from him.

Posted by: truth | Nov 14, 2006 5:32:56 PM

Despite his wrong doings he was 'playing the game' and if he names names and pull them down, give him a medal! We pull stings for street criminals...lets get these fatcats up in DC!!!

Posted by: Bill | Nov 14, 2006 5:33:32 PM

Unfortunately, congress has no intention of policing its own ranks. Never has - never will. The only time this sort of stuff comes to the forefront is election season and the election is over.

When Ted Stevens made the threat of retirement if he didn't get his bridge to nowhere, the so-called honest gop members should have stood shoulder to shoulder and told him not to let the door hit him in the ass.

That told the whole story. These people have corruption in their dna. The only way to fix this is a total and complete housecleaning - including aides and staffers. Then start over. With draconian corruption statutes - enforced. As in: You get caught - you go to jail. You cover for a bud - you go to jail. Zero tolerance vs zero accountability.

Fat chance.

Until then, vote for the liar that promises you what you want to hear.

Posted by: george | Nov 14, 2006 5:35:07 PM

Just curious: Where was this story two weeks ago, before the elections?

Posted by: Ricky Sims | Nov 14, 2006 5:37:20 PM

Ben Franklin once said, "America will get the sort of government it deserves."

We Americans need to spend more time overseeing (and prosecuting) our elected officials and much less time amusing ourselves with brainless entertainment.

Posted by: Bob | Nov 14, 2006 5:38:09 PM

we all knew the "culture of corruption" was hypocritical. Know it time for the liberals to get tortured by the minority party for a few years.

Posted by: Daniel Gray | Nov 14, 2006 5:38:42 PM

I love how some people are still trying to pin something on Rove. "Something of value"? THat doesn't matter. What does matter, is can they prove a link?

Does it occur to any of you that the reason he was more in bed with Republicans was because THEY WERE IN CHARGE? And he was in bed with some powerful Dems because they could block some things from committees and to hedge his bets.

If any are found guilty of taking bribes, they should be excommunicated from Congress. But any of you who think that just because of the numbers that the Republicans are any more corrupt are just deluding yourself. Let's see the corruption in the next 2 years. BOTH parties have corrupt individuals. Witness Jefferson from Louisiana with $97K in his freezer.

Posted by: Robert Nunemaker | Nov 14, 2006 5:39:17 PM

Something really needs to be done

in order to bring morality and

justice back to government. The people are suffering from this type of behavior. The laws are changed in the interest of self-serving politicians under the watchful eye of lobbyists. Lobbyists who serve the interests of Major Insurance Companies,Health Insurance Companies,and who knows what else."We the People" need to find a solution to dishonesty and corruption in the U.S.Government.

Thank You

Richard

Posted by: Richard Frank | Nov 14, 2006 5:43:12 PM

Having read all the posts here, the general feeling seems to be, "damn the party! Find the accused, try and judge, punish if found guilty."

Hear, hear! No effort is too much!

Throw the bums out!

Posted by: Jim D | Nov 14, 2006 5:44:28 PM

we all knew the "culture of corruption" was hypocritical. Know it time for the liberals to get tortured by the minority party for a few years.

Posted by: Daniel Gray | Nov 14, 2006 5:45:19 PM

I think the guilty should lose both their goverment job and the salary that we continue to pay them even when they quit or are found guilty.

Posted by: Vicky | Nov 14, 2006 5:47:48 PM

And now you know why Kathryn Harris and Ned Lamont spent over 20 Million of their own money to get elected to a job that pays just $165k a year. It's all about the power, prestige, and contacts. Follow the money!!!!!!

Posted by: mike jones | Nov 14, 2006 5:50:18 PM

Got to admit, the guy always looks cool.

Posted by: Dave | Nov 14, 2006 5:50:40 PM

I recall an article about a few weeks ago about "corrupt Republicans" who resigned and are still getting a pension check and yet we had their names! Where's the names of the corrupt Democrats?! Just like the biased mainstream media! Hide the truth and tell the lies! Create untruthful problems and the have Democrats provide cheap solutions!

Posted by: Mr Twister | Nov 14, 2006 5:53:12 PM

Without any names this report is worthless, it is just like saying everyone is dirty, so what.

Posted by: Matt | Nov 14, 2006 5:53:37 PM

Too much time is wasted year after year trying to deal with the corruption in D.C. Build some barracks for their living quarters, give them a desk and room dividers, put them on a budget, do background checks before they are allowed to run, set up rules of behavior, set their hours for them, disallow access from lobbyists, and take them ALL on a tour of the worst federal prisons in the area. Isn't it time the citizens took some control over this silliness? If they insist on acting like irresponsible children, treat them as such.

Posted by: Paul | Nov 14, 2006 5:56:53 PM

Huh, nary a word mentioning corrupt Republicans, only Dems. It would seem that ABC would have you believe that Abramoff is a Democrat problem, which is obviously laughable on it's face. Abramoff was a loyal Republican, working for DeLay and the Republican establishment- make no mistake about it. Republicans are way more tied up in this mess, as any competent investigator will show.

Not to excuse the Dems- if they're corrupt, toss 'em ALL out, D or R. And NO, I DON'T accept corruption as "just the way it is", thanks VERY much, and neither should you Dawahni.

Posted by: CitJ | Nov 14, 2006 5:57:25 PM

Save yourselves a lot of pain and
anquish over our politicians and
the reality of life in Washington,
just forget about term limits, it
will never happen, just remember to limit their terms in office to
2 terms and vote them out regardless of whether you think their doing a good job....the lust
for money in their pockets will eventually color their thinking
so out they go. If they were doing
a good job, let them run again and
vote them in.Do so whether they are Republicans or Democrats in the House or Senate.
We created this "monster" need of
money and more money to get re-elected and the vultures out there
know it, so let's wake up and smell the coffee....the ballot box
is your only option.

Posted by: Donaldstony | Nov 14, 2006 5:58:00 PM

If a couple of Democratic Senators were indicted and convicted of bribery from the Abramoff scandal, do you think Harry Reid would push for their removal from the senate? Even, if it meant he would give his new postition as Majority leader in the Senate? This investigation is going nowhere. I would not be surprised in Abramoff found his "demise" by some con with a shank in the shower.

Posted by: mike jones | Nov 14, 2006 5:58:05 PM

DOJ_NMG_0094471

Why the "Rush" to prison? I mean, if Abramoff can dish the goods on more corrupt politicians, why put him away where he won't be as effective? I think the next two years ought to be very interesting.....Dirty Harry, Big John Murtha and others.. ....Gotta love it.....and I was in a depressed state.....I just hope that Abramoff is not taken out while he is the big house.

Posted by: Timmy | Nov 14, 2006 6:01:00 PM

Abramoff has met with hundreds of people in Congress.Meeting with Abramoff by itself doesn't mean corruption, Dem or Rep. But if illegal gifts or bribery took place, the guilty parties should leave congress. We've got to be careful of a vindictive Abramoff who might lie to the FBI just to get less jail time.

Posted by: Harry Schwarz | Nov 14, 2006 6:01:54 PM

Why the "Rush" to prison? I mean, if Abramoff can dish the goods on more corrupt politicians, why put him away where he won't be as effective? I think the next two years ought to be very interesting.....Dirty Harry, Big John Murtha and others.. ....Gotta love it.....and I was in a depressed state.....I just hope that Abramoff is not taken out while he is the big house.

Posted by: Timmy | Nov 14, 2006 6:02:33 PM

I love Abramoff

Posted by: Matt | Nov 14, 2006 6:02:47 PM

ALL ELECTED PEOPLE MUST HAVE A BACKGROUND CHECK AND TAKE A LIE

DETECTOR TEST.

JOHANN DOHMANN

Posted by: JOHANN DOHMANN | Nov 14, 2006 6:03:26 PM

Why do you suppose they are so quick to send him to jail? He is not a flight risk and can help weed out the corruption. Could it be he said Democratic Senators?

Posted by: Big Dog | Nov 14, 2006 6:04:50 PM

Term Limits. 2 terms and OUT!

Posted by: jeff poplawski | Nov 14, 2006 6:06:51 PM

Guys, and Gals. Karl Rove is not the Boogey Man. He will be gone soon enough. When Jan 1'st rolls around Dem's will control the House and Senate. They will be in control and be responsible. They are driving the bus now. If they run someone over, they get the blame. Simple, but yet the truth.

Posted by: mike jones | Nov 14, 2006 6:07:53 PM

I hear George W. is working on a pardon for Abramoff as we speak. What do you think that would do for his polling numbers?.

Posted by: mike jones | Nov 14, 2006 6:09:09 PM

Six Democratic Senators? Hmmm, same number of seats won? Coincidence? If true, let the chips fall where they may, but let's see the facts before we buy anything Abramoff tries to sells us. Known and convicted liars don't make reliable sources.

Posted by: BlueDog | Nov 14, 2006 6:09:21 PM

Folks can't we see that we have been dealt every scam known to man from our politicians! My fellow Americans we don't work for this Government, they work for us, it's time we take back what is rightly ours, and that's this Soverign Nation. "For The People, By The People. Period.

Posted by: Andrew King | Nov 14, 2006 6:09:42 PM

i am not a politician. i am an average American. funny how we assume politicians are all corrupt. guess what? they are people first just like the rest of us. it is not the occupation that dictates who they are. it is their character that matters. just like the way the big oil companies are criticized...as if they are these giant aliens of another being. they are corporations run by people...people just like us. Quit judging broadly your fellow Americans. If you are an honest good citizen then chances are most politicians are too.

Posted by: Lisa | Nov 14, 2006 6:10:49 PM

Term limits are needed; they'll help the keep the corruption down on both sides.

Sorry if we "lose" some good leaders, but that's the price we must pay to "try" to keep our government clean.

Down with all bribe takers and givers.

Posted by: CPMJohin | Nov 14, 2006 6:11:40 PM

Why do we just keep hearing accusations of democrats being involved but no one ever names them?

I don't believe this is bi-partisan at all. If there were democrats involved we'd know their names like we do with the Republicans. Its easy to say democrats were involved but it doesn't seem so easy to say exactly who they are.

Posted by: esther clark | Nov 14, 2006 6:12:16 PM

You think this is bs? You haven't seen it all yet. And realize there is more to come. When you finally do "get it", it will leave you shaking your heads. Ladies and gentlemen, it is going to be too late to do anything about it, even if you could do something.

Posted by: wbva | Nov 14, 2006 6:20:24 PM

Think about it, Doubtful: Abramoff "rewarded" Republicans; in most cases, they already agreed with him. But he "bribed" Democrats, who otherwise (presumably) would have opposed what he was selling. If you paid careful attention, the names of potential Democrat targets have been in the news. Their names have been downplayed by the media going into the election. But, watch: There will be at least three Democrat Senators whose "crimes" will match the ones that defeated Conrad Burns.

Posted by: John | Nov 14, 2006 6:21:29 PM

Look at Abramoff's staff. Some of Reid's top guys worked for Abramoff. The guy knew the system, and he played both sides. I'm betting at least two-three democratic senators are at least in as much hot water as Congressman Ney.

Posted by: wizbang | Nov 14, 2006 6:22:37 PM

Jack Abramoff has admitted in the past that he did not pay much attention to Democrats. Why should he have? The Democrats were not in power and could do nothing to help enrich him or his clients.

Someone has leaked this phony story for obvious reasons. Six to eight Democratic Senators? Give me a break. If there are corrupt Democratic Senators, please provide the evidence.

Posted by: carollt | Nov 14, 2006 6:22:52 PM

It's not Costanza it's George Micheal!

Posted by: KFedUp | Nov 14, 2006 6:23:22 PM

If five or six democrats are being implicated, how many republicans are being implicated? 208? Sounds about right to me.

An election is just a changing of the guard. The question is, what are they guarding, or who?

It sure don't seem to be the people.

Posted by: a | Nov 14, 2006 6:32:23 PM

DOUBTFUL, I think you have it backwards.I think the fact that the left-leaning media did not report this until after the election is the outrage. BTW, I agree that ALL of these crooks, Rep or Dem need to go to jail if convicted.

Posted by: LABDUDE2 | Nov 14, 2006 6:34:36 PM

Well of course there are corrupt Democratic lawmakers! There always will be crooks on both sides of the aisle until we clean up the campaign finance laws and get rid of lobbyists' expense accounts.

Posted by: Marya | Nov 14, 2006 6:36:14 PM

My goodness, Democrats took bribes too?! Shocking. NOT.

They're all politicians. It is in the nature of what they do that they must lie and be dirty dealing behind the scenes in order to accomplish anything. The only way out is to find some way to structure our elections in a way that money is not a factor. If you don't have to raise money, you're not beholden to any donor of funds, lobby group, industry, union, eco group, or anyone else. You're only obligated to those you represent.

Unfortunately I don't think I've yet heard a good idea of how to go about getting to the point where you don't have to be rich or bent over taking cash in order to get into office.

Posted by: AVoter | Nov 14, 2006 6:40:22 PM

Of course Abramoff had to bribe Democrats. In fact, he probably had to bribe more Dems than Repubs. Since he was a Republican, most Repubs would be inclined to agree with his agenda and would not need to be bribed to go along with him. Democrats, on the other hand, would be opposed to what he wanted and would have to be bribed to go along.

Posted by: Roland | Nov 14, 2006 6:41:55 PM

Corrupt politicans abound.

Posted by: Phil | Nov 14, 2006 6:43:05 PM

C'mon folks - has one single Democrat been named during all the Abramoff investifations to date? Has one single Democrat gotten into Abramoff's K Street Project? Has anyone credible come forward with a specific name? This is just another of Mark Helperin's dumb attempts to prove to O'Really and Limpbough that he's one of them. Call me when you've got some true info. Until then, zzzzzzzz.

Posted by: ignoreland | Nov 14, 2006 6:44:36 PM

I always think it is funny when one party thinks they are better than the other. I think it is s shame the ones candor does not apply to politician yet they drag our soldiers through the mud whenever they get a chance. Murtha - the fat one - should be tried for supporting the Terrorist.

Posted by: david | Nov 14, 2006 6:47:51 PM

If you think that these Dems are going to make anything better you need your head examined. Unfortunately we've gone from bad to worse.

Posted by: Peter | Nov 14, 2006 6:49:44 PM

"Doubtful" doesn't even begin to cut it, Doubtful.

Bran Ross is a fool to have been to have been gulled like this. I've read hundreds and hundreds of pages of the Abramoff documents and there's only one Dem Senator even indirectly referenced, and he retired in '04. John Breaux of Louisiana, not surprisingly, and even that's merely a weak inference because one of the few Dems on Abramoff's "team" was a former senior Breaux staffer.

The Abramoff folks went out of their way NOT to involve Democrats.

Posted by: jfxgillis | Nov 14, 2006 6:55:01 PM

This is definitely George Costanza! Sorry to say but he most likely will wake up one day dead or with massive heart attack (think Ken Lay - he gave a lot to both parties)

Posted by: Alex | Nov 14, 2006 6:55:33 PM

Let's get all the cards on the table. This centrist independent would love to see the lights come on in the kitchen quick before all of the roaches scatter and hide!

Posted by: Tom Vaitys | Nov 14, 2006 6:59:47 PM

Congress plays one big on-going game of "Let's Make A Deal" and as Sting once said the politicians are like game show hosts. Republicans and Democrats alike are corrupt as hell, and the damage they are doing to this country is incalculable. We already knew many of them are whores, now let's find out how much they sold themselves for.

Posted by: Terry | Nov 14, 2006 7:00:23 PM

It's easy to blame congress so we don't have to take a look at our part in it. We can stop the corruption any time we want by just voting and changing our spending patterns.

just_vote

Posted by: just_vote | Nov 14, 2006 7:01:56 PM

How about making punishment of corrupt lawmakers harder than the drug dealers, that is the entire properties of the corrupt official is sucked in by the IRS/FBI, including that owned by his/her immediate family. Because this is the wealth for which made him/her betray their voters. Simple and effective.

Posted by: abc wxyz | Nov 14, 2006 7:07:28 PM

The only thing that will make things better is a global catastrophy. Wipe the slate clean and start over... oh yea!

Posted by: michael | Nov 14, 2006 7:08:58 PM

Several Democrats in Congress are known to have accepted significant campaign contributions from entities associated with Abramoff. However Abramoff has been sentenced by a Florida state court so he would normally go to a Florida prison, which he almost certainly wants to avoid. If federal investigators can get Abramoff assigned to a federal prison instead, perhaps he will keep talking.

The recent exit polls where corruption was listed a top issue by voters must be encouraging to federal prosecutors, who are apparently in a public corruption unit where Attorney General Gonzalez has been unable to protect Congressional Republicans.

Posted by: Chris Baker | Nov 14, 2006 7:11:55 PM

First, we ought to congratulate Mr.Ross and Ms Schwartz for impartiality. Too many times The Blotter has been accused of siding with the Democrats or the other way around.

Second, the posters so far have stayed off the partisan path-- only one has expressed some doubt as to the timing of Abramoff's disclosure and it is not hard to see why. But the fact that the vast majority here is for the need to clean up, regardless of political make up of the cesspool, deserves yet another slap on the back.

Third, my own opinion is that the corruption has to be stopped. The best way to do it is by a non partisan approach, indeed.

And let the chips fall as they may!

If America ever needed a united front, this is it. The next will come so much easier. Be it sorting the mess in Iraq or real fight against the other common enemy which is terrorism, or the urgently needed change in foreign policy, the start of cleaning up the American government is the right priority if all the other problems are to have a chance to be solved.

Posted by: Verbatim | Nov 14, 2006 7:13:15 PM

Isn't Lorton closer than Cumberland?

Posted by: Patriot | Nov 14, 2006 7:14:57 PM

Exactly right Gary. I stopped being an "either or" kinda guy a long time ago. Vote against the incumbant every time and try to keep the opportunity for graft to a minimum. I can't believe anyone being niave enough to actually believe that either side is any cleaner than the other. Most of a professional politicians time is spent trying to find the dirt on the other side and getting re-elected. Meanwhile, we keep going down the tubes. I guess thousands of years of history as to what has happened to every other great world "superpower" of it's time has taught us nothing.

Posted by: Mark | Nov 14, 2006 7:17:22 PM

I don't care what side of the aisle these lowlifes come from.

If they took bribes they have a duty to this country to step aside.

Drain the swamp.

Posted by: Dee | Nov 14, 2006 7:20:42 PM

C'mon folks. He was trying to secure casino rights for Indian Reservations. This was not a Republican/Democrat issue. Dems are just as dirty. I love the comment about Karl Rove masterminding the timing here. Dems have just about attributed anything and everything to Rove. If Jesus makes his return tomorrow, the Dems will swear that Rove arranged it so that Nancy Pelosi wouldn't have a chance to be Speaker.

Posted by: John C. | Nov 14, 2006 7:20:58 PM

I really like the comment about Nancy Pelosi draining the swamp. Bad things live in swamps! and they bite when confronted!

Posted by: Anne Smith | Nov 14, 2006 7:22:56 PM

This DEM is glad to hear that possibly corrupt Dems will be exposed. Our party will be stronger by ridding ourselves of the corrupt swamp denizens.

Now is the time for Dems to be diligent in not letting Dems in power become corrupted. The biggest change after this election will be who the lobbyist target.

Posted by: Dan | Nov 14, 2006 7:25:21 PM

Perfect!! who better to get information from concerning the bad guys that need to be outed. Get that info from a covicted felon, of course!!

Posted by: JOE | Nov 14, 2006 7:25:30 PM

Dollarcracy has replaced democracy and is clearly a tremendous success, not only in the US but across the entire world.

Posted by: Jim | Nov 14, 2006 7:26:57 PM

University Urged To Take Ney's Name Off Building (USAT)

By Dennis Cauchon

USA Today, November 15, 2006

DOJ_NMG_0094475

First, Bob Ney lost his job as a congressman. Now, he's on his way to losing another classic political honor — having a building named after him.

Ney, a six-term Republican from Ohio, will be sentenced Jan. 7 for his role in providing favors to disgraced lobbyist Jack Abramoff.

Ohio University has begun the process of removing Ney's name from the Robert W. Ney Center for Health and Physical Education at its campus in St. Clairsville, near the West Virginia border.

The building was named after Ney in 1997 because, as a state senator, he helped secure the $5.5 million in state funding to construct it.

The building has a 3,300-seat gymnasium, a fitness center, bookstore and cafeteria. It's the meeting place on the small campus of 600 commuter students.

"We haven't heard a lot of talk, but what we've heard supports removing the name," says Charles Bird, the vice president in charge of the university's regional campuses.

On Monday, a university advisory council of local leaders, headed by a judge, urged removing Ney's name.

Bird says the recommendation will be given to the university trustees at their meeting Dec. 1. A call and an e-mail to Ney's attorney were not returned.

James Harris, who lost to Ney in the Republican primary in May, has one word for erasing Ney's name: "Good."

"I have no interest in kicking someone who is down for the count, but on this small matter, taking his name down and moving forward is understandable," Harris says. "His corruption undercut the Republican message of restraining government spending."

However, the fallen congressman gets some sympathy from an unlikely source: Gregory DiDonato, whom Ney narrowly defeated in his first congressional race in 1994.

"I'd be cautious about taking away the legitimate credit someone earned, by removing a name. He played a major role in the project. Nothing can undo that," says DiDonato, who later became a Democratic leader in the Ohio Senate.

If the trustees decide to remove Ney's name, the task won't take long. "We'll take the letters out of the masonry and fill the holes," says Ohio University architect Richard Shultz. "A new name will probably go up some day."

Federal Panel Begins Hearings On Curbing Prison Rape (AP)

By Don Thompson, Associated Press

AP, November 15, 2006

FOLSOM – Thomas Clinton says he and six of the other 10 homosexuals in his cell block were raped in prison.

National prison officials and experts on Tuesday said they have no idea if the 36-year-old Los Angeles man's experience is typical. They are only now beginning studies to see how widespread sexual assault and consensual sex are behind bars.

Spurred by a 2003 federal law, the U.S. Department of Justice's new Review Panel on Prison Rape began two days of hearings Tuesday at California's Folsom Prison to learn what the country's largest state prison system is doing about the problem.

It is the start of a monthslong national effort to find how many prison inmates are victims of sexual assault and how to deter the attacks.

"We don't know to what extent the problem exists," the federal rape panel's chairman, Steve McFarland, said in an interview.

Reports of assaults "may be just the tip of the iceberg. We haven't a clue," said McFarland, who also directs the Justice Department's Task Force for Faith-Based and Community Initiatives.

Congress, in passing the federal rape law, cited estimates that 13 percent of inmates are assaulted nationwide. The federal Bureau of Justice Statistics, in a 1997 survey, put the incidence at less than 1 percent.

California legislative researchers found 4.4 percent of California inmates reported assaults in 2000, compared to 4 percent in Florida, 2.5 percent in Texas, 2.3 percent in New York and 1.7 percent in federal penitentiaries. But reporting methods vary so widely that the figures are useless, McFarland said.

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For Clinton, the assaults began soon after he was sent to prison in California on a drug charge in October 2003.

"I was stabbed and cut because a skinhead wanted me to 'service' a lifer (inmate serving a life sentence) for some cigarettes," Clinton said in an interview before testifying under oath Tuesday.

He said he was attacked with a knife after he refused to perform the sex act.

Clinton said he was later raped by another inmate in a shower at an inmate firefighters' camp near Susanville in November 2004.

"'Maybe you deserve to be raped because you choose to be homosexual in prison.' I was told that many times by guards," said Clinton, who has since been released and is suing the California Department of Corrections and Rehabilitation in federal court in Sacramento over his treatment.

But McFarland said California is at the national forefront of prison rape prevention efforts. A 2005 state law requires a statistical study of sexual coercion, along with training programs, posters, brochures and videos to raise awareness of the problem.

The federal Bureau of Justice Statistics is starting its own scientific sampling of inmates nationwide in state and federal prisons, county and city jails and juvenile facilities.

The goal of the federal survey is to identify, by July, the best and worst facilities as far as the number of rapes, as well as consensual sex among inmates and between inmates and employees.

The federal review panel will then examine what the prisons and jails are doing right and wrong to prevent rapes and discourage consensual sex, and make recommendations to an eight-member National Prison Rape Elimination Act Commission, said McFarland.

The commission will then recommend rape prevention policies to prisons nationwide.

Two MS-13 Members Are Convicted Of Racketeering (WP)

By Ruben Castaneda

The Washington Post, November 15, 2006

In the first major victory for federal prosecutors in a sweeping legal assault on MS-13 in Maryland, a federal jury in Greenbelt yesterday convicted two members of the violent Latino street gang of criminal racketeering.

Edgar Alberto Ayala, known as "Pony," 29, and Oscar Ramos Velasquez, 21, known as "Casper," both Salvadoran immigrants, were found guilty of conspiracy to commit murder to further the racketeering enterprise.

The racketeering prosecution is part of an investigative and legal offensive begun by federal authorities last year against a gang that as recently as five years ago was little known outside law enforcement circles and the neighborhoods it operates in.

Locally, law enforcement officials have attributed dozens of homicides and nonfatal assaults in recent years to MS-13 members in suburban Maryland, Northern Virginia and, to a lesser extent, the District. Nationwide, federal officials have formed an MS-13 task force, which began operating last year out of FBI headquarters.

The jury's decision, reached during five days of deliberations, means that both men are eligible for a maximum possible sentence of life in prison without parole.

The defendants were among 22 in Maryland charged more than a year ago under the Racketeer Influenced and Corrupt Organizations Act. The RICO indictment alleges that members of MS-13, a gang also known as Mara Salvatrucha, killed six people and attempted to kill four others between April 2003 and June 2005 in Prince George's and Montgomery counties.

Eight of the attacks were in Prince George's, and two were in Montgomery, in neighborhoods that hug the border between the counties. In addition, federal prosecutors presented evidence that Ayala participated in the fatal shooting of a Fairfax County teenager.

Ayala and Velasquez showed no emotion as the guilty verdicts were read.

Ayala's relatives and Gary A. Ticknor, his attorney, declined to comment. According to evidence presented by the government, Ayala was a leader of one of the local MS-13 cliques.

Velasquez's attorney, Richard C. Bittner, repeated a theme yesterday that he set forth in his opening and closing arguments -- that being a member of a violent gang does not make a person guilty of that group's actions.

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"If the pope was in the Nazi youth, was he responsible for the Holocaust? No," Bittner said. "I haven't seen anyone say he [Velasquez] planned a murder, participated in a murder or was present when a murder occurred."

Maryland U.S. Attorney Rod J. Rosenstein said "chilling" evidence presented by federal prosecutors showed that MS-13 members live by the motto "kill, rape and control."

"We hope this conviction sends a message to them and their conspirators," Rosenstein said.

At least four onetime members of MS-13 testified for the government about the gang's inner workings and about attacks carried out by gang members.

One of the most important witnesses was Noe "Shorty" Cruz, a former MS-13 member who wore a wire to a handful of gang meetings and called his police handler to tip him off about planned attacks and the location of firearms in the homes of gang members.

Cruz agreed to become an informant after meeting with Prince George's police Detective Felipe Ordo?o, who is a member of a local-federal anti-gang task force. Cruz said he was disgruntled because the gang had killed one of his friends, who was also an MS-13 member, and because fellow gang members criticized him for not attending enough meetings.

For nearly three years, Cruz risked his life by gathering evidence against members, who, he testified, would have cut out his tongue and killed him if they had discovered his actions.

Cruz is now in the federal witness protection program and has been moved to another state. Rosenstein praised the work of county police in identifying gang members and persuading some to cooperate with the government. The investigation was led by agents with the federal Bureau of Alcohol, Tobacco, Firearms and Explosives.

Federal prosecutors presented evidence that MS-13, made up primarily of immigrants from El Salvador and other Latin American countries, is not just a typical street gang but an international criminal conspiracy.

For example, members in Maryland receive directions from MS-13 leaders in El Salvador, local MS-13 gang members pay dues at meetings, and some of that money is sent to gang leaders in El Salvador, according to government witnesses.

Before the trial began, three MS-13 gang members named in the indictment pleaded guilty to racketeering or related charges. Seventeen defendants await trial on racketeering charges.

U.S. District Judge Deborah K. Chasanow scheduled sentencing for Ayala and Velasquez for Feb. 23.

DOJ Allowed To Examine Some Jefferson Papers (RC)

By John Bresnahan And Tory Newmyer

Roll Call, November 15, 2006

With the corruption investigation of Rep. William Jefferson (D-La.) stalled for the last several months by a legal battle, a federal appeals court on Tuesday ordered Jefferson's lawyers to begin turning over some documents to the Department of Justice.

The U.S. Court of Appeals for the District of Columbia Circuit also set a briefing schedule for its review of whether the May 20 FBI raid on Jefferson's Capitol Hill office was constitutional.

The briefing schedule signals that Jefferson's legal challenge to the raid is likely to continue into next summer or even well into the fall, although legal experts believe that Tuesday's order by the court could provide the Justice Department with a "face-saving" means of indicting Jefferson before the appeals court issues a ruling.

It is still unlikely, however, that Jefferson will be indicted before the end of the year, according to legal experts — good news for the embattled incumbent who faces a tough slog in his Louisiana runoff election. Jefferson finished first in his New Orleans-based open primary but garnered only 30 percent of the vote in a field crowded with a dozen challengers.

Tuesday's order by the appeals court means that federal prosecutors finally can begin to review documents recovered during the nighttime raid, which have been sealed since late May. Justice Department officials will receive any documents over which Jefferson's team does not claim constitutional "Speech or Debate" privilege. Chief District Judge Thomas Hogan will continue to review the remaining documents.

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Federal prosecutors originally were set to wait until Hogan had ruled on all the materials before they could review any of them, according to a July ruling by the same court. Jefferson's legal team has sought to block prosecutors from looking at the documents from the raid until the appeals court ruled on the propriety of the FBI search.

Nigerian Vice President Atiku Abubakar was charged last month with more than a dozen counts of corruption in the case for allegedly receiving more than $4.6 million in bribes to divert public money to private interests.

One of Jefferson's former aides and a Kentucky businessman — Vernon Jackson, chairman and CEO of iGate Inc. — have already received lengthy prison sentences for their roles in the scandal.

Jefferson has so far proclaimed his own innocence, although FBI agents last year videotaped him allegedly accepting $100,000 in marked bills from an informant. A search of Jefferson's home several days later reportedly turned up $90,000 of the marked cash in the lawmaker's freezer.

Court Order May Delay Jefferson Investigation (NOTP)

By Bruce Alpert And Bill Walsh, Washington bureau

New Orleans Times-Picayune, November 14, 2006

WASHINGTON —In an order that could delay the government's decision on whether to indict Rep. William Jefferson, a three-judge panel has put off until at least the spring a final decision on legal challenges to some documents taken in a historic raid of the congressman's Capitol Hill office last May.

While the U.S. Court of Appeals for Washington D.C., said that the Justice Department can immediately begin examining those documents and computer files not challenged by Jefferson and his attorneys, it is the disputed documents that are expected to be most critical to the government's 20-month probe into allegations of bribery and corruption. Jefferson has denied wrongdoing and has not been charged in the investigation that has netted guilty pleas from two of his former associates.

"I can't imagine that the (unchallenged) documents would yield anything of value to the government," said Carl Tobias, a constitutional law expert at the University of Richmond.

The ruling will likely force another delay in the case, which began in March 2005 and has stalled over the question of whether the search of the congressional office breached the separation between the executive and legislative branches.

Justice Department officials could decide that the additional delay in the investigation it hoped to wrap up shortly after its May 20-21 raid of Jefferson's office is unacceptable and move forward based on evidence it has already collected in the case. But that would make it harder for the agency to justify what was a highly controversial raid of Jefferson's office, drawing charges of overreach by the top Republican and Democrat in the House of Representatives.

Justice Department officials refused comment Tuesday on the Court of Appeals ruling by Judges David Sentielle, Karen Henderson and David Tatel. The three judges ordered that briefs in the case be filed between Feb. 28 and April 13, with oral arguments scheduled for sometime after the last brief is filed.

Robert Trout, Jefferson's attorney, said that the ruling reflects "the continuing respect by the judges for the importance of the speech or debate privilege and we appreciate that." The speech or debate clause was intended by the framers of the Constitution to promote the separation of powers between the three branches of the federal government by shielding lawmakers from harassment in the discharge of their duties.

Jefferson, who is seeking reelection in a Dec. 9 runoff against fellow Democrat Karen Carter, did not comment on the ruling.

Jonathan Turley, a constitutional law professor at George Washington University who has been critical of the raid of Jefferson's office, said that it "triggered an unnecessary constitutional crisis and served to delay any indictment to Jefferson's obvious advantage."

Although the Appeals Court panel said that the Justice Department can gain immediate access to the seized material not challenged by his lawyers, a process will still need to be worked out to accomplish that. By court order, Jefferson's lawyers have been raising objections to certain material in closed hearings before Chief U.S. District Court Judge Thomas Hogan.

No one outside of Jefferson's lawyers, Jefferson and Hogan know which material has been challenged, and what material has not been and therefore can be turned over to the Justice Department investigators.

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Trout said that he won't stand in the way of turning over the material and will work out a process with the Justice Department. "We are in the process of complying with the court's order," he said.

John Harrison, a constitutional law expert at the University of Virginia, said that Jefferson's lawyers probably don't want to overplay their hands.

"Jefferson's lawyers will most strongly resist release of the documents that are most unfavorable to their client, but their argument is based on the Speech or Debate clause privilege including, I think, the claim that even going through documents to find those that aren't privileged is impermissible," he said.

The investigation of Jefferson began March 15, 2005, when an investor in a Western African technology project championed by Jefferson went to the FBI complaining that she may have been defrauded of a multimillion dollar investment. In July 2005, the government secretly recorded the witness, Lori Mody, giving Jefferson $100,000 that the congressman, according to the FBI, suggested would be used to bribe the vice president of Nigeria to advance the project. All but $10,000 of the cash was later found in the freezer of Jefferson's Washington, D.C. home.

The probe has netted guilty pleas from two former Jefferson associates, including Vernon Jackson, the head of iGate Inc., who said in court documents that he paid more $400,000 to a company controlled by Jefferson's family in return for the congressman's help getting telecommunications contracts in Nigeria and Ghana.

Mob Boss James "Whitey" Bulger Spotted In San Diego (KFMB)

KFMB-TV, November 15, 2006

The News 8 CrimeFighters are on a manhunt for a notorious Boston mob boss who was spotted in San Diego. James "Whitey" Bulger has a $1 million reward on his head.

He is one of the most high-profile fugitives in America, second only to Osama bin Laden on the FBI's 10 Most Wanted list.

Bulger is a master of disguise. His nickname "Whitey" comes from his long blonde hair when he was a kid.

On the run for the past 11 years, Bulger was spotted here in San Diego, catching a screening of the gangster movie "The Departed" at a theater in Horton Plaza. In the movie, Jack Nicholson's mob boss character is based on "Whitey" Bulger. The matinee was playing at the UA Theatres in Horton Plaza on Friday, October 6.

A law enforcement officer says he spotted Bulger in the crowd, and followed him to a trolley stop at Fifth Avenue and C Street downtown, before losing him. Sources confirm the FBI grabbed surveillance video from both the mall and the movie theater.

While the FBI says it's a non-credible sighting, sources who viewed the surveillance tape say one agent remarked out loud, "that's him" when the suspect appeared in the video.

The man was wearing a white fisherman's hat with a floppy rim, dark sunglasses and a windbreaker. Bulger is known to wear hats and sunglasses in public, and carries a knife at all times.

Over the years, he has been spotted in at least eight states, and 19 different countries. He's under indictment in Boston for 18 organized crime murders, possession of machine guns, extortion and money laundering. In March, prosecutors released a decades-old surveillance video of Bulger, hoping someone might recognize him.

Bulger served nine years in prison for robbing banks in the 1950s. For nearly 20 years, he operated as an FBI informant, feeding information to the feds on rival wise guys, while at the same time leading his own South Boston crime ring.

It was a Boston FBI agent who tipped Bulger off to the pending indictment against him in 1995. That agent was later sent to prison.

Bulger is believed to be hiding out with his longtime girlfriend, 55-year-old Catherine Greig. Both fugitives use fake names, enjoy playing with dogs, and may be living near the beach.

If you have seen Bulger, do not approach him. He is extremely dangerous. Call the San Diego FBI office at (858) 565-1255.

Agent Claims He Saw Whitey On Surveillance Tape (CBS4BOS)

CBS 4 Boston, November 15, 2006

(CBS4) BOSTON There is a new lead in the hunt for Whitey Bulger coming on the heels of the reports that he was seen in southern California.

An FBI agent believes he spotted the fugitive mob boss on surveillance tape.

Could it really be Bulger at the movies? Watching a movie with a Jack Nicholson character based on him -- an Irish mob boss from South Boston?

A sighting of this master of disguise was first reported at a movie theatre in San Diego where "The Departed" opened on October 6.

A police officer claims he spotted Bulger in the crowd and followed him to a nearby trolley stop before losing him.

Sources tell our San Diego affiliate that the FBI grabbed surveillance video from both the movie theatre and the surrounding mall and one agent remarked out loud "that's him" when the suspect appeared on the tape.

The man was wearing a white fisherman's hat with a floppy rim, dark sunglasses and a windbreaker. Bulger is known to wear hats and sunglasses in public.

On the run for 11 years, Bulger has been spotted in at least eight states and 19 countries. Back in March, prosecutors released decades-old surveillance video of Bulger hoping to trigger someone's memory.

If he was able to catch a screening here, it seems he took a look in the mirror and is on the run again.

The FBI here in Boston isn't shedding any light on this new claim from a San Diego agent that it could, in fact, be Bulger.

They'll only say the Bulger investigation remains a high priority and they follow up on any and all leads.

Currently, there is a $1 million reward for Bulger's arrest. He's second only to Osama bin Laden on the FBI's ten most wanted list.

Report: Feds Seize 'Whitey' Theatre Tapes (BOSH)

By Dave Wedge And O'Ryan Johnson

Boston Herald, November 15, 2006

The FBI seized videotapes from the theater where an off-duty San Diego cop possibly spotted fugitive mob boss James "Whitey" Bulger exiting from after watching the Boston-based crime movie "The Departed," according to a news report.

On Oct. 8 or 9, an off-duty San Diego police officer, who sources say was originally from the Boston area, spotted the Bulger lookalike leaving a theater and boarding a trolley bound for the Mexican border, the Herald reported last week.

Yesterday, San Diego TV station KFMB reported the FBI had seized security tapes from the theater and the mall where the off-duty cop sighted the Bulger lookalike.

When agents viewed the tapes, the station reported that one exclaimed, "That's him," referring to a man wearing a fisherman's cap and sunglasses.

Bulger is wanted for 19 murders.

Gail Marcinkiewicz, spokeswoman for the Boston FBI office, which is leading the task force to hunt down Bulger, said last night she could not confirm that agents seized the tapes.

"I would assume that they would," she said.

April Langwell, spokeswoman for the FBI's San Diego's office, said earlier yesterday they have yet to confirm that Bulger was spotted leaving the cinema.

"It would be exciting to capture him, but for right now, it was just considered non-credible information," she said.

However, several sources have told the Herald the FBI is taking the sighting seriously.

Former Driving School Owner Sentenced For Bribing Officials (TENN)

By Christian Bottorff, Staff writer

The Tennessean, November 15, 2006

The former owner of a Murfreesboro driving school was sentenced to six years in prison for bribing employees of the Tennessee Department of Safety to help customers, federal prosecutors announced Tuesday.

The sentencing follows a guilty plea entered in July by Bryan Guess to three public corruption charges related to bribes he paid the Tennessee Department of Safety, according to a press release issued by the Office of the United States Attorney for the Middle District of Tennessee.

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Guess had faced a maximum of 15 years in prison after pleading guilty in July. His arrest was part of Operation Crooked Highway, a multi-agency investigation that resulted in six people charged with bribery and conspiracy.

Guess was the former owner of Winchester Driving School, which was in the same building as the driver's examination center on Samsonite Boulevard.

In return for the bribes paid by Guess, state Department of Safety examiners provided favors such as helping Guess's customers pass written and vision tests required to obtain drivers' licenses and overlooking proof-of-residency documents, officials said.

Guess admitted the value of the driver's licenses and certificates his customers received exceeded $400,000. He forfeited more than $162,000 he earned as part of the scheme.

Guess pled guilty to one conspiracy count and two substantive counts of bribing public employees.

Manhattan: No Trace Of Missing Goya (NYT)

By Anthony Ramirez

The New York Times, November 15, 2006

The F.B.I. yesterday said it had no updates on the theft of a painting by Goya that was being trucked to an exhibition opening on Friday at the Solomon R. Guggenheim Museum. On Monday, authorities said little about the theft of "Children with a Cart," painted in 1778. Jerri Williams, a special agent and spokeswoman for the F.B.I.'s Philadelphia office, elaborated yesterday by saying the painting was found to be missing near Scranton, Pa., on Nov. 9 while the truck was unattended. "The people who were transporting it stopped for a break," she said, "and the painting was taken from the vehicle." Anyone with information was urged to call the F.B.I. at (215) 418-4000.

Million Dollar Goya Painting Stolen While 'Unattended' (BLOTTER)

ABC News' The Blotter, November 15, 2006

A million dollar masterpiece being transported to New York's Guggenheim art museum was stolen in transit, when the artwork was "left unattended" in the transport vehicle somewhere in the Scranton, Pa., area last week, FBI officials tell ABC News.

The insurer has offered a $50,000 reward for information leading to the recovery of the painting by the Spanish artist Goya, "Children with a Cart," which was being sent from the Toledo Museum of Art to New York's Guggenheim Museum for a special art exhibit set to open this Friday.

"It appears that the person or persons involved knew what they were doing," a FBI spokesperson told ABC News. But the spokesperson added, "There is no reason to believe the people transporting the artwork were involved."

A statement issued by the Guggenheim Museum said the painting "was in the care of a professional art transport provider."

The Philadelphia FBI office is leading the investigation and asks that persons with information regarding the painting contact them directly at (215) 418-4000.

FBI Says 1778 Goya Was Stolen (PHI)

The Philadelphia Inquirer, November 15, 2006

Federal officials yesterday asked the public's help finding a valuable painting and the thieves who stole it as it was traveling through Pennsylvania.

The 1778 painting - Children with a Cart by Francisco José de Goya y Lucientes - was taken while in the care of a professional art transport provider last week. At the time, the painting was traveling through the Scranton area en route from Toledo, Ohio, to New York, according to an FBI statement issued yesterday.

The insurer of the painting is offering a reward of up to $50,000 for information leading to the recovery of the painting, the FBI said.

Anyone with information on the painting is asked to contact the Philadelphia Division of the FBI at 215-418-4000 or another FBI office.

The Baby Godfather (NYDN)

DOJ_NMG_0094482

By John Marzulli, Daily News Staff Writer

New York Daily News, November 15, 2006

The Bonanno crime family has tapped a man of steel to rebuild its crumbling empire, the Daily News has learned.

He's Salvatore (Sal the Ironworker) Montagna, the newly minted boss of the Mafia family, according to law enforcement sources - and he's practically a bambino at only 35 years of age.

The Sicilian-born Montagna and his wife, Francesca, own a small ironworks company in Brooklyn, but they show no signs of living the high-life of a Mafia don.

The couple and their three daughters live in a modest ranch house in working-class Elmont, L.I., not far from the Queens border.

"Putting someone that young and relatively unknown in charge indicates that they're desperately seeking to salvage the remnants of the family from the recent prosecutions and convictions," said Mark Feldman, former chief of organized crime for the Brooklyn U.S. attorney's office.

Feldman said the move clearly "signals desperation" on the part of a mob family that has seen three bosses and acting dons bite the dust in three years.

Most noteworthy was the conviction of longtime family boss Joseph Massino, who is now serving life in prison.

Last night, a teenage girl answered the door of Montagna's vinyl-sided home on Oakley Ave. and said the reputed crime kingpin was not at home.

Two little sisters stood at her side. Outside, a small construction crew was wrapping up its day working on Montagna's brick driveway.

A short time later, Francesca Montagna drove up in a late-model Lexus SUV and turned angry when asked if her husband was the new head of the Bonanno family.

"I don't know what you're talking about," said the dark- haired woman, dressed in a sweatsuit. "I have kids in here. It's not appropriate for you to be here."

Until now, Montagna has rarely appeared on the radar of the NYPD and the feds, and neighbors said they knew nothing about any reputed mob ties. Still, the Mafia talk didn't worry them.

"Am I scared?" said one local. "Absolutely not. I come from Brooklyn. Believe me, when you live next to one of these people, there's nothing to be afraid of."

Another neighbor found the suggestion "ridiculous," but quickly added, "We'd be shocked and scared at the same time if that is true. Wow!"

The Montagnas run the family-owned Matrix Steel Co. on Bogart St. in Brooklyn. According to Dun & Bradstreet, the firm supplies structural material for builders and reported a modest $1.5 million in sales last year.

In 2003, Montagna pleaded guilty to criminal contempt charges and was sentenced to probation for refusing to answer questions before a Manhattan grand jury.

He had been indicted a year earlier after a probe by the Manhattan district attorney's office as one of 20 wiseguys charged in a takedown of a Mafia crew allegedly involved in gambling, loansharking and weapons possession.

Whether the new Bonanno boss has any other arrests was unclear yesterday.

"He's well-liked by the rank and file," said an underworld source, adding that Montagna is also known as Sal the Zip, a reference to the name bestowed on members of the crime family's Sicilian wing.

Sources said Montagna was close to legendary Bonanno gangster Baldassare (Baldo) Amato, another immigrant from near Castellammare del Golfo in Sicily, and served in the crew of capo Patrick (Patty from the Bronx) DeFilippo.

Those guys are largely history now, with Amato recently sentenced to life in prison and DeFilippo facing a retrial on murder charges.

Led by Assistant U.S. Attorney Greg Andres, the feds have indicted and convicted more than 70 Bonanno gangsters since 2002, leaving behind about 75 shell-shocked members on the street. Sources said Montagna's promotion couldn't have happened without the blessing of Vincent (Vinny Gorgeous) Basciano, who once operated Hello Gorgeous, a hair salon in the Bronx, and became the official boss of the crime family after Massino turned rat.

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Thomas Reppetto, author of the just-published "Bringing Down The Mob: A War Against the American Mafia (Henry Holt)," said the new breed of boss pales in comparison to past godfathers like the late John Gotti or Vincent Gigante.

"There may no longer be a boss in the sense that we understood the term, an all-powerful figure at the top, because naming an official boss provides the FBI with a clear target," Reppetto said.

With John Lauinger

JHU Student's Killer Gets Life Term (BSUN)

By Julie Bykowicz And Dan Thanh Dang

The Baltimore Sun, November 15, 2006

The high school dropout and transient Baltimore restaurant worker ingratiated himself into a social circle of Johns Hopkins students. But all the while, he was honing his burglary skills near the prestigious university, lifting little things, such as music play ers, coins and even food from the students' refrigerators.

It was late Jan. 22, 2005, when Donta Maurice Allen broke into the Charles Village apartment that Linda Trinh shared with two other women, a botched burglary that, prosecutors said Tuesday, led to Allen's choking and beating Trinh and leaving her face down in her bathtub.

Allen, 28, pleaded guilty Tuesday in Baltimore Circuit Court to first-degree murder, securing a life sentence with the possibility of parole. He is to be sentenced in January.

Until Tuesday, which was to be the first day of trial, city prosecutors had sought life without the possibility of parole.

Trinh's parents, Vietnamese immigrants, said after the hearing that they were thankful to avoid a trial. They said the plea spares them what would have been a daily, heart-heavy journey from their home in Silver Spring to Baltimore to file into the courthouse.

"We thank God that we didn't have a trial," said Hoan Thi Trinh, Linda's mother. "It would kill us a little more every day to hear the details."

More than a dozen of Trinh's relatives and friends sat silently Tuesday on the courtroom benches. When Trinh's father saw Allen, for the first time, he felt neither hate nor forgiveness, he said later.

Allen is remorseful, his lawyer said.

During and after the court hearing, the prosecutor and defense attorney gave the first in-depth explanation of how and why the promising student, a 21-year-old biomedical engineering major with dozens of friends, died.

Allen didn't think anyone was home that January night, one of the final days of winter break, but there was Trinh, wearing only a T-shirt and bra, said defense attorney Warren A. Brown.

He tried to assure the terrified woman that he wasn't there to sexually assault her, Brown said.

Allen knew Trinh. He was dating one of her sorority sisters, who lived one floor above Trinh in The Charles, a high-rise in the 3300 block of N. Charles St. occupied mostly by students.

Clutching her roommate's cell phone, Trinh said she was going to call the police. Allen tried to dissuade her, but she kept threatening to make the call, Brown said.

Their "argument soon escalated to a physical confrontation," Assistant State's Attorney Matthew Fraling said in court. He began to hit her, and she scratched him on the left side of his neck.

He beat her and choked her with his hands, Fraling said. She was left in two inches of standing water in the bathtub. The cell phone was there, too.

According to the medical examiner's report, there were signs that Trinh might have been alive when she went into the tub. There was no evidence of sexual assault, the report says.

Neither Fraling nor Brown elaborated on how the bathtub fitted in to the crime scene, or whether Allen had tried to stage a suicide or accident.

"I don't want to get into the gory details," Brown said.

Another mystery of the crime scene was the timing of a maintenance worker's visit to Trinh's apartment that night.

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Smelling natural gas, other residents had summoned maintenance. Fraling said a worker arrived at the apartment about 10 p.m. He found the gas of the stove on but the pilot lights out, Fraling said. He also found a candle burning on the stovetop, Fraling said.

He did not find Trinh, who by then was dead. One of her roommates found her body the next day.

Crucial clues

When Allen left the apartment, he took several purses, Fraling said. But he behind crucial clues. Security tapes show Allen in the building, and skin cells under Trinh's fingernails contained Allen's DNA, Fraling said.

Allen was arrested and charged in March 2005, and he gave police a taped statement admitting that he was in Trinh's apartment on the night of her death.

In court Tuesday, Allen, tall, lanky and closely shaven, showed no outward emotion, though he was escorted out briefly after saying he felt ill.

Brown said his client is "racked with guilt. He did not intend for this to happen."

Allen, Brown said, had been pilfering from the apartments of Trinh and other students "only when he knew people weren't there."

Allen grew up in Cherry Hill, but his family moved frequently. He attended Perry Hall High School but dropped out in 1998. He later earned a General Education Development diploma. At one point, he has said, he was hospitalized after attempting suicide.

In the months before Trinh was killed, Allen worked in bars and restaurants near the Hopkins campus. Students befriended him, but some called him "Mr. Sketchy" behind his back.

Allen pleaded guilty because he felt remorse, Brown said, and because "he doesn't want to die in jail. The plea will allow him to one day come home."

Under state law, Allen's life sentence means he will be eligible for parole in about 11 1/2 years, said Thomas Pennewell, program manager for hearings with the state parole commission.

Before obtaining parole, an inmate must convince a majority of the 10 parole commissioners and the governor that he is fit to return to society, Pennewell said.

The release of any inmate serving a life sentence is subject to the governor's approval. Gov. Parris N. Glendening had a no-parole policy for lifers, and Gov. Robert L. Ehrlich Jr. has paroled them rarely.

It was unclear why city prosecutors abandoned their plan to pursue life without parole for Allen. Noting the January sentencing hearing, neither Fraling nor Deputy State's Attorney Cynthia Jones would comment.

Brown said prosecutors might have wanted to avoid "a circus." Brown, known for courtroom showmanship and a fiery delivery, said he would have raised issues of class and town-gown tension during a trial.

Trinh's was one of two homicides in less than a year near the Hopkins campus of 4,000 undergraduates.

Early one morning in April 2004, Christopher B. Elser, 20, a junior from South Carolina, was stabbed to death in an apartment building on the southwest corner of St. Paul and 30th streets. Sigma Alpha Epsilon fraternity rented that building.

Police have never made an arrest in that case, though they have said the apparent motive was burglary.

Security bolstered

Hopkins has beefed up security in Charles Village since those killings.

In addition to increased foot patrols by campus security and off-duty police officers, the university has installed 88 closed-circuit television cameras on and around campus, officials said.

The university thinks the increased security has deterred crime. "But it's impossible to say whether that kind of presence would have made any difference in either of these cases," said Hopkins spokesman Dennis O'Shea.

A former president of her Alpha Phi sorority, Trinh was active socially and academically.

She spent time in Hanoi and Ho Chi Minh City, Vietnam, studying breast-cancer detection and AIDS. Moved by her work with orphaned AIDS children, whom she taught English and took to the beach, Trinh decided on a career in finding cures for devastating diseases.

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The last couple of years have been hard on the Trinh family. Every day since Linda was buried, the family has visited the Roman Catholic church near their home to pray for strength and that their pain will pass.

On Sundays, they visit her grave and pray that her soul rests in peace.

"We've lost Linda," said Quy Van Minh, Linda's father. "But we carry her in our hearts forever."

Linda's older brother, Quang Minh Trinh, did not attend Tuesday's hearing.

"There were two," Quy said. "Brother and sister. And now there is one. He cannot bear it. He does not want to be reminded of how she died."

As the family gathered to drive back home, Quy and Hoan discussed Allen's life sentence and thought about what they will say at the sentencing hearing, scheduled for Jan. 8.

"Whether he gets 10 years, 50 years or 100 years, it will not bring Linda back," Quy said. "When we saw him for the first time today, we felt nothing. We did not feel hate. We did not feel anger or forgiveness. We don't know how to feel.

"We just know that we will support whatever the justice system decides to do. We will not ask for more time or for less. We just want it to be fair."

'This Is Not A Cold Case,' F.B.I. Says 5 Years After Prosecutor's Killing (NYT)

By Jessica Kowal

The New York Times, November 15, 2006

SEATTLE, Nov. 14 — A failed polygraph test by a gun collector. Handwriting samples from a chief suspect. A daughter's plea for the public's help. These three strands have breathed new life into the stalled five-year investigation of a federal prosecutor's killing here.

The prosecutor, Thomas C. Wales, 49, an assistant United States attorney, was shot to death on Oct. 11, 2001, as he sat typing at his computer in his basement. Someone standing in Mr. Wales's secluded backyard fired through a window, hitting him in the neck and torso, investigators have said. A neighbor told reporters at the time that she had seen a man stride from the scene, climb into his car and speed away.

No one has been charged with the crime, which the authorities say appears to have been premeditated because of its precision and the paltry evidence left behind. If Mr. Wales was murdered in retaliation for his work, he would be the first federal prosecutor killed in the line of duty.

The Federal Bureau of Investigation, which has offered a $1 million reward for information leading to a conviction, says it has interviewed about 4,000 people and followed 10,000 leads in 50 states and several Eastern European countries.

But there was a strong sense in Seattle that the case was stuck. The authorities used the fifth anniversary of the shooting to raise the profile of the investigation and even urged Mr. Wales's son and daughter to ask the public for help in solving the crime.

"I wholly encourage anyone who has information to come forward, to be brave, and to provide a measure of justice to the system," his daughter, Amy Wales, said in a recent interview in a coffee shop near her father's house. At 27, she looks prematurely worn by what she calls his "shattering" death.

Robert Geeslin, the F.B.I. agent who is supervising the investigation, said, "This is not a cold case."

Forensic tests conducted soon after the killing identified the weapon as an inexpensive semiautomatic Makarov handgun, one of millions produced in Soviet-bloc countries and China, Agent Geeslin said. The gun had been refitted with an American-made stainless-steel replacement barrel, one of 3,600 sold in the United States.

Since then, the F.B.I. has focused on its "Makarov project," a search for these silver-colored barrels. The bureau has located about 1,800 of them, Agent Geeslin said.

One person on the Makarov list is a gun collector, Albert Kwan, who lives in a Seattle suburb, Bellevue. Mr. Kwan's lawyer, Joseph Conte of Washington, D.C., said that the F.B.I. apparently thought Mr. Kwan bought two gun barrels a decade ago, but that Mr. Kwan remembered buying only one. Mr. Kwan's collection of several hundred weapons includes eight Makarov pistols, Mr. Conte said.

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In September, the United States Attorney's office here indicted Mr. Kwan on one count of illegal possession of a machine gun. Mr. Conte said the agency told him that it would consider dropping the charge if Mr. Kwan testified before a grand jury investigating Mr. Wales's killing and passed a polygraph test.

Mr. Kwan took the polygraph last week, his lawyer said, adding that the government told him his client had failed two questions, whether he bought two gun barrels and where the second one is.

"My interpretation is that he didn't give the government the answers they wanted," Mr. Conte said.

Before the polygraph, F.B.I. officials did not characterize Mr. Kwan as someone who was likely to provide a major break in the case. This week, the F.B.I. would not comment about Mr. Kwan or the polygraph results. Bill Redkey, an assistant United States attorney here, said Mr. Kwan was likely to go to trial on the machine-gun charge in March.

Mr. Conte said the F.B.I. erroneously thought Mr. Kwan might have provided a gun barrel to a chief suspect, a commercial airline pilot. Mr. Wales indicted the pilot and three business partners on conspiracy and fraud charges in 2000.

In 2001, the government dismissed the charges against the pilot and his partners after their company pleaded guilty to federal criminal violations related to the sale of a military helicopter and paid a fine.

Soon after, the pilot sued the government to recoup his legal fees, saying he was the victim of a "bad faith" prosecution. Four months later, Mr. Wales was killed. The pilot's lawsuit was ultimately dismissed.

The F.B.I. will not discuss the pilot. His lawyer, Larry Setchell, however, has said the F.B.I. had searched his client's homes and vehicles and confiscated clothing and shoes.

Mr. Setchell confirmed a report that first appeared in The Seattle Post-Intelligencer, that the pilot had agreed to provide handwriting samples to prove he was not the author of a mysterious letter related to the killing. In the letter, sent last January from Las Vegas to the F.B.I.'s downtown Seattle office, someone using the name "Gidget" claimed to have been hired by a "nice talking lady" to kill Mr. Wales.

Mr. Setchell has compared the pilot to Richard Jewell, the security guard whom the F.B.I. erroneously accused of setting off a bomb at the Atlanta Olympics in 1996.

Candidate Elected As Sheriff Despite Facing Rape Charges (NYT)

By New York Times Regional Newspapers

The New York Times, November 15, 2006

COLUMBUS, N.C., Nov. 13 — A campaign for sheriff usually focuses on who would be the best candidate to fight crime. In Polk County, N.C., voters have elected a new sheriff who faces charges of raping two girls more than 15 years ago.

The winner, Chris Abril, was until recently the police chief here in Columbus, a small town about 80 miles west of Charlotte and the seat of Polk County.

Mr. Abril, who defeated Sheriff David Satterfield on Tuesday, has been on nondisciplinary suspension with pay since his arrest on Aug. 28 on charges that he committed two rapes, one in 1988 and the other in 1989. The victims, according to court papers, were two Polk County girls, ages 10 and 12.

Mr. Abril, 45, was charged with five counts of first-degree statutory rape and one count of first-degree sexual offense and was released after posting a $100,000 bond. He said the charges were politically motivated.

"I am not capable of committing these crimes," Mr. Abril, a Democrat, said at a rally of his political supporters shortly after his release. "To my prosecutors, if this is not politically motivated, give me a trial in Superior Court so I can clear my name prior to the election."

Mr. Abril said later that he had been a suspect in a single rape in the late 1980s but that no evidence existed to charge him . Somehow, he said, a second alleged victim surfaced in March, but he said he had no information beyond that.

Court papers do not say why the charges were brought a decade and a half after the rapes are said to have occurred.

Jeff Hunt, a Republican and the district attorney for the area that includes Polk County, said in a statement that the office of the state attorney general, Roy Cooper, a Democrat, sought indictments against Mr. Abril after the North Carolina Bureau of Investigation began looking into the rape allegations on March 29.

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But a spokesman for the Department of Justice, Noelle Talley, said Mr. Hunt requested the investigation. She would not say why.

Sheriff Satterfield, a Republican who was first elected eight years ago, has refused to comment about his defeat or about the charges against Mr. Abril, other than to say that he had nothing to do with the investigation.

Mr. Abril beat Mr. Satterfield, a state trooper for 30 years, 54 percent to 46 percent. There were 7,556 votes cast, a 53 percent turnout, which locals officials said was higher than in previous elections.

Mr. Abril's swearing-in as sheriff is scheduled for Dec. 4. Exactly one month later he is to appear for a hearing in the rape case in Superior Court here, at which time a trial date is to be set.

CIVIL LAW:

Cheney Asks Judge To Toss CIA Leak Suit (AP)

By Matt Apuzzo, Associated Press Writer

AP, November 15, 2006

WASHINGTON (AP) -- Vice President Dick Cheney asked a federal judge Tuesday to dismiss a lawsuit brought against him by a former CIA operative who says the White House leaked her identity to the press.

Cheney's attorneys criticized the lawsuit in court papers, saying it invented constitutional rights, intruded on national security discussions and came two years after the statute of limitations had expired.

Former CIA operative Valerie Plame Wilson claims that she was outed as retribution for her husband's criticism of the administration's prewar intelligence on Iraq.

Special Prosecutor Patrick Fitzgerald spent years investigating who revealed her identity to syndicated columnist Robert Novak in 2003 but nobody was charged with the leak. Cheney's former chief of staff, I. Lewis "Scooter" Libby, who faces trial in January on perjury and obstruction, is the only person charged in the case.

Wilson's civil lawsuit is continuing alongside Libby's criminal case. In seeking to dismiss the case, Cheney said Wilson doesn't have any grounds to bring the suit and, even if she did, the vice president is shielded from civil suits.

The suit centers on conversations between Cheney and Libby about Plame's job at the CIA.

"Plaintiffs invite the judicial branch to permit intrusive discovery into those communications and to discern which among them might be, as a matter of tort law, wrongful and which not," Cheney's attorneys wrote. "Such an inquiry cannot be squared with basic separation of powers principles."

The Justice Department also weighed in on behalf of Cheney and other Bush administration officials including presidential adviser Karl Rove. In briefs, the agency said government officials are shielded from civil lawsuits and that Wilson has not shown that a constitutional right was violated.

Omnicare Settles Generic Drug Suit For $49.5 Million (Update3) (BLOOM)

By Andrew Harris

Bloomberg, November 15, 2006

Nov. 14 (Bloomberg) -- Omnicare Inc., the largest provider of pharmacy services to U.S. nursing homes, agreed to pay $49.5 million to settle claims by the U.S. government and 42 states that it overcharged them for drugs provided to senior citizens.

Omnicare substituted more expensive forms of generic versions of drugs including Zantac, an antacid, and Prozac, an antidepressant, to evade price limits for Medicaid reimbursement, said Michael Behn, a Chicago plaintiffs' attorney. The U.S. joined the false claims act suit after it was filed.

``The health care industry should be wary of manipulating federal and state programs in this manner," Chicago U.S. Attorney Patrick Fitzgerald said today in a statement.

The settlement includes a ``corporate integrity agreement" requiring training and oversight at Covington, Kentucky-based Omnicare, the company said in a statement. The amount of the accord has been ``fully reserved," said Omnicare, which didn't admit any wrongdoing as part of the accord.

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``This was the first case targeting generic drug switching under the false claims act to help protect both patients and taxpayers," Behn said. The company said patient safety ``was never an issue."

Omnicare's profit fell 11 percent in the third quarter, hurt by lower insurance payments from UnitedHealth Group Inc., the company said Oct. 31.

Tablets to Capsules

Omnicare defrauded the government by changing prescriptions for a popular antacid from tablets to capsules in order to inflate government reimbursements by as much as 400 percent, according to the lawsuit filed five years ago by Behn on behalf of Illinois pharmacist Bernard Lisitza.

While popularly prescribed tablet-forms of Ranitidine, a generic form of Zantac, are subject to federal price reimbursement limits, the capsule forms aren't, Behn said.

Omnicare was also accused in the complaint of swapping more expensive forms of two other drugs: Fluoxetine, a generic version of Prozac, and Buspirone, the generic version of the ant-anxiety medication Buspar. Some of the swaps were made without the knowledge of the patients' doctors, the Justice Department said.

``Those switches increased the price substantially while adding no medical benefit and violating federal and state regulations," Fitzgerald said in a statement.

Lisitza worked for nine years as an Omnicare pharmacist in DesPlaines, Illinois, Behn said.

`They Fired Him'

``He couldn't fill prescriptions with the drug that was prescribed," the lawyer said. ``After he complained, they fired him."

Behn filed suit in 2001. David Kammerer, Omnicare's former director of Medicaid reimbursement, later filed his own suit.

Lisitza will receive $6.4 million and Kammerer will get $792,593 as their shares of the state and federal settlements, the Justice Department said.

Kammerer's lawyer, Charles Atkins of Cincinnati, didn't immediately return a call seeking comment.

The U.S. government will receive $29.6 million, of which $19.8 million will be allocated to the states participating in the settlement. Medicaid is a joint federal-state program that provides health care benefits for low-income and disabled people.

Participating states included Florida, Illinois, North Carolina, Ohio and Massachusetts.

43 Cents

In the third quarter, Omnicare's net income declined to $52.2 million, or 43 cents a share, compared with $58.5 million, or 54 cents, a year earlier, the company said. Sales rose 9.5 percent to $1.59 billion.

The company reduced its earnings forecast for the fourth quarter because of the lower insurance payments and problems at a drug repacking plant in Toledo, Ohio. Omnicare said UnitedHealth cut payments for providing drug benefits to the elderly under the U.S. Medicare program. The action cost $19.7 million in sales and operating profit, the company said. Omnicare sued UnitedHealth over the cuts.

Omnicare shares rose 34 cents to $38.65 in New York Stock Exchange composite trading.

The cases are U.S. ex. rel. Lisitza v. Omnicare, 01cv7433 and U.S. ex. rel. Kammerer v. Omnicare, 04cv2074, in the Northern District of Illinois, Eastern Division (Chicago).

CIVIL RIGHTS:

U.S. Attorney General Says No Region Immune To Human Trafficking (AP)

By Carolyn Thompson

AP, November 15, 2006

BUFFALO, N.Y. - Citing a farm labor contractor who withheld wages from upstate workers and used threats to keep them in line, U.S. Attorney General Alberto Gonzales announced Tuesday the creation of a human trafficking task force in western New York.

"Human trafficking is a violation of the human body, mind and spirit," Gonzales said during a stop which also included a helicopter tour of U.S.-Canadian border crossings.

Buffalo was among 10 cities to receive funding last month to focus on anti-trafficking efforts. Nationally, 32 such task forces already exist.

Federal officials pointed to the arrest of Maria Garcia and several family members in Albion, Orleans County, as proof no region is immune to the problem. Garcia pleaded guilty in December 2004 to a forced labor charge following an investigation that began when some Mexican workers she recruited to upstate farms escaped her control and sought help.

Prosecutors said the workers were charged up to $1,800 for a van ride from Arizona and had money deducted from their pay for rent, food, electricity and rides to the fields. They were told they could not leave crowded housing units unless their debts were paid.

"They had lost all liberties," said Terrance Flynn, U.S. attorney for New York's Western District.

The task force, with nearly $900,000 in federal funding, will train law enforcement agencies to spot potential trafficking victims and organizations and focus resources on prosecutions.

Immigration and Customs Enforcement, Customs and Border Protection, the FBI and U.S. Department of Labor will work with local agencies and the state police. Law enforcement will also team up with organizations that deal with the immigrant community, such as the International Institute of Buffalo and Farmworkers' Legal Services.

Gonzales said the government has increased its focus on human trafficking in recent years. In fiscal 2006, 79 people were convicted in federal cases, more than twice the number in the previous year.

"We know that we must work together to fight human trafficking, and we must intensify our efforts," Gonzales said. "Because right now the victims of these criminals are out there. They are suffering and they are waiting for our help."

Western New York is particularly attractive to traffickers, he said, because of its ethnic diversity, numerous farms and use of migrant labor.

Garcia was sentenced last year to 46 months in prison. Her son Elias Botello, who pleaded guilty to conspiracy to commit forced labor, was sentenced to 37 months. Another son, Jose J. Garcia, received a 14-month term for alien harboring and her husband, Jose I. Garcia, was given one year of probation on the same charge.

A.G. Gonzales Visits Buffalo To Talk Cross-Border Crime (WIVB)

WIVB-TV, News 4, Buffalo, NY, November 15, 2006

(Buffalo, NY, November 14, 2006) - - U.S. Attorney General Alberto Gonzalez made his first official visit to Buffalo Tuesday, and Senior Correspondent Rich Newberg reports America's top law enforcer is launching a new task force to combat human trafficking across the U.S.-Canadian border.

U.S. Attorney General Alberto Gonzales said, "Human trafficking is a violation of the human body, mind and spirit."

Gonzales came to Buffalo to announce $900,000 in funding to crack down on human trafficking, for everything from prostitution to forced labor on farms.

Gonzales said, "Right now, the victims of these criminals are out there. They are suffering, and they are waiting for our help."

Buffalo and the region are susceptible because of border crossings and the large number of seasonal workers who come here.

Last year, Maria Garcia was prosecuted for exploiting Mexican migrants she brought to Albion.

U.S. Attorney Terrance Flynn said, "Wages were being taken from them. They were living and working in deplorable conditions. They had lost all liberties when they entered this country under that circumstance."

There may be all sorts of similar situations in our communities we're not aware of, according to Erie County Sheriff Tim Howard.

Howard said, "Their passports have been seized. They're being forced by certain unscrupulous individuals to engage in different types of labor, sometimes illegal acts like prostitution, against their will."

Pamela Kefi of the International Institute of Buffalo said, "Even domestic servitude can be an issue in a community like ours, where somebody may bring somebody from another country and force them to stay in the home and care for their children and take care of their home without a salary, without freedom to move around."

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The International Institute of Buffalo will assist victims of human trafficking.

Justice Department To Investigate L.A. County Youth Camps (LAT)

By Susannah Rosenblatt, Times Staff Writer

The Los Angeles Times, November 15, 2006

The U.S. Justice Department plans an investigation into conditions at L.A. County juvenile facilities, authorities say.

The U.S. Justice Department plans to investigate dangerous conditions at Los Angeles County probation camps for teens, county officials said Tuesday.

The probe, announced to the Board of Supervisors last week, comes after years of federal scrutiny of county juvenile halls, and could lead to a lawsuit or consent decree, officials say.

Although details of the investigation, expected to begin early next year, remained confidential, Supervisor Gloria Molina alluded to problems with use of force and restraints of inmates during Tuesday's supervisors meeting.

"You don't pop somebody in the face just because you had a bad day," Molina said of probation officers. She described the pending investigation as "very troubling" and expressed surprise at the Justice Department's planned oversight. "I was sort of shocked by it because I thought we had been doing better."

Justice Department spokeswoman Cynthia Magnuson confirmed plans to investigate probation camps but declined to disclose specifics.

The Probation Department, which houses about 4,000 teenagers across the county on any given day, has grappled with growing violence among inmates. Youthful offenders stay for short periods in the county's three juvenile halls while their cases are adjudicated; convicted teens serve their sentences in 19 rural probation camps scattered across the region.

A 2003 Justice Department report criticized the halls for substandard medical and mental-health care, poor sanitation, overuse of pepper spray and dangerous conditions. The facilities also lacked adequate educational, social and religious opportunities, and had no effective way for minors to air grievances, federal officials found.

Many of the 66 required changes have been made, including increasing staff in the juvenile halls by about 20%, but stemming physical conflicts remains a challenge, said David Grkinich, a Probation Department director. "It's tough to predict behavior," he said.

There were 2,630 youth-on-youth fights in the camps last year, with between 2,300 and 2,600 projected for this year, according to department statistics. In the juvenile halls, there were 2,738 fights last year, and 1,702 altercations through August of this year. Although none of the confrontations, which are difficult to track accurately, resulted in fatalities, one youth was paralyzed and another lost an eye during attacks at the Sylmar facility earlier this year.

The federal inquiry is expected to be similar to the previous one, said David Davies, Probation Department chief deputy.

"They just want to make sure that the children, the minors are getting the services they should be getting," Davies said.

Presiding Juvenile Court Judge Michael Nash said, "I don't think anybody is satisfied with how the juvenile justice system at this time performs."

A county study released earlier this year found the Probation Department lacking in mental-health support, compiling data on youth inmates, education and aid to teens' families.

Supervisors postponed until next week a decision on a sole-source $865,000 contract for an outside consultant to aid with juvenile justice reform. Supervisor Zev Yaroslavsky cast the lone dissenting vote, urging immediate approval.

"Our system was failing," Yaroslavsky said, calling board members "oblivious" to the probation system's woes.

"This is one consent decree I may welcome," Yaroslavsky said. "I don't know what it takes to get our attention."

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Police Look Into Use Of Force Shown In Videos (USAT)

By William M. Welch

USA Today, November 15, 2006

DOJ_NMG_0094491

LOS ANGELES — Video of officers using force in two separate arrests have put a new spotlight on this city's police department, 15 years after the Rodney King beating case ignited riots.

In the latest case, the video shot by a witness in a public area at Venice Beach appears to show an officer using pepper spray on a handcuffed man who had been placed in the back of a patrol car.

The incident happened in February 2005 but just came to light in a report Tuesday by the Los Angeles Times. It said the officer has since resigned.

Los Angeles Police Chief William Bratton said in a news conference Tuesday that prosecutors investigated the pepper spray case and concluded officers did not use excessive force but that an administrative review is continuing.

He said a judge found no excessive force was used in the other recent videotaped case, in which police appeared to strike a suspect who was on the ground after a foot chase in Hollywood. It is also the object of an internal investigation.

"Finders of fact have determined they are lawful," Bratton said of police actions in the unrelated cases. "The reality is, LA police officers show great restraint."

Connie Rice, a civil rights lawyer, says she turned the latest videotape over to police. "The LAPD has a very long history of having a reputation for use of excessive force in low-income communities," she says. "Its history weighs it down."

Rice says, however, that the city's police have come a long way in restraining uses of force since 1991, when the videotaped beating of King after a motor vehicle stop led to charges against four officers. The officers' acquittals touched off riots.

Rice said she gave the latest tape to police officials because she was confident the department would investigate itself — evidence in itself, she said, of an improvement in sensitivity to such issues by the department.

"When they saw the pepper spray tape, they were livid," she said.

The latest report comes days after another tape was distributed on the YouTube video website that appears to show an officer hitting a man in the face after a foot chase Aug. 11.

Prosecutors dropped charges of resisting arrest and battery on a police officer after viewing the tape of the pepper spray case, the newspaper said. Bratton identified the defendant as Benjamin Barker.

John Raphling, an attorney for Barker, said his client was not threatening police.

"It's an act of violence against a person who's sitting there helpless," Raphling told KABC-TV.

Latest Video Brings More Controversy To Los Angeles Police (NYT)

By The New York Times

The New York Times, November 15, 2006

LOS ANGELES, Nov. 14 — Less than a week after video of a city police officer punching a prone man in the face began circulating on the Internet, a tape of a man being pepper-sprayed by officers was generating more controversy.

Critics called the tapes the latest evidence of police brutality, but Chief William J. Bratton pointed to rulings that were sympathetic to the officers involved in both incidents.

The episodes are under investigation by the Los Angeles Police Department. The F.B.I. is also investigating the punching incident for possible civil rights violations.

Department policy allows officers to use nonlethal force when a suspect is uncooperative, Chief Bratton said.

The pepper-spraying incident, in February 2005, was first disclosed by the Los Angeles Times on Tuesday.

An investigation by the Los Angeles district attorney's office concluded that the suspect, Benjamin Barker, spat at Officer David Guiterman twice after being placed in a police car and that the spray was a reasonable reaction.

The video of the punching on Aug. 11 shows the suspect, William Cardenas, on his back while Officer Alexander Schlegel straddles his torso and Officer Patrick Farrell punches Mr. Cardenas in the face at least five times.

At a hearing in September, a court commissioner found that Mr. Cardenas used force to resist arrest and that the officers' response was "more than reasonable."

Video Spurs Bratton To Weigh Review Of Pepper-spray Policy (LAT)

By Patrick Mcgreevy, Times Staff Writer

The Los Angeles Times, November 15, 2006

DOJ_NMG_0094492

Bratton says he may order a review in light of the taped Venice arrest. The ACLU and some police watchdog groups call for a reexamination.

LAPD Chief William J. Bratton said Tuesday that he was concerned when he saw a videotape showing an officer using pepper spray on a handcuffed suspect in the back of a patrol car and that he is considering a review of the policy governing when officers can use the spray.

Bratton said the tape, shot in 2005 on the Venice boardwalk and made public Monday, concerned him enough when he saw it last year that he immediately removed the officers involved from active duty pending an internal investigation. The officer who used the pepper spray has left the department, but an investigation is continuing, Bratton said.

The chief said the videotaped incident "may look awful," but he added that the Los Angeles County district attorney's office found no crime committed by the three officers involved in the Venice Beach arrest in their treatment of the suspect.

Still, Bratton said his own administrative decision on whether they complied with department policy is still days away.

The chief said he was uneasy that the officer shut the door of the patrol car, leaving the handcuffed suspect alone inside, after administering the pepper spray.

The closing of the door "was one of the reasons I had concern," Bratton said.

"My interest there is: Was that pepper spray used to control the behavior of that individual or was it used punitively?" he said.

"If in my judgment the individual ceased to be a threat to the officer and other tactics could have been used, then I could conceivably find the officer out of policy. That whole case really comes down to that issue. And also the closing of the door."

Bratton's comments come as some police watchdog groups and the American Civil Liberties Union called Tuesday on the LAPD to reexamine when officers can use pepper spray, particularly if suspects are handcuffed. Current rules allow the spray to be used whenever a suspect is "combative," but some say that definition is far too broad.

"It's appalling," Catherine Lhamon, an attorney for the ACLU of Southern California, said of the Venice incident. "There is no question that spitting on an officer does not merit pepper-spraying someone when they are handcuffed in the back of a patrol car."

Bratton said he is considering an examination of when officers should use the spray.

"This would not be too onerous a burden for the department to engage in that review," he said.

Members of the Los Angeles Police Commission, meanwhile, ordered the inspector general to launch an assessment of how the LAPD handled the Venice incident.

"It is a disturbing tape," Police Commissioner Andrea Sheridan Ordin said. "I ask that these matters be given the highest priority so we can assure ourselves and the public about what has occurred."

Ordin said the evaluation by Inspector General Andre Birotte Jr. might raise questions about the policy allowing officers wide discretion in the use of pepper spray on handcuffed suspects if they are judged to be combative. But she and others said it was premature to consider policy changes yet.

The videotape was played for The Times on Monday by an attorney who represented the defendant, identified in police reports as Benjamin Barker.

Barker, a transient, was arrested after getting into a scuffle with a merchant on the boardwalk.

He pleaded guilty to misdemeanor battery on the shopkeeper.

The videotape shows Barker in handcuffs as he is bent over a patrol car. As the officer pushes him into the car, Barker can be heard saying, "Why am I going to jail?"

Once Barker is in the back seat, he starts shouting: "I can't breathe! I can't breathe! Don't spray me!"

One officer is heard saying: "He knows what's happening."

Another officer takes a pepper-spray canister from his belt, shakes it and leans in to apply it to Barker's face.

The officer closes the doors of the patrol car and steps back. Barker is seen holding his face up to the car window, his features contorted in pain.

The district attorney's investigation looked at whether there was enough evidence to show that the officers had committed a crime against Barker. The LAPD inquiry is looking at whether the officers violated department policies.

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The closing memo from the district attorney, released Tuesday by Bratton, said the officer and two colleagues "did not use excessive force" and instead "showed remarkable restraint and demonstrated professional courtesy toward Barker despite his belligerent, threatening and combative behavior."

The officers involved told authorities that Barker spat on one of them and was threatening to spit again when he was pepper-sprayed.

Bratton acknowledged discrepancies between the police reports and the videotape.

Two officers said in initial reports that the spitting and use of pepper spray occurred outside the car, but the video shows that the pepper spray was used in the car.

The district attorney's office dismissed the disparity, which was corrected in a follow-up police report, as "a product of mistaken recollection and not intentional misstatements of material fact," the closing memo said.

The Venice incident comes as the LAPD and FBI have begun investigations into another videotape showing a police officer hitting a suspect in the face several times at the end of a foot chase in Hollywood.

Police union President Bob Baker issued a statement Tuesday urging the public to be understanding of the job that officers face.

"Asking officers to refrain from using approved tools or techniques in their arrests is akin to telling the soldiers in Iraq to just reason with the insurgents," Baker said. "Perhaps the activists would like to talk to the families of the LAPD officers who have been maimed or killed when some thug who was resisting arrest decided to shoot the arresting officer because he didn't feel like going to jail that day."

Councilman Bernard C. Parks was among those who called on the commission to deal more effectively with the latest allegations of excessive force.

Parks, a former police chief, said the LAPD has, for more than a year, ignored his warnings about "the ongoing discipline problem" in the department.

"Now, after last week's release of the videotaped LAPD beating of William Cardenas, we are left to try to close the barn door after the horses have already left," Parks wrote. "In trying to find a resolution to the problem that we knew existed more than a year ago, I again ask the commission to get to the bottom of the issue."

Parks said the commission should look at complaints and dispositions from the five years before Bratton became chief compared with those from the time since Bratton has headed the department, arguing that a "relatively low number of employees" have been disciplined in the last three years.

The councilman also called on the commission to reconsider the policy of concealing officers' identities in reports on officer-involved shootings and Boards of Rights investigations.

"The decision to shut the public out of these two processes goes against preserving the idea of transparency at the department," Parks wrote.

Later in the day, the head of the council's Public Safety Committee called a public hearing for Monday to examine whether a proposal to install video cameras in police cars might provide the public with better information on controversial incidents than it gets from bystanders using camera phones.

"In light of these YouTube beatings, the public needs to know there is a public policy solution here, which is rapidly installing video cameras in cop cars," said Councilman Jack Weiss, the chairman.

Even if the car cameras do not capture video of an incident, microphones that pick up sound several hundred feet away might capture audio that can put a use-of-force incident into context, Weiss said.

He added that the images in the latest videotapes may be disturbing but that he trusts the LAPD to fully investigate any use of force and that some force may be justified.

"I don't know where people got the idea that you could ever have a Police Department without violence," Weiss said.

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Officers In Suspect-Beating Video Investigated (KCAL)

KCAL-TV, November 15, 2006

(CBS) LOS ANGELES The Los Angeles Police Commission called Tuesday for a speedy and thorough investigation into the conduct of two officers caught on videotape holding down and repeatedly punching a man, 23, during an arrest in Hollywood.

The LAPD and FBI have launched investigations into the circumstances of the Aug. 11 arrest, when Officer Alexander Schlegel held down William Cardenas as Officer Patrick Farrell placed his knee on the man's neck and punched his face six times near the intersection of Gordon Street and Fountain Avenue.

The video of the arrest was posted on the popular YouTube Web site. "I would just encourage all parties who are involved ... that it be treated with the utmost speed," Police Commissioner Andrea Ordin, who served on the Christopher Commission that investigated the LAPD in the wake of the 1991 Rodney King beating said.

"It is clearly something the public is interested in and is entitled to have information (about)," Ordin said. "Sometimes that means shifting our priorities so that we can get that information out."

Andre Birotte, the commission's inspector general, said he is reviewing the case daily.

The LAPD has launched criminal and administrative investigations of the officers, who have been assigned to desk duty.

Additionally, the FBI opened a preliminary inquiry into the arrest last Thursday, in response to media coverage of the video. The inquiry results will be forwarded to the U.S. Justice Department, which will determine whether further investigations are required, according to FBI spokeswoman Laura Eimiller.

"It shouldn't have to be said that we know the department wants and we want a full, complete, accurate, fair investigation on a timely basis," Commissioner Alan Skobin said.

Cardenas remains in custody on $40,000 bail. Charges of receiving stolen property, which were tied to an arrest warrant against Cardenas, were dropped due to insufficient evidence, but he still faces two felony counts of resisting arrest, according to his attorney B. Kwaku Duren.

Cardenas is due back in court Nov. 20. Trial is scheduled for Nov. 27, Duren said.

Judge Says Inmate Death Was 'Torture' (NYT)

By Libby Sander

The New York Times, November 15, 2006

CHICAGO, Nov. 14 — Shackled to a concrete slab, Timothy Joe Souders spent the final days of his life naked and lying in his own urine, sweating through temperatures over 100 degrees in an isolated prison cell.

Mr. Souders, a 21-year-old with a history of severe mental illness, died Aug. 6 after spending four days in a segregation cell at the Southern Michigan Correctional Facility in Jackson. His death prompted state prison officials to revise their restraint policies for unruly prisoners, limiting the use of "top of the bed" restraints to a maximum of six hours.

But this week, a federal judge in Kalamazoo said those revisions were not sufficient. Scolding corrections officials for failing to provide adequate treatment to mentally ill inmates, the judge said on Monday that the conditions leading to Mr. Souders's death constituted "torture."

"You are not coat racks who collect government paychecks while your work is taken to the sexton for burial," wrote Richard A. Enslen, a senior federal district judge. "If a patient does not receive necessary medical or psychological services, including medicines and specialty care, it is not his problem, it is your problem."

Medical experts cited in Monday's ruling have speculated that Mr. Souders died of dehydration, though an autopsy report has not been completed.

Judge Enslen ordered an immediate ban on punitive restraints in three Jackson prison facilities holding roughly 4,500 inmates. The court has been monitoring those facilities as part of a 1985 consent decree.

Russell L. Marlan, a spokesman for the Michigan Department of Corrections, said the department disagreed with the ruling and planned to appeal. Top of the bed restraints, he said, are "nationally accepted, effective practices in correctional populations. We think the changes we've made in regard to these restraints are what is necessary."

Mr. Souders, who suffered from depression and psychosis and had previously tried to hang himself at a county jail, was serving a sentence for shoplifting, said Paul W. Broschay, who is representing Mr. Souders's estate in a federal wrongful death

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lawsuit against the Department of Corrections. At the time of his death, he was taking at least six medications for mental disorders.

On July 31, Mr. Souders was transferred to the segregated cell for disobeying orders. Three days later, after slipping out of soft restraints, Mr. Souders was restrained atop the concrete bed slab. Though Mr. Souders had been scheduled for a transfer to a mental health facility after a social worker found him "floridly psychotic," the transfer never happened, and on Aug. 6, he was pronounced dead. A court-appointed doctor visiting the prison on Aug. 7 learned of Mr. Souders's death. The doctor, Robert L. Cohen, wrote in an Aug. 14 letter to Judge Enslen: "No psychiatrist was consulted. No emergency psychiatric evaluation was obtained." He concluded that Mr. Souders's death "was predictable and preventable."

Monday's ruling is believed to be the first ban on punitive restraints in state prisons, said Elizabeth Alexander, director of the National Prison Project of the American Civil Liberties Union.

"This really is a precedent-setting decision," Ms. Alexander said.

Officials Clash Over Mentally Ill In Florida Jails (NYT)

By Abby Goodnough

The New York Times, November 15, 2006

MIAMI, Nov. 14 — For years, circuit judges here have ordered state officials to obey Florida law and promptly transfer severely mentally ill inmates from jails to state hospitals. But with few hospital beds available, Gov. Jeb Bush's administration began flouting those court orders in August.

Now, in a growing standoff between the government of Florida and its judges, the state is being threatened with steep daily fines if it does not comply. And at least one judge has raised the possibility that the secretary of the Florida Department of Children and Families could go to jail for contempt of court.

"This type of arrogant activity cannot be tolerated in an orderly society," Judge Crockett Farnell of Pinellas-Pasco Circuit Court wrote in an Oct. 11 ruling.

State law requires that inmates found incompetent to stand trial be moved from county jails to psychiatric hospitals within 15 days of the state's receiving the commitment orders. Florida has broken that law for years, provoking some public defenders to seek court orders forcing swift compliance.

With the state now rebuffing even those orders, a rising number of mentally ill inmates, now more than 300, have been left without treatment in crowded jails because the state's 1,416 psychiatric beds are full.

Two mentally ill inmates in the Escambia County Jail in Pensacola died over the last year and a half after being subdued by guards, according to news reports. And in the Pinellas County Jail in Clearwater, a schizophrenic inmate gouged out his eye after waiting weeks for a hospital bed, his lawyer said.

Public defenders in Miami-Dade County describe psychotic clients who have hallucinated, mutilated themselves and attempted suicide while awaiting transfer to hospitals. The state says that shortages of beds and financing have made compliance impossible, and that court orders forcing the transfer of certain inmates are unfair to those who have waited longer.

Most judges have responded skeptically, asking why the Department of Children and Families has not sought more state money as the number of committed inmates has soared. The agency cut its budget by $53 million this year, which public defenders say makes no sense given the inmate crisis and the state's $8 billion budget surplus.

In one of the toughest rulings to date on the subject, Judge Farnell said last month that he would start fining the department $1,000 a day for each mentally ill inmate who stayed in the Pinellas County Jail longer than 15 days. The judge, based in Clearwater, expressed outrage about the agency's "conscious decision" to ignore court orders.

Judges in Broward, Hillsborough and Miami-Dade Counties are also weighing motions to force the department to comply with the law or to hold it in contempt for letting the mentally ill pile up in unsuitable jails. The department appealed after three state judges in Miami ordered it to take custody of several inmates last month, but a panel of the Third District Court of Appeal indicated last week that it might rule against the department and its secretary, Lucy D. Hadi.

"It strikes me that ultimately you've got contempt issues," Judge Frank A. Shepherd said during oral arguments, "and Ms. Hadi may be going to jail."

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The problem is not unique to Florida, although it is especially severe in Miami-Dade County, which has one of the nation's largest percentages of mentally ill residents, according to the National Alliance for the Mentally Ill, an advocacy group.

A Justice Department study released in September found that 64 percent of inmates in county jails around the nation reported mental health problems within the last year. Many are arrested for petty crimes, advocates say, yet remain in jail an inordinately long time because there is nowhere else for them to go.

Only 40,000 beds remain in state psychiatric hospitals around the nation, down from 69,000 in 1995. Advocates for the mentally ill say that community-based treatment programs, which were supposed to replace psychiatric hospitals after the deinstitutionalization movement of the '60s and '70s, have not begun to make up for the loss.

Long waits for beds are especially common in the nation's urban areas. Last week, 307 mentally ill inmates were waiting for one of Florida's 1,416 psychiatric beds, and 72 percent had waited longer than 15 days. The state has three psychiatric hospitals with secure beds.

"This is a national problem, and it's a direct reflection of the lack of adequate beds and coordination between the criminal justice and mental health systems," said Ronald S. Honberg, legal director of the National Alliance for the Mentally Ill.

In Miami, an average of 25 to 40 acutely psychotic people live in a unit of the main county jail that a lawyer for Human Rights Watch, Jennifer Daskal, described as squalid after visiting last month. Seventeen such inmates are currently waiting for state hospital beds, said Valerie Jonas, a county public defender, adding that the number has been as high as 30 in recent weeks.

Ms. Daskal said that some of the unit's 14 "suicide cells" — dim, bare and designed for one inmate — were holding two or three at a time, and that the inmates were kept in their cells 24 hours a day except to shower. None of the mentally ill inmates receive group or individual therapy, she said in an affidavit.

Officials with the Department of Children and Families have argued that the agency cannot be held in contempt when it simply has no more beds, and that it could not have anticipated this year's sharp rise in commitments. In June 2005, they said, only 125 inmates were waiting for hospital beds, of which 38 percent had waited longer than 15 days.

"We are at the moment on a daily basis trying to find a short-term solution to the bed shortage," said Al Zimmerman, a spokesman for the department. "We are trying to find ways to pay for additional space, pay for additional beds."

The department requested and received money for about two dozen new secure beds this year, and it has asked for 38 next year. Each bed costs $100,000 a year, Mr. Zimmerman said.

Ms. Jonas, the public defender, said it was unconscionable that the department would not ask for more. "Given they've got a wait list of over 300 and they're running all over the state claiming inability to comply," she said, "where do they get off requesting only 38 new beds?"

Yet Mr. Honberg said that putting more mentally ill inmates in state hospitals should not be the ultimate goal. The treatment they get there often skims the surface, he said, and many end up deteriorating when they return to jail, only to end up on the wait list for a hospital bed again.

"You have large numbers of people sent to state hospitals not for therapeutic purposes, but for purposes of making them competent to proceed to trial," Mr. Honberg said. "We're not going to solve these problems until we invest adequate resources into services that work for people before they get to jail."

ANTITRUST:

Regulators Clear Purchase Of BMG Music (AP)

By Alex Veiga, AP Business Writer

AP, November 15, 2006

The Federal Trade Commission and the Justice Department gave antitrust approval Tuesday to Universal Music Group's planned acquisition of BMG Music Publishing for $2.09 billion.

The deal must now receive approval from European regulators to become final.

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BMG - owned by German media company Bertelsmann AG - owns the rights to more than a million songs by contemporary recording artists such as Nelly, Maroon 5 and Coldplay, as well as classic hits by the Beach Boys, Barry Manilow and other entertainers.

Universal Music Group is a unit of Paris-based Vivendi SA. Its publishing arm controls the rights to songs by artists such as 50 Cent, Mary J. Blige and Chamillionaire.

If approved, the deal would combine the No. 3 and No. 4 music publishing catalogs.

"We were confident that the regulatory authorities would find that the acquisition did not raise competition concerns, and we appreciate that the Justice Department promptly reached the same conclusion," Universal Music Group said in a prepared statement.

European Union regulators said earlier this month they would issue a ruling on the deal by Dec. 8.

Unlike the recording business, which sells CDs and other products to be sold at retail, music publishers make money by licensing songs for use in movies, TV shows, CDs, video games, ringtones and other media.

The companies also collect performance fees when songs are played on the radio or in public venues such as clubs.

Some analysts have warned that EU regulators are likely to scrutinize the deal, in part because of an EU court ruling in July that overturned the European Commission's go-ahead for the merger that created Sony BMG Music Entertainment.

That 2004 deal, which reduced the number of major recording companies from five to four, is being re-examined.

NAR Changes Controversial MLS Policy (INMAN)

By Glenn Roberts Jr.

Inman News, November 15, 2006

Policy limits some MLS restrictions on public display of listings

NEW ORLEANS -- Responding to antitrust actions and investigations by the U.S. Justice Department and Federal Trade Commission over multiple listing service restrictions for a category of property listings, directors for the National Association of Realtors approved policy changes that allow individual MLS participants to decide whether to implement restrictions on the Internet display of property listings.

Laurie Janik, general counsel for the Realtors group, has said that the change is legally significant in that individuals are making decisions rather than MLSs, which represent a group of real estate industry participants. The issue is unrelated to the Justice Department's antitrust lawsuit filed last year against the association over other policies for online property listings display.

Under the policy change approved Monday at the group's annual real estate conference, MLS participants may select listings they choose to forward for display -- or not forward -- to Web sites that are part of a broker-supported cooperative property listing system based on "objective criteria."

This criteria, according to the approved policy, can be based on factors such as geography, or location, list price, property type, cooperative compensation offered by listing brokers, type of listing (such as properties under "exclusive right to sell" or "exclusive agency" listing contracts), or "the level of service provided by the listing firm," according to language in the approved policy.

The FTC and Justice Department had engaged in 15 investigations over MLS policies that block exclusive agency property listings from public display on the Realtor.com and some other public-facing property-search sites, such as those MLS participants' sites that are part of the broker-sharing system known as Internet Data Exchange or IDX. Exclusive agency listings are contracts in which sellers are not obligated to pay the listing broker in a real estate transaction if the seller finds a buyer for the property without any assistance from the listing broker.

The FTC has announced a series of consent agreements with MLSs that settle some of the investigations over the exclusive agency restrictions, and also has announced complaints against two MLSs in Michigan that refused to change their policies. The FTC has also said that other investigations are ongoing.

"Selection of listings to be displayed on an IDX site must be independently made by each participant," according to the policy adopted by the Realtor group's directors. The policy adopted by the directors also states that MLSs must, if requested by a

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participant, "provide basic downloading of all current listings and may not exclude any listings from the information which can be downloaded or displayed under IDX except those listings for which a participant has withheld consent."

Janik had said in earlier meetings at the Realtors conference that there is no guarantee that the federal agencies will not take action against the revised policy, though she said that there were greater risks in leaving the policy intact.

The association's board of directors also approved the removal of a section in the policy that stated, "MLSs may, as a matter of local option, limit information which can be downloaded and/or otherwise displayed under IDX to properties listed on an exclusive right to sell basis." Exclusive right to sell listing agreements, unlike exclusive agency listing agreements, require sellers to pay the listing broker regardless of who locates a buyer for the property.

The federal agencies have charged that exclusive agency agreements are more likely to be used by alternative real estate business models, such as discount or limited-service business models.

Realtor-association directors also adopted a change to MLS that gives MLSs the option to block its transmission of property listings to some public Web sites if the street address or location of the property is displayed to the public and if "a 'for sale by owner' or other sign or notice is displayed on the property telling the public the seller is soliciting direct contacts from potential buyers."

According to a description of the proposed policy, it "establishes that MLSs are not required to transmit participants' listings to third-party aggregators or to operate publicly accessible MLS Web sites."

Also during the meeting, Realtor directors approved several new standards of practice for its 1.3 million members. One of the new standards provides that Realtors are obligated "to present a true picture in their advertising and representations to the public," including the use of Web URLs and domain names that they use.

This standard prohibits Realtors from "engaging in deceptive or unauthorized framing of real estate brokerage Web sites," "manipulating (e.g. presenting content developed by others) listing content in any way that produces a deceptive or misleading result," or "deceptively using meta-tags, keywords or other devices/methods to direct, drive or divert Internet traffic, or to otherwise mislead consumers."

Another change in standards approved by the directors provides that Realtors have a duty "to not knowingly or recklessly repeat, retransmit or republish false or misleading statements made by others. This duty applies whether false or misleading statements are repeated in person, in writing, by technological means or by any other means."

Directors clashed over an unrelated proposal related to local Realtor associations that adopt alternative business names other than their formal, established names. An association committee's work group recommended a policy change providing that all associations using these "DBAs" would be required to submit an application for approval by the Realtor group, and requiring these DBAs to comply with the same policies governing the formal names of associations.

The basis for the policy change, according to the work group, was that some DBAs could be "deceptively similar" to formal names already established by other Realtor associations and could mislead people about the geographic coverage area of that association. After some debate and the defeat of a proposed amendment that would have eliminated the retroactive nature of the proposal, a majority of directors approved the change.

Judge Denies New York's Quick Bid To Block Insurance Merger (AP)

By Larry Neumeister, Associated Press Writer

AP, November 15, 2006

NEW YORK -- A judge on Tuesday refused a city request to immediately stop the merger of two nonprofit insurance companies that provide coverage to city workers because it violates antitrust laws.

U.S. District Judge Kenneth M. Karas said he did not believe the city would suffer irreparable harm if he permitted the merger to go forward Wednesday while he takes a longer look at the facts of the case and the legal history of similar mergers.

In a statement made after the hearing, city lawyer Michael Cardozo said the city would look for other health care providers "who can offer comparable _ but less expensive _ health care benefits."

On Monday, the city filed a lawsuit to block the pending merger of Group Health Inc. and the HIP Health Plan of New York, saying the union would create a virtual monopoly in the public service health care sector.

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The merger, which has been approved by the Department of Justice and state insurance regulators, would control more than 90 percent of the city's municipal health care market and 100 percent of the low-cost market, the city said in a release.

It asked the judge to issue an immediate restraining order to block the merger from going forward while lawyers submitted arguments and evidence to prove their positions.

Before his ruling, the judge listened to arguments Tuesday.

City lawyer John Low-Beer said an immediate order was necessary to protect competition in the insurance industry. He said the two companies had "been competing vigorously for business" before deciding to merge.

"For this product we want to buy, there is no other seller who comes close in price," he said.

GHI lawyer Stephen M. Axinn said the merger was announced 14 months ago and the city delayed challenging it, hopeful that the federal government would stop it.

"This is none of their business," he said. "This is not an anticompetitive transaction. This is a pro-competitive situation."

Axinn said the combined companies would save money on office expenses and pass those savings along to customers.

He said the merged entity would be better able to compete against insurance giants that are 50 times its size.

HIP lawyer Bruce Schneider said there was no need to temporarily block the transaction, especially since the contracts with the city do not expire until the end of June.

High Court Asked To Hear IPO Case (DEAL)

By Cecile Kohrs Lindell

The Deal, November 15, 2006

Lawyers for the government last week asked the Supreme Court to take a case that has the potential to wreak havoc on initial public offerings in the United States by calling into question much of the cooperation investment banks engage in when they form underwriting syndicates.

The class action, Glen Billing v. Credit Suisse First Boston Ltd., charges that common practices such as setting prices and allocating shares among themselves is essentially illegal collaboration among competitors.

Aside from the threat to current IPO practices, the case already has sparked a turf battle between the Securities and Exchange Commission, the primary regulator for Wall Street, and the Department of Justice, which has jurisdiction over antitrust enforcement.

But Solicitor General Paul D. Clement, answering the Supreme Court's request for a unified federal position, seems to be offering a solution that pleases both DOJ's Assistant Attorney General for Antitrust Thomas Barnett and the SEC's Associate General Counsel Richard M. Humes. Both agency officials signed on to Clement's brief filed last week, requesting the top court hear and rule on the heavily nuanced case.

At issue is a September 2005 ruling by the 2nd U.S. Circuit Court of Appeals, which overturned a district court's initial ruling to dismiss the Billing case. The appeals court agreed with DOJ's argument that nefarious behavior should not be shielded by a regulatory scheme that doesn't adequately prevent harms that could be addressed by antitrust laws and ordered the case to proceed.

The SEC has argued that it regulates the securities industry, and antitrust law doesn't always apply, and that the court should find "implied immunity" from antitrust laws when a pervasive regulatory scheme is in place.

Because the case was dismissed at the district court level, the merits of Billing's accusations have not been addressed. But even allowing the case to proceed would pose a threat to Wall Street, because a new avenue would be opened for plaintiffs lawyers pursuing class actions, according to Paul Atkins, a member of the Securities and Exchange Commission.

Atkins' op-ed warnings about the case were filed to the Supreme Court by banks asking the top court to toss out the 2nd Circuit opinion. He said a new category of plaintiff suits could cost billions of dollars, create upheaval in the market and effectively end Wall Street's reign as the center of the world's capital markets.

Clement suggested that both agencies have some authority to regulate Wall Street, but he urges the Supreme Court to grant certiorari and write a decision that will provide much-needed guidance to courts without upending IPO practices. Clement wrote that overlapping SEC regulation and antitrust enforcement would snarl public securities offerings and "could undercut

critical national regulatory policies and interfere with the capital formation process," if the 2nd Circuit Court of Appeals decision is allowed to stand.

But, Clement added, the initial district court's decision, which said the antitrust laws need not apply in light of the extensive SEC regulation, is also wrong. That approach, he wrote, "would oust not only private treble damages actions but government antitrust enforcement from the securities industry, despite the absence of any evidence that Congress intended such a drastic result." That could allow DOJ to investigate some practices for antitrust violations.

The investment bank defendants asked the Supreme Court to hear the case after the appeals court ruling, and the justices, in turn, asked for the views of the United States. That left it to Clement to sort out a room full of about two dozen lawyers and years of history that pitted the SEC's regulatory schemes against antitrust enforcement.

"It looks like they worked out a compromise," said Ali Stoepplewirth, a partner at Wilmer Cutler Pickering Hale and Dorr LLP, which represents Citigroup Global Markets Holdings Inc. in this case.

According to Roy Englert, a partner with Robbins, Russell, Englert, Orseck & Untereiner LLP who is representing an amicus in the case, the fact that Clement could craft a brief that is supported by both agencies means it is very likely that the justices will hear the case.

A DOJ spokeswoman was unwilling to comment on the antitrust division's perspective, other than to say that Barnett had signed on.

The case was filed by lawyers with Milberg Weiss Bershad & Schulman LLP originally as a securities law case, but after it was rejected by the district court, it was refiled as an antitrust case, alleging conspiracy and collaboration against Credit Suisse and Citigroup Global Markets Holdings Inc., Robertson Stephens Inc., Deutsche Bank Securities Inc., Merrill Lynch & Co., Morgan Stanley, Janus Capital Management LLC, Goldman, Sachs & Co., Bear, Stearns & Co., Lehman Brothers Inc., Van Wagoner Capital Management Inc., Fidelity Distributors Corp. and Comerica Inc.

Because the case now alleges antitrust violations, any remedy would automatically be tripled.

The justices will consider taking the case in early December and "could hear the case as early as March," Englert said.

Microsoft: EU Ruling Could Come Soon (CNET)

By Ina Fried

CNET News, November 15, 2006

Microsoft chief lawyer Brad Smith said Tuesday that the company expects to hear back from a European court as early as December on its appeal of the landmark antitrust ruling there.

"We expect to get that decision really in the next several months," Smith said during a question-and-answer session at the company's shareholder meeting in Bellevue, Wash. "Most people think it will probably come some time between December and March or April."

The European Union's antitrust regulators slapped Microsoft with a $600 million fine in March 2004, but the software maker has been pursuing an appeal of the case with Europe's Court of First Instance.

Smith said whatever the decision is, it should give Microsoft and the industry more "clarity."

"We'll all have to see where we go from there," he said during the meeting, which was also broadcast over the Internet. "Certainly, we and increasingly a lot of other people in Europe would like to see us get to some clear resolution so we can all focus on some other things."

Regulators tacked on an additional $357 million fine in July, saying Microsoft was not fully complying with the 2004 ruling. Microsoft is appealing that as well.

Smith's comments came after a shareholder asked Microsoft executives: "In Europe, how long are they going to keep stringing you along. Do you think they have any intention of ever letting you off the hook?"

It has gone on for a long time, Smith agreed. "It's been going for about eight years," he said.

Also at the meeting, Microsoft shareholders elected the company's proposed slate of directors and rejected three shareholder proposals. CEO Steve Ballmer and Chairman Bill Gates addressed the shareholders, who also got a demo of the Zune music player that went on sale earlier in the day.

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ENVIRONMENT:

Voters Back Limits On Eminent Domain (NYT)

By Terry Pristin

The New York Times, November 15, 2006

Voters showed last week that the furor over a 2005 Supreme Court decision in a Connecticut eminent domain case has not abated, even in states that have already enacted legislation to restrict the use of condemnation for economic development.

Ballot measures to limit eminent domain powers to public uses were approved by large margins in eight states. Louisiana passed an eminent domain measure in September.

In all, 34 states have adopted laws or passed ballot measures in response to the Connecticut case, Kelo v. New London, which upheld the right of local officials to require the forced sale of homes and businesses for private development intended to increase the tax base of one of the state's poorest cities.

"A message has been sent that state and local governments have to do a better job of justifying a need for eminent domain," said Larry Morandi, a land-use specialist at the National Conference of State Legislatures. "There needs to be more negotiation and more transparency."

Donald J. Borut, the executive director of the National League of Cities, acknowledged that condemnation powers are sometimes abused. But he said that property-rights groups have played to public fears in a way that discourages thoughtful discussion about how individual rights should be balanced against projects that benefit the community as a whole. He described anti-Kelo sentiment as "a huge emotional tsunami that's been rushing through the country."

Of the measures approved by voters, "about half of them are purely procedural or largely symbolic," said John D. Echeverria, the executive director of the Georgetown Environmental Law and Policy Institute. In Florida, for example, the State Legislature, by a three-fifths vote of each house, can make an exception to a ban on transferring condemned property from one private entity to another.

Strict constitutional amendments have been added in South Carolina and Georgia — states where eminent domain is not used for economic development, said Timothy Sandefur, a staff lawyer for the Pacific Legal Foundation, a libertarian group that represents property owners in condemnation cases.

But in Michigan, where officials are trying to cope with decades of disinvestment in cities like Detroit and Flint, a new constitutional amendment is likely to have a "chilling effect on the willingness of investors to undertake new development," said John E. Mogk, a law professor at Wayne State University.

Though property-rights groups cheered last week's election results, their victory was tempered by the failure — except in Arizona — of initiatives aimed at discouraging government officials from making zoning and other land-use decisions. California, Idaho and Washington State defeated initiatives to require compensation for owners of property that lost value as a result of a government action to restrict its use.

That the measure was rejected by three-fourths of the voters in Idaho, considered a strong property-rights state, suggests that the movement against so-called regulatory takings is doomed, said David Barron, a Harvard Law School professor. "It shows that the people recognize that the property-rights movement is potentially just divesting them of their ability to decide their own future as a community," he said. "People don't want that to happen."

In Oregon, which passed a similar measure in 2004, local officials have waived zoning rules to avoid paying nearly $6 billion to compensate property owners who claimed economic losses.

But California's eminent domain and antizoning initiative lost by only four percentage points after opponents put together a huge coalition that included antitax groups concerned about the potential cost of compensating property owners for land-use changes.

The California measure was one of eight propositions on ballots throughout the country backed by groups linked to Howard S. Rich, a New York real estate investor. In Arizona, where the measure was one of 19 on the ballot, the proponents outspent the

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opponents 4 to 1, according to The Arizona Republic. The situation was reversed in California, where proponents were outspent 3 to 1, said John F. Shirey, the executive director of the California Redevelopment Association, a trade group.

California has already tinkered with its eminent domain powers, but Mr. Shirey said the state should take further steps — like passing legislation to prevent the condemnation of single-family homes — to head off future property-rights initiatives. "We need to do something substantive to give people better assurances than they have now that something like what occurred in Connecticut couldn't happen in California," he said.

Eminent domain specialists on both sides of the issue say many of the statutes enacted by state legislatures have few teeth, either because the language is vague or the measures impose only minor restrictions on public officials.

"A lot of state legislators don't really believe in property rights," Mr. Sandefur said. He praised Pennsylvania as one of a handful of states that have enacted a "well-crafted, careful, thought-out measure," but noted that officials could continue condemning property for redevelopment in Philadelphia and Pittsburgh until 2012.

Mr. Barron, the Harvard Law professor, said much of the legislation was "more hype than not," often riddled with exceptions inserted during the legislative process. Indiana — another state praised by Mr. Sandefur — includes technology parks as a "public use" for which eminent domain powers can be used.

The initiatives approved Nov. 7 tend to be shorter and more restrictive than the bills, "but there will be a lot of interpretative questions about what they mean," Mr. Barron said.

Amy S. Doppelt, a managing director at Fitch Ratings, said the initiatives were often unclear. "Frequently, the language is quite broad," she said. "It creates a lot of uncertainty." Communities that can no longer use condemnation could find themselves at a competitive disadvantage, which could ultimately lower their credit rating, she said.

In many communities, eminent domain powers are used only sparingly. That is not the case in Detroit, where officials have worked to bring industrial parks and middle-income housing developments to tracts of land that are largely, but not entirely, vacant.

"Any project requiring an assembly of land of 50 acres or more since 1960 has required eminent domain at some point in order to complete the project," said Mr. Mogk, the Wayne State professor.

But the use of condemnation powers to replace one set of property owners with another has often proved contentious. One such project on the city's east side, now known as Jefferson Village, gave rise to years of lawsuits. But it has proved so successful that the city expects to recoup its $38 million investment in 12 years, said Robbin G. Millard, a project manager for the Detroit Economic Growth Corporation, the nonprofit organization that helped create Jefferson Village. Though 160 homes were taken, most owners were able to reach a settlement with the city, he said.

In 2004, the Michigan Supreme Court ruled that eminent domain could no longer be used for private projects to create jobs and generate tax revenue. That decision is now enshrined in a constitutional amendment approved last week by Michigan voters. If condemnation is used to eliminate blight, each individual property must now be shown to be blighted "by clear and convincing evidence," Mr. Mogk said. This requirement is likely to discourage badly needed development, he said.

Mr. Millard said that while some aspects of the amendment need to be clarified, that does not appear to pose insurmountable barriers. Officials will be able to show that the buildings they seek to condemn are blighted. "We think we can still do eminent domain in this city," he said.

FBI/DEA/ATF/USMS:

Judge Says Crack Sentencing Goes Too Far (AP)

By Matt Apuzzo, Associated Press Writer

AP, November 15, 2006

WASHINGTON — A federal judge who served as a top drug policy adviser to the first President Bush and advocated harsher penalties for crack cocaine crimes said Tuesday the policy had gone too far and was undermining faith in the judicial system.

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U.S. District Judge Reggie B. Walton told the U.S. Sentencing Commission that federal laws requiring dramatically longer sentences for crack cocaine than for cocaine powder were "unconscionable" and contributed to the perception within minority communities that courts are unfair.

"I never thought that the disparity should be as severe as it has become," said Walton, who sits on the bench in Washington, where he previously served as a Superior Court judge, a federal prosecutor and a deputy drug czar.

The current law includes what critics have called the 100-to-1 disparity: Trafficking in 5 grams of cocaine carries a mandatory five-year prison sentence, but it takes 500 grams of cocaine powder to warrant the same sentence.

Advocates for changing the law point to crime statistics that show crack is more of an inner-city drug while cocaine powder is used more often in the suburbs.

The Sentencing Commission, which has thrice recommended that Congress narrow the sentencing gap, is again reviewing the disparity. Previous recommendations, which were not adopted, have included raising the penalties for powder cocaine and lowering them for crack.

The Bush administration, like the Clinton administration, indicated Tuesday that it welcomed a discussion about the sentencing disparity but adamantly opposed lowering the penalties for crack. The Justice Department says crack is more addictive and easier to sell in small doses, leading to increased violence and a greater health impact.

The Justice Department also urged the Sentencing Commission only to make recommendations to Congress and not to take it upon itself to narrow the gap by rewriting sentencing guidelines.

Walton said there may still be a need for tougher sentences for crack because it is more addictive and more closely associated with violence. But he said the disparity is too great.

As an example, he offered two hypothetical cases involving a white college student arrested with a kilogram of powder cocaine and a black high school dropout caught with the same amount of crack. The white man would face a likely sentence of 3 to 4 years in prison, Walton said in exhibits filed with the commission. The black man would face a mandatory 10-year sentence and the possibility of a life sentence.

Walton said the law wasn't intended to target poor people or minorities. But with a disproportionately high number of minorities in prison and potential jurors openly balking at convicting drug offenders because of concerns over the fairness of the system, Walton said the problem must be addressed.

"I hope the powers that be will have the will to do the right thing and rectify the problem," Walton said.

Equal Drug Crimes Need Equal Jail Times (CSM)

By Eric E. Sterling

The Christian Science Monitor, November 15, 2006

For a generation, antidrug policy has been built on mistakes and tough talk.

One of our most infamous contemporary laws is the 100-to-1 difference in sentencing between selling crack cocaine and selling powder cocaine. Under federal drug laws, prison sentences are usually tied to the quantity of drugs the defendant trafficked. For example, selling 5,000 grams of powder cocaine (about a briefcase full) results in a mandatory 10-year prison sentence, but so does selling only 50 grams of crack cocaine (the weight of a candy bar).

Working for the House Judiciary Committee in 1986, I wrote the House bill that was the basis for that law. We made some terrible mistakes.

Those mistakes, aggravated by the Justice Department's misuse of the penalties, have been a disaster. Conventional wisdom is that the 100-to-1 ratio needs to be repealed. But that's an inadequate fix.

On Tuesday, the US Sentencing Commission - the independent agency that gives sentencing guidelines to federal judges and advises Congress - held hearings on this issue. If logic prevails, in the next Congress we may finally see an end to one of the most unjust laws passed in recent memory. And that might correct the biggest mistake of my professional life.

We still cling to 20-year-old ideas that crack is uniquely harmful: It is instantly addictive; it makes you especially violent; it causes women to abandon their babies; the babies of crack users will be basket cases. None of these are true.

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Also, because crack is no longer a big news story, people mistakenly believe our anticocaine policy has worked. Not so. There is no scarcity of cocaine. Since 1986, the price of cocaine has fallen and the quality is better. Cocaine deaths have increased. The number of crack users is basically unchanged.

Drug sentences are on the national agenda again because civil rights supporters are justifiably outraged that almost all federal crack prosecutions involve people of color. And indeed, for years no whites were prosecuted for crack offenses in many federal courts, including those in Los Angeles, Chicago, Miami, Denver, Dallas, or Boston.

Because of that, the myth developed that Congress intended to punish blacks - believed to be the crack users - with long sentences and let the white powder cocaine sniffers of Hollywood and Wall Street get away with light sentences. But that's not the case. Congress was trying to remedy a problem it believed afflicted the black community.

A second myth is that Congress chose a 100-to-1 ratio because it determined that crack was 100 times worse than powder cocaine. But the weights chosen (5 and 50 grams, versus 500 and 5,000 grams) weren't based on a comparison of the two drugs. Congress had no clear understanding of drug trafficking - or the metric system - and thought those weights indicated significant trafficking activity. In fact, tons (millions of grams) of cocaine are shipped to the US by the leaders, organizers, and financiers of the international drug trade.

The law was flawed, but the Justice Department still could have used it to target high-level traffickers. But research from the US Sentencing Commission shows that three-quarters of the federal cocaine defendants - both powder and crack - are just neighborhood dealers or couriers.

Congress should do what it tried to do in 1986 - make the Justice Department focus exclusively on high-level cases because state and local law enforcement cannot. There are three elements that would fix the problem: 1) Raise the quantity triggers for all drugs to realistic levels for high-level traffickers, such as 50 or 100 kilos of cocaine, and end the crack/powder imbalance. 2) Require the attorney general to approve prosecution of any case involving less than 50 kilos of cocaine. 3) Analyze federal drug cases district by district to identify agents and prosecutors who waste time and money. If only high-level dealers were being prosecuted by the feds, no one would have cause to complain about the race of the defendants.

A promising sign is that a few months ago, Sen. Jeff Sessions (R) of Alabama, a former US attorney, introduced legislation to address the problem. Action on his bill is unlikely before Congress adjourns, but it had bipartisan support - a good sign that a political fix is viable.

The 20-year-old mistake of tiny quantity triggers has distracted both the Justice Department from the proper cases and reformers from the proper fix.

For a generation, antidrug policy has been built on factual mistakes and tough-sounding rhetoric. The American people simply need an effective policy. Truly, that would be tough enough.

• Eric E. Sterling, president of the nonprofit Criminal Justice Policy Foundation in Silver Spring, Md., was counsel to the House Judiciary Committee, principally responsible for antidrug legislation, from 1979 to 1989.

Man Gets Life Term In Drug Agent's Death (NYT/AP)

By The Associated Press

The New York Times, November 15, 2006

Filed at 9:52 a.m. ET

PHOENIX (AP) -- A man accused of masterminding a 1994 robbery plot during which an undercover federal drug agent was killed has been sentenced to life in prison.

Augustin Vasquez-Mendoza, 37, who had been on the FBI's Ten Most Wanted List for four years, was arrested in Mexico in 2000 but not returned to Arizona until 2005. He was alleged to be the leader of a drug ring that produced methamphetamine in Mexico for import to the U.S.

Vasquez-Mendoza was sentenced Monday in Maricopa County Superior Court to life in prison with a possibility of parole after 25 years. The judge added 46 years for kidnapping, assault and armed robbery counts, which must be served after the murder conviction sentence.

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As terms of his extradition, U.S. authorities had agreed to waive the death penalty and a life sentence without parole, Drug Enforcement Administration officials said last year.

Federal drug agent Richard Fass, 37, who was posing as a drug dealer, was killed by henchmen of Vasquez-Mendoza in Glendale while trying to buy 22 pounds of methamphetamine from them for $160,000, the government said.

Vasquez-Mendoza wasn't present when Fass was shot, prosecutors said. But he was alleged to have been the mastermind who arranged to have the agent robbed and to have him killed if he resisted.

The other suspects were previously convicted, including Juan Rubio Vasquez, the triggerman and the defendant's half brother, who was sentenced to life in prison with no chance of parole.

Arrests Made In Fentanyl-Laced Heroin Deaths (AP)

AP, November 14, 2006

(AP) PITTSBURGH Ten men have been charged with operating a drug ring in western Pennsylvania that may have been responsible for distributing deadly fentanyl-laced heroin, the U.S. Attorney's Office announced Tuesday.

All face one count of conspiracy to distribute more than one kilogram of heroin, according to criminal complaints filed in U.S. District Court for the Western District of Pennsylvania.

Eight have been arrested and two remain fugitives, U.S. Attorney Mary Beth Buchanan said.

Investigators were still collecting evidence to determine whether the men are linked to more than a dozen deaths from fentanyl-laced heroin earlier this year, Buchanan said.

If a federal grand jury determines they are, they could face longer prison sentences, she said.

If convicted, the men face minimum sentences of 10 years in prison.

If connected to any of the deaths, they could be sentenced 20 years to life in prison.

Authorities on Tuesday were investigating the seventh likely heroin overdose in western Pennsylvania in recent days.

Eighteen to 20 people overdosed on fentanyl or fentanyl-laced heroin between late April and mid-August, said Dr. Frederick Fochtman, director and chief toxicologist at the forensic laboratory division of the Allegheny County Medical Examiner's Office.

Hundreds of overdose deaths nationwide have been blamed on heroin laced with fentanyl, an opiate used legally in anesthesia.

Fentanyl is cheaper than heroin and 40 to 100 times more potent than morphine.

Feds Bust 10 In Big Heroin Ring (PPG)

By Paula Reed Ward, Pittsburgh Post-gazette

Pittsburgh Post-Gazette, November 15, 2006

Hazelwood-based group is charged with selling fentanyl-laced drug blamed for 10 deaths

Five months after fentanyl-laced heroin hit the streets of Pittsburgh and racked up at least 10 fatalities and dozens of overdoses, federal officials yesterday announced that they've broken the Hazelwood-based ring believed to be responsible.

Ten people have been charged -- although two are still fugitives -- through criminal complaints by the U.S. attorney's office.

Investigators believe the organization dismantled by "Operation Burnout" is also linked to the spate of heroin overdoses and deaths in the area over the last several days.

U.S. Attorney Mary Beth Buchanan said officials do not yet know if the heroin responsible for those deaths was laced with fentanyl, but they have confirmed that it is an especially potent mixture.

She called the Hazelwood group an "elaborate network," though Ms. Buchanan would not reveal the quantity of heroin sold by the organization or the amount of money earned from its sale.

The men were responsible for selling heroin and fentanyl-laced heroin with the names "Get High or Die Trying," "Burnout," "Energizer," "Mayday" and "Chevrolet."

Each defendant is charged with one count of conspiracy to distribute in excess of 1 kilogram of heroin.

Within the next 30 days, the case will be presented to the federal grand jury for indictment.

If convicted, the defendants each could face a mandatory minimum sentence of 10 years in prison. If they are convicted of selling heroin that resulted in a death, the defendants could face mandatory prison terms of 20 years to life, Ms. Buchanan said.

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The charges came as a result of monitoring cell phone conversations between three of the drug ring's alleged main players -- Wilford Clark, 26, and Travess Strothers, 27, both of Hazelwood, and Kenneth Johnson, 29, of the North Side -- between June and November.

According to investigators, the men tried to speak in code, referring to quantities of heroin by the names of professional football players. For example, when they spoke about "Emmitt Smith," they were referring to the former Dallas Cowboys player's No. 22. That meant someone wanted to order 22 bricks -- or 1,100 stamp bags -- of heroin.

"As slick as these individuals think they may have been, their criminal activity has come to an end," Ms. Buchanan said.

During the intercepted phone calls, the defendants spoke about the quantity of heroin they needed, as well as its quality.

"They complaining about them Burnouts. ... I'm getting too much lip," Mr. Clark was heard saying on the phone. "As soon as we boost them back up, then these [people] will be scared."

"It was clear that Clark was stating that if the heroin were to be laced or 'boosted' up with fentanyl, the customers who Clark routinely referred to as 'the fiends' would stop complaining," the agent wrote in a court affidavit.

In addition to the cell phone conversations, federal agents used two confidential informants in the case. One, who worked for Wilford Clark, was arrested in June after a search resulted in the seizure of 21 stamp bags of the heroin labeled "Get High or Die Trying."

Several of the defendants were arrested either last week or yesterday morning. Mr. Clark and Mr. Strothers have not yet been taken into custody and are considered fugitives.

Mr. Johnson is believed to be the primary dealer for the organization, while Shakur Muhammad, 35, of Homewood, was responsible for getting the heroin from sources in New Jersey.

Mr. Muhammad was arrested Nov. 3, after visiting his supplier in New Jersey, authorities said. State police, who were cooperating with the Drug Enforcement Administration, stopped Mr. Muhammad, who was speeding, on the Pennsylvania Turnpike near Somerset.

A state trooper requested permission to search his black Jeep Liberty, and Mr. Muhammad consented. Inside, police found a package of diapers, which also included 23,000 stamp bags of heroin, many bearing the label "Chevrolet."

During an interview with a DEA agent, Mr. Muhammad said he had gotten the kilogram of heroin for about $84,000. He also told the agent that he'd been making regular trips to New Jersey and had gotten up to 1,000 bricks of heroin on more than one occasion.

In addition to the arrests in Pittsburgh, the accused supplier of the heroin, Alfurgan Simon, 36, was arrested yesterday morning in Newark, N.J. He will be extradited to the U.S. District Court's Western District of Pennsylvania for prosecution.

As part of the case, officials are asking friends or family members of people who took the fentanyl-laced heroin to contact the Pittsburgh Police Narcotics Squad at 412-323-7761 to help in the investigation.

The "Get High or Die Trying" heroin had addicts clamoring to try it for what they expected to be an intense high. Fentanyl, a painkiller about 80 times stronger than morphine, was added to the heroin to give it an extra kick.

Fentanyl-laced heroin was responsible for hundreds of overdose deaths across the country this year, including here, in Philadelphia, Detroit and Chicago.

Pittsburgh had another problem with fentanyl-laced heroin in 1988. In that "China White" outbreak, 18 people died from injecting heroin laced with 3-methyl fentanyl. That drug was both made and distributed here.

Arrests Shut Deadly Hazelwood Drug Pipeline (PTR)

Pittsburgh Tribune-Review, November 15, 2006

Authorities say they have arrested eight members of a Hazelwood drug distribution ring accused of supplying fentanyl-laced heroin that killed at least 18 people in Allegheny County between June and August.

The ring likely supplied heroin that killed seven people across the region in the past week and caused more than a dozen nonfatal overdoses, U.S. Attorney Mary Beth Buchanan said Tuesday. Toxicology tests are being conducted to determine if that heroin also was laced with fentanyl, a powerful painkiller.

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"This was a very elaborate network that was distributing this deadly drug to desperate drug users," Buchanan said. "But as slick as these individuals think they may have been, their criminal activity has come to an end."

Buchanan announced the arrests of seven men from Hazelwood, Homewood, the Hill District, North Side and East Liberty, and one from New Jersey who is accused of making the deadly mixture in Newark for distribution in Pittsburgh. Two other suspects remained at large yesterday.

The 10 men face charges including possession, distribution and conspiracy to distribute heroin.

Federal agents monitored the drug dealers' cell phone conversations during a five-month investigation dubbed "Operation Burn Out," which included Pittsburgh police and state police, Buchanan said.

If investigators link the suspects to the fatal overdoses and convict them, they could face prison terms of 20 years to life for each death, Buchanan said. The conspiracy and distribution charges carry mandatory minimum prison sentences of 10 years.

"We intend to hold them accountable for the needless deaths that we believe occurred due to their greed," Buchanan said.

Three of the deaths in the past week occurred in Pittsburgh, three in Westmoreland County and one victim was a student at Indiana University of Pennsylvania.

"Drugs, especially heroin, know no geographic or socioeconomic boundaries," said Pittsburgh police Sgt. John Fisher, who heads the federal Weed and Seed unit.

Buchanan said it's too soon to say how much fentanyl-laced heroin the ring distributed locally and how much suppliers profited.

The heroin and fentanyl mixture was distributed in stamp bags marked "Get High or Die Trying," "Burnouts," "Energizer" "Mayday" and "Chevrolet," Buchanan said.

The suspects, during cell phone conversations, often spoke in code when referring to how much of the heroin and fentanyl mix they wanted to distribute, Buchanan said.

They used the names of NFL football players -- such as Emmitt Smith and Donovan McNabb -- whose jersey numbers corresponded to the amount of drugs desired, Buchanan said.

"In the case of Emmitt Smith, his number is 22, so they were referring to the number of bricks they wanted," Buchanan said.

Arrested yesterday were: Eugene Terrell, 18, Kevin Carter, 35, and Wilford Clark, 26, all of Hazelwood; Carlton Williams, 30, of East Liberty; Damon Jackson, 31, of the Hill District; and Alfurgan Simon, 36, of Newark, N.J.

Shakur Muhammad, 35, of Homewood, and Kenneth Johnson, 29, of the North Side, were arrested last week.

Authorities were searching for William Clark, 25, and Travess Strothers, 27, both of Hazelwood.

Muhammad was arrested Nov. 3 while traveling from New Jersey to Pittsburgh, Buchanan said. State police troopers found 460 bricks of heroin stamped "Chevrolet" in his car. A brick contains 50 stamp-sized bags of heroin.

The men will be arraigned Thursday and detention hearings will be held later this week, Buchanan said. Evidence will be presented to a federal grand jury within 30 days, she said.

10 Face Heroin Distribution Charges (WTAE)

WTAE-TV, November 14, 2006

PITTSBURGH -- Heroin laced with a powerful painkiller led to 50 overdoses and nine deaths in Pittsburgh and surrounding communities last summer, and now, 10 people face charges for distribution of the drug.

The killer heroin was mixed with Fentanyl, a painkiller about 80 times stronger than morphine.

The deadly drug might have led to several overdoses this past weekend, also, authorities said.

U.S. Attorney Mary Beth Buchanan was joined by Pittsburgh Mayor Luke Ravenstahl to talk about the investigation of the huge drug trafficking operation that stretches from New Jersey to Pittsburgh.

If convicted, those arrested could face a maximum sentence of life in prison.

SF Supes: Pot Offenses 'Lowest Law Enforcement Priority' (BCNS)

Bay City News Service, November 14, 2006

SAN FRANCISCO -- San Francisco supervisors voted Tuesday to make marijuana offenses the Police Department's lowest priority, though prohibitions remain for marijuana sales in public, possession by minors or use by motorists.

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"San Francisco should determine its marijuana policy locally, not hand them over to the federal Drug Enforcement Administration," stated the ordinance by Supervisor Tom Ammiano. "Law enforcement resources would be better spent fighting serious and violent crimes."

Ammiano's bill was opposed by supervisors Sean Elsbernd, Michela Alioto-Pier and Fiona Ma.

The law also urges the San Francisco district attorney, Kamala Harris, to make prosecution of marijuana offenses her office's lowest priority. A community oversight committee was also created to monitor implementation of the law.

SF Supes Outlaw Foam Food Containers, Decriminalize Adult Pot Use (SFC)

By Robert Selna, Chronicle Staff Writer

San Francisco Chronicle, November 14, 2006

SAN FRANCISCO -- The Board of Supervisors voted today to outlaw the use of Styrofoam and other polystyrene products by city restaurants and to effectively decriminalize the use, sale and cultivation of marijuana by adults.

The food container legislation, introduced by Board of Supervisors President Aaron Peskin and approved unanimously on the first of two votes needed for passage, would apply to about 3,400 restaurants in San Francisco as well city facility food service providers and food vendor companies contracting with the city. It is scheduled to be implemented June 1, 2007.

Polystyrene containers are blamed for filling up landfills and breaking down into smaller nonbiodegradable pieces that harm marine and other wildlife when they are ingested.

In passing the ordinance, San Francisco joins number of other cities around the country, including Oakland, Portland, Ore., and Berkeley, which banned Styrofoam and similar products nearly 20 years ago.

The marijuana legislation, which passed on an initial vote 8-3, would set nearly all crimes involving marijuana as the lowest law enforcement priority for city police and urges the district attorney to adopt the same policy when prosecuting criminal defendants.

It passed with the blessing of the police officials, but over the complaints of some residents who say the marijuana trade attracts or occurs along with other criminal activity that undermines the quality of life in their neighborhoods.

Ammiano introduced the legislation in August at the behest of groups pushing for the national decriminalization of marijuana.

S.F. Passes Marijuana Tolerance Law (KGO)

KGO-TV, November 14, 2006

San Francisco's Board of Supervisors passed a law that essentially says when it comes to marijuana, the city doesn't much care.

The proposal passed overwhelmingly today and it gets a second reading same time next week, but that's mostly a formality. So for all intesive purposes the city has a new pot policy.

Veronica Gaynor, Fair Oaks Community Coalition: "The police will have to arrest for barking dogs or spitting on the sidewalk before they get to this marijuana."

Members of a mission neighborhood group oppose the new measure which makes marijuana violations by adults on private property the lowest priority for San Francisco police.

The mayor says it simply formalizes what is already city policy.

Gavin Newsom, San Francisco: "I don't see it changing anything what so ever - frankly I think it's just symbolic."

The measure provides some exceptions: allowing crackdowns on those caught driving under the influence, selling pot on public property, if it poses a threat to public safety, and the use and sale involving minors.

Most other marijuana offenses will be a low priority but Police Chief Heather Fong says that doesn't mean her officers will turn a blind eye.

Chief Heather Fong, SFPD: "When there are legitimate criminal behaviors, criminal acts that occur, officers are permitted to enforce the law as they have been."

A public hearing was held yesterday. Some critics believe the measure will undermine San Francisco's medical marijuana clubs.

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Kim Stryker, Fair Oaks Community Coalition: "There's no reason to get a permit for a medical facility, there's no reason to get a medical card - you just go to your neighbor and buy what you want in unlimited amounts according to this legislation."

Supervisor Tom Ammiano calls that an over-reaction. He is the sponsor of the legislation.

Tom Ammiano: "I don't know why the in quotes neighbors, because they aren't my neighbors, keep saying that after we point out that it's not true. Whatever the police are doing now they will continue to do, it's up to them."

San Francisco's new law includes a committee to monitor the implementation. This law is similar to an ordinance passed by Santa Cruz to voters last week.

S.F. Passes Marijuana Tolerance Law (KGO)

KGO-TV, November 14, 2006

San Francisco's proposed legislation is similar to a measure passed by Santa Cruz voters this past Election Day. Measure K was approved by more than 60 percent of that city's voters.

It makes marijuana laws the lowest enforcement priority. The new policy pertains to infractions by adults on private property. If the city's police officers don't comply with the new rule, they could find themselves on the receiving end of civil lawsuits.

The Santa Cruz police department is also restricted from cooperating with state and federal authorities when it comes to marijuana investigations or arrests.

Measure K also calls for the creation of a community oversight committee to monitor implementation.

The Santa Cruz ordinance doesn't protect pot use by minors, which is also the case with San Francisco's proposal.

According to the Santa Cruz Sentinel, newspaper, critics worry about a conflict between the state laws officers are sworn to uphold and obeying this ordinance.

California law allows marijuana use only for medical purposes.

Measure K is set to take effect in Santa Cruz by February.

As We See It: Pot Capital? (SCS)

Santa Cruz Sentinel, November 13, 2006

Do the people of Santa Cruz really want marijuana to be what the city is known for?

That question just may be turning into a reality, especially after the passage last week of Measure K.

The ballot measure passed overwhelmingly, although we still believe that a number of voters didn't really understand the full implications of the measure.

It's part of a national effort by a well-funded group that's trying to overturn the nation's marijuana laws. They're going about the effort by picking off far-left towns like Santa Cruz to apparently convince the rest of the country that marijuana ought to be legalized.

We're not convinced that marijuana is really harmless, nor are we convinced that legalizing it is really the smartest move our society could make.

But were it to be legalized, we'd hate to see it done this way, where you end up with "pockets" of marijuana havens like Santa Cruz.

Beyond that, Measure K is setting up some bureaucratic regulations that will be time-consuming and frustrating to follow. How would you like to be a busy city clerk who has to take time to write a letter to federal lawmakers each year, asking them to support legalized marijuana?

Advertisement

Why should the city have to name an "oversight committee" to monitor police reports? Why would any self-respecting police officer work in that kind of atmosphere? It almost guarantees that the best cops will look elsewhere for employment.

The measure also declares that it's city policy to support policies for taxation and regulation of marijuana.

At one time, those who smoked marijuana were considered to be free spirits who flouted the law. But this generation of pot-promoters are more bureaucratic. They seem to be as interested in setting up procedures and policies every bit as much as they are in getting high.

The serious side of this issue is that people shouldn't be encouraged to get high. Marijuana might not be the most dangerous drug in the world, but our society does not need more avenues to self-medication. One more legal way to get high is not something our society needs.

Year in and year out, the local United Way Community Assessment Project report warns that the tolerance of drug use — and abuse — is one of the biggest problems facing this community. Drug and alcohol use by teens is much higher than the state and national averages.

It's no joke. People's lives are made worse because of drug and alcohol use and abuse.

As for Santa Cruz, drug use is a big problem. It's a problem downtown, and don't let anyone tell you otherwise. Marijuana is part of that problem.

We don't think that Santa Cruz ought to be known as a "pot capital" of the world. That's why Measure K is not good for the city, despite the overwhelming vote to approve it.

Ziegler And Company Create A Medical Marijuana Cooperative In Susanville (LN)

Lassen News, November 14, 2006

Nov. 14, 2006 — Once again, the medical marijuana war breaks into an open boil right here in Susanville. Proposition 215, the Compassionate Use Act, was passed by the people of the state of California 10 years ago last week, but the controversial issue still remains unresolved.

To some seriously ill people in our community, the pungent herb is a God-given painkiller that works better than any man-made drug. But to some of our local city leaders and law enforcement officials, it's just plain old dope.

While the battle rages all around him, local medical marijuana farmer Timothy Ziegler, 47, bristles at the suggestion he's a drug dealer.

He always refers to his plants and the big, potent buds he grows in several different rooms of an old commercial building a stone's throw off Main Street as medicine.

He said the drug dealers are out in the bars or in the park hawking their wares to customers who seek a quick buzz. He said that's not him and that's not his purpose.

He said it's easy to see the difference between marijuana the drug and marijuana the medicine once one sees a patient curled up on a couch in a fetal position in excruciating pain take a dose or two of medicine and then be well enough to sit up and eat some food. Maybe even watch a little television.

"You're going to watch this happen and then tell me somebody can't do this?" an incredulous Ziegler asked.

He said most of the medical marijuana users he's encountered use the drug because of chronic pain, but other users include cancer and AIDS patients. Some use the drug to ease their nausea. Others use the drug to help build their appetite and combat wasting.

Ziegler said three local doctors write recommendations for patients to use marijuana as an alternative to stronger, addictive, and to some, more dangerous and damaging pharmaceuticals.

"If I wanted to be a drug dealer, I'd be growing hundreds of plants on federal land," Ziegler said. "I'd be a whole lot richer than I am now. Just look at this place. You can see there's no money in this."

Ziegler, a medical marijuana patient who started using the drug after he was crushed by a wall in a construction accident at a Lake Almanor building site three years ago, said marijuana allows him to have a life without the opiate painkillers he said were stealing his life and reducing him to little more than opiate eyes.

"I've been clean and sober for 22 years," Ziegler said. "I quit doing everything. After 19 years of sobriety, I got crushed, breaking my back and three ribs in nine places, leaving me in constant pain. I have an addictive personality, and taking those pain medications was turning me into a junkie. It just wasn't an option. That's how I got into medical marijuana."

Ziegler said he and 104 other medical marijuana patients have formed the CASA Collective Cooperative — Californians for Safe Access — here in Susanville.

"We're a patient's group," Ziegler said. "We're patients helping patients."

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According to Ziegler, the collective has 104 medical marijuana recommendations from Lassen County patients. The recommendations and photocopies of picture ID cards are all gathered in a file folder to show law enforcement officers should the cooperative be raided.

Unfortunately, Ziegler said he couldn't grow enough medicine for so many patients and remain below the federal radar. Federal law does not recognize a medical marijuana defense, and a convicted grower with more than 99 plants faces a mandatory five-year prison sentence. For that reason, Ziegler said he never grows more than about 90 plants. Some counties in California will let a medical marijuana patient have as many as eight mature plants.

"One hundred plants," Ziegler said, "that's the magic number."

Ziegler said he has to travel to the Bay Area to purchase medicine for himself and the other cooperative members. He said that's more expensive for collective members.

"Bob Burns turned me over to the feds," Ziegler said. "I'm prepared for them to come. What I'm doing is federally illegal. When they come, they take everything. It's all gone. It's all confiscated. But in the last five years no one with a legal medical marijuana claim has done more than the booking time in Northeastern California. Jail is an ever-looming threat for me and every patient in the collective. You listen to every sound. Every day you wonder, 'Is today the day.' There's a lot of fear."

Ziegler characterized the issue as a struggle with a group of city leaders who refuse to recognize and follow the laws of the state of California.

"They don't want to acknowledge it," Ziegler said of the medical marijuana law. "They don't want to acknowledge they are subject to the laws and the Constitution of the state of California in this city."

While a city ordinance makes it illegal to operate a medical marijuana dispensary in Susanville, Ziegler said the cooperative gets around that restriction by operating a delivery service.

Ziegler said he's very careful to make sure the medicine he grows remains medicine and doesn't wind up as illegal drugs on the street.

"I'm guilty of doing what I despise — profiling," Ziegler said. "We don't want to be involved with anyone if we're suspicious they're distributing medicine to other people. All it would take is one incident, and they (the authorities) would have everything they needed."

While there might be big money in drug dealing, Ziegler said growing medical marijuana is a not-for-profit venture.

When he can't grow enough medical marijuana for the patients Ziegler makes a trip to another cooperative to purchase medicine.

Trips to the Bay Area to purchase medicine cost about $600 in gas, food and lodging. A pound of medical marijuana from another cooperative costs about $4,000. The patient pays about $250 per ounce.

"There's just no profit in it," Ziegler said. "It's not there. Do the math."

Ziegler said given the overhead and the high cost of electricity there's not much profit in the plants he grows himself. He said each plant grown indoors yields about 2-1/2 ounces of medicine. Keeping under the federal sentencing limit of less than 100 plants limits how much medicine Ziegler can grow for the cooperative's patients.

The cooperative has five employees and is open from noon to 8 p.m. Tuesday through Saturday. Ziegler said the cooperative is a non-profit corporation that keeps regular business records, pays taxes and worker's compensation just like any other business except Ziegler's not entitled to sell, only seek reimbursement for time and materials.

Ziegler said he starts cloned plants hydroponically so they develop a strong root structure.

He said his plants are all grown organically without any pesticides or chemicals, which could be harmful to some patients. For example, mites, a typical pest for marijuana gardners, are controlled with ladybugs.

Once the small plants are strong, they're moved to a second "veg room" where they sit under grow lights nearly 24-hours per day. The plants grow rapidly in this environment.

Finally the plants are moved to a "sleep room" where the number of hours of light per day is gradually diminished. Marijuana plants are light sensitive, so the buds form and grow larger as the number of hours of light the plants receive each day is reduced.

Finally, the buds are trimmed, cured and dried before they are bagged and used as medicine.

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The entire process of the indoor grow reduces the plants' life cycle from eight or 10 months to two or three months. A plant grown outside could yield as much as one pound of medicine.

Ziegler staunchly defends his right to do what he's doing under California law.

"If I'm doing something wrong, how come I'm still here doing this two years later?" Ziegler asked.

Drug Ring Leader Guilty Of Trafficking (NT)

Nashua Telegraph, November 15, 2006

CONCORD – A Mexican national man who was arrested in June after he delivered nearly 2 kilograms of cocaine to a Nashua residence, was convicted Monday on federal drug trafficking and immigration charges, First Assistant U.S. Attorney Joseph Laplante said.

Francisco David Avalos-Morfin, 38, of Mexico, pleaded guilty in U.S. District Court in Concord as part of a plea agreement charging him with conspiracy to distribute more than 500 grams of cocaine and unlawful re-entry into the United States, Laplante said.

Avalos-Morfin has been jailed since June 5 when agents working as part of a federal drug task force arrested him and other man, Aurelio Bonilla, 29,drop off a plastic bag containing two white, powdery bricks at a Nashua residence, Laplante said.

The two bricks encased in shrink wrap were later verified to be cocaine, approximately 1,955 grams, Laplante said, which according to local police has a Nashua street value of about $100 a gram, or $195,500.

Avalos-Morfin, who was living in Fitchburg, Mass., when he was arrested, was the leader of a Mexican drug ring, according to a Drug Enforcement Administration agent's affidavit filed in the case.

Telephone conversations arranging the drug transaction between Avalos-Morfin and an informant working with DEA officials began April 29 and continued through May, leading up to the June 5 delivery, according to the affidavit.

By that time the DEA informant, who received several unannounced visits from Avalos-Morfin during that time, had managed to negotiate a price of $48,000 for the cocaine.

Although that amount of money was never exchanged during the investigation, all of the money that was exchanged was returned, Laplante said.

The investigation was headed by the New England Organized Crime Drug Enforcement Task Force and included members of Nashua, Manchester and state police departments, according to a statement from the U.S. attorney's office.

Officials from the federal Bureau of Immigration and Customs Enforcement assisted Laplante in prosecuting Avalos-Morfin on the immigration charges, the statement said.

Avalos-Morfin faces a 40-year maximum federal prison sentence for the drug charges alone, but will more likely receive a sentence much closer to the five-year minimum he must serve on the charge, Laplante said, who estimated about 10 years for both drug and immigration charges.

"But sentencing is up to the court," he added.

A sentencing hearing has been set for Feb. 22 in U.S. District Court in Concord.

Avalos-Morfin has been deported from the United States on two other occasions, the first in 1996 from Nogales, N.M., and the second time in 2004 from Bakersfield, Calif., Laplante said.

Laplante could not say where in Mexico Avalos-Morfin is from.

Federal court records show that in the summer of 2003 he was sentenced to 18 months in prison for the re-entering the country after having been deported.

Once he has served his time, Avalos-Morfin will again be deported to Mexico, Laplante said.

Bonilla, who is a U.S. citizen, was charged with conspiracy to distribute cocaine, more than 500 grams, according to court records. That charge is still pending.

Colombia President Lobbies US Congress For Free Trade (WSJ/DJ)

Wall Street Journal/Dow Jones, November 14, 2006

DOJ_NMG_0094513

BOGOTA (Dow Jones)--Colombian President Alvaro Uribe is lobbying the U.S. Congress on labor issues to build support for an extension of trade preferences granted to his country and for a free trade agreement between both nations that has yet to be signed and ratified.

Uribe, who traveled to Washington for two days, tried to convince U.S. legislators that the labor situation is improving in his country.

The Colombian president told Rep. Charles Rangel, D-N.Y., that his government is working hard to protect labor union leaders, forbid child labor and boost the minimum wage.

Colombia's labor laws and environmental standards have been criticized by U.S. Democrats in several trade deals in the past, said Alberto Ramos, a New York-based analyst with Goldman Sachs.

"Legislators want to make sure trade is free and that labor standards aren't too low in the other country so that companies don't get an unfair advantage," Ramos said.

Colombia is considered one of the most dangerous countries on earth for labor unions. About 56 union activists have been killed so far this year, according to the countries' unions. The Colombian government says that 46 union leaders and unionized workers have been killed so far in 2006.

More than 3,800 union leaders and activists have been assassinated since the mid-1980s, according to the John F. Henning Center for International Labor Relations at the University of California Berkley.

Also, about 1.6 million children were working in Colombia in 2001, according to the most recent figures available from the government, while the non-profit organization Save the Children estimates that 2.5 million children are working in the country.

The Colombian government wants the U.S. Congress to extend the trade preferences Colombian producers enjoy at least until a free-trade agreement reached by both countries takes effect. The preferences are scheduled to expire on Dec. 31.

Colombia hopes the extension of the trade preferences will be followed by the ratification of the free-trade agreement by the U.S. Congress.

"It is important to get the preferences, but investors liken preferences to a unilateral decision that is unstable in the future," Uribe said after meeting Rangel. "They don't give certainty so that people make the investments Colombia requires to create enough jobs and to have the means to overcome poverty," he added.

Rangel, who will likely take over the chairmanship of the House Ways and Means Committee next year, said the U.S. Congress will review the free trade agreement but won't "reopen" the negotiations.

Last week, Rangel said he wouldn't support free trade agreements reached with Peru and Colombia unless the labor provisions are renegotiated. Congressional Democrats say the pacts' labor provisions are inadequate.

Congress authorized the Andean Trade Preferences Act, or ATPA, in 1991 to allow Colombia, Peru, Ecuador and Bolivia to export many products to the U.S. duty free, with the goal of creating new economic alternatives to the illegal cocaine trade. Congress renewed and enhanced the program in 2002.

The Bush administration hopes to replace the ATPA with the free-trade agreements.

The free-trade agreement between Colombia and the U.S. is scheduled to be signed by both governments on Nov. 22 but will still need to be ratified by the legislatures of both countries. For Peru, the agreement only needs to be ratified by the U.S. Congress.

Several U.S. official have asked Congress to extend the trade preferences, echoing requests made by Peruvian and Colombian officials.

Peru Still Hopes For US Free-Trade Pact Approval - Envoy (WSJ/DJ)

Wall Street Journal/Dow Jones, November 14, 2006

LIMA (Dow Jones)--Peru hopes that the U.S. Congress will approve an already-negotiated free trade agreement, but opposes reopening the pact to make changes to labor standards, the Peruvian government's trade envoy to the U.S., Hernando de Soto, said.

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Peru's Congress has approved the deal, worked out by the executive branches in both nations, but the deal has yet to be approved in the U.S. Congress, where recent election gains by members of the Democratic party could weaken support for free-trade deals.

"Everyone is in agreement that we have to fight for the deal now, as we have more possibilities to make our points in 2006, since in 2007 it appears that the situation for more free trade deals will deteriorate," de Soto, an economist, said in a radio interview.

The Peruvian government opposes reopening the pact, de Soto added.

"Our strategy is to not accept a change in the free trade deal itself, for some simple reasons. One is that the negotiations have been closed and to reopen them would be to reopen the contract, and possibly to take it past the date that the government of the U.S. has for the authorization for the negotiations with U.S., which is June 2007," he said.

The Peruvian government is open, however, to the idea of including improvements to labor standards, but in a side deal, he said.

Some politicians in the U.S. have been pushing for U.S. trading partners to comply with international labor standards.

De Soto also said that the Peruvian government wants an extension to the current trade deal that allows products from some Andean nations to enter into the U.S. with reduced tariffs. That deal, known as the Andean Pact Trade and Drug Enforcement Agreement, or APTDEA, is set to expire at the end of this year.

Prime Minister Jorge del Castillo said at a press conference Monday that if the overall free trade deal isn't approved, then it is almost "a done deal" that an extension to the APTDEA will be approved. That agreement has allowed for Peruvian textile exports to expand sharply.

Peru started the free trade talks alongside Colombia and Ecuador in 2004.

While Colombia and Peru reached deals with the U.S., talks between Ecuador and the U.S. fell apart, although the pact has become an issue in the current election campaign in Ecuador.

Colombian and Peruvian officials continue to meet with U.S. legislators to gain support for the trade initiatives.

JP Morgan said in a report Tuesday that, "FTA ratification may take the back seat for now, but it is likely to take place sometime in the first half of 2007."

Wall St Rules Out Progress On LatAm Trade Deals Until 07 (WSJ/DJ)

Wall Street Journal/Dow Jones, November 14, 2006

NEW YORK (Dow Jones)--Amid an increasingly uncertain political climate in the U.S. for free trade, Peru and Colombia have sent delegations to Washington this week to lobby for their respective bilateral agreements.

Their efforts come after the House of Representatives failed to pass legislation late Monday granting permanent normal trade status to Vietnam. While lawmakers could approve the measure under a different rule, the Monday vote was a setback for President George W. Bush's administration, which is expected to see its trade policy stymied by a Democrat-controlled legislature.

Given the murky environment for free trade deals, Wall Street investment firms are sounding more sure that the Peru and Colombia FTAs won't be considered in the U.S. Congress until next year.

"We do not discard that the Democratic Congress may decide to support the FTA signings with Peru and Colombia given their friendly and strategic relationship with the US," HSBC said in a Tuesday research note. "However, we are not optimistic that will happen any time soon."

Peru's FTA has already been ratified in the Andean country's legislature. Colombia and the U.S. still need to sign their deal, a step that President Alvaro Uribe said should took place on Nov. 22.

Goldman Sachs said Tuesday the U.S. government has told Peru that "due to the current political juncture," it will not send the FTA to Congress for a vote "for at least a number of weeks." In Goldman Sachs' calculations, this timeline would also push legislative approval of the Peru deal until sometime in 2007. JPMorgan echoed this view in a Tuesday report as well, saying "FTA ratification may take the backseat for now."

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Analysts have said it was far more likely that the Bush administration would push for renewal of the Andean Trade Preference Act during the current Congress' lame-duck session. Deputy U.S. Trade Representative John Veroneau confirmed this approach on Tuesday, saying the government is seeking to extend those preferences "in a timely fashion, so as to minimize any business disruptions." The ATPA, which is scheduled to expire at year-end, eliminates duties on many imports from Colombia, Peru, Ecuador and Bolivia in exchange for drug-control measures.

In the case of Ecuador, whose free trade talks with the U.S. ran aground after the country rescinded an operating contract with Occidental Petroleum (OXY) and took over the company's oilfields, a one-year extension of the Andean trade preferences is "the most Ecuador can aspire to," Goldman Sachs said.

Temporary renewal of the preferences for Colombia and Peru, which have enjoyed much better relations with the U.S., is also crucial in the absence of full FTAs.

Speaking about Colombia, Credit Suisse said in a Tuesday report that "failing to secure at least the extension of preferential trade benefits would impact negatively the country's external accounts, investment prospects, and employment capacity."

The fate of Peru and Colombia's FTAs will depend largely on what kinds of additional labor provisions Democrats will seek when the new Congress convenes. Rep. Charles Rangel, D-N.Y., who is in line to helm the House Ways and Means Committee, said last week the labor provisions in both countries' deals need to be renegotiated. But Peru, for its part, is resistant to altering the agreement.

"Our strategy is not to accept a change in the free trade deal itself, for some simple reasons," Hernande de Soto, Peru's trade envoy to the U.S., said in a Tuesday radio interview. "One is that the negotiations have been closed and to reopen them would be to reopen the contract, and possibly to take it past" the expiration of the Bush administration's Trade Promotion Authority in June 2007.

Under TPA, lawmakers can vote yes or no on deals but not amend them. This fast-track authority passed by a slim margin when it last came up for renewal, and its extension is not widely expected for next year.

"At this point, it is unclear whether (the Colombia FTA) will be approved next year before President Bush's trade negotiating authority expires in mid-2007," Credit Suisse said.

IMMIGRATION:

Fingerprint Database Lets Police Identify Criminal Immigrants (AP)

By Jeremiah Marquez, The Associated Press

AP, November 15, 2006

LOS ANGELES - Jesus F. Palacios was arrested last month after sheriff's deputies spotted him trying to jimmy a car door.

Using newly acquired access to federal immigration files, they scanned his fingerprints into a database at the police station and instantly determined the 30-year-old Mexican was a previously deported illegal immigrant with a criminal record.

Deputies alerted federal authorities and got an order to hold Palacios on suspicion of immigration violations. He had been removed from the U.S. at least three times after being convicted of child molestation and grand theft auto.

In the past, suspects like Palacios may have been freed on bail as deputies waited for hours for federal and state officials to do a background check.

But now, as part of a post-Sept. 11 crackdown, the Department of Homeland Security and the Justice Department are working to give local authorities rapid access to fingerprint data that can help determine if suspects under arrest are in this country illegally.

"It has been a tremendous advantage to local law enforcement," said Los Angeles County sheriff's Lt. Larry Bryant, who manages the database. "There would be a very good chance these people would be undetected and be released if we didn't have this capability."

The Los Angeles County Sheriff's Department and nearly 50 other Southern California police and law enforcement agencies have been given rapid access to federal records on criminal immigrants. So have the police in Boston and Dallas.

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The U.S. government intends to make information available to all local law enforcement agencies in the nation within two years to help catch criminal immigrants, people with ties to terrorist groups, and others who pose a threat.

"We need more people on the ground with information who can act," said Robert Mocny, acting director of the Home Security visitor-technology program.

Civil rights advocates worry that enlisting local authorities could chill relations in communities where police rely on immigrants to come forward with information about crimes without fearing their own status will be checked.

"The No. 1 tool law enforcement uses to solve crimes is law enforcement-community cooperation," said John Trasvina, president of the Mexican American Legal Defense and Education Fund.

In Los Angeles County, Bryant said there is no indication officers have arrested people just to check their immigration status. "We've got better things to do," he said.

This year, federal authorities have placed immigration holds on more than 6,700 inmates in jails operated by the Sheriff's Department, according to the government.

Since police in Los Angeles County started using the database in September, they have identified and detained about 130 illegal immigrants with criminal records.

Among them were:

- A 31-year-old Mexican national deported in 1999 after being convicted of attempted extortion. He was arrested in East Los Angeles in September on suspicion of the same crime.

- A 36-year-old Mexican man with convictions for burglary and taking a car without consent. He was twice deported, and caught once attempting to cross the border. In September, he was arrested by the Sheriff's Department on suspicion of carrying a concealed or loaded firearm registered to someone else.

In most cases, local authorities cannot legally hold suspects longer than four hours before releasing them on bail or with a citation, Bryant said. However, it often took the FBI and state agencies longer than that to check a suspect's fingerprints and return results, he said.

The new database - housed in the Sheriff's Department and accessible to other law enforcement agencies in the county - cuts that time to minutes.

If there is a match, the agency contacts a federal law enforcement center in Burlington, Vt., to request an immigration hold. The suspect is turned over to federal authorities only after the local criminal case has been resolved.

Palacios faces charges of failing to register as a sex offender and using fake citizenship papers. He was not charged with trying to break into the car because it belonged to an acquaintance, authorities said.

More Immigrants Seeking Asylum Cite Gang Violence (WP)

By N.C. Aizenman

The Washington Post, November 15, 2006

Increasing numbers of Salvadorans, Hondurans and Guatemalans are entering the United States illegally and applying for asylum on the grounds that their lives are imperiled by gang violence in their home countries, according to immigration lawyers and advocacy groups.

Although the number granted asylum barely surpassed 700 last year, asylum applications by people from those three countries have almost doubled, which lawyers attribute primarily to fear of gang violence.

The lawyers hope to persuade judges to more readily grant asylum to those who have risked reprisal by resisting extortion demands by gangs, testifying against gang members, renouncing their own membership in gangs or trying to avoid being forced to join gangs.

Gang violence has grown to epidemic proportions in the three countries since the mid-1990s, when the United States began sending Central American-born members of the rival Los Angeles-based Mara Salvatrucha and Mara 18 gangs back to their home countries. The deportees helped fuel the rise of ferocious sister gangs in Central America, whose estimated 60,000 members are now battling each other, the police and residents in hundreds of communities.

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Many of those who say they fled gangs end up in the Washington area, which has one of the nation's largest Central American immigrant populations.

Jose Hernandez, a soft-spoken 19-year-old currently living in a shelter in the District, said he left El Salvador in 2004 after a close friend was gunned down in his home town of Yayantique. Both Hernandez and his friend had been resisting entreaties to join MS-13.

A few days later, Hernandez said, several tattooed gang members grabbed him on the street, held a knife against his stomach and warned him to join "or you'll end up like your friend."

Such accounts are common, said Eric Sigmon, who runs a project for the National Center for Refugee and Immigrant Children that finds pro bono lawyers for unaccompanied minors stopped at the U.S. border. Of the roughly 1,500 Central American children interviewed since the project began 16 months ago, about half cited fear of gang violence as a reason for embarking on the dangerous trek north.

"These are not kids who are leaving just because they feel like it one day," Sigmon said.

Brittney Nystrom of the Capital Area Immigrants' Rights Coalition, which provides a similar service to adult illegal immigrants held in five detention centers in Virginia, said that "literally every week" she comes across an illegal immigrant who left his or her country because of gang violence or fears returning because of it.

Immigration lawyers have responded with a budding effort to win asylum for their clients. And the growing awareness of gang violence may well explain why the number of Salvadorans, Hondurans and Guatemalans filing asylum claims in U.S. immigration courts jumped from about 7,000 in fiscal 2004 to more than 13,000 in fiscal 2006.

Geoff Thale, an expert on Central American gangs at the Washington Office on Latin America, a nonprofit advocacy group, dates the trend to spring 2005, when asylum lawyers first began contacting him for background information on gangs in Central America. Since then, Thale has received about 100 such calls, two or three a week.

But asylum claims are hardly an easy route to legalization: Only 721 Salvadorans, Hondurans and Guatemalans were granted asylum for any reason in fiscal 2005.

U.S. law requires that an applicant prove his fear of violence is credible and that the threat is based on his race, religion, nationality, membership in a particular social group or political opinion. Immigration judges have frequently ruled against applicants who were victims of gangs because of bad luck or who have faced conscription by a gang simply because they were young and male.

But some judges have been amenable to more nuanced arguments.

Last year, an immigration judge based in Arlington County granted asylum to a 14-year-old Salvadoran boy whose father had a dispute with gang members. After the father died, gang members began harassing the boy -- at one point beating him so badly they broke his arm, according to the boy's attorney, Christina Wilkes of the D.C.-based immigrant assistance center Ayuda.

"The judge found that my client was persecuted based on belonging to his family and that this constituted membership in a 'particular social group' protected under asylum law," Wilkes said. The boy now lives with an uncle in Northern Virginia.

Several lawyers also have argued that someone who faces retaliation for refusing to join a gang for religious reasons or because he opposes the gang's values is being persecuted based on a political view and is therefore eligible for asylum. Wilkes, who also represents Hernandez, said she is hoping to argue that in his case.

Former gang members who worry that they will be killed as punishment for defecting sometimes have been recognized as a protected group by immigration judges. But those judges are often reluctant to grant asylum to former members, opting instead for a less-generous form of relief known as "withdrawal of removal."

Those granted withdrawal of removal cannot receive federal assistance or apply for permanent residency. The decision permits U.S. authorities to deport immigrants to someplace other than their home country. In practice, however, they are allowed to remain in the United States indefinitely.

That was relief enough for attorney Jason Dzubow's client, a 29-year-old construction worker who faced deportation back to El Salvador after he was picked up for driving while intoxicated in Virginia.

During an interview in Dzubow's presence, the construction worker, who said he was fearful of being identified by name, said he grew up in a neighborhood of the city of San Miguel that was so dominated by gangs that the corpses of their victims

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would remain on the street because no one dared move them. He said he was forced to join MS-13 when he was a teenager but fled to the District when gang members handed him a gun and ordered him to kill a cousin belonging to the rival Mara 18 gang.

The construction worker, who is married to a U.S. citizen and has two U.S.-born children, had since tried to cover a large "1" and "3" tattooed on his right and left shoulders with new tattoos of snarling panthers. But he was terrified that other MS-13 members on his deportation flight would see through the ruse and realize he had tried to renounce the gang -- a virtual death sentence.

When the judge ruled that he could stay in the United States, his wife recalled, "it was almost like he couldn't breathe."

"It was incredible," he agreed. "I felt like I was reborn."

Martinez Hits 'Enforcement Only' (WT)

By Stephen Dinan And Ralph Z. Hallow

The Washington Times, November 15, 2006

Sen. Mel Martinez, President Bush's choice to become chairman of the Republican National Committee, said his goal will be to undo the election damage done by the border-enforcement-first message of most Republicans -- which he called "harshness only."

Mr. Martinez's nomination -- which must be approved by the RNC at its January meeting -- is Mr. Bush's first major political step since last week's elections, and it is already creating division among rank-and-file Republicans, who say it puts the party on the wrong side of the immigration issue.

"I would say it's another Harriet Miers moment," said Randy Pullen, an RNC committee member from Arizona, referring to the doomed pick for the Supreme Court.

Mr. Bush announced the nomination in the Oval Office, saying Mr. Martinez would keep his Florida Senate seat and serve as honorary chairman, or the public face of the party. Mr. Bush also nominated Mike Duncan, the RNC's general counsel, as chairman responsible for day-to-day operations, and asked Jo Ann Davidson to remain co-chairman.

Chairman Ken Mehlman is not seeking to remain in office.

Speaking to reporters after the Oval Office announcement, Mr. Martinez said he was "not going to do a post-mortem on the election here today." Moments later, though, he did a post-mortem on immigration, saying he saw a clear message on that issue.

"I think we have to understand that the election did speak to one issue, and that was that -- it's not about bashing people, it's about presenting a hopeful face," said Mr. Martinez, who won his seat in 2004.

He was one of the authors of the Senate compromise that would have allowed most illegal aliens to remain in the United States and pay small fines in return for a path to citizenship.

"Border security only, enforcement only, harshness only is not the message that I believe America wants to convey," Mr. Martinez said.

His proposal passed the Senate, though a majority of Republicans voted against it. The House, however, passed an enforcement-first strategy. Even the RNC voted unanimously in August to adopt a resolution calling for border and interior enforcement, and Mr. Pullen said Mr. Martinez as chairman would run contrary to that message.

Some RNC members had pleaded for Mr. Bush to nominate Maryland Lt. Gov. Michael S. Steele, a prominent black Republican who in his losing Senate campaign this year argued against amnesty for illegal aliens.

Rejecting Mr. Steele raised hackles among some RNC members, who traditionally rubber-stamp a sitting president's choice for chairman. Members wondered whether the choice of Mr. Martinez was a signal of Mr. Bush's desire to focus more on burnishing his presidential legacy, rather than on rebuilding a winning party for 2008.

"I don't know whether this is Harriet Miers and cronyism all over again, since I don't know that much about Martinez and his relationship with Bush and Rove," said Texas RNC member Bill Crocker, referring to the White House adviser.

"But I wish they wouldn't try to control this thing, the way this White House micromanages everything. We'd be better off with an independent voice to support the president and work for the good of the party."

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Dr. Buddy Witherspoon, an RNC member from Columbia, S.C., said a black conservative such as Mr. Steele would have been an "excellent choice." But Dr. Witherspoon, who is white, worried just how much Mr. Steele, Mr. Martinez or anyone whom "Karl Rove chooses" will be able to speak for the future of the Republican Party.

As Mr. Bush pushes the RNC in his direction on immigration, House Republicans move the other way, with Rep. Mike Pence of Indiana, a contender for the House minority leader's post, saying yesterday that he will oppose Mr. Bush's bill.

"What is coming at us now is going to be a massive amnesty bill that will likely be propounded not only by Democrats in the House and Senate, but frankly also by the White House," he said in an interview with radio host Laura Ingraham.

Conservatives Wary Of Choice To Lead RNC (LAT)

By Peter Wallsten And Nicole Gaouette

The Los Angeles Times, November 15, 2006

WASHINGTON — President Bush's decision to back Sen. Mel Martinez to help lead the Republican Party, a move intended to appeal to disaffected Latino voters, drew sharp criticism Tuesday from some of the party's core conservatives, who disdain the Florida lawmaker's support for liberalized immigration laws.

The decision to name the Cuban-born Martinez as Republican National Committee general chairman served as an acknowledgment that the GOP had lost ground among Latinos; in last week's midterm election, the Republican share of the Latino vote dropped to 30% from more than 40% in 2004. Party leaders have said they need to build more support among Latinos for the GOP to regain its dominance.

Martinez supported legislation to create a guest worker program and a path to citizenship for many immigrants who are in this country illegally; Bush and many Latinos also backed versions of that plan. But the legislation that passed the Senate this year created a firestorm of opposition among conservative Republicans and much of the House GOP leadership, who derided it as amnesty for lawbreakers.

Criticism of Martinez came Tuesday from several conservatives, including Curly Haugland, an RNC member from North Dakota, who said he believed the party was far too focused on pandering to minorities.

"We're losing our base in droves because they don't get campaigned to," he said, referring to GOP-leaning conservatives.

Randy Pullen of Arizona, another RNC member and an activist against illegal immigration, likened Martinez's selection to the episode last year in which Bush named his longtime friend and legal counsel to the Supreme Court, only to reverse himself after a furious conservative backlash.

"I'm hoping that it's not another Harriet Miers moment," Pullen said.

Another leading critic of Bush's stance on immigration, Rep. Tom Tancredo (R-Colo.), chairman of the Congressional Immigration Reform Caucus, offered tepid support for Martinez.

Tancredo called the senator a "competent spokesman for our party," but added that if he "rejects the will of rank-and-file Republicans and uses the position to advocate for things like the president's amnesty proposal, then I believe the party could be headed for another shellacking at the polls in 2008."

Members of the Republican National Committee will meet in January to replace outgoing Chairman Ken Mehlman, who will leave after a two-year term in which an aggressive minority outreach effort was hampered by the immigration debate and other issues.

Despite the unhappiness among some RNC members over Martinez's selection, he is expected to win election as general chairman, making him the GOP's most visible spokesman leading up to the 2008 presidential election. The party's general counsel, Robert M. "Mike" Duncan, is expected to become RNC chairman and run day-to-day operations.

Bush introduced Martinez in a brief Oval Office ceremony Tuesday as his recommended pick for the party leadership.

The selection, which became public Monday, made it clear that Bush and his chief political strategist, Karl Rove, believed the party's future depended on striking a moderate image on immigration. It also suggested that the White House saw the party's support for get-tough legislation on the issue as contributing to its midterm election losses.

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Conservative lawmakers not only stopped Bush's guest worker plan in Congress this year, but they passed a law calling for 700 miles of fencing along the U.S.-Mexico border. Bush signed the legislation in the waning days of the campaign in hopes of galvanizing conservative voters.

But the move failed to save several Republican candidates who had called for an illegal-immigration crackdown. And exit polls suggested that many Latinos abandoned the GOP as a reaction to rhetoric that they viewed as negative toward all immigrants, legal and illegal.

Martinez demonstrated Tuesday that he would not shy away from the vision of immigration laws that he and Bush had long supported. Emerging from his White House meeting with the president, he told reporters that his party struck the wrong tone on immigration during the election, a tone he promised to change. "Border security only, enforcement only, harshness only, is not the message that I believe America wants to convey," he said.

Martinez, 60, whose full name is Melquiades Rafael Martinez, fled Cuba at age 15 with assistance from a program that helped children leave the communist country. He lived with foster families until he was reunited with his family four years later.

A trial lawyer, he was the elected chairman of Orange County, Fla., and was later chosen by Bush to be housing secretary. In 2004, he became the first Cuban American to be elected to the Senate.

Latino leaders and Republican strategists said elevating Martinez's profile could rebuild goodwill among minority voters.

"You take a Hispanic senator who happens to be Catholic, and that's a direct response to a community that happens to be disappointed," said Al Cardenas, a former chairman of the Republican Party of Florida who, like Martinez, was born in Cuba but moved to the U.S. to flee Fidel Castro.

The Rev. Luis Cortes Jr., founder of the influential Philadelphia-based ministry Esperanza USA, who has been courted by the White House over the last six years, said Martinez's selection made an important statement to conservatives who had backed strict proposals, such as one that would have made it a felony to help illegal immigrants.

"A lot of the Republican candidates chose immigration as the wedge issue, and polls seem to bear out that it was an error for them to do that," Cortes said. "And I think Mel Martinez, because of his life story, is a perfect person to help them find their way back from that era."

White House political director Sara Taylor said Martinez could "communicate with the fastest-growing population in a way they can relate to."

She added that he would prove crucial in building Latino support in a post-Bush era. "We've seen in the last election that the president's popularity [with Latinos] is not transferable to House and Senate candidates," Taylor said.

Martinez will remain in the Senate. He won his seat there in 2004, after the White House urged him to run.

GOP strategists said Martinez would help build support for the party in Florida, a 2008 battleground state.

Martinez said he would remain neutral in the Republican presidential primaries, though he appeared during this year's campaign with one leading contender, Arizona Sen. John McCain, after they both endorsed Florida Gov.-elect Charlie Crist in his primary.

Even with Republicans soon to be in the minority on Capitol Hill, there is no assurance that an immigration overhaul package will pass. The Democrats preparing to take power in the House and Senate are also struggling with their approach to the issue.

Democratic leaders are trying to balance their desire to woo Latino voters with concerns from some labor leaders that new immigration laws would lead to lower wages.

Moreover, some in the party fear that passing a guest worker program and pathway to citizenship for illegal immigrants would leave Democrats vulnerable to being portrayed as soft on illegal immigration.

Martino: U.S.-Mexico Fence Plan Inhumane (AP)

By Frances D'emilio

AP, November 15, 2006

A top Vatican official on Tuesday denounced a U.S. plan to build more fences along the Mexican border as "inhumane," and compared the project to the Cold War-era Berlin Wall.

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Cardinal Renato Martino, who heads the Holy See's office concerned with migrant and itinerant peoples, urged the United States to allow more foreigners to enter legally.

"I must note, unfortunately, that in a world which greeted with joy the fall of the Berlin Wall, others are being erected between neighborhood and neighborhood, city and city, nation and nation," he said at a news conference to present Pope Benedict XVI's annual message about migrants.

Bishops in the U.S. and Mexico have opposed Washington's plan to build 690 miles of additional fencing along the border and on Tuesday, Martino praised their stance against what he called an "inhumane" project.

The law authorizing the fence was signed on Oct. 26 by President Bush, who called it "an important step in our nation's efforts to secure our borders."

An estimated 11 million Mexicans live in the United States, about half of whom are undocumented.

Martino also denounced trafficking in humans — particularly women forced to become prostitutes and children forced into labor.

"This trafficking in human beings has intensified, persons put into slavery because they depend on certain criminals who take possession of these human beings," he said.

He said human trafficking today is worse than the trade in African slaves of past centuries.

"It's worse than the slavery of those ... taken from Africa and brought to other countries," he said, but did not cite any figures.

A 2005 State Department report on human trafficking estimated that 600,000 to 800,000 men, women and children are trafficked across borders each year — 80 percent of them women.

The cardinal challenged countries to combat modern-day slavery.

"In a world which proclaims human rights left and right, let's see what it does about the rights of so many human beings which are not respected, but trampled," the cardinal said.

'Guest Workers' Sue Companies Over Pay (USAT)

By Laura Parker

USA Today, November 15, 2006

Armenio Pablo-Calmo, a Guatemalan national, spent six winters as a tree planter in the pine forests of the South as part of a "guest worker" program that is required under federal law to pay him the prevailing wage for such jobs.

That ranges from $6.32 an hour in North Carolina to $9.20 an hour in Alabama, according to the U.S. Labor Department. Pablo-Calmo says he and his co-workers were paid less than the federal minimum wage of $5.15 an hour, were not paid overtime and often were required to pay for their own tools, visas and travel costs. Last year, they sued Eller and Sons Trees, their employer, for back wages and reimbursement of out-of-pocket costs.

A federal judge classified the case as a class-action lawsuit on Sept. 28; the case now involves about 6,000 tree planters. It is drawing national attention as one of several legal challenges to the H-2B visa program, which admits 66,000 foreigners into the USA each year to do temporary manual labor. As President Bush has proposed tripling the number of such visas issued each year, the H-2B program has come under criticism from the Southern Poverty Law Center and other groups that say it has been used by employers to exploit guest workers.

The center, which filed the lawsuit involving Pablo-Calmo, also has sued three other forestry companies as well as a hotel chain on behalf of foreigners who have worked at 15 hotels in New Orleans since Hurricane Katrina. One of the forestry suits was settled in September, when Idaho-based Alpha Services agreed to pay a group of Latino workers an undisclosed sum for back pay and travel costs, according to court papers.

"We hope this has a huge impact and other employers see they cannot just choose to hire guest workers and then abuse them with no consequences," says Mary Bauer, an attorney at the law center.

Organized labor has long opposed the H-2B program and other guest-worker initiatives, arguing that they are used to abuse immigrants and undermine wages for U.S. citizens. Eller and Sons and other employers targeted in the lawsuits reject the notion of any abuse and say that such programs help fill jobs most Americans won't do.

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Larry Stine, an Atlanta lawyer who represents the four forestry companies, says that the claims in the lawsuits are "overblown" and that the workers are overstating their hours on the job.

"This is not a case about people being exploited," he says.

The Ellers' suit also accuses the firm's recruiters in Guatemala of requiring laborers to hand over deeds to their property to get jobs in the USA. Stine says the company was unaware of the practice until the lawsuit was filed and that it has been stopped. He says workers were asked to leave deeds with recruiters temporarily to try to ensure the workers would return to Guatemala.

Border Vigilantism Alleged In Ariz. Case (WP)

By Tim Gaynor

The Washington Post, November 15, 2006

BISBEE, Ariz., Nov. 14 -- A rancher accused of holding a Mexican American family at gunpoint went on trial in this southern Arizona town Tuesday in a case highlighting border vigilantism, rights groups said.

Roger Barnett is being tried at Cochise County Superior Court, 90 miles southeast of Tucson, in a civil suit brought by two local families seeking more than $200,000 in damages over an incident during a hunting jaunt two years ago.

Ronald and Renee Morales say their family was assaulted, battered and falsely imprisoned by Barnett during the deer hunting trip on Oct. 30, 2004. All are U.S. citizens of Mexican heritage.

In court documents, the family said Barnett loaded an assault rifle and leveled it at the group, then harangued and abused the couple, their two daughters and the daughter of another family also named in the suit.

Barnett, who runs a tow-truck company in the rugged corner of southeast Arizona, denies the allegations and says the family was trespassing on his land.

Numerous incidents of vigilante violence have been reported on the U.S.-Mexican border in recent years, including some Hispanic voters being harassed by men in paramilitary combat gear in Tucson during the Nov. 7 midterm elections. Rights activists say the Barnett case is particularly disturbing because the Moraleses are U.S. citizens. Ronald Morales is a veteran who served in the U.S. Navy for six years.

"This lawsuit demonstrates that border vigilante violence has not been limited just to immigrant men, women and children crossing the Arizona border," said Jennifer Allen, director of the Border Action Network.

"In this case, Mexican American girls, their father and grandfather were afraid they were going to be shot and killed by a man who boasts that he's detained more than 10,000 immigrants," she added.

The suit names two other plaintiffs, Edward and Ana English, Their daughter Emma was traveling in the car stopped by Barnett, along with the Morales's two daughters, Venese, then 11, and Angelique, then 9.

Barnett faces another suit brought by the Mexican American Legal Defense and Educational Fund last year. It alleges that he held a group of illegal entrants at gunpoint on his property.

That suit asserts that he kicked an immigrant as she lay on the ground and threatened to set his dogs on anyone who tried to leave the area.

Barnett called the plaintiffs in that case "racist liars" and denied that the incident took place. The case has yet to be brought to trial.

Lawyers began jury selection in Bisbee Monday for the current trial, which is scheduled to continue into next week.

Texas Town Cracks Down On Illegal Aliens, Expects Suit (WT)

By Hugh Aynesworth

The Washington Times, November 15, 2006

FARMERS BRANCH, Texas -- City Council members Monday night unanimously passed ordinances they hope will curtail illegal aliens, but said they expected the new laws to be fought in court.

Hundreds were turned away from City Hall, and the council chamber itself was filled to legal occupancy as the city leaders passed the strictest set of ordinances against illegal entry in any Texas city.

Specifically, the 6-0 votes authorized fines for property owners who rent to illegal aliens and designated English as the official language -- a move designed to end printing and the conduct of city business in both English and Spanish.

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Also passed was an ordinance authorizing city police to enter into an agreement with federal immigration officials to target criminal aliens. Opponents, including the League of United Latin American Citizens (LULAC) and the Mexican American Legal Defense and Education Fund (MALDEF), vowed to file a lawsuit.

"We are here not only to say that these ordinances violate federal law, but that these ordinances drive unnecessary tension in the city," said Marisol Perez, a MALDEF staff lawyer.

LULAC member Carlos Quintanilla said: "You can't promote Farmers Branch as a great city when you are denying people to live in apartments, when you are denying children the right to speak their language."

Mr. Perez said that forcing landlords to determine whether a person seeking to rent an apartment is an illegal alien makes the property owner "wear the shoes of an immigration officer. It's a very difficult position."

Council member Tim O'Hare, a trial lawyer who has been pushing hard for approval of the ordinance, said the city expects to be sued.

Mr. O'Hare, who was cheered by the mostly white citizens who agreed with him, said after the vote that the measures adopted would benefit all those who live in the small city just north of Dallas -- those he said, "who are legal citizens."

One originally proposed crackdown didn't make it to the table -- fining business owners who hire illegal aliens.

"Why not make business owners pay if they hire aliens?" read one sign at the council meeting.

"Guess they got some real heat over that one," groused Emmett G. Smith, who said he had lived in Farmers Branch for 61 years.

In the past three decades, Farmers Branch has grown from a sleepy community of a few thousand mostly white citizens to more than 28,000, 37 percent of whom are Hispanic. More than 75 corporate headquarters are located here, many of them minority-owned.

More than four dozen communities nationwide have considered or plan to consider similar legislation. An even more stringent set of ordinances was passed earlier this year in Hazelton, Pa., with restrictions and fines against landlords who rent to illegal aliens and the denial of business permits to those who hire illegal aliens.

A federal court restraining order temporarily has blocked enforcement there after legal filings from the ACLU and the Puerto Rican LegalDefense and Education Fund.

Activists Rap New Test For Citizens (WT)

By Joyce Howard Price

The Washington Times, November 15, 2006

The federal government intends to replace the current test for U.S. citizenship with one that relies less on knowledge of specific facts and more on an applicant's grasp of democratic principles, but many immigrant-advocacy groups are up in arms about the change, which they worry may discriminate against those who don't speak English and with less education.

"We want to focus more on the building blocks of democracy, rather than the colors of the flag" or questions about the name of the form used to apply for naturalized citizenship, which are on the current test for citizenship, said Chris Bentley, a spokesman for the U.S. Citizenship and Immigration Services, which is making the change. USCIS is part of the Department of Homeland Security.

Mr. Bentley said USCIS officials want a new test that can ensure that those seeking to become American citizens know about "freedoms guaranteed by the U.S. Constitution and Bill of Rights, such as freedom of speech and freedom of religion."

"Our goal is not to make this test harder or easier for anyone, but to make it much more meaningful," he said.

Mr. Bentley said the proposal to redesign the test for naturalized citizenship came out of a report by a commission headed by former Rep. Barbara Jordan during the Clinton administration that "looked at all kinds of issues related to immigration."

The Jordan commission's report emphasized "effective Americanization of new immigrants, that is the cultivation of a shared commitment to the American values of liberty, democracy and equal opportunity," including policies to "help newcomers learn to speak, read and write English effectively."

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The new citizenship test will be administered to all applicants for naturalization nationwide starting in January 2008. However, beginning this winter, at least 5,000 people in 10 cities will take part in a voluntary testing program featuring the new questions.

The number of potential questions will be narrowed from 125 to 100 during the pilot program. To pass, an immigrant must correctly answer six of 10 questions asked.

But more than 220 immigrant organizations, led by the Illinois Coalition of Immigrant and Refugee Rights, have signed a letter to USCIS Director Emilio Gonzalez denouncing the new test, which they worry will make it harder for "poorer legal immigrants with less English and less education" to win U.S. citizenship.

"Already immigrants must pass a citizenship test that many native-born Americans could not pass," say groups that include the National Council of La Raza, National Immigration Forum, Mexican American Legal Defense and Education Fund, the United Farm Workers of America and the International Brotherhood of Teamsters.

There are some tough questions on the current test and queries that could be described as meaningful. One of the more difficult asks a person to identify amendments to the Constitution guaranteeing voting rights. Others ask what is the "supreme law of the land" -- the U.S. Constitution -- and the Bill of Rights (the first 10 amendments to the Constitution).

Just because the test for American citizenship is being revised "does not mean all the current questions will be done away," said Mr. Bentley. He was unable to provide any sample questions from the new test.

Jack Martin, special-projects director of the Federation for American Immigration Reform (FAIR), a group that is critical of unlimited immigration, said there are both potential improvements and problems with the proposed changes.

"The effort at standardization makes sense ... the concept is good, and there really are some trivial questions on the current test," he said.

"Our only concern is that questions not be dumbed down" so that immigrants could become American citizens "without having a good understanding of U.S. history, culture and social systems, so they can vote intelligently," Mr. Martin said, adding that citizenship tests "should be designed to make sure citizens are prepared to participate in our political process."

As for those worried the new test might be harder or easier, Mr. Bentley said, USCIS intends to avoid those situations "by looking at pass-fail rates of the past."

Researcher Amy Baskerville contributed to this report.

A New Push To Raise Cap On H-1B Visa (NYT)

By Miguel Helft

The New York Times, November 15, 2006

SAN FRANCISCO, Nov. 14 — A coalition of business and education groups is making a renewed push to persuade Congress to raise the number of skilled foreign workers allowed into the United States this year.

The coalition, which calls itself Compete America and whose members are drawn heavily from the technology industry, sent a letter to every member of Congress on Monday calling for an increase in both the number of so-called H-1B visas, which are used by skilled immigrants and the number of employment-based green cards given to foreign workers.

“The first part is to ensure that U.S. companies have the ability to hire the best and the brightest,” said Jack Krumholtz, managing director for federal government affairs at Microsoft. “The second part is about making sure that we are able to retain them.”

Microsoft’s chairman, Bill Gates, is one of many technology executives who have advocated increased flexibility to hire educated foreign workers like engineers and scientists. He is expected to return to that theme at an industry conference on Wednesday at Stanford University.

Increasing the number of H-1B visas has long been a top legislative priority of technology companies, which say they cannot find enough skilled workers in the United States. After a temporary increase to 195,000 during the years of the Internet boom, the annual number of visas issued has been capped at 65,000. An additional 20,000 visas have been granted to foreign workers who have an advanced degree from an American university.

But in recent years, all the visas allotted for a given year were claimed on or before the start of the fiscal year on Oct. 1.

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"We can't hire people," said Jenifer Verdery, director of work force policy at Intel.

The notion of allowing more skilled foreign workers in the United States generally enjoys bipartisan support in Congress. Earlier this year, the Senate passed a bill that would increase the cap on H-1B visas to 115,000 and would automatically raise the cap by a further 20 percent if all visas for a given year were claimed. The bill also would raise the number of employment-based green cards issued to 290,000, from 140,000.

But the bill stalled as the House and Senate deadlocked on broader immigration reform legislation. And not everyone agrees that raising the cap on visas is a good idea.

"We think that before raising the H-1B cap there should be reform of the H-1B system," said Ronil Hira, vice president for career activities at IEEE-USA, a professional organization representing engineers and computer programmers.

The organization, which includes many immigrants among its ranks, is not opposed to legal immigration. But Mr. Hira said that the H-1B visa program, which requires companies to pay foreign workers wages comparable to those they pay American workers, was riddled with loopholes that allow employers to pay subpar wages to immigrants. That, in turn, depresses the wages of American workers, Mr. Hira said.

Lynn Shotwell, chairwoman of Compete America, said there was virtually no chance that Congress would pass the Senate bill this year. But Ms. Shotwell said the coalition, which includes universities and the Chamber of Commerce, was asking Congress to raise the cap on H-1B visas and green cards for the remainder of the fiscal year.

Members of the coalition are hopeful that legislation modeled after the Senate bill could be enacted next year, when Democrats will control Congress. House Democrats have promoted what they are calling an innovation agenda that includes wide availability of visas for skilled immigrants.

The National Venture Capital Association, which is among those advocating an expansion in visas and green cards for skilled workers, is backing that case with a study, to be released Wednesday, that highlights the role of immigrant entrepreneurs in the American economy.

The study found that one in four publicly traded American companies that were initially financed by venture capitalists in the last 15 years included at least one immigrant among their founders. During the 1980s, immigrants were involved in founding one in five such companies, and prior to 1980 only 7 percent.

"The notion of being able to come here and shape your own destiny is tremendously appealing and, you have to believe, valuable for the economy, job creation and wealth creation," said Axel Bichara, a partner at Atlas Venture in Boston. Mr. Bichara came to the United States from Germany in 1986 to study at the Massachusetts Institute of Technology. A year later, he became co-founder of a software company.

TAX:

Judge Delays KPMG Tax Trial Over Legal Fees Dispute (NYT)

By Lynnley Browning

The New York Times, November 15, 2006

A federal judge has indefinitely postponed the trial of former employees of the accounting firm KPMG in a criminal tax shelter case, citing concerns that the defendants will not be able to pay their lawyers.

The judge also hinted at sanctions against the prosecution for pressuring the firm to stop paying the defendants' legal fees. Any sanctions could have a major impact on the way white-collar criminal cases are handled in the future.

The ruling, made late Monday by Judge Lewis A. Kaplan of the Federal District Court in Manhattan, is the latest twist in the federal case against 16 former KPMG employees and an outside investment adviser and lawyer. Prosecutors say that the defendants made, sold and used questionable tax shelters that cost the Treasury $2.5 billion in unpaid taxes.

Judge Kaplan had previously pushed back the start of the trial from September 2006 to January 2007.

Prosecutors say the case is the largest criminal tax-fraud trial in history. But it has also become something of a referendum on the prosecutorial tactics adopted in the wake of Enron and other corporate scandals. Those tactics include urging firms under investigation to cut off the payment of legal fees of employees caught up in inquiries. KPMG abandoned its longstanding

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practice and cut off legal fees to the defendants in early 2004, before the employees were indicted and as the firm itself came under investigation for its work with tax shelters.

KPMG, which averted criminal indictment last year by reaching a $456 million deferred-prosecution agreement with the Justice Department, says that it has no intention of paying the fees because it was defrauded by the defendants.

In his ruling, Judge Kaplan again disagreed with KPMG and the government on the issue of legal fees.

"This court found, after a full evidentiary hearing, that the government violated the rights of the KPMG defendants by inducing KPMG — which otherwise would have advanced defense costs — to cut off payments upon indictment," Judge Kaplan wrote. "If KPMG is obliged to pay, payment could greatly mitigate the impact of the government's improper actions. This in turn could diminish the advisability of dismissal or other potentially serious sanctions. If KPMG is not obliged to pay, or if a prompt determination is not feasible, the issue of sanctions could be considered after exhaustion of that possibility."

Judge Kaplan has indicated in several rulings that he wants the fee issue resolved before the trial begins. He wrote in Monday's ruling that some of the defendants would not be able to afford their legal bills, which he said could amount to a million dollars or more a person, without help from KPMG.

The KPMG defendants were indicted last year on charges of conspiring to defraud the government by creating, selling and in some cases using for their own purposes questionable tax shelters. Judge Kaplan wrote that "while it appears that some of the KPMG defendants may be well off, there is a real and growing possibility that some and perhaps all lack funds necessary to their defense."

Both KPMG and the the United States attorney's office in Manhattan have denied coercing the defendants. Representatives for both the firm and prosecutors declined to comment yesterday. Several lawyers for the defendants, who include a former vice chairman of KPMG and a former chief financial officer, also declined to comment.

Judge Kaplan earlier allowed the defendants to file a related civil lawsuit against KPMG, seeking payment of the fees. KPMG is contesting the claim, and an appeals court will hear arguments on the issue this month.

ETJudge Postpones KPMG Tax Shelter Trial (FT)

Financial Times, November 15, 2006

One of the Department of Justice's most high-profile white-collar crime cases has been dealt a blow after a New York federal judge postponed indefinitely the criminal trial of 16 former KPMG executives accused of selling illegal tax shelters.

The ruling represents a setback for prosecutors in the US attorney's office in the southern district of New York, who have been heavily criticised by Judge Lewis Kaplan for their role in pressing KPMG, the accounting firm, to cut off legal fees to its former employees.

Judge Kaplan cited a dispute over whether KPMG would pay the fees in a five-page ruling on Monday.

"Given all of the current uncertainties, it is impossible now to predict with confidence when the charges in the indictment may be tried," he said, adding that there was a "real and growing possibility" that the defendants did not have the funds to pay for their own defence.

The dispute that caused Judge Kaplan to delay the trial centres on KPMG's unwillingness to pay the legal fees.

The firm has said the defendants "breached their fiduciary duties to the partnership and were indicted, thereby putting the future of the firm and its assets at risk".

But the ruling will also put intense pressure on the justice department to rethink its approach to some cases and is likely to spur debate in some quarters of Congress about the prosecution tactics that have been deployed in the Bush administration's effort to stamp out white-collar crime.

The justice department is at odds with the legal and business community over a set of principles known as the Thompson Memorandum, which the department adopted in 2003.

The memo says companies that are under investigation can avoid criminal indictment by agreeing to co-operate fully with prosecutors by cutting off legal fees to employees and waiving attorney-client privilege, which protects the confidentiality of discussions between companies and their legal counsel.

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Some of the tactics have come under fire because critics say they force companies and individuals to waive their constitutional rights to avoid indictment.

The US Senate judiciary committee is currently working on bipartisan legislation that would severely constrain the tactics used by the justice department.

That legislation, which has not been finalised, could forbid the DoJ from penalising companies that pay attorneys' fees for employees in cases like KPMG, and prevent the DoJ from pressuring companies to waive attorney-client privilege in exchange for leniency.

The legislation, if passed, is likely to provoke a bitter battle between the Bush administration and the Congress and could be challenged in court as an unconstitutional exercise of congressional power.

Warehouse Owner, Two Other Men Face Tax Charges (MH)

By David Ovalle

The Miami Herald, November 15, 2006

The owner of the Liberty City warehouse where authorities say seven men plotted terror attacks has been arrested and charged with failing to pay taxes and not filing proper tax returns.

George Mobassaleh, 40, and two other men were granted bond Tuesday.

They are charged with failure to remit taxes, filing fraudulent returns, attempting to evade taxes and failure to file six consecutive returns.

The charges are unrelated to the high-profile terror investigation.

In June, seven men were indicted on terrorism conspiracy charges for allegedly plotting to blow up Chicago's Sears Tower and federal facilities.

Authorities say the men rented a Liberty City warehouse, owned by Mobassaleh, for training and to plan their plots. Mobassaleh said he knew nothing about the men.

The Florida Department of Revenue alleges Mobassaleh, Bashir Malouf and Joseph Imbasala failed to pay taxes on more than $100,000.

The men were operating Elegant Beauty Supplies, Joe's Beauty Supplies and two locations of Joe's Foodland Supermarket, all in Miami.

The investigation was spearheaded by the state revenue department, the Miami-Dade state attorney's office, Miami police, the FBI and the state's Division of Alcoholic Beverage Control and Tobacco Enforcement.

Louis J. Terminell, an attorney representing Malouf, said: ``I think most of all this is explainable. If history repeats itself, it's not going to be as nefarious as it seems."

Democrats May Eliminate IRS's Use Of Collection Agencies (WSJ)

By Tom Herman

The Wall Street Journal, November 15, 2006

Is the IRS's new private tax-collection program heading for an early death?

After years of congressional debate, the Internal Revenue Service recently began using private debt-collection agencies to help pursue people who owe taxes. The IRS has already turned over the names of more than 13,725 taxpayers who owe the government about $73.5 million.

But the program has run into renewed congressional attacks -- and could well be eliminated -- now that Democrats are poised to take control of the House and Senate. Among the strongest critics are several influential Democrats in line to take over powerful posts next year.

"I think it's a terrible program, and I'm going to let [IRS officials] know in as many political and legislative ways as I can," says Rep. Charles Rangel, the New York Democrat expected to be the next chairman of the House Ways and Means Committee.

Additional criticism has come recently from Sen. Max Baucus, the Montana Democrat who will take over as chairman of the Senate Finance Committee. "Tax collection is an inherent government function and the IRS ought to take care of it in-house," Sen. Baucus says.

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The House has already voted to block funding for the debt-collector initiative for the fiscal year that began Oct. 1. The Senate hasn't acted yet. But among those concerned about the IRS program are Sen. Patty Murray of Washington, ranking Democrat on the Senate Appropriations subcommittee that includes Treasury funding.

"I'm deeply concerned that the IRS's plan would not adequately protect taxpayer privacy, would not ensure all taxpayers are treated fairly and respectfully, would not guarantee any cost savings to the U.S. Treasury, and would pre-empt the Senate's debate over outsourcing tax collection," Sen. Murray says. She has co-sponsored legislation with Sen. Byron Dorgan (D., N.D.) to prohibit the IRS from going forward with "this deeply flawed initiative."

IRS Commissioner Mark Everson has defended the program by saying the use of private agencies will help the IRS reduce the "significant and growing amount" of tax liabilities now deemed uncollectible. The private firms will be used to supplement, not replace, IRS personnel, says Mr. Everson, adding that the agency lacks the personnel to go after all outstanding tax bills.

IRS officials say they launched the first phase of the program in mid-September. Three private debt-collection firms are involved. So how is it going so far? "We're cautiously optimistic," says the IRS's Deborah Wolf. "Our experience is these companies are very professional firms" that have "done everything they can to make sure this program is run professionally." She emphasizes there will be a "high level" of oversight by IRS officials.

Here's how the program works: The IRS sends letters to people telling them they will be hearing soon from a private debt-collection company and explains the program. The private firms then follow up with a letter before they call the taxpayers. Ms. Wolf says the debt collectors aren't allowed to ring doorbells or make face-to-face contact with people.

But in the aftermath of the election, "this issue is being looked at differently by the new leadership, and there is momentum building in opposition" to it, says Colleen Kelley, president of the National Treasury Employees Union, which has long opposed hiring private debt collectors. * * *

MORE MUTUAL FUNDS plan unusually large capital-gains distributions in coming weeks.

Fidelity Investments, American Century Investments, T. Rowe Price Associates and several other major fund companies estimate more funds this year will be making year-end capital-gains distributions than a year ago. At some funds, payouts are likely to exceed 5% or 10% of the fund's net asset value -- an issue of concern to many investors in taxable accounts, who could effectively owe on someone else's capital gains. Among the key reasons: the stock market's resurgence, and the fact that more funds have used up capital losses amassed in prior years.

Some distributions are coming soon. The Federated Capital Appreciation fund is paying about 16% of net asset value to shareholders of record today. The pay date will be Friday. The payments are the same for the A, B, C and K shares. The per-share distribution will consist of about 79 cents of short-term gains and around $3.68 of long-term gains, says Meghan McAndrew of Federated Investors.

More Fidelity funds will pay distributions of capital gains this year than in recent years and the amount of the distributions "will generally be higher," a Fidelity spokesman says. Based on estimates through Sept. 30, about 63% of Fidelity's equity funds are expected to pay capital-gains distributions, up from 58% last year, he says. Fidelity says about 60% of its mutual-fund assets are held in tax-deferred accounts, such as 401(k) plans and IRAs.

Some of the biggest payouts come from funds that invest in overseas securities, which have posted especially big gains this year. Among the Fidelity funds planning big payouts that still are open to investors are the Fidelity Europe fund, which plans a payout of about 14% of net asset value, and the Fidelity Worldwide fund, which plans to pay out 12.7% of NAV. The Fidelity Europe Capital Appreciation, Fidelity Overseas and Fidelity Global Balanced funds also plan large payouts.

American Century expects 41 of its funds will make year-end capital-gains distributions this year, up from 35 last year, says the company's Brian Janssen.

Investors in taxable accounts should check carefully before making large investments in funds between now and the end of the year. * * *

IT'S OFFICIAL: The IRS confirms inflation-adjusted tax numbers for 2007.

By law, dozens of tax numbers are adjusted each year for inflation. For example, the IRS says taxable income of more than $349,700 for 2007 will be taxed in most cases at the top federal rate of 35%. That's up from $336,550 for this year. The basic standard deduction will increase to $10,700 for joint returns from $10,300 in 2006.

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For most singles, it will increase to $5,350 from $5,150. * * *

BRIEFS: Twelve student teams will meet Nov. 17-19 in Orlando, Fla., in the final round of the "Tax Case Study Competition," a nationwide interscholastic competition for undergraduate and graduate students sponsored by the Deloitte Foundation, a nonprofit arm of Deloitte & Touche USA.

IRS Working To Trim A Bit Of Form 1040's Red Tape (USAT)

By Kevin Mccoy

USA Today, November 15, 2006

The federal government document that tens of millions of Americans love to hate is scheduled to get a face lift.

The IRS plans changes to Form 1040, which most taxpayers use to report their federal taxes, the agency said Tuesday. Taxpayers could begin using a revised form as soon as the 2009 tax filing season, said IRS senior spokesman Terry Lemons.

"What we are shooting for is a form that is simpler and easier to use for taxpayers," said Lemons, confirming mentions of the anticipated revision in a recent Government Accountability Office audit and a report by Tax Analysts, a non-profit organization that tracks tax issues.

As envisioned by the IRS, an as-yet-undetermined number of less-frequently used lines dealing with adjustments to income, credits, taxes and payments would be removed from the cover page of Form 1040 and relocated to a new Schedule O. That would simplify the current 77-line form, and free up space for any future tax reporting changes that could conceivably be approved by Congress and the White House.

Lemons said the changes are still evolving, explaining that "it's still really early in the (planning) process."

Although Form 1040 typically undergoes virtually unnoticed revisions from year to year, it hasn't been subjected to a major overhaul since 1977. According to the IRS, that revision scrapped a two-column format at the top of the tax-filing form and moved the signature line from the cover page to the final entry.

Lemons stressed that the changes being planned are expected to be less radical. Taxpayers "are not going to get a surprise when the new form comes in the mailbox," he said.

Although the IRS tentatively plans to introduce the changes for the 2009 tax filing season, the start date could be delayed by agency funding issues and other logistics, Lemons said.

Approximately 135 million federal tax returns are filed on Form 1040 or one of its variants each year, making it the IRS' most frequently-used filing document. However, the filers who submitted more than 73 million federal tax returns electronically in 2006 typically typed data into computer-generated boxes without ever actually seeing the Form 1040 that underlies the software.

That's a development the IRS makes clear it welcomes.

"We're hoping fewer and fewer people see the 1040 because they file electronically," said Lemons.

CONGRESS-ADMINISTRATION:

Political Motives Suspected As Jobs On Bench Go Unfilled (SEATIMES)

By David Bowermaster, Seattle Times staff reporter

The Seattle Times, November 15, 2006

Despite a process designed to keep politics out of judicial selections, some in the local legal community are wondering whether politics is behind a delay by the White House in filling two vacancies on the U.S. District Court in Western Washington.

A seat on the federal bench in Tacoma has been open since March 2005, and a seat on the federal bench in Seattle opened in July.

In both cases, a bipartisan panel of local attorneys screened applicants and sent three recommendations to the White House; since 1997, the president has picked his nominee from among three names chosen by such panels.

But the White House, in an unprecedented move, rejected all three candidates for the Tacoma vacancy. The office of White House Counsel Harriet Miers told the bipartisan panel that none of the candidates was sufficiently qualified and asked for three more nominees.

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The decision troubled many local lawyers and judges who know the three spurned finalists. Sources close to the selection process, speaking on condition of anonymity, called the White House decision "appalling," "outrageous" and a "travesty," and suspect the White House already has a replacement in mind who was not on the list.

Republicans and Democrats alike said the candidates rejected by the White House were eminently qualified. One, confirmed by sources as Karen Strombom, is already a federal magistrate judge in Tacoma.

A new set of candidates for the Tacoma vacancy was sent to the White House in August, around the same time that candidates for the Seattle opening were proposed, sources said. A nomination still hasn't been made by the White House.

Finalists for the federal bench

A bipartisan panel of local lawyers has selected three candidates for a judicial vacancy on the U.S. District Court in Seattle. The White House did interviews in September but has yet to name a nominee. The finalists:

Marc Boman: Partner, Perkins Coie. Specialist in commercial litigation. Recipient of Washington State Bar Association's "Award of Merit" for long-term service to the bar. Served on Seattle Ethics and Election Commission from 1995 to 1998.

Richard Jones: King County Superior Court judge since 1994. Named 2004 "Judge of the Year" by King County Bar Association and Washington State Bar Association. Assistant U.S. attorney in Seattle, 1988 to 1994, associate at Bogle & Gates, 1983 to 1987.

Michael Rickert: Skagit County Superior Court judge since 1992. Previously Skagit County prosecutor, 1986 to 1992.

Source: Seattle Times reporting

The finalists for the Seattle opening have heard nothing since they were interviewed by the White House in September. Nor has the selection committee, said co-chairs Jenny Durkan of Seattle and J. Vander Stoep of Chehalis.

According to several sources close to the merit panel, the candidates selected for the Seattle vacancy were King County Superior Court Judge Richard Jones, Skagit County Superior Court Judge Michael Rickert and Marc Boman, a partner at the Perkins Coie law firm.

Rickert confirmed he was interviewed at the White House on Sept. 6. Jones and Boman declined to comment.

"It's an honor to be considered," Rickert said. "To have a dog in the hunt is very nice."

The delay has raised questions in local legal circles about whether the White House might again reject a merit panel's recommendations, or choose its own nominee.

The questions intensified when rumors surfaced that John McKay, the U.S. Attorney for Western Washington, was also interviewed by the White House Counsel's Office. McKay said last summer he applied for the Seattle vacancy, and many local lawyers considered him the front-runner for the job.

The Seattle Times confirmed that McKay traveled to Washington, D.C., to meet with White House officials about the vacancy, but sources said it was not clear if it was a formal job interview.

McKay declined to confirm or deny that the meeting took place.

"I'm not in a position to comment on this midprocess," McKay said. "I'm going to wait for the White House to make a decision along with everybody else."

If President Bush nominates McKay rather than one of the three judges selected by the bipartisan merit panel, it would be the second significant snub of the process by the White House in less than a year, judicial observers said.

The merit-panel process started in 1997 after an agreement initially hammered out by Democratic Sen. Patty Murray, and former Republican Sen. Slade Gorton and the Clinton administration.

A letter from former White House Counsel Alberto Gonzales to Murray in March 2002 made it clear the Bush administration reserved the right to go its own way with judicial nominations.

"All parties have agreed that [bipartisan panels] can be a source for identifying and evaluating candidates," wrote Gonzales, who is now attorney general. "I also propose that neither the president nor you be bound to adhere to the [panels'] evaluations in all instances."

The White House declined to shed light on any of the developments.

"As far as nominations always go, we don't speculate or comment until the process has been completed and the president is ready to make his announcement," said Peter Watkins, a White House spokesman.

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Vander Stoep said he does not know when Bush will select his nominees.

"I know the White House wants to move as quickly as possible, and I know the senators want to move as quickly as possible," Vander Stoep said. Durkan said she is hopeful that the White House will abide by the process that has worked to name judges in Washington for the past decade, but she is not making predictions.

"Any of the candidates [for the Seattle vacancy] would serve the president and the country incredibly well," Durkan said. "But that's what I thought about Tacoma."

Congress Unlikely To Wrap Up Budget Work (AP)

By Andrew Taylor

AP, November 15, 2006

WASHINGTON - Republicans who are about to lose power in Congress began a long-shot bid Tuesday to finish budgeting nearly half a trillion dollars for domestic agencies. But GOP leaders have no game plan to do nearly a year's work in a lame-duck session likely to last just a few weeks.

The uphill task is made more difficult by GOP conservatives' distaste for pork-laden "omnibus" spending bills that have frequently been the means of wrapping up unfinished congressional business.

With nine of 11 spending bills still unfinished more than six weeks after the Oct. 1 start of the fiscal year, the House is slated to take up a stopgap funding bill funding through Dec. 8 agencies whose budgets have yet to pass. House leaders have promised lawmakers that the postelection lame-duck session will be over by Dec. 15.

The Senate on Tuesday took up a $94 billion bill funding veterans programs and military construction projects, and farm belt lawmakers immediately tried to attach $4.9 billion worth of emergency farm aid to the bill.

The left outgoing Senate Budget Committee Chairman Judd Gregg, R-N.H., complaining that Democrats were moving to bust the budget before even assuming control of the Senate.

"The first amendment brought to the floor of the United States Senate after the election increases the national debt by $4.9 billion," Gregg said. "This is a daylight robbery of the Treasury."

On the broader budget front, both Republicans and Democrats on the powerful Appropriations Committees would like to wrap up their work before Congress switches hands in January.

Republicans would like the chance to stamp a final imprint on the budget before losing control of Congress. Also at stake is control over thousands of parochial projects that are so important to lawmakers.

Democrats, for their part, want to wrap up the spending bills in order to get a fresh start on next year's business.

House Republicans leaders, including Majority Leader John Boehner of Ohio, have yet to decide whether to even try to wrap up the spending bills, which would fund the Education, Interior, Transportation and Agriculture departments, among others.

Boehner is embroiled in a race to become minority leader, replacing Speaker Dennis Hastert of Illinois as the No. 1 House Republican, and he isn't making any moves yet to endorse the idea of a huge omnibus budget bill.

"Nobody knows for sure until leadership races get out of the way," said Rep. Joe Knollenberg, R-Mich., who chairs a panel responsible for transportation and housing funding.

Meanwhile, House Republicans stumbled in their efforts to give President Bush a victory on a Vietnam free trade bill as Bush headed to Vietnam Tuesday night. The measure failed to win a supermajority House floor vote Monday evening under procedures reserved for noncontroversial bills, and GOP leaders opted against bringing it back under regular rules requiring a bare majority.

The setback for the Vietnam deal could be a hint of the trouble facing the rest of Bush's trade agenda, which includes a string of free trade agreements and global trade liberalization talks.

Also Tuesday, the Senate approved by unanimous voice vote a move by Susan Collins, R-Maine, to keep alive an oversight office in Iraq responsible for exposing waste in U.S. efforts for rebuilding Iraq. The special inspector general for Iraq reconstruction tracks spending in the multibillion-dollar effort to rebuild Iraq, a process moving slowly because of corruption and overcharging as well as wartime violence.

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House Armed Services Committee Chairman Duncan Hunter, R-Calif., had moved to shut down the agency by October as Congress passed the annual defense policy bill.

Hunter's strong-arm move caught many lawmakers by surprise and prompted immediate calls for its reversal. The inspector general's work has resulted in four criminal convictions and, most recently, evidence that a Halliburton subsidiary exploited federal regulations to hide details on its contract performance.

Spending Bills Stall As Congress Focuses On Leadership Races (WP)

By Shailagh Murray

The Washington Post, November 15, 2006

The House and Senate struggled yesterday to move ahead on major unfinished bills, amid the distractions of leadership elections and a growing impatience to end a long and bitter campaign year.

The Senate last night approved by voice vote a military-construction spending bill, but not before debate stalled for hours over an unrelated provision, disaster funding for farmers. The slow pace did not bode well for completing the nine 2007 spending bills that Congress left pending when it recessed a month before the Nov. 7 elections. The $94 billion military-construction measure, which funds housing and veterans programs, was supposed to be one of the easier votes.

Meanwhile in the House, a Vietnam trade measure that appeared to be cruising toward passage was shelved until next month after it failed Monday night to win the two-thirds support needed to pass under expedited circumstances. Republicans blamed Democrats for the defeat, although 66 GOP members also voted against it.

The bill, which would grant Vietnam permanent normal trade status, won a majority of House votes, 228 to 161, but it will not be revived until after the Thanksgiving break, House GOP leadership aides said. President Bush had hoped to have the completed trade deal in hand when he arrives in Hanoi this weekend for an Asian economic meeting.

Leaders in both chambers remained hopeful that most of the remaining spending bills can be completed soon. House Republicans yesterday set a deadline of Dec. 15 for leaving town, just long enough for Appropriations Committee negotiators to finish their work, if Democrats cooperate and other obstructions are kept to a minimum. Whatever does not pass would have to be bundled into a temporary funding resolution until the 110th Congress convenes in January.

One obstacle to a speedy wrap-up is the series of leadership elections for the next Congress that are taking place this week in the House and the Senate. Yesterday, Senate Democrats chose their slate, naming Harry M. Reid (Nev.) as majority leader and Richard J. Durbin (Ill.) as majority whip. Charles E. Schumer (N.Y.), who ran the Senate campaign committee that delivered his party the majority, was elevated to a new No. 3 position, in charge of policy and strategy.

Today, it is the Senate Republicans' turn. Mitch McConnell (Ky.) is expected to be named minority leader, while Trent Lott (Miss.) and Lamar Alexander (Tenn.) are vying for the job of minority whip. Lott has extensive institutional and procedural knowledge, but he was forced to step down as Senate minority leader in December 2002 after he made remarks at a birthday party for then-Sen. Strom Thurmond praising Thurmond's 1948 presidential campaign, in which he ran as a segregationist Dixiecrat.

House Democrats will elect leaders Thursday, with the spotlight on the No. 2 job of majority leader. The current Democratic whip in the House, Steny H. Hoyer (Md.), is being challenged by veteran John P. Murtha (Pa.), a leading Democratic spokesman in favor of withdrawing troops from Iraq. Murtha is a close ally of Nancy Pelosi (Calif.), the incoming House speaker, who issued a letter Sunday night endorsing Murtha for the job.

Several senior House Democratic aides reported that key Pelosi allies, including Rep. George Miller (Calif.), were campaigning hard for Murtha yesterday, in particular among more junior members eager for Pelosi's support in securing coveted committee assignments.

And Murtha played up his role as a chief Iraq war critic, with his office releasing a statement that said, "The record is clear: Jack Murtha has been a constant voice for change in Iraq and Steny Hoyer has not."

Hoyer released his own slate of heavyweight supporters, including nine incoming committee chairmen.

"We are convinced that Steny will be a tremendous majority leader," read a letter from the group, which included Reps. John D. Dingell (Mich.), Henry A. Waxman (Calif.), Barney Frank (Mass.), Tom Lantos (Calif.), James L. Oberstar (Minn.), Ike

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Skelton (Mo.), Bart Gordon (Tenn.), Bennie Thompson (Miss.) and John M. Spratt Jr. (S.C.). Charles B. Rangel (N.Y.), the next Ways and Means chairman, was not a signatory, but he declared his support for Hoyer.

Murtha dismissed allegations that he has repeatedly skirted ethics boundaries, through his senior position on the House Appropriations Committee. Murtha said the charges stem from his role in the 1980 Abscam scandal, when he was named as an unindicted co-conspirator and testified against two House colleagues.

"I am disconcerted that some are making headlines by resorting to unfounded allegations that occurred 26 years ago," Murtha said in an angry statement released yesterday. "I thought we were above this type of swift-boating attack. This is not how we restore integrity and civility to the United States Congress."

On Friday, House Republicans will choose their leaders. Speaker J. Dennis Hastert (Ill.) is not running for a minority leadership post, and the front-runner for the top job is John A. Boehner (Ohio), the current majority leader.

Final Days Of Majority Control Bittersweet For Republicans (USAT)

By Kathy Kiely

USA Today, November 15, 2006

WASHINGTON — Sen. Conrad Burns gave a practiced politician's grin and hearty "How are ya?" but some of his staffers were wiping damp eyes as the Montana Republican shepherded them on a climb of the Capitol dome, a tour only a member of Congress can lead.

Burns, who was defeated in last week's election, has until early January to exercise the privilege. He was less friendly earlier in the day to several reporters who cover him for Montana newspapers. Burns advised them to read Psalm 109, which includes the passage "the mouth of the wicked and the mouth of the deceitful are opened against me."

For Republican members of Congress, these are bittersweet days. An unusual post-election session, called to pass unfinished spending bills, is likely to keep members of the 109th Congress at work well into next month.

It is as if the ghosts of Congress Past returned for one final, but not very convincing, hurrah. "There's sort of a stunned feeling in our caucus right now," said Rep. Shelley Moore Capito, R-W.Va.

Other members were less resigned. Sen. Rick Santorum, a Pennsylvania Republican defeated last week by Democrat Bob Casey, delivered an acrimonious swan song by threatening to block a bipartisan plan for $5 billion for drought-stricken farmers in the Midwest.

Santorum said the plan violates rules on the federal budget. Sen. Kent Conrad, D-N.D., the incoming Budget Committee chairman, threatened to retaliate by holding up Republican legislation. "Things are going to get very tough around here," Conrad warned. The dispute required an unusual intervention by outgoing Senate Majority Leader Bill Frist, who promised Conrad a vote today.

The lame-duck session gives Republicans a few more weeks to enjoy the perks of majority control they lost at the ballot box. It also creates the possibility for close encounters of the awkward kind: New members of the next Congress are at the Capitol for freshman orientation as the lawmakers they beat are back to cast their last votes.

Sen. Mike DeWine, R-Ohio, who lost to Democrat Sherrod Brown, said he doesn't mind. "I've always enjoyed the work," DeWine said with a wan smile.

The Republicans who will return next year are also facing some harsh realities. Martin Frost, a former Texas congressman who was in the House when Democrats lost their majority in 1994, said his colleagues were initially so depressed he had a hard time convincing them to begin fundraising for the next election. "Democrats were in a funk for seven months," he said.

Republicans are vowing not to let that happen. Rep. Chris Cannon, R-Utah, says he thinks some bills he's been pushing, on immigration changes and intellectual-property protection, have a better chance of passage in a Democrat-controlled Congress.

Others are seizing an opportunity to climb the rungs of leadership. Sen. Lamar Alexander of Tennessee is using the election as an argument in his race against Sen. Trent Lott of Mississippi for GOP whip, the party's No. 2 leadership post. "We need new faces on our team after the drubbing we took (last) Tuesday," Alexander said.

Lott has not been speaking to reporters about the race. His spokeswoman, Susan Irby, said in a statement earlier this week that Lott, the Senate's former majority leader, is "closing in on victory." Senate Republicans will choose today.

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Dennis Hastert of Illinois, the current House speaker, will not run for the party's top leadership post. Current House Majority Leader John Boehner of Ohio competes against Mike Pence of Indiana and Joe Barton of Texas on Friday to be GOP leader.

Republicans' lost majorities in Congress mean an end to their committee chairmanships, as well as a loss of many employees who serve them. In the House, Republicans will have to cut their committee staffs in half. Capito says she expects to lose her slot on the House Rules Committee. Rep. Patrick McHenry, R-N.C., is worried about his post on the House Budget Committee. "That's when it will really sink in," he said, "when you're knocked off a committee and see the staff go."

Democrats have said they intend to be generous in victory, but veteran lawmakers are preparing for the worst. Rep. Tom Davis, R-Va., joked that GOP parking spaces will be gone.

"Fortunately," said Davis, who represents the Washington suburbs, "I live near a Metro (subway) stop."

Lawmakers Push Politician For UN Post (AP)

By Jim Abrams

AP, November 15, 2006

A House Republican and Democrat, in the new spirit of bipartisanship, are urging President Bush to name defeated Republican Rep. Jim Leach to be the next U.S. ambassador to the United Nations.

"He is the most diplomatic politician I have ever met," Rep. Earl Blumenauer, D-Ore., said of Leach, a moderate from Iowa known for his professorial sweaters, his low-key, nonpolitical approach to issues and his opposition to the war in Iraq.

"I can't think of any American better qualified to represent our interests before the United Nations," said Rep. Jim Walsh, R-N.Y., who on Tuesday joined Blumenauer in circulating a letter in the House seeking support for Leach if the acting U.N. ambassador, John Bolton, is forced to resign.

Bolton has been temporary ambassador since August 2005, but has never been able to win confirmation because of opposition from Democrats, and some Republicans, to his confrontational style.

The White House recently renominated Bolton to the post, but Senate supporters lack the votes and it appears Bolton will have to resign when Democrats take over the Senate in January.

Leach, 64, who refuses to take political action committee money or run negative ads, narrowly lost to college professor Dave Loebsack in last week's election, ending a 30-year career as a House legislator.

Leach, who has announced no plans for the future, does have the resume for the job. He was a foreign service officer at the State Department in the 1960s and served at the U.N. under then Ambassador George H.W. Bush in the 1970s.

He is currently chairman of the House International Relations subcommittee on East Asian and Pacific affairs.

"He clearly is flattered to be considered" as U.N. ambassador, said his chief of staff, Gregory Wierzynski. "As a former foreign service officer, it would be something of intense interest to him."

But Leach may not be helped by his record of being near the top of those Republicans who vote most often with Democrats. In 2002 he was one of six House Republicans to vote against the resolution authorizing the use of force in Iraq, and he was among the first Republicans to call for a military withdrawal from Iraq.

But Blumenauer said, "This is a time of reassessment, re-evaluation" on Iraq, and "I would think Jim's qualifications would actually help."

Bush Calls Meeting With Auto Leaders Constructive (FREEP)

By Justin Hyde

Detroit Free Press, November 15, 2006

WASHINGTON — President George W. Bush met with the heads of Detroit's automakers in what he called a "constructive and meaningful dialogue " at the White House this afternoon, while automakers said they agreed on many, but not all, issues.

General Motors Corp. Chairman Rick Wagoner said the automakers told the president they could increase their production of vehicles that can run on ethanol or biodiesel to half of their fleet by 2012, if they could be assured that such fuels would be widely available. The Detroit automakers said earlier this year they would double their output of such vehicles by 2010.

Vice President Dick Cheney, Treasury Secretary Hank Paulson and other officials joined Wagoner, Chrysler Group Chief Executive Tom LaSorda and Ford CEO Alan Mulally in the hour-long Oval Office meeting with Bush.

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Bush said the executives “are making difficult decisions, tough choices to make sure that their companies are competitive in a global economy.

“And I’m confident that they’re making the right decisions, and that’s good news for the American people because the automobile manufacturers play such a significant part of our economy and a vital part of our employment base,” he said.

Bush and the executives said they touched on health care, energy and currency, as expected. While Wagoner, LaSorda and Mulally praised the president for being open to their concerns, Wagoner indicated some areas of disagreement, especially on Detroit’s concerns of Japanese currency manipulation.

“I can honestly say that it appeared the president didn’t 100 percent see it that way,” Wagoner said. “We had a good open dialogue. We agreed to continue that dialogue.”

Bush said the meeting was a starting point for future conversations about the state of the industry. While not committing to discuss currency with Asian leaders next week, Bush said his message “to our trading partners is just treat us the way we treat you. Our markets are open for your products, and we expect your markets to be open for ours, including our automobiles.”

The companies had pursued the long-awaited meeting, originally scheduled for May, after finding few sympathetic ears for their concerns in the administration, a problem exacerbated by the departure of former GM executive Andrew Card as White House chief of staff in March.

Michigan’s Congressional Democrats, who will take over several important committees when the new Congress begins in January, have pressured the automakers to take a harder line with the administration. But the executives said the get-together was meant to improve relations, and succeeded.

“I was very impressed with the president’s knowledge of the situation with competitiveness issues, and the fact we’re taking the actions needed to have viable businesses going forward, and his commitment to partner with us on issues that are really important,” said Mulally.

Bush Says He Wants A 'vibrant' Domestic Auto Industry (DN)

By David Shepardson

Detroit News, November 15, 2006

WASHINGTON -- After months of delays, President Bush met today with the chief executive officers of Detroit's Big Three automakers and told them he wants a domestic auto industry that "is as vibrant and solid as possible."

"These leaders have, are making difficult decisions, tough choices to make sure that their companies are competitive in a global economy," Bush told reporters. "I'm confident that they're making the right decisions, and that's good news for the American people because the automobile manufacturers play such a significant part of our economy and a vital part of our employment base."

Bush met with General Motors Corp. Chairman and CEO Rick Wagoner, Ford Motor Co. CEO Alan Mulally and Tom LaSorda, president and chief executive officer of DaimlerChrysler AG's Chrysler Group, for about an hour in the Oval Office. Among the topics they discussed were health care, energy and trade.

In a joint statement, the executives said they appreciated having an opportunity to meet with the president on issues that are critical not only to the auto industry but to the ongoing competitiveness of American manufacturing.

"Overall, we were pleased with the exchange we had with the president and came away with a clear impression that he understands how vital these issues are to the American economy and our ability to compete successfully in the global marketplace," the executives said in their statement.

Also attending the meeting were Vice President Dick Cheney, White House Chief of Staff Josh Bolten, Treasury Secretary Henry Paulson, Transportation Secretary Mary Peters and the White House political advisor Karl Rove.

Wagoner, Mulally and LaSorda sat side by side on a couch in the Oval Office, while the president and vice president sat in armchairs.

The three said the companies planned to have further follow-up meetings with the administration.

Bush said the CEOs had a "constructive and meaningful dialogue."

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"We talked about our mutual desire to reduce our dependence on foreign oil," he said. "Obviously, as these automobile manufacturers begin to incorporate new technologies that will enable us to power our cars in different ways, it will make it easier for me to be able to tell the American people we're using less foreign oil.

"My message to our trading partners is just treat us the way we treat you. Our markets are open for your products, and we expect your markets to be open for ours, including our automobiles."

The Big Three noted that they had in June agreed to double production of the number of flexible fuel vehicles that run on biofuels by 2010. Wagoner said they might be willing to increase that number to 50 percent of total production if the administration offered certain incentives by 2012.

Currently, automakers get credits they can use to meet corporate average fuel economy standards by building vehicles that can run on E85 -- a fuel that includes 85 percent ethanol -- or other biofuels, even if drivers don't have access to alternative fuels.

On health care, Bush said he assured the executives that "the government is addressing rising health care costs through a variety of initiatives that I think over time are going to make a significant difference in not only their cost, but the cost to the U.S. taxpayer, as well."

While the CEOs all praised the president's comments, Wagoner noted that there were areas -- like currency -- where they didn't agree.

Bush: Automakers Face 'Tough Choices' (AP-Y)

By Ken Thomas

AP, November 15, 2006

President Bush told Detroit's auto industry leaders on Tuesday he knows they are making "tough choices" to shore up their companies in foreign competition and promised continuing dialogue as they seek help on trade and health care issues.

"The president clearly understands the importance of the business to the United States and the global economy," Ford Motor Co. Chief Executive Alan Mulally said later.

Bush said, "We found a lot in common."

Bush, Vice President Dick Cheney and other administration officials met in the Oval Office for just over an hour with top executives of Ford, General Motors and DaimlerChrysler AG's Chrysler Group.

The automakers later told reporters the meeting was productive, hopeful that it would lead to more discussions with the administration.

"That's a door that we've been waiting to open," said Tom LaSorda, president and chief executive officer of DaimlerChrysler AG's Chrysler Group.

On Capitol Hill, lawmakers representing large numbers of auto workers said they hoped Congress would address reducing the cost of the health care on manufacturers, foster the research and development of alternative fuel vehicles and promote fair trade practices.

"The industry's ability to compete in the global marketplace will determine its future. Rising health care and retirement costs as well as America's dependence on foreign sources of energy are negatively affecting industry strength," said Sen. George Voinovich, R-Ohio.

Sen. Debbie Stabenow, D-Mich., who criticized Bush during her re-election campaign for not meeting with the executives earlier, said she hoped the meeting would be "an important first step toward a comprehensive American manufacturing strategy."

The auto executives said they pressed Bush about their concerns on health care, energy and trade issues, while making clear that the troubled industry does not want a federal bailout. The meeting had been delayed since last spring and had been widely anticipated in the auto industry.

Bush met with the leaders just hours before he was traveling to Asia to meet in Vietnam with Asia-Pacific economic partners. He said he would tell those partners, "Just treat us like we treat you. ... Our markets are open for your products and we expect your markets to be open for ours, including our automobiles."

He said of the U.S. executives, "These leaders are making difficult decisions, tough choices to make sure that their companies are competitive in a global economy. And I'm confident that they're making the right decisions."

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General Motors Corp. and Ford are both undergoing significant turnaround plans after posting large losses last year. GM has persuaded about 35,000 hourly workers to leave the company under early retirement or buyout plans while Ford has offered buyouts and early retirement packages to all 75,000 U.S. production workers in hopes of reducing its hourly work force by up to 30,000.

The companies have faced hardships while Japan-based Toyota Motor Corp. is enjoying soaring profits and outlining plans to unseat GM as the world's largest automaker.

GM chairman and CEO Rick Wagoner said the automakers made the case that Japan's weakened yen makes imported goods from Japan cheaper and enhances profits Japanese automakers make in the U.S. He said they discussed the automakers' "strong conviction that the Japanese yen is systematically undervalued, which helps them to maintain significant trade balance surpluses in our industry."

"I can't honestly say it appears the president 100 percent saw it that way, but we had a good dialogue," Wagoner said.

On health care, Wagoner said they discussed the role of information technology in improving quality and reducing costs. He said they would study high-cost, catastrophic cases that often drive up health care costs.

LaSorda said the automakers stressed that "specific issues like health care" aren't limited to the automobile industry.

All three automakers spend more on health care per vehicle than steel, which adds about $1,000 to the cost of a car built by the manufacturers. GM, the nation's largest private provider of health care, spent $5.3 billion on health care last year for 1.1 million people.

David Healy, an auto industry analyst for Burnham Securities, said he expected the meeting would have little impact on trade and health care, two areas where the Bush administration and the auto industry have disagreed.

"I think what you saw was a nice piece of political theater," Healy said.

But David Cole, chairman of the Ann Arbor, Mich.-based Center for Automotive Research, said the meeting could have long-term potential because the executives were able to "convey an impression that what the auto industry is dealing with is much larger than the auto industry."

One area on which Bush and the industry agree is on pursuing alternative energy sources. GM's Wagoner said that by 2012, up to half of their vehicles could run on ethanol blends of up to 85 percent, known as E85.

Wagoner said automakers would need assurances that the alternative fuel would be adequately available. Currently, only about 700 of the 170,000 gasoline stations nationally offer E85; most are in the Midwest. The three automakers said earlier this year they would double their production of flexible-fuel vehicles by 2010.

Bush cited a "mutual desire to reduce our dependence on imported oil."

The executives said they were not interested in a bailout similar to the 1979 measure approved by Congress that helped preserve Chrysler Corp. Asked of any interest in a bailout, Mulally said, "Absolutely not. Because we really believe that the actions start with us, taking the actions that create a more competitive business going forward."

Detroit Automakers Get Bush's Ear, But No Promises (LAT)

By Joel Havemann

The Los Angeles Times, November 15, 2006

WASHINGTON — The chief executives of Detroit's troubled Big Three automakers finally got to meet with the nation's chief executive Tuesday, and they emerged from the Oval Office saying they had received an understanding hearing.

"It was a very good dialogue," said General Motors Corp. Chairman and Chief Executive Rick Wagoner.

President Bush promised nothing, particularly in response to the executives' complaint that Asian countries, notably Japan, were holding the value of their currencies artificially low so that their cars would be cheaper.

Bush, who left hours after the meeting for a conference in Vietnam with Asian trading partners, was not about to roil the waters by complaining of Asian currency manipulation.

Instead, he said afterward that he would tell the Asian leaders: "Our markets are open for your products, and we expect your markets to be open for ours, including our automobiles."

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As far back as April, the heads of GM, Ford and DaimlerChrysler's Chrysler Group had sought a White House meeting to air their problems.

Bush said the midterm campaign schedule made that impossible until after election day.

During her successful reelection campaign, Sen. Debbie Stabenow (D-Mich.) had criticized Bush for not meeting with the automakers.

On Tuesday, she said she hoped the session would be "an important first step toward a comprehensive American manufacturing strategy that will keep us competitive."

In addition to trade and currency values, the automakers and the president discussed fuel efficiency, energy security and the increasing burden of healthcare costs.

Tom LaSorda, Chrysler Group's president and chief executive, said the three executives emphasized that a small share of autoworkers and retirees were responsible for much of the costs.

"I assured these leaders that the government is addressing rising healthcare costs through a variety of initiatives," Bush said, including tax-sheltered accounts used to meet health costs when combined with high-deductible health insurance.

On fuel efficiency, the executives said they told Bush that half their fleets would be able to run on ethanol or biodiesel fuel, instead of gasoline, by 2012.

George Magliano, chief auto industry analyst for the economic forecasting firm Global Insight, said nothing would immediately come of Tuesday's meeting.

"Most of these issues are long-term," he said.

Brian Johnson, an auto analyst for the investment bank Lehman Brothers, said the outcome would depend on the coming tug-of-war between coastal Democrats and interior Democrats in the new, Democratic-controlled Congress.

Coastal Democrats tend to be environmentally oriented, he said, whereas those from the country's center are more sympathetic to the industry's plight.

And its condition is serious: In the third quarter, Ford reported a net loss of $5.8 billion and DaimlerChrysler's U.S. operations lost $1.46 billion. GM lost only $91 million, a sharp upturn after a $10.6-billion loss for all of last year.

Big 3 Auto Heads Get Little From President (WP)

By Sholnn Freeman

The Washington Post, November 15, 2006

President Bush promised yesterday to deliver a message to Asian trading partners to "treat us the way we treat you" but offered top U.S. auto executives little help in their battle to turn their companies around.

The president met with the three chief executives of the Detroit-based auto companies for a little more than an hour at the White House after twice postponing the get-together in the past several months. In Michigan, where the economy is reeling from auto industry downsizing, the long wait came to symbolize the Bush administration's indifference to the manufacturing sector.

Alan R. Mulally of Ford Motor Co.; Thomas W. LaSorda of Chrysler, the U.S. division of DaimlerChrysler AG; and G. Richard Wagoner Jr. of General Motors Corp. laid out their concerns about fair trade, health-care costs, rising steel prices and alternative fuel development. After the meeting, Bush said the executives had "tough choices" to make. He said he was confident that they were making the "right decisions."

Bush, who was preparing to attend the Asia-Pacific Economic Cooperation forum in Vietnam this week, said he would tell Asian trading partners that "our markets are open for your products, and we expect your markets to be open for ours, including our automobiles."

At a news conference after the meeting, the three auto executives said they found common ground with the president on energy issues. The executives said they asked the administration to help expand the supply and distribution of alternative fuels such as ethanol. In a joint statement, the automakers said they could make half of their annual vehicle production capable of burning ethanol by 2012 to lessen the nation's dependence on foreign oil.

The auto executives said Bush made no pledges to support any specific industry initiatives. Other company officials had said they had limited expectations for the meeting, which was also attended by Vice President Cheney.

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The auto executives said they were not able persuade the administration to challenge the Japanese government on its trade imbalance with the United States and the weakness of the yen, which makes Japanese products cheaper overseas. Wagoner and other auto officials have accused the Japanese government of artificially weakening the yen, providing a cost subsidy of $3,000 to $9,000 per vehicle for auto exports to this country for automakers like Toyota Motor Corp. and Honda Motor Co.

"I can't honestly say the president 100 percent saw it that way," Wagoner said after the meeting.

Kate Bronfenbrenner, director of labor education research at Cornell University, said part of the administration's inaction has been because Michigan is a Democratic-leaning state. She said organized labor played a major role in last week's elections and labor union members turned out in large numbers to help mobilize Democratic voters.

"But it's much bigger than that," Bronfenbrenner said. "Bush hasn't cared about health care, retiree benefits or pensions for any workers, and those are some of the issues that drove the Democratic victory in the last election."

The election put key allies of the industry into power, including Rep. John D. Dingell (D-Mich.), who is set to lead the House Energy and Commerce Committee, and Rep. Sander M. Levin (D-Mich.), who is to take the chairmanship of the trade subcommittee of the House Ways and Means Committee. In a written statement, Dingell said he was pleased automakers had a chance to present their concerns to the president. "The meeting is a first step," he said, "now we need action."

Democrats are pushing a number of industry-related initiatives on trade and health care. Sen. Barack Obama (D-Ill.) said he would continue to try to build support for a proposal to have the government pick up part of the auto industry's retiree health-care bills, if the carmakers promise to invest in new energy technologies such as hybrids.

"My hope is that the president and his staff are working to examine these approaches," Obama said yesterday in an interview. "I can assure you if the president doesn't take the lead, the Congress will."

Big 3 Automakers Commit To Reducing Oil Dependence (WT)

By Sean Lengell

The Washington Times, November 15, 2006

The nation's largest automakers told President Bush yesterday they are committed to developing vehicles that use renewable fuels to reduce the country's dependence on foreign oil.

But the automakers added that if the U.S. automotive industry is to be competitive with Asian imports, the federal government must take a leading role in helping lower the industry's health care costs, balance the trade deficit with Japan and end tariffs on imported steel.

"It was a very good dialogue -- very open, back and forth," said General Motors Corp. Chairman and Chief Executive Rick Wagoner. "In a number of areas, there was agreement in the things we could continue to work on."

Mr. Bush added he found "a lot in common" with the auto executives.

"These leaders are making difficult decisions, tough choices to make sure that their companies are competitive in a global economy. And I'm confident that they're making the right decisions," Mr. Bush told reporters.

The president, who didn't take questions from reporters, said the meeting was "the beginning of a series of discussions we'll have [with the auto industry] -- not only with me, but with people in our government."

The Oval Office meeting, which the automakers had been seeking for months, lasted more than an hour and was attended by Vice President Dick Cheney and other administration officials.

The automakers said they were committed to producing more cars that run on renewable and alternatives fuels. But they said the government must do its part to provide incentives that encourage the manufacture, distribution and availability of renewable fuels.

Mr. Bush said he shares a "mutual desire to reduce our dependence on imported oil."

Raising the fuel economy of vehicles would help lessen that dependence, but the average fuel economy in the U.S. fleet has been stagnant for years as consumers have opted for more power and luxury rather than fuel economy.

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Sen. Barack Obama, Illinois Democrat, this summer helped introduce the Fuel Economy Reform Act of 2006, which calls for the fuel-economy standards for passenger cars and light trucks, which include sport utility vehicles, to increase by 4 percent annually, or about one mile per gallon.

But the executives, who included Ford Motor Co. Chief Executive Alan Mulally and Tom LaSorda, president and chief executive officer of DaimlerChrysler AG's Chrysler Group, said the president didn't agree with them on everything, particularly on how to balance trade with Japan.

"It's our strong conviction that the Japanese yen is systematically undervalued, which helps them to maintain significant trade-balance surpluses in our industry," Mr. Wagoner said. "I can't honestly say it appears the president 100 percent saw it that way ... . But we agreed to continue the dialogue."

Mr. Bush met with the leaders just hours before left on a trip to Asia and the Asia-Pacific Economic Cooperation summit in Vietnam.

The president said the message he will give those countries is "just treat us like we treat you ... . Our markets are open for your products, and we expect your markets to be open for ours, including our automobiles."

The auto executives said that upwardly spiraling health care costs are putting them in a serious competitive disadvantage with manufacturers in countries where workers receive government-sponsored health care.

All three automakers spend more on health care per vehicle than on steel, which adds about $1,000 to the cost of a car built by Detroit's Big Three. GM, the nation's largest private provider of health care, spent $5.3 billion on health care last year for 1.1 million employees, retirees and their dependents.

In a joint statement released by the three auto executives after the meeting, they urged the federal government to take a "leading role to improve health care and make it affordable and available."

But the executives insisted they don't want a government bailout similar to the 1979 measure approved by Congress that helped save Chrysler Corp.

"Are we interested in a bailout? Absolutely not, because we really believe that the action starts with us, and we're taking the action to create a more competitive business," Mr. Mulally said.

Instead, the automakers said they advocate health care changes on a national scale, not specific help for the automotive industry.

"Health care is an issue that faces every company, every business, every level of government as well," Mr. LaSorda said. "So the same problems they have at the federal government, we have here in our industry."

The executives said the president agreed to study how to lower costs for those with serious illnesses or chronic diseases, which account for about 30 percent of the nation's health care bill.

Bush, Auto CEOs Agree On Some Issues (USAT)

By Justin Hyde

USA Today, November 15, 2006

WASHINGTON — President Bush met with the heads of Detroit's automakers at the White House Tuesday for what he called a “constructive and meaningful dialogue,” while automakers said they agreed with the administration on many, but not all, issues.

General Motors CEO Rick Wagoner said the automakers told the president they could increase their production of vehicles that can run on ethanol blends or biodiesel to half their fleet by 2012, if they could be assured that such fuels would be widely available. Those fuels are made from plants along with petroleum. Substituting them for straight petroleum-based gasoline or diesel fuel would cut U.S. oil consumption. It also would funnel fuel dollars to U.S. agribusiness instead of to overseas oil producers.

In public remarks after the meeting, Bush made no pledge to push for wider availability of alternative fuels, which are hard to find outside the farm belt. But he said, “As these automobile manufacturers begin to incorporate new technologies that will enable us to power our cars in different ways, it will make it easier for me to be able to tell the American people we're using less foreign oil. And that's in our economic interests, as well as in our national security interests.”

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Vice President Cheney, Treasury Secretary Henry Paulson and other officials joined Wagoner, Chrysler Group CEO Tom LaSorda and Ford Motor CEO Alan Mulally in the 45-minute Oval Office meeting.

Bush said the executives "are making difficult decisions, tough choices to make sure that their companies are competitive in a global economy.

"And I'm confident that they're making the right decisions, and that's good news for the American people, because the automobile manufacturers play such a significant part of our economy," he said.

Bush and the executives said they touched on health care, energy and currency, as expected. While Wagoner, LaSorda and Mulally praised the president for being open to their concerns, Wagoner said there was some disagreement, especially on Detroit's allegations of Japanese currency manipulation.

"I can honestly say that it appeared the president didn't 100% see it that way," Wagoner said. "We had a good open dialogue. We agreed to continue that dialogue."

Bush said the meeting was a starting point for future conversations about the state of the industry. While not promising to discuss currency with Asian leaders in meetings next week, Bush said he will tell them: "Our markets are open for your products, and we expect your markets to be open for ours, including our automobiles."

The companies had pursued the long-awaited meeting, originally scheduled for May, after finding few sympathetic ears for their concerns in the administration.

Mulally, Ford's new CEO, said he "was very impressed with the president's knowledge" of the auto industry's competitive pressures.

GM And Ford, Hungry For Cash, Pledge Assets To Secure Loans (WSJ)

By Jeffrey C. Mccracken, John D. Stoll And John D. Mckinnon

The Wall Street Journal, November 15, 2006

Facing a deep financial crisis, Detroit's two top auto makers have had to pledge some of their most essential assets -- such as factories and equipment -- as collateral to win badly needed new loans.

For General Motors Corp. and Ford Motor Co., once such icons of American industrial prowess that banks and insurance funds stood in line to serve them, the need to provide lenders with collateral underscores the combination of woes now facing the industry: lean, effective competition from international auto makers, rising health-care, pension and steel costs, and unfavorable exchange rates that U.S. executives say give Japanese rivals an advantage.

Yesterday, chief executives of the two companies and of DaimlerChrysler AG's Chrysler Group -- the third member of Detroit's Big Three -- took their concerns to Washington in search of relief. But while President Bush promised to maintain a "continuing dialogue," the auto makers walked away with scant sign that Mr. Bush is willing to help them on their big worry about soaring health-care costs.

"I assured these leaders that the government is addressing rising health-care costs through a variety of initiatives that I think over time are going to make a significant difference," Mr. Bush said. The executives said the president did agree, however, that he and the auto makers should "study" how high-cost care of "catastrophic" health problems is insured.

For Detroit, the challenges are stark. A chart released by Ford yesterday appeared to show a 2009 profit of a few hundred million dollars -- a fraction of what Japan's Toyota Motor Corp. earns in North America in one quarter. The forecast surfaced as part of a restatement of earnings from 2001 through 2005 to correct the accounting of interest-rate swaps in Ford's credit division and certain other derivative transactions. The restatement narrowed Ford's third-quarter loss to $5.2 billion from the previously reported $5.8 billion.

Such financial conditions provide the backdrop to the shift to collateralized loans by GM and Ford. Their long slide in the global auto industry has now put their balance sheets under pressure. Last year, the companies' declining market share and mounting losses in their core auto operations prompted Standard & Poor's Corp. and other credit-rating agencies to cut their debt ratings to "junk" status. That made it more expensive for the companies to borrow money, especially when they seek unsecured loans.

Now their depressed credit ratings are pushing the two auto makers to new sources of financing.

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GM, which posted a $10.6 billion loss last year, in July extended a credit line from a syndicate of banks under new terms that give the company a $4.6 billion revolving loan backed by North American assets including inventory, plants and property.

GM CEO Rick Wagoner,2 Ford CEO Alan Mulally, and Chrysler CEO Tom Lasorda take questions about their White House meeting on what the auto industry can do to support energy and health-care initiatives. 3

WSJ Detroit deputy bureau chief4 Neal Boudette says he isn't sure Congress is going to be moving quickly to help the auto industry.

On Monday, GM used equipment in some of its U.S. plants to secure a $1.5 billion loan to be arranged by J.P. Morgan Securities Inc. and Credit Suisse Securities. Since secured loans are less expensive than unsecured financing, they are now a more attractive option for GM.

Gina Proia, a GM spokeswoman, said the move is intended to "enhance" the company's liquidity. "Given our credit rating, secured loans are the most cost-effective way of funding," she said. "We see it as a prudent move." She said GM has total debt of $32.8 billion, the majority of it unsecured.

Yesterday, Ford said it is moving in the same direction. As part of a conference call on its earnings restatement, Chief Financial Officer Don Leclair said Ford aims to put together a loan deal that is likely to be secured "by a significant portion of the assets of the company." Ford's losses amount to about $7 billion so far this year, and the company is on pace to approach GM's $10.6 billion 2005 loss.

Without specifying a time frame, Mr. Leclair said Ford would have a deal to announce "fairly soon." He added that Ford is pursuing the deal "because it is prudent to do so."

Mr. Leclair declined to specify how much money Ford is looking to borrow and wouldn't specify what assets Ford could pledge in order to secure new lines of credit, or whether that might include assets from the Ford family. The family owns about 3% of the company but has 40% of the voting rights.

He acknowledged that Ford's move to asset-backed loans reflects the company's difficult financial condition. This is the first time in Ford's 103-year history that it has resorted to such financing. "It is a recognition that we have some issues," he said.

The shift to secure asset-backed loans was in part prompted by a change in how large corporations must account for company-funded pension plans on their balance sheets. Starting Jan. 1, companies must recognize all future pension obligations as liabilities. Since GM has a large number of retirees, its liabilities will increase sharply and will outweigh the value of the company's assets. That will leave it with negative shareholder equity -- the difference between total assets and liabilities and a measure of net worth -- which will make it harder for GM to borrow money because terms with the company's bondholders could prohibit it from pledging certain assets to back loans.

Ms. Proia, the GM spokeswoman, said having negative equity is a balance-sheet issue and would have no impact on GM's operations such as cash flow.

Ford also expects the accounting change to leave it with negative shareholder equity, although it isn't bound by the same kind of bond terms as GM, Mr. Leclair said.

Ford has roughly $23 billion in cash and expects to end the year with about $20 billion -- a figure supplemented by $3.4 billion taken out of a fund employers set up to pay retiree health-care costs. For all of 2006, Ford will burn through $8.4 billion.

GM's cash will be fattened significantly when the company closes the sale of a controlling stake in its General Motors Acceptance Corp. unit to a group of investors led by Cerberus Capital Management. GM plans to close the sale by Nov. 30. GM will receive $10 billion upon closing, and also will hold on to $20 billion of GMAC automotive leases, which it plans to sell at a discount to raise some $4 billion in cash over three years.

For GM, Ford and Chrysler, an increasing amount of their cash flow gets eaten up by the cost of providing health care to their active and retired workers, along with their spouses and dependents.

After meeting with Mr. Bush, the car makers soon will take their health-care case to Capitol Hill, where newly empowered Democrats already are talking about a reinsurance plan that would help offset catastrophic-coverage costs. Democrats, who are more focused than Republicans on shoring up employer-based health care, also are talking about new tax breaks for employers. GM Chairman and Chief Executive Rick Wagoner suggested yesterday that he is hopeful the new majority would come up with a plan to help employers. He said he will know more about Democrats' receptivity "in about six months."

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The fact that Mr. Bush left the door slightly open to a reinsurance proposal suggests he is reluctant to reject auto makers and their Democratic allies out of hand, after suffering the loss of both the House and Senate in this month's midterm elections.

On other matters, the president and the car makers appeared to agree that U.S. manufacturers continue to be unfairly shut out of some Asian markets. Mr. Bush, who travels to Vietnam this week for a meeting with Asian leaders, promised to raise the auto executives' concerns. "My message to our trading partners is, just treat us the way we treat you," Mr. Bush said in his post-meeting summary. "Our markets are open for your products, and we expect your markets to be open for ours, including our automobiles."

But there seemed to be a continuing difference of opinion on the auto makers' concerns that Japan is manipulating its currency, the yen, to undercut U.S. manufacturers. Bush administration officials say there is little evidence that valuation of the yen is a major factor for the auto makers. And Japanese companies point out that many of their cars are made in the U.S.

While the president and the executives found some grounds for agreement, there was clearly distance between them on a few matters high on the companies' list. Mr. Bush apparently agreed only to study their ideas on health care -- particularly a suggestion that an assigned-risk pool be created for catastrophic cases -- presumably to be funded by the government.

On energy, the White House and the manufacturers agreed on the need to continue expanding availability of gasoline alternatives such as ethanol and biodiesel. The executives even promised to make 50% of their new vehicles capable of running on either conventional gasoline or alternative fuels by 2012 if the pipes and pumps needed to sell the new fuels are available. That is likely to require continued government help and perhaps even new initiatives.

Senate Democrats Elect Leaders (LAT)

By Johanna Neuman

The Los Angeles Times, November 15, 2006

WASHINGTON — Senate Democrats, meeting in the historic chambers where Daniel Webster and Henry Clay once orated, today elected a team of leaders for next year's session.

The team looks a lot like last year's lineup. Harry Reid of Nevada was elected majority leader and Richard Durbin of Illinois was chosen for the No. 2 slot of majority whip.

Charles Schumer of New York, who headed the cash-raising campaign committee that was triumphant in last week's elections, will continue in that role as well as taking on the No. 3 position — vice chair of the Democratic Conference. Patty Murray of Washington was elected conference secretary and Byron Dorgan of North Dakota continued as head of the policy committee.

What has changed in the lineup is that next year Democrats will be in charge of running the committees and setting the agenda for floor debate. Reid lost no time in emphasizing why that has already changed the dynamic of power in Washington — especially on Iraq.

"Three Americans were killed yesterday and 150 Iraqis in one incident [today] were kidnapped. That means they're going to be killed," Reid told reporters at the Capitol. The war is "costing us $3 billion a week. It's not going to go away."

Insisting that Democrats "are not making any threats toward the president," Reid called on the White House to "work with us" because "the American people want it and they deserve it."

Reflecting on their treatment at the hands of Republicans during the years out of power, Reid said pointedly, "We're going to treat the minority, the Republicans, as they did not treat us."

Noting that "a 51-vote majority is as thin as they come," Durbin said, "We not only want to move the right agenda, we want to do it in the right way."

Referring to a "steady deterioration" of civility in Congress, Durban said, "Now Democrats have the chance, even the challenge, to restore the dignity of this great American institution."

On policy issues, Murray said the new leadership will address rising college tuition, healthcare costs and what Reid described as "relieving the tax burden on the middle class."

Murray said Democrats hope to convey to American families that "we are at your back."

Senate Democrats Choose Leaders For Next Congress (NYT)

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By David Stout

The New York Times, November 15, 2006

WASHINGTON, Nov. 14 — Senate Democratic leaders were chosen today for the next Congress, and they allowed themselves a few gibes at Republicans before pledging to work for a new spirit of bipartisan cooperation on Capitol Hill.

"We're going to treat the minority, the Republicans, as they did not treat us," Senator Harry Reid of Nevada said at a news conference after being picked as majority leader by the Democratic caucus. "They'll be involved in decisions when we have legislation that passes this body."

Mr. Reid repeated his pledge to work with President Bush, and he said he supported a vote in the current lame-duck Congress on Robert M. Gates's nomination to succeed Defense Secretary Donald H. Rumsfeld. "The sooner we can move it forward, the sooner we can get rid of Rumsfeld," he told The Associated Press.

Mr. Reid recalled that Mr. Bush said after the election that he wanted to work with Democrats. "He said that two years ago, and it didn't work," Mr. Reid said.

Mr. Reid has been minority leader, and he was not opposed for elevation to majority leader in the 110th Congress, which convenes in January. He called his new post "the opportunity of a lifetime for me" and said his goal is to re-establish the power of the legislative branch "as deemed to be so important in checks and balances by our Founding Fathers."

Senator Richard J. Durbin of Illinois will continue as Democratic whip, and Senator Charles E. Schumer will remain as the Senate campaign chairman, while also taking on the title of vice chairman of the Democratic caucus, a post that Mr. Reid said makes the New Yorker No. 3 in the party leadership ranks.

Mr. Durbin, too, said he hoped for bipartisan progress on Capitol Hill, and a lot more good will. "We have watched the steady deterioration of comity and cooperation in the United States Congress," he said. "Now the Democrats have a chance — even a challenge — to restore the dignity of this great American institution."

Amid the talk of bipartisanship, there was an unmistakable eagerness to advance a Democratic agenda in the next Congress, and assertions that Republicans did not do enough for middle-class Americans while they controlled the House and the Senate.

"The middle class is being squeezed," Mr. Reid said. "Squeezed. The rich are getting richer; the poor are getting poorer. We must do something about education. We must do something to relieve the tax burden on the middle class."

Senator Patty Murray of Washington, chosen as caucus secretary, said the new Democratic majority would try to "make sure that our country is once again strong, and our country once again says to American families, 'We are at your back.' That's the country I was raised in. That's the country I look forward to building once again."

Senator Debbie Stabenow, who won re-election in Michigan last week, will lead the party's steering and outreach committee, and Senator Byron Dorgan of North Dakota will be chairman of the policy committee. Senators Jeff Bingaman of New Mexico, Hillary Rodham Clinton of New York and Blanche Lincoln of Arkansas will also serve in "outreach" leadership posts.

Senate Republicans are to pick their leaders on Wednesday, House Democrats on Thursday and House Republicans on Friday.

Mr. Reid said Senator Barbara Boxer of California would become chief deputy whip, and Senators Thomas R. Carper of Delaware, Bill Nelson of Florida and Russell D. Feingold of Wisconsin deputy whips.

And Senator Robert C. Byrd of West Virginia will be the Senate's president pro tem and will provide "leadership and experience gained from a lifetime of public service," Mr. Reid said. Mr. Byrd, who won another term last week, was first elected to the Senate in 1958.

Mr. Byrd, who will turn 89 on Monday, will be third in line for the presidency, after Vice President Dick Cheney and the incoming House speaker, Nancy J. Pelosi. The outgoing president pro tem is Senator Ted Stevens, Republican of Alaska, who will turn 83 on Saturday.

Mr. Reid described Mr. Schumer's function as vice chairman of the caucus as "a utility man — he'll be called upon to do lots of different things." Asked if the title amounted to "a tipping of the hat" because of his work in the campaign, Mr. Reid replied simply, "Yes."

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Mr. Schumer said he liked the sound of "Majority Leader Harry Reid," and predicted that "over the next two years, it's going to sound great to the American people when Harry and his team show what we can do."

In the 2008 elections, Mr. Schumer will try to hold on to the Democrats' majority in the Senate, a fact that Mr. Durbin acknowledged. "We know that a 51-vote majority is as thin as they come," he said.

Schumer, The Victor, Wins New Leadership Position (HILL)

By Alexander Bolton

The Hill, November 15, 2006

Senate Democrats rewarded Sen. Charles Schumer (D-N.Y.) yesterday for his success as chairman of the Democratic Senatorial Campaign Committee (DSCC) by giving him a specially created leadership position.

In return for the new title of vice chairman of the caucus, which ranks third among Democratic leaders, Schumer has agreed to serve another two years as chairman of the Senate Democratic fundraising committee.

Senate Democratic Leader Harry Reid (Nev.) announced after a closed-door meeting of the Democratic caucus yesterday that Democrats had created the new position, which puts Schumer below only Sen. Dick Durbin (D-Ill.), the incoming majority whip, and Reid, but means he outranks the Democratic conference secretary.

Though Reid will not formally take over as Senate majority leader until January, he has already reshaped the leadership. In addition to Schumer's new job, Reid created two other posts to foster better relations between elected leaders and committee chairmen.

"Sen. Schumer has many talents, one of which is helping to set the direction of the Democratic Caucus," said Reid when asked about Schumer's new responsibilities. Schumer would work as a "utility man," addressing challenges as they arise.

Schumer responded: "I want to thank my colleagues for electing me vice chair of the caucus, number three in the leadership. I want to thank Harry Reid in particular for the great job he has done for us. 'Majority Leader Harry Reid' sounds really good to us and over the next two years will sound great to the American people."

Senate Democrats yesterday also elected Sen. Patty Murray (Wash.) to replace Sen. Debbie Stabenow (Mich.) as the Democratic conference secretary, previously the third-ranking post in the Democratic leadership. It will now rank fourth.

Reid appointed Stabenow chairwoman of the Democratic Steering and Outreach Committee, a post that consults on decisions over committee assignments and heads outreach to allied coalitions such as labor unions and environmental groups.

Stabenow will replace Sen. Hillary Rodham Clinton (D-N.Y.), who will assume a new minor position as vice chair of committee outreach. There, she will assist Sen. Jeff Bingaman (D-N.M.), chairman of committee outreach, in providing "a voice in the Democratic leadership for committee chairs. Clinton's appointment is curious because she, unlike Bingaman, will not chair a committee in the next Congress.

Bingaman's post as a liaison between the committees and the leadership is also new.

Schumer was still negotiating with other leaders over his new job Monday. This is the second time Schumer has used his prospective chairmanship of the DSCC as negotiating leverage with Democratic leaders. Two years ago, he nabbed a seat on the Senate Finance Committee after agreeing to forego a run for governor and instead head the DSCC. In that role, Schumer has been highly successful.

Schumer raised nearly $25 million more during the 2006 cycle than his Republican counterpart, Sen. Elizabeth Dole (N.C.). He also recruited talented candidates who defeated GOP incumbents in "red" states such as Montana, Virginia, and Ohio.

Reid reappointed several colleagues to lower-ranking leadership slots. Sen. Byron Dorgan (D-N.D.) will serve another Congress as chairman of the Democratic Policy Committee. Sen. Barbara Boxer (D-Calif.) will serve again as chief deputy whip. Sen. Blanche Lincoln (D-Ark.) will again chair the Senate Democrats' rural outreach effort.

Sens. Russ Feingold (D-Wis.), Bill Nelson (D-Fla.), and Tom Carper (D-Del.) will assist Durbin next year as deputy whips. Feingold, one of the most liberal members of the Senate, will help corral the votes of liberal lawmakers, while Carper, a centrist, will work to persuade conservative-leaning Democrats.

Carper's appointment to serve as deputy whip is a small consolation for being passed over for a seat on the Senate Finance Committee. Carper had jockeyed hard for the assignment, but he lost out to Sen. Ken Salazar (D-Colo.), who has four

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fewer years of Senate seniority. Senate insiders said Salazar leapfrogged Carper because the panel's incoming chairman, Sen. Max Baucus (D-Mont.), wanted more Western lawmakers on the committee.

Carper's fellow members of the freshman class of 2000, Stabenow and Sen. Maria Cantwell (D-Wash.), won the other two open seats on Finance.

Reid Pledges To Press Bush On Iraq Policy (WP)

By Jonathan Weisman

The Washington Post, November 15, 2006

Harry M. Reid (D-Nev.), who was elected Senate majority leader yesterday, said last night that President Bush still has not grasped the urgent need to change course in Iraq. Reid vowed to press quickly for phased troop withdrawals, a more international approach to Iraq's problems and a rebuilding of the depleted U.S. military.

In his first extensive interview since the Senate Democrats' leadership election, Reid also said members of his party will have to think big on the nation's domestic issues. That includes tackling the budget deficit with strict new rules on spending, exploring an eventual expansion of Medicare to address the uninsured, and examining an increase in tax rates on upper-income Americans.

But it was on the issue of Iraq that he was most passionate. Voter anger over the war swept his party to power with the unlikely defeat of six Republican senators, he said. Democrats must respond to that anger, he added, with hearings to keep the heat on the Bush administration, and with calls for a regional Middle Eastern conference and a revitalized Iraqi reconstruction effort.

To that end, he said, one of the first acts of the new Democratic Congress will be a $75 billion boost to the military budget to try to get the Army's diminished units back into combat shape.

Democrats will not try, Reid pledged, to play the strongest hand they have -- using Congress's power of the purse to starve the war effort of money and force the president to move. Such an effort would only elicit a veto from Bush. But he said Democrats will marshal their newly acquired power -- in hearing rooms and on the Senate floor -- to stoke public opinion and drive the debate.

"Three Americans killed yesterday, four British; 150 Iraqis taken out of that building and kidnapped; 1,800-plus went through that one Baghdad morgue but that doesn't count all the dead," Reid recounted. "My displeasure with the president, he doesn't understand the urgency of this. It's all victory for him, but I don't know what that means anymore in Iraq. I do know what we are doing now doesn't work."

Reid said he will be able to work well with Nancy Pelosi (D-Calif.), the incoming House speaker, whom he described as resilient and "a very astute politician." But he said the Senate will work differently from the House, given the Senate Democrats' very narrow 51 to 49 majority, which will necessitate close cooperation with Republicans.

"The speaker of the House has to be aggressive," Reid said. "It's like the British Parliament. If you've got the votes, you ram it through. But the Senate works differently."

Democrats also elected Sen. Richard J. Durbin (Ill.) yesterday as assistant Senate majority leader. Durbin has been assistant minority leader since January 2005. Senate Republicans will elect their leaders for the 110th Congress today.

In January, after two years as a Senate minority leader who bedeviled the Republican legislative agenda and sharply criticized Bush, Reid will take the helm of a body that has been notoriously difficult to control.

To the casual observer, Reid comes across as a reserved, soft-spoken, deferential politician who appears more comfortable in the backrooms of the Capitol than in the spotlight. But to those who have watched him close up, Reid's reputation is quite different -- that of a brawler who moves with the alacrity he acquired in his days as an amateur boxer.

The consummate pessimist in a political world full of sunny optimism, Reid is fond of saying that he would rather expect the worst and accept the occasional pleasant surprise than forever live with disappointment.

Reid, 66, came by his dour outlook honestly. He grew up in a tin-roofed shack in the gold-mining hamlet of Searchlight, Nev. His father was a hard-rock miner and a hard drinker whose battles with alcoholism and depression ended in suicide at age 58. His mother was a laundrywoman. Reid hitchhiked to high school 40 miles from home.

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Upon graduation, local merchants raised money for his college tuition. He helped put himself through George Washington University Law School, working nights as a U.S. Capitol police officer.

But most of Reid's adult life has been in politics, becoming city attorney in Henderson, Nev., in 1964; a member of the Nevada State Assembly in 1968; and lieutenant governor in 1970. He clashed with the mob as head of the state's Gaming Commission, then went to the House in 1982. He reached the Senate in 1986.

In that time, he has been beset by controversies that continue to pose political problems for him. A $400,000 land purchase in Clark County, Nev., that Reid made in 1998 with a friend and business partner grabbed headlines in October when the senator had to amend four years of ethics reports to Congress to more fully explain the transaction. The sale brought in $1.1 million, netting a $700,000 profit in six years.

"Windfall?" he bristled yesterday. "I shouldn't have sold it. That was my big mistake. You know what that property is worth now? Thirteen million dollars."

This week, the Los Angeles Times published a report suggesting that the $18 million that Reid secured for a bridge connecting Laughlin, Nev., to Bullhead City, Ariz., may have boosted the value of land Reid owns nearby. Again, Reid scoffed at any hint of wrongdoing. The bridge, he said, is needed because heavy truck traffic has been limited on the Hoover Dam since the attacks of Sept. 11, 2001. The land in Arizona has been in his family since the 1960s, he added, noting that he has never seen it, much less thought of boosting its value. He said that it could take until 2013 to build that bridge.

Last month, the National Republican Senatorial Committee cited the controversies around Reid as it goaded Democratic candidates to return the party leader's campaign donations.

Reid's loyalty to the mining industry, which plays an important role in his state's economy, has created run-ins with fellow Democrats who seek to raise royalty fees on federal land and impose stronger environmental standards. He also opposes abortion rights, a position derived from his Mormon religion, which has put him at odds with many other Democrats.

Yet, Senate Democrats have strong faith in their leader.

"We went through combat together; and when you go through combat together, you learn everything," said Sen. Charles E. Schumer (N.Y.), who heads the Democratic Senatorial Campaign Committee, which helped Democrats take control of the Senate.

In the run-up to the Nov. 7 midterm elections, Democrats kept their legislative agenda carefully circumscribed to a set of initiatives that conservatives, moderates and liberals could all agree on. But in yesterday's interview, Reid hinted that Democrats will have to go further to address what he sees as the widening gap between rich and poor, and a middle class squeezed by health care costs and rising tuition.

Budget rules will be passed to require that any new spending or tax cuts will have to be offset by equal spending cuts or tax increases, he said.

"We can do this," he added. "People might not like what we do," but Democrats will stick to the rules.

He pledged an "unalterable commitment" not to touch the middle-class tax cuts Bush secured in his first term. But he said Democrats "would be crazy" to rule out rolling back tax breaks that benefited the top 1 percent of earners. He also spoke volubly about federal health-care programs for the elderly and for veterans that he said should be a model as Congress looks to address the growing problem of the uninsured.

"We have to look at the uninsured because it's bankrupting our country," he said.

Asked about a proposal floated by former president Bill Clinton to expand Medicare for those who could buy into it, Reid said, "we're not there yet," but he added that it should be studied.

"Someday, someday," he said, "what we have to do is cinch up our belts and take on the insurance industry."

Exultant Chuck Says He'll Veto The Next Alito (NYO)

By Jason Horowitz

New Yourk Observer, November 15, 2006

More than the inability to influence Iraq policy or the President's tax cuts, Chuck Schumer says that the single greatest failure of the Democrats as an opposition party was allowing Samuel Alito to join the Supreme Court.

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"Judges are the most important," said Mr. Schumer, who orchestrated the implausible Democratic takeover of the Senate last week. "One more justice would have made it a 5-4 conservative, hard-right majority for a long time. That won't happen."

From now on, all the President's judicial appointments will need to meet the requirements of Mr. Schumer, the Park Slope power broker who has happily accepted the mantle of chief architect for the Democrats' effort to build a majority for the 2008 elections and beyond.

The Senator also intends, in the coming months, to rework the federal government's funding priorities in New York's favor, to steer the Democrats toward a radically new position on Iraq and, while he's at it, to cement his position as the unofficially declared tactical guru for the national party.

And in case anyone's wondering, yes, Mr. Schumer is entirely comfortable with this sort of power.

With his Gold Toe–stockinged feet dangling, the 55-year-old slumped in his armchair on Friday morning as if it were a leather throne. On his apartment's front door, a neighbor taped up a front page of The New York Times heralding the Democrats' success and scrawled "Congratulations Schumers!" across the cover.

The candidates that Mr. Schumer recruited, groomed and bankrolled had won a comprehensive victory over the incumbent Republicans, giving the Democrats a narrow majority in the Senate to complement a rout in the House. Since the election, Mr. Schumer has been awash in attention from the media, his Democratic colleagues and even from the President, who called, quite sportingly, soon after the results were finalized.

For Mr. Schumer, who was installed on Tuesday as Vice Chairman of the Democratic caucus and officially reinstated as head of the DSCC, the attention couldn't be coming at a better time.

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"I am writing a book, about how to build a permanent—a long-term majority," Mr. Schumer said during an early-morning interview in the pink den of his apartment near Grand Army Plaza. He sat between a view of lower Manhattan and portraits of Democratic icons Franklin Delano Roosevelt and Al Smith. "I generally have an eye toward longer-term strategy and politics, and I think my colleagues rely on me for that."

His book, Positively American: Winning Back the Middle Class Majority One Family at a Time, will be released right around the President's State of the Union address, and will fit neatly into the role that Mr. Schumer now envisions for himself as tactician in chief for the newly ascendant Democrats.

"I've always had some influence, and I guess now, because of what we've been able to accomplish, I have some more influence," Mr. Schumer said. "So when I say we shouldn't do this or we should do that, I guess people will pay a little more attention. Or go along with it, even if they don't agree."

Certainly, the party wasn't united behind Mr. Schumer's election strategy this year. He championed a traditional approach: directing the bulk of the party's financial and logistical resources toward handpicked candidates in a few competitive races. Howard Dean, who heads the Democratic National Committee, advocated a "50-state strategy," spreading money around toward the longer-term goal of making the party viable even in areas that have been Republican strongholds.

After the victory—the Democrats picked up six Republican-held seats and defended every Democratic one—Mr. Schumer hardly seemed ready to concede the point.

"Fifty-state is a good thing to do, but it didn't help us in this election," said Mr. Schumer. "My only disagreement with Howard is that he should help us fund taking back the majority, because it would make a difference with things like the Supreme Court. And he came through—he ended up giving us $7.5 million. We tried the honey approach rather than the vinegar approach, and it worked."

Pelosi Pulls Out The Stops For Murtha (HILL)

By Josephine Hearn

The Hill, November 15, 2006

Speaker-to-be Nancy Pelosi (D-Calif.) is imploring her colleagues to support Rep. John Murtha (D-Pa.) for majority leader, multiple House Democrats said yesterday, dealing an unexpected but not necessarily fatal blow to Murtha's opponent, Rep. Steny Hoyer (D-Md.).

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It had been unclear until yesterday whether Pelosi would use her clout to turn votes to Murtha. She endorsed him in a letter Sunday, but some dismissed it as a nod to personal loyalty rather than a statement of her intentions.

But by yesterday, her intent was clear, several lawmakers said; she hopes to oust her onetime rival Hoyer from the leadership.

"She's committed. If they thought she was just going to endorse his candidacy, they were mistaken," said Rep. Bill Pascrell (D-N.J.), a Murtha ally. "She didn't have to do this. It's called courage."

By throwing her full weight behind Murtha, Pelosi risks suffering an early setback with her colleagues if Hoyer wins; however, a Murtha victory would cement her total control.

Pelosi called incoming Ways and Means Committee chairman Charles Rangel (D-N.Y.) yesterday morning just hours after he had told the New York Sun, "I think Steny has done his job. I cannot think of any reason why this is happening," prompting the paper to run the headline "Rangel Backs Hoyer for Leader."

"I don't know what article she had seen, but she had thought it was an endorsement of Steny," Rangel said.

Rangel told her it was not an endorsement but reiterated his earlier statement that "nobody had given me any reason not to support Steny."

Rangel would not discuss the details of his conversation with Pelosi, but he said that that statement remained true even after their conversation. "I'm not supporting anyone right now," he said.

Yet nine other incoming full committee chairmen are supporting Hoyer. Reps. John Dingell (D-Mich.), Barney Frank (D-Mass.), Bart Gordon (D-Tenn.), Jim Oberstar (D-Minn.), Tom Lantos (D-Calif.), John Spratt (D-S.C.), Ike Skelton (D-Mo.), Bennie Thompson (D-Miss.) and Henry Waxman (D-Calif.) signed a letter yesterday backing Hoyer.

"There simply is no question: Nancy and Steny have been a terrific team … we believe that Nancy and Steny not only deserve great credit for bringing us to this point, but also will be the best team to lead our caucus as we move forward in the majority," they wrote.

Murtha and Pelosi were working the crowd together Monday night at Murtha's reception at the Library of Congress.

The two of them spoke to Rep.-elect Tim Walz (D-Minn.), who said afterward that he was "still undecided" but appeared to be leaning toward Murtha.

"To be honest, I was waiting for the Speaker," Walz said. "When the Speaker speaks, you listen. I take that into heavy consideration."

Still other freshmen remained steadfast in their support of Hoyer despite intense lobbying by Murtha's allies. Reps.-elect Ron Klein (D-Fla.), Kathy Castor (D-Fla.) and Phil Hare (D-Ill.) were vigorously supporting Hoyer yesterday.

Klein said the new members were ready to have the issue decided.

"I think most of the freshman class [supports bringing] this forward. Get this done and let's get on to business," he said.

Rep. Paul Kanjorski (D-Pa.) said he hoped Pelosi's endorsement would have an effect, "especially on freshmen."

The intense lobbying has put some freshmen in uncomfortable situations. The Murtha camp was infuriated Friday when Rep.-elect Paul Hodes (D-N.H.) signed a letter with other freshmen supporting Hoyer, charging that Hodes had told them he would remain uncommitted.

"I really can't comment on what anybody else thought," Hodes said yesterday. "I consider my word as my bond and I am continuing to support Congressman Hoyer."

Rep. Jim Moran (D-Va.), a Murtha supporter, said Monday night that Pelosi is playing for keeps.

"She will ensure that they [the Murtha camp] wins. This is hardball politics … We are entering an era where when the Speaker instructs you what to do, you do it," he said. "Yes, she's making calls to people. She is contacting people and letting them know that it's an unequivocal letter."

Hoyer's camp was aware of the calls, said one lawmaker supporting the Democratic whip.

"She's making calls, so don't be shocked," the lawmaker said.

Another House Democrat supporting Hoyer was incensed that Pelosi was exerting her influence in the caucus, asserting that it will further divide House Democrats.

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"It's an incredible display of hubris," the member said, using a phrase Pelosi herself sometimes employs. "It's incredibly egotistical. We all got us here. We all got us to the promised land and Steny's not going to the promised land?"

The member said regardless of who ultimately wins the Thursday election, the effect of Pelosi actively getting involved in the race would reverberate for some time.

"Either way, it's damaging," the member said. "She will have a tremendous road to hoe to repair the damage she's done."

Leader Race Heats Up (RC)

By John Bresnahan And Jennifer Yachnin

Roll Call, November 15, 2006

The race for House Majority Leader between Democratic Reps. Steny Hoyer (Md.) and John Murtha (Pa.) got nasty on Tuesday, as Murtha accused Hoyer's allies of spreading allegations that he was corrupt while Murtha tried to tie Hoyer to President Bush's policy on Iraq.

The back-and-forth between the two senior Democrats came as Hoyer released the names of another 35 supporters, bringing the total number of Members who have backed him for the second-highest position in the House to roughly 80. Murtha has released the names of 22 of his his supporters, meaning approximately 130 Democrats have not openly stated their preference at this point. Murtha would have to capture the vast majority of those undeclared Members to claim victory in the leadership campaign.

Murtha avowed Tuesday that he was a victim of "swift-boating" by Hoyer and his allies via news stories linking him to the Abscam scandal of the early 1980s, as well as more recent reports that he did legislative favors for clients of his brother's lobbying firm and another firm where a former top aide worked.

In the Abscam case, Murtha was caught on videotape being offered a $50,000 bribe by an undercover FBI agent, and although he was a member of the House ethics committee, he failed to report the bribe offer to authorities. Murtha was never charged in the case but was named an unindicted co-conspirator. Six Members and one Senator went to prison in the Abscam probe.

While not accusing Hoyer of spreading the corruption stories himself, Murtha and his advisers suggested that Hoyer had done "oppo research" on the veteran lawmaker and was now feeding negative information on Murtha to the press to damage the Pennsylvania Democrat's campaign for Majority Leader.

"I am disconcerted that some are making headlines by resorting to unfounded allegations that occurred 26 years ago," Murtha said in a statement released by his office. "I thought we were above this type of swift-boating attack. This is not how we restore integrity and civility to the United States Congress."

Murtha then attempted to shift the focus of the leadership battle from ethics to Iraq. Murtha asserted that Hoyer refused to back a November 2005 proposal from Speaker-to-be Nancy Pelosi (D-Calif.) and other anti-war Democrats, including Murtha, to pull all U.S. troops out of Iraq.

"Of the critical issues we are faced with today, the war in Iraq is the most crucial," Murtha said. "The Pelosi-Murtha position on the war is the reason the Democrats are in the majority today. Congressman Hoyer's position has been to stay the course with President Bush from the very beginning and, like Sen. John McCain (R-Ariz.), he advocates sending in more troops."

Hoyer refused to personally address Murtha's comments at a press conference on Tuesday, but his office later released a statement pointing out that the Maryland Democrat had co-signed three letters in recent months along with Murtha calling for American forces to be redeployed from Iraq to other countries.

When asked about Murtha's remarks on his Iraq stance, Hoyer said, "That's not accurate."

"Congressman Hoyer and Congressman Murtha have joined other Democratic leaders from both the House and Senate in signing three letters to the president that outline the consensus among Democrats regarding Iraq," added Stacey Farnen Bernards, Hoyer's press secretary.

"Any representation that Congressman Hoyer endorses a 'stay-the-course' strategy or advocates sending more troops to Iraq is wrong."

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However, on Nov. 30, 2005, Hoyer released a statement saying that "a precipitous withdrawal of American forces in Iraq could lead to disaster, spawning a civil war, fostering a haven for terrorists and damaging our nation's security and credibility." Hoyer even suggested that additional U.S. troops may have to be sent to the troubled country last year, according to documents still posted on his Web site.

By July 30, 2006, when the first Democratic leadership letter went to Bush, Hoyer had joined with other party leaders in rejecting the "stay-the-course" approach for Iraq. Similar letters were sent to Bush in September and October, and both Murtha and Hoyer co-signed them.

While Tuesday was dominated by the skirmishing over Iraq and corruption, Hoyer continued to publicly demonstrate a broad base of support throughout the Democratic Caucus, releasing a letter from 33 moderates endorsing his candidacy for Majority Leader.

Hoyer also received an important endorsement from Rep. Charlie Rangel (N.Y.), incoming chairman of the powerful House Ways and Means Committee.

But Murtha's supporters continue to claim their man will win in the end, and they caution against reading too much into Whip counts with two days still left in the race.

"He is going to shock everybody," said Rep. Mike Capuano (Mass.). "Don't count Jack out of anything."

One unanswered question is how far Pelosi will go in campaigning on Murtha's behalf following her endorsement of him on Sunday. She is speaking to incoming Democrats about Murtha's candidacy for Majority Leader, according to several Democratic sources, but it does not appear that she is lobbying veteran Democrats at this point. Those in Hoyer's camp continue to claim that Pelosi's statement had relatively little impact on the race so far, and they predict that Murtha cannot win unless Pelosi engages in a full-scale campaign to push him into the post.

Members "greatly respect Nancy Pelosi's leadership, but most of them have made commitments to Hoyer," said Rep. John Dingell (Mich.), who already has publicly endorsed Hoyer.

"I think Hoyer is the best," Dingell added, but declined to discuss whether he was actively lobbying Members on his behalf, stating only: "I am not being shy in saying so."

Another Democratic lawmaker who is backing Hoyer, but spoke on the condition of anonymity citing the sensitive nature of House leadership elections, said lobbying efforts were evident on the House floor earlier this week.

"No one knows the impact of the Speaker-to-be's intervention in the race," the lawmaker added.

But a second Democratic lawmaker, who is also supporting Hoyer in the leadership battle suggested that aggressive "bullying tactics" — involving the loss or award of valuable committee assignments — employed Tuesday have roiled some lawmakers.

"The anger is based on the fact that we should have never been in this position," the Member said. "If [Pelosi] doesn't get this under control soon, it will be her fault."

Rep. Bill Pascrell (N.J.), who issued a "Dear Colleague" letter in support of Murtha on Tuesday, asserted that the questions over Murtha's personal ethics are unfair, although he acknowledged the charges have drawn unwanted media attention to Murtha's past.

"It is an obvious distraction," Pascrell said, holding a folder bearing Murtha's image against a patriotic background, embossed with the words: "John Murtha: Leadership That Makes a Difference."

"To me, he's a man of integrity," Pascrell added.

Another Democratic lawmaker who has endorsed Murtha asserted that the allegations have failed to tarnish the Pennsylvania lawmaker in his own elections, and are unlikely to do so now.

"I think it ought to be instructive to people that none of that has stuck," the lawmaker said.

But one of the Democrats backing Hoyer suggested that highlighting those issues still could be effective.

"The fear among a number of Members is there could be revelations after the [leadership] election," the Democrat said.

Despite mulling the possibility for several days, Rep. Diana DeGette (Colo.) announced Tuesday that she will not campaign for the Majority Whip's office.

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With the Colorado lawmaker's decision, it is expected that Caucus Chairman James Clyburn (S.C.), the only declared candidate for the post, will easily win the in the Thursday leadership elections.

"She felt it was in the best interest of the Caucus," said a DeGette spokesman. "Another divisive race was not needed." DeGette is currently the one of seven Chief Deputy Minority Whips.

Although Democratic Congressional Campaign Committee Chairman Rahm Emanuel (Ill.) had been expected to seek the Majority Whip office, at the urging of Pelosi, he agreed to instead seek the Caucus chairmanship.

G.O.P. In House Gears Up For New Leadership Fight (NYT)

By Carl Hulse

The New York Times, November 15, 2006

WASHINGTON, Nov. 14 — House Republicans may be divided and dispirited as they prepare to choose new leadership this week, but they seem to agree on the chief qualification they seek in the leader of the new minority party.

"We need the person who can get us back in the majority the fastest," Representative Jeb Hensarling of Texas said.

Still in shock over losing their 12-year-old majority to Democrats, House Republicans are engaged in their second leadership fight in a year, this one part of a soul-searching over how they lost the election and what they can do about it.

The current majority leader, Representative John A. Boehner of Ohio, the top candidate for minority leader, said Republicans focused too much on simply retaining power.

Arival, Representative Mike Pence of Indiana, said Republicans needed to return to their small-government ideology.

Another rival, Representative Joe L. Barton of Texas, said House Republicans had to restore a more open leadership style with increased involvement from the rank and file.

All want the reversal in fortune to be temporary and say they can be the strongest foil for Democrats who will have to deliver legislative results and in two years defend seats gained this year in Republican territory.

"What is the job of Republican leader in the minority?" Mr. Boehner asked colleagues in a letter that boiled it down succinctly. "It's to hold the job for as short a time as possible."

While Republicans struggled to select their leaders, House Democrats focused on their own fight for majority leader as Steny H. Hoyer of Maryland released the names of new supporters. They brought his publicly disclosed total to more than 70 out of the 118 or so required, depending on whether Democratic candidates awaiting recounts are allowed to vote.

His rival, John P. Murtha of Pennsylvania, on Tuesday accused critics of his ethics record of "Swift-boat style" attacks and questioned the depth of Mr. Hoyer's opposition to the Iraq war.

Mr. Murtha has far fewer public endorsements than Mr. Hoyer. But he has one very significant one, that of incoming Speaker Nancy Pelosi of California. Ms. Pelosi appeared at a reception that Mr. Murtha held on Monday night for new Democrats and pressed colleagues to support her candidate on Tuesday.

After a watchdog group criticized Mr. Murtha on Monday for past ethics lapses and new attention focused on his involvement in the Abscam scandal in 1980, he said that he was "disconcerted that some are making headlines by resorting to unfounded allegations that occurred 26 years ago."

Mr. Murtha was never charged.

Mr. Hoyer told reporters, "The majority of the members are for me."

He disputed Mr. Murtha's portrayal of his stand on the war, saying he had a central role in developing the Democratic leadership's consensus position that questions the war.

In the Senate, Republicans faced a new contest as a former Republican leader, Trent Lott of Mississippi, sought a comeback by seeking the No. 2 position, minority whip, in an election on Wednesday. Mr. Lott will be challenging Senator Lamar Alexander of Tennessee.

Mr. Alexander said he had sufficient commitments to win, but Senate Republicans may be newly attracted to the tactical expertise of Mr. Lott, who was forced out in 2002 after a racially insensitive comment.

Senate Democrats formalized their new leadership structure, naming Harry Reid of Nevada as majority leader and retaining Senator Richard J. Durbin of Illinois in the No. 2 slot.

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In a reward for his work in capturing the Senate, a new No. 3 post, vice chairman of the party conference, was created for Senator Charles E. Schumer of New York. Mr. Schumer will again head the Democratic Senatorial Campaign Committee.

The House Republican fight was initiated by Speaker J. Dennis Hastert's decision to leave the leadership when control shifts to the Democrats in January. But considering the losses for House Republicans, it was inevitable that some lawmakers would call for a shakeup.

"Given the beating we took, there has to be a reckoning," said Representative Steve King, Republican of Iowa, who is supporting Mr. Pence and his fellow conservative, John Shadegg of Arizona, for the No. 2 slot.

Mr. Boehner, the affable veteran chosen at the beginning of the year to succeed Tom DeLay, is widely considered the favorite for his managing the House for the last year and for his work to limit Republican losses in Ohio, his home state.

Mr. Boehner has urged his colleagues to confront the reasons behind their losses, regroup and try to offer a "compelling alternative" to the Democrats. Mr. Pence, who has led the House conservative wing, argues that Republicans need to attack the spending increases under the Republican majority and work harder to differentiate themselves from the opposition. In a conference call with Internet bloggers on Tuesday, Mr. Pence said he would aggressively push back against the White House if he believed that the administration was wrong.

"As Moses said famously, I've been burned by a Bush before," said Mr. Pence, who is viewed by his supporters as being a strong communicator who could carry the party message.

Mr. Barton, a surprise entry in the race, will try to build on his support from fellow Texans and members of the Energy and Commerce Committee, which he has led. He promised to have an "open door policy" that guarantees every Republican the chance to meet directly with the leader each week, and he wants to be more aggressive in policing suspected misconduct, an issue that dogged Republicans in this election.

In the race for the second spot, Mr. Shadegg is challenging Representative Roy Blunt of Missouri, the current whip, who lost the contest for majority leader to Mr. Boehner this year.

Many House Republicans say that Mr. Blunt can hold his post, but that the wild card will be whether the party sees the need for a major change in leadership if Mr. Boehner holds on to the top spot.

House Democrats Trade Iraq Charges (LAT)

By Noam N. Levey And Richard Simon

The Los Angeles Times, November 15, 2006

WASHINGTON — Injecting the Iraq war into the escalating fight for the No. 2 spot among House Democrats, Rep. John P. Murtha of Pennsylvania on Tuesday attacked his opponent for not backing a push last year for withdrawal of U.S. troops.

Rep. Steny H. Hoyer of Maryland disputed the criticism of his position on the war. Murtha's charge was an effort to turn an antiwar message central to Democratic gains at the polls last week into a wedge issue in determining the party's leadership as it prepares to take control of the House in January.

Murtha's broadside also raised the prospect that the showdown with Hoyer for the majority leader's post would have a larger ideological element than often is the case. Usually, the leadership contests turn more on matters of personality and style than issues.

House Democrats are scheduled to select their leaders for the next Congress on Thursday.

The Murtha-Hoyer contest already was an acrimonious note amid the joy among House Democrats after they picked up more than two dozen seats in the midterm election.

Rep. Nancy Pelosi of San Francisco, who as the head of House Democrats is in line to become the chamber's speaker, surprised some of her colleagues by publicly endorsing Murtha over the weekend.

Hoyer has served as Pelosi's chief lieutenant in the Republican-controlled House and has enjoyed broad support in his bid to continue in that role as majority leader. But Pelosi and Hoyer have never been close, though Murtha is a longtime Pelosi ally.

Murtha, a former Marine and staunch supporter of the military, gained national attention a year ago when, at a Capitol Hill news conference, he excoriated the Bush administration's policies in Iraq and called for troop withdrawal to begin.

Hoyer was not among the Democrats who rallied to his side, and that formed the basis of Murtha's criticism Tuesday.

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A statement issued by Murtha's office said, "The record is clear: Jack Murtha has been a constant voice for change in Iraq and Steny Hoyer has not."

A Murtha spokesman added that the lawmaker's position on the war, backed by Pelosi, "is the reason the Democrats are in the majority today" in Congress. "Hoyer's position has been to 'stay the course' with President Bush from the very beginning."

A Hoyer spokeswoman dismissed Murtha's accusation, saying, "Any representation that Congressman Hoyer endorses a 'stay-the-course' strategy or advocates sending more troops to Iraq is wrong."

Later on Tuesday, Hoyer's office released a letter of support for him in the leadership race from nine senior Democratic House members who are expected to become powerful committee chairmen in January. They included Ike Skelton of Missouri, who is expected to lead the House Armed Services Committee, and Tom Lantos of Burlingame, the likely head of the House International Relations Committee.

The House GOP also face an ideological choice when they select leaders Friday.

Rep. John A. Boehner of Ohio, who took over as majority leader after Rep. Tom DeLay of Texas resigned, is battling to retain his leadership post. But the party's election losses are helping fuel a challenge by Rep. Mike Pence of Indiana, seen by many as a more doctrinaire conservative than Boehner.

Senate Democrats, facing none of the jockeying that is dividing House members, on Tuesday quickly selected Nevada's Harry Reid to be the new majority leader and Illinois' Richard J. Durbin to serve as his deputy.

The two men — with New York Sen. Charles E. Schumer, who will assume the leadership's No. 3 position — played key roles in engineering the party's election-day gains that surprised most experts and gave it the majority in the next Senate.

Democrats also designated their new committee chairs, with California's two senators among them. Barbara Boxer will head the Environment and Public Works panel; Dianne Feinstein will head the Rules Committee.

On the other side of the aisle, Republicans will choose their new Senate leader today. Kentucky Sen. Mitch McConnell, who served as majority whip under outgoing Senate Majority Leader Bill Frist of Tennessee, faces no competition in his bid to become minority leader. Sen. Trent Lott of Mississippi is challenging Sen. Lamar Alexander of Tennessee for the No. 2 post.

Choosing Murtha Is No Way To Start The Most Ethical Congress (RC)

By Norman Ornstein

Roll Call, November 15, 2006

Speaker-to-be Nancy Pelosi (D-Calif.) has done nearly everything picture-perfectly right since the elections swept her into imminent power. From her statements the night of the elections to those the day after, to her approach to the new House to her adroit handling of possible leadership turmoil over the Majority Whip, Democratic Caucus chairmanship and vice chairmanship, she has said and done the right things and acted with finesse to prepare for her Speakership.

I know she means it when she says that she will change the way the House operates, making it more transparent, more honest, more deliberative and more productive. She has spine, drive, intelligence and the passion to be a historic figure in more ways than one.

I winced only a little when she said in a burst of election-eve exuberance that under her leadership, the 110th Congress would be the most honest and ethical in history; that is a rather high bar to set and then successfully leap. But having set that standard, it is fair to bring it up as the House Democrats consider the one intraparty contest Pelosi did not avert — the race for Majority Leader. Now that the contest between Reps. John Murtha (Pa.) and Steny Hoyer (Md.) is on full-bore, I want to elaborate on some comments I made in a column in mid-October, when most Members were not around and the incoming freshmen were just candidates.

There is one thing every House Democrat must do before going into the Caucus to cast that vote for Majority Leader: Go to video.google.com, search for “American Spectator John Murtha,” and then take 53 minutes and 40 seconds to watch the video that comes up.

It is a Jan. 7, 1980, video taken by the FBI during the Abscam sting, and it shows Murtha meeting with agents disguised as Middle Eastern businessmen running an outfit they called Abdul Enterprises and offering cash for political favors, including asylum for one posing as an Arab sheik. They offered $50,000 in cash to Members of Congress for helping them, and a number

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of Members took the money eagerly. One Senator and six House Members ultimately were convicted of charges including bribery and conspiracy.

Murtha was one of the lawmakers targeted by the FBI. He ultimately was not charged after he cooperated with the FBI and helped implicate some of the other Members. The ethics committee voted along party lines not to bring ethics charges against him — causing the panel's special counsel, E. Barrett Prettyman Jr., to resign in protest. Murtha since has talked proudly about how he resisted the offers of cash for favors, portraying himself as a hero.

Watch the video, read the transcript and you will see a different story. The Murtha talking to the FBI did refuse to take the money — but here is what he said: "I want to deal with you guys a while before I make any transactions at all, period. ... After we've done some business, well, then I might change my mind."

Murtha spent some time trashing the legislative abilities of his colleagues to whom the "sheik" had already talked, boasting of his own skills.

"I'm going to tell you this. If anybody can do it — I'm not B.S.-ing you fellows — I can get it done my way," he bragged. "There's no question about it."

Why not take the money? "All at once," he said, "some dumb bastard would go start talking eight years from now about this whole thing and say, 'Jesus Christ, this happened.' Then in order to get immunity so he doesn't go to jail, he starts talking and fingering people. So the [S.O.B.] falls apart."

After some back-and-forth about how much money might be involved, Anthony Amoroso, one of the disguised FBI agents, offers $50,000. Murtha responded: "I'm not interested."

Amoroso: "OK."

But Murtha did not stop there. He added: "At this point, you know, we do business together for a while. Maybe I'll be interested and maybe I won't. ... Right now, I'm not interested in those other things. Now, I won't say that some day, you know, I, if you made an offer, it may be I would change my mind some day."

I must confess I had forgotten about Murtha's role in Abscam, vaguely remembering that he had been one of those involved but not charged. The full transcript of his video, and the video itself, had not been available in the past. They now are — courtesy of The American Spectator and some right-wing blogs. It doesn't matter where the video comes from, of course — only that it is legitimate. It is not a pretty picture, in any way.

OK, this was more than 25 years ago; people change. So let's fast-forward to May 2006. The House Republicans brought up a lobbying and ethics reform package that was a bad joke — one that appalled and embarrassed even many of their own Members. The rule on the package was the typical one from the Rules Committee — no meaningful amendments allowed. But before the vote on final passage, there was a vote on a motion to recommit with instructions, which became a vote on a much more robust and meaningful Democratic alternative. To newcomers to the House: The motion to recommit with instructions usually is a joke itself — framed by the majority leadership not as a real alternative but as a procedural vote that demanded party unity in opposition.

The ethics package was the only occasion in which more than a tiny handful of Republicans bucked their leaders and voted for the Democratic alternative — 20 of them did so in this case, providing an opening for a real reform to pass the House. Except that four Democrats voted against their own party, killing ethics and lobbying reform all by themselves. Among them: John Murtha. Why? We recently learned from The New York Times that Murtha traded away lobbying and ethics reform in return for earmarks from the Republican leaders.

Murtha is a skilled and experienced legislator, a war hero and an articulate and passionate opponent of the Bush administration policy toward Iraq. He also is deeply ethically challenged. Electing him as Majority Leader is no way to start out the most ethical Congress in history.

Norman Ornstein is a resident scholar at the American Enterprise Institute.

Some Defense Lobbyists See Win In A Murtha Loss (HILL)

By Roxana Tiron

The Hill, November 15, 2006

DOJ_NMG_0094556

Some defense lobbyists who have worked with Rep. John Murtha (D-Pa.) are hoping that Murtha loses his high-profile majority leader race against Rep. Steny Hoyer (D-Md.).

Murtha, the ranking member of the defense appropriations subcommittee, is a longtime favorite of the defense industry, which has contributed significantly to Murtha's campaign war chest.

While Murtha would stay a strong ally to the defense industry as majority leader, several lobbyists said in recent days — as the competition for the No. 2 House position has intensified — that they would much rather see Murtha hold the gavel of the defense appropriations subcommittee. As such, he would have direct influence on the industry's interests.

Rep. Norm Dicks (D-Wash.), a Boeing proponent who would replace Murtha as chairman of the defense appropriations subcommittee, is also considered a friend of the industry. However, Murtha shells out far more earmarks.

As majority leader, Murtha would be under the spotlight with every move the Democrats make to reform ethics and lobbying practices. Murtha voted against the House Democratic substitute on lobbying reform and has strongly defended the use of earmarks.

In a Sept. 29 C-SPAN "Newsmakers" interview, Murtha said, "… just because a member wants something that is beneficial to their district or to the country in many cases, I don't define that as earmarked."

Murtha has also been known to trade earmarks for votes on the floor, which has become a regular practice in Congress.

In the wake of the former Rep. Randy "Duke" Cunningham (R-Calif.) scandal – which centered on defense earmarks – some believe that earmark use will drop significantly in the new Congress.

"There is going to be some reduction in the number of earmarks, there is going to be greater scrutiny, which is going to yield a much better product," said Steve Ellis of Taxpayers for Common Sense. "We would much rather see a system, which is a meritorious system."

The Democratic leadership is expected early next year to introduce much of the Honest Leadership and Open Government Act, which it unveiled last January.

Several lobbyists said that they feel they are taking the hit for a few bad apples. Some are balking at the proposed public disclosure of lobbying activities, which under the Democrats' proposal requires lobbyists to file quarterly reports with more information than is required now, including campaign contributions, fundraisers and other events and the name of each member contacted.

"If lobbyists are required to put on their lobbying reports their fundraising activity and the offices that we go to, it would be impossible for any of these members to solicit money from any of these lobbyists that lobby their office," said one defense lobbyist.

"It hurts us as well as it hurts them and it hurts the process. Lobbyists are an essential part of the process. We serve a very important function and that should not be overlooked," the lobbyist added.

Some have said that it may be harder to meet new members, and if they hold fundraisers for them at the beginning of the year, when the budget comes out, that fundraising could be interpreted as a quid pro quo.

The American League of Lobbyists (ALL) yesterday called on Congress to proceed cautiously with lobbying legislation. Watchdog groups, meanwhile, are pushing hard for far-reaching reform bills.

"We're concerned that the message being sent by members of the new Congress about the lobbying profession is unfairly negative," said Paul Miller, ALL president. "Lobbyists should not once again become the target of overreaching reforms that won't achieve a goal of openness and transparency."

Miller also said that new legislation is not necessary and that rules changes in the House and Senate would be sufficient.

Under the Democratic plan, lobbyists would also be barred from arranging, sponsoring and participating in trips for lawmakers. But one defense lobbyist said that could backfire as legislators may resort to military flights if they want to visit a site, thereby charging the taxpayer.

Unfit For Majority Leader (WP)

By Ruth Marcus

The Washington Post, November 15, 2006

DOJ_NMG_0094557

The videotape is grainy, dark and devastating. The congressman and the FBI undercover agents -- the congressman thinks they represent an Arab sheik willing to pay $50,000 to get immigration papers -- are talking business in the living room of a secretly wired Washington townhouse.

Two other congressmen in on the deal "do expect to be taken care of," the lawmaker says. But for the time being -- and he says repeatedly that he might change his mind and take money down the road -- he'd rather trade his help for investment in his district, maybe a hefty deposit in the bank of a political supporter who's done him favors.

"I'm not interested -- at this point," he says of the dangled bribe. "You know, we do business for a while, maybe I'll be interested, maybe I won't, you know." Indeed, he acknowledges, even though he needs to be careful -- "I expect to be in the [expletive] leadership of the House," he notes -- the money's awfully tempting. "It's hard for me to say, just the hell with it."

This is John Murtha, incoming House speaker Nancy Pelosi's choice to be her majority leader, snared but not charged in the Abscam probe in 1980. "The Democrats intend to lead the most honest, most open and most ethical Congress in history," Pelosi pledged on election night. Five days later she wrote Murtha a letter endorsing his bid to become her No. 2.

Not the most promising start.

For years Murtha has relied on the Abscam bottom line to argue that the case is not a problem for him: He wasn't indicted. But he was named a co-conspirator in the bribery scheme. The feckless House ethics committee didn't take action against him, though the outside investigator it hired quit in disgust after the panel rejected his recommendation to file misconduct charges.

"I am the guy that didn't take the money," Murtha said this summer when his opponent raised the issue.

Yes, but: He's the guy who, brought into the deal by two other House members -- Frank Thompson (D-N.J.) and John Murphy (D-N.Y.) -- agreed to meet with men offering money in return for official action. He's the guy who knew these two colleagues expected a payoff and even vouched for them with the would-be bribers ("Both of them are solid.").

He's the guy who, when offered a bribe, still wanted to do a deal. "I'm delighted to do business with him and do every goddamn thing I can within bounds, you know, so I don't get myself in jail, in order to get him into the country and whatever needs to be done," he says on the video, unearthed by the conservative American Spectator. (You can watch at http://www.spectator.org/.) He's the guy who -- as a member of the House ethics committee-- did nothing to stop the scheme.

Sorry, but I'm not buying Murtha's argument that he's the victim of a "Swift-boating attack" over "unfounded allegations that occurred 26 years ago." On its own, Murtha's Abscam conduct is disqualifying.

Even if it weren't, though, everything in Murtha's post-Abscam life is of a piece with the back-scratching, dealmaking style on display in the video. In a story last month, the New York Times described how Murtha has operated "a political trading post" in a back corner -- the Murtha corner, it's called -- of the House floor, where Democrats and Republicans alike come to get Murtha's blessing for earmarks or his help on close votes. As Pennsylvania Democrat Paul Kanjorski told the Times, "nobody ever leaves completely disappointed."

Murtha is one of 12 Democrats who voted against the McCain-Feingold campaign finance reform bill. He's one of four who killed a strong Democratic ethics package earlier this year. He is a one-man earmarking factory whose beneficiaries have included a lobbying firm that employed his brother and another founded by a former top aide.

The biggest puzzle, and biggest disappointment, in all this is Pelosi, who was pitch-perfect in her first several days as speaker-elect. Now comes this lose-lose move.

If she gets her way and helps Murtha win a come-from-behind victory against Maryland's Steny Hoyer in tomorrow's leadership election, she's buying herself -- and the Democratic caucus -- endless news stories about Murtha's ethics. If, as he says, Hoyer has the votes, Pelosi has made herself look weak within the caucus -- not a smart move for any new leader, and certainly not for the first woman in the job. Perhaps the late timing and measured phrasing of Pelosi's endorsement were meant to ensure that it would have little impact. If so, Pelosi failed to recognize that once she weighed in, the vote for majority leader would inevitably be seen as a gauge of her clout.

I wrote a few weeks back that Pelosi's first test as speaker would be whether she picks Florida's Alcee Hastings -- who was removed from his federal judgeship for agreeing to take a bribe -- to head the intelligence committee. As it turns out, I was wrong. Pelosi's first test was how to handle Murtha. Whatever happens tomorrow, she flunked. Whether she'll get another failing grade on Hastings remains to be seen.

DOJ_NMG_0094558

Meet The New Boss (WSJ)

Wall Street Journal, November 15, 2006

House Speaker-designate Nancy Pelosi's endorsement of Rep. John Murtha for majority leader, the No. 2 position in the Democratic leaderhsip, has roiled her caucus. "She will ensure that they [Mr. Murtha and his allies] win. This is hardball politics," Rep. Jim Moran, a top Murtha ally, told the Hill, a congressional newspaper. "We are entering an era where when the speaker instructs you what to do, you do it."

But several members are privately aghast that Mr. Murtha, a pork-barreling opponent of most House ethics reforms, could become the second most visible symbol of the new Democratic rule. "We are supposed to change business as usual, not put the fox in charge of the henhouse," one Democratic member told me. "It's not just the Abscam scandal of the 1980s that he barely dodged, he's a disaster waiting to happen because of his current behavior," another told me.

As for Abscam, a recent book by George Crile, a producer for CBS's "60 Minutes," provides damning evidence that Mr. Murtha escaped severe punishment for his role in the scandal only because then-Speaker Tip O'Neill arranged for the House Ethics Committee to drop the charges, over the objections of the committee's outside prosecutor. The prosecutor quickly resigned in protest.

Outside observers are equally aghast that Mr. Murtha could win tomorrow's election. Thomas Mann, a Brookings Institution scholar who is co-author of "The Broken Branch: How Congress Is Failing America and How to Get It Back on Track," told the Los Angeles Times that "John Murtha is not the right poster child" for a Democratic House that says it wants to sweep away corruption.

Melanie Sloan, the liberal head of Citizens for Responsibility and Ethics in Washington, was cheered on by Democrats six weeks ago when she helped reveal the Mark Foley scandal. Now she says that "Ms. Pelosi"s endorsement of Rep. Murtha, one of the most unethical members of Congress, show that she may have prioritized ethics reform merely to win votes with no real commitment to changing the culture of corruption."

Former members are also speaking out. Chris Bell, a former Democratic House member from Texas who was his party's unsuccessful nominee for governor this year, told the Washington Post that Mr. Murtha was instrumental in making Rep. Alan Mollohan of West Virginia the top Democrat on the House Ethics Committee. Mr. Bell says Reps. Mollohan and Murtha both helped to slow ethics reform to a crawl for much of the last two years. This spring, Mr. Mollohan was forced to step down from his Ethics Committee position after The Wall Street Journal reported that he had underreported personal assets and steered earmarks to various West Virginia entities founded or controlled by his close political allies.

Mr. Murtha has also been front and center in the controversy over earmarks, the individual portions of pork members of Congress often secretly secure for their districts or favored constituents. Mr. Murtha is the ranking Democratic member of the Defense Appropriations Subcommittee and for the past three years has been the House's top recipient of defense industry cash. Few in Washington are surprised that his lobbyist brother, Robert "Kit" Murtha, was until his retirement this summer an enormously successful "earmark specialist" for the Beltway firm KSA Consulting. In recent years, Kit Murtha brought in a mother lode of earmarks for at least 16 defense manufacturers with business before the Appropriations Committee.

Last year, the Los Angeles Times reported that "most of KSA's defense contractor clients hired the firm in hopes of securing funding from Rep. Murtha's subcommittee, according to lobbying records and interviews. And most retained the firm after Kit Murtha became a senior partner in 2002." Kit Murtha told the Times that he saw Rep. Murtha only infrequently, but said the congressman knew he was a KSA lobbyist. "I don't think that influences him," Kit said of his brother. "I certainly would hope not."

Mr. Murtha isn't talking much about all of these controversies, no doubt hoping that the clock will run out on questions about them when Democrats vote for majority leader tomorrow. For now his surrogates are brushing aside all inquiries. "There is no substance to it," says Rep. Linda Sanchez of California, a key Murtha ally. Ms. Pelosi's office will only say that Mr. Murtha "has addressed these issues." But he really hasn't, and Ms. Pelosi should know better.

Take the Abscam probe, in which Mr. Murtha was named an unindicted co-conspirator in the late-1970s FBI sting operation in which agents posed as Saudi sheiks and offered members of Congress bribes for help in securing asylum in the U.S. and getting money out of Saudi Arabia. In the end, a U.S. senator and six representatives accepted the cash and were convicted of bribery or lesser charges.

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I spoke with Mr. Murtha's press secretary last Friday and emailed her Abscam-related questions. I followed up with a phone call yesterday. She never responded. Yesterday Mr. Murtha did issue a statement attempting to deflect questions: "I am disconcerted that some are making headlines by resorting to unfounded allegations that occurred 26 years ago. I thought we were above this type of swift-boating attack. This is not how we restore integrity and civility to the United States Congress"

Mr. Murtha was among those who were offered the Abscam bribe money. He declined it, but the late columnist Jack Anderson said the Pennsylvania congressman's conduct was "perhaps the saddest scene on the secret Abscam videotapes. He refused to take the money, but his reason was hardly noble."

The 54-minute Abscam tape shows Mr. Murtha functioning as a cynical backroom operator, telling the FBI undercover agents: "You know, you made an offer. It might be that I might change my mind someday." Later, he explained how that might happen: "I want to deal with you guys awhile before I make any transactions at all, period," he told the fake sheiks. "After we've done some business, well, then I might change my mind. I'm going to tell you this. If anybody can do it--I am not BSing you fellows--I can get it done my way. There's no question about it."

Mr. Murtha has said his only interest in the purported Saudi sheiks' money was that he hoped it would be invested in businesses in his district. But the full tape makes clear that Mr. Murtha was primarily interested in talking about such investments as a possible cover should he later decide to have the money transferred.

"And what I'm sayin' is, a few investments in my district, a few you know, is big to me, to this guy apparently is not too big, to a couple of banks which would get their attention. And investment in a business where you could legitimately say to me--when I say legitimately, I'm talking about so these bastards up here can't say to me, well, why, in eight years from now, that's possible, we'd never hear a thing for eight years, but all at once, ah, some dumb bastard would go start talking eight years from now, ah, about the whole thing and say, '[expletive], ah, this happened,' then he, then he, in order to get immunity so he doesn't go to jail, he starts talking and fingering people and then the [expletive] all falls apart."

The undercover FBI agent in the meeting then spoke up and said "You give us the banks where you want the money deposited."

"All right" Mr. Murtha responded. "How much money we talking about?"

"Well, you tell me" replied the FBI agent.

A few moments later in the tape, Mr. Murtha continues his discussion of how "a business commitment" in his district would be structured: "A business commitment that makes it imperative for me to help him. Just, let me tell you something. I'm sure if--and there's a lot of things I've done up here, with environmental regulations, with all kinds of waivers of laws and regulations. If it weren't for being in the district, people would say, 'Well that [expletive], I'm gonna tell you something this guy is, uh, you know, on the take.' Well once they say that, what happens? Then they start going around looking for the [expletive] money. So I want to avoid that by having some tie to the district. That's all. That's the secret to the whole thing."

It appears that what Mr. Murtha was referring to was a form of investment not for the sake of investment, but because "that's the secret" to how you can take a bribe and get away with it. Mr. Murtha was never indicted for his role in Abscam, even though he testified in federal court that he had called his "immigration guy" to determine what could be done to help the fake sheik with his immigration problems.

But in 1981, the House Ethics Committee became concerned that Mr. Murtha had, at a minimum, violated House rules that required he report any attempt at bribery, which he had not. A special prosecutor, Barry Prettyman, was appointed to oversee the committee's investigation. He soon expanded his probe beyond the six House members who were directly involved and began moving against Rep. Murtha. He was also rumored to be offering deals in exchange for testimony that would take the scandal inside the office of Speaker O'Neill.

That was the final straw from the irascible O'Neill. He determined to shut the investigation down, and the story of how he did it makes up a fascinating part of Mr. Crile's book, "Charlie Wilson's War" (Atlantic Monthly Press, 2003). Crile died earlier this year of cancer, but his story of how the larger-than-life Rep. Charlie Wilson of Texas single-handedly steered money from the defense subcommittee that Rep. Murtha chaired to the anti-Soviet mujahadeen in Afghanistan is so riveting that it is being made into a major motion picture produced by Mike Nichols and starring Tom Hanks and Julia Roberts.

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Crile reported that in early 1981 Speaker O'Neill called Rep. Wilson into his office and told him he wanted him to join the Ethics Committee right away. The Texas congressman had been pestering him for years to get a lifetime seat on the board the Kennedy Center for the Performing Arts. "It's the best perk in town," Mr. Wilson told Crile. "It means that I get the box right next to the president's box for the ballet when I want it. I get to go to all the cast parties, meet all the movie stars, and I get an extra invitation to the White House every season."

O'Neill made it clear he would appoint Mr. Wilson to the board he coveted, but that he would have to joni the Ethics Committee to take care of the Murtha matter. "It's a package deal, Chally," O'Neill is said to have told Mr. Wilson.

"The word on Charlie was that he didn't talk," ex-Rep. Tony Coelho, who became majority whip after O'Neill's retirement, told Crile. "From time to time the speaker needed to mount irregular operations, and Wilson was one of those irregulars Tip could count on." Mr. Wilson didn't need any prodding for his task: "He was a happy warrior as he raced to the rescue of his imperiled friend John Murtha," Crile wrote.

Crile reported that prior to Mr. Wilson's arrival on the Ethics Committee, it had largely given Mr. Prettyman, the special counsel, a free hand in his probe. That quickly changed: "Before Prettyman could fully deploy his investigators to move on the Murtha case, he was informed that the committee had concluded there was no justification for an investigation." The Ethics Committee chairman, Rep. Louis Stokes of Ohio, suddenly declared "This matter is closed."

Mr. Prettyman, who had already likened the Ethics Committee to "a misdemeanor court faced with a multiple murder," was furious at the dramatic change of course. He abruptly resigned his post the same afternoon the committee voted to clear Mr. Murtha. While Mr. Prettyman continues to refuse to discuss the case, he told Roll Call newspaper in 1990 that it would be "a logical conclusion" that he resigned over the committee's exoneration of Mr. Murtha. Crile's book notes that "a teary Murtha had confided to a colleague that Wilson's effort had saved his life." Crile concludes that the Murtha "rescue operation" had far-reaching consequences. "For O'Neill the intervention ended the threat to his hold on the House and unleashed him to become Ronald Reagan's liberal tormentor."

Two decades later, In 2002, ex-Rep. Don Bailey, a Democrat who had sat on the Ethics Committee (and who lost to Mr. Murtha in a Democratic primary in 1982, after decennial redistricting put them in the same district) released a public letter to Mr. Murtha: "I was, to be honest, critical about how you misled me about Abscam where you convinced me you had voluntarily told federal agents about the offer of money to you." Mr. Bailey continued: "I learned later, after I had successfully defeated the ethics charges against you, that you had merely manipulated the system to cooperate with federal agents to avoid prosecution."

For his part, Mr. Wilson was quite pleased by his role in burying the Murtha probe. Crile reported that Mr. Wilson told him he "laughed off the incident as if it had been an entertainment." Mr. Wilson said, "It was the best deal I ever made. I only had to be on Ethics for a year, and I get to stay on the Kennedy Center for life."

When I spoke with Crile last year, he confirmed that he stood by his account of the spiking of the Murtha ethics probe. Last night Mr. Wilson assured me that the Crile book was "completely accurate." (The only complaint about any facts in it, he said, had come from the heirs to a Texas oilman who was briefly mentioned in it.) Mr. Wilson told me he and George Crile were 50-50 partners in the movie deal.

When I asked Mr. Wilson about the portions of the book that dealt with his efforts to squelch the Ethics Committee probe of Mr. Murtha, he tersely said, "I have no comment." He reiterated that Mr. Murtha remains his good friend--they appeared together at a Pennsylvania fund-raising event for Democratic candidates--and said that Mr. Murtha has been unfairly attacked for his record in promoting earmarks.

In contrast to Sen. John McCain, whose experience in the 1990 Keating Five scandal turned him into a good-government reformer, Mr. Murtha's brush with infamy stirred in him a conviction that members of Congress deserve more protection from ethics probes. In 1997 Mr. Murtha joined with Rep. Billy Tauzin, a Louisiana Republican, in blocking outside groups and private citizens from filing complaints directly with the House Ethics Committee.

Mr. Murtha also pushed for a law that would require the Justice Department to reimburse the legal bills of any member of Congress it investigated if it was shown the probe was not "substantially justified"--a privilege no other American enjoyed. Only after Henry Hyde, then chairman of the Judiciary Committee, objected was the bill amended to allow reimbursement for anyone--member of Congress or not--acquitted in a "bad faith" prosecution.

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Gary Ruskin, director of the liberal Congressional Accountability Project, told Roll Call that "when it comes to institutional policing of corruption in Congress, John Murtha is a one-man wrecking crew." Now with the support of Ms. Pelosi, that "wrecking crew" stands just one ballot away from becoming House majority leader. Should he win the sealed-ballot election of his peers tomorrow, Democrats may have a hard time explaining just what has changed regarding the Congress's "culture of corruption."

Ultra-liberals Rise On Moderate Wings (HILL)

By Dick Morris

The Hill, November 15, 2006

The results of the '06 election are in. The left wing of the Democratic Party has taken over Congress. Rep. Nancy Pelosi (D-Calif.) is the Speaker. Rep. Charles Rangel (D-N.Y.) is the new chairman of the Ways and Means panel. Sen. Harry Reid (D-Nev.) is majority leader, and Sen. Barbara Boxer (D-Calif.) runs the Environment Committee. The left is empowered.

But how did it achieve these majorities? It did so lifted by the wings of moderate, centrist Democrats who mastered their GOP opponents throughout the country. It was not liberals who defeated Republican incumbents in the House and Senate. It was moderates, future members of the Democratic Leadership Council (DLC).

The only reason Pelosi is Speaker is that a fresh crop of moderate Democrats ousted Republican incumbents in the House. A majority of these new congressmen and -women have announced their intention to join the DLC.

It is only because pro-lifer Bob Casey beat Sen. Rick Santorum (R-Pa.), former Reagan Navy Secretary Jim Webb defeated Sen. George Allen (R-Va.), and gun-control opponent Jon Tester triumphed in Montana that Harry Reid is the new Senate majority leader.

Moveon.org, party chairman Howard Dean, and the blogger left had nothing to do with the '06 victory. Democrats who study the election results carefully will reaffirm the lessons learned by the defeat of Walter Mondale and Michael Dukakis — the American people will not elect liberal Democrats, but will turn to moderates.

The irony is that the expressed will of the American people has been so radically ignored in the shaping of the 110th Congress. The fact is that the elevation of Nancy Pelosi to the speakership is no more a legitimate expression of the voters' will than would be the retention of Dennis Hastert. The seniority system, rigidly applied by Pelosi in violation of the spirit of the Gingrich reforms of 1994, has ordained that a liberal establishment will run Congress, whatever the voters say.

Is there anyone who will sanely maintain that Rangel represents the broad middle of American views on tax reform, or that Levin speaks for most Americans on national security? All that has happened is that the ranking members have become the chairmen, regardless of their views or qualifications. It is a gesture of homage to seniority that would have the approval of the segregationists that used to run Congress by applying the same ground rules. Back then, no matter how loudly voters demanded integration and an end to racism, the Democratic majority kept apartheid firmly in place. The distortion of the electorate's will taking place now on Capitol Hill is no more extreme.

Will the Democrats pay for their imperial overreach? Not if, despite taking the majority, they stay in opposition, use their power to oppose the Bush administration, investigate it endlessly, and continue the negative criticism that embodied their '06 campaign.

But such is not the nature of the Democratic Party. Power will likely go to their heads. Their constituencies will not be appeased by mere partisan criticism of Bush. Had the Democrats been fortunate enough to win only the House, they could have hidden behind the wall of Senate obstructionism and pleaded their inability to pass legislation. But having won both, they have no excuse but to pass legislation that will reflect the will of their issue-group masters and expose the differences between the views of their party and those of the voters.

Bush will still be president, so their output will face a daunting succession of presidential vetoes. So will there be a backlash? No. There will only be the beginning of a backlash. Bush's likely intransigence on Iraq, global warming, and a host of other issues will shield the Democrats from the political consequences of their own legislative initiatives.

Rather, we have to see 2007 and 2008 as the beginnings of a massive Republican revival. Only when the likes of Hillary Clinton take the White House in 2008 — still my bet — will the resurgence be fully evident. Just as she saved the GOP in 1994, she'll repeat the favor in 2010 and 2012.

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Morris and McGann, husband and wife, have written several books together, including Rewriting History, a rebuttal to Living History by Sen. Hillary Rodham Clinton (D-N.Y.).

House GOP Scrambles For Leader (WT)

By Charles Hurt

The Washington Times, November 15, 2006

House Republicans in search of someone to lead them out of the minority wilderness are growing increasingly frustrated with their choices in the leadership elections as Senate Democrats yesterday swiftly approved a slate of top leaders.

Sen. Harry Reid of Nevada was picked to be majority leader and much of the rest the Democratic leadership also remained in place -- a clear sign of gratitude for orchestrating last week's six-seat pickup that just last year Mr. Reid predicted would require a "miracle."

"Two years ago, we had an opportunity for new leadership on the Democratic side of the Senate, and we chose as our leader Harry Reid," said Sen. Richard J. Durbin, Illinois Democrat, elected yesterday to be majority whip. "We could not have made a better choice to unify this caucus, to make certain that we came to the floor every day with a purpose, and most importantly, that we took a message to the American people, a message of hope."

Today, Senate Republicans are expected to approve Sen. Mitch McConnell of Kentucky to be the minority leader. Sen. Trent Lott of Mississippi, a former Senate Republican leader, and Sen. Lamar Alexander of Tennessee, are locked in a tight but very quiet race for the No. 2 slot.

In the House, things aren't as quiet, as the Democratic race for majority leader grows bitter and the Republicans remain divided over who should lead their party.

Rep. John P. Murtha, the Pennsylvania Democrat who has become the face of his party's anti-war stance and is running for majority leader, harshly criticized Rep. Steny H. Hoyer of Maryland, the current No. 2 Democrat. Rep. Nancy Pelosi of California will almost assuredly become House speaker in January.

"The Pelosi-Murtha position on the war is the reason the Democrats are in the majority today," Mr. Murtha said. "Congressman Hoyer's position has been to stay the course with President Bush from the very beginning."

Mr. Hoyer's office noted that he and Mr. Murtha both signed three letters urging Mr. Bush to withdraw troops from Iraq. Mr. Hoyer yesterday declined to respond to questions about whether Mr. Murtha's past ethical and legal troubles might undermine the party's declared aim of cleaning up what Democrats called "the culture of corruption" in Congress.

"I am not looking back," Mr. Hoyer said. "My role is to look forward."

Among House Republicans, members remain divided over their top post, and one of the most frequently floated names for the No. 2 position isn't even running.

Most insiders say Rep. John A. Boehner, the Ohio Republican and current majority leader, is favored to win the top spot, but Rep. Mike Pence, Indiana Republican, has been widely praised by conservatives off the Hill as a fresh face.

House Speaker J. Dennis Hastert of Illinois has declined to run for the leader position.

Some Republicans have expressed reluctance to return Mr. Boehner to leadership after last week's disastrous elections, and some are opposed to Mr. Pence for forging a compromise on immigration that critics dismissed as "amnesty." Yesterday, Mr. Pence renounced those efforts.

"All those debates about compromise are a thing of the past," he said in an interview with talk-radio host Laura Ingraham.

"I reject any form of amnesty, even if we've got border security," he said. "I really reject the idea that people whose first act in this country was a violation of the law ought to be able to get right with the law without leaving the country."

In the race for Republican whip, many members say they are far less enthusiastic.

The current whip -- Rep. Roy Blunt of Missouri, who hopes to retain the position -- has talked about the need for "cultural change in Washington," but is an old ally of ousted leader Tom DeLay. It didn't help that he attended a fundraising golf tournament last weekend, just days after his party lost 30 seats amid charges of corruption.

"Mr. Blunt is proud of the significant financial assistance he has given to hundreds of Republican members and candidates and believes that fundraising is a necessary part of recapturing our majority in 2008," his spokeswoman said.

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Challenging Mr. Blunt is Rep. John Shadegg of Arizona, a conservative who lost his bid earlier this year for majority leader.

"He was one of the guys who got here in the '94 Republican revolution and didn't go native," said Rep. Paul D. Ryan, Wisconsin Republican, who supports Mr. Shadegg.

But others say Mr. Shadegg is uninspiring and aloof. Many have settled on Rep. Eric Cantor of Virginia, Mr. Blunt's chief deputy whip, who actively supports Mr. Blunt's re-election.

"Everybody is asking why Cantor is not running," said one Republican staffer who requested anonymity to speak freely about the leadership race.

Mr. Ryan, who is friends with Mr. Cantor, said, "Most people would say Eric would win, but he doesn't want to win that way. He's Roy's deputy, and he's being loyal. That's who Eric is."

Indeed, Mr. Cantor declined to comment on the growing "draft Cantor" movement, except to say he's not running and supports Mr. Blunt.

"The fact that Cantor won't go back on his word to Blunt is exactly why he should be in leadership," said a frustrated Republican aide. "For the future of this party, Blunt should step aside."

House GOP May Go Back To The Future (HILL)

By Patrick O'connor

The Hill, November 15, 2006

Former Rep. Tom DeLay (R-Texas) is gone, Democrats will soon control the floor and House speaker Dennis Hastert (R-Ill.) will be just another member of the minority — if a member at all.

As much as last week's momentous loss ushered in a new era for Republicans in the House, the GOP is on the brink of returning some familiar faces to the leadership.

With Majority Leader John Boehner (R-Ohio) all but assured of retaining the title of leader when Republicans assume the minority next year, suspense hangs on the race for whip between Reps. Roy Blunt (R-Mo.), the current occupant, and John Shadegg (R-Ariz.), a darling of the conservative media.

Blunt has told supporters in private that he has the votes to preserve his leadership post when members cast their secret ballots this Friday, members and an aide said yesterday, but some of those same supporters question the strength of his backing. Blunt made a similar prediction before losing to Boehner in their majority leader race earlier this year.

Some of Blunt's allies are desperate for him to step aside in order to clear the way for his chief deputy, Rep. Eric Cantor (R-Va.), a prolific fundraiser and established vote-counter who has been making phone calls in support of the Missouri Republican since last Wednesday.

These supporters are concerned that Blunt's tally is soft heading into the election and that some of his confirmed votes will buck him on the secret ballot. Whips rank their votes on a number scale to account for the level of support, and many of the whip's supporters are not hard commitments, one ally said yesterday.

"If you're the incumbent and you don't have the support locked down to hold your job, you're screwed," the same backer said yesterday. "You have to understand you're screwed and get out of the race."

Concerned that Shadegg would fumble some of the procedural responsibilities required of a whip, these Blunt supporters are weighing their options to elevate Cantor to the No. 2 slot in the Republican hierarchy.

"A sizable percentage of Blunt supporters are supporting Blunt because of Cantor," the same lawmaker said.

Blunt's staff is dismissive of these suggestions to step aside.

"Congressman Blunt is extremely responsive to the members of his conference, and he is staying in the race to win it because he believes he has the support from the majority of his colleagues," his spokeswoman, Jessica Boulanger, said.

Internal rules governing the election process allow members to nominate limitless candidates on the day of the election. Cantor has pledged not to challenge Blunt, but members could nominate him even though he has not campaigned.

The Virginia Republican has not had any role in this movement to elect him, his spokesman and a number of outside members said, but he could stem the speculation with a public statement of support for Blunt.

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There is some concern on a staff level that a loose group of senior staff and established outside lobbyists are feeding much of the buzz about Cantor and Rep. Adam Putnam (R-Fla.), who is vying for the conference chairmanship against Reps. Marsha Blackburn (R-Tenn.), Jack Kingston (R-Ga.) and Dan Lungren (R-Calif.).

While evidence is scant that such a group is coordinating votes behind-the-scenes, the perception concerns those members and staff with limited input on leadership decisions and could foment discontent over the next two years.

Members and staff from all ends of the conference believe Boehner has the race for leader wrapped up, but his two opponents, Reps. Mike Pence (R-Ind.) and Joe Barton (R-Texas), continue to work for support in anticipation of the Friday ballot.

"Personally, I am not willing to wait for the Democrats to make their own mistakes to take back the majority," Rep. Joe Pitts (R-Pa.), a prominent social conservative, wrote to members of the Values Action Team yesterday. "We need a leader who can, as Newt Gingrich did and as President Reagan did, communicate ably and earnestly with the American people about what we believe. I believe Mike Pence is that man."

Most of the candidates running from outside the leadership were expecting stronger discontent from Republicans following last week's rout on Election Day.

Pence, the chairman of the conservative Republican Study Committee who characterizes his confrontations with leadership as "cheerful pugilism," said Republicans have not yet grasped the enormity of last week's loss and what that means when Congress resumes next year.

"One thing our colleagues have yet to completely absorb is that the environment is completely different," Pence told a small group of reporters yesterday.

Given that shift, Pence said the conference, and particularly its leaders, should stake their own position on issues and battle the administration publicly whenever necessary, something past leaders have been reluctant to do.

Conservatives throughout the party have seized on last week's results to argue that Republicans have strayed from their principles in recent years, and many of these members hint that the conference should make some bold steps during its reorganization.

Rep. Tom Feeney (R-Fla.), an outspoken conservative who is not publicly backing either candidate in the whip race, is concerned that Republicans will send a bad message to angry GOP voters who either didn't show up or voted against them on Election Day for ethical transgressions and failing to reduce federal spending.

"We got in trouble with voters outside the Beltway for things we did inside the Beltway," Feeney said. "We have to show them Republicans inside the Beltway understand that."

Centrist Republicans are concerned that this conservative shift will alienate them even further from the decision-making process.

During a dinner of the centrist Republican Main Street Partnership on Monday, which was attended by numerous centrists who lost, such as Rep. Nancy Johnson (R-Conn.), members lamented their diminished influence in the conference. Most members present were backing Boehner in the race for leader, according to one attendee, but few were enthused about their choices in many of the top races. Only members who won their Election Day races can vote in the leadership races.

In general, centrists are concerned that leaders have ignored their priorities in the past, and a conservative resurgence would continue to endanger their seats.

"I don't think a rightward shift is the way to go," Rep. Mike Castle (R-Del.), who often negotiates with leaders on centrist concerns, said last week on the brink of Election Day.

As members fight for the upper hand in races for whip and conference chair, Rep. Thaddeus McCotter (R-Mich.) is expected to release the names of 105 supporters tomorrow that would lock up his bid for chairman of the Republican Policy Committee, the seat Putnam abandoned in his bid for conference chair, spokesman Bob Jackson said. Rep. Darrell Issa (R-Calif.), McCotter's opponent, released his own list of 60 public supporters yesterday.

As Friday approaches, Blunt's supporters are encouraging members to stand with him because he has proven himself in the role during such a difficult stretch for Republicans.

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Rep. Kevin Brady (R-Texas), a loyal Blunt supporter, thinks it would be foolish for members to replace their current whip because he is proven at corralling tough votes, particularly among conservatives, and because Republicans will need to unite against Democrats in the minority.

"Democrats took a page from our playbook by unifying, and that's when it was difficult to govern," Brady said. "We would be foolish to miss our own lesson."

GOP Term Limits Rule Challenged (RC)

By Ben Pershing

Roll Call, November 15, 2006

Former President Bill Clinton once famously questioned "what the meaning of the word 'is' is." For a pair of House Republican chairmen, their fate in the 110th Congress may rest on the definition of another tricky two-letter word — "or."

With the GOP majority gone, most current chairmen are preparing to move into their panels' ranking member slots. But two committee heads — Judiciary Chairman Jim Sensenbrenner (R-Wis.) and Transportation and Infrastructure Chairman Don Young (R-Alaska) — are prevented by Republican Conference rules on term limits from keeping their party's top panel posts next year.

Or maybe not.

Republican sources said Sensenbrenner and Young have told the GOP leadership that they would like to keep their jobs even though both have served a full six years as chairmen, the maximum under the current rules. Their argument: The rules don't really say what they seem to say.

"It's a sticky issue," said a Republican leadership aide, who nonetheless expressed confidence that "it's all being sorted out."

The "term limitation" section of Conference Rule 14 — which was implemented at the start of the 104th Congress and has not been changed since — reads, "No individual shall serve more than three consecutive terms as chairman or ranking member of a standing, select, joint or ad hoc committee or subcommittee."

The standard interpretation of that rule has been that there is a six-year limit on serving in the top GOP slot on a committee, period. But Sensenbrenner and Young have made the case that the phrase "chairman or ranking member" suggests that a Member should be able to put in up to three terms in one job, and then another three in the other.

"The rules are ambiguous," said a Republican aide who has been involved in discussions of the term-limit issue.

Allies of Sensenbrenner and Young argue that the "or" was inserted to allow the Conference some flexibility on the matter. They also point out that senior lawmakers might hesitate to serve as ranking members in the minority if that means they will be eating into their potential service time as future chairmen. Theoretically, a Republican could put in six loyal years as a stalwart ranking member and then — if the GOP takes back the House — would not be able to reap the reward of a gavel.

The potential controversy applies only to Young and Sensenbrenner, as the other term-limited panel heads are all leaving Congress. Both men have made their cases to leadership, though neither's office wanted to comment for this story.

One Member who does not share their interpretation of the rules is Rep. Lamar Smith (R-Texas), who is in line to take over the Judiciary ranking membership in the 110th Congress.

"The rule seems clear and unambiguous," said Smith spokeswoman Beth Frigola. "Congressman Smith is looking forward to making his case to the Steering Committee why he should be the ranking member of the Judiciary Committee."

Sensenbrenner generally has gotten good marks from panel members and from leaders for his stewardship of the panel, though his stubbornness on certain issues has sometimes rubbed leaders the wrong way.

Young, meanwhile, has made more enemies in his stint as Transportation chairman and may not retain enough goodwill to win the ranking membership even if the rules say what he thinks they do. In September 2005, Young made a pitch for the Homeland Security Committee gavel that was not well-received by the Steering panel, and Rep. Peter King (R-N.Y.) ended up winning that post.

GOP Reps. John Mica (Fla.), John Duncan (Tenn.) and Tom Petri (Wis.) are all competing to succeed Young on the Transportation Committee.

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No decisions on ranking memberships will be made until at least early December, after this week's leadership elections are done, Conference rules for the 110th are written and the Steering Committee is constituted.

When the new rules are written, leaders are expected to revise Rule 14 to make the term-limit guidelines a bit clearer.

"The party definitely has something to think about," said a GOP committee aide.

Alexander, Lott Count Whip Votes (HILL)

By Elana Schor

The Hill, November 15, 2006

The Senate's marquee GOP leadership bout will be decided this morning, as Republicans choose a new whip amid heightened campaigning by Trent Lott (R-Miss.), Lamar Alexander (R-Tenn.) and their core supporters in the conference.

While few Republicans would discuss their votes as their lame-duck session officially opened, Lott and Alexander appeared alternately confident and cautious, both aware that today's secret ballot would put their head counts and promises to the test.

"I want to be helpful," Lott said yesterday, calling his unusually covert comeback effort "a family thing" and giving a nod to his close relations with past Democratic leaders, which his supporters believe would be crucial in next year's majority-Democratic Senate: "We've got to try to keep a check on them and find a way to work with them … I could do that."

Alexander has billed himself as a more natural No. 2 than Lott, known for his comfort in the media spotlight since his House leadership rise in the 1980s. But Lott avowed his commitment to the agenda of current Majority Whip Mitch McConnell (R-Ky.), a lock to become minority leader.

"I know the leader needs loyalty," he said. "I'm trying to convey the message that I can do this job without always running to the press."

McConnell continues to stay neutral in the contest, reiterating yesterday that he was playing no role in the whip race. While he and Alexander are close allies, appearing together yesterday to welcome Sen.-elect Bob Corker (R-Tenn.), McConnell came to Lott's defense during the racial controversy that forced the Mississippian out as GOP leader in 2002.

Alexander and Lott both acknowledged McConnell's desire to remain above the whip fray. Lott recalled that he stayed out of the 2002 whip race, fought just weeks before his departure as majority leader, in which McConnell overcame Lott friend Sen. Larry Craig (R-Idaho).

Alexander even reached deeper into the past yesterday, pointing out that he and Lott were roommates during the 1960s, when both were starting out as Hill aides.

"We know each other well, and we will be good friends after [today] ," Alexander said yesterday, adding that Republicans were in need of "fresh faces … after the drubbing we took [in the midterms]." Corker was at his side, subtly underscoring Alexander's hands-on role in orchestrating the Republicans' sole victory in a closely fought Senate race this year.

The whip rivals are both relying on core backers within the conference for momentum and help securing votes. The Alexander camp cited as supporters Sens. Richard Lugar (Ind.), Mike Enzi (Wyo.), Jim Bunning (Ky.), George Voinovich (Ohio), Michael Crapo (Idaho), Pete Domenici (N.M.), Bob Bennett (Utah), Saxby Chambliss (Ga.), Johnny Isakson (Ga.) and Mel Martinez (Fla.), whom President Bush officially tapped as head of the Republican National Committee yesterday.

Lott's office did not return a request for comment by press time on his public supporters, although Sen. Judd Gregg (R-N.H.) said he would be voting for Lott, his former House colleague. Sen. Richard Burr (R-N.C.) is also backing Lott.

Sens. Richard Shelby (R-Ala.) and Kit Bond (R-Mo.) both declined to tip their hands yesterday, and outgoing Senate president pro tem Ted Stevens (R-Alaska) couched his silence in advice for both candidates.

"When I ran for leader and thought I had the votes [against former Sen. Bob Dole (Kan.) in 1984] … I learned that you don't talk about votes before the election," Stevens said.

The whip race has captured the attention of staffers, lobbyists and pundits since last fall, when Lott began openly flirting with a return to leadership and Alexander began his bid as the underdog to Sen. Rick Santorum (R-Pa.), who lost reelection to Democrat Bob Casey Jr. last week. Lott's reputation as a savvy vote counter since his days as a House whip sparked some debate yesterday over whether he would bow out in the waning minutes, should victory appear out of reach.

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"I would not be totally surprised if he pulls back at the last minute if he doesn't feel he's got the votes," said a source supportive of Alexander. The source also expressed disappointment among some Alexander backers about reports that Lott had privately bashed his opponent during the campaign.

One former Senate GOP leadership aide during Lott's previous stint pointed out that Lott is the only sitting senator who has served as a Republican minority whip during a Republican administration. The aide said Lott is likely to revive the whip line up he brought from the House to the Senate, with a chief deputy whip and eight others keeping tabs on members' personal issues to ensure good morale.

"The idea that he wouldn't be supportive of: one, the leader; two, unity in the conference; and three, the president's agenda," is false, the aide said.

Lott, Alexander Battle To The End (RC)

By Erin P. Billings And Emily Pierce

Roll Call, November 15, 2006

With this morning's vote on the next Senate Minority Whip still nip-and-tuck, Sen. Lamar Alexander (R-Tenn.) said Tuesday that he was using the last hours of campaigning to make sure Senators who already had committed to him were not switching to the insurgent campaign of Sen. Trent Lott (R-Miss.).

"I'm spending almost all of my time on that," Alexander said of his efforts to reinforce support Senators lent him before Republicans lost control of the chamber last week.

Alexander is set to square off against Lott this morning for the No. 2 GOP leadership slot, a position for which both Senators have been furiously campaigning in recent days. Republican Senators will convene in the Old Senate chambers to decide the outcome, along with cementing the rest of their leadership lineup for the 110th Congress.

Lott's late entry into the Whip race, while not unexpected, has left the outcome in doubt, despite Alexander's claim that he has a solid majority of his colleagues behind him. As of Monday night, the Tennessee Republican and his allies reasserted that those numbers had held, and then some, while Lott's backers predicted an extremely close secret-ballot vote that ultimately would turn for the former Majority Leader.

"As of today we are definitely tied," said one source close to the Lott operation. "It is an even match."

But one of Alexander's top supporters, Sen. Bob Bennett (R-Utah), said Alexander has a solid advantage, counting 27 firm commitments in the Tennessean's camp. Bennett said that unless there is a seismic shift in support in the waning hours, Alexander should emerge as the next Republican vote counter.

"He's been working at it a good long time," Bennett said. "He has the commitments of Senators who made commitments to him at a time when Lott wasn't sure he was running for re-election, let alone running for Whip."

Bennett is just one of several Republican lawmakers helping count backers for Alexander. Sens. Johnny Isakson (Ga.), Dick Lugar (Ind.), Pete Domenici (N.M.), Saxby Chambliss (Ga.), Mel Martinez (Fla.) Mike Crapo (Idaho), Mike Enzi (Wyo.), Jim Bunning (Ky.) and George Voinovich (Ohio) also are among those mentioned as part of his campaign team.

"I had a majority of votes on Thursday, and I have more votes today than I did then," Alexander said Tuesday.

Alexander entered the race more than a year ago when the only other candidate was Sen. Rick Santorum (Pa.), the current Republican Conference chairman who lost his bid for a third term. Lott had hinted he might be interested in the Whip job months ago, but he said he would not challenge Santorum, his longtime friend and ally.

Lott didn't formally enter the race until Monday night, but he quietly has been reaching out to his colleagues for some time. That outreach became more aggressive in the wake of Santorum's electoral loss last Tuesday.

The Mississippi Senator so far has kept his supporters private, but those close to him have laid out the names of a team of close to a dozen Members helping him make phone calls and corral commitments for the Whip job. Lott's allies insisted Tuesday that the one-time Majority Leader is within striking distance of winning and said he continued to meet with undecided Senators on Tuesday.

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One source close to Lott said that “Lamar started at a decided advantage,” but the race is now “a dead heat.” This source suggested that there are fewer than five Senators who remain uncommitted and predicted the final result would be determined by one or two ballots.

“It is a very close race,” the source said. “But I think he’s going to have the votes to win.”

Both publicly and privately, Senators agreed that Alexander walks into today’s secret ballot with an edge. But they also insisted that Lott, a former House and Senate Whip with long-standing relationships, cannot be discounted. And, they note repeatedly, the balloting is secret.

Sen. John Cornyn (R-Texas), who is publicly neutral because of his own bid to become Conference vice chairman during today’s voting, said, “My sense is that Alexander has the advantage.”

One Alexander ally echoed that, saying, “We’ve double checked, triple checked and quadruple checked” our votes.

While all eyes remain on the vote for the Conference’s No. 2 spot, Republicans also will elect the rest of their leadership for the 110th Congress at this morning’s meeting. Atop the list is an all-but-certain climb for Sen. Mitch McConnell (R-Ky.), who is expected become Minority Leader without opposition.

McConnell likely will be the first elected this morning, and will be nominated by Sens. Judd Gregg (N.H.) and Gordon Smith (Ore.). McConnell, the current Whip, will succeed retiring Majority Leader Bill Frist (Tenn.) if elected.

Santorum will chair the meeting, as he remains the Conference chairman through the end of the year. Sen. Kay Bailey Hutchison (Texas), vice chairwoman of the Conference, is charged with announcing the winner of each ballot.

Following the vote for Minority Leader, Senators will then proceed to the casting of ballots for Whip, followed by Conference chairman, Policy Committee chairman, Conference vice chairman and National Republican Senatorial Committee chairman. Those seats are expected to go to Sen. Jon Kyl (Ariz.), Hutchison, Cornyn and Sen. John Ensign (Nev.), respectively.

Lame-Duck Texas Rep. Gets Down To Work Without DeLay (WP)

By Peter Carlson

The Washington Post, November 15, 2006

Shelley Sekula-Gibbs was sworn in as a congresswoman on Monday night and already she's a lame duck. Because of a weird electoral quirk, her brief term in office expires next month.

But you couldn't tell that by listening to her.

"I'm working hard to accomplish the things I'm working for," she said yesterday. "For tax cuts. For immigration reform. To make sure we have a good solution for the war in Iraq."

All that? In a few weeks?

"If there's a way to do it, I'll do it," she said, smiling beneath her bright blond hair. "I'll deal with the leadership to get as much done as possible."

Sekula-Gibbs (R-Tex.) won a race for Congress on Nov. 7. She also lost a race for Congress on Nov. 7. It's a long story:

Tom "The Hammer" DeLay, the former House majority leader who was indicted on money-laundering charges, resigned from Congress last spring after winning the Republican primary. Last week, voters in DeLay's old district, the 22nd, got to cast two votes for Congress. The Texas voters elected Sekula-Gibbs to fill the remaining portion of DeLay's term -- but they elected Democrat Nick Lampson to succeed DeLay in the Congress that takes office in January, a race that Sekula-Gibbs had to run as a write-in candidate.

That makes for a very short congressional career for Sekula-Gibbs, 53, who is a member of the Houston City Council and a dermatologist -- probably two or three weeks, if you don't count recesses. But she'll retain all the perks that any other ex-member gets, such as use of the House gym and access to the House floor.

On Monday evening, just before she took the oath of office, Sekula-Gibbs held her first congressional news conference in her new office, which is DeLay's old office. Wearing a blue pantsuit with a fuchsia blouse and a string of pearls, she quickly proved that she has mastered the art of the well-worn political bromide.

She said: "I'm proud that the people of the 22nd Congressional District honored me with their votes."

She said: "I'm blessed by God. This really is a gift from God."

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She said: "I'm looking forward to rolling up my sleeves and getting as much done as I can accomplish."

What does she think of her accommodations?

She looked around. The dull beige walls were nearly bare. The only pictures were stored on the floor of a closet.

"These are splendid accommodations," she said, smiling. "All we need are the bare essentials to get things done."

She won't be doing any redecorating, she added. And she'll scrape by with a small staff -- a few DeLay holdovers, plus a couple of ex-campaign workers. Meanwhile, she'll spend her tenure living in a hotel. "I have no plans to have a permanent residence here," she said.

But this was no time for idle chitchat. Sekula-Gibbs had to hustle over to the Capitol.

There, after being sworn in, she addressed her distinguished colleagues: "I look forward to getting to know each of you and working on the initiatives that will help strengthen our country."

Getting to know all 434 of them? That's a lot to do in a few weeks.

In the next hour, Sekula-Gibbs cast three votes. The first was on a bill to "suspend the rules and agree to the Senate amendment" to something called the Trail of Tears Study Act. She stuck her brand-new voting card into a machine and voted yes. Then she looked up at the big screen behind the House speaker's desk and saw a little green light appear next to her name.

It was a courageous vote for Sekula-Gibbbs. If she ever runs for office again, that vote could inspire a vicious attack ad. It's not hard to imagine it: The worst photo ever taken of Sekula-Gibbs appears on the TV screen and an ominous voice says, " She voted to suspend the rules of Congress . . . "

When the voting ended, Sekula-Gibbs rose to make the first official motion of her congressional career: "Mr. Speaker," she said, "I move that the House now adjourn."

The motion carried, and she stepped out into the Speaker's Lobby, where reporters were poised to ask her how it felt.

"It was very exciting," she said.

How did she feel, asked a reporter from the Houston Chronicle, when Democrats came over to greet her?

"I welcome that," she said. "I welcome bipartisan support."

Amazing! In one short night in Congress, Sekula-Gibbs had already done most of the things that our elected representatives do. She'd held a news conference, she'd voted, she'd endorsed bipartisanship, and she'd pledged to "work with my colleagues." To experience the full gamut of congressional life, about all she needed now was a committee meeting and a breakfast meeting.

Alas, she hadn't been assigned to any committees yet. But yesterday she did hold a breakfast meeting in her office for constituents. Her staff provided Danish pastries and a Dunkin' Donuts Box o' Joe.

Houston attorney Robert Gibbs was there. He is Sekula-Gibbs's third husband. "The first husband died," he said. "And the second husband died. And I'm still here."

Jon and Lillian Keeney were there, too. They are constituents and friends of Sekula-Gibbs. They are also the proud possessors of Tom DeLay's first dinette set. They got it from DeLay's daughter, they said, when they helped her clean out DeLay's Texas office.

"It'll be on our ranch in Dime Box, Texas," said Jon.

Is it the kind of thing, a reporter asked, that might someday appear in a Tom DeLay museum?

"Absolutely!" Jon said.

Texas's senators, John Cornyn and Kay Bailey Hutchison, both Republicans, dropped by to welcome Sekula-Gibbs to Congress. So did Rep. Ted Poe (R-Tex.) , a former judge who once sentenced a burglar to stand on a sidewalk wearing a sign that read, "I stole from this store." Poe is a big fan of Sekula-Gibbs.

"I think she can get down in the pits, so to speak, and start working immediately," he said. "She has the energy to do it."

"And this is an energy state," Sekula-Gibbs added, smiling.

By then, she'd been in office for 15 hours. A reporter asked, "Have you been corrupted by power yet?"

"No, I haven't," she said. And she burst out laughing.

But only for a moment. A second later, she was serious again. "It's been a rewarding experience," she said , "and I'm looking forward to making a difference and providing a solid voice for conservative values."

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Uprising By Ex-DeLay Staff (RC)

By Mary Ann Akers, Roll Call Staff

Roll Call, November 15, 2006

The woman who was sworn in this week as the interim Republican successor to ex-Rep. Tom DeLay (R-Texas) was, shall we say, not a hit with holdover DeLay aides.

In fact, they showed their feelings about their new boss Tuesday by walking out of the office en masse and resigning, effective immediately. The DeLay refugees, who included

DeLay's personal chief of staff, David James, walked out of the office, Von Trapp family-style (though without the singing) and huddled at Starbucks to get their wits about them.

The interim Member, Shelley Sekula-Gibbs (R), who won the special election to replace DeLay but lost a write-in campaign for a full two-year term, only will be serving in Congress until Jan. 3, when Democrat Nick Lampson, who won the general election, takes over. But even just for these few weeks, it appears, Sekula-Gibbs wants things just so.

She showed up to take over DeLay's old office on Thursday and, according to sources familiar the office dynamics, was "mean" to the staff. On Tuesday, at her new Member's open-house reception in the office, sources charged that she was less than pleased that neither President Bush nor Vice President Cheney showed up with the rest of the welcome wagon, despite the fact that others who stopped by included Texas GOP Sens. Kay Bailey Hutchison and John Cornyn and Texas GOP Reps. Kevin Brady and Michael Burgess. (Apparently, according to sources, she was under the impression that the president of the United States would be there to greet the seven-week Congresswoman.)

One source said, "This is a highly professional and well-seasoned staff who has worked with the best, and worst, of Members, but you'll need to promise a Congressional Medal to anyone willing to take this one on."

Carl Thorsen, who is now a lobbyist, hired most of the DeLay aides who stormed out of the new Congresswoman's office when he was DeLay's general counsel and in charge of staffing the Hammer's personal office. He said he couldn't imagine what it must have taken to provoke the staff to quit all at once.

"I know them. They're exceptional and talented," he said. "They've been loyal to that district and they've worked really hard. They're just not a group of loose cannons.

Sekula-Gibbs' chief of staff, Lisa Diamond, told HOH that the DeLay aides were only there "for transitional purposes," not for the mini-Congresswoman's full seven-week tenure, which surely will be hectic given the number of days the lame duck is scheduled to be in session.

Asked about the aides storming out of the office she said, "Ooh, oh ... I don't know what we can say about that." Diamond said she would not comment on personnel issues.

But she said she has worked for Sekula-Gibbs for many years and said, "I think she is wonderful to work for."

Corker, Top Class. Too soon to say whether he's at the top of his class, but Sen.-elect Bob Corker (R-Tenn.) is certainly top-class. He's wasting no time getting used to living the high life of a Senator, considering how he arrived in Washington, D.C., on Monday for freshman orientation.

Corker, a millionaire who poured $2 million of his own money into his race against Rep. Harold Ford Jr. (D-Tenn.), and his wife, Elizabeth, traveled first-class on a U.S. Airways flight to Washington Reagan National Airport, a regular HOH informant reports.

Our informant said Corker and his wife sat in seats 4C and 4A. "I didn't get to see if he was partying at all," the informant said.

But the informant did notice that Corker was the last passenger to get on the plane, as he was busy "working the phones to the bitter end" before the gate closed.

Our informant said it sounded as if the Senator-elect was calling supporters and thanking them. At one point he heard him say, "I'm on my way to orientation."

Well, it turns out, Corker and his wife lucked out getting those first-class tickets, according to Corker spokesman Todd Womack.

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He told HOH that the Senator bought coach tickets, but that his connecting flight in Charlotte, N.C., was "very delayed" and when he went to rebook seats, "the only seats available were in the other class."

Much Ado About Nothing. There is much buzz inside and outside the Beltway about Stephen Colbert of Comedy Central's "The Colbert Report" being a kingmaker. After all, it has been said, every House Member who appeared on his "Better Know a District"segment won re-election last Tuesday. The Los Angeles Times even called him the "biggest election season winner."

Wa wa wee, as another fake journalist might say.

What's more, Democrat John Hall appeared on the show after his opponent, Rep. Sue Kelly (R-N.Y.), refused to, and ended up unseating her.

Could it be that Colbert is truly the magic man? The answer, of course, is no. Of all the many House Members who actually appeared on the show, only two of them won their race by less than 63 percent — and many of them were unopposed entirely or not even running for re-election.

Who can forget Rep. Robert Wexler's (D-Fla.) appearance on Colbert where he said doing cocaine and picking up prostitutes are fun things to do? But when you don't have any challengers in the upcoming election, it makes it a whole lot easier to say such things and still get re-elected. He could have partied it up with Rep. Harold Ford, Jr. (D-Tenn.) at a Playboy party and still won.

As for the case of Rep.-elect Hall, it turns out that he is the only House challenger who appeared on Colbert's show and actually won. The other four challengers who appeared went down in fiery flames. Yet, somehow, Colbert exerts a loyalty that is unmatched since the era of Stalin.

Despite losing decidedly to Rep. Jim Saxton (R-N.J.) after appearing on Colbert's show, challenger Rich Sexton's (D) campaign still praises the fake TV pundit.

"We were very pleased with what happened with Colbert," a spokeswoman for Sexton's campaign said. "It certainly was a help ... I don't know that he was the magic man."

No he was not. Sexton lost by 17 points. Good job, Colbert.

And what about the Senate? Ned Lamont appeared on Colbert's show after Sen. Joe Lieberman (D-Conn.) declined to. We all know how that turned out for him.

Jamie Weinstein and Emily Yehle contributed to this report.

Please send your hot tips, juicy gossip or comments to hoh@rollcall.com.

What's On The Agenda For Student Aid (WSJ)

By Anne Marie Chaker

The Wall Street Journal, November 15, 2006

College affordability is high on the agenda for the newly elected Democratic leadership in Congress, and that could mean good news for families worried about the rising cost of college.

Among the measures Democrats have proposed is halving the interest rate on some federal student loans, which could save students thousands of dollars over the term of their loans. Parents could benefit from a proposal to allow tax deductions for tuition paid by families earning up to $160,000 a year. And lower-income families could get added help from a possible expansion of the federal Pell Grant program.

Rep. Nancy Pelosi, the likely new House speaker, has set college affordability as one of a handful of priorities in the Democrats' New Direction for America program. To build momentum, Democrats are including the proposed student-loan rate cut among a number of measures they plan to introduce on the first day of the new Congress and to pass within the first 100 hours Congress is in session. (Other measures on the "100 hours" list include raising the minimum wage and rolling back subsidies for big oil companies.)

The Democrats' college-affordability proposals are expected to gain backing from outside the party. "Pelosi has picked apple-pie issues in higher ed that both sides of the aisle can come around," says Sarah Flanagan, vice president for government relations at the National Association of Independent Colleges and Universities. "But the debate will be whether it's the best use of

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scarce federal resources," she says. Indeed, the Republican-led Congress this year lopped nearly $12 billion from student-lending programs as part of a deficit-reduction act, infuriating Democrats.

Some of the proposals may draw opposition from banks and other for-profit lenders if the interest rate reductions eat into their profits. While Democrats haven't yet said so, "we are nervous that they will attempt to...reduce lender returns," says John Dean, special counsel for the Arlington, Va.-based Consumer Bankers Association, a group of student-loan providers.

Some experts also say the Democrats' proposals could encourage colleges to raise tuition further. "Anytime you make it easier, cheaper for kids to borrow money...that tends to push prices up," says Richard Vedder, director of the Center for College Affordability and Productivity in Washington.

Despite the efforts to make higher education more affordable, paying for college likely will continue to become increasingly difficult for many students. Average total tuition and fees at four-year private colleges increased 5.9% to $22,218 in the current academic year. The average undergraduate leaves school more than $20,000 in debt, compared with about $16,000 in 1999-2000, according to an analysis of the Education Department's National Postsecondary Student Aid study.

What's more, caps on how much federal assistance is available per student means that students could continue to rely more heavily on private student loans, which typically carry higher interest rates. In the last academic year, private student lending, which is separate from federal loans distributed through banks, amounted to about $17 billion in new loans, up more than three times since 2001-02. Federal student loans originated in the 2005-2006 academic year totaled $69 billion.

The federal government's student-lending programs include the popular Stafford loans, which allow students to borrow as much as $23,000 for an undergraduate education and $65,500 for undergraduate and graduate school combined. Other programs include the Parent Loan for Undergraduate Students and the Pell Grant, which gives needy students money that doesn't have to be repaid. Loans are either issued directly to students or are distributed through private lenders.

Democratic leaders may scale back some of their ambitions in a bid to help move measures through Congress. The New Direction document calls for cutting interest rates in half for student and parent loans. But now Democratic aides say lawmakers might seek to cut rates only for certain student loans. Rep. George Miller (D., Calif.), expected to be named leader of the House education committee, said in a postelection statement last week that among the "first three priorities" for the committee is to improve college affordability by cutting interest rates in half on student loans.

Stafford loans currently carry an interest rate of 6.8%. For a typical $20,000 loan over 10 years, cutting that rate in half would save a student about $4,000, according to an analysis by Mark Kantrowitz, publisher of FinAid.org.

Democrats also want to raise the limit that needy students can receive from the Pell Grant program to $5,100 a year from $4,050, which has been the limit for four years. Sen. Edward Kennedy (D., Mass.), who will head the Senate education committee, has unsuccessfully tried to raise that cap in recent years. President Bush in his 2000 election campaign spoke about an increase in the Pell Grant program, when he said he would raise the limit to $5,100, but just for first-year students. That promise never materialized.

Rep. Miller and Sen. Kennedy helped introduce legislation last year that would have provided financial incentives for schools that encourage students to borrow directly from the government, rather than obtain federal loans that are distributed through private banks. The lawmakers are expected to revive the idea. Currently, just one-fourth of federal loans are made directly to students. Democrats point to reports by the Congressional Budget Office and the Government Accountability Office that say direct lending saves the government money, though those reports are contested by the loan industry.

Under the proposal, the government would hand over a portion of the money that it saves to the schools, on condition that it be directed to need-based student-aid programs.

Democrats also want to restore a tax deduction, which expired last year, that used to benefit families who earned up to $160,000 a year. That measure would allow tuition-paying families to deduct as much as $4,000 a year. Other existing tax incentives, including the Hope and Lifetime Learning programs, provide tax credits for families with annual incomes of up to $107,000.

"The bottom line is these proposals will require an infusion of money," says Mr. Kantrowitz of FinAid.org. "So they will need to either increase taxes or cut costs elsewhere to pay for it."

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Big Oil Headed For Tougher Congress (CSM)

By Ron Scherer

The Christian Science Monitor, November 15, 2006

NEW YORK

So far this year, 40 bills have been introduced in Congress about alleged gasoline price gouging. Twenty-one bills have addressed windfall profits by oil companies. Few have gotten past the press-release stage.

But next year, Big Oil is likely to feel as if it's wearing one of those "kick me" signs.

The Democratic leadership has already indicated it will try to repeal earlier tax breaks for oil companies. A gusher of new legislation could develop as well, as Democrats get a chance to see their energy bills move past the trash can. In fact, the Democrats will try to put together their own version of a comprehensive energy bill that tackles everything from gas-mileage standards to tax breaks for alternative energy sources, some congressional analysts believe.

"The oil companies are a big target for the Democratic majority," says Steven Smith, a congressional expert and professor at Washington University in St. Louis. "There is virtually near unanimity among the Democrats to do something about company tax breaks, but they will almost certainly seek a package of energy and environmental proposals in this Congress."

Congress is expected to move despite the fact oil and gasoline prices have been falling. Oil is now less than $57 a barrel, compared with more than $70 last spring. Gasoline is about $2.23 a gallon - 6 cents a gallon lower than a year ago, and more than 75 cents lower than in the spring.

"The surge in legislation earlier this year was due to the gas prices, as virtually every member of Congress wanted to go on the record as doing something about it," says Mr. Smith. "I don't think anyone lifted a finger to get that legislation passed."

Still, the oil industry is bracing for a new battle, particularly over tax breaks. "That will be seriously considered: They are sure to have hearings. It will go to markup, that sort of thing," says Jim Ford, a lobbyist for the American Petroleum Institute (API) in Washington. "As policymakers start to look at where the money goes, they will ask practical questions, such as why [the tax breaks] are in the tax code now."

Some of the tax breaks are relatively recent. In the Energy Policy Act of 2005, Congress allowed refiners to expense 50 percent of the cost of capital projects that would increase capacity by at least 5 percent.

"This came about when there were concerns about the adequacy of refining capacity in the US," says Mr. Ford. "It was put there to [create further incentives] and perhaps make it economically viable for capacity expansion."

Another tax break, given during the Clinton administration, gives the oil industry relief from paying the government royalties for deepwater drilling in the Gulf of Mexico. "When it was put in place, we had $20 [a barrel] oil, and you could not afford to drill in a mile of water," says John Felmy, chief economist at the API. "If anyone looks at it fairly, it has been a very successful program."

On the other hand, industry critics maintain the tax breaks haven't worked. The refineries have failed to expand, says Mark Cooper, research director at the Consumer Federation of America in Washington. Royalty relief is now a bad idea, he adds: "At the current price of oil, deepwater drilling is plenty profitable. And the finds in the Gulf have not significantly improved the worldwide supply-and-demand balance."

But the debate over energy policy is likely to go well beyond taxes, says Mr. Cooper, since many of the potential 2008 presidential candidates - some prominent members of Congress - have already drafted energy plans or have well-defined positions. Many of these lawmakers focus on fuel efficiency or the use of biofuels. On the Democratic side, says Cooper, one of the main themes is "efficiency, efficiency."

This spring, Sen. Barack Obama (D) of Illinois (along with Sen. Richard Lugar (R) of Indiana) proposed an energy policy of loan guarantees for those producing biofuels and a requirement that all new cars have fuel flexibility by the end of 2010.

Sen. Hillary Rodham Clinton (D) of New York has also put together a plan heavy on alternative fuels and efficiency. On the Republican side, Sen. John McCain of Arizona wants to press for 100,000 hydrogen-powered vehicles by 2010.

Even though Congress will be in a lame-duck session for the rest of the year, some members of the energy sector hope it will take up the issue of allowing drilling for oil and natural gas in the eastern part of the Gulf of Mexico. To get the states on board, lawmakers would offer them enhanced revenue sharing.

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"It virtually assures the reelection of Sen. Mary Landrieu [(D) of Louisiana] in 2008," says David Parker, president of the American Gas Association in Washington, which favors the proposal. "We're hoping the House passes it before adjournment."

The shift in congressional leadership may also mean additional funding for the Low Income Home Energy Assistance Program, which is currently funded at $2.1 billion for 2007. Says Mr. Parker: "They might add some extra money to get it to the same level as last year," which was $3.2 billion.

Why The Next Congress Will Be 'Greener,' But Only By A Few Shades (CSM)

By Brad Knickerbocker

The Christian Science Monitor, November 15, 2006

ASHLAND, ORE.

After years in the political wilderness, activists and their champions in Congress are poised to take environmental policy and lawmaking in a decidedly greener direction.

Climate change and renewable energy, land conservation, endangered species protection, pollution prevention - all will get a fresh look as Democrats take over key committees and subcommittees in the US House and Senate.

At the same time, activists don't expect the new Congress to make radical changes.

"We have cause for good cheer and optimism," says Betsy Loyless, senior vice president of the National Audubon Society. "But even with significant congressional changes, there will likely be limits to what's achievable."

Among other things, she says, Congress faces tight fiscal constraints, industry interests continue to hold sway with the Bush administration, most incoming Democrats are moderate rather than liberal, and pro-environment interests will have fewer middle-of-the-road GOP allies (such as defeated Sen. Lincoln Chaffee of Rhode Island) on Capitol Hill.

Still, expect a weakened effort to drill for oil and gas in the Arctic National Wildlife Refuge in Alaska and in the Rocky Mountain states, less of a push for expansive offshore oil drilling, and more resources to bolster the Endangered Species Act and clean up toxic sites on the Superfund list. The ethanol debate

Among important related issues will be the five-year farm bill, set to expire next year, and crop subsidies connected to ethanol production.

As with other major environmental and energy issues, the ethanol issue presents activists with a political dilemma. Using more ethanol can help reduce reliance on foreign oil, but it can also mean more use of fertilizers and pesticides and less interest in the federal program to set aside agricultural land in conservation reserves to protect wetlands and wildlife habitat.

"The whole [farm bill] debate will be over how much money goes to conservation," predicts Ken Cook, president of the Environmental Working Group.

In other areas, too - the energy and pollution associated with motor vehicles, for example, or power generation impacting fish and wildlife habitat - local interests could conflict with long-term goals of environmentalists. New committee chairs to watch

The biggest immediate changes will be in committee leadership. Rep. Richard Pombo (R) of California lost his reelection bid to political novice Jerry McNerney, a wind energy engineer. It was an indication of the clout the Sierra Club, Defenders of Wildlife, and other activist groups had in this election. Mr. Pombo will be replaced as House Resources Committee chair by longtime environmental champion Rep. Nick Rahall (D) of West Virginia, a leader in the effort to reform the hardrock mining law of 1872, which left thousands of polluted sites across the West.

In the Senate's Environment and Public Works Committee, Barbara Boxer (D) of California will assume the chairmanship from James Inhofe (R) of Oklahoma, who has called the Environmental Protection Agency "a Gestapo bureaucracy" and who once called global warming "the greatest hoax ever perpetrated on the American people." The Senate Energy and Natural Resources Committee will be chaired by Democrat Jeff Bingaman of New Mexico, another advocate of dealing directly with climate change.

Much has been made of the centrist - sometimes even conservative - stance of the new crop of lawmakers. But their campaign statements and records on environmental issues would indicate that most are quite green. Related to this, voters in many states passed pro-environment ballot measures, an indicator of political support. And in some ways, the old guard - and not just Democrats - is likely to have even more prominence. Two important Senate proponents of addressing global warming have

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been Republican and likely presidential candidate John McCain of Arizona and Democrat-turned-Independent Joseph Lieberman of Connecticut.

On the other hand, some of the Democratic old guard may put roadblocks in the way of environmentalists' goals. Rep. John Dingell (D) of Michigan, whose Detroit home district includes Ford, General Motors, and Chrysler, is set to take over the House Energy and Commerce Committee. Mr. Dingell can be expected to resist attempts to stiffen fuel-efficiency standards for autos.

Meanwhile, the White House reportedly will launch an "energy independence" initiative focusing on fuel made from plant waste. This may have been in the works before the election, but the "thumping" President Bush acknowledges having taken on Election Day may help to focus his attention on energy issues.

"Energy was definitely a factor in many of the most competitive races," says Anna Aurilio, Washington office director of the US Public Interest Research Group. War in an oil-rich part of the world and unusually high gasoline prices earlier this year were part of that, she says.

Advocates of renewable energy resources received a boost this week from a new report by the RAND Corp. Researchers at the nonprofit organization find that by 2025 wind power, solar power, the burning of agricultural waste, and other renewable resources could produce 25 percent of the electricity and motor-vehicle fuels used in the US at little or no additional cost while achieving "significant reductions in carbon dioxide emissions from fossil fuel combustion."

As lawmakers and the White House discuss their new relationship regarding energy and the environment, such information sharpens the focus.

"I actually think from talking to Democrats they have the same concerns we do," White House economic adviser Allan Hubbard told the Financial Times last week. "They are concerned about energy, and recognize that we need to accelerate our efforts to cure our addiction to foreign oil."

In the end, agrees Audubon official Betsy Loyless, "Environmental progress can only be made to the extent that the various sides desire to find common ground."

Historian Says Peak Oil Production Is Still A Quarter-century Away (MCT)

By Kevin G. Hall

McClatchy Newspapers, November 15, 2006

WASHINGTON - Far from being a nearly exhausted resource, the world's oil reserves are three times bigger than what some popular estimates state, and peak global oil production is still about a quarter-century away, according to a new study by Pulitzer Prize-winning oil historian Daniel Yergin.

The remaining oil resource base is about 3.74 trillion barrels, according to a report released Tuesday by Cambridge Energy Research Associates, which Yergin runs. That's more than three times the 1.2 trillion barrels that "peak-oil" theorists suggest.

CERA's report, titled "Why the Peak Oil Theory Falls Down," challenges an increasingly popular view that the world is about to run out of oil. On the contrary, CERA argues that the world is likely to begin running out of oil between 2030 and the middle of the century. Even so, CERA says, efforts are needed now to push that date back, such as new oil field discoveries, new technologies, energy conservation and alternative energy sources.

Peak-oil theorists warn that the world is on the cusp of a disastrous and rapid decline in oil production. A leading proponent of the theory is oil banker Matthew Simmons, who in the popular book "Twilight in the Desert" suggested that the world's top producer, Saudi Arabia, has entered an oil-production decline and will take the world down with it. Last month, Simmons told a forum that the world might have reached peak oil production last December.

The peak-oil theory has gained supporters since late 2004, when surging global demand for oil began tightening up available supplies and driving up world oil prices. The price hit $78.40 a barrel in July, but has fallen to less than $60 a barrel in recent months.

The CERA study debunks the so-called Hubbert Peak Oil Theory, first espoused in 1956 by geologist M. King Hubbert. Working at the time for Shell Oil Co., he predicted that world oil production would follow a bell-shaped curve in which production grows steadily until it peaks, followed by a rapid decline.

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Hubbert was pretty accurate on the timing of U.S. peak oil production, coming within two years of 1970, the year experts now recognize as the peak of continental U.S. production.

But his theory failed to recognize that new technologies enabled reserves to grow over time. His theory preceded the exploitation of massive oil reserves in Alaska and the Gulf of Mexico.

That's why Yergin dismisses talk of peak oil.

"This is really the fifth time we've `run out of oil,'" Yergin said in a teleconference with journalists on Tuesday. He recalled past predictions dating back to 1880 of an end to oil or gasoline production.

Yergin's views carry weight because he won the Pulitzer for his 1991 book "The Prize," an exhaustive history of oil economics.

He and colleagues believe that the decline in oil availability will play out as an "undulating plateau," in which annual production produces a series of ups and downs, eventually peaks and then declines slowly.

"We see the undulating plateau existing one or two decades, rather than a sharp decline," said Peter Jackson, CERA's director of oil industry activity. He sees outright decline beginning no earlier than 2030 and perhaps after 2050.

Future oil supplies, said CERA, will be accessible by new technologies that permit drilling more than 7,000 feet below the ocean's surface or extracting oil from tar-like deposits in sandy soil found in western Canada.

"Ours is not a view of endless abundance of resources," said Jackson, cautioning that he doesn't want CERA's findings to "distract us from addressing real issues."

Another source of optimism for this energy-hungry world emerged from another report this week, this one a technical paper from the Los Angeles-based think tank Rand Corp. It ran 1,500 simulations of varied energy prices and technology costs to estimate future supplies of both renewable and nonrenewable fuels.

It concluded that up to one-quarter of the electricity and motor fuels consumed in the United States in 2025 could be produced from renewable sources, up from only 6 percent today. For that to happen, the price of fossil fuels must remain high and the costs of producing alternative energy must keep falling.

"The renewables case could displace about 2.5 million barrels a day of petroleum products in the United States in 2025, or 20 percent of total consumption," the Rand report said.

Together, the two reports give hope that energy will be plentiful for another generation or more.

"I've never seen so much activity in terms of energy technology all along the spectrum," Yergin said. "I think the system is responding."

Enter, Pariah: Now It's Hugs For Lieberman (NYT)

By Mark Leibovich

The New York Times, November 15, 2006

WASHINGTON, Nov. 14 — Senator Joseph I. Lieberman strode into a Democratic caucus gathering like he owned the place or, at the very least, like someone who is a flight risk and could leave at any minute, taking the Democrats' new majority with him.

In other words, everyone was extra-special nice to the wayward Democrat on Tuesday.

"It was all very warm, lots of hugs, high-fives, that kind of stuff," said Senator Ken Salazar of Colorado.

Senator Ron Wyden of Oregon marveled, "One senator after another kept coming up and shaking his hand."

And Senator Blanche Lincoln of Arkansas noted, "I gave him a hug and a kiss."

Mr. Lieberman received a standing ovation at a caucus luncheon after Senator Harry Reid of Nevada, who is poised to become the majority leader, declared, "We're all family."

All of which is particularly touching in light of recent history. It was, after all, just three months ago that Mr. Lieberman became something of a party pariah after losing the Democratic primary in Connecticut but continuing his re-election bid as an independent.

Mr. Lieberman won re-election last week without help from most of his Democratic Senate colleagues, who backed Ned Lamont, his Democratic rival, over their "good friend Joe Lieberman."

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These would be many of the same good friends "who were happy to leave my dad by the side of the road," as Mr. Lieberman's son, Matthew, put it in an election night speech. These, presumably, would include "friends" like Senator Hillary Rodham Clinton of New York, John Kerry of Massachusetts and Christopher J. Dodd of Connecticut, all Lamont supporters.

"It's clear that the Democrats need him at this point more than he needs them," said Senator Susan Collins, Republican of Maine, whom Mr. Lieberman genuinely does consider a close friend. "How sweet is this?"

Indeed, it is hard to imagine how Mr. Lieberman could have emerged better from last week's election. He was re-elected comfortably, and the Democratic Party he still belongs to is now in the majority, assuring him the chairmanship of the powerful Homeland Security Committee.

Yet that majority is slim enough, 51 to 49, to turn Mr. Lieberman into arguably the Senate's most influential member. If he defects, the Senate would effectively be under Republican control because Vice President Dick Cheney would cast tie-breaking votes.

"It was very painful to him to have all these people he thought were his friends embrace his opponent," Ms. Collins said. "They just threw him overboard. But now, not only is he re-elected resoundingly, but he is also the key to which party controls the Senate."

Mr. Lieberman's situation underscores the precarious calculus of political friendships. People close to him say he remains miffed, if not bitter, about what he considers the betrayal of allies who supported an unknown, untested and unfamiliar candidate.

In recent months, Mr. Lieberman has frequently invoked the Harry Truman maxim that if you want a friend in Washington, get a dog.

Mr. Lieberman has suggested he has felt especially wounded by Mr. Dodd, Connecticut's senior senator, with whom he had shared a close bond since arriving in the Senate in 1989. Mr. Dodd had supported Mr. Lieberman in the primary, but endorsed Mr. Lamont after he won. Mr. Dodd's appearance with Mr. Lamont at a Democratic "unity" rally and in a campaign commercial infuriated Mr. Lieberman, friends said.

Mr. Dodd said in a brief interview Tuesday, "We all make decisions, and those decisions have consequences."

Earlier in the day, he attended a Capitol Hill news conference that drew every Democrat in Connecticut's Congressional delegation except Mr. Lieberman.

Friends said the strains between Mr. Lieberman and his Democratic colleagues show.

"It will take a little time for the room to really warm up from both ends," said Senator Mary L. Landrieu of Louisiana, one of the few Senate Democrats who supported Mr. Lieberman in his general election campaign. "I would not be forthright if I didn't say there was some healing and work that has to be done."

During the campaign, Mr. Lieberman said repeatedly that he would continue to vote with the Democratic caucus, but there were calls from the left for the Democratic leadership to strip him of his seniority and committee assignments if he won.

But as Mr. Lieberman claimed a healthy lead in polls, Mr. Reid reached out to him. Over time, Mr. Reid's and other Democratic leaders' support for Mr. Lamont became half-hearted, or nonexistent, according to Mr. Lamont's campaign.

Mr. Lieberman classifies himself as an "independent Democrat" and has said that recent events left him feeling "liberated" and "unshackled," not exactly reassuring words to Democrats.

He stirred more anxiety Sunday, when in an interview on NBC's "Meet the Press," he refused to rule out becoming a Republican (while adding, "I hope I don't get to that point").

In brief remarks to reporters Tuesday, Mr. Lieberman said he had refused to rule out switching parties largely because Tim Russert, the show's host, "kept pressing me on it."

But Mr. Lieberman also said that while "most of my vote clearly came from independents and Republicans" in Connecticut, "it's fair to say that I couldn't have won without Democratic support."

Mr. Lieberman restated that it was possible he could join Senate Republicans, but he added, "I'm not going to threaten on every issue to leave the caucus."

Clearly, friends say, he is relishing his sudden ascent from Democratic reject in Connecticut to Senate kingmaker in Washington. "He is just sitting there in the catbird seat, and it must be delicious for him," Ms. Collins said.

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Mr. Lieberman was asked Tuesday if he viewed his position as similar to a swing vote on the Supreme Court, a role often played by former Justice Sandra Day O'Connor or Justice Anthony M. Kennedy. The parallel had not occurred to him, Mr. Lieberman replied, but he considered it "a complimentary analogy."

He beamed as he said this, as he did for much of the day.

Top 2 Census Officials Resign (WP)

By Elizabeth Williamson

The Washington Post, November 15, 2006

The two highest-ranking officials in the U.S. Census Bureau quit yesterday, putting management of the agency in flux as preparations for the next census enter a critical phase.

The departures of Census Bureau chief C. Louis Kincannon, a statistician appointed by President Bush to lead the agency in 2002, and Hermann Habermann, a career statistician who runs the census operation, could complicate a revision of the counting process in 2010 -- to produce a detailed picture of the U.S. population every year, rather than once a decade.

The census determines such key issues as congressional representation to highway expenditures, so it draws intense scrutiny from lawmakers.

"This will hurt the agency as it tries to roll out the planning process," said Columbia University professor Kenneth Prewitt, a former Census Bureau director. "The 2010 census is a very big operation that involves detailed planning spread over a number of years."

The open positions will likely take at least six months to fill, he said.

Kincannon officially cited family responsibilities for his departure. But in an interview he mentioned "different views perhaps about priorities" at the agency.

"My perception is that I don't have the same level of trust that I did a year or so ago," said Kincannon, who began his career at the agency in 1963. "The relationship has changed, and that relationship I regard as essential." There was no official reason given for Habermann's departure and no letter was released. Habermann could not be reached to comment.

Kincannon will stay on until his replacement is found and is confirmed by the Senate. Habermann will stay until early January. His successor will likely come from the bureau's career ranks, though a political appointment is possible.

In his resignation letter to Bush, Kincannon defends the Census Bureau's finding in 2003 that it used the best methods possible in counting Americans from communities -- including minorities, renters and immigrants -- that are the most difficult to tally and tend to vote Democratic. Because the census forms the basis for apportioning congressional districts, past efforts to adjust the numbers in undercounted areas ignited partisan battles that have raged on and off for decades.

Addressing the issue, Kincannon's resignation letter cites extensive scientific documentation, "should my successor have need of it."

One person with knowledge of the situation suggested that the two officials -- especially Habermann, a career employee -- were targeted by Republicans who would want to install an official who could better protect against Democratic congressional efforts to reinvigorate adjustment efforts -- a move some think could favor Democrats.

"I think there persists among congressional Republicans a concern about that, but if they look at the facts they will see that's not a likely thing," Kincannon said.

One Hill staff member with knowledge of census operations said the resignations anticipated the release in coming weeks of a congressional report on lost laptop computers at the agency. The Census Bureau is part of the Commerce Department, which revealed several weeks ago that the Census Bureau has lost 672 laptop computers since 2001. One-third of the computers contained personal data, though no evidence has emerged that the information has been misused.

"I don't think the laptop situation was a determining factor" in the resignations, Kincannon said. "We've had some problems and we've taken steps to address that problem."

The Census Bureau has also repeatedly run into budget problems on the Hill.

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Kincannon said the agency had $50 million trimmed from its 2007 budget request of $878 million. The budget is not final, but without the money, "We can wind up limited in our ability to achieve the automation required to carry out the census in 2010 at lower cost."

Neither Commerce nor the Census Bureau issued statements on the departures. While Kincannon's letter was released, neither agency would confirm that Habermann, who is not required to write a resignation letter, issued one.

Commerce spokesman Dan Nelson refused to comment on the unusual timing of the departures. "They've both done a great job," he said. "The 2010 census is on track and on schedule."

Some members of Congress weren't so sure. "Changing management at a time like this is very dangerous," said Rep. Carolyn B. Maloney (N.Y.), a member of the Government Reform Committee and former ranking Democrat on the census subcommittee, said in a statement. "It's disturbing that two world-class statisticians who have worked for years to make sure we will have an accurate count in 2010 left on the same day so soon before the beginning of the census.

"At this point, without knowing who's taking over, it fair to say that the accuracy of the 2010 census is absolutely in jeopardy."

Time Again To Choose Or Switch Drug Plans (NYT)

By Robert Pear

The New York Times, November 15, 2006

WASHINGTON, Nov. 14 — Starting Wednesday, Medicare beneficiaries can sign up for prescription drug coverage or switch plans, and many may want to do so because prices have changed, with some of the most popular plans charging much higher premiums for 2007.

In every state but Alaska and Hawaii, more than 50 drug plans are available. Beneficiaries have until Dec. 31 to sign up or change plans, but federal officials said they should act by Dec. 8 to avoid the problems that caused turmoil at pharmacies in January, when many people were unable to get their drugs.

Several recent surveys, including one by J. D. Power & Associates, the market research company, suggest that three-fourths of the people with Medicare drug coverage are satisfied. Michael O. Leavitt, the secretary of health and human services, said: “The program is working. People are happy. ”

The Bush administration says that premiums for Medicare drug coverage will average $24 a month in 2007, about the same as in 2006. But for many beneficiaries, the reality may be substantially different.

Melvin London, an 83-year-old retired filmmaker in New York City, said Tuesday that the new Medicare benefit had saved $245 for him and $685 for his wife. He was annoyed at the prospect of a sharp increase in premiums in 2007. For Mr. London’s plan, known as Humana Enhanced, the monthly premium will be $29.60, up from $9.42.

“I call that bait and switch, when the company charges $9 to get you in and then goes to $29,” Mr. London said. “It took me three months to find a plan that was suitable. Am I now supposed to go through the same process every year to determine which plan is best for me? That’s an unfair burden for beneficiaries.”

Thomas T. Noland Jr., a senior vice president of Humana, said: “We still offer excellent value. We will have the lowest premium in 38 states, the second-lowest in 10 states and the third-lowest in the remaining two states.”

About 4.5 million Medicare beneficiaries receive drug coverage from Humana plans. Humana has been wooing people with free showings of the Humphrey Bogart movie “Casablanca.” Medicare beneficiaries eat popcorn and sip sodas while watching the film, along with a short extolling Humana’s Medicare plans.

The $24 premium emphasized by the Bush administration is for basic coverage, the minimum required by law, and many plans provide additional benefits for an extra premium. Moreover, the average includes premiums for drug coverage offered by managed care plans and by free-standing drug plans, which serve people in the traditional Medicare program.

Both types of plans charged about $24 a month, on average, for drug coverage this year. In 2007, the average premium will increase about 10 percent for free-standing drug plans, but will decrease about 35 percent for drug coverage offered by managed care plans.

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Most drug plans have a gap in coverage. “Beneficiaries tell us this was a helpful benefit for six or eight months, until they fell into the coverage gap,” said Deane R. Beebe, a spokeswoman for the Medicare Rights Center, a consumer group that counsels people with Medicare.

Some insurers provide coverage for generic drugs in the coverage gap, and a few also provide coverage for brand-name drugs in the gap. But Ms. Beebe said, “In 11 states, we cannot find any free-standing drug plan that provides coverage for brand-name drugs in the gap.”

The Medicare handbook, sent to all beneficiaries, says that a plan offered by Coventry Health Care will pay for generic and brand-name drugs in the coverage gap. But Francis S. Soistman Jr., executive vice president of Coventry, said Tuesday that only five brand-name drugs, out of the many available, were covered in the gap.

Jeff Nelligan, a Medicare spokesman, said, “We corrected the online version of the information.”

Sixteen Democratic senators, led by Byron L. Dorgan of North Dakota, said this week that some insurers were misleading consumers by marketing drug plans under names that included the word “complete.”

“How can a plan be called ‘complete’ when it contains a gap in drug coverage?” they asked in a letter to Mr. Leavitt.

John C. Rother, policy director of AARP, the lobby for older Americans, said the new program had helped many people. His “biggest disappointment,” Mr. Rother said, was that several million low-income people had not applied for the extra help available to them.

Drug Makers' Politics Produces A Bitter Pill (WSJ)

By Alan Murray

The Wall Street Journal, November 15, 2006

Since Election Day, drug stocks have gotten clobbered. Pfizer, Wyeth, Eli Lilly and Novartis have tumbled 5% or more; GlaxoSmithKline, Merck and Johnson & Johnson are down 4% or more; and Bristol-Myers Squibb is down 3.5%.

Add it up, and you've got nearly $50 billion in market value wiped out by Democratic victories.

That's the price big pharma is paying for a badly bungled political strategy. For years, the industry operated on the assumption it could get what it wanted out of Washington. Then, when the going got tough, it doubled down on Republicans and ignored a groundswell of public anger over high drug prices.

TALKING BUSINESS

Should the government negotiate drug prices for senior citizens directly with the big drug companies? Join the discussion.1 Alan Murray will read your thoughts and post replies.

Even ex-congressman Billy Tauzin, the Democrat-turned-Republican who heads the industry's trade group, acknowledges that before he took over two years ago, the group used "a scorched-earth policy" to get its way.

The most conspicuous example of overreach was a line inserted in the Medicare Modernization Act of 2003 that prohibited the U.S. government from negotiating prices directly with drug companies. That prohibition was unnecessary; the law created a structure in which private insurers and health plans did the negotiating on the government's behalf.

But someone allied with the drug industry -- it's still a little unclear who -- insisted on making the implicit explicit, and in the process, created a campaign issue for Democrats.

As a result, the industry's big bet has now gone bad. Allowing the government to negotiate prices directly with drug companies has become Democratic dogma. And a few moderate Republicans are toeing the line as well.

That doesn't make it a good idea.

Truth is, drug companies can't really "negotiate" with the government, any more than a backwoods hiker can negotiate with a 900-pound grizzly bear.

With a market share of about 46%, the government would set drug prices, not negotiate them, and then establish "formularies" telling seniors which drugs they could use and which ones they couldn't. Would that make seniors feel better off? I doubt it.

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The challenge facing the industry is to balance the legitimate desire for lower prices against the equally legitimate desire for new drugs, which cost large sums of money to develop. The marketplace doesn't always get that balance right. But there's no reason to think government bureaucrats would do it better.

Moreover, negotiated prices would force drug companies to redouble their lobbying efforts in Washington. That would be unfortunate. One reason the industry is in such a mess is because its leaders have spent too much time trying to get Washington to solve their problems, and too little time fixing a broken business model.

In the past two years, there's been a purge -- Henry "Hank" McKinnell of Pfizer, Raymond Gilmartin of Merck and Peter Dolan of Bristol-Myers Squibb have all been pushed out of their jobs. A new generation of chief executives is looking to blaze a fresh trail, and the government should encourage them, not force them to reverse course.

And here's the biggest surprise: The new prescription-drug benefit for America's senior citizens, created by the Medicare Modernization Act, is working pretty well. Oh sure, there was a lot of confusion at first over the "doughnut hole" and the complexity of choices. But a year into this grand experiment, the cost of the drug benefit is going down -- it now averages $24 a month, instead of the $42 estimated by actuaries, according to Health and Human Services Secretary Mike Leavitt -- and the satisfaction of seniors is going up. Why mess with it now?

If Democrats need their political pound of flesh, there are other ways to extract it without causing such damage to consumers.

One option, being pushed by Sen. Ron Wyden, an Oregon Democrat, would give the administration limited negotiating power to be used only in extreme cases, when drug companies with a monopoly product refuse to negotiate with Medicare's middlemen. Another option would be to push measures that help the marketplace, rather than hamper it -- creating a pathway for generic versions of biotech drugs, for instance.

Meanwhile, drug companies should be allowed to get on with the tough task of developing new drugs and fixing their businesses. They've got a lot of work to do. With price pressures rising around the world and blockbuster drugs going off patent, they need to figure out how to cut costs without sacrificing the critical research that leads to lifesaving cures.

It's in everyone's interest they succeed. The pharmaceutical industry's bad bedside manner has earned it a lot of enemies. But its lifesaving and life-enhancing products should make it many more friends.

Healthy Industry In Medicaid, Private HMOs Take A Big, And Profitable, Role (WSJ)

By Barbara Martinez

The Wall Street Journal, November 15, 2006

Some 55 million poor and disabled Americans are covered by Medicaid. With an annual price tag topping $300 billion, it's among the biggest government programs around.

It's also a lucrative business for some private companies that act as middlemen between the government and patients. Instead of directly paying the bills when a Medicaid patient goes to the doctor, state governments increasingly outsource the job to private contractors. More than one in three Medicaid beneficiaries now receive care through a private insurer.

The potential gains are big. Four years ago, a private-equity fund in which George Soros was the largest investor took a 70% stake in WellCare Health Plans Inc., a leading Medicaid health-maintenance organization. The fund finished cashing out the stake this August, bringing in a total of $870 million for an investment that originally cost $220 million.

Four of the biggest Medicaid HMOs -- WellCare, Centene Corp., Molina Healthcare Inc. and Amerigroup Corp. -- have seen their shares surge on the New York Stock Exchange over the past few years, although prices of the latter three have been volatile. WellCare's stock price has tripled since it began trading in July 2004, bringing the value of stock and options held by its chief executive, Todd S. Farha, to $77 million.

The companies are growing fast. Centene boasts nearly 1.2 million members and posted $1.5 billion in revenue last year. That compares with 142,000 members and $200 million in revenue six years earlier.

With the growth has come criticism from some doctors and patients who accuse Medicaid HMOs of scrimping on care. Even as they restrict medical tests and use of prescription drugs, the companies spend the money they get from states on items

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that don't have an obvious connection to patients. Centene has funded a multimillion-dollar arts center in St. Louis and paid to put its name on stadiums in Montana and Missouri. The HMOs are also big donors to political campaigns.

Executives say their profits are justly earned and don't come at patients' expense. Traditional Medicaid is a fee-for-service program: The government pays each medical bill the patient racks up, with little or no effort to manage the costs. Medicaid HMOs, like other HMOs, seek to save money by eliminating unnecessary care and paying for preventive treatments. Centene Chief Executive Michael Neidorff says the company sometimes gives free child-safety car seats to pregnant women who attend all of their prenatal exams. "We save millions" by preventing premature births, he says.

Mr. Neidorff earned $1.85 million in salary and bonus last year and as of the end of last year held restricted stock valued at $26 million. The company also recorded $135,547 last year in compensation for Mr. Neidorff representing the value of personal trips he took on the corporate jet, a Bombardier Challenger that features an espresso machine on board, according to the lease agreement.

Centene spokesman Robert Schenk declined to say how much the company pays to lease the jet. He said the jet is needed because many of Centene's operations are hard to reach by commercial carriers, and the company's board requires Mr. Neidorff to use corporate transportation even on personal travel to ensure that he is secure and accessible.

Centene's business is managing the care of patients such as Melissa Bishop, 39 years old, of Phillipsburg, N.J. When she needed radiation for cancer near her pancreas this summer, she called Centene, her Medicaid HMO. She says she tried three facilities suggested by the company, but none of them were part of Centene's plan. "I was going round and round and round," says Ms. Bishop. "I was getting so aggravated."

After she got an appointment at a fourth place, an administrator there told her it didn't accept her plan either. The administrator, Barbara Tofani of Hunterdon Regional Cancer Center in Flemington, N.J., says she called a dozen other centers in the region and struck out every time. Finally, Ms. Tofani called Centene and negotiated an ad-hoc deal to cover Ms. Bishop's treatment, although Ms. Tofani says the center will be lucky to break even.

Andrew Greenberg, Ms. Bishop's radiation oncologist, says that if it hadn't been for the special effort, "Melissa would have gotten lost in the system." Centene didn't provide comment on Ms. Bishop's case.

Each state runs its own Medicaid program but the majority of funding generally comes from the federal government. When states sign up HMOs to manage care, they often calculate what they would spend on Medicaid patients directly and pay the HMOs a per-patient premium below that amount. Florida, for instance, sets its HMO premium rates about 8% below what it would cost the state. WellCare, a big operator in Florida, says it saves the state $75 million a year. HMOs have an incentive to keep their costs under the premium because they keep the difference as profit.

After several years of spiraling growth in Medicaid costs, there's some evidence that the tide is turning, although it's unclear how much HMOs have contributed. Total Medicaid spending grew in fiscal 2006 by just 2.8%, according to a report last month by the Kaiser Commission on Medicaid and the Uninsured. That was the lowest rate of growth since 1996. The commission said that for the first time in years many states aren't feeling pressure to cut people off Medicaid rolls.

Are Medicaid HMOs slashing necessary care to achieve cost savings and raise profits? Yes, says Jerry Flanagan, health-care policy director of a California group that wants to stop state governments from moving Medicaid beneficiaries into private managed care. "What's good for shareholders is bad for patients," he says. "What's really happening is we're giving less money for far, far fewer services."

Private companies "deliver a good-quality product at a reasonable price," counters Ruben Jose King-Shaw Jr., a former top federal Medicaid and Medicare official who joined WellCare's board in 2003. He notes that states often require private HMOs to achieve high rates of vaccination and other quality standards that weren't met when bureaucrats did all the work. Mr. King-Shaw, whose final annual salary in government was $142,500, has sold WellCare shares for $1.8 million. He owns shares and options valued at an additional $1.5 million. "You only do well in health care if you deliver value," he says.

States began experimenting with using managed care for Medicaid patients in the early 1980s, and the idea took off in the 1990s. Now many states are moving aggressively to put more Medicaid patients in HMOs. Last month, Ohio chose the winning bidders to provide Medicaid HMO services to 120,000 of the state's aged, blind and disabled population -- a group that traditionally hasn't been placed in HMOs.

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When states run their own Medicaid programs, they spend on average 4% to 6% on administrative costs, according to Martha Roherty, director of the National Association of State Medicaid Directors. The rest -- 94% to 96% -- goes to paying for medical care. At Medicaid HMOs, only 80% to 85% of premium dollars generally go for medical costs. The rest covers other costs -- including executive compensation, entertainment and political contributions -- or becomes profit for shareholders.

States monitor the profit margins of Medicaid HMOs, which are generally reported as 5% or less. State officials say that with such a thin margin there's little room for further savings, although a review in New Jersey questioned whether one HMO was overcharging its subsidiary in the state for services. That could make the subsidiary's profits look lower.

While they spend fewer dollars on medical care, companies say they are more efficient and improve the health of patients. Elizabeth Douglas of Chicago says her 11-year-old son has kept up on his immunizations thanks to a WellCare program that gives her a free ride to the doctor's office.

Some patients and doctors have a different view. Kuldeep Singh, an internist in Valdosta, Ga., says that when Georgia began to move more than a million Medicaid recipients into HMOs this year, he suddenly faced hurdles not imposed by regular Medicaid. Recently, he says, one of his assistants had to wait on hold to get approval from WellCare for a hospital chest X-ray on a patient suspected of having pneumonia. "It was ridiculous," says Dr. Singh. A spokesman for WellCare says it sometimes requires such approval because hospital-based X-rays cost two to three times as much as those done in a doctor's office or imaging center.

Many doctors refuse to take patients in Medicaid HMOs because reimbursements are so low. (The same problem occurs in traditional Medicaid.) Noha Polack, a pediatrician in Union City, N.J., has an arrangement under which Centene pays her a fixed monthly sum per child to handle basic medical needs. Until a few months ago, that sum was $11.50 per month, equal to $138 a year -- about half of what other Medicaid insurers pay, says Dr. Polack. A child who had a few colds or scrapes during a year would quickly put her in the red.

Dr. Polack threatened to drop all her Centene patients and recently got a raise -- the amount of which is confidential, she says -- but she still stopped accepting new Centene patients.

The HMO is stingy about drugs that others approve with little question, says Dr. Polack, naming the antibiotic Ceftin as an example. "Many times we have to make treatment decisions not depending on what would be best for the patient but what the patient can afford," she says. While she could ask for an exception to use Ceftin, "they are so notorious for not getting back to you" and there's little time when a child has an infection, she says.

Vickie Vickers, a 39-year-old Trenton, N.J., single mother on disability and Medicaid, learned about the difficulty of finding a doctor this year. She hurt her hand on Mother's Day while stooping to pick up playing cards that fell on the floor. She went to the hospital for a temporary cast but spent weeks with Centene trying to find an orthopedic doctor.

She finally found one an hour away. She says the orthopedist told her she needed an MRI or CT scan, but Centene wouldn't approve it. It took until late June for an orthopedist to fit her with a splint with metal bars.

Ms. Vickers rents a house in a run-down part of Trenton with a rusty fence outside and a leaky roof that has caused big water stains in the attic, bedroom, bathroom and kitchen. She wishes the old Medicaid were back because in the 1990s "you didn't have to call 50 doctors" to get an appointment.

Centene didn't provide comment on the complaints by Dr. Polack and Ms. Vickers.

Research on the quality of care in Medicaid HMOs is thin. A study of infant health last year by researchers at the University of Illinois-Chicago and the Urban Institute found that Medicaid managed care was correlated with a slight increase in inadequate prenatal care in some women but in general showed little difference from traditional Medicaid.

While some doctors and patients complain of Centene's stinginess, the company has been generous in regions where it has offices. Centene last year was the biggest donor for a $9.5 million renovation of an arts building in St. Louis, now called the Centene Center for Arts and Education, according to a spokeswoman for the center. The company paid $200,000 last year for the naming rights of a minor-league baseball stadium in Montana, where Centene employs 100 claims processors but doesn't have Medicaid clients. Centene also pledged $400,000 this year to the school district in Clayton, Mo., where the company has its headquarters, to rename the district's stadium.

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Cynthia Schultz, director of the Great Falls International Airport in Montana, says Mr. Neidorff, the Centene CEO, once walked through the airport and heard that it couldn't afford artwork. Centene then commissioned and donated a $7,000 welded-metal sculpture of an eagle with a 16-foot wingspan that now hangs prominently in the airport, she says. The company confirmed the donation. "It's a great gift from someone who doesn't even live here," says Ms. Schultz.

Mr. Schenk, the Centene spokesman, said the donations show Centene is a "responsible and publicly focused corporation" and they help make the communities better places to live.

A few big U.S. insurers that serve large employers, including UnitedHealth Group and WellPoint Inc., also compete in the Medicaid HMO market. Many others don't. Medicaid HMOs assemble doctor networks in places with many people on Medicaid -- such as big cities and poor rural areas -- and deal with a single kind of customer, state governments. Those skills "are importantly different than what most commercial insurers have," says John W. Rowe, the former chief executive at Aetna Inc. and now a professor at Columbia University.

Medicaid HMOs have donated to candidates in state political races who support their existence. In 2005, five WellCare subsidiaries together donated $125,000 to Illinois Gov. Rod Blagojevich, a Democrat who won re-election this month. WellCare has 92,000 members in Illinois.

This year, 20 WellCare subsidiaries each donated the legal maximum of $500 to the campaign of Republican Tom Lee, who was narrowly defeated in his bid to become chief financial officer of Florida, WellCare's biggest market. WellCare donated $34,000 to the Republican Governors Association this year and contributed $100,000 to President Bush's second inaugural festivities in 2005.

"I call a governor, I usually get a call back within 24 to 48 hours," says Centene's Mr. Neidorff.

States keep track of the finances of Medicaid HMOs to ensure that the HMOs are spending a sufficient part of their revenue on medical costs. However, the numbers are subject to interpretation. A review of Centene's New Jersey subsidiary in 2004, by a unit of Marsh & McLennan Cos., said hundreds of thousands of dollars that Centene counted as medical costs should have been considered administrative costs.

The report also questioned cases where Centene's New Jersey subsidiary pays a national Centene subsidiary for specialized services such as mental-health or a nurse hotline. It said the New Jersey subsidiary was paying an above-market rate for some of these services. That would tend to increase the state subsidiary's medical costs and reduce its profit, without affecting the bottom line of Centene as a whole. Mr. Schenk of Centene declined to discuss the report in detail but said Centene has used the findings "to strengthen its operational efficiencies."

In Illinois, the state and the Justice Department asserted in a lawsuit that Amerigroup spent only $131 million on medical care from 2000 to 2004 despite taking in $243 million from the state. The lawsuit accused Amerigroup of fraudulently trying to exclude pregnant and sick patients to reduce its medical costs. A jury in Illinois state court agreed last month, finding Amerigroup liable to the government for $144 million. Internal Amerigroup emails filed in court show managers contemplated disciplinary action for employees who signed up women in the third trimester.

Amerigroup said it will appeal. The company says it discouraged transfers by pregnant women so their care wouldn't be disrupted. A spokesman said the figures in the suit are "extremely misleading," in part because they don't account for preventive health programs.

A Lame-Duck Revival For Postal Service Overhaul? (WP)

The Washington Post, November 15, 2006

Sen. Susan Collins (R-Maine) said yesterday that she is not giving up on legislation that would overhaul the U.S. Postal Service and will try to win approval of the bill next month during the lame-duck session.

Collins said she has met with the chief Democratic sponsor, Sen. Thomas R. Carper (Del.), and has talked with White House officials about how to revive the bill. Various proposals are being discussed by mailers and others to see whether modifications can be made to get the bill moving, she said.

Still, Collins said, "I'm not optimistic I will be successful."

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The Senate bill stalled in late September when the National Association of Letter Carriers objected to a relatively minor provision that would require a three-day waiting period before injured postal workers could begin drawing workers' compensation benefits.

The union said any workers' compensation changes should apply to all of the federal workforce, not just postal employees. The objection derailed Collins's effort just as the bill appeared to be nearing Senate approval.

"I'm still stunned that the bill did not pass," Collins said in an interview.

The letter carriers union has said it will not drop its objection to the bill, even though Collins got the White House to drop proposals that unions had claimed were dealbreakers, such as forcing injured postal workers into retirement rather than letting them continue to collect higher workers' compensation benefits.

The bill would resolve some multibillion-dollar funding issues for the U.S. Postal Service, link postage increases to a consumer price index, set up an expedited rate-setting process and provide enhanced discounts to big mailers that take over some postal work.

Collins, in what many of the largest mailers consider a big victory, got the White House to sign off on changes that would permit military pensions earned by postal workers to be paid out of the Treasury. This means the pensions' costs would not be passed on to mailers in the form of higher rates. The White House also agreed to use an escrow fund to finance future postal retiree health-care benefits.

Congress created the escrow fund in 2003 after learning that the Postal Service had been ordered to pay too much into a retirement trust fund. Postal payments into the fund, if unchecked, would grow to $105 billion by 2071. Unlocking the fund could add to the federal deficit, according to budget rules.

"I just find it inconceivable that the unions and mailers and other affected parties would walk away from a proposal that would put billions of dollars on the table," Collins said.

Even if a new bill could regain the union's support and keep the White House on board, the revised bill has to pass the House.

Rep. Henry A. Waxman (D-Calif.), who has worked on versions of the bill, has expressed concerns about whether Congress should dictate a rate-setting formula, which he worries might lead the post office to reduce services in tight economic times. Waxman also wants to ensure that mailer discounts do not become sweetheart deals. House GOP conservatives, meanwhile, are afraid that the postal bill might shift some costs to taxpayers, making it harder to reduce the federal deficit.

Despite his concerns, Waxman supports a postal overhaul and thinks it is worth a lame-duck effort to resolve differences, an aide said.

"This is the year," Collins said. Without congressional action next month, she said, "I fear it will never pass."Mansfield Fellowships

Federal employees with a strong career interest in U.S.-Japan relations may attend an information session Nov. 22 on how to apply for a Mike Mansfield fellowship.

The fellowships include a year of full-time language training and a year working in Japanese government offices. After completing the program, fellows return to their federal agencies. The application deadline is April 2.

For information, go to http://www.mansfieldfdn.org or contact Niharika Joe at joen@mansfieldfdn.org or at 202-347-1994.

Aye, Spy (NYT)

By John Deutch

The New York Times, November 15, 2006

Cambridge, Mass.

PRESIDENT BUSH salvaged what for him was an otherwise dismal week by nominating Robert Gates to be secretary of defense. Mr. Gates is an experienced Washington hand with the right temperament to change the administration's thinking about our mission in Iraq and to make much-needed long-term changes in how we defend our nation.

Some critics point out that Mr. Gates spent most of his career in C.I.A.'s intelligence directorate, and question whether that background is appropriate for the Pentagon job. Well, as somebody who has served at both institutions, I can't think of any better

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pedigree. C.I.A. intelligence analysts are dedicated to giving an objective estimate of what is really happening to policymakers who are often invested in particular outcomes. This sort of neutral mind-set is just what President Bush needs and the country expects.

The big question he must answer on Iraq is this: Are we making progress toward meeting our minimum objectives — helping the Iraqis maintain security, establishing a working government and restoring basic services? If the answer is no, as I suspect, then Mr. Gates should tell the president that it is time to withdraw. Better sooner than later to avoid more lives lost and more treasure spent.

Contrary to conventional wisdom on both sides of the aisle, the consequences of withdrawal need not be catastrophic to American interests in the region. Secretary of State Condoleezza Rice; the national security adviser, Steve Hadley; and Mr. Gates need to develop a secondary track, simultaneous with a military withdrawal, centered on new economic and diplomatic initiatives in the Middle East to re-establish America's credibility and purpose.

In particular, we must take a new approach to Iran: its actions can encourage or dampen civil violence in Iraq, its oil exports are important to world supply and its uranium enrichment program puts it on a path to a nuclear bomb. Two years ago, Mr. Gates and the national security adviser in the Carter administration, Zbigniew Brzezinski, led a Council on Foreign Relations committee that recommended a more active approach to Iran centered on a "compartmentalized process of dialogue, confidence building and incremental engagement." Mr. Gates's work on the committee demonstrated his pragmatic approach to foreign policy and his ability to work effectively with those of differing ideologies.

Yes, there is an aspect of irony in having a former intelligence director become secretary of defense after the Iraqi weapons-of-mass-destruction intelligence failure was used to justify our 2003 invasion. And it is also true that the cultures of the C.I.A. and the Pentagon are very different. But Mr. Gates would not be the first top director of central intelligence to become secretary of defense. James Schlesinger moved from the intelligence directorship to the Pentagon in the 1970s, and he is remembered for his fierce independence from the White House.

Of course, there will be much more on the new secretary's plate than just Iraq. First, I hope that Mr. Gates will quickly re-establish the trusting relationship with senior military leaders — the chairman the Joint Chiefs of Staff, the heads of the combat and supporting joint commands — that was the hallmark of Secretary of Defense William Perry's successful tenure in the 1990s.

Next year's Pentagon budget, at greater than $530 billion, is giving Congress sticker shock. Down the road, modernization costs will only increase and there will be a large bill to pay to "reset" the Army and Marine Corps readiness and equipment to acceptable levels after we leave Iraq.

Mr. Gates is well suited for making his case to Congress. He is not, however, a technology or acquisitions expert, and he will need to listen to others in establishing a sound and affordable multiyear program to reshape the military to meet today's threats.

Perhaps nobody is better suited than Mr. Gates for reforming the military's intelligence operations. The revamping of the government's intelligence community in 2004 has been a mixed success. One important shortcoming is the Defense Department's continued use of its considerable intelligence budget to run its programs in isolation from the other intelligence agencies.

Mr. Gates surely understands the need to integrate the military's intelligence operations with those of other agencies. The Pentagon should stop competing with other agencies over collection and dissemination of information, and become more of an informed user of intelligence gathered by the multiagency intelligence community.

Last, a few will raise questions, based on Mr. Gates's involvement in the Iran-contra affair, about his ability to control covert operations. In this, I have full confidence in Mr. Gates's judgment. When I was the C.I.A. chief, my job was made easier by the way Mr. Gates had structured the partnership between the directorate of operations and the directorate of intelligence during his tenure in order to ensure that operations were launched only after disciplined analytic thinking of consequences.

To President Bush, for his choice of Robert Gates, I say "bravo," a word I'll bet he has not heard a lot recently. Congress should confirm the nominee promptly, thank him for his willingness to serve, and tell him we expect great results.

Earmarks Are Efficient (USAT)

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By John Culberson

USA Today, November 15, 2006

As a dedicated fiscal conservative who is committed to the Republican principles of limited government and a balanced budget, I believe "earmarks" can help ensure our tax dollars are spent effectively.

Every year, members of Congress are approached by dozens of constituent groups ranging from schools, hospitals, non-profits, city and state governments to the private sector requesting funding for projects or programs. Because members have a strong grasp on the needs of their districts, it is safe to assume they know which projects deserve federal support. Without earmarks, thousands of groundbreaking medical, science, energy and defense projects, along with critical infrastructure investments for flood control and highways, would go unfunded.

As elected and accountable representatives of the American people, members should set high standards for carefully selecting which projects receive federal funding. Personally, my starting answer is "no" on all spending requests, and "yes" has to be earned. I will approve an earmark only if it is absolutely essential and fits within the federal government's limited responsibilities. I proudly publish all my earmarks and my request letters to the Appropriations Committee on my website.

Eliminating earmarks will not save taxpayers money because the invisible bureaucracy will simply spend it. Earmarks are simply a way of directing budgeted money to specific projects. Instead of concentrating solely on earmarks, which account for about 1% of all federal spending, Congress must reform entitlement programs, which are the real source of annual deficits.

Any debate over meaningful budget reform should start with a Balanced Budget Amendment to the U.S. Constitution. Forty-nine states already have some form of a constitutional requirement for a balanced budget. We also need to create a deficit reduction account where all spending cuts can be deposited to help balance the budget.

"Earmark" has become a bad word because a few members have abused the system, but that does not mean Congress should surrender its constitutional authority to direct federal spending to unelected bureaucrats who rarely step foot outside of Washington.

Rep. John Culberson, R-Texas, serves on the House Appropriations Committee.

The District Deserves A Vote (WP)

By Adrian Fenty

The Washington Post, November 15, 2006

Last Tuesday Americans across the country flooded their polling places and voted for far-reaching change in our national legislature. Whether it was the war in Iraq or such issues as national security, education, health care and the environment, Americans sent a clear message with their votes that it's time for change.

But the nearly 600,000 Americans living in the District of Columbia were forced to sit on the sidelines and watch as the rest of the nation elected our new Congress. With no voting member of Congress to elect, Washingtonians were again denied participation in American democracy.

As the newly elected mayor of Washington, D.C., I'm concerned about the important issues facing the people of the District. I'm concerned about the families unable to afford health care or housing. I'm concerned about the parents grieving over the loss of daughters and sons in Afghanistan and Iraq. I'm concerned about the children who are being left behind in schools. And I'm outraged that D.C. residents have no vote in the Congress that will decide how to handle these challenges.

At the top of Congress's agenda right now should be this important part of its unfinished business: enactment of H.R. 5388, the D.C. Voting Rights Act. This legislation would give voting representation in the House of Representatives to D.C. residents for the first time ever. Passage of the bill is a key component of our plan to turn the District into a world-class capital.

The legislation provides D.C. residents with a vote in the House of Representatives while providing Utah with an additional congressional seat. Utah was the next state in line to receive an additional representative after the last census. H.R. 5388 has bipartisan support and is vote-neutral. We are working closely with Utah Gov. Jon Huntsman to negotiate a fair compromise that benefits the people of Utah and the District of Columbia.

In September I sat alongside Mayor Anthony Williams and members of the D.C. Council at a House Judiciary subcommittee hearing on the D.C. Voting Rights Act. I listened as every witness and lawmaker present agreed that denying a vote

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in Congress to citizens living in Washington is a problem that must be fixed. We have made considerable progress in advancing this bill, and we are presented with a window of opportunity to correct the injustice by the end of this year.

The D.C. Voting Rights Act is backed by constitutional experts such as Kenneth Starr and Patricia Wald, who, as legal scholars, understand that the District clause of the Constitution gives Congress the power to provide representation for Washingtonians.

I look forward to working with Congress on a number of additional reform issues, including budget and legislative autonomy and a transformation of the public school system. Let us begin that partnership by taking a step toward strengthening our nation's capital.

I urge Congress to pass this bill swiftly so that President Bush can sign it into law this year. America is the only democracy in the world that denies voting representation to the people of its capital. That needs to end right now.

I am humbled by the strong support of D.C. residents who share my vision of a world-class capital. We are not alone. I have traveled across the country meeting with mayors in America's greatest cities who share our frustration and our hope for bringing representation to our nation's capital. Achieving full and equal participation in our democracy is essential to working toward that vision. We need voting representation in Congress and control of our own affairs to help move our city forward.

As American citizens, we deserve full and equal representation in both the House and Senate. The D.C. Voting Rights Act moves us toward equality. Give Washingtonians a vote in the House. We deserve more -- but certainly no less.

Que CIRA, CIRA . . . (WSJ)

By Robert C. Pozen

The Wall Street Journal, November 15, 2006

Democrats and Republicans agree that Americans need to save more for retirement -- our personal savings rate has dropped to an all-time low. Despite numerous legislative programs to lure employers into offering retirement plans, many still have not taken up the bait. Today, almost 30 million full-time employees -- 25% of the full-time work force -- are not offered a retirement plan at work.

So what can be done to promote retirement savings for these 30 million workers? Legally, if employees are not offered a workplace retirement plan, they can establish an individual retirement account (IRA) -- regardless of their income level. However, only a small portion of these employees have enrolled. Although employees usually say they want to save more for retirement, most cannot overcome inertia to open an account. By contrast, if an employer takes retirement contributions out of their employees' paychecks, most employees will stay in the plan -- i.e., they will not opt out. In one study, the participation rate increased to 92% from 66% in opt-out plans relative to opt-in plans, with even larger increases for low-income workers.

A bipartisan Congress should harness these forces of inertia and mandate that all employers not otherwise offering a retirement plan establish a check-off IRA (CIRA) for employees. An employer could take out a minimum percentage (e.g., 3%) of their employees' wages from their paychecks, tax deductible in the year of contribution. But employees would have 60 days from their enrollment date to increase their contribution rate, or to opt out completely of any payroll deduction. The employer utilizing this auto-enrollment approach would be protected from legal liability by a safe harbor, if the employer followed specified procedures and provided specified disclosures.

Similarly, those payroll deductions would be presumptively invested in a balanced fund -- with 50% in a diversified stock fund and 50% in a high-quality bond fund. Again employees would have 60 days from their enrollment date to opt out of the balanced fund by choosing from a slate of investment alternatives -- a diversified stock fund, diversified bond fund, a money market fund or bank deposit. If the CIRA offered these four funds, its sponsor also would be legally protected by another safe harbor.

While the CIRA would increase retirement savings by workers with relatively low self-discipline, it would not be unduly burdensome on small employers -- the bulk of firms without retirement plans. Small employers (those with under 100 employees) would not be required to make any contribution to a CIRA, nor would they have to satisfy the complex IRS tests for anti-discrimination. Instead, they would be required only to connect their payroll system to a qualifying financial institution offering a

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CIRA, involving minimal administrative costs. Nevertheless, Congress might choose to exempt employers with fewer than five or 10 employees, because many of these do not have an outside payroll service or computerized payroll program.

By contrast, if a larger employer (with 100 or more employees) chose to adopt a CIRA rather than a 401(k) plan, that large employer should additionally be required to make a reasonable contribution to the CIRA accounts of its participating employees -- for instance, a 50% match of annual contributions by full-time employees up to 6% of wages (a maximum match of 3%). To smooth the transition for growing companies, this matching requirement could be limited to employers with 100 or more employees for three consecutive years. Furthermore, since this matching requirement is similar to the new safe harbor for meeting the anti-discrimination tests in 401(k) plans -- but slightly lower for simplicity's sake, any larger employer contributing such matches to a CIRA should also be deemed to have met the antidiscrimination tests.

Without this additional requirement, larger employers could drop their 401(k) plans in favor of CIRAs in order to avoid making any retirement contributions. The creation of the CIRA should not be an excuse for a larger employer to stop helping its employees save for their retirement; rather, the CIRA is a device to encourage workplace savings by shifting most functions to a financial institution. This is the only way to ensure that the minority of larger employers, who have resisted years of government incentives to offer retirement plans, contribute their fair share to boosting retirement savings.

Many financial institutions would be ready to offer a CIRA for modest or no fees if the procedures were streamlined and the investments included funds managed by that institution. Monthly payroll deductions, say, could be limited to full-time employees who had worked for the same employer for at least one year, and the default investment could be a balanced fund run by the institution handling those deductions. Moreover, no loans from CIRAs, and no pre-retirement withdrawals for college tuition or first homes, would be permitted.

If employees with a CIRA switched jobs, they could transfer their monies to the retirement plan of their new employer. If employees with a CIRA were terminated, they could stay in the same CIRA or make a tax-free transfer of their CIRA amounts to a rollover IRA. If employees with a CIRA retired, they could make a tax-free transfer to a rollover IRA, or withdraw their CIRA balances subject to withholding taxes.

The CIRA would assure that almost all full-time workers would have access to a tax-advantaged retirement plan, with enrollment and investment procedures designed to make it likely that they would actually save for retirement.

Mr. Pozen is chairman of MFS Investment Management.

Will Fair Pay Have Its Day? (NYT)

The New York Times, November 15, 2006

At his first post-election news conference last week, President Bush said that he believed he could find common ground with the new Congress on Democrats' longstanding drive to raise the federal minimum wage. That is welcome, but long overdue. The minimum wage has been stuck at a miserly $5.15 an hour since 1997, with Republican lawmakers blocking repeated attempts since then to raise it. Adjusted for inflation, the purchasing power of the wage has dropped to its lowest level since 1955.

Clearly, the bottom is falling out for the nation's estimated 5.6 million minimum-wage workers. That's bad for the economy. Even Wal-Mart, not exactly an advocate for high wages, favors raising the minimum wage to support consumer spending.

A too-low minimum wage is also bad for society. One reason for having a minimum wage is to help ensure that even the lowest-paid workers do not fall irretrievably behind everyone else. Without a higher wage, that goal is increasingly out of reach.

For most Americans, the economic growth of the Bush era has not translated into improved wages, greater financial security, better health care coverage or other measures of a rising standard of living. But Mr. Bush has never offered corrective policies. As for the minimum wage, he has echoed the perennial Republican warning that raising it could force businesses that can't meet the payroll to lay off workers. Persuasive and copious research on the issue disputes that assertion.

This summer, in perhaps the lowest blow, Republican lawmakers scuttled the most recent effort to raise the minimum wage by linking it to yet another huge estate-tax cut for America's wealthiest families, one of Mr. Bush's most cherished goals.

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Come December, the minimum wage will have remained unchanged for the longest period since it was established in 1938. There are no valid reasons to delay an increase, and many good ones to proceed. Supporting a higher minimum wage would be a way for Mr. Bush to begin to rectify the inequality that has grown so alarmingly on his watch.

Fargonomics (WSJ)

The Wall Street Journal, November 15, 2006

Kent Conrad's Web site proclaims that the North Dakota Democrat "has been a leading voice for fiscal responsibility" in Washington, and the Senator rarely misses an opportunity to bemoan "deficits as far as the eye can see." Maybe once Mr. Conrad comes off his latest spending binge, he can buy the rest of Washington some binoculars.

Or at least enough magnifying eyewear to see $4.9 billion, which is the amount of emergency drought relief the parsimonious Mr. Conrad is attempting to shovel into a Senate military construction bill in this week's lame duck session. If this is the sort of "fiscal discipline" we can expect from the new Democratic majority, K Street ought to be popping the champagne corks.

Farm-state Senators have been pushing for this handout for months, and the only good news is that they've modestly scaled back their demands. Nebraska Democrat Ben Nelson had offered a $6.5 billion "relief" amendment to the port security bill in September. But Republicans said farm aid wasn't germane to port security -- no kidding -- and Mr. Nelson failed to get a vote. The GOP ought to do the same with this latest spending extravaganza, while it still has the power to do so.

Mr. Conrad is calling his amendment "emergency" spending, and it is true that the Plains states and Texas endured a drought this summer. But the government already provides a safety net for such events: crop insurance. That federal program was created with the express purpose of eliminating the need for emergency bailouts. The vast majority of U.S. insurable crops are covered by the program, including 98% of North Dakota's.

And don't forget federal farm subsidies. Last year alone, farmers pocketed $20.2 billion worth of commodity program payments and conservation money. North Dakota (since we're on the subject) was the recipient of more than $1 billion, much of which goes to a handful of large agribusinesses.

Mr. Conrad's spending enthusiasm also comes when the farm industry is doing well. Last year marked the second-highest net farm income on record. While some crops, such as wheat, have been hurt by the drought, the nation's biggest crops -- corn and soybeans -- are on track for a bumper year. Prices are also strong, in no small part because the government is mandating use of corn-based ethanol. Drought aid on top of all this amounts to quadruple dipping at the taxpayer trough.

September's "emergency" drought bills were also stuffed with the usual Member goodies that have little to do with lack of rain. Mr. Nelson's previous bill would have given farmers $1.6 billion for high energy and fertilizer costs. Other proposals included $6 million for Hawaii sugarcane growers, $2 million for cattle herds with bovine tuberculosis, and $6 million for a flood-prone region in (of course) North Dakota. Mr. Conrad's latest bill, meanwhile, would set up a new $300 million small-business economic-loss "block grant" program that has as much chance of disappearing in the future as Christmas.

The Bush Administration has tried to keep a lid on this largesse, while helping in targeted ways. The Agriculture Department sped up some $700 million in countercyclical payments, and also provided $50 million to livestock producers hurt by the drought. As for legislation, some Republicans have reasonably demanded that any money given out in emergency farm payments be offset with reductions elsewhere in the farm budget. Mr. Conrad and his allies have refused, claiming this is an emergency on the level of Hurricane Katrina.

Which gets to the heart of the farm problem. Americans are generous to neighbors in need, but ballooning farm subsidies and industry resistance to any reform have shown this to be a one-sided affair. As for Mr. Conrad: Meet the new spenders, same as the old spenders.

Redistricting Reconsidered (WP)

The Washington Post, November 15, 2006

IT WOULD BE easy for those complacent about partisan redistricting to look at this year's election as evidence that it's not a problem after all. Gerrymandering of congressional district lines failed to protect a number of incumbents around the country from defeat. It didn't prevent the House of Representatives from switching hands. Maybe letting politicians use sophisticated

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computers to choose their own voters actually calcifies the American electoral system less than the past few elections have suggested.

The election this year was dramatically more competitive than others in recent history. According to data from the Center for Voting and Democracy, 34 House races were decided by a margin of fewer than 5 percentage points, more than in 2002 and 2004 combined. An additional 26 were decided by fewer than 10 percentage points, compared with 28 in the past two elections combined. The reason for the change is simple: Voters were angry at Republicans. And while partisan redistricting can make red districts redder and blue districts bluer, it cannot stop either from going purple as a party fails to persuade its own voters or get them to show up at the polls.

But don't let these numbers fool you. The overwhelming majority of seats remained beyond serious democratic competition -- as always. Three hundred and seventeen seats were decided by margins of greater than 20 points, 95 of them by more than 40 points. In 55 races, candidates of one major party faced no opposition from the other major party. In other words, this year's competitiveness is only comparative. For most members, incumbency still offered surefire protection from voter dissatisfaction. And the power of incumbency undoubtedly protected Republicans from further losses. Of the closest races in which incumbents hung on to win, only two, at most, involved Democratic incumbents scraping by, both in Georgia. The rest were all Republicans, several of whom clearly benefited from the way the lines had been drawn after the 2000 Census.

Partisan redistricting is not the only -- or even the principal -- factor shielding incumbents from electoral accountability. Even districts drawn in an apolitical fashion will tend to have stronger ideological centers of gravity than one might imagine. And incumbents also benefit from fundraising advantages and the ability to bring home pork. But redistricting adds to all of that a measure of simple cheating to make challenges more difficult. The party in power in a given state gets to shield its own officeholders and burn the other side's, or the parties can jointly conspire to protect virtually all incumbents. As this election shows, it doesn't always work completely. America is not a Soviet republic. But even at their most competitive, House races are far from models of electoral accountability.

OTHER NEWS:

Stocks Surge On Fed Official's Comments (AP)

By Madlen Read

AP, November 15, 2006

NEW YORK (AP) - Wall Street rebounded sharply Tuesday, with the Dow Jones industrials surging further into record territory after a Federal Reserve official indicated the Fed will maintain its policy of stable interest rates.

Investors who were heartened by an earlier report of slowing wholesale inflation were cheered by comments from Federal Reserve Bank of St. Louis President William Poole, who described the Fed's interest rate policy as "about right." Poole, who currently sits on the Fed's policy-making Open Market Committee, reassured a market that has been counting on a steady rate policy for the near future.

Earlier, the Labor Department said wholesale inflation as measured by the Producer Price Index dropped by 1.6 percent last month following a 1.3 percent slide in September. Plunging energy prices were behind the declines, which gave Wall Street some relief from concerns that rising inflation might prompt the Fed to raise rates after three straight meetings where they were left unchanged.

In late afternoon trading, the Dow Jones industrial average rose 93.09, or 0.77 percent, to 12,224.97. Blue chips hit a trading high of 12,228.01, putting them on track to finish above the closing high of 12,176.54 reached Wednesday.

(AP) In this photograph released by the New York Stock Exchange, David Brown, President and CEO of Owens...

Full ImageBroader stock indicators also climbed. The Standard & Poor's 500 index rose 9.41, or 0.68 percent, to 1,393.83. It hit an trading high of 1,394.49; this is the first time the S&P 500 has surpassed 1,394 since November 2000.

The Nasdaq composite index rose 3.46, or 0.14 percent, to 2,409.84.

Bonds rose on the inflation news, with the yield on the benchmark 10-year Treasury note falling to 4.57 percent from 4.59 percent late Monday. The dollar rose against other major currencies, while gold prices slipped.

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Before Poole's comments, investors sifted through economic reports, which also included a second straight monthly drop in retail sales during October. The 0.2 percent decline reported by the Commerce Department report reflected the 25 percent drop in crude oil prices since mid-July rather than a weakness in consumer spending. The drop in sales was also smaller than expected.

The market was initially unnerved by a disappointing earnings report at Home Depot Inc. (HD), which raised concerns about the toll that slowing home sales is taking on other industries. Home Depot rose $1, or 2.8 percent, to $37.40, after posting a 3.1 percent third-quarter profit drop on a sharp decline in same-store sales, those from stores open at least a year.

(AP) Sara Gore, center, of the Internet site LX.TV Lifestyle Television, and Danyelle Freeman, right, of...

Full ImageBut stocks later turned higher.

"There's a sense that the housing market has bottomed," said Jay Suskind, head trader at Ryan Beck & Co.

Meanwhile, Wal-Mart Stores Inc. (WMT) rose $1.43, or 3.1 percent, to $47.75, after reporting third-quarter earnings rose 11.5 percent despite weak growth in U.S. sales. The world's largest discount retailer promised its most aggressive holiday discounts ever to boost year-end business.

Discounter Target Corp. rose $1.02, or 1.8 percent, to $58.78, after it beat analysts' projections with an 11 percent rise in sales.

D.R. Horton Inc. climbed $2.10, or 9.4 percent, to $24.48 after its third-quarter results surpassed analysts' expectations. Still, the homebuilder's profit tumbled 51 percent on falling sales, reflecting a bleak housing market.

(AP) Morgan Hertzan, one of the co-founders of the Internet site LX.TV Lifestyle Television, is...

Full ImageIntel Corp. (INTC)'s early rollout of its new quad-core processors helped boost the technology sector Tuesday. Intel, the world's largest computer chip maker, rose 68 cents, or 3.2 percent, to $21.68.

The performance of the stock market going forward will depend largely on whether the economic data released later this week - including the Consumer Price Index, housing starts and industrial production - come in strong or weak.

"There's been a subtle change from investors ignoring bad economic news to now finally paying attention to it," said Alexander Paris, economist and market analyst for Chicago-based Barrington Research.

The Russell 2000 index of smaller companies rose 8.55, or 1.11 percent, to 780.96.

Advancing issues outnumbered decliners on the New York Stock Exchange, where volume was 9.8 billion shares.

Overseas, Japan's Nikkei stock average closed up 1.11 percent. In late trading, Britain's FTSE 100 closed down 0.12 percent, Germany's DAX index was down 0.10 percent, and France's CAC-40 closed down 0.26 percent.

Fed Policy 'About Right,' Official Says; Investors Send Dow To Record High (WP)

The Washington Post, November 15, 2006

NEW YORK, Nov. 14 -- Wall Street barreled yet higher Tuesday, with the Dow Jones industrial average surging further into record territory after a Federal Reserve official indicated the Fed would maintain its policy of stable interest rates.

The Dow rose 86.13, or 0.71 percent, to close at 12,218.01, above the previous record close of 12,176.54 set Nov. 8. The blue chips also reached a new trading high of 12,228.01. The Standard & Poor's 500-stock index rose 8.80, or 0.64 percent, to 1393.22. It hit a trading high of 1394.49, the first time the S&P 500 surpassed 1394 since November 2000. The Nasdaq composite index rose 24.28, or 1.01 percent, to 2430.66.

Investors who were heartened by an earlier report of slowing producer prices began buying in earnest after Federal Reserve Bank of St. Louis President William Poole described the Fed's interest rate policy as "about right."

Poole, a voting member on the Fed's policymaking Open Market Committee, had reassuring words for a market that has been counting on a steady rate policy for the near future.

Earlier, the Labor Department said inflation at the wholesale level as measured by the producer price index fell 1.6 percent last month following a 1.3 percent slide in September.

Plunging energy prices were behind the declines, which gave Wall Street some relief from concern that rising inflation might prompt the Fed to raise rates after three straight meetings where they were left unchanged.Movers

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Home Depot gained $1.56, to close at $37.96, rebounding after it reported a 3.1 percent drop in third-quarter profit and a sharp decline in sales at stores open at least a year.

Wal-Mart Stores rose $1.34, to $47.66, after reporting that third-quarter profit rose 11.5 percent despite weak growth in U.S. sales.

Target rose $1.40, to $59.16, after beating analysts' projections with an 11 percent rise in sales.

D.R. Horton climbed $2.12, to $24.50, after the homebuilder's third-quarter results surpassed analysts' expectations.

Intel rose 88 cents, to $21.88, after the early rollout of its quad-core processors helped boost the technology sector.

Blue Chips Climb To Another Record After Fed Official's Remarks On Rates (WSJ)

By E.s. Browning

The Wall Street Journal, November 15, 2006

The Dow Jones Industrial Average plowed to a record, closing above 12200 for the first time, after a Federal Reserve official made upbeat comments on interest rates.

Stocks began with declines after weak October retail-sales numbers were released, but shares spurted higher following comments by William Poole, president of the St. Louis Federal Reserve Bank, that Fed rate policy is "about right." That reinforced hopes the Fed won't raise rates and might cut them next year, which would help businesses and consumers.

The Dow industrials rose 86.13 points, or 0.71%, to 12218.01, up 14% this year. The blue chips have risen in six of the past seven sessions, with 15 record closes since the beginning of October.

Technology stocks, which can benefit from economic optimism, led the market. The Nasdaq Composite Index hit another six-year high, up 1.01%, or 24.28 points, at 2430.66. It is up 10.2% in 2006.

The Russell 2000 small-stock index finished at a record, up 1.64% at 785.06, up 16.6% this year.

Declining retail sales, and a steep October drop in wholesale prices, initially sowed worry that the economy is slowing too much. But Wal-Mart Stores Inc. and Target Corp. reported strong quarterly profits, and fears that Mr. Poole might make hawkish rate comments proved unfounded.

"The news from Mr. Poole wasn't earth-shattering, but it wasn't negative," said Todd Leone, head of listed trading at New York brokerage firm Cowen & Co., "and then you saw money pouring into the market."

The broad Standard & Poor's 500-stock index hit a six-year closing high, rising 0.64%, or 8.80 points, to 1393.22. It is up 11.6% this year. The S&P isn't near a record, but the news that it joined the Nasdaq and the Dow at a new multi-year high pushed money managers to buy for fear of being left behind. Trading volume was heavy.

Treasury-bond prices also rose, pushing yields lower, because soft inflation holds down interest rates and bond yields.

Investors now nervously await October consumer-price data, due tomorrow.

Outside the U.S., stocks advanced in dollar terms. The Dow Jones World Stock Index, excluding U.S. stocks, rose 0.41%, or 0.94 point, to 231.07.

In major U.S. market action:

Stocks advanced1. Total trading volume for stocks listed on the New York Stock Exchange was 3.02 billion shares, as 2,441 stocks rose and 871 fell.

Bond prices gained2. The 10-year Treasury note rose 8/32, or $2.50 for each $1,000 invested, pushing the yield down to 4.576%. The 30-year bond was up 20/32 to yield 4.666%.

The dollar weakened3. Late in New York, it traded at 117.51 yen, down from 118.19, while the euro rose against the dollar to $1.2822 from $1.2803.

Prices Fell Sharply In October (NYT)

By Jeremy W. Peters

The New York Times, November 15, 2006

Wholesale prices fell at a record rate last month as two economic forces that rarely move in the same direction — the costs of gasoline and light trucks — both plunged.

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The new statistics, released yesterday by the Labor Department, added to a growing pool of economic data that showed inflation was easing. For investors focused on the Federal Reserve's next move on interest rates, the news suggested that rates would remain stable, with some predicting that a cut in borrowing costs might even come as early as March.

The report, along with comments yesterday from a Fed official that the central bank's policy on interest rates has been "about right," helped touch off a late rally on Wall Street.

The Standard and Poor's 500-stock index closed at its highest level in six years, and the Dow Jones industrial average broke another record.

Consumer spending is showing signs of slowing but remains robust. The Commerce Department said yesterday that retail sales in October, apart from gasoline, rose 0.4 percent, suggesting that many Americans are going into the holiday season in a good mood from the savings they are reaping from lower fuel prices. Wholesale prices as measured by the producer price index, a seasonally adjusted gauge of the prices businesses charge one another just before they are sold to consumers, fell 1.6 percent in October, matching the steepest decline on record, set in 2002.

The core wholesale inflation rate, a measure that does not take into account the frequent gyrations in energy and food prices, declined 0.9 percent last month, its biggest fall in 13 years.

The overall picture of wholesale inflation last month was heavily colored by plummeting prices for light trucks, which include sport utility vehicles, pickups and minivans, and declining oil prices. Light truck prices fell 12.4 percent, the biggest year-over-year decline since the Labor Department began tracking them in 1964. The price of wholesale gasoline dropped 18.5 percent from October 2005 to October 2006.

Still, even if the decline in vehicle prices had not been so steep, wholesale inflation in October would have been low. When the core rate is recalculated without automobile sales, wholesale prices rose 0.1 percent.

"There's evidence that with energy prices falling and with the slowdown in the housing market, there's a picture of more benign price increases emerging," said Peter Kretzmer, an economist at Bank of America. "I don't think it will be that long before this starts to translate into somewhat muted consumer price trends."

Whether falling prices at the producer level eventually lead to falling prices for consumers is never as direct as it might seem. But some economists found it encouraging that yesterday's report was the second consecutive set of wholesale price data to show an overall decline. In September, wholesale prices fell 1.3 percent. For the year, prices are down 1.6 percent.

Pressure continued to ease further up the production chain. Prices of crude goods — items in the earliest stages of production, like gravel, scrap metal or animals used for slaughter — fell 10.5 percent in October after declining 3.4 percent in September. Prices of intermediate goods declined 1.1 percent.

The falling costs of materials could help reduce the threat of inflation from rising labor costs. One critical question Fed policy makers must answer as they chart the nation's monetary policy is whether the recent wage gains — which have just started to outpace inflation — are pressuring employers to pass along the cost by raising prices.

"The issue is what happens with labor," said Jack Caffrey, an equity strategist with J. P. Morgan Private Bank. "If the Fed then remains with their focus on inflation risks being the dominant issue, it likely stays with a tighter monetary policy for longer."

William Poole, president of the Federal Reserve Bank of St. Louis, said yesterday that the Fed could go either way. "I believe that the outlook for Fed policy is roughly symmetrical," he said after giving a speech in Wilmington, Del. "I can imagine data coming in that would make me want to tighten policy. And I could imagine data coming in that would lead me to believe that we ought to be easing policy."

Economists said the tipping point for the Fed to lower rates could come if the labor market shows signs of weakening. Last month, unemployment fell to 4.4 percent, the lowest level since May 2001. That is close to what economists consider full employment, and some experts have said they think the number of jobless will rise in the coming months.

"People will debate how quickly before the Fed pulls the trigger, and how much weakening you need," said James O'Sullivan, an economist at UBS. "But if we start to see the unemployment rate edge up, I think it's just a matter of time before the Fed starts easing."

U.S. Consumer-Spending Data Bolster Hopes For Holiday Sales (WSJ)

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By Mark Whitehouse

The Wall Street Journal, November 15, 2006

American consumers maintained their spending in October, leading economists to hold out hope that robust holiday sales will help insulate the U.S. economy from a sharp downturn in housing.

Excluding gas stations, which were hurt by lower fuel prices, sales at food and retail establishments rose to a seasonally adjusted $332 billion in October, up 0.4% from September and 6.5% from a year earlier, the Commerce Department said.

Higher spending at restaurants and drugstores helped to offset declines in sales of housing-related goods, such as building materials and furniture. Overall retail sales shrank 0.2% from September, but were up 4.5% from a year earlier.

Together with a big drop in wholesale-goods prices, the retail-sales report persuaded some investors that the economy is cooling just enough to keep inflation in check, allowing the Federal Reserve to hold short-term interest rates steady at their current 5.25%. As a result, stock and bond prices rose.

Economists said the report suggests that consumers, whose purchases make up more than two-thirds of the U.S. economy, are slowing down a bit, but that falling home sales aren't yet seriously affecting spending in other sectors.

While downward revisions showed that September retail sales were weaker than previously thought, sales excluding gas, autos and building materials rose 0.9% in the two months taken together. The numbers point to a rise in inflation-adjusted consumer spending in the current quarter of about 3% -- below the 10-year average of 3.7%, but still healthy. "That's a good start to the quarter," said Brian Jones, senior economist at Citigroup Inc. "You've got to think that we're going to have a pretty decent holiday shopping season."

In recent months, economic forces have been pushing consumers in opposite directions. Falling home prices have made them feel poorer, but job and wage gains, together with lower gasoline bills, have left them with more spending money. Economists estimate that personal income in October, adjusted for inflation, was up more than 4% from a year earlier.

"The positive income effects from the labor market are at the moment outweighing the negative wealth impact from the housing market," said John Shin, senior economist at Lehman Brothers. "While we're still very concerned about the housing market, we don't see the impact of that kicking in just yet."

Gas stations and housing-related retailers suffered the biggest dollar declines in October sales. Sales at furniture and home-furnishings stores dropped a seasonally adjusted 0.7% from a month earlier. Building materials and garden supplies fell 0.3%.

Sales in other areas grew. Eating and drinking establishments' sales rose 0.3%, and health and personal-care retailers saw a 1.3% rise. Sales at auto and auto-parts dealers rose 0.6%, despite auto companies' reports of a weak month.

Analysts believe low gas prices and income gains bode well for the holiday shopping season. Darrell Rigby, head of the global retail practice at Bain & Co., forecasts retail sales of general-merchandise items such as clothing and electronics will be up 5% to 5.5% in November and December from the same period last year, and up from a long-term average of 4.3%.

In another reflection of falling energy prices, the Labor Department reported yesterday that its index of wholesale-goods prices fell 1.6% in October from September. Excluding food and energy, wholesale prices were still down 0.9% -- the largest one-month decline since 1993.

Economy Seen Slowing As Wholesale Prices Plummet 1.6% (USAT)

By Sue Kirchhoff

USA Today, November 15, 2006

WASHINGTON — Falling energy prices and slumps in the housing and auto sectors propelled a record decline in wholesale prices in October.

Retail sales were muted during the month, the government said Tuesday. Overall, the data indicate the economy is slowing, and price pressures moderating, as the Federal Reserve has projected.

But analysts said the Fed is still far from an all-clear on inflation. Bill Cheney, chief economist at John Hancock Financial Services, cautioned that the wholesale index measures goods prices, which have been held down by globalization.

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"Services are much less subject to competition from overseas … to the extent that you find yourself getting a real tight labor market in the U.S., it could push up wages and push up costs," Cheney says. He said the next Fed move is unclear.

The central bank has held short-term interest rates at 5.25% since June, after raising them 17 times from mid-2004 to mid-2006 to tamp down inflation. Core consumer inflation, which excludes volatile food and energy prices, was 2.9% in the 12 months, above the Fed's informal 1%-2% comfort range.

The Labor Department said Tuesday that wholesale prices plunged 1.6% last month, equaling a record decline in October 2001. Core prices fell a sharp 0.9%.

Energy prices fell 5% in October following an 8.4% plunge in September. Gasoline prices dipped 7.9% from the previous month and natural gas prices, 9.3%. Sport-utility vehicle prices fell 9.7%; car prices, 2.3%.

"The drop in petroleum prices and natural gas has helped with diesel fuel, construction plastics and delivery costs. The slump in home building certainly is affecting gypsum prices," says Kenneth Simonson, chief economist of The Associated General Contractors of America.

Though consumers are saving on energy bills, they haven't boosted spending elsewhere. The Commerce Department said retail sales dropped 0.2% in October, following an 0.8% September decline. The dip largely reflected the impact of falling energy prices but furniture, building supplies and other areas also declined.

Still, with a strong job market, many economists expect a solid holiday season. "Despite all the angst about a slowing economy, I don't think Santa will be laying off any reindeer," Cheney says.

US Economy Hit By Housing Slowdown (FT)

By Krishna Guha And Eoin Callan In Washington And David Pilling In Tokyo

Financial Times, November 15, 2006

A slew of economic reports on Tuesday showed the US economy feeling the strain from the sharp slowdown in the housing sector, while offering hopes that inflation pressures could be easing.

The US data came as Japan announced a stronger-than-expected 2 per cent annualised growth rate for the third quarter, raising the prospect of a second interest rate rise there.

The latest US retail sales figures, from October, showed that consumer spending remained resilient in spite of the pressures from the housing market. Sales excluding petrol increased by 0.4 per cent over the month. Lower oil prices meant the value of total retail spending fell 0.2 per cent on the previous month.

But downward revisions to the previous two months' retail sales suggested that consumer spending was weaker than thought.

Drew Matus, a senior economist at Lehman Brothers, said: "The retail picture points to a slightly lower growth profile than we anticipated."

Reports from Home Depot, the world's biggest DIY retailer, and D.R. Horton, the second-biggest US home builder, showed that pain continues in sectors most directly exposed to the housing slowdown.

Home Depot, which reported a 3 per cent fall in third-quarter net earnings, said the slowdown had come "faster and deeper" than expected. Bob Nardelli, chief executive, said the softening in the housing market had caused "significant" deterioration in home improvement sales, with conditions likely to worsen.

D.R. Horton, meanwhile, reported a rise in cancellations of new home sales for the third quarter in a row. "I'd say we are in the early stages of a downturn," said Don Tomnitz, president and chief executive.

The US inflation picture improved moderately, as data showed core producer prices fell last month at their sharpest rate in 13 years. Peter Kretzmer, senior economist at Bank of America Securities, said the fall in core PPI – excluding food and energy – was "almost entirely the result of lower car and truck prices".

Bond prices rallied on hopes that tomorrow's consumer price report would show evidence that this reduction would feed into slightly lower consumer price inflation. US stocks also closed higher, with the Dow Jones Industrial Average reaching a record 12,218.01.

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The much stronger than expected growth in Japan sent the Nikkei stock average up 1.67 per cent to 16,290, its biggest percentage gain in six weeks.

Additional reporting by Andrew Ward in Atlanta and Doug Cameron in Chicago

Southern California Home Prices Hold As Sales Continue To Slow (LAT)

By Annette Haddad

The Los Angeles Times, November 15, 2006

Southern California home prices remained in a holding pattern last month while sales continued to decline, albeit at a slower pace, data released today showed.

The median price of all types of homes sold in October was $484,000, which was the same as in September, and 2.3% higher than a year ago, La Jolla-based research firm DataQuick Information Systems reported.

Meanwhile, sales in the six-county region fell 22.4% to 22,117, DataQuick said. It was the worst showing for an October in a decade, but the rate of decline was the slowest since July.

For much of this year, potential buyers have been hanging back, waiting to see if prices will decline. The result has been fewer sales and an upsurge in supply as more homes sit unsold for longer periods and new listings continue to come on the market.

What's more, homeowners who would like to move up or downsize are reluctant to put their homes up for sale, fearing they may not get the price they want.

"Buyers are taking their time, trying to wait out the uncertainty in a market that is rebalancing itself," said DataQuick President Marshall Prentice.

One region economists have been watching closely is San Diego County, where California's housing boom was launched six years ago and where it first started to fade. But in October, San Diego's home prices recovered some ground, rising nearly 2% to $485,000, compared to the month before. It was the first increase since March. Nonetheless, when compared to a year ago, the rate of appreciation in San Diego declined 5.5%, DataQuick said.

Southern California home-price gains have been decelerating for the last year. Year-over-year increases have been in the single digits for seven months and are expected to turn negative by the end of this year or early next year, DataQuick analysts said.

Indeed, the rate of the slowdown is starting to spread beyond San Diego. In Ventura County, home prices dipped 2.3% to $582,000. Sales fell 19.6% to 940.

In Orange County, the region's priciest market, the median price rose 3.1% to $625,000, which was the same median a month ago. Sales declined 24.9% to 2,715.

The Inland Empire counties of Riverside and San Bernardino, where prices were still rising by double-digits as recently as this spring, also showed marked slowing. In October, the median in Riverside rose 4.9% to $410,000, but was off its peak of $423,000 reached in September. Sales fell 24.2%.

San Bernardino's median price edged up 2.3% to $362,000 year over year, but was flat with the median price set last December. Sales declined 21.3%.

On Monday, DataQuick reported that Los Angeles County's median price rose 4.5% to $514,000 as sales dropped 21.8%.

Libel Lawsuit A $7 Million Win For Judge (CHIT)

By James Kimberly

Chicago Tribune, November 15, 2006

A Kane County jury Tuesday decided a small local newspaper should pay $7 million to the Illinois Supreme Court's chief justice for defaming him in two columns published three years ago.

Justice Robert Thomas cried and hugged his attorneys as Judge Donald J. O'Brien read the verdict Tuesday afternoon. Thomas, 54, of Wheaton shook hands and embraced jurors leaving the wood-paneled courtroom in the historic courthouse in downtown Geneva.

"I thank God," Thomas told reporters. "I thank the jury for listening and paying attention. The truth prevailed."

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The verdict was unusual, partly because of the amount awarded and partly because the plaintiff was a sitting judge, said Bruce D. Brown, an attorney who is representing the Boston Herald in its appeal of a $2 million libel judgment awarded last year to a Massachusetts state court judge.

"If you were to look at the range of libel judgments, it's certainly on the high end," Brown said.

The newspaper found to be at fault, the Kane County Chronicle, is a daily paper owned by the Shaw Newspaper Group. It circulates mostly in St. Charles, Geneva and Batavia. Its circulation is about 14,000, down from 38,000 in 2003.

Brown said the U.S. Supreme Court set the libel standard very high for public officials: A plaintiff must prove the newspaper knew it was publishing false information or had serious doubts about its veracity. "Public officials are often successful in the courtroom at creating sympathy for the situation they found themselves in, but because of the substantial constitutional protections enjoyed by the press, approximately 70 percent of those verdicts have been overturned," Brown said.

Attorney Stephen Rosenfeld, who defended the Chronicle and its former columnist, Bill Page, said the verdict would be challenged in post-trial motions and likely on appeal.

"I think it does have a chilling effect on the 1st Amendment and the press' ability to criticize public officials, especially elected officials," Rosenfeld said.

The appeal could raise a host of legal issues because all but two of the sitting Illinois Supreme Court justices testified during the two-week trial, Rosenfeld said.

Ex-columnist disappointed

Page, 58, a former restaurant owner-turned-freelance publicist and writer, said he was disappointed with the verdict.

"Obviously this has been an emotional time for everybody," said Page, who was a part-time contributor to the Chronicle until earlier this year, when he moved to Gainesville, Fla.

The columns at issue accused Thomas of injecting politics into a case before the Illinois Supreme Court.

Page testified that confidential sources told him that Thomas pushed for a severe punishment of former Kane County State's Atty. Meg Gorecki in a disciplinary case but backed off after local Republican leaders agreed to support a judicial candidate he favored in an upcoming election.

But Page never revealed the sources of his information, and at the trial the newspaper could not produce a single witness to support the accusations.

Ultimately, the Illinois Supreme Court suspended Gorecki's law license for four months because she left an answering machine message for a friend suggesting a county government job could be obtained in exchange for political donations to a county official. An investigation uncovered no evidence of a jobs-for-campaign donations scheme. Page wrote that Thomas was "out for blood" in the Gorecki case and pushed for a lengthy suspension or disbarment until local politicians supported his candidate.

Thomas said the columns were false and sued over two of them, contending his reputation had been damaged so severely that his future earning potential was diminished.

Thomas' attorney, Joseph Power, asked the jury to award Thomas $17 million.

"All they had to do was print some sort of retraction," Power said.

Jurors decided quickly

The jury sided with Thomas on every count. After the trial, several jurors told reporters that they quickly determined that the columns published May 20, 2003, and Nov. 25, 2003, were false and published with malice.

After four hours of deliberations Monday night, jurors spent 4½ hours Tuesday deciding how much money to award Thomas. They found he should receive $1 million for lost potential future earnings, $1 million for the public humiliation he suffered, and $5 million for the damage done to his professional and personal reputations.

"To have your integrity questioned in front of your family and the world, that was the most important part," said juror Ken Sotera, 46, of St. Charles.

Juror Kelly Groves, 26, of Aurora, said the jury blamed the Chronicle more than Pagebecause the newspaper should have done more to verify the information.

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"We all understand and respect confidential sources," Groves said. "We just feel if they would have done a little work they should have been able to substantiate this without confidential sources."

Power said Page's actions helped him prove the case.

Power introduced into evidence an e-mail that Page sent to a spokesman for the Illinois Supreme Court that warned of a "nightmare of bad publicity" for the court if Thomas were allowed to influence deliberations in the Gorecki case. Power said the e-mail was a threat. Page said it was an innocuous attempt to get someone from the court to speak with him about the case.

Jury Finds That Columnist Acted With Malice And Awards Judge $7 Million (NYT)

By Katharine Q. Seelye

The New York Times, November 15, 2006

GENEVA, Ill., Nov. 14 — In a case that media lawyers say has broad implications for press freedoms, a jury here found Tuesday that a newspaper columnist falsely wrote in 2003 that the chief justice of the Illinois State Supreme Court had traded his vote for a political favor, and had acted with malice.

The chief justice, Robert R. Thomas, brought the case against Bill Page, a former columnist for The Kane County Chronicle, a 14,000-circulation daily here, about 40 miles west of Chicago.

The jury awarded Justice Thomas $7 million, with $5 million for damaging his reputation, $1 million for future economic losses and $1 million for humiliation. It is the second-largest award in the county's history, after a $21 million medical malpractice award this year, said F. Keith Brown, a circuit judge here.

The justice's lawyers said that Mr. Page had essentially accused him of official misconduct, a felony, when he wrote that he had traded his vote on a disciplinary case in exchange for political support for his favored candidate in a local judicial race.

"This sends a message to renegade journalists that this conduct will not be tolerated," said Joseph A. Power Jr., a lawyer for Justice Thomas.

The jury deliberated for nine hours. Ken Sotern, 46, a juror and merchandising manager, said that the jury wanted to send a message to the news media "to a degree," but that its main concern was to try to restore Justice Thomas's reputation.

The newspaper's lawyers said they were handicapped because the trial judge did not allow them to argue that as a columnist, Mr. Page was not held to the standards of a reporter. They said Mr. Page accurately reported information from his unidentified sources.

The lawyers said the verdict would have a "chilling effect" on coverage of public officials and could embolden other judges to file suit, particularly since the award was high.

Steve Rosenfeld, part of the defense team, said the verdict would most likely be appealed. But he said it would be tricky because Mr. Thomas, 54, a former place-kicker for the Chicago Bears, oversaw all judges, including the trial judge, Donald J. O'Brien Jr., who was brought in from Cook County, and the State Supreme Court justices, most of whom took the stand on his behalf.

The case was also significant because it prompted an appellate court to establish a judicial privilege in Illinois, allowing deliberations to be kept private, much like doctor-patient discussions.

Newspapers are sued frequently, but it is unusual for a judge to sue a newspaper. Of 397 complaints filed against the news media last year, judges and magistrates brought 25 of them, or 6 percent, according to the Media Law Resource Center.

Sandra Baron, executive director of the center, said it was not clear if such cases were increasing, but she said the verdict made the press more vulnerable while it is under attack "from almost every aspect of society" and the industry is in some economic turmoil.

"In the short run it looks as if the judge has vindicated his reputation," Ms. Baron said. "But in the long run, society will pay for his vindication when the media is reluctant to criticize those in high office in the wake of lengthy, bitter, expensive trials."

It is peculiar for a judge sue a newspaper, said Cameron Stracher, a co-director of the law and journalism program at New York University Law School, because judges are supposed to protect free speech.

"The courts were the last protector," Mr. Stracher said, "and now even the courts are suing."

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The Kane County Chronicle's lawyers said that when a state's highest-ranking judge brought the case, he could wield as much influence as if he were sitting on the bench. Steven P. Mandell, a defense lawyer, said that most of the witnesses were beholden to the justice and that the defense had trouble getting witnesses and experts.

Jurors said that Justice Thomas's status made the case somewhat difficult but that they put it aside. "He's a guy just like anyone else," said one juror, Kelly Groves, 26, who deals with worker compensation claims.

Justice Thomas's lawyers said it was important for judges to be able to answer their critics. They said they understood that the suit would bring Mr. Page's columns to the attention of far more people than had seen them originally.

Mr. Power said the accusation of a felony damaged Mr. Thomas's reputation and could impede him in trying to join a prestigious law firm or being appointed to the United States Supreme Court. He said that though few people had seen the original columns, they could be converted into attack advertisements by anyone out to get Justice Thomas.

Jurors said they were not bothered that Mr. Page used unidentified sources, but wished there had been some confirmation of what they said. Without that, and without seeking a response from the justice before publication, the jurors said, the newspaper appeared to act recklessly.

Rick Shaw, 50, a juror and an engineering manager, said of the charges of vote-trading, "We were O.K. with confidential sources, but if it was so widespread, someone should have confirmed the facts."

Wal-Mart Sued Over Food Labels (WP)

By Ylan Q. Mui, Washington Post Staff Writer

The Washington Post, November 15, 2006

An activist group representing small farmers has filed a complaint with the U.S. Department of Agriculture, alleging that Wal-Mart Stores Inc. incorrectly labeled several products as organic.

The retailer recently began expanding its assortment of organic foods as part of an effort to attract wealthier, more urban customers. In a statement yesterday, Wal-Mart defended its program and questioned the intentions of the group, called the Cornucopia Institute.

In an e-mail, Wal-Mart spokeswoman Karen A. Burk wrote "it's hard to take their claims seriously" and said one of the group's founders, Mark Kastel, had worked for a Wal-Mart rival. Kastel was a consultant for Organic Valley, a national farming cooperative that competes with several of Wal-Mart's suppliers. Kastel said he has severed professional ties with the co-op, though he declined to comment on whether it donated money to Cornucopia.

In its letter to the National Organic Program, an arm of the USDA, Cornucopia said that at several stores, Wal-Mart had incorrectly labeled Stonyfield Farm all-natural yogurt as organic. It also said several stores had included non-organic products such as tofu, egg-roll wrappers and juice in a cooler designated for organic produce.

"We were actually surprised to find these labeling errors and surprised to find them across the board," Kastel said.

Burner Concedes; Conn. Count Near End (RC)

By Nicole Duran

Roll Call, November 15, 2006

Political neophyte Darcy Burner (D), who came closer to knocking off first-term Rep. Dave Reichert (R-Wash.) than most political analysts anticipated, conceded to the former King County sheriff on Tuesday.

Her decision left nine House races — including the tantalizingly tight 2nd district in Connecticut — still officially unresolved one week after Election Day.

Burner, a former Microsoft manager, called Reichert on Monday night to congratulate him on a hard-fought campaign in the Evergreen State's 8th district. During a news conference Tuesday she made it clear that she would not seek a recount or challenge the 51 percent-to-49 percent result, even though some 20,000 absentee ballots have not been counted yet.

Burner did say that her campaign will continue to monitor the vote-counting process, however, leaving open the extremely unlikely possibility that Reichert's lead could eventually shrink enough to trigger an automatic recount under state law.

The victor must win by fewer than 2,000 votes and the difference between the two candidates' totals must be less than one half of 1 percent to trigger a recount.

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Reichert's lead extended to 4,727 votes as of Tuesday.

"Darcy Burner really ran the kind of campaign that inspires supporters and leaves a lasting impression with voters in the district," said Kate Bedingfield, a spokeswoman for the Democratic Congressional Campaign Committee.

Meanwhile, the results of the much-closer contest in Connecticut's 2nd district should be known this morning.

Former state Rep. Joe Courtney (D) clung to a 90-vote lead over Rep. Rob Simmons (R-Conn.) early Tuesday evening.

Courtney's 167-vote lead on Election Day was narrow enough to trigger an automatic recount. All of the 65 towns in the district were expected to finish re-checking their tallies late Tuesday night. At press time, five towns had yet to finish their recounts.

Courtney's lead has gone up and down since the recount began, at one point shrinking to just 66 votes.

Both candidates have until Nov. 21 to petition the Connecticut Supreme Court for a second recount, the cost of which would be born by the candidate who requests it.

Simmons has not said what he will do if he comes up short again this morning.

Courtney declared victory last week and came to Washington, D.C., this week for freshman orientation.

Simmons has not conceded.

In Florida, which is once again home to the most controversial outcome of a federal election, a Sarasota circuit court judge on Tuesday granted Democrat Christine Jennings' request to impound electronic voting machines used in Sarasota County.

In the open-seat contest to succeed Rep. Katherine Harris (R) in the Sunshine State's 13th district, Sarasota County produced an unusually high number of "undervotes" — ballots that leave some races blank. More than 18,000 ballots did not record a preference in the matchup featuring Jennings, a bank executive and Vern Buchanan (R), a car dealer. Jennings and many voters blame new touch-screen voting machines for the discrepancy.

Preliminary results had Buchanan edging out Jennings by 373 votes, a margin small enough to trigger an automatic recount.

The recount got under way Monday. The undervote problem prompted a state audit and has caused two watchdog groups to call for a new election in the district.

The state audit was set to begin today, but the judge's decision delays it until at least Thursday, giving all concerned parties time to reach an agreement on the process for the audit.

Jennings' decision to go to court shows that her campaign does not trust local or state officials, including the secretary of state. That distrust could stem from the disputed 2000 presidential election and then-Florida Secretary of State Harris' role in it.

Jennings has not conceded, and both she and Buchanan were on Capitol Hill this week for freshman orientation.

In North Carolina's 8th district, teacher Larry Kissell (D) is ready to ask for a recount in his close contest with Rep. Robin Hayes (R).

More than 1,400 provisional ballots should be counted by Friday. In a news release Tuesday, Kissell said a recount is "inevitable" and that he is ready to demand a "hand-eye" recount to challenge the results that currently show Hayes leading by 462 votes.

Kissell also has not conceded.

Other races that remain officially unresolved — though their results are unlikely to change — are in Georgia's 8th and 12th districts, New Mexico's 1st district, Ohio's 2nd and 15th districts and Wyoming's At-Large seat. Democratic incumbents lead in the two Georgia districts, while GOP incumbents are ahead in the other states.

Signs Of Democratic Takeover Were Hard To Miss (MCT)

By Steven Thomma

McClatchy Newspapers, November 15, 2006

WASHINGTON - Karl Rove must read polls through red-colored glasses.

That might explain why two weeks before Election Day he snapped at a reporter who dared suggest that he saw trouble in the polls for the Republicans.

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"I'm looking at 68 polls a week," Rove, the president's political strategist, chided a National Public Radio reporter. "You may be looking at four or five public polls a week that talk about attitudes nationally but that do not impact the outcome of individual races.

"I'm looking at all of these . . . and adding them up. I add up to a Republican Senate and Republican House . . .You are entitled to your math and I'm entitled to THE math."

Well, Rove was wrong. His math wasn't THE math. Maybe it was what George W. Bush once called "fuzzy math."

For the rest of us, the numbers had been adding up for more than a year.

Take, for example, McClatchy's reporting as early as May 2005 that the tide had turned against Republicans, that congressional scandals, violence in Iraq and Republican overreaching were creating a toxic political environment like the one that shadowed the Democrats in 1993 - the year before they were swept from power.

Or our October 2005 analysis that Republicans feared a wave of anger like the 1994 tsunami that washed the Democrats away. "It's worse today," Republican strategist Frank Luntz said then.

Or reporting from around the country last March that revealed a dispirited Republican base, frustrated and angry over federal spending and illegal immigration.

Then came McClatchy-MSNBC polling of key Senate races this fall, conducted by the respected Mason-Dixon Polling & Research, Inc. While Rove was right that many media polls surveyed the entire country - and missed on-the-ground differences - he seemed to ignore the work by Mason-Dixon, which specializes in state-by-state research.

Our first poll, released Oct. 2, found that Democrats were in position to gain six seats and win control of the Senate. Democrats did not trail in any battleground state; Republicans did not lead in any. Many analysts by then were writing that Democrats might take control of the House of Representatives, but most called the Senate out of reach.

Our second series of polls, released Oct. 24, found Republicans holding narrow leads in Tennessee and Virginia and close in Missouri - suggesting a Southern battleground would decide Senate control.

Our final wave of polls, released Nov. 5, showed a close contest for the Senate, with Republicans gaining in two overlooked states, Montana and Rhode Island, and pulling away to a 12-point lead in Tennessee.

Some readers didn't like that. One compared me to Nazis. Another suggested I should die. None argued with the numbers, just the writer. But the analysis focused on the newest information - growing Republican chances to hold two states widely written off as lost.

Our partner, MSNBC, went farther. Its headline: "Polls: GOP looks likely to keep Senate control."

Our final polls came very close to what happened on Election Day. Eleven of our 12 state-poll results were within the margin of error, which was plus or minus 4 percentage points. That means you can add or subtract the four points for either candidate, for a total possible swing range of eight points. Most of our polls were much more on target than that.

In Arizona, we showed the Republican up by 8 percentage points; he won by 9.

In Maryland, we showed a 3-point lead for the Democrat. He won by 11 points, exactly at the outside edge of our poll's margin of error.

In Missouri, we showed a 1-point lead for the Democrat. She won by 1 point.

In Montana, we showed a tie. The Democrat won by 1 point.

In New Jersey, we showed 7-point lead for the Democrat. He won by 8.

In Ohio, we had the Democrat ahead by 6; he won by 12.

In Pennsylvania, we had the Democrat up by 13; he won by 18.

In Rhode Island, we had the Republican up by 1 point; the Democrat won by 6.

In Tennessee, we had the Republican up by 12; he won by 3 - or 1 point outside the margin of error.

In Virginia, we had the Democrat up by 1; he won by less than 1 percentage point.

In Michigan, we had the Democrat with a 16-point lead; she won by 16.

In Washington, we had the Democrat with a 16-point lead; she won by 19.

"We did pretty good," said Mason-Dixon pollster Brad Coker. "The only two states that anybody would call into question would be Rhode Island and Tennessee. That had lot to do with the timing."

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He said both polls found a bump in Republican support after Democratic Sen. John Kerry of Massachusetts suggested that U.S. soldiers in Iraq are uneducated. That bump had disappeared by Election Day, and with it the Republicans' last chance to keep the Senate and prove Rove right.

Conservatives In Denial (WP)

By Harold Meyerson

The Washington Post, November 15, 2006

On their journey through the stages of grief, conservatives don't yet seem to have gotten past denial.

Republicans may have lost, conservatives argue, but only because they misplaced their ideology. "[T]hey were punished not for pursuing but for forgetting conservatism," George F. Will, conservatism's most trenchant champion, wrote on this page last week.

Their mortal sin, in this gospel, was their abandonment of fiscal prudence.

They doffed their green eyeshades and gushed red ink. "The greatest scandal in Washington, D.C., is runaway federal spending," said Indiana Rep. Mike Pence, the true-blue conservative who is challenging Ohio's John Boehner for the post of House Republican leader.

Holding conservatism blameless for last week's Republican debacle may stiffen conservative spines, but the very idea is the product of mushy conservative brains unwilling to acknowledge the obvious: that conservatism has never been more ascendant than during George Bush's presidency; that the Republican Party over the past six years moved well to the right of the American people on social, economic and foreign policy; and that on Nov. 7 the American people chose a more pragmatic course.

After all, it wasn't just the president's war that was driven by right-wing ideologues. Particularly in the past two years, Republican economics, too, was shaped by ideology. The president's proposal to privatize Social Security was the brainchild of right-wing think tanks and the financial institutions that yearned to sell all those annuities. It never penciled out, and all sober analysis concluded that its chief effect would be to imperil retirement security itself. By nonetheless making it the signature domestic issue of his second term, George Bush again stamped himself a true believer and as indifferent in economic policy as he was in foreign policy to such vulgar trivialities as facts.

Of course, one way conservatives defend the faith is to argue that the conservatism of contemporary Republicanism isn't really conservatism at all. The invasion of Iraq, in this telling, was the handiwork of Wilsonian interlopers who had strayed unaccountably into Republican ranks one night when the barn door was left ajar. But in fact the invasion of Iraq and the doctrine of preventive war have a sterling conservative pedigree; they were handed down from the right-wingers in the early years of the Cold War who rejected the strategy of containing communism and argued instead for rolling it back (an idea that Dwight Eisenhower considered sheer madness).

As well, conservatives at both ends of Pennsylvania Avenue saw the war in Iraq as a way to gain a political advantage over the Democrats, who had backed the war in Afghanistan but who could be pilloried as appeasers for failing to grasp the need to roll into Baghdad. To argue that Iraq was not the conservatives' war requires expunging every congressional vote, administration speech and talk show rant of the past four years.

Besides, when Americans think of isms, they think -- at least they think first -- of how liberals and conservatives stand on social issues. A liberal backs abortion rights and gun regulations; a conservative wants to ban abortions and legalize all guns. By that measure, what has defined conservatism in the popular mind over the past couple of years has been its willingness to enlist government to block stem cell research, stop the teaching of evolution and supersede the duties of Terri Schiavo's husband.

This may be a conservatism that makes libertarians cringe, but it is the conservatism that dominates the Republican Party we have. Republicans generally and conservatives particularly have profited mightily from the rise and politicization of fundamentalism over the past few decades. The decimation of Republican moderates from the Northeast and Midwest in last week's elections came at the hands of centrist and independent voters who'd had it with the Southernized religious conservatism of the Republicans' base -- and with its moderate Republican enablers.

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Finally, conservatives argue that the newly elected Democrats are really conservatives, too -- proof that the ideology is in no need of a tuneup. It's true that some of the Democrats take conservative positions on guns and abortion. But it's also true that virtually all the new Democrats look askance at free trade, want to raise the minimum wage and back a bigger role for government in making health care more affordable.

At a time when corporations abandon their employee benefits, globalization depresses wages, and individuals are compelled to shoulder more and more risk, the last thing Americans need is a government that tells them -- as it told their countrymen in New Orleans last year -- they're on their own.

That's why Republicans just ran a campaign devoid of new ideas. In a laissez-faire world that already induces anxiety and that becomes more laissez-faire with each passing day, who needs a laissez-faire party? Conservative, heal thyself.

Election Signals Decline Of Old School Liberalism (USAT)

By Kirsten Powers, By

USA Today, November 15, 2006

It's more glacial shift than radical revolution, but change is afoot in the Democratic Party.

In a low point in Democratic Party history, Pennsylvania Gov. Bob Casey was banned from speaking at the 1992 Democratic Convention for being opposed to abortion rights. This year, his son, Bob Casey Jr., who holds the same views, was actively recruited by that same Democratic Party and unseated Sen. Rick Santorum, R-Pa.

This was a welcome move in a party that is home to vocal and organized far-left activists and bloggers who have grown increasingly shrill and threatening toward moderate and conservative Democrats. They also have excoriated former president Bill Clinton's brand of centrist politics. They argue for "party discipline," best exemplified by their jihad against Connecticut's Sen. Joe Lieberman for deviating from the party line on the Iraq war. During the past election for Democratic National Committee chair, delegates booed former congressman Tim Roemer of Indiana because he, too, opposes abortion rights.

Yet, without centrist Democratic candidates, it would have been President Bush and GOP strategist Karl Rove celebrating last week. More than half of the new House members will join the New Democrat Coalition or the Blue Dog Coalition caucuses, known for their fiscal responsibility, business-friendly stance and generally more socially conservative views. While most criticized the war, few have called for an immediate withdrawal.

In addition to running fiscally responsible candidates, the Democratic Party appealed to the vital center by slaying a few of old school liberalism's sacred cows: aggressive secularism and intolerance of anti-abortion views. Yes, the war was a major issue. But it was critical that Rep. Rahm Emanuel of Illinois and Sen. Charles Schumer of New York — who ran the campaign committees — recruited candidates palatable to conservative or moderate voters who wanted to send a message about the war, but who didn't want to compromise on beliefs about abortion, gay marriage or the role of religion in public life.

Earlier this year, Sen. Barack Obama, D-Ill., found himself on the receiving end of left-wing rage when he urged the party to be more open to people of faith and their views. He was on to something. Many successful Democratic candidates spoke about their faith.

In North Carolina, Democrat Heath Shuler ran as a born-again Christian who opposes abortion. Pro-gun Brad Ellsworth, who opposes abortion and favors an amendment banning gay marriage, will be a new representative from red-state Indiana. Rep. Ted Strickland, a United Methodist minister, became the first Democrat to win as governor in Ohio in 20 years.

The liberal evangelical minister Jim Wallis, who counsels Democrats, characterized these elections — perhaps too optimistically — as the end of not just the religious right's power but also of the secular left's political dominance.

For years, Democrats have quietly won governorships and statehouses in red and purple states by running candidates who shared the values of voters in their state, not the beliefs of the coastal intelligentsia. It turns out even in blue states, voters like centrist politics. After liberal anti-war candidate Ned Lamont's

primary defeat of Lieberman, left-wing activists and bloggers declared ideological victory and bragged that they had forced Lieberman out of the party for not being a "real Democrat."

Eli Pariser, executive director of left-wing MoveOn.org, penned a premature eulogy for centrist politics in The Washington Post, ridiculing the "perennial pundit nattering about moving the party too far to the left." A few months later, centrist Lieberman

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beat Pariser's liberal candidate in one of the bluest states in the country — and centrist and conservative Democrats helped usher in a Democratic Congress.

Kirsten Powers was a political appointee in the Clinton administration; she now writes the blog www.Powers-Point.com.

What's Right With Kansas (NYT)

The New York Times, November 15, 2006

It would be remiss to finish the election post-mortems without noting a major shift in the nation's heartland. Kansas — lately considered the reddest of red states — emerged from the election as a bastion of moderation.

Just two years after President Bush carried the state by 25 percentage points, Kansas voters rebelled against continued domination of the state's politics by the sharply conservative state Republican Party. The Democratic Party posted major gains, including some by former Republicans who switched parties.

The moderate Democratic governor, Kathleen Sebelius, received a whopping 58 percent of the vote to secure her re-election. Three moderate Republicans holding statewide jobs also won easy re-election, two of them after beating back conservative challengers in the primary. And two of the four people elected to the House of Representatives were Democrats, a result that would have seemed inconceivable not too long ago.

Victories by moderate Democrats and Republicans ended conservative control of the Kansas State Board of Education, which tried to replace evolution with creationism in public school classrooms.

And for us, one of the most satisfying results was the resounding defeat of Attorney General Phill Kline, an anti-abortion zealot who gained national notoriety by misusing his office to further his ideology. He tried to force health care workers to file reports on the sexual activity of teens, and to seize women's confidential medical records. That gross assault on privacy and legal rights was a major issue in the campaign. The 58-to-42 landslide that elected a former Republican, Paul Morrison, was a victory for moderation and the rule of law.

Help Wanted: Democrats (WSJ)

By Brody Mullins

The Wall Street Journal, November 15, 2006

WASHINGTON -- When cable news channels projected that Democrats would win control of the House, the crowd roared at the party's official election-night party here.

California Rep. Nancy Pelosi was introduced as the first female speaker of the House. Mrs. Pelosi, in turn, drew an ovation when she referred to Nevada Democratic Sen. Harry Reid as the next Senate majority leader, even though it would take another day for the election results to become known.

Another winner that night was David Bolger, who exchanged high-fives with other Democrats, as the crowd applauded the party leaders. Mr. Bolger isn't a lawmaker or a congressional aide. He is a Democratic lobbyist.

After more than a decade of Republican rule in Washington, Democratic lobbyists have a lot to celebrate. Just a week after Election Day, they are getting promotions and signing up new clients.

When Republicans took over Congress in 1994, most lobbyists were Democrats. Although the power shift would ultimately have resulted in increased numbers of Republican lobbyists, the party leadership set out to accelerate the process. Republicans pressured corporations and lobbying firms to hire Republicans, and Republican lawmakers, such as former Rep. Tom DeLay of Texas, told businesses that he would speak only with Republican lobbyists. Mr. DeLay was instrumental in a strategy called the K Street Project, which pressured corporations to hire hundreds of Republican lobbyists.

Five years ago, Mr. Bolger was a victim of the K Street Project. After the 2000 election, the trade group where Mr. Bolger worked in the communications office, the U.S. Telecom Association, replaced its president, Democrat Roy Neel. Mr. Bolger lost his job in the change.

Now Democrats like Mr. Bolger, 44 years old, expect opportunities to pick up, as their effectiveness is likely to rise on Capitol Hill. The benefits from the change in the congressional majority will take months for Democratic lobbyists to chart. But already there are indications that ties to Democratic lawmakers are a valuable currency among those whose work will include lobbying the 110th Congress.

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On Election Day, private-equity firm Svoboda, Collins LLC, Chicago, announced that it had purchased a majority stake in Washington's largest all-Democratic lobbying and public-relations firms, the Glover Park Group, which posts annual revenue of more than $30 million. Both firms declined to disclose the size of the investment.

"Suddenly, people are taking a fresh look at us," says Michael Feldman, a Glover Park partner and a White House aide in the Clinton administration. Other partners include Carter Eskew, chief strategist for Al Gore's presidential campaign; Joe Lockhart, a White House spokesman for President Clinton; and Howard Wolfson, a top adviser to Sen. Hillary Clinton (D., N.Y.).

Another Democratic lobbyist, John Raffaelli, decided to leave the firm he established years ago, the Washington Group, and start a new one. "This is a unique opportunity for Democrats to open up new ventures because for many years, particularly with the K Street Project, it was very difficult for Democratic lobbyists to operate."

Two years ago, Democrat Julie Domenick left her post as chief lobbyist for the Investment Company Institute, the mutual-fund trade association, after reports that congressional Republicans pressured the industry to replace her with a Republican. She moved to the lobbying firm founded by former Republican Rep. Tom Loeffler of Texas, where she represents the mutual-fund industry. With Democrats back in control, Ms. Domenick now is in discussions with the lobbying firm about taking a higher profile role.

Ms. Domenick says that it should "become abundantly clear that companies will now need people with impeccable Democratic credentials, who have strong relationships with the new Democratic majority...and that means Democrats, especially those who supported the party during its long decade of dark days."

Paul Equale, a Democrat, says he was pushed out of his job as the top lobbyist for the Independent Insurance Agents of America and replaced by a Republican in 2001. Since then, Mr. Equale has run a small consulting firm advising financial-services firms on how to deal with Washington.

Now, Mr. Equale says, he is seeing the benefits of the Democrats' return to power. "It's the functional equivalent of flirting. People call and find out if I have the availability to go out on a date," he says. "Just like dating, there will be a number of relationships that deepen."

Democratic lobbyists say they don't plan retribution against the Republicans who pushed them out of jobs. But they predict that some companies that hired many Republicans will now hire Democrats to balance their lobbying teams.

"A lot of people got spooked by Tom DeLay and hired a lot of Republicans and those people are going to have the hardest time," says Steve Elmendorf, a Democratic lobbyist who is close to Mrs. Pelosi.

Democratic lobbyists may find their own set of problems. Mrs. Pelosi and Mr. Reid won control of Congress in part by campaigning against a "culture of corruption" in Washington and by highlighting the close ties between some Republicans and corporate lobbyists. Now, the newly empowered Democratic leaders on Capitol Hill promise to approve legislation early next year that will tighten restrictions on lobbyists. "The lobby reforms are going to give some people on the Democratic side a little heartburn," Mr. Equale says.

For now, Democrats like Mr. Bolger are still savoring their Election Day victory. Mr. Bolger, who served in the Clinton administration as a spokesman for the Federal Railroad Administration, joined the trade association for the local phone industry in the late 1990s.

When he lost his job in 2001, the U.S. Telecom Association gave him a six-month severance package. In January 2002, he landed a job in the Washington office of United Parcel Service Inc., where he is a lobbyist and spokesman. Mr. Bolger has continued to donate to Democratic candidates for Congress and in the 2004 presidential election he took a leave of absence to work for the campaign of Sen. John Kerry, the Massachusetts Democrat.

Mr. Bolger, who plans to remain at UPS, says, "What has changed just in the last week is that there are greater opportunities for people who have worked on the Democratic side. It's a unique opportunity that Democrats haven't seen in 12 years."

As Guard Changes In Congress, Lobbyists Scramble (NYT)

By Jeff Zeleny

The New York Times, November 15, 2006

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WASHINGTON, Nov. 14 — Republicans do not cede control of Congress for nearly two months, but money, power and influence are already beginning to change hands. The political economy, at least here in the capital, is humming for Democrats.

Democratic lobbyists are fielding calls from pharmaceutical companies, the oil and gas industry and military companies, all of which had grown accustomed to patronizing Republicans, as the environment in Washington abruptly shifts.

Take, for example, Vic Fazio, a California Democrat who rose through the ranks of Congress and reveled in the majority for all but 4 of his 20 years in office. In his second career as a lobbyist, Mr. Fazio did not experience the pleasures of Democratic rule — until now. Suddenly he is in demand.

For Mr. Fazio, who is close to Representative Nancy Pelosi, the California Democrat who is set to become House speaker, the power switch is, quite simply, good for business. Companies are scrambling to fortify lobbying teams with well-connected Democrats.

While Mr. Fazio declined to divulge his still-evolving list of prospective new clients at the law firm Akin Gump Strauss Hauer & Feld, he said he intended to bring in Democratic reinforcements to cover the load. "I'll just have more to do and have a little more help to do it," he said.

The Republican Party lost its grip on Congress and is now bracing to lose its hold over K Street, the bustling corridor that has become synonymous with the lobbying industry. The so-called K Street Project, an effort engineered by Republicans to dominate the trade, is unraveling, and Democrats say they intend to pass sweeping reforms rather than reverse the project for their benefit.

Democrats say the changing of the guard provides a raft of opportunities, second only to winning the presidency.

Former members of Congress who left Washington have placed confidential calls to headhunters, wondering whether firms are hiring. (They are.) Former staff members have fielded inquiries from lobbying shops that have an urgent need for people with current contacts and old relationships with Democratic leaders. One prominent lobbyist said a former Senate aide was offered a starting salary of $500,000.

Though this is the moment Democrats have been craving — winning a majority so they can help shape politics and policy — some senior aides are now tempted to leave Capitol Hill to become lobbyists and potentially quadruple their salaries. At the same time, some Republicans began receiving materials on unemployment benefits this week as the party sheds thousands of jobs, relinquishing staff committee assignments and leadership posts in both chambers for the first time in 12 years.

"If you're a Democrat, it's a good time to be looking for work," said David Urban, a Republican who is the managing director of American Continental Group, a bipartisan lobbying firm. "For Republicans, there is a little bit of panic that sets in when people realize they have to move out of their office into a cubicle."

At the offices of Tongour Simpson Holsclaw, a Republican firm, an unusual number of Democrats have been calling in recent days. The phones began ringing after the company's founder was quoted in Roll Call, a Capitol Hill newspaper, saying it was "a seller's market for Democratic staffers." It was, said Mike Tongour, as though he had placed a giant help-wanted ad.

"Several Democrats said, 'I hear you are interested in expanding your firm,' " Mr. Tongour said, recalling his post-election conversations with several senior Democratic aides. "You got the sense that they are going to be asking for premiums."

Even though most firms are bipartisan, the shift in the balance of power has resulted in a shift of responsibilities between Republicans and Democrats.

"I've told my Democratic partners it's time for them to buy some suits," said Wayne Berman, a well connected Republican lobbyist. "I went out and bought two new fishing rods and looked into yoga classes."

He was joking, sort of.

Even before Election Day, the pharmaceutical industry hired Democrats to bolster its public relations efforts, hoping to ease the blow if Republicans lost their majority and Democrats followed through on pledges to let the government negotiate prescription drug prices.

"You literally have to create war games to plan for worst-case scenarios," said Ken Johnson, the vice president for government affairs at the leading trade association for drug companies. "We've got a lot of friends on the Democratic side, but clearly we need some more."

Acquiring those friends, however, may not be easy.

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Steve Elmendorf, a longtime senior adviser to former Representative Richard A. Gephardt who began working as a lobbyist at Bryan Cave Strategies in 2005, said Democrats in the House and the Senate would operate differently.

"The Republicans' view of lobbying is we give people money, we buy them lunch and then go up and tell them what to do," said Mr. Elmendorf, whose client roster included Shell Oil and Ford before the election and has grown since then. "We go in and make public policy arguments. The business community is going to have to reorient their view."

As Democrats prepare for January, implications of a change in power extend across Washington.

Lawyers say they expect their business to increase if House Democrats follow through on their pledge to investigate the Bush administration. Real estate agents paid careful attention to the election results, too, sending welcome packets to newly elected Democrats.

"Because both the House and the Senate went to the Democrats, there will be a new wave and new energy," said Michael Rankin, managing partner of the Washington office of Sotheby's International Realty. "A lot of people from around the country will be coming to Washington."

Ivan Adler, who oversees lobbyist headhunting in the Washington office of the McCormick Group, an executive search firm, said he had received calls from former members of Congress and others outside Washington "inquiring what the job market is like in the new Democratic world." Mr. Adler declined to name them, citing confidentiality requirements, but he conceded that not all would make good lobbyists.

"They are all popcorn in the pan — some pop and some don't," Mr. Adler said. "Hopefully you pick ones that would pop."

Though the supply and demand of lobbyists is shifting, well-connected Republicans have hardly been put out of work, particularly given the narrow majority in the Senate. Many lobbying firms, recoiling from a year of controversy and scandal, sell continuity as the most valued asset.

"As we move into a new Congress, people are wiser and they learn to distrust quick fixes," said Nick Allard, a Democratic lobbyist at Patton Boggs, the city's largest firm. "That's one reason why the lobbying scandal fell apart like a political Ponzi scheme: it oversold the notion of political access."

Two days after the election, when it first became clear that the levers of power were shifting, a team of lobbyists at Patton Boggs prepared an analysis of what its clients could expect from a Democratic takeover.

To place the change of power in perspective and to lighten the mood, they opened with the timeless tale from Dr. Seuss: "If I ran the zoo."

Despite Big Win, Dems' Message Control Still Needs Fine-tuning (HILL)

By Aaron Blake

The Hill, November 15, 2006

Asked on NBC's "Meet the Press" on Sunday what the American public was trying to tell Republicans in last week's election, Sen. John McCain (R-Ariz.) said he believed the message was: "That we came to Washington to change government, and government changed us."

If those words sound familiar, it's because they might as well have been read straight off a Democratic talking-points memo. McCain's choice of words was a near-verbatim pull from a slogan Democrats have been using for more than a year.

The phrase has long been a favorite of Democratic Congressional Campaign Committee (DCCC) Chairman Rahm Emanuel (Ill.) and also was used by the campaign of Ohio 1st District Democratic challenger John Cranley.

When a politician repeats an opponent's slogans, that's supposedly a positive sign for the opponent, an indication that the phrase has made its way into the political lexicon. But experts say Democrats made only marginal progress this cycle on their much-hyped goals of improving their message control and employing more effective language.

After the 2004 election, Democrats turned to University of California-Berkeley linguistics professor George Lakoff, whose guidance they hoped would help them frame messages better and elicit more favorable responses from the American public, much as Republicans did in 1994 with their Contract with America.

Yet even after the Democratic victories last Tuesday, Lakoff said Democrats are making fewer mistakes but still have yet to articulate a vision of what it means to be a Democrat, something they need to establish soon in preparation for 2008.

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"The conservatives came in in 1994 with an understanding of who they were and what they were about and what their long-term vision was, and that's not happening here," Lakoff said, adding that individual Democratic candidates such as Montana Sen.-elect Jon Tester and North Carolina Rep.-elect Heath Shuler are exceptions.

"It's not just a one-liner; it's not just a slogan. There's a set of principles, there's an idea about the moral mission of a Democrat … that has to be put out there."

Lakoff and others agree that the Republicans' onetime strength in the messaging department fell apart this election, most notably when Democrats used President Bush's "stay the course" mantra against him. Eventually, even Bush, who had used it for years, disavowed the phrase.

But whatever Republicans lost in this arena was almost exclusively a result of their own doing and the political realities that have emerged on issues like the war in Iraq, as opposed to Democratic progress on the message front, said Geoffrey Nunberg, a professor at Berkeley's School of Information and author of "Talking Right," a book about the Republicans' linguistic dominance.

Nunberg said Democrats basically didn't use language at all, instead simply recycling slogans that restated a "throw the bums out" theme. The results were slogans such as "Together, America Can Do Better," "A New Direction for America," and "Had Enough?"

Republicans, meanwhile, have tried for the last few years to float too many slogans about the war on terror, and "stay the course" fell flat because of the ongoing death tolls in Iraq, not Democrats' strategic successes, he said.

Democrats did succeed in one major way: They made it clear they weren't Republicans, Nunberg said, but that isn't likely to work in 2008.

"It was the most successful exercise in negative self-identification since 7UP billed itself as the Un-cola," Nunberg said. "And, at the same time, the linguistic machine of the Republicans had the ultimate unraveling."

"The more pithy and memorable [the slogans] were, the more they come back to haunt Republicans when it turns out that language doesn't correspond to reality," he continued. "You can't keep doing that."

Emanuel echoed Nunberg the day after the election when talking about the Democrats' national security strategy. He said Republican phrases like "they stand up, we stand down" and "cut and run" weren't working and showed the American public that Republicans had slogans instead of strategies.

The DCCC chairman also said Republicans' bid to associate Democratic challengers in conservative districts with soon-to-be House Speaker Nancy Pelosi (D-Calif.) failed. The Democrats won in four districts where the Republicans ran ads invoking Pelosi and trumpeting her "San Francisco values," by which they meant extreme liberalism.

Emanuel praised Democrats' efforts to attach the adjective "rubberstamp" to many Republicans who were too closely aligned with Bush.

"It became a national identity for the Republican Party and the Republican Congress," Emanuel said. "And they paid a price for their blind loyalty to the president."

Nunberg said the "rubberstamp" strategy was another example of something that worked because of the current environment but can't be counted on in the next election.

"None of that's operative in 2008," he said. "I don't think any of that stuff is going to matter much from here on in."

American Workers Have A Chance To Be Heard (WSJ)

By Jim Webb

The Wall Street Journal, November 15, 2006

The most important -- and unfortunately the least debated -- issue in politics today is our society's steady drift toward a class-based system, the likes of which we have not seen since the 19th century. America's top tier has grown infinitely richer and more removed over the past 25 years. It is not unfair to say that they are literally living in a different country. Few among them send their children to public schools; fewer still send their loved ones to fight our wars. They own most of our stocks, making the stock market an unreliable indicator of the economic health of working people. The top 1% now takes in an astounding 16% of national income, up from 8% in 1980. The tax codes protect them, just as they protect corporate America, through a vast system of loopholes.

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Incestuous corporate boards regularly approve compensation packages for chief executives and others that are out of logic's range. As this newspaper has reported, the average CEO of a sizeable corporation makes more than $10 million a year, while the minimum wage for workers amounts to about $10,000 a year, and has not been raised in nearly a decade. When I graduated from college in the 1960s, the average CEO made 20 times what the average worker made. Today, that CEO makes 400 times as much.

In the age of globalization and outsourcing, and with a vast underground labor pool from illegal immigration, the average American worker is seeing a different life and a troubling future. Trickle-down economics didn't happen. Despite the vaunted all-time highs of the stock market, wages and salaries are at all-time lows as a percentage of the national wealth. At the same time, medical costs have risen 73% in the last six years alone. Half of that increase comes from wage-earners' pockets rather than from insurance, and 47 million Americans have no medical insurance at all.

Manufacturing jobs are disappearing. Many earned pension programs have collapsed in the wake of corporate "reorganization." And workers' ability to negotiate their futures has been eviscerated by the twin threats of modern corporate America: If they complain too loudly, their jobs might either be outsourced overseas or given to illegal immigrants.

This ever-widening divide is too often ignored or downplayed by its beneficiaries. A sense of entitlement has set in among elites, bordering on hubris. When I raised this issue with corporate leaders during the recent political campaign, I was met repeatedly with denials, and, from some, an overt lack of concern for those who are falling behind. A troubling arrogance is in the air among the nation's most fortunate. Some shrug off large-scale economic and social dislocations as the inevitable byproducts of the "rough road of capitalism." Others claim that it's the fault of the worker or the public education system, that the average American is simply not up to the international challenge, that our education system fails us, or that our workers have become spoiled by old notions of corporate paternalism.

Still others have gone so far as to argue that these divisions are the natural results of a competitive society. Furthermore, an unspoken insinuation seems to be inundating our national debate: Certain immigrant groups have the "right genetics" and thus are natural entrants to the "overclass," while others, as well as those who come from stock that has been here for 200 years and have not made it to the top, simply don't possess the necessary attributes.

Most Americans reject such notions. But the true challenge is for everyone to understand that the current economic divisions in society are harmful to our future. It should be the first order of business for the new Congress to begin addressing these divisions, and to work to bring true fairness back to economic life. Workers already understand this, as they see stagnant wages and disappearing jobs.

America's elites need to understand this reality in terms of their own self-interest. A recent survey in the Economist warned that globalization was affecting the U.S. differently than other "First World" nations, and that white-collar jobs were in as much danger as the blue-collar positions which have thus far been ravaged by outsourcing and illegal immigration. That survey then warned that "unless a solution is found to sluggish real wages and rising inequality, there is a serious risk of a protectionist backlash" in America that would take us away from what they view to be the "biggest economic stimulus in world history."

More troubling is this: If it remains unchecked, this bifurcation of opportunities and advantages along class lines has the potential to bring a period of political unrest. Up to now, most American workers have simply been worried about their job prospects. Once they understand that there are (and were) clear alternatives to the policies that have dislocated careers and altered futures, they will demand more accountability from the leaders who have failed to protect their interests. The "Wal-Marting" of cheap consumer products brought in from places like China, and the easy money from low-interest home mortgage refinancing, have softened the blows in recent years. But the balance point is tipping in both cases, away from the consumer and away from our national interest.

The politics of the Karl Rove era were designed to distract and divide the very people who would ordinarily be rebelling against the deterioration of their way of life. Working Americans have been repeatedly seduced at the polls by emotional issues such as the predictable mantra of "God, guns, gays, abortion and the flag" while their way of life shifted ineluctably beneath their feet. But this election cycle showed an electorate that intends to hold government leaders accountable for allowing every American a fair opportunity to succeed.

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With this new Congress, and heading into an important presidential election in 2008, American workers have a chance to be heard in ways that have eluded them for more than a decade. Nothing is more important for the health of our society than to grant them the validity of their concerns. And our government leaders have no greater duty than to confront the growing unfairness in this age of globalization.

Mr. Webb is the Democratic senator-elect from Virginia.

Two Years Till Election Day, And The Race Is On (CSM)

By Linda Feldmann

The Christian Science Monitor, November 15, 2006

WASHINGTON

The 2006 midterms are finally over (almost). Let the 2008 games begin.

A handful of congressional races aren't quite over yet, but the jockeying for the 2008 presidential contest - going on for months, if not years - has burst fully into the open. For the Republicans, Sen. John McCain of Arizona and Rudolph Giuliani, former mayor of New York, have registered committees and signaled they're probably in. By all indications, outgoing Massachusetts Gov. Mitt Romney is in.

For the Democrats, Sen. Hillary Rodham Clinton of New York has money and organization - and just bowed out of a party leadership position, another sign she may be in. Sen. Barack Obama of Illinois says he's pondering a run, possibly positioning himself as the un-Hillary. Outgoing Iowa Gov. Tom Vilsack is definitely in. Former vice presidential nominee John Edwards has shown all the signs.

But as of now, two years minus a few days until America elects its next president, the front-runners for major-party nomination remain Senators McCain and Clinton. Whether either will ultimately occupy the Oval Office is anyone's guess.

"Here's what's interesting: Both parties have reservations about their presumptive nominees," says Cal Jillson, a political analyst at Southern Methodist University in Dallas.

With Clinton, some Democrats remain concerned that she can easily win the nomination by deploying her formidable political team and fundraising ability, but can't win the general election because of her high negatives. Analysts warn against reading too much into presidential horse-race polls at this stage, since much is based just on name recognition. But for Clinton, who is already known nearly universally to the American public from her years as first lady and now as a senator, the visceral negative reaction she sparks in some voters is cause for concern.

The latest Gallup poll, taken Nov. 9-12, puts her favorability at 53 percent and unfavorable rating at 42 percent. In the same poll, McCain scored at 54 percent favorable and 23 percent unfavorable.

Clinton suffers from some voters' memories of her aborted effort to reform healthcare during her husband's administration, her implication in some White House scandals, and her image as a calculating centrist on issues such as the Iraq war.

The coming elevation of the first woman to be House speaker, Rep. Nancy Pelosi (D) of California, could have some bearing on the public's attitude about making Clinton the first female president.

"If Pelosi does a really good job holding the Democrats together, and giving them something they can run with in 2008, that will certainly demonstrate to some people that a woman is tough enough to take on the Republicans," says Linda Fowler, a political scientist at Dartmouth College in Hanover, N.H.

For McCain, the 2006 midterms brought good news and bad news. His own party took a drubbing at the hands of voters, principally in a repudiation of both President Bush and the Iraq war. McCain is now well-positioned to enhance his image as a maverick, triangulating between the Democratic-controlled Congress and the lame-duck Bush White House. But his steadfast support for the unpopular Iraq war and continued calls for more troops in Iraq, not fewer, put him at odds with the American public on the No. 1 issue of the day.

"McCain has got to pray that Iraq goes away as a major issue in '08, otherwise he's got some difficulties," says Mr. Jillson.

McCain also faces the challenge of wooing social conservatives, who were skeptical of him in his 2000 presidential campaign, while not alienating moderate Republicans and independents.

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Another hurdle for McCain could be his age. On inauguration day 2009, he will be 72, and if elected, would be the oldest person ever to become US president. But if he can remain healthy and energetic, the age issue could fade.

Below McCain and Clinton sit a small group of men vying to be their principal opponents in the primaries and caucuses, which begin in just 14 months. The announcement this week by ex-Mayor Giuliani that he has formed a presidential exploratory committee in New York State provides the first clue - beyond making speeches in key states - that he might actually run. The latest Gallup poll named him as the top choice for the GOP nomination among Republicans and independents who lean Republican, beating McCain by 2 points, 28 percent to 26 percent. But as a liberal on social issues, many analysts believe he cannot win the nomination.

That's why Governor Romney is getting so much attention. Some midterm defeats have cleared the way for Romney to position himself as the alternative to McCain among the GOP's conservative base. Romney was mentioned by only 5 percent of GOP voters as their top pick, but the race is young, and most voters have not tuned in yet. One question for Romney is how his Mormon faith will affect GOP voters' perceptions of him. But he already has built strong lists of supporters in early nominating states Iowa, South Carolina, and New Hampshire - in addition to Michigan, where his father was governor - and won notice for charisma.

On the Democratic side, the decision by former Virginia Gov. Mark Warner not to run has left an opening for the "anti-Hillary" spot. If Senator Obama decides to run, he could shoot into that position - but, analysts say, he has to decide soon, as the money and campaign talent are quickly being grabbed by others.

The first-term Illinois senator is currently riding a wave of "Obama-mania," following the publication of his second memoir and a book tour that has highlighted his appeal as a fresh face on the political scene - and his opposition to the Iraq war from the beginning, a key contrast with Clinton. The Gallup poll placed him second to Clinton among Democrats and Democratic leaners for the nomination, 31 percent to 19 percent.

The question is whether voters believe he has enough political experience to begin a credible run for president after just two years in the Senate. As a black man, he also faces the race question.

Appearing on ABC's "Good Morning America" on Monday, he said he was still thinking of running, but acknowledged the challenge of his identity.

"Whether it's an African-American candidate, a woman candidate running, if it's a nontraditional candidate, there is another threshold you have to meet," he said. "I think you have to show people competence in a way that, if you're a white male, you may not have to show initially."

With Group Exploring ’08 Bid, Giuliani Buys Himself Time (NYT)

By Sewell Chan

The New York Times, November 15, 2006

By setting up an organization in New York State to explore a White House run — but not creating a candidate committee with the Federal Election Commission — former Mayor Rudolph W. Giuliani is buying himself more time to make a decision, although he will face significant restrictions in raising money, according to several election and campaign experts.

The news that the Rudy Giuliani Presidential Exploratory Committee Inc. was established on Friday made front-page headlines yesterday, but Mr. Giuliani remains several steps away from declaring himself a candidate.

The new organization was registered as a nonprofit corporation with the New York State Department of State, but Mr. Giuliani has not committed to formally filing with the Federal Election Commission, as Gov. Tom Vilsack of Iowa, who is seeking the Democratic presidential nomination, has done.

Mr. Giuliani has said little publicly about his intentions, other than to say he expects to make a final decision by early next year. As he weighs his options, he is expected to rely heavily on the advice of a circle of advisers who have been with him for decades. They include Peter J. Powers, a former deputy mayor who has been a friend of Mr. Giuliani’s since high school, and Dennison Young Jr., who worked with Mr. Giuliani in the United States attorney’s office and was later the mayor’s chief counsel.

Mr. Powers and Mr. Young are the directors of the new organization, along with John H. Gross, a lawyer who has been a campaign treasurer for Mr. Giuliani.

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"Everywhere he goes, I can only describe it as a groundswell of support among Republicans, urging him to run," said another friend, Randy M. Mastro, a former deputy mayor.

The former mayor is using a provision of federal election law that allows people exploring a candidacy to "test the waters" before deciding to run for federal office. The prospective candidate does not need to register with the commission, but must abide by the same contribution and spending limits as declared candidates.

The commission advises anyone doing such preliminary exploration to keep detailed financial records, because if he or she formally becomes a candidate, money raised and spent on testing the waters will be considered as contributions and expenditures under federal law.

Such prospective candidates may pay for polling, phone calls, travel, political consultants, office space and stationery, among other things. However, they may not raise more money than "reasonably required for exploratory activity," publicize their intention to run, or refer to themselves as candidates.

"You can travel and assess your viability as a candidate, but without trying to persuade people to support you," said Karl J. Sandstrom, a Democratic lawyer who was on the commission from 1998 to 2002. He suggested that Mr. Giuliani's step indicated a degree of hesitancy or uncertainty. "He doesn't want to be embarrassed if this doesn't start to take off. He's trying to play it kind of safe."

Mr. Sandstrom said a candidate can realistically test the waters only for a short period of time. "How much money can you spend on polls, even with New York pollsters?" he asked.

Bobby R. Burchfield, the lawyer for Mr. Giuliani's new organization, cautioned against reading the mayor's action as a sign of tentativeness. He said the entity was set up as to provide a legal structure and liability protections.

"What you can do as an exploratory committee is everything except campaign," he said. "There's a lot of latitude there. At a certain point of fund-raising, it becomes not credible to contend that you're exploring and not intending to run. If he sets up staff and tries to assemble delegate slates in states, that's out of bounds. But we're a very long way from those things."

He added, "At the appropriate time, he will make the requisite filings with the F.E.C."

Asked why Mr. Giuliani did not file with the commission while continuing to test the waters, an approach Senator John McCain, Republican of Arizona, has said he intends to take, Mr. Burchfield said there was no practical difference. But under the method he has chosen, Mr. Giuliani cannot present himself as a candidate or raise large sums of money, lest he face penalties.

Mr. Giuliani, who was mayor from 1994 to 2001, strongly considered running for the Senate in 2000, but decided not to after announcing, in quick succession, that he had prostate cancer; that he was involved with a woman, Judith Nathan; and that he was seeking a separation from his wife, Donna Hanover. He married Ms. Nathan in 2003.

The 9/11 attack transformed the mayor's reputation and made him immensely popular even in conservative areas where his moderate positions on abortion and gay rights might instantly sink the prospects of other Republican politicians.

Through his political action committee, Solutions America, he has contributed extensively to Republican campaigns, and this year, according to the committee's Web site, he campaigned with or raised money for Republican candidates in 25 states and Washington, D.C.

"He generates a lot of excitement, because he has instant name recognition and instant star power, and we were able to translate that into votes for us in the last cycle," said Katon Dawson, chairman of the South Carolina Republican Party. "He has almost rock-star status in crowds, because he was the face of 9/11 that we all saw every day."

Mr. Dawson said he expected Mr. Giuliani to run and predicted that he would have no trouble building an organization in South Carolina. "As soon as he pokes his foot in the water, he'll have employees," Mr. Dawson said.

Representative Jeb Bradley of New Hampshire last week lost his bid for a third term, but said he was grateful for Mr. Giuliani's support during the campaign. "People in New Hampshire really respect him," Mr. Bradley said. "Of all of the other presidential candidates, he has been a staunch defender of the New Hampshire primary."

Fred Siegel, a historian at Cooper Union who advised Mr. Giuliani in his 1993 mayoral run and in his first year as mayor, said the speculation over presidential aspirations indeed might have had the effect, whether intended or not, of bolstering Mr. Giuliani's consulting business, Giuliani Partners.

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But Mr. Siegel said that he was not suggesting that Mr. Giuliani was trying to enrich himself, only that Mr. Giuliani, not having the political apparatus that a governor or other officeholder might have, used his business as a base of operations.

“He’s got the best of both worlds: He’s still making money for his business and he’s a de facto candidate for president, and the two reinforce each other,” Mr. Siegel said. “He’s using the candidacy to build up the business, and the business pays for the campaign.”

He said he believed the former mayor would run. “He’s been running for a long time,” he said. “It’s a noncampaign campaign.”

Think Tank Will Promote Thinking (WP)

By Marc Kaufman

The Washington Post, November 15, 2006

Concerned that the voice of science and secularism is growing ever fainter in the White House, on Capitol Hill and in culture, a group of prominent scientists and advocates of strict church-state separation yesterday announced formation of a Washington think tank designed to promote "rationalism" as the basis of public policy.

The brainchild of Paul Kurtz, founder of the Center for Inquiry-Transnational, the small public policy office will lobby and sometimes litigate on behalf of science-based decision making and against religion in government affairs.

The announcement was accompanied by release of a "Declaration in Defense of Science and Secularism," which bemoans what signers say is a growing lack of understanding of the nature of scientific inquiry and the value of a rational approach to life.

"This disdain for science is aggravated by the excessive influence of religious doctrine on our public policies," the declaration says. "We cannot hope to convince those in other countries of the dangers of religious fundamentalism when religious fundamentalists influence our policies at home."

While the speakers at the National Press Club unveiling were highly critical of Bush administration policies regarding stem cell research, global warming, abstinence-only sex education and the teaching of "intelligent design," they said that their group was nonpartisan and that many Democrats were hostile to keeping religion out of public policy.

"Unfortunately, not only do too many well-meaning people base their conceptions of the universe on ancient books -- such as the Bible and the Koran -- rather than scientific inquiry, but politicians of all parties encourage and abet this scientific ignorance," reads the declaration, which was signed by, among others, three Nobel Prize winners.

Kurtz, a professor emeritus in philosophy from the State University of New York at Buffalo and a longtime critic of the influence of religion on public policy, said that the nation needed the equivalent of a "second Enlightenment." He said the methods of science, which have led to much human progress, "are being challenged culturally in the United States today as never before."

Several speakers also had strong words for the media, which they accused of distorting scientific consensus in the name of journalistic balance. David Helfand, chairman of the Columbia University astronomy department, said for instance that while 99 percent of scientists working in the field of climate change are convinced that it is serious and the result of human activity, the views of the 1 percent who disagree are often given equal weight in stories about global warming.

Lawrence M. Krauss, an author and theoretical physicist at Case Western Reserve University, said the scientific community has done a "poor job" of explaining its logic and benefits to the public. He also said scientists have a more active role to play in opposing faith-based governing, which he said the public often rejects once it understands the issues involved.

"In the current climate there is an implicit, if demonstrably false, sense that if your actions are based on a belief in God you are good person, and if they are not you are a bad person," Krauss said. "We should be very concerned that our political system reinforces the notion that the more you pray for guidance, the better suited you are to govern."

The goals of the new group are to establish relationships with sympathetic legislators, provide experts to give testimony before Congress, speak publicly on issues when they are in the news, and submit friend-of-the-court briefs in Supreme Court cases involving science and religion. The Center for Inquiry-Transnational, a nonprofit organization, is funded by memberships.

Old Saws, New Rust (NYT)

DOJ_NMG_0094615

By Mike Murphy

The New York Times, November 15, 2006

Los Angeles

WATCHING the televised punditry about the elections, I felt pummeled by commentators repeatedly using the same clichés — most of which happen to be dead wrong. The three worst offenders:

ALL POLITICS IS LOCAL Tip O'Neill's observation is no longer true. Safe one-party Congressional seats in Boston 50 years ago were local, but only because a few thousand Democratic primary voters chose the winner.

In this election, all politics was global. The voters of Mishawaka and La Porte, Ind., were more influenced by the sectarian politics of Baghdad than by the election-eve announcement by their Republican congressman, Chris Chocola, that he'd gotten $1.4 million in federal money for a local mental health center. He lost.

THIS IS THE MOST NEGATIVE CAMPAIGN EVER. Negative campaigning has been around since the beginning of our democracy, and voters reward it. If people voted against negative ads, you'd never see any.

The most criticized ad of this election poked fun at Representative Harold Ford of Tennessee. The political speech police labeled it racist because it featured a flirty blonde teasing Mr. Ford, who is black, about a Bacchanalian Super Bowl party that he allegedly attended and I'm sad to say I did not. Sure, the spot was inane, but the worst ever? In 1964, the president of the United States ran an ad implying his opponent would start a nuclear war. It's hard to get more negative than that.

THIS ELECTION WILL ALL COME DOWN TO TURNOUT. Nonsense. We Republicans took a beating on Election Day, but it had nothing to do with turnout. The problem wasn't that our voters didn't turn out, it was that our voters alone are not enough. Turnout is important: it is essential to winning primaries (since so few people bother to vote) and very close contests.

Most general elections, however, are decided by the independent and ticket-splitting voters in the middle who swing between parties. When the swing voters stampede toward your opponent, you are usually toast.

Examine exit-polling estimates from the Senate race in Virginia. George Allen won 94 percent of the Republican vote and Jim Webb won 93 percent of the Democratic. Since more Republicans than Democrats vote in Virginia, Senator Allen should have won. Instead of splitting the swing vote, however, Mr. Webb thumped Mr. Allen among independents by 12 points. It was the same in Montana and Ohio and, well, just about everywhere. It is the real reason we lost the House and Senate.

Successful campaign management means using message to be far enough ahead in most races — especially in districts and states where you start with the advantage — that you are never in such deep trouble that you wind up needing an improbably high turnout of only your base vote to win.

Swing voters respond to policy and persuasion, not process spin. The cocky Republican talk about magical 72-hour plans in the last weeks before the election was unfortunate proof that the party's high command had forgotten this most basic fact of politics, at least until the rough news of last Tuesday. Of all the clichés this year, this one was the most damaging for Republicans to believe in.

Bush Kicks Off 8-day Tour Of Asian Nations (USAT)

USA Today, November 15, 2006

President Bush was leaving Tuesday night for an eight-day tour of Asia that includes stops in Singapore, Indonesia and Vietnam, where he attends a summit of Asian-Pacific nation leaders. It will be Bush's first trip to Vietnam, where the United States fought a decade-long war in the south against communist forces that eventually triumphed and unified the country.

Bush's plan to arrive in Hanoi with a pact normalizing trade hit a bump when the lame-duck GOP-controlled House failed to approve the measure on an initial vote Monday. The 228-161 vote was short of the two-thirds majority needed for passage under the expedited rules used to consider it.

•House scraps trade vote, 1B

Judge wants cocainepenalty-gap narrowed

A federal judge who advocated harsher penalties for crack cocaine crimes said the policy had gone too far and was undermining faith in the judicial system.

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U.S. District Judge Reggie Walton told the U.S. Sentencing Commission that federal laws requiring much longer sentences for crack cocaine than for cocaine powder were "unconscionable." Walton said the laws contributed to perceptions within minority communities that courts are unfair because crack is more of a black, inner-city drug while cocaine powder is used more often in white suburbs.

The law includes a five-year prison sentence for trafficking in 5 grams of crack cocaine but requires 500 grams of cocaine powder for the same sentence.

"I never thought that the disparity should be as severe as it has become," Walton said. He advocated harsher penalties when he was associate director of the National Drug Control Policy during the first President Bush's administration.

The Sentencing Commission has recommended three times that Congress narrow the disparity.

The Justice Department says crack is more addictive and easier to sell in small doses.

Two top officials from Census Bureau leaving

The two top officials of the Census Bureau announced they are leaving. Census Bureau Director Louis Kincannon has run the bureau since 2001. He said he would stay until a new director is confirmed. Hermann Habermann, the bureau's deputy director, said he would retire in January.

Libby says he didn't have motive to lie in Plame case

Lawyers for former White House aide I. Lewis "Scooter" Libby said they should be permitted to tell jurors at his perjury trial that he was not the federal official who disclosed CIA officer Valerie Plame's name to a columnist in 2003.

Libby is charged with lying to investigators in a probe triggered by the disclosure to columnist Robert Novak. Former deputy secretary of State Richard Armitage said this year that he was inadvertently the source. Libby's lawyers said in court papers that Libby should be allowed to tell jurors that since he wasn't the source he had no reason to lie to investigators.

Special prosecutor Patrick Fitzgerald has argued that the trial in January should not be about the leak or why only Libby was charged.

Plame and her husband, former ambassador Joseph Wilson, have accused Bush administration officials of blowing her cover as retribution for her husband's criticism of prewar intelligence.

Vietnam Trade Bill Grinds To A Halt (USAT)

By David J. Lynch

USA Today, November 15, 2006

In a stunning setback for President Bush on the eve of a major foreign visit, House Republican leaders Tuesday delayed until December a vote on normalizing trade relations with Vietnam.

"The decision has been made that it's not going to be able to reach the floor this week," says Kevin Madden, a spokesman for House Majority Leader Rep. John Boehner, R-Ohio.

Tuesday's delay complicates prospects for passage of a trade measure that was widely expected to sail through Congress with strong bipartisan support. And it means President Bush will arrive Friday in Hanoi empty-handed for an Asian economic summit.

"We'll just have to keep working with legislators to get this important legislation done," said Steve Norton, spokesman for the U.S. Trade Representative's office.

At issue is legislation granting Vietnam "permanent normal trade relations," which almost all U.S. trading partners enjoy. With the fast-growing Asian nation about to join the World Trade Organization, the measure is needed so that U.S. exporters can enjoy the same low tariffs as their European or Asian competitors.

Business groups that have been backing the legislation were stunned by the vote delay, which came one day after the bill attracted 228 votes, more than a House majority, but failed to pass under rules requiring a two-thirds margin for expedited passage. At the time, House Republican leaders indicated they would seek a vote under normal rules as soon as today.

"For the last three months, the conventional wisdom has been that everybody's for it; there is no opposition. … Now all of a sudden it goes down the drain," says Bill Reinsch, president of the National Foreign Trade Council.

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On Capitol Hill, Madden says Republican leaders postponed the vote because they weren't sure that Democrats would stick with the bill amid labor union opposition. But Timothy Reif, lead Democratic trade counsel for the Ways and Means Committee, said there was no strategy to torpedo the bill.

Seen as the final step in a generation-long effort to bind the wounds of the Vietnam War, the measure may also have been overshadowed by both parties' votes later this week on new congressional leadership.

The long-run ramifications of Tuesday's delay are less clear.

In December, the spur of an impending presidential trip will be gone. So some business leaders worry the measure may end up being held over until the less trade-friendly Democratic Congress takes office in January.

"It's a warning shot that we're entering a very bumpy phase in trade relations. This should have been a no-brainer," says Daniel Griswold, director of the Cato Institute's Center for Trade Policy Studies.

G.O.P. House Leaders Withdraw Vietnam Trade Bill (NYT)

By Steven R. Weisman

The New York Times, November 15, 2006

WASHINGTON, Nov. 14 — Prospects for Congressional approval of several free trade bills backed by the administration were thrown into doubt Tuesday when House Republican leaders abruptly withdrew the one aimed at Vietnam on the eve of President Bush's trip there this week.

The failure of the Vietnam bill was a deep disappointment and embarrassment for the White House, which had hoped that the president would hail its passage as a milestone in improvement in relations with a country where tens of thousands of Americans died more than 30 years ago.

The bill's failure touched off a fusillade of partisan recriminations, with Republicans blaming Democrats for trying to sabotage the bill and Democrats saying that some Republicans, bitter after losing the election last week, were trying to embarrass Mr. Bush.

Though the bill could come back to the House before the end of the year, some legislative aides said that its future was in doubt, along with that of several other bills lowering trade barriers with poor countries in Asia, Africa and Latin America. The administration remained hopeful, at least on the surface.

"As we've said all along, we will work with the Congressional leadership on the Vietnam bill and the other bills," Stephen Norton, a spokesman for Susan C. Schwab, the United States trade representative, said. "This is important legislation and we remain hopeful that Congress will approve it as soon as possible."

The unsettled atmosphere was another sign of the fraying of the pledges of bipartisan cooperation after last week's midterm elections, as well as a reflection of lingering sensitivities over Vietnam. Most of all, it seemed to be a sign that whatever consensus had existed for free trade bills was also starting to crumble.

A spokesman for Representative John A. Boehner, the Ohio Republican who is House majority leader in the waning weeks of this Congress, said there was a "possibility" that the bill could come back later in the lame-duck session. He said the bill was withdrawn because Democrats were turning against it.

The bill came before the House on Monday night and won a majority of votes, with 228 lawmakers voting in favor and 161 against. More than 40 lawmakers of both parties had not yet returned to Washington, however, and it fell short of the two-thirds needed to pass according to the special rules under which the bill was introduced.

House leaders immediately expressed confidence that it would pass as early as Tuesday under regular rules enabling it to be approved by a simple majority. But the "yes" votes appeared to be melting away under a sustained campaign by organized labor and other opponents who argue that the bills cost American jobs.

Kevin Madden, the spokesman for Mr. Boehner, said that the majority leader learned that an effort would be made by House Democrats to send the Vietnam measure back to the committee level, and that the maneuver might succeed. He said Democrats were being pressed by labor groups and anti-trade groups that backed them in the election.

But Democrats said the bill seemed to be a victim of disarray in Republican ranks, and antipathy toward the departing chairman of the House Ways and Means Committee, Representative Bill Thomas of California, an ardent advocate of free trade.

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An administration official, asking not to be identified, said there appeared to be elements of bad faith and bad feelings on all sides.

Democrats said they had asked the Republican leadership to delay the vote Monday night until Tuesday to allow dozens of lawmakers to return. But they said they were rebuffed by Mr. Boehner's and Mr. Thomas's offices, which expressed confidence that the necessary two-thirds votes were available.

The troubles of the Vietnam bill occur as lawmakers are beginning to discern where the new center of gravity is on the many issues debated in the campaign this year.

In the last few years, a large majority of Democrats have voted against trade bills, like one in 2005 lowering barriers with Central American countries, fearing that imports of textiles and other commodities produced there could throw Americans out of their jobs.

Several Democrats who won in the election this month, notably Senator-elect Sherrod Brown of Ohio, had run promising to block or slow future trade bills in Congress.

The Vietnam bill, however, had the support of crucial Democrats, including the future House speaker, Nancy Pelosi of California, and Representative Charles B. Rangel, the expected next chairman of the House Ways and Means Committee, as well as the Republican leadership.

The Vietnam bill was aimed at establishing "permanent normal trade relations" with Vietnam, which is joining the World Trade Organization and, as a result, is obliged to lower trade barriers and subsidies on its products.

Failure of the measure does not bar Vietnam from joining the World Trade Organization. Rather, it would place the United States out of compliance with the organization, because the Jackson-Vanik Amendment, passed in 1975, requires an annual review of Vietnam's political and economic practices, which is not allowed under the W.T.O.'s rules.

The administration argued that granting Vietnam "normal" trade status is the best way of getting it to abide by international trade rules, including bans on copyright piracy and restrictions on foreign investments and imports.

Bush Won't Bring Vietnam Deal To Asia Summit (WSJ)

By David Rogers

The Wall Street Journal, November 15, 2006

WASHINGTON -- In a postelection slap at the White House, Republicans put off action on a Vietnam trade bill until December, denying President Bush an accomplishment he had hoped to cite at an Asia-Pacific Rim summit this week.

The decision came as the House also delayed by a day action on extending a routine stopgap spending bill that Mr. Bush wanted to sign before departing for Moscow and then Asia last night. As a result, a White House aide will have to fly to Asia with the bill, so the president can sign it to keep government agencies operating after this weekend.

Administration officials were irritated, Democrats amused, but the moves mostly captured the fractious postelection alignment here. Smarting from losses in last week's midterms, Republicans are less eager to march to the beat of the president's drum. There is rank-and-file resentment that Mr. Bush didn't announce the resignation of Defense Secretary Donald Rumsfeld until after Election Day, and party leaders are more preoccupied with saving their jobs than moving the president's agenda.

The White House had hoped Congress would complete action on the trade bill so Mr. Bush could announce passage when he visits Hanoi, his first visit to Vietnam. Most House members support the goal of granting permanent normal trade relations to Hanoi, but enacting it has become harder since Election Day.

When lawmakers returned Monday, the Vietnam trade bill was called up in the House under an expedited procedure that limited debate, but required a two-thirds majority for passage. The 228-161 vote fell about 32 votes short of the required margin, and the administration was surprised it lost 66 Republicans, about twice the number it had expected, given past experience on similar trade bills.

To allay concerns of domestic textiles producers, who have lost tens of thousands of jobs under pressure from low-cost labor abroad, a provision was added that would empower the administration to impose annual limits on textile and apparel shipments from Vietnam. Nonetheless, Republicans from textile states like the Carolinas rejected the measure. The Texas

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delegation, where Rep. Sam Hall, a former Vietnam prisoner of war, is a major influence, was prominent in its opposition, as was House Armed Services Committee Chairman Duncan Hunter (R., Calif.)

Given the level of discontent, Majority Leader John Boehner (R., Ohio) feared trying again too soon and risking a fatal stumble over another procedural obstacle. Already facing conservative challengers in caucus elections Friday, neither he nor Republican Whip Roy Blunt of Missouri had much appetite for twisting arms on a subject like Vietnam.

As a practical matter, House Republicans appear so consumed with leadership races that decisions on tax and spending legislation also will be postponed until after Thanksgiving. The revised stopgap bill, expected to be approved today, will run through Dec. 8, but at least another week may be needed still to resolve spending bills for the new fiscal year.

The Senate took a first step last night by approving a nearly $90 billion budget for veterans' health care and military construction projects. In talks with the House, this will grow by about $42 billion to include spending for housing and health-care benefits for the active military, and the appropriations leadership hopes to create a strong enough legislative locomotive to pull the remaining unfinished bills.

As part of the same package, senators added language guaranteeing that the inspector general for Iraq would remain operating until 10 months after 80% of the funds appropriated for the relief and reconstruction effort there have been expended. That date is expected to be near mid-2008 -- or about a year longer than current law allows the IG to operate.

The show of bipartisanship soon dissolved in a fight over farm disaster aid, as Great Plains Democrats pressed for $4.9 billion in emergency assistance. The proposal was finally pulled back -- to allow the veterans bill to pass. But not before Sen. Judd Gregg (R., N.H.), the departing Senate Budget Committee chairman, had accused Democrats of ignoring the message sent by voters last week for more fiscal discipline. "This is a daytime robbery of the Treasury," he said, "and it sells the people...who voted in this election a bill of goods they didn't think they were buying."

Analysis: Humbled Bush Faces Test Abroad (AP-Y)

By Tom Raum

AP, November 15, 2006

Humbled by elections at home, President Bush is heading into talks with leaders in Asia and Europe who will be watching for signs of weakness, uncertainty or retrenchment.

Bush's challenge is to demonstrate that U.S. leadership as the world's last superpower is undiminished on the world stage.

"I think he will go vigorous, I think he'll give a powerful performance," said Kurt Campbell, a top Pentagon official in the Clinton administration who now is with the Center for Strategic and International Studies.

Some world leaders, particularly those who resented Bush's cowboy swagger and saw his decision to invade Iraq in 2003 as a dangerous act of unilateralism, might be gloating privately at the president's political misfortunes.

But the United States does not have a parliamentary system, and Bush will remain president for two more years. And other world leaders have been challenged at home, too, especially Iraq ally Tony Blair of Britain and war opponent Jacques Chirac of France, both of whom could commiserate with Bush.

The Democratic capture last week of both the House and the Senate on a tide of voter anger over Iraq diminished the president's authority at home.

That's resulted in "an interesting period here in Washington," Bush told visiting Israeli Prime Minister Ehud Olmert this week. "You might realize the opposition party won, won the Senate and the House. And, what's interesting, is that they're beginning to understand that with victory comes responsibilities."

On the world stage, Bush's misfortunes could marginally embolden Chinese President Hu Jintao and Russian President Vladimir Putin. But, otherwise, it seems unlikely that geopolitical dynamics will be much changed.

"He acknowledges that he took a thumping. But leaders around the world take thumpings all the time," said presidential historian Thomas E. Cronin of Colorado College. The election results also telegraphs to the rest of the world, "including Iraq and Russia, that we can have peaceful elections that alter the makeup of our national government," Cronin said.

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Bush was leaving Tuesday night for an eight-day tour of Asia, including stops in Singapore, Indonesia and Vietnam, where he attends a summit of Asian-Pacific nation leaders. At month's end, Bush will travel to the Baltic Sea countries of Latvia and Estonia, once claimed by the Soviet Union, for a NATO summit in Riga, Latvia.

It will be Bush's first trip to Vietnam. During the Vietnam War, he served in the U.S. in the Texas Air National Guard. Now, with the Iraq war dragging on for 3 1/2 years and the U.S. death toll still rising, many of Bush's critics are comparing Iraq to the Vietnamese quagmire.

Bush's plan to arrive in Hanoi with a new pact normalizing trade with Vietnam hit an unexpected obstacle when the lame-duck GOP-controlled House failed to approve the measure on Monday. Its Republican sponsors had hoped to use another strategy to move the bill forward this week, but they put off the effort on Tuesday. It was an embarrassing setback as the president set out on his first postelection overseas trip.

He told a group of U.S. auto executives in the Oval Office on Tuesday that he would deliver this message to trading partners: "Just treat us the way we treat you. Our markets are open for your products, and we expect your markets to be open for ours, including our automobiles."

Even before the elections, some of the go-it-alone tactics of Bush's first term had already been replaced by great diplomacy, including U.S. efforts to rely on other countries to defuse nuclear tensions with North Korea and Iran.

"Some of the people who used to criticize us for unilateralism are now beginning to criticize us for not taking more decisive individual action," said Stephen Hadley, the president's national security adviser.

Not only is Bush under pressure at home from Democrats and some Republicans to change course on Iraq, but he is encountering calls from some U.S. allies, including most recently Blair, to reach out more to Iran and Syria in hopes of promoting broader stability in the region given the changing nature of the battle in Iraq.

Bush said Monday that Iran must first verifiably halt its enrichment of uranium as a precondition to talks. If Syria wants to contribute to the peace process, it should leave Lebanon for good and stop harboring terrorists, Bush suggested.

As presidential terms wind down, incumbents find themselves increasingly challenged in getting domestic programs through Congress and seem to prefer spending much of their time on foreign policy.

Nixon did it, traveling to Moscow to sign an arms-control agreement as the Watergate scandal was bringing down his government. Clinton did it after surviving an impeachment battle with the GOP-led Congress, spending the last days of his term trying to arrange a peace deal in the Middle East.

And Eisenhower did it after the Democrats swept the 1958 midterm elections, finding the only leverage he had at home was to veto bills, and preferring touring the world instead.

There's a difference. Eisenhower was greeted as a hero. Clinton as he traveled drew huge crowds and affection. But Bush is widely disliked throughout much of the world.

Bush still has two more years in power, despite the midterm elections repudiating Republicans.

"The negative, obviously, is that he's been repudiated," said Fred Greenstein, a political science professor at Princeton University. "The positive is that he's been chastised and tempered and we're seeing much less of the my-way-or-the-highway approach to diplomacy and international relations."

Protectionists Punish Vietnam (LAT)

The Los Angeles Times, November 15, 2006

THE HOST COUNTRY for the Asia-Pacific Economic Cooperation forum is not your father's Vietnam. Its Ho Chi Minh mausoleum notwithstanding, the Hanoi that President Bush will visit Friday is the capital of a nation that is prospering as a result of its embrace of private enterprise and freer markets. America may have lost the Vietnam War, but American values are slowly winning the peace.

A 2001 bilateral trade deal between Hanoi and Washington helped solidify Vietnam's reforms, and the country has become the second-fastest-growing economy in Asia after China, not to mention an anchor of stability in a region once renowned for its instability. Vietnam, in short, has been one of the more positive global stories in the last decade, and it remains a nation with strong emotional bonds to the United States.

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All of which makes the cavalier rejection by Congress of a trade normalization measure so unconscionable, not to mention embarrassing to the president. Under a relic of the Cold War years, Vietnam's U.S. trade preferences are subject to annual congressional review; before Vietnam can join the World Trade Organization, that law has to be rescinded. Yet on Monday, the House turned down a measure to do so when it failed to achieve the required two-thirds vote under a procedure that limited debate. Though the bill can be resubmitted under normal procedures, thus requiring only a majority vote to pass, GOP leaders have decided to wait until next month to try again.

The vote sends a disastrous signal to the people of Vietnam (the message being that the superpower that once bombed you isn't too excited to see you prosper) and to Asian leaders.

Beyond Vietnam, the cause of free trade may be in for a rough time once Democrats take control of both houses of Congress. There are troubling signs that the party's new protectionist wing will try to torpedo upcoming trade pacts with Peru and Colombia, and stand in the way of progress on a comprehensive deal to lower global trade barriers under the Doha round of WTO talks. Also endangered is Bush's fast-track trade authority, which allows him to sign trade deals subject only to a yes-or-no vote by Congress. It expires in July.

All of this is unfortunate. Vietnam is far from the only country where free trade has made a profound difference. Open markets create customers for U.S. goods and provide cheap imports for U.S. consumers while improving relations around the world and boosting economies. A successful Doha round would probably do more to relieve poverty in Africa than all the foreign aid doled out to the continent put together.

President Clinton steered the Democratic Party away from protectionism, a move that benefited the party and the nation. Taking a step backward now would only hurt both.

Democrats And Trade (WSJ)

The Wall Street Journal, November 15, 2006

Triumphant Democrats are talking up their new moderation, and we're about to get an early test of their sincerity: Are they willing to support the kind of trade opening with very poor countries that Bill Clinton supported? Or will they take orders from the AFL-CIO?

At issue this week are a bilateral free-trade pact already signed with Peru, and an amendment to extend a key provision of the African Growth and Opportunity Act (AGOA) that Mr. Clinton and Republicans passed in a bipartisan spirit in 2000. The trade bills will be a particular test for Charlie Rangel, the soon-to-be chairman of the House Ways and Means Committee, who professes to care deeply about the world's poor. Here's his chance to prove it.

The African provision allows sub-Saharan Africa to source fabric for its apparel industry from any country in the world and then sell the garments in the U.S. duty-free. This "third country provision" has made garment assembly in Africa competitive and boosted sub-Saharan appeal as a destination for capital from the apparel industry.

AGOA has a 15-year life but the "third country" provision is set to expire in 2007. If Africa is forced to once again buy only U.S.-made fabric to maintain its U.S. duty-free status, its apparel industry will vanish. Clothing makers will pack up and move, taking something like 150,000 jobs with them. The biggest winner would probably be China as garment makers relocated to Asia.

GOP Ways and Means Chairman Bill Thomas has crafted a bill to extend the third-country provision through September 2008 and provide new investment incentives for U.S. companies in the region. Haiti, the poorest country in the Western Hemisphere, also gets a small but important third-country fabric provision. Mr. Rangel was one of those who supported a U.S. invasion of Haiti in 1994 in the name of helping its poor citizens; free trade is a lot easier.

The case for ratifying the U.S.-Peru trade pact is just as obvious. Peru already enjoys broad duty-free access to the U.S. under the Andean Trade Preferences act. This deal would preserve that access but also open Peruvian markets to U.S. exporters and expand choice for Peruvian consumers. Under the deal, 80% of U.S. industrial and textile products, and more than two-thirds of U.S. farm exports, would enter Peru duty free immediately. Most other barriers would be gone within 15 years.

According to the American Farm Bureau Federation, farm exports to Peru could increase by $705 million a year. U.S. producers of machinery, plastics, cereals and mineral fuels, as well as wheat, cotton and coarse grains all expect strong export

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growth if it passes. On the other hand, if the U.S. walks away from Peru, the leadership in Lima will likely look to the EU and its Latin American neighbors for trade agreements, putting U.S. producers at a disadvantage.

Big Labor is pushing Democrats to block a vote and demand that the pact be renegotiated to include more labor protections. But Peru's labor laws are nearly identical to those in Chile, with which the U.S. already has a free-trade agreement. Peru protects the right to collectively bargain and its laws are consistent with International Labor Organization standards. The AFL-CIO's real game here is to force provisions on Lima that will increase the clout of unions in Peru. Never mind that these are issues for Peruvians to decide, not to be imposed by Big Labor gringos from Washington.

Ratifying the pact would also help Peru resist the influence of Venezuelan strongman Hugo Chávez, who is pushing his own regional trade bloc to exclude the U.S. and isolate South America. Later this month the U.S. is expected to sign a free trade pact with Colombia, another country that wants closer relations with the U.S. and is resisting Venezuela's cold embrace. A number of Democrats were only too happy to praise Mr. Chávez last year in return for receiving some of his discount oil, but Mr. Rangel denounced his recent anti-American rant at the U.N. Killing the Peru and Colombian deals would harm American interests and hand Mr. Chávez a strategic gift.

The AFL-CIO is claiming its new "economic populism" helped Democrats win last week, though there's little polling evidence to show it. In any case, it is a strange populism that advertises its power by trampling on the economic aspirations of the world's poorest citizens. Is this what Democratic control of Congress is going to stand for?

Vietnamese Activists Cite Curbs On Dissent (WT)

By Nicholas Kralev

The Washington Times, November 15, 2006

HANOI -- Vietnamese democracy and human rights activists accused the government yesterday of stepping up harassment in an effort to silence them ahead of President Bush's visit and a high-profile economic summit this week.

The activists, some of whom are under house arrest, praised a vote in the U.S. House of Representatives on Monday that denied permanent normal trade relations (PNTR) status to Vietnam and criticized Vietnam's removal from the State Department's blacklist of countries that limit religious freedom.

"The PNTR status must come with a condition that the government respect human rights for our own people," said Pham Hong Son, an activist who was detained for two years beginning in 2002 and has been under house arrest for another two.

He said he was detained because of an article on democracy that he translated into Vietnamese from the Web site of the U.S. Embassy in Hanoi and posted separately on the Internet. His claim could not be independently verified because the government does not comment on dissident cases.

The government accuses democracy activists of plotting to destabilize the country and to shame it before the 21 heads of state expected at the annual Asia-Pacific Economic Cooperation (APEC) summit this weekend.

The Foreign Ministry called Monday's House vote "very regretful, not suitable, and not serving the mutual interest and wishes of the peoples of the two countries."

Human rights advocates in the House, such as Rep. Christopher H. Smith, New Jersey Republican, led opposition to the bill, which fell short of a needed two-thirds majority by a single vote. The bill is not expected to come back for another vote before the end of the month.

The deal was part of a flurry of activity by the two sides, seemingly designed to clear away irritants on the eve of Mr. Bush's departure for Vietnam.

On the same day as the vote, a Vietnamese-American was released from prison and allowed to return to the United States, and Vietnam was removed from a list of countries that severely restrict religious freedoms.

John V. Hanford III, the State Department's at-large ambassador for international religious freedom, denied Monday that politics or business played any role in the latter decision, saying Vietnam had taken a number of specific steps to get off the list.

He said Hanoi had clarified laws on religious policy; greatly curbed the practice of "forced renunciations" of religious belief; released dozens of Buddhist, Catholic, Protestant and Hoa Hao religious prisoners; allowed previously outlawed groups and denominations to register and practice their faith, including 39 new congregations in Ho Chi Minh City alone in the past month;

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and permitted greater freedom for Protestant and Catholic congregations, including a sharp increase in the number of new Vietnamese priests and ministers.

Mr. Hanford acknowledged that "important work remains to be done," especially in more remote regions of the country. Protestant Montagnard groups from the central highlands have complained of harsh repression, and even torture and killing of believers by the authorities.

Nevertheless, Mr. Hanford said, "We are hearing from every religious group that we meet with that conditions have improved, that there's really a change in the attitude."

However, Vietnamese activists complained of continuing religious repression in an open letter published in Washington yesterday.

"The Vietnamese people do not have freedom of religion and worship," said the writers, a group of engineers, lawyers, professors and religious leaders grouped under the name "A Call For Democracy."

"Religious organizations which were not established by the state, such as the Unified Buddhist Church of Vietnam, the Hoa Hao Buddhist Church, the Cao Dai congregation and the Mennonite Church of Vietnam, are all prohibited from operating," the letter said.

Amnesty International agreed that the practice of religion "remains under strict control" by the government in Vietnam.

"Church members seen as opposing state policies continue to be harassed, arrested and imprisoned," the human rights group said. "Church property has been destroyed. For example, a small Mennonite church in Ho Chi Minh City was destroyed in May."

Mr. Son said the decision to take Vietnam off the list was "not good news for those who care about human rights."

The activist cited at least three attempts by security police this month to warn him against speaking with foreigners who are arriving in Hanoi for the APEC summit.

On two occasions, he said, masked men on a motorcycle ran into his motorbike while he was riding it -- first with his two sons and then with his wife -- injuring him and damaging the motorbike. Democracy advocates and other government opponents said the authorities regularly engineer such "accidents" to send them a warning.

Nguyen Van Dai, a lawyer and member of Vietnam's Human Rights Committee, said he has been invited to meet with Canadian Prime Minister Stephen Harper during the APEC summit, but will not go.

"I can't leave my house because it's under heavy surveillance," he said. "They will use force if they have to in order to prevent me from going anywhere."

Both Mr. Son and Mr. Dai spoke by telephone and warned a reporter against visiting their houses. All interviewed activists said they strive to achieve their goals of democracy and human rights only by peaceful means.

Mr. Pham noted that the government recently released political prisoners under pressure from Washington, but said that many of them are now under house arrest. He added that he personally knew at least 10 such persons.

Call For Rethink Of US-Asean Trade Ties (FT)

By John Aglionby

Financial Times, November 15, 2006

The US needs to reassess its strategy towards south-east Asia while countries in the region should take concrete steps to enhance their competitiveness in order to optimise trade and investment between the two, the US Chamber of Commerce recommends in its first report on ways to boost mutual business links.

“[The region] is our fourth-largest trading partner and we’ve hardly scratched the surface,” Tom Donohue, the president and chief executive of the US Chamber of Commerce, told the Financial Times while in Jakarta on a regional tour. “It’s got potential written all over it as well as challenges.”

The study, Southeast Asia: dynamic opportunities for US competitiveness, written in conjunction with the regional American Chambers of Commerce and to be released in Singapore on Wedenesday, sets out the steps the chamber thinks the US and the 10 members of the Association of South East Asian Nations should take to ensure an expansion of trade and investment between them.

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"This publicly commits us to a whole lot of serious dialogue, it forces us to focus, it forces us to collect our thoughts," Mr Donohue said. "We've expanded our staff in the region and we're going to establish resources to encourage trade and investment."

Recommendations for the US government include investing in capacity-building initiatives that support regional economic reform and integration, providing resources to bolster programmes in the region by institutions such as the US Export-Import Bank, raising awareness across the US of economic opportunities in south-east Asia and streamlining visa procedures.

South-east Asian nations need to establish predictable investment regimes, promote good corporate governance, increase protection of intellectual property, harmonise standards, integrate customs procedures and establish a more open and transparent agricultural market.

"If you think you've got almost 600m people and you think of the growth of the middle class, the move away from poverty, the engagement in the global economy, you don't have to be the smartest guy on the block to realise we should be investing more here," Mr Donohue said.

Japanese Premier Plans To Fortify U.S. Ties In Meeting With Bush (WP)

By Anthony Faiola

The Washington Post, November 15, 2006

TOKYO, Nov. 14 -- Prime Minister Shinzo Abe on Tuesday outlined a vision for a stronger Japan and vowed to fortify the U.S.-Japan security alliance during his first official meeting with President Bush in Hanoi this weekend.

In a wide-ranging interview with The Washington Post, Abe, who succeeded Junichiro Koizumi in September, also said he would push to redraft Japan's pacifist constitution.

In the current charter, which was drafted by the United States during its occupation of Japan following World War II, Tokyo effectively renounces the use of virtually any form of aggression. Abe, saying he hoped to foster a "new spirit" in Japan, said he would seek a new constitution within six years -- referring to the maximum time a prime minister can serve in office.

Few postwar Japanese leaders have secured such long terms. Given new threats facing Japan -- most notably a nuclear North Korea -- Abe suggested that his administration could take the interim step of reinterpreting the existing constitution to increase defensive capabilities.

Abe noted that it is unclear whether Tokyo is permitted under its own constitution to shoot down a ballistic missile flying over Japanese territory en route to the United States. Rules of engagement for Japanese troops on overseas peacekeeping missions are also severely limited by the constitution. Under current interpretations, for instance, Japanese troops are not permitted to defend themselves -- or U.S. or other allied troops -- unless directly fired upon.

But leading Japanese scholars have said policy changes to address such issues may not require the adoption of a new constitution, and could instead be made through official clarifications issued by the cabinet. While declining to provide a timetable for declaring new security protocols, Abe called for options to be analyzed on a case-by-case basis.

"We need to take up each individual example and study whether they . . . infringe upon the constitution," he said.

The Bush administration has backed the notion of a more assertive Japan, viewing Tokyo as an increasingly important partner at a time of dwindling support for the administration's foreign policies among U.S. allies. But the idea has unnerved critics in China and South Korea, where memories of World War II-era atrocities still run deep.

Since North Korea tested a nuclear device last month, some observers have even feared that Japan might seek to develop its own nuclear weapons. Yet most domestic scholars say Japan, the only nation to ever suffer a nuclear attack, is unlikely to ever seriously consider such an option, even if it saw itself as the primary target for North Korean aggression. Abe echoed those sentiments Tuesday, vowing that Japan would adhere to its nonnuclear principles.

Still, some right-wing leaders here, including a key member of Abe's ruling Liberal Democratic Party, have called for a broader public debate on whether Japan should possess nuclear weapons. While Abe said he would move to prevent any "official" debate, he added that he could not stop private citizens from expressing their views.

"For the general public to discuss this matter -- for example, academics, scholars or journalists -- is the freedom of the Japanese people," said Abe, 52. "I am not in a position of restricting that."

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Abe, considered hawkish by most analysts here, has taken the global lead in calling for international sanctions against North Korea for conducting a nuclear test and has imposed its own sanctions on the Pyongyang government. On Tuesday, Abe approved a series of new measures banning the export of luxury goods to North Korea, an action aimed directly at the authoritarian elite in Pyongyang who revel in high-end Japanese goods.

During his first six weeks in office, Abe has at times sought to moderate his tone. For instance, while he has backed Koizumi's controversial decision to pay annual homage at a Tokyo shrine honoring the country's military dead, including World War II-era war criminals, Abe has refused to say whether he will continue to make such visits himself.

"Now that he is in office, Abe is trying to hide his beliefs," said Tenzo Okumura, a leading member of the opposition Democratic Party. "As the prime minister of Japan, he has the responsibility to the Japanese people to be clear on his positions, but he has chosen to be ambiguous."

This weekend, Abe will meet with Bush at the Asia-Pacific Economic Cooperation summit in Hanoi.

The prime minister said he would use the occasion to stress the importance of maintaining a strong alliance with the United States and a firm line on North Korea. Some U.S. Democrats and Republicans have questioned Bush's refusal to hold direct negotiations with the North Koreans. Instead, the United States has agreed to meet them only within the context of six-party talks that also include China, Japan, Russia and South Korea. Japanese officials have favored Bush's approach, which has given Tokyo a greater role in the issue.

When asked whether he felt that policy might change with the new Democrat-controlled Congress, Abe reiterated Japan's desire to maintain the current multilateral format. "I believe that the six-party talks is the place to resolve the North Korean issue," he said.

India's Nuclear Record, Iran Links Questioned Ahead Of Senate Vote (AFP)

By P. Parameswaran

AFP, November 15, 2006

A non-partisan US Congressional study has underlined lawmakers' unease over India's non-proliferation record and its links with nuclear renegade Iran, on the eve of a Senate vote on a landmark US atomic deal with New Delhi.

The report by the Congressional Research Service raised the issue of whether India had adequate teeth to implement export control regulations in efforts to prevent Iran from acquiring nuclear weapons.

In 2004, the United States imposed sanctions on two Indian scientists for nuclear related transfers to Iran, which is facing sanctions for refusing to comply with UN demands it freeze its uranium enrichment work.

The Congressional report by Sharon Squassoni, a national defense specialist, noted that President George W. Bush's administration had not formally responded to claims that India had a "flawed" nonproliferation record in the nuclear area.

It also cited allegations that New Delhi had a "poorly implemented" national export control system and an "illicit" procurement system for its own nuclear weapons program, as well as a procurement system that "may unwittingly transfer sensitive information" about uranium enrichment.

"Indias nonproliferation record continues to be scrutinized, as India continues to take steps to strengthen its own export controls," the report said ahead of an expected Senate vote this week on the US-India civilian nuclear deal clinched by Bush and Indian Prime Minister Manmohan Singh in March.

Under the deal, India, a non-signatory of the nuclear Non-Proliferation Treaty (NPT), would be allowed access to long-denied civilian nuclear technology in return for placing its atomic reactors under global safeguards.

To facilitate the deal, the US Congress has to create an exception for India from some of the requirements of the US Atomic Energy Act, which currently prohibits nuclear sales to non-NPT signatories.

The US House of Representatives gave its thumbs-up to the deal in July but a Senate vote had been delayed due to legislative elections last week that resulted in Democratic control of both chambers in the new Congress from January.

The current Congress is Republican dominated but the party is divided on the Indian nuclear deal.

"President Bush has tried to sell this nuclear deal by claiming that India is our natural ally, but as Ronald Reagan once said, 'Trust, but verify.'" said Edward Markey, who co-chairs a House bipartisan taskforce on nonproliferation.

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"It is clear that on the issue of preventing Iran from going nuclear -- and on the crucial issue of nonproliferation -- India's record is not encouraging," he said.

Squassoni suggested that some kinds of Indian support might be more important than others, for example, in backing a diplomatic drive to pursue negotiations with Iran or by coming aboard the US-led Proliferation Security Initiative aimed at containing the spread of unconventional weapons.

She said Indias long relationship with Iran and its support of Non-Aligned Movement (NAM) positions on nonproliferation "are obstacles" to Indias taking a hard line on Iran.

Yet, the Bush Administration, she added, had asserted that US-India nuclear cooperation would bring India into the "nonproliferation mainstream."

US weapons experts have warned that forging a civilian nuclear agreement with non-NPT member India would not only make it harder to enforce rules against renegades Iran and North Korea, but also set a dangerous precedent for other countries with nuclear ambitions.

Lawmakers Concerned About U.S.-India Nuclear Trade Deal (WP)

By Dafna Linzer

The Washington Post, November 15, 2006

Congressional leaders requested a secret intelligence assessment of India's nuclear program and its government's ties to Iran in January amid concerns about a White House effort to provide nuclear technology to New Delhi. Ten months later, as the Senate prepares to vote on nuclear trade with India, the intelligence assessment has yet to be seen on Capitol Hill, congressional and intelligence sources say.

The pending nuclear deal with India would reverse years of U.S. policies aimed at preventing the spread of nuclear weapons. U.S. law forbids selling civilian nuclear technology to countries such as India that have refused to sign the Non-Proliferation Treaty. Arms-control experts, concerned that the deal would have major ramifications for U.S. efforts to stop nuclear programs in Iran and North Korea, said yesterday that the White House plan would allow India to rapidly increase its nuclear arsenal.

For the Bush administration, the deal is part of a strategy to accelerate India's rise as a regional counterweight to China. Further, officials have argued that a nuclear arsenal in the hands of democratic India, which conducted its first nuclear test in 1974, would not be a threat to the United States.

The White House wants legislation for the deal approved by the lame-duck Congress and is hoping the Senate will vote on it by Friday. The bill would carve out an India-specific exception to long-standing laws that forbid nuclear trade with countries that have not signed the NPT. Sen. Harry M. Reid (Nev.), who will become majority leader when Democrats take control of the Senate in January, has said that he wants the India bill to come up before the current Congress ends in December.

In July, the House voted in favor of a similar bill. Lawmakers did not know at the time that the Bush administration was planning to sanction two Indian firms for selling missile parts to Iran -- a fact that seemed to undercut administration assurances that India's nonproliferation record is excellent.

Democrats later accused the administration of deception, and Senate and House staff members said yesterday that they are concerned that the White House is still pushing for congressional approval without providing needed information, such as the intelligence report.

In a Jan. 23 letter to John D. Negroponte, director of national intelligence, the ranking chairmen of the House and Senate foreign relations panels asked for "an interagency assessment" of India's nuclear program, its record of proliferation and its ties to Iran. The letter was signed by Reps. Henry J. Hyde (R-Ill.) and Tom Lantos (D-Calif.) and Sens. Joseph R. Biden Jr. (D-Del.) and Richard G. Lugar (R-Ind.) -- all of whom have been generally supportive of the India deal but have raised concerns about the proliferation implications and about India's relations with Iran.

The four asked Negroponte to assess how India is implementing its nonproliferation commitments, the adequacy of its export controls and the movement into and out of India of materials to make weapons of mass destruction.

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Much of the deal rests on assurances that India will separate its nuclear and civilian facilities so that the United States can be certain that the nuclear technology it provides will go only to the civilian energy side. With a population of 1 billion, India has vast energy needs and civilian technology would help it to modernize. But the arrangement would also free up India's nuclear infrastructure so that it could be devoted solely to weapons.

The letter asked the intelligence community to gauge the extent to which the deal "may enhance India's ability to produce fissile material for weapons." The senators also asked for a full assessment of India's positions on Iran.

In a Feb. 9 response to the letter, Negroponte wrote: "We look forward to providing the necessary information in the near future." Copies of both letters were read to The Washington Post. Negroponte's office said yesterday that it could not comment on the letters or the status of the assessment.

Several congressional sources said that the National Intelligence Council provided two oral briefings, in March and April, that focused on the history of U.S.-India relations as well as the beginnings of India's nuclear program, but that the briefings did not address the specific information requested in the letter. "We expect a written intelligence product," one Republican said. Four other staff members -- two Democrats and two Republicans -- also said that they expected a complete intelligence assessment that responds point by point to the issues raised in the letter. All spoke on the condition of anonymity, fearing that public comment would put their congressional jobs at risk.

The terms of a U.S.-India accord, worked out in secret in 2005, took Congress by surprise. Congress must approve any final deal before it can be implemented. While both parties support a strategic alliance with India, some have voiced concerns about its strong ties to Iran.

Tehran and New Delhi signed an extensive agreement in 2003 and their military, scientific, political and economic ties are growing.

A report issued yesterday by the Congressional Research Service, which does in-depth analysis for Congress, said that "India's long relationship with Iran" made it unlikely that India would take a hard line on Tehran. India does not support nuclear weapons for Iran, but "its views of the Iranian threat and appropriate responses differ significantly from U.S. views."

The report also found that entities in India and Iran "appear to have engaged in very limited nuclear, chemical and missile related transfers over the years."

Commerce Secretary Embraces Trade Negotiations With China (WSJ)

By Andrew Batson

The Wall Street Journal, November 15, 2006

BEIJING -- Secretary of Commerce Carlos Gutierrez urged continued negotiation -- rather than confrontation -- with China on ways to address its yawning trade gap with the U.S., saying China's leaders are moving forward with measures to address major complaints such as counterfeiting.

Mr. Gutierrez, speaking yesterday after meetings with officials including Chinese Premier Wen Jiabao and Minister of Commerce Bo Xilai, admitted he still needs more concrete results if he is to quiet domestic critics of his approach. The U.S. trade deficit with China is on track this year to far exceed last year's record $202 billion, while the Democratic victory in last week's congressional elections creates new political pressure to address trade concerns.

"The important thing is that there is a great deal of understanding of what needs to be done" among top Chinese officials, Mr. Gutierrez said. "Obviously the proof always is in the results, and we know that we have a lot of work to do to continue to deliver results."

Mr. Wen expressed hope that negotiations could help avoid a more serious breakdown in trade relations. "Facts prove that consultation and dialogue are the right way to settle bilateral economic and trade frictions. Trade protectionism will only harm the common interests of both sides," the official Xinhua news agency quoted him as saying during his meeting with Mr. Gutierrez.

Reducing piracy and counterfeiting in China has become a major goal of U.S. and European trade policy. Mr. Gutierrez pointed to cooperation between Chinese and U.S. law enforcement on cases involving counterfeit drugs, favorable rulings from Chinese courts on the trademarks and patents of U.S. companies, and new enforcement actions against the piracy of DVDs, CDs, and college textbooks.

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The Bush administration has faced pressure from lawmakers to file a case at the World Trade Organization against China's intellectual-property practices. Mr. Gutierrez said the U.S. isn't ruling out that option, but he emphasized that "our preference is to solve issues through dialogue."

Mr. Gutierrez, in an interview, said he also continued to lobby China to grant improved access to markets like financial services, film and retail.

U.S. Warns China On Piracy, Market Access (WP)

By Edward Cody

The Washington Post, November 15, 2006

BEIJING, Nov. 14 -- Commerce Secretary Carlos M. Gutierrez said Tuesday that he is telling concerned Chinese officials that the best way to avoid trade restrictions from the new Democratic-controlled Congress is to act swiftly on U.S. complaints about brand pirating and market access.

"We don't want to give anyone the justification for protectionist trade policies, which we think would be a big mistake," Gutierrez said in an interview at a U.S.-sponsored roundtable on intellectual property rights.

The suggestion from Gutierrez responded to worries among some Chinese officials and other specialists that Democrats assuming House and Senate committee chairmanships will be less friendly toward China than their outgoing Republican counterparts, particularly on such issues as trade and human rights.

The presumptive incoming speaker of the House, Rep. Nancy Pelosi (D-Calif.), has been noted here as a particular critic of the Communist Party government and its human rights record. In general, Chinese specialists said, Democratic leaders also seem more willing than Republicans to lend a sympathetic ear to complaints from labor unions that U.S. jobs are being lost as companies expand to China, seeking to benefit from a cheap workforce.

Gutierrez said the danger of protectionist measures in Congress had been a subject of concern during his three previous trips to China as commerce secretary. Sen. Charles E. Schumer (D-N.Y.) last year stirred worries here by seeking punitive 27.5 percent duties on Chinese products unless Beijing revalued its currency against the dollar. The effort went nowhere under the Republicans, but concerns have arisen anew in China since Democrats gained control of both houses of Congress in last week's midterm elections.

The underlying problem, China's trade surplus with the United States, has not subsided. The U.S. deficit with China was $202 billion last year and hit $166 billion in the first nine months of this year. Heeding U.S. concerns, China has allowed its currency, the yuan, to revalue slightly against the dollar over the past six months, but at a rate dismissed as too slow and too little by Schumer and other critics.

"Those who espouse protectionism as a legitimate economic policy have a loud voice," Gutierrez said in a speech to participants in the roundtable discussion that addressed those concerns. "They cite specific imbalances. And they point to the lack of robust protection" of intellectual property "in China as a top reason why we should put protectionist policies in place. This would be the wrong course. However, we can't disprove the critics with rhetoric. We need results."

Specifically, Gutierrez said China should strike harder at criminal groups that pirate U.S. brands, enacting laws that make prosecution easier. In response, China's commerce minister, Bo Xilai, told reporters that Chinese prosecutors are bringing more cases against counterfeiters and that the government has financed 50 centers around the country to gather information on intellectual property violations.

In practice, however, knockoff brands have become part of the scene in Beijing and other Chinese cities, where street vendors openly hawk pirated DVD movies and small shops sell fake designer labels. Although police occasionally crack down, enforcement has been sporadic at best, in part because the livelihoods of many poor merchants depend on such trade.

Gutierrez said greater market access for U.S. movie companies also could help discourage such trade, making legitimate discs more available. Banking and retail merchandising are two other areas where regulations should be loosened to allow U.S. business greater freedom to operate, he said.

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Although the deficit remains large, since China's accession to the World Trade Organization, U.S. exports to China have grown about 20 percent a year, making China the fourth-largest U.S. export market, Bo told Gutierrez. So far this year, they have risen 34 percent over the comparable period last year, totaling $40.2 billion.

U.S. Official Presses China To Punish Piracy (NYT)

By David Lague

The New York Times, November 15, 2006

BEIJING, Nov. 14 — China should intensify its fight against intellectual property theft with a crackdown on organized crime gangs that are responsible for widespread copyright piracy, Commerce Secretary Carlos M. Gutierrez said Tuesday.

As the United States maintained pressure on China to curb rampant counterfeiting, Mr. Gutierrez called on Beijing to make it easier to prosecute criminals who steal intellectual property.

He said contacts between American and Chinese legal authorities and recent enforcement actions had revealed that organized crime was involved in many piracy cases.

“These are criminal organizations and one of the things they do is run a supply chain for illicit goods, pirated goods,” Mr. Gutierrez said during an interview on the second day of a four-day visit to China at the head of an American business delegation. “This is organized crime. One day it could be T-shirts, the next day it could be watches and the next day it could be medicines.”

With China on track to record a huge trade surplus with the United States this year, Mr. Gutierrez renewed a warning that intellectual property theft in China was a threat to trade ties.

Protectionists in the United States have become an increasingly vocal group, he said in a speech to business executives, adding, “and they point to the lack of robust I.P. protection in China as a top reason why we should put protectionist policies in place.”

Mr. Gutierrez said the theft of intellectual property was costing United States businesses an estimated $2.3 billion a year.

Mr. Gutierrez acknowledged that the Chinese authorities were stepping up their efforts to enforce laws protecting intellectual property. He noted the recent Chinese seizures of counterfeit Tamiflu, a drug used to treat influenza, in an operation that involved cooperation with United States law enforcement agencies.

Envoys To Work On Nuclear Talks Strategy (AP)

By Bo-mi Lim

AP, November 15, 2006

Nuclear envoys from the United States, South Korea and Japan will meet Wednesday to seek a common strategy ahead of the resumption of long-stalled nuclear disarmament talks with North Korea, officials said.

The U.S. and its top two Asian allies planned to meet on the sidelines of the Asia-Pacific Economic Cooperation summit in Vietnam where North Korea is expected to be a dominant theme.

South Korea said Tuesday the six-party disarmament talks that broke down in 2005 could resume by mid-December. The U.S. administration has ruled out a first meeting in November but said it hoped for a session in December.

North Korea agreed to return to the talks after it shocked the world by testing a nuclear device on Oct. 9, a move that triggered U.N. sanctions.

"We have said all along that we want to start the six-party talks as soon as possible but a key element of that is to be well prepared because when we do start, we want to be sure that we can really make progress," U.S. nuclear envoy Christopher Hill said Tuesday.

Hill will meet South Korea's top nuclear negotiator Chun Yung-woo and Japan's Kenichiro Sasae Wednesday morning to consider ways to pressure Pyongyang to give up its nuclear weapons program. China and Russia are also parties to the talks.

"It's a process for coordinating the positions of partner countries before the six-party talks," a Japanese government official in Hanoi said Tuesday of the upcoming meeting.

The impoverished North has often pursued a strategy of brinksmanship to gain aid and security guarantees. Chun said Tuesday that talks must be substantive.

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"There should not be a breakdown," Chun Yung-woo told reporters after flying into Hanoi. "If we do not make substantial progress, the future for the six-party talks will be very unclear. There should not be talks for the sake of talks."

There are divisions among the parties to the talks over how strongly to enforce U.N. sanctions against the North for its nuclear test. Japan and the U.S. have called for tough measures, while South Korea favors a softer approach.

Seoul said Monday it will not fully participate in a U.S.-led Proliferation Security Initiative that is largely aimed at stopping North Korean weapons traffic at sea, insisting it is doing enough to prevent the North's proliferation.

Another major sticking point at the nuclear talks is North Korea's demand that the U.S. lift financial restrictions imposed for the communist regime's alleged illegal activities, which Washington says include counterfeiting and money laundering.

The last round of six-party talks was a year ago, when negotiators failed to make progress toward implementing an earlier agreement in which the North agreed to give up its nuclear programs in exchange for aid and security guarantees.

The 21-nation APEC bloc, formed in 1989 as an economic forum, was scheduled to meet on Saturday and Sunday. A draft APEC joint communique did not mention North Korea, though it stressed the general importance of ensuring security to advance the prosperity of the region, saying the leaders are "determined to continue efforts to combat terrorism."

A final version of the declaration will be released after leaders including President Bush, Chinese President Hu Jintao, Russian President Vladimir Putin and Japanese Prime Minister Shinzo Abe wrap up their weekend summit in Vietnam's capital Hanoi.

US Envoy Says NKorea Talks Could Come In Early December (AFP)

By Peter Harmsen

AFP, November 15, 2006

Envoys involved in six-party talks on dismantling North Korea's nuclear program are scrambling to set a date to resume negotiations next month, the chief US delegate said.

"We have been in very close contact with the Chinese lately, and I think we do want to try to fix the date very soon," Christopher Hill told reporters after meeting with his South Korean counterpart, Chung Yung-Woo, in Hanoi.

"We will probably use the next few weeks to be very busy and maybe begin the talks sometime in early December," added Hill, who went directly into a trilateral meeting with Chung and Japanese negotiator Kenichiro Sasae.

The flurry of diplomatic activity came on the sidelines of a week-long Asia Pacific gathering, bringing together key Pacific Rim countries including the five states involved in the talks with North Korea.

The North's nuclear program was expected to be one of the key issues addressed by ministers and leaders at the annual summit of the Asia-Pacific Economic Cooperation (APEC) forum in the Vietnamese capital.

The APEC gathering comes less than two weeks after Pyongyang agreed in secret negotiations in Beijing to return to the six-nation talks, which involve the two Koreas, China, Japan, Russia and the United States.

The negotiations, stalled a year ago when the North walked out over US action to freeze its accounts in a Macau bank, are aimed at convincing the regime of Kim Jong-Il to abandon its nuclear ambitions.

"We had a good discussion on how we might structure the next round of the six-party talks," Hill said of his talks with his South Korean counterpart.

"That will be the main subject of the trilateral meeting" with Sasae, he added.

"We all feel the process really needs to show progress and this is why we need to plan this next round very carefully."

North Korea sparked international concern in July when it test-fired seven ballistic missiles, and then stunned the world in October with its first atom bomb test which triggered UN sanctions against the reclusive communist regime.

The North is the only one of the six nations involved in the talks that is not a member of APEC.

The US negotiator said there was "great harmony" among the five nations as to how to handle the North Korean crisis.

When asked why envoys from China and Russia had not met the other three negotiators in Hanoi on Wednesday, a Japanese official said the five nations did not want Pyongyang to feel that they were "ganging up" on the regime.

"The final objective is not to antagonize North Korea, but for them to abandon their nuclear program," he said.

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APEC leaders are to express "strong support for a diplomatic solution" to the crisis and "concern" over last month's atom bomb test, according to a draft joint communique obtained Wednesday by AFP.

The leaders will call for quick implementation of a September 2005 agreement under which North Korea agreed to scrap its nuclear program in exchange for energy and economic aid, and resumption of the six-party talks as soon as possible.

The Japanese official said APEC leaders were unlikely to issue a separate statement on North Korea, which would be seen as a more direct expression of concern than references to the crisis in a final joint communique.

"APEC is not a framework to have such a statement," he told AFP.

Bush Off To Asia To Talk Trade, Grapple With Korean Nuclear Crisis (AFP)

By P. Parameswaran

AFP, November 15, 2006

US President George W. Bush has left to nail down trade ties with Asia and grapple with the North Korean nuclear crisis on his first foreign trip since his party's drubbing in legislative elections.

The US leader will transit in Moscow, where he will hold a brief airport meeting with Russian President Vladimir Putin, before arriving in the staunch ally city state of Singapore on the first leg of his regional trip.

He would also visit Indonesia, the world's most populous Muslim nation, and Vietnam, where he would attend a summit of the Asia-Pacific Economic Cooperation (APEC) forum at the communist nation's capital Hanoi.

Bush would discuss with Putin, Chinese President Hu Jintao, Japanese Prime Minister Shinzo Abe and other leaders of the 21-member APEC group issues ranging from a prospective Asia-Pacific free trade agreement to terrorism and nuclear proliferation.

"One of the things that the President likes about the APEC summit is when you get 21 leaders of economies together you get a lot of opportunities for discussion," a senior US official said ahead of the eight-day trip.

Aside from meetings with leaders of Singapore, Indonesia and Vietnam during his visit to these nations, Bush would hold one-on-one talks with his counterparts from China, Japan, South Korea, Russia and Australia on the sidelines of the APEC summit.

He would also hold a meeting with a group of all seven Southeast Asian leaders attending the APEC summit -- from Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Steps aimed at ending North Korea's nuclear weapons drive and removing barriers to investment and trade are expected to be among key topics in both the APEC and bilateral meetings, US officials said.

For the first time, Bush and the other APEC leaders will discuss the feasibility of forging a free trade agreement among the 21 economies, which account for nearly half of world trade and generate 70 percent of global economic growth, the officials said.

The free trade plan comes amid a deadlock in talks to forge a new global trade accord.

Accompanied by Secretary of State Condoleezza Rice, Bush will also have the opportunity at APEC to meet with four of the six players in multilateral talks aimed at ending North Korea's nuclear arms ambitions.

They would "discuss what we should try and accomplish when we do begin the next round of the six-party talks," US officials said.

Following its defiant missile launches and nuclear weapons tests, North Korea has agreed to return to talks with the United States, Russia, China, Japan and South Korea.

The six-party talks to resume in Beijing possibly next month is to explore an effective channel in which North Korea could abandon its atomic weapons in return for energy and other aid and diplomatic and security guarantees.

"You could not ask for better diplomacy since the detonation of the nuclear weapon in North Korea than what you've seen from the United States, China, Japan, and even, to a lesser extent, South Korea," said Kurt Cambell, a former senior Pentagon official.

Bush's national security advisor Steve Hadley said the rapidly growing Southeast Asian region was of "great importance" to the United States and that the US leader would seek to "reaffirm the centrality of the freedom agenda" and "continue to

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encourage efforts in the war on terror" as well as highlight "the principles of good governance, investment in people and economic freedom.

The United States is the biggest investor and top export market for the region.

But even before making his trip, Bush suffered a setback of sorts Tuesday when the House of Representative abandoned plans to vote again on a bill to grant "permanent normal trade relations" (PNTR) status to Vietnam.

The blow came a week after his Republican party was routed in legislative elections and lost control of Congress.

Bush had wanted to grant Vietnam PNTR on his maiden visit to the former battlefield enemy state.

A vote on the bill failed Monday and the House had wanted to make another attempt to pass it on Wednesday but an official said it had been postponed to possibly next month.

It is believed a number of labor unions were reported to have whipped up opposition to the planned legislation.

The Road To Damascus (NYT)

The New York Times, November 15, 2006

Israel's prime minister, Ehud Olmert, got what he wanted most out of his White House meeting with President Bush on Monday — a reiteration of America's uncompromising bargaining position on the Iranian nuclear issue. Tough talk is fine, but not enough. Washington could put greater pressure on Iran and perhaps advance another urgent Israeli concern, disarming Hezbollah, by dropping its resistance to high-level talks with Syria.

Whenever such talks are proposed, Mr. Bush and Mr. Olmert point out the many objectionable policies of Syria's president, Bashar al-Assad. That misses the point. Diplomacy is not simply a matter of rewarding countries that act the way Washington likes. It can also be a useful tool for trying to induce countries like Syria to behave more constructively.

With Iran now asserting that it has achieved international acceptance as a nuclear state and Syria's Lebanese allies again challenging the Beirut government, it is time to give direct diplomacy with Syria a serious try.

Chipping away at Lebanon's sovereignty or Israel's security to win Syria's good will would, of course, be a disastrous mistake. But without crossing those red lines it might be possible for Washington to wean Damascus away from its alliance of convenience with Tehran. Syria and Iran are not natural or inevitable allies. Washington's clumsy attempts to ostracize both regimes have managed to tighten their mutual embrace.

One crucial difference between them is that Iran is thumbing its nose at international diplomacy so it can continue to learn how to enrich bomb grade uranium, and Syria is not. That is a distinction Washington needs to recognize and exploit. A Syria detached from Iran and engaged by the United States could conceivably be enlisted in reviving the Arab-Israeli peace effort and containing the spreading chaos in Iraq. Syria's national interests in both areas at least partially intersect with those of the United States and Israel.

Mr. Olmert was right to sound the alarm about an Iran that continues to advance its nuclear capabilities while its president calls for Israel's destruction. For now, the most effective response would be a full-court diplomatic press, combined with an escalating menu of international sanctions until Iran agrees to halt uranium enrichment. With the threat from Iran so clear, this is no time to invent more reasons for not talking to Syria.

Iran's Leader Cites Nuclear Progress (NYT)

By William J. Broad and Nazila Fathi

The New York Times, November 15, 2006

Iran's president declared yesterday that his country's nuclear program was nearing an important milestone, even as international atomic inspectors reported that they had found unexplained traces of plutonium and that Tehran continued to be so uncooperative in answering questions that they had been unable to confirm earlier claims of progress.

President Mahmoud Ahmadinejad's statement that Iran hoped soon to master the nuclear fuel cycle came as world powers, suspicious that Iran is seeking the means to make atom bombs, are trying to agree on a regimen of sanctions. Iran says it wants only to fuel reactors and generate electricity.

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"I hope we can have our celebration of Iran's full nuclearization this year," Mr. Ahmadinejad said during a news conference in Tehran, apparently referring to a program that could do everything from extracting uranium ore from the ground to enriching it into reactor fuel. Iran's calendar ends in March.

In its latest report on the Iranian nuclear program, the International Atomic Energy Agency, based in Vienna, said Tehran was moving ahead with its efforts to purify uranium while refusing to answer basic questions about its atomic program.

For instance, the report said Iran had failed to provide full access to records needed to confirm its claims in June of having enriched uranium to a level of 5 percent, which is suitable for reactors.

The report also said inspectors had made no progress in resolving the origin of previously discovered traces of highly enriched uranium, which can fuel atomic bombs. In September, the agency disclosed the discovery of the particles on a container from a waste storage site at Karaj, not far from Tehran, but withheld judgment about where the material came from and whether it could be linked to a secret nuclear weapons program.

Finally, the report said inspectors had recently found traces of yet another unexplained particle — plutonium — on samples from containers at Karaj and was assessing a response from Tehran about its origin. Plutonium, like uranium, can fuel atom bombs. "Unless Iran addresses the long outstanding verification issues," the report concluded, the atomic agency "will remain unable to make further progress in its efforts to verify the absence of undeclared nuclear material and activities."

The report was sent to the 35 countries on the atomic agency's decision-making board before its regularly scheduled quarterly session in Vienna on Thursday and Friday of next week. It was distributed on a confidential basis yesterday but was quickly made available to reporters.

In Tehran, Mr. Ahmadinejad once again defied international demands to suspend uranium enrichment and reiterated Iran's ultimate enrichment goal — to expand its program to an industrial level with 60,000 centrifuges.

In a news conference with Iranian journalists, he also brushed off suggestions by other senior authorities that Iran might suspend the reactor-fuel program, saying there was no way Iran would turn back.

Mr. Ahmadinejad said Iran had prepared itself to confront possible sanctions. "Nothing has been passed against Iran yet, but we are ready for any condition," he said. "They will do their best, and so will we. In the end, the winner is whoever stands more firmly."

He said Iran was willing to hold talks with the United States if it changed its attitude. "We want to have good relations with all countries, but they have a certain attitude and think they own the world," he said. "Our people cannot tolerate that." He said he would soon send a message to the American people that would explain the viewpoint of Iranians.

So far, Iran has built two cascades of 164 centrifuges for uranium enrichment — the process of purification used to make nuclear reactor fuel and, at great purity, the core of an atom bomb. It has announced that it wants to have 3,000 centrifuges operating by March 2007.

Nuclear experts have estimated that it could take a plant of 3,000 centrifuges as little as nine months to make 55 pounds of highly enriched uranium — enough for anywhere from one to five small nuclear weapons, depending on the skill of the bomb makers.

Intelligence analysts say Iran could be anywhere from three to nine years away from having the ability to build an atom bomb.

IAEA Reports On Discovery At Iran Facility (WP/AP)

Associated Press

The Washington Post, November 15, 2006

VIENNA, Nov. 14 -- New traces of plutonium and enriched uranium, potential material for atomic warheads, have been found at a nuclear waste facility in Iran, the International Atomic Energy Agency reported Tuesday, as Iran's president boasted that his country's nuclear fuel program would soon be completed.

President Mahmoud Ahmadinejad, at a news conference in Tehran, asserted that the world had no choice but to "live with a nuclear Iran," but conceded that his country was "still in the first stages" of its uranium enrichment program.

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He also said Iran would talk to the United States if it "corrects its behavior," but the White House said there would be no discussions until Tehran took a more constructive role in the region.

Ahmadinejad did not define the scope of any talks with the United States, nor did he say that Iraq or the nuclear dispute would be on the agenda of such discussions.

So far, Iran has been able to activate only two experimental enrichment plants that U.N. officials say have broken down frequently and have produced only small amounts of material suitable for nuclear fuel.

But Iran has progressed enough since resuming enrichment activities in February to provoke a U.N. Security Council demand that it freeze its program. Iran has refused, saying it intends to move toward large-scale uranium enrichment.

The IAEA board in February reported Iran to the Security Council, suggesting it had breached the nuclear Non-Proliferation Treaty and might be trying to make nuclear weapons.

Tuesday's IAEA report, prepared for next week's meeting of the agency's 35-nation board, also faulted Iran for lack of cooperation.

The U.S. ambassador to the United Nations, John R. Bolton, said Ahmadinejad's comments and the IAEA's latest discoveries "both demonstrate the urgency for the Security Council to act on Iran." He said sanctions were "obviously the only means to get Iran's attention."

A senior U.N. official familiar with the report cautioned against reading too much into the findings of traces of highly enriched uranium and plutonium, saying that Iran had explained both and that they could plausibly be classified as byproducts of peaceful nuclear activities.

The official, who spoke on condition of anonymity because he was not authorized to discuss the report publicly, said that although the uranium was enriched to a higher level than needed to generate power, it was below weapons grade.

Iran Says It Will Be 'fully Nuclear' Soon (FT)

By Gareth Smyth

Financial Times, November 15, 2006

Iran's President Mahmoud Ahmadi-Nejad on Tuesday promised a "celebration of Iran's full nuclearisation" before the end of the Iranian year next March and said the US and its allies had "finally agreed to live with . . . an Iran possessing the nuclear fuel cycle".

Mr Ahmadi-Nejad did not explain his claims, which came at a news conference. But he was at pains to defend his record at home and abroad in the run-up to next month's municipal council elections when his government faces its first nationwide popularity test.

The US state department said Mr Ahmadi-Nejad's comments should represent "a cold jolt to the rest of the world". But a more sober picture of Iran's nuclear progress was painted by an International Atomic Energy Agency report on Iran obtained by the Financial Times.

The report, sent out on Tuesday to the governors of the nuclear watchdog, confirms that Iran is now principally using two "cascades" of 164 centrifuges apiece to enrich uranium. This means the country still falls well short of the 3,000 or so centrifuges that would be needed to enrich uranium on an industrial scale.

The report adds that between mid-August and the beginning of this month, Iran says it fed 34kg of feedstock into the centrifuges and that this was enriched to a level of 5 per cent – which is suitable for nuclear fuel but not for weapons grade material.

Mr Ahmadi-Nejad's news conference, to which the international media was not invited, concentrated on domestic issues as the president responded to criticisms he has faced in recent months, especially over rising prices and unemployment.

He claimed foreign investment in the non-oil sector had reached $7.2bn (€5.6bn, £3.8bn) in the first seven months of this year, up from $4.3bn in the whole of last year, and that the government had created 144,000 jobs in small industries.

But the president was also keen to assert Iran's success in developing its nuclear programme, as western powers struggle to even agree a draft sanctions resolution with Russia and China nine months after the issue was referred to the UN security

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council. Mr Ahmadi-Nejad said he would respond to requests from “many American people to talk to them” with a letter explaining Iran’s policies – even though he received no response when he wrote in May to President George W. Bush.

He may be seeking to gain political capital from the belief in Iran’s political class, especially among fundamentalists, that the balance of world power is shifting away from the US. He claimed the “the Iranian nation is the most popular in the world . . . with widening political influence”.

While Iranian officials welcomed the Republicans’ defeat in mid-term US elections, they have expressed caution as to whether it will lead to any substantive change in Washington’s policies towards Iran. But at the same time, officials have stressed that the chance of compromise remains.

Additional reporting by Daniel Dombey in Brussels

Iran's Nuclear Program Progressing, U.N. Agency Says (LAT)

By Alissa J. Rubin

The Los Angeles Times, November 15, 2006

SANCERRE, FRANCE — Iran has slowly but steadily increased its ability to enrich uranium despite international calls to halt its nuclear activities, experts at the International Atomic Energy Agency say in a report released Tuesday.

The report, which became public before a meeting next week by the agency's board of governors, emphasizes that Iran's refusal to answer inspectors' questions about its nuclear activities makes it impossible for the IAEA "to confirm the peaceful nature of Iran's program."

The report also notes that traces of plutonium have been found on storage barrels at a waste facility, in addition to a previously reported finding of highly enriched uranium at the site.

Iran had kept its nuclear program secret for more than 18 years, until 2002, and many questions remain unanswered about whether its effort had, or continues to have, a military goal. Highly enriched uranium is the fissile material needed to make a nuclear bomb.

Iranian President Mahmoud Ahmadinejad did little to reassure world leaders Tuesday. He said at a news conference in Tehran that there would be "the big celebration of Iran's full nuclearization in the current year."

Iran's current calendar year ends March 20.

Iranian officials have said Tehran would have 3,000 centrifuges, used to enrich uranium, operating by the end of their calendar year. Ahmadinejad said Tuesday that the goal was eventually to have 60,000. "We are at the beginning of a wave," he said at the gathering, reported by the official Islamic Republic News Agency.

Although that goal is possible, it would appear to require a drastic acceleration in Iran's program.

The IAEA inspectors are reluctant to make any predictions about the speed with which Iran might move ahead.

The United Nations watchdog agency's inspectors have had increasingly limited information about Iran's nuclear operations since Tehran reduced their access to nuclear facilities early this year. The action came after the nuclear agency's board of governors reported Iran to the U.N. Security Council.

"The IAEA, which is the only reliable set of eye and ears, now is mostly blindfolded, their ears are plugged," said Mark Fitzpatrick, a senior analyst on nuclear nonproliferation at the International Institute for Strategic Studies.

"Iran has been tightening the blindfold, and that's dangerous, because without knowing the real status — how many centrifuges are breaking, how many they are assembling, how many they are manufacturing — the policymakers have to give credence to the worst-case scenarios, and they become wild guesses … and that's dangerous for Iran," Fitzpatrick said.

Information on how many centrifuges are breaking would allow the nuclear agency to gauge how well the groups of linked centrifuges, known as cascades, are working and to better assess Iran's progress.

Similarly the inspectors no longer have access to sites where Iran is fabricating or assembling the centrifuges, making it difficult to judge the accuracy of the Iranian claim that the country is poised to set up 3,000 centrifuges.

As is often the case, Ahmadinejad backtracked and moderated his predictions even before the end of Tuesday's news conference, answering a question: "We want to produce fuel after all. We have to keep going. We have a long way to go to 60,000" centrifuges.

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The Bush administration and several European governments fear that Iran intends to use the enriched uranium to build bombs, despite Tehran's insistence that the material would only fuel civilian power stations.

The report and Ahmadinejad's comments came amid debate among permanent Security Council members about which sanctions to apply against Iran to pressure the Islamic state into halting its uranium enrichment activities. The European Union and the U.S. have backed a Security Council resolution that would prevent nuclear technology and related missile technology from being sold to Iran and limit visas for some Iranian officials and students. Russia and China, however, want to moderate the sanctions package.

Many people close to the discussions in European capitals and Washington believe there may be the possibility of a negotiated freeze in Iran's program that could stop Tehran before it becomes capable of producing weapons-grade material. However, that would entail guarantees by the U.S. that it would not seek to change the Iranian regime and a willingness by Washington to hold direct talks with Iran. At the moment both seem remote.

In the meantime, Iran has endeavored to make as much progress as possible toward achieving the full nuclear fuel cycle.

"Iran has been attempting to create facts on the ground for a year or two. They want to be able to say, 'We've already passed that technical milestone,' " said a U.S. diplomat familiar with Iran's program. "Today is another example of that — [Ahmadinejad is] simply trying to say, 'You can't stop us, we're still moving forward,' "

U.S. officials and European diplomats say they are skeptical that Iran could attain the capability to make nuclear weapons in the next couple of years, but Israeli officials believe Tehran already may be so far along that it will be hard to halt its program.

As expected, the nuclear agency's report confirms that Iran began operating a second cascade of 164 centrifuges Oct. 13. The report also notes that uranium gas has been fed into the first cascade only intermittently.

The two cascades are not linked, said senior officials familiar with the IAEA report. If they were linked, Iran could better enrich uranium, some experts said.

Iran Expands Nuclear Ambitions Drawing New US Criticism (AFP)

By Stuart Williams

AFP, November 15, 2006

Iranian President Mahmoud Ahmadinejad announced ambitions to enrich uranium on a scale that the United States warned would give the Islamic republic the capacity to produce an atomic bomb.

Despite the threat of UN sanctions hanging over Iran for its refusal to suspend uranium enrichment, Ahmadinejad unveiled long-term plans to build 60,000 centrifuges for enrichment. It currently has only 328.

"We want to produce nuclear fuel and eventually we should go for 60,000 centrifuges. We should continue along this path. We are at the beginning of the wave," Ahmadinejad told a news conference.

Iran has previously said it is looking to install 3,000 centrifuges by March 2007, in itself a massive step from the two cascades of 164 centrifuges apiece it has currently at its Natanz plant to enrich uranium on a research scale.

The United States seized on Ahmadinejad's comments as a wake-up call for any doubters that Iran's real goal was the capacity to make an atomic bomb.

"That should be a cold jolt to the rest of the world," State Department spokesman Sean McCormack said.

"What that leads to is an Iranian nuclear weapon, which would be an incredibly destabilizing event in the course of Middle East history."

Experts say that 50,000 centrifuges would normally be sufficient to produce 20 kilos (44 pounds) of weapons grade uranium in under a month, but Iran vehemently denies it wants the bomb, insisting its nuclear programme is for power generation only.

Enrichment is carried out in lines of centrifuges called cascades and is used to make the fuel for civilian nuclear reactors. But in highly enriched form, the uranium can be used to make a nuclear bomb.

Building tens of thousands of centrifuges would take Iran's enrichment programme from its current research level to one where it could produce nuclear fuel on an industrial scale.

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World powers wanted Iran to suspend enrichment as a prelude to full-scale negotiations over its atomic programme, a demand that has been repeatedly rejected by Iran.

"The question of a suspension has now been passed," Ahmadinejad said, shrugging off the prospect of UN sanctions against Iran over its failure to heed Security Council demands to agree one.

"If they put in place sanctions, a new financial order will be put in place."

The Iranian show of defiance comes at an awkward time for the US administration as it comes under mounting pressure to involve Iran and its regional ally Syria in talks on stabilising Iraq, after the drubbing its current policy received at the hands of voters in mid-term elections.

President George W. Bush's spokesman rejected suggestions of a growing gap with his key Iraq ally British Prime Minister Tony Blair on dialogue with Iran after the two leaders gave evidence to a study group rethinking policy on Iraq.

"You have mischaracterized his position," Tony Snow said. "Read his speech, and you'll see there is no difference between the governments."

The Iranian president said talks with the United States could only take place if it changed its "attitude" towards Iran.

"We would talk with the US government but on certain conditions, on the condition that it corrects its attitude," he said.

"And at that moment, we will talk with them as we talk with the others."

Ahmadinejad confidently announced he would soon send a personal message to the American people.

"I am in the process of preparing it," he said. "The message will elaborate upon the viewpoints of the Iranian nation, because many Americans asked me for it."

In its latest report on Iran's nuclear programme, a copy of which was obtained by AFP, the International Atomic Energy Agency said Iran was still not enriching uranium beyond the five percent level sufficient for use as reactor fuel.

From August 13 to November 2, Iran fed "a total of approximately 34 kilogrammes" (75 pounds) of feedstock uranium gas into centrifuges, producing a small amount of uranium enriched to low levels, the report said.

It did not detail how much uranium was produced but said enrichment levels seemed to be below five percent, nowhere near the 90 percent level needed to make atom bombs.

Ahmadinejad: Iran Open To Talk With U.S. (AP)

By Ali Akbar Dareini

AP, November 15, 2006

President Mahmoud Ahmadinejad said Tuesday that Iran would talk to the United States if it "corrects its behavior," but the White House said there would be no discussions until Tehran took a more constructive role in the region.

Ahmadinejad's comment was the highest-level Iranian statement in recent months that the government is willing to talk to Washington, which it has long demonized as "the Great Satan." It also came a day after British Prime Minister Tony Blair advocated seeking Tehran's help in ending the violence in Iraq.

At a news conference, Ahmadinejad did not spell out any other conditions for U.S.-Iranian talks, but he accused the Bush administration of pursuing a foreign policy based on aggression, oppression, unilateralism and disrespect for other nations.

Ahmadinejad did not define the scope of any talks with the United States, nor did he say that Iraq or the nuclear dispute would be on the agenda of such discussions.

At the news conference, Ahmadinejad said: "We are after positive interaction with the whole world, excluding a country that we don't recognize" — a reference to Israel.

"We won't talk to the Zionist regime because it is a usurper and an illegitimate entity. But we will talk to the U.S. government under certain conditions. Should it correct its behavior, we will talk to them," the president said.

In Washington, White House National Security Council spokesman Gordon Johndroe said: "I don't think this is about a U.S. attitude adjustment. The collective attitude of the world is that Iran needs to play a constructive role in the region, not meddle in Iraq and stop its enrichment activities."

The United States and the Iraqi government have long accused Iran of aiding the insurgency in Iraq — a charge Iran denies. Johndroe pointed out that Blair had said Monday that Iran must stop interfering in Iraq and cease uranium enrichment.

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Iran has proposed talks with the United States about Iraq twice this year, first in March and then on Nov. 5. In the most recent proposal, Foreign Ministry spokesman Mohammad Ali Hosseini said Tehran would consider talks with the U.S. over regional issues, including Iraq, if Washington requested.

Weeks after the first proposal of talks, Iran withdrew the offer. When Tehran renewed the offer this month, analysts said that Iran was concerned about the escalating turmoil in Iraq and might also be seeking to slow Washington's push for sanctions over its nuclear program.

The United States welcomed the first offer of talks, but said the negotiations would be confined to Iraq.

On Tuesday, President Bush said his line on Iran was: "We are willing to come to the table with the European Union, as well as Russia and China to discuss a way forward" in relations.

Speaking to reporters at the White House, Bush said repeated the condition that he set weeks ago — that for talks, Iran must agree to verifiably suspend its uranium enrichment activities.

One option under discussion at one point by a bipartisan Iraq Study Group headed by former Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton was for greater cooperation with Iran and Syria.

Hamas Insists It Won't Recognize Israel (AP)

By Karin Laub

AP, November 15, 2006

Hamas insisted Tuesday it would not recognize Israel even after a unity government takes power in the Palestinian territories, complicating efforts to form a more moderate coalition that would clear the way for vital foreign aid.

The militant Islamic group suggested, however, that the emerging coalition would be free to stake out a different position, apparently hoping the ambiguity in its statements will allow it to preserve its anti-Israel ideology but loosen international sanctions that have crippled the Palestinian economy.

The tough talk came despite Hamas' promises to Palestinian President Mahmoud Abbas that it would refrain from incendiary public statements during the delicate coalition talks.

Abbas was meeting with the leaders of Jordan and Egypt on Tuesday and Wednesday to win their blessing for what he hopes will be a broader package deal, including not only formation of a moderate government, but also a cease-fire with Israel and an Israel-Hamas prisoner swap.

On Wednesday, envoys of the so-called Quartet of Mideast mediators — the United States, the U.N., the European Union and Russia — were to meet in Cairo, in part to be briefed on the coalition talks. Abbas met the U.S. envoy, Assistant Secretary of State David Welch, on Tuesday night.

President Bush also called Egyptian President Hosni Mubarak, a key peace meditator, to discuss the latest developments, Egypt's semi-official Middle East News Agency reported.

For Abbas' plan to work, Israel and the West must accept the premise that Hamas is largely ceding power by making room for a 24-member Cabinet of independent administrators — even though the Islamic militants get to appoint nine of the ministers and would retain considerable control.

The monthslong deadlock over whether the new government would recognize Israel is to be solved by a division of labor: Abbas and his Palestine Liberation Organization would lead peace talks with Israel, while the government of experts runs daily life in the Palestinian territories.

In such a constellation, the argument goes, the government does not need to take a position on whether to recognize Israel or renounce violence, because it deals with more mundane issues.

However, the international community has demanded such declarations in exchange for lifting its aid boycott.

So far, Israel and the West have withheld judgment on Abbas' efforts — and the latest Hamas comments might make it harder for the Palestinian leader to market a future agreement.

Moussa Abu Marzouk, a top official in Hamas' exiled leadership, said demands that the group recognize Israel are "illegal and illegitimate."

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However, Abu Marzouk and other spokesmen differentiated between Hamas and a new government. "It's not Hamas that will pronounce on this subject," he said.

In Washington, State Department spokesman Sean McCormack said the Palestinian political activity is an indication of Hamas' inability to govern. "It's a simple reflection of the reality that because of their policies, they have failed," he said.

Despite the latest damper, negotiators reported more progress Tuesday, saying they reached agreement on the division of Cabinet portfolios. Hamas would choose nine ministers, Fatah would appoint six, and four smaller factions would pick one each. Five more independent ministers would require the approval of Hamas and Fatah, negotiators said.

On Monday, the two sides reached agreement in principle on a new prime minister — U.S.-educated microbiologist Mohammed Shabir, former president of the Islamic University in Gaza City. Shabir, 60, has ties to both Hamas and Fatah.

One sticking point could be control over the Interior Ministry, in charge of key branches of the security forces. Hamas seeks guarantees that its Executive Force, a security branch it set up in recent months, will not be dismantled, but Abbas has not made any promises.

In Cairo on Tuesday night, Egyptian Foreign Minister Ahmed Aboul Gheit said the peace process could also be advanced if Israel and the Palestinians would agree to swap the Israeli corporal whom Hamas-allied militants kidnapped in June with some Palestinians detained in Israeli prisons.

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Associated Press writers Ibrahim Barzak and Sarah El Deeb in Gaza City contributed to this report.

US Confirms Meeting Of Mideast Peace Quartet (AFP)

AFP, November 15, 2006

The sponsors of the Middle East peace process will meet in Cairo Wednesday to discuss efforts to revive negotiations between Israel and the Palestinians, the State Department confirmed.

US Middle East envoy David Welch will represent Washington at the meeting with his counterparts from Russia, the European Union and the United Nations -- a grouping known as the Middle East "quartet," spokesman Sean McCormack said.

McCormack said the meeting did not signal a major initiative to break a months-long deadlock in peacemaking efforts but an opportunity to "take stock" of the situation.

He also said the meeting was arranged before last week's US elections in which opposition Democrats took control of Congress and immediately pressed President George W. Bush to reinvigorate his Middle East diplomacy.

"A lot of developments, a lot of different things are going on in the Middle East. We all thought this was an appropriate time for the envoys to get together," he said.

A key development to be discussed will be efforts by moderate Palestinian leader Mahmud Abbas to form a new power-sharing government that would sideline members of the radical Islamic movement Hamas, he said.

"This is all part of our diplomacy ... doing what we can here and there to try to make sure that if the Palestinians do produce a government that meets the standards of the quartet statement, then you do have a political horizon that you can potentially move forward," he said.

Welch is also expected to hold separate meetings with Egyptian officials before travelling to Amman for talks the Jordanians, McCormack said.

It was unclear whether Abbas, who was due in Cairo later Tuesday, would join any of the talks.

The meeting follows complaints by Arab countries that the quartet was not doing enough to revive peace talks between the Palestinians and Israelis and unease by Russia over its partners' handling of the deadlock.

Russian President Vladimir Putin called during a visit by Egyptian President Hosni Mubarak to Moscow earlier this month for regional countries to play a bigger role in the deliberations of the quartet.

Moscow has distanced itself from demands made by the quartet earlier this year for the current Islamist-led Palestinian government to renounce violence and recognize Israel and past peace deals.

The European Union and the United States suspended direct aid until the demands are met but Russian Foreign Minister Sergei Lavrov last month described them as "unrealistic."

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Abbas has been engaged in intensive talks with Islamist prime minister Ismail Haniya on forming a government of national unity acceptable to Western donors.

Arab League assistant secretary general Ahmed Ben Helli hit out at the quartet for not doing enough to rein in the deadly offensive launched by Israel after the capture of a soldier by Gaza-based militants in June.

"Unfortunately the quartet has been absent from every action we have taken. It's a body that has been set up but that is not fit for purpose," Ben Helli said.

He condemned what he described as the "silence" of the quartet in the face of the "Israeli crimes against the Palestinian people" and its "failure to assume its responsibility for relaunching the peace process."

The quartet drafted the roadmap peace plan which has made next to no progress since its launch in 2003.

Egypt Wanes As Power Broker (WSJ)

By Mariam Fam

The Wall Street Journal, November 15, 2006

CAIRO, Egypt -- As the White House considers recalibrating its Middle East strategy, an important ally's waning clout in the region underlines some of the challenges ahead: Egypt, which for decades has acted as peacemaker and behind-the-scenes political broker for the U.S. in the Arab world, has seen its status ebb as Mideast dynamics have been shifting.

The destabilization of Iraq, the ascent of the Palestinian militant group Hamas, last summer's war in Lebanon and Iran's resurgent influence have helped erode Cairo's traditional leading role in the region. Egypt remains a strong U.S. ally, but its diminished authority, coupled with internal stagnation, have weakened Egypt's capacity to help the U.S. navigate the region's dicey political waters.

Others, such as Qatar, which is trying to carve out a role as mediator and regional heavyweight, have emerged. And pressure has increased on the Bush administration to reach out directly to Syria and Iran, which it has snubbed despite their undeniable influence in the region's trouble spots. On Monday, President Bush met with members of the bipartisan Iraq Study Group, which may recommend engaging both those governments to help pacify Iraq.

"The Egyptian role has taken a back seat, to the benefit of other regional powers. The Israeli-Palestinian issue used to be an Egyptian-Jordanian issue, but now it is more influenced by Syria and Iran," said Emad Gad, a senior researcher at the al-Ahram Center for Political and Strategic Studies in Cairo.

Gehad Auda, a political scientist and an official in Egypt's ruling National Democratic Party, said that despite new challenges, Cairo remains a main force of stabilization in the region and, along with other moderate Arab governments, provides a counterweight to countries such as Syria and Iran. He added that Egyptian diplomacy draws on the country's network of relations to "exert subtle pressure" behind the scenes on various parties. "I believe that in the final analysis, the Egyptian role will come up on the winning side."

Egypt is hosting talks this week involving Palestinian President Mahmoud Abbas and representatives of the U.S., European Union, Russia and United Nations. In the past, Egypt proved invaluable in helping to secure Washington's goals, such as defusing Israeli-Arab tensions and drumming up Arab support for driving out Iraq after it invaded Kuwait in 1990.

Today, weeks of Egyptian efforts have failed thus far to secure the release of an Israeli soldier captured by Palestinian militants in June. Cairo's attempts to coax Syria away from Iran and back toward the Arab sphere have also come up short. Meanwhile, President Hosni Mubarak's harsh treatment of political opponents -- jailing activists and cracking down on protests -- has undermined President Bush's agenda of fostering democracy in the Mideast.

The U.S.-led toppling of Saddam Hussein in Iraq in 2003 was a watershed. Swapping this longtime Iranian nemesis for a Shiite Muslim-led government empowered the Shiite rulers in Tehran. The ensuing chaos also fostered a closer alliance between Iran and Syria, Iraqi neighbors that U.S. and Iraqi officials have accused of fueling Iraq's disorder. Meanwhile, the resurgent Shiite influence has sparked concern among Sunni Muslim Arab regimes, including stalwart U.S. allies Egypt, Saudi Arabia and Jordan.

Further chipping away at Egypt's clout was Hamas's January victory in elections that were encouraged by the Bush administration. This left rival Fatah, Egypt's close ally among the Palestinians, playing second fiddle in the territories. Keen to

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maintain its status as regional mediator, Egypt kept communication channels open with Hamas. But the Palestinian group is an outgrowth of the Muslim Brotherhood, an Islamist movement challenging the Mubarak regime at home, and Egypt so far has failed to persuade Hamas to recognize Israel, as demanded by the international community.

In Lebanon, meanwhile, the U.S. democracy push opened the door to Hezbollah, a militant Shiite organization that won enough legislative seats to join the ruling coalition in Beirut. In July, Hezbollah, which is backed by Syria and Iran, kidnapped two Israeli soldiers, igniting a monthlong battle.

To the detriment of established regional powers such as Egypt, the war made heroes of Hezbollah and its leader, Hassan Nasrallah, in the eyes of many Arabs and Muslims angry at Israel and the U.S. Egypt and other so-called moderate Arab regimes -- Jordan, Saudi Arabia and some Persian Gulf states -- alienated many of their people by appearing to be criticizing Hezbollah in the early days of the war.

All along, Egyptian and other Arab officials have argued that the Bush administration's hands-off approach to the Israeli-Palestinian conflict, a flash point for many Arabs and Muslims, has exacerbated regional tensions.

Analysts say the Egyptian regime's domestic woes have also contributed to its diminished regional stature. Steps toward democratization -- such as liberalizing the economy, allowing multicandidate presidential elections and tolerating greater freedoms -- have all suffered setbacks. Since last year's presidential election won by Mr. Mubarak -- who has ruled for a quarter century -- authorities have cracked down on protests, arrested activists and bloggers and postponed municipal elections, apparently fearing further gains by the Muslim Brotherhood, which scored big in parliamentary elections last year.

U.S. officials say the Bush administration remains committed to promoting democracy. But many in Egypt say Washington has taken the pressure off the Mubarak regime out of concern that political openings will further strengthen Islamists.

Now, many Arabs hope Democratic control of the U.S. Congress and the resignation of Defense Secretary Donald Rumsfeld will usher in changes to U.S. policies in Iraq and elsewhere. But while some sort of shift seems likely in Iraq, few think Arab calls to do more to revive talks between Israel and the Palestinians -- which many analysts deem crucial to strengthening U.S. allies such as Egypt -- will bear fruit soon.

"Realistically, this administration is losing time, and the time left will be devoted to Iraq," said Amr Hamzawy, a senior associate at the Carnegie Endowment for International Peace in Washington.

Write to Mariam Fam at mariam.fam@wsj.com1

U.N. Says Somalis Helped Hezbollah Fighters (NYT)

By Robert F. Worth

The New York Times, November 15, 2006

UNITED NATIONS, Nov. 14 — More than 700 Islamic militants from Somalia traveled to Lebanon in July to fight alongside Hezbollah in its war against Israel, a United Nations report says. The militia in Lebanon returned the favor by providing training and — through its patrons Iran and Syria — weapons to the Islamic alliance struggling for control of Somalia, it adds.

The report, which was disclosed by [a news service] on Monday, appears to be the first indication that foreign fighters assisted Hezbollah during the 34-day conflict, when Israel maintained a tight blockade on Lebanon.

The report also says Iran sought to trade arms for uranium from Somalia to further its nuclear ambitions, though it does not say whether Iran succeeded.

The 86-page report was issued by four experts monitoring violations of a 1992 United Nations arms embargo on Somalia, which was put in place after the country lapsed into civil war and remains in effect. The report is to be discussed Friday at the Security Council.

The panel does not say how the information was obtained. But the members had access to information from the intelligence agencies of the Security Council's 15 current members, including Britain, France, China, Russia and the United States, a United Nations official said.

Any involvement by Somalis would be surprising because Hezbollah's effectiveness is widely attributed to its deep familiarity with the region.

Hezbollah officials could not be reached Tuesday night for comment.

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An official at the Israeli mission to the United Nations said he had not seen the report, and was not aware of any Somali fighters having taken part in the conflict with Hezbollah. The official asked not to be identified, citing diplomatic protocol.

While the sources of the information remain unclear, the report is dense with details about arms shipments to the groups vying for power in Somalia.

It states that in mid-July, Aden Hashi Farah, a leader of the Somali Islamist alliance, personally selected about 720 combat-hardened fighters to travel to Lebanon and fight alongside Hezbollah.

At least 100 Somalis had returned by early September — with five Hezbollah members — while others stayed on in Lebanon for advanced military training, the report says. It is not clear how many may have been killed, though the report says some were wounded and later treated after their return to Somalia.

The fighters were paid a minimum of $2,000 for their service, the report says, and as much as $30,000 was to be given to the families of those killed, with money donated by "a number of supporting countries."

In addition to training some Somali militants, Hezbollah "arranged for additional support to be given" by Iran and Syria, including weapons, the report found. On July 27, 200 Somali fighters also traveled to Syria to be trained in guerrilla warfare, the report says.

It also indicates that Iran appears to have sought help in its quest for uranium in Dusa Mareb, the hometown of Sheik Hassan Dahir Aweys, the leader of the Islamist alliance in Somalia, which is known as the Council of Islamic Courts.

"At the time of the writing of this report, there were two Iranians in Dusa Mareb engaged on matters linked to the exploration of uranium in exchange for arms" for the Council of Islamic Courts, says the report, which is dated Oct. 16.

Those claims, if proved, could worsen global tensions over Iran's nuclear program. Iran ignored an Aug. 31 deadline to suspend its uranium enrichment, and the United States has been leading a United Nations effort to impose sanctions.

The United Nations report is focused mostly on the increasingly volatile situation in Somalia, where Islamists took control of the capital, Mogadishu, in June from warlords backed by the United States.

Not only has the volume of arms flowing into Somalia grown, according to the authors, but more sophisticated weapons like surface-to-air missiles are being brought in. The conflict could grow into a regional war, with Somalia's neighbors, Ethiopia and Eritrea, backing opposing sides.

The report also accuses Djibouti, Egypt, Iran, Libya, Saudi Arabia and Syria of supplying the Somali Islamists with arms, advisers and fighters. It says three nations — Ethiopia, Uganda and Yemen — are aligned with the so-called transitional government based in Baidoa, an inland city.

Asked about violations of the arms embargo, the report states, officials in those countries either denied any involvement or failed to answer.

The report recommends that the Security Council blockade Somalia. It also warns urgently against sending any peacekeepers to the country, saying such a force could become "the catalyst that sparks a serious military confrontation between the opposing sides."

U.N. Report Cites Outside Military Aid To Somalia's Islamic Forces (WP)

By Colum Lynch

The Washington Post, November 15, 2006

UNITED NATIONS, Nov. 14 -- Iran, Syria, Libya, Egypt and the Hezbollah militia in Lebanon are providing arms, training and financing to Islamic militants as they seize political and military control in the East African state of Somalia, according to a confidential U.N. report.

The 86-page report, prepared by a panel of U.N. weapons and financial experts, warned that the conflict could reignite a war between Eritrea, the chief foreign sponsor of the Islamics, and Ethiopia, which is backing Somalia's weak transitional federal government.

The report asserts that a huge inflow of outside military assistance, in violation of a U.N. arms embargo, is contributing to the emergence of an alliance of militants called the Islamic Courts Union as the first Islamic government since the United States

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overthrew Afghanistan's Taliban in 2002. It warns that Somalia could become the site of insurgency tactics used in Iraq, including "suicide bombers, assassinations and other forms of terrorist and insurgent-type activities."

"The strongly sustained trend toward total military, economic and political dominance by the Islamic Courts Union in central and southern Somalia continues," according to the report by the U.N. Monitoring Group on Somalia, which will be presented to the Security Council this week. "They are currently the most powerful force in Somalia."

The report was obtained Tuesday by The Washington Post; it was first reported Monday by [a news service]. The report's authors recommend that the Security Council tighten a U.N. arms embargo, impose sanctions on Somali individuals and businesses buying weapons, and launch an international diplomatic effort to dissuade states from arming the combatants.

The developments in Somalia represent a setback for the United States, which had sought to prevent the militants from taking power. But the report provided no evidence to suggest that the United States provided clandestine support to anti-Islamic forces, as officials in Somalia's interim government have alleged.

It did, however, underscore the degree to which the United States' chief Middle East rivals, Iran and Syria, and its allies, Saudi Arabia and Egypt, are prepared to challenge U.S. interests in East Africa.

The U.N. team detailed three Iranian consignments of arms, ammunition, medical supplies and doctors to the Islamic fighters since summer. The report says one July shipment included land mines, 1,000 machine guns and M-79 rocket launchers, and 45 shoulder-fired surface-to-air missiles. The report also says two Iranian nationals were negotiating the possibility of selling more weapons for access to Somalia's uranium deposits.

The report asserts that Syria has trained 200 Somali fighters in guerrilla warfare tactics and that Libya has provided arms and advanced military training to another 100. Libya also allegedly provided $1 million to finance future training missions and to pay salaries.

Iran and Syria denied in separate letters to the U.N. team that they had shipped weapons to Somalia or trained Somali forces. The U.N. team did not receive a response from the Libyan government. Representatives from the Islamic Courts Union said the allegations that they had received illegal arms shipments are "baseless."

To shore up support for their cause, Somalia's Islamic fighters provided military support in the summer to Hezbollah, sending 720 of its most experienced fighters to help battle Israeli forces, according to the report. The fighters were promised $2,000 in payments to their families for serving, and as much as $30,000 if they fell in battle.

In exchange for their backing, Hezbollah allegedly provided advanced training to Somali fighters and sent five Hezbollah advisers to Somalia. It also allegedly solicited support for the movement from Iran and Syria.

The report cites a case in which Egypt agreed to train Somalia's Islamic militants. And it accuses Saudi Arabia of providing several shipments of food and medicine to Islamic combatants. Egypt denied the allegation; Saudi Arabia has yet to fully respond to the charges.

The report asserts that the most flagrant violations of the U.N. arms embargo have been committed by Eritrea and Ethiopia, which have sent dozens of weapons shipments and thousands of combat troops into Somalia on behalf of their proxies. It also charged that Uganda and Yemen had joined Ethiopia in supporting Somalia's losing Transitional Federal Government.

Hezbollah Decries Lebanese Cabinet (WP/AP)

Associated Press

The Washington Post, November 15, 2006

BEIRUT, Nov. 14 -- Hezbollah's leader said the radical Shiite Muslim group would continue efforts to replace the Lebanese government, saying the Western-backed cabinet had lost all credibility after six ministers resigned, according to published reports.

Hassan Nasrallah, who has threatened to stage demonstrations if Hezbollah's demand for a national unity government is ignored, also assured citizens that there would be no new civil war as a result of mounting political tensions among the country's rival factions.

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Nasrallah's remarks came a day after the government, defying the objections of President Emile Lahoud and the resignations of six ministers, approved a U.N. plan for an international tribunal to try suspected killers of former prime minister Rafiq al-Hariri, who died in a car bombing in February 2005 that has been widely blamed on Syria.

Lebanon's New Crisis (WP)

The Washington Post, November 15, 2006

THE RECKLESS attack on Israel by the Lebanese Hezbollah movement this summer led to the devastation of the southern third of the country. About 1,200 Lebanese died, including many civilians whom Hezbollah deliberately placed in the middle of the fighting, and some 15,000 homes were destroyed. Now Hezbollah's leader, Hasan Nasrallah, has launched an even more dangerous campaign. Through political bluff and the threat of violence, he is attempting to stage a coup against the democratically elected Lebanese government. The pro-Western administration of Prime Minister Fouad Siniora, which lacks Hezbollah's ruthlessness or military strength, has been resisting. But without help from the outside world, Lebanon could soon experience the reversal of its popular Cedar Revolution of 2005 or even a return to civil war.

As was the case in the summer war with Israel, Hezbollah's new offensive is backed by Iran and Syria and serves those governments' agendas as well as its own. The Shiite Islamic party is demanding that it be given enough seats in Mr. Siniora's cabinet to provide it with a veto over all major decisions. That would allow it to block the implementation of U.N. Security Council Resolution 1701, which calls for Hezbollah's disarmament. It could also impede the formation of an international tribunal by the Security Council and Lebanon to try the perpetrators of the February 2005 assassination of former prime minister Rafiq al-Hariri. Senior Syrian officials, including some of the closest collaborators of President Bashar al-Assad, are among those implicated. Not coincidentally, the six Lebanese ministers already allied with Hezbollah and its allies resigned in the past few days, just as the cabinet was preparing to vote on a preliminary agreement on the tribunal.

To its credit, the Siniora government rejected Hezbollah's intimidation, and the 18 remaining ministers approved the tribunal unanimously. But the crisis is far from over. Hezbollah is threatening to begin street demonstrations that could easily lead to violence. That would serve the interests of the increasingly radical Iran-Syria axis, which is attempting to prevent the spread of democracy in the Middle East, drive out the West and ultimately destroy Israel.

The response to this vicious campaign should be the same concerted multilateral action that followed Mr. Hariri's assassination last year and that forced Syria to withdraw its army from Lebanon. First the Security Council should act swiftly to establish the tribunal and begin criminal proceedings. It should also consider other actions against Syria, including sanctions, if Syria continues trying to block the formation of the tribunal and sponsoring political violence in Lebanon. At the same time, Security Council action against Iran for its refusal to suspend its nuclear program is long overdue; governments that are holding it up, beginning with Russia, must be forced to choose between supporting sanctions and breaking off strategic cooperation with the West. Until Iran and Syria are made to pay a price for their attempts to radicalize the Middle East, they will have no incentive to rein in clients such as Hezbollah.

Arab Gunmen Kill Hundreds Of Villagers In Chad (NYT)

By Lydia Polgreen

The New York Times, November 15, 2006

DAKAR, Senegal, Nov. 14 — Hundreds of Chadians have been killed by roving groups of Arab gunmen in dozens of villages over the past 10 days, according to aid workers and human rights officials along Chad's troubled border with Sudan.

At least 220 people have been killed, and dozens of wounded people have overwhelmed small, poorly equipped local hospitals, the United Nations said Tuesday. Chad's government has declared a state of emergency over the attacks and has accused Sudan, its neighbor to the east, of fomenting a crisis in Chad.

"By exporting its Darfur conflict to Chad, Sudan wants to weaken Chad by making different Chadian communities fight each other," Hourmadji Moussa Doumgor, a government spokesman, told The Associated Press on Monday. "All this is to prepare the ground for a large-scale war."

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For more than two years, Chad and Sudan have traded accusations about support for insurgents across their shared border. Sudan is fighting non-Arab rebel groups in the western region of Darfur that seek greater autonomy, while Chad is fighting rebels seeking to overthrow the government of President Idriss Déby.

The conflict in Darfur, which pits the non-Arab tribes against the Arab-dominated government, has been marked by brutal intertribal violence in which the Sudanese government has armed Arab militias to fight the non-Arab insurgents. At least 200,000 people have died, and more than two million have been driven from their homes. That ethnic warfare has spilled over into Chad, inspiring copycat violence among Chadian Arabs and cross-border raids on villages by Sudanese militias.

The recent violence has been particularly brutal. One man's eyes were gouged out with bayonets, said David Buchbinder, a researcher with Human Rights Watch who is traveling in the region affected by the attacks. Two women were burned alive in their hut, he said.

"It is extremely horrific violence," Mr. Buchbinder said. "It is as if it is driven by hatred. It is a coordinated action over a large part of eastern Chad, and not always with theft as a motive. Sometimes the motive is only to kill."

The attacks represent a sharp escalation of the violence in the volatile region around Darfur and threaten to further destabilize one of the most dangerous and lawless corners of the world.

The attacks appear to be the work of Arab militias from both sides of the Chad-Sudan border, and because they are occurring deep inside Chad, about 60 miles from the border, the violence is particularly ominous.

While the initial clashes between non-Arab villagers and Arab raiders appeared to involve mainly local tribes, the fresh set of attacks appears to be linked directly to the fighting in Darfur and involves a mix of Chadian and Sudanese Arabs. But even that distinction is largely academic — the porous border has little meaning for most villagers, who move back and forth freely.

The United Nations Security Council has approved a United Nations peacekeeping force to stanch the violence spreading out of Darfur and replace the largely ineffective and undermanned African Union force currently working there. But Sudan has adamantly refused to allow the new force to deploy. The United Nations plans to convene a high-level meeting on Thursday in Addis Ababa, Ethiopia, the headquarters of the African Union, to discuss ways to end the violence.

U.S.-EU Airbus Rift Grows (WSJ)

By John W. Miller

The Wall Street Journal, November 15, 2006

BRUSSELS -- Adding to growing commercial woes at European aircraft maker Airbus, the U.S. is set to file a revised complaint as soon as today at the World Trade Organization against subsidies that European governments give the company, U.S. trade officials said.

With a previous U.S. complaint just months from expiring, European Union trade officials had hoped to negotiate a deal with the U.S. and avoid a WTO case, which could restrict EU politicians from offering further public aid to Airbus. Avoiding a court case now looks unlikely.

The U.S. decision is just the latest in a series of setbacks for Airbus, which has recently been wracked by management changes and order cancellations caused by development delays that are causing the company to lose market share in the $50 billion industry to its U.S. rival, Boeing Co.

The EU yesterday said it would respond by moving ahead with its own WTO complaint against U.S. government subsidies given to Boeing.

"Once the U.S. launched the WTO action, we were left with no choice," said Peter Power, a spokesman for Peter Mandelson, the EU trade commissioner.

The essentials of the dispute haven't changed since 2004, when the U.S. argued that Airbus had unfairly used some $20 billion in subsidies to overtake Boeing as the world's leading civil-aircraft maker by market share.

The so-called launch aid had been allowed by a 1992 agreement between the U.S. and the EU, because Airbus was smaller then and needed a boost.

Once it passed Boeing in global market share, the U.S. argued two years ago, Airbus was no longer entitled to that kind of government help.

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The U.S. filed complaints at the WTO in 2005 and 2006. Each time, the EU counterattacked with complaints of its own, saying that the U.S. had given Boeing more than $20 billion in government help.

Those four cases, two on each side, were suspended in February so that trade representatives could try to hammer out a new version of the 1992 agreement that would allow subsidies on both sides.

EU officials say the U.S. move to restart the case this week has taken them by surprise and ends the de facto truce.

Airbus, a unit of European Aeronautic Defence & Space Co., has suffered financial and order-book losses this year after announcing delays in development of its two big new aircraft, the double-deck A380 and the A350 XWB, a response to Boeing's fuel-efficient 787 Dreamliner.

Airbus's troubles have been compounded by a management shake-up.

French Prime Minister Dominique de Villepin told a French newspaper yesterday that his government would offer €80 million, or about $102 million, to Airbus suppliers threatened by the rollout delays.

A U.S. official said that wasn't a concern for the U.S., as many of the suppliers also work for Boeing. He added, however, the U.S. is concerned about direct aid to Airbus.

"A line needs to be drawn in the sand now," said Charlie Miller, a spokesman for Boeing. "Airbus is financially strong and does not need additional launch aid."

"The good news is that the WTO process finally will demonstrate that Boeing is guilty of receiving billions and billions of government money for commercial aircraft," said Clay McConnell, an Airbus spokesman. "On the other hand, the only tangible result of the process is likely that a lot of trade lawyers will get rich."

The EU has until February to respond to the U.S. complaint. A panel of three WTO judges will start meeting in March and would likely issue a judgment next September.

The EU says it will file its legal arguments around the beginning of next year.

Leading Democrat Calls For 'open Skies' Rethink (FT)

By Doug Cameron In Chicago And Eoin Callan In Washington

Financial Times, November 15, 2006

The new Democratic leadership in Congress on Tuesday called for a rethink of plans to give overseas investors more say in the running of US airlines, dealing a potentially critical blow to efforts to forge a new transportation deal with the European Union.

The tentative transatlantic "open skies" pact agreed a year ago has been left in limbo by fierce opposition in Congress to the parallel investment reforms, led by James Oberstar, the ranking Democrat on the House transportation and infrastructure committee.

Mr Oberstar is set to take over the chairmanship of the committee in January, and reaffirmed his opposition on Tuesday to the proposed changes first detailed by the administration a year ago.

The Department of Transportation wants to ease restrictions on the involvement of overseas investors in the running of US airlines, though statutory restrictions on ownership levels would remain unchanged.

"We need to go back and think it over," Mr Oberstar said of the plan as he outlined his priorities at a briefing in Washington on Tuesday, suggesting there would be no progress ahead of a meeting of EU transport ministers next month.

The administration has already missed two self-imposed deadlines for presenting its planned rule change to European ministers, delaying any open-skies deal until at least the middle of next year.

Their approval is viewed as a pre-requisite for supporting the two-stage open skies deal, which would liberalise transatlantic routes and trigger co-operation on competition, safety and security matters.

Mr Oberstar did not refer to open skies, but suggested the two issues should not be linked. "I don't know why it became so important [to the EU]," he said of the investment proposal.

The DoT has insisted there are no plans to drop the proposed rule change. Mary Peters, the new transportation secretary, has not made any public comments on either open skies or the investment rules, though senior DoT officials had planned a renewed push to answer critics of the investment reform.

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While the DoT revised its original plan in April, the changes failed to defuse opposition in hte Republican-led Congress. The House of Representatives has already voted by two to one in favour of language backed by Mr Oberstar that would block the department from introducing the changes. The Senate Appropriations Committee has also backed blocking manoeuevres.

Opponents also included US labour unions and Continental Airlines, which claimed the rules threatened jobs and posed a threat to national security as foreign investors might be more reluctant to transport US troops on their aircraft.

An earlier attempt to secure a new EU-US deal collapsed in 2004 when it was rejected by European transport ministers.

UK Demands Halliburton Drop KBR Float (FT)

By James Boxell

Financial Times, November 15, 2006

Britain has made a last-minute demand that Halliburton, the US oil services group, withdraw the imminent flotation of its KBR subsidiary or face being stripped of its ownership of the Devonport naval dockyard.

Halliburton had intended to price the offering of KBR on Tuesday night, with its market debut scheduled for Wednesday. However, as reported in the Financial Times last week, Lord Drayson, the British defence procurement minister, has been seeking urgent guarantees from Halliburton about the future financial viability of KBR before giving his support to the float.

KBR has been hoping to raise more than $470m (£248m) from selling a 17 per cent stake, which would value the company at about $2.8bn.

The Halliburton arm, which is known for its logistics contracts with the US military in Iraq, owns 51 per cent of the Devonport ship and submarine maintenance yard in Plymouth, western Europe's largest naval dockyard complex.

In the first nine months of the year, KBR made almost half of its operating profits from Devonport.

The yard is responsible for refitting and refuelling the British nuclear submarine fleet and its ownership is highly sensitive. It employs about 4,500 people directly in Plymouth, making it the biggest private sector employer in Devon and Cornwall.

Halliburton was not available for comment on Tuesday night. However, one person close to the process said the float was likely to be priced today, in spite of the UK government warning.

In an emergency filing to the US Securities and Exchange Commission on Tuesday morning, just ahead of the proposed float, Halliburton said: "On November 13, the Ministry of Defence asked us to withdraw this offering pending the MoD's financial analysis of KBR on a stand-alone basis.

"The MoD also advised us that if we proceed with this offering without satisfying the MoD, the MoD will have little option but to take steps to cause the MoD to use its power to safeguard the essential security interests of the United Kingdom with respect to the Devonport Royal Dockyard."

In its filing, KBR said the loss of Devonport could have a "material adverse effect on our future prospects, business, results of operations and cash".

As well as KBR, Devonport Management Limited, the company that bought Devonport from the MoD in 1997, is also partly owned by Balfour Beatty and Weir Group of the UK.

If the MoD deems it in the essential security interests of the UK, it can either make DML's interest in Devonport "non-voting" or possibly remove DML directors. It can also at any time assume control and dispose of DML's interest at a fair value, determined by an independent accountancy firm.

Halliburton's KBR Delays IPO After U.K. Shipyard Warning (WSJ)

By Russell Gold And Steve Gelsi

The Wall Street Journal, November 15, 2006

Halliburton Co. delayed the initial public offering of its KBR Inc. engineering and government-contracting unit by one day after the British government warned it could take back control of a major shipyard that generates significant profit for the unit.

In a letter this week, the British Ministry of Defence sought to delay the IPO to determine whether the United Kingdom's strategic interests would be preserved by a stand-alone KBR. An underwriter of the stock offering said KBR officials said the letter was a result of a misunderstanding with the British government that would be resolved quickly.

Halliburton, an oil-field-services provider, and KBR declined to comment.

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KBR, formerly Kellogg, Brown & Root, is the majority owner of the Devonport Royal Dockyard, the largest dock complex in Western Europe, and has contracts to refuel the British government's nuclear-submarine fleet. The company, which was initially scheduled to price last night for trading today, is now slated to price today for trading tomorrow, say underwriters.

IPO analysts said they were uncertain what effect the U.K.'s demands would have on the pricing of the deal, which aims to sell 27.84 million shares at $15 to $17 a share. The fact that KBR chose to file an updated prospectus with the new warning, rather than withdraw the offering, indicates the company is determined to go ahead with the IPO despite the U.K.'s concerns; the offering before the amended filing also appeared to be attracting strong investor interest, they said.

The shipyard has been a profitable operation for KBR. Through the first nine months of this year, KBR generated $57 million in operating income from the shipyard. Over the same period, KBR posted operating income of $125 million.

Halliburton plans to separate KBR, first by offering a 20% stake through the IPO and then through a tax-free spinoff in coming months.

According to a KBR financial filing, the British government has sought information about the company's financial stability as a separate company. If Halliburton proceeds with the IPO, the government could take control of the shipyard and reimburse KBR for the fair-market value of the assets. If the British government takes such steps, the minority owners of the shipyard could exercise their rights to buy out KBR.

KBR owns 51% of the complex. London-based Balfour Beatty PLC and Glasgow-based Weir Group PLC, both international engineering firms, own the remainder equally. Both companies declined to comment on the matter.

A spokeswoman for the British Ministry of Defence said, "We are disappointed that they've chosen to go ahead without allowing us the time for the analysis." The spokeswoman said the government retained the ability to take back control of the dockyard when it sold the dockyard. Halliburton bought a majority stake in the shipyard in 1997 and has had a contract to operate it since 1987.

KBR is best known for its work as the U.S. government's largest contractor in Iraq. A global construction and contracting firm, it also builds energy facilities around the world. Halliburton has been discussing separating KBR since 2004, although plans were delayed earlier this year because of what the company said was a bad market for IPOs.

South African Parliament Approves Gay Marriages (NYT)

By Sharon Lafraniere

The New York Times, November 15, 2006

JOHANNESBURG, Nov. 14 — South Africa's Parliament overwhelmingly voted today to legalize same-sex marriages, making the nation the first in Africa and the fifth in the world to remove legal barriers to gay and lesbian unions, according to activists.

The legislature voted after the nation's highest court ruled that South Africa's marriages statutes violated the constitution's guarantee of equal rights. The court gave the government a year to amend the legal definition of marriage. That deadline expires in two weeks.

Melanie Judge, program manager for OUT, a gay rights advocacy group, noted that the Netherlands, Belgium, Spain and Canada were the only other countries to allow same-sex marriages nationwide. In most African nations, she said, homosexuality is still treated as a crime. Some penalties are stiffer than those for rape or murder..

Ms. Judge credited South Africa's liberal constitution with forcing change.

"This has been a litmus test of our constitutional values," she said in a telephone interview. "What does equality really mean? What does it look like? Equality does not exist on a sliding scale."

Religious groups and traditional leaders strenuously opposed the measure, arguing that if necessary the constitution should be amended to outlaw same-sex unions. But the ruling African National Congress virtually demanded that lawmakers support the bill.

Despite deep divisions within the party, the measure passed 230 to 41. It must now be approved by the Council of Provinces, a quasi-federal chamber, and be signed the president to become law.

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Vytjie Mentor, the party's caucus chairman, told the South African newspaper The Sunday Independent earlier this month that he expected legislators belonging to the African National Congress to vote for the measure, regardless of their personal views.

There is "no such thing as a free vote or a vote of conscience," he said. "How do you give someone permission to discriminate in the name of the A.N.C.? How do you allow for someone to vote against the constitution and the policies of the A.N.C., which is antidiscrimination?"

The new law allows both heterosexual and same-sex couples to register their unions either as marriages or civil partnerships. But in a concession to critics, it also allows civil officers to refuse to marry same-sex couples on the basis on conscience. Ms. Judge, the gay rights advocate, predicted that provision will be challenged in court.

"We can't be in the situation where civil officers can decide who they want to marry and who they don't want to marry," she said. "They aren't able to refuse to marry a black person and a white person. This is unconstitutional."

Gay Marriage Endorsed In S. Africa (WP/AP)

By Clare Nullis, Associated Press

The Washington Post, November 15, 2006

CAPE TOWN, South Africa, Nov. 14 -- The South African Parliament on Tuesday overwhelmingly approved legislation recognizing gay marriages -- a first for a continent where homosexuality is largely taboo.

By a vote of 230 to 41 with three abstentions, the National Assembly passed the Civil Union Bill, a compromise that resulted from months of heated public discussion. Both traditionalists and gay rights advocates have criticized the measure, and there have been warnings that it might be unconstitutional.

Veterans of the ruling African National Congress heralded the bill for extending basic freedoms to everyone and equated it with liberation from the shackles of apartheid.

"When we attained our democracy, we sought to distinguish ourselves from an unjust painful past, by declaring that never again shall it be that any South African will be discriminated against on the basis of color, creed, culture and sex," Home Affairs Minister Nosiviwe Mapisa-Nqakula told the National Assembly.

A Christian lawmaker, Kenneth Meshoe, said Tuesday was the "saddest day in our 12 years of democracy" and warned that South Africa "was provoking God's anger."

His comments reflected the majority view on a deeply conservative continent. Homosexuality is illegal in Zimbabwe, Kenya, Uganda, Nigeria, Tanzania, Ghana and most other sub-Saharan countries. Some countries also are debating constitutional amendments to ban same-sex marriages. Even in South Africa, gay men and lesbians are often attacked because of their sexual orientation.

The outcome of Tuesday's vote was expected, given the ANC's huge majority in the National Assembly. The bill now has to go to the National Council of Provinces, where the vote is expected to be a formality, before being signed into law by President Thabo Mbeki.

The bill provides for the "voluntary union of two persons, which is solemnized and registered by either a marriage or civil union." It does not specify whether the partnerships are heterosexual or homosexual.

But it also says a marriage officer need not perform a ceremony for a same-sex couple if doing so would conflict with his or her "conscience, religion and belief."

South Africa recognized the rights of gay people in the constitution adopted after apartheid ended in 1994 -- the first in the world to prohibit discrimination on the basis of sexual orientation.

The bill was drawn up in order to comply with a Constitutional Court ruling in December 2005 that said existing marriage legislation was unconstitutional for discriminating against same-sex couples.

Guns And Butter Cuba's Military Puts Business On Front Lines (WSJ)

By José De Córdoba

The Wall Street Journal, November 15, 2006

DOJ_NMG_0094650

At the height of the Cold War, Cuba's soldiers became a legend on the island when they punched through enemy lines, defeating South Africa's army in Angola. Today Cuban generals are applying capitalist tactics to try to improve bottom lines in businesses that range from growing beans to running hotels and airlines.

Cuba's Revolutionary Armed Forces rent rooms to tourists through Gaviota SA, the island's fastest-growing hotel conglomerate. They sell premium cigars, peddle consumer goods through an island-wide retail chain and serve lobster dinners at the Divina Pastora restaurant in Havana's landmark Morro Castle. The military also has a say in allotting nickel mines and leasing offshore lots for oil exploration. The University of Miami's Institute for Cuban and Cuban-American Studies estimates that soldiers control more than 60% of the island's economy.

The military's economic role will likely become even more critical after the death of Cuba's ailing 80-year-old leader, Fidel Castro, who is widely believed to be dying of cancer. Although Mr. Castro has steadfastly opposed economic reforms during his 47-year communist regime, his younger brother and anointed successor, Raúl, has shown a deep interest in free-market experiments in the past. As defense minister since the 1959 revolution, he has frequently looked to the military as his laboratory.

With Raúl and the military at the helm of the economy, Cuba could be poised to follow what islanders call the "Chinese model" of liberalization. That means carefully experimenting with market incentives in one of the world's few remaining communist economies, while trying to retain tight political control. It's far from clear that a Raúl Castro government could accomplish a Chinese-style transformation. For one thing, China isn't located just 90 miles from the U.S. and a wealthy community of exiles looking to reshape their home country along American lines. And the military could move to extend monopolistic control -- and opportunities for corruption -- after Fidel's death, squelching any competition.

But the seeds of economic reform in Cuba may be planted more firmly than many suspect. One piece of evidence: Raúl has traveled to China a number of times to study Beijing's economic policies and in 2003 he invited the leading economic adviser to then Chinese premier Zhu Rongji, who played a leading role in opening up China to foreign trade and investment, to give a series of lectures in Cuba. Fidel Castro, who deeply opposes reforms, was a notable no-show, says Domingo Amuchastegui, a former Cuban intelligence officer who now lives in the U.S. and keeps close tabs on political developments on the island.

In the 1990s, Raúl sent officers, who had previously trained at prestigious Soviet military schools, to learn hotel management in Spain, and accounting in Europe, Latin America, Asia and Canada, says Mr. Amuchastegui. For a time, business books such as "In Search of Excellence" by Tom Peters and Robert H. Waterman became required reading for ambitious officers looking to advance in the ranks, says Eugenio Yañez, an economist who taught management to army officers at Havana's Superior Institute of Economic Direction.

Raúl, now 75, also adopted capitalist-style accounting and management incentives to run military-owned factories that made everything from uniforms to bullets. In some cases, workers were given incentive pay. Modest by Western standards, these reforms, called "perfeccionamiento empresarial" -- loosely translated as "entrepreneurial improvement" -- were nevertheless cutting-edge for Cuba.

For most of his career, Raúl Castro was considered a tough, even brutal, communist whose hand, as he put it, "didn't tremble" in 1989 when he ordered the execution of a former close colleague deemed a danger to the regime. Some analysts don't think he has changed much since then. "He's a Stalinist," says Jaime Suchlicki a Cuba analyst at the University of Miami, who predicts Raúl will resort to more repression after Fidel dies.

In recent weeks, speculation has grown about Fidel's health problems. The longtime dictator temporarily relinquished power on July 31 to Raúl after announcing he had undergone surgery for intestinal bleeding. After rumors of his death swirled in Havana, the Cuban government released a video on Oct. 28 showing a gaunt and aged Castro in a track suit. U.S. officials believe Mr. Castro has some sort of stomach or colon cancer. With his brother incapacitated, Raúl has taken a blustery communist line. "When the U.S. says there should be a transition in Cuba, they mean a shameful return to the neocolonial garbage of capitalism they imposed on this country for 60 years," Raúl told an audience of government union leaders in September.

But many Cuba watchers believe those statements are meant to give political cover to Raúl, who has become more pragmatic as he has aged, and has been searching for ways to improve Cuba's dismal economic performance, especially after

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the Soviet Union ended its subsidies in 1990. Between 1989 and 1993, Cuba's gross domestic product fell 35%, while the island's foreign trade slumped by 75%, says Carmelo Mesa-Lago, professor emeritus of economy at University of Pittsburgh.

As living standards plummeted, Havana residents ate many of the city's cats. An epidemic of optic neuropathy, caused by deficiencies in nutrition and resulting in temporary blindness, struck down some 35,000 Cubans. For Raúl, economic security became a critical part of national security. "Beans are more important than cannon," he told troops in 1994.

Desperate to cut costs, Raúl slashed the military from about 300,000 troops in 1990 to some 45,000 today, according to Frank O. Mora, a Cuban military expert at the National Defense University in Washington. To revive the economy, he pushed innovations such as farmers markets and self-employment for plumbers, hairdressers and other small-time entrepreneurs.

At the time, Fidel Castro reluctantly allowed the changes, because Cuba had little alternative. The Castro brothers appointed military and intelligence officers, who were their most trusted and unswervingly loyal supporters, to court foreign capital. Col. Gustavo Loret de Mola, an electrical engineer by training, was named deputy minister of communications and negotiated Cuba's first cellphone deal, with a Mexican company, in 1991, says his son, Camilo Loret de Mola. He helped the military recruit foreign tenants for Soviet-built bases that were turned into duty-free zones.

The experiments sometimes flopped. In 1998, the younger Mr. Loret de Mola says he persuaded a Spanish entrepreneur to start a travel agency and hydroponics vegetable farm inside the cavernous helicopter hangar at a former submarine base in the port of Mariel. The businessman only managed to send a few flights of cucumbers and tomatoes on Aerogaviota, an airline owned by the Cuban armed forces, before the farm went out of business. "When he had workers to harvest the vegetables, he couldn't get a plane, when he could get a plane, he couldn't get workers," says Mr. Loret de Mola, who now sells insurance in Miami.

By 2000, some 1,400 state companies out of about 3,000 were being evaluated for or being run under "perfeccionamiento" management techniques, according to Philip Peters, a former U.S. diplomat who is now a director of the Lexington Institute, an Arlington, Va., think tank. A manager of a tire plant told Mr. Peters in 2001 that using such techniques had tripled profits in just two years. While far from a free-market reform, Mr. Peters believes that the military has laid the groundwork for further-reaching reforms in the future.

Another success: The military found foreign joint-venture partners for Cuba's moribund citrus industry, which almost collapsed after losing its markets in the Soviet block. Today, citrus is an important export. Cuba's most important citrus company is a joint venture with Grupo BM, an Israeli firm that operates a 115,000-acre farm that grows grapefruit using state-of-the-art drip irrigation techniques.

An International Monetary Fund study in 2000 said the limited reforms pushed by Raúl were "instrumental" in helping turn the economy around in the mid-1990s. But then Fidel Castro clamped down on reforms, arguing that they were sullying the revolution. Now, Cuba relies on about $2 billion annually in fuel subsidies provided by Venezuela's populist president Hugo Chávez, and hundreds of millions of dollars of Chinese investment in Cuban nickel mines.

With reforms out of fashion, Cuba since 2004 has canceled business and management courses funded by the European Union, Sweden and Canada, which together trained more than 1,300 high-ranking Cuban officials in capitalist management techniques. Free-trade zones emptied, while the number of self-employed Cubans as well as foreign joint ventures fell sharply.

But the military's own economic empire has continued to grow. Today, the military's web of companies are run by the Grupo de Administración Empresarial SA, or the Business Administration Group. Known by its Spanish acronym Gaesa, the group is headed by Deputy Defense Minister Gen. Julio Casas Regueiro. The group's deputy head is Col. Luis Alberto Rodríguez, Raúl Castro's son-in-law. The group is run from offices on the fourth floor of Cuba's defense ministry, according to Mr. Mora of the National Defense University.

Gaesa's most important business is Gaviota, the tourism company. Gaviota, which means "sea gull," began by turning officers' clubs and navy bases into resorts. Now it has about 8,500 rooms out of Cuba's total of 40,000 hotel rooms. Many of its hotels are luxury four- and five-star establishments managed by companies such as Spain's Sol Melia and France's Club Med.

Gaviota also owns the domestic airline, Aerogaviota, which uses Cuban air-force pilots who fly refurbished Soviet transport airplanes. The company even organizes tours for military enthusiasts who want to visit the island's colonial forts and the no-man's land surrounding the U.S. naval base in Guantanamo, says retired Col. Hal Klepak, Canada's former military attaché in Havana,

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who has written a book on the Cuban military. Gaviota also rents cars, runs marinas, manages gourmet restaurants and operates an attraction that allows tourists to swim with dolphins, according to a recent study by the Spanish Institute of International Trade.

Generals also occupy top management slots in the country's economic ministries. Gen. Ulises Rosales del Toro, who was named Cuba's sugar czar in 1997, shut down two-thirds of Cuba's 156 antique sugar mills in 2002 and is still trying to revive production, which reached a 100-year historic low of 1.3 million tons this year. Other generals run the civil aviation, fishing, telecommunications and transportation ministries. A colonel is in charge of Habanos SA, a joint venture with the Spanish firm Altadis, which markets the country's famous cigars abroad. Another colonel runs the tourism ministry.

The military has the power to cut bureaucratic red tape that stifles other Cuban state entities that want to engage in business, says Mark Entwistle, a former Canadian ambassador to Havana who now advises foreign companies in Cuba. In 2004, he says that a Canadian business that wanted to grow soybeans on the island was having a hard time getting permission through the ministry of agriculture. But once the Canadians began dealing directly with the military, the red tape vanished. "The military has a whole unit devoted to doing joint ventures in agriculture," says Mr. Entwistle. "There was zero ideological content, it was 100% business."

Giving the armed forces a critical role in running the economy has helped the Castro brothers reward their supporters and gives them a stake in the preservation of the regime. But it has also introduced a corrupting influence in the military that could worsen if the military's role expands further in a post-Fidel Cuba. A number of high-ranking "entrepreneur soldiers" have already been dismissed and sometimes jailed for corruption.

The military also faces potential dissension within its ranks: Soldiers involved with foreign joint ventures, who live far better than others in the military, are viewed by many officers with distrust and envy, analysts say.

Another problem sign is what Ricardo Pascoe, a former Mexican ambassador in Havana, calls the rise of the "juniors" -- the sons of high-ranking military officers who often live abroad and enjoy privileges undreamed of by ordinary Cubans. During his time in Havana from 2001 to 2003, Mr. Pascoe says, many Mexican businessmen complained to him that the "juniors" charged commissions for contracts through their fathers.

Mr. Mora of the National Defense University believes that if unchecked the "juniors" could become the kernel of semicriminal mafias that could dominate much of the economy if Cuba liberalizes its economy. Instead of China becoming the model for Cuba, he says, Raúl Castro could inadvertently turn Cuba into a Caribbean version of oligarchic, post-Communist Russia.

Mexico Passes Resolution On Deportation (AP)

By Julie Watson

AP, November 15, 2006

Mexico's Congress was swayed Tuesday by a 7-year-old boy on a mission to save his mom.

Second-grader Saul Arellano, a U.S. citizen, appeared in Mexico's 500-member Chamber of Deputies to plead for help in lobbying Washington to stop the deportation of his mother, an illegal immigrant who has taken refuge in a Chicago church. His efforts paid off with a resolution calling on the U.S. Congress to suspend the deportation of Elvira Arellano and any other illegal immigrant parents of U.S. citizens.

If the U.S. agrees, it would "create a precedent that will benefit more than 4.9 million children who have been born in the United States and whose parents live under the threat of deportation," said Mexican congressman Jose Jacques, who lived in the United States for 33 years and has an American daughter and granddaughter.

Flashing cameras and swarms of reporters surrounded the boy as he entered the chamber. Lawmakers rose from their seats to shake his hand. But instead of stepping to the podium, he was swept into a side room, where he hid his face and ducked under a table.

"I think being so small he was kind of freaked," family friend Jesus Carlin said.

Saul then took the microphone and spoke to reporters in Spanish, describing what he wanted from Mexico's lawmakers: "I want them to tell President Bush to end the deportations so that my mother and other families can stay together in the United States."

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U.S. officials say there is no right to sanctuary in a church under U.S. law, and nothing to prevent them from arresting Elvira Arellano, who has lived at the church since Aug. 15, the day she was supposed to surrender for deportation. So far, they have not moved to seize her.

Saul and his mother live on the second floor of the church, where a small bedroom is crowded with the boy's toys and schoolbooks. They have a miniature pinscher, Daisy, to keep them company.

Arellano, 31, said she was nervous about sending her son to Mexico, and Saul was afraid she would be deported while he was away. "I told him to be calm, everything would be fine and I would be here waiting for him," she told The Associated Press in Chicago.

President Vicente Fox, who leaves office Dec. 1, failed during his six-year term to persuade the U.S. Congress to approve a migration accord allowing thousands of Mexicans to work legally in the United States. While Bush personally supports a temporary guest-worker program, Republicans in Congress opted to strengthen border security instead.

Arellano said she should not have to choose between leaving her son or taking away his rightful opportunities as an American. But conservative columnists and anti-illegal immigration activists say Arellano put herself and her son in this difficult spot by repeatedly breaking the law.

Arellano illegally crossed into the United States in 1997 and was quickly sent back. She returned within days, living for three years in Oregon before moving to Chicago in 2000. Her current troubles began when she was arrested at O'Hare International Airport, where she worked as a cleaning woman. Convicted of working under a false Social Security number, she served three years probation before being ordered to appear at the immigration office in Chicago.

Fox's spokesman Ruben Aguilar acknowledges that Arellano broke U.S. law, but "we think there exist certain elements of a humanitarian nature that should be taken into account to avoid splitting up the family."

Bring In The Green Cat (NYT)

By Thomas L. Friedman

The New York Times, November 15, 2006

Chongming, China

I've been a regular visitor to China since 1990, and here's what strikes me most: Each year that I've come here, China's people seem to speak with greater ease and breathe with greater difficulty.

Yes, you can now have amazingly frank talks with officials and journalists here. But when I walked out of my room the morning after I arrived in Shanghai, the air was so smoky — from the burning of farm fields after the harvest — that for a moment I honestly thought my hotel was on fire.

And that's why, for the first time, it's starting to feel to me like China is reaching its environmental limits. If it doesn't radically change to greener, more sustainable modes of design, transport, production and power generation, the Chinese miracle is going to turn into an eco-nightmare.

For some three decades now, China's economy has grown at around 10 percent per year, based on low-cost labor and little regard for the waste it pumps into its rivers and the air. When a country grows that fast, year after year, it can start to think that the laws of nature don't apply to it.

Guess again. China has been doing the environmental equivalent of jumping from an airplane and thinking that it's flying, argued Rob Watson, an expert on China's environment who heads the green building services firm EcoTech International. "After you jump out of a plane, for about five miles you can actually feel like you're flying," he added. But then reality hits. "It's not the fall that kills you — it's the sudden stop at the end, and China may be approaching that sudden stop. ... When you stress a system to a certain point, it just stops working."

China's top leaders understand the crisis. But their response is complicated by so many Chinese flooding from the countryside to cities. In their view, political stability depends on finding those people jobs, and jobs depend on growth, and growth depends on China continuing to be the low-cost producer of everything — environment be damned.

But China can't do what the West did: grow now, clean up later. Because the unprecedented pace and scale of its growth are going to make later too late. The China Daily reported this week that at least 24 million acres of cultivated land in China —

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one-tenth of the country's total arable land — is now polluted, posing a "grave threat" to China's food safety. More than half its rivers are also polluted, which is why less than 9 percent of "drinkable water" met government standards for bacteria in 243 rural supply stations recently tested. Many wells have excessive nitrates that can cause diabetes or kidney damage. No wonder some high-tech workers are starting to avoid China, because they don't want to live in a dirty cloud.

Chinese officials fear that if they move to U.S.-level green production and environmental cleanup, "China will not be such a low-cost producer anymore, and that will affect jobs," noted Dan Rosen, an expert on China's economy and head of China Strategic Advisory. But what they are missing is that going green is not just a problem, but an opportunity. Pollution represents waste and inefficiency. Green companies are always more efficient, adds Mr. Watson, and China has a chance to become a major innovator of low-cost green solutions. When U.S. companies went green, they consistently overestimated the costs and underestimated the savings.

The other day, I sailed with Mr. Rosen from Shanghai up the Yangtze Delta to Chongming Island, the world's largest alluvial island. There, Shanghai is trying to expand, by building the first eco-metropolis in China, based on eco-tourism, farming, wind and solar power. When you see the parklands created there, or when you stand in the protected wetlands and watch the water buffalo lounging in the mud, while peasants collect crabs, you can almost believe that China can change course.

But then, off in the distance, you see this massive bridge that is about to connect Chongming to central Shanghai, and you wonder what will happen to all the green plans here when all the overloaded trucks and consumers start rushing in. If Chongming is just a green ornament attached to Shanghai, it will never survive. If it is a model for a whole new kind of development, it, and China, have a chance.

Deng Xiaoping once famously said of China's economy: "Black cat, white cat, all that matters is that it catches mice" — i.e., forget about communist ideology, all that matters is that China grows. Not anymore, said Mr. Rosen. "Now the cat better be green, otherwise it is going to die before it catches the mouse."

'I Am Not Guilty' (WSJ)

The Wall Street Journal, November 15, 2006

On Monday in a Bangladesh courtroom, a judge read the following charge to a defendant: "By praising the Jews and Christians, by attempting to travel to Israel and by predicting the so-called rise of Islamist militancy in the country and expressing such through writings inside the country and abroad, you have tried to damage the image and relations of Bangladesh with the outside world. For which, charges under section 295-A, 120-A, 124-A, 105-A and 108-A are brought against you. Are you guilty or not?"

Answered the defendant: "I am not guilty."

The defendant is journalist Salah Uddin Shoaib Choudhury. As editor of the Weekly Blitz, Mr. Choudhury wrote articles friendly to Israel and critical of Islamic militants, and sought to travel to Israel in 2003 for a writers' conference. He never made it. Instead, he was detained at the airport in Dhaka, imprisoned in solitary confinement and without trial for 17 months and denied medical treatment for glaucoma.

Mr. Choudhury was finally released in early 2005, largely thanks to pressure from Illinois Representative Mark Kirk. But the campaign against him, official and otherwise, never abated. The offices of his newspaper were bombed and later overrun by a mob. The government continued to press the charges. If convicted, Mr. Choudhury could be hanged.

The good news is that Congress is paying attention: Yesterday, Mr. Kirk and New York Democrat Nita Lowey introduced a resolution demanding the charges be dropped. That should get the attention of a government that receives $64 million a year in American aid. The government of Bangladesh might also consider that the harm it claims Mr. Choudhury's journalism has done to its national "image" has, in fact, been wholly self-inflicted.

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TERRORISM NEWS:

Justice Department's Brief On Detention Policy Draws Ire (WP)

By Dan Eggen

The Washington Post, November 15, 2006

Critics of U.S. detention policies warned yesterday that a brief legal document filed by the Justice Department this week raises the possibility that any of the millions of immigrants living in the United States could be subject to indefinite detention if they are accused of ties to terrorist groups.

In a six-page motion filed in the U.S. Court of Appeals for the 4th Circuit in Richmond, Justice Department lawyers argue that an anti-terrorism law approved by Congress last month allows the government to detain any foreign national declared to be an enemy combatant, even if he is arrested and imprisoned inside the United States.

The government argues that a legal challenge by alleged al-Qaeda sleeper agent Ali Saleh Kahlah al-Marri should be dismissed because the former Bradley University graduate student has no standing in regular civilian courts. Under the new law, the Military Commissions Act, the Pentagon plans to place Marri into its new military trial system as soon as his criminal case is dismissed, according to the filing.

In the past, foreign nationals arrested in the United States have generally had the right to challenge their imprisonment for immigration violations or other alleged crimes in U.S. civilian courts. In the Marri case, the Justice Department essentially argues for an exception for those arrested as enemy combatants, legal experts said.

"It's been the case since the nation's founding that immigrants have a constitutional right to test their detention in a court," said one of Marri's attorneys, Jonathan Hafetz, of the Brennan Center for Justice at the New York University School of Law. "What it means is that any of the millions of immigrants in the United States could be arrested, taken from their homes and thrown in a military jail and denied their right to go to court."

Justice spokesman Brian Roehrkasse said in a statement that Marri attended an al-Qaeda training camp, met with the alleged mastermind of the Sept. 11, 2001, attacks, Khalid Sheikh Mohammed, and entered the country "to serve as an al Qaeda sleeper agent and to explore methods of disrupting the U.S. financial system.

"Enemy combatants are not entitled to preferential treatment merely because they have succeeded in entering our borders with the intent to harm American citizens or interests," Roehrkasse said.

Marri, a Qatari national, has been in a military brig in South Carolina since he was accused in June 2003 of being an al-Qaeda "sleeper" agent sent to the United States to stage attacks after the Sept. 11 attacks. Marri has filed a petition in federal court alleging that he is being jailed unlawfully and deprived of rights of due process. That claim was rejected by a district court and is on appeal.

Justice lawyers argue in their court filing that Marri "has been properly detained as an enemy combatant" and has not produced any evidence rebutting the government's allegations against him. The government makes no mention in the filing that Marri was arrested and imprisoned inside the territorial United States.

The distinction could prove important, because legal experts on both sides of the issue agree that the location of Marri's arrest and detention gives him an important legal advantage over detainees arrested overseas. About 435 such detainees are confined at the military prison at Guantanamo Bay, Cuba.

"It was pretty clear that they'd try to get his complaint dismissed," said Robert Chesney, a specialist in national security law at Wake Forest University. "What's different about al-Marri is that he's not just an enemy combatant at Gitmo; he's an enemy combatant captured and held in the U.S. . . . He may have a much stronger constitutional argument."

The provision of the military commissions act that stripped detainees of access to U.S. courts was approved by Congress last month and aimed primarily at Guantanamo Bay detainees, many of whom had filed legal challenges to their prolonged confinement. The new law provides for trials of enemy combatants before military panels instead of civilian judges or juries.

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Douglas Kmiec, a Pepperdine University law professor who was a Justice Department official during the Ronald Reagan and George H.W. Bush administrations, said the Justice brief signals that this administration believes Congress has given it clear authority to declare foreign nationals as enemy combatants, wherever they are captured.

"It not only opens up the universe of people who may be subjected to these specialized procedures, but it does it emphatically with Congress's approval," Kmiec said. "It remains to be seen whether that changes the judicial dynamic."

Spin And Consequences (NYT)

The New York Times, November 15, 2006

When President Bush announced in September that he was transferring 14 men suspected of heinous acts of terrorism to Guantánamo Bay, his aim was baldly political — to stampede Congress into passing a profoundly flawed law that set up military tribunals to try "illegal enemy combatants" and absolved U.S. officials of liability for illegally detaining and torturing prisoners.

But that cynical White House move may also have unintentionally provided the loose thread to unravel the secrecy and lawlessness that have cloaked the administration's handling of terrorism suspects.

For more than two years, the Central Intelligence Agency and the Justice Department have vigorously battled efforts to force the administration to account for the network of secret C.I.A. camps at which specially designated prisoners are hidden away. It has resisted a lawsuit by the American Civil Liberties Union that seeks the release of documents relating to prisoner policies, including the C.I.A. prisons. Government lawyers have argued that even admitting that some documents existed would endanger national security.

But when Mr. Bush announced that he was sending the 14 prisoners to Guantánamo for trial, he effectively confirmed the existence of the secret C.I.A. prisons. Later, in the debate over the Military Commissions Act of 2006, Mr. Bush said that Congress had to absolve C.I.A. agents of any legal responsibility for their actions so he could order them to go on interrogating prisoners.

That was a major blow to the C.I.A.'s legal strategy. After all, if the president could talk about the prisons and interrogations to suit his political interests, why couldn't they be discussed in court?

The Justice Department quietly reversed field after Mr. Bush's announcement, and it informed the A.C.L.U. in a letter last week that two of the documents the group has been seeking do, in fact, exist — although it is still refusing to release them.

One of those documents is a presidential order signed by Mr. Bush authorizing the C.I.A. to set up prisons outside the United States to house terrorism suspects. The other is a 2002 memo from the Justice Department outlining what sorts of "aggressive interrogation techniques" may be used against those prisoners. That phrase, we now know, is Bush administration code for acts that the rest of the world regards as abuse and even torture.

The government now has to file a detailed argument by the end of this month explaining why it believes these documents should not be made public.

Courts are sympathetic to legitimate claims of national security when it comes to intelligence and military operations. But the Bush administration has abused the courts' — and the nation's — trust in the indiscriminate way it has tried to hide its policies behind a supposed shield of national security. At the very least, it should now be much harder for government lawyers to do that.

It would be even better if the courts ultimately compelled the release of these and other documents. Americans have a right to know what standards their president has been applying to the treatment of prisoners. The nation's image is at stake, as well as the safety of every man and woman who is fighting Mr. Bush's so-called war on terror.

SuperMax Prison Is Super Lax, Court Cases Allege (CNN)

CNN.com, November 15, 2006

FLORENCE, Colorado (CNN) -- Two California court cases are raising questions about whether prisoners in the nation's toughest prison, SuperMax, are continuing to commit crimes by smuggling coded messages out of the high-security institution.

Officially known as Administrative Maximum (ADX) in Florence, Colorado, SuperMax is home to convicted terrorists such as Olympic bomber Eric Rudolph, Unabomber Ted Kaczynski and Ramzi Yousef, who led the first World Trade Center attack.

Even though he is serving a life term, Mexican Mafia leader Ruben "Nite Owl" Castro was indicted recently on conspiracy charges that accuse him of continuing to run 18th Street Gang drug sales on the streets of Los Angeles from his SuperMax cell.

Two leaders of the Aryan Brotherhood prison gang are to be sentenced next week in federal court in Santa Ana, California. They were convicted on conspiracy charges including instigating a murderous race war at another prison through a message smuggled out of SuperMax.

A report by the Justice Department's inspector general found the Bureau of Prisons "is unable to effectively monitor the mail of terrorist and other high-risk inmates in order to detect and prevent terrorism and criminal activities."

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While that finding, issued in October, was aimed at the entire federal prison system, the report said SuperMax failed to monitor at least half of each month's inmate phone calls for the last year checked.

The prison employees' union and local officials say the guard force at SuperMax is well below the number employed when the prison opened a dozen years ago, and it has sunk below the minimum manpower levels established a year ago.

The warden at SuperMax and top prisons officials in Washington declined CNN requests for an interview.

Colorado State Democratic Rep. Buffie McFadyen, whose Pueblo district includes SuperMax, said budget problems for the prison system have left the top-security facility short-changed and short-staffed.

Terrorists inside the prison could be plotting another attack without anyone knowing it, McFadyen said.

"Absolutely. Could happen, could happen," she said. "And that should be frightening for any citizen in the United States of America."

The two Aryan Brotherhood leaders, Barry Mills and Tyler Bingham, were convicted of smuggling out a message in invisible ink calling for a racial war against blacks at a prison in Pennsylvania.

Federal prosecutor Terri K. Flynn said of the message, "It was written in grapefruit juice. And pretty much, you write it in a Q-tip or toothpick, and then the back of it is heated up, and the message becomes visible."

Prosecutors asked for the death sentence for Mills and Bingham, but the jury deadlocked on that part of the case, and so both face automatic sentences next week of life without parole.

Mills already is serving a life sentence on a previous conviction.

So is Castro, who was convicted in another drug conspiracy case more than a decade ago. The latest federal indictment says he used coded letters, phone calls and his girlfriend's help to get messages out of SuperMax and that he supervised the collection of kickbacks on drug sales in his gang's territory just west of downtown Los Angeles.

No date has been set for his trial.

A recent ruling by a federal arbitrator said because of manpower problems at SuperMax, entire cell blocks were left without inside staffing for full shifts on a number of occasions. The doors are electronically controlled, however, and there is constant remote-control camera surveillance.

In addition, the arbitrator found, "Inmate cells were no longer being searched on a regular basis due to lack of staff."

The inspector general's report said, at times, the special investigators who are supposed to read inmate mail at SuperMax were pulled from their duties to fill vacancies in the cell block staffing.

The Justice Department inquiry was initiated when Spanish authorities found a SuperMax inmate, Mohammed Salameh, who rented the Ryder truck used in the first World Trade Center bombing in 1993, had been sending letters to a terror cell with links to suspects in the deadly 2004 Madrid train bombings.

Since then, SuperMax staffing has continued to drop, the prison union says. A decision on prison system funding is pending in Congress' current lame-duck session.

ACLU: Warrantless Surveillance Program Threatens Democracy (AP)

AP, November 15, 2006

CINCINNATI - Warrantless wiretaps that the government says are necessary to fight terrorism pose a threat to American democracy, the American Civil Liberties Union said in court papers filed Tuesday.

The ACLU is asking the 6th U.S. Circuit Court of Appeals to reinstate a lower court decision that said the Bush administration's warrantless surveillance program is unconstitutional.

President Bush has said the program is needed to detect terrorists. Opponents argue it oversteps constitutional boundaries on free speech, privacy and executive powers.

"The government's sweeping theory of executive power would allow the president to violate any law passed by Congress," the ACLU said. "This theory presents a profound threat to our democratic system.

"The government complains that the district court overreached, but it is the government's theory that is radical, not the district court's rejection of it."

The government argued in its brief filed last month that the surveillance program is necessary to protect the nation from an ongoing national security threat.

U.S. District Judge Anna Diggs Taylor in Detroit ruled Aug. 17 that the program violates the rights to free speech and privacy and the separation of powers.

A three-judge panel of the Cincinnati-based appeals court ruled Oct. 4 that the administration could keep the program in place while it appeals Taylor's decision.

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The surveillance program monitors international phone calls and e-mails to or from the United States involving people suspected by the government of having terrorist links. A secret court has been set up to grant warrants for such surveillance, but the government says it can't always wait for a court to act.

The ACLU filed a lawsuit in January seeking to stop the program on behalf of journalists, scholars and lawyers claiming it has made it difficult for them to do their jobs because they believe many of their overseas contacts are likely targets.

"The terrorist surveillance program is a critical tool that ensures we have in place an early warning system to detect and prevent a terrorist attack," said Justice Department spokesman Charles Miller.

"In the ongoing conflict with al-Qaida and its allies, the president has the primary duty under the Constitution to protect the American people. As we stated in our appeal, the Constitution gives the president the full authority necessary to carry out that solemn duty, and we believe the program is lawful and protects civil liberties."

Al-Arian Appeals Ruling That Forces His Testimony (AP)

AP, November 15, 2006

TAMPA -- A former Tampa college professor who pleaded guilty to aiding a Palestinian terrorist group has appealed a federal judge's ruling that forces him to testify before a grand jury in Virginia.

Attorneys for former University of South Florida professor Sami Al-Arian contend that the terms of his plea agreement freed him from further cooperation with the government.

They asked the 11th Circuit Court of Appeals on Monday to overturn a ruling by a Tampa federal judge forcing Al-Arian to testify in the grand jury investigation of the International Institute of Islamic Thought in Herndon, Va., which funded Al-Arian's Palestinian think tank in Tampa.

Al-Arian pleaded guilty in April to one count of aiding the Palestinian Islamic Jihad with nonviolent activities and was sentenced to 57 months in prison. Prosecutors had accused him of being an active member of the PIJ, but a six month trial last year failed to produce a guilty verdict.

When called before the grand jury in Alexandria, Va., on Oct. 19, Al-Arian refused to answer questions, prompting a prosecutor to suggest that a contempt order should be issued that could extend Al-Arian's prison sentence by 18 months.

Federal Judge Sentences Cuban Exiles On Weapons Charges (MH)

By Jay Weaver

The Miami Herald, November 15, 2006

Two longtime anti-Castro activists convicted of plotting to possess illegal weapons were sentenced to between three and four years in prison Tuesday in Fort Lauderdale federal court.

Santiago Alvarez, a wealthy Miami developer who has supported Cuban exile causes, must serve about four years in prison and pay a $10,000 fine. His colleague, Osvaldo Mitat, must serve three years but does not have to pay any fine.

Both men, who pleaded guilty in September on the eve of their high-stakes trial, avoided the possibility of imprisonment for the rest of their lives.

Alvarez, 65, and Mitat, 64, had cut plea deals on one count of conspiring to possess illegal weapons. The other charges, including possessing illegal weapons, were dropped. Those offenses, coupled with the conspiracy count, carried a maximum of 20 years in prison.

U.S. District Judge James Cohn, who imposed the sentences, had rejected bids by the pair's legal team to move the men's trial to Miami federal court and also opposed an 11th-hour proposal to include Cuban Americans from Miami-Dade County in the Broward County jury pool.

Cuban exile leaders, who view the two men as patriots in the long struggle to topple Cuba leader Fidel Castro, criticized those decisions and lamented the plea deals.

Both men, who have been in custody for one year, were accused of conspiring to stash machine guns, firearms, a silencer and a grenade launcher in a Broward apartment complex that belonged to Alvarez. Both were ordered to forfeit those weapons as part of their sentencings.

U.S. government agents first learned about Alvarez in May 2005 when he helped Cuban exile militant Luis Posada Carriles emerge from hiding before his arrest for entering the country illegally. Posada, who has been implicated in various alleged terror attacks against Cuba, is still in federal custody in Texas.

The government's star witness in the Alvarez-Mitat prosecution was going to be an FBI informant identified as Gilberto Abascal. He allegedly transported the weapons from the Broward apartment building to Mitat in Miami -- tipping off agents from Alcohol, Tobacco and Firearms, Immigration and Customs Enforcement and the FBI.

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The defendants' lawyers claimed Abascal was a spy for the Cuban government and the FBI. At trial, they had planned to show that Abascal set up his former friends, Alvarez and Mitat.

Federal prosecutors Jacqueline Arango and Randy Hummel had planned to blunt attacks on their witness by proving to jurors that the two defendants conspired to hide weapons in a storage facility at the Lauderhill complex.

Although they never accused the men of planning to use those firearms in an attack against the Cuban government, the prosecutors intended to introduce evidence that showed Alvarez had financed a failed 2001 incursion against Castro, among other paramilitary activities.

The defendants' high-powered legal team -- Robert Josefsberg, Kendall Coffey, Ben Kuehne, Arturo Hernandez and Peter Prieto -- was negotiating the plea deal with prosecutors until just before trial.

That deal, however, had been on the table for months. It took the threat of trial for both sides to reach a meeting of the minds.

Prominent Cuban Exile Gets Almost 4 Years In Prison In Arms Case (FLSUNSEN)

By Vanessa Blum, Sun-sentinel.com

South Florida Sun-Sentinel, November 15, 2006

FORT LAUDERDALE -- Prominent Cuban exile Santiago Alvarez was sentenced on Monday to almost four years in federal prison in a weapons case.

Alvarez recently admitted he illegally stashed weapons at a Lauderhill apartment complex and attempted to move them after federal authorities appeared at his office with a search warrant.

In addition to the 46 months prison sentence, U.S. District Court Judge James Cohn also ordered Alvarez, 65, to serve two years of probation and pay a $10,000 fine.

Alvarez's long-time pal and co-defendant, Osvaldo Mitat, 64, was sentenced to 3 years, 1 month in federal prison in the case to be followed by two years of probation. Mitat had also pleaded guilty in the case.

Defense attorneys argued that the two men in the case were patriots, not crooks.

But Cohn answered, "This court recognizes the ultimate objective and goal of Mr. Alvarez and Mr. Mitat has always been a free and democratic Cuba. This court does not question the altruistic motive here. However … we are a nation of laws."

Alvarez, a real-estate developer, and co-defendant Osvaldo Mitat recently pleaded guilty to a single conspiracy charge stemming from the Nov. 18 seizure of a white fishing cooler containing machine guns, numerous firearms with serial numbers removed, an unregistered silencer and a grenade launcher.

Prosecutors contended Alvarez and Mitat both staunch anti-Castro Cuban exiles, maintained caches of weapons, including one in the Bahamas, to use in attacks on Cuba.

According to a factual summary of the case agreed to Monday by both sides: Federal agents executed a search warrant on Alvarez's Hialeah office Nov. 18, after intercepting a parcel addressed to Alvarez containing counterfeit Guatemalan identification documents. As the search continued, Alvarez asked an employee to transport a cooler containing weapons from the Lauderhill apartment to a location in Miami, where Mitat would pick it up.

The employee, who was an FBI informant, tipped off agents to the exchange. Authorities arrested Mitat as he took possession of the weapons and arrested Alvarez later.

Before his arrest, Alvarez was best known for his support of Cuban militant Luis Posada Carilles. Cuban and Venezuelan authorities accuse Posada of orchestrating the bombing of a Cuban airliner in 1976 that killed 73 people.

When Posada mysteriously arrived in Miami in 2005 after years in hiding, Alvarez acted as his chief spokesman and defender. Posada is in federal custody in El Paso, Texas, where he has been held since his arrest on immigration charges.

Anti-Castro Activist Gets 4 Years (AP)

By Curt Anderson, Associated Press Writer

AP, November 15, 2006

FORT LAUDERDALE, Fla. — A Cuban-American activist was sentenced Tuesday to nearly four years in prison for hiding military-style weapons in what prosecutors said was to be an attempt to overthrow the Cuban government.

U.S. District Judge James Cohn imposed a 46-month term on wealthy developer Santiago Alvarez, a key benefactor of jailed Cuban militant Luis Posada Carriles, for conspiring to possess arms including machine guns and a grenade launcher.

Osvaldo Mitat, an Alvarez employee, was sentenced to 37 months on the same count. Both will get credit for the year they have served.

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Alvarez, 65, and Mitat, 64, pleaded guilty in September in a plea deal that included dismissal of five other criminal charges. They were arrested a year ago after an informant tipped off the FBI that a large marine cooler full of weapons was being moved from apartments in Broward County owned by Alvarez to Mitat in Miami.

A search at an apartment complex revealed more weapons and thousands of rounds of ammunition. Another arms cache was found in the Bahamas, including C-4 plastic explosives, that prosecutors said was linked to Alvarez.

Defense lawyers said attempts by exiles to bring freedom to Cuba were comparable to risks taken by heroes of the American Revolution and communist resistance figures such as Poland's Lech Walesa.

"That's why they did what they did. They are great patriots," attorney Robert Josefsberg said.

Cohn said that he recognized the men's goal was "a free and democratic Cuba" but that the serious nature of the crime demanded punishment.

"Nobody questions the underlying motives here," Cohn said. "However, as we all know, we are a nation of laws. Sanctions must be imposed."

Alvarez is a longtime associate of Posada, a former CIA operative accused by Cuba and Venezuela of masterminding the 1976 bombing of a Cuban airliner that killed 73 people. A judge has ruled that Posada, now in immigration custody in Texas, must be deported to a country other than those two, but the U.S. cannot find one willing to take him.

U.S. Attorney R. Alexander Acosta of Miami, who is also Cuban-American, declined to comment.

Bring The Cuban Terrorist To Justice (LAT)

The Los Angeles Times, November 15, 2006

IT IS TIME TO BRING Cuban terrorist Luis Posada Carriles to justice. Dithering on the part of the U.S. is leaving the nation open to charges of hypocrisy in the war on terror — specifically, to the charge that some forms of terrorism are more acceptable than others.

The 78-year-old Posada is lionized by hard-line anti-Castro Cuban exiles in Miami. He stands accused of conspiring to blow up a Cuban airliner in 1976, causing 73 deaths. He denies involvement, but newly declassified documents place him at planning sessions for the attack.

Posada has boasted of bombing hotels in Havana that resulted in one death and 11 injuries. In 2000, a Panamanian jury convicted Posada and three other terrorists of plotting to assassinate Cuban President Fidel Castro, and they were jailed. Outgoing Panamanian President Mireya Moscoso, however, pardoned the four — some believe as a favor to the White House.

A naturalized Venezuelan citizen, Posada was arrested in spring 2005 for entering the U.S. illegally. An immigration judge has since blocked his deportation to stand trial in either Venezuela or Cuba because of concerns about the fairness of any proceeding in those countries. The Bush administration now faces a choice between trying Posada in this country or setting him free in February.

Letting him walk would clearly be an outrage, and trying him in a U.S. courtroom after refusing to hand him over to Venezuela would create a perception problem across Latin America. The State Department has approached a few countries to take Posada, but all have refused.

It isn't clear whether Spain is one of these nations, but the Socialist government of Jose Luis Rodriguez Zapatero should be encouraged to resolve this impasse. Madrid is a credible interlocutor between Washington and Latin America, and Spanish courts have a recent tradition — thanks in large measure to crusading magistrate Baltasar Garzon, who pursued former Chilean dictator Augusto Pinochet, among others — of aggressively taking on cases of universal jurisdiction.

Washington should broker a deal that allows Posada to be tried in a third country whose principled neutrality is not questioned in this case — even if it means upsetting some Cuban Americans in Miami or putting up with some embarrassing revelations about CIA activity among the exile community.

The alternative is for the U.S. insistence that nations band together to fight the war on terror to sound hypocritically self-serving.

12 Detainees Sue Rumsfeld In Germany, Citing Abuse (NYT)

By Mark Landler

The New York Times, November 15, 2006

FRANKFURT, Nov. 14 — A week after President Bush announced that Defense Secretary Donald H. Rumsfeld would resign, lawyers asked a German prosecutor to investigate Mr. Rumsfeld and other American officials for suspected war crimes stemming from the treatment of prisoners in military jails in Iraq and Cuba.

The lawsuit filed in Karlsruhe on Tuesday cites 11 other current and former American officials, including Attorney General Alberto R. Gonzales, who it says helped formulate legal reasoning legitimizing the use of torture.

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The suit, filed by civil-rights legal groups on behalf of 12 detainees — 11 Iraqis and a Saudi — asserts that they were subjected to beatings, sleep deprivation, withholding of food and sexual humiliation.

With lawyers all but admitting they do not expect to see Mr. Rumsfeld hauled before a German court, the suit is as much about politics as it is about law. They hope to make an example of the man who helped engineer the war policy in Iraq, hounding him into private life with suits filed in other countries if Germany does not pursue the case.

"Even if we never put Rumsfeld on trial in a German court, he will be harassed and publicly stamped as a torturer," said Wolfgang Kaleck, a Berlin lawyer who filed the complaint along with the Center for Constitutional Rights, an American group, and other legal organizations.

Mr. Kaleck acknowledged that Germany would be reluctant to prosecute top American officials. But he described a protracted legal procedure, during which he said Mr. Rumsfeld might encounter trouble traveling to Germany or other European Union countries. The lawyers picked Germany in part because German law has the principle of universal jurisdiction, under which courts are entitled to prosecute people for war crimes regardless of where the crimes were committed.

The Pentagon is in the process of reviewing the filing, said a spokeswoman, Cynthia O. Smith. "We have no reason to believe the suit has merit," she said, adding that the allegations of abuse at the Abu Ghraib prison in Baghdad and at Guantánamo Bay, Cuba, had been reviewed by Congress and the courts.

The German prosecutor's office confirmed it had received the document and said it would begin reviewing it.

This is the second time lawyers have asked German prosecutors to investigate Mr. Rumsfeld in connection with accusations of war crimes. Prosecutors turned down a request in February 2005, saying the case would be better handled by United States prosecutors.

The lawyers contend that almost two years later, the United States has done nothing to investigate the role of senior Bush administration officials in the treatment of prisoners who are suspected terrorists.

Moreover, they contend, the Military Commissions Act, passed in September, will make it harder to prosecute American officials at home if charged with violating the Geneva Conventions because it is intended to provide retroactive immunity dating to the Sept. 11 attacks.

"We've had two years of complete inaction by the Bush administration," said Kenneth Roth, the executive director of Human Rights Watch, which has expressed support for the case. "They've been very good at prosecuting lower-level officials, but done nothing to investigate high-level officials."

Among the others charged in the suit are John C. Yoo and Jay S. Bybee, two former Justice department lawyers who were integral in drafting the administration's legal arguments for treatment of suspected terrorists. It also cites George J. Tenet, the former director of the Central Intelligence Agency.

Janis L. Karpinski, who as a brigadier general commanded the military police unit at Abu Ghraib and was relieved of her command and demoted to colonel after the abuses came to light, has offered to testify. Ms. Karpinski, who was a defendant in the first lawsuit and has since left the Army Reserve, traveled to Berlin to offer to stand as a witness.

While the first lawsuit focused on Abu Ghraib, this one includes as a plaintiff Mohammed al-Qahtani, a Saudi who was arrested in Afghanistan months after American officials said he tried to meet some of the Sept. 11 hijackers. A lawyer for Mr. Qahtani, who is being held at Guantánamo Bay, says he was subjected to abuse authorized by Mr. Rumsfeld.

The lawyers said they also chose to file the suit in Germany for practical reasons. Several military officials implicated in the mistreatment at Abu Ghraib returned to bases in Germany and, if still here, could testify.

The lawsuit comes at an awkward time for Chancellor Angela Merkel, who has been trying to improve German-American relations.

Prosecuting high-level officials for war crimes in foreign countries has a patchy record, legal experts say. A Spanish judge was unable to win the extradition of Gen. Augusto Pinochet, the former Chilean dictator, to face trial for crimes against humanity. But General Pinochet was held in London, and upon return to Chile, he found himself under legal siege.

Henry A. Kissinger, a former secretary of state, has been sought for questioning by overseas courts about involvement with Latin American dictatorships in the 1970s.

"If I were Rumsfeld's travel agent, I would advise him to choose some other part of 'old Europe,' " said Detlev F. Vagts, emeritus professor of international law at Harvard Law School, referring to Mr. Rumsfeld's now famous poke at two wayward American allies, Germany and France. "There is some danger out there."

War Crimes Probe Sought For Rumsfeld (AP)

By Stephen Graham
AP, November 15, 2006

DOJ_NMG_0094665

Lawyers for inmates of Iraq's Abu Ghraib prison and Guantanamo Bay asked German prosecutors Tuesday to open a war crimes investigation of outgoing Defense Secretary Donald H. Rumsfeld and other U.S. officials for their alleged roles in abuse at the detention centers.

Although the lawyers who filed the lawsuit acknowledged while there was little chance of seeing Rumsfeld in a German jail, the point was simply to increase the pressure on top brass they say are culpable. German federal prosecutors said they would examine the case.

"We are not expecting that Rumsfeld will appear in a court, but we are hoping investigators will begin looking into the case," said Wolfgang Kaleck, a German lawyer involved in the suit.

The 220-page lawsuit, which also names 13 other U.S. officials, was sent to federal prosecutors under a German law that allows the prosecution of war crimes regardless of where they were committed. It alleges that Rumsfeld personally ordered and condoned torture.

Bryan Whitman, a Pentagon spokesman, said U.S. officials had not seen the complaint, but said media reports suggested it was "frivolous."

"Abu Ghraib is something that the U.S. government has investigated very thoroughly," Whitman said, noting more than a dozen probes as well as congressional hearings. "The appropriate individuals have been held accountable."

Former U.S. Army Brig. Gen. Janis Karpinski, the one-time commander of all U.S. military prisons in Iraq, said she would testify against her superiors because only a handful of low-ranking soldiers have been convicted in the abuse at Baghdad's Abu Ghraib prison.

Karpinski, who was relieved of her command and demoted to colonel last year, said she wanted to "be a voice for my soldiers."

"They were tried and convicted in the world court before they ever set foot in any courtroom ... while people who are far more culpable and responsible have walked away blameless," Karpinski said during a presentation of the case in Berlin.

There have been 11 convictions and about a dozen courts-martial in the United States related to Abu Ghraib.

The suit is brought on behalf of 12 alleged torture victims — 11 Iraqis held at Abu Ghraib and Mohamad al-Qahtani, a Saudi being held at the U.S. military prison in Guantanamo Bay, Cuba, who has been identified by the U.S. as a would-be participant in the Sept. 11, 2001, attacks.

Captured in December 2001 along the Afghanistan-Pakistan border, al-Qahtani would not crack under normal questioning, so Rumsfeld approved harsher methods, according to the testimony before Congress.

After FBI agents raised concerns, military investigators began reviewing the case and in July 2005 said they confirmed abusive and degrading treatment that included forcing al-Qahtani to wear a bra, dance with another man, stand naked in front of women, and behave like a dog. Still, the Pentagon determined "no torture occurred."

German prosecutors already declined to investigate a more limited lawsuit in 2005, arguing that it was up to the U.S. to hold any inquiry and that there were no indications U.S. authorities or courts would refrain from doing so.

Since then, there have been "no efforts in the United States to go up the chain of command — they've basically been given impunity from any investigation or prosecution," said Michael Ratner, president of New York's Center for Constitutional Rights, which is behind the litigation.

The attorneys think they have a better case this time, armed with documents from 2005 congressional hearings on the al-Qahtani case. They argue that Rumsfeld's resignation last week means prosecutors may be under less political pressure to avoid the case.

In addition to Rumsfeld, the suit names Attorney General Alberto Gonzales, former CIA director George Tenet, former commander of all U.S. forces in Iraq Lt. Gen. Ricardo Sanchez and eight others, alleging they either ordered, aided, or failed to prevent war crimes.

The lawyers said the case could not be brought with the International Criminal Court, because the United States is not a member, and could not be pursued through the U.N. because the U.S. has veto power.

Kaleck said the suit's backers would appeal if prosecutors refuse to take up the case, and raised the prospect of further attempts in other European countries.

Rumsfeld Probe Sought In Germany (WP/AP)

The Washington Post/AP, November 15, 2006

BERLIN, Nov. 14 -- Attorneys for inmates detained by the United States at Iraq's Abu Ghraib prison and at Guantanamo Bay, Cuba, asked German prosecutors Tuesday to open a war crimes investigation of outgoing Defense Secretary Donald H. Rumsfeld and other U.S. officials for their alleged roles in abuse at the detention centers.

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"We are not expecting that Rumsfeld will appear in a court, but we are hoping investigators will begin looking into the case," said Wolfgang Kaleck, a German lawyer involved in the suit. German federal prosecutors said they would examine the case.

The 220-page lawsuit, which also names 13 other U.S. officials, was sent to federal prosecutors under a German law that allows the prosecution of war crimes regardless of where they were committed. It alleges that Rumsfeld personally ordered and condoned torture.

The suit is brought on behalf of 12 alleged torture victims, 11 Iraqis held at Abu Ghraib and Mohamed al-Qahtani, a Saudi being held at the U.S. prison in Guantanamo Bay, who has been identified as a would-be participant in the Sept. 11, 2001, attacks.

Pentagon spokesman Bryan Whitman said U.S. officials had not seen the complaint but suggested that it was "frivolous."

Qaeda Leaders Losing Sway Over Militants, Study Finds (NYT)

By Mark Mazzetti

The New York Times, November 15, 2006

WASHINGTON, Nov. 14 — As radical Islam spreads globally through online forums and chat rooms, a group of obscure Arab religious thinkers may come to exert more influence over the jihadist movement than Osama bin Laden and other well-known leaders of Al Qaeda, a research group at the United States Military Academy has concluded.

In a study billed as the "first systematic mapping" of an ideology sometimes called jihadism, the Combating Terrorism Center at West Point has found that Mr. bin Laden and his deputy, Ayman al-Zawahri, have had a relatively minor influence on the movement's intellectual foundation. Among the network's ideologists, they have come to be seen more as propagandists than strategic thinkers.

And while the two Qaeda leaders have released a flurry of video and audio messages to their followers over the past year, the study found that the scholarly work of a group of Saudi and Jordanian clerics — most notably Abu Muhammad al-Maqdisi, a Jordanian — seems more likely to influence the next generation of Islamic militants.

As a result, the authors found, the death or capture of Mr. bin Laden and Mr. Zawahri would do little to slow the spread of jihadist ideology.

"It would be a blow in terms of the emotional impact, but in terms of the larger movement that the foot soldiers are being recruited into, it wouldn't put much of a dent into it at all," said William McCants, the chief author of the new report, "The Militant Ideology Atlas."

The 382-page report, a kind of who's who of the global jihadist movement, examines the most influential and widely read texts among the thousands of tracts in Al Qaeda's online library, known as the Tawhed.

With the dismantling of the Qaeda hierarchy that existed on Sept. 11, 2001, and the diffusion of the jihadist movement into smaller, more localized cells, the Tawhed has gained new significance in helping to shape militant thought.

American officials say they fear that the next generation of terrorist attacks could be carried out not by militants trained in Al Qaeda camps but by fighters influenced by radical texts posted online.

"The radicalization process is occurring more quickly, more widely and more anonymously in the Internet age, raising the likelihood of surprise attacks by unknown groups whose members and supporters may be difficult to pinpoint," concluded a National Intelligence Estimate on global terrorism completed this year.

With the American military reorganizing to fight what could be a battle for decades against radical militants, the military academy has become one of the Pentagon's centers of research on counterterrorism and jihadist ideology. Although situated at West Point, the Combating Terrorism Center is an independent research group financed by private sources and the government.

The report found that radical Islam, sometimes called Salafism, is so deeply embedded in the Arab world that Salafis now constitute a "majority or significant portion" of the Muslim population in the Middle East and North Africa.

"Western governments have neither the local credibility nor the cultural expertise necessary to diminish the popularity of Salafism," the study found.

The report said most Salafis are not jihadis who are committed to violence, and some outside experts said the spread of radical ideology in cyberspace could lead to opportunities for Western efforts to exploit divisions within the movement.

Bruce Hoffman, a terrorism expert at Georgetown University and a senior fellow at the Combating Terrorism Center, said it was far too early to presume that Mr. bin Laden and Mr. Zawahri had lost all influence over a movement they helped build. At the same time, he said, the two men have recently been issuing what amount to policy statements that are unlikely to inspire legions of new followers.

"Bin Laden's message is well known," he said. "It is the deeper arguments that are bringing people into the movement."

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Comerica To Close Muslim Charity's Accounts (AP)

AP, November 15, 2006

DETROIT (AP) — Comerica Bank plans to terminate on Wednesday the accounts of a Muslim charity in Southfield that was the focus of a federal raid two months ago, according to letters the bank sent charity officials.

The charity has checking accounts and uses Comerica services such as online banking. The organization has circulated millions of dollars through Comerica Bank over the past decade, said Life for Relief employee Mohammed Alomari.

Kathy Pitton, a vice president with Comerica Bank, told the Detroit Free Press that the bank has the right to terminate any bank account with or without cause.

FBI agents assigned to a terrorism task force searched Life's Southfield offices on Sept. 18, seizing computer servers, donor records and other financial documents. They also searched the homes of the charity's chief executive, an ex-employee and two board members.

The FBI would not say what agents were looking for, but charity officials have said it might be related to relief work the group did in Iraq.

Three days after the raid, Life for Relief officials received a letter from Karen Davis at Comerica Bank, telling them "we are terminating our relationship with you."

"The reaction from the bank was cold," charity attorney Shereef Akeel said. "It's like a friend you know for many years who turns their back on you."

No charges have been brought in the case. Life has sought to reassure the Detroit area's Muslim community that it is legal to donate money to the organization, which was founded in 1992 by Iraqi immigrants.

PATRIOT ACT:

California Couple's Passion Brings On The Heat In N.C (RN&O)

By Andrea Weigl

Raleigh News & Observer, November 15, 2006

A California couple whose in-flight friskiness on the way to the Triangle was a bit much for the other passengers are facing federal charges for harassing the flight attendant who asked them to stop.

Carl Warren Persing and Dawn Elizabeth Sewell are scheduled to go to trial Dec. 11 at the federal courthouse in Wilmington for their behavior during a Sept. 15 flight. The indictment states that "the defendants repeatedly engaged in overt sexual activity in the cabin of the plane to such an extent that the flight attendant had to direct them to stop."

But Persing and Sewell wouldn't halt their public displays of affection, and Persing threatened the flight attendant who made the request and refused to serve them alcohol, according to the court records.

Efforts to reach Persing, of Lakewood, Calif., and Sewell, of Huntington Beach, Calif., were unsuccessful. Their defense lawyers did not return messages Monday.

It is unclear how often disruptive passengers are charged with crimes. The Federal Aviation Administration tracks only incidents involving unruly passengers that are reported by the flight crew and are not referred to law enforcement. There were 79 incidents this year as of Sept. 20 -- in comparison to last year's total of 203.

FBI special agent Michael Sutton wrote in an affidavit that Persing and Sewell were on a Southwest Airlines flight from Los Angeles to Raleigh-Durham International Airport with a stop in Phoenix. On the first leg of the trip, Persing and Sewell sat in separate rows, and Persing was served one alcoholic drink. From Phoenix to RDU, the pair sat next to each other.

While the plane was on the ground in Phoenix, the couple was kissing, embracing and "acting in a manner that made other passengers uncomfortable," Sutton wrote in his affidavit.

"Persing was observed nuzzling or kissing Sewell on the neck, and around the collarbone in the vicinity of her breast," Sutton wrote. Persing was also observed with his face pressed against Sewell's lap.

At first, the couple complied with a request from a flight attendant to stop their behavior. But they soon resumed during the flight. When asked again, according to Sutton's affidavit, Persing told the flight attendant: "I'm going to give you one warning to get out of my face."

Things deteriorated from there, according to Sutton's affidavit: The flight attendant refused to serve them alcohol. Persing called the flight attendant "a punk." Persing kept asking for alcohol. Sewell told the flight attendants that she worked for a lawyer and it was illegal not to serve alcohol to them. The flight attendant told them to stop asking for alcohol. Persing said, "You and I are gonna have some serious confrontation when we get off this plane."

When the couple got off the plane, law enforcement officials were waiting.

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California Couple Faces Federal Charges For "Overt Sexual Activity" On Plane Flight (FINDLAW/AP)

AP, November 15, 2006

(AP) - RALEIGH, North Carolina-A California couple are facing federal charges after allegedly refusing to stop "overt sexual activity" on a flight to Raleigh.

Carl Warren Persing, of Lakewood, California, and Dawn Elizabeth Sewell, of Huntington Beach, California, were indicted on charges of interfering with flight crew members during their Sept. 15 Southwest Airlines flight from Los Angeles.

According to court documents, flight attendants saw Persing and Sewell kissing, embracing and "acting in a manner that made other passengers uncomfortable" while the plane was stopped in Phoenix.

A flight attendant asked them to stop. They obeyed initially but resumed the behavior during the flight from Phoenix to Raleigh, authorities said.

When the flight attendant again requested them to stop, Persing allegedly told the flight attendant: "I'm going to give you one warning to get out of my face."

Persing and Sewell continued the verbal harassment after a flight attendant refused to serve Persing alcohol, according to court documents.

Law enforcement officials were waiting for the couple when they arrived at Raleigh-Durham International Airport. Messages left by The Associated Press for Persing and Sewell's attorneys were not returned.

Mid-flight Sexual Play Lands US Couple Afoul Of Anti-terrorism Law (AFP)

AFP, November 15, 2006

WASHINGTON (AFP) - A couple's ill-concealed sexual play aboard a Southwest Airlines flight from Los Angeles got them charged with violating the Patriot Act, intended for terrorist acts, and could land them in jail for 20 years.

According to their indictment, Carl Persing and Dawn Sewell were allegedly snuggling and kissing inappropriately, "making other passengers uncomfortable," when a flight attendant asked them to stop.

"Persing was observed nuzzling or kissing Sewell on the neck, and ... with his face pressed against Sewell's vaginal area. During these actions, Sewell was observed smiling," reads the indictment filed by the Federal Bureau of Investigation.

On a second warning from the flight attendant, Persing snapped back threatening the flight attendant with "serious consequences" if he did not leave them alone.

The comment was enough to have the couple, both in their early 40s, arrested when the plane reached its destination in Raleigh, North Carolina, and charged with obstructing a flight attendant and with criminal association.

They have been placed under legal surveillance until their trial on February 5. If found guilty, they both could be sent to jail for up to 20 years.

Persing's lawyer William Peregoy said his client was not feeling well when he placed his head on his companion's lap, and that he only threatened the flight attendant with reporting him to his superiors on landing.

HOMELAND RESPONSE:

Pentagon Classifieds (WP)

By Al Kamen

The Washington Post, November 15, 2006

Ah, autumn. The crunch of leaves underfoot. Pigskin in the air. The quickening rhythm of Xerox machines pumping out r?sum?s. And nowhere in the administration are they pumping faster than at the Pentagon and the national security apparatus.

The buzz a couple of months back was that Gen. James Jones, chief of the European command, may be moving up to take over Centcom when Gen. John Abizaid retires at the end of this year. Then Abizaid, a civilian, would be able to be named director of national intelligence. The incumbent, John Negroponte, was said to be unhappy and itching to move to a diplomatic post, perhaps as deputy secretary of state.

Let's pause here to, in the best Rummy style, ask and answer our own questions: Why would Negroponte ever give up a Cabinet post for a deputyship? The answer: The diplo world is home, because he has served as ambassador to Honduras, Iraq, the Philippines and the United Nations. Also, being deputy to Secretary Condoleezza Rice wouldn't be so bad, because at heart

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she's a sharing person. Her former deputy, Robert Zoellick, had a huge portfolio, including China, Latin America, Southeast Asia and Sudan.

Anyway, that was said to be the plan until Jones decided he couldn't work with Donald Rumsfeld and declined the Centcom job. But the buzz has circled back now that Rumsfeld is headed out the door, although this time it's Lt. Gen. David Petraeus who's supposedly in the slot to replace Abizaid at year's end. Gen. Peter Chiarelli, now the No. 2 in Baghdad, is to replace Gen. George Casey when Casey returns to the Pentagon next year to become Army chief of staff.Bolton's 'Acting' Ability

The confirmation of John Bolton to be U.N. ambassador appears to be dead, but it's not over yet. There's still talk that the White House may try to copy the Clinton administration's sleight of hand of keeping unconfirmed Justice Department civil rights chief Bill Lann Lee on as an unconfirmed acting chief.

In this variation, Bolton would be put in a U.N. job that doesn't require confirmation. Then he would be named acting ambassador. But there's doubt that this could be squared with the language of the Federal Vacancies Reform Act.

If the U.N. move won't fly, there's talk that Bolton could become deputy national security adviser if J.D. Crouch decides to move.

Senate To Take Up Biological Threats (WP)

By Renae Merle

The Washington Post, November 15, 2006

The Senate is moving to take up legislation as soon as this week revamping a struggling multibillion-dollar effort to counter bioterrorism threats with a national stockpile of new vaccines and other drugs.

The legislation creates a central authority within the Health and Human Services Department to manage the effort, sets aside an additional $1 billion for research and gives the federal government the flexibility to provide cash infusions to the small firms doing most of the work.

Supporters of the bill, which is more than a year in the making, are cautiously optimistic that it will pass. Sen. Harry M. Reid (D-Nev.), who is slated to take over as majority leader, listed it among his priorities for Congress's lame-duck session.

"From a policy standpoint, there is nobody shooting at it," said Sen. Richard Burr (R-N.C.), one of the bill's sponsors.

If passed, the legislation would have to be reconciled with the House version, which was passed in September. The initiative is intended to salvage the Bush administration's Project BioShield, a $5.6 billion program to counter biological and radioactive weapons.

The two-year effort has been marked by delays and operational problems. Some companies, for example, have floundered as they conducted research and testing because the bulk of government payments typically do not arrive until firms are ready to produce approved drugs.

Meanwhile, Project BioShield's most significant investment, a nearly $1 billion effort by VaxGen Inc. to develop an anthrax vaccine, is in limbo after the Food and Drug Administration refused to let the company conduct human tests and Health and Human Services threatened to end the company's contract.

Project BioShield "didn't work because a majority of the companies choose not to participate and the ones that did, they were not financed through the valley of death," Burr said.

The new legislation aims to correct those problems, but it still may face some questions. Sen. Patty Murray (D-Wash.), who said she supports the intent of the bill, nonetheless raised safety concerns.

"We need to debate compensating those who may suffer adversely from new vaccines or treatments and expand protections for high risk populations like children, pregnant women, and the elderly," Murray said in a statement.

Under the current proposal, the bill would create the Biomedical Advanced Research and Development Authority to oversee the effort. The bill also attempts to pump more government money into the private market sooner. Under current law, participating companies are not paid until they deliver the drugs, even though Health and Human Services has the authority to give companies a 10 percent prepayment, which would have to be repaid if the company failed to deliver the product. But the agency has never exercised that option.

The legislation would speed up the development cycle by allowing Health and Human Services to pay companies up to 5 percent of the value of their contract when they reach certain milestones, providing them with a welcome cash infusion. The Senate version would also allocate $1 billion over three years for research not funded by a Project BioShield contract or the National Institutes of Health. The House version of the legislation sets aside $160 million per year for two years.

"The federal government is now their venture capital partner," Burr said.

Lance Ignon, VaxGen's vice president for corporate affairs, applauded the notion of the government playing a larger role in sharing the financial risk. Under the current program, "we have all of the financial risk," he said.

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The change would not be a "panacea" in VaxGen's case, he said, but could be helpful to the company and the industry in general.

"The success of our nation's bio-defense effort will rest in large measure on the ability to form true partnerships between government and industry based on mutual respect," Ignon said. That includes an "understanding of the almost inevitable setbacks one encounters in drug development."

A National Priority (WP)

The Washington Post, November 15, 2006

EVEN BEFORE Sept. 11, 2001, emergency care specialists at Washington Hospital Center had been developing plans to better deal with the medical consequences of horrific events such as terrorism, disasters and epidemics. The result -- an emergency facility able to cope with catastrophe -- will become a reality only if Congress funds a project that is vital to the Washington area and important to the entire country.

To its credit, the Senate, with the support of the Bush administration, has included $15 million in a 2007 appropriations bill to start the project's construction. Called ER One, the facility would in normal times provide badly needed emergency treatment to people in the District and the surrounding region and, in the event of a mass disaster, could expand its treatment areas to handle 10 times the regular number of patients. Equally important, the facility was designed to take into account new medical challenges posed by terrorism and emerging diseases. An outbreak of smallpox, the impact of a "dirty bomb" or contagion from severe acute respiratory syndrome (SARS) are more than just theoretical possibilities for a hospital that treated the victims of the Sept. 11 attack on the Pentagon as well as the 2001 anthrax scare.

The importance of the facility to the Washington area -- home to the federal government and by any measure at high risk for attack -- is clear. Five years after Sept. 11, the area is simply not prepared as it should be to handle disaster. The facility also would serve as a prototype, providing valuable resources and lessons in emergency care. Already, health-care professionals from other parts of the country have incorporated concepts from ER One into their own operations.

Now is the time of reckoning for the project. Washington Hospital Center, which provides more acute care than any other hospital in the region, is operating out of badly outmoded and cramped emergency facilities. If federal money is not forthcoming, hospital officials said, they will have no choice but to build a facility with the money on hand. Eventually, $100 million will be needed for ER One, with the hospital providing some $25 million. Some House members are concerned that state formula funding would be used to pay the federal share, and there's a chance Congress will leave town without reaching any spending agreement.

In many respects, planners of ER One imagined the unimaginable as they developed specialized equipment and patient protocols. What's really unimaginable is not acting now to secure the nation's capital.

FEMA Emergency Homes Go To Waste (LAT)

By Ann M. Simmons

The Los Angeles Times, November 15, 2006

NEW ORLEANS — Hundreds of modular homes purchased by the Federal Emergency Management Agency for people left homeless by hurricanes Katrina and Rita were damaged beyond repair while in storage because they were not properly protected, according to a government report.

Units worth a total ranging from $3 million to $4 million will have to be written off, Homeland Security Inspector General Richard L. Skinner writes in a report to FEMA Director R. David Paulison.

Most of the homes were at an Army depot in Texarkana, Texas, where intense heat and rain had destroyed tarps covering the units. Cardboard containers holding toilets and fittings had deteriorated in the weather and caused the frames and wood of some components to warp, Skinner wrote.

In the future, FEMA should "only order modular housing units if their potential uses have been clearly identified and storage sites are available that provide adequate protection," Skinner advised.

"Given that some modular home units are designed to be assembled soon after they are received … many modular home units are questionable choices for emergency housing," the report said.

But in his annual performance plan for 2007, which was released Monday, Skinner said that because of the lack of alternative housing in the Gulf Coast region, some transitional housing sites might end up becoming permanent.

And since some of these communities were plagued by violence, drugs and gang activity, the situation was "a recipe for human tragedy and a brewing public relations nightmare" for FEMA and Homeland Security.

Aaron Walker, a FEMA spokesman, said the agency took evaluations and proposals of the inspector general "very seriously" and, with the help of congressional funds, FEMA was investigating "alternative temporary housing solutions."

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Life Is Complicated At Louisiana School (NYT)

By Jeré Longman

The New York Times, November 15, 2006

PORT SULPHUR, La., Nov. 14 — A handshake seemed inadequate after such a startling turnaround for South Plaquemines High School, so fullback Keven Smith kissed Coach Cyril Crutchfield on the cheek. Then he kissed quarterback Ridge Turner. Other players poured a cooler of water over Crutchfield's head, and fans hoisted him on their shoulders. Far from home, they staked claim to the victor's territory by chanting: "Whose field? Crutchfield!"

Defeat seemed inevitable as the Class 2A playoffs opened last Friday night, with South Plaquemines trailing by 27-6 in the first quarter and by 34-12 in the third. But the team rallied in a downpour as Turner rushed for three touchdowns and threw for a pair. As lightning spidered across the sky ahead of a cold front, the Hurricanes stunned host Pickering High, 40-36, in the piney woods of central Louisiana.

It was a rousing victory for newly formed South Plaquemines and a testament to the resiliency of its students and supporters from the hurricane-shattered communities of Port Sulphur, Buras and Boothville-Venice in lower Plaquemines Parish.

"Call everybody!" screamed Andria Barthelemy, whose son, Lorne, is a seventh-grade lineman. "Call the White House!"

Yet nothing is uncomplicated these days for the residents of lower Plaquemines. On the six-hour ride home, the team stopped at a McDonald's to celebrate, only to discover that someone had apparently broken into the visitors' locker room during the game and had stolen cash, a DVD player, even one player's sneakers.

Fourteen months earlier, Hurricane Katrina had destroyed the players' homes, their possessions, their former schools and their football seasons. Now someone had swiped their spending money. In what seemed a perverse joke, Smith said a $20 bill had been removed from his wallet and replaced with a single dollar.

"With the baby coming, I need all the money I can get," said Smith, whose girlfriend is pregnant.

South Plaquemines (5-6) will play Clinton (9-2) on Friday in the Round of 16 here at home, for only the second time this season. Some fans have scheduled the day off from work. Tailgating will start in early afternoon. But sometime over the next four weeks, the season will end and playoff euphoria will be replaced anew by uncertainty in the halting recovery from Katrina.

More than a year after the storm, Smith still lives in a 7-by-27-foot FEMA trailer with seven other relatives. He sleeps in a bed with his father. His mother sleeps on a fold-out sofa, while his sister and her four children take the bunk beds and a mattress fashioned from cushions and the kitchen table.

When he needs privacy to study, Smith leaves the trailer to read by the dome lights of his father's pickup truck.

"Peace and quiet, that's something you don't really get in the house," Smith said.

Otherwise, he said, he does not venture outside much in the FEMA trailer park in Oakville, 30 miles from school.

"Nothing but trouble outside," Smith said. "Drugs. I don't get down with that."

Before the hurricane, his family lived in a trailer in rural Boothville, a hub of the fishing and oil and gas industries. His grandmother, an uncle and several aunts lived in the same enclave. School was a five-minute walk, and he could hunt rabbits in the backyard. His father, Norman, a crane operator, owned a trawler and shrimped in his spare time.

"The boat was the wife; I was the girlfriend," Smith's mother, Veronia Jones-Smith, a custodian, said with a laugh.

The family has secured a loan from the Small Business Administration to buy a double-wide trailer and hopes to return to Boothville by January. Even so, Keven said he worried about his parents, who have high blood pressure. He worries especially about his mother and the stress of caring for grandchildren, ages 13, 11, 6 and 4, in such a cramped space.

"I tell her to calm down; she's about to catch a heart attack," Smith said.

At 18, he will soon have his own child-rearing responsibilities. His girlfriend, Whitney Allen, 16, is due to give birth in January to a son he plans to name Keven Jr. He and Allen met after Katrina, having evacuated to Lafayette, La., two teenagers running from the storm into unintended consequence.

"Sometimes I feel old," Smith said.

This is not how he expected to spend his senior season, putting baby beds and strollers on layaway, saving money that his mother gives him for football trips and hunting for dollar-store bargains on diapers and baby clothes.

"I love my son and he's not even here yet," Smith said. And yet, he added: "Sometimes, at home, I'll be thinking, What if I hadn't gotten her pregnant? I wonder how different it would be. Or would it be different?"

His first response, he said, was shock: "What am I going to do with a son?" His parents were disappointed, he said, but "not mad enough to put me out."

Instead, they told him, "It's time to be a man and take care of your responsibility."

Smith began speaking with Julie Butler, who teaches classes in adult responsibility at South Plaquemines. Teenage pregnancy is a problem here, school officials said, where many students are from low socioeconomic backgrounds. At least four

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girls are pregnant or have given birth recently, officials said. Smith's best friend on the team, Warren Mayes, a senior defensive end, is the father of a 10-month-old son.

"The educational level of many parents is no higher than high school, so education isn't stressed," Butler said. "Kids are raising kids, who are raising kids. With Keven, I'm hoping he'll break the cycle."

She has assisted Smith as he seeks financial aid for college or trade school. He hopes to become a licensed practical nurse and, eventually, a registered nurse. He said he planned to propose to Allen, who attends high school in New Orleans, on Jan. 3, their first anniversary. College football is a dream likely deferred, perhaps now beyond his reach. He is not even sure if he will play basketball at South Plaquemines.

"If my responsibilities tell me otherwise, I've got to do otherwise," he said.

His senior football season has been one of jarring interruption. During the opener, Smith talked back after Crutchfield reprimanded him and was suspended for a week. Smith then quit the team. He said he looked for a job to prepare for the birth of his son. After sitting out four games, though, he began to miss football and his teammates, who were struggling through a 1-4 start.

"I thought I had let my dawgs down," Smith said of his teammates. "I felt they needed me."

His mother told him not to worry about a job right away. Even with the complications of pending fatherhood, she wanted him to enjoy his senior year. "We'll work it out," she said.

Smith apologized to Crutchfield, and the coach reinstated him.

"He was so respectful; it really touched me," Crutchfield said.

Upon his return, Smith switched from defensive end to fullback, and at 5 feet 6 inches and 210 pounds, he proved to be a powerful runner. If Jerome Bettis, retired from the Pittsburgh Steelers, was the Bus, then Smith was the Minibus. Then he got a pair of flat tires.

After scoring three touchdowns in the league championship game on Oct. 20, Smith sprained his left ankle. A week later, in the regular-season finale, he was hit in the end zone as he scored and flipped the ball to the referee, straining a tendon in his right ankle. He has been slow to recover. South Plaquemines lacks an athletic trainer, and the nearest orthopedic clinic is 40 miles away in New Orleans.

Last Friday, Smith had his ankles taped and swallowed a few pain-relief pills, but he began the playoff game on the bench. "I can't cut," he said glumly.

With South Plaquemines trailing by 27-12 at halftime, he decided to test his tender ankles. "The adrenaline's flowing," Smith said as he jogged onto the field. "I don't feel anything."

He carried the ball several times, bulling ahead for a first down, but his mobility was restricted and he returned to the sideline. Inexorably, the Hurricanes began their revival. Turner threw for a 26-yard touchdown, then zigzagged into the end zone from 17 yards and 19 yards, drawing South Plaquemines to 34-32 early in the fourth quarter.

Lightning lighted the sky like an X-ray, thunder crackled and fat drops of rain began to splatter, sending fans running for cover at a concession stand. The South Plaquemines players began running, too, but they were whooping and hollering and bounding expectantly along the sideline.

Once a ruinous threat, bad weather was now a playoff talisman. Four days earlier, a rainstorm inspired the most spirited practice of the season. Yet another storm arrived during this improbable comeback.

"Hurricane weather!" Smith and others yelled.

"Wash 'em out, 'Canes, wash 'em out!" the cheerleaders chanted.

With 6 minutes 12 seconds remaining, South Plaquemines took a tenuous 40-34 lead on a pinballing 2-yard run by James Brown. Later, guard Dwayne Ancar came out with a throbbing headache and lay facedown on a runway near the stadium track. While others shouted encouragement, he found the gathering noise excruciating and screamed, "Shut up, I have a migraine!"

The slippery ball kept wriggling free from players on both teams. Pinned near their end zone, the Hurricanes took a deliberate safety. Pickering threatened but fumbled again, and South Plaquemines secured the ball and the victory.

"A hurricane hit tonight!" someone shouted in the jubilant locker room. "Category 5," linebacker Trey Stewart said. The season will soon end, and, ultimately, education, not football, will most likely map the future of teenage fathers like Smith, Butler said. With only a high school diploma, she said, Smith and others risk tumbling into welfare or getting a base-pay job with the parish, $14,000 to $17,000 a year, hardly enough to raise a family.

"Keven's a bright kid, one that makes you glad to come to work," Butler said. "He knows what he doesn't want to happen. As long as he believes in himself as much as we believe in him, he will make it. Sometimes, it's hard for kids to look up at the big picture when they're always looking down, trying to get over one hurdle or the next."

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WAR NEWS:

Bush Initiates Iraq Policy Review Separate From Baker Group's (WP)

By Robin Wright

The Washington Post, November 15, 2006

President Bush formally launched a sweeping internal review of Iraq policy yesterday, pulling together studies underway by various government agencies, according to U.S. officials.

The initiative, begun after Bush met at the White House with his foreign policy team, parallels the effort by the bipartisan Iraq Study Group to salvage U.S. policy in Iraq, develop an exit strategy and protect long-term U.S. interests in the region. The two reviews are not competitive, administration officials said, although the White House wants to complete the process before mid-December, about the time the Iraq Study Group's final report is expected.

The White House's decision changes the dynamics of what happens next to U.S. policy deliberations. The administration will have its own working document as well as recommendations from an independent bipartisan commission to consider as it struggles to prevent further deterioration in Iraq.

"The president has asked all his national security agencies to assess the situation in Iraq, review the options and recommend the best way forward. The ISG report will be duly considered, and we look forward to their recommendations, as the president has always said," a White House official said, speaking on the condition of anonymity because the new initiative has not been announced. "The president indicated Monday that he is interested in hearing interesting ideas both within his administration and from the Baker-Hamilton commission."

The White House review could give the administration alternatives so that it feels less pressure to fully implement the recommendations of the Iraq Study Group report, foreign policy experts said.

Bush made the decision after his national security team held secret meetings Friday and Saturday to discuss the disparate efforts inside the administration and the implications for Iraq after the Republican defeat in the midterm elections. Further informal meetings were held Monday before yesterday's decision, officials said.

The administration said its review is not a response to the imminent report of the study group, which is led by James A. Baker III, who was secretary of state under George H.W. Bush, and Lee H. Hamilton, a Democrat and former chairman of what is now the House International Relations Committee. The group wrapped up months of hearings yesterday by interviewing three Democratic policymakers: former secretary of state Warren Christopher, former national security adviser Samuel R. "Sandy" Berger and former U.N. ambassador Richard C. Holbrooke. The panel's members, gathered at the White House, also spoke yesterday by videoconference with British Prime Minister Tony Blair.

Blair, in London, told the panel that the most decisive steps the United States can take to end Iraq's violence would be working for an end to the Israeli-Palestinian conflict and helping Iraq's fragile government improve its army, end sectarianism within its security forces and distribute revenue more fairly across the country, according to Blair's spokesman.

The panel of five Democrats and five Republicans is to hold one more meeting today before drafters begin pulling together the first version of a report, according to a spokesman for the U.S. Institute of Peace, which is running the commission. The panel may meet again to review and discuss the draft. The goal is broad consensus.

The administration's new review "was not done in response to the ISG, but it came about as a result of everybody looking at facts on the ground," a State Department official said. But the administration is basically trying to do in one month what the ISG has done over eight months.

The review will knit together separate efforts that have been underway at the State Department and the Pentagon over the past six weeks, U.S. officials said. It will also include reports by the CIA and the National Security Council. National Security Adviser Stephen J. Hadley will oversee the expedited review and integrate the various papers, officials said.

In a measure of the suddenness and importance of the review, Secretary of State Condoleezza Rice this week postponed a long-planned trip to an Asia-Pacific conference in Vietnam to take part in discussions about Iraq.

Rice has been doing "a lot of thinking" about the issue over the past two months, State Department spokesman Sean McCormack said yesterday. "The primary focus is on the State Department's role in Iraq and are we pursuing the proper policies, are we seeking the right objectives, are we using the right means to achieve those objectives, following the right strategies and right tactics?" he told reporters.

Rice's trip to Baghdad last month was a turning point in her thinking, officials said.

One component of the larger effort is likely to be a military review initiated in mid-September by Marine Gen. Peter Pace, chairman of the joint chiefs of staff. His assessment of U.S. anti-terrorism efforts, with a core focus on Iraq, includes 16 top

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commanders meeting daily to brainstorm on questions such as "Where are we going? What are we trying to do? Are we going to get there this way?" according to a joint staff spokesperson.

"Nothing is off the table. They are looking at the whole spectrum of less forces, more forces," a senior defense official said. But the military is keeping close control over its review, which "is completely separate from the Iraq Study Group and not connected with any political effort that might also be going on. This is the chairman's. . . . There is no intent for it to be folded in or incorporated in someone else's bigger product," the joint staff spokesperson said.

The administration's policy review comes almost a year after it issued a 38-page "National Strategy for Victory in Iraq," released with much fanfare Nov. 30, 2005. It outlined the "eight pillars" for victory, which included defeating terrorists, moving toward military self-reliance, improving the rule of law, increasing international support and strengthening the economy.

Iraq Panel Unlikely To End Debate On War (NYT/AP)

By The Associated Press

The New York Times, November 15, 2006

Filed at 3:03 p.m. ET

WASHINGTON (AP) -- Bitterly divided on Iraq, lawmakers in both parties are eagerly awaiting recommendations from an advisory group led by Republican and Bush family friend James A. Baker III and former Democratic Rep. Lee Hamilton.

But even if the bipartisan Iraq Study Group is able to forge a consensus on how to deal with Iraq -- a prospect that remains unclear -- the panel is unlikely to offer a solution so groundbreaking it will stave off a brewing partisan feud.

Sen. Carl Levin, D-Mich., who is in line to be the chairman next year of the Senate Armed Services Committee, said Monday the Bush administration didn't see that "we're getting deeper and deeper into a hole" in Iraq.

Two options under discussion at one point by the study group -- greater cooperation with Iran and Syria, and a phased withdrawal of U.S. troops -- would require a major policy shift by the Bush administration.

Republicans oppose setting any type of timetable for withdrawal from Iraq, and the United States has no diplomatic ties with Iran.

The panel's members, gathered at the White House, spoke Tuesday with British Prime Minister Tony Blair by videoconference from London.

Blair told them the most decisive steps the U.S. could take to end the violence in Iraq would be to work for an end to the Israeli-Palestinian conflict and to help the Iraqi government improve its army, end sectarianism in its security forces and distribute revenue more fairly across the country.

Ending the Israeli-Palestinian dispute would remove an issue that extremists in the region exploit and boost pressure on Iran and Syria to help staunch the bloodshed in Iraq, Blair said.

Blair's comments were described in London by his spokesman, who spoke on condition of anonymity in keeping with government policy.

The Iraq study panel, established by Congress in March, is not expected to unveil its findings until some time after Thanksgiving. According to a Democratic aide, Baker told a senator he won't issue any plan unless the group finds consensus.

The panel consists of five Democrats and five Republicans, each prominent members in their political camps and holding their own ideas on how Iraq should be settled.

Yet Baker's group has become the beacon of hope for lawmakers who want to resolve the Iraq war before the 2008 presidential elections. Polls of voters in last week's midterm elections, which returned Democrats to power in the next Congress, found a majority -- about six in 10 -- disapproved of the war in Iraq. Two-thirds of independent voters said they disapproved of the war.

Later Tuesday, the study group was to meet at the Woodrow Wilson International Center for Scholars in Washington with foreign policy advisers from the Clinton administration, including Sandy Berger, Clinton's national security adviser; Richard Holbrooke, former ambassador to the U.N.; and Warren Christopher, former secretary of state.

On Monday, Blair said Iran and Syria's aid should be solicited to help stem the violence in Iraq. Resolving the Israeli-Palestinian conflict and stabilizing Lebanon also would help to unite the region behind peace, he said.

Bush's chief of staff, Josh Bolten, said the White House would consider opening talks with Syria and Iran if Baker and Hamilton recommended it.

Baker's group also has been briefed by Democrats on their plan to begin pulling out some troops right away. Levin and other Democrats agree this is a necessary first step to put political pressure on the Iraqis.

Aside from that initial step, Democrats remain divided on what should happen next, how many troops should leave and how many should stay.

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Several Republicans staunchly oppose setting any timetable because they say Iraq could collapse into chaos. Sen. Lindsey Graham, R-S.C., said shortly before the Nov. 7 elections that the Bush administration had led Iraq to the verge of chaos. On Monday, Graham reiterated his position that more troops, not fewer troops, are needed to settle the violence there.

"That should be our goal in the coming months, to provide a better security situation on the ground," Graham said, echoing a comment by Bush.

"I believe it is very important ... for people making suggestions to recognize that the best military options depend upon the conditions on the ground," the president said.

Sens. John Warner, R-Va., who is chairman of the Armed Services Committee, and Sen. Susan Collins, R-Maine, also warned against any timetable.

Rice Says 'No Magic Bullet' To Fix Iraq (AP)

By Anne Gearan

AP, November 15, 2006

Secretary of State Condoleezza Rice said Tuesday "there is no magic bullet" solution to the mounting problems in Iraq, and she indicated no new willingness to ask for help from U.S. adversaries in the Middle East.

"It is not an issue of whether you talk to somebody," Rice said. "I will talk to anybody, anywhere, anytime, under the right circumstances if I think we can make progress. I am not afraid to talk to anyone."

Members of the Republican foreign policy establishment and some U.S. allies have suggested that the Bush administration was shortsighted to refuse wider dialogue with Iran, which holds huge influence over its Shiite neighbor Iraq, and in cutting off most diplomacy with Syria.

Rice spoke en route a Pacific Rim economic meeting in Vietnam. Although last month's North Korean nuclear test will be a focus of diplomatic meetings during the Asia-Pacific Economic Cooperation summit in Hanoi, Rice suggested that a much-anticipated new round of talks with Pyongyang may not come quickly.

The North agreed in principle to return to arms control negotiations following its symbolic test, but there is no firm date for the session. The six-nation talks are aimed at shuttering Pyongyang's nuclear program.

"We need to take our time this time and make sure when we go to the table at the six-party talks there is a reasonable chance of a successful outcome," Rice said.

In Hanoi, the top U.S. nuclear envoy said Wednesday that talks with North Korea will succeed only if the reclusive communist regime lives up to commitments it made last year to abandon nuclear weapons in exchange for aid and security guarantees.

Christopher Hill met with his counterparts from South Korea and Japan on the sidelines the APEC summit to seek a common strategy ahead of the resumption of the long-stalled talks.

The six-party talks — involving the U.S., Japan, China, Russia and both Koreas — stalled a year ago when North Korea boycotted over U.S.-imposed financial restrictions. The North agreed to return to the talks after it shocked the world by testing a nuclear device on Oct. 9, a move that triggered U.N. sanctions.

South Korea has said the talks could resume by mid-December. The U.S. administration has ruled out a first meeting in November but said it hoped for a session in December.

"We are very disappointed that (North Korea) stayed away from the talks for about a year now," Hill said.

"I think we've all made very clear that we don't accept North Korea as a nuclear state," he added.

South Korean nuclear envoy Chun Yung-woo said, "There should not be talks for the sake of talks." The comments were some of the strongest Chun has made about the North.

A week after Republicans lost control of Congress in large part because of public dissatisfaction with the Iraq war, the Bush administration is reevaluating military and diplomatic strategy and making contingency plans if the situation gets worse.

Rice spent nearly two full days this week huddled with advisers on Iraq and talking to a bipartisan panel whose recommendations are due next month. The panel may recommend the kind of engagement with Iran and Syria that Rice and President Bush have so far ruled out.

"I don't think that there are any magic bullets about Iraq," Rice told reporters aboard her plane. "This is a complicated place, they are in a difficult time."

Gunmen dressed as police commandos kidnapped scores of staff and visitors at an education ministry office Tuesday in one of the biggest mass abductions since the start of the U.S. occupation in 2003. Five senior police officers — including the neighborhood police chief — were arrested.

At least 82 people were killed or found dead in murders, bombings and clashes nationwide, part of a tide of sectarian killings that the democratically elected Iraq government and their American protectors have been unable to slow.

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Rice said improvement will require greater responsibility from Iraqis for their own security and "better help from Iraq's neighbors." She gave no specifics about changes in U.S. policy or participation that may be in the offing.

The Iraq study panel, established by Congress in March, has become a beacon of hope for lawmakers who want to resolve the Iraq war before the 2008 presidential elections. Polls of voters in last week's midterm elections, which returned Democrats to power in the next Congress, found a majority — about six in 10 — disapproved of the war. Two-thirds of independent voters said they disapproved of the war.

The panel is also expected to give political cover to the administration if it pursues a significant shift, such as side-by-side cooperation with Iran and Syria or a phased withdrawal of U.S. forces.

The panel, co-chaired by Republican and Bush family friend James A. Baker III and former Democratic Rep. Lee Hamilton, heard Tuesday from British Prime Minister Tony Blair.

Blair, the Bush administration's staunchest ally in the war, advocates seeking Iran's help in ending the violence in Iraq. Aides say he also wants to encourage dialogue with Syria.

Bush's chief of staff, Josh Bolten, said this week that the White House would consider opening talks with Syria and Iran if Baker and Hamilton recommended it.

Get Out Now? Not So Fast, Experts Say (NYT)

By Michale R. Gordon

The New York Times, November 15, 2006

WASHINGTON, Nov. 14 — One of the most resonant arguments in the debate over Iraq holds that the United States can move forward by pulling its troops back, as part of a phased withdrawal. If American troops begin to leave and the remaining forces assume a more limited role, the argument holds, it will galvanize the Iraqi government to assume more responsibility for securing and rebuilding Iraq.

This is the case now being argued by many Democrats, most notably Senator Carl Levin of Michigan, the incoming chairman of the Senate Armed Services Committee, who asserts that the withdrawal of American troops from Iraq should begin within four to six months.

But this argument is being challenged by a number of military officers, experts and former generals, including some who have been among the most vehement critics of the Bush administration's Iraq policies.

Anthony C. Zinni, the former head of the United States Central Command and one of the retired generals who called for the resignation of Defense Secretary Donald H. Rumsfeld, argued that any substantial reduction of American forces over the next several months would be more likely to accelerate the slide to civil war than stop it.

"The logic of this is you put pressure on Maliki and force him to stand up to this," General Zinni said in an interview, referring to Nuri Kamal al-Maliki, the Iraqi prime minister. "Well, you can't put pressure on a wounded guy. There is a premise that the Iraqis are not doing enough now, that there is a capability that they have not employed or used. I am not so sure they are capable of stopping sectarian violence."

Instead of taking troops out, General Zinni said, it would make more sense to consider deploying additional American forces over the next six months to "regain momentum" as part of a broader effort to stabilize Iraq that would create more jobs, foster political reconciliation and develop more effective Iraqi security forces.

The debate over American troop levels in Iraq was raging well before the establishment in March of the bipartisan Iraq Study Group led by James A. Baker III, a former secretary of state, and Lee H. Hamilton, a former congressman. Initially, it centered on Mr. Rumsfeld's stewardship at the Pentagon and whether the United States had deployed sufficient forces and taken the requisite nation-building steps to defeat, or at least contain, a virulent insurgency.

But as the character of the Iraq conflict has changed over the past year, so has the debate. The primary worry for American commanders now is preventing the bloody cycle of drive-by shootings, kidnappings and bombings from spiraling into an all-out civil war.

With more American than Iraqi soldiers in Baghdad, there has been mounting frustration on the part of American officials over the failure of the Iraqi government to send sufficient reinforcements to the Iraqi capital, to establish a genuine "unity government" and to effectively challenge the power of the militias, some of whom have infiltrated the very Iraqi Army and police units that the American military is working with.

In essence, the current debate turns on whether Iraqi leaders would be susceptible to the sort of blunt American pressure entailed by troop reductions. Arguing that such pressure was necessary, Senator Levin joined forces with another Democrat, Senator Jack Reed of Rhode Island, to offer an amendment in June calling for a phased reduction of American troops, a measure he stressed has been supported by all of the potential Democratic presidential candidates. The proposal is less

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sweeping than most other Democratic proposals, which have called for the withdrawal of all American forces over a fixed time frame. Senator Levin's plan has assumed more political importance following the Democratic gains in the midterm elections.

"There is no purely military solution here," Mr. Levin said in an interview. "They have got to reach a political compromise in Iraq. The leaders have got to make concessions involving power sharing and resource sharing or else this insurgency and the violence continues to spiral."

While Mr. Levin's plan calls for beginning troop reductions over the next six months, it does not stipulate a time-frame for completing the withdrawal, or spell out precisely how many troops should be removed in the initial phase. The plan, however, does call for shifting the American military role to more limited missions like protecting the American Embassy, training the Iraqi forces and engaging in counterterrorist operations against cells of Al Qaeda.

"The point of the proposal is to force the Iraqis to take hold of the situation politically," Mr. Levin said.

But some current and retired military officers say the situation in Baghdad and other parts of Iraq is too precarious to start thinning out the number of American troops. In addition, they worry that some Shiite leaders would see the reduction of American troops as an opportunity to unleash their militias against the Sunnis and engage in wholesale ethnic cleansing to consolidate their control of the capital.

John Batiste, a retired Army major general who also joined in the call for Mr. Rumsfeld's resignation, described the Congressional proposals for troop withdrawals as "terribly naïve."

"There are lots of things that have to happen to set them up for success," General Batiste, who commanded a division in Iraq, said in an interview, describing the Iraqi government. "Until they happen, it does not matter what we tell Maliki."

Before considering troop reductions, General Batiste said, the United States needs to take an array of steps, including fresh efforts to alleviate unemployment in Iraq, secure its long and porous borders, enlist more cooperation from tribal sheiks, step up the effort to train Iraq's security forces, engage Iraq's neighbors and weaken, or if necessary, crush the militias.

Indeed, General Batiste has recently written that pending the training of an effective Iraqi force, it may be necessary to deploy tens of thousands of additional "coalition troops." General Batiste said he hoped that Arab and other foreign nations could be encouraged to send troops.

Some military experts said that while the American military is stretched thin, the number of American troops in Iraq could be increased temporarily — by perhaps 10,000 or more, in addition to the 150,000 or so already there — by prolonging combat tours.

Kenneth M. Pollack, an expert at the Brookings Institution who served on the staff of the National Security Council during the Clinton administration, also argued that a push for troop reductions would backfire by contributing to the disorder in Iraq.

"If we start pulling out troops and the violence gets worse and the control of the militias increases and people become confirmed in their suspicion that the United States is not going to be there to prevent civil war, they are to going to start making decisions today to prepare for the eventuality of civil war tomorrow," he said. "That is how civil wars start."

Poll: Most Doubt Dems Have Plan For Iraq (AP-Y)

By Jim Kuhnhenn

AP, November 15, 2006

More Americans rank Iraq as the top priority of the new Democratic-controlled Congress, but nearly three out of five say the party does not have a plan to deal with the war.

In the aftermath of an anti-Republican wave, the latest Associated Press-Ipsos poll showed lingering uncertainty about the country's direction and the ability of Democrats and President Bush to work together. Underscoring the country's political divisions, Democrats expressed more confidence and optimism than Republicans.

The poll was conducted Nov. 10-12 as the public adjusted to Washington's new division of labor, with President Bush in the White House and Democrats holding the reins of Congress for the first time in 12 years.

While voters in Election Day surveys said corruption and scandal in Congress was one of the most important factors in their vote, the postelection poll showed that 37 percent of all adults said the war in Iraq should be at the top of the congressional agenda during the next two years. The issue of terrorism, the second most mentioned priority, was ranked highest by 15 percent of those polled.

Though voters apparently embraced the Democratic mantra of changing course in Iraq, a majority of the public did not detect a clear Democratic blueprint for ending the war. Fifty-seven percent of all adults in the AP-Ipsos poll said Democrats do not have a plan for Iraq; 29 percent said they do. The poll of 1,002 adults has a margin of error of 3 percentage points.

That finding strikes at the heart of a Democratic dilemma. The party has been of one voice in criticizing President Bush's strategy for the war but has been more equivocal on how to move in a different direction.

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Democrats such as Sen. John Kerry of Massachusetts and Rep. John Murtha of Pennsylvania want a fixed deadline to pull all troops out of the country. Other Democrats, including some party leaders, have voiced support for a staggered withdrawal that demands greater responsibility from the Iraqis.

The public's perception was reinforced during the campaign, when President Bush time and again told voters that the Democrats had little to offer on the war.

"Everyone agrees that we're going to have to begin redeployment," Rep. Ike Skelton, D-Mo., said of the Democratic position. Skelton, in line to become chairman of the House Armed Services Committee, has proposed withdrawing a U.S. brigade for every three Iraqi combat brigades rated fully capable. Skelton opposes setting a timetable for withdrawal but said at least one U.S. battalion or brigade should pull out promptly.

"It should send a clear message to the Iraqi government, the Iraqi people and the American people that we're not there to stay," he said.

No doubt, the election results have put Democrats in something of a box, said Stephen Biddle, a defense policy expert at the Council of Foreign Relations.

"It's a very, very awkward thing to run a war from the Congress," he said. "The public wants them to do something. And they don't want to go into 2008 and be accused of being the do-nothing 110th Congress."

In separate interviews, some voters appeared sympathetic.

John Rodon, a retiree from Green Bay, Wis., said the situation in Iraq is "a big mistake" and voted for a Democrat for Congress. He doubted, however, that the Democrats would solve the war.

"I don't think anybody has an answer for this," he said.

Francis Curran, a 43-year-old carpenter from Jupiter, Fla., said he thinks Democrats would approach Iraq with a better lens.

"You can't solve that problem without involving the other players in the region. I think Democrats might be more willing to at least not call (Iranian President Mahmoud Ahmadinejad) the Axis of Evil," Curran said. "I don't know if the president would go with this, but this administration has to involve other nations in that region."

For now, Democrats appear willing to wait for the recommendations of a bipartisan Iraq study group led by former Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton. The group's findings are expected within the next few weeks. The Senate Democratic leader, Harry Reid of Nevada, also wants a bipartisan congressional summit to debate Iraq.

"Iraq has to be done on a bipartisan basis," Reid said Tuesday. "This is not a time for threatening the president with anything. We're going to see how we can work with him to change course in Iraq."

Though uncertain about the Democrats' plan for Iraq, many Americans are upbeat about Democratic control of Congress. For every 10 adults surveyed, four said the country will be better off, three said it would not make much difference and two said the country will be worse off. Most Democrats shared that optimism. Republicans tended to be pessimistic or anticipated no discernible change.

Overall, Americans tended to hold Bush responsible for Republicans losses last week. Forty-five percent of adults surveyed said Bush deserves all or a great deal of the blame. But only 22 percent of Republican voters attributed the losses to Bush.

Americans were split when asked if the president and Democrats in Congress could work together. Forty-seven percent said they were confident that two could cooperate and 51 percent said they were not.

In the wake of the election, Democrats as well as the president and his Republican allies have emphasized the need for bipartisanship on the war and on a number of other legislative fronts. Democrats and Bush have said they see an opportunity to pass comprehensive legislation on immigration that had been blocked in the House.

Blair Advises Baker's Panel (WT/AP)

By David Stringer

The Washington Times, November 15, 2006

LONDON -- British Prime Minister Tony Blair told the U.S. advisory group reviewing strategy on Iraq yesterday that a push for peace across the Middle East and help for Baghdad to root out sectarianism in its security forces were key to stemming bloodshed, his official spokesman said.

The British leader made his remarks to the bipartisan panel headed by former Secretary of State James A. Baker III as both Syria and Iran said they would not rule out talks with the United States on the future of Iraq -- reportedly a key recommendation being considered by the Baker group.

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But Iranian President Mahmoud Ahmadinejad said Tehran was willing to talk only if the United States "corrects its behavior" in the region, a suggestion quickly shot down by the White House.

"I don't think this is about a U.S. attitude adjustment," said White House National Security Council spokesman Gordon Johndroe. "The collective attitude of the world is that Iran needs to play a constructive role in the region, not meddle in Iraq, and to stop its [nuclear] activities."

The United States accuses both Syria and Iran of fueling insurgent forces challenging the U.S.-backed government in Iraq and of supporting terrorist groups in Lebanon and the Palestinian territories that have attacked Israel.

But yesterday's diplomatic back-and-forth showed how much the report by Mr. Baker's Iraq Study Group, now expected before the end of the year, is already driving the U.S. and Middle East policy debate, with both allies and adversaries bracing for a major U.S. course change on Iraq.

Speaking privately via video link to the Baker commission, Mr. Blair set no timetable for the withdrawal of British or other coalition troops from Iraq, his spokesman said, but had stressed the importance of what he called in a speech Monday a "whole Middle East strategy" to counter militancy across the region.

The British prime minister, President Bush's closest ally on Iraq, emphasized the importance of a resolution to the Israeli-Palestinian conflict, which he said was "important in its own right, but also to take away the issue that was most exploited by extremist elements around the region."

Mr. Blair's spokesman briefed reporters on background after the session.

Mr. Blair said a positive strategy for the Israeli-Palestinian conflict would help Britain and the United States win the support of moderate Muslims and increase pressure on Iran and Syria to work for peace, the spokesman said.

Mr. Blair told the panel that "the only way to deal with Iran" was to "take away their ability to exploit Muslim opinion and to confront both it and Syria with the strategic choice of whether to be supportive of the solution, or face isolation."

Responding to press speculation that the Baker panel will urge direct U.S. contacts with both Syria and Iran, a leading official Syrian newspaper said in an editorial yesterday that Damascus "is ready for dialogue with the United States to achieve security and stability" in Iraq.

"The ball is in their court," the editorial said.

Mr. Ahmadinejad's comments were the highest-level statement to date from Tehran that it would consider direct engagement with the Bush administration on Iraq, though the hard-line Iranian leader gave few clues on how U.S. policy would have to change.

In a Tehran press conference, Mr. Ahmadinejad accused the Bush administration of pursuing a foreign policy of aggression and unilateralism, but said Iran's Islamic republic was prepared to talk to any country except Israel.

"Should the United States correct its behavior, we will talk to them," Mr. Ahmadinejad said.

US Denies Rift With Blair On Syria, Iran (AFP)

By Stephen Collinson

AFP, November 15, 2006

The White House has rushed to deny claims of a diplomatic rift with its closest European ally Britain, after Prime Minister Tony Blair mooted a "partnership" with US foes Iran and Syria.

As the impact of a major foreign policy address by the British leader started to sink in, the White House bristled Tuesday at suggestions Blair had struck out from Washington, issuing a fact sheet to debunk the claim.

Blair on Monday laid out a "whole Middle East strategy" involving a push for a solution to the Israeli-Palestinian crisis, a plan for Iraq and a "strategic" choice of cooperation or isolation to be offered to Iran.

On Tuesday, the British premier testified by video link-up to the US Iraq Study Group, probing possible new strategies on the war and called for a "strategic choice" for Iran and Syria, his office said.

His remarks were seen by some observers in both countries as an attempt to influence US policy in the Middle East, at a time when changes in Iraq strategy are being contemplated following the Republican defeat in mid-term elections.

President George W. Bush's spokesman Tony Snow however told AFP on Tuesday that suggestions in the British and US media that Blair's remarks signalled cracks between Downing Street and the White House were mischaracterizations.

"Read his speech, and you'll see there is no difference between the governments," Snow said.

State Department spokesman Sean McCormack acknowledged Britain and the United States had historically slightly differed towards Iran -- but did not see "a particularly new policy statement" in Blair's speech.

The White House drew particular reference to Blair's comment that "there is a fundamental misunderstanding that this is about changing policy on Syria and Iran."

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The White House fact sheet unflatteringly compared coverage of Blair's speech by US-based reporters on The New York Times and The Washington Post and their colleagues in London.

London-based reporters for the two US newspapers wrote that Blair took pains to ensure his remarks were not seen as a dramatic new policy shift.

But the fact sheet noted colleagues on the same papers in the United States had wrongly seen Blair's speech as a policy shift on Iran and Syria, stating: "Prime Minister Blair's Policy Is Not New And Is Similar To President Bush's Policy."

In his speech Monday, Blair said the West should "offer Iran a clear strategic choice: they help the Middle East peace process not hinder it; they stop supporting terrorism in Lebanon or Iraq; they abide by, not flout, their international obligations.

"In that case, a new partnership is possible. Or alternatively they face the consequences of not doing so: isolation," he said, adding that Tehran must also stop its nuclear enrichment drive.

On Monday, Bush said in a joint appearance with Israeli Prime Minister Ehud Olmert that talks with Iran were only possible if Tehran halted its nuclear program in line with an already stated international initiative.

A Downing Street spokeswoman told AFP on Tuesday that Blair also had told the US Iraq Study Group in the videoconference that any solution in Iraq must be part of a broader Middle East strategy which would also include a plan to resolve the Israeli-Palestinian conflict.

US Secretary of State Condoleezza Rice, however, refused late Tuesday to make a link between the lack of progress in the Israeli-Palestinian conflict and the unrest in Iraq.

"I think we have to be careful not to say well, if there is an Israeli/Palestinian breakthrough, that will help in Iraq. Iraq is involved in its own struggles," Rice told reporters on her way to an Asia-Pacific summit in Vietnam.

Blair's speech on Monday puzzled some observers, evidenced by several different interpretations on offer in different newspapers on both sides of the Atlantic.

Nile Gardiner, a policy analyst at the Heritage Foundation think tank, which has close links to the Bush administration, said the speech was a "major shift in British policy" and an attempt to influence the US Iraq Study Group.

"Over here, I think the speech hasn't really sunk in, but it will do in the next few days," he said.

Pouring Chardonnay Diplomacy (NYT)

By Maureen Dowd

The New York Times, November 15, 2006

Washington

The foreign affairs fur is flying.

I'm not talking about the catfight between two strong-willed, expensively dressed Democratic pols married to California gazillionaires, with Speaker-elect Nancy Pelosi trying to yank Jane Harman from heading the House Intelligence Committee.

I'm talking about the catfight between the Idealists and the Realists.

After an election that spurned ideology, and the triumphant return of the Bush 41 pragmatists James Baker and Robert Gates, the self-proclaimed Idealists are reduced to hissing from the sidelines.

The Vulcans and neocons had grandiose plans to restore trumpets, morality and spine to foreign policy, to establish America as a hyperpower with a duty to export democracy — by force and on its own, if necessary. But now the grandiose experiment of Iraq is in a sulfurous shambles, and the Realpolitik crowd is back cleaning up.

In The Wall Street Journal, Michael Rubin of the American Enterprise Institute railed against the evils of "chardonnay diplomacy," recalling that in 1983, Donald Rumsfeld, President Reagan's Middle East envoy, met with Saddam Hussein in Baghdad, hoping to restore relations out of a concern over growing Iranian influence. He didn't bother to mention Saddam's use of chemical weapons.

"Mr. Gates was the C.I.A.'s deputy director for intelligence at the time of Mr. Rumsfeld's infamous handshake, deputy director of central intelligence when Saddam gassed the Kurds, and deputy national security adviser when Saddam crushed the Shiite uprising," Mr. Rubin wrote. "Mr. Baker was as central."

Rummy, he said, "worked to right past wrongs." By contrast, the neocons fear, Mr. Gates and Mr. Baker are back winking at dictators. Already they're talking about cozying up to the evil leaders of Iran and Syria and perhaps dreaming of more concessions to the Palestinians. (Israel and its supporters among Christian evangelicals are having conniptions.)

The Idealists who loved Ronald Reagan's evocation of Thomas Paine — "We have it in our power to begin the world over again" — are right that Americans yearn for a moral foreign policy. It was sickening in 1989 to see Brent Scowcroft — another realist back in fashion — offering a cozy supper toast to Chinese leaders only six months after Tiananmen Square, and getting Poppy to lecture Ukrainians not to break the iron grip of Moscow.

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It was sickening, after Bush père sold the Persian Gulf war as a moral mission, to see the 41 team decide at the end not to intervene to stop Saddam from slaughtering thousands of innocent Shiites and Kurds who rose up as the president had asked.

It was sickening when the first Bush administration decided to do nothing about the genocidal Serbian war on Bosnia in 1992. As Secretary of State Baker frostily explained, "We do not have a dog in that fight." Justifying the administration's tough stance toward Israel, the Velvet Hammer made another notorious comment. "(Expletive deleted) the Jews," he told a colleague privately. "They didn't vote for us anyway."

But while the Idealists have a point, they also have a problem. Their moral war in Iraq was sold four years ago with two big lies: that Saddam had W.M.D. and that the Iraqis were yearning for democracy. And it has continued in a fog of deception about imaginary progress. It is immoral to put troops' lives at risk because one is doctrinaire, to make people die for a failure of flexibility.

America's bungled occupation and naïve assumptions unleashed sectarian bloodletting that could ultimately, as The Times's John Burns wrote, "match the mass killing that characterized Mr. Hussein's psychopathic years in power" and embolden authoritarian Arab leaders.

Bush junior cast himself as the Reagan heir. But as President Reagan showed in Lebanon, when he pulled out troops after 241 servicemen were blown up, and in Reykjavik negotiating with Mikhail Gorbachev on nuclear arms, he was incredibly flexible — an effective contrast with his inflexible rhetoric. He pursued openings and even radical diplomacy. If the Gipper was wood, the Decider is stone.

Voters rejected W.'s black-and-white, good-and-evil, incompetent foreign policy last week. The president got the message that some shades of gray were desirable and brought in the family fixer with the bright green ties, who is perfectly positioned to come up with a solution that will fly in Washington and flop in Baghdad.

As the theologian Reinhold Niebuhr taught, morality without realism is naïvité or worse, and realism without morality is cynicism or worse. Morality should open your eyes, not close them.

Baker Ex Machina (WP)

By David Ignatius

The Washington Post, November 15, 2006

In ancient Roman drama, when the plot got too convoluted to be resolved by mere humans, one of the gods would be hoisted over the stage to dispense wisdom and avert tragedy. The practice was known by a Latin term, deus ex machina, or "god from a machine." In our times, it is called the "Baker-Hamilton commission."

I am all for smoke and mirrors, and gods descending from cranes, if that will help the United States regain some strategic initiative in the Middle East. And already, the Iraq Study Group seems to be having that effect. Before it has said a word, the group is generating a sense of possibility. Politicians across the Middle East are wondering how to game the new American initiative. That is what diplomacy does -- it creates space for maneuver. It also, almost by definition, creates expectations that cannot be realized.

The first step President Bush should take is to institutionalize the momentum created by the Iraq Study Group process by naming its co-chairman, James A. Baker III, as a special Middle East emissary. The former secretary of state has given the term "wheeler-dealer" a good name. He's the only American diplomat I can think of who might cause Iranian President Mahmoud Ahmadinejad to check for his wallet.

But within the next few weeks, Baker and the other gods must come down from the rafters and confront the all-too-human players on the stage. If the tipsters are right, the commission will recommend a regional dialogue that involves Iraq's neighbors -- including Iran and Syria -- along with a new effort to resolve the Israeli-Palestinian conflict.

Let's focus on Iran. Baker met in September with Iran's ambassador to the United Nations, Javad Zarif, and heard a detailed explanation of why Iran is wary about such talks. The Iranian envoy is said to have explained that Tehran shares America's interest in calming the situation in Iraq and that contrary to U.S. fears, it doesn't seek a Shiite victory in the Iraqi civil war. The Iranians say they don't want a partition of Iraq either. Tehran wants a unified, democratic Iraq -- with its Shiite allies in the driver's seat, to be sure, but with Sunnis content enough that they stop fighting.

Iran is suspicious of a U.S. policy that seeks Iranian help even as it encourages regime change in Tehran. "You don't negotiate with someone who wants to overthrow you," one Iranian official told me. Iran's ruling mullahs are said to worry on a deeper level that in talking with America, the Islamic republic would lose its legitimacy. There's an abiding suspicion that such a dialogue would bring only "humiliation and intimidation," as one Iranian official puts it.

How to bridge this gap? There's actually a precise formula that was laid out by Iranian diplomats in early 2003, while they were conducting back-channel talks about Afghanistan and Iraq with the United States. Those conversations, mediated by the Swiss ambassador in Tehran, produced an Iranian document outlining the path to a broad "dialogue in mutual respect."

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The Iranians thought they were amending a document drafted by Richard Armitage, the deputy secretary of state at the time. Armitage tells me he has no recollection of such a proposal, but its provenance matters less than the fact that the Iranians found it an acceptable framework. The document they bounced back to the United States summarized "Iranian aims," headed by a "halt in U.S. hostile behavior," "abolishment of all sanctions" and joint efforts to achieve a democratic Iraq. The Iranians accepted that U.S. aims in the negotiations would include assurances that Iran wouldn't develop nuclear weapons and recognition of Israel under a two-state solution to the Palestinian problem.

This 2003 dialogue collapsed largely because of an Iranian demand for "pursuit of anti-Iranian terrorists" from the Mujaheddin-e Khalq organization who were in Iraq. Absurdly, the Pentagon balked because of a fantasy that the group could help foment revolution in Iran. The Iranians may now say that the 2003 dialogue for "mutual respect" is off the table, but Baker should find out -- by going to Tehran.

Iran will demand a price for any help it offers in Iraq. So will Syria, which is already positioning its proxies for restoration of Syrian influence in Lebanon. There will be a temptation to overreach, as the Syrians clearly are doing, and the prices demanded may be too steep for America to pay. But the essence of a negotiation is that, in the pursuit of mutual interest, the parties narrow their demands to ones that are achievable. This is the kind of conversation America should be having and -- god-from-a-machine willing -- it may begin soon.

The writer co-hosts, with Newsweek's Fareed Zakaria, PostGlobal, an online discussion of international issues athttp://blog.washingtonpost.com/postglobal. His e-mail address isdavidignatius@washpost.com.

Can Iran Help Stabilize Iraq? (CSM)

By Scott Peterson

The Christian Science Monitor, November 15, 2006

BAGHDAD

Iran has been here before, called upon by arch-foe America to assist in a neighborhood security problem. After 9/11, Iran helped the US extensively in Afghanistan to overthrow the Taliban and establish a new government.

It anticipated better relations in exchange for its assistance. But it was soon dubbed a member of the "Axis of Evil" by President Bush in his 2002 State of the Union address.

The outcome of that flicker of cooperation may increase Iran's wariness if it yet again receives a request from the US for help, this time in Iraq.

"This led the Iranians to conclude the US was intent on overthrowing their regime, and would not be affected by cooperative behavior," says Barnett Rubin, of New York University.

Bringing Iran - and Syria - into a regional process to stabilize Iraq is being touted both by British Prime Minister Tony Blair and the Iraq Study Group, the US commission studying options that both Republicans and Democrats hope will provide a framework for facesaving change in Iraq.

But the calculus has changed since the 2003 Iraq invasion. As the US has become more mired in the war, Iran has gained confidence that it was unlikely to face US-engineered "regime change." Iran still has numerous reasons to engage, but the price-tag may be higher.

"We're going into this with a handicap of having weakened ourselves over the past three years, and trying to negotiate over Iraq at a time when Iraq itself is in the worst situation it could be," says Vali Nasr, a professor of national security at the Naval Postgraduate School in Monterey, Calif.

"You are dealing with an Iran that is much more defiant, and much more over-confident," he adds. "Therefore Iranians may not be looking to build relations with the US ... but see it as an opportunity to pull US-Iran relations back from the brink."

The soft-spoken and reform-minded president Iran had in 2001 has also been replaced by arch-conservative Mahmoud Ahmadinejad, who has spoken vociferously at every opportunity to reinvigorate the ideals of the 1979 Islamic revolution, a key pillar of which was the slogan: "Death to the Great Satan."

"It is obviously in the national interest of Iran to have a stable Iraq," says Mr. Rubin, who advised UN negotiating teams on Afghanistan in 2001. "The question is whether the Bush administration is willing to overcome its ideological depiction of Iran as part of the axis of evil...[and] Ahmadinejad is willing to be pragmatic...despite his ideological commitments."

Mr. Ahmadinejad said Tuesday that Iran's position remained that it would speak to the US, but only if American officials change their "attitude" toward the Islamic Republic, and "correct[s] their behavior." He said he was preparing a message to Americans.

Foreign Minister Manoucher Mottaki also offered little hint at Iran's response Tuesday, saying it would consider any offer. The day before, officials gloated over the Republican defeat, saying they hoped it would yield a "180 degree" policy change.

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But beneath the heated rhetoric, Iran and the US have both sent signals for months that they are ready to engage in some way.

Even Iran's supreme religious leader, Ayatollah Ali Khamenei, approved talks about Iraq earlier this year that Washington had authorized the US ambassador in Baghdad to conduct.

Iran wants all issues on the table, from its controversial nuclear program and resumption of US-Iran ties, to Iranian support for Hizbullah in Lebanon and Palestinian militants.

The US, so far, has demanded strict limits on topics. It has also insisted that Iran suspend nuclear enrichment activities before any talks can begin.

But such a hard line was taken before Democratic victories in Congress, and the replacement of Defense chief Donald Rumsfeld with Robert Gates, who has made clear in the past his desire to see US-Iran engagement. And before Hizbullah, with Iranian help and blessings, delivered what Tehran and Beirut declared a "victory" against Israel in fighting during July and August.

"You can say there is a cautious optimism [in Tehran] that something is going to happen," says Nasser Hadian-Jazy, a political scientist at Tehran University. That hopefulness prevails even though the 2001 Afghanistan example makes Iran "far more careful about what they give and what they want."

"It should not be a cosmetic relationship, addressing issues in a superficial way, by the US telling Iran: 'You do this; you do that"; that's not going to work," says Professor Hadian-Jazy. "This takes real strategic thinking on both sides."

That means coping with inevitable clashes: Israel is concerned that Washington is giving Iran too much of the regional pie, and local Sunni nations are likely to complain that Shiite Iran's influence will rise further.

But Iran also has much to offer, if it plays a role similar to the one it played in Afghanistan. US officials routinely complain that Iran is destabilizing Iraq. Iranians say Iran has decided not to - so far.

"[Iran] has already built a very important infrastructure in Iraq - military, security - but they have not yet used these resources," says Hadian-Jazy. "It is rather a guarantee against possible US military action. They want US decision-makers to think twice before taking action."

Those dangers have long been understood in Washington and London. Prime Minister Blair talked with the Iraq Study Group Tuesday by video-link. In a speech Monday night - in which he berated Iran for putting "obstacles in the path to peace, paint us ... as the aggressors" - he said that Iran should be part of the solution.

"A major part of the answer to Iraq lies not in Iraq itself but outside it, in the whole of the region where the same forces are at work, where the roots of this global terrorism are to be found, where the extremism flourishes," Mr. Blair said. Iran had to play a positive role, and suspend its nuclear enrichment program, he said, or "face the consequences of not doing so - isolation."

But such isolation would cause perhaps greater consequences for Mr. Bush and Blair, because of the influential role Iran could potentially play with Iraq's majority Shiite population.

"Iran has enough levers, money, weapons, political and cultural influence," says Nasr. "And if there is a political formula on the table.... There is a certain degree of trust, to get [Iraqi Shiites] to accept political compromises with Sunnis they would not before."

A similar dynamic was often at play during Arab-Israeli "talks" for decades, says Nasr, when "you always needed a regional power to handhold the partner."

That could be Iran's most important step, he says, though it could also stop funding radical parties and weapons traffic.

But those decisions may depend upon the US, and what security guarantees, if any - a longstanding Iranian demand - it is willing to offer as it calls for Iran to help.

"Iran will be more willing to cooperate, if there is a minimal understanding [on security]," says Nasr, a point that applies not just to Iran.

"All countries around Iraq are hedging their bets. They're not sure what will happen, the type of government, if the US will stay or go, [so] everybody has a maximalist position," he adds. "By limiting uncertainty, the US can bring some stability."

Gunmen Kidnap Dozens From Iraq Ministry Office (USAT)

By Tom Vanden Brook And Zaid Sabah

USA Today, November 15, 2006

BAGHDAD — Six senior police officers were arrested Tuesday after gunmen dressed in commando uniforms kidnapped dozens of male staff and visitors from a Higher Education Ministry office.

The Interior Ministry said that among those arrested was the police chief for the Karradah district, the central Baghdad region where the daylight raid occurred.

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Prime Minister Nouri al-Maliki, who leads a Shiite-dominated Iraqi government, said the attack was "the result of disagreements and conflict between militias."

Assassinations and kidnappings have become common as fighting between Sunni and Shiite Muslims has increased dramatically this year.

Higher Education Minister Abed Theyab initially said as many as 150 people had been seized, which would have made it the largest such abduction during the conflict. Later, the prime minister's office said 45 to 50 people had been taken and 20 of them had been released within hours.

During the 20-minute raid, the gunmen raced through the four-story building and separated men and women. The male hostages were then loaded into about 30 vehicles, Higher Education Ministry spokesman Basil al-Khatib said.

Alaa Makki, head of parliament's education committee, said the gunmen worked from a list of names. Those kidnapped included the office's deputy general directors.

Theyab ordered the closing of colleges and universities in response to the attack. The order was rescinded after the Iraqi police and army promised to increase security, al-Khatib said.

"Higher education in Iraq is targeted and the goal is hindering the wheel of progress and science," Theyab said.

The abductions took place at a Higher Education Ministry office that handles research grants and academic exchanges.

Al-Khatib said the ministry had earlier asked al-Maliki's government for increased protection but received no response.

"We are a scientific and academic institution," al-Khatib said. "We can't bring tanks and warplanes to protect our facilities. It is the government's job."

Academics are frequently targeted. Recent victims include a prominent Sunni geology professor and the dean of Baghdad University's economics department.

Baghdad University students are worried about their safety.

"There is no security," said Ahmad Abdel-Ilah, 20, a civil engineering student. "We expect to be kidnapped. Everybody is targeted."

Iraq has about 100,000 students at colleges and universities, according to government statistics.

In other Iraq news:

·A car bomb exploded in Baghdad's Shurja commercial hub Tuesday afternoon, killing 21 people and wounding 25.

·The U.S. military issued a statement that said 11 insurgents were killed in several operations in Ramadi, west of Baghdad.

· A suicide car bomber killed seven in Baghdad's Sadr City Shiite slum.

Dozens Abducted In Brazen Raid On Iraq Ministry (NYT)

By John F. Burns And Michael Luo

The New York Times, November 15, 2006

BAGHDAD, Wednesday, Nov. 15 — Gunmen dressed in Iraqi police commando uniforms and driving vehicles with Interior Ministry markings rounded up dozens of people inside a government building in the heart of Baghdad on Tuesday and drove off with them in one of the most brazen mass kidnappings since a wave of sectarian abductions and killings became a feature of the war.

Although some Iraqi officials said as many as 150 people had been taken, the American military command put the total at 55.

Witnesses said as many as 50 gunmen arrived at the Ministry of Higher Education compound at midmorning, forced their way past a handful of guards and stormed through a four-story building, herding office workers, visitors and even a delivery boy outside at rifle point. After women were separated, the men were loaded aboard a fleet of more than 30 pickup trucks and two larger trucks, then driven away through heavy traffic toward mainly Shiite neighborhoods on the city's eastern edge, officials and witnesses said.

Late in the evening there were conflicting reports that some or most of those taken had been freed. Iraqiya state television reported that most of those seized had been freed in security operations, but a Shiite station, Al Furat, said 25 people were still missing. None of the reports could be confirmed.

A spokesman for the Interior Ministry, which is responsible for the police, announced on state television several hours after the abductions that orders had been issued for the arrest of several police commanders from the Karada area in eastern Baghdad, site of the Higher Education Ministry.

The announcement combined with other details, including accounts by one of a group of about a dozen people released by the kidnappers later on Tuesday, to suggest that the abductions may have been the latest in a series of mass kidnappings carried out by Shiite gangs and death squads operating from inside the Interior Ministry, or with access to its uniforms and

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vehicles. If the abductions are traced to groups operating under Interior Ministry cover, they seem certain to add a new level of crisis to the political tensions in Baghdad.

On Wednesday, an Interior Ministry spokesman said a brigade of the police searching in eastern Baghdad had found and freed 30 kidnap victims. He said the brigade was continuing its search and expected to free the remaining victims before the end of the day.

Recent events in the United States, including the Democrats' midterm election gains last week and the resignation of Defense Secretary Donald H. Rumsfeld, have intensified American pressure on Prime Minister Nuri Kamal al-Maliki and the alliance of Shiite religious groups he leads to act decisively to improve his government's performance — in effect, to show that America has trustworthy partner, and help to head off the momentum in Washington for a withdrawal of American troops.

Action against sectarian militias and death squads, particularly those associated with the governing Shiite parties, tops the American priorities that have been urged on the Iraqi leader, most recently in a meeting in Baghdad Monday with the top American military commander in the Middle East, Gen. John P. Abizaid.

Late on Tuesday, Mr. Maliki, appearing on state-run television, seemed eager to establish that he had responded swiftly to the abductions, saying that he had ordered the Defense and Interior Ministries to mount an intensive search for those seized.

During a meeting with the Iraqi president, Jalal Talabani, Mr. Maliki appeared to suggest that the kidnappers came from the Mahdi Army, an unruly militia headed by the Shiite cleric Moktada al-Sadr, a mainstay of the ruling Shiite alliance. "What is happening is not terrorism, but the result of disagreements and conflict between militias belonging to this side or that," he said.

The 56-year-old prime minister said security sweeps had been responsible for the dozen people released earlier in the day, though that did not immediately tally with the account given by a Shiite ministry official who was among those set free. The official said he and others in his group were separated from the main body of those seized by their kidnappers after the gunmen quizzed all their captives about their identities and occupations. After being driven blindfolded to a rural area in northern Baghdad, the official said, they were abandoned and left to make their own way to safety.

The government's swift response in ordering the arrest of the police commanders broke with a pattern of inaction in several earlier mass kidnappings that appeared to have been linked to Shiite death squads.

While concern to show a new resolve to restive critics of the war in Washington was likely to have been a major spur, another was the sheer scale and audacity of the attack. By seizing such a large number of people from a government building, in the center of the capital, in broad daylight, the kidnappers appeared to be sending a message that they could pounce anywhere with impunity.

The precise number abducted remained uncertain. In an angry, anguished address delivered on live television, Abed Thiab al-Ajili, the higher education minister and a member of the country's largest Sunni political bloc, told Parliament that 100 to 150 people had been taken; ministry officials said they included Sunnis, Shiites, Kurds and Christians. A similar figure was given by the Shiite ministry official who was released. His figure, though, appeared to be based on a rough count of the people working in the building and visitors, rather than an accurate head count of those abducted.

The American military command, which sent troops to the site of the kidnappings, said its investigation showed that the number of men taken was about 55. It also said there were indications that the kidnapping victims had been taken to the Baladiyat district in eastern Baghdad, a predominantly Shiite neighborhood on the southern fringe of Sadr City about three miles from the building where they were seized.

The fact that the kidnappers took captives from a wide cross-section of Iraq's cultural and religious groups created some confusion about their motives, though many previous kidnappings have followed a similar pattern.

In his speech to Parliament, Mr. Ajili, the higher education minister, skirted the question of whether the kidnapping was motivated by sectarian hatred. But he suggested that the Maliki government was incompetent, if not complicit in the abductions. He said he had repeatedly asked the government for additional security to protect the ministry and members of the university community, who have been favorite targets for assassination since the toppling of Saddam Hussein.

According to a tally by The Associated Press, more than 150 educators have been killed, and thousands of others have fled the country. "I told the M.O.I. and M.O.D. if you can't protect the universities, give me 800 recruits and I will do this mission," Mr. Ajili said, referring to the Ministries of Interior and Defense. "But they rejected the idea."

Shiite leaders have often said that kidnappers who have been linked to the Interior Ministry have in fact been criminal thugs, or even Sunni insurgents, who have acquired the military-style uniforms used in the attack from street markets where they are widely available. Basil al-Khateed, a spokesman for the Higher Education Ministry, counseled against hasty conclusions. "It's not clear if this kidnapping was sectarian or not," he said.

Witnesses said the gunmen arrived at the ministry about 9:30 a.m. in a long line of vehicles that appeared to be on police business. "I saw around 30 Interior Ministry vehicles which did not have license plates close the road, and then the commandos stepped out of their vehicles," said one man who worked in a government agency nearby but asked not to be identified. Mr.

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Khateed, the ministry spokesman, said the gunmen told ministry guards and onlookers that the American ambassador was arriving.

The ministry official who was later released said he was in his office inside the building. The gunmen, in the blue camouflage uniforms worn by police commandos, flooded into the building, the official said, and told him they were from the government's integrity commission, an agency that investigates corruption.

Suddenly, however, the gunmen cocked their weapons and yelled for everyone to stay where they were, the official said. They gathered the women in one room, before eventually letting them go, Mr. Ajili, the minister, said, but not before taking their cellphones and sorting through them for newer models, which they stole, leaving older models behind. He said the men taken captive had their hands bound behind them and their eyes blindfolded before being taken out to the pickup trucks.

Iraqi police and army units in the area did nothing to stop the abductions, witnesses and officials said, either because they believed the gunmen were legitimate commandos, or, some suggested, because they were part of a preset plan. "We are astonished by this," said Saleem Abdulla, a lawmaker from the Iraqi Consensus Front, the main Sunni bloc in Parliament. "It just seems so odd. How can people kidnap about 100 people like that, in daylight?"

He added: "And what about the vehicles? What about the checkpoints? Aren't we in a state of emergency? And no one can trace these people? No one can follow them to find out who they are? It is very odd. We think there has to be some link between these gangs and powerful men in the M.O.I."

The released Shiite official, who spoke later on Iraqi television but did not give his name, said the gunmen yelled at motorists to clear the road as they headed east through the traffic from the ministry building.

The official said the gunmen had taken their captives into a large hall with a concrete floor, then began to quiz each of them, demanding their names, often an indicator of their sect, as well as identity cards. "They split us into two groups," he said. "The first group, they said, 'We will release you.' The second group, 'We will keep you for additional investigation.' They put me in the group that would be released. When they said that, I thought, no, they will kill me. I was sure they would kill me. They were shouting, 'We will kill everyone who doesn't listen to us.' "

But the gunmen put him and the others in his group back onto the pickup trucks, and drove them elsewhere, the official said. There, he said, they were told to sit on the ground and not move, and warned that anyone removing a blindfold would be killed.

But after 10 minutes of silence, he said, one of the men in the group mustered the courage to clear his eyes, and told the others they were safe. "We don't know why they took us, and why they released us," the official said. "It's a terrorist operation with a big criminal ring that planned this."

Elsewhere, a car bomb exploded near a busy market in the capital, killing 10 people and wounding 25 others, an Interior Ministry official said. Late Monday and into Tuesday, clashes erupted between members of the Mahdi Army militia and American troops, leaving six civilians dead and 13 wounded, an Interior Ministry official said. The police found 25 bodies dumped across the city on Tuesday, the official said.

Scores Kidnapped From Iraq Research Center (LAT)

By Solomon Moore, Times Staff Writer

The Los Angeles Times, November 15, 2006

BAGHDAD — A large force wearing the uniform of Iraqi police commandos kidnapped at least 70 people from a Higher Education Ministry building in a highly coordinated raid this morning, witnesses said.

Dozens of masked men armed with AK-47s, U.S.-made grenade launchers and M-16 rifles cordoned off Nidal Street, only a few blocks from City Hall, with more than 30 vehicles, including armored sport utility vehicles, witnesses said. The trucks didn't have license plates, witnesses said, and many had high-caliber machine guns mounted in their back beds.

The gunmen stormed the five-story office building and searched it room by room, detaining people along the way, witnesses and education officials said.

The captives included 17 guards stationed at the facility, the Scholarship and Cultural Relations Directorate of the Higher Education Ministry. A number of other employees and even visitors who had business with the agency were taken. The raiders separated men from women, locked the men together in a daisy-chain with plastic cuffs and loaded them into vehicles at gunpoint.

"They beat some of the women," said a witness who gave his name as Abu Aya and said one of the captives, a cafeteria worker, was his cousin. "One woman's eye was bloody."

An Interior Ministry official said that several police officers have been detained in connection with the raid, including the Karada sector police chief.

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The incident was similar to a raid on a Sunni Arab-owned meatpacking plant more than a month ago in which police commandos kidnapped at least 60 workers, many of whom were discovered slain days later. That raid sparked an investigation by the U.S. Army and moved Iraqi Prime Minister Nouri Maliki to suspend an entire commando unit for retraining.

A Facilities Protection Service guard stationed at a small hospital behind the higher education building said that the gunmen appeared to be highly organized.

"They came from there waving like they were official," the guard said, pointing to the end of an alleyway behind the directorate. "They looked trigger-happy though. One officer pointed his gun at a man on a bicycle. They even took civilians just standing around on the street."

"Men wearing police commando uniforms entered the building and took our mobile phones," said Nour Hussein, 23, a cleaner who works at the directorate. "At the entrance, they were hitting the guards very hard with their hands. They took all of the employees and left some of the women after locking them in a room They hit employees, visitors and guards."

The gunmen whisked the captives away in a matter of minutes, witnesses said. Estimates of the number of captives ranged from 70 to 150. The witnesses said that traffic and patrol officers stationed nearby did not interfere.

Today's raid followed a series of police attacks on the directorate building, according to witnesses. Bullet holes and shattered windows marred the five-story building, evidence of several shootouts over the last two months.

The hospital guard, who identified himself as Abu Hassan, said guards at the directorate and police engaged in a 90-minute gun battle a week ago. He surmised that today's attack was payback. Gunfire was minimal during the raid and several witnesses said that the building's guards did not resist the large force.

Basil Khateeb, a ministry spokesman, said that Maliki rejected a move by the ministry to close down Iraq's higher education facilities and created a committee to investigate today's raid.

Although the kidnap victims included Shiite Muslims and Sunni Arabs, Sunni leaders claimed that the raid was a sectarian attack. Sunnis dominate the Higher Education Ministry.

"We are sure that this operation is not simply criminal but political in nature," said Ammar Wajuih, a Sunni member of parliament. "It happened in an area that is known for being thick with Iraqi security forces and checkpoints."

The kidnappings took place on a day when Iraqi authorities announced the violent deaths of at least 43 people around the country.

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Times staff writers Saad Khalaf and Zeena Kareem in Baghdad and correspondents in Baghdad, Baqubah, Hillah, Kirkuk, Tikrit and Basra contributed to this report.

Scores Kidnapped At Iraqi Ministry (WP)

By Sudarsan Raghavan

The Washington Post, November 15, 2006

BAGHDAD, Nov. 15 -- Signs of the abduction were everywhere. A splatter of blood smeared on the gray floor. A black telephone, yanked out of its socket, tangled in a mess of cords. The dirt outlines of boot prints on a door the kidnappers had kicked. And at the reception desk, next to a pile of papers, a single pink rose, abandoned in the chaos.

This was the scene Tuesday at an Iraqi Ministry of Higher Education building, one hour after a small army of 80 gunmen, dressed in police uniforms, staged a swift, brazen daylight raid, seizing scores of employees and visitors.

It was one of the largest mass abductions since the U.S.-led invasion in 2003, startling even by the standards of a nation reeling from sectarian strife, daily bombings and death squads. The last high-profile mass kidnapping occurred in July, when gunmen seized more than 30 people from an Iraqi Olympics Committee meeting. Six were later released, but the fate of the rest is still unknown.

Tuesday's incident was a well-orchestrated reminder of how challenging basic security remains in Iraq at a time when U.S. officials are pressing Iraqi Prime Minister Nouri al-Maliki to assert more control. The abductions came on a day when at least 117 people were killed in car bombings, clashes and other violence around the country.

Estimates of the number of kidnap victims varied widely. The prime minister's office said about 50 employees were abducted, but the Ministry of Higher Education said as many as 150 employees and visitors were taken.

Early Wednesday, an Interior Ministry spokesman said a joint Iraqi police and army operation had secured the release of more than 30 of the kidnap victims. "The operation is still running, the number is still changing," said Brig. Gen. Abdul Kareem Khalaf, the spokesman.

Five senior police officials -- the police chief and four high-ranking deputies in the Karrada neighborhood where the abductions took place -- had been arrested by Tuesday evening. Politicians were branding the kidnappings "a national catastrophe" and a loss of credibility for Iraq.

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The kidnapping unfolded about 10:30 a.m., when gunmen arrived in a convoy of 25 to 30 blue-and-yellow police cars and pickup trucks, some mounted with machine guns. All drove without license plates, said witnesses. The gunmen wore neither hoods nor masks. They clutched police-issue weapons such as Glock pistols, witnesses said.

Some fired their guns into the air, ordering pedestrians off the street. The U.S. ambassador was coming, witnesses heard the gunmen yelling, and they were there to provide security and clear the path.

"They told me to get inside," said Hadi Karim, a carpenter who was working in an office across the street. "I had to close the door or they would shoot me."

Then the official-looking convoy sped past the lone guard at the security gate, who didn't offer any resistance, past a set of 30-foot blast walls and entered the parking lot of the building. It houses the Higher Education Ministry's scholarship and cultural relations directorate, an agency responsible for granting scholarships to Iraqi professors and students applying to study abroad.

The gunmen stormed through the entrance. One walked up to a receptionist and said the men were from the Interior Ministry, which oversees the police, said Basil al-Khateeb, a spokesman for the Higher Education Ministry, who said he had spoken with the receptionist. "Those who came were not like other attackers, thieves or looters," he added. "They came in an official way."

The gunmen speedily weeded out the men from the women. The women were taken to a room and locked up, witnesses said. The men were pushed into the trucks and driven away. The kidnapped included employees and visitors to the agency, janitors and PhDs, even a deputy general director of the agency. Some were blindfolded and tossed into the backs of pickup trucks, said witnesses.

They included Sunni Muslims and Shiite Muslims, Kurds and Christians, suggesting that the kidnappers might not be connected with the sectarian violence that is ravaging Iraq.

"They took everyone -- Sunnis and Shiites," said Hussam Yassin, a goateed man in his 20s and a Higher Education Ministry employee whose two cousins, both engineers, were among those abducted. "They took all the men, even a 60-year-old man."

Still, it was unclear Tuesday night whether the gunmen were members of the police or impostors. Militias associated with religious groups have been widely seen as fomenting the sectarian violence gripping the country, and Shiite militias are believed to have infiltrated the Shiite-dominated police force, which Sunnis have long accused of conducting mass abductions.

The minister of higher education is a member of the Iraqi Accordance Front, the largest Sunni Muslim bloc in parliament. At the same time, Karrada is increasingly becoming a stronghold of the Mahdi Army, the militia linked to radical Shiite cleric Moqtada al-Sadr. And the dominant Shiite religious party in government, the Supreme Council for the Islamic Revolution in Iraq, also has an armed wing, the Badr Organization, that is known to have strong links within the police.

On Tuesday, at a televised meeting with President Jalal Talabani, Maliki appeared to imply that the kidnappings might be linked to militia rivalries. "What is happening is not terrorism, but the result of disagreements and conflict between militias belonging to this side or that," Maliki said.

If the kidnappings were militia-related, it would underscore Maliki's inability to disarm the groups and could erode his relationship with U.S. officials who have been pressuring him to take tougher action against the militias.

As the convoy left through the gate, Karim, the carpenter, watched from his window across the street. He noticed something different, he said. The convoy had grown by several cars, apparently stolen from inside the parking lot.

"They left with more cars than they came in," said Karim, adding that the convoy turned left onto his street and headed toward the neighborhood of Baladiyat.

He paused, then spoke about how Iraqis like him had lived through wars against Iran, Israel and Iraq's Kurdish minority. "We're used to wars, but not something like this," he said.

The kidnappings were the latest to target academics and a blow to efforts to keep members of Iraq's trained middle class from fleeing the country. Last month, within the same week, gunmen assassinated a Sunni professor and the Shiite dean of Baghdad University's economics department.

Higher Education Minister Abed Thiyab promptly suspended classes at all universities, fearing that more professors or students could be targeted. He told parliament that he had repeatedly asked for more security to protect academic institutions but that his request had not been fulfilled.

"We strongly condemn this act because it is a savage terrorist action," Thiyab said. "This contradicts the sense of credibility in the new Iraq."

Alaa Maki, a Sunni politician who heads the parliament's education committee, interrupted a parliamentary session and branded the abductions a "national catastrophe."

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At the ministry building, dozens of relatives of the kidnap victims had converged at the security gate. Some were openly wailing, others stood solemnly. They were Shiites, Sunnis and Christians seeking answers for the disappearance of their sons, brothers and cousins.

One angry Shiite man yelled at police officials investigating the scene: "Now you will say the militias did this. You will never be brave enough to say policemen did this."

On a nearby street, a man whose brother was a victim said: "Where can we go? The police kidnapped him."

Crouched against a wall, Jindeel Hassan was crying. His brother, Ali, was one of those kidnapped. Hassan said that his brother told him one month ago that the agency had received a threat letter.

"They are all clean people there," explained Hassan. "There are Sunnis, Shiites, Kurds, Christians, all educated people, working together."

"It's a big crime. I feel sadness, suffering, torture," Hassan added, directing his words at those who abducted Ali: "You leave the American occupiers, and you come and kill your country's sons?"

U.S. Commander In Iraq To Face Democrats Eager For Troop Cuts (WP)

By Ann Scott Tyson

The Washington Post, November 15, 2006

Senate Democrats impatient to start withdrawing U.S. troops from Iraq will inject a new political dynamic into the debate over the war beginning today as they question the military's top Middle East commander for the first time since their party swept into control of Congress this month.

Army Gen. John P. Abizaid, head of the U.S. Central Command, which oversees American forces in the Middle East, will face questions on the violence in Iraq and what it means for the roughly 145,000 U.S. troops there during scheduled testimony today before the Senate Armed Services Committee, senators from both parties said.

Senior Democrats and Republicans on the committee are deeply divided over basic issues such as troop levels and strategy and whether Iraq is already in a state of civil war. Still, they are united by a concern for American forces. Committee Chairman John W. Warner (R-Va.), for example, said he will quiz Abizaid on the risks that U.S. troops could face if embedded with Iraqi units under an Iraqi chain of command.

"We've got to be very careful we are not putting at risk life and limb of American forces by putting them with Iraqis," he said in an interview. "What kind of orders will the Iraqi forces receive?" he asked, voicing concern over sectarian influences within the Iraqi military.

Democrats have made it clear that they intend to bolster the committee's oversight role, and an influx of new members, including Democrat James Webb of Virginia, is expected to further invigorate debate. Webb, a former active-duty Marine and one of only a handful of members of Congress with offspring serving in Iraq, secured a seat on the committee yesterday, according to his spokeswoman, Kristian Denny Todd.

The committee plans to hold confirmation hearings Dec. 4 or 5 for former CIA chief Robert M. Gates, President Bush's nominee to replace Defense Secretary Donald H. Rumsfeld, who resigned the day after the Nov. 7 midterm elections. The panel will also weigh in on the congressionally created Iraq Study Group as well as on a sweeping review of Iraq strategy initiated by Gen. Peter Pace, chairman of the Joint Chiefs of Staff.

The Pace review will cover strategy and the viability of increasing or decreasing troop levels in Iraq, as well as stress on the force, according to Warner.

Sen. Carl M. Levin (D-Mich.), poised to take over as Armed Services Committee chairman, said that Iraq is headed into an abyss of civil war and that only by beginning a troop pullout in four to six months can Washington exert the necessary pressure on Iraqi leaders to forge political solutions to the country's violence.

What Iraqis "need to hear, and what the American people need to hear, is that we are darned impatient," Levin said at a news conference Monday, recounting a conversation with President Bush.

Levin said he believes a majority of the Senate would now back a bipartisan resolution he initiated on a phased pullout.

Sen. Jack Reed (D-R.I.), a committee member who joined with 40 other senators in backing the resolution six months ago, said in an interview: "The best approach is to clearly state the policy to begin redeployment. The critical problems . . . are political in nature," not military, he said.

Democrats say a driving factor in their push for drawing down U.S. troops in Iraq is the strain on the all-volunteer military from repeated combat zone deployments, as well as from billions of dollars' worth of equipment wear and tear that has hurt the military's preparedness should another conflict break out.

Some Democrats on the committee, including Sen. Hillary Rodham Clinton (N.Y.), advocate increasing the size of the Army, which has about 500,000 active-duty soldiers, to improve readiness and ease the strain on the force.

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Leading Republicans, for their part, are arguing against a timetable for troop withdrawals while urging a more measured approach to redefining Iraq strategy.

Sen. John McCain (R-Ariz.), set to become the committee's ranking minority member, made it clear that he vehemently opposes a timetable for withdrawing troops and instead favors a substantial increase in U.S. ground forces in Iraq.

If the United States begins a phased withdrawal, "chaos will ensue, and that chaos will spread throughout the region," McCain said in an interview. "We need to get more troops into the equation to try to get Iraqis trained," he said, adding that "the Iraqi military is doing better but is not yet prepared to take over."

McCain, who has advocated increasing U.S. forces in Iraq for years, said that of a string of U.S. mistakes there, "one of our greatest failures was not having enough troops from the beginning."

Feingold Pushes Bill To Extend Iraq Inspector General (MERC/AP)

By Frederic J. Frommer

The San Jose Mercury News/AP, November 15, 2006

WASHINGTON - The Senate approved an amendment Tuesday to extend an investigative office that unearthed millions of dollars in waste and fraud associated with the rebuilding of Iraq.

The amendment, passed by voice vote as part of the military construction and veterans' spending bill, would keep the inspector general's office running through October 2008. Under current law, it will expire in October 2007.

The amendment was offered by Republican Susan Collins, the chairwoman of the Homeland Security and Governmental Affairs Committee, and Wisconsin Democrat Russ Feingold.

"That office has been enormously effective as a watchdog," Collins said in a telephone interview. "It's inconceivable to me that we would allow it to expire prematurely when literally billions of dollars are still being spent on Iraqi reconstruction projects."

The overall spending bill passed the Senate by voice vote Tuesday night.

Connecticut Sen. Joseph Lieberman, who will become chairman of the committee when Democrats take over the Senate next year, called the office "critically necessary."

"And it's delivered - often to our consternation," he said at a new conference with Collins, Feingold and Sen. Norm Coleman, R-Minn.

"This is something that has actually gone right," said Feingold, a harsh critic of the war. "And it would be a real serious mistake to undo it prematurely."

Led by Stuart Bowen Jr., the Office of the Special Inspector General for Iraq Reconstruction tracks spending in the multibillion-dollar effort to rebuild Iraq.

The agency's work has resulted in four criminal convictions and, most recently, evidence that a Halliburton subsidiary exploited federal regulations to hide details on its contract performance.

"Until taxpayer dollars are finished being spent in Iraq, we need oversight," said Coleman.

Earlier this year, Collins pushed through the Senate a measure that would allow the agency to review more than $6 billion in additional funding aimed at stabilizing Iraq - in effect keeping the IG office in business.

But that provision, added to a major defense bill, was stripped from the final legislation when it was negotiated with Rep. Duncan Hunter, chairman of the House Armed Services Committee.

Hunter did not return phone and e-mail messages seeking comment Tuesday. In a statement a couple of weeks ago, he said he agreed the office had been useful but that a termination date was needed.

Setting the 2007 date "ensures that we have a smooth transition from the special inspector general to the inspectors general of State and Defense," Hunter said in that statement.

Collins said she didn't think the latest provision would face similar obstacles when House and Senate negotiators finalize the military construction and veterans' spending bill.

"I don't think so, now that this issue has been exposed to the light of day, there has been a groundswell of support for retaining the office," she said. "And I'm very hopeful that the Congress will act promptly to extend the office."

By Whom The Toll Is Counted (LAT)

By Richard Fausset

The Los Angeles Times, November 15, 2006

NO one asked Michael White to count the dead soldiers in Iraq.

He is not a military man, and he has no friends or relatives who serve. He is a guy with a Honda Civic, a mortgage and a job in a suburban office park. A guy with a wife and a 7-year-old daughter who has soccer games to go to.

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But for almost 3 1/2 years — for no pay and no glory — White has kept a meticulous tally of every U.S. and coalition military fatality, posting the names and the numbers on his website, http://www.icasualties.org .

It started as a hobby — the work of a war critic who wanted to help keep the facts straight. Today, the Los Angeles Times, Washington Post and New York Times use White's numbers to show the extent of the nation's collective sacrifice. Bloggers use his numbers to quell conspiracy theories, and soldiers' parents call up the site to make sure their children are not listed on it. Job seekers have sent him resumes, unaware that the operation is little more than a guy and his laptop.

White is a former post-punk guitar player who, at age 50, favors khakis and sensible shoes. He is proud of his work, and pleased that people are paying attention. But like many Americans, he doesn't know when the war will end — and he wonders how long the site will dominate his life.

He has been particularly busy of late. His own statistics show that October was the deadliest month for U.S. forces in Iraq since January 2005, with 105 fatalities. This month, as of Tuesday, 35 more troops have died. The total number of American military fatalities stands at 2,853. It will surpass the 3,000 mark in a few months if current trends hold.

"I work on the site every morning, every lunch, every evening," White said. "I'm sure my wife resents it, as well she should…. There's housework that doesn't get done. There's yardwork that doesn't get done."

His wife, Ashley, admits that his obsession can be frustrating. "When I want to do something fun on the weekends, it competes with his work on the site," she said. "On the other hand, I'm very proud of him for his commitment."

Like most Americans with scant ties to the war effort, White could have kept its grisly rhythms at a distance. Instead, those rhythms now define him. And yet Iraq can still seem worlds from his tidy suburban cul-de-sac, and the breakfast nook where he does most of his work on a round wooden table. A window behind him offers a view of the train tracks where, about year ago, he remembers seeing a train loaded with Humvees — a rare reminder of life during wartime.

AND even now, White can seem unsure about his motivation for assuming his peculiar burden.

"Why do I do it? If you ask my mother or my sister, they'd say, 'That's Michael: obsessive,' " he said. "It's like when I was 14 years old and locked myself in my bedroom to memorize every word to [Bob Dylan's] 'Like A Rolling Stone.' "

White is of average height, with an open, sanguine face and a measured voice that is both soft and firm. He is a Southern liberal who never considered himself an activist, but he has long had an interest in politics and current events. He traces it to his upbringing in South Carolina, where he lived through the tension of desegregation.

His most reliable passion, however, has always been music. When George W. Bush was elected president in 2000, he retreated into the "Anthology of American Folk Music," the Harry Smith-compiled landmark of the genre, immersing himself in its crackly old spirituals and Scots-Irish murder ballads.

His reaction to Iraq was different. About two months after the U.S.-led invasion in March 2003, White discovered that a California antiwar protester named Pat Kneisler had posted a self-researched tally of troop casualties on Daily Kos, a pro-Democratic website. Like White, Kneisler had been frustrated by differing fatality counts in the media.

White contacted her and offered to keep the count going on his own site, lunaville.org— the name for the make-believe city where he set his daughter's bedtime stories.

Kneisler accepted the offer, and the pair set about their common task from different sides of the country. For White, it was a protest, albeit a low-key sort that suited his personality.

"I'm not the kind of person who will stand on a street corner holding a sign," he said. "Maybe I'd be a better person if I was."

Then, as now, the Department of Defense kept its own tally of U.S. casualties on its website, http://www.defenselink.mil . But White and Kneisler were concerned that the numbers were updated slowly, and didn't seem to be consistent in media accounts.

"The concept from the get-go was to get an accurate count," White said. "I'd pick up the morning paper and it would say the number was X, and then I'd hear a news report that said five more troops had been killed. But the next day in the paper the number was still X. It was always behind, and I wanted to know what the immediate tally was."

The pair used official military news releases for their list, cross-checking them with reports from journalists who were traveling with coalition troops. Over time they earned a reputation among media and military families for being accurate and quick to update their figures.

THE traffic to the site soon overwhelmed White's home server. When he switched to a commercial host, the traffic outstripped his subscription plan: At one point, he ended up with a $1,000 monthly bill. So he changed the terms of his subscription and put up a request for donations. Today, donors keep the bills paid.

There were more changes as the war dragged on. The name "icasualties" supplanted "lunaville." ("Yeah," Ashley said. "Some bedtime story, huh?") They added links to news stories, and began counting casualties in Afghanistan.

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Kneisler dropped out of the project in April without explaining her reasons to White. She would not comment for this story. In the past, White said, they had argued over whether to post the name of a soldier who had been run over by a car while on leave back in the United States. He refused to include the fatality in the official count because it wasn't war-related.

White added features that packaged the casualty numbers — on the wounded as well as the dead — in ways that the Pentagon had not. The idea, he said, was to generate the kind of detailed data that corporate executives demand for their board meetings.

One map shows the number of coalition and U.S. deaths that occurred in each Iraqi province. It reveals that Al Anbar province, the largest in the nation and a stronghold of Sunni Muslim insurgents, has seen at least 1,044 coalition deaths, making it a deadlier place than Baghdad province, with at least 746 deaths. Some fatalities, the website notes, cannot be identified by province.

Some of the charts focus on fatalities among non-U.S. coalition troops: of the 246 killed, 125 were from the United Kingdom, 33 from Italy, and Poland and Ukraine have each lost 18. Another chart shows the number of U.S. troops killed each month by roadside bombs, known as improvised explosive devices, or IEDs.

SOME of the information on White's site, such as the number of U.S. deaths per state, is also available from the Defense Department, but White often updates his numbers faster. And his information, arguably, is easier to find: For one, the government's state-by-state fatality breakdown is accessible at a much more unwieldy URL (

And White goes one step further. He also breaks down the number of deaths by city.

Those kinds of details are among the chief attractions for journalists. In September, the New York Times used White's figures to show that Houston, at the time, had sacrificed more soldiers in Iraq and Afghanistan than any other city, 27. (With the death of Marine Cpl. Benjamin S. Rosales in Iraq in October, that number is now 28).

On Oct. 19, USA Today used icasualties.org's numbers to show the five deadliest days in Iraq thus far in 2006. (The deadliest was Jan. 7, when 18 U.S. troops were killed — nine of them in a helicopter crash).

Marine Corps Maj. Stewart T. Upton, a Defense Department spokesman, said he hadn't heard of the site before. "People should look to the Department of Defense for the official numbers," he said.

The essence of White's work starts with his search for casualty news releases from the coalition, the Multi-National Force-Iraq. The releases, available at its website, http://www.mnf-iraq.com , contain minimal details of the death — typically, its date and location, and what branch of the military the troop was in, and the cause.

White posts these deaths in his main database as "NAME NOT RELEASED YET", and counts them as "Reported U.S. Deaths Pending DoD Confirmation."

Then he goes to the Department of Defense website, where a more detailed news release is made public 24 hours after the family is notified. These generally contain the deceased's name, age, rank, hometown and a more thorough description of the cause of death.

When a specific news release matches a generic one, White fills in the details. It is these details that allow him to generate many of his original charts and graphs. But sometimes the generic and the specific news releases do not match up. Checking against details in news reports has become more difficult, he said, because fewer reporters appear to be traveling with military units. Instead, some of his best fact-checkers are the military personnel and families who use the site.

THOSE families visit for different reasons. Diane Santoriello, 57, of Penn Hills, Pa., checks icasualties.org every morning, writing the latest casualty count on a sticky note she posts on her computer.

Santoriello lost her son, Army 1st Lt. Neil A. Santoriello, in August 2004 when he was killed by an IED outside of Fallouja, in Al Anbar province. She has become an outspoken critic of the war. She says she misses the time she spent writing to him on her computer.

"I think part of it is a replacement for e-mailing him," she said.

Elsa De La Fuente, 49, of Miami, first visited the site about two months ago. A few weeks had gone by, and she hadn't heard from her 27-year-old son, stationed in or around Tikrit. She was relieved to find that his name was not on the list.

De La Fuente checks the site regularly. She said she preferred its presentation of cold facts to the emotionally charged images she had to endure on television and in newspapers.

"The statistics will show you," she said. "You don't need to shoot pictures or anything."

White has kept his site free of politics — largely because he has learned how much the families of troops rely on his numbers.

"It's awful hard to read those e-mails," he said. "You have to acknowledge their loss in a nonpartisan way. That's one reason the site's agenda is separate from my politics. It's documentary. It doesn't have a political agenda. It answers a question I want answered."

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But some questions are easier to answer than others. White also has been trying to keep track of Iraqi civilian deaths, tallying the numbers from news reports. But he knows it's not an accurate way to count, and his numbers only go back to January 2005.

His chart lists 19,526 Iraqi civilians killed since that date. Below that total, a sentence in red type says "Total Prior to 2005," followed by a question mark.

"This is not a complete list," the site states, "nor can we verify these totals."

His list of private contractors who died in Iraq carries a similar disclaimer. It is one of the few collections of its kind that is publicly available.

But so far he has found only 370 names by scouring news reports. The Department of Labor has tallied 650 such deaths through late October, but will not release the names for reasons of confidentiality.

And so White's work continues. There is a Starbucks near his office with Wi-Fi. Sometimes he glances down at the newspapers for sale and sees his numbers splashed across the front page.

Sometimes the faux bossa nova plays and the milk foam whooshes, and the world seems at peace, but for the clack of Michael White's keyboard.

Guilty Plea Expected In Iraq Rape Trial (WP)

By Josh White

The Washington Post, November 15, 2006

A U.S. Army soldier who is accused of taking part in a plan to rape an Iraqi teenage girl and murder her family in March is scheduled to plead guilty today to numerous charges in a military court in Kentucky, the soldier's civilian lawyer said yesterday.

Spec. James P. Barker would be the first soldier involved in the gruesome rape and killings in Mahmudiyah to publicly take responsibility for the attack, which shocked both the U.S. military and the Iraqi community where the family lived. Prosecutors say the soldiers raped and killed a 14-year-old girl and gunned down her parents and 4-year-old sister.

Barker has agreed to testify against others who were involved, said David Sheldon, a Washington-based military defense lawyer. As part of his plea deal, Barker will not face the death penalty, Sheldon added, but he could receive life in prison on charges that include murder, rape and arson.

"Specialist Barker wanted to take responsibility for his role in the crimes that he committed with these other soldiers," Sheldon said. "He will cooperate fully with the prosecution."

Barker, who is also represented by Capt. James D. Culp, plans to plead guilty at Fort Campbell today, Sheldon said.

Four other members of Barker's company have been implicated in the attack, including former private Steven D. Green, who is charged with murder in federal court in Kentucky and has entered a not-guilty plea. Green's lawyers could not be reached yesterday.

Sheldon said that the soldiers had discussed raping the 14-year-old after they visited her house several weeks before the attack, and that on March 12 they agreed to sneak away from their military checkpoint to rape her and kill anyone else in the house.

At the home, about 300 yards from the checkpoint, Green allegedly rounded up the family members and put them in the bedroom while Barker and another soldier raped the 14-year-old, Sheldon said. Evidence in the case shows that Green shot the father in the head with his shotgun before finding an AK-47 rifle in the house and shooting the mother and the 4-year-old.

Green is accused of then raping the 14-year-old before shooting her in the head with the AK-47, according to court documents.

It was the American shotgun shell, left behind at the scene of the crime, that prompted Army officials to suspect U.S. soldiers were involved in the case, Sheldon said. Another soldier in the unit alerted authorities months later, initiating a formal investigation that led to the current charges.

Sheldon said Barker is remorseful for the attack, which he said arose out of an extremely stressful environment in an insurgent stronghold south of Baghdad.

"All of these soldiers were in a situation where they were sleep-deprived and where they had been drinking whiskey," Sheldon said. "In Specialist Barker's case, he had acute stress syndrome as a result of the traumatic events that he witnessed over the course of the previous two to three months."

Green has been singled out as the instigator of the attack. He was discharged from the Army weeks after it happened, although military officials have said they did not know of his alleged involvement at the time. Military documents show that members of Green's unit had concerns about his behavior and were unaware of his "personal problems" before his enlistment.

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"Soldier needs to go for the best of the soldiers he serves with and U.S. Army," said a comment from his battalion's command sergeant major on a form dated April 16, a month after the Mahmudiyah rape and slayings. "He can't be counted on to do the right thing."

CORPORATE SCANDALS:

Incorporation Rules Enable Fraud, Officials Warn Panel (WP)

By Carrie Johnson

The Washington Post, November 15, 2006

Lax state standards allow millions of companies to incorporate every year without their owners being identified, a practice that lets tax evasion, money laundering and securities fraud go undetected, federal officials told a Senate panel yesterday.

Leaders of the Senate Government Affairs Committee's permanent subcommittee on investigations sounded alarms about lenient rules that apply to about 2 million new businesses that incorporate in the United States every year. In most cases, states fail to seek basic ownership information from companies and often do not check what little data is provided in follow-up reports against criminal justice databases.

Lack of transparency over who controls the companies amounts to "an unacceptable risk to our national security and our treasury," said Sen. Carl M. Levin (D-Mich.), whose staff initiated the investigation.

Justice Department and Internal Revenue Service officials who investigate financial wrongdoing testified that they are frequently stymied by the problem. "We have important investigations that are hitting brick walls because no one has the ownership information," said Stuart D. Nash, associate deputy attorney general.

Immigration and Customs Enforcement investigators pointed authorities to a Nevada company that received nearly 3,800 suspect wire transfers totaling $81 million over two years. But the case did not move forward because authorities could not identify who owned the business, lawmakers said.

The FBI has opened 103 investigations into stock market manipulation, most of them involving shell companies whose owners are unknown to authorities. The bureau said shell businesses have been used to launder as much as $36 billion from countries in the former Soviet Union. A previous report by the Justice Department disclosed that Russian officials used shell companies in Delaware and Pennsylvania to siphon $15 million that was supposed to pay for safety upgrades for former nuclear power plants.

In many cases, states do not have an incentive to seek detailed information about business owners because the lure of incorporation fees and related funds is too great. In Delaware alone, nearly one-quarter of the state's revenue comes from such fees, according to a Government Accountability Office report on the issue released in April.

Technology that allows companies to incorporate online without requiring the owners to appear in person in a state office is also raising concerns. In some states, including Delaware and Nevada, corporations can pay an extra fee to complete the incorporation process in an hour, lawmakers said.

"What is needed is a level playing field, a system that avoids a race to the bottom," said Sen. Norm Coleman (R-Minn.).

Fixing the problem could be difficult. States and the federal government have clashed over who has the authority to regulate business. At the hearing, senators asked law enforcement officials to look more closely at the problem and to recommend a solution.

Some state regulators argue that seeking more information could raise privacy considerations. And Yvonne Jones, director of the financial markets team at the GAO, said that state officials interviewed by her staff expressed concern that widespread change could require action by state legislatures and could increase fees.

Senate Warned Of Threats From 'Shell Companies' (WT)

By Jerry Seper, The Washington Times

The Washington Times, November 15, 2006

A top Justice Department official told a Senate subcommittee yesterday that while new businesses play an essential role in the nation's economy, a growing number of "shell companies" now being formed legitimately could be used for money laundering, bribery, corruption, tax fraud and the financing of terrorist activities.

Associate Deputy Attorney General Stuart Nash told the Homeland Security and Governmental Affairs permanent subcommittee on investigations that a person without any identification can form a corporation and establish a new business nationwide "within as little as five minutes."

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"The corporation is then a legal entity that can engage in business and open a bank account," Mr. Nash said. "Yet, some of the most important information about the corporation -- its ownership -- is nowhere recorded. If that corporation were to engage in fraudulent or negligent activity, it would be very difficult, or even impossible, to identify its beneficial owners.

"Domestic or foreign law-enforcement agents would be stymied in their attempts to conduct an investigation because they would be unable to find out who is behind the illegal activity," he said.

The subcommittee is investigating the issue of states incorporating nearly 2 million new U.S. companies each year without identifying the company owners, and the law-enforcement problems that result when some of these companies become engaged in money laundering, tax evasion or other crimes.

"Although the vast majority of companies formed in the U.S. serve legitimate commercial purposes, they are attractive vehicles for those seeking to launder money, evade taxes or finance terrorism," said Sen. Norm Coleman, Minnesota Republican and subcommittee chairman.

"Without company ownership information, it is often difficult and at times impossible for U.S. law enforcement to identify and prosecute the criminals behind U.S. shell companies that are engaged in illicit activities," Mr. Coleman said.

The Government Accountability Office reported earlier this year that none of the 50 states routinely require applicants to disclose who will own a corporation and most states do not require ownership information for a new limited liability company. The report said the absence of ownership information allowed people to conceal their identities while operating as U.S. companies.

Sen. Carl Levin of Michigan, the committee's ranking Democrat, said many states compete with each other to sign up new businesses -- offering the service for a median fee of $100. For example, he said, Nevada boasts that it can set up a legitimate company within an hour.

Mr. Levin said the United States was home to 12 million companies in 2004, including 9 million corporations and 3.8 million limited-liability corporations.

In that year alone, he said, the 50 states incorporated more than 1.9 million new businesses. He called on the Justice Department to come up with the "proper corrections" to end what he called a "problem that has been with us for more than two decades."

Mr. Levin said a person who wants to set up a U.S. company typically provides less information than is required to open a bank account or get a driver's license.

In most cases, he said, they do not have to provide the name or address of a single owner of the new company.

Shell Companies Proliferate In U.S. (AP)

By Marcy Gordon, The Associated Press

AP, November 15, 2006

WASHINGTON - Some $15 million in international aid for improving the safety of nuclear power plants in the former Soviet Union was diverted. Shell companies in the United States are used to launder as much as $36 billion from former Soviet republics. Millions in taxable income are hidden in bank accounts in the Caribbean.

All because, congressional investigators say, U.S. states grant incorporation to nearly 2 million new companies a year without identifying their owners -- lenience that allows people to hide their identities and shell companies to launder money, evade taxes or finance terrorism.

Officials of the U.S. Justice Department, the Internal Revenue Service and a financial crimes division of the Treasury Department told Congress at a hearing Tuesday that their agencies' law enforcement efforts have been hampered by the absence of information on company ownership. Shell companies exist mainly on paper and lack real operations. The use of shell companies incorporated in the United States for illicit activities is rising, the officials say.

A report by the Government Accountability Office, Congress' investigative arm, found that none of the 50 states customarily requires disclosure of the owners of companies that are not publicly traded. Other countries do require ownership information to be provided, lawmakers say.

The investigative panel of the Senate Homeland Security and Governmental Affairs Committee is examining the issue.

"Criminals seeking to launder money, evade taxes or commit other crimes want to cloak their actions in secrecy," Sen. Carl Levin of Michigan, the panel's senior Democrat, said. "And right now, that's exactly what they get when they establish a U.S. shell company."

Among examples cited by the GAO report:

Officials of U.S. Immigration and Customs Enforcement reported that a Nevada-based company received more than 3,700 suspicious wire transfers totaling $81 million over two years, but the case wasn't prosecuted because the agency could not identify the company's owners.

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The Justice Department said Russian officials used shell companies incorporated in Pennsylvania and Delaware to illegally divert $15 million in international aid intended for improving the safety of nuclear power plants in the former Soviet Union.

The FBI found that U.S. shell companies are being used to launder as much as $36 billion coming from the former Soviet Union.

San Diego Avoids Fine In Settlement With SEC (AP)

By Elliot Spagat, AP Business Writer

AP, November 15, 2006

The U.S. Securities and Exchange Commission on Tuesday ordered San Diego to hire an independent financial consultant for three years but stopped short of levying fines to punish the nation's eighth-largest city for failing to disclose financial obligations when it sold bonds.

San Diego also agreed to avoid future violations of securities laws. The SEC did not sanction current or former officials but said it will continue to investigate "individuals and other entities that may have violated the federal securities laws."

The SEC and Justice Department began investigating San Diego in February 2004 after the city admitted errors and omissions in its financial statements. The federal probes triggered tumult at City Hall that culminated in the mayor's resignation.

The city made "misleading statements" in five bond offerings in 2002 and 2003 that raised $260 million from investors, the SEC said.

According to the SEC, the city failed to disclose that its unfunded pension liability - the gap between the value of its pension assets and its obligation to retirees - would balloon to $2 billion by 2009 from $284 million in 2002. The city also failed to tell potential investors it carried a $1.1 billion liability for retiree health care.

"The city's enormous pension and retiree health liabilities and failure to disclose those liabilities placed the city in serious financial straits," the SEC said in its 22-page order.

Mayor Jerry Sanders, a former police chief who was elected last year, said the settlement "marks a major milestone in San Diego's emergence from the financial wilderness."

City Attorney Michael Aguirre, who helped broker the settlement, said the SEC correctly avoided a stiffer penalty because taxpayers suffered just as much as bond investors.

San Diego's ability to borrow money has been crippled since the scandal turned the city into a Wall Street pariah. The city still must complete overdue financial audits dating back to 2003 before it can tap financial markets. Sanders said he expected to finish those audits soon and return to bond markets next year.

Michael Conger, an attorney who successfully sued the city in 2003 on behalf of retirees, said the SEC let San Diego off the hook - and appropriately so.

"The SEC is saying we appreciate what you've done so far, don't do it again, and we're going to put you on three years' probation," Conger said. "Now let's look at the individuals."

The SEC said city officials who worked on the misleading financial documents were aware of San Diego's liabilities and "acted recklessly" by failing to disclose them. It commended the city for replacing key employees and its auditor and characterized Mayor Dick Murphy's resignation last year as a step toward recovery.

Five former city and pension fund officials were charged with federal fraud and conspiracy in January. Conger said he suspected the SEC would urge the Justice Department to pursue additional charges against people who signed misleading documents.

Randall Lee, director of the SEC's Pacific region, declined to identify any individuals under investigation.

San Diego's problems began in 1980, when the city began spending above-average returns on its pension investments to give annual bonus checks to retirees. The city decided in 1996 and again in 2002 to avoid payments to the pension fund but at the same time enhanced retirement benefits.

Its unfunded pension liability currently stands at $1.43 billion.

Analyst At Centre Of Fraud Suit Arrested (FT)

By Ben White

Financial Times, November 15, 2006

The alleged operative at the centre of a high-profile civil lawsuit against a group of powerful hedge funds has been arrested in New York on a wire fraud charge.

Spyro Contogouris was taken into custody on Monday on charges that he stole more than $5m from a former employer, the US Attorney for the Southern District of New York said on Tuesday.

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The charge is unrelated to the private $5bn lawsuit filed by Canadian insurance group Fairfax Financial against Mr Contogouris and a group of hedge funds including Exis Capital and SAC Capital Management, the $10bn fund run by billionaire Steven Cohen.

However, the US Attorney's office said its investigation into Mr Contogouris is continuing. And the charges may bolster the lawsuit filed by Canadian insurance group Fairfax Financial.

An attorney for Mr Contogouris declined to comment as did attorneys for Exis and SAC.

In the lawsuit, Fairfax claims Mr Contogouris and the hedge funds conspired to generate bogus analyst reports critical of the company, sent threatening letters to Prem Watsa, Fairfax chief executive, and his friends and family, tried to intimidate employees into providing sensitive inside information and attempted to plant negative news stories about the company.

The hedge funds and Mr Contogouris have denied the allegations.

Fairfax has seen its shares rise more than 40 per cent since the lawsuit was filed. People close to the company say the rise is due at least in part to a stoppage in the alleged dirty tricks.

Mr Contogouris has said he was working for the FBI on a probe into Fairfax. The FBI declined to comment on that assertion.

Scandal-tainted Tyco Name To Live On (FT)

By Francesco Guerrera And Christopher Bowe In New York

Financial Times, November 15, 2006

The scandal-tainted Tyco name will survive the company's planned break-up, following the decision by Tyco Electronics, one of US conglomerate's three main units, to retain the brand despite its association with recent corporate excesses.

The surprising move comes after Tyco Electronics concluded that the value placed on the name by customers and employees was more powerful than the memory of Dennis Kozlowski, the former head of Tyco who has been convicted of looting the company.

The decision - to be announced on Wednesday - runs counter to recent trends that have seen companies such as Phillip Morris and British Petroleum change names and logos, often at great expense, in an effort to refresh their image and break with the past.

Tyco International, the group's main division which sells fire and security systems, is also expected to retain its name after the conglomerate splits into three next year, leaving the healthcare business as the only one seeking a new name.

Mr Kozlowski's actions earned Tyco a place in the unholy trinity of companies that exemplified the US corporate scandals of the late 1990s alongside Enron and WolrdCom, at least in the eye of the press and the investing public.

Tyco has tried to resist this perception, pointing out that, unlike the other two companies, the $40bn-a-year conglomerate stayed in business and made a fresh start under new management.

The decision by Tyco Electronics, which has revenues of about $13bn a year from selling electronic components, to change its logo but not its name came after it asked an independent research company to canvass more than 10,000 employees and over 1,000 customers across the globe.

"I joined Tyco Electronics in January and if you'd asked me then I would have said there was a high chance of a change in name," said Tom Lynch, Tyco Electronics' chief executive. "But employees and customers told us that the value of the brand was much more than any of the things that went on".

The company said the perception of a scandal-tainted company was predominantly a US one and that employees and customers in the rest of the world, which accounts for the majority of Tyco Electronics' business, liked the brand.

The move by Tyco's new management, which conducted most of the brand analysis in-house, could also mark a swing in the balance of power on image matters away from outside consultants and towards corporate executives.

However, brand experts said that, in general, companies with a troubled past should grasp the chance to start with a clean slate.

"Brand awareness and customers' liking of a name make a very small contribution to customers' engagement and loyalty," said Robert Passikoff , president of New York-based Brand Keys. "The name may be known but it is known for a reason".

By keeping the Tyco name on the electronics unit, the group has preserved the company's connection with its roots. Tyco Laboratores was incorporated in 1962 and some of its earliest work was in electronics. For almost 30 years Tyco remained a relatively small unknown company in New Hampshire, until Mr Kozlowski became chief executive in 1992 and perhaps sullied the name forever.

He and Mark Swartz, his chief financial officer, were convicted in 2005 for theft and fraudulent gains of more than $600m. They are serving at least eight years in prison and must pay about $240m in restitution.

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Known as “deal-a-day Dennis,” Mr Kozlowski grew Tyco from its roots and $2bn in sales in 1990 to a conglomerate with $36bn in 2002, when he was indicted by New York City prosecutors for fraud and theft.

CRIMINAL LAW:

Abramoff Is To Begin Sentence Today (WP)

By Susan Schmidt, Washington Post Staff Writer

The Washington Post, November 15, 2006

Jack Abramoff, the former lobbyist blamed for a corruption scandal that contributed to the Republican loss of Congress last week, is scheduled to report to federal prison today.

Abramoff, 47, will begin serving a sentence of five years and 10 months at a minimum-security prison camp in Cumberland, Md., for defrauding banks of $23 million in his purchase of a Florida casino cruise line six years ago.

Abramoff has also pleaded guilty in Washington to fraud, tax evasion and conspiracy to bribe public officials. He is to be sentenced in that case next year, after he completes his cooperation with the Justice Department's wide-ranging investigation of his dealings with officials in Congress and executive-branch agencies.

Once a powerhouse in the Republican effort to dominate K Street, Abramoff has become a symbol of lobbying greed and excess. Eight people have been convicted or have pleaded guilty in connection with his schemes, including former Ohio representative Robert W. Ney.

Abramoff could receive a prison term of more than nine years on the Washington conviction, but prosecutors are expected to recommend a lower sentence based on what they have said is his substantial assistance in the ongoing probe. They have also agreed to recommend that the sentences from the Washington and Miami cases be served concurrently.

People involved in the case who spoke on the condition of anonymity said that Abramoff was to be sent to Cumberland. The federal Bureau of Prisons declined to comment. The Cumberland facility contains a medium-security prison and a minimum-security prison camp, where 320 inmates with sentences of less than 10 years live in dormitories. Most inmates at the Cumberland facilities have been convicted of drug charges, according to the Bureau of Prisons.

White House political adviser Karl Rove has blamed the Republican defeat at the polls last week on the Abramoff scandal and other ethics allegations involving members of Congress. Rove said that of the 28 House seats Republicans lost, 10 were lost because of ethics scandals and six were lost because incumbents did not react quickly enough to the issue. The October congressional page scandal involving Republican congressman Mark Foley of Florida "revived all the stuff about Abramoff and added to it," Rove told The Washington Post in a recent interview.

Andrew Blum, a spokesman for Abramoff's lawyers, declined to discuss prison arrangements. "We are still working on the logistics of the Miami sentence and cannot provide any additional comment other than that," Blum said.

Abramoff's business partner in the Florida cruise line purchase, Adam Kidan, received the same sentence and reported to prison in New Jersey last month. He is expected to testify as a government witness early next year in the Florida state trial of three men accused in connection with the gangland-style murder of the man who sold them the cruise line, SunCruz Casinos.

Abramoff and Kidan admitted to conspiracy and wire fraud in preparing a counterfeit $23 million wire transfer to fraudulently obtain a $60 million loan.

Abramoff To Enter Prison (AP)

Associated Press

AP, November 15, 2006

Prosecutors say having star witness behind bars hurts corruption case

WASHINGTON – Jack Abramoff, the lobbyist known for lavishing politicians with football tickets or whisking them away on exotic golf junkets, takes on a new identity on Wednesday: federal inmate No. 27593-112.

Mr. Abramoff is to report to federal prison to begin serving a nearly six-year sentence for a fraudulent deal to buy a fleet of casino ships in Florida. He also is awaiting sentencing for corrupting government officials and their staff members.

If it were up to the Justice Department, Mr. Abramoff wouldn't be heading to prison – at least not yet. He could hold the key to a sweeping corruption case involving Congress and members of the Bush administration and their aides. And prosecutors said putting their star witness behind bars would impede the investigation.

But a federal judge in Miami refused to delay the sentence, meaning Mr. Abramoff's cooperation will have to continue from prison. Mr. Abramoff's lawyers had no comment.

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Mr. Abramoff was originally assigned to a federal prison in Pennsylvania about four hours from Washington. Prosecutors wanted him assigned to a prison in Cumberland, Md., about two hours away.

The Justice Department said the issue has been resolved and, though the Bureau of Prisons will not comment on where Mr. Abramoff will report, prison officials began making preparation for a crush of reporters outside the Cumberland prison.

Mr. Abramoff enjoyed access and influence across Capitol Hill, from his close ties to congressmen to his hundreds of contacts with White House officials. He kept his powerful friends flush with campaign cash, gifts and trips such as a $92,000 chartered jet to Scotland for a golf outing with Rep. Bob Ney, Bush administration official David Safavian and congressional aides.

Mr. Ney was convicted in the case when he admitted last month that he took official actions on behalf of Mr. Abramoff's clients in exchange for his gifts and campaign donations. Mr. Safavian was sentenced in October to 18 months in prison for lying to investigators about his ties to Mr. Abramoff.

The investigation had already ensnared Mr. Ney's former chief of staff and two aides to former House Majority Leader Tom DeLay.

Abramoff Set To Start Prison Term (NYT)

By Philip Shenon

The New York Times, November 15, 2006

WASHINGTON, Nov. 14 — Jack Abramoff, the former lobbyist at the center of a major influence-peddling scandal, is scheduled to enter prison on Wednesday, over the protests of prosecutors who wanted him to remain free to cooperate in an investigation that has threatened to implicate several members of Congress.

Mr. Abramoff was sentenced in March to five years and 10 months after pleading guilty in Miami to fraud charges involving his purchase of a gambling cruise-ship line.

He is still awaiting sentencing in Washington on charges that he conspired to provide illegal gifts to lawmakers, including former Representative Bob Ney, Republican of Ohio. Mr. Ney is also facing prison after pleading guilty to corruption.

People with knowledge of the case, speaking on condition of anonymity, said Mr. Abramoff was expected to serve most of his sentence at a federal prison in Cumberland, Md., about 140 miles from Washington, which would allow prosecutors to continue their debriefings of him.

The Justice Department had wanted to delay Mr. Abramoff's confinement for at least several months, but Judge Paul Huck of Federal District Court refused.

Federal prosecutors say that the investigation of Mr. Abramoff's lobbying operation is far from over and that, since his plea bargain was announced last January, he has provided valuable evidence of potential wrongdoing by public officials.

Prosecutors have not identified other targets of the investigation. But the inquiry has created alarm on Capitol Hill and was a factor in the defeat in last week's elections of at least three Republican lawmakers who were portrayed by their Democratic opponents as close to Mr. Abramoff.

Mr. Ney is scheduled to be sentenced in January after acknowledging that he had accepted illegal gifts from Mr. Abramoff and his partners.

A former White House budget official, David Safavian, was sentenced last month to 18 months in prison for lying to federal investigators about his knowledge of Mr. Abramoff's lobbying work and the circumstances of the golfing trip. </NYT_TEXT>

Abramoff Reports To Prison Tomorrow; Offers Testimony On Democratic Senators (ABC)

By Brian Ross And Rhonda Schwartz

ABCNews, November 15, 2006

Convicted lobbyist Jack Abramoff is scheduled to report to federal prison tomorrow, over the objections of federal prosecutors who say they still need his help to pursue leads on officials he allegedly bribed.

Sources close to the investigation say Abramoff has provided information on his dealings with and campaign contributions and gifts to "dozens of members of Congress and staff," including what Abramoff has reportedly described as "six to eight seriously corrupt Democratic senators."

The sources say Abramoff was about to provide information about Bush administration officials, including Karl Rove, "accepting things of value" from Abramoff.

THE BLOTTER RECOMMENDS

Follow the Bouncing Bribe Scandal: Keeping Tabs on the Abramoff Lobbying Investigation

Photos See Who Went on One of Abramoff's Trips to Scotland

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DOJ_NMG_0094700

Rove has denied any wrongdoing in his dealings with Abramoff. But the lobbyist visited the White House at least seven times, according to Secret Service logs obtained by Judicial Watch.

Abramoff has been meeting almost daily in secret locations around Washington with Justice Department investigators who are examining thousands of e-mails and documents, according to sources close to the investigation. The convicted lobbyist was spotted in downtown Washington, D.C., yesterday, carrying a computer laptop case.

But the prosecutors' easy access to Abramoff has now ended.

After granting several delays, the federal judge in Florida, who sentenced Abramoff to six years for fraud in a casino boat gambling scheme, has ordered him to report to prison tomorrow.

ABC News has learned that the court has granted a request from prosecutors that Abramoff be incarcerated at the closest prison to Washington, D.C., the Federal Correction Institute in Cumberland, Md., where Abramoff is expected to report tomorrow.

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November 14, 2006 in Abramoff Lobbying Scandal | Permalink | User Comments (77)

User Comments

There are 37,000 lobbyist working in Washington D.C. they earn on average over 200k a year. Nancy Pelosi stated she was going to "drain the swamp" I have news for her. When you start draining the water, you are going to find things in the mud that you thought were long discarded. Some of these bad things were thrown in by the Republican's and other's were thrown in by the Democrat's. Good luck there, Nancy.

Posted by: mike jones | Nov 14, 2006 4:38:41 PM

i hope the dems finally correct the illegal activities at the marianas island

Posted by: la | Nov 14, 2006 4:52:18 PM

Pure B.S. If anything access to Abramoff ought to be easier if he's in prison!

Posted by: pesfb | Nov 14, 2006 4:53:47 PM

If Abramoff pulls down 40-50% of Congress I say he deserves a full pardon and a Medal of Freedom.

Posted by: Karl | Nov 14, 2006 4:55:37 PM

Name the names and let's investigate. Regardless of party, the guilty must lose their government jobs.

Posted by: steve | Nov 14, 2006 5:03:54 PM

Just what this country needs at a time when Iraq is turning from worse to worst.

These people, Democrats or Republicans should come out clean and quit Congress! I would love to hear the names of these Senators.

While I am a Democrat, this act is inexcusable.

Posted by: Dhwani | Nov 14, 2006 5:04:34 PM

like the peeling of an smelly stinky onion, the more you peel the stronger the stink, the more the smell penetrates your senses until you cannot deal with it anymore. Politics is the onion and corrupt politicians are the layers. each layer/politician is as corrupt as the next. and these are the people that are in power run our country....you all should be ashamed of yourselves....smiley glad hands...it's that hand they offer out to people that is stabbing the moral fiber of america

Posted by: wiz | Nov 14, 2006 5:10:59 PM

Just you wait. It will be interesting to see how many of the Congress have dirty hands.

They all belong in jail next to Abramoff.

Posted by: skirtlehid | Nov 14, 2006 5:14:46 PM

hey....is that george costanza

Posted by: beetle | Nov 14, 2006 5:17:13 PM

FULL DISCLOSURE Rep or Dem. Root out the bums and put them in prison too. Have you ever noticed that 99% of the time the briber goes to jail while the corrupt politician goes scott free?! Bummer

Posted by: W.L. | Nov 14, 2006 5:19:14 PM

DOZENS of members of Congress? Amazing.

I think we, Americans should accept the fact that corruption cannot be stopped. Forget about this and talk about Iraq. The situation there is worse than Iraq.

Posted by: Dhwani | Nov 14, 2006 5:24:00 PM

I'm just wondering why someone who was so deep in with the republicans would have been bribing Dems too. I'm not saying it didn't happen, but it seems very convenient that after all this time, all these months (after the dems won new 6 senate seats) we're just now hearing that well, lo and behold there are 5-6 dirty dems. I'm just wondering, since Karl Rove couldn't fix the elections, maybe he found a way to fix the after effects.

Posted by: Doubtful | Nov 14, 2006 5:24:02 PM

Is anyone even remotely surprised that Democrats are just as crooked as their Republican counterparts? It has gotten to the point where the only thing a moderate voter can do is vote for term limits or vote against the incumbant - regardless of party affiliation. The longer they stay in power, the more corrupt they become. At least we can limit the damage by voting them out of office as soon as possible.

Posted by: Gary | Nov 14, 2006 5:24:45 PM

It isn't that interesting at all. Abramoff has been saying all along that democrats took bribes. In fact, Harry Reid took an enormous amount of money from him.

Posted by: truth | Nov 14, 2006 5:32:56 PM

Despite his wrong doings he was 'playing the game' and if he names names and pull them down, give him a medal! We pull stings for street criminals...lets get these fatcats up in DC!!!

Posted by: Bill | Nov 14, 2006 5:33:32 PM

Unfortunately, congress has no intention of policing its own ranks. Never has - never will. The only time this sort of stuff comes to the forefront is election season and the election is over.

When Ted Stevens made the threat of retirement if he didn't get his bridge to nowhere, the so-called honest gop members should have stood shoulder to shoulder and told him not to let the door hit him in the ass.

That told the whole story. These people have corruption in their dna. The only way to fix this is a total and complete housecleaning - including aides and staffers. Then start over. With draconian corruption statutes - enforced. As in: You get caught - you go to jail. You cover for a bud - you go to jail. Zero tolerance vs zero accountability.

Fat chance.

Until then, vote for the liar that promises you what you want to hear.

Posted by: george | Nov 14, 2006 5:35:07 PM

Just curious: Where was this story two weeks ago, before the elections?

Posted by: Ricky Sims | Nov 14, 2006 5:37:20 PM

Ben Franklin once said, "America will get the sort of government it deserves."

We Americans need to spend more time overseeing (and prosecuting) our elected officials and much less time amusing ourselves with brainless entertainment.

Posted by: Bob | Nov 14, 2006 5:38:09 PM

we all knew the "culture of corruption" was hypocritical. Know it time for the liberals to get tortured by the minority party for a few years.

Posted by: Daniel Gray | Nov 14, 2006 5:38:42 PM

I love how some people are still trying to pin something on Rove. "Something of value"? THat doesn't matter. What does matter, is can they prove a link?

Does it occur to any of you that the reason he was more in bed with Republicans was because THEY WERE IN CHARGE? And he was in bed with some powerful Dems because they could block some things from committees and to hedge his bets.

If any are found guilty of taking bribes, they should be excommunicated from Congress. But any of you who think that just because of the numbers that the Republicans are any more corrupt are just deluding yourself. Let's see the corruption in the next 2 years. BOTH parties have corrupt individuals. Witness Jefferson from Louisiana with $97K in his freezer.

Posted by: Robert Nunemaker | Nov 14, 2006 5:39:17 PM

Something really needs to be done

in order to bring morality and

justice back to government. The people are suffering from this type of behavior. The laws are changed in the interest of self-serving politicians under the watchful eye of lobbyists. Lobbyists who serve the interests of Major Insurance Companies,Health Insurance Companies,and who knows what else."We the People" need to find a solution to dishonesty and corruption in the U.S.Government.

Thank You

Richard

Posted by: Richard Frank | Nov 14, 2006 5:43:12 PM

Having read all the posts here, the general feeling seems to be, "damn the party! Find the accused, try and judge, punish if found guilty."

Hear, hear! No effort is too much!

Throw the bums out!

Posted by: Jim D | Nov 14, 2006 5:44:28 PM

we all knew the "culture of corruption" was hypocritical. Know it time for the liberals to get tortured by the minority party for a few years.

Posted by: Daniel Gray | Nov 14, 2006 5:45:19 PM

I think the guilty should lose both their goverment job and the salary that we continue to pay them even when they quit or are found guilty.

Posted by: Vicky | Nov 14, 2006 5:47:48 PM

And now you know why Kathryn Harris and Ned Lamont spent over 20 Million of their own money to get elected to a job that pays just $165k a year. It's all about the power, prestige, and contacts. Follow the money!!!!!!

Posted by: mike jones | Nov 14, 2006 5:50:18 PM

Got to admit, the guy always looks cool.

Posted by: Dave | Nov 14, 2006 5:50:40 PM

I recall an article about a few weeks ago about "corrupt Republicans" who resigned and are still getting a pension check and yet we had their names! Where's the names of the corrupt Democrats?! Just like the biased mainstream media! Hide the truth and tell the lies! Create untruthful problems and the have Democrats provide cheap solutions!

Posted by: Mr Twister | Nov 14, 2006 5:53:12 PM

Without any names this report is worthless, it is just like saying everyone is dirty, so what.

Posted by: Matt | Nov 14, 2006 5:53:37 PM

Too much time is wasted year after year trying to deal with the corruption in D.C. Build some barracks for their living quarters, give them a desk and room dividers, put them on a budget, do background checks before they are allowed to run, set up rules of behavior, set their hours for them, disallow access from lobbyists, and take them ALL on a tour of the worst federal prisons in the area. Isn't it time the citizens took some control over this silliness? If they insist on acting like irresponsible children, treat them as such.

Posted by: Paul | Nov 14, 2006 5:56:53 PM

Huh, nary a word mentioning corrupt Republicans, only Dems. It would seem that ABC would have you believe that Abramoff is a Democrat problem, which is obviously laughable on it's face. Abramoff was a loyal Republican, working for DeLay and the Republican establishment- make no mistake about it. Republicans are way more tied up in this mess, as any competent investigator will show.

Not to excuse the Dems- if they're corrupt, toss 'em ALL out, D or R. And NO, I DON'T accept corruption as "just the way it is", thanks VERY much, and neither should you Dawahni.

Posted by: CitJ | Nov 14, 2006 5:57:25 PM

Save yourselves a lot of pain and
anquish over our politicians and
the reality of life in Washington,
just forget about term limits, it
will never happen, just remember to limit their terms in office to
2 terms and vote them out regardless of whether you think their doing a good job....the lust
for money in their pockets will eventually color their thinking
so out they go. If they were doing
a good job, let them run again and
vote them in.Do so whether they are Republicans or Democrats in the House or Senate.
We created this "monster" need of
money and more money to get re-elected and the vultures out there
know it, so let's wake up and smell the coffee....the ballot box
is your only option.

Posted by: Donaldstony | Nov 14, 2006 5:58:00 PM

If a couple of Democratic Senators were indicted and convicted of bribery from the Abramoff scandal, do you think Harry Reid would push for their removal from the senate? Even, if it meant he would give his new postition as Majority leader in the Senate? This investigation is going nowhere. I would not be surprised in Abramoff found his "demise" by some con with a shank in the shower.

Posted by: mike jones | Nov 14, 2006 5:58:05 PM

Why the "Rush" to prison? I mean, if Abramoff can dish the goods on more corrupt politicians, why put him away where he won't be as effective? I think the next two years ought to be very interesting.....Dirty Harry, Big John Murtha and others.....Gotta love it.....and I was in a depressed state.....I just hope that Abramoff is not taken out while he is the big house.

Posted by: Timmy | Nov 14, 2006 6:01:00 PM

Abramoff has met with hundreds of people in Congress.Meeting with Abramoff by itself doesn't mean corruption, Dem or Rep. But if illegal gifts or bribery took place, the guilty parties should leave congress. We've got to be careful of a vindictive Abramoff who might lie to the FBI just to get less jail time.

Posted by: Harry Schwarz | Nov 14, 2006 6:01:54 PM

Why the "Rush" to prison? I mean, if Abramoff can dish the goods on more corrupt politicians, why put him away where he won't be as effective? I think the next two years ought to be very interesting.....Dirty Harry, Big John Murtha and others.....Gotta love it.....and I was in a depressed state.....I just hope that Abramoff is not taken out while he is the big house.

Posted by: Timmy | Nov 14, 2006 6:02:33 PM

I love Abramoff

Posted by: Matt | Nov 14, 2006 6:02:47 PM

ALL ELECTED PEOPLE MUST HAVE A BACKGROUND CHECK AND TAKE A LIE

DETECTOR TEST.

JOHANN DOHMANN

Posted by: JOHANN DOHMANN | Nov 14, 2006 6:03:26 PM

Why do you suppose they are so quick to send him to jail? He is not a flight risk and can help weed out the corruption. Could it be he said Democratic Senators?

Posted by: Big Dog | Nov 14, 2006 6:04:50 PM

Term Limits. 2 terms and OUT!

Posted by: jeff poplawski | Nov 14, 2006 6:06:51 PM

Guys, and Gals. Karl Rove is not the Boogey Man. He will be gone soon enough. When Jan 1'st rolls around Dem's will control the House and Senate. They will be in control and be responsible. They are driving the bus now. If they run someone over, they get the blame. Simple, but yet the truth.

Posted by: mike jones | Nov 14, 2006 6:07:53 PM

I hear George W. is working on a pardon for Abramoff as we speak. What do you think that would do for his polling numbers?.

Posted by: mike jones | Nov 14, 2006 6:09:09 PM

Six Democratic Senators? Hmmm, same number of seats won? Coincidence? If true, let the chips fall where they may, but let's see the facts before we buy anything Abramoff tries to sells us. Known and convicted liars don't make reliable sources.

Posted by: BlueDog | Nov 14, 2006 6:09:21 PM

Folks can't we see that we have been dealt every scam known to man from our politicians! My fellow Americans we don't work for this Government, they work for us, it's time we take back what is rightly ours, and that's this Soverign Nation. "For The People, By The People. Period.

Posted by: Andrew King | Nov 14, 2006 6:09:42 PM

i am not a politician. i am an average American. funny how we assume politicians are all corrupt. guess what? they are people first just like the rest of us. it is not the occupation that dictates who they are. it is their character that matters. just like the way the big oil companies are criticized...as if they are these giant aliens of another being. they are corporations run by people...people just like us. Quit judging broadly your fellow Americans. If you are an honest good citizen then chances are most politicians are too.

Posted by: Lisa | Nov 14, 2006 6:10:49 PM

Term limits are needed; they'll help the keep the corruption down on both sides.

Sorry if we "lose" some good leaders, but that's the price we must pay to "try" to keep our government clean.

Down with all bribe takers and givers.

Posted by: CPMJohin | Nov 14, 2006 6:11:40 PM

Why do we just keep hearing accusations of democrats being involved but no one ever names them?

I don't believe this is bi-partisan at all. If there were democrats involved we'd know their names like we do with the Republicans. Its easy to say democrats were involved but it doesn't seem so easy to say exactly who they are.

Posted by: esther clark | Nov 14, 2006 6:12:16 PM

You think this is bs? You haven't seen it all yet. And realize there is more to come. When you finally do "get it", it will leave you shaking your heads. Ladies and gentlemen, it is going to be too late to do anything about it, even if you could do something.

Posted by: wbva | Nov 14, 2006 6:20:24 PM

Think about it, Doubtful: Abramoff "rewarded" Republicans; in most cases, they already agreed with him. But he "bribed" Democrats, who otherwise (presumably) would have opposed what he was selling. If you paid careful attention, the names of

potential Democrat targets have been in the news. Their names have been downplayed by the media going into the election. But, watch: There will be at least three Democrat Senators whose "crimes" will match the ones that defeated Conrad Burns.

Posted by: John | Nov 14, 2006 6:21:29 PM

Look at Abramoff's staff. Some of Reid's top guys worked for Abramoff. The guy knew the system, and he played both sides. I'm betting at least two-three democratic senators are at least in as much hot water as Congressman Ney.

Posted by: wizbang | Nov 14, 2006 6:22:37 PM

Jack Abramoff has admitted in the past that he did not pay much attention to Democrats. Why should he have? The Democrats were not in power and could do nothing to help enrich him or his clients.

Someone has leaked this phony story for obvious reasons. Six to eight Democratic Senators? Give me a break. If there are corrupt Democratic Senators, please provide the evidence.

Posted by: carollt | Nov 14, 2006 6:22:52 PM

It's not Costanza it's George Micheal!

Posted by: KFedUp | Nov 14, 2006 6:23:22 PM

If five or six democrats are being implicated, how many republicans are being implicated? 208? Sounds about right to me.

An election is just a changing of the guard. The question is, what are they guarding, or who?

It sure don't seem to be the people.

Posted by: a | Nov 14, 2006 6:32:23 PM

DOUBTFUL, I think you have it backwards.I think the fact that the left-leaning media did not report this until after the election is the outrage. BTW, I agree that ALL of these crooks, Rep or Dem need to go to jail if convicted.

Posted by: LABDUDE2 | Nov 14, 2006 6:34:36 PM

Well of course there are corrupt Democratic lawmakers! There always will be crooks on both sides of the aisle until we clean up the campaign finance laws and get rid of lobbyists' expense accounts.

Posted by: Marya | Nov 14, 2006 6:36:14 PM

My goodness, Democrats took bribes too?! Shocking. NOT.

They're all politicians. It is in the nature of what they do that they must lie and be dirty dealing behind the scenes in order to accomplish anything. The only way out is to find some way to structure our elections in a way that money is not a factor. If you don't have to raise money, you're not beholden to any donor of funds, lobby group, industry, union, eco group, or anyone else. You're only obligated to those you represent.

Unfortunately I don't think I've yet heard a good idea of how to go about getting to the point where you don't have to be rich or bent over taking cash in order to get into office.

Posted by: AVoter | Nov 14, 2006 6:40:22 PM

Of course Abramoff had to bribe Democrats. In fact, he probably had to bribe more Dems than Repubs. Since he was a Republican, most Repubs would be inclined to agree with his agenda and would not need to be bribed to go along with him. Democrats, on the other hand, would be opposed to what he wanted and would have to be bribed to go along.

Posted by: Roland | Nov 14, 2006 6:41:55 PM

Corrupt politicans abound.

Posted by: Phil | Nov 14, 2006 6:43:05 PM

C'mon folks - has one single Democrat been named during all the Abramoff investifations to date? Has one single Democrat gotten into Abramoff's K Street Project? Has anyone credible come forward with a specific name? This is just another of Mark Helperin's dumb attempts to prove to O'Really and Limpbough that he's one of them. Call me when you've got some true info. Until then, zzzzzzzz.

Posted by: ignoreland | Nov 14, 2006 6:44:36 PM

I always think it is funny when one party thinks they are better than the other. I think it is s shame the ones candor does not apply to politician yet they drag our soldiers through the mud whenever they get a chance. Murtha - the fat one - should be tried for supporting the Terrorist.

Posted by: david | Nov 14, 2006 6:47:51 PM

If you think that these Dems are going to make anything better you need your head examined. Unfortunately we've gone from bad to worse.

Posted by: Peter | Nov 14, 2006 6:49:44 PM

"Doubtful" doesn't even begin to cut it, Doubtful.

Bran Ross is a fool to have been to have been gulled like this. I've read hundreds and hundreds of pages of the Abramoff documents and there's only one Dem Senator even indirectly referenced, and he retired in '04. John Breaux of Louisiana, not

surprisingly, and even that's merely a weak inference because one of the few Dems on Abramoff's "team" was a former senior Breaux staffer.

The Abramoff folks went out of their way NOT to involve Democrats.

Posted by: jfxgillis | Nov 14, 2006 6:55:01 PM

This is definitely George Costanza! Sorry to say but he most likely will wake up one day dead or with massive heart attack (think Ken Lay - he gave a lot to both parties)

Posted by: Alex | Nov 14, 2006 6:55:33 PM

Let's get all the cards on the table. This centrist independent would love to see the lights come on in the kitchen quick before all of the roaches scatter and hide!

Posted by: Tom Vaitys | Nov 14, 2006 6:59:47 PM

Congress plays one big on-going game of "Let's Make A Deal" and as Sting once said the politicians are like game show hosts. Republicans and Democrats alike are corrupt as hell, and the damage they are doing to this country is incalculable. We already knew many of them are whores, now let's find out how much they sold themselves for.

Posted by: Terry | Nov 14, 2006 7:00:23 PM

It's easy to blame congress so we don't have to take a look at our part in it. We can stop the corruption any time we want by just voting and changing our spending patterns.

just_vote

Posted by: just_vote | Nov 14, 2006 7:01:56 PM

How about making punishment of corrupt lawmakers harder than the drug dealers, that is the entire properties of the corrupt official is sucked in by the IRS/FBI, including that owned by his/her immediate family. Because this is the wealth for which made him/her betray their voters. Simple and effective.

Posted by: abc wxyz | Nov 14, 2006 7:07:28 PM

The only thing that will make things better is a global catastrophy. Wipe the slate clean and start over... oh yea!

Posted by: michael | Nov 14, 2006 7:08:58 PM

Several Democrats in Congress are known to have accepted significant campaign contributions from entities associated with Abramoff. However Abramoff has been sentenced by a Florida state court so he would normally go to a Florida prison, which he almost certainly wants to avoid. If federal investigators can get Abramoff assigned to a federal prison instead, perhaps he will keep talking.

The recent exit polls where corruption was listed a top issue by voters must be encouraging to federal prosecutors, who are apparently in a public corruption unit where Attorney General Gonzalez has been unable to protect Congressional Republicans.

Posted by: Chris Baker | Nov 14, 2006 7:11:55 PM

First, we ought to congratulate Mr.Ross and Ms Schwartz for impartiality. Too many times The Blotter has been accused of siding with the Democrats or the other way around.

Second, the posters so far have stayed off the partisan path-- only one has expressed some doubt as to the timing of Abramoff's disclosure and it is not hard to see why. But the fact that the vast majority here is for the need to clean up, regardless of political make up of the cesspool, deserves yet another slap on the back.

Third, my own opinion is that the corruption has to be stopped. The best way to do it is by a non partisan approach, indeed.

And let the chips fall as they may!

If America ever needed a united front, this is it. The next will come so much easier. Be it sorting the mess in Iraq or real fight against the other common enemy which is terrorism, or the urgently needed change in foreign policy, the start of cleaning up the American government is the right priority if all the other problems are to have a chance to be solved.

Posted by: Verbatim | Nov 14, 2006 7:13:15 PM

Isn't Lorton closer than Cumberland?

Posted by: Patriot | Nov 14, 2006 7:14:57 PM

Exactly right Gary. I stopped being an "either or" kinda guy a long time ago. Vote against the incumbant every time and try to keep the opportunity for graft to a minimum. I can't believe anyone being niave enough to actually believe that either side is any cleaner than the other. Most of a professional politicians time is spent trying to find the dirt on the other side and getting re-elected. Meanwhile, we keep going down the tubes. I guess thousands of years of history as to what has happened to every other great world "superpower" of it's time has taught us nothing.

Posted by: Mark | Nov 14, 2006 7:17:22 PM

I don't care what side of the aisle these lowlifes come from.

If they took bribes they have a duty to this country to step aside.

Drain the swamp.

Posted by: Dee | Nov 14, 2006 7:20:42 PM

C'mon folks. He was trying to secure casino rights for Indian Reservations. This was not a Republican/Democrat issue. Dems are just as dirty. I love the comment about Karl Rove masterminding the timing here. Dems have just about attributed anything and everything to Rove. If Jesus makes his return tomorrow, the Dems will swear that Rove arranged it so that Nancy Pelosi wouldn't have a chance to be Speaker.

Posted by: John C. | Nov 14, 2006 7:20:58 PM

I really like the comment about Nancy Pelosi draining the swamp. Bad things live in swamps! and they bite when confronted!

Posted by: Anne Smith | Nov 14, 2006 7:22:56 PM

This DEM is glad to hear that possibly corrupt Dems will be exposed. Our party will be stronger by ridding ourselves of the corrupt swamp denizens.

Now is the time for Dems to be diligent in not letting Dems in power become corrupted. The biggest change after this election will be who the lobbyist target.

Posted by: Dan | Nov 14, 2006 7:25:21 PM

Perfect!! who better to get information from concerning the bad guys that need to be outed. Get that info from a covicted felon, of course!!

Posted by: JOE | Nov 14, 2006 7:25:30 PM

Dollarcracy has replaced democracy and is clearly a tremendous success, not only in the US but across the entire world.

Posted by: Jim | Nov 14, 2006 7:26:57 PM

University Urged To Take Ney's Name Off Building (USAT)

By Dennis Cauchon

USA Today, November 15, 2006

First, Bob Ney lost his job as a congressman. Now, he's on his way to losing another classic political honor — having a building named after him.

Ney, a six-term Republican from Ohio, will be sentenced Jan. 7 for his role in providing favors to disgraced lobbyist Jack Abramoff.

Ohio University has begun the process of removing Ney's name from the Robert W. Ney Center for Health and Physical Education at its campus in St. Clairsville, near the West Virginia border.

The building was named after Ney in 1997 because, as a state senator, he helped secure the $5.5 million in state funding to construct it.

The building has a 3,300-seat gymnasium, a fitness center, bookstore and cafeteria. It's the meeting place on the small campus of 600 commuter students.

“We haven't heard a lot of talk, but what we've heard supports removing the name,” says Charles Bird, the vice president in charge of the university's regional campuses.

On Monday, a university advisory council of local leaders, headed by a judge, urged removing Ney's name.

Bird says the recommendation will be given to the university trustees at their meeting Dec. 1. A call and an e-mail to Ney's attorney were not returned.

James Harris, who lost to Ney in the Republican primary in May, has one word for erasing Ney's name: “Good.”

“I have no interest in kicking someone who is down for the count, but on this small matter, taking his name down and moving forward is understandable,” Harris says. “His corruption undercut the Republican message of restraining government spending.”

However, the fallen congressman gets some sympathy from an unlikely source: Gregory DiDonato, whom Ney narrowly defeated in his first congressional race in 1994.

“I'd be cautious about taking away the legitimate credit someone earned, by removing a name. He played a major role in the project. Nothing can undo that,” says DiDonato, who later became a Democratic leader in the Ohio Senate.

If the trustees decide to remove Ney's name, the task won't take long. “We'll take the letters out of the masonry and fill the holes,” says Ohio University architect Richard Shultz. “A new name will probably go up some day.”

Federal Panel Begins Hearings On Curbing Prison Rape (AP)

By Don Thompson, Associated Press

AP, November 15, 2006

FOLSOM – Thomas Clinton says he and six of the other 10 homosexuals in his cell block were raped in prison.

DOJ_NMG_0094707

National prison officials and experts on Tuesday said they have no idea if the 36-year-old Los Angeles man's experience is typical. They are only now beginning studies to see how widespread sexual assault and consensual sex are behind bars.

Spurred by a 2003 federal law, the U.S. Department of Justice's new Review Panel on Prison Rape began two days of hearings Tuesday at California's Folsom Prison to learn what the country's largest state prison system is doing about the problem.

It is the start of a monthslong national effort to find how many prison inmates are victims of sexual assault and how to deter the attacks.

“We don't know to what extent the problem exists,” the federal rape panel's chairman, Steve McFarland, said in an interview.

Reports of assaults “may be just the tip of the iceberg. We haven't a clue,” said McFarland, who also directs the Justice Department's Task Force for Faith-Based and Community Initiatives.

Congress, in passing the federal rape law, cited estimates that 13 percent of inmates are assaulted nationwide. The federal Bureau of Justice Statistics, in a 1997 survey, put the incidence at less than 1 percent.

California legislative researchers found 4.4 percent of California inmates reported assaults in 2000, compared to 4 percent in Florida, 2.5 percent in Texas, 2.3 percent in New York and 1.7 percent in federal penitentiaries. But reporting methods vary so widely that the figures are useless, McFarland said.

For Clinton, the assaults began soon after he was sent to prison in California on a drug charge in October 2003.

“I was stabbed and cut because a skinhead wanted me to 'service' a lifer (inmate serving a life sentence) for some cigarettes,” Clinton said in an interview before testifying under oath Tuesday.

He said he was attacked with a knife after he refused to perform the sex act.

Clinton said he was later raped by another inmate in a shower at an inmate firefighters' camp near Susanville in November 2004.

“'Maybe you deserve to be raped because you choose to be homosexual in prison.' I was told that many times by guards,” said Clinton, who has since been released and is suing the California Department of Corrections and Rehabilitation in federal court in Sacramento over his treatment.

But McFarland said California is at the national forefront of prison rape prevention efforts. A 2005 state law requires a statistical study of sexual coercion, along with training programs, posters, brochures and videos to raise awareness of the problem.

The federal Bureau of Justice Statistics is starting its own scientific sampling of inmates nationwide in state and federal prisons, county and city jails and juvenile facilities.

The goal of the federal survey is to identify, by July, the best and worst facilities as far as the number of rapes, as well as consensual sex among inmates and between inmates and employees.

The federal review panel will then examine what the prisons and jails are doing right and wrong to prevent rapes and discourage consensual sex, and make recommendations to an eight-member National Prison Rape Elimination Act Commission, said McFarland.

The commission will then recommend rape prevention policies to prisons nationwide.

Two MS-13 Members Are Convicted Of Racketeering (WP)

By Ruben Castaneda

The Washington Post, November 15, 2006

In the first major victory for federal prosecutors in a sweeping legal assault on MS-13 in Maryland, a federal jury in Greenbelt yesterday convicted two members of the violent Latino street gang of criminal racketeering.

Edgar Alberto Ayala, known as "Pony," 29, and Oscar Ramos Velasquez, 21, known as "Casper," both Salvadoran immigrants, were found guilty of conspiracy to commit murder to further the racketeering enterprise.

The racketeering prosecution is part of an investigative and legal offensive begun by federal authorities last year against a gang that as recently as five years ago was little known outside law enforcement circles and the neighborhoods it operates in.

Locally, law enforcement officials have attributed dozens of homicides and nonfatal assaults in recent years to MS-13 members in suburban Maryland, Northern Virginia and, to a lesser extent, the District. Nationwide, federal officials have formed an MS-13 task force, which began operating last year out of FBI headquarters.

The jury's decision, reached during five days of deliberations, means that both men are eligible for a maximum possible sentence of life in prison without parole.

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The defendants were among 22 in Maryland charged more than a year ago under the Racketeer Influenced and Corrupt Organizations Act. The RICO indictment alleges that members of MS-13, a gang also known as Mara Salvatrucha, killed six people and attempted to kill four others between April 2003 and June 2005 in Prince George's and Montgomery counties.

Eight of the attacks were in Prince George's, and two were in Montgomery, in neighborhoods that hug the border between the counties. In addition, federal prosecutors presented evidence that Ayala participated in the fatal shooting of a Fairfax County teenager.

Ayala and Velasquez showed no emotion as the guilty verdicts were read.

Ayala's relatives and Gary A. Ticknor, his attorney, declined to comment. According to evidence presented by the government, Ayala was a leader of one of the local MS-13 cliques.

Velasquez's attorney, Richard C. Bittner, repeated a theme yesterday that he set forth in his opening and closing arguments -- that being a member of a violent gang does not make a person guilty of that group's actions.

"If the pope was in the Nazi youth, was he responsible for the Holocaust? No," Bittner said. "I haven't seen anyone say he [Velasquez] planned a murder, participated in a murder or was present when a murder occurred."

Maryland U.S. Attorney Rod J. Rosenstein said "chilling" evidence presented by federal prosecutors showed that MS-13 members live by the motto "kill, rape and control."

"We hope this conviction sends a message to them and their conspirators," Rosenstein said.

At least four onetime members of MS-13 testified for the government about the gang's inner workings and about attacks carried out by gang members.

One of the most important witnesses was Noe "Shorty" Cruz, a former MS-13 member who wore a wire to a handful of gang meetings and called his police handler to tip him off about planned attacks and the location of firearms in the homes of gang members.

Cruz agreed to become an informant after meeting with Prince George's police Detective Felipe Ordo?o, who is a member of a local-federal anti-gang task force. Cruz said he was disgruntled because the gang had killed one of his friends, who was also an MS-13 member, and because fellow gang members criticized him for not attending enough meetings.

For nearly three years, Cruz risked his life by gathering evidence against members, who, he testified, would have cut out his tongue and killed him if they had discovered his actions.

Cruz is now in the federal witness protection program and has been moved to another state. Rosenstein praised the work of county police in identifying gang members and persuading some to cooperate with the government. The investigation was led by agents with the federal Bureau of Alcohol, Tobacco, Firearms and Explosives.

Federal prosecutors presented evidence that MS-13, made up primarily of immigrants from El Salvador and other Latin American countries, is not just a typical street gang but an international criminal conspiracy.

For example, members in Maryland receive directions from MS-13 leaders in El Salvador, local MS-13 gang members pay dues at meetings, and some of that money is sent to gang leaders in El Salvador, according to government witnesses.

Before the trial began, three MS-13 gang members named in the indictment pleaded guilty to racketeering or related charges. Seventeen defendants await trial on racketeering charges.

U.S. District Judge Deborah K. Chasanow scheduled sentencing for Ayala and Velasquez for Feb. 23.

DOJ Allowed To Examine Some Jefferson Papers (RC)

By John Bresnahan And Tory Newmyer

Roll Call, November 15, 2006

With the corruption investigation of Rep. William Jefferson (D-La.) stalled for the last several months by a legal battle, a federal appeals court on Tuesday ordered Jefferson's lawyers to begin turning over some documents to the Department of Justice.

The U.S. Court of Appeals for the District of Columbia Circuit also set a briefing schedule for its review of whether the May 20 FBI raid on Jefferson's Capitol Hill office was constitutional.

The briefing schedule signals that Jefferson's legal challenge to the raid is likely to continue into next summer or even well into the fall, although legal experts believe that Tuesday's order by the court could provide the Justice Department with a "face-saving" means of indicting Jefferson before the appeals court issues a ruling.

It is still unlikely, however, that Jefferson will be indicted before the end of the year, according to legal experts — good news for the embattled incumbent who faces a tough slog in his Louisiana runoff election. Jefferson finished first in his New Orleans-based open primary but garnered only 30 percent of the vote in a field crowded with a dozen challengers.

Tuesday's order by the appeals court means that federal prosecutors finally can begin to review documents recovered during the nighttime raid, which have been sealed since late May. Justice Department officials will receive any documents over

which Jefferson's team does not claim constitutional "Speech or Debate" privilege. Chief District Judge Thomas Hogan will continue to review the remaining documents.

Federal prosecutors originally were set to wait until Hogan had ruled on all the materials before they could review any of them, according to a July ruling by the same court. Jefferson's legal team has sought to block prosecutors from looking at the documents from the raid until the appeals court ruled on the propriety of the FBI search.

Nigerian Vice President Atiku Abubakar was charged last month with more than a dozen counts of corruption in the case for allegedly receiving more than $4.6 million in bribes to divert public money to private interests.

One of Jefferson's former aides and a Kentucky businessman — Vernon Jackson, chairman and CEO of iGate Inc. — have already received lengthy prison sentences for their roles in the scandal.

Jefferson has so far proclaimed his own innocence, although FBI agents last year videotaped him allegedly accepting $100,000 in marked bills from an informant. A search of Jefferson's home several days later reportedly turned up $90,000 of the marked cash in the lawmaker's freezer.

Court Order May Delay Jefferson Investigation (NOTP)

By Bruce Alpert And Bill Walsh, Washington bureau

New Orleans Times-Picayune, November 14, 2006

WASHINGTON —In an order that could delay the government's decision on whether to indict Rep. William Jefferson, a three-judge panel has put off until at least the spring a final decision on legal challenges to some documents taken in a historic raid of the congressman's Capitol Hill office last May.

While the U.S. Court of Appeals for Washington D.C., said that the Justice Department can immediately begin examining those documents and computer files not challenged by Jefferson and his attorneys, it is the disputed documents that are expected to be most critical to the government's 20-month probe into allegations of bribery and corruption. Jefferson has denied wrongdoing and has not been charged in the investigation that has netted guilty pleas from two of his former associates.

"I can't imagine that the (unchallenged) documents would yield anything of value to the government," said Carl Tobias, a constitutional law expert at the University of Richmond.

The ruling will likely force another delay in the case, which began in March 2005 and has stalled over the question of whether the search of the congressional office breached the separation between the executive and legislative branches.

Justice Department officials could decide that the additional delay in the investigation it hoped to wrap up shortly after its May 20-21 raid of Jefferson's office is unacceptable and move forward based on evidence it has already collected in the case. But that would make it harder for the agency to justify what was a highly controversial raid of Jefferson's office, drawing charges of overreach by the top Republican and Democrat in the House of Representatives.

Justice Department officials refused comment Tuesday on the Court of Appeals ruling by Judges David Sentielle, Karen Henderson and David Tatel. The three judges ordered that briefs in the case be filed between Feb. 28 and April 13, with oral arguments scheduled for sometime after the last brief is filed.

Robert Trout, Jefferson's attorney, said that the ruling reflects "the continuing respect by the judges for the importance of the speech or debate privilege and we appreciate that." The speech or debate clause was intended by the framers of the Constitution to promote the separation of powers between the three branches of the federal government by shielding lawmakers from harassment in the discharge of their duties.

Jefferson, who is seeking reelection in a Dec. 9 runoff against fellow Democrat Karen Carter, did not comment on the ruling.

Jonathan Turley, a constitutional law professor at George Washington University who has been critical of the raid of Jefferson's office, said that it "triggered an unnecessary constitutional crisis and served to delay any indictment to Jefferson's obvious advantage."

Although the Appeals Court panel said that the Justice Department can gain immediate access to the seized material not challenged by his lawyers, a process will still need to be worked out to accomplish that. By court order, Jefferson's lawyers have been raising objections to certain material in closed hearings before Chief U.S. District Court Judge Thomas Hogan.

No one outside of Jefferson's lawyers, Jefferson and Hogan know which material has been challenged, and what material has not been and therefore can be turned over to the Justice Department investigators.

Trout said that he won't stand in the way of turning over the material and will work out a process with the Justice Department. "We are in the process of complying with the court's order," he said.

John Harrison, a constitutional law expert at the University of Virginia, said that Jefferson's lawyers probably don't want to overplay their hands.

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"Jefferson's lawyers will most strongly resist release of the documents that are most unfavorable to their client, but their argument is based on the Speech or Debate clause privilege including, I think, the claim that even going through documents to find those that aren't privileged is impermissible," he said.

The investigation of Jefferson began March 15, 2005, when an investor in a Western African technology project championed by Jefferson went to the FBI complaining that she may have been defrauded of a multimillion dollar investment. In July 2005, the government secretly recorded the witness, Lori Mody, giving Jefferson $100,000 that the congressman, according to the FBI, suggested would be used to bribe the vice president of Nigeria to advance the project. All but $10,000 of the cash was later found in the freezer of Jefferson's Washington, D.C. home.

The probe has netted guilty pleas from two former Jefferson associates, including Vernon Jackson, the head of iGate Inc., who said in court documents that he paid more $400,000 to a company controlled by Jefferson's family in return for the congressman's help getting telecommunications contracts in Nigeria and Ghana.

Mob Boss James "Whitey" Bulger Spotted In San Diego (KFMB)

KFMB-TV, November 15, 2006

The News 8 CrimeFighters are on a manhunt for a notorious Boston mob boss who was spotted in San Diego. James "Whitey" Bulger has a $1 million reward on his head.

He is one of the most high-profile fugitives in America, second only to Osama bin Laden on the FBI's 10 Most Wanted list.

Bulger is a master of disguise. His nickname "Whitey" comes from his long blonde hair when he was a kid.

On the run for the past 11 years, Bulger was spotted here in San Diego, catching a screening of the gangster movie "The Departed" at a theater in Horton Plaza. In the movie, Jack Nicholson's mob boss character is based on "Whitey" Bulger. The matinee was playing at the UA Theatres in Horton Plaza on Friday, October 6.

A law enforcement officer says he spotted Bulger in the crowd, and followed him to a trolley stop at Fifth Avenue and C Street downtown, before losing him. Sources confirm the FBI grabbed surveillance video from both the mall and the movie theater.

While the FBI says it's a non-credible sighting, sources who viewed the surveillance tape say one agent remarked out loud, "that's him" when the suspect appeared in the video.

The man was wearing a white fisherman's hat with a floppy rim, dark sunglasses and a windbreaker. Bulger is known to wear hats and sunglasses in public, and carries a knife at all times.

Over the years, he has been spotted in at least eight states, and 19 different countries. He's under indictment in Boston for 18 organized crime murders, possession of machine guns, extortion and money laundering. In March, prosecutors released a decades-old surveillance video of Bulger, hoping someone might recognize him.

Bulger served nine years in prison for robbing banks in the 1950s. For nearly 20 years, he operated as an FBI informant, feeding information to the feds on rival wise guys, while at the same time leading his own South Boston crime ring.

It was a Boston FBI agent who tipped Bulger off to the pending indictment against him in 1995. That agent was later sent to prison.

Bulger is believed to be hiding out with his longtime girlfriend, 55-year-old Catherine Greig. Both fugitives use fake names, enjoy playing with dogs, and may be living near the beach.

If you have seen Bulger, do not approach him. He is extremely dangerous. Call the San Diego FBI office at (858) 565-1255.

Agent Claims He Saw Whitey On Surveillance Tape (CBS4BOS)

CBS 4 Boston, November 15, 2006

(CBS4) BOSTON There is a new lead in the hunt for Whitey Bulger coming on the heels of the reports that he was seen in southern California.

An FBI agent believes he spotted the fugitive mob boss on surveillance tape.

Could it really be Bulger at the movies? Watching a movie with a Jack Nicholson character based on him -- an Irish mob boss from South Boston?

A sighting of this master of disguise was first reported at a movie theatre in San Diego where "The Departed" opened on October 6.

A police officer claims he spotted Bulger in the crowd and followed him to a nearby trolley stop before losing him.

Sources tell our San Diego affiliate that the FBI grabbed surveillance video from both the movie theatre and the surrounding mall and one agent remarked out loud "that's him" when the suspect appeared on the tape.

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The man was wearing a white fisherman's hat with a floppy rim, dark sunglasses and a windbreaker. Bulger is known to wear hats and sunglasses in public.

On the run for 11 years, Bulger has been spotted in at least eight states and 19 countries. Back in March, prosecutors released decades-old surveillance video of Bulger hoping to trigger someone's memory.

If he was able to catch a screening here, it seems he took a look in the mirror and is on the run again.

The FBI here in Boston isn't shedding any light on this new claim from a San Diego agent that it could, in fact, be Bulger.

They'll only say the Bulger investigation remains a high priority and they follow up on any and all leads.

Currently, there is a $1 million reward for Bulger's arrest. He's second only to Osama bin Laden on the FBI's ten most wanted list.

Report: Feds Seize 'Whitey' Theatre Tapes (BOSH)

By Dave Wedge And O'Ryan Johnson

Boston Herald, November 15, 2006

The FBI seized videotapes from the theater where an off-duty San Diego cop possibly spotted fugitive mob boss James "Whitey" Bulger exiting from after watching the Boston-based crime movie "The Departed," according to a news report.

On Oct. 8 or 9, an off-duty San Diego police officer, who sources say was originally from the Boston area, spotted the Bulger lookalike leaving a theater and boarding a trolley bound for the Mexican border, the Herald reported last week.

Yesterday, San Diego TV station KFMB reported the FBI had seized security tapes from the theater and the mall where the off-duty cop sighted the Bulger lookalike.

When agents viewed the tapes, the station reported that one exclaimed, "That's him," referring to a man wearing a fisherman's cap and sunglasses.

Bulger is wanted for 19 murders.

Gail Marcinkiewicz, spokeswoman for the Boston FBI office, which is leading the task force to hunt down Bulger, said last night she could not confirm that agents seized the tapes.

"I would assume that they would," she said.

April Langwell, spokeswoman for the FBI's San Diego's office, said earlier yesterday they have yet to confirm that Bulger was spotted leaving the cinema.

"It would be exciting to capture him, but for right now, it was just considered non-credible information," she said.

However, several sources have told the Herald the FBI is taking the sighting seriously.

Former Driving School Owner Sentenced For Bribing Officials (TENN)

By Christian Bottorff, Staff writer

The Tennessean, November 15, 2006

The former owner of a Murfreesboro driving school was sentenced to six years in prison for bribing employees of the Tennessee Department of Safety to help customers, federal prosecutors announced Tuesday.

The sentencing follows a guilty plea entered in July by Bryan Guess to three public corruption charges related to bribes he paid the Tennessee Department of Safety, according to a press release issued by the Office of the United States Attorney for the Middle District of Tennessee.

Guess had faced a maximum of 15 years in prison after pleading guilty in July. His arrest was part of Operation Crooked Highway, a multi-agency investigation that resulted in six people charged with bribery and conspiracy.

Guess was the former owner of Winchester Driving School, which was in the same building as the driver's examination center on Samsonite Boulevard.

In return for the bribes paid by Guess, state Department of Safety examiners provided favors such as helping Guess's customers pass written and vision tests required to obtain drivers' licenses and overlooking proof-of-residency documents, officials said.

Guess admitted the value of the driver's licenses and certificates his customers received exceeded $400,000. He forfeited more than $162,000 he earned as part of the scheme.

Guess pled guilty to one conspiracy count and two substantive counts of bribing public employees.

Manhattan: No Trace Of Missing Goya (NYT)

By Anthony Ramirez

The New York Times, November 15, 2006

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The F.B.I. yesterday said it had no updates on the theft of a painting by Goya that was being trucked to an exhibition opening on Friday at the Solomon R. Guggenheim Museum. On Monday, authorities said little about the theft of “Children with a Cart,” painted in 1778. Jerri Williams, a special agent and spokeswoman for the F.B.I.’s Philadelphia office, elaborated yesterday by saying the painting was found to be missing near Scranton, Pa., on Nov. 9 while the truck was unattended. “The people who were transporting it stopped for a break,” she said, “and the painting was taken from the vehicle.” Anyone with information was urged to call the F.B.I. at (215) 418-4000.

Million Dollar Goya Painting Stolen While 'Unattended' (BLOTTER)

ABC News’ The Blotter, November 15, 2006

A million dollar masterpiece being transported to New York's Guggenheim art museum was stolen in transit, when the artwork was "left unattended" in the transport vehicle somewhere in the Scranton, Pa., area last week, FBI officials tell ABC News.

The insurer has offered a $50,000 reward for information leading to the recovery of the painting by the Spanish artist Goya, "Children with a Cart," which was being sent from the Toledo Museum of Art to New York's Guggenheim Museum for a special art exhibit set to open this Friday.

"It appears that the person or persons involved knew what they were doing," a FBI spokesperson told ABC News. But the spokesperson added, "There is no reason to believe the people transporting the artwork were involved."

A statement issued by the Guggenheim Museum said the painting "was in the care of a professional art transport provider."

The Philadelphia FBI office is leading the investigation and asks that persons with information regarding the painting contact them directly at (215) 418-4000.

FBI Says 1778 Goya Was Stolen (PHI)

The Philadelphia Inquirer, November 15, 2006

Federal officials yesterday asked the public's help finding a valuable painting and the thieves who stole it as it was traveling through Pennsylvania.

The 1778 painting - Children with a Cart by Francisco José de Goya y Lucientes - was taken while in the care of a professional art transport provider last week. At the time, the painting was traveling through the Scranton area en route from Toledo, Ohio, to New York, according to an FBI statement issued yesterday.

The insurer of the painting is offering a reward of up to $50,000 for information leading to the recovery of the painting, the FBI said.

Anyone with information on the painting is asked to contact the Philadelphia Division of the FBI at 215-418-4000 or another FBI office.

The Baby Godfather (NYDN)

By John Marzulli, Daily News Staff Writer

New York Daily News, November 15, 2006

The Bonanno crime family has tapped a man of steel to rebuild its crumbling empire, the Daily News has learned.

He's Salvatore (Sal the Ironworker) Montagna, the newly minted boss of the Mafia family, according to law enforcement sources - and he's practically a bambino at only 35 years of age.

The Sicilian-born Montagna and his wife, Francesca, own a small ironworks company in Brooklyn, but they show no signs of living the high-life of a Mafia don.

The couple and their three daughters live in a modest ranch house in working-class Elmont, L.I., not far from the Queens border.

"Putting someone that young and relatively unknown in charge indicates that they're desperately seeking to salvage the remnants of the family from the recent prosecutions and convictions," said Mark Feldman, former chief of organized crime for the Brooklyn U.S. attorney's office.

Feldman said the move clearly "signals desperation" on the part of a mob family that has seen three bosses and acting dons bite the dust in three years.

Most noteworthy was the conviction of longtime family boss Joseph Massino, who is now serving life in prison.

Last night, a teenage girl answered the door of Montagna's vinyl-sided home on Oakley Ave. and said the reputed crime kingpin was not at home.

Two little sisters stood at her side. Outside, a small construction crew was wrapping up its day working on Montagna's brick driveway.

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A short time later, Francesca Montagna drove up in a late-model Lexus SUV and turned angry when asked if her husband was the new head of the Bonanno family.

"I don't know what you're talking about," said the dark- haired woman, dressed in a sweatsuit. "I have kids in here. It's not appropriate for you to be here."

Until now, Montagna has rarely appeared on the radar of the NYPD and the feds, and neighbors said they knew nothing about any reputed mob ties. Still, the Mafia talk didn't worry them.

"Am I scared?" said one local. "Absolutely not. I come from Brooklyn. Believe me, when you live next to one of these people, there's nothing to be afraid of."

Another neighbor found the suggestion "ridiculous," but quickly added, "We'd be shocked and scared at the same time if that is true. Wow!"

The Montagnas run the family-owned Matrix Steel Co. on Bogart St. in Brooklyn. According to Dun & Bradstreet, the firm supplies structural material for builders and reported a modest $1.5 million in sales last year.

In 2003, Montagna pleaded guilty to criminal contempt charges and was sentenced to probation for refusing to answer questions before a Manhattan grand jury.

He had been indicted a year earlier after a probe by the Manhattan district attorney's office as one of 20 wiseguys charged in a takedown of a Mafia crew allegedly involved in gambling, loansharking and weapons possession.

Whether the new Bonanno boss has any other arrests was unclear yesterday.

"He's well-liked by the rank and file," said an underworld source, adding that Montagna is also known as Sal the Zip, a reference to the name bestowed on members of the crime family's Sicilian wing.

Sources said Montagna was close to legendary Bonanno gangster Baldassare (Baldo) Amato, another immigrant from near Castellammare del Golfo in Sicily, and served in the crew of capo Patrick (Patty from the Bronx) DeFilippo.

Those guys are largely history now, with Amato recently sentenced to life in prison and DeFilippo facing a retrial on murder charges.

Led by Assistant U.S. Attorney Greg Andres, the feds have indicted and convicted more than 70 Bonanno gangsters since 2002, leaving behind about 75 shell-shocked members on the street. Sources said Montagna's promotion couldn't have happened without the blessing of Vincent (Vinny Gorgeous) Basciano, who once operated Hello Gorgeous, a hair salon in the Bronx, and became the official boss of the crime family after Massino turned rat.

Thomas Reppetto, author of the just-published "Bringing Down The Mob: A War Against the American Mafia (Henry Holt)," said the new breed of boss pales in comparison to past godfathers like the late John Gotti or Vincent Gigante.

"There may no longer be a boss in the sense that we understood the term, an all-powerful figure at the top, because naming an official boss provides the FBI with a clear target," Reppetto said.

With John Lauinger

JHU Student's Killer Gets Life Term (BSUN)

By Julie Bykowicz And Dan Thanh Dang

The Baltimore Sun, November 15, 2006

The high school dropout and transient Baltimore restaurant worker ingratiated himself into a social circle of Johns Hopkins students. But all the while, he was honing his burglary skills near the prestigious university, lifting little things, such as music play ers, coins and even food from the students' refrigerators.

It was late Jan. 22, 2005, when Donta Maurice Allen broke into the Charles Village apartment that Linda Trinh shared with two other women, a botched burglary that, prosecutors said Tuesday, led to Allen's choking and beating Trinh and leaving her face down in her bathtub.

Allen, 28, pleaded guilty Tuesday in Baltimore Circuit Court to first-degree murder, securing a life sentence with the possibility of parole. He is to be sentenced in January.

Until Tuesday, which was to be the first day of trial, city prosecutors had sought life without the possibility of parole.

Trinh's parents, Vietnamese immigrants, said after the hearing that they were thankful to avoid a trial. They said the plea spares them what would have been a daily, heart-heavy journey from their home in Silver Spring to Baltimore to file into the courthouse.

"We thank God that we didn't have a trial," said Hoan Thi Trinh, Linda's mother. "It would kill us a little more every day to hear the details."

More than a dozen of Trinh's relatives and friends sat silently Tuesday on the courtroom benches. When Trinh's father saw Allen, for the first time, he felt neither hate nor forgiveness, he said later.

Allen is remorseful, his lawyer said.

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During and after the court hearing, the prosecutor and defense attorney gave the first in-depth explanation of how and why the promising student, a 21-year-old biomedical engineering major with dozens of friends, died.

Allen didn't think anyone was home that January night, one of the final days of winter break, but there was Trinh, wearing only a T-shirt and bra, said defense attorney Warren A. Brown.

He tried to assure the terrified woman that he wasn't there to sexually assault her, Brown said.

Allen knew Trinh. He was dating one of her sorority sisters, who lived one floor above Trinh in The Charles, a high-rise in the 3300 block of N. Charles St. occupied mostly by students.

Clutching her roommate's cell phone, Trinh said she was going to call the police. Allen tried to dissuade her, but she kept threatening to make the call, Brown said.

Their "argument soon escalated to a physical confrontation," Assistant State's Attorney Matthew Fraling said in court. He began to hit her, and she scratched him on the left side of his neck.

He beat her and choked her with his hands, Fraling said. She was left in two inches of standing water in the bathtub. The cell phone was there, too.

According to the medical examiner's report, there were signs that Trinh might have been alive when she went into the tub. There was no evidence of sexual assault, the report says.

Neither Fraling nor Brown elaborated on how the bathtub fitted in to the crime scene, or whether Allen had tried to stage a suicide or accident.

"I don't want to get into the gory details," Brown said.

Another mystery of the crime scene was the timing of a maintenance worker's visit to Trinh's apartment that night.

Smelling natural gas, other residents had summoned maintenance. Fraling said a worker arrived at the apartment about 10 p.m. He found the gas of the stove on but the pilot lights out, Fraling said. He also found a candle burning on the stovetop, Fraling said.

He did not find Trinh, who by then was dead. One of her roommates found her body the next day.

Crucial clues

When Allen left the apartment, he took several purses, Fraling said. But he behind crucial clues. Security tapes show Allen in the building, and skin cells under Trinh's fingernails contained Allen's DNA, Fraling said.

Allen was arrested and charged in March 2005, and he gave police a taped statement admitting that he was in Trinh's apartment on the night of her death.

In court Tuesday, Allen, tall, lanky and closely shaven, showed no outward emotion, though he was escorted out briefly after saying he felt ill.

Brown said his client is "racked with guilt. He did not intend for this to happen."

Allen, Brown said, had been pilfering from the apartments of Trinh and other students "only when he knew people weren't there."

Allen grew up in Cherry Hill, but his family moved frequently. He attended Perry Hall High School but dropped out in 1998. He later earned a General Education Development diploma. At one point, he has said, he was hospitalized after attempting suicide.

In the months before Trinh was killed, Allen worked in bars and restaurants near the Hopkins campus. Students befriended him, but some called him "Mr. Sketchy" behind his back.

Allen pleaded guilty because he felt remorse, Brown said, and because "he doesn't want to die in jail. The plea will allow him to one day come home."

Under state law, Allen's life sentence means he will be eligible for parole in about 11 1/2 years, said Thomas Pennewell, program manager for hearings with the state parole commission.

Before obtaining parole, an inmate must convince a majority of the 10 parole commissioners and the governor that he is fit to return to society, Pennewell said.

The release of any inmate serving a life sentence is subject to the governor's approval. Gov. Parris N. Glendening had a no-parole policy for lifers, and Gov. Robert L. Ehrlich Jr. has paroled them rarely.

It was unclear why city prosecutors abandoned their plan to pursue life without parole for Allen. Noting the January sentencing hearing, neither Fraling nor Deputy State's Attorney Cynthia Jones would comment.

Brown said prosecutors might have wanted to avoid "a circus." Brown, known for courtroom showmanship and a fiery delivery, said he would have raised issues of class and town-gown tension during a trial.

Trinh's was one of two homicides in less than a year near the Hopkins campus of 4,000 undergraduates.

Early one morning in April 2004, Christopher B. Elser, 20, a junior from South Carolina, was stabbed to death in an apartment building on the southwest corner of St. Paul and 30th streets. Sigma Alpha Epsilon fraternity rented that building.

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Police have never made an arrest in that case, though they have said the apparent motive was burglary.

Security bolstered

Hopkins has beefed up security in Charles Village since those killings.

In addition to increased foot patrols by campus security and off-duty police officers, the university has installed 88 closed-circuit television cameras on and around campus, officials said.

The university thinks the increased security has deterred crime. "But it's impossible to say whether that kind of presence would have made any difference in either of these cases," said Hopkins spokesman Dennis O'Shea.

A former president of her Alpha Phi sorority, Trinh was active socially and academically.

She spent time in Hanoi and Ho Chi Minh City, Vietnam, studying breast-cancer detection and AIDS. Moved by her work with orphaned AIDS children, whom she taught English and took to the beach, Trinh decided on a career in finding cures for devastating diseases.

The last couple of years have been hard on the Trinh family. Every day since Linda was buried, the family has visited the Roman Catholic church near their home to pray for strength and that their pain will pass.

On Sundays, they visit her grave and pray that her soul rests in peace.

"We've lost Linda," said Quy Van Minh, Linda's father. "But we carry her in our hearts forever."

Linda's older brother, Quang Minh Trinh, did not attend Tuesday's hearing.

"There were two," Quy said. "Brother and sister. And now there is one. He cannot bear it. He does not want to be reminded of how she died."

As the family gathered to drive back home, Quy and Hoan discussed Allen's life sentence and thought about what they will say at the sentencing hearing, scheduled for Jan. 8.

"Whether he gets 10 years, 50 years or 100 years, it will not bring Linda back," Quy said. "When we saw him for the first time today, we felt nothing. We did not feel hate. We did not feel anger or forgiveness. We don't know how to feel.

"We just know that we will support whatever the justice system decides to do. We will not ask for more time or for less. We just want it to be fair."

'This Is Not A Cold Case,' F.B.I. Says 5 Years After Prosecutor's Killing (NYT)

By Jessica Kowal

The New York Times, November 15, 2006

SEATTLE, Nov. 14 — A failed polygraph test by a gun collector. Handwriting samples from a chief suspect. A daughter's plea for the public's help. These three strands have breathed new life into the stalled five-year investigation of a federal prosecutor's killing here.

The prosecutor, Thomas C. Wales, 49, an assistant United States attorney, was shot to death on Oct. 11, 2001, as he sat typing at his computer in his basement. Someone standing in Mr. Wales's secluded backyard fired through a window, hitting him in the neck and torso, investigators have said. A neighbor told reporters at the time that she had seen a man stride from the scene, climb into his car and speed away.

No one has been charged with the crime, which the authorities say appears to have been premeditated because of its precision and the paltry evidence left behind. If Mr. Wales was murdered in retaliation for his work, he would be the first federal prosecutor killed in the line of duty.

The Federal Bureau of Investigation, which has offered a $1 million reward for information leading to a conviction, says it has interviewed about 4,000 people and followed 10,000 leads in 50 states and several Eastern European countries.

But there was a strong sense in Seattle that the case was stuck. The authorities used the fifth anniversary of the shooting to raise the profile of the investigation and even urged Mr. Wales's son and daughter to ask the public for help in solving the crime.

"I wholly encourage anyone who has information to come forward, to be brave, and to provide a measure of justice to the system," his daughter, Amy Wales, said in a recent interview in a coffee shop near her father's house. At 27, she looks prematurely worn by what she calls his "shattering" death.

Robert Geeslin, the F.B.I. agent who is supervising the investigation, said, "This is not a cold case."

Forensic tests conducted soon after the killing identified the weapon as an inexpensive semiautomatic Makarov handgun, one of millions produced in Soviet-bloc countries and China, Agent Geeslin said. The gun had been refitted with an American-made stainless-steel replacement barrel, one of 3,600 sold in the United States.

Since then, the F.B.I. has focused on its "Makarov project," a search for these silver-colored barrels. The bureau has located about 1,800 of them, Agent Geeslin said.

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One person on the Makarov list is a gun collector, Albert Kwan, who lives in a Seattle suburb, Bellevue. Mr. Kwan's lawyer, Joseph Conte of Washington, D.C., said that the F.B.I. apparently thought Mr. Kwan bought two gun barrels a decade ago, but that Mr. Kwan remembered buying only one. Mr. Kwan's collection of several hundred weapons includes eight Makarov pistols, Mr. Conte said.

In September, the United States Attorney's office here indicted Mr. Kwan on one count of illegal possession of a machine gun. Mr. Conte said the agency told him that it would consider dropping the charge if Mr. Kwan testified before a grand jury investigating Mr. Wales's killing and passed a polygraph test.

Mr. Kwan took the polygraph last week, his lawyer said, adding that the government told him his client had failed two questions, whether he bought two gun barrels and where the second one is.

"My interpretation is that he didn't give the government the answers they wanted," Mr. Conte said.

Before the polygraph, F.B.I. officials did not characterize Mr. Kwan as someone who was likely to provide a major break in the case. This week, the F.B.I. would not comment about Mr. Kwan or the polygraph results. Bill Redkey, an assistant United States attorney here, said Mr. Kwan was likely to go to trial on the machine-gun charge in March.

Mr. Conte said the F.B.I. erroneously thought Mr. Kwan might have provided a gun barrel to a chief suspect, a commercial airline pilot. Mr. Wales indicted the pilot and three business partners on conspiracy and fraud charges in 2000.

In 2001, the government dismissed the charges against the pilot and his partners after their company pleaded guilty to federal criminal violations related to the sale of a military helicopter and paid a fine.

Soon after, the pilot sued the government to recoup his legal fees, saying he was the victim of a "bad faith" prosecution. Four months later, Mr. Wales was killed. The pilot's lawsuit was ultimately dismissed.

The F.B.I. will not discuss the pilot. His lawyer, Larry Setchell, however, has said the F.B.I. had searched his client's homes and vehicles and confiscated clothing and shoes.

Mr. Setchell confirmed a report that first appeared in The Seattle Post-Intelligencer, that the pilot had agreed to provide handwriting samples to prove he was not the author of a mysterious letter related to the killing. In the letter, sent last January from Las Vegas to the F.B.I.'s downtown Seattle office, someone using the name "Gidget" claimed to have been hired by a "nice talking lady" to kill Mr. Wales.

Mr. Setchell has compared the pilot to Richard Jewell, the security guard whom the F.B.I. erroneously accused of setting off a bomb at the Atlanta Olympics in 1996.

Candidate Elected As Sheriff Despite Facing Rape Charges (NYT)

By New York Times Regional Newspapers

The New York Times, November 15, 2006

COLUMBUS, N.C., Nov. 13 — A campaign for sheriff usually focuses on who would be the best candidate to fight crime. In Polk County, N.C., voters have elected a new sheriff who faces charges of raping two girls more than 15 years ago.

The winner, Chris Abril, was until recently the police chief here in Columbus, a small town about 80 miles west of Charlotte and the seat of Polk County.

Mr. Abril, who defeated Sheriff David Satterfield on Tuesday, has been on nondisciplinary suspension with pay since his arrest on Aug. 28 on charges that he committed two rapes, one in 1988 and the other in 1989. The victims, according to court papers, were two Polk County girls, ages 10 and 12.

Mr. Abril, 45, was charged with five counts of first-degree statutory rape and one count of first-degree sexual offense and was released after posting a $100,000 bond. He said the charges were politically motivated.

"I am not capable of committing these crimes," Mr. Abril, a Democrat, said at a rally of his political supporters shortly after his release. "To my prosecutors, if this is not politically motivated, give me a trial in Superior Court so I can clear my name prior to the election."

Mr. Abril said later that he had been a suspect in a single rape in the late 1980s but that no evidence existed to charge him. Somehow, he said, a second alleged victim surfaced in March, but he said he had no information beyond that.

Court papers do not say why the charges were brought a decade and a half after the rapes are said to have occurred.

Jeff Hunt, a Republican and the district attorney for the area that includes Polk County, said in a statement that the office of the state attorney general, Roy Cooper, a Democrat, sought indictments against Mr. Abril after the North Carolina Bureau of Investigation began looking into the rape allegations on March 29.

But a spokesman for the Department of Justice, Noelle Talley, said Mr. Hunt requested the investigation. She would not say why.

Sheriff Satterfield, a Republican who was first elected eight years ago, has refused to comment about his defeat or about the charges against Mr. Abril, other than to say that he had nothing to do with the investigation.

Mr. Abril beat Mr. Satterfield, a state trooper for 30 years, 54 percent to 46 percent. There were 7,556 votes cast, a 53 percent turnout, which locals officials said was higher than in previous elections.

Mr. Abril's swearing-in as sheriff is scheduled for Dec. 4. Exactly one month later he is to appear for a hearing in the rape case in Superior Court here, at which time a trial date is to be set.

CIVIL LAW:

Cheney Asks Judge To Toss CIA Leak Suit (AP)

By Matt Apuzzo, Associated Press Writer

AP, November 15, 2006

WASHINGTON (AP) -- Vice President Dick Cheney asked a federal judge Tuesday to dismiss a lawsuit brought against him by a former CIA operative who says the White House leaked her identity to the press.

Cheney's attorneys criticized the lawsuit in court papers, saying it invented constitutional rights, intruded on national security discussions and came two years after the statute of limitations had expired.

Former CIA operative Valerie Plame Wilson claims that she was outed as retribution for her husband's criticism of the administration's prewar intelligence on Iraq.

Special Prosecutor Patrick Fitzgerald spent years investigating who revealed her identity to syndicated columnist Robert Novak in 2003 but nobody was charged with the leak. Cheney's former chief of staff, I. Lewis "Scooter" Libby, who faces trial in January on perjury and obstruction, is the only person charged in the case.

Wilson's civil lawsuit is continuing alongside Libby's criminal case. In seeking to dismiss the case, Cheney said Wilson doesn't have any grounds to bring the suit and, even if she did, the vice president is shielded from civil suits.

The suit centers on conversations between Cheney and Libby about Plame's job at the CIA.

"Plaintiffs invite the judicial branch to permit intrusive discovery into those communications and to discern which among them might be, as a matter of tort law, wrongful and which not," Cheney's attorneys wrote. "Such an inquiry cannot be squared with basic separation of powers principles."

The Justice Department also weighed in on behalf of Cheney and other Bush administration officials including presidential adviser Karl Rove. In briefs, the agency said government officials are shielded from civil lawsuits and that Wilson has not shown that a constitutional right was violated.

Omnicare Settles Generic Drug Suit For $49.5 Million (Update3) (BLOOM)

By Andrew Harris

Bloomberg, November 15, 2006

Nov. 14 (Bloomberg) -- Omnicare Inc., the largest provider of pharmacy services to U.S. nursing homes, agreed to pay $49.5 million to settle claims by the U.S. government and 42 states that it overcharged them for drugs provided to senior citizens.

Omnicare substituted more expensive forms of generic versions of drugs including Zantac, an antacid, and Prozac, an antidepressant, to evade price limits for Medicaid reimbursement, said Michael Behn, a Chicago plaintiffs' attorney. The U.S. joined the false claims act suit after it was filed.

``The health care industry should be wary of manipulating federal and state programs in this manner," Chicago U.S. Attorney Patrick Fitzgerald said today in a statement.

The settlement includes a ``corporate integrity agreement" requiring training and oversight at Covington, Kentucky-based Omnicare, the company said in a statement. The amount of the accord has been ``fully reserved," said Omnicare, which didn't admit any wrongdoing as part of the accord.

``This was the first case targeting generic drug switching under the false claims act to help protect both patients and taxpayers," Behn said. The company said patient safety ``was never an issue."

Omnicare's profit fell 11 percent in the third quarter, hurt by lower insurance payments from UnitedHealth Group Inc., the company said Oct. 31.

Tablets to Capsules

Omnicare defrauded the government by changing prescriptions for a popular antacid from tablets to capsules in order to inflate government reimbursements by as much as 400 percent, according to the lawsuit filed five years ago by Behn on behalf of Illinois pharmacist Bernard Lisitza.

While popularly prescribed tablet-forms of Ranitidine, a generic form of Zantac, are subject to federal price reimbursement limits, the capsule forms aren't, Behn said.

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Omnicare was also accused in the complaint of swapping more expensive forms of two other drugs: Fluoxetine, a generic version of Prozac, and Buspirone, the generic version of the ant-anxiety medication Buspar. Some of the swaps were made without the knowledge of the patients' doctors, the Justice Department said.

``Those switches increased the price substantially while adding no medical benefit and violating federal and state regulations," Fitzgerald said in a statement.

Lisitza worked for nine years as an Omnicare pharmacist in DesPlaines, Illinois, Behn said.

`They Fired Him'

``He couldn't fill prescriptions with the drug that was prescribed," the lawyer said. ``After he complained, they fired him."

Behn filed suit in 2001. David Kammerer, Omnicare's former director of Medicaid reimbursement, later filed his own suit.

Lisitza will receive $6.4 million and Kammerer will get $792,593 as their shares of the state and federal settlements, the Justice Department said.

Kammerer's lawyer, Charles Atkins of Cincinnati, didn't immediately return a call seeking comment.

The U.S. government will receive $29.6 million, of which $19.8 million will be allocated to the states participating in the settlement. Medicaid is a joint federal-state program that provides health care benefits for low-income and disabled people.

Participating states included Florida, Illinois, North Carolina, Ohio and Massachusetts.

43 Cents

In the third quarter, Omnicare's net income declined to $52.2 million, or 43 cents a share, compared with $58.5 million, or 54 cents, a year earlier, the company said. Sales rose 9.5 percent to $1.59 billion.

The company reduced its earnings forecast for the fourth quarter because of the lower insurance payments and problems at a drug repacking plant in Toledo, Ohio. Omnicare said UnitedHealth cut payments for providing drug benefits to the elderly under the U.S. Medicare program. The action cost $19.7 million in sales and operating profit, the company said. Omnicare sued UnitedHealth over the cuts.

Omnicare shares rose 34 cents to $38.65 in New York Stock Exchange composite trading.

The cases are U.S. ex. rel. Lisitza v. Omnicare, 01cv7433 and U.S. ex. rel. Kammerer v. Omnicare, 04cv2074, in the Northern District of Illinois, Eastern Division (Chicago).

CIVIL RIGHTS:

U.S. Attorney General Says No Region Immune To Human Trafficking (AP)

By Carolyn Thompson

AP, November 15, 2006

BUFFALO, N.Y. - Citing a farm labor contractor who withheld wages from upstate workers and used threats to keep them in line, U.S. Attorney General Alberto Gonzales announced Tuesday the creation of a human trafficking task force in western New York.

"Human trafficking is a violation of the human body, mind and spirit," Gonzales said during a stop which also included a helicopter tour of U.S.-Canadian border crossings.

Buffalo was among 10 cities to receive funding last month to focus on anti-trafficking efforts. Nationally, 32 such task forces already exist.

Federal officials pointed to the arrest of Maria Garcia and several family members in Albion, Orleans County, as proof no region is immune to the problem. Garcia pleaded guilty in December 2004 to a forced labor charge following an investigation that began when some Mexican workers she recruited to upstate farms escaped her control and sought help.

Prosecutors said the workers were charged up to $1,800 for a van ride from Arizona and had money deducted from their pay for rent, food, electricity and rides to the fields. They were told they could not leave crowded housing units unless their debts were paid.

"They had lost all liberties," said Terrance Flynn, U.S. attorney for New York's Western District.

The task force, with nearly $900,000 in federal funding, will train law enforcement agencies to spot potential trafficking victims and organizations and focus resources on prosecutions.

Immigration and Customs Enforcement, Customs and Border Protection, the FBI and U.S. Department of Labor will work with local agencies and the state police. Law enforcement will also team up with organizations that deal with the immigrant community, such as the International Institute of Buffalo and Farmworkers' Legal Services.

Gonzales said the government has increased its focus on human trafficking in recent years. In fiscal 2006, 79 people were convicted in federal cases, more than twice the number in the previous year.

"We know that we must work together to fight human trafficking, and we must intensify our efforts," Gonzales said. "Because right now the victims of these criminals are out there. They are suffering and they are waiting for our help."

Western New York is particularly attractive to traffickers, he said, because of its ethnic diversity, numerous farms and use of migrant labor.

Garcia was sentenced last year to 46 months in prison. Her son Elias Botello, who pleaded guilty to conspiracy to commit forced labor, was sentenced to 37 months. Another son, Jose J. Garcia, received a 14-month term for alien harboring and her husband, Jose I. Garcia, was given one year of probation on the same charge.

A.G. Gonzales Visits Buffalo To Talk Cross-Border Crime (WIVB)

WIVB-TV, News 4, Buffalo, NY, November 15, 2006

(Buffalo, NY, November 14, 2006) - - U.S. Attorney General Alberto Gonzalez made his first official visit to Buffalo Tuesday, and Senior Correspondent Rich Newberg reports America's top law enforcer is launching a new task force to combat human trafficking across the U.S.-Canadian border.

U.S. Attorney General Alberto Gonzales said, "Human trafficking is a violation of the human body, mind and spirit."

Gonzales came to Buffalo to announce $900,000 in funding to crack down on human trafficking, for everything from prostitution to forced labor on farms.

Gonzales said, "Right now, the victims of these criminals are out there. They are suffering, and they are waiting for our help."

Buffalo and the region are susceptible because of border crossings and the large number of seasonal workers who come here.

Last year, Maria Garcia was prosecuted for exploiting Mexican migrants she brought to Albion.

U.S. Attorney Terrance Flynn said, "Wages were being taken from them. They were living and working in deplorable conditions. They had lost all liberties when they entered this country under that circumstance."

There may be all sorts of similar situations in our communities we're not aware of, according to Erie County Sheriff Tim Howard.

Howard said, "Their passports have been seized. They're being forced by certain unscrupulous individuals to engage in different types of labor, sometimes illegal acts like prostitution, against their will."

Pamela Kefi of the International Institute of Buffalo said, "Even domestic servitude can be an issue in a community like ours, where somebody may bring somebody from another country and force them to stay in the home and care for their children and take care of their home without a salary, without freedom to move around."

The International Institute of Buffalo will assist victims of human trafficking.

Justice Department To Investigate L.A. County Youth Camps (LAT)

By Susannah Rosenblatt, Times Staff Writer

The Los Angeles Times, November 15, 2006

The U.S. Justice Department plans an investigation into conditions at L.A. County juvenile facilities, authorities say.

The U.S. Justice Department plans to investigate dangerous conditions at Los Angeles County probation camps for teens, county officials said Tuesday.

The probe, announced to the Board of Supervisors last week, comes after years of federal scrutiny of county juvenile halls, and could lead to a lawsuit or consent decree, officials say.

Although details of the investigation, expected to begin early next year, remained confidential, Supervisor Gloria Molina alluded to problems with use of force and restraints of inmates during Tuesday's supervisors meeting.

"You don't pop somebody in the face just because you had a bad day," Molina said of probation officers. She described the pending investigation as "very troubling" and expressed surprise at the Justice Department's planned oversight. "I was sort of shocked by it because I thought we had been doing better."

Justice Department spokeswoman Cynthia Magnuson confirmed plans to investigate probation camps but declined to disclose specifics.

The Probation Department, which houses about 4,000 teenagers across the county on any given day, has grappled with growing violence among inmates. Youthful offenders stay for short periods in the county's three juvenile halls while their cases are adjudicated; convicted teens serve their sentences in 19 rural probation camps scattered across the region.

A 2003 Justice Department report criticized the halls for substandard medical and mental-health care, poor sanitation, overuse of pepper spray and dangerous conditions. The facilities also lacked adequate educational, social and religious opportunities, and had no effective way for minors to air grievances, federal officials found.

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Many of the 66 required changes have been made, including increasing staff in the juvenile halls by about 20%, but stemming physical conflicts remains a challenge, said David Grkinich, a Probation Department director. "It's tough to predict behavior," he said.

There were 2,630 youth-on-youth fights in the camps last year, with between 2,300 and 2,600 projected for this year, according to department statistics. In the juvenile halls, there were 2,738 fights last year, and 1,702 altercations through August of this year. Although none of the confrontations, which are difficult to track accurately, resulted in fatalities, one youth was paralyzed and another lost an eye during attacks at the Sylmar facility earlier this year.

The federal inquiry is expected to be similar to the previous one, said David Davies, Probation Department chief deputy.

"They just want to make sure that the children, the minors are getting the services they should be getting," Davies said.

Presiding Juvenile Court Judge Michael Nash said, "I don't think anybody is satisfied with how the juvenile justice system at this time performs."

A county study released earlier this year found the Probation Department lacking in mental-health support, compiling data on youth inmates, education and aid to teens' families.

Supervisors postponed until next week a decision on a sole-source $865,000 contract for an outside consultant to aid with juvenile justice reform. Supervisor Zev Yaroslavsky cast the lone dissenting vote, urging immediate approval.

"Our system was failing," Yaroslavsky said, calling board members "oblivious" to the probation system's woes.

"This is one consent decree I may welcome," Yaroslavsky said. "I don't know what it takes to get our attention."

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Police Look Into Use Of Force Shown In Videos (USAT)

By William M. Welch

USA Today, November 15, 2006

LOS ANGELES — Video of officers using force in two separate arrests have put a new spotlight on this city's police department, 15 years after the Rodney King beating case ignited riots.

In the latest case, the video shot by a witness in a public area at Venice Beach appears to show an officer using pepper spray on a handcuffed man who had been placed in the back of a patrol car.

The incident happened in February 2005 but just came to light in a report Tuesday by the Los Angeles Times. It said the officer has since resigned.

Los Angeles Police Chief William Bratton said in a news conference Tuesday that prosecutors investigated the pepper spray case and concluded officers did not use excessive force but that an administrative review is continuing.

He said a judge found no excessive force was used in the other recent videotaped case, in which police appeared to strike a suspect who was on the ground after a foot chase in Hollywood. It is also the object of an internal investigation.

“Finders of fact have determined they are lawful,” Bratton said of police actions in the unrelated cases. “The reality is, LA police officers show great restraint.”

Connie Rice, a civil rights lawyer, says she turned the latest videotape over to police. “The LAPD has a very long history of having a reputation for use of excessive force in low-income communities,” she says. “Its history weighs it down.”

Rice says, however, that the city's police have come a long way in restraining uses of force since 1991, when the videotaped beating of King after a motor vehicle stop led to charges against four officers. The officers' acquittals touched off riots.

Rice said she gave the latest tape to police officials because she was confident the department would investigate itself — evidence in itself, she said, of an improvement in sensitivity to such issues by the department.

“When they saw the pepper spray tape, they were livid,” she said.

The latest report comes days after another tape was distributed on the YouTube video website that appears to show an officer hitting a man in the face after a foot chase Aug. 11.

Prosecutors dropped charges of resisting arrest and battery on a police officer after viewing the tape of the pepper spray case, the newspaper said. Bratton identified the defendant as Benjamin Barker.

John Raphling, an attorney for Barker, said his client was not threatening police.

“It's an act of violence against a person who's sitting there helpless,” Raphling told KABC-TV.

Latest Video Brings More Controversy To Los Angeles Police (NYT)

By The New York Times

The New York Times, November 15, 2006

DOJ_NMG_0094721

LOS ANGELES, Nov. 14 — Less than a week after video of a city police officer punching a prone man in the face began circulating on the Internet, a tape of a man being pepper-sprayed by officers was generating more controversy.

Critics called the tapes the latest evidence of police brutality, but Chief William J. Bratton pointed to rulings that were sympathetic to the officers involved in both incidents.

The episodes are under investigation by the Los Angeles Police Department. The F.B.I. is also investigating the punching incident for possible civil rights violations.

Department policy allows officers to use nonlethal force when a suspect is uncooperative, Chief Bratton said.

The pepper-spraying incident, in February 2005, was first disclosed by the Los Angeles Times on Tuesday.

An investigation by the Los Angeles district attorney's office concluded that the suspect, Benjamin Barker, spat at Officer David Guiterman twice after being placed in a police car and that the spray was a reasonable reaction.

The video of the punching on Aug. 11 shows the suspect, William Cardenas, on his back while Officer Alexander Schlegel straddles his torso and Officer Patrick Farrell punches Mr. Cardenas in the face at least five times.

At a hearing in September, a court commissioner found that Mr. Cardenas used force to resist arrest and that the officers' response was "more than reasonable."

Video Spurs Bratton To Weigh Review Of Pepper-spray Policy (LAT)

By Patrick Mcgreevy, Times Staff Writer

The Los Angeles Times, November 15, 2006

Bratton says he may order a review in light of the taped Venice arrest. The ACLU and some police watchdog groups call for a reexamination.

LAPD Chief William J. Bratton said Tuesday that he was concerned when he saw a videotape showing an officer using pepper spray on a handcuffed suspect in the back of a patrol car and that he is considering a review of the policy governing when officers can use the spray.

Bratton said the tape, shot in 2005 on the Venice boardwalk and made public Monday, concerned him enough when he saw it last year that he immediately removed the officers involved from active duty pending an internal investigation. The officer who used the pepper spray has left the department, but an investigation is continuing, Bratton said.

The chief said the videotaped incident "may look awful," but he added that the Los Angeles County district attorney's office found no crime committed by the three officers involved in the Venice Beach arrest in their treatment of the suspect.

Still, Bratton said his own administrative decision on whether they complied with department policy is still days away.

The chief said he was uneasy that the officer shut the door of the patrol car, leaving the handcuffed suspect alone inside, after administering the pepper spray.

The closing of the door "was one of the reasons I had concern," Bratton said.

"My interest there is: Was that pepper spray used to control the behavior of that individual or was it used punitively?" he said.

"If in my judgment the individual ceased to be a threat to the officer and other tactics could have been used, then I could conceivably find the officer out of policy. That whole case really comes down to that issue. And also the closing of the door."

Bratton's comments come as some police watchdog groups and the American Civil Liberties Union called Tuesday on the LAPD to reexamine when officers can use pepper spray, particularly if suspects are handcuffed. Current rules allow the spray to be used whenever a suspect is "combative," but some say that definition is far too broad.

"It's appalling," Catherine Lhamon, an attorney for the ACLU of Southern California, said of the Venice incident. "There is no question that spitting on an officer does not merit pepper-spraying someone when they are handcuffed in the back of a patrol car."

Bratton said he is considering an examination of when officers should use the spray.

"This would not be too onerous a burden for the department to engage in that review," he said.

Members of the Los Angeles Police Commission, meanwhile, ordered the inspector general to launch an assessment of how the LAPD handled the Venice incident.

"It is a disturbing tape," Police Commissioner Andrea Sheridan Ordin said. "I ask that these matters be given the highest priority so we can assure ourselves and the public about what has occurred."

Ordin said the evaluation by Inspector General Andre Birotte Jr. might raise questions about the policy allowing officers wide discretion in the use of pepper spray on handcuffed suspects if they are judged to be combative. But she and others said it was premature to consider policy changes yet.

The videotape was played for The Times on Monday by an attorney who represented the defendant, identified in police reports as Benjamin Barker.

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Barker, a transient, was arrested after getting into a scuffle with a merchant on the boardwalk.

He pleaded guilty to misdemeanor battery on the shopkeeper.

The videotape shows Barker in handcuffs as he is bent over a patrol car. As the officer pushes him into the car, Barker can be heard saying, "Why am I going to jail?"

Once Barker is in the back seat, he starts shouting: "I can't breathe! I can't breathe! Don't spray me!"

One officer is heard saying: "He knows what's happening."

Another officer takes a pepper-spray canister from his belt, shakes it and leans in to apply it to Barker's face.

The officer closes the doors of the patrol car and steps back. Barker is seen holding his face up to the car window, his features contorted in pain.

The district attorney's investigation looked at whether there was enough evidence to show that the officers had committed a crime against Barker. The LAPD inquiry is looking at whether the officers violated department policies.

The closing memo from the district attorney, released Tuesday by Bratton, said the officer and two colleagues "did not use excessive force" and instead "showed remarkable restraint and demonstrated professional courtesy toward Barker despite his belligerent, threatening and combative behavior."

The officers involved told authorities that Barker spat on one of them and was threatening to spit again when he was pepper-sprayed.

Bratton acknowledged discrepancies between the police reports and the videotape.

Two officers said in initial reports that the spitting and use of pepper spray occurred outside the car, but the video shows that the pepper spray was used in the car.

The district attorney's office dismissed the disparity, which was corrected in a follow-up police report, as "a product of mistaken recollection and not intentional misstatements of material fact," the closing memo said.

The Venice incident comes as the LAPD and FBI have begun investigations into another videotape showing a police officer hitting a suspect in the face several times at the end of a foot chase in Hollywood.

Police union President Bob Baker issued a statement Tuesday urging the public to be understanding of the job that officers face.

"Asking officers to refrain from using approved tools or techniques in their arrests is akin to telling the soldiers in Iraq to just reason with the insurgents," Baker said. "Perhaps the activists would like to talk to the families of the LAPD officers who have been maimed or killed when some thug who was resisting arrest decided to shoot the arresting officer because he didn't feel like going to jail that day."

Councilman Bernard C. Parks was among those who called on the commission to deal more effectively with the latest allegations of excessive force.

Parks, a former police chief, said the LAPD has, for more than a year, ignored his warnings about "the ongoing discipline problem" in the department.

"Now, after last week's release of the videotaped LAPD beating of William Cardenas, we are left to try to close the barn door after the horses have already left," Parks wrote. "In trying to find a resolution to the problem that we knew existed more than a year ago, I again ask the commission to get to the bottom of the issue."

Parks said the commission should look at complaints and dispositions from the five years before Bratton became chief compared with those from the time since Bratton has headed the department, arguing that a "relatively low number of employees" have been disciplined in the last three years.

The councilman also called on the commission to reconsider the policy of concealing officers' identities in reports on officer-involved shootings and Boards of Rights investigations.

"The decision to shut the public out of these two processes goes against preserving the idea of transparency at the department," Parks wrote.

Later in the day, the head of the council's Public Safety Committee called a public hearing for Monday to examine whether a proposal to install video cameras in police cars might provide the public with better information on controversial incidents than it gets from bystanders using camera phones.

"In light of these YouTube beatings, the public needs to know there is a public policy solution here, which is rapidly installing video cameras in cop cars," said Councilman Jack Weiss, the chairman.

Even if the car cameras do not capture video of an incident, microphones that pick up sound several hundred feet away might capture audio that can put a use-of-force incident into context, Weiss said.

He added that the images in the latest videotapes may be disturbing but that he trusts the LAPD to fully investigate any use of force and that some force may be justified.

"I don't know where people got the idea that you could ever have a Police Department without violence," Weiss said.

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Officers In Suspect-Beating Video Investigated (KCAL)

KCAL-TV, November 15, 2006

(CBS) LOS ANGELES The Los Angeles Police Commission called Tuesday for a speedy and thorough investigation into the conduct of two officers caught on videotape holding down and repeatedly punching a man, 23, during an arrest in Hollywood.

The LAPD and FBI have launched investigations into the circumstances of the Aug. 11 arrest, when Officer Alexander Schlegel held down William Cardenas as Officer Patrick Farrell placed his knee on the man's neck and punched his face six times near the intersection of Gordon Street and Fountain Avenue.

The video of the arrest was posted on the popular YouTube Web site. "I would just encourage all parties who are involved ... that it be treated with the utmost speed," Police Commissioner Andrea Ordin, who served on the Christopher Commission that investigated the LAPD in the wake of the 1991 Rodney King beating said.

"It is clearly something the public is interested in and is entitled to have information (about)," Ordin said. "Sometimes that means shifting our priorities so that we can get that information out."

Andre Birotte, the commission's inspector general, said he is reviewing the case daily.

The LAPD has launched criminal and administrative investigations of the officers, who have been assigned to desk duty.

Additionally, the FBI opened a preliminary inquiry into the arrest last Thursday, in response to media coverage of the video. The inquiry results will be forwarded to the U.S. Justice Department, which will determine whether further investigations are required, according to FBI spokeswoman Laura Eimiller.

"It shouldn't have to be said that we know the department wants and we want a full, complete, accurate, fair investigation on a timely basis," Commissioner Alan Skobin said.

Cardenas remains in custody on $40,000 bail. Charges of receiving stolen property, which were tied to an arrest warrant against Cardenas, were dropped due to insufficient evidence, but he still faces two felony counts of resisting arrest, according to his attorney B. Kwaku Duren.

Cardenas is due back in court Nov. 20. Trial is scheduled for Nov. 27, Duren said.

Judge Says Inmate Death Was 'Torture' (NYT)

By Libby Sander

The New York Times, November 15, 2006

CHICAGO, Nov. 14 — Shackled to a concrete slab, Timothy Joe Souders spent the final days of his life naked and lying in his own urine, sweating through temperatures over 100 degrees in an isolated prison cell.

Mr. Souders, a 21-year-old with a history of severe mental illness, died Aug. 6 after spending four days in a segregation cell at the Southern Michigan Correctional Facility in Jackson. His death prompted state prison officials to revise their restraint policies for unruly prisoners, limiting the use of "top of the bed" restraints to a maximum of six hours.

But this week, a federal judge in Kalamazoo said those revisions were not sufficient. Scolding corrections officials for failing to provide adequate treatment to mentally ill inmates, the judge said on Monday that the conditions leading to Mr. Souders's death constituted "torture."

"You are not coat racks who collect government paychecks while your work is taken to the sexton for burial," wrote Richard A. Enslen, a senior federal district judge. "If a patient does not receive necessary medical or psychological services, including medicines and specialty care, it is not his problem, it is your problem."

Medical experts cited in Monday's ruling have speculated that Mr. Souders died of dehydration, though an autopsy report has not been completed.

Judge Enslen ordered an immediate ban on punitive restraints in three Jackson prison facilities holding roughly 4,500 inmates. The court has been monitoring those facilities as part of a 1985 consent decree.

Russell L. Marlan, a spokesman for the Michigan Department of Corrections, said the department disagreed with the ruling and planned to appeal. Top of the bed restraints, he said, are "nationally accepted, effective practices in correctional populations. We think the changes we've made in regard to these restraints are what is necessary."

Mr. Souders, who suffered from depression and psychosis and had previously tried to hang himself at a county jail, was serving a sentence for shoplifting, said Paul W. Broschay, who is representing Mr. Souders's estate in a federal wrongful death lawsuit against the Department of Corrections. At the time of his death, he was taking at least six medications for mental disorders.

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On July 31, Mr. Souders was transferred to the segregated cell for disobeying orders. Three days later, after slipping out of soft restraints, Mr. Souders was restrained atop the concrete bed slab. Though Mr. Souders had been scheduled for a transfer to a mental health facility after a social worker found him "floridly psychotic," the transfer never happened, and on Aug. 6, he was pronounced dead. A court-appointed doctor visiting the prison on Aug. 7 learned of Mr. Souders's death. The doctor, Robert L. Cohen, wrote in an Aug. 14 letter to Judge Enslen: "No psychiatrist was consulted. No emergency psychiatric evaluation was obtained." He concluded that Mr. Souders's death "was predictable and preventable."

Monday's ruling is believed to be the first ban on punitive restraints in state prisons, said Elizabeth Alexander, director of the National Prison Project of the American Civil Liberties Union.

"This really is a precedent-setting decision," Ms. Alexander said.

Officials Clash Over Mentally Ill In Florida Jails (NYT)

By Abby Goodnough

The New York Times, November 15, 2006

MIAMI, Nov. 14 — For years, circuit judges here have ordered state officials to obey Florida law and promptly transfer severely mentally ill inmates from jails to state hospitals. But with few hospital beds available, Gov. Jeb Bush's administration began flouting those court orders in August.

Now, in a growing standoff between the government of Florida and its judges, the state is being threatened with steep daily fines if it does not comply. And at least one judge has raised the possibility that the secretary of the Florida Department of Children and Families could go to jail for contempt of court.

"This type of arrogant activity cannot be tolerated in an orderly society," Judge Crockett Farnell of Pinellas-Pasco Circuit Court wrote in an Oct. 11 ruling.

State law requires that inmates found incompetent to stand trial be moved from county jails to psychiatric hospitals within 15 days of the state's receiving the commitment orders. Florida has broken that law for years, provoking some public defenders to seek court orders forcing swift compliance.

With the state now rebuffing even those orders, a rising number of mentally ill inmates, now more than 300, have been left without treatment in crowded jails because the state's 1,416 psychiatric beds are full.

Two mentally ill inmates in the Escambia County Jail in Pensacola died over the last year and a half after being subdued by guards, according to news reports. And in the Pinellas County Jail in Clearwater, a schizophrenic inmate gouged out his eye after waiting weeks for a hospital bed, his lawyer said.

Public defenders in Miami-Dade County describe psychotic clients who have hallucinated, mutilated themselves and attempted suicide while awaiting transfer to hospitals. The state says that shortages of beds and financing have made compliance impossible, and that court orders forcing the transfer of certain inmates are unfair to those who have waited longer.

Most judges have responded skeptically, asking why the Department of Children and Families has not sought more state money as the number of committed inmates has soared. The agency cut its budget by $53 million this year, which public defenders say makes no sense given the inmate crisis and the state's $8 billion budget surplus.

In one of the toughest rulings to date on the subject, Judge Farnell said last month that he would start fining the department $1,000 a day for each mentally ill inmate who stayed in the Pinellas County Jail longer than 15 days. The judge, based in Clearwater, expressed outrage about the agency's "conscious decision" to ignore court orders.

Judges in Broward, Hillsborough and Miami-Dade Counties are also weighing motions to force the department to comply with the law or to hold it in contempt for letting the mentally ill pile up in unsuitable jails. The department appealed after three state judges in Miami ordered it to take custody of several inmates last month, but a panel of the Third District Court of Appeal indicated last week that it might rule against the department and its secretary, Lucy D. Hadi.

"It strikes me that ultimately you've got contempt issues," Judge Frank A. Shepherd said during oral arguments, "and Ms. Hadi may be going to jail."

The problem is not unique to Florida, although it is especially severe in Miami-Dade County, which has one of the nation's largest percentages of mentally ill residents, according to the National Alliance for the Mentally Ill, an advocacy group.

A Justice Department study released in September found that 64 percent of inmates in county jails around the nation reported mental health problems within the last year. Many are arrested for petty crimes, advocates say, yet remain in jail an inordinately long time because there is nowhere else for them to go.

Only 40,000 beds remain in state psychiatric hospitals around the nation, down from 69,000 in 1995. Advocates for the mentally ill say that community-based treatment programs, which were supposed to replace psychiatric hospitals after the deinstitutionalization movement of the '60s and '70s, have not begun to make up for the loss.

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Long waits for beds are especially common in the nation's urban areas. Last week, 307 mentally ill inmates were waiting for one of Florida's 1,416 psychiatric beds, and 72 percent had waited longer than 15 days. The state has three psychiatric hospitals with secure beds.

"This is a national problem, and it's a direct reflection of the lack of adequate beds and coordination between the criminal justice and mental health systems," said Ronald S. Honberg, legal director of the National Alliance for the Mentally Ill.

In Miami, an average of 25 to 40 acutely psychotic people live in a unit of the main county jail that a lawyer for Human Rights Watch, Jennifer Daskal, described as squalid after visiting last month. Seventeen such inmates are currently waiting for state hospital beds, said Valerie Jonas, a county public defender, adding that the number has been as high as 30 in recent weeks.

Ms. Daskal said that some of the unit's 14 "suicide cells" — dim, bare and designed for one inmate — were holding two or three at a time, and that the inmates were kept in their cells 24 hours a day except to shower. None of the mentally ill inmates receive group or individual therapy, she said in an affidavit.

Officials with the Department of Children and Families have argued that the agency cannot be held in contempt when it simply has no more beds, and that it could not have anticipated this year's sharp rise in commitments. In June 2005, they said, only 125 inmates were waiting for hospital beds, of which 38 percent had waited longer than 15 days.

"We are at the moment on a daily basis trying to find a short-term solution to the bed shortage," said Al Zimmerman, a spokesman for the department. "We are trying to find ways to pay for additional space, pay for additional beds."

The department requested and received money for about two dozen new secure beds this year, and it has asked for 38 next year. Each bed costs $100,000 a year, Mr. Zimmerman said.

Ms. Jonas, the public defender, said it was unconscionable that the department would not ask for more. "Given they've got a wait list of over 300 and they're running all over the state claiming inability to comply," she said, "where do they get off requesting only 38 new beds?"

Yet Mr. Honberg said that putting more mentally ill inmates in state hospitals should not be the ultimate goal. The treatment they get there often skims the surface, he said, and many end up deteriorating when they return to jail, only to end up on the wait list for a hospital bed again.

"You have large numbers of people sent to state hospitals not for therapeutic purposes, but for purposes of making them competent to proceed to trial," Mr. Honberg said. "We're not going to solve these problems until we invest adequate resources into services that work for people before they get to jail."

ANTITRUST:

Regulators Clear Purchase Of BMG Music (AP)

By Alex Veiga, AP Business Writer

AP, November 15, 2006

The Federal Trade Commission and the Justice Department gave antitrust approval Tuesday to Universal Music Group's planned acquisition of BMG Music Publishing for $2.09 billion.

The deal must now receive approval from European regulators to become final.

BMG - owned by German media company Bertelsmann AG - owns the rights to more than a million songs by contemporary recording artists such as Nelly, Maroon 5 and Coldplay, as well as classic hits by the Beach Boys, Barry Manilow and other entertainers.

Universal Music Group is a unit of Paris-based Vivendi SA. Its publishing arm controls the rights to songs by artists such as 50 Cent, Mary J. Blige and Chamillionaire.

If approved, the deal would combine the No. 3 and No. 4 music publishing catalogs.

"We were confident that the regulatory authorities would find that the acquisition did not raise competition concerns, and we appreciate that the Justice Department promptly reached the same conclusion," Universal Music Group said in a prepared statement.

European Union regulators said earlier this month they would issue a ruling on the deal by Dec. 8.

Unlike the recording business, which sells CDs and other products to be sold at retail, music publishers make money by licensing songs for use in movies, TV shows, CDs, video games, ringtones and other media.

The companies also collect performance fees when songs are played on the radio or in public venues such as clubs.

Some analysts have warned that EU regulators are likely to scrutinize the deal, in part because of an EU court ruling in July that overturned the European Commission's go-ahead for the merger that created Sony BMG Music Entertainment.

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That 2004 deal, which reduced the number of major recording companies from five to four, is being re-examined.

NAR Changes Controversial MLS Policy (INMAN)

By Glenn Roberts Jr.

Inman News, November 15, 2006

Policy limits some MLS restrictions on public display of listings

NEW ORLEANS -- Responding to antitrust actions and investigations by the U.S. Justice Department and Federal Trade Commission over multiple listing service restrictions for a category of property listings, directors for the National Association of Realtors approved policy changes that allow individual MLS participants to decide whether to implement restrictions on the Internet display of property listings.

Laurie Janik, general counsel for the Realtors group, has said that the change is legally significant in that individuals are making decisions rather than MLSs, which represent a group of real estate industry participants. The issue is unrelated to the Justice Department's antitrust lawsuit filed last year against the association over other policies for online property listings display.

Under the policy change approved Monday at the group's annual real estate conference, MLS participants may select listings they choose to forward for display -- or not forward -- to Web sites that are part of a broker-supported cooperative property listing system based on "objective criteria."

This criteria, according to the approved policy, can be based on factors such as geography, or location, list price, property type, cooperative compensation offered by listing brokers, type of listing (such as properties under "exclusive right to sell" or "exclusive agency" listing contracts), or "the level of service provided by the listing firm," according to language in the approved policy.

The FTC and Justice Department had engaged in 15 investigations over MLS policies that block exclusive agency property listings from public display on the Realtor.com and some other public-facing property-search sites, such as those MLS participants' sites that are part of the broker-sharing system known as Internet Data Exchange or IDX. Exclusive agency listings are contracts in which sellers are not obligated to pay the listing broker in a real estate transaction if the seller finds a buyer for the property without any assistance from the listing broker.

The FTC has announced a series of consent agreements with MLSs that settle some of the investigations over the exclusive agency restrictions, and also has announced complaints against two MLSs in Michigan that refused to change their policies. The FTC has also said that other investigations are ongoing.

"Selection of listings to be displayed on an IDX site must be independently made by each participant," according to the policy adopted by the Realtor group's directors. The policy adopted by the directors also states that MLSs must, if requested by a participant, "provide basic downloading of all current listings and may not exclude any listings from the information which can be downloaded or displayed under IDX except those listings for which a participant has withheld consent."

Janik had said in earlier meetings at the Realtors conference that there is no guarantee that the federal agencies will not take action against the revised policy, though she said that there were greater risks in leaving the policy intact.

The association's board of directors also approved the removal of a section in the policy that stated, "MLSs may, as a matter of local option, limit information which can be downloaded and/or otherwise displayed under IDX to properties listed on an exclusive right to sell basis." Exclusive right to sell listing agreements, unlike exclusive agency listing agreements, require sellers to pay the listing broker regardless of who locates a buyer for the property.

The federal agencies have charged that exclusive agency agreements are more likely to be used by alternative real estate business models, such as discount or limited-service business models.

Realtor-association directors also adopted a change to MLS that gives MLSs the option to block its transmission of property listings to some public Web sites if the street address or location of the property is displayed to the public and if "a 'for sale by owner' or other sign or notice is displayed on the property telling the public the seller is soliciting direct contacts from potential buyers."

According to a description of the proposed policy, it "establishes that MLSs are not required to transmit participants' listings to third-party aggregators or to operate publicly accessible MLS Web sites."

Also during the meeting, Realtor directors approved several new standards of practice for its 1.3 million members. One of the new standards provides that Realtors are obligated "to present a true picture in their advertising and representations to the public," including the use of Web URLs and domain names that they use.

This standard prohibits Realtors from "engaging in deceptive or unauthorized framing of real estate brokerage Web sites," "manipulating (e.g. presenting content developed by others) listing content in any way that produces a deceptive or misleading result," or "deceptively using meta-tags, keywords or other devices/methods to direct, drive or divert Internet traffic, or to otherwise mislead consumers."

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Another change in standards approved by the directors provides that Realtors have a duty "to not knowingly or recklessly repeat, retransmit or republish false or misleading statements made by others. This duty applies whether false or misleading statements are repeated in person, in writing, by technological means or by any other means."

Directors clashed over an unrelated proposal related to local Realtor associations that adopt alternative business names other than their formal, established names. An association committee's work group recommended a policy change providing that all associations using these "DBAs" would be required to submit an application for approval by the Realtor group, and requiring these DBAs to comply with the same policies governing the formal names of associations.

The basis for the policy change, according to the work group, was that some DBAs could be "deceptively similar" to formal names already established by other Realtor associations and could mislead people about the geographic coverage area of that association. After some debate and the defeat of a proposed amendment that would have eliminated the retroactive nature of the proposal, a majority of directors approved the change.

Judge Denies New York's Quick Bid To Block Insurance Merger (AP)

By Larry Neumeister, Associated Press Writer

AP, November 15, 2006

NEW YORK -- A judge on Tuesday refused a city request to immediately stop the merger of two nonprofit insurance companies that provide coverage to city workers because it violates antitrust laws.

U.S. District Judge Kenneth M. Karas said he did not believe the city would suffer irreparable harm if he permitted the merger to go forward Wednesday while he takes a longer look at the facts of the case and the legal history of similar mergers.

In a statement made after the hearing, city lawyer Michael Cardozo said the city would look for other health care providers "who can offer comparable _ but less expensive _ health care benefits."

On Monday, the city filed a lawsuit to block the pending merger of Group Health Inc. and the HIP Health Plan of New York, saying the union would create a virtual monopoly in the public service health care sector.

The merger, which has been approved by the Department of Justice and state insurance regulators, would control more than 90 percent of the city's municipal health care market and 100 percent of the low-cost market, the city said in a release.

It asked the judge to issue an immediate restraining order to block the merger from going forward while lawyers submitted arguments and evidence to prove their positions.

Before his ruling, the judge listened to arguments Tuesday.

City lawyer John Low-Beer said an immediate order was necessary to protect competition in the insurance industry. He said the two companies had "been competing vigorously for business" before deciding to merge.

"For this product we want to buy, there is no other seller who comes close in price," he said.

GHI lawyer Stephen M. Axinn said the merger was announced 14 months ago and the city delayed challenging it, hopeful that the federal government would stop it.

"This is none of their business," he said. "This is not an anticompetitive transaction. This is a pro-competitive situation."

Axinn said the combined companies would save money on office expenses and pass those savings along to customers.

He said the merged entity would be better able to compete against insurance giants that are 50 times its size.

HIP lawyer Bruce Schneider said there was no need to temporarily block the transaction, especially since the contracts with the city do not expire until the end of June.

High Court Asked To Hear IPO Case (DEAL)

By Cecile Kohrs Lindell

The Deal, November 15, 2006

Lawyers for the government last week asked the Supreme Court to take a case that has the potential to wreak havoc on initial public offerings in the United States by calling into question much of the cooperation investment banks engage in when they form underwriting syndicates.

The class action, Glen Billing v. Credit Suisse First Boston Ltd., charges that common practices such as setting prices and allocating shares among themselves is essentially illegal collaboration among competitors.

Aside from the threat to current IPO practices, the case already has sparked a turf battle between the Securities and Exchange Commission, the primary regulator for Wall Street, and the Department of Justice, which has jurisdiction over antitrust enforcement.

But Solicitor General Paul D. Clement, answering the Supreme Court's request for a unified federal position, seems to be offering a solution that pleases both DOJ's Assistant Attorney General for Antitrust Thomas Barnett and the SEC's Associate

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General Counsel Richard M. Humes. Both agency officials signed on to Clement's brief filed last week, requesting the top court hear and rule on the heavily nuanced case.

At issue is a September 2005 ruling by the 2nd U.S. Circuit Court of Appeals, which overturned a district court's initial ruling to dismiss the Billing case. The appeals court agreed with DOJ's argument that nefarious behavior should not be shielded by a regulatory scheme that doesn't adequately prevent harms that could be addressed by antitrust laws and ordered the case to proceed.

The SEC has argued that it regulates the securities industry, and antitrust law doesn't always apply, and that the court should find "implied immunity" from antitrust laws when a pervasive regulatory scheme is in place.

Because the case was dismissed at the district court level, the merits of Billing's accusations have not been addressed. But even allowing the case to proceed would pose a threat to Wall Street, because a new avenue would be opened for plaintiffs lawyers pursuing class actions, according to Paul Atkins, a member of the Securities and Exchange Commission.

Atkins' op-ed warnings about the case were filed to the Supreme Court by banks asking the top court to toss out the 2nd Circuit opinion. He said a new category of plaintiff suits could cost billions of dollars, create upheaval in the market and effectively end Wall Street's reign as the center of the world's capital markets.

Clement suggested that both agencies have some authority to regulate Wall Street, but he urges the Supreme Court to grant certiorari and write a decision that will provide much-needed guidance to courts without upending IPO practices. Clement wrote that overlapping SEC regulation and antitrust enforcement would snarl public securities offerings and "could undercut critical national regulatory policies and interfere with the capital formation process," if the 2nd Circuit Court of Appeals decision is allowed to stand.

But, Clement added, the initial district court's decision, which said the antitrust laws need not apply in light of the extensive SEC regulation, is also wrong. That approach, he wrote, "would oust not only private treble damages actions but government antitrust enforcement from the securities industry, despite the absence of any evidence that Congress intended such a drastic result." That could allow DOJ to investigate some practices for antitrust violations.

The investment bank defendants asked the Supreme Court to hear the case after the appeals court ruling, and the justices, in turn, asked for the views of the United States. That left it to Clement to sort out a room full of about two dozen lawyers and years of history that pitted the SEC's regulatory schemes against antitrust enforcement.

"It looks like they worked out a compromise," said Ali Stoepplewirth, a partner at Wilmer Cutler Pickering Hale and Dorr LLP, which represents Citigroup Global Markets Holdings Inc. in this case.

According to Roy Englert, a partner with Robbins, Russell, Englert, Orseck & Untereiner LLP who is representing an amicus in the case, the fact that Clement could craft a brief that is supported by both agencies means it is very likely that the justices will hear the case.

A DOJ spokeswoman was unwilling to comment on the antitrust division's perspective, other than to say that Barnett had signed on.

The case was filed by lawyers with Milberg Weiss Bershad & Schulman LLP originally as a securities law case, but after it was rejected by the district court, it was refiled as an antitrust case, alleging conspiracy and collaboration against Credit Suisse and Citigroup Global Markets Holdings Inc., Robertson Stephens Inc., Deutsche Bank Securities Inc., Merrill Lynch & Co., Morgan Stanley, Janus Capital Management LLC, Goldman, Sachs & Co., Bear, Stearns & Co., Lehman Brothers Inc., Van Wagoner Capital Management Inc., Fidelity Distributors Corp. and Comerica Inc.

Because the case now alleges antitrust violations, any remedy would automatically be tripled.

The justices will consider taking the case in early December and "could hear the case as early as March," Englert said.

Microsoft: EU Ruling Could Come Soon (CNET)

By Ina Fried

CNET News, November 15, 2006

Microsoft chief lawyer Brad Smith said Tuesday that the company expects to hear back from a European court as early as December on its appeal of the landmark antitrust ruling there.

"We expect to get that decision really in the next several months," Smith said during a question-and-answer session at the company's shareholder meeting in Bellevue, Wash. "Most people think it will probably come some time between December and March or April."

The European Union's antitrust regulators slapped Microsoft with a $600 million fine in March 2004, but the software maker has been pursuing an appeal of the case with Europe's Court of First Instance.

Smith said whatever the decision is, it should give Microsoft and the industry more "clarity."

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"We'll all have to see where we go from there," he said during the meeting, which was also broadcast over the Internet. "Certainly, we and increasingly a lot of other people in Europe would like to see us get to some clear resolution so we can all focus on some other things."

Regulators tacked on an additional $357 million fine in July, saying Microsoft was not fully complying with the 2004 ruling. Microsoft is appealing that as well.

Smith's comments came after a shareholder asked Microsoft executives: "In Europe, how long are they going to keep stringing you along. Do you think they have any intention of ever letting you off the hook?"

It has gone on for a long time, Smith agreed. "It's been going for about eight years," he said.

Also at the meeting, Microsoft shareholders elected the company's proposed slate of directors and rejected three shareholder proposals. CEO Steve Ballmer and Chairman Bill Gates addressed the shareholders, who also got a demo of the Zune music player that went on sale earlier in the day.

ENVIRONMENT:

Voters Back Limits On Eminent Domain (NYT)

By Terry Pristin

The New York Times, November 15, 2006

Voters showed last week that the furor over a 2005 Supreme Court decision in a Connecticut eminent domain case has not abated, even in states that have already enacted legislation to restrict the use of condemnation for economic development.

Ballot measures to limit eminent domain powers to public uses were approved by large margins in eight states. Louisiana passed an eminent domain measure in September.

In all, 34 states have adopted laws or passed ballot measures in response to the Connecticut case, Kelo v. New London, which upheld the right of local officials to require the forced sale of homes and businesses for private development intended to increase the tax base of one of the state's poorest cities.

"A message has been sent that state and local governments have to do a better job of justifying a need for eminent domain," said Larry Morandi, a land-use specialist at the National Conference of State Legislatures. "There needs to be more negotiation and more transparency."

Donald J. Borut, the executive director of the National League of Cities, acknowledged that condemnation powers are sometimes abused. But he said that property-rights groups have played to public fears in a way that discourages thoughtful discussion about how individual rights should be balanced against projects that benefit the community as a whole. He described anti-Kelo sentiment as "a huge emotional tsunami that's been rushing through the country."

Of the measures approved by voters, "about half of them are purely procedural or largely symbolic," said John D. Echeverria, the executive director of the Georgetown Environmental Law and Policy Institute. In Florida, for example, the State Legislature, by a three-fifths vote of each house, can make an exception to a ban on transferring condemned property from one private entity to another.

Strict constitutional amendments have been added in South Carolina and Georgia — states where eminent domain is not used for economic development, said Timothy Sandefur, a staff lawyer for the Pacific Legal Foundation, a libertarian group that represents property owners in condemnation cases.

But in Michigan, where officials are trying to cope with decades of disinvestment in cities like Detroit and Flint, a new constitutional amendment is likely to have a "chilling effect on the willingness of investors to undertake new development," said John E. Mogk, a law professor at Wayne State University.

Though property-rights groups cheered last week's election results, their victory was tempered by the failure — except in Arizona — of initiatives aimed at discouraging government officials from making zoning and other land-use decisions. California, Idaho and Washington State defeated initiatives to require compensation for owners of property that lost value as a result of a government action to restrict its use.

That the measure was rejected by three-fourths of the voters in Idaho, considered a strong property-rights state, suggests that the movement against so-called regulatory takings is doomed, said David Barron, a Harvard Law School professor. "It shows that the people recognize that the property-rights movement is potentially just divesting them of their ability to decide their own future as a community," he said. "People don't want that to happen."

In Oregon, which passed a similar measure in 2004, local officials have waived zoning rules to avoid paying nearly $6 billion to compensate property owners who claimed economic losses.

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But California's eminent domain and antizoning initiative lost by only four percentage points after opponents put together a huge coalition that included antitax groups concerned about the potential cost of compensating property owners for land-use changes.

The California measure was one of eight propositions on ballots throughout the country backed by groups linked to Howard S. Rich, a New York real estate investor. In Arizona, where the measure was one of 19 on the ballot, the proponents outspent the opponents 4 to 1, according to The Arizona Republic. The situation was reversed in California, where proponents were outspent 3 to 1, said John F. Shirey, the executive director of the California Redevelopment Association, a trade group.

California has already tinkered with its eminent domain powers, but Mr. Shirey said the state should take further steps — like passing legislation to prevent the condemnation of single-family homes — to head off future property-rights initiatives. "We need to do something substantive to give people better assurances than they have now that something like what occurred in Connecticut couldn't happen in California," he said.

Eminent domain specialists on both sides of the issue say many of the statutes enacted by state legislatures have few teeth, either because the language is vague or the measures impose only minor restrictions on public officials.

"A lot of state legislators don't really believe in property rights," Mr. Sandefur said. He praised Pennsylvania as one of a handful of states that have enacted a "well-crafted, careful, thought-out measure," but noted that officials could continue condemning property for redevelopment in Philadelphia and Pittsburgh until 2012.

Mr. Barron, the Harvard Law professor, said much of the legislation was "more hype than not," often riddled with exceptions inserted during the legislative process. Indiana — another state praised by Mr. Sandefur — includes technology parks as a "public use" for which eminent domain powers can be used.

The initiatives approved Nov. 7 tend to be shorter and more restrictive than the bills, "but there will be a lot of interpretative questions about what they mean," Mr. Barron said.

Amy S. Doppelt, a managing director at Fitch Ratings, said the initiatives were often unclear. "Frequently, the language is quite broad," she said. "It creates a lot of uncertainty." Communities that can no longer use condemnation could find themselves at a competitive disadvantage, which could ultimately lower their credit rating, she said.

In many communities, eminent domain powers are used only sparingly. That is not the case in Detroit, where officials have worked to bring industrial parks and middle-income housing developments to tracts of land that are largely, but not entirely, vacant.

"Any project requiring an assembly of land of 50 acres or more since 1960 has required eminent domain at some point in order to complete the project," said Mr. Mogk, the Wayne State professor.

But the use of condemnation powers to replace one set of property owners with another has often proved contentious. One such project on the city's east side, now known as Jefferson Village, gave rise to years of lawsuits. But it has proved so successful that the city expects to recoup its $38 million investment in 12 years, said Robbin G. Millard, a project manager for the Detroit Economic Growth Corporation, the nonprofit organization that helped create Jefferson Village. Though 160 homes were taken, most owners were able to reach a settlement with the city, he said.

In 2004, the Michigan Supreme Court ruled that eminent domain could no longer be used for private projects to create jobs and generate tax revenue. That decision is now enshrined in a constitutional amendment approved last week by Michigan voters. If condemnation is used to eliminate blight, each individual property must now be shown to be blighted "by clear and convincing evidence," Mr. Mogk said. This requirement is likely to discourage badly needed development, he said.

Mr. Millard said that while some aspects of the amendment need to be clarified, that does not appear to pose insurmountable barriers. Officials will be able to show that the buildings they seek to condemn are blighted. "We think we can still do eminent domain in this city," he said.

FBI/DEA/ATF/USMS:

Judge Says Crack Sentencing Goes Too Far (AP)

By Matt Apuzzo, Associated Press Writer

AP, November 15, 2006

WASHINGTON — A federal judge who served as a top drug policy adviser to the first President Bush and advocated harsher penalties for crack cocaine crimes said Tuesday the policy had gone too far and was undermining faith in the judicial system.

U.S. District Judge Reggie B. Walton told the U.S. Sentencing Commission that federal laws requiring dramatically longer sentences for crack cocaine than for cocaine powder were "unconscionable" and contributed to the perception within minority communities that courts are unfair.

"I never thought that the disparity should be as severe as it has become," said Walton, who sits on the bench in Washington, where he previously served as a Superior Court judge, a federal prosecutor and a deputy drug czar.

The current law includes what critics have called the 100-to-1 disparity: Trafficking in 5 grams of cocaine carries a mandatory five-year prison sentence, but it takes 500 grams of cocaine powder to warrant the same sentence.

Advocates for changing the law point to crime statistics that show crack is more of an inner-city drug while cocaine powder is used more often in the suburbs.

The Sentencing Commission, which has thrice recommended that Congress narrow the sentencing gap, is again reviewing the disparity. Previous recommendations, which were not adopted, have included raising the penalties for powder cocaine and lowering them for crack.

The Bush administration, like the Clinton administration, indicated Tuesday that it welcomed a discussion about the sentencing disparity but adamantly opposed lowering the penalties for crack. The Justice Department says crack is more addictive and easier to sell in small doses, leading to increased violence and a greater health impact.

The Justice Department also urged the Sentencing Commission only to make recommendations to Congress and not to take it upon itself to narrow the gap by rewriting sentencing guidelines.

Walton said there may still be a need for tougher sentences for crack because it is more addictive and more closely associated with violence. But he said the disparity is too great.

As an example, he offered two hypothetical cases involving a white college student arrested with a kilogram of powder cocaine and a black high school dropout caught with the same amount of crack. The white man would face a likely sentence of 3 to 4 years in prison, Walton said in exhibits filed with the commission. The black man would face a mandatory 10-year sentence and the possibility of a life sentence.

Walton said the law wasn't intended to target poor people or minorities. But with a disproportionately high number of minorities in prison and potential jurors openly balking at convicting drug offenders because of concerns over the fairness of the system, Walton said the problem must be addressed.

"I hope the powers that be will have the will to do the right thing and rectify the problem," Walton said.

Equal Drug Crimes Need Equal Jail Times (CSM)

By Eric E. Sterling

The Christian Science Monitor, November 15, 2006

For a generation, antidrug policy has been built on mistakes and tough talk.

One of our most infamous contemporary laws is the 100-to-1 difference in sentencing between selling crack cocaine and selling powder cocaine. Under federal drug laws, prison sentences are usually tied to the quantity of drugs the defendant trafficked. For example, selling 5,000 grams of powder cocaine (about a briefcase full) results in a mandatory 10-year prison sentence, but so does selling only 50 grams of crack cocaine (the weight of a candy bar).

Working for the House Judiciary Committee in 1986, I wrote the House bill that was the basis for that law. We made some terrible mistakes.

Those mistakes, aggravated by the Justice Department's misuse of the penalties, have been a disaster. Conventional wisdom is that the 100-to-1 ratio needs to be repealed. But that's an inadequate fix.

On Tuesday, the US Sentencing Commission - the independent agency that gives sentencing guidelines to federal judges and advises Congress - held hearings on this issue. If logic prevails, in the next Congress we may finally see an end to one of the most unjust laws passed in recent memory. And that might correct the biggest mistake of my professional life.

We still cling to 20-year-old ideas that crack is uniquely harmful: It is instantly addictive; it makes you especially violent; it causes women to abandon their babies; the babies of crack users will be basket cases. None of these are true.

Also, because crack is no longer a big news story, people mistakenly believe our anticocaine policy has worked. Not so. There is no scarcity of cocaine. Since 1986, the price of cocaine has fallen and the quality is better. Cocaine deaths have increased. The number of crack users is basically unchanged.

Drug sentences are on the national agenda again because civil rights supporters are justifiably outraged that almost all federal crack prosecutions involve people of color. And indeed, for years no whites were prosecuted for crack offenses in many federal courts, including those in Los Angeles, Chicago, Miami, Denver, Dallas, or Boston.

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Because of that, the myth developed that Congress intended to punish blacks - believed to be the crack users - with long sentences and let the white powder cocaine sniffers of Hollywood and Wall Street get away with light sentences. But that's not the case. Congress was trying to remedy a problem it believed afflicted the black community.

A second myth is that Congress chose a 100-to-1 ratio because it determined that crack was 100 times worse than powder cocaine. But the weights chosen (5 and 50 grams, versus 500 and 5,000 grams) weren't based on a comparison of the two drugs. Congress had no clear understanding of drug trafficking - or the metric system - and thought those weights indicated significant trafficking activity. In fact, tons (millions of grams) of cocaine are shipped to the US by the leaders, organizers, and financiers of the international drug trade.

The law was flawed, but the Justice Department still could have used it to target high-level traffickers. But research from the US Sentencing Commission shows that three-quarters of the federal cocaine defendants - both powder and crack - are just neighborhood dealers or couriers.

Congress should do what it tried to do in 1986 - make the Justice Department focus exclusively on high-level cases because state and local law enforcement cannot. There are three elements that would fix the problem: 1) Raise the quantity triggers for all drugs to realistic levels for high-level traffickers, such as 50 or 100 kilos of cocaine, and end the crack/powder imbalance. 2) Require the attorney general to approve prosecution of any case involving less than 50 kilos of cocaine. 3) Analyze federal drug cases district by district to identify agents and prosecutors who waste time and money. If only high-level dealers were being prosecuted by the feds, no one would have cause to complain about the race of the defendants.

A promising sign is that a few months ago, Sen. Jeff Sessions (R) of Alabama, a former US attorney, introduced legislation to address the problem. Action on his bill is unlikely before Congress adjourns, but it had bipartisan support - a good sign that a political fix is viable.

The 20-year-old mistake of tiny quantity triggers has distracted both the Justice Department from the proper cases and reformers from the proper fix.

For a generation, antidrug policy has been built on factual mistakes and tough-sounding rhetoric. The American people simply need an effective policy. Truly, that would be tough enough.

· Eric E. Sterling, president of the nonprofit Criminal Justice Policy Foundation in Silver Spring, Md., was counsel to the House Judiciary Committee, principally responsible for antidrug legislation, from 1979 to 1989.

Man Gets Life Term In Drug Agent's Death (NYT/AP)

By The Associated Press

The New York Times, November 15, 2006

Filed at 9:52 a.m. ET

PHOENIX (AP) -- A man accused of masterminding a 1994 robbery plot during which an undercover federal drug agent was killed has been sentenced to life in prison.

Augustin Vasquez-Mendoza, 37, who had been on the FBI's Ten Most Wanted List for four years, was arrested in Mexico in 2000 but not returned to Arizona until 2005. He was alleged to be the leader of a drug ring that produced methamphetamine in Mexico for import to the U.S.

Vasquez-Mendoza was sentenced Monday in Maricopa County Superior Court to life in prison with a possibility of parole after 25 years. The judge added 46 years for kidnapping, assault and armed robbery counts, which must be served after the murder conviction sentence.

As terms of his extradition, U.S. authorities had agreed to waive the death penalty and a life sentence without parole, Drug Enforcement Administration officials said last year.

Federal drug agent Richard Fass, 37, who was posing as a drug dealer, was killed by henchmen of Vasquez-Mendoza in Glendale while trying to buy 22 pounds of methamphetamine from them for $160,000, the government said.

Vasquez-Mendoza wasn't present when Fass was shot, prosecutors said. But he was alleged to have been the mastermind who arranged to have the agent robbed and to have him killed if he resisted.

The other suspects were previously convicted, including Juan Rubio Vasquez, the triggerman and the defendant's half brother, who was sentenced to life in prison with no chance of parole.

Arrests Made In Fentanyl-Laced Heroin Deaths (AP)

AP, November 14, 2006

(AP) PITTSBURGH Ten men have been charged with operating a drug ring in western Pennsylvania that may have been responsible for distributing deadly fentanyl-laced heroin, the U.S. Attorney's Office announced Tuesday.

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All face one count of conspiracy to distribute more than one kilogram of heroin, according to criminal complaints filed in U.S. District Court for the Western District of Pennsylvania.

Eight have been arrested and two remain fugitives, U.S. Attorney Mary Beth Buchanan said.

Investigators were still collecting evidence to determine whether the men are linked to more than a dozen deaths from fentanyl-laced heroin earlier this year, Buchanan said.

If a federal grand jury determines they are, they could face longer prison sentences, she said.

If convicted, the men face minimum sentences of 10 years in prison.

If connected to any of the deaths, they could be sentenced 20 years to life in prison.

Authorities on Tuesday were investigating the seventh likely heroin overdose in western Pennsylvania in recent days.

Eighteen to 20 people overdosed on fentanyl or fentanyl-laced heroin between late April and mid-August, said Dr. Frederick Fochtman, director and chief toxicologist at the forensic laboratory division of the Allegheny County Medical Examiner's Office.

Hundreds of overdose deaths nationwide have been blamed on heroin laced with fentanyl, an opiate used legally in anesthesia.

Fentanyl is cheaper than heroin and 40 to 100 times more potent than morphine.

Feds Bust 10 In Big Heroin Ring (PPG)

By Paula Reed Ward, Pittsburgh Post-gazette

Pittsburgh Post-Gazette, November 15, 2006

Hazelwood-based group is charged with selling fentanyl-laced drug blamed for 10 deaths

Five months after fentanyl-laced heroin hit the streets of Pittsburgh and racked up at least 10 fatalities and dozens of overdoses, federal officials yesterday announced that they've broken the Hazelwood-based ring believed to be responsible.

Ten people have been charged -- although two are still fugitives -- through criminal complaints by the U.S. attorney's office.

Investigators believe the organization dismantled by "Operation Burnout" is also linked to the spate of heroin overdoses and deaths in the area over the last several days.

U.S. Attorney Mary Beth Buchanan said officials do not yet know if the heroin responsible for those deaths was laced with fentanyl, but they have confirmed that it is an especially potent mixture.

She called the Hazelwood group an "elaborate network," though Ms. Buchanan would not reveal the quantity of heroin sold by the organization or the amount of money earned from its sale.

The men were responsible for selling heroin and fentanyl-laced heroin with the names "Get High or Die Trying," "Burnout," "Energizer," "Mayday" and "Chevrolet."

Each defendant is charged with one count of conspiracy to distribute in excess of 1 kilogram of heroin.

Within the next 30 days, the case will be presented to the federal grand jury for indictment.

If convicted, the defendants each could face a mandatory minimum sentence of 10 years in prison. If they are convicted of selling heroin that resulted in a death, the defendants could face mandatory prison terms of 20 years to life, Ms. Buchanan said.

The charges came as a result of monitoring cell phone conversations between three of the drug ring's alleged main players -- Wilford Clark, 26, and Travess Strothers, 27, both of Hazelwood, and Kenneth Johnson, 29, of the North Side -- between June and November.

According to investigators, the men tried to speak in code, referring to quantities of heroin by the names of professional football players. For example, when they spoke about "Emmitt Smith," they were referring to the former Dallas Cowboys player's No. 22. That meant someone wanted to order 22 bricks -- or 1,100 stamp bags -- of heroin.

"As slick as these individuals think they may have been, their criminal activity has come to an end," Ms. Buchanan said.

During the intercepted phone calls, the defendants spoke about the quantity of heroin they needed, as well as its quality.

"They complaining about them Burnouts. ... I'm getting too much lip," Mr. Clark was heard saying on the phone. "As soon as we boost them back up, then these [people] will be scared."

"It was clear that Clark was stating that if the heroin were to be laced or 'boosted' up with fentanyl, the customers who Clark routinely referred to as 'the fiends' would stop complaining," the agent wrote in a court affidavit.

In addition to the cell phone conversations, federal agents used two confidential informants in the case. One, who worked for Wilford Clark, was arrested in June after a search resulted in the seizure of 21 stamp bags of the heroin labeled "Get High or Die Trying."

Several of the defendants were arrested either last week or yesterday morning. Mr. Clark and Mr. Strothers have not yet been taken into custody and are considered fugitives.

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Mr. Johnson is believed to be the primary dealer for the organization, while Shakur Muhammad, 35, of Homewood, was responsible for getting the heroin from sources in New Jersey.

Mr. Muhammad was arrested Nov. 3, after visiting his supplier in New Jersey, authorities said. State police, who were cooperating with the Drug Enforcement Administration, stopped Mr. Muhammad, who was speeding, on the Pennsylvania Turnpike near Somerset.

A state trooper requested permission to search his black Jeep Liberty, and Mr. Muhammad consented. Inside, police found a package of diapers, which also included 23,000 stamp bags of heroin, many bearing the label "Chevrolet."

During an interview with a DEA agent, Mr. Muhammad said he had gotten the kilogram of heroin for about $84,000. He also told the agent that he'd been making regular trips to New Jersey and had gotten up to 1,000 bricks of heroin on more than one occasion.

In addition to the arrests in Pittsburgh, the accused supplier of the heroin, Alfurgan Simon, 36, was arrested yesterday morning in Newark, N.J. He will be extradited to the U.S. District Court's Western District of Pennsylvania for prosecution.

As part of the case, officials are asking friends or family members of people who took the fentanyl-laced heroin to contact the Pittsburgh Police Narcotics Squad at 412-323-7761 to help in the investigation.

The "Get High or Die Trying" heroin had addicts clamoring to try it for what they expected to be an intense high. Fentanyl, a painkiller about 80 times stronger than morphine, was added to the heroin to give it an extra kick.

Fentanyl-laced heroin was responsible for hundreds of overdose deaths across the country this year, including here, in Philadelphia, Detroit and Chicago.

Pittsburgh had another problem with fentanyl-laced heroin in 1988. In that "China White" outbreak, 18 people died from injecting heroin laced with 3-methyl fentanyl. That drug was both made and distributed here.

Arrests Shut Deadly Hazelwood Drug Pipeline (PTR)

Pittsburgh Tribune-Review, November 15, 2006

Authorities say they have arrested eight members of a Hazelwood drug distribution ring accused of supplying fentanyl-laced heroin that killed at least 18 people in Allegheny County between June and August.

The ring likely supplied heroin that killed seven people across the region in the past week and caused more than a dozen nonfatal overdoses, U.S. Attorney Mary Beth Buchanan said Tuesday. Toxicology tests are being conducted to determine if that heroin also was laced with fentanyl, a powerful painkiller.

"This was a very elaborate network that was distributing this deadly drug to desperate drug users," Buchanan said. "But as slick as these individuals think they may have been, their criminal activity has come to an end."

Buchanan announced the arrests of seven men from Hazelwood, Homewood, the Hill District, North Side and East Liberty, and one from New Jersey who is accused of making the deadly mixture in Newark for distribution in Pittsburgh. Two other suspects remained at large yesterday.

The 10 men face charges including possession, distribution and conspiracy to distribute heroin.

Federal agents monitored the drug dealers' cell phone conversations during a five-month investigation dubbed "Operation Burn Out," which included Pittsburgh police and state police, Buchanan said.

If investigators link the suspects to the fatal overdoses and convict them, they could face prison terms of 20 years to life for each death, Buchanan said. The conspiracy and distribution charges carry mandatory minimum prison sentences of 10 years.

"We intend to hold them accountable for the needless deaths that we believe occurred due to their greed," Buchanan said.

Three of the deaths in the past week occurred in Pittsburgh, three in Westmoreland County and one victim was a student at Indiana University of Pennsylvania.

"Drugs, especially heroin, know no geographic or socioeconomic boundaries," said Pittsburgh police Sgt. John Fisher, who heads the federal Weed and Seed unit.

Buchanan said it's too soon to say how much fentanyl-laced heroin the ring distributed locally and how much suppliers profited.

The heroin and fentanyl mixture was distributed in stamp bags marked "Get High or Die Trying," "Burnouts," "Energizer" "Mayday" and "Chevrolet," Buchanan said.

The suspects, during cell phone conversations, often spoke in code when referring to how much of the heroin and fentanyl mix they wanted to distribute, Buchanan said.

They used the names of NFL football players -- such as Emmitt Smith and Donovan McNabb -- whose jersey numbers corresponded to the amount of drugs desired, Buchanan said.

"In the case of Emmitt Smith, his number is 22, so they were referring to the number of bricks they wanted," Buchanan said.

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Arrested yesterday were: Eugene Terrell, 18, Kevin Carter, 35, and Wilford Clark, 26, all of Hazelwood; Carlton Williams, 30, of East Liberty; Damon Jackson, 31, of the Hill District; and Alfurgan Simon, 36, of Newark, N.J.

Shakur Muhammad, 35, of Homewood, and Kenneth Johnson, 29, of the North Side, were arrested last week.

Authorities were searching for William Clark, 25, and Travess Strothers, 27, both of Hazelwood.

Muhammad was arrested Nov. 3 while traveling from New Jersey to Pittsburgh, Buchanan said. State police troopers found 460 bricks of heroin stamped "Chevrolet" in his car. A brick contains 50 stamp-sized bags of heroin.

The men will be arraigned Thursday and detention hearings will be held later this week, Buchanan said. Evidence will be presented to a federal grand jury within 30 days, she said.

10 Face Heroin Distribution Charges (WTAE)

WTAE-TV, November 14, 2006

PITTSBURGH -- Heroin laced with a powerful painkiller led to 50 overdoses and nine deaths in Pittsburgh and surrounding communities last summer, and now, 10 people face charges for distribution of the drug.

The killer heroin was mixed with Fentanyl, a painkiller about 80 times stronger than morphine.

The deadly drug might have led to several overdoses this past weekend, also, authorities said.

U.S. Attorney Mary Beth Buchanan was joined by Pittsburgh Mayor Luke Ravenstahl to talk about the investigation of the huge drug trafficking operation that stretches from New Jersey to Pittsburgh.

If convicted, those arrested could face a maximum sentence of life in prison.

SF Supes: Pot Offenses 'Lowest Law Enforcement Priority' (BCNS)

Bay City News Service, November 14, 2006

SAN FRANCISCO -- San Francisco supervisors voted Tuesday to make marijuana offenses the Police Department's lowest priority, though prohibitions remain for marijuana sales in public, possession by minors or use by motorists.

"San Francisco should determine its marijuana policy locally, not hand them over to the federal Drug Enforcement Administration," stated the ordinance by Supervisor Tom Ammiano. "Law enforcement resources would be better spent fighting serious and violent crimes."

Ammiano's bill was opposed by supervisors Sean Elsbernd, Michela Alioto-Pier and Fiona Ma.

The law also urges the San Francisco district attorney, Kamala Harris, to make prosecution of marijuana offenses her office's lowest priority. A community oversight committee was also created to monitor implementation of the law.

SF Supes Outlaw Foam Food Containers, Decriminalize Adult Pot Use (SFC)

By Robert Selna, Chronicle Staff Writer

San Francisco Chronicle, November 14, 2006

SAN FRANCISCO -- The Board of Supervisors voted today to outlaw the use of Styrofoam and other polystyrene products by city restaurants and to effectively decriminalize the use, sale and cultivation of marijuana by adults.

The food container legislation, introduced by Board of Supervisors President Aaron Peskin and approved unanimously on the first of two votes needed for passage, would apply to about 3,400 restaurants in San Francisco as well city facility food service providers and food vendor companies contracting with the city. It is scheduled to be implemented June 1, 2007.

Polystyrene containers are blamed for filling up landfills and breaking down into smaller nonbiodegradable pieces that harm marine and other wildlife when they are ingested.

In passing the ordinance, San Francisco joins number of other cities around the country, including Oakland, Portland, Ore., and Berkeley, which banned Styrofoam and similar products nearly 20 years ago.

The marijuana legislation, which passed on an initial vote 8-3, would set nearly all crimes involving marijuana as the lowest law enforcement priority for city police and urges the district attorney to adopt the same policy when prosecuting criminal defendants.

It passed with the blessing of the police officials, but over the complaints of some residents who say the marijuana trade attracts or occurs along with other criminal activity that undermines the quality of life in their neighborhoods.

Ammiano introduced the legislation in August at the behest of groups pushing for the national decriminalization of marijuana.

S.F. Passes Marijuana Tolerance Law (KGO)

KGO-TV, November 14, 2006

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San Francisco's Board of Supervisors passed a law that essentially says when it comes to marijuana, the city doesn't much care.

The proposal passed overwhelmingly today and it gets a second reading same time next week, but that's mostly a formality. So for all intesive purposes the city has a new pot policy.

Veronica Gaynor, Fair Oaks Community Coalition: "The police will have to arrest for barking dogs or spitting on the sidewalk before they get to this marijuana."

Members of a mission neighborhood group oppose the new measure which makes marijuana violations by adults on private property the lowest priority for San Francisco police.

The mayor says it simply formalizes what is already city policy.

Gavin Newsom, San Francisco: "I don't see it changing anything what so ever - frankly I think it's just symbolic."

The measure provides some exceptions: allowing crackdowns on those caught driving under the influence, selling pot on public property, if it poses a threat to public safety, and the use and sale involving minors.

Most other marijuana offenses will be a low priority but Police Chief Heather Fong says that doesn't mean her officers will turn a blind eye.

Chief Heather Fong, SFPD: "When there are legitimate criminal behaviors, criminal acts that occur, officers are permitted to enforce the law as they have been."

A public hearing was held yesterday. Some critics believe the measure will undermine San Francisco's medical marijuana clubs.

Kim Stryker, Fair Oaks Community Coalition: "There's no reason to get a permit for a medical facility, there's no reason to get a medical card - you just go to your neighbor and buy what you want in unlimited amounts according to this legislation."

Supervisor Tom Ammiano calls that an over-reaction. He is the sponsor of the legislation.

Tom Ammiano: "I don't know why the in quotes neighbors, because they aren't my neighbors, keep saying that after we point out that it's not true. Whatever the police are doing now they will continue to do, it's up to them."

San Francisco's new law includes a committee to monitor the implementation. This law is similar to an ordinance passed by Santa Cruz to voters last week.

S.F. Passes Marijuana Tolerance Law (KGO)

KGO-TV, November 14, 2006

San Francisco's proposed legislation is similar to a measure passed by Santa Cruz voters this past Election Day. Measure K was approved by more than 60 percent of that city's voters.

It makes marijuana laws the lowest enforcement priority. The new policy pertains to infractions by adults on private property. If the city's police officers don't comply with the new rule, they could find themselves on the receiving end of civil lawsuits.

The Santa Cruz police department is also restricted from cooperating with state and federal authorities when it comes to marijuana investigations or arrests.

Measure K also calls for the creation of a community oversight committee to monitor implementation.

The Santa Cruz ordinance doesn't protect pot use by minors, which is also the case with San Francisco's proposal.

According to the Santa Cruz Sentinel, newspaper, critics worry about a conflict between the state laws officers are sworn to uphold and obeying this ordinance.

California law allows marijuana use only for medical purposes.

Measure K is set to take effect in Santa Cruz by February.

As We See It: Pot Capital? (SCS)

Santa Cruz Sentinel, November 13, 2006

Do the people of Santa Cruz really want marijuana to be what the city is known for?

That question just may be turning into a reality, especially after the passage last week of Measure K.

The ballot measure passed overwhelmingly, although we still believe that a number of voters didn't really understand the full implications of the measure.

It's part of a national effort by a well-funded group that's trying to overturn the nation's marijuana laws. They're going about the effort by picking off far-left towns like Santa Cruz to apparently convince the rest of the country that marijuana ought to be legalized.

We're not convinced that marijuana is really harmless, nor are we convinced that legalizing it is really the smartest move our society could make.

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But were it to be legalized, we'd hate to see it done this way, where you end up with "pockets" of marijuana havens like Santa Cruz.

Beyond that, Measure K is setting up some bureaucratic regulations that will be time-consuming and frustrating to follow. How would you like to be a busy city clerk who has to take time to write a letter to federal lawmakers each year, asking them to support legalized marijuana?

Advertisement

Why should the city have to name an "oversight committee" to monitor police reports? Why would any self-respecting police officer work in that kind of atmosphere? It almost guarantees that the best cops will look elsewhere for employment.

The measure also declares that it's city policy to support policies for taxation and regulation of marijuana.

At one time, those who smoked marijuana were considered to be free spirits who flouted the law. But this generation of pot-promoters are more bureaucratic. They seem to be as interested in setting up procedures and policies every bit as much as they are in getting high.

The serious side of this issue is that people shouldn't be encouraged to get high. Marijuana might not be the most dangerous drug in the world, but our society does not need more avenues to self-medication. One more legal way to get high is not something our society needs.

Year in and year out, the local United Way Community Assessment Project report warns that the tolerance of drug use — and abuse — is one of the biggest problems facing this community. Drug and alcohol use by teens is much higher than the state and national averages.

It's no joke. People's lives are made worse because of drug and alcohol use and abuse.

As for Santa Cruz, drug use is a big problem. It's a problem downtown, and don't let anyone tell you otherwise. Marijuana is part of that problem.

We don't think that Santa Cruz ought to be known as a "pot capital" of the world. That's why Measure K is not good for the city, despite the overwhelming vote to approve it.

Ziegler And Company Create A Medical Marijuana Cooperative In Susanville (LN)

Lassen News, November 14, 2006

Nov. 14, 2006 — Once again, the medical marijuana war breaks into an open boil right here in Susanville. Proposition 215, the Compassionate Use Act, was passed by the people of the state of California 10 years ago last week, but the controversial issue still remains unresolved.

To some seriously ill people in our community, the pungent herb is a God-given painkiller that works better than any man-made drug. But to some of our local city leaders and law enforcement officials, it's just plain old dope.

While the battle rages all around him, local medical marijuana farmer Timothy Ziegler, 47, bristles at the suggestion he's a drug dealer.

He always refers to his plants and the big, potent buds he grows in several different rooms of an old commercial building a stone's throw off Main Street as medicine.

He said the drug dealers are out in the bars or in the park hawking their wares to customers who seek a quick buzz. He said that's not him and that's not his purpose.

He said it's easy to see the difference between marijuana the drug and marijuana the medicine once one sees a patient curled up on a couch in a fetal position in excruciating pain take a dose or two of medicine and then be well enough to sit up and eat some food. Maybe even watch a little television.

"You're going to watch this happen and then tell me somebody can't do this?" an incredulous Ziegler asked.

He said most of the medical marijuana users he's encountered use the drug because of chronic pain, but other users include cancer and AIDS patients. Some use the drug to ease their nausea. Others use the drug to help build their appetite and combat wasting.

Ziegler said three local doctors write recommendations for patients to use marijuana as an alternative to stronger, addictive, and to some, more dangerous and damaging pharmaceuticals.

"If I wanted to be a drug dealer, I'd be growing hundreds of plants on federal land," Ziegler said. "I'd be a whole lot richer than I am now. Just look at this place. You can see there's no money in this."

Ziegler, a medical marijuana patient who started using the drug after he was crushed by a wall in a construction accident at a Lake Almanor building site three years ago, said marijuana allows him to have a life without the opiate painkillers he said were stealing his life and reducing him to little more than opiate eyes.

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"I've been clean and sober for 22 years," Ziegler said. "I quit doing everything. After 19 years of sobriety, I got crushed, breaking my back and three ribs in nine places, leaving me in constant pain. I have an addictive personality, and taking those pain medications was turning me into a junkie. It just wasn't an option. That's how I got into medical marijuana."

Ziegler said he and 104 other medical marijuana patients have formed the CASA Collective Cooperative — Californians for Safe Access — here in Susanville.

"We're a patient's group," Ziegler said. "We're patients helping patients."

According to Ziegler, the collective has 104 medical marijuana recommendations from Lassen County patients. The recommendations and photocopies of picture ID cards are all gathered in a file folder to show law enforcement officers should the cooperative be raided.

Unfortunately, Ziegler said he couldn't grow enough medicine for so many patients and remain below the federal radar. Federal law does not recognize a medical marijuana defense, and a convicted grower with more than 99 plants faces a mandatory five-year prison sentence. For that reason, Ziegler said he never grows more than about 90 plants. Some counties in California will let a medical marijuana patient have as many as eight mature plants.

"One hundred plants," Ziegler said, "that's the magic number."

Ziegler said he has to travel to the Bay Area to purchase medicine for himself and the other cooperative members. He said that's more expensive for collective members.

"Bob Burns turned me over to the feds," Ziegler said. "I'm prepared for them to come. What I'm doing is federally illegal. When they come, they take everything. It's all gone. It's all confiscated. But in the last five years no one with a legal medical marijuana claim has done more than the booking time in Northeastern California. Jail is an ever-looming threat for me and every patient in the collective. You listen to every sound. Every day you wonder, 'Is today the day.' There's a lot of fear."

Ziegler characterized the issue as a struggle with a group of city leaders who refuse to recognize and follow the laws of the state of California.

"They don't want to acknowledge it," Ziegler said of the medical marijuana law. "They don't want to acknowledge they are subject to the laws and the Constitution of the state of California in this city."

While a city ordinance makes it illegal to operate a medical marijuana dispensary in Susanville, Ziegler said the cooperative gets around that restriction by operating a delivery service.

Ziegler said he's very careful to make sure the medicine he grows remains medicine and doesn't wind up as illegal drugs on the street.

"I'm guilty of doing what I despise — profiling," Ziegler said. "We don't want to be involved with anyone if we're suspicious they're distributing medicine to other people. All it would take is one incident, and they (the authorities) would have everything they needed."

While there might be big money in drug dealing, Ziegler said growing medical marijuana is a not-for-profit venture.

When he can't grow enough medical marijuana for the patients Ziegler makes a trip to another cooperative to purchase medicine.

Trips to the Bay Area to purchase medicine cost about $600 in gas, food and lodging. A pound of medical marijuana from another cooperative costs about $4,000. The patient pays about $250 per ounce.

"There's just no profit in it," Ziegler said. "It's not there. Do the math."

Ziegler said given the overhead and the high cost of electricity there's not much profit in the plants he grows himself. He said each plant grown indoors yields about 2-1/2 ounces of medicine. Keeping under the federal sentencing limit of less than 100 plants limits how much medicine Ziegler can grow for the cooperative's patients.

The cooperative has five employees and is open from noon to 8 p.m. Tuesday through Saturday. Ziegler said the cooperative is a non-profit corporation that keeps regular business records, pays taxes and worker's compensation just like any other business except Ziegler's not entitled to sell, only seek reimbursement for time and materials.

Ziegler said he starts cloned plants hydroponically so they develop a strong root structure.

He said his plants are all grown organically without any pesticides or chemicals, which could be harmful to some patients. For example, mites, a typical pest for marijuana gardners, are controlled with ladybugs.

Once the small plants are strong, they're moved to a second "veg room" where they sit under grow lights nearly 24-hours per day. The plants grow rapidly in this environment.

Finally the plants are moved to a "sleep room" where the number of hours of light per day is gradually diminished. Marijuana plants are light sensitive, so the buds form and grow larger as the number of hours of light the plants receive each day is reduced.

Finally, the buds are trimmed, cured and dried before they are bagged and used as medicine.

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The entire process of the indoor grow reduces the plants' life cycle from eight or 10 months to two or three months. A plant grown outside could yield as much as one pound of medicine.

Ziegler staunchly defends his right to do what he's doing under California law.

"If I'm doing something wrong, how come I'm still here doing this two years later?" Ziegler asked.

Drug Ring Leader Guilty Of Trafficking (NT)

Nashua Telegraph, November 15, 2006

CONCORD – A Mexican national man who was arrested in June after he delivered nearly 2 kilograms of cocaine to a Nashua residence, was convicted Monday on federal drug trafficking and immigration charges, First Assistant U.S. Attorney Joseph Laplante said.

Francisco David Avalos-Morfin, 38, of Mexico, pleaded guilty in U.S. District Court in Concord as part of a plea agreement charging him with conspiracy to distribute more than 500 grams of cocaine and unlawful re-entry into the United States, Laplante said.

Avalos-Morfin has been jailed since June 5 when agents working as part of a federal drug task force arrested him and other man, Aurelio Bonilla, 29,drop off a plastic bag containing two white, powdery bricks at a Nashua residence, Laplante said.

The two bricks encased in shrink wrap were later verified to be cocaine, approximately 1,955 grams, Laplante said, which according to local police has a Nashua street value of about $100 a gram, or $195,500.

Avalos-Morfin, who was living in Fitchburg, Mass., when he was arrested, was the leader of a Mexican drug ring, according to a Drug Enforcement Administration agent's affidavit filed in the case.

Telephone conversations arranging the drug transaction between Avalos-Morfin and an informant working with DEA officials began April 29 and continued through May, leading up to the June 5 delivery, according to the affidavit.

By that time the DEA informant, who received several unannounced visits from Avalos-Morfin during that time, had managed to negotiate a price of $48,000 for the cocaine.

Although that amount of money was never exchanged during the investigation, all of the money that was exchanged was returned, Laplante said.

The investigation was headed by the New England Organized Crime Drug Enforcement Task Force and included members of Nashua, Manchester and state police departments, according to a statement from the U.S. attorney's office.

Officials from the federal Bureau of Immigration and Customs Enforcement assisted Laplante in prosecuting Avalos-Morfin on the immigration charges, the statement said.

Avalos-Morfin faces a 40-year maximum federal prison sentence for the drug charges alone, but will more likely receive a sentence much closer to the five-year minimum he must serve on the charge, Laplante said, who estimated about 10 years for both drug and immigration charges.

"But sentencing is up to the court," he added.

A sentencing hearing has been set for Feb. 22 in U.S. District Court in Concord.

Avalos-Morfin has been deported from the United States on two other occasions, the first in 1996 from Nogales, N.M., and the second time in 2004 from Bakersfield, Calif., Laplante said.

Laplante could not say where in Mexico Avalos-Morfin is from.

Federal court records show that in the summer of 2003 he was sentenced to 18 months in prison for the re-entering the country after having been deported.

Once he has served his time, Avalos-Morfin will again be deported to Mexico, Laplante said.

Bonilla, who is a U.S. citizen, was charged with conspiracy to distribute cocaine, more than 500 grams, according to court records. That charge is still pending.

Colombia President Lobbies US Congress For Free Trade (WSJ/DJ)

Wall Street Journal/Dow Jones, November 14, 2006

BOGOTA (Dow Jones)--Colombian President Alvaro Uribe is lobbying the U.S. Congress on labor issues to build support for an extension of trade preferences granted to his country and for a free trade agreement between both nations that has yet to be signed and ratified.

Uribe, who traveled to Washington for two days, tried to convince U.S. legislators that the labor situation is improving in his country.

The Colombian president told Rep. Charles Rangel, D-N.Y., that his government is working hard to protect labor union leaders, forbid child labor and boost the minimum wage.

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Colombia's labor laws and environmental standards have been criticized by U.S. Democrats in several trade deals in the past, said Alberto Ramos, a New York-based analyst with Goldman Sachs.

"Legislators want to make sure trade is free and that labor standards aren't too low in the other country so that companies don't get an unfair advantage," Ramos said.

Colombia is considered one of the most dangerous countries on earth for labor unions. About 56 union activists have been killed so far this year, according to the countries' unions. The Colombian government says that 46 union leaders and unionized workers have been killed so far in 2006.

More than 3,800 union leaders and activists have been assassinated since the mid-1980s, according to the John F. Henning Center for International Labor Relations at the University of California Berkley.

Also, about 1.6 million children were working in Colombia in 2001, according to the most recent figures available from the government, while the non-profit organization Save the Children estimates that 2.5 million children are working in the country.

The Colombian government wants the U.S. Congress to extend the trade preferences Colombian producers enjoy at least until a free-trade agreement reached by both countries takes effect. The preferences are scheduled to expire on Dec. 31.

Colombia hopes the extension of the trade preferences will be followed by the ratification of the free-trade agreement by the U.S. Congress.

"It is important to get the preferences, but investors liken preferences to a unilateral decision that is unstable in the future," Uribe said after meeting Rangel. "They don't give certainty so that people make the investments Colombia requires to create enough jobs and to have the means to overcome poverty," he added.

Rangel, who will likely take over the chairmanship of the House Ways and Means Committee next year, said the U.S. Congress will review the free trade agreement but won't "reopen" the negotiations.

Last week, Rangel said he wouldn't support free trade agreements reached with Peru and Colombia unless the labor provisions are renegotiated. Congressional Democrats say the pacts' labor provisions are inadequate.

Congress authorized the Andean Trade Preferences Act, or ATPA, in 1991 to allow Colombia, Peru, Ecuador and Bolivia to export many products to the U.S. duty free, with the goal of creating new economic alternatives to the illegal cocaine trade. Congress renewed and enhanced the program in 2002.

The Bush administration hopes to replace the ATPA with the free-trade agreements.

The free-trade agreement between Colombia and the U.S. is scheduled to be signed by both governments on Nov. 22 but will still need to be ratified by the legislatures of both countries. For Peru, the agreement only needs to be ratified by the U.S. Congress.

Several U.S. official have asked Congress to extend the trade preferences, echoing requests made by Peruvian and Colombian officials.

Peru Still Hopes For US Free-Trade Pact Approval - Envoy (WSJ/DJ)

Wall Street Journal/Dow Jones, November 14, 2006

LIMA (Dow Jones)--Peru hopes that the U.S. Congress will approve an already-negotiated free trade agreement, but opposes reopening the pact to make changes to labor standards, the Peruvian government's trade envoy to the U.S., Hernando de Soto, said.

Peru's Congress has approved the deal, worked out by the executive branches in both nations, but the deal has yet to be approved in the U.S. Congress, where recent election gains by members of the Democratic party could weaken support for free-trade deals.

"Everyone is in agreement that we have to fight for the deal now, as we have more possibilities to make our points in 2006, since in 2007 it appears that the situation for more free trade deals will deteriorate," de Soto, an economist, said in a radio interview.

The Peruvian government opposes reopening the pact, de Soto added.

"Our strategy is to not accept a change in the free trade deal itself, for some simple reasons. One is that the negotiations have been closed and to reopen them would be to reopen the contract, and possibly to take it past the date that the government of the U.S. has for the authorization for the negotiations with U.S., which is June 2007," he said.

The Peruvian government is open, however, to the idea of including improvements to labor standards, but in a side deal, he said.

Some politicians in the U.S. have been pushing for U.S. trading partners to comply with international labor standards.

De Soto also said that the Peruvian government wants an extension to the current trade deal that allows products from some Andean nations to enter into the U.S. with reduced tariffs. That deal, known as the Andean Pact Trade and Drug Enforcement Agreement, or APTDEA, is set to expire at the end of this year.

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Prime Minister Jorge del Castillo said at a press conference Monday that if the overall free trade deal isn't approved, then it is almost "a done deal" that an extension to the APTDEA will be approved. That agreement has allowed for Peruvian textile exports to expand sharply.

Peru started the free trade talks alongside Colombia and Ecuador in 2004.

While Colombia and Peru reached deals with the U.S., talks between Ecuador and the U.S. fell apart, although the pact has become an issue in the current election campaign in Ecuador.

Colombian and Peruvian officials continue to meet with U.S. legislators to gain support for the trade initiatives.

JP Morgan said in a report Tuesday that, "FTA ratification may take the back seat for now, but it is likely to take place sometime in the first half of 2007."

Wall St Rules Out Progress On LatAm Trade Deals Until 07 (WSJ/DJ)

Wall Street Journal/Dow Jones, November 14, 2006

NEW YORK (Dow Jones)--Amid an increasingly uncertain political climate in the U.S. for free trade, Peru and Colombia have sent delegations to Washington this week to lobby for their respective bilateral agreements.

Their efforts come after the House of Representatives failed to pass legislation late Monday granting permanent normal trade status to Vietnam. While lawmakers could approve the measure under a different rule, the Monday vote was a setback for President George W. Bush's administration, which is expected to see its trade policy stymied by a Democrat-controlled legislature.

Given the murky environment for free trade deals, Wall Street investment firms are sounding more sure that the Peru and Colombia FTAs won't be considered in the U.S. Congress until next year.

"We do not discard that the Democratic Congress may decide to support the FTA signings with Peru and Colombia given their friendly and strategic relationship with the US," HSBC said in a Tuesday research note. "However, we are not optimistic that will happen any time soon."

Peru's FTA has already been ratified in the Andean country's legislature. Colombia and the U.S. still need to sign their deal, a step that President Alvaro Uribe said should took place on Nov. 22.

Goldman Sachs said Tuesday the U.S. government has told Peru that "due to the current political juncture," it will not send the FTA to Congress for a vote "for at least a number of weeks." In Goldman Sachs' calculations, this timeline would also push legislative approval of the Peru deal until sometime in 2007. JPMorgan echoed this view in a Tuesday report as well, saying "FTA ratification may take the backseat for now."

Analysts have said it was far more likely that the Bush administration would push for renewal of the Andean Trade Preference Act during the current Congress' lame-duck session. Deputy U.S. Trade Representative John Veroneau confirmed this approach on Tuesday, saying the government is seeking to extend those preferences "in a timely fashion, so as to minimize any business disruptions." The ATPA, which is scheduled to expire at year-end, eliminates duties on many imports from Colombia, Peru, Ecuador and Bolivia in exchange for drug-control measures.

In the case of Ecuador, whose free trade talks with the U.S. ran aground after the country rescinded an operating contract with Occidental Petroleum (OXY) and took over the company's oilfields, a one-year extension of the Andean trade preferences is "the most Ecuador can aspire to," Goldman Sachs said.

Temporary renewal of the preferences for Colombia and Peru, which have enjoyed much better relations with the U.S., is also crucial in the absence of full FTAs.

Speaking about Colombia, Credit Suisse said in a Tuesday report that "failing to secure at least the extension of preferential trade benefits would impact negatively the country's external accounts, investment prospects, and employment capacity."

The fate of Peru and Colombia's FTAs will depend largely on what kinds of additional labor provisions Democrats will seek when the new Congress convenes. Rep. Charles Rangel, D-N.Y., who is in line to helm the House Ways and Means Committee, said last week the labor provisions in both countries' deals need to be renegotiated. But Peru, for its part, is resistant to altering the agreement.

"Our strategy is not to accept a change in the free trade deal itself, for some simple reasons," Hernande de Soto, Peru's trade envoy to the U.S., said in a Tuesday radio interview. "One is that the negotiations have been closed and to reopen them would be to reopen the contract, and possibly to take it past" the expiration of the Bush administration's Trade Promotion Authority in June 2007.

Under TPA, lawmakers can vote yes or no on deals but not amend them. This fast-track authority passed by a slim margin when it last came up for renewal, and its extension is not widely expected for next year.

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"At this point, it is unclear whether (the Colombia FTA) will be approved next year before President Bush's trade negotiating authority expires in mid-2007," Credit Suisse said.

IMMIGRATION:

Fingerprint Database Lets Police Identify Criminal Immigrants (AP)

By Jeremiah Marquez, The Associated Press

AP, November 15, 2006

LOS ANGELES - Jesus F. Palacios was arrested last month after sheriff's deputies spotted him trying to jimmy a car door.

Using newly acquired access to federal immigration files, they scanned his fingerprints into a database at the police station and instantly determined the 30-year-old Mexican was a previously deported illegal immigrant with a criminal record.

Deputies alerted federal authorities and got an order to hold Palacios on suspicion of immigration violations. He had been removed from the U.S. at least three times after being convicted of child molestation and grand theft auto.

In the past, suspects like Palacios may have been freed on bail as deputies waited for hours for federal and state officials to do a background check.

But now, as part of a post-Sept. 11 crackdown, the Department of Homeland Security and the Justice Department are working to give local authorities rapid access to fingerprint data that can help determine if suspects under arrest are in this country illegally.

"It has been a tremendous advantage to local law enforcement," said Los Angeles County sheriff's Lt. Larry Bryant, who manages the database. "There would be a very good chance these people would be undetected and be released if we didn't have this capability."

The Los Angeles County Sheriff's Department and nearly 50 other Southern California police and law enforcement agencies have been given rapid access to federal records on criminal immigrants. So have the police in Boston and Dallas.

The U.S. government intends to make information available to all local law enforcement agencies in the nation within two years to help catch criminal immigrants, people with ties to terrorist groups, and others who pose a threat.

"We need more people on the ground with information who can act," said Robert Mocny, acting director of the Home Security visitor-technology program.

Civil rights advocates worry that enlisting local authorities could chill relations in communities where police rely on immigrants to come forward with information about crimes without fearing their own status will be checked.

"The No. 1 tool law enforcement uses to solve crimes is law enforcement-community cooperation," said John Trasvina, president of the Mexican American Legal Defense and Education Fund.

In Los Angeles County, Bryant said there is no indication officers have arrested people just to check their immigration status. "We've got better things to do," he said.

This year, federal authorities have placed immigration holds on more than 6,700 inmates in jails operated by the Sheriff's Department, according to the government.

Since police in Los Angeles County started using the database in September, they have identified and detained about 130 illegal immigrants with criminal records.

Among them were:

- A 31-year-old Mexican national deported in 1999 after being convicted of attempted extortion. He was arrested in East Los Angeles in September on suspicion of the same crime.

- A 36-year-old Mexican man with convictions for burglary and taking a car without consent. He was twice deported, and caught once attempting to cross the border. In September, he was arrested by the Sheriff's Department on suspicion of carrying a concealed or loaded firearm registered to someone else.

In most cases, local authorities cannot legally hold suspects longer than four hours before releasing them on bail or with a citation, Bryant said. However, it often took the FBI and state agencies longer than that to check a suspect's fingerprints and return results, he said.

The new database - housed in the Sheriff's Department and accessible to other law enforcement agencies in the county - cuts that time to minutes.

If there is a match, the agency contacts a federal law enforcement center in Burlington, Vt., to request an immigration hold. The suspect is turned over to federal authorities only after the local criminal case has been resolved.

Palacios faces charges of failing to register as a sex offender and using fake citizenship papers. He was not charged with trying to break into the car because it belonged to an acquaintance, authorities said.

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More Immigrants Seeking Asylum Cite Gang Violence (WP)

By N.C. Aizenman

The Washington Post, November 15, 2006

Increasing numbers of Salvadorans, Hondurans and Guatemalans are entering the United States illegally and applying for asylum on the grounds that their lives are imperiled by gang violence in their home countries, according to immigration lawyers and advocacy groups.

Although the number granted asylum barely surpassed 700 last year, asylum applications by people from those three countries have almost doubled, which lawyers attribute primarily to fear of gang violence.

The lawyers hope to persuade judges to more readily grant asylum to those who have risked reprisal by resisting extortion demands by gangs, testifying against gang members, renouncing their own membership in gangs or trying to avoid being forced to join gangs.

Gang violence has grown to epidemic proportions in the three countries since the mid-1990s, when the United States began sending Central American-born members of the rival Los Angeles-based Mara Salvatrucha and Mara 18 gangs back to their home countries. The deportees helped fuel the rise of ferocious sister gangs in Central America, whose estimated 60,000 members are now battling each other, the police and residents in hundreds of communities.

Many of those who say they fled gangs end up in the Washington area, which has one of the nation's largest Central American immigrant populations.

Jose Hernandez, a soft-spoken 19-year-old currently living in a shelter in the District, said he left El Salvador in 2004 after a close friend was gunned down in his home town of Yayantique. Both Hernandez and his friend had been resisting entreaties to join MS-13.

A few days later, Hernandez said, several tattooed gang members grabbed him on the street, held a knife against his stomach and warned him to join "or you'll end up like your friend."

Such accounts are common, said Eric Sigmon, who runs a project for the National Center for Refugee and Immigrant Children that finds pro bono lawyers for unaccompanied minors stopped at the U.S. border. Of the roughly 1,500 Central American children interviewed since the project began 16 months ago, about half cited fear of gang violence as a reason for embarking on the dangerous trek north.

"These are not kids who are leaving just because they feel like it one day," Sigmon said.

Brittney Nystrom of the Capital Area Immigrants' Rights Coalition, which provides a similar service to adult illegal immigrants held in five detention centers in Virginia, said that "literally every week" she comes across an illegal immigrant who left his or her country because of gang violence or fears returning because of it.

Immigration lawyers have responded with a budding effort to win asylum for their clients. And the growing awareness of gang violence may well explain why the number of Salvadorans, Hondurans and Guatemalans filing asylum claims in U.S. immigration courts jumped from about 7,000 in fiscal 2004 to more than 13,000 in fiscal 2006.

Geoff Thale, an expert on Central American gangs at the Washington Office on Latin America, a nonprofit advocacy group, dates the trend to spring 2005, when asylum lawyers first began contacting him for background information on gangs in Central America. Since then, Thale has received about 100 such calls, two or three a week.

But asylum claims are hardly an easy route to legalization: Only 721 Salvadorans, Hondurans and Guatemalans were granted asylum for any reason in fiscal 2005.

U.S. law requires that an applicant prove his fear of violence is credible and that the threat is based on his race, religion, nationality, membership in a particular social group or political opinion. Immigration judges have frequently ruled against applicants who were victims of gangs because of bad luck or who have faced conscription by a gang simply because they were young and male.

But some judges have been amenable to more nuanced arguments.

Last year, an immigration judge based in Arlington County granted asylum to a 14-year-old Salvadoran boy whose father had a dispute with gang members. After the father died, gang members began harassing the boy -- at one point beating him so badly they broke his arm, according to the boy's attorney, Christina Wilkes of the D.C.-based immigrant assistance center Ayuda.

"The judge found that my client was persecuted based on belonging to his family and that this constituted membership in a 'particular social group' protected under asylum law," Wilkes said. The boy now lives with an uncle in Northern Virginia.

Several lawyers also have argued that someone who faces retaliation for refusing to join a gang for religious reasons or because he opposes the gang's values is being persecuted based on a political view and is therefore eligible for asylum. Wilkes, who also represents Hernandez, said she is hoping to argue that in his case.

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Former gang members who worry that they will be killed as punishment for defecting sometimes have been recognized as a protected group by immigration judges. But those judges are often reluctant to grant asylum to former members, opting instead for a less-generous form of relief known as "withdrawal of removal."

Those granted withdrawal of removal cannot receive federal assistance or apply for permanent residency. The decision permits U.S. authorities to deport immigrants to someplace other than their home country. In practice, however, they are allowed to remain in the United States indefinitely.

That was relief enough for attorney Jason Dzubow's client, a 29-year-old construction worker who faced deportation back to El Salvador after he was picked up for driving while intoxicated in Virginia.

During an interview in Dzubow's presence, the construction worker, who said he was fearful of being identified by name, said he grew up in a neighborhood of the city of San Miguel that was so dominated by gangs that the corpses of their victims would remain on the street because no one dared move them. He said he was forced to join MS-13 when he was a teenager but fled to the District when gang members handed him a gun and ordered him to kill a cousin belonging to the rival Mara 18 gang.

The construction worker, who is married to a U.S. citizen and has two U.S.-born children, had since tried to cover a large "1" and "3" tattooed on his right and left shoulders with new tattoos of snarling panthers. But he was terrified that other MS-13 members on his deportation flight would see through the ruse and realize he had tried to renounce the gang -- a virtual death sentence.

When the judge ruled that he could stay in the United States, his wife recalled, "it was almost like he couldn't breathe."

"It was incredible," he agreed. "I felt like I was reborn."

Martinez Hits 'Enforcement Only' (WT)

By Stephen Dinan And Ralph Z. Hallow

The Washington Times, November 15, 2006

Sen. Mel Martinez, President Bush's choice to become chairman of the Republican National Committee, said his goal will be to undo the election damage done by the border-enforcement-first message of most Republicans -- which he called "harshness only."

Mr. Martinez's nomination -- which must be approved by the RNC at its January meeting -- is Mr. Bush's first major political step since last week's elections, and it is already creating division among rank-and-file Republicans, who say it puts the party on the wrong side of the immigration issue.

"I would say it's another Harriet Miers moment," said Randy Pullen, an RNC committee member from Arizona, referring to the doomed pick for the Supreme Court.

Mr. Bush announced the nomination in the Oval Office, saying Mr. Martinez would keep his Florida Senate seat and serve as honorary chairman, or the public face of the party. Mr. Bush also nominated Mike Duncan, the RNC's general counsel, as chairman responsible for day-to-day operations, and asked Jo Ann Davidson to remain co-chairman.

Chairman Ken Mehlman is not seeking to remain in office.

Speaking to reporters after the Oval Office announcement, Mr. Martinez said he was "not going to do a post-mortem on the election here today." Moments later, though, he did a post-mortem on immigration, saying he saw a clear message on that issue.

"I think we have to understand that the election did speak to one issue, and that was that -- it's not about bashing people, it's about presenting a hopeful face," said Mr. Martinez, who won his seat in 2004.

He was one of the authors of the Senate compromise that would have allowed most illegal aliens to remain in the United States and pay small fines in return for a path to citizenship.

"Border security only, enforcement only, harshness only is not the message that I believe America wants to convey," Mr. Martinez said.

His proposal passed the Senate, though a majority of Republicans voted against it. The House, however, passed an enforcement-first strategy. Even the RNC voted unanimously in August to adopt a resolution calling for border and interior enforcement, and Mr. Pullen said Mr. Martinez as chairman would run contrary to that message.

Some RNC members had pleaded for Mr. Bush to nominate Maryland Lt. Gov. Michael S. Steele, a prominent black Republican who in his losing Senate campaign this year argued against amnesty for illegal aliens.

Rejecting Mr. Steele raised hackles among some RNC members, who traditionally rubber-stamp a sitting president's choice for chairman. Members wondered whether the choice of Mr. Martinez was a signal of Mr. Bush's desire to focus more on burnishing his presidential legacy, rather than on rebuilding a winning party for 2008.

"I don't know whether this is Harriet Miers and cronyism all over again, since I don't know that much about Martinez and his relationship with Bush and Rove," said Texas RNC member Bill Crocker, referring to the White House adviser.

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"But I wish they wouldn't try to control this thing, the way this White House micromanages everything. We'd be better off with an independent voice to support the president and work for the good of the party."

Dr. Buddy Witherspoon, an RNC member from Columbia, S.C., said a black conservative such as Mr. Steele would have been an "excellent choice." But Dr. Witherspoon, who is white, worried just how much Mr. Steele, Mr. Martinez or anyone whom "Karl Rove chooses" will be able to speak for the future of the Republican Party.

As Mr. Bush pushes the RNC in his direction on immigration, House Republicans move the other way, with Rep. Mike Pence of Indiana, a contender for the House minority leader's post, saying yesterday that he will oppose Mr. Bush's bill.

"What is coming at us now is going to be a massive amnesty bill that will likely be propounded not only by Democrats in the House and Senate, but frankly also by the White House," he said in an interview with radio host Laura Ingraham.

Conservatives Wary Of Choice To Lead RNC (LAT)

By Peter Wallsten And Nicole Gaouette

The Los Angeles Times, November 15, 2006

WASHINGTON — President Bush's decision to back Sen. Mel Martinez to help lead the Republican Party, a move intended to appeal to disaffected Latino voters, drew sharp criticism Tuesday from some of the party's core conservatives, who disdain the Florida lawmaker's support for liberalized immigration laws.

The decision to name the Cuban-born Martinez as Republican National Committee general chairman served as an acknowledgment that the GOP had lost ground among Latinos; in last week's midterm election, the Republican share of the Latino vote dropped to 30% from more than 40% in 2004. Party leaders have said they need to build more support among Latinos for the GOP to regain its dominance.

Martinez supported legislation to create a guest worker program and a path to citizenship for many immigrants who are in this country illegally; Bush and many Latinos also backed versions of that plan. But the legislation that passed the Senate this year created a firestorm of opposition among conservative Republicans and much of the House GOP leadership, who derided it as amnesty for lawbreakers.

Criticism of Martinez came Tuesday from several conservatives, including Curly Haugland, an RNC member from North Dakota, who said he believed the party was far too focused on pandering to minorities.

"We're losing our base in droves because they don't get campaigned to," he said, referring to GOP-leaning conservatives.

Randy Pullen of Arizona, another RNC member and an activist against illegal immigration, likened Martinez's selection to the episode last year in which Bush named his longtime friend and legal counsel to the Supreme Court, only to reverse himself after a furious conservative backlash.

"I'm hoping that it's not another Harriet Miers moment," Pullen said.

Another leading critic of Bush's stance on immigration, Rep. Tom Tancredo (R-Colo.), chairman of the Congressional Immigration Reform Caucus, offered tepid support for Martinez.

Tancredo called the senator a "competent spokesman for our party," but added that if he "rejects the will of rank-and-file Republicans and uses the position to advocate for things like the president's amnesty proposal, then I believe the party could be headed for another shellacking at the polls in 2008."

Members of the Republican National Committee will meet in January to replace outgoing Chairman Ken Mehlman, who will leave after a two-year term in which an aggressive minority outreach effort was hampered by the immigration debate and other issues.

Despite the unhappiness among some RNC members over Martinez's selection, he is expected to win election as general chairman, making him the GOP's most visible spokesman leading up to the 2008 presidential election. The party's general counsel, Robert M. "Mike" Duncan, is expected to become RNC chairman and run day-to-day operations.

Bush introduced Martinez in a brief Oval Office ceremony Tuesday as his recommended pick for the party leadership.

The selection, which became public Monday, made it clear that Bush and his chief political strategist, Karl Rove, believed the party's future depended on striking a moderate image on immigration. It also suggested that the White House saw the party's support for get-tough legislation on the issue as contributing to its midterm election losses.

Conservative lawmakers not only stopped Bush's guest worker plan in Congress this year, but they passed a law calling for 700 miles of fencing along the U.S.-Mexico border. Bush signed the legislation in the waning days of the campaign in hopes of galvanizing conservative voters.

But the move failed to save several Republican candidates who had called for an illegal-immigration crackdown. And exit polls suggested that many Latinos abandoned the GOP as a reaction to rhetoric that they viewed as negative toward all immigrants, legal and illegal.

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Martinez demonstrated Tuesday that he would not shy away from the vision of immigration laws that he and Bush had long supported. Emerging from his White House meeting with the president, he told reporters that his party struck the wrong tone on immigration during the election, a tone he promised to change. "Border security only, enforcement only, harshness only, is not the message that I believe America wants to convey," he said.

Martinez, 60, whose full name is Melquiades Rafael Martinez, fled Cuba at age 15 with assistance from a program that helped children leave the communist country. He lived with foster families until he was reunited with his family four years later.

A trial lawyer, he was the elected chairman of Orange County, Fla., and was later chosen by Bush to be housing secretary. In 2004, he became the first Cuban American to be elected to the Senate.

Latino leaders and Republican strategists said elevating Martinez's profile could rebuild goodwill among minority voters.

"You take a Hispanic senator who happens to be Catholic, and that's a direct response to a community that happens to be disappointed," said Al Cardenas, a former chairman of the Republican Party of Florida who, like Martinez, was born in Cuba but moved to the U.S. to flee Fidel Castro.

The Rev. Luis Cortes Jr., founder of the influential Philadelphia-based ministry Esperanza USA, who has been courted by the White House over the last six years, said Martinez's selection made an important statement to conservatives who had backed strict proposals, such as one that would have made it a felony to help illegal immigrants.

"A lot of the Republican candidates chose immigration as the wedge issue, and polls seem to bear out that it was an error for them to do that," Cortes said. "And I think Mel Martinez, because of his life story, is a perfect person to help them find their way back from that era."

White House political director Sara Taylor said Martinez could "communicate with the fastest-growing population in a way they can relate to."

She added that he would prove crucial in building Latino support in a post-Bush era. "We've seen in the last election that the president's popularity [with Latinos] is not transferable to House and Senate candidates," Taylor said.

Martinez will remain in the Senate. He won his seat there in 2004, after the White House urged him to run.

GOP strategists said Martinez would help build support for the party in Florida, a 2008 battleground state.

Martinez said he would remain neutral in the Republican presidential primaries, though he appeared during this year's campaign with one leading contender, Arizona Sen. John McCain, after they both endorsed Florida Gov.-elect Charlie Crist in his primary.

Even with Republicans soon to be in the minority on Capitol Hill, there is no assurance that an immigration overhaul package will pass. The Democrats preparing to take power in the House and Senate are also struggling with their approach to the issue.

Democratic leaders are trying to balance their desire to woo Latino voters with concerns from some labor leaders that new immigration laws would lead to lower wages.

Moreover, some in the party fear that passing a guest worker program and pathway to citizenship for illegal immigrants would leave Democrats vulnerable to being portrayed as soft on illegal immigration.

Martino: U.S.-Mexico Fence Plan Inhumane (AP)

By Frances D'emilio

AP, November 15, 2006

A top Vatican official on Tuesday denounced a U.S. plan to build more fences along the Mexican border as "inhumane," and compared the project to the Cold War-era Berlin Wall.

Cardinal Renato Martino, who heads the Holy See's office concerned with migrant and itinerant peoples, urged the United States to allow more foreigners to enter legally.

"I must note, unfortunately, that in a world which greeted with joy the fall of the Berlin Wall, others are being erected between neighborhood and neighborhood, city and city, nation and nation," he said at a news conference to present Pope Benedict XVI's annual message about migrants.

Bishops in the U.S. and Mexico have opposed Washington's plan to build 690 miles of additional fencing along the border and on Tuesday, Martino praised their stance against what he called an "inhumane" project.

The law authorizing the fence was signed on Oct. 26 by President Bush, who called it "an important step in our nation's efforts to secure our borders."

An estimated 11 million Mexicans live in the United States, about half of whom are undocumented.

Martino also denounced trafficking in humans — particularly women forced to become prostitutes and children forced into labor.

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"This trafficking in human beings has intensified, persons put into slavery because they depend on certain criminals who take possession of these human beings," he said.

He said human trafficking today is worse than the trade in African slaves of past centuries.

"It's worse than the slavery of those ... taken from Africa and brought to other countries," he said, but did not cite any figures.

A 2005 State Department report on human trafficking estimated that 600,000 to 800,000 men, women and children are trafficked across borders each year — 80 percent of them women.

The cardinal challenged countries to combat modern-day slavery.

"In a world which proclaims human rights left and right, let's see what it does about the rights of so many human beings which are not respected, but trampled," the cardinal said.

'Guest Workers' Sue Companies Over Pay (USAT)

By Laura Parker

USA Today, November 15, 2006

Armenio Pablo-Calmo, a Guatemalan national, spent six winters as a tree planter in the pine forests of the South as part of a "guest worker" program that is required under federal law to pay him the prevailing wage for such jobs.

That ranges from $6.32 an hour in North Carolina to $9.20 an hour in Alabama, according to the U.S. Labor Department. Pablo-Calmo says he and his co-workers were paid less than the federal minimum wage of $5.15 an hour, were not paid overtime and often were required to pay for their own tools, visas and travel costs. Last year, they sued Eller and Sons Trees, their employer, for back wages and reimbursement of out-of-pocket costs.

A federal judge classified the case as a class-action lawsuit on Sept. 28; the case now involves about 6,000 tree planters. It is drawing national attention as one of several legal challenges to the H-2B visa program, which admits 66,000 foreigners into the USA each year to do temporary manual labor. As President Bush has proposed tripling the number of such visas issued each year, the H-2B program has come under criticism from the Southern Poverty Law Center and other groups that say it has been used by employers to exploit guest workers.

The center, which filed the lawsuit involving Pablo-Calmo, also has sued three other forestry companies as well as a hotel chain on behalf of foreigners who have worked at 15 hotels in New Orleans since Hurricane Katrina. One of the forestry suits was settled in September, when Idaho-based Alpha Services agreed to pay a group of Latino workers an undisclosed sum for back pay and travel costs, according to court papers.

"We hope this has a huge impact and other employers see they cannot just choose to hire guest workers and then abuse them with no consequences," says Mary Bauer, an attorney at the law center.

Organized labor has long opposed the H-2B program and other guest-worker initiatives, arguing that they are used to abuse immigrants and undermine wages for U.S. citizens. Eller and Sons and other employers targeted in the lawsuits reject the notion of any abuse and say that such programs help fill jobs most Americans won't do.

Larry Stine, an Atlanta lawyer who represents the four forestry companies, says that the claims in the lawsuits are "overblown" and that the workers are overstating their hours on the job.

"This is not a case about people being exploited," he says.

The Ellers' suit also accuses the firm's recruiters in Guatemala of requiring laborers to hand over deeds to their property to get jobs in the USA. Stine says the company was unaware of the practice until the lawsuit was filed and that it has been stopped. He says workers were asked to leave deeds with recruiters temporarily to try to ensure the workers would return to Guatemala.

Border Vigilantism Alleged In Ariz. Case (WP)

By Tim Gaynor

The Washington Post, November 15, 2006

BISBEE, Ariz., Nov. 14 -- A rancher accused of holding a Mexican American family at gunpoint went on trial in this southern Arizona town Tuesday in a case highlighting border vigilantism, rights groups said.

Roger Barnett is being tried at Cochise County Superior Court, 90 miles southeast of Tucson, in a civil suit brought by two local families seeking more than $200,000 in damages over an incident during a hunting jaunt two years ago.

Ronald and Renee Morales say their family was assaulted, battered and falsely imprisoned by Barnett during the deer hunting trip on Oct. 30, 2004. All are U.S. citizens of Mexican heritage.

In court documents, the family said Barnett loaded an assault rifle and leveled it at the group, then harangued and abused the couple, their two daughters and the daughter of another family also named in the suit.

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Barnett, who runs a tow-truck company in the rugged corner of southeast Arizona, denies the allegations and says the family was trespassing on his land.

Numerous incidents of vigilante violence have been reported on the U.S.-Mexican border in recent years, including some Hispanic voters being harassed by men in paramilitary combat gear in Tucson during the Nov. 7 midterm elections. Rights activists say the Barnett case is particularly disturbing because the Moraleses are U.S. citizens. Ronald Morales is a veteran who served in the U.S. Navy for six years.

"This lawsuit demonstrates that border vigilante violence has not been limited just to immigrant men, women and children crossing the Arizona border," said Jennifer Allen, director of the Border Action Network.

"In this case, Mexican American girls, their father and grandfather were afraid they were going to be shot and killed by a man who boasts that he's detained more than 10,000 immigrants," she added.

The suit names two other plaintiffs, Edward and Ana English, Their daughter Emma was traveling in the car stopped by Barnett, along with the Morales's two daughters, Venese, then 11, and Angelique, then 9.

Barnett faces another suit brought by the Mexican American Legal Defense and Educational Fund last year. It alleges that he held a group of illegal entrants at gunpoint on his property.

That suit asserts that he kicked an immigrant as she lay on the ground and threatened to set his dogs on anyone who tried to leave the area.

Barnett called the plaintiffs in that case "racist liars" and denied that the incident took place. The case has yet to be brought to trial.

Lawyers began jury selection in Bisbee Monday for the current trial, which is scheduled to continue into next week.

Texas Town Cracks Down On Illegal Aliens, Expects Suit (WT)

By Hugh Aynesworth

The Washington Times, November 15, 2006

FARMERS BRANCH, Texas -- City Council members Monday night unanimously passed ordinances they hope will curtail illegal aliens, but said they expected the new laws to be fought in court.

Hundreds were turned away from City Hall, and the council chamber itself was filled to legal occupancy as the city leaders passed the strictest set of ordinances against illegal entry in any Texas city.

Specifically, the 6-0 votes authorized fines for property owners who rent to illegal aliens and designated English as the official language -- a move designed to end printing and the conduct of city business in both English and Spanish.

Also passed was an ordinance authorizing city police to enter into an agreement with federal immigration officials to target criminal aliens. Opponents, including the League of United Latin American Citizens (LULAC) and the Mexican American Legal Defense and Education Fund (MALDEF), vowed to file a lawsuit.

"We are here not only to say that these ordinances violate federal law, but that these ordinances drive unnecessary tension in the city," said Marisol Perez, a MALDEF staff lawyer.

LULAC member Carlos Quintanilla said: "You can't promote Farmers Branch as a great city when you are denying people to live in apartments, when you are denying children the right to speak their language."

Mr. Perez said that forcing landlords to determine whether a person seeking to rent an apartment is an illegal alien makes the property owner "wear the shoes of an immigration officer. It's a very difficult position."

Council member Tim O'Hare, a trial lawyer who has been pushing hard for approval of the ordinance, said the city expects to be sued.

Mr. O'Hare, who was cheered by the mostly white citizens who agreed with him, said after the vote that the measures adopted would benefit all those who live in the small city just north of Dallas -- those he said, "who are legal citizens."

One originally proposed crackdown didn't make it to the table -- fining business owners who hire illegal aliens.

"Why not make business owners pay if they hire aliens?" read one sign at the council meeting.

"Guess they got some real heat over that one," groused Emmett G. Smith, who said he had lived in Farmers Branch for 61 years.

In the past three decades, Farmers Branch has grown from a sleepy community of a few thousand mostly white citizens to more than 28,000, 37 percent of whom are Hispanic. More than 75 corporate headquarters are located here, many of them minority-owned.

More than four dozen communities nationwide have considered or plan to consider similar legislation. An even more stringent set of ordinances was passed earlier this year in Hazelton, Pa., with restrictions and fines against landlords who rent to illegal aliens and the denial of business permits to those who hire illegal aliens.

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A federal court restraining order temporarily has blocked enforcement there after legal filings from the ACLU and the Puerto Rican LegalDefense and Education Fund.

Activists Rap New Test For Citizens (WT)

By Joyce Howard Price

The Washington Times, November 15, 2006

The federal government intends to replace the current test for U.S. citizenship with one that relies less on knowledge of specific facts and more on an applicant's grasp of democratic principles, but many immigrant-advocacy groups are up in arms about the change, which they worry may discriminate against those who don't speak English and with less education.

"We want to focus more on the building blocks of democracy, rather than the colors of the flag" or questions about the name of the form used to apply for naturalized citizenship, which are on the current test for citizenship, said Chris Bentley, a spokesman for the U.S. Citizenship and Immigration Services, which is making the change. USCIS is part of the Department of Homeland Security.

Mr. Bentley said USCIS officials want a new test that can ensure that those seeking to become American citizens know about "freedoms guaranteed by the U.S. Constitution and Bill of Rights, such as freedom of speech and freedom of religion."

"Our goal is not to make this test harder or easier for anyone, but to make it much more meaningful," he said.

Mr. Bentley said the proposal to redesign the test for naturalized citizenship came out of a report by a commission headed by former Rep. Barbara Jordan during the Clinton administration that "looked at all kinds of issues related to immigration."

The Jordan commission's report emphasized "effective Americanization of new immigrants, that is the cultivation of a shared commitment to the American values of liberty, democracy and equal opportunity," including policies to "help newcomers learn to speak, read and write English effectively."

The new citizenship test will be administered to all applicants for naturalization nationwide starting in January 2008. However, beginning this winter, at least 5,000 people in 10 cities will take part in a voluntary testing program featuring the new questions.

The number of potential questions will be narrowed from 125 to 100 during the pilot program. To pass, an immigrant must correctly answer six of 10 questions asked.

But more than 220 immigrant organizations, led by the Illinois Coalition of Immigrant and Refugee Rights, have signed a letter to USCIS Director Emilio Gonzalez denouncing the new test, which they worry will make it harder for "poorer legal immigrants with less English and less education" to win U.S. citizenship.

"Already immigrants must pass a citizenship test that many native-born Americans could not pass," say groups that include the National Council of La Raza, National Immigration Forum, Mexican American Legal Defense and Education Fund, the United Farm Workers of America and the International Brotherhood of Teamsters.

There are some tough questions on the current test and queries that could be described as meaningful. One of the more difficult asks a person to identify amendments to the Constitution guaranteeing voting rights. Others ask what is the "supreme law of the land" -- the U.S. Constitution -- and the Bill of Rights (the first 10 amendments to the Constitution).

Just because the test for American citizenship is being revised "does not mean all the current questions will be done away," said Mr. Bentley. He was unable to provide any sample questions from the new test.

Jack Martin, special-projects director of the Federation for American Immigration Reform (FAIR), a group that is critical of unlimited immigration, said there are both potential improvements and problems with the proposed changes.

"The effort at standardization makes sense ... the concept is good, and there really are some trivial questions on the current test," he said.

"Our only concern is that questions not be dumbed down" so that immigrants could become American citizens "without having a good understanding of U.S. history, culture and social systems, so they can vote intelligently," Mr. Martin said, adding that citizenship tests "should be designed to make sure citizens are prepared to participate in our political process."

As for those worried the new test might be harder or easier, Mr. Bentley said, USCIS intends to avoid those situations "by looking at pass-fail rates of the past."

Researcher Amy Baskerville contributed to this report.

A New Push To Raise Cap On H-1B Visa (NYT)

By Miguel Helft

The New York Times, November 15, 2006

SAN FRANCISCO, Nov. 14 — A coalition of business and education groups is making a renewed push to persuade Congress to raise the number of skilled foreign workers allowed into the United States this year.

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The coalition, which calls itself Compete America and whose members are drawn heavily from the technology industry, sent a letter to every member of Congress on Monday calling for an increase in both the number of so-called H-1B visas, which are used by skilled immigrants and the number of employment-based green cards given to foreign workers.

"The first part is to ensure that U.S. companies have the ability to hire the best and the brightest," said Jack Krumholtz, managing director for federal government affairs at Microsoft. "The second part is about making sure that we are able to retain them."

Microsoft's chairman, Bill Gates, is one of many technology executives who have advocated increased flexibility to hire educated foreign workers like engineers and scientists. He is expected to return to that theme at an industry conference on Wednesday at Stanford University.

Increasing the number of H-1B visas has long been a top legislative priority of technology companies, which say they cannot find enough skilled workers in the United States. After a temporary increase to 195,000 during the years of the Internet boom, the annual number of visas issued has been capped at 65,000. An additional 20,000 visas have been granted to foreign workers who have an advanced degree from an American university.

But in recent years, all the visas allotted for a given year were claimed on or before the start of the fiscal year on Oct. 1.

"We can't hire people," said Jenifer Verdery, director of work force policy at Intel.

The notion of allowing more skilled foreign workers in the United States generally enjoys bipartisan support in Congress. Earlier this year, the Senate passed a bill that would increase the cap on H-1B visas to 115,000 and would automatically raise the cap by a further 20 percent if all visas for a given year were claimed. The bill also would raise the number of employment-based green cards issued to 290,000, from 140,000.

But the bill stalled as the House and Senate deadlocked on broader immigration reform legislation. And not everyone agrees that raising the cap on visas is a good idea.

"We think that before raising the H-1B cap there should be reform of the H-1B system," said Ronil Hira, vice president for career activities at IEEE-USA, a professional organization representing engineers and computer programmers.

The organization, which includes many immigrants among its ranks, is not opposed to legal immigration. But Mr. Hira said that the H-1B visa program, which requires companies to pay foreign workers wages comparable to those they pay American workers, was riddled with loopholes that allow employers to pay subpar wages to immigrants. That, in turn, depresses the wages of American workers, Mr. Hira said.

Lynn Shotwell, chairwoman of Compete America, said there was virtually no chance that Congress would pass the Senate bill this year. But Ms. Shotwell said the coalition, which includes universities and the Chamber of Commerce, was asking Congress to raise the cap on H-1B visas and green cards for the remainder of the fiscal year.

Members of the coalition are hopeful that legislation modeled after the Senate bill could be enacted next year, when Democrats will control Congress. House Democrats have promoted what they are calling an innovation agenda that includes wide availability of visas for skilled immigrants.

The National Venture Capital Association, which is among those advocating an expansion in visas and green cards for skilled workers, is backing that case with a study, to be released Wednesday, that highlights the role of immigrant entrepreneurs in the American economy.

The study found that one in four publicly traded American companies that were initially financed by venture capitalists in the last 15 years included at least one immigrant among their founders. During the 1980s, immigrants were involved in founding one in five such companies, and prior to 1980 only 7 percent.

"The notion of being able to come here and shape your own destiny is tremendously appealing and, you have to believe, valuable for the economy, job creation and wealth creation," said Axel Bichara, a partner at Atlas Venture in Boston. Mr. Bichara came to the United States from Germany in 1986 to study at the Massachusetts Institute of Technology. A year later, he became co-founder of a software company.

TAX:

Judge Delays KPMG Tax Trial Over Legal Fees Dispute (NYT)

By Lynnley Browning

The New York Times, November 15, 2006

A federal judge has indefinitely postponed the trial of former employees of the accounting firm KPMG in a criminal tax shelter case, citing concerns that the defendants will not be able to pay their lawyers.

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The judge also hinted at sanctions against the prosecution for pressuring the firm to stop paying the defendants' legal fees. Any sanctions could have a major impact on the way white-collar criminal cases are handled in the future.

The ruling, made late Monday by Judge Lewis A. Kaplan of the Federal District Court in Manhattan, is the latest twist in the federal case against 16 former KPMG employees and an outside investment adviser and lawyer. Prosecutors say that the defendants made, sold and used questionable tax shelters that cost the Treasury $2.5 billion in unpaid taxes.

Judge Kaplan had previously pushed back the start of the trial from September 2006 to January 2007.

Prosecutors say the case is the largest criminal tax-fraud trial in history. But it has also become something of a referendum on the prosecutorial tactics adopted in the wake of Enron and other corporate scandals. Those tactics include urging firms under investigation to cut off the payment of legal fees of employees caught up in inquiries. KPMG abandoned its longstanding practice and cut off legal fees to the defendants in early 2004, before the employees were indicted and as the firm itself came under investigation for its work with tax shelters.

KPMG, which averted criminal indictment last year by reaching a $456 million deferred-prosecution agreement with the Justice Department, says that it has no intention of paying the fees because it was defrauded by the defendants.

In his ruling, Judge Kaplan again disagreed with KPMG and the government on the issue of legal fees.

"This court found, after a full evidentiary hearing, that the government violated the rights of the KPMG defendants by inducing KPMG — which otherwise would have advanced defense costs — to cut off payments upon indictment," Judge Kaplan wrote. "If KPMG is obliged to pay, payment could greatly mitigate the impact of the government's improper actions. This in turn could diminish the advisability of dismissal or other potentially serious sanctions. If KPMG is not obliged to pay, or if a prompt determination is not feasible, the issue of sanctions could be considered after exhaustion of that possibility."

Judge Kaplan has indicated in several rulings that he wants the fee issue resolved before the trial begins. He wrote in Monday's ruling that some of the defendants would not be able to afford their legal bills, which he said could amount to a million dollars or more a person, without help from KPMG.

The KPMG defendants were indicted last year on charges of conspiring to defraud the government by creating, selling and in some cases using for their own purposes questionable tax shelters. Judge Kaplan wrote that "while it appears that some of the KPMG defendants may be well off, there is a real and growing possibility that some and perhaps all lack funds necessary to their defense."

Both KPMG and the the United States attorney's office in Manhattan have denied coercing the defendants. Representatives for both the firm and prosecutors declined to comment yesterday. Several lawyers for the defendants, who include a former vice chairman of KPMG and a former chief financial officer, also declined to comment.

Judge Kaplan earlier allowed the defendants to file a related civil lawsuit against KPMG, seeking payment of the fees. KPMG is contesting the claim, and an appeals court will hear arguments on the issue this month.

ETJudge Postpones KPMG Tax Shelter Trial (FT)

Financial Times, November 15, 2006

One of the Department of Justice's most high-profile white-collar crime cases has been dealt a blow after a New York federal judge postponed indefinitely the criminal trial of 16 former KPMG executives accused of selling illegal tax shelters.

The ruling represents a setback for prosecutors in the US attorney's office in the southern district of New York, who have been heavily criticised by Judge Lewis Kaplan for their role in pressing KPMG, the accounting firm, to cut off legal fees to its former employees.

Judge Kaplan cited a dispute over whether KPMG would pay the fees in a five-page ruling on Monday.

"Given all of the current uncertainties, it is impossible now to predict with confidence when the charges in the indictment may be tried," he said, adding that there was a "real and growing possibility" that the defendants did not have the funds to pay for their own defence.

The dispute that caused Judge Kaplan to delay the trial centres on KPMG's unwillingness to pay the legal fees.

The firm has said the defendants "breached their fiduciary duties to the partnership and were indicted, thereby putting the future of the firm and its assets at risk".

But the ruling will also put intense pressure on the justice department to rethink its approach to some cases and is likely to spur debate in some quarters of Congress about the prosecution tactics that have been deployed in the Bush administration's effort to stamp out white-collar crime.

The justice department is at odds with the legal and business community over a set of principles known as the Thompson Memorandum, which the department adopted in 2003.

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The memo says companies that are under investigation can avoid criminal indictment by agreeing to co-operate fully with prosecutors by cutting off legal fees to employees and waiving attorney-client privilege, which protects the confidentiality of discussions between companies and their legal counsel.

Some of the tactics have come under fire because critics say they force companies and individuals to waive their constitutional rights to avoid indictment.

The US Senate judiciary committee is currently working on bipartisan legislation that would severely constrain the tactics used by the justice department.

That legislation, which has not been finalised, could forbid the DoJ from penalising companies that pay attorneys' fees for employees in cases like KPMG, and prevent the DoJ from pressuring companies to waive attorney-client privilege in exchange for leniency.

The legislation, if passed, is likely to provoke a bitter battle between the Bush administration and the Congress and could be challenged in court as an unconstitutional exercise of congressional power.

Warehouse Owner, Two Other Men Face Tax Charges (MH)

By David Ovalle

The Miami Herald, November 15, 2006

The owner of the Liberty City warehouse where authorities say seven men plotted terror attacks has been arrested and charged with failing to pay taxes and not filing proper tax returns.

George Mobassaleh, 40, and two other men were granted bond Tuesday.

They are charged with failure to remit taxes, filing fraudulent returns, attempting to evade taxes and failure to file six consecutive returns.

The charges are unrelated to the high-profile terror investigation.

In June, seven men were indicted on terrorism conspiracy charges for allegedly plotting to blow up Chicago's Sears Tower and federal facilities.

Authorities say the men rented a Liberty City warehouse, owned by Mobassaleh, for training and to plan their plots. Mobassaleh said he knew nothing about the men.

The Florida Department of Revenue alleges Mobassaleh, Bashir Malouf and Joseph Imbasala failed to pay taxes on more than $100,000.

The men were operating Elegant Beauty Supplies, Joe's Beauty Supplies and two locations of Joe's Foodland Supermarket, all in Miami.

The investigation was spearheaded by the state revenue department, the Miami-Dade state attorney's office, Miami police, the FBI and the state's Division of Alcoholic Beverage Control and Tobacco Enforcement.

Louis J. Terminell, an attorney representing Malouf, said: ``I think most of all this is explainable. If history repeats itself, it's not going to be as nefarious as it seems."

Democrats May Eliminate IRS's Use Of Collection Agencies (WSJ)

By Tom Herman

The Wall Street Journal, November 15, 2006

Is the IRS's new private tax-collection program heading for an early death?

After years of congressional debate, the Internal Revenue Service recently began using private debt-collection agencies to help pursue people who owe taxes. The IRS has already turned over the names of more than 13,725 taxpayers who owe the government about $73.5 million.

But the program has run into renewed congressional attacks -- and could well be eliminated -- now that Democrats are poised to take control of the House and Senate. Among the strongest critics are several influential Democrats in line to take over powerful posts next year.

"I think it's a terrible program, and I'm going to let [IRS officials] know in as many political and legislative ways as I can," says Rep. Charles Rangel, the New York Democrat expected to be the next chairman of the House Ways and Means Committee.

Additional criticism has come recently from Sen. Max Baucus, the Montana Democrat who will take over as chairman of the Senate Finance Committee. "Tax collection is an inherent government function and the IRS ought to take care of it in-house," Sen. Baucus says.

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The House has already voted to block funding for the debt-collector initiative for the fiscal year that began Oct. 1. The Senate hasn't acted yet. But among those concerned about the IRS program are Sen. Patty Murray of Washington, ranking Democrat on the Senate Appropriations subcommittee that includes Treasury funding.

"I'm deeply concerned that the IRS's plan would not adequately protect taxpayer privacy, would not ensure all taxpayers are treated fairly and respectfully, would not guarantee any cost savings to the U.S. Treasury, and would pre-empt the Senate's debate over outsourcing tax collection," Sen. Murray says. She has co-sponsored legislation with Sen. Byron Dorgan (D., N.D.) to prohibit the IRS from going forward with "this deeply flawed initiative."

IRS Commissioner Mark Everson has defended the program by saying the use of private agencies will help the IRS reduce the "significant and growing amount" of tax liabilities now deemed uncollectible. The private firms will be used to supplement, not replace, IRS personnel, says Mr. Everson, adding that the agency lacks the personnel to go after all outstanding tax bills.

IRS officials say they launched the first phase of the program in mid-September. Three private debt-collection firms are involved. So how is it going so far? "We're cautiously optimistic," says the IRS's Deborah Wolf. "Our experience is these companies are very professional firms" that have "done everything they can to make sure this program is run professionally." She emphasizes there will be a "high level" of oversight by IRS officials.

Here's how the program works: The IRS sends letters to people telling them they will be hearing soon from a private debt-collection company and explains the program. The private firms then follow up with a letter before they call the taxpayers. Ms. Wolf says the debt collectors aren't allowed to ring doorbells or make face-to-face contact with people.

But in the aftermath of the election, "this issue is being looked at differently by the new leadership, and there is momentum building in opposition" to it, says Colleen Kelley, president of the National Treasury Employees Union, which has long opposed hiring private debt collectors. * * *

MORE MUTUAL FUNDS plan unusually large capital-gains distributions in coming weeks.

Fidelity Investments, American Century Investments, T. Rowe Price Associates and several other major fund companies estimate more funds this year will be making year-end capital-gains distributions than a year ago. At some funds, payouts are likely to exceed 5% or 10% of the fund's net asset value -- an issue of concern to many investors in taxable accounts, who could effectively owe on someone else's capital gains. Among the key reasons: the stock market's resurgence, and the fact that more funds have used up capital losses amassed in prior years.

Some distributions are coming soon. The Federated Capital Appreciation fund is paying about 16% of net asset value to shareholders of record today. The pay date will be Friday. The payments are the same for the A, B, C and K shares. The per-share distribution will consist of about 79 cents of short-term gains and around $3.68 of long-term gains, says Meghan McAndrew of Federated Investors.

More Fidelity funds will pay distributions of capital gains this year than in recent years and the amount of the distributions "will generally be higher," a Fidelity spokesman says. Based on estimates through Sept. 30, about 63% of Fidelity's equity funds are expected to pay capital-gains distributions, up from 58% last year, he says. Fidelity says about 60% of its mutual-fund assets are held in tax-deferred accounts, such as 401(k) plans and IRAs.

Some of the biggest payouts come from funds that invest in overseas securities, which have posted especially big gains this year. Among the Fidelity funds planning big payouts that still are open to investors are the Fidelity Europe fund, which plans a payout of about 14% of net asset value, and the Fidelity Worldwide fund, which plans to pay out 12.7% of NAV. The Fidelity Europe Capital Appreciation, Fidelity Overseas and Fidelity Global Balanced funds also plan large payouts.

American Century expects 41 of its funds will make year-end capital-gains distributions this year, up from 35 last year, says the company's Brian Janssen.

Investors in taxable accounts should check carefully before making large investments in funds between now and the end of the year. * * *

IT'S OFFICIAL: The IRS confirms inflation-adjusted tax numbers for 2007.

By law, dozens of tax numbers are adjusted each year for inflation. For example, the IRS says taxable income of more than $349,700 for 2007 will be taxed in most cases at the top federal rate of 35%. That's up from $336,550 for this year. The basic standard deduction will increase to $10,700 for joint returns from $10,300 in 2006.

For most singles, it will increase to $5,350 from $5,150. * * *

BRIEFS: Twelve student teams will meet Nov. 17-19 in Orlando, Fla., in the final round of the "Tax Case Study Competition," a nationwide interscholastic competition for undergraduate and graduate students sponsored by the Deloitte Foundation, a nonprofit arm of Deloitte & Touche USA.

IRS Working To Trim A Bit Of Form 1040's Red Tape (USAT)

By Kevin Mccoy

DOJ_NMG_0094754

USA Today, November 15, 2006

The federal government document that tens of millions of Americans love to hate is scheduled to get a face lift.

The IRS plans changes to Form 1040, which most taxpayers use to report their federal taxes, the agency said Tuesday. Taxpayers could begin using a revised form as soon as the 2009 tax filing season, said IRS senior spokesman Terry Lemons.

"What we are shooting for is a form that is simpler and easier to use for taxpayers," said Lemons, confirming mentions of the anticipated revision in a recent Government Accountability Office audit and a report by Tax Analysts, a non-profit organization that tracks tax issues.

As envisioned by the IRS, an as-yet-undetermined number of less-frequently used lines dealing with adjustments to income, credits, taxes and payments would be removed from the cover page of Form 1040 and relocated to a new Schedule O. That would simplify the current 77-line form, and free up space for any future tax reporting changes that could conceivably be approved by Congress and the White House.

Lemons said the changes are still evolving, explaining that "it's still really early in the (planning) process."

Although Form 1040 typically undergoes virtually unnoticed revisions from year to year, it hasn't been subjected to a major overhaul since 1977. According to the IRS, that revision scrapped a two-column format at the top of the tax-filing form and moved the signature line from the cover page to the final entry.

Lemons stressed that the changes being planned are expected to be less radical. Taxpayers "are not going to get a surprise when the new form comes in the mailbox," he said.

Although the IRS tentatively plans to introduce the changes for the 2009 tax filing season, the start date could be delayed by agency funding issues and other logistics, Lemons said.

Approximately 135 million federal tax returns are filed on Form 1040 or one of its variants each year, making it the IRS' most frequently-used filing document. However, the filers who submitted more than 73 million federal tax returns electronically in 2006 typically typed data into computer-generated boxes without ever actually seeing the Form 1040 that underlies the software.

That's a development the IRS makes clear it welcomes.

"We're hoping fewer and fewer people see the 1040 because they file electronically," said Lemons.

CONGRESS-ADMINISTRATION:

Political Motives Suspected As Jobs On Bench Go Unfilled (SEATIMES)

By David Bowermaster, Seattle Times staff reporter

The Seattle Times, November 15, 2006

Despite a process designed to keep politics out of judicial selections, some in the local legal community are wondering whether politics is behind a delay by the White House in filling two vacancies on the U.S. District Court in Western Washington.

A seat on the federal bench in Tacoma has been open since March 2005, and a seat on the federal bench in Seattle opened in July.

In both cases, a bipartisan panel of local attorneys screened applicants and sent three recommendations to the White House; since 1997, the president has picked his nominee from among three names chosen by such panels.

But the White House, in an unprecedented move, rejected all three candidates for the Tacoma vacancy. The office of White House Counsel Harriet Miers told the bipartisan panel that none of the candidates was sufficiently qualified and asked for three more nominees.

The decision troubled many local lawyers and judges who know the three spurned finalists. Sources close to the selection process, speaking on condition of anonymity, called the White House decision "appalling," "outrageous" and a "travesty," and suspect the White House already has a replacement in mind who was not on the list.

Republicans and Democrats alike said the candidates rejected by the White House were eminently qualified. One, confirmed by sources as Karen Strombom, is already a federal magistrate judge in Tacoma.

A new set of candidates for the Tacoma vacancy was sent to the White House in August, around the same time that candidates for the Seattle opening were proposed, sources said. A nomination still hasn't been made by the White House.

Finalists for the federal bench

A bipartisan panel of local lawyers has selected three candidates for a judicial vacancy on the U.S. District Court in Seattle. The White House did interviews in September but has yet to name a nominee. The finalists:

Marc Boman: Partner, Perkins Coie. Specialist in commercial litigation. Recipient of Washington State Bar Association's "Award of Merit" for long-term service to the bar. Served on Seattle Ethics and Election Commission from 1995 to 1998.

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Richard Jones: King County Superior Court judge since 1994. Named 2004 "Judge of the Year" by King County Bar Association and Washington State Bar Association. Assistant U.S. attorney in Seattle, 1988 to 1994, associate at Bogle & Gates, 1983 to 1987.

Michael Rickert: Skagit County Superior Court judge since 1992. Previously Skagit County prosecutor, 1986 to 1992.

Source: Seattle Times reporting

The finalists for the Seattle opening have heard nothing since they were interviewed by the White House in September. Nor has the selection committee, said co-chairs Jenny Durkan of Seattle and J. Vander Stoep of Chehalis.

According to several sources close to the merit panel, the candidates selected for the Seattle vacancy were King County Superior Court Judge Richard Jones, Skagit County Superior Court Judge Michael Rickert and Marc Boman, a partner at the Perkins Coie law firm.

Rickert confirmed he was interviewed at the White House on Sept. 6. Jones and Boman declined to comment.

"It's an honor to be considered," Rickert said. "To have a dog in the hunt is very nice."

The delay has raised questions in local legal circles about whether the White House might again reject a merit panel's recommendations, or choose its own nominee.

The questions intensified when rumors surfaced that John McKay, the U.S. Attorney for Western Washington, was also interviewed by the White House Counsel's Office. McKay said last summer he applied for the Seattle vacancy, and many local lawyers considered him the front-runner for the job.

The Seattle Times confirmed that McKay traveled to Washington, D.C., to meet with White House officials about the vacancy, but sources said it was not clear if it was a formal job interview.

McKay declined to confirm or deny that the meeting took place.

"I'm not in a position to comment on this midprocess," McKay said. "I'm going to wait for the White House to make a decision along with everybody else."

If President Bush nominates McKay rather than one of the three judges selected by the bipartisan merit panel, it would be the second significant snub of the process by the White House in less than a year, judicial observers said.

The merit-panel process started in 1997 after an agreement initially hammered out by Democratic Sen. Patty Murray, and former Republican Sen. Slade Gorton and the Clinton administration.

A letter from former White House Counsel Alberto Gonzales to Murray in March 2002 made it clear the Bush administration reserved the right to go its own way with judicial nominations.

"All parties have agreed that [bipartisan panels] can be a source for identifying and evaluating candidates," wrote Gonzales, who is now attorney general. "I also propose that neither the president nor you be bound to adhere to the [panels'] evaluations in all instances."

The White House declined to shed light on any of the developments.

"As far as nominations always go, we don't speculate or comment until the process has been completed and the president is ready to make his announcement," said Peter Watkins, a White House spokesman.

Vander Stoep said he does not know when Bush will select his nominees.

"I know the White House wants to move as quickly as possible, and I know the senators want to move as quickly as possible," Vander Stoep said. Durkan said she is hopeful that the White House will abide by the process that has worked to name judges in Washington for the past decade, but she is not making predictions.

"Any of the candidates [for the Seattle vacancy] would serve the president and the country incredibly well," Durkan said. "But that's what I thought about Tacoma."

Congress Unlikely To Wrap Up Budget Work (AP)

By Andrew Taylor

AP, November 15, 2006

WASHINGTON - Republicans who are about to lose power in Congress began a long-shot bid Tuesday to finish budgeting nearly half a trillion dollars for domestic agencies. But GOP leaders have no game plan to do nearly a year's work in a lame-duck session likely to last just a few weeks.

The uphill task is made more difficult by GOP conservatives' distaste for pork-laden "omnibus" spending bills that have frequently been the means of wrapping up unfinished congressional business.

With nine of 11 spending bills still unfinished more than six weeks after the Oct. 1 start of the fiscal year, the House is slated to take up a stopgap funding bill funding through Dec. 8 agencies whose budgets have yet to pass. House leaders have promised lawmakers that the postelection lame-duck session will be over by Dec. 15.

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The Senate on Tuesday took up a $94 billion bill funding veterans programs and military construction projects, and farm belt lawmakers immediately tried to attach $4.9 billion worth of emergency farm aid to the bill.

The left outgoing Senate Budget Committee Chairman Judd Gregg, R-N.H., complaining that Democrats were moving to bust the budget before even assuming control of the Senate.

"The first amendment brought to the floor of the United States Senate after the election increases the national debt by $4.9 billion," Gregg said. "This is a daylight robbery of the Treasury."

On the broader budget front, both Republicans and Democrats on the powerful Appropriations Committees would like to wrap up their work before Congress switches hands in January.

Republicans would like the chance to stamp a final imprint on the budget before losing control of Congress. Also at stake is control over thousands of parochial projects that are so important to lawmakers.

Democrats, for their part, want to wrap up the spending bills in order to get a fresh start on next year's business.

House Republicans leaders, including Majority Leader John Boehner of Ohio, have yet to decide whether to even try to wrap up the spending bills, which would fund the Education, Interior, Transportation and Agriculture departments, among others.

Boehner is embroiled in a race to become minority leader, replacing Speaker Dennis Hastert of Illinois as the No. 1 House Republican, and he isn't making any moves yet to endorse the idea of a huge omnibus budget bill.

"Nobody knows for sure until leadership races get out of the way," said Rep. Joe Knollenberg, R-Mich., who chairs a panel responsible for transportation and housing funding.

Meanwhile, House Republicans stumbled in their efforts to give President Bush a victory on a Vietnam free trade bill as Bush headed to Vietnam Tuesday night. The measure failed to win a supermajority House floor vote Monday evening under procedures reserved for noncontroversial bills, and GOP leaders opted against bringing it back under regular rules requiring a bare majority.

The setback for the Vietnam deal could be a hint of the trouble facing the rest of Bush's trade agenda, which includes a string of free trade agreements and global trade liberalization talks.

Also Tuesday, the Senate approved by unanimous voice vote a move by Susan Collins, R-Maine, to keep alive an oversight office in Iraq responsible for exposing waste in U.S. efforts for rebuilding Iraq. The special inspector general for Iraq reconstruction tracks spending in the multibillion-dollar effort to rebuild Iraq, a process moving slowly because of corruption and overcharging as well as wartime violence.

House Armed Services Committee Chairman Duncan Hunter, R-Calif., had moved to shut down the agency by October as Congress passed the annual defense policy bill.

Hunter's strong-arm move caught many lawmakers by surprise and prompted immediate calls for its reversal. The inspector general's work has resulted in four criminal convictions and, most recently, evidence that a Halliburton subsidiary exploited federal regulations to hide details on its contract performance.

Spending Bills Stall As Congress Focuses On Leadership Races (WP)

By Shailagh Murray

The Washington Post, November 15, 2006

The House and Senate struggled yesterday to move ahead on major unfinished bills, amid the distractions of leadership elections and a growing impatience to end a long and bitter campaign year.

The Senate last night approved by voice vote a military-construction spending bill, but not before debate stalled for hours over an unrelated provision, disaster funding for farmers. The slow pace did not bode well for completing the nine 2007 spending bills that Congress left pending when it recessed a month before the Nov. 7 elections. The $94 billion military-construction measure, which funds housing and veterans programs, was supposed to be one of the easier votes.

Meanwhile in the House, a Vietnam trade measure that appeared to be cruising toward passage was shelved until next month after it failed Monday night to win the two-thirds support needed to pass under expedited circumstances. Republicans blamed Democrats for the defeat, although 66 GOP members also voted against it.

The bill, which would grant Vietnam permanent normal trade status, won a majority of House votes, 228 to 161, but it will not be revived until after the Thanksgiving break, House GOP leadership aides said. President Bush had hoped to have the completed trade deal in hand when he arrives in Hanoi this weekend for an Asian economic meeting.

Leaders in both chambers remained hopeful that most of the remaining spending bills can be completed soon. House Republicans yesterday set a deadline of Dec. 15 for leaving town, just long enough for Appropriations Committee negotiators to finish their work, if Democrats cooperate and other obstructions are kept to a minimum. Whatever does not pass would have to be bundled into a temporary funding resolution until the 110th Congress convenes in January.

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One obstacle to a speedy wrap-up is the series of leadership elections for the next Congress that are taking place this week in the House and the Senate. Yesterday, Senate Democrats chose their slate, naming Harry M. Reid (Nev.) as majority leader and Richard J. Durbin (Ill.) as majority whip. Charles E. Schumer (N.Y.), who ran the Senate campaign committee that delivered his party the majority, was elevated to a new No. 3 position, in charge of policy and strategy.

Today, it is the Senate Republicans' turn. Mitch McConnell (Ky.) is expected to be named minority leader, while Trent Lott (Miss.) and Lamar Alexander (Tenn.) are vying for the job of minority whip. Lott has extensive institutional and procedural knowledge, but he was forced to step down as Senate minority leader in December 2002 after he made remarks at a birthday party for then-Sen. Strom Thurmond praising Thurmond's 1948 presidential campaign, in which he ran as a segregationist Dixiecrat.

House Democrats will elect leaders Thursday, with the spotlight on the No. 2 job of majority leader. The current Democratic whip in the House, Steny H. Hoyer (Md.), is being challenged by veteran John P. Murtha (Pa.), a leading Democratic spokesman in favor of withdrawing troops from Iraq. Murtha is a close ally of Nancy Pelosi (Calif.), the incoming House speaker, who issued a letter Sunday night endorsing Murtha for the job.

Several senior House Democratic aides reported that key Pelosi allies, including Rep. George Miller (Calif.), were campaigning hard for Murtha yesterday, in particular among more junior members eager for Pelosi's support in securing coveted committee assignments.

And Murtha played up his role as a chief Iraq war critic, with his office releasing a statement that said, "The record is clear: Jack Murtha has been a constant voice for change in Iraq and Steny Hoyer has not."

Hoyer released his own slate of heavyweight supporters, including nine incoming committee chairmen.

"We are convinced that Steny will be a tremendous majority leader," read a letter from the group, which included Reps. John D. Dingell (Mich.), Henry A. Waxman (Calif.), Barney Frank (Mass.), Tom Lantos (Calif.), James L. Oberstar (Minn.), Ike Skelton (Mo.), Bart Gordon (Tenn.), Bennie Thompson (Miss.) and John M. Spratt Jr. (S.C.). Charles B. Rangel (N.Y.), the next Ways and Means chairman, was not a signatory, but he declared his support for Hoyer.

Murtha dismissed allegations that he has repeatedly skirted ethics boundaries, through his senior position on the House Appropriations Committee. Murtha said the charges stem from his role in the 1980 Abscam scandal, when he was named as an unindicted co-conspirator and testified against two House colleagues.

"I am disconcerted that some are making headlines by resorting to unfounded allegations that occurred 26 years ago," Murtha said in an angry statement released yesterday. "I thought we were above this type of swift-boating attack. This is not how we restore integrity and civility to the United States Congress."

On Friday, House Republicans will choose their leaders. Speaker J. Dennis Hastert (Ill.) is not running for a minority leadership post, and the front-runner for the top job is John A. Boehner (Ohio), the current majority leader.

Final Days Of Majority Control Bittersweet For Republicans (USAT)

By Kathy Kiely

USA Today, November 15, 2006

WASHINGTON — Sen. Conrad Burns gave a practiced politician's grin and hearty “How are ya?” but some of his staffers were wiping damp eyes as the Montana Republican shepherded them on a climb of the Capitol dome, a tour only a member of Congress can lead.

Burns, who was defeated in last week's election, has until early January to exercise the privilege. He was less friendly earlier in the day to several reporters who cover him for Montana newspapers. Burns advised them to read Psalm 109, which includes the passage “the mouth of the wicked and the mouth of the deceitful are opened against me.”

For Republican members of Congress, these are bittersweet days. An unusual post-election session, called to pass unfinished spending bills, is likely to keep members of the 109th Congress at work well into next month.

It is as if the ghosts of Congress Past returned for one final, but not very convincing, hurrah. “There's sort of a stunned feeling in our caucus right now,” said Rep. Shelley Moore Capito, R-W.Va.

Other members were less resigned. Sen. Rick Santorum, a Pennsylvania Republican defeated last week by Democrat Bob Casey, delivered an acrimonious swan song by threatening to block a bipartisan plan for $5 billion for drought-stricken farmers in the Midwest.

Santorum said the plan violates rules on the federal budget. Sen. Kent Conrad, D-N.D., the incoming Budget Committee chairman, threatened to retaliate by holding up Republican legislation. “Things are going to get very tough around here,” Conrad warned. The dispute required an unusual intervention by outgoing Senate Majority Leader Bill Frist, who promised Conrad a vote today.

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The lame-duck session gives Republicans a few more weeks to enjoy the perks of majority control they lost at the ballot box. It also creates the possibility for close encounters of the awkward kind: New members of the next Congress are at the Capitol for freshman orientation as the lawmakers they beat are back to cast their last votes.

Sen. Mike DeWine, R-Ohio, who lost to Democrat Sherrod Brown, said he doesn't mind. “I've always enjoyed the work,” DeWine said with a wan smile.

The Republicans who will return next year are also facing some harsh realities. Martin Frost, a former Texas congressman who was in the House when Democrats lost their majority in 1994, said his colleagues were initially so depressed he had a hard time convincing them to begin fundraising for the next election. “Democrats were in a funk for seven months,” he said.

Republicans are vowing not to let that happen. Rep. Chris Cannon, R-Utah, says he thinks some bills he's been pushing, on immigration changes and intellectual-property protection, have a better chance of passage in a Democrat-controlled Congress.

Others are seizing an opportunity to climb the rungs of leadership. Sen. Lamar Alexander of Tennessee is using the election as an argument in his race against Sen. Trent Lott of Mississippi for GOP whip, the party's No. 2 leadership post. “We need new faces on our team after the drubbing we took (last) Tuesday,” Alexander said.

Lott has not been speaking to reporters about the race. His spokeswoman, Susan Irby, said in a statement earlier this week that Lott, the Senate's former majority leader, is “closing in on victory.” Senate Republicans will choose today.

Dennis Hastert of Illinois, the current House speaker, will not run for the party's top leadership post. Current House Majority Leader John Boehner of Ohio competes against Mike Pence of Indiana and Joe Barton of Texas on Friday to be GOP leader.

Republicans' lost majorities in Congress mean an end to their committee chairmanships, as well as a loss of many employees who serve them. In the House, Republicans will have to cut their committee staffs in half. Capito says she expects to lose her slot on the House Rules Committee. Rep. Patrick McHenry, R-N.C., is worried about his post on the House Budget Committee. “That's when it will really sink in,” he said, “when you're knocked off a committee and see the staff go.”

Democrats have said they intend to be generous in victory, but veteran lawmakers are preparing for the worst. Rep. Tom Davis, R-Va., joked that GOP parking spaces will be gone.

“Fortunately,” said Davis, who represents the Washington suburbs, “I live near a Metro (subway) stop.”

Lawmakers Push Politician For UN Post (AP)

By Jim Abrams

AP, November 15, 2006

A House Republican and Democrat, in the new spirit of bipartisanship, are urging President Bush to name defeated Republican Rep. Jim Leach to be the next U.S. ambassador to the United Nations.

"He is the most diplomatic politician I have ever met," Rep. Earl Blumenauer, D-Ore., said of Leach, a moderate from Iowa known for his professorial sweaters, his low-key, nonpolitical approach to issues and his opposition to the war in Iraq.

"I can't think of any American better qualified to represent our interests before the United Nations," said Rep. Jim Walsh, R-N.Y., who on Tuesday joined Blumenauer in circulating a letter in the House seeking support for Leach if the acting U.N. ambassador, John Bolton, is forced to resign.

Bolton has been temporary ambassador since August 2005, but has never been able to win confirmation because of opposition from Democrats, and some Republicans, to his confrontational style.

The White House recently renominated Bolton to the post, but Senate supporters lack the votes and it appears Bolton will have to resign when Democrats take over the Senate in January.

Leach, 64, who refuses to take political action committee money or run negative ads, narrowly lost to college professor Dave Loebsack in last week's election, ending a 30-year career as a House legislator.

Leach, who has announced no plans for the future, does have the resume for the job. He was a foreign service officer at the State Department in the 1960s and served at the U.N. under then Ambassador George H.W. Bush in the 1970s.

He is currently chairman of the House International Relations subcommittee on East Asian and Pacific affairs.

"He clearly is flattered to be considered" as U.N. ambassador, said his chief of staff, Gregory Wierzynski. "As a former foreign service officer, it would be something of intense interest to him."

But Leach may not be helped by his record of being near the top of those Republicans who vote most often with Democrats. In 2002 he was one of six House Republicans to vote against the resolution authorizing the use of force in Iraq, and he was among the first Republicans to call for a military withdrawal from Iraq.

But Blumenauer said, "This is a time of reassessment, re-evaluation" on Iraq, and "I would think Jim's qualifications would actually help."

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Bush Calls Meeting With Auto Leaders Constructive (FREEP)

By Justin Hyde

Detroit Free Press, November 15, 2006

WASHINGTON — President George W. Bush met with the heads of Detroit's automakers in what he called a "constructive and meaningful dialogue " at the White House this afternoon, while automakers said they agreed on many, but not all, issues.

General Motors Corp. Chairman Rick Wagoner said the automakers told the president they could increase their production of vehicles that can run on ethanol or biodiesel to half of their fleet by 2012, if they could be assured that such fuels would be widely available. The Detroit automakers said earlier this year they would double their output of such vehicles by 2010.

Vice President Dick Cheney, Treasury Secretary Hank Paulson and other officials joined Wagoner, Chrysler Group Chief Executive Tom LaSorda and Ford CEO Alan Mulally in the hour-long Oval Office meeting with Bush.

Bush said the executives "are making difficult decisions, tough choices to make sure that their companies are competitive in a global economy.

"And I'm confident that they're making the right decisions, and that's good news for the American people because the automobile manufacturers play such a significant part of our economy and a vital part of our employment base," he said.

Bush and the executives said they touched on health care, energy and currency, as expected. While Wagoner, LaSorda and Mulally praised the president for being open to their concerns, Wagoner indicated some areas of disagreement, especially on Detroit's concerns of Japanese currency manipulation.

"I can honestly say that it appeared the president didn't 100 percent see it that way," Wagoner said. "We had a good open dialogue. We agreed to continue that dialogue."

Bush said the meeting was a starting point for future conversations about the state of the industry. While not committing to discuss currency with Asian leaders next week, Bush said his message "to our trading partners is just treat us the way we treat you. Our markets are open for your products, and we expect your markets to be open for ours, including our automobiles."

The companies had pursued the long-awaited meeting, originally scheduled for May, after finding few sympathetic ears for their concerns in the administration, a problem exacerbated by the departure of former GM executive Andrew Card as White House chief of staff in March.

Michigan's Congressional Democrats, who will take over several important committees when the new Congress begins in January, have pressured the automakers to take a harder line with the administration. But the executives said the get-together was meant to improve relations, and succeeded.

"I was very impressed with the president's knowledge of the situation with competitiveness issues, and the fact we're taking the actions needed to have viable businesses going forward, and his commitment to partner with us on issues that are really important," said Mulally.

Bush Says He Wants A 'vibrant' Domestic Auto Industry (DN)

By David Shepardson

Detroit News, November 15, 2006

WASHINGTON -- After months of delays, President Bush met today with the chief executive officers of Detroit's Big Three automakers and told them he wants a domestic auto industry that "is as vibrant and solid as possible."

"These leaders have, are making difficult decisions, tough choices to make sure that their companies are competitive in a global economy," Bush told reporters. "I'm confident that they're making the right decisions, and that's good news for the American people because the automobile manufacturers play such a significant part of our economy and a vital part of our employment base."

Bush met with General Motors Corp. Chairman and CEO Rick Wagoner, Ford Motor Co. CEO Alan Mulally and Tom LaSorda, president and chief executive officer of DaimlerChrysler AG's Chrysler Group, for about an hour in the Oval Office. Among the topics they discussed were health care, energy and trade.

In a joint statement, the executives said they appreciated having an opportunity to meet with the president on issues that are critical not only to the auto industry but to the ongoing competitiveness of American manufacturing.

"Overall, we were pleased with the exchange we had with the president and came away with a clear impression that he understands how vital these issues are to the American economy and our ability to compete successfully in the global marketplace," the executives said in their statement.

Also attending the meeting were Vice President Dick Cheney, White House Chief of Staff Josh Bolten, Treasury Secretary Henry Paulson, Transportation Secretary Mary Peters and the White House political advisor Karl Rove.

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Wagoner, Mulally and LaSorda sat side by side on a couch in the Oval Office, while the president and vice president sat in armchairs.

The three said the companies planned to have further follow-up meetings with the administration.

Bush said the CEOs had a "constructive and meaningful dialogue."

"We talked about our mutual desire to reduce our dependence on foreign oil," he said. "Obviously, as these automobile manufacturers begin to incorporate new technologies that will enable us to power our cars in different ways, it will make it easier for me to be able to tell the American people we're using less foreign oil.

"My message to our trading partners is just treat us the way we treat you. Our markets are open for your products, and we expect your markets to be open for ours, including our automobiles."

The Big Three noted that they had in June agreed to double production of the number of flexible fuel vehicles that run on biofuels by 2010. Wagoner said they might be willing to increase that number to 50 percent of total production if the administration offered certain incentives by 2012.

Currently, automakers get credits they can use to meet corporate average fuel economy standards by building vehicles that can run on E85 -- a fuel that includes 85 percent ethanol -- or other biofuels, even if drivers don't have access to alternative fuels.

On health care, Bush said he assured the executives that "the government is addressing rising health care costs through a variety of initiatives that I think over time are going to make a significant difference in not only their cost, but the cost to the U.S. taxpayer, as well."

While the CEOs all praised the president's comments, Wagoner noted that there were areas -- like currency -- where they didn't agree.

Bush: Automakers Face 'Tough Choices' (AP-Y)

By Ken Thomas

AP, November 15, 2006

President Bush told Detroit's auto industry leaders on Tuesday he knows they are making "tough choices" to shore up their companies in foreign competition and promised continuing dialogue as they seek help on trade and health care issues.

"The president clearly understands the importance of the business to the United States and the global economy," Ford Motor Co. Chief Executive Alan Mulally said later.

Bush said, "We found a lot in common."

Bush, Vice President Dick Cheney and other administration officials met in the Oval Office for just over an hour with top executives of Ford, General Motors and DaimlerChrysler AG's Chrysler Group.

The automakers later told reporters the meeting was productive, hopeful that it would lead to more discussions with the administration.

"That's a door that we've been waiting to open," said Tom LaSorda, president and chief executive officer of DaimlerChrysler AG's Chrysler Group.

On Capitol Hill, lawmakers representing large numbers of auto workers said they hoped Congress would address reducing the cost of the health care on manufacturers, foster the research and development of alternative fuel vehicles and promote fair trade practices.

"The industry's ability to compete in the global marketplace will determine its future. Rising health care and retirement costs as well as America's dependence on foreign sources of energy are negatively affecting industry strength," said Sen. George Voinovich, R-Ohio.

Sen. Debbie Stabenow, D-Mich., who criticized Bush during her re-election campaign for not meeting with the executives earlier, said she hoped the meeting would be "an important first step toward a comprehensive American manufacturing strategy."

The auto executives said they pressed Bush about their concerns on health care, energy and trade issues, while making clear that the troubled industry does not want a federal bailout. The meeting had been delayed since last spring and had been widely anticipated in the auto industry.

Bush met with the leaders just hours before he was traveling to Asia to meet in Vietnam with Asia-Pacific economic partners. He said he would tell those partners, "Just treat us like we treat you. ... Our markets are open for your products and we expect your markets to be open for ours, including our automobiles."

He said of the U.S. executives, "These leaders are making difficult decisions, tough choices to make sure that their companies are competitive in a global economy. And I'm confident that they're making the right decisions."

General Motors Corp. and Ford are both undergoing significant turnaround plans after posting large losses last year. GM has persuaded about 35,000 hourly workers to leave the company under early retirement or buyout plans while Ford has offered

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buyouts and early retirement packages to all 75,000 U.S. production workers in hopes of reducing its hourly work force by up to 30,000.

The companies have faced hardships while Japan-based Toyota Motor Corp. is enjoying soaring profits and outlining plans to unseat GM as the world's largest automaker.

GM chairman and CEO Rick Wagoner said the automakers made the case that Japan's weakened yen makes imported goods from Japan cheaper and enhances profits Japanese automakers make in the U.S. He said they discussed the automakers' "strong conviction that the Japanese yen is systematically undervalued, which helps them to maintain significant trade balance surpluses in our industry."

"I can't honestly say it appears the president 100 percent saw it that way, but we had a good dialogue," Wagoner said.

On health care, Wagoner said they discussed the role of information technology in improving quality and reducing costs. He said they would study high-cost, catastrophic cases that often drive up health care costs.

LaSorda said the automakers stressed that "specific issues like health care" aren't limited to the automobile industry.

All three automakers spend more on health care per vehicle than steel, which adds about $1,000 to the cost of a car built by the manufacturers. GM, the nation's largest private provider of health care, spent $5.3 billion on health care last year for 1.1 million people.

David Healy, an auto industry analyst for Burnham Securities, said he expected the meeting would have little impact on trade and health care, two areas where the Bush administration and the auto industry have disagreed.

"I think what you saw was a nice piece of political theater," Healy said.

But David Cole, chairman of the Ann Arbor, Mich.-based Center for Automotive Research, said the meeting could have long-term potential because the executives were able to "convey an impression that what the auto industry is dealing with is much larger than the auto industry."

One area on which Bush and the industry agree is on pursuing alternative energy sources. GM's Wagoner said that by 2012, up to half of their vehicles could run on ethanol blends of up to 85 percent, known as E85.

Wagoner said automakers would need assurances that the alternative fuel would be adequately available. Currently, only about 700 of the 170,000 gasoline stations nationally offer E85; most are in the Midwest. The three automakers said earlier this year they would double their production of flexible-fuel vehicles by 2010.

Bush cited a "mutual desire to reduce our dependence on imported oil."

The executives said they were not interested in a bailout similar to the 1979 measure approved by Congress that helped preserve Chrysler Corp. Asked of any interest in a bailout, Mulally said, "Absolutely not. Because we really believe that the actions start with us, taking the actions that create a more competitive business going forward."

Detroit Automakers Get Bush's Ear, But No Promises (LAT)

By Joel Havemann

The Los Angeles Times, November 15, 2006

WASHINGTON — The chief executives of Detroit's troubled Big Three automakers finally got to meet with the nation's chief executive Tuesday, and they emerged from the Oval Office saying they had received an understanding hearing.

"It was a very good dialogue," said General Motors Corp. Chairman and Chief Executive Rick Wagoner.

President Bush promised nothing, particularly in response to the executives' complaint that Asian countries, notably Japan, were holding the value of their currencies artificially low so that their cars would be cheaper.

Bush, who left hours after the meeting for a conference in Vietnam with Asian trading partners, was not about to roil the waters by complaining of Asian currency manipulation.

Instead, he said afterward that he would tell the Asian leaders: "Our markets are open for your products, and we expect your markets to be open for ours, including our automobiles."

As far back as April, the heads of GM, Ford and DaimlerChrysler's Chrysler Group had sought a White House meeting to air their problems.

Bush said the midterm campaign schedule made that impossible until after election day.

During her successful reelection campaign, Sen. Debbie Stabenow (D-Mich.) had criticized Bush for not meeting with the automakers.

On Tuesday, she said she hoped the session would be "an important first step toward a comprehensive American manufacturing strategy that will keep us competitive."

In addition to trade and currency values, the automakers and the president discussed fuel efficiency, energy security and the increasing burden of healthcare costs.

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Tom LaSorda, Chrysler Group's president and chief executive, said the three executives emphasized that a small share of autoworkers and retirees were responsible for much of the costs.

"I assured these leaders that the government is addressing rising healthcare costs through a variety of initiatives," Bush said, including tax-sheltered accounts used to meet health costs when combined with high-deductible health insurance.

On fuel efficiency, the executives said they told Bush that half their fleets would be able to run on ethanol or biodiesel fuel, instead of gasoline, by 2012.

George Magliano, chief auto industry analyst for the economic forecasting firm Global Insight, said nothing would immediately come of Tuesday's meeting.

"Most of these issues are long-term," he said.

Brian Johnson, an auto analyst for the investment bank Lehman Brothers, said the outcome would depend on the coming tug-of-war between coastal Democrats and interior Democrats in the new, Democratic-controlled Congress.

Coastal Democrats tend to be environmentally oriented, he said, whereas those from the country's center are more sympathetic to the industry's plight.

And its condition is serious: In the third quarter, Ford reported a net loss of $5.8 billion and DaimlerChrysler's U.S. operations lost $1.46 billion. GM lost only $91 million, a sharp upturn after a $10.6-billion loss for all of last year.

Big 3 Auto Heads Get Little From President (WP)

By Sholnn Freeman

The Washington Post, November 15, 2006

President Bush promised yesterday to deliver a message to Asian trading partners to "treat us the way we treat you" but offered top U.S. auto executives little help in their battle to turn their companies around.

The president met with the three chief executives of the Detroit-based auto companies for a little more than an hour at the White House after twice postponing the get-together in the past several months. In Michigan, where the economy is reeling from auto industry downsizing, the long wait came to symbolize the Bush administration's indifference to the manufacturing sector.

Alan R. Mulally of Ford Motor Co.; Thomas W. LaSorda of Chrysler, the U.S. division of DaimlerChrysler AG; and G. Richard Wagoner Jr. of General Motors Corp. laid out their concerns about fair trade, health-care costs, rising steel prices and alternative fuel development. After the meeting, Bush said the executives had "tough choices" to make. He said he was confident that they were making the "right decisions."

Bush, who was preparing to attend the Asia-Pacific Economic Cooperation forum in Vietnam this week, said he would tell Asian trading partners that "our markets are open for your products, and we expect your markets to be open for ours, including our automobiles."

At a news conference after the meeting, the three auto executives said they found common ground with the president on energy issues. The executives said they asked the administration to help expand the supply and distribution of alternative fuels such as ethanol. In a joint statement, the automakers said they could make half of their annual vehicle production capable of burning ethanol by 2012 to lessen the nation's dependence on foreign oil.

The auto executives said Bush made no pledges to support any specific industry initiatives. Other company officials had said they had limited expectations for the meeting, which was also attended by Vice President Cheney.

The auto executives said they were not able persuade the administration to challenge the Japanese government on its trade imbalance with the United States and the weakness of the yen, which makes Japanese products cheaper overseas. Wagoner and other auto officials have accused the Japanese government of artificially weakening the yen, providing a cost subsidy of $3,000 to $9,000 per vehicle for auto exports to this country for automakers like Toyota Motor Corp. and Honda Motor Co.

"I can't honestly say the president 100 percent saw it that way," Wagoner said after the meeting.

Kate Bronfenbrenner, director of labor education research at Cornell University, said part of the administration's inaction has been because Michigan is a Democratic-leaning state. She said organized labor played a major role in last week's elections and labor union members turned out in large numbers to help mobilize Democratic voters.

"But it's much bigger than that," Bronfenbrenner said. "Bush hasn't cared about health care, retiree benefits or pensions for any workers, and those are some of the issues that drove the Democratic victory in the last election."

The election put key allies of the industry into power, including Rep. John D. Dingell (D-Mich.), who is set to lead the House Energy and Commerce Committee, and Rep. Sander M. Levin (D-Mich.), who is to take the chairmanship of the trade subcommittee of the House Ways and Means Committee. In a written statement, Dingell said he was pleased automakers had a chance to present their concerns to the president. "The meeting is a first step," he said, "now we need action."

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Democrats are pushing a number of industry-related initiatives on trade and health care. Sen. Barack Obama (D-Ill.) said he would continue to try to build support for a proposal to have the government pick up part of the auto industry's retiree health-care bills, if the carmakers promise to invest in new energy technologies such as hybrids.

"My hope is that the president and his staff are working to examine these approaches," Obama said yesterday in an interview. "I can assure you if the president doesn't take the lead, the Congress will."

Big 3 Automakers Commit To Reducing Oil Dependence (WT)

By Sean Lengell

The Washington Times, November 15, 2006

The nation's largest automakers told President Bush yesterday they are committed to developing vehicles that use renewable fuels to reduce the country's dependence on foreign oil.

But the automakers added that if the U.S. automotive industry is to be competitive with Asian imports, the federal government must take a leading role in helping lower the industry's health care costs, balance the trade deficit with Japan and end tariffs on imported steel.

"It was a very good dialogue -- very open, back and forth," said General Motors Corp. Chairman and Chief Executive Rick Wagoner. "In a number of areas, there was agreement in the things we could continue to work on."

Mr. Bush added he found "a lot in common" with the auto executives.

"These leaders are making difficult decisions, tough choices to make sure that their companies are competitive in a global economy. And I'm confident that they're making the right decisions," Mr. Bush told reporters.

The president, who didn't take questions from reporters, said the meeting was "the beginning of a series of discussions we'll have [with the auto industry] -- not only with me, but with people in our government."

The Oval Office meeting, which the automakers had been seeking for months, lasted more than an hour and was attended by Vice President Dick Cheney and other administration officials.

The automakers said they were committed to producing more cars that run on renewable and alternatives fuels. But they said the government must do its part to provide incentives that encourage the manufacture, distribution and availability of renewable fuels.

Mr. Bush said he shares a "mutual desire to reduce our dependence on imported oil."

Raising the fuel economy of vehicles would help lessen that dependence, but the average fuel economy in the U.S. fleet has been stagnant for years as consumers have opted for more power and luxury rather than fuel economy.

Sen. Barack Obama, Illinois Democrat, this summer helped introduce the Fuel Economy Reform Act of 2006, which calls for the fuel-economy standards for passenger cars and light trucks, which include sport utility vehicles, to increase by 4 percent annually, or about one mile per gallon.

But the executives, who included Ford Motor Co. Chief Executive Alan Mulally and Tom LaSorda, president and chief executive officer of DaimlerChrysler AG's Chrysler Group, said the president didn't agree with them on everything, particularly on how to balance trade with Japan.

"It's our strong conviction that the Japanese yen is systematically undervalued, which helps them to maintain significant trade-balance surpluses in our industry," Mr. Wagoner said. "I can't honestly say it appears the president 100 percent saw it that way ... . But we agreed to continue the dialogue."

Mr. Bush met with the leaders just hours before left on a trip to Asia and the Asia-Pacific Economic Cooperation summit in Vietnam.

The president said the message he will give those countries is "just treat us like we treat you ... . Our markets are open for your products, and we expect your markets to be open for ours, including our automobiles."

The auto executives said that upwardly spiraling health care costs are putting them in a serious competitive disadvantage with manufacturers in countries where workers receive government-sponsored health care.

All three automakers spend more on health care per vehicle than on steel, which adds about $1,000 to the cost of a car built by Detroit's Big Three. GM, the nation's largest private provider of health care, spent $5.3 billion on health care last year for 1.1 million employees, retirees and their dependents.

In a joint statement released by the three auto executives after the meeting, they urged the federal government to take a "leading role to improve health care and make it affordable and available."

But the executives insisted they don't want a government bailout similar to the 1979 measure approved by Congress that helped save Chrysler Corp.

"Are we interested in a bailout? Absolutely not, because we really believe that the action starts with us, and we're taking the action to create a more competitive business," Mr. Mulally said.

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Instead, the automakers said they advocate health care changes on a national scale, not specific help for the automotive industry.

"Health care is an issue that faces every company, every business, every level of government as well," Mr. LaSorda said. "So the same problems they have at the federal government, we have here in our industry."

The executives said the president agreed to study how to lower costs for those with serious illnesses or chronic diseases, which account for about 30 percent of the nation's health care bill.

Bush, Auto CEOs Agree On Some Issues (USAT)

By Justin Hyde

USA Today, November 15, 2006

WASHINGTON — President Bush met with the heads of Detroit's automakers at the White House Tuesday for what he called a "constructive and meaningful dialogue," while automakers said they agreed with the administration on many, but not all, issues.

General Motors CEO Rick Wagoner said the automakers told the president they could increase their production of vehicles that can run on ethanol blends or biodiesel to half their fleet by 2012, if they could be assured that such fuels would be widely available. Those fuels are made from plants along with petroleum. Substituting them for straight petroleum-based gasoline or diesel fuel would cut U.S. oil consumption. It also would funnel fuel dollars to U.S. agribusiness instead of to overseas oil producers.

In public remarks after the meeting, Bush made no pledge to push for wider availability of alternative fuels, which are hard to find outside the farm belt. But he said, "As these automobile manufacturers begin to incorporate new technologies that will enable us to power our cars in different ways, it will make it easier for me to be able to tell the American people we're using less foreign oil. And that's in our economic interests, as well as in our national security interests."

Vice President Cheney, Treasury Secretary Henry Paulson and other officials joined Wagoner, Chrysler Group CEO Tom LaSorda and Ford Motor CEO Alan Mulally in the 45-minute Oval Office meeting.

Bush said the executives "are making difficult decisions, tough choices to make sure that their companies are competitive in a global economy.

"And I'm confident that they're making the right decisions, and that's good news for the American people, because the automobile manufacturers play such a significant part of our economy," he said.

Bush and the executives said they touched on health care, energy and currency, as expected. While Wagoner, LaSorda and Mulally praised the president for being open to their concerns, Wagoner said there was some disagreement, especially on Detroit's allegations of Japanese currency manipulation.

"I can honestly say that it appeared the president didn't 100% see it that way," Wagoner said. "We had a good open dialogue. We agreed to continue that dialogue."

Bush said the meeting was a starting point for future conversations about the state of the industry. While not promising to discuss currency with Asian leaders in meetings next week, Bush said he will tell them: "Our markets are open for your products, and we expect your markets to be open for ours, including our automobiles."

The companies had pursued the long-awaited meeting, originally scheduled for May, after finding few sympathetic ears for their concerns in the administration.

Mulally, Ford's new CEO, said he "was very impressed with the president's knowledge" of the auto industry's competitive pressures.

GM And Ford, Hungry For Cash, Pledge Assets To Secure Loans (WSJ)

By Jeffrey C. Mccracken, John D. Stoll And John D. Mckinnon

The Wall Street Journal, November 15, 2006

Facing a deep financial crisis, Detroit's two top auto makers have had to pledge some of their most essential assets -- such as factories and equipment -- as collateral to win badly needed new loans.

For General Motors Corp. and Ford Motor Co., once such icons of American industrial prowess that banks and insurance funds stood in line to serve them, the need to provide lenders with collateral underscores the combination of woes now facing the industry: lean, effective competition from international auto makers, rising health-care, pension and steel costs, and unfavorable exchange rates that U.S. executives say give Japanese rivals an advantage.

Yesterday, chief executives of the two companies and of DaimlerChrysler AG's Chrysler Group -- the third member of Detroit's Big Three -- took their concerns to Washington in search of relief. But while President Bush promised to maintain a

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"continuing dialogue," the auto makers walked away with scant sign that Mr. Bush is willing to help them on their big worry about soaring health-care costs.

"I assured these leaders that the government is addressing rising health-care costs through a variety of initiatives that I think over time are going to make a significant difference," Mr. Bush said. The executives said the president did agree, however, that he and the auto makers should "study" how high-cost care of "catastrophic" health problems is insured.

For Detroit, the challenges are stark. A chart released by Ford yesterday appeared to show a 2009 profit of a few hundred million dollars -- a fraction of what Japan's Toyota Motor Corp. earns in North America in one quarter. The forecast surfaced as part of a restatement of earnings from 2001 through 2005 to correct the accounting of interest-rate swaps in Ford's credit division and certain other derivative transactions. The restatement narrowed Ford's third-quarter loss to $5.2 billion from the previously reported $5.8 billion.

Such financial conditions provide the backdrop to the shift to collateralized loans by GM and Ford. Their long slide in the global auto industry has now put their balance sheets under pressure. Last year, the companies' declining market share and mounting losses in their core auto operations prompted Standard & Poor's Corp. and other credit-rating agencies to cut their debt ratings to "junk" status. That made it more expensive for the companies to borrow money, especially when they seek unsecured loans.

Now their depressed credit ratings are pushing the two auto makers to new sources of financing.

GM, which posted a $10.6 billion loss last year, in July extended a credit line from a syndicate of banks under new terms that give the company a $4.6 billion revolving loan backed by North American assets including inventory, plants and property.

GM CEO Rick Wagoner,2 Ford CEO Alan Mulally, and Chrysler CEO Tom Lasorda take questions about their White House meeting on what the auto industry can do to support energy and health-care initiatives. 3

WSJ Detroit deputy bureau chief4 Neal Boudette says he isn't sure Congress is going to be moving quickly to help the auto industry.

On Monday, GM used equipment in some of its U.S. plants to secure a $1.5 billion loan to be arranged by J.P. Morgan Securities Inc. and Credit Suisse Securities. Since secured loans are less expensive than unsecured financing, they are now a more attractive option for GM.

Gina Proia, a GM spokeswoman, said the move is intended to "enhance" the company's liquidity. "Given our credit rating, secured loans are the most cost-effective way of funding," she said. "We see it as a prudent move." She said GM has total debt of $32.8 billion, the majority of it unsecured.

Yesterday, Ford said it is moving in the same direction. As part of a conference call on its earnings restatement, Chief Financial Officer Don Leclair said Ford aims to put together a loan deal that is likely to be secured "by a significant portion of the assets of the company." Ford's losses amount to about $7 billion so far this year, and the company is on pace to approach GM's $10.6 billion 2005 loss.

Without specifying a time frame, Mr. Leclair said Ford would have a deal to announce "fairly soon." He added that Ford is pursuing the deal "because it is prudent to do so."

Mr. Leclair declined to specify how much money Ford is looking to borrow and wouldn't specify what assets Ford could pledge in order to secure new lines of credit, or whether that might include assets from the Ford family. The family owns about 3% of the company but has 40% of the voting rights.

He acknowledged that Ford's move to asset-backed loans reflects the company's difficult financial condition. This is the first time in Ford's 103-year history that it has resorted to such financing. "It is a recognition that we have some issues," he said.

The shift to secure asset-backed loans was in part prompted by a change in how large corporations must account for company-funded pension plans on their balance sheets. Starting Jan. 1, companies must recognize all future pension obligations as liabilities. Since GM has a large number of retirees, its liabilities will increase sharply and will outweigh the value of the company's assets. That will leave it with negative shareholder equity -- the difference between total assets and liabilities and a measure of net worth -- which will make it harder for GM to borrow money because terms with the company's bondholders could prohibit it from pledging certain assets to back loans.

Ms. Proia, the GM spokeswoman, said having negative equity is a balance-sheet issue and would have no impact on GM's operations such as cash flow.

Ford also expects the accounting change to leave it with negative shareholder equity, although it isn't bound by the same kind of bond terms as GM, Mr. Leclair said.

Ford has roughly $23 billion in cash and expects to end the year with about $20 billion -- a figure supplemented by $3.4 billion taken out of a fund employers set up to pay retiree health-care costs. For all of 2006, Ford will burn through $8.4 billion.

GM's cash will be fattened significantly when the company closes the sale of a controlling stake in its General Motors Acceptance Corp. unit to a group of investors led by Cerberus Capital Management. GM plans to close the sale by Nov. 30. GM

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will receive $10 billion upon closing, and also will hold on to $20 billion of GMAC automotive leases, which it plans to sell at a discount to raise some $4 billion in cash over three years.

For GM, Ford and Chrysler, an increasing amount of their cash flow gets eaten up by the cost of providing health care to their active and retired workers, along with their spouses and dependents.

After meeting with Mr. Bush, the car makers soon will take their health-care case to Capitol Hill, where newly empowered Democrats already are talking about a reinsurance plan that would help offset catastrophic-coverage costs. Democrats, who are more focused than Republicans on shoring up employer-based health care, also are talking about new tax breaks for employers. GM Chairman and Chief Executive Rick Wagoner suggested yesterday that he is hopeful the new majority would come up with a plan to help employers. He said he will know more about Democrats' receptivity "in about six months."

The fact that Mr. Bush left the door slightly open to a reinsurance proposal suggests he is reluctant to reject auto makers and their Democratic allies out of hand, after suffering the loss of both the House and Senate in this month's midterm elections.

On other matters, the president and the car makers appeared to agree that U.S. manufacturers continue to be unfairly shut out of some Asian markets. Mr. Bush, who travels to Vietnam this week for a meeting with Asian leaders, promised to raise the auto executives' concerns. "My message to our trading partners is, just treat us the way we treat you," Mr. Bush said in his post-meeting summary. "Our markets are open for your products, and we expect your markets to be open for ours, including our automobiles."

But there seemed to be a continuing difference of opinion on the auto makers' concerns that Japan is manipulating its currency, the yen, to undercut U.S. manufacturers. Bush administration officials say there is little evidence that valuation of the yen is a major factor for the auto makers. And Japanese companies point out that many of their cars are made in the U.S.

While the president and the executives found some grounds for agreement, there was clearly distance between them on a few matters high on the companies' list. Mr. Bush apparently agreed only to study their ideas on health care -- particularly a suggestion that an assigned-risk pool be created for catastrophic cases -- presumably to be funded by the government.

On energy, the White House and the manufacturers agreed on the need to continue expanding availability of gasoline alternatives such as ethanol and biodiesel. The executives even promised to make 50% of their new vehicles capable of running on either conventional gasoline or alternative fuels by 2012 if the pipes and pumps needed to sell the new fuels are available. That is likely to require continued government help and perhaps even new initiatives.

Senate Democrats Elect Leaders (LAT)

By Johanna Neuman

The Los Angeles Times, November 15, 2006

WASHINGTON — Senate Democrats, meeting in the historic chambers where Daniel Webster and Henry Clay once orated, today elected a team of leaders for next year's session.

The team looks a lot like last year's lineup. Harry Reid of Nevada was elected majority leader and Richard Durbin of Illinois was chosen for the No. 2 slot of majority whip.

Charles Schumer of New York, who headed the cash-raising campaign committee that was triumphant in last week's elections, will continue in that role as well as taking on the No. 3 position — vice chair of the Democratic Conference. Patty Murray of Washington was elected conference secretary and Byron Dorgan of North Dakota continued as head of the policy committee.

What has changed in the lineup is that next year Democrats will be in charge of running the committees and setting the agenda for floor debate. Reid lost no time in emphasizing why that has already changed the dynamic of power in Washington — especially on Iraq.

"Three Americans were killed yesterday and 150 Iraqis in one incident [today] were kidnapped. That means they're going to be killed," Reid told reporters at the Capitol. The war is "costing us $3 billion a week. It's not going to go away."

Insisting that Democrats "are not making any threats toward the president," Reid called on the White House to "work with us" because "the American people want it and they deserve it."

Reflecting on their treatment at the hands of Republicans during the years out of power, Reid said pointedly, "We're going to treat the minority, the Republicans, as they did not treat us."

Noting that "a 51-vote majority is as thin as they come," Durbin said, "We not only want to move the right agenda, we want to do it in the right way."

Referring to a "steady deterioration" of civility in Congress, Durban said, "Now Democrats have the chance, even the challenge, to restore the dignity of this great American institution."

On policy issues, Murray said the new leadership will address rising college tuition, healthcare costs and what Reid described as "relieving the tax burden on the middle class."

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Murray said Democrats hope to convey to American families that "we are at your back."

Senate Democrats Choose Leaders For Next Congress (NYT)

By David Stout

The New York Times, November 15, 2006

WASHINGTON, Nov. 14 — Senate Democratic leaders were chosen today for the next Congress, and they allowed themselves a few gibes at Republicans before pledging to work for a new spirit of bipartisan cooperation on Capitol Hill.

"We're going to treat the minority, the Republicans, as they did not treat us," Senator Harry Reid of Nevada said at a news conference after being picked as majority leader by the Democratic caucus. "They'll be involved in decisions when we have legislation that passes this body."

Mr. Reid repeated his pledge to work with President Bush, and he said he supported a vote in the current lame-duck Congress on Robert M. Gates's nomination to succeed Defense Secretary Donald H. Rumsfeld. "The sooner we can move it forward, the sooner we can get rid of Rumsfeld," he told The Associated Press.

Mr. Reid recalled that Mr. Bush said after the election that he wanted to work with Democrats. "He said that two years ago, and it didn't work," Mr. Reid said.

Mr. Reid has been minority leader, and he was not opposed for elevation to majority leader in the 110th Congress, which convenes in January. He called his new post "the opportunity of a lifetime for me" and said his goal is to re-establish the power of the legislative branch "as deemed to be so important in checks and balances by our Founding Fathers."

Senator Richard J. Durbin of Illinois will continue as Democratic whip, and Senator Charles E. Schumer will remain as the Senate campaign chairman, while also taking on the title of vice chairman of the Democratic caucus, a post that Mr. Reid said makes the New Yorker No. 3 in the party leadership ranks.

Mr. Durbin, too, said he hoped for bipartisan progress on Capitol Hill, and a lot more good will. "We have watched the steady deterioration of comity and cooperation in the United States Congress," he said. "Now the Democrats have a chance — even a challenge — to restore the dignity of this great American institution."

Amid the talk of bipartisanship, there was an unmistakable eagerness to advance a Democratic agenda in the next Congress, and assertions that Republicans did not do enough for middle-class Americans while they controlled the House and the Senate.

"The middle class is being squeezed," Mr. Reid said. "Squeezed. The rich are getting richer; the poor are getting poorer. We must do something about education. We must do something to relieve the tax burden on the middle class."

Senator Patty Murray of Washington, chosen as caucus secretary, said the new Democratic majority would try to "make sure that our country is once again strong, and our country once again says to American families, 'We are at your back.' That's the country I was raised in. That's the country I look forward to building once again."

Senator Debbie Stabenow, who won re-election in Michigan last week, will lead the party's steering and outreach committee, and Senator Byron Dorgan of North Dakota will be chairman of the policy committee. Senators Jeff Bingaman of New Mexico, Hillary Rodham Clinton of New York and Blanche Lincoln of Arkansas will also serve in "outreach" leadership posts.

Senate Republicans are to pick their leaders on Wednesday, House Democrats on Thursday and House Republicans on Friday.

Mr. Reid said Senator Barbara Boxer of California would become chief deputy whip, and Senators Thomas R. Carper of Delaware, Bill Nelson of Florida and Russell D. Feingold of Wisconsin deputy whips.

And Senator Robert C. Byrd of West Virginia will be the Senate's president pro tem and will provide "leadership and experience gained from a lifetime of public service," Mr. Reid said. Mr. Byrd, who won another term last week, was first elected to the Senate in 1958.

Mr. Byrd, who will turn 89 on Monday, will be third in line for the presidency, after Vice President Dick Cheney and the incoming House speaker, Nancy J. Pelosi. The outgoing president pro tem is Senator Ted Stevens, Republican of Alaska, who will turn 83 on Saturday.

Mr. Reid described Mr. Schumer's function as vice chairman of the caucus as "a utility man — he'll be called upon to do lots of different things." Asked if the title amounted to "a tipping of the hat" because of his work in the campaign, Mr. Reid replied simply, "Yes."

Mr. Schumer said he liked the sound of "Majority Leader Harry Reid," and predicted that "over the next two years, it's going to sound great to the American people when Harry and his team show what we can do."

In the 2008 elections, Mr. Schumer will try to hold on to the Democrats' majority in the Senate, a fact that Mr. Durbin acknowledged. "We know that a 51-vote majority is as thin as they come," he said.

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Schumer, The Victor, Wins New Leadership Position (HILL)

By Alexander Bolton

The Hill, November 15, 2006

Senate Democrats rewarded Sen. Charles Schumer (D-N.Y.) yesterday for his success as chairman of the Democratic Senatorial Campaign Committee (DSCC) by giving him a specially created leadership position.

In return for the new title of vice chairman of the caucus, which ranks third among Democratic leaders, Schumer has agreed to serve another two years as chairman of the Senate Democratic fundraising committee.

Senate Democratic Leader Harry Reid (Nev.) announced after a closed-door meeting of the Democratic caucus yesterday that Democrats had created the new position, which puts Schumer below only Sen. Dick Durbin (D-Ill.), the incoming majority whip, and Reid, but means he outranks the Democratic conference secretary.

Though Reid will not formally take over as Senate majority leader until January, he has already reshaped the leadership. In addition to Schumer's new job, Reid created two other posts to foster better relations between elected leaders and committee chairmen.

"Sen. Schumer has many talents, one of which is helping to set the direction of the Democratic Caucus," said Reid when asked about Schumer's new responsibilities. Schumer would work as a "utility man," addressing challenges as they arise.

Schumer responded: "I want to thank my colleagues for electing me vice chair of the caucus, number three in the leadership. I want to thank Harry Reid in particular for the great job he has done for us. 'Majority Leader Harry Reid' sounds really good to us and over the next two years will sound great to the American people."

Senate Democrats yesterday also elected Sen. Patty Murray (Wash.) to replace Sen. Debbie Stabenow (Mich.) as the Democratic conference secretary, previously the third-ranking post in the Democratic leadership. It will now rank fourth.

Reid appointed Stabenow chairwoman of the Democratic Steering and Outreach Committee, a post that consults on decisions over committee assignments and heads outreach to allied coalitions such as labor unions and environmental groups.

Stabenow will replace Sen. Hillary Rodham Clinton (D-N.Y.), who will assume a new minor position as vice chair of committee outreach. There, she will assist Sen. Jeff Bingaman (D-N.M.), chairman of committee outreach, in providing "a voice in the Democratic leadership for committee chairs. Clinton's appointment is curious because she, unlike Bingaman, will not chair a committee in the next Congress.

Bingaman's post as a liaison between the committees and the leadership is also new.

Schumer was still negotiating with other leaders over his new job Monday. This is the second time Schumer has used his prospective chairmanship of the DSCC as negotiating leverage with Democratic leaders. Two years ago, he nabbed a seat on the Senate Finance Committee after agreeing to forego a run for governor and instead head the DSCC. In that role, Schumer has been highly successful.

Schumer raised nearly $25 million more during the 2006 cycle than his Republican counterpart, Sen. Elizabeth Dole (N.C.). He also recruited talented candidates who defeated GOP incumbents in "red" states such as Montana, Virginia, and Ohio.

Reid reappointed several colleagues to lower-ranking leadership slots. Sen. Byron Dorgan (D-N.D.) will serve another Congress as chairman of the Democratic Policy Committee. Sen. Barbara Boxer (D-Calif.) will serve again as chief deputy whip. Sen. Blanche Lincoln (D-Ark.) will again chair the Senate Democrats' rural outreach effort.

Sens. Russ Feingold (D-Wis.), Bill Nelson (D-Fla.), and Tom Carper (D-Del.) will assist Durbin next year as deputy whips. Feingold, one of the most liberal members of the Senate, will help corral the votes of liberal lawmakers, while Carper, a centrist, will work to persuade conservative-leaning Democrats.

Carper's appointment to serve as deputy whip is a small consolation for being passed over for a seat on the Senate Finance Committee. Carper had jockeyed hard for the assignment, but he lost out to Sen. Ken Salazar (D-Colo.), who has four fewer years of Senate seniority. Senate insiders said Salazar leapfrogged Carper because the panel's incoming chairman, Sen. Max Baucus (D-Mont.), wanted more Western lawmakers on the committee.

Carper's fellow members of the freshman class of 2000, Stabenow and Sen. Maria Cantwell (D-Wash.), won the other two open seats on Finance.

Reid Pledges To Press Bush On Iraq Policy (WP)

By Jonathan Weisman

The Washington Post, November 15, 2006

Harry M. Reid (D-Nev.), who was elected Senate majority leader yesterday, said last night that President Bush still has not grasped the urgent need to change course in Iraq. Reid vowed to press quickly for phased troop withdrawals, a more international approach to Iraq's problems and a rebuilding of the depleted U.S. military.

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In his first extensive interview since the Senate Democrats' leadership election, Reid also said members of his party will have to think big on the nation's domestic issues. That includes tackling the budget deficit with strict new rules on spending, exploring an eventual expansion of Medicare to address the uninsured, and examining an increase in tax rates on upper-income Americans.

But it was on the issue of Iraq that he was most passionate. Voter anger over the war swept his party to power with the unlikely defeat of six Republican senators, he said. Democrats must respond to that anger, he added, with hearings to keep the heat on the Bush administration, and with calls for a regional Middle Eastern conference and a revitalized Iraqi reconstruction effort.

To that end, he said, one of the first acts of the new Democratic Congress will be a $75 billion boost to the military budget to try to get the Army's diminished units back into combat shape.

Democrats will not try, Reid pledged, to play the strongest hand they have -- using Congress's power of the purse to starve the war effort of money and force the president to move. Such an effort would only elicit a veto from Bush. But he said Democrats will marshal their newly acquired power -- in hearing rooms and on the Senate floor -- to stoke public opinion and drive the debate.

"Three Americans killed yesterday, four British; 150 Iraqis taken out of that building and kidnapped; 1,800-plus went through that one Baghdad morgue but that doesn't count all the dead," Reid recounted. "My displeasure with the president, he doesn't understand the urgency of this. It's all victory for him, but I don't know what that means anymore in Iraq. I do know what we are doing now doesn't work."

Reid said he will be able to work well with Nancy Pelosi (D-Calif.), the incoming House speaker, whom he described as resilient and "a very astute politician." But he said the Senate will work differently from the House, given the Senate Democrats' very narrow 51 to 49 majority, which will necessitate close cooperation with Republicans.

"The speaker of the House has to be aggressive," Reid said. "It's like the British Parliament. If you've got the votes, you ram it through. But the Senate works differently."

Democrats also elected Sen. Richard J. Durbin (Ill.) yesterday as assistant Senate majority leader. Durbin has been assistant minority leader since January 2005. Senate Republicans will elect their leaders for the 110th Congress today.

In January, after two years as a Senate minority leader who bedeviled the Republican legislative agenda and sharply criticized Bush, Reid will take the helm of a body that has been notoriously difficult to control.

To the casual observer, Reid comes across as a reserved, soft-spoken, deferential politician who appears more comfortable in the backrooms of the Capitol than in the spotlight. But to those who have watched him close up, Reid's reputation is quite different -- that of a brawler who moves with the alacrity he acquired in his days as an amateur boxer.

The consummate pessimist in a political world full of sunny optimism, Reid is fond of saying that he would rather expect the worst and accept the occasional pleasant surprise than forever live with disappointment.

Reid, 66, came by his dour outlook honestly. He grew up in a tin-roofed shack in the gold-mining hamlet of Searchlight, Nev. His father was a hard-rock miner and a hard drinker whose battles with alcoholism and depression ended in suicide at age 58. His mother was a laundrywoman. Reid hitchhiked to high school 40 miles from home.

Upon graduation, local merchants raised money for his college tuition. He helped put himself through George Washington University Law School, working nights as a U.S. Capitol police officer.

But most of Reid's adult life has been in politics, becoming city attorney in Henderson, Nev., in 1964; a member of the Nevada State Assembly in 1968; and lieutenant governor in 1970. He clashed with the mob as head of the state's Gaming Commission, then went to the House in 1982. He reached the Senate in 1986.

In that time, he has been beset by controversies that continue to pose political problems for him. A $400,000 land purchase in Clark County, Nev., that Reid made in 1998 with a friend and business partner grabbed headlines in October when the senator had to amend four years of ethics reports to Congress to more fully explain the transaction. The sale brought in $1.1 million, netting a $700,000 profit in six years.

"Windfall?" he bristled yesterday. "I shouldn't have sold it. That was my big mistake. You know what that property is worth now? Thirteen million dollars."

This week, the Los Angeles Times published a report suggesting that the $18 million that Reid secured for a bridge connecting Laughlin, Nev., to Bullhead City, Ariz., may have boosted the value of land Reid owns nearby. Again, Reid scoffed at any hint of wrongdoing. The bridge, he said, is needed because heavy truck traffic has been limited on the Hoover Dam since the attacks of Sept. 11, 2001. The land in Arizona has been in his family since the 1960s, he added, noting that he has never seen it, much less thought of boosting its value. He said that it could take until 2013 to build that bridge.

Last month, the National Republican Senatorial Committee cited the controversies around Reid as it goaded Democratic candidates to return the party leader's campaign donations.

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Reid's loyalty to the mining industry, which plays an important role in his state's economy, has created run-ins with fellow Democrats who seek to raise royalty fees on federal land and impose stronger environmental standards. He also opposes abortion rights, a position derived from his Mormon religion, which has put him at odds with many other Democrats.

Yet, Senate Democrats have strong faith in their leader.

"We went through combat together; and when you go through combat together, you learn everything," said Sen. Charles E. Schumer (N.Y.), who heads the Democratic Senatorial Campaign Committee, which helped Democrats take control of the Senate.

In the run-up to the Nov. 7 midterm elections, Democrats kept their legislative agenda carefully circumscribed to a set of initiatives that conservatives, moderates and liberals could all agree on. But in yesterday's interview, Reid hinted that Democrats will have to go further to address what he sees as the widening gap between rich and poor, and a middle class squeezed by health care costs and rising tuition.

Budget rules will be passed to require that any new spending or tax cuts will have to be offset by equal spending cuts or tax increases, he said.

"We can do this," he added. "People might not like what we do," but Democrats will stick to the rules.

He pledged an "unalterable commitment" not to touch the middle-class tax cuts Bush secured in his first term. But he said Democrats "would be crazy" to rule out rolling back tax breaks that benefited the top 1 percent of earners. He also spoke volubly about federal health-care programs for the elderly and for veterans that he said should be a model as Congress looks to address the growing problem of the uninsured.

"We have to look at the uninsured because it's bankrupting our country," he said.

Asked about a proposal floated by former president Bill Clinton to expand Medicare for those who could buy into it, Reid said, "we're not there yet," but he added that it should be studied.

"Someday, someday," he said, "what we have to do is cinch up our belts and take on the insurance industry."

Exultant Chuck Says He'll Veto The Next Alito (NYO)

By Jason Horowitz

New Yourk Observer, November 15, 2006

More than the inability to influence Iraq policy or the President's tax cuts, Chuck Schumer says that the single greatest failure of the Democrats as an opposition party was allowing Samuel Alito to join the Supreme Court.

"Judges are the most important," said Mr. Schumer, who orchestrated the implausible Democratic takeover of the Senate last week. "One more justice would have made it a 5-4 conservative, hard-right majority for a long time. That won't happen."

From now on, all the President's judicial appointments will need to meet the requirements of Mr. Schumer, the Park Slope power broker who has happily accepted the mantle of chief architect for the Democrats' effort to build a majority for the 2008 elections and beyond.

The Senator also intends, in the coming months, to rework the federal government's funding priorities in New York's favor, to steer the Democrats toward a radically new position on Iraq and, while he's at it, to cement his position as the unofficially declared tactical guru for the national party.

And in case anyone's wondering, yes, Mr. Schumer is entirely comfortable with this sort of power.

With his Gold Toe–stockinged feet dangling, the 55-year-old slumped in his armchair on Friday morning as if it were a leather throne. On his apartment's front door, a neighbor taped up a front page of The New York Times heralding the Democrats' success and scrawled "Congratulations Schumers!" across the cover.

The candidates that Mr. Schumer recruited, groomed and bankrolled had won a comprehensive victory over the incumbent Republicans, giving the Democrats a narrow majority in the Senate to complement a rout in the House. Since the election, Mr. Schumer has been awash in attention from the media, his Democratic colleagues and even from the President, who called, quite sportingly, soon after the results were finalized.

For Mr. Schumer, who was installed on Tuesday as Vice Chairman of the Democratic caucus and officially reinstated as head of the DSCC, the attention couldn't be coming at a better time.

Advertisement

"I am writing a book, about how to build a permanent—a long-term majority," Mr. Schumer said during an early-morning interview in the pink den of his apartment near Grand Army Plaza. He sat between a view of lower Manhattan and portraits of Democratic icons Franklin Delano Roosevelt and Al Smith. "I generally have an eye toward longer-term strategy and politics, and I think my colleagues rely on me for that."

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His book, Positively American: Winning Back the Middle Class Majority One Family at a Time, will be released right around the President's State of the Union address, and will fit neatly into the role that Mr. Schumer now envisions for himself as tactician in chief for the newly ascendant Democrats.

"I've always had some influence, and I guess now, because of what we've been able to accomplish, I have some more influence," Mr. Schumer said. "So when I say we shouldn't do this or we should do that, I guess people will pay a little more attention. Or go along with it, even if they don't agree."

Certainly, the party wasn't united behind Mr. Schumer's election strategy this year. He championed a traditional approach: directing the bulk of the party's financial and logistical resources toward handpicked candidates in a few competitive races. Howard Dean, who heads the Democratic National Committee, advocated a "50-state strategy," spreading money around toward the longer-term goal of making the party viable even in areas that have been Republican strongholds.

After the victory—the Democrats picked up six Republican-held seats and defended every Democratic one—Mr. Schumer hardly seemed ready to concede the point.

"Fifty-state is a good thing to do, but it didn't help us in this election," said Mr. Schumer. "My only disagreement with Howard is that he should help us fund taking back the majority, because it would make a difference with things like the Supreme Court. And he came through—he ended up giving us $7.5 million. We tried the honey approach rather than the vinegar approach, and it worked."

Pelosi Pulls Out The Stops For Murtha (HILL)

By Josephine Hearn

The Hill, November 15, 2006

Speaker-to-be Nancy Pelosi (D-Calif.) is imploring her colleagues to support Rep. John Murtha (D-Pa.) for majority leader, multiple House Democrats said yesterday, dealing an unexpected but not necessarily fatal blow to Murtha's opponent, Rep. Steny Hoyer (D-Md.).

It had been unclear until yesterday whether Pelosi would use her clout to turn votes to Murtha. She endorsed him in a letter Sunday, but some dismissed it as a nod to personal loyalty rather than a statement of her intentions.

But by yesterday, her intent was clear, several lawmakers said; she hopes to oust her onetime rival Hoyer from the leadership.

"She's committed. If they thought she was just going to endorse his candidacy, they were mistaken," said Rep. Bill Pascrell (D-N.J.), a Murtha ally. "She didn't have to do this. It's called courage."

By throwing her full weight behind Murtha, Pelosi risks suffering an early setback with her colleagues if Hoyer wins; however, a Murtha victory would cement her total control.

Pelosi called incoming Ways and Means Committee chairman Charles Rangel (D-N.Y.) yesterday morning just hours after he had told the New York Sun, "I think Steny has done his job. I cannot think of any reason why this is happening," prompting the paper to run the headline "Rangel Backs Hoyer for Leader."

"I don't know what article she had seen, but she had thought it was an endorsement of Steny," Rangel said.

Rangel told her it was not an endorsement but reiterated his earlier statement that "nobody had given me any reason not to support Steny."

Rangel would not discuss the details of his conversation with Pelosi, but he said that that statement remained true even after their conversation. "I'm not supporting anyone right now," he said.

Yet nine other incoming full committee chairmen are supporting Hoyer. Reps. John Dingell (D-Mich.), Barney Frank (D-Mass.), Bart Gordon (D-Tenn.), Jim Oberstar (D-Minn.), Tom Lantos (D-Calif.), John Spratt (D-S.C.), Ike Skelton (D-Mo.), Bennie Thompson (D-Miss.) and Henry Waxman (D-Calif.) signed a letter yesterday backing Hoyer.

"There simply is no question: Nancy and Steny have been a terrific team … we believe that Nancy and Steny not only deserve great credit for bringing us to this point, but also will be the best team to lead our caucus as we move forward in the majority," they wrote.

Murtha and Pelosi were working the crowd together Monday night at Murtha's reception at the Library of Congress.

The two of them spoke to Rep.-elect Tim Walz (D-Minn.), who said afterward that he was "still undecided" but appeared to be leaning toward Murtha.

"To be honest, I was waiting for the Speaker," Walz said. "When the Speaker speaks, you listen. I take that into heavy consideration."

Still other freshmen remained steadfast in their support of Hoyer despite intense lobbying by Murtha's allies. Reps.-elect Ron Klein (D-Fla.), Kathy Castor (D-Fla.) and Phil Hare (D-Ill.) were vigorously supporting Hoyer yesterday.

Klein said the new members were ready to have the issue decided.

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"I think most of the freshman class [supports bringing] this forward. Get this done and let's get on to business," he said.

Rep. Paul Kanjorski (D-Pa.) said he hoped Pelosi's endorsement would have an effect, "especially on freshmen."

The intense lobbying has put some freshmen in uncomfortable situations. The Murtha camp was infuriated Friday when Rep.-elect Paul Hodes (D-N.H.) signed a letter with other freshmen supporting Hoyer, charging that Hodes had told them he would remain uncommitted.

"I really can't comment on what anybody else thought," Hodes said yesterday. "I consider my word as my bond and I am continuing to support Congressman Hoyer."

Rep. Jim Moran (D-Va.), a Murtha supporter, said Monday night that Pelosi is playing for keeps.

"She will ensure that they [the Murtha camp] wins. This is hardball politics … We are entering an era where when the Speaker instructs you what to do, you do it," he said. "Yes, she's making calls to people. She is contacting people and letting them know that it's an unequivocal letter."

Hoyer's camp was aware of the calls, said one lawmaker supporting the Democratic whip.

"She's making calls, so don't be shocked," the lawmaker said.

Another House Democrat supporting Hoyer was incensed that Pelosi was exerting her influence in the caucus, asserting that it will further divide House Democrats.

"It's an incredible display of hubris," the member said, using a phrase Pelosi herself sometimes employs. "It's incredibly egotistical. We all got us here. We all got us to the promised land and Steny's not going to the promised land?"

The member said regardless of who ultimately wins the Thursday election, the effect of Pelosi actively getting involved in the race would reverberate for some time.

"Either way, it's damaging," the member said. "She will have a tremendous road to hoe to repair the damage she's done."

Leader Race Heats Up (RC)

By John Bresnahan And Jennifer Yachnin

Roll Call, November 15, 2006

The race for House Majority Leader between Democratic Reps. Steny Hoyer (Md.) and John Murtha (Pa.) got nasty on Tuesday, as Murtha accused Hoyer's allies of spreading allegations that he was corrupt while Murtha tried to tie Hoyer to President Bush's policy on Iraq.

The back-and-forth between the two senior Democrats came as Hoyer released the names of another 35 supporters, bringing the total number of Members who have backed him for the second-highest position in the House to roughly 80. Murtha has released the names of 22 of his his supporters, meaning approximately 130 Democrats have not openly stated their preference at this point. Murtha would have to capture the vast majority of those undeclared Members to claim victory in the leadership campaign.

Murtha avowed Tuesday that he was a victim of "swift-boating" by Hoyer and his allies via news stories linking him to the Abscam scandal of the early 1980s, as well as more recent reports that he did legislative favors for clients of his brother's lobbying firm and another firm where a former top aide worked.

In the Abscam case, Murtha was caught on videotape being offered a $50,000 bribe by an undercover FBI agent, and although he was a member of the House ethics committee, he failed to report the bribe offer to authorities. Murtha was never charged in the case but was named an unindicted co-conspirator. Six Members and one Senator went to prison in the Abscam probe.

While not accusing Hoyer of spreading the corruption stories himself, Murtha and his advisers suggested that Hoyer had done "oppo research" on the veteran lawmaker and was now feeding negative information on Murtha to the press to damage the Pennsylvania Democrat's campaign for Majority Leader.

"I am disconcerted that some are making headlines by resorting to unfounded allegations that occurred 26 years ago," Murtha said in a statement released by his office. "I thought we were above this type of swift-boating attack. This is not how we restore integrity and civility to the United States Congress."

Murtha then attempted to shift the focus of the leadership battle from ethics to Iraq. Murtha asserted that Hoyer refused to back a November 2005 proposal from Speaker-to-be Nancy Pelosi (D-Calif.) and other anti-war Democrats, including Murtha, to pull all U.S. troops out of Iraq.

"Of the critical issues we are faced with today, the war in Iraq is the most crucial," Murtha said. "The Pelosi-Murtha position on the war is the reason the Democrats are in the majority today. Congressman Hoyer's position has been to stay the course with President Bush from the very beginning and, like Sen. John McCain (R-Ariz.), he advocates sending in more troops."

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Hoyer refused to personally address Murtha's comments at a press conference on Tuesday, but his office later released a statement pointing out that the Maryland Democrat had co-signed three letters in recent months along with Murtha calling for American forces to be redeployed from Iraq to other countries.

When asked about Murtha's remarks on his Iraq stance, Hoyer said, "That's not accurate."

"Congressman Hoyer and Congressman Murtha have joined other Democratic leaders from both the House and Senate in signing three letters to the president that outline the consensus among Democrats regarding Iraq," added Stacey Farnen Bernards, Hoyer's press secretary.

"Any representation that Congressman Hoyer endorses a 'stay-the-course' strategy or advocates sending more troops to Iraq is wrong."

However, on Nov. 30, 2005, Hoyer released a statement saying that "a precipitous withdrawal of American forces in Iraq could lead to disaster, spawning a civil war, fostering a haven for terrorists and damaging our nation's security and credibility." Hoyer even suggested that additional U.S. troops may have to be sent to the troubled country last year, according to documents still posted on his Web site.

By July 30, 2006, when the first Democratic leadership letter went to Bush, Hoyer had joined with other party leaders in rejecting the "stay-the-course" approach for Iraq. Similar letters were sent to Bush in September and October, and both Murtha and Hoyer co-signed them.

While Tuesday was dominated by the skirmishing over Iraq and corruption, Hoyer continued to publicly demonstrate a broad base of support throughout the Democratic Caucus, releasing a letter from 33 moderates endorsing his candidacy for Majority Leader.

Hoyer also received an important endorsement from Rep. Charlie Rangel (N.Y.), incoming chairman of the powerful House Ways and Means Committee.

But Murtha's supporters continue to claim their man will win in the end, and they caution against reading too much into Whip counts with two days still left in the race.

"He is going to shock everybody," said Rep. Mike Capuano (Mass.). "Don't count Jack out of anything."

One unanswered question is how far Pelosi will go in campaigning on Murtha's behalf following her endorsement of him on Sunday. She is speaking to incoming Democrats about Murtha's candidacy for Majority Leader, according to several Democratic sources, but it does not appear that she is lobbying veteran Democrats at this point. Those in Hoyer's camp continue to claim that Pelosi's statement had relatively little impact on the race so far, and they predict that Murtha cannot win unless Pelosi engages in a full-scale campaign to push him into the post.

Members "greatly respect Nancy Pelosi's leadership, but most of them have made commitments to Hoyer," said Rep. John Dingell (Mich.), who already has publicly endorsed Hoyer.

"I think Hoyer is the best," Dingell added, but declined to discuss whether he was actively lobbying Members on his behalf, stating only: "I am not being shy in saying so."

Another Democratic lawmaker who is backing Hoyer, but spoke on the condition of anonymity citing the sensitive nature of House leadership elections, said lobbying efforts were evident on the House floor earlier this week.

"No one knows the impact of the Speaker-to-be's intervention in the race," the lawmaker added.

But a second Democratic lawmaker, who is also supporting Hoyer in the leadership battle suggested that aggressive "bullying tactics" — involving the loss or award of valuable committee assignments — employed Tuesday have roiled some lawmakers.

"The anger is based on the fact that we should have never been in this position," the Member said. "If [Pelosi] doesn't get this under control soon, it will be her fault."

Rep. Bill Pascrell (N.J.), who issued a "Dear Colleague" letter in support of Murtha on Tuesday, asserted that the questions over Murtha's personal ethics are unfair, although he acknowledged the charges have drawn unwanted media attention to Murtha's past.

"It is an obvious distraction," Pascrell said, holding a folder bearing Murtha's image against a patriotic background, embossed with the words: "John Murtha: Leadership That Makes a Difference."

"To me, he's a man of integrity," Pascrell added.

Another Democratic lawmaker who has endorsed Murtha asserted that the allegations have failed to tarnish the Pennsylvania lawmaker in his own elections, and are unlikely to do so now.

"I think it ought to be instructive to people that none of that has stuck," the lawmaker said.

But one of the Democrats backing Hoyer suggested that highlighting those issues still could be effective.

"The fear among a number of Members is there could be revelations after the [leadership] election," the Democrat said.

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Despite mulling the possibility for several days, Rep. Diana DeGette (Colo.) announced Tuesday that she will not campaign for the Majority Whip's office.

With the Colorado lawmaker's decision, it is expected that Caucus Chairman James Clyburn (S.C.), the only declared candidate for the post, will easily win the in the Thursday leadership elections.

"She felt it was in the best interest of the Caucus," said a DeGette spokesman. "Another divisive race was not needed." DeGette is currently the one of seven Chief Deputy Minority Whips.

Although Democratic Congressional Campaign Committee Chairman Rahm Emanuel (Ill.) had been expected to seek the Majority Whip office, at the urging of Pelosi, he agreed to instead seek the Caucus chairmanship.

G.O.P. In House Gears Up For New Leadership Fight (NYT)

By Carl Hulse

The New York Times, November 15, 2006

WASHINGTON, Nov. 14 — House Republicans may be divided and dispirited as they prepare to choose new leadership this week, but they seem to agree on the chief qualification they seek in the leader of the new minority party.

"We need the person who can get us back in the majority the fastest," Representative Jeb Hensarling of Texas said.

Still in shock over losing their 12-year-old majority to Democrats, House Republicans are engaged in their second leadership fight in a year, this one part of a soul-searching over how they lost the election and what they can do about it.

The current majority leader, Representative John A. Boehner of Ohio, the top candidate for minority leader, said Republicans focused too much on simply retaining power.

A rival, Representative Mike Pence of Indiana, said Republicans needed to return to their small-government ideology.

Another rival, Representative Joe L. Barton of Texas, said House Republicans had to restore a more open leadership style with increased involvement from the rank and file.

All want the reversal in fortune to be temporary and say they can be the strongest foil for Democrats who will have to deliver legislative results and in two years defend seats gained this year in Republican territory.

"What is the job of Republican leader in the minority?" Mr. Boehner asked colleagues in a letter that boiled it down succinctly. "It's to hold the job for as short a time as possible."

While Republicans struggled to select their leaders, House Democrats focused on their own fight for majority leader as Steny H. Hoyer of Maryland released the names of new supporters. They brought his publicly disclosed total to more than 70 out of the 118 or so required, depending on whether Democratic candidates awaiting recounts are allowed to vote.

His rival, John P. Murtha of Pennsylvania, on Tuesday accused critics of his ethics record of "Swift-boat style" attacks and questioned the depth of Mr. Hoyer's opposition to the Iraq war.

Mr. Murtha has far fewer public endorsements than Mr. Hoyer. But he has one very significant one, that of incoming Speaker Nancy Pelosi of California. Ms. Pelosi appeared at a reception that Mr. Murtha held on Monday night for new Democrats and pressed colleagues to support her candidate on Tuesday.

After a watchdog group criticized Mr. Murtha on Monday for past ethics lapses and new attention focused on his involvement in the Abscam scandal in 1980, he said that he was "disconcerted that some are making headlines by resorting to unfounded allegations that occurred 26 years ago."

Mr. Murtha was never charged.

Mr. Hoyer told reporters, "The majority of the members are for me."

He disputed Mr. Murtha's portrayal of his stand on the war, saying he had a central role in developing the Democratic leadership's consensus position that questions the war.

In the Senate, Republicans faced a new contest as a former Republican leader, Trent Lott of Mississippi, sought a comeback by seeking the No. 2 position, minority whip, in an election on Wednesday. Mr. Lott will be challenging Senator Lamar Alexander of Tennessee.

Mr. Alexander said he had sufficient commitments to win, but Senate Republicans may be newly attracted to the tactical expertise of Mr. Lott, who was forced out in 2002 after a racially insensitive comment.

Senate Democrats formalized their new leadership structure, naming Harry Reid of Nevada as majority leader and retaining Senator Richard J. Durbin of Illinois in the No. 2 slot.

In a reward for his work in capturing the Senate, a new No. 3 post, vice chairman of the party conference, was created for Senator Charles E. Schumer of New York. Mr. Schumer will again head the Democratic Senatorial Campaign Committee.

The House Republican fight was initiated by Speaker J. Dennis Hastert's decision to leave the leadership when control shifts to the Democrats in January. But considering the losses for House Republicans, it was inevitable that some lawmakers would call for a shakeup.

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"Given the beating we took, there has to be a reckoning," said Representative Steve King, Republican of Iowa, who is supporting Mr. Pence and his fellow conservative, John Shadegg of Arizona, for the No. 2 slot.

Mr. Boehner, the affable veteran chosen at the beginning of the year to succeed Tom DeLay, is widely considered the favorite for his managing the House for the last year and for his work to limit Republican losses in Ohio, his home state.

Mr. Boehner has urged his colleagues to confront the reasons behind their losses, regroup and try to offer a "compelling alternative" to the Democrats. Mr. Pence, who has led the House conservative wing, argues that Republicans need to attack the spending increases under the Republican majority and work harder to differentiate themselves from the opposition. In a conference call with Internet bloggers on Tuesday, Mr. Pence said he would aggressively push back against the White House if he believed that the administration was wrong.

"As Moses said famously, I've been burned by a Bush before," said Mr. Pence, who is viewed by his supporters as being a strong communicator who could carry the party message.

Mr. Barton, a surprise entry in the race, will try to build on his support from fellow Texans and members of the Energy and Commerce Committee, which he has led. He promised to have an "open door policy" that guarantees every Republican the chance to meet directly with the leader each week, and he wants to be more aggressive in policing suspected misconduct, an issue that dogged Republicans in this election.

In the race for the second spot, Mr. Shadegg is challenging Representative Roy Blunt of Missouri, the current whip, who lost the contest for majority leader to Mr. Boehner this year.

Many House Republicans say that Mr. Blunt can hold his post, but that the wild card will be whether the party sees the need for a major change in leadership if Mr. Boehner holds on to the top spot.

House Democrats Trade Iraq Charges (LAT)

By Noam N. Levey And Richard Simon

The Los Angeles Times, November 15, 2006

WASHINGTON — Injecting the Iraq war into the escalating fight for the No. 2 spot among House Democrats, Rep. John P. Murtha of Pennsylvania on Tuesday attacked his opponent for not backing a push last year for withdrawal of U.S. troops.

Rep. Steny H. Hoyer of Maryland disputed the criticism of his position on the war. Murtha's charge was an effort to turn an antiwar message central to Democratic gains at the polls last week into a wedge issue in determining the party's leadership as it prepares to take control of the House in January.

Murtha's broadside also raised the prospect that the showdown with Hoyer for the majority leader's post would have a larger ideological element than often is the case. Usually, the leadership contests turn more on matters of personality and style than issues.

House Democrats are scheduled to select their leaders for the next Congress on Thursday.

The Murtha-Hoyer contest already was an acrimonious note amid the joy among House Democrats after they picked up more than two dozen seats in the midterm election.

Rep. Nancy Pelosi of San Francisco, who as the head of House Democrats is in line to become the chamber's speaker, surprised some of her colleagues by publicly endorsing Murtha over the weekend.

Hoyer has served as Pelosi's chief lieutenant in the Republican-controlled House and has enjoyed broad support in his bid to continue in that role as majority leader. But Pelosi and Hoyer have never been close, though Murtha is a longtime Pelosi ally.

Murtha, a former Marine and staunch supporter of the military, gained national attention a year ago when, at a Capitol Hill news conference, he excoriated the Bush administration's policies in Iraq and called for troop withdrawal to begin.

Hoyer was not among the Democrats who rallied to his side, and that formed the basis of Murtha's criticism Tuesday.

A statement issued by Murtha's office said, "The record is clear: Jack Murtha has been a constant voice for change in Iraq and Steny Hoyer has not."

A Murtha spokesman added that the lawmaker's position on the war, backed by Pelosi, "is the reason the Democrats are in the majority today" in Congress. "Hoyer's position has been to 'stay the course' with President Bush from the very beginning."

A Hoyer spokeswoman dismissed Murtha's accusation, saying, "Any representation that Congressman Hoyer endorses a 'stay-the-course' strategy or advocates sending more troops to Iraq is wrong."

Later on Tuesday, Hoyer's office released a letter of support for him in the leadership race from nine senior Democratic House members who are expected to become powerful committee chairmen in January. They included Ike Skelton of Missouri, who is expected to lead the House Armed Services Committee, and Tom Lantos of Burlingame, the likely head of the House International Relations Committee.

The House GOP also face an ideological choice when they select leaders Friday.

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Rep. John A. Boehner of Ohio, who took over as majority leader after Rep. Tom DeLay of Texas resigned, is battling to retain his leadership post. But the party's election losses are helping fuel a challenge by Rep. Mike Pence of Indiana, seen by many as a more doctrinaire conservative than Boehner.

Senate Democrats, facing none of the jockeying that is dividing House members, on Tuesday quickly selected Nevada's Harry Reid to be the new majority leader and Illinois' Richard J. Durbin to serve as his deputy.

The two men — with New York Sen. Charles E. Schumer, who will assume the leadership's No. 3 position — played key roles in engineering the party's election-day gains that surprised most experts and gave it the majority in the next Senate.

Democrats also designated their new committee chairs, with California's two senators among them. Barbara Boxer will head the Environment and Public Works panel; Dianne Feinstein will head the Rules Committee.

On the other side of the aisle, Republicans will choose their new Senate leader today. Kentucky Sen. Mitch McConnell, who served as majority whip under outgoing Senate Majority Leader Bill Frist of Tennessee, faces no competition in his bid to become minority leader. Sen. Trent Lott of Mississippi is challenging Sen. Lamar Alexander of Tennessee for the No. 2 post.

Choosing Murtha Is No Way To Start The Most Ethical Congress (RC)

By Norman Ornstein

Roll Call, November 15, 2006

Speaker-to-be Nancy Pelosi (D-Calif.) has done nearly everything picture-perfectly right since the elections swept her into imminent power. From her statements the night of the elections to those the day after, to her approach to the new House to her adroit handling of possible leadership turmoil over the Majority Whip, Democratic Caucus chairmanship and vice chairmanship, she has said and done the right things and acted with finesse to prepare for her Speakership.

I know she means it when she says that she will change the way the House operates, making it more transparent, more honest, more deliberative and more productive. She has spine, drive, intelligence and the passion to be a historic figure in more ways than one.

I winced only a little when she said in a burst of election-eve exuberance that under her leadership, the 110th Congress would be the most honest and ethical in history; that is a rather high bar to set and then successfully leap. But having set that standard, it is fair to bring it up as the House Democrats consider the one intraparty contest Pelosi did not avert — the race for Majority Leader. Now that the contest between Reps. John Murtha (Pa.) and Steny Hoyer (Md.) is on full-bore, I want to elaborate on some comments I made in a column in mid-October, when most Members were not around and the incoming freshmen were just candidates.

There is one thing every House Democrat must do before going into the Caucus to cast that vote for Majority Leader: Go to video.google.com, search for “American Spectator John Murtha,” and then take 53 minutes and 40 seconds to watch the video that comes up.

It is a Jan. 7, 1980, video taken by the FBI during the Abscam sting, and it shows Murtha meeting with agents disguised as Middle Eastern businessmen running an outfit they called Abdul Enterprises and offering cash for political favors, including asylum for one posing as an Arab sheik. They offered $50,000 in cash to Members of Congress for helping them, and a number of Members took the money eagerly. One Senator and six House Members ultimately were convicted of charges including bribery and conspiracy.

Murtha was one of the lawmakers targeted by the FBI. He ultimately was not charged after he cooperated with the FBI and helped implicate some of the other Members. The ethics committee voted along party lines not to bring ethics charges against him — causing the panel’s special counsel, E. Barrett Prettyman Jr., to resign in protest. Murtha since has talked proudly about how he resisted the offers of cash for favors, portraying himself as a hero.

Watch the video, read the transcript and you will see a different story. The Murtha talking to the FBI did refuse to take the money — but here is what he said: “I want to deal with you guys a while before I make any transactions at all, period. ... After we’ve done some business, well, then I might change my mind.”

Murtha spent some time trashing the legislative abilities of his colleagues to whom the “sheik” had already talked, boasting of his own skills.

“I’m going to tell you this. If anybody can do it — I’m not B.S.-ing you fellows — I can get it done my way,” he bragged. “There’s no question about it.”

Why not take the money? “All at once,” he said, “some dumb bastard would go start talking eight years from now about this whole thing and say, ‘Jesus Christ, this happened.’ Then in order to get immunity so he doesn’t go to jail, he starts talking and fingering people. So the [S.O.B.] falls apart.”

After some back-and-forth about how much money might be involved, Anthony Amoroso, one of the disguised FBI agents, offers $50,000. Murtha responded: “I’m not interested.”

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Amoroso: "OK."

But Murtha did not stop there. He added: "At this point, you know, we do business together for a while. Maybe I'll be interested and maybe I won't. ... Right now, I'm not interested in those other things. Now, I won't say that some day, you know, I, if you made an offer, it may be I would change my mind some day."

I must confess I had forgotten about Murtha's role in Abscam, vaguely remembering that he had been one of those involved but not charged. The full transcript of his video, and the video itself, had not been available in the past. They now are — courtesy of The American Spectator and some right-wing blogs. It doesn't matter where the video comes from, of course — only that it is legitimate. It is not a pretty picture, in any way.

OK, this was more than 25 years ago; people change. So let's fast-forward to May 2006. The House Republicans brought up a lobbying and ethics reform package that was a bad joke — one that appalled and embarrassed even many of their own Members. The rule on the package was the typical one from the Rules Committee — no meaningful amendments allowed. But before the vote on final passage, there was a vote on a motion to recommit with instructions, which became a vote on a much more robust and meaningful Democratic alternative. To newcomers to the House: The motion to recommit with instructions usually is a joke itself — framed by the majority leadership not as a real alternative but as a procedural vote that demanded party unity in opposition.

The ethics package was the only occasion in which more than a tiny handful of Republicans bucked their leaders and voted for the Democratic alternative — 20 of them did so in this case, providing an opening for a real reform to pass the House. Except that four Democrats voted against their own party, killing ethics and lobbying reform all by themselves. Among them: John Murtha. Why? We recently learned from The New York Times that Murtha traded away lobbying and ethics reform in return for earmarks from the Republican leaders.

Murtha is a skilled and experienced legislator, a war hero and an articulate and passionate opponent of the Bush administration policy toward Iraq. He also is deeply ethically challenged. Electing him as Majority Leader is no way to start out the most ethical Congress in history.

Norman Ornstein is a resident scholar at the American Enterprise Institute.

Some Defense Lobbyists See Win In A Murtha Loss (HILL)

By Roxana Tiron

The Hill, November 15, 2006

Some defense lobbyists who have worked with Rep. John Murtha (D-Pa.) are hoping that Murtha loses his high-profile majority leader race against Rep. Steny Hoyer (D-Md.).

Murtha, the ranking member of the defense appropriations subcommittee, is a longtime favorite of the defense industry, which has contributed significantly to Murtha's campaign war chest.

While Murtha would stay a strong ally to the defense industry as majority leader, several lobbyists said in recent days — as the competition for the No. 2 House position has intensified — that they would much rather see Murtha hold the gavel of the defense appropriations subcommittee. As such, he would have direct influence on the industry's interests.

Rep. Norm Dicks (D-Wash.), a Boeing proponent who would replace Murtha as chairman of the defense appropriations subcommittee, is also considered a friend of the industry. However, Murtha shells out far more earmarks.

As majority leader, Murtha would be under the spotlight with every move the Democrats make to reform ethics and lobbying practices. Murtha voted against the House Democratic substitute on lobbying reform and has strongly defended the use of earmarks.

In a Sept. 29 C-SPAN "Newsmakers" interview, Murtha said, "… just because a member wants something that is beneficial to their district or to the country in many cases, I don't define that as earmarked."

Murtha has also been known to trade earmarks for votes on the floor, which has become a regular practice in Congress.

In the wake of the former Rep. Randy "Duke" Cunningham (R-Calif.) scandal – which centered on defense earmarks – some believe that earmark use will drop significantly in the new Congress.

"There is going to be some reduction in the number of earmarks, there is going to be greater scrutiny, which is going to yield a much better product," said Steve Ellis of Taxpayers for Common Sense. "We would much rather see a system, which is a meritorious system."

The Democratic leadership is expected early next year to introduce much of the Honest Leadership and Open Government Act, which it unveiled last January.

Several lobbyists said that they feel they are taking the hit for a few bad apples. Some are balking at the proposed public disclosure of lobbying activities, which under the Democrats' proposal requires lobbyists to file quarterly reports with more

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information than is required now, including campaign contributions, fundraisers and other events and the name of each member contacted.

"If lobbyists are required to put on their lobbying reports their fundraising activity and the offices that we go to, it would be impossible for any of these members to solicit money from any of these lobbyists that lobby their office," said one defense lobbyist.

"It hurts us as well as it hurts them and it hurts the process. Lobbyists are an essential part of the process. We serve a very important function and that should not be overlooked," the lobbyist added.

Some have said that it may be harder to meet new members, and if they hold fundraisers for them at the beginning of the year, when the budget comes out, that fundraising could be interpreted as a quid pro quo.

The American League of Lobbyists (ALL) yesterday called on Congress to proceed cautiously with lobbying legislation. Watchdog groups, meanwhile, are pushing hard for far-reaching reform bills.

"We're concerned that the message being sent by members of the new Congress about the lobbying profession is unfairly negative," said Paul Miller, ALL president. "Lobbyists should not once again become the target of overreaching reforms that won't achieve a goal of openness and transparency."

Miller also said that new legislation is not necessary and that rules changes in the House and Senate would be sufficient.

Under the Democratic plan, lobbyists would also be barred from arranging, sponsoring and participating in trips for lawmakers. But one defense lobbyist said that could backfire as legislators may resort to military flights if they want to visit a site, thereby charging the taxpayer.

Unfit For Majority Leader (WP)

By Ruth Marcus

The Washington Post, November 15, 2006

The videotape is grainy, dark and devastating. The congressman and the FBI undercover agents -- the congressman thinks they represent an Arab sheik willing to pay $50,000 to get immigration papers -- are talking business in the living room of a secretly wired Washington townhouse.

Two other congressmen in on the deal "do expect to be taken care of," the lawmaker says. But for the time being -- and he says repeatedly that he might change his mind and take money down the road -- he'd rather trade his help for investment in his district, maybe a hefty deposit in the bank of a political supporter who's done him favors.

"I'm not interested -- at this point," he says of the dangled bribe. "You know, we do business for a while, maybe I'll be interested, maybe I won't, you know." Indeed, he acknowledges, even though he needs to be careful -- "I expect to be in the [expletive] leadership of the House," he notes -- the money's awfully tempting. "It's hard for me to say, just the hell with it."

This is John Murtha, incoming House speaker Nancy Pelosi's choice to be her majority leader, snared but not charged in the Abscam probe in 1980. "The Democrats intend to lead the most honest, most open and most ethical Congress in history," Pelosi pledged on election night. Five days later she wrote Murtha a letter endorsing his bid to become her No. 2.

Not the most promising start.

For years Murtha has relied on the Abscam bottom line to argue that the case is not a problem for him: He wasn't indicted. But he was named a co-conspirator in the bribery scheme. The feckless House ethics committee didn't take action against him, though the outside investigator it hired quit in disgust after the panel rejected his recommendation to file misconduct charges.

"I am the guy that didn't take the money," Murtha said this summer when his opponent raised the issue.

Yes, but: He's the guy who, brought into the deal by two other House members -- Frank Thompson (D-N.J.) and John Murphy (D-N.Y.) -- agreed to meet with men offering money in return for official action. He's the guy who knew these two colleagues expected a payoff and even vouched for them with the would-be bribers ("Both of them are solid.").

He's the guy who, when offered a bribe, still wanted to do a deal. "I'm delighted to do business with him and do every goddamn thing I can within bounds, you know, so I don't get myself in jail, in order to get him into the country and whatever needs to be done," he says on the video, unearthed by the conservative American Spectator. (You can watch at http://www.spectator.org/.) He's the guy who -- as a member of the House ethics committee-- did nothing to stop the scheme.

Sorry, but I'm not buying Murtha's argument that he's the victim of a "Swift-boating attack" over "unfounded allegations that occurred 26 years ago." On its own, Murtha's Abscam conduct is disqualifying.

Even if it weren't, though, everything in Murtha's post-Abscam life is of a piece with the back-scratching, dealmaking style on display in the video. In a story last month, the New York Times described how Murtha has operated "a political trading post" in a back corner -- the Murtha corner, it's called -- of the House floor, where Democrats and Republicans alike come to get Murtha's blessing for earmarks or his help on close votes. As Pennsylvania Democrat Paul Kanjorski told the Times, "nobody ever leaves completely disappointed."

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Murtha is one of 12 Democrats who voted against the McCain-Feingold campaign finance reform bill. He's one of four who killed a strong Democratic ethics package earlier this year. He is a one-man earmarking factory whose beneficiaries have included a lobbying firm that employed his brother and another founded by a former top aide.

The biggest puzzle, and biggest disappointment, in all this is Pelosi, who was pitch-perfect in her first several days as speaker-elect. Now comes this lose-lose move.

If she gets her way and helps Murtha win a come-from-behind victory against Maryland's Steny Hoyer in tomorrow's leadership election, she's buying herself -- and the Democratic caucus -- endless news stories about Murtha's ethics. If, as he says, Hoyer has the votes, Pelosi has made herself look weak within the caucus -- not a smart move for any new leader, and certainly not for the first woman in the job. Perhaps the late timing and measured phrasing of Pelosi's endorsement were meant to ensure that it would have little impact. If so, Pelosi failed to recognize that once she weighed in, the vote for majority leader would inevitably be seen as a gauge of her clout.

I wrote a few weeks back that Pelosi's first test as speaker would be whether she picks Florida's Alcee Hastings -- who was removed from his federal judgeship for agreeing to take a bribe -- to head the intelligence committee. As it turns out, I was wrong. Pelosi's first test was how to handle Murtha. Whatever happens tomorrow, she flunked. Whether she'll get another failing grade on Hastings remains to be seen.

Meet The New Boss (WSJ)

Wall Street Journal, November 15, 2006

House Speaker-designate Nancy Pelosi's endorsement of Rep. John Murtha for majority leader, the No. 2 position in the Democratic leaderhsip, has roiled her caucus. "She will ensure that they [Mr. Murtha and his allies] win. This is hardball politics," Rep. Jim Moran, a top Murtha ally, told the Hill, a congressional newspaper. "We are entering an era where when the speaker instructs you what to do, you do it."

But several members are privately aghast that Mr. Murtha, a pork-barreling opponent of most House ethics reforms, could become the second most visible symbol of the new Democratic rule. "We are supposed to change business as usual, not put the fox in charge of the henhouse," one Democratic member told me. "It's not just the Abscam scandal of the 1980s that he barely dodged, he's a disaster waiting to happen because of his current behavior," another told me.

As for Abscam, a recent book by George Crile, a producer for CBS's "60 Minutes," provides damning evidence that Mr. Murtha escaped severe punishment for his role in the scandal only because then-Speaker Tip O'Neill arranged for the House Ethics Committee to drop the charges, over the objections of the committee's outside prosecutor. The prosecutor quickly resigned in protest.

Outside observers are equally aghast that Mr. Murtha could win tomorrow's election. Thomas Mann, a Brookings Institution scholar who is co-author of "The Broken Branch: How Congress Is Failing America and How to Get It Back on Track," told the Los Angeles Times that "John Murtha is not the right poster child" for a Democratic House that says it wants to sweep away corruption.

Melanie Sloan, the liberal head of Citizens for Responsibility and Ethics in Washington, was cheered on by Democrats six weeks ago when she helped reveal the Mark Foley scandal. Now she says that "Ms. Pelosi"s endorsement of Rep. Murtha, one of the most unethical members of Congress, show that she may have prioritized ethics reform merely to win votes with no real commitment to changing the culture of corruption."

Former members are also speaking out. Chris Bell, a former Democratic House member from Texas who was his party's unsuccessful nominee for governor this year, told the Washington Post that Mr. Murtha was instrumental in making Rep. Alan Mollohan of West Virginia the top Democrat on the House Ethics Committee. Mr. Bell says Reps. Mollohan and Murtha both helped to slow ethics reform to a crawl for much of the last two years. This spring, Mr. Mollohan was forced to step down from his Ethics Committee position after The Wall Street Journal reported that he had underreported personal assets and steered earmarks to various West Virginia entities founded or controlled by his close political allies.

Mr. Murtha has also been front and center in the controversy over earmarks, the individual portions of pork members of Congress often secretly secure for their districts or favored constituents. Mr. Murtha is the ranking Democratic member of the Defense Appropriations Subcommittee and for the past three years has been the House's top recipient of defense industry cash. Few in Washington are surprised that his lobbyist brother, Robert "Kit" Murtha, was until his retirement this summer an enormously successful "earmark specialist" for the Beltway firm KSA Consulting. In recent years, Kit Murtha brought in a mother lode of earmarks for at least 16 defense manufacturers with business before the Appropriations Committee.

Last year, the Los Angeles Times reported that "most of KSA's defense contractor clients hired the firm in hopes of securing funding from Rep. Murtha's subcommittee, according to lobbying records and interviews. And most retained the firm after Kit Murtha became a senior partner in 2002." Kit Murtha told the Times that he saw Rep. Murtha only infrequently, but said

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the congressman knew he was a KSA lobbyist. "I don't think that influences him," Kit said of his brother. "I certainly would hope not."

Mr. Murtha isn't talking much about all of these controversies, no doubt hoping that the clock will run out on questions about them when Democrats vote for majority leader tomorrow. For now his surrogates are brushing aside all inquiries. "There is no substance to it," says Rep. Linda Sanchez of California, a key Murtha ally. Ms. Pelosi's office will only say that Mr. Murtha "has addressed these issues." But he really hasn't, and Ms. Pelosi should know better.

Take the Abscam probe, in which Mr. Murtha was named an unindicted co-conspirator in the late-1970s FBI sting operation in which agents posed as Saudi sheiks and offered members of Congress bribes for help in securing asylum in the U.S. and getting money out of Saudi Arabia. In the end, a U.S. senator and six representatives accepted the cash and were convicted of bribery or lesser charges.

I spoke with Mr. Murtha's press secretary last Friday and emailed her Abscam-related questions. I followed up with a phone call yesterday. She never responded. Yesterday Mr. Murtha did issue a statement attempting to deflect questions: "I am disconcerted that some are making headlines by resorting to unfounded allegations that occurred 26 years ago. I thought we were above this type of swift-boating attack. This is not how we restore integrity and civility to the United States Congress"

Mr. Murtha was among those who were offered the Abscam bribe money. He declined it, but the late columnist Jack Anderson said the Pennsylvania congressman's conduct was "perhaps the saddest scene on the secret Abscam videotapes. He refused to take the money, but his reason was hardly noble."

The 54-minute Abscam tape shows Mr. Murtha functioning as a cynical backroom operator, telling the FBI undercover agents: "You know, you made an offer. It might be that I might change my mind someday." Later, he explained how that might happen: "I want to deal with you guys awhile before I make any transactions at all, period," he told the fake sheiks. "After we've done some business, well, then I might change my mind. I'm going to tell you this. If anybody can do it--I am not BSing you fellows--I can get it done my way. There's no question about it."

Mr. Murtha has said his only interest in the purported Saudi sheiks' money was that he hoped it would be invested in businesses in his district. But the full tape makes clear that Mr. Murtha was primarily interested in talking about such investments as a possible cover should he later decide to have the money transferred.

"And what I'm sayin' is, a few investments in my district, a few you know, is big to me, to this guy apparently is not too big, to a couple of banks which would get their attention. And investment in a business where you could legitimately say to me--when I say legitimately, I'm talking about so these bastards up here can't say to me, well, why, in eight years from now, that's possible, we'd never hear a thing for eight years, but all at once, ah, some dumb bastard would go start talking eight years from now, ah, about the whole thing and say, '[expletive], ah, this happened,' then he, then he, in order to get immunity so he doesn't go to jail, he starts talking and fingering people and then the [expletive] all falls apart."

The undercover FBI agent in the meeting then spoke up and said "You give us the banks where you want the money deposited."

"All right" Mr. Murtha responded. "How much money we talking about?"

"Well, you tell me" replied the FBI agent.

A few moments later in the tape, Mr. Murtha continues his discussion of how "a business commitment" in his district would be structured: "A business commitment that makes it imperative for me to help him. Just, let me tell you something. I'm sure if--and there's a lot of things I've done up here, with environmental regulations, with all kinds of waivers of laws and regulations. If it weren't for being in the district, people would say, 'Well that [expletive], I'm gonna tell you something this guy is, uh, you know, on the take.' Well once they say that, what happens? Then they start going around looking for the [expletive] money. So I want to avoid that by having some tie to the district. That's all. That's the secret to the whole thing."

It appears that what Mr. Murtha was referring to was a form of investment not for the sake of investment, but because "that's the secret" to how you can take a bribe and get away with it. Mr. Murtha was never indicted for his role in Abscam, even though he testified in federal court that he had called his "immigration guy" to determine what could be done to help the fake sheik with his immigration problems.

But in 1981, the House Ethics Committee became concerned that Mr. Murtha had, at a minimum, violated House rules that required he report any attempt at bribery, which he had not. A special prosecutor, Barry Prettyman, was appointed to oversee the committee's investigation. He soon expanded his probe beyond the six House members who were directly involved and began moving against Rep. Murtha. He was also rumored to be offering deals in exchange for testimony that would take the scandal inside the office of Speaker O'Neill.

That was the final straw from the irascible O'Neill. He determined to shut the investigation down, and the story of how he did it makes up a fascinating part of Mr. Crile's book, "Charlie Wilson's War" (Atlantic Monthly Press, 2003). Crile died earlier this year of cancer, but his story of how the larger-than-life Rep. Charlie Wilson of Texas single-handedly steered money from the

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defense subcommittee that Rep. Murtha chaired to the anti-Soviet mujahadeen in Afghanistan is so riveting that it is being made into a major motion picture produced by Mike Nichols and starring Tom Hanks and Julia Roberts.

Crile reported that in early 1981 Speaker O'Neill called Rep. Wilson into his office and told him he wanted him to join the Ethics Committee right away. The Texas congressman had been pestering him for years to get a lifetime seat on the board the Kennedy Center for the Performing Arts. "It's the best perk in town," Mr. Wilson told Crile. "It means that I get the box right next to the president's box for the ballet when I want it. I get to go to all the cast parties, meet all the movie stars, and I get an extra invitation to the White House every season."

O'Neill made it clear he would appoint Mr. Wilson to the board he coveted, but that he would have to joni the Ethics Committee to take care of the Murtha matter. "It's a package deal, Chally," O'Neill is said to have told Mr. Wilson.

"The word on Charlie was that he didn't talk," ex-Rep. Tony Coelho, who became majority whip after O'Neill's retirement, told Crile. "From time to time the speaker needed to mount irregular operations, and Wilson was one of those irregulars Tip could count on." Mr. Wilson didn't need any prodding for his task: "He was a happy warrior as he raced to the rescue of his imperiled friend John Murtha," Crile wrote.

Crile reported that prior to Mr. Wilson's arrival on the Ethics Committee, it had largely given Mr. Prettyman, the special counsel, a free hand in his probe. That quickly changed: "Before Prettyman could fully deploy his investigators to move on the Murtha case, he was informed that the committee had concluded there was no justification for an investigation." The Ethics Committee chairman, Rep. Louis Stokes of Ohio, suddenly declared "This matter is closed."

Mr. Prettyman, who had already likened the Ethics Committee to "a misdemeanor court faced with a multiple murder," was furious at the dramatic change of course. He abruptly resigned his post the same afternoon the committee voted to clear Mr. Murtha. While Mr. Prettyman continues to refuse to discuss the case, he told Roll Call newspaper in 1990 that it would be "a logical conclusion" that he resigned over the committee's exoneration of Mr. Murtha. Crile's book notes that "a teary Murtha had confided to a colleague that Wilson's effort had saved his life." Crile concludes that the Murtha "rescue operation" had far-reaching consequences. "For O'Neill the intervention ended the threat to his hold on the House and unleashed him to become Ronald Reagan's liberal tormentor."

Two decades later, In 2002, ex-Rep. Don Bailey, a Democrat who had sat on the Ethics Committee (and who lost to Mr. Murtha in a Democratic primary in 1982, after decennial redistricting put them in the same district) released a public letter to Mr. Murtha: "I was, to be honest, critical about how you misled me about Abscam where you convinced me you had voluntarily told federal agents about the offer of money to you." Mr. Bailey continued: "I learned later, after I had successfully defeated the ethics charges against you, that you had merely manipulated the system to cooperate with federal agents to avoid prosecution."

For his part, Mr. Wilson was quite pleased by his role in burying the Murtha probe. Crile reported that Mr. Wilson told him he "laughed off the incident as if it had been an entertainment." Mr. Wilson said, "It was the best deal I ever made. I only had to be on Ethics for a year, and I get to stay on the Kennedy Center for life."

When I spoke with Crile last year, he confirmed that he stood by his account of the spiking of the Murtha ethics probe. Last night Mr. Wilson assured me that the Crile book was "completely accurate." (The only complaint about any facts in it, he said, had come from the heirs to a Texas oilman who was briefly mentioned in it.) Mr. Wilson told me he and George Crile were 50-50 partners in the movie deal.

When I asked Mr. Wilson about the portions of the book that dealt with his efforts to squelch the Ethics Committee probe of Mr. Murtha, he tersely said, "I have no comment." He reiterated that Mr. Murtha remains his good friend--they appeared together at a Pennsylvania fund-raising event for Democratic candidates--and said that Mr. Murtha has been unfairly attacked for his record in promoting earmarks.

In contrast to Sen. John McCain, whose experience in the 1990 Keating Five scandal turned him into a good-government reformer, Mr. Murtha's brush with infamy stirred in him a conviction that members of Congress deserve more protection from ethics probes. In 1997 Mr. Murtha joined with Rep. Billy Tauzin, a Louisiana Republican, in blocking outside groups and private citizens from filing complaints directly with the House Ethics Committee.

Mr. Murtha also pushed for a law that would require the Justice Department to reimburse the legal bills of any member of Congress it investigated if it was shown the probe was not "substantially justified"--a privilege no other American enjoyed. Only after Henry Hyde, then chairman of the Judiciary Committee, objected was the bill amended to allow reimbursement for anyone--member of Congress or not--acquitted in a "bad faith" prosecution.

Gary Ruskin, director of the liberal Congressional Accountability Project, told Roll Call that "when it comes to institutional policing of corruption in Congress, John Murtha is a one-man wrecking crew." Now with the support of Ms. Pelosi, that "wrecking crew" stands just one ballot away from becoming House majority leader. Should he win the sealed-ballot election of his peers tomorrow, Democrats may have a hard time explaining just what has changed regarding the Congress's "culture of corruption."

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Ultra-liberals Rise On Moderate Wings (HILL)

By Dick Morris

The Hill, November 15, 2006

The results of the '06 election are in. The left wing of the Democratic Party has taken over Congress. Rep. Nancy Pelosi (D-Calif.) is the Speaker. Rep. Charles Rangel (D-N.Y.) is the new chairman of the Ways and Means panel. Sen. Harry Reid (D-Nev.) is majority leader, and Sen. Barbara Boxer (D-Calif.) runs the Environment Committee. The left is empowered.

But how did it achieve these majorities? It did so lifted by the wings of moderate, centrist Democrats who mastered their GOP opponents throughout the country. It was not liberals who defeated Republican incumbents in the House and Senate. It was moderates, future members of the Democratic Leadership Council (DLC).

The only reason Pelosi is Speaker is that a fresh crop of moderate Democrats ousted Republican incumbents in the House. A majority of these new congressmen and -women have announced their intention to join the DLC.

It is only because pro-lifer Bob Casey beat Sen. Rick Santorum (R-Pa.), former Reagan Navy Secretary Jim Webb defeated Sen. George Allen (R-Va.), and gun-control opponent Jon Tester triumphed in Montana that Harry Reid is the new Senate majority leader.

Moveon.org, party chairman Howard Dean, and the blogger left had nothing to do with the '06 victory. Democrats who study the election results carefully will reaffirm the lessons learned by the defeat of Walter Mondale and Michael Dukakis — the American people will not elect liberal Democrats, but will turn to moderates.

The irony is that the expressed will of the American people has been so radically ignored in the shaping of the 110th Congress. The fact is that the elevation of Nancy Pelosi to the speakership is no more a legitimate expression of the voters' will than would be the retention of Dennis Hastert. The seniority system, rigidly applied by Pelosi in violation of the spirit of the Gingrich reforms of 1994, has ordained that a liberal establishment will run Congress, whatever the voters say.

Is there anyone who will sanely maintain that Rangel represents the broad middle of American views on tax reform, or that Levin speaks for most Americans on national security? All that has happened is that the ranking members have become the chairmen, regardless of their views or qualifications. It is a gesture of homage to seniority that would have the approval of the segregationists that used to run Congress by applying the same ground rules. Back then, no matter how loudly voters demanded integration and an end to racism, the Democratic majority kept apartheid firmly in place. The distortion of the electorate's will taking place now on Capitol Hill is no more extreme.

Will the Democrats pay for their imperial overreach? Not if, despite taking the majority, they stay in opposition, use their power to oppose the Bush administration, investigate it endlessly, and continue the negative criticism that embodied their '06 campaign.

But such is not the nature of the Democratic Party. Power will likely go to their heads. Their constituencies will not be appeased by mere partisan criticism of Bush. Had the Democrats been fortunate enough to win only the House, they could have hidden behind the wall of Senate obstructionism and pleaded their inability to pass legislation. But having won both, they have no excuse but to pass legislation that will reflect the will of their issue-group masters and expose the differences between the views of their party and those of the voters.

Bush will still be president, so their output will face a daunting succession of presidential vetoes. So will there be a backlash? No. There will only be the beginning of a backlash. Bush's likely intransigence on Iraq, global warming, and a host of other issues will shield the Democrats from the political consequences of their own legislative initiatives.

Rather, we have to see 2007 and 2008 as the beginnings of a massive Republican revival. Only when the likes of Hillary Clinton take the White House in 2008 — still my bet — will the resurgence be fully evident. Just as she saved the GOP in 1994, she'll repeat the favor in 2010 and 2012.

Morris and McGann, husband and wife, have written several books together, including Rewriting History, a rebuttal to Living History by Sen. Hillary Rodham Clinton (D-N.Y.).

House GOP Scrambles For Leader (WT)

By Charles Hurt

The Washington Times, November 15, 2006

House Republicans in search of someone to lead them out of the minority wilderness are growing increasingly frustrated with their choices in the leadership elections as Senate Democrats yesterday swiftly approved a slate of top leaders.

Sen. Harry Reid of Nevada was picked to be majority leader and much of the rest the Democratic leadership also remained in place -- a clear sign of gratitude for orchestrating last week's six-seat pickup that just last year Mr. Reid predicted would require a "miracle."

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"Two years ago, we had an opportunity for new leadership on the Democratic side of the Senate, and we chose as our leader Harry Reid," said Sen. Richard J. Durbin, Illinois Democrat, elected yesterday to be majority whip. "We could not have made a better choice to unify this caucus, to make certain that we came to the floor every day with a purpose, and most importantly, that we took a message to the American people, a message of hope."

Today, Senate Republicans are expected to approve Sen. Mitch McConnell of Kentucky to be the minority leader. Sen. Trent Lott of Mississippi, a former Senate Republican leader, and Sen. Lamar Alexander of Tennessee, are locked in a tight but very quiet race for the No. 2 slot.

In the House, things aren't as quiet, as the Democratic race for majority leader grows bitter and the Republicans remain divided over who should lead their party.

Rep. John P. Murtha, the Pennsylvania Democrat who has become the face of his party's anti-war stance and is running for majority leader, harshly criticized Rep. Steny H. Hoyer of Maryland, the current No. 2 Democrat. Rep. Nancy Pelosi of California will almost assuredly become House speaker in January.

"The Pelosi-Murtha position on the war is the reason the Democrats are in the majority today," Mr. Murtha said. "Congressman Hoyer's position has been to stay the course with President Bush from the very beginning."

Mr. Hoyer's office noted that he and Mr. Murtha both signed three letters urging Mr. Bush to withdraw troops from Iraq. Mr. Hoyer yesterday declined to respond to questions about whether Mr. Murtha's past ethical and legal troubles might undermine the party's declared aim of cleaning up what Democrats called "the culture of corruption" in Congress.

"I am not looking back," Mr. Hoyer said. "My role is to look forward."

Among House Republicans, members remain divided over their top post, and one of the most frequently floated names for the No. 2 position isn't even running.

Most insiders say Rep. John A. Boehner, the Ohio Republican and current majority leader, is favored to win the top spot, but Rep. Mike Pence, Indiana Republican, has been widely praised by conservatives off the Hill as a fresh face.

House Speaker J. Dennis Hastert of Illinois has declined to run for the leader position.

Some Republicans have expressed reluctance to return Mr. Boehner to leadership after last week's disastrous elections, and some are opposed to Mr. Pence for forging a compromise on immigration that critics dismissed as "amnesty." Yesterday, Mr. Pence renounced those efforts.

"All those debates about compromise are a thing of the past," he said in an interview with talk-radio host Laura Ingraham.

"I reject any form of amnesty, even if we've got border security," he said. "I really reject the idea that people whose first act in this country was a violation of the law ought to be able to get right with the law without leaving the country."

In the race for Republican whip, many members say they are far less enthusiastic.

The current whip -- Rep. Roy Blunt of Missouri, who hopes to retain the position -- has talked about the need for "cultural change in Washington," but is an old ally of ousted leader Tom DeLay. It didn't help that he attended a fundraising golf tournament last weekend, just days after his party lost 30 seats amid charges of corruption.

"Mr. Blunt is proud of the significant financial assistance he has given to hundreds of Republican members and candidates and believes that fundraising is a necessary part of recapturing our majority in 2008," his spokeswoman said.

Challenging Mr. Blunt is Rep. John Shadegg of Arizona, a conservative who lost his bid earlier this year for majority leader.

"He was one of the guys who got here in the '94 Republican revolution and didn't go native," said Rep. Paul D. Ryan, Wisconsin Republican, who supports Mr. Shadegg.

But others say Mr. Shadegg is uninspiring and aloof. Many have settled on Rep. Eric Cantor of Virginia, Mr. Blunt's chief deputy whip, who actively supports Mr. Blunt's re-election.

"Everybody is asking why Cantor is not running," said one Republican staffer who requested anonymity to speak freely about the leadership race.

Mr. Ryan, who is friends with Mr. Cantor, said, "Most people would say Eric would win, but he doesn't want to win that way. He's Roy's deputy, and he's being loyal. That's who Eric is."

Indeed, Mr. Cantor declined to comment on the growing "draft Cantor" movement, except to say he's not running and supports Mr. Blunt.

"The fact that Cantor won't go back on his word to Blunt is exactly why he should be in leadership," said a frustrated Republican aide. "For the future of this party, Blunt should step aside."

House GOP May Go Back To The Future (HILL)

By Patrick O'connor

The Hill, November 15, 2006

DOJ_NMG_0094784

Former Rep. Tom DeLay (R-Texas) is gone, Democrats will soon control the floor and House speaker Dennis Hastert (R-Ill.) will be just another member of the minority — if a member at all.

As much as last week's momentous loss ushered in a new era for Republicans in the House, the GOP is on the brink of returning some familiar faces to the leadership.

With Majority Leader John Boehner (R-Ohio) all but assured of retaining the title of leader when Republicans assume the minority next year, suspense hangs on the race for whip between Reps. Roy Blunt (R-Mo.), the current occupant, and John Shadegg (R-Ariz.), a darling of the conservative media.

Blunt has told supporters in private that he has the votes to preserve his leadership post when members cast their secret ballots this Friday, members and an aide said yesterday, but some of those same supporters question the strength of his backing. Blunt made a similar prediction before losing to Boehner in their majority leader race earlier this year.

Some of Blunt's allies are desperate for him to step aside in order to clear the way for his chief deputy, Rep. Eric Cantor (R-Va.), a prolific fundraiser and established vote-counter who has been making phone calls in support of the Missouri Republican since last Wednesday.

These supporters are concerned that Blunt's tally is soft heading into the election and that some of his confirmed votes will buck him on the secret ballot. Whips rank their votes on a number scale to account for the level of support, and many of the whip's supporters are not hard commitments, one ally said yesterday.

"If you're the incumbent and you don't have the support locked down to hold your job, you're screwed," the same backer said yesterday. "You have to understand you're screwed and get out of the race."

Concerned that Shadegg would fumble some of the procedural responsibilities required of a whip, these Blunt supporters are weighing their options to elevate Cantor to the No. 2 slot in the Republican hierarchy.

"A sizable percentage of Blunt supporters are supporting Blunt because of Cantor," the same lawmaker said.

Blunt's staff is dismissive of these suggestions to step aside.

"Congressman Blunt is extremely responsive to the members of his conference, and he is staying in the race to win it because he believes he has the support from the majority of his colleagues," his spokeswoman, Jessica Boulanger, said.

Internal rules governing the election process allow members to nominate limitless candidates on the day of the election. Cantor has pledged not to challenge Blunt, but members could nominate him even though he has not campaigned.

The Virginia Republican has not had any role in this movement to elect him, his spokesman and a number of outside members said, but he could stem the speculation with a public statement of support for Blunt.

There is some concern on a staff level that a loose group of senior staff and established outside lobbyists are feeding much of the buzz about Cantor and Rep. Adam Putnam (R-Fla.), who is vying for the conference chairmanship against Reps. Marsha Blackburn (R-Tenn.), Jack Kingston (R-Ga.) and Dan Lungren (R-Calif.).

While evidence is scant that such a group is coordinating votes behind-the-scenes, the perception concerns those members and staff with limited input on leadership decisions and could foment discontent over the next two years.

Members and staff from all ends of the conference believe Boehner has the race for leader wrapped up, but his two opponents, Reps. Mike Pence (R-Ind.) and Joe Barton (R-Texas), continue to work for support in anticipation of the Friday ballot.

"Personally, I am not willing to wait for the Democrats to make their own mistakes to take back the majority," Rep. Joe Pitts (R-Pa.), a prominent social conservative, wrote to members of the Values Action Team yesterday. "We need a leader who can, as Newt Gingrich did and as President Reagan did, communicate ably and earnestly with the American people about what we believe. I believe Mike Pence is that man."

Most of the candidates running from outside the leadership were expecting stronger discontent from Republicans following last week's rout on Election Day.

Pence, the chairman of the conservative Republican Study Committee who characterizes his confrontations with leadership as "cheerful pugilism," said Republicans have not yet grasped the enormity of last week's loss and what that means when Congress resumes next year.

"One thing our colleagues have yet to completely absorb is that the environment is completely different," Pence told a small group of reporters yesterday.

Given that shift, Pence said the conference, and particularly its leaders, should stake their own position on issues and battle the administration publicly whenever necessary, something past leaders have been reluctant to do.

Conservatives throughout the party have seized on last week's results to argue that Republicans have strayed from their principles in recent years, and many of these members hint that the conference should make some bold steps during its reorganization.

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Rep. Tom Feeney (R-Fla.), an outspoken conservative who is not publicly backing either candidate in the whip race, is concerned that Republicans will send a bad message to angry GOP voters who either didn't show up or voted against them on Election Day for ethical transgressions and failing to reduce federal spending.

"We got in trouble with voters outside the Beltway for things we did inside the Beltway," Feeney said. "We have to show them Republicans inside the Beltway understand that."

Centrist Republicans are concerned that this conservative shift will alienate them even further from the decision-making process.

During a dinner of the centrist Republican Main Street Partnership on Monday, which was attended by numerous centrists who lost, such as Rep. Nancy Johnson (R-Conn.), members lamented their diminished influence in the conference. Most members present were backing Boehner in the race for leader, according to one attendee, but few were enthused about their choices in many of the top races. Only members who won their Election Day races can vote in the leadership races.

In general, centrists are concerned that leaders have ignored their priorities in the past, and a conservative resurgence would continue to endanger their seats.

"I don't think a rightward shift is the way to go," Rep. Mike Castle (R-Del.), who often negotiates with leaders on centrist concerns, said last week on the brink of Election Day.

As members fight for the upper hand in races for whip and conference chair, Rep. Thaddeus McCotter (R-Mich.) is expected to release the names of 105 supporters tomorrow that would lock up his bid for chairman of the Republican Policy Committee, the seat Putnam abandoned in his bid for conference chair, spokesman Bob Jackson said. Rep. Darrell Issa (R-Calif.), McCotter's opponent, released his own list of 60 public supporters yesterday.

As Friday approaches, Blunt's supporters are encouraging members to stand with him because he has proven himself in the role during such a difficult stretch for Republicans.

Rep. Kevin Brady (R-Texas), a loyal Blunt supporter, thinks it would be foolish for members to replace their current whip because he is proven at corralling tough votes, particularly among conservatives, and because Republicans will need to unite against Democrats in the minority.

"Democrats took a page from our playbook by unifying, and that's when it was difficult to govern," Brady said. "We would be foolish to miss our own lesson."

GOP Term Limits Rule Challenged (RC)

By Ben Pershing

Roll Call, November 15, 2006

Former President Bill Clinton once famously questioned "what the meaning of the word 'is' is." For a pair of House Republican chairmen, their fate in the 110th Congress may rest on the definition of another tricky two-letter word — "or."

With the GOP majority gone, most current chairmen are preparing to move into their panels' ranking member slots. But two committee heads — Judiciary Chairman Jim Sensenbrenner (R-Wis.) and Transportation and Infrastructure Chairman Don Young (R-Alaska) — are prevented by Republican Conference rules on term limits from keeping their party's top panel posts next year.

Or maybe not.

Republican sources said Sensenbrenner and Young have told the GOP leadership that they would like to keep their jobs even though both have served a full six years as chairmen, the maximum under the current rules. Their argument: The rules don't really say what they seem to say.

"It's a sticky issue," said a Republican leadership aide, who nonetheless expressed confidence that "it's all being sorted out."

The "term limitation" section of Conference Rule 14 — which was implemented at the start of the 104th Congress and has not been changed since — reads, "No individual shall serve more than three consecutive terms as chairman or ranking member of a standing, select, joint or ad hoc committee or subcommittee."

The standard interpretation of that rule has been that there is a six-year limit on serving in the top GOP slot on a committee, period. But Sensenbrenner and Young have made the case that the phrase "chairman or ranking member" suggests that a Member should be able to put in up to three terms in one job, and then another three in the other.

"The rules are ambiguous," said a Republican aide who has been involved in discussions of the term-limit issue.

Allies of Sensenbrenner and Young argue that the "or" was inserted to allow the Conference some flexibility on the matter. They also point out that senior lawmakers might hesitate to serve as ranking members in the minority if that means they will be eating into their potential service time as future chairmen. Theoretically, a Republican could put in six loyal years as a stalwart ranking member and then — if the GOP takes back the House — would not be able to reap the reward of a gavel.

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The potential controversy applies only to Young and Sensenbrenner, as the other term-limited panel heads are all leaving Congress. Both men have made their cases to leadership, though neither's office wanted to comment for this story.

One Member who does not share their interpretation of the rules is Rep. Lamar Smith (R-Texas), who is in line to take over the Judiciary ranking membership in the 110th Congress.

"The rule seems clear and unambiguous," said Smith spokeswoman Beth Frigola. "Congressman Smith is looking forward to making his case to the Steering Committee why he should be the ranking member of the Judiciary Committee."

Sensenbrenner generally has gotten good marks from panel members and from leaders for his stewardship of the panel, though his stubbornness on certain issues has sometimes rubbed leaders the wrong way.

Young, meanwhile, has made more enemies in his stint as Transportation chairman and may not retain enough goodwill to win the ranking membership even if the rules say what he thinks they do. In September 2005, Young made a pitch for the Homeland Security Committee gavel that was not well-received by the Steering panel, and Rep. Peter King (R-N.Y.) ended up winning that post.

GOP Reps. John Mica (Fla.), John Duncan (Tenn.) and Tom Petri (Wis.) are all competing to succeed Young on the Transportation Committee.

No decisions on ranking memberships will be made until at least early December, after this week's leadership elections are done, Conference rules for the 110th are written and the Steering Committee is constituted.

When the new rules are written, leaders are expected to revise Rule 14 to make the term-limit guidelines a bit clearer.

"The party definitely has something to think about," said a GOP committee aide.

Alexander, Lott Count Whip Votes (HILL)

By Elana Schor

The Hill, November 15, 2006

The Senate's marquee GOP leadership bout will be decided this morning, as Republicans choose a new whip amid heightened campaigning by Trent Lott (R-Miss.), Lamar Alexander (R-Tenn.) and their core supporters in the conference.

While few Republicans would discuss their votes as their lame-duck session officially opened, Lott and Alexander appeared alternately confident and cautious, both aware that today's secret ballot would put their head counts and promises to the test.

"I want to be helpful," Lott said yesterday, calling his unusually covert comeback effort "a family thing" and giving a nod to his close relations with past Democratic leaders, which his supporters believe would be crucial in next year's majority-Democratic Senate: "We've got to try to keep a check on them and find a way to work with them … I could do that."

Alexander has billed himself as a more natural No. 2 than Lott, known for his comfort in the media spotlight since his House leadership rise in the 1980s. But Lott avowed his commitment to the agenda of current Majority Whip Mitch McConnell (R-Ky.), a lock to become minority leader.

"I know the leader needs loyalty," he said. "I'm trying to convey the message that I can do this job without always running to the press."

McConnell continues to stay neutral in the contest, reiterating yesterday that he was playing no role in the whip race. While he and Alexander are close allies, appearing together yesterday to welcome Sen.-elect Bob Corker (R-Tenn.), McConnell came to Lott's defense during the racial controversy that forced the Mississippian out as GOP leader in 2002.

Alexander and Lott both acknowledged McConnell's desire to remain above the whip fray. Lott recalled that he stayed out of the 2002 whip race, fought just weeks before his departure as majority leader, in which McConnell overcame Lott friend Sen. Larry Craig (R-Idaho).

Alexander even reached deeper into the past yesterday, pointing out that he and Lott were roommates during the 1960s, when both were starting out as Hill aides.

"We know each other well, and we will be good friends after [today] ," Alexander said yesterday, adding that Republicans were in need of "fresh faces … after the drubbing we took [in the midterms]." Corker was at his side, subtly underscoring Alexander's hands-on role in orchestrating the Republicans' sole victory in a closely fought Senate race this year.

The whip rivals are both relying on core backers within the conference for momentum and help securing votes. The Alexander camp cited as supporters Sens. Richard Lugar (Ind.), Mike Enzi (Wyo.), Jim Bunning (Ky.), George Voinovich (Ohio), Michael Crapo (Idaho), Pete Domenici (N.M.), Bob Bennett (Utah), Saxby Chambliss (Ga.), Johnny Isakson (Ga.) and Mel Martinez (Fla.), whom President Bush officially tapped as head of the Republican National Committee yesterday.

Lott's office did not return a request for comment by press time on his public supporters, although Sen. Judd Gregg (R-N.H.) said he would be voting for Lott, his former House colleague. Sen. Richard Burr (R-N.C.) is also backing Lott.

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Sens. Richard Shelby (R-Ala.) and Kit Bond (R-Mo.) both declined to tip their hands yesterday, and outgoing Senate president pro tem Ted Stevens (R-Alaska) couched his silence in advice for both candidates.

"When I ran for leader and thought I had the votes [against former Sen. Bob Dole (Kan.) in 1984] … I learned that you don't talk about votes before the election," Stevens said.

The whip race has captured the attention of staffers, lobbyists and pundits since last fall, when Lott began openly flirting with a return to leadership and Alexander began his bid as the underdog to Sen. Rick Santorum (R-Pa.), who lost reelection to Democrat Bob Casey Jr. last week. Lott's reputation as a savvy vote counter since his days as a House whip sparked some debate yesterday over whether he would bow out in the waning minutes, should victory appear out of reach.

"I would not be totally surprised if he pulls back at the last minute if he doesn't feel he's got the votes," said a source supportive of Alexander. The source also expressed disappointment among some Alexander backers about reports that Lott had privately bashed his opponent during the campaign.

One former Senate GOP leadership aide during Lott's previous stint pointed out that Lott is the only sitting senator who has served as a Republican minority whip during a Republican administration. The aide said Lott is likely to revive the whip lineup he brought from the House to the Senate, with a chief deputy whip and eight others keeping tabs on members' personal issues to ensure good morale.

"The idea that he wouldn't be supportive of: one, the leader; two, unity in the conference; and three, the president's agenda," is false, the aide said.

Lott, Alexander Battle To The End (RC)

By Erin P. Billings And Emily Pierce

Roll Call, November 15, 2006

With this morning's vote on the next Senate Minority Whip still nip-and-tuck, Sen. Lamar Alexander (R-Tenn.) said Tuesday that he was using the last hours of campaigning to make sure Senators who already had committed to him were not switching to the insurgent campaign of Sen. Trent Lott (R-Miss.).

"I'm spending almost all of my time on that," Alexander said of his efforts to reinforce support Senators lent him before Republicans lost control of the chamber last week.

Alexander is set to square off against Lott this morning for the No. 2 GOP leadership slot, a position for which both Senators have been furiously campaigning in recent days. Republican Senators will convene in the Old Senate chambers to decide the outcome, along with cementing the rest of their leadership lineup for the 110th Congress.

Lott's late entry into the Whip race, while not unexpected, has left the outcome in doubt, despite Alexander's claim that he has a solid majority of his colleagues behind him. As of Monday night, the Tennessee Republican and his allies reasserted that those numbers had held, and then some, while Lott's backers predicted an extremely close secret-ballot vote that ultimately would turn for the former Majority Leader.

"As of today we are definitely tied," said one source close to the Lott operation. "It is an even match."

But one of Alexander's top supporters, Sen. Bob Bennett (R-Utah), said Alexander has a solid advantage, counting 27 firm commitments in the Tennessean's camp. Bennett said that unless there is a seismic shift in support in the waning hours, Alexander should emerge as the next Republican vote counter.

"He's been working at it a good long time," Bennett said. "He has the commitments of Senators who made commitments to him at a time when Lott wasn't sure he was running for re-election, let alone running for Whip."

Bennett is just one of several Republican lawmakers helping count backers for Alexander. Sens. Johnny Isakson (Ga.), Dick Lugar (Ind.), Pete Domenici (N.M.), Saxby Chambliss (Ga.), Mel Martinez (Fla.) Mike Crapo (Idaho), Mike Enzi (Wyo.), Jim Bunning (Ky.) and George Voinovich (Ohio) also are among those mentioned as part of his campaign team.

"I had a majority of votes on Thursday, and I have more votes today than I did then," Alexander said Tuesday.

Alexander entered the race more than a year ago when the only other candidate was Sen. Rick Santorum (Pa.), the current Republican Conference chairman who lost his bid for a third term. Lott had hinted he might be interested in the Whip job months ago, but he said he would not challenge Santorum, his longtime friend and ally.

Lott didn't formally enter the race until Monday night, but he quietly has been reaching out to his colleagues for some time. That outreach became more aggressive in the wake of Santorum's electoral loss last Tuesday.

The Mississippi Senator so far has kept his supporters private, but those close to him have laid out the names of a team of close to a dozen Members helping him make phone calls and corral commitments for the Whip job. Lott's allies insisted Tuesday that the one-time Majority Leader is within striking distance of winning and said he continued to meet with undecided Senators on Tuesday.

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One source close to Lott said that “Lamar started at a decided advantage,” but the race is now “a dead heat.” This source suggested that there are fewer than five Senators who remain uncommitted and predicted the final result would be determined by one or two ballots.

“It is a very close race,” the source said. “But I think he’s going to have the votes to win.”

Both publicly and privately, Senators agreed that Alexander walks into today’s secret ballot with an edge. But they also insisted that Lott, a former House and Senate Whip with long-standing relationships, cannot be discounted. And, they note repeatedly, the balloting is secret.

Sen. John Cornyn (R-Texas), who is publicly neutral because of his own bid to become Conference vice chairman during today’s voting, said, “My sense is that Alexander has the advantage.”

One Alexander ally echoed that, saying, “We’ve double checked, triple checked and quadruple checked” our votes.

While all eyes remain on the vote for the Conference’s No. 2 spot, Republicans also will elect the rest of their leadership for the 110th Congress at this morning’s meeting. Atop the list is an all-but-certain climb for Sen. Mitch McConnell (R-Ky.), who is expected become Minority Leader without opposition.

McConnell likely will be the first elected this morning, and will be nominated by Sens. Judd Gregg (N.H.) and Gordon Smith (Ore.). McConnell, the current Whip, will succeed retiring Majority Leader Bill Frist (Tenn.) if elected.

Santorum will chair the meeting, as he remains the Conference chairman through the end of the year. Sen. Kay Bailey Hutchison (Texas), vice chairwoman of the Conference, is charged with announcing the winner of each ballot.

Following the vote for Minority Leader, Senators will then proceed to the casting of ballots for Whip, followed by Conference chairman, Policy Committee chairman, Conference vice chairman and National Republican Senatorial Committee chairman. Those seats are expected to go to Sen. Jon Kyl (Ariz.), Hutchison, Cornyn and Sen. John Ensign (Nev.), respectively.

Lame-Duck Texas Rep. Gets Down To Work Without DeLay (WP)

By Peter Carlson

The Washington Post, November 15, 2006

Shelley Sekula-Gibbs was sworn in as a congresswoman on Monday night and already she's a lame duck. Because of a weird electoral quirk, her brief term in office expires next month.

But you couldn't tell that by listening to her.

"I'm working hard to accomplish the things I'm working for," she said yesterday. "For tax cuts. For immigration reform. To make sure we have a good solution for the war in Iraq."

All that? In a few weeks?

"If there's a way to do it, I'll do it," she said, smiling beneath her bright blond hair. "I'll deal with the leadership to get as much done as possible."

Sekula-Gibbs (R-Tex.) won a race for Congress on Nov. 7. She also lost a race for Congress on Nov. 7. It's a long story:

Tom "The Hammer" DeLay, the former House majority leader who was indicted on money-laundering charges, resigned from Congress last spring after winning the Republican primary. Last week, voters in DeLay's old district, the 22nd, got to cast two votes for Congress. The Texas voters elected Sekula-Gibbs to fill the remaining portion of DeLay's term -- but they elected Democrat Nick Lampson to succeed DeLay in the Congress that takes office in January, a race that Sekula-Gibbs had to run as a write-in candidate.

That makes for a very short congressional career for Sekula-Gibbs, 53, who is a member of the Houston City Council and a dermatologist -- probably two or three weeks, if you don't count recesses. But she'll retain all the perks that any other ex-member gets, such as use of the House gym and access to the House floor.

On Monday evening, just before she took the oath of office, Sekula-Gibbs held her first congressional news conference in her new office, which is DeLay's old office. Wearing a blue pantsuit with a fuchsia blouse and a string of pearls, she quickly proved that she has mastered the art of the well-worn political bromide.

She said: "I'm proud that the people of the 22nd Congressional District honored me with their votes."

She said: "I'm blessed by God. This really is a gift from God."

She said: "I'm looking forward to rolling up my sleeves and getting as much done as I can accomplish."

What does she think of her accommodations?

She looked around. The dull beige walls were nearly bare. The only pictures were stored on the floor of a closet.

"These are splendid accommodations," she said, smiling. "All we need are the bare essentials to get things done."

She won't be doing any redecorating, she added. And she'll scrape by with a small staff -- a few DeLay holdovers, plus a couple of ex-campaign workers. Meanwhile, she'll spend her tenure living in a hotel. "I have no plans to have a permanent residence here," she said.

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But this was no time for idle chitchat. Sekula-Gibbs had to hustle over to the Capitol.

There, after being sworn in, she addressed her distinguished colleagues: "I look forward to getting to know each of you and working on the initiatives that will help strengthen our country."

Getting to know all 434 of them? That's a lot to do in a few weeks.

In the next hour, Sekula-Gibbs cast three votes. The first was on a bill to "suspend the rules and agree to the Senate amendment" to something called the Trail of Tears Study Act. She stuck her brand-new voting card into a machine and voted yes. Then she looked up at the big screen behind the House speaker's desk and saw a little green light appear next to her name.

It was a courageous vote for Sekula-Gibbbs. If she ever runs for office again, that vote could inspire a vicious attack ad. It's not hard to imagine it: The worst photo ever taken of Sekula-Gibbs appears on the TV screen and an ominous voice says, " She voted to suspend the rules of Congress . . . "

When the voting ended, Sekula-Gibbs rose to make the first official motion of her congressional career: "Mr. Speaker," she said, "I move that the House now adjourn."

The motion carried, and she stepped out into the Speaker's Lobby, where reporters were poised to ask her how it felt.

"It was very exciting," she said.

How did she feel, asked a reporter from the Houston Chronicle, when Democrats came over to greet her?

"I welcome that," she said. "I welcome bipartisan support."

Amazing! In one short night in Congress, Sekula-Gibbs had already done most of the things that our elected representatives do. She'd held a news conference, she'd voted, she'd endorsed bipartisanship, and she'd pledged to "work with my colleagues." To experience the full gamut of congressional life, about all she needed now was a committee meeting and a breakfast meeting.

Alas, she hadn't been assigned to any committees yet. But yesterday she did hold a breakfast meeting in her office for constituents. Her staff provided Danish pastries and a Dunkin' Donuts Box o' Joe.

Houston attorney Robert Gibbs was there. He is Sekula-Gibbs's third husband. "The first husband died," he said. "And the second husband died. And I'm still here."

Jon and Lillian Keeney were there, too. They are constituents and friends of Sekula-Gibbs. They are also the proud possessors of Tom DeLay's first dinette set. They got it from DeLay's daughter, they said, when they helped her clean out DeLay's Texas office.

"It'll be on our ranch in Dime Box, Texas," said Jon.

Is it the kind of thing, a reporter asked, that might someday appear in a Tom DeLay museum?

"Absolutely!" Jon said.

Texas's senators, John Cornyn and Kay Bailey Hutchison, both Republicans, dropped by to welcome Sekula-Gibbs to Congress. So did Rep. Ted Poe (R-Tex.) , a former judge who once sentenced a burglar to stand on a sidewalk wearing a sign that read, "I stole from this store." Poe is a big fan of Sekula-Gibbs.

"I think she can get down in the pits, so to speak, and start working immediately," he said. "She has the energy to do it."

"And this is an energy state," Sekula-Gibbs added, smiling.

By then, she'd been in office for 15 hours. A reporter asked, "Have you been corrupted by power yet?"

"No, I haven't," she said. And she burst out laughing.

But only for a moment. A second later, she was serious again. "It's been a rewarding experience," she said, "and I'm looking forward to making a difference and providing a solid voice for conservative values."

Uprising By Ex-DeLay Staff (RC)

By Mary Ann Akers, Roll Call Staff

Roll Call, November 15, 2006

The woman who was sworn in this week as the interim Republican successor to ex-Rep. Tom DeLay (R-Texas) was, shall we say, not a hit with holdover DeLay aides.

In fact, they showed their feelings about their new boss Tuesday by walking out of the office en masse and resigning, effective immediately. The DeLay refugees, who included

DeLay's personal chief of staff, David James, walked out of the office, Von Trapp family-style (though without the singing) and huddled at Starbucks to get their wits about them.

The interim Member, Shelley Sekula-Gibbs (R), who won the special election to replace DeLay but lost a write-in campaign for a full two-year term, only will be serving in Congress until Jan. 3, when Democrat Nick Lampson, who won the general election, takes over. But even just for these few weeks, it appears, Sekula-Gibbs wants things just so.

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She showed up to take over DeLay's old office on Thursday and, according to sources familiar the office dynamics, was "mean" to the staff. On Tuesday, at her new Member's open-house reception in the office, sources charged that she was less than pleased that neither President Bush nor Vice President Cheney showed up with the rest of the welcome wagon, despite the fact that others who stopped by included Texas GOP Sens. Kay Bailey Hutchison and John Cornyn and Texas GOP Reps. Kevin Brady and Michael Burgess. (Apparently, according to sources, she was under the impression that the president of the United States would be there to greet the seven-week Congresswoman.)

One source said, "This is a highly professional and well-seasoned staff who has worked with the best, and worst, of Members, but you'll need to promise a Congressional Medal to anyone willing to take this one on."

Carl Thorsen, who is now a lobbyist, hired most of the DeLay aides who stormed out of the new Congresswoman's office when he was DeLay's general counsel and in charge of staffing the Hammer's personal office. He said he couldn't imagine what it must have taken to provoke the staff to quit all at once.

"I know them. They're exceptional and talented," he said. "They've been loyal to that district and they've worked really hard. They're just not a group of loose cannons.

Sekula-Gibbs' chief of staff, Lisa Diamond, told HOH that the DeLay aides were only there "for transitional purposes," not for the mini-Congresswoman's full seven-week tenure, which surely will be hectic given the number of days the lame duck is scheduled to be in session.

Asked about the aides storming out of the office she said, "Ooh, oh ... I don't know what we can say about that." Diamond said she would not comment on personnel issues.

But she said she has worked for Sekula-Gibbs for many years and said, "I think she is wonderful to work for."

Corker, Top Class. Too soon to say whether he's at the top of his class, but Sen.-elect Bob Corker (R-Tenn.) is certainly top-class. He's wasting no time getting used to living the high life of a Senator, considering how he arrived in Washington, D.C., on Monday for freshman orientation.

Corker, a millionaire who poured $2 million of his own money into his race against Rep. Harold Ford Jr. (D-Tenn.), and his wife, Elizabeth, traveled first-class on a U.S. Airways flight to Washington Reagan National Airport, a regular HOH informant reports.

Our informant said Corker and his wife sat in seats 4C and 4A. "I didn't get to see if he was partying at all," the informant said.

But the informant did notice that Corker was the last passenger to get on the plane, as he was busy "working the phones to the bitter end" before the gate closed.

Our informant said it sounded as if the Senator-elect was calling supporters and thanking them. At one point he heard him say, "I'm on my way to orientation."

Well, it turns out, Corker and his wife lucked out getting those first-class tickets, according to Corker spokesman Todd Womack.

He told HOH that the Senator bought coach tickets, but that his connecting flight in Charlotte, N.C., was "very delayed" and when he went to rebook seats, "the only seats available were in the other class."

Much Ado About Nothing. There is much buzz inside and outside the Beltway about Stephen Colbert of Comedy Central's "The Colbert Report" being a kingmaker. After all, it has been said, every House Member who appeared on his "Better Know a District"segment won re-election last Tuesday. The Los Angeles Times even called him the "biggest election season winner."

Wa wa wee, as another fake journalist might say.

What's more, Democrat John Hall appeared on the show after his opponent, Rep. Sue Kelly (R-N.Y.), refused to, and ended up unseating her.

Could it be that Colbert is truly the magic man? The answer, of course, is no. Of all the many House Members who actually appeared on the show, only two of them won their race by less than 63 percent — and many of them were unopposed entirely or not even running for re-election.

Who can forget Rep. Robert Wexler's (D-Fla.) appearance on Colbert where he said doing cocaine and picking up prostitutes are fun things to do? But when you don't have any challengers in the upcoming election, it makes it a whole lot easier to say such things and still get re-elected. He could have partied it up with Rep. Harold Ford, Jr. (D-Tenn.) at a Playboy party and still won.

As for the case of Rep.-elect Hall, it turns out that he is the only House challenger who appeared on Colbert's show and actually won. The other four challengers who appeared went down in fiery flames. Yet, somehow, Colbert exerts a loyalty that is unmatched since the era of Stalin.

Despite losing decidedly to Rep. Jim Saxton (R-N.J.) after appearing on Colbert's show, challenger Rich Sexton's (D) campaign still praises the fake TV pundit.

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"We were very pleased with what happened with Colbert," a spokeswoman for Sexton's campaign said. "It certainly was a help ... I don't know that he was the magic man."

No he was not. Sexton lost by 17 points. Good job, Colbert.

And what about the Senate? Ned Lamont appeared on Colbert's show after Sen. Joe Lieberman (D-Conn.) declined to. We all know how that turned out for him.

Jamie Weinstein and Emily Yehle contributed to this report.

Please send your hot tips, juicy gossip or comments to hoh@rollcall.com.

What's On The Agenda For Student Aid (WSJ)

By Anne Marie Chaker

The Wall Street Journal, November 15, 2006

College affordability is high on the agenda for the newly elected Democratic leadership in Congress, and that could mean good news for families worried about the rising cost of college.

Among the measures Democrats have proposed is halving the interest rate on some federal student loans, which could save students thousands of dollars over the term of their loans. Parents could benefit from a proposal to allow tax deductions for tuition paid by families earning up to $160,000 a year. And lower-income families could get added help from a possible expansion of the federal Pell Grant program.

Rep. Nancy Pelosi, the likely new House speaker, has set college affordability as one of a handful of priorities in the Democrats' New Direction for America program. To build momentum, Democrats are including the proposed student-loan rate cut among a number of measures they plan to introduce on the first day of the new Congress and to pass within the first 100 hours Congress is in session. (Other measures on the "100 hours" list include raising the minimum wage and rolling back subsidies for big oil companies.)

The Democrats' college-affordability proposals are expected to gain backing from outside the party. "Pelosi has picked apple-pie issues in higher ed that both sides of the aisle can come around," says Sarah Flanagan, vice president for government relations at the National Association of Independent Colleges and Universities. "But the debate will be whether it's the best use of scarce federal resources," she says. Indeed, the Republican-led Congress this year lopped nearly $12 billion from student-lending programs as part of a deficit-reduction act, infuriating Democrats.

Some of the proposals may draw opposition from banks and other for-profit lenders if the interest rate reductions eat into their profits. While Democrats haven't yet said so, "we are nervous that they will attempt to...reduce lender returns," says John Dean, special counsel for the Arlington, Va.-based Consumer Bankers Association, a group of student-loan providers.

Some experts also say the Democrats' proposals could encourage colleges to raise tuition further. "Anytime you make it easier, cheaper for kids to borrow money...that tends to push prices up," says Richard Vedder, director of the Center for College Affordability and Productivity in Washington.

Despite the efforts to make higher education more affordable, paying for college likely will continue to become increasingly difficult for many students. Average total tuition and fees at four-year private colleges increased 5.9% to $22,218 in the current academic year. The average undergraduate leaves school more than $20,000 in debt, compared with about $16,000 in 1999-2000, according to an analysis of the Education Department's National Postsecondary Student Aid study.

What's more, caps on how much federal assistance is available per student means that students could continue to rely more heavily on private student loans, which typically carry higher interest rates. In the last academic year, private student lending, which is separate from federal loans distributed through banks, amounted to about $17 billion in new loans, up more than three times since 2001-02. Federal student loans originated in the 2005-2006 academic year totaled $69 billion.

The federal government's student-lending programs include the popular Stafford loans, which allow students to borrow as much as $23,000 for an undergraduate education and $65,500 for undergraduate and graduate school combined. Other programs include the Parent Loan for Undergraduate Students and the Pell Grant, which gives needy students money that doesn't have to be repaid. Loans are either issued directly to students or are distributed through private lenders.

Democratic leaders may scale back some of their ambitions in a bid to help move measures through Congress. The New Direction document calls for cutting interest rates in half for student and parent loans. But now Democratic aides say lawmakers might seek to cut rates only for certain student loans. Rep. George Miller (D., Calif.), expected to be named leader of the House education committee, said in a postelection statement last week that among the "first three priorities" for the committee is to improve college affordability by cutting interest rates in half on student loans.

Stafford loans currently carry an interest rate of 6.8%. For a typical $20,000 loan over 10 years, cutting that rate in half would save a student about $4,000, according to an analysis by Mark Kantrowitz, publisher of FinAid.org.

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Democrats also want to raise the limit that needy students can receive from the Pell Grant program to $5,100 a year from $4,050, which has been the limit for four years. Sen. Edward Kennedy (D., Mass.), who will head the Senate education committee, has unsuccessfully tried to raise that cap in recent years. President Bush in his 2000 election campaign spoke about an increase in the Pell Grant program, when he said he would raise the limit to $5,100, but just for first-year students. That promise never materialized.

Rep. Miller and Sen. Kennedy helped introduce legislation last year that would have provided financial incentives for schools that encourage students to borrow directly from the government, rather than obtain federal loans that are distributed through private banks. The lawmakers are expected to revive the idea. Currently, just one-fourth of federal loans are made directly to students. Democrats point to reports by the Congressional Budget Office and the Government Accountability Office that say direct lending saves the government money, though those reports are contested by the loan industry.

Under the proposal, the government would hand over a portion of the money that it saves to the schools, on condition that it be directed to need-based student-aid programs.

Democrats also want to restore a tax deduction, which expired last year, that used to benefit families who earned up to $160,000 a year. That measure would allow tuition-paying families to deduct as much as $4,000 a year. Other existing tax incentives, including the Hope and Lifetime Learning programs, provide tax credits for families with annual incomes of up to $107,000.

"The bottom line is these proposals will require an infusion of money," says Mr. Kantrowitz of FinAid.org. "So they will need to either increase taxes or cut costs elsewhere to pay for it."

Big Oil Headed For Tougher Congress (CSM)

By Ron Scherer

The Christian Science Monitor, November 15, 2006

NEW YORK

So far this year, 40 bills have been introduced in Congress about alleged gasoline price gouging. Twenty-one bills have addressed windfall profits by oil companies. Few have gotten past the press-release stage.

But next year, Big Oil is likely to feel as if it's wearing one of those "kick me" signs.

The Democratic leadership has already indicated it will try to repeal earlier tax breaks for oil companies. A gusher of new legislation could develop as well, as Democrats get a chance to see their energy bills move past the trash can. In fact, the Democrats will try to put together their own version of a comprehensive energy bill that tackles everything from gas-mileage standards to tax breaks for alternative energy sources, some congressional analysts believe.

"The oil companies are a big target for the Democratic majority," says Steven Smith, a congressional expert and professor at Washington University in St. Louis. "There is virtually near unanimity among the Democrats to do something about company tax breaks, but they will almost certainly seek a package of energy and environmental proposals in this Congress."

Congress is expected to move despite the fact oil and gasoline prices have been falling. Oil is now less than $57 a barrel, compared with more than $70 last spring. Gasoline is about $2.23 a gallon - 6 cents a gallon lower than a year ago, and more than 75 cents lower than in the spring.

"The surge in legislation earlier this year was due to the gas prices, as virtually every member of Congress wanted to go on the record as doing something about it," says Mr. Smith. "I don't think anyone lifted a finger to get that legislation passed."

Still, the oil industry is bracing for a new battle, particularly over tax breaks. "That will be seriously considered: They are sure to have hearings. It will go to markup, that sort of thing," says Jim Ford, a lobbyist for the American Petroleum Institute (API) in Washington. "As policymakers start to look at where the money goes, they will ask practical questions, such as why [the tax breaks] are in the tax code now."

Some of the tax breaks are relatively recent. In the Energy Policy Act of 2005, Congress allowed refiners to expense 50 percent of the cost of capital projects that would increase capacity by at least 5 percent.

"This came about when there were concerns about the adequacy of refining capacity in the US," says Mr. Ford. "It was put there to [create further incentives] and perhaps make it economically viable for capacity expansion."

Another tax break, given during the Clinton administration, gives the oil industry relief from paying the government royalties for deepwater drilling in the Gulf of Mexico. "When it was put in place, we had $20 [a barrel] oil, and you could not afford to drill in a mile of water," says John Felmy, chief economist at the API. "If anyone looks at it fairly, it has been a very successful program."

On the other hand, industry critics maintain the tax breaks haven't worked. The refineries have failed to expand, says Mark Cooper, research director at the Consumer Federation of America in Washington. Royalty relief is now a bad idea, he adds: "At the current price of oil, deepwater drilling is plenty profitable. And the finds in the Gulf have not significantly improved the worldwide supply-and-demand balance."

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But the debate over energy policy is likely to go well beyond taxes, says Mr. Cooper, since many of the potential 2008 presidential candidates - some prominent members of Congress - have already drafted energy plans or have well-defined positions. Many of these lawmakers focus on fuel efficiency or the use of biofuels. On the Democratic side, says Cooper, one of the main themes is "efficiency, efficiency."

This spring, Sen. Barack Obama (D) of Illinois (along with Sen. Richard Lugar (R) of Indiana) proposed an energy policy of loan guarantees for those producing biofuels and a requirement that all new cars have fuel flexibility by the end of 2010.

Sen. Hillary Rodham Clinton (D) of New York has also put together a plan heavy on alternative fuels and efficiency. On the Republican side, Sen. John McCain of Arizona wants to press for 100,000 hydrogen-powered vehicles by 2010.

Even though Congress will be in a lame-duck session for the rest of the year, some members of the energy sector hope it will take up the issue of allowing drilling for oil and natural gas in the eastern part of the Gulf of Mexico. To get the states on board, lawmakers would offer them enhanced revenue sharing.

"It virtually assures the reelection of Sen. Mary Landrieu [(D) of Louisiana] in 2008," says David Parker, president of the American Gas Association in Washington, which favors the proposal. "We're hoping the House passes it before adjournment."

The shift in congressional leadership may also mean additional funding for the Low Income Home Energy Assistance Program, which is currently funded at $2.1 billion for 2007. Says Mr. Parker: "They might add some extra money to get it to the same level as last year," which was $3.2 billion.

Why The Next Congress Will Be 'Greener,' But Only By A Few Shades (CSM)

By Brad Knickerbocker

The Christian Science Monitor, November 15, 2006

ASHLAND, ORE.

After years in the political wilderness, activists and their champions in Congress are poised to take environmental policy and lawmaking in a decidedly greener direction.

Climate change and renewable energy, land conservation, endangered species protection, pollution prevention - all will get a fresh look as Democrats take over key committees and subcommittees in the US House and Senate.

At the same time, activists don't expect the new Congress to make radical changes.

"We have cause for good cheer and optimism," says Betsy Loyless, senior vice president of the National Audubon Society. "But even with significant congressional changes, there will likely be limits to what's achievable."

Among other things, she says, Congress faces tight fiscal constraints, industry interests continue to hold sway with the Bush administration, most incoming Democrats are moderate rather than liberal, and pro-environment interests will have fewer middle-of-the-road GOP allies (such as defeated Sen. Lincoln Chaffee of Rhode Island) on Capitol Hill.

Still, expect a weakened effort to drill for oil and gas in the Arctic National Wildlife Refuge in Alaska and in the Rocky Mountain states, less of a push for expansive offshore oil drilling, and more resources to bolster the Endangered Species Act and clean up toxic sites on the Superfund list. The ethanol debate

Among important related issues will be the five-year farm bill, set to expire next year, and crop subsidies connected to ethanol production.

As with other major environmental and energy issues, the ethanol issue presents activists with a political dilemma. Using more ethanol can help reduce reliance on foreign oil, but it can also mean more use of fertilizers and pesticides and less interest in the federal program to set aside agricultural land in conservation reserves to protect wetlands and wildlife habitat.

"The whole [farm bill] debate will be over how much money goes to conservation," predicts Ken Cook, president of the Environmental Working Group.

In other areas, too - the energy and pollution associated with motor vehicles, for example, or power generation impacting fish and wildlife habitat - local interests could conflict with long-term goals of environmentalists. New committee chairs to watch

The biggest immediate changes will be in committee leadership. Rep. Richard Pombo (R) of California lost his reelection bid to political novice Jerry McNerney, a wind energy engineer. It was an indication of the clout the Sierra Club, Defenders of Wildlife, and other activist groups had in this election. Mr. Pombo will be replaced as House Resources Committee chair by longtime environmental champion Rep. Nick Rahall (D) of West Virginia, a leader in the effort to reform the hardrock mining law of 1872, which left thousands of polluted sites across the West.

In the Senate's Environment and Public Works Committee, Barbara Boxer (D) of California will assume the chairmanship from James Inhofe (R) of Oklahoma, who has called the Environmental Protection Agency "a Gestapo bureaucracy" and who once called global warming "the greatest hoax ever perpetrated on the American people." The Senate Energy and Natural Resources Committee will be chaired by Democrat Jeff Bingaman of New Mexico, another advocate of dealing directly with climate change.

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Much has been made of the centrist - sometimes even conservative - stance of the new crop of lawmakers. But their campaign statements and records on environmental issues would indicate that most are quite green. Related to this, voters in many states passed pro-environment ballot measures, an indicator of political support. And in some ways, the old guard - and not just Democrats - is likely to have even more prominence. Two important Senate proponents of addressing global warming have been Republican and likely presidential candidate John McCain of Arizona and Democrat-turned-Independent Joseph Lieberman of Connecticut.

On the other hand, some of the Democratic old guard may put roadblocks in the way of environmentalists' goals. Rep. John Dingell (D) of Michigan, whose Detroit home district includes Ford, General Motors, and Chrysler, is set to take over the House Energy and Commerce Committee. Mr. Dingell can be expected to resist attempts to stiffen fuel-efficiency standards for autos.

Meanwhile, the White House reportedly will launch an "energy independence" initiative focusing on fuel made from plant waste. This may have been in the works before the election, but the "thumping" President Bush acknowledges having taken on Election Day may help to focus his attention on energy issues.

"Energy was definitely a factor in many of the most competitive races," says Anna Aurilio, Washington office director of the US Public Interest Research Group. War in an oil-rich part of the world and unusually high gasoline prices earlier this year were part of that, she says.

Advocates of renewable energy resources received a boost this week from a new report by the RAND Corp. Researchers at the nonprofit organization find that by 2025 wind power, solar power, the burning of agricultural waste, and other renewable resources could produce 25 percent of the electricity and motor-vehicle fuels used in the US at little or no additional cost while achieving "significant reductions in carbon dioxide emissions from fossil fuel combustion."

As lawmakers and the White House discuss their new relationship regarding energy and the environment, such information sharpens the focus.

"I actually think from talking to Democrats they have the same concerns we do," White House economic adviser Allan Hubbard told the Financial Times last week. "They are concerned about energy, and recognize that we need to accelerate our efforts to cure our addiction to foreign oil."

In the end, agrees Audubon official Betsy Loyless, "Environmental progress can only be made to the extent that the various sides desire to find common ground."

Historian Says Peak Oil Production Is Still A Quarter-century Away (MCT)

By Kevin G. Hall

McClatchy Newspapers, November 15, 2006

WASHINGTON - Far from being a nearly exhausted resource, the world's oil reserves are three times bigger than what some popular estimates state, and peak global oil production is still about a quarter-century away, according to a new study by Pulitzer Prize-winning oil historian Daniel Yergin.

The remaining oil resource base is about 3.74 trillion barrels, according to a report released Tuesday by Cambridge Energy Research Associates, which Yergin runs. That's more than three times the 1.2 trillion barrels that "peak-oil" theorists suggest.

CERA's report, titled "Why the Peak Oil Theory Falls Down," challenges an increasingly popular view that the world is about to run out of oil. On the contrary, CERA argues that the world is likely to begin running out of oil between 2030 and the middle of the century. Even so, CERA says, efforts are needed now to push that date back, such as new oil field discoveries, new technologies, energy conservation and alternative energy sources.

Peak-oil theorists warn that the world is on the cusp of a disastrous and rapid decline in oil production. A leading proponent of the theory is oil banker Matthew Simmons, who in the popular book "Twilight in the Desert" suggested that the world's top producer, Saudi Arabia, has entered an oil-production decline and will take the world down with it. Last month, Simmons told a forum that the world might have reached peak oil production last December.

The peak-oil theory has gained supporters since late 2004, when surging global demand for oil began tightening up available supplies and driving up world oil prices. The price hit $78.40 a barrel in July, but has fallen to less than $60 a barrel in recent months.

The CERA study debunks the so-called Hubbert Peak Oil Theory, first espoused in 1956 by geologist M. King Hubbert. Working at the time for Shell Oil Co., he predicted that world oil production would follow a bell-shaped curve in which production grows steadily until it peaks, followed by a rapid decline.

Hubbert was pretty accurate on the timing of U.S. peak oil production, coming within two years of 1970, the year experts now recognize as the peak of continental U.S. production.

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But his theory failed to recognize that new technologies enabled reserves to grow over time. His theory preceded the exploitation of massive oil reserves in Alaska and the Gulf of Mexico.

That's why Yergin dismisses talk of peak oil.

"This is really the fifth time we've `run out of oil,'" Yergin said in a teleconference with journalists on Tuesday. He recalled past predictions dating back to 1880 of an end to oil or gasoline production.

Yergin's views carry weight because he won the Pulitzer for his 1991 book "The Prize," an exhaustive history of oil economics.

He and colleagues believe that the decline in oil availability will play out as an "undulating plateau," in which annual production produces a series of ups and downs, eventually peaks and then declines slowly.

"We see the undulating plateau existing one or two decades, rather than a sharp decline," said Peter Jackson, CERA's director of oil industry activity. He sees outright decline beginning no earlier than 2030 and perhaps after 2050.

Future oil supplies, said CERA, will be accessible by new technologies that permit drilling more than 7,000 feet below the ocean's surface or extracting oil from tar-like deposits in sandy soil found in western Canada.

"Ours is not a view of endless abundance of resources," said Jackson, cautioning that he doesn't want CERA's findings to "distract us from addressing real issues."

Another source of optimism for this energy-hungry world emerged from another report this week, this one a technical paper from the Los Angeles-based think tank Rand Corp. It ran 1,500 simulations of varied energy prices and technology costs to estimate future supplies of both renewable and nonrenewable fuels.

It concluded that up to one-quarter of the electricity and motor fuels consumed in the United States in 2025 could be produced from renewable sources, up from only 6 percent today. For that to happen, the price of fossil fuels must remain high and the costs of producing alternative energy must keep falling.

"The renewables case could displace about 2.5 million barrels a day of petroleum products in the United States in 2025, or 20 percent of total consumption," the Rand report said.

Together, the two reports give hope that energy will be plentiful for another generation or more.

"I've never seen so much activity in terms of energy technology all along the spectrum," Yergin said. "I think the system is responding."

Enter, Pariah: Now It's Hugs For Lieberman (NYT)

By Mark Leibovich

The New York Times, November 15, 2006

WASHINGTON, Nov. 14 — Senator Joseph I. Lieberman strode into a Democratic caucus gathering like he owned the place or, at the very least, like someone who is a flight risk and could leave at any minute, taking the Democrats' new majority with him.

In other words, everyone was extra-special nice to the wayward Democrat on Tuesday.

"It was all very warm, lots of hugs, high-fives, that kind of stuff," said Senator Ken Salazar of Colorado.

Senator Ron Wyden of Oregon marveled, "One senator after another kept coming up and shaking his hand."

And Senator Blanche Lincoln of Arkansas noted, "I gave him a hug and a kiss."

Mr. Lieberman received a standing ovation at a caucus luncheon after Senator Harry Reid of Nevada, who is poised to become the majority leader, declared, "We're all family."

All of which is particularly touching in light of recent history. It was, after all, just three months ago that Mr. Lieberman became something of a party pariah after losing the Democratic primary in Connecticut but continuing his re-election bid as an independent.

Mr. Lieberman won re-election last week without help from most of his Democratic Senate colleagues, who backed Ned Lamont, his Democratic rival, over their "good friend Joe Lieberman."

These would be many of the same good friends "who were happy to leave my dad by the side of the road," as Mr. Lieberman's son, Matthew, put it in an election night speech. These, presumably, would include "friends" like Senator Hillary Rodham Clinton of New York, John Kerry of Massachusetts and Christopher J. Dodd of Connecticut, all Lamont supporters.

"It's clear that the Democrats need him at this point more than he needs them," said Senator Susan Collins, Republican of Maine, whom Mr. Lieberman genuinely does consider a close friend. "How sweet is this?"

Indeed, it is hard to imagine how Mr. Lieberman could have emerged better from last week's election. He was re-elected comfortably, and the Democratic Party he still belongs to is now in the majority, assuring him the chairmanship of the powerful Homeland Security Committee.

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Yet that majority is slim enough, 51 to 49, to turn Mr. Lieberman into arguably the Senate's most influential member. If he defects, the Senate would effectively be under Republican control because Vice President Dick Cheney would cast tie-breaking votes.

"It was very painful to him to have all these people he thought were his friends embrace his opponent," Ms. Collins said. "They just threw him overboard. But now, not only is he re-elected resoundingly, but he is also the key to which party controls the Senate."

Mr. Lieberman's situation underscores the precarious calculus of political friendships. People close to him say he remains miffed, if not bitter, about what he considers the betrayal of allies who supported an unknown, untested and unfamiliar candidate.

In recent months, Mr. Lieberman has frequently invoked the Harry Truman maxim that if you want a friend in Washington, get a dog.

Mr. Lieberman has suggested he has felt especially wounded by Mr. Dodd, Connecticut's senior senator, with whom he had shared a close bond since arriving in the Senate in 1989. Mr. Dodd had supported Mr. Lieberman in the primary, but endorsed Mr. Lamont after he won. Mr. Dodd's appearance with Mr. Lamont at a Democratic "unity" rally and in a campaign commercial infuriated Mr. Lieberman, friends said.

Mr. Dodd said in a brief interview Tuesday, "We all make decisions, and those decisions have consequences."

Earlier in the day, he attended a Capitol Hill news conference that drew every Democrat in Connecticut's Congressional delegation except Mr. Lieberman.

Friends said the strains between Mr. Lieberman and his Democratic colleagues show.

"It will take a little time for the room to really warm up from both ends," said Senator Mary L. Landrieu of Louisiana, one of the few Senate Democrats who supported Mr. Lieberman in his general election campaign. "I would not be forthright if I didn't say there was some healing and work that has to be done."

During the campaign, Mr. Lieberman said repeatedly that he would continue to vote with the Democratic caucus, but there were calls from the left for the Democratic leadership to strip him of his seniority and committee assignments if he won.

But as Mr. Lieberman claimed a healthy lead in polls, Mr. Reid reached out to him. Over time, Mr. Reid's and other Democratic leaders' support for Mr. Lamont became half-hearted, or nonexistent, according to Mr. Lamont's campaign.

Mr. Lieberman classifies himself as an "independent Democrat" and has said that recent events left him feeling "liberated" and "unshackled," not exactly reassuring words to Democrats.

He stirred more anxiety Sunday, when in an interview on NBC's "Meet the Press," he refused to rule out becoming a Republican (while adding, "I hope I don't get to that point").

In brief remarks to reporters Tuesday, Mr. Lieberman said he had refused to rule out switching parties largely because Tim Russert, the show's host, "kept pressing me on it."

But Mr. Lieberman also said that while "most of my vote clearly came from independents and Republicans" in Connecticut, "it's fair to say that I couldn't have won without Democratic support."

Mr. Lieberman restated that it was possible he could join Senate Republicans, but he added, "I'm not going to threaten on every issue to leave the caucus."

Clearly, friends say, he is relishing his sudden ascent from Democratic reject in Connecticut to Senate kingmaker in Washington. "He is just sitting there in the catbird seat, and it must be delicious for him," Ms. Collins said.

Mr. Lieberman was asked Tuesday if he viewed his position as similar to a swing vote on the Supreme Court, a role often played by former Justice Sandra Day O'Connor or Justice Anthony M. Kennedy. The parallel had not occurred to him, Mr. Lieberman replied, but he considered it "a complimentary analogy."

He beamed as he said this, as he did for much of the day.

Top 2 Census Officials Resign (WP)

By Elizabeth Williamson

The Washington Post, November 15, 2006

The two highest-ranking officials in the U.S. Census Bureau quit yesterday, putting management of the agency in flux as preparations for the next census enter a critical phase.

The departures of Census Bureau chief C. Louis Kincannon, a statistician appointed by President Bush to lead the agency in 2002, and Hermann Habermann, a career statistician who runs the census operation, could complicate a revision of the counting process in 2010 -- to produce a detailed picture of the U.S. population every year, rather than once a decade.

The census determines such key issues as congressional representation to highway expenditures, so it draws intense scrutiny from lawmakers.

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"This will hurt the agency as it tries to roll out the planning process," said Columbia University professor Kenneth Prewitt, a former Census Bureau director. "The 2010 census is a very big operation that involves detailed planning spread over a number of years."

The open positions will likely take at least six months to fill, he said.

Kincannon officially cited family responsibilities for his departure. But in an interview he mentioned "different views perhaps about priorities" at the agency.

"My perception is that I don't have the same level of trust that I did a year or so ago," said Kincannon, who began his career at the agency in 1963. "The relationship has changed, and that relationship I regard as essential." There was no official reason given for Habermann's departure and no letter was released. Habermann could not be reached to comment.

Kincannon will stay on until his replacement is found and is confirmed by the Senate. Habermann will stay until early January. His successor will likely come from the bureau's career ranks, though a political appointment is possible.

In his resignation letter to Bush, Kincannon defends the Census Bureau's finding in 2003 that it used the best methods possible in counting Americans from communities -- including minorities, renters and immigrants -- that are the most difficult to tally and tend to vote Democratic. Because the census forms the basis for apportioning congressional districts, past efforts to adjust the numbers in undercounted areas ignited partisan battles that have raged on and off for decades.

Addressing the issue, Kincannon's resignation letter cites extensive scientific documentation, "should my successor have need of it."

One person with knowledge of the situation suggested that the two officials -- especially Habermann, a career employee -- were targeted by Republicans who would want to install an official who could better protect against Democratic congressional efforts to reinvigorate adjustment efforts -- a move some think could favor Democrats.

"I think there persists among congressional Republicans a concern about that, but if they look at the facts they will see that's not a likely thing," Kincannon said.

One Hill staff member with knowledge of census operations said the resignations anticipated the release in coming weeks of a congressional report on lost laptop computers at the agency. The Census Bureau is part of the Commerce Department, which revealed several weeks ago that the Census Bureau has lost 672 laptop computers since 2001. One-third of the computers contained personal data, though no evidence has emerged that the information has been misused.

"I don't think the laptop situation was a determining factor" in the resignations, Kincannon said. "We've had some problems and we've taken steps to address that problem."

The Census Bureau has also repeatedly run into budget problems on the Hill.

Kincannon said the agency had $50 million trimmed from its 2007 budget request of $878 million. The budget is not final, but without the money, "We can wind up limited in our ability to achieve the automation required to carry out the census in 2010 at lower cost."

Neither Commerce nor the Census Bureau issued statements on the departures. While Kincannon's letter was released, neither agency would confirm that Habermann, who is not required to write a resignation letter, issued one.

Commerce spokesman Dan Nelson refused to comment on the unusual timing of the departures. "They've both done a great job," he said. "The 2010 census is on track and on schedule."

Some members of Congress weren't so sure. "Changing management at a time like this is very dangerous," said Rep. Carolyn B. Maloney (N.Y.), a member of the Government Reform Committee and former ranking Democrat on the census subcommittee, said in a statement. "It's disturbing that two world-class statisticians who have worked for years to make sure we will have an accurate count in 2010 left on the same day so soon before the beginning of the census.

"At this point, without knowing who's taking over, it fair to say that the accuracy of the 2010 census is absolutely in jeopardy."

Time Again To Choose Or Switch Drug Plans (NYT)

By Robert Pear

The New York Times, November 15, 2006

WASHINGTON, Nov. 14 — Starting Wednesday, Medicare beneficiaries can sign up for prescription drug coverage or switch plans, and many may want to do so because prices have changed, with some of the most popular plans charging much higher premiums for 2007.

In every state but Alaska and Hawaii, more than 50 drug plans are available. Beneficiaries have until Dec. 31 to sign up or change plans, but federal officials said they should act by Dec. 8 to avoid the problems that caused turmoil at pharmacies in January, when many people were unable to get their drugs.

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Several recent surveys, including one by J. D. Power & Associates, the market research company, suggest that three-fourths of the people with Medicare drug coverage are satisfied. Michael O. Leavitt, the secretary of health and human services, said: "The program is working. People are happy. "

The Bush administration says that premiums for Medicare drug coverage will average $24 a month in 2007, about the same as in 2006. But for many beneficiaries, the reality may be substantially different.

Melvin London, an 83-year-old retired filmmaker in New York City, said Tuesday that the new Medicare benefit had saved $245 for him and $685 for his wife. He was annoyed at the prospect of a sharp increase in premiums in 2007. For Mr. London's plan, known as Humana Enhanced, the monthly premium will be $29.60, up from $9.42.

"I call that bait and switch, when the company charges $9 to get you in and then goes to $29," Mr. London said. "It took me three months to find a plan that was suitable. Am I now supposed to go through the same process every year to determine which plan is best for me? That's an unfair burden for beneficiaries."

Thomas T. Noland Jr., a senior vice president of Humana, said: "We still offer excellent value. We will have the lowest premium in 38 states, the second-lowest in 10 states and the third-lowest in the remaining two states."

About 4.5 million Medicare beneficiaries receive drug coverage from Humana plans. Humana has been wooing people with free showings of the Humphrey Bogart movie "Casablanca." Medicare beneficiaries eat popcorn and sip sodas while watching the film, along with a short extolling Humana's Medicare plans.

The $24 premium emphasized by the Bush administration is for basic coverage, the minimum required by law, and many plans provide additional benefits for an extra premium. Moreover, the average includes premiums for drug coverage offered by managed care plans and by free-standing drug plans, which serve people in the traditional Medicare program.

Both types of plans charged about $24 a month, on average, for drug coverage this year. In 2007, the average premium will increase about 10 percent for free-standing drug plans, but will decrease about 35 percent for drug coverage offered by managed care plans.

Most drug plans have a gap in coverage. "Beneficiaries tell us this was a helpful benefit for six or eight months, until they fell into the coverage gap," said Deane R. Beebe, a spokeswoman for the Medicare Rights Center, a consumer group that counsels people with Medicare.

Some insurers provide coverage for generic drugs in the coverage gap, and a few also provide coverage for brand-name drugs in the gap. But Ms. Beebe said, "In 11 states, we cannot find any free-standing drug plan that provides coverage for brand-name drugs in the gap."

The Medicare handbook, sent to all beneficiaries, says that a plan offered by Coventry Health Care will pay for generic and brand-name drugs in the coverage gap. But Francis S. Soistman Jr., executive vice president of Coventry, said Tuesday that only five brand-name drugs, out of the many available, were covered in the gap.

Jeff Nelligan, a Medicare spokesman, said, "We corrected the online version of the information."

Sixteen Democratic senators, led by Byron L. Dorgan of North Dakota, said this week that some insurers were misleading consumers by marketing drug plans under names that included the word "complete."

"How can a plan be called 'complete' when it contains a gap in drug coverage?" they asked in a letter to Mr. Leavitt.

John C. Rother, policy director of AARP, the lobby for older Americans, said the new program had helped many people. His "biggest disappointment," Mr. Rother said, was that several million low-income people had not applied for the extra help available to them.

Drug Makers' Politics Produces A Bitter Pill (WSJ)

By Alan Murray

The Wall Street Journal, November 15, 2006

Since Election Day, drug stocks have gotten clobbered. Pfizer, Wyeth, Eli Lilly and Novartis have tumbled 5% or more; GlaxoSmithKline, Merck and Johnson & Johnson are down 4% or more; and Bristol-Myers Squibb is down 3.5%.

Add it up, and you've got nearly $50 billion in market value wiped out by Democratic victories.

That's the price big pharma is paying for a badly bungled political strategy. For years, the industry operated on the assumption it could get what it wanted out of Washington. Then, when the going got tough, it doubled down on Republicans and ignored a groundswell of public anger over high drug prices.

TALKING BUSINESS

Should the government negotiate drug prices for senior citizens directly with the big drug companies? Join the discussion.1 Alan Murray will read your thoughts and post replies.

Even ex-congressman Billy Tauzin, the Democrat-turned-Republican who heads the industry's trade group, acknowledges that before he took over two years ago, the group used "a scorched-earth policy" to get its way.

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The most conspicuous example of overreach was a line inserted in the Medicare Modernization Act of 2003 that prohibited the U.S. government from negotiating prices directly with drug companies. That prohibition was unnecessary; the law created a structure in which private insurers and health plans did the negotiating on the government's behalf.

But someone allied with the drug industry -- it's still a little unclear who -- insisted on making the implicit explicit, and in the process, created a campaign issue for Democrats.

As a result, the industry's big bet has now gone bad. Allowing the government to negotiate prices directly with drug companies has become Democratic dogma. And a few moderate Republicans are toeing the line as well.

That doesn't make it a good idea.

Truth is, drug companies can't really "negotiate" with the government, any more than a backwoods hiker can negotiate with a 900-pound grizzly bear.

With a market share of about 46%, the government would set drug prices, not negotiate them, and then establish "formularies" telling seniors which drugs they could use and which ones they couldn't. Would that make seniors feel better off? I doubt it.

The challenge facing the industry is to balance the legitimate desire for lower prices against the equally legitimate desire for new drugs, which cost large sums of money to develop. The marketplace doesn't always get that balance right. But there's no reason to think government bureaucrats would do it better.

Moreover, negotiated prices would force drug companies to redouble their lobbying efforts in Washington. That would be unfortunate. One reason the industry is in such a mess is because its leaders have spent too much time trying to get Washington to solve their problems, and too little time fixing a broken business model.

In the past two years, there's been a purge -- Henry "Hank" McKinnell of Pfizer, Raymond Gilmartin of Merck and Peter Dolan of Bristol-Myers Squibb have all been pushed out of their jobs. A new generation of chief executives is looking to blaze a fresh trail, and the government should encourage them, not force them to reverse course.

And here's the biggest surprise: The new prescription-drug benefit for America's senior citizens, created by the Medicare Modernization Act, is working pretty well. Oh sure, there was a lot of confusion at first over the "doughnut hole" and the complexity of choices. But a year into this grand experiment, the cost of the drug benefit is going down -- it now averages $24 a month, instead of the $42 estimated by actuaries, according to Health and Human Services Secretary Mike Leavitt -- and the satisfaction of seniors is going up. Why mess with it now?

If Democrats need their political pound of flesh, there are other ways to extract it without causing such damage to consumers.

One option, being pushed by Sen. Ron Wyden, an Oregon Democrat, would give the administration limited negotiating power to be used only in extreme cases, when drug companies with a monopoly product refuse to negotiate with Medicare's middlemen. Another option would be to push measures that help the marketplace, rather than hamper it -- creating a pathway for generic versions of biotech drugs, for instance.

Meanwhile, drug companies should be allowed to get on with the tough task of developing new drugs and fixing their businesses. They've got a lot of work to do. With price pressures rising around the world and blockbuster drugs going off patent, they need to figure out how to cut costs without sacrificing the critical research that leads to lifesaving cures.

It's in everyone's interest they succeed. The pharmaceutical industry's bad bedside manner has earned it a lot of enemies. But its lifesaving and life-enhancing products should make it many more friends.

Healthy Industry In Medicaid, Private HMOs Take A Big, And Profitable, Role (WSJ)

By Barbara Martinez

The Wall Street Journal, November 15, 2006

Some 55 million poor and disabled Americans are covered by Medicaid. With an annual price tag topping $300 billion, it's among the biggest government programs around.

It's also a lucrative business for some private companies that act as middlemen between the government and patients. Instead of directly paying the bills when a Medicaid patient goes to the doctor, state governments increasingly outsource the job to private contractors. More than one in three Medicaid beneficiaries now receive care through a private insurer.

The potential gains are big. Four years ago, a private-equity fund in which George Soros was the largest investor took a 70% stake in WellCare Health Plans Inc., a leading Medicaid health-maintenance organization. The fund finished cashing out the stake this August, bringing in a total of $870 million for an investment that originally cost $220 million.

Four of the biggest Medicaid HMOs -- WellCare, Centene Corp., Molina Healthcare Inc. and Amerigroup Corp. -- have seen their shares surge on the New York Stock Exchange over the past few years, although prices of the latter three have been

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volatile. WellCare's stock price has tripled since it began trading in July 2004, bringing the value of stock and options held by its chief executive, Todd S. Farha, to $77 million.

The companies are growing fast. Centene boasts nearly 1.2 million members and posted $1.5 billion in revenue last year. That compares with 142,000 members and $200 million in revenue six years earlier.

With the growth has come criticism from some doctors and patients who accuse Medicaid HMOs of scrimping on care. Even as they restrict medical tests and use of prescription drugs, the companies spend the money they get from states on items that don't have an obvious connection to patients. Centene has funded a multimillion-dollar arts center in St. Louis and paid to put its name on stadiums in Montana and Missouri. The HMOs are also big donors to political campaigns.

Executives say their profits are justly earned and don't come at patients' expense. Traditional Medicaid is a fee-for-service program: The government pays each medical bill the patient racks up, with little or no effort to manage the costs. Medicaid HMOs, like other HMOs, seek to save money by eliminating unnecessary care and paying for preventive treatments. Centene Chief Executive Michael Neidorff says the company sometimes gives free child-safety car seats to pregnant women who attend all of their prenatal exams. "We save millions" by preventing premature births, he says.

Mr. Neidorff earned $1.85 million in salary and bonus last year and as of the end of last year held restricted stock valued at $26 million. The company also recorded $135,547 last year in compensation for Mr. Neidorff representing the value of personal trips he took on the corporate jet, a Bombardier Challenger that features an espresso machine on board, according to the lease agreement.

Centene spokesman Robert Schenk declined to say how much the company pays to lease the jet. He said the jet is needed because many of Centene's operations are hard to reach by commercial carriers, and the company's board requires Mr. Neidorff to use corporate transportation even on personal travel to ensure that he is secure and accessible.

Centene's business is managing the care of patients such as Melissa Bishop, 39 years old, of Phillipsburg, N.J. When she needed radiation for cancer near her pancreas this summer, she called Centene, her Medicaid HMO. She says she tried three facilities suggested by the company, but none of them were part of Centene's plan. "I was going round and round and round," says Ms. Bishop. "I was getting so aggravated."

After she got an appointment at a fourth place, an administrator there told her it didn't accept her plan either. The administrator, Barbara Tofani of Hunterdon Regional Cancer Center in Flemington, N.J., says she called a dozen other centers in the region and struck out every time. Finally, Ms. Tofani called Centene and negotiated an ad-hoc deal to cover Ms. Bishop's treatment, although Ms. Tofani says the center will be lucky to break even.

Andrew Greenberg, Ms. Bishop's radiation oncologist, says that if it hadn't been for the special effort, "Melissa would have gotten lost in the system." Centene didn't provide comment on Ms. Bishop's case.

Each state runs its own Medicaid program but the majority of funding generally comes from the federal government. When states sign up HMOs to manage care, they often calculate what they would spend on Medicaid patients directly and pay the HMOs a per-patient premium below that amount. Florida, for instance, sets its HMO premium rates about 8% below what it would cost the state. WellCare, a big operator in Florida, says it saves the state $75 million a year. HMOs have an incentive to keep their costs under the premium because they keep the difference as profit.

After several years of spiraling growth in Medicaid costs, there's some evidence that the tide is turning, although it's unclear how much HMOs have contributed. Total Medicaid spending grew in fiscal 2006 by just 2.8%, according to a report last month by the Kaiser Commission on Medicaid and the Uninsured. That was the lowest rate of growth since 1996. The commission said that for the first time in years many states aren't feeling pressure to cut people off Medicaid rolls.

Are Medicaid HMOs slashing necessary care to achieve cost savings and raise profits? Yes, says Jerry Flanagan, health-care policy director of a California group that wants to stop state governments from moving Medicaid beneficiaries into private managed care. "What's good for shareholders is bad for patients," he says. "What's really happening is we're giving less money for far, far fewer services."

Private companies "deliver a good-quality product at a reasonable price," counters Ruben Jose King-Shaw Jr., a former top federal Medicaid and Medicare official who joined WellCare's board in 2003. He notes that states often require private HMOs to achieve high rates of vaccination and other quality standards that weren't met when bureaucrats did all the work. Mr. King-Shaw, whose final annual salary in government was $142,500, has sold WellCare shares for $1.8 million. He owns shares and options valued at an additional $1.5 million. "You only do well in health care if you deliver value," he says.

States began experimenting with using managed care for Medicaid patients in the early 1980s, and the idea took off in the 1990s. Now many states are moving aggressively to put more Medicaid patients in HMOs. Last month, Ohio chose the winning bidders to provide Medicaid HMO services to 120,000 of the state's aged, blind and disabled population -- a group that traditionally hasn't been placed in HMOs.

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When states run their own Medicaid programs, they spend on average 4% to 6% on administrative costs, according to Martha Roherty, director of the National Association of State Medicaid Directors. The rest -- 94% to 96% -- goes to paying for medical care. At Medicaid HMOs, only 80% to 85% of premium dollars generally go for medical costs. The rest covers other costs -- including executive compensation, entertainment and political contributions -- or becomes profit for shareholders.

States monitor the profit margins of Medicaid HMOs, which are generally reported as 5% or less. State officials say that with such a thin margin there's little room for further savings, although a review in New Jersey questioned whether one HMO was overcharging its subsidiary in the state for services. That could make the subsidiary's profits look lower.

While they spend fewer dollars on medical care, companies say they are more efficient and improve the health of patients. Elizabeth Douglas of Chicago says her 11-year-old son has kept up on his immunizations thanks to a WellCare program that gives her a free ride to the doctor's office.

Some patients and doctors have a different view. Kuldeep Singh, an internist in Valdosta, Ga., says that when Georgia began to move more than a million Medicaid recipients into HMOs this year, he suddenly faced hurdles not imposed by regular Medicaid. Recently, he says, one of his assistants had to wait on hold to get approval from WellCare for a hospital chest X-ray on a patient suspected of having pneumonia. "It was ridiculous," says Dr. Singh. A spokesman for WellCare says it sometimes requires such approval because hospital-based X-rays cost two to three times as much as those done in a doctor's office or imaging center.

Many doctors refuse to take patients in Medicaid HMOs because reimbursements are so low. (The same problem occurs in traditional Medicaid.) Noha Polack, a pediatrician in Union City, N.J., has an arrangement under which Centene pays her a fixed monthly sum per child to handle basic medical needs. Until a few months ago, that sum was $11.50 per month, equal to $138 a year -- about half of what other Medicaid insurers pay, says Dr. Polack. A child who had a few colds or scrapes during a year would quickly put her in the red.

Dr. Polack threatened to drop all her Centene patients and recently got a raise -- the amount of which is confidential, she says -- but she still stopped accepting new Centene patients.

The HMO is stingy about drugs that others approve with little question, says Dr. Polack, naming the antibiotic Ceftin as an example. "Many times we have to make treatment decisions not depending on what would be best for the patient but what the patient can afford," she says. While she could ask for an exception to use Ceftin, "they are so notorious for not getting back to you" and there's little time when a child has an infection, she says.

Vickie Vickers, a 39-year-old Trenton, N.J., single mother on disability and Medicaid, learned about the difficulty of finding a doctor this year. She hurt her hand on Mother's Day while stooping to pick up playing cards that fell on the floor. She went to the hospital for a temporary cast but spent weeks with Centene trying to find an orthopedic doctor.

She finally found one an hour away. She says the orthopedist told her she needed an MRI or CT scan, but Centene wouldn't approve it. It took until late June for an orthopedist to fit her with a splint with metal bars.

Ms. Vickers rents a house in a run-down part of Trenton with a rusty fence outside and a leaky roof that has caused big water stains in the attic, bedroom, bathroom and kitchen. She wishes the old Medicaid were back because in the 1990s "you didn't have to call 50 doctors" to get an appointment.

Centene didn't provide comment on the complaints by Dr. Polack and Ms. Vickers.

Research on the quality of care in Medicaid HMOs is thin. A study of infant health last year by researchers at the University of Illinois-Chicago and the Urban Institute found that Medicaid managed care was correlated with a slight increase in inadequate prenatal care in some women but in general showed little difference from traditional Medicaid.

While some doctors and patients complain of Centene's stinginess, the company has been generous in regions where it has offices. Centene last year was the biggest donor for a $9.5 million renovation of an arts building in St. Louis, now called the Centene Center for Arts and Education, according to a spokeswoman for the center. The company paid $200,000 last year for the naming rights of a minor-league baseball stadium in Montana, where Centene employs 100 claims processors but doesn't have Medicaid clients. Centene also pledged $400,000 this year to the school district in Clayton, Mo., where the company has its headquarters, to rename the district's stadium.

Cynthia Schultz, director of the Great Falls International Airport in Montana, says Mr. Neidorff, the Centene CEO, once walked through the airport and heard that it couldn't afford artwork. Centene then commissioned and donated a $7,000 welded-metal sculpture of an eagle with a 16-foot wingspan that now hangs prominently in the airport, she says. The company confirmed the donation. "It's a great gift from someone who doesn't even live here," says Ms. Schultz.

Mr. Schenk, the Centene spokesman, said the donations show Centene is a "responsible and publicly focused corporation" and they help make the communities better places to live.

A few big U.S. insurers that serve large employers, including UnitedHealth Group and WellPoint Inc., also compete in the Medicaid HMO market. Many others don't. Medicaid HMOs assemble doctor networks in places with many people on Medicaid --

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such as big cities and poor rural areas -- and deal with a single kind of customer, state governments. Those skills "are importantly different than what most commercial insurers have," says John W. Rowe, the former chief executive at Aetna Inc. and now a professor at Columbia University.

Medicaid HMOs have donated to candidates in state political races who support their existence. In 2005, five WellCare subsidiaries together donated $125,000 to Illinois Gov. Rod Blagojevich, a Democrat who won re-election this month. WellCare has 92,000 members in Illinois.

This year, 20 WellCare subsidiaries each donated the legal maximum of $500 to the campaign of Republican Tom Lee, who was narrowly defeated in his bid to become chief financial officer of Florida, WellCare's biggest market. WellCare donated $34,000 to the Republican Governors Association this year and contributed $100,000 to President Bush's second inaugural festivities in 2005.

"I call a governor, I usually get a call back within 24 to 48 hours," says Centene's Mr. Neidorff.

States keep track of the finances of Medicaid HMOs to ensure that the HMOs are spending a sufficient part of their revenue on medical costs. However, the numbers are subject to interpretation. A review of Centene's New Jersey subsidiary in 2004, by a unit of Marsh & McLennan Cos., said hundreds of thousands of dollars that Centene counted as medical costs should have been considered administrative costs.

The report also questioned cases where Centene's New Jersey subsidiary pays a national Centene subsidiary for specialized services such as mental-health or a nurse hotline. It said the New Jersey subsidiary was paying an above-market rate for some of these services. That would tend to increase the state subsidiary's medical costs and reduce its profit, without affecting the bottom line of Centene as a whole. Mr. Schenk of Centene declined to discuss the report in detail but said Centene has used the findings "to strengthen its operational efficiencies."

In Illinois, the state and the Justice Department asserted in a lawsuit that Amerigroup spent only $131 million on medical care from 2000 to 2004 despite taking in $243 million from the state. The lawsuit accused Amerigroup of fraudulently trying to exclude pregnant and sick patients to reduce its medical costs. A jury in Illinois state court agreed last month, finding Amerigroup liable to the government for $144 million. Internal Amerigroup emails filed in court show managers contemplated disciplinary action for employees who signed up women in the third trimester.

Amerigroup said it will appeal. The company says it discouraged transfers by pregnant women so their care wouldn't be disrupted. A spokesman said the figures in the suit are "extremely misleading," in part because they don't account for preventive health programs.

A Lame-Duck Revival For Postal Service Overhaul? (WP)

The Washington Post, November 15, 2006

Sen. Susan Collins (R-Maine) said yesterday that she is not giving up on legislation that would overhaul the U.S. Postal Service and will try to win approval of the bill next month during the lame-duck session.

Collins said she has met with the chief Democratic sponsor, Sen. Thomas R. Carper (Del.), and has talked with White House officials about how to revive the bill. Various proposals are being discussed by mailers and others to see whether modifications can be made to get the bill moving, she said.

Still, Collins said, "I'm not optimistic I will be successful."

The Senate bill stalled in late September when the National Association of Letter Carriers objected to a relatively minor provision that would require a three-day waiting period before injured postal workers could begin drawing workers' compensation benefits.

The union said any workers' compensation changes should apply to all of the federal workforce, not just postal employees. The objection derailed Collins's effort just as the bill appeared to be nearing Senate approval.

"I'm still stunned that the bill did not pass," Collins said in an interview.

The letter carriers union has said it will not drop its objection to the bill, even though Collins got the White House to drop proposals that unions had claimed were dealbreakers, such as forcing injured postal workers into retirement rather than letting them continue to collect higher workers' compensation benefits.

The bill would resolve some multibillion-dollar funding issues for the U.S. Postal Service, link postage increases to a consumer price index, set up an expedited rate-setting process and provide enhanced discounts to big mailers that take over some postal work.

Collins, in what many of the largest mailers consider a big victory, got the White House to sign off on changes that would permit military pensions earned by postal workers to be paid out of the Treasury. This means the pensions' costs would not be passed on to mailers in the form of higher rates. The White House also agreed to use an escrow fund to finance future postal retiree health-care benefits.

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Congress created the escrow fund in 2003 after learning that the Postal Service had been ordered to pay too much into a retirement trust fund. Postal payments into the fund, if unchecked, would grow to $105 billion by 2071. Unlocking the fund could add to the federal deficit, according to budget rules.

"I just find it inconceivable that the unions and mailers and other affected parties would walk away from a proposal that would put billions of dollars on the table," Collins said.

Even if a new bill could regain the union's support and keep the White House on board, the revised bill has to pass the House.

Rep. Henry A. Waxman (D-Calif.), who has worked on versions of the bill, has expressed concerns about whether Congress should dictate a rate-setting formula, which he worries might lead the post office to reduce services in tight economic times. Waxman also wants to ensure that mailer discounts do not become sweetheart deals. House GOP conservatives, meanwhile, are afraid that the postal bill might shift some costs to taxpayers, making it harder to reduce the federal deficit.

Despite his concerns, Waxman supports a postal overhaul and thinks it is worth a lame-duck effort to resolve differences, an aide said.

"This is the year," Collins said. Without congressional action next month, she said, "I fear it will never pass."Mansfield Fellowships

Federal employees with a strong career interest in U.S.-Japan relations may attend an information session Nov. 22 on how to apply for a Mike Mansfield fellowship.

The fellowships include a year of full-time language training and a year working in Japanese government offices. After completing the program, fellows return to their federal agencies. The application deadline is April 2.

For information, go to http://www.mansfieldfdn.org or contact Niharika Joe at joen@mansfieldfdn.org or at 202-347-1994.

Aye, Spy (NYT)

By John Deutch

The New York Times, November 15, 2006

Cambridge, Mass.

PRESIDENT BUSH salvaged what for him was an otherwise dismal week by nominating Robert Gates to be secretary of defense. Mr. Gates is an experienced Washington hand with the right temperament to change the administration's thinking about our mission in Iraq and to make much-needed long-term changes in how we defend our nation.

Some critics point out that Mr. Gates spent most of his career in C.I.A.'s intelligence directorate, and question whether that background is appropriate for the Pentagon job. Well, as somebody who has served at both institutions, I can't think of any better pedigree. C.I.A. intelligence analysts are dedicated to giving an objective estimate of what is really happening to policymakers who are often invested in particular outcomes. This sort of neutral mind-set is just what President Bush needs and the country expects.

The big question he must answer on Iraq is this: Are we making progress toward meeting our minimum objectives — helping the Iraqis maintain security, establishing a working government and restoring basic services? If the answer is no, as I suspect, then Mr. Gates should tell the president that it is time to withdraw. Better sooner than later to avoid more lives lost and more treasure spent.

Contrary to conventional wisdom on both sides of the aisle, the consequences of withdrawal need not be catastrophic to American interests in the region. Secretary of State Condoleezza Rice; the national security adviser, Steve Hadley; and Mr. Gates need to develop a secondary track, simultaneous with a military withdrawal, centered on new economic and diplomatic initiatives in the Middle East to re-establish America's credibility and purpose.

In particular, we must take a new approach to Iran: its actions can encourage or dampen civil violence in Iraq, its oil exports are important to world supply and its uranium enrichment program puts it on a path to a nuclear bomb. Two years ago, Mr. Gates and the national security adviser in the Carter administration, Zbigniew Brzezinski, led a Council on Foreign Relations committee that recommended a more active approach to Iran centered on a "compartmentalized process of dialogue, confidence building and incremental engagement." Mr. Gates's work on the committee demonstrated his pragmatic approach to foreign policy and his ability to work effectively with those of differing ideologies.

Yes, there is an aspect of irony in having a former intelligence director become secretary of defense after the Iraqi weapons-of-mass-destruction intelligence failure was used to justify our 2003 invasion. And it is also true that the cultures of the C.I.A. and the Pentagon are very different. But Mr. Gates would not be the first top director of central intelligence to become secretary of defense. James Schlesinger moved from the intelligence directorship to the Pentagon in the 1970s, and he is remembered for his fierce independence from the White House.

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Of course, there will be much more on the new secretary's plate than just Iraq. First, I hope that Mr. Gates will quickly re-establish the trusting relationship with senior military leaders — the chairman the Joint Chiefs of Staff, the heads of the combat and supporting joint commands — that was the hallmark of Secretary of Defense William Perry's successful tenure in the 1990s.

Next year's Pentagon budget, at greater than $530 billion, is giving Congress sticker shock. Down the road, modernization costs will only increase and there will be a large bill to pay to "reset" the Army and Marine Corps readiness and equipment to acceptable levels after we leave Iraq.

Mr. Gates is well suited for making his case to Congress. He is not, however, a technology or acquisitions expert, and he will need to listen to others in establishing a sound and affordable multiyear program to reshape the military to meet today's threats.

Perhaps nobody is better suited than Mr. Gates for reforming the military's intelligence operations. The revamping of the government's intelligence community in 2004 has been a mixed success. One important shortcoming is the Defense Department's continued use of its considerable intelligence budget to run its programs in isolation from the other intelligence agencies.

Mr. Gates surely understands the need to integrate the military's intelligence operations with those of other agencies. The Pentagon should stop competing with other agencies over collection and dissemination of information, and become more of an informed user of intelligence gathered by the multiagency intelligence community.

Last, a few will raise questions, based on Mr. Gates's involvement in the Iran-contra affair, about his ability to control covert operations. In this, I have full confidence in Mr. Gates's judgment. When I was the C.I.A. chief, my job was made easier by the way Mr. Gates had structured the partnership between the directorate of operations and the directorate of intelligence during his tenure in order to ensure that operations were launched only after disciplined analytic thinking of consequences.

To President Bush, for his choice of Robert Gates, I say "bravo," a word I'll bet he has not heard a lot recently. Congress should confirm the nominee promptly, thank him for his willingness to serve, and tell him we expect great results.

Earmarks Are Efficient (USAT)

By John Culberson

USA Today, November 15, 2006

As a dedicated fiscal conservative who is committed to the Republican principles of limited government and a balanced budget, I believe "earmarks" can help ensure our tax dollars are spent effectively.

Every year, members of Congress are approached by dozens of constituent groups ranging from schools, hospitals, non-profits, city and state governments to the private sector requesting funding for projects or programs. Because members have a strong grasp on the needs of their districts, it is safe to assume they know which projects deserve federal support. Without earmarks, thousands of groundbreaking medical, science, energy and defense projects, along with critical infrastructure investments for flood control and highways, would go unfunded.

As elected and accountable representatives of the American people, members should set high standards for carefully selecting which projects receive federal funding. Personally, my starting answer is "no" on all spending requests, and "yes" has to be earned. I will approve an earmark only if it is absolutely essential and fits within the federal government's limited responsibilities. I proudly publish all my earmarks and my request letters to the Appropriations Committee on my website.

Eliminating earmarks will not save taxpayers money because the invisible bureaucracy will simply spend it. Earmarks are simply a way of directing budgeted money to specific projects. Instead of concentrating solely on earmarks, which account for about 1% of all federal spending, Congress must reform entitlement programs, which are the real source of annual deficits.

Any debate over meaningful budget reform should start with a Balanced Budget Amendment to the U.S. Constitution. Forty-nine states already have some form of a constitutional requirement for a balanced budget. We also need to create a deficit reduction account where all spending cuts can be deposited to help balance the budget.

"Earmark" has become a bad word because a few members have abused the system, but that does not mean Congress should surrender its constitutional authority to direct federal spending to unelected bureaucrats who rarely step foot outside of Washington.

Rep. John Culberson, R-Texas, serves on the House Appropriations Committee.

The District Deserves A Vote (WP)

By Adrian Fenty

The Washington Post, November 15, 2006

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Last Tuesday Americans across the country flooded their polling places and voted for far-reaching change in our national legislature. Whether it was the war in Iraq or such issues as national security, education, health care and the environment, Americans sent a clear message with their votes that it's time for change.

But the nearly 600,000 Americans living in the District of Columbia were forced to sit on the sidelines and watch as the rest of the nation elected our new Congress. With no voting member of Congress to elect, Washingtonians were again denied participation in American democracy.

As the newly elected mayor of Washington, D.C., I'm concerned about the important issues facing the people of the District. I'm concerned about the families unable to afford health care or housing. I'm concerned about the parents grieving over the loss of daughters and sons in Afghanistan and Iraq. I'm concerned about the children who are being left behind in schools. And I'm outraged that D.C. residents have no vote in the Congress that will decide how to handle these challenges.

At the top of Congress's agenda right now should be this important part of its unfinished business: enactment of H.R. 5388, the D.C. Voting Rights Act. This legislation would give voting representation in the House of Representatives to D.C. residents for the first time ever. Passage of the bill is a key component of our plan to turn the District into a world-class capital.

The legislation provides D.C. residents with a vote in the House of Representatives while providing Utah with an additional congressional seat. Utah was the next state in line to receive an additional representative after the last census. H.R. 5388 has bipartisan support and is vote-neutral. We are working closely with Utah Gov. Jon Huntsman to negotiate a fair compromise that benefits the people of Utah and the District of Columbia.

In September I sat alongside Mayor Anthony Williams and members of the D.C. Council at a House Judiciary subcommittee hearing on the D.C. Voting Rights Act. I listened as every witness and lawmaker present agreed that denying a vote in Congress to citizens living in Washington is a problem that must be fixed. We have made considerable progress in advancing this bill, and we are presented with a window of opportunity to correct the injustice by the end of this year.

The D.C. Voting Rights Act is backed by constitutional experts such as Kenneth Starr and Patricia Wald, who, as legal scholars, understand that the District clause of the Constitution gives Congress the power to provide representation for Washingtonians.

I look forward to working with Congress on a number of additional reform issues, including budget and legislative autonomy and a transformation of the public school system. Let us begin that partnership by taking a step toward strengthening our nation's capital.

I urge Congress to pass this bill swiftly so that President Bush can sign it into law this year. America is the only democracy in the world that denies voting representation to the people of its capital. That needs to end right now.

I am humbled by the strong support of D.C. residents who share my vision of a world-class capital. We are not alone. I have traveled across the country meeting with mayors in America's greatest cities who share our frustration and our hope for bringing representation to our nation's capital. Achieving full and equal participation in our democracy is essential to working toward that vision. We need voting representation in Congress and control of our own affairs to help move our city forward.

As American citizens, we deserve full and equal representation in both the House and Senate. The D.C. Voting Rights Act moves us toward equality. Give Washingtonians a vote in the House. We deserve more -- but certainly no less.

Que CIRA, CIRA . . . (WSJ)

By Robert C. Pozen

The Wall Street Journal, November 15, 2006

Democrats and Republicans agree that Americans need to save more for retirement -- our personal savings rate has dropped to an all-time low. Despite numerous legislative programs to lure employers into offering retirement plans, many still have not taken up the bait. Today, almost 30 million full-time employees -- 25% of the full-time work force -- are not offered a retirement plan at work.

So what can be done to promote retirement savings for these 30 million workers? Legally, if employees are not offered a workplace retirement plan, they can establish an individual retirement account (IRA) -- regardless of their income level. However, only a small portion of these employees have enrolled. Although employees usually say they want to save more for retirement, most cannot overcome inertia to open an account. By contrast, if an employer takes retirement contributions out of their employees' paychecks, most employees will stay in the plan -- i.e., they will not opt out. In one study, the participation rate increased to 92% from 66% in opt-out plans relative to opt-in plans, with even larger increases for low-income workers.

A bipartisan Congress should harness these forces of inertia and mandate that all employers not otherwise offering a retirement plan establish a check-off IRA (CIRA) for employees. An employer could take out a minimum percentage (e.g., 3%) of their employees' wages from their paychecks, tax deductible in the year of contribution. But employees would have 60 days from their enrollment date to increase their contribution rate, or to opt out completely of any payroll deduction. The employer utilizing

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this auto-enrollment approach would be protected from legal liability by a safe harbor, if the employer followed specified procedures and provided specified disclosures.

Similarly, those payroll deductions would be presumptively invested in a balanced fund -- with 50% in a diversified stock fund and 50% in a high-quality bond fund. Again employees would have 60 days from their enrollment date to opt out of the balanced fund by choosing from a slate of investment alternatives -- a diversified stock fund, diversified bond fund, a money market fund or bank deposit. If the CIRA offered these four funds, its sponsor also would be legally protected by another safe harbor.

While the CIRA would increase retirement savings by workers with relatively low self-discipline, it would not be unduly burdensome on small employers -- the bulk of firms without retirement plans. Small employers (those with under 100 employees) would not be required to make any contribution to a CIRA, nor would they have to satisfy the complex IRS tests for anti-discrimination. Instead, they would be required only to connect their payroll system to a qualifying financial institution offering a CIRA, involving minimal administrative costs. Nevertheless, Congress might choose to exempt employers with fewer than five or 10 employees, because many of these do not have an outside payroll service or computerized payroll program.

By contrast, if a larger employer (with 100 or more employees) chose to adopt a CIRA rather than a 401(k) plan, that large employer should additionally be required to make a reasonable contribution to the CIRA accounts of its participating employees -- for instance, a 50% match of annual contributions by full-time employees up to 6% of wages (a maximum match of 3%). To smooth the transition for growing companies, this matching requirement could be limited to employers with 100 or more employees for three consecutive years. Furthermore, since this matching requirement is similar to the new safe harbor for meeting the anti-discrimination tests in 401(k) plans -- but slightly lower for simplicity's sake, any larger employer contributing such matches to a CIRA should also be deemed to have met the antidiscrimination tests.

Without this additional requirement, larger employers could drop their 401(k) plans in favor of CIRAs in order to avoid making any retirement contributions. The creation of the CIRA should not be an excuse for a larger employer to stop helping its employees save for their retirement; rather, the CIRA is a device to encourage workplace savings by shifting most functions to a financial institution. This is the only way to ensure that the minority of larger employers, who have resisted years of government incentives to offer retirement plans, contribute their fair share to boosting retirement savings.

Many financial institutions would be ready to offer a CIRA for modest or no fees if the procedures were streamlined and the investments included funds managed by that institution. Monthly payroll deductions, say, could be limited to full-time employees who had worked for the same employer for at least one year, and the default investment could be a balanced fund run by the institution handling those deductions. Moreover, no loans from CIRAs, and no pre-retirement withdrawals for college tuition or first homes, would be permitted.

If employees with a CIRA switched jobs, they could transfer their monies to the retirement plan of their new employer. If employees with a CIRA were terminated, they could stay in the same CIRA or make a tax-free transfer of their CIRA amounts to a rollover IRA. If employees with a CIRA retired, they could make a tax-free transfer to a rollover IRA, or withdraw their CIRA balances subject to withholding taxes.

The CIRA would assure that almost all full-time workers would have access to a tax-advantaged retirement plan, with enrollment and investment procedures designed to make it likely that they would actually save for retirement.

Mr. Pozen is chairman of MFS Investment Management.

Will Fair Pay Have Its Day? (NYT)

The New York Times, November 15, 2006

At his first post-election news conference last week, President Bush said that he believed he could find common ground with the new Congress on Democrats' longstanding drive to raise the federal minimum wage. That is welcome, but long overdue. The minimum wage has been stuck at a miserly $5.15 an hour since 1997, with Republican lawmakers blocking repeated attempts since then to raise it. Adjusted for inflation, the purchasing power of the wage has dropped to its lowest level since 1955.

Clearly, the bottom is falling out for the nation's estimated 5.6 million minimum-wage workers. That's bad for the economy. Even Wal-Mart, not exactly an advocate for high wages, favors raising the minimum wage to support consumer spending.

A too-low minimum wage is also bad for society. One reason for having a minimum wage is to help ensure that even the lowest-paid workers do not fall irretrievably behind everyone else. Without a higher wage, that goal is increasingly out of reach.

For most Americans, the economic growth of the Bush era has not translated into improved wages, greater financial security, better health care coverage or other measures of a rising standard of living. But Mr. Bush has never offered corrective policies. As for the minimum wage, he has echoed the perennial Republican warning that raising it could force businesses that can't meet the payroll to lay off workers. Persuasive and copious research on the issue disputes that assertion.

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This summer, in perhaps the lowest blow, Republican lawmakers scuttled the most recent effort to raise the minimum wage by linking it to yet another huge estate-tax cut for America's wealthiest families, one of Mr. Bush's most cherished goals.

Come December, the minimum wage will have remained unchanged for the longest period since it was established in 1938. There are no valid reasons to delay an increase, and many good ones to proceed. Supporting a higher minimum wage would be a way for Mr. Bush to begin to rectify the inequality that has grown so alarmingly on his watch.

Fargonomics (WSJ)

The Wall Street Journal, November 15, 2006

Kent Conrad's Web site proclaims that the North Dakota Democrat "has been a leading voice for fiscal responsibility" in Washington, and the Senator rarely misses an opportunity to bemoan "deficits as far as the eye can see." Maybe once Mr. Conrad comes off his latest spending binge, he can buy the rest of Washington some binoculars.

Or at least enough magnifying eyewear to see $4.9 billion, which is the amount of emergency drought relief the parsimonious Mr. Conrad is attempting to shovel into a Senate military construction bill in this week's lame duck session. If this is the sort of "fiscal discipline" we can expect from the new Democratic majority, K Street ought to be popping the champagne corks.

Farm-state Senators have been pushing for this handout for months, and the only good news is that they've modestly scaled back their demands. Nebraska Democrat Ben Nelson had offered a $6.5 billion "relief" amendment to the port security bill in September. But Republicans said farm aid wasn't germane to port security -- no kidding -- and Mr. Nelson failed to get a vote. The GOP ought to do the same with this latest spending extravaganza, while it still has the power to do so.

Mr. Conrad is calling his amendment "emergency" spending, and it is true that the Plains states and Texas endured a drought this summer. But the government already provides a safety net for such events: crop insurance. That federal program was created with the express purpose of eliminating the need for emergency bailouts. The vast majority of U.S. insurable crops are covered by the program, including 98% of North Dakota's.

And don't forget federal farm subsidies. Last year alone, farmers pocketed $20.2 billion worth of commodity program payments and conservation money. North Dakota (since we're on the subject) was the recipient of more than $1 billion, much of which goes to a handful of large agribusinesses.

Mr. Conrad's spending enthusiasm also comes when the farm industry is doing well. Last year marked the second-highest net farm income on record. While some crops, such as wheat, have been hurt by the drought, the nation's biggest crops -- corn and soybeans -- are on track for a bumper year. Prices are also strong, in no small part because the government is mandating use of corn-based ethanol. Drought aid on top of all this amounts to quadruple dipping at the taxpayer trough.

September's "emergency" drought bills were also stuffed with the usual Member goodies that have little to do with lack of rain. Mr. Nelson's previous bill would have given farmers $1.6 billion for high energy and fertilizer costs. Other proposals included $6 million for Hawaii sugarcane growers, $2 million for cattle herds with bovine tuberculosis, and $6 million for a flood-prone region in (of course) North Dakota. Mr. Conrad's latest bill, meanwhile, would set up a new $300 million small-business economic-loss "block grant" program that has as much chance of disappearing in the future as Christmas.

The Bush Administration has tried to keep a lid on this largesse, while helping in targeted ways. The Agriculture Department sped up some $700 million in countercyclical payments, and also provided $50 million to livestock producers hurt by the drought. As for legislation, some Republicans have reasonably demanded that any money given out in emergency farm payments be offset with reductions elsewhere in the farm budget. Mr. Conrad and his allies have refused, claiming this is an emergency on the level of Hurricane Katrina.

Which gets to the heart of the farm problem. Americans are generous to neighbors in need, but ballooning farm subsidies and industry resistance to any reform have shown this to be a one-sided affair. As for Mr. Conrad: Meet the new spenders, same as the old spenders.

Redistricting Reconsidered (WP)

The Washington Post, November 15, 2006

IT WOULD BE easy for those complacent about partisan redistricting to look at this year's election as evidence that it's not a problem after all. Gerrymandering of congressional district lines failed to protect a number of incumbents around the country from defeat. It didn't prevent the House of Representatives from switching hands. Maybe letting politicians use sophisticated computers to choose their own voters actually calcifies the American electoral system less than the past few elections have suggested.

The election this year was dramatically more competitive than others in recent history. According to data from the Center for Voting and Democracy, 34 House races were decided by a margin of fewer than 5 percentage points, more than in 2002 and

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2004 combined. An additional 26 were decided by fewer than 10 percentage points, compared with 28 in the past two elections combined. The reason for the change is simple: Voters were angry at Republicans. And while partisan redistricting can make red districts redder and blue districts bluer, it cannot stop either from going purple as a party fails to persuade its own voters or get them to show up at the polls.

But don't let these numbers fool you. The overwhelming majority of seats remained beyond serious democratic competition -- as always. Three hundred and seventeen seats were decided by margins of greater than 20 points, 95 of them by more than 40 points. In 55 races, candidates of one major party faced no opposition from the other major party. In other words, this year's competitiveness is only comparative. For most members, incumbency still offered surefire protection from voter dissatisfaction. And the power of incumbency undoubtedly protected Republicans from further losses. Of the closest races in which incumbents hung on to win, only two, at most, involved Democratic incumbents scraping by, both in Georgia. The rest were all Republicans, several of whom clearly benefited from the way the lines had been drawn after the 2000 Census.

Partisan redistricting is not the only -- or even the principal -- factor shielding incumbents from electoral accountability. Even districts drawn in an apolitical fashion will tend to have stronger ideological centers of gravity than one might imagine. And incumbents also benefit from fundraising advantages and the ability to bring home pork. But redistricting adds to all of that a measure of simple cheating to make challenges more difficult. The party in power in a given state gets to shield its own officeholders and burn the other side's, or the parties can jointly conspire to protect virtually all incumbents. As this election shows, it doesn't always work completely. America is not a Soviet republic. But even at their most competitive, House races are far from models of electoral accountability.

OTHER NEWS:

Stocks Surge On Fed Official's Comments (AP)

By Madlen Read

AP, November 15, 2006

NEW YORK (AP) - Wall Street rebounded sharply Tuesday, with the Dow Jones industrials surging further into record territory after a Federal Reserve official indicated the Fed will maintain its policy of stable interest rates.

Investors who were heartened by an earlier report of slowing wholesale inflation were cheered by comments from Federal Reserve Bank of St. Louis President William Poole, who described the Fed's interest rate policy as "about right." Poole, who currently sits on the Fed's policy-making Open Market Committee, reassured a market that has been counting on a steady rate policy for the near future.

Earlier, the Labor Department said wholesale inflation as measured by the Producer Price Index dropped by 1.6 percent last month following a 1.3 percent slide in September. Plunging energy prices were behind the declines, which gave Wall Street some relief from concerns that rising inflation might prompt the Fed to raise rates after three straight meetings where they were left unchanged.

In late afternoon trading, the Dow Jones industrial average rose 93.09, or 0.77 percent, to 12,224.97. Blue chips hit a trading high of 12,228.01, putting them on track to finish above the closing high of 12,176.54 reached Wednesday.

(AP) In this photograph released by the New York Stock Exchange, David Brown, President and CEO of Owens...

Full ImageBroader stock indicators also climbed. The Standard & Poor's 500 index rose 9.41, or 0.68 percent, to 1,393.83. It hit an trading high of 1,394.49; this is the first time the S&P 500 has surpassed 1,394 since November 2000.

The Nasdaq composite index rose 3.46, or 0.14 percent, to 2,409.84.

Bonds rose on the inflation news, with the yield on the benchmark 10-year Treasury note falling to 4.57 percent from 4.59 percent late Monday. The dollar rose against other major currencies, while gold prices slipped.

Before Poole's comments, investors sifted through economic reports, which also included a second straight monthly drop in retail sales during October. The 0.2 percent decline reported by the Commerce Department report reflected the 25 percent drop in crude oil prices since mid-July rather than a weakness in consumer spending. The drop in sales was also smaller than expected.

The market was initially unnerved by a disappointing earnings report at Home Depot Inc. (HD), which raised concerns about the toll that slowing home sales is taking on other industries. Home Depot rose $1, or 2.8 percent, to $37.40, after posting a 3.1 percent third-quarter profit drop on a sharp decline in same-store sales, those from stores open at least a year.

(AP) Sara Gore, center, of the Internet site LX.TV Lifestyle Television, and Danyelle Freeman, right, of...

Full ImageBut stocks later turned higher.

"There's a sense that the housing market has bottomed," said Jay Suskind, head trader at Ryan Beck & Co.

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Meanwhile, Wal-Mart Stores Inc. (WMT) rose $1.43, or 3.1 percent, to $47.75, after reporting third-quarter earnings rose 11.5 percent despite weak growth in U.S. sales. The world's largest discount retailer promised its most aggressive holiday discounts ever to boost year-end business.

Discounter Target Corp. rose $1.02, or 1.8 percent, to $58.78, after it beat analysts' projections with an 11 percent rise in sales.

D.R. Horton Inc. climbed $2.10, or 9.4 percent, to $24.48 after its third-quarter results surpassed analysts' expectations. Still, the homebuilder's profit tumbled 51 percent on falling sales, reflecting a bleak housing market.

(AP) Morgan Hertzan, one of the co-founders of the Internet site LX.TV Lifestyle Television, is...

Full ImageIntel Corp. (INTC)'s early rollout of its new quad-core processors helped boost the technology sector Tuesday. Intel, the world's largest computer chip maker, rose 68 cents, or 3.2 percent, to $21.68.

The performance of the stock market going forward will depend largely on whether the economic data released later this week - including the Consumer Price Index, housing starts and industrial production - come in strong or weak.

"There's been a subtle change from investors ignoring bad economic news to now finally paying attention to it," said Alexander Paris, economist and market analyst for Chicago-based Barrington Research.

The Russell 2000 index of smaller companies rose 8.55, or 1.11 percent, to 780.96.

Advancing issues outnumbered decliners on the New York Stock Exchange, where volume was 9.8 billion shares.

Overseas, Japan's Nikkei stock average closed up 1.11 percent. In late trading, Britain's FTSE 100 closed down 0.12 percent, Germany's DAX index was down 0.10 percent, and France's CAC-40 closed down 0.26 percent.

Fed Policy 'About Right,' Official Says; Investors Send Dow To Record High (WP)

The Washington Post, November 15, 2006

NEW YORK, Nov. 14 -- Wall Street barreled yet higher Tuesday, with the Dow Jones industrial average surging further into record territory after a Federal Reserve official indicated the Fed would maintain its policy of stable interest rates.

The Dow rose 86.13, or 0.71 percent, to close at 12,218.01, above the previous record close of 12,176.54 set Nov. 8. The blue chips also reached a new trading high of 12,228.01. The Standard & Poor's 500-stock index rose 8.80, or 0.64 percent, to 1393.22. It hit a trading high of 1394.49, the first time the S&P 500 surpassed 1394 since November 2000. The Nasdaq composite index rose 24.28, or 1.01 percent, to 2430.66.

Investors who were heartened by an earlier report of slowing producer prices began buying in earnest after Federal Reserve Bank of St. Louis President William Poole described the Fed's interest rate policy as "about right."

Poole, a voting member on the Fed's policymaking Open Market Committee, had reassuring words for a market that has been counting on a steady rate policy for the near future.

Earlier, the Labor Department said inflation at the wholesale level as measured by the producer price index fell 1.6 percent last month following a 1.3 percent slide in September.

Plunging energy prices were behind the declines, which gave Wall Street some relief from concern that rising inflation might prompt the Fed to raise rates after three straight meetings where they were left unchanged.Movers

Home Depot gained $1.56, to close at $37.96, rebounding after it reported a 3.1 percent drop in third-quarter profit and a sharp decline in sales at stores open at least a year.

Wal-Mart Stores rose $1.34, to $47.66, after reporting that third-quarter profit rose 11.5 percent despite weak growth in U.S. sales.

Target rose $1.40, to $59.16, after beating analysts' projections with an 11 percent rise in sales.

D.R. Horton climbed $2.12, to $24.50, after the homebuilder's third-quarter results surpassed analysts' expectations.

Intel rose 88 cents, to $21.88, after the early rollout of its quad-core processors helped boost the technology sector.

Blue Chips Climb To Another Record After Fed Official's Remarks On Rates (WSJ)

By E.s. Browning

The Wall Street Journal, November 15, 2006

The Dow Jones Industrial Average plowed to a record, closing above 12200 for the first time, after a Federal Reserve official made upbeat comments on interest rates.

Stocks began with declines after weak October retail-sales numbers were released, but shares spurted higher following comments by William Poole, president of the St. Louis Federal Reserve Bank, that Fed rate policy is "about right." That reinforced hopes the Fed won't raise rates and might cut them next year, which would help businesses and consumers.

The Dow industrials rose 86.13 points, or 0.71%, to 12218.01, up 14% this year. The blue chips have risen in six of the past seven sessions, with 15 record closes since the beginning of October.

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Technology stocks, which can benefit from economic optimism, led the market. The Nasdaq Composite Index hit another six-year high, up 1.01%, or 24.28 points, at 2430.66. It is up 10.2% in 2006.

The Russell 2000 small-stock index finished at a record, up 1.64% at 785.06, up 16.6% this year.

Declining retail sales, and a steep October drop in wholesale prices, initially sowed worry that the economy is slowing too much. But Wal-Mart Stores Inc. and Target Corp. reported strong quarterly profits, and fears that Mr. Poole might make hawkish rate comments proved unfounded.

"The news from Mr. Poole wasn't earth-shattering, but it wasn't negative," said Todd Leone, head of listed trading at New York brokerage firm Cowen & Co., "and then you saw money pouring into the market."

The broad Standard & Poor's 500-stock index hit a six-year closing high, rising 0.64%, or 8.80 points, to 1393.22. It is up 11.6% this year. The S&P isn't near a record, but the news that it joined the Nasdaq and the Dow at a new multi-year high pushed money managers to buy for fear of being left behind. Trading volume was heavy.

Treasury-bond prices also rose, pushing yields lower, because soft inflation holds down interest rates and bond yields.

Investors now nervously await October consumer-price data, due tomorrow.

Outside the U.S., stocks advanced in dollar terms. The Dow Jones World Stock Index, excluding U.S. stocks, rose 0.41%, or 0.94 point, to 231.07.

In major U.S. market action:

Stocks advanced1. Total trading volume for stocks listed on the New York Stock Exchange was 3.02 billion shares, as 2,441 stocks rose and 871 fell.

Bond prices gained2. The 10-year Treasury note rose 8/32, or $2.50 for each $1,000 invested, pushing the yield down to 4.576%. The 30-year bond was up 20/32 to yield 4.666%.

The dollar weakened3. Late in New York, it traded at 117.51 yen, down from 118.19, while the euro rose against the dollar to $1.2822 from $1.2803.

Prices Fell Sharply In October (NYT)

By Jeremy W. Peters

The New York Times, November 15, 2006

Wholesale prices fell at a record rate last month as two economic forces that rarely move in the same direction — the costs of gasoline and light trucks — both plunged.

The new statistics, released yesterday by the Labor Department, added to a growing pool of economic data that showed inflation was easing. For investors focused on the Federal Reserve's next move on interest rates, the news suggested that rates would remain stable, with some predicting that a cut in borrowing costs might even come as early as March.

The report, along with comments yesterday from a Fed official that the central bank's policy on interest rates has been "about right," helped touch off a late rally on Wall Street.

The Standard and Poor's 500-stock index closed at its highest level in six years, and the Dow Jones industrial average broke another record.

Consumer spending is showing signs of slowing but remains robust. The Commerce Department said yesterday that retail sales in October, apart from gasoline, rose 0.4 percent, suggesting that many Americans are going into the holiday season in a good mood from the savings they are reaping from lower fuel prices. Wholesale prices as measured by the producer price index, a seasonally adjusted gauge of the prices businesses charge one another just before they are sold to consumers, fell 1.6 percent in October, matching the steepest decline on record, set in 2002.

The core wholesale inflation rate, a measure that does not take into account the frequent gyrations in energy and food prices, declined 0.9 percent last month, its biggest fall in 13 years.

The overall picture of wholesale inflation last month was heavily colored by plummeting prices for light trucks, which include sport utility vehicles, pickups and minivans, and declining oil prices. Light truck prices fell 12.4 percent, the biggest year-over-year decline since the Labor Department began tracking them in 1964. The price of wholesale gasoline dropped 18.5 percent from October 2005 to October 2006.

Still, even if the decline in vehicle prices had not been so steep, wholesale inflation in October would have been low. When the core rate is recalculated without automobile sales, wholesale prices rose 0.1 percent.

"There's evidence that with energy prices falling and with the slowdown in the housing market, there's a picture of more benign price increases emerging," said Peter Kretzmer, an economist at Bank of America. "I don't think it will be that long before this starts to translate into somewhat muted consumer price trends."

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Whether falling prices at the producer level eventually lead to falling prices for consumers is never as direct as it might seem. But some economists found it encouraging that yesterday's report was the second consecutive set of wholesale price data to show an overall decline. In September, wholesale prices fell 1.3 percent. For the year, prices are down 1.6 percent.

Pressure continued to ease further up the production chain. Prices of crude goods — items in the earliest stages of production, like gravel, scrap metal or animals used for slaughter — fell 10.5 percent in October after declining 3.4 percent in September. Prices of intermediate goods declined 1.1 percent.

The falling costs of materials could help reduce the threat of inflation from rising labor costs. One critical question Fed policy makers must answer as they chart the nation's monetary policy is whether the recent wage gains — which have just started to outpace inflation — are pressuring employers to pass along the cost by raising prices.

"The issue is what happens with labor," said Jack Caffrey, an equity strategist with J. P. Morgan Private Bank. "If the Fed then remains with their focus on inflation risks being the dominant issue, it likely stays with a tighter monetary policy for longer."

William Poole, president of the Federal Reserve Bank of St. Louis, said yesterday that the Fed could go either way. "I believe that the outlook for Fed policy is roughly symmetrical," he said after giving a speech in Wilmington, Del. "I can imagine data coming in that would make me want to tighten policy. And I could imagine data coming in that would lead me to believe that we ought to be easing policy."

Economists said the tipping point for the Fed to lower rates could come if the labor market shows signs of weakening. Last month, unemployment fell to 4.4 percent, the lowest level since May 2001. That is close to what economists consider full employment, and some experts have said they think the number of jobless will rise in the coming months.

"People will debate how quickly before the Fed pulls the trigger, and how much weakening you need," said James O'Sullivan, an economist at UBS. "But if we start to see the unemployment rate edge up, I think it's just a matter of time before the Fed starts easing."

U.S. Consumer-Spending Data Bolster Hopes For Holiday Sales (WSJ)

By Mark Whitehouse

The Wall Street Journal, November 15, 2006

American consumers maintained their spending in October, leading economists to hold out hope that robust holiday sales will help insulate the U.S. economy from a sharp downturn in housing.

Excluding gas stations, which were hurt by lower fuel prices, sales at food and retail establishments rose to a seasonally adjusted $332 billion in October, up 0.4% from September and 6.5% from a year earlier, the Commerce Department said.

Higher spending at restaurants and drugstores helped to offset declines in sales of housing-related goods, such as building materials and furniture. Overall retail sales shrank 0.2% from September, but were up 4.5% from a year earlier.

Together with a big drop in wholesale-goods prices, the retail-sales report persuaded some investors that the economy is cooling just enough to keep inflation in check, allowing the Federal Reserve to hold short-term interest rates steady at their current 5.25%. As a result, stock and bond prices rose.

Economists said the report suggests that consumers, whose purchases make up more than two-thirds of the U.S. economy, are slowing down a bit, but that falling home sales aren't yet seriously affecting spending in other sectors.

While downward revisions showed that September retail sales were weaker than previously thought, sales excluding gas, autos and building materials rose 0.9% in the two months taken together. The numbers point to a rise in inflation-adjusted consumer spending in the current quarter of about 3% -- below the 10-year average of 3.7%, but still healthy. "That's a good start to the quarter," said Brian Jones, senior economist at Citigroup Inc. "You've got to think that we're going to have a pretty decent holiday shopping season."

In recent months, economic forces have been pushing consumers in opposite directions. Falling home prices have made them feel poorer, but job and wage gains, together with lower gasoline bills, have left them with more spending money. Economists estimate that personal income in October, adjusted for inflation, was up more than 4% from a year earlier.

"The positive income effects from the labor market are at the moment outweighing the negative wealth impact from the housing market," said John Shin, senior economist at Lehman Brothers. "While we're still very concerned about the housing market, we don't see the impact of that kicking in just yet."

Gas stations and housing-related retailers suffered the biggest dollar declines in October sales. Sales at furniture and home-furnishings stores dropped a seasonally adjusted 0.7% from a month earlier. Building materials and garden supplies fell 0.3%.

Sales in other areas grew. Eating and drinking establishments' sales rose 0.3%, and health and personal-care retailers saw a 1.3% rise. Sales at auto and auto-parts dealers rose 0.6%, despite auto companies' reports of a weak month.

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Analysts believe low gas prices and income gains bode well for the holiday shopping season. Darrell Rigby, head of the global retail practice at Bain & Co., forecasts retail sales of general-merchandise items such as clothing and electronics will be up 5% to 5.5% in November and December from the same period last year, and up from a long-term average of 4.3%.

In another reflection of falling energy prices, the Labor Department reported yesterday that its index of wholesale-goods prices fell 1.6% in October from September. Excluding food and energy, wholesale prices were still down 0.9% -- the largest one-month decline since 1993.

Economy Seen Slowing As Wholesale Prices Plummet 1.6% (USAT)

By Sue Kirchhoff

USA Today, November 15, 2006

WASHINGTON — Falling energy prices and slumps in the housing and auto sectors propelled a record decline in wholesale prices in October.

Retail sales were muted during the month, the government said Tuesday. Overall, the data indicate the economy is slowing, and price pressures moderating, as the Federal Reserve has projected.

But analysts said the Fed is still far from an all-clear on inflation. Bill Cheney, chief economist at John Hancock Financial Services, cautioned that the wholesale index measures goods prices, which have been held down by globalization.

"Services are much less subject to competition from overseas … to the extent that you find yourself getting a real tight labor market in the U.S., it could push up wages and push up costs," Cheney says. He said the next Fed move is unclear.

The central bank has held short-term interest rates at 5.25% since June, after raising them 17 times from mid-2004 to mid-2006 to tamp down inflation. Core consumer inflation, which excludes volatile food and energy prices, was 2.9% in the 12 months, above the Fed's informal 1%-2% comfort range.

The Labor Department said Tuesday that wholesale prices plunged 1.6% last month, equaling a record decline in October 2001. Core prices fell a sharp 0.9%.

Energy prices fell 5% in October following an 8.4% plunge in September. Gasoline prices dipped 7.9% from the previous month and natural gas prices, 9.3%. Sport-utility vehicle prices fell 9.7%; car prices, 2.3%.

"The drop in petroleum prices and natural gas has helped with diesel fuel, construction plastics and delivery costs. The slump in home building certainly is affecting gypsum prices," says Kenneth Simonson, chief economist of The Associated General Contractors of America.

Though consumers are saving on energy bills, they haven't boosted spending elsewhere. The Commerce Department said retail sales dropped 0.2% in October, following an 0.8% September decline. The dip largely reflected the impact of falling energy prices but furniture, building supplies and other areas also declined.

Still, with a strong job market, many economists expect a solid holiday season. "Despite all the angst about a slowing economy, I don't think Santa will be laying off any reindeer," Cheney says.

US Economy Hit By Housing Slowdown (FT)

By Krishna Guha And Eoin Callan In Washington And David Pilling In Tokyo

Financial Times, November 15, 2006

A slew of economic reports on Tuesday showed the US economy feeling the strain from the sharp slowdown in the housing sector, while offering hopes that inflation pressures could be easing.

The US data came as Japan announced a stronger-than-expected 2 per cent annualised growth rate for the third quarter, raising the prospect of a second interest rate rise there.

The latest US retail sales figures, from October, showed that consumer spending remained resilient in spite of the pressures from the housing market. Sales excluding petrol increased by 0.4 per cent over the month. Lower oil prices meant the value of total retail spending fell 0.2 per cent on the previous month.

But downward revisions to the previous two months' retail sales suggested that consumer spending was weaker than thought.

Drew Matus, a senior economist at Lehman Brothers, said: "The retail picture points to a slightly lower growth profile than we anticipated."

Reports from Home Depot, the world's biggest DIY retailer, and D.R. Horton, the second-biggest US home builder, showed that pain continues in sectors most directly exposed to the housing slowdown.

Home Depot, which reported a 3 per cent fall in third-quarter net earnings, said the slowdown had come "faster and deeper" than expected. Bob Nardelli, chief executive, said the softening in the housing market had caused "significant" deterioration in home improvement sales, with conditions likely to worsen.

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D.R. Horton, meanwhile, reported a rise in cancellations of new home sales for the third quarter in a row. “I’d say we are in the early stages of a downturn,” said Don Tomnitz, president and chief executive.

The US inflation picture improved moderately, as data showed core producer prices fell last month at their sharpest rate in 13 years. Peter Kretzmer, senior economist at Bank of America Securities, said the fall in core PPI – excluding food and energy – was “almost entirely the result of lower car and truck prices”.

Bond prices rallied on hopes that tomorrow’s consumer price report would show evidence that this reduction would feed into slightly lower consumer price inflation. US stocks also closed higher, with the Dow Jones Industrial Average reaching a record 12,218.01.

The much stronger than expected growth in Japan sent the Nikkei stock average up 1.67 per cent to 16,290, its biggest percentage gain in six weeks.

Additional reporting by Andrew Ward in Atlanta and Doug Cameron in Chicago

Southern California Home Prices Hold As Sales Continue To Slow (LAT)

By Annette Haddad

The Los Angeles Times, November 15, 2006

Southern California home prices remained in a holding pattern last month while sales continued to decline, albeit at a slower pace, data released today showed.

The median price of all types of homes sold in October was $484,000, which was the same as in September, and 2.3% higher than a year ago, La Jolla-based research firm DataQuick Information Systems reported.

Meanwhile, sales in the six-county region fell 22.4% to 22,117, DataQuick said. It was the worst showing for an October in a decade, but the rate of decline was the slowest since July.

For much of this year, potential buyers have been hanging back, waiting to see if prices will decline. The result has been fewer sales and an upsurge in supply as more homes sit unsold for longer periods and new listings continue to come on the market.

What's more, homeowners who would like to move up or downsize are reluctant to put their homes up for sale, fearing they may not get the price they want.

"Buyers are taking their time, trying to wait out the uncertainty in a market that is rebalancing itself," said DataQuick President Marshall Prentice.

One region economists have been watching closely is San Diego County, where California's housing boom was launched six years ago and where it first started to fade. But in October, San Diego's home prices recovered some ground, rising nearly 2% to $485,000, compared to the month before. It was the first increase since March. Nonetheless, when compared to a year ago, the rate of appreciation in San Diego declined 5.5%, DataQuick said.

Southern California home-price gains have been decelerating for the last year. Year-over-year increases have been in the single digits for seven months and are expected to turn negative by the end of this year or early next year, DataQuick analysts said.

Indeed, the rate of the slowdown is starting to spread beyond San Diego. In Ventura County, home prices dipped 2.3% to $582,000. Sales fell 19.6% to 940.

In Orange County, the region's priciest market, the median price rose 3.1% to $625,000, which was the same median a month ago. Sales declined 24.9% to 2,715.

The Inland Empire counties of Riverside and San Bernardino, where prices were still rising by double-digits as recently as this spring, also showed marked slowing. In October, the median in Riverside rose 4.9% to $410,000, but was off its peak of $423,000 reached in September. Sales fell 24.2%.

San Bernardino's median price edged up 2.3% to $362,000 year over year, but was flat with the median price set last December. Sales declined 21.3%.

On Monday, DataQuick reported that Los Angeles County's median price rose 4.5% to $514,000 as sales dropped 21.8%.

Libel Lawsuit A $7 Million Win For Judge (CHIT)

By James Kimberly

Chicago Tribune, November 15, 2006

A Kane County jury Tuesday decided a small local newspaper should pay $7 million to the Illinois Supreme Court's chief justice for defaming him in two columns published three years ago.

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Justice Robert Thomas cried and hugged his attorneys as Judge Donald J. O'Brien read the verdict Tuesday afternoon. Thomas, 54, of Wheaton shook hands and embraced jurors leaving the wood-paneled courtroom in the historic courthouse in downtown Geneva.

"I thank God," Thomas told reporters. "I thank the jury for listening and paying attention. The truth prevailed."

The verdict was unusual, partly because of the amount awarded and partly because the plaintiff was a sitting judge, said Bruce D. Brown, an attorney who is representing the Boston Herald in its appeal of a $2 million libel judgment awarded last year to a Massachusetts state court judge.

"If you were to look at the range of libel judgments, it's certainly on the high end," Brown said.

The newspaper found to be at fault, the Kane County Chronicle, is a daily paper owned by the Shaw Newspaper Group. It circulates mostly in St. Charles, Geneva and Batavia. Its circulation is about 14,000, down from 38,000 in 2003.

Brown said the U.S. Supreme Court set the libel standard very high for public officials: A plaintiff must prove the newspaper knew it was publishing false information or had serious doubts about its veracity. "Public officials are often successful in the courtroom at creating sympathy for the situation they found themselves in, but because of the substantial constitutional protections enjoyed by the press, approximately 70 percent of those verdicts have been overturned," Brown said.

Attorney Stephen Rosenfeld, who defended the Chronicle and its former columnist, Bill Page, said the verdict would be challenged in post-trial motions and likely on appeal.

"I think it does have a chilling effect on the 1st Amendment and the press' ability to criticize public officials, especially elected officials," Rosenfeld said.

The appeal could raise a host of legal issues because all but two of the sitting Illinois Supreme Court justices testified during the two-week trial, Rosenfeld said.

Ex-columnist disappointed

Page, 58, a former restaurant owner-turned-freelance publicist and writer, said he was disappointed with the verdict.

"Obviously this has been an emotional time for everybody," said Page, who was a part-time contributor to the Chronicle until earlier this year, when he moved to Gainesville, Fla.

The columns at issue accused Thomas of injecting politics into a case before the Illinois Supreme Court.

Page testified that confidential sources told him that Thomas pushed for a severe punishment of former Kane County State's Atty. Meg Gorecki in a disciplinary case but backed off after local Republican leaders agreed to support a judicial candidate he favored in an upcoming election.

But Page never revealed the sources of his information, and at the trial the newspaper could not produce a single witness to support the accusations.

Ultimately, the Illinois Supreme Court suspended Gorecki's law license for four months because she left an answering machine message for a friend suggesting a county government job could be obtained in exchange for political donations to a county official. An investigation uncovered no evidence of a jobs-for-campaign donations scheme. Page wrote that Thomas was "out for blood" in the Gorecki case and pushed for a lengthy suspension or disbarment until local politicians supported his candidate.

Thomas said the columns were false and sued over two of them, contending his reputation had been damaged so severely that his future earning potential was diminished.

Thomas' attorney, Joseph Power, asked the jury to award Thomas $17 million.

"All they had to do was print some sort of retraction," Power said.

Jurors decided quickly

The jury sided with Thomas on every count. After the trial, several jurors told reporters that they quickly determined that the columns published May 20, 2003, and Nov. 25, 2003, were false and published with malice.

After four hours of deliberations Monday night, jurors spent 4½ hours Tuesday deciding how much money to award Thomas. They found he should receive $1 million for lost potential future earnings, $1 million for the public humiliation he suffered, and $5 million for the damage done to his professional and personal reputations.

"To have your integrity questioned in front of your family and the world, that was the most important part," said juror Ken Sotera, 46, of St. Charles.

Juror Kelly Groves, 26, of Aurora, said the jury blamed the Chronicle more than Pagebecause the newspaper should have done more to verify the information.

"We all understand and respect confidential sources," Groves said. "We just feel if they would have done a little work they should have been able to substantiate this without confidential sources."

Power said Page's actions helped him prove the case.

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Power introduced into evidence an e-mail that Page sent to a spokesman for the Illinois Supreme Court that warned of a "nightmare of bad publicity" for the court if Thomas were allowed to influence deliberations in the Gorecki case. Power said the e-mail was a threat. Page said it was an innocuous attempt to get someone from the court to speak with him about the case.

Jury Finds That Columnist Acted With Malice And Awards Judge $7 Million (NYT)

By Katharine Q. Seelye

The New York Times, November 15, 2006

GENEVA, Ill., Nov. 14 — In a case that media lawyers say has broad implications for press freedoms, a jury here found Tuesday that a newspaper columnist falsely wrote in 2003 that the chief justice of the Illinois State Supreme Court had traded his vote for a political favor, and had acted with malice.

The chief justice, Robert R. Thomas, brought the case against Bill Page, a former columnist for The Kane County Chronicle, a 14,000-circulation daily here, about 40 miles west of Chicago.

The jury awarded Justice Thomas $7 million, with $5 million for damaging his reputation, $1 million for future economic losses and $1 million for humiliation. It is the second-largest award in the county's history, after a $21 million medical malpractice award this year, said F. Keith Brown, a circuit judge here.

The justice's lawyers said that Mr. Page had essentially accused him of official misconduct, a felony, when he wrote that he had traded his vote on a disciplinary case in exchange for political support for his favored candidate in a local judicial race.

"This sends a message to renegade journalists that this conduct will not be tolerated," said Joseph A. Power Jr., a lawyer for Justice Thomas.

The jury deliberated for nine hours. Ken Sotern, 46, a juror and merchandising manager, said that the jury wanted to send a message to the news media "to a degree," but that its main concern was to try to restore Justice Thomas's reputation.

The newspaper's lawyers said they were handicapped because the trial judge did not allow them to argue that as a columnist, Mr. Page was not held to the standards of a reporter. They said Mr. Page accurately reported information from his unidentified sources.

The lawyers said the verdict would have a "chilling effect" on coverage of public officials and could embolden other judges to file suit, particularly since the award was high.

Steve Rosenfeld, part of the defense team, said the verdict would most likely be appealed. But he said it would be tricky because Mr. Thomas, 54, a former place-kicker for the Chicago Bears, oversaw all judges, including the trial judge, Donald J. O'Brien Jr., who was brought in from Cook County, and the State Supreme Court justices, most of whom took the stand on his behalf.

The case was also significant because it prompted an appellate court to establish a judicial privilege in Illinois, allowing deliberations to be kept private, much like doctor-patient discussions.

Newspapers are sued frequently, but it is unusual for a judge to sue a newspaper. Of 397 complaints filed against the news media last year, judges and magistrates brought 25 of them, or 6 percent, according to the Media Law Resource Center.

Sandra Baron, executive director of the center, said it was not clear if such cases were increasing, but she said the verdict made the press more vulnerable while it is under attack "from almost every aspect of society" and the industry is in some economic turmoil.

"In the short run it looks as if the judge has vindicated his reputation," Ms. Baron said. "But in the long run, society will pay for his vindication when the media is reluctant to criticize those in high office in the wake of lengthy, bitter, expensive trials."

It is peculiar for a judge sue a newspaper, said Cameron Stracher, a co-director of the law and journalism program at New York University Law School, because judges are supposed to protect free speech.

"The courts were the last protector," Mr. Stracher said, "and now even the courts are suing."

The Kane County Chronicle's lawyers said that when a state's highest-ranking judge brought the case, he could wield as much influence as if he were sitting on the bench. Steven P. Mandell, a defense lawyer, said that most of the witnesses were beholden to the justice and that the defense had trouble getting witnesses and experts.

Jurors said that Justice Thomas's status made the case somewhat difficult but that they put it aside. "He's a guy just like anyone else," said one juror, Kelly Groves, 26, who deals with worker compensation claims.

Justice Thomas's lawyers said it was important for judges to be able to answer their critics. They said they understood that the suit would bring Mr. Page's columns to the attention of far more people than had seen them originally.

Mr. Power said the accusation of a felony damaged Mr. Thomas's reputation and could impede him in trying to join a prestigious law firm or being appointed to the United States Supreme Court. He said that though few people had seen the original columns, they could be converted into attack advertisements by anyone out to get Justice Thomas.

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Jurors said they were not bothered that Mr. Page used unidentified sources, but wished there had been some confirmation of what they said. Without that, and without seeking a response from the justice before publication, the jurors said, the newspaper appeared to act recklessly.

Rick Shaw, 50, a juror and an engineering manager, said of the charges of vote-trading, "We were O.K. with confidential sources, but if it was so widespread, someone should have confirmed the facts."

Wal-Mart Sued Over Food Labels (WP)

By Ylan Q. Mui, Washington Post Staff Writer

The Washington Post, November 15, 2006

An activist group representing small farmers has filed a complaint with the U.S. Department of Agriculture, alleging that Wal-Mart Stores Inc. incorrectly labeled several products as organic.

The retailer recently began expanding its assortment of organic foods as part of an effort to attract wealthier, more urban customers. In a statement yesterday, Wal-Mart defended its program and questioned the intentions of the group, called the Cornucopia Institute.

In an e-mail, Wal-Mart spokeswoman Karen A. Burk wrote "it's hard to take their claims seriously" and said one of the group's founders, Mark Kastel, had worked for a Wal-Mart rival. Kastel was a consultant for Organic Valley, a national farming cooperative that competes with several of Wal-Mart's suppliers. Kastel said he has severed professional ties with the co-op, though he declined to comment on whether it donated money to Cornucopia.

In its letter to the National Organic Program, an arm of the USDA, Cornucopia said that at several stores, Wal-Mart had incorrectly labeled Stonyfield Farm all-natural yogurt as organic. It also said several stores had included non-organic products such as tofu, egg-roll wrappers and juice in a cooler designated for organic produce.

"We were actually surprised to find these labeling errors and surprised to find them across the board," Kastel said.

Burner Concedes; Conn. Count Near End (RC)

By Nicole Duran

Roll Call, November 15, 2006

Political neophyte Darcy Burner (D), who came closer to knocking off first-term Rep. Dave Reichert (R-Wash.) than most political analysts anticipated, conceded to the former King County sheriff on Tuesday.

Her decision left nine House races — including the tantalizingly tight 2nd district in Connecticut — still officially unresolved one week after Election Day.

Burner, a former Microsoft manager, called Reichert on Monday night to congratulate him on a hard-fought campaign in the Evergreen State's 8th district. During a news conference Tuesday she made it clear that she would not seek a recount or challenge the 51 percent-to-49 percent result, even though some 20,000 absentee ballots have not been counted yet.

Burner did say that her campaign will continue to monitor the vote-counting process, however, leaving open the extremely unlikely possibility that Reichert's lead could eventually shrink enough to trigger an automatic recount under state law.

The victor must win by fewer than 2,000 votes and the difference between the two candidates' totals must be less than one half of 1 percent to trigger a recount.

Reichert's lead extended to 4,727 votes as of Tuesday.

"Darcy Burner really ran the kind of campaign that inspires supporters and leaves a lasting impression with voters in the district," said Kate Bedingfield, a spokeswoman for the Democratic Congressional Campaign Committee.

Meanwhile, the results of the much-closer contest in Connecticut's 2nd district should be known this morning.

Former state Rep. Joe Courtney (D) clung to a 90-vote lead over Rep. Rob Simmons (R-Conn.) early Tuesday evening.

Courtney's 167-vote lead on Election Day was narrow enough to trigger an automatic recount. All of the 65 towns in the district were expected to finish re-checking their tallies late Tuesday night. At press time, five towns had yet to finish their recounts.

Courtney's lead has gone up and down since the recount began, at one point shrinking to just 66 votes.

Both candidates have until Nov. 21 to petition the Connecticut Supreme Court for a second recount, the cost of which would be born by the candidate who requests it.

Simmons has not said what he will do if he comes up short again this morning.

Courtney declared victory last week and came to Washington, D.C., this week for freshman orientation.

Simmons has not conceded.

In Florida, which is once again home to the most controversial outcome of a federal election, a Sarasota circuit court judge on Tuesday granted Democrat Christine Jennings' request to impound electronic voting machines used in Sarasota County.

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In the open-seat contest to succeed Rep. Katherine Harris (R) in the Sunshine State's 13th district, Sarasota County produced an unusually high number of "undervotes" — ballots that leave some races blank. More than 18,000 ballots did not record a preference in the matchup featuring Jennings, a bank executive and Vern Buchanan (R), a car dealer. Jennings and many voters blame new touch-screen voting machines for the discrepancy.

Preliminary results had Buchanan edging out Jennings by 373 votes, a margin small enough to trigger an automatic recount.

The recount got under way Monday. The undervote problem prompted a state audit and has caused two watchdog groups to call for a new election in the district.

The state audit was set to begin today, but the judge's decision delays it until at least Thursday, giving all concerned parties time to reach an agreement on the process for the audit.

Jennings' decision to go to court shows that her campaign does not trust local or state officials, including the secretary of state. That distrust could stem from the disputed 2000 presidential election and then-Florida Secretary of State Harris' role in it.

Jennings has not conceded, and both she and Buchanan were on Capitol Hill this week for freshman orientation.

In North Carolina's 8th district, teacher Larry Kissell (D) is ready to ask for a recount in his close contest with Rep. Robin Hayes (R).

More than 1,400 provisional ballots should be counted by Friday. In a news release Tuesday, Kissell said a recount is "inevitable" and that he is ready to demand a "hand-eye" recount to challenge the results that currently show Hayes leading by 462 votes.

Kissell also has not conceded.

Other races that remain officially unresolved — though their results are unlikely to change — are in Georgia's 8th and 12th districts, New Mexico's 1st district, Ohio's 2nd and 15th districts and Wyoming's At-Large seat. Democratic incumbents lead in the two Georgia districts, while GOP incumbents are ahead in the other states.

Signs Of Democratic Takeover Were Hard To Miss (MCT)

By Steven Thomma

McClatchy Newspapers, November 15, 2006

WASHINGTON - Karl Rove must read polls through red-colored glasses.

That might explain why two weeks before Election Day he snapped at a reporter who dared suggest that he saw trouble in the polls for the Republicans.

"I'm looking at 68 polls a week," Rove, the president's political strategist, chided a National Public Radio reporter. "You may be looking at four or five public polls a week that talk about attitudes nationally but that do not impact the outcome of individual races.

"I'm looking at all of these . . . and adding them up. I add up to a Republican Senate and Republican House . . .You are entitled to your math and I'm entitled to THE math."

Well, Rove was wrong. His math wasn't THE math. Maybe it was what George W. Bush once called "fuzzy math."

For the rest of us, the numbers had been adding up for more than a year.

Take, for example, McClatchy's reporting as early as May 2005 that the tide had turned against Republicans, that congressional scandals, violence in Iraq and Republican overreaching were creating a toxic political environment like the one that shadowed the Democrats in 1993 - the year before they were swept from power.

Or our October 2005 analysis that Republicans feared a wave of anger like the 1994 tsunami that washed the Democrats away. "It's worse today," Republican strategist Frank Luntz said then.

Or reporting from around the country last March that revealed a dispirited Republican base, frustrated and angry over federal spending and illegal immigration.

Then came McClatchy-MSNBC polling of key Senate races this fall, conducted by the respected Mason-Dixon Polling & Research, Inc. While Rove was right that many media polls surveyed the entire country - and missed on-the-ground differences - he seemed to ignore the work by Mason-Dixon, which specializes in state-by-state research.

Our first poll, released Oct. 2, found that Democrats were in position to gain six seats and win control of the Senate. Democrats did not trail in any battleground state; Republicans did not lead in any. Many analysts by then were writing that Democrats might take control of the House of Representatives, but most called the Senate out of reach.

Our second series of polls, released Oct. 24, found Republicans holding narrow leads in Tennessee and Virginia and close in Missouri - suggesting a Southern battleground would decide Senate control.

Our final wave of polls, released Nov. 5, showed a close contest for the Senate, with Republicans gaining in two overlooked states, Montana and Rhode Island, and pulling away to a 12-point lead in Tennessee.

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Some readers didn't like that. One compared me to Nazis. Another suggested I should die. None argued with the numbers, just the writer. But the analysis focused on the newest information - growing Republican chances to hold two states widely written off as lost.

Our partner, MSNBC, went farther. Its headline: "Polls: GOP looks likely to keep Senate control."

Our final polls came very close to what happened on Election Day. Eleven of our 12 state-poll results were within the margin of error, which was plus or minus 4 percentage points. That means you can add or subtract the four points for either candidate, for a total possible swing range of eight points. Most of our polls were much more on target than that.

In Arizona, we showed the Republican up by 8 percentage points; he won by 9.

In Maryland, we showed a 3-point lead for the Democrat. He won by 11 points, exactly at the outside edge of our poll's margin of error.

In Missouri, we showed a 1-point lead for the Democrat. She won by 1 point.

In Montana, we showed a tie. The Democrat won by 1 point.

In New Jersey, we showed 7-point lead for the Democrat. He won by 8.

In Ohio, we had the Democrat ahead by 6; he won by 12.

In Pennsylvania, we had the Democrat up by 13; he won by 18.

In Rhode Island, we had the Republican up by 1 point; the Democrat won by 6.

In Tennessee, we had the Republican up by 12; he won by 3 - or 1 point outside the margin of error.

In Virginia, we had the Democrat up by 1; he won by less than 1 percentage point.

In Michigan, we had the Democrat with a 16-point lead; she won by 16.

In Washington, we had the Democrat with a 16-point lead; she won by 19.

"We did pretty good," said Mason-Dixon pollster Brad Coker. "The only two states that anybody would call into question would be Rhode Island and Tennessee. That had lot to do with the timing."

He said both polls found a bump in Republican support after Democratic Sen. John Kerry of Massachusetts suggested that U.S. soldiers in Iraq are uneducated. That bump had disappeared by Election Day, and with it the Republicans' last chance to keep the Senate and prove Rove right.

Conservatives In Denial (WP)

By Harold Meyerson

The Washington Post, November 15, 2006

On their journey through the stages of grief, conservatives don't yet seem to have gotten past denial.

Republicans may have lost, conservatives argue, but only because they misplaced their ideology. "[T]hey were punished not for pursuing but for forgetting conservatism," George F. Will, conservatism's most trenchant champion, wrote on this page last week.

Their mortal sin, in this gospel, was their abandonment of fiscal prudence.

They doffed their green eyeshades and gushed red ink. "The greatest scandal in Washington, D.C., is runaway federal spending," said Indiana Rep. Mike Pence, the true-blue conservative who is challenging Ohio's John Boehner for the post of House Republican leader.

Holding conservatism blameless for last week's Republican debacle may stiffen conservative spines, but the very idea is the product of mushy conservative brains unwilling to acknowledge the obvious: that conservatism has never been more ascendant than during George Bush's presidency; that the Republican Party over the past six years moved well to the right of the American people on social, economic and foreign policy; and that on Nov. 7 the American people chose a more pragmatic course.

After all, it wasn't just the president's war that was driven by right-wing ideologues. Particularly in the past two years, Republican economics, too, was shaped by ideology. The president's proposal to privatize Social Security was the brainchild of right-wing think tanks and the financial institutions that yearned to sell all those annuities. It never penciled out, and all sober analysis concluded that its chief effect would be to imperil retirement security itself. By nonetheless making it the signature domestic issue of his second term, George Bush again stamped himself a true believer and as indifferent in economic policy as he was in foreign policy to such vulgar trivialities as facts.

Of course, one way conservatives defend the faith is to argue that the conservatism of contemporary Republicanism isn't really conservatism at all. The invasion of Iraq, in this telling, was the handiwork of Wilsonian interlopers who had strayed unaccountably into Republican ranks one night when the barn door was left ajar. But in fact the invasion of Iraq and the doctrine of preventive war have a sterling conservative pedigree; they were handed down from the right-wingers in the early years of the

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Cold War who rejected the strategy of containing communism and argued instead for rolling it back (an idea that Dwight Eisenhower considered sheer madness).

As well, conservatives at both ends of Pennsylvania Avenue saw the war in Iraq as a way to gain a political advantage over the Democrats, who had backed the war in Afghanistan but who could be pilloried as appeasers for failing to grasp the need to roll into Baghdad. To argue that Iraq was not the conservatives' war requires expunging every congressional vote, administration speech and talk show rant of the past four years.

Besides, when Americans think of isms, they think -- at least they think first -- of how liberals and conservatives stand on social issues. A liberal backs abortion rights and gun regulations; a conservative wants to ban abortions and legalize all guns. By that measure, what has defined conservatism in the popular mind over the past couple of years has been its willingness to enlist government to block stem cell research, stop the teaching of evolution and supersede the duties of Terri Schiavo's husband.

This may be a conservatism that makes libertarians cringe, but it is the conservatism that dominates the Republican Party we have. Republicans generally and conservatives particularly have profited mightily from the rise and politicization of fundamentalism over the past few decades. The decimation of Republican moderates from the Northeast and Midwest in last week's elections came at the hands of centrist and independent voters who'd had it with the Southernized religious conservatism of the Republicans' base -- and with its moderate Republican enablers.

Finally, conservatives argue that the newly elected Democrats are really conservatives, too -- proof that the ideology is in no need of a tuneup. It's true that some of the Democrats take conservative positions on guns and abortion. But it's also true that virtually all the new Democrats look askance at free trade, want to raise the minimum wage and back a bigger role for government in making health care more affordable.

At a time when corporations abandon their employee benefits, globalization depresses wages, and individuals are compelled to shoulder more and more risk, the last thing Americans need is a government that tells them -- as it told their countrymen in New Orleans last year -- they're on their own.

That's why Republicans just ran a campaign devoid of new ideas. In a laissez-faire world that already induces anxiety and that becomes more laissez-faire with each passing day, who needs a laissez-faire party? Conservative, heal thyself.

Election Signals Decline Of Old School Liberalism (USAT)

By Kirsten Powers, By

USA Today, November 15, 2006

It's more glacial shift than radical revolution, but change is afoot in the Democratic Party.

In a low point in Democratic Party history, Pennsylvania Gov. Bob Casey was banned from speaking at the 1992 Democratic Convention for being opposed to abortion rights. This year, his son, Bob Casey Jr., who holds the same views, was actively recruited by that same Democratic Party and unseated Sen. Rick Santorum, R-Pa.

This was a welcome move in a party that is home to vocal and organized far-left activists and bloggers who have grown increasingly shrill and threatening toward moderate and conservative Democrats. They also have excoriated former president Bill Clinton's brand of centrist politics. They argue for “party discipline,” best exemplified by their jihad against Connecticut's Sen. Joe Lieberman for deviating from the party line on the Iraq war. During the past election for Democratic National Committee chair, delegates booed former congressman Tim Roemer of Indiana because he, too, opposes abortion rights.

Yet, without centrist Democratic candidates, it would have been President Bush and GOP strategist Karl Rove celebrating last week. More than half of the new House members will join the New Democrat Coalition or the Blue Dog Coalition caucuses, known for their fiscal responsibility, business-friendly stance and generally more socially conservative views. While most criticized the war, few have called for an immediate withdrawal.

In addition to running fiscally responsible candidates, the Democratic Party appealed to the vital center by slaying a few of old school liberalism's sacred cows: aggressive secularism and intolerance of anti-abortion views. Yes, the war was a major issue. But it was critical that Rep. Rahm Emanuel of Illinois and Sen. Charles Schumer of New York — who ran the campaign committees — recruited candidates palatable to conservative or moderate voters who wanted to send a message about the war, but who didn't want to compromise on beliefs about abortion, gay marriage or the role of religion in public life.

Earlier this year, Sen. Barack Obama, D-Ill., found himself on the receiving end of left-wing rage when he urged the party to be more open to people of faith and their views. He was on to something. Many successful Democratic candidates spoke about their faith.

In North Carolina, Democrat Heath Shuler ran as a born-again Christian who opposes abortion. Pro-gun Brad Ellsworth, who opposes abortion and favors an amendment banning gay marriage, will be a new representative from red-state Indiana. Rep. Ted Strickland, a United Methodist minister, became the first Democrat to win as governor in Ohio in 20 years.

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The liberal evangelical minister Jim Wallis, who counsels Democrats, characterized these elections — perhaps too optimistically — as the end of not just the religious right's power but also of the secular left's political dominance.

For years, Democrats have quietly won governorships and statehouses in red and purple states by running candidates who shared the values of voters in their state, not the beliefs of the coastal intelligentsia. It turns out even in blue states, voters like centrist politics. After liberal anti-war candidate Ned Lamont's

primary defeat of Lieberman, left-wing activists and bloggers declared ideological victory and bragged that they had forced Lieberman out of the party for not being a "real Democrat."

Eli Pariser, executive director of left-wing MoveOn.org, penned a premature eulogy for centrist politics in The Washington Post, ridiculing the "perennial pundit nattering about moving the party too far to the left." A few months later, centrist Lieberman beat Pariser's liberal candidate in one of the bluest states in the country — and centrist and conservative Democrats helped usher in a Democratic Congress.

Kirsten Powers was a political appointee in the Clinton administration; she now writes the blog www.Powers-Point.com.

What's Right With Kansas (NYT)

The New York Times, November 15, 2006

It would be remiss to finish the election post-mortems without noting a major shift in the nation's heartland. Kansas — lately considered the reddest of red states — emerged from the election as a bastion of moderation.

Just two years after President Bush carried the state by 25 percentage points, Kansas voters rebelled against continued domination of the state's politics by the sharply conservative state Republican Party. The Democratic Party posted major gains, including some by former Republicans who switched parties.

The moderate Democratic governor, Kathleen Sebelius, received a whopping 58 percent of the vote to secure her re-election. Three moderate Republicans holding statewide jobs also won easy re-election, two of them after beating back conservative challengers in the primary. And two of the four people elected to the House of Representatives were Democrats, a result that would have seemed inconceivable not too long ago.

Victories by moderate Democrats and Republicans ended conservative control of the Kansas State Board of Education, which tried to replace evolution with creationism in public school classrooms.

And for us, one of the most satisfying results was the resounding defeat of Attorney General Phill Kline, an anti-abortion zealot who gained national notoriety by misusing his office to further his ideology. He tried to force health care workers to file reports on the sexual activity of teens, and to seize women's confidential medical records. That gross assault on privacy and legal rights was a major issue in the campaign. The 58-to-42 landslide that elected a former Republican, Paul Morrison, was a victory for moderation and the rule of law.

Help Wanted: Democrats (WSJ)

By Brody Mullins

The Wall Street Journal, November 15, 2006

WASHINGTON -- When cable news channels projected that Democrats would win control of the House, the crowd roared at the party's official election-night party here.

California Rep. Nancy Pelosi was introduced as the first female speaker of the House. Mrs. Pelosi, in turn, drew an ovation when she referred to Nevada Democratic Sen. Harry Reid as the next Senate majority leader, even though it would take another day for the election results to become known.

Another winner that night was David Bolger, who exchanged high-fives with other Democrats, as the crowd applauded the party leaders. Mr. Bolger isn't a lawmaker or a congressional aide. He is a Democratic lobbyist.

After more than a decade of Republican rule in Washington, Democratic lobbyists have a lot to celebrate. Just a week after Election Day, they are getting promotions and signing up new clients.

When Republicans took over Congress in 1994, most lobbyists were Democrats. Although the power shift would ultimately have resulted in increased numbers of Republican lobbyists, the party leadership set out to accelerate the process. Republicans pressured corporations and lobbying firms to hire Republicans, and Republican lawmakers, such as former Rep. Tom DeLay of Texas, told businesses that he would speak only with Republican lobbyists. Mr. DeLay was instrumental in a strategy called the K Street Project, which pressured corporations to hire hundreds of Republican lobbyists.

Five years ago, Mr. Bolger was a victim of the K Street Project. After the 2000 election, the trade group where Mr. Bolger worked in the communications office, the U.S. Telecom Association, replaced its president, Democrat Roy Neel. Mr. Bolger lost his job in the change.

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Now Democrats like Mr. Bolger, 44 years old, expect opportunities to pick up, as their effectiveness is likely to rise on Capitol Hill. The benefits from the change in the congressional majority will take months for Democratic lobbyists to chart. But already there are indications that ties to Democratic lawmakers are a valuable currency among those whose work will include lobbying the 110th Congress.

On Election Day, private-equity firm Svoboda, Collins LLC, Chicago, announced that it had purchased a majority stake in Washington's largest all-Democratic lobbying and public-relations firms, the Glover Park Group, which posts annual revenue of more than $30 million. Both firms declined to disclose the size of the investment.

"Suddenly, people are taking a fresh look at us," says Michael Feldman, a Glover Park partner and a White House aide in the Clinton administration. Other partners include Carter Eskew, chief strategist for Al Gore's presidential campaign; Joe Lockhart, a White House spokesman for President Clinton; and Howard Wolfson, a top adviser to Sen. Hillary Clinton (D., N.Y.).

Another Democratic lobbyist, John Raffaelli, decided to leave the firm he established years ago, the Washington Group, and start a new one. "This is a unique opportunity for Democrats to open up new ventures because for many years, particularly with the K Street Project, it was very difficult for Democratic lobbyists to operate."

Two years ago, Democrat Julie Domenick left her post as chief lobbyist for the Investment Company Institute, the mutual-fund trade association, after reports that congressional Republicans pressured the industry to replace her with a Republican. She moved to the lobbying firm founded by former Republican Rep. Tom Loeffler of Texas, where she represents the mutual-fund industry. With Democrats back in control, Ms. Domenick now is in discussions with the lobbying firm about taking a higher profile role.

Ms. Domenick says that it should "become abundantly clear that companies will now need people with impeccable Democratic credentials, who have strong relationships with the new Democratic majority...and that means Democrats, especially those who supported the party during its long decade of dark days."

Paul Equale, a Democrat, says he was pushed out of his job as the top lobbyist for the Independent Insurance Agents of America and replaced by a Republican in 2001. Since then, Mr. Equale has run a small consulting firm advising financial-services firms on how to deal with Washington.

Now, Mr. Equale says, he is seeing the benefits of the Democrats' return to power. "It's the functional equivalent of flirting. People call and find out if I have the availability to go out on a date," he says. "Just like dating, there will be a number of relationships that deepen."

Democratic lobbyists say they don't plan retribution against the Republicans who pushed them out of jobs. But they predict that some companies that hired many Republicans will now hire Democrats to balance their lobbying teams.

"A lot of people got spooked by Tom DeLay and hired a lot of Republicans and those people are going to have the hardest time," says Steve Elmendorf, a Democratic lobbyist who is close to Mrs. Pelosi.

Democratic lobbyists may find their own set of problems. Mrs. Pelosi and Mr. Reid won control of Congress in part by campaigning against a "culture of corruption" in Washington and by highlighting the close ties between some Republicans and corporate lobbyists. Now, the newly empowered Democratic leaders on Capitol Hill promise to approve legislation early next year that will tighten restrictions on lobbyists. "The lobby reforms are going to give some people on the Democratic side a little heartburn," Mr. Equale says.

For now, Democrats like Mr. Bolger are still savoring their Election Day victory. Mr. Bolger, who served in the Clinton administration as a spokesman for the Federal Railroad Administration, joined the trade association for the local phone industry in the late 1990s.

When he lost his job in 2001, the U.S. Telecom Association gave him a six-month severance package. In January 2002, he landed a job in the Washington office of United Parcel Service Inc., where he is a lobbyist and spokesman. Mr. Bolger has continued to donate to Democratic candidates for Congress and in the 2004 presidential election he took a leave of absence to work for the campaign of Sen. John Kerry, the Massachusetts Democrat.

Mr. Bolger, who plans to remain at UPS, says, "What has changed just in the last week is that there are greater opportunities for people who have worked on the Democratic side. It's a unique opportunity that Democrats haven't seen in 12 years."

As Guard Changes In Congress, Lobbyists Scramble (NYT)

By Jeff Zeleny

The New York Times, November 15, 2006

WASHINGTON, Nov. 14 — Republicans do not cede control of Congress for nearly two months, but money, power and influence are already beginning to change hands. The political economy, at least here in the capital, is humming for Democrats.

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Democratic lobbyists are fielding calls from pharmaceutical companies, the oil and gas industry and military companies, all of which had grown accustomed to patronizing Republicans, as the environment in Washington abruptly shifts.

Take, for example, Vic Fazio, a California Democrat who rose through the ranks of Congress and reveled in the majority for all but 4 of his 20 years in office. In his second career as a lobbyist, Mr. Fazio did not experience the pleasures of Democratic rule — until now. Suddenly he is in demand.

For Mr. Fazio, who is close to Representative Nancy Pelosi, the California Democrat who is set to become House speaker, the power switch is, quite simply, good for business. Companies are scrambling to fortify lobbying teams with well-connected Democrats.

While Mr. Fazio declined to divulge his still-evolving list of prospective new clients at the law firm Akin Gump Strauss Hauer & Feld, he said he intended to bring in Democratic reinforcements to cover the load. "I'll just have more to do and have a little more help to do it," he said.

The Republican Party lost its grip on Congress and is now bracing to lose its hold over K Street, the bustling corridor that has become synonymous with the lobbying industry. The so-called K Street Project, an effort engineered by Republicans to dominate the trade, is unraveling, and Democrats say they intend to pass sweeping reforms rather than reverse the project for their benefit.

Democrats say the changing of the guard provides a raft of opportunities, second only to winning the presidency.

Former members of Congress who left Washington have placed confidential calls to headhunters, wondering whether firms are hiring. (They are.) Former staff members have fielded inquiries from lobbying shops that have an urgent need for people with current contacts and old relationships with Democratic leaders. One prominent lobbyist said a former Senate aide was offered a starting salary of $500,000.

Though this is the moment Democrats have been craving — winning a majority so they can help shape politics and policy — some senior aides are now tempted to leave Capitol Hill to become lobbyists and potentially quadruple their salaries. At the same time, some Republicans began receiving materials on unemployment benefits this week as the party sheds thousands of jobs, relinquishing staff committee assignments and leadership posts in both chambers for the first time in 12 years.

"If you're a Democrat, it's a good time to be looking for work," said David Urban, a Republican who is the managing director of American Continental Group, a bipartisan lobbying firm. "For Republicans, there is a little bit of panic that sets in when people realize they have to move out of their office into a cubicle."

At the offices of Tongour Simpson Holsclaw, a Republican firm, an unusual number of Democrats have been calling in recent days. The phones began ringing after the company's founder was quoted in Roll Call, a Capitol Hill newspaper, saying it was "a seller's market for Democratic staffers." It was, said Mike Tongour, as though he had placed a giant help-wanted ad.

"Several Democrats said, 'I hear you are interested in expanding your firm,' " Mr. Tongour said, recalling his post-election conversations with several senior Democratic aides. "You got the sense that they are going to be asking for premiums."

Even though most firms are bipartisan, the shift in the balance of power has resulted in a shift of responsibilities between Republicans and Democrats.

"I've told my Democratic partners it's time for them to buy some suits," said Wayne Berman, a well connected Republican lobbyist. "I went out and bought two new fishing rods and looked into yoga classes."

He was joking, sort of.

Even before Election Day, the pharmaceutical industry hired Democrats to bolster its public relations efforts, hoping to ease the blow if Republicans lost their majority and Democrats followed through on pledges to let the government negotiate prescription drug prices.

"You literally have to create war games to plan for worst-case scenarios," said Ken Johnson, the vice president for government affairs at the leading trade association for drug companies. "We've got a lot of friends on the Democratic side, but clearly we need some more."

Acquiring those friends, however, may not be easy.

Steve Elmendorf, a longtime senior adviser to former Representative Richard A. Gephardt who began working as a lobbyist at Bryan Cave Strategies in 2005, said Democrats in the House and the Senate would operate differently.

"The Republicans' view of lobbying is we give people money, we buy them lunch and then go up and tell them what to do," said Mr. Elmendorf, whose client roster included Shell Oil and Ford before the election and has grown since then. "We go in and make public policy arguments. The business community is going to have to reorient their view."

As Democrats prepare for January, implications of a change in power extend across Washington.

Lawyers say they expect their business to increase if House Democrats follow through on their pledge to investigate the Bush administration. Real estate agents paid careful attention to the election results, too, sending welcome packets to newly elected Democrats.

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"Because both the House and the Senate went to the Democrats, there will be a new wave and new energy," said Michael Rankin, managing partner of the Washington office of Sotheby's International Realty. "A lot of people from around the country will be coming to Washington."

Ivan Adler, who oversees lobbyist headhunting in the Washington office of the McCormick Group, an executive search firm, said he had received calls from former members of Congress and others outside Washington "inquiring what the job market is like in the new Democratic world." Mr. Adler declined to name them, citing confidentiality requirements, but he conceded that not all would make good lobbyists.

"They are all popcorn in the pan — some pop and some don't," Mr. Adler said. "Hopefully you pick ones that would pop."

Though the supply and demand of lobbyists is shifting, well-connected Republicans have hardly been put out of work, particularly given the narrow majority in the Senate. Many lobbying firms, recoiling from a year of controversy and scandal, sell continuity as the most valued asset.

"As we move into a new Congress, people are wiser and they learn to distrust quick fixes," said Nick Allard, a Democratic lobbyist at Patton Boggs, the city's largest firm. "That's one reason why the lobbying scandal fell apart like a political Ponzi scheme: it oversold the notion of political access."

Two days after the election, when it first became clear that the levers of power were shifting, a team of lobbyists at Patton Boggs prepared an analysis of what its clients could expect from a Democratic takeover.

To place the change of power in perspective and to lighten the mood, they opened with the timeless tale from Dr. Seuss: "If I ran the zoo."

Despite Big Win, Dems' Message Control Still Needs Fine-tuning (HILL)

By Aaron Blake

The Hill, November 15, 2006

Asked on NBC's "Meet the Press" on Sunday what the American public was trying to tell Republicans in last week's election, Sen. John McCain (R-Ariz.) said he believed the message was: "That we came to Washington to change government, and government changed us."

If those words sound familiar, it's because they might as well have been read straight off a Democratic talking-points memo. McCain's choice of words was a near-verbatim pull from a slogan Democrats have been using for more than a year.

The phrase has long been a favorite of Democratic Congressional Campaign Committee (DCCC) Chairman Rahm Emanuel (Ill.) and also was used by the campaign of Ohio 1st District Democratic challenger John Cranley.

When a politician repeats an opponent's slogans, that's supposedly a positive sign for the opponent, an indication that the phrase has made its way into the political lexicon. But experts say Democrats made only marginal progress this cycle on their much-hyped goals of improving their message control and employing more effective language.

After the 2004 election, Democrats turned to University of California-Berkeley linguistics professor George Lakoff, whose guidance they hoped would help them frame messages better and elicit more favorable responses from the American public, much as Republicans did in 1994 with their Contract with America.

Yet even after the Democratic victories last Tuesday, Lakoff said Democrats are making fewer mistakes but still have yet to articulate a vision of what it means to be a Democrat, something they need to establish soon in preparation for 2008.

"The conservatives came in in 1994 with an understanding of who they were and what they were about and what their long-term vision was, and that's not happening here," Lakoff said, adding that individual Democratic candidates such as Montana Sen.-elect Jon Tester and North Carolina Rep.-elect Heath Shuler are exceptions.

"It's not just a one-liner; it's not just a slogan. There's a set of principles, there's an idea about the moral mission of a Democrat … that has to be put out there."

Lakoff and others agree that the Republicans' onetime strength in the messaging department fell apart this election, most notably when Democrats used President Bush's "stay the course" mantra against him. Eventually, even Bush, who had used it for years, disavowed the phrase.

But whatever Republicans lost in this arena was almost exclusively a result of their own doing and the political realities that have emerged on issues like the war in Iraq, as opposed to Democratic progress on the message front, said Geoffrey Nunberg, a professor at Berkeley's School of Information and author of "Talking Right," a book about the Republicans' linguistic dominance.

Nunberg said Democrats basically didn't use language at all, instead simply recycling slogans that restated a "throw the bums out" theme. The results were slogans such as "Together, America Can Do Better," "A New Direction for America," and "Had Enough?"

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Republicans, meanwhile, have tried for the last few years to float too many slogans about the war on terror, and "stay the course" fell flat because of the ongoing death tolls in Iraq, not Democrats' strategic successes, he said.

Democrats did succeed in one major way: They made it clear they weren't Republicans, Nunberg said, but that isn't likely to work in 2008.

"It was the most successful exercise in negative self-identification since 7UP billed itself as the Un-cola," Nunberg said. "And, at the same time, the linguistic machine of the Republicans had the ultimate unraveling."

"The more pithy and memorable [the slogans] were, the more they come back to haunt Republicans when it turns out that language doesn't correspond to reality," he continued. "You can't keep doing that."

Emanuel echoed Nunberg the day after the election when talking about the Democrats' national security strategy. He said Republican phrases like "they stand up, we stand down" and "cut and run" weren't working and showed the American public that Republicans had slogans instead of strategies.

The DCCC chairman also said Republicans' bid to associate Democratic challengers in conservative districts with soon-to-be House Speaker Nancy Pelosi (D-Calif.) failed. The Democrats won in four districts where the Republicans ran ads invoking Pelosi and trumpeting her "San Francisco values," by which they meant extreme liberalism.

Emanuel praised Democrats' efforts to attach the adjective "rubberstamp" to many Republicans who were too closely aligned with Bush.

"It became a national identity for the Republican Party and the Republican Congress," Emanuel said. "And they paid a price for their blind loyalty to the president."

Nunberg said the "rubberstamp" strategy was another example of something that worked because of the current environment but can't be counted on in the next election.

"None of that's operative in 2008," he said. "I don't think any of that stuff is going to matter much from here on in."

American Workers Have A Chance To Be Heard (WSJ)

By Jim Webb

The Wall Street Journal, November 15, 2006

The most important -- and unfortunately the least debated -- issue in politics today is our society's steady drift toward a class-based system, the likes of which we have not seen since the 19th century. America's top tier has grown infinitely richer and more removed over the past 25 years. It is not unfair to say that they are literally living in a different country. Few among them send their children to public schools; fewer still send their loved ones to fight our wars. They own most of our stocks, making the stock market an unreliable indicator of the economic health of working people. The top 1% now takes in an astounding 16% of national income, up from 8% in 1980. The tax codes protect them, just as they protect corporate America, through a vast system of loopholes.

Incestuous corporate boards regularly approve compensation packages for chief executives and others that are out of logic's range. As this newspaper has reported, the average CEO of a sizeable corporation makes more than $10 million a year, while the minimum wage for workers amounts to about $10,000 a year, and has not been raised in nearly a decade. When I graduated from college in the 1960s, the average CEO made 20 times what the average worker made. Today, that CEO makes 400 times as much.

In the age of globalization and outsourcing, and with a vast underground labor pool from illegal immigration, the average American worker is seeing a different life and a troubling future. Trickle-down economics didn't happen. Despite the vaunted all-time highs of the stock market, wages and salaries are at all-time lows as a percentage of the national wealth. At the same time, medical costs have risen 73% in the last six years alone. Half of that increase comes from wage-earners' pockets rather than from insurance, and 47 million Americans have no medical insurance at all.

Manufacturing jobs are disappearing. Many earned pension programs have collapsed in the wake of corporate "reorganization." And workers' ability to negotiate their futures has been eviscerated by the twin threats of modern corporate America: If they complain too loudly, their jobs might either be outsourced overseas or given to illegal immigrants.

This ever-widening divide is too often ignored or downplayed by its beneficiaries. A sense of entitlement has set in among elites, bordering on hubris. When I raised this issue with corporate leaders during the recent political campaign, I was met repeatedly with denials, and, from some, an overt lack of concern for those who are falling behind. A troubling arrogance is in the air among the nation's most fortunate. Some shrug off large-scale economic and social dislocations as the inevitable byproducts of the "rough road of capitalism." Others claim that it's the fault of the worker or the public education system, that the average American is simply not up to the international challenge, that our education system fails us, or that our workers have become spoiled by old notions of corporate paternalism.

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Still others have gone so far as to argue that these divisions are the natural results of a competitive society. Furthermore, an unspoken insinuation seems to be inundating our national debate: Certain immigrant groups have the "right genetics" and thus are natural entrants to the "overclass," while others, as well as those who come from stock that has been here for 200 years and have not made it to the top, simply don't possess the necessary attributes.

Most Americans reject such notions. But the true challenge is for everyone to understand that the current economic divisions in society are harmful to our future. It should be the first order of business for the new Congress to begin addressing these divisions, and to work to bring true fairness back to economic life. Workers already understand this, as they see stagnant wages and disappearing jobs.

America's elites need to understand this reality in terms of their own self-interest. A recent survey in the Economist warned that globalization was affecting the U.S. differently than other "First World" nations, and that white-collar jobs were in as much danger as the blue-collar positions which have thus far been ravaged by outsourcing and illegal immigration. That survey then warned that "unless a solution is found to sluggish real wages and rising inequality, there is a serious risk of a protectionist backlash" in America that would take us away from what they view to be the "biggest economic stimulus in world history."

More troubling is this: If it remains unchecked, this bifurcation of opportunities and advantages along class lines has the potential to bring a period of political unrest. Up to now, most American workers have simply been worried about their job prospects. Once they understand that there are (and were) clear alternatives to the policies that have dislocated careers and altered futures, they will demand more accountability from the leaders who have failed to protect their interests. The "Wal-Marting" of cheap consumer products brought in from places like China, and the easy money from low-interest home mortgage refinancing, have softened the blows in recent years. But the balance point is tipping in both cases, away from the consumer and away from our national interest.

The politics of the Karl Rove era were designed to distract and divide the very people who would ordinarily be rebelling against the deterioration of their way of life. Working Americans have been repeatedly seduced at the polls by emotional issues such as the predictable mantra of "God, guns, gays, abortion and the flag" while their way of life shifted ineluctably beneath their feet. But this election cycle showed an electorate that intends to hold government leaders accountable for allowing every American a fair opportunity to succeed.

With this new Congress, and heading into an important presidential election in 2008, American workers have a chance to be heard in ways that have eluded them for more than a decade. Nothing is more important for the health of our society than to grant them the validity of their concerns. And our government leaders have no greater duty than to confront the growing unfairness in this age of globalization.

Mr. Webb is the Democratic senator-elect from Virginia.

Two Years Till Election Day, And The Race Is On (CSM)

By Linda Feldmann

The Christian Science Monitor, November 15, 2006

WASHINGTON

The 2006 midterms are finally over (almost). Let the 2008 games begin.

A handful of congressional races aren't quite over yet, but the jockeying for the 2008 presidential contest - going on for months, if not years - has burst fully into the open. For the Republicans, Sen. John McCain of Arizona and Rudolph Giuliani, former mayor of New York, have registered committees and signaled they're probably in. By all indications, outgoing Massachusetts Gov. Mitt Romney is in.

For the Democrats, Sen. Hillary Rodham Clinton of New York has money and organization - and just bowed out of a party leadership position, another sign she may be in. Sen. Barack Obama of Illinois says he's pondering a run, possibly positioning himself as the un-Hillary. Outgoing Iowa Gov. Tom Vilsack is definitely in. Former vice presidential nominee John Edwards has shown all the signs.

But as of now, two years minus a few days until America elects its next president, the front-runners for major-party nomination remain Senators McCain and Clinton. Whether either will ultimately occupy the Oval Office is anyone's guess.

"Here's what's interesting: Both parties have reservations about their presumptive nominees," says Cal Jillson, a political analyst at Southern Methodist University in Dallas.

With Clinton, some Democrats remain concerned that she can easily win the nomination by deploying her formidable political team and fundraising ability, but can't win the general election because of her high negatives. Analysts warn against reading too much into presidential horse-race polls at this stage, since much is based just on name recognition. But for Clinton, who is already known nearly universally to the American public from her years as first lady and now as a senator, the visceral negative reaction she sparks in some voters is cause for concern.

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The latest Gallup poll, taken Nov. 9-12, puts her favorability at 53 percent and unfavorable rating at 42 percent. In the same poll, McCain scored at 54 percent favorable and 23 percent unfavorable.

Clinton suffers from some voters' memories of her aborted effort to reform healthcare during her husband's administration, her implication in some White House scandals, and her image as a calculating centrist on issues such as the Iraq war.

The coming elevation of the first woman to be House speaker, Rep. Nancy Pelosi (D) of California, could have some bearing on the public's attitude about making Clinton the first female president.

"If Pelosi does a really good job holding the Democrats together, and giving them something they can run with in 2008, that will certainly demonstrate to some people that a woman is tough enough to take on the Republicans," says Linda Fowler, a political scientist at Dartmouth College in Hanover, N.H.

For McCain, the 2006 midterms brought good news and bad news. His own party took a drubbing at the hands of voters, principally in a repudiation of both President Bush and the Iraq war. McCain is now well-positioned to enhance his image as a maverick, triangulating between the Democratic-controlled Congress and the lame-duck Bush White House. But his steadfast support for the unpopular Iraq war and continued calls for more troops in Iraq, not fewer, put him at odds with the American public on the No. 1 issue of the day.

"McCain has got to pray that Iraq goes away as a major issue in '08, otherwise he's got some difficulties," says Mr. Jillson.

McCain also faces the challenge of wooing social conservatives, who were skeptical of him in his 2000 presidential campaign, while not alienating moderate Republicans and independents.

Another hurdle for McCain could be his age. On inauguration day 2009, he will be 72, and if elected, would be the oldest person ever to become US president. But if he can remain healthy and energetic, the age issue could fade.

Below McCain and Clinton sit a small group of men vying to be their principal opponents in the primaries and caucuses, which begin in just 14 months. The announcement this week by ex-Mayor Giuliani that he has formed a presidential exploratory committee in New York State provides the first clue - beyond making speeches in key states - that he might actually run. The latest Gallup poll named him as the top choice for the GOP nomination among Republicans and independents who lean Republican, beating McCain by 2 points, 28 percent to 26 percent. But as a liberal on social issues, many analysts believe he cannot win the nomination.

That's why Governor Romney is getting so much attention. Some midterm defeats have cleared the way for Romney to position himself as the alternative to McCain among the GOP's conservative base. Romney was mentioned by only 5 percent of GOP voters as their top pick, but the race is young, and most voters have not tuned in yet. One question for Romney is how his Mormon faith will affect GOP voters' perceptions of him. But he already has built strong lists of supporters in early nominating states Iowa, South Carolina, and New Hampshire - in addition to Michigan, where his father was governor - and won notice for charisma.

On the Democratic side, the decision by former Virginia Gov. Mark Warner not to run has left an opening for the "anti-Hillary" spot. If Senator Obama decides to run, he could shoot into that position - but, analysts say, he has to decide soon, as the money and campaign talent are quickly being grabbed by others.

The first-term Illinois senator is currently riding a wave of "Obama-mania," following the publication of his second memoir and a book tour that has highlighted his appeal as a fresh face on the political scene - and his opposition to the Iraq war from the beginning, a key contrast with Clinton. The Gallup poll placed him second to Clinton among Democrats and Democratic leaners for the nomination, 31 percent to 19 percent.

The question is whether voters believe he has enough political experience to begin a credible run for president after just two years in the Senate. As a black man, he also faces the race question.

Appearing on ABC's "Good Morning America" on Monday, he said he was still thinking of running, but acknowledged the challenge of his identity.

"Whether it's an African-American candidate, a woman candidate running, if it's a nontraditional candidate, there is another threshold you have to meet," he said. "I think you have to show people competence in a way that, if you're a white male, you may not have to show initially."

With Group Exploring '08 Bid, Giuliani Buys Himself Time (NYT)

By Sewell Chan

The New York Times, November 15, 2006

By setting up an organization in New York State to explore a White House run — but not creating a candidate committee with the Federal Election Commission — former Mayor Rudolph W. Giuliani is buying himself more time to make a decision, although he will face significant restrictions in raising money, according to several election and campaign experts.

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The news that the Rudy Giuliani Presidential Exploratory Committee Inc. was established on Friday made front-page headlines yesterday, but Mr. Giuliani remains several steps away from declaring himself a candidate.

The new organization was registered as a nonprofit corporation with the New York State Department of State, but Mr. Giuliani has not committed to formally filing with the Federal Election Commission, as Gov. Tom Vilsack of Iowa, who is seeking the Democratic presidential nomination, has done.

Mr. Giuliani has said little publicly about his intentions, other than to say he expects to make a final decision by early next year. As he weighs his options, he is expected to rely heavily on the advice of a circle of advisers who have been with him for decades. They include Peter J. Powers, a former deputy mayor who has been a friend of Mr. Giuliani's since high school, and Dennison Young Jr., who worked with Mr. Giuliani in the United States attorney's office and was later the mayor's chief counsel.

Mr. Powers and Mr. Young are the directors of the new organization, along with John H. Gross, a lawyer who has been a campaign treasurer for Mr. Giuliani.

"Everywhere he goes, I can only describe it as a groundswell of support among Republicans, urging him to run," said another friend, Randy M. Mastro, a former deputy mayor.

The former mayor is using a provision of federal election law that allows people exploring a candidacy to "test the waters" before deciding to run for federal office. The prospective candidate does not need to register with the commission, but must abide by the same contribution and spending limits as declared candidates.

The commission advises anyone doing such preliminary exploration to keep detailed financial records, because if he or she formally becomes a candidate, money raised and spent on testing the waters will be considered as contributions and expenditures under federal law.

Such prospective candidates may pay for polling, phone calls, travel, political consultants, office space and stationery, among other things. However, they may not raise more money than "reasonably required for exploratory activity," publicize their intention to run, or refer to themselves as candidates.

"You can travel and assess your viability as a candidate, but without trying to persuade people to support you," said Karl J. Sandstrom, a Democratic lawyer who was on the commission from 1998 to 2002. He suggested that Mr. Giuliani's step indicated a degree of hesitancy or uncertainty. "He doesn't want to be embarrassed if this doesn't start to take off. He's trying to play it kind of safe."

Mr. Sandstrom said a candidate can realistically test the waters only for a short period of time. "How much money can you spend on polls, even with New York pollsters?" he asked.

Bobby R. Burchfield, the lawyer for Mr. Giuliani's new organization, cautioned against reading the mayor's action as a sign of tentativeness. He said the entity was set up as to provide a legal structure and liability protections.

"What you can do as an exploratory committee is everything except campaign," he said. "There's a lot of latitude there. At a certain point of fund-raising, it becomes not credible to contend that you're exploring and not intending to run. If he sets up staff and tries to assemble delegate slates in states, that's out of bounds. But we're a very long way from those things."

He added, "At the appropriate time, he will make the requisite filings with the F.E.C."

Asked why Mr. Giuliani did not file with the commission while continuing to test the waters, an approach Senator John McCain, Republican of Arizona, has said he intends to take, Mr. Burchfield said there was no practical difference. But under the method he has chosen, Mr. Giuliani cannot present himself as a candidate or raise large sums of money, lest he face penalties.

Mr. Giuliani, who was mayor from 1994 to 2001, strongly considered running for the Senate in 2000, but decided not to after announcing, in quick succession, that he had prostate cancer; that he was involved with a woman, Judith Nathan; and that he was seeking a separation from his wife, Donna Hanover. He married Ms. Nathan in 2003.

The 9/11 attack transformed the mayor's reputation and made him immensely popular even in conservative areas where his moderate positions on abortion and gay rights might instantly sink the prospects of other Republican politicians.

Through his political action committee, Solutions America, he has contributed extensively to Republican campaigns, and this year, according to the committee's Web site, he campaigned with or raised money for Republican candidates in 25 states and Washington, D.C.

"He generates a lot of excitement, because he has instant name recognition and instant star power, and we were able to translate that into votes for us in the last cycle," said Katon Dawson, chairman of the South Carolina Republican Party. "He has almost rock-star status in crowds, because he was the face of 9/11 that we all saw every day."

Mr. Dawson said he expected Mr. Giuliani to run and predicted that he would have no trouble building an organization in South Carolina. "As soon as he pokes his foot in the water, he'll have employees," Mr. Dawson said.

Representative Jeb Bradley of New Hampshire last week lost his bid for a third term, but said he was grateful for Mr. Giuliani's support during the campaign. "People in New Hampshire really respect him," Mr. Bradley said. "Of all of the other presidential candidates, he has been a staunch defender of the New Hampshire primary."

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Fred Siegel, a historian at Cooper Union who advised Mr. Giuliani in his 1993 mayoral run and in his first year as mayor, said the speculation over presidential aspirations indeed might have had the effect, whether intended or not, of bolstering Mr. Giuliani's consulting business, Giuliani Partners.

But Mr. Siegel said that he was not suggesting that Mr. Giuliani was trying to enrich himself, only that Mr. Giuliani, not having the political apparatus that a governor or other officeholder might have, used his business as a base of operations.

"He's got the best of both worlds: He's still making money for his business and he's a de facto candidate for president, and the two reinforce each other," Mr. Siegel said. "He's using the candidacy to build up the business, and the business pays for the campaign."

He said he believed the former mayor would run. "He's been running for a long time," he said. "It's a noncampaign campaign."

Think Tank Will Promote Thinking (WP)

By Marc Kaufman

The Washington Post, November 15, 2006

Concerned that the voice of science and secularism is growing ever fainter in the White House, on Capitol Hill and in culture, a group of prominent scientists and advocates of strict church-state separation yesterday announced formation of a Washington think tank designed to promote "rationalism" as the basis of public policy.

The brainchild of Paul Kurtz, founder of the Center for Inquiry-Transnational, the small public policy office will lobby and sometimes litigate on behalf of science-based decision making and against religion in government affairs.

The announcement was accompanied by release of a "Declaration in Defense of Science and Secularism," which bemoans what signers say is a growing lack of understanding of the nature of scientific inquiry and the value of a rational approach to life.

"This disdain for science is aggravated by the excessive influence of religious doctrine on our public policies," the declaration says. "We cannot hope to convince those in other countries of the dangers of religious fundamentalism when religious fundamentalists influence our policies at home."

While the speakers at the National Press Club unveiling were highly critical of Bush administration policies regarding stem cell research, global warming, abstinence-only sex education and the teaching of "intelligent design," they said that their group was nonpartisan and that many Democrats were hostile to keeping religion out of public policy.

"Unfortunately, not only do too many well-meaning people base their conceptions of the universe on ancient books -- such as the Bible and the Koran -- rather than scientific inquiry, but politicians of all parties encourage and abet this scientific ignorance," reads the declaration, which was signed by, among others, three Nobel Prize winners.

Kurtz, a professor emeritus in philosophy from the State University of New York at Buffalo and a longtime critic of the influence of religion on public policy, said that the nation needed the equivalent of a "second Enlightenment." He said the methods of science, which have led to much human progress, "are being challenged culturally in the United States today as never before."

Several speakers also had strong words for the media, which they accused of distorting scientific consensus in the name of journalistic balance. David Helfand, chairman of the Columbia University astronomy department, said for instance that while 99 percent of scientists working in the field of climate change are convinced that it is serious and the result of human activity, the views of the 1 percent who disagree are often given equal weight in stories about global warming.

Lawrence M. Krauss, an author and theoretical physicist at Case Western Reserve University, said the scientific community has done a "poor job" of explaining its logic and benefits to the public. He also said scientists have a more active role to play in opposing faith-based governing, which he said the public often rejects once it understands the issues involved.

"In the current climate there is an implicit, if demonstrably false, sense that if your actions are based on a belief in God you are good person, and if they are not you are a bad person," Krauss said. "We should be very concerned that our political system reinforces the notion that the more you pray for guidance, the better suited you are to govern."

The goals of the new group are to establish relationships with sympathetic legislators, provide experts to give testimony before Congress, speak publicly on issues when they are in the news, and submit friend-of-the-court briefs in Supreme Court cases involving science and religion. The Center for Inquiry-Transnational, a nonprofit organization, is funded by memberships.

Old Saws, New Rust (NYT)

By Mike Murphy

The New York Times, November 15, 2006

Los Angeles

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WATCHING the televised punditry about the elections, I felt pummeled by commentators repeatedly using the same clichés — most of which happen to be dead wrong. The three worst offenders:

ALL POLITICS IS LOCAL Tip O'Neill's observation is no longer true. Safe one-party Congressional seats in Boston 50 years ago were local, but only because a few thousand Democratic primary voters chose the winner.

In this election, all politics was global. The voters of Mishawaka and La Porte, Ind., were more influenced by the sectarian politics of Baghdad than by the election-eve announcement by their Republican congressman, Chris Chocola, that he'd gotten $1.4 million in federal money for a local mental health center. He lost.

THIS IS THE MOST NEGATIVE CAMPAIGN EVER. Negative campaigning has been around since the beginning of our democracy, and voters reward it. If people voted against negative ads, you'd never see any.

The most criticized ad of this election poked fun at Representative Harold Ford of Tennessee. The political speech police labeled it racist because it featured a flirty blonde teasing Mr. Ford, who is black, about a Bacchanalian Super Bowl party that he allegedly attended and I'm sad to say I did not. Sure, the spot was inane, but the worst ever? In 1964, the president of the United States ran an ad implying his opponent would start a nuclear war. It's hard to get more negative than that.

THIS ELECTION WILL ALL COME DOWN TO TURNOUT. Nonsense. We Republicans took a beating on Election Day, but it had nothing to do with turnout. The problem wasn't that our voters didn't turn out, it was that our voters alone are not enough. Turnout is important: it is essential to winning primaries (since so few people bother to vote) and very close contests.

Most general elections, however, are decided by the independent and ticket-splitting voters in the middle who swing between parties. When the swing voters stampede toward your opponent, you are usually toast.

Examine exit-polling estimates from the Senate race in Virginia. George Allen won 94 percent of the Republican vote and Jim Webb won 93 percent of the Democratic. Since more Republicans than Democrats vote in Virginia, Senator Allen should have won. Instead of splitting the swing vote, however, Mr. Webb thumped Mr. Allen among independents by 12 points. It was the same in Montana and Ohio and, well, just about everywhere. It is the real reason we lost the House and Senate.

Successful campaign management means using message to be far enough ahead in most races — especially in districts and states where you start with the advantage — that you are never in such deep trouble that you wind up needing an improbably high turnout of only your base vote to win.

Swing voters respond to policy and persuasion, not process spin. The cocky Republican talk about magical 72-hour plans in the last weeks before the election was unfortunate proof that the party's high command had forgotten this most basic fact of politics, at least until the rough news of last Tuesday. Of all the clichés this year, this one was the most damaging for Republicans to believe in.

Bush Kicks Off 8-day Tour Of Asian Nations (USAT)

USA Today, November 15, 2006

President Bush was leaving Tuesday night for an eight-day tour of Asia that includes stops in Singapore, Indonesia and Vietnam, where he attends a summit of Asian-Pacific nation leaders. It will be Bush's first trip to Vietnam, where the United States fought a decade-long war in the south against communist forces that eventually triumphed and unified the country.

Bush's plan to arrive in Hanoi with a pact normalizing trade hit a bump when the lame-duck GOP-controlled House failed to approve the measure on an initial vote Monday. The 228-161 vote was short of the two-thirds majority needed for passage under the expedited rules used to consider it.

·House scraps trade vote, 1B

Judge wants cocainepenalty-gap narrowed

A federal judge who advocated harsher penalties for crack cocaine crimes said the policy had gone too far and was undermining faith in the judicial system.

U.S. District Judge Reggie Walton told the U.S. Sentencing Commission that federal laws requiring much longer sentences for crack cocaine than for cocaine powder were "unconscionable." Walton said the laws contributed to perceptions within minority communities that courts are unfair because crack is more of a black, inner-city drug while cocaine powder is used more often in white suburbs.

The law includes a five-year prison sentence for trafficking in 5 grams of crack cocaine but requires 500 grams of cocaine powder for the same sentence.

"I never thought that the disparity should be as severe as it has become," Walton said. He advocated harsher penalties when he was associate director of the National Drug Control Policy during the first President Bush's administration.

The Sentencing Commission has recommended three times that Congress narrow the disparity.

The Justice Department says crack is more addictive and easier to sell in small doses.

Two top officials from Census Bureau leaving

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The two top officials of the Census Bureau announced they are leaving. Census Bureau Director Louis Kincannon has run the bureau since 2001. He said he would stay until a new director is confirmed. Hermann Habermann, the bureau's deputy director, said he would retire in January.

Libby says he didn't have motive to lie in Plame case

Lawyers for former White House aide I. Lewis "Scooter" Libby said they should be permitted to tell jurors at his perjury trial that he was not the federal official who disclosed CIA officer Valerie Plame's name to a columnist in 2003.

Libby is charged with lying to investigators in a probe triggered by the disclosure to columnist Robert Novak. Former deputy secretary of State Richard Armitage said this year that he was inadvertently the source. Libby's lawyers said in court papers that Libby should be allowed to tell jurors that since he wasn't the source he had no reason to lie to investigators.

Special prosecutor Patrick Fitzgerald has argued that the trial in January should not be about the leak or why only Libby was charged.

Plame and her husband, former ambassador Joseph Wilson, have accused Bush administration officials of blowing her cover as retribution for her husband's criticism of prewar intelligence.

Vietnam Trade Bill Grinds To A Halt (USAT)

By David J. Lynch

USA Today, November 15, 2006

In a stunning setback for President Bush on the eve of a major foreign visit, House Republican leaders Tuesday delayed until December a vote on normalizing trade relations with Vietnam.

"The decision has been made that it's not going to be able to reach the floor this week," says Kevin Madden, a spokesman for House Majority Leader Rep. John Boehner, R-Ohio.

Tuesday's delay complicates prospects for passage of a trade measure that was widely expected to sail through Congress with strong bipartisan support. And it means President Bush will arrive Friday in Hanoi empty-handed for an Asian economic summit.

"We'll just have to keep working with legislators to get this important legislation done," said Steve Norton, spokesman for the U.S. Trade Representative's office.

At issue is legislation granting Vietnam "permanent normal trade relations," which almost all U.S. trading partners enjoy. With the fast-growing Asian nation about to join the World Trade Organization, the measure is needed so that U.S. exporters can enjoy the same low tariffs as their European or Asian competitors.

Business groups that have been backing the legislation were stunned by the vote delay, which came one day after the bill attracted 228 votes, more than a House majority, but failed to pass under rules requiring a two-thirds margin for expedited passage. At the time, House Republican leaders indicated they would seek a vote under normal rules as soon as today.

"For the last three months, the conventional wisdom has been that everybody's for it; there is no opposition. … Now all of a sudden it goes down the drain," says Bill Reinsch, president of the National Foreign Trade Council.

On Capitol Hill, Madden says Republican leaders postponed the vote because they weren't sure that Democrats would stick with the bill amid labor union opposition. But Timothy Reif, lead Democratic trade counsel for the Ways and Means Committee, said there was no strategy to torpedo the bill.

Seen as the final step in a generation-long effort to bind the wounds of the Vietnam War, the measure may also have been overshadowed by both parties' votes later this week on new congressional leadership.

The long-run ramifications of Tuesday's delay are less clear.

In December, the spur of an impending presidential trip will be gone. So some business leaders worry the measure may end up being held over until the less trade-friendly Democratic Congress takes office in January.

"It's a warning shot that we're entering a very bumpy phase in trade relations. This should have been a no-brainer," says Daniel Griswold, director of the Cato Institute's Center for Trade Policy Studies.

G.O.P. House Leaders Withdraw Vietnam Trade Bill (NYT)

By Steven R. Weisman

The New York Times, November 15, 2006

WASHINGTON, Nov. 14 — Prospects for Congressional approval of several free trade bills backed by the administration were thrown into doubt Tuesday when House Republican leaders abruptly withdrew the one aimed at Vietnam on the eve of President Bush's trip there this week.

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The failure of the Vietnam bill was a deep disappointment and embarrassment for the White House, which had hoped that the president would hail its passage as a milestone in improvement in relations with a country where tens of thousands of Americans died more than 30 years ago.

The bill's failure touched off a fusillade of partisan recriminations, with Republicans blaming Democrats for trying to sabotage the bill and Democrats saying that some Republicans, bitter after losing the election last week, were trying to embarrass Mr. Bush.

Though the bill could come back to the House before the end of the year, some legislative aides said that its future was in doubt, along with that of several other bills lowering trade barriers with poor countries in Asia, Africa and Latin America. The administration remained hopeful, at least on the surface.

"As we've said all along, we will work with the Congressional leadership on the Vietnam bill and the other bills," Stephen Norton, a spokesman for Susan C. Schwab, the United States trade representative, said. "This is important legislation and we remain hopeful that Congress will approve it as soon as possible."

The unsettled atmosphere was another sign of the fraying of the pledges of bipartisan cooperation after last week's midterm elections, as well as a reflection of lingering sensitivities over Vietnam. Most of all, it seemed to be a sign that whatever consensus had existed for free trade bills was also starting to crumble.

A spokesman for Representative John A. Boehner, the Ohio Republican who is House majority leader in the waning weeks of this Congress, said there was a "possibility" that the bill could come back later in the lame-duck session. He said the bill was withdrawn because Democrats were turning against it.

The bill came before the House on Monday night and won a majority of votes, with 228 lawmakers voting in favor and 161 against. More than 40 lawmakers of both parties had not yet returned to Washington, however, and it fell short of the two-thirds needed to pass according to the special rules under which the bill was introduced.

House leaders immediately expressed confidence that it would pass as early as Tuesday under regular rules enabling it to be approved by a simple majority. But the "yes" votes appeared to be melting away under a sustained campaign by organized labor and other opponents who argue that the bills cost American jobs.

Kevin Madden, the spokesman for Mr. Boehner, said that the majority leader learned that an effort would be made by House Democrats to send the Vietnam measure back to the committee level, and that the maneuver might succeed. He said Democrats were being pressed by labor groups and anti-trade groups that backed them in the election.

But Democrats said the bill seemed to be a victim of disarray in Republican ranks, and antipathy toward the departing chairman of the House Ways and Means Committee, Representative Bill Thomas of California, an ardent advocate of free trade.

An administration official, asking not to be identified, said there appeared to be elements of bad faith and bad feelings on all sides.

Democrats said they had asked the Republican leadership to delay the vote Monday night until Tuesday to allow dozens of lawmakers to return. But they said they were rebuffed by Mr. Boehner's and Mr. Thomas's offices, which expressed confidence that the necessary two-thirds votes were available.

The troubles of the Vietnam bill occur as lawmakers are beginning to discern where the new center of gravity is on the many issues debated in the campaign this year.

In the last few years, a large majority of Democrats have voted against trade bills, like one in 2005 lowering barriers with Central American countries, fearing that imports of textiles and other commodities produced there could throw Americans out of their jobs.

Several Democrats who won in the election this month, notably Senator-elect Sherrod Brown of Ohio, had run promising to block or slow future trade bills in Congress.

The Vietnam bill, however, had the support of crucial Democrats, including the future House speaker, Nancy Pelosi of California, and Representative Charles B. Rangel, the expected next chairman of the House Ways and Means Committee, as well as the Republican leadership.

The Vietnam bill was aimed at establishing "permanent normal trade relations" with Vietnam, which is joining the World Trade Organization and, as a result, is obliged to lower trade barriers and subsidies on its products.

Failure of the measure does not bar Vietnam from joining the World Trade Organization. Rather, it would place the United States out of compliance with the organization, because the Jackson-Vanik Amendment, passed in 1975, requires an annual review of Vietnam's political and economic practices, which is not allowed under the W.T.O.'s rules.

The administration argued that granting Vietnam "normal" trade status is the best way of getting it to abide by international trade rules, including bans on copyright piracy and restrictions on foreign investments and imports.

Bush Won't Bring Vietnam Deal To Asia Summit (WSJ)

By David Rogers

The Wall Street Journal, November 15, 2006

WASHINGTON -- In a postelection slap at the White House, Republicans put off action on a Vietnam trade bill until December, denying President Bush an accomplishment he had hoped to cite at an Asia-Pacific Rim summit this week.

The decision came as the House also delayed by a day action on extending a routine stopgap spending bill that Mr. Bush wanted to sign before departing for Moscow and then Asia last night. As a result, a White House aide will have to fly to Asia with the bill, so the president can sign it to keep government agencies operating after this weekend.

Administration officials were irritated, Democrats amused, but the moves mostly captured the fractious postelection alignment here. Smarting from losses in last week's midterms, Republicans are less eager to march to the beat of the president's drum. There is rank-and-file resentment that Mr. Bush didn't announce the resignation of Defense Secretary Donald Rumsfeld until after Election Day, and party leaders are more preoccupied with saving their jobs than moving the president's agenda.

The White House had hoped Congress would complete action on the trade bill so Mr. Bush could announce passage when he visits Hanoi, his first visit to Vietnam. Most House members support the goal of granting permanent normal trade relations to Hanoi, but enacting it has become harder since Election Day.

When lawmakers returned Monday, the Vietnam trade bill was called up in the House under an expedited procedure that limited debate, but required a two-thirds majority for passage. The 228-161 vote fell about 32 votes short of the required margin, and the administration was surprised it lost 66 Republicans, about twice the number it had expected, given past experience on similar trade bills.

To allay concerns of domestic textiles producers, who have lost tens of thousands of jobs under pressure from low-cost labor abroad, a provision was added that would empower the administration to impose annual limits on textile and apparel shipments from Vietnam. Nonetheless, Republicans from textile states like the Carolinas rejected the measure. The Texas delegation, where Rep. Sam Hall, a former Vietnam prisoner of war, is a major influence, was prominent in its opposition, as was House Armed Services Committee Chairman Duncan Hunter (R., Calif.)

Given the level of discontent, Majority Leader John Boehner (R., Ohio) feared trying again too soon and risking a fatal stumble over another procedural obstacle. Already facing conservative challengers in caucus elections Friday, neither he nor Republican Whip Roy Blunt of Missouri had much appetite for twisting arms on a subject like Vietnam.

As a practical matter, House Republicans appear so consumed with leadership races that decisions on tax and spending legislation also will be postponed until after Thanksgiving. The revised stopgap bill, expected to be approved today, will run through Dec. 8, but at least another week may be needed still to resolve spending bills for the new fiscal year.

The Senate took a first step last night by approving a nearly $90 billion budget for veterans' health care and military construction projects. In talks with the House, this will grow by about $42 billion to include spending for housing and health-care benefits for the active military, and the appropriations leadership hopes to create a strong enough legislative locomotive to pull the remaining unfinished bills.

As part of the same package, senators added language guaranteeing that the inspector general for Iraq would remain operating until 10 months after 80% of the funds appropriated for the relief and reconstruction effort there have been expended. That date is expected to be near mid-2008 -- or about a year longer than current law allows the IG to operate.

The show of bipartisanship soon dissolved in a fight over farm disaster aid, as Great Plains Democrats pressed for $4.9 billion in emergency assistance. The proposal was finally pulled back -- to allow the veterans bill to pass. But not before Sen. Judd Gregg (R., N.H.), the departing Senate Budget Committee chairman, had accused Democrats of ignoring the message sent by voters last week for more fiscal discipline. "This is a daytime robbery of the Treasury," he said, "and it sells the people...who voted in this election a bill of goods they didn't think they were buying."

Analysis: Humbled Bush Faces Test Abroad (AP-Y)

By Tom Raum

AP, November 15, 2006

Humbled by elections at home, President Bush is heading into talks with leaders in Asia and Europe who will be watching for signs of weakness, uncertainty or retrenchment.

Bush's challenge is to demonstrate that U.S. leadership as the world's last superpower is undiminished on the world stage.

"I think he will go vigorous, I think he'll give a powerful performance," said Kurt Campbell, a top Pentagon official in the Clinton administration who now is with the Center for Strategic and International Studies.

Some world leaders, particularly those who resented Bush's cowboy swagger and saw his decision to invade Iraq in 2003 as a dangerous act of unilateralism, might be gloating privately at the president's political misfortunes.

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But the United States does not have a parliamentary system, and Bush will remain president for two more years. And other world leaders have been challenged at home, too, especially Iraq ally Tony Blair of Britain and war opponent Jacques Chirac of France, both of whom could commiserate with Bush.

The Democratic capture last week of both the House and the Senate on a tide of voter anger over Iraq diminished the president's authority at home.

That's resulted in "an interesting period here in Washington," Bush told visiting Israeli Prime Minister Ehud Olmert this week. "You might realize the opposition party won, won the Senate and the House. And, what's interesting, is that they're beginning to understand that with victory comes responsibilities."

On the world stage, Bush's misfortunes could marginally embolden Chinese President Hu Jintao and Russian President Vladimir Putin. But, otherwise, it seems unlikely that geopolitical dynamics will be much changed.

"He acknowledges that he took a thumping. But leaders around the world take thumpings all the time," said presidential historian Thomas E. Cronin of Colorado College. The election results also telegraphs to the rest of the world, "including Iraq and Russia, that we can have peaceful elections that alter the makeup of our national government," Cronin said.

Bush was leaving Tuesday night for an eight-day tour of Asia, including stops in Singapore, Indonesia and Vietnam, where he attends a summit of Asian-Pacific nation leaders. At month's end, Bush will travel to the Baltic Sea countries of Latvia and Estonia, once claimed by the Soviet Union, for a NATO summit in Riga, Latvia.

It will be Bush's first trip to Vietnam. During the Vietnam War, he served in the U.S. in the Texas Air National Guard. Now, with the Iraq war dragging on for 3 1/2 years and the U.S. death toll still rising, many of Bush's critics are comparing Iraq to the Vietnamese quagmire.

Bush's plan to arrive in Hanoi with a new pact normalizing trade with Vietnam hit an unexpected obstacle when the lame-duck GOP-controlled House failed to approve the measure on Monday. Its Republican sponsors had hoped to use another strategy to move the bill forward this week, but they put off the effort on Tuesday. It was an embarrassing setback as the president set out on his first postelection overseas trip.

He told a group of U.S. auto executives in the Oval Office on Tuesday that he would deliver this message to trading partners: "Just treat us the way we treat you. Our markets are open for your products, and we expect your markets to be open for ours, including our automobiles."

Even before the elections, some of the go-it-alone tactics of Bush's first term had already been replaced by great diplomacy, including U.S. efforts to rely on other countries to defuse nuclear tensions with North Korea and Iran.

"Some of the people who used to criticize us for unilateralism are now beginning to criticize us for not taking more decisive individual action," said Stephen Hadley, the president's national security adviser.

Not only is Bush under pressure at home from Democrats and some Republicans to change course on Iraq, but he is encountering calls from some U.S. allies, including most recently Blair, to reach out more to Iran and Syria in hopes of promoting broader stability in the region given the changing nature of the battle in Iraq.

Bush said Monday that Iran must first verifiably halt its enrichment of uranium as a precondition to talks. If Syria wants to contribute to the peace process, it should leave Lebanon for good and stop harboring terrorists, Bush suggested.

As presidential terms wind down, incumbents find themselves increasingly challenged in getting domestic programs through Congress and seem to prefer spending much of their time on foreign policy.

Nixon did it, traveling to Moscow to sign an arms-control agreement as the Watergate scandal was bringing down his government. Clinton did it after surviving an impeachment battle with the GOP-led Congress, spending the last days of his term trying to arrange a peace deal in the Middle East.

And Eisenhower did it after the Democrats swept the 1958 midterm elections, finding the only leverage he had at home was to veto bills, and preferring touring the world instead.

There's a difference. Eisenhower was greeted as a hero. Clinton as he traveled drew huge crowds and affection. But Bush is widely disliked throughout much of the world.

Bush still has two more years in power, despite the midterm elections repudiating Republicans.

"The negative, obviously, is that he's been repudiated," said Fred Greenstein, a political science professor at Princeton University. "The positive is that he's been chastised and tempered and we're seeing much less of the my-way-or-the-highway approach to diplomacy and international relations."

Protectionists Punish Vietnam (LAT)

The Los Angeles Times, November 15, 2006

THE HOST COUNTRY for the Asia-Pacific Economic Cooperation forum is not your father's Vietnam. Its Ho Chi Minh mausoleum notwithstanding, the Hanoi that President Bush will visit Friday is the capital of a nation that is prospering as a result

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of its embrace of private enterprise and freer markets. America may have lost the Vietnam War, but American values are slowly winning the peace.

A 2001 bilateral trade deal between Hanoi and Washington helped solidify Vietnam's reforms, and the country has become the second-fastest-growing economy in Asia after China, not to mention an anchor of stability in a region once renowned for its instability. Vietnam, in short, has been one of the more positive global stories in the last decade, and it remains a nation with strong emotional bonds to the United States.

All of which makes the cavalier rejection by Congress of a trade normalization measure so unconscionable, not to mention embarrassing to the president. Under a relic of the Cold War years, Vietnam's U.S. trade preferences are subject to annual congressional review; before Vietnam can join the World Trade Organization, that law has to be rescinded. Yet on Monday, the House turned down a measure to do so when it failed to achieve the required two-thirds vote under a procedure that limited debate. Though the bill can be resubmitted under normal procedures, thus requiring only a majority vote to pass, GOP leaders have decided to wait until next month to try again.

The vote sends a disastrous signal to the people of Vietnam (the message being that the superpower that once bombed you isn't too excited to see you prosper) and to Asian leaders.

Beyond Vietnam, the cause of free trade may be in for a rough time once Democrats take control of both houses of Congress. There are troubling signs that the party's new protectionist wing will try to torpedo upcoming trade pacts with Peru and Colombia, and stand in the way of progress on a comprehensive deal to lower global trade barriers under the Doha round of WTO talks. Also endangered is Bush's fast-track trade authority, which allows him to sign trade deals subject only to a yes-or-no vote by Congress. It expires in July.

All of this is unfortunate. Vietnam is far from the only country where free trade has made a profound difference. Open markets create customers for U.S. goods and provide cheap imports for U.S. consumers while improving relations around the world and boosting economies. A successful Doha round would probably do more to relieve poverty in Africa than all the foreign aid doled out to the continent put together.

President Clinton steered the Democratic Party away from protectionism, a move that benefited the party and the nation. Taking a step backward now would only hurt both.

Democrats And Trade (WSJ)

The Wall Street Journal, November 15, 2006

Triumphant Democrats are talking up their new moderation, and we're about to get an early test of their sincerity: Are they willing to support the kind of trade opening with very poor countries that Bill Clinton supported? Or will they take orders from the AFL-CIO?

At issue this week are a bilateral free-trade pact already signed with Peru, and an amendment to extend a key provision of the African Growth and Opportunity Act (AGOA) that Mr. Clinton and Republicans passed in a bipartisan spirit in 2000. The trade bills will be a particular test for Charlie Rangel, the soon-to-be chairman of the House Ways and Means Committee, who professes to care deeply about the world's poor. Here's his chance to prove it.

The African provision allows sub-Saharan Africa to source fabric for its apparel industry from any country in the world and then sell the garments in the U.S. duty-free. This "third country provision" has made garment assembly in Africa competitive and boosted sub-Saharan appeal as a destination for capital from the apparel industry.

AGOA has a 15-year life but the "third country" provision is set to expire in 2007. If Africa is forced to once again buy only U.S.-made fabric to maintain its U.S. duty-free status, its apparel industry will vanish. Clothing makers will pack up and move, taking something like 150,000 jobs with them. The biggest winner would probably be China as garment makers relocated to Asia.

GOP Ways and Means Chairman Bill Thomas has crafted a bill to extend the third-country provision through September 2008 and provide new investment incentives for U.S. companies in the region. Haiti, the poorest country in the Western Hemisphere, also gets a small but important third-country fabric provision. Mr. Rangel was one of those who supported a U.S. invasion of Haiti in 1994 in the name of helping its poor citizens; free trade is a lot easier.

The case for ratifying the U.S.-Peru trade pact is just as obvious. Peru already enjoys broad duty-free access to the U.S. under the Andean Trade Preferences act. This deal would preserve that access but also open Peruvian markets to U.S. exporters and expand choice for Peruvian consumers. Under the deal, 80% of U.S. industrial and textile products, and more than two-thirds of U.S. farm exports, would enter Peru duty free immediately. Most other barriers would be gone within 15 years.

According to the American Farm Bureau Federation, farm exports to Peru could increase by $705 million a year. U.S. producers of machinery, plastics, cereals and mineral fuels, as well as wheat, cotton and coarse grains all expect strong export

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growth if it passes. On the other hand, if the U.S. walks away from Peru, the leadership in Lima will likely look to the EU and its Latin American neighbors for trade agreements, putting U.S. producers at a disadvantage.

Big Labor is pushing Democrats to block a vote and demand that the pact be renegotiated to include more labor protections. But Peru's labor laws are nearly identical to those in Chile, with which the U.S. already has a free-trade agreement. Peru protects the right to collectively bargain and its laws are consistent with International Labor Organization standards. The AFL-CIO's real game here is to force provisions on Lima that will increase the clout of unions in Peru. Never mind that these are issues for Peruvians to decide, not to be imposed by Big Labor gringos from Washington.

Ratifying the pact would also help Peru resist the influence of Venezuelan strongman Hugo Chávez, who is pushing his own regional trade bloc to exclude the U.S. and isolate South America. Later this month the U.S. is expected to sign a free trade pact with Colombia, another country that wants closer relations with the U.S. and is resisting Venezuela's cold embrace. A number of Democrats were only too happy to praise Mr. Chávez last year in return for receiving some of his discount oil, but Mr. Rangel denounced his recent anti-American rant at the U.N. Killing the Peru and Colombian deals would harm American interests and hand Mr. Chávez a strategic gift.

The AFL-CIO is claiming its new "economic populism" helped Democrats win last week, though there's little polling evidence to show it. In any case, it is a strange populism that advertises its power by trampling on the economic aspirations of the world's poorest citizens. Is this what Democratic control of Congress is going to stand for?

Vietnamese Activists Cite Curbs On Dissent (WT)

By Nicholas Kralev

The Washington Times, November 15, 2006

HANOI -- Vietnamese democracy and human rights activists accused the government yesterday of stepping up harassment in an effort to silence them ahead of President Bush's visit and a high-profile economic summit this week.

The activists, some of whom are under house arrest, praised a vote in the U.S. House of Representatives on Monday that denied permanent normal trade relations (PNTR) status to Vietnam and criticized Vietnam's removal from the State Department's blacklist of countries that limit religious freedom.

"The PNTR status must come with a condition that the government respect human rights for our own people," said Pham Hong Son, an activist who was detained for two years beginning in 2002 and has been under house arrest for another two.

He said he was detained because of an article on democracy that he translated into Vietnamese from the Web site of the U.S. Embassy in Hanoi and posted separately on the Internet. His claim could not be independently verified because the government does not comment on dissident cases.

The government accuses democracy activists of plotting to destabilize the country and to shame it before the 21 heads of state expected at the annual Asia-Pacific Economic Cooperation (APEC) summit this weekend.

The Foreign Ministry called Monday's House vote "very regretful, not suitable, and not serving the mutual interest and wishes of the peoples of the two countries."

Human rights advocates in the House, such as Rep. Christopher H. Smith, New Jersey Republican, led opposition to the bill, which fell short of a needed two-thirds majority by a single vote. The bill is not expected to come back for another vote before the end of the month.

The deal was part of a flurry of activity by the two sides, seemingly designed to clear away irritants on the eve of Mr. Bush's departure for Vietnam.

On the same day as the vote, a Vietnamese-American was released from prison and allowed to return to the United States, and Vietnam was removed from a list of countries that severely restrict religious freedoms.

John V. Hanford III, the State Department's at-large ambassador for international religious freedom, denied Monday that politics or business played any role in the latter decision, saying Vietnam had taken a number of specific steps to get off the list.

He said Hanoi had clarified laws on religious policy; greatly curbed the practice of "forced renunciations" of religious belief; released dozens of Buddhist, Catholic, Protestant and Hoa Hao religious prisoners; allowed previously outlawed groups and denominations to register and practice their faith, including 39 new congregations in Ho Chi Minh City alone in the past month; and permitted greater freedom for Protestant and Catholic congregations, including a sharp increase in the number of new Vietnamese priests and ministers.

Mr. Hanford acknowledged that "important work remains to be done," especially in more remote regions of the country. Protestant Montagnard groups from the central highlands have complained of harsh repression, and even torture and killing of believers by the authorities.

Nevertheless, Mr. Hanford said, "We are hearing from every religious group that we meet with that conditions have improved, that there's really a change in the attitude."

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However, Vietnamese activists complained of continuing religious repression in an open letter published in Washington yesterday.

"The Vietnamese people do not have freedom of religion and worship," said the writers, a group of engineers, lawyers, professors and religious leaders grouped under the name "A Call For Democracy."

"Religious organizations which were not established by the state, such as the Unified Buddhist Church of Vietnam, the Hoa Hao Buddhist Church, the Cao Dai congregation and the Mennonite Church of Vietnam, are all prohibited from operating," the letter said.

Amnesty International agreed that the practice of religion "remains under strict control" by the government in Vietnam.

"Church members seen as opposing state policies continue to be harassed, arrested and imprisoned," the human rights group said. "Church property has been destroyed. For example, a small Mennonite church in Ho Chi Minh City was destroyed in May."

Mr. Son said the decision to take Vietnam off the list was "not good news for those who care about human rights."

The activist cited at least three attempts by security police this month to warn him against speaking with foreigners who are arriving in Hanoi for the APEC summit.

On two occasions, he said, masked men on a motorcycle ran into his motorbike while he was riding it -- first with his two sons and then with his wife -- injuring him and damaging the motorbike. Democracy advocates and other government opponents said the authorities regularly engineer such "accidents" to send them a warning.

Nguyen Van Dai, a lawyer and member of Vietnam's Human Rights Committee, said he has been invited to meet with Canadian Prime Minister Stephen Harper during the APEC summit, but will not go.

"I can't leave my house because it's under heavy surveillance," he said. "They will use force if they have to in order to prevent me from going anywhere."

Both Mr. Son and Mr. Dai spoke by telephone and warned a reporter against visiting their houses. All interviewed activists said they strive to achieve their goals of democracy and human rights only by peaceful means.

Mr. Pham noted that the government recently released political prisoners under pressure from Washington, but said that many of them are now under house arrest. He added that he personally knew at least 10 such persons.

Call For Rethink Of US-Asean Trade Ties (FT)

By John Aglionby

Financial Times, November 15, 2006

The US needs to reassess its strategy towards south-east Asia while countries in the region should take concrete steps to enhance their competitiveness in order to optimise trade and investment between the two, the US Chamber of Commerce recommends in its first report on ways to boost mutual business links.

“[The region] is our fourth-largest trading partner and we’ve hardly scratched the surface,” Tom Donohue, the president and chief executive of the US Chamber of Commerce, told the Financial Times while in Jakarta on a regional tour. “It’s got potential written all over it as well as challenges.”

The study, Southeast Asia: dynamic opportunities for US competitiveness, written in conjunction with the regional American Chambers of Commerce and to be released in Singapore on Wedenesday, sets out the steps the chamber thinks the US and the 10 members of the Association of South East Asian Nations should take to ensure an expansion of trade and investment between them.

“This publicly commits us to a whole lot of serious dialogue, it forces us to focus, it forces us to collect our thoughts,” Mr Donohue said. “We’ve expanded our staff in the region and we’re going to establish resources to encourage trade and investment.”

Recommendations for the US government include investing in capacity-building initiatives that support regional economic reform and integration, providing resources to bolster programmes in the region by institutions such as the US Export-Import Bank, raising awareness across the US of economic opportunities in south-east Asia and streamlining visa procedures.

South-east Asian nations need to establish predictable investment regimes, promote good corporate governance, increase protection of intellectual property, harmonise standards, integrate customs procedures and establish a more open and transparent agricultural market.

“If you think you’ve got almost 600m people and you think of the growth of the middle class, the move away from poverty, the engagement in the global economy, you don’t have to be the smartest guy on the block to realise we should be investing more here,” Mr Donohue said.

Japanese Premier Plans To Fortify U.S. Ties In Meeting With Bush (WP)

By Anthony Faiola
The Washington Post, November 15, 2006

TOKYO, Nov. 14 -- Prime Minister Shinzo Abe on Tuesday outlined a vision for a stronger Japan and vowed to fortify the U.S.-Japan security alliance during his first official meeting with President Bush in Hanoi this weekend.

In a wide-ranging interview with The Washington Post, Abe, who succeeded Junichiro Koizumi in September, also said he would push to redraft Japan's pacifist constitution.

In the current charter, which was drafted by the United States during its occupation of Japan following World War II, Tokyo effectively renounces the use of virtually any form of aggression. Abe, saying he hoped to foster a "new spirit" in Japan, said he would seek a new constitution within six years -- referring to the maximum time a prime minister can serve in office.

Few postwar Japanese leaders have secured such long terms. Given new threats facing Japan -- most notably a nuclear North Korea -- Abe suggested that his administration could take the interim step of reinterpreting the existing constitution to increase defensive capabilities.

Abe noted that it is unclear whether Tokyo is permitted under its own constitution to shoot down a ballistic missile flying over Japanese territory en route to the United States. Rules of engagement for Japanese troops on overseas peacekeeping missions are also severely limited by the constitution. Under current interpretations, for instance, Japanese troops are not permitted to defend themselves -- or U.S. or other allied troops -- unless directly fired upon.

But leading Japanese scholars have said policy changes to address such issues may not require the adoption of a new constitution, and could instead be made through official clarifications issued by the cabinet. While declining to provide a timetable for declaring new security protocols, Abe called for options to be analyzed on a case-by-case basis.

"We need to take up each individual example and study whether they . . . infringe upon the constitution," he said.

The Bush administration has backed the notion of a more assertive Japan, viewing Tokyo as an increasingly important partner at a time of dwindling support for the administration's foreign policies among U.S. allies. But the idea has unnerved critics in China and South Korea, where memories of World War II-era atrocities still run deep.

Since North Korea tested a nuclear device last month, some observers have even feared that Japan might seek to develop its own nuclear weapons. Yet most domestic scholars say Japan, the only nation to ever suffer a nuclear attack, is unlikely to ever seriously consider such an option, even if it saw itself as the primary target for North Korean aggression. Abe echoed those sentiments Tuesday, vowing that Japan would adhere to its nonnuclear principles.

Still, some right-wing leaders here, including a key member of Abe's ruling Liberal Democratic Party, have called for a broader public debate on whether Japan should possess nuclear weapons. While Abe said he would move to prevent any "official" debate, he added that he could not stop private citizens from expressing their views.

"For the general public to discuss this matter -- for example, academics, scholars or journalists -- is the freedom of the Japanese people," said Abe, 52. "I am not in a position of restricting that."

Abe, considered hawkish by most analysts here, has taken the global lead in calling for international sanctions against North Korea for conducting a nuclear test and has imposed its own sanctions on the Pyongyang government. On Tuesday, Abe approved a series of new measures banning the export of luxury goods to North Korea, an action aimed directly at the authoritarian elite in Pyongyang who revel in high-end Japanese goods.

During his first six weeks in office, Abe has at times sought to moderate his tone. For instance, while he has backed Koizumi's controversial decision to pay annual homage at a Tokyo shrine honoring the country's military dead, including World War II-era war criminals, Abe has refused to say whether he will continue to make such visits himself.

"Now that he is in office, Abe is trying to hide his beliefs," said Tenzo Okumura, a leading member of the opposition Democratic Party. "As the prime minister of Japan, he has the responsibility to the Japanese people to be clear on his positions, but he has chosen to be ambiguous."

This weekend, Abe will meet with Bush at the Asia-Pacific Economic Cooperation summit in Hanoi.

The prime minister said he would use the occasion to stress the importance of maintaining a strong alliance with the United States and a firm line on North Korea. Some U.S. Democrats and Republicans have questioned Bush's refusal to hold direct negotiations with the North Koreans. Instead, the United States has agreed to meet them only within the context of six-party talks that also include China, Japan, Russia and South Korea. Japanese officials have favored Bush's approach, which has given Tokyo a greater role in the issue.

When asked whether he felt that policy might change with the new Democrat-controlled Congress, Abe reiterated Japan's desire to maintain the current multilateral format. "I believe that the six-party talks is the place to resolve the North Korean issue," he said.

India's Nuclear Record, Iran Links Questioned Ahead Of Senate Vote (AFP)

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By P. Parameswaran

AFP, November 15, 2006

A non-partisan US Congressional study has underlined lawmakers' unease over India's non-proliferation record and its links with nuclear renegade Iran, on the eve of a Senate vote on a landmark US atomic deal with New Delhi.

The report by the Congressional Research Service raised the issue of whether India had adequate teeth to implement export control regulations in efforts to prevent Iran from acquiring nuclear weapons.

In 2004, the United States imposed sanctions on two Indian scientists for nuclear related transfers to Iran, which is facing sanctions for refusing to comply with UN demands it freeze its uranium enrichment work.

The Congressional report by Sharon Squassoni, a national defense specialist, noted that President George W. Bush's administration had not formally responded to claims that India had a "flawed" nonproliferation record in the nuclear area.

It also cited allegations that New Delhi had a "poorly implemented" national export control system and an "illicit" procurement system for its own nuclear weapons program, as well as a procurement system that "may unwittingly transfer sensitive information" about uranium enrichment.

"Indias nonproliferation record continues to be scrutinized, as India continues to take steps to strengthen its own export controls," the report said ahead of an expected Senate vote this week on the US-India civilian nuclear deal clinched by Bush and Indian Prime Minister Manmohan Singh in March.

Under the deal, India, a non-signatory of the nuclear Non-Proliferation Treaty (NPT), would be allowed access to long-denied civilian nuclear technology in return for placing its atomic reactors under global safeguards.

To facilitate the deal, the US Congress has to create an exception for India from some of the requirements of the US Atomic Energy Act, which currently prohibits nuclear sales to non-NPT signatories.

The US House of Representatives gave its thumbs-up to the deal in July but a Senate vote had been delayed due to legislative elections last week that resulted in Democratic control of both chambers in the new Congress from January.

The current Congress is Republican dominated but the party is divided on the Indian nuclear deal.

"President Bush has tried to sell this nuclear deal by claiming that India is our natural ally, but as Ronald Reagan once said, 'Trust, but verify.'" said Edward Markey, who co-chairs a House bipartisan taskforce on nonproliferation.

"It is clear that on the issue of preventing Iran from going nuclear -- and on the crucial issue of nonproliferation -- India's record is not encouraging," he said.

Squassoni suggested that some kinds of Indian support might be more important than others, for example, in backing a diplomatic drive to pursue negotiations with Iran or by coming aboard the US-led Proliferation Security Initiative aimed at containing the spread of unconventional weapons.

She said Indias long relationship with Iran and its support of Non-Aligned Movement (NAM) positions on nonproliferation "are obstacles" to Indias taking a hard line on Iran.

Yet, the Bush Administration, she added, had asserted that US-India nuclear cooperation would bring India into the "nonproliferation mainstream."

US weapons experts have warned that forging a civilian nuclear agreement with non-NPT member India would not only make it harder to enforce rules against renegades Iran and North Korea, but also set a dangerous precedent for other countries with nuclear ambitions.

Lawmakers Concerned About U.S.-India Nuclear Trade Deal (WP)

By Dafna Linzer

The Washington Post, November 15, 2006

Congressional leaders requested a secret intelligence assessment of India's nuclear program and its government's ties to Iran in January amid concerns about a White House effort to provide nuclear technology to New Delhi. Ten months later, as the Senate prepares to vote on nuclear trade with India, the intelligence assessment has yet to be seen on Capitol Hill, congressional and intelligence sources say.

The pending nuclear deal with India would reverse years of U.S. policies aimed at preventing the spread of nuclear weapons. U.S. law forbids selling civilian nuclear technology to countries such as India that have refused to sign the Non-Proliferation Treaty. Arms-control experts, concerned that the deal would have major ramifications for U.S. efforts to stop nuclear programs in Iran and North Korea, said yesterday that the White House plan would allow India to rapidly increase its nuclear arsenal.

For the Bush administration, the deal is part of a strategy to accelerate India's rise as a regional counterweight to China. Further, officials have argued that a nuclear arsenal in the hands of democratic India, which conducted its first nuclear test in 1974, would not be a threat to the United States.

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The White House wants legislation for the deal approved by the lame-duck Congress and is hoping the Senate will vote on it by Friday. The bill would carve out an India-specific exception to long-standing laws that forbid nuclear trade with countries that have not signed the NPT. Sen. Harry M. Reid (Nev.), who will become majority leader when Democrats take control of the Senate in January, has said that he wants the India bill to come up before the current Congress ends in December.

In July, the House voted in favor of a similar bill. Lawmakers did not know at the time that the Bush administration was planning to sanction two Indian firms for selling missile parts to Iran -- a fact that seemed to undercut administration assurances that India's nonproliferation record is excellent.

Democrats later accused the administration of deception, and Senate and House staff members said yesterday that they are concerned that the White House is still pushing for congressional approval without providing needed information, such as the intelligence report.

In a Jan. 23 letter to John D. Negroponte, director of national intelligence, the ranking chairmen of the House and Senate foreign relations panels asked for "an interagency assessment" of India's nuclear program, its record of proliferation and its ties to Iran. The letter was signed by Reps. Henry J. Hyde (R-Ill.) and Tom Lantos (D-Calif.) and Sens. Joseph R. Biden Jr. (D-Del.) and Richard G. Lugar (R-Ind.) -- all of whom have been generally supportive of the India deal but have raised concerns about the proliferation implications and about India's relations with Iran.

The four asked Negroponte to assess how India is implementing its nonproliferation commitments, the adequacy of its export controls and the movement into and out of India of materials to make weapons of mass destruction.

Much of the deal rests on assurances that India will separate its nuclear and civilian facilities so that the United States can be certain that the nuclear technology it provides will go only to the civilian energy side. With a population of 1 billion, India has vast energy needs and civilian technology would help it to modernize. But the arrangement would also free up India's nuclear infrastructure so that it could be devoted solely to weapons.

The letter asked the intelligence community to gauge the extent to which the deal "may enhance India's ability to produce fissile material for weapons." The senators also asked for a full assessment of India's positions on Iran.

In a Feb. 9 response to the letter, Negroponte wrote: "We look forward to providing the necessary information in the near future." Copies of both letters were read to The Washington Post. Negroponte's office said yesterday that it could not comment on the letters or the status of the assessment.

Several congressional sources said that the National Intelligence Council provided two oral briefings, in March and April, that focused on the history of U.S.-India relations as well as the beginnings of India's nuclear program, but that the briefings did not address the specific information requested in the letter. "We expect a written intelligence product," one Republican said. Four other staff members -- two Democrats and two Republicans -- also said that they expected a complete intelligence assessment that responds point by point to the issues raised in the letter. All spoke on the condition of anonymity, fearing that public comment would put their congressional jobs at risk.

The terms of a U.S.-India accord, worked out in secret in 2005, took Congress by surprise. Congress must approve any final deal before it can be implemented. While both parties support a strategic alliance with India, some have voiced concerns about its strong ties to Iran.

Tehran and New Delhi signed an extensive agreement in 2003 and their military, scientific, political and economic ties are growing.

A report issued yesterday by the Congressional Research Service, which does in-depth analysis for Congress, said that "India's long relationship with Iran" made it unlikely that India would take a hard line on Tehran. India does not support nuclear weapons for Iran, but "its views of the Iranian threat and appropriate responses differ significantly from U.S. views."

The report also found that entities in India and Iran "appear to have engaged in very limited nuclear, chemical and missile related transfers over the years."

Commerce Secretary Embraces Trade Negotiations With China (WSJ)

By Andrew Batson

The Wall Street Journal, November 15, 2006

BEIJING -- Secretary of Commerce Carlos Gutierrez urged continued negotiation -- rather than confrontation -- with China on ways to address its yawning trade gap with the U.S., saying China's leaders are moving forward with measures to address major complaints such as counterfeiting.

Mr. Gutierrez, speaking yesterday after meetings with officials including Chinese Premier Wen Jiabao and Minister of Commerce Bo Xilai, admitted he still needs more concrete results if he is to quiet domestic critics of his approach. The U.S. trade deficit with China is on track this year to far exceed last year's record $202 billion, while the Democratic victory in last week's congressional elections creates new political pressure to address trade concerns.

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"The important thing is that there is a great deal of understanding of what needs to be done" among top Chinese officials, Mr. Gutierrez said. "Obviously the proof always is in the results, and we know that we have a lot of work to do to continue to deliver results."

Mr. Wen expressed hope that negotiations could help avoid a more serious breakdown in trade relations. "Facts prove that consultation and dialogue are the right way to settle bilateral economic and trade frictions. Trade protectionism will only harm the common interests of both sides," the official Xinhua news agency quoted him as saying during his meeting with Mr. Gutierrez.

Reducing piracy and counterfeiting in China has become a major goal of U.S. and European trade policy. Mr. Gutierrez pointed to cooperation between Chinese and U.S. law enforcement on cases involving counterfeit drugs, favorable rulings from Chinese courts on the trademarks and patents of U.S. companies, and new enforcement actions against the piracy of DVDs, CDs, and college textbooks.

The Bush administration has faced pressure from lawmakers to file a case at the World Trade Organization against China's intellectual-property practices. Mr. Gutierrez said the U.S. isn't ruling out that option, but he emphasized that "our preference is to solve issues through dialogue."

Mr. Gutierrez, in an interview, said he also continued to lobby China to grant improved access to markets like financial services, film and retail.

U.S. Warns China On Piracy, Market Access (WP)

By Edward Cody

The Washington Post, November 15, 2006

BEIJING, Nov. 14 -- Commerce Secretary Carlos M. Gutierrez said Tuesday that he is telling concerned Chinese officials that the best way to avoid trade restrictions from the new Democratic-controlled Congress is to act swiftly on U.S. complaints about brand pirating and market access.

"We don't want to give anyone the justification for protectionist trade policies, which we think would be a big mistake," Gutierrez said in an interview at a U.S.-sponsored roundtable on intellectual property rights.

The suggestion from Gutierrez responded to worries among some Chinese officials and other specialists that Democrats assuming House and Senate committee chairmanships will be less friendly toward China than their outgoing Republican counterparts, particularly on such issues as trade and human rights.

The presumptive incoming speaker of the House, Rep. Nancy Pelosi (D-Calif.), has been noted here as a particular critic of the Communist Party government and its human rights record. In general, Chinese specialists said, Democratic leaders also seem more willing than Republicans to lend a sympathetic ear to complaints from labor unions that U.S. jobs are being lost as companies expand to China, seeking to benefit from a cheap workforce.

Gutierrez said the danger of protectionist measures in Congress had been a subject of concern during his three previous trips to China as commerce secretary. Sen. Charles E. Schumer (D-N.Y.) last year stirred worries here by seeking punitive 27.5 percent duties on Chinese products unless Beijing revalued its currency against the dollar. The effort went nowhere under the Republicans, but concerns have arisen anew in China since Democrats gained control of both houses of Congress in last week's midterm elections.

The underlying problem, China's trade surplus with the United States, has not subsided. The U.S. deficit with China was $202 billion last year and hit $166 billion in the first nine months of this year. Heeding U.S. concerns, China has allowed its currency, the yuan, to revalue slightly against the dollar over the past six months, but at a rate dismissed as too slow and too little by Schumer and other critics.

"Those who espouse protectionism as a legitimate economic policy have a loud voice," Gutierrez said in a speech to participants in the roundtable discussion that addressed those concerns. "They cite specific imbalances. And they point to the lack of robust protection" of intellectual property "in China as a top reason why we should put protectionist policies in place. This would be the wrong course. However, we can't disprove the critics with rhetoric. We need results."

Specifically, Gutierrez said China should strike harder at criminal groups that pirate U.S. brands, enacting laws that make prosecution easier. In response, China's commerce minister, Bo Xilai, told reporters that Chinese prosecutors are bringing more cases against counterfeiters and that the government has financed 50 centers around the country to gather information on intellectual property violations.

In practice, however, knockoff brands have become part of the scene in Beijing and other Chinese cities, where street vendors openly hawk pirated DVD movies and small shops sell fake designer labels. Although police occasionally crack down, enforcement has been sporadic at best, in part because the livelihoods of many poor merchants depend on such trade.

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Gutierrez said greater market access for U.S. movie companies also could help discourage such trade, making legitimate discs more available. Banking and retail merchandising are two other areas where regulations should be loosened to allow U.S. business greater freedom to operate, he said.

Although the deficit remains large, since China's accession to the World Trade Organization, U.S. exports to China have grown about 20 percent a year, making China the fourth-largest U.S. export market, Bo told Gutierrez. So far this year, they have risen 34 percent over the comparable period last year, totaling $40.2 billion.

U.S. Official Presses China To Punish Piracy (NYT)

By David Lague

The New York Times, November 15, 2006

BEIJING, Nov. 14 — China should intensify its fight against intellectual property theft with a crackdown on organized crime gangs that are responsible for widespread copyright piracy, Commerce Secretary Carlos M. Gutierrez said Tuesday.

As the United States maintained pressure on China to curb rampant counterfeiting, Mr. Gutierrez called on Beijing to make it easier to prosecute criminals who steal intellectual property.

He said contacts between American and Chinese legal authorities and recent enforcement actions had revealed that organized crime was involved in many piracy cases.

“These are criminal organizations and one of the things they do is run a supply chain for illicit goods, pirated goods,” Mr. Gutierrez said during an interview on the second day of a four-day visit to China at the head of an American business delegation. “This is organized crime. One day it could be T-shirts, the next day it could be watches and the next day it could be medicines.”

With China on track to record a huge trade surplus with the United States this year, Mr. Gutierrez renewed a warning that intellectual property theft in China was a threat to trade ties.

Protectionists in the United States have become an increasingly vocal group, he said in a speech to business executives, adding, “and they point to the lack of robust I.P. protection in China as a top reason why we should put protectionist policies in place.”

Mr. Gutierrez said the theft of intellectual property was costing United States businesses an estimated $2.3 billion a year.

Mr. Gutierrez acknowledged that the Chinese authorities were stepping up their efforts to enforce laws protecting intellectual property. He noted the recent Chinese seizures of counterfeit Tamiflu, a drug used to treat influenza, in an operation that involved cooperation with United States law enforcement agencies.

Envoys To Work On Nuclear Talks Strategy (AP)

By Bo-mi Lim

AP, November 15, 2006

Nuclear envoys from the United States, South Korea and Japan will meet Wednesday to seek a common strategy ahead of the resumption of long-stalled nuclear disarmament talks with North Korea, officials said.

The U.S. and its top two Asian allies planned to meet on the sidelines of the Asia-Pacific Economic Cooperation summit in Vietnam where North Korea is expected to be a dominant theme.

South Korea said Tuesday the six-party disarmament talks that broke down in 2005 could resume by mid-December. The U.S. administration has ruled out a first meeting in November but said it hoped for a session in December.

North Korea agreed to return to the talks after it shocked the world by testing a nuclear device on Oct. 9, a move that triggered U.N. sanctions.

"We have said all along that we want to start the six-party talks as soon as possible but a key element of that is to be well prepared because when we do start, we want to be sure that we can really make progress," U.S. nuclear envoy Christopher Hill said Tuesday.

Hill will meet South Korea's top nuclear negotiator Chun Yung-woo and Japan's Kenichiro Sasae Wednesday morning to consider ways to pressure Pyongyang to give up its nuclear weapons program. China and Russia are also parties to the talks.

"It's a process for coordinating the positions of partner countries before the six-party talks," a Japanese government official in Hanoi said Tuesday of the upcoming meeting.

The impoverished North has often pursued a strategy of brinksmanship to gain aid and security guarantees. Chun said Tuesday that talks must be substantive.

"There should not be a breakdown," Chun Yung-woo told reporters after flying into Hanoi. "If we do not make substantial progress, the future for the six-party talks will be very unclear. There should not be talks for the sake of talks."

There are divisions among the parties to the talks over how strongly to enforce U.N. sanctions against the North for its nuclear test. Japan and the U.S. have called for tough measures, while South Korea favors a softer approach.

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Seoul said Monday it will not fully participate in a U.S.-led Proliferation Security Initiative that is largely aimed at stopping North Korean weapons traffic at sea, insisting it is doing enough to prevent the North's proliferation.

Another major sticking point at the nuclear talks is North Korea's demand that the U.S. lift financial restrictions imposed for the communist regime's alleged illegal activities, which Washington says include counterfeiting and money laundering.

The last round of six-party talks was a year ago, when negotiators failed to make progress toward implementing an earlier agreement in which the North agreed to give up its nuclear programs in exchange for aid and security guarantees.

The 21-nation APEC bloc, formed in 1989 as an economic forum, was scheduled to meet on Saturday and Sunday. A draft APEC joint communique did not mention North Korea, though it stressed the general importance of ensuring security to advance the prosperity of the region, saying the leaders are "determined to continue efforts to combat terrorism."

A final version of the declaration will be released after leaders including President Bush, Chinese President Hu Jintao, Russian President Vladimir Putin and Japanese Prime Minister Shinzo Abe wrap up their weekend summit in Vietnam's capital Hanoi.

US Envoy Says NKorea Talks Could Come In Early December (AFP)

By Peter Harmsen

AFP, November 15, 2006

Envoys involved in six-party talks on dismantling North Korea's nuclear program are scrambling to set a date to resume negotiations next month, the chief US delegate said.

"We have been in very close contact with the Chinese lately, and I think we do want to try to fix the date very soon," Christopher Hill told reporters after meeting with his South Korean counterpart, Chung Yung-Woo, in Hanoi.

"We will probably use the next few weeks to be very busy and maybe begin the talks sometime in early December," added Hill, who went directly into a trilateral meeting with Chung and Japanese negotiator Kenichiro Sasae.

The flurry of diplomatic activity came on the sidelines of a week-long Asia Pacific gathering, bringing together key Pacific Rim countries including the five states involved in the talks with North Korea.

The North's nuclear program was expected to be one of the key issues addressed by ministers and leaders at the annual summit of the Asia-Pacific Economic Cooperation (APEC) forum in the Vietnamese capital.

The APEC gathering comes less than two weeks after Pyongyang agreed in secret negotiations in Beijing to return to the six-nation talks, which involve the two Koreas, China, Japan, Russia and the United States.

The negotiations, stalled a year ago when the North walked out over US action to freeze its accounts in a Macau bank, are aimed at convincing the regime of Kim Jong-Il to abandon its nuclear ambitions.

"We had a good discussion on how we might structure the next round of the six-party talks," Hill said of his talks with his South Korean counterpart.

"That will be the main subject of the trilateral meeting" with Sasae, he added.

"We all feel the process really needs to show progress and this is why we need to plan this next round very carefully."

North Korea sparked international concern in July when it test-fired seven ballistic missiles, and then stunned the world in October with its first atom bomb test which triggered UN sanctions against the reclusive communist regime.

The North is the only one of the six nations involved in the talks that is not a member of APEC.

The US negotiator said there was "great harmony" among the five nations as to how to handle the North Korean crisis.

When asked why envoys from China and Russia had not met the other three negotiators in Hanoi on Wednesday, a Japanese official said the five nations did not want Pyongyang to feel that they were "ganging up" on the regime.

"The final objective is not to antagonize North Korea, but for them to abandon their nuclear program," he said.

APEC leaders are to express "strong support for a diplomatic solution" to the crisis and "concern" over last month's atom bomb test, according to a draft joint communique obtained Wednesday by AFP.

The leaders will call for quick implementation of a September 2005 agreement under which North Korea agreed to scrap its nuclear program in exchange for energy and economic aid, and resumption of the six-party talks as soon as possible.

The Japanese official said APEC leaders were unlikely to issue a separate statement on North Korea, which would be seen as a more direct expression of concern than references to the crisis in a final joint communique.

"APEC is not a framework to have such a statement," he told AFP.

Bush Off To Asia To Talk Trade, Grapple With Korean Nuclear Crisis (AFP)

By P. Parameswaran

AFP, November 15, 2006

DOJ_NMG_0094843

US President George W. Bush has left to nail down trade ties with Asia and grapple with the North Korean nuclear crisis on his first foreign trip since his party's drubbing in legislative elections.

The US leader will transit in Moscow, where he will hold a brief airport meeting with Russian President Vladimir Putin, before arriving in the staunch ally city state of Singapore on the first leg of his regional trip.

He would also visit Indonesia, the world's most populous Muslim nation, and Vietnam, where he would attend a summit of the Asia-Pacific Economic Cooperation (APEC) forum at the communist nation's capital Hanoi.

Bush would discuss with Putin, Chinese President Hu Jintao, Japanese Prime Minister Shinzo Abe and other leaders of the 21-member APEC group issues ranging from a prospective Asia-Pacific free trade agreement to terrorism and nuclear proliferation.

"One of the things that the President likes about the APEC summit is when you get 21 leaders of economies together you get a lot of opportunities for discussion," a senior US official said ahead of the eight-day trip.

Aside from meetings with leaders of Singapore, Indonesia and Vietnam during his visit to these nations, Bush would hold one-on-one talks with his counterparts from China, Japan, South Korea, Russia and Australia on the sidelines of the APEC summit.

He would also hold a meeting with a group of all seven Southeast Asian leaders attending the APEC summit -- from Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Steps aimed at ending North Korea's nuclear weapons drive and removing barriers to investment and trade are expected to be among key topics in both the APEC and bilateral meetings, US officials said.

For the first time, Bush and the other APEC leaders will discuss the feasibility of forging a free trade agreement among the 21 economies, which account for nearly half of world trade and generate 70 percent of global economic growth, the officials said.

The free trade plan comes amid a deadlock in talks to forge a new global trade accord.

Accompanied by Secretary of State Condoleezza Rice, Bush will also have the opportunity at APEC to meet with four of the six players in multilateral talks aimed at ending North Korea's nuclear arms ambitions.

They would "discuss what we should try and accomplish when we do begin the next round of the six-party talks," US officials said.

Following its defiant missile launches and nuclear weapons tests, North Korea has agreed to return to talks with the United States, Russia, China, Japan and South Korea.

The six-party talks to resume in Beijing possibly next month is to explore an effective channel in which North Korea could abandon its atomic weapons in return for energy and other aid and diplomatic and security guarantees.

"You could not ask for better diplomacy since the detonation of the nuclear weapon in North Korea than what you've seen from the United States, China, Japan, and even, to a lesser extent, South Korea," said Kurt Cambell, a former senior Pentagon official.

Bush's national security advisor Steve Hadley said the rapidly growing Southeast Asian region was of "great importance" to the United States and that the US leader would seek to "reaffirm the centrality of the freedom agenda" and "continue to encourage efforts in the war on terror" as well as highlight "the principles of good governance, investment in people and economic freedom.

The United States is the biggest investor and top export market for the region.

But even before making his trip, Bush suffered a setback of sorts Tuesday when the House of Representative abandoned plans to vote again on a bill to grant "permanent normal trade relations" (PNTR) status to Vietnam.

The blow came a week after his Republican party was routed in legislative elections and lost control of Congress.

Bush had wanted to grant Vietnam PNTR on his maiden visit to the former battlefield enemy state.

A vote on the bill failed Monday and the House had wanted to make another attempt to pass it on Wednesday but an official said it had been postponed to possibly next month.

It is believed a number of labor unions were reported to have whipped up opposition to the planned legislation.

The Road To Damascus (NYT)

The New York Times, November 15, 2006

Israel's prime minister, Ehud Olmert, got what he wanted most out of his White House meeting with President Bush on Monday — a reiteration of America's uncompromising bargaining position on the Iranian nuclear issue. Tough talk is fine, but not enough. Washington could put greater pressure on Iran and perhaps advance another urgent Israeli concern, disarming Hezbollah, by dropping its resistance to high-level talks with Syria.

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Whenever such talks are proposed, Mr. Bush and Mr. Olmert point out the many objectionable policies of Syria's president, Bashar al-Assad. That misses the point. Diplomacy is not simply a matter of rewarding countries that act the way Washington likes. It can also be a useful tool for trying to induce countries like Syria to behave more constructively.

With Iran now asserting that it has achieved international acceptance as a nuclear state and Syria's Lebanese allies again challenging the Beirut government, it is time to give direct diplomacy with Syria a serious try.

Chipping away at Lebanon's sovereignty or Israel's security to win Syria's good will would, of course, be a disastrous mistake. But without crossing those red lines it might be possible for Washington to wean Damascus away from its alliance of convenience with Tehran. Syria and Iran are not natural or inevitable allies. Washington's clumsy attempts to ostracize both regimes have managed to tighten their mutual embrace.

One crucial difference between them is that Iran is thumbing its nose at international diplomacy so it can continue to learn how to enrich bomb grade uranium, and Syria is not. That is a distinction Washington needs to recognize and exploit. A Syria detached from Iran and engaged by the United States could conceivably be enlisted in reviving the Arab-Israeli peace effort and containing the spreading chaos in Iraq. Syria's national interests in both areas at least partially intersect with those of the United States and Israel.

Mr. Olmert was right to sound the alarm about an Iran that continues to advance its nuclear capabilities while its president calls for Israel's destruction. For now, the most effective response would be a full-court diplomatic press, combined with an escalating menu of international sanctions until Iran agrees to halt uranium enrichment. With the threat from Iran so clear, this is no time to invent more reasons for not talking to Syria.

Iran's Leader Cites Nuclear Progress (NYT)

By William J. Broad and Nazila Fathi

The New York Times, November 15, 2006

Iran's president declared yesterday that his country's nuclear program was nearing an important milestone, even as international atomic inspectors reported that they had found unexplained traces of plutonium and that Tehran continued to be so uncooperative in answering questions that they had been unable to confirm earlier claims of progress.

President Mahmoud Ahmadinejad's statement that Iran hoped soon to master the nuclear fuel cycle came as world powers, suspicious that Iran is seeking the means to make atom bombs, are trying to agree on a regimen of sanctions. Iran says it wants only to fuel reactors and generate electricity.

"I hope we can have our celebration of Iran's full nuclearization this year," Mr. Ahmadinejad said during a news conference in Tehran, apparently referring to a program that could do everything from extracting uranium ore from the ground to enriching it into reactor fuel. Iran's calendar ends in March.

In its latest report on the Iranian nuclear program, the International Atomic Energy Agency, based in Vienna, said Tehran was moving ahead with its efforts to purify uranium while refusing to answer basic questions about its atomic program.

For instance, the report said Iran had failed to provide full access to records needed to confirm its claims in June of having enriched uranium to a level of 5 percent, which is suitable for reactors.

The report also said inspectors had made no progress in resolving the origin of previously discovered traces of highly enriched uranium, which can fuel atomic bombs. In September, the agency disclosed the discovery of the particles on a container from a waste storage site at Karaj, not far from Tehran, but withheld judgment about where the material came from and whether it could be linked to a secret nuclear weapons program.

Finally, the report said inspectors had recently found traces of yet another unexplained particle — plutonium — on samples from containers at Karaj and was assessing a response from Tehran about its origin. Plutonium, like uranium, can fuel atom bombs. "Unless Iran addresses the long outstanding verification issues," the report concluded, the atomic agency "will remain unable to make further progress in its efforts to verify the absence of undeclared nuclear material and activities."

The report was sent to the 35 countries on the atomic agency's decision-making board before its regularly scheduled quarterly session in Vienna on Thursday and Friday of next week. It was distributed on a confidential basis yesterday but was quickly made available to reporters.

In Tehran, Mr. Ahmadinejad once again defied international demands to suspend uranium enrichment and reiterated Iran's ultimate enrichment goal — to expand its program to an industrial level with 60,000 centrifuges.

In a news conference with Iranian journalists, he also brushed off suggestions by other senior authorities that Iran might suspend the reactor-fuel program, saying there was no way Iran would turn back.

Mr. Ahmadinejad said Iran had prepared itself to confront possible sanctions. "Nothing has been passed against Iran yet, but we are ready for any condition," he said. "They will do their best, and so will we. In the end, the winner is whoever stands more firmly."

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He said Iran was willing to hold talks with the United States if it changed its attitude. “We want to have good relations with all countries, but they have a certain attitude and think they own the world,” he said. “Our people cannot tolerate that.” He said he would soon send a message to the American people that would explain the viewpoint of Iranians.

So far, Iran has built two cascades of 164 centrifuges for uranium enrichment — the process of purification used to make nuclear reactor fuel and, at great purity, the core of an atom bomb. It has announced that it wants to have 3,000 centrifuges operating by March 2007.

Nuclear experts have estimated that it could take a plant of 3,000 centrifuges as little as nine months to make 55 pounds of highly enriched uranium — enough for anywhere from one to five small nuclear weapons, depending on the skill of the bomb makers.

Intelligence analysts say Iran could be anywhere from three to nine years away from having the ability to build an atom bomb.

IAEA Reports On Discovery At Iran Facility (WP/AP)

Associated Press

The Washington Post, November 15, 2006

VIENNA, Nov. 14 -- New traces of plutonium and enriched uranium, potential material for atomic warheads, have been found at a nuclear waste facility in Iran, the International Atomic Energy Agency reported Tuesday, as Iran's president boasted that his country's nuclear fuel program would soon be completed.

President Mahmoud Ahmadinejad, at a news conference in Tehran, asserted that the world had no choice but to "live with a nuclear Iran," but conceded that his country was "still in the first stages" of its uranium enrichment program.

He also said Iran would talk to the United States if it "corrects its behavior," but the White House said there would be no discussions until Tehran took a more constructive role in the region.

Ahmadinejad did not define the scope of any talks with the United States, nor did he say that Iraq or the nuclear dispute would be on the agenda of such discussions.

So far, Iran has been able to activate only two experimental enrichment plants that U.N. officials say have broken down frequently and have produced only small amounts of material suitable for nuclear fuel.

But Iran has progressed enough since resuming enrichment activities in February to provoke a U.N. Security Council demand that it freeze its program. Iran has refused, saying it intends to move toward large-scale uranium enrichment.

The IAEA board in February reported Iran to the Security Council, suggesting it had breached the nuclear Non-Proliferation Treaty and might be trying to make nuclear weapons.

Tuesday's IAEA report, prepared for next week's meeting of the agency's 35-nation board, also faulted Iran for lack of cooperation.

The U.S. ambassador to the United Nations, John R. Bolton, said Ahmadinejad's comments and the IAEA's latest discoveries "both demonstrate the urgency for the Security Council to act on Iran." He said sanctions were "obviously the only means to get Iran's attention."

A senior U.N. official familiar with the report cautioned against reading too much into the findings of traces of highly enriched uranium and plutonium, saying that Iran had explained both and that they could plausibly be classified as byproducts of peaceful nuclear activities.

The official, who spoke on condition of anonymity because he was not authorized to discuss the report publicly, said that although the uranium was enriched to a higher level than needed to generate power, it was below weapons grade.

Iran Says It Will Be ‘fully Nuclear’ Soon (FT)

By Gareth Smyth

Financial Times, November 15, 2006

Iran’s President Mahmoud Ahmadi-Nejad on Tuesday promised a “celebration of Iran’s full nuclearisation” before the end of the Iranian year next March and said the US and its allies had “finally agreed to live with . . . an Iran possessing the nuclear fuel cycle”.

Mr Ahmadi-Nejad did not explain his claims, which came at a news conference. But he was at pains to defend his record at home and abroad in the run-up to next month’s municipal council elections when his government faces its first nationwide popularity test.

The US state department said Mr Ahmadi-Nejad’s comments should represent “a cold jolt to the rest of the world”. But a more sober picture of Iran’s nuclear progress was painted by an International Atomic Energy Agency report on Iran obtained by the Financial Times.

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The report, sent out on Tuesday to the governors of the nuclear watchdog, confirms that Iran is now principally using two "cascades" of 164 centrifuges apiece to enrich uranium. This means the country still falls well short of the 3,000 or so centrifuges that would be needed to enrich uranium on an industrial scale.

The report adds that between mid-August and the beginning of this month, Iran says it fed 34kg of feedstock into the centrifuges and that this was enriched to a level of 5 per cent – which is suitable for nuclear fuel but not for weapons grade material.

Mr Ahmadi-Nejad's news conference, to which the international media was not invited, concentrated on domestic issues as the president responded to criticisms he has faced in recent months, especially over rising prices and unemployment.

He claimed foreign investment in the non-oil sector had reached $7.2bn (€5.6bn, £3.8bn) in the first seven months of this year, up from $4.3bn in the whole of last year, and that the government had created 144,000 jobs in small industries.

But the president was also keen to assert Iran's success in developing its nuclear programme, as western powers struggle to even agree a draft sanctions resolution with Russia and China nine months after the issue was referred to the UN security council. Mr Ahmadi-Nejad said he would respond to requests from "many American people to talk to them" with a letter explaining Iran's policies – even though he received no response when he wrote in May to President George W. Bush.

He may be seeking to gain political capital from the belief in Iran's political class, especially among fundamentalists, that the balance of world power is shifting away from the US. He claimed the "the Iranian nation is the most popular in the world . . . with widening political influence".

While Iranian officials welcomed the Republicans' defeat in mid-term US elections, they have expressed caution as to whether it will lead to any substantive change in Washington's policies towards Iran. But at the same time, officials have stressed that the chance of compromise remains.

Additional reporting by Daniel Dombey in Brussels

Iran's Nuclear Program Progressing, U.N. Agency Says (LAT)

By Alissa J. Rubin

The Los Angeles Times, November 15, 2006

SANCERRE, FRANCE — Iran has slowly but steadily increased its ability to enrich uranium despite international calls to halt its nuclear activities, experts at the International Atomic Energy Agency say in a report released Tuesday.

The report, which became public before a meeting next week by the agency's board of governors, emphasizes that Iran's refusal to answer inspectors' questions about its nuclear activities makes it impossible for the IAEA "to confirm the peaceful nature of Iran's program."

The report also notes that traces of plutonium have been found on storage barrels at a waste facility, in addition to a previously reported finding of highly enriched uranium at the site.

Iran had kept its nuclear program secret for more than 18 years, until 2002, and many questions remain unanswered about whether its effort had, or continues to have, a military goal. Highly enriched uranium is the fissile material needed to make a nuclear bomb.

Iranian President Mahmoud Ahmadinejad did little to reassure world leaders Tuesday. He said at a news conference in Tehran that there would be "the big celebration of Iran's full nuclearization in the current year."

Iran's current calendar year ends March 20.

Iranian officials have said Tehran would have 3,000 centrifuges, used to enrich uranium, operating by the end of their calendar year. Ahmadinejad said Tuesday that the goal was eventually to have 60,000. "We are at the beginning of a wave," he said at the gathering, reported by the official Islamic Republic News Agency.

Although that goal is possible, it would appear to require a drastic acceleration in Iran's program.

The IAEA inspectors are reluctant to make any predictions about the speed with which Iran might move ahead.

The United Nations watchdog agency's inspectors have had increasingly limited information about Iran's nuclear operations since Tehran reduced their access to nuclear facilities early this year. The action came after the nuclear agency's board of governors reported Iran to the U.N. Security Council.

"The IAEA, which is the only reliable set of eye and ears, now is mostly blindfolded, their ears are plugged," said Mark Fitzpatrick, a senior analyst on nuclear nonproliferation at the International Institute for Strategic Studies.

"Iran has been tightening the blindfold, and that's dangerous, because without knowing the real status — how many centrifuges are breaking, how many they are assembling, how many they are manufacturing — the policymakers have to give credence to the worst-case scenarios, and they become wild guesses … and that's dangerous for Iran," Fitzpatrick said.

Information on how many centrifuges are breaking would allow the nuclear agency to gauge how well the groups of linked centrifuges, known as cascades, are working and to better assess Iran's progress.

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Similarly the inspectors no longer have access to sites where Iran is fabricating or assembling the centrifuges, making it difficult to judge the accuracy of the Iranian claim that the country is poised to set up 3,000 centrifuges.

As is often the case, Ahmadinejad backtracked and moderated his predictions even before the end of Tuesday's news conference, answering a question: "We want to produce fuel after all. We have to keep going. We have a long way to go to 60,000" centrifuges.

The Bush administration and several European governments fear that Iran intends to use the enriched uranium to build bombs, despite Tehran's insistence that the material would only fuel civilian power stations.

The report and Ahmadinejad's comments came amid debate among permanent Security Council members about which sanctions to apply against Iran to pressure the Islamic state into halting its uranium enrichment activities. The European Union and the U.S. have backed a Security Council resolution that would prevent nuclear technology and related missile technology from being sold to Iran and limit visas for some Iranian officials and students. Russia and China, however, want to moderate the sanctions package.

Many people close to the discussions in European capitals and Washington believe there may be the possibility of a negotiated freeze in Iran's program that could stop Tehran before it becomes capable of producing weapons-grade material. However, that would entail guarantees by the U.S. that it would not seek to change the Iranian regime and a willingness by Washington to hold direct talks with Iran. At the moment both seem remote.

In the meantime, Iran has endeavored to make as much progress as possible toward achieving the full nuclear fuel cycle.

"Iran has been attempting to create facts on the ground for a year or two. They want to be able to say, 'We've already passed that technical milestone,' " said a U.S. diplomat familiar with Iran's program. "Today is another example of that — [Ahmadinejad is] simply trying to say, 'You can't stop us, we're still moving forward,' "

U.S. officials and European diplomats say they are skeptical that Iran could attain the capability to make nuclear weapons in the next couple of years, but Israeli officials believe Tehran already may be so far along that it will be hard to halt its program.

As expected, the nuclear agency's report confirms that Iran began operating a second cascade of 164 centrifuges Oct. 13. The report also notes that uranium gas has been fed into the first cascade only intermittently.

The two cascades are not linked, said senior officials familiar with the IAEA report. If they were linked, Iran could better enrich uranium, some experts said.

Iran Expands Nuclear Ambitions Drawing New US Criticism (AFP)

By Stuart Williams

AFP, November 15, 2006

Iranian President Mahmoud Ahmadinejad announced ambitions to enrich uranium on a scale that the United States warned would give the Islamic republic the capacity to produce an atomic bomb.

Despite the threat of UN sanctions hanging over Iran for its refusal to suspend uranium enrichment, Ahmadinejad unveiled long-term plans to build 60,000 centrifuges for enrichment. It currently has only 328.

"We want to produce nuclear fuel and eventually we should go for 60,000 centrifuges. We should continue along this path. We are at the beginning of the wave," Ahmadinejad told a news conference.

Iran has previously said it is looking to install 3,000 centrifuges by March 2007, in itself a massive step from the two cascades of 164 centrifuges apiece it has currently at its Natanz plant to enrich uranium on a research scale.

The United States seized on Ahmadinejad's comments as a wake-up call for any doubters that Iran's real goal was the capacity to make an atomic bomb.

"That should be a cold jolt to the rest of the world," State Department spokesman Sean McCormack said.

"What that leads to is an Iranian nuclear weapon, which would be an incredibly destabilizing event in the course of Middle East history."

Experts say that 50,000 centrifuges would normally be sufficient to produce 20 kilos (44 pounds) of weapons grade uranium in under a month, but Iran vehemently denies it wants the bomb, insisting its nuclear programme is for power generation only.

Enrichment is carried out in lines of centrifuges called cascades and is used to make the fuel for civilian nuclear reactors. But in highly enriched form, the uranium can be used to make a nuclear bomb.

Building tens of thousands of centrifuges would take Iran's enrichment programme from its current research level to one where it could produce nuclear fuel on an industrial scale.

World powers wanted Iran to suspend enrichment as a prelude to full-scale negotiations over its atomic programme, a demand that has been repeatedly rejected by Iran.

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"The question of a suspension has now been passed," Ahmadinejad said, shrugging off the prospect of UN sanctions against Iran over its failure to heed Security Council demands to agree one.

"If they put in place sanctions, a new financial order will be put in place."

The Iranian show of defiance comes at an awkward time for the US administration as it comes under mounting pressure to involve Iran and its regional ally Syria in talks on stabilising Iraq, after the drubbing its current policy received at the hands of voters in mid-term elections.

President George W. Bush's spokesman rejected suggestions of a growing gap with his key Iraq ally British Prime Minister Tony Blair on dialogue with Iran after the two leaders gave evidence to a study group rethinking policy on Iraq.

"You have mischaracterized his position," Tony Snow said. "Read his speech, and you'll see there is no difference between the governments."

The Iranian president said talks with the United States could only take place if it changed its "attitude" towards Iran.

"We would talk with the US government but on certain conditions, on the condition that it corrects its attitude," he said.

"And at that moment, we will talk with them as we talk with the others."

Ahmadinejad confidently announced he would soon send a personal message to the American people.

"I am in the process of preparing it," he said. "The message will elaborate upon the viewpoints of the Iranian nation, because many Americans asked me for it."

In its latest report on Iran's nuclear programme, a copy of which was obtained by AFP, the International Atomic Energy Agency said Iran was still not enriching uranium beyond the five percent level sufficient for use as reactor fuel.

From August 13 to November 2, Iran fed "a total of approximately 34 kilogrammes" (75 pounds) of feedstock uranium gas into centrifuges, producing a small amount of uranium enriched to low levels, the report said.

It did not detail how much uranium was produced but said enrichment levels seemed to be below five percent, nowhere near the 90 percent level needed to make atom bombs.

Ahmadinejad: Iran Open To Talk With U.S. (AP)

By Ali Akbar Dareini

AP, November 15, 2006

President Mahmoud Ahmadinejad said Tuesday that Iran would talk to the United States if it "corrects its behavior," but the White House said there would be no discussions until Tehran took a more constructive role in the region.

Ahmadinejad's comment was the highest-level Iranian statement in recent months that the government is willing to talk to Washington, which it has long demonized as "the Great Satan." It also came a day after British Prime Minister Tony Blair advocated seeking Tehran's help in ending the violence in Iraq.

At a news conference, Ahmadinejad did not spell out any other conditions for U.S.-Iranian talks, but he accused the Bush administration of pursuing a foreign policy based on aggression, oppression, unilateralism and disrespect for other nations.

Ahmadinejad did not define the scope of any talks with the United States, nor did he say that Iraq or the nuclear dispute would be on the agenda of such discussions.

At the news conference, Ahmadinejad said: "We are after positive interaction with the whole world, excluding a country that we don't recognize" — a reference to Israel.

"We won't talk to the Zionist regime because it is a usurper and an illegitimate entity. But we will talk to the U.S. government under certain conditions. Should it correct its behavior, we will talk to them," the president said.

In Washington, White House National Security Council spokesman Gordon Johndroe said: "I don't think this is about a U.S. attitude adjustment. The collective attitude of the world is that Iran needs to play a constructive role in the region, not meddle in Iraq and stop its enrichment activities."

The United States and the Iraqi government have long accused Iran of aiding the insurgency in Iraq — a charge Iran denies. Johndroe pointed out that Blair had said Monday that Iran must stop interfering in Iraq and cease uranium enrichment.

Iran has proposed talks with the United States about Iraq twice this year, first in March and then on Nov. 5. In the most recent proposal, Foreign Ministry spokesman Mohammad Ali Hosseini said Tehran would consider talks with the U.S. over regional issues, including Iraq, if Washington requested.

Weeks after the first proposal of talks, Iran withdrew the offer. When Tehran renewed the offer this month, analysts said that Iran was concerned about the escalating turmoil in Iraq and might also be seeking to slow Washington's push for sanctions over its nuclear program.

The United States welcomed the first offer of talks, but said the negotiations would be confined to Iraq.

On Tuesday, President Bush said his line on Iran was: "We are willing to come to the table with the European Union, as well as Russia and China to discuss a way forward" in relations.

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Speaking to reporters at the White House, Bush said repeated the condition that he set weeks ago — that for talks, Iran must agree to verifiably suspend its uranium enrichment activities.

One option under discussion at one point by a bipartisan Iraq Study Group headed by former Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton was for greater cooperation with Iran and Syria.

Hamas Insists It Won't Recognize Israel (AP)

By Karin Laub

AP, November 15, 2006

Hamas insisted Tuesday it would not recognize Israel even after a unity government takes power in the Palestinian territories, complicating efforts to form a more moderate coalition that would clear the way for vital foreign aid.

The militant Islamic group suggested, however, that the emerging coalition would be free to stake out a different position, apparently hoping the ambiguity in its statements will allow it to preserve its anti-Israel ideology but loosen international sanctions that have crippled the Palestinian economy.

The tough talk came despite Hamas' promises to Palestinian President Mahmoud Abbas that it would refrain from incendiary public statements during the delicate coalition talks.

Abbas was meeting with the leaders of Jordan and Egypt on Tuesday and Wednesday to win their blessing for what he hopes will be a broader package deal, including not only formation of a moderate government, but also a cease-fire with Israel and an Israel-Hamas prisoner swap.

On Wednesday, envoys of the so-called Quartet of Mideast mediators — the United States, the U.N., the European Union and Russia — were to meet in Cairo, in part to be briefed on the coalition talks. Abbas met the U.S. envoy, Assistant Secretary of State David Welch, on Tuesday night.

President Bush also called Egyptian President Hosni Mubarak, a key peace meditator, to discuss the latest developments, Egypt's semi-official Middle East News Agency reported.

For Abbas' plan to work, Israel and the West must accept the premise that Hamas is largely ceding power by making room for a 24-member Cabinet of independent administrators — even though the Islamic militants get to appoint nine of the ministers and would retain considerable control.

The monthslong deadlock over whether the new government would recognize Israel is to be solved by a division of labor: Abbas and his Palestine Liberation Organization would lead peace talks with Israel, while the government of experts runs daily life in the Palestinian territories.

In such a constellation, the argument goes, the government does not need to take a position on whether to recognize Israel or renounce violence, because it deals with more mundane issues.

However, the international community has demanded such declarations in exchange for lifting its aid boycott.

So far, Israel and the West have withheld judgment on Abbas' efforts — and the latest Hamas comments might make it harder for the Palestinian leader to market a future agreement.

Moussa Abu Marzouk, a top official in Hamas' exiled leadership, said demands that the group recognize Israel are "illegal and illegitimate."

However, Abu Marzouk and other spokesmen differentiated between Hamas and a new government. "It's not Hamas that will pronounce on this subject," he said.

In Washington, State Department spokesman Sean McCormack said the Palestinian political activity is an indication of Hamas' inability to govern. "It's a simple reflection of the reality that because of their policies, they have failed," he said.

Despite the latest damper, negotiators reported more progress Tuesday, saying they reached agreement on the division of Cabinet portfolios. Hamas would choose nine ministers, Fatah would appoint six, and four smaller factions would pick one each. Five more independent ministers would require the approval of Hamas and Fatah, negotiators said.

On Monday, the two sides reached agreement in principle on a new prime minister — U.S.-educated microbiologist Mohammed Shabir, former president of the Islamic University in Gaza City. Shabir, 60, has ties to both Hamas and Fatah.

One sticking point could be control over the Interior Ministry, in charge of key branches of the security forces. Hamas seeks guarantees that its Executive Force, a security branch it set up in recent months, will not be dismantled, but Abbas has not made any promises.

In Cairo on Tuesday night, Egyptian Foreign Minister Ahmed Aboul Gheit said the peace process could also be advanced if Israel and the Palestinians would agree to swap the Israeli corporal whom Hamas-allied militants kidnapped in June with some Palestinians detained in Israeli prisons.

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Associated Press writers Ibrahim Barzak and Sarah El Deeb in Gaza City contributed to this report.

DOJ_NMG_0094850

US Confirms Meeting Of Mideast Peace Quartet (AFP)

AFP, November 15, 2006

The sponsors of the Middle East peace process will meet in Cairo Wednesday to discuss efforts to revive negotiations between Israel and the Palestinians, the State Department confirmed.

US Middle East envoy David Welch will represent Washington at the meeting with his counterparts from Russia, the European Union and the United Nations -- a grouping known as the Middle East "quartet," spokesman Sean McCormack said.

McCormack said the meeting did not signal a major initiative to break a months-long deadlock in peacemaking efforts but an opportunity to "take stock" of the situation.

He also said the meeting was arranged before last week's US elections in which opposition Democrats took control of Congress and immediately pressed President George W. Bush to reinvigorate his Middle East diplomacy.

"A lot of developments, a lot of different things are going on in the Middle East. We all thought this was an appropriate time for the envoys to get together," he said.

A key development to be discussed will be efforts by moderate Palestinian leader Mahmud Abbas to form a new power-sharing government that would sideline members of the radical Islamic movement Hamas, he said.

"This is all part of our diplomacy ... doing what we can here and there to try to make sure that if the Palestinians do produce a government that meets the standards of the quartet statement, then you do have a political horizon that you can potentially move forward," he said.

Welch is also expected to hold separate meetings with Egyptian officials before travelling to Amman for talks the Jordanians, McCormack said.

It was unclear whether Abbas, who was due in Cairo later Tuesday, would join any of the talks.

The meeting follows complaints by Arab countries that the quartet was not doing enough to revive peace talks between the Palestinians and Israelis and unease by Russia over its partners' handling of the deadlock.

Russian President Vladimir Putin called during a visit by Egyptian President Hosni Mubarak to Moscow earlier this month for regional countries to play a bigger role in the deliberations of the quartet.

Moscow has distanced itself from demands made by the quartet earlier this year for the current Islamist-led Palestinian government to renounce violence and recognize Israel and past peace deals.

The European Union and the United States suspended direct aid until the demands are met but Russian Foreign Minister Sergei Lavrov last month described them as "unrealistic."

Abbas has been engaged in intensive talks with Islamist prime minister Ismail Haniya on forming a government of national unity acceptable to Western donors.

Arab League assistant secretary general Ahmed Ben Helli hit out at the quartet for not doing enough to rein in the deadly offensive launched by Israel after the capture of a soldier by Gaza-based militants in June.

"Unfortunately the quartet has been absent from every action we have taken. It's a body that has been set up but that is not fit for purpose," Ben Helli said.

He condemned what he described as the "silence" of the quartet in the face of the "Israeli crimes against the Palestinian people" and its "failure to assume its responsibility for relaunching the peace process."

The quartet drafted the roadmap peace plan which has made next to no progress since its launch in 2003.

Egypt Wanes As Power Broker (WSJ)

By Mariam Fam

The Wall Street Journal, November 15, 2006

CAIRO, Egypt -- As the White House considers recalibrating its Middle East strategy, an important ally's waning clout in the region underlines some of the challenges ahead: Egypt, which for decades has acted as peacemaker and behind-the-scenes political broker for the U.S. in the Arab world, has seen its status ebb as Mideast dynamics have been shifting.

The destabilization of Iraq, the ascent of the Palestinian militant group Hamas, last summer's war in Lebanon and Iran's resurgent influence have helped erode Cairo's traditional leading role in the region. Egypt remains a strong U.S. ally, but its diminished authority, coupled with internal stagnation, have weakened Egypt's capacity to help the U.S. navigate the region's dicey political waters.

Others, such as Qatar, which is trying to carve out a role as mediator and regional heavyweight, have emerged. And pressure has increased on the Bush administration to reach out directly to Syria and Iran, which it has snubbed despite their undeniable influence in the region's trouble spots. On Monday, President Bush met with members of the bipartisan Iraq Study Group, which may recommend engaging both those governments to help pacify Iraq.

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"The Egyptian role has taken a back seat, to the benefit of other regional powers. The Israeli-Palestinian issue used to be an Egyptian-Jordanian issue, but now it is more influenced by Syria and Iran," said Emad Gad, a senior researcher at the al-Ahram Center for Political and Strategic Studies in Cairo.

Gehad Auda, a political scientist and an official in Egypt's ruling National Democratic Party, said that despite new challenges, Cairo remains a main force of stabilization in the region and, along with other moderate Arab governments, provides a counterweight to countries such as Syria and Iran. He added that Egyptian diplomacy draws on the country's network of relations to "exert subtle pressure" behind the scenes on various parties. "I believe that in the final analysis, the Egyptian role will come up on the winning side."

Egypt is hosting talks this week involving Palestinian President Mahmoud Abbas and representatives of the U.S., European Union, Russia and United Nations. In the past, Egypt proved invaluable in helping to secure Washington's goals, such as defusing Israeli-Arab tensions and drumming up Arab support for driving out Iraq after it invaded Kuwait in 1990.

Today, weeks of Egyptian efforts have failed thus far to secure the release of an Israeli soldier captured by Palestinian militants in June. Cairo's attempts to coax Syria away from Iran and back toward the Arab sphere have also come up short. Meanwhile, President Hosni Mubarak's harsh treatment of political opponents -- jailing activists and cracking down on protests -- has undermined President Bush's agenda of fostering democracy in the Mideast.

The U.S.-led toppling of Saddam Hussein in Iraq in 2003 was a watershed. Swapping this longtime Iranian nemesis for a Shiite Muslim-led government empowered the Shiite rulers in Tehran. The ensuing chaos also fostered a closer alliance between Iran and Syria, Iraqi neighbors that U.S. and Iraqi officials have accused of fueling Iraq's disorder. Meanwhile, the resurgent Shiite influence has sparked concern among Sunni Muslim Arab regimes, including stalwart U.S. allies Egypt, Saudi Arabia and Jordan.

Further chipping away at Egypt's clout was Hamas's January victory in elections that were encouraged by the Bush administration. This left rival Fatah, Egypt's close ally among the Palestinians, playing second fiddle in the territories. Keen to maintain its status as regional mediator, Egypt kept communication channels open with Hamas. But the Palestinian group is an outgrowth of the Muslim Brotherhood, an Islamist movement challenging the Mubarak regime at home, and Egypt so far has failed to persuade Hamas to recognize Israel, as demanded by the international community.

In Lebanon, meanwhile, the U.S. democracy push opened the door to Hezbollah, a militant Shiite organization that won enough legislative seats to join the ruling coalition in Beirut. In July, Hezbollah, which is backed by Syria and Iran, kidnapped two Israeli soldiers, igniting a monthlong battle.

To the detriment of established regional powers such as Egypt, the war made heroes of Hezbollah and its leader, Hassan Nasrallah, in the eyes of many Arabs and Muslims angry at Israel and the U.S. Egypt and other so-called moderate Arab regimes -- Jordan, Saudi Arabia and some Persian Gulf states -- alienated many of their people by appearing to be criticizing Hezbollah in the early days of the war.

All along, Egyptian and other Arab officials have argued that the Bush administration's hands-off approach to the Israeli-Palestinian conflict, a flash point for many Arabs and Muslims, has exacerbated regional tensions.

Analysts say the Egyptian regime's domestic woes have also contributed to its diminished regional stature. Steps toward democratization -- such as liberalizing the economy, allowing multicandidate presidential elections and tolerating greater freedoms -- have all suffered setbacks. Since last year's presidential election won by Mr. Mubarak -- who has ruled for a quarter century -- authorities have cracked down on protests, arrested activists and bloggers and postponed municipal elections, apparently fearing further gains by the Muslim Brotherhood, which scored big in parliamentary elections last year.

U.S. officials say the Bush administration remains committed to promoting democracy. But many in Egypt say Washington has taken the pressure off the Mubarak regime out of concern that political openings will further strengthen Islamists.

Now, many Arabs hope Democratic control of the U.S. Congress and the resignation of Defense Secretary Donald Rumsfeld will usher in changes to U.S. policies in Iraq and elsewhere. But while some sort of shift seems likely in Iraq, few think Arab calls to do more to revive talks between Israel and the Palestinians -- which many analysts deem crucial to strengthening U.S. allies such as Egypt -- will bear fruit soon.

"Realistically, this administration is losing time, and the time left will be devoted to Iraq," said Amr Hamzawy, a senior associate at the Carnegie Endowment for International Peace in Washington.

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U.N. Says Somalis Helped Hezbollah Fighters (NYT)

By Robert F. Worth

The New York Times, November 15, 2006

DOJ_NMG_0094852

UNITED NATIONS, Nov. 14 — More than 700 Islamic militants from Somalia traveled to Lebanon in July to fight alongside Hezbollah in its war against Israel, a United Nations report says. The militia in Lebanon returned the favor by providing training and — through its patrons Iran and Syria — weapons to the Islamic alliance struggling for control of Somalia, it adds.

The report, which was disclosed by [a news service] on Monday, appears to be the first indication that foreign fighters assisted Hezbollah during the 34-day conflict, when Israel maintained a tight blockade on Lebanon.

The report also says Iran sought to trade arms for uranium from Somalia to further its nuclear ambitions, though it does not say whether Iran succeeded.

The 86-page report was issued by four experts monitoring violations of a 1992 United Nations arms embargo on Somalia, which was put in place after the country lapsed into civil war and remains in effect. The report is to be discussed Friday at the Security Council.

The panel does not say how the information was obtained. But the members had access to information from the intelligence agencies of the Security Council's 15 current members, including Britain, France, China, Russia and the United States, a United Nations official said.

Any involvement by Somalis would be surprising because Hezbollah's effectiveness is widely attributed to its deep familiarity with the region.

Hezbollah officials could not be reached Tuesday night for comment.

An official at the Israeli mission to the United Nations said he had not seen the report, and was not aware of any Somali fighters having taken part in the conflict with Hezbollah. The official asked not to be identified, citing diplomatic protocol.

While the sources of the information remain unclear, the report is dense with details about arms shipments to the groups vying for power in Somalia.

It states that in mid-July, Aden Hashi Farah, a leader of the Somali Islamist alliance, personally selected about 720 combat-hardened fighters to travel to Lebanon and fight alongside Hezbollah.

At least 100 Somalis had returned by early September — with five Hezbollah members — while others stayed on in Lebanon for advanced military training, the report says. It is not clear how many may have been killed, though the report says some were wounded and later treated after their return to Somalia.

The fighters were paid a minimum of $2,000 for their service, the report says, and as much as $30,000 was to be given to the families of those killed, with money donated by "a number of supporting countries."

In addition to training some Somali militants, Hezbollah "arranged for additional support to be given" by Iran and Syria, including weapons, the report found. On July 27, 200 Somali fighters also traveled to Syria to be trained in guerrilla warfare, the report says.

It also indicates that Iran appears to have sought help in its quest for uranium in Dusa Mareb, the hometown of Sheik Hassan Dahir Aweys, the leader of the Islamist alliance in Somalia, which is known as the Council of Islamic Courts.

"At the time of the writing of this report, there were two Iranians in Dusa Mareb engaged on matters linked to the exploration of uranium in exchange for arms" for the Council of Islamic Courts, says the report, which is dated Oct. 16.

Those claims, if proved, could worsen global tensions over Iran's nuclear program. Iran ignored an Aug. 31 deadline to suspend its uranium enrichment, and the United States has been leading a United Nations effort to impose sanctions.

The United Nations report is focused mostly on the increasingly volatile situation in Somalia, where Islamists took control of the capital, Mogadishu, in June from warlords backed by the United States.

Not only has the volume of arms flowing into Somalia grown, according to the authors, but more sophisticated weapons like surface-to-air missiles are being brought in. The conflict could grow into a regional war, with Somalia's neighbors, Ethiopia and Eritrea, backing opposing sides.

The report also accuses Djibouti, Egypt, Iran, Libya, Saudi Arabia and Syria of supplying the Somali Islamists with arms, advisers and fighters. It says three nations — Ethiopia, Uganda and Yemen — are aligned with the so-called transitional government based in Baidoa, an inland city.

Asked about violations of the arms embargo, the report states, officials in those countries either denied any involvement or failed to answer.

The report recommends that the Security Council blockade Somalia. It also warns urgently against sending any peacekeepers to the country, saying such a force could become "the catalyst that sparks a serious military confrontation between the opposing sides."

U.N. Report Cites Outside Military Aid To Somalia's Islamic Forces (WP)

By Colum Lynch

The Washington Post, November 15, 2006

DOJ_NMG_0094853

UNITED NATIONS, Nov. 14 -- Iran, Syria, Libya, Egypt and the Hezbollah militia in Lebanon are providing arms, training and financing to Islamic militants as they seize political and military control in the East African state of Somalia, according to a confidential U.N. report.

The 86-page report, prepared by a panel of U.N. weapons and financial experts, warned that the conflict could reignite a war between Eritrea, the chief foreign sponsor of the Islamics, and Ethiopia, which is backing Somalia's weak transitional federal government.

The report asserts that a huge inflow of outside military assistance, in violation of a U.N. arms embargo, is contributing to the emergence of an alliance of militants called the Islamic Courts Union as the first Islamic government since the United States overthrew Afghanistan's Taliban in 2002. It warns that Somalia could become the site of insurgency tactics used in Iraq, including "suicide bombers, assassinations and other forms of terrorist and insurgent-type activities."

"The strongly sustained trend toward total military, economic and political dominance by the Islamic Courts Union in central and southern Somalia continues," according to the report by the U.N. Monitoring Group on Somalia, which will be presented to the Security Council this week. "They are currently the most powerful force in Somalia."

The report was obtained Tuesday by The Washington Post; it was first reported Monday by [a news service]. The report's authors recommend that the Security Council tighten a U.N. arms embargo, impose sanctions on Somali individuals and businesses buying weapons, and launch an international diplomatic effort to dissuade states from arming the combatants.

The developments in Somalia represent a setback for the United States, which had sought to prevent the militants from taking power. But the report provided no evidence to suggest that the United States provided clandestine support to anti-Islamic forces, as officials in Somalia's interim government have alleged.

It did, however, underscore the degree to which the United States' chief Middle East rivals, Iran and Syria, and its allies, Saudi Arabia and Egypt, are prepared to challenge U.S. interests in East Africa.

The U.N. team detailed three Iranian consignments of arms, ammunition, medical supplies and doctors to the Islamic fighters since summer. The report says one July shipment included land mines, 1,000 machine guns and M-79 rocket launchers, and 45 shoulder-fired surface-to-air missiles. The report also says two Iranian nationals were negotiating the possibility of selling more weapons for access to Somalia's uranium deposits.

The report asserts that Syria has trained 200 Somali fighters in guerrilla warfare tactics and that Libya has provided arms and advanced military training to another 100. Libya also allegedly provided $1 million to finance future training missions and to pay salaries.

Iran and Syria denied in separate letters to the U.N. team that they had shipped weapons to Somalia or trained Somali forces. The U.N. team did not receive a response from the Libyan government. Representatives from the Islamic Courts Union said the allegations that they had received illegal arms shipments are "baseless."

To shore up support for their cause, Somalia's Islamic fighters provided military support in the summer to Hezbollah, sending 720 of its most experienced fighters to help battle Israeli forces, according to the report. The fighters were promised $2,000 in payments to their families for serving, and as much as $30,000 if they fell in battle.

In exchange for their backing, Hezbollah allegedly provided advanced training to Somali fighters and sent five Hezbollah advisers to Somalia. It also allegedly solicited support for the movement from Iran and Syria.

The report cites a case in which Egypt agreed to train Somalia's Islamic militants. And it accuses Saudi Arabia of providing several shipments of food and medicine to Islamic combatants. Egypt denied the allegation; Saudi Arabia has yet to fully respond to the charges.

The report asserts that the most flagrant violations of the U.N. arms embargo have been committed by Eritrea and Ethiopia, which have sent dozens of weapons shipments and thousands of combat troops into Somalia on behalf of their proxies. It also charged that Uganda and Yemen had joined Ethiopia in supporting Somalia's losing Transitional Federal Government.

Hezbollah Decries Lebanese Cabinet (WP/AP)

Associated Press

The Washington Post, November 15, 2006

BEIRUT, Nov. 14 -- Hezbollah's leader said the radical Shiite Muslim group would continue efforts to replace the Lebanese government, saying the Western-backed cabinet had lost all credibility after six ministers resigned, according to published reports.

Hassan Nasrallah, who has threatened to stage demonstrations if Hezbollah's demand for a national unity government is ignored, also assured citizens that there would be no new civil war as a result of mounting political tensions among the country's rival factions.

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Nasrallah's remarks came a day after the government, defying the objections of President Emile Lahoud and the resignations of six ministers, approved a U.N. plan for an international tribunal to try suspected killers of former prime minister Rafiq al-Hariri, who died in a car bombing in February 2005 that has been widely blamed on Syria.

Lebanon's New Crisis (WP)

The Washington Post, November 15, 2006

THE RECKLESS attack on Israel by the Lebanese Hezbollah movement this summer led to the devastation of the southern third of the country. About 1,200 Lebanese died, including many civilians whom Hezbollah deliberately placed in the middle of the fighting, and some 15,000 homes were destroyed. Now Hezbollah's leader, Hasan Nasrallah, has launched an even more dangerous campaign. Through political bluff and the threat of violence, he is attempting to stage a coup against the democratically elected Lebanese government. The pro-Western administration of Prime Minister Fouad Siniora, which lacks Hezbollah's ruthlessness or military strength, has been resisting. But without help from the outside world, Lebanon could soon experience the reversal of its popular Cedar Revolution of 2005 or even a return to civil war.

As was the case in the summer war with Israel, Hezbollah's new offensive is backed by Iran and Syria and serves those governments' agendas as well as its own. The Shiite Islamic party is demanding that it be given enough seats in Mr. Siniora's cabinet to provide it with a veto over all major decisions. That would allow it to block the implementation of U.N. Security Council Resolution 1701, which calls for Hezbollah's disarmament. It could also impede the formation of an international tribunal by the Security Council and Lebanon to try the perpetrators of the February 2005 assassination of former prime minister Rafiq al-Hariri. Senior Syrian officials, including some of the closest collaborators of President Bashar al-Assad, are among those implicated. Not coincidentally, the six Lebanese ministers already allied with Hezbollah and its allies resigned in the past few days, just as the cabinet was preparing to vote on a preliminary agreement on the tribunal.

To its credit, the Siniora government rejected Hezbollah's intimidation, and the 18 remaining ministers approved the tribunal unanimously. But the crisis is far from over. Hezbollah is threatening to begin street demonstrations that could easily lead to violence. That would serve the interests of the increasingly radical Iran-Syria axis, which is attempting to prevent the spread of democracy in the Middle East, drive out the West and ultimately destroy Israel.

The response to this vicious campaign should be the same concerted multilateral action that followed Mr. Hariri's assassination last year and that forced Syria to withdraw its army from Lebanon. First the Security Council should act swiftly to establish the tribunal and begin criminal proceedings. It should also consider other actions against Syria, including sanctions, if Syria continues trying to block the formation of the tribunal and sponsoring political violence in Lebanon. At the same time, Security Council action against Iran for its refusal to suspend its nuclear program is long overdue; governments that are holding it up, beginning with Russia, must be forced to choose between supporting sanctions and breaking off strategic cooperation with the West. Until Iran and Syria are made to pay a price for their attempts to radicalize the Middle East, they will have no incentive to rein in clients such as Hezbollah.

Arab Gunmen Kill Hundreds Of Villagers In Chad (NYT)

By Lydia Polgreen

The New York Times, November 15, 2006

DAKAR, Senegal, Nov. 14 — Hundreds of Chadians have been killed by roving groups of Arab gunmen in dozens of villages over the past 10 days, according to aid workers and human rights officials along Chad's troubled border with Sudan.

At least 220 people have been killed, and dozens of wounded people have overwhelmed small, poorly equipped local hospitals, the United Nations said Tuesday. Chad's government has declared a state of emergency over the attacks and has accused Sudan, its neighbor to the east, of fomenting a crisis in Chad.

"By exporting its Darfur conflict to Chad, Sudan wants to weaken Chad by making different Chadian communities fight each other," Hourmadji Moussa Doumgor, a government spokesman, told The Associated Press on Monday. "All this is to prepare the ground for a large-scale war."

For more than two years, Chad and Sudan have traded accusations about support for insurgents across their shared border. Sudan is fighting non-Arab rebel groups in the western region of Darfur that seek greater autonomy, while Chad is fighting rebels seeking to overthrow the government of President Idriss Déby.

The conflict in Darfur, which pits the non-Arab tribes against the Arab-dominated government, has been marked by brutal intertribal violence in which the Sudanese government has armed Arab militias to fight the non-Arab insurgents. At least 200,000 people have died, and more than two million have been driven from their homes. That ethnic warfare has spilled over into Chad, inspiring copycat violence among Chadian Arabs and cross-border raids on villages by Sudanese militias.

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The recent violence has been particularly brutal. One man's eyes were gouged out with bayonets, said David Buchbinder, a researcher with Human Rights Watch who is traveling in the region affected by the attacks. Two women were burned alive in their hut, he said.

"It is extremely horrific violence," Mr. Buchbinder said. "It is as if it is driven by hatred. It is a coordinated action over a large part of eastern Chad, and not always with theft as a motive. Sometimes the motive is only to kill."

The attacks represent a sharp escalation of the violence in the volatile region around Darfur and threaten to further destabilize one of the most dangerous and lawless corners of the world.

The attacks appear to be the work of Arab militias from both sides of the Chad-Sudan border, and because they are occurring deep inside Chad, about 60 miles from the border, the violence is particularly ominous.

While the initial clashes between non-Arab villagers and Arab raiders appeared to involve mainly local tribes, the fresh set of attacks appears to be linked directly to the fighting in Darfur and involves a mix of Chadian and Sudanese Arabs. But even that distinction is largely academic — the porous border has little meaning for most villagers, who move back and forth freely.

The United Nations Security Council has approved a United Nations peacekeeping force to stanch the violence spreading out of Darfur and replace the largely ineffective and undermanned African Union force currently working there. But Sudan has adamantly refused to allow the new force to deploy. The United Nations plans to convene a high-level meeting on Thursday in Addis Ababa, Ethiopia, the headquarters of the African Union, to discuss ways to end the violence.

U.S.-EU Airbus Rift Grows (WSJ)

By John W. Miller

The Wall Street Journal, November 15, 2006

BRUSSELS -- Adding to growing commercial woes at European aircraft maker Airbus, the U.S. is set to file a revised complaint as soon as today at the World Trade Organization against subsidies that European governments give the company, U.S. trade officials said.

With a previous U.S. complaint just months from expiring, European Union trade officials had hoped to negotiate a deal with the U.S. and avoid a WTO case, which could restrict EU politicians from offering further public aid to Airbus. Avoiding a court case now looks unlikely.

The U.S. decision is just the latest in a series of setbacks for Airbus, which has recently been wracked by management changes and order cancellations caused by development delays that are causing the company to lose market share in the $50 billion industry to its U.S. rival, Boeing Co.

The EU yesterday said it would respond by moving ahead with its own WTO complaint against U.S. government subsidies given to Boeing.

"Once the U.S. launched the WTO action, we were left with no choice," said Peter Power, a spokesman for Peter Mandelson, the EU trade commissioner.

The essentials of the dispute haven't changed since 2004, when the U.S. argued that Airbus had unfairly used some $20 billion in subsidies to overtake Boeing as the world's leading civil-aircraft maker by market share.

The so-called launch aid had been allowed by a 1992 agreement between the U.S. and the EU, because Airbus was smaller then and needed a boost.

Once it passed Boeing in global market share, the U.S. argued two years ago, Airbus was no longer entitled to that kind of government help.

The U.S. filed complaints at the WTO in 2005 and 2006. Each time, the EU counterattacked with complaints of its own, saying that the U.S. had given Boeing more than $20 billion in government help.

Those four cases, two on each side, were suspended in February so that trade representatives could try to hammer out a new version of the 1992 agreement that would allow subsidies on both sides.

EU officials say the U.S. move to restart the case this week has taken them by surprise and ends the de facto truce.

Airbus, a unit of European Aeronautic Defence & Space Co., has suffered financial and order-book losses this year after announcing delays in development of its two big new aircraft, the double-deck A380 and the A350 XWB, a response to Boeing's fuel-efficient 787 Dreamliner.

Airbus's troubles have been compounded by a management shake-up.

French Prime Minister Dominique de Villepin told a French newspaper yesterday that his government would offer €80 million, or about $102 million, to Airbus suppliers threatened by the rollout delays.

A U.S. official said that wasn't a concern for the U.S., as many of the suppliers also work for Boeing. He added, however, the U.S. is concerned about direct aid to Airbus.

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"A line needs to be drawn in the sand now," said Charlie Miller, a spokesman for Boeing. "Airbus is financially strong and does not need additional launch aid."

"The good news is that the WTO process finally will demonstrate that Boeing is guilty of receiving billions and billions of government money for commercial aircraft," said Clay McConnell, an Airbus spokesman. "On the other hand, the only tangible result of the process is likely that a lot of trade lawyers will get rich."

The EU has until February to respond to the U.S. complaint. A panel of three WTO judges will start meeting in March and would likely issue a judgment next September.

The EU says it will file its legal arguments around the beginning of next year.

Leading Democrat Calls For 'open Skies' Rethink (FT)

By Doug Cameron In Chicago And Eoin Callan In Washington

Financial Times, November 15, 2006

The new Democratic leadership in Congress on Tuesday called for a rethink of plans to give overseas investors more say in the running of US airlines, dealing a potentially critical blow to efforts to forge a new transportation deal with the European Union.

The tentative transatlantic "open skies" pact agreed a year ago has been left in limbo by fierce opposition in Congress to the parallel investment reforms, led by James Oberstar, the ranking Democrat on the House transportation and infrastructure committee.

Mr Oberstar is set to take over the chairmanship of the committee in January, and reaffirmed his opposition on Tuesday to the proposed changes first detailed by the administration a year ago.

The Department of Transportation wants to ease restrictions on the involvement of overseas investors in the running of US airlines, though statutory restrictions on ownership levels would remain unchanged.

"We need to go back and think it over," Mr Oberstar said of the plan as he outlined his priorities at a briefing in Washington on Tuesday, suggesting there would be no progress ahead of a meeting of EU transport ministers next month.

The administration has already missed two self-imposed deadlines for presenting its planned rule change to European ministers, delaying any open-skies deal until at least the middle of next year.

Their approval is viewed as a pre-requisite for supporting the two-stage open skies deal, which would liberalise transatlantic routes and trigger co-operation on competition, safety and security matters.

Mr Oberstar did not refer to open skies, but suggested the two issues should not be linked. "I don't know why it became so important [to the EU]," he said of the investment proposal.

The DoT has insisted there are no plans to drop the proposed rule change. Mary Peters, the new transportation secretary, has not made any public comments on either open skies or the investment rules, though senior DoT officials had planned a renewed push to answer critics of the investment reform.

While the DoT revised its original plan in April, the changes failed to defuse opposition in hte Republican-led Congress. The House of Representatives has already voted by two to one in favour of language backed by Mr Oberstar that would block the department from introducing the changes. The Senate Appropriations Committee has also backed blocking manoeuevres.

Opponents also included US labour unions and Continental Airlines, which claimed the rules threatened jobs and posed a threat to national security as foreign investors might be more reluctant to transport US troops on their aircraft.

An earlier attempt to secure a new EU-US deal collapsed in 2004 when it was rejected by European transport ministers.

UK Demands Halliburton Drop KBR Float (FT)

By James Boxell

Financial Times, November 15, 2006

Britain has made a last-minute demand that Halliburton, the US oil services group, withdraw the imminent flotation of its KBR subsidiary or face being stripped of its ownership of the Devonport naval dockyard.

Halliburton had intended to price the offering of KBR on Tuesday night, with its market debut scheduled for Wednesday. However, as reported in the Financial Times last week, Lord Drayson, the British defence procurement minister, has been seeking urgent guarantees from Halliburton about the future financial viability of KBR before giving his support to the float.

KBR has been hoping to raise more than $470m (£248m) from selling a 17 per cent stake, which would value the company at about $2.8bn.

The Halliburton arm, which is known for its logistics contracts with the US military in Iraq, owns 51 per cent of the Devonport ship and submarine maintenance yard in Plymouth, western Europe's largest naval dockyard complex.

In the first nine months of the year, KBR made almost half of its operating profits from Devonport.

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The yard is responsible for refitting and refuelling the British nuclear submarine fleet and its ownership is highly sensitive. It employs about 4,500 people directly in Plymouth, making it the biggest private sector employer in Devon and Cornwall.

Halliburton was not available for comment on Tuesday night. However, one person close to the process said the float was likely to be priced today, in spite of the UK government warning.

In an emergency filing to the US Securities and Exchange Commission on Tuesday morning, just ahead of the proposed float, Halliburton said: "On November 13, the Ministry of Defence asked us to withdraw this offering pending the MoD's financial analysis of KBR on a stand-alone basis.

"The MoD also advised us that if we proceed with this offering without satisfying the MoD, the MoD will have little option but to take steps to cause the MoD to use its power to safeguard the essential security interests of the United Kingdom with respect to the Devonport Royal Dockyard."

In its filing, KBR said the loss of Devonport could have a "material adverse effect on our future prospects, business, results of operations and cash".

As well as KBR, Devonport Management Limited, the company that bought Devonport from the MoD in 1997, is also partly owned by Balfour Beatty and Weir Group of the UK.

If the MoD deems it in the essential security interests of the UK, it can either make DML's interest in Devonport "non-voting" or possibly remove DML directors. It can also at any time assume control and dispose of DML's interest at a fair value, determined by an independent accountancy firm.

Halliburton's KBR Delays IPO After U.K. Shipyard Warning (WSJ)

By Russell Gold And Steve Gelsi

The Wall Street Journal, November 15, 2006

Halliburton Co. delayed the initial public offering of its KBR Inc. engineering and government-contracting unit by one day after the British government warned it could take back control of a major shipyard that generates significant profit for the unit.

In a letter this week, the British Ministry of Defence sought to delay the IPO to determine whether the United Kingdom's strategic interests would be preserved by a stand-alone KBR. An underwriter of the stock offering said KBR officials said the letter was a result of a misunderstanding with the British government that would be resolved quickly.

Halliburton, an oil-field-services provider, and KBR declined to comment.

KBR, formerly Kellogg, Brown & Root, is the majority owner of the Devonport Royal Dockyard, the largest dock complex in Western Europe, and has contracts to refuel the British government's nuclear-submarine fleet. The company, which was initially scheduled to price last night for trading today, is now slated to price today for trading tomorrow, say underwriters.

IPO analysts said they were uncertain what effect the U.K.'s demands would have on the pricing of the deal, which aims to sell 27.84 million shares at $15 to $17 a share. The fact that KBR chose to file an updated prospectus with the new warning, rather than withdraw the offering, indicates the company is determined to go ahead with the IPO despite the U.K.'s concerns; the offering before the amended filing also appeared to be attracting strong investor interest, they said.

The shipyard has been a profitable operation for KBR. Through the first nine months of this year, KBR generated $57 million in operating income from the shipyard. Over the same period, KBR posted operating income of $125 million.

Halliburton plans to separate KBR, first by offering a 20% stake through the IPO and then through a tax-free spinoff in coming months.

According to a KBR financial filing, the British government has sought information about the company's financial stability as a separate company. If Halliburton proceeds with the IPO, the government could take control of the shipyard and reimburse KBR for the fair-market value of the assets. If the British government takes such steps, the minority owners of the shipyard could exercise their rights to buy out KBR.

KBR owns 51% of the complex. London-based Balfour Beatty PLC and Glasgow-based Weir Group PLC, both international engineering firms, own the remainder equally. Both companies declined to comment on the matter.

A spokeswoman for the British Ministry of Defence said, "We are disappointed that they've chosen to go ahead without allowing us the time for the analysis." The spokeswoman said the government retained the ability to take back control of the dockyard when it sold the dockyard. Halliburton bought a majority stake in the shipyard in 1997 and has had a contract to operate it since 1987.

KBR is best known for its work as the U.S. government's largest contractor in Iraq. A global construction and contracting firm, it also builds energy facilities around the world. Halliburton has been discussing separating KBR since 2004, although plans were delayed earlier this year because of what the company said was a bad market for IPOs.

South African Parliament Approves Gay Marriages (NYT)

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By Sharon Lafraniere

The New York Times, November 15, 2006

JOHANNESBURG, Nov. 14 — South Africa's Parliament overwhelmingly voted today to legalize same-sex marriages, making the nation the first in Africa and the fifth in the world to remove legal barriers to gay and lesbian unions, according to activists.

The legislature voted after the nation's highest court ruled that South Africa's marriages statutes violated the constitution's guarantee of equal rights. The court gave the government a year to amend the legal definition of marriage. That deadline expires in two weeks.

Melanie Judge, program manager for OUT, a gay rights advocacy group, noted that the Netherlands, Belgium, Spain and Canada were the only other countries to allow same-sex marriages nationwide. In most African nations, she said, homosexuality is still treated as a crime. Some penalties are stiffer than those for rape or murder..

Ms. Judge credited South Africa's liberal constitution with forcing change.

"This has been a litmus test of our constitutional values," she said in a telephone interview. "What does equality really mean? What does it look like? Equality does not exist on a sliding scale."

Religious groups and traditional leaders strenuously opposed the measure, arguing that if necessary the constitution should be amended to outlaw same-sex unions. But the ruling African National Congress virtually demanded that lawmakers support the bill.

Despite deep divisions within the party, the measure passed 230 to 41. It must now be approved by the Council of Provinces, a quasi-federal chamber, and be signed the president to become law.

Vytjie Mentor, the party's caucus chairman, told the South African newspaper The Sunday Independent earlier this month that he expected legislators belonging to the African National Congress to vote for the measure, regardless of their personal views.

There is "no such thing as a free vote or a vote of conscience," he said. "How do you give someone permission to discriminate in the name of the A.N.C.? How do you allow for someone to vote against the constitution and the policies of the A.N.C., which is antidiscrimination?"

The new law allows both heterosexual and same-sex couples to register their unions either as marriages or civil partnerships. But in a concession to critics, it also allows civil officers to refuse to marry same-sex couples on the basis on conscience. Ms. Judge, the gay rights advocate, predicted that provision will be challenged in court.

"We can't be in the situation where civil officers can decide who they want to marry and who they don't want to marry," she said. "They aren't able to refuse to marry a black person and a white person. This is unconstitutional."

Gay Marriage Endorsed In S. Africa (WP/AP)

By Clare Nullis, Associated Press

The Washington Post, November 15, 2006

CAPE TOWN, South Africa, Nov. 14 -- The South African Parliament on Tuesday overwhelmingly approved legislation recognizing gay marriages -- a first for a continent where homosexuality is largely taboo.

By a vote of 230 to 41 with three abstentions, the National Assembly passed the Civil Union Bill, a compromise that resulted from months of heated public discussion. Both traditionalists and gay rights advocates have criticized the measure, and there have been warnings that it might be unconstitutional.

Veterans of the ruling African National Congress heralded the bill for extending basic freedoms to everyone and equated it with liberation from the shackles of apartheid.

"When we attained our democracy, we sought to distinguish ourselves from an unjust painful past, by declaring that never again shall it be that any South African will be discriminated against on the basis of color, creed, culture and sex," Home Affairs Minister Nosiviwe Mapisa-Nqakula told the National Assembly.

A Christian lawmaker, Kenneth Meshoe, said Tuesday was the "saddest day in our 12 years of democracy" and warned that South Africa "was provoking God's anger."

His comments reflected the majority view on a deeply conservative continent. Homosexuality is illegal in Zimbabwe, Kenya, Uganda, Nigeria, Tanzania, Ghana and most other sub-Saharan countries. Some countries also are debating constitutional amendments to ban same-sex marriages. Even in South Africa, gay men and lesbians are often attacked because of their sexual orientation.

The outcome of Tuesday's vote was expected, given the ANC's huge majority in the National Assembly. The bill now has to go to the National Council of Provinces, where the vote is expected to be a formality, before being signed into law by President Thabo Mbeki.

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The bill provides for the "voluntary union of two persons, which is solemnized and registered by either a marriage or civil union." It does not specify whether the partnerships are heterosexual or homosexual.

But it also says a marriage officer need not perform a ceremony for a same-sex couple if doing so would conflict with his or her "conscience, religion and belief."

South Africa recognized the rights of gay people in the constitution adopted after apartheid ended in 1994 -- the first in the world to prohibit discrimination on the basis of sexual orientation.

The bill was drawn up in order to comply with a Constitutional Court ruling in December 2005 that said existing marriage legislation was unconstitutional for discriminating against same-sex couples.

Guns And Butter Cuba's Military Puts Business On Front Lines (WSJ)

By José De Córdoba

The Wall Street Journal, November 15, 2006

At the height of the Cold War, Cuba's soldiers became a legend on the island when they punched through enemy lines, defeating South Africa's army in Angola. Today Cuban generals are applying capitalist tactics to try to improve bottom lines in businesses that range from growing beans to running hotels and airlines.

Cuba's Revolutionary Armed Forces rent rooms to tourists through Gaviota SA, the island's fastest-growing hotel conglomerate. They sell premium cigars, peddle consumer goods through an island-wide retail chain and serve lobster dinners at the Divina Pastora restaurant in Havana's landmark Morro Castle. The military also has a say in allotting nickel mines and leasing offshore lots for oil exploration. The University of Miami's Institute for Cuban and Cuban-American Studies estimates that soldiers control more than 60% of the island's economy.

The military's economic role will likely become even more critical after the death of Cuba's ailing 80-year-old leader, Fidel Castro, who is widely believed to be dying of cancer. Although Mr. Castro has steadfastly opposed economic reforms during his 47-year communist regime, his younger brother and anointed successor, Raúl, has shown a deep interest in free-market experiments in the past. As defense minister since the 1959 revolution, he has frequently looked to the military as his laboratory.

With Raúl and the military at the helm of the economy, Cuba could be poised to follow what islanders call the "Chinese model" of liberalization. That means carefully experimenting with market incentives in one of the world's few remaining communist economies, while trying to retain tight political control. It's far from clear that a Raúl Castro government could accomplish a Chinese-style transformation. For one thing, China isn't located just 90 miles from the U.S. and a wealthy community of exiles looking to reshape their home country along American lines. And the military could move to extend monopolistic control -- and opportunities for corruption -- after Fidel's death, squelching any competition.

But the seeds of economic reform in Cuba may be planted more firmly than many suspect. One piece of evidence: Raúl has traveled to China a number of times to study Beijing's economic policies and in 2003 he invited the leading economic adviser to then Chinese premier Zhu Rongji, who played a leading role in opening up China to foreign trade and investment, to give a series of lectures in Cuba. Fidel Castro, who deeply opposes reforms, was a notable no-show, says Domingo Amuchastegui, a former Cuban intelligence officer who now lives in the U.S. and keeps close tabs on political developments on the island.

In the 1990s, Raúl sent officers, who had previously trained at prestigious Soviet military schools, to learn hotel management in Spain, and accounting in Europe, Latin America, Asia and Canada, says Mr. Amuchastegui. For a time, business books such as "In Search of Excellence" by Tom Peters and Robert H. Waterman became required reading for ambitious officers looking to advance in the ranks, says Eugenio Yañez, an economist who taught management to army officers at Havana's Superior Institute of Economic Direction.

Raúl, now 75, also adopted capitalist-style accounting and management incentives to run military-owned factories that made everything from uniforms to bullets. In some cases, workers were given incentive pay. Modest by Western standards, these reforms, called "perfeccionamiento empresarial" -- loosely translated as "entrepreneurial improvement" -- were nevertheless cutting-edge for Cuba.

For most of his career, Raúl Castro was considered a tough, even brutal, communist whose hand, as he put it, "didn't tremble" in 1989 when he ordered the execution of a former close colleague deemed a danger to the regime. Some analysts don't think he has changed much since then. "He's a Stalinist," says Jaime Suchlicki a Cuba analyst at the University of Miami, who predicts Raúl will resort to more repression after Fidel dies.

In recent weeks, speculation has grown about Fidel's health problems. The longtime dictator temporarily relinquished power on July 31 to Raúl after announcing he had undergone surgery for intestinal bleeding. After rumors of his death swirled in Havana, the Cuban government released a video on Oct. 28 showing a gaunt and aged Castro in a track suit. U.S. officials believe Mr. Castro has some sort of stomach or colon cancer. With his brother incapacitated, Raúl has taken a blustery communist line. "When the U.S. says there should be a transition in Cuba, they mean a shameful return to the neocolonial

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garbage of capitalism they imposed on this country for 60 years," Raúl told an audience of government union leaders in September.

But many Cuba watchers believe those statements are meant to give political cover to Raúl, who has become more pragmatic as he has aged, and has been searching for ways to improve Cuba's dismal economic performance, especially after the Soviet Union ended its subsidies in 1990. Between 1989 and 1993, Cuba's gross domestic product fell 35%, while the island's foreign trade slumped by 75%, says Carmelo Mesa-Lago, professor emeritus of economy at University of Pittsburgh.

As living standards plummeted, Havana residents ate many of the city's cats. An epidemic of optic neuropathy, caused by deficiencies in nutrition and resulting in temporary blindness, struck down some 35,000 Cubans. For Raúl, economic security became a critical part of national security. "Beans are more important than cannon," he told troops in 1994.

Desperate to cut costs, Raúl slashed the military from about 300,000 troops in 1990 to some 45,000 today, according to Frank O. Mora, a Cuban military expert at the National Defense University in Washington. To revive the economy, he pushed innovations such as farmers markets and self-employment for plumbers, hairdressers and other small-time entrepreneurs.

At the time, Fidel Castro reluctantly allowed the changes, because Cuba had little alternative. The Castro brothers appointed military and intelligence officers, who were their most trusted and unswervingly loyal supporters, to court foreign capital. Col. Gustavo Loret de Mola, an electrical engineer by training, was named deputy minister of communications and negotiated Cuba's first cellphone deal, with a Mexican company, in 1991, says his son, Camilo Loret de Mola. He helped the military recruit foreign tenants for Soviet-built bases that were turned into duty-free zones.

The experiments sometimes flopped. In 1998, the younger Mr. Loret de Mola says he persuaded a Spanish entrepreneur to start a travel agency and hydroponics vegetable farm inside the cavernous helicopter hangar at a former submarine base in the port of Mariel. The businessman only managed to send a few flights of cucumbers and tomatoes on Aerogaviota, an airline owned by the Cuban armed forces, before the farm went out of business. "When he had workers to harvest the vegetables, he couldn't get a plane, when he could get a plane, he couldn't get workers," says Mr. Loret de Mola, who now sells insurance in Miami.

By 2000, some 1,400 state companies out of about 3,000 were being evaluated for or being run under "perfeccionamiento" management techniques, according to Philip Peters, a former U.S. diplomat who is now a director of the Lexington Institute, an Arlington, Va., think tank. A manager of a tire plant told Mr. Peters in 2001 that using such techniques had tripled profits in just two years. While far from a free-market reform, Mr. Peters believes that the military has laid the groundwork for further-reaching reforms in the future.

Another success: The military found foreign joint-venture partners for Cuba's moribund citrus industry, which almost collapsed after losing its markets in the Soviet block. Today, citrus is an important export. Cuba's most important citrus company is a joint venture with Grupo BM, an Israeli firm that operates a 115,000-acre farm that grows grapefruit using state-of-the-art drip irrigation techniques.

An International Monetary Fund study in 2000 said the limited reforms pushed by Raúl were "instrumental" in helping turn the economy around in the mid-1990s. But then Fidel Castro clamped down on reforms, arguing that they were sullying the revolution. Now, Cuba relies on about $2 billion annually in fuel subsidies provided by Venezuela's populist president Hugo Chávez, and hundreds of millions of dollars of Chinese investment in Cuban nickel mines.

With reforms out of fashion, Cuba since 2004 has canceled business and management courses funded by the European Union, Sweden and Canada, which together trained more than 1,300 high-ranking Cuban officials in capitalist management techniques. Free-trade zones emptied, while the number of self-employed Cubans as well as foreign joint ventures fell sharply.

But the military's own economic empire has continued to grow. Today, the military's web of companies are run by the Grupo de Administración Empresarial SA, or the Business Administration Group. Known by its Spanish acronym Gaesa, the group is headed by Deputy Defense Minister Gen. Julio Casas Regueiro. The group's deputy head is Col. Luis Alberto Rodríguez, Raúl Castro's son-in-law. The group is run from offices on the fourth floor of Cuba's defense ministry, according to Mr. Mora of the National Defense University.

Gaesa's most important business is Gaviota, the tourism company. Gaviota, which means "sea gull," began by turning officers' clubs and navy bases into resorts. Now it has about 8,500 rooms out of Cuba's total of 40,000 hotel rooms. Many of its hotels are luxury four- and five-star establishments managed by companies such as Spain's Sol Melia and France's Club Med.

Gaviota also owns the domestic airline, Aerogaviota, which uses Cuban air-force pilots who fly refurbished Soviet transport airplanes. The company even organizes tours for military enthusiasts who want to visit the island's colonial forts and the no-man's land surrounding the U.S. naval base in Guantanamo, says retired Col. Hal Klepak, Canada's former military attaché in Havana, who has written a book on the Cuban military. Gaviota also rents cars, runs marinas, manages gourmet restaurants and operates an attraction that allows tourists to swim with dolphins, according to a recent study by the Spanish Institute of International Trade.

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Generals also occupy top management slots in the country's economic ministries. Gen. Ulises Rosales del Toro, who was named Cuba's sugar czar in 1997, shut down two-thirds of Cuba's 156 antique sugar mills in 2002 and is still trying to revive production, which reached a 100-year historic low of 1.3 million tons this year. Other generals run the civil aviation, fishing, telecommunications and transportation ministries. A colonel is in charge of Habanos SA, a joint venture with the Spanish firm Altadis, which markets the country's famous cigars abroad. Another colonel runs the tourism ministry.

The military has the power to cut bureaucratic red tape that stifles other Cuban state entities that want to engage in business, says Mark Entwistle, a former Canadian ambassador to Havana who now advises foreign companies in Cuba. In 2004, he says that a Canadian business that wanted to grow soybeans on the island was having a hard time getting permission through the ministry of agriculture. But once the Canadians began dealing directly with the military, the red tape vanished. "The military has a whole unit devoted to doing joint ventures in agriculture," says Mr. Entwistle. "There was zero ideological content, it was 100% business."

Giving the armed forces a critical role in running the economy has helped the Castro brothers reward their supporters and gives them a stake in the preservation of the regime. But it has also introduced a corrupting influence in the military that could worsen if the military's role expands further in a post-Fidel Cuba. A number of high-ranking "entrepreneur soldiers" have already been dismissed and sometimes jailed for corruption.

The military also faces potential dissension within its ranks: Soldiers involved with foreign joint ventures, who live far better than others in the military, are viewed by many officers with distrust and envy, analysts say.

Another problem sign is what Ricardo Pascoe, a former Mexican ambassador in Havana, calls the rise of the "juniors" -- the sons of high-ranking military officers who often live abroad and enjoy privileges undreamed of by ordinary Cubans. During his time in Havana from 2001 to 2003, Mr. Pascoe says, many Mexican businessmen complained to him that the "juniors" charged commissions for contracts through their fathers.

Mr. Mora of the National Defense University believes that if unchecked the "juniors" could become the kernel of semicriminal mafias that could dominate much of the economy if Cuba liberalizes its economy. Instead of China becoming the model for Cuba, he says, Raúl Castro could inadvertently turn Cuba into a Caribbean version of oligarchic, post-Communist Russia.

Mexico Passes Resolution On Deportation (AP)

By Julie Watson

AP, November 15, 2006

Mexico's Congress was swayed Tuesday by a 7-year-old boy on a mission to save his mom.

Second-grader Saul Arellano, a U.S. citizen, appeared in Mexico's 500-member Chamber of Deputies to plead for help in lobbying Washington to stop the deportation of his mother, an illegal immigrant who has taken refuge in a Chicago church. His efforts paid off with a resolution calling on the U.S. Congress to suspend the deportation of Elvira Arellano and any other illegal immigrant parents of U.S. citizens.

If the U.S. agrees, it would "create a precedent that will benefit more than 4.9 million children who have been born in the United States and whose parents live under the threat of deportation," said Mexican congressman Jose Jacques, who lived in the United States for 33 years and has an American daughter and granddaughter.

Flashing cameras and swarms of reporters surrounded the boy as he entered the chamber. Lawmakers rose from their seats to shake his hand. But instead of stepping to the podium, he was swept into a side room, where he hid his face and ducked under a table.

"I think being so small he was kind of freaked," family friend Jesus Carlin said.

Saul then took the microphone and spoke to reporters in Spanish, describing what he wanted from Mexico's lawmakers: "I want them to tell President Bush to end the deportations so that my mother and other families can stay together in the United States."

U.S. officials say there is no right to sanctuary in a church under U.S. law, and nothing to prevent them from arresting Elvira Arellano, who has lived at the church since Aug. 15, the day she was supposed to surrender for deportation. So far, they have not moved to seize her.

Saul and his mother live on the second floor of the church, where a small bedroom is crowded with the boy's toys and schoolbooks. They have a miniature pinscher, Daisy, to keep them company.

Arellano, 31, said she was nervous about sending her son to Mexico, and Saul was afraid she would be deported while he was away. "I told him to be calm, everything would be fine and I would be here waiting for him," she told The Associated Press in Chicago.

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President Vicente Fox, who leaves office Dec. 1, failed during his six-year term to persuade the U.S. Congress to approve a migration accord allowing thousands of Mexicans to work legally in the United States. While Bush personally supports a temporary guest-worker program, Republicans in Congress opted to strengthen border security instead.

Arellano said she should not have to choose between leaving her son or taking away his rightful opportunities as an American. But conservative columnists and anti-illegal immigration activists say Arellano put herself and her son in this difficult spot by repeatedly breaking the law.

Arellano illegally crossed into the United States in 1997 and was quickly sent back. She returned within days, living for three years in Oregon before moving to Chicago in 2000. Her current troubles began when she was arrested at O'Hare International Airport, where she worked as a cleaning woman. Convicted of working under a false Social Security number, she served three years probation before being ordered to appear at the immigration office in Chicago.

Fox's spokesman Ruben Aguilar acknowledges that Arellano broke U.S. law, but "we think there exist certain elements of a humanitarian nature that should be taken into account to avoid splitting up the family."

Bring In The Green Cat (NYT)

By Thomas L. Friedman

The New York Times, November 15, 2006

Chongming, China

I've been a regular visitor to China since 1990, and here's what strikes me most: Each year that I've come here, China's people seem to speak with greater ease and breathe with greater difficulty.

Yes, you can now have amazingly frank talks with officials and journalists here. But when I walked out of my room the morning after I arrived in Shanghai, the air was so smoky — from the burning of farm fields after the harvest — that for a moment I honestly thought my hotel was on fire.

And that's why, for the first time, it's starting to feel to me like China is reaching its environmental limits. If it doesn't radically change to greener, more sustainable modes of design, transport, production and power generation, the Chinese miracle is going to turn into an eco-nightmare.

For some three decades now, China's economy has grown at around 10 percent per year, based on low-cost labor and little regard for the waste it pumps into its rivers and the air. When a country grows that fast, year after year, it can start to think that the laws of nature don't apply to it.

Guess again. China has been doing the environmental equivalent of jumping from an airplane and thinking that it's flying, argued Rob Watson, an expert on China's environment who heads the green building services firm EcoTech International. "After you jump out of a plane, for about five miles you can actually feel like you're flying," he added. But then reality hits. "It's not the fall that kills you — it's the sudden stop at the end, and China may be approaching that sudden stop. ... When you stress a system to a certain point, it just stops working."

China's top leaders understand the crisis. But their response is complicated by so many Chinese flooding from the countryside to cities. In their view, political stability depends on finding those people jobs, and jobs depend on growth, and growth depends on China continuing to be the low-cost producer of everything — environment be damned.

But China can't do what the West did: grow now, clean up later. Because the unprecedented pace and scale of its growth are going to make later too late. The China Daily reported this week that at least 24 million acres of cultivated land in China — one-tenth of the country's total arable land — is now polluted, posing a "grave threat" to China's food safety. More than half its rivers are also polluted, which is why less than 9 percent of "drinkable water" met government standards for bacteria in 243 rural supply stations recently tested. Many wells have excessive nitrates that can cause diabetes or kidney damage. No wonder some high-tech workers are starting to avoid China, because they don't want to live in a dirty cloud.

Chinese officials fear that if they move to U.S.-level green production and environmental cleanup, "China will not be such a low-cost producer anymore, and that will affect jobs," noted Dan Rosen, an expert on China's economy and head of China Strategic Advisory. But what they are missing is that going green is not just a problem, but an opportunity. Pollution represents waste and inefficiency. Green companies are always more efficient, adds Mr. Watson, and China has a chance to become a major innovator of low-cost green solutions. When U.S. companies went green, they consistently overestimated the costs and underestimated the savings.

The other day, I sailed with Mr. Rosen from Shanghai up the Yangtze Delta to Chongming Island, the world's largest alluvial island. There, Shanghai is trying to expand, by building the first eco-metropolis in China, based on eco-tourism, farming, wind and solar power. When you see the parklands created there, or when you stand in the protected wetlands and watch the water buffalo lounging in the mud, while peasants collect crabs, you can almost believe that China can change course.

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But then, off in the distance, you see this massive bridge that is about to connect Chongming to central Shanghai, and you wonder what will happen to all the green plans here when all the overloaded trucks and consumers start rushing in. If Chongming is just a green ornament attached to Shanghai, it will never survive. If it is a model for a whole new kind of development, it, and China, have a chance.

Deng Xiaoping once famously said of China's economy: "Black cat, white cat, all that matters is that it catches mice" — i.e., forget about communist ideology, all that matters is that China grows. Not anymore, said Mr. Rosen. "Now the cat better be green, otherwise it is going to die before it catches the mouse."

'I Am Not Guilty' (WSJ)

The Wall Street Journal, November 15, 2006

On Monday in a Bangladesh courtroom, a judge read the following charge to a defendant: "By praising the Jews and Christians, by attempting to travel to Israel and by predicting the so-called rise of Islamist militancy in the country and expressing such through writings inside the country and abroad, you have tried to damage the image and relations of Bangladesh with the outside world. For which, charges under section 295-A, 120-A, 124-A, 105-A and 108-A are brought against you. Are you guilty or not?"

Answered the defendant: "I am not guilty."

The defendant is journalist Salah Uddin Shoaib Choudhury. As editor of the Weekly Blitz, Mr. Choudhury wrote articles friendly to Israel and critical of Islamic militants, and sought to travel to Israel in 2003 for a writers' conference. He never made it. Instead, he was detained at the airport in Dhaka, imprisoned in solitary confinement and without trial for 17 months and denied medical treatment for glaucoma.

Mr. Choudhury was finally released in early 2005, largely thanks to pressure from Illinois Representative Mark Kirk. But the campaign against him, official and otherwise, never abated. The offices of his newspaper were bombed and later overrun by a mob. The government continued to press the charges. If convicted, Mr. Choudhury could be hanged.

The good news is that Congress is paying attention: Yesterday, Mr. Kirk and New York Democrat Nita Lowey introduced a resolution demanding the charges be dropped. That should get the attention of a government that receives $64 million a year in American aid. The government of Bangladesh might also consider that the harm it claims Mr. Choudhury's journalism has done to its national "image" has, in fact, been wholly self-inflicted.

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From:	USDOJ- Office of Public Affairs
Sent:	Thursday, November 16, 2006 8:13 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Thursday, November 16, 2006
Attachments:	agnb061116.pdf; agnb061116.doc

This morning's Attorney General's News Briefing is attached.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Federal Prosecutors Urge Conviction Of Colombian Rebel Leader. The AP (11/16, Yen) reports, "The government urged jurors Wednesday to convict Colombian rebel leader Ricardo Palmera, saying he should be held responsible in a plot to keep three Americans hostage, whatever his politics. … But the defense portrayed Palmera as a man who deserves jurors' benefit of the doubt as a tangential leftist sympathizer caught in the middle after trying to negotiate a deal between guerrilla fighters and the U.S.-backed Colombian government. … 'By definition, if you're a rebel, no state is ever going to recognize you. By definition, a prosecutor is always waiting for you,' said Palmera attorney Robert Tucker. 'It tells you, "Don't go for the labels of terrorist. Don't go for the misstatements of evidence."'" The AP continues, "In closing arguments, Justice Department attorney Kenneth Kohl exhorted the jury to look past the 'political smoke' in the five-week trial of Palmera, who has called the aims of his FARC leftist group noble and peaceful. … 'FARC is not above the law,' Kohl said, as Palmera, dressed in khaki pants, a navy blazer and green tie, quietly scribbled on a notepad. 'Holding people against their will for political purposes is what terrorism is.'" The AP adds, "Chief U.S. District Judge Thomas Hogan instructed the 12-member jury to begin deliberations Thursday in a case in which the lives of the three Americans – who are still being held in the thick jungles of south Colombia – may hang in the balance. … Palmera, 56, is charged with hostage-taking, conspiracy and providing material support to terrorists after a plane carrying the U.S. military contractors encountered engine trouble and crashed in Colombia in February 2003. … Palmera, who is better known by his nom de guerre Simon Trinidad, was extradited in late 2004 after his capture in Ecuador. If convicted, Palmera could face 30 years in prison, the maximum allowed under the extradition treaty between Colombia and the United States."

Padilla Case Raises Questions Over Torture And Subsequent Prosecution. The Christian Science Monitor (11/16, Richey, 59K) reports the Jose Padilla case "is raising fundamental questions about whether a US citizen's harsh treatment -- and alleged torture -- while in US military custody should prevent his later prosecution in the criminal-justice system." Padilla's lawyers say he "was tortured while being held for three years and eight months as an enemy combatant," and want all criminal charges against him to be dropped "because of the government's alleged illegal and abusive treatment." While federal prosecutors said in a written motion this that Padilla "was not tortured or abused," even if "he had been tortured, they added, there is no legal support for Padilla's request that all charges against him be dismissed." Assistant US Attorney Russell Killinger wrote, "Padilla has not cited a single precedent absolutely barring a federal criminal prosecution because of alleged due process violations committed during a prior military detention."

Detainee's Lawyer Tries To Prevent Heart Procedure At Guantanamo. The AP (11/15, Selsky) reports an attorney for Saifullah Paracha, a "69-year-old multimillionaire businessman" from Pakistan who is being detained at Guantanamo Bay, "has asked a judge to block a planned medical procedure on the prisoner's heart, saying that performing it at the U.S. base puts his life at risk." Paracha has "already had one heart attack while in U.S. custody and in recent days has suffered chest pains, his lawyers said." The lawyer says the procedure should be carried out at a hospital in the US or Pakistan.

German High Court Finds Motassadeq Guilty Of Abetting Murder. Bloomberg (11/16, Rach) reports, "Germany's highest criminal court found Mounir el-Motassadeq guilty of abetting the murder of more than 2000 people in the Sept. 11 attacks in the U.S., overturning part of a lower court's decision. The Federal Court of Justice today upheld the lower court's ruling that el-Motassadeq, a 32-year-old Moroccan, was guilty of being a member of the Hamburg terror cell that participated in the attacks. El-Motassadeq's seven-year jail sentence will be reassessed by the Hamburg Higher Regional Court," in light of the ruling.

Motassadeq Case Said To Expose Flaws In International Anti-Terror Cooperation. The Christian Science Monitor (11/16, Wiltenburg, 59K) writes, "If convicted terrorist-cell member Mounir el-Motassadeq walks free Thursday from a German courtroom, he may have US security policy to thank." Motassadeq, "direct and respectful before his judges," is "less well-known than recently sentenced 9/11 conspirator Zacarias Moussaoui, whose

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courtroom theatrics drew broad attention to his trial in the US. But the dramatic legal odyssey of the first man ever tried in connection with the Sept. 11 attacks has been the focus of bitter recrimination between German and US officials, who have denied the case's lawyers access to statements from a key witness. As both countries attempt to strike the right balance between national security and the rule of law, observers say the case is a prime example of why it will take better global cooperation to succeed in the war on terror."

Ex-Pentagon Official Says Terror War Tactics Must Reflect US Values. In a Washington Post (11/16, A27, 690K) op-ed, Center for Strategic and International Studies President John Hamre, a former deputy defense secretary, writes, "In the warm glow of post-election bipartisanship, Congress and President Bush would do well to take on a crucial task: forging a new legal foundation for the global war on terrorism. The current policy framework is a disaster. While I know it's not true, still, the world believes that America condones torture, prison camps and 'disappearance' tactics." The US "will lose the global war on terrorism if we feel we must adopt tactics that undermine our civic values. For generations the world has admired America's commitment to the rule of law and government accountability. Much of the world now questions that commitment."

HOMELAND RESPONSE:

US Seen As Unprepared For Dirty Bomb Attack. In a story titled "Dirty Bombs: A Nation Unprepared," KTVT-TV Dallas (11/15, Riggs) reported on its Web site from a piece broadcast yesterday, "Agents gather outside the nation's capital at the FBI's Training Academy in Quantico, Virginia to train on how to prevent or identify the perpetrators of such an attack. … Travis Callaway, a nuclear specialist with the FBI, says it's easy for terrorists to get their hands on the key ingredients. 'Getting an industrial or medical isotope is not that difficult to come by. There are literally millions of sources around the world. They are used in industry and medical purposes all the time. Most are not guarded at all or under simple lock and key.' Two dozen response teams, based at FBI offices across the country, receive 300 hours of specialized training on weapons of mass destruction. … The teams maintain a low profile at high profile events says John Fraga the chief of the Hazardous Materials Response Unit. 'The majority of our work in prevention has been deploying to special events or events that would attract the attention of certain groups. Having us on site is certainly the better thing to have so we can assess threats and packages and things like that.'" However, Charles Ferguson of the Council on Foreign Relations "says there is a lot of worry that the government is not prepared" for a dirty bomb attack, "especially in the wake of its slow response to Hurricane Katrina." KTVT added, "At the current pace of research and planning, reliable safety advice from the government may be a long time coming."

FBI Arrests Massachusetts Student For Bomb Threat Hoax To NSA. The Boston Herald (11/16, Johnson, 184K) reports, "A 21-year-old University of Massachusetts student sent a booze-fueled bomb hoax to the National Security Agency, claiming a man he'd randomly plucked from facebook.com was planning a suicide attack on the Sears Tower, according to an FBI affidavit. Agents yesterday arrested Adam Hart of Georgetown, at UMass Amherst, where he now goes to school. … He pleaded not guilty to malicious conveying of false information and was released on a $10,000 unsecured bond."

Judge Upholds Law Banning Instruction On How To Make Firebombs. The San Diego Union-Tribune (11/16, Soto, 324K) reports US District Judge Jeffrey A. Miller in San Diego "has rejected a radical activist's request to invalidate a law making it illegal to tell people how to make a firebomb with the intention that they go out and commit a violent crime." Rodney Coronado "argued that the law infringed upon the First Amendment protections of free speech," but "Miller Wednesday sided with prosecutors, who said the law was tailored to apply to specific criminal activity which the government has a responsibility to control." The Union-Tribune notes, "On Aug. 1, 2003, Coronado gave a speech…in which, in response to a question from the audience, he demonstrated how he made a gasoline-fueled device he used to burn down a Michigan State University laboratory in 1992. Hours earlier, an arson fire destroyed a huge housing complex under construction in University City causing $50 million in damage. A group for which Coronado has acted as spokesman, the Earth Liberation Front…took credit."

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Hatfill Urges Judge To Fine NYTimes Over Refusal To Disclose Sources. The New York Sun (11/16, Gerstein) reports that in his libel lawsuit against the New York Times, Steven Hatfill "has asked a federal judge to fine the newspaper $25,000 a day for refusing to disclose its confidential sources and to increase the fine amount by $25,000 each month in an attempt to encourage the paper to comply." The Sun notes, "While the FBI searched Mr. Hatfill's home and the Justice Department eventually named him as a 'person of interest' in the anthrax case, neither the scientist nor anyone else was ever charged in connection with the crimes." In the fine motion, Hatfill lawyer Thomas Connolly "painted the Times's refusal to comply as brazen and willful," but NYTimes lawyers note that "the names of only two sources are being withheld. Mr. Kristof has said both were FBI employees."

Attorney Disputes US Claims Of Sexual Activity On Airplane. The AP (11/16) reports from Raleigh, NC, "A man arrested for allegedly engaging in 'overt sexual activity' with his girlfriend on an airliner was lying with his head on her lap because he was not feeling well, his attorney said. … That gesture was misinterpreted by a flight attendant, who humiliated and harassed the couple, said attorney Deb Newton, who represents Carl Persing." The AP continues, "Persing and Dawn Sewell, both of Lakewood, California, face federal charges of interfering with flight crew members, allegedly by disobeying a flight attendant's request that they stop their public displays of affection. … They were arrested on Sept. 15 when they arrived at Raleigh-Durham International Airport on a Southwest Airlines flight from Los Angeles. … 'The one witness I've talked to and the defendant dispute almost everything in the government's affidavit as to what happened on that airplane,' Newton said."

Gonzales Meets With Allard About SuperMax Funding. The Rocky Mountain News (11/15) reports, "U.S. Sen. Wayne Allard, R-Colo., met today with U.S. Attorney General Alberto Gonzalez to seek support in adding $12 million to the Commerce, Justice and State Appropriations bill to fund a perimeter fence at Supermax in Florence." The News continues, "Allard's office said that during the meeting, Gonzalez pledged to work with Allard to address the funding issue for the fence." The News adds, "The prison holds a number of the nation's most notorious terrorists such as 9/11 conspirator Zacarias Moussaoui and 1993 World Trade Center bomber Ramzi Yousef. … A Justice Department inspector general's report in September criticized the prison for a number of shortcomings, including a lack of security and failure to monitor the mail. … 'Today's meeting was extremely productive,' said Allard. 'Attorney General Gonzales assured me that the mail deficiencies raised in the inspector general's report are being addressed, and he agreed to discuss the need for a perimeter fence with the Bureau of Prisons director and follow up with me on the potential avenues to funding the fence.'"

KCNC- TV Denver (11/15, 6:00 p.m.) broadcasted, "For years, neighbors have been asking the government to improve the security. Today, Allard met with Attorney General Alberto Gonzales. They talked about money for the fence and a recent study that cites several safety issues."

WAR NEWS:

Abizaid Rejects Iraq Withdrawal Timetable. USA Today (11/16, Kelley, 2.27M) reports on its front page that Gen. John Abizaid, the top US commander in the Middle East, "urged Congress to resist withdrawing American troops from Iraq any time soon, a stance that drew sharp disagreement from top Republicans and Democrats."

The three broadcast networks focused largely on the domestic political aspect of the story, with ABC World News (11/15, lead story, 2:50, Gibson, 8.78M) saying Abizaid "found himself caught between sort of a rock and a hard place, today, on Capitol Hill. The rock: the unrelenting violence in Iraq. The hard place: the rising tide of American disapproval for the war. A week after voters sent a strong signal of dissatisfaction for the war," Abizaid "warned the Senate Armed Services Committee, do not set a timetable for troop withdrawal."

The CBS Evening News (11/15, lead story, 1:40, Couric, 7.66M) cast it slightly differently, beginning, "They won control of Congress with calls to start pulling US troops out of Iraq. But one week later, the Democrats have run into their first big roadblock, a roadblock with a green uniform and four stars." Meanwhile, NBC Nightly News (11/15, lead story, 2:45, Williams, 9.87M) focused more directly on the military aspect, saying, "For those Americans in a rush to get out of Iraq, the top US Commander on the ground had a warning today: Don't do it." While Abizaid "is no stranger to incoming fire he faced a lot of tough questions and a lot has changed since

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his last visit to Capitol Hill, including what the voters had to say."

CNN's The Situation Room (11/15, Bash) said Abizaid "came here to Capitol Hill, and a lot of what he did was reject the ideas coming from both sides of the aisle. First and foremost, he said once again that the idea that Democrats are proposing for a timetable for withdrawal, even starting in four to six months, is a non-starter. … He even said no to the idea, floated for some time now by Republican Sen. John McCain, to put more troops into Iraq." The Financial Times (11/16, Sevastopulo) says Abizaid "drew the ire" of McCain "by saying he did not believe more troops would help the US stop the bloodshed." But Abizaid did say he "had requested an increase in the number of U.S. military advisers in Iraq and had sent another 2,000-Marine unit into the country's restive western region," the Los Angeles Times (11/16, Spiegel, 850K) reports.

The New York Times (11/16, Gordon, Mazzetti, 1.16M) reports midway through its front-page story that Abizaid "also publicly said for the first time that the American position in Iraq had been undermined by the Bush administration's decision not to deploy a larger force to stabilize the country in 2003." That decision came after then-Army Chief of Staff Gen. Eric Shinseki "told Congress that several hundred thousand troops would be needed. His testimony was derided" by Defense Secretary Donald Rumsfeld.

McCain, Clinton Among Most Vocal Critics. The Washington Post (11/16, A22, Ricks, Tyson, 690K) says the "first major Iraq hearings since the Nov. 7 midterm elections revealed blunt impatience among Democrats as well as open frustration from Republicans, and produced the rare spectacle of presidential hopefuls from both parties taking aim at the general." McCain "voiced disappointment that Abizaid seemed to be clinging to the 'status quo,'" while Sen. Hillary Clinton "took exception with Abizaid's talk of all the steps that the Iraqi government needs to take. 'Hope is not a method,' she told him. 'We've had testimony now for four years about what 'must be done' -- and it doesn't get done.'" The Washington Times (11/16, Scarborough, 88K) says McCain said, "It's not encouraging to those of us who heard time after time that things are, quote, 'progressing well,' that we're making progress, et cetera, because we're hearing from many other sources that that's not the case."

The New York Times (11/16, Zernike, 1.16M) says in a front page story that "there were three contenders for president" on hand -- Clinton, McCain, and Sen. Evan Bayh, as well as Sen. Joseph Lieberman, "the self-described 'Independent Democrat'…who is at risk of bolting and taking his party's new narrow majority with him."

Levin Says He Was Surprised By Abizaid's Assessment. Sen. Carl Levin said on CNN's The Situation Room (11/15, Blitzer), "What Gen. Abizaid basically said which did surprise me is that he thinks that things are getting somewhat better in Iraq. And according to the two leaders of our intelligence community, the head of the Defense Intelligence Agency and the head of the Central Intelligence Agency, who testified this afternoon, things are getting worse in Iraq."

Levin said on the CBS Evening News (11/15, story 2, 1:15, Couric, 7.66M), "I was somewhat frustrated because I thought basically he was saying that we should stay the course, which is, I think, clearly a position that's been rejected by the American people overwhelmingly, staying in course in Iraq is not a strategy for success. The horrible violence on the ground, it seems to me, is proving that everyday."

The AP (11/15, Flaherty) reports Levin "told reporters he was encouraged the general said all options should remain on the table." Levin said, "The only way for Iraqi leaders to squarely face that reality is for President Bush to tell them that the United States will begin a phased redeployment of our forces within four to six months."

Reed Sees No "Specific Time" For Withdrawal. Asked about withdrawal timelines on MSNBC (11/15, Mitchell), Sen. Jack Reed said, "I don't think there's a specific time. I think we understand that that is essentially a military judgment. But there's a series of very important questions. One is, is there a tipping point in which the chaos is going to become out of control and our presence there will not be particularly effective? Have we reached that tipping point?"

Casey Opposes Timetables. McClatchy (11/16, Youssef, Brown) reports that while Abizaid argued against withdrawal timetables in Washington, US Iraq commander Gen. George Casey said in an interview that the situation "remains too unstable to withdraw troops and that setting a date for U.S. troops to start leaving would 'just allow folks to wait us out.'"

Senate Democratic Leaders Worry Bush Not Ready For Iraq Changes. The Christian Science Monitor (11/16, Feldmann, 59K) reports the "leadership of the new Senate Democratic majority expressed concern Wednesday that President Bush does not understand the urgency of the situation in Iraq, and does not appear to be planning for

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change beyond replacing Donald Rumsfeld as secretary of Defense." At a Monitor breakfast, incoming Senate Majority Leader Harry Reid said, "We are bound and determined to change course in Iraq. We have a plan, we have enunciated that plan, we have done it through legislation and a lot of talk, and we'll continue to do that." The Monitor adds Reid was "accompanied by his deputies in the Democratic leadership, Richard Durbin of Illinois, Charles Schumer of New York, and Patty Murray of Washington." Later, the senators "added that they were not pushing for impeachment, of either Bush or Cheney." Reid said, "One of the things that we were able to cut off pretty quickly is the 'impeach Bush' program. That was because of two words: Dick Cheney." The Monitor adds Schumer "blamed the administration for not listening to multiple points of view, saying that when someone does, 'they kneecap him.'"

Iraq Study Group's "Washington Insiders" Seek Solution. NBC Nightly News (11/15, story 2, 2:15, Williams, 9.87M) profiled the Iraq Study Group, a group of "Washington insiders who hope to forge a way out of a bad spot in Iraq." NBC (Mitchell) added, "To the rescue: Ten Washington veterans -- five Republicans and five Democrats -- battled scarred by decades of political wars, trying to find a way out of a real one. … How to bridge the divide between staying the course and withdrawing starting in four to six months? People close to the commission say it will be tough, a phased withdrawal tied to deadlines for Iraq's government to control the violence."

Iraqis Also Debating Future Of US Operations. The New York Times (11/16, A17, Tavernise, 1.16M) writes, "While Americans in a faraway land debate their fate, Iraqis have already decided on the cure. The only problem is that there is more than one set of Iraqis. Shiites want their country back. Sunni Arabs want a strongman. They cannot agree." As the US "grapples with difficult decisions over the war, Iraqis are also debating. But just when they need to band together, they have never been further apart. … The landscape is that of a country sliding into war, and Sunnis and Shiites, like Republicans and Democrats, desperately look for ways out." Shiites "agree with many Democrats: American soldiers should withdraw to their bases. Sunnis say total control by the Shiite-dominated government could mean massacres."

The Washington Post (11/16, Knickmeyer, 690K) reports on its front page that "while American commanders have suggested that civil war is possible in Iraq, many leaders, experts and ordinary people in Baghdad and around the Middle East say it is already underway, and that the real worry ahead is that the conflict will destroy the flimsy Iraqi state and draw in surrounding countries." The Post says that "according to U.S. and Arab analysts and political observers," whether the US "departs Iraq sooner or later, the United States will be hard-pressed to leave behind a country that does not threaten U.S. interests and regional peace."

Iran Now Concerned About Rapid US Exit From Iraq. Meanwhile next door, Iran is expressing concerns about a prompt US withdrawal. The Los Angeles Times (11/16, Murphy, 850K) reports the fresh post-election "talk of a phased pullout have touched off a discussion in Tehran about the outright anarchy that could result." A political commentator on Tehran's English-language news channel said Tuesday night that the US should "remain in Iraq until it has established a strong, stable central government capable of providing adequate security."

Kondracke Says More US Troops Needed In Iraq. In his Roll Call (11/16) column, Morton Kondracke writes, "To salvage stability from what looks like inevitable chaos in Iraq, the United States needs a new strategy that produces security, political reconciliation and hope. That should involve sending more U.S. troops -- at least on a temporary basis -- while pressuring the Iraqi government for reform and mounting a massive jobs project to reduce unemployment in the country." While it "would be politically impossible" for the White House to seek a troop level increase following the midterm elections, "conceivably it could be done if the idea is blessed by the Iraq Study Group."

About 70 Freed, But Iraq Kidnapping Leads To Confusion, Infighting. The AP (11/15, Wagner) reports kidnappers "released about 70 people snatched in a mass abduction by suspected Shiite militiamen," a sign the militants "went too far and Iraq's leader may be yielding to intense U.S. pressure to crack down on sectarian violence." But PM Nouri al-Maliki "clearly has more work to do. Iraqi police, hospital and morgue officials reported 105 new violent deaths Wednesday; 54 of the victims were tortured and shot, their bodies dumped in Baghdad." The CBS Evening News (11/15, story 3, , Couric, 7.66M) said officials "are trying to sort out the details of the mass kidnapping. … It's still not clear exactly how many people were kidnapped yesterday, estimates range from 40 to 150, or how many people are still being held."

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The New York Times (11/16, A16, Semple, 1.16M) reports that a "dispute erupted Wednesday between Iraqi officials" over the incident. A spokesman for Minister of Higher Education Abed Dhiab al-Ajeeli said "nearly 100" captives were still being held," but chief government spokesman Ali Dabbagh "contended that only 39 people had been kidnapped and that all but 2 had been released. Both men angrily dismissed the other's comments as false."

Educators See Incident As Assault On Schools. The Washington Post (11/16, A23, Raghavan, 690K) runs a feature on the woes of Iraq's colleges in the wake of the "brazen daylight raid on a Ministry of Higher Education building." The "most profound effect of what many Iraqis view as a national calamity was felt in university halls and campuses across Iraq. Here, the abductions highlighted the plight of academics and an educational system besieged by sectarian tensions, lawlessness and government ineffectiveness."

Platoons' Investigation Of Mass Kidnapping Recounted. The Los Angeles Times (11/16, Smith, 850K) runs the third installment of its four-part series on the platoons of the 4th (Tomahawk) Battalion, 23rd Infantry Regiment, 172nd Stryker Brigade Combat Team that spent part of October investigating the kidnapping of at least 22 Iraqi men from a meatpacking plant in southwest Baghdad.

More Commentary On Sectarian Violence. In a Los Angeles Times (11/16, 850K) op-ed, Michael Rubin of the American Enterprise Institute writes that the Maliki government "has proved a grave disappointment. Security has worsened since Maliki has been in power. Ignoring the pleas of U.S. officials, he has been unwilling to crack down on the militias and death squads that fuel sectarian violence -- and the mass kidnapping from a Ministry of Higher Education building in Baghdad on Tuesday by gunmen in police uniforms shows the consequences. … But does this mean that the U.S. ambition to bring democracy to Iraq was a mistake? As a supporter of the war, and later an advisor to the U.S. occupation authority, I don't think so. Despite our disappointment with Maliki, the strategic rationale for promoting democracy in the Middle East -- and in Iraq in particular -- remains sound."

In a Los Angeles Times (11/16, 850K) op-ed, the American Prospect's Laura Rozen writes, "A debate is emerging inside the Bush administration: Should the U.S. abandon its efforts to act as a neutral referee in the ongoing civil war and, instead, throw its lot in with the Shiites? A U.S. tilt toward the Shiites is a risky strategy, one that could further alienate Iraq's Sunni neighbors and that could backfire by driving its Sunni population into common cause with foreign jihadists and Al Qaeda cells. But elements of the administration, including some members of the intelligence community, believe that such a tilt could lead to stability more quickly than the current policy of trying to police the ongoing sectarian conflict evenhandedly, with little success and at great cost."

Six More US Troop Deaths Reported In Iraq. ABC World News (11/15, story 2, 0:15, Gibson, 8.78M) reported, "In Iraq today, the US military reported the deaths of six American forces. Two were killed in a roadside bombing in Baghdad. The others died in fighting in al Anbar province, the volatile region west of the capital."

Locals Afraid To Join Police Force In Anbar. USA Today (11/16, 11A, Brook, 2.27M) examines the lack of protection and pay for police in Iraq's Anbar Province. The volatile "Sunni stronghold" is "lightly held by about 33,000 U.S. troops spread across 53,000 square miles." USMC Maj. Gen. Richard Zilmer, the regional commander, "has said he doesn't command enough forces to defeat the insurgency. Instead, American forces are training Iraqi soldiers and police officers to do it." But "locals are reluctant to join the police because insurgents are waging an effective intimidation campaign and there aren't enough American forces to protect every recruit."

Soldier Pleads Guilty In Mahmoudiya Rape-Murder Case. The AP (11/15, Lenz) reports Spc. James Barker, one of the four US soldiers "accused of raping a 14-year-old Iraqi girl last spring and killing her and her family" in Mahmoudiya, has pleaded guilty and agreed to testify against the others. His civilian attorney David Sheldon said Barker "agreed to the plea deal to avoid the death penalty." When military judge Lt. Col. Richard Anderson asked Barker why he participated in the assault, Barker replied, "I hated Iraqis, your honor. They can smile at you, then shoot you in your face without even thinking about it."

Resurgent Taliban, Al Qaeda Using Iraq Methods In Afghanistan. The Washington Post (11/16, A22, Linzer, Pincus, 690K) reports CIA Director Gen. Michael Hayden and Defense Intelligence Agency Director Lt. Gen. Michael Maples told the Senate Armed Services

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Committee that al Qaeda's "influence and numbers are rapidly growing in Afghanistan, with fighters operating from new havens and mimicking techniques learned on the Iraqi battlefield for use against U.S. and allied troops." They said both al Qaeda and the Taliban "are back, waging a 'bloody insurgency' in the south and east of the country." Hayden said, "The direct tissue between Iraq and Afghanistan is al Qaeda. The lessons learned in Iraq are being applied to Afghanistan." Senators "noted the increased use of roadside bombs and the relatively new phenomenon of suicide attacks, which had not been seen in Afghanistan before the Iraq war."

Al Qaeda Finds Fruitful Recruiting Grounds In Pakistan. ABC World News (11/15, story 3, 2:40, Ross, 8.78M) reported, "Al Qaeda's ability to find new recruits is of great concern to officials. … Much of that recruiting is taking place in Pakistan. This is one of the places where US and Pakistani officials say Al Qaeda has been able to find new recruits: A yearly gathering in a field, held this week outside Lahore, Pakistan, attended by more than one million religious, conservative Muslims who belong to a group that opposes violence. But intelligence sources tell ABC News Al Qaeda uses the setting as cover."

Christmas Trees Donated To Troops, Families At Home. USA Today/AP (11/16, 9A, Kates) reports Christmas tree growers across the US "are donating thousands of trees to them and their families stateside. … The 'Trees for Troops' effort is part of a campaign by the National Christmas Tree Association's Christmas Spirit Foundation to collect more than 11,000 trees in 27 states."

CORPORATE SCANDALS:

Former Enron CAO Sentenced For Securities Fraud. The AP (11/16, Lozano) reports, "Richard Causey, the last of the top Enron Corp. executives to learn his punishment, was sentenced Wednesday to five-and-a-half years in prison for his role in one of the biggest corporate scandals in U.S. history." The AP continues, "Causey, the company's former chief accounting officer, pleaded guilty in December to securities fraud two weeks before he was to be tried along with Enron founder Kenneth Lay and former Chief Executive Jeffrey Skilling on conspiracy, fraud and other charges related to the company's collapse." The AP adds, "Causey, 46, had agreed to serve seven years in prison. Prosecutors indicated they could have recommended it be reduced to five if they were pleased with his cooperation. … The maximum penalty for securities fraud is 10 years in prison and a fine of $1 million or twice the amount illegally gained." The AP notes, "Causey also agreed to fork over $1.25 million to the government and forfeited a claim to about $250,000 in deferred compensation as part of his plea deal. Unlike others at Enron, Causey didn't skim millions of dollars for himself from shady deals. … Prosecutors dropped their plan to seize Causey's home, a $950,000 two-story, red brick house in a Houston suburb. … Causey, the government's 16th cooperating witness who entered a guilty plea, had faced more than 30 counts of conspiracy, fraud, insider trading, lying to auditors and money laundering."

USA Today (11/16, Farrell) reports, "Causey's sentence includes $1.25 million in forfeiture and a fine of $25,000. He could have received up to seven years under the plea deal he entered last year." USA adds, "Earlier this year, a jury in Houston convicted Enron's two former CEOs, Ken Lay and Jeff Skilling, of lying to the public about the company's financial health. For his role in the fraud, Skilling was sentenced to 24 years and four months in prison. Lay's conviction was vacated because he died in July before he had the chance to appeal the verdict. … Causey was originally scheduled to go to trial as a co-defendant with the two men. … Former Enron chief financial officer Andrew Fastow, the other member of the company's inner sanctum of management, pleaded guilty in early 2004, agreeing to serve a 10-year sentence for crimes he committed at the company. But because of his cooperation, which culminated in one week of trial testimony on behalf of the government against Lay and Skilling, a federal judge in September reduced his sentence to six years."

The Washington Post (11/16, D01, Johnson) reports, "Corporate insiders portrayed Causey, a former accountant at Arthur Andersen LLP known for his genial personality and his love of golf, as a man cowed by Enron's aggressive, rules-bending culture. But prosecutors on the Justice Department's since-disbanded Enron Task Force contended that fraud could not have flourished without Causey's actions and his failure to blow the whistle on others. … His get-along attitude helped Causey steadily climb the corporate ladder, and he became Enron's top accountant in 1998, three years before the company's demise. Causey and his wife, Elizabeth, last year forfeited $1.25 million in a bank account, and he gave up

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the rights to about $250,000 more in deferred pay from Enron."

SEC Launches Formal Probe Of Dell's Accounting Practices. The Austin American-Statesman (11/16, Zehr) reports, "Federal securities regulators have launched a formal investigation into Dell Inc.'s financial record-keeping, upgrading an informal inquiry they started a year ago." The A-S continues, "Dell disclosed the development Wednesday evening. At the same time, it said it would postpone its third-quarter financial report, which had been scheduled for today, until the end of the month. … Dell said the move was related to ongoing reviews of its accounting, not the upgrading of the Securities and Exchange Commission investigation. … 'It really is just a high degree of prudence that's being placed on all our financial reporting right now,' said spokesman Jess Blackburn. 'There's just a high degree of care being given to reviewing that material and being certain of what we want to report before we report it.'" The A-S adds, "The SEC does not comment on investigations, and there have been few clues about what the probe involves. Dell previously has said the reviews focus on 'issues related to accruals, reserves and other balance-sheet items.' … A formal investigation indicates the agency has reason to believe there are problems with Dell's books and gives the agency the authority to subpoena testimony and documents. … The formal investigation and postponed earnings come just as Dell appeared to have shrugged off the most serious effects of a yearlong stretch of setbacks." The A-S notes, "Dell first revealed concerns about its financial reporting in August, when it said it had been the subject of an information investigation by the SEC. In response to that inquiry, Dell said it had found some accounting problems stretched back before the investigation started and asked the audit committee to begin an independent probe. … By September, the reviews had raised the interest of the Justice Department. The U.S. attorney for the Southern District of New York asked for documents going back to 2002."

The Wall Street Journal (11/16, A2, Lawton) reports, "Neither Dell nor the SEC has disclosed the exact nature of the issues being investigated. In September, Dell issued a statement noting that the probe could involve potential issues 'relating to accruals, reserves and other balance- sheet items.' Companies use accruals and reserves when they sell services but deliver them at a later date. In Dell's case, the company typically sets aside funds from current operations to cover the cost of future warranty claims." The Journal adds, "The intensifying investigation is the latest in a series of setbacks for Dell. Over the past year, the onetime highflier has suffered slower growth and falling profits amid a struggle to compete against resurgent rivals such as Hewlett-Packard Co. Dell recently lost its position as the world's largest personal-computer seller, according to market researchers IDC and Gartner. It also announced a battery recall involving millions of laptops in August because the batteries were a potential fire hazard. Dell's stock has fallen 14% so far this year."

The New York Times (11/16, Darlin) reports, "The announcement surprised analysts, as had previous announcements about the accounting investigations. Dell had announced preliminary results for its second quarter in August, but has not yet filed the required 10-Q quarterly report of those earnings with the S.E.C. The company also canceled an analysts' meeting in September at the last moment, citing the S.E.C.'s investigation. … The company said that it would announce its third-quarter results in a news release at the end of the month and its top executives would not hold the customary conference call with analysts and journalists."

Former Hewlett-Packard Chairwoman Pleads Not Guilty. The AP (11/16, Robertson) reports, "Former Hewlett-Packard Co. Chairwoman Patricia Dunn pleaded not guilty Wednesday to four felony identity theft and fraud charges for allegedly instigating the company's ill-fated spying probe into boardroom leaks." The AP continues, "Dunn appeared briefly for her arraignment in Santa Clara County Superior Court and was released on her own recognizance after her lawyer entered the plea for her. … She and her attorney, Raj Chatterjee, declined to comment as they left court." The AP adds, "Dunn, 53, is one of five people charged in the computer and printer maker's clandestine efforts to unmask board members who discussed company business with reporters. Investigators used a shady ruse known as 'pretexting' to obtain the confidential phone logs of directors, reporters and others to trace the source of the leaks. … Testifying before a congressional in September, Dunn said she was repeatedly reassured by HP's lawyers about the legality of its detectives' subterfuge. … She resigned from HP's board after the scandal broke in early September. The

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two-time cancer survivor recently began chemotherapy for ovarian cancer."

Auditors Clear SEC's Financial Statements. The Washington Post (11/16, D02, Johnson) reports, "Auditors gave the financial statements of the Securities and Exchange Commission a clean bill of health, a sign that the market watchdog has taken steps to fix problems that prompted a lawmaker last year to chide the agency for what he called 'hypocrisy.'" The Post continues, "The Government Accountability Office, which reviewed the SEC's books for the fiscal year ended in September, said in documents issued yesterday that the SEC had come close to fully resolving past weaknesses in its financial controls. … The GAO had cited problems with how the SEC tracks penalties it levies, with its information systems controls and with its financial reporting process. Now, auditors say, those issues are far less serious than they were." The Post adds, "This is the third year the SEC has allowed outside audit of its books and financial controls, which are designed to help prevent fraud and mistakes. … The problems were exposed in March 2005, the same time securities regulators were imposing stiff new rules that forced managers at publicly traded companies to assess their own controls. The rules have proven expensive and controversial and are the focus of an aggressive and well-funded business lobbying campaign. This week, leaders at the SEC and the Public Company Accounting Oversight Board, which oversees the audit industry, have been working to resolve differences in their approach to modifying the rules."

Corporate Board Ousters Could Spur More Options Probes. The Los Angeles Times (11/16, Petruno) reports, "By ousting KB Home chief Bruce Karatz over inflated stock option awards, the Los Angeles company's board instantly made the executive a high-profile potential target for federal prosecutors, legal experts say." The Times continues, "More than 50 corporate officers nationwide have resigned or been fired in the continuing scandal over alleged option manipulation, but most of those have been at relatively small companies. …As the head of a business with $10 billion in annual sales, Karatz automatically would present a higher priority to government investigators than executives who ran much smaller firms, several attorneys said. … 'Especially if it's someone senior, I think those go to the top of the list' for prosecutors, said John Olson, a partner at Gibson, Dunn & Crutcher in Washington." The Times adds, "Authorities have not accused Karatz of wrongdoing, and spokesmen for both the U.S. attorney's office and the Securities and Exchange Commission declined to comment Wednesday on Karatz or KB Home. The company in August disclosed that the SEC was conducting an informal investigation of its option practices. … On Sunday, the company's board announced that Karatz had resigned following an internal investigation that determined he was responsible for setting 'incorrect' stock option grant dates from 1998 to 2005. The effect was to boost the value of those grants for Karatz and other KB Home executives. … 'It's a huge thing for a board to kick out a CEO,' said Thomas Curran, an attorney at Ganfer & Shore and a former assistant district attorney in New York. … The directors said that Karatz and Gary A. Ray, who had been the company's human resources chief, chose the option grant dates."

CRIMINAL LAW:

Abramoff Reports To Federal Prison. ABC World News (11/15, story 10, 0:30, Gibson, 8.78M) reported, "And the man who once wielded tremendous influence in Washington, is tonight, a Federal prisoner. Former lobbyist, Jack Abramoff, at the center of a Capitol Hill corruption scandal, began serving an almost six-year sentence in Maryland. He was convicted of fraud in a Florida business deal. Meanwhile, ABC's George Stephanopoulos reports the Democratic Party's first order of business on Capitol Hill, will be to ban all gifts and travel paid for by lobbyists, once they, the Democrats, take control of the House and Senate in January."

The CBS Evening News (11/15, story 6, 0:15, Couric, 7.66M) reported, "A former Washington insider has a new roof over his head. Lobbyist Jack Abramoff reported today to the Federal pen in Cumberland, Maryland. He'll serve six years for business fraud. Abramoff is still cooperating with a corruption investigation allegedly involving members of Congress and White House officials."

The AP (11/16) reports from Cumberland, MD, "Disgraced lobbyist Jack Abramoff, convicted of federal charges after using expensive gifts, campaign donations and exotic trips to win access to the powerful in Washington, went to prison Wednesday." The AP continues, "Abramoff arrived at about 6:30 a.m. EST at a relatively secluded prison facility in western Maryland to begin serving a nearly six-year prison

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sentence for a fraudulent deal to buy a fleet of casino ships in Florida. … Abramoff was delivered out of sight of waiting reporters and camera crews and his arrival was announced in a two-paragraph statement by a prison representative." The AP adds, "The part of the camp where Abramoff will be kept is a 334-bed minimum security facility located near an industrial park along the north branch of the Potomac River. … The camp is all male. It consists of a number of two-story dormitories that are light red cinderblock structures. Each dormitory contains a number of six-bed cubicles, and Abramoff was being assigned to one of those. The prison is nearly surrounded by Appalachian Mountain ridges rising along either bank of the Potomac on the Maryland and West Virginia sides of the river. … Stephen Finger, executive assistant at the prison, said all inmates work while there. Incoming inmates such as Abramoff typically are assigned to menial jobs such as food service work. Finer said that inmates can work their way up from low-level jobs paying 12 cents an hour to better positions paying up to 40 cents an hour."

The Legal Times (11/16, Palmer) reports, "Abramoff also faces jail time after pleading guilty in Washington to fraud, tax evasion and conspiracy to bribe public officials. Justice Department lawyers have put off Abramoff's sentencing related to those charges, citing his cooperation with the department's ongoing corruption probe. He is expected to be sentenced in that case next year." The Times adds, "Although Abramoff was originally supposed to report to prison in Pennsylvania, the Justice Department intervened in late October, suggesting the Federal Correctional Institute in Cumberland as its preferred choice. Located in western Maryland, the medium-security facility is within driving distance of Washington, allowing federal prosecutors easy access to Abramoff. … Abramoff was sentenced in March by U.S. District Judge Paul Huck in the Southern District of Florida after pleading guilty to wire fraud, conspiracy to commit wire fraud, and mail fraud. He was also sentenced to three years of supervised release."

Third Man Pleads Guilty In 2002 New Hampshire Phone-Jam Case. The Manchester (NH) Union Leader (11/15, Distaso) reports, "A third conspirator has agreed to plead guilty to federal criminal charges in connection with a Republican operation that jammed Democratic get-out-the-vote telephone lines on election day, 2002." The Leader continues, "Shaun Hansen, whose former telemarketing firm placed the hundreds of line-jamming calls after being hired by a Republican operative, admits violating federal statutes outlawing telephone harassment and conspiracy to commit telephone harassment. … He faces maximum penalties of $250,000 and five years in prison for the harassment charge and a fine of $250,000 for the conspiracy charge. But under an agreement filed in U.S. District Court in Concord this week, federal prosecutors agreed not to oppose Hansen's request for sentence reduction 'based upon the defendant's apparent prompt recognition and affirmative acceptance of personal responsibility for the offense.'" The Leader adds, "The Justice Department also agreed not to prosecute Hansen on any additional charges.Hansen owned the former Idaho-based Mylo Enterprises, a telemarketing firm that was paid $2,500 by GOP consultant Allen Raymond to place hundreds of hang-up calls to five Democratic Party offices and the Manchester firefighters union headquarters to jam their get-out-the-vote and rides-to-the-polls telephone lines. The operation proceeded for about 90 minutes on the morning of election day, 2002, before being called off by the former GOP state chairman.According to previous court documents and testimony, Raymond was hired by former state Republican executive director Charles McGee for $15,600 to find a firm to make the calls. McGee and Raymond also spoke with former Republican National Committee official James Tobin about the operation, according to court documents and testimony."

Television Pitchman Sentenced For Selling Faulty Computers. The AP (11/16, Dale) reports from Philadelphia, "A TV pitchman who defrauded customers, banks and vendors out of $39 million by selling them faulty computers was sentenced to more than seven years in prison by a judge who called his conduct 'unforgivable.'" The AP continues, 'George Capell, 51, continued to scheme until the end, tapping a secret bank account even after his bankruptcy and guilty plea to indulge a taste for strip clubs, fancy cars and a Florida condominium, authorities said. … 'This to me is unforgivable,' U.S. District Judge Anita B. Brody said Tuesday in handing down an 86-month sentence, near the top of the sentencing guidelines. … Capell's lawyer, Scott DiClaudio, blamed the losses on 'a failed business model.'" The AP adds, "After seeing Capell's TV infomercials, some customers spent upward of $2,000 apiece on computer systems that arrived, if at all, with broken or missing parts. Many of the customers were disabled or unemployed, and

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needed the computers to find jobs, the judge said. … Others lived in rural areas far from an electronics store, and were forced to buy computers sight unseen, said bankruptcy court trustee Lawrence Lichtenstein. … The bilked customers, from more than a dozen states, have received restitution of 25 cents on the dollar, Lichtenstein said. He hopes to eke out another 10 cents on the dollar for them through the sale of Capell's condominium and half the proceeds of Capell's $1 million home. … Capell pleaded guilty to 41 fraud and money laundering counts in April. His company, which did business as the Video Computer Store, ran a call center and warehouse from 1999 to 2001."

Global Police Unit Created To Hunt Down Pedophiles. USA Today (11/16, Leinwand) reports, "U.S. agents are joining authorities in Canada, Britain and Australia to form a global police unit that will help monitor the Internet for child molesters who seek victims online." USA continues, "Law enforcement representatives from each country met here Wednesday to discuss the program, one of the latest in a series of initiatives aimed at countering the rising number of ways in which pedophiles and pornographers use the Internet to harm children. … Under the program, known as the Virtual Global Taskforce (VGT), agents from each nation will take turns monitoring a London-based website (www.virtualglobaltaskforce.com) that responds to reports from youths and others about suspected predators, says VGT Chairman Jim Gamble, chief executive officer of the United Kingdom's Child Exploitation and Online Protection Center." USA adds, "Investigators can immediately trace a suspect's location through his Internet connection and contact a local police agency to further investigate the case or make an arrest, Gamble says. As authorities have done in anti-child-pornography programs, VGT investigators also will go undercover in chat rooms and on websites where pedophiles are likely to be, he says. … The VGT is one of dozens of ways police and child protection groups try to catch predators and stem the trade in pornographic photos of children. The groups work with Internet service providers and credit card companies to identify websites used to trade such photos. Congress has boosted funding for investigations and prosecutions aimed at child porn."

Judge Rules Alleged Cuban Spy's Statement To FBI Should Be Admitted. The AP (11/16) reports US Magistrate Judge Barry Garber in Miami "refused Wednesday to throw out a lengthy statement given to the FBI by a college professor charged along with his wife with acting as illegal agents of Cuba's communist government." Garber "ruled that…Carlos Alvarez gave the statements voluntarily, was free to leave the FBI interviews any time and was never promised immunity from prosecution. The statements Alvarez gave to the FBI in summer 2005 are the cornerstone of the federal case." The AP notes, "Alvarez's lawyer will have a chance to contest the ruling before U.S. District Judge K. Michael Moore, who is overseeing the case, issues a final decision."

Boston US Attorney's Office Says Reported Bulger Sighting Inconclusive. The Boston Globe (11/16, Murphy, 413K) reports, "The tip sounded like a scene out of a movie: Fugitive gangster James 'Whitey' Bulger was believed to have been spotted at a San Diego theater last month, checking out Jack Nicholson's portrayal of him in the new gangster film, 'The Departed.' … But yesterday, the US attorney's office in Boston, which is overseeing the hunt for Bulger, 77, one of the FBI's 10 Most Wanted, said the sighting remains uncorroborated. 'Bulger Fugitive Task Force investigators have reviewed all relevant material related to the recently reported sighting of James Bulger in San Diego,' Robert Krekorian, executive assistant US attorney, said in a prepared statement. 'At this time, no one has concluded that the individual in question is, in fact, James Bulger.' Krekorian added that, as with every lead in the manhunt, all 'logical and appropriate investigative steps' are being taken."

Federal Agents To Be On Lookout At Funeral For Bulger's Girlfriend's Mother. The Boston Herald (11/16, Sweet, 184K) reports, "The South Boston mother of James 'Whitey' Bulger's girlfriend, Catherine Greig, will be laid to rest today, presumably never to know if her fugitive daughter is dead or alive." Jenit L. Greig "died Monday. … Sources said federal authorities, who have been hunting for Bulger and Greig nearly 12 years, will be watching." The Herald also notes the US attorney's office statement about the sighting report.

Former New Jersey Councilman Pleads Guilty To Taking Bribe. The Newark Star-Ledger (11/16, Martin) reports former West Long Branch Councilman Joseph DeLisa "yesterday admitted taking a $1,500 bribe in an FBI sting, the latest conviction in a long-running investigation of municipal corruption in Monmouth County. …

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Under questioning from Assistant U.S. Attorney Marc Larkins, DeLisa acknowledged taking the bribe in November 2003 from a cooperating FBI witness posing as a demolition contractor. He said he had been introduced to the contractor by then mayor Paul Zambrano. In return for the money, DeLisa promised his support on no-bid township contracts." The Star-Ledger notes, "Zambrano was the first to enter a plea more than a year ago; he admitted taking $15,000, but has not yet been sentenced." The AP (11/16) adds that DeLisa "could receive as much as 20 years in prison when sentenced in March."

FBI Searches Home Of Philadelphia Labor Leader In Ongoing Tax-Fraud Probe. The Philadelphia Inquirer (11/16, Shiffman, Schaffer, 385K) reports, "Federal agents executed a search warrant at the home of labor union leader John J. Dougherty last week as part of their tax-fraud investigation into a local electrical contractor, sources said. The sources, who declined to be identified because the matter remains under investigation, said agents entered the South Philadelphia home of Dougherty, a possible 2007 mayoral candidate, early Friday morning. Philadelphia FBI spokeswoman Jerri Williams said she could neither confirm nor deny the raid." The Inquirer notes, "Friday's search represents the most recent turn in the sprawling investigation of the contractor, Donald 'Gus' Dougherty, who is a close friend of but no relation to John Dougherty. … Sources said agents have asked whether electricians' union leaders knew about an alleged scheme by Gus Dougherty to avoid paying federal taxes and union health and pension payments by paying union electricians in cash."

FBI Joins Corruption Probe Of Kentucky School Official. The Lexington Herald-Leader (11/15, Mueller, 113K) reported, "The FBI has joined a Johnson County grand jury investigation into allegations that a former school district finance director allegedly had her son on the system's payroll while he was in jail." Peggy L. VanHoose "allegedly paid her son, Michael D. VanHoose, thousands of dollars between 2000 and 2005, although he spent 92 weeks of that time in the Big Sandy Regional Detention Center, according to jail records and a recent audit conducted for the school district. Assistant Commonwealth's Attorney David Blankenship said yesterday that an FBI agent had contacted Johnson County prosecutors about the case." The Herald-Leader added, "Meanwhile, a Johnson County grand jury is scheduled to meet Thursday to question witnesses, including new schools Superintendent Steve Trimble, a school board member and VanHoose's former payroll officer, Shelby Jean Coleman."

NYPD, FBI Bust Billion-Dollar Sports Betting Ring. In a widely-distributed story, the AP (11/16, Hays) reports, "More than two dozen people, including a former professional baseball scout and a high-stakes poker player, were charged Wednesday in connection with a billion-dollar-a-year gambling ring that rivaled casino sports books. The massive illegal betting scheme was orchestrated through a site called Playwithal.com, run by the poker player, James Giordano, 52, of Pine Crest, Fla., Police Commissioner Raymond Kelly and Queens District Attorney Richard Brown said. A break in the case came last year when New York Police Department investigators secretly hacked into a laptop computer that Giordano had left in a Long Island hotel while attending a wedding, police said. He was arrested early Wednesday by FBI agents who had to scale the walls of his fortess-like Florida compound." The AP notes, "The scheme involved placing sports bets through bookies, who would assign bettors a secret code to track their wagers and monitor point spreads and results through the restricted Web site. The bets were taken on all kinds of sports, including football, baseball, basketball, hockey, car racing and golf."

The Miami Herald (11/16, 286K) reports, "At first, FBI agents and Miami-Dade County police tried to trick Giordano, 52, into letting them onto his property. They phoned him from a call box next to the entrance gate of his walled Pinecrest estate, saying they needed to get in to catch a burglar. He said no. Armed with arrest and search warrants, they then climbed over Giordano's four-foot wall and knocked on his front door. They arrested him about 6 a.m. Tuesday, and he was placed in police custody. FBI spokeswoman Judy Orihuela said FBI agents also searched the South Florida homes of some other suspects and the offices of companies involved." The Washington Post (11/16, E2, 690K) notes, "Also arrested was Frank Falzarano, 52, of Seaford, N.Y., who was identified by prosecutors as a scout for the Washington Nationals and a former scout for the San Francisco Giants. He allegedly was a top earner in a network of 2,000 bookies who took more than $3.3 billion in cash wagers since 2004 from tens of thousands of customers nationwide."

Newsday (11/16, Parascandola) notes that FBI agents arrested Giordano and reports Police Commissioner Ray

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Kelly said, "This is the largest illegal gambling operation we have ever encountered. It rivals casinos for the amount of betting: $3.3 billion over the last 28 months alone. … The suspects in New York, New Jersey, Florida and Nevada have been charged with various counts of enterprise corruption, money laundering, gambling and conspiracy, according to Queens District Attorney Richard Brown, whose office is prosecuting the case because it started in that borough. Seized were gambling records, about $6 million in cash, real estate and a football signed by the 1969 Super Bowl champion Jets." Also noting the FBI arrest in Florida, the New York Post (11/16, Venezia, Martinez, Livingston, 631K) adds, "Authorities said the ring even had 'wire rooms' in Costa Rica and St. Maarten. It was busted in Queens because authorities there got wind of the operation while investigating a prescription drug resale scheme linked to the Bonanno crime family in 2005." The New York Daily News (11/16, Moore, Shifrel, 729K) also reports the story, under the headline "You Lose! 3B Ring Bashed."

Puerto Rico Secretary Of State Ordered To Turn Over Documents For Fundraising Probe. In a story distributed by McClatchy, the Miami Herald (11/16, Robles, 286K) reports, "Puerto Rico's Secretary of State has until Friday to produce documents relating to dozens of people and firms in the latest chapter of a months-long federal probe of donations to a political campaign in 2000 by the current governor. The office of Secretary of State Fernando Bonilla has confirmed that it received a subpoena for all documents…on more than 60 individuals or companies tied to a handful of Philadelphia fundraisers. The fundraisers helped collect campaign contributions for Anibal Acevedo Vila's 2000 race for resident commissioner." McClatchy notes, "FBI San Juan office spokesman Harry Rodriguez said federal law prohibits him from discussing grand jury probes. 'The FBI has jurisdiction to investigate public federal election law violations involving excessive campaign contributions, corporate contributions and conduit contributions made through third parties,' Rodriguez said. 'It is not unusual for these illegal contribution cases to be connected to schemes to corruptly influence elected officials.'"

California City's Mayor, Administrator Charged With Corruption. The Los Angeles Times (11/16, Becerra) reports, "Capping years of investigations into Vernon, Los Angeles prosecutors today filed public corruption charges that accused the small industrial city's longtime mayor of voter fraud and the former city administrator of using public funds for personal use." The Times continues, "The indictment came after decades of complaints by critics that the city south of downtown Los Angeles operates as a fiefdom by leaders, including Mayor Leonis Malburg, who has been in office for more than 50 years. He is the grandson of Vernon's founder." The Times adds, "Most of Vernon's homes are owned by Malburg, other council members and the city. Most of the 91 residents are city employees. .. Prosecutors charged that Malburg has been fraudulently voting in Vernon elections, even though he has long lived in a posh estate in Hancock Park, 20 miles from the gritty city that is home to various manufacturing businesses and factories. … The district attorney's office charged that longtime city administrator Bruce Malkenhorst Sr. used $60,000 in city money for personal uses. Makenhorst was the highest paid city official in the state before stepping down two years ago, earning more than $600,000 a year for running a city of fewer than 100 people."

New Evidence Found In New York Murder Case. The New York Times (11/16, Dwyer) reports, "More than two years ago, investigators from the Queens district attorney's office sat in Jaime Acevedo's living room and listened to him describe a night in 1992 -- an instant, really -- that has yet to end." The Times continues, "Mr. Acevedo, seen by the authorities as an ordinary, law-abiding, working man with no reason to lie, said that he knew the inside details on a little-noticed murder in Woodside, one that seemed to have been solved and settled long ago." The Times adds, "Investigators had never spoken with Mr. Acevedo or realized that he knew anything about the case. But in fact, Mr. Acevedo told them, he had unwittingly given the killer a ride to and from the murder scene. The man he named had never been connected or charged with the crime. .. .There was more. .. .Mr. Acevedo said the one person accused and convicted of the murder had nothing to do with it. That man, Joshua Rivera, sentenced to 37 years, had not even been present, according to Mr. Acevedo. … The story did not end there. The district attorney's investigators found another man who told essentially the same story as Mr. Acevedo: he, too, said that he had been in the car with the killer and that Mr. Rivera was not involved." The Times notes, "Two years later, Mr. Rivera, 36, is still serving time for the murder, and the man named as

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the real killer by the two new witnesses has not been charged. .. .In an era when DNA tests seem to have made unraveling convictions as easy as untying a shoe, Mr. Rivera's case is a reminder that the criminal justice system, by law and custom, generally resists the reopening of jury verdicts, at times even in the face of new evidence that seems strong. … It is also a vivid example of the discretion that prosecutors can exercise in not only bringing cases but also reviewing their outcomes."

Simpson Book On Murders Roundly Condemned. The Los Angeles Times (11/16, Abcarian, Miller) reports, "The two abiding emotions that characterized the O.J. Simpson double murder case -- revulsion and fascination -- surfaced again this week when, just in time for November television sweeps, Simpson revealed that he will take part in a two-part Fox television special and release a book that will address how he might have killed his ex-wife, Nicole Brown, and her friend Ron Goldman. … 'If I Did It,' is to be released Nov. 30 by Regan, an imprint of HarperCollins, which is owned by Rupert Murdoch's News Corp. Another division of News Corp, the Fox network, will air a two-part interview with Simpson, conducted by his publisher, Judith Regan, on Monday, Nov. 27 and Wednesday, Nov. 29. In the book and the interviews, according to a statement from HarperCollins, Simpson will give a 'bone-chilling account of the night of the murders,' which took place on June 12, 1994." The Times adds, "As condemnation flowed from victims' families, publishers, broadcasters, bloggers and others involved in the sensational criminal case, Regan defended her decision to publish the book. . 'It's not fiction,' she said Wednesday evening at a dinner for the National Book Awards in New York. As to whether Simpson would agree with that, she replied, 'I don't know.' She sidestepped questions about whether the former football star had approached her, or the other way around, and how he might be paid. But she acknowledged the torrent of criticism already directed at the joint television-book project. … Simpson, who was acquitted of murder, was found responsible for the killings in a subsequent civil trial. The televised trial deeply divided the U.S., often along racial lines, changed the way crime scenes are handled and spawned a new category of TV personality -- the courtroom legal analyst."

CIVIL LAW:

Unions Object To Latest Bonus Plan For Dana Officials. The AP (11/16, Hopkins) reports, "Unions representing Dana Corp. employees say its proposal to pay millions to executives while it plans to cut health care and retiree benefits should be struck down. … 'It is precisely this double standard — insulating executives from the consequences of bankruptcy while workers must cope with harsh, draconian consequences — that Congress sought to eliminate' with the a recent bankruptcy reform act, the unions said in court papers." The AP continues, "The joint objection from the United Autoworkers and United Steelworkers unions comes in the midst of Dana's renewed efforts to get bankruptcy court approval for a long-term incentive plan. … Dana, of Toledo, Ohio, makes axles, frames and other large components for cars and commercial trucks and is highly dependent on customers General Motors Corp. and Ford Motor Co. … The company is one of at least a half-dozen large U.S. auto-parts companies that have fallen into bankruptcy due to production cutbacks by the country's biggest auto makers." The AP notes, "Under the proposal, Dana Chief Executive Michael J. Burns will receive up to $4.5 million during 2007 and up to $2.25 million in 2008. The payments are tied to the achievement of various earnings benchmarks. The payments aren't guaranteed. … Dana's latest proposal is a step down from a previous plan that entitled Burns to $9.1 million over the next few years, including a $6 million bonus once the auto-parts supplier emerged from bankruptcy protection. … The latest proposal is Dana's second attempt to get Judge Burton Lifland to sign off on the bonus plan. He denied the first plan on Sept. 5, saying it clashed with provisions of the 2005 bankruptcy law. Those provisions allow retention bonuses only if the employee has a competing offer for equal or higher pay. … The Justice Department has consistently opposed Dana's efforts, and in court papers Tuesday, U.S. Trustee Diana G. Adams said the company again failed to meet the requirements for bonus payments under the reform act."

CIVIL RIGHTS:

Man Alleging LAPD Beating Pleads No Contest To Resisting Arrest. The Los Angeles Times (11/16, Hong, McGreevy, 850K) reports, "The man

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who was repeatedly punched by a Los Angeles police officer on a video circulated on the Internet struck a plea bargain Wednesday and was released from jail." William Cardenas "pleaded no contest to a misdemeanor charge of resisting, delaying or obstructing an officer." The Times adds, "Asked whether the video had led to the deal, Deputy Dist. Atty Michael Yglecias said: 'I would be lying if I said it didn't.'" However, "LAPD Chief William J. Bratton told Patt Morrison in an interview on KPCC-FM…that he did not think the release of the video, and the widespread exposure that followed, had an effect on Cardenas' getting a reduction in charges." Bratton added, "If anything, the video would show he resisted arrest." In a widely-distributed story, the AP (11/16) notes, "The clip caused a sensation, with 155,000 views, and eventually prompted the FBI and the Los Angeles Police Department to investigate. Police said Cardenas had been wanted on charges of receiving stolen property when they confronted him."

Video Shows Third Alleged Excessive Force Case. The Los Angeles Times (11/16, Covarrubias, Silverstein, 850K) reports, "The latest in a recent spate of cellphone videos documenting questionable arrest tactics surfaced Wednesday, this one showing a UCLA police officer using a Taser to stun a student who allegedly refused to leave the campus library. Grainy video of the Tuesday night incident at UCLA's Powell Library was broadcast Wednesday on TV news and the Internet, prompting a review of the officers' actions and outrage among students at the Westwood campus. The footage showed the student, Mostafa Tabatabainejad, falling to the ground and crying out in pain as officers stunned him." The Times notes that some witnesses disputed the police account, "saying that when campus police arrived, Tabatabainejad had begun to walk toward the door with his backpack. When an officer approached him and grabbed his arm, the witnesses said, Tabatabainejad told the officer to let go, yelling 'Get off me' several times."

Los Angeles Police Officers Cleared In Arrest Probe. The AP (11/16) reports, "A district attorney's investigation has cleared police officers of wrongdoing in a videotaped incident in which a transient in handcuffs was apparently pepper-sprayed in a police car, police Chief William Bratton said Tuesday." The AP continues, "The February 2005 incident came to light this week when the videotape, shot by a citizen, was released by the man's attorney. … The tape of Benjamin Barker's arrest surfaced on the heels of an 18-second video showing a Los Angeles officer repeatedly punching a suspect in the face while another officer tried to handcuff the man during a struggle on a Hollywood street on Aug. 11." The AP adds, "At a news conference, Bratton cited a Nov. 15, 2005, decision by the Los Angeles County district attorney's office in which prosecutors declined to file any charges against officers in the arrest of Barker, who had been in a scuffle with a Venice merchant. … 'Examination of the videotape clearly shows (the officers) did not use excessive force on Benjamin Barker, nor did they assault him under color of authority,' Bratton said, quoting the decision. 'The officers showed remarkable restraint and demonstrated professional courtesy to Barker despite his belligerent, threatening and combative behavior.' … The Los Angeles Times reported Tuesday that the tape shows an officer take pepper spray out of a holster, then raise it toward Barker's face, but the actual spraying is obscured by shadows."

Maryland Police, FBI Continue Investigation Into Racist Graffiti Incidents. The Washington Post (11/16, SM3, Morse, 690K) reports, "Local and federal investigators continued this week to probe a string of racist graffiti incidents in Charles County, the latest one occurring at an African American church that had received a bomb threat a week before." Last weekend at the Zion Baptist Church in Welcome, "someone had used bright orange paint to spray 'KKK,' 'White Power' and 'Bang Boom' on a roadway leading to the church's parking lot." The Post notes, "In all, there have been 11 such cases in Charles since August. … In September, local officials contacted the FBI, and the agencies have conducted a joint investigation of the incidents since, said Kristen Timko, a sheriff's office spokeswoman. 'Our detectives meet regularly with them,' she said."

NYTimes Says Election Reform Necessary. The New York Times (11/16, 1.16M) editorializes, "Last week's elections provided a lot of disturbing news about the reliability of electronic voting," and serious questions about some races "only add to the high level of mistrust that many people already feel about electronic voting." With Democrats in control of Congress, "fortunately, that may be about to change," and "there is an excellent chance of passing tough electronic voting legislation." Election reform "has tended to be a partisan issue," but "Congressional Democrats should

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make fixing this country's broken system of elections a top priority, and Republicans should join them."

ANTITRUST:

DOJ Opens Price-Fixing Probe Of Banks' Municipal Bond Deals. Bloomberg (11/16, Selway, Braun) reports, "The U.S. Department of Justice is conducting a criminal investigation into whether banks and brokers conspired to rig the bidding for contracts that U.S. local governments use to invest bond proceeds." Bloomberg continues, "Municipalities purchase guaranteed investment contracts, known as GICs, with bond money until they need the funds to pay for projects. The contracts are what banks and brokers used to invest at least $7 billion of bond proceeds raised by local governments across the U.S. in the past decade that were never spent, according to an Oct. 4 Bloomberg News report. … 'It's about time,' said Mark Schwartz, a Bryn Mawr, Pennsylvania-based lawyer and former head of municipal bonds for Prudential Financial Corp.'s mid-Atlantic region, about the investigation. 'This is an incestuous little business.'" Bloomberg adds, "Dexia SA's Financial Security Assurance Holdings Ltd. unit today said it was subpoenaed by the U.S. Justice Department as part of the probe by antitrust regulators. Investment Management Advisory Group Inc., a GIC broker and municipal derivatives adviser based in Pottstown, Pennsylvania, was searched by Justice Department officials, Gene Grabowski, a spokesman for the firm, said. … The actions by the Justice Department show that an investigation into how banks compete for the right to reinvest the money raised in the $2 trillion tax-exempt bond market has expanded beyond the U.S. Internal Revenue Service. The IRS has been looking into whether brokers awarded the work to favored banks, potentially boosting the cost of the investment agreements and depriving the federal government of tax revenue. … Kathleen Blomquist, a spokeswoman for the U.S. Department of Justice, confirmed an 'investigation of anticompetitive practices in the municipal bond industry.' She declined to provide further detail of the subpoena of Financial Security or whether other subpoenas were issued."

Shareholders Sue Private Equity Firms Alleging Rigged Buyouts. Bloomberg (11/16, Glovin) reports, "Kohlberg Kravis Roberts & Co. and Carlyle Group, the manager of the biggest U.S. buyout fund, are among 13 private equity firms accused in a class-action lawsuit of rigging the market to take companies private." Bloomberg continues, "The class action was filed in Manhattan federal court by investors who claim they didn't receive full value for their shares because of a conspiracy that violated antitrust laws. … 'Investors in the target company are deprived of the full economic value of their holdings and `squeezed out' at artificially low valuations,' the suit says." Bloomberg adds, "The U.S. Justice Department launched an informal antitrust investigation into allegations that private-equity firms collaborated on leveraged buyouts, according to a person familiar with the matter. … The suit alleges violations of federal antitrust laws, which entitle successful plaintiffs to recover triple damages. It seeks to represent tens of thousands of shareholders in dozens of deals in which public companies were taken private."

US Airways Makes $8 Billion Bid For Delta. The Washington Post (11/16, D01, Wilber) reports, "US Airways Group Inc. yesterday launched an $8 billion bid for Delta Air Lines Inc., a move that would create the nation's largest carrier and possibly trigger other airline mergers in an industry recovering from a major downturn." The Post continues, "US Airways chief executive Doug Parker said combining carriers would boost profit and substantially cut costs by eliminating overlapping work and flights. Parker, who is credited with helping to successfully merge US Airways and America West in 2005, said he wanted to take advantage of Delta's status in Chapter 11 bankruptcy protection. If he waited until after the carrier exited bankruptcy, it would be harder to jettison unneeded Delta aircraft, he said. … Topping the list of potential obstacles is Delta's management, which isn't excited about any merger. Chief executive Gerald Grinstein sent a memo to employees later in the day, saying he didn't want Delta to emerge from bankruptcy protection as a 'merged, acquired or otherwise consolidated airline.'"

The New York Times (11/16, Sorkin) reports, "The surprise offer may presage a wave of mergers in the struggling airline industry. While consolidation of companies often leads to higher prices, it is unclear at this point whether this merger would do anything like that. … But any deal for Delta would have to overcome high hurdles, including antitrust scrutiny and a lack of support from Delta's management, which rebuffed advances from US Airways this summer." The Times adds, "In an unusual tack, the unsolicited offer is being made to the creditors of Delta, which

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is operating under bankruptcy protection — a process that will give Delta management control over any plan to get out of bankruptcy for at least several more months. … Delta said yesterday that it would review the offer. Delta is now the fourth-largest domestic airline and US Airways is No. 5. US Airways said the combined carrier would be bigger than the current leader, American Airlines, and would be called Delta Air Lines. It noted that Delta is a 'very, very powerful' brand worldwide."

The Financial Times (11/16, Cameron) reports, "Doug Parker, US Airways chairman and chief executive, launched his second effort in 18 months to buy a bankrupt carrier and push an enlarged US Airways into the global airline elite. … However, Delta quickly repeated its opposition to the move after rebuffing an approach this year, forcing US Airways to appeal directly to its unsecured creditors." The Times adds, "Mr Parker maintained that the rise of low-cost carriers in the US meant there would be no antitrust issues with the proposed takeover. He intends to close the deal by mid-2007 when Delta aims to emerge from the bankruptcy protection it sought in September last year. The US justice department blocked an attempt by United to acquire the old US Airways in 2000 on competition grounds, scuppering another proposed combination between American and Northwest."

The Pittsburgh Post-Gazette (11/16, Fitzpatrick, Belko) reports, "A longtime cheerleader for industry consolidation, Mr. Parker wants the Delta deal done before the nation's No. 3 carrier emerges from bankruptcy next year, making it easier for the combined company to cut costs, give back planes to lenders, renegotiate contracts and shed unprofitable leases -- just as the twice-bankrupt US Airways did last year while merging with America West Airlines. … After that, 'it will be too late,' he said yesterday. 'We will all regret not acting sooner.'"

The Los Angeles Times (11/16, Pae) reports, "If approved — and there are several hurdles to overcome, including federal regulatory approvals — the merger could set off a wave of consolidation in the domestic airline industry, analysts said. … The takeover bid is a fallout of overcapacity in the airline industry that has financially hurt the larger airlines, analysts said. According to the Airline Transport Assn., U.S. commercial airlines have lost $35 billion since 2001, though the industry is recovering and may turn a profit this year. … For its part, Delta said in a statement that it intends to emerge from Bankruptcy Court protection as a stand-alone carrier."

Bloomberg (11/16, Schlangenstein) reports, "A combined US Airways-Delta would retain Delta's name and vault past AMR Corp.'s American Airlines to become the world's largest carrier, as measured by miles flown by paying passengers. By that standard, Delta is the third-largest U.S. airline and US Airways is the seventh-biggest." Bloomberg adds, "The combined airline would be the largest in terms of passengers carried in the northeastern and southeastern U.S. and Florida, and second-biggest in the Southwest, US Airways said. … A merged US Airways-Delta also would have more than 18 percent of the U.S. industry's capacity, US Airways said. Any merger agreement must be approved by the U.S. Justice Department, US Airways shareholders and the court overseeing Delta's bankruptcy."

USA Today (11/16, Adams) reports, "The takeover bid would require the approval of Delta's bankruptcy judge, US Airways' shareholders, Delta's creditors and the U.S. government. And it might not be the only offer for Delta, a potentially attractive target as the USA's third-biggest carrier. … A merger between two such big carriers needs Justice Department approval. The agency would have to determine whether the deal would help or hurt consumers in terms of fares and flight options. Antitrust considerations are particularly strong along the East Coast, where the route networks of both Delta and US Airways are heavily concentrated."

Experts Differ On Antitrust Challenges. The Washington Times (11/16, Lengell) reports, "Under the proposal, the combined airline would serve as many cities as US Airways currently does but with 10 percent fewer flights because some duplicate routes would be eliminated. … The merged company also would sell one of its shuttle operations that operate in the Northeast, mostly between Washington, New York and Boston, to eliminate the overlapping routes and to alleviate antitrust concerns. … But Delta's management has said it is committed to leaving Chapter 11 bankruptcy protection in the first half of 2007 as a stand-alone carrier. … 'We received a letter from US Airways [yesterday] morning and will of course review it,' said Delta's chief executive, Gerald Grinstein. But 'our plan is working, and we are proud of the progress Delta people are making to achieve this objective.'" The Times notes, "Justice officials declined to comment on the proposal. … But some industry watchers doubt the Justice Department would approve the proposal. … Ray Neidl, an equity analyst for the airline industry, agreed that the merger proposal wouldn't be an easy sell to the Justice Department,

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saying the offer has a 30 percent to 40 percent chance of rejection."

The Wall Street Journal (11/16, Perez) reports, "While antitrust concerns would be among several hurdles to the combination, Mr. Parker said he didn't think there were any issues that couldn't be resolved. He suggested that either of US Airways' and Delta's competing Northeastern U.S. 'shuttles,' which connect Boston, New York and Washington, DC, could be put up for sale in order to satisfy antitrust problems. The merger last year of US Airways and America West, Mr. Parker said, shows that mergers 'can be good for investors and consumers.' … US Airways said frequent-flyer customers at the two carriers would have their current mileage balances combined as part of a Delta takeover. But the airlines participate in different global marketing alliances, so US Airways would have to narrow that to a single partnership."

The Atlanta Journal-Constitution (11/16, Geewax) reports, "If US Airways Group can persuade investors and creditors to accept its unsolicited $8 billion bid for Delta Air Lines Inc., federal regulators likely will approve the deal as well, analysts said Wednesday. … 'I don't believe there will be any antitrust problems,' said John Pincavage, a longtime airline adviser with Pincavage & Associates." The AJC continues, "US Airways spokeswoman Valerie Wunder said the airline will work with regulatory agencies to free up whatever routes, airport slots and gates might be necessary to eliminate monopoly concerns. 'We are confident any antitrust issue can be resolved,' she said. … Pincavage noted that US Airways has specifically said that the combined company would sell off one of its two lucrative shuttle services linking Boston, New York and Washington to avoid gaining a monopoly in that market." The AJC notes, "To avoid antitrust problems, the Justice Department likely would want the combined carrier to scale back operations at those hubs to make room for competitors. It also might insist on reductions in operations at Delta's hub in Salt Lake City, which is relatively close to US Airways' hubs in Phoenix and Las Vegas. … But Justice Department spokeswoman Gina Talamona said it is too soon say exactly which concessions would be required to win approval. … If the proposed takeover were to move forward, 'we would be interested in taking a look at it,' she said. Divestiture decisions then 'would have to be made on a case-by-case basis,' she said."

The Financial Times (11/16, Kirchgaessner) reports, "US Airways' hostile bid for Delta will face a tough antitrust review by the Department of Justice, according to Washington experts who say authorities are likely to take into account the companies' concentration of routes along the east coast." The Times continues, "US Air is likely to approach an antitrust probe with an arsenal of arguments to support the proposed deal. … These include the changing dynamics of the troubled airline industry, the fact that it is willing to divest one of the companies' north-east shuttles and that the emergence of cheaper airlines has given passengers more options." The Times notes, "The airline may also highlight proposed synergies of $1.65bn a year - an argument that has resonated in the past with Thomas Barnett, the head of the antitrust division. … But one Washington source with knowledge about such investigations said the division has historically not always been swayed by divestiture offers from airlines, because they may not create enough competition in the marketplace. … Although the justice department would not make an antitrust ruling based on Delta's willingness to be taken over, an unwilling merger partner could offer ammunition to build a case against the deal."

The AP (11/16, Weber) reports, "Rep. James Oberstar, D-Minn., who is set to become chairman of the House Transportation Committee, said he is concerned the combination would reduce competition and increase costs for travelers. … 'If the Justice Department on its own does not initiate an antitrust review, I would ask them to do that,' he said."

Deal Could Alter Airline Industry. The Wall Street Journal (11/16, D1, Everson, Mckay) reports, "US Airways Group Inc., which yesterday bid $8.67 billion to acquire Delta Air Lines, believes consolidation would help the troubled airline industry. But in the wake of US Airways' own purchase by America West, it's less clear how much consumers stand to benefit." The Journal continues, "Delta has rejected the offer by US Airways. But if the hostile bid should prove successful, analysts say there could be some advantages for consumers, but also some risks. Users of US Airways frequent-flier miles, for instance, could benefit from having access to Delta's extensive international route system. On the other hand, overlaps in service, especially in some Southern cities where both airlines have major operations, could reduce competition and lead to increased fares. What's more, persistent glitches in the process of integrating US Airways and America West raise concerns about customer service should the Delta bid succeed." The Journal adds, "So far, US Airways has disclosed little about how a takeover of Delta

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would affect each airline's operations. One exception: One of the two companies' overlapping East Coast shuttle services, which connect Boston, New York and Washington, would probably have to be sold to satisfy antitrust concerns, US Airways says. … Beyond the shuttles, there is significant overlap in the South, with Delta's main hub situated in Atlanta and US Airways having significant operations in Charlotte. The concentration means that 'it would destroy competition in the deep South,' says Michael Boyd, president of Boyd Group Inc., an aviation-industry advisory group in Evergreen, Colo."

The Fort Worth Star-Telegram (11/16, Banstetter) reports, "Imagine booking a flight on Americanorthwest Airlines, an aviation behemoth with six domestic hubs and unmatched service to Asia, Latin America and Europe. .. Or flying on United-Continental Airways (or perhaps Continental United Airlines, or even UniCont Air), a powerhouse in the West and on the East Coast. And for a low-fare trip, you could check prices on FronTranBlue. … The airline industry is buzzing over those potential airline combinations and more, after US Airways sparked the latest round of merger speculation Wednesday with a hostile bid to take over the bankrupt Delta Air Lines for $8 billion in cash and stock." The Star-Telegram adds, "The chatter sent airline stocks soaring, despite warnings from some experts that industry consolidation is likely to move slowly and that any US Airways-Delta deal faces significant challenges. Delta executives said they weren't interested, and even if creditors sign on, a merger would receive intense scrutiny from regulators and the Justice Department. … And some analysts pointed to the industry's record of failed airline mergers. … 'It's a terrible idea,' said consultant Mike Boyd of the Boyd Group of Evergreen, Colo. 'It's a bad deal for the customers, the employees, for everybody, really, except the financial types.'"

More Commentary. The Los Angeles Times (11/16) editorializes, "The nation's airline industry has been in a gradual recovery lately. But US Airways Group Inc.'s announced bid to acquire Delta Air Lines Inc. promises to set off a needed consolidation of the business that will make it better able to weather the next financial downturn. Let's hope federal regulators don't block such a transformation this time around. … That's precisely what happened in 2001 when the Department of Justice ill-advisedly blocked the merger of US Airways and UAL Corp.'s United Airlines on antitrust grounds. The airline industry then had to confront an economic slowdown and the post-9/11 trauma with excess capacity, losing billions of dollars. Since 2002, four major U.S. airlines have sought bankruptcy protection; two (Delta and Northwest Airlines Corp.) are currently in Chapter 11." The Times adds, "The federal government should carefully review the deal if it goes forward, as well as any other such mergers. (Continental Airlines Inc. and Northwest have been eyeing each other for years, and United Chief Executive Glenn Tilton has been a vocal advocate of more aggressive consolidation in the industry.) Some routes will need to be dropped, some gates surrendered to competitors. … But regulators need to recognize that the industry is changing. The country needs fewer first-tier coast-to-coast airlines with a broader reach at home and abroad. … If Congress really wants to help consumers and shore up the financial health of airlines, it should allow the entry of foreign carriers and investors, which it has repeatedly declined to do. This is a global industry, after all."

DOJ Subpoenas Micron Technology In SRAM Price-Fixing Probe. The Idaho Statesman (11/16, Dey) reports, "Federal prosecutors have subpoenaed Micron Technology in an investigation into possible price-fixing of static random access memory, or SRAM, by semiconductor companies. This week, Micron was also named with more than 20 other semiconductor companies in a price-fixing lawsuit filed in Boise." The Statesman continues, "The lawsuit, filed Tuesday on behalf of Idaho residents Mark Alon Davis and Kenneth W. Herbert, alleges that between Jan. 1, 1998 and Dec. 31, 2005 the companies agreed to combat declines in prices for SRAM — a type of memory used in computers and electronic products — by manipulating the wholesale price. The lawsuit alleges the manipulation ultimately led to higher prices of consumer electronic products that used SRAM." The Statesman adds, "Micron confirmed in documents filed with the Securities and Exchange Commission that it received a subpoena Oct. 11 related to the investigation. … 'Micron believes that it is not a target of the investigation and will fully cooperate with the Department of Justice,' Micron said today in a statement to the Idaho Statesman. 'Micron will vigorously defend against any civil class action cases that are filed.' … The Justice Department hasn't said what period its SRAM investigation covers, but a similar department investigation of alleged dynamic random access memory, or DRAM, price fixing covered 1999 to 2002. Micron has cooperated with the Justice Department in that investigation."

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Inouye Says Senate Commerce Committee To Review AT&T-BellSouth Merger. The San Antonio Express-News (11/16, Nowlin) reports, "The next chairman of the Senate Commerce Committee said San Antonio-based AT&T Inc.'s purchase of BellSouth Corp. needs more scrutiny and should be the focus of a hearing when Democrats assume control of Congress in January." The Express-News continues, "Sen. Daniel Inouye, D-Hawaii, the incoming chairman, told reporters late Tuesday that his committee should take a look at the telecommunications megamerger. He said he would like the Federal Communications Commission to delay approval until after the hearing. … 'We'd like to know what the impact would be,' Inouye said. 'I think the people of the United States would like to know.'" The Express-News adds, "The hearing will take place, a spokesperson for Inouye later said, whether or not the FCC approves the merger by the end of the year. … Investors appear to be bracing for what the congressional power shift means for AT&T. .. .Company shares dropped 1.52 percent to $32.46 on Wednesday on concern the new Congress will bring a less-friendly regulatory environment for the telecom giant. … The shift comes on top of investor worries that the FCC has three times delayed a vote on the deal. … Although the Justice Department and 18 state bodies have cleared the AT&T-BellSouth deal, it's still awaiting a nod from the FCC, the last regulatory agency needed to approve it. The commission's two Republican and two Democratic commissioners are divided over what conditions to apply to the deal."

EU Says Microsoft Has Not Supplied Data In Antitrust Probe. The AP (11/16, White) reports, "Microsoft Corp. still has not supplied the 'complete and accurate' documentation necessary to comply with a 2004 antitrust order, European Union regulators said Wednesday. They warned that new fines could be imposed unless Microsoft supplies full information by Nov. 23." The AP continues, "The European Commission, which fined Microsoft $357 million in July for not providing the technical information, said it expects 'the remaining omissions and deficiencies' to be remedied quickly. … 'Our patience is finite,' EU spokesman Jonathan Todd said. 'Until we have the whole set of documents, it's worth nothing.'" The AP adds, "Microsoft said it already had made "very significant progress" in improving the information it has given regulators, which aims to help rivals make server software that works smoothly with its desktop operating system Windows. … 'We stand ready to do any additional work that is required to comply with the commission's decision,' Microsoft said. … But the EU's executive arm said that what Microsoft has done so far is not enough and that there are still problems with the technical manual that will eventually be turned over to rivals to check before Microsoft can get the all-clear."

ENVIRONMENT/INDIAN AFFAIRS:

Group Sues Administration Over Global Warming Report. The AP (11/16, Chea) reports, "Environmentalists sued the Bush administration for failing to produce a report on global warming's impact on the United States' environment, economy and public health." The AP continues, "Tuesday's lawsuit seeks to compel the U.S. Climate Change Science Program to issue the national assessment, which should contain the most recent scientific data on global warming and projections for its future impacts. The plaintiffs claim the government must complete such a report every four years under the Global Change Research Act of 1990. … 'Global warming is one of the most serious threats facing humanity today,' according to the complaint. Without the report, decision makers and the public 'are without one of the most important tools to grapple with this complex, potentially overwhelming and yet all important issue.'" The AP notes, "The White House Office of Science and Technology Policy, which was named in the lawsuit, had not received the complaint Tuesday and could not comment on it, said spokesman Ben Fallon. … But Fallon defended the administration's record on combating global warming, pointing to increased funding for alternative energy research and partnerships with other countries."

9th Circuit Panel Asked To Rescind EPA Field-Burning Policy. The AP (11/16, Johnson) reports, "The dense plumes of smoke that arise when grass-seed farmers in Idaho burn their fields cause asthma in children, reduce visibility on highways and actually kill people, but the Environmental Protection Agency did not study those effects before changing a federal rule to allow such fires, a lawyer for a clean-air group told judges Wednesday. … 'The smoke from this burning is so thick it sends people to the hospital,' attorney David Baron told the three-judge panel from the 9th U.S. Circuit Court of Appeals, where such cases are heard." The AP continues, "Baron represents Safe Air For

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Everyone, a Washington and Idaho clean-air group, as well as the American Lung Association, which sued late last year to undo the EPA's rule change on the grounds that the agency made the decision without first studying what the effects would be." The AP adds, "Kentucky bluegrass seed grown in northern Idaho is shipped across the nation to be used in landscaping and golf courses. Farmers contend they must burn the stubble left on fields to improve the production of the next year's crop and control pests. The smoke often drifts into neighboring states and Canada. … Hundreds of doctors have signed petitions seeking an end to the burning, saying their patients suffer ill effects from the dense smoke; in 2000, a coroner determined that a Rathdrum, Idaho, woman died from inhaling it. Clean-air groups argue that a 1998 decision to ban grass-field burning in Washington state has not harmed the seed industry. … The field burning has gone on for years in Idaho, where it is allowed under state law but historically not under the federal plan for Idaho established under the Clean Air Act. Last year, after health groups threatened to sue farmers for burning fields, the EPA changed the plan for Idaho, saying it had intended to allow grass-field burning all along."

USDA Reports Says 12% In US Have "Very Low Food Security." The Washington Post (11/16, A01, Williamson, 690K) reports that in an annual report, the USDA said "that 12 percent of Americans -- 35 million people -- could not put food on the table at least part of last year." Eleven million of them "reported going hungry at times," and "beginning this year, the USDA has determined 'very low food security' to be a more scientifically palatable description for that group." The report suggests that the USDA "scrap the word hunger, which 'should refer to a potential consequence of food insecurity that, because of prolonged, involuntary lack of food, results in discomfort, illness, weakness, or pain that goes beyond the usual uneasy sensation.'"

Senate Approves New Mexico Tribal Land Settlement. The AP (11/16) reports from Albuquerque, "The Senate has passed a $40 million settlement negotiated by Isleta Pueblo and the federal government over past mismanagement of tribal land. … The measure, unanimously approved by the Senate on Monday, now heads to President Bush for his consideration." The AP continues, "The pueblo sued the government, seeking compensation for damages to its land south of Albuquerque. The pueblo, the Interior Department and the U.S. Justice Department spent years reviewing the claims and reached agreement in June on how to resolve the matter." The AP adds, "The legislation establishes a natural resources fund of more than $32 million for the pueblo to use to restore agricultural, range and forestry property. The measure also authorizes $7.2 million, but that money is subject to administration budgeting and the federal appropriations process. … Members of New Mexico's congressional delegation said the legislation, once signed by the president, will allow Isleta Pueblo to improve drainage on its agricultural lands and rehabilitate lands damaged by trespass grazing and excessive logging."

FBI/DEA/ATF/USMS:

FBI Arrests Alleged Philadelphia Mob Soldiers On Drug Trafficking Charges. The Philadelphia Daily News (11/16, Caparella, 106K) reports that "after a four-year rebuilding phase in Philadelphia and South Jersey, organized crime is making a comeback in federal court. Today, reputed mob soldier Damion Canalichio, 37, once a top aide to jailed mob underboss Steve Mazzone, will seek bail on federal drug-trafficking charges, according to his attorney Joseph Santaguida." Canalichio "and his sidekick, Christopher Cerr, 36, of Glenolden, were arrested yesterday without incident by FBI agents in South Jersey and in Delaware County." The Daily News notes, 'During a one-month investigation by FBI agent John Augustine, the two allegedly sold" more than 300 grams of cocaine "in South Philadelphia, according to the indictment."

Detroit Man Accused Of Causing 2 Heroin-Laced Fentanyl Deaths. The AP (11/16) reports federal prosecutors "charged a Detroit man with causing the deaths of two people by giving them heroin laced with the painkiller fentanyl, a combination blamed in the deaths of more than 100 drug users in southeast Michigan over the past year. James E. Coleman, 36, was arraigned Wednesday in U.S. District Court on two counts of delivery of a controlled substance resulting in death."

The Detroit News (11/15) reports, "They are the first such state or federal charges in connection with the street sale of fentanyl-laced heroin in the Detroit area in 2005-06, which killed an estimated 133 drug users between September and July."

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Track Coach To Be Arraigned In BALCO Case. USA Today (11/16) reports, Trevor Graham, who "triggered the BALCO steroid scandal, is expected to appear in federal court Thursday in San Francisco for his arraignment on a three-count indictment. Graham, a high-profile coach whose track athletes have accumulated medals as well as drug positives, is accused of lying to federal investigators three times in BALCO inquiries."

Michigan Bikers To Serve Prison Time For Making Meth. The AP (11/15) reports several people "affiliated with a biker gang will face prison time for a methamphetamine-making operation in Macomb and St. Clair counties, the U.S. Attorney's Office said. Prosecutors describe it as the first major meth case in U.S. District Court in Detroit. Seven individuals from the Devils' Disciples motorcycle gang will serve sentences ranging from 30 to 97 months."

The Detroit Free Press (11/15) reports a similar story.

Port Huron, Michigan's Times-Herald (11/15) reports, "In March 2005, law enforcement agencies raided several locations, including the bikers' clubhouse in Mount Clemens. Authorities also discovered working meth labs in Harrison and Macomb townships. Evidence from other searches in New Haven, the Algonac area and Chesterfield Township revealed labs frequently had been relocated."

City Councils In California Seek To Ban Marijuana Dispensaries. The Tri Valley Herald (11/15, Foley) reports Livermore city "are moving forward with plans to permanently ban medical marijuana dispensaries. An existing moratorium is scheduled to expire Sept. 11, 2007, after the council voted to extend it two months ago. City officials say that the City Council didn't want to wait until the last minute to make a permanent decision. … On Monday, a handful of opponents urged the council to show restraint, reminding them that with Congress shifting to Democratic control that federal marijuana laws might change."

Torrance, California's Daily Breeze (11/15) reports, "Weeks after ordering two medical marijuana dispensaries to close, the Gardena City Council imposed a moratorium on such facilities Tuesday night. … The council passed the 45-day moratorium with little fanfare on Tuesday night. The temporary ban will give the city's planning staffers time to draft permanent regulations."

Report: Mexican Cartels Step-Up Meth Operations Following US Crackdown On Labs. On its Web site, ABC News (11/15) reports Mexican drug-trafficking cartels "have moved in to fill the void left by the successful crackdown on small methamphetamine labs across the United States, and the foreign traffickers have brought the highly addictive drug into parts of the country where it was rarely seen before, according to a new report by the National Drug Intelligence Center. … DEA officials believe that five main Mexican drug cartels have increased operations in the United States. Mexican drug-trafficking organizations have 'gained considerable strength and greatly expanded their presence in drug markets throughout the country, even in many smaller communities in Midwestern and Eastern states,' said the report." Since 2004, there "have been fewer U.S.-based labs, judging from the DEA's seizure data. 'We've had a significant reduction in domestic labs, with Mexican [drug trafficking organizations] filling the void,' one DEA official, who requested anonymity, told ABC News." The DEA "has engaged in a series of training programs with Mexican law enforcement agencies to try to dismantle their networks."

Heroin Use Increasing Among Painkiller Abusers. In its report, ABC News also says the threat assessment "notes that the Mexican groups have the 'ability to advance Mexican heroin beyond traditional Western state heroin markets.' … The assessment also found that heroin use has increased among some drug addicts who abuse prescription painkillers."

The Washington Times/UPI (11/16) reports larger amounts of drugs "are coming into the United States from Mexico, Colombia and Asia," according to the National Drug Intelligence Center. The center "said organizations producing ice methamphetamine in Mexico have expanded their presence throughout the United States. … Rates of prescription drug abuse top those of other drugs, except marijuana, but the center said law enforcement agencies have had recent success in reducing illegal use of prescription drugs. However, that has caused some addicts to substitute drugs such as heroin for prescription narcotics."

Canada-Based Traffickers Expand Reach. The Canadian Press (11/16) reports, "Asian drug traffickers based in Canada have gained control over most of the Ecstasy distribution in the United States and expanded their reach, said an American drug report released Wednesday. The National Drug Threat Assessment by the U.S. Justice

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Department also said the production of high-potency marijuana in Canada is a problem, although marijuana use has declined slightly."

Canada's Globe and Mail (11/16) writes, "Canadian-based Asian crime syndicates have become the No. 1 distributors of ecstasy in the United States, according to a new report released yesterday. The business of Vietnamese and other Asian gangs, who started out by growing the popular form of marijuana known as B.C. Bud, has boomed, according to the U.S. Department of Justice. … It adds that in the United States 'an estimated $5.2-billion (U.S.) to $21.2-billion is generated through the wholesale distribution of marijuana and MDMA [Ecstasy] by Canada-based [drug-trafficking organizations], and much of the illegal drug proceeds are transported in bulk' back to Canada."

Surrender Program Allows "Favorable Consideration" To Fugitives. USA Today (11/16, Wagner, Collom) reports, "Sean White, wanted on criminal warrants for a probation violation and failure to appear in court, went to church Wednesday morning to get right with the law. … The 32-year-old man was among the 120 suspects who turned themselves in during the first four hours of Fugitive Safe Surrender." USA continues, "The program, which ends Saturday, basically is an invitation from federal and state authorities who are telling fugitives they might receive 'favorable consideration' by turning themselves in at a makeshift justice center at Pilgrim Rest Baptist Church. … Doug Weiner, a former Cuyahoga County, Ohio, prosecutor and co-founder of Fugitive Safe Surrender, said the long-term goal is to conduct programs nationwide. Plans already are underway for ones in Indianapolis; Rochester, N.Y.; Akron, Ohio; and Richmond, Va." USA adds, "David Gonzales, U.S. Marshal for Arizona, said the program gives suspects a chance to deal with criminal warrants at a neutral site, which cuts costs for the public and reduces the chance of a dangerous situation for law officers. … Defendants who show up at the Phoenix church find public defenders to represent them and judges to conduct hearings. Often, when fugitives are caught in traffic stops or tracked down by agents, they face the humiliation of being handcuffed in front of family and the hassle of going straight to jail. … Under Safe Surrender, Gonzales said, most of those wanted for non-violent offenses will be processed within hours and released without going behind bars. The fugitives who turned themselves in Wednesday morning were suspects in cases involving drunken driving, disorderly conduct and failure to pay fines."

IMMIGRATION:

ICE Arrests 29 Muslim Immigrants For Religious Worker Visa Fraud. USA Today (11/16, 3A, Leinwand, 2.27M) reports, "Federal agents on Wednesday arrested 29 people, mostly Pakistanis, who allegedly posed as Muslim religious workers to obtain special visas to enter the USA. The immigrants, arrested in Boston; New York City; Buffalo; Hartford, Conn.; Atlanta; St. Paul; Newark, N.J.; Philadelphia; Washington, D.C., and Harrisburg, Va., face civil immigration charges and could be deported if they are found to have violated federal law, said Marc Raimondi, spokesman for Immigration and Customs Enforcement." ICE spokesman Dean Boyd said that "the immigrants paid fees, sometimes several thousand dollars, for the fraudulent paperwork." USA notes, "The immigrants arrested Wednesday worked at non-religious jobs, Raimondi said. Among them: gas station attendant, truck driver and factory worker."

DHS IG Says Virtual Border Fence Could Cost Up To $30 Billion. The Washington Post (11/16, A10, Hsu, Witte, 690K) reports DHS Inspector General Richard L. Skinner said yesterday that the agency's Secure Border Initiative program, which would create "virtual fence" along US borders, "is likely to cost far more than the $2 billion that industry analysts initially estimated, possibly up to $30 billion," providing a new source of skepticism in "the national debate to curb illegal immigration, which has focused in large part on gaining control of the borders. … Immigration-policy experts said the red flags raised over the border-security initiative could increase pressure on Congress to act on other measures they say are needed, such as stepping up enforcement against US employers who hire illegal workers, cracking down on immigrants who overstay their visas, and overhauling legal immigration channels." Meanwhile, "Gregory Giddens, director of the DHS Secure Border Initiative program, and Deborah J. Spero, deputy commissioner of Customs and Border Protection, said cost estimates are premature because the administration has not settled on a strategy or decided what it will buy."

Tancredo Says Democrats Will Not Build Physical Fence. Rep. Tom Tancredo, appearing on MSNBC's

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Situation Room (11/15, Carlson) said a border fence is "an easy thing for people to understand. They know what the fence is all about. And when the Democrats stop this, we're going to be out on the stump about it -- certainly I will. And people understand this. It's clear. They're not going to build the fence. They come up with the stuff about: 'Oh, don't worry, we're going to have sensors and monitors.' Hogwash. You can have sensors and monitors across 2,000 miles, that's not going to stop anybody from coming. We can't get to them quick enough. You need a fence."

Congress To Restart Immigration Reform Debater. The CBS Evening News (11/15, story 8, 2:55, Couric, 7.66M) reported, "Congress will once again debate whether to start a guest worker program which would allow more immigrants to work here temporarily. President Bush and House Speaker in waiting Nancy Pelosi both say it's urgently needed," but as Bill Whitaker reports, "finding the votes won't be easy." CBS (Whitaker) added, "We have Democrats who will not vote for anything that has a new temporary worker program in it. We have Republicans who will not vote for anything that has a broad-ranging legalization program in it. But now, with the President and presumed House leader Nancy Pelosi both wanting a guest worker program and both parties eager to win alienated Latino voters, the time might be right for immigration reform."

Manuel A. Miranda writes in a column for The Hill (11/16), "We all need to take a deep breath and start working for a reform short on slogans and Band-Aid solutions and long on far-sighted policy." He says that achieving "a cohesive reform requires abandoning Band-Aid solutions." Exit polls" show that 57 percent of voters want to offer a legal status to illegal immigrants, while 38 percent want to deport them." The White House "needs to give up the guest-worker program as the only solution, and congressional leaders on each side must distance themselves from the simplistic desires of their supporters." He adds, that no one could "reasonably disagree with placing security and employment enforcement first," and "political reality suggests that there will be no solution that disguises an amnesty or fails to legalize millions, but there will be no cohesive reform if millions today translate into tens of millions tomorrow."

More Commentary. Mark Krikorian, executive director of the Center for Immigration Studies, writes in USA Today (11/16, 19A, 2.27M), "President Bush and his Democratic allies on immigration are pointing to the results of last week's elections as a mandate for what they call "comprehensive" reform — but what most people would rightly call amnesty for illegal aliens." He suggests "there is a third way, and that is the approach embodied in the bill passed nearly a year ago by the House," called "attrition through enforcement." This policy "would strictly enforce immigration laws (something we have never tried) so as to limit new illegal settlement and cause illegal immigrants already here to go home over time." The result would be "an annual decrease in the illegal population," and research by Center for Immigration Studies show that this approach "could cut the illegal population by half in five years, requiring only a modest increase in resources and using only normal law-enforcement tools."

TAX:

WPost Says Democrats Should Back Tax Reform. The Washington Post (11/16, A26, 690K) editorializes, "The midterm elections were in part a repudiation of Republican economic priorities. The economy has grown strongly for five years even though it is slowing now, but the fruits of prosperity have not been shared widely. … Raising the federal minimum wage makes sense because it is so low that lifting it probably won't hurt job creation. Beyond that, Democrats need to come up with policies that address inequality while not damaging growth, starting perhaps with tax reform. The existing system of tax breaks for savings, homeownership and health care favors the wealthy while draining billions from the government. Restructuring these tax breaks could shrink the deficit while freeing money for Democratic spending plans. Moreover, the Bush administration is on record as supporting tax reform. Here is an opportunity to make bipartisan progress: in a word, to govern."

CONGRESS-ADMINISTRATION:

Bush To Resubmit Six Judicial Nominees. The New York Times (11/16, Lewis) reports, "White House officials said Wednesday that President Bush would renominate six of his earlier choices to sit on the federal appeals court, leaving Democratic senators and other analysts to ponder what message he is sending." The Times continues, "At least four of the nominations have been declared dead on arrival in the Senate by Democrats who have consistently opposed them as unacceptable. All six

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nominations will remain before the Senate through the lame-duck session of Congress and then will expire. … When the 110th Congress is seated in January, Mr. Bush can deliver another list of judicial nominees to the Senate, which will by then have a Democratic majority." The Times adds, "Mr. Bush's motive in sending up the nominations has been closely analyzed, with several Democrats and liberals labeling it as provocative and a sign that he does not intend to seek compromise as he suggested he would after Republican losses in the elections last week. … The four nominees whose chances of confirmation are viewed as nearly impossible are: William J. Haynes II, the Pentagon's general counsel who was involved in setting many of the interrogation policies for detainees; William G. Myers III, a longtime lobbyist for the mining and ranching industries and a critic of environmental regulations; Terrence W. Boyle, a district court judge in North Carolina; and Michael B. Wallace of Mississippi, a lawyer rated unqualified for the court by the American Bar Association. … The other nominees, who have not aroused as much opposition, are N. Randy Smith, a district judge in Idaho, and Peter D. Keisler, assistant attorney general for the civil division of the Justice Department."

The AP (11/16, Barrett) reports, "Under Senate rules the nominations must be resubmitted after Congress takes an extended break, as was the case this year for the 2006 election. … 'Democrats have asked the president to be bipartisan, but this is a clear slap in the face at our request,' said Sen. Charles Schumer, D-N.Y., a member of the Judiciary Committee. 'For the sake of the country, we hope that this is an aberration because the president feels he must placate his hard-right base, rather than an indication of things to come.'"

Bloomberg (11/16, Rowley) reports, "The Judiciary Committee's current chairman, Pennsylvania Republican Arlen Specter, said yesterday, 'It is obvious that they cannot move' through the Senate before the Democrats take control."

The Washington Post (11/16, A3, Baker, 690K) says all six nominees were "previously blocked" by Democrats, and adds the move is "triggering the first real battle with ascendant Democrats since the midterm elections and signaling what could be the start of a fierce two-year struggle over the shape of the federal judiciary." Bush's decision "heartened conservatives who worried that Bush would scale back his ambition to move courts to the right and outraged liberals, who called it a violation of the spirit of bipartisanship promised since Democrats captured Congress. Both sides saw it as a possible harbinger for the remainder of Bush's presidency, particularly if a Supreme Court vacancy opens."

The Washington Times (11/16, Dinan, Hurt, 88K) reports Republicans said the nominations were "a signal…Bush will fight over judges even under Democratic control." The Times notes that "in addition to the six resubmissions -- needed because the nominees had been automatically returned to the White House during the October recess -- Mr. Bush also sent over four new nominees." The new nominees "are James Edward Rogan to the U.S. District Court for the Central District of California, Benjamin Hale Settle to the District Court for the Western District of Washington and Margaret A. Ryan and Scott Wallace Stucky to the Court of Appeals for the Armed Forces." A "Republican aide, who…asked not to be identified," said, "There is zero, zip, zilch chance of any of these judges making it through the Senate killing fields in the waning days. … Without a plan for successful confirmation from the White House, the only point is to fly the flag as the judicial-confirmation ship slips beneath the waves. Burble, gurgle."

Congress Passes Stopgap Spending Bill. The AP (11/16, Taylor) reports, "Congress passed a bill Wednesday that keeps open those agencies awaiting approval of their budgets as lawmakers seek a deal on lots of unfinished fiscal business. The temporary spending measure sped through the House and Senate on voice votes. Without passage, 13 Cabinet agencies would have had to close down Friday at midnight. When President Bush signs the bill, the government will remain open through Dec. 8." The AP adds "there are divisions among Republican over whether to even try to advance the spending bills. Without GOP unity, it will be virtually impossible to do so. That raises the prospect that Democrats will have to tackle the difficult task after taking control of Congress in January."

Democrats Who Opposed Gates In 1991 Said To Face Dilemma. The Hill (11/16, Schor) reports Senate Democrats "could find themselves walking a fine line as the chamber takes up" the nomination of Robert Gates to lead the Pentagon, "weighing the value of regime change at the Pentagon after six stormy years of Secretary Donald Rumsfeld against their new position of power as an incoming majority." The "dozen sitting Democrats who voted against Gates when he took over as CIA director in 1991 face a particular challenge." The first of the 12 "to reveal that he

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would reverse an old vote against Gates" was Sen. Joseph Biden, who said this week that "a desire to change course in Iraq would overcome his former skepticism." Biden said, "To put it very, very bluntly, as long as he's not there, Rumsfeld is there."

Seniors Said To Face Confusing Choices For Medicare Drug Plan. ABC World News (11/15, story 8, 2:45, Gibson, 8.78M) reported, "It is time, again, for older Americans to sign up for a Medicare drug plan. Most remember the confusion just a few months ago of choosing between dozens of very different plans. Well now, 43 million senior citizens, eligible for the drug benefit have to enroll for 2007. And there is no prospect that it's going to be any easier." ABC (Stark) added, "Those who've studied next year's options warn that seniors need to look closely at the fine print." Ron Pollack, Families USA: "The premium is likely to be different. What drugs are covered are different. Other out-of-pocket costs will be different. What drugstore you can go to may be different." Stark: "More than three-quarters of the plans will increase premiums next year, some more than 25%. Premiums for the most widely used plan, sponsored by AARP, jump 6%. Those for the second-most popular, from Humana, go up 60%. Melvin London is angry his monthly premium for his Humana plan will nearly triple next year." Humana "insists, even with the increase, it still has among the lowest premiums. Seniors have until the end of the year to sign up or switch plans. But the government is urging them not to wait until the last minute. Saying it's better to sign up early, making sure there is no interruption in coverage." Leslie Norwalk, Center for Medicare & Medicaid Services: "They should make that choice, and hopefully early. We say December 8th. Don't be late." Stark: "That leaves just three weeks for seniors to make a decision that will impact them for the next 12 months."

Lott Elected Senate Minority Whip. In what ABC World News (11/15, story 9, 0:25, Gibson, 8.78M) called a "remarkable comeback," Sen. Trent Lott yesterday was elected Senate Minority Whip. The Hill (11/16, Schor) reports Lott bested Sen. Lamar Alexander "by 25 votes to 24." The Wall Street Journal (11/16, A6, Rogers, 2.04M) reports that for President Bush, "the Mississippian's return could be a mixed blessing. Mr. Lott blamed the White House for contributing to his ouster, but he brings a set of legislative skills that the administration sorely needs to move its agenda in the new Democratic-controlled Congress." USA Today (11/16, Nichols, Kiely, 2.27M) describes Lott as "a blunt White House critic," and notes President Bush called him "from Air Force One to offer congratulations after Lott won the GOP's minority whip job over Sen. Lamar Alexander of Tennessee, who had predicted victory Tuesday night. 'We have a lot of important priorities to work on and as the president told Sen. Lott, he very much looks forward to working with him,' White House spokesman Scott Stanzel said." Lott "stepped down as Senate majority leader in 2002 after he suggested the nation would have been better off if then-senator Strom Thurmond of South Carolina had been elected president in 1948. Thurmond had run as a segregationist 'Dixiecrat.' Since then, Lott has not shied from criticizing the White House."

The AP (11/16, Kellman) reports Vice President Dick Cheney also called Lott to congratulate him, and "a few hours later, Cheney again delivered an atta-boy in person during a GOP policy lunch. So did White House Chief of Staff Josh Bolton." The AP adds, "Lott's redemption had begun -- just four years after the same White House helped engineer his ouster as the party's Senate leader. It must have been sweet." Lott "did little to hide his resentment during his exile from the party's top Senate ranks." Now he is "powerful enough to get the White House's attention once again."

The Los Angeles Times (11/16, Neuman, 850K) reports "the vote within the Republican caucus could also reflect unhappiness with President Bush for engineering the switch to Frist, who was not considered a strong leader."

The CBS Evening News (11/15, story 7, 0:20, Couric, 7.66M) also noted Lott's "big comeback," while NBC Nightly News (11/15, story 6, Williams, 9.87M) referred to the senator's "stunning victory," and went on to show a clip of the comments that got Lott in trouble in 2002: "When Strom Thurman ran for President, we voted for him. We are proud of him. If the rest of the country followed our lead we would not have had all of these problems."

Outgoing Maryland Lt. Gov Michael Steele was asked on CNN's The Situation Room (11/15, Blitzer) about Lott's controversial comments on Thurmond. Steele said, "I think he asked for forgiveness and received it from the party and from the country. And I think he's going to make a good leader in the Senate. … You can't hold stuff like that against him. It was a birthday event, you know? The guy's sitting there in the chair. What are you going to say? You say nice things. You get caught up in the moment. Folks know where his heart is, and I think he's going to be a good leader in the Senate."

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Roll Call (11/16, Billings, Pierce) says Lott proved himself "once again to be the master vote-counter the job requires." Roll Call adds, "In signature Lott style, the veteran Senator was able to win by corralling a solid base of support, picking off a number of Alexander's backers and working his candidacy right up to the Wednesday-morning vote. Lott was seen walking into the Old Senate chambers talking with Sen. Lisa Murkowski (Alaska), whom several GOP Senate aides characterized as one of the few remaining undecided lawmakers." CQ (11/16) notes Alexander "announced a week ago that he had lined up more than 25 votes -- a majority of his caucus. But secret ballot elections for leadership posts are notorious for wrecking all advance nose counts."

The New York Times (11/16, Leibovich, 1.16M) reports, "In their rehabilitation campaign, Senate Republicans will rely heavily on a man whose recent history is itself a testament to sudden falls, unlikely recoveries and the fickle hands of fortune in American politics. … Usually, the choice of a whip, a vital but unglamorous job, would draw little attention. But the election of Mr. Lott offers an unlikely study in professional redemption. 'One thing that this proves is that the United States Senate, like the American public, likes a comeback story,' said" Sen. Alexander. Sen. John McCain, Republican of Arizona, "who was said to be an important supporter of Mr. Lott, added, 'He paid a pretty high price for the statement he made.'"

The Washington Post (11/16, A4, Babington, 690K) says "Lott's feat ranks among the more impressive political comebacks of recent times, just as his fall from grace in December 2002 was spectacular and painful." The Post adds, "As GOP senators emerged from their closed-door meeting at the Capitol yesterday, several said the shock of last week's results prompted wavering colleagues to vote for Lott, who has spent 34 years in Congress (to Alexander's four), and much time negotiating deals and crafting compromises."

McClatchy (11/16, Talev) reports that "as expected, Sen. Mitch McConnell of Kentucky was chosen unanimously for the top job of Senate minority leader, beginning in January." The Senate GOP leadership team "represents a return to pragmatism. They're seasoned GOP parliamentarians who are expected to cross party lines and buck the White House more often than did" Senate Majority Leader Bill Frist, "who concentrated more on pleasing the president and the Republican Party base that's key to his presidential hopes for 2008." McConnell and Lott "are Senate traditionalists, and while both are conservative partisans, they also know how to cut deals to get things done."

The New York Times (11/16, 1.16M), in an editorial focusing on the Democratic house leadership dispute, says "the Republicans' defeat at the polls has sparked decidedly Transylvanian initiatives: Mr. Lott, who tripped from power over racially charged remarks he made in a fit of Dixiecrat nostalgia, has returned to new life as No. 2 in the minority leadership."

Alexander Says Loss Will Enable Him To Be More Independent. The Nashville City Paper (11/16, Allen), under the headline "Alexander Spins Leadership Loss As Good For Constituents," reports that Alexander "had said as late as Tuesday night that he had 27 of the 49 Republican votes. … Saying that last minute 'changes or switches are not unusual,' Alexander explained that he was likely beaten by a delayed backlash against those," including Frist, "who helped orchestrate Lott's ouster as Majority Leader four years ago. 'One of the senators said to me at lunch that this was about redemption. Some senators felt as though [Lott] was treated unfairly four years ago and wanted to give him a second chance,'" said Alexander. Alexander said that he "believes his loss will free him up to vote his conscience on issues, rather than fight for party votes. 'I'm a pretty independent fellow, anyway,'" Alexander said, adding, "And having my independence increased on the issues I care about the most appeals to me a lot."

Senate Republicans Assess Election Outcome, Future Strategy. The Hill (11/16, Bolton) reports, "Newly elected Senate Republican Leader Mitch McConnell (R-Ky.) convened his new leadership team for the first time late yesterday afternoon to take stock of its party's recent setback at the polls and to plot the future." The new GOP leaders "discussed next month's leadership retreat and the importance of keeping open the channels of communication among themselves, but they did not discuss in depth how to handle the few remaining weeks of the Republican majority. Leaving Senate Majority Leader Bill Frist (R-Tenn.) in charge of next month's agenda has created somewhat of a leadership vacuum in a growing split within the Senate GOP conference over spending priorities." Incoming GOP whip Sen. Trent Lott said, "We might have an opinion, but others are in charge right now." The Hill adds that earlier in the afternoon, "the entire Republican conference met to assess last week's election and discuss what they hoped to accomplish before turning power over to the Democrats.

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Behind closed doors, frustrated Republicans voiced concern that they lost six seats because they have drifted away from their core principles, said participants." Republican senators "are distressed that the GOP is no longer regarded as the party of fiscal discipline, an anxiety that is fueling a debate over how to handle the pending appropriations bills."

House GOP Whip Candidates Outline Strategies To Retake Majority. The Hill (11/16, O'Connor) reports House Republicans have "already begun mapping their attack strategy for the next two years." GOP leadership candidates have "highlighted their plans to hammer the incoming Democratic majority for ethical lapses, fiscal irresponsibility and legislative mismanagement, borrowing from a playbook those same Democrats used with great success to unseat the Republican majority." Majority Whip Roy Blunt (R-Mo.), "who is locked in a tight race with Rep. John Shadegg (R-Ariz.) to retain his post in the next Congress, released a detailed roadmap yesterday to unify Republicans on tough votes, offer viable alternatives to Democratic bills on the floor and target potentially vulnerable Democrats on every tough vote." Blunt is "trying to make his procedural knowledge a big advantage over Shadegg heading into a potentially tight election with the Arizona conservative." In the strategy memo, "entitled '24 Months to a New Republican Majority — A Plan for Victory,' Blunt outlined 60 Democratic seats carried by President Bush in 2004 where Republican leaders will apply pressure either to flip Democrats on the floor or punish them in campaign materials for voting with party leaders." Blunt "outlines amendments he would offer to projected votes implementing pay-go rules in the budget process, raising the minimum wage and allowing the federal government to negotiate drug prices with pharmaceutical companies, each of which is expected to be part of package offered by Democrats in the first 100 hours of their majority." Shadegg also "offered members his own broad vision statement yesterday in which he promises to work with the next chairman of the National Republican Congressional Committee to hold freshman Democrats accountable for the campaign promises they made during the last cycle."

On CNN's The Situation Room (11/15, Blitzer), Shadegg discussed his bid, saying, "We got shellacked in this election. The American people, I think, are trying to send us a message. If we re-elect the exact same two top leaders that we had going into the election, when we come out of the election, I think we will have said to the American people: 'We don't really care about the fact that you want change.' And I think we will have said to them: 'Yes, we've become Washington-focused and we want to stay Washington focused.' I don't think we can stay Washington-focused if we want the majority back."

Boehner Says GOP Needs To "Get Back To Basics." In a Roll Call op-ed (11/16), Rep. John Boehner, who is expected to become House Minority Leader, says, "Instead of settling for our minority status back in 1993-94 and adopting the mindset of a permanent minority, we set out to change things in a big way. In 1994 we developed the vision that led to the 'Contract with America,' which proudly said that House Republicans were ready as a team to take on the Washington, D.C., status quo. One of the secrets of the contract's success was that we recognized the things that unite Republicans across the spectrum are tax cuts, spending taxpayers' dollars wisely, ethics and accountability, and reforming government programs to demand results. We also recognized these ideas and policies have the added benefit of bringing in more and more Americans to support the conservative cause." If we "want our majority back in 2008, House Republicans need to get back to these basics and rededicate ourselves to the reform mindset that put us in the majority. We need to rebuild the Republican coalition by focusing on conservative ideas that can win broad-based support not just among House Members, but among the American people."

Democratic Blue Dogs Hope To Enhance Influence In House. The AP (11/16, Abrams) reports that for "a dozen years, the Democratic conservatives known as Blue Dogs have been baying at the moon, ignored by Republicans and tolerated by their more liberal Democratic colleagues. Now, these House lawmakers say that is about to change." Rep. Mike Ross of Arkansas said Republicans "'did not lose their seats to liberal Democrats' in last weeks elections." He added, "Republicans lost their seats to Blue Dog Democrats." The AP adds that with "the addition of nine newly elected freshmen, the Blue Dogs claim 44 members, nearly 20 percent of the incoming Democratic majority. They will be led by Rep. Allen Boyd, D-Fla., and include Rep. Collin Peterson, D-Minn., in line to become the next Agriculture Committee chairman." Already, "leaders from both parties are courting their votes." Incoming Speaker Nancy Pelosi "has promised to make 'paygo,' a Blue Dog-backed principle

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that any new spending be paid for with cuts in other programs or new revenues, one of her first legislative goals." Rep. Mike Pence, R-Ind., "who is running for the position of Republican leader in the next Congress, listed cooperation with the Blue Dogs as part of his platform."

Moderate Democrats, Republicans May Coordinate Efforts. Roll Call (11/16, Yachnin, Davis) reports that in an "effort to boost their influence in the sharply divided chamber, members of the moderate Republican and Democratic House factions indicated Wednesday that the two groups may coordinate efforts in the 110th Congress and could move to create a formal bipartisan coalition in the new session." Members of "the fiscally conservative Democratic Blue Dog Coalition and the centrist Republican Tuesday Group met in advance of the Nov. 7 elections, Rep. Jim Matheson (D-Utah) said Wednesday, to discuss areas where the groups could align." Matheson, who met with Tuesday Group co-chair Rep. Mark Kirk, said, "We have a lot of common interests." Roll Call adds, "According to Matheson, the moderate coalitions are most likely to work together on pro-growth and fiscal legislation, while Kirk cited issues such as expanding stem-cell research and portions of the 'Suburban Agenda,' an effort spearheaded by Kirk that includes legislation to stop online sexual predators and improve access to health care."

Rothenberg Says Incoming Democrats Are "Conventional," Not Conservative. In his Roll Call column (11/16), Stuart Rothenberg says, "It quickly has become conventional wisdom that last week's Democratic House victory swept in a crop of moderate and conservative Democrats who'll both keep party liberals in check and help remake the image of the party of former Vice President Al Gore, Sen. John Kerry (D-Mass.) and soon-to-be Speaker Nancy Pelosi (D-Calif.). Well, I met dozens of Democrats running in 2006 — no, not everyone, but most of them — and I can't find much more than a couple who merit the label 'conservative.' That's not meant to be either criticism or praise. It's merely a statement of fact." Though there 'were obvious exceptions, most of the House takeovers occurred in swing and Democratic-leaning districts, and those districts elected pretty conventional Democrats."

Gingrich Says Bush Should Build Coalition With Conservative Democrats. In a Wall Street Journal op-ed (11/16), former Speaker Newt Gingrich says, "An establishment bipartisanship between the White House and liberal congressional leaders will almost certainly make it necessary to focus narrowly on how to minimize difficulties in Iraq and postpone consideration of the larger threats to America for the remainder of this and into the next presidency. By contrast, a conservative bipartisanship that knits together the House Republicans and the Blue Dog Democrats into a floor majority, working with a White House that emphasizes popular issues at the grassroots, would make it much easier to focus on the larger threats to American safety. (Such a bipartisanship could stress making the cap gains tax cut permanent; controlling set-asides and discretionary spending; oversight on failing bureaucracies and waste; English as the language of government; and biofuels as part of an energy policy.)" Gingrich adds, "Ironically, the very nature of the Democratic victory makes it possible to re-establish the conservative Democrat and House Republican coalition which made the Reagan legislative victories of 1981-82 possible." If President Bush "decides to govern as President Reagan did, he will work to unify the Blue Dog Democrats with the Republicans to win a handful of very large victories while accepting a constant barrage of unhappiness from the liberal leadership."

Murtha Tells Blue Dogs That Ethics Bill Is "Total Crap."

Roll Call (11/16, Bresnahan) reports Rep. John Murtha (D-Pa.) "told a group of Democratic moderates on Tuesday that an ethics and lobbying reform bill being pushed by party leaders was 'total crap,' but said that he would work to enact the legislation because Speaker-to-be Nancy Pelosi (D-Calif.) supports it." Murtha and current Minority Whip Steny Hoyer (D-Md.) "are locked in a battle for the House Majority Leader post, and both men made presentations to the Blue Dog Coalition on Tuesday in a bid for their votes." Three sources "who were at the meeting" said Murtha said, "Even though I think it's total crap, I'll vote for it and pass it because that's what Nancy wants." Roll Call adds Pelosi has "made enactment of the Honest Leadership and Open Government Act the cornerstone of her legislative agenda for the 110th Congress, and she is preparing to make it the first bill introduced under her reign. Murtha voted against the legislation earlier this year on the House floor." A Democratic lawmaker "said he was 'surprised' by the tone of Murtha's comments, especially Murtha's repeated claim that he would back any proposal that Pelosi favored."

Murtha, appearing on MSNBC's Hardball (11/15, Matthews), said, "There's a lot of crap going on in Congress all the time. Guys violate the law, some do. But the problem we have is a few people violate the law and then the whole

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Congress has to be changed? … The idea we have to deal with an issue like this -- and it is total crap -- that we have to deal with an issue like this when we've got a war going on and we've got all these other issues."

The New York Times (11/16, Hulse, 1.16M) reports, "In an interview on the MSNBC show 'Hardball' Wednesday afternoon, Mr. Murtha said that at the time of Abscam he was interested in attracting foreign investment to relieve high unemployment in his Pennsylvania district and, though suspicious of the offer, wanted to keep open the possibility of legitimate investment. As for the ethics package promoted by Ms. Pelosi, Mr. Murtha said he was complaining that Congressional wrongdoing was superceding other matters 'when we've got a war going on and we got all these other issues — $8 billion a month we're spending.'"

Majority Leader Race Quickly Divides Democrats. The Washington Times (11/16, Hurt, 88K) reports House Democrats "will decide today whether to install as their majority leader one of the most scandal-tainted members of Congress." The vote on Murtha, "whom likely Speaker Nancy Pelosi enthusiastically supports -- comes 10 days after Democrats seized control of the House and Senate after promising to clean up the corruption that they said had become a hallmark of the Republican Congress." Most "of the attention on Capitol Hill yesterday fell on Mr. Murtha's run for House leadership, which many Democrats worry will sully their stunning victories last week and ruin any hopes of a reputation for ethical reform. Mr. Murtha didn't help his case when reports surfaced yesterday that he dismissed the party's plans for ethics reform during a gathering of newly elected Democrats."

The Hill (11/16, Hearn) reports the race "has reinforced longstanding divisions between different factions in the caucus, members and observers said, and has diverted their attention from a positive message they hoped to project just days after winning control of the House." Many Democrats were "dismayed at the ever more heated and at times ugly battle between two of their most senior members, much of it playing out on national television. Some Hoyer backers questioned Pelosi's political judgment, arguing that the effort to 'purge' Hoyer from the leadership would damage caucus unity."

CQ (11/16, Ferrechio) reports, "Little more than a week after they won control of the House, Democrats appeared deeply divided Wednesday on their first major decision — whether to give the majority leader's job to heir apparent Hoyer of Maryland, the current Democratic whip, or to honor Pelosi's preference for Pennsylvania's Murtha." Many Democrats "were hesitant to assess the impact of the contest, which has divided their caucus into two camps, or to analyze Pelosi's effort to oust Hoyer from the leadership team." But some "said they are worried about long-term damage to the fragile unity of the Democratic caucus." One senior Democrat said, "If Murtha wins, the resentment members are going to feel over the arm-twisting will be devastating. If Hoyer wins, people will never forget she tried to kick him out."

The New York Times (11/16, Hulse, 1.16M) reports House members "acknowledged on Wednesday that the increasingly bitter contest for majority leader was sullying the image of unity and new direction that Democrats hoped to convey." The "downtrodden Republicans were enjoying the spectacle of the split between" Pelosi, "who is publicly pushing" Murtha, "her longtime ally, and Democrats rallying behind Mr. Hoyer." Rep. Ray LaHood said, "I can't believe they are self-destructing before they even get started. Everyone on our side is giddy." The Times adds the race has "left Democrats and Republicans in both the House and Senate straining to understand Ms. Pelosi's strategy. They wonder why, in her moment of victory, she injected herself into a leadership fight that will end with the selection of her rival or her own choice, a lawmaker criticized for his ethics record, after an election in which Democrats campaigned on a clean-government theme." Murtha "himself has thrown more fuel on that fire. Members of the conservative Democratic Blue Dog group said that during an appearance before them Tuesday, Mr. Murtha disparaged an ethics overhaul that Ms. Pelosi and the leadership have been promising as one of their first orders of business."

The Los Angeles Times (11/16, Hamburger, Neubauer, 850K) reports, "Though incoming House Speaker Nancy Pelosi promises to push through ethical reforms in Congress, both of the Democrats vying to be her second-in-command have long histories of earmarking, close relationships with corporate interests, and using their positions to raise millions of dollars in campaign contributions." Murtha "used his seat on the appropriations committee and the largely secret earmark process to obtain $121 million in earmarks during the current session, making him one of the top earmarkers in Congress, according to the watchdog group Taxpayers for Common Sense." Hoyer, "also on appropriations, sent $61.7 million to his district just outside of Washington during this

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Congress, the watchdog group says. That put him among the top 10% of earmarkers in the House."

The AP (11/16, Taylor) reports Pelosi "faces a major leadership test Thursday, barely a week into her new role, as Democrats vote on her choice for majority leader. She's supporting a lawmaker once caught up in a bribery scandal and known more recently for trading votes for pork projects." With her "prestige is on the line," Hoyer "appeared to carry a lead into Thursday's secret ballot despite Pelosi's opposition." But "allies such as Rep. George Miller, D-Calif. — also a top confidant of Pelosi — have been working this week to peel away votes from Hoyer. Pelosi also has intervened more directly, making the case for Murtha in one-on-one meetings with Democratic freshmen — sessions in which the incoming lawmakers ask for all-important committee assignments."

The Washington Post (11/16, A1, Wiesman, Romano, 690K) reports the "showdown over the House majority leader's post" has "Democrats bitterly divided only a week after their party took control of Congress and has prompted numerous complaints that" Pelosi "and her allies are using strong-arm tactics and threats to try to elect Rep. John P. Murtha (Pa.) to the job." Pelosi's "aggressive intervention on behalf of Murtha has baffled and angered many Democrats, who think she has unnecessarily put her reputation on the line out of misplaced loyalty to a friend and because of a long-standing feud with Hoyer, the minority whip. Pelosi has pushed Murtha's candidacy at social events, in private meetings and with incoming freshman Democrats; they have been called to her office to discuss committee assignments, only to hear first that she needs Murtha in order to be an effective leader." Hoyer "was heavily favored to win the race until Sunday, when Pelosi -- in a move that shocked even her staff -- openly threw her support to Murtha, despite a vow to stay neutral."

The Christian Science Monitor (11/16, Chaddock, 59K) reports Rutgers University political analyst Ross Baker said, "The fight between Murtha and Hoyer is a template for Democrats on the war and corruption. Until this election, Murtha had an iconic status as an outspoken, truth-telling Democrat, and all of a sudden ethics has become a liability. It's an awkward position for Pelosi, whatever the outcome." The Monitor adds, "Most immediately, Murtha's opposition to ethics reform, including past brushes with ethics issues, open Pelosi to charges that she hasn't heard voters on the importance of cleaning up the culture of corruption in Washington."

Asked on Fox News' The Big Story (11/15, Gibson) if Murtha is "actually going to win this thing," ex-Rep. John Kasich replied, "No, no, no. Hoyer's going to win this thing. He has the support of the bulk of the Democratic Party." Pelosi "doesn't like Steny is what I'm told. So she got Murtha as a stalking horse. And then I think she sort of got pinned down and was forced to endorse him, although I'm told she's making no calls. I think Steny will win this comfortably."

On MSNBC's Tucker (11/15), host Tucker Carlson said, "It sounds like when the incoming speaker of the House tells you to do it, you don't necessarily do it, since Steny Hoyer is ahead."

Novak Says Damage To Pelosi Is "Irrevocable." In his column in the Washington Post (11/16, A27, 690K), Robert Novak says "the damage" to Pelosi "was irrevocable when she wrote her colleagues Sunday urging them to pick Murtha over Rep. Steny Hoyer. Close associates of Hoyer say her letter stunned him, and he was not alone. While Pelosi had made it clear that she would vote for Murtha, the public endorsement was unexpected." This is "a no-win situation for Pelosi. If Murtha wins today, she will be accused of personal vindictiveness in derailing Hoyer, who is more popular in the caucus and better qualified for leadership. If Murtha loses, as is much more probable, she will be seen as bumbling her first attempt to lead the new Democratic majority. Pelosi could have avoided this dilemma by standing aside as Newt Gingrich, then the presumptive speaker, did when he voted for his ally Robert Walker as majority whip but did not ask members to oppose Tom DeLay." Pelosi's "mistake confirms long-standing, privately held Democratic apprehension about her abilities." Her "colleagues worry that her decision making may be distorted by personal considerations."

Other Commentary. The Los Angeles Times (11/16, 850K) says in an editorial Rep. Murtha is "an old hand in the sort of politics that voters supposedly rebelled against last week." Murtha's "history would seem to belie Pelosi's call for 'the most honest, the most open and the most ethical Congress in history.' But like the Republicans in the Senate, the new speaker seems willing to go only so far in satisfying the voters' appetite for change. If that disappointing pattern persists, Americans who thought they voted for change might echo the title of the Who classic we quoted above: "Won't Get Fooled Again."

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The New York Times (11/16, 1.16M) says in an editorial, "So far, the Democrats seem not to have paid much attention to the tattered baggage lugged into the limelight by Representative John Murtha of Pennsylvania, the Iraq war critic who is Speaker-to-be Nancy Pelosi's choice for second in command." And while Pelosi is "vowing to hammer home ethics reform as her first order of business, the Capitol newspaper Roll Call reported that Mr. Murtha was vulgarly belittling her program in private meetings with lawmakers."

WSJournal Says Earmark Reform Another Test For Pelosi. The Wall Street Journal (11/16, 2.04M) says in an editorial, "We'll find out when Democrats vote today if Speaker-in-waiting Nancy Pelosi was able to push aside her long-serving deputy in favor of her antiwar friend, John Murtha, as House Democratic majority leader. But an even bigger sign of how Democrats plan to govern is whether they implement the 'earmark' reform they campaigned on this fall." Murtha is "a champion of earmarked spending projects and his brother was a renowned earmark lobbyist. If he wins, Democrats will be rewarding his antiwar stance over the need for a cleaner Congress. All eyes should then turn to whether Ms. Pelosi follows through on her promise to clean up earmarks. So far, she's said the right things about greater transparency that would require every Member to disclose his support for every earmark, which have become such opportunities for corruption. Last weekend she was quoted as saying, refreshingly, that 'I'd just as soon do away with all' earmarks." But some Republicans "are already questioning Ms. Pelosi's sincerity."

Five Congressional Black Caucus Members To Head Key House Committees. The Washington Post (11/16, 690K) reports five members of the Congressional Black Caucus "are poised to take the helm of key House committees when Democrats assume control of Congress next year: John Conyers Jr. (Mich.) of Judiciary, Alcee L. Hastings (Fla.) of intelligence, Juanita Millender-McDonald (Calif.) of House Administration, Reps. Charles B. Rangel (N.Y.) of Ways and Means, and Bennie Thompson (Miss.) of Homeland Security." Another member, Rep. James E. Clyburn (S.C.), is "slated to be named majority whip, which would make him the third-ranking Democrat in the House. Minority Leader Nancy Pelosi (D-Calif.), the presumed speaker of the 110th Congress, has campaigned on his behalf." University of Maryland political analyst Ronald Walters said, "If they accede to that much power, it would truly be the realization of the kind of dream we've been waiting for since the civil rights movement." Walters added that "is a big 'if.' The appointment of Millender-McDonald is less certain than those of some of the others, and Hastings faces a steep uphill climb in his bid for the intelligence post because of past ethics problems." Further, CBC members, "who tend to be more liberal, might find it hard to push their traditional social agenda. Conservative and moderate 'Blue Dog' Democrats, whose numbers are nearly equal to those of Black Caucus members, have vowed to counter agendas that they deem too liberal."

The Washington Times (11/16, DeBose, 88K) reports the CBC "expects at least five committee chairmanships and as many as 17 subcommittee chairmanships to be led by its members in the 110th Congress after a vote by the Democratic Caucus concludes shortly after noon today. But some said the numbers might not exactly reflect seniority alone on the subcommittee seats."

Norton Hopeful For Passage Of DC House Vote Bill. On MSNBC's Hardball (11/15, Matthews), Del. Eleanor Holmes Norton was asked about the prospects for a District of Columbia House vote bill this year. Norton said, "That would be a nice bipartisan to do in the lame-duck session but, look, we have only a week in December to get it through the House and the Senate. So I'm calling on my Senate colleagues to join us. After all, we've got Republicans and Democrats -- got it out of one committee. Almost equal number of Republicans and Democrats -- let's get it out of the House and the Senate in December."

Senate Democrats Planning Agenda For 110th Congress. Roll Call (11/16, Pierce) reports the Senate Democratic leadership team "plans a long, laborious slog for the Senate next year even as party leaders continue to formalize their legislative agenda for the 110th Congress — an agenda that already includes a couple of surprises." At a breakfast with reporters Tuesday, "incoming Majority Leader Harry Reid (D-Nev.) warned that the 'do-nothing' Congress, as his party has labeled recent Republican rule in the chamber, will soon be over." Reid promised "to 'work long hours,'" saying, "We're going to work more than just Tuesday, Wednesday and Thursday until noon." Roll Call adds Reid "outlined some of his top legislative priorities for next year, which include an effort to 'do everything we can to make elections more civil.' Principally, Reid said that would mean

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passing a bill to create criminal penalties for election fraud, including offenses such as voter misinformation campaigns carried out by robo-calls and misleading flyers." Reid also "indicated that he wants to rein in independent campaign expenditure groups, known as 527s, even though many of them have helped Democrats even out the edge in hard-dollar fundraising that Republicans have typically enjoyed." As they "assess the rest of their agenda — much of which they already have talked about in broad terms — Democratic Senators and aides said choices still have to be made about what specific legislation should be included under the rubric of their election-year themes of energy independence, modifying the Medicare prescription drug benefit, making college more affordable, raising the minimum wage, passing terrorism prevention measures and protecting employee pensions."

Sen. Patty Murray, appearing on MSNBC (11/15, O'Donnell), said, "There are obviously a number of challenges. Iraq is the elephant in the room. … There are a number of domestic items, too. We're being handed a budget that is very difficult to deal with, and there's tremendous domestic needs on the Medicare Prescription Drug Plan, on families' access to health insurance, on making sure that our students get access to college in an affordable way. Families are feeling the stress of pensions and just everyday, average concerns of Americans. And we'll be putting that agenda together and begin to move this country back on track so we address those concerns."

Narrow Majority To Put Reid To The Test. In his Washington Post column (11/16, A27), David Broder says the need for 60 votes in the Senate to move legislation "puts an enormous strain on Harry Reid, the Nevadan who has struggled these past two years to master the less arduous duties of Senate minority leader. The risk for Democrats is that Reid may not be up to the challenge. We saw how weakness in the majority leader could hurt a party in the recent example of Sen. Bill Frist. More than once Frist was unable to hold his own troops together on big issues or to thwart Reid and the Democrats when they built roadblocks to administration bills. Now the situation is reversed, and it is Reid who will be tested." The Senate is "chockablock with presidential wannabes," and Reid will also "have to contend with a few real mavericks and independent spirits in his caucus." As minority leader, Reid was "remarkably effective in keeping the Democratic caucus united but far less successful as a public spokesman for his party. His partisan comments were often too sharp, his television appearances less than commanding. In his new role, he will be far more exposed, and his flaws more conspicuous."

Samuelson Says Democrats Have Few Big Opportunities. In his Washington Post column (11/16, A27), Robert J. Samuelson says, "Even forgetting possible vetoes by President Bush, the Democrats have less leeway to alter policy than their rhetoric implies. Although Democrats didn't promise much -- they benefited heavily from unhappiness with the war in Iraq -- they still succumbed to exaggeration. Their sound bites ran ahead of plausible solutions." On "domestic policy, Democrats have few big opportunities. This creates a dilemma. They can either concentrate on symbolic acts (the minimum wage, the drug benefit) that sharpen their differences with Republicans. Or they can find less controversial matters, where cooperation seems possible, to advertise their fitness to govern and their credentials as centrists. It will be difficult to do both. There's only one solace -- the Republicans face the same dilemma."

Pension Agency Posts Smaller Deficit Than Last Year. The Washington Post/AP (11/16, D3, Aversa) reports, "The federal agency that insures private pension plans for millions of Americans logged a deficit of $18.1 billion this year, a big improvement from last year thanks to a new pension law." The ""narrower deficit for the 2006 fiscal year reported by the Pension Benefit Guaranty Corp." yesterday "was down from a shortfall of $22.8 billion recorded in 2005 and a record $23.3 billion posted in 2004."

USDA Admits Making Over $2.8 Billion In Improper Payments. The AP (11/16, Quaid) reports, "The Agriculture Department on Wednesday acknowledged making improper payments to farmers worth more than $2.8 billion last year. Officials explained that most of the payments involved missing or incomplete paperwork." Chuck Christopherson, the department's chief financial officer, said, "We take this very seriously. … We know this is something that we can address and that we can fix." The AP adds, "The amount of improper payments in fiscal 2006 was about 11 percent of farm program payments, the department said. The fiscal year ended on Sept. 30."

Rodman Leaving Pentagon For Brookings. The AP (11/15) reports Assistant Secretary of Defense for International Security Affairs Peter Rodman "is leaving his post, in the first announced Pentagon departure" since

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Secretary Donald Rumsfeld's resignation. He "will join the Brookings Institution as a senior fellow."

Defense Department Travel Reservation System A "Fiasco." The AP (11/15, Margasak) reports the Defense Department's computerized travel reservation system "has turned into a half-billion-dollar fiasco, so flawed that only 17 percent of the travelers are using it as intended," according to the Senate Permanent Subcommittee on Investigations. The system "was designed as the Pentagon's version of an Internet travel site," but the probe found that 83% of DOD travelers "have been contacting professional travel agents first -- and then using the new system to book the travel afterward."

WSJournal Says Federal Relief For Auto Execs Won't Help. The Wall Street Journal (11/16, A18, 2.04M) editorializes, "Auto executives from the Big Three finally got their sit-down with President Bush this week, where they (surprise!) pleaded for federal relief." The Big Three "still dominate U.S. auto production, but foreign makers continue to gain market share, currently accounting for some 40% of all passenger cars and light trucks sold in the U.S." President Bush "had been resisting their overtures and appears to be standing his ground, agreeing to little more after this week's meeting than a 'continuing dialogue.'" However, with Democrats in control, "there's likely to be increased pressure for some kind of government aid." The President's "inconsistency on bailouts won't help matters," as airlines "have received between $15 billion and $20 billion in cash to help keep them afloat in the wake of 9/11." Detroit auto makers are "angling for a similar deal, but it would only retard the necessary if painful transformation that is currently taking place at the Big Three." Government intervention "in a market this healthy can only increase the chances that it won't stay that way."

OTHER NEWS:

Fed Concerned About Inflation, More Confident About Engineering Soft Landing. The Financial Times (11/16, Guha, Mackenzie) reports, "Federal Reserve policymakers are becoming a little more confident about their ability to engineer a soft landing for the US economy, minutes published on Wednesday reveal. The minutes, from the last Fed policy meeting on October 25, show that most Fed policymakers thought the downside risks to growth had "diminished a little" since the previous meeting, while some thought the upside risks to inflation had also declined, though 'only slightly.'" However, "the outlook for both inflation and growth remains very uncertain. … All members of the committee 'expressed concern about the outlook for inflation' and all 'agreed that the risks to achieving the anticipated reduction in inflation remained of the greatest concern.'"

The Wall Street Journal (11/16, lp, 2.04M) reports, "The minutes said FOMC members expect core inflation to decline, as the indirect effects of the retreat in energy prices feed through to other goods and services, and the cost of housing ceases to be a source of upward pressure." They also "said the decline in housing activity is unfolding as expected and that the 'risk of an even larger contraction in this sector had ebbed.' Some, however, fretted that it could yet spill over to other areas of consumer spending." USA Today (11/16, Hagenbaugh, 2.27M) runs a similar report titled "Fed Bankers All Show Inflation Concerns," reporting the Fed "in particular noted that a tight labor market could lead to a 'sustained increase in wage pressure,' and thus inflation."

Stocks Hit New Records. The Wall Street Journal (11/16, McKay, 2.04M) reports, "Investors bid stocks to fresh highs, their hopes for a less-than-traumatic economic slowdown buoyed by newly released comments by Federal Reserve policymakers. … The Dow Jones Industrial Average rallied 33.70 points, or 0.3%, to a record 12251.71, up 14.3% on the year. … The broad Standard & Poor's 500-stock index crossed 1400 for the first time in more than six years but finished shy of that psychologically important number. The index ended 0.2% higher, up 3.35 points at 1396.57, its highest close since Nov. 9, 2000, and up 11.9% on the year. It still would have to rise more than 9% to top its record set in early 2000." The Nasdaq "rose 0.5%, or 12.09 points, to 2442.75, up 10.8% on the year. It was the best close since Feb. 15, 2001, though the index would have to more than double to reach a new record." NBC Nightly News (11/15, story 5, Williams, 9.87M) was the only network newscast that noted the stock numbers.

Miners' Union Aims For Revival As Coal Industry Makes Comeback. The Washington Post (11/16, Russakoff, 690K) reports from Southern Illinois that "global economic forces have realigned, and coal mining is back. And a new generation of miners is living the good life

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not seen here since coal was king." As the coal "industry withered east of the Mississippi River, so did the United Mine Workers of America -- from 167,000 active members in 1980 to 16,000 today. ... Now the union is trying to come back, too, beginning with an organizing campaign targeting Peabody Energy Corp., ... the world's largest coal company." The union "is struggling to bridge a gap between young workers ..., giddy over high wages in this long-depressed region, and older ones focused on pensions and gold-plated health care in retirement." The Post adds, "Coal's rebound here is a direct result of soaring U.S. demand for electricity, half of which currently comes from coal. The Bush administration is promoting coal as a 'freedom fuel' -- in contrast to foreign oil -- and utilities are on a coal binge, with 154 new coal-fired plants on the drawing board. ... [C]oal states and the industry are investing heavily in technologies to convert coal into liquid fuel to power cars and jet planes."

Urban Schools Behind Nation In Science Scores. The New York Times (11/16, Schemo, 1.16M) reports the National Assessment of Educational Progress shows that "at least half of eighth graders tested in science failed to demonstrate even a basic understanding of the subject in 9 of 10 major cities, and fourth graders, the only other group tested, fared little better." Further, "student performance in urban public schools was not only poor but also far short of science scores in the nation as a whole." Only Austin had a majority of 8th graders meet basic standards and only Austin, Charlotte and San Diego had a majority of 4th graders meet the basic standard.

The AP (11/16) reports, "Minorities in the city schools often performed similarly to students with the same backgrounds in the national sample." Nationwide, "just a little more than a quarter of students in both grades" met proficient standards while "34 percent of fourth-graders" were "unable to perform at even a 'basic' level."

KBR Will Trade As A Separate Stock. USA Today (11/16, Krantz, 2.27M) reports, "Today, KBR, which runs almost every aspect of the Iraq war except the fighting, will trade as a separate stock after an initial public offering. It raised $473.3 million Wednesday, after pricing the 27.8 million shares it's selling at $17 a share." Ben Holmes, publisher of MorningNotes.com, a market and IPO research firm, said that for investors, "KBR is the demon spawn of Halliburton." A Democratic Congress "may further investigate the company." Francis Gaskins of IPOdesktop said, "But KBR "has been broadening its business outside Iraq. Its backlog of business jumped 42% from last year to September, largely on non-Iraq jobs," but the backlog "is the salvation of a company that normally would struggle to win over investors. But it's unclear how profitable it is and whether investors are willing to pay up."

Democrats Have Good Chance To Expand Senate Majority In 2008. The Hill (11/16, Blake) reports Senate Democrats will "have a wider field of possibilities and probably more open seats available to expand their majority in 2008, though Senate Republicans will have several chances to pick off red-state Democrats." Of the "33 seats up for election two years from now, 21 are held by Republicans. Eight of those 21 were elected with 55 percent of the vote or less in 2002, and in seven of them the incumbent is a freshman. The party also faces several retirement questions." Democrats "might not lose any incumbents to retirement now that they are in the majority — a crucial first step to maintaining and growing that majority. Two big Democratic retirement risks, 82-year-old Sen. Frank Lautenberg (N.J.) and 69-year-old Sen. Jay Rockefeller (W.Va.), intend to run again in 2008, according to their offices." Sen. Tom Harkin (D-Iowa), Sen. Carl Levin (D-Mich.), 72, "who has not decided," and Sen. Max Baucus (D-Mont.), 64, "who did not respond to inquiries, may be re-energized by capturing prized committee chairmanships." Jennifer Duffy of the Cook Political Report "expects Democrats to skate into 2008 with all five of these potential retirees." On the Republican side, "Sens. Pat Roberts (Kan.), 70, Pete Domenici (N.M.), 74, and Ted Stevens (Alaska), who turns 83 on Saturday, have all told The Hill they intend to seek reelection. But speculation is rampant about Sens. John Warner (Va.), 79, and Wayne Allard (Colo.), who is at the tail end of a two-term-limit pledge." The "most vulnerable incumbents are Allard, Sen. Norm Coleman (R-Minn.) and Sen. Mary Landrieu (D-La.), according to the Cook Political Report. No races are yet listed as tossups."

Democrats Closed "Parent Gap" In Midterm Elections. The Washington Times (11/16, Wetzstein, 88K) reports Democrats "closed a so-called 'parent gap' in this month's election and should seize the moment by pushing family-friendly legislation, analysts told a Capitol Hill briefing yesterday." Married parents – "especially married

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mothers -- have voted Republican in recent years, partly because of a perception that Democrats don't care about family issues, said Michele Stockwell, a social policy analyst with the Progressive Policy Institute." The election results "show that Democrats 'closed this parent gap, at least temporarily,' she said. But the gap needs to be closed permanently by addressing families' concerns." The Times adds, "Some family advocates, however, expressed dismay at the lack of attention to family issues in Democratic platforms."

Greenberg, Carville Criticize Dean's DNC Strategy. The Christian Science Monitor (11/16, Cook, 59K) reports, "Sweet as it was to win control of the House and the Senate in the 2006 election, some Democratic operatives think their victory could have been bigger if national party chairman Howard Dean had been willing to spend more in districts where races were close." At a Monitor breakfast, Democratic pollster Stan Greenberg said, "There were two dozen seats in which Republicans got 51 percent or less....There is a very big difference between defending these seats as incumbents or still trying to pick these up while they are being protected by Republicans." James Carville, "who along with Greenberg co-founded Democracy Corps, a Democratic strategy group, told a Monitor breakfast on Wednesday, 'We beat the hell out of them at the committees, at the congressional [campaign] committees. The DNC [Democratic National Committee] left the money on the table.'" Carville said DNC Chairman Howard Dean "should be dumped. Carville added that Dean 'should be held accountable' and described his leadership as 'Rumsfeldian in its competence.'"

The New York Times (11/16, Nagourney, 1.16M) reports, "The Democrats are celebrating their big victory of Nov. 7 with recriminations, finger-pointing and infighting, no matter that they won control of the Senate and the House for the first time since 1994." State Democratic leaders "are saying Howard Dean, the party chairman, is not receiving the credit he deserves for the triumph." On the other hand, Greenberg and Carville "rebuked Mr. Dean on Wednesday, saying the Democrats could have captured 40 House seats rather than 29 had Mr. Dean bowed to demands by Representative Rahm Emanuel of Illinois, leader of the effort to recapture the House, to put more money into Congressional races." Liberal bloggers "say they are not receiving the credit they deserve and are chafing at how what they call the mainstream media has showered too much credit on Mr. Emanuel and his Senate counterpart, Charles E. Schumer of New York, for the sweep." And on Capitol Hill, "soon-to-be Speaker Nancy Pelosi of California has waded into a leadership fight that has divided her caucus." The Times adds that in an interview, Carville asked, "Do we want to go into '08 with a C minus general at the D.N.C.?"

The Austin American Statesman (11/16, Shepard) reports Carville, "during coffee and rolls with political reporters today, said Democrats could have picked up as many as 50 House seats, instead of the nearly 30 they have so far. The reason they didn't, he said, is the Democratic National Committee did not spend some $6 million it could have put into so-called 'third tier' House races against vulnerable Republicans."

Simmons Concedes, After Losing By 91 Votes. The AP (11/16, Haigh) reports, "More than a week after Election Day, Republican US Rep. Rob Simmons conceded to Democrat Joe Courtney on Wednesday, but did not rule out running again in two years." Simmons "spoke to supporters -- some tearful -- who packed his headquarters Wednesday afternoon, a few hours after Secretary of the State Susan Bysiewicz confirmed that Courtney had won by 91 of nearly 250,000 votes cast."

CQ (11/16) reports "the Courtney-Simmons contest was the closest of many tight races in a midterm election cycle that boosted Democrats to control of both chambers of Congress. Many of the Democratic takeovers came in districts held by moderate Republicans such as Simmons; a similarly positioned Connecticut Republican, 12-term incumbent Nancy L. Johnson, was unseated in the 5th District by Democratic state Sen. Chris Murphy." Courtney "had declared victory on Election Night, when returns indicated he led Simmons by 167 votes. He has been in Washington this week, attending freshman orientation."

Two Georgia Democrats Certified As House Race Victors. The AP (11/16, McCaffrey) reports Democratic Reps. John Barrow and Jim Marshall "were certified the winners of their respective races Wednesday, all but ending GOP hopes of knocking off at least one Democratic incumbent in the Nov. 7 congressional races." Barrow "defeated Republican Max Burns in eastern Georgia's 12th District by just 864 votes out of 142,438 cast, according to the final tallies released by Secretary of State Cathy Cox. In middle Georgia's 8th District, Marshall

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defeated Republican Mac Collins by 1,752 votes out of 159,568 cast."

The New York Times (11/16, Dewan, 1.16M) reports, "Neither of the Republican challengers had conceded, and Mr. Barrow, who won by 864 votes, could face a recount if his opponent, Max Burns, requests one. Georgia law allows a recount if the margin of victory is less than 1 percent of the votes cast."

Accuracy Of Midterm Election Polls Assessed. In his Wall Street Journal column (11/16), Carl Bialik says, "Pollsters earned high marks in last week's elections: Surveys correctly predicted that the Democrats would win control of the House of Representatives, that the Senate would be closely contested and that Democratic gubernatorial candidates would sweep into statehouses." That "doesn't mean that some pollsters didn't do better than others, however, and firms haven't hesitated to trumpet their results." Bialik adds, "I looked at five pollsters that were among the most prolific: Rasmussen, SurveyUSA, Zogby (which releases separate telephone and online polls) and Washington, D.C.-based Mason-Dixon." There were "some interesting trends: Phone polls tended to be better than online surveys, and companies that used recorded voices rather than live humans in their surveys were standouts. Nearly everyone had some big misses, though, such as predicting that races would be too close to call when in fact they were won by healthy margins. Also, I found that being loyal to a particular polling outfit may not be wise. Taking an average of the five most recent polls for a given state, regardless of the author -- a measure compiled by Pollster.com -- yielded a higher accuracy rate than most individual pollsters." In the Senate races, "the average error on the margin of victory was tightly bunched for all the phone polls. Rasmussen (25 races) and Mason-Dixon (15) each were off by an average of fewer than four points on the margin. Zogby's phone polls (10) and SurveyUSA (18) each missed by slightly more than four points. Just four of the 68 phone polls missed by 10 points or more, with the widest miss at 18 points."

NYTimes Says Evangelicals Not Shifting Political Parties. David Kuo writes in a column for The New York Times (11/16, 1.16M) that this year's elections doesn't mean evangelicals "aren't re-examining their political priorities nearly as much as they are re-examining their spiritual priorities," which "could be bad news for both political parties." Evangelicals are "beginning to see the effect of their political involvement on those with whom they hope to share Jesus' eternal message: non-evangelicals," as Beliefnet's poll showed that "nearly 60 percent of non-evangelicals have a more negative view of Jesus because of Christian political involvement; almost 40 percent believe that George W. Bush's faith has had a negative impact on his presidency." Conservative Christians were "promised that having an evangelical like Mr. Bush in office was a dream come true," but "it wasn't…not by a long shot." He wrote, "The administration accomplished little that evangelicals really cared about." However, Lewis says not to "expect conservative Christians in politics to start to disappear."

Riley's Success In Alabama Analyzed. The Wall Street Journal (11/16, A19, Hillyer, 2.04M) reports as Republicans "coast to coast were burying their many political dead, a Republican governor once given up for dead was enjoying a landslide victory. Alabama Gov. Bob Riley was re-elected last week, beating long-popular Lt. Gov. Lucy Baxley with more than 58% of the vote, including an impressive 20% of the black vote." Riley's win "was not simply the result of Alabama being a Republican state: Democrats won the two next most prominent statewide races, those for lieutenant governor and Supreme Court chief justice. In Alabama as elsewhere, this was a Democratic year -- with the notable exception of Mr. Riley, a conservative reformer in cowboy boots, with a cheerful, Reagan-like demeanor." Riley and editorial writers "across the state will readily identify his successes in the 'Three Es': Economic development, education and, not least, ethics." These accomplishments "stand in marked contrast to the record" of former Gov. Don Siegelman, who "presided over a budget crisis and now stands convicted of bribery and other infractions."

McCain Launches Presidential Exploratory Committee. USA Today (11/16, Lawrence, 2.27M) reports that Arizona Sen. John McCain (R) "is forming a presidential exploratory committee in order to start amassing money for the 2008 Republican nomination contest," and he says "he'll make a final decision with his family over the Christmas holidays." McCain's new committee "will file quarterly reports to the FEC," and he could put "about $1 million toward a bid." In a USA TODAY/Gallup Poll in the past week, "26% of Republicans and independents who lean

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toward the GOP picked McCain," while former New York mayor Rudy Giuliani, "was first at 28%."

The AP (11/16) reports that McCain also "launched a Web site — http://www.exploremccain.com — that allows supporters to donate and join his effort." If McCain runs, "he would turn 72 on Aug. 29, 2008, at the height of the campaign."

The Los Angeles Times (11/16, Hook, 850K) reports, "McCain has been considered the front-runner for the Republican nomination in a field that changed rapidly after the tumultuous midterms," and he has been "moving to make a fresh appeal to the surly voters who helped end GOP control of the House and the Senate -- Republicans and independents angry about government corruption and excessive spending." However, the midterms also show a "growing risk" for McCain as polls show that a "majority of voters disapprove of the war in Iraq and want at least some troops withdrawn," and McCain is "almost alone in calling for a larger deployment." Today, he made a speech to GOPAC, a conservative political group, he will speak again today to the Federalist Society.

CNN's The Situation Room (11/15, Crowley) also said that "as he approaches '08, McCain will need to align his more troops in Iraq position with an antiwar electorate."

On MSNBC's Hardball (11/15), host Chris Matthews discussed the 2008 presidential race with political strategist Mark McKinnon and former Clinton Press Secretary Joe Lockhart. Matthews asked McKinnon, "On the Republican side…[John] McCain, Mitt Romney or Rudy [Giuliani]? Anybody else can win that nomination right now?" McKinnon: "I think those are the big three, I really do." Matthews then asked Lockhart, "In your party, Hillary [Clinton], [John] Edwards…[Barack] Obama?" Lockhart: "I think those are the three."

Thompson Announces Presidential Exploratory Committee. The AP (11/16, Glover) reports, "Former Wisconsin Gov. Tommy Thompson, who served as Health and Human Services Secretary in President Bush's first term, said Wednesday he intends to form a committee to explore a possible run for the White House in 2008." During his stop in Iowa, Thompson "argued that his background as a Midwest governor and HHS secretary would appeal to voters," and said, "The three big issues in 2008 are going to be health, energy independence and the war in Iraq." Thompson "faces a daunting task in what's expected to be a crowded field of Republican presidential candidates." Other potential candidates "include Massachusetts Gov. Mitt Romney, Tennessee Sen. Bill Frist, Arkansas Gov. Mike Huckabee and New York Gov. George Pataki. California Rep. Duncan Hunter also has announced a presidential bid."

Clinton Says She's Undecided On Presidential Bid. The AP (11/16, Fouhy) reports that Sen. Hillary Rodham Clinton's (D) "professed indecision about a presidential bid seems a bit disingenuous," as "she has millions in the bank, a national network of supporters and an unrivaled team of political strategists." Earlier this week, she said, "I will look at the possibilities, but I ... haven't really had the time to talk to people about it." Polls "show her the front-runner for her party's 2008 presidential nomination," but Clinton "insists she's just starting the process of making a final decision." Among "registered black Democrats, she led Obama 29 percent to 10 percent on the same question in an AP-AOL Black Voices poll." She has "as much as $13 million remaining from her Senate run that can be used in a presidential bid, far more than lesser known candidates."

The CBS Evening News (11/15, story 10, 2:25, Borger, 7.66M) said Sen. Clinton " is the person to beat," but "she does have one problem," which is that "she voted for the war in Iraq and that won't help with the liberal wing of the party." Sen. Barack Obama "was a sensation during this election cycle," but his problem is that "he's only been in the Senate for two years, he has no national security credentials so one of the reasons he's talking about Iraq in Chicago next week is to talk about his feelings about the war." He voted "against the war, and he wants to present his credentials to the American people." John Kerry, John Edwards, Joe Biden, General Wesley Clark, and maybe even former Vice President Al Gore are all on the "growing list" of potential candidates.

WPost Sees Lessons On Race In Maryland Senate Campaign. The Washington Post (11/16, A26, 690K) editorializes, "There are lessons for both political parties in the conduct and outcome of the U.S. Senate race in Maryland this year." Republicans "discovered that identity politics and fraudulent campaign literature are not enough to drive African American voters into jettisoning their loyalty to the Democratic Party en masse. Democrats, who nominated white candidates for the Senate and every other marquee statewide race, were put on notice not to take their indispensable core constituency, African Americans, for

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granted. Both parties might profit from treating black voters, who account for between 20 and 25 percent of the state's electorate, with more respect."

Bush To Promote Trade, Counter-Terrorism In Trip To Asia. ABC World News (11/15, story 4, 0:20, Gibson, 8.78M) reported, "President Bush landed in Singapore a short time ago. He's beginning a week long Asian trip for a series of summits and economic conferences and his first visit to Vietnam." The Los Angeles Times (11/16, Gerstenzang, 850K) says the trip will knit together "the twin issues of economic security and counter-terrorism that are at the center of his agenda for the final two years of his presidency." Bush's trip "is centered on a three-day visit to Vietnam, his first and the second by a US president since the end of the Vietnam War. President Clinton visited in November 2000, two months before leaving office."

Much of the media coverage on Bush's trip portrays him as a president weakened by the midterm elections and the recent House defeat of his Vietnam trade bill. USA Today (11/16, Jackson, 2.27M) says "some Asian leaders wonder whether last week's elections were a vote against free trade and their countries' economic opportunities." Tonight, Bush "delivers a major speech on US-Asian relations that will include a renewed commitment to what national security adviser Stephen Hadley called 'trade liberalization.'" USA Today adds, "Delegates to the Asia-Pacific Economic Cooperation forum, to be held this weekend in Hanoi, will assess Bush's political strength in light of the election victories by the Democrats." The AP (11/16, Hunt) reports Bush is now "seeking to reassure nervous Asian allies that the United States will remain a reliable partner in liberalizing trade" after the "early embarrassment" when the House "failed to approve normalized trade relations with Vietnam."

The Financial Times (11/16, Beattie, Kazmin) reports the Administration "scrambled on Wednesday to play down the significance of the US House of Representatives defeating a motion to treat Vietnam as a full trading partner. … Though the bill is very likely to pass when Congress reconvenes in December, the timing of the vote, days before Mr Bush attends the Asia-Pacific Economic Co-operation (Apec) forum in Vietnam is highly unfortunate for the White House." Susan Schwab, US trade representative, "used a press conference in Hanoi on Wednesday to argue that the defeat arose from procedural problems, not fear of Vietnam or rejection of trade deals. 'You have to be a student of our congressional system to understand the vote,' she said. 'The fact is that there was strong bipartisan support in favour of permanent normal trade relations for Vietnam in the House of Representatives.'"

NBC Nightly News (11/15, story 11, Williams, 9.87M) said the "subplot" of Bush's Asia trip is "how angry some of his fellow Republicans are at the election results at home. 'The Wall Street Journal' reports Republicans in Congress intentionally didn't pass two bills the President badly wanted before he left. One of them is aid for Vietnam and another is a bill to pay for the US government, which will now have to be flown to Asia by a White House aide for the President's signature."

The New York Times (11/16, Weisman, 1.16M) says the Vietnam bill "result was an embarrassment for the White House, suddenly deprived of a tangible way to prove that relations with Vietnam were improving under Mr. Bush. Even administration officials said they were not sure why the bill failed and seemed ready to blame Republicans as well as Democrats." The Times adds, "A day after Republican leaders decided not to even try to pass the bill before Mr. Bush's visit, new details of the inner workings of the House bill were emerging. Legislative aides said Republican skeptics of the bill were furious with their leaders that it was being scheduled so soon after an election in which trade was an issue." A similar piece in the Financial Times (11/16, Beattie, Callan) reports, "Never mind the Democrats: it's those Capitol Hill Republicans you need to watch out for. That was the conclusion of frustrated Bush administration officials as they blamed the ineptitude of the Republican leadership of the House of Representatives for trying and failing to rush through the Vietnam trade bill on Monday."

UN Ambassador John Bolton, appearing on CNN's Lou Dobbs Tonight (11/15), said, "My understanding is the House had some difficulties with the terms of the bilateral agreement. I think they'll certainly take a look at that again. But I don't see anything inconsistent with being in favor of free trade and also aggressively promoting American interest, which I think the Administration is trying to do."

The New York Times (11/16, A6, Sanger, 1.16M) reports Bush's five-day visit to Asia "will test whether the Republican defeat last week diminished his influence as he presses other nations to confront Iran and North Korea." Discussing the president's meeting the Putin, Hadley "acknowledged that the two countries were still well apart on such [UN] sanctions" against Iran. Asked about seeking Iran's

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help with ending violence in Iraq while pressing the nuclear issue, Hadley said the administration had "no intention of letting up the pressure" to win Iran's help. "There's not a tradeoff between the two," he said. "Iran ought to have an interest in having a unified and stable Iraq." Meanwhile, the Times says when Bush arrives Friday in Hanoi, "he will face a more difficult trade issue: Congress balked at final passage of normal trade relations with Vietnam." Also in Hanoi, the Times says Bush is "likely to have a testy encounter with President Roh Moo-hyun of South Korea," who "has been critical of what he has called a one-sided American approach to North Korea."

In a similar report, the Washington Times (11/16, Curl, 88K) reports, "While Mr. Bush will be president for another two years, his loss of Congress considerably weakens his clout at home. One former White House adviser said the strong hand he held when he bucked the international community and invaded Iraq may be all but played out." Mike Green, who is now an Asia specialist at the Center for Strategic and International Studies, said, "The Asian leaders will be looking at President Bush's body language. … They know he has two years left, but they're going to be all looking to see how he plays the game after this political setback."

The Los Angeles Times (11/16, Tran, 850K) reports from Little Saigon, in Los Angeles CA, where "the talk is of optimism and new freedoms for a country many fled decades ago." Bush's "visit to Vietnam today is seen in the nation's largest Vietnamese American community as a heartening, profoundly important event. For some, there is even the hope that the president will find a way to champion reform in a country that still evokes bitterness and memories of terrible times. … Many in Little Saigon, a bustling Vietnamese American community that sprawls through parts of Westminster, Garden Grove and Santa Ana, say it's the perfect time for Bush to voice their concerns."

Rice Backs Restart To Global Trade Talks. The AP (11/16, Gearan) reports Secretary Rice "endorsed an attempt to restart global trade talks that collapsed over the summer, telling Asian trade partners on Thursday that a new trade agreement is 'critical to global prosperity and security.' Rice pledged $1 million in new US funding for an Asian trade development initiative and unveiled a US program allowing expedited visas and other services for approved business travelers from nations" in the APEC forum. Rice insisted that "both as a trade issue and a foreign policy issue, the success of the Doha round is critical to global prosperity and security."

Vietnam Promotes Ho Chi Minh's Image To Fight "Rampant Corruption." The Washington Times (11/16, Kralev, 88K) reports, "Vietnam's ruling Communist Party is turning to the ideology and social teachings of its founder, Ho Chi Minh, in an uphill battle against rampant corruption that has resulted in the dismissal of thousands of officials in recent years. The Politburo instructed the party's local branches this week to begin a campaign 'to encourage party members and the general public to study and follow [Ho's] virtuous personality.'" The Times adds, "By doing this, it said, 'the party believes people will be able to effectively push back social evils' such as 'corruption, waste and individualism,' a reference to the diminished role of the individual in communist ideology."

Spellings Leads Delegation To Boost Foreign Student Enrollment From Asia. The Christian Science Monitor (11/16, LaFranchi, 59K) reports on "a modest rise in the number of new foreign students in the US, the first increase after several years of declines after the 9/11 attacks." Now "educators" believe it will "take a more coordinated effort from the government and higher-ed institutions" to continue that increase. So U.S. Secretary of Education Margaret Spellings is "in China, Korea, and Japan this week with a group of university presidents -- a first-of-its-kind mission -- to tout the virtues of American higher education."

The Washington Post (11/16, A26, 690K) writes in an editorial, "It is welcome news that after two years of decline, students from foreign countries are steadily coming back to U.S. college campuses." Also "this week a delegation of college presidents, led by education and State Department officials, is in Asia on a mission to recruit foreign scholars. America can't afford not to put out the welcome mat."

Bush Discusses Proliferation With Putin En Route To APEC Summit. The Washington Post/AP (11/16, A21, Loven) reports President Bush, "eager for Russian help in nuclear disputes with North Korea and Iran, tended to the sometimes frosty Washington-Moscow relationship Wednesday by paying a quick call on President Vladimir Putin. Bush paused to visit the Russian leader for an hour and a half during an airport stopover on his way to Asia for a week-long trip." Russian news agencies "quoted Kremlin spokesman Alexei Gromov as saying the two presidents discussed the Iranian nuclear program, the situation in the Middle East and nuclear nonproliferation." Speaking to reporters on Air Force One after the meeting,

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NSA Hadley said the president's "get-together" with Putin "was a social meeting, as we said it would be. This was a refueling stop." He also said the two men "talked a little bit about proliferation generally" with regard to Iran and North Korea. Hadley also said he had spoken with his Russian counterpart, Igor Ivanov, "about efforts to reach agreement on a new UN security resolution on Iran."

Calling Wednesday's meeting "unusual," the Financial Times (11/16, Buckley) says Bush and Putin "confirmed the two countries would this weekend sign a bilateral accord on Russian entry to the World Trade Organization." Meanwhile, "Analysts said the gesture by Mr. Putin to travel to the airport…may have reflected a desire to ease relations between Moscow and Washington, currently seen as at their poorest since the Soviet Union collapsed in 1991."

Democrats Blast Administration's North Korea Policies. The Washington Post (11/16, A21, Kessler, 690K) reports the Bush administration "came under fierce attack yesterday from Democrats for its North Korea policy, with the incoming chairman of the House International Relations Committee saying that change is 'long overdue' and that the United States should allow its chief nuclear arms negotiator to visit Pyongyang. … Meanwhile, a group of experts returning from talks with top North Korean officials offered a pessimistic report on the prospects of reaching a deal when the long-stalled six-nation talks resume later this year. North Korean officials told the experts that they would take a much tougher stance when Pyongyang returns to the negotiating table, believing it is on 'equal footing' with the United States now that it has tested a nuclear weapon." At a hearing yesterday on the administration's preparation for the talks, Rep. Tom Lantos (D-Calif.) "faulted the administration's exclusive reliance on the six-nation negotiating framework, arguing that substantial bilateral contacts are necessary to reach any deal." Lantos also charged that Assistant Secretary of State Christopher Hill has "been undercut in his diplomacy" by "hard-liners lodged in the office of the Vice President and the Defense Department." Undersecretary of State Nicholas Burns countered, "Some people are insisting that the United States should negotiate with North Korea solely on a bilateral basis, but the North Korean problem, especially its pursuit of nuclear weapons, is a regional problem, it's not just a bilateral issue, because this problem poses a threat to all of its neighbors."

Meanwhile, the AP (11/16, Schweid) reports Rep. Brad Sherman of California proposed that the US offer Pyongyang "a nonaggression pact as part of a deal in which the North Koreans permanently and verifiably give up their nuclear weapons." But GOP Rep. Ileana Ros-Lehtinen of Florida cautioned against concessions or any acts of "appeasement."

Rice Urges Terror Finance Crackdown On Pyongyang. AFP (11/16) reports Secretary of State Condoleezza Rice "urged Asia-Pacific nations to crack down on illicit financial activities by 'weapons proliferators,' in an indirect reference to North Korea." Speaking at an APEC ministers meeting in Hanoi, Rice said, "Confronting the threats posed by terrorism, proliferation of weapons of mass destruction, natural disaster and pandemic disease is inextricably tied to the prosperity of the region. We also hope that APEC members will take all necessary actions to prevent the abuse of their financial systems by weapons proliferators."

North Korea Unlikely To Give Up Nuclear Program, US Experts Say. McClatchy (11/16, Schoof) reports North Korean officials are "proud of their country's nuclear test and are unlikely to be persuaded easily to give up their nuclear weapons," a group of Korea experts said Wednesday after a visit to the reclusive communist nation. Siegfried S. Hecker, a nuclear scientist and former director of the Los Alamos National Laboratory, "said he and the others met with the head of North Korea's Yongbyon nuclear center, Ri Hong Sop, but weren't allowed to visit the center. They also spoke with high-ranking officials in the Ministry of Foreign Affairs, the army and the government."

Frist Seeks $10 Billion For Humanitarian Assistance For North Korea. AFP (11/16) reports out-going Senate Majority leader Bill Frist introduced a bill "calling for the establishment of a $10 billion fund to prepare for any humanitarian crisis" in North Korea. Frist said President Bush should have "all necessary tools at his disposal to deal with foreseeable humanitarian contingencies on and around the Korean Peninsula." The retiring senator said the proposed legislation was to be "a sign of hope to the people of North Korea, who have suffered for six decades under one of the cruelest regimes the world has ever known."

Administration's Iran Policy Seen As "Confused And Defensive." The Financial Times (11/16, Dinmore) reports, "Rarely has the Bush administration seemed so confused and defensive about its policy of seeking to isolate Iran as it responds to mounting public and

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international pressure to find a way out of Iraq, even if that involves making a U-turn and engaging Tehran. On Monday, in reply to a question about the US opening a dialogue with Iran over Iraq, the president made a direct link with the nuclear issue, demanding that Tehran first verifiably suspend its uranium enrichment program. Since then senior officials have had to row back from those comments on the nuclear link. A US offer, extended earlier this year to Tehran to discuss Iraq, can be 'reactivated,' officials said." For his part, Assistance Secretary McCormack said, "If, in the future, we want to avail ourselves of that channel, then it certainly is a possibility," noting that he "did not think it was under consideration." However, the Times says Deputy Assistant Secretary Satterfield "contradicted this assertion," telling a Senate committee Thursday that the US was "reviewing the timing of a 'direct dialogue' with Iran on the subject of Iraq." Meanwhile, "Analysts say that as the US scrambles to find an honorable exit from Iraq, opening a new channel to Iran is very much under consideration."

Similarly, the Washington Post (11/16, A22, Wright, 690K) reports that the White House is "under growing pressure to talk to Iran and Syria to help stabilize Iraq, but mounting violence in Iraq and the Bush administration's political woes give the negotiating edge to Tehran and Damascus and complicate any US outreach, experts say. The idea of talks is widely expected to be on the list of proposals that will come out of the Iraq Study Group report next month, because co-chairman and former secretary of state James A. Baker III and other members back engaging enemies as well as allies. British Prime Minister Tony Blair this week endorsed talking with Tehran and Damascus, with caveats. The CIA director and the head of the Defense Intelligence Agency said yesterday that talks could help. And an array of experts has encouraged the administration to reach out to the countries that have meddled most in Iraq. But the Bush administration is already questioning the idea, and even supporters admit that full cooperation by both Iran and Syria may have little impact on the many-sided insurgency. Neither country has much sway over Iraq's Sunnis or the al-Qaeda branch in Iraq, as both are ruled by Shiites or Shiite offshoots." The Post notes that Secretary Rice, traveling yesterday to a conference in Vietnam, said that she is prepared to talk to "anybody, anywhere, anytime" under circumstances in which she believed progress was really possible.

Author Says Olmert Sought "Green-Light" From Bush For Pre-Emptive Strike On Iran. In a Wall Street Journal (11/16, 2.04M) op-ed, Michael B. Oren, author and senior fellow at the Shalem Center in Jerusalem, recalls former President Lyndon B. Johnson's message to Israeli Foreign Minister Abba Eban in 1967 that "Israel will not be alone unless it decides to go it alone." According to Oren, "A similar message was imparted by George W. Bush in his meeting earlier this week with Israel's Prime Minister Ehud Olmert. Much like 1967, Israel faces a Middle Eastern leader who has repeatedly sworn to wipe it off the map, and to that end is assiduously trying to acquire nuclear weapons. … In the absence of international commitment to thwart Iran's nuclear plans, Israel has no choice but to consider striking pre-emptively. Doing so, however, requires explicit US support, or at the very least, an indication that the US will not oppose such action. … Mr. Olmert came to Washington in search of a green light." However, Oren says the US is "hardly in the position to sanction an Israeli attack. Bogged down in Iraq and hemorrhaging political capital at home, Mr. Bush resembles Johnson in his inability to approve risky military initiatives." Therefore, he says Olmert and his government "must consider [the] consequences as they decide on Israel's next moves. The ramifications of that decision are certain to affect America as well. … Israel may indeed act alone, but in the minds of a great many people in the Middle East, the US acts with it."

Envoys Fail To Break Deadlock On Proposed UN Sanctions. AFP (11/16) reports, "Six major UN powers failed to break the deadlock in their bid to agree on a package of targeted sanctions against Iran over its refusal to suspend sensitive nuclear fuel work." US Ambassador to the UN, John Bolton, said diplomats "did not make any progress" at talks Wednesday, but will "meet again in the near future." He also noted that the sanctions issue "may also be discussed at the foreign minister level on the margins" of the APEC summit in Hanoi.

During an appearance on CNN's Lou Dobbs Tonight (11/15), Bolton said, "It's pretty clear that Ahmadinejad is not at all impressed with the Security Council's last resolution which requires that Iran suspend its uranium enrichment activities. This is a key element of getting nuclear weapons capability. We're trying to move for sanctions in the Security Council. We've run into a roadblock with the Russians. We're still working on it. We met again today, but with no progress. … The International Atomic Energy Agency just

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issued another report saying that for the last three months, Iran has not cooperated at all in resolving some of the key unresolved questions. The Iranians are, obviously, feeling their oats and this is a real issue, whether the Security Council can follow through on its earlier resolution."

Iran Dismisses UN Report On Uranium. The AP (11/16, Karimi) reports Iran Wednesday "dismissed a UN report that inspectors found new traces of enriched uranium and plutonium at a nuclear waste facility, saying it had already explained that discovery." Meanwhile, Iranian President Mahmoud Ahmadinejad "insisted the West will gradually back down in its standoff with Iran and eventually accept its nuclear program." Speaking to a crowd during a visit to Iran's Kurdistan province, Ahmadinejad said, "While the West tries to thwart the progress of our nation, time is on our side. They would have to take one step back with every passing day and approve the right of the Iranian people."

Pelosi's Views On China Likely To Set Tone In Congress. The Wall Street Journal (11/16, A4, King, 2.04M) reports that when Democratic Rep. Nancy Pelosi becomes House speaker in January, her views on China -- which include "criticisms [of its] human-rights abuses and unfair trade practices, as well as allegations that China is manipulating its currency and seeking technologies to undermine US national security" – "could set the tone for a new Congress looking to get tough on Beijing." However, the Journal concedes that "just how much Mrs. Pelosi and other top Democrats will focus on China -- and how much influence they will have on China policy -- is hard to predict. But apprehensions run high in Beijing and Washington that a Pelosi-led, Democrat-controlled House could seize on China trade and security issues to bash President Bush, much as congressional Republicans did in the final years of the Clinton administration."

Israel Raids Gaza In Response To Palestinian Rocket Attack. The Washington Post (11/16, A18, Wilson, 690K) reports, "An Israeli woman was killed Wednesday in a Palestinian rocket strike on the town of Sderot, prompting some Israeli lawmakers to demand a sharp military response in an effort to end such attacks from the Gaza Strip." The attack "brought competing assertions of responsibility from the Hamas and Islamic Jihad movements, both of which said the attack on a residential neighborhood was retaliation for Israeli shelling last week." Meanwhile, the Washington Times (11/16, Mitnick, 88K) reports that "Israeli warplanes raided the Gaza Strip overnight" in retaliation for the Palestinian rocket attack. The Chicago Tribune (11/16, Greenberg, 617K) also reports on the attack.

WSJournal Says Human Rights Commission Biased Against Israel. The Wall Street Journal (11/16, 2.04M) editorializes that the UN's new Human Rights Council "has been worse," after replacing the Human Rights Commission this year, despite US objections. Legal scholar Bayefsky has "pointed out" the "obsessive focus on Israel." In July, the Council "condemned Israeli operations in the West Bank and Gaza," and in August, "it cited Israel for 'massive violations of human-rights' in Lebanon." Now the Council "has dispatched 'fact-finders' to Gaza to report on the latest fighting.

War Seen As Looming Between Somali Government, Islamists. McClatchy (11/16, Bengali) reports, "Five months after Islamist militias defeated a coalition of CIA-financed warlords, Somalia appears to be sliding toward a major war that diplomats fear will draw thousands of foreign fighters to the Islamist side and spill into neighboring countries. The rise of the Islamists, who took control of the capital, Mogadishu, in June and since have seized most of southern Somalia, already was a setback for US counterterrorism efforts in the region, where al-Qaida loyalists are believed to be hiding." McClatchy adds, "A full-scale war would be a major test for Bush administration policy in a place that Osama bin Laden has called a battlefield in his war against the West." Iran, Syria, Libya, Egypt, Saudi Arabia, Djibouti and Eritrea "are backing the Islamists with a dizzying influx of weapons, supplies and military personnel, according to a new United Nations report to be presented Friday to the UN Security Council. The support ranges from uniforms to first-aid kits to surface-to-air missiles, and, in one case, guerrilla training at a camp in Syria, the report says. On the other side is Somalia's weak interim government, backed by US ally Ethiopia, which the report says has sent thousands of troops to protect the government's hold on its only major outpost." A "senior US military officer conceded last week that the U.S. has no strategy in place should war break out."

GAO Audit Cites Waste In USAID's Cuban Program. The Washington Post (11/16, A12, DeYoung, 690K) reports, "Nearly all of the $74 million a federal agency

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has spent on contracts to promote democracy in Cuba over the past decade has been distributed without competitive bidding or oversight in a program that opened the door to waste and fraud," according to a report released yesterday by the Government Accountability Office. In "one of the more extreme cases of apparent abuse," the GAO said the Miami-based Accion Democratica Cubana used government money to purchase "a gas chainsaw, computer gaming equipment and software (including Nintendo Game Boys and Sony PlayStations), a mountain bike, leather coats, cashmere sweaters, crab meat, and Godiva chocolates." Rep. Jeff Flake (R-Ariz.), who requested the audit along with Rep. William D. Delahunt (D-Mass.), "said the lack of oversight and the failure to follow government rules led to creation of a money trough that existed largely to provide jobs and operating funds to Miami-based activists who oppose Cuba's communist government." Meanwhile, Delahunt "said at a Capitol Hill news conference that he would hold hearings on issues raised in the audit when the new Congress convenes under Democratic leadership." In its official response to the 59-page GAO report, USAID said that it was "taking issue" with unspecified findings but that it would "seek to improve agency performance in managing, monitoring and evaluating this assistance." The AP (11/16, Abrams) runs a similar report.

Cubans Using Alternate Routes Into US. The USA Today (11/16, Gomez, 2.27M) reports that as the Coast Guard and Border Patrol agents "are heavily focused on the eastern shore," more fleeing Cubans "driving high-speed boats are popping up on Florida's less-populated, less-patrolled southwestern coast." On Monday, "28 Cubans reached land in Naples," and on the previous day, "17 landed on Sanibel Island." That trend "forced the Border Patrol to shift a special unit to southwest Florida this year to help law enforcement track down the smugglers." New routes "account for only part of the recent upswing in Cuban migration to the USA."

Hughes Says Diplomacy Rules Have Improved Missions Abroad. In a letter to the editor of the Washington Post (11/16, A26, 690K), Undersecretary of State Karen Hughes writes, "The memorandum that was the subject of 'Karen's Rules on Diplomacy: Talk to the Media -- if You Dare' [Federal Page, Nov. 8] was originally distributed more than a year ago and is having its intended effect of freeing US ambassadors to engage with the media around the world. It's disappointing that neither The Post nor the organizational psychologists it consulted bothered to check with the State Department before publishing the article. If you had, you would have learned that these guidelines empower our ambassadors rather than restrict them." Hughes says that when she "arrived at the State Department and met with ambassadors last year, many told me that they felt they were not allowed to speak on the record to the media unless the interview was 'pre-cleared' by Washington. While this perception was not entirely accurate, many ambassadors hesitated to speak on the record without specific permission." In response, Hughes says the "the resulting rules cited by The Post have been applauded by our missions abroad; in fact, they were reissued at the request of public affairs officers because many ambassadors are new."

Kabila Reelected In Congo. The AP (11/16, Faul) reports, "Incumbent President Joseph Kabila was declared the winner Wednesday of Congo's tense runoff election, defeating his rival and ex-rebel leader, Jean-Pierre Bemba, in the country's first multiparty contest in more than four decades." Kabila "won with about 58 percent of the vote, compared with nearly 42 percent for Bemba, said Apollinaire Malu Malu, chairman of the Independent Electoral Commission." The Washington Post (11/16, A18, McCrummen, 690K), among other newspapers, also reports on the election.

French Socialists May Nominate "Glamorous, Unmarried Mother" For President. USA Today (11/16, Stinson, 2.27M) reports, "Is France, which has been led by male political lions like Charles de Gaulle, Francois Mitterrand and now Jacques Chirac, ready for a female president? And a woman who is a glamorous, unmarried mother -- and a new-breed Socialist at that? Segolene Royal, 53, who hopes to be the republic's first female president, will get a partial answer to that question this week." Socialist Party members "go to the polls today to choose their nominee for April's presidential election. Results are due Friday. … If no candidate emerges with a majority Friday, Socialists will hold a runoff between the top two vote-getters next Thursday."

Annan Cites "Frightening Lack Of Leadership" On Global Warming. The New York Times (11/16, Gettleman, 1.16M) reports, "Secretary General

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Kofi Annan on Wednesday put the blame for global warming on 'a frightening lack of leadership,' saying the poorest people in the world, who do not even create much pollution, bear the brunt of rising temperatures." Said Annan, "The impact of climate change will fall disproportionately on the world's poorest countries, many of them here in Africa. … Poor people already live on the front lines of pollution, disaster and the degradation of resources and land." He adds that "for them…adaptation is a matter of sheer survival." The Times adds, "When pressed at a news conference afterward about his comments on poor leadership, Mr. Annan denied that he was singling out the United States."

Pakistan, India Start Peace Talks. The New York Times (11/16, Sengupta, 1.16M) reports, "Peace talks between India and Pakistan, which had stalled after the bombings of commuter trains in Mumbai in July, limped forward this week," but the "dialogue between their top diplomats ended Wednesday without movement on a crucial and closely watched item: India, having accused Pakistan of involvement in the Mumbai bombings." In a joint statement, the two nations "agreed to continue talking and said they had reached agreement on 'reducing the risk from accidents relating to nuclear weapons.'"

Pakistan Moves To Change Rape Law. The New York Times (11/16, Masood, 1.16M) reports that on Wednesday, the Pakistani government "finally pushed legislation through the lower house of Parliament to amend rape laws that human rights advocates say have led to punishment for thousands of innocent victims." The legislation "gives judges the discretion to try rape cases in a criminal rather than an Islamic court," and "allows forensic and circumstantial evidence to be used as a basis for convictions, as with other crimes." It also "introduces the concept of statutory rape, outlawing sex with girls under 16."

The Washington Post/AP (11/16, A19, Garwood) also reports that Pakistan's lower house of Parliament "ditch[ed] the death penalty for extramarital sex and revising a clause on making victims produce four witnesses to prove rape cases." Pakistan's president, Gen. Pervez Musharraf, "praised lawmakers for approving the amendments and criticized fundamentalists for their 'unnecessary' opposition and their claims that his government was acting against Islam." He said, "I have taken a firm decision to change these unjust rape laws as it was necessary to amend them to protect women."

US Support Builds To Release Libyan Dissident. The Washington Post (11/16, A20, Boustany, 690K) reports, "Several members of Congress, 36 human rights organizations in the United States and abroad, and other concerned citizens plan this week to send a petition to President Bush and Secretary of State Condoleezza Rice urging them to take swift action" to secure the release of Fathi al-Jahmi, a leading Libyan dissident "a possible death sentence while being held in solitary confinement in Libya." The petition says, "The United States has now restored diplomatic relations with Libya." A State Department official said, "We do remain concerned about Libya's human rights record. We have raised Mr. al-Jahmi's case with Libyan authorities and we continue to do so since we have normalized relations. We want the Libyan government to release Fathi al-Jahmi immediately." Telephone calls to Ali Suleiman Aujali, Libya's ambassador to Washington, "were not returned."

Darfur Crisis Heightens For Chadian Children. NBC Nightly News (11/15, story 7, 2:10, Williams, 9.87M) reported that across the border in Chad, Ann Curry said, "We look at the children of this war. They are suffering from all of the violence. Even here children are vulnerable to soldiers who stalk the area, hope to kidnap and recruit boys. In the past few weeks villagers have been attacked and burned. As the fighting rages closer, there is no telling when he and his friends can go home."

Rosales Becomes Anti-Chavez Presidential Candidate. The AP (11/16, Toothaker) reports Manuel Rosales "has managed to galvanize the fractured opposition as its unity candidate to face Chavez in Dec. 3 elections, and is drawing giant crowds even though he trails the incumbent by 20 points or more in most opinion polls." However, in Venezuela's "highly polarized society, this former mayor of Maracaibo, the country's second-largest city, has seen the campaign take on religious overtones." Rosales is "one of just a handful of opposition politicians to remain a regional powerbroker in defiance of the pro-Chavez tide."

Al Jazeera Launches English-Language Channel. The CBS Evening News (11/15, story 11, 2:15, Couric, 7.66M) reported that al Jazeera, "the Arab television channel that has outraged much of the Western world by broadcasting messages from Osama bin Laden and a

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rogue's gallery of other terrorists," has "started a new channel, broadcasting in English. It's not exactly must-see TV; in fact, here in the US, it's can't-see TV." CBS (Wyatt) added, "Depending on where you live, al Jazeera's launch of a global English language channel marks either the first day of worldwide terror TV or the first global newscast not dominated by Western thinking."

LATimes Praises South Africa Over Legalization Of Gay Marriage. The Los Angeles Times (11/16, 850K) editorializes that the South African government's move to legalize gay marriage "reminded the world that its break from colonial apartheid wasn't just about changing the power structure. It was about conferring broad civil rights within its borders." The vote is "all the more extraordinary for its contrast with much of Africa on the question of homosexuality, which is illegal in most sub-Saharan countries." It's "regrettable" that South Africa will "allow civil officials to opt out of performing gay-marriage ceremonies," however "time might cure what Parliament didn't." South Africa is far from a perfect democracy, and government action alone," but on Tuesday, the nation "showed that it has shed the worst of its past and is growing into a rights-based democracy."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"L.A. Files Patient `Dumping' Charges."
"Democratic Leadership Hopefuls Marked By Ethical Questions."
"Game Is Afoot For Sony's PlayStation3."
"Even War Can't Stop Her Party."
"Iraq Pullout Talk Makes Iran Uneasy."
"Airport Hotels Ordered To Pay A `Living Wage'."

USA Today:

"Neanderthal Genome Mapping Begins."
"General: Hold Off On Iraq Pullout."
"Nev. Town To Fine For Foreign Flags."

New York Times:

"General Warns Of Risks In Iraq if G.I.'s Are Cut."
"US Airways Seeks To Acquire Delta In Bid To Be No. 1."
"In Senate Shift, Big Comeback For Trent Lott."
"Plea Deal In Seton Hall Dormitory Fire."
"Agricultural Mainstay Gets A New, Urban Face."
"New DNA Test Is Yielding Clues To Neanderthals."

Washington Post:

"O'Malley Faces A Run Of Budget Shortfalls."
"In Second Coal Rush, New Mind-Set In The Mines."
"Sectarian Strife In Iraq Imperils Entire Region, Analysts Warn."
"D.C. Moves To Become Pioneer In Forcing 'Green' Construction."
"Some Americans Lack Food, But USDA Won't Call Them Hungry."
"New Methods Let Scientists Analyze Neanderthal DNA."
"Pelosi's Role In Leadership Race Splits Democrats."

Washington Times:

"Episcopal Leaders Vote To Leave."
"Vietnam Studies Roots In Corruption Battle."
"Group Helps Siblings Save On D.C. Utility Bills."
"Top General Hits Pullout Plan By Democrats."
"House Race Pits Murtha vs. Ethics."
"Gaza Rocket Kills Israeli; Retaliatory Strike Launched."

Detroit Free Press:

"Ailing Ford's Crucial Edge Crossover Is Running Late."
"POWER PLAY: New Sony, Nintendo Systems Go Head-To-Head For Holiday Dollars."
"MITCH ALBOM: He Made Them Believe."
"United Way Beats Goal."
"Levin, General Tangle On Iraq."
"Auction To Unload New Condos, Homes."

Atlanta Journal-Constitution:

"A Grab For Delta."
"Katrina Brought Chaos To CDC."
"GOP's Lott Comes Back In No. 2 Role."

Houston Chronicle:

"Baylor Teams With UNICEF For Largest AIDS Initiative."
"Victim Says He Has No Memory Of Pipe Assault."
"Enron's Top Accountant Sentenced To 5 Years, Fine."
"Texas Windstorm Coverage Rates Up 4.1 Percent."
"Tougher Texas Grad Plan Gets An Early OK."
"Houston Mayor Searches For New City Marketer."

Story Lineup From Last Night's Network News:

ABC: Status On Iraq Sectarian Violence; Americans Soldiers Killed-Iraq; Al Qaeda Recruiting; Bush-In Asia; US Airways Bids For Delta; Severe Weather; Tsunami Warning; Medicare Drug Plan; Lott Back In Republican Leadership; Abramoff-Six

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Year Sentence; Defense Travel System-Too Costly; Sony Playstation 3 On Sale; Atlanta Aquarium.

CBS: Status On Iraq Sectarian Violence; Senator Levin Interview; Iraq Mass Kidnapping-Aftermath; US Airways Bid For Delta; Severe Weather; Abramoff-Six Year Sentence; Lott back In Republican Leadership; Immigration Reform; Male Biological Clock; Democrats For President 2008; Al Jazeera Goes English.

NBC: Status On Iraq Sectarian Violence; ISG Goes To Work; US Airways Bid For Delta; US Airways Bid-Analysis; Lott Back In Republican Leadership; Darfur Crisis; Severe Weather; Republican's Angry Over Election Results; OJ' s Book; Veterans Return Too Teach.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Visits Asian Civilizations Museum, Singapore; meets with US Embassy staff, Shangri-La Hotel, Singapore; courtesy call with the Acting President of Singapore, the Istana; meets with the Prime Minister of Singapore, the Istana; speaks at the National University of Singapore; attends social dinner with the Prime Minister of Singapore and Mrs. Lee.

VICE PRESIDENT CHENEY — No public schedule.

LAURA BUSH — Tours the National Library. Singapore.

US Senate: 9:30 a.m. ARMED SERVICES _ Readiness and Management Support Subcommittee. Hearing on the DoD business systems modernization and financial management. Comptroller General David Walker, GAO; Army Secretary Francis Harvey; Navy Secretary Donald Winter; Air Force Secretary Michael Wynne. Location: Room 232A, Russell.

9:30 a.m. JUDICIARY _ Full Committee. Oversight hearing on the Civil Rights Division of the Justice Department. Assistant Attorney General Wan Kim; Michael A. Carvin, partner, Jones Day; Ted Shaw, director-counsel and president, NAACP Legal Defense and Educational Fund; Robert N. Driscoll, partner, Alston and Bird; Joseph Rich, director, Fair Housing and Community Development, Lawyer's Committee for Civil Rights Under Law. Location: Room 226, Dirksen.

10 a.m. COMMERCE, SCIENCE AND TRANSPORTATION _ Full Committee. Hearing on reauthorization of the Pipeline Safety Program. Vice Admiral Thomas J. Barrett, USCG (Ret.), Administrator, Pipeline and Hazardous Materials Safety Administration; Timothy Felt, President and CEO, Explorer Pipeline Company; Terry Boss, Senior Vice President, Environment, Safety and Operations, Interstate Natural Gas Association of America; E. Frank Bender, Vice President of Gas Distribution and New Business Division, Baltimore Gas and Electric Company. Mr. Carl Weimer, Executive Director, Pipeline Safety Trust. Location: Room 253, Russell.

10 a.m. HEALTH, EDUCATION, LABOR AND PENSIONS _ Full Committee. Hearing on proposals to improve drug safety and innovation at the FDA. Sheila Burke, Institute of Medicine; Diane Thompson, Glaser Pediatrtic AIDS Foundation; Steven Nissen, Cleveland Clinic; Adrian Thomas, Johnson and Johnson Pharmaceutical Group; Jim Guest, Consumers Union; Greg Simon, FasterCures. Location: Room 430, Dirksen.

10 a.m. HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS _ Permanent Investigations Subcommittee. Hearing on the Defense Travel System.Acting DoD Inspector General Thomas Gimble; McCoy Williams, GAO; Undersecretary of Defense David Chu. Location: Room 342, Dirksen.

2:30 p.m. ENERGY AND NATURAL RESOURCES _ Public Lands and Forests Subcommittee. Hearing on pending legislation. Location: Room 366, Dirksen.

2:30 p.m. FINANCE _ Health Care Subcommiyttee. Hearing on the CHIP program. Nate Checketts, Director of Bureau of Access, Utah Department of Health; Lisa C. Dubay, Associate, Bloomberg School of Public Health, Johns Hopkins University, Baltimore; Sharon Carte, Executive Director, West Virginia CHIP State Capital Complex, Charleston; Nina Owcharenko, The Heritage Foundation; Ann C. Kohler, Director, Division of Medical Assistance & Health Services, Department of Human Services, Trenton, N.J. Location: Room 215, Dirksen.

2:30 p.m. SELECT INTELLIGENCE _ Full Committee. Closed briefing on pending matters. Location: Room 219, Hart.

US House: 9 a.m. SELECT INTELLIGENCE _ Full Committee. Closed briefing on global hotspots. Location: Room H-405, Capitol.

10 a.m. JUDICIARY _ Immigration, Border Security and Claims Subcommittee. Continued hearing on the Energy

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Employees Occupational Illness Compensation Program Act. Location: Room 2141, Rayburn.

1 p.m. INTERNATIONAL RELATIONS _ Full Committee. Oversight hearing on reforming foreign assistance programs.USAID Administrator Randall Tobias. Location: Room 2172, Rayburn.

Other: GOPAC _ GOPAC holds its Fall Charter meeting. Highlights: 8 a.m. Former House Speaker Newt Gingrich. 10 a.m. Discussion on what is going to be the next big threat, with Michael Ledeen, American Enterprise Institute; John Lenczowski, The Institute of World Politics; Daniel Pipes, Middle East Forum. 12:30 p.m. Luncheon speaker - Sen. Chuck Hagel. 3:30 p.m. Session on the next steps for the GOP, with Sen. Mitch McConnell, Craig Shirley. 7 p.m. Dinner speaker - Sen. John McCain. Location: Mandarin Oriental Hotel, 1330 Maryland Ave. SW.

BIOETHICS _ The President's Council on Bioethics holds a meeting. Highlights: 9 a.m. Session 1: Stem Cell Research Update. Hans Robert Scholer, Ph.D. Director, Cell and Developmental Biology, Max Planck Institute for Molecular Biomedicine. 10:45 a.m. Session 2: Stem Cell Research Update and Alternative Sources of Pluripotent Stem Cells (May 2005). 2 p.m. Session 3: Overview: Genetics Research and Clinical Applications. Robert L. Nussbaum, M.D., Holly Smith Distinguished Professor of Medicine, Chief, Medical Genetics, University of California, San Francisco. 3:45 p.m. Session 4: Overview: Genetic Ethics and Public Policy. Kathy Hudson, Director, Genetics and Public Policy Center, Johns Hopkins University. Location: Hamilton Crowne Plaza Hotel, 1001 14th St. NW.

FEDERALIST SOCIETY _ The Federalist Society holds its 2006 National Lawyers Convention. Highlights: 9 a.m. Solicitor General Paul Element. 11:30 a.m. White House Domestic Poolicy Adviser Karl Zinsmeister. 12 p.m. Session on telecommunications, with William Barr of Verizon, Paul Misener of Amazon.com, others. 1:45 p.m. Session on Criminal law, terrorists and criminal prosecutions, with Jennifer Daskal of Human Rights Watch, Southern District of New York Judge Kenneth Karas, Assistant Attorney General Kenneth Wainstein. 3 p.m. Sen. John McCain. 7 p.m. Annual Dinner, with Supreme Court Justices Samuel Alito, Jr. Marriott Wardman Park, 2660 Woodley Rd. NW. Location: Renaissance Mayflower Hotel, 1127 Connecticut Ave. NW, unless otherwise noted.

INTERNATIONAL TRADE _ 7 a.m. - 2:30 p.m. The Woodrow Wilson Center's Program on Science, Technology, America, and the Global Economy hosts a half-day conference on November to examine the economic strategies of advanced and emerging market countries and their impact on the United States. Highlights: 7:30 a.m. Opening Remarks., Lee H. Hamilton, President and Director, Woodrow Wilson Center; Kent Hughes, Director, Program on Science, Technology, America and the Global Economy, Woodrow Wilson Center. 7:45 a.m. Keynote Addresses. Sens. Lamar Alexander, R-Tenn.; and Jeff Bingaman, D-N.M. 9 a.m. Panel I - Strategies in Industrial Countries. Chair/Moderator Steven Pearlstein, Washington Post; France and Germany--Mark Lehrer, Sawyer Business School, Suffolk University; Japan--Mark Tilton, Purdue University; United Kingdom and Ireland--Gary Hufbauer, Institute for International Economics. 10:15 a.m. Panel II - Strategies in Emerging Market Countries. Vhair/Discussant John Cranford, CQ Weekly. China--Carl Dahlman, Georgetown University India--T.N. Srinivasan, Yale University. Southeast Asia--Bryan Ritchie, James Madison College, Michigan State University. 12:15 p.m. Luncheon and Panel III - Policy and Private Sector Implications. Chair/Discussant Bruce Stokes, National Journal. Negotiating with Advanced Developing Countries--Vinod Aggarwal, University of California, Berkeley. Investing for Competitiveness--Susan Butts, Dow Chemical Company. U.S. Public Policy--Rob Atkinson, Information Technology and Innovation Foundation. What Can the United States Do?--Ralph Gomory, President, Alfred P. Sloan Foundation. 1:15 p.m. Summary Remarks--Katherine Hauser, TransAtlantic Business Dialogue Kent Hughes, Woodrow Wilson Center. 1:45 p.m. Brainstorming and Discussion.

OBAMA _ 8 a.m. Sen. Barack Obama, D-Ill., attends a senators-elect orientation breakfast. Location: Room S-211, Capitol.

PRAYER BREAKFAST _ 8 a.m. Congressional Prayer Breakfast, hostedby Rep. J. Gresham Barrett, for newly elected members of Congress. Closed press. Location: Room H-120, Capitol. Notes: Stakeout in the Hall of Columns.

DEMOCRATIC CAUCUS _ 9 a.m. Meeting of the House Democratic Caucus for leadership elections. Location: Cannon Caucus Room.

ELECTION-MIDEAST _ 9 a.m. The New America Foundation holds a forum dealing with a realistic post-election assessment of the Mideast, with Rita Hauser, Chair, International Peace Academy. Location: 7th floor, 1630 Connecticut Ave. NW.

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CONGRESS-HEALTH CARE _ 9:30 a.m. American University sponsors a forum on health care initiatives in the new Congress and by the 2008 presidential hopefuls, with former Sen. John Breaux, former DNC Chairman Terry McAuliffe, former RNC Chairman Ed Gillespie, others. Location: Willard Inter-Continental Hotel, 1401 Pennsylvania Ave. NW.

MENTAL HEALTH _ 9:30 a.m. The National Mental Health Association will introduce a new agenda and name during a Capitol Hill ``launch" event. Under its new name, Mental Health America, the century-old organization will work to improve the health and quality of life of all people by helping them live mentally healthier lives. Mental Health America also will release its national attitudinal survey on American's perceptions of mental health. Participants are Rep. Patrick Kennedy, D-R.I.; A. Kathryn Power, director of the Center for Mental Health Services, SAMHSA; David Shern, president and CEO of Mental Health America; and hHealth care stakeholders from across the country. Location: Upper Senate Park on Capitol Hill (on New Jersey Avenue between Louisiana and Delaware Avenues near the fountain).

CLIMATE CHANGE _ 10 a.m. Sen. James Inhofe holds a news conference with scientists to discuss climate change and comment on the UN climate conference in Kenya. Location: Room 328A, Russell.

EVANGELICAL MOBILIZATION _ 10 a.m. The Evangelical Climate Initiative holds a news conference to launch an expanded campaign to educate and mobilize evangelicals on global warming. Location: Riverside Baptist Church, 680, ``Eye" St. SW.

GOLD STAR FAMILIES _ 10 a.m. Move America holds a news conference to report on the trip to Iraq by Gold Star Families whose children died in Operation Iraqi Freedom. The delegation has just returned from Iraq and is releasing the Gold Star Families Iraq Survey Group report on their trip, including recommendations for the future role of the United States in Iraq. Participants include Congressman Duncan Hunter, Chairman, House Armed Services Committee; and John Ubaldi, Veteran of Operation Iraqi Freedom. Location: JW Marriott Hotel, Longworth Room, 1331 Pennsylvania Ave. NW.

US-CHINA _ 10 a.m. The US-China Economic and Security Review Commission releases its 2006 annual report to Congress. Location: Room 562, Dirksen.

DODD _ 11 a.m. Sen. Christopher Dodd speaks at Howard University to issue a call to action to confront the nation's problems, using ideals that have always inspired patriotism. Location: School of Business Auditorium, Howard University, 2600 6th St. NW.

WOMEN OF THE STORM _ 11 a.m. Sen. Mary L. Landrieu, D-La., joins members of the Louisiana Congressional delegation and grassroots leaders, including the Women of the Storm, to encourage the passage of legislation to provide energy producing states with a share of offshore oil and gas revenues and dedicate the funding to coastal wetlands restoration and hurricane protection. Location: Room SC-6, Capitol.

COMPETETIVENESS _ 11 a.m. - 12 p.m. Newt Gingrich, former Speaker of the House, holds a press conference with David Abshire, President, Center for the Study of the Presidency; former Special Counsel to President Reagan and former Ambassador to NATO; Larry Wortzel, Chairman, U.S.-China Economic and Security Review Commission and Vice President for Foreign Policy, Heritage Foundation; and Rep. Jim Cooper, D-Tenn., House Armed Services Committee. They wil challenge the Administration and Congress to provide greater Defense Department funding of basic research; upport full funding of President Bushs American Competitiveness Initiative; and Release of the 2006 Benchmarks Report of the Task Force on the Future of American Innovation. Location: Reserve Officers Association, One Constitution Ave. NE, 5th Floor Conference Room.

MCCAIN _ 12 p.m. Sen. John McCain speaks a a luncheon on energy, environmental and economic priorities, sponsored by the Nicholas Institute for Environmental Policy Solutions at Duke University. Location: Mellon Auditorium, 13th St. and Constitution Ave. NW.

ALL-VOLUNTEER FORCE _ 1 p.m. The Miltary Officers Association of America and the National Defense University Foundation host a discussion, ``Can We Sustain the All-Volunteer Force in an Extended Conflict?" Panelists include Gen. Barry McCaffrey, USA ret.; Michael Dominguez, principal undersecretary of defense for personnel and readiness; and Selective Service System Director Bill Chatfield. Location: Double Tree Hotel, Crystal Ballroom, Salons A and B, 300 Army Navy Drive, Arlington, Va.

DEMOCRATS-MINIMUM WAGE _ 2 p.m. Senators Kennedy, Schumer, Harkin and Clinton will join leaders and activists from the six states that passed minimum wage initiatives to affirm their commitment to raising the federal minimum wage. Location: Room 430, Dirksen Senate Office Building.

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LABOR AWARDS _ 2:30 p.m. US Secretary of Labor Elaine L. Chao hosts the Labor Hall of Fame induction ceremony. This year's inductees are Alfred E. Smith, former Governor of New York and presidential candidate; and Charles R. Walgreen Sr., founder of the drug store chain that bears his name. Location: U.S. Department of Labor, Great Hall, 200 Constitution Ave. NW.

PETRAEUS _ 5 p.m. Lt. Gen. David Petraeus, commanding general of the U.S. Army Combined Arms Center, gives a lecture at the School of Advanced International Studies on ``Soldiering and the Schoolhouse.'' Location: Kenney Auditorium, 1740 Massachusetts Ave. NW.

NUCLEAR TERRORISM _ 6 p.m. Georgetown University holds a panel discussion on nuclear terrorism, with retired Gen. Lt. Gen. Robert Gard, Douglas Shaw of the Institute for International Law and Politics, others. Location: Copley Formal Lounge, on campus.

GLENN AWARD _ 7:30 p.m. The National Defense University Foundation hosts its America Patriot Award Gala, honoring John H. Glenn Jr, pioneer astronaut and former U.S. senator. Location: Ronald Reagan Building, 1300 Pennsylvania Ave. NW.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Federal Prosecutors Urge Conviction Of Colombian Rebel Leader. The AP (11/16, Yen) reports, "The government urged jurors Wednesday to convict Colombian rebel leader Ricardo Palmera, saying he should be held responsible in a plot to keep three Americans hostage, whatever his politics. … But the defense portrayed Palmera as a man who deserves jurors' benefit of the doubt as a tangential leftist sympathizer caught in the middle after trying to negotiate a deal between guerrilla fighters and the U.S.-backed Colombian government. … 'By definition, if you're a rebel, no state is ever going to recognize you. By definition, a prosecutor is always waiting for you,' said Palmera attorney Robert Tucker. 'It tells you, "Don't go for the labels of terrorist. Don't go for the misstatements of evidence."'" The AP continues, "In closing arguments, Justice Department attorney Kenneth Kohl exhorted the jury to look past the 'political smoke' in the five-week trial of Palmera, who has called the aims of his FARC leftist group noble and peaceful. … 'FARC is not above the law,' Kohl said, as Palmera, dressed in khaki pants, a navy blazer and green tie, quietly scribbled on a notepad. 'Holding people against their will for political purposes is what terrorism is.'" The AP adds, "Chief U.S. District Judge Thomas Hogan instructed the 12-member jury to begin deliberations Thursday in a case in which the lives of the three Americans – who are still being held in the thick jungles of south Colombia – may hang in the balance. … Palmera, 56, is charged with hostage-taking, conspiracy and providing material support to terrorists after a plane carrying the U.S. military contractors encountered engine trouble and crashed in Colombia in February 2003. … Palmera, who is better known by his nom de guerre Simon Trinidad, was extradited in late 2004 after his capture in Ecuador. If convicted, Palmera could face 30 years in prison, the maximum allowed under the extradition treaty between Colombia and the United States."

Padilla Case Raises Questions Over Torture And Subsequent Prosecution. The Christian Science Monitor (11/16, Richey, 59K) reports the Jose Padilla case "is raising fundamental questions about whether a US citizen's harsh treatment -- and alleged torture -- while in US military custody should prevent his later prosecution in the criminal-justice system." Padilla's lawyers say he "was tortured while being held for three years and eight months as an enemy combatant," and want all criminal charges against him to be dropped "because of the government's alleged illegal and abusive treatment." While federal prosecutors said in a written motion this that Padilla "was not tortured or abused," even if "he had been tortured, they added, there is no legal support for Padilla's request that all charges against him be dismissed." Assistant US Attorney Russell Killinger wrote, "Padilla has not cited a single precedent absolutely barring a federal criminal prosecution because of alleged due process violations committed during a prior military detention."

Detainee's Lawyer Tries To Prevent Heart Procedure At Guantanamo. The AP (11/15, Selsky) reports an attorney for Saifullah Paracha, a "69-year-old multimillionaire businessman" from Pakistan who is being detained at Guantanamo Bay, "has asked a judge to block a planned medical procedure on the prisoner's heart, saying that performing it at the U.S. base puts his life at risk." Paracha has "already had one heart attack while in U.S. custody and in recent days has suffered chest pains, his lawyers said." The lawyer says the procedure should be carried out at a hospital in the US or Pakistan.

German High Court Finds Motassadeq Guilty Of Abetting Murder. Bloomberg (11/16, Rach) reports, "Germany's highest criminal court found Mounir el-Motassadeq guilty of abetting the murder of more than 2000 people in the Sept. 11 attacks in the U.S., overturning part of a lower court's decision. The Federal Court of Justice today upheld the lower court's ruling that el-Motassadeq, a 32-year-old Moroccan, was guilty of being a member of the Hamburg terror cell that participated in the attacks. El-Motassadeq's seven-year jail sentence will be reassessed by the Hamburg Higher Regional Court," in light of the ruling.

Motassadeq Case Said To Expose Flaws In International Anti-Terror Cooperation. The Christian Science Monitor (11/16, Wiltenburg, 59K) writes, "If convicted terrorist-cell member Mounir el-Motassadeq walks free Thursday from a German courtroom, he may have US security policy to thank." Motassadeq, "direct and respectful before his judges," is "less well-known than recently sentenced 9/11 conspirator Zacarias Moussaoui, whose courtroom theatrics drew broad attention to his trial in the US. But the dramatic legal odyssey of the first man ever tried in connection with the Sept. 11 attacks has been the focus of bitter recrimination between German and US officials, who have denied the case's lawyers access to statements from a key witness. As both countries attempt to strike the right balance between national security and the rule of law, observers say the case is a prime example of why it will take better global cooperation to succeed in the war on terror."

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Ex-Pentagon Official Says Terror War Tactics Must Reflect US Values. In a Washington Post (11/16, A27, 690K) op-ed, Center for Strategic and International Studies President John Hamre, a former deputy defense secretary, writes, "In the warm glow of post-election bipartisanship, Congress and President Bush would do well to take on a crucial task: forging a new legal foundation for the global war on terrorism. The current policy framework is a disaster. While I know it's not true, still, the world believes that America condones torture, prison camps and 'disappearance' tactics." The US "will lose the global war on terrorism if we feel we must adopt tactics that undermine our civic values. For generations the world has admired America's commitment to the rule of law and government accountability. Much of the world now questions that commitment."

HOMELAND RESPONSE:

US Seen As Unprepared For Dirty Bomb Attack. In a story titled "Dirty Bombs: A Nation Unprepared," KTVT-TV Dallas (11/15, Riggs) reported on its Web site from a piece broadcast yesterday, "Agents gather outside the nation's capital at the FBI's Training Academy in Quantico, Virginia to train on how to prevent or identify the perpetrators of such an attack. … Travis Callaway, a nuclear specialist with the FBI, says it's easy for terrorists to get their hands on the key ingredients. 'Getting an industrial or medical isotope is not that difficult to come by. There are literally millions of sources around the world. They are used in industry and medical purposes all the time. Most are not guarded at all or under simple lock and key.' Two dozen response teams, based at FBI offices across the country, receive 300 hours of specialized training on weapons of mass destruction. … The teams maintain a low profile at high profile events says John Fraga the chief of the Hazardous Materials Response Unit. 'The majority of our work in prevention has been deploying to special events or events that would attract the attention of certain groups. Having us on site is certainly the better thing to have so we can assess threats and packages and things like that.'" However, Charles Ferguson of the Council on Foreign Relations "says there is a lot of worry that the government is not prepared" for a dirty bomb attack, "especially in the wake of its slow response to Hurricane Katrina." KTVT added, "At the current pace of research and planning, reliable safety advice from the government may be a long time coming."

FBI Arrests Massachusetts Student For Bomb Threat Hoax To NSA. The Boston Herald (11/16, Johnson, 184K) reports, "A 21-year-old University of Massachusetts student sent a booze-fueled bomb hoax to the National Security Agency, claiming a man he'd randomly plucked from facebook.com was planning a suicide attack on the Sears Tower, according to an FBI affidavit. Agents yesterday arrested Adam Hart of Georgetown, at UMass Amherst, where he now goes to school. … He pleaded not guilty to malicious conveying of false information and was released on a $10,000 unsecured bond."

Judge Upholds Law Banning Instruction On How To Make Firebombs. The San Diego Union-Tribune (11/16, Soto, 324K) reports US District Judge Jeffrey A. Miller in San Diego "has rejected a radical activist's request to invalidate a law making it illegal to tell people how to make a firebomb with the intention that they go out and commit a violent crime." Rodney Coronado "argued that the law infringed upon the First Amendment protections of free speech," but "Miller Wednesday sided with prosecutors, who said the law was tailored to apply to specific criminal activity which the government has a responsibility to control." The Union-Tribune notes, "On Aug. 1, 2003, Coronado gave a speech…in which, in response to a question from the audience, he demonstrated how he made a gasoline-fueled device he used to burn down a Michigan State University laboratory in 1992. Hours earlier, an arson fire destroyed a huge housing complex under construction in University City causing $50 million in damage. A group for which Coronado has acted as spokesman, the Earth Liberation Front…took credit."

Hatfill Urges Judge To Fine NYTimes Over Refusal To Disclose Sources. The New York Sun (11/16, Gerstein) reports that in his libel lawsuit against the New York Times, Steven Hatfill "has asked a federal judge to fine the newspaper $25,000 a day for refusing to disclose its confidential sources and to increase the fine amount by $25,000 each month in an attempt to encourage the paper to comply." The Sun notes, "While the FBI searched Mr. Hatfill's home and the Justice Department eventually named him as a 'person of interest' in the anthrax case, neither the scientist nor anyone else was ever charged in connection with the crimes." In the fine motion, Hatfill lawyer Thomas Connolly "painted the Times's refusal to comply as brazen and willful," but NYTimes lawyers note that "the names of only two sources are being withheld. Mr. Kristof has said both were FBI employees."

Attorney Disputes US Claims Of Sexual Activity On Airplane. The AP (11/16) reports from Raleigh, NC, "A man arrested for allegedly engaging in 'overt sexual activity' with his girlfriend on an airliner was lying with his head on her lap because he was not feeling well, his attorney

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said. … That gesture was misinterpreted by a flight attendant, who humiliated and harassed the couple, said attorney Deb Newton, who represents Carl Persing." The AP continues, "Persing and Dawn Sewell, both of Lakewood, California, face federal charges of interfering with flight crew members, allegedly by disobeying a flight attendant's request that they stop their public displays of affection. … They were arrested on Sept. 15 when they arrived at Raleigh-Durham International Airport on a Southwest Airlines flight from Los Angeles. … 'The one witness I've talked to and the defendant dispute almost everything in the government's affidavit as to what happened on that airplane,' Newton said."

Gonzales Meets With Allard About SuperMax Funding. The Rocky Mountain News (11/15) reports, "U.S. Sen. Wayne Allard, R-Colo., met today with U.S. Attorney General Alberto Gonzalez to seek support in adding $12 million to the Commerce, Justice and State Appropriations bill to fund a perimeter fence at Supermax in Florence." The News continues, "Allard's office said that during the meeting, Gonzalez pledged to work with Allard to address the funding issue for the fence." The News adds, "The prison holds a number of the nation's most notorious terrorists such as 9/11 conspirator Zacarias Moussaoui and 1993 World Trade Center bomber Ramzi Yousef. … A Justice Department inspector general's report in September criticized the prison for a number of shortcomings, including a lack of security and failure to monitor the mail. … 'Today's meeting was extremely productive,' said Allard. 'Attorney General Gonzales assured me that the mail deficiencies raised in the inspector general's report are being addressed, and he agreed to discuss the need for a perimeter fence with the Bureau of Prisons director and follow up with me on the potential avenues to funding the fence.'"

KCNC- TV Denver (11/15, 6:00 p.m.) broadcasted, "For years, neighbors have been asking the government to improve the security. Today, Allard met with Attorney General Alberto Gonzales. They talked about money for the fence and a recent study that cites several safety issues."

WAR NEWS:

Abizaid Rejects Iraq Withdrawal Timetable. USA Today (11/16, Kelley, 2.27M) reports on its front page that Gen. John Abizaid, the top US commander in the Middle East, "urged Congress to resist withdrawing American troops from Iraq any time soon, a stance that drew sharp disagreement from top Republicans and Democrats."

The three broadcast networks focused largely on the domestic political aspect of the story, with ABC World News (11/15, lead story, 2:50, Gibson, 8.78M) saying Abizaid "found himself caught between sort of a rock and a hard place, today, on Capitol Hill. The rock: the unrelenting violence in Iraq. The hard place: the rising tide of American disapproval for the war. A week after voters sent a strong signal of dissatisfaction for the war," Abizaid "warned the Senate Armed Services Committee, do not set a timetable for troop withdrawal."

The CBS Evening News (11/15, lead story, 1:40, Couric, 7.66M) cast it slightly differently, beginning, "They won control of Congress with calls to start pulling US troops out of Iraq. But one week later, the Democrats have run into their first big roadblock, a roadblock with a green uniform and four stars." Meanwhile, NBC Nightly News (11/15, lead story, 2:45, Williams, 9.87M) focused more directly on the military aspect, saying, "For those Americans in a rush to get out of Iraq, the top US Commander on the ground had a warning today: Don't do it." While Abizaid "is no stranger to incoming fire he faced a lot of tough questions and a lot has changed since his last visit to Capitol Hill, including what the voters had to say."

CNN's The Situation Room (11/15, Bash) said Abizaid "came here to Capitol Hill, and a lot of what he did was reject the ideas coming from both sides of the aisle. First and foremost, he said once again that the idea that Democrats are proposing for a timetable for withdrawal, even starting in four to six months, is a non-starter. … He even said no to the idea, floated for some time now by Republican Sen. John McCain, to put more troops into Iraq." The Financial Times (11/16, Sevastopulo) says Abizaid "drew the ire" of McCain "by saying he did not believe more troops would help the US stop the bloodshed." But Abizaid did say he "had requested an increase in the number of U.S. military advisers in Iraq and had sent another 2,000-Marine unit into the country's restive western region," the Los Angeles Times (11/16, Spiegel, 850K) reports.

The New York Times (11/16, Gordon, Mazzetti, 1.16M) reports midway through its front-page story that Abizaid "also publicly said for the first time that the American position in Iraq had been undermined by the Bush administration's decision not to deploy a larger force to stabilize the country in 2003." That decision came after then-Army Chief of Staff Gen. Eric Shinseki "told Congress that several hundred thousand troops would be needed. His testimony was derided" by Defense Secretary Donald Rumsfeld.

McCain, Clinton Among Most Vocal Critics. The Washington Post (11/16, A22, Ricks, Tyson, 690K) says the "first major Iraq hearings since the Nov. 7 midterm elections revealed blunt impatience among Democrats as well as open frustration from Republicans, and produced the rare spectacle of presidential hopefuls from both parties taking aim at the general." McCain "voiced disappointment that Abizaid seemed to be clinging to the 'status quo,'" while Sen. Hillary Clinton "took exception with Abizaid's talk of all the steps that the Iraqi government needs to take. 'Hope is not a

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method,' she told him. 'We've had testimony now for four years about what 'must be done' -- and it doesn't get done.'" The Washington Times (11/16, Scarborough, 88K) says McCain said, "It's not encouraging to those of us who heard time after time that things are, quote, 'progressing well,' that we're making progress, et cetera, because we're hearing from many other sources that that's not the case."

The New York Times (11/16, Zernike, 1.16M) says in a front page story that "there were three contenders for president" on hand -- Clinton, McCain, and Sen. Evan Bayh, as well as Sen. Joseph Lieberman, "the self-described 'Independent Democrat'…who is at risk of bolting and taking his party's new narrow majority with him."

Levin Says He Was Surprised By Abizaid's Assessment. Sen. Carl Levin said on CNN's The Situation Room (11/15, Blitzer), "What Gen. Abizaid basically said which did surprise me is that he thinks that things are getting somewhat better in Iraq. And according to the two leaders of our intelligence community, the head of the Defense Intelligence Agency and the head of the Central Intelligence Agency, who testified this afternoon, things are getting worse in Iraq."

Levin said on the CBS Evening News (11/15, story 2, 1:15, Couric, 7.66M), "I was somewhat frustrated because I thought basically he was saying that we should stay the course, which is, I think, clearly a position that's been rejected by the American people overwhelmingly, staying in course in Iraq is not a strategy for success. The horrible violence on the ground, it seems to me, is proving that everyday."

The AP (11/15, Flaherty) reports Levin "told reporters he was encouraged the general said all options should remain on the table." Levin said, "The only way for Iraqi leaders to squarely face that reality is for President Bush to tell them that the United States will begin a phased redeployment of our forces within four to six months."

Reed Sees No "Specific Time" For Withdrawal. Asked about withdrawal timelines on MSNBC (11/15, Mitchell), Sen. Jack Reed said, "I don't think there's a specific time. I think we understand that that is essentially a military judgment. But there's a series of very important questions. One is, is there a tipping point in which the chaos is going to become out of control and our presence there will not be particularly effective? Have we reached that tipping point?"

Casey Opposes Timetables. McClatchy (11/16, Youssef, Brown) reports that while Abizaid argued against withdrawal timetables in Washington, US Iraq commander Gen. George Casey said in an interview that the situation "remains too unstable to withdraw troops and that setting a date for U.S. troops to start leaving would 'just allow folks to wait us out.'"

Senate Democratic Leaders Worry Bush Not Ready For Iraq Changes. The Christian Science Monitor (11/16, Feldmann, 59K) reports the "leadership of the new Senate Democratic majority expressed concern Wednesday that President Bush does not understand the urgency of the situation in Iraq, and does not appear to be planning for change beyond replacing Donald Rumsfeld as secretary of Defense." At a Monitor breakfast, incoming Senate Majority Leader Harry Reid said, "We are bound and determined to change course in Iraq. We have a plan, we have enunciated that plan, we have done it through legislation and a lot of talk, and we'll continue to do that." The Monitor adds Reid was "accompanied by his deputies in the Democratic leadership, Richard Durbin of Illinois, Charles Schumer of New York, and Patty Murray of Washington." Later, the senators "added that they were not pushing for impeachment, of either Bush or Cheney." Reid said, "One of the things that we were able to cut off pretty quickly is the 'impeach Bush' program. That was because of two words: Dick Cheney." The Monitor adds Schumer "blamed the administration for not listening to multiple points of view, saying that when someone does, 'they kneecap him.'"

Iraq Study Group's "Washington Insiders" Seek Solution. NBC Nightly News (11/15, story 2, 2:15, Williams, 9.87M) profiled the Iraq Study Group, a group of "Washington insiders who hope to forge a way out of a bad spot in Iraq." NBC (Mitchell) added, "To the rescue: Ten Washington veterans -- five Republicans and five Democrats -- battled scarred by decades of political wars, trying to find a way out of a real one. … How to bridge the divide between staying the course and withdrawing starting in four to six months? People close to the commission say it will be tough, a phased withdrawal tied to deadlines for Iraq's government to control the violence."

Iraqis Also Debating Future Of US Operations. The New York Times (11/16, A17, Tavernise, 1.16M) writes, "While Americans in a faraway land debate their fate, Iraqis have already decided on the cure. The only problem is that there is more than one set of Iraqis. Shiites want their country back. Sunni Arabs want a strongman. They cannot agree." As the US "grapples with difficult decisions over the war, Iraqis are also debating. But just when they need to band together, they have never been further apart. … The landscape is that of a country sliding into war, and Sunnis and Shiites, like Republicans and Democrats, desperately look for ways out." Shiites "agree with many Democrats: American soldiers should withdraw to their bases. Sunnis say total control by the Shiite-dominated government could mean massacres."

The Washington Post (11/16, Knickmeyer, 690K) reports on its front page that "while American commanders have suggested that civil war is possible in Iraq, many leaders, experts and ordinary people in Baghdad and around the Middle East say it is already underway, and that the real worry ahead is that the conflict will destroy the flimsy Iraqi state and draw in surrounding countries." The Post says that

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"according to U.S. and Arab analysts and political observers," whether the US "departs Iraq sooner or later, the United States will be hard-pressed to leave behind a country that does not threaten U.S. interests and regional peace."

Iran Now Concerned About Rapid US Exit From Iraq. Meanwhile next door, Iran is expressing concerns about a prompt US withdrawal. The Los Angeles Times (11/16, Murphy, 850K) reports the fresh post-election "talk of a phased pullout have touched off a discussion in Tehran about the outright anarchy that could result." A political commentator on Tehran's English-language news channel said Tuesday night that the US should "remain in Iraq until it has established a strong, stable central government capable of providing adequate security."

Kondracke Says More US Troops Needed In Iraq. In his Roll Call (11/16) column, Morton Kondracke writes, "To salvage stability from what looks like inevitable chaos in Iraq, the United States needs a new strategy that produces security, political reconciliation and hope. That should involve sending more U.S. troops -- at least on a temporary basis -- while pressuring the Iraqi government for reform and mounting a massive jobs project to reduce unemployment in the country." While it "would be politically impossible" for the White House to seek a troop level increase following the midterm elections, "conceivably it could be done if the idea is blessed by the Iraq Study Group."

About 70 Freed, But Iraq Kidnapping Leads To Confusion, Infighting. The AP (11/15, Wagner) reports kidnappers "released about 70 people snatched in a mass abduction by suspected Shiite militiamen," a sign the militants "went too far and Iraq's leader may be yielding to intense U.S. pressure to crack down on sectarian violence." But PM Nouri al-Maliki "clearly has more work to do. Iraqi police, hospital and morgue officials reported 105 new violent deaths Wednesday; 54 of the victims were tortured and shot, their bodies dumped in Baghdad." The CBS Evening News (11/15, story 3, , Couric, 7.66M) said officials "are trying to sort out the details of the mass kidnapping. … It's still not clear exactly how many people were kidnapped yesterday, estimates range from 40 to 150, or how many people are still being held."

The New York Times (11/16, A16, Semple, 1.16M) reports that a "dispute erupted Wednesday between Iraqi officials" over the incident. A spokesman for Minister of Higher Education Abed Dhiab al-Ajeeli said "nearly 100" captives were still being held," but chief government spokesman Ali Dabbagh "contended that only 39 people had been kidnapped and that all but 2 had been released. Both men angrily dismissed the other's comments as false."

Educators See Incident As Assault On Schools. The Washington Post (11/16, A23, Raghavan, 690K) runs a feature on the woes of Iraq's colleges in the wake of the "brazen daylight raid on a Ministry of Higher Education building." The "most profound effect of what many Iraqis view as a national calamity was felt in university halls and campuses across Iraq. Here, the abductions highlighted the plight of academics and an educational system besieged by sectarian tensions, lawlessness and government ineffectiveness."

Platoons' Investigation Of Mass Kidnapping Recounted. The Los Angeles Times (11/16, Smith, 850K) runs the third installment of its four-part series on the platoons of the 4th (Tomahawk) Battalion, 23rd Infantry Regiment, 172nd Stryker Brigade Combat Team that spent part of October investigating the kidnapping of at least 22 Iraqi men from a meatpacking plant in southwest Baghdad.

More Commentary On Sectarian Violence. In a Los Angeles Times (11/16, 850K) op-ed, Michael Rubin of the American Enterprise Institute writes that the Maliki government "has proved a grave disappointment. Security has worsened since Maliki has been in power. Ignoring the pleas of U.S. officials, he has been unwilling to crack down on the militias and death squads that fuel sectarian violence -- and the mass kidnapping from a Ministry of Higher Education building in Baghdad on Tuesday by gunmen in police uniforms shows the consequences. … But does this mean that the U.S. ambition to bring democracy to Iraq was a mistake? As a supporter of the war, and later an advisor to the U.S. occupation authority, I don't think so. Despite our disappointment with Maliki, the strategic rationale for promoting democracy in the Middle East -- and in Iraq in particular -- remains sound."

In a Los Angeles Times (11/16, 850K) op-ed, the American Prospect's Laura Rozen writes, "A debate is emerging inside the Bush administration: Should the U.S. abandon its efforts to act as a neutral referee in the ongoing civil war and, instead, throw its lot in with the Shiites? A U.S. tilt toward the Shiites is a risky strategy, one that could further alienate Iraq's Sunni neighbors and that could backfire by driving its Sunni population into common cause with foreign jihadists and Al Qaeda cells. But elements of the administration, including some members of the intelligence community, believe that such a tilt could lead to stability more quickly than the current policy of trying to police the ongoing sectarian conflict evenhandedly, with little success and at great cost."

Six More US Troop Deaths Reported In Iraq. ABC World News (11/15, story 2, 0:15, Gibson, 8.78M) reported, "In Iraq today, the US military reported the deaths of six American forces. Two were killed in a roadside bombing in Baghdad. The others died in fighting in al Anbar province, the volatile region west of the capital."

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Locals Afraid To Join Police Force In Anbar. USA Today (11/16, 11A, Brook, 2.27M) examines the lack of protection and pay for police in Iraq's Anbar Province. The volatile "Sunni stronghold" is "lightly held by about 33,000 U.S. troops spread across 53,000 square miles." USMC Maj. Gen. Richard Zilmer, the regional commander, "has said he doesn't command enough forces to defeat the insurgency. Instead, American forces are training Iraqi soldiers and police officers to do it." But "locals are reluctant to join the police because insurgents are waging an effective intimidation campaign and there aren't enough American forces to protect every recruit."

Soldier Pleads Guilty In Mahmoudiya Rape-Murder Case. The AP (11/15, Lenz) reports Spc. James Barker, one of the four US soldiers "accused of raping a 14-year-old Iraqi girl last spring and killing her and her family" in Mahmoudiya, has pleaded guilty and agreed to testify against the others. His civilian attorney David Sheldon said Barker "agreed to the plea deal to avoid the death penalty." When military judge Lt. Col. Richard Anderson asked Barker why he participated in the assault, Barker replied, "I hated Iraqis, your honor. They can smile at you, then shoot you in your face without even thinking about it."

Resurgent Taliban, Al Qaeda Using Iraq Methods In Afghanistan. The Washington Post (11/16, A22, Linzer, Pincus, 690K) reports CIA Director Gen. Michael Hayden and Defense Intelligence Agency Director Lt. Gen. Michael Maples told the Senate Armed Services Committee that al Qaeda's "influence and numbers are rapidly growing in Afghanistan, with fighters operating from new havens and mimicking techniques learned on the Iraqi battlefield for use against U.S. and allied troops." They said both al Qaeda and the Taliban "are back, waging a 'bloody insurgency' in the south and east of the country." Hayden said, "The direct tissue between Iraq and Afghanistan is al Qaeda. The lessons learned in Iraq are being applied to Afghanistan." Senators "noted the increased use of roadside bombs and the relatively new phenomenon of suicide attacks, which had not been seen in Afghanistan before the Iraq war."

Al Qaeda Finds Fruitful Recruiting Grounds In Pakistan. ABC World News (11/15, story 3, 2:40, Ross, 8.78M) reported, "Al Qaeda's ability to find new recruits is of great concern to officials. … Much of that recruiting is taking place in Pakistan. This is one of the places where US and Pakistani officials say Al Qaeda has been able to find new recruits: A yearly gathering in a field, held this week outside Lahore, Pakistan, attended by more than one million religious, conservative Muslims who belong to a group that opposes violence. But intelligence sources tell ABC News Al Qaeda uses the setting as cover."

Christmas Trees Donated To Troops, Families At Home. USA Today/AP (11/16, 9A, Kates) reports Christmas tree growers across the US "are donating thousands of trees to them and their families stateside. … The 'Trees for Troops' effort is part of a campaign by the National Christmas Tree Association's Christmas Spirit Foundation to collect more than 11,000 trees in 27 states."

CORPORATE SCANDALS:

Former Enron CAO Sentenced For Securities Fraud. The AP (11/16, Lozano) reports, "Richard Causey, the last of the top Enron Corp. executives to learn his punishment, was sentenced Wednesday to five-and-a-half years in prison for his role in one of the biggest corporate scandals in U.S. history." The AP continues, "Causey, the company's former chief accounting officer, pleaded guilty in December to securities fraud two weeks before he was to be tried along with Enron founder Kenneth Lay and former Chief Executive Jeffrey Skilling on conspiracy, fraud and other charges related to the company's collapse." The AP adds, "Causey, 46, had agreed to serve seven years in prison. Prosecutors indicated they could have recommended it be reduced to five if they were pleased with his cooperation. … The maximum penalty for securities fraud is 10 years in prison and a fine of $1 million or twice the amount illegally gained." The AP notes, "Causey also agreed to fork over $1.25 million to the government and forfeited a claim to about $250,000 in deferred compensation as part of his plea deal. Unlike others at Enron, Causey didn't skim millions of dollars for himself from shady deals. … Prosecutors dropped their plan to seize Causey's home, a $950,000 two-story, red brick house in a Houston suburb. … Causey, the government's 16th cooperating witness who entered a guilty plea, had faced more than 30 counts of conspiracy, fraud, insider trading, lying to auditors and money laundering."

USA Today (11/16, Farrell) reports, "Causey's sentence includes $1.25 million in forfeiture and a fine of $25,000. He could have received up to seven years under the plea deal he entered last year." USA adds, "Earlier this year, a jury in Houston convicted Enron's two former CEOs, Ken Lay and Jeff Skilling, of lying to the public about the company's financial health. For his role in the fraud, Skilling was sentenced to 24 years and four months in prison. Lay's conviction was vacated because he died in July before he had the chance to appeal the verdict. … Causey was originally scheduled to go to trial as a co-defendant with the two men. … Former Enron chief financial officer Andrew Fastow, the other member of the company's inner sanctum of

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management, pleaded guilty in early 2004, agreeing to serve a 10-year sentence for crimes he committed at the company. But because of his cooperation, which culminated in one week of trial testimony on behalf of the government against Lay and Skilling, a federal judge in September reduced his sentence to six years."

The Washington Post (11/16, D01, Johnson) reports, "Corporate insiders portrayed Causey, a former accountant at Arthur Andersen LLP known for his genial personality and his love of golf, as a man cowed by Enron's aggressive, rules-bending culture. But prosecutors on the Justice Department's since-disbanded Enron Task Force contended that fraud could not have flourished without Causey's actions and his failure to blow the whistle on others. … His get-along attitude helped Causey steadily climb the corporate ladder, and he became Enron's top accountant in 1998, three years before the company's demise. Causey and his wife, Elizabeth, last year forfeited $1.25 million in a bank account, and he gave up the rights to about $250,000 more in deferred pay from Enron."

SEC Launches Formal Probe Of Dell's Accounting Practices. The Austin American-Statesman (11/16, Zehr) reports, "Federal securities regulators have launched a formal investigation into Dell Inc.'s financial record-keeping, upgrading an informal inquiry they started a year ago." The A-S continues, "Dell disclosed the development Wednesday evening. At the same time, it said it would postpone its third-quarter financial report, which had been scheduled for today, until the end of the month. … Dell said the move was related to ongoing reviews of its accounting, not the upgrading of the Securities and Exchange Commission investigation. … 'It really is just a high degree of prudence that's being placed on all our financial reporting right now,' said spokesman Jess Blackburn. 'There's just a high degree of care being given to reviewing that material and being certain of what we want to report before we report it.'" The A-S adds, "The SEC does not comment on investigations, and there have been few clues about what the probe involves. Dell previously has said the reviews focus on 'issues related to accruals, reserves and other balance-sheet items.' … A formal investigation indicates the agency has reason to believe there are problems with Dell's books and gives the agency the authority to subpoena testimony and documents. … The formal investigation and postponed earnings come just as Dell appeared to have shrugged off the most serious effects of a yearlong stretch of setbacks." The A-S notes, "Dell first revealed concerns about its financial reporting in August, when it said it had been the subject of an information investigation by the SEC. In response to that inquiry, Dell said it had found some accounting problems stretched back before the investigation started and asked the audit committee to begin an independent probe. … By September, the reviews had raised the interest of the Justice Department. The U.S. attorney for the Southern District of New York asked for documents going back to 2002."

The Wall Street Journal (11/16, A2, Lawton) reports, "Neither Dell nor the SEC has disclosed the exact nature of the issues being investigated. In September, Dell issued a statement noting that the probe could involve potential issues 'relating to accruals, reserves and other balance- sheet items.' Companies use accruals and reserves when they sell services but deliver them at a later date. In Dell's case, the company typically sets aside funds from current operations to cover the cost of future warranty claims." The Journal adds, "The intensifying investigation is the latest in a series of setbacks for Dell. Over the past year, the onetime highflier has suffered slower growth and falling profits amid a struggle to compete against resurgent rivals such as Hewlett-Packard Co. Dell recently lost its position as the world's largest personal-computer seller, according to market researchers IDC and Gartner. It also announced a battery recall involving millions of laptops in August because the batteries were a potential fire hazard. Dell's stock has fallen 14% so far this year."

The New York Times (11/16, Darlin) reports, "The announcement surprised analysts, as had previous announcements about the accounting investigations. Dell had announced preliminary results for its second quarter in August, but has not yet filed the required 10-Q quarterly report of those earnings with the S.E.C. The company also canceled an analysts' meeting in September at the last moment, citing the S.E.C.'s investigation. … The company said that it would announce its third-quarter results in a news release at the end of the month and its top executives would not hold the customary conference call with analysts and journalists."

Former Hewlett-Packard Chairwoman Pleads Not Guilty. The AP (11/16, Robertson) reports, "Former Hewlett-Packard Co. Chairwoman Patricia Dunn pleaded not guilty Wednesday to four felony identity theft and fraud charges for allegedly instigating the company's ill-fated spying probe into boardroom leaks." The AP continues, "Dunn appeared briefly for her arraignment in Santa Clara County Superior Court and was released on her own recognizance after her lawyer entered the plea for her. … She and her attorney, Raj Chatterjee, declined to comment as they left court." The AP adds, "Dunn, 53, is one of five people charged in the computer and printer maker's clandestine efforts to unmask board members who discussed company business with reporters. Investigators used a shady ruse known as 'pretexting' to obtain the confidential phone logs of directors, reporters and others to trace the source of the leaks. …

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Testifying before a congressional in September, Dunn said she was repeatedly reassured by HP's lawyers about the legality of its detectives' subterfuge. … She resigned from HP's board after the scandal broke in early September. The two-time cancer survivor recently began chemotherapy for ovarian cancer."

Auditors Clear SEC's Financial Statements. The Washington Post (11/16, D02, Johnson) reports, "Auditors gave the financial statements of the Securities and Exchange Commission a clean bill of health, a sign that the market watchdog has taken steps to fix problems that prompted a lawmaker last year to chide the agency for what he called 'hypocrisy.'" The Post continues, "The Government Accountability Office, which reviewed the SEC's books for the fiscal year ended in September, said in documents issued yesterday that the SEC had come close to fully resolving past weaknesses in its financial controls. … The GAO had cited problems with how the SEC tracks penalties it levies, with its information systems controls and with its financial reporting process. Now, auditors say, those issues are far less serious than they were." The Post adds, "This is the third year the SEC has allowed outside audit of its books and financial controls, which are designed to help prevent fraud and mistakes. … The problems were exposed in March 2005, the same time securities regulators were imposing stiff new rules that forced managers at publicly traded companies to assess their own controls. The rules have proven expensive and controversial and are the focus of an aggressive and well-funded business lobbying campaign. This week, leaders at the SEC and the Public Company Accounting Oversight Board, which oversees the audit industry, have been working to resolve differences in their approach to modifying the rules."

Corporate Board Ousters Could Spur More Options Probes. The Los Angeles Times (11/16, Petruno) reports, "By ousting KB Home chief Bruce Karatz over inflated stock option awards, the Los Angeles company's board instantly made the executive a high-profile potential target for federal prosecutors, legal experts say." The Times continues, "More than 50 corporate officers nationwide have resigned or been fired in the continuing scandal over alleged option manipulation, but most of those have been at relatively small companies. …As the head of a business with $10 billion in annual sales, Karatz automatically would present a higher priority to government investigators than executives who ran much smaller firms, several attorneys said. … 'Especially if it's someone senior, I think those go to the top of the list' for prosecutors, said John Olson, a partner at Gibson, Dunn & Crutcher in Washington." The Times adds, "Authorities have not accused Karatz of wrongdoing, and spokesmen for both the U.S. attorney's office and the Securities and Exchange Commission declined to comment Wednesday on Karatz or KB Home. The company in August disclosed that the SEC was conducting an informal investigation of its option practices. … On Sunday, the company's board announced that Karatz had resigned following an internal investigation that determined he was responsible for setting 'incorrect' stock option grant dates from 1998 to 2005. The effect was to boost the value of those grants for Karatz and other KB Home executives. … 'It's a huge thing for a board to kick out a CEO,' said Thomas Curran, an attorney at Ganfer & Shore and a former assistant district attorney in New York. … The directors said that Karatz and Gary A. Ray, who had been the company's human resources chief, chose the option grant dates."

CRIMINAL LAW:

Abramoff Reports To Federal Prison. ABC World News (11/15, story 10, 0:30, Gibson, 8.78M) reported, "And the man who once wielded tremendous influence in Washington, is tonight, a Federal prisoner. Former lobbyist, Jack Abramoff, at the center of a Capitol Hill corruption scandal, began serving an almost six-year sentence in Maryland. He was convicted of fraud in a Florida business deal. Meanwhile, ABC's George Stephanopoulos reports the Democratic Party's first order of business on Capitol Hill, will be to ban all gifts and travel paid for by lobbyists, once they, the Democrats, take control of the House and Senate in January."

The CBS Evening News (11/15, story 6, 0:15, Couric, 7.66M) reported, "A former Washington insider has a new roof over his head. Lobbyist Jack Abramoff reported today to the Federal pen in Cumberland, Maryland. He'll serve six years for business fraud. Abramoff is still cooperating with a corruption investigation allegedly involving members of Congress and White House officials."

The AP (11/16) reports from Cumberland, MD, "Disgraced lobbyist Jack Abramoff, convicted of federal charges after using expensive gifts, campaign donations and exotic trips to win access to the powerful in Washington, went to prison Wednesday." The AP continues, "Abramoff arrived at about 6:30 a.m. EST at a relatively secluded prison facility in western Maryland to begin serving a nearly six-year prison sentence for a fraudulent deal to buy a fleet of casino ships in Florida. … Abramoff was delivered out of sight of waiting reporters and camera crews and his arrival was announced in a two-paragraph statement by a prison representative." The AP adds, "The part of the camp where Abramoff will be kept is a 334-bed minimum security facility located near an industrial park along the north branch of the Potomac River. … The camp is all male. It consists of a number of two-story dormitories that are light red cinderblock structures. Each

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dormitory contains a number of six-bed cubicles, and Abramoff was being assigned to one of those. The prison is nearly surrounded by Appalachian Mountain ridges rising along either bank of the Potomac on the Maryland and West Virginia sides of the river. … Stephen Finger, executive assistant at the prison, said all inmates work while there. Incoming inmates such as Abramoff typically are assigned to menial jobs such as food service work. Finer said that inmates can work their way up from low-level jobs paying 12 cents an hour to better positions paying up to 40 cents an hour."

The Legal Times (11/16, Palmer) reports, "Abramoff also faces jail time after pleading guilty in Washington to fraud, tax evasion and conspiracy to bribe public officials. Justice Department lawyers have put off Abramoff's sentencing related to those charges, citing his cooperation with the department's ongoing corruption probe. He is expected to be sentenced in that case next year." The Times adds, "Although Abramoff was originally supposed to report to prison in Pennsylvania, the Justice Department intervened in late October, suggesting the Federal Correctional Institute in Cumberland as its preferred choice. Located in western Maryland, the medium-security facility is within driving distance of Washington, allowing federal prosecutors easy access to Abramoff. … Abramoff was sentenced in March by U.S. District Judge Paul Huck in the Southern District of Florida after pleading guilty to wire fraud, conspiracy to commit wire fraud, and mail fraud. He was also sentenced to three years of supervised release."

Third Man Pleads Guilty In 2002 New Hampshire Phone-Jam Case. The Manchester (NH) Union Leader (11/15, Distaso) reports, "A third conspirator has agreed to plead guilty to federal criminal charges in connection with a Republican operation that jammed Democratic get-out-the-vote telephone lines on election day, 2002." The Leader continues, "Shaun Hansen, whose former telemarketing firm placed the hundreds of line-jamming calls after being hired by a Republican operative, admits violating federal statutes outlawing telephone harassment and conspiracy to commit telephone harassment. … He faces maximum penalties of $250,000 and five years in prison for the harassment charge and a fine of $250,000 for the conspiracy charge. But under an agreement filed in U.S. District Court in Concord this week, federal prosecutors agreed not to oppose Hansen's request for sentence reduction 'based upon the defendant's apparent prompt recognition and affirmative acceptance of personal responsibility for the offense.'" The Leader adds, "The Justice Department also agreed not to prosecute Hansen on any additional charges.Hansen owned the former Idaho-based Mylo Enterprises, a telemarketing firm that was paid $2,500 by GOP consultant Allen Raymond to place hundreds of hang-up calls to five Democratic Party offices and the Manchester firefighters union headquarters to jam their get-out-the-vote and rides-to-the-polls telephone lines. The operation proceeded for about 90 minutes on the morning of election day, 2002, before being called off by the former GOP state chairman.According to previous court documents and testimony, Raymond was hired by former state Republican executive director Charles McGee for $15,600 to find a firm to make the calls. McGee and Raymond also spoke with former Republican National Committee official James Tobin about the operation, according to court documents and testimony."

Television Pitchman Sentenced For Selling Faulty Computers. The AP (11/16, Dale) reports from Philadelphia, "A TV pitchman who defrauded customers, banks and vendors out of $39 million by selling them faulty computers was sentenced to more than seven years in prison by a judge who called his conduct 'unforgivable.'" The AP continues, 'George Capell, 51, continued to scheme until the end, tapping a secret bank account even after his bankruptcy and guilty plea to indulge a taste for strip clubs, fancy cars and a Florida condominium, authorities said. … 'This to me is unforgivable,' U.S. District Judge Anita B. Brody said Tuesday in handing down an 86-month sentence, near the top of the sentencing guidelines. … Capell's lawyer, Scott DiClaudio, blamed the losses on 'a failed business model.'" The AP adds, "After seeing Capell's TV infomercials, some customers spent upward of $2,000 apiece on computer systems that arrived, if at all, with broken or missing parts. Many of the customers were disabled or unemployed, and needed the computers to find jobs, the judge said. … Others lived in rural areas far from an electronics store, and were forced to buy computers sight unseen, said bankruptcy court trustee Lawrence Lichtenstein. … The bilked customers, from more than a dozen states, have received restitution of 25 cents on the dollar, Lichtenstein said. He hopes to eke out another 10 cents on the dollar for them through the sale of Capell's condominium and half the proceeds of Capell's $1 million home. … Capell pleaded guilty to 41 fraud and money laundering counts in April. His company, which did business as the Video Computer Store, ran a call center and warehouse from 1999 to 2001."

Global Police Unit Created To Hunt Down Pedophiles. USA Today (11/16, Leinwand) reports, "U.S. agents are joining authorities in Canada, Britain and Australia to form a global police unit that will help monitor the Internet for child molesters who seek victims online." USA continues, "Law enforcement representatives from each country met here Wednesday to discuss the program, one of the latest in a series of initiatives aimed at countering the rising number of

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ways in which pedophiles and pornographers use the Internet to harm children. … Under the program, known as the Virtual Global Taskforce (VGT), agents from each nation will take turns monitoring a London-based website (www.virtualglobaltaskforce.com) that responds to reports from youths and others about suspected predators, says VGT Chairman Jim Gamble, chief executive officer of the United Kingdom's Child Exploitation and Online Protection Center." USA adds, "Investigators can immediately trace a suspect's location through his Internet connection and contact a local police agency to further investigate the case or make an arrest, Gamble says. As authorities have done in anti-child-pornography programs, VGT investigators also will go undercover in chat rooms and on websites where pedophiles are likely to be, he says. … The VGT is one of dozens of ways police and child protection groups try to catch predators and stem the trade in pornographic photos of children. The groups work with Internet service providers and credit card companies to identify websites used to trade such photos. Congress has boosted funding for investigations and prosecutions aimed at child porn."

Judge Rules Alleged Cuban Spy's Statement To FBI Should Be Admitted. The AP (11/16) reports US Magistrate Judge Barry Garber in Miami "refused Wednesday to throw out a lengthy statement given to the FBI by a college professor charged along with his wife with acting as illegal agents of Cuba's communist government." Garber "ruled that…Carlos Alvarez gave the statements voluntarily, was free to leave the FBI interviews any time and was never promised immunity from prosecution. The statements Alvarez gave to the FBI in summer 2005 are the cornerstone of the federal case." The AP notes, "Alvarez's lawyer will have a chance to contest the ruling before U.S. District Judge K. Michael Moore, who is overseeing the case, issues a final decision."

Boston US Attorney's Office Says Reported Bulger Sighting Inconclusive. The Boston Globe (11/16, Murphy, 413K) reports, "The tip sounded like a scene out of a movie: Fugitive gangster James 'Whitey' Bulger was believed to have been spotted at a San Diego theater last month, checking out Jack Nicholson's portrayal of him in the new gangster film, 'The Departed.' … But yesterday, the US attorney's office in Boston, which is overseeing the hunt for Bulger, 77, one of the FBI's 10 Most Wanted, said the sighting remains uncorroborated. 'Bulger Fugitive Task Force investigators have reviewed all relevant material related to the recently reported sighting of James Bulger in San Diego,' Robert Krekorian, executive assistant US attorney, said in a prepared statement. 'At this time, no one has concluded that the individual in question is, in fact, James Bulger.' Krekorian added that, as with every lead in the manhunt, all 'logical and appropriate investigative steps' are being taken."

Federal Agents To Be On Lookout At Funeral For Bulger's Girlfriend's Mother. The Boston Herald (11/16, Sweet, 184K) reports, "The South Boston mother of James 'Whitey' Bulger's girlfriend, Catherine Greig, will be laid to rest today, presumably never to know if her fugitive daughter is dead or alive." Jenit L. Greig "died Monday. … Sources said federal authorities, who have been hunting for Bulger and Greig nearly 12 years, will be watching." The Herald also notes the US attorney's office statement about the sighting report.

Former New Jersey Councilman Pleads Guilty To Taking Bribe. The Newark Star-Ledger (11/16, Martin) reports former West Long Branch Councilman Joseph DeLisa "yesterday admitted taking a $1,500 bribe in an FBI sting, the latest conviction in a long-running investigation of municipal corruption in Monmouth County. … Under questioning from Assistant U.S. Attorney Marc Larkins, DeLisa acknowledged taking the bribe in November 2003 from a cooperating FBI witness posing as a demolition contractor. He said he had been introduced to the contractor by then mayor Paul Zambrano. In return for the money, DeLisa promised his support on no-bid township contracts." The Star-Ledger notes, "Zambrano was the first to enter a plea more than a year ago; he admitted taking $15,000, but has not yet been sentenced." The AP (11/16) adds that DeLisa "could receive as much as 20 years in prison when sentenced in March."

FBI Searches Home Of Philadelphia Labor Leader In Ongoing Tax-Fraud Probe. The Philadelphia Inquirer (11/16, Shiffman, Schaffer, 385K) reports, "Federal agents executed a search warrant at the home of labor union leader John J. Dougherty last week as part of their tax-fraud investigation into a local electrical contractor, sources said. The sources, who declined to be identified because the matter remains under investigation, said agents entered the South Philadelphia home of Dougherty, a possible 2007 mayoral candidate, early Friday morning. Philadelphia FBI spokeswoman Jerri Williams said she could neither confirm nor deny the raid." The Inquirer notes, "Friday's search represents the most recent turn in the sprawling investigation of the contractor, Donald 'Gus' Dougherty, who is a close friend of but no relation to John Dougherty. … Sources said agents have asked whether electricians' union leaders knew about an alleged scheme by Gus Dougherty to avoid paying federal taxes and union health and pension payments by paying union electricians in cash."

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FBI Joins Corruption Probe Of Kentucky School Official. The Lexington Herald-Leader (11/15, Mueller, 113K) reported, "The FBI has joined a Johnson County grand jury investigation into allegations that a former school district finance director allegedly had her son on the system's payroll while he was in jail." Peggy L. VanHoose "allegedly paid her son, Michael D. VanHoose, thousands of dollars between 2000 and 2005, although he spent 92 weeks of that time in the Big Sandy Regional Detention Center, according to jail records and a recent audit conducted for the school district. Assistant Commonwealth's Attorney David Blankenship said yesterday that an FBI agent had contacted Johnson County prosecutors about the case." The Herald-Leader added, "Meanwhile, a Johnson County grand jury is scheduled to meet Thursday to question witnesses, including new schools Superintendent Steve Trimble, a school board member and VanHoose's former payroll officer, Shelby Jean Coleman."

NYPD, FBI Bust Billion-Dollar Sports Betting Ring. In a widely-distributed story, the AP (11/16, Hays) reports, "More than two dozen people, including a former professional baseball scout and a high-stakes poker player, were charged Wednesday in connection with a billion-dollar-a-year gambling ring that rivaled casino sports books. The massive illegal betting scheme was orchestrated through a site called Playwithal.com, run by the poker player, James Giordano, 52, of Pine Crest, Fla., Police Commissioner Raymond Kelly and Queens District Attorney Richard Brown said. A break in the case came last year when New York Police Department investigators secretly hacked into a laptop computer that Giordano had left in a Long Island hotel while attending a wedding, police said. He was arrested early Wednesday by FBI agents who had to scale the walls of his fortess-like Florida compound." The AP notes, "The scheme involved placing sports bets through bookies, who would assign bettors a secret code to track their wagers and monitor point spreads and results through the restricted Web site. The bets were taken on all kinds of sports, including football, baseball, basketball, hockey, car racing and golf."

The Miami Herald (11/16, 286K) reports, "At first, FBI agents and Miami-Dade County police tried to trick Giordano, 52, into letting them onto his property. They phoned him from a call box next to the entrance gate of his walled Pinecrest estate, saying they needed to get in to catch a burglar. He said no. Armed with arrest and search warrants, they then climbed over Giordano's four-foot wall and knocked on his front door. They arrested him about 6 a.m. Tuesday, and he was placed in police custody. FBI spokeswoman Judy Orihuela said FBI agents also searched the South Florida homes of some other suspects and the offices of companies involved." The Washington Post (11/16, E2, 690K) notes, "Also arrested was Frank Falzarano, 52, of Seaford, N.Y., who was identified by prosecutors as a scout for the Washington Nationals and a former scout for the San Francisco Giants. He allegedly was a top earner in a network of 2,000 bookies who took more than $3.3 billion in cash wagers since 2004 from tens of thousands of customers nationwide."

Newsday (11/16, Parascandola) notes that FBI agents arrested Giordano and reports Police Commissioner Ray Kelly said, "This is the largest illegal gambling operation we have ever encountered. It rivals casinos for the amount of betting: $3.3 billion over the last 28 months alone. … The suspects in New York, New Jersey, Florida and Nevada have been charged with various counts of enterprise corruption, money laundering, gambling and conspiracy, according to Queens District Attorney Richard Brown, whose office is prosecuting the case because it started in that borough. Seized were gambling records, about $6 million in cash, real estate and a football signed by the 1969 Super Bowl champion Jets." Also noting the FBI arrest in Florida, the New York Post (11/16, Venezia, Martinez, Livingston, 631K) adds, "Authorities said the ring even had 'wire rooms' in Costa Rica and St. Maarten. It was busted in Queens because authorities there got wind of the operation while investigating a prescription drug resale scheme linked to the Bonanno crime family in 2005." The New York Daily News (11/16, Moore, Shifrel, 729K) also reports the story, under the headline "You Lose! 3B Ring Bashed."

Puerto Rico Secretary Of State Ordered To Turn Over Documents For Fundraising Probe. In a story distributed by McClatchy, the Miami Herald (11/16, Robles, 286K) reports, "Puerto Rico's Secretary of State has until Friday to produce documents relating to dozens of people and firms in the latest chapter of a months-long federal probe of donations to a political campaign in 2000 by the current governor. The office of Secretary of State Fernando Bonilla has confirmed that it received a subpoena for all documents…on more than 60 individuals or companies tied to a handful of Philadelphia fundraisers. The fundraisers helped collect campaign contributions for Anibal Acevedo Vila's 2000 race for resident commissioner." McClatchy notes, "FBI San Juan office spokesman Harry Rodriguez said federal law prohibits him from discussing grand jury probes. 'The FBI has jurisdiction to investigate public federal election law violations involving excessive campaign contributions, corporate contributions and conduit contributions made through third parties,' Rodriguez said. 'It is not unusual for these illegal contribution cases to be connected to schemes to corruptly influence elected officials.'"

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California City's Mayor, Administrator Charged With Corruption. The Los Angeles Times (11/16, Becerra) reports, "Capping years of investigations into Vernon, Los Angeles prosecutors today filed public corruption charges that accused the small industrial city's longtime mayor of voter fraud and the former city administrator of using public funds for personal use." The Times continues, "The indictment came after decades of complaints by critics that the city south of downtown Los Angeles operates as a fiefdom by leaders, including Mayor Leonis Malburg, who has been in office for more than 50 years. He is the grandson of Vernon's founder." The Times adds, "Most of Vernon's homes are owned by Malburg, other council members and the city. Most of the 91 residents are city employees. .. Prosecutors charged that Malburg has been fraudulently voting in Vernon elections, even though he has long lived in a posh estate in Hancock Park, 20 miles from the gritty city that is home to various manufacturing businesses and factories. … The district attorney's office charged that longtime city administrator Bruce Malkenhorst Sr. used $60,000 in city money for personal uses. Makenhorst was the highest paid city official in the state before stepping down two years ago, earning more than $600,000 a year for running a city of fewer than 100 people."

New Evidence Found In New York Murder Case. The New York Times (11/16, Dwyer) reports, "More than two years ago, investigators from the Queens district attorney's office sat in Jaime Acevedo's living room and listened to him describe a night in 1992 -- an instant, really -- that has yet to end." The Times continues, "Mr. Acevedo, seen by the authorities as an ordinary, law-abiding, working man with no reason to lie, said that he knew the inside details on a little-noticed murder in Woodside, one that seemed to have been solved and settled long ago." The Times adds, "Investigators had never spoken with Mr. Acevedo or realized that he knew anything about the case. But in fact, Mr. Acevedo told them, he had unwittingly given the killer a ride to and from the murder scene. The man he named had never been connected or charged with the crime. .. .There was more. .. .Mr. Acevedo said the one person accused and convicted of the murder had nothing to do with it. That man, Joshua Rivera, sentenced to 37 years, had not even been present, according to Mr. Acevedo. … The story did not end there. The district attorney's investigators found another man who told essentially the same story as Mr. Acevedo: he, too, said that he had been in the car with the killer and that Mr. Rivera was not involved." The Times notes, "Two years later, Mr. Rivera, 36, is still serving time for the murder, and the man named as the real killer by the two new witnesses has not been charged. .. .In an era when DNA tests seem to have made unraveling convictions as easy as untying a shoe, Mr. Rivera's case is a reminder that the criminal justice system, by law and custom, generally resists the reopening of jury verdicts, at times even in the face of new evidence that seems strong. … It is also a vivid example of the discretion that prosecutors can exercise in not only bringing cases but also reviewing their outcomes."

Simpson Book On Murders Roundly Condemned. The Los Angeles Times (11/16, Abcarian, Miller) reports, "The two abiding emotions that characterized the O.J. Simpson double murder case -- revulsion and fascination -- surfaced again this week when, just in time for November television sweeps, Simpson revealed that he will take part in a two-part Fox television special and release a book that will address how he might have killed his ex-wife, Nicole Brown, and her friend Ron Goldman. … 'If I Did It,' is to be released Nov. 30 by Regan, an imprint of HarperCollins, which is owned by Rupert Murdoch's News Corp. Another division of News Corp, the Fox network, will air a two-part interview with Simpson, conducted by his publisher, Judith Regan, on Monday, Nov. 27 and Wednesday, Nov. 29. In the book and the interviews, according to a statement from HarperCollins, Simpson will give a 'bone-chilling account of the night of the murders,' which took place on June 12, 1994." The Times adds, "As condemnation flowed from victims' families, publishers, broadcasters, bloggers and others involved in the sensational criminal case, Regan defended her decision to publish the book. . 'It's not fiction,' she said Wednesday evening at a dinner for the National Book Awards in New York. As to whether Simpson would agree with that, she replied, 'I don't know.' She sidestepped questions about whether the former football star had approached her, or the other way around, and how he might be paid. But she acknowledged the torrent of criticism already directed at the joint television-book project. … Simpson, who was acquitted of murder, was found responsible for the killings in a subsequent civil trial. The televised trial deeply divided the U.S., often along racial lines, changed the way crime scenes are handled and spawned a new category of TV personality -- the courtroom legal analyst."

CIVIL LAW:

Unions Object To Latest Bonus Plan For Dana Officials. The AP (11/16, Hopkins) reports, "Unions representing Dana Corp. employees say its proposal to pay millions to executives while it plans to cut health care and retiree benefits should be struck down. … 'It is precisely this double standard — insulating executives from the consequences of bankruptcy while workers must cope with harsh, draconian consequences — that Congress sought to eliminate' with the a recent bankruptcy reform act, the unions

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said in court papers." The AP continues, "The joint objection from the United Autoworkers and United Steelworkers unions comes in the midst of Dana's renewed efforts to get bankruptcy court approval for a long-term incentive plan. … Dana, of Toledo, Ohio, makes axles, frames and other large components for cars and commercial trucks and is highly dependent on customers General Motors Corp. and Ford Motor Co. … The company is one of at least a half-dozen large U.S. auto-parts companies that have fallen into bankruptcy due to production cutbacks by the country's biggest auto makers." The AP notes, "Under the proposal, Dana Chief Executive Michael J. Burns will receive up to $4.5 million during 2007 and up to $2.25 million in 2008. The payments are tied to the achievement of various earnings benchmarks. The payments aren't guaranteed. … Dana's latest proposal is a step down from a previous plan that entitled Burns to $9.1 million over the next few years, including a $6 million bonus once the auto-parts supplier emerged from bankruptcy protection. … The latest proposal is Dana's second attempt to get Judge Burton Lifland to sign off on the bonus plan. He denied the first plan on Sept. 5, saying it clashed with provisions of the 2005 bankruptcy law. Those provisions allow retention bonuses only if the employee has a competing offer for equal or higher pay. … The Justice Department has consistently opposed Dana's efforts, and in court papers Tuesday, U.S. Trustee Diana G. Adams said the company again failed to meet the requirements for bonus payments under the reform act."

CIVIL RIGHTS:

Man Alleging LAPD Beating Pleads No Contest To Resisting Arrest. The Los Angeles Times (11/16, Hong, McGreevy, 850K) reports, "The man who was repeatedly punched by a Los Angeles police officer on a video circulated on the Internet struck a plea bargain Wednesday and was released from jail." William Cardenas "pleaded no contest to a misdemeanor charge of resisting, delaying or obstructing an officer." The Times adds, "Asked whether the video had led to the deal, Deputy Dist. Atty Michael Yglecias said: 'I would be lying if I said it didn't.'" However, "LAPD Chief William J. Bratton told Patt Morrison in an interview on KPCC-FM…that he did not think the release of the video, and the widespread exposure that followed, had an effect on Cardenas' getting a reduction in charges." Bratton added, "If anything, the video would show he resisted arrest." In a widely-distributed story, the AP (11/16) notes, "The clip caused a sensation, with 155,000 views, and eventually prompted the FBI and the Los Angeles Police Department to investigate. Police said Cardenas had been wanted on charges of receiving stolen property when they confronted him."

Video Shows Third Alleged Excessive Force Case. The Los Angeles Times (11/16, Covarrubias, Silverstein, 850K) reports, "The latest in a recent spate of cellphone videos documenting questionable arrest tactics surfaced Wednesday, this one showing a UCLA police officer using a Taser to stun a student who allegedly refused to leave the campus library. Grainy video of the Tuesday night incident at UCLA's Powell Library was broadcast Wednesday on TV news and the Internet, prompting a review of the officers' actions and outrage among students at the Westwood campus. The footage showed the student, Mostafa Tabatabainejad, falling to the ground and crying out in pain as officers stunned him." The Times notes that some witnesses disputed the police account, "saying that when campus police arrived, Tabatabainejad had begun to walk toward the door with his backpack. When an officer approached him and grabbed his arm, the witnesses said, Tabatabainejad told the officer to let go, yelling 'Get off me' several times."

Los Angeles Police Officers Cleared In Arrest Probe. The AP (11/16) reports, "A district attorney's investigation has cleared police officers of wrongdoing in a videotaped incident in which a transient in handcuffs was apparently pepper-sprayed in a police car, police Chief William Bratton said Tuesday." The AP continues, "The February 2005 incident came to light this week when the videotape, shot by a citizen, was released by the man's attorney. … The tape of Benjamin Barker's arrest surfaced on the heels of an 18-second video showing a Los Angeles officer repeatedly punching a suspect in the face while another officer tried to handcuff the man during a struggle on a Hollywood street on Aug. 11." The AP adds, "At a news conference, Bratton cited a Nov. 15, 2005, decision by the Los Angeles County district attorney's office in which prosecutors declined to file any charges against officers in the arrest of Barker, who had been in a scuffle with a Venice merchant. … 'Examination of the videotape clearly shows (the officers) did not use excessive force on Benjamin Barker, nor did they assault him under color of authority,' Bratton said, quoting the decision. 'The officers showed remarkable restraint and demonstrated professional courtesy to Barker despite his belligerent, threatening and combative behavior.' … The Los Angeles Times reported Tuesday that the tape shows an officer take pepper spray out of a holster, then raise it toward Barker's face, but the actual spraying is obscured by shadows."

Maryland Police, FBI Continue Investigation Into Racist Graffiti Incidents. The Washington Post (11/16, SM3, Morse, 690K) reports, "Local and federal investigators continued this week to probe a string of racist graffiti incidents in Charles County, the latest one occurring at an African American church that had received a bomb threat a week before." Last weekend at the Zion Baptist Church in

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Welcome, "someone had used bright orange paint to spray 'KKK,' 'White Power' and 'Bang Boom' on a roadway leading to the church's parking lot." The Post notes, "In all, there have been 11 such cases in Charles since August. … In September, local officials contacted the FBI, and the agencies have conducted a joint investigation of the incidents since, said Kristen Timko, a sheriff's office spokeswoman. 'Our detectives meet regularly with them,' she said."

NYTimes Says Election Reform Necessary. The New York Times (11/16, 1.16M) editorializes, "Last week's elections provided a lot of disturbing news about the reliability of electronic voting," and serious questions about some races "only add to the high level of mistrust that many people already feel about electronic voting." With Democrats in control of Congress, "fortunately, that may be about to change," and "there is an excellent chance of passing tough electronic voting legislation." Election reform "has tended to be a partisan issue," but "Congressional Democrats should make fixing this country's broken system of elections a top priority, and Republicans should join them."

ANTITRUST:

DOJ Opens Price-Fixing Probe Of Banks' Municipal Bond Deals. Bloomberg (11/16, Selway, Braun) reports, "The U.S. Department of Justice is conducting a criminal investigation into whether banks and brokers conspired to rig the bidding for contracts that U.S. local governments use to invest bond proceeds." Bloomberg continues, "Municipalities purchase guaranteed investment contracts, known as GICs, with bond money until they need the funds to pay for projects. The contracts are what banks and brokers used to invest at least $7 billion of bond proceeds raised by local governments across the U.S. in the past decade that were never spent, according to an Oct. 4 Bloomberg News report. … 'It's about time,' said Mark Schwartz, a Bryn Mawr, Pennsylvania-based lawyer and former head of municipal bonds for Prudential Financial Corp.'s mid-Atlantic region, about the investigation. 'This is an incestuous little business.'" Bloomberg adds, "Dexia SA's Financial Security Assurance Holdings Ltd. unit today said it was subpoenaed by the U.S. Justice Department as part of the probe by antitrust regulators. Investment Management Advisory Group Inc., a GIC broker and municipal derivatives adviser based in Pottstown, Pennsylvania, was searched by Justice Department officials, Gene Grabowski, a spokesman for the firm, said. … The actions by the Justice Department show that an investigation into how banks compete for the right to reinvest the money raised in the $2 trillion tax-exempt bond market has expanded beyond the U.S. Internal Revenue Service. The IRS has been looking into whether brokers awarded the work to favored banks, potentially boosting the cost of the investment agreements and depriving the federal government of tax revenue. … Kathleen Blomquist, a spokeswoman for the U.S. Department of Justice, confirmed an 'investigation of anticompetitive practices in the municipal bond industry.' She declined to provide further detail of the subpoena of Financial Security or whether other subpoenas were issued."

Shareholders Sue Private Equity Firms Alleging Rigged Buyouts. Bloomberg (11/16, Glovin) reports, "Kohlberg Kravis Roberts & Co. and Carlyle Group, the manager of the biggest U.S. buyout fund, are among 13 private equity firms accused in a class-action lawsuit of rigging the market to take companies private." Bloomberg continues, "The class action was filed in Manhattan federal court by investors who claim they didn't receive full value for their shares because of a conspiracy that violated antitrust laws. … 'Investors in the target company are deprived of the full economic value of their holdings and `squeezed out' at artificially low valuations,' the suit says." Bloomberg adds, "The U.S. Justice Department launched an informal antitrust investigation into allegations that private-equity firms collaborated on leveraged buyouts, according to a person familiar with the matter. … The suit alleges violations of federal antitrust laws, which entitle successful plaintiffs to recover triple damages. It seeks to represent tens of thousands of shareholders in dozens of deals in which public companies were taken private."

US Airways Makes $8 Billion Bid For Delta. The Washington Post (11/16, D01, Wilber) reports, "US Airways Group Inc. yesterday launched an $8 billion bid for Delta Air Lines Inc., a move that would create the nation's largest carrier and possibly trigger other airline mergers in an industry recovering from a major downturn." The Post continues, "US Airways chief executive Doug Parker said combining carriers would boost profit and substantially cut costs by eliminating overlapping work and flights. Parker, who is credited with helping to successfully merge US Airways and America West in 2005, said he wanted to take advantage of Delta's status in Chapter 11 bankruptcy protection. If he waited until after the carrier exited bankruptcy, it would be harder to jettison unneeded Delta aircraft, he said. … Topping the list of potential obstacles is Delta's management, which isn't excited about any merger. Chief executive Gerald Grinstein sent a memo to employees later in the day, saying he didn't want Delta to emerge from bankruptcy protection as a 'merged, acquired or otherwise consolidated airline.'"

The New York Times (11/16, Sorkin) reports, "The surprise offer may presage a wave of mergers in the struggling airline industry. While consolidation of companies often leads to higher prices, it is unclear at this point whether

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this merger would do anything like that. … But any deal for Delta would have to overcome high hurdles, including antitrust scrutiny and a lack of support from Delta's management, which rebuffed advances from US Airways this summer." The Times adds, "In an unusual tack, the unsolicited offer is being made to the creditors of Delta, which is operating under bankruptcy protection — a process that will give Delta management control over any plan to get out of bankruptcy for at least several more months. … Delta said yesterday that it would review the offer. Delta is now the fourth-largest domestic airline and US Airways is No. 5. US Airways said the combined carrier would be bigger than the current leader, American Airlines, and would be called Delta Air Lines. It noted that Delta is a 'very, very powerful' brand worldwide."

The Financial Times (11/16, Cameron) reports, "Doug Parker, US Airways chairman and chief executive, launched his second effort in 18 months to buy a bankrupt carrier and push an enlarged US Airways into the global airline elite. … However, Delta quickly repeated its opposition to the move after rebuffing an approach this year, forcing US Airways to appeal directly to its unsecured creditors." The Times adds, "Mr Parker maintained that the rise of low-cost carriers in the US meant there would be no antitrust issues with the proposed takeover. He intends to close the deal by mid-2007 when Delta aims to emerge from the bankruptcy protection it sought in September last year. The US justice department blocked an attempt by United to acquire the old US Airways in 2000 on competition grounds, scuppering another proposed combination between American and Northwest."

The Pittsburgh Post-Gazette (11/16, Fitzpatrick, Belko) reports, "A longtime cheerleader for industry consolidation, Mr. Parker wants the Delta deal done before the nation's No. 3 carrier emerges from bankruptcy next year, making it easier for the combined company to cut costs, give back planes to lenders, renegotiate contracts and shed unprofitable leases -- just as the twice-bankrupt US Airways did last year while merging with America West Airlines. … After that, 'it will be too late,' he said yesterday. 'We will all regret not acting sooner.'"

The Los Angeles Times (11/16, Pae) reports, "If approved — and there are several hurdles to overcome, including federal regulatory approvals — the merger could set off a wave of consolidation in the domestic airline industry, analysts said. … The takeover bid is a fallout of overcapacity in the airline industry that has financially hurt the larger airlines, analysts said. According to the Airline Transport Assn., U.S. commercial airlines have lost $35 billion since 2001, though the industry is recovering and may turn a profit this year. … For its part, Delta said in a statement that it intends to emerge from Bankruptcy Court protection as a stand-alone carrier."

Bloomberg (11/16, Schlangenstein) reports, "A combined US Airways-Delta would retain Delta's name and vault past AMR Corp.'s American Airlines to become the world's largest carrier, as measured by miles flown by paying passengers. By that standard, Delta is the third-largest U.S. airline and US Airways is the seventh-biggest." Bloomberg adds, "The combined airline would be the largest in terms of passengers carried in the northeastern and southeastern U.S. and Florida, and second-biggest in the Southwest, US Airways said. … A merged US Airways-Delta also would have more than 18 percent of the U.S. industry's capacity, US Airways said. Any merger agreement must be approved by the U.S. Justice Department, US Airways shareholders and the court overseeing Delta's bankruptcy."

USA Today (11/16, Adams) reports, "The takeover bid would require the approval of Delta's bankruptcy judge, US Airways' shareholders, Delta's creditors and the U.S. government. And it might not be the only offer for Delta, a potentially attractive target as the USA's third-biggest carrier. … A merger between two such big carriers needs Justice Department approval. The agency would have to determine whether the deal would help or hurt consumers in terms of fares and flight options. Antitrust considerations are particularly strong along the East Coast, where the route networks of both Delta and US Airways are heavily concentrated."

Experts Differ On Antitrust Challenges. The Washington Times (11/16, Lengell) reports, "Under the proposal, the combined airline would serve as many cities as US Airways currently does but with 10 percent fewer flights because some duplicate routes would be eliminated. … The merged company also would sell one of its shuttle operations that operate in the Northeast, mostly between Washington, New York and Boston, to eliminate the overlapping routes and to alleviate antitrust concerns. … But Delta's management has said it is committed to leaving Chapter 11 bankruptcy protection in the first half of 2007 as a stand-alone carrier. … 'We received a letter from US Airways [yesterday] morning and will of course review it,' said Delta's chief executive, Gerald Grinstein. But 'our plan is working, and we are proud of the progress Delta people are making to achieve this objective.'" The Times notes, "Justice officials declined to comment on the proposal. … But some industry watchers doubt the Justice Department would approve the proposal. … Ray Neidl, an equity analyst for the airline industry, agreed that the merger proposal wouldn't be an easy sell to the Justice Department, saying the offer has a 30 percent to 40 percent chance of rejection."

The Wall Street Journal (11/16, Perez) reports, "While antitrust concerns would be among several hurdles to the combination, Mr. Parker said he didn't think there were any issues that couldn't be resolved. He suggested that either of US Airways' and Delta's competing Northeastern U.S.

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'shuttles,' which connect Boston, New York and Washington, DC, could be put up for sale in order to satisfy antitrust problems. The merger last year of US Airways and America West, Mr. Parker said, shows that mergers 'can be good for investors and consumers.' … US Airways said frequent-flyer customers at the two carriers would have their current mileage balances combined as part of a Delta takeover. But the airlines participate in different global marketing alliances, so US Airways would have to narrow that to a single partnership."

The Atlanta Journal-Constitution (11/16, Geewax) reports, "If US Airways Group can persuade investors and creditors to accept its unsolicited $8 billion bid for Delta Air Lines Inc., federal regulators likely will approve the deal as well, analysts said Wednesday. … 'I don't believe there will be any antitrust problems,' said John Pincavage, a longtime airline adviser with Pincavage & Associates." The AJC continues, "US Airways spokeswoman Valerie Wunder said the airline will work with regulatory agencies to free up whatever routes, airport slots and gates might be necessary to eliminate monopoly concerns. 'We are confident any antitrust issue can be resolved,' she said. … Pincavage noted that US Airways has specifically said that the combined company would sell off one of its two lucrative shuttle services linking Boston, New York and Washington to avoid gaining a monopoly in that market." The AJC notes, "To avoid antitrust problems, the Justice Department likely would want the combined carrier to scale back operations at those hubs to make room for competitors. It also might insist on reductions in operations at Delta's hub in Salt Lake City, which is relatively close to US Airways' hubs in Phoenix and Las Vegas. … But Justice Department spokeswoman Gina Talamona said it is too soon say exactly which concessions would be required to win approval. … If the proposed takeover were to move forward, 'we would be interested in taking a look at it,' she said. Divestiture decisions then 'would have to be made on a case-by-case basis,' she said."

The Financial Times (11/16, Kirchgaessner) reports, "US Airways' hostile bid for Delta will face a tough antitrust review by the Department of Justice, according to Washington experts who say authorities are likely to take into account the companies' concentration of routes along the east coast." The Times continues, "US Air is likely to approach an antitrust probe with an arsenal of arguments to support the proposed deal. … These include the changing dynamics of the troubled airline industry, the fact that it is willing to divest one of the companies' north-east shuttles and that the emergence of cheaper airlines has given passengers more options." The Times notes, "The airline may also highlight proposed synergies of $1.65bn a year - an argument that has resonated in the past with Thomas Barnett, the head of the antitrust division. … But one Washington source with knowledge about such investigations said the division has historically not always been swayed by divestiture offers from airlines, because they may not create enough competition in the marketplace. … Although the justice department would not make an antitrust ruling based on Delta's willingness to be taken over, an unwilling merger partner could offer ammunition to build a case against the deal."

The AP (11/16, Weber) reports, "Rep. James Oberstar, D-Minn., who is set to become chairman of the House Transportation Committee, said he is concerned the combination would reduce competition and increase costs for travelers. … 'If the Justice Department on its own does not initiate an antitrust review, I would ask them to do that,' he said."

Deal Could Alter Airline Industry. The Wall Street Journal (11/16, D1, Everson, Mckay) reports, "US Airways Group Inc., which yesterday bid $8.67 billion to acquire Delta Air Lines, believes consolidation would help the troubled airline industry. But in the wake of US Airways' own purchase by America West, it's less clear how much consumers stand to benefit." The Journal continues, "Delta has rejected the offer by US Airways. But if the hostile bid should prove successful, analysts say there could be some advantages for consumers, but also some risks. Users of US Airways frequent-flier miles, for instance, could benefit from having access to Delta's extensive international route system. On the other hand, overlaps in service, especially in some Southern cities where both airlines have major operations, could reduce competition and lead to increased fares. What's more, persistent glitches in the process of integrating US Airways and America West raise concerns about customer service should the Delta bid succeed." The Journal adds, "So far, US Airways has disclosed little about how a takeover of Delta would affect each airline's operations. One exception: One of the two companies' overlapping East Coast shuttle services, which connect Boston, New York and Washington, would probably have to be sold to satisfy antitrust concerns, US Airways says. … Beyond the shuttles, there is significant overlap in the South, with Delta's main hub situated in Atlanta and US Airways having significant operations in Charlotte. The concentration means that 'it would destroy competition in the deep South,' says Michael Boyd, president of Boyd Group Inc., an aviation-industry advisory group in Evergreen, Colo."

The Fort Worth Star-Telegram (11/16, Banstetter) reports, "Imagine booking a flight on Americanorthwest Airlines, an aviation behemoth with six domestic hubs and unmatched service to Asia, Latin America and Europe. .. Or flying on United-Continental Airways (or perhaps Continental United Airlines, or even UniCont Air), a powerhouse in the West and on the East Coast. And for a low-fare trip, you could check prices on FronTranBlue. … The airline industry is buzzing over those potential airline combinations and more, after US Airways sparked the latest round of merger speculation Wednesday with a hostile bid to take over the

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bankrupt Delta Air Lines for $8 billion in cash and stock." The Star-Telegram adds, "The chatter sent airline stocks soaring, despite warnings from some experts that industry consolidation is likely to move slowly and that any US Airways-Delta deal faces significant challenges. Delta executives said they weren't interested, and even if creditors sign on, a merger would receive intense scrutiny from regulators and the Justice Department. … And some analysts pointed to the industry's record of failed airline mergers. … 'It's a terrible idea,' said consultant Mike Boyd of the Boyd Group of Evergreen, Colo. 'It's a bad deal for the customers, the employees, for everybody, really, except the financial types.'"

More Commentary. The Los Angeles Times (11/16) editorializes, "The nation's airline industry has been in a gradual recovery lately. But US Airways Group Inc.'s announced bid to acquire Delta Air Lines Inc. promises to set off a needed consolidation of the business that will make it better able to weather the next financial downturn. Let's hope federal regulators don't block such a transformation this time around. … That's precisely what happened in 2001 when the Department of Justice ill-advisedly blocked the merger of US Airways and UAL Corp.'s United Airlines on antitrust grounds. The airline industry then had to confront an economic slowdown and the post-9/11 trauma with excess capacity, losing billions of dollars. Since 2002, four major U.S. airlines have sought bankruptcy protection; two (Delta and Northwest Airlines Corp.) are currently in Chapter 11." The Times adds, "The federal government should carefully review the deal if it goes forward, as well as any other such mergers. (Continental Airlines Inc. and Northwest have been eyeing each other for years, and United Chief Executive Glenn Tilton has been a vocal advocate of more aggressive consolidation in the industry.) Some routes will need to be dropped, some gates surrendered to competitors. … But regulators need to recognize that the industry is changing. The country needs fewer first-tier coast-to-coast airlines with a broader reach at home and abroad. … If Congress really wants to help consumers and shore up the financial health of airlines, it should allow the entry of foreign carriers and investors, which it has repeatedly declined to do. This is a global industry, after all."

DOJ Subpoenas Micron Technology In SRAM Price-Fixing Probe. The Idaho Statesman (11/16, Dey) reports, "Federal prosecutors have subpoenaed Micron Technology in an investigation into possible price-fixing of static random access memory, or SRAM, by semiconductor companies. This week, Micron was also named with more than 20 other semiconductor companies in a price-fixing lawsuit filed in Boise." The Statesman continues, "The lawsuit, filed Tuesday on behalf of Idaho residents Mark Alon Davis and Kenneth W. Herbert, alleges that between Jan. 1, 1998 and Dec. 31, 2005 the companies agreed to combat declines in prices for SRAM — a type of memory used in computers and electronic products — by manipulating the wholesale price. The lawsuit alleges the manipulation ultimately led to higher prices of consumer electronic products that used SRAM." The Statesman adds, "Micron confirmed in documents filed with the Securities and Exchange Commission that it received a subpoena Oct. 11 related to the investigation. … 'Micron believes that it is not a target of the investigation and will fully cooperate with the Department of Justice,' Micron said today in a statement to the Idaho Statesman. 'Micron will vigorously defend against any civil class action cases that are filed.' … The Justice Department hasn't said what period its SRAM investigation covers, but a similar department investigation of alleged dynamic random access memory, or DRAM, price fixing covered 1999 to 2002. Micron has cooperated with the Justice Department in that investigation."

Inouye Says Senate Commerce Committee To Review AT&T-BellSouth Merger. The San Antonio Express-News (11/16, Nowlin) reports, "The next chairman of the Senate Commerce Committee said San Antonio-based AT&T Inc.'s purchase of BellSouth Corp. needs more scrutiny and should be the focus of a hearing when Democrats assume control of Congress in January." The Express-News continues, "Sen. Daniel Inouye, D-Hawaii, the incoming chairman, told reporters late Tuesday that his committee should take a look at the telecommunications megamerger. He said he would like the Federal Communications Commission to delay approval until after the hearing. … 'We'd like to know what the impact would be,' Inouye said. 'I think the people of the United States would like to know.'" The Express-News adds, "The hearing will take place, a spokesperson for Inouye later said, whether or not the FCC approves the merger by the end of the year. … Investors appear to be bracing for what the congressional power shift means for AT&T. .. .Company shares dropped 1.52 percent to $32.46 on Wednesday on concern the new Congress will bring a less-friendly regulatory environment for the telecom giant. … The shift comes on top of investor worries that the FCC has three times delayed a vote on the deal. … Although the Justice Department and 18 state bodies have cleared the AT&T-BellSouth deal, it's still awaiting a nod from the FCC, the last regulatory agency needed to approve it. The commission's two Republican and two Democratic commissioners are divided over what conditions to apply to the deal."

EU Says Microsoft Has Not Supplied Data In Antitrust Probe. The AP (11/16, White) reports,

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"Microsoft Corp. still has not supplied the 'complete and accurate' documentation necessary to comply with a 2004 antitrust order, European Union regulators said Wednesday. They warned that new fines could be imposed unless Microsoft supplies full information by Nov. 23." The AP continues, "The European Commission, which fined Microsoft $357 million in July for not providing the technical information, said it expects 'the remaining omissions and deficiencies' to be remedied quickly. … 'Our patience is finite,' EU spokesman Jonathan Todd said. 'Until we have the whole set of documents, it's worth nothing.'" The AP adds, "Microsoft said it already had made "very significant progress" in improving the information it has given regulators, which aims to help rivals make server software that works smoothly with its desktop operating system Windows. … 'We stand ready to do any additional work that is required to comply with the commission's decision,' Microsoft said. … But the EU's executive arm said that what Microsoft has done so far is not enough and that there are still problems with the technical manual that will eventually be turned over to rivals to check before Microsoft can get the all-clear."

ENVIRONMENT/INDIAN AFFAIRS:

Group Sues Administration Over Global Warming Report. The AP (11/16, Chea) reports, "Environmentalists sued the Bush administration for failing to produce a report on global warming's impact on the United States' environment, economy and public health." The AP continues, "Tuesday's lawsuit seeks to compel the U.S. Climate Change Science Program to issue the national assessment, which should contain the most recent scientific data on global warming and projections for its future impacts. The plaintiffs claim the government must complete such a report every four years under the Global Change Research Act of 1990. … 'Global warming is one of the most serious threats facing humanity today,' according to the complaint. Without the report, decision makers and the public 'are without one of the most important tools to grapple with this complex, potentially overwhelming and yet all important issue.'" The AP notes, "The White House Office of Science and Technology Policy, which was named in the lawsuit, had not received the complaint Tuesday and could not comment on it, said spokesman Ben Fallon. … But Fallon defended the administration's record on combating global warming, pointing to increased funding for alternative energy research and partnerships with other countries."

9th Circuit Panel Asked To Rescind EPA Field-Burning Policy. The AP (11/16, Johnson) reports, "The dense plumes of smoke that arise when grass-seed farmers in Idaho burn their fields cause asthma in children, reduce visibility on highways and actually kill people, but the Environmental Protection Agency did not study those effects before changing a federal rule to allow such fires, a lawyer for a clean-air group told judges Wednesday. … 'The smoke from this burning is so thick it sends people to the hospital,' attorney David Baron told the three-judge panel from the 9th U.S. Circuit Court of Appeals, where such cases are heard." The AP continues, "Baron represents Safe Air For Everyone, a Washington and Idaho clean-air group, as well as the American Lung Association, which sued late last year to undo the EPA's rule change on the grounds that the agency made the decision without first studying what the effects would be." The AP adds, "Kentucky bluegrass seed grown in northern Idaho is shipped across the nation to be used in landscaping and golf courses. Farmers contend they must burn the stubble left on fields to improve the production of the next year's crop and control pests. The smoke often drifts into neighboring states and Canada. … Hundreds of doctors have signed petitions seeking an end to the burning, saying their patients suffer ill effects from the dense smoke; in 2000, a coroner determined that a Rathdrum, Idaho, woman died from inhaling it. Clean-air groups argue that a 1998 decision to ban grass-field burning in Washington state has not harmed the seed industry. … The field burning has gone on for years in Idaho, where it is allowed under state law but historically not under the federal plan for Idaho established under the Clean Air Act. Last year, after health groups threatened to sue farmers for burning fields, the EPA changed the plan for Idaho, saying it had intended to allow grass-field burning all along."

USDA Reports Says 12% In US Have "Very Low Food Security." The Washington Post (11/16, A01, Williamson, 690K) reports that in an annual report, the USDA said "that 12 percent of Americans -- 35 million people -- could not put food on the table at least part of last year." Eleven million of them "reported going hungry at times," and "beginning this year, the USDA has determined 'very low food security' to be a more scientifically palatable description for that group." The report suggests that the USDA "scrap the word hunger, which 'should refer to a potential consequence of food insecurity that, because of prolonged, involuntary lack of food, results in discomfort, illness, weakness, or pain that goes beyond the usual uneasy sensation.'"

Senate Approves New Mexico Tribal Land Settlement. The AP (11/16) reports from Albuquerque, "The Senate has passed a $40 million settlement negotiated by Isleta Pueblo and the federal government over past mismanagement of tribal land. … The measure, unanimously approved by the Senate on Monday, now heads to President Bush for his consideration." The AP continues, "The pueblo

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sued the government, seeking compensation for damages to its land south of Albuquerque. The pueblo, the Interior Department and the U.S. Justice Department spent years reviewing the claims and reached agreement in June on how to resolve the matter." The AP adds, "The legislation establishes a natural resources fund of more than $32 million for the pueblo to use to restore agricultural, range and forestry property. The measure also authorizes $7.2 million, but that money is subject to administration budgeting and the federal appropriations process. … Members of New Mexico's congressional delegation said the legislation, once signed by the president, will allow Isleta Pueblo to improve drainage on its agricultural lands and rehabilitate lands damaged by trespass grazing and excessive logging."

FBI/DEA/ATF/USMS:

FBI Arrests Alleged Philadelphia Mob Soldiers On Drug Trafficking Charges. The Philadelphia Daily News (11/16, Caparella, 106K) reports that "after a four-year rebuilding phase in Philadelphia and South Jersey, organized crime is making a comeback in federal court. Today, reputed mob soldier Damion Canalichio, 37, once a top aide to jailed mob underboss Steve Mazzone, will seek bail on federal drug-trafficking charges, according to his attorney Joseph Santaguida." Canalichio "and his sidekick, Christopher Cerr, 36, of Glenolden, were arrested yesterday without incident by FBI agents in South Jersey and in Delaware County." The Daily News notes, 'During a one-month investigation by FBI agent John Augustine, the two allegedly sold" more than 300 grams of cocaine "in South Philadelphia, according to the indictment."

Detroit Man Accused Of Causing 2 Heroin-Laced Fentanyl Deaths. The AP (11/16) reports federal prosecutors "charged a Detroit man with causing the deaths of two people by giving them heroin laced with the painkiller fentanyl, a combination blamed in the deaths of more than 100 drug users in southeast Michigan over the past year. James E. Coleman, 36, was arraigned Wednesday in U.S. District Court on two counts of delivery of a controlled substance resulting in death."

The Detroit News (11/15) reports, "They are the first such state or federal charges in connection with the street sale of fentanyl-laced heroin in the Detroit area in 2005-06, which killed an estimated 133 drug users between September and July."

Track Coach To Be Arraigned In BALCO Case. USA Today (11/16) reports, Trevor Graham, who "triggered the BALCO steroid scandal, is expected to appear in federal court Thursday in San Francisco for his arraignment on a three-count indictment. Graham, a high-profile coach whose track athletes have accumulated medals as well as drug positives, is accused of lying to federal investigators three times in BALCO inquiries."

Michigan Bikers To Serve Prison Time For Making Meth. The AP (11/15) reports several people "affiliated with a biker gang will face prison time for a methamphetamine-making operation in Macomb and St. Clair counties, the U.S. Attorney's Office said. Prosecutors describe it as the first major meth case in U.S. District Court in Detroit. Seven individuals from the Devils' Disciples motorcycle gang will serve sentences ranging from 30 to 97 months."

The Detroit Free Press (11/15) reports a similar story.

Port Huron, Michigan's Times-Herald (11/15) reports, "In March 2005, law enforcement agencies raided several locations, including the bikers' clubhouse in Mount Clemens. Authorities also discovered working meth labs in Harrison and Macomb townships. Evidence from other searches in New Haven, the Algonac area and Chesterfield Township revealed labs frequently had been relocated."

City Councils In California Seek To Ban Marijuana Dispensaries. The Tri Valley Herald (11/15, Foley) reports Livermore city "are moving forward with plans to permanently ban medical marijuana dispensaries. An existing moratorium is scheduled to expire Sept. 11, 2007, after the council voted to extend it two months ago. City officials say that the City Council didn't want to wait until the last minute to make a permanent decision. … On Monday, a handful of opponents urged the council to show restraint, reminding them that with Congress shifting to Democratic control that federal marijuana laws might change."

Torrance, California's Daily Breeze (11/15) reports, "Weeks after ordering two medical marijuana dispensaries to close, the Gardena City Council imposed a moratorium on such facilities Tuesday night. … The council passed the 45-day moratorium with little fanfare on Tuesday night. The temporary ban will give the city's planning staffers time to draft permanent regulations."

Report: Mexican Cartels Step-Up Meth Operations Following US Crackdown On Labs. On its Web site, ABC News (11/15) reports Mexican drug-trafficking cartels "have moved in to fill the void left by the successful crackdown on small methamphetamine labs across the United States, and the foreign traffickers have brought the highly addictive drug into parts of the country where it was rarely seen before, according to a new report by the National Drug Intelligence Center. … DEA officials believe that five main Mexican drug cartels have increased

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operations in the United States. Mexican drug-trafficking organizations have 'gained considerable strength and greatly expanded their presence in drug markets throughout the country, even in many smaller communities in Midwestern and Eastern states,' said the report." Since 2004, there "have been fewer U.S.-based labs, judging from the DEA's seizure data. 'We've had a significant reduction in domestic labs, with Mexican [drug trafficking organizations] filling the void,' one DEA official, who requested anonymity, told ABC News." The DEA "has engaged in a series of training programs with Mexican law enforcement agencies to try to dismantle their networks."

Heroin Use Increasing Among Painkiller Abusers. In its report, ABC News also says the threat assessment "notes that the Mexican groups have the 'ability to advance Mexican heroin beyond traditional Western state heroin markets.' … The assessment also found that heroin use has increased among some drug addicts who abuse prescription painkillers."

The Washington Times/UPI (11/16) reports larger amounts of drugs "are coming into the United States from Mexico, Colombia and Asia," according to the National Drug Intelligence Center. The center "said organizations producing ice methamphetamine in Mexico have expanded their presence throughout the United States. … Rates of prescription drug abuse top those of other drugs, except marijuana, but the center said law enforcement agencies have had recent success in reducing illegal use of prescription drugs. However, that has caused some addicts to substitute drugs such as heroin for prescription narcotics."

Canada-Based Traffickers Expand Reach. The Canadian Press (11/16) reports, "Asian drug traffickers based in Canada have gained control over most of the Ecstasy distribution in the United States and expanded their reach, said an American drug report released Wednesday. The National Drug Threat Assessment by the U.S. Justice Department also said the production of high-potency marijuana in Canada is a problem, although marijuana use has declined slightly."

Canada's Globe and Mail (11/16) writes, "Canadian-based Asian crime syndicates have become the No. 1 distributors of ecstasy in the United States, according to a new report released yesterday. The business of Vietnamese and other Asian gangs, who started out by growing the popular form of marijuana known as B.C. Bud, has boomed, according to the U.S. Department of Justice. … It adds that in the United States 'an estimated $5.2-billion (U.S.) to $21.2-billion is generated through the wholesale distribution of marijuana and MDMA [Ecstasy] by Canada-based [drug-trafficking organizations], and much of the illegal drug proceeds are transported in bulk' back to Canada."

Surrender Program Allows "Favorable Consideration" To Fugitives. USA Today (11/16, Wagner, Collom) reports, "Sean White, wanted on criminal warrants for a probation violation and failure to appear in court, went to church Wednesday morning to get right with the law. … The 32-year-old man was among the 120 suspects who turned themselves in during the first four hours of Fugitive Safe Surrender." USA continues, "The program, which ends Saturday, basically is an invitation from federal and state authorities who are telling fugitives they might receive 'favorable consideration' by turning themselves in at a makeshift justice center at Pilgrim Rest Baptist Church. … Doug Weiner, a former Cuyahoga County, Ohio, prosecutor and co-founder of Fugitive Safe Surrender, said the long-term goal is to conduct programs nationwide. Plans already are underway for ones in Indianapolis; Rochester, N.Y.; Akron, Ohio; and Richmond, Va." USA adds, "David Gonzales, U.S. Marshal for Arizona, said the program gives suspects a chance to deal with criminal warrants at a neutral site, which cuts costs for the public and reduces the chance of a dangerous situation for law officers. … Defendants who show up at the Phoenix church find public defenders to represent them and judges to conduct hearings. Often, when fugitives are caught in traffic stops or tracked down by agents, they face the humiliation of being handcuffed in front of family and the hassle of going straight to jail. … Under Safe Surrender, Gonzales said, most of those wanted for non-violent offenses will be processed within hours and released without going behind bars. The fugitives who turned themselves in Wednesday morning were suspects in cases involving drunken driving, disorderly conduct and failure to pay fines."

IMMIGRATION:

ICE Arrests 29 Muslim Immigrants For Religious Worker Visa Fraud. USA Today (11/16, 3A, Leinwand, 2.27M) reports, "Federal agents on Wednesday arrested 29 people, mostly Pakistanis, who allegedly posed as Muslim religious workers to obtain special visas to enter the USA. The immigrants, arrested in Boston; New York City; Buffalo; Hartford, Conn.; Atlanta; St. Paul; Newark, N.J.; Philadelphia; Washington, D.C., and Harrisburg, Va., face civil immigration charges and could be deported if they are found to have violated federal law, said Marc Raimondi, spokesman for Immigration and Customs Enforcement." ICE spokesman Dean Boyd said that "the immigrants paid fees, sometimes several thousand dollars, for the fraudulent paperwork." USA notes, "The immigrants arrested Wednesday worked at non-religious jobs, Raimondi said. Among them: gas station attendant, truck driver and factory worker."

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DHS IG Says Virtual Border Fence Could Cost Up To $30 Billion. The Washington Post (11/16, A10, Hsu, Witte, 690K) reports DHS Inspector General Richard L. Skinner said yesterday that the agency's Secure Border Initiative program, which would create "virtual fence" along US borders, "is likely to cost far more than the $2 billion that industry analysts initially estimated, possibly up to $30 billion," providing a new source of skepticism in "the national debate to curb illegal immigration, which has focused in large part on gaining control of the borders. … Immigration-policy experts said the red flags raised over the border-security initiative could increase pressure on Congress to act on other measures they say are needed, such as stepping up enforcement against US employers who hire illegal workers, cracking down on immigrants who overstay their visas, and overhauling legal immigration channels." Meanwhile, "Gregory Giddens, director of the DHS Secure Border Initiative program, and Deborah J. Spero, deputy commissioner of Customs and Border Protection, said cost estimates are premature because the administration has not settled on a strategy or decided what it will buy."

Tancredo Says Democrats Will Not Build Physical Fence. Rep. Tom Tancredo, appearing on MSNBC's Situation Room (11/15, Carlson) said a border fence is "an easy thing for people to understand. They know what the fence is all about. And when the Democrats stop this, we're going to be out on the stump about it -- certainly I will. And people understand this. It's clear. They're not going to build the fence. They come up with the stuff about: 'Oh, don't worry, we're going to have sensors and monitors.' Hogwash. You can have sensors and monitors across 2,000 miles, that's not going to stop anybody from coming. We can't get to them quick enough. You need a fence."

Congress To Restart Immigration Reform Debater. The CBS Evening News (11/15, story 8, 2:55, Couric, 7.66M) reported, "Congress will once again debate whether to start a guest worker program which would allow more immigrants to work here temporarily. President Bush and House Speaker in waiting Nancy Pelosi both say it's urgently needed," but as Bill Whitaker reports, "finding the votes won't be easy." CBS (Whitaker) added, "We have Democrats who will not vote for anything that has a new temporary worker program in it. We have Republicans who will not vote for anything that has a broad-ranging legalization program in it. But now, with the President and presumed House leader Nancy Pelosi both wanting a guest worker program and both parties eager to win alienated Latino voters, the time might be right for immigration reform."

Manuel A. Miranda writes in a column for The Hill (11/16), "We all need to take a deep breath and start working for a reform short on slogans and Band-Aid solutions and long on far-sighted policy." He says that achieving "a cohesive reform requires abandoning Band-Aid solutions." Exit polls" show that 57 percent of voters want to offer a legal status to illegal immigrants, while 38 percent want to deport them." The White House "needs to give up the guest-worker program as the only solution, and congressional leaders on each side must distance themselves from the simplistic desires of their supporters." He adds, that no one could "reasonably disagree with placing security and employment enforcement first," and "political reality suggests that there will be no solution that disguises an amnesty or fails to legalize millions, but there will be no cohesive reform if millions today translate into tens of millions tomorrow."

More Commentary. Mark Krikorian, executive director of the Center for Immigration Studies, writes in USA Today (11/16, 19A, 2.27M), "President Bush and his Democratic allies on immigration are pointing to the results of last week's elections as a mandate for what they call "comprehensive" reform — but what most people would rightly call amnesty for illegal aliens." He suggests "there is a third way, and that is the approach embodied in the bill passed nearly a year ago by the House," called "attrition through enforcement." This policy "would strictly enforce immigration laws (something we have never tried) so as to limit new illegal settlement and cause illegal immigrants already here to go home over time." The result would be "an annual decrease in the illegal population," and research by Center for Immigration Studies show that this approach "could cut the illegal population by half in five years, requiring only a modest increase in resources and using only normal law-enforcement tools."

TAX:

WPost Says Democrats Should Back Tax Reform. The Washington Post (11/16, A26, 690K) editorializes, "The midterm elections were in part a repudiation of Republican economic priorities. The economy has grown strongly for five years even though it is slowing now, but the fruits of prosperity have not been shared widely. … Raising the federal minimum wage makes sense because it is so low that lifting it probably won't hurt job creation. Beyond that, Democrats need to come up with policies that address inequality while not damaging growth, starting perhaps with tax reform. The existing system of tax breaks for savings, homeownership and health care favors the wealthy while draining billions from the government. Restructuring these tax breaks could shrink the deficit while freeing money for Democratic spending plans. Moreover, the Bush administration is on record as supporting tax reform. Here is an opportunity to make bipartisan progress: in a word, to govern."

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CONGRESS-ADMINISTRATION:

Bush To Resubmit Six Judicial Nominees. The New York Times (11/16, Lewis) reports, "White House officials said Wednesday that President Bush would renominate six of his earlier choices to sit on the federal appeals court, leaving Democratic senators and other analysts to ponder what message he is sending." The Times continues, "At least four of the nominations have been declared dead on arrival in the Senate by Democrats who have consistently opposed them as unacceptable. All six nominations will remain before the Senate through the lame-duck session of Congress and then will expire. … When the 110th Congress is seated in January, Mr. Bush can deliver another list of judicial nominees to the Senate, which will by then have a Democratic majority." The Times adds, "Mr. Bush's motive in sending up the nominations has been closely analyzed, with several Democrats and liberals labeling it as provocative and a sign that he does not intend to seek compromise as he suggested he would after Republican losses in the elections last week. … The four nominees whose chances of confirmation are viewed as nearly impossible are: William J. Haynes II, the Pentagon's general counsel who was involved in setting many of the interrogation policies for detainees; William G. Myers III, a longtime lobbyist for the mining and ranching industries and a critic of environmental regulations; Terrence W. Boyle, a district court judge in North Carolina; and Michael B. Wallace of Mississippi, a lawyer rated unqualified for the court by the American Bar Association. … The other nominees, who have not aroused as much opposition, are N. Randy Smith, a district judge in Idaho, and Peter D. Keisler, assistant attorney general for the civil division of the Justice Department."

The AP (11/16, Barrett) reports, "Under Senate rules the nominations must be resubmitted after Congress takes an extended break, as was the case this year for the 2006 election. … 'Democrats have asked the president to be bipartisan, but this is a clear slap in the face at our request,' said Sen. Charles Schumer, D-N.Y., a member of the Judiciary Committee. 'For the sake of the country, we hope that this is an aberration because the president feels he must placate his hard-right base, rather than an indication of things to come.'"

Bloomberg (11/16, Rowley) reports, "The Judiciary Committee's current chairman, Pennsylvania Republican Arlen Specter, said yesterday, 'It is obvious that they cannot move' through the Senate before the Democrats take control."

The Washington Post (11/16, A3, Baker, 690K) says all six nominees were "previously blocked" by Democrats, and adds the move is "triggering the first real battle with ascendant Democrats since the midterm elections and signaling what could be the start of a fierce two-year struggle over the shape of the federal judiciary." Bush's decision "heartened conservatives who worried that Bush would scale back his ambition to move courts to the right and outraged liberals, who called it a violation of the spirit of bipartisanship promised since Democrats captured Congress. Both sides saw it as a possible harbinger for the remainder of Bush's presidency, particularly if a Supreme Court vacancy opens."

The Washington Times (11/16, Dinan, Hurt, 88K) reports Republicans said the nominations were "a signal…Bush will fight over judges even under Democratic control." The Times notes that "in addition to the six resubmissions -- needed because the nominees had been automatically returned to the White House during the October recess -- Mr. Bush also sent over four new nominees." The new nominees "are James Edward Rogan to the U.S. District Court for the Central District of California, Benjamin Hale Settle to the District Court for the Western District of Washington and Margaret A. Ryan and Scott Wallace Stucky to the Court of Appeals for the Armed Forces." A "Republican aide, who…asked not to be identified," said, "There is zero, zip, zilch chance of any of these judges making it through the Senate killing fields in the waning days. … Without a plan for successful confirmation from the White House, the only point is to fly the flag as the judicial-confirmation ship slips beneath the waves. Burble, gurgle."

Congress Passes Stopgap Spending Bill. The AP (11/16, Taylor) reports, "Congress passed a bill Wednesday that keeps open those agencies awaiting approval of their budgets as lawmakers seek a deal on lots of unfinished fiscal business. The temporary spending measure sped through the House and Senate on voice votes. Without passage, 13 Cabinet agencies would have had to close down Friday at midnight. When President Bush signs the bill, the government will remain open through Dec. 8." The AP adds "there are divisions among Republican over whether to even try to advance the spending bills. Without GOP unity, it will be virtually impossible to do so. That raises the prospect that Democrats will have to tackle the difficult task after taking control of Congress in January."

Democrats Who Opposed Gates In 1991 Said To Face Dilemma. The Hill (11/16, Schor) reports Senate Democrats "could find themselves walking a fine line as the chamber takes up" the nomination of Robert Gates to lead the Pentagon, "weighing the value of regime change at the Pentagon after six stormy years of Secretary Donald Rumsfeld against their new position of power as an incoming majority." The "dozen sitting Democrats who voted against Gates when he took over as CIA director in 1991 face a particular challenge." The first of the 12 "to reveal that he

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would reverse an old vote against Gates" was Sen. Joseph Biden, who said this week that "a desire to change course in Iraq would overcome his former skepticism." Biden said, "To put it very, very bluntly, as long as he's not there, Rumsfeld is there."

Seniors Said To Face Confusing Choices For Medicare Drug Plan. ABC World News (11/15, story 8, 2:45, Gibson, 8.78M) reported, "It is time, again, for older Americans to sign up for a Medicare drug plan. Most remember the confusion just a few months ago of choosing between dozens of very different plans. Well now, 43 million senior citizens, eligible for the drug benefit have to enroll for 2007. And there is no prospect that it's going to be any easier." ABC (Stark) added, "Those who've studied next year's options warn that seniors need to look closely at the fine print." Ron Pollack, Families USA: "The premium is likely to be different. What drugs are covered are different. Other out-of-pocket costs will be different. What drugstore you can go to may be different." Stark: "More than three-quarters of the plans will increase premiums next year, some more than 25%. Premiums for the most widely used plan, sponsored by AARP, jump 6%. Those for the second-most popular, from Humana, go up 60%. Melvin London is angry his monthly premium for his Humana plan will nearly triple next year." Humana "insists, even with the increase, it still has among the lowest premiums. Seniors have until the end of the year to sign up or switch plans. But the government is urging them not to wait until the last minute. Saying it's better to sign up early, making sure there is no interruption in coverage." Leslie Norwalk, Center for Medicare & Medicaid Services: "They should make that choice, and hopefully early. We say December 8th. Don't be late." Stark: "That leaves just three weeks for seniors to make a decision that will impact them for the next 12 months."

Lott Elected Senate Minority Whip. In what ABC World News (11/15, story 9, 0:25, Gibson, 8.78M) called a "remarkable comeback," Sen. Trent Lott yesterday was elected Senate Minority Whip. The Hill (11/16, Schor) reports Lott bested Sen. Lamar Alexander "by 25 votes to 24." The Wall Street Journal (11/16, A6, Rogers, 2.04M) reports that for President Bush, "the Mississippian's return could be a mixed blessing. Mr. Lott blamed the White House for contributing to his ouster, but he brings a set of legislative skills that the administration sorely needs to move its agenda in the new Democratic-controlled Congress." USA Today (11/16, Nichols, Kiely, 2.27M) describes Lott as "a blunt White House critic," and notes President Bush called him "from Air Force One to offer congratulations after Lott won the GOP's minority whip job over Sen. Lamar Alexander of Tennessee, who had predicted victory Tuesday night. 'We have a lot of important priorities to work on and as the president told Sen. Lott, he very much looks forward to working with him,' White House spokesman Scott Stanzel said." Lott "stepped down as Senate majority leader in 2002 after he suggested the nation would have been better off if then-senator Strom Thurmond of South Carolina had been elected president in 1948. Thurmond had run as a segregationist 'Dixiecrat.' Since then, Lott has not shied from criticizing the White House."

The AP (11/16, Kellman) reports Vice President Dick Cheney also called Lott to congratulate him, and "a few hours later, Cheney again delivered an atta-boy in person during a GOP policy lunch. So did White House Chief of Staff Josh Bolton." The AP adds, "Lott's redemption had begun -- just four years after the same White House helped engineer his ouster as the party's Senate leader. It must have been sweet." Lott "did little to hide his resentment during his exile from the party's top Senate ranks." Now he is "powerful enough to get the White House's attention once again."

The Los Angeles Times (11/16, Neuman, 850K) reports "the vote within the Republican caucus could also reflect unhappiness with President Bush for engineering the switch to Frist, who was not considered a strong leader."

The CBS Evening News (11/15, story 7, 0:20, Couric, 7.66M) also noted Lott's "big comeback," while NBC Nightly News (11/15, story 6, Williams, 9.87M) referred to the senator's "stunning victory," and went on to show a clip of the comments that got Lott in trouble in 2002: "When Strom Thurman ran for President, we voted for him. We are proud of him. If the rest of the country followed our lead we would not have had all of these problems."

Outgoing Maryland Lt. Gov Michael Steele was asked on CNN's The Situation Room (11/15, Blitzer) about Lott's controversial comments on Thurmond. Steele said, "I think he asked for forgiveness and received it from the party and from the country. And I think he's going to make a good leader in the Senate. … You can't hold stuff like that against him. It was a birthday event, you know? The guy's sitting there in the chair. What are you going to say? You say nice things. You get caught up in the moment. Folks know where his heart is, and I think he's going to be a good leader in the Senate."

Roll Call (11/16, Billings, Pierce) says Lott proved himself "once again to be the master vote-counter the job requires." Roll Call adds, "In signature Lott style, the veteran Senator was able to win by corralling a solid base of support, picking off a number of Alexander's backers and working his candidacy right up to the Wednesday-morning vote. Lott was seen walking into the Old Senate chambers talking with Sen. Lisa Murkowski (Alaska), whom several GOP Senate aides characterized as one of the few remaining undecided lawmakers." CQ (11/16) notes Alexander "announced a week ago that he had lined up more than 25 votes -- a majority of his caucus. But secret ballot elections for

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leadership posts are notorious for wrecking all advance nose counts."

The New York Times (11/16, Leibovich, 1.16M) reports, "In their rehabilitation campaign, Senate Republicans will rely heavily on a man whose recent history is itself a testament to sudden falls, unlikely recoveries and the fickle hands of fortune in American politics. … Usually, the choice of a whip, a vital but unglamorous job, would draw little attention. But the election of Mr. Lott offers an unlikely study in professional redemption. 'One thing that this proves is that the United States Senate, like the American public, likes a comeback story,' said" Sen. Alexander. Sen. John McCain, Republican of Arizona, "who was said to be an important supporter of Mr. Lott, added, 'He paid a pretty high price for the statement he made.'"

The Washington Post (11/16, A4, Babington, 690K) says "Lott's feat ranks among the more impressive political comebacks of recent times, just as his fall from grace in December 2002 was spectacular and painful." The Post adds, "As GOP senators emerged from their closed-door meeting at the Capitol yesterday, several said the shock of last week's results prompted wavering colleagues to vote for Lott, who has spent 34 years in Congress (to Alexander's four), and much time negotiating deals and crafting compromises."

McClatchy (11/16, Talev) reports that "as expected, Sen. Mitch McConnell of Kentucky was chosen unanimously for the top job of Senate minority leader, beginning in January." The Senate GOP leadership team "represents a return to pragmatism. They're seasoned GOP parliamentarians who are expected to cross party lines and buck the White House more often than did" Senate Majority Leader Bill Frist, "who concentrated more on pleasing the president and the Republican Party base that's key to his presidential hopes for 2008." McConnell and Lott "are Senate traditionalists, and while both are conservative partisans, they also know how to cut deals to get things done."

The New York Times (11/16, 1.16M), in an editorial focusing on the Democratic house leadership dispute, says "the Republicans' defeat at the polls has sparked decidedly Transylvanian initiatives: Mr. Lott, who tripped from power over racially charged remarks he made in a fit of Dixiecrat nostalgia, has returned to new life as No. 2 in the minority leadership."

Alexander Says Loss Will Enable Him To Be More Independent. The Nashville City Paper (11/16, Allen), under the headline "Alexander Spins Leadership Loss As Good For Constituents," reports that Alexander "had said as late as Tuesday night that he had 27 of the 49 Republican votes. … Saying that last minute 'changes or switches are not unusual,' Alexander explained that he was likely beaten by a delayed backlash against those," including Frist, "who helped orchestrate Lott's ouster as Majority Leader four years ago. 'One of the senators said to me at lunch that this was about redemption. Some senators felt as though [Lott] was treated unfairly four years ago and wanted to give him a second chance,'" said Alexander. Alexander said that he "believes his loss will free him up to vote his conscience on issues, rather than fight for party votes. 'I'm a pretty independent fellow, anyway,'" Alexander said, adding, "And having my independence increased on the issues I care about the most appeals to me a lot."

Senate Republicans Assess Election Outcome, Future Strategy. The Hill (11/16, Bolton) reports, "Newly elected Senate Republican Leader Mitch McConnell (R-Ky.) convened his new leadership team for the first time late yesterday afternoon to take stock of its party's recent setback at the polls and to plot the future." The new GOP leaders "discussed next month's leadership retreat and the importance of keeping open the channels of communication among themselves, but they did not discuss in depth how to handle the few remaining weeks of the Republican majority. Leaving Senate Majority Leader Bill Frist (R-Tenn.) in charge of next month's agenda has created somewhat of a leadership vacuum in a growing split within the Senate GOP conference over spending priorities." Incoming GOP whip Sen. Trent Lott said, "We might have an opinion, but others are in charge right now." The Hill adds that earlier in the afternoon, "the entire Republican conference met to assess last week's election and discuss what they hoped to accomplish before turning power over to the Democrats. Behind closed doors, frustrated Republicans voiced concern that they lost six seats because they have drifted away from their core principles, said participants." Republican senators "are distressed that the GOP is no longer regarded as the party of fiscal discipline, an anxiety that is fueling a debate over how to handle the pending appropriations bills."

House GOP Whip Candidates Outline Strategies To Retake Majority. The Hill (11/16, O'Connor) reports House Republicans have "already begun mapping their attack strategy for the next two years." GOP leadership candidates have "highlighted their plans to hammer the incoming Democratic majority for ethical lapses, fiscal irresponsibility and legislative mismanagement, borrowing from a playbook those same Democrats used with great success to unseat the Republican majority." Majority Whip Roy Blunt (R-Mo.), "who is locked in a tight race with Rep. John Shadegg (R-Ariz.) to retain his post in the next Congress, released a detailed roadmap yesterday to unify Republicans on tough votes, offer viable alternatives to Democratic bills on the floor and target potentially vulnerable Democrats on every tough vote." Blunt is "trying to make his procedural knowledge a big advantage over Shadegg

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heading into a potentially tight election with the Arizona conservative." In the strategy memo, "entitled '24 Months to a New Republican Majority — A Plan for Victory,' Blunt outlined 60 Democratic seats carried by President Bush in 2004 where Republican leaders will apply pressure either to flip Democrats on the floor or punish them in campaign materials for voting with party leaders." Blunt "outlines amendments he would offer to projected votes implementing pay-go rules in the budget process, raising the minimum wage and allowing the federal government to negotiate drug prices with pharmaceutical companies, each of which is expected to be part of package offered by Democrats in the first 100 hours of their majority." Shadegg also "offered members his own broad vision statement yesterday in which he promises to work with the next chairman of the National Republican Congressional Committee to hold freshman Democrats accountable for the campaign promises they made during the last cycle."

On CNN's The Situation Room (11/15, Blitzer), Shadegg discussed his bid, saying, "We got shellacked in this election. The American people, I think, are trying to send us a message. If we re-elect the exact same two top leaders that we had going into the election, when we come out of the election, I think we will have said to the American people: 'We don't really care about the fact that you want change.' And I think we will have said to them: 'Yes, we've become Washington-focused and we want to stay Washington focused.' I don't think we can stay Washington-focused if we want the majority back."

Boehner Says GOP Needs To "Get Back To Basics." In a Roll Call op-ed (11/16), Rep. John Boehner, who is expected to become House Minority Leader, says, "Instead of settling for our minority status back in 1993-94 and adopting the mindset of a permanent minority, we set out to change things in a big way. In 1994 we developed the vision that led to the 'Contract with America,' which proudly said that House Republicans were ready as a team to take on the Washington, D.C., status quo. One of the secrets of the contract's success was that we recognized the things that unite Republicans across the spectrum are tax cuts, spending taxpayers' dollars wisely, ethics and accountability, and reforming government programs to demand results. We also recognized these ideas and policies have the added benefit of bringing in more and more Americans to support the conservative cause." If we "want our majority back in 2008, House Republicans need to get back to these basics and rededicate ourselves to the reform mindset that put us in the majority. We need to rebuild the Republican coalition by focusing on conservative ideas that can win broad-based support not just among House Members, but among the American people."

Democratic Blue Dogs Hope To Enhance Influence In House. The AP (11/16, Abrams) reports that for "a dozen years, the Democratic conservatives known as Blue Dogs have been baying at the moon, ignored by Republicans and tolerated by their more liberal Democratic colleagues. Now, these House lawmakers say that is about to change." Rep. Mike Ross of Arkansas said Republicans "'did not lose their seats to liberal Democrats' in last weeks elections." He added, "Republicans lost their seats to Blue Dog Democrats." The AP adds that with "the addition of nine newly elected freshmen, the Blue Dogs claim 44 members, nearly 20 percent of the incoming Democratic majority. They will be led by Rep. Allen Boyd, D-Fla., and include Rep. Collin Peterson, D-Minn., in line to become the next Agriculture Committee chairman." Already, "leaders from both parties are courting their votes." Incoming Speaker Nancy Pelosi "has promised to make 'paygo,' a Blue Dog-backed principle that any new spending be paid for with cuts in other programs or new revenues, one of her first legislative goals." Rep. Mike Pence, R-Ind., "who is running for the position of Republican leader in the next Congress, listed cooperation with the Blue Dogs as part of his platform."

Moderate Democrats, Republicans May Coordinate Efforts. Roll Call (11/16, Yachnin, Davis) reports that in an "effort to boost their influence in the sharply divided chamber, members of the moderate Republican and Democratic House factions indicated Wednesday that the two groups may coordinate efforts in the 110th Congress and could move to create a formal bipartisan coalition in the new session." Members of "the fiscally conservative Democratic Blue Dog Coalition and the centrist Republican Tuesday Group met in advance of the Nov. 7 elections, Rep. Jim Matheson (D-Utah) said Wednesday, to discuss areas where the groups could align." Matheson, who met with Tuesday Group co-chair Rep. Mark Kirk, said, "We have a lot of common interests." Roll Call adds, "According to Matheson, the moderate coalitions are most likely to work together on pro-growth and fiscal legislation, while Kirk cited issues such as expanding stem-cell research and portions of the 'Suburban Agenda,' an effort spearheaded by Kirk that includes legislation to stop online sexual predators and improve access to health care."

Rothenberg Says Incoming Democrats Are "Conventional," Not Conservative. In his Roll Call column (11/16), Stuart Rothenberg says, "It quickly has become conventional wisdom that last week's Democratic House victory swept in a crop of moderate and conservative Democrats who'll both keep party liberals in check and help remake the image of the party of former Vice President Al Gore, Sen. John Kerry (D-Mass.) and soon-to-be Speaker Nancy Pelosi (D-Calif.). Well, I met dozens of Democrats running in 2006 — no, not everyone, but most of them — and I can't find much more than a couple who merit the label

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'conservative.' That's not meant to be either criticism or praise. It's merely a statement of fact." Though there 'were obvious exceptions, most of the House takeovers occurred in swing and Democratic-leaning districts, and those districts elected pretty conventional Democrats."

Gingrich Says Bush Should Build Coalition With Conservative Democrats. In a Wall Street Journal op-ed (11/16), former Speaker Newt Gingrich says, "An establishment bipartisanship between the White House and liberal congressional leaders will almost certainly make it necessary to focus narrowly on how to minimize difficulties in Iraq and postpone consideration of the larger threats to America for the remainder of this and into the next presidency. By contrast, a conservative bipartisanship that knits together the House Republicans and the Blue Dog Democrats into a floor majority, working with a White House that emphasizes popular issues at the grassroots, would make it much easier to focus on the larger threats to American safety. (Such a bipartisanship could stress making the cap gains tax cut permanent; controlling set-asides and discretionary spending; oversight on failing bureaucracies and waste; English as the language of government; and biofuels as part of an energy policy.)" Gingrich adds, "Ironically, the very nature of the Democratic victory makes it possible to re-establish the conservative Democrat and House Republican coalition which made the Reagan legislative victories of 1981-82 possible." If President Bush "decides to govern as President Reagan did, he will work to unify the Blue Dog Democrats with the Republicans to win a handful of very large victories while accepting a constant barrage of unhappiness from the liberal leadership."

Murtha Tells Blue Dogs That Ethics Bill Is "Total Crap." Roll Call (11/16, Bresnahan) reports Rep. John Murtha (D-Pa.) "told a group of Democratic moderates on Tuesday that an ethics and lobbying reform bill being pushed by party leaders was 'total crap,' but said that he would work to enact the legislation because Speaker-to-be Nancy Pelosi (D-Calif.) supports it." Murtha and current Minority Whip Steny Hoyer (D-Md.) "are locked in a battle for the House Majority Leader post, and both men made presentations to the Blue Dog Coalition on Tuesday in a bid for their votes." Three sources "who were at the meeting" said Murtha said, "Even though I think it's total crap, I'll vote for it and pass it because that's what Nancy wants." Roll Call adds Pelosi has "made enactment of the Honest Leadership and Open Government Act the cornerstone of her legislative agenda for the 110th Congress, and she is preparing to make it the first bill introduced under her reign. Murtha voted against the legislation earlier this year on the House floor." A Democratic lawmaker "said he was 'surprised' by the tone of Murtha's comments, especially Murtha's repeated claim that he would back any proposal that Pelosi favored."

Murtha, appearing on MSNBC's Hardball (11/15, Matthews), said, "There's a lot of crap going on in Congress all the time. Guys violate the law, some do. But the problem we have is a few people violate the law and then the whole Congress has to be changed? … The idea we have to deal with an issue like this -- and it is total crap -- that we have to deal with an issue like this when we've got a war going on and we've got all these other issues."

The New York Times (11/16, Hulse, 1.16M) reports, "In an interview on the MSNBC show 'Hardball' Wednesday afternoon, Mr. Murtha said that at the time of Abscam he was interested in attracting foreign investment to relieve high unemployment in his Pennsylvania district and, though suspicious of the offer, wanted to keep open the possibility of legitimate investment. As for the ethics package promoted by Ms. Pelosi, Mr. Murtha said he was complaining that Congressional wrongdoing was superceding other matters 'when we've got a war going on and we got all these other issues — $8 billion a month we're spending.'"

Majority Leader Race Quickly Divides Democrats. The Washington Times (11/16, Hurt, 88K) reports House Democrats "will decide today whether to install as their majority leader one of the most scandal-tainted members of Congress." The vote on Murtha, "whom likely Speaker Nancy Pelosi enthusiastically supports -- comes 10 days after Democrats seized control of the House and Senate after promising to clean up the corruption that they said had become a hallmark of the Republican Congress." Most "of the attention on Capitol Hill yesterday fell on Mr. Murtha's run for House leadership, which many Democrats worry will sully their stunning victories last week and ruin any hopes of a reputation for ethical reform. Mr. Murtha didn't help his case when reports surfaced yesterday that he dismissed the party's plans for ethics reform during a gathering of newly elected Democrats."

The Hill (11/16, Hearn) reports the race "has reinforced longstanding divisions between different factions in the caucus, members and observers said, and has diverted their attention from a positive message they hoped to project just days after winning control of the House." Many Democrats were "dismayed at the ever more heated and at times ugly battle between two of their most senior members, much of it playing out on national television. Some Hoyer backers questioned Pelosi's political judgment, arguing that the effort to 'purge' Hoyer from the leadership would damage caucus unity."

CQ (11/16, Ferrechio) reports, "Little more than a week after they won control of the House, Democrats appeared deeply divided Wednesday on their first major decision — whether to give the majority leader's job to heir apparent Hoyer of Maryland, the current Democratic whip, or to honor

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Pelosi's preference for Pennsylvania's Murtha." Many Democrats "were hesitant to assess the impact of the contest, which has divided their caucus into two camps, or to analyze Pelosi's effort to oust Hoyer from the leadership team." But some "said they are worried about long-term damage to the fragile unity of the Democratic caucus." One senior Democrat said, "If Murtha wins, the resentment members are going to feel over the arm-twisting will be devastating. If Hoyer wins, people will never forget she tried to kick him out."

The New York Times (11/16, Hulse, 1.16M) reports House members "acknowledged on Wednesday that the increasingly bitter contest for majority leader was sullying the image of unity and new direction that Democrats hoped to convey." The "downtrodden Republicans were enjoying the spectacle of the split between" Pelosi, "who is publicly pushing" Murtha, "her longtime ally, and Democrats rallying behind Mr. Hoyer." Rep. Ray LaHood said, "I can't believe they are self-destructing before they even get started. Everyone on our side is giddy." The Times adds the race has "left Democrats and Republicans in both the House and Senate straining to understand Ms. Pelosi's strategy. They wonder why, in her moment of victory, she injected herself into a leadership fight that will end with the selection of her rival or her own choice, a lawmaker criticized for his ethics record, after an election in which Democrats campaigned on a clean-government theme." Murtha "himself has thrown more fuel on that fire. Members of the conservative Democratic Blue Dog group said that during an appearance before them Tuesday, Mr. Murtha disparaged an ethics overhaul that Ms. Pelosi and the leadership have been promising as one of their first orders of business."

The Los Angeles Times (11/16, Hamburger, Neubauer, 850K) reports, "Though incoming House Speaker Nancy Pelosi promises to push through ethical reforms in Congress, both of the Democrats vying to be her second-in-command have long histories of earmarking, close relationships with corporate interests, and using their positions to raise millions of dollars in campaign contributions." Murtha "used his seat on the appropriations committee and the largely secret earmark process to obtain $121 million in earmarks during the current session, making him one of the top earmarkers in Congress, according to the watchdog group Taxpayers for Common Sense." Hoyer, "also on appropriations, sent $61.7 million to his district just outside of Washington during this Congress, the watchdog group says. That put him among the top 10% of earmarkers in the House."

The AP (11/16, Taylor) reports Pelosi "faces a major leadership test Thursday, barely a week into her new role, as Democrats vote on her choice for majority leader. She's supporting a lawmaker once caught up in a bribery scandal and known more recently for trading votes for pork projects." With her "prestige is on the line," Hoyer "appeared to carry a lead into Thursday's secret ballot despite Pelosi's opposition." But "allies such as Rep. George Miller, D-Calif. — also a top confidant of Pelosi — have been working this week to peel away votes from Hoyer. Pelosi also has intervened more directly, making the case for Murtha in one-on-one meetings with Democratic freshmen — sessions in which the incoming lawmakers ask for all-important committee assignments."

The Washington Post (11/16, A1, Wiesman, Romano, 690K) reports the "showdown over the House majority leader's post" has "Democrats bitterly divided only a week after their party took control of Congress and has prompted numerous complaints that" Pelosi "and her allies are using strong-arm tactics and threats to try to elect Rep. John P. Murtha (Pa.) to the job." Pelosi's "aggressive intervention on behalf of Murtha has baffled and angered many Democrats, who think she has unnecessarily put her reputation on the line out of misplaced loyalty to a friend and because of a long-standing feud with Hoyer, the minority whip. Pelosi has pushed Murtha's candidacy at social events, in private meetings and with incoming freshman Democrats; they have been called to her office to discuss committee assignments, only to hear first that she needs Murtha in order to be an effective leader." Hoyer "was heavily favored to win the race until Sunday, when Pelosi -- in a move that shocked even her staff -- openly threw her support to Murtha, despite a vow to stay neutral."

The Christian Science Monitor (11/16, Chaddock, 59K) reports Rutgers University political analyst Ross Baker said, "The fight between Murtha and Hoyer is a template for Democrats on the war and corruption. Until this election, Murtha had an iconic status as an outspoken, truth-telling Democrat, and all of a sudden ethics has become a liability. It's an awkward position for Pelosi, whatever the outcome." The Monitor adds, "Most immediately, Murtha's opposition to ethics reform, including past brushes with ethics issues, open Pelosi to charges that she hasn't heard voters on the importance of cleaning up the culture of corruption in Washington."

Asked on Fox News' The Big Story (11/15, Gibson) if Murtha is "actually going to win this thing," ex-Rep. John Kasich replied, "No, no, no. Hoyer's going to win this thing. He has the support of the bulk of the Democratic Party." Pelosi "doesn't like Steny is what I'm told. So she got Murtha as a stalking horse. And then I think she sort of got pinned down and was forced to endorse him, although I'm told she's making no calls. I think Steny will win this comfortably."

On MSNBC's Tucker (11/15), host Tucker Carlson said, "It sounds like when the incoming speaker of the House tells you to do it, you don't necessarily do it, since Steny Hoyer is ahead."

Novak Says Damage To Pelosi Is "Irrevocable." In his column in the Washington Post (11/16, A27, 690K), Robert Novak says "the damage" to Pelosi "was irrevocable

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when she wrote her colleagues Sunday urging them to pick Murtha over Rep. Steny Hoyer. Close associates of Hoyer say her letter stunned him, and he was not alone. While Pelosi had made it clear that she would vote for Murtha, the public endorsement was unexpected." This is "a no-win situation for Pelosi. If Murtha wins today, she will be accused of personal vindictiveness in derailing Hoyer, who is more popular in the caucus and better qualified for leadership. If Murtha loses, as is much more probable, she will be seen as bumbling her first attempt to lead the new Democratic majority. Pelosi could have avoided this dilemma by standing aside as Newt Gingrich, then the presumptive speaker, did when he voted for his ally Robert Walker as majority whip but did not ask members to oppose Tom DeLay." Pelosi's "mistake confirms long-standing, privately held Democratic apprehension about her abilities." Her "colleagues worry that her decision making may be distorted by personal considerations."

Other Commentary. The Los Angeles Times (11/16, 850K) says in an editorial Rep. Murtha is "an old hand in the sort of politics that voters supposedly rebelled against last week." Murtha's "history would seem to belie Pelosi's call for 'the most honest, the most open and the most ethical Congress in history.' But like the Republicans in the Senate, the new speaker seems willing to go only so far in satisfying the voters' appetite for change. If that disappointing pattern persists, Americans who thought they voted for change might echo the title of the Who classic we quoted above: "Won't Get Fooled Again."

The New York Times (11/16, 1.16M) says in an editorial, "So far, the Democrats seem not to have paid much attention to the tattered baggage lugged into the limelight by Representative John Murtha of Pennsylvania, the Iraq war critic who is Speaker-to-be Nancy Pelosi's choice for second in command." And while Pelosi is "vowing to hammer home ethics reform as her first order of business, the Capitol newspaper Roll Call reported that Mr. Murtha was vulgarly belittling her program in private meetings with lawmakers."

WSJournal Says Earmark Reform Another Test For Pelosi. The Wall Street Journal (11/16, 2.04M) says in an editorial, "We'll find out when Democrats vote today if Speaker-in-waiting Nancy Pelosi was able to push aside her long-serving deputy in favor of her antiwar friend, John Murtha, as House Democratic majority leader. But an even bigger sign of how Democrats plan to govern is whether they implement the 'earmark' reform they campaigned on this fall." Murtha is "a champion of earmarked spending projects and his brother was a renowned earmark lobbyist. If he wins, Democrats will be rewarding his antiwar stance over the need for a cleaner Congress. All eyes should then turn to whether Ms. Pelosi follows through on her promise to clean up earmarks. So far, she's said the right things about greater transparency that would require every Member to disclose his support for every earmark, which have become such opportunities for corruption. Last weekend she was quoted as saying, refreshingly, that 'I'd just as soon do away with all' earmarks." But some Republicans "are already questioning Ms. Pelosi's sincerity."

Five Congressional Black Caucus Members To Head Key House Committees. The Washington Post (11/16, 690K) reports five members of the Congressional Black Caucus "are poised to take the helm of key House committees when Democrats assume control of Congress next year: John Conyers Jr. (Mich.) of Judiciary, Alcee L. Hastings (Fla.) of intelligence, Juanita Millender-McDonald (Calif.) of House Administration, Reps. Charles B. Rangel (N.Y.) of Ways and Means, and Bennie Thompson (Miss.) of Homeland Security." Another member, Rep. James E. Clyburn (S.C.), is "slated to be named majority whip, which would make him the third-ranking Democrat in the House. Minority Leader Nancy Pelosi (D-Calif.), the presumed speaker of the 110th Congress, has campaigned on his behalf." University of Maryland political analyst Ronald Walters said, "If they accede to that much power, it would truly be the realization of the kind of dream we've been waiting for since the civil rights movement." Walters added that "is a big 'if.' The appointment of Millender-McDonald is less certain than those of some of the others, and Hastings faces a steep uphill climb in his bid for the intelligence post because of past ethics problems." Further, CBC members, "who tend to be more liberal, might find it hard to push their traditional social agenda. Conservative and moderate 'Blue Dog' Democrats, whose numbers are nearly equal to those of Black Caucus members, have vowed to counter agendas that they deem too liberal."

The Washington Times (11/16, DeBose, 88K) reports the CBC "expects at least five committee chairmanships and as many as 17 subcommittee chairmanships to be led by its members in the 110th Congress after a vote by the Democratic Caucus concludes shortly after noon today. But some said the numbers might not exactly reflect seniority alone on the subcommittee seats."

Norton Hopeful For Passage Of DC House Vote Bill. On MSNBC's Hardball (11/15, Matthews), Del. Eleanor Holmes Norton was asked about the prospects for a District of Columbia House vote bill this year. Norton said, "That would be a nice bipartisan to do in the lame-duck session but, look, we have only a week in December to get it through the House and the Senate. So I'm calling on my Senate colleagues to join us. After all, we've got Republicans and Democrats -- got it out of one committee. Almost equal number of Republicans and Democrats -- let's get it out of the House and the Senate in December."

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Senate Democrats Planning Agenda For 110th Congress. Roll Call (11/16, Pierce) reports the Senate Democratic leadership team "plans a long, laborious slog for the Senate next year even as party leaders continue to formalize their legislative agenda for the 110th Congress — an agenda that already includes a couple of surprises." At a breakfast with reporters Tuesday, "incoming Majority Leader Harry Reid (D-Nev.) warned that the 'do-nothing' Congress, as his party has labeled recent Republican rule in the chamber, will soon be over." Reid promised "to 'work long hours,'" saying, "We're going to work more than just Tuesday, Wednesday and Thursday until noon." Roll Call adds Reid "outlined some of his top legislative priorities for next year, which include an effort to 'do everything we can to make elections more civil.' Principally, Reid said that would mean passing a bill to create criminal penalties for election fraud, including offenses such as voter misinformation campaigns carried out by robo-calls and misleading flyers." Reid also "indicated that he wants to rein in independent campaign expenditure groups, known as 527s, even though many of them have helped Democrats even out the edge in hard-dollar fundraising that Republicans have typically enjoyed." As they "assess the rest of their agenda — much of which they already have talked about in broad terms — Democratic Senators and aides said choices still have to be made about what specific legislation should be included under the rubric of their election-year themes of energy independence, modifying the Medicare prescription drug benefit, making college more affordable, raising the minimum wage, passing terrorism prevention measures and protecting employee pensions."

Sen. Patty Murray, appearing on MSNBC (11/15, O'Donnell), said, "There are obviously a number of challenges. Iraq is the elephant in the room. … There are a number of domestic items, too. We're being handed a budget that is very difficult to deal with, and there's tremendous domestic needs on the Medicare Prescription Drug Plan, on families' access to health insurance, on making sure that our students get access to college in an affordable way. Families are feeling the stress of pensions and just everyday, average concerns of Americans. And we'll be putting that agenda together and begin to move this country back on track so we address those concerns."

Narrow Majority To Put Reid To The Test. In his Washington Post column (11/16, A27), David Broder says the need for 60 votes in the Senate to move legislation "puts an enormous strain on Harry Reid, the Nevadan who has struggled these past two years to master the less arduous duties of Senate minority leader. The risk for Democrats is that Reid may not be up to the challenge. We saw how weakness in the majority leader could hurt a party in the recent example of Sen. Bill Frist. More than once Frist was unable to hold his own troops together on big issues or to thwart Reid and the Democrats when they built roadblocks to administration bills. Now the situation is reversed, and it is Reid who will be tested." The Senate is "chockablock with presidential wannabes," and Reid will also "have to contend with a few real mavericks and independent spirits in his caucus." As minority leader, Reid was "remarkably effective in keeping the Democratic caucus united but far less successful as a public spokesman for his party. His partisan comments were often too sharp, his television appearances less than commanding. In his new role, he will be far more exposed, and his flaws more conspicuous."

Samuelson Says Democrats Have Few Big Opportunities. In his Washington Post column (11/16, A27), Robert J. Samuelson says, "Even forgetting possible vetoes by President Bush, the Democrats have less leeway to alter policy than their rhetoric implies. Although Democrats didn't promise much -- they benefited heavily from unhappiness with the war in Iraq -- they still succumbed to exaggeration. Their sound bites ran ahead of plausible solutions." On "domestic policy, Democrats have few big opportunities. This creates a dilemma. They can either concentrate on symbolic acts (the minimum wage, the drug benefit) that sharpen their differences with Republicans. Or they can find less controversial matters, where cooperation seems possible, to advertise their fitness to govern and their credentials as centrists. It will be difficult to do both. There's only one solace -- the Republicans face the same dilemma."

Pension Agency Posts Smaller Deficit Than Last Year. The Washington Post/AP (11/16, D3, Aversa) reports, "The federal agency that insures private pension plans for millions of Americans logged a deficit of $18.1 billion this year, a big improvement from last year thanks to a new pension law." The ""narrower deficit for the 2006 fiscal year reported by the Pension Benefit Guaranty Corp." yesterday "was down from a shortfall of $22.8 billion recorded in 2005 and a record $23.3 billion posted in 2004."

USDA Admits Making Over $2.8 Billion In Improper Payments. The AP (11/16, Quaid) reports, "The Agriculture Department on Wednesday acknowledged making improper payments to farmers worth more than $2.8 billion last year. Officials explained that most of the payments involved missing or incomplete paperwork." Chuck Christopherson, the department's chief financial officer, said, "We take this very seriously. … We know this is something that we can address and that we can fix." The AP adds, "The amount of improper payments in fiscal 2006 was about 11 percent of farm program payments, the department said. The fiscal year ended on Sept. 30."

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Rodman Leaving Pentagon For Brookings. The AP (11/15) reports Assistant Secretary of Defense for International Security Affairs Peter Rodman "is leaving his post, in the first announced Pentagon departure" since Secretary Donald Rumsfeld's resignation. He "will join the Brookings Institution as a senior fellow."

Defense Department Travel Reservation System A "Fiasco." The AP (11/15, Margasak) reports the Defense Department's computerized travel reservation system "has turned into a half-billion-dollar fiasco, so flawed that only 17 percent of the travelers are using it as intended," according to the Senate Permanent Subcommittee on Investigations. The system "was designed as the Pentagon's version of an Internet travel site," but the probe found that 83% of DOD travelers "have been contacting professional travel agents first -- and then using the new system to book the travel afterward."

WSJournal Says Federal Relief For Auto Execs Won't Help. The Wall Street Journal (11/16, A18, 2.04M) editorializes, "Auto executives from the Big Three finally got their sit-down with President Bush this week, where they (surprise!) pleaded for federal relief." The Big Three "still dominate U.S. auto production, but foreign makers continue to gain market share, currently accounting for some 40% of all passenger cars and light trucks sold in the U.S." President Bush "had been resisting their overtures and appears to be standing his ground, agreeing to little more after this week's meeting than a 'continuing dialogue.'" However, with Democrats in control, "there's likely to be increased pressure for some kind of government aid." The President's "inconsistency on bailouts won't help matters," as airlines "have received between $15 billion and $20 billion in cash to help keep them afloat in the wake of 9/11." Detroit auto makers are "angling for a similar deal, but it would only retard the necessary if painful transformation that is currently taking place at the Big Three." Government intervention "in a market this healthy can only increase the chances that it won't stay that way."

OTHER NEWS:

Fed Concerned About Inflation, More Confident About Engineering Soft Landing. The Financial Times (11/16, Guha, Mackenzie) reports, "Federal Reserve policymakers are becoming a little more confident about their ability to engineer a soft landing for the US economy, minutes published on Wednesday reveal. The minutes, from the last Fed policy meeting on October 25, show that most Fed policymakers thought the downside risks to growth had "diminished a little" since the previous meeting, while some thought the upside risks to inflation had also declined, though 'only slightly.'" However, "the outlook for both inflation and growth remains very uncertain. … All members of the committee 'expressed concern about the outlook for inflation' and all 'agreed that the risks to achieving the anticipated reduction in inflation remained of the greatest concern.'"

The Wall Street Journal (11/16, Ip, 2.04M) reports, "The minutes said FOMC members expect core inflation to decline, as the indirect effects of the retreat in energy prices feed through to other goods and services, and the cost of housing ceases to be a source of upward pressure." They also "said the decline in housing activity is unfolding as expected and that the 'risk of an even larger contraction in this sector had ebbed.' Some, however, fretted that it could yet spill over to other areas of consumer spending." USA Today (11/16, Hagenbaugh, 2.27M) runs a similar report titled "Fed Bankers All Show Inflation Concerns," reporting the Fed "in particular noted that a tight labor market could lead to a 'sustained increase in wage pressure,' and thus inflation."

Stocks Hit New Records. The Wall Street Journal (11/16, McKay, 2.04M) reports, "Investors bid stocks to fresh highs, their hopes for a less-than-traumatic economic slowdown buoyed by newly released comments by Federal Reserve policymakers. … The Dow Jones Industrial Average rallied 33.70 points, or 0.3%, to a record 12251.71, up 14.3% on the year. … The broad Standard & Poor's 500-stock index crossed 1400 for the first time in more than six years but finished shy of that psychologically important number. The index ended 0.2% higher, up 3.35 points at 1396.57, its highest close since Nov. 9, 2000, and up 11.9% on the year. It still would have to rise more than 9% to top its record set in early 2000." The Nasdaq "rose 0.5%, or 12.09 points, to 2442.75, up 10.8% on the year. It was the best close since Feb. 15, 2001, though the index would have to more than double to reach a new record." NBC Nightly News (11/15, story 5, Williams, 9.87M) was the only network newscast that noted the stock numbers.

Miners' Union Aims For Revival As Coal Industry Makes Comeback. The Washington Post (11/16, Russakoff, 690K) reports from Southern Illinois that "global economic forces have realigned, and coal mining is back. And a new generation of miners is living the good life not seen here since coal was king." As the coal "industry withered east of the Mississippi River, so did the United Mine Workers of America -- from 167,000 active members in 1980 to 16,000 today. ... Now the union is trying to come back, too, beginning with an organizing campaign targeting Peabody Energy Corp., ... the world's largest coal company." The union "is struggling to bridge a gap between young workers ..., giddy over high wages in this long-depressed

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region, and older ones focused on pensions and gold-plated health care in retirement." The Post adds, "Coal's rebound here is a direct result of soaring U.S. demand for electricity, half of which currently comes from coal. The Bush administration is promoting coal as a 'freedom fuel' -- in contrast to foreign oil -- and utilities are on a coal binge, with 154 new coal-fired plants on the drawing board. ... [C]oal states and the industry are investing heavily in technologies to convert coal into liquid fuel to power cars and jet planes."

Urban Schools Behind Nation In Science Scores. The New York Times (11/16, Schemo, 1.16M) reports the National Assessment of Educational Progress shows that "at least half of eighth graders tested in science failed to demonstrate even a basic understanding of the subject in 9 of 10 major cities, and fourth graders, the only other group tested, fared little better." Further, "student performance in urban public schools was not only poor but also far short of science scores in the nation as a whole." Only Austin had a majority of 8th graders meet basic standards and only Austin, Charlotte and San Diego had a majority of 4th graders meet the basic standard.

The AP (11/16) reports, "Minorities in the city schools often performed similarly to students with the same backgrounds in the national sample." Nationwide, "just a little more than a quarter of students in both grades" met proficient standards while "34 percent of fourth-graders" were "unable to perform at even a 'basic' level."

KBR Will Trade As A Separate Stock. USA Today (11/16, Krantz, 2.27M) reports, "Today, KBR, which runs almost every aspect of the Iraq war except the fighting, will trade as a separate stock after an initial public offering. It raised $473.3 million Wednesday, after pricing the 27.8 million shares it's selling at $17 a share." Ben Holmes, publisher of MorningNotes.com, a market and IPO research firm, said that for investors, "KBR is the demon spawn of Halliburton." A Democratic Congress "may further investigate the company." Francis Gaskins of IPOdesktop said, "But KBR "has been broadening its business outside Iraq. Its backlog of business jumped 42% from last year to September, largely on non-Iraq jobs," but the backlog "is the salvation of a company that normally would struggle to win over investors. But it's unclear how profitable it is and whether investors are willing to pay up."

Democrats Have Good Chance To Expand Senate Majority In 2008. The Hill (11/16, Blake) reports Senate Democrats will "have a wider field of possibilities and probably more open seats available to expand their majority in 2008, though Senate Republicans will have several chances to pick off red-state Democrats." Of the "33 seats up for election two years from now, 21 are held by Republicans. Eight of those 21 were elected with 55 percent of the vote or less in 2002, and in seven of them the incumbent is a freshman. The party also faces several retirement questions." Democrats "might not lose any incumbents to retirement now that they are in the majority — a crucial first step to maintaining and growing that majority. Two big Democratic retirement risks, 82-year-old Sen. Frank Lautenberg (N.J.) and 69-year-old Sen. Jay Rockefeller (W.Va.), intend to run again in 2008, according to their offices." Sen. Tom Harkin (D-Iowa), Sen. Carl Levin (D-Mich.), 72, "who has not decided," and Sen. Max Baucus (D-Mont.), 64, "who did not respond to inquiries, may be re-energized by capturing prized committee chairmanships." Jennifer Duffy of the Cook Political Report "expects Democrats to skate into 2008 with all five of these potential retirees." On the Republican side, "Sens. Pat Roberts (Kan.), 70, Pete Domenici (N.M.), 74, and Ted Stevens (Alaska), who turns 83 on Saturday, have all told The Hill they intend to seek reelection. But speculation is rampant about Sens. John Warner (Va.), 79, and Wayne Allard (Colo.), who is at the tail end of a two-term-limit pledge." The "most vulnerable incumbents are Allard, Sen. Norm Coleman (R-Minn.) and Sen. Mary Landrieu (D-La.), according to the Cook Political Report. No races are yet listed as tossups."

Democrats Closed "Parent Gap" In Midterm Elections. The Washington Times (11/16, Wetzstein, 88K) reports Democrats "closed a so-called 'parent gap' in this month's election and should seize the moment by pushing family-friendly legislation, analysts told a Capitol Hill briefing yesterday." Married parents – "especially married mothers -- have voted Republican in recent years, partly because of a perception that Democrats don't care about family issues, said Michele Stockwell, a social policy analyst with the Progressive Policy Institute." The election results "show that Democrats 'closed this parent gap, at least temporarily,' she said. But the gap needs to be closed permanently by addressing families' concerns." The Times adds, "Some family advocates, however, expressed dismay at the lack of attention to family issues in Democratic platforms."

Greenberg, Carville Criticize Dean's DNC Strategy. The Christian Science Monitor (11/16, Cook, 59K) reports, "Sweet as it was to win control of the House and the Senate in the 2006 election, some Democratic operatives think their victory could have been bigger if national party chairman Howard Dean had been willing to spend more in districts where races were close." At a Monitor breakfast, Democratic pollster Stan Greenberg said, "There were two dozen seats in which Republicans got 51 percent or less....There is a very big difference between defending these seats as incumbents or still trying to pick these up while they

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are being protected by Republicans." James Carville, "who along with Greenberg co-founded Democracy Corps, a Democratic strategy group, told a Monitor breakfast on Wednesday, 'We beat the hell out of them at the committees, at the congressional [campaign] committees. The DNC [Democratic National Committee] left the money on the table.'" Carville said DNC Chairman Howard Dean "should be dumped. Carville added that Dean 'should be held accountable' and described his leadership as 'Rumsfeldian in its competence.'"

The New York Times (11/16, Nagourney, 1.16M) reports, "The Democrats are celebrating their big victory of Nov. 7 with recriminations, finger-pointing and infighting, no matter that they won control of the Senate and the House for the first time since 1994." State Democratic leaders "are saying Howard Dean, the party chairman, is not receiving the credit he deserves for the triumph." On the other hand, Greenberg and Carville "rebuked Mr. Dean on Wednesday, saying the Democrats could have captured 40 House seats rather than 29 had Mr. Dean bowed to demands by Representative Rahm Emanuel of Illinois, leader of the effort to recapture the House, to put more money into Congressional races." Liberal bloggers "say they are not receiving the credit they deserve and are chafing at how what they call the mainstream media has showered too much credit on Mr. Emanuel and his Senate counterpart, Charles E. Schumer of New York, for the sweep." And on Capitol Hill, "soon-to-be Speaker Nancy Pelosi of California has waded into a leadership fight that has divided her caucus." The Times adds that in an interview, Carville asked, "Do we want to go into '08 with a C minus general at the D.N.C.?"

The Austin American Statesman (11/16, Shepard) reports Carville, "during coffee and rolls with political reporters today, said Democrats could have picked up as many as 50 House seats, instead of the nearly 30 they have so far. The reason they didn't, he said, is the Democratic National Committee did not spend some $6 million it could have put into so-called 'third tier' House races against vulnerable Republicans."

Simmons Concedes, After Losing By 91 Votes. The AP (11/16, Haigh) reports, "More than a week after Election Day, Republican US Rep. Rob Simmons conceded to Democrat Joe Courtney on Wednesday, but did not rule out running again in two years." Simmons "spoke to supporters -- some tearful -- who packed his headquarters Wednesday afternoon, a few hours after Secretary of the State Susan Bysiewicz confirmed that Courtney had won by 91 of nearly 250,000 votes cast."

CQ (11/16) reports "the Courtney-Simmons contest was the closest of many tight races in a midterm election cycle that boosted Democrats to control of both chambers of Congress. Many of the Democratic takeovers came in districts held by moderate Republicans such as Simmons; a similarly positioned Connecticut Republican, 12-term incumbent Nancy L. Johnson, was unseated in the 5th District by Democratic state Sen. Chris Murphy." Courtney "had declared victory on Election Night, when returns indicated he led Simmons by 167 votes. He has been in Washington this week, attending freshman orientation."

Two Georgia Democrats Certified As House Race Victors. The AP (11/16, McCaffrey) reports Democratic Reps. John Barrow and Jim Marshall "were certified the winners of their respective races Wednesday, all but ending GOP hopes of knocking off at least one Democratic incumbent in the Nov. 7 congressional races." Barrow "defeated Republican Max Burns in eastern Georgia's 12th District by just 864 votes out of 142,438 cast, according to the final tallies released by Secretary of State Cathy Cox. In middle Georgia's 8th District, Marshall defeated Republican Mac Collins by 1,752 votes out of 159,568 cast."

The New York Times (11/16, Dewan, 1.16M) reports, "Neither of the Republican challengers had conceded, and Mr. Barrow, who won by 864 votes, could face a recount if his opponent, Max Burns, requests one. Georgia law allows a recount if the margin of victory is less than 1 percent of the votes cast."

Accuracy Of Midterm Election Polls Assessed. In his Wall Street Journal column (11/16), Carl Bialik says, "Pollsters earned high marks in last week's elections: Surveys correctly predicted that the Democrats would win control of the House of Representatives, that the Senate would be closely contested and that Democratic gubernatorial candidates would sweep into statehouses." That "doesn't mean that some pollsters didn't do better than others, however, and firms haven't hesitated to trumpet their results." Bialik adds, "I looked at five pollsters that were among the most prolific: Rasmussen, SurveyUSA, Zogby (which releases separate telephone and online polls) and Washington, D.C.-based Mason-Dixon." There were "some interesting trends: Phone polls tended to be better than online surveys, and companies that used recorded voices rather than live humans in their surveys were standouts. Nearly everyone had some big misses, though, such as predicting that races would be too close to call when in fact they were won by healthy margins. Also, I found that being loyal to a particular polling outfit may not be wise. Taking an average of the five most recent polls for a given state, regardless of the author -- a measure compiled by Pollster.com -- yielded a higher accuracy rate than most individual pollsters." In the Senate races, "the average error on the margin of victory was tightly bunched for all the phone polls. Rasmussen (25 races) and Mason-Dixon (15) each were off by an average of fewer than four points on the margin. Zogby's phone polls (10) and

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SurveyUSA (18) each missed by slightly more than four points. Just four of the 68 phone polls missed by 10 points or more, with the widest miss at 18 points."

NYTimes Says Evangelicals Not Shifting Political Parties. David Kuo writes in a column for The New York Times (11/16, 1.16M) that this year's elections doesn't mean evangelicals "aren't re-examining their political priorities nearly as much as they are re-examining their spiritual priorities," which "could be bad news for both political parties." Evangelicals are "beginning to see the effect of their political involvement on those with whom they hope to share Jesus' eternal message: non-evangelicals," as Beliefnet's poll showed that "nearly 60 percent of non-evangelicals have a more negative view of Jesus because of Christian political involvement; almost 40 percent believe that George W. Bush's faith has had a negative impact on his presidency." Conservative Christians were "promised that having an evangelical like Mr. Bush in office was a dream come true," but "it wasn't…not by a long shot." He wrote, "The administration accomplished little that evangelicals really cared about." However, Lewis says not to "expect conservative Christians in politics to start to disappear."

Riley's Success In Alabama Analyzed. The Wall Street Journal (11/16, A19, Hillyer, 2.04M) reports as Republicans "coast to coast were burying their many political dead, a Republican governor once given up for dead was enjoying a landslide victory. Alabama Gov. Bob Riley was re-elected last week, beating long-popular Lt. Gov. Lucy Baxley with more than 58% of the vote, including an impressive 20% of the black vote." Riley's win "was not simply the result of Alabama being a Republican state: Democrats won the two next most prominent statewide races, those for lieutenant governor and Supreme Court chief justice. In Alabama as elsewhere, this was a Democratic year -- with the notable exception of Mr. Riley, a conservative reformer in cowboy boots, with a cheerful, Reagan-like demeanor." Riley and editorial writers "across the state will readily identify his successes in the 'Three Es': Economic development, education and, not least, ethics." These accomplishments "stand in marked contrast to the record" of former Gov. Don Siegelman, who "presided over a budget crisis and now stands convicted of bribery and other infractions."

McCain Launches Presidential Exploratory Committee. USA Today (11/16, Lawrence, 2.27M) reports that Arizona Sen. John McCain (R) "is forming a presidential exploratory committee in order to start amassing money for the 2008 Republican nomination contest," and he says "he'll make a final decision with his family over the Christmas holidays." McCain's new committee "will file quarterly reports to the FEC," and he could put "about $1 million toward a bid." In a USA TODAY/Gallup Poll in the past week, "26% of Republicans and independents who lean toward the GOP picked McCain," while former New York mayor Rudy Giuliani, "was first at 28%."

The AP (11/16) reports that McCain also "launched a Web site — http://www.exploremccain.com — that allows supporters to donate and join his effort." If McCain runs, "he would turn 72 on Aug. 29, 2008, at the height of the campaign."

The Los Angeles Times (11/16, Hook, 850K) reports, "McCain has been considered the front-runner for the Republican nomination in a field that changed rapidly after the tumultuous midterms," and he has been "moving to make a fresh appeal to the surly voters who helped end GOP control of the House and the Senate -- Republicans and independents angry about government corruption and excessive spending." However, the midterms also show a "growing risk" for McCain as polls show that a "majority of voters disapprove of the war in Iraq and want at least some troops withdrawn," and McCain is "almost alone in calling for a larger deployment." Today, he made a speech to GOPAC, a conservative political group, he will speak again today to the Federalist Society.

CNN's The Situation Room (11/15, Crowley) also said that "as he approaches '08, McCain will need to align his more troops in Iraq position with an antiwar electorate."

On MSNBC's Hardball (11/15), host Chris Matthews discussed the 2008 presidential race with political strategist Mark McKinnon and former Clinton Press Secretary Joe Lockhart. Matthews asked McKinnon, "On the Republican side…[John] McCain, Mitt Romney or Rudy [Giuliani]? Anybody else can win that nomination right now?" McKinnon: "I think those are the big three, I really do." Matthews then asked Lockhart, "In your party, Hillary [Clinton], [John] Edwards…[Barack] Obama?" Lockhart: "I think those are the three."

Thompson Announces Presidential Exploratory Committee. The AP (11/16, Glover) reports, "Former Wisconsin Gov. Tommy Thompson, who served as Health and Human Services Secretary in President Bush's first term, said Wednesday he intends to form a committee to explore a possible run for the White House in 2008." During his stop in Iowa, Thompson "argued that his background as a Midwest governor and HHS secretary would appeal to voters," and said, "The three big issues in 2008 are going to be health, energy independence and the war in Iraq." Thompson "faces a daunting task in what's expected to be a crowded field of Republican presidential candidates." Other potential candidates "include Massachusetts Gov. Mitt Romney, Tennessee Sen. Bill Frist, Arkansas Gov. Mike Huckabee

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and New York Gov. George Pataki. California Rep. Duncan Hunter also has announced a presidential bid."

Clinton Says She's Undecided On Presidential Bid. The AP (11/16, Fouhy) reports that Sen. Hillary Rodham Clinton's (D) "professed indecision about a presidential bid seems a bit disingenuous," as "she has millions in the bank, a national network of supporters and an unrivaled team of political strategists." Earlier this week, she said, "I will look at the possibilities, but I ... haven't really had the time to talk to people about it." Polls "show her the front-runner for her party's 2008 presidential nomination," but Clinton "insists she's just starting the process of making a final decision." Among "registered black Democrats, she led Obama 29 percent to 10 percent on the same question in an AP-AOL Black Voices poll." She has "as much as $13 million remaining from her Senate run that can be used in a presidential bid, far more than lesser known candidates."

The CBS Evening News (11/15, story 10, 2:25, Borger, 7.66M) said Sen. Clinton " is the person to beat," but "she does have one problem," which is that "she voted for the war in Iraq and that won't help with the liberal wing of the party." Sen. Barack Obama "was a sensation during this election cycle," but his problem is that "he's only been in the Senate for two years, he has no national security credentials so one of the reasons he's talking about Iraq in Chicago next week is to talk about his feelings about the war." He voted "against the war, and he wants to present his credentials to the American people." John Kerry, John Edwards, Joe Biden, General Wesley Clark, and maybe even former Vice President Al Gore are all on the "growing list" of potential candidates.

WPost Sees Lessons On Race In Maryland Senate Campaign. The Washington Post (11/16, A26, 690K) editorializes, "There are lessons for both political parties in the conduct and outcome of the U.S. Senate race in Maryland this year." Republicans "discovered that identity politics and fraudulent campaign literature are not enough to drive African American voters into jettisoning their loyalty to the Democratic Party en masse. Democrats, who nominated white candidates for the Senate and every other marquee statewide race, were put on notice not to take their indispensable core constituency, African Americans, for granted. Both parties might profit from treating black voters, who account for between 20 and 25 percent of the state's electorate, with more respect."

Bush To Promote Trade, Counter-Terrorism In Trip To Asia. ABC World News (11/15, story 4, 0:20, Gibson, 8.78M) reported, "President Bush landed in Singapore a short time ago. He's beginning a week long Asian trip for a series of summits and economic conferences and his first visit to Vietnam." The Los Angeles Times (11/16, Gerstenzang, 850K) says the trip will knit together "the twin issues of economic security and counter-terrorism that are at the center of his agenda for the final two years of his presidency." Bush's trip "is centered on a three-day visit to Vietnam, his first and the second by a US president since the end of the Vietnam War. President Clinton visited in November 2000, two months before leaving office."

Much of the media coverage on Bush's trip portrays him as a president weakened by the midterm elections and the recent House defeat of his Vietnam trade bill. USA Today (11/16, Jackson, 2.27M) says "some Asian leaders wonder whether last week's elections were a vote against free trade and their countries' economic opportunities." Tonight, Bush "delivers a major speech on US-Asian relations that will include a renewed commitment to what national security adviser Stephen Hadley called 'trade liberalization.'" USA Today adds, "Delegates to the Asia-Pacific Economic Cooperation forum, to be held this weekend in Hanoi, will assess Bush's political strength in light of the election victories by the Democrats." The AP (11/16, Hunt) reports Bush is now "seeking to reassure nervous Asian allies that the United States will remain a reliable partner in liberalizing trade" after the "early embarrassment" when the House "failed to approve normalized trade relations with Vietnam."

The Financial Times (11/16, Beattie, Kazmin) reports the Administration "scrambled on Wednesday to play down the significance of the US House of Representatives defeating a motion to treat Vietnam as a full trading partner. … Though the bill is very likely to pass when Congress reconvenes in December, the timing of the vote, days before Mr Bush attends the Asia-Pacific Economic Co-operation (Apec) forum in Vietnam is highly unfortunate for the White House." Susan Schwab, US trade representative, "used a press conference in Hanoi on Wednesday to argue that the defeat arose from procedural problems, not fear of Vietnam or rejection of trade deals. 'You have to be a student of our congressional system to understand the vote,' she said. 'The fact is that there was strong bipartisan support in favour of permanent normal trade relations for Vietnam in the House of Representatives.'"

NBC Nightly News (11/15, story 11, Williams, 9.87M) said the "subplot" of Bush's Asia trip is "how angry some of his fellow Republicans are at the election results at home. 'The Wall Street Journal' reports Republicans in Congress intentionally didn't pass two bills the President badly wanted before he left. One of them is aid for Vietnam and another is a bill to pay for the US government, which will now have to be flown to Asia by a White House aide for the President's signature."

The New York Times (11/16, Weisman, 1.16M) says the Vietnam bill "result was an embarrassment for the White

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House, suddenly deprived of a tangible way to prove that relations with Vietnam were improving under Mr. Bush. Even administration officials said they were not sure why the bill failed and seemed ready to blame Republicans as well as Democrats." The Times adds, "A day after Republican leaders decided not to even try to pass the bill before Mr. Bush's visit, new details of the inner workings of the House bill were emerging. Legislative aides said Republican skeptics of the bill were furious with their leaders that it was being scheduled so soon after an election in which trade was an issue." A similar piece in the Financial Times (11/16, Beattie, Callan) reports, "Never mind the Democrats: it's those Capitol Hill Republicans you need to watch out for. That was the conclusion of frustrated Bush administration officials as they blamed the ineptitude of the Republican leadership of the House of Representatives for trying and failing to rush through the Vietnam trade bill on Monday."

UN Ambassador John Bolton, appearing on CNN's Lou Dobbs Tonight (11/15), said, "My understanding is the House had some difficulties with the terms of the bilateral agreement. I think they'll certainly take a look at that again. But I don't see anything inconsistent with being in favor of free trade and also aggressively promoting American interest, which I think the Administration is trying to do."

The New York Times (11/16, A6, Sanger, 1.16M) reports Bush's five-day visit to Asia "will test whether the Republican defeat last week diminished his influence as he presses other nations to confront Iran and North Korea." Discussing the president's meeting the Putin, Hadley "acknowledged that the two countries were still well apart on such [UN] sanctions" against Iran. Asked about seeking Iran's help with ending violence in Iraq while pressing the nuclear issue, Hadley said the administration had "no intention of letting up the pressure" to win Iran's help. "There's not a tradeoff between the two," he said. "Iran ought to have an interest in having a unified and stable Iraq." Meanwhile, the Times says when Bush arrives Friday in Hanoi, "he will face a more difficult trade issue: Congress balked at final passage of normal trade relations with Vietnam." Also in Hanoi, the Times says Bush is "likely to have a testy encounter with President Roh Moo-hyun of South Korea," who "has been critical of what he has called a one-sided American approach to North Korea."

In a similar report, the Washington Times (11/16, Curl, 88K) reports, "While Mr. Bush will be president for another two years, his loss of Congress considerably weakens his clout at home. One former White House adviser said the strong hand he held when he bucked the international community and invaded Iraq may be all but played out." Mike Green, who is now an Asia specialist at the Center for Strategic and International Studies, said, "The Asian leaders will be looking at President Bush's body language. … They know he has two years left, but they're going to be all looking to see how he plays the game after this political setback."

The Los Angeles Times (11/16, Tran, 850K) reports from Little Saigon, in Los Angeles CA, where "the talk is of optimism and new freedoms for a country many fled decades ago." Bush's "visit to Vietnam today is seen in the nation's largest Vietnamese American community as a heartening, profoundly important event. For some, there is even the hope that the president will find a way to champion reform in a country that still evokes bitterness and memories of terrible times. … Many in Little Saigon, a bustling Vietnamese American community that sprawls through parts of Westminster, Garden Grove and Santa Ana, say it's the perfect time for Bush to voice their concerns."

Rice Backs Restart To Global Trade Talks. The AP (11/16, Gearan) reports Secretary Rice "endorsed an attempt to restart global trade talks that collapsed over the summer, telling Asian trade partners on Thursday that a new trade agreement is 'critical to global prosperity and security.' Rice pledged $1 million in new US funding for an Asian trade development initiative and unveiled a US program allowing expedited visas and other services for approved business travelers from nations" in the APEC forum. Rice insisted that "both as a trade issue and a foreign policy issue, the success of the Doha round is critical to global prosperity and security."

Vietnam Promotes Ho Chi Minh's Image To Fight "Rampant Corruption." The Washington Times (11/16, Kralev, 88K) reports, "Vietnam's ruling Communist Party is turning to the ideology and social teachings of its founder, Ho Chi Minh, in an uphill battle against rampant corruption that has resulted in the dismissal of thousands of officials in recent years. The Politburo instructed the party's local branches this week to begin a campaign 'to encourage party members and the general public to study and follow [Ho's] virtuous personality.'" The Times adds, "By doing this, it said, 'the party believes people will be able to effectively push back social evils' such as 'corruption, waste and individualism,' a reference to the diminished role of the individual in communist ideology."

Spellings Leads Delegation To Boost Foreign Student Enrollment From Asia. The Christian Science Monitor (11/16, LaFranchi, 59K) reports on "a modest rise in the number of new foreign students in the US, the first increase after several years of declines after the 9/11 attacks." Now "educators" believe it will "take a more coordinated effort from the government and higher-ed institutions" to continue that increase. So U.S. Secretary of Education Margaret Spellings is "in China, Korea, and Japan this week with a group of university presidents -- a first-of-its-kind mission -- to tout the virtues of American higher education."

The Washington Post (11/16, A26, 690K) writes in an editorial, "It is welcome news that after two years of decline,

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students from foreign countries are steadily coming back to U.S. college campuses." Also "this week a delegation of college presidents, led by education and State Department officials, is in Asia on a mission to recruit foreign scholars. America can't afford not to put out the welcome mat."

Bush Discusses Proliferation With Putin En Route To APEC Summit. The Washington Post/AP (11/16, A21, Loven) reports President Bush, "eager for Russian help in nuclear disputes with North Korea and Iran, tended to the sometimes frosty Washington-Moscow relationship Wednesday by paying a quick call on President Vladimir Putin. Bush paused to visit the Russian leader for an hour and a half during an airport stopover on his way to Asia for a week-long trip." Russian news agencies "quoted Kremlin spokesman Alexei Gromov as saying the two presidents discussed the Iranian nuclear program, the situation in the Middle East and nuclear nonproliferation." Speaking to reporters on Air Force One after the meeting, NSA Hadley said the president's "get-together" with Putin "was a social meeting, as we said it would be. This was a refueling stop." He also said the two men "talked a little bit about proliferation generally" with regard to Iran and North Korea. Hadley also said he had spoken with his Russian counterpart, Igor Ivanov, "about efforts to reach agreement on a new UN security resolution on Iran."

Calling Wednesday's meeting "unusual," the Financial Times (11/16, Buckley) says Bush and Putin "confirmed the two countries would this weekend sign a bilateral accord on Russian entry to the World Trade Organization." Meanwhile, "Analysts said the gesture by Mr. Putin to travel to the airport…may have reflected a desire to ease relations between Moscow and Washington, currently seen as at their poorest since the Soviet Union collapsed in 1991."

Democrats Blast Administration's North Korea Policies. The Washington Post (11/16, A21, Kessler, 690K) reports the Bush administration "came under fierce attack yesterday from Democrats for its North Korea policy, with the incoming chairman of the House International Relations Committee saying that change is 'long overdue' and that the United States should allow its chief nuclear arms negotiator to visit Pyongyang. … Meanwhile, a group of experts returning from talks with top North Korean officials offered a pessimistic report on the prospects of reaching a deal when the long-stalled six-nation talks resume later this year. North Korean officials told the experts that they would take a much tougher stance when Pyongyang returns to the negotiating table, believing it is on 'equal footing' with the United States now that it has tested a nuclear weapon." At a hearing yesterday on the administration's preparation for the talks, Rep. Tom Lantos (D-Calif.) "faulted the administration's exclusive reliance on the six-nation negotiating framework, arguing that substantial bilateral contacts are necessary to reach any deal." Lantos also charged that Assistant Secretary of State Christopher Hill has "been undercut in his diplomacy" by "hard-liners lodged in the office of the Vice President and the Defense Department." Undersecretary of State Nicholas Burns countered, "Some people are insisting that the United States should negotiate with North Korea solely on a bilateral basis, but the North Korean problem, especially its pursuit of nuclear weapons, is a regional problem, it's not just a bilateral issue, because this problem poses a threat to all of its neighbors."

Meanwhile, the AP (11/16, Schweid) reports Rep. Brad Sherman of California proposed that the US offer Pyongyang "a nonaggression pact as part of a deal in which the North Koreans permanently and verifiably give up their nuclear weapons." But GOP Rep. Ileana Ros-Lehtinen of Florida cautioned against concessions or any acts of "appeasement."

Rice Urges Terror Finance Crackdown On Pyongyang. AFP (11/16) reports Secretary of State Condoleezza Rice "urged Asia-Pacific nations to crack down on illicit financial activities by 'weapons proliferators,' in an indirect reference to North Korea." Speaking at an APEC ministers meeting in Hanoi, Rice said, "Confronting the threats posed by terrorism, proliferation of weapons of mass destruction, natural disaster and pandemic disease is inextricably tied to the prosperity of the region. We also hope that APEC members will take all necessary actions to prevent the abuse of their financial systems by weapons proliferators."

North Korea Unlikely To Give Up Nuclear Program, US Experts Say. McClatchy (11/16, Schoof) reports North Korean officials are "proud of their country's nuclear test and are unlikely to be persuaded easily to give up their nuclear weapons," a group of Korea experts said Wednesday after a visit to the reclusive communist nation. Siegfried S. Hecker, a nuclear scientist and former director of the Los Alamos National Laboratory, "said he and the others met with the head of North Korea's Yongbyon nuclear center, Ri Hong Sop, but weren't allowed to visit the center. They also spoke with high-ranking officials in the Ministry of Foreign Affairs, the army and the government."

Frist Seeks $10 Billion For Humanitarian Assistance For North Korea. AFP (11/16) reports out-going Senate Majority leader Bill Frist introduced a bill "calling for the establishment of a $10 billion fund to prepare for any humanitarian crisis" in North Korea. Frist said President Bush should have "all necessary tools at his disposal to deal with foreseeable humanitarian contingencies on and around the Korean Peninsula." The retiring senator said the proposed legislation was to be "a sign of hope to the people of North Korea, who have suffered for six decades under one of the cruelest regimes the world has ever known."

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Administration's Iran Policy Seen As "Confused And Defensive." The Financial Times (11/16, Dinmore) reports, "Rarely has the Bush administration seemed so confused and defensive about its policy of seeking to isolate Iran as it responds to mounting public and international pressure to find a way out of Iraq, even if that involves making a U-turn and engaging Tehran. On Monday, in reply to a question about the US opening a dialogue with Iran over Iraq, the president made a direct link with the nuclear issue, demanding that Tehran first verifiably suspend its uranium enrichment program. Since then senior officials have had to row back from those comments on the nuclear link. A US offer, extended earlier this year to Tehran to discuss Iraq, can be 'reactivated,' officials said." For his part, Assistance Secretary McCormack said, "If, in the future, we want to avail ourselves of that channel, then it certainly is a possibility," noting that he "did not think it was under consideration." However, the Times says Deputy Assistant Secretary Satterfield "contradicted this assertion," telling a Senate committee Thursday that the US was "reviewing the timing of a 'direct dialogue' with Iran on the subject of Iraq." Meanwhile, "Analysts say that as the US scrambles to find an honorable exit from Iraq, opening a new channel to Iran is very much under consideration."

Similarly, the Washington Post (11/16, A22, Wright, 690K) reports that the White House is "under growing pressure to talk to Iran and Syria to help stabilize Iraq, but mounting violence in Iraq and the Bush administration's political woes give the negotiating edge to Tehran and Damascus and complicate any US outreach, experts say. The idea of talks is widely expected to be on the list of proposals that will come out of the Iraq Study Group report next month, because co-chairman and former secretary of state James A. Baker III and other members back engaging enemies as well as allies. British Prime Minister Tony Blair this week endorsed talking with Tehran and Damascus, with caveats. The CIA director and the head of the Defense Intelligence Agency said yesterday that talks could help. And an array of experts has encouraged the administration to reach out to the countries that have meddled most in Iraq. But the Bush administration is already questioning the idea, and even supporters admit that full cooperation by both Iran and Syria may have little impact on the many-sided insurgency. Neither country has much sway over Iraq's Sunnis or the al-Qaeda branch in Iraq, as both are ruled by Shiites or Shiite offshoots." The Post notes that Secretary Rice, traveling yesterday to a conference in Vietnam, said that she is prepared to talk to "anybody, anywhere, anytime" under circumstances in which she believed progress was really possible.

Author Says Olmert Sought "Green-Light" From Bush For Pre-Emptive Strike On Iran. In a Wall Street Journal (11/16, 2.04M) op-ed, Michael B. Oren, author and senior fellow at the Shalem Center in Jerusalem, recalls former President Lyndon B. Johnson's message to Israeli Foreign Minister Abba Eban in 1967 that "Israel will not be alone unless it decides to go it alone." According to Oren, "A similar message was imparted by George W. Bush in his meeting earlier this week with Israel's Prime Minister Ehud Olmert. Much like 1967, Israel faces a Middle Eastern leader who has repeatedly sworn to wipe it off the map, and to that end is assiduously trying to acquire nuclear weapons. … In the absence of international commitment to thwart Iran's nuclear plans, Israel has no choice but to consider striking pre-emptively. Doing so, however, requires explicit US support, or at the very least, an indication that the US will not oppose such action. … Mr. Olmert came to Washington in search of a green light." However, Oren says the US is "hardly in the position to sanction an Israeli attack. Bogged down in Iraq and hemorrhaging political capital at home, Mr. Bush resembles Johnson in his inability to approve risky military initiatives." Therefore, he says Olmert and his government "must consider [the] consequences as they decide on Israel's next moves. The ramifications of that decision are certain to affect America as well. … Israel may indeed act alone, but in the minds of a great many people in the Middle East, the US acts with it."

Envoys Fail To Break Deadlock On Proposed UN Sanctions. AFP (11/16) reports, "Six major UN powers failed to break the deadlock in their bid to agree on a package of targeted sanctions against Iran over its refusal to suspend sensitive nuclear fuel work." US Ambassador to the UN, John Bolton, said diplomats "did not make any progress" at talks Wednesday, but will "meet again in the near future." He also noted that the sanctions issue "may also be discussed at the foreign minister level on the margins" of the APEC summit in Hanoi.

During an appearance on CNN's Lou Dobbs Tonight (11/15), Bolton said, "It's pretty clear that Ahmadinejad is not at all impressed with the Security Council's last resolution which requires that Iran suspend its uranium enrichment activities. This is a key element of getting nuclear weapons capability. We're trying to move for sanctions in the Security Council. We've run into a roadblock with the Russians. We're still working on it. We met again today, but with no progress. … The International Atomic Energy Agency just issued another report saying that for the last three months, Iran has not cooperated at all in resolving some of the key unresolved questions. The Iranians are, obviously, feeling their oats and this is a real issue, whether the Security Council can follow through on its earlier resolution."

Iran Dismisses UN Report On Uranium. The AP (11/16, Karimi) reports Iran Wednesday "dismissed a UN report that inspectors found new traces of enriched uranium and plutonium at a nuclear waste facility, saying it had

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already explained that discovery." Meanwhile, Iranian President Mahmoud Ahmadinejad "insisted the West will gradually back down in its standoff with Iran and eventually accept its nuclear program." Speaking to a crowd during a visit to Iran's Kurdistan province, Ahmadinejad said, "While the West tries to thwart the progress of our nation, time is on our side. They would have to take one step back with every passing day and approve the right of the Iranian people."

Pelosi's Views On China Likely To Set Tone In Congress. The Wall Street Journal (11/16, A4, King, 2.04M) reports that when Democratic Rep. Nancy Pelosi becomes House speaker in January, her views on China -- which include "criticisms [of its] human-rights abuses and unfair trade practices, as well as allegations that China is manipulating its currency and seeking technologies to undermine US national security" – "could set the tone for a new Congress looking to get tough on Beijing." However, the Journal concedes that "just how much Mrs. Pelosi and other top Democrats will focus on China -- and how much influence they will have on China policy -- is hard to predict. But apprehensions run high in Beijing and Washington that a Pelosi-led, Democrat-controlled House could seize on China trade and security issues to bash President Bush, much as congressional Republicans did in the final years of the Clinton administration."

Israel Raids Gaza In Response To Palestinian Rocket Attack. The Washington Post (11/16, A18, Wilson, 690K) reports, "An Israeli woman was killed Wednesday in a Palestinian rocket strike on the town of Sderot, prompting some Israeli lawmakers to demand a sharp military response in an effort to end such attacks from the Gaza Strip." The attack "brought competing assertions of responsibility from the Hamas and Islamic Jihad movements, both of which said the attack on a residential neighborhood was retaliation for Israeli shelling last week." Meanwhile, the Washington Times (11/16, Mitnick, 88K) reports that "Israeli warplanes raided the Gaza Strip overnight" in retaliation for the Palestinian rocket attack. The Chicago Tribune (11/16, Greenberg, 617K) also reports on the attack.

WSJournal Says Human Rights Commission Biased Against Israel. The Wall Street Journal (11/16, 2.04M) editorializes that the UN's new Human Rights Council "has been worse," after replacing the Human Rights Commission this year, despite US objections. Legal scholar Bayefsky has "pointed out" the "obsessive focus on Israel." In July, the Council "condemned Israeli operations in the West Bank and Gaza," and in August, "it cited Israel for 'massive violations of human-rights' in Lebanon." Now the Council "has dispatched 'fact-finders' to Gaza to report on the latest fighting.

War Seen As Looming Between Somali Government, Islamists. McClatchy (11/16, Bengali) reports, "Five months after Islamist militias defeated a coalition of CIA-financed warlords, Somalia appears to be sliding toward a major war that diplomats fear will draw thousands of foreign fighters to the Islamist side and spill into neighboring countries. The rise of the Islamists, who took control of the capital, Mogadishu, in June and since have seized most of southern Somalia, already was a setback for US counterterrorism efforts in the region, where al-Qaida loyalists are believed to be hiding." McClatchy adds, "A full-scale war would be a major test for Bush administration policy in a place that Osama bin Laden has called a battlefield in his war against the West." Iran, Syria, Libya, Egypt, Saudi Arabia, Djibouti and Eritrea "are backing the Islamists with a dizzying influx of weapons, supplies and military personnel, according to a new United Nations report to be presented Friday to the UN Security Council. The support ranges from uniforms to first-aid kits to surface-to-air missiles, and, in one case, guerrilla training at a camp in Syria, the report says. On the other side is Somalia's weak interim government, backed by US ally Ethiopia, which the report says has sent thousands of troops to protect the government's hold on its only major outpost." A "senior US military officer conceded last week that the U.S. has no strategy in place should war break out."

GAO Audit Cites Waste In USAID's Cuban Program. The Washington Post (11/16, A12, DeYoung, 690K) reports, "Nearly all of the $74 million a federal agency has spent on contracts to promote democracy in Cuba over the past decade has been distributed without competitive bidding or oversight in a program that opened the door to waste and fraud," according to a report released yesterday by the Government Accountability Office. In "one of the more extreme cases of apparent abuse," the GAO said the Miami-based Accion Democratica Cubana used government money to purchase "a gas chainsaw, computer gaming equipment and software (including Nintendo Game Boys and Sony PlayStations), a mountain bike, leather coats, cashmere sweaters, crab meat, and Godiva chocolates." Rep. Jeff Flake (R-Ariz.), who requested the audit along with Rep. William D. Delahunt (D-Mass.), "said the lack of oversight and the failure to follow government rules led to creation of a money trough that existed largely to provide jobs and operating funds to Miami-based activists who oppose Cuba's communist government." Meanwhile, Delahunt "said at a Capitol Hill news conference that he would hold hearings on issues raised in the audit when the new Congress convenes under Democratic leadership." In its official response to the 59-page GAO report, USAID said that it was "taking issue" with unspecified findings but that it would "seek to improve

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agency performance in managing, monitoring and evaluating this assistance." The AP (11/16, Abrams) runs a similar report.

Cubans Using Alternate Routes Into US. The USA Today (11/16, Gomez, 2.27M) reports that as the Coast Guard and Border Patrol agents "are heavily focused on the eastern shore," more fleeing Cubans "driving high-speed boats are popping up on Florida's less-populated, less-patrolled southwestern coast." On Monday, "28 Cubans reached land in Naples," and on the previous day, "17 landed on Sanibel Island." That trend "forced the Border Patrol to shift a special unit to southwest Florida this year to help law enforcement track down the smugglers." New routes "account for only part of the recent upswing in Cuban migration to the USA."

Hughes Says Diplomacy Rules Have Improved Missions Abroad. In a letter to the editor of the Washington Post (11/16, A26, 690K), Undersecretary of State Karen Hughes writes, "The memorandum that was the subject of 'Karen's Rules on Diplomacy: Talk to the Media -- if You Dare' [Federal Page, Nov. 8] was originally distributed more than a year ago and is having its intended effect of freeing US ambassadors to engage with the media around the world. It's disappointing that neither The Post nor the organizational psychologists it consulted bothered to check with the State Department before publishing the article. If you had, you would have learned that these guidelines empower our ambassadors rather than restrict them." Hughes says that when she "arrived at the State Department and met with ambassadors last year, many told me that they felt they were not allowed to speak on the record to the media unless the interview was 'pre-cleared' by Washington. While this perception was not entirely accurate, many ambassadors hesitated to speak on the record without specific permission." In response, Hughes says the "the resulting rules cited by The Post have been applauded by our missions abroad; in fact, they were reissued at the request of public affairs officers because many ambassadors are new."

Kabila Reelected In Congo. The AP (11/16, Faul) reports, "Incumbent President Joseph Kabila was declared the winner Wednesday of Congo's tense runoff election, defeating his rival and ex-rebel leader, Jean-Pierre Bemba, in the country's first multiparty contest in more than four decades." Kabila "won with about 58 percent of the vote, compared with nearly 42 percent for Bemba, said Apollinaire Malu Malu, chairman of the Independent Electoral Commission." The Washington Post (11/16, A18, McCrummen, 690K), among other newspapers, also reports on the election.

French Socialists May Nominate "Glamorous, Unmarried Mother" For President. USA Today (11/16, Stinson, 2.27M) reports, "Is France, which has been led by male political lions like Charles de Gaulle, Francois Mitterrand and now Jacques Chirac, ready for a female president? And a woman who is a glamorous, unmarried mother -- and a new-breed Socialist at that? Segolene Royal, 53, who hopes to be the republic's first female president, will get a partial answer to that question this week." Socialist Party members "go to the polls today to choose their nominee for April's presidential election. Results are due Friday. … If no candidate emerges with a majority Friday, Socialists will hold a runoff between the top two vote-getters next Thursday."

Annan Cites "Frightening Lack Of Leadership" On Global Warming. The New York Times (11/16, Gettleman, 1.16M) reports, "Secretary General Kofi Annan on Wednesday put the blame for global warming on 'a frightening lack of leadership,' saying the poorest people in the world, who do not even create much pollution, bear the brunt of rising temperatures." Said Annan, "The impact of climate change will fall disproportionately on the world's poorest countries, many of them here in Africa. … Poor people already live on the front lines of pollution, disaster and the degradation of resources and land." He adds that "for them…adaptation is a matter of sheer survival." The Times adds, "When pressed at a news conference afterward about his comments on poor leadership, Mr. Annan denied that he was singling out the United States."

Pakistan, India Start Peace Talks. The New York Times (11/16, Sengupta, 1.16M) reports, "Peace talks between India and Pakistan, which had stalled after the bombings of commuter trains in Mumbai in July, limped forward this week," but the "dialogue between their top diplomats ended Wednesday without movement on a crucial and closely watched item: India, having accused Pakistan of involvement in the Mumbai bombings." In a joint statement, the two nations "agreed to continue talking and said they had reached agreement on 'reducing the risk from accidents relating to nuclear weapons.'"

Pakistan Moves To Change Rape Law. The New York Times (11/16, Masood, 1.16M) reports that on Wednesday, the Pakistani government "finally pushed legislation through the lower house of Parliament to amend rape laws that human rights advocates say have led to punishment for thousands of innocent victims." The legislation "gives judges the discretion to try rape cases in a criminal rather than an Islamic court," and "allows forensic and circumstantial evidence to be used as a basis for

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convictions, as with other crimes." It also "introduces the concept of statutory rape, outlawing sex with girls under 16."

The Washington Post/AP (11/16, A19, Garwood) also reports that Pakistan's lower house of Parliament "ditch[ed] the death penalty for extramarital sex and revising a clause on making victims produce four witnesses to prove rape cases." Pakistan's president, Gen. Pervez Musharraf, "praised lawmakers for approving the amendments and criticized fundamentalists for their 'unnecessary' opposition and their claims that his government was acting against Islam." He said, "I have taken a firm decision to change these unjust rape laws as it was necessary to amend them to protect women."

US Support Builds To Release Libyan Dissident. The Washington Post (11/16, A20, Boustany, 690K) reports, "Several members of Congress, 36 human rights organizations in the United States and abroad, and other concerned citizens plan this week to send a petition to President Bush and Secretary of State Condoleezza Rice urging them to take swift action" to secure the release of Fathi al-Jahmi, a leading Libyan dissident "a possible death sentence while being held in solitary confinement in Libya." The petition says, "The United States has now restored diplomatic relations with Libya." A State Department official said, "We do remain concerned about Libya's human rights record. We have raised Mr. al-Jahmi's case with Libyan authorities and we continue to do so since we have normalized relations. We want the Libyan government to release Fathi al-Jahmi immediately." Telephone calls to Ali Suleiman Aujali, Libya's ambassador to Washington, "were not returned."

Darfur Crisis Heightens For Chadian Children. NBC Nightly News (11/15, story 7, 2:10, Williams, 9.87M) reported that across the border in Chad, Ann Curry said, "We look at the children of this war. They are suffering from all of the violence. Even here children are vulnerable to soldiers who stalk the area, hope to kidnap and recruit boys. In the past few weeks villagers have been attacked and burned. As the fighting rages closer, there is no telling when he and his friends can go home."

Rosales Becomes Anti-Chavez Presidential Candidate. The AP (11/16, Toothaker) reports Manuel Rosales "has managed to galvanize the fractured opposition as its unity candidate to face Chavez in Dec. 3 elections, and is drawing giant crowds even though he trails the incumbent by 20 points or more in most opinion polls." However, in Venezuela's "highly polarized society, this former mayor of Maracaibo, the country's second-largest city, has seen the campaign take on religious overtones." Rosales is "one of just a handful of opposition politicians to remain a regional powerbroker in defiance of the pro-Chavez tide."

Al Jazeera Launches English-Language Channel. The CBS Evening News (11/15, story 11, 2:15, Couric, 7.66M) reported that al Jazeera, "the Arab television channel that has outraged much of the Western world by broadcasting messages from Osama bin Laden and a rogue's gallery of other terrorists," has "started a new channel, broadcasting in English. It's not exactly must-see TV; in fact, here in the US, it's can't-see TV." CBS (Wyatt) added, "Depending on where you live, al Jazeera's launch of a global English language channel marks either the first day of worldwide terror TV or the first global newscast not dominated by Western thinking."

LATimes Praises South Africa Over Legalization Of Gay Marriage. The Los Angeles Times (11/16, 850K) editorializes that the South African government's move to legalize gay marriage "reminded the world that its break from colonial apartheid wasn't just about changing the power structure. It was about conferring broad civil rights within its borders." The vote is "all the more extraordinary for its contrast with much of Africa on the question of homosexuality, which is illegal in most sub-Saharan countries." It's "regrettable" that South Africa will "allow civil officials to opt out of performing gay-marriage ceremonies," however "time might cure what Parliament didn't." South Africa is far from a perfect democracy, and government action alone," but on Tuesday, the nation "showed that it has shed the worst of its past and is growing into a rights-based democracy."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"L.A. Files Patient `Dumping' Charges."
"Democratic Leadership Hopefuls Marked By Ethical Questions."
"Game Is Afoot For Sony's PlayStation3."
"Even War Can't Stop Her Party."
"Iraq Pullout Talk Makes Iran Uneasy."
"Airport Hotels Ordered To Pay A `Living Wage'."

USA Today:
"Neanderthal Genome Mapping Begins."
"General: Hold Off On Iraq Pullout."
"Nev. Town To Fine For Foreign Flags."

New York Times:
"General Warns Of Risks In Iraq if G.I.'s Are Cut."

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"US Airways Seeks To Acquire Delta In Bid To Be No. 1."
"In Senate Shift, Big Comeback For Trent Lott."
"Plea Deal In Seton Hall Dormitory Fire."
"Agricultural Mainstay Gets A New, Urban Face."
"New DNA Test Is Yielding Clues To Neanderthals."

Washington Post:
"O'Malley Faces A Run Of Budget Shortfalls."
"In Second Coal Rush, New Mind-Set In The Mines."
"Sectarian Strife In Iraq Imperils Entire Region, Analysts Warn."
"D.C. Moves To Become Pioneer In Forcing 'Green' Construction."
"Some Americans Lack Food, But USDA Won't Call Them Hungry."
"New Methods Let Scientists Analyze Neanderthal DNA."
"Pelosi's Role In Leadership Race Splits Democrats."

Washington Times:
"Episcopal Leaders Vote To Leave."
"Vietnam Studies Roots In Corruption Battle."
"Group Helps Siblings Save On D.C. Utility Bills."
"Top General Hits Pullout Plan By Democrats."
"House Race Pits Murtha vs. Ethics."
"Gaza Rocket Kills Israeli; Retaliatory Strike Launched."

Detroit Free Press:
"Ailing Ford's Crucial Edge Crossover Is Running Late."
"POWER PLAY: New Sony, Nintendo Systems Go Head-To-Head For Holiday Dollars."
"MITCH ALBOM: He Made Them Believe."
"United Way Beats Goal."
"Levin, General Tangle On Iraq."
"Auction To Unload New Condos, Homes."

Atlanta Journal-Constitution:
"A Grab For Delta."
"Katrina Brought Chaos To CDC."
"GOP's Lott Comes Back In No. 2 Role."

Houston Chronicle:
"Baylor Teams With UNICEF For Largest AIDS Initiative."
"Victim Says He Has No Memory Of Pipe Assault."
"Enron's Top Accountant Sentenced To 5 Years, Fine."
"Texas Windstorm Coverage Rates Up 4.1 Percent."
"Tougher Texas Grad Plan Gets An Early OK."
"Houston Mayor Searches For New City Marketer."

Story Lineup From Last Night's Network News:
ABC: Status On Iraq Sectarian Violence; Americans Soldiers Killed-Iraq; Al Qaeda Recruiting; Bush-In Asia; US Airways Bids For Delta; Severe Weather; Tsunami Warning; Medicare Drug Plan; Lott Back In Republican Leadership; Abramoff-Six Year Sentence; Defense Travel System-Too Costly; Sony Playstation 3 On Sale; Atlanta Aquarium.
CBS: Status On Iraq Sectarian Violence; Senator Levin Interview; Iraq Mass Kidnapping-Aftermath; US Airways Bid For Delta; Severe Weather; Abramoff-Six Year Sentence; Lott back In Republican Leadership; Immigration Reform; Male Biological Clock; Democrats For President 2008; Al Jazeera Goes English.
NBC: Status On Iraq Sectarian Violence; ISG Goes To Work; US Airways Bid For Delta; US Airways Bid-Analysis; Lott Back In Republican Leadership; Darfur Crisis; Severe Weather; Republican's Angry Over Election Results; OJ' s Book; Veterans Return Too Teach.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — Visits Asian Civilizations Museum, Singapore; meets with US Embassy staff, Shangri-La Hotel, Singapore; courtesy call with the Acting President of Singapore, the Istana; meets with the Prime Minister of Singapore, the Istana; speaks at the National University of Singapore; attends social dinner with the Prime Minister of Singapore and Mrs. Lee.

VICE PRESIDENT CHENEY — No public schedule.

LAURA BUSH — Tours the National Library. Singapore.

US Senate: 9:30 a.m. ARMED SERVICES _ Readiness and Management Support Subcommittee. Hearing on the DoD business systems modernization and financial management. Comptroller General David Walker, GAO; Army Secretary Francis Harvey; Navy Secretary Donald Winter; Air Force Secretary Michael Wynne. Location: Room 232A, Russell.

9:30 a.m. JUDICIARY _ Full Committee. Oversight hearing on the Civil Rights Division of the Justice Department. Assistant Attorney General Wan Kim; Michael A. Carvin, partner, Jones Day; Ted Shaw, director-counsel and president, NAACP Legal Defense and Educational Fund; Robert N. Driscoll, partner, Alston and Bird; Joseph Rich, director, Fair Housing and Community Development, Lawyer's Committee for Civil Rights Under Law. Location: Room 226, Dirksen.

10 a.m. COMMERCE, SCIENCE AND TRANSPORTATION _ Full Committee. Hearing on reauthorization of the Pipeline Safety Program. Vice Admiral Thomas J. Barrett, USCG (Ret.), Administrator, Pipeline and Hazardous Materials Safety Administration; Timothy Felt, President and CEO, Explorer Pipeline Company; Terry Boss, Senior Vice President, Environment, Safety and Operations, Interstate Natural Gas Association of America; E. Frank Bender, Vice President of Gas Distribution and New Business Division, Baltimore Gas and Electric Company. Mr. Carl

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Weimer, Executive Director, Pipeline Safety Trust. Location: Room 253, Russell.

10 a.m. HEALTH, EDUCATION, LABOR AND PENSIONS _ Full Committee. Hearing on proposals to improve drug safety and innovation at the FDA. Sheila Burke, Institute of Medicine; Diane Thompson, Glaser Pediatrtic AIDS Foundation; Steven Nissen, Cleveland Clinic; Adrian Thomas, Johnson and Johnson Pharmaceutical Group; Jim Guest, Consumers Union; Greg Simon, FasterCures. Location: Room 430, Dirksen.

10 a.m. HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS _ Permanent Investigations Subcommittee. Hearing on the Defense Travel System.Acting DoD Inspector General Thomas Gimble; McCoy Williams, GAO; Undersecretary of Defense David Chu. Location: Room 342, Dirksen.

2:30 p.m. ENERGY AND NATURAL RESOURCES _ Public Lands and Forests Subcommittee. Hearing on pending legislation. Location: Room 366, Dirksen.

2:30 p.m. FINANCE _ Health Care Subcommiyttee. Hearing on the CHIP program. Nate Checketts, Director of Bureau of Access, Utah Department of Health; Lisa C. Dubay, Associate, Bloomberg School of Public Health, Johns Hopkins University, Baltimore; Sharon Carte, Executive Director, West Virginia CHIP State Capital Complex, Charleston; Nina Owcharenko, The Heritage Foundation; Ann C. Kohler, Director, Division of Medical Assistance & Health Services, Department of Human Services, Trenton, N.J. Location: Room 215, Dirksen.

2:30 p.m. SELECT INTELLIGENCE _ Full Committee. Closed briefing on pending matters. Location: Room 219, Hart.

US House: 9 a.m. SELECT INTELLIGENCE _ Full Committee. Closed briefing on global hotspots. Location: Room H-405, Capitol.

10 a.m. JUDICIARY _ Immigration, Border Security and Claims Subcommittee. Continued hearing on the Energy Employees Occupational Illness Compensation Program Act. Location: Room 2141, Rayburn.

1 p.m. INTERNATIONAL RELATIONS _ Full Committee. Oversight hearing on reforming foreign assistance programs.USAID Administrator Randall Tobias. Location: Room 2172, Rayburn.

Other: GOPAC _ GOPAC holds its Fall Charter meeting. Highlights: 8 a.m. Former House Speaker Newt Gingrich. 10 a.m. Discussion on what is going to be the next big threat, with Michael Ledeen, American Enterprise Institute; John Lenczowski, The Institute of World Politics; Daniel Pipes, Middle East Forum. 12:30 p.m. Luncheon speaker - Sen. Chuck Hagel. 3:30 p.m. Session on the next steps for the GOP, with Sen. Mitch McConnell, Craig Shirley. 7 p.m. Dinner speaker - Sen. John McCain. Location: Mandarin Oriental Hotel, 1330 Maryland Ave. SW.

BIOETHICS _ The President's Council on Bioethics holds a meeting. Highlights: 9 a.m. Session 1: Stem Cell Research Update. Hans Robert Scholer, Ph.D. Director, Cell and Developmental Biology, Max Planck Institute for Molecular Biomedicine. 10:45 a.m. Session 2: Stem Cell Research Update and Alternative Sources of Pluripotent Stem Cells (May 2005). 2 p.m. Session 3: Overview: Genetics Research and Clinical Applications. Robert L. Nussbaum, M.D., Holly Smith Distinguished Professor of Medicine, Chief, Medical Genetics, University of California, San Francisco. 3:45 p.m. Session 4: Overview: Genetic Ethics and Public Policy. Kathy Hudson, Director, Genetics and Public Policy Center, Johns Hopkins University. Location: Hamilton Crowne Plaza Hotel, 1001 14th St. NW.

FEDERALIST SOCIETY _ The Federalist Society holds its 2006 National Lawyers Convention. Highlights: 9 a.m. Solicitor General Paul Element. 11:30 a.m. White House Domestic Poolicy Adviser Karl Zinsmeister. 12 p.m. Session on telecommunications, with William Barr of Verizon, Paul Misener of Amazon.com, others. 1:45 p.m. Session on Criminal law, terrorists and criminal prosecutions, with Jennifer Daskal of Human Rights Watch, Southern District of New York Judge Kenneth Karas, Assistant Attorney General Kenneth Wainstein. 3 p.m. Sen. John McCain. 7 p.m. Annual Dinner, with Supreme Court Justices Samuel Alito, Jr. Marriott Wardman Park, 2660 Woodley Rd. NW. Location: Renaissance Mayflower Hotel, 1127 Connecticut Ave. NW, unless otherwise noted.

INTERNATIONAL TRADE _ 7 a.m. - 2:30 p.m. The Woodrow Wilson Center's Program on Science, Technology, America, and the Global Economy hosts a half-day conference on November to examine the economic strategies of advanced and emerging market countries and their impact on the United States. Highlights: 7:30 a.m. Opening Remarks., Lee H. Hamilton, President and Director, Woodrow Wilson Center; Kent Hughes, Director, Program on Science, Technology, America and the Global Economy, Woodrow Wilson Center. 7:45 a.m. Keynote Addresses. Sens. Lamar Alexander, R-Tenn.; and Jeff Bingaman, D-N.M. 9 a.m. Panel I - Strategies in Industrial Countries. Chair/Moderator Steven Pearlstein, Washington Post; France and Germany--Mark Lehrer, Sawyer Business School, Suffolk University; Japan--Mark Tilton, Purdue University; United Kingdom and Ireland--Gary Hufbauer, Institute for International Economics. 10:15 a.m. Panel II - Strategies in Emerging Market Countries. Vhair/Discussant John Cranford, CQ Weekly. China--Carl Dahlman, Georgetown University India--T.N. Srinivasan, Yale University. Southeast Asia--Bryan Ritchie, James Madison College, Michigan State University. 12:15 p.m. Luncheon and Panel III - Policy and Private Sector Implications. Chair/Discussant Bruce Stokes, National

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Journal. Negotiating with Advanced Developing Countries--Vinod Aggarwal, University of California, Berkeley. Investing for Competitiveness--Susan Butts, Dow Chemical Company. U.S. Public Policy--Rob Atkinson, Information Technology and Innovation Foundation. What Can the United States Do?--Ralph Gomory, President, Alfred P. Sloan Foundation. 1:15 p.m. Summary Remarks--Katherine Hauser, TransAtlantic Business Dialogue Kent Hughes, Woodrow Wilson Center. 1:45 p.m. Brainstorming and Discussion.

OBAMA _ 8 a.m. Sen. Barack Obama, D-Ill., attends a senators-elect orientation breakfast. Location: Room S-211, Capitol.

PRAYER BREAKFAST _ 8 a.m. Congressional Prayer Breakfast, hostedby Rep. J. Gresham Barrett, for newly elected members of Congress. Closed press. Location: Room H-120, Capitol. Notes: Stakeout in the Hall of Columns.

DEMOCRATIC CAUCUS _ 9 a.m. Meeting of the House Democratic Caucus for leadership elections. Location: Cannon Caucus Room.

ELECTION-MIDEAST _ 9 a.m. The New America Foundation holds a forum dealing with a realistic post-election assessment of the Mideast, with Rita Hauser, Chair, International Peace Academy. Location: 7th floor, 1630 Connecticut Ave. NW.

CONGRESS-HEALTH CARE _ 9:30 a.m. American University sponsors a forum on health care initiatives in the new Congress and by the 2008 presidential hopefuls, with former Sen. John Breaux, former DNC Chairman Terry McAuliffe, former RNC Chairman Ed Gillespie, others. Location: Willard Inter-Continental Hotel, 1401 Pennsylvania Ave. NW.

MENTAL HEALTH _ 9:30 a.m. The National Mental Health Association will introduce a new agenda and name during a Capitol Hill ``launch'' event. Under its new name, Mental Health America, the century-old organization will work to improve the health and quality of life of all people by helping them live mentally healthier lives. Mental Health America also will release its national attitudinal survey on American's perceptions of mental health. Participants are Rep. Patrick Kennedy, D-R.I.; A. Kathryn Power, director of the Center for Mental Health Services, SAMHSA; David Shern, president and CEO of Mental Health America; and hHealth care stakeholders from across the country. Location: Upper Senate Park on Capitol Hill (on New Jersey Avenue between Louisiana and Delaware Avenues near the fountain).

CLIMATE CHANGE _ 10 a.m. Sen. James Inhofe holds a news conference with scientists to discuss climate change and comment on the UN climate conference in Kenya. Location: Room 328A, Russell.

EVANGELICAL MOBILIZATION _ 10 a.m. The Evangelical Climate Initiative holds a news conference to launch an expanded campaign to educate and mobilize evangelicals on global warming. Location: Riverside Baptist Church, 680, ``Eye'' St. SW.

GOLD STAR FAMILIES _ 10 a.m. Move America holds a news conference to report on the trip to Iraq by Gold Star Families whose children died in Operation Iraqi Freedom. The delegation has just returned from Iraq and is releasing the Gold Star Families Iraq Survey Group report on their trip, including recommendations for the future role of the United States in Iraq. Participants include Congressman Duncan Hunter, Chairman, House Armed Services Committee; and John Ubaldi, Veteran of Operation Iraqi Freedom. Location: JW Marriott Hotel, Longworth Room, 1331 Pennsylvania Ave. NW.

US-CHINA _ 10 a.m. The US-China Economic and Security Review Commission releases its 2006 annual report to Congress. Location: Room 562, Dirksen.

DODD _ 11 a.m. Sen. Christopher Dodd speaks at Howard University to issue a call to action to confront the nation's problems, using ideals that have always inspired patriotism. Location: School of Business Auditorium, Howard University, 2600 6th St. NW.

WOMEN OF THE STORM _ 11 a.m. Sen. Mary L. Landrieu, D-La., joins members of the Louisiana Congressional delegation and grassroots leaders, including the Women of the Storm, to encourage the passage of legislation to provide energy producing states with a share of offshore oil and gas revenues and dedicate the funding to coastal wetlands restoration and hurricane protection. Location: Room SC-6, Capitol.

COMPETETIVENESS _ 11 a.m. - 12 p.m. Newt Gingrich, former Speaker of the House, holds a press conference with David Abshire, President, Center for the Study of the Presidency; former Special Counsel to President Reagan and former Ambassador to NATO; Larry Wortzel, Chairman, U.S.-China Economic and Security Review Commission and Vice President for Foreign Policy, Heritage Foundation; and Rep. Jim Cooper, D-Tenn., House Armed Services Committee. They wil challenge the Administration and Congress to provide greater Defense Department funding of basic research; upport full funding of President Bushs American Competitiveness Initiative; and Release of the 2006 Benchmarks Report of the Task Force on the Future of American Innovation. Location: Reserve Officers Association, One Constitution Ave. NE, 5th Floor Conference Room.

MCCAIN _ 12 p.m. Sen. John McCain speaks a a luncheon on energy, environmental and economic priorities, sponsored by the Nicholas Institute for Environmental Policy Solutions at Duke University. Location: Mellon Auditorium, 13th St. and Constitution Ave. NW.

ALL-VOLUNTEER FORCE _ 1 p.m. The Miltary Officers Association of America and the National Defense

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University Foundation host a discussion, ``Can We Sustain the All-Volunteer Force in an Extended Conflict?'' Panelists include Gen. Barry McCaffrey, USA ret.; Michael Dominguez, principal undersecretary of defense for personnel and readiness; and Selective Service System Director Bill Chatfield. Location: Double Tree Hotel, Crystal Ballroom, Salons A and B, 300 Army Navy Drive, Arlington, Va.

DEMOCRATS-MINIMUM WAGE _ 2 p.m. Senators Kennedy, Schumer, Harkin and Clinton will join leaders and activists from the six states that passed minimum wage initiatives to affirm their commitment to raising the federal minimum wage. Location: Room 430, Dirksen Senate Office Building.

LABOR AWARDS _ 2:30 p.m. US Secretary of Labor Elaine L. Chao hosts the Labor Hall of Fame induction ceremony. This year's inductees are Alfred E. Smith, former Governor of New York and presidential candidate; and Charles R. Walgreen Sr., founder of the drug store chain that bears his name. Location: U.S. Department of Labor, Great Hall, 200 Constitution Ave. NW.

PETRAEUS _ 5 p.m. Lt. Gen. David Petraeus, commanding general of the U.S. Army Combined Arms Center, gives a lecture at the School of Advanced International Studies on ``Soldiering and the Schoolhouse.'' Location: Kenney Auditorium, 1740 Massachusetts Ave. NW.

NUCLEAR TERRORISM _ 6 p.m. Georgetown University holds a panel discussion on nuclear terrorism, with retired Gen. Lt. Gen. Robert Gard, Douglas Shaw of the Institute for International Law and Politics, others. Location: Copley Formal Lounge, on campus.

GLENN AWARD _ 7:30 p.m. The National Defense University Foundation hosts its America Patriot Award Gala, honoring John H. Glenn Jr, pioneer astronaut and former U.S. senator. Location: Ronald Reagan Building, 1300 Pennsylvania Ave. NW.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Prosecutors Urge Jurors To Convict Colombian Rebel Leader (AP)

By Hope Yen, Associated Press

AP, November 16, 2006

WASHINGTON – The government urged jurors Wednesday to convict Colombian rebel leader Ricardo Palmera, saying he should be held responsible in a plot to keep three Americans hostage, whatever his politics.

But the defense portrayed Palmera as a man who deserves jurors' benefit of the doubt as a tangential leftist sympathizer caught in the middle after trying to negotiate a deal between guerrilla fighters and the U.S.-backed Colombian government.

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"By definition, if you're a rebel, no state is ever going to recognize you. By definition, a prosecutor is always waiting for you," said Palmera attorney Robert Tucker. "It tells you, 'Don't go for the labels of terrorist. Don't go for the misstatements of evidence.'"

In closing arguments, Justice Department attorney Kenneth Kohl exhorted the jury to look past the "political smoke" in the five-week trial of Palmera, who has called the aims of his FARC leftist group noble and peaceful.

"FARC is not above the law," Kohl said, as Palmera, dressed in khaki pants, a navy blazer and green tie, quietly scribbled on a notepad. "Holding people against their will for political purposes is what terrorism is."

Chief U.S. District Judge Thomas Hogan instructed the 12-member jury to begin deliberations Thursday in a case in which the lives of the three Americans – who are still being held in the thick jungles of south Colombia – may hang in the balance.

"You should not speculate on the impact your verdict might have on their situation," Hogan said, as relatives of the hostages – Marc Gonsalves, Thomas Howes and Keith Stansell – sat nearby.

Palmera, 56, is charged with hostage-taking, conspiracy and providing material support to terrorists after a plane carrying the U.S. military contractors encountered engine trouble and crashed in Colombia in February 2003.

Palmera, who is better known by his nom de guerre Simon Trinidad, was extradited in late 2004 after his capture in Ecuador. If convicted, Palmera could face 30 years in prison, the maximum allowed under the extradition treaty between Colombia and the United States.

FARC, listed by the U.S. government as a "foreign terrorist organization," is demanding that the Colombia government release all of the group's imprisoned members, including Palmera, in exchange for the release of some 60 hostages.

The hostages include the three Americans on the plane who authorities says were defense contractors involved in a counternarcotics mission.

President Alvaro Uribe recently broke off preliminary negotiations after blaming the rebel group for a car bombing in a military installation that injured more than 20 people, insisting that the hostages would be freed by military operations.

Visiting Washington on Monday, Uribe contended that imprisoning Palmera would ultimately lead to a more stable peace.

"Condemning the terrorists pushes away immediate peace, but constructs a solid peace," he said. "Not condemning the terrorists creates an artificial peace."

A former banker from a wealthy family, the Harvard-educated Palmera says he took up arms to fight social injustice. FARC, along with a smaller leftist rebel group, has battled to topple the Colombian government for 42 years in a conflict that has claimed more than 3,000 lives a year.

In the past six years, the U.S. government has provided $4 billion in mostly military aid to Colombia to fight the insurgency and the country's enormous drug trade.

US Argues Harsh Treatment Shouldn't Undercut Padilla Case (CSM)

By Warren Richey

The Christian Science Monitor, November 16, 2006

The case of suspected Al Qaeda sympathizer Jose Padilla is raising fundamental questions about whether a US citizen's harsh treatment - and alleged torture - while in US military custody should prevent his later prosecution in the criminal-justice system.

Lawyers for Mr. Padilla charge that he was tortured while being held for three years and eight months as an enemy combatant in a military prison in Charleston, S.C. The lawyers are asking that all criminal charges against him be dropped because of the government's alleged illegal and abusive treatment.

Federal prosecutors responded for the first time this week to the accusations, telling US District Judge Marcia Cooke in a written motion that Padilla was not tortured or abused. But even if he had been tortured, they added, there is no legal support for Padilla's request that all charges against him be dismissed.

"Padilla has not cited a single precedent absolutely barring a federal criminal prosecution because of alleged due process violations committed during a prior military detention," writes Assistant US Attorney Russell Killinger.

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Padilla's case, pending in US District Court here, highlights the murky intersection between the Bush administration's open-ended interrogation of enemy combatants to collect intelligence and the subsequent transfer of an enemy combatant who is also a US citizen to face punishment in the criminal-justice system.

Padilla is best known for allegedly plotting with Al Qaeda to detonate a radiological "dirty bomb" in a major US city. But when he was transferred from military custody to the civilian court system in January to face criminal charges, the dirty-bomb plot and other detailed information obtained by military interrogators was excluded from the indictment.

Instead, he is facing a more general charge that he engaged in a loosely-defined conspiracy by becoming a recruit to help wage a violent jihad. Padilla denies the charge.

Padilla's lawyers first made their torture allegations in court papers filed last month. They said military interrogators engaged in torture - including administering the mind-altering drug LSD - to try to force Padilla to reveal all he knew about Al Qaeda.

"He was assaulted, threatened with imminent death, and subjected to myriad other deprivations during his captivity at the Naval Brig," according to a legal motion filed by Acting Federal Public Defender Michael Caruso, one of Padilla's appointed lawyers. "He was drugged and subjected to cruel interrogations" using stress positions, forced hypothermia, and sleep deprivation, the brief says.

But the most painful and damaging tactic, the brief says, was extreme isolation in a windowless 9-by-7-foot cell. "Extended periods of solitary confinement are the most severe deprivation of liberty - short of the death penalty - that the government imposes," Mr. Caruso writes.

Padilla's lawyers are asking Judge Cooke to dismiss all charges against Padilla because of what they say amounts to outrageous government conduct.

Prosecutors dispute the charge. "The government in the strongest terms denies Padilla's allegations of torture - allegations made without support and without citing a shred of record evidence," writes Mr. Killinger.

He adds, "Even if this court were to believe all of the unsupported allegations in Padilla's motion and thereby concluded that he suffered 'shocking' due-process violations during his military detention (a claim the government disputes emphatically), dismissal of the indictment would nevertheless be unwarranted as a matter of law."

Killinger says the correct remedy for Padilla would be to sue his military interrogators in federal court for civil damages, or to seek government prosecution of the alleged torturers. But Killinger says that Padilla "is not entitled to a free pass from his own criminal conduct."

At issue in the defense motion and the prosecutor's reply brief is what standard the court should apply in assessing whether the government acted so outrageously in its treatment of Padilla that the case must be dismissed.

While the facts of Padilla's harsh treatment (if accurate) favor the defense, existing legal precedents favor the government.

The 11th US Circuit Court of Appeals, which covers Miami, has been reluctant in the past to dismiss cases based on allegations of outrageous government conduct. Appeals court judges in the First, Sixth, and Seventh circuits have gone even further, declaring that the outrageous government conduct defense does not exist, according to the prosecutors' brief.

Defense lawyers began their argument in their brief not with a quote from a learned legal scholar but instead from philosopher Friedrich Nietzsche. "Whoever fights monsters should see to it that in the process he does not become a monster."

Padilla's lawyers acknowledge that outrageous government conduct motions are rarely justified, and thus rarely granted. But they add: "The treatment of Mr. Padilla, a natural born citizen of the United States, is a blot on this nation's character, shameful in its disrespect for the rule of law, and should never be repeated."

Prosecutors say Padilla was lawfully detained by the military as an enemy combatant and that no information obtained during his interrogations will be used as evidence against him at his trial.

Analysts who closely follow the case say the torture allegation is a potential blockbuster. "I think the judge is going to take a real serious look at whether this case should go forward or not," says David Oscar Markus, president of the Miami Chapter of the Florida Association of Criminal Defense Lawyers. "This judge has shown that she is not just going to roll over for what the government says. She's already dismissed some counts in the indictment and she is looking at what they have done very seriously."

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Mr. Markus says the lack of existing legal precedents supporting dismissal may not matter in the Padilla torture issue. "There is no precedent for something like this because nothing like this has ever happened before," he says.

How the issue plays out from here may depend on whether Padilla's lawyers are able to present evidence of Padilla's torture in court, Markus says. Medical records from the Navy brig where Padilla was held in South Carolina could offer independent and reliable evidence of abuse, if he was provided medical care as the government claims.

"Padilla's conditions of confinement were humane and designed to ensure his safety and security," the government's brief says. "While in the brig Padilla never reported any abusive treatment to the staff or medical personnel."

Lawyers Try To Stop Gitmo Med Procedure (AP)

By Andrew O. Selsky

AP, November 15, 2006

An attorney for a Guantanamo Bay detainee has asked a judge to block a planned medical procedure on the prisoner's heart, saying that performing it at the U.S. base puts his life at risk.

Saifullah A. Paracha, a 69-year-old multimillionaire businessman from Karachi, Pakistan, already had one heart attack while in U.S. custody and in recent days has suffered chest pains, his lawyers said. Doctors plan to perform a cardiac catheterization on Paracha this month at the isolated Guantanamo Bay Naval Base in southeast Cuba.

Gaillard T. Hunt, one of Paracha's attorneys, asked a federal court in Washington Tuesday to block it, saying Guantanamo lacks the medical facilities for the procedure and sufficient backup in case anything goes wrong.

Hunt said it should be carried out in a hospital in the United States or Pakistan.

"There is no excuse for risking petitioner Paracha's life by subjecting him to this procedure at Guantanamo," Hunt said in an emergency petition, a copy of which was provided to The Associated Press.

Transferring Paracha to a hospital in the United States could present legal complications for the Bush administration, which has maintained that because the Guantanamo detainees were picked up overseas and are being held on foreign land, they may be detained indefinitely without charges or trial. A new law strips foreign "enemy combatants" held anywhere by the United States of their right to contest their detention in court. That law is being challenged.

Paracha's legal team has no ulterior motives, said another of his lawyers, Zachary Philip Katznelson.

"Our goal here is not anything duplicitous or underhanded to get court jurisdiction," he said in a telephone interview. "It is to get decent medical care."

The government is to reply to Hunt's petition by Friday. The case was expected to be argued in court on Monday, Hunt said.

Katznelson said he found Paracha chained to a bed at the base hospital when he visited Guantanamo on Nov. 7 and 9.

"All four limbs were shackled to the bed," and there wasn't enough slack in the chains to enable Paracha to turn over, he complained.

During a cardiac catheterization, a doctor inserts a thin plastic tube into an artery or vein in the arm or leg and pushes it into the chambers of the heart or into the coronary arteries to measure blood pressure within the heart and blood oxygen levels.

Army Lt. Col. Lora Tucker said from Guantanamo that its medical facilities "are excellent" and that additional specialists and medical equipment could be brought to the U.S. Navy base as needed.

"We are committed to preserving the health and lives of all detainees," Tucker said in an e-mail to AP. She declined to discuss Paracha because it was against policy to discuss a specific detainee's heath.

There have been three deaths among detainees at Guantanamo since it began taking in men captured in Afghanistan and other areas in January 2002 — all suicides on June 10. Some 430 men are currently held at the prison camp.

On Nov. 7, Paracha suffered chest pains at Guantanamo and a medical technician was brought in. His pulse had dropped to 46 beats per minute and his blood pressure was around 90 over 58, Katznelson said in a statement to the court.

Paracha suffered his first heart attack in 1995 and had a second one in 2003 while in U.S. military custody at Bagram Air Base in Afghanistan, Katznelson said. His family in Pakistan, concerned about his health, has urged Pakistan's government to seek his return home for treatment.

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A computer science graduate of the New York Institute of Technology, Paracha was arrested on arrival in Bangkok, Thailand, in July 2003, held in isolation for 14 months in Afghanistan and then sent to Guantanamo.

Paracha has acknowledged meeting Osama bin Laden twice, but denied making investments for al-Qaida members, translating statements for bin Laden, joining in a plot to smuggle explosives into the United States or recommending that nuclear weapons be used against U.S. soldiers.

German Court Finds Sept. 11 Terrorist Guilty Of Abetting Murder (BLOOM)

By Claudia Rach

Bloomberg, November 16, 2006

Nov. 16 (Bloomberg) -- Germany's highest criminal court found Mounir el-Motassadeq guilty of abetting the murder of more than 200 people in the Sept. 11 attacks in the U.S., overturning part of a lower court's decision.

The Federal Court of Justice today upheld the lower court's ruling that el-Motassadeq, a 32-year-old Moroccan, was guilty of being a member of the Hamburg terror cell that participated in the attacks.

El-Motassadeq's seven-year jail sentence will be reassessed by the Hamburg Higher Regional Court, according to today's decision.

The case number is 3 StR 139/06.

German 9/11 Trial Underscores Need For Better Global Cooperation (CSM)

By Mary Wiltenburg

The Christian Science Monitor, November 16, 2006

If convicted terrorist-cell member Mounir el-Motassadeq walks free Thursday from a German courtroom, he may have US security policy to thank.

Direct and respectful before his judges, Mr. Motassadeq is less well-known than recently sentenced 9/11 conspirator Zacarias Moussaoui, whose courtroom theatrics drew broad attention to his trial in the US.

But the dramatic legal odyssey of the first man ever tried in connection with the Sept. 11 attacks has been the focus of bitter recrimination between German and US officials, who have denied the case's lawyers access to statements from a key witness.

As both countries attempt to strike the right balance between national security and the rule of law, observers say the case is a prime example of why it will take better global cooperation to succeed in the war on terror.

"The information-sharing problem is the key to fighting international terrorism," says law professor Joachim Wolf of Ruhr University in Bochum. "This [case] has been a disaster. But even a disaster can be a first step for developing something."

Since Motassadeq's first trial opened in 2002, the Moroccan citizen's case has taken numerous turns: In 2003, he was found guilty of abetting the murder of 3,066 people. On appeal, he was declared wrongly convicted. In a second trial, he was sentenced to seven years for membership in a terrorist organization. This February, he was released on bond pending resolution of appeals. Thursday, the German Supreme Court is expected to issue a ruling that might clear Motassadeq of all charges, return him to prison, or grant him a third trial that could reinstate the accessory-to-murder charges.

The key question before the court is whether Motassadeq's second trial erred in sentencing him so lightly, given his close association with three of the 9/11 hijackers: Mohamed Atta, Marwan al Shehhi, and Ziad Jarrah.

A one-time roommate and a member of their Islamic study group in Hamburg, Motassadeq handled business affairs for the men while they trained at Al Qaeda camps in Afghanistan, then went there himself to train. When his friends left Germany to enroll in US flight schools, Motassadeq offered to look out for Mr. Jarrah's girlfriend. He paid bills from Mr. al Shehhi's bank account. He signed Mr. Atta's will.

All along, Motassadeq has maintained that one man could prove his innocence: Ramzi Binalshibh. Referred to by the 9/11 Commission Report as the fourth member of the Hamburg cell and a 9/11 plotter, Mr. Binalshibh was held in an undisclosed CIA facility from his 2002 capture until September, when he was one of 14 "high value" suspects moved to the US military prison in Guantánamo Bay, Cuba.

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Since 2002, German courts have repeatedly requested access to Binalshibh. Despite numerous appeals, including two personal visits to the US by the German prosecutor, American intelligence services have refused, saying such a move would jeopardize national security.

Consequently, defense lawyer Udo Jacob argues, evidence that might have showed Motassadeq's innocence "was not considered, and I think this is a big fault in the sentence."

In Motassadeq's first trial, a Hamburg court convicted him on the basis of other evidence - evidence which "could hardly have been poorer," wrote University of Erlangen-Nürnberg law professor Christoph Safferling in a 2004 article.

But in February 2004, the same court acquitted Motassadeq's friend, Abdelghani Mzoudi, of identical charges for lack of evidence. The following month, Motassadeq's conviction was overturned.

These developments drew an outcry from the German press. Judges raged, and federal prosecutor Kay Nehm criticized US lack of cooperation as "incomprehensible." American critics countered that German courts were soft on terrorists.

"I think what is difficult for Americans to understand is how important it is to Germans to keep up the rule of law after the Nazi era," says Loammi Blaauw-Wolf, a lawyer who analyzed the decisions for the German Law Journal. "Even if it's a terrorist, or somebody suspected of such serious crimes, they are always willing to give him the benefit of the doubt and to give him a fair trial."

When Motassadeq's second trial began later that year, the US provided the court six pages of summarized statements by Binalshibh and two other men in their custody - Khalid Sheikh Mohammed and Mohamedou Ould Slahi. The summary indicated that Motassadeq had no knowledge of the 9/11 plot.

Although they eventually entered the pages into evidence, German courts were hesitant to do so. There was no way to prove, judges argued, that the statements had not been extracted under torture. The US declined to elaborate on the circumstances under which they were taken.

"This was a very uncomfortable situation," says Dr. Wolf, "uncomfortable for German judges, and for German laws as a whole." Lawyers in the case also expressed reservations about the evidence.

"I don't know if it's trustworthy or not," says attorney Sven Leistikow, who represents 9/11 victims' families. "For me as a European, that's not something I can work with. It's like something from the Inquisition."

Considering the countries' joint histories, says Dr. Blaauw-Wolf, judges' concern with strict fidelity to the Geneva Conventions should come as no surprise. After all, she says, it was America's own Marshall Plan that brought the rule of law to Germany. This week, human rights groups filed suit in Berlin against high-ranking US officials, including outgoing Defense Secretary Donald Rumsfeld, for authorizing torture at Abu Ghraib prison in Iraq.

Now, prosecutors in the Motassadeq case claim they have new evidence that could secure a fair verdict. Some observers wonder whether the US will allow Germany access to Binalshibh, now that he has requested a lawyer. US State, Justice, and Defense Department officials declined to comment on the possibility. Policy analysts have argued that disclosing such intelligence information in court runs the risk of exposing sensitive sources, or of transmitting key information to terrorists not yet apprehended.

A Better Way To Fight Terrorism (WP)

By John Hamre

The Washington Post, November 16, 2006

In the warm glow of post-election bipartisanship, Congress and President Bush would do well to take on a crucial task: forging a new legal foundation for the global war on terrorism. The current policy framework is a disaster. While I know it's not true, still, the world believes that America condones torture, prison camps and "disappearance" tactics.

Let me recount an analogy. I remember a day back in 1986, when I was working for the Senate Armed Services Committee. An intelligence officer told me that the Navy had just recovered a Soviet sonobuoy and, in taking it apart for intelligence assessment, our government had discovered an American-designed computer chip -- one that we had not yet even certified for production in our own systems. The Soviet Union clearly had superior intelligence and counterintelligence capabilities.

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But these did not make the Soviets strong enough to overcome their fundamental flaw. In fact, they were doomed because their whole social construct was built on a lie. America and its allies were victorious because they embraced transcendent government values of freedom, liberty, accountability and transparency. Our ideals and their practice brought hope to millions around the world and drew our allies closer to us.

The United States will lose the global war on terrorism if we feel we must adopt tactics that undermine our civic values. For generations the world has admired America's commitment to the rule of law and government accountability. Much of the world now questions that commitment.

President Bush was right to say that the previous framework of international legal norms did not anticipate al-Qaeda-type combatants. But the administration failed to follow through to lead the world to a new legal framework. And the policies that led to Guantanamo Bay, Abu Ghraib, secret renditions and warrantless wiretaps have undermined America's towering moral authority.

The compromises of the final days before Congress recessed for the midterm election only muddied the waters. Political urgency infected an honest search for a durable policy framework.

This is an opportunity for constructive bipartisanship. The election is over. Instead of defaulting to the blue-ribbon-commission model, we should ask Congress to work on this problem. Let's ask the leadership to create a special select committee, made up of the chairmen and ranking minority members of the Armed Services, Foreign Relations, Intelligence and Judiciary committees, to work together for six months. They should assemble a panel of advisers consisting of politicians and jurists of excellent reputation -- people such as Sandra Day O'Connor, Sam Nunn, John Danforth and John Glenn.

We do need a new framework and a new national consensus, one that meets the challenges of this new enemy and is consistent with our tradition as the most revolutionary nation in history; one that holds the rule of law and government accountability inviolable by even the most powerful politicians.

We can prevail in the long war only if America recovers its tarnished inspirational powers and draws to its side the enthusiastic support of friends and allies.

The writer, a former deputy secretary of defense, is president of the Center for Strategic and International Studies.

HOMELAND RESPONSE:

Dirty Bombs: A Nation Unprepared (KTVT)

By Robert Riggs

KTVT-TV, November 16, 2006

(CBS 11 News) FBI ACADEMY - QUANTICO, Virginia Handheld devices set off the telltale clicking sound that signals the presence of radioactive material as elite FBI units practice collecting evidence from the scene of a "dirty bomb" attack. Agents gather outside the nation's capital at the FBI's Training Academy in Quantico, Virginia to train on how to prevent or identify the perpetrators of such an attack.

Nuclear terror experts consider the dirty bomb is a weapon of choice for inflicting psychological and economic chaos in an urban setting. A dirty bomb uses conventional explosives to pulverize and disperse radioactive material into the air.

Travis Callaway, a nuclear specialist with the FBI, says it's easy for terrorists to get their hands on the key ingredients. "Getting an industrial or medical isotope is not that difficult to come by. There are literally millions of sources around the world. They are used in industry and medical purposes all the time. Most are not guarded at all or under simple lock and key."

Two dozen response teams, based at FBI offices across the country, receive 300 hours of specialized training on weapons of mass destruction. Their detection equipment can pick up rays emitted by everything from low grade radioactive materials to nuclear weapons.

The teams maintain a low profile at high profile events says John Fraga the chief of the Hazardous Materials Response Unit. "The majority of our work in prevention has been deploying to special events or events that would attract the attention of certain groups. Having us on site is certainly the better thing to have so we can assess threats and packages and things like that."

The units spend most of their time assessing the scientific plausibility of threats such as the phony threat posted on a website last month about dirty bomb attacks on NFL stadiums.

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A dirty bomb is considered a weapon of 'mass disruption' capable of inflicting devastating economic damage rather than mass casualties. The radioactive contamination could shut down a wide swath of a city's business district, and neighborhoods that were located downwind from the point of detonation, for years, if not for decades. The cleanup could cost billions of dollars and all commercial insurance policies sold in the United States appear to exclude damage from radiation according to a study by the National Defense University.

"It's not going to kill a lot of people but it can cause a lot of contamination. It can cause a lot of social and psychological disruption and economic effects," says Charles Ferguson, Council on Foreign Relations. "I think that's why a lot of terrorist groups might be attracted to the dirty bomb."

Ferguson was a nuclear engineering officer on a U.S. Navy ballistic missile submarine and recently warned, in a report titled Preventing Catastrophic Nuclear Terrorism, that the threat of nuclear attack by terrorists has never been greater.

The physicist says there is a lot of worry that the government is not prepared especially in the wake of its slow response to Hurricane Katrina.

"We are still a long way from having the ability to quickly decontaminate under the most strenuous circumstances," Ferguson says. "We need to be doing more realistic exercises to train our first responders and our political leadership to deal with that kind of event."

Ferguson recommends that the government stockpile decontamination supplies and medications to treat radiation sickness outside major urban areas.

First responders also can't precisely predict where the fallout from a dirty bomb would spread to and who would be exposed to the long term effects of low level radiation.

"The biggest issue with the aftermath of a dirty bomb is you can't see it, you can't smell it, you can't taste it, and you don't know where it is. If in downtown Dallas we detected radiation, what part of downtown Dallas do we evacuate? My guess is as soon as the word got out that there's a radiation release in Dallas everybody is going to try to get out of that city," said Ron Chesser, Texas Tech University scientist.

Chesser looks for answers in the aftermath of the world's worst nuclear power plant disaster at Chernobyl in the Ukraine. For the past 12 years, Chesser and his colleagues from the Center for Environmental Radiation Studies in Lubbock have traveled to Pripyat in the Ukraine to study the effects of radiation released from Chernobyl's reactor meltdown in 1986.

Radioactive fallout from the explosion forced 135,000 people living downwind in Pripyat to permanently abandon their homes in what was considered at that time the most modern city in the Soviet Union. Chesser points to ghostly photographs.

Pictures taken before and after disaster show a once vibrant life in parks and high rises virtually frozen in time just as frightened residents had suddenly left it twenty-years ago. A poignant sign reads, "Our Home. It will protect us." School children's homework assignments still sit on desks in vacant class rooms, history books about Lenin stand on the shelves.

The Texas Tech scientists measured 2,500 points of radiation around the city and created a three-dimensional computer model of every structure. At the click of a computer mouse, two animated plumes of red colored radioactive fallout blossom from the reactor site and spread across the region showing the path of the radioactive cloud.

Chesser is trying to produce a mathematical model that will help first responders in the U.S. see the dispersal pattern of fallout from a dirty bomb and show what areas need to be evacuated. "The flow of particles through an urban canyon is a complex process mathematically. It's very difficult to estimate because weather and winds are unpredictable, especially winds around buildings and in and amongst buildings and down avenues."

The Soviet experience indicates that a dirty bomb could trigger widespread panic. Chesser says the residents of Scandinavian countries located hundreds of miles away may have over reacted in the absence of accurate information. "In the two or three years after the Chernobyl accident there were over a hundred thousand voluntary abortions by expectant parents. They chose this path because of the fear of congenital birth defects."

U.S. public health authorities are also unprepared to tell people if they will later suffer from cancer, according to Chesser. He says it's hard to get the government to invest in studies about the effects of exposure to low dose radiation. "Unfortunately, all we can give the victims are statistics and statistics are pretty cold when you are talking to an individual about their specific health risk."

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Rather than panic and run from a dirty bomb Chesser says, "The safest thing would be to stay put inside a building, closing the windows and the ventilation system so you don't inhale or ingest the radioactive particles."

At the current pace of research and planning, reliable safety advice from the government may be a long time coming.

Feds Bust UMass Student For Sears Tower Bomb Hoax (BOSH)

By O'Ryan Johnson

Boston Herald, November 16, 2006

A 21-year-old University of Massachusetts student sent a booze-fueled bomb hoax to the National Security Agency, claiming a man he'd randomly plucked from facebook.com was planning a suicide attack on the Sears Tower, according to an FBI affidavit.

Agents yesterday arrested Adam Hart of Georgetown, at UMass Amherst, where he now goes to school. He attended UMass-Dartmouth at the time of the incident. He pleaded not guilty to malicious conveying of false information and was released on a $10,000 unsecured bond. A woman at the Hart home declined to comment.

"I was drunk and was searching for a variety of novelty names, (sluts, athletes, ect.. (sic))," Hart wrote in a letter of apology to the National Security Agency. "At one point I searched for Osamah. When the name Osamah Abdallah came up I sent him a message."

That message sparked an exchange with Abdallah, a Loyola University student, that ended when Hart woke up after another long night of drinking and e-mailed the NSA, the affidavit states.

"I had gone out to drink again but this time it was in excess," Hart wrote in his apology letter. 'I was still a little angry from his message and was trying to be funny in front of my roommate . . . At this point I wrote the email to the NSA."

That e-mail, sent April 22, sparked a massive effort to gird the nation's tallest building against a possible suicide bomb attack. Meanwhile, agents from the Joint Terrorism Task Forces hunted down Abdallah and yanked him from a Loyola classroom. He showed agents his facebook.com profile and showed them his response to Hart's e-mail, which he described as sad, since such a hateful person shared the name "Adam" with a biblical prophet, the affidavit states.

Judge Rejects Request To Strike Don't-tell-how-to-make-a-bomb Law (SDUT)

By Onell R. Soto, Union-tribune Staff Writer

The San Diego Union-Tribune, November 16, 2006

SAN DIEGO – A local federal judge has rejected a radical activist's request to invalidate a law making it illegal to tell people how to make a firebomb with the intention that they go out and commit a violent crime.

Rodney Coronado, 40, of Tucson, argued that the law infringed upon the First Amendment protections of free speech.

Judge Jeffrey A. Miller Wednesday sided with prosecutors, who said the law was tailored to apply to specific criminal activity which the government has a responsibility to control.

The law, enacted after the 1995 bombing of a federal building in Oklahoma City, makes it a crime to "teach or demonstrate" how to make an explosive, destructive device or weapon of mass destruction intending that the information be used to commit a federal crime of violence.

On Aug. 1, 2003, Coronado gave a speech in Hillcrest in which, in response to a question from the audience, he demonstrated how he made a gasoline-fueled device he used to burn down a Michigan State University laboratory in 1992.

Hours earlier, an arson fire destroyed a huge housing complex under construction in University City causing $50 million in damage. A group for which Coronado has acted as spokesman, the Earth Liberation Front, or ELF, took credit.

Coronado has not been charged in connection with that arson, but he was charged with breaking the law on telling people how to make a destructive device.

His lawyer, Gerald Singleton, argued that he was within his First Amendment rights to talk about the Michigan arson, for which he served a prison term.

Miller disagreed.

"Here, the deterrent effect of (the statute) on legitimate expression is insubstantial and remote," he said.

DOJ_NMG_0094977

He also ruled that other objections to the law will be decided after witnesses testify at a trial, which has not yet been scheduled.

Prosecutor John Parmley was not available for comment Wednesday.

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Steven Hatfill Demands Fines For N.Y. Times (NYS)

By Josh Gerstein, Staff Reporter of the Sun

New York Sun, November 16, 2006

A former Army scientist suing the New York Times for libel has asked a federal judge to fine the newspaper $25,000 a day for refusing to disclose its confidential sources and to increase the fine amount by $25,000 each month in an attempt to encourage the paper to comply.

The scientist, Steven Hatfill, contends that a series of Times columns fingered him as responsible for the anthrax mailings in 2001 that terrorized the nation and killed at least five people. While the FBI searched Mr. Hatfill's home and the Justice Department eventually named him as a "person of interest" in the anthrax case, neither the scientist nor anyone else was ever charged in connection with the crimes.

Last month, a federal magistrate in Alexandria, Va., where Mr. Hatfill's suit was filed, ordered the Times to identify the sources for the five columns in dispute. A federal judge upheld the order, but the newspaper indicated the author of the columns, Nicholas Kristof, would persist in refusing to name his sources.

"There has been a certain 'heads I win, tails you lose' quality to the Times's litigation of this issue so far," an attorney for Mr. Hatfill, Thomas Connolly, wrote in a motion urging the fines. "In order to ensure that the officers, directors, and shareholders of the Times are fully involved in determining whether it wishes to ignore the judicial power of the United States, this court should impose a significant monetary sanction for each day of non-compliance."

Mr. Connolly painted the Times's refusal to comply as brazen and willful. "Courts, not newspapers, decide what evidence must be presented in court when the administration of justice so requires," the lawyer wrote.

In a filing yesterday, counsel for the Times called the proposed fines "extreme, over-reaching and unwarranted."

Attorneys for the Times insist that the newspaper is simply preserving its right to appeal the order to disclose its sources.

The Times also noted that 10 of the 12 sources Mr. Kristof relied on are known to Mr. Hatfill, either because they were not granted confidentiality or agreed to waive it. As a result, the names of only two sources are being withheld. Mr. Kristof has said both were FBI employees.

The Times's lawyers also said Mr. Hatfill deliberately delayed giving his deposition in the case and that his attorneys' bid to block further discovery by the Times is part of "a ruse designed to insulate plaintiff from giving any testimony under oath at all."

A court hearing on the proposed sanctions is set for tomorrow.

Lawyer Disputes Feds' Claim That His Client Engaged In 'Overt Sexual Activity' On Airliner (AP)

AP, November 16, 2006

(AP) - RALEIGH, North Carolina-A man arrested for allegedly engaging in "overt sexual activity" with his girlfriend on an airliner was lying with his head on her lap because he was not feeling well, his attorney said.

That gesture was misinterpreted by a flight attendant, who humiliated and harassed the couple, said attorney Deb Newton, who represents Carl Persing.

Persing and Dawn Sewell, both of Lakewood, California, face federal charges of interfering with flight crew members, allegedly by disobeying a flight attendant's request that they stop their public displays of affection.

They were arrested on Sept. 15 when they arrived at Raleigh-Durham International Airport on a Southwest Airlines flight from Los Angeles.

"The one witness I've talked to and the defendant dispute almost everything in the government's affidavit as to what happened on that airplane," Newton said.

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She said Persing suffers from a chronic disease requiring medication that makes him drowsy, dizzy and irritable. She would not identify the disease to protect her client's privacy.

Newton said she will ask that the charges be dismissed.

Sewell's lawyer did not immediately return a call seeking comment.

Allard Lobbies For Supermax Funding (RMN)

Rocky Mountain News, November 15, 2006

U.S. Sen. Wayne Allard, R-Colo., met today with U.S. Attorney General Alberto Gonzalez to seek support in adding $12 million to the Commerce, Justice and State Appropriations bill to fund a perimeter fence at Supermax in Florence.

Allard's office said that during the meeting, Gonzalez pledged to work with Allard to address the funding issue for the fence.

The prison holds a number of the nation's most notorious terrorists such as 9/11 conspirator Zacarias Moussaoui and 1993 World Trade Center bomber Ramzi Yousef.

A Justice Department inspector general's report in September criticized the prison for a number of shortcomings, including a lack of security and failure to monitor the mail.

"Today's meeting was extremely productive," said Allard. "Attorney General Gonzales assured me that the mail deficiencies raised in the inspector general's report are being addressed, and he agreed to discuss the need for a perimeter fence with the Bureau of Prisons director and follow up with me on the potential avenues to funding the fence."

Allard conducted a tour of the facility on Oct. 30 and met with local law enforcement, prison guards and community officials to hear their concerns regarding prison operations.

He then met last Thursday with Federal Bureau of Prisons Director Harley G. Lappin to explain the issues raised in the meeting.

"I have taken the concerns raised to me during my visit to Supermax and the meeting with Florence citizens back to Washington and have brought them directly to the attention of the director of the Bureau of Prisons and to the attorney general," said Allard.

"Supermax houses some of the most dangerous prisoners in the country and we need to ensure we are doing everything needed to protect the prison personnel and the surrounding communities."

WAR NEWS:

General: Hold Off On Iraq Pullout (USAT)

By Matt Kelley

USA Today, November 16, 2006

WASHINGTON — The top U.S. commander in the Middle East urged Congress to resist withdrawing American troops from Iraq any time soon, a stance that drew sharp disagreement from top Republicans and Democrats.

A week after the midterm election in which voters said changing Iraq policy was a top priority, Gen. John Abizaid told House and Senate committees that military commanders are analyzing possible policy options for President Bush.

"We have every option on the table, all the way from increasing our U.S. combat forces down to withdrawing our U.S. forces," Abizaid told the Senate Armed Services Committee. Iraq has no more than six months to quell sectarian violence before it rages out of control, he said.

Still, Abizaid said he would not recommend cutting or adding troops. That position drew criticism from two prominent members of the panel contemplating presidential bids in 2008.

"I regret deeply that you seem to think the status quo and the rate of progress is acceptable, when the American people do not," said Arizona Republican John McCain.

Abizaid objected, saying he wanted quicker progress in Iraq. He said a major focus of that effort is working with the government of Prime Minister Nouri al-Maliki.

"We must stick with them until such time as they show us they can't do it," he said.

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New York Democrat Hillary Clinton, another possible presidential contender, said that point had passed.

"I see very little indication that there has been a resolution within the Iraqi government that the violence must stop," she said.

Carl Levin, the Michigan Democrat who will take over as committee chairman in January, continued to press his plan to tell Iraqi leaders that American troops will begin to be withdrawn in four to six months. Levin said that's the best way to "stop the march down the path to full-blown civil war."

Abizaid said withdrawing troops would undercut Iraq's government and cause more violence. Adding a large number of U.S. troops also is a bad idea, Abizaid said. "I believe more American forces would prevent the Iraqis from doing more," Abizaid said.

David Satterfield, the State Department's Iraq adviser, told lawmakers the Bush administration was willing to talk to officials in neighboring Iran. Although Satterfield said both Iran and Syria were "negative actors" in Iraq by supporting armed groups, he only ruled out talks with Syria.

The Bush administration has rejected previous calls for talks with Tehran, saying Iran must first stop its uranium-enrichment programs.

General Warns Against Iraq Exit Timeline (FT)

By Demetri Sevastopulo

Financial Times, November 16, 2006

General John Abizaid, the top US commander in the Middle East, on Wednesday warned that a phased withdrawal of US troops within six months, which some Democrats want, would increase sectarian violence in Iraq.

Gen Abizaid also drew the ire of John McCain, the Arizona senator and Republican frontrunner for the 2008 presidential race, by saying he did not believe more troops would help the US stop the bloodshed in the war-torn country.

"I believe more American forces prevent the Iraqis from doing more, taking more responsibility for their future," Gen Abizaid said at a contentious Senate armed services hearing.

Democrats, and many Republicans, are stepping up pressure on the Bush administration to change course in Iraq in the wake of last week's congressional elections, which were largely seen as a referendum on US policy on Iraq.

"I am…disappointed that basically you're advocating that status quo here today which I think the American people in the last election said that is not an acceptable condition for the American people," Mr McCain told Gen Abizaid.

Gen Abizaid was testifying before the committee for the first time since President George W. Bush announced last week that he was replacing Donald Rumsfeld, defence secretary, with Robert Gates, a former director of the Central Intelligence Agency.

In August, Gen Abizaid told the same committee that Iraq could descend into civil war if the violence in Baghdad was not curtailed. But on Wedneday he said he believed the situation in Iraq had improved since then.

The four-star general said that while the level of violence in Iraq "remain dangerously high" he remains "optimistic" that the US can stabilise Iraq.

Many Democrats, including Carl Levin, who will become chairman of the Senate armed services committee in January, argue that the US needs to pressure the Iraqis by announcing a timetable to start withdrawing troops within four to six months.

But Gen Abizaid stressed that setting timelines for withdrawals would impede the US effort in Iraq. "We need flexibility to manage our forces...Caps and specific timetables limit that flexibility," he said.

Facing Withdrawal Demands, Abizaid Calls For More Troops (LAT)

By Peter Spiegel

The Los Angeles Times, November 16, 2006

WASHINGTON — The commander of U.S. forces in the Middle East said Wednesday that he had requested an increase in the number of U.S. military advisers in Iraq and had sent another 2,000-Marine unit into the country's restive western region.

In two back-to-back hearings on Capitol Hill, Army Gen. John P. Abizaid, head of U.S. Central Command, resisted calls by Democrats for troop withdrawals, saying it would lead to further sectarian violence.

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He defended plans for keeping troop levels at or slightly above the current 141,000 and said he remained optimistic that Iraq could become stable.

Abizaid was met with deep skepticism in the Senate, where even Republicans who have supported the war questioned his judgment on troop levels and his optimistic assessment of Iraqi security forces.

The criticism signaled a more active role by members of Congress in challenging the Bush administration on the war's conduct.

With Defense Secretary Donald H. Rumsfeld's pending departure and the Democratic takeover of Congress, top generals are likely to face greater criticism.

"I must say that I come to this hearing with a great deal of skepticism, because, prior to this hearing, there's been a great deal of obfuscation by the witnesses in front of this committee as to what the truth is," said Sen. Bill Nelson, D-Fla.

The heightened tension, and Abizaid's defense of troop levels, came amid signs that the Pentagon and White House are considering a significant shift in Iraq policy.

In addition to a report from the bipartisan Iraq Study Group and a separate review by the Pentagon's Joint Staff, the administration said Wednesday that President Bush had ordered an internal review by the National Security Council that would bring together the thinking of various government agencies on how to move forward in Iraq.

"(Bush) thought it was high time that these reviews be brought together and put in an integrated form, so he can get a look at it and begin getting in his own mind what the way forward needs to be in Iraq," Stephen Hadley, the national security adviser, told reporters traveling to Asia with Bush on Air Force One.

Against a barrage of questions from some lawmakers calling for phased withdrawals and others advocating an increase in troops, Abizaid defended the status quo, warning against timetables and insisting current troop levels were adequate to quell violence and help prepare Iraqi forces.

"Our troop posture needs to stay where it is as we move to enhance the capabilities of the Iraqi security forces," Abizaid said.

The assessment was supported by Lt. Gen. Michael D. Maples, director of the Defense Intelligence Agency, who argued in testimony later Wednesday that the presence of U.S. forces was the bulwark against the breakdown of central authority in Iraq.

Maples told the Senate panel that sectarian violence was on the rise and was undermining public support for the government and the nascent Iraqi military.

"I think we still have the opportunity for success, but it will be a very difficult process to get us to where we want to be, both from a security standpoint and from a political standpoint, in Iraq," Maples said.

Abizaid said that although sectarian violence remained at unacceptably high levels, it had declined since August, when he told the same Senate committee that Iraq was at risk of sliding into civil war.

Abizaid's steadfastness on troop levels drew ire from lawmakers on both sides of the aisle, particularly Sen. John McCain, R-Ariz., a probable 2008 presidential contender who has become the most vocal advocate for an increase in U.S. troops in Iraq.

Seizing on Abizaid's acknowledgment that western Anbar province was not under coalition control and that troops who might have been used to secure the Sunni insurgent stronghold had been diverted to Baghdad, McCain said Abizaid was failing to prevent a return of insurgent control.

"Wouldn't it make sense to ... get both Baghdad and al-Anbar province under control before we have another battle of Fallujah and lose many more lives?" McCain said. "I don't understand that tactic, General."

Abizaid conceded that sending 20,000 additional troops into Iraq might temporarily quell violence, but he said it also would upset American efforts to get the Iraqi government to take more responsibility for the country's internal security.

Abizaid added that, even if it were in Iraq's best interest to increase the presence of U.S. forces, it would be difficult for the Pentagon to find additional combat troops without increasing the size of the active-duty military.

Nonetheless, Abizaid acknowledged that he planned to increase troop levels in the near term. Abizaid ordered the 15th Marine Expeditionary Unit, which has been on ships in the Persian Gulf for months as a backup reserve force, into Iraq.

A Defense official said the Marines already had landed in Kuwait ahead of their deployment to Anbar, which has continued to see some of the fiercest fighting between American forces and insurgents.

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In addition, Abizaid said he would request that the number of military advisers in Iraq be "substantially increased," largely by adding to the size of the nearly 300 embedded teams, now composed of 11 soldiers each. He said the number was still being worked out by his staff.

The general said he believed the United States had four to six months to get violence in Iraq under control before it reached a level at which it might be impossible to contain. Army Gen. George W. Casey, commander of coalition forces in Iraq, said last month that he believed Iraqi forces would be able to take over security operations in 12 to 18 months. Abizaid said he was working to speed up that timetable.

General Warns Of Risks In Iraq If G.I.'s Are Cut (NYT)

By Michael R. Gordon, Mark Mazzetti

The New York Times, November 16, 2006

WASHINGTON, Nov. 15 — The top American military commander for the Middle East said Wednesday that to begin a significant troop withdrawal from Iraq over the next six months would lead to an increase in sectarian killings and hamper efforts to persuade the Iraqi government to make the difficult decisions needed to secure the country.

The commander, Gen. John P. Abizaid, made it clear that he did not endorse the phased troop withdrawals being proposed by Democratic lawmakers. Instead, he said the number of troops in Iraq might be increased by a small amount as part of new plans by American commanders to improve the training of the Iraqi Army.

General Abizaid did not rule out a larger troop increase, but he said the American military was stretched too thin to make such a step possible over the long term. And he said such an expansion might dissuade the Iraqis from making more of an effort to provide for their own security.

"We can put in 20,000 more Americans tomorrow and achieve a temporary effect," he said. "But when you look at the overall American force pool that's available out there, the ability to sustain that commitment is simply not something that we have right now with the size of the Army and the Marine Corps."

General Abizaid also publicly said for the first time that the American position in Iraq had been undermined by the Bush administration's decision not to deploy a larger force to stabilize the country in 2003. That decision was made after Gen. Eric K. Shinseki, the Army chief of staff at the time, told Congress that several hundred thousand troops would be needed. His testimony was derided by Defense Secretary Donald H. Rumsfeld, and the general was ostracized at the Pentagon before his retirement a few months later.

"General Shinseki was right that a greater international force contribution, U.S. force contribution and Iraqi force contribution should have been available immediately after major combat operations," General Abizaid said. "I think you can look back and say that more American troops would have been advisable in the early stages of May, June, July."

The testimony, given to the Senate and House Armed Services Committees, was the first by the American commander since August, and it followed several months of setbacks in Iraq that helped to fuel the Democratic victories in last week's election. Skepticism among lawmakers from both parties was palpable, and the concerns of the lawmakers were reinforced by intelligence officials who testified later in the day and who painted a more pessimistic portrait of the violence in Iraq than General Abizaid did.

Among the Iraq policy reviews now under way is an effort by the Iraq Study Group, led by James A. Baker III and Lee H. Hamilton, and a separate administration study ordered by President Bush.

Under the immediate initiative that General Abizaid described, the number of American military advisers working with Iraqi forces will be increased, with advisers to be assigned even to small Iraqi units with fewer than 200 soldiers.

"We need to put more American capacity into Iraqi units to make them more capable in their ability to confront the sectarian problem," General Abizaid told the Senate Armed Services Committee. "It is possible that we might have to go up in troop levels in order to increase the number of forces that go into the Iraqi security forces, but I believe that's only temporary."

The next steps in Iraq were very much on the mind of lawmakers on Wednesday. Senator John McCain, Republican of Arizona, cited the concerns of Marine Corps officers in Anbar Province in complaining that General Abizaid had not dispatched

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enough forces to defeat the insurgency there. Senator Hillary Rodham Clinton, Democrat of New York, said the Iraqi government was not taking the steps needed to win the trust of the population and improve security.

In their testimony on Wednesday, Gen. Michael V. Hayden, director of the Central Intelligence Agency, and Lt. Gen. Michael D. Maples, director of the Defense Intelligence Agency, said they agreed with General Abizaid that American forces were one of the few elements keeping a lid on violence in Iraq and that withdrawing troops would only increase sectarian violence.

But General Maples said that the violence continued to increase in "scope, complexity and lethality" and that it was "creating an atmosphere of fear and hardening sectarianism, which is empowering militias and vigilante groups."

In all of Iraq, attacks against allied troops last month averaged 180 per day, up from 170 per day in September and 70 per day in January, General Maples said in written testimony. Daily attacks on Iraqi civilians averaged roughly 40 per day last month, four times higher than the average in January. General Maples also noted that recent operations in Baghdad had achieved only a moderate success, because after American officials had turned neighborhoods over to the Iraqis, "attacks returned to and even surpassed preoperational levels."

Reinforcing this view, General Hayden said the C.I.A. station in Baghdad assessed that Iraq was deteriorating to a chaotic state, with the political center disintegrating and rival factions increasingly warring with each other. "Their view of the battlefield is that it is descending into smaller and smaller groups fighting over smaller and smaller issues over smaller and smaller pieces of territory," he said.

The two intelligence officials said Wednesday that there were only an estimated 1,300 foreign fighters in the country and that the number of Sunni Arab insurgents actively planning and carrying out attacks on American forces was probably more than 10,000.

Senator Jack Reed, Democrat of Rhode Island, asked General Abizaid how much time the United States had to bring down the violence in Baghdad before events there were beyond the control of the Iraqi government. General Abizaid said the answer was four to six months.

Securing Baghdad, the general said, was the main effort. But there are other difficult missions ahead, he said. One is supporting an Iraqi-led effort to disarm the Mahdi Army, the Shiite militia nominally loyal to the cleric Moktada al-Sadr.

Another is securing Anbar Province, the seat of the Sunni Arab insurgency. General Abizaid said that to try to hold the line there, he had decided to dispatch a 2,200-strong Marine Expeditionary Unit. "Al Anbar Province is not under control," General Abizaid said.

Many experts have advocated talking directly to Iran and Syria to help stabilize Iraq, an approach the Iraq Study Group is expected to endorse. General Hayden said that Iran's ambitions inside Iraq seemed to be expanding and that Iran had been conducting a foreign policy of "dangerous triumphalism."

David M. Satterfield, the State Department's coordinator for Iraq, told the Senate committee that the United States was prepared "in principle" to discuss the situation in Iraq with Iran, but the timing was uncertain.

"We are prepared in principle to discuss Iranian activities in Iraq," Mr. Satterfield said. "The timing of such a direct dialogue is one that we still have under review."

Abizaid Says Withdrawal Would Mean More Unrest (WP)

By Thomas E. Ricks, Ann Scott Tyson

The Washington Post, November 16, 2006

The top U.S. commander for Iraq told Congress yesterday that a phased withdrawal of American troops would unleash more sectarian strife, and instead he advocated a "major change" in strategy that would beef up U.S. military teams training Iraqi forces.

Gen. John P. Abizaid, chief of the U.S. Central Command, said bolstering the training effort could require a further increase in the number of U.S. troops in Iraq, already higher than expected at more than 140,000, and said no cuts are planned.

Facing searing questions from Democrats and Republicans alike, some of whom voiced disappointment in Abizaid and questioned his credibility, the general acknowledged mistakes in the war effort. But he voiced optimism that Iraq's military can stabilize the country, given enough U.S. backing and political support from Iraq's government.

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"We haven't misled people. We have learned some hard lessons," he said in one tense exchange before the Senate Armed Services Committee.

The first major Iraq hearings since the Nov. 7 midterm elections revealed blunt impatience among Democrats as well as open frustration from Republicans, and produced the rare spectacle of presidential hopefuls from both parties taking aim at the general.

Sen. Hillary Rodham Clinton (D-N.Y.) took exception with Abizaid's talk of all the steps that the Iraqi government needs to take. "Hope is not a method," she told him. "We've had testimony now for four years about what 'must be done' -- and it doesn't get done."

Abizaid shot back: "I would also say that despair is not a method."

Sen. John McCain (R-Ariz.), another presidential contender, voiced disappointment that Abizaid seemed to be clinging to the "status quo" -- an assertion the general rejected.

In an unusual admission, Abizaid said there should have been more U.S. troops, as well as Iraqi and foreign forces, to stabilize the country immediately after the U.S.-led invasion in March 2003. "General [Eric] Shinseki was right that a greater international force contribution, U.S. force contribution and Iraqi force contribution should have been available immediately after major combat operations," he said.

Abizaid also said the policy of "de-Baathification" of Iraq society introduced in 2003 by then-U.S. Proconsul L. Paul Bremer was too severe.

Under hard questioning from McCain, Abizaid spoke frankly about the stress on U.S. forces, which he said constrains any major troop increase. "We can put in 20,000 more Americans tomorrow and achieve a temporary effect. But when you look at the overall American force pool that's available out there, the ability to sustain that commitment is simply not something that we have right now with the size of the Army and the Marine Corps," he said. He later told a House panel that exceeding current troop levels would place "a tremendous strain" on the Army.

McCain, who favors a significant boost in U.S. forces, quizzed Abizaid on why more troops have not been sent to the Sunni insurgent stronghold of Anbar province, where U.S. casualties are among the highest in Iraq and Marine commanders say they lack sufficient forces.

"General Abizaid, is al-Anbar province under control?" McCain asked.

"Al-Anbar province is not under control, Senator," Abizaid replied. He said he recently released a Marine expeditionary unit of more than 2,000 troops from the Middle East to reinforce troops in Anbar. Still, he said that Baghdad and not Anbar will remain the main military effort, and that Iraqi forces will have to do more.

"I regret deeply that you seem to think that the status quo and the rate of progress we're making is acceptable. I think most Americans do not," McCain concluded. Abizaid disagreed, saying his new emphasis on training is "a major change."

Other Republicans showed a new skepticism about U.S. policy in Iraq. "It's taking us a lot longer than we thought," said Saxby Chambliss (Ga.). Even John W. Warner, the courtly Virginian who chairs the committee, opened by noting that on Nov. 26, U.S. troops will have been fighting in Iraq longer than they fought in World War II.

On the broader debate over Iraq strategy, Abizaid said partitioning the country, as some analysts have suggested, is "not viable." "I can't imagine in particular how a Sunni state could survive," he said, predicting it would devolve into an al-Qaeda terrorist haven. A Shiite state would fall under domination by Iran, he said.

Amid widespread criticism by lawmakers of the Iraqi government's leadership, Abizaid stressed he has confidence in Prime Minister Nouri al-Maliki, and had urged him in a meeting this week to disarm Shiite militias "soon." By that, Abizaid testified, he meant in four to six months.

The Iraqi army will take the lead in pacifying militias, he said, emphasizing that is one reason the U.S. military should redouble efforts to train Iraqi forces. That option is said to be favored by several members of the Iraq Study Group, the bipartisan panel led by former secretary of state James A. Baker III and former representative Lee H. Hamilton (D-Ind.), which is expected to make recommendations next month.

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Teams of U.S. military trainers embedded with Iraqi units "need to be substantially expanded" so they can reach down to the company level, Abizaid said. He indicated he will try to find troops for that expansion from the existing U.S. force in Iraq but said he is not sure whether that is possible.

Abizaid said adding U.S. troops to Iraq would discourage Iraqis from taking the lead in their own security -- something he predicted they may be ready to do in as little as 12 months. He acknowledged the current U.S. force level in Iraq of 15 brigades is already three to five brigades -- or 10,000 to 20,000 troops -- higher than what he projected it would be before sectarian fighting erupted in Iraq in the spring.

Top General Hits Pullout Plan By Democrats (WT)

By Rowan Scarborough

The Washington Times, November 16, 2006

The top U.S. commander for Iraq rejected yesterday proposals from Senate Democrats to immediately pull troops from Iraq or do it on a specific timetable starting in March.

"Our troops' posture needs to stay where it is as we move to enhance the capabilities of the Iraqi security forces," Gen. John Abizaid, the head of U.S. Central Command, told the Senate Armed Services Committee, "and then we need to assess whether or not we can bring major combat units out of there."

His response was, in effect, a dismissal of a proposal from incoming Senate Armed Services Chairman Carl Levin, Michigan Democrat, for a phased withdrawal to begin in four months, and from Rep. John P. Murtha, Pennsylvania Democrat, for an immediate pullout.

Gen. Abizaid said current troop levels, and an improving Iraqi security force of more than 300,000, are sufficient to eventually win.

"I believe that we can move forward," he said.

But Democrats, and at least one Republican, expressed skepticism.

"It's not encouraging to those of us who heard time after time that things are, quote, 'progressing well,' that we're making progress, et cetera, because we're hearing from many other sources that that's not the case," said Sen. John McCain, Arizona Republican.

Sen. Joe Lieberman of Connecticut, who won re-election as an independent, displayed how difficult it will be for Mr. Levin to get a majority of senators to agree to specific withdrawal dates.

"I agree with both of you that a congressional mandate to begin a withdrawal from Iraq in a time certain would be a disaster for the Iraqis and, more directly, for the U.S.," he said.

Gen. Michael V. Hayden, CIA director, later provided a sober picture of Iraq.

"Even if the central government gains broader support from Iraq's communities, implementing the reforms needed to improve life for all Iraqis will be extremely difficult," he said. "Iraq's endemic violence is eating away at the state's ability to govern. The security forces are plagued by sectarianism and severe maintenance and logistics problems."

The hearing also found the Bush administration signaling a postelection change in policy toward Iran, which the U.S. says is fueling the Shi'ite insurgency and deaths squads in Iraq. Coupled with Sunni terrorists, the groups have spun Baghdad into waves of violent sectarian killings that threaten to throw the country into a civil war. October was one of the deadliest months for U.S. troops, and more than 2,800 have been killed in the war.

David Satterfield, the top adviser on Iraq to Secretary of State Condoleezza Rice, said the United States is ready to talk directly with Iran about achieving peace in Iraq. Mr. Satterfield did not open the door to the other problem neighbor, Syria.

Yesterday's hearing came at another pivotal time for the 3½-year-old war. Absent at the witness table was outgoing Defense Secretary Donald H. Rumsfeld, who resigned under pressure on an Election Day that saw Democrats retake Congress largely on frustration with the Iraq war. Defense Secretary-designate Robert M. Gates is to undergo confirmation hearings before the committee next month.

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Democrats take control of Congress in January and are expected to debate legislation that would speed a troop exodus. Republicans and the White House, so far, oppose such measures. All Washington eyes are on the Iraq Study Group, a congressionally created panel of former government officials. It is set next month to lay out a list of options for winning in Iraq.

Two widely speculated ideas are a timetable for troop withdrawal and direct talks with Syria and Iran, both U.S.-designated terror states. Gen. Abizaid seemed to rule out the first option; Mr. Satterfield accepted part of the second.

Gen. Abizaid confirmed an Associated Press report that when he met with Iraqi Prime Minister Nouri al-Maliki, a Shi'ite, in Baghdad this week, he pressed him to begin ordering his forces to disarm the Mahdi's Army, from which cells have spun off into death squads.

The Mahdi's Army is led by radical cleric Muqtada al-Sadr, a political ally of Mr. al-Maliki. Gen. Abizaid said Mr. al-Maliki has begun disarming the militia, and U.S. forces have raided suspected death squads in Sadr City, Sheik al-Sadr's stronghold.

The general said Iraq must curtail violence in six months or risk losing any chance of a political settlement. He acknowledged that there are not enough U.S. forces in Iraq to control the entire Anbar province, a sprawling Sunni region west of Baghdad that has become a base for al Qaeda terrorists.

This remark brought a sharp rebuke from Mr. McCain. Although many Democrats want troops called home, and Republicans generally back the current 140,000, Mr. McCain advocates sending more forces.

"Wouldn't it make sense to say it might be well to get both Baghdad and al Anbar province under control before we have another battle of Fallujah and lose many more lives?" Mr. McCain said.

Gen. Abizaid answered, "It's easy for the Iraqis to rely upon us to do this work. I believe that more American forces prevent the Iraqis from doing more, from taking more responsibility for their own future. They will win the insurgency, they will solve the sectarian violence problem, and they'll do it with our help."

Gen. Abizaid has recommended a temporary increase of U.S. trainers embedded with Iraqi units.

With Politics As Subtext, Senators Clash On Iraq (NYT)

By Kate Zernike

The New York Times, November 16, 2006

WASHINGTON, Nov. 15 — For much of the first postelection hearing on the war in Iraq on Wednesday, the Republican side of the table was largely empty. But the room was still crowded — with competing agendas.

There were three contenders for president, including the Democratic and the Republican titans for 2008 and the one from Indiana who is hoping to cast himself as the Democrats' compromise candidate.

There was the self-described "Independent Democrat — capital I, capital D," who is at risk of bolting and taking his party's new narrow majority with him. (Was that red tie a hint?) And there were the two parties, trying to bolster their positions on the war after an election that each side seemed to interpret in wildly different ways.

In contrast to the Republicans, who arrived late and left early (if they arrived at all), all but one of the Democrats arrived early and stayed late, filling up their side of the Armed Services Committee table quickly, eager to assert their new strength. As the hearing began, Senator Bill Nelson, a Florida Democrat, flashed a thumbs-up to the incoming Democratic chairman, Senator Carl Levin of Michigan.

But no sooner had Mr. Levin outlined his case for a phased pullout of troops beginning in four to six months than the new Independent Democratic hero of the hawkish wing, Senator Joseph I. Lieberman of Connecticut, began acting the role of cross-examiner, leading Gen. John P. Abizaid, the top American military commander in the Middle East, to say that such a withdrawal would increase violence and instability.

"I take it by your answer that you profoundly disagree?" Mr. Lieberman asked. With the Democrats, he meant. "We have a window of opportunity and, really, responsibility now, after the election," he said, "to find a bipartisan consensus for being supportive of the efforts of our troops and our diplomats there to achieve success."

To this, Senator Hillary Rodham Clinton of New York, the leading Democratic contender for the 2008 race, knocked back the remains in her coffee cup.

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Her leading Republican rival, Senator John McCain of Arizona, pressed his argument that more troops were needed in Iraq. When General Abizaid disagreed, Mr. McCain called attention to the remarks of retired military officers who characterized Congressional proposals for phased withdrawal as "terribly naïve." Mr. McCain's protégé, Senator Lindsey Graham of South Carolina, backed him up; when the general insisted that more troops were not the solution, Mr. Graham cut him off, saying, "Do we need less?" forcing General Abizaid to say that no, that was not the solution, either.

Mrs. Clinton pressed the Democrats' case that a change in military strategy was necessary to prod the Iraqis into taking responsibility for their own country. "Hope is not a strategy," she told the generals. "Hortatory talk about what the Iraqi government must do is getting old. I have heard over and over again, 'The government must do this, the Iraqi Army must do that.' Nobody disagrees with that. The brutal fact is, it's not happening."

She showed she could play bipartisan with the best of them, noting that the new Iraq had failed to meet the benchmarks demanded by Mr. Nelson and Senator Saxby Chambliss of Georgia, a Republican.

"Can you offer us more than the hope that the Iraqi government and the Iraqi Army will step up to the task?" she asked.

Mr. McCain, who would have been the committee chairman had the Republicans maintained control of the Senate, arrived almost an hour late, heralded by the accelerated click of cameras.

As Mr. Nelson questioned General Abizaid, the Arizona senator stood up to confer with Senator Susan M. Collins, a moderate Republican from Maine. At this, Mr. Lieberman got up and walked to the Republican side to join them in a brief, chuckling huddle, then ambled back to his party's side with a glance at his colleagues as if to say, "You watching?"

In his questions, Mr. Lieberman noted that he was "picking up on" points Mr. McCain and Mr. Graham had made.

Senator Evan Bayh of Indiana, the other Democratic presidential hopeful, who advocates moderation between the party's liberal and hawkish wings, tried to emphasize that the Republicans had lost a national referendum on Iraq.

"We just had an election in our country in which the American people expressed less than total confidence in the effectiveness of our own government," Mr. Bayh said, introducing the idea that the Iraqi government did not deserve much confidence, either.

"I mean, they say the right things," he said, "but when the going gets tough and they have to make the hard decisions, they sort of retreat into their corner and they're just not able to find that common ground."

But while Democrats argued that the election had been a signal from American people that the military solution was not working, Mr. McCain said it was a message that they were unhappy with the status quo — and that only more troops could shake the stagnation.

"Many of us believe that this may not be a long-term commitment," he said, "but at least a commitment to bring Baghdad under control, and that is not happening today."

General Abizaid gave something to both sides, arguing for making the American teams helping to train the Iraqi military "more robust." But he said Iraqis looked unkindly on a major increase in American troops. "They believe it undermines their gaining greater and greater authority and responsibility," he said.

The Republican side was anchored by the departing chairman and the protector of Senate decorum, Senator John W. Warner of Virginia. He congratulated Mr. Levin, noting that they came to the Senate together 28 years ago. When Senator Jim Talent of Missouri, the only committee member seeking re-election to lose, arrived on the Republican side, Mr. Warner walked over to shake his hand.

New Armed Services Chairs Oppose Iraq (AP)

By Anne Plummer Flaherty

AP, November 15, 2006

The two Democrats who will lead the Armed Services committees next year indicated Wednesday they will not relent in opposing President Bush's Iraq policies and may turn up the heat.

Michigan Sen. Carl Levin and Missouri Rep. Ike Skelton, in the first hearings on Iraq since Democrats regained power in last week's elections, said the Bush administration had bungled the war and the U.S. soon should begin to pull out some troops.

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Levin, 72, and Skelton, 74, have been the leading voices among Democrats on the war. Known as staunch supporters of the military and its budget, the lawmakers have a tough road ahead.

Their fellow Democrats are divided on exactly how to stabilize Iraq. Democratic leaders agree only that pulling out an undetermined number of troops soon would help to put political pressure on the Iraqis to assume more responsibility.

Also, Gen. John Abizaid, the top commander of U.S. forces in the Middle East, warned on Wednesday against setting a withdrawal timetable. Abizaid told the House and Senate committees that the troop levels should stay roughly the same as now, with more emphasis needed on training Iraqi forces.

But Levin told reporters he was encouraged the general said all options should remain on the table.

"The only way for Iraqi leaders to squarely face that reality is for President Bush to tell them that the United States will begin a phased redeployment of our forces within four to six months," Levin said. The senator, recognizable by the reading glasses he always wears on the tip of his nose, is known for his dogged style of questioning witnesses.

At the House hearing, Skelton said he was not feeling optimistic about Iraq.

"The administration must look carefully at our objectives in Iraq: whether they are achievable, by what means and whether they are worth the cost in money, lives and military readiness," he said.

Skelton, who focuses his efforts on improving combat readiness of troops, backs a plan that would set a formula to send home troops. For every three Iraqi units deemed proficient, one U.S. unit should come home, he said.

U.S. Military Leaders Oppose Timetable On Iraq (MCT)

By Nancy A. Youssef, Drew Brown

McClatchy, November 16, 2006

BAGHDAD, Iraq - U.S. military leaders in Iraq and in Washington on Wednesday rejected the calls for a timetable for withdrawing U.S. forces from Iraq, underscoring the difficulty of reaching any consensus on a new Iraq policy.

In an exclusive interview in Baghdad, Army Gen. George W. Casey, the top U.S. commander in Iraq, told McClatchy Newspapers that the situation in Iraq remains too unstable to withdraw troops and that setting a date for U.S. troops to start leaving would "just allow folks to wait us out."

In Washington, Army Gen. John Abizaid, chief of U.S. Central Command, went further, telling the Senate Armed Services Committee that more U.S. troops could be needed to stabilize the country.

"We have every option on the table, and we will present them to the chain of command," Abizaid said.

Asked by Sen. Carl Levin, D-Mich., if that meant sending more troops to Iraq, Abizaid said, "To include that."

The comments highlighted the conflict that's likely to divide Congress and the military over Iraq policy as newly empowered Democrats push the Bush administration to start bringing some troops home.

Levin, who'll chair the Senate Armed Services Committee when the new Congress convenes in January, said President Bush should tell Iraqi leaders that U.S. forces will begin gradually withdrawing in four to six months.

"We should put the responsibility for Iraq's future squarely where it belongs - on the Iraqis," Levin said. "We cannot save the Iraqis from themselves."

In the wake of the Democrats' election victory last week and the resignation the next day of Defense Secretary Donald H. Rumsfeld, expectations for a change in Iraq strategy have grown. On Monday, Bush met with former Secretary of State James A. Baker III and other members of the Iraq Study Group, a 10-member panel that's studying options for Iraq policy and is expected to make a recommendation in early December.

But it's unclear whether the group will recommend substantial changes or whether Bush will accept its recommendations. The military officers' comments suggest they see little choice but to pursue present policy.

In his interview, Casey said the United States must draw down troops only when Iraqi forces can stand on their own. U.S. forces have been working for three years to build Iraqi army and police units that are capable of fighting insurgents, but the results have been mixed.

"We have always thought that we would gradually reduce our forces. So I am not against reducing troops," Casey said. "It's just got to be balanced with the Iraqi security forces and the situation on the ground. That's always been the strategy."

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Casey also repeated what U.S. commanders have been saying for some time - that the U.S. has enough troops in Iraq and that increasing troops wouldn't improve the situation. "As I have said from the beginning, I will ask for what I need to get the job done, and I have," he said. "Right now, we have what we need."

Casey said U.S. military strategy in Iraq was working, even though it may be too slow for some. He said that the Baghdad security plan, which was initiated in August, has reduced violence between Shiites and Sunnis, though he acknowledged that the number of deaths in October - 1,600, according to Baghdad's morgue - was "high."

"But those are not as high as what we saw in the summer," he said.

The situation in Iraq remains too volatile for the United States to set a timetable to start withdrawing troops, Casey said.

"I don't think that's a good idea at all," he said. "That just allows folks to wait us out."

In Washington, little new information came out of the Senate hearing.

David Satterfield, a senior adviser to Secretary of State Condoleezza Rice and the State Department's coordinator for Iraq, said the administration could be ready to discuss the situation in Iraq with neighboring Iran, something Baker has hinted in television interviews that the study group might recommend. The administration hasn't decided under what conditions it might be willing to do so.

"We are prepared in principle to discuss Iranian activities in Iraq," Satterfield said. "The timing of such direct dialogue is one that we still have under review."

The Bush administration accuses Iran of supporting radical Shiite militias in Iraq and charges that Syria turns a blind eye to Sunni insurgents sneaking across its borders. Bush has said he'll talk to Iran if it abandons its nuclear program, which it has refused to do.

As for troop levels, while Abizaid said it was possible that the U.S. would consider increasing the number of soldiers in Iraq, his basic position was unchanged.

Asked by Sen. Lindsey Graham, R-S.C., if more U.S. troops were needed in Iraq, Abizaid said he believed that troop levels "need to stay where they are."

Later, he told Sen. John McCain, R-Ariz., that sending 20,000 more U.S. troops to Iraq might "achieve a temporary effect," but that he didn't believe the Army and the Marine Corps could "sustain the commitment."

Abizaid also told McCain that he'd met with Casey and every division commander in Iraq and asked them if more U.S. forces would "add considerably to our ability to achieve success in Iraq."

"And they all said no," Abizaid said. "And the reason is because we want the Iraqis to do more."

Dems Call For More Urgency On Iraq (CSM)

By Linda Feldmann

The Christian Science Monitor, November 16, 2006

WASHINGTON

The leadership of the new Senate Democratic majority expressed concern Wednesday that President Bush does not understand the urgency of the situation in Iraq, and does not appear to be planning for change beyond replacing Donald Rumsfeld as secretary of Defense.

"We are bound and determined to change course in Iraq," Sen. Harry Reid (D) of Nevada, who will be Senate majority leader in the new Congress, told a Monitor breakfast. "We have a plan, we have enunciated that plan, we have done it through legislation and a lot of talk, and we'll continue to do that."

Senator Reid was accompanied by his deputies in the Democratic leadership, Richard Durbin of Illinois, Charles Schumer of New York, and Patty Murray of Washington. Senator Durbin spoke of a meeting he and Reid had attended with the president last Friday, in which he said he thought Mr. Bush was "sensitive to the fact that the political dynamic in this town has changed."

But, Durbin added, "I did not hear in the president's response on Iraq that he was preparing for change beyond the replacement of Secretary Rumsfeld. I hope that that changes in the weeks ahead with the Iraq Study commission and the president's own investigation, because ... Iraq is deterioriating by the day."

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All four senators expressed hope for bipartisanship when the Democrats take control of the House and Senate in January. Reid was complimentary of the Republicans' new leader in the Senate, Mitch McConnell of Kentucky, calling him "a creature of the Senate" who has been there a long time and understands it.

As for working with the White House, Senator Schumer offered some advice for the president: "Frankly, I hope George Bush works with us in a bipartisan way, but that means he's going to have to break from [Vice President] Dick Cheney, who does not believe in bipartisanship, who believes he is right and the rest of the country is going wrong and he has a mission to take it back."

Later, the senators added that they were not pushing for impeachment, of either Bush or Cheney.

"One of the things that we were able to cut off pretty quickly is the 'impeach Bush' program," said Reid, referring to some Democratic activists who have that goal. "That was because of two words: Dick Cheney," he joked.

Schumer blamed the administration for not listening to multiple points of view, saying that when someone does, "they kneecap him."

"They call him names, they attack their integrity or their loyalty to America," Schumer said. "And it seems to me, that's what Dick Cheney has done over and over again, in terms of not listening to other people, and the president seems to listen to Dick Cheney. So my hope is he'll listen to multiple voices, because there's a lot out there and I think it's one of the reasons they had such trouble in 2006."

The "Stay Or Leave" Debate In The US Finds A Mirror In Baghdad (NYT)

By Sabrina Tavernise

The New York Times, November 16, 2006

BAGHDAD, Nov. 15 — While Americans in a faraway land debate their fate, Iraqis have already decided on the cure. The only problem is that there is more than one set of Iraqis. Shiites want their country back. Sunni Arabs want a strongman. They cannot agree.

“We don’t want to see them in the streets,” a wiry man named Tariq said of American troops as he measured cloth in a tailor shop.

Saad Abdul Razzaq, a Sunni whose brother was killed by Shiite militiamen a week ago, was of the strongman school: “Democracy is not working. Only power can control Iraqis.”

As the United States grapples with difficult decisions over the war, Iraqis are also debating. But just when they need to band together, they have never been further apart. Their government has ground to a halt, paralyzed by disagreements between Sunni and Shiite parties. Militias are at the root of the security problem, but as long as the state remains helpless, many consider them its only solution.

The landscape is that of a country sliding into war, and Sunnis and Shiites, like Republicans and Democrats, desperately look for ways out.

Shiites agree with many Democrats: American soldiers should withdraw to their bases. Sunnis say total control by the Shiite-dominated government could mean massacres.

“It’s a disaster if the American forces stay in Iraq, but it’s also a disaster if they go,” said an elderly man named Ayad, who was discussing politics with friends in central Baghdad.

Abbas Fadhel, a college professor sitting in a social club in central Baghdad, spoke of the widening division and dim prospects for the future. “The seriousness of this is that the sectarianism has penetrated to the educated people,” he said. “They deny it, but when push comes to shove, you can see that they have become so.”

The mass kidnapping at a government ministry on Tuesday by gunmen in Iraqi military uniforms was symbolic of the breakdown. “It was really something humiliating,” said Husham al-Madfai, an architect who was sitting in his garden drinking beer Wednesday afternoon. “They went into a ministry and kidnapped tens of people. That means the government does not exist.”

But the kidnapping was interpreted in different ways. Sunnis laid much of the blame with the government. Reflecting a broad shift that has taken place among Shiites, Sunnis had more sympathy for what they saw as the government’s plight. Militias,

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they said, were like parasites that the government would not be able to get rid of until it gained more control over security tasks now handled by Americans.

"It's like organized crime," said Tariq, gesturing animatedly with a thimble on one finger. "If the government had sovereignty, it could combat all these things that are going on."

Violence that many see as having been carried out by Sunnis has hardened attitudes. Muhammad Faisal, a Shiite whose brother and seven friends were shot to death in southern Baghdad on Sept. 23 while they were putting up a poster of a Shiite cleric, said the government of Prime Minister Nuri Kamal al-Maliki was like "a surgeon without his instruments."

Meanwhile, militias are seen as a necessary protection against aggression by the other side.

As Shiites have risen to power and filled the ranks of the security forces, Sunnis, who used to condemn the American forces, now often see them as a primary safeguard against Shiite violence. They do not trust the government, a concern that was underscored by Tuesday's kidnapping.

The sheer magnitude of the violence since Mr. Maliki took office in the spring has swept away what trust they had. In all, five members of Mr. Abdul Razzaq's extended family have died in violence since 2003.

He would like to see a military coup, to be headed by a strongman, possibly Ayad Allawi, the former prime minister and secular Shiite with a past tied to the Baathists, the ruling party under Saddam Hussein.

"He worked with Saddam," Mr. Abdul Razzaq said. "He knows his way."

Mr. Madfai, the architect, disagreed. A coup would not work. The new government would be besieged. "All those militias will turn to fight against them," he said, speaking by telephone.

He paused as two helicopters thundered overhead. The beer was running out, he said, a problem he blamed on the Americans. All the alcohol sellers in his area, Mansour, have been killed, and most shops are now closed.

"Who's responsible for that? Rumsfeld," he said. "He should send us some beer."

Alcohol, a target of some of the Islamic militias, was not in short supply at the social club, where Shiek Mazin al-Khalaf, an Iraqi Sunni who speaks British-accented English, was enjoying a vodka. Iraqis are destined to fight, he said, because after years of abuse, they are capable only of abusing.

"Iraqis have been in prison since 1958," the year the monarchy was overthrown, he said. "The prisoners got out, they smelled the air, saw cars and cellphones. But they are criminals."

A Shiite sitting on the other side of the table took issue with the description. "Victims, not criminals," he hissed, after Mr. Khalaf left the table.

A Shiite sheik from Amara, Abd al-Karim al-Muhammadawi, offered an extreme prescriptive. He said the only solution would be to ban the major political parties, declare martial law and begin again.

The alternative, he said, is for the American military to leave Iraq completely and let the Iraqis begin a full-on civil war. "This is better than the Iraqi condition now," he said.

Faaz, a student in Sadr City, the largest Shiite neighborhood in Baghdad, agreed. "I'd prefer to have what they had in Lebanon — a declared civil war," he said. "There is a lot of killing, but no one confesses what he is really doing."

Sabah, a Shiite whose husband, a Sunni, was killed by Shiites in early September, said a full-scale pullout would be a disaster. "If the American forces leave Iraq, we will walk on bodies," she said, sitting in her tiny living room in Karada, in central Baghdad. "The war would be face to face."

For Tariq, all this talk of sects was irritating. It is bad manners in Iraqi society to ask somebody's sect. His response, when asked on Wednesday, was simply, "Muslim."

But the clunky yellow-stone building across the street, the ministry where the employees were kidnapped Tuesday, seemed a looming reminder that in Iraq, more and more often, sects count.

He was relieved to know that one of the kidnapped employees, a senior official and a wearer of his suits, had been released. The man, he said, was a Shiite.

Sectarian Strife In Iraq Imperils Entire Region, Analysts Warn (WP)

By Ellen Knickmeyer

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The Washington Post, November 16, 2006

BAGHDAD -- While American commanders have suggested that civil war is possible in Iraq, many leaders, experts and ordinary people in Baghdad and around the Middle East say it is already underway, and that the real worry ahead is that the conflict will destroy the flimsy Iraqi state and draw in surrounding countries.

Whether the U.S. military departs Iraq sooner or later, the United States will be hard-pressed to leave behind a country that does not threaten U.S. interests and regional peace, according to U.S. and Arab analysts and political observers.

"We're not talking about just a full-scale civil war. This would be a failed-state situation with fighting among various groups," growing into regional conflict, Joost Hiltermann, Middle East project director for the International Crisis Group, said by telephone from Amman, Jordan.

"The war will be over Iraq, over its dead body," Hiltermann said.

"All indications point to a current state of civil war and the disintegration of the Iraqi state," Nawaf Obaid, an adjunct fellow at the Center for Strategic and International Studies and an adviser to the Saudi government, said last week at a conference in Washington on U.S.-Arab relations.

As Iraq's neighbors grapple with the various ideas put forward for solving the country's problems, they uniformly shudder at one proposal: dividing Iraq into separate regions for Sunnis, Shiites and Kurds, and then speeding the withdrawal of U.S. forces.

"To envision that you can divide Iraq into three parts is to envision ethnic cleansing on a massive scale, sectarian killing on a massive scale," Prince Turki al-Faisal, the Saudi ambassador to the United States, said Oct. 30 at a conference in Washington. "Since America came into Iraq uninvited, it should not leave Iraq uninvited."

"When the ethnic-religious break occurs in one country, it will not fail to occur elsewhere, too," Syrian President Bashar al-Assad told Germany's Der Spiegel newsweekly recently. "It would be as it was at the end of the Soviet Union, only much worse. Large wars, small wars -- no one will be able to get a grip on the consequences."

In an analysis published last month by the Center for Strategic and International Studies, Obaid said sectarian conflicts could make Iraq a battleground for the region.

Obaid described widespread interference by Iranian security forces within Iraq. He urged Saudi Arabia, which is building a 560-mile wall on its border with Iraq, to warn Iran "that if these activities are not checked," Saudi Arabia "will be forced to consider a similar overt and covert program of its own."

In Damascus, a Syrian analyst close to the Assad government warned that other countries would intervene if Iraq descended into full-scale civil war. "Iran will get involved, Turkey will get involved, Saudi Arabia, Syria," said the analyst, who spoke on condition he not be identified further.

"Regional war is very much a possibility," said Hiltermann, the analyst for the International Crisis Group. Iraq's neighbors "are hysterical about Iranian strategic advances in the region," he said.

U.S. Ambassador Zalmay Khalilzad last month ranked Syria and Iran with al-Qaeda in Iraq, one of the country's principal Sunni Arab insurgent groups, in terms of destabilizing influences in Iraq. Despite that assessment, the United States has not held substantive talks with Syria regarding Iraq since 2004 or with Iran since the war began in 2003.

Diplomats and analysts increasingly are urging the Bush administration to reach out to both countries as part of a regional approach to quelling Iraq's troubles. Former secretary of state James A. Baker III, leader of a panel preparing a set of policy recommendations for the Bush administration, already has endorsed the idea of seeking the help of Iran and Syria.

"The thing is, because Iran and Syria both have spoiling power in Iraq, if you could neutralize them," it would ease some of the many pressures within Iraq, Hiltermann said. But he said the two countries may demand a mighty trade-off: for Syria, U.S. help with its biggest stated aim, winning back the Golan Heights from Israel; for Iran, U.S. compromise over its nuclear program.

Hiltermann acknowledged the difficulty. "I'm saying it's required," he said. "I'm not saying it's possible."

In Baghdad's Shiite stronghold of Sadr City late last month, aides to one of the country's leading Shiite clerics held a rally to urge followers to bide their time until the American forces leave the country. The rally was called by followers of Moqtada al-Sadr, a strongly anti-occupation figure whose bloc is a leading partner in the current Shiite-led government and who is one likely claimant to power should the Americans withdraw.

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"Will America win?" a speaker in a brown turban demanded before the more than 1,000 protesters, as a brewing storm whirled dirt and trash and pelted ralliers with drops of cold rain. Loudspeakers shot his question back across the square.

The men thrust their fists in the air, shouting their answer out to a grim, gray sky: "No, no! America will not win!"

Between 2 percent and 5 percent of Iraq's 27 million people have been killed, wounded or uprooted since the Americans invaded in 2003, calculates Anthony H. Cordesman of the Center for International and Strategic Studies.

"This is civil war," he said.

Since midsummer, Shiite militias, Sunni insurgent groups, ad-hoc Sunni self-defense groups and tribes have accelerated campaigns of sectarian cleansing that are forcing countless thousands of Shiites and Sunnis in Baghdad to seek safety among their own kind.

Whole towns north and south of Baghdad are locked in the same sectarian struggle, among them the central Shiite city of Balad, still under siege by gunmen from surrounding Sunni towns after a bloody spate of sectarian massacres last month.

Even outside the epicenter of sectarian strife in the central region of the country, Shiite factions battle each other in the south, Sunni tribes and factions clash in the west. Across Iraq, the criminal gangs that emerged with the collapse of law and order rule patches of turf as mini-warlords.

Since the war began, 1.6 million Iraqis have sought refuge in neighboring countries; at least 231,530 people have been displaced inside Iraq since February, when Shiite-Sunni violence exploded with the bombing of a Shiite shrine in the northern city of Samarra, according to figures from the United Nations and the U.N.-affiliated International Organization for Migration.

There used to be a time when Sunnis and Shiites "were living like family. We were married to each other, we all had Sunni friends, we all had Shiite friends. It was all like a balloon that exploded," a gaunt, weeping Sunni woman said in her bare apartment.

Until this year, the 41-year-old widow and former teacher -- who would identify herself only as Um Mohammed, fearing retaliation -- lived in Husseiniyah, a Shiite district of Baghdad. But after Shiite militias forced all the Sunnis out, she fled to a too-costly, too-small place in the overwhelmingly Sunni neighborhood of Sadiyah, on the western side of the Tigris River.

The Mahdi Army and the Badr Organization, two militias loyal to the Shiite religious parties now governing Iraq, had taken over her old neighborhood by this spring, she said. Mahdi Army officials commandeered the two rental homes she relied on to support herself and her children. They forced the Sunni tenants out and installed Shiite families, who paid her rent through the Mahdi Army office, at a greatly reduced price set by the militia, the widow said.

Letters placed at the doors of Sunni families -- sometimes with bloody bullets tucked inside the envelopes -- warned Sunnis to leave. Shiite boys as young as 10 took to wearing the black clothes of the militias, and they promised her 10-year-old son, Ahmed, they would burn him alive in his house at night as he slept.

Um Mohammed reluctantly took her only other child still at home, a 15-year-old daughter, out of school and married her off to an older man in Sadiyah in a bid to provide her protection among fellow Sunnis. When Um Mohammed received a third letter threatening death, she and Ahmed finally moved to Sadiyah. Longtime Shiite neighbors sadly watched her leave but were too afraid of the militias to help her move, she said.

"I want to return to my home. But we are safer here," she said.

Across the Tigris River from Um Mohammed, another widow, Zayneb Khatan, a Shiite, sat in her equally plain new home. After gunmen shot and killed her husband in front of their home in the Sunni neighborhood of Cairo as he went to buy bread, Khatan fled with her 2-year-old daughter and the clothes on their backs.

"Some Sunnis are good," she said as she sat on a secondhand divan. "But I cannot say I will ever live among them again."

Iran Hints That US Shouldn't Withdraw From Iraq Too Soon (LAT)

By Kim Murphy

The Los Angeles Times, November 16, 2006

LONDON — Iran has consistently opposed the presence of U.S. forces in Iraq, but new prospects of a stepped-up American withdrawal are prompting growing unease in the Islamic Republic, where many fear the repercussions of a dangerously unstable neighbor.

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Officially, Iran's policy remains flatly opposed to American troops in Iraq and characterizes them as a key contributor to the escalating violence. Iran's government says it wants the U.S. to withdraw at the earliest possible opportunity.

But the U.S. elections this month that swept in a Democratic majority to Congress and subsequent talk of a phased pullout have touched off a discussion in Tehran about the outright anarchy that could result.

On Tuesday night, Tehran's English-language news channel featured commentary from political scientist Pirouz Mojtahedzadeh, who called for the U.S. to remain in Iraq until it has established a strong, stable central government capable of providing adequate security.

"The Americans can't simply withdraw from Iraq, leaving the mess as it is," Mojtahedzadeh said in a telephone interview from the Iranian capital afterward. "Who's going to look for the safety of the Iraqis there? The Iranians can't do it. The Turks can't do it.... This is not a question of political rivalry between Iran and the West. It has to do with the fact that the society has to have a government structure in place."

Analysts familiar with official thinking say there is growing support for views like Mojtahedzadeh's within Iran's professional foreign policy establishment, if not within the hard-line circles closest to President Mahmoud Ahmadinejad, and a feeling that a drawn-out timetable for withdrawal would be preferable to a quick pullout.

"They've not said it directly and openly as an official policy line, that they'd like the U.S. to stay, but I think there's a sense among the Iranians that they understand that the U.S. cannot just leave immediately," said Hadi Semati, an Iranian political analyst who is a visiting fellow at the Brookings Institution.

"If you're talking about the officials and the foreign policy establishment, I think they're more these days cognizant and aware of the possible dangers and repercussions of civil war and the collapse of what is left of Iraqi governance on Iran. The fact [is] that if the bloodshed gets out of hand, they might at some point feel compelled to intervene to support their Shiite co-religionists against extremists and death squads and mass killings," Semati said.

"At the same time, they don't want to be seen as the one that supports a U.S. occupation force. That's why they're conflicted," he said.

'Source of instability'

An official Iranian source, who spoke on condition of anonymity, said Iran's position was unchanged and continued to urge a quick U.S. withdrawal.

"We oppose the Western forces continuing the occupation there. As long as they are there, we think the violence in this situation will continue, and it does not help whatsoever the stability in the region," he said.

Another official source echoed that view. "Why would the U.S. think that their rapid withdrawal would be rejected by Iran? Do they think their presence is a help? Iran thinks it is not," he said.

"Some in the U.S. argue that Iran wants the U.S. to stay because it is a good target for Iran, and will every day face new problems there. But I think their presence also is a source of instability for the region, and Iran is rather a supporter of the Iraqi government and people and doesn't want to witness their daily pain."

Still, Mojtahedzadeh, who also operates a think tank in London, said the fact that he was invited to argue against a rapid U.S. withdrawal on Iranian television suggested some level of official sanction of the view.

"I think the official position is in agreement with this," he said. "It works very subtly, in ways that are not quite obvious.

"But someone like me being on the record on Iranian radio and TV saying it's not wise to push the U.S. out of Iraq because the aggressor, according to international laws, has the duty of putting things back in place, this tells you everything," he said.

Iranian analysts said senior officials would never vary from Iran's established line opposing U.S. intervention. And, they said, no one in Iran is in favor of a long-term U.S. presence in Iraq. There appears to be unanimity in the government that the upper Persian Gulf is Iran's domain and that there certainly should be no U.S. bases there.

But on the issue of the timing of a withdrawal, there are various constituencies to whom Iran must speak, said Ali Ansari, a professor of Iranian studies in Britain and author of "Confronting Iran: The Failure of American Foreign Policy and the Next Great Crisis in the Middle East."

"To the Arab Middle East, Iran says yes, the Americans are part of the problem, get out. But then there are the Iranians who say, 'When we say get out, we don't mean get out and leave it in a mess,' " Ansari said.

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He said that although the official line of Ahmadinejad remains unchanged, "there's a strong class of bureaucratic thinkers, strategic thinkers in the Foreign Ministry, who think that actually it serves our interests better [if U.S. troops remain a bit longer]. Because let's face it, if the Americans leave, all this inside fighting in Iraq might turn on the Iranians. As long as the Americans are still there, they are acting as a lighting rod for that."

'A paradox'

The range of opinion also extends to hard-liners, analysts said, who have opposed the occupation but relish seeing the U.S. bogged down and embarrassed in Iraq, and distracted from going after Iran's nuclear program.

"There are some in the hard-liners who say while the Americans are there, they're within reach [of Iranian missiles] if we need to retaliate," Ansari said.

The schizophrenic thinking on the issue was clearly reflected in the recent visit of former reformist President Mohammad Khatami to the U.S., where he advised against a speedy exit from Iraq.

"We are at a paradox," he told an audience at the University of Virginia. "The occupation must end so there can be peace. But also, you can't leave the present Iraqi government at the mercy of the terrorists. If you ask me should the Americans leave tomorrow, I'd say, 'No, don't do it.' "

Kaveh Afrasiabi, author of "After Khomeini: New Directions in Iran's Foreign Policy," said a rapid U.S. pullout would jeopardize the two "pillars" of Iranian policy on Iraq: Iraq's "national unity" and territorial integrity, goals that are shared with the U.S. That has prompted some to recognize the need for "a more nuanced foreign policy balancing act."

Yet that stance is far from a full about-face, he said. And some Iranian officials say privately that some in the U.S. appear to be using threats of a speedy pullout as a way of inducing Iran to make concessions in other areas, namely its controversial nuclear program.

In the end, Semati said, Iran would be most happy if a joint solution to the Iraq conflict was engineered by the U.S. and Iran in tandem, leading to a withdrawal of U.S. troops on the basis of "a shared success."

"They would like to see the U.S. succeed in stabilizing Iraq, but they would like to share in that success," he said. "They're the major player inside Iraq, they have lent their support to the Iraqi [democratic] transition, and they think the Americans have paid very little attention to their contribution," he said.

US Should Add Troops To Prevent Disaster In Iraq (RC)

By Morton M. Kondracke

Roll Call, November 16, 2006

To salvage stability from what looks like inevitable chaos in Iraq, the United States needs a new strategy that produces security, political reconciliation and hope.

That should involve sending more U.S. troops — at least on a temporary basis — while pressuring the Iraqi government for reform and mounting a massive jobs project to reduce unemployment in the country.

It would be politically impossible for the Bush administration to increase U.S. troop levels after Democrats won the recent elections, but conceivably it could be done if the idea is blessed by the Iraq Study Group headed by former Secretary of State James Baker and former Rep. Lee Hamilton (D-Ind.).

Even though only 16 percent of Americans favor sending more U.S. troops, according to election exit polls, they're desperately needed to secure Baghdad, to train Iraqi forces and undercut the population's increasing dependency on sectarian militias.

The offer to send more troops ought to be contingent on the Iraqi government's willingness to take steps, at long last, toward national reconciliation and its willingness to bring the militias under control.

To undergird the case, Iraqi Prime Minister Nuri al-Maliki should be told that if he doesn't take necessary steps — and soon — U.S. withdrawal will be inevitable, with disastrous consequences for him and his country.

The only major U.S. politician who is calling for more U.S. troops is Sen. John McCain (R-Ariz.), but he's made a powerful case for years that the Bush administration was refusing to supply enough forces to secure the country.

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As McCain said on NBC's "Meet the Press" on Sunday, "We're paying the price for the failure of our policy in the past and the question, then, before the American people is, are we ready to quit? And I believe the consequences of failure are chaos for the region, which will spread."

Clearly, some Americans, mainly liberal Democrats, are ready to quit and have been ready for a long time, some even before hostilities began. The exit polls showed that 30 percent of Americans want to withdraw all U.S. troops, and that this group voted Democratic by a margin of 83 percent to 15 percent.

Among the raft of books analyzing the Bush administration's mistakes in Iraq, Thomas Ricks' "Fiasco" makes a compelling case that the anti-Iraq War side had it right at the beginning: Not only did Saddam Hussein not have weapons of mass destruction, but the Clinton administration's much-criticized 1998 bombing raids nearly toppled his regime and made it entirely possible to contain Iraqi aggression.

And Ricks' extensive interviews with (mainly retired) military commanders makes it sickeningly plain, for any supporter of the war like me, how carelessly former Secretary of Defense Donald Rumsfeld and his "neo-conservative" top civilian aides planned the war's aftermath.

In Ricks' telling, Rumsfeld and Co. were determined not to listen to any advice from any war doubters — notably, former CENTCOM commander Gen. Anthony Zinni and Secretary of State Colin Powell — and discarded extensive post-invasion plans drawn up by Zinni and the State Department.

Rumsfeld also fired or intimidated commanders who called for higher troop levels, seemingly determined to disprove the "Powell Doctrine," that U.S. operations should be undertaken only with massive force.

The result was that, while allied forces won a quick a military victory, they could not establish security for the population and massive looting, destruction and insurgency quickly followed.

The Rumsfeld decision to disband the Iraqi army — or not call its lower echelons back into being after it dissolved — also left hundreds of thousands of armed men unemployed and ready for mobilization by insurgent groups.

Despite widespread calls for Rumsfeld's ouster, Bush stuck with him until last week — and might well have kept him aboard indefinitely, had Democrats not captured both chambers of Congress.

As any number of Republicans have privately complained, firing Rumsfeld much earlier — say, in September — would have signaled that Bush really meant to change strategies and might have tempered GOP losses in the elections.

Regardless of past errors, however, Bush, along with newly empowered Democrats, have to figure out a strategy that does not result in total chaos in Iraq, regional conflict among Iraq's neighbors, creation of a terrorist state and an utter strategic defeat for the United States.

Even though the Baker-Hamilton commission hasn't reported its recommendations yet, Democrats are calling for troop withdrawals, some leading to a full U.S. departure on a fixed deadline while others are on a phased basis beginning in four to six months with no fixed deadlines.

An increase in the U.S. troop presence — by, say, 50,000 personnel for Baghdad duty in 2007 — will be possible only if it comes with strong backing from the bipartisan commission. Such an idea has been rumored as among the steps being considered by the panel.

But no stability is possible in Iraq without a political settlement that ensures minority Sunnis adequate oil revenues and political representation. Democrats such as Sen. Carl Levin (Mich.) want to force Iraqi action by moving toward troop withdrawals.

Brookings Institution scholar Michael O'Hanlon says that Bush could well leverage the Democratic victory, and the prospect of withdrawals, to prod al-Maliki to take needed action, playing "good cop" to the Democrats' "bad cop."

O'Hanlon also told me he had recommended to the Baker-Hamilton commission that the U.S. mount a large-scale jobs program to reduce Iraqi unemployment from its astronomical levels of 30 percent to 50 percent.

One good result of the 2006 elections is that both parties are now responsible for Iraq policy. Bush and the Democrats should work together to achieve something that can be called success — or even victory.

About 70 Freed After Mass Iraq Abduction (AP)

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By Thomas Wagner

AP, November 15, 2006

Kidnappers released about 70 people snatched in a mass abduction by suspected Shiite militiamen who answer to a key backer of the prime minister — a sign the militants went too far and Iraq's leader may be yielding to intense U.S. pressure to crack down on sectarian violence.

But Prime Minister Nouri al-Maliki clearly has more work to do. Iraqi police, hospital and morgue officials reported 105 new violent deaths Wednesday; 54 of the victims were tortured and shot, their bodies dumped in Baghdad.

The quick release of many of the captives — less than 24 hours after the abductions — was surprising in a country where hundreds of Iraqis have been kidnapped, murdered and dumped in streets or rivers each month. In two recent mass kidnappings, both of about 50 people, the victims were never heard of again.

It was unclear how many Iraqis remained captive from Tuesday's assault. Government ministries have given wildly varying figures on the number of people seized, with reports ranging from a high of about 150 to a low of 40 to 50.

"We have information about the kidnappers and where the rest of the hostages are being held. Work is going well to release them," Higher Education Minister Abed Theyab told Al-Arabiya television.

The mass abduction took place in broad daylight when gunmen disguised in the blue camouflage uniforms of police commandos raided the Higher Education Ministry in Karradah, a primarily Shiite area of downtown Baghdad, handcuffed their victims and took them away in about 20 pickup trucks.

The assault was widely believed to have been the work of the Mahdi Army, the heavily armed militia of anti-American Shiite cleric Muqtada al-Sadr, and it raised questions about al-Maliki's commitment to wipe out the Shiite militias of his prime political backers: the Supreme Council for the Islamic Revolution in Iraq and al-Sadr's Sadrist Movement.

The mass abduction was seen as retaliation for the recent kidnapping of 50 Shiites south of Baghdad.

But al-Maliki's public criticism of the kidnappers, and the fact that his Shiite-dominated government quickly won the release of many captives, appeared to be a sign that the militants had gone too far and the prime minister was ready to comply with U.S. demands to corral the militias and their death squads.

Many of the fighters are believed to operate within the country's police and security forces, both of which are run and dominated by Shiites.

On Monday, Gen. John Abizaid, chief of the U.S. Central Command, became the third Washington heavyweight in two weeks to tell al-Maliki that the armed groups had to be disbanded and disarmed and the United States wanted proof.

Frustration has been growing inside the Bush administration over al-Maliki's perceived disregard for the country's Sunni Arab minority, which dominated the country until the fall of Saddam Hussein.

The United States has struggled since it invaded in 2003 to build a democratic and multi-sectarian and multiethnic government. Al-Maliki has been increasingly seen as a reluctant partner, if not a hindrance.

Until about nine months ago, the Shiite majority had resisted major acts of revenge against some Sunni insurgent groups and al-Qaida in Iraq and its allies that were behind the killing of U.S. troops and thousands of Shiites in bomb and mortar attacks.

But after the Feb. 22 bombing of a major Shiite shrine in Samarra, north of Baghdad, enraged Shiites began fighting back — primarily members of the Mahdi Army who stormed out of Baghdad's Sadr City Shiite slum bent on revenge. Al-Maliki is heavily dependent on al-Sadr, the militia's benefactor, for his political survival.

When al-Maliki became prime minister in May at the head of a nominal national unity government, he put forward a 24-point reconciliation plan that was optimistically seen as a bid to draw disaffected Sunnis into the political fold.

But as the months passed, extreme violence blamed on the Mahdi Army and to a lesser degree on the Badr Brigade, another Shiite militia, spiraled out of control. The brutal sectarian killings brought Iraq to the edge of civil war.

The unleashing of the militias and their death squads only compounded anger among moderate Sunnis over the prime minister's seeming inaction on concrete moves toward national reconciliation.

But al-Maliki's handling of Tuesday's mass kidnapping suggested that he has realized he can no longer ignore U.S. demands regarding the militias, now that Democrats have taken control of the U.S. Congress and with President Bush reconsidering the goals and mission of U.S. forces in Iraq.

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Al-Maliki first appeared to minimize the importance of kidnappings Tuesday, saying on television: "What is happening is not terrorism, but the result of disagreements and conflict between militias belonging to this side or that."

But on Wednesday he said, "Most of the hostages were freed, but that is not enough for us. We will chase those who did this ugly criminal act."

Authorities arrested six top police officers who served in the Shiite region where the kidnapping occurred and the Mahdi Army is increasingly powerful.

Meeting with professors and students at Baghdad University to show of support for the country's educational institutions, the prime minister said: "We regret what happened yesterday. The government's reaction was strong."

Higher Education Ministry spokesman Basil al-Khatib said 40 employees of the Higher Education Ministry, which handles academic grants and exchanges, were released Tuesday and 32 more were freed Wednesday.

Al-Khatib said Theyab, a Sunni, had suspended his participation in the government until all the kidnap victims were released.

Among the 105 who were killed or found dead in Iraq on Wednesday, 11 died in the deadliest single attack — a car bomb that also wounded at least 32 near a gasoline station in central Baghdad's Bab Shargi area, police said.

The day's fatalities included journalists Fadia Mohammed al-Taie in Mosul and Luma al-Karkhi in Baqouba.

At least 91 journalists have been killed in Iraq since hostilities began in March 2003, according to an Associated Press count based on statistics kept by the New York-based Committee to Protect Journalists. Also, 36 other media employees, including drivers, interpreters and guards, have been killed — all of them Iraqi except for one Lebanese.

The U.S. military also announced the combat deaths of three U.S. Army soldiers and three U.S. Marines, raising the number of American war dead to 2,858. So far this month, 40 American service members have been killed or died in Iraq.

The six all died Tuesday, four fighting in the insurgent stronghold of Anbar Province in western Iraq and two whose convoy was hit by a roadside bomb in Baghdad.

Kidnappings Stir Political Dispute In Iraq (NYT)

By Kirk Semple

The New York Times, November 16, 2006

BAGHDAD, Nov. 15 — A dispute erupted Wednesday between Iraqi officials over the fate of dozens of captives abducted from a government building, undermining an effort by Prime Minister Nuri Kamal al-Maliki to project an image of authority during the crisis.

A spokesman for Abed Dhiab al-Ajeeli, the minister of higher education, said nearly 100 of about 150 captives were still being held a day after the kidnapping, at the ministry's compound. But the government's chief spokesman, Ali Dabbagh, contended that only 39 people had been kidnapped and that all but 2 had been released. Both men angrily dismissed the other's comments as false.

Late Wednesday, Mr. Dhiab, one of the few Sunni Arabs in Mr. Maliki's Shiite-dominated cabinet, announced that he was stepping down from his post until all the captives had been rescued. In a written statement, apparently directed at the Maliki administration, he said that any effort to make the kidnapping "a political issue" would be "unacceptable behavior."

The disagreements emerged as Mr. Maliki and his aides sought to convey a sense of governmental cohesion and resolve in response to the abductions. Mr. Dabbagh attributed the releases to an aggressive series of overnight raids and persistent pressure on the kidnappers by Iraqi security forces. Mr. Maliki told an audience at the University of Baghdad that he would bring the kidnappers to justice.

Mr. Maliki has been accused by American officials and some Iraqi leaders of failing to act decisively to curb surging violence, eliminate rampant corruption and improve public services. In particular, he has been criticized for his inability, or unwillingness, to dismantle Shiite militias linked to the governing Shiite parties yet responsible for staging sectarian attacks in cooperation with Iraqi security forces or with access to government uniforms and vehicles.

Mr. Maliki and other Shiite leaders have tried to deflect attention away from the militias, insisting that the greatest threat to public security still remains the insurgency, led by Sunni Arabs, which is responsible for the vast majority of casualties inflicted on

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American and Iraqi government forces. At the same time, the prime minister has pressed American officials to give him more authority over the country's security.

But the mass kidnapping on Tuesday, conducted inside a government building during office hours, underscored the profound weaknesses of Iraq's security forces and put further strain on Mr. Maliki's relationships with the Americans and his Sunni Arab critics.

The kidnapping, by gunmen wearing Iraqi police commando uniforms and driving more than 20 vehicles with Interior Ministry markings, was similar in style to several other mass abductions this year. The captives, who included Shiites, Sunni Arabs, Kurds and Christians, were driven to a predominantly Shiite area of eastern Baghdad, officials said, probably passing through numerous police checkpoints unimpeded.

Hours after the abduction, the Interior Ministry, which oversees the nation's police forces, arrested several police commanders in charge of the area where the ministry site is. And late Tuesday, Mr. Maliki, in an appearance on state-run television, said he had ordered an intensive search for the kidnapping victims.

But the identity of the kidnappers remained unclear on Wednesday, as did their motive.

Mr. Dabbagh said the kidnapping had been conducted by a "gang of criminals that belongs to a certain militia," and was intended to foment sectarian tensions, but he did not identify the militia. He said he could not explain why the kidnappers had attacked the Ministry of Higher Education. The attackers were "trying to break the stability between the Shiites and Sunnis," he said in a telephone interview.

The ministry has long been viewed as a Sunni Arab bastion. During Saddam Hussein's rule, it was known mockingly among non-Sunnis as "the Ministry of Al Ani and Al Rawi," after two towns in the overwhelmingly Sunni Arab province of Anbar, said Dr. Abdullah Kendoush, a longtime physicist in the Ministry of Science and Technology who recently left Iraq to take a temporary post at the University of Florida in Gainesville.

In the argument over numbers, Basil al-Khateeb, the spokesman for the Ministry of Higher Education, said late Wednesday that "about 150 people" had been kidnapped and 52 of them had been released. He said the ministry had arrived at its tallies by debriefing witnesses and victims who were freed.

Mr. Dabbagh said that in all, 16 ministry employees, 18 guards and five visitors had been kidnapped from the building and that 37 had been released by late Wednesday under pressure from Iraqi security forces conducting operations in eastern Baghdad. He described Mr. Khateeb's comments by saying, "That is not an official statement of the government."

The American military command put the number of kidnapping victims at about 55.

Balal Hassan, a Sunni Arab who said his brother Walid worked for the ministry and was one of those kidnapped, said he and his relatives had been desperately trying to find out information about the kidnappings but had received no help from government officials. "So far they have done nothing," he said in a telephone interview. "Hopefully they will do something significant."

The United States military on Wednesday announced the deaths of six Americans. Three marines and one soldier were killed on Tuesday during combat operations in Anbar Province, the military said, and two soldiers were killed by a bomb in northwestern Baghdad.

A car bomb exploded on Wednesday at a gas station near the Interior Ministry, killing eight people and wounding 32, according to a ministry official. A suicide bomber joined a crowd of mourners at a funeral in Dora, in southern Baghdad, and detonated his explosives, killing three people and wounding 12.

In Iraqi Colleges, Fear For An Already Shrunken Realm (WP)

By Sudarsan Raghavan

The Washington Post, November 16, 2006

BAGHDAD, Nov. 15 -- Over the past six months, Professor Amir Hassan's world has been shrinking. Two colleagues were assassinated, one with his family. Another was kidnapped. Two received death threats, forcing one to flee to Jordan. And since September, six other senior members of his political science department at Baghdad University have left Iraq.

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Now, Hassan, a slim, carefully groomed man with a snowy mustache and owlish glasses, expects his world to condense even more. On Wednesday, in words filled with deep foreboding, he said the mass abduction of scores of people from a government educational agency a day earlier would persuade more academics to flee, further weakening a crucial, if fragile, pillar of Iraq.

"We are living in the killing stage," Hassan said, seated behind a neat desk in a spare, dimly lit office. "We know that our chance of dying is now greater than our chance of staying alive."

The emotions unleashed by one of the biggest mass kidnappings since the 2003 U.S.-led invasion reverberated across Iraq on Wednesday, splitting the cabinet along sectarian lines and spawning a heated dispute over how many men were abducted. But the most profound effect of what many Iraqis view as a national calamity was felt in university halls and campuses across Iraq. Here, the abductions highlighted the plight of academics and an educational system besieged by sectarian tensions, lawlessness and government ineffectiveness.

"What happened in Baghdad yesterday was a catastrophe that could destroy the entire educational process," said Fikret Mahmoud Omar, an instructor at a technical college in the northern city of Kirkuk. "It shows that the process in Iraq is on the verge of collapse and confirms that terrorists and militias are the ones who are in control of events."

By late Wednesday night, it was still unclear how many Iraqis remained captive after Tuesday's brazen daylight raid on a Ministry of Higher Education building in Baghdad's upscale Karrada neighborhood. About 80 gunmen, dressed in blue police commando uniforms and driving police vehicles with no license plates, handcuffed, blindfolded and carried off male employees and visitors. They locked women up in rooms before driving away in their official-looking convoy.

Less than 24 hours later, captives were being freed, an unusual development in a nation where kidnap victims are often held for months or killed. A Ministry of Higher Education spokesman, Bilal al-Khatib, said about 70 of as many as 150 kidnap victims had been released. But Ali al-Dabbagh, a spokesman for the Shiite-led government of Prime Minister Nouri al-Maliki, said about 40 had been set free and only a few remained captive. Higher Education Minister Abed Thiyab, a prominent Sunni Muslim, declared he would suspend his "membership in the Maliki government until all hostages are released."

Even as politicians bickered, they voiced a common belief that the assault could have serious repercussions in educational institutions across the country. Already, Khatib said, at least 160 professors have been killed since the U.S.-led invasion and more than 1,500 have fled the country, part of the growing exodus of middle-class professionals. Hassan, the professor, said he believes the kidnappers targeted the agency Tuesday because it granted scholarships to Iraqi professors and students applying to study abroad.

"This was the means to have contact with other countries. So if they cut this, they cut life," said Hassan, who said he himself had no plans to flee Iraq.

On Wednesday, Maliki visited Baghdad University, one of Iraq's most prestigious academic institutions, to show his commitment to bolstering security and stopping sectarian strife.

Addressing students and professors, he described the kidnappers as "worse than extremists" and said the attack was a product of militia rivalries. Although no group has asserted responsibility, many people say they believe Shiite Muslim militias -- especially the Mahdi Army, linked to cleric and political kingmaker Moqtada al-Sadr -- were behind the abductions. Shiite groups have staged previous mass kidnappings and are widely believed to have infiltrated Iraq's security forces.

"We will chase those who did this ugly criminal act," Maliki promised.

But his audience was more interested about his plans for Iraq's universities. Several students and professors stood up to ask him questions about how he would shield them from the chaos infecting Iraq. Maliki said he would ban pictures, leaflets, placards or other politically inspired materials from campuses "because the universities shall remain outside partisan politics or sectarian affiliation." He also promised that the government would "allocate funds to support students" and that professors and students would be protected.

"I hope you will continue your studies vigorously and not bow in front of those who want to paralyze our universities," Maliki told the gathering. "We regret what happened yesterday, but the government's reaction was strong."

In Kirkuk, Essam Muhedeen Arzad, a student at the College of Education, said Maliki's words calmed him. "I feel very sad for what has happened, particularly since we are in Iraq, which is the land of civilization and learning," Arzad said. "We need to

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capture those who are responsible for this act and bring them to justice to show the world that we are a nation of civilized people and will not accept such terrorist acts."

But for other college students, the abductions were a tipping point. For months, Faiha Abdul Jabar, in her second year studying science at Diyala University, said she was thinking of quitting her studies and staying home. A few hours after the assault, she was convinced.

"As a girl, I have a lot of fears from what happened yesterday," Abdul Jabar said. "Those armed men were able to storm into a governmental office and kidnap all the employees, and no one was able to save them or protect them. So what will happen to us if armed men stormed our college and kidnapped us?"

"The government is responsible for what is happening, and the government is responsible for making me lose this year," she added.

Zaman Adam Ali, who is studying English at Diyala University, also quit her studies on Tuesday, along with her two sisters, Eman and Hanan. "The government is responsible for destroying our future," Ali said.

Like almost every upheaval nowadays in Iraq, the kidnappings are being viewed through a prism of sectarianism. Muhammad Jamal, a law student at Tikrit University, sees the political disputes as an attempt by Shiite officials, hardened by sectarian divisions, to "lessen the importance" of the assaults. "This action is proof that we have a sectarian government," he said.

In a parking lot at Baghdad University on Wednesday, Lena Sadhi and Fatima Salim were standing next to a white car. Two hours earlier, they and other students had staged a protest. They heard that the Ministry of Higher Education was considering shutting down universities in the capital in the wake of the abductions, citing poor security. But they were hungry for education.

"The government doesn't want to continue our studies. That's why we protested," said Salim, who wore an aquamarine head scarf. "Why can people in the north and in the south be able to finish their studies and we can't?"

But Salim was also angry at the kidnappers. "They want our life to collapse," she said. "The only life we have is the university."

US Troops Look For An Inside Man In Iraqi Slayings (LAT)

By Doug Smith

The Los Angeles Times, November 16, 2006

Baghdad — The U.S. soldier looked around a crowded Iraqi home and watched as an old man in a green dishdasha robe scooted across to an interpreter and whispered in his ear.

"The guy says if you don't take action, they're going" to do it themselves, the interpreter told Capt. Rob Murdough. The threat of vigilante revenge caused Murdough's face to flush.

"That's not justice," he said sharply, and turned to a young man sitting on a couch with half a dozen elders.

Murdough normally led a mortar platoon, but in a city awash in killings he had become a detective trying to solve a mass kidnapping and slaying that may have been ordered by Iraqi police officials. After two frustrating days, Murdough thought he was finally near a break in the case: The young man he had come to see might be able to lead him to a suspect.

At least 22 Iraqi men had been kidnapped from a meatpacking plant, and six who were Sunni Arab Muslims had been shot dead. Investigators were trying to find an inside man — a Shiite Muslim employee at the plant — who they thought had helped the killers.

The employee, named Hussein, was believed to have contacts with the Al Mahdi army, the Shiite militia loyal to radical cleric Muqtada Sadr.

If Murdough could get the young man to lead him to Hussein's house, the Army would arrest the suspect. But the young man had good reason to be leery. There was a sniper in Hussein's neighborhood, which was filled with Al Mahdi militiamen, he said. When a stranger walks in, they call each other by cellphone, he told the American soldier.

Murdough urged the young man to ride in a U.S. armored vehicle, promising he would remain hidden. After a time, he agreed and drew a crude map to Hussein's street, warning that the Al Mahdi army members there didn't want "anything to do with American soldiers."

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Inside, the young man crouched on one of the vehicle's low benches, next to the interpreter and a soldier. His eyes grew wide as he examined the jumble around him: high-tech communications gear, weapons, an ice chest, a garbage bag. As the vehicle moved down the street, a soldier gave him a helmet and combat shirt and an olive blindfold. He tied it over his nose like a movie outlaw. Only his eyes showed.

The armored vehicle made a few turns and stopped. The soldiers got out and moved down a street of low walls and iron gates, taking a few minutes to chat with each man they encountered, just as they would on a routine patrol.

"Hi, we're here to help," Murdough said time and again. "Do you have any information about bad guys?"

Murdough noticed several men and boys gathered at one of the houses. He told Pfc. Julia Thompson, the team's only woman, to quietly take a photo. Thompson then took the camera back to the armored vehicle. The young man inside studied the image on the camera screen. One of the men was Hussein's father, he said, another his brother.

Murdough and his men moved on, casually stopping at several houses and sidewalk shops. Then they strolled back to the group. "Could we take a picture of your family?" he asked.

The men looked surprised, but agreed. While they posed, Murdough asked casually about the family. One of the men introduced two sons and said a third was at work. "What's his name?" Murdough asked.

"Hussein," the man said.

Murdough had located the suspect's home. Now he hoped that he had concealed his purpose enough to avoid scaring Hussein off. In a few days, he would return and try to make an arrest.

By now, Murdough and his commanding officer, Lt. Col. John Norris, were making progress in the investigation. They had evidence that pointed to police involvement in the slayings: In the empty lot where six of the kidnapping victims had been found shot to death, U.S. soldiers discovered shell casings that bore the characteristic square indentation made by a Glock handgun, a sidearm rare in Iraq except among the American-armed security forces.

Norris already had ordered one Iraqi police unit off the streets and back to its barracks for retraining. But he knew the unit would one day return to patrol, and he was concerned about its leadership.

On the fourth day after the kidnappings, Norris went to police headquarters to have what he thought would be a "face to face" with the Iraqi battalion's new commander.

Instead, after Norris cooled his heels in a dreary reception room, a large Iraqi man in a brown suit strode in followed by a videographer and a photographer. The man sat regally in the commander's chair and announced himself as Brig. Gen. Najim. Norris was surprised. Najim had been in command of three Iraqi police battalions, but Norris thought he had been dismissed.

Najim spoke to the American in a strident voice, keeping his eyes focused on the camera. Speaking through Norris' interpreter, the general insisted that Iraqi media had made up the story of police involvement in the kidnappings. The Iraqi police had conducted their own investigation, he declared.

"Everyone knows now we had nothing to do with that."

Norris disagreed. "They were Iraqi national police in Iraqi national police vehicles who conducted the kidnapping," he said.

"Only one vehicle," the general said.

"They carried Motorolas" — the type of portable radio used by Iraqi police — Norris said. "It was an organized Iraqi national police force."

Growing agitated, Norris recounted a killing he had witnessed the day before the kidnappings about 200 yards from an Iraqi national police checkpoint.

"An Iraqi citizen was murdered on this street in cold blood," he said. "A vehicle stopped. Two individuals stepped out, shot him in the head several times. They got in the car and drove away."

Norris grabbed three soda cans to illustrate what he had seen.

"Iraqi national police headquarters," he declared, plunking down the first can on a coffee table. "Iraqi national police checkpoint," he said, putting the second down nearby. "Local national murdered in cold blood," he said, banging the third can on the table in front of the second.

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"I have an Iraqi national police vehicle drive by while I'm standing there. I personally ask him to help. He said, 'It's not my job,' " Norris said. "Does this sound like the performance we want of the Iraqi national police? Is this somebody deserving of the respect of the Iraqi people?"

Najim seemed unimpressed. "What kind of vehicle was it?" he asked, sidestepping Norris' question.

As if on cue, an Iraqi officer entered the room, interrupting to announce that the battalion had been assembled.

"Do you want to see my men?" the general asked.

About 200 men came sloppily to attention as Najim and his American visitors walked out to the drill yard behind the building. "At ease," Najim said, displaying his authority. The men squatted on the concrete.

"Don't pay attention to the media," he said, as Norris looked on, astonished at the Iraqi's audacity. "They always say the wrong thing. Keep up the good work. You are all patriots."

As he moved to leave, police officers approached and kissed his cheek.

Third of four parts. Next: A little victory.

Nurture Iraqi Democracy, From The Ground Up (LAT)

By Michael Rubin

The Los Angeles Times, November 16, 2006

THE DEMOCRATICALLY elected government of Iraqi Prime Minister Nouri Maliki has proved a grave disappointment. Security has worsened since Maliki has been in power. Ignoring the pleas of U.S. officials, he has been unwilling to crack down on the militias and death squads that fuel sectarian violence — and the mass kidnapping from a Ministry of Higher Education building in Baghdad on Tuesday by gunmen in police uniforms shows the consequences.

Last month, Maliki's government refused to cooperate with U.S. troops searching for a kidnapped comrade. A week later, Maliki ordered U.S. forces to lift a blockade of Sadr City, where the missing soldier was believed to be held.

Corruption remains corrosive. Maliki's administration has hemorrhaged hundreds of millions of dollars. Oil revenues and foreign aid disappear. Maliki and his allies treat ministries as mechanisms for patronage. They dispense jobs to political loyalists, not able technocrats. Officials in the Shiite-dominated Health Ministry, for example, have replaced experienced doctors with uneducated militiamen.

But does this mean that the U.S. ambition to bring democracy to Iraq was a mistake? As a supporter of the war, and later an advisor to the U.S. occupation authority, I don't think so. Despite our disappointment with Maliki, the strategic rationale for promoting democracy in the Middle East — and in Iraq in particular — remains sound. But it needs to be a long-term strategy, as demonstrated by our success in Korea, where more than 35,000 American servicemen sacrificed their lives. Half a century later, the juxtaposition of totalitarian, destitute and nuclear North Korea with thriving and peaceful South Korea shows the value of a long-term strategy to build democracy.

With chaos growing, impatience in Washington should not come as a surprise. In March, Congress charged a bipartisan commission chaired by former Secretary of State James A. Baker III and former Rep. Lee H. Hamilton (D-Ind.) to look at Iraq with "fresh eyes," but it's already clear that its final recommendations will not make a priority of preserving democracy. Sen. Joseph R. Biden Jr. (D-Del.), the incoming chairman of the Senate Foreign Relations Committee, has said he has no confidence in Maliki and has called for Iraq's division. Others seek to scrap the constitution or impose a strongman. Rumors circulate in Baghdad that the CIA plans a coup.

But to give up on democracy would affirm our adversaries' conspiracy theories, betray the Iraqi people and undercut U.S. diplomacy for decades. Rather, Washington should leave the elected government in place but stop funding it. If Maliki wants to treat ministries as fiefdoms, let him do it without our money. American taxpayers are under no obligation to subsidize an ineffective government that is hostile to U.S. interests.

Some who advocate shock therapy to reform the Maliki government, such as Sen. Carl Levin (D-Mich.), argue that the way to force it to take responsibility is through a phased withdrawal of U.S. troops. But only the best-armed groups would benefit. Ending subsidies to the central government, though, would promote better government, more efficient tax collection and greater

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transparency over oil revenues (without, most likely, actually bringing down the Maliki government). Accountability, not elections, is the bedrock of democracy.

I'm not suggesting that aid to Iraq should be cut off entirely. Rather, it should be redirected away from the central government through the U.S. military to Iraq's municipalities, especially those that are run by democratically elected city and town councils. Democracy is best built from the bottom up.

Shortly after Saddam Hussein's ouster, I spent a few days with the 173rd Airborne Brigade around Kirkuk, an ethnic and sectarian flashpoint. The U.S. troops offered aid, but the councils determined how it would be spent. For example, Kurds might be a plurality, but they could not dictate. In order to win consensus, they had to compromise with Turkomen and Arabs. Technocrats and those willing to compromise rose as Iraqis pushed the populists aside.

Can this local emphasis work given the ongoing sectarian violence? Yes. Many Iraqis support ethnic militias because they provide services and security the central government is unable to supply. The greatest impediments to reconstruction now are corruption and security. But every day, U.S. servicemen go on patrol across Iraq. They visit every city, town and village. They know what is possible and can keep tabs on the money they are handing out. While billions spent by Green Zone diplomats have evaporated into the ether, U.S. troops can provide accountability.

Injecting money directly to local projects works. Indeed, it is how Muqtada Sadr and the militias have won hearts, if not minds, and at a far lower cost. Rather than ignore our enemies, we should copy their model of success. The stakes for Iraq and U.S. national security are simply too high to throw in the towel.

Unleash The Shiites? (LAT)

By Laura Rozen

The Los Angeles Times, November 16, 2006

AS SECTARIAN violence rises in Iraq and the White House comes under increasing pressure to revamp its strategy there, a debate is emerging inside the Bush administration: Should the U.S. abandon its efforts to act as a neutral referee in the ongoing civil war and, instead, throw its lot in with the Shiites?

A U.S. tilt toward the Shiites is a risky strategy, one that could further alienate Iraq's Sunni neighbors and that could backfire by driving its Sunni population into common cause with foreign jihadists and Al Qaeda cells. But elements of the administration, including some members of the intelligence community, believe that such a tilt could lead to stability more quickly than the current policy of trying to police the ongoing sectarian conflict evenhandedly, with little success and at great cost.

This past Veterans Day weekend, according to my sources, almost the entire Bush national security team gathered for an unpublicized two-day meeting. The topic: Iraq. The purpose of the meeting was to come up with a consensus position on a new path forward. Among those attending were President Bush, Vice President Dick Cheney, Secretary of State Condoleezza Rice, national security advisor Stephen Hadley, outgoing Defense Secretary Donald H. Rumsfeld and National Intelligence Director John Negroponte.

Numerous policy options were put forward at the meeting, which revolved around a strategy paper prepared by Hadley and drawn from his recent trip to Baghdad. One was the Shiite option. Participants were asked to consider whether the U.S. could really afford to keep fighting both the Sunni insurgency and Shiite militias — or whether it should instead focus its efforts on combating the Sunni insurgency exclusively, and even help empower the Shiites against the Sunnis.

To do so would be a reversal of Washington's strategy over the last two years of trying to coax the Sunnis into the political process, an effort led by U.S. Ambassador to Iraq Zalmay Khalilzad. It also would discount some U.S. military commanders' concerns that the Al Mahdi army, a Shiite militia loyal to the radical cleric Muqtada Sadr, poses as great a threat to American interests as that presented by the Sunni insurgency centered in western Iraq's Al Anbar province.

So what's the logic behind the idea of "unleashing the Shiites"? It's the path of least resistance, according to its supporters, and it could help accelerate one side actually winning Iraq's sectarian conflict, thereby shortening the conflict, while reducing some of the critical security concerns driving Shiites to mobilize their own militias in the first place.

"As an alternative Plan B, it has the virtue of possibly being more militarily effective," said Thomas Donnelly, a military expert at the Center for Strategic and International Studies.

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"When you are trying to police [a civil war], all you can do is contain it," said Monica Toft, a professor specializing in ethnic conflict at Harvard University's John F. Kennedy School of Government. "Whereas if you're backing one side, there are not as many variables to control."

But such a strategy brings with it significant dangers. Washington might pick the wrong leaders on the side it chooses to back. Should it, for instance, continue to back Iraq's Shiite prime minister, Nouri Maliki, or tilt in favor of his Shiite rival, Abdelaziz Hakim, and his party, the Supreme Council for Islamic Revolution in Iraq? Either choice could lead to more intra-Shiite infighting and violence.

Or the strategy could drive Iraq's Sunni tribes to align themselves more closely with Al Qaeda. And it seems certain to further alienate Iraq's Sunni neighbors and erstwhile U.S. allies such as Saudi Arabia, Turkey and Jordan — while strengthening Iran's hand in Iraq.

Among the risks of an unleash-the-Shiites strategy is that if it were adopted, the White House would be unlikely to publicly acknowledge that such a choice had been made. Like so much else that has contributed to the U.S. difficulties in Iraq, it would be a decision taken in the dark, outside the realm of public debate.

Police In Anbar Province Lack Protection, Pay (USAT)

By Tom Vanden Brook

USA Today, November 16, 2006

HADITHA, Iraq — Shaaban al-Obeidi, a police chief in a small town in western Iraq, is regularly the target of assassination attempts.

On one recent attack, he was shot in the chest and left for dead.

But al-Obeidi refuses to give up his job as police chief of Baghdadi, a Euphrates River valley town about 100 miles northwest of Baghdad.

“We will sacrifice our lives for our country,” al-Obeidi says.

Anbar province, a Sunni stronghold west of the capital, is lightly held by about 33,000 U.S. troops spread across 53,000 square miles.

Marine Maj. Gen. Richard Zilmer, commander of forces in western Iraq, has said he doesn't command enough forces to defeat the insurgency. Instead, American forces are training Iraqi soldiers and police officers to do it.

Recruiting police officers and protecting them is difficult. Locals are reluctant to join the police because insurgents are waging an effective intimidation campaign and there aren't enough American forces to protect every recruit.

“Nobody from this area wants to join the police until they feel safe,” says Marine Brig. Gen. Robert Neller, deputy commander of U.S. troops in the region. “We've seen a lot of positive signs. The police will give us information about insurgents. We just need to keep them alive.”

During a recent tour of towns in Anbar, the challenges were evident: police officers complained of being outgunned by insurgents and often going unpaid.

Gen. John Abizaid, the U.S. commander of U.S. forces in the Middle East, acknowledged during congressional testimony Wednesday that paying police officers in the province has been a problem. Anbar is a mostly Sunni province. The central government is dominated by Shiites. Abizaid also acknowledged Anbar was not under control. “I believe that you can't have a main effort everywhere and that the preponderance of the military activity needs to go into the Baghdad area,” Abizaid said.

Insurgents wage an aggressive fight in Anbar. About 40% of the U.S. deaths this year in Iraq occurred in this region, which stretches from Baghdad to the border of Syria. The Pentagon announced Wednesday that insurgents had killed three Marines and one soldier in Anbar on Tuesday.

Insurgents work hard to scare locals from joining the police or helping the local government. In Rawah, a small town on a bend of the Euphrates River, insurgents killed a police officer in June and rolled his head through a marketplace, said Eloy Saenz, 55, a U.S. civilian adviser to the Rawah police. At the time, there were 28 police officers in the town. Now there are seven.

The force could use about 150 cops, says Saenz, a retired police sergeant from Houston who is stationed with Marines in Rawah. “People are afraid to be police here,” he says. “They fear they'll be killed.”

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U.S. forces have put more troops in strategically important towns. In Qaim, about a mile from the Syrian border, a police force has been established and a municipal government is in place. U.S. forces have loosened the grip of insurgents and reduced violence in the town.

Marine Lt. Col. Scott Shuster says driving down Market Street, the town's main thoroughfare, used to be “a firefight the whole way.”

Now, local vendors line the sidewalks. On one side, red-and-green wheelbarrows and generators are set out in front of a hardware store. On the other side, women sell radishes and bags of onions.

Still, outsiders are viewed warily. Pedestrians glare at a convoy of American Humvees. No one smiles or waves at the passing vehicles.

In his crowded office, Qaim Mayor Fahran Fahran complains that he receives no support from the national government. He needs fuel, equipment and salaries for his police force. The economy also needs a boost, he says.

On a recent visit, Neller says he'll provide equipment and is working on the pay issues with the government in Baghdad. He says Qaim needs about 2,000 police officers and has about 1,400. He promises to help recruit more.

Marines elsewhere in the province also point to progress. Patrolling a six-lane highway near Fallujah whose lanes are blackened from roadside bomb blasts, Cpl. Scott Peterson says he sees Iraqi soldiers assuming more responsibility and becoming more capable.

“From our perspective, it is getting better,” Peterson, 22, of Mobile, Ala., says over the clatter of an armored amphibious assault vehicle as it rumbles down the highway. “They're taking over.”

Soldier Pleads In Iraq Rape, Murder Case (AP)

By Ryan Lenz

AP, November 15, 2006

One of four U.S. soldiers accused of raping a 14-year-old Iraqi girl last spring and killing her and her family pleaded guilty Wednesday, and agreed to testify against the others.

Spc. James P. Barker agreed to the plea deal to avoid the death penalty, said his civilian attorney, David Sheldon.

The military judge presiding over the case, Lt. Col. Richard Anderson, asked Barker why he participated in the attack in Mahmoudiya, a village about 20 miles south of Baghdad. It was among the worst in a series of alleged attacks on civilians and other abuses by military personnel in Iraq.

"I hated Iraqis, your honor," Barker answered. "They can smile at you, then shoot you in your face without even thinking about it."

Anderson accepted the plea agreement, which calls for Barker to serve at least life in prison. The judge will decide in a hearing Thursday whether Barker should be allowed to seek parole.

Sgt. Paul E. Cortez, 24, and Pfc. Jesse V. Spielman, 22, members of the 101st Airborne Division with Barker, also are charged in the case. Cortez deferred entering a plea during his arraignment Wednesday morning. Spielman will be arraigned in December. The fourth soldier, Pfc. Bryan L. Howard, 19, also deferred entering a plea at his arraignment in October.

A fifth person, former Army private Steve Green, 21, pleaded not guilty last week to civilian charges including murder and sexual assault.

Green was discharged from the Army for a "personality disorder" before the allegations became known, and prosecutors have yet to say if they will pursue the death penalty against him.

The group is accused of raping the girl and burning her body to conceal their crimes, then killing the girl's father, mother and 6-year-old sister.

After entering his plea Wednesday, Barker gave the court a vivid account of the events.

Barker said he and the others were drinking and playing cards while they manned a traffic checkpoint. Green brought up the idea of raping the girl and killing her family, he said.

"He brought it up to me and asked me what I thought about it. At a couple of points, I told him he was crazy," Barker said.

Barker said he and Green then approached the others with the idea, but there never was a verbal agreement to do it.

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"Things just got set in motion, we just started changing (clothes), myself, Cortez and Green," Barker said. "By the time we started changing clothes, it was more or less a nonverbal agreement that we were going to go along with what we were discussing."

Barker said he, Green and Cortez raped the girl, and Green killed the girl, her parents and her sister.

Barker did not name Spielman and Howard as participants in the rape and slayings, though he said they were at the house when the assault occurred and had come knowing what the others intended to do.

Under military law, soldiers who are present when a crime is committed can be charged with that crime even if they did not play an active role.

Cortez, who could face the death penalty if convicted, and Howard watched from the audience as Barker described the assault. They were accompanied by their defense attorneys and declined to comment.

Taliban, Al-Qaeda Resurge In Afghanistan, CIA Says (WP)

By Dafna Linzer, Walter Pincus

The Washington Post, November 16, 2006

Al-Qaeda's influence and numbers are rapidly growing in Afghanistan, with fighters operating from new havens and mimicking techniques learned on the Iraqi battlefield for use against U.S. and allied troops, the directors of the CIA and defense intelligence told Congress yesterday.

Five years after the United States drove al-Qaeda and the Taliban from Afghanistan, Gen. Michael V. Hayden, director of the CIA, told the Senate Armed Services Committee that both groups are back, waging a "bloody insurgency" in the south and east of the country. U.S. support for the Kabul government of Hamid Karzai will be needed for "at least a decade" to ensure that the country does not fall again, he said.

At yesterday's Senate hearings, devoted mostly to Iraq, Hayden and Lt. Gen. Michael D. Maples, director of the Pentagon's Defense Intelligence Agency, painted a stark portrait of a struggling Afghanistan and a successful al-Qaeda capable of operating on two battlefields.

"The direct tissue between Iraq and Afghanistan is al-Qaeda," said Hayden, who visited both countries recently. "The lessons learned in Iraq are being applied to Afghanistan."

Senators noted the increased use of roadside bombs and the relatively new phenomenon of suicide attacks, which had not been seen in Afghanistan before the Iraq war.

Hayden told the Senate panel that the Taliban, aided by al-Qaeda, "has built momentum this year" in Afghanistan and that "the level of violence associated with the insurgency has increased significantly." He also noted that Karzai's government "is nowhere to be seen" in many rural areas where a lack of security is affecting millions of Afghans for whom the quality of life has not advanced since the U.S. military arrived in October 2001.

Maples said the insurgency "had strengthened its capabilities and influence" with its base among Pashtun communities in the south, as violence this year has almost doubled since 2005. U.S. troop levels in Afghanistan began dropping earlier this year as NATO arrived to take over the bulk of the fighting. Meanwhile, U.S. Special Forces continue to search for al-Qaeda bases in Afghan-Pakistani border areas.

The CIA director said that region has become a new "physical safe haven" that al-Qaeda uses as a "jump-off point for its guerrilla forays into Afghanistan."

Bush administration officials have repeatedly said that the battle against al-Qaeda has led to the death or capture of more than half of Osama bin Laden's top people.

Hayden said yesterday that "the group's cadre of seasoned, committed leaders" remains fairly cohesive and focused on strategic objectives, "despite having lost a number of veterans over the years." Bin Laden himself, and his deputy Ayman al-Zawahiri, continue to play a crucial role while hiding out somewhere along the Afghan-Pakistani border.

Hayden said the organization had lost a series of leaders since the Sept. 11, 2001, attacks. But the losses have been "mitigated by what is, frankly, a pretty deep bench of low-ranking personnel capable of stepping up to assume leadership positions." Hayden said the lower ranks are dominated by men in their early 40s with two decades of experience fighting.

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The two intelligence chiefs said that al-Qaeda, through propaganda and attacks, has been increasingly successful in defining Afghanistan and Iraq as critical battlegrounds against the West.

"We have radical groups like al-Qaeda and its affiliates sponsoring terrorists, insurgents in Iraq, Afghanistan and elsewhere that seem to be able to preempt governments and eclipse the moderate actors in the region. There remains in Iraq today a broad and vicious al-Qaeda offensive targeting us and innocent Iraqis," the CIA director said.

In Iraq, Maples said, al-Qaeda accounts for a fraction of the daily attacks. "Yet the high-profile nature of these operations have a disproportionate impact on the population and on perceptions of stability," he said. The death earlier this year of Abu Musab al-Zarqawi, the leader of al-Qaeda in Iraq, did not stop what Hayden described as an "al-Qaeda campaign of almost satanic terror" in that country.

In Iraq, Maples said, al-Qaeda has managed to "capitalize on the current cycle of sectarian violence, by creating the perception that its attacks are designed to aid and defend the country's Sunni minority."

Both men said a U.S. military failure in Iraq would effectively turn the country into al-Qaeda's next haven, providing the group with the kind of security it had in Afghanistan for years before 2001.

Christmas Tree Growers Want To Give U.S. Troops Abroad A Little Bit Of Home (USAT/AP)

By William Kates

USA Today, November 16, 2006

SYRACUSE, N.Y. — With U.S. troops facing another holiday season in foreign war zones, Christmas tree growers across the nation are donating thousands of trees to them and their families stateside.

“It's a special time of year. This is a small way to help lessen the pain of separation and say thank you for the sacrifices we are asking them to make,” said Richard Moore, a tree farmer who coordinates the collection for the Christmas Tree Farmers Association of New York. “Any American would want to help out.”

The “Trees for Troops” effort is part of a campaign by the National Christmas Tree Association's Christmas Spirit Foundation to collect more than 11,000 trees in 27 states, said Lee Ann Friga, a spokeswoman for the Missouri-based foundation.

Last year, the foundation delivered more than 4,300 Christmas trees to soldiers' families at five Army posts, Friga said. It sent 175 trees overseas.

This year, the trees will be distributed among 20 military installations representing all four branches of the service, Friga said.

Four hundred trees will be sent to units stationed in Iraq, Afghanistan, Kuwait and Qatar, she said.

“The interest just exploded. This year, we had to include more growers and more pickup locations,” Friga said.

In New York, growers can donate trees at any one of 10 drop-off locations across the upstate region, said Moore, a vice president of the national organization.

From those locations, the trees will be transported to tree farms in Ballston Spa and Scottsville, where FedEx has volunteered to pick them up and deliver them to the U.S. Army's Fort Drum near Watertown, and to other military installations, he said.

Last year, New York tree growers donated 145 trees.

“This year, we are trying to get more growers to contribute. We would rather have 150 growers give two or three trees each, rather than have one farm give 75 or 80 trees,” said Moore, who is giving five trees. “The more, the merrier. We want to share the joy of giving.”

The New York association has 450 members.

Moore said there are probably more than 1,000 other small tree farms in the state. Non-farmers can contribute trees by signing up on the national organization's website, Friga said.

The drop-off locations will collect trees through Nov. 28. All types of Christmas trees will be accepted, but Moore said they should not exceed 7 feet in height for shipping purposes. Pine trees and fir trees are recommended because they have the best needle retention, he said.

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"Last year, my church sent a small Christmas tree to a soldier in Iraq who was from our congregation," he said. "He decorated it, put it on the back of his M1 (tank) and sent us back a photo. He came home this summer and told us how touched he had been by what we had done.

"Imagine touching thousands of people like that."

CORPORATE SCANDALS:

Enron's Causey Sentenced To 5 1/2 Years (AP)

By Juan A. Lozano, Associated Press Writer

AP, November 16, 2006

(AP) - HOUSTON-Richard Causey, the last of the top Enron Corp. executives to learn his punishment, was sentenced Wednesday to five-and-a-half years in prison for his role in one of the biggest corporate scandals in U.S. history.

Causey, the company's former chief accounting officer, pleaded guilty in December to securities fraud two weeks before he was to be tried along with Enron founder Kenneth Lay and former Chief Executive Jeffrey Skilling on conspiracy, fraud and other charges related to the company's collapse.

Causey, 46, had agreed to serve seven years in prison. Prosecutors indicated they could have recommended it be reduced to five if they were pleased with his cooperation.

The maximum penalty for securities fraud is 10 years in prison and a fine of $1 million or twice the amount illegally gained.

Causey also agreed to fork over $1.25 million to the government and forfeited a claim to about $250,000 in deferred compensation as part of his plea deal. Unlike others at Enron, Causey didn't skim millions of dollars for himself from shady deals.

Prosecutors dropped their plan to seize Causey's home, a $950,000 two-story, red brick house in a Houston suburb.

Causey, the government's 16th cooperating witness who entered a guilty plea, had faced more than 30 counts of conspiracy, fraud, insider trading, lying to auditors and money laundering.

In his guilty plea, Causey admitted that he and other senior Enron managers made various false public findings and statements.

He did not testify in the Lay-Skilling trial earlier this year, though he was on the defense witness list.

Skilling and Lay were convicted in May of conspiracy and fraud. Lay's convictions were wiped out with his July death from heart disease. Skilling was sentenced last month to more than 24 years in prison.

Andrew Fastow, Enron's ex-chief financial officer whose schemes helped doom the company, was sentenced in September to six years and is serving his term in a federal prison in Louisiana.

On Friday, Mark Koenig, Enron's former investor relations director, and Michael Kopper, an Enron managing director and Fastow's once-trusted top aide, were set to be sentenced.

Enron, once the nation's seventh-largest company, crumbled into bankruptcy proceedings in December 2001 after years of accounting tricks could no longer hide billions in debt or make failing ventures appear profitable. The collapse wiped out thousands of jobs, more than $60 billion in market value and more than $2 billion in pension plans.

Case Closed: Last Top Enron Exec Sentenced (USAT)

By Greg Farrell

USA Today, November 16, 2006

A federal judge in Houston sentenced Richard Causey, former chief accounting officer of Enron, to 5½ years in prison Wednesday, bringing an end to the government's prosecution of top managers at what was once the nation's seventh-largest company.

Causey's sentence includes $1.25 million in forfeiture and a fine of $25,000. He could have received up to seven years under the plea deal he entered last year.

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Earlier this year, a jury in Houston convicted Enron's two former CEOs, Ken Lay and Jeff Skilling, of lying to the public about the company's financial health. For his role in the fraud, Skilling was sentenced to 24 years and four months in prison. Lay's conviction was vacated because he died in July before he had the chance to appeal the verdict.

Causey was originally scheduled to go to trial as a co-defendant with the two men.

Former Enron chief financial officer Andrew Fastow, the other member of the company's inner sanctum of management, pleaded guilty in early 2004, agreeing to serve a 10-year sentence for crimes he committed at the company. But because of his cooperation, which culminated in one week of trial testimony on behalf of the government against Lay and Skilling, a federal judge in September reduced his sentence to six years.

Christopher Bebel, a Houston attorney who has followed the Enron proceedings, says it wouldn't have made any sense for U.S. District Judge Sim Lake to give Causey a stiffer sentence than Fastow.

"Judges strive for consistency," Bebel says. "Causey was less culpable than Fastow."

Enron collapsed into bankruptcy five years ago after acknowledging that Fastow, the CFO, had entered into numerous business deals with the company that helped prop up Enron's earnings. Fastow later admitted that he embezzled close to $30 million from the company. Enron's market capitalization, which at one point exceeded $60 billion, was wiped out in the ensuing sell-off of stock.

In January 2002, the Department of Justice formed the Enron Task Force. Since then, prosecutors induced 16 former executives to plead guilty to related crimes, while several others were convicted at trial. Two former Enron executives have been acquitted of all charges, and three Merrill Lynch bankers, convicted in 2004, had their convictions overturned on appeal.

Two other former Enron executives who pleaded guilty and cooperated with the government, Michael Kopper and Mark Koenig, are scheduled to be sentenced in Houston on Friday. But with Causey's sentencing, the last of the big Enron cases has been disposed of.

"This closes out an era," says Philip Hilder, a Houston attorney who represented internal Enron whistleblower Sherron Watkins. "Everything else will be a footnote."

Former Enron Accountant Gets 51/2 Years For Fraud (WP)

By Carrie Johnson

The Washington Post, November 16, 2006

The former chief accountant for Enron Corp. received a 5 1/2 -year prison sentence yesterday, becoming the last member of the energy trader's upper echelon to face judgment for a fraud that cost thousands of employees their jobs and left investors billions of dollars poorer.

Richard A. Causey, 46, pleaded guilty to a single count of securities fraud in December, weeks before he was to face trial on conspiracy and fraud charges in a case that government lawyers have called the most complex white-collar prosecution in history. Causey, who must also serve two years of probation, remained free yesterday while prison officials determined whether to send him to the facility he requested, in Bastrop, Tex.

Causey's sentence follows prison terms recently handed to two other key Enron figures. Former chief executive Jeffrey K. Skilling was sentenced last month to 24 years and four months, while onetime finance chief Andrew S. Fastow was sentenced in September to six years. Company founder Kenneth L. Lay died of heart disease in July, less than two months after a jury convicted him and Skilling of misleading shareholders and employees about Enron's mounting financial problems before its December 2001 bankruptcy.

Corporate insiders portrayed Causey, a former accountant at Arthur Andersen LLP known for his genial personality and his love of golf, as a man cowed by Enron's aggressive, rules-bending culture. But prosecutors on the Justice Department's since-disbanded Enron Task Force contended that fraud could not have flourished without Causey's actions and his failure to blow the whistle on others.

His get-along attitude helped Causey steadily climb the corporate ladder, and he became Enron's top accountant in 1998, three years before the company's demise. Causey and his wife, Elizabeth, last year forfeited $1.25 million in a bank account, and he gave up the rights to about $250,000 more in deferred pay from Enron.

Under the terms of his plea agreement, Causey could have faced as many as seven years in prison, one more than Fastow, who was considered an architect of the Enron scheme and who used business partnerships to siphon as much as $60 million for himself and his friends. In September, a judge shaved four years off his possible sentence.

Prosecutor Kathryn H. Ruemmler requested a reduction of three to six months for Causey. Ultimately, U.S. District Judge Simeon T. Lake III gave Causey an 18-month credit for, among other things, helping to streamline the government's case.

Reid H. Weingarten, Causey's lawyer who is based in the District, said in an e-mail that it was "hard to be happy when a thoroughly decent man you like a lot gets 66 months, but we are relieved given how much worse it could have been."

On Friday, two more members of Enron's middle-management team are scheduled to be sentenced as the nearly five-year-old scandal draws to a close. Former investor relations official Mark E. Koenig and former finance executive Michael J. Kopper, the first man to admit criminal wrongdoing at Enron four years ago, will be sentenced by separate federal judges in Houston.

SEC Intensifies Probe Into Dell's Accounting (AAS)

By Dan Zehr, AMERICAN-STATESMAN STAFF

Austin American-Statesman, November 16, 2006

Company postpones quarterly report at last minute

Federal securities regulators have launched a formal investigation into Dell Inc.'s financial record-keeping, upgrading an informal inquiry they started a year ago.

Dell disclosed the development Wednesday evening. At the same time, it said it would postpone its third-quarter financial report, which had been scheduled for today, until the end of the month.

Dell said the move was related to ongoing reviews of its accounting, not the upgrading of the Securities and Exchange Commission investigation.

"It really is just a high degree of prudence that's being placed on all our financial reporting right now," said spokesman Jess Blackburn. "There's just a high degree of care being given to reviewing that material and being certain of what we want to report before we report it."

The SEC does not comment on investigations, and there have been few clues about what the probe involves. Dell previously has said the reviews focus on "issues related to accruals, reserves and other balance-sheet items."

A formal investigation indicates the agency has reason to believe there are problems with Dell's books and gives the agency the authority to subpoena testimony and documents.

"It's an important difference," said Jim Asperger, a partner with O'Melveny & Myers LLP, a Los Angeles-based law firm. "What that means is there could be third-party witnesses, former employees or some other persons or entities they want to compel to testify.

"It doesn't necessarily mean they're not satisfied with Dell's compliance in the investigation."

Blackburn said the company will continue to cooperate fully with the SEC, as well as U.S. Justice Department investigators who also are reviewing the company's record-keeping.

The formal investigation and postponed earnings come just as Dell appeared to have shrugged off the most serious effects of a yearlong stretch of setbacks.

It has seen its sales slow and profits fall. And it recently has lost ground to rivals, especially to Hewlett-Packard Co., which recently replaced Dell as the world's biggest computer maker.

Its shares hit a four-year low of $20.75 in July, but have been recovering as of late, closing Wednesday at $25.75. The shares fell almost 3 percent in after-hours trading following the SEC news.

In the past week, several analysts had brightened their outlook for Dell. While the company's computer shipments slowed, they said, it had sold more expensive machines and probably would report a stronger-than-expected profit.

They now will have to wait until later this month to find out how the turnaround at Dell is progressing.

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"It's not ideal to have to issue a delay . . . but they want to make sure they're not coming out and saying things they'll have to change later," said Sam Bhavnani, an technology analyst with Current Analysis in San Diego. "You definitely don't want to read too much into it. As a company, Dell has operated above board historically, so it's a wait and see type of thing."

Investors will also have to continue to wait for Dell's official second-quarter report to the SEC. Under the rules of the Nasdaq market on which Dell shares trade, its stock could be pulled from listing if it doesn't file the report in a timely manner.

Analysts have said the likelihood of Dell being delisted is remote, and Blackburn said the company has "no immediate concern of being delisted." Dell will file the official report when once its board's audit committee finishes its review of the company's books, he said.

Dell first revealed concerns about its financial reporting in August, when it said it had been the subject of an information investigation by the SEC. In response to that inquiry, Dell said it had found some accounting problems stretched back before the investigation started and asked the audit committee to begin an independent probe.

By September, the reviews had raised the interest of the Justice Department. The U.S. attorney for the Southern District of New York asked for documents going back to 2002.

Dell initially downplayed the problems and said they likely would have little significant impact on its earnings. However, after the Justice Department launched its inquiry, Dell's audit committee said it had made no determination on how significant the impact of the investigations might be.

At the time, Bear, Stearns & Co. Inc. Andy Neff said, "Now that you have the U.S. attorney involved, this is becoming a concern."

Since the Justice Department opened its investigation, several prominent national law firms have announced class-action lawsuits on behalf of Dell shareholders. To date, none of those complaints has been granted class-action status.

Dell To Delay Results As SEC Begins A Formal Probe (WSJ)

By Christopher Lawton

The Wall Street Journal, November 16, 2006

Dell Inc. said the Securities and Exchange Commission had stepped up an informal probe into its accounting to a full-fledged investigation and that its fiscal-third-quarter earnings report will be delayed because of the "complexity" surrounding the inquiry.

The Round Rock, Texas, company disclosed it was being investigated by the SEC in August in what at the time was described as an informal probe. In advancing to what Dell now calls a "formal order of investigation," the SEC is given power to subpoena company officials and documents.

Neither Dell nor the SEC has disclosed the exact nature of the issues being investigated. In September, Dell issued a statement noting that the probe could involve potential issues "relating to accruals, reserves and other balance- sheet items." Companies use accruals and reserves when they sell services but deliver them at a later date. In Dell's case, the company typically sets aside funds from current operations to cover the cost of future warranty claims.

Dell declined to make executives available to comment. An SEC spokesman didn't return a call for comment. The announcement of the earnings-report delay and the SEC investigation came late yesterday, sending Dell's stock down 2.8% to $25.04 in after-hours trading from a 4 p.m. price of $25.75.

The intensifying investigation is the latest in a series of setbacks for Dell. Over the past year, the onetime highflier has suffered slower growth and falling profits amid a struggle to compete against resurgent rivals such as Hewlett-Packard Co. Dell recently lost its position as the world's largest personal-computer seller, according to market researchers IDC and Gartner. It also announced a battery recall involving millions of laptops in August because the batteries were a potential fire hazard. Dell's stock has fallen 14% so far this year.

The SEC investigation, when initially disclosed, was characterized by Dell as unlikely to materially affect its earnings. At that time, Dell's board also launched its own inquiry into the company's accounting at the request of management. But in September, the company said it would delay the filing of its second-quarter report with the SEC. Dell also disclosed it had been subpoenaed

by the U.S. attorney for the Southern District of New York for documents going back as far as 2002. The second-quarter report still hasn't been filed with the SEC.

In a statement yesterday, Dell said it would report earnings by the end of the month and that future earnings would be announced one week later than previously scheduled. The company had been expected to announce its fiscal-third-quarter results today. Analysts had projected that the company would report improved profit for the quarter, thanks to more disciplined pricing.

Charlie Wolf, an analyst with Needham & Co., said yesterday's news reflects confusion among Dell's senior management and casts further doubt on the future of Kevin Rollins, Dell's chief executive, who rose to the top spot in 2004. "It's like no one is running the ship," Mr. Wolf said. "Ever since Kevin became CEO, it's been a downward trajectory in this company."

Earlier this week, Dell's founder, Michael Dell, was quoted in a BusinessWeek.com article saying that he was searching for an executive to run Dell's services business in a bid to restore sales and profit growth to the company. Mr. Dell also reiterated his support for Mr. Rollins in that article.

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Dell Accounting Inquiry Made Formal By S.E.C. (NYT)

By Damon Darlin

The New York Times, November 16, 2006

Dell said yesterday that the Securities and Exchange Commission had started a formal investigation into its accounting practices, but provided no other details of the inquiry that began in August.

As a result, the computer company said it was delaying the release of its third-quarter financial results until the end of the month. It had planned to announce them today after the markets closed. The company said the delay was not because of the new status of the investigation, but rather because of the difficulty of answering government queries, conducting its own inquiry and quickly compiling complex financial information.

A spokesman for the company, Robert Pearson, said the company was “fully cooperating” with the S.E.C. But the company has refused to provide details to its investors about what has attracted the government’s attention. Mr. Pearson said it had nothing to do with options backdating, an accounting problem that has ensnared many high-growth companies in recent months. “We have to let it play out,” he said.

The announcement surprised analysts, as had previous announcements about the accounting investigations. Dell had announced preliminary results for its second quarter in August, but has not yet filed the required 10-Q quarterly report of those earnings with the S.E.C. The company also canceled an analysts’ meeting in September at the last moment, citing the S.E.C.’s investigation.

The company said that it would announce its third-quarter results in a news release at the end of the month and its top executives would not hold the customary conference call with analysts and journalists.

Despite the uncertainty of the investigation, many analysts had started to change their opinion of the company’s stock this month. Laura Conigliaro of Goldman Sachs lifted her recommendation in early November to neutral, from sell. Ben Reitzes, a UBS analyst, recently raised his rating on Dell to neutral from reduce on the ground that the company appears to have made steps to improve its margins.

The shares closed yesterday at $25.75, up 35.9 percent from its 52-week low of $18.95. Shares fell 2.7 percent in after-hours trading after the announcement.

A. M. Sacconaghi Jr., an analyst with Sanford C. Bernstein & Company who rates the company as outperforming the stock market, said in a research report published Monday that net income dropped 27.8 percent in the third quarter compared with last year. He also predicted that the company would show slower revenue growth of 1 percent compared with 5 percent in the second quarter.

On the plus side, the company may be seeing an improvement in profit margins because of less aggressive pricing of its PCs, he said. Gross margins, which had dropped in the second quarter to 15.7 percent, from 18.6 a year earlier, might have rebounded to 16.3 percent in the latest quarter, Mr. Sacconaghi said.

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Mr. Sacconaghi also said that “further stock appreciation is likely to require patience as Dell takes action to stabilize its business, which may take several quarters.”

Dell continues to have problem selling computers in the United States, particularly to consumers. As a result, Dell has lost its berth as the world’s largest PC vendor to its rival, Hewlett-Packard, according to market analysts at IDC and Gartner.

Dell continues to lose share in the one segment of the PC market, notebook computers, that is growing significantly, said Tony Berkman, executive director of Majestic Research, which conducts equity research of technology companies. He said North American unit sales of notebooks declined in Dell’s third quarter by 4.9 percent. Much of that decline was the result of weakness in the company’s Inspiron line aimed at consumers.

The average selling price of the Inspiron notebooks was falling faster than the rest of the category, 19.2 percent in the last 12 months to $720, said Mr. Berkman. He did say that the company was seeing strength in its printer line, with unit sales up 28 percent year-over-year and unit sales of high-margin printer cartridges rose 43 percent.

Unlike many of the Wall Street securities analysts, he is not an optimist. “I believe in momentum,” said Mr. Berkman. “I just don’t know what that catalyst is for Dell.”

Former HP Chairwoman Pleads Not Guilty In Spying Scandal (AP)

By Jordan Robertson, Ap Business Writer

AP, November 16, 2006

(AP) - SAN JOSE, California-Former Hewlett-Packard Co. Chairwoman Patricia Dunn pleaded not guilty Wednesday to four felony identity theft and fraud charges for allegedly instigating the company's ill-fated spying probe into boardroom leaks.

Dunn appeared briefly for her arraignment in Santa Clara County Superior Court and was released on her own recognizance after her lawyer entered the plea for her.

She and her attorney, Raj Chatterjee, declined to comment as they left court.

Dunn, 53, is one of five people charged in the computer and printer maker's clandestine efforts to unmask board members who discussed company business with reporters. Investigators used a shady ruse known as "pretexting" to obtain the confidential phone logs of directors, reporters and others to trace the source of the leaks.

Testifying before a congressional in September, Dunn said she was repeatedly reassured by HP's lawyers about the legality of its detectives' subterfuge.

She resigned from HP's board after the scandal broke in early September. The two-time cancer survivor recently began chemotherapy for ovarian cancer.

Kevin Hunsaker, HP's former ethics chief who allegedly directed the probe, pleaded not guilty last week and was released.

Three private investigators - Ronald DeLia, Matthew DePante and Bryan Wagner - have also entered not guilty pleas and were released.

Lawyers for all the defendants are scheduled to appear in court again Friday to discuss the schedule for future hearings.

The defendants each face four counts: use of false or fraudulent pretenses to obtain confidential information from a public utility; unauthorized access to computer data; identity theft; and conspiracy to commit each of those crimes.

Each charge carries a fine of up to $10,000 (â,¬7,817) and three years in prison.

Audit Clears SEC's Financial Statements (WP)

By Carrie Johnson

The Washington Post, November 16, 2006

Auditors gave the financial statements of the Securities and Exchange Commission a clean bill of health, a sign that the market watchdog has taken steps to fix problems that prompted a lawmaker last year to chide the agency for what he called "hypocrisy."

The Government Accountability Office, which reviewed the SEC's books for the fiscal year ended in September, said in documents issued yesterday that the SEC had come close to fully resolving past weaknesses in its financial controls.

The GAO had cited problems with how the SEC tracks penalties it levies, with its information systems controls and with its financial reporting process. Now, auditors say, those issues are far less serious than they were.

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This is the third year the SEC has allowed outside audit of its books and financial controls, which are designed to help prevent fraud and mistakes.

The problems were exposed in March 2005, the same time securities regulators were imposing stiff new rules that forced managers at publicly traded companies to assess their own controls. The rules have proven expensive and controversial and are the focus of an aggressive and well-funded business lobbying campaign. This week, leaders at the SEC and the Public Company Accounting Oversight Board, which oversees the audit industry, have been working to resolve differences in their approach to modifying the rules.

Word of the clean audit comes as SEC is facing new challenges. Under the direction of Senate Finance Committee Chairman Charles E. Grassley (R-Iowa), the GAO is studying the agency's enforcement operations, including how it tracks cases and makes referrals to criminal authorities. The agency filed 9 percent fewer enforcement cases in fiscal 2006 than it did in 2005, according to statistics released earlier this month. The GAO report is to be completed in June.

Ousters Can Raise Chance Of Charges (LAT)

By Tom Petruno, Times Staff Writer

The Los Angeles Times, November 16, 2006

The firings of KB Home CEO Bruce Karatz and others in the corporate stock-option scandal make them possible targets for prosecutors.

By ousting KB Home chief Bruce Karatz over inflated stock option awards, the Los Angeles company's board instantly made the executive a high-profile potential target for federal prosecutors, legal experts say.

More than 50 corporate officers nationwide have resigned or been fired in the continuing scandal over alleged option manipulation, but most of those have been at relatively small companies.

As the head of a business with $10 billion in annual sales, Karatz automatically would present a higher priority to government investigators than executives who ran much smaller firms, several attorneys said.

"Especially if it's someone senior, I think those go to the top of the list" for prosecutors, said John Olson, a partner at Gibson, Dunn & Crutcher in Washington.

Authorities have not accused Karatz of wrongdoing, and spokesmen for both the U.S. attorney's office and the Securities and Exchange Commission declined to comment Wednesday on Karatz or KB Home. The company in August disclosed that the SEC was conducting an informal investigation of its option practices.

On Sunday, the company's board announced that Karatz had resigned following an internal investigation that determined he was responsible for setting "incorrect" stock option grant dates from 1998 to 2005. The effect was to boost the value of those grants for Karatz and other KB Home executives.

"It's a huge thing for a board to kick out a CEO," said Thomas Curran, an attorney at Ganfer & Shore and a former assistant district attorney in New York.

The directors said that Karatz and Gary A. Ray, who had been the company's human resources chief, chose the option grant dates.

Ray also was fired Sunday, and the company said that Richard B. Hirst, its chief legal officer, had resigned.

Karatz, 61, had served as chief executive of KB Home since 1986.

"Bruce Karatz believed he was acting properly, with the knowledge and approval of legal counsel," his attorney, Daniel Bookin, said Wednesday.

The mispricing of option grants is at the heart of company and government investigations now covering more than 150 firms nationwide.

Options are rights to buy stock at a set price within a certain time period. Securities regulations generally require that the purchase price of an option be the stock's market price on the day the option is granted by the company's board.

The probes are focusing on so-called backdating, whereby some executives looked back weeks or months and reset grant dates to coincide with their stock's lowest price in a particular period. Doing so could give the executives instant paper gains on their options. It could also understate a company's compensation costs and overstate earnings.

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Thus far, the SEC and Justice Department have filed civil and criminal cases against executives of two companies.

At a number of companies, however, board investigations have concluded that options were mispriced because of sloppy bookkeeping rather than intentional misconduct, and that there was no reason to fire executives even if previous earnings had to be restated.

Legal experts say companies naturally would prefer not to dismiss executives because doing so can imply wrongdoing by the company and invite lawsuits from angry shareholders.

"What company puts a gun in their mouth unless they really didn't have a choice?" Curran asked.

Directors' decision to fire executives, many attorneys say, is primarily motivated by a desire to show federal authorities that the firm is serious about fixing what went wrong. The hope is that the company can avoid a government lawsuit if it forcefully addresses alleged abuses.

"The reason that companies typically terminate executives is to take a step to avoid prosecution of the company itself," said Matthew Jacobs, a criminal defense lawyer at McDermott Will & Emery in Palo Alto.

But by conducting a detailed probe that exposes possible wrongdoing by executives, companies may also increase the likelihood of government charges against the dismissed officers, lawyers say.

In recent years, the SEC and the Justice Department have made it clear that they expect companies to aggressively investigate alleged executive wrongdoing — and to share that material with prosecutors. That can give government investigators a head start if they choose to pursue cases against individuals.

"It's a great advantage to a company to have a thorough investigation, and it's also a great benefit to regulators," said James Doty, a partner at Baker Botts in Washington.

Still, the act of mispricing option grants alone doesn't give the government a slam-dunk case of securities fraud, legal experts caution. One major hurdle is showing that an executive had an intent to deceive the company's directors and shareholders, and knew that the mispricing broke the law.

"It's one thing for a company to cut the cord to an executive and restate earnings, but it's not a straight line between that and the ability to indict and convict," Jacobs said.

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CRIMINAL LAW:

Disgraced Lobbyist Jack Abramoff Reports To Prison (AP)

AP, November 16, 2006

(AP) - CUMBERLAND, Maryland-Disgraced lobbyist Jack Abramoff, convicted of federal charges after using expensive gifts, campaign donations and exotic trips to win access to the powerful in Washington, went to prison Wednesday.

Abramoff was the key figure in a government corruption scandal that contributed to the Republican Party's nationwide defeat in last week's midterm election.

Abramoff arrived at about 6:30 a.m. EST (1130 GMT) at a relatively secluded prison facility in western Maryland to begin serving a nearly six-year prison sentence for a fraudulent deal to buy a fleet of casino ships in Florida.

Abramoff was delivered out of sight of waiting reporters and camera crews and his arrival was announced in a two-paragraph statement by a prison representative.

The part of the camp where Abramoff will be kept is a 334-bed minimum security facility located near an industrial park along the north branch of the Potomac River.

The camp is all male. It consists of a number of two-story dormitories that are light red cinderblock structures. Each dormitory contains a number of six-bed cubicles, and Abramoff was being assigned to one of those. The prison is nearly surrounded by Appalachian Mountain ridges rising along either bank of the Potomac on the Maryland and West Virginia sides of the river.

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Stephen Finger, executive assistant at the prison, said all inmates work while there. Incoming inmates such as Abramoff typically are assigned to menial jobs such as food service work. Finer said that inmates can work their way up from low-level jobs paying 12 cents an hour to better positions paying up to 40 cents an hour.

Abramoff also is awaiting sentencing for corrupting government officials and their staff members. He made a name for himself on Capitol Hill by lavishing politicians with football tickets or whisking them away on faraway golf junkets, and thus became the face of government corruption.

If it were up to the Justice Department, however, Abramoff would not be heading to prison - at least not yet. He could hold the key to a sweeping corruption case involving Congress, members of the Bush administration and their aides, and prosecutors said putting their star witness behind bars would impede the investigation.

But a Miami federal judge refused to delay the sentence, meaning Abramoff's cooperation will have to continue from prison, where he will be inmate No. 27593-112. Abramoff's lawyers had no comment.

Abramoff was originally assigned to a federal prison in Pennsylvania about four hours away from Washington. Prosecutors wanted him assigned, instead, to the prison here, which is about two hours away.

Abramoff enjoyed access and influence across Capitol Hill, from his close ties to congressmen to his hundreds of contacts with White House officials. He kept his powerful friends flush with campaign cash, gifts and trips such as a $92,000 chartered jet to Scotland for a golf outing with Representative Bob Ney, Bush administration official David Safavian and congressional aides.

Ney, an Ohio Republican who recently resigned, became the first congressman convicted in the case when he admitted last month that he took official actions on behalf of Abramoff's lobbying clients in exchange for his gifts and campaign donations.

The investigation had already ensnared Ney's former chief of staff as well as two aides to former House Majority Leader Tom DeLay. The investigation cost DeLay his leadership seat before he ultimately resigned, and it contributed to the Election Day defeat of Republican Senator Conrad Burns of Montana.

Safavian was sentenced in October to 18 months in prison for lying to investigators about his ties to Abramoff. He is asking a federal judge to postpone his sentence until he can appeal his conviction.

Burns, who received about $150,000 in Abramoff-related donations and whose aides traveled on the lobbyist's jet to the 2001 Super Bowl, has denied any wrongdoing. Though two of DeLay's aides have pleaded guilty, the former majority leader maintains his innocence and has not been charged.

Also under scrutiny are Representative John Doolittle, a California Republican, who accepted campaign money from Abramoff and used the lobbyist's luxury sports box for a fundraiser without initially reporting it, and former Deputy Interior Secretary Steven Griles, who senators and a former colleague said gave preferential treatment to Abramoff and his Indian tribe clients.

Abramoff Begins Serving Sentence At Maryland Prison (LAW)

By Anna Palmer, Legal Times

Legal Times, November 16, 2006

Disgraced lobbyist Jack Abramoff reported to prison Wednesday in Cumberland, Md., to begin serving a sentence of almost six years for defrauding banks of $23 million when buying a Florida casino cruise line in 2000.

Abramoff also faces jail time after pleading guilty in Washington to fraud, tax evasion and conspiracy to bribe public officials. Justice Department lawyers have put off Abramoff's sentencing related to those charges, citing his cooperation with the department's ongoing corruption probe. He is expected to be sentenced in that case next year.

Although Abramoff was originally supposed to report to prison in Pennsylvania, the Justice Department intervened in late October, suggesting the Federal Correctional Institute in Cumberland as its preferred choice. Located in western Maryland, the medium-security facility is within driving distance of Washington, allowing federal prosecutors easy access to Abramoff.

Abramoff was sentenced in March by U.S. District Judge Paul Huck in the Southern District of Florida after pleading guilty to wire fraud, conspiracy to commit wire fraud, and mail fraud. He was also sentenced to three years of supervised release.

Abramoff's lawyers, from Chadbourne & Parke, declined to comment Wednesday.

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Abramoff, formerly a top lobbyist at Greenberg Traurig's D.C. office, is at the center of a lobbying scandal that has already ensnared six other lobbyists and government officials, including former Rep. Robert Ney, R-Ohio, who pleaded guilty to criminal fraud charges in September.

Four of the six have pleaded guilty to bribery charges: Abramoff business partner Michael Scanlon, a former staffer to then-House Majority Leader Tom DeLay, R-Texas; Neil Volz, former chief of staff to Ney; Abramoff's Florida business associate Adam Kidan; and former Alexander Strategy lobbyist Tony Rudy. David Safavian, former chief procurement officer for the Office of Management and Budget, was convicted in June of making false statements and obstructing justice in connection with his work with Abramoff. He was sentenced to 18 months in prison last month.

Abramoff, former Greenberg Traurig lobbyists Jon Van Horne and Neil Volz, and former head of the Christian Coalition Ralph Reed Jr. still face a suit in Texas brought by the Alabama-Coushatta Tribe of Texas in July for allegedly defrauding the tribe, which had hired Abramoff to assist in keeping its gaming operation open.

Another Guilty Plea In 2002 Phone-jam Case (MANUL)

By John Distaso, Senior Political Reporter

Manchester (NH) Union Leader, November 15, 2006

Concord – A third conspirator has agreed to plead guilty to federal criminal charges in connection with a Republican operation that jammed Democratic get-out-the-vote telephone lines on election day, 2002.

Shaun Hansen, whose former telemarketing firm placed the hundreds of line-jamming calls after being hired by a Republican operative, admits violating federal statutes outlawing telephone harassment and conspiracy to commit telephone harassment.

He faces maximum penalties of $250,000 and five years in prison for the harassment charge and a fine of $250,000 for the conspiracy charge. But under an agreement filed in U.S. District Court in Concord this week, federal prosecutors agreed not to oppose Hansen's request for sentence reduction "based upon the defendant's apparent prompt recognition and affirmative acceptance of personal responsibility for the offense."

The Justice Department also agreed not to prosecute Hansen on any additional charges.Hansen owned the former Idaho-based Mylo Enterprises, a telemarketing firm that was paid $2,500 by GOP consultant Allen Raymond to place hundreds of hang-up calls to five Democratic Party offices and the Manchester firefighters union headquarters to jam their get-out-the-vote and rides-to-the-polls telephone lines. The operation proceeded for about 90 minutes on the morning of election day, 2002, before being called off by the former GOP state chairman.According to previous court documents and testimony, Raymond was hired by former state Republican executive director Charles McGee for $15,600 to find a firm to make the calls. McGee and Raymond also spoke with former Republican National Committee official James Tobin about the operation, according to court documents and testimony.

McGee and Raymond pleaded guilty to harassment and conspiracy charges and served seven and three months in prison, respectively. Tobin was convicted by a jury a year ago on federal conspiracy charges and is free pending appeal.

Hansen's plea agreement was filed less than three weeks before he was to stand trial on Dec. 5.

A civil suit filed by the state Democratic Party against the state Republican Party, the Republican National Committee and other GOP entities and officials is pending in state Superior Court. Democrats are trying to discover whether national GOP figures had any involvement in the phone-jamming operation, while Republicans say the suit is a political stunt meant to embarrass the party.

State Democratic Chair Kathy Sullivan yesterday called Hansen's plea "a sad reminder of the type of politics rejected by the voters last Tuesday," when Democrats registered major victories on Capitol Hill and in New Hampshire.

Judge Sentences TV Advertiser To 86 Months For Selling Faulty Computers (AP)

By Maryclaire Dale, Associated Press Writer

AP, November 16, 2006

(AP) - PHILADELPHIA-A TV pitchman who defrauded customers, banks and vendors out of $39 million by selling them faulty computers was sentenced to more than seven years in prison by a judge who called his conduct "unforgivable."

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George Capell, 51, continued to scheme until the end, tapping a secret bank account even after his bankruptcy and guilty plea to indulge a taste for strip clubs, fancy cars and a Florida condominium, authorities said.

"This to me is unforgivable," U.S. District Judge Anita B. Brody said Tuesday in handing down an 86-month sentence, near the top of the sentencing guidelines.

Capell's lawyer, Scott DiClaudio, blamed the losses on "a failed business model."

After seeing Capell's TV infomercials, some customers spent upward of $2,000 apiece on computer systems that arrived, if at all, with broken or missing parts. Many of the customers were disabled or unemployed, and needed the computers to find jobs, the judge said.

Others lived in rural areas far from an electronics store, and were forced to buy computers sight unseen, said bankruptcy court trustee Lawrence Lichtenstein.

The bilked customers, from more than a dozen states, have received restitution of 25 cents on the dollar, Lichtenstein said. He hopes to eke out another 10 cents on the dollar for them through the sale of Capell's condominium and half the proceeds of Capell's $1 million home.

Capell's wife Lynn is entitled to the other half of the house proceeds. She was in court Tuesday with the couple's three children, ages 20 through 23.

"I'm truly sorry for those people that were hurt in this case. I thought I could make it work, but I was wrong," Capell told the judge.

Capell pleaded guilty to 41 fraud and money laundering counts in April. His company, which did business as the Video Computer Store, ran a call center and warehouse from 1999 to 2001.

Capell was ordered to pay nearly $32 million in restitution, but Lichtenstein doubts victims will see anything close to that amount, even after Capell leaves prison. The trustee has recovered just over $1 million so far.

Capell's chief financial officer, Patrick Buttery, pleaded guilty to similar crimes and is scheduled to be sentenced on Jan. 30.

Authorities Form Multinational Unit To Hunt Pedophiles (USAT)

By Donna Leinwand

USA Today, November 16, 2006

WASHINGTON — U.S. agents are joining authorities in Canada, Britain and Australia to form a global police unit that will help monitor the Internet for child molesters who seek victims online.

Law enforcement representatives from each country met here Wednesday to discuss the program, one of the latest in a series of initiatives aimed at countering the rising number of ways in which pedophiles and pornographers use the Internet to harm children.

Under the program, known as the Virtual Global Taskforce (VGT), agents from each nation will take turns monitoring a London-based website (www.virtualglobaltaskforce.com) that responds to reports from youths and others about suspected predators, says VGT Chairman Jim Gamble, chief executive officer of the United Kingdom's Child Exploitation and Online Protection Center.

Investigators can immediately trace a suspect's location through his Internet connection and contact a local police agency to further investigate the case or make an arrest, Gamble says. As authorities have done in anti-child-pornography programs, VGT investigators also will go undercover in chat rooms and on websites where pedophiles are likely to be, he says.

The VGT is one of dozens of ways police and child protection groups try to catch predators and stem the trade in pornographic photos of children. The groups work with Internet service providers and credit card companies to identify websites used to trade such photos. Congress has boosted funding for investigations and prosecutions aimed at child porn.

VGT has operated in Britain and Australia since January 2005. U.S. authorities have been involved in planning the site since the concept arose in 2002 but have not been full participants. U.S. Immigration and Customs Enforcement (ICE) will staff the U.S. part of the operation beginning in January from the agency's cybercrime center in Virginia, ICE Assistant Secretary Julie Myers says.

Youths and others can report suspicious conversations or contacts to the VGT's website. Several popular chat sites feature the VGT's icon, so people can link immediately to the site to file a report, Gamble says. The website fielded 2,000 reports in the first six months of 2006, he says, more than 75% of which came from children.

The first online offender caught through the global policing program was sentenced June 22 to nine years in prison in England. Lee Costi, 21, of Haslemere, Surrey, pleaded guilty to sexual activity with a child, making indecent images of children, possessing more than 40 such images and several other charges.

According to the Nottinghamshire police in England, Costi was arrested after a teenage girl whom Costi had approached in a chat room had reported the information to the VGT website. Clive Michel, spokesman for the U.K.'s Online Protection Center, says investigators tracked down Costi and the case led authorities to identify at least one other pedophile in Eastern Europe.

In another case, U.S. authorities received information about a man in England who said in a chat room that he planned to molest children, ICE spokeswoman Jamie Zuieback says. U.S. authorities shared the information with VGT investigators. U.S. and British investigators quickly traced the man's location, and British police arrested him at his house, where they found child pornography, she says.

"VGT is the multinational, online police station," Gamble says.

"We really need to ignore the territorial boundaries because the Internet doesn't have territorial boundaries."

Judge Rejects Challenge To Evidence In Cuban Agent Case (AP)

AP, November 16, 2006

MIAMI - A federal judge refused Wednesday to throw out a lengthy statement given to the FBI by a college professor charged along with his wife with acting as illegal agents of Cuba's communist government.

U.S. Magistrate Judge Barry Garber, whose recommendation must be approved by another judge, ruled that Florida International University psychology professor Carlos Alvarez gave the statements voluntarily, was free to leave the FBI interviews any time and was never promised immunity from prosecution.

The statements Alvarez gave to the FBI in summer 2005 are the cornerstone of the federal case against he and his wife, Elsa, also an FIU employee. They were arrested in January on charges of failing to register with the U.S. as agents of Cuban President Fidel Castro's government and have pleaded not guilty.

Transcripts of the statements show that Alvarez admitted to decades of involvement with Cuba. Prosecutors say they spied for Cuban President Fidel Castro's government, mainly on activities of Cuban exiles and prominent people in Miami and on U.S. political developments and public opinion.

Alvarez testified during hearings in August that he viewed himself as a "collaborator" with the Havana government but not as foreign intelligence agent. Prosecutors also have evidence from telephone wiretaps and at least one listening device placed in the Alvarez's Miami home.

Alvarez's lawyer will have a chance to contest the ruling before U.S. District Judge K. Michael Moore, who is overseeing the case, issues a final decision.

Officials Cannot Confirm Whitey Bulger 'Sighting' (BOS)

By Shelley Murphy, Globe Staff

The Boston Globe, November 16, 2006

The tip sounded like a scene out of a movie: Fugitive gangster James "Whitey" Bulger was believed to have been spotted at a San Diego theater last month, checking out Jack Nicholson's portrayal of him in the new gangster film, "The Departed."

A deputy sheriff's belief that he trailed the Bulger look-alike from the theater on Oct. 6 before losing him on a trolley sent the FBI and San Diego police scrambling to review surveillance tapes from the theater and surrounding area, according to law enforcement officials.

But yesterday, the US attorney's office in Boston, which is overseeing the hunt for Bulger, 77, one of the FBI's 10 Most Wanted, said the sighting remains uncorroborated.

"Bulger Fugitive Task Force investigators have reviewed all relevant material related to the recently reported sighting of James Bulger in San Diego," Robert Krekorian, executive assistant US attorney, said in a prepared statement.

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"At this time, no one has concluded that the individual in question is, in fact, James Bulger."

Krekorian added that, as with every lead in the manhunt, all "logical and appropriate investigative steps" are being taken to follow up on the sighting.

Bulger, a longtime FBI informant, fled before his 1995 racketeering indictment and has since been charged with 19 murders.

The last confirmed sighting of the South Boston crime boss was in London in September 2002, according to the FBI.

There was another reported sighting in California, which the FBI said it never resolved.

In January 2000, Bulger and his girlfriend, Catherine Greig , were allegedly seen at a hair salon in Fountain Valley, Calif., less than 100 miles from San Diego.

Feds To Be On Alert At Whitey Galpal's Mom's Burial Today (BOSH)

By Laurel J. Sweet

Boston Herald, November 16, 2006

The South Boston mother of James "Whitey" Bulger's girlfriend, Catherine Greig, will be laid to rest today, presumably never to know if her fugitive daughter is dead or alive.

Jenit L. Greig, 78, died Monday. A memorial service will be held this morning at the O'Brien Funeral Home in South Boston. Sources said federal authorities, who have been hunting for Bulger and Greig nearly 12 years, will be watching.

Meanwhile, Whitey watchers are debating the authenticity of an alleged San Diego sighting of America's most-wanted fugitive mob boss last month.

"Bulger Fugitive Task Force investigators have reviewed all relevant material related to the recently reported sighting of James Bulger in San Diego," executive Assistant U.S. Attorney Robert Krekorian in Boston said yesterday in a prepared statement.

"At this time, no one has concluded that the individual is in fact James Bulger."

An off-duty cop claimed he saw Bulger leave a showing of "The Departed" at the UA Horton Plaza 14 movie theaters in downtown San Diego, then board a trolley. Bulger was reportedly alone.

Theater manager Robert Livingston said the cineplex is less than 15 miles from the Mexico border. He said FBI agents in San Diego subpoenaed the theaters' security tapes.

"The Departed" stars Jack Nicholson as a psychotic South Boston Irish crime boss, believed to be based on Bulger, 77, a suspect in at least 19 murders.

Friends said Jenit Greig, whose now 55-year-old daughter Bulger took on the lam, was "a very nice, very quiet" woman.

Her sister, Iva Harrington, 81, declined to comment. Catherine Greig's twin sister, Margaret McCusker, did not return a call.

Peter Gelzinis, Howie Carr and Michele McPhee contributed to this report.

Official Admits Accepting Bribe (NSL)

By John P. Martin, Star-ledger Staff

Newark Star-Ledger (NJ), November 16, 2006

A former West Long Branch councilman yesterday admitted taking a $1,500 bribe in an FBI sting, the latest conviction in a long-running investigation of municipal corruption in Monmouth County.

Joseph DeLisa, 50, pleaded guilty to a single count of extortion during a hearing before U.S. District Judge William Martini in Newark.

Under questioning from Assistant U.S. Attorney Marc Larkins, DeLisa acknowledged taking the bribe in November 2003 from a cooperating FBI witness posing as a demolition contractor. He said he had been introduced to the contractor by then mayor Paul Zambrano.

In return for the money, DeLisa promised his support on no-bid township contracts.

Both men were among nearly 20 elected officials and businessmen in Monmouth County charged or convicted of public corruption since early 2005. DeLisa, a councilman since 1998, immediately resigned. Zambrano was the first to enter a plea more than a year ago; he admitted taking $15,000, but has not yet been sentenced.

DeLisa's plea was similar, but it left unresolved one of the most notable allegations in his case: that he also accepted payoffs from developers Jack Westlake and Jack Morris when Morris wanted to build a drugstore in the town.

Those accusations emerged in a new indictment last spring, when federal agents were intensifying their investigation into former state Senate President John Lynch, a close friend and business partner to both Westlake and Morris.

Lynch and Westlake have since pleaded guilty to unrelated tax and fraud counts. Morris has never been charged.

Larkins and Assistant U.S. Attorney Rachel Honig declined to comment yesterday on the alleged drugstore plan bribe.

DeLisa left the courtroom without commenting. His attorney, John McDonald, noted that the ex-councilman's plea didn't include any reference to the project or developers. He declined to say more, except that DeLisa isn't cooperating and hoped to put the case behind him.

West Long Branch Councilman Admits Taking Bribe (NSDY/AP)

Long Island Newsday, November 16, 2006

NEWARK, N.J. (AP) _ Former West Long Branch Councilman Joseph DeLisa admitted Wednesday that he took a $1,500 cash bribe in an Atlantic City hotel room from someone he believed to be a corrupt contractor seeking business with the borough.

DeLisa, 50, pleaded guilty to extortion, and could receive as much as 20 years in prison when sentenced in March.

A councilman from January 1998 through February 2005, DeLisa admitted that on Nov. 19, 2003, he met the man he believed to be a demolition contractor and accepted the cash from him.

DeLisa told U.S. District Judge William J. Martini that former West Long Branch Mayor Paul Zambrano introduced him to the contractor, who was actually an FBI cooperating witness.

DeLisa said he and Zambrano agreed that DeLisa would assist the contractor in obtaining demolition and other public contracts from the borough. Zambrano pleaded guilty to the same charge in August 2005, and is awaiting sentencing.

John Dougherty's Home Searched In Federal Probe (PHI)

By John Shiffman And Michael Currie Schaffer

The Philadelphia Inquirer, November 16, 2006

Federal agents executed a search warrant at the home of labor union leader John J. Dougherty last week as part of their tax-fraud investigation into a local electrical contractor, sources said.

The sources, who declined to be identified because the matter remains under investigation, said agents entered the South Philadelphia home of Dougherty, a possible 2007 mayoral candidate, early Friday morning.

Philadelphia FBI spokeswoman Jerri Williams said she could neither confirm nor deny the raid.

Dougherty's spokesman, Frank Keel, did not return repeated calls for comment.

Friday's search represents the most recent turn in the sprawling investigation of the contractor, Donald "Gus" Dougherty, who is a close friend of but no relation to John Dougherty.

The probe became public Jan. 28, when FBI, IRS and Labor Department agents raided Gus Dougherty's large home on Pierce Street.

As the investigation proceeded, it also shined a light on the well-connected contractor's dealings with several prominent city political figures - notably John Dougherty, who leads the local electricians' union. Until earlier this year, he also was the treasurer of the city's Democratic Party.

Sources said agents have asked whether electricians' union leaders knew about an alleged scheme by Gus Dougherty to avoid paying federal taxes and union health and pension payments by paying union electricians in cash.

They also said investigators have scrutinized financial transactions between the contractor and the union leader, including renovations at John Dougherty's home and the sale of a Jersey Shore condo by Gus Dougherty to John Dougherty.

Last spring, subpoenas also were issued to the city Redevelopment Authority and to the Pennsport Civic Association - both of which are led by John Dougherty. The Pennsport subpoena was reported by the Philadelphia Daily News.

John Dougherty has repeatedly said he did nothing wrong, insisting in a May interview that he "paid through the nose" for the home renovations because he told Gus Dougherty "to do it by the book."

"There has been no new development with regard to any matter involving my client," Gus Dougherty's attorney, Nicholas J. Nastasi Sr., said yesterday.

Over the years, Gus Dougherty's projects have included the 2000 Republican National Convention, Center City hotels, and the implosion of Veterans Stadium. He also did electrical work for a number of leading local Democrats, including U.S. Rep. Bob Brady and State Sen. Vincent J. Fumo.

Though allies had distributed bumper stickers and T-shirts touting his mayoral candidacy, John Dougherty has maintained a lower profile over the last few months. Aides say he was busy working behind the scenes on state political issues.

FBI Joins Johnson School Inquiry (LEXHL)

By Lee Mueller, EASTERN KENTUCKY BUREAU

Lexington Herald-Leader (KY), November 16, 2006

Ex-official's son paid while in jail

PAINTSVILLE - The FBI has joined a Johnson County grand jury investigation into allegations that a former school district finance director allegedly had her son on the system's payroll while he was in jail.

Peggy L. VanHoose, 56, of Tudor Key allegedly paid her son, Michael D. VanHoose, thousands of dollars between 2000 and 2005, although he spent 92 weeks of that time in the Big Sandy Regional Detention Center, according to jail records and a recent audit conducted for the school district.

Assistant Commonwealth's Attorney David Blankenship said yesterday that an FBI agent had contacted Johnson County prosecutors about the case.

An FBI agent in Pikeville identified by Blankenship could not be reached.

Meanwhile, a Johnson County grand jury is scheduled to meet Thursday to question witnesses, including new schools Superintendent Steve Trimble, a school board member and VanHoose's former payroll officer, Shelby Jean Coleman.

VanHoose, who was being paid $96,000 a year, had worked 33 years for the district. Board officials said they began an internal investigation shortly after Superintendent Orville Hamilton died of cancer in October 2005.

Trimble, who became superintendent of Johnson County schools on Jan. 1, was not in his office yesterday morning and did not return two phone calls.

A recent audit by a Paintsville firm, Wells & Company PSC, did not identify VanHoose's son by name, but reported that an employee -- with no record of being hired -- had been paid from Jan. 1, 2000, to Dec. 31, 2005, although Big Sandy Regional Detention Center records show he was in jail for 92 weeks during that time.

The Paintsville Herald reported recently that school district finance records show Michael VanHoose was paid $64,723.72 between Nov. 28, 2002, and Dec. 31, 2005. For the first 141/2 months of that period, he was incarcerated on drug charges, jail records show.

The district's records showed he received a pay raise while in jail in July 2003, the newspaper said. His two-week paychecks eventually rose from $675.68 to $961.42 by December 2005.

The audit report said no time sheets were submitted, but payroll checks were given to another employee and later cashed.

Peggy VanHoose was paid about $7,000 a month from July 2002 to August 2005, but her pay slowly decreased to $1,751 by March of this year, the paper said.

Coleman, 47, a tenured classified employee who had worked almost 20 years in VanHoose's office, was fired in May. She is challenging her dismissal, but a due-process hearing scheduled for this week was postponed after she was subpoenaed by the grand jury, said Michael Schmitt, a Paintsville attorney who represents the school district.

"We just want to see if the grand jury's going to wrap up its business soon or whether it's going to go on," said Coleman's attorney, Mary Ruble of Lexington. Hearing officer Bayard Collier has not yet rescheduled the hearing, she said.

Coleman has a high school General Educational Development certificate. Investigators say she was being paid $47,000 a year.

Reach Lee Mueller at (606) 789-4800 or at lmueller1@herald-leader.com.

NY Authorities Bring Down Huge Gambling Ring, Arrest Poker Player (AP)

By Tom Hays, The Associated Press

AP, November 16, 2006

NEW YORK (AP) — More than two dozen people, including a former professional baseball scout and a high-stakes poker player, were charged Wednesday in connection with a billion-dollar-a-year gambling ring that rivaled casino sports books.

The massive illegal betting scheme was orchestrated through a site called Playwithal.com, run by the poker player, James Giordano, 52, of Pine Crest, Fla., Police Commissioner Raymond Kelly and Queens District Attorney Richard Brown said.

A break in the case came last year when New York Police Department investigators secretly hacked into a laptop computer that Giordano had left in a Long Island hotel while attending a wedding, police said. He was arrested early Wednesday by FBI agents who had to scale the walls of his fortess-like Florida compound.

Also arrested was Frank Falzarano, 52, of Seaford, on Long Island, a one-time scout for the Washington Nationals and for the San Francisco Giants. He allegedly was a top earner in a network of 2,000 bookies who took more than $3.3 billion in cash wagers since 2004 from tens of thousands of customers nationwide.

"This is the largest illegal gambling operation we have ever encountered," Kelly said at a news conference. "It rivals casinos for the amount of betting."

Though the gambling ring relied on a Web site, it was different from the online betting operations targeted by recent federal legislation, said Deputy Inspector Brian O'Neill, who supervised the investigation.

The scheme involved placing sports bets through bookies, who would assign bettors a secret code to track their wagers and monitor point spreads and results through the restricted Web site. The bets were taken on all kinds of sports, including football, baseball, basketball, hockey, car racing and golf.

The defendants allegedly laundered and stashed away "untold millions of dollars" using shell corporations and bank accounts in Central America, the Caribbean, Switzerland, Hong Kong and elsewhere, Brown said. The prosecutor called the $500 million asset forfeiture case "among the largest such cases ever filed."

A total of 27 people in New York, New Jersey, Florida and Nevada were charged with enterprise corruption, money laundering, promoting gambling and other counts. Giordano had waived extradition in Florida and was expected to be arraigned next week; prosecutors did not have the name of his lawyer.

Falzarano, who was ordered held on $500,000 bail after pleading not guilty, "looks forward to defending himself in court," defense attorney Peter Tomao said.

In a statement, the Nationals described Falzarano as a part-time scout whose contract expired on Oct. 31 and was not renewed. The team declined further comment.

Charges also were brought against three companies that allegedly helped Giordano develop and secure the Web site: Primary Development Inc. of Farmingdale, N.Y., Prolexic Technologies Inc. of Hollywood, Fla., and Digital Networks, S.A., Inc. of Davie, Fla.

Search warrants executed in several locations resulted in the seizure of gambling records, computers and hundreds of millions of dollars in property, some of it stashed in a secret room concealed by a bookshelf in the Manhattan home of one of the suspects.

The property includes four Manhattan condominiums, millions of dollars in cash, tens of thousands of dollars worth of casino chips from the Bellagio casino in Las Vegas, jewelry, gold coins, and a football signed by the 1969 New York Jets following their Super Bowl victory. Also seized was original artwork by Peter Max and Salvador Dali.

Police launched an investigation last year after receiving a tip from a suspect in a separate organized crime probe. Over the next several months, detectives with computer expertise broke the code for the Web site and began electronic surveillance of the suspects.

Giordano "carried everything about the gambling enterprise on a laptop computer never let out of his sight, except when he left it at a hotel in Nassau County where he had returned this past June for a family wedding," Kelly said.

In the three hours that Giordano and his wife were at the wedding, investigators entered the hotel room with a warrant, found the laptop on a desk and made a digital copy of the hard drive without his knowledge, police said.

Giordano won a Texas Hold 'em tournament at the Bellagio worth nearly $100,000 earlier this year.

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Online Bookie Ring Has Link To Miami (MH)

The Miami Herald, November 16, 2006

It was the key to a billion-dollar-a-year illegal gambling kingdom: a laptop computer that authorities say was owned by a professional poker player from Miami named James Giordano.

Giordano, who rarely let the computer out of his sight, left it behind earlier this year in New York while attending a wedding, police said Wednesday. But in the three hours he and his wife were away from their Long Island hotel room, investigators armed with a search warrant and computer expertise sneaked in, found the laptop on a desk and made a digital copy of the hard drive.

The covert operation on June 15 helped unlock a sophisticated Internet-based gambling scheme that has taken in $3.3 billion in cash wagers from 40,000 bettors nationwide since 2004, authorities said. They announced charges against Giordano, 26 other defendants and three companies, including one in Hollywood and another in Davie.

"This is the largest illegal gambling operation we have ever encountered," said New York Police Commissioner Raymond Kelly. ``It rivals casinos for the amount of betting."

At first, FBI agents and Miami-Dade County police tried to trick Giordano, 52, into letting them onto his property. They phoned him from a call box next to the entrance gate of his walled Pinecrest estate, saying they needed to get in to catch a burglar. He said no.

Armed with arrest and search warrants, they then climbed over Giordano's four-foot wall and knocked on his front door. They arrested him about 6 a.m. Tuesday, and he was placed in police custody.

FBI spokeswoman Judy Orihuela said FBI agents also searched the South Florida homes of some other suspects and the offices of companies involved.

Arrested at his Long Island home in Seaford, N.Y., was Frank Falzarano, identified by prosecutors as a scout for the Washington Nationals baseball club. Falzarano, 52, allegedly was a top earner in a network of 2,000 bookies.

Prosecutors claim the ring ran gambling wire rooms in Miami and on the Caribbean island of St. Martin, where operators took bets and kept records. Bookies assigned clients a secret code to track their wagers and monitor point spreads and results through a restricted website, Playwithal.com. The bets were on all kinds of sports, including football, baseball, basketball, hockey, auto racing and golf.

SHELL CORPORATIONS

The defendants laundered and stashed away "untold millions of dollars" using shell corporations and bank accounts in Central America, the Caribbean, Switzerland, Hong Kong and elsewhere, said Queens, N.Y., District Attorney Richard Brown. The prosecutor called the $500 million asset forfeiture case ``among the largest such cases ever filed."

The 27 people in New York, New Jersey, Florida and Nevada were charged with money laundering and promoting gambling, among other counts.

Giordano waived extradition in Florida and is expected to be arraigned next week. Prosecutors did not have the name of his attorney.

Falzarano, who was ordered held on $500,000 bail after pleading not guilty, "looks forward to defending himself in court," said defense attorney Peter Tomao.

Charges also were brought against three companies that allegedly helped Giordano develop and secure the website: Primary Development of Farmingdale, N.Y., Prolexic Technologies of Hollywood, and Digital Solutions of Davie.

No officials at the companies would comment.

At Prolexic -- in the downtown Hollywood arts district on the fourth floor of the Harrison Executive Centre at 1930 Harrison St. -- at least three law enforcement officers were loading computer equipment from the company onto a dolly. When a reporter walked in, the officers shut and locked the door.

The companies face a fine of $10,000, or twice the amount of their illegal gains, prosecutors said.

The individual defendants face up to 25 years in prison if convicted.

VALUABLE POSSESSIONS

Search warrants resulted in the seizure of gambling records, computers and hundreds of millions of dollars in property, some of it stashed in a secret room concealed by a bookshelf in the Manhattan home of one of the suspects.

The property includes four Manhattan condominiums, millions in cash, tens of thousands of dollars' worth of casino chips from the Bellagio casino in Las Vegas, jewelry, gold coins and a football signed by the 1969 New York Jets following their Super Bowl victory. Also seized was original artwork by Peter Max and Salvador Dalí.

Police launched an investigation last year after receiving a tip from a suspect in a separate organized crime probe.

Over the next several months, detectives broke the code for the website and began electronic surveillance of the suspects.

Giordano won a Texas Hold 'em poker tournament worth nearly $100,000 at the Bellagio earlier this year.

Associated Press writers Tom Hays and Ula Ilnytzky, Miami Herald staff writers Jennifer Mooney Piedra, Jay Weaver and Bridget Carey and Bloomberg News Service contributed to this report.

Dozens Charged With Running Gambling Ring (WP)

The Washington Post, November 16, 2006

More than two dozen people, including a professional baseball scout and a high-stakes poker player, were charged yesterday in connection with a billion-dollar-a-year gambling ring that rivaled casino sports books.

The illegal betting scheme was orchestrated through a Web site called Playwithal.com, run by poker player James Giordano, 52, of Pinecrest, Fla., according to New York City Police Commissioner Raymond Kelly and Queens District Attorney Richard Brown.

A break in the case came last year when investigators secretly hacked into a laptop computer that Giordano had left in a Long Island hotel while attending a wedding, police said. He was arrested early yesterday by FBI agents who had to scale the walls of his fortress-like Florida compound.

Also arrested was Frank Falzarano, 52, of Seaford, N.Y., who was identified by prosecutors as a scout for the Washington Nationals and a former scout for the San Francisco Giants. He allegedly was a top earner in a network of 2,000 bookies who took more than $3.3 billion in cash wagers since 2004 from tens of thousands of customers nationwide.

The Nationals released the following statement: "The Nationals have no information nor any comment on any aspect of the legal proceedings announced today involving Frank Falzarano. Mr. Falzarano was a part-time scout who worked for an area scout, who is no longer with the club. Falzarano's contract with the Nationals expired on October 31 and was not renewed."

Though the gambling ring relied on a Web site, it was different from the online betting operations targeted by recent federal legislation. The scheme involved placing bets through bookies, who would assign bettors a secret code to track their wagers and monitor point spreads and results through the secured Web site. The bets were taken on all kinds of sports, including football, baseball, basketball, hockey and auto racing.

The defendants allegedly laundered and stashed away "untold millions of dollars" using shell corporations and bank accounts in Central America, the Caribbean, Switzerland, Hong Kong and elsewhere, Brown said.

A total of 27 people in New York, New Jersey, Florida and Nevada were charged with enterprise corruption, money laundering, promoting gambling and other counts.

-- From News Services and Staff Reports

27 Arrested In City's 'Largest' Betting Bust (NSDY)

By Rocco Parascandola, Staff Writer; Matthew Nestel And Staff Writer Luis Perez Contributed To This Story.

Long Island Newsday, November 16, 2006

City investigators were deep into a probe of rogue pharmacists when a tip turned into a 28-month-long investigation of a multibillion-dollar illegal sports betting operation that ended with the arrest of 27 suspects, authorities said yesterday.

Thanks to a tip, authorities closed the gambling ring that merged old-school tactics with the Internet and stretched from New York to Nevada and overseas, and took in $2.5 million a day in bets.

"This is the largest illegal gambling operation we have ever encountered," said Police Commissioner Ray Kelly. "It rivals casinos for the amount of betting: $3.3 billion over the last 28 months alone."

City authorities said there were 40,000 gamblers; about 2,000 bookies; and shell corporations as far away as Switzerland and Hong Kong.

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The suspects include the alleged mastermind, James Giordano, a high-stakes poker player; accused bookie Frank Falzarano, of Seaford, a scout for the Washington Nationals baseball team; and a suspected enforcer, Steven Tarantino, a Luchese family associate.Kelly said there is no indication Falzarano compromised the integrity of any Major League Baseball games. League officials have been notified of his arrest. "My husband is a good man. That's all I have to say," Falzarano's wife, Joan, 51, said.

The case was made, in part, when authorities downloaded information from the hard drive of Giordano's laptop computer, left at a Long Island hotel while he and his wife attended a June 17 wedding.

"We put a surveillance on him to make sure there were no errors," said police Deputy Insp. Brian O'Neill. "Then we brought his computer back, hooked it up as close as possible to the way he left it and walked out."

Giordano was arrested early yesterday by FBI agents in Pine Crest, Fla. Tarantino, 33, was arrested by police who found him hiding in the bathroom of his East 57th Street apartment.

The suspects in New York, New Jersey, Florida and Nevada have been charged with various counts of enterprise corruption, money laundering, gambling and conspiracy, according to Queens District Attorney Richard Brown, whose office is prosecuting the case because it started in that borough.

Seized were gambling records, about $6 million in cash, real estate and a football signed by the 1969 Super Bowl champion Jets. The operation differed from most online gambling sites because Giordano's Web site, playwithal.com - essentially a computerized bettor sheet - could only be accessed by those who had already established an in-person relationship with one of the suspected bookies, police said.

The parents of suspect, John Ducato, 47, of Deer Park, came to his arraignment yesterday. "He lives at home," said his mother, Jean Ducato. "He helps his parents every day."

Matthew Nestel and staff writer Luis Perez contributed to this story.

The book on Web bet ring:

28 month investigation

$3.3B wagered in that time

2,000 approximate number of people employed by the operation

$500M civil forfeiture action filed against 20 of the defendants

40,000 different people bet with this site

Queens district attorney's office

$3.3 BIL CASINO ROYALE (NYPOST)

By Todd Venezia,, Erika Martinez & Ikimulisa Livingston

The New York Post, November 16, 2006

November 16, 2006 -- A high-stakes poker player's bets were nothing compared to the gamble he took by running a staggering $3.3 billion Internet bookmaking operation - that was busted when cops cloned his computer hard drive, authorities said yesterday.

James Giordano, the reputed kingpin of the international online sports betting ring, was indicted in Queens Supreme Court along with 26 others - including a mob associate, a Major League Baseball scout and a Long Island Web designer - on a host of gambling and corruption charges.

"This is the largest illegal gambling operation we have ever encountered," NYPD Commissioner Raymond Kelly said. "It rivals casinos for the amount of betting."

Giordano is a big-money poker pro who has competed in the World Series of Poker and who in July won a tournament at the Bellagio casino in Las Vegas, which bagged him nearly $100,000.

Authorities said his luck actually turned bad a month earlier, when he attended a family wedding in Long Island on June 17.

While Giordano - who goes by the nickname "Dexter" - and his wife were at the ceremony, police executed a warrant in their hotel room. In the three hours they were gone, investigators seized his laptop computer and took it to another room, where they cloned the hard drive, then put the computer back in his room.

Giordano didn't know his computer had been tampered with, and kept using it. The gambler took extraordinary measures to hide his activities, such as getting a new cellphone each month, but didn't know his cloned laptop was allowing cops to watch all of his online gaming activities in real time - and to collect crucial evidence, authorities said.

That helped investigators unravel Giordano's ties to the some 40,000 customers who allegedly placed bets on football, baseball, golf and other sports with the help of a Web site called playwithal.com.

"It made for a much stronger case," NYPD Deputy Inspector Brian O'Neill said. "Everything was happening on that page with the log-in numbers being observed by the NYPD."

Giordano allegedly ran the operation from a walled $10 million Florida compound that was raided by the FBI yesterday. He was taken to the Miami-Dade County jail, where he was awaiting extradition to New York.

After the indictments were handed up in Queens, search warrants were executed around the country. Authorities said they pulled a total of $1.6 million in cash connected to the ring from closets, boxes and attics from numerous sites that were raided.

The searched property includes four Manhattan condominiums owned by two alleged members of the operation: Monte Weiner, 56, and his son Eric, 27.

Cops seized a treasure trove from the family, including jewelry, gold coins and artwork by Peter Max and Salvador Dali. Also among the swag were autographed photos of Yankee legends Mickey Mantle and Joe DiMaggio; a football signed by the 1969 New York Jets following their Super Bowl victory; and a bat used by Ted Williams.

Officials even seized tens of thousands of dollars in casino chips from the Bellagio.

Despite its high-tech online facade, Giordano's operation ran very much like an old-school, illegal sports-betting business, complete with some 2,000 bookies in almost every state who dealt in cash, police said.

And for those players who felt that they could get away with stiffing an online gaming operation, there was a team of goons on call to collect bets, cops said.

"At lower levels of the organization, they will sometimes use organized-crime associates as enforcers," O'Neill said.

"In one instance, a California man, who was late in paying a $129,000 debt . . . was told that two enforcers were on their way to the West Coast to 'slice your face,' " Kelly said yesterday. "He repaid the money without further encouragement."

The operation's many bookies would kick up money, Mafia-style, to "agents" who dealt in sums that rival the sports betting operation at major Vegas casinos, authorities said. The top agent was Donald Clark, who booked $652,000 in bets in one week alone, police said. Another alleged big earner was Frank Falzarano of Seaford, L.I., who officials said was a scout for baseball's Washington Nationals. He went by the code name "Z8300," and handled wagers at a rate of more than $8 million a year, cops said.

Clark was being held yesterday in lieu of $750,000 bail, while Falzarano posted $500,000 bail and was freed.

Despite Falzarano's participation in the betting ring, no baseball games were affected, cops said. The Nationals said in a statement that Falzarano was a part-time scout whose contract expired on Oct. 31.

Authorities said the ring even had "wire rooms" in Costa Rica and St. Maarten. It was busted in Queens because authorities there got wind of the operation while investigating a prescription drug resale scheme linked to the Bonanno crime family in 2005.

One of the people involved in the drug plot told officials about Giordano and his alleged gambling ring.

The ring used shell corporations and had bank accounts around the world, including Switzerland, the Caribbean and Hong Kong.

After members of the Russian mob allegedly launched a denial of service attack on the playwithal.com server, Giordano allegedly hired a Long Island Web design company called Primary Development and two Florida service providers to beef up security.

Authorities said that the leaders of the computer businesses knew who they were working for. So, in an unusual move, the three companies and Primary's CEO, Maurice Freeman, 37, of East Northport, L.I., were indicted as part of the scheme.

Once the site was buffed up, Giordano's operation started running smoothly, cops said. Over the 28-month period while they were under scrutiny by authorities, they took an estimated $3.3 billion in wagers.

The bettors allegedly used the playwithal.com Web site as a wager sheet to place their bets. They then paid their losses - or collected their winnings - in face-to-face meetings with their bookie, police said.

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The bookies paid up to the agents or runners, according to authorities. The runners allegedly paid up to a group of "money collectors," who included Steven Tarantino, 33, described by cops as a known associate of the Luchese crime family. Monte Weiner and three others were also accused of being "collectors."

At the top was Giordano, who allegedly left the day-to-day operations to his lieutenant - his son in-law Daniel Clarin, who was also indicted. Also charged were Gior- dano's wife, Priscilla Ann, and daughter, Melissa Clarin, Daniel's wife.

Because of the size of the ring, authorities are bringing a civil asset forfeiture case against the suspects worth half a billion dollars.

The busts marked the first time anyone has been charged under the new federal Unlawful Internet Gambling Enforcement Act, signed into law by President Bush last month.

Queens DA Richard Brown said that gambling online is a plague on the public.

"Internet gambling has been compared by some to the crack cocaine epidemic of the late '80s and early '90s," he said. "It's been said of Internet gambling that you simply click the mouse and loose your house."

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You Lose! 3B Ring Bashed (NYDN)

By Robert F. Mooreand Scott Shifrel, Daily News Staff Writers

New York Daily News, November 16, 2006

All bets are off on a $3.3 billion gambling operation that used the Internet, off-shore computer servers and good, old-fashioned mob muscle.

More than two dozen people were arrested and more than $7 million in cash was seized after police and FBI agents shut down the popular sports betting site Playwithal.com.

"This is the largest illegal gambling operation this department has ever encountered," said Police Commissioner Raymond Kelly at a press conference announcing the bust. "It rivals casinos for the amount of betting."

Among those nabbed was James Giordano, an ex-New Yorker and ranked professional poker player whom authorities identified as the gambling mastermind who ran the illicit operation from behind the walls of his fortresslike Florida compound. Also arrested was a Major League Baseball scout, a Web designer and a Luchese crime family associate.

The bust is the first since President Bush signed a law last month making it difficult for bettors to fund their Internet gambling accounts through U.S.-based credit cards or banks - although Playwithal.com relied on hard cash.

Traditional bookies would give bettors a secret code to use the Internet gambling site, authorities said. Bets were taken on all kinds of sports, including football, baseball, basketball, hockey, auto racing and golf - and at the end of each week, the bookies would pay off or collect from each client.

"They laundered and stashed away millions in winnings using shell corporations and bank accounts in Central America, the Caribbean, Switzerland and Hong Kong," said Queens District Attorney Richard Brown, who led the 28-month probe.

Prosecutors also seized hundreds of millions of dollars in cash and property as part of a civil forfeiture suit that seeks $500 million in damages.

Among the assets confiscated, Brown said, were four luxury Manhattan condos, a modern art collection and a football signed by the 1969 Super Bowl III champion New York Jets.

The artwork by Salvador Dali and Peter Max and the sports memorabilia were found in a secret room hidden behind a bookshelf in a Murray Hill condo.

Investigators said one of the biggest earners in the network of 2,000 bookies nationwide was Frank Falzarano, 52, of Seaford, L.I., a scout for the Washington Nationals and a former scout for the San Francisco Giants.

Authorities said the investigation of the sophisticated gaming operation began with a simple tip involving the attempted kidnapping of a gambler who owed a bookie $40,000.

From there, prosecutors eavesdropped on thousands of phone conversations and even broke into e-mail communications at the site's snazzy Web site. Bets also were taken by phone - but all wagers were ultimately recorded on computer servers in Costa Rica or St. Maarten.

"They were as savvy and adept in the use of computer technology as they were proficient in the art of secreting and laundering untold millions of dollars," Brown said.

Still, Giordano allegedly relied on old-fashioned mob muscle from Luchese family associate Steven Tarantino, 33, of Manhattan, and paid tribute to jailed ex-Bonanno family acting boss Anthony Urso, sources said.

A break in the case came last year when investigators secretly hacked into a laptop computer that Giordano had left in a Long Island hotel while attending a wedding, police said. On another occasion, investigators tapped Giordano's cell phone while he played in a January poker tournament at the Bellagio, made famous in the movie "Ocean's 11."

Giordano won a Texas Hold 'em tournament at the Bellagio worth nearly $100,000 earlier this year.

He was arrested early yesterday by FBI agents who had to scale the walls of his Pine Crest, Fla., compound.

"Troublesome is the fact that so many people today are involved in Internet gambling," Brown said. "You simply click the mouse and lose your house."

Campaign Gifts To Governor Probed (MH)

By Frances Robles

The Miami Herald, November 16, 2006

Puerto Rico's secretary of state has until Friday to produce documents relating to dozens of people and firms in the latest chapter of a monthslong federal probe of donations to a political campaign of the current governor.

The office of Secretary of State Fernando Bonilla has confirmed that it received a subpoena for all documents -- including checks, e-mails, faxes and handwritten notes -- on more than 60 individuals or companies tied to a handful of Philadelphia fundraisers.

The fundraisers helped collect campaign contributions for Aníbal Acevedo Vilá while he was resident commissioner -- Puerto Rico's nonvoting representative in Congress. Acevedo Vilá was elected governor last year.

TESTIMONY SOUGHT

Bonilla was ordered to appear Friday morning before a federal grand jury in San Juan but can avoid testifying in person by delivering the documents to the FBI, according to a copy of the subpoena published by the newspaper El Nuevo Día.

A spokesman for the FBI's San Juan office, Harry Rodriguez, said federal law prohibits him from discussing grand jury probes.

"The FBI has jurisdiction to investigate public federal election-law violations involving excessive campaign contributions, corporate contributions and conduit contributions made through third parties," Rodriguez said. ``It is not unusual for these illegal-contribution cases to be connected to schemes to corruptly influence elected officials."

According to media reports in Puerto Rico and Philadelphia, federal investigators are trying to determine whether "straw contributions" -- donations illegally made under another person's name -- were made in order to bypass federal campaign donation limits. A June report by the Philadelphia Inquirer showed that several Pennsylvania dental company employees listed as contributors on Acevedo's campaign finance reports had said they never gave money to the campaign.

The investigation also seeks to determine whether government contracts were steered to companies that helped fill Acevedo's campaign coffers.

"We understand the investigation is about some people from Philadelphia who at some moments made donations to Aníbal Acevedo Vilá's resident commissioner campaign, and federal authorities are trying to determine whether they did so in accordance with the law," Acevedo's spokeswoman, Juanita Colombani, said in an e-mail to The Miami Herald. ``The governor has not been notified that he is a target or subject of the investigation."

Several of the governor's current and former aides, including Colombani, have been subpoenaed to testify. Colombani said she testified before the grand jury and was questioned by the FBI at her house.

"All the donations the governor received for his campaign for resident commissioner were done legally and were reported to the Federal Elections Commission," she wrote. ``The governor has said and reiterates that he has never received or solicited a donation in exchange for anything."

PHILADELPHIA MEN

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The investigation so far has centered around Philadelphia dentist Candido Negron and his business associate, Robert M. Feldman, a Philadelphia Democratic Party fundraiser who once co-hosted a fundraiser for Acevedo Vilá.

Feldman and Negron are under scrutiny because they were seeking a contract from the island's government healthcare system for Doral Dental, a Wisconsin-based company that has paid them hundreds of thousands of dollars in commissions, the Inquirer reported.

Among the documents the grand jury requested are those relating to Feldman and 10 of his companies. Feldman's attorney, Henry E. Hockeimer, said Feldman and Negron were business partners who did consulting work for Doral Dental, also mentioned in the subpoena.

"Mr. Feldman never did business in Puerto Rico," Hockeimer said. He declined to comment further.

Attempts to reach Negron were unsuccessful.

Doral Dental spokesman Michael Pflugheoft said the company, which specializes in government contracts, has not done any business in Puerto Rico.

"We became aware of this through the media," he said. ``It isn't anything we're involved in."

The secretary of state was also ordered to produce records relating to prominent Philadelphia developer Kenneth N. Goldenberg. His spokesman Greg Reaves said the company received "a request for information" and cooperated.

`FISHING EXPEDITION'

The subpoena also listed Parkway Corp., a Philadelphia real-estate development company. Calling it a "fishing expedition," company spokesman Howard Trachtman said Parkway was issued a subpoena several months ago, despite not having done business on the island in more than a decade.

"I can tell you we did receive a subpoena, and we responded," Trachtman said. ``I don't know what they're looking for."

Vernon Mayor, Former City Administrator Charged With Corruption (LAT)

By Hector Becerra

The Los Angeles Times, November 16, 2006

Capping years of investigations into Vernon, Los Angeles prosecutors today filed public corruption charges that accused the small industrial city's longtime mayor of voter fraud and the former city administrator of using public funds for personal use.

The indictment came after decades of complaints by critics that the city south of downtown Los Angeles operates as a fiefdom by leaders, including Mayor Leonis Malburg, who has been in office for more than 50 years. He is the grandson of Vernon's founder.

Most of Vernon's homes are owned by Malburg, other council members and the city. Most of the 91 residents are city employees.

Prosecutors charged that Malburg has been fraudulently voting in Vernon elections, even though he has long lived in a posh estate in Hancock Park, 20 miles from the gritty city that is home to various manufacturing businesses and factories.

The district attorney's office charged that longtime city administrator Bruce Malkenhorst Sr. used $60,000 in city money for personal uses. Makenhorst was the highest paid city official in the state before stepping down two years ago, earning more than $600,000 a year for running a city of fewer than 100 people.

The charges mark the biggest challenge in decades to the reign of Malburg and his allies, who aggressively fought efforts to unseat them.

The indictment comes after a tumultuous election in which the city hired gun-toting private investigators to follow challengers seeking to unseat Malburg and the other council incumbents.

Prosecutors have been building their cases against the city officials for nearly a decade, but Vernon waged a long court battle in an unsuccessful effort to avoid turning over city records.

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In Murder Case, New Evidence But Same Cell (NYT)

By Jim Dwyer

The New York Times, November 16, 2006

More than two years ago, investigators from the Queens district attorney's office sat in Jaime Acevedo's living room and listened to him describe a night in 1992 — an instant, really — that has yet to end.

Mr. Acevedo, seen by the authorities as an ordinary, law-abiding, working man with no reason to lie, said that he knew the inside details on a little-noticed murder in Woodside, one that seemed to have been solved and settled long ago.

Investigators had never spoken with Mr. Acevedo or realized that he knew anything about the case. But in fact, Mr. Acevedo told them, he had unwittingly given the killer a ride to and from the murder scene. The man he named had never been connected or charged with the crime.

There was more.

Mr. Acevedo said the one person accused and convicted of the murder had nothing to do with it. That man, Joshua Rivera, sentenced to 37 years, had not even been present, according to Mr. Acevedo.

The story did not end there. The district attorney's investigators found another man who told essentially the same story as Mr. Acevedo: he, too, said that he had been in the car with the killer and that Mr. Rivera was not involved.

Two years later, Mr. Rivera, 36, is still serving time for the murder, and the man named as the real killer by the two new witnesses has not been charged.

In an era when DNA tests seem to have made unraveling convictions as easy as untying a shoe, Mr. Rivera's case is a reminder that the criminal justice system, by law and custom, generally resists the reopening of jury verdicts, at times even in the face of new evidence that seems strong.

It is also a vivid example of the discretion that prosecutors can exercise in not only bringing cases but also reviewing their outcomes.

After his appeals were exhausted, Mr. Rivera wrote to prosecutors to insist on his innocence. Starting in 2003, prosecutors in an unofficial unit that examined claims of "actual innocence" located the new witnesses, according to court papers.

After those prosecutors raised questions about whether the right man was in prison, the case was turned over to more senior prosecutors. They resisted Mr. Rivera's first request to overturn the verdict, saying that he and his lawyer could have found witnesses like Mr. Acevedo before his trial in 1995.

Now, however, as Mr. Rivera's advocates continue to press his cause, the district attorney's office has agreed to have the new evidence presented to a judge, who will consider whether it casts doubt on the verdict, a senior prosecutor in the Queens office said.

In particular, the judge will be asked to weigh whether the new evidence is strong enough to contradict the original testimony of two eyewitnesses who said that they saw Mr. Rivera do the killing. That senior prosecutor said he could not speak for attribution because the case is pending in court.

At its beginnings, the case seemed numbingly familiar, and simple.

On the morning of Sept. 19, 1992, a man named Leonard Aquino stood with another man in front of a building at 47-25 48th Street in Woodside. He was approached by a couple of men who spoke briefly, then opened fire. Mr. Aquino was killed; another man, Paul Peralta, was shot, but survived.

Mr. Rivera, whose nickname was Shorty 140, was known to many people in the building and had been in trouble before, including a conviction for gun possession.

His picture was picked out of an array of photos by Mr. Peralta and another witness, and in February 1993, five months after the shooting, Mr. Rivera was charged with killing Mr. Aquino and shooting Mr. Peralta. He was convicted in December 1995.

His efforts to overturn the case were supported by a friend who grew up with Mr. Rivera in Astoria, Sherman Jackson, who had competed with him in break dancing competitions. After a stint in the Marine Corps, Mr. Jackson became a prosecutor in the Queens district attorney's office.

Troubled by his old friend's assertion that he had been wrongly convicted, Mr. Jackson raised the question of Mr. Rivera's innocence in 2003 with his boss, Gregory Lasak, who was a homicide prosecutor and had also been involved in the exoneration of 20 innocent people.

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Based on a prison letter from Mr. Rivera, Mr. Lasak had already begun an investigation into Mr. Rivera's case, according to Mr. Jackson. As part of that review, investigators tracked down Mr. Acevedo and the second man, Kenny Chung, who said he was in the car with the killer that night in 1992.

Meanwhile, Mr. Jackson, who had gone into private practice, spoke with Mr. Peralta and learned that he was wavering on his identification of Mr. Rivera as the gunman. He also spoke with a neighbor who had given first aid to Mr. Aquino and Mr. Peralta. The neighbor said that Mr. Peralta had told her that it had all happened too quickly for him to recognize his attackers.

Mr. Lasak began serving as a State Supreme Court justice in 2004. Mr. Rivera is represented by Chris Renfroe, a private defense lawyer in Queens.

Mr. Renfroe said that he believed that when District Attorney Richard A. Brown focused on the details of the case, he would quickly move to resolve it in Mr. Rivera's favor.

Mr. Brown declined to comment on the case. But in the past, his staff had said that the case was not black and white. For one thing, Mr. Chung had consented to be interviewed only in the presence of a known gang member and had refused to identify the fourth person in the car.

Mr. Jackson, the former prosecutor and friend of Mr. Rivera's, said: "The time for delaying has ended. The prosecution could shine from this because justice goes both ways, putting people in jail and getting them out."

This week, Mr. Acevedo — who had no role in the trials and never spoke with the authorities until late 2004 — sat in a restaurant in Astoria and recalled the night of the murder.

He was 22 years old and had been working steadily in supermarkets and delivering advertising circulars since he was 14, which allowed him to buy the car that he drove into Manhattan that evening with three other men. One was Mr. Chung, who has also spoken with prosecutors about the events; the other two were acquaintances whom he knew only as Aid and Everlast.

After going to clubs, they returned to Queens near dawn. Mr. Acevedo said that his passengers directed him to pull over at 48th Street in Woodside.

The men he knew as Aid and Everlast got out of the car, and Mr. Acevedo said he stepped out a moment later. He estimated he was about five or seven car lengths away when they approached the door of the building. He heard shots, he said.

"I had no idea what was going to happen," Mr. Acevedo said. "I saw flashes off the wall of the building." The two men came racing toward him, and one of them dropped a gun in the curb and picked it up. They jumped in the car and fled the scene, he said.

Mr. Acevedo said he had no choice but to drive them away. "They had a gun and just shot someone," he said.

In the car, he said, they talked about how they had made the approach.

"They said they asked those guys for weed, that was the story, then Aim shot," Mr. Acevedo said. He dropped them at their homes in Elmhurst.

"Then I just drove around for two hours," he said. "My head was so full. I didn't belong with them. I was just being with people I didn't belong with. I never was a thug."

He currently holds a full-time, job, though he asked that it not be described. He has not had a girlfriend since the killing.

"I never got married, I never had kids, and these were my dreams," he said. "At holidays, Thanksgiving with my sisters, sitting there and everyone is having a good time, then you stop. This is in the back of your head.

"When you wake up in the morning, instantly, this goes through my head," Mr. Acevedo said. "To this day. I don't even have to fully wake up. Instantly. Every day."

Simpson Revisits Infamous Case (LAT)

By Robin Abcarian And Martin Miller

The Los Angeles Times, November 16, 2006

HOLLYWOOD — The two abiding emotions that characterized the O.J. Simpson double murder case -- revulsion and fascination -- surfaced again this week when, just in time for November television sweeps, Simpson revealed that he will take part in a two-part Fox television special and release a book that will address how he might have killed his ex-wife, Nicole Brown, and her friend Ron Goldman.

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"If I Did It," is to be released Nov. 30 by Regan, an imprint of HarperCollins, which is owned by Rupert Murdoch's News Corp. Another division of News Corp, the Fox network, will air a two-part interview with Simpson, conducted by his publisher, Judith Regan, on Monday, Nov. 27 and Wednesday, Nov. 29. In the book and the interviews, according to a statement from HarperCollins, Simpson will give a "bone-chilling account of the night of the murders," which took place on June 12, 1994.

"I'm going to tell you a story you've never heard before, because no one knows this story the way I know it," Simpson writes in the publisher's release. "I want you to forget everything you think you know about that night, because I know the facts better than anyone."

As condemnation flowed from victims' families, publishers, broadcasters, bloggers and others involved in the sensational criminal case, Regan defended her decision to publish the book. . "It's not fiction," she said Wednesday evening at a dinner for the National Book Awards in New York. As to whether Simpson would agree with that, she replied, "I don't know." She sidestepped questions about whether the former football star had approached her, or the other way around, and how he might be paid. But she acknowledged the torrent of criticism already directed at the joint television-book project.

"I think the media has spun it in the wrong direction," said Regan. "When they see the special and when they read the book and hear about why I did it, why I think this is an important moment, I think they'll have a different viewpoint."

Simpson, who was acquitted of murder, was found responsible for the killings in a subsequent civil trial. The televised trial deeply divided the U.S., often along racial lines, changed the way crime scenes are handled and spawned a new category of TV personality -- the courtroom legal analyst.

One such pundit, Dan Abrams, who provided legal analysis on the Simpson case for Court TV and "The Today Show," noted that Simpson's apparent willingness to discuss how he would have committed the murders is a tack he has used before. "This is vintage O.J. Simpson," said Abrams, who is now general manager of MSNBC. "My guess is that there's more talk of golf and his kids than there is about how the killer may have committed this crime," he said. "I think it will probably do pretty well, because I do think there's still a fascination with him. But I don't think it's going to be a lockbuster night the way it would have been 10 years ago. I think there's a little O.J. fatigue. "

Others familiar with the tragic public soap opera also said that little, if any, new information is likely to come to light in a case that has been the source of exhaustive coverage and speculation and generated scores of books, television programs and even re-enactments.

In the past, even Simpson has speculated about his own guilt. "Let's say I committed this crime," he told Esquire magazine in 1998. "Even if I did do this, it would have to have been because I loved her very much, right?"

The family of Nicole Brown Simpson expressed outrage. "It's unfortunate that Simpson has decided to awaken a nightmare that we have painfully endured and worked so hard to move beyond," said Denise Brown, Nicole's sister, in a statement. "We hope Ms. Regan takes full accountability for promoting the wrongdoing of criminals and leveraging this forum and the actions of Simpson to commercialize abuse."

Their view was echoed by Ron Goldman's father, Fred, who has continued to pursue collection of the $33.5 million judgment that was levied in 1997 against Simpson by a civil jury that found him responsible for the murders. To date, the family has only been paid a couple of thousand dollars in proceeds from items seized from the former football player and sold at auction. According to Daniel Petrocelli, who represented the Goldmans in the civil trial, the debt has grown close to $40 million now, with interest.

Petrocelli doubts that the families will receive any of the money Simpson will earn from the project.

"It is an all-time low for television," said Goldman. "To imagine that a major network would put a murderer on TV to have him tell how he would murder the mother of his children and my son is beyond comprehension."

Goldman said he thinks the outrage should extend to the entire Fox network. "Send a message to Fox that if Fox believes their viewers want this kind of trash on television, they must not think very highly of their viewers," Goldman said.

Fox television executives declined to comment on the broadcast.

Two weeks ago, in his most recent attempt to collect the debt, Fred Goldman was rebuffed in a Santa Monica courtroom when he sought control over the rights to Simpson's name, image and likeness.

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Goldman's current attorney Jonathan Polak said he plans to appeal the ruling. He expressed indignation that Simpson could profit from the very murder that he has long denied, and blasted those who would profit from Simpson's story.

From a legal perspective, said experts, even if Simpson confessed to the double murder, he could not be tried again. Under the legal concept of double jeopardy, a person may not be charged with a crime for which he has already been acquitted.

The controversy and attendant publicity may guarantee what Fox hoped for all along -- big ratings at a critical period when advertising rates are being determined. Media observers likened the move to ABC's 2003 interview with Michael Jackson about allegations of child molestation, which drew some 27 million viewers.

"This is an old-fashioned sweeps stunt pure and simple," said Brad Adgate, research director for the ad-buying firm Horizon Media.

"There's going to be a high curiosity factor to watch it."

Times staff writers Greg Krikorian, Matea Gold, Paul Lieberman and Maura Dolan contributed to this report.

CIVIL LAW:

Unions Object To New Bonus Plan For Dana Executives (AP)

By Marc Hopkins, The Associated Press

AP, November 16, 2006

WASHINGTON (AP) — Unions representing Dana Corp. employees say its proposal to pay millions to executives while it plans to cut health care and retiree benefits should be struck down.

"It is precisely this double standard — insulating executives from the consequences of bankruptcy while workers must cope with harsh, draconian consequences — that Congress sought to eliminate" with the a recent bankruptcy reform act, the unions said in court papers.

The joint objection from the United Autoworkers and United Steelworkers unions comes in the midst of Dana's renewed efforts to get bankruptcy court approval for a long-term incentive plan.

Dana, of Toledo, Ohio, makes axles, frames and other large components for cars and commercial trucks and is highly dependent on customers General Motors Corp. and Ford Motor Co.

The company is one of at least a half-dozen large U.S. auto-parts companies that have fallen into bankruptcy due to production cutbacks by the country's biggest auto makers.

Under the proposal, Dana Chief Executive Michael J. Burns will receive up to $4.5 million during 2007 and up to $2.25 million in 2008. The payments are tied to the achievement of various earnings benchmarks. The payments aren't guaranteed.

The company said five other top managers would share a bonus pool of up to $3.18 million in 2007 and would be entitled to a pool of at least $1.59 million the year after.

Dana's latest proposal is a step down from a previous plan that entitled Burns to $9.1 million over the next few years, including a $6 million bonus once the auto-parts supplier emerged from bankruptcy protection.

The company's official committee of unsecured creditors filed papers Tuesday supporting the proposal saying it links the performance of top managers to the interests of creditors.

Creditors said the plan motivates executives to minimize the amount of claims against the company. If allowed unsecured claims exceed $2.85 billion, the incentive bonuses to management will decrease.

Dana stressed that incentive payments aren't assured, and that the earnings targets will require management to "stretch" to achieve better operating results.

But the unions don't buy that argument. They said Dana failed to offer any evidence supporting the challenges faced by executives. They also didn't view performance targets as hard to achieve.

The timing of Dana's proposal is also inappropriate the unions said. It coincides with the company's recent announcement to close eight plants in North America in addition to eight other locations targeted for closure under the company's restructuring effort.

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The latest proposal is Dana's second attempt to get Judge Burton Lifland to sign off on the bonus plan. He denied the first plan on Sept. 5, saying it clashed with provisions of the 2005 bankruptcy law. Those provisions allow retention bonuses only if the employee has a competing offer for equal or higher pay.

At the time, Dana's bonus request was widely viewed as a litmus test for Section 503(c) of the Bankruptcy Abuse Prevention and Consumer Protection Act, enacted a year ago.

The Justice Department has consistently opposed Dana's efforts, and in court papers Tuesday, U.S. Trustee Diana G. Adams said the company again failed to meet the requirements for bonus payments under the reform act.

Lifland will consider Dana's executive compensation package during a Nov. 21 hearing at the U.S. Bankruptcy Court in Manhattan.

CIVIL RIGHTS:

Suspect In LAPD Excessive Force Probe Enters Plea And Is Released (LAT)

By Peter Y. Hong And Patrick Mcgreevy, Times Staff Writers

The Los Angeles Times, November 16, 2006

The man who was repeatedly punched by a Los Angeles police officer on a video circulated on the Internet struck a plea bargain Wednesday and was released from jail.

William Cardenas, 23, pleaded no contest to a misdemeanor charge of resisting, delaying or obstructing an officer. He had been in custody since his arrest Aug. 11, after he ran from police in Hollywood, who said he had been drinking a beer in public.

Video of the arrest posted on YouTube.com showed Cardenas lying on his back and taking punches to the face from one officer as another officer sat on his stomach. In exchange for his plea to the misdemeanor, prosecutors dropped two felony charges of resisting officers.

Cardenas' lawyer, B. Kwaku Duren, said he had offered the plea bargain to prosecutors two months ago but had not heard back from them. He attributed the plea agreement to the publicity stemming from the video.

Asked whether the video had led to the deal, Deputy Dist. Atty Michael Yglecias said: "I would be lying if I said it didn't. Obviously it was part of the evidence we considered."

LAPD Chief William J. Bratton told Patt Morrison in an interview on KPCC-FM (89.3) that he did not think the release of the video, and the widespread exposure that followed, had an effect on Cardenas' getting a reduction in charges.

"Not at all," he said. "If anything, the video would show he resisted arrest."

Bratton said plea bargains were "something done in the majority of cases in Los Angeles," he said. "I think it's probably an effort on the part of Mr. Cardenas to get out of jail."

Bratton noted that a judge had previously held Cardenas over for trial. "Police work is never pretty, particularly when you have people resisting arrest," the chief said.

He added that the district attorney's office was continuing its criminal investigation of the matter and that the LAPD was continuing the administrative investigation to see if the department had complied with its own policy.

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Video Arrest Subject Pleads No Contest (NSDY/AP)

By Associated Press, November 15, 2006, 7:50 Pm Est

Long Island Newsday, November 16, 2006

William Cardenas, 23, was sentenced to three months already served in jail and placed on three years of probation.

The video footage posted on the Web site YouTube.com showed the arrest of Cardenas, an alleged gang member. Two Los Angeles officers can be seen holding him down on a Hollywood curb as one punches him several times in the face.

The clip caused a sensation, with 155,000 views, and eventually prompted the FBI and the Los Angeles Police Department to investigate.

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Police said Cardenas had been wanted on charges of receiving stolen property when they confronted him Aug. 11.

In an arrest report obtained by The Associated Press, the officers said they tried to arrest Cardenas after spotting him on a sidewalk, but he fled.

The officers caught up to him, tripped him and swarmed over him to apply handcuffs, the report said. In their report, they admitted hitting him repeatedly in the face, saying he was resisting and that they feared he might grab one of their guns.

Cardenas' attorney, B. Kwaku Duren, accused the officers of using excessive force.

LAPD Officers Cleared In Arrest Probe (AP)

AP, November 16, 2006

(AP) - LOS ANGELES-A district attorney's investigation has cleared police officers of wrongdoing in a videotaped incident in which a transient in handcuffs was apparently pepper-sprayed in a police car, police Chief William Bratton said Tuesday.

The February 2005 incident came to light this week when the videotape, shot by a citizen, was released by the man's attorney.

The tape of Benjamin Barker's arrest surfaced on the heels of an 18-second video showing a Los Angeles officer repeatedly punching a suspect in the face while another officer tried to handcuff the man during a struggle on a Hollywood street on Aug. 11.

At a news conference, Bratton cited a Nov. 15, 2005, decision by the Los Angeles County district attorney's office in which prosecutors declined to file any charges against officers in the arrest of Barker, who had been in a scuffle with a Venice merchant.

"Examination of the videotape clearly shows (the officers) did not use excessive force on Benjamin Barker, nor did they assault him under color of authority," Bratton said, quoting the decision. "The officers showed remarkable restraint and demonstrated professional courtesy to Barker despite his belligerent, threatening and combative behavior."

The Los Angeles Times reported Tuesday that the tape shows an officer take pepper spray out of a holster, then raise it toward Barker's face, but the actual spraying is obscured by shadows.

The report found that Barker kicked at one officer, lunged toward another, "battered" another officer by spitting on him, and then vandalized the police car, Bratton said.

"The officers used that degree of force necessary to restrain Barker and maintain custody of him," the chief said, quoting from the decision.

Barker has since pleaded guilty to misdemeanor battery on the shopkeeper.

Barker's attorney, John Raphling, told the Los Angeles Times that Barker was whining and crying on the tape, "but he is not being aggressive or threatening" to the officers. Messages seeking comment were left Tuesday by The Associated Press, but were not immediately returned.

The district attorney's office also concluded that reports by two officers that said the pepper spray was administered outside the car were mistaken recollections and not intentional misstatements of fact.

The chief noted that a court commissioner who held a hearing in the separate Hollywood arrest also found the officers in that case did nothing wrong because that suspect was resisting.

But the chief said administrative reviews of whether officers in both incidents violated departmental policies or procedures had yet to conclude. He said his decision in the Barker arrest would be made soon.

More Racist Graffiti Reported In Charles (WP)

By Dan Morse, Washington Post Staff Writer

The Washington Post, November 16, 2006

Church Defaced Again in Latest Case

Local and federal investigators continued this week to probe a string of racist graffiti incidents in Charles County, the latest one occurring at an African American church that had received a bomb threat a week before.

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Members of Zion Baptist Church in Welcome spotted the latest graffiti when they arrived for Sunday morning service. Someone had used bright orange paint to spray "KKK," "White Power" and "Bang Boom" on a roadway leading to the church's parking lot. The graffiti had been painted that morning or the day before, according to the county's sheriff's office.

On Nov. 5 someone called the church with a bomb threat. Two Charles deputies and their dogs went to the church but found nothing during a sweep of the building and grounds. Investigators said they believe the threat was made from a pay phone at Best One Food Stores in Seat Pleasant, which is in Prince George's County near the D.C. line.

Sheriff's office investigators said they believe the "Bang Boom" graffiti was a reference to the bomb threat, but they don't know if it was done by the same person or by someone who heard or read about the threat.

The weekend's graffiti was not the first such incident at the church. On Sept. 10, sheriff's deputies responded to an alarm there. After arriving, they found "KKK" painted on a side door and on the back of a church sign. Additionally, the front glass door was painted with crudely drawn symbols: a large incomplete circle with geometric shapes on either side, authorities and church members said.

In all, there have been 11 such cases in Charles since August. Local officials arrested two 15-year-olds in connection with one incident after lifting fingerprints from a can of white spray paint, but authorities have not tied those juveniles to any of the other incidents, which have been classified as hate crimes by the sheriff's office.

In September, local officials contacted the FBI, and the agencies have conducted a joint investigation of the incidents since, said Kristen Timko, a sheriff's office spokeswoman. "Our detectives meet regularly with them," she said.

The incidents have left many Charles residents wondering whether the crimes are the work of a few racially motivated perpetrators or part of broader race relations problems. Either way, Sheriff Frederick E. Davis said it's a serious matter.

"When they're spraying 'white pride' and 'KKK,' that's not a perception problem. That's a real problem, and it's something that needs to be stopped," he said in September.

Members of Zion Baptist are facing the same questions.

"We don't know if it's a planned, orchestrated move, or if it's a random act. . . . We're pretty much baffled by it," said Charles "Pete" Williams, chairman of the deacons at the church. Church members are considering new security measures and are appealing to higher powers.

"We're coming together to do what Christians do: Pray. And pray for the people who are doing this," he said.

As of Tuesday afternoon, the graffiti was still on the roadway.

The church's Sunday service draws 200 to 250 people. Many are longtime county residents, and those who live in the Welcome area have not reported problems with neighbors, Williams said.

He said he hasn't noticed a drop in service attendance: "So far we're pretty much standing strong."

Counting The Vote, Badly (NYT)

The New York Times, November 16, 2006

Last week's elections provided a lot of disturbing news about the reliability of electronic voting — starting, naturally, with Florida. In a Congressional race there between Vern Buchanan, a Republican, and Christine Jennings, a Democrat, the machines in Sarasota County reported that more than 18,000 people, or one in eight, did not choose either candidate. That "undervote" of nearly 13 percent is hard to believe, given that only about 2.5 percent of absentee voters did not vote in that race. If there was a glitch, it may have made all the difference. Ms. Jennings trails Mr. Buchanan by about 400 votes.

The serious questions about the Buchanan- Jennings race only add to the high level of mistrust that many people already feel about electronic voting. More than half of the states, including California, New York, Ohio and Illinois, now require that electronic voting machines produce voter-verified paper records, which help ensure that votes are properly recorded. But Congress has resisted all appeals to pass a law that would ensure that electronic voting is honest and accurate across the nation.

Fortunately, that may be about to change. With the Democrats now in control of both houses, there is an excellent chance of passing tough electronic voting legislation. Representative Rush Holt, Democrat of New Jersey, had more than 200 co-sponsors for a strong electronic voting bill before this month's election, and support is likely to grow in the new Congress. In the

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Senate, Dianne Feinstein, the California Democrat who will be chairwoman of the Rules and Administration Committee, which oversees elections, plans to develop a similar bill.

The problems with elections go well beyond electronic voting. Partisan secretaries of state continue to skew the rules to favor their parties and political allies. States are adopting harsh standards for voter registration drives to make it harder for people to register, as well as draconian voter identification laws to make casting a ballot harder for poor people, racial minorities, the elderly and students. Some states have adopted an indefensible rule that provisional ballots cast at the wrong table of the correct polling place must be thrown out.

Congress has failed to address these and other important flaws with the mechanics of the election system. But this, too, may be about to change. Senator Feinstein is saying that providing fair access to the ballot will be among her committee's top priorities in the coming year. Senator Hillary Rodham Clinton, Democrat of New York, plans to revise and reintroduce her "Count Every Vote Act," which takes an admirably broad approach to overhauling the voting system.

Election reform has tended to be a partisan issue, with Democrats arguing for reform and Republicans resisting it. It shouldn't be. Congressional Democrats should make fixing this country's broken system of elections a top priority, and Republicans should join them.

ANTITRUST:

U.S. Opens Criminal Probe Of Banks' Municipal Deals (Correct) (BLOOM)

By William Selway And Martin Z. Braun

Bloomberg, November 16, 2006

(Corrects fourth paragraph to show Investment Management was searched by Justice Department officials, not the FBI.)

Nov. 15 (Bloomberg) -- The U.S. Department of Justice is conducting a criminal investigation into whether banks and brokers conspired to rig the bidding for contracts that U.S. local governments use to invest bond proceeds.

Municipalities purchase guaranteed investment contracts, known as GICs, with bond money until they need the funds to pay for projects. The contracts are what banks and brokers used to invest at least $7 billion of bond proceeds raised by local governments across the U.S. in the past decade that were never spent, according to an Oct. 4 Bloomberg News report.

``It's about time," said Mark Schwartz, a Bryn Mawr, Pennsylvania-based lawyer and former head of municipal bonds for Prudential Financial Corp.'s mid-Atlantic region, about the investigation. ``This is an incestuous little business."

Dexia SA's Financial Security Assurance Holdings Ltd. unit today said it was subpoenaed by the U.S. Justice Department as part of the probe by antitrust regulators. Investment Management Advisory Group Inc., a GIC broker and municipal derivatives adviser based in Pottstown, Pennsylvania, was searched by Justice Department officials, Gene Grabowski, a spokesman for the firm, said.

The actions by the Justice Department show that an investigation into how banks compete for the right to reinvest the money raised in the $2 trillion tax-exempt bond market has expanded beyond the U.S. Internal Revenue Service. The IRS has been looking into whether brokers awarded the work to favored banks, potentially boosting the cost of the investment agreements and depriving the federal government of tax revenue.

`Anticompetitive Practices'

Kathleen Blomquist, a spokeswoman for the U.S. Department of Justice, confirmed an ``investigation of anticompetitive practices in the municipal bond industry." She declined to provide further detail of the subpoena of Financial Security or whether other subpoenas were issued.

Betsy Castenir, a spokeswoman for Financial Security, declined to comment further on the investigation. The company, part of Belgium's third-biggest financial services firm, also insures municipal bonds against default. Financial Security said it isn't aware of any specific allegations of misconduct.

The IRS has been investigating bidding for GICs and has raised concerns that improper bidding may have diverted to banks money that should have been paid in taxes. U.S. tax law prevents local governments from profiting by selling municipal bonds and reinvesting the money at higher rates. Such earnings, known as arbitrage, must be paid to the U.S. government.

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The IRS last year told officials from Atlanta that the city may have overpaid for a $453 million guaranteed investment contract from Bank of America Corp. in an auction run by CDR Financial Products Inc.

Payments for Nothing

Bloomberg News reported last month that the Bank of America employee who bid for the work was fired after disclosing that he paid $57,393 to CDR for transactions in which it played no role. The employee said the payments were made to bolster his relationship with CDR.

Bank of America spokeswoman Shirley Norton didn't immediately return a phone call seeking comment on whether it has been contacted by the Justice Department. Allan Ripp, a spokesman for CDR, also didn't immediately return a phone call seeking comment.

KKR, Carlyle, 11 Others Accused Of Rigging Buyouts (Update2) (BLOOM)

By David Glovin

Bloomberg, November 16, 2006

Nov. 15 (Bloomberg) -- Kohlberg Kravis Roberts & Co. and Carlyle Group, the manager of the biggest U.S. buyout fund, are among 13 private equity firms accused in a class-action lawsuit of rigging the market to take companies private.

The class action was filed in Manhattan federal court by investors who claim they didn't receive full value for their shares because of a conspiracy that violated antitrust laws.

``Investors in the target company are deprived of the full economic value of their holdings and `squeezed out' at artificially low valuations," the suit says.

The U.S. Justice Department launched an informal antitrust investigation into allegations that private-equity firms collaborated on leveraged buyouts, according to a person familiar with the matter.

Carlyle spokesman Christopher Ullman declined to comment on the lawsuit.

The suit alleges violations of federal antitrust laws, which entitle successful plaintiffs to recover triple damages. It seeks to represent tens of thousands of shareholders in dozens of deals in which public companies were taken private.

``It's a relatively large class," said Fred Isquith, a lawyer at Wolf Haldenstein Adler Freeman & Herz in Manhattan, which brought the case.

Univision, HCA, Harrah's

The named plaintiffs -- L.A. Murphy, Marvin Sternhell, and Henoch Kaiman -- were investors in dozens of companies, including Univision Communications Inc., HCA Inc., and Harrah's Entertainment Inc.

Other firms named as defendants in the complaint are Clayton, Dubilier, & Rice; Silver Lake Partners; Blackstone Group; Bain Capital LLC; Thomas H. Lee Partners; Texas Pacific Group; Madison Dearborn Partners; Apollo Management LP; Providence Equity Partners; Merrill Lynch & Co. Inc.; and Warburg Pincus LLC.

US Airways Bids To Acquire Delta And No. 1 Rank (WP)

By Del Quentin Wilber

The Washington Post, November 16, 2006

US Airways Group Inc. yesterday launched an $8 billion bid for Delta Air Lines Inc., a move that would create the nation's largest carrier and possibly trigger other airline mergers in an industry recovering from a major downturn.

US Airways chief executive Doug Parker said combining carriers would boost profit and substantially cut costs by eliminating overlapping work and flights. Parker, who is credited with helping to successfully merge US Airways and America West in 2005, said he wanted to take advantage of Delta's status in Chapter 11 bankruptcy protection. If he waited until after the carrier exited bankruptcy, it would be harder to jettison unneeded Delta aircraft, he said.

"It's a unique opportunity to create a significant amount of value," Parker said in an interview.

Topping the list of potential obstacles is Delta's management, which isn't excited about any merger. Chief executive Gerald Grinstein sent a memo to employees later in the day, saying he didn't want Delta to emerge from bankruptcy protection as a "merged, acquired or otherwise consolidated airline."

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The new airline would retain the Delta name and offer more seats than any other airline in the nation, surpassing the current leader, American Airlines, US Airways executives said. Its network would extend from New York to Phoenix and abroad. Delta would become the top airline, serving 155 domestic airports and 350 destinations worldwide, the executives said.

It is not known which frequent-flier program the new company would retain -- US Airways is a member of the Star Alliance network, and Delta is a partner in SkyTeam, both extensive partnerships involving foreign carriers.

Although US Airways executives said they would not stop flying to any cities served by either carrier, they said the merger would allow them to cut about 10 percent of the two airlines' flights. The new airline would be able to cut costs by flying fewer aircraft with more passengers, the executives said.

"We would also benefit from reducing service to some underperforming markets and discontinuing some unprofitable" routes, Parker said in a conference call with analysts.

With the reduction in flights, the number of cheap fares offered by the combined airline on many routes would decline and the average ticket price would increase, experts said.

"Fares will go up a little bit because there will be less overall competition," said Michael MacNair, author of "Smooth Landings," a book on managing business travel. He added that business travelers are nervous about the deal because they "don't want to shoulder the burden of higher ticket prices because competition goes away."

US Airways stock soared yesterday in reaction to the bid, closing up 16.8 percent, to $59.46 a share on the New York Stock Exchange. Delta shares closed at $1.52, up 3.4 percent, and its distressed bonds jumped in value and were among the most actively traded corporate debt issues yesterday.

Most analysts seemed enthusiastic about the proposal, saying they welcomed the idea of consolidation in the industry. Airline executives, including the chief executive of United Airlines, have said the industry needs to shrink to remain competitive. Among other possible merger targets, analysts mentioned United, American, Continental and Northwest airlines.

Analysts cautioned, however, that a US Airways-Delta deal faces many hurdles. US Airways hasn't yet fully digested its last merger; it hasn't even finished painting all of its America West jets in the new company colors.

Delta's chief executive brushed off attempts by Parker to discuss a merger this fall, according to letters exchanged between the two men.

In a statement yesterday, Grinstein said his airline's "plan has always been to emerge from bankruptcy in the first half of 2007 as a strong, stand-alone carrier. Our plan is working and we are proud of the progress Delta people are making to achieve that objective."

Grinstein said in yesterday's memo to employees: "I've said before and continue to believe that the history of mergers in the airline industry is almost always one of failure."

Faced with that resistance, Parker sidestepped Delta's management yesterday and made a direct pitch to its creditors. The offer totals $4 billion in cash and 78.5 million shares of US Airways stock. If creditors like the deal, they could approach Delta management and encourage them to consider it.

Regulators also may question the bid. The new airline would probably have to shed one of its lucrative shuttle routes between Washington, New York City and Boston, US Airways executives acknowledged.

The Justice Department, which would scrutinize any potential merger, might also force the airline to eliminate some of its East Coast hub airports. The airline would have major operations at pairs of neighboring hubs, such as those in Charlotte and Atlanta, and New York and Philadelphia.

Antitrust lawyers said the Justice Department would focus on whether the proposed merger might diminish competition and harm consumers. Six years ago, the department seemed ready to challenge a proposed merger between US Airways and United Airlines before it fell apart.

But the emergence of low-cost carriers and Delta's struggles in bankruptcy may change the view of the department's lawyers, said Bill Bayer, an antitrust lawyer and a former head of the Federal Trade Commission's antitrust division.

"The market has obviously changed in six years," Bayer said, but questions remain about whether "it has changed to the point where the cost savings from combining these two carriers will outweigh the risks to consumers and competition."

If the airlines reach a deal, it will also probably be studied by the new Democratic Congress next year.

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Rep. James L. Oberstar (D-Minn.), the ranking Democrat, and likely future chairman, on the House Transportation and Infrastructure Committee, said he would probably hold hearings on such a merger.

"A combination of carriers of this magnitude should be scrutinized in the public domain," Oberstar said.

US Airways Seeks To Acquire Delta In Bid To Be No. 1 (NYT)

By Andrew Ross Sorkin

The New York Times, November 16, 2006

US Airways made an $8 billion offer for Delta Air Lines yesterday in an effort to become the largest airline in the world and dominate travel on the East Coast of the United States.

The surprise offer may presage a wave of mergers in the struggling airline industry. While consolidation of companies often leads to higher prices, it is unclear at this point whether this merger would do anything like that.

But any deal for Delta would have to overcome high hurdles, including antitrust scrutiny and a lack of support from Delta's management, which rebuffed advances from US Airways this summer.

In an unusual tack, the unsolicited offer is being made to the creditors of Delta, which is operating under bankruptcy protection — a process that will give Delta management control over any plan to get out of bankruptcy for at least several more months.

Delta said yesterday that it would review the offer. Delta is now the fourth-largest domestic airline and US Airways is No. 5. US Airways said the combined carrier would be bigger than the current leader, American Airlines, and would be called Delta Air Lines. It noted that Delta is a "very, very powerful" brand worldwide.

A deal would presumably be welcomed by many investors and analysts, who maintain that there are too many airlines fighting for razor-thin profits.

Since the drop in air travel after the Sept. 11 attacks, nearly all the established carriers have sought bankruptcy protection. US Airways has filed for bankruptcy protection twice since 2002 and has turned itself around through a merger with America West last year.

This competition among airlines has benefited some passengers. Even as the economy has rebounded and planes are as heavily booked as they have ever been, competition has kept a lid on fares on some popular routes at certain times of the year. That has sliced airlines' profit margin thinner, making mergers — and the opportunity to pare some of their high costs — an attractive proposition.

The offer for Delta changes the calculations for deals to come. It had been widely expected that Delta would find a merger partner after emerging from bankruptcy protection, not before. The airlines that it has code-sharing relationships with now, notably Northwest and Continental, were seen as the most likely partners.

US Airways estimated that a merger would save at least $1.65 billion in operating costs annually by combining facilities at some airports, eliminating flights and cutting capacity by about 10 percent.

About 50 percent of the routes served by Delta and US Airways overlap, said Daniel Kasper, an airline consultant with LECG.

Robert W. Mann, a consultant in Port Washington, N.Y., said, "If the combined companies reduce the number of flights offered in routes where they overlap, you could see higher prices for consumers."

As a result, any deal can be expected to receive scrutiny from the Justice Department and it might well result in the sale of either the US Airways or the Delta shuttle services connecting New York, Washington and Boston. A merger of the airlines could be among the first to be reviewed in Washington after the Democrats take control of Congress in January.

News of the offer drew a mixed reaction from travelers yesterday. While some welcomed the possible combination — particularly if it ensured the survival of Delta — others worried about the prospect of higher fares and still lower customer-service levels.

"They're taking two poorly performing airlines, especially from a passengers' point of view, and putting them together," said Michael J. Grossman, a lawyer from Lexington, Ky., and a Delta frequent flier. "What you're left with is the lowest common denominator."

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A regulatory inquiry would not be the only gantlet US Airways would have to run. The first is overcoming resistance from Delta. US Airways' chief executive, W. Douglas Parker, has approached Delta's chief executive, Gerald Grinstein, over the last several months about merging, but was rebuffed, according to letters that US Airways released yesterday. In late September, he tried again. Mr. Grinstein turned him down once more.

Yesterday, Mr. Grinstein said in a statement, "We received a letter from US. Airways this morning and will, of course, review it." Then he added, "Delta's plan has always been to emerge from bankruptcy in the first half of 2007 as a strong stand-alone carrier."

Mr. Parker, a longtime proponent of consolidation, said in an interview yesterday that it was imperative that Delta engage in discussions with US Airways while it was still in bankruptcy protection. "We need to act on this before they emerge," he said.

Striking a deal with Delta before it comes out of Chapter 11 protection could have major advantages for US Airways. Mr. Parker said that half the projected $1.65 billion in merger savings could not be achieved outside bankruptcy status.

While in bankruptcy, a company can seek court permission to reject contracts, renegotiate aircraft leases or terminate labor contracts — powers that US Airways exercised during its stays in Chapter 11.

But until February, only Delta management can present a plan to take the airline out of bankruptcy.

To succeed, US Airways will have to win the support of a significant chunk of Delta's creditors, a group that may include hedge funds that acquired the debt in the secondary markets, and hope that they will put pressure on Delta's management to engage in discussions.

GE Commercial Aviation Services, which finances much of the aircraft borrowing in the global industry, could prove to be a powerful player in the discussions because it provided the equivalent of debtor-in-possession financing to Delta at the beginning of its bankruptcy.

With enough backing, "it is very possible that, with patience and fortitude, they could get somewhere," said J. Andrew Rahl, head of the bankruptcy group at the law firm of Anderson Kill & Olick. Delta's unsecured debt has recently traded at 40 cents on the dollar, US Airways noted.

In a sign that creditors welcomed the offer from US Airways, Delta's bonds surged yesterday. The price of its 2009 note rose 21.25 cents, to 61.75 cents on the dollar. Airline stocks, including shares of US Airways, also rose sharply.

If enough creditors think that they would do better in a merger than in a stand-alone reorganization, "Delta's going to have a hard time putting a plan out there," said David W. Dykhouse, a partner at Patterson Belknap Webb & Tyler in New York.

Wilbur L. Ross Jr., whose investment firm has bought many distressed companies, said that when a company has been in bankruptcy protection as long as Delta, its debt "starts to move into the hands of the distressed-investment community." These investors, many of them hedge funds, are likely to promote rival offers, he said, adding, "Chances are they would be pushing for an auction."

Two of the largest holders of Delta's unsecured claims are the federal Pension Benefit Guaranty Corporation and the Air Line Pilots Association, which represents Delta pilots.

Members of Delta's committee of unsecured creditors either did not return calls requesting comment yesterday or declined to comment.

US Airways said it was offering $4 billion in cash, plus US Airways stock valued at $4 billion at the market close on Tuesday. That price would represent a substantial premium for Delta's creditors, who would own about 45 percent of the combined company.

Still, it remains possible that Delta's creditors' committee could end up siding with Mr. Grinstein because it could take regulators far longer to decide whether to permit a US Airways-Delta merger than for Delta to come out of bankruptcy alone, antitrust lawyers said.

Regulators are likely to look hard at the combined company's prospective dominance on routes into the Southeast; Delta maintains a hub in Atlanta and US Airways has a hub in Charlotte, N.C., antitrust experts noted.

For instance, US Airways has 19 flights today from La Guardia Airport in New York to Orlando, Fla., and Delta offers 28. From Boston to Fort Lauderdale, Fla., US Airways has 20 flights and Delta has 31.

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And the deal could face an outpouring of criticism from consumers and consumer advocacy groups. Susan Johnson, an auditor from Philadelphia and an elite-level US Airways flier, said yesterday that she was "concerned about the monopoly this will present for US Airways, and how that will affect pricing."

"Sure, prices will be low initially," she said. "But in the long run, will they increase the cost of their ticket?"

Mr. Parker, the US Airways chief, said he was confident that the proposed combination would pass muster under antitrust laws.

Analysts said a merger could result in a leaner, more efficient airline.

"Even though airline mergers tend to be messy while employees, cultures and fleet types are integrated," said Ray Neidl, an analyst with Calyon Securities, "in the long term, a merged carrier should benefit in synergies from revenue generation, the ability to cut overhead costs and the probability that marginal hubs would be closed."

Not all industry watchers are convinced that consolidation will cure the airline industry's ills.

"Airlines are notoriously risky to operate," said Allen Michel, a professor at the Boston University School of Management. "Far in excess of 100 airlines have gone into bankruptcy since airline deregulation in 1978."

Moreover, US Airways has not completed integrating last year's America West combination, "and it is questionable whether the Delta deal will pass antitrust muster," said Professor Michel said. "Adding these factors to the complexities associated with an ordinary merger increase the odds against success.''

Labor-management relations are potentially another problem. Both airlines have clashed in recent years with their unions, principally the Air Line Pilots' Association. And both have struggled to cope with low-price competitors like JetBlue and Southwest.

For fliers, the deal may mean more routes and frequency in the long term, but it could also create headaches as the companies merge their operations, schedules and frequent-flier mile programs.

In an e-mail message to members of US Airways' frequent-flier club yesterday, the carrier promised to "work hard to mitigate transition difficulties," like those that occurred after its merger with America West, when many passengers were left confused. In the same message, US Airways tried to emphasize the "enormous benefits" of a deal with Delta.

The message made no mention of US Airways' plan to cut flight capacity by 10 percent.

US Airways Presses Delta Over $8bn Offer (FT)

By Doug Cameron

Financial Times, November 16, 2006

US Airways on Wednesday insisted that Delta Air Lines' management would be forced to consider its $8bn offer to create the biggest US airline by revenues, in spite of its rival's pledge to emerge from bankruptcy as an independent company.

Doug Parker, US Airways chairman and chief executive, launched his second effort in 18 months to buy a bankrupt carrier and push an enlarged US Airways into the global airline elite.

However, Delta quickly repeated its opposition to the move after rebuffing an approach this year, forcing US Airways to appeal directly to its unsecured creditors.

Mr Parker insisted that Delta's executives would be forced to hold talks as the premium offered to creditors was superior to their existing plan.

"We have put a proposal to them that would be better than anything else, certainly their own plan [and as a result] we will get management support," Mr Parker said in an interview with the Financial Times.

Gerald Grinstein, Delta's chairman and chief executive, has rebuffed approaches from US Airways and United in favour of restructuring the carrier to leave bankruptcy next year, when he plans to step down.

Mr Grinstein favours leveraging Delta's domestic strength in Atlanta and New York to expand its international services after restructuring to give it costs a quarter below rivals such as Air France-KLM and Lufthansa.

"Jerry has enormous credibility with the Delta employees, [and] labour integration is essential to the success of these things," said Michael E. Levine, distinguished research scholar at the New York University School of Law.

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US Airways' cash and stock proposal represents a 25 per cent premium over the pre-announcement value of Delta creditors' claims, which rose more than 40 per cent on Wednesday as US Airways' own stock price climbed 15 per cent to a record $58.42.

Mr Parker said there was "a unique opportunity" to combine networks viewed by analysts as complementary.

Mr Parker maintained that the rise of low-cost carriers in the US meant there would be no antitrust issues with the proposed takeover. He intends to close the deal by mid-2007 when Delta aims to emerge from the bankruptcy protection it sought in September last year. The US justice department blocked an attempt by United to acquire the old US Airways in 2000 on competition grounds, scuppering another proposed combination between American and Northwest.

"There's much less concern [now] with the DoJ about the impact on consumers," said Mr Parker.

Additional reporting by Stephanie Kirchgaessner in Washington and James Politi in New York

US Airways Makes Bid For Delta (PPG)

By Dan Fitzpatrick And Mark Belko

Pittsburgh Post-Gazette, November 16, 2006

It offers bankrupt airline's creditors an $8 billion cash-and-stock deal

After being rebuffed twice by phone and letter, US Airways boss Doug Parker went public yesterday with his campaign to buy bankrupt Delta Air Lines, asking Delta creditors to accept an $8 billion cash-and-stock deal that would create one of the world's largest air carriers, save the combined company $1.65 billion annually and retire the US Airways brand for good.

A longtime cheerleader for industry consolidation, Mr. Parker wants the Delta deal done before the nation's No. 3 carrier emerges from bankruptcy next year, making it easier for the combined company to cut costs, give back planes to lenders, renegotiate contracts and shed unprofitable leases -- just as the twice-bankrupt US Airways did last year while merging with America West Airlines.

After that, "it will be too late," he said yesterday. "We will all regret not acting sooner."

Just how the proposed combination -- if it clears Delta's apparent opposition and regulatory hurdles that some believe will be significant -- would affect Pittsburgh wasn't clear.

Allegheny County Airport Authority Executive Director Kent George believes any cuts would be minimal, given that US Airways already has slashed local employment by more than 10,000 to just above 2,000 and daily flights by more than 400 to 158 since 2000.

US Airways executives reiterated that optimism in comments yesterday, with airline president Scott Kirby saying Pittsburgh "will continue to be an important part of our network" with or without the merger.

But some analysts questioned if a combined US Airways-Delta would be all that committed to Pittsburgh, given that Delta already has a regional jet hub in suburban Cincinnati, where costs are lower and connecting service to other markets is more extensive. "I think a deal like this would be disastrous for Pittsburgh," said local airline analyst Bill Lauer.

Mr. Parker and Delta Chief Executive Officer Gerald Grinstein first spoke about this subject in the spring, via phone.

At the time, US Airways described that exchange as a "courtesy call," with Mr. Parker hearing rumors about interest from other carriers and wanting Mr. Grinstein to know that he was interested, too.

He followed up with a more serious Sept. 29 letter asking for a "meaningful dialogue about entering into a transaction." Mr. Grinstein's response, on Oct. 17, was that it would "not be productive" to discuss a merger at this time.

So Mr. Parker turned up the pressure yesterday by releasing his latest missive to Mr. Grinstein and broadcasting his intent to take the merger proposal directly to Delta's creditors -- the ones who will make a final decision about the airline's reorganization plan and whether any competing bids are better. US Airways will not be able to submit its alternative plan until mid-February at the earliest.

"I believe we owe it to our respective stakeholders to pursue this opportunity vigorously," Mr. Parker wrote to Mr. Grinstein.

Atlanta-based Delta did not appear ruffled by all of yesterday's rhetoric and attention.

Mr. Grinstein, in a statement, said the airline would "of course review" Mr. Parker's letter but that "Delta's plan has always been to emerge from bankruptcy in the first half of 2007 as a strong, stand-alone carrier. Our plan is working."

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A successful merger could spark a new round of consolidation in the industry. United Airlines-Continental Airlines and American Airlines-Northwest Airlines are some possible hook-ups that could result, according to longtime Virginia airline consultant Darryl Jenkins, who believes Mr. Parker dreamed up this combination two to three years ago, before the America West-US Airways deal happened.

Several hurdles stand in the way of Mr. Parker's plan.

US Airways, now based in Tempe, Ariz., still needs to officially complete its merger with America West, with several labor contracts covering pilots, flight attendants and mechanics still not signed. US Airways machinists and pilots unions issued statements yesterday warning that the current labor negotiations need to be settled before any talks with Delta can begin.

"Management's grandiose plans cannot take off without the pilots on board," said US Airways pilots chairman Jack Stephan.

The deal also is sure to face intense antitrust scrutiny in Washington, D.C., similar to the concern that killed a proposed US Airways-United merger in 2000. US Airways and Delta do overlap in some key markets up and down the East Coast, and the combined company would be the largest carrier at 155 airports.

It would have two big hubs in the Southeast (Charlotte, N.C., and Atlanta), two in the West (Phoenix and Salt Lake City) and two in the Northeast (New York and Philadelphia), along with strongholds in the same geographic areas (Boston, Washington, Pittsburgh, Cincinnati).

Some analysts believe hubs will have to be cut, with Charlotte looking most vulnerable sitting so close to Atlanta, Delta's biggest hub. "It is not a clean situation," said Bill Warlick, an airline analyst with Fitch Ratings in Chicago.

But US Airways is convinced this can work. It intends to sell one of the airlines' two East Coast shuttle operations connecting New York, Washington and Boston to mitigate antitrust concerns. Also, it says industry conditions are considerably different than six years ago, when the U.S. Department of Justice nixed the United merger.

Following the 9/11 attacks, a slew of big carriers filed for bankruptcy and racked up more than $40 billion in losses while lower-cost competitors such as Southwest Airlines and JetBlue Airways encroached on new territory, such as Pittsburgh.

The blueprint for the Delta takeover attempt comes straight from America West's successful acquisition of US Airways last year.

America West stepped in at the 11th hour and took the novel step of purchasing US Airways in Chapter 11. Under court protection, US Airways slashed employee pay and benefits, canceled pensions, tore up leases and slashed costs.

When it emerged, the combined airlines flew under the better-known US Airways banner.

US Airways said Citigroup has committed $7.2 billion in financing for the deal.

No city has suffered more as a result of the industry's woes than Pittsburgh.

But US Airways maintained that no job losses would result from a merger and that the Pittsburgh area would keep flights and facilities, such as the maintenance hangars near Pittsburgh International Airport. How much of each it would keep is still unknown -- US Airways also made it clear that flights would have to be cut across the system to lower costs. "It is too early to say" what airports would lose out, Mr. Kirby said.

Mr. George, the airport authority executive director, agreed, adding that he does not believe a Delta-US Airways merger would have an enormous impact on service in Pittsburgh in part because US Airways already has eliminated most of its connecting service, retaining flights that only serve the local market.

Although Delta and US Airways compete on service to Atlanta, a merger would not necessarily diminish that because AirTran Airways also serves the market, he said. The same is true of New York, where Delta and US Airways compete for local traffic. With the entrance of Jet Blue into the market, there still will be competition.

In markets where there would not be competition, he was confident that other airlines would step in to offer an alternative, he said. And he doesn't see Pittsburgh losing flights to Cincinnati, saying that Cincinnati has even less of a local traffic base than Pittsburgh does.

One thing that is all but certain, he said, is that US Airway's move will delay a decision by two to three months on where to put a new $25 million flight operations center.

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Pittsburgh, Phoenix and Charlotte are competing for the center, which would replace facilities US Airways has in Pittsburgh and Phoenix. Before yesterday's bid, US Airways was planning to decide on a new location by February.

"If the merger appears that it's going through, the overall plan in how to do an overall operations and control center must be rethought because now you're doing it for a much larger airline," Mr. George said.

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US Airways Announces Takeover Bid For Delta (LAT)

By Peter Pae

The Los Angeles Times, November 16, 2006

US Airways Group today said it was making an $8-billion takeover bid for Delta Air Lines to create one of the world's largest carriers after attempted merger talks with the nation's third-largest airline failed this summer.

US Airways, the nation's sixth-largest carrier in terms of passenger traffic, said it is appealing directly to Delta Air's creditors to buy the larger airline, which is undergoing reorganization in U.S. Bankruptcy Court.

"We believe that the combination of US Airways and Delta is extremely compelling and will create significant value for each of our stakeholders," US Airways Chairman and Chief Executive Doug Parker said in a statement.

While US Airways has little presence in Southern California, Delta is the fourth-largest airline operating out of Los Angeles International Airport and the second-largest at Ontario Airport.

If approved — and there are several hurdles to overcome, including federal regulatory approvals — the merger could set off a wave of consolidation in the domestic airline industry, analysts said.

The takeover bid is a fallout of overcapacity in the airline industry that has financially hurt the larger airlines, analysts said. According to the Airline Transport Assn., U.S. commercial airlines have lost $35 billion since 2001, though the industry is recovering and may turn a profit this year.

"The world doesn't need six of these old established legacy carriers," said Ed Greenslet, publisher of the Airline Monitor. "Those six at one time had 90% of the domestic traffic in this country. Now they have half of it. The pie for those carriers is getting smaller because of the low-cost carrier like Southwest and Jet Blue."

For its part, Delta said in a statement that it intends to emerge from Bankruptcy Court protection as a stand-alone carrier.

"We received a letter from US Airways this morning and will of course review it," Delta Chief Executive Gerald Grinstein said in a statement.

But he added: "Delta's plan has always been to emerge from bankruptcy in the first half of 2007 as a strong, stand-alone carrier."

US Airways, which is merging with America West Airlines, said it was appealing to creditors because it was rebuffed in an initial attempt to talk to Delta's management.

"We thought about this opportunity for quite a while," US Airways' Parker said in a videoconference with the airline's employees today. "They responded back that they didn't think it was a good idea."

Parker said a merger of the two airlines could provide a projected $1.65 billion in annual cost savings for the combined companies. He added that the bid was being made now because the projected cost savings could be shaved by half if it waited for Delta to emerge from bankruptcy.

Under the terms of the offer, Delta creditors would receive $4 billion in cash and 78.5 million US Airway shares, valued at about $4 billion based on Tuesday's closing stock price.

US Airways said it has obtained $7.2 billion in committed financing from Citigroup.

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US Airways Proposes $8.7 Billion Delta Air Takeover (Update15) (BLOOM)

By Mary Schlangenstein

Bloomberg, November 16, 2006

DOJ_NMG_0095047

Nov. 15 (Bloomberg) -- US Airways Group Inc. made an unsolicited $8.67 billion offer for bankrupt Delta Air Lines Inc. that would create the world's largest carrier.

Delta's creditors would get $4 billion in cash and $4.67 billion in stock of US Airways, formed 14 months ago as it exited bankruptcy through a merger with America West Holdings Corp. Delta Chief Executive Officer Gerald Grinstein agreed today to review the offer even as he reaffirmed his aim to keep Delta independent.

The bid sparked a rally in airline shares, sending the Bloomberg U.S. Airlines Index up the most since May 2003 on speculation that more consolidation will follow. US Airways CEO Doug Parker has championed the idea of mergers.

``We believe this bid may prompt other bids for Delta and possibly set an industry trend for consolidation," Ray Neidl, a Calyon Securities analyst in New York, said in a report. ``However, Delta management remains hostile at this point to any merger, which could cause delays."

Grinstein told employees in a letter Delta wants to remain independent when it emerges from bankruptcy in the first half of 2007, not a ``merged, acquired or otherwise consolidated airline."

`We Remain Skeptical'

``While Delta is obligated to review this proposal carefully, we remain skeptical that it would make sense to deviate from our plan," he said in the letter.

Like Delta, Northwest Airlines Corp. also wants to exit Chapter 11 next year, and the two carriers' plans are helping fuel the industry's merger speculation. U.S. airlines this year may post their first collective profit since 2000, after more than $40 billion in losses from 2001 through 2005.

Shares of US Airways jumped $8.57, or 17 percent, to $59.50 at 4:01 p.m. in New York Stock Exchange composite trading, leading a surge by carriers including Continental Airlines Inc. and AirTran Holdings Inc. About 13.8 million US Airways shares changed hands, the most ever for the airline.

Delta's 7.9 percent notes maturing in 2009 rose 21.25 cents to 61.75 cents on the dollar, according to Trace, the bond price reporting system of the NASD. The yield fell to 26.67 percent.

Citigroup Inc. has committed $7.2 billion in financing for the proposed merger, US Airways said. Delta's unsecured creditors would own 45 percent of the combined company. The stock portion of the offer is for 78.5 million shares, so the value of that part of the transaction will change daily.

Biggest Carrier

A combined US Airways-Delta would retain Delta's name and vault past AMR Corp.'s American Airlines to become the world's largest carrier, as measured by miles flown by paying passengers. By that standard, Delta is the third-largest U.S. airline and US Airways is the seventh-biggest.

US Airways and Atlanta-based Delta both have U.S. East Coast networks, while Tempe, Arizona-based US Airways also has a West Coast presence. Delta has added more than 70 new international routes since 2005 under a plan to almost double overseas flying to 35 percent of the carrier's total.

The combined airline would be the largest in terms of passengers carried in the northeastern and southeastern U.S. and Florida, and second-biggest in the Southwest, US Airways said.

A merged US Airways-Delta also would have more than 18 percent of the U.S. industry's capacity, US Airways said. Any merger agreement must be approved by the U.S. Justice Department, US Airways shareholders and the court overseeing Delta's bankruptcy.

`Very Sensible'

``This would be a very sensible move, but fiendishly complicated," said Richard Aboulafia, vice president of Teal Group, a Fairfax, Virginia-based consultant. ``Complicated by issues of seniority, culture, fleet, route networks -- and that's just scratching the surface."

Delta has major airport operations in Atlanta, Cincinnati, Salt Lake City and New York. US Airways has hubs in Phoenix, Philadelphia and Charlotte, North Carolina.

Both carriers run shuttle services in the U.S. northeast, and US Airways' plan calls for selling one of them, Parker said. The company hasn't decided which.

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The US Airways shuttle has 14 daily flights between Boston and New York's LaGuardia airport and 15 between LaGuardia and Washington's Ronald Reagan airport. Delta operates 16 daily weekday flights between Boston and New York, and 15 between New York and Washington.

``We can put the two networks together and optimize them," Parker, 45, said in an interview. ``As we do that, we can actually fly to 100 percent of the cities we serve today with two networks, with 10 percent fewer airplanes. That's a lot of savings.''

Annual Savings

US Airways estimated the annual savings for the two companies at $1.65 billion over two years. US Airways hasn't decided where a combined carrier would be based.

US Airways said it wouldn't have to shed jobs, relying instead on attrition and employee leaves to thin the workforce as the combined airline pares capacity by 10 percent. Delta has 47,000 employees and 469 planes in its main jet operations, compared with 35,425 workers and 357 planes at US Airways.

Pay for the employees would be based on the higher of existing labor costs between the two carriers, Parker said, at an incremental expense of about $90 million.

The pay plan ``is a big positive for employees," US Airways President J. Scott Kirby said in an interview. ``Our employees also would have the advantage of working for a larger, even more financially sound airline. We hope that will get negotiations on a fast track with each group."

Grinstein, 74, responded to US Airways' initial merger offer in an Oct. 17 letter, telling Parker ``it would not be productive." US Airways disclosed the letter in a filing today.

Delta's Strategy

Since filing for Chapter 11 in September 2005, Delta has cut unprofitable flights, reduced labor costs in part by eliminating 9,000 jobs and shed aircraft.

Parker said the merger must be done before Delta leaves Chapter 11, or at least half of the savings would be lost. The offer is ``absolutely" conditioned on completion in bankruptcy, he said.

By law, Delta has the exclusive right through Feb. 15 to file a plan to exit bankruptcy. By going public with its offer, US Airways hopes to convince Delta creditors that a merger is a better option, said William Rochelle, a partner at Fulbright & Jaworski LLP in New York who represents some creditors.

Creditors

``US Airways is not going to get to first base unless they can generate some significant degree of creditor support for the offer," Rochelle said in an interview. ``By simply making the offer public, Parker has thrown a ball up in the air. He'll see which team catches it -- the Delta team or the creditor team."

Rochelle doesn't expect to see a battle in bankruptcy court over Delta, although there will be ``hard bargaining" over any agreement that may be reached.

Parker said the combined airline would be ``a more effective and profitable competitor in the current fragmented marketplace." US Airways' offer is a 25 percent premium over the Nov. 14 trading price of Delta's pre-petition unsecured claims and a 40 percent premium over the average trading price for unsecured claims over the past 30 days, US Airways said.

If approved, the merger would be the largest in the airline industry, ahead of American's acquisition of Trans World Airlines Inc. for $2.8 billion in cash and assumed debt in 2001.

Parker said the merger with Delta would be completed in the first half of 2007 and eventually would boost US Airways' earnings per share by 40 percent.

US Airways still is completing its 2005 merger with America West. The airlines haven't fully integrated their labor groups or their computerized reservation systems and are still flying under separate operating certificates.

Operations Questions

``While this may look good on paper, the fact is Parker has yet to demonstrate for us he's capable of putting two airlines together, much less three," said Jack Stephan, chairman of US Airways' Air Line Pilots Association. ``He needs to address operational and labor issues going on in his own backyard first before he can tackle anything else."

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US Airways and America West pilots plan picketing tomorrow in Phoenix and Charlotte to protest lack of an integrated contract for pilots. A spokesman for Delta pilots didn't immediately return a call for comment.

The Machinists union also wants any merger efforts to wait until after US Airways finishes contract talks. The Association of Flight Attendants-CWA didn't immediately return a call for comment.

Airlines' History

The US Airways-America West combination followed two bankruptcy filings by US Airways and a previous trip through Chapter 11 for America West. In the merger, the airline's headquarters was moved to Tempe from Arlington, Virginia, and America West executives, including Parker, kept the top management jobs.

Maintaining the Delta name for a merged carrier would extend a brand that dates to 1928, when an investment group purchased a 4-year-old crop-dusting company and renamed it Delta Air Service after the Mississippi Delta region where it operated. The company began flying passengers the next year.

United, the world's second-largest carrier, in September hired Goldman Sachs Group Inc. to explore possible transactions, including mergers. United CEO Glenn Tilton has called for industry consolidation since February 2005.

US Air Faces Long Road In Delta Bid (USAT)

By Marilyn Adams

USA Today, November 16, 2006

US Airways' brash $8 billion bid to buy Delta Air Lines won a warm reception Wednesday on Wall Street, but the proposed deal has a long way to go to get done.

US Airways' bid, immediately rebuffed by Delta management, would make the combined airline the USA's top carrier by domestic flying capacity, eclipsing American Airlines. By US Airways' own calculations, the combined carrier would be the biggest airline in the Northeast and the Southeast, the biggest carrier across the Atlantic, and the second-biggest airline in the Caribbean.

US Airways shares closed up nearly 17%, at $59.50, on strong buy recommendations from analysts. The company offered $4 billion in cash and about $4.6 billion worth of US Airways stock, which would give tens of thousands of unsecured creditors at Delta a 25% premium over the value of their claims as of Tuesday: 40 cents on the dollar. Delta filed Chapter 11 bankruptcy reorganization in 2005.

“The proposal we've made is extremely compelling,” US Airways CEO Doug Parker said Wednesday. But it faces several hurdles; some certain, some not.

The takeover bid would require the approval of Delta's bankruptcy judge, US Airways' shareholders, Delta's creditors and the U.S. government. And it might not be the only offer for Delta, a potentially attractive target as the USA's third-biggest carrier. Some of the hurdles:

•Delta management. Delta CEO Gerald Grinstein reiterated Wednesday his long-held position that he wants the carrier to exit bankruptcy next year as an independent airline. In its bankruptcy case, Delta has the exclusive legal right until Feb. 15 to present the court a plan of reorganization. Unless the judge terminates that right, a competing plan from Delta's creditors or an outside party can't be considered.

•Antitrust. A merger between two such big carriers needs Justice Department approval. The agency would have to determine whether the deal would help or hurt consumers in terms of fares and flight options. Antitrust considerations are particularly strong along the East Coast, where the route networks of both Delta and US Airways are heavily concentrated.

•A competing bid. Another carrier or investor group could make a competing offer for Delta, leading to a bidding war. That would force US Airways to sweeten its offer or drop out of the bidding.

United Airlines CEO Glenn Tilton, for one, has made no secret of his interest in a merger. Tilton believes that the U.S. airline industry has too many players and should consolidate. United itself emerged from bankruptcy earlier this year.

United Airlines spokeswoman Jean Medina said Wednesday the Chicago-based airline has “been consistent in our position on consolidation in the airline industry, and nothing has changed.” She would not comment on the possibility of a competing offer for Delta.

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• Labor. US Airways is itself the product of a recent merger between Phoenix-based America West and Virginia-based US Airways (story, above). The two carriers' labor unions and operations have not yet been fully merged. Labor tensions and operational glitches remain. A new merger could throw US Airways and Delta into a period of transition again.

"This would have to jump through many hoops," said Chicago-based bankruptcy lawyer Fruman Jacobson, who represented the unsecured creditors of United Airlines during its bankruptcy case. "It could run into some serious antitrust problems." At the same time, he said, Delta's board of directors "has an obligation to review all qualified offers. Looking at just the raw numbers, this has to be taken seriously, especially the $4 billion in cash."

Typically, unsecured creditors in a bankruptcy case receive only stock in the reorganized company as payment for claims, not cash.

New York-based lawyer Daniel Golden, who represents Delta's unsecured creditors committee, said the group was scheduled to begin discussing the offer Wednesday during a regularly scheduled meeting. The committee represents creditors such as bondholders, suppliers and vendors, whose claims are not secured by tangible assets such as aircraft.

Delta CEO Grinstein said in a statement that the company will review the offer. But he reiterated Delta's wish to emerge from bankruptcy in the first half of 2007 as a "strong, stand-alone carrier."

The proposal was not a complete surprise. Parker, the US Airways CEO, first approached Grinstein last spring with the idea of merging. In September, Parker sent a formal letter proposing such a deal.

Grinstein politely rebuffed both invitations.

US Airways' bid quickly sparked speculation about more merger activity in the domestic airline industry, which only recently began pulling out of a deep, five-year financial slump.

In addition to speculation about expansion-minded United, the Delta deal focused attention on a possible bid for Northwest Airlines, also operating in Chapter 11 bankruptcy. Analyst Ray Neidl of Calyon Securities said Wednesday the US Airways bid could be the first of many merger proposals.

"We believe that this bid may prompt other bids for Delta and possibly set an industry trend for consolidation," Neidl said.

To finance the offer, US Airways said it has lined up $7.2 billion in financing from Citigroup to provide the $4 billion in cash, refinance Delta's bankruptcy loan, and refinance an existing loan from GE Capital to US Airways.

But Parker said the deal makes sense only if it is sealed before Delta exits bankruptcy. While under the protection of bankruptcy court, Delta has the legal right to reject or renegotiate leases for aircraft and other assets, a powerful cost-cutting tool. US Airways estimates that by combining fleets, networks and facilities, and by eliminating redundancies, the combined airline could achieve $1.65 billion in annual cost savings.

Parker is not proposing the merged carrier close hub airports, exit cities or shed significant flying capacity. On the contrary, he said the proposed new carrier would serve the same cities the two carriers do now, including every major market along the East Coast: Boston, New York, Philadelphia, Washington, Charlotte, Atlanta and Florida's largest cities. US Airways' home base of Phoenix and Delta's Salt Lake City hub are also relatively close.

The merged carrier would reduce its combined overall flying capacity by 10%, he said.

The biggest concession Parker proposed is selling one of the two hourly shuttle services serving high-paying business travelers in the Boston-New York-Washington corridor. Delta operates one shuttle, US Airways another. Eliminating one would remove a potential objection by the Justice Department.

Parker played down concerns that the deal might be viewed as anti-competitive. "Our management has a record of consumer-friendly pricing," he said. "Consumers on the East Coast would have a stronger airline with the ability to lower fares."

Justice has approved two airline mergers in recent years involving carriers in bankruptcy court: American's takeover of TWA in 2001, when TWA was in its third bankruptcy and in danger of disappearing; and America West's merger with US Airways last year when the latter was in Chapter 11.

The old US Airways was concentrated along the East Coast, while America West was concentrated in the West, with relatively little overlap.

But Justice blocked a proposed merger of United and US Airways in 2001, saying the merged carrier would have too much overlap on the East Coast and would hinder competition.

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Hewitt Pate, former Justice Department antitrust chief and now a partner at Hunton & Williams, said the department traditionally looks at airline mergers in terms of combined market share on routes they serve.

Historically, he said, Justice has been friendly to mergers that combined route systems with little overlap. It has been "skeptical of deals with a high degree of overlap where the two companies serve a lot of the same city pairs," he said.

Business professor Severin Borenstein of the University of California at Berkeley said the two carriers' nearby hubs in Atlanta and Charlotte, Cincinnati and Pittsburgh, and Salt Lake City and Phoenix could pose potential antitrust problems.

Both carriers also have a significant presence in Boston Logan, New York LaGuardia and Washington Reagan. US Airways has the largest presence in Philadelphia and Charlotte, while Delta dominates Atlanta.

"There's a fair amount of overlap in their route structures, particularly in the Southeast, and I would think that would be a problem for Washington," Borenstein said.

Borenstein noted that the USA's airline landscape has changed dramatically in the last six years. Low-cost carriers including Southwest, AirTran, Jet Blue, Frontier and Spirit now control about 25% of the domestic market.

US Airways Makes Bid For Delta (WT)

By Sean Lengell, The Washington Times

The Washington Times, November 16, 2006

US Airways Group Inc. proposed an $8 billion takeover of bankrupt Delta Air Lines Inc. yesterday, although Delta says it has no interest in the offer.

The proposed entity, which would operate with the Delta name, would be the leading trans-Atlantic carrier.

The proposal is the latest move by US Airways Chief Executive Officer Doug Parker, who orchestrated the 2005 takeover of the bankrupt airline by America West Airlines and has pushed for consolidation in the industry.

"Consumers will have the advantages of a larger, full-service airline with the cost structure of a low-fare carrier," Mr. Parker said.

With two major U.S. carriers -- Delta and Northwest Airlines Corp. -- operating in bankruptcy, industry watchers have been expecting a wave of consolidation and said a US Airways-Delta deal could jump-start the process.

Under the proposal, the combined airline would serve as many cities as US Airways currently does but with 10 percent fewer flights because some duplicate routes would be eliminated.

The merged company also would sell one of its shuttle operations that operate in the Northeast, mostly between Washington, New York and Boston, to eliminate the overlapping routes and to alleviate antitrust concerns.

But Delta's management has said it is committed to leaving Chapter 11 bankruptcy protection in the first half of 2007 as a stand-alone carrier.

"We received a letter from US Airways [yesterday] morning and will of course review it," said Delta's chief executive, Gerald Grinstein. But "our plan is working, and we are proud of the progress Delta people are making to achieve this objective."

The bankruptcy court has given the Atlanta carrier until Feb. 15 to file a reorganization plan.

"We will continue to move aggressively towards that goal," Mr. Grinstein said.

Delta rebuffed merger talks with the Tempe, Ariz., company earlier in the fall.

A merger between US Airways and Delta, which has been operating in bankruptcy since September 2005, would give Delta creditors significantly greater value than under any stand-alone plan, Mr. Parker said.

Delta's creditors would get $4 billion in cash and $4.67 billion in stock of US Airways.

"We just believe this is a better plan, and we want to get it on the table to the creditors," Mr. Parker said. "We believe once they understand this alternative plan, they'll prefer it."

US Airways' largest shareholder, PAR Capital Management, backs the offer.

"We enthusiastically support this transaction, which we believe offers the opportunity to build upon US Airways' current competitive position," said Paul Reeder, president of PAR Capital Management. "We have confidence in the US Airways management team ... and the potential upside for US Airways shareholders."

US Airways has obtained $7.2 billion in committed financing for the deal from Citigroup.

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Domestic mergers are subject to U.S. antitrust laws and must be approved by the Department of Justice. The merger, if it were to go through, also would have to be approved by the Department of Transportation, the Federal Aviation Administration and the Securities and Exchange Commission, as well as the European Union.

Justice officials declined to comment on the proposal.

But some industry watchers doubt the Justice Department would approve the proposal.

"In some markets, they would create a monopoly position," said Mike Boyd, a Colorado airline analyst. "This stuff [from Mr. Parker] about, 'Well, we all know we need consolidation.' Really? Mr. Grinstein doesn't think so. The chairman of Continental doesn't think so; the chairman of Northwest doesn't think so."

Ray Neidl, an equity analyst for the airline industry, agreed that the merger proposal wouldn't be an easy sell to the Justice Department, saying the offer has a 30 percent to 40 percent chance of rejection.

A reduction in competition also would be bad for consumers, Mr. Boyd said.

"This is a bad deal," he said. "Consumers lose big time. Whenever you lose a top competitor, consumers lose."

A merger of US Airways and Delta would create a cumbersome system with eight hubs -- far too many to be cost-effective, said analyst Anthony Tangorra, chief executive of Latitude Transport Advisory.

"There are other networks available out there that would be a better fit for [US Airways] and Delta," he said.

Although Delta's management is giving the proposal a cool reception, the airline could be forced into a merger if its leading investors push the matter.

"This appears to be sort of like a hostile takeover," said CreditSights analyst Roger King. "Grinstein has made it clear that he doesn't want to merge. But US Airways is appealing directly to the creditors."

US Airways shares jumped 17 percent to $59.50 on the New York Stock Exchange after the announcement.

Delta added 5 cents to $1.52 in over-the-counter trading.

Mr. Neidl cautioned that the market's favorable reaction to the proposal will be tempered in the near future.

"Investing around potential mergers is tricky at best," he said.

US Airways Proposes To Merge With Delta (WSJ)

By Evan Perez

The Wall Street Journal, November 16, 2006

US Airways Group Chief Executive Officer Doug Parker, rebuffed in an approach earlier this summer for merger talks with Delta Air Lines executives, is going around management and directly to the company's creditors with an $8 billion offer to buy the larger airline when it exits bankruptcy-court protection.

US Airways promised creditors "a significant premium" by offering $4 billion in cash and 78.5 million shares of US Airways stock, according to a securities filing by Delta.

US Airways chairman and CEO Douglas Parker5 says that he can't wait anymore to try and advance a merger with Delta, and that the company would likely sell its own Air Shuttle service, keeping Delta's instead.

Mr. Parker, in a conference call with Wall Street analysts, said he was making his move now because half of the projected $1.65 billion in annual cost savings that could be achieved by combining the two carriers would disappear if Tempe, Ariz.-based US Airways waits until after Delta exits bankruptcy.

While antitrust concerns would be among several hurdles to the combination, Mr. Parker said he didn't think there were any issues that couldn't be resolved. He suggested that either of US Airways' and Delta's competing Northeastern U.S. "shuttles," which connect Boston, New York and Washington, DC, could be put up for sale in order to satisfy antitrust problems. The merger last year of US Airways and America West, Mr. Parker said, shows that mergers "can be good for investors and consumers."

US Airways said frequent-flyer customers at the two carriers would have their current mileage balances combined as part of a Delta takeover. But the airlines participate in different global marketing alliances, so US Airways would have to narrow that to a single partnership.

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Mr. Parker has been buoyed by a high-flying stock price since the company's merger with America West Airlines. The Wall Street Journal reported that he telephoned Chief Executive Gerald Grinstein earlier this summer to gauge his interest in a possible merger. (See article6.)

Mr. Grinstein told Mr. Parker that Delta wasn't interested in starting merger talks, because the Atlanta-based airline plans to exit bankruptcy-court protection next spring as a stand-alone carrier.

Mr. Grinstein echoed that sentiment in a statement Wednesday. "We received a letter from U.S. Airways this morning and will of course review it," Mr. Grinstein said. However, "Delta's plan has always been to emerge from bankruptcy in the first half of 2007 as a strong, stand-alone carrier. Our plan is working and we are proud of the progress Delta people are making to achieve this objective."

The overture by Mr. Parker, an outspoken proponent of consolidation as part of the cure for the airline industry's financial ills, is the strongest signal yet to surface that a long-predicted consolidation among U.S. airlines could finally begin.

Airline mergers are notoriously fraught with troubles, in the past running into obstacles such as unionized-labor opposition and antitrust concerns. Mr. Grinstein has expressed doubt that a Delta-US Airways merger would pass antitrust muster because Delta's Atlanta hub competes for passengers with US Airways' Charlotte hub, a person familiar with this thinking said.

Nonetheless, US Airways, the nation's sixth-largest carrier by traffic, Mr. Parker has repeated his contention that with Delta and Northwest Airlines both operating under bankruptcy-court protection, the time is ripe for an airline merger and that he would be interested in either carrier. Delta, the third-largest U.S. carrier by traffic, and Northwest, Eagan, Minn., the fourth-largest, filed for bankruptcy protection minutes apart last September, fueling speculation that the carriers could make likely merger candidates. Airlines in bankruptcy court make attractive merger targets because under court protection, carriers have greater leeway to restructure aircraft fleets and reject existing contracts with employee groups and vendors.

Though Mr. Parker has been the most vocal about his interest in consolidating with an airline in bankruptcy protection, other airline executives are ruminating about the possibility. Top executives, bankers and potential investors are feeding the rumor mill about possible combinations, partly because many in the industry say the U.S. airline industry's current financial recovery would benefit if there were fewer big carriers.

Glenn Tilton, UAL Corp.'s chief executive, is among several top airline executives who have said six U.S. network airlines are probably too many and have urged full deregulation so U.S. carriers can compete with foreign airlines that already are beginning to combine.

UAL, which spent 38 months in bankruptcy-court protection before emerging on Feb. 1, "entertained transaction discussions" with both Delta and Continental Airlines about 18 months ago, according to two people familiar with the matter. But the talks were extremely preliminary and didn't go anywhere.

That investors thus far have done well on the US Airways-America West combination is helping to fan the merger talk. However, there are fears that while the US Airways-America West merger occurred as airlines were on an upswing, the next combination may well miss what may be the peak in the industry's cycle. Also, before its merger with America West, US Airways was in danger of liquidating and thus needed the deal to save itself. Northwest and Delta aren't in that situation.

Meanwhile, the integration at US Airways is by no means complete. Unionized-labor groups from both airlines must still be combined, and several new contracts must be negotiated. Reassigning seniority rankings of merged labor groups could cause tension between employees and management.

Following the initial conversation between Messrs. Parker and Grinstein about a possible deal, Mr. Parker sent the Delta CEO a letter on Sept. 29 pressing Mr. Grinstein to meet for further talks, according to a letter Mr. Parker sent today to Mr. Grinstein. According to the letter, which US Airways released as part of its unsolicited takeover offer, Mr. Grinstein "declined to meet or even enter into discussions."

Betsy Talton, a Delta spokeswoman, said the airline is focused on emerging from bankruptcy as a standalone carrier.

The combined carrier would be holding the leading market share in 155 U.S. airports, have the most flights across the Atlantic Ocean of any U.S. carrier and rank No. 2 in flights to and from the Caribbean region. US Airways insisted it wouldn't have to exit any U.S. markets in order to achieve cost savings of at least $1.65 billion a year following a takeover of Delta. US Airways said it would eliminate about 10% of the combined airlines' capacity.

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US Airways said it thinks that any antitrust issues "can be resolved," though the airline offered no immediate details on what it might do to ease anticompetitive concerns. Since the merger with America West, US Airways says it has lowered leisure fares in nearly 350 markets by an average of 24%.

The proposal would face an antitrust review by the Justice Department, which has rejected several big airline deals in recent years. But enforcers have historically allowed most acquisitions of bankrupt companies to proceed. And there has been a broad easing of merger enforcement under the Bush administration, which has approved many deals that might have been challenged in the past.

Even if the merger is allowed to proceed, antitrust enforcers are likely to conduct a market-by-market analysis and could force the sale of some city pairs served solely by Delta and US Airways.

A merger might also draw congressional scrutiny, where Democrats will control transportation and antitrust committees that may seek to weigh in on the deal. "Some mergers will face a tougher political gauntlet than in the past," says Scott Cleland, of Precursor LLC, a Washington consultant. Democrats often are more willing to seek changes in a merger to ease competition concerns, he says. But it is unlikely that the deal will be derailed.

--John R. Wilke in Washington contributed to this article.

Federal Watchdogs Likely To Approve Deal (AJC)

By Marilyn Geewax, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, November 16, 2006

Washington — If US Airways Group can persuade investors and creditors to accept its unsolicited $8 billion bid for Delta Air Lines Inc., federal regulators likely will approve the deal as well, analysts said Wednesday.

"I don't believe there will be any antitrust problems," said John Pincavage, a longtime airline adviser with Pincavage & Associates.

US Airways spokeswoman Valerie Wunder said the airline will work with regulatory agencies to free up whatever routes, airport slots and gates might be necessary to eliminate monopoly concerns. "We are confident any antitrust issue can be resolved," she said.

Pincavage noted that US Airways has specifically said that the combined company would sell off one of its two lucrative shuttle services linking Boston, New York and Washington to avoid gaining a monopoly in that market.

US Airways also competes with Delta up and down the Eastern Seaboard. And each has a hub in the Southeast, with Delta concentrated at Atlanta's Hartsfield-Jackson International Airport and US Airways at Charlotte Douglas International Airport.

To avoid antitrust problems, the Justice Department likely would want the combined carrier to scale back operations at those hubs to make room for competitors. It also might insist on reductions in operations at Delta's hub in Salt Lake City, which is relatively close to US Airways' hubs in Phoenix and Las Vegas.

But Justice Department spokeswoman Gina Talamona said it is too soon say exactly which concessions would be required to win approval.

If the proposed takeover were to move forward, "we would be interested in taking a look at it," she said. Divestiture decisions then "would have to be made on a case-by-case basis," she said.

Administration's 'laissez-faire policy'

Philip Baggaley, senior airline credit analyst with Standard & Poor's, said that "it's more likely than not that the Justice Department will approve" the just-proposed transaction as well, because "the Bush administration has certainly espoused a laissez-faire policy."

Merger opponents may want to look to Congress for help in pressuring Justice officials to stop the combination, especially since the new Congress will be controlled by Democrats, who typically are more skeptical of airline mergers.

For example, during the Clinton era, the Justice Department rejected both Northwest Airlines' attempt to buy Continental Airlines and United Airlines' bid to buy US Airways.

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But this particular takeover might enjoy a warmer reception from Democrats. If unionized US Airways takes over largely nonunionized Delta, tens of thousands of Delta workers could end up paying union dues, an outcome that would please Democrats.

Also, the airline industry has struggled in recent years with overcapacity, which has reduced concerns about inadequate competition.

Sen. Johnny Isakson (R-Ga.) agreed that "congressional hearings aren't on the horizon," but said he would use whatever political pressure he could muster to scuttle the deal if Delta continues to oppose it.

His allies in such a fight would be legislators from states that stand to lose service in a merger, such as North Carolina or Ohio, where Delta has a hub in Cincinnati.

"Delta deserves the right to emerge from bankruptcy" and set its own course, Isakson said. "Their home is in Atlanta, and I want to be sure it remains in Atlanta."

Hostile Approach Set To Face Tough Antitrust Probe (FT)

By Stephanie Kirchgaessner

Financial Times, November 16, 2006

US Airways' hostile bid for Delta will face a tough antitrust review by the Department of Justice, according to Washington experts who say authorities are likely to take into account the companies' concentration of routes along the east coast.

US Air is likely to approach an antitrust probe with an arsenal of arguments to support the proposed deal.

These include the changing dynamics of the troubled airline industry, the fact that it is willing to divest one of the companies' north-east shuttles and that the emergence of cheaper airlines has given passengers more options.

The airline may also highlight proposed synergies of $1.65bn a year - an argument that has resonated in the past with Thomas Barnett, the head of the antitrust division.

But one Washington source with knowledge about such investigations said the division has historically not always been swayed by divestiture offers from airlines, because they may not create enough competition in the marketplace.

Although the justice department would not make an antitrust ruling based on Delta's willingness to be taken over, an unwilling merger partner could offer ammunition to build a case against the deal.

Although the Bush administration has largely been seen as taking a hands-off approach to antitrust reviews, one notable exception was the antitrust division's 2001 rejection of the proposed US Air-United merger.

In a July interview with the Financial Times, Mr Barnett said he did not believe that the justice department needed to rethink its approach to airline mergers, but that it was worth considering whether the underlying "facts" of the industry had changed "so that applying [antitrust] principles might lead to a different result" in some cases.

"Certainly we take into account issues such as the competitive health or viability of an individual company or competitor, whether there are efficiencies that can be gained, whether the regulatory environment is changing to create new sources of competition [and] whether they have better access to consumers than before," he said.

Mr Barnett also noted, however, that some factors - including some city pair routes where airlines have a high market share - "cut in another direction".

US Airways' $8 Billion Bid For Delta May Unleash New Consolidation (FWJD)

By Harry R. Weber

The Fort Wayne Journal Gazette, November 16, 2006

US Airways made a hostile $8 billion bid for Delta Air Lines on Wednesday, ignoring Delta's repeated statements that it isn't interested in a merger. The move could start a stampede of competing bids in a long-predicted industry consolidation.

Analysts said United Airlines' parent company may make its own move to acquire Delta, and takeover bids for Northwest Airlines, which like Delta is being reorganized in bankruptcy court, can't be ruled out.

They also questioned whether US Airways could complete its plan to create the country's largest carrier, even after a planned 10 percent cut in capacity, on the compacted timeline it is seeking.

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"My main question mark is if the politicians and regulators would allow it to happen, because if it did it would probably set off a trend for industry consolidation," Ray Neidl, an airline analyst with Calyon Securities in New York, said of a Delta-US Airways combination.

It also could lead to higher ticket prices for passengers, industry experts said.

"With a capacity reduction of 10 percent, fares are going nowhere but up," said Robert W. Mann, a Port Washington, N.Y.-based airline consultant.

Rep. James Oberstar, D-Minn., who is set to become chairman of the House Transportation Committee, said he is concerned the combination would reduce competition and increase costs for travelers.

"If the Justice Department on its own does not initiate an antitrust review, I would ask them to do that," he said.

Delta said its goal remains to be a stand-alone company when it emerges from bankruptcy and that it had the backing of its creditors committee when it declined earlier discussions with US Airways.

It has yet to file its own plan of reorganization, but has the exclusive right to do so until Feb. 15.

If the deal is completed, the combined airline would operate under the Delta name and serve more than 350 destinations across five continents.

The combined company would divest certain assets, including one of the two hourly shuttle services that Delta and US Airways operate among Boston, New York and Washington. US Airways has not decided where the combined company would be based.

The US Airways offer comes as it and America West are still integrating their operations after their combination last year. To date, only 57 percent of America West planes have been painted over with US Airways' logos, a spokesman said.

The deal also comes with a host of labor-related complications, according to aviation consultant Mann.

"There will be a huge seniority integration problem that will result. It's already problematic after the US Airways-America West merger. This will only increase it fourfold," he said.

As it stands now, Delta's existing common shares are likely to end up worthless when it exits bankruptcy. In most bankruptcy cases, debtholders end up with new shares of the company.

That's where the US Airways offer comes in: It is proposing to pay Delta's unsecured creditors $4 billion in cash and 78.5 million shares of US Airways stock after Delta emerges from bankruptcy.

Shares of US Airways Group Inc. rose $8.57, or 16.83 percent, to $59.50 Wednesday on the New York Stock Exchange. Delta Air Lines Inc. shares are traded over the counter.

Doug Parker, chief executive of Tempe, Ariz.-based US Airways, said in an interview he believes Delta's creditors ultimately will see that his offer is fair.

"The (bankruptcy) process is designed so that the creditors get the highest possible value for their clients," he said.

Parker said he would anticipate flying with 10 percent fewer planes, but "the plan is not predicated on any job cuts" for the 85,000 employees at the two companies.

The combination would create a company with about $28 billion in annual revenue, leapfrogging it past the current No. 1 U.S. carrier, AMR Corp.'s American Airlines.

The projection is based on revenue figures through the first nine months of 2006. It's unclear how any divestitures would affect a combined Delta-US Airways' revenue.

Delta Chief Executive Gerald Grinstein said last month he had received "feelers" from UAL Corp.'s United Airlines about a possible merger 18 months ago, but quickly rejected them. And he said in a statement Wednesday that "Delta's plan has always been to emerge from bankruptcy in the first half of 2007 as a strong, standalone carrier."

In a memo later to employees, Grinstein was more firm, saying "while Delta is obligated to review this proposal carefully, we remain skeptical that it would make sense to deviate from our plan."

Elk Grove Village, Ill.-based UAL sidestepped questions about its intentions, but didn't rule out a possible bid.

"We think consolidation is good for the industry," said Jake Brace, chief financial officer, when asked about its plans at a Citigroup investment conference in New York. "If it makes sense for us to participate in it, we will."

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One analyst called United the perfect merger companion for Delta, with its trans-Pacific routes and international network matching up well with Delta's strengths on Atlantic and Latin American routes.

"If anyone takes over Delta, bet on United," said CreditSights' Roger King.

Morningstar analyst Brian Nelson also said he sees a United pursuit of Delta as a possibility, even though it would conflict with its stated strategy of paying down debt.

Bill Hochmuth, an analyst who tracks airlines at Thrivent Financial for Lutherans, said Northwest Airlines Corp. could potentially be an acquirer, although probably as more of a merger of equals.

Other airlines either declined to comment or said they were reviewing US Airways' offer.

US Airways, which was created after US Airways emerged from bankruptcy and was acquired by America West last year, said the deal is expected to generate $1.65 billion in annual savings from optimization of the airlines' networks and combining facilities in overlap airports.

US Airways sent a letter touting the Delta buyout to its frequent flyers, claiming the deal would reduce fares and combine the two airlines' frequent flyers programs, making it easier to redeem miles.

During a conference call, some analysts were skeptical of US Airways' confidence it can get the deal done if Delta is hostile to the bid.

They also questioned why US Airways is bidding for Delta, as opposed to another airline, like Northwest, which also is in bankruptcy.

Parker said the Delta bid makes more sense because of the synergies that can be realized. He also said he is confident the deal can clear all the hurdles it needs to, and "would prevail over any other bid if there were any."

US Airways has hubs in Phoenix, Philadelphia and Charlotte, N.C. Delta's hubs are in Atlanta, Cincinnati and Salt Lake City.

The deal makes the most sense only if it is consummated through the bankruptcy process, rather than waiting until after emergence to reach agreement, Parker said. That's because of further cost cuts that could be gained through the bankruptcy court.

As for employees, Parker said "we happen to have similar labor costs on both sides."

He did not discuss pilot pay.

US Airways has received a commitment from Citigroup Inc. to provide $7.2 billion in new financing for the deal. The funding would be used to refinance Delta's debtor-in-possession credit facility, refinance US Airways' existing senior secured facility with GE Capital, and provide funds for the $4 billion cash portion of the offer.

All other allowed secured debt and administrative claims would be assumed or paid in full. As of the end of May, Delta owed $7.49 billion to holders of secured claims, according to a court filing.

US Airways said the offer is a 25 percent premium over the current trading price of Delta's pre-petition unsecured claims as of Tuesday, and a 40 percent premium over the average trading price for Delta unsecured claims over the last 30 days.

Associated Press writers Daniel Yee in Atlanta, Joshua Freed in Minneapolis, Dave Carpenter in Chicago, David Koenig in Dallas, Brad Foss in Washington and Vinnee Tong in New York contributed to this report.

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Do Fliers Gain When Airlines Consolidate? (WSJ)

By Darren Everson And Betsy Mckay

The Wall Street Journal, November 16, 2006

US Airways Group Inc., which yesterday bid $8.67 billion to acquire Delta Air Lines, believes consolidation would help the troubled airline industry. But in the wake of US Airways' own purchase by America West, it's less clear how much consumers stand to benefit.

Delta has rejected the offer by US Airways. But if the hostile bid should prove successful, analysts say there could be some advantages for consumers, but also some risks. Users of US Airways frequent-flier miles, for instance, could benefit from having

access to Delta's extensive international route system. On the other hand, overlaps in service, especially in some Southern cities where both airlines have major operations, could reduce competition and lead to increased fares. What's more, persistent glitches in the process of integrating US Airways and America West raise concerns about customer service should the Delta bid succeed.

A US Airways-Delta merger would create the country's largest carrier, with an 18% market share by available seat miles, an airline industry measure of capacity. Delta, the nation's third-largest airline by passenger traffic, has hubs in Atlanta, Cincinnati, New York (John F. Kennedy) and Salt Lake City. US Airways, which ranks No. 6, has hubs in Charlotte, N.C.; Philadelphia, Phoenix, Pittsburgh and Las Vegas. There is significant overlap between Delta's 6,795 daily flights and US Airways' 3,846, especially because both operate shuttles on the East Coast.

So far, US Airways has disclosed little about how a takeover of Delta would affect each airline's operations. One exception: One of the two companies' overlapping East Coast shuttle services, which connect Boston, New York and Washington, would probably have to be sold to satisfy antitrust concerns, US Airways says.

Beyond the shuttles, there is significant overlap in the South, with Delta's main hub situated in Atlanta and US Airways having significant operations in Charlotte. The concentration means that "it would destroy competition in the deep South," says Michael Boyd, president of Boyd Group Inc., an aviation-industry advisory group in Evergreen, Colo.

For example, while no airline currently commands more than a 39% market share in Charleston, S.C., a merged US Airways-Delta would gain more than a 70% share of that market, Mr. Boyd says. The new airline would have more than 75% of flights serving Montgomery, Ala., and nearly 80% of the market in Charlottesville, Va. "This is going to really hurt the consumer," he says.

Even outside of the South, the sheer size of the merged airline could create pricing power that pushes fares higher, especially along the East Coast, says Jay Sorensen, president of consulting firm IdeaWorks. However, Mr. Sorensen says that could benefit consumers in the long run.

"The first response to that [merger] outcome might be negative," Mr. Sorensen says. "But I think it's a good thing for the consumer. This industry simply needs higher fares to get back on a solid financial footing. Profitable airlines give better service in every regard from comfort in the air to reliably delivering baggage at the end of a flight."

US Airways counters arguments that fares could rise. It points to its merger with America West, which it says led to fare cuts averaging 24%. Plus, the airline says, even in the South, low-cast carriers like Southwest Airlines and AirTran Holdings Inc. remain as competition.

US Airways has proposed combining the two airlines' frequent-flier programs should the merger succeed. For US Airways' frequent fliers, Delta's extensive international routes could offer more destinations. But for users of Delta's SkyMiles, a merger could bring setbacks. For instance, Delta's SkyMiles currently expire after three years for members whose accounts have no activity, compared with a 18-month expiration term for US Airways' program, which is half the industry standard. Although Delta is shortening its expiration term to a two-year period, that's still longer than that of US Airways, says Tim Winship, publisher of FrequentFlier.com.

"When you boil it down, you have a low-cost carrier acquiring a full-service carrier," says Mr. Winship. "Watch out for terms and conditions changes," Mr. Winship says, "and keep your fingers crossed that they don't reflexively adopt the lowest common denominator since part of the goal of these tie-ups is to squeeze down costs and maximize efficiency."

In the short term, US Airways' merger with America West portends possible logistical problems to a combination with Delta. US Airways and America West aren't expected to be fully integrated until the second quarter of next year, says a person familiar with the process. For now, consumers remain confused about which airport kiosk to use and where to check in at the airport for a flight.

In an internal US Airways newsletter dated yesterday, a Q-and-A explaining the Delta merger proposal acknowledged the integration glitches US Airways still faces with its America West deal. One question began, "Are you guys out of your minds?"

One issue in a US Airways-Delta merger that could need immediate attention is the fate of one of the East Coast shuttle services the two airlines operate. But the sale of either of the shuttle services would likely mean little more to consumers than a change in name on a plane, industry experts say.

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Both services, Delta Shuttle and US Airways Shuttle, currently operate hourly flights on weekdays between New York and the two other Northeast corridor cities, with more infrequent shuttle flights on weekends. The services are not a huge source of profit, despite their popularity, says Mr. Boyd, the aviation-industry adviser.

It's unclear who would be interested in buying either of the shuttle services. Analysts speculated yesterday that AMR Corp.'s American Airlines, Northwest Airlines and UAL Corp.'s United Airlines would be the most likely suitors. American has tried to buy the US Airways shuttle before and runs flights along the shuttle routes on tiny regional jets. Its customers would clearly prefer an upgrade. An American spokesman declined to comment yesterday.

US Airways Bid For Delta Could Spur Consolidations (FWST)

By Trebor Banstetter

The Fort Worth Star-Telegram, November 16, 2006

Imagine booking a flight on Americanorthwest Airlines, an aviation behemoth with six domestic hubs and unmatched service to Asia, Latin America and Europe.

Or flying on United-Continental Airways (or perhaps Continental United Airlines, or even UniCont Air), a powerhouse in the West and on the East Coast. And for a low-fare trip, you could check prices on FronTranBlue.

The airline industry is buzzing over those potential airline combinations and more, after US Airways sparked the latest round of merger speculation Wednesday with a hostile bid to take over the bankrupt Delta Air Lines for $8 billion in cash and stock.

The chatter sent airline stocks soaring, despite warnings from some experts that industry consolidation is likely to move slowly and that any US Airways-Delta deal faces significant challenges. Delta executives said they weren't interested, and even if creditors sign on, a merger would receive intense scrutiny from regulators and the Justice Department.

And some analysts pointed to the industry's record of failed airline mergers.

"It's a terrible idea," said consultant Mike Boyd of the Boyd Group of Evergreen, Colo. "It's a bad deal for the customers, the employees, for everybody, really, except the financial types."

Still, "investors seem to like the prospect of this deal setting off industry consolidation," airline analyst Ray Neidl of Calyon Securities noted in a report Wednesday. "We would not be surprised if other offers emerge for Delta and that an industry trend in mergers and acquisitions starts."

Shares of AMR Corp., American Airlines' parent (ticker: AMR), rose $1.65, or 5.4 percent, to $32.33 Wednesday, and Southwest Airlines' shares climbed 70 cents, or 4.6 percent, to finish at $15.94. Shares of US Airways (LCC) soared $8.57, or 16.8 percent, to close at $59.50, while Continental stock (CAL) jumped $4.72 per share, or 12.3 percent, finishing at $43.08.

Speculation has been rampant for months that the major airlines may consider mergers, particularly as Delta and Northwest Airlines restructure in bankruptcy. Most analysts say Fort Worth-based American and Dallas-based Southwest are not among the top merger candidates, because both airlines have strong finances and could weaken themselves by buying a struggling partner.

Still, if other carriers do combine, it would increase the pressure for those airlines to consider strategic partnerships, said longtime industry consultant Darryl Jenkins.

"If this happens, then the competitive landscape changes, and American will have to reassess its own plans," he said. "I don't think they want to do a merger, but they're going to be watching this."

Officials with American declined to comment on the proposed Delta merger. "We're watching it closely like everyone else," spokesman Tim Smith said.

Beth Harbin, a Southwest spokeswoman, said her airline already competes with Delta and US Airways. "We haven't heard anything today that would prompt us to change course," she said.

Bob McAdoo, an analyst with Prudential Equity Group, said a merger could be good for the industry, because it would shrink airline capacity further and increase fares.

And industry observers quickly began handicapping other possible combinations.

Analyst Susan Donofrio of Cathay Financial said American could make a good partner for Northwest, despite the two airlines having "very different management styles."

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Northwest's strong Pacific presence would nicely complement American's Latin American and trans-Atlantic routes, she wrote in a note to investors. And domestically, Northwest's hubs in Minneapolis, Detroit and Memphis would "fill out" American's route network, which centers on Dallas/Fort Worth Airport, Chicago and Miami, she said.

American could get a bargain price for Northwest in bankruptcy court. "The acquisition of a bankrupt carrier remains attractive, as there exists the ability to renegotiate or break lease agreements and reduce unprofitable capacity," Donofrio said.

Analysts also suggested that United Airlines might make a good partner for Houston-based Continental Airlines. United executives have speculated in recent months that they might be looking to merge, and there have also been reports that the company might consider going private through a leveraged buyout.

Analyst Roger King of research firm CreditSights speculated that United might make a competing bid for Delta.

"If anyone takes over Delta, bet on United," he wrote in a report. "United has the best strategic fit; the combined networks would create the best airline in the world."

Even the discount airlines are being scrutinized for possible combinations. The announcement that Frontier Airlines and AirTran Airways will share frequent-flier programs sparked some speculation that greater cooperation is in store for the two carriers.

And Donofrio suggested that JetBlue Airways might make a good match for Frontier, because both airlines have Airbus fleets and a combination would balance their route structures.

David Neeleman, JetBlue's chief executive, told Bloomberg News on Wednesday that his company has no plans to acquire or merge with another airline.

"We're not a merger candidate," he said.

Boyd, the Colorado consultant, cautioned that mergers might not be the best answer for the industry's woes. He said the smart airlines will stay on the sidelines and let competitors get distracted by time-consuming and costly acquisitions.

"What the guys at American should do is, they should help US Airways finance this deal," he said. "It would be great for American."

Boyd said Delta and US Airways would be "wallowing in the merger mud" for years, as would most other airlines that try to combine.

"It would get very, very ugly," he said.

Stuart Klaskin, an industry consultant with Klaskin, Kushner & Co. in Coral Gables, Fla., added that the antitrust concerns could overwhelm any significant combination.

"In order to get a deal like this past the regulators, you may have to lop off such a huge part of the system that you don't end up gaining anything," he said.

When Delta executives said they wanted to stay independent, "they weren't being coy," Klaskin said. "They have good reason to want to avoid this." The proposal

US Airways wants to buy Delta Air Lines out of bankruptcy for $8 billion in cash and stock. US Airways

Headquarters: Tempe, Ariz.

CEO: Doug Parker

2005 revenue: $5.1 billion

Destinations:

234 cities in 28 countries

Top cities: Charlotte, N.C.; Philadelphia; Phoenix

Daily flights: 3,846

Airplane fleet: 365

Employees: 35,000 Delta Air Lines

Headquarters: Atlanta

CEO: Gerald Grinstein

2005 revenue: $16 billion

Destinations:

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292 cities in 46 countries

Top cities: Atlanta, Cincinnati, New York

Daily flights: 6,795

Airplane fleet: 625

Employees: 47,000 The speculation

Industry watchers are buzzing about other potential mergers, although nothing has been proposed and some argue that antitrust concerns could block a significant deal.

American Airlines–Northwest Airlines

The pros: These two airlines could create a powerhouse with unprecedented service to Asia, Europe and Latin America and a far-flung domestic system with six hubs: D/FW, Miami, Chicago, Detroit, Minneapolis/St. Paul and Memphis.

The cons: Their jet fleets aren't particularly compatible, and combining labor unions would be a huge obstacle. American executives might also want to avoid the distraction of merger issues as the airline works to return to consistent profitability.

United Airlines–Continental Airlines

The pros: These airlines don't have overlapping hubs, which would reduce antitrust concerns. A merger would also combine United's strength in the eastern U.S. with Continental's in the West.

The cons: Continental, already in relatively good financial shape, might be unwilling to take on a struggling partner. And Northwest could block a deal under an option it holds with Continental.

Discount airlines

The pros: AirTran Airways and Frontier Airlines recently announced an agreement to share frequent-flier programs, which could be a prelude to a stronger partnership. And JetBlue Airways, which has a strong East Coast presence, could benefit from merging with Frontier, solid in the West.

The cons: The discount carriers are already growing fast and don't need acquisitions to expand. And their low-cost structures could be at risk from the complexities that often accompany a merger. Trebor Banstetter, 817-390-7064

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Let Delta Fly Right (LAT)

The Los Angeles Times, November 16, 2006

The proposed merger between US Airways and Delta is a step in the right direction for the ailing industry.

THE NATION'S airline industry has been in a gradual recovery lately. But US Airways Group Inc.'s announced bid to acquire Delta Air Lines Inc. promises to set off a needed consolidation of the business that will make it better able to weather the next financial downturn. Let's hope federal regulators don't block such a transformation this time around.

That's precisely what happened in 2001 when the Department of Justice ill-advisedly blocked the merger of US Airways and UAL Corp.'s United Airlines on antitrust grounds. The airline industry then had to confront an economic slowdown and the post-9/11 trauma with excess capacity, losing billions of dollars. Since 2002, four major U.S. airlines have sought bankruptcy protection; two (Delta and Northwest Airlines Corp.) are currently in Chapter 11.

US Airways says it will cut about 10% of the new Delta's passenger capacity if the two airlines merge (under the Delta brand), mostly from routes that have redundant service. It also could close a few expensive hubs. Between 2001 and 2004, US Airways filed for bankruptcy twice. The airline probably would have shut down completely if scrappy America West Airlines hadn't bought it in 2005. Delta says it will review US Airways' offer but will go forward with its plan to emerge from bankruptcy as a stand-alone airline.

The federal government should carefully review the deal if it goes forward, as well as any other such mergers. (Continental Airlines Inc. and Northwest have been eyeing each other for years, and United Chief Executive Glenn Tilton has been a vocal advocate of more aggressive consolidation in the industry.) Some routes will need to be dropped, some gates surrendered to competitors.

But regulators need to recognize that the industry is changing. The country needs fewer first-tier coast-to-coast airlines with a broader reach at home and abroad. The problem with some major U.S. airlines is that they are simultaneously too small and too large. Beyond these, growing low-cost carriers such as Southwest Airlines Co. and JetBlue Airways Corp. handle nearly one-third of all domestic passengers, and will have about 50% of the country's total market share in a decade.

Such nimble airlines are more capable than ever at filling niches created by the post-merger abandonment of routes by larger carriers — or by their greedy overpricing in other markets.

If Congress really wants to help consumers and shore up the financial health of airlines, it should allow the entry of foreign carriers and investors, which it has repeatedly declined to do. This is a global industry, after all.

Micron Subpoenaed In Price-fixing Probe; Two Idahoans Sue (IDAHOST)

By Ken Dey, Idaho Statesman

Idaho Statesman, November 16, 2006

Federal prosecutors have subpoenaed Micron Technology in an investigation into possible price-fixing of static random access memory, or SRAM, by semiconductor companies. This week, Micron was also named with more than 20 other semiconductor companies in a price-fixing lawsuit filed in Boise.

The lawsuit, filed Tuesday on behalf of Idaho residents Mark Alon Davis and Kenneth W. Herbert, alleges that between Jan. 1, 1998 and Dec. 31, 2005 the companies agreed to combat declines in prices for SRAM — a type of memory used in computers and electronic products — by manipulating the wholesale price. The lawsuit alleges the manipulation ultimately led to higher prices of consumer electronic products that used SRAM.

Micron confirmed in documents filed with the Securities and Exchange Commission that it received a subpoena Oct. 11 related to the investigation.

"Micron believes that it is not a target of the investigation and will fully cooperate with the Department of Justice," Micron said today in a statement to the Idaho Statesman. "Micron will vigorously defend against any civil class action cases that are filed."

The Justice Department hasn't said what period its SRAM investigation covers, but a similar department investigation of alleged dynamic random access memory, or DRAM, price fixing covered 1999 to 2002. Micron has cooperated with the Justice Department in that investigation.

SRAM is found in small quantities in personal computers. It's also used in disk drives, communications equipment and networking gear. Philip Gordon, the Boise lawyer representing Davis and Herbert, said his clients bought products with SRAM including printers, routers and cell phones.

Unlike DRAM, SRAM keeps its data without electrical power. DRAM is used extensively in computers. Mark DeVoss, a senior analyst with iSuppli Corp. which analyzes the semiconductor industry, said the demand for SRAM is declining because more companies are integrating the features of SRAM into the microprocessors of devices, retaining the benefits of SRAM in a smaller space.

AT&T Merger May Face Further Scrutiny (SAEN)

By Sanford Nowlin, Express-News Business Writer

San Antonio Express-News, November 16, 2006

The next chairman of the Senate Commerce Committee said San Antonio-based AT&T Inc.'s purchase of BellSouth Corp. needs more scrutiny and should be the focus of a hearing when Democrats assume control of Congress in January.

Sen. Daniel Inouye, D-Hawaii, the incoming chairman, told reporters late Tuesday that his committee should take a look at the telecommunications megamerger. He said he would like the Federal Communications Commission to delay approval until after the hearing.

"We'd like to know what the impact would be," Inouye said. "I think the people of the United States would like to know."

The hearing will take place, a spokesperson for Inouye later said, whether or not the FCC approves the merger by the end of the year.

Investors appear to be bracing for what the congressional power shift means for AT&T.

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Company shares dropped 1.52 percent to $32.46 on Wednesday on concern the new Congress will bring a less-friendly regulatory environment for the telecom giant.

The shift comes on top of investor worries that the FCC has three times delayed a vote on the deal.

"Everyone seems to think this deal will get done, but there's a new level of uncertainty," Frost Bank analyst Le Keough said.

Although the Justice Department and 18 state bodies have cleared the AT&T-BellSouth deal, it's still awaiting a nod from the FCC, the last regulatory agency needed to approve it. The commission's two Republican and two Democratic commissioners are divided over what conditions to apply to the deal.

The FCC may vote on the deal at its Dec. 14 meeting, experts said, but deliberations could continue into next year if the commission can't break its impasse.

However, the delay might not be indefinite, because FCC Chairman Kevin Martin has the option of bringing in the commission's fifth member, Republican Robert McDowell, to break a tie. McDowell has recused himself from the deliberations because he previously worked for a group that represented AT&T's competitors.

In exchange for approving its takeover of Atlanta-based BellSouth, AT&T has offered to temporarily freeze the wholesale rates it charges competitors and provide $10-a-month high-speed Internet service to customers who also take its phone service.

Competitors have argued that the company should be forced to sign off on net neutrality safeguards and to sell off some of its wireless spectrum.

"The conditions we've offered have received glowing approval from a broad range of individuals and groups, both Democratic and Republican," AT&T spokesman Mike Balmoris said.

Inouye's remarks come on top of comments last week from Rep. John Dingell, D-Mich., who's expected to become chairman of the House Commerce Committee. Dingell said he thinks the FCC needs to review the deal thoroughly

Although some worry Democratic pressure may slow the review, Inouye's and Dingell's recent remarks may lead the FCC's Martin to speed up deliberations so the merger can be approved before the new Congress convenes, said Jeff Gulati, a Bentley College political science professor who tracks telecom policy.

"I think this is really (Inouye) letting the FCC know that the Democrats are relevant and that they're going to exercise some oversight responsibility on these mergers, which is something the Republicans didn't exactly do over the last several years," Gulati said.

Microsoft Still Short On Data, The EU Says (AP)

By Aoife White, THE ASSOCIATED PRESS

AP, November 16, 2006

BRUSSELS, Belgium -- Microsoft Corp. still has not supplied the "complete and accurate" documentation necessary to comply with a 2004 antitrust order, European Union regulators said Wednesday. They warned that new fines could be imposed unless Microsoft supplies full information by Nov. 23.

The European Commission, which fined Microsoft $357 million in July for not providing the technical information, said it expects "the remaining omissions and deficiencies" to be remedied quickly.

"Our patience is finite," EU spokesman Jonathan Todd said. "Until we have the whole set of documents, it's worth nothing."

Microsoft said it already had made "very significant progress" in improving the information it has given regulators, which aims to help rivals make server software that works smoothly with its desktop operating system Windows.

"We stand ready to do any additional work that is required to comply with the commission's decision," Microsoft said.

But the EU's executive arm said that what Microsoft has done so far is not enough and that there are still problems with the technical manual that will eventually be turned over to rivals to check before Microsoft can get the all-clear.

The commission said it wants "the remaining omissions and deficiencies in the technical documentation to be remedied by Nov. 23" so that all the material will be available by the end of this month for potential licensees to review.

Regulators must then decide if Microsoft has finally obeyed its 2004 ruling that found that the company had abused its monopoly by deliberately withholding technical data from rivals.

DOJ_NMG_0095064

That decision would be based on comments from potential licensees and advice from an independent trustee, computer scientist Neil Barrett, on whether that information is "operational."

"Should Microsoft continue to fail to comply, the amount of the daily penalty payment to which Microsoft could be subject would be increased from up to 2 million euros ($2.56 million) to up to 3 million euros ($3.85 million) per day with effect from July 31, 2006," the commission warned.

EU antitrust chief Neelie Kroes told the The Guardian newspaper in Britain that her patience had run out, about 3 1/2 years after Microsoft was ordered to hand over the data.

"I don't have eternal life," she said in an interview published Wednesday. "I am not impressed if someone says 90 percent of the information is already there when we need 100 percent. It's a jigsaw, and some parts are missing."

The EU fined Microsoft a record $613 million in March 2004 and told it to share interoperability information with rivals and put on sale a copy of Windows without Media Player software.

Regulators said Microsoft had committed to and missed a number of deadlines for supplying "complete and accurate specifications," the last on July 19.

Microsoft said it had responded quickly and completely to all requests and queries on the technical documentation since the July deadline.

ENVIRONMENT/INDIAN AFFAIRS:

Environmentalists Sue Bush Administration Over Global Warming Report (AP)

By Terence Chea, Associated Press Writer

AP, November 16, 2006

(AP) - SAN FRANCISCO-Environmentalists sued the Bush administration for failing to produce a report on global warming's impact on the United States' environment, economy and public health.

Tuesday's lawsuit seeks to compel the U.S. Climate Change Science Program to issue the national assessment, which should contain the most recent scientific data on global warming and projections for its future impacts. The plaintiffs claim the government must complete such a report every four years under the Global Change Research Act of 1990.

"Global warming is one of the most serious threats facing humanity today," according to the complaint. Without the report, decision makers and the public "are without one of the most important tools to grapple with this complex, potentially overwhelming and yet all important issue."

The White House Office of Science and Technology Policy, which was named in the lawsuit, had not received the complaint Tuesday and could not comment on it, said spokesman Ben Fallon.

But Fallon defended the administration's record on combating global warming, pointing to increased funding for alternative energy research and partnerships with other countries.

"We feel very positive about our record on climate change," Fallon said. "The president has been focused on results-driven research and looking for practical ways to address climate change in ways that aren't damaging to the economy."

Officials at the Climate Change Science Program, also named in the complaint, did not immediately respond to calls seeking comment.

The lawsuit was filed in federal court in San Francisco by the Center for Biological Diversity, Friends of the Earth and Greenpeace.

The assessment, which plaintiffs allege was due in November 2004, is the "first step in crafting solutions to the devastating consequences of climate change if we don't act now," said Julie Teel, an attorney for the plaintiffs.

Sen. John Kerry, a Massachusetts Democrat and former presidential candidate, who has also been calling on the administration to issue the assessment, expressed support for the lawsuit.

"It's the right time to push Washington to grapple with this issue," Kerry said in a statement. "For too many years, action on global climate change has been stopped dead in its tracks by government foot-dragging, hiding information and smothering science."

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Environmentalists have accused the administration of trying to suppress dissemination of the previous assessment, issued in 2000, which predicted a dramatic rise in catastrophic storms, floods, droughts and heat-related deaths.

The lawsuit comes as experts from around the world meet in Nairobi for the two-week U.N. climate conference, where they have been trying to set a course for future controls on global greenhouse gas emissions.

Scientists attribute at least some of the past century's rise in global temperatures to the accumulation in the atmosphere of carbon dioxide and other heat-trapping gases, byproducts of power plants, automobiles and other fossil fuel-burning sources.

On the Net:

U.S. Climate Change Science Program: http://www.climatescience.gov/

Center for Biological Diversity: http://www.biologicaldiversity.org/swcbd/programs/policy/energy/ ati onal-ass essment.html

Court Asked To Rescind EPA Decision Allowing Field Burning (AP)

By Gene Johnson, AP Legal Affairs Writer

AP, November 16, 2006

SEATTLE (AP) -- The dense plumes of smoke that arise when grass-seed farmers in Idaho burn their fields cause asthma in children, reduce visibility on highways and actually kill people, but the Environmental Protection Agency did not study those effects before changing a federal rule to allow such fires, a lawyer for a clean-air group told judges Wednesday.

"The smoke from this burning is so thick it sends people to the hospital," attorney David Baron told the three-judge panel from the 9th U.S. Circuit Court of Appeals, where such cases are heard.

Baron represents Safe Air For Everyone, a Washington and Idaho clean-air group, as well as the American Lung Association, which sued late last year to undo the EPA's rule change on the grounds that the agency made the decision without first studying what the effects would be.

Kentucky bluegrass seed grown in northern Idaho is shipped across the nation to be used in landscaping and golf courses. Farmers contend they must burn the stubble left on fields to improve the production of the next year's crop and control pests. The smoke often drifts into neighboring states and Canada.

Hundreds of doctors have signed petitions seeking an end to the burning, saying their patients suffer ill effects from the dense smoke; in 2000, a coroner determined that a Rathdrum, Idaho, woman died from inhaling it. Clean-air groups argue that a 1998 decision to ban grass-field burning in Washington state has not harmed the seed industry.

The field burning has gone on for years in Idaho, where it is allowed under state law but historically not under the federal plan for Idaho established under the Clean Air Act. Last year, after health groups threatened to sue farmers for burning fields, the EPA changed the plan for Idaho, saying it had intended to allow grass-field burning all along.

The EPA insisted that the change was a simple clarification that could be made without first conducting a study.

"There was no statement in the state implementation plan that crop residue burning was allowed," said Justice Department lawyer Paul Cirino. "But everybody knew it was allowed in Idaho."

The judges - Arthur Alarcon, Pamela Ann Rymer and Marsha Berzon - regarded that argument dubiously. They said that field burning clearly had been prohibited under the federal plan, and that the government's rule change allowing such burning was more than a "clarification."

"It says flat out that you can't have open burning, and now the agency can interpret that to mean something else?" Berzon asked Cirino.

"I'm having trouble with your use of the word 'clarification,'" Alarcon added.

Baron said after the hearing that if the EPA is forced to study the matter, it may eventually come around to banning the practice.

"We find it remarkable that the EPA would be so resistant to taking a close look at the effects of this burning, when it's making people sick, sending them to the hospital and clouding skies across Idaho," he said.

The judges will issue a ruling at a later date.

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Also argued Wednesday was a tangentially related case concerning the EPA's requirements for field burning on the Coeur d'Alene Tribe's reservation in Idaho.

Some Americans Lack Food, But USDA Won't Call Them Hungry (WP)

By Elizabeth Williamson

The Washington Post, November 16, 2006

The U.S. government has vowed that Americans will never be hungry again. But they may experience "very low food security."

Every year, the Agriculture Department issues a report that measures Americans' access to food, and it has consistently used the word "hunger" to describe those who can least afford to put food on the table. But not this year.

Mark Nord, the lead author of the report, said "hungry" is "not a scientifically accurate term for the specific phenomenon being measured in the food security survey." Nord, a USDA sociologist, said, "We don't have a measure of that condition."

The USDA said that 12 percent of Americans -- 35 million people -- could not put food on the table at least part of last year. Eleven million of them reported going hungry at times. Beginning this year, the USDA has determined "very low food security" to be a more scientifically palatable description for that group.

The United States has set a goal of reducing the proportion of food-insecure households to 6 percent or less by 2010, or half the 1995 level, but it is proving difficult. The number of hungriest Americans has risen over the past five years. Last year, the total share of food-insecure households stood at 11 percent.

Less vexing has been the effort to fix the way hunger is described. Three years ago, the USDA asked the Committee on National Statistics of the National Academies "to ensure that the measurement methods USDA uses to assess households' access -- or lack of access -- to adequate food and the language used to describe those conditions are conceptually and operationally sound."

Among several recommendations, the panel suggested that the USDA scrap the word hunger, which "should refer to a potential consequence of food insecurity that, because of prolonged, involuntary lack of food, results in discomfort, illness, weakness, or pain that goes beyond the usual uneasy sensation."

To measure hunger, the USDA determined, the government would have to ask individual people whether "lack of eating led to these more severe conditions," as opposed to asking who can afford to keep food in the house, Nord said.

It is not likely that USDA economists will tackle measuring individual hunger. "Hunger is clearly an important issue," Nord said. "But lacking a widespread consensus on what the word 'hunger' should refer to, it's difficult for research to shed meaningful light on it."

Anti-hunger advocates say the new words sugarcoat a national shame. "The proposal to remove the word 'hunger' from our official reports is a huge disservice to the millions of Americans who struggle daily to feed themselves and their families," said David Beckmann, president of Bread for the World, an anti-hunger advocacy group. "We . . . cannot hide the reality of hunger among our citizens."

In assembling its report, the USDA divides Americans into groups with "food security" and those with "food insecurity," who cannot always afford to keep food on the table. Under the old lexicon, that group -- 11 percent of American households last year -- was categorized into "food insecurity without hunger," meaning people who ate, though sometimes not well, and "food insecurity with hunger," for those who sometimes had no food.

That last group now forms the category "very low food security," described as experiencing "multiple indications of disrupted eating patterns and reduced food intake." Slightly better-off people who aren't always sure where their next meal is coming from are labeled "low food security."

That 35 million people in this wealthy nation feel insecure about their next meal can be hard to believe, even in the highest circles. In 1999, Texas Gov. George W. Bush, then running for president, said he thought the annual USDA report -- which consistently finds his home state one of the hungriest in the nation -- was fabricated.

"I'm sure there are some people in my state who are hungry," Bush said. "I don't believe 5 percent are hungry."

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Bush said he believed that the statistics were aimed at his candidacy. "Yeah, I'm surprised a report floats out of Washington when I'm running a presidential campaign," he said.

The agency usually releases the report in the fall, for reasons that "have nothing to do with politics," Nord said.

This year, when the report failed to appear in October as it usually does, Democrats accused the Bush administration of delaying its release until after the midterm elections. Nord denied the contention, saying, "This is a schedule that was set several months ago."

Isleta Settlement Gets Approval From Senate (AP)

AP, November 16, 2006

ALBUQUERQUE (AP) - The Senate has passed a $40 million settlement negotiated by Isleta Pueblo and the federal government over past mismanagement of tribal land.

The measure, unanimously approved by the Senate on Monday, now heads to President Bush for his consideration.

The pueblo sued the government, seeking compensation for damages to its land south of Albuquerque. The pueblo, the Interior Department and the U.S. Justice Department spent years reviewing the claims and reached agreement in June on how to resolve the matter.

The legislation establishes a natural resources fund of more than $32 million for the pueblo to use to restore agricultural, range and forestry property. The measure also authorizes $7.2 million, but that money is subject to administration budgeting and the federal appropriations process.

Members of New Mexico's congressional delegation said the legislation, once signed by the president, will allow Isleta Pueblo to improve drainage on its agricultural lands and rehabilitate lands damaged by trespass grazing and excessive logging.

"The pueblo deserves this compensation and the president's signature on this bill will allow that to happen," said Sen. Pete Domenici, R-N.M.

Sen. Jeff Bingaman, D-N.M., added that restoring tribal lands will help create new economic opportunities for Isleta Pueblo.

FBI/DEA/ATF/USMS:

Mob Reappears In Court (PHI)

By Kitty Caparella

The Philadelphia Inquirer, November 16, 2006

"The mob is back and there's gonna be trouble,

"Hey la day la, da mob is back."

- Sung to the tune of the

Angels'"My Boyfriend's Back."

Now, after a four-year rebuilding phase in Philadelphia and South Jersey, organized crime is making a comeback in federal court.

Today, reputed mob soldier Damion Canalichio, 37, once a top aide to jailed mob underboss Steve Mazzone, will seek bail on federal drug-trafficking charges, according to his attorney Joseph Santaguida.

Canalichio, who served 27 months for a 1997 drug conviction, and his sidekick, Christopher Cerr, 36, of Glenolden, were arrested yesterday without incident by FBI agents in South Jersey and in Delaware County.

Assistant U.S. Attorney Frank Labor said a seven-count indictment was unsealed, charging the pair with selling more than 300 grams of cocaine for a total of $9,200 in June 2004.

During a one-month investigation by FBI agent John Augustine, the two allegedly sold the cocaine on June 2, 10, and 24 in 2004 at the corner of Snyder Avenue and Hicks Street - across from the Melrose Diner - in South Philadelphia, according to the indictment.

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They are charged with three counts of drug distribution, drug distribution within 1,000 feet of a school - South Philadelphia High - and conspiracy. The government also is seeking to confiscate Cerr's 2004 Ford Explorer. Cerr is represented by attorney Carina Laguzzi.

Labor would not comment on why it took 29 months to indict the pair. However, sources say, the feds have ongoing investigations into mob activities, particularly sports gambling.

The street sales - a drop in mob status for Canalichio - allegedly took place a block from where mob associate Frank Baldino was killed during the bloody 1993 mob war between the John Stanfa crime family and a rival faction headed by Joseph "Skinny Joey" Merlino, who later became boss.

Stanfa and Merlino were convicted in racketeering trials. Stanfa, 65, is serving five consecutive life terms, and Merlino, 44, is due to be released in 2011 after serving a 14-year term.

• Meanwhile in New Jersey, reputed mob soldier and convicted extortionist Vincent Filipelli, 53, was arrested on Oct. 24 on a one-count indictment charging him with extortion in connection with running an illegal sports gambling operation.

During a 14-month joint FBI-New Jersey State Police investigation, Filipelli, who competed in professional bodybuilding contests before becoming a mob enforcer, allegedly threatened to put an undercover trooper, who "owed" a gambling debt, in the hospital.

Filipelli, of Cherry Hill, is being held without bail in the Federal Detention Center at 7th and Arch streets, where Canalichio and Cerr are in custody.

• And in upstate Pennsylvania, one of the Philly mob's biggest supporters, William "Billy" D'Elia, reputed crime boss of Northeastern Pennsylvania, was charged on Nov. 1 in an 18-count federal indictment on charges of laundering hundreds of thousands of dollars in drug proceeds via banks in the Dominican Republic from 1999 to 2006.

He faces a maximum of 245 years in prison, forfeiture of $565,000 and a $4 million fine if convicted of multiple counts of money laundering, interstate transportation of laundered money, solicitation of murder, perjury, witness tampering, obstruction of justice, conspiracy and contempt of court.

U.S. Charges Detroit Man In Fentanyl Deaths (AP)

AP, November 16, 2006

DETROIT -- Federal prosecutors charged a Detroit man with causing the deaths of two people by giving them heroin laced with the painkiller fentanyl, a combination blamed in the deaths of more than 100 drug users in southeast Michigan over the past year.

James E. Coleman, 36, was arraigned Wednesday in U.S. District Court on two counts of delivery of a controlled substance resulting in death. Coleman has been in custody since June, when he was charged with drug possession in the case.

Coleman is charged in the deaths of Lauren Jolly, 17, of Oakland County's Bloomfield Township, and Daniel McElmurry, 30, of Madison Heights.

Jolly snorted a combination of heroin and fentanyl on May 24 in a Detroit drug house. Authorities said Coleman's brother, Donald Cunningham, placed Jolly in a bathtub full of ice in an attempt to revive her, but did not seek medical treatment. Another drug customer took Jolly to a hospital, where the high school junior was pronounced dead.

McElmurry died in June.

Coleman did not know the drugs contained fentanyl and did not intend to kill anyone, defense attorney Warren Harris said.

The charge carries a 20-year minimum prison sentence and a maximum of life in prison.

Jolly told police about the drug house six weeks before her death, when she was arrested in connection with having heroin mixed with fentanyl. Her information helped police obtain search warrants that led to a raid and Cunningham's arrest.

Cunningham, 27, is in state prison on a parole violation. There are no plans to charge him under federal law, the U.S. Attorney's Office said Wednesday.

Feds Charge Suspect In Fentanyl Deaths (DN)

Detroit News, November 15, 2006

DOJ_NMG_0095069

Federal officials today charged an accused heroin dealer with causing the deaths of two drug users by giving them heroin laced with the painkiller fentanyl.

They are the first such state or federal charges in connection with the street sale of fentanyl-laced heroin in the Detroit area in 2005-06, which killed an estimated 133 drug users between September and July.

James Edgar Coleman, 36, of Detroit, was arraigned today and is expected to plead guilty in U.S. District Court in Detroit Thursday to two counts of delivering a controlled substance resulting in death, Coleman's lawyer Warren Harris of Southfield said.

The charges each carry a 20-year minimum prison sentence and a maximum of life in prison.

Coleman is charged in connection with the deaths of Lauren Jolly, a 17-year-old Bloomfield Township high school student who died in April, and Daniel McElmurry, 30, who died May 26.

Harris said Coleman did not know the drugs contained fentanyl and he did not intend to kill anyone.

Coleman has been in custody since June on charges of distributing heroin and cocaine.

Notes: U.S. Rules Won't Be Party To Bode-type Behavior (USAT)

By Vicki Michaelis, Usa Today

USA Today, November 16, 2006

With the memory still fresh of U.S. skier Bode Miller making more headlines for what he did at the bars than on the slopes at the 2006 Winter Olympics in Italy, the U.S. Ski and Snowboard Association has instituted new policies.

USSA staff and athletes no longer are allowed to drink alcohol together. No alcohol consumption is allowed at team hotels. And during official training camps and competitions, all athletes are required to stay in team hotels.

"We'd be naive to say that it wasn't" at least partly a response to what happened at the Olympics, USSA spokesman Tom Kelly said.

Miller, the 2005 overall World Cup champion, was photographed partying with a Playboy Playmate during the Olympics and told reporters after not medaling: "It's been an awesome two weeks. I got to party and socialize at an Olympic level."

U.S. aerials skier Jeret Peterson was sent home after fighting with a friend following a night of partying.

During the Games, Miller and U.S. teammates Daron Rahlves and Julia Mancuso stayed in their own RVs. This season, U.S. skiers can use their RVs between competitions, but the athletes will be with the team during competitions, subject to the stricter alcohol guidelines.

"We just want to have a more professional approach and create more of a performance environment when we're on the road," Kelly said.

BALCO charges

Trevor Graham, who triggered the BALCO steroid scandal, is expected to appear in federal court Thursday in San Francisco for his arraignment on a three-count indictment.

Graham, a high-profile coach whose track athletes have accumulated medals as well as drug positives, is accused of lying to federal investigators three times in BALCO inquiries. He faces maximum penalties of five years in prison and a fine of $250,000 on each count.

According to the Nov. 2 indictment, Raleigh, N.C.-based Graham was interviewed by federal investigators in June 2004, a year after Graham anonymously sent a vial of a designer steroid to the U.S. Anti-Doping Agency. Graham, who later acknowledged sending the vial, told USADA the steroid had been given to athletes by Victor Conte, founder of the Bay Area Laboratory Co-operative.

The indictment alleges Graham told the agents that he never referred his athletes to someone referred to as Source A to obtain banned performance-enhancing drugs. The indictment alleges Source A provided drugs to Graham and his athletes.

The second count contends Graham lied by stating he never met Source A in person when they had several meetings. The third count alleges Graham told agents he last contacted Source A in 1997 despite having numerous contacts from 1997 through 2004.

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Angel Heredia told a grand jury he supplied steroids, human growth hormone and EPO to Graham from 1996 through 2000 before a financial dispute ended their relationship, according to The New York Times and San Francisco Chronicle.

Landis and the lab

Embattled Tour de France champion Floyd Landis is basing his defense against doping charges on mismanagement in the French laboratory that processed his urine samples at the 2006 Tour. Wednesday, the director of the International Olympic Committee-accredited lab admitted that some "insignificant" numbers were in error but had no bearing on the legitimacy of the tests, which showed Landis' testosterone-to-epitestosterone ratios to be out of kilter after the Tour's 17th stage.

A February date is expected for the Landis USADA hearing, but no matter what the result is, the case will be sent to the Court for Arbitration in Sport for final appeal. Landis could receive a two-year suspension if found guilty.

Contributing: Dick Patrick, Sal Ruibal

Bikers Sentenced For Meth-making (AP)

AP, November 16, 2006

Authorities say the illegal activity relatively new in Detroit area.

DETROIT (AP) -- Several people affiliated with a biker gang will face prison time for a methamphetamine-making operation in Macomb and St. Clair counties, the U.S. Attorney's Office said.

Prosecutors describe it as the first major meth case in U.S. District Court in Detroit. Seven individuals from the Devils' Disciples motorcycle gang will serve sentences ranging from 30 to 97 months.

"We're pleased because it just goes to show that methamphetamine is relatively new to this area, and we don't see meth a whole lot," Assistant U.S. Attorney Matthew Schneider told the Detroit Free Press. "But I think that what this shows is when we see it, we're going to take action."

U.S. District Judge Marianne O. Battani sentenced the final defendant, Patricia Schoeninger, 44, of Algonac, Mich., on Monday to 30 months in prison followed by four years of supervised release. Schoeninger pleaded guilty in June to one count of conspiracy to manufacture meth.

Prosecutors said members who were convicted and sentenced earlier this year are: Michael Mastromatteo, 48, of Mount Clemens, Mich., and Gregory Schoeninger, 45, of Algonac. Their convicted associates, who also were sentenced in September and October, are: Demetrius Meffer, 38, of Chesterfield Township; Joseph Rottman, 43, of Macomb Township; Tami Watters, 41, of Gaylord; and Drago Stajninger, 41, of Chesterfield Township.

The Schoeningers are married.

In March 2005, law enforcement agencies raided several locations, including the bikers' clubhouse in Mount Clemens. Authorities also discovered working meth labs in Harrison and Macomb townships. Evidence from other searches in New Haven, Algonac and Chesterfield Township revealed labs had been relocated frequently.

Meth Makers Get Prison (FREEP)

By Christy Arboscello, Free Press Staff Writer

Detroit Free Press, November 15, 2006

Biker gang allies ran operations in Macomb, St. Clair

Two members and five associates of the oddly-named Devils' Diciples biker gang will face prison time for their involvement in a methamphetamine-making operation in Macomb and St. Clair counties, the U.S. Attorney's Office said Monday.

In what prosecutors called the first major meth case in U.S. District Court in Detroit, the individuals will serve sentences ranging from 30 to 97 months.

"We're pleased because it just goes to show that methamphetamine is relatively new to this area and we don't see meth a whole lot. But I think that what this shows is when we see it, we're going to take action," said U.S. Attorney Matthew Schneider, who worked on the case.

U.S. District Judge Marianne O. Battani sentenced the final defendant, Patricia Schoeninger, 44, of Algonac, on Monday to 30 months in prison followed by four years of supervised release. Schoeninger pleaded guilty in June to one count of conspiracy to manufacture meth.

DOJ_NMG_0095071

According to the U.S. Attorney's Office, the biker gang members who were convicted and sentenced earlier this year are: Michael (Iron Mike) Mastromatteo, 48, of Mt. Clemens and Gregory (Breakdown) Schoeninger, 45, of Algonac. Their convicted associates, who were also sentenced in September and October, are: Demetrius (Demi) Meffer, 38, of Chesterfield Township; Joseph Rottman, 43, of Macomb Township; Tami Watters, 41, of Gaylord; and Drago Stajninger, 41, of Chesterfield Township.

Gregory Schoeninger and Patricia Schoeninger are married. In March 2005, the FBI, Michigan State Police and the County of Macomb Enforcement Team conducted extensive raids at several locations, including the bikers' clubhouse in Mt. Clemens. Authorities also discovered working meth labs in Harrison and Macomb townships. Evidence from other searches in New Haven, Algonac and Chesterfield Township revealed labs had been relocated frequently to avoid detection.

Police: Meth Crisis Minimized In Area (PHTH)

By Molly Montag

Port Huron (MI) Times-Herald, November 16, 2006

Crack remains local illegal drug of choice

Despite two Clay Township men's involvement in a large methamphetamine ring, narcotics agents said crack cocaine still is the leading problem drug locally.

U.S. District Judge Marianne O. Battani sentenced Patricia Schoeninger, 44, of Clay Township on Monday to 30 months in prison followed by four years of supervised release. Schoeninger pleaded guilty in June to one count of conspiracy to manufacture meth. Her husband, Gregory Schoeninger, 45, was convicted earlier this year.

Prosecutors describe the case, which involved members of the Devils' Disciples motorcycle gang, as the first major meth case in U.S. District Court in Detroit. In March 2005, law enforcement agencies raided several locations, including the bikers' clubhouse in Mount Clemens.

Authorities also discovered working meth labs in Harrison and Macomb townships. Evidence from other searches in New Haven, the Algonac area and Chesterfield Township revealed labs frequently had been relocated.

St. Clair County sheriff Lt. Tim Donnellon, who assisted with the investigation, said methamphetamine hasn't become the local epidemic authorities once feared it would.

"The meth hasn't really taken hold, and it hasn't been able to displace crack because of the Detroit influence," he said.

Algonac Police Chief Richard Torongeau said he hasn't noticed an increase in meth activity downriver. Algonac is bordered by Clay Township, where the Schoeningers live.

"I'm sure it's here, but we haven't seen a whole lot of it," Torongeau said.

Sanilac County hasn't had a criminal case involving meth in the past two years, said Bill Gray, director of the county's drug task force.

Cocaine use, however, seems to be on the rise, Gray said.

"It is one of the great mysteries of the last decade why methamphetamine is not in the Thumb area the way it is in (other parts of) Michigan or the Midwest," Gray said.

Contact Molly Montag at (810) 989-6275 or mmontag@gannett.com

Livermore Seeks Permanent Ban On Marijuana Dispensaries (TH)

By Brian Foley

TriValley Herald, November 15, 2006

LIVERMORE - City officials are moving forward with plans to permanently ban medical marijuana dispensaries.

An existing moratorium is scheduled to expire Sept. 11, 2007 after the council voted to extend it two months ago. City officials say that the City Council didn't want to wait until the last minute to make a permanent decision.

"We ran the course on investigating and researching and reached a critical point where we were able to come up with a recommendation for the council," said city attorney John Pomidor. "The council didn't want us taking it to the last moment."

On Monday, the council voted 4-1 to instruct its staff to draft an ordinance.

"We've done extensive research," said City Manager Linda Barton. "We were unable to find a model or an example of a successful operation that didn't deal with secondary impacts."

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Those secondary impacts include a reputation that dispensaries draw crime. On top of that, a problem looms for cities because of disparities between state and federal laws. While Proposition 215 legalized marijuana for medicinal purposes at the state level, the federal government regards the drug as illegal.

Councilman Tom Reitter, the dissenting vote, favored communicating with the city of Oakland and its dispensary operators before making a permanent decision.

On Monday, a handful of opponents urged the council to show restraint, reminding them that with Congress shifting to Democratic control that federal marijuana laws might change.

An Oakland attorney, James Anthony, lambasted the city staff's report on the subject that heavily relied on past negative incidents with dispensaries. Anthony called the report "a hatchet job" that ignored positive aspects. He pointed to Oakland, which regulates, permits and oversees four successful dispensaries.

"(The staff report) was very one-sided," he said. "It consisted of cut-and-paste horror stories associated with unregulated dispensaries."

Barbara Killey, an Oakland administrative hearing officer, confirmed that Oakland police has "had almost zero problems with dispensaries." She said Livermore officials have not contacted her.

Livermore resident Michael Ferrucci, a medical marijuana patient, hopes for a strong turnout when the City Council formally votes on an ordinance. He said Tri-Valley residents who are sick shouldn't have to drive to Oakland and Hayward for medicine.

"I want to invite the public -- cancer patients, M.S. patients, pain patients -- to show up and have their eyes on the council as they take their medicine away," he said.

Pomidor expects the city staff to present an ordinance to the council in January.

In June, Dublin formally banned dispensaries and in July, Pleasanton extended its year-long moratorium.

Gardena Joins Bans On Medical Marijuana Outlets (TDB)

By Gene Maddaus, Daily Breeze

Torrance (CA) Daily Breeze, November 16, 2006

Moratorium for 45 days will allow staff time to come up with permanent regulations.

Weeks after ordering two medical marijuana dispensaries to close, the Gardena City Council imposed a moratorium on such facilities Tuesday night.

Both dispensaries are still fighting City Hall. California Caregivers' Association, on Vermont Avenue, has closed, but its owner has sued the city in an effort to reopen next year.

The other dispensary, Nature's Holistic Caregivers on Crenshaw Boulevard, remains open in defiance of the City Council, which revoked its business license last month.

The council passed the 45-day moratorium with little fanfare on Tuesday night. The temporary ban will give the city's planning staffers time to draft permanent regulations.

Allison Margolin, the attorney for Nature's Holistic Caregivers, argued that it is against the law for the city to forbid marijuana dispensaries from doing business.

"It's illegal and it's a moral crime," she said. "What this would do is put marijuana back on the streets." Though California voters legalized medical marijuana a decade ago, it remains a controlled substance under federal law. As marijuana dispensaries have spread statewide, cities have struggled with the question of how best to regulate them. Several South Bay cities, including Lawndale, Torrance, Hawthorne, Redondo Beach, and Rancho Palos Verdes, have instituted bans similar to the one the Gardena council passed Tuesday night.

Councilman Steve Bradford, who was the lone supporter of the dispensaries last month, dissented from the majority again, as the council voted 4-1 to enact the moratorium.

Virgil Grant, the owner of Nature's Holistic Caregivers, presented 500 signatures from Gardena residents supporting his dispensary.

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In an interview, Councilman Oscar Medrano cited concerns that the federal government could withdraw grants if the city allows marijuana dispensaries to operate.

"I will not allow moneys to be taken away from our seniors, our kids, our Meals on Wheels programs," Medrano said. "These are essential programs that are needed to keep the kids off the street." Medrano said he sympathized with medical marijuana patients, but was concerned that marijuana dispensaries are unregulated.

"Let's let a doctor prescribe it in the hospital," he said. "Let it be given in the right way, not in a store where you can walk in off the street."

Mexican Cartels Expand Meth Dealing In U.S. (ABC)

By Jason Ryan

ABC News, November 15, 2006

Mexican drug-trafficking cartels have moved in to fill the void left by the successful crackdown on small methamphetamine labs across the United States, and the foreign traffickers have brought the highly addictive drug into parts of the country where it was rarely seen before, according to a new report by the National Drug Intelligence Center.

According to Health and Human Services data, drug use is down over the last four years, but a new report says that Mexican drug trafficking organizations, or DTOs, have gained strength in the United States and that heroin usage has increased among some drug addicts.

DEA officials believe that five main Mexican drug cartels have increased operations in the United States.

Mexican drug-trafficking organizations have "gained considerable strength and greatly expanded their presence in drug markets throughout the country, even in many smaller communities in Midwestern and Eastern states," said the report, which was released today.

Because the ingredients for making meth were easily obtainable, small makeshift meth labs sprang up across the country, feeding much of the surge in meth use since the early 1990s. But when states started passing laws limiting access to some of the key ingredients, such as pseudoephedrine, many of those mom-and-pop labs closed.

The federal government followed suit when Congress tacked a meth provision onto the reauthorization of the USA Patriot Act that limits the amount of pseudoephedrine people can buy at pharmacies.

According to the DEA, since 2004 there have been fewer U.S.-based labs, judging from the DEA's seizure data.

"We've had a significant reduction in domestic labs, with Mexican DTOs filling the void," one DEA official, who requested anonymity, told ABC News.

The spread of methamphetamine can be seen in cities such as Atlanta, which has had several high-yield busts in recent months. In August, the U.S. Attorney's Office in Atlanta announced the largest meth seizure in Georgia's history, which removed as much as $50 million worth of meth from the streets.

The Mexican cartels were behind the deals, and the DEA believes they have been trying to use Atlanta as a hub for trafficking.

"We've never seen meth on the eastern seaboard … in those quantities," the DEA official said.

National Drug Intelligence Center spokesman Charles Miller said the Mexican drug-trafficking networks have been able to gain influence for several reasons, including their access to the precursor chemicals needed to make high-quality methamphetamine.

Many of these chemicals, including large quantities of the cold medicine pseudoephedrine, come from Asia.

According to the National Drug Intelligence Center, the Mexican groups have been able to use their traditional trafficking networks for cocaine and marijuana to distribute the methamphetamine, which is made in so-called superlabs — large production facilities in Mexico.

DEA officials said they have seen evidence of the Mexican groups increasing their activity in meth distribution, with increased meth seizures at the southern border.

In 2004, DEA data showed that 2,420 kilos of meth where seized at the southern U.S. border. In 2005, seizures had increased to 2,750 kilos.

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Although casual use of methamphetamine appears to be stable, the report said there is an increase in the number of meth-related treatment admissions and methamphetamine-dependent individuals nationwide. In 2004, 129,079 were admitted to treatment facilities for meth treatment, compared with 82,113 in 2001.

Meth is not the only area in which the Mexican groups have increased the business opportunities.

The threat assessment notes that the Mexican groups have the "ability to advance Mexican heroin beyond traditional Western state heroin markets."

The report said this "presents new challenges to law enforcement as more groups make the drug consistently available to individuals even in smaller, more rural Eastern communities."

The assessment also found that heroin use has increased among some drug addicts who abuse prescription painkillers. The report found that prescription narcotic abusers have switched to heroin.

"Law enforcement reporting indicates that abusers of pharmaceutical opioids, primarily OxyContin and methadone, but other drugs as well, have switched and continue to switch to heroin, particularly when heroin is more available and cheaper," according to the report.

The report said this trend has been seen in California, Florida, Michigan, Ohio and Wisconsin.

To combat the influence of the Mexican networks, the DEA has engaged in a series of training programs with Mexican law enforcement agencies to try to dismantle their networks.

Meth, Ecstacy, Heroin Readily Available (WT/UPI)

The Washington Times/UPI, November 16, 2006

Larger amounts of drugs are coming into the United States from Mexico, Columbia and Asia, the National Drug Intelligence Center said.

In its 2007 drug threat assessment, the center said organizations producing ice methamphetamine in Mexico have expanded their presence throughout the United States. The center, which is part of the Department of Justice, said the presence of Mexican traffickers in U.S. drug markets has allowed the introduction of Mexican black tar and brown powder heroin into Southeastern and Midwestern states.

Cocaine availability and use in the United States have not significantly changed, but Ecstasy availability and distribution have increased significantly, the center reported.

Asian gangs based in Canada contributed to increases in potency and distribution of marijuana throughout the United States.

Rates of prescription drug abuse top those of other drugs, except marijuana, but the center said law enforcement agencies have had recent success in reducing illegal use of prescription drugs. However, that has caused some addicts to substitute drugs such as heroin for prescription narcotics.

Most Mexican and Colombian traffickers consolidated their money into large bulk cash shipments, smuggling them into Mexico, the report said. U.S. law enforcement efforts have made it more difficult to launder money in U.S. financial institutions.

Canada-based Drug Traffickers Peddling More Ecstasy In U.S., Says Report (CP)

Canadian Press, November 16, 2006

WASHINGTON (CP) - Asian drug traffickers based in Canada have gained control over most of the ecstasy distribution in the United States and expanded their reach, said an American drug report released Wednesday.

The National Drug Threat Assessment by the U.S. Justice Department also said the production of high-potency marijuana in Canada is a problem, although marijuana use has declined slightly.

The strength of seized marijuana samples has more than doubled from 2000 through 2005, says the drug threat report, which is published annually.

High potency production has increased at indoor and outdoor sites in the United States, said the report, and outdoor plants in central California are growing a product comparable in quality to Canada's B.C. Bud.

There's also more smuggling of strong weed into the country by Canada-based Asian groups.

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Since 2004, cross-border ecstasy trafficking has increased significantly, with Canada-based operations expanding distribution to most U.S. states.

Distribution is now at a level similar to that of 2001, when availability peaked under the control of Israeli traffickers who have mostly been broken up by U.S. police operations.

Israeli groups smuggled ecstasy into East Coast cities almost exclusively through couriers on commercial flights from Europe.

Traffickers in Canada, said the report, use private and commercial vehicles crossing the border.

U.S. Officials Troubled By Expansion Of Asian-Canadian Drug Gangs (GM)

Globe and Mail, November 16, 2006

Canadian-based Asian crime syndicates have become the No. 1 distributors of ecstasy in the United States, according to a new report released yesterday.

The business of Vietnamese and other Asian gangs, who started out by growing the popular form of marijuana known as B.C. Bud, has boomed, according to the U.S. Department of Justice. The agency's national drug intelligence centre says the groups have diversified their product lines and set up U.S. franchises, grabbing a significant share of the multibillion-dollar U.S. drug market.

"Canadian-based Asian DTOs [drug-trafficking organizations] have recently gained control over most MDMA [ecstasy] distribution in the United States," states the centre's annual threat assessment, released yesterday.

It adds that in the United States "an estimated $5.2-billion (U.S.) to $21.2-billion is generated through the wholesale distribution of marijuana and MDMA by Canada-based DTOs, and much of the illegal drug proceeds are transported in bulk" back to Canada.

(The figures were achieved by multiplying the estimates of Canadian-produced drugs available in the United States by their estimated wholesale value; comparable estimates arose a few years ago, when Forbes Magazine put the value of B.C.'s marijuana crop alone at up to $7-billion.)

Figures as high as this would suggest that Canada's illegal drug business with the United States could rival the overall value of Canada's legitimate exports, such as wheat ($2.7-billion Canadian) or even lumber and sawmill products ($18.9-billion). Yet one statistician who examined the U.S. study said comparisons should be made cautiously.

"Using the $20-billion figure is an overstatement . . . it's way, way too high," said Philip Cross, an analyst at Statistics Canada. While the government agency doesn't track illegal drug activity, he looked at the U.S. study's methodology, and said that lower ranges of the estimate are far more likely.

Whatever the dollar amount, the drug business would appear to be as brisk as ever. Mexican drug networks remain, by far, the biggest problem in the United States. But Canadian gangs are also carving out territory in their niches.

Since marijuana grow-operations began spreading eastward from British Columbia in the late 1990s, Canadian police have warned the activity would lead to increasingly entrenched criminal networks dealing not just in pot, but also in chemical drugs, like methylenedioxy-methylampheta-mine (MDMA), the club-drug known as ecstasy.

The United States says it is now picking up precisely this sort of activity. South of the border, police say they dismantled Israeli-based organizations importing the club drugs, only to see Asian gangs from Canada fill the vacuum. The problem, as stated in the threat assessment released yesterday, is that the new gangs appear stronger and more impenetrable, largely because of the difficulty in gaining informants in tightly knit ethnically homogeneous groups.

Syndicates still ship synthetic drugs such as ecstasy from overseas, but increasingly they produce them on the continent. "Canada-based Asian criminal groups most often smuggle the drug into the United States via private and commercial vehicles over the Canada-U.S. border," the report says. "Almost all of the MDMA smuggled into the United States from Canada is produced in Canada."

Ecstasy may be a growth industry, but these gangs have never abandoned their core product. "High-potency marijuana production, smuggling and distribution by Canada-based Asian DTOs, primarily of Vietnamese ethnicity, is increasing," the report says.

DOJ_NMG_0095076

Fugitives Answer Call To Surrender (USAT)

By Dennis Wagner And Lindsey Collom

USA Today, November 16, 2006

PHOENIX — Sean White, wanted on criminal warrants for a probation violation and failure to appear in court, went to church Wednesday morning to get right with the law.

The 32-year-old man was among the 120 suspects who turned themselves in during the first four hours of Fugitive Safe Surrender.

The program, which ends Saturday, basically is an invitation from federal and state authorities who are telling fugitives they might receive "favorable consideration" by turning themselves in at a makeshift justice center at Pilgrim Rest Baptist Church.

Doug Weiner, a former Cuyahoga County, Ohio, prosecutor and co-founder of Fugitive Safe Surrender, said the long-term goal is to conduct programs nationwide. Plans already are underway for ones in Indianapolis; Rochester, N.Y.; Akron, Ohio; and Richmond, Va.

David Gonzales, U.S. Marshal for Arizona, said the program gives suspects a chance to deal with criminal warrants at a neutral site, which cuts costs for the public and reduces the chance of a dangerous situation for law officers.

Defendants who show up at the Phoenix church find public defenders to represent them and judges to conduct hearings. Often, when fugitives are caught in traffic stops or tracked down by agents, they face the humiliation of being handcuffed in front of family and the hassle of going straight to jail.

Under Safe Surrender, Gonzales said, most of those wanted for non-violent offenses will be processed within hours and released without going behind bars. The fugitives who turned themselves in Wednesday morning were suspects in cases involving drunken driving, disorderly conduct and failure to pay fines.

A federal Office of Justice Programs grant for $600,000 is financing the development of Fugitive Safe Surrender. The grant is being supplemented with money, manpower and equipment from state and local agencies. Gonzales said he expects the effort in Phoenix to cost about $75,000.

"We think it's a win-win situation for the community," Gonzales said.

The Safe Surrender concept was first tried 13 months ago in Cleveland. Over a four-day period, more than 840 people visited a church to resolve criminal warrants. Although most were wanted for non-violent misdemeanors, the lineup included 324 felony suspects, with "some wanted for rape, robbery, assault and drug offenses," said Peter Elliott, the U.S. Attorney for northern Ohio.

Elliott said he hit upon the idea for Safe Surrender last year. He said he realized suspects might turn themselves in if they could do so safely, and he figured churches would be good safe havens.

When the suspects in Cleveland were asked why they surrendered, Gonzales said, "The overwhelming response was they were tired of running. … It's stressful."

Sean White had been on the run since 2002, when he walked away from a work-release program. At the time, White was 20 days into a 40-day DUI sentence at a Maricopa County jail. It was the wrong decision, he said, and life hasn't been easy since.

White lost a construction job because his driver's license was suspended, he said, and lack of income led his family of five to move from a three-bedroom home to a pay-by-week hotel.

Even more, he said, the main motivation for surrendering is to help solve his half brother's murder. Robert Dickey, 40, was driving to work when someone he stopped to help along the roadway fatally stabbed him in June 2005, White said. He said he hasn't been involved for fear of arrest.

"It's pretty much weighed me down every single day," White said. "Whatever I have to serve, pay, I want to get it over with so I can get on with my life."

In Maricopa County, where there are about 70,000 criminal warrants waiting to be served, according to Gonzales and county law enforcement, the operation was preceded by a media blitz featuring newspaper ads, church fliers and public service announcements on radio and television. In the days leading up to the roundup, Gonzales said, the marshals' phone line was "ringing off the hook" with calls from fugitives wanting details.

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Gonzales, along with Maricopa County Sheriff Joe Arpaio and Attorney Andrew Thomas, stressed that defendants are not being offered amnesty — only a promise that prosecutors will consider the voluntary surrender.

White said he believes that turning himself in helped his case: He was free to leave after the proceedings. A county commissioner at the church quashed one of his warrants; the other will be addressed in a municipal court.

On Wednesday, Gonzales said he was surprised by the turnout so early in the program. "I thought it would start off slow and build up. This is good," he said. "It just shows the desperation."

Despite the program's initial success in Ohio, there have been problems. In Albuquerque, authorities abandoned plans because they lacked resources. And a surrender program in Camden, N.J., was canceled after the state Supreme Court balked because of concerns about mixing church and state.

Elliott and Gonzales said that while ministers support the program and churches provide a venue, Fugitive Safe Surrender doesn't involve preaching or proselytizing.

"This is all about trust," Elliott said. "It's not a faith-based program. It is a law enforcement program that is faith-based in nature."

IMMIGRATION:

29 Immigrants Arrested For Visa Fraud (USAT)

By Donna Leinwand

USA Today, November 16, 2006

Federal agents on Wednesday arrested 29 people, mostly Pakistanis, who allegedly posed as Muslim religious workers to obtain special visas to enter the USA.

The immigrants, arrested in Boston; New York City; Buffalo; Hartford, Conn.; Atlanta; St. Paul; Newark, N.J.; Philadelphia; Washington, D.C., and Harrisburg, Va., face civil immigration charges and could be deported if they are found to have violated federal law, said Marc Raimondi, spokesman for Immigration and Customs Enforcement (ICE). Agents involved in the investigation also arrested eight people on other immigration charges, he said.

The arrests were part of a probe into several organizations that posed as legitimate religious groups and filed false visa applications for the immigrants under the religious worker program, ICE spokesman Dean Boyd said.

The immigrants paid fees, sometimes several thousand dollars, for the fraudulent paperwork, Boyd said. He said he could not release the groups' names because the investigation was continuing.

The religious worker program allows churches, synagogues, mosques, temples and other religious organizations in the USA to sponsor visa applications for immigrants with specific religious training and experience. The visas allow a legal visitor to work only in a religion-related job for a limited time, generally no more than three years.

The immigrants arrested Wednesday worked at non-religious jobs, Raimondi said. Among them: gas station attendant, truck driver and factory worker.

"If these allegations are true, it is sad to see people misuse the religious-worker visa program in an attempt to gain fraudulent immigration status in the United States," said Arsalan Iftikhar, national legal director for the Council on American-Islamic Relations. "In a time where increased dialogue is needed between people of all faiths, it is imperative that initiatives like the religious-worker visa program continue to bring credible religious workers of all faiths to America."

As Congress has wrestled with immigration policy since the Sept. 11, 2001, terrorist attacks, ICE has increased enforcement efforts against document fraud, fugitive aliens convicted of violent crimes and workplaces that employ illegal workers.

In a report released in July, the U.S. Bureau of Citizenship and Immigration Services said the religious-worker classification was "historically considered to have a high fraud rate."

The agency said it examined a sample of religious-worker immigration petitions submitted over a six-month period and found fraud in one-third of the cases.

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DHS Watchdog Warns 'Fence' Cost Will Grow (WP)

By Spencer S. Hsu

The Washington Post, November 16, 2006

The Bush administration's proposal to secure the nation's borders with a high-tech "virtual fence" is likely to cost far more than the $2 billion that industry analysts initially estimated, possibly up to $30 billion, a government watchdog agency warned yesterday.

According to the Homeland Security Department inspector general, the ambitious plan to deploy sensors, cameras and other surveillance technology along 6,000 miles of the borders with Canada and Mexico runs the risk of runaway costs because of poorly defined objectives and a vastly overstretched contracting staff at the department.

The dramatically higher estimates, delivered to House members by Inspector General Richard L. Skinner, injected a new dose of skepticism into the national debate to curb illegal immigration, which has focused in large part on gaining control of the borders.

Critics have charged that a Republican-led Congress and President Bush approved legislation with much fanfare this fall authorizing the construction of a 700-mile fence along a third of the Mexican frontier without funding the work.

Now, the feasibility of the Bush administration's preferred plan, to which Congress has dedicated $1.2 billion and which is beginning on a pilot basis along a 28-mile stretch south of Tucson, drew fresh doubts from Congress as it moves into Democratic control.

Immigration-policy experts said the red flags raised over the border-security initiative could increase pressure on Congress to act on other measures they say are needed, such as stepping up enforcement against U.S. employers who hire illegal workers, cracking down on immigrants who overstay their visas, and overhauling legal immigration channels.

"If it's going to cost 8 to 30 billion dollars," asked Deborah W. Meyers, a senior policy analyst at the Migration Policy Institute, ". . . is that really the most effective way of achieving the policy goal?"

Bush administration allies said the report underscores the need for a guest-worker program, which the president has proposed, to meet the demand for labor in this nation and reduce pressure at the border by illegal crossers.

Members of a House homeland security oversight panel stressed yesterday how the government's poor track record on border enforcement undermined their confidence. A much smaller attempt in the 1990s to deploy remote-sensing technology on the border "started as a $2 million program and turned into a quarter-billion-dollar disaster," said Rep. Mike Rogers (R-Ala.), becoming "a poster child of government waste and mismanagement."

"It seems like deja vu all over again," said Rep. Kendrick B. Meek (D-Fla.).

Rep. Mark Edward Souder (R-Ind.) contrasted the administration's assertion that it could gain control of the border by 2009 with what the White House was prepared to pay for. Souder said he was "baffled" by the department's selection in September of aerospace giant Boeing Co. to lead the open-ended effort without more certainty about final cost.

"It could be between 2 and 30 billion dollars, you're not sure which? . . . So it's pie in the sky, 'give us your best shot'?" Souder said. "It just seems extraordinary."

Gregory Giddens, director of the DHS Secure Border Initiative program, and Deborah J. Spero, deputy commissioner of Customs and Border Protection, said cost estimates are premature because the administration has not settled on a strategy or decided what it will buy. The cost could be far lower and, responding to congressional pressure, DHS will provide a more detailed blueprint of its plans by Dec. 4.

"We do not have a cost estimate publicly," Giddens said.

Industry sources also expressed surprise at the inspector general's estimate, which ranged from $8 billion to $30 billion. The lower figure had been discussed informally, according to people familiar with competition among Boeing and four other firms. The consensus estimate given publicly, though, was that the project would be worth $2 billion to $2.5 billion.

Former DHS inspector general Clark Kent Ervin said agency officials have underestimated the cost of major programs in the past, partly to sell them to Congress and partly because DHS contracting officers were overwhelmed. In August, 69 of 252 jobs in the office managing the Secure Border Initiative Network project were filled, Skinner reported, and plans call for two-thirds of contract overseers to be contractors.

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We Must Start Over On Immigration Reform (HILL)

By Manuel A. Miranda

The Hill, November 16, 2006

The recent election did not reward hard-liners on immigration, but voters and those who chose not to vote also punished Republicans for an irresponsible immigration solution in the Senate.

Just before the election, the president signed the Border Fence Law. It was not the immigration bill he wanted. Last year, House Republican leaders stopped cold the president's proposal that would have used a guest-worker program as the path to legalize over 12 million illegal immigrants. With far less reluctance, House Republicans rejected a Senate bill that made the president's guest-worker plan worse — much worse. This was a rare act of statecraft, if not courage. All Americans want a solution to address our failed immigration policy, but not necessarily that one.

Exit polls show that 57 percent of voters want to offer a legal status to illegal immigrants, while 38 percent want to deport them. Those are two sizeable, countervailing numbers that politicians should not ignore. Election over, it is time for a cohesive immigration reform.

We all need to take a deep breath and start working for a reform short on slogans and Band-Aid solutions and long on far-sighted policy. Conservatives especially need to throw cold water on our faces. The loss of the Republican leadership in the House means the jig is up. A Senate filibuster is the only hope to block another bloated bill that fails to solve the real problem: America's short-sighted immigration policies.

In 2001, President Bush promised the then-president of Mexico, Vicente Fox, that he would seek a legal status for America's illegal immigrants, over 70 percent of whom are Mexican. In return, the Mexican president promised major fiscal reforms so his people might stay home. Fox never made good. Mexico's fiscal policies only worsened, pushing more Mexicans across the border. President Bush should not feel obliged.

The White House needs to give up the guest-worker program as the only solution, and congressional leaders on each side must distance themselves from the simplistic desires of their supporters. Each major interest can get something, without abandoning America's interests.

All experience suggests that a guest-worker program that is not temporary does more long-term harm than temporary good. It will certainly not work if its true purpose is the legalization of millions. Even so, there is only one good argument against a true guest-worker program: This country has never intentionally sought a peasant class. We would not be the same America if we start now.

A guest-worker program, however, that is truly temporary, and measured to obtain targeted regional and sector-driven goals, can be achieved without injuring our national character. So there is room to give the president, Mexico, liberals, free-traders, bishops and pastors what they want: legal status for some, though not all, illegal immigrants.

No one could reasonably disagree with placing security and employment enforcement first. And no one should be so cold-hearted as to ignore the harm we do with policies blind to the failure of the source country that exports its poor. Illegal immigration is a human tragedy that disrupts lives and separates families. It is a failure of two governments: the one that fails its people and the one that invites their departure for cheap labor's sake. A cohesive reform cannot leave unaddressed the obligation of our neighbors to heal themselves.

Political reality suggests that there will be no solution that disguises an amnesty or fails to legalize millions, but there will be no cohesive reform if millions today translate into tens of millions tomorrow. A policy reform that does not put everything on the table, including the so-called "anchor baby" policy, by which the children of illegal immigrants (and even tourists) become citizens upon mere birth here, and chain migration, by which whole clans get a foot in the door, is no reform at all.

Achieving a cohesive reform requires abandoning Band-Aid solutions. The truth is that, barring disparate regional impacts, which are real, America can absorb (and assimilate) millions of people, but just doing that is not a policy. And neither is a border fence.

The greatest obstacle to immigration reform has been the confines of this past year's debate. We must start over.

Miranda is former immigration counsel to Senate Majority Leader Bill Frist (R-Tenn.). He became a citizen in 1976.

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No Mandate For Amnesty (USAT)

By Mark Krikorian

USA Today, November 16, 2006

President Bush and his Democratic allies on immigration are pointing to the results of last week's elections as a mandate for what they call "comprehensive" reform — but what most people would rightly call amnesty for illegal aliens.

The results suggest nothing of the kind; in the face of deep discontent with Republicans over Iraq and a cascade of scandals, immigration probably didn't decide any races at all, largely because most Democrats wisely avoided any mention of amnesty and focused on enforcement.

Assuming the election analysis by the president and others is a sincere mistake, however, it likely stems from a misunderstanding of the options we face to deal with the illegal population of about 12 million people. Almost all polling has offered respondents only the unpalatable choice of mass deportations or amnesty.

But there is a third way, and that is the approach embodied in the bill passed nearly a year ago by the House. Sometimes called "attrition through enforcement," such a policy would strictly enforce immigration laws (something we have never tried) so as to limit new illegal settlement and cause illegal immigrants already here to go home over time.

The result would be an annual decrease in the illegal population, instead of continuing increases. Research by my Center for Immigration Studies found that this approach could cut the illegal population by half in five years, requiring only a modest increase in resources and using only normal law-enforcement tools.

In a pre-election poll of likely voters, done for the center by the Polling Company Inc. using neutral language (i.e., without the words "amnesty" or "aliens"), 44% backed enforcing laws "to cause illegal immigrants to go home over time." An additional 20% wanted roundups and deportations; only 31% supported legalization. When offered the full range of choices, amnesty is rejected 2-1.

Supporters of legalization would do well to keep this in mind, lest they be surprised in the presidential election of 2008.

Mark Krikorian is executive director of the Center for Immigration Studies, a think tank that supports tighter controls on immigration.

TAX:

The Economic Agenda (WP)

The Washington Post, November 16, 2006

THE MIDTERM elections were in part a repudiation of Republican economic priorities. The economy has grown strongly for five years even though it is slowing now, but the fruits of prosperity have not been shared widely. While corporate profits and pay for people at the top have risen, the majority of the workforce has experienced a stagnation of pay that stretches back, with only brief respites, to around 1980. The Republican Party has veered between denying the data and acknowledging middle-class anxiety while offering nothing to assuage it. The Democrats have understood the nation's economic insecurity, and they have been rewarded.

Having diagnosed the problem correctly, Democrats need a prescription. Some remedies that were tested during the campaign are not promising. As Slate's Jacob Weisberg has written, Democrats offered a mixture of economic populism (blaming middle-class insecurity on rich Americans) and economic nationalism (blaming middle-class insecurity on poor foreigners). But a populist drive to impose a surtax on energy companies will guarantee higher energy prices by deterring investment in new sources of supply. A populist attack on pharmaceutical companies will produce a lobbying war without solving the problems of health care. The real waste in the system is not that people overpay for drugs, but rather that they consume tests and other services without regard to their cost.

As for economic nationalism, clamping down on trade might help workers in declining manufacturing industries. But restricting imports would push up prices for people in the service sector, which includes hotel janitors, fast-food workers and other modestly paid groups, so the net effect on poor and middle-income families would probably be negative. Restricting immigration sounds like a good way to push wages up -- if there are fewer workers, surely the price of their work will rise? But

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economic studies find this effect is either negligible or nonexistent. Restricting the supply of low-wage labor may simply cause labor-intensive industries to shift abroad, or it may drive employers to buy extra tools and machines and so get by with fewer workers. Either way, a reduction in the supply of workers may be matched by lower demand for workers, which would explain why U.S. cities without immigrants haven't experienced more wage gains than cities with lots of them.

The good news is that the Democrats are not tied to these bad policies. One populist promise on which they propose to act promptly happens also to be reasonable: Raising the federal minimum wage makes sense because it is so low that lifting it probably won't hurt job creation. Beyond that, Democrats need to come up with policies that address inequality while not damaging growth, starting perhaps with tax reform. The existing system of tax breaks for savings, homeownership and health care favors the wealthy while draining billions from the government. Restructuring these tax breaks could shrink the deficit while freeing money for Democratic spending plans. Moreover, the Bush administration is on record as supporting tax reform. Here is an opportunity to make bipartisan progress: in a word, to govern.

CONGRESS-ADMINISTRATION:

Bush To Put Nominations Back On Table (NYT)

By Neil A. Lewis

The New York Times, November 16, 2006

WASHINGTON, Nov. 15 — White House officials said Wednesday that President Bush would renominate six of his earlier choices to sit on the federal appeals court, leaving Democratic senators and other analysts to ponder what message he is sending.

At least four of the nominations have been declared dead on arrival in the Senate by Democrats who have consistently opposed them as unacceptable. All six nominations will remain before the Senate through the lame-duck session of Congress and then will expire.

When the 110th Congress is seated in January, Mr. Bush can deliver another list of judicial nominees to the Senate, which will by then have a Democratic majority.

Mr. Bush's motive in sending up the nominations has been closely analyzed, with several Democrats and liberals labeling it as provocative and a sign that he does not intend to seek compromise as he suggested he would after Republican losses in the elections last week.

"Democrats have asked the president to be bipartisan, but this is a clear slap in the face at our request," said Senator Charles E. Schumer, Democrat of New York, who is a member of the Judiciary Committee. "For the sake of the country, we hope that this is an aberration because the president feels he must placate his hard-right base rather than an indication of things to come."

Senator Patrick J. Leahy, Democrat of Vermont, who will be the leader of the Judiciary Committee, said, "Barely a week after the president promised to change course by working in a bipartisan and cooperative way with Congress, it is disappointing that he has decided to 'stay the course' on judicial nominees."

But Edward Whelan, the president of the Ethics and Public Policy Center, who has supported Mr. Bush's judicial nominations throughout the first term, said Democrats were engaging in "rhetorical gamesmanship." He said that despite the changed numbers in the Senate, Mr. Bush was not obliged to offer a unilateral surrender. He said the president was resubmitting the nominees for the lame-duck session because Democrats had refused to comply with the usual courtesy and moved to have the nominations expire at the last recess.

The four nominees whose chances of confirmation are viewed as nearly impossible are: William J. Haynes II, the Pentagon's general counsel who was involved in setting many of the interrogation policies for detainees; William G. Myers III, a longtime lobbyist for the mining and ranching industries and a critic of environmental regulations; Terrence W. Boyle, a district court judge in North Carolina; and Michael B. Wallace of Mississippi, a lawyer rated unqualified for the court by the American Bar Association.

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The other nominees, who have not aroused as much opposition, are N. Randy Smith, a district judge in Idaho, and Peter D. Keisler, assistant attorney general for the civil division of the Justice Department.

White House Resubmits Appeals Court Nominees Opposed By Democrats (AP)

By Devlin Barrett, The Associated Press

AP, November 16, 2006

The Bush administration, trying to push through judicial nominations before Republicans lose control of the Senate, resubmitted six nominees deemed by Democrats too conservative for the federal bench.

Five nominees were the subject of an angry exchange in August when Democrats said their selection was a sop to the president's conservative base.

The White House on Wednesday submitted Terrence Boyle of North Carolina and William James Haynes II of Virginia to the 4th U.S. Circuit Court of Appeals in Richmond, Va.; Michael Brunson Wallace of Mississippi to the 5th Circuit in New Orleans; Peter Keisler of Maryland to the District of Columbia Circuit; and William Gerry Myers III and Norman Randy Smith, both of Idaho, for the 9th Circuit in San Francisco.

Everyone except Keisler has generated intense opposition from Democrats.

Under Senate rules the nominations must be resubmitted after Congress takes an extended break, as was the case this year for the 2006 election.

"Democrats have asked the president to be bipartisan, but this is a clear slap in the face at our request," said Sen. Charles Schumer, D-N.Y., a member of the Judiciary Committee. "For the sake of the country, we hope that this is an aberration because the president feels he must placate his hard-right base, rather than an indication of things to come."

Sen. Jon Cornyn, R-Texas, a vocal backer of many of Bush's judicial picks, said he thought it would be "very tough" to get the nominees through the Senate during the lame-duck session. But, he added, "Hope springs eternal."

Cornyn said judicial nominees will test the Democrats' stated desire to run the Senate with greater bipartisanship.

"We'll see whether now that they're in majority status, if we're going to have ideological litmus tests for judges," Cornyn said.

The president's picks for the federal bench have sparked angry debate in the Senate. The incoming majority leader, Democrat Harry Reid of Nevada, once threatened to filibuster Boyle's nomination if it came to the full Senate.

Haynes was an architect of the Bush administration's eventually abandoned policy on the treatment of terrorism detainees. He later told a Senate panel that reversing the policy was the "right thing to do."

Bush this week also has sent several nonjudicial nominees to the Senate. One was Kenneth Y. Tomlinson, renominated as chairman of the Broadcasting Board of Governors, the agency that directs U.S. overseas broadcasts. His nomination has bogged down because of allegations of misconduct. A report released in August by the State Department's inspector general said Tomlinson misused government funds for two years as the board chairman. He disputed the allegations.

Bush Resubmits Six U.S. Appellate Court Nominees (Update1) (BLOOM)

By James Rowley

Bloomberg, November 16, 2006

Nov. 15 (Bloomberg) -- President George W. Bush resubmitted six appellate-court nominees, who earlier drew objections from Democrats, for Senate consideration in the waning days of the Republican majority.

The Senate returned the six appeals-court nominees to the president in late September when Congress recessed to campaign for midterm elections. The elections gave Democrats a majority in the Senate starting in January and the power to block confirmation of the nominees.

Bush's decision to resubmit the six nominees was criticized by Vermont Democrat Patrick Leahy, who will be chairman the Judiciary Committee in the Democratic-controlled Senate.

``The president is choosing partisanship over progress and division over unity," Leahy said in a statement. ``The signal the president is sending by renominating these controversial candidates is regrettable."

Bush spokeswoman Emily Lawrimore said the White House is ``hopeful that the days of obstruction are behind us."

``We view this as a logical step in the judicial nomination process," she said.

The Judiciary Committee's current chairman, Pennsylvania Republican Arlen Specter, said yesterday, ``It is obvious that they cannot move" through the Senate before the Democrats take control.

Defense Department Counsel

The resubmitted nominees include William J. Haynes II, the Defense Department's general counsel who helped devise military interrogation policies for suspected terrorists. Democrats and some Republicans argue the interrogation policy encouraged abuse of prisoners seized in Iraq and Afghanistan.

Democrats, including Senator Joseph Lieberman of Connecticut, have questioned whether Haynes was evasive during a July hearing when he was questioned about how the interrogation policy was adopted.

Haynes, 48, was nominated for a seat on the 4th U.S. Circuit Court of Appeals in Richmond, Virginia. Also nominated for that court was Terrence W. Boyle, 60, a federal trial judge in North Carolina who Democrats argue has shown hostility to employment discrimination lawsuits.

Bush also renominated Michael B. Wallace, 55, a Jackson, Mississippi, lawyer who the American Bar Association's judicial screening committee found professionally ``unqualified" for a seat on the New Orleans-based 5th U.S. Circuit Court of Appeals. Wallace is a former aide to Senator Trent Lott, a Mississippi Republican.

Myers

William G. Myers III, 51, a mining and ranching lobbyist, was renominated for a seat on the 9th Circuit Court of Appeals in San Francisco. Democrats object to Myers' record as an opponent of environmental laws, arguing that as the Interior Department's solicitor he promoted corporate interests over enforcement of regulations to protect federal land.

Peter D. Keisler, head of the Justice Department's civil division, was renominated for a seat on the Washington-based D.C. Circuit.

The panel's eight Democrats objected in July to considering Keisler's nomination, citing a longstanding dispute over whether to fill the vacancy on the Washington court. During Bill Clinton's presidency, Republicans refused to act on nominations to fill the seat, citing a decline in the court's workload.

California Democratic Senator Dianne Feinstein has opposed the confirmation of N. Randy Smith, an Idaho resident, on the basis that he was nominated to fill a seat on the 9th Circuit Court of Appeals traditionally reserved for a California resident.

Leahy has suggested that Bush nominate Smith for the Idaho seat that Myers has been picked to fill.

Bush Renominates Judicial Picks (WP)

By Peter Baker

The Washington Post, November 16, 2006

President Bush renominated six previously blocked candidates for federal appeals court yesterday, triggering the first real battle with ascendant Democrats since the midterm elections and signaling what could be the start of a fierce two-year struggle over the shape of the federal judiciary.

The move heartened conservatives who worried that Bush would scale back his ambition to move courts to the right and outraged liberals, who called it a violation of the spirit of bipartisanship promised since Democrats captured Congress. Both sides saw it as a possible harbinger for the remainder of Bush's presidency, particularly if a Supreme Court vacancy opens.

The decision to send back the six nominees, along with four new candidates for the bench, was a provocative maneuver intended to signal that Bush does not plan to cower in the face of an opposition Congress, because the Senate almost certainly will not act on them in the lame-duck session that adjourns next month. If Bush wants to keep pushing for these nominations, he will have to resubmit them in January, when the Senate reconvenes with a 51-vote Democratic majority.

"We are hopeful that the days of judicial obstruction are behind us," said White House spokeswoman Emily Lawrimore. Noting that a Republican Senate confirmed 15 of Bill Clinton's nominees to the federal appeals bench in his last two years as president, she added: "We are hopeful that President Bush's nominees will receive a fair up-or-down vote."

Sen. Charles E. Schumer (D-N.Y.) said none of the six would be confirmed. "It's a real slap in the face," he said by telephone. "It basically makes you think the talk of bipartisanship is just talk. . . . I guess it's a sop to the right, but if he's going to keep doing sops to the right, it means they didn't pay attention to the results of the election."

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Judgeships have been a priority for conservatives and a major flashpoint between Bush and congressional Democrats. A group of centrist senators from both parties last year brokered a truce in the nomination war and Bush secured confirmation for two Supreme Court nominees, John G. Roberts Jr. and Samuel A. Alito Jr. In his final days on the campaign trail, Bush warned supporters that a Democratic Senate would never have confirmed Roberts or Alito and would stonewall future nominations.

Now he appears ready to test that proposition. None of the six nominees resubmitted yesterday received a Senate floor vote: Michael B. Wallace for the U.S. Court of Appeals for the 5th Circuit; William J. Haynes II and Terrence W. Boyle Jr. for the 4th Circuit; William G. Myers III and Norman Randy Smith for the 9th Circuit; and Peter D. Keisler for the D.C. Circuit.

In addition, he sent four new nominations: James E. Rogan to the U.S. District Court in California; Benjamin H. Settle to the district court in Washington state; and Margaret A. Ryan and Scott W. Stucky to the U.S. Court of Appeals for the Armed Forces. Rogan, a Republican former congressman, is the most prominent of the four, having served as one of the House managers who prosecuted Clinton during his 1999 impeachment trial.

Four of the previously blocked nominees were criticized as unqualified or too conservative. One of the others ran into objections from California senators who did not want his seat moved to Idaho and the last was stalled by assertions that the caseload on his circuit did not justify another judge. Senate Judiciary Committee Chairman Arlen Specter (R-Pa.) said Tuesday that he would not move the nominations during the lame-duck session.

Elliot Mincberg, legal director of the liberal People for the American Way, said: "This is a disturbing sign . . . in terms of Bush trying to reach out for genuine consultation and consensus. But even more important will be what he does in January. If he takes the same tack in January, then he signals that he wants confrontation."

Conservatives hope that is what Bush wants and say it will test Democrats' commitment to bipartisanship. "The president's sending the message that he's not going to deviate one iota from his judicial philosophy, which is that he's going to send up nominees who don't legislate from the bench," said Jay Sekulow, chief counsel of Pat Robertson's American Center for Law and Justice, who advises the White House.

Bush Resubmits 6 For Judgeships (WT)

By Stephen Dinan And Charles Hurt

The Washington Times, November 16, 2006

The White House yesterday resubmitted six contentious judicial nominees to the Senate in what Republicans said was a signal President Bush will fight over judges even under Democratic control, and Democrats said proves the president already has forsaken bipartisanship.

In addition to the six resubmissions -- needed because the nominees had been automatically returned to the White House during the October recess -- Mr. Bush also sent over four new nominees.

The White House said the nominations are "a logical step" meant to keep the confirmation process on track.

"These renominations simply restore the nominees to the position they were in prior to the [October] recess, when the nominees were pending in the Senate and awaiting fair consideration of an up-or-down vote," said Emily Lawrimore, a White House spokeswoman.

But several of those nominees would have a difficult time gaining a majority vote, and with little time left in this year's session and with Democrats about to take control next year, nothing is likely to happen.

"There is zero, zip, zilch chance of any of these judges making it through the Senate killing fields in the waning days," said one Republican aide, who has watched the nominees situation but asked not to be identified. "Without a plan for successful confirmation from the White House, the only point is to fly the flag as the judicial-confirmation ship slips beneath the waves. Burble, gurgle."

All nominees expire at the end of this year, and Democrats said with so little time left, Mr. Bush's move proves he is playing a partisan game rather than trying to work with them.

"Democrats have asked the president to be bipartisan, but this is a clear slap in the face at our request," said Sen. Charles E. Schumer, New York Democrat and a point man for his party on judicial nominees.

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But Sean Rushton, executive director of the Committee for Justice, a conservative group that advocates for judges, said Democrats forced the issue by denying Mr. Bush the usual courtesy of carrying the judges over the recess. That is why Mr. Bush had to resubmit the six contentious ones yesterday.

"It's a bullying tactic to try to paint the president into backing off from these nominees," he said.

The six resubmissions are Terrence W. Boyle and William James Haynes II to the U.S. 4th Circuit Court of Appeals, Peter D. Keisler to the U.S. Circuit Court of Appeals for the District of Columbia, William Gerry Myers III and Norman Randy Smith to the 9th Circuit and Michael Brunson Wallace to the 5th Circuit.

The new nominees are James Edward Rogan to the U.S. District Court for the Central District of California, Benjamin Hale Settle to the District Court for the Western District of Washington and Margaret A. Ryan and Scott Wallace Stucky to the Court of Appeals for the Armed Forces.

It is a curious end to a year that began with the confirmation of Justice Samuel A. Alito Jr. to the Supreme Court. But since then, confirmations have dropped off. One key senator earlier this year blamed the White House for not sending up new nominees fast enough, though Mr. Rushton said the Senate leadership failed to push the pending nominees.

House, Senate Pass Stopgap Funding Bill (AP-Y)

By Andrew Taylor, Associated Press Writer

AP, November 16, 2006

Congress passed a bill Wednesday that keeps open those agencies awaiting approval of their budgets as lawmakers seek a deal on lots of unfinished fiscal business.

The temporary spending measure sped through the House and Senate on voice votes. Without passage, 13 Cabinet agencies would have had to close down Friday at midnight. When President Bush signs the bill, the government will remain open through Dec. 8.

The bill's passage was the only significant accomplishment Wednesday by the postelection Congress. Senate leaders had hoped to turn to an agriculture spending bill and a bill to allow civilian nuclear fuel shipments to India, but lawmakers quickly bogged down.

Republican conservatives want to slow the appropriations process. They fear that Appropriations Committee members will muscle through a massive spending bill full of parochial projects as one of the last acts of Congress before Republicans lose control.

Farm-state Democrats, meanwhile, demanded a vote on a multibillion dollar billion farm disaster aid plan as part of the agriculture spending measure.

The net result was gridlock broken only by passage of the stopgap measure.

Congress has yet to finish nine of 11 spending bills for the budget year that began Oct. 1. Those bills total more than $460 billion. The only practicable way of finishing them before lawmakers exit Washington for good in December is to bundle them into one or more multiple bill proposals.

But there are divisions among Republican over whether to even try to advance the spending bills. Without GOP unity, it will be virtually impossible to do so. That raises the prospect that Democrats will have to tackle the difficult task after taking control of Congress in January.

Past Is Not Prologue For Gates (HILL)

By Elana Schor

The Hill, November 16, 2006

Senate Democrats could find themselves walking a fine line as the chamber takes up Defense Secretary nominee Robert Gates, weighing the value of regime change at the Pentagon after six stormy years of Secretary Donald Rumsfeld against their new position of power as an incoming majority.

The dozen sitting Democrats who voted against Gates when he took over as CIA director in 1991 face a particular challenge as they re-examine old allegations about Gates's role in intelligence-gathering during the Iran-Contra affair. Several

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CIA colleagues came forward then to charge Gates with twisting intelligence to fit the White House agenda, criticism that had derailed an earlier Gates bid to head the agency.

The Senate's Democratic majority ended up confirming Gates in 1991, with eight members who are still serving voting yes — including new Senate Majority Leader Harry Reid (D-Nev.).

Yet, those 12 Democratic votes against Gates in 1991 appear to set little precedent for Senate Democrats ready to replace Rumsfeld's combative and closed leadership style with Gates, a former member of the independent Iraq Study Group that will soon weigh in on the Iraq war policy.

The first senator to reveal that he would reverse an old vote against Gates was Joseph Biden Jr. (D-Del.), who told ABC's "This Week" on Sunday that a desire to change course in Iraq would overcome his former skepticism about Iran-Contra.

"To put it very, very bluntly, as long as he's not there, Rumsfeld is there," Biden said.

Another Democrat who had opposed Gates's CIA bid, Sen. Max Baucus (Mont.), then attributed his vote to unanswered questions about Gates's politicization of intelligence, a charge reminiscent of some war critics' view that the Bush administration "cherry-picked" intelligence to justify invading Iraq.

"In the spirit of moving along," Baucus said on Monday, he would likely support Gates this time around. "Gates is certainly qualified."

Sen. Jay Rockefeller (D-W.Va.), who will take over the Intelligence Committee next year, gave a floor speech against Gates in 1991. Rockefeller said in a statement last week, however, that choosing Gates to head Defense "may signal that [Bush] is searching for a realistic and pragmatic approach in Iraq and the war on terror."

Other Democrats set to become committee chairmen in January voiced discontent 15 years ago over Gates's role in sharing intelligence with Saddam Hussein during Iraq's 1980s war with Iran, including Sens. Edward Kennedy (Mass.) and Tom Harkin (Iowa). Seven other sitting Democrats voted against Gates then: Jeff Bingaman (N.M.), John Kerry (Mass.), Frank Lautenberg (N.J.), Kent Conrad (N.D.), Chris Dodd (Conn.), Carl Levin (Mich.), and Paul Sarbanes (Md.). Sen. Jim Jeffords (I-Vt.), who, like Sarbanes, is retiring this year, also voted against Gates.

Levin will take over the Armed Services Committee next year, but he is not likely to gavel in any Gates hearings. Levin and current Armed Services Chairman John Warner (R-Va.) are planning to start the confirmation process when the Senate returns from Thanksgiving recess and complete it as soon as possible.

What is unclear is whether Democratic senators will view their past votes on Gates as a precedent; the caucus's unified effort to effect positive change in Iraq and begin a phased redeployment of troops is certain to play into the debate. Reid, who voted to install Gates at the CIA in 1991, said at a Christian Science Monitor breakfast yesterday that he welcomes a swift process.

"There is some urgency in our minds to move this along as quickly as possible," said Reid, who noted that Gates's ties to Iran-Contra did concern him. "I certainly want to get rid of Rumsfeld, sooner rather than later."

Levin has said that he will re-examine Gates impartially, adding this week that "the last 15 years are more important to me [than Iran-Contra]. … I'll give him a fresh, fair hearing."

Democrats are conscious of the need to thoroughly examine Gates before sending him to replace Rumsfeld, who had become a symbol of the Bush administration's Iraq missteps for members of both parties. Sen. Charles Schumer (N.Y.), Democrats' new third-ranking leader, was in the House during Gates's last confirmation vote but cautioned that Democrats "do not want to do anything dilatory."

Democrats will be asking, "Does he have an independent mind?" Schumer said.

Reid and Schumer addressed several other future goals at the Monitor breakfast. Senate Democratic leaders are considering legislation to establish criminal penalties for election fraud and manipulation, a response to widespread reports last week that Democratic voters were targeted with late-night robo-calls and efforts to mislead them away from the polls.

Reid also hinted that the outside fundraising groups that have become pivotal to Democratic campaign operations would be scrutinized by the Democratic majority.

"We're going to have to take a real close look at 527s," Reid said.

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Lott Beats Alexander 25-24 For Comeback (HILL)

By Elana Schor

The Hill, November 16, 2006

Senate Republicans chose Trent Lott (Miss.) as their new whip yesterday by the narrowest of margins, cementing his comeback after four years out of leadership and signaling a GOP minority ready to assert itself and bounce back from defeat.

Lott bested Sen. Lamar Alexander (R-Tenn.), who began openly campaigning more than a year ago, by 25 votes to 24. Senators said Lott's proven negotiating ability and his institutional knowledge made the difference as Republicans prepare to move into a full cycle of minority status for the first time since 1995.

Sen. Jon Kyl (R-Ariz.), who was unopposed in his bid for conference chairman, said "experience" was the singular force behind Lott's last-minute triumph against the well-liked Alexander. "There's nobody better at working with other folks, including across the aisle, than Trent."

Sen. Richard Lugar (R-Ind.) echoed that sentiment, saying, "I want people with confidence and people who will work well with the Democrats" in the leadership.

Sen. Wayne Allard (R-Colo.) noted Lott's rededication to the party as he worked his way back from the turbulence of 2002, when the Mississippian was forced out as majority leader under pressure from the White House after making remarks seen as racially insensitive.

"Trent Lott was a great team player after suffering a great emotional defeat for him," said Allard, who publicly supported Alexander. "He has worked hard since then. I think [Lott backers] appreciate that."

Lott has called the whip's post the best job in the capital, and yesterday said it was the "job I have loved to do the most." The longtime House whip, who also won a one-vote Senate whip election in 1995 against former Sen. Alan Simpson (R-Wyo.), must now try to divert the media attention he naturally attracts toward the Republicans' new majority leader, Sen. Mitch McConnell (Ky.).

Arriving before the cameras yesterday, the new GOP leadership team referred to McConnell one question about the conference's post-election mood – "upbeat," he said, "which may surprise you" – before the topic turned to Lott. The new whip demurred, seeking to shift the spotlight back onto McConnell, "where it belongs." McConnell then closed down the press conference.

The challenge McConnell and Lott face in ensuring that the latter does not upstage the former will be amplified as senators jostle to position themselves for presidential bids. Sen. John McCain (R-Ariz.), the GOP's frontrunner, was a strong Lott booster as the latter delayed any public campaigning until Sen. Rick Santorum (R-Pa.), the natural heir to the whip job, lost his reelection race.

Less than 18 months ago, Lott was the subject of rampant retirement rumors after Hurricane Katrina tore through the Gulf Coast, demolishing his family home in Pasacagoula, Miss. But the personal setback appeared to reinvigorate the institutionalist Lott, who took on an increasingly helpful role for the GOP leadership led by the man installed to replace him, outgoing Majority Leader Bill Frist (R-Tenn.).

Lott also led the way at times as Republican lawmakers asserted their independence from the Bush administration. Lott publicly warned the president in March that if he vetoed legislation negating a ports takeover by a Middle-Eastern company, "Okay, big boy, I'll just vote to override your veto."

That independence was a factor for Sen. Olympia Snowe (R-Maine), another Lott backer, who said the events of 2002 were water under the bridge.

"Trent understands … that what the president may want may not be what we can advance," said the centrist Snowe. "You have to have a broader umbrella for all Republicans. Not every Republican is going to be able to vote the same way."

Republican senators cast a unified vote for the rest of their leadership, including Sens. Kay Bailey Hutchison (R-Texas) as GOP Policy Committee chairwoman, John Cornyn (R-Texas) as conference vice-chairman and John Ensign (R-Nev.) as National Republican Senatorial Committee chairman.

Cornyn said yesterday that the closeness of the whip vote would leave no lingering tension in the conference, adding that Alexander would play a key role.

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"I would not be surprised," Cornyn said, if a leadership position tailored to Alexander's strengths were created. Senate Democrats crafted their own new post this week for their victorious campaign chief, Charles Schumer (N.Y.).

Cornyn, whose new mandate is to hone and articulate the GOP message, also described a willingness among Republicans to heed the Democratic majority's call for bipartisanship but rebel when it is called for. "It doesn't mean we are going to be unnecessarily partisan … but we can shape, or in some cases stop, legislation," he said.

McConnell had a similar message, telling reporters that "we represent a vigorous body of 49, and hopefully a minority that is only in this position for a couple of years."

Republican Sens. Judd Gregg (N.H.) and Gordon Smith (Ore.) gave Lott's nominating speeches, according to sources, while Sens. Bob Bennett (Utah) and Johnny Isakson (Ga.) gave Alexander's.

Democrats, who faced no contested leadership races, were watching the contest almost as avidly as Republicans. Mississippi Rep. Gene Taylor (D) issued a statement hailing Lott's win, and new Senate Majority Leader Harry Reid (D-Nev.) said at a breakfast interview yesterday morning that he has "great affection for Trent Lott."

"Behind the scenes the past two years, he has been extremely helpful to me," Reid said.

Roxana Tiron contributed to this report.

Lott Returns To Senate Leadership (WSJ)

By David Rogers

The Wall Street Journal, November 16, 2006

WASHINGTON -- Mississippi's Trent Lott barreled back into the Senate Republican leadership as party whip when the 110th Congress convenes in January.

The narrow 25-24 caucus vote echoed Mr. Lott's 1994 victory when he wrested the same No. 2 party post from former Wyoming Sen. Alan Simpson. But this triumph also spelled redemption for a man who rose as high as Senate majority leader before falling precipitously in 2002.

For President Bush, the Mississippian's return could be a mixed blessing. Mr. Lott blamed the White House for contributing to his ouster, but he brings a set of legislative skills that the administration sorely needs to move its agenda in the new Democratic-controlled Congress.

After four years of Bill Frist, the retiring Senate leader who never seemed at home in the chamber, Republicans are hungry for a proven expediter. Mr. Frist's Tennessee colleague, Sen. Lamar Alexander, who began campaigning for the whip's post a year ago, couldn't withstand Mr. Lott's late surge.

Sen. Judd Gregg (R., N.H.) said of Mr. Lott: "He goes across the aisle better than any other member of our caucus. He has an intuitive sense of the way this place works."

"He's the best I've seen in 20 years in the Senate in working both the Senate and the other side of the Capitol," said Sen. John McCain (R., Ariz.).

Mr. Lott fell from power after suggesting at a televised party in December 2002 that the nation would have had fewer problems if the segregationist policies of the old Dixiecrat Party in the South had prevailed. He denied any racist intent but was rebuked by the president and complained that the White House encouraged efforts to replace him with Mr. Frist.

Mr. Lott was emotional after his triumph and pledged his loyalty to the new Senate Republican Leader Mitch McConnell (R., Ky.). Mr. McConnell had signaled privately that he wouldn't work against Mr. Lott's comeback, but the victory also reflects changes in the senator as a person.

Mr. Lott reached out to colleagues like Sen. McCain, with whom he had fought in the past. And in seconding the nomination, Oregon Sen. Gordon Smith said Mr. Lott was stronger for having dealt with the twin setbacks of losing his leadership post and seeing his home state and Gulf Coast house devastated by Hurricane Katrina.

"If any man has gotten a one-two punch and gotten off the mat a better man, it's Trent Lott," Mr. Smith said.

Mr. Lott's return also underscores the human dimension of leadership elections in Congress, a huge factor again today for House Democrats deciding on majority leader for the coming Congress. Rep. Steny Hoyer of Maryland, the party whip, is seeking

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the post, but faces stiff resistance from Pennsylvania Rep. John Murtha, a Marine Vietnam veteran who has helped to galvanize public support for the party by speaking out against the Iraq war.

Part of the fight is about loyalties, most notably those of Rep. Nancy Pelosi (D., Calif.), the future speaker who publicly endorsed Mr. Murtha, a friend. Part also is about ideas. The 74-year-old Mr. Murtha has risked much of what he has in the House to press his case for a stronger stand on Iraq. And part is about money and the ethical problems that persist for Congress after an election in which corruption was an issue for voters.

Public Citizen, the consumer nonprofit group, last night released a study showing that Mr. Hoyer ranks far higher than Mr. Murtha in his dependency on special-interest political funds. But as the race tightens, Hoyer supporters have focused on Mr. Murtha's ethical scrapes and role as an unindicted co-conspirator in the Abscam bribery scandal in 1980.

A videotape of Mr. Murtha meeting with an FBI operative posing as a cash-wielding Arab sheik was resurrected earlier this year by conservatives attacking his stand on Iraq. It has now come into play in the leadership race and could be fatal.

Mr. Murtha denies taking any money but remains very much an old school politician who lives by his own code. Others in similar circumstances have redeemed themselves in the public's eye by becoming reformers; Mr. Murtha is much more resistant to new rules as the solution, though he has promised to back an ethics package promoted by Ms. Pelosi.

House Republicans also have their caucus races -- and divisions -- which will play out tomorrow. Ohio Rep. John Boehner appears increasingly confident of keep his post as the new minority leader after Rep. Joe Barton (R., Tex.) withdrew last evening and pledged to support Mr. Boehner against the remaining challenger, Rep. Mike Pence (R., Ind.).

Write to David Rogers at david.rogers@wsj.com2

Senate Republicans Tap Lott For No. 2 Leadership Job (USAT)

By Bill Nichols And Kathy Kiely

USA Today, November 16, 2006

WASHINGTON — Senate Republicans picked a blunt White House critic to be their party's second-in-command Wednesday, as they resurrected the political career of a lawmaker who once made comments viewed by some as racially insensitive.

President Bush called Mississippi Sen. Trent Lott from Air Force One to offer congratulations after Lott won the GOP's minority whip job over Sen. Lamar Alexander of Tennessee, who had predicted victory Tuesday night.

“We have a lot of important priorities to work on and as the president told Sen. Lott, he very much looks forward to working with him,” White House spokesman Scott Stanzel said.

Lott stepped down as Senate majority leader in 2002 after he suggested the nation would have been better off if then-senator Strom Thurmond of South Carolina had been elected president in 1948. Thurmond had run as a segregationist “Dixiecrat.”

Since then, Lott has not shied from criticizing the White House.

•“They still need men and women of gravitas and stature,” Lott said of the administration in March, while also predicting that Bush would “be a drag in the fall” elections if his approval ratings did not rise.

•“The White House can become a cocoon. The president and vice president have to make sure they reach out and listen to a variety of voices,” Lott warned in an interview with USA TODAY before Bush began his second term.

Lott was more circumspect Wednesday as he joined Kentucky's Mitch McConnell, who was elected GOP leader, as the power brokers in the new Republican Senate minority.

Democrat Harry Reid of Nevada will be majority leader and Dick Durbin of Illinois will serve as majority whip when the new legislative term begins in January.

Even though Democrats will have a 51-49 vote edge in the Senate, the minority party can use parliamentary tactics to block legislation and nominations. McConnell said he would “lead a vigorous minority of 49 in a body where it takes 60 votes to do anything.”

Lott said he is “honored to be part of this leadership team … and to do a job that I've really loved the most: count the votes.” He also previously served as whip in the House and Senate.

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Lott's spokeswoman, Susan Irby, argued that the senators' vote of confidence in Lott was a credit to his “proven talent” as a vote counter and not a jab at Bush.

Paul Light, a professor of public service at New York University, believes administration officials likely are not so sanguine in private. “I doubt they're saying, ‘Gee, how great it is to see Trent back in the leadership chain,' ” Light said.

Lott beat Alexander on a 25-24 vote in a secret ballot. The whip serves as the party's chief vote counter and legislative tactician and is charged with enforcing party loyalty.

For Republicans, their leadership contest returns to the limelight a canny Southerner whose career seemed in tatters. In 2002, Lott said he was just trying to make Thurmond feel good at his 100th birthday party. Lott apologized repeatedly for his remarks.

“For Lott, it's a four-year journey from presumed ruin to undeniable redemption that is nothing short of remarkable,” said Sid Salter, a Mississippi political analyst and newspaper columnist for The Clarion-Ledger in Jackson, Miss.

Sen. George Voinovich, R-Ohio, said some colleagues supported Lott because he'd not only been publicly embarrassed but also lost his Pascagoula, Miss., home in Hurricane Katrina. “This guy has been through hell,” Voinovich said. “There was some feeling that Trent got a bad deal several years ago. … This was some way of letting him know there is redemption.”

Lott is currently living out of a trailer on the site where his home used to be while he waits for insurance claims to be settled in court.

“Senators, like most Americans, like a comeback,” Alexander said.

Republicans Return Lott To Leadership (AP-Y)

By Laurie Kellman, Associated Press Writer

AP, November 16, 2006

Less than a half-hour after Republican senators voted to return Sen. Trent Lott to their leadership team, the Mississippi senator's phone rang. It was Vice President Dick Cheney, calling with congratulations on his election as the Senate's Republican whip, the No. 2 post, behind GOP minority leader-elect Mitch McConnell.

A few hours later, Cheney again delivered an atta-boy in person during a GOP policy lunch. So did White House Chief of Staff Josh Bolton. And President Bush rang from Air Force One.

Lott's redemption had begun — just four years after the same White House helped engineer his ouster as the party's Senate leader.

It must have been sweet. Lott, 65, did little to hide his resentment during his exile from the party's top Senate ranks, shoved out for rhetorical offense: At Sen. Strom Thurmond's 100th birthday bash, Lott had saluted the South Carolina senator with comments later interpreted as support for southern segregationist policies.

Lott explained. He apologized. But some Senate colleagues undermined him, he wrote in a book last year. White House officials demanded his ouster. And perhaps worse, Bush hurt his feelings by disavowing the comments in a tone that was "devastating ... booming and nasty."

What a difference four years makes. Bush's popularity is drooping over the war in Iraq. Angry voters stripped Republicans of their majority in the Nov. 7 elections. And in a 100-member chamber in which Democrats hold the majority by one senator, Lott is the Republican in charge of lining up and counting votes for the next two years — when members of both parties will be seeking legislative accomplishments to tout on the 2008 campaign trail.

That makes him powerful enough to get the White House's attention once again.

En route to Singapore, Bush "told Senator Lott that he looked forward to working with him in the upcoming Congress," according to White House spokesman Scott Stanzel.

Another event during Lott's exile changed his relationship with the White House: Hurricane Katrina. The massive storm devastated Lott's home state, not to mention his historic oceanside home in Pascagoula. He found his refrigerator a few blocks away in a neighbor's yard. For him, the administration's bungled response was personal. He considered retiring this year, after three terms in the Senate and eight in the House.

But even as he was making that decision, Lott hinted to a reporter that he'd like to return to leadership.

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"I might do it just to make everybody nervous," he said last year.

The comeback is an apt outlet for Lott's talents. He was the rare majority leader who seemed to relish the vote-wrangling duties that some of his predecessors loathed. Lott appropriated former majority leader Howard Baker's derisive description of the job for the title of his tell-all memoir last year: "Herding Cats: A Life in Politics."

Last week, Lott began an under-the-radar campaign for whip, notwithstanding Tennessee Sen. Lamar Alexander's 18-month bid for the same job.

He shifted into prime cat-herding mode Tuesday evening when senators returned to the chamber for their first vote since the election. Buzzing from one colleague to the next, sitting, standing, gesturing and pausing to count a list of supporters, Lott lined them up even as Alexander's office boasted of as many as 30 votes.

The next morning, the mild-mannered Tennessee senator estimated Lott had peeled off three senators who had committed to Alexander but changed their minds. Lott won the election 25-24.

Living proof that there can be second acts in politics, Lott was uncharacteristically mum when he strode out of the caucus with the rest of the newly elected GOP leadership team. He was sticking to the pledge he made during his quiet campaign to not overshadow his party's new leader, McConnell. Asked if he felt vindicated, Lott just pressed his lips together and shook his head.

Trent Lott Rejoins Senate GOP Leadership (LAT)

By Johanna Neuman

The Los Angeles Times, November 16, 2006

WASHINGTON — Four years after he was ousted as majority leader for racially insensitive remarks at Strom Thurmond's 100th birthday party, Mississippi's Trent Lott returned to the GOP leadership ranks today.

In an election closer than the one that put Democrats in charge of the Senate, Republicans today narrowly chose Lott for the vote-counting whip position over Lamar Alexander of Tennessee by a 25-24 vote, giving Lott the No. 2 leadership slot.

Lott was forced to resign as majority leader in 2002 after the Bush White House joined a chorus of criticism over remarks in which Lott noted that Mississippi voted for South Carolina's Thurmond when he ran for president in 1948 on a states' rights platform that supported racial segregation.

"We voted for him," said Lott. "We're proud of it. And if the rest of the country had followed our lead, we wouldn't have had all these problems over all these years either."

Lott explained that he had just made an off-the-cuff remark, but as demands grew for his resignation, he went on Black Entertainment Television to repudiate past votes against civil rights legislation and to affirm his support for affirmation action programs.

With the drumbeat growing for his removal, White House maneuvering forced Lott to resign his leadership post to make room for Tennessee's Bill Frist. In the years since, Lott has nursed his skills as a backbencher — talents for vote-counting and behind-the-scenes maneuvering now critical to a GOP in the minority. In his own campaign for reelection as a senator last week, Lott won with 64% of the vote.

"We're going to be a vigorous minority of 49 in a body where it takes 60 to do anything," said Sen. Mitch McConnell of Kentucky, elected unanimously to be the new Senate GOP leader. Introducing his new leadership team, McConnell said, "Hopefully, we're a minority that will only be in that position for a couple of years."

Lott deflected efforts by reporters to question him about his return to the leadership ranks, saying "the spotlight" should be on McConnell.

Hill observers were buzzing at the feat because Alexander — a former governor and Cabinet secretary — had campaigned for more than a year as a clean face choice for a demoralized party and had been boasting that he had the votes.

The vote within the Republican caucus could also reflect unhappiness with President Bush for engineering the switch to Frist, who was not considered a strong leader.

Other members of the new leadership team include: John Kyl of Arizona, Kay Bailey Hutchison of Texas, John Cornyn of Texas and John Ensign of Nevada, who will head the Republican senatorial campaign dedicated to returning Republicans to power after the 2008 elections.

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"We have a lot of incumbents to protect," he said. Expressing hope that "this title of minority we only have for two years," Ensign said, "We're going to look for a couple of (Democratic) targets."

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In The End, It's Lott By A Single Ballot (RC)

By Erin P. Billings And Emily Pierce

Roll Call, November 16, 2006

Proving himself once again to be the master vote-counter the job requires, Sen. Trent Lott (R-Miss.) orchestrated a stunning return to the GOP leadership Wednesday by pulling off a one-vote upset of Sen. Lamar Alexander (Tenn.) to become the next Senate Minority Whip.

The former Majority Leader bested Alexander on a secret ballot tally of 25-24, but few dared to predict the outcome before Senators convened behind closed doors to elect their chain of command for the 110th Congress. Even heading into the vote, Alexander suggested the tally would be close and jokingly hoped the final outcome would reflect the 27 solid commitments he was convinced he had at 11 p.m. the previous night.

"I think Trent proved to be a better vote counter and I think Senators, like most Americans, like a comeback," Alexander said afterward. "He deserves great credit for that."

In signature Lott style, the veteran Senator was able to win by corralling a solid base of support, picking off a number of Alexander's backers and working his candidacy right up to the Wednesday-morning vote. Lott was seen walking into the Old Senate chambers talking with Sen. Lisa Murkowski (Alaska), whom several GOP Senate aides characterized as one of the few remaining undecided lawmakers.

The vote in the Whip contest came after the Republican Conference confirmed Sen. Mitch McConnell's ascension to Minority Leader. He replaces retiring Sen. Bill Frist (Tenn.) as the GOP leader.

Lott's coup was somewhat remarkable given he entered the race long after Alexander, who had been campaigning for the job for more than a year. Lott, ousted as the Majority Leader in December 2002 after making remarks perceived as racially insensitive at the late Sen. Strom Thurmond's 100th birthday party, had been campaigning quietly in recent weeks but didn't formally jump into the Whip hunt until Monday night.

Yet the Mississippi Senator has made no secret that serving as the Republican Whip had been his most pleasurable leadership experience to date, and reiterated that sentiment Wednesday, saying he was delighted to "do a job that I've always really loved most, and that's count the votes."

Lott formerly served as the House GOP Whip and later as the Senate Republican Whip, a slot he also secured by a narrow one-vote margin when he took on and beat then-Sen. Alan Simpson (Wyo.). Just as Alexander was viewed as the frontrunner for the Whip job, many had predicted Simpson would outpoll Lott during that race in 1994.

Lott said he was "exhilarated to have the opportunity" to get another shot in the Republican leadership (those close to him said it would have been his last try at a comeback had he failed). As he campaigned, Lott and his allies touted his battle-tested abilities as a Whip, experience at making a deal and knowing how to be effective as a member of the minority — a status the Republicans have experienced only briefly over the past dozen years.

In the end, "it came down to negotiating skills and a strong professional relationship with Democrats, both rank and file and the Democratic leadership," said one GOP Senator who supported Lott. "And, I think, a common sense understanding of what Republican Members want from their leadership."

Sen. Olympia Snowe (Maine), a Lott supporter, said the job "does require someone who's got that institutional knowledge and appreciation of what it's going to take not only to help rebuild the Republicans within the institution, but also nationally."

Even Sen. Harry Reid (D-Nev.), the incoming Majority Leader, gave a nod to Lott's political skills, saying: "I have great respect for his abilities ... behind the scenes he's been very helpful."

But for all Lott's attributes, he also may need to spend part of his honeymoon proving to his critics that he won't be overly outspoken or constantly overshadowing McConnell. Lott sought to dispel those concerns both privately to Senators on

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Wednesday morning, and again to the public when he emerged with McConnell and the five other newly elected leaders following the votes.

Perhaps the strongest signal sent to his Conference came in the form of the two men he chose to nominate him: Sens. Gordon Smith (Ore.) and Judd Gregg (N.H.), who had only moments earlier performed the same task for McConnell.

The media savvy Lott spoke only briefly to the press, and when asked to talk about his return to the limelight with a victory over Alexander, he deferentially turned to the incoming Minority Leader, saying: "The spotlight belongs on him."

Snowe said Lott expressed that same desire to his colleagues in private, saying she believes such a posture "is most appropriate."

"He understands that his role is to help reinforce what the leader's going to be trying to achieve on behalf of all the Conference."

Beyond that, Lott will undoubtedly have to ride through the replay of how he fell from grace as the Majority Leader just four years ago. Lott's colleagues forced him from the helm after he implied that had Thurmond, a 1948 candidate for the White House, been elected president on a segregationist platform, we could have avoided "all these problems" we have today.

Several Republican Senators said Wednesday that it is time to let the past go.

"I think that people understand that he has been deeply apologetic and regrettable for having made those remarks," Snowe said.

Clearly, Lott's past was his greatest selling point and perhaps shortcoming, given those backing Alexander said it was a fresh face and loyalty they sought. Still, most agreed the closeness of the outcome for the Whip job signified that the two Senators are both well-liked and respected, and insisted there is not a division among them about how best to move ahead in the next session.

"Lamar had a lot of support, but there is a lot of confidence in Trent as a Whip," explained Sen. Jon Kyl (Ariz.), the newly elected Conference chairman. "This is a victory for Trent as a Whip, but this is not a loss for Lamar."

"If there was ever a leadership race where people liked both people, it was this one," said Sen. Kay Bailey Hutchison (Texas), the new Policy Committee chairwoman. "Both are recognized for their very strong characteristics ... I don't think there was a vote against either one of them."

In fact, shortly after the results were announced, several Republican aides and Senators suggested that Alexander might find a place at the leadership table after all. Sen. John Cornyn (Texas), the new vice chairman of the Conference, said he expected Alexander will have an "important role" in the next Congress, and that there will be "additional ideas on that."

Republicans enter the 110th Congress with 49 Senators, six seats fewer than in the current Congress following their crippling electoral loss last Tuesday. Despite the turn of events, Republicans attempted to put a brave face on their new status, and each talked about their razor-sharp focus on toppling the Democrats and taking control of the Senate in 2008.

In addition to tapping McConnell as their Minority Leader and Lott as Whip, GOP Senators unanimously chose Kyl as Conference chairman, Hutchison as Policy Committee chairwoman, Cornyn as Conference vice chairman and Sen. John Ensign (Nev.) as National Republican Senatorial Committee chairman.

"My responsibility is to make sure the title of minority party is a title we only have for two years," Ensign said.

Emerging as the incoming leader, McConnell described his Conference as "very upbeat, which may surprise you." McConnell, who is vacating the job as Whip, added that the Republicans' margin in the Senate should not be discounted, noting that it takes 60 votes to pass legislation in the chamber.

"We will be a robust minority, a vigorous minority and hopefully a minority that is in that position for only a couple of years," he said, referring to the 2008 elections.

Sen. Lott Returns To GOP Leadership With One-Vote Victory (CQ)

By Daphne Retter

CQ, November 16, 2006

Senate Republicans proved on Wednesday that there can indeed be second acts in politics, electing their former leader Trent Lott of Mississippi to the No. 2 minority leadership post for the 110th Congress.

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Lott prevailed over Lamar Alexander, R-Tenn., by a single vote in a race he jumped into only this week, after the Nov. 7 elections gave Democrats control of the Senate by a 51-49 margin. Alexander began lining up support nearly a year ago

Lott, 65, will serve as GOP whip under newly anointed Minority Leader Mitch McConnell, R-Ky., who was unopposed in his bid to succeed retiring Majority Leader Bill Frist, R-Tenn. McConnell has served as whip for the past four years.

Alexander announced a week ago that he had lined up more than 25 votes — a majority of his caucus. But secret ballot elections for leadership posts are notorious for wrecking all advance nose counts.

Lott's victory is sweet redemption for a man whose long public career appeared to derail four years ago. Just weeks after Republicans chose him as majority leader following the 2002 elections, he was pressured out of the job after suggesting that the country would have been better off had former Sen. Strom Thurmond, R-S.C. (1954-2003), won the presidency in 1948 running on his segregationist "Dixiecrat" platform.

He contemplated retiring at the time, but decided he still could help funnel much-needed federal largess to Mississippi, one of the nation's poorest states. He hunkered down, and took over the chairmanship of the Rules Committee — a consolation prize he was given at the time by the new Frist-McConnell leadership team. McConnell had chaired the committee before he was chosen as whip.

Now, Lott — newly elected to a fourth Senate term — will be McConnell's deputy. Unlike the Kentuckian, a backstage operator with little appetite for dealing with the media, Lott glories in the give-and-take with reporters. His pithy assessments of the Senate's dynamics and quotable views on issues of the day have made him a media favorite.

The whip's race was the only contested leadership election for Republicans. Although no official announcements were available at mid-morning, Jon Kyl of Arizona was expected to replace Rick Santorum of Pennsylvania as Republican Conference chairman. Santorum was defeated in his re-election bid Nov. 7.

Kay Bailey Hutchison of Texas was in line to be the Republican Policy Committee chairwoman, Kyl's current spot.

John Ensign of Nevada was expected to head the National Republican Senatorial Committee in the 2008 election cycle. Republicans will be defending 21 seats in 2008, compared with 12 Democratic seats in play. The Democratic Senatorial Campaign Committee will again be chaired by Charles E. Schumer, D-N.Y., whose record-breaking fundraising in the 2006 cycle gave Democrats a huge boost in their successful drive to recapture the majority.

In Senate Shift, Big Comeback For Trent Lott (NYT)

By Mark Leibovich

The New York Times, November 16, 2006

WASHINGTON, Nov. 15 — In their rehabilitation campaign, Senate Republicans will rely heavily on a man whose recent history is itself a testament to sudden falls, unlikely recoveries and the fickle hands of fortune in American politics.

Senator Trent Lott of Mississippi, who went from Senate minority leader to presumptive majority leader to disgrace in a matter of days four years ago, was elected minority whip, the party's second-ranking Senate leadership position, on Wednesday.

Usually, the choice of a whip, a vital but unglamorous job, would draw little attention. But the election of Mr. Lott offers an unlikely study in professional redemption.

"One thing that this proves is that the United States Senate, like the American public, likes a comeback story," said Senator Lamar Alexander, the Tennessee Republican whom Mr. Lott defeated by a single vote.

Senator John McCain, Republican of Arizona, who was said to be an important supporter of Mr. Lott, added, "He paid a pretty high price for the statement he made."

Mr. McCain was referring to a 100th birthday party toast for Senator Strom Thurmond, Republican of South Carolina, in which Mr. Lott seemed to praise Mr. Thurmond, a longtime segregationist, for his 1948 presidential campaign. Noting that his home state had voted for Mr. Thurmond then, Mr. Lott added: "We're proud of it. And if the rest of the country had followed our lead, we wouldn't have had all these problems."

Mr. Lott, who was in line to be the Senate majority leader, explained his comments as a well-intentioned tribute to a longtime colleague. He issued serial apologies, but was eventually forced to give up his leadership position.

"We all believe in redemption," Mr. McCain said Wednesday, adding, "Thank God."

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Republicans favored Mr. Lott for the leadership post largely because of their election losses last week. With Republicans now a minority in the Senate, Mr. Lott was seen as effective in rounding up votes and striking deals. Several senators said the caucus badly needed his legislative expertise, including his ability to work across party lines. (Among the first well-wishers to call him Wednesday were two Democrats, Tom Daschle, the former Senate Democratic leader, and Senator Edward M. Kennedy of Massachusetts.)

Mr. Lott declined to be interviewed, citing a desire to allow the incoming minority leader, Senator Mitch McConnell of Kentucky, to serve as the spokesman for the leadership team. "I'm going to shock you and defer," Mr. Lott told reporters. "The spotlight belongs on the leader today."

Mr. Lott, 65, made his way back into prominence by deploying the same skills that have sustained his political career. He courted and counted his votes carefully. He quietly did committee work and dutifully attended hearings. He earned credit by running for re-election this year rather than retiring, thereby saving what might have been a vulnerable Republican Senate seat. And he bided his time.

Mr. Lott has always been vigilant in allowing reason and results to prevail over emotion. He is a fierce pragmatist, who has spoken of his father's alcoholism and its effect on him. "It makes you maybe grow up a little early," he said in 1997.

He has always craved order and leaves little to chance. In the throes of his crisis in 2002, Mr. Lott spent hours bunkered in his home in Pascagoula, Miss., methodically calling friends and colleagues — 50 calls a day — in an effort to save his job. It was a rigorous and disciplined process, similar to the one he followed in recent days as he campaigned quietly for the whip post. He contacted colleagues by phone and in person, emphasizing his ability to get results, his encyclopedic grasp of Senate rules and his skill in working closely with the House.

Once forced out of the leadership, Mr. Lott complained bitterly that Republican senators and the Bush administration had betrayed him.

"I'd been knifed in the back," Mr. Lott wrote in his book, "Herding Cats: A Life in Politics." "But in order to be effective again," he wrote, "I had to shake some of the hands that held the daggers."

Mr. Alexander recalls seeking Mr. Lott out to make sure he attended a celebration for new senators soon after he stepped down in 2002. Few expected Mr. Lott to attend, and he was not in a celebrating mood. But he showed up . "He wasn't pouting, "Mr. Alexander said. "He wasn't feeling sorry for himself."

Mr. Lott largely undertook his campaign for whip in one-on-one discussions, figuring that a visible effort would bring attention to his past troubles and perhaps scare off potential supporters.

"Nobody knew where he was; it was a stealth candidacy," said former Senator John B. Breaux, Democrat of Louisiana and one of Mr. Lott's closest friends. "His strategy was, 'Run silent, run deep,' like the old submarine."

Mr. Lott's "stealth" return was also forged over many quiet dealings and much legislative grunt work. "He reimmersed himself in committee work, went to a lot of hearings and asked a lot of questions," said Senator Olympia J. Snowe, Republican of Maine. "Once you've been a leader, it's hard to come back and do these things."

Mr. Lott's public fall was followed by a series of blunt remarks befitting a man who felt he had little to lose. "They're going to have to deal with me," he said of the Bush administration in a Time magazine interview in September 2003. "And they need to keep me in mind because I can be a problem."

He became a critic of Defense Secretary Donald H. Rumsfeld ("I'm not a fan," he said in 2004.), the failed Supreme Court nominee Harriet E. Miers and Attorney General Alberto R. Gonzales. He said President Bush should be "ashamed of the abysmal" way he had treated former Treasury Secretary John W. Snow, who resigned this year after months of lukewarm support from the White House. And he took repeated shots at Senator Bill Frist of Tennessee, his successor as Republican leader. (Mr. Frist did not seek re-election this year.)

Mr. Lott was at his most fervent after Hurricane Katrina. He became a vocal critic of the Federal Emergency Management Agency, challenged insurance companies that refused to cover damages from the storm and helped secure federal relief money for homeowners.

The hurricane destroyed Mr. Lott's home on the Gulf Coast and marked a pivot point in his life and career. Mr. Lott and his wife, Tricia, had decided in 2001 that he would not run for re-election this year. But the hurricane, which he called "a disastrous

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event of biblical proportions," spurred a reassessment. "I concluded that I still have a zest for the job here in Washington," he said in a news conference early this year. One of the many congratulatory calls to Mr. Lott on Wednesday came from Donna Brazile, a Democratic strategist and Louisiana native, who said she gained respect for Mr. Lott after the storm.

"I believe in reconciliation; I've always believed in that," Ms. Brazile said. "I'll never forget the morning that I had to suck it up and call Trent Lott to help me with my relatives in Mississippi." She added, "On Katrina, he's just been a champion."

Among the other callers were President Bush, from Air Force One. Vice President Dick Cheney offered his best wishes in person.

"It's just a hugely significant political victory for Trent, especially after he had the rug cut out from under him," Mr. Breaux said.

He said he believed Mr. Lott would thrive, given the makeup of the Senate and his ability to work with Democrats .

Mr. Breaux hastened to add a caveat: "Trent promised me he'd never give speeches at any more birthday parties."

Lott Rejoins Senate Leadership (WP)

By Charles Babington

The Washington Post, November 16, 2006

Four years after racially impolitic remarks cost him the Senate's top post, Sen. Trent Lott (Miss.) rejoined Congress's leadership ranks yesterday when his Republican colleagues turned to the veteran insider and skilled vote-counter to help them plot their return to majority status.

By a 25 to 24 secret-ballot vote, Lott defeated Sen. Lamar Alexander (Tenn.) for the position of minority whip, the party's second-highest post. As expected, GOP senators elected Mitch McConnell (Ky.) as Senate minority leader for the new Congress that will convene in January. But his victory was tempered by Lott's come-from-behind win over Alexander, who was seen as McConnell's and the Bush administration's preferred choice for whip.

Lott's feat ranks among the more impressive political comebacks of recent times, just as his fall from grace in December 2002 was spectacular and painful. At a 100th-birthday party for then-Sen. Strom Thurmond (R-S.C.), Lott said the nation "wouldn't have had all these problems" if Thurmond had been elected president in 1948. Thurmond had run on a segregationist platform as a Dixiecrat that year, and critics denounced the remarks as racist.

Lott said he was simply flattering an old man. But Bush administration supporters and other Republicans helped engineer his ouster just as he was about to become Senate majority leader again after the 2002 midterm elections, replacing him with Sen. Bill Frist (R-Tenn.). Now Frist is retiring, and Republicans are reeling from last week's elections, which gave Democrats a 51 to 49 edge in the Senate and a bigger margin in the House.

As GOP senators emerged from their closed-door meeting at the Capitol yesterday, several said the shock of last week's results prompted wavering colleagues to vote for Lott, who has spent 34 years in Congress (to Alexander's four), and much time negotiating deals and crafting compromises.

"We're going through a major transformation from the majority to minority status in both the House and Senate," said Sen. Olympia J. Snowe (Maine), a prominent GOP moderate and Lott supporter. "So it does require somebody who's got that institutional knowledge and appreciation for what it's going to take not only to rebuild Republicans within the institution but also nationally." Implicitly noting that Lott has never been close to President Bush, Snowe added that "there are times when you can't put all your eggs in the president's basket."

The White House said Bush, en route to Singapore, telephoned Lott from Air Force One to congratulate him.

Snowe said she thinks that Americans are ready to forgive Lott's Thurmond remarks. "He regrets it and has apologized," she said. "I think people have admired how he has been able to come back from that. He paid a heavy price, and he deeply regrets that, obviously."

Lott, 65, was uncharacteristically mum after the elections, telling reporters that it was McConnell's day to shine. Asked if he had any new reflections on the 1948 presidential race, he laughed and said, "Oh no, not at all. I'm strictly looking forward."

Almost from the day he joined the House in 1973, Lott -- a former cheerleader at the University of Mississippi -- was a genial and sawy insider who craved leadership posts. He was elected House minority whip in 1980, and 14 years later he became the

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first Republican to have been elected whip in both chambers. In that 1994 Senate GOP election, much like yesterday's, most party leaders opposed Lott, but many rank-and-file members rewarded him for years of friendship and guidance. He was Senate majority leader from June 1996 through mid-2001, except for a brief period in January 2001.

Yesterday, colleagues said the GOP's new minority status calls for a leader who has lived through such an experience and knows when to cut deals with the majority and when to stand firm. Alexander, a former governor and two-time presidential candidate, is well-liked, said Sen. John Thune (R-S.D.), a Lott supporter. "But, at the end of the day, what helped swing it for Lott was that experience in the minority and knowing what the tactics and rules of engagement are," he said.

Referring to Lott's Thurmond comments, Thune said that Americans believe in redemption. "It's one of those things that happened fairly long ago," he said, "and people have moved on."

Rep. Melvin Watt (D-N.C.), chairman of the Congressional Black Caucus, was less forgiving. "For many African Americans the sting of Trent Lott's hurtful words are unlikely to expire anytime soon," he said in a written statement. "However, his Republican colleagues have given him a second chance to address many of the glaring disparities that impact poor people, particularly African Americans, that he and his party have ignored for so long."

Lott Returns To GOP Leadership Position (MCT)

By Margaret Talev

McClatchy Newspapers, November 16, 2006

WASHINGTON - Four years after his racially incendiary remarks forced him to step down as Senate Republican leader, Trent Lott of Mississippi was born again politically on Wednesday, winning the second-ranking post of Republican whip.

As expected, Sen. Mitch McConnell of Kentucky was chosen unanimously for the top job of Senate minority leader, beginning in January.

The new Senate GOP leadership team represents a return to pragmatism. They're seasoned GOP parliamentarians who are expected to cross party lines and buck the White House more often than did retiring Majority Leader Bill Frist, R-Tenn., who concentrated more on pleasing the president and the Republican Party base that's key to his presidential hopes for 2008.

McConnell and Lott are Senate traditionalists, and while both are conservative partisans, they also know how to cut deals to get things done.

"I can work with Mitch," said the next Senate majority leader, Harry Reid, D-Nev., who praised McConnell's understanding of how the Senate operates. Reid's deputy, Sen. Richard Durbin of Illinois, said dealing with McConnell would be a "double-edged sword" because as much as McConnell might see the benefits of cooperation, he also would be skilled at obstruction when he chose.

In an interview, Lott said it was "very likely" that Republicans would join Democrats in increasing the minimum wage if it could be packaged with incentives for businesses. "I have a pragmatist side to me and I'm also a populist. I have a blue-collar, working-class family background, and that feeling wells up in me sometimes."

The next big congressional leadership showdown comes Thursday. House of Representatives Democrats will select their No. 2 leader for the next Congress, when they'll be in the majority for the first time since 1994.

The contest pits the popular moderate Rep. Steny Hoyer of Maryland against Rep. John Murtha of Pennsylvania, who led Democrats in questioning the Iraq war over the past year and has the support of incoming House Speaker Nancy Pelosi, D-Calif.

But Murtha also has some ethics issues.

Murtha was a target in the federal Abscam probe of congressional corruption a quarter-century ago. He refused to take a bribe from undercover FBI agents, but a secret film of the exchange shows him suggesting that he might be open to a cash payoff later: "You know, we do business for awhile, maybe I'll be interested," Murtha said. He was never indicted.

Voters last week rejected Republican rule in Congress in part because of disgust with corruption scandals. If the first decision newly elected House Democrats make is to choose Murtha as their No. 2 leader, they risk tarnishing their image on ethics before they even take power.

In addition, Murtha has a reputation for playing pork-barrel politics as one of the House's key appropriators. Another reason voters rejected Republicans was because of their outrage at their soaring spending, especially on special "earmarks," or pork

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projects inserted into spending bills by appropriators such as Murtha as special favors for lawmakers in exchange for their support.

Elevating Murtha thus could undercut the credibility of Pelosi's vow to rid Capitol Hill of corruption. But Murtha is a loyal lieutenant to Pelosi, and she's said to have a grudge against Hoyer, who challenged her unsuccessfully for party whip in 2001 .

On Wednesday, however, it was the Senate Republicans' secret-ballot elections that captivated Capitol Hill.

"We are unified in our desire to work with the Democrats across party lines to see what we can accomplish for the country," McConnell said, with his leadership team at his side. "But we will be a robust minority, a vigorous minority and hopefully a minority that is only in that condition for a couple of years."

McConnell has largely supported the president and corporate America and led a high-profile attempt to block campaign-finance limits, saying they infringed on free speech. He also crossed party leaders in blocking a ban on flag burning. He's married to Labor Secretary Elaine Chao.

As for Lott, several Republicans said their party has benefited over the years from his brokering of bipartisan deals for a higher minimum wage, welfare reform, health insurance portability and tax cuts.

Lott edged out Tennessee Sen. Lamar Alexander for the whip's job by one vote, and GOP senators at the closed-door session said the Mississippian's eyes filled with tears upon his victory.

In an interview later, Lott said his return to leadership "takes on extra meaning for me because of how I exited it and what I went through last year. I lost my mother and I lost my house (to Hurricane Katrina). All of that just kind of welled up in that moment."

Lott was forced to step down as the Republicans' leader in 2002 after his remarks at a 100th birthday celebration for Sen. Strom Thurmond, who'd run for president in 1948 as a segregationist. Lott had said that "we wouldn't have had all these problems over all these years" if Thurmond had won.

Lott's subsequent apology and explanation that he'd meant to honor Thurmond's life accomplishments, not segregation, failed to save him.

With President Bush's backing, Frist, a heart surgeon with weaker political instincts and less experience than Lott, stepped in, but he's been roundly criticized for political miscalculations.

Lott, meanwhile, has worked behind the scenes to redeem himself with colleagues, and he drew bipartisan praise last year for advocating for Hurricane Katrina victims.

He'd planned to retire, but after Katrina, chose to seek re-election. "I worked very hard to show I can take a lick and keep on going, and I was not just going to go away and sulk and give up the ghost. I took my lumps and I licked my wounds, and I came back."

Reid called Lott's victory "a great comeback."

Sen. Olympia Snowe, R-Maine, a swing vote on many issues, said of Lott, "Because of where we are today and because he did have those skills, we needed to take advantage of his capabilities and talents and skills and institutional knowledge."

Sen. John McCain, R-Ariz., said Lott "is the most adept at getting legislation passed of anyone I've ever known, probably . . . I think most people think he paid a pretty heavy price for the mistake that he made. We all believe in redemption, thank God."

The More Things Change ... (NYT)

The New York Times, November 16, 2006

As victorious Democrats choose the Capitol hierarchy to promote their promises of reform, and Republicans choose their new minority leadership, they are entitled to their own best judgments. With that in mind, we have no prime candidates to tout for caucus leadership. We just want to remind lawmakers of the one clear message from this muddled election season: voters wanted something other than the old back-scratching status quo.

So far, the Democrats seem not to have paid much attention to the tattered baggage lugged into the limelight by Representative John Murtha of Pennsylvania, the Iraq war critic who is Speaker-to-be Nancy Pelosi's choice for second in command. And yesterday, Republicans resurrected Trent Lott, the Mississippi senator who fell from the majority leader's post three years ago.

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For all his commendable instincts in articulating the Bush administration's Iraq failures, Mr. Murtha has long been known in the Capitol as a crude master of swapping pork-barrel budget goodies for lobbyists' campaign lucre. Only recently, he stood out for opposing strong ethics reform.

And while Ms. Pelosi is vowing to hammer home ethics reform as her first order of business, the Capitol newspaper Roll Call reported that Mr. Murtha was vulgarly belittling her program in private meetings with lawmakers. Mr. Murtha's ambition is directed against the current No. 2, Representative Steny Hoyer of Maryland, who also is no slouch in maintaining overly close ties to the K Street business and lobbying powers.

The Republicans' defeat at the polls has sparked decidedly Transylvanian initiatives: Mr. Lott, who tripped from power over racially charged remarks he made in a fit of Dixiecrat nostalgia, has returned to new life as No. 2 in the minority leadership. And Representative John Boehner, finished as House majority leader, is plumping for resurrection as minority leader. At least Speaker Dennis Hastert was chagrined enough to drop the gavel and head for the shadows in the face of the voters' verdict.

Voters can only hope the party conferences this week do not signal that the obvious lessons of Election Day are already being lost on the next Congress.

Alexander Spins Leadership Loss As Good For Constituents (NCP)

By Jared Allen

Nashville City Paper, November 16, 2006

After a last-minute and surprise loss in his bid to become the No. 2 Republican in the U.S. Senate, an upbeat Lamar Alexander on Wednesday tried to spin his stunning loss to former Senate Majority Leader Trent Lott as good for Tennessee.

Despite going into Wednesday morning's GOP conference leadership elections confident that he had secured more than a majority of the votes necessary to succeed Sen. Mitch McConnell, R-Ky., as Republican whip, Alexander lost by one vote to Lott, who had announced his intention to run for the leadership post only a week-and-a-half ago.

"Senator Lott conclusively proved he's a better vote counter than I," Alexander said in a Wednesday afternoon conference call with reporters.

Alexander, who had said as late as Tuesday night that he had 27 of the 49 Republican votes, ended up with the support of only 24 of his GOP colleagues, one shy of the 25 gained by Lott.

"Some people changed their minds," Alexander said with a laugh in describing what happened.

"I would have been better off if the vote had been 11 p.m. last night [when] I had 27 votes," he said.

Saying that last minute "changes or switches are not unusual," Alexander explained that he was likely beaten by a delayed backlash against those — including former Sen. Majority Leader and Tennessee Senator Bill Frist — who helped orchestrate Lott's ouster as Majority Leader four years ago.

"One of the senators said to me at lunch that this was about redemption. Some senators felt as though [Lott] was treated unfairly four years ago and wanted to give him a second chance," Alexander, who is now Tennessee's senior senator, said. "There are lots of personal feelings that come into decisions like this."

After remarking publicly that the United States would have been better off had then-Dixiecrat and segregationalist presidential candidate Strom Thurman won election to the White House in 1948, Lott was forced to step down as Republican leader.

Alexander said he harbors no ill will toward Lott, who he said remains his "good friend," and pledged to support both Lott and McConnell, who was elected to succeed Frist as the GOP leader.

But Alexander said that while he openly wanted the whip post — which he campaigned for over a year for, and that he thought he had locked up after Sen. Rick Santorum (R-PA) failed in his bid to return to the Senate – he believes his loss will free him up to vote his conscience on issues, rather than fight for party votes.

"I'm a pretty independent fellow, anyway," the former Tennessee Governor said. "And having my independence increased on the issues I care about the most appeals to me a lot."

Alexander said education, energy, job creation and the environment will continue to sit atop his legislative agenda.

Senate GOP Focusing More On Big Picture Than Lame Duck (HILL)

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By Alexander Bolton

The Hill, November 16, 2006

Newly elected Senate Republican Leader Mitch McConnell (R-Ky.) convened his new leadership team for the first time late yesterday afternoon to take stock of its party's recent setback at the polls and to plot the future.

The leaders discussed next month's leadership retreat and the importance of keeping open the channels of communication among themselves, but they did not discuss in depth how to handle the few remaining weeks of the Republican majority. Leaving Senate Majority Leader Bill Frist (R-Tenn.) in charge of next month's agenda has created somewhat of a leadership vacuum in a growing split within the Senate GOP conference over spending priorities.

"We might have an opinion, but others are in charge right now," Sen. Trent Lott (R-Miss.), the newly elected Republican whip, said after the meeting when asked about the chamber's immediate agenda. Democrats take control of the Senate in January, but the remaining Republicans' legislative agenda in this Congress is significantly hampered by their poor showing at the polls.

Earlier in the afternoon, the entire Republican conference met to assess last week's election and discuss what they hoped to accomplish before turning power over to the Democrats.

Behind closed doors, frustrated Republicans voiced concern that they lost six seats because they have drifted away from their core principles, said participants.

First and foremost, Republican senators are distressed that the GOP is no longer regarded as the party of fiscal discipline, an anxiety that is fueling a debate over how to handle the pending appropriations bills. The unfinished spending bills make up a significant portion of the work leaders hope to complete during the lame-duck session in December.

While Frist, who will retire from the upper chamber at the end of the year, is still technically the majority leader, and outgoing Sen. Rick Santorum (R-Pa.) is still the GOP conference chairman, the real power in the Republican leadership has passed onto the new leadership team: McConnell, the Republican leader-elect; Lott, the Republican whip-elect; and Sen. Jon Kyl (Ariz.), the elected Republican conference chairman.

One of the new leadership's first challenges is to bridge schisms that have emerged within the Republican conference over how to handle the remaining spending bills.

But members confined their first meeting to other topics, according to participants.

At a closed-door meeting of the Senate Republican conference yesterday, lawmakers argued back and forth over whether to attempt to complete the nine outstanding appropriations bills.

A group of Republicans led by Sen. Jim DeMint (R-S.C.) argued that to cut costs, the spending bills should be left unfinished, said colleagues. DeMint believes that Congress should freeze spending at current levels by passing a stopgap measure funding government into next year.

"There are some people who want to do that and I think that's a very bad move," said Sen. Kit Bond (R-Mo.), a senior member of the Senate Appropriations Committee. "The Democrats have indicated that they want to cooperate, so I think we need to get everyone on the buggy and do the job we were elected to do."

Some Republican strategists believe that pushing the spending bills into next year would tie up the Democrats and make it more difficult for them to aggressively pursue their agenda on other issues such as Iraq, Medicare, and middle-class tax cuts.

A White House official said that is a major reason for why Democratic leaders are eager to cooperate on finishing the spending bills this year.

Meanwhile, another conservative Republican freshman, Sen. Tom Coburn (Okla.), has prepared nearly 40 amendments to strike earmarks in the pending agriculture appropriations bills. And he has made it known that he plans to attack other project-laden spending bills in the same way, setting his colleagues up for a slow legislative grind if they decide to pass appropriations bills individually in December, as some lawmakers have urged.

"His concern is that voters want to see the favor factory shut down, not turned over to new management," said John Hart, Coburn's spokesman. "The worst response Congress can have to the elections is to go on an earmark spending binge with one of the first appropriations bills."

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"I think there are a number of different fractures within the conference on the bills," said Sen. Judd Gregg (R-N.H.), chairman of the Homeland Security Appropriations Subcommittee. "There are people like myself who don't like to see the emergency spending being thrown in there, there are people like Coburn who don't like the earmarks, there are people like DeMint who think they should be kicked over to the next Congress like [former Sen. Tom] Daschle [D-S.D.] kicked it over to us, and there are people like [Senate Appropriations Committee Chairman] Thad Cochran [R-Miss.] who want to get it done because they think it's their job."

While some lawmakers are pushing for the stopgap spending measure, and others want to pass as many individual bills as possible, a third option would be to combine the bills into a massive omnibus spending package, or several smaller "minibus" packages.

GOP leaders had hoped to pass the agriculture bill before recessing for Thanksgiving, but that may not be possible because of nearly $9 billion in emergency spending that may accompany the legislation, drawing protests from conservative Republicans.

Leaders also hope to ratify a nuclear non-proliferation treaty with India. White House Chief of Staff Josh Bolten, who sat in on yesterday's Senate Republican conference meeting, exhorted the assembled lawmakers to pass the bill. Lawmakers said there was a chance of doing that last night.

A Senate GOP leadership aide said that in addition to the spending bills, other items on the December agenda include legislation giving Vietnam permanent normal trade status, a package of tax-cut extensions, and legislation addressing the threat of bioterrorism.

Senate Republicans have not yet placed offshore drilling legislation on their December agenda because it's not clear whether a similar bill could be passed in the House.

A House GOP leadership aide said that House Republican leaders would put the Vietnam trade bill back on the floor next month, as well as a package of tax-cut extensions. In a surprise vote, the House rejected the Vietnam trade measure earlier this week.

What tax cuts will be in the package is still the subject of bicameral negotiations.

The House aide said that Republican leaders, chairmen and rank-and-file members are also debating whether to finish the appropriations bills or postpone their completion until the next Congress.

May The Best Bulldog Win: GOP Rivals (HILL)

By Patrick O'Connor

The Hill, November 16, 2006

House Republicans have already begun mapping their attack strategy for the next two years.

Leadership candidates have highlighted their plans to hammer the incoming Democratic majority for ethical lapses, fiscal irresponsibility and legislative mismanagement, borrowing from a playbook those same Democrats used with great success to unseat the Republican majority.

Leadership hopefuls have made regaining the majority the central thrust of their campaigns, but rank-and-file members are debating as to which candidates can successfully implement their attack strategies as well as the particulars of the individual plans.

Majority Whip Roy Blunt (R-Mo.), who is locked in a tight race with Rep. John Shadegg (R-Ariz.) to retain his post in the next Congress, released a detailed roadmap yesterday to unify Republicans on tough votes, offer viable alternatives to Democratic bills on the floor and target potentially vulnerable Democrats on every tough vote.

Blunt is trying to make his procedural knowledge a big advantage over Shadegg heading into a potentially tight election with the Arizona conservative.

In the strategy memo, entitled "24 Months to a New Republican Majority — A Plan for Victory," Blunt outlined 60 Democratic seats carried by President Bush in 2004 where Republican leaders will apply pressure either to flip Democrats on the floor or punish them in campaign materials for voting with party leaders.

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"We must hold our Conference together to deny [presumptive House Speaker] Nancy Pelosi (D-Calif.) victory and force vulnerable Democrats to take tough votes," Blunt wrote. "This won't be as simple as going to the floor every day and simply voting 'no.' We will have to offer well-crafted alternatives that allow some of our Members to vote 'yes' on a better plan before voting on the Pelosi plan."

Blunt outlines amendments he would offer to projected votes implementing pay-go rules in the budget process, raising the minimum wage and allowing the federal government to negotiate drug prices with pharmaceutical companies, each of which is expected to be part of package offered by Democrats in the first 100 hours of their majority.

"It's going to take a lot more than that," said Pelosi spokesman Drew Hammill about offering amendments to sink the Democratic legislation. "There is consensus on each of these issues, and I think there will be a push for clean passage" on the popular measures.

Shadegg also offered members his own broad vision statement yesterday in which he promises to work with the next chairman of the National Republican Congressional Committee to hold freshman Democrats accountable for the campaign promises they made during the last cycle.

In an echo of the GOP's combative stance, Rep. Bill Thomas (R-Calif.), the retiring chairman of the Ways and Means Committee, gave an impassioned speech to members yesterday during their regularly scheduled conference meeting, members and aides said afterward.

"The wake is over," Thomas told his Republican colleagues yesterday while imploring those who will remain next year to use their power as a minority to exploit divisions on the other side of the aisle.

Thomas, who has never shied from partisan sparring, told his soon-to-be-former colleagues to hammer Pelosi immediately for her attempts to elevate Rep. John Murtha (D-Pa.) to the majority leader post despite his role as an un-indicted co-conspirator in the FBI's Abscam investigation.

As members prepare to elect a new slate of leaders in the wake of their devastating electoral loss, Republicans appear likely to elect a slate of familiar faces to the leadership, even though many lawmakers are concerned this could send the wrong message to voters.

During a closed-door meeting of the conservative Republican Study Committee (RSC), Blunt hinted that four members of the current leadership — himself; his chief deputy, Rep. Eric Cantor (R-Va.); Majority Leader John Boehner (R-Ohio); and Republican Policy Committee Chairman Adam Putnam (R-Fla.) — will return to the leadership, an aide present said.

Blunt is trying to hold his post as whip despite a groundswell of support for Cantor. There has been talk of organizing a write-in candidacy for the Virginia Republican, but members and staff are doubtful that a member will stand up and nominate him in the conference meeting for fear of angering Blunt.

Former Speaker Newt Gingrich (R-Ga.) circulated a letter yesterday outlining his own vision for Republicans in the minority in which he questions the wisdom of electing familiar faces to the leadership.

"Are House Republicans electing a leadership team to be an effective minority or a leadership team to regain the majority?" Gingrich wrote to members. "These are very different roles and require very different considerations, very different strategies and very different leaders."

Rep. Mike Pence (R-Ind.), the self-proclaimed "cheerful pugilist" who chairs the RSC, delivered a fervent speech to centrist members of the Tuesday Group yesterday that one aide present believed would sway at least a few members in attendance, even though Boehner is still considered the front-runner.

Pence ducked into an empty conference room with Energy and Commerce Committee Chairman Joe Barton (R-Texas), who is also running for leader, after making his presentation, but denied afterward that the two were conspiring against Boehner, the odds-on favorite.

In addition, Sen. John McCain (R-Ariz.) announced his endorsement of Shadegg yesterday, even though Shadegg's team debated releasing the senator's endorsement during the race for leader last winter. Some House Republicans are not fond of McCain, claiming he's a liberal Republican who constantly seeks media attention.

Republicans have punted one of the biggest questions about their reorganization until after the reorganization caucus this Friday.

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Rep. Deborah Pryce (R-Ohio), the outgoing chair of the Republican Conference, told members in their closed-door meeting yesterday that leaders would not introduce a revised conference rules package until members return from the Thanksgiving holiday. Staff for outgoing Speaker Dennis Hastert (R-Ill.) and Rules Chairman David Dreier (R-Calif.) will work with the staff of the newly elected leaders to craft the final package.

The two big questions at this point regard term limits for ranking members — whether or not service as chairman counts against members in vying for ranking member slots and whether those ranking members will be chosen solely for seniority or will be allowed to make presentations to the reconfigured Steering Committee.

Most of the members vying for those slots have already made inquires with leadership about that process and will continue to angle for those slots as leaders craft the new rules.

"We're waiting on leadership selection," said Rep. Richard Baker (R-La.), the senior Republican on the Financial Services Committee, who was in a tight race to chair the committee before last week's loss. "It's too early at the moment to know how it will play out."

Baker's chief rival for the slot, Rep. Spencer Bachus (R-Ala.) — should Pryce and Dreier not ask to be considered — will also continue to campaign.

"It matters," Bachus said of becoming the ranking Republican. "Whoever the ranking member is absolutely has a step up" in a potential future race to become chairman.

To Learn From '06, We Must Heed Lessons Of '94 (RC)

By Rep. John Boehner

Roll Call, November 16, 2006

In the wake of last week's defeat, Republicans have engaged in a serious and much-needed dialogue about our party and its future. This is a healthy exercise, and one from which Republicans will emerge stronger.

In my letter announcing my candidacy for House Minority Leader, I talked about my experiences in the early 1990s. Instead of settling for our minority status back in 1993-94 and adopting the mindset of a permanent minority, we set out to change things in a big way.

In 1994 we developed the vision that led to the "Contract with America," which proudly said that House Republicans were ready as a team to take on the Washington, D.C., status quo. One of the secrets of the contract's success was that we recognized the things that unite Republicans across the spectrum are tax cuts, spending taxpayers' dollars wisely, ethics and accountability, and reforming government programs to demand results. We also recognized these ideas and policies have the added benefit of bringing in more and more Americans to support the conservative cause.

If we want our majority back in 2008, House Republicans need to get back to these basics and rededicate ourselves to the reform mindset that put us in the majority. We need to rebuild the Republican coalition by focusing on conservative ideas that can win broad-based support not just among House Members, but among the American people.

It's something you've heard me say time and time again: Good policy equals good politics. Together, we'll produce a next generation of great Republican ideas while always adhering to our core principles: a smaller, smarter, less-intrusive federal government. We'll draw on the talents of every Member and look to the outside for solutions.

We'll aggressively sell these solutions inside and outside the Beltway, using traditional and new media, and our network of friends and allies throughout the country. This will be hard work — no one Leader can do this — but working together as a team, we can get it done.

We also must work to prevent, root out and punish corruption and ethics violations. In 1994 we changed our rules to deny prime positions to any Member who had been indicted. But the appalling behavior of various Members on both sides of the aisle makes it clear we must do more.

The existing ethics committee process must be faster, and we need to give it teeth. More to the point, I simply will not tolerate ethical misconduct in our Conference. Clear likelihood of serious transgressions will lead to suspension from important committee posts; guilt will lead to immediate and severe consequences.

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The Minority Leader will need to hold every Democrat accountable for their behavior, their promises and their policies. The Leader will need to fight for fairness for all Republican Members, in committee assignments, resources and process.

The Leader will need to look in every corner of every Democrat-held district to help recruit candidates to win back the majority, and to ensure our candidates have the resources they'll need to compete and win. In short, the job of a Republican Leader in the minority will be to hold the job for as short a time as possible.

My collective experiences in the House — as a minority backbencher; as a co-author of the Contract with America; as Republican Conference chairman; as chairman of a committee; and as Majority Leader — have given me the perspective and experience our Conference needs to lead this effort.

These elections weren't a battle of ideas in which Americans embraced the values of Democrats over Republicans. We failed to meet the expectations of voters who supported us since 1994. Simply announcing our intention to return to our core principles is not enough. We need a Leader who knows how to build teams; how to articulate a vision for the future; how to set bold goals that bring out the best in our team; and how to achieve those goals.

I was in the minority once, and I hated it. I know how we got out of the wilderness, and I know how we built a majority that delivered reforms that changed American history. I know we can do it again. If House Republicans honor me with their vote, I will help lead the way.

Rep. John Boehner (R-Ohio) is House Majority Leader.

Conservative Democrats Seek Larger Role (AP-Y)

By Jim Abrams, Associated Press Writer

AP, November 16, 2006

For a dozen years, the Democratic conservatives known as Blue Dogs have been baying at the moon, ignored by Republicans and tolerated by their more liberal Democratic colleagues. Now, these House lawmakers say that is about to change.

Republicans "did not lose their seats to liberal Democrats" in last weeks elections, said Rep. Mike Ross, D-Ark. "Republicans lost their seats to Blue Dog Democrats."

"We'll have a lot to say about what passes and what doesn't" when the 110th Congress convenes in January with Democrats in control for the first time in 12 years, said Ross, new communications director for the caucus.

With the addition of nine newly elected freshmen, the Blue Dogs claim 44 members, nearly 20 percent of the incoming Democratic majority. They will be led by Rep. Allen Boyd, D-Fla., and include Rep. Collin Peterson, D-Minn., in line to become the next Agriculture Committee chairman.

The Blue Dogs were formed in 1994 after Republicans swept the long-entrenched Democrats from power. They tend to be social conservatives on such issues as abortion. But their big issue is fiscal discipline — balancing the budget and reducing the federal debt.

Many in the group are from the South, and the group took its name from the old adage that southerners would vote for yellow dog if he were on the Democratic ballot. A blue dog, they decided, was a moderate or conservative "choked blue" by the Democrats in the years leading up to 1994.

Already, leaders from both parties are courting their votes. Speaker-to-be Nancy Pelosi, a California liberal, has promised to make "paygo," a Blue Dog-backed principle that any new spending be paid for with cuts in other programs or new revenues, one of her first legislative goals.

"Leader Pelosi looks forward to working with the Blue Dogs in the 110th Congress," said Jennifer Crider, Pelosi's spokeswoman. "They are important voices in our diverse caucus."

Rep. Mike Pence, R-Ind., who is running for the position of Republican leader in the next Congress, listed cooperation with the Blue Dogs as part of his platform.

"We also will attempt to restart the old GOP-Boll Weevil coalition that proved so successful in the 1980s to advance President Reagan's revolution," Pence said. "There are Blue Dog Democrats that want to balance the budget, address our

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nation's abounding debt, strengthen Social Security and protect life and marriage. Our minority will look for opportunities to work with them when there is agreement."

Linda Fowler, professor of government at Dartmouth College, said the influence of the Blue Dogs could depend on President Bush. If the president "shows interest in legislation on Social Security, the deficit, and fiscal issues that the Blue Dogs care about, then I think they will have a lot of leverage," Fowler said.

Americans, said Stephanie Herseth, a Blue Dog Democrat from heavily Republican South Dakota, "are looking for leadership from the center." She said they will seek consensus with other Democrats while at the same time will "certainly continue to work with our Republican friends in a bipartisan way."

On the Net:

Blue Dogs: http://www.house.gov/cardoza/BlueDogs/bluedogs.shtml

'Tuesday Dogs' May Join Forces (RC)

By Jennifer Yachnin And Susan Davis

Roll Call, November 16, 2006

In an effort to boost their influence in the sharply divided chamber, members of the moderate Republican and Democratic House factions indicated Wednesday that the two groups may coordinate efforts in the 110th Congress and could move to create a formal bipartisan coalition in the new session.

Members of the fiscally conservative Democratic Blue Dog Coalition and the centrist Republican Tuesday Group met in advance of the Nov. 7 elections, Rep. Jim Matheson (D-Utah) said Wednesday, to discuss areas where the groups could align.

"We have a lot of common interests," Matheson, a co-chairman of the Blue Dogs in the 109th Congress, said of his meeting with Republican Rep. Mark Kirk (Ill.), who co-chairs the Tuesday Group.

According to Matheson, the moderate coalitions are most likely to work together on pro-growth and fiscal legislation, while Kirk cited issues such as expanding stem-cell research and portions of the "Suburban Agenda," an effort spearheaded by Kirk that includes legislation to stop online sexual predators and improve access to health care.

"At this point, we're starting a dialogue," Kirk said in an interview Wednesday, adding that the recent influx of new moderate Democrats elected last Tuesday will bolster opportunities to govern "from the political center."

Kirk said the two groups will hold a luncheon to swap legislative agendas when Congress returns the week of Dec. 4. There they will discuss the possible creation of a new bipartisan caucus that Kirk dubbed the "Tuesday Dogs."

With the defeat of six current Tuesday Group members, as well as a co-chairman, Rep. Charles Bass (R-N.H.), Kirk said the group also will hold leadership elections in December to name a new co-chairman. He estimated the group's roster in the next Congress to total 35 members.

Rep. Charlie Dent (R-Pa.) is one moderate viewed as a potential candidate for co-chairman, although others could step forward.

"There's a lot more that unites us than divides us," said Rep. Mike Ross (D-Ark.), who will be a co-chairman of the Blue Dogs next year. "The American people expect us to reach across the aisle. There may be temptation to 'get even' [with Republicans in the 110th Congress], but I think that would be a huge mistake."

Although the Blue Dog leaders had attempted similar meetings with moderate Republicans in the current session, Rep. Dennis Cardoza (D-Calif.) said he believes those efforts never came to fruition because of pressure from the GOP leadership.

"There may be more opportunity now," said Cardoza, a co-chairman of the coalition in the current Congress. Citing the number of moderate Republican losses in the recent elections, Cardoza added: "Now they're emboldened ... to be more aggressive on behalf of the national agenda, instead of the party agenda."

During a Wednesday morning press conference to introduce the newest Blue Dog lawmakers, several of the coalition's leaders stressed that the group will work on bipartisan efforts in the next session.

"The Blue Dogs believe in partnership, not partisanship," said Rep. Allen Boyd (D-Fla.), who along with Ross and Rep. Dennis Moore (D-Kan.) will chair the group in the new Congress. Rep. Stephanie Herseth (D-S.D.) will serve as the group's whip.

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"We're not going to be a rubber stamp for anyone. We're going to help bring our party back to the middle," Ross said of the 44-member coalition, which includes nine freshman lawmakers. "We have a lot to say about what passes or doesn't pass when it reaches the floor."

The Blue Dogs also discussed their 12-point agenda, which calls on Congress to pass a constitutional amendment mandating a balanced budget; restore "pay as you go" budget guidelines through 2010; implement new rules requiring roll call votes for spending bills with more than $50 million in new spending; establish strict rules on emergency spending, as well as establishing a "rainy day" fund for those funds; subject any increase in the debt limit to a roll call vote; implement new rules requiring all Congressional earmarks to include publicly accessible justifications; new guidelines requiring a three-day minimum for Members to review legislation before a scheduled vote; as well as new guidelines requiring House committees to detail their oversight efforts in biannual reports.

What You Heard About 'Conservative Democrats' Winning Was Wrong (RC)

By Stuart Rothenberg

Roll Call, November 16, 2006

It quickly has become conventional wisdom that last week's Democratic House victory swept in a crop of moderate and conservative Democrats who'll both keep party liberals in check and help remake the image of the party of former Vice President Al Gore, Sen. John Kerry (D-Mass.) and soon-to-be Speaker Nancy Pelosi (D-Calif.).

Well, I met dozens of Democrats running in 2006 — no, not everyone, but most of them — and I can't find much more than a couple who merit the label "conservative." That's not meant to be either criticism or praise. It's merely a statement of fact.

North Carolina Rep.-elect Heath Shuler surely qualifies as a culturally conservative Democrat, but the pro-life, pro-gun Democrat who is a member of the Fellowship of Christian Athletes is the exception, not the rule. Virtually all of the Democrats I interviewed were pro-choice, favored rolling back President Bush's tax cuts and sounded traditional Democratic themes on education, the environment and foreign policy.

In Connecticut, Reps.-elect Chris Murphy and Joe Courtney are pretty typical Northern liberals. In New York, Rep.-elect John Hall, who I didn't meet, appears to be quite left of center. Two upstate Democrats, Reps.-elect Kirsten Gillibrand and Michael Arcuri, have more moderate personas, but I wouldn't go so far as to call them conservatives, or even moderates.

Arcuri often referred to himself as a "Boehlert Democrat," a label that won't make conservatives who cringed at the voting record of retiring Rep. Sherwood Boehlert (R) the least bit comfortable. Gillibrand, who is impossible not to like, didn't sound like a liberal firebrand, but I'd be surprised if her record was much different from that of most Northeast Democrats.

In Pennsylvania, there is no reason to believe that Reps.-elect Patrick Murphy and Joe Sestak will be anything but typical suburban Philadelphia Democrats: If you are a liberal, you'll like them, and if you aren't, you probably won't.

In Florida, Rep.-elect Ron Klein's state legislative voting record seems consistent with a liberal Democrat, and while some observers have pointed out that Rep.-elect Tim Mahoney talked a moderate line during his campaign and is a former Republican, my notes from my interview with him show that he has not supported a Republican presidential nominee for more than 20 years and seems likely to vote along traditional Democratic lines.

Texas Rep.-elect Nick Lampson may have to vote like a moderate or conservative if he has any hope of winning re-election in Texas' 22nd district in two years, but his record when he was in Congress was not what one normally would identify as conservative, or even moderate.

My interview with California Rep.-elect Jerry McNerney suggests he's quite liberal. The same goes for Rep.-elect Steve Kagen in Wisconsin. I didn't interview Iowa's newly elected Member, Dave Loebsack, but his profile — he's a political science professor at Cornell College and ran against middle-of-the-road GOP Rep. Jim Leach from the left — suggests he's no moderate.

In Ohio, Rep.-elect Charlie Wilson is conservative on cultural issues, so that makes him a relatively moderate Democrat. But fellow Buckeye State Rep.-elect Betty Sutton certainly isn't a moderate, and although I didn't meet Rep.-elect Zack Space, I am told by people who did that his views seem fairly liberal.

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I wrote after the previous cycle that I liked Indiana Democrat Joe Donnelly and hoped he'd run again, but I'd never call him a conservative Democrat. On the other hand, Rep.-elect Brad Ellsworth told me that he is pro-life, supports a constitutional amendment defining marriage and supports capital punishment, so he does appear to be a moderate Democrat.

Then there is Rep.-elect Baron Hill, who, if you ask him, probably will call himself a moderate Democrat. The only problem is that voters in Indiana's 9th district fired him two years ago because they thought he was a cultural liberal who tried to have issues both ways.

I've never met Rep.-elect John Yarmuth, who knocked off Rep. Anne Northup (R-Ky.) and has a reputation for being both very personable and very liberal. Kansas Rep.-elect Nancy Boyda is pro-choice, and as far as I can tell, there is no reason to see her as a moderate.

Kentucky Democrat Ken Lucas would have been a conservative Democrat, but he lost. Florida's Christine Jennings, a bank president, might have been moderate on business issues, but she apparently lost narrowly.

Colorado Rep.-elect Ed Perlmutter? Liberal. Iowa Rep.-elect Bruce Braley? Very liberal. Arizona Rep.-elect Gabrielle Giffords? Liberal, I think.

Now let me be very clear about my point. I'm not saying that it's good or bad that most of these Democrats are likely to be pretty typical members of their party. I'm only saying that's where they fit. A bunch of conservative Democrats didn't win election last week.

So how and why did the buzz get going that the Democrats elected last Tuesday foreshadow a different Democratic Party? I'm not sure.

Part of it may have been all the hype about Democrats "broadening the playing field" and possibly taking very Republican seats in Idaho, Nebraska, Colorado, Washington, Wyoming and Indiana. That didn't happen, though in some cases the Democrats running for those seats performed well above what would be expected for their party.

Though there were obvious exceptions, most of the House takeovers occurred in swing and Democratic-leaning districts, and those districts elected pretty conventional Democrats.

The election of Bob Casey Jr. (Pa.) to the Senate may have added to the impression that Democrats were sending moderates and conservatives to Washington, D.C. But again, Casey — who opposes legal abortion — is the exception, not the rule.

House Democrats way well attempt to steer a more moderate path between now and 2008, especially since their opportunities are limited with Bush in the White House. But if that happens, it would be the result of a pragmatic decision by party leaders, not the result of an infusion of moderates and conservatives into their party last week.

Stuart Rothenberg is editor of the Rothenberg Political Report.

Which Bipartisanship Will Bush Choose? (WSJ)

By Newt Gingrich

The Wall Street Journal, November 16, 2006

The election results pose two enormous strategic choices for America. First, the obvious outcome of a Democratic-controlled Congress and a Republican White House is the need for bipartisan cooperation in order to get anything done. The key question is: Which kind of bipartisanship will emerge? Will there be a Ronald Reagan approach to bipartisanship which appeals to the conservative majority of the House? Or will there be an establishment bipartisanship which cuts deals between liberals and the White House? Second: Will the departure of Donald Rumsfeld and his replacement by Robert Gates lead to a tactical effort to minimize the difficulties of Iraq, or to a fundamental rethinking of the larger threats to American safety?

These two choices are strikingly interrelated. An establishment bipartisanship between the White House and liberal congressional leaders will almost certainly make it necessary to focus narrowly on how to minimize difficulties in Iraq and postpone consideration of the larger threats to America for the remainder of this and into the next presidency. By contrast, a conservative bipartisanship that knits together the House Republicans and the Blue Dog Democrats into a floor majority, working with a White House that emphasizes popular issues at the grassroots, would make it much easier to focus on the larger threats to American safety. (Such a bipartisanship could stress making the cap gains tax cut permanent; controlling set-asides and

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discretionary spending; oversight on failing bureaucracies and waste; English as the language of government; and biofuels as part of an energy policy.)

How these bipartisanship choices are made will do a great deal to define our government and politics for the next few years. Each strategy cross-pressures a different part of the House and Senate. Each requires some members to choose between their loyalty to their values and those held by their districts on the one hand and their party leadership on the other.

A liberal establishment strategy will almost certainly split the GOP and lead to a grassroots rebellion against the kind of policies which a Pelosi-Reid alliance would force on the White House. House Republicans would find themselves split again and again as their leadership cooperated with Nancy Pelosi to bring forward liberal legislation. Conservative senators would find themselves blocking and filibustering liberal legislation brought forward by the Senate establishment Republican leadership and Harry Reid. Their supporters at home would be angrily insistent on active opposition to a liberal establishment legislative agenda.

On the other hand, a conservative populist grassroots strategy would almost certainly make daily interactions with liberal leaders more confrontational as they found themselves nominally chairing committees but losing votes on the floor and having their initiatives rejected by a conservative grassroots coalition. With a conservative populist grassroots strategy it is the 44 Blue Dog Democrats who would find themselves cross-pressured. In the House, some 54 Democrats won by claiming they were much more conservative than Nancy Pelosi, and much more conservative than the San Francisco values she represents. Here, they would be forced to choose between their voters back home and the promises made to them during the campaign, and their leadership.

Ironically, the very nature of the Democratic victory makes it possible to re-establish the conservative Democrat and House Republican coalition which made the Reagan legislative victories of 1981-82 possible. Tip O'Neill was the liberal Democratic speaker when Reagan became president, but he did not have a liberal majority in the House. Yet despite a seemingly liberal Democrat lock in a 242-192 majority, they lost control of the floor on the most important bill of Reagan's first term. His tax cuts were initially passed 238-195 with 48 Democrats splitting from the leadership and siding with Reagan and the GOP. The final passage of the conference report passed 282-95, with a 113-vote Democratic majority siding with Reagan and only 95 liberal democrats voting "no."

I was a sophomore during this exciting Reagan first term and I learned from him the art of appealing to the American people to win votes in Washington. When we passed welfare reform in 1996, the Democrats split 98 "yes" and 98 "no." When we passed the Balanced Budget Act of 1997, the Democrats split 153 "yes" and only 52 diehard liberals voted "no."

If President Bush decides to govern as President Reagan did, he will work to unify the Blue Dog Democrats with the Republicans to win a handful of very large victories while accepting a constant barrage of unhappiness from the liberal leadership. That is what conservative bipartisanship is like. If on the other hand, President Bush decides on an establishment strategy of cooperating with the liberal leadership, he will guarantee splitting his own party and will see his legacy drift further and further to the left as the Pelosi-Reid wing of their party demands more and more concessions.

This choice of which strategy to follow domestically has an enormous implication for national security. A liberal coalition will focus narrowly on Iraq and seek to avoid thinking about the scale of threat we face internationally. A conservative bipartisan coalition will look first to the larger threat to American security and will then seek to find solutions in Iraq to strengthen American security. It is hard to see how a liberal coalition will be able to look at the larger threats to our safety, even when the threat, articulated in this warning by Vice Admiral Patrick Walsh, is clear: "What we are talking about today is an ideology that thrives on murder, intimidation and fear. It puts innocent people at risk, particularly those in open societies. What we are talking about are people who worship death itself."

Thus the decision about which bipartisanship to pursue with regard to a legislative agenda and the Iraq war becomes for the Bush administration a decision about how safe and how prosperous America will be under divided government.

Mr. Gingrich is a former speaker of the U.S. House of Representatives.

Murtha Calls Ethics Bill 'Total Crap' (RC)

By John Bresnahan

Roll Call, November 16, 2006

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Rep. John Murtha (D-Pa.) told a group of Democratic moderates on Tuesday that an ethics and lobbying reform bill being pushed by party leaders was "total crap," but said that he would work to enact the legislation because Speaker-to-be Nancy Pelosi (D-Calif.) supports it.

Murtha and Current Minority Whip Steny Hoyer (D-Md.) are locked in a battle for the House Majority Leader post, and both men made presentations to the Blue Dog Coalition on Tuesday in a bid for their votes.

"Even though I think it's total crap, I'll vote for it and pass it because that's what Nancy wants," Murtha told the Blue Dogs, according to three sources who were at the meeting.

Pelosi has made enactment of the Honest Leadership and Open Government Act the cornerstone of her legislative agenda for the 110th Congress, and she is preparing to make it the first bill introduced under her reign. Murtha voted against the legislation earlier this year on the House floor.

Congressional corruption was a major issue for voters in the recent midterm elections, and Pelosi has pledged to clean up the Congress as part of her efforts to reform the House.

A Democratic lawmaker, speaking on the condition of anonymity, said he was "surprised" by the tone of Murtha's comments, especially Murtha's repeated claim that he would back any proposal that Pelosi favored. This lawmaker has already declared for Hoyer.

"'My agenda will be Nancy's agenda' — he kept saying that," the lawmaker said. "The performance was stunningly awful."

Another Democrat who was in the room said Murtha's remarks, especially on the ethics and lobbying reform bill, "were not the right thing to say in front of a roomful of Blue Dogs."

Murtha office's did not comment for this article.

Many Say Leadership Race Damages Democrats' Image (NYT)

By Carl Hulse

The New York Times, November 16, 2006

WASHINGTON, Nov. 15 — House members acknowledged on Wednesday that the increasingly bitter contest for majority leader was sullying the image of unity and new direction that Democrats hoped to convey.

"It's four days that we haven't talked about our message and built on the euphoria," said Representative Ellen O. Tauscher, a California Democrat who is supporting Representative Steny H. Hoyer of Maryland in the leadership vote on Thursday. "We had such perfect pitch last week."

Downtrodden Republicans were enjoying the spectacle of the split between Representative Nancy Pelosi, the incoming speaker, who is publicly pushing Representative John P. Murtha, her longtime ally, and Democrats rallying behind Mr. Hoyer, who has served in the leadership slot beneath Ms. Pelosi for four years.

"I can't believe they are self-destructing before they even get started," said Representative Ray LaHood, Republican of Illinois. "Everyone on our side is giddy."

The race has not broken along conventional ideological lines. Mr. Murtha, a staunch conservative on most issues with the exception of his highly publicized opposition to the Iraq war, enjoys support from some of the most liberal Democrats. Mr. Hoyer, the more liberal of the two, has attracted strong backing from moderates and centrists, as well as some of the most seasoned House Democrats.

It has also left Democrats and Republicans in both the House and Senate straining to understand Ms. Pelosi's strategy.

They wonder why, in her moment of victory, she injected herself into a leadership fight that will end with the selection of her rival or her own choice, a lawmaker criticized for his ethics record, after an election in which Democrats campaigned on a clean-government theme.

Mr. Murtha himself has thrown more fuel on that fire. Members of the conservative Democratic Blue Dog group said that during an appearance before them Tuesday, Mr. Murtha disparaged an ethics overhaul that Ms. Pelosi and the leadership have been promising as one of their first orders of business.

Two lawmakers at the session confirmed that the comment, first reported by the Capitol Hill newspaper Roll Call, left many stunned, given the new scrutiny Mr. Murtha's deal-making on the Appropriations Committee has drawn, along with his

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involvement in the 1980 Abscam bribery sting run by the F.B.I. He was never charged in that case, but a widely circulated film showed him being offered a bribe and responding that he was not interested in the money "at this time."

In an interview on the MSNBC show "Hardball" Wednesday afternoon, Mr. Murtha said that at the time of Abscam he was interested in attracting foreign investment to relieve high unemployment in his Pennsylvania district and, though suspicious of the offer, wanted to keep open the possibility of legitimate investment. As for the ethics package promoted by Ms. Pelosi, Mr. Murtha said he was complaining that Congressional wrongdoing was superceding other matters "when we've got a war going on and we got all these other issues — $8 billion a month we're spending."

After writing a letter of support for Mr. Murtha, Ms. Pelosi has personally gone to bat for him, attending a reception for new members and pressing lawmakers on their choice for majority leader. Her allies say her intervention reflects the sort of risk-taking strategy that has brought her to the brink of becoming speaker. And no matter how it turns out, they say, it will send a message to lawmakers that if they stick with her, she will reciprocate.

But several Democrats said her direct involvement was clouding the Democratic takeover by showing squabbling Democrats in serious disagreement over the direction of the party.

"This is somewhat distracting us," Mr. Hoyer conceded Wednesday, even as he predicted that he would win the race and that the party would avoid substantial fallout.

"I expect that we will bring the party together and become unified and move on from this," he said in a brief interview.

Mr. Hoyer came in for criticism of his own Wednesday from an outside watchdog group, Public Citizen. It ranked him as a top Congressional recipient of contributions from lobbyists and political action committees, receiving more than $5.6 million in PAC money since 2000. Mr. Murtha collected about half that much.

"Both candidates for House leadership have taken large amounts of special interest money," said Joan Claybrook, president of Public Citizen.

Mr. Murtha and his allies have emphasized the role he played in building Democratic opposition to the Iraq war, an issue that was crucial to the party's victories last week.

Mr. Hoyer and his supporters acknowledge the import of Mr. Murtha's turnaround after his initial support of the war. Representative Barney Frank of Massachusetts described it as a "Nixon goes to China moment," but said it did not entitle Mr. Murtha to the leadership post.

Representative Dennis J. Kucinich, a liberal Democrat from Ohio who disagrees with Mr. Murtha on major social issues like abortion and gun control, said in a letter distributed to his colleagues that Mr. Murtha's leadership on the war outweighed other considerations.

"We need Jack Murtha for majority leader," Mr. Kucinich wrote, "because at a critical moment on the major international policy issue facing America and the world, he showed an openness, a readiness to listen and a willingness to set a new direction, based on new information. This is the mark of someone who moves forward with courage."

House Race Pits Murtha Vs. Ethics (WT)

By Charles Hurt

The Washington Times, November 16, 2006

House Democrats will decide today whether to install as their majority leader one of the most scandal-tainted members of Congress.

Today's vote on Rep. John P. Murtha -- whom likely Speaker Nancy Pelosi enthusiastically supports -- comes 10 days after Democrats seized control of the House and Senate after promising to clean up the corruption that they said had become a hallmark of the Republican Congress.

In the Senate, meanwhile, Republicans yesterday picked as their leader Sen. Mitch McConnell of Kentucky. The No. 2 position of Republican whip went to Sen. Trent Lott, the Mississippian who four years ago fell from leadership after praising the 1948 presidential campaign of then-segregationist Strom Thurmond of South Carolina.

Mr. McConnell, who for years has excoriated Democrats for obstructing the Republican majority in the Senate, signaled the new minority's willingness to play a similar role.

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"We represent a vigorous minority of 49 in a body where it takes 60 to do anything," he told reporters. "We are unified in our desire to work with the Democrats across party lines to see what we can accomplish for the country, but we will be a robust minority, a vigorous minority, and hopefully a minority that is only in that condition for a couple of years."

Meanwhile, Senate Democrats emphasized the need for Republican cooperation.

"We really need bipartisanship," said incoming Majority Whip Richard J. Durbin, the Illinois Democrat who helped lead the filibusters of President Bush's judicial nominees.

But most of the attention on Capitol Hill yesterday fell on Mr. Murtha's run for House leadership, which many Democrats worry will sully their stunning victories last week and ruin any hopes of a reputation for ethical reform. Mr. Murtha didn't help his case when reports surfaced yesterday that he dismissed the party's plans for ethics reform during a gathering of newly elected Democrats.

Mr. Murtha, elected last week to his 18th term, is often noted today for his service in the military and his demands that troops be withdrawn from Iraq. But for more than 25 years, he's also been remembered as the "unindicted co-conspirator" in one of the most famous and blatant cases of congressional corruption ever exposed.

In 1980, Mr. Murtha of Pennsylvania was among eight members of Congress lured to a town house in Washington to collect $50,000 in "walking-around money" from what turned out to be FBI agents posing as emissaries for an Arab sheik seeking influence.

Video of the rendezvous shows Mr. Murtha negotiating for a long-term relationship with the apparent crooks, trying to cut fellow congressmen out of the deal and stating that he may be willing to take money from the men in the future.

Mr. Murtha turned down their bribe -- for the time being. But he spent 54 minutes doing so, according to FBI surveillance tapes recently obtained by the conservative magazine the American Spectator and posted on the Internet.

"These guys were trying to corrupt me," he said in an interview yesterday with Chris Matthews of MSNBC. "They were the slimiest guys I've ever seen.

"I deal with people like this all the time," he added.

He insisted that his only interest was in getting the men to invest in his district.

Mr. Murtha testified against his fellow congressmen in federal court and was not charged with any crimes. In 1981, the House ethics committee also declined to punish him.

"The ethics committee cleared me completely, unanimous vote," he said yesterday.

According to news reports at the time, the panel in the Democrat-controlled Congress declined to pursue charges on a party-line vote.

Some Democrats say Mrs. Pelosi's backing of Mr. Murtha doesn't bode well for her promise to aggressively root out corruption in Congress. At the very least, critics say, Mr. Murtha failed to obey House rules requiring that members report any attempted bribes -- a rule that Mr. Murtha should have been aware of as a member of the House ethics committee in 1980.

The liberal activist group Citizens for Responsibility and Ethics in Washington named Mr. Murtha one of the most corrupt members of Congress -- not mentioning his role in the Abscam scandal, but instead highlighting his dealings with lobbyists and pork-barrel spending in recent years.

Both Mr. Murtha and Rep. Steny H. Hoyer of Maryland, who is currently the No. 2 House Democratic leader, have said they have the votes to get elected majority leader.

Dem Division And Dismay (HILL)

By Josephine Hearn

The Hill, November 16, 2006

House Democrats head to the ballot box today to elect their majority leader, with many of them fretting that the contentious race has split their caucus into two warring camps, one allied with Rep. John Murtha (D-Pa.) and Speaker-to-be Nancy Pelosi (D-Calif.) and the other with Democratic Whip Steny Hoyer (D-Md.), regardless of today's outcome.

The race has reinforced longstanding divisions between different factions in the caucus, members and observers said, and has diverted their attention from a positive message they hoped to project just days after winning control of the House.

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"We're trying to say it's a new day, and unfortunately, we've started a new day with unnecessary controversy," said Rep. Charlie Gonzalez (D-Texas), a Hoyer ally. "Members see this as something unnecessary, something counterproductive, something that is sucking up all the oxygen in the room when we really need to work on improving the functioning of the House."

Elated by their victory last week at the polls, many House Democrats were further encouraged by the harmonious resolution last week of a battle brewing for the post of majority whip, praising Speaker-to-be Nancy Pelosi (D-Calif.) for brokering the compromise.

But on Sunday, Pelosi took a decidedly different tack by stepping into the majority leader race on Murtha's behalf, a move that escalated an already vigorous contest. Two hundred thirty-one House Democrats will meet this morning at 9 a.m. to vote for their entire slate of leaders, although the majority leader position is the only contested race. They will first vote on a motion to allow Christine Jennings and Rep. William Jefferson (D-La.) to vote. Jennings's Florida race is still contested. Jefferson still faces a runoff.

Many Democrats were dismayed at the ever more heated and at times ugly battle between two of their most senior members, much of it playing out on national television.

Some Hoyer backers questioned Pelosi's political judgment, arguing that the effort to "purge" Hoyer from the leadership would damage caucus unity.

"It's a terrible way to start. It's a lose-lose situation. Either way she has polarized the caucus," said one House Democrat allied with Hoyer.

"You're going to be more likely to question her after something like this that is so clearly bad for us and could have been avoided," another commented.

The situation reminded more than one lawmaker of a remark made once by former Rep. Mo Udall (D-Ariz.): "I have learned the difference between a cactus and a caucus. On a cactus, the pricks are on the outside."

A Murtha backer took offense at the suggestion that the battle would create long-lasting acrimony among members.

"I've been hearing that for six months, that it's going to do damage to the caucus. Yeah, for about 30 seconds. Anyone who feels that way is a jerk. I don't feel that way. If someone says that, they really don't belong in politics," said Rep. Michael Capuano (D-Mass.), a Murtha ally.

"If this thing was about making an empress, I wouldn't do it," Capuano added.

Members will vote by secret ballot, making it difficult to predict an outcome.

Rep. Bill Pascrell (D-N.J.), a Murtha ally, said he could tell which members might ultimately switch their votes.

"You know when people are telling you what you want to hear. You know when they hem and haw … Who knows how it's going to turn out, but we'll be ready."

Murtha himself was absent during House floor votes yesterday as he has been all week. Hoyer has not missed a vote.

As the sun set on the Capitol last night, both camps were executing their endgame. Murtha's allies huddled in a Rayburn committee room to plot strategy. Reps. Anna Eshoo (D-Calif.), Robert Brady (D-Pa.), Tim Holden (D-Pa.), John Larson (D-Conn.), Carolyn McCarthy (D-N.Y.), Tim Ryan (D-Ohio), Allyson Schwartz (D-Pa.), Gene Taylor (D-Miss.), Mike Thompson (D-Calif.), Anthony Weiner (D-N.Y.), as well as Capuano and Pascrell, attended.

Pelosi continued to meet individually with incoming freshmen members yesterday. Pelosi has been raising the majority leader race with freshman during the same introductory meeting where they discuss committee assignments.

"Some of the freshmen who came in with some naivete are understanding the meaning [of Pelosi's endorsement]," Rep. Jim Moran (D-Va.) said Monday night. If they do not, "They'll screw themselves for the rest of their lives."

Both sides asserted that they had the necessary support, but the secret-ballot vote means that members may defect at the last moment without ever facing retribution.

Rep. Albert Wynn (D-Md.) said he expected some members not to honor the commitments they had made to the candidates.

"Ask anyone who's ever run for a leadership position and they'll tell you: Members lie."

Brad Haynes contributed to this report.

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Democratic Leadership Hopefuls Marked By Ethical Questions (LAT)

By Tom Hamburger And Chuck Neubauer

The Los Angeles Times, November 16, 2006

WASHINGTON — Though incoming House Speaker Nancy Pelosi promises to push through ethical reforms in Congress, both of the Democrats vying to be her second-in-command have long histories of earmarking, close relationships with corporate interests, and using their positions to raise millions of dollars in campaign contributions.

Pelosi's choice for the job, Rep. John P. Murtha of Pennsylvania, used his seat on the appropriations committee and the largely secret earmark process to obtain $121 million in earmarks during the current session, making him one of the top earmarkers in Congress, according to the watchdog group Taxpayers for Common Sense.

Murtha, a tough-talking veteran who made headlines last year by denouncing President Bush's policy in Iraq, directed much of the money to firms and institutions in Johnstown, Pa., in his district. Defense contractors and other beneficiaries dominated a list of Murtha's top campaign contributors.

Murtha was an unindicted co-conspirator in the Abscam scandal of the 1970s, which has prompted some to support the other man seeking the House majority leader's job — Rep. Steny H. Hoyer of Maryland — as the more ethical candidate.

Hoyer, also on appropriations, sent $61.7 million to his district just outside of Washington during this Congress, the watchdog group says. That put him among the top 10% of earmarkers in the House. The earmarks frequently benefited local defense contractors.

In the 2006 defense appropriations bill, for example, Hoyer secured $2.8 million for ManTech International Corp., which has a facility in his district that is developing a military project. ManTech's executives and its political action committee have donated $49,000 to Hoyer's campaign and leadership funds since 2001.

David Sirota, a former House Appropriations Committee aide who wrote the recently published book "Hostile Takeover" decrying corporate influence on the Democratic Party, said he was concerned about the records of Murtha and Hoyer.

"In my book I wrote that a top legislative staffer to Hoyer simultaneously served as a top corporate fundraiser for Hoyer, helping raise money for his leadership PAC," he said.

"There is nothing illegal about that, but it definitely makes a joke of the idea that Hoyer is the ethics candidate in this race," said Sirota, who supports Murtha for the post.

Federal Election Commission records show Murtha also employed at least one staffer to do campaign work.

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Cloaked in secrecy

Earmarking, and the symbiotic relationship it often creates between members of Congress and corporate and other interest groups, has become a symbol of the ethical laxity that Democrats campaigned against in last week's midterm election.

Earmarking is a form of pork-barrel spending often favored by committee chairmen, congressional leaders and other insiders. Cloaked in secrecy, it enables favored members to bypass the normal budget and appropriations process and insert narrowly drawn spending provisions into legislation.

Though not new, the practice has exploded in recent years. In the most flagrant cases, members have used the process for personal enrichment. In other cases, the spending provisions appear to have been used as a kind of quid pro quo to reward campaign contributors and other supporters.

Earmarks played a role in the Jack Abramoff scandal and the bribery conviction of former Rep. Randy "Duke" Cunningham (R-Rancho Santa Fe).

They have also led to federal investigations, including an inquiry involving Rep. Jerry Lewis (R-Redlands), outgoing chairman of the House Appropriations Committee.

Even when illegal or improper conduct was not at issue, earmarks for campaign contributors have been at the heart of the increasing role of money in politics. Murtha and Hoyer have been senior members of the House Appropriations Committee; its members are usually among the leading earmarkers and also major fundraisers for their parties.

Hoyer told a website this week that he did not favor ending the earmarks system, but said he supported reform and greater transparency so the public would know what was happening.

An aide said Hoyer supported "comprehensive earmark reform that would require full disclosure, including the sponsor. He also believes that all conference reports should be available for members to scrutinize before they are voted on, and should not have last-minute earmarks included, as has been the practice under Republicans."

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Dealings with business

Hoyer has been a vigorous player of the traditional earmarking game.

For example, he has obtained more than $7 million in recent years for the manufacturer of Beretta firearms, which has a facility in his district and manufactures the 9-millimeter pistols used by the Marines. In effect, the earmark required the Pentagon to buy ammunition clips from Beretta USA. In an earlier purchase, the military had obtained clips from another supplier that had submitted the lowest bid; Hoyer said the cheaper clips had sometimes malfunctioned.

At least one Beretta executive has contributed to Hoyer's campaign fund.

Murtha is no stranger to ethics controversies.

Some of his largest campaign contributions came from the clients of Washington lobbying firms that represent beneficiaries of his earmarks.

Among them is a firm, Ervin Technical Associates, chaired by a former House colleague, Joseph M. McDade, who was accused in 1992 of providing earmarks in exchange for campaign contributions and gifts. He was charged with bribery and racketeering for accepting gifts and other benefits from defense interests, but was acquitted.

McDade and other principals of the firm could not be reached for comment, but an independent contractor working with the firm said the firm had the highest integrity, and defended the need for earmarks generally.

Another firm associated with Murtha, the PMA Group, is led by Paul Magliocchetti, who worked with Murtha as a senior staffer on the defense appropriations subcommittee for a decade. The PMA Group and 11 of the firm's clients rank in the top 20 contributors to Murtha, with campaign contributions totaling $274,649 in this election cycle, according to calculations by Citizens for Responsibility and Ethics in Washington, a left-leaning watchdog group.

The 2004 defense appropriations bill provided earmarks for 10 companies represented by a lobbying firm in which his brother, Robert "Kit" Murtha, was a senior partner. The Los Angeles Times first reported in 2005 on Robert Murtha's lobbying activities for the firm, KSA Consulting.

At the time, Robert Murtha and others at KSA said he did not lobby his brother and thus saw no problem in his lobbying others.

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A new controversy

On Tuesday, a new controversy flared up. The Capitol Hill newspaper Roll Call quoted Murtha as telling a group of Democrats that Pelosi's ethics reforms were "total crap."

Murtha said his remarks were misinterpreted, perhaps deliberately. He told MSNBC on Wednesday that he had been referring to illegal activities such as Abramoff's, not to the reforms.

"What Nancy is trying to do is important," he told host Chris Matthews.

"What I said was, it's total crap, the idea we have to deal with an issue like this … when we've got a war going on," Murtha said.

Murtha first gained national attention decades ago as an unindicted co-conspirator in the Abscam investigation into congressional corruption. In a videotaped interview with the FBI agent posing as a sheik, Murtha was offered $50,000 to help the sheik.

"I'm not interested. I'm sorry," Murtha told the FBI agent, but added: "At this point. You know, we do business for a while, maybe I'll be interested, maybe I won't."

Murtha did not respond to requests for comment, but he told MSNBC that he knew the fake sheik was trying to corrupt him, but that he led him on in hopes of luring investment to his hard-pressed district. "I deal with people like this all the time," he told Matthews.

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Pelosi Faces Leadership Test With Vote (AP-Y)

By Andrew Taylor, Associated Press Writer

AP, November 16, 2006

House Speaker-to-be Nancy Pelosi faces a major leadership test Thursday, barely a week into her new role, as Democrats vote on her choice for majority leader. She's supporting a lawmaker once caught up in a bribery scandal and known more recently for trading votes for pork projects.

Pelosi's prestige is on the line after endorsing longtime ally John Murtha of Pennsylvania to be the No. 2 Democrat in place of her longtime rival Steny Hoyer of Maryland.

Senate Republicans, meanwhile, rewarded Mississippi Sen. Trent Lott with their No. 2 post, four years after the White House helped push him out of his job running the Senate for making remarks interpreted as endorsing segregation. President Bush, on a trip to Russia and Asia, telephoned Lott on Wednesday with congratulations.

Pressured to step down from the Senate's top spot in 2002, Lott returned to the Republicans' second-ranking position by nosing out Sen. Lamar Alexander, R-Tenn., who had made an 18-month bid for the post. Lott promised to defer to Minority Leader-to-be Mitch McConnell, R-Ky.

House Republicans, finding themselves in the minority for the first time since 1994, will meet in private Thursday to hear presentations from candidates for their half-dozen leadership posts. Their election is scheduled Friday. Speaker Dennis Hastert of Illinois is leaving the leadership ranks. Replacing him as the House's top Republican became a two-man race Wednesday between current Majority Leader John Boehner of Ohio and conservative challenger Mike Pence of Indiana. Energy and Commerce Committee Chairman Joe Barton of Texas dropped out and endorsed Boehner.

Hoyer entered the Democratic leadership race with a substantial lead by most counts, but he has been scrambling to hold onto supporters since Pelosi's surprise intervention on Sunday. He appeared to carry a lead into Thursday's secret ballot despite Pelosi's opposition.

"I think we're in very good shape. I expect to win," Hoyer said. "I expect that we will bring the party together and become unified and move on from this."

With characteristic gruffness, Murtha said the opposite was true: "We're going to win. We got the votes," he said Wednesday afternoon on MSNBC's "Hardball."

Allies such as Rep. George Miller, D-Calif. — also a top confidant of Pelosi — have been working this week to peel away votes from Hoyer. Pelosi also has intervened more directly, making the case for Murtha in one-on-one meetings with Democratic freshmen — sessions in which the incoming lawmakers ask for all-important committee assignments.

Murtha, a former Marine who generally has supported U.S. military efforts, has gained considerable attention this year for his criticism of the administration's Iraq war policies. He steered Pelosi's winning campaign in 2001 against Hoyer for the No. 2 Democratic leadership post, and his supporters say Pelosi deserves a more loyal wingman.

But Murtha is also a controversial figure. He was investigated in 1980 as part of the Abscam bribery sting, but was the only lawmaker involved who wasn't charged criminally.

FBI agents pretending to represent an Arab sheik wanting to reside in the United States and seeking investment opportunities approached Murtha and several other lawmakers with offers of bribes.

When offered $50,000, Murtha is recorded as saying, "I'm not interested ... at this point." A grand jury declined to prosecute Murtha, and the House ethics committee issued no findings against him. On MSNBC Wednesday, Murtha said, "I told them I wanted investment in my district. They put $50,000 on the table and I said, `I'm not interested.'"

Murtha has a record of not always being a leadership loyalist, frequently supplying votes to GOP leaders who were struggling to pass bills. The none-too-subtle trade-off: Murtha and his allies would do better when home-state projects were doled out by the Republicans.

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He has been criticized by ethics watchdogs such as Citizens for Responsibility and Ethics in Washington, who have said he exemplifies a "pay-to-play" culture of Washington. The group says Murtha has steered defense projects to clients of KSA Consulting, a lobbying firm that until recently employed his brother Kit. Clients of the firm are generous with campaign contributions.

Hoyer claims considerable support from some liberals made uncomfortable by Murtha's opposition to abortion, gun control and changes to House ethics rules. He also is a leadership contact for many moderate "Blue Dog" Democrats.

Hoyer's backers say he has been an able lieutenant to Pelosi and has done nothing to disqualify himself from holding the same position in the majority.

He has been aggressive in lining up supporters, most of whom are sticking with him.

"One of the first things I learned around here is that when you give your commitment you honor it," said Rep. Rick Boucher, D-Va., a Hoyer supporter.

Pelosi Splits Democrats With Push For Murtha (WP)

By Jonathan Weisman And Lois Romano

The Washington Post, November 16, 2006

A showdown over the House majority leader's post today has Democrats bitterly divided only a week after their party took control of Congress and has prompted numerous complaints that Speaker-designate Nancy Pelosi (Calif.) and her allies are using strong-arm tactics and threats to try to elect Rep. John P. Murtha (Pa.) to the job.

Murtha, 74, a former Marine who was among the first on Capitol Hill to call for a U.S. troop withdrawal from Iraq, may have hurt his own chances Tuesday night when he derided the Democrats' ethics and lobbying package before saying he will push for its passage anyway out of deference to Pelosi. His statement, at a gathering of conservative "Blue Dog" Democrats, was cited by backers of his rival, Rep. Steny H. Hoyer (Md.), as further proof that Murtha's controversial ethics record disqualifies him to lead the party in a new political era.

Pelosi's aggressive intervention on behalf of Murtha has baffled and angered many Democrats, who think she has unnecessarily put her reputation on the line out of misplaced loyalty to a friend and because of a long-standing feud with Hoyer, the minority whip. Pelosi has pushed Murtha's candidacy at social events, in private meetings and with incoming freshman Democrats; they have been called to her office to discuss committee assignments, only to hear first that she needs Murtha in order to be an effective leader.

Hoyer, 67, was heavily favored to win the race until Sunday, when Pelosi -- in a move that shocked even her staff -- openly threw her support to Murtha, despite a vow to stay neutral. She said in a letter that she was swayed by Murtha's early call for a withdrawal of U.S. troops, and that he would be best positioned to lead a new Democratic majority.

Hoyer still maintains the public support of most incoming committee chairmen, influential liberals such as Reps. Barney Frank (Mass.) and Maxine Waters (Calif.), most conservative Blue Dogs, and 21 of the 40 or so freshmen. But Murtha has a sizable contingent from the Appropriations Committee and the Pennsylvania delegation, as well as Pelosi's closest supporters. Since her endorsement, Pelosi has been unabashedly pushing Murtha.

"Have you ever seen a leader get involved in race like this? That should tell you all you need to know about her commitment," said Rep. Anna G. Eshoo (D-Calif.), a friend of Pelosi's who is supporting Murtha.

So intense has the lobbying been that incoming House Ways and Means Chairman Charles B. Rangel (D-N.Y.) -- after fielding a call from Pelosi -- said in a media report that he hadn't really endorsed Hoyer in a published interview in which he praised him.

One conservative Democrat said that a Murtha-Pelosi ally approached him on the House floor and said pointedly: "I hope you like your committee assignment, because it's the only one you're going to get."

In a phone call initiated by Murtha that same day, the lawmaker told the longtime politician that he had already signed a letter of support for Hoyer. The congressman said he was stunned when Murtha told him, "Letters don't mean anything."

Hoyer's supporters complained about such tactics.

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"Commitment is something of value in this institution," said Rep. Artur Davis (D-Ala.). "If you have somebody in this race saying, 'Oh, your promises don't really mean anything in a secret ballot,' that bothers me, and it should bother a lot of people."

Murtha, the ranking Democrat on the powerful Appropriations defense subcommittee, has been dogged by allegations that he has skirted ethical boundaries and has thwarted efforts to tighten rules on lobbying. Those questions were amplified yesterday after at least three attendees at the Tuesday-night meeting of Blue Dog lawmakers complained that Murtha had disparaged the Democrats' ethics and lobbying package.

"He said, 'You know, I believe it's total crap, but Nancy supports it, and I'm going to push it,' " said a senior Blue Dog Democrat and Hoyer supporter, who spoke on the condition of anonymity because he was divulging comments from a closed-door meeting.

Pelosi aides stressed that Murtha remains dedicated to the package's passage, but the dust-up rekindled memories of past Murtha votes. He was one of 12 Democrats to vote against campaign finance legislation written by Sens. John McCain (R-Ariz.) and Russell Feingold (D-Wis.), and he was one of four Democrats who opposed an ethics package earlier this year that was designed to contrast the Democrats' tough stance with a weaker Republican bill. He also pushed a rules change to block outside groups from filing complaints to the House ethics committee.

The Murtha camp has accused Hoyer of a "stay the course" mentality on Iraq, which Hoyer says does not accurately reflect his call for a phased redeployment of troops.

Although the main focus has been on the nasty sniping between Murtha and Hoyer, the unspoken story is the long-simmering rivalry between Pelosi and Hoyer. The two have known each other more than 40 years -- since, as young, ambitious Maryland natives, they interned for then-Sen. Daniel B. Brewster.

At one time they were friends, but their ambitions eventually put them on a collision course. Pelosi nominated Hoyer in a 1991 House leadership race and was one of his lieutenants. But in 2001, the two ran against each other in a protracted and nasty race for minority whip. Pelosi won handily, but her allies charge that Hoyer never stopped running for the next prize and along the way tried to undercut her authority. Hoyer has said he has never been anything but supportive of Pelosi.

For the most part, lawmakers, Hill aides and some outside advisers -- even some close to her -- say they are at a loss to explain why Pelosi has held a grudge for so long, because she clearly has the upper hand as leader of the House Democrats. They suggest that part of what rankles her is that Hoyer is not beholden to her and feels no compulsion to publicly agree with her on every issue. This, allies say, she sees as a sign of disloyalty. With the number of declared votes still heavily favoring Hoyer, Murtha's supporters were hoping a plea to unify behind Pelosi would secure an upset today.

It is not clear that the pitch is working. "I'm a DA," said Hoyer supporter Michael Arcuri (D), the Oneida County district attorney just elected to represent his Upstate New York district. "I'm used to pressure."

New Congress Vows To Clean Up Act (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, November 16, 2006

WASHINGTON

The midterm elections that ended GOP control of both House and Senate turned on two overriding themes: the war in Iraq and corruption in Congress.

Now, beginning with leadership elections this week, both parties are out to show voters they got the message.

For Democrats, united in a keen desire not to slip back into the minority in 2008, a first step is the promise of a new style of leadership on Capitol Hill: open, bipartisan, and above reproach - and an agenda anchored in the needs of the average American family.

"Voters rejected the Bush agenda, but they haven't yet embraced us," said Sen. Charles Schumer of New York, who was elevated Tuesday to No. 3 in the Democratic leadership after chairing the party's senatorial campaign committee to a victory few of his colleagues believed would happen. "What we have here could vanish if we don't do the job."

What's missing from Democrats' ambitious early agenda, critics say, is a quick, clean, anticorruption element. House Democratic leader Nancy Pelosi promised last January to enact an ethics package - including a ban on all gifts from lobbyists,

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disclosure of earmarks, and a two-year wait before lawmakers leaving office can work as lobbyists - if Democrats took back the House. Pelosi aides say the presumptive House speaker wants an "Honest Leadership Open Government" package - details to be disclosed - to go through the committee process in the new Congress.

Both the House and Senate later passed versions of lobby reform last spring, but GOP leaders have yet to agree on terms for a conference to work out differences between the two bills, which will die at the end of the 109th Congress in December.

Both ethics and the Iraq war are emerging as key issues in an unexpectedly bitter race for the new House majority leader, the Democrats' second in command behind Ms. Pelosi.

In what is seen as an early test of leadership, Pelosi is publicly backing Rep. John Murtha of Pennsylvania over her current deputy, Steny Hoyer of Maryland, for the post. Representative Murtha's call for an immediate redeployment of US troops from Iraq helped mobilize the party's antiwar base in last week's election. Murtha charges that Mr. Hoyer's views on Iraq line up with those of President Bush.

In response, Representative Hoyer's supporters are reviving accounts of Murtha's less-than-decisive rejection of a bribe in the 1980 Abscam FBI sting operation. More recently, Murtha has battled allegations that he may have accepted favors from defense contractors.

"The fight between Murtha and Hoyer is a template for Democrats on the war and corruption," says Ross Baker, a political scientist at Rutgers University in New Jersey. "Until this election, Murtha had an iconic status as an outspoken, truth-telling Democrat, and all of a sudden ethics has become a liability. It's an awkward position for Pelosi, whatever the outcome," he adds.

Most immediately, Murtha's opposition to ethics reform, including past brushes with ethics issues, open Pelosi to charges that she hasn't heard voters on the importance of cleaning up the culture of corruption in Washington.

House Democrats will decide between Murtha and Hoyer in a secret ballot Thursday.

"Future House Speaker Pelosi's endorsement of Representative Murtha, one of the most unethical members of Congress, shows that she may have prioritized ethics reform merely to win votes, with no real commitment to changing the culture of corruption," said Melanie Sloan, executive director of Citizens for Responsibility and Ethics in Washington, a group that took a lead in criticizing former GOP majority leader Tom DeLay of Texas over corruption charges.

Among Senate Democrats, meanwhile, the mood this week was jubilant as they voted for their leaders for the 110th Congress. This slate includes majority leader Harry Reid of Nevada, majority whip Richard Durbin of Illinois, and conference secretary Patty Murray of Washington. Outgoing conference secretary Debbie Stabenow of Michigan replaces Sen. Hillary Rodham Clinton of New York - a move that presidential watchers view as another signal that the former first lady is preparing for a campaign for the Oval Office.

On the Republican side, there was suspense but little controversy, as the outgoing GOP majority promoted their whip, Sen. Mitch McConnell of Kentucky, to replace retiring Republican leader Bill Frist.

In a surprise move, Sen. Trent Lott, a former GOP Senate majority leader, won the whip race. It's the first time a Senate majority leader ran for a lower position, say Senate historians. "I'm doing the job I love the most: count the votes," Senator Lott said.

But stakes are higher - and the mood darker - among House Republicans. In a vote expected Friday, the GOP caucus chooses among John Boehner of Ohio, current majority leader, and challengers Mike Pence of Indiana and Joe Barton of Texas. Mr. Pence, a favorite of conservative commentators, says Republicans lost the majority because they forgot their principles, especially limited government.

Boehner explains the loss as "a referendum on the Bush administration and the war in Iraq," factors that are "now beyond our control." Republicans can regain the majority, he says, by holding Democrats accountable and "holding ourselves accountable" via ethics reform "with teeth."

Pelosi's First Mistake (WP)

By Robert D. Novak

The Washington Post, November 16, 2006

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As the new House majority caucus prepared to pick its leadership today, Democrats were trying to make the best of the inevitability of Nancy Pelosi as the party's first speaker in a dozen years. They have put out the word that she was not serious in endorsing Rep. John Murtha for majority leader. How much effort she has exerted for her longtime ally is irrelevant, but she has actively solicited votes this week.

The damage to her was irrevocable when she wrote her colleagues Sunday urging them to pick Murtha over Rep. Steny Hoyer. Close associates of Hoyer say her letter stunned him, and he was not alone. While Pelosi had made it clear that she would vote for Murtha, the public endorsement was unexpected.

Although Pelosi's apologists had stressed that this was not a public campaign, but a pro forma endorsement, she began actively campaigning for Murtha on Tuesday. Even before that, the letter itself was taken seriously within the Democratic caucus, including by Hoyer and his close associates. A speaker's written word cannot be taken lightly.

This is a no-win situation for Pelosi. If Murtha wins today, she will be accused of personal vindictiveness in derailing Hoyer, who is more popular in the caucus and better qualified for leadership. If Murtha loses, as is much more probable, she will be seen as bumbling her first attempt to lead the new Democratic majority. Pelosi could have avoided this dilemma by standing aside as Newt Gingrich, then the presumptive speaker, did when he voted for his ally Robert Walker as majority whip but did not ask members to oppose Tom DeLay.

Pelosi's mistake confirms long-standing, privately held Democratic apprehension about her abilities. Such concerns do not reflect the Republican indictment of her as a reflexive San Francisco liberal. Some of her most trenchant congressional critics are on the left wing of the party. These colleagues worry that her decision making may be distorted by personal considerations.

Hoyer is the most accomplished Democratic legislator in the House, widely respected on both sides of the aisle. He, not Pelosi, would be preparing to be speaker had he not lost to her in a 2001 contest for minority whip, thanks to nearly complete support from her huge California delegation. That put Pelosi ahead of Hoyer on the leadership escalator. While Hoyer would win a secret poll of the Democratic caucus as more qualified, Democrats cannot turn aside the first female speaker.

It was assumed that Hoyer would be given the No. 2 position of leading a Democratic majority -- until Jack Murtha announced his candidacy. Never before during his 32 low-profile years in the House could anyone have imagined Murtha seeking any leadership role. He has been a backroom distributor of federal pork who disdained public exposure, and he was in the headlines only as an unindicted co-conspirator in the 1980 Abscam scandal. Murtha became an unlikely hero of the left last year when he called for the withdrawal of U.S. troops from Iraq.

With Pelosi and Hoyer working amicably the past two years, the speaker-to-be was expected to keep her hands off the majority leader's race. Since the Nov. 7 elections, she had exhibited restraint, in public utterances and in quietly handling the ambitions of Rahm Emanuel.

Emanuel, as chairman of the Democratic Congressional Campaign Committee, was the architect of the 2006 victory. He coveted the third-ranking post of majority whip, but that put him on a collision course with the Congressional Black Caucus's candidate, Rep. James Clyburn. A ruinous competition was averted when Pelosi brokered a deal whereby Emanuel agreed to replace Clyburn as House Democratic Caucus chairman.

But Pelosi's personal pique was evident in her opposition to her rival diva from California, Rep. Jane Harman, as chairman of the House intelligence committee. In line to replace Harman is Rep. Alcee Hastings, who was once impeached as a federal judge on bribery charges.

For a party that effectively stressed a Republican climate of corruption in the recent campaign to consider placing Murtha and Hastings in its leadership astonishes a wide range of Democrats. They do not believe Murtha can defeat Hoyer, but the imminence of Hastings stuns them. Well-placed Democrats have told Pelosi she cannot permit this to happen. What they hesitate to contemplate is what lies ahead based on Pelosi's performance before she has taken the oath.

Same Old Congressional Hacks (LAT)

The Los Angeles Times, November 16, 2006

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EVERYONE FROM President Bush to pundits of the left, right and center have acknowledged that last week's election results show that voters wanted change. So why have Democrats and Republicans in Congress apparently adopted as their theme the Who's famous line: "Meet the new boss, same as the old boss"?

On Wednesday, Senate Republicans went back to the future to choose Trent Lott of Mississippi as the soon-to-be minority whip, the No. 2 Republican in the chamber after Minority Leader Mitch McConnell (R-Ky.). Yes, the same Trent Lott who had to resign as majority leader four years ago after proclaiming that if the rest of the country had followed Mississippi's lead in voting for segregationist Strom Thurmond for president in 1948, "we wouldn't have had all these problems over all these years."

And yes, the Republicans are doing this in the "year of the macaca." One of the reasons they will soon find themselves in the minority, you will recall, was Confederate aficionado and Virginia Sen. George Allen's use of the loaded term "macaca" to describe a minority staffer from his opponent's campaign.

Lott, for his part, might have survived his tasteless tribute to Thurmond, offered at the former Dixiecrat's 100th birthday, if he didn't already have a credibility problem on issues of race. For example, when the Internal Revenue Service moved in 1981 to yank the tax-exempt status of Bob Jones University because it prohibited interracial dating, Lott defended the school's position on religious freedom grounds. Other than the posthumous election of Thurmond as minority leader, it's hard to imagine a worse signal for the Republican Party to send minorities.

Democrats tempted to gloat over Lott's semi-comeback have their own "back to the future" problem. Today, the incoming majority in the House will choose its majority leader, the No. 2 Democrat in the chamber, and Speaker-elect Nancy Pelosi (D-San Francisco) has endorsed Rep. John P. Murtha (D-Pa.) for the position over Rep. Steny H. Hoyer (D-Md.), the current Democratic whip.

The 74-year-old Murtha is an old hand in the sort of politics that voters supposedly rebelled against last week. Americans with a short memory think of Murtha as the longtime hawk turned critic of U.S. involvement in Iraq. But long before he began to channel the U.S. military's complaints about the Iraq war, Murtha was known as the consummate Washington insider.

He is an avid supporter of the special-interest appropriations known as "earmarking," which are central to the "culture of corruption" that Democrats railed against in the recent campaign. Also, as Times reporters Janet Hook and Richard Simon noted this week, in the 1980s, Murtha was investigated in connection with the Abscam bribery scandal, in which FBI agents posing as wealthy Arab sheiks tested the rectitude of members of Congress. He was cleared of wrongdoing, but his videotaped behavior — "I am not interested, at this point," he said when offered a bribe — proved highly embarrassing.

Murtha's history would seem to belie Pelosi's call for "the most honest, the most open and the most ethical Congress in history." But like the Republicans in the Senate, the new speaker seems willing to go only so far in satisfying the voters' appetite for change. If that disappointing pattern persists, Americans who thought they voted for change might echo the title of the Who classic we quoted above: "Won't Get Fooled Again."

Pelosi And Pork (WSJ)

The Wall Street Journal, November 16, 2006

We'll find out when Democrats vote today if Speaker-in-waiting Nancy Pelosi was able to push aside her long-serving deputy in favor of her antiwar friend, John Murtha, as House Democratic majority leader. But an even bigger sign of how Democrats plan to govern is whether they implement the "earmark" reform they campaigned on this fall.

House leadership races are typically inside baseball, but Ms. Pelosi's support for Mr. Murtha is notable as a message of politics as usual. The Pennsylvania Congressman first elected in 1974 was an unindicted co-conspirator in the Abscam probe nearly 30 years ago. As a key Appropriator, he is also a champion of earmarked spending projects and his brother was a renowned earmark lobbyist. If he wins, Democrats will be rewarding his antiwar stance over the need for a cleaner Congress.

All eyes should then turn to whether Ms. Pelosi follows through on her promise to clean up earmarks. So far, she's said the right things about greater transparency that would require every Member to disclose his support for every earmark, which have become such opportunities for corruption. Last weekend she was quoted as saying, refreshingly, that "I'd just as soon do away with all" earmarks.

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The Congressional Research Service counted some 16,500 earmarks in spending bills in 2005, at a cost of nearly $50 billion. Senator Tom Coburn (R., Okla.) says the "real cost" is "probably ten times" greater, because these goodies are the "currency" that Appropriators use to buy the votes to pass bills that might otherwise fail as too costly.

Ms. Pelosi can do something about all this by enacting earmark reform sponsored by two Democrats, Rahm Emanuel of Illinois and Chris Van Hollen of Maryland. Mr. Emanuel ran the Democratic campaign committee this year and talked up his reform all over the country as a way to embarrass Republicans.

Their bill would ban any earmarks stuffed into conference reports that were not previously approved by either the House or Senate. Their reform would also make it illegal for members of Congress or their families "to personally benefit from the awarding of an earmark." And the reform would rule out of order any tax provision designed to benefit any individual or company. Good stuff.

But did Democrats mean it? Some Republicans are already questioning Ms. Pelosi's sincerity. The transparency provision she wants to enact was adopted earlier this year by the Republican House, and at the time she described that effort as a "sham" that "does not save one penny or prevent one earmark." Soon-to-be House Appropriations Committee Chairman David Obey also lambasted GOP earmark reforms as "a fraud," adding that "I don't care if you list the Members who sponsor earmarks" because they are often proud of their pork and because the budget savings would be "miniscule."

By the way, Republicans could also show that they heard voters last week by stripping earmarks from the nine spending bills for fiscal 2007 that they have yet to pass in this lame-duck session. GOP leaders John Boehner and Roy Blunt are seeking re-election with pledges to recommit to a reform agenda based on conservative principles. Earmarking isn't such a principle. But the real hope for reform now lies with the new Democratic majority, and whether it will follow Mr. Emanuel's example, or Mr. Murtha's.

Black Lawmakers In Line For Key Posts (WP)

By Darryl Fears

The Washington Post, November 16, 2006

Three days after workers broke ground for the Martin Luther King Jr. Memorial on the Mall, the Congressional Black Caucus is preparing to break new ground of its own.

Five of its members are poised to take the helm of key House committees when Democrats assume control of Congress next year: John Conyers Jr. (Mich.) of Judiciary, Alcee L. Hastings (Fla.) of intelligence, Juanita Millender-McDonald (Calif.) of House Administration, Reps. Charles B. Rangel (N.Y.) of Ways and Means, and Bennie Thompson (Miss.) of Homeland Security.

Another member, Rep. James E. Clyburn (S.C.), is slated to be named majority whip, which would make him the third-ranking Democrat in the House. Minority Leader Nancy Pelosi (D-Calif.), the presumed speaker of the 110th Congress, has campaigned on his behalf.

"If they accede to that much power, it would truly be the realization of the kind of dream we've been waiting for since the civil rights movement," said Ronald Walters, a University of Maryland political science professor and a former political strategist who is black.

But, said Walters, that is a big "if." The appointment of Millender-McDonald is less certain than those of some of the others, and Hastings faces a steep uphill climb in his bid for the intelligence post because of past ethics problems.

On top of all that, Black Caucus members, who tend to be more liberal, might find it hard to push their traditional social agenda. Conservative and moderate "Blue Dog" Democrats, whose numbers are nearly equal to those of Black Caucus members, have vowed to counter agendas that they deem too liberal.

Rangel, the likely chairman of Ways and Means, which he called the "most important and most powerful" committee, said conservative Democrats need not worry.

"I'm excited to participate in a kinder and gentler Congress," he said. Congress under Republican leadership "was a heavy blow . . . to me personally," he added. ". . . People not talking to each other. It was a nightmare."

For Pelosi, the decision of whether to appoint Hastings as intelligence chairman is something of a headache. Hastings is haunted by accusations that, as a judge, he accepted a $150,000 bribe in exchange for a lenient sentence in a perjury case.

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Hastings was acquitted of bribery and perjury charges by a jury in a criminal trial, but the House impeached him in 1989, and the Senate later removed him from the bench. When Hastings challenged the decision in federal court, a judge, Stanley Sporkin, ruled in his favor and remanded the case to the Senate. The removal was eventually upheld.

One political hurdle for Hastings to overcome in chairing such a sensitive panel as the intelligence committee stems from his long-standing legal debts, which, according to his most recent financial statement, amounted to between $2.1 million and $7.35 million last year. Hastings listed assets worth less than $15,000 in the statement, filed in May.

Pelosi's office declined to comment on Hastings's possible appointment, except to say that he and Rep. Silvestre Reyes (D-Tex.), a member of the Congressional Hispanic Caucus, are vying for the chairmanship. She is already under fire for her decision to support Rep. John P. Murtha (D-Pa.) as majority leader, despite ethical issues in his past.

Black Caucus Chairman Melvin Watt (D-N.C.) said the Hastings decision should be a done deal. "The leadership told us a long time ago that it was going to happen, and I believe it's going to happen," he said.

The caucus was founded in 1969 by 13 members who joined forces to address African American concerns, according to its Web site. In the recent midterm elections, its membership grew in number, to 42, and in diversity, with a Jamaican American, a Muslim and a Buddhist joining its ranks.

The coalition was at the height of its power in 1994, said David Bositis, a researcher for the Congressional Black Caucus, but Republicans seized control from Democrats that year and sank the caucus into obscurity. In recent years, it had to beg members of the Bush administration for an audience it rarely got.

Clyburn, the presumed incoming majority whip, said he will work to stamp out the racial perceptions of black Democrats, particularly among those who said -- on background -- that he is not traditionally suited for the job, which normally goes to a skilled backroom dealer and fundraiser.

"People tend to look at you and pigeonhole you based on what they see," Clyburn said, bristling. " 'I know he can't raise money because black folks can't raise money.' I think I earned this position, and I intend to claim it based on my record."

Blacks Eye Leading 5 House Committees (WT)

By Brian Debose

The Washington Times, November 16, 2006

House Democrats will find out today which positions of power they will wield in the new Congress, and the magic numbers for members of the Congressional Black Caucus are five and 17.

"That sounds about right, based on seniority," said Reps. Bobby L. Rush, Illinois Democrat, and Albert R. Wynn, Maryland Democrat.

The CBC expects at least five committee chairmanships and as many as 17 subcommittee chairmanships to be led by its members in the 110th Congress after a vote by the Democratic Caucus concludes shortly after noon today. But some said the numbers might not exactly reflect seniority alone on the subcommittee seats.

"You select chairmanships based on seniority, but someone in your caucus can challenge a senior member, and they will have five minutes to explain why they should be the chair and then the committee votes on who should fill that seat," said a Democratic staffer.

And much of this could be affected by the battle between Reps. Steny H. Hoyer of Maryland and John P. Murtha of Pennsylvania for majority leader.

House Minority Leader Nancy Pelosi of California backs Mr. Murtha, while Mr. Hoyer has support from many CBC members. That race is becoming extremely contentious and stems from the fight between Mrs. Pelosi and Mr. Hoyer for minority whip in 2001, which Mrs. Pelosi won.

"What can happen is Mrs. Pelosi can decide to throw her support to someone for a chairmanship, which would give that person a lot of sway with the committee members," said the staffer.

House committees that will be chaired by CBC members are:

•Ways and Means: Rep. Charles B. Rangel of New York.

•Homeland Security: Rep. Bennie Thompson of Mississippi.

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•Administration: Rep. Juanita Millender-McDonald of California.

•Judiciary: Rep. John Conyers Jr. of Michigan.

Mrs. Pelosi has said publicly that she would support Rep. Alcee L. Hastings, Florida Democrat, as chairman of the House Permanent Select Committee on Intelligence, but a staffer in Mrs. Pelosi's office said a decision would not come before Congress returns from the Thanksgiving recess in early December.

"We are strongly supporting Alcee Hastings. I don't think there should be any doubt or question about that," said Rep. Melvin L. Watt, North Carolina Democrat and CBC chairman.

There is concern about Mr. Hastings' past ethics problems. He was a federal district judge in Florida before coming to Congress in 1992, but was impeached and removed from his judgeship in 1989 for bribery and perjury despite being acquitted on all charges in a criminal trial, a first in American politics.

Mr. Hastings said he has visited more than 25 intelligence posts around the world in expectation of this "opportunity" and has gotten support from Democratic members of the Florida delegation.

"People around the country are sending Mrs. Pelosi letters and e-mails on my behalf that I have not solicited, and Nancy has not spoken to me about her intentions as yet, but it is all political, and I am hoping to get the job," Mr. Hastings said.

Rep. Jane Harman, California Democrat, is the current ranking member, but there has been tension between her and Mrs. Pelosi, as she is a member of the more conservative Blue Dog Coalition of Democrats, that is friendly with Mr. Hoyer.

She was able to secure her position on the committee, after leaving to run for governor and then returning to Congress, through a deal in which the former ranking member on intelligence, CBC member Rep. Sanford D. Bishop Jr. of Georgia was eased off the committee so Mrs. Harman could take over.

Reid Plotting Agenda (RC)

By Emily Pierce

Roll Call, November 16, 2006

The Senate Democratic leadership team plans a long, laborious slog for the Senate next year even as party leaders continue to formalize their legislative agenda for the 110th Congress — an agenda that already includes a couple of surprises.

At a breakfast with reporters Tuesday, incoming Majority Leader Harry Reid (D-Nev.) warned that the "do-nothing" Congress, as his party has labeled recent Republican rule in the chamber, will soon be over.

Promising to "work long hours," Reid said that "we're going to work more than just Tuesday, Wednesday and Thursday until noon."

Democratic leaders indicated they were keenly aware that this month's elections, in which they won a majority in both chambers for the first time in 12 years, could be just a flash in the pan if they do not deliver on their campaign promises.

Democratic Senatorial Campaign Committee Chairman Charles Schumer (N.Y.) acknowledged that the 2006 elections were "largely a rejection of George Bush," and not necessarily a full embrace of Democratic policies. But he added that voters "are giving us a chance, and our job over the next two years is to close the deal."

To that end, Reid outlined some of his top legislative priorities for next year, which include an effort to "do everything we can to make elections more civil."

Principally, Reid said that would mean passing a bill to create criminal penalties for election fraud, including offenses such as voter misinformation campaigns carried out by robo-calls and misleading flyers.

Noting that such tactics were used in both the Missouri and Maryland Senate races, Schumer said, "I think the person or people who authorized that should go to jail for 10 years." Currently, civil fines usually are the most serious penalty assessed for such ploys. Schumer added that a separate unit should be created within the Justice Department to deal with cases of election fraud.

Reid said the election measure likely would be one of the first 10 bills Democrats introduce next year — an indication of the high priority the party places on the issue.

Reid also indicated that he wants to rein in independent campaign expenditure groups, known as 527s, even though many of them have helped Democrats even out the edge in hard-dollar fundraising that Republicans have typically enjoyed.

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"We're going to have to take a real close look at 527s," said Reid, acknowledging that some in his party may not like it.

As they assess the rest of their agenda — much of which they already have talked about in broad terms — Democratic Senators and aides said choices still have to be made about what specific legislation should be included under the rubric of their election-year themes of energy independence, modifying the Medicare prescription drug benefit, making college more affordable, raising the minimum wage, passing terrorism prevention measures and protecting employee pensions.

"We're going to be working on that over the next several weeks," said Sen. Patty Murray (Wash.), who was elected this week to serve as secretary of the Democratic Caucus.

Murray added that the party leadership would be consulting with all the incoming chairmen of Senate committees and would be "working with the entire Caucus to put that together."

Reid also indicated that he would be deferential to members of the Caucus, and chairmen in particular, on many legislative issues, saying, "I believe in the committee system."

On the Medicare prescription drug benefit, Democrats already have said their main concern is to give Medicare officials the ability to use the government's buying muscle to negotiate lower prices for medicines. However, Democrats may want to couple legislation to do that with bills allowing the importation of prescription drugs from Canada or eliminating the coverage gap (also known as the "doughnut hole") that some Medicare beneficiaries are experiencing with the drug benefit.

On college affordability, Democrats have been pushing to lower student-loan interest rates, but that could be attached to a proposal to expand Pell Grants, among other things.

Reid said he already had begun talks with incoming Senate Minority Leader Mitch McConnell (R-Ky.) about how to press forward with legislation implementing the recommendations of the 9/11 commission, which outlined ways in which the government could make the country safer following the devastating terrorist attacks of Sept. 11, 2001.

But Reid acknowledged that he may not be able to secure enactment of the entire package of recommendations and noted that some have already become law.

"I'm not going to say we'll do all of them, but we certainly need to do most of them," he said. "We'll move forward as expeditiously as possible in enacting those."

While immigration and trade are unlikely to make the Democrats' top-10 list, party leaders said they would still address the issues as they crop up.

On immigration, Reid said the comprehensive approach that passed the Senate earlier this year would likely be the model for any Democratic reforms to the system.

As for trade deals, Democratic leaders indicated that such pacts would get more scrutiny under now that they are in power.

New Majority Whip Dick Durbin (D-Ill.) said he voted for free trade pacts, such as the North American Free Trade Agreement, but now feels "betrayed."

"We have not created enforceable agreements," Durbin said.

Meanwhile, Democrats are still looking to push a lobbying and ethics reform bill that includes a provision requiring Senators to acknowledge their pet projects, or earmarks, in spending bills, Reid said.

Reid also promised to institute strict internal budget rules, known as pay as you go, and to repeal tax breaks for major oil companies that have seen record profits in recent years.

In addition to charting the waters Democrats want to traverse, Reid also talked a bit about what Democrats won't be doing. He said talk within his party of removing Bush from office was easily quelled by the realization of who would succeed him.

"One of the things we're able to cut off pretty quickly was the 'impeach Bush'" talk, Reid said. "That was because of two words: Dick Cheney."

Time Of Testing For Harry Reid (WP)

By David S. Broder

The Washington Post, November 16, 2006

DOJ_NMG_0095125

When Virginia Sen. George Allen conceded to Jim Webb last week, giving the Democrats their 51st seat in the Senate, the responsibility for the work of the legislative branch shifted definitively -- and a potential weak point for the new majority was exposed.

Hours earlier it became clear that the Democrats had won a majority in the House of almost the same size that Republicans had enjoyed for the past two years -- a working margin large enough to support a fairly ambitious agenda. Nancy Pelosi, who will be speaker of the House, has the personal strength and political skills to hold that majority together at least as well as Dennis Hastert did in his time at the helm. House rules favor majority control, so Pelosi can be generous toward the minority without jeopardizing her chances of success.

The 51-49 Senate is a very different proposition. As Republicans learned to their chagrin in the past few years, it takes 60 votes to accomplish almost anything controversial or substantive in the Senate -- the number needed to bring debate to a close and force an up-or-down vote. That means persuading or pressuring at least nine Republicans to go along. Otherwise, Sen. Mitch McConnell, the crafty Kentuckian elected to be the Republican minority leader, will have veto power over legislation -- before it goes to the White House, where President Bush will wield a veto pen of his own.

That reality puts an enormous strain on Harry Reid, the Nevadan who has struggled these past two years to master the less arduous duties of Senate minority leader. The risk for Democrats is that Reid may not be up to the challenge.

We saw how weakness in the majority leader could hurt a party in the recent example of Sen. Bill Frist. More than once Frist was unable to hold his own troops together on big issues or to thwart Reid and the Democrats when they built roadblocks to administration bills. Now the situation is reversed, and it is Reid who will be tested.

The modern Senate is a haven for freelancers, for senators who play to national constituencies outside the Capitol and whose energies are focused on their personal ambitions. That is especially true during the presidential campaign season, which unfortunately is already upon us.

The Senate is chockablock with presidential wannabes. On the Democratic side, they include the leading contender, Hillary Rodham Clinton of New York, as well as Evan Bayh of Indiana, Joe Biden of Delaware, Chris Dodd of Connecticut, Barack Obama of Illinois and -- in his own mind, at least -- John Kerry of Massachusetts. On the Republican side, the potential leading candidate, John McCain of Arizona, has many friends, among them such influential and ambitious senators as Chuck Hagel of Nebraska, Trent Lott of Mississippi, Lindsey Graham of South Carolina and John Sununu of New Hampshire. Another possible candidate is Sen. Sam Brownback of Kansas, who represents the religious right.

In addition to those egos and ambitions, Reid will have to contend with a few real mavericks and independent spirits in his caucus. Sen. Joe Lieberman of Connecticut, elected last week as an independent Democrat after losing his party's primary to Ned Lamont, has reiterated his intention to follow his own path rather than accept party discipline. He has staked out a position on Iraq -- opposing any timetable for withdrawal -- that is at odds with the prevailing inclination of the new majority.

And Webb, the man who gave the Democrats that majority, will now give their leadership anxious moments. A newcomer to elective politics and resentful of the conventions and demands of the political game, Webb is also a newcomer to the Democratic Party. His previous government experience was as Navy secretary in the Reagan administration. His campaign showed him to be a populist on economic issues and a sharp critic of U.S. involvement in Iraq -- but often unpredictable or uncertain about other questions. Most of all, he resisted being managed or directed, so Reid will have to handle him with kid gloves.

As minority leader, Reid was remarkably effective in keeping the Democratic caucus united but far less successful as a public spokesman for his party. His partisan comments were often too sharp, his television appearances less than commanding. In his new role, he will be far more exposed, and his flaws more conspicuous.

With a House majority and nominal control of the Senate, the Democrats will be expected to deliver on their promise to bring the Iraq war to some kind of conclusion and redirect domestic policy to the benefit of the middle and working classes.

That is a large order for the Senate Democrats and their tiny majority -- and their leader, Harry Reid.

Can The Democrats Deliver? (WP)

By Robert J. Samuelson

DOJ_NMG_0095126

The Washington Post, November 16, 2006

Among Washington lobbyists, policy analysts, congressional staffers and journalists, the game last week was to figure out how the Democrats' capture of Congress will refashion legislative agendas. One answer is that we won't know until the leadership sets its political strategy, canvasses its members and consults interest groups. Another answer is: Temper your expectations. Even forgetting possible vetoes by President Bush, the Democrats have less leeway to alter policy than their rhetoric implies.

Although Democrats didn't promise much -- they benefited heavily from unhappiness with the war in Iraq -- they still succumbed to exaggeration. Their sound bites ran ahead of plausible solutions. Consider three familiar themes. Bush's tax cuts for the wealthy; inaction on the minimum wage; and Republican opposition to negotiating Medicare drug prices with the pharmaceutical companies. All are of a piece: The Republicans are lackeys for the wealthy business class; they don't care much about the poor.

But what can the Democrats do? Let's see.

Â· Tax cuts for the rich. Yes, Bush and Congress cut the top two income tax rates from 39.6 percent and 36 percent under Bill Clinton to 35 and 33 percent. They also cut the top tax rate on capital gains (mostly stock profits) from 20 percent to 15 percent and the top rate on dividends to 15 percent (before, dividends were taxed as ordinary income with rates up to 39.6 percent). Because stock ownership is heavily concentrated among the rich, they benefited most from these cuts.

Suppose Democrats repealed them. The top rate would revert to 39.6 percent -- and so on. Given the Democrats' thunderous denunciation of these tax cuts, you might imagine that budget deficits would vanish and there'd be more money for health and education spending. Well, no. In fiscal 2007 and 2008, federal revenue would increase $42 billion and $63 billion, estimates the Tax Policy Center of the Urban Institute and Brookings Institution. Though big sums, they don't even cover the deficits. The Congressional Budget Office projects these at $286 billion (2007) and $273 billion (2008).

Note: Most of Bush's tax cuts expire at the end of 2010, but Democratic leaders haven't pledged to repeal the tax cuts for the rich before that -- and they have pledged to protect Bush's middle-class tax cuts. Even undoing all of Bush's tax cuts probably wouldn't eliminate budget deficits. Altogether, the tax cuts cost the government about $200 billion annually, estimates the congressional Joint Committee on Taxation.

Â· The minimum wage. It hasn't changed since Sept. 1, 1997, when it went to $5.15 an hour. Looks bad for the Republicans. Democrats say they'll increase it immediately, possibly to $7.25 in two steps by 2008. Unfortunately, the minimum wage isn't a powerful way to help the poor.

One problem: If you raise the minimum wage too much, you destroy jobs for the young and unskilled -- the people you're trying to help. Companies won't pay workers more than they're worth. Another problem: Higher wages won't help many poor families, because 40 percent have no workers and 35 percent have only part-time or part-year workers. Finally, many workers with wages around the minimum aren't poor. They're young or part-time workers from middle-class families.

Economist Jared Bernstein of the Economic Policy Institute, a liberal think tank favoring a higher minimum wage, thinks that almost 15 million workers might get a pay increase if the minimum wage went to $7.25. That would represent about 10 percent of all workers and would include those now at the minimum (1.9 million), those between the old and new minimums (4.7 million) and some just above the new minimum (8.3 million). But less than 40 percent of the wage gains would go to the poorest fifth of households.

Â· Drug prices. Democrats will move to lift the prohibition against the government negotiating directly with pharmaceutical companies over drug prices paid by Medicare. Some Democrats want to use the savings to expand benefits, but just how much could be saved is in dispute. The Department of Veterans Affairs already negotiates directly with drug companies. A study by Families USA, a liberal advocacy group, contends that the VA's prices on major drugs are 48 percent lower than Medicare's.

The administration says the comparison is misleading. The VA program serves a smaller population (4.4 million vs. 23 million for Medicare), and drug companies wouldn't provide such steep discounts for a bigger program. Moreover, the VA often gets lower prices by offering only one drug in a class -- and running a competition among suppliers. Medicare wants to provide more choice. Direct negotiations couldn't be easily grafted onto the existing drug benefit, which uses insurance companies. The insurers, the administration says, have already negotiated low prices.

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Even if more savings could be had, they shouldn't be used to expand coverage. Over the next decade, the CBO estimates that the drug program will cost $900 billion; none of that is covered by dedicated taxes. Expanding coverage could worsen budget deficits. For example, the CBO has informally estimated that closing the "doughnut hole" -- a coverage gap in many Medicare drug plans -- would cost $450 billion more over the decade.

On domestic policy, Democrats have few big opportunities. This creates a dilemma. They can either concentrate on symbolic acts (the minimum wage, the drug benefit) that sharpen their differences with Republicans. Or they can find less controversial matters, where cooperation seems possible, to advertise their fitness to govern and their credentials as centrists. It will be difficult to do both. There's only one solace -- the Republicans face the same dilemma.

Pension Deficit Narrows At PBGC (WP/AP)

By Jeannine Aversa

The Washington Post/AP, November 16, 2006

The federal agency that insures private pension plans for millions of Americans logged a deficit of $18.1 billion this year, a big improvement from last year as a new law helped to put the agency on better financial footing.

The deficit for the 2006 fiscal year reported by the Pension Benefit Guaranty Corp. yesterday was down from a shortfall of $22.8 billion recorded in 2005 and a record $23.3 billion in 2004.

"The PBGC's financial condition appears to have stabilized for the time being," said Vincent K. Snowbarger, interim director of the agency, which insures pensions for 44 million workers and retirees.

The agency disclosed in its annual report to Congress that as of Sept. 30 it had assets of $60 billion to cover liabilities of $78.1 billion.

The PBGC attributed the shrinking deficit mainly to a provision in the new pension law that gives airlines that are in bankruptcy protection and have frozen their pension plans extra time for their pension plans to become financially whole. That led to a sharp reduction in probable liabilities on the agency's balance sheet, the agency said.

"From the individual worker's standpoint, you are still looking at a big deficit," said Greg McBride, senior financial analyst at Bankrate.com. "The message here is even if you have a pension, you still need to save on your own because the health of that pension when you go to retire could be tenuous."

The report comes as Americans are feeling anxious about their retirement security. In recent years, the number of ailing companies turning their pension liabilities over to the PBGC has exploded. The problem has been especially pronounced in industries such as steel and the airlines, which are heavily unionized.

Organized labor wants the new Democrat-controlled Congress, which will convene in January, to provide more pension protections, including for defined-benefit plans, which are increasingly being replaced by 401(k) plans.

The PBGC was created in 1974 as a government insurance program for traditional, defined-benefit pension plans. Those plans give retirees a fixed monthly amount based on salary and years of employment. Companies that sponsor these traditional pension plans pay insurance premiums to the agency. If a company can't support its pension obligations, the agency takes over the plan and pays promised benefits up to certain limits.

The maximum annual benefit for plans taken over in 2006 is $47,659 for workers who wait until 65 to retire. Workers who retire before 65 get smaller benefits.

Traditional pension plans are still underfunded but not by as much as in the past, the agency said. These pensions now are underfunded by $350 billion, compared with $450 billion last year. Higher interest rates, a better-performing stock market, improved credit ratings and better plan funding by some companies were among the factors that helped narrow the gap, economists said.

President Bush signed a bill in August to shore up funding for traditional pensions. Supporters hope the changes will help prevent a multibillion-dollar taxpayer bailout of the PBGC.

In addition to insurance premiums paid by companies, the PBGC's operations are financed by money it earns from investments and funds from pension plans it takes over. The agency is not financed through tax revenue.

Government Admits Improper Farm Payments (AP-Y)

DOJ_NMG_0095128

By Libby Quaid, Ap Food And Farm Writer

AP, November 16, 2006

The Agriculture Department on Wednesday acknowledged making improper payments to farmers worth more than $2.8 billion last year.

Officials explained that most of the payments involved missing or incomplete paperwork.

"We take this very seriously," said Chuck Christopherson, the department's chief financial officer. "We know this is something that we can address and that we can fix."

Federal law requires agencies to track erroneous payments, such as checks sent to farmers who were not eligible for a particular program, or payments for the wrong amount of money.

The amount of improper payments in fiscal 2006 was about 11 percent of farm program payments, the department said. The fiscal year ended on Sept. 30.

Officials said nearly all of that, 10 percent, was because of missing or incomplete paperwork. As of last year, officials included in their tracking payments for which paperwork was missing or incomplete, such as a form that went unsigned.

"While I certainly take seriously our jobs to ensure that every T is crossed and every I is dotted, I believe it's noteworthy to distinguish between the two types of errors here," said Teresa Lasseter, administrator of the Farm Service Agency, which runs most farm programs.

FSA is pursuing a plan to consolidate more than 2,300 county offices in an effort to modernize a Depression-era network with too few trained employees and some computers so old they can't connect to the Internet.

The local offices are where farmers sign up for government payments and loans.

"We can't really tell you that smaller-staffed offices or larger-staffed offices fared any better" at preventing improper payments, Lasseter said. "But certainly, better-trained staff with more tools to do their jobs would help us."

The department found fewer than 1 percent of improper payments in its farm programs in 2005, but it tracked fewer programs, reviewing about $38 billion in payments, versus $65 billion in 2006.

Separately, the department found $1.6 billion in improper payments made through the food stamp program. That amount was about 5.84 percent of all payments, Christopherson said, down from 5.88 percent a year before.

In April, the department's inspector general said the agency loaned $9 million over six years to farmers who shouldn't have gotten loans. The audit followed a 1999 report by the inspector general that identified $24.1 million in improper or questionable loans.

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On the Net:

Agriculture Department: http://www.usda.gov

Rumsfeld Adviser Leaving For Think Tank (AP)

AP, November 15, 2006

Defense Secretary Donald H. Rumsfeld's top international policy adviser is leaving his post, in the first announced Pentagon departure since the secretary's resignation last week.

Peter W. Rodman, the assistant secretary of defense for international security affairs, will join the Brookings Institution as a senior fellow. Rodman's move has been in the works for months and was not triggered by Rumsfeld's resignation, according to Pentagon press secretary Eric Ruff.

Rodman, who began his career in government as an assistant to Henry Kissinger, has worked in five presidential administrations, including stints at the National Security Council and the State Department.

He has served as Rumsfeld's senior adviser on security strategy and policy involving the Middle East, Asia and Europe. He traveled recently with Rumsfeld on diplomatic visits to China and southeast Asia.

Rodman will be working with the Foreign Policy Studies Program at Brookings in the new year.

No date has been set yet for Rumsfeld's departure. President Bush has chosen former CIA director Robert Gates to replace Rumsfeld, and the Senate is expected to conduct a confirmation hearing as soon as next month.

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Pentagon's Travel System Is Hardly Used (AP)

By Larry Margasak

AP, November 15, 2006

The Defense Department's computerized travel reservation system has turned into a half-billion-dollar fiasco, so flawed that only 17 percent of the travelers are using it as intended, Senate investigators say.

The system was designed as the Pentagon's version of an Internet travel site, where flights, hotels and rental cars can be booked without the need for fee-based travel agents.

The Senate's Permanent Subcommittee on Investigations, in checks this year of 41 military installations and the Pentagon, found that 83 percent of travelers have been contacting professional travel agents first — and then using the new system to book the travel afterward.

At the Pentagon, less than 20 percent of travelers used the Defense Travel System as intended. Virtually no travelers used the system at Dugway Proving Grounds in Utah, and Fort Leavenworth, Kan., investigators found.

Once the computer system is activated at an installation, the travelers must use it to make their reservations, the Pentagon said.

Travel agents told the subcommittee they could have booked everything in five minutes. Investigators said using the two-tiered method could take a half-hour, adding that the new system is missing flight and hotel information and does not always provide the cheapest options.

The investigators and Congress' Government Accountability Office are now questioning the Pentagon estimates of how much it saved by replacing the old paper form system with the expensive computerized one.

A senator plans legislation to force the Pentagon to use travel agents, saying military staff is wasting too much time using the cumbersome new system and therefore erasing any cost savings.

Sen. Norm Coleman, R-Minn., chairman of the investigative panel, said the Pentagon's idea of eliminating travel agents "would be the same as directing all DoD personnel to speak Arabic in order to save money on translation services. DoD is claiming the savings from reduced travel agent fees without considering the cost of having the troops do the work."

Pentagon officials insist the new system is working fine.

"If my boss said I had to leave in a couple of hours, I could do that," said Marine Maj. Stewart Upton, a Pentagon spokesman. "The future is in Internet booking. The system is effective, it's efficient, it gives you options on airlines, rental car agencies and hotels. We're very impressed."

For 2006, the Pentagon estimated savings at between $13.9 million and $33.4 million. After 2007, the savings would range between $56 million and $177 million annually, with recent estimates supporting the higher figure, the Pentagon said.

But the cost of the Defense Travel System has skyrocketed, from an initial estimate of $263 million to $474 million.

The subcommittee investigated about 755,000 trips from January through September this year. Besides failing to find all the necessary flight and hotel information, the system is unable to process two-dozen categories of temporary travel, including trips by National Guard and Reserves troops, the subcommittee found.

Coleman said further efforts to save the computer system are a waste. "I am appalled that DoD did not pull the plug on the travel function" of the new system long before now, he said.

The contract was awarded in 1998 to a company that is now part of Northrop Grumman Mission Systems.

Detroit And Bush (WSJ)

The Wall Street Journal, November 16, 2006

Auto executives from the Big Three finally got their sit-down with President Bush this week, where they (surprise!) pleaded for federal relief. The press billed it as a meeting between the President and "American" car makers, which is true as far as it goes. But what does it mean to be a domestic auto manufacturer today, and do Ford, General Motors and DaimlerChrysler alone still speak for the industry?

The Big Three still dominate U.S. auto production, but foreign makers continue to gain market share, currently accounting for some 40% of all passenger cars and light trucks sold in the U.S. Foreign auto makers also continue to invest and expand their

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presence stateside. In 2004 foreign-owned plants in the U.S. accounted for nearly 29% of all vehicles produced domestically; in 1984 it was less than 3%. Auto imports are rising, but they remain lower than they were at their peak in the 1980s.

In a study published earlier this year, the Cato Institute's Daniel Griswold and Daniel Ikenson report that each of the top 10 selling cars and trucks in the first half of 2006 is produced at U.S. facilities. "Toyota Camry, Honda Accord, Chevy Impala (GM), Ford Taurus, Nissan Altima, Ford Explorer, Chrysler Town & Country, and other models that round off the most popular 20, regardless of the location of company headquarters, are produced in U.S. plants by American workers who contribute to the local, state, and national economies through their employment, expenditures, and taxes," the authors note.

All of which suggests that the U.S. auto industry as a whole is healthy and that the troubles of GM, Ford and Chrysler are by and large unique to those Detroit players. This is an important distinction, because the auto executives who met with Mr. Bush are keen to present their current woes as industry-wide. And the Big Three are counting on Michigan's Democrats in Congress, who now find themselves in the majority, to help make the case.

GM posted a $10.6 billion loss last year and has closed plants and offered union-worker buyouts. Ford is downsizing its workforce in the wake of weak sales. Both companies are responding to self-inflicted wounds that result from weak product lines, plus labor deals with the United Auto Workers that include generous benefits and pensions, as well as GM's notorious Jobs Bank that pays thousands of workers for not working. GM is paying for the health care of more retired workers (and their dependents) than of active employees.

These legacy costs, which don't burden foreign competitors, are gobbling up cash at the Big Three and explain their eagerness to seek political benediction. Mr. Bush had been resisting their overtures and appears to be standing his ground, agreeing to little more after this week's meeting than a "continuing dialogue." But with Michigan Democrats Carl Levin and John Dingell filling leadership posts, there's likely to be increased pressure for some kind of government aid. And if these Democrats have their way, that will involve some taxpayer assumption of legacy costs.

The President's inconsistency on bailouts won't help matters. The airlines have received between $15 billion and $20 billion in cash to help keep them afloat in the wake of 9/11. And in 2002 the Bush Administration enacted steel tariffs, even as large bankrupt steel firms dumped their own legacy costs on the federal Pension Benefit Guaranty Corporation.

Detroit auto makers are angling for a similar deal, but it would only retard the necessary if painful transformation that is currently taking place at the Big Three. It would also reward bad management decisions -- and union intransigence -- by allowing car companies to toss health care costs over to taxpayers.

Claims that U.S. auto manufacturers are at a competitive disadvantage due to an undervalued Japanese yen also don't hold up. Last year, both the Treasury and Federal Reserve looked into accusations of currency manipulation and found no evidence that it was taking place. Over the past three years the Japanese yen has appreciated against the dollar by about 12%. In any case, the value of the yen has nothing to do with GM competing with the Hondas made in Marysville, Ohio.

With respect to Korea, a huge country with a closely protected auto market, the Big Three have a trade point. But the proper government response is to urge Korea to open its markets more, not to reply in kind. And, by the way, the car makers are also right about U.S. anti-dumping trade laws, which steel makers and their lawyers have used to raise domestic steel prices. How about Democrats and Mr. Bush calling for the repeal of those laws?

GM, Ford, Chrysler and their enablers in the new Congress would have you believe otherwise, but outside of Michigan the U.S. remains a great place to produce vehicles. Consumers have more choices in what to drive and better quality than ever. And prices are competitive. Government intervention in a market this healthy can only increase the chances that it won't stay that way.

OTHER NEWS:

Fed Points To Soft Landing For Economy (FT)

By Krishna Guha And Michael Mackenzie

Financial Times, November 16, 2006

Federal Reserve policymakers are becoming a little more confident about their ability to engineer a soft landing for the US economy, minutes published on Wednesday reveal.

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The minutes, from the last Fed policy meeting on October 25, show that most Fed policymakers thought the downside risks to growth had "diminished a little" since the previous meeting, while some thought the upside risks to inflation had also declined, though "only slightly".

However, the outlook for both inflation and growth remains very uncertain.

Policymakers underscored that – not withstanding weak third quarter growth – they are still focused on the risks to inflation, sounding, if anything, more hawkish than in the previous minutes for September.

All members of the committee "expressed concern about the outlook for inflation" and all "agreed that the risks to achieving the anticipated reduction in inflation remained of the greatest concern."

They talked openly about the need to assess whether they should be raising rates at the next policy meeting in December.

Stocks rallied after the minutes were released, while the futures market priced in a reduced probability that the Fed would cut interest rates early next year.

"They are telling us that they are certainly not leaning that way right now," said Peter Hooper, chief economist at Deutsche Bank Securities.

Tom Di Galoma, head of trading at Jefferies & Co, said the Fed's tough talk would "up the ante" ahead of today's consumer price inflation report.

The minutes show that Fed policymakers viewed the weakness in the third quarter "broadly as anticipated."

While growth had slowed a bit more abruptly than they expected, they attributed this to "temporary influences" that would not have an ongoing effect on economic activity.

Many Fed policymakers "drew some comfort" from recent housing market data. With retail spending "relatively robust" the housing slowdown "also did not seem to be spilling over into consumer spending."

Most expected core inflation to "edge lower" as pressure from past increases in energy prices waned, shelter costs slowed and pressure on overall levels of resource utilisation eased a little.

The committee noted that "recent changes in core prices had declined slightly from earlier in the year."

However, the labour market was "tight" and presented an upside risk to inflation.

There were hints that the patience of some committee members is being stretched.

Fed Keeps Policy Attention Firmly On Inflation (WSJ)

By Greg Ip

The Wall Street Journal, November 16, 2006

WASHINGTON -- Federal Reserve officials remain firmly focused on inflation, minutes of their last policy meeting show, suggesting that a near-term cut in interest rates remains unlikely. Since the Oct. 24-25 meeting, markets have begun to see a greater probability of a rate cut by May, in part because of softer-than-expected data on wholesale prices, manufacturing activity and retail sales.

Still, the meeting minutes, released yesterday with the usual three-week lag, suggest the central bank is sufficiently preoccupied with inflation that the latest data would have little effect on its rate intentions.

Lou Crandall, chief economist at Wrightson Associates, said the pattern in recent months has been for investors to mark up the odds of a rate cut on economic data, then mark them down on commentary from the Fed, such as speeches or statements. Investors, he said, are "overreacting to the bond-friendly news and underreacting to the unfriendly news."

Bond-friendly news is news that suggests lower interest rates.

At the October meeting, the policy-making Federal Open Market Committee left its target for short-term interest rates at 5.25%, where it has stood since late June.

At that meeting, "most" committee members felt "downside risks to economic activity had diminished a little, and likewise some members felt that the upside risks to inflation had declined, though only slightly," the minutes said. "All members agreed that the risks to achieving the anticipated reduction in inflation remained of greatest concern."

They noted that a lot of economic data would be released before the next meeting, on Dec. 12, to help decide "whether any additional firming was needed to address those risks." Even though another rate increase appears unlikely, the fact that officials

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see their choice as between an increase or no change suggests that odds of a near-term rate cut are remote. Thus, the Fed could stay on hold for some months to come.

Even though monthly core inflation rates, which exclude food and energy, have moderated from earlier this year, inflation is still higher than what most Fed officials would define as "price stability." Some define price stability as inflation of about 2%, some as 1% to 2% and some wouldn't put a number on it.

Nonetheless, "nearly all participants viewed the current rates of core inflation" -- between 2.4% and 2.9%, depending on the price index used -- "as uncomfortably high and stressed the importance of further moderation."

The minutes said FOMC members expect core inflation to decline, as the indirect effects of the retreat in energy prices feed through to other goods and services, and the cost of housing ceases to be a source of upward pressure. They also said the decline in housing activity is unfolding as expected and that the "risk of an even larger contraction in this sector had ebbed." Some, however, fretted that it could yet spill over to other areas of consumer spending.

While the October meeting was lengthened to two days to discuss improving its communications with the public, little progress was made on that front. Members debated the merits of an explicit numerical objective for inflation -- what they used to call an inflation target -- but selecting such an objective "raised a number of complex and interrelated issues that required considerable further discussion."

Fed insiders have said setting an inflation objective raises questions about what number to use, whether to pick a single number or a range, what time period, if any, in which to commit to achieving that number, and how to update the public on progress toward that objective, such as through a forecast.

Write to Greg Ip at greg.ip@wsj.com2

Fed Bankers All Show Inflation Concerns (USAT)

By Barbara Hagenbaugh

USA Today, November 16, 2006

WASHINGTON — Investors and others hoping for an interest rate cut from the Federal Reserve early next year may be disappointed.

Minutes from the Fed's meeting three weeks ago show that “all” of the central bankers were concerned about inflation and said the risks that price pressures would not diminish were “of greatest concern.”

That, along with fading concern among Fed members about a softening in economic activity, suggest the Fed is nowhere near cutting interest rates, Lehman Bros. chief U.S. economist Ethan Harris says.

“We're a long way from an ease based on what the Fed is saying,” says Harris, who anticipates the Fed will actually raise rates in the first quarter in order to stem inflation pressures.

Recent data on prices have suggested that inflation pressures have eased in recent months. That has led to increased expectations that the Fed would be cutting interest rates early in 2007.

Expectations for a rate cut in the first quarter of 2007 peaked Oct. 4. Investors in a market in which participants bet on future Fed moves at that time were pricing in a nearly 80% chance that the Fed would cut rates in March, the second meeting in 2007, according to Moody's Economy.com.

But those expectations have eased. The odds of a rate cut in March fell to 18% following release of the Fed minutes Wednesday, down from 28% earlier in the day.

Stock prices gave back some of their earlier gains after the minutes were issued midafternoon Wednesday as expectations of a rate cut eased.

The Fed in particular noted that a tight labor market could lead to a “sustained increase in wage pressure,” and thus inflation. Although high profit margins meant some companies could absorb the added wage costs, rather than raise prices, that was by no means a given.

“All meeting participants expressed concern about the outlook for inflation,” the minutes said. “Participants were concerned that inflation expectations could begin to drift upwards if core (excluding food and energy) inflation remained elevated for a protracted period.”

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Although “most” of the Fed officials expected inflation to ease, “they were quite uncertain as to the likely pace and extent of that moderation,” the minutes said.

Economists at Moody's Economy.com still expect the Fed will cut rates twice in the first half of 2007. A softening economy will lead to a weaker job market and a reduction in inflationary pressures, says Dan Jester, associate economist at the economic consulting firm.

The Fed left its target for short-term interest rates, which influence borrowing costs across the economy, steady at its meeting last month, marking the third-consecutive meeting without any changes. Fed officials previously raised interest rates at 17 consecutive meetings. The current target, at 5.25%, is the highest in nearly six years.

Fed Chairman Ben Bernanke and his colleagues next meet to discuss interest rates on Dec. 12. Investors are expecting the Fed will keep rates unchanged next month, as well as at the following meeting in January.

What Slowdown? Stocks March On To Fresh Highs (WSJ)

By Peter A. Mckay

The Wall Street Journal, November 16, 2006

Investors bid stocks to fresh highs, their hopes for a less-than-traumatic economic slowdown buoyed by newly released comments by Federal Reserve policymakers.

Minutes from Fed officials' October meeting showed that the central bank's rate setters still are concerned about whether inflation will indeed slow in the months ahead as they have projected. But the minutes also portrayed the housing market's slowdown as orderly, saying the risk of a steeper downturn had "ebbed."

The Dow Jones Industrial Average rallied 33.70 points, or 0.3%, to a record 12251.71, up 14.3% on the year. Shares in Altria Group, one of the blue-chip average's largest individual components, rose 1.3% after Goldman Sachs upgraded its rating on the company to "buy" from "hold."

The broad Standard & Poor's 500-stock index crossed 1400 for the first time in more than six years but finished shy of that psychologically important number. The index ended 0.2% higher, up 3.35 points at 1396.57, its highest close since Nov. 9, 2000, and up 11.9% on the year. It still would have to rise more than 9% to top its record set in early 2000.

The technology-heavy Nasdaq Composite Index rose 0.5%, or 12.09 points, to 2442.75, up 10.8% on the year. It was the best close since Feb. 15, 2001, though the index would have to more than double to reach a new record.

"We're seeing a self-fulfilling prophecy take place in the market right now," said S&P strategist Sam Stovall. "You have money managers saying, 'I don't want to be left behind,' " while their competitors rack up big year-end gains.

An $8 billion offer by US Airways Group to acquire Delta Air Lines also helped the market, especially the transportation sector. But on a downbeat note, crude-oil prices rose on supply concerns.

Contracts for December delivery rose 48 cents, or 0.8%, to $58.76 a barrel, still off 2.8% on the year at the New York Mercantile Exchange.

In other economic news, the Fed's New York branch released results of this month's Empire State Manufacturing survey, which showed surprisingly strong industrial activity in the state. Contrary to analysts' expectations for a monthly drop in the survey index, it rose this month to 26.66, the highest reading since June.

Today, the market will receive fresh data on inflation at the consumer level, which could set off another round of heated speculation about the Fed's next move. Analysts expect the government's Consumer Price Index to show a 0.2% increase in October, not including volatile food and energy prices.

In major U.S. market action:

Stocks rose1 and bond prices fell2: The 10-year note fell 11/32 point, or $3.44 for each $1,000 invested, pushing the yield up to 4.619%. The 30-year bond fell 16/32 to yield 4.697%.

The dollar was mixed3. Against the Japanese currency, the dollar rose to 118.04 yen, compared to 117.51. The euro rose to $1.2826, compared to $1.2822.

Write to Peter A. McKay at peter.mckay@wsj.com4

In Second Coal Rush, New Mind-Set In The Mines (WP)

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By Dale Russakoff

The Washington Post, November 16, 2006

COULTERVILLE, Ill. -- Billy Vandom was 220 feet underground, but to him, it was the top of the world. He is a coal miner, a species of well-paid American worker that was on the verge of extinction in these parts for more than a decade.

Now global economic forces have realigned, and coal mining is back. And a new generation of miners is living the good life not seen here since coal was king.

"I was able to buy me a new truck and I got my wife a new car," said Vandom, 22, from the helm of an enormous ram car, hauling tons of freshly mined coal through the low-lit darkness of the Gateway Mine here. "We have a new baby boy, and we moved into a new apartment and we fixed up a nice room for him."

Vandom has gone from struggling to pay bills with two low-wage jobs -- cooking at the Elks club and changing oil at the local Pennzoil -- to making $20 an hour plus benefits.

Those are union wages, but there is no union here. As the industry withered east of the Mississippi River, so did the United Mine Workers of America -- from 167,000 active members in 1980 to 16,000 today. The shift is profound in Southern Illinois, where being a miner used to begin with pledging allegiance to the UMWA for leading miners into the middle class.

Now the union is trying to come back, too, beginning with an organizing campaign targeting Peabody Energy Corp., owner of the Gateway Mine and the world's largest coal company.

It is proving to be a tough slog, and not just because the weakened union is up against a multibillion-dollar company. The UMWA is struggling to bridge a gap between young workers like Vandom, giddy over high wages in this long-depressed region, and older ones focused on pensions and gold-plated health care in retirement.

It is the same generational divide that defines the national debate over Social Security, but it is starker here because there is no one in the middle. As Midwestern coal production crashed in the 1980s and 1990s, young workers fled. People here refer to a "lost generation of miners." At Gateway, as at mines throughout the area, almost everyone is over 50 or under 30.

It falls to UMWA organizer Ron Huff to try to straddle the generation gap. He said he is making headway with middle-aged miners but very little with younger ones.

"All they can see is the money," he said. "I was the same way when I was their age."A Generation Gap

The miners here come not only from different generations but different worlds. Those in their 50s mostly began mining as union men from union families, following grandfathers, fathers and uncles.

Their towns erected memorials to men who died in mine accidents alongside memorials for fallen soldiers. They relied on the union to protect them in a dangerous workplace and were raised to revere John L. Lewis, the longtime UMWA president.

"I have three pictures side by side in my house: John L. Lewis, Franklin Delano Roosevelt and Jesus," said Jack McReynolds, 70, a retired miner eating lunch recently at Lola's Uptown Restaurant in West Frankfort, once home to seven coal mines, all now closed. "I draw Social Security on account of FDR. I draw a pension on account of John L. Lewis, and I'm going to Heaven because of Jesus."

Minutes later, in walked an embodiment of the rupture in the union culture. Carl "Bubba" Vincelette, 27, another Gateway miner, was in grade school as mines closed and once-proud union men clamored to be janitors. His father never mined coal. "A lot of the young guys see all these places were union before and they all closed, so it's all part of what went wrong," he said.

If older miners say the union made them middle class, Vincelette credits Peabody, which he sees as a progressive firm that pays four times what he made at his previous job and invests heavily in safety and training. In two of the past three years, Peabody mines have won the Mine Safety and Health Administration's top award for safety.

Bobby Townsend, 46, one of the youngest union supporters at Wildcat Hills, a strip mine 80 miles southeast of here, sees Peabody very differently. He speaks with outrage about a company whose stock soared with energy prices and rewarded its departing chief executive with $46 million last year but won't pay for the health insurance of miners like him when they retire.

"It's out of balance between the corporate world and the workers, and we have to make a stand," he said. "We work ourselves to the bone and they go to a gym to get exercise. They look 50 when they're 70. We look 70 when we're 50. We spend our life making these people millions of dollars; we ought to at least have pension and medical."Not Quite Golden

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A dozen men in miners' boots filed into a meeting hall in Harrisburg, Ill., after their 10 1/2 -hour shift at Wildcat Hills. All had publicly pledged to support the UMWA, and all were over 50 but Townsend, his dark hair a striking exception among the gray and the bald.

"Nobody younger than me is up for the union," Townsend said. "They're buying houses and motorcycles. They think it'll run forever."

"It won't," said Larry Robbins, a miner for 26 years. His last union mine closed in the 1990s, three months before he would have logged a golden 20 years -- golden because that's when union miners qualify for lifetime retiree health insurance. Every year worked in a UMWA mine counts toward the 20. Time in a nonunion mine does not.

Around the room, one after another miner said he needed only a year or two or three of union time to hit the 20-year mark. All had voted as young men to limit wage increases in favor of retiree benefits -- only to see the clock stop before their time came.

Gary Wheeler, 53, had 17 years when his mine closed in 1994. Danny Droit, 59, said he had "roughly" 20, but worried that his total time would fall just short of the mark. Dick Bearden had 17 years.

"That medical card is worth its weight in gold," Townsend said. "My father-in-law retired with it, and he didn't have to worry what the doctor or the medicine cost. My father is in construction and is still working at age 76 to pay for health insurance."

The former union miners were among thousands east of the Mississippi River whose mines closed after Congress mandated acid rain controls in 1990, shattering demand for high-sulfur coal. To comply, utilities switched en masse to low-sulfur coal from the vast Powder River Basin in Montana and Wyoming.

The shift effectively broke the union. Mines closed or went bankrupt across the Midwest and northern Appalachia, where the union was dominant, and opened throughout the nonunion West.

Court rulings hastened the union's decline. Gateway, for example, was for decades a union mine doing business as Zeigler 11. But its previous owner won the right in bankruptcy court to shed its union contracts in 2004. Peabody bought the mine out of bankruptcy, changed its name and reopened it in 2005 under a nonunion subsidiary, Black Beauty Coal Co.

Eighty percent of Peabody's miners were unionized in the 1980s. With its operations now mostly in the West, chief executive Gregory Boyce reported this year to shareholders that 85 percent of Peabody's coal comes from "union-free operations."'I Just Want the Cash Now'

Coal's rebound here is a direct result of soaring U.S. demand for electricity, half of which currently comes from coal. The Bush administration is promoting coal as a "freedom fuel" -- in contrast to foreign oil -- and utilities are on a coal binge, with 154 new coal-fired plants on the drawing board. New plants must have scrubbers that remove sulfur before it reaches the atmosphere, so high-sulfur coal is back in the game. Meanwhile, coal states and the industry are investing heavily in technologies to convert coal into liquid fuel to power cars and jet planes.

The Illinois Office of Coal Development forecasts 3,000 new mining jobs statewide in the next three years, and another 2,000 as older miners retire, but that is just a shadow of the roughly 20,000 coal mining jobs that were here before the crash. And other high-paying production jobs are vanishing; a nearby Maytag plant with 942 workers is closing next month.

Younger workers interviewed throughout the area said they felt they had little leverage to complain about long hours or difficult working conditions because so many people were waiting in line for jobs that pay well. Gateway had 1,300 applicants for its 200 jobs, according to operations manager Thomas A. Benner.

Aaron Wright, 37, a son and nephew of union miners, said he would happily work without a union if he could get a coal-mining job.

"I'm tired of making $8 to $9 an hour, not enough to support myself, not enough to support my kids," Wright said. "I just want the cash now."

Middle-aged union supporters say younger workers are naive to think they won't face supervisors who underestimate danger or play favorites in assigning work, or try to deny their rights if they are injured or lay them off without explanation. They say they've seen all this and more.

But Vic Svec, Peabody's senior vice president for communications, said the company works hard to show workers they don't need a union. Peabody pegs its wage scale to match or exceed the UMWA's, he said. It also provides a 401(k) with a

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generous company match, and pays bonuses at mines that meet productivity and safety targets. Vandom said he gets a $700 to $800 bonus about every three months.

"Our strategy is to have the best possible relationship with employees," Svec said. "We don't feel it benefits our employees or our operations to have third parties involved."Thinking Long Term

With so many miners nearing retirement age, Peabody also has a major financial interest in keeping the union at bay: Retired miners have much higher than average medical costs, according to a union study.

This was easy to believe from the collective ailments of UMWA pensioners who gathered on a recent morning at the Knights of Columbus hall in Pinckneyville. Robert McCrary, 72, who retired from Arch Coal Inc. after 36 years, said he has black lung disease, and heart disease that has required multiple stents, a defibrillator and a pacemaker. He said he takes 16 prescription drugs.

Larry Bruns, 63, who retired from Peabody after more than 37 years, said he has had hip replacements, a hernia, carpal tunnel syndrome, arthritis, high blood pressure and an enlarged prostate -- "and I'm just a young pup."

With so few active union miners, many retirees say they worry the UMWA will have trouble defending their increasingly costly health care at the bargaining table. Retiree medical care is negotiated in each union contract.

"If they take the insurance away, they'll just need enough to bury me," said Rick Harrison, another Zeigler retiree, who has had three open-heart surgeries and is due for a fourth.

Back at Lola's Uptown Restaurant, Vincelette recalled that he had listened with an open mind when a UMWA organizer visited him recently. The organizer said union coal miners elect safety committees that have authority to shut a mine if they judge it unsafe. But Vincelette said he trusted Peabody to be vigilant about safety.

The organizer also said that with 20 years in a union mine, Vincelette would get retiree health insurance for life. But 20 years sounded like an eternity.

"The way everything's going -- wars and stuff like that -- it's hard to think long term," he said.

McReynolds, the retired UMWA miner with John L. Lewis's picture in his living room, listened from across the table in pained silence.

When the young miner left, McReynolds rose slowly from his chair and straightened his Mason's hat bearing a UMWA pensioners' emblem and a gold pick-and-shovel pin the union gave him. "That young man has no idea what he's talking about," he said.

Most Students In Big Cities Lag Badly In Basic Science (NYT)

By Diana Jean Schemo

The New York Times, November 16, 2006

WASHINGTON, Nov. 15 — A least half of eighth graders tested in science failed to demonstrate even a basic understanding of the subject in 9 of 10 major cities, and fourth graders, the only other group tested, fared little better, according to results released here Wednesday.

The outcome of those tests, part of the National Assessment of Educational Progress, often called the nation's report card, showed that student performance in urban public schools was not only poor but also far short of science scores in the nation as a whole.

Half or a little more of the eighth-grade students in Charlotte, San Diego and Boston lacked a basic grasp of science.

In six of the other cities — New York, Houston, Chicago, Cleveland, Los Angeles and Atlanta — the share of eighth graders without that knowledge was even higher, ranging from about three-fifths in New York to about four-fifths in Atlanta. By comparison, the corresponding share for the nation as a whole was 43 percent.

Among the 10 cities, only in Austin were the eighth graders who lacked a basic understanding in the minority, and just barely there.

"It's a national disgrace," said Rodger W. Bybee, director of the Biological Sciences Curriculum Study, which develops and evaluates science curriculums and promotes the teaching of science. "We as a nation should be able to do better than that."

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At the fourth-grade level, a majority of students in all the 10 cities except Austin, Charlotte and San Diego failed to demonstrate basic understanding in science, compared with 34 percent nationwide. According to a report accompanying the scores, this meant they lacked the skills and reasoning needed to learn science, and could not read simple charts or follow elementary experiments. A similar definition, though with expectations of a higher level of skill, applied to eighth graders.

Students in New York were on a par with those in other large cities, though white students there scored lower than whites in other cities and in the nation. The scores of blacks and Latinos in New York were not significantly different from those of similar students in the other cities.

New York's schools chancellor, Joel I. Klein, pointed out in a statement that low-income students there had done better than those in most other cities, but added, "We, like the rest of the country, have a lot more work to do in this critical area" of teaching science to the poor.

He noted that beginning with the next academic year, the city would begin testing students annually in science in Grades 3 to 8. Another innovation for the 2007-8 school year is that under the No Child Left Behind Act, public schools across the country must begin testing students in science at least once from Grades 3 to 8. But the results of these tests, like those of New York's, will not determine whether schools have made sufficient progress under the law, which counts only reading and math to determine a school's standing.

While states use a hodgepodge of tests to measure student achievement, the national assessment is the only exam given to students nationwide. The science test — in earth, physical and life sciences — was given in early 2005 to 280,000 students, including an extra 30,000 at public schools in the 10 cities, which had volunteered so that they could get a comparative snapshot of performance. The scores were grouped in four categories, from below basic to advanced.

The results prompted the Council of the Great City Schools, which represents the nation's largest school districts, to call for national standards in science, and in reading and math as well.

Michael Casserly, the group's executive director, acknowledged that political resistance to national standards was strong in a nation that generally considers education a prerogative of localities. But Mr. Casserly said such standards would lend clarity to efforts to improve achievement.

The fourth-grade national assessment, he said, tests students in subjects like electrical circuitry, the difference between plant and animal cells, and the formation of rocks. "But some state standards," he continued, "don't teach them until the fifth grade. It is not clear, then, what our teachers are supposed to teach when."

Gerald Wheeler, executive director of the National Science Teachers Association, who wrote some of the questions asked on the national assessment, said he found the test results "extremely disappointing."

"There's no way these kids are going to be able to survive in our technological society," Dr. Wheeler said.

With the exception of fourth graders in Austin, low-income students in urban schools performed significantly below the average for low-income students nationwide. "Student poverty, parent education, home resources, English-language proficiency and other factors outside our control work in tandem like a perfect storm to dampen our results in ways that few others have to contend with," Mr. Casserly said.

But the results suggested that performance was influenced more by the disparities associated with race and income than by whether students attended school in cities or in other settings, said Darvin M. Winick, chairman of the National Assessment Governing Board, which oversees the test.

For example, while Atlanta was below the median in the ranking of urban performance, its white fourth graders not only did better on the exam than did 86 percent of fourth graders across the country but also outperformed the nation's white fourth graders as a whole, who reached only the 62nd percentile. At the same time, the city's black fourth graders were in the bottom 22 percent of fourth graders nationwide — two points below the national average for blacks.

Only in Austin, Houston and Charlotte did black and Latino fourth graders score higher than similar students in the nation as a whole. Still, their scores were in the bottom 25 percent to 32 percent of all students taking the exam.

Urban Students Perform Worse At Science (AP)

AP, November 16, 2006

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WASHINGTON (AP) -- Children in major U.S. cities perform worse than other students around the country on science tests given in elementary and middle school, a snapshot released by the government Wednesday shows.

Ten urban school districts volunteered to take the tests and have their scores compared to public school students nationwide for the first time.

Fourth-graders in nine of the 10 city districts had lower average scores than public school students nationally. The only exception was Austin, Texas, where they performed at the national average.

In eighth grade, all 10 urban districts had average scores below the national average.

The science scores are from the 2005 National Assessment of Educational Progress, a test given nationwide periodically on a range of subjects. It is viewed as the best way to compare student achievement across state and district lines.

Besides Austin, the urban districts that participated in the comparative look were: Atlanta; Boston; Charlotte, N.C.; Chicago; Cleveland; Houston; Los Angeles; New York and San Diego.

The districts enroll a disproportionately large share of minorities, children who have limited English ability, and children from low-income families. Taking this into account, the results showed minorities in the city schools often performed similarly to students with the same backgrounds in the national sample.

The topics covered on the tests include earth science, physics, chemistry and biology.

The new scores emphasize how much room for improvement remains across a range of urban districts -- just as is the case for most of the nation's schools.

Nationally, for example, just a little more than a quarter of students in both grades could handle challenging subject matter -- a skill level educators call "proficient".

Among the city schools, only Austin had about that proportion of students testing at that level in both grades, with Charlotte not far behind.

Cleveland had the smallest percentage of fourth- and eighth-grade students who were proficient -- no more than 6 percent.

Fourth-graders working at a proficient level can relate the relative amount of time a candle burns to the amount of air available. Proficient eighth-graders can identify the energy conversions that occur in an electric fan.

Nationally, 34 percent of fourth-graders fell into the bottom achievement category, unable to perform at even a "basic" level. That category also applied to 43 percent of eighth-graders.

The urban districts all had more students in the lowest-scoring category than the nationwide sample.

Chicago and Los Angeles had the most fourth-graders in that group, with 65 percent falling below basic levels.

Atlanta fared the worst among eighth-graders, with 78 percent of students recording below basic scores.

Gerry Wheeler, executive director of the National Science Teacher Association, called the report discouraging.

"There's no way these young adults are going to be able to survive in this scientific and technological society," Wheeler said. He cited high teacher turnover and a lack of emphasis on teacher training as problems in urban school districts.

The government could not point to specific trends for the urban group, since this was the first time those cities have volunteered to have their scores put under a microscope.

The national science scores were released earlier this year and showed improvements among elementary school children nationwide in science since 2000, but not among middle and high school students.

"We need to devote more time and energy to science instruction, not just in the cities but nationwide, because nobody has much bragging rights on science performance anywhere in the country," said Michael Casserly, executive director of the Council of the Great City Schools -- a coalition of urban public school systems.

Casserly said the test results demonstrate a need for national standards in science to clarify what students are expected to know. The group also is advocating national standards for reading and math.

Urban students generally also scored lower than students nationwide in reading and math on national tests given last year.

The No Child Left Behind law, which Congress passed in 2001, requires states to administer their own assessments in math and reading, with penalties for schools that fail to improve.

State science testing under the law will begin in the 2007-08 school year, although schools will not face consequences for their performance -- something President Bush wants Congress to change.

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The new report of lackluster performance underscores a deep concern among political and business executives who see eroding science achievement as a threat to the U.S. economy.

KBR Becomes Separate Stock (USAT)

By Matt Krantz

USA Today, November 16, 2006

The investor on the street is about to get a chance to own a piece of Iraq Inc. The question is, will he want to?

Today, KBR, which runs almost every aspect of the Iraq war except the fighting, will trade as a separate stock after an initial public offering. It raised $473.3 million Wednesday, after pricing the 27.8 million shares it's selling at $17 a share.

KBR isn't a household name, but it's the unit of Halliburton that handles everything in Iraq ranging from operating cafeterias for soldiers to providing fuel, laundry and other services. Vice President Cheney used to be CEO of Halliburton, a fact that was a political lightning rod in the 2004 election.

And that's the problem. With Democrats in control of Congress, largely due to voters' displeasure with Iraq, KBR must persuade investors to take part of its IPO.

For investors, "KBR is the demon spawn of Halliburton," says Ben Holmes, publisher of MorningNotes.com, a market and IPO research firm. "That will have some effect."

•Revenue at risk. KBR gets 56% of its revenue from its efforts in Iraq and Afghanistan, says William Smith, CEO of Renaissance Capital.

Last year, 65% of KBR's $10.1 billion in revenue came from U.S. government contracts. With Democrats in charge, the windfall will likely dwindle. "The Iraq situation has been a financial plus for this organization," Smith says. KBR "isn't picking up arms, but it's picking up everything else."

The company says in a regulatory filing that a "decrease in the magnitude of work we perform for the United States government in Iraq" would have a "material adverse effect on our business."

•Potential for investigations. A Democratic Congress may further investigate the company, already at the center of several probes, Holmes says.

In June 2005, the Defense Contract Management Agency recommended withholding $55 million until KBR further documented billings for housing soldiers. Another $95 million in bills have been questioned regarding dining facilities in Iraq. KBR's procurement matters are being investigated by the U.S. Department of Justice and an assistant U.S. Attorney in Illinois.

But KBR has been broadening its business outside Iraq, says Francis Gaskins of IPOdesktop. Its backlog of business jumped 42% from last year to September, largely on non-Iraq jobs. The backlog is the salvation of a company that normally would struggle to win over investors. But it's unclear how profitable it is and whether investors are willing to pay up. "When investors really analyze the valuation, they aren't going to like it," he says.

Dems May Expand Senate Majority In '08 (HILL)

By Aaron Blake

The Hill, November 16, 2006

Senate Democrats will have a wider field of possibilities and probably more open seats available to expand their majority in 2008, though Senate Republicans will have several chances to pick off red-state Democrats.

Of the 33 seats up for election two years from now, 21 are held by Republicans. Eight of those 21 were elected with 55 percent of the vote or less in 2002, and in seven of them the incumbent is a freshman. The party also faces several retirement questions.

Democrats might not lose any incumbents to retirement now that they are in the majority — a crucial first step to maintaining and growing that majority.

Two big Democratic retirement risks, 82-year-old Sen. Frank Lautenberg (N.J.) and 69-year-old Sen. Jay Rockefeller (W.Va.), intend to run again in 2008, according to their offices. Sen. Tom Harkin (D-Iowa), who turns 67 on Sunday, could announce whether he will run for a fifth term by the end of the week, his office said.

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Harkin, Sen. Carl Levin (D-Mich.), 72, who has not decided, and Sen. Max Baucus (D-Mont.), 64, who did not respond to inquiries, may be re-energized by capturing prized committee chairmanships. Levin will lead the Armed Services Committee, Baucus will run the Finance Committee and Harkin will head the Agriculture Committee.

All five of those seats would be attractive to Republicans if they were open, though Harkin has never garnered more than 55 percent of the vote in his four campaigns, and his seat will draw Republican attention regardless of whether he stays or goes.

Lautenberg's decision to run again is particularly important for Democrats because he already retired once, in 2000, only to run again in 2002; does not have a chairmanship because his seniority was not restored; and could face tough opposition from Tom Kean Jr., the Republican candidate this year, who ran strongly even though he was defeated.

Jennifer Duffy of the Cook Political Report expects Democrats to skate into 2008 with all five of these potential retirees. "Given that Democrats have the majority, I don't expect anybody to retire," Duffy said. "I think Harkin was thinking about it, but now that he has Ag, what's his incentive to retire? Maybe Rockefeller was thinking about it, but now he's got Intelligence, so what's his incentive?"

On the Republican side, Sens. Pat Roberts (Kan.), 70, Pete Domenici (N.M.), 74, and Ted Stevens (Alaska), who turns 83 on Saturday, have all told The Hill they intend to seek reelection. But speculation is rampant about Sens. John Warner (Va.), 79, and Wayne Allard (Colo.), who is at the tail end of a two-term-limit pledge.

Warner spokesman John Ullyot said the senator generally decides whether to run about a year and a half before an election. Allard, who has raised the least and has the second-least cashonhand ($120,000) of the 33 senators up for reelection in 2008, will wait until after the New Year to decide, spokeswoman Laura Condeluci said.

Both states would be prime pickup territory for Democrats, who will hold the other Senate seat in each come January. Allard's seat is a target whether he runs or not, and Democrats already have a strong candidate in Rep. Mark Udall, who declared for the race in March 2005 and had more than $1 million on hand as of October.

In purple Virginia, former Gov. Mark Warner (D), who decided against a presidential bid recently, would be a strong candidate to replace Republican Sen. John Warner.

The most vulnerable incumbents are Allard, Sen. Norm Coleman (R-Minn.) and Sen. Mary Landrieu (D-La.), according to the Cook Political Report. No races are yet listed as tossups.

Along with Landrieu, Baucus and Sens. Mark Pryor (D-Ark.) and Tim Johnson (D-S.D.) give Republicans four possible red-state pickups. Landrieu, who intends to run for a third term, is listed as "lean Democratic," while the latter three and Harkin are "likely Democratic."

But Republicans failed to field strong challengers against red-state Democrats Ben Nelson (Neb.), Kent Conrad (N.D.) and Robert Byrd (W.Va.) this year, drawing their biggest recruiting successes in blue states Maryland and New Jersey. They did not pick up any Democratic seats.

For Democrats, Allard and Coleman are listed as "lean Republican," while four other Republicans — Susan Collins (R-Maine), John Sununu (R-N.H.), Elizabeth Dole (R-N.C.), and James Inhofe (R-Okla.) — are listed as "likely Republican."

Dole, a 70-year-old freshman and outgoing head of the National Republican Senatorial Committee, intends to run again, according to her office. Inhofe, who turns 72 on Friday, did not respond to requests for comment but has talked about assuming the Armed Services chairmanship in 2009, suggesting he expects to be around after 2008.

Roberts, 70, intends to seek reelection, according to his office, and Sen. Thad Cochran (R-Miss.), 68, will make a decision a year from now, spokeswoman Jenny Manley said. Sen. Chuck Hagel (R-Neb.), 60, has not decided, but has expressed interest in running for president.

Two Democratic senators, Joseph Biden Jr. (Del.) and John Kerry (Mass.), may retire and run for the White House. Biden's office said he is taking the necessary steps to run for Senate, and Kerry's presidential prospects took a hit this month when his "botched joke" appeared to insult the intelligence and education of soldiers in Iraq. Kerry later apologized.

Republican Rep. Mike Castle (Del.), who just won statewide reelection by 18 points in his at-large House seat, would have a strong shot at succeeding Biden, but both Delaware and Massachusetts are blue states.

Biden will lead the Foreign Relations Committee, and Kerry will lead the Small Business Committee. Another blue-state Democrat, Sen. Dick Durbin (Ill.), who didn't face a strong challenge in 2002, will be assistant majority leader.

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Early retirements within the realm of possibility include: Hawaii, where Democratic Sens. Daniel Inouye and Daniel Akaka will both be 84 on Election Day; Pennsylvania, where Republican Sen. Arlen Specter, 76, has battled Hodgkin's disease; and Wyoming, where Republican Sen. Craig Thomas, 73, last week revealed he has leukemia. Thomas and Akaka were both reelected last week, and Akaka will now chair the Veterans Affairs Committee.

Amy Sherman and Madeleine Scinto contributed to this report.

Family-friendly Agenda Urged (WT)

By Cheryl Wetzstein

The Washington Times, November 16, 2006

Democrats closed a so-called "parent gap" in this month's election and should seize the moment by pushing family-friendly legislation, analysts told a Capitol Hill briefing yesterday.

Married parents -- especially married mothers -- have voted Republican in recent years, partly because of a perception that Democrats don't care about family issues, said Michele Stockwell, a social policy analyst with the Progressive Policy Institute.

This month's election results show that Democrats "closed this parent gap, at least temporarily," she said. But the gap needs to be closed permanently by addressing families' concerns.

Sen. Blanche Lincoln, Arkansas Democrat, told those at the briefing that Democrats are up to the task, even though they need to be "a little more expressive" about it.

"Getting results is the most important thing we can do in leadership," she said, citing employee flextime, easier access to health care, more trained health care workers in geriatrics and more Internet safety tools to protect children as important legislative goals.

Some family advocates, however, expressed dismay at the lack of attention to family issues in Democratic platforms. For instance, the House Democrats' "Six for '06" agenda laid out goals for changing Iraq policy, raising the minimum wage, making college tuition a permanent tax deduction, lowering gas prices, promoting stem-cell research and blocking partial privatization of Social Security.

But expanded paid sick leave for workers? A Democratic Senate staffer recently said an issue like that wouldn't be considered for "several years," said one audience member.

Pollster Anna Greenberg of Greenberg Quinlan Rosner told the Progressive Policy Institute event that the war in Iraq and the economy were voters' top issues, but political leaders -- especially the new Democratic majority -- shouldn't let those issues obscure the "underlying discontent" that most voters feel about their personal finances.

Polls find that "the biggest source of stress is work [and] the biggest source of stress about work is how much you make," said Ms. Greenberg, adding that both low-income and middle-income families are feeling "squeezed" as expenses outstrip incomes.

In many households, both parents are working to get ahead, but this only feeds into another huge concern, which is "not having enough time with their kids," Ms. Greenberg said.

"And this is not just the problem of married parents," she added. "This is the No. 1 concern of single parents, especially single moms. They are the least likely to feel they have control over what their kids are doing."

Democrats have a huge opportunity to act on these issues, especially by working with Republicans and finding common ground, said Shelley Waters Boots, a policy leader at the Parents Action for Children, a parents' advocacy group founded by actor-director Rob Reiner.

These "shouldn't be one-party issues," she said. "These issues are ripe for the taking."

Stan Greenberg And James Carville (CSM)

By David Cook

The Christian Science Monitor, November 16, 2006

Sweet as it was to win control of the House and the Senate in the 2006 election, some Democratic operatives think their victory could have been bigger if national party chairman Howard Dean had been willing to spend more in districts where races were close.

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According to Democratic pollster Stan Greenberg, "there were two dozen seats in which Republicans got 51 percent or less....There is a very big difference between defending these seats as incumbents or still trying to pick these up while they are being protected by Republicans."

James Carville, who along with Greenberg co-founded Democracy Corps, a Democratic strategy group, told a Monitor breakfast on Wednesday, "We beat the hell out of them at the committees, at the congressional [campaign] committees. The DNC [Democratic National Committee] left the money on the table."

Carville said DNC Chairman Howard Dean should be dumped. Carville added that Dean "should be held accountable" and described his leadership as "Rumsfeldian in its competence."

Chairman Dean has been investing in a strategy of rebuilding the party in all 50 states and hiring local operatives to help with that task. DNC member Don Fowler sent fellow DNC members a message on Tuesday saying that talk of replacing Dean was "nonsense. The 50-state strategy is exactly what the Democratic Party needed and continues to need. Why do the Washington people think that they have a special prerogative to dictate what the Democratic Party needs?"

While saying he has no problem with the 50-state strategy, Carville quipped that, "the point of a political party is not to hire people, it is to elect people."

Beyond the question of party leadership, both Republicans and Democrats face dangers as they turn their attention to the 2008 presidential election. "The big Republican problem going into '08 is Bush. I mean, he is just unpopular," Carville said. "Unless he has a really good two years, which maybe he does, he is in danger of being a complete albatross on the Republican Party."

"The biggest danger for Democrats is that we do what we kind of do sometimes [and] fracture ...if it looks like we are kind of fighting and incapable and don't get anything done, that is our biggest danger," Carville said.

Flush Of Victory Past, Democrats Revert To Finger-Pointing (NYT)

By Adam Nagourney

The New York Times, November 16, 2006

WASHINGTON, Nov. 15 — One would think that after their biggest electoral triumph in about a decade, Democrats would finally break their usual postelection syndrome — a November loss followed by recriminations, finger-pointing and infighting.

Well, think again.

The Democrats are celebrating their big victory of Nov. 7 with recriminations, finger-pointing and infighting, no matter that they won control of the Senate and the House for the first time since 1994.

State Democratic leaders are saying Howard Dean, the party chairman, is not receiving the credit he deserves for the triumph.

Offering a rather different view, two leading party strategists rebuked Mr. Dean on Wednesday, saying the Democrats could have captured 40 House seats rather than 29 had Mr. Dean bowed to demands by Representative Rahm Emanuel of Illinois, leader of the effort to recapture the House, to put more money into Congressional races.

“I would describe his leadership as Rumsfeldian in its incompetence,” one strategist, James Carville, said of Mr. Dean.

Liberal bloggers say they are not receiving the credit they deserve and are chafing at how what they call the mainstream media has showered too much credit on Mr. Emanuel and his Senate counterpart, Charles E. Schumer of New York, for the sweep.

“Rahm won everything” was the headline on a sarcastic post on MyDD, a liberal Web site.

On Capitol Hill, soon-to-be Speaker Nancy Pelosi of California has waded into a leadership fight that has divided her caucus, providing the public — in its first glimpse of the incoming Congress — with a reminder of just how much Democrats like to rumble. Democrats, if grimacing, sought to put the best face on the latest episode of that familiar Washington series, Democrats in Disarray.

“We are a diverse party,” said Donald Fowler, a veteran South Carolina Democratic leader. “We have different people from different backgrounds, and we see things differently both in terms of style and issues.”

Mr. Fowler sighed before letting out: “We’re nuts! We’re all nuts!”

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Larry Gates, the Democratic chairman in Kansas, where Democrats stunned Republicans by capturing a once very-red seat, said: "This is what we Democrats do. A little bit of success, and we start to fight."

So it was that Stan Greenberg, the Democratic pollster, and Mr. Carville used the forum of a Monitor Breakfast, a gathering of newsmakers and reporters, to say Mr. Dean wasted an opportunity to make historic gains by refusing to take resources out of his effort to build up parties in all 50 states and put them into Congressional races.

Mr. Greenberg said that Republicans held 14 seats by a single percentage point and that a small investment by Mr. Dean could have put Democrats into a commanding position for the rest of the decade.

"There was a missed opportunity here," he said. "I've sat down with Republican pollsters to discuss this race: They believe we left 10 to 20 seats on the table."

Mr. Carville, whose close ties to former President Bill Clinton and Senator Hillary Rodham Clinton of New York have prompted speculation that he is attacking Mr. Dean on their behalf, said the Democratic National Committee had taken out a $10 million line of credit and used barely half of it.

"They left money on the table," he said.

Asked whether Mr. Dean should step down, he responded, loudly, in the affirmative. "He should be held accountable," Mr. Carville said.

In an interview later, he asked, "Do we want to go into '08 with a C minus general at the D.N.C.?"

Aides to Mr. and Mrs. Clinton said Mr. Carville had not cleared his attacks on Mr. Dean with them.

The attacks set off recriminations in Mr. Dean's base, state parties that have benefited from his decision to channel millions of dollars to them.

"Asking Dean to step down now, after last week, is equivalent to asking Eisenhower to resign after the Normandy invasion," Mr. Fowler said. "It's just nonsense.

"Carville and Greenberg — those people are my friends — they are just dead wrong. They wanted all that money to go to Washington consultants and speechwriters and pollsters. This kind of nonsense is destructive of the party."

The Democratic chairman in Michigan, Mark Brewer, said party money had allowed Michigan to re-elect its Democratic governor and senator.

"This is a zero-sum game," Mr. Brewer said. "That money would have had to come from somewhere. We should be looking forward to future endeavors, and not attacking at this moment of great triumph."

Mr. Dean was traveling and not available for comment, aides said.

At Democratic National Committee headquarters, the communications director, Karen Finney, insisted that Mr. Dean had spent money on House races through the final hours, notwithstanding his announcement in the campaign that his top priority was rebuilding state parties, even in longtime Republican states.

Ms. Finney expressed incredulity that Democrats would be going after Democrats in this of all weeks.

"Did he not see that we won?" she said of Mr. Carville. "Did he not read the results? If James and Stan are interested in knowing what the D.N.C. is doing and has done, they can pick up the telephone and give me a call."

Mr. Emanuel warred with Mr. Dean over his refusal to provide as much money as Mr. Emanuel said he needed.

He said Wednesday that a favored candidate, Tammy Duckworth, the severely injured Iraq war veteran running for an open Republican seat in Illinois, had lost because the Republicans had spent $1 million on negative advertisements against her in the final weekend and that he did not have the money to respond.

Mr. Carville and Mr. Greenberg have been close to Mr. Emanuel since they worked in the Clinton White House in 1992. Asked about the criticism of the two, Mr. Emanuel said he would offer precisely these two sentences: "More resources brings more seats into play. Full stop."

There was also some lesser blame passing. Mr. Emanuel suggested that Democrats had fallen just short of picking up the seat held by Representative Christopher Shays, Republican of Connecticut, because Senator Joseph I. Lieberman, a registered Democrat, had sought re-election on an independent line after losing the Democratic primary. That brought out more Republican votes.

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Mr. Greenberg fumbled when asked in a two-part question whether he agreed with some Democrats that a botched joke by Senator John Kerry of Massachusetts and the White House attack on it might have made the difference in very close races where Democrats lost, like the effort to defeat Representative Heather A. Wilson in New Mexico.

"Bah-bah-bah-bah, let me go to the first question," Mr. Greenberg said haltingly before returning, with prompting, to the original question, allowing that the Kerry episode might have "moved the needle a little bit."

Carville Says Dems Should Dump Dean Over "Rumsfeldian" Incompetence (AAS)

By Scott Shepard

Austin American Statesman, November 16, 2006

Democratic strategist James Carville says his party should dump Howard Dean as chairman of the Democratic Party because of incompetence.

Carville, during coffee and rolls with political reporters today, said Democrats could have picked up as many as 50 House seats, instead of the nearly 30 they have so far.

The reason they didn't, he said, is the Democratic National Committee did not spend some $6 million it could have put into so-called "third tier" House races against vulnerable Republicans.

Carville said the other Democratic campaign committees had borrowed to the hilt.

He said he tried to meet with Dean to argue for additional spending for Democrats in the final days of the campaign, but Dean declined and gave no reason why.

Asked by a reporter whether Dean should be dumped, Carville replied, "In a word, do I think? Yes."

He added, "I think he should be held accountable." He added, "I would describe his leadership as Rumsfeldian in its competence."

Carville likened the Democratic takeover of Congress to the civil war battle at Gettysburg, which the Union army won but failed to pursue the Confederate army when it retreated.

"We should have chased them down," Carville said. There was no immediate response from Dean or the DNC.

GOP's Simmons Concedes Conn. House Race (AP-Y)

By Susan Haigh, Associated Press Writer

AP, November 16, 2006

More than a week after Election Day, Republican U.S. Rep. Rob Simmons conceded to Democrat Joe Courtney on Wednesday, but did not rule out running again in two years.

Simmons spoke to supporters — some tearful — who packed his headquarters Wednesday afternoon, a few hours after Secretary of the State Susan Bysiewicz confirmed that Courtney had won by 91 of nearly 250,000 votes cast.

"Unfortunately, the tide was against us," said Simmons, who sought a fourth term in what had been the nation's most heavily Democratic-leaning district represented by a Republican.

On Election Day, Courtney, who lost to Simmons in 2002, led by 167 votes. But recounts in the district's 65 towns uncovered some flaws, including a 100-vote mistake in the small town of Lebanon that lowered the margin to 66 votes at one point.

Courtney, speaking at a press conference in Washington, D.C., thanked Simmons for what he called a "gracious statement by a very tough opponent" and said he looks forward to getting started.

"I'm going to fly home without a plane, I'm so excited," he said.

The deadline to file any legal challenges is Nov. 21, but Simmons said he does not want a repeat of the unease he sensed in the district in 1994, the last time there was a recount in the 2nd District. Then-Democratic Rep. Sam Gejdenson defeated Republican Ed Munster by 21 votes in a race that dragged on for five months. Simmons first won the seat in 2000 by ousting Gejdenson.

State Republican Party Chairman George Gallo said Simmons made the right choice by not contesting the election. But he said the party was considering filing a complaint after receiving tips that a handful of college students may have voted twice. Even if proven, it did not appear the complaint would significantly change the results.

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Both Courtney and Murphy are in Washington, D.C., this week for orientation. Courtney learned of the final recount results from speaker-to-be Nancy Pelosi on Tuesday night.

The recount was automatically triggered because Courtney's unofficial victory margin was less than half of 1 percent of the votes cast.

Simmons Concedes Defeat To Courtney In Connecticut 2 (CQ)

By Marie Horrigan

Congressional Quarterly, November 16, 2006

Three-term Republican Rep. Rob Simmons officially conceded the race for Connecticut's 2nd District Wednesday afternoon, just hours after state officials announced Democrat Joe Courtney had clinched a razor-thin victory in a recanvass of the district's vote.

"I'm disappointed by the outcome, but not by the effort," Simmons told supporters in his Mystic, Conn., campaign headquarters Wednesday afternoon after conceding the race, the Norwich Bulletin reported.

Courtney's victory ensures him a place in the large and historic Democratic freshman Class of 2006 — and almost certainly a place near the top of the Republican Party's initial target list for the 2008 battle to control the House. Courtney won by just a 90-vote margin, with 121,247 votes to 121,157 votes for Simmons, according to the Connecticut Secretary of State's office on Wednesday.

The Courtney-Simmons contest was the closest of many tight races in a midterm election cycle that boosted Democrats to control of both chambers of Congress. Many of the Democratic takeovers came in districts held by moderate Republicans such as Simmons; a similarly positioned Connecticut Republican, 12-term incumbent Nancy L. Johnson, was unseated in the 5th District by Democratic state Sen. Chris Murphy.

Courtney had declared victory on Election Night, when returns indicated he led Simmons by 167 votes. He has been in Washington this week, attending freshman orientation.

The narrow victory margin, less than one-half of one percent of the vote, triggered an automatic recount that began Nov. 8 and wrapped up Tuesday night.

This was the second face-off between Simmons and Courtney. Simmons won his second term in 2002 with an 8 percentage-point edge, 54 percent to 46 percent, over Courtney.

Voter turnout was higher this year than four years ago: 242,000 people cast a ballot in the 2006 rematch, versus 217,000 in the candidates' first showdown.

One difference this election cycle was the the difficult national political atmosphere for Republicans, with voters expressing disapproval of congressional scandals, the war in Iraq and President Bush.

Democrats, including Courtney, argued that while their Republican opponents — particularly centrists like Simmons — might not be directly responsible for ethical scandals and troubles in Iraq, their re-elections would effectively endorse Bush's conduct and empower Republicans to continue to pursue their agenda.

In a statement Tuesday night, Courtney announced the recanvass had confirmed his victory and said he would focus on demanding accountability from the White House on the Iraq war, as well as improving the prescription drug benefit program provided to seniors through Medicare.

Connecticut's 2nd District also hosted an extremely tight race during the last election that saw both chambers of Congress change hands — the 1994 Republican landslide. That year, however, the incumbent prevailed: Democrat Sam Gejdenson defeated his Republican opponent by 21 votes.

2 Incumbent Dems Keep House Seats In Ga. (AP-Y)

By Shannon Mccaffrey, Associated Press Writer

AP, November 16, 2006

Reps. John Barrow and Jim Marshall were certified the winners of their respective races Wednesday, all but ending GOP hopes of knocking off at least one Democratic incumbent in the Nov. 7 congressional races.

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Barrow defeated Republican Max Burns in eastern Georgia's 12th District by just 864 votes out of 142,438 cast, according to the final tallies released by Secretary of State Cathy Cox. In middle Georgia's 8th District, Marshall defeated Republican Mac Collins by 1,752 votes out of 159,568 cast.

Both GOP challengers are former congressmen who had been considered among Republicans' best chances to counter what became a Democratic landslide last week.

Neither had conceded defeat as of Wednesday afternoon, but only Burns could demand a recount because he lost by less than 1 percent of the vote. He has two business days to do so, under state law.

"As of right this second, we do not know if we're going to ask for a recount or not," Burns' campaign manager, Tim Baker, said Wednesday.

Barrow and Marshall had previously claimed victory, and political experts said that in the age of electronic voting, it would be unlikely for a recount to alter the result.

Two Democrats Win In Georgia (NYT)

By Shaila Dewan

The New York Times, November 16, 2006

ATLANTA, Nov. 15 — Georgia officials certified the votes on Wednesday in two extremely close Congressional races, putting the Democratic incumbents, Jim Marshall of Macon and John Barrow of Savannah, officially in the winners' column.

Neither of the Republican challengers had conceded, and Mr. Barrow, who won by 864 votes, could face a recount if his opponent, Max Burns, requests one. Georgia law allows a recount if the margin of victory is less than 1 percent of the votes cast.

Mr. Marshall won his race against his Republican challenger, Mac Collins, by more than 1 percent, 1,752 votes. "I know who each and every one of them are, and I've sent them all cards," said his spokesman, Doug Moore.

The incumbents, the only white Democrats in the Georgia delegation, faced an uphill battle because their districts had been redrawn to include more Republicans and their challengers were former congressmen. Democratic turnout in the state was low, and President Bush campaigned twice in each district for the challengers.

Tim Baker, Mr. Burns's campaign manager, said the campaign would announce on Thursday whether a recount would be requested.

Grading The Pollsters (WSJ)

The Wall Street Journal, November 16, 2006

Political polling has come a long way since "Dewey Defeats Truman."

Pollsters earned high marks in last week's elections: Surveys correctly predicted that the Democrats would win control of the House of Representatives, that the Senate would be closely contested and that Democratic gubernatorial candidates would sweep into statehouses.

That doesn't mean that some pollsters didn't do better than others, however, and firms haven't hesitated to trumpet their results. "Rasmussen Reports is the winner in polling accuracy!" read a news release from the Asbury Park, N.J., polling firm. The headline from a Zogby International release1 said the Utica, N.Y., pollster batted "10 for 10" in its telephone polls of competitive Senate races, and asserted the results from its online polls showed its "interactive polling model shines."

I crunched the results from pollsters on dozens of races, and found that some did indeed appear to be more accurate than others. I'll share my results later in the column, but before I do, I want to explain why I'm more reluctant to crown a winner than some of the polling firms were in their PR. The science of evaluating polls remains very much a work in progress.

"A small cottage industry has looked at these issues, but not a large number of people have bothered with it," said Charles Franklin, a professor of political science at the University of Wisconsin who blogs about polls at Political Arithmetik2.

Until recently, measuring poll accuracy was time consuming, and analyses often followed long after the election. Jay H. Leve, founder and chief executive of Verona, N.J.-based SurveyUSA -- one of the companies I evaluated -- said it took seven employees of his firm a full month to analyze the 2004 polls.

But two months ago, the Web site Pollster.com5 launched, compiling public reports from several polling firms. Some individual firms have also been quicker to post their own results on their Web sites.

While data are now easier to obtain, there remains disagreement about how to calculate accuracy. Is picking the winner enough? Most experts agree it isn't, and focus instead on measuring how close the predictions were to the actual spread -- the difference in percentage points between the two candidates. But what if a poll accurately predicts an election will be decided within a one-percentage-point margin, but incorrectly identified the victor?

Today's preferred methods haven't changed much since political polling's nadir, in 1948, when erroneous pre-election surveys were relied on by the credulous press to predict a victory for Republican Thomas Dewey over Harry Truman. In one of its editions printed on election night, the Chicago Daily Tribune ran the infamous headline, "Dewey Defeats Truman."6

To assess what went wrong and to regain credibility, the nonprofit Social Science Research Council7 outlined ways to measure poll accuracy. Among eight methods the researchers considered, they chose to measure the difference between the predicted percentage vote for the leading candidate, and the actual share for that candidate. However, this method doesn't spot big errors in predicted victory margins, and can be skewed by independent candidates. As it happens, in 1948, Strom Thurmond and Henry Wallace influenced both the polls and President Truman's victory.

More recently, a study8 of 2002 polls by Prof. Franklin showed that the holder of a five-point lead in a poll won only 60% to 65% of the time, and polls showing the leader ahead by 10 points or more were dead wrong 10% of the time.

Pollsters expected a rout by incumbent Bill Clinton in the 1996 presidential election, but he beat Republican Bob Dole by just 8.5 percentage points in the popular vote. Political scientist Everett Carll Ladd Jr. criticized the polls in the press, calling them worse than the 1948 fiasco, and prompting veteran pollster Warren Mitofsky to analyze the results.

Mr. Mitofsky found that "no standard metric for gauging poll accuracy had been adopted by the polling community." So he went back to the SSRC's work after the 1948 election, and found another method he preferred: comparing the predicted victory margin to the actual margin, or the error on the margin. If a poll finds Candidate A ahead by three points and he wins by 10 points, that's an error on the margin of seven points. If Candidate B wins by five points, that's an error of eight points. There's no penalty for picking the wrong winner; pollsters are graded only on their error margin. (Mr. Mitofsky, a pioneer of exit polling and a helpful source for my Numbers Guy columns, died Sept. 1 at age 71. He was remembered online by several9 polling10 organizations11.)

I opted to use Mr. Mitofsky's method in my own number crunching. I looked at five pollsters that were among the most prolific: Rasmussen, SurveyUSA, Zogby (which releases separate telephone and online polls) and Washington, D.C.-based Mason-Dixon. For all but the latter, I used the numbers posted on the organizations' own Web sites. For Mason-Dixon, which keeps some of its poll data behind a subscriber wall, I used Pollster.com to find polls from the two weeks before the election. I checked the results against vote counts as of this Tuesday.

(I chose the firms because they were active in many statewide elections. More familiar names such as Gallup and CBS News/New York Times polled in fewer races, focusing more on national attitudes such as approval ratings for Congress.)

There were some interesting trends: Phone polls tended to be better than online surveys, and companies that used recorded voices rather than live humans in their surveys were standouts. Nearly everyone had some big misses, though, such as predicting that races would be too close to call when in fact they were won by healthy margins. Also, I found that being loyal to a particular polling outfit may not be wise. Taking an average of the five most recent polls for a given state, regardless of the author -- a measure compiled by Pollster.com -- yielded a higher accuracy rate than most individual pollsters.

On to the results: In the Senate races, the average error on the margin of victory was tightly bunched for all the phone polls. Rasmussen (25 races) and Mason-Dixon (15) each were off by an average of fewer than four points on the margin. Zogby's phone polls (10) and SurveyUSA (18) each missed by slightly more than four points. Just four of the 68 phone polls missed by 10 points or more, with the widest miss at 18 points.

But the performance of Zogby Interactive, the unit that conducts surveys online, demonstrates the dubious value of judging polls only by whether they pick winners correctly. As Zogby noted in a press release, its online polls identified 18 of 19 Senate winners correctly. But its predictions missed by an average of 8.6 percentage points in those polls -- at least twice the average miss of four other polling operations I examined. Zogby predicted a nine-point win for Democrat Herb Kohl in Wisconsin; he won by 37 points. Democrat Maria Cantwell was expected to win by four points in Washington; she won by 17. (Zogby cooperated with WSJ.com on an online polling project that tracked some Senate and gubernatorial races.)

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The picture was similar in the gubernatorial races (where Zogby polled only online, not by phone). Mason-Dixon's average error was under 3.4 points in 14 races. Rasmussen missed by an average of 3.8 points in 30 races; SurveyUSA was off by 4.4 points, on average, in 18 races. But Zogby's online poll missed by an average of 8.3 points, erring on six races by more than 15 points.

Zogby's online polls "just blew it" in Colorado and Arkansas governor races, Chief Executive John Zogby told me. (See Zogby's scorecard.12) In other races, such as the two Senate races I mentioned, "we had the right direction but a closer race than the final." One explanation, he said, may be that Zogby's final online polls collected responses one to two weeks before the election, whereas other polling firms were active until the final week. "We have more work to do" to improve online polling, Mr. Zogby said, but he added, "we believe it's not only the wave of the future, but the future is very close to now."

"I don't think there's anyone out there who did better than us," Rasmussen Reports President Scott Rasmussen told me. (Read its own scorecard for its Senate13 and gubernatorial14 polls.)

Larry Harris, a principal with Mason-Dixon, said of his firm's numbers: "We had another good year."

Meanwhile, SurveyUSA has posted a detailed scorecard15 on its Web site, listing how its results compared with those of competitors in different states. "We won't be satisfied until we have an error of zero across our entire body of work," Mr. Leve said. "We're obviously proud of what we did. But I don't think any pollster whose error is greater than zero should be bragging, and we're not."

Remember, my analysis didn't penalize pollsters for picking the wrong winner, which happened nine times, though that's something that other evaluators might take into account. I ignored it partly because some races were decided by a few points or less -- a gap smaller than the statistical margin of error on these polls. For example, Rasmussen's final poll in the Minnesota governor's election showed Democrat Mike Hatch leading Republican incumbent Tim Pawlenty by two points. Mr. Pawlenty won by one point. Rasmussen also missed the Missouri Senate race by a small margin, with the loser, Republican Jim Talent, leading by one point in its final poll. * * *

Thanks to everyone who posted to the most recent forum16 about my column17 on lotteries and sweepstakes. I'll be reading, and responding to, your comments about polls in a new forum18 this week. And please remember to use your full name with posts. (If you have a comment or suggestion unrelated to this week's column, please email me directly at numbersguy@wsj.com19.)

Putting Faith Before Politics (NYT)

By David Kuo

The New York Times, November 16, 2006

SINCE 1992, every national Republican electoral defeat has been accompanied by an obituary for the religious right. Every one of these obituaries has been premature — after these losses, the religious right only grew stronger. After the defeat of President George H. W. Bush in 1992, the conventional wisdom held that Christian evangelicals would be chastened. As one major magazine put it, Mr. Bush's defeat meant that "time had run out on their crusade to create a Christian America." Yet in the next two years, the Christian Coalition grew by leaps and bounds; in 1994, it helped usher in the Gingrich revolution.

In 1996, after Bill Clinton defeated Bob Dole, Margaret Tutwiler, a Republican strategist, declared that in order for Republicans to win, "We're going to have to take on the religious nuts." Two years later, after Republicans failed to gain any ground on Democrats — despite Mr. Clinton's impeachment — John Zogby, the pollster, concluded that "Christian absolutism" scared voters. Wrong again. Those same Christian "absolutists" helped sweep George W. Bush into office in 2000.

Jesus was resurrected only once. The religious right has been resurrected at least twice in just the past 15 years.

The conventional wisdom about the Democratic thumping of Republicans last week says something a little different about the religious right — that its members are beginning to migrate to the Democratic Party. The statistic that is exciting Democrats the most is that nearly 30 percent of white evangelicals, the true Republican base, voted Democratic. In addition, the red-blue split of weekly churchgoers has narrowed. Commentators are atwitter about the shrinking "God gap."

Once again, the conventional wisdom is wrong. Yes, it is true that almost 30 percent of white evangelicals voted for the Democrats, up from the 22 percent Senator John Kerry received in the 2004 presidential race. But that 2004 number was

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aberrantly low. More typical were exit polls from the 1996 Congressional election, where 25 percent of white evangelicals voted for Democrats.

So before rearranging their public policy agenda in hopes of attracting evangelicals, the Democrats would be wise to think twice. There has been a radical change in the attitudes of evangelicals — it's just not one that will automatically be in the Democrats' favor.

You see, evangelicals aren't re-examining their political priorities nearly as much as they are re-examining their spiritual priorities. That could be bad news for both political parties.

John W. Whitehead of the Rutherford Institute, the conservative Christian organization that gained notoriety during the 1990s when it represented Paula Jones in her sexual harassment suit against Bill Clinton, wrote this after the elections: "Modern Christianity, having lost sight of Christ's teachings, has been co-opted by legalism, materialism and politics. Simply put, it has lost its spirituality."

He went on, "Whereas Christianity was once synonymous with charity, compassion and love for one's neighbor, today it is more often equated with partisan politics, anti-homosexual rhetoric and affluent mega-churches."

Mr. Whitehead is hardly alone. Just before the elections, Gordon MacDonald, an evangelical leader, wrote that he was concerned that some evangelical personalities had been seduced and used by the White House. He worried that the movement might "fragment because it is more identified by a political agenda that seems to be failing and less identified by a commitment to Jesus and his kingdom."

Certainly, the White House showed the heartlessness of politics in Ted Haggard's fall. Mr. Haggard had once been welcomed at the White House, relied on to rally other evangelicals and invited to pray with the president.

Yet his downfall provoked only this reaction from a low-level White House spokesman: "He had been on a couple of calls, but was not a weekly participant in those calls. I believe he's been to the White House one or two times." To evangelicals who know that this statement was misleading, and know from the Bible what being kicked to the curb looks like, it was a revealing moment about the unchristian behavior politics inspires.

Perhaps that's why a rift appears to be growing in what was once a strong alliance. Beliefnet.com's post-election online survey of more than 2,000 people revealed that nearly 40 percent of evangelicals support the idea of a two-year Christian "fast" from intense political activism. Instead of directing their energies toward campaigns, evangelicals would spend their time helping the poor.

Why might such an idea get traction among evangelicals? For practical reasons as well as spiritual ones. Evangelicals are beginning to see the effect of their political involvement on those with whom they hope to share Jesus' eternal message: non-evangelicals. Tellingly, Beliefnet's poll showed that nearly 60 percent of non-evangelicals have a more negative view of Jesus because of Christian political involvement; almost 40 percent believe that George W. Bush's faith has had a negative impact on his presidency.

There is also the matter of the record, which I saw being shaped during my time in the White House. Conservative Christians (like me) were promised that having an evangelical like Mr. Bush in office was a dream come true. Well, it wasn't. Not by a long shot. The administration accomplished little that evangelicals really cared about.

Nowhere was this clearer than on the issue of abortion. Despite strong Republican majorities, and his own pro-life stands, Mr. Bush settled for the largely symbolic partial-birth abortion restriction rather than pursuing more substantial change. Then there were the forgotten commitments to give faith-based charities the resources they needed to care for the poor. Evangelicals are not likely to fall for such promises in the future.

Don't expect conservative Christians in politics to start to disappear, of course. There are those who find the moral force of issues like abortion and gay marriage equal to that of the abolition of slavery — worth pursuing no matter what the risks of politics are for the soul. But the advocates working these special interests may, I think, be far fewer in coming years than in years past. Gay marriage was a less mobilizing force in 2006 than it was in 2004. In Arizona the ballot measure to outlaw it was defeated. The South Dakota abortion ban failed.

We will have to wait until 2008 to see just how deep this evangelical spiritual re-examination goes, and how seductive politics will continue to be to committed Christians. Meanwhile, evangelicals aren't flocking to the Democratic Party. If anything,

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they are becoming more truly conservative in their recognition of the negative spiritual consequences of political obsession and of the limitations of government power.

C. S. Lewis once warned that any Christian who uses his faith as a means to a political end would corrupt both his faith and the faith writ large. A lot of Christians are reading C. S. Lewis these days.

Alabama Lazarus Act (WSJ)

By Quin Hillyer

The Wall Street Journal, November 16, 2006

BIRMINGHAM, Ala. -- In Birmingham they love the governor. And in Mobile and Huntsville, too.

As Republicans coast to coast were burying their many political dead, a Republican governor once given up for dead was enjoying a landslide victory. Alabama Gov. Bob Riley was re-elected last week, beating long-popular Lt. Gov. Lucy Baxley with more than 58% of the vote, including an impressive 20% of the black vote. His victory was not simply the result of Alabama being a Republican state: Democrats won the two next most prominent statewide races, those for lieutenant governor and Supreme Court chief justice. In Alabama as elsewhere, this was a Democratic year -- with the notable exception of Mr. Riley, a conservative reformer in cowboy boots, with a cheerful, Reagan-like demeanor.

Three years ago, few observers believed that he could ever win again. A businessman who began his post-college career by selling eggs door-to-door (literally), later to sell his hens and build a business of car dealerships and a trucking company, Mr. Riley was a relatively obscure three-term congressman when he ran for governor in 2002. In that race, he barely squeaked past scandal-plagued Democratic incumbent Don Siegelman by a lawsuit-challenged 3,120 votes.

During his first year in office, Mr. Riley pushed an ambitious, complicated tax-reform proposal that was part of a multiyear plan to shift revenues to under-funded departments such as law enforcement while relieving the tax burden on low-income workers. Derided (a bit misleadingly) by opponents as a huge tax increase -- although far more people would have enjoyed a tax cut than endured a tax hike under the proposal -- the initiative was destroyed in a statewide referendum, receiving only 32.5% of the vote. Pundits immediately pronounced the governor a total goner.

How, then, did Mr. Riley recover from such political disaster to win re-election so resoundingly? Not just Mr. Riley but editorial writers across the state will readily identify his successes in the "Three Es": economic development, education and, not least, ethics. Consider the statistics: An unemployment rate that dropped to an astonishingly low (especially for Alabama) 3.3% from 5.3%; school test scores rising, especially in reading proficiency in at-risk schools blessed with the Riley-backed (and nationally copied) Alabama Reading Initiative; and public standards of ethics combined with radically open government records, along with measurable performance standards imposed on every department of state government.

These accomplishments stand in marked contrast to the record of Mr. Siegelman, who presided over a budget crisis and now stands convicted of bribery and other infractions.

In his Birmingham hotel suite an hour before the polls closed Nov. 7, during a lengthy conversation sandwiched around a friendly phone call from Florida Gov. Jeb Bush, Mr. Riley explained with great depth and detail -- not to mention a guileless enthusiasm -- how it was that his administration so impressed the voters.

"I think people appreciated that after [the tax reform initiative] failed, we turned around and did exactly what the people told us to do. We cut half a billion dollars out of [an already tight] budget . . . We put a new economic model together for Alabama, and it has been remarkably successful . . . We found a way to cut taxes anyway [chiefly by raising the earnings threshold below which workers pay no income tax], and we got really good grades when the hurricanes came through."

Alabama has been ravaged by three hurricanes during Mr. Riley's tenure, and the state's response each time was a model of effectiveness. Listen to Howard Shell, since 1986 the mayor of Atmore (pop. 8,000): "Ivan and Dennis both hit us hard. . . . For the city of Atmore, Gov. Riley was really responsive when we really needed it. Just one phone call to him, and he began to make things happen. He got us extra law enforcement right away, he got forestry experts, he got all the state agencies to help in every way. . . . He's one of the most proactive governors we have had, the best we've had since I've been here."

Mr. Riley's particular genius, meanwhile, has been evident in his efforts at business development. He consolidated nine different state agencies charged with economic development into just one, hired top-notch administrators and used federal

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grants more wisely by paying attention to small details such as re-routing small roads, building water tanks and improving the state's job-training agencies so that they provide what he calls "job-specific, product-specific, even company-specific training."

For four years running, Southern Business and Development Magazine has named Alabama its "state of the year." Site Selection magazine ranked the Alabama Development Office as the top such agency in the nation. And even in the state's rural, long-impoverished "Black Belt" (so named for the color of its loamy soil), unemployment has dropped to 7.7% from many years in the double digits, largely due to initiatives by the Riley-created Black Belt Action Commission.

Elsewhere, Mayor Harold Crouch of Chatom (pop. 1,204), a self-described political ticket-splitter, tells of how Mr. Riley has made the state capitol "acceptable to rural Alabama again." Just by helping with infrastructure such as water service and a little paving and earth-moving, Mr. Riley's team made it possible for Chatom to land a plant of A.C. Manufacturing, a garment company, with 152 jobs. "It would not have occurred if the governor had not personally stepped in to help," Mr. Crouch said.

Thus did Mr. Riley run for re-election as a genial, tax-cutting, budget-cutting, crisis-handling, job-creating, education-boosting, utterly scandal-free reformer. Every major newspaper in the state -- conservative, moderate and liberal alike -- endorsed him for another term. Interesting how that works.

In his victory speech on election night, Bob Riley put himself on the line by urging the people of the state to "demand a higher level of excellence from state government than you have ever demanded before." Judging from the election results, Alabamians think that type of excellence already is housed in their governor's mansion.

McCain Committee Lays Groundwork For '08 Bid (USAT)

By Jill Lawrence

USA Today, November 16, 2006

WASHINGTON — Arizona Sen. John McCain, a leading White House prospect, today is forming a presidential exploratory committee in order to start amassing money for the 2008 Republican nomination contest.

The committee, to be registered with the Federal Election Commission, will allow McCain to promote a potential candidacy before he officially enters the race. He says he'll make a final decision with his family over the Christmas holidays.

McCain, 70, was a prisoner of war in Vietnam. He showed appeal to moderates and independents in his bid for the 2000 GOP nomination against George W. Bush.

Since then, McCain has made overtures to conservatives and built a national network of activists and fundraisers. He appeared at 346 events and raised $10.5 million for GOP candidates this year.

McCain's new committee will file quarterly reports to the FEC. It already has a website — www.exploremccain.com — that will do a live webcast of a major speech McCain is giving today to GOPAC, a group that fosters Republican candidates at the state and local level.

“We are not under the radar,” said Rick Davis, director of the committee. “We wanted to get people paying attention to the speech.”

Asked to choose a presidential nominee in a USA TODAY/Gallup Poll in the past week, 26% of Republicans and independents who lean toward the GOP picked McCain. Former New York mayor Rudy Giuliani, who formed an exploratory committee last week, was first at 28%.

Another Republican, former Wisconsin governor Tommy Thompson, said he will create an exploratory committee after Jan. 1, the Associated Press reported Wednesday. Iowa Gov. Tom Vilsack, a Democrat, has done so already.

New York Sen. Hillary Rodham Clinton leads potential Democratic nominees in polls. Among Democrats and independents who lean toward the Democrats surveyed, 31% supported Clinton.

If Clinton runs, she would start with millions of dollars left from her Senate race this year. McCain could put about $1 million toward a bid.

Primaries begin in January 2008, so candidates must raise most of their money in 2007. They can get federal help if they limit primary-season spending, but major candidates ignored the limits in 2004. Bush raised about $270 million before he was nominated; Democrat John Kerry raised $235 million.

McCain Takes Step Toward White House Bid (AP-Y)

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AP, November 16, 2006

Republican Sen. John McCain will file paperwork with the Federal Election Commission on Thursday to create a presidential exploratory committee, his aides said Wednesday.

The Arizona senator also launched a Web site — http://www.exploremccain.com — that allows supporters to donate and join his effort. His speech before the conservative group GOPAC on Thursday will be broadcast on the site.

The move was expected — the senator discussed it Sunday on national television. McCain insists he won't make a final decision about running for president until after the Christmas holidays.

McCain, a former Navy pilot who was a prisoner of war in Vietnam, ran for president against George W. Bush in 2000 and lost in a bitter two-way race.

If McCain were to run again, he would turn 72 on Aug. 29, 2008, at the height of the campaign. Only President Reagan was older — 73 at the start of his second term.

McCain Moves Toward '08 Presidential Run (LAT)

By Janet Hook

The Los Angeles Times, November 16, 2006

WASHINGTON — Striding through the wreckage of the midterm election, Sen. John McCain (R-Ariz.) will take a major step today toward a 2008 presidential bid by announcing he has established a committee to formally explore a campaign and making two major speeches laying out his vision for the future of the GOP.

McCain has been considered the front-runner for the Republican nomination in a field that changed rapidly after the tumultuous midterms.

In response to the party's big losses, McCain has been moving to make a fresh appeal to the surly voters who helped end GOP control of the House and the Senate — Republicans and independents angry about government corruption and excessive spending.

That anger contributed to Democratic gains in 2006, but it may open a political opportunity for McCain in 2008 by highlighting concerns about lax ethics and pork-barrel spending — his signature issues.

"For years he's been on a one-man crusade against wasteful spending in Washington," says a biography of McCain on http://www.exploremccain.com , the website launched Wednesday by his exploratory committee. "Because of his crackdown on waste in government, he's been nicknamed 'The Sheriff.' "

But the midterms underscore a growing risk for McCain on another front: Polls show that a majority of voters disapprove of the war in Iraq and want at least some troops withdrawn, and McCain is almost alone in calling for a larger deployment. He reinforced that position Wednesday when, at a Senate hearing, he upbraided military leaders for not calling for more troops.

"I'm of course disappointed that basically you're advocating the status quo here today, which I think the American people in the last election said … is not an acceptable condition," he said.

Other potential White House contenders are jockeying for position as well. On Wednesday, former Wisconsin Gov. Tommy G. Thompson, secretary of Health and Human Services in President Bush's first term, said he intended to form a presidential exploratory committee.

Earlier this week, former New York Mayor Rudolph W. Giuliani also took a step in that direction. Massachusetts Gov. Mitt Romney is courting evangelical Republicans. Rep. Duncan Hunter (R-El Cajon) has announced a longshot White House bid.

But allies of McCain, whose maverick streak is thought to have cross-party appeal, say he is in the best position to thrive in the aftermath of election results that illustrated the GOP's weakness among independents.

"John is probably emboldened to run for president because our party is adrift in areas where I think he has a lot to offer," said Sen. Lindsey Graham (R-S.C.), a McCain ally.

McCain has said he will make no decision about running until he and his family discuss it over the Christmas holiday. But rarely does a person set up an exploratory committee and decide not to run. Having such a committee allows potential candidates to raise money and begin establishing a political organization while they are testing the waters for a formal run.

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McCain's speech today to GOPAC, a conservative political group, is intended as his first broad assessment of the state of the GOP and how he would lead it. A source familiar with the speech said McCain aspired to fill the post-midterm political vacuum in the same way Ronald Reagan did in a fabled speech after the GOP lost the White House in 1976.

McCain has been arguing that Republicans lost ground this year because the party strayed from its conservative principles of fiscal restraint and political reform with a spate of scandals, the creation of expensive programs like the Medicare drug benefit and the proliferation of pork-barrel spending.

"We Republicans have lost our way," McCain has said. "We came to Washington to change government, and government changed us."

McCain also will speak today to the Federalist Society, an organization of conservative lawyers that has been at the heart of bitter Senate debates over confirmation of Bush's judicial nominees. That faction of the party was furious with McCain and others in a bipartisan group of senators, nicknamed the Gang of 14, who last year blocked a bid by GOP leaders to deny Democrats the right to filibuster judicial nominations.

Conservative lawyers aren't the only ones in the GOP base who view McCain with suspicion. He alienated social conservatives with a 2000 speech harshly critical of the influence of evangelical leaders in the GOP. His support for giving illegal immigrants a path to citizenship, his concern about global warming and his opposition to Bush's tax cuts have earned him ire from many on the right.

On the war, McCain risks alienating another constituency — the majority of Americans who said in exit polls that they wanted U.S. troop strength in Iraq reduced. McCain has been one of Bush's most stalwart supporters of the mission in Iraq, although he has been critical of the way the administration has prosecuted the war.

He has argued that ending instability in Iraq requires a larger U.S. military presence. His advisors contend that whatever political risk McCain runs by taking that position, he would take a bigger risk of looking like a political opportunist if he reversed field and called for withdrawal.

"It's classic McCain," said Mark McKinnon, one of his advisors. "He's always willing to do the unpopular thing. Even people who disagree with him about the troops will feel, 'At least he's being straight with us.' "

But his critics say that because voters' emotions about Iraq run so deep, his views on the war will probably undercut his appeal to independents.

"Independents are concerned and angry about the war in Iraq, and John McCain has consistently said that we should stay the course," said Stacie Paxton, a spokeswoman for the Democratic National Committee. "If John McCain's political strategy is to appeal to independents, his position on the Iraq war is a serious problem for him."

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Ex-Bush Aide To Explore Presidential Run (AP-Y)

By Mike Glover, Associated Press Writer

AP, November 16, 2006

Former Wisconsin Gov. Tommy Thompson, who served as Health and Human Services Secretary in President Bush's first term, said Wednesday he intends to form a committee to explore a possible run for the White House in 2008.

"I intend to do so after the first of the year," the Republican said in reference to establishing an exploratory committee.

Thompson made the comments in Iowa, where he met with about 100 members of a group called Iowans for Wellness and Prevention. The state holds the first votes of the presidential nominating process.

Thompson, who will turn 65 on Sunday, spent nearly four decades in politics and government, including 14 years as governor. He resigned as HHS secretary in December 2004 shortly after Bush won a second term. His tenure at HHS was marked by anthrax attacks, a flu vaccine shortage and passage of the Medicare prescription law.

"We touched the third rail of politics and delivered on our promise to modernize Medicare with prescription drug coverage," Thompson said.

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During his stop in Iowa, Thompson argued that his background as a Midwest governor and HHS secretary would appeal to voters.

"The three big issues in 2008 are going to be health, energy independence and the war in Iraq," he said.

Thompson faces a daunting task in what's expected to be a crowded field of Republican presidential candidates. Front-runner Sen. John McCain planned to file the paperwork for an exploratory committee on Thursday and former New York City mayor Rudy Giuliani recently took the first step in his bid.

Other potential candidates include Massachusetts Gov. Mitt Romney, Tennessee Sen. Bill Frist, Arkansas Gov. Mike Huckabee and New York Gov. George Pataki. California Rep. Duncan Hunter also has announced a presidential bid.

Thompson said more than 90 percent of spending on health care — roughly 16 percent of the gross national product — is for treating disease, while only about 8 percent is spent on prevention.

"To me that's just backwards," he said. "I want to try and transpose that."

Thompson had been the state's longest-serving governor when Bush named him to lead the department. He made his mark as governor by pushing for an overhaul of Wisconsin welfare laws, well before Congress and President Clinton took up the issue on the national level.

But a month after the Sept. 11 attacks, the nation faced its first case of bioterrorism in the form of anthrax attacks against government and media targets in Washington, Florida and New York.

Thompson generally escaped criticism, but lawmakers complained that the Centers for Disease Control and Prevention reacted slowly to the crisis.

In 2004, similar criticism was leveled at the Food and Drug Administration for its reaction to the loss of half the U.S. supply of flu vaccine because of contamination at a manufacturing plant in England.

The FDA also has come under fire for its handling of safety concerns about Merck & Co.'s Vioxx painkiller.

Thompson, meanwhile, was a key player in President Bush's AIDS initiative, a commitment of $15 billion over 5 years for treatment and prevention of the scourge overseas.

He traveled frequently to Africa. Thompson also used his AIDS role to trumpet his idea of medical diplomacy, investing in health care and medical facilities around the world.

Born in Elroy, Wis., Thompson prided himself on his small-town roots as he won an unprecedented four terms as Wisconsin's governor. His father was a grocer. Thompson introduced himself to voters during his first gubernatorial campaign in 1986 as a proud son of Elroy — "located between Kendall and Union Center, north of Wonewoc and south of Hustler."

During his tenure, Thompson pushed the Milwaukee School Choice program, in which religious and private schools received up to $5,000 per pupil from the state to cover tuition for low-income Milwaukee students who otherwise would attend public schools.

Thompson occasionally flirted with the idea of going to Washington. He ran for Congress in 1979 but lost in the Republican primary and considered briefly running for president in 2000 but dropped the idea, saying he didn't have the necessary financial backing or support.

Analysis: Clinton Undecided On '08 Run (AP-Y)

By Beth Fouhy, Associated Press Writer

AP, November 16, 2006

Democratic Sen. Hillary Rodham Clinton's professed indecision about a presidential bid seems a bit disingenuous. After all, she has millions in the bank, a national network of supporters and an unrivaled team of political strategists. Not to be trumped by other potential candidates/authors, the former first lady plans to rerelease her best-selling book, "It Takes a Village."

Fresh off her landslide Senate re-election victory, the New York lawmaker has been inundated with questions about her political future. Although polls show her the front-runner for her party's 2008 presidential nomination, Clinton insists she's just starting the process of making a final decision.

"I will look at the possibilities, but I ... haven't really had the time to talk to people about it," Clinton said in New York earlier this week — the latest non-answer to the question that's dogged her incessantly since the midterm elections.

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Clinton is under less pressure to disclose her intentions early thanks to money and her standing in several polls that put her ahead. An Associated Press-AOL News poll in late October found that, among registered Democrats, she essentially was tied with Illinois Sen. Barack Obama as the person they would most like to see elected president in 2008. The other White House hopefuls were in single digits.

Among registered black Democrats, she led Obama 29 percent to 10 percent on the same question in an AP-AOL Black Voices poll.

She has as much as $13 million remaining from her Senate run that can be used in a presidential bid, far more than lesser known candidates such as Iowa Gov. Tom Vilsack, who recently formed a campaign committee.

Advisers also insist it's Clinton's nature to deliberate, reaching out to activists, donors and operatives — particularly in states with key early contests such as Iowa and New Hampshire — before reaching a final decision.

As a roadmap, they point to her decision to run for the Senate in New York in 2000, when she was still first lady. Then, she spent months seeking counsel from numerous friends and advisers and went on a "listening tour" of the state.

Clinton's inner circle continues to operate in a virtual cone of silence, divulging little information and letting no stray words escape that could be seized upon or misinterpreted. Among those most knowledgeable about her plans are longtime political director, Patti Solis Doyle; communications director Howard Wolfson; strategist Ann Lewis; pollster Mark Penn, media adviser Mandy Grunwald; and former Democratic National Committee chairman Terry McAuliffe.

"The people who know what's going on aren't saying anything, and the ones who are talking don't know what's going on," said Jay Carson, a spokesman for another confidante — former President Clinton.

While Bill Clinton has been one of the biggest boosters of his wife's presumed presidential ambitions, even he has said publicly — as recently as last weekend — that he doesn't know what her final decision will be. He leaves shortly after Thanksgiving for a two-week tour of Asia on behalf of his foundation, suggesting a major announcement about Sen. Clinton's political future won't come anytime soon.

"Senator Clinton made it clear that she will begin focusing on this decision after the election, and she will," Wolfson said.

In the coming weeks, Hillary Clinton's best-selling book on raising children, "It Takes a Village," will be rereleased by Simon and Schuster. She has penned a new introduction describing how the "village" has changed in the 10 years since the book was first published. An audio version, with Clinton reading the book, also will be released.

In 1996, the book sold 700,000 copies and a year later, Clinton captured a Grammy award for her audio version.

This time, she will be competing with Obama's "The Audacity of Hope: Thoughts on Reclaiming the American Dream," which recently vaulted to No. 1 on The New York Times best-seller list. John Edwards, the 2004 Democratic vice presidential nominee, has embarked on a book tour to promote "Home: The Blueprints of Our Lives," a coffee-table collection of mini-memoirs that he edited.

One factor influencing Clinton as she contemplates a presidential bid is the shift of power on Capitol Hill. Not only is Clinton poised to be part of a new Democratic majority, she likely will chair the Environment and Public Works Subcommittee on Fisheries, Wildlife and Water. The job will give her a platform on environmental issues, which former vice president Al Gore has largely claimed.

One New York Democrat familiar with Clinton's thinking said people have underestimated her desire to be a senator and the impact of the newfound majority status. Those factors may work against a presidential bid.

Still, many skeptics laugh off any suggestion Clinton might not run.

Dick Morris, a longtime political strategist for both Clintons who has become a vehement critic in recent years, said she has made a pretense of indecision because she didn't want to risk her re-election to the Senate. He calls her current process of deliberation "a charade."

Morris puts it this way: "If I were still an adviser of hers, and I called her up and said 'Hillary, I think you should run for president in 2008,' I would be laughed off the phone. It would be like saying, 'I think you should breathe.'"

Political Lessons (WP)

The Washington Post, November 16, 2006

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THERE ARE lessons for both political parties in the conduct and outcome of the U.S. Senate race in Maryland this year. Republicans, whose Senate candidate was an African American man, discovered that identity politics and fraudulent campaign literature are not enough to drive African American voters into jettisoning their loyalty to the Democratic Party en masse. Democrats, who nominated white candidates for the Senate and every other marquee statewide race, were put on notice not to take their indispensable core constituency, African Americans, for granted. Both parties might profit from treating black voters, who account for between 20 and 25 percent of the state's electorate, with more respect.

In nominating Lt. Gov. Michael S. Steele to run for the Senate, the Republicans clearly hoped that his race would win black votes. Mr. Steele campaigned heavily in Prince George's County, where he lives, trying to drive a wedge between the county's largely black voting population and the Democratic Party. But his appeal was dimmed by his insistent fuzziness on matters of substance, coupled with an economic platform based on tax giveaways to the rich. At the same time, he used a sleek, gimmicky advertising campaign that sought to substitute personality for policy. It didn't work. Just 23 percent of Prince Georgians who voted, and a quarter of all African Americans in Maryland, cast ballots for Mr. Steele.

It is true that Mr. Steele attracted more black votes than Republican candidates generally do in Maryland. But even that was tainted by a crude, eleventh-hour trick engineered by Republicans: the distribution of pamphlets in Prince George's blurring Mr. Steele's Republican affiliation and falsely suggesting that key black Democrats were supporting him. The pamphlet took Prince George's African American voters -- among the nation's best-educated -- for fools. Little wonder that many of them reacted with indignation and hostility. If Republicans are truly interested in wresting African American voters from the Democratic Party, they should try nominating candidates who campaign on substance, not symbols, and who treat all voters with equal respect.

The Democrats, who swept the statewide races, may feel they have less cause for introspection. That would be a mistake, because clearly some African American Democrats in Maryland feel the party has taken them for granted, despite the successful candidacy of the lieutenant governor-elect, Del. Anthony G. Brown, a rising star who is black. The Democrats' troubles began last year when the entrance of Kweisi Mfume into the Senate race was greeted with a profound silence by many in the party's hierarchy. Party elders, notably Rep. Steny H. Hoyer and state Senate President Thomas V. Mike Miller Jr., rushed to endorse Rep. Benjamin L. Cardin, the eventual winner, for the job. That was their right; after all, Mr. Cardin has been a leading political figure in Maryland for decades. But Mr. Mfume -- who had served on the Baltimore City Council, as a member of the House of Representatives and as president of the NAACP -- thought it unseemly that he received so little consideration from the party, and some black party stalwarts agreed. They have sent the party a message that its leadership would be wise to heed.

Bush's Asia Trip To Focus On Trade, Terrorism (LAT)

By James Gerstenzang

The Los Angeles Times, November 16, 2006

SINGAPORE — President Bush arrived here today to begin an Asian tour knitting together the twin issues of economic security and counter-terrorism that are at the center of his agenda for the final two years of his presidency.

Over five days, the trip will take Bush from Singapore to Hanoi, for a Pacific Rim economic summit, and to Ho Chi Minh City and Indonesia, where he will seek cooperation in the campaign against terrorism.

Bush, who left Washington on Tuesday, spent two nights aboard Air Force One, flying by way of Moscow.

During a refueling stop Wednesday at Vnukovo II International Airport, the president and First Lady Laura Bush spent about 90 minutes with Russian President Vladimir V. Putin, and his wife, Lyudmila, lunching on Kamchatka crab, pancakes with red and black caviar, and other Russian delicacies.

The Russian news media said the presidents discussed efforts to persuade Iran to freeze its nuclear enrichment program and Russia's accession to the World Trade Organization, which will probably get a boost in Hanoi.

Bush's trip is centered on a three-day visit to Vietnam, his first and the second by a U.S. president since the end of the Vietnam War. President Clinton visited in November 2000, two months before leaving office.

Although the Asia-Pacific Economic Cooperation summit is focused on economic and trade issues, it takes place against the backdrop of the anti-terrorism campaign, the rise of China as an economic and diplomatic presence, and the loss of Republican Party foreign policy dominance after the congressional election.

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"All Asian friends will be watching initially President Bush and his team in terms of his body language, his statements, to see whether he will be weakened or committed to going forward with a broad and purposeful agenda in Asia as a whole," said Kurt Campbell, a former senior Pentagon official and senior vice president of the Center for Strategic and International Studies, a Washington think tank.

One of the first tests of Bush's ability to move forward is the challenge posed by North Korea's explosion of a nuclear device on Oct. 9. It will probably be a central topic on the sidelines of the summit.

Speaking with reporters last week, Stephen Hadley, Bush's national security advisor, said there was a possibility that the government in Pyongyang "would take some action" during the summit to demonstrate its belligerence.

As the place where the foreign policy of several U.S. presidents went awry, Vietnam will prove a challenge for Bush.

Critics may find it easy to draw parallels between the war in Iraq and the war in Vietnam: fighting with no sign that the administration's political goals are being met; a steady drain on the U.S. military; daily casualty reports in the news media; popular opinion in the United States and beyond turning against the president; and growing evidence of civil war.

For Vietnam, Bush's visit is part of a diplomatic coming-out party more than 31 years after the communists' victory led to the country's unification.

The 21-member Asia-Pacific Economic Cooperation forum is being held in Vietnam for the first time, lending legitimacy to the Hanoi government and recognition to its powerful economic engine.

Vietnam's economy has grown dramatically after the introduction of market reforms. Last year, it grew at a rate of 8.4%, although per-capita income was a meager $638.

The annual meeting of the Asia-Pacific Economic Cooperation forum, which was established in 1989, brings together leaders from the Pacific Rim with the goal of advancing economic growth, opening trade and promoting trade-related security.

The participating countries account for 40% of the world's population, 56% of its economic output and 48% of world trade.

For Bush, Singapore is an appropriate launching point for a trip linking economic, diplomatic and security concerns.

The country has been a historic center of Southeast Asian trade, has maintained close ties with the United States, particularly to Republican presidents, and is an ally of the administration in the U.S.-declared war on terrorism.

With connections throughout the region, Singapore also offers Bush perspectives on China's growth and conditions in Indonesia, the most populous Muslim nation, said Campbell, the think tank analyst. Bush's final stop there Monday has been limited to about six hours because of security concerns.

The president scheduled a series of meetings with Singaporean leaders today, followed by a speech at the National University of Singapore that is expected to focus on economic security and the fight against terrorism, disease and poverty.

Before the afternoon meetings, the president was expected to tour the Asian Civilizations Museum, which features 1,300 artifacts of Chinese, Southeast Asian, South Asian and West Asian Islamic cultures.

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Times staff writer David Holley in Moscow contributed to this report.

Asians Ask How Elections Affect Trade (USAT)

By David Jackson

USA Today, November 16, 2006

SINGAPORE — As President Bush sorts out his relationship with the incoming Democratic Congress, some Asian leaders wonder whether last week's elections were a vote against free trade and their countries' economic opportunities.

The new Democratic majority in the U.S. House of Representatives and Senate, including members who say free trade leads to American job losses, makes trade a timely topic for Bush's visits this week to Singapore, Indonesia and an economic conference in Vietnam.

“I know people in various governments around the region who are concerned,” said Edmund Sim, a Singapore attorney who has worked on trade agreements.

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In Indonesia, Foreign Minister Hassan Wirajuda told reporters that "like some other countries that are currently discussing free-trade areas, we are very worried."

The United States had a $373 billion trade deficit with Asian countries in 2005, representing nearly half of its overall $767 billion trade deficit. The red ink was led by a $202 billion deficit with China.

The United States had small trade surpluses with a few Asian nations, including Hong Kong and Singapore.

Bush arrived this morning (local time) in Singapore, a gleaming city synonymous with international barter since Britain's Sir Thomas Stamford Raffles established a trading post here in 1819.

As Air Force One refueled in Moscow, Bush had lunch with Russian President Vladimir Putin. The two leaders discussed the nuclear ambitions of Iran and North Korea.

Tonight, Bush delivers a major speech on U.S.-Asian relations that will include a renewed commitment to what national security adviser Stephen Hadley called "trade liberalization."

Delegates to the Asia-Pacific Economic Cooperation forum, to be held this weekend in Hanoi, will assess Bush's political strength in light of the election victories by the Democrats.

"They're going to be all looking to see how he plays the game after this political setback," said Michael Green, a former member of Bush's National Security Council.

Though the Iraq war dominated the midterm elections, some successful Democrats argued that American companies have used lower trade barriers to move jobs overseas.

Rep. Sherrod Brown, D-Ohio, who defeated Republican Sen. Mike DeWine, called for "renegotiating job-killing trade agreements." Brown wrote a book called, Myths of Free Trade: Why American Trade Policy Has Failed.

Sim, a native of Louisiana who has worked in Singapore for nearly a decade, says, "American consumers benefit tremendously from free trade," in terms of lower prices and product variety.

In what may be a preview of debates to come, the House failed Monday to muster the two-thirds vote necessary to approve normal trade relations with Vietnam, something Bush wants before the APEC summit. Ninety-four Democrats voted against the trade deal, along with 66 Republicans. The House may try again in December.

Another test will come next summer, when the new Congress decides whether to continue giving presidents the power to negotiate trade agreements that cannot be amended and require only an up-or-down vote. This is known as "fast track" authority.

Democrats plan to seek greater oversight and enforcement capabilities to protect U.S. jobs. Sen. Max Baucus, D-Mont., in line to be chairman of the Senate Finance Committee, wants to create a chief enforcement officer in the U.S. trade representative's office.

"Moving forward on aggressive trade initiatives requires that we tackle — with equal vigor — their domestic consequences," Baucus said recently.

Rep. Jim McCrery, R-La., who will be the top Republican on the House Ways and Means Committee, says the trend away from unfettered free trade has been building for some time. He notes the coalition that supported President Clinton's effort on the North American Free Trade Agreement between the United States, Canada and Mexico has shrunk.

Simon Tay, chairman of the Singapore Institute of International Affairs, notes the Bush administration has discussed an overall "free-trade area" for Asian nations, an idea to be reviewed at the economic forum in Vietnam. Tay said a Democratic Congress and the "looming end of fast-track approval" puts a lot of "pressure" against that concept.

Paul Rosenthal, an international trade lawyer in Washington, predicted Democrats will probably seek restrictive trade agreements that would include requirements that trading partners abide by international labor and environmental standards.

"I don't think there will be an end to free-trade negotiations," Rosenthal said. "But I do think there's going to be a lot closer scrutiny."

Bush Seeks To Reassure Allies On Trade (AP-Y)

By Terence Hunt, Ap White House Correspondent

AP, November 16, 2006

DOJ_NMG_0095159

President Bush is seeking to reassure nervous Asian allies that the United States will remain a reliable partner in liberalizing trade, confronting North Korea's nuclear threat and fighting terrorism after an election upheaval back home.

In Bush's first overseas trip since Republicans lost the House and Senate, world leaders are looking for any sign of change since the election repudiation of his Iraq policy.

In an early embarrassment for Bush, the House failed to approve normalized trade relations with Vietnam — a move Bush wanted completed this week. Instead, Congress probably will consider it in December.

Bush's eight-day journey takes him to Singapore, Vietnam and Indonesia. A week later, he will be in Europe for a summit of NATO leaders. The two trips will take him away from Washington at a crucial time when the postelection, lame-duck Congress is dealing with issues the White House has deemed vital.

The president planned to outline the themes of his trip with a speech in Singapore on Thursday, emphasizing how the United States and Asian nations can work together.

"The Asian leaders will be looking at President Bush's body language," said Mike Green, who until earlier this year was senior director for Asia at the National Security Council. "They know he's the commander in chief. They know that he has two years left, but they're going to be all looking to see how he plays the game after this political setback."

En route to Singapore, Air Force One stopped in Moscow for refueling. Russian President Vladimir Putin and his wife, Lyudmila, came out to the airport to greet Bush and his wife, Laura, on a red carpet. Bush's stop was a pointed gesture of friendship toward Putin, whose support Bush needs in dealing with North Korea and Iran. Typically, U.S. presidents heading for Asia fly west, not east, and refuel in Alaska.

National Security Adviser Stephen Hadley, talking to reporters aboard Air Force One after Bush left, said the presidents "talked a little bit about proliferation generally" with regard to Iran and North Korea.

Russian news agencies quoted Kremlin spokesman Alexei Gromov as confirming that a bilateral agreement on Russia's accession to the World Trade Organization was being readied for signing in Hanoi.

While the Republican election defeat was cheered by many in Europe, where Bush is highly unpopular, it is a different story in Asia. Many Asian nations are nervous about the rise of China and look to the United States to be a force of strength and continuity. They will be watching for Bush for possible signals.

Along with trade and regional security, the trip will deal with issues such as avian flu, the battle against government corruption, the promotion of freedom and curbing of poverty. Southeast Asia also is an area with active al-Qaida-linked terrorists.

On Friday Bush will travel to Vietnam for the annual summit of 21 Pacific Rim leaders.

On the summit's sidelines, Bush will meet individually with his partners in talks aimed at persuading a defiant North Korea to abandon its nuclear weapons program. He will meet on Saturday with Japan's new prime minister, Shinzo Abe, and South Korea President Roh Moo-hyun and on Sunday with Putin and Chinese President Hu Jintao.

The leaders will explore how to proceed in the start-and-stop talks on North Korean disarmament. After testing a nuclear bomb Oct. 9, North Korea declared its willingness to return to the negotiations; no date has been set.

Worried about angering Pyongyang, South Korea has balked at Washington's demand that it fully join a U.S.-led effort to intercept North Korean ships suspected of carrying supplies for the North's nuclear and missile weapons programs.

Meanwhile, this week's setback on normal trade relations with Vietnam could portend tough times for other trade legislation when the Democrats take over Congress in January. Many Democrats see trade liberalizing legislation as a threat to American jobs. Bush's authority to negotiate a "fast-track" agreement that can be submitted to Congress for a simple yes-or-no vote without amendments is due to expire on July 1, 2007.

Regarding congressional inaction on Vietnam trade relations, Hadley said, "It is unfortunate that it could not have been done before the president arrived, but I think the message for the Vietnamese people will be, 'This is going to get done.'"

After 3 1/2 days in Vietnam, Bush will visit Indonesia, the world's largest Muslim-majority nation. The president will stop in Hawaii on his way back to the United States and have breakfast Tuesday morning with troops at Hickam Air Force Base before returning to Washington.

Blow To Bush As Vietnam Trading Bill Rejected (FT)

DOJ_NMG_0095160

By Alan Beattie And Amy Kazmin

Financial Times, November 16, 2006

The administration of President George W. Bush scrambled on Wednesday to play down the significance of the US House of Representatives defeating a motion to treat Vietnam as a full trading partner.

The leadership of the House, which remains in Republican hands until the newly elected Democrat-controlled Congress takes over in January, decided on Tuesday night not to call for another vote on the bill to grant Vietnam so-called "permanent normal trade relations" after it failed to get the requisite two-thirds majority on Monday.

Though the bill is very likely to pass when Congress reconvenes in December, the timing of the vote, days before Mr Bush attends the Asia-Pacific Economic Co-operation (Apec) forum in Vietnam is highly unfortunate for the White House.

Susan Schwab, US trade representative, used a press conference in Hanoi on Wednesday to argue that the defeat arose from procedural problems, not fear of Vietnam or rejection of trade deals.

"You have to be a student of our congressional system to understand the vote," she said. "The fact is that there was strong bipartisan support in favour of permanent normal trade relations for Vietnam in the House of Representatives."

The House of Representatives voted 228 to 161 to pass the bill. But it failed to reach the two-thirds majority required under the expedited procedures used.

The bill commits the US to giving Vietnam the same privileges as any other member of the World Trade Organisation, which Vietnam is due to join next year. It is largely symbolic but observers said Hanoi may not quickly forget the diplomatic embarrassment the US has caused it at a moment when it is under intense global scrutiny as the host of an important regional economic forum.

"What a screw-up," said Fred Burke, a partner at the law firm Baker & McKenzie in Ho Chi Minh City. "It's a disaster. It undermines so much of the goodwill and co-operative atmosphere that is really strong right now."

The failure to pass the bill caused irritation within the administration about Republican mismanagement of the House. But there was also dissent from the party that will make it harder to form a bipartisan majority on trade. Ted Poe, a Texas congressman, said he and other Republicans would continue to vote against the pact and might challenge future bilateral deals, such as the free trade agreement with Peru.

Adam Sitkoff, executive director of the America Chamber of Commerce in Hanoi, said he was disappointed the vote would be delayed but confident it would pass in December. "There is strong bipartisan support and the new Democrat leadership voted in favour of this bill," he said.

Trade Bills Now Face Tough Odds (NYT)

By Steven R. Weisman

The New York Times, November 16, 2006

WASHINGTON, Nov. 15 — The Bush administration says it has no higher global economic priority than to combat rising protectionism. This week the challenge became harder and more complicated.

Like a lightning bolt that illuminates a dark landscape, the failure by the House to pass what should have been a routine measure sought by President Bush to extend normal trade relations with Vietnam shows how much harder it will be to win approval of trade bills from now on.

Administration officials said Wednesday that they still hoped the Vietnam trade bill would be approved by the end of the year in the lame-duck Congressional session that continues to be led by Republicans. They said the same for other bills that would grant trade preferences to poor countries in Asia, Africa and Latin America.

But after an election in which many winning Democrats ran on promises to look more skeptically at trade measures, Democratic leaders and trade lobbyists agreed that, at least next year, the administration is going to have to adjust to a new environment and make concessions in order to get such bills through a Democratic-controlled Congress.

Among the concessions might be greater efforts to get trading partners to crack down on sweatshops and labor abuses and to respect environmental standards and other types of regulations in their countries. Trade deals may also have to address what sorts of goods the American government can procure from overseas.

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"The election was a reaffirmation of public skepticism on trade deals," said Lori Wallach, director of Public Citizen's Global Trade Watch, a group founded by Ralph Nader. "There's going to be a majority for trade deals, but it's going to be a different majority than the one we're used to. The skeptics are going to have a say."

This was also the view of groups advocating trade agreements representing big business.

"We're optimistic about working with the new Congress, but we're going to have to show some flexibility," said Christopher Wenk, director of international trade policy at the National Association of Manufacturers. "Labor is going to have to play a more prevalent role, and environmental issues are going to have to be addressed."

The Vietnam bill passed by a majority, but it fell short of the two-thirds majority needed under special rules invoked to speed its consideration on the eve of Mr. Bush's trip to Hanoi, his first visit to the country with which the United States fought a war a generation ago.

The result was an embarrassment for the White House, suddenly deprived of a tangible way to prove that relations with Vietnam were improving under Mr. Bush. Even administration officials said they were not sure why the bill failed and seemed ready to blame Republicans as well as Democrats.

A day after Republican leaders decided not to even try to pass the bill before Mr. Bush's visit, new details of the inner workings of the House bill were emerging. Legislative aides said Republican skeptics of the bill were furious with their leaders that it was being scheduled so soon after an election in which trade was an issue.

More than 60 Republican voted against the measure, an unusually high number for a party that stands for free trade. Misgivings about improving relations with Vietnam three decades after the war were cited as a factor in their dissent.

So was a general feeling of resentment toward Representative Bill Thomas, the California Republican who is outgoing chairman of the Ways and Means Committee, whose style of running the committee is criticized by Republicans and Democrats as autocratic and doctrinaire.

On the Democratic side, the issue was complicated as well. Democratic leaders like Representatives Nancy Pelosi, set to become House speaker, and Charles B. Rangel, the expected chairman of the Ways and Means Committee, supported the Vietnam bill. Their offices noted that more than 90 Democrats voted for it.

Mr. Rangel said he would handle trade legislation differently from Mr. Thomas and consult lawmakers about their ideas before the vote. He said trade actually offered more of a prospect for bipartisan cooperation than other issues like taxes, Social Security and Medicare.

"With all the other big-ticket items we're facing, trade is one issue that could be more easily dealt with in a bipartisan way," Mr. Rangel said in an interview. "In the past, Republicans never welcomed working with us, except to tell our trading partners that it was the Democrats who were holding up trade deals."

Mr. Rangel said, however, that he did not think trading partners would object to the kinds of concerns on labor, environment and other issues that Democrats would be raising. "I have not heard one representative of any government objecting to any suggestions by Democrats," he said.

Trade officials say that dictating labor, environmental and regulatory standards of American trading partners is not as easy as Mr. Rangel and the Democrats assert in the current environment as European, Latin American and Asian countries are making trade deals with each other that could freeze out the United States.

"We do not have the luxury of standing on the sidelines," said an administration trade official, asking not to be identified discussing tactics in Congress. "We have got to be in the game. We have to get preferential access."

The Vietnam deal was especially upsetting to the American textile industry, which has been reeling from a succession of trade deals with Mexico, the Caribbean and China over the last 10 years. Some worried that the Vietnam arrangement might allow cheating by China to circumvent curbs on its exports by going through that country.

Democrats denied Republican claims that they were under pressure from their labor supporters to vote against the Vietnam deal. They said the vote on Monday evening demonstrated that, while about half the Democrats in Congress might vote against future accords — and indeed most Democrats opposed trade deals even under President Bill Clinton — there should be enough Democrats to join with Republicans to pass some measures. Whatever happens on Vietnam and the pending deals with poor

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countries, the vote this week was not seen as good news for a future global trade accord, which is hung up on the issue of farm subsidies and tariffs.

The Bush administration has made it clear that it cannot offer to reduce its current level of $20 billion in farm subsidies in return for modest access to European, Indian, Indonesian and Brazilian markets for American goods. Such access seems not to be in the offing, and therefore many trade experts are pessimistic about getting a global deal.

Bad Start For Bipartisanship On Trade Issues (FT)

By Alan Beattie And Eoin Callan

Financial Times, November 16, 2006

Never mind the Democrats: it's those Capitol Hill Republicans you need to watch out for. That was the conclusion of frustrated Bush administration officials as they blamed the ineptitude of the Republican leadership of the House of Representatives for trying and failing to rush through the Vietnam trade bill on Monday.

As one frustrated official put it on Wednesday: "The bottom line is that we can't blame this one on the Democrats." While some Democrats have been warning that they will scrutinise trade agreements much more closely when they take over the House and Senate in January, the Democrat vote on Monday divided almost evenly for and against – more favourable than for many trade bills. It was the failure of some Republicans to turn up, along with 66 who voted against, that did for the bill. Some speculated that the votes against might have reflected congressional Rep-ublican resentment towards the White House after the heavy defeats of the mid-term elections.

"If they had not used the suspension calendar, this would probably have been seen as a huge bipartisan victory," the administration official said. The official was referring to the accelerated "suspension" process chosen by the House Republican leadership to push the vote through before this weekend's Asia-Pacific Economic Co-operation (Apec) meeting in Hanoi. Though the bill will very probably be passed when it comes up again early next month, it is a bad start for the administration's attempts to achieve cross-party support for trade liberalisation on Capitol Hill.

The White House will face a tough challenge selling any new trade deals to a House and Senate both controlled by Democrats. In particular, it looks ever more quixotic to attempt to turn the Apec forum, which meets this weekend in Hanoi, into a giant free trade agreement of Asia-Pacific (FTAAP), as suggested by some.

The Apec heads of government will call for feasibility studies of the possibility of melding the 21 members of Apec into a trade pact. But since such a deal would involve the US promising even more trade liberalisation with China, a key member of the bloc, it looks to most like a non-starter. Even some Democrats promising bipartisanship on trade issues balk at going any further with China until they are happy it is playing by the rules it has already signed up to.

Barack Obama, a contender for the 2008 Democratic presidential nomination, said frustration over relations with Beijing had emerged as a hot-button issue for "congressmen from states that have been hit by job losses in manufacturing". "There are a number of incoming congressmen that want a new approach to engagement with China," he said.

Even so-called "Blue Dog" Democrats – those with centrist pro-business policies – declare the first order of business on China is addressing outstanding differences over global imbalances, monetary policy, and enforcement of existing trade obligations.

"Democrats are anxious to start by sitting down with the Bush administration and hammering out these issues," said an aide to John Tanner, a leading Blue Dog in the House of Representatives.

US business groups also rejected suggestions of a regional FTA, saying the Doha round of trade talks remained the best hope. "We need to press China for results on unmet obligations," said Myron Brilliant, of the US Chamber of Commerce. And when even the fervently pro-trade hosts don't think a deal is a runner in the near future, it seems unlikely many will dissent. "Establishment of the Free Trade Area in Asia-Pacific cannot be realised in the near future," Tran Thu Hang, deputy director-general of the Vietnamese trade ministry's multilateral section, told the state-controlled Vietnam News. "The orientation of the current free trade agreements are such that it would require major changes in Apec's mechanism."

Bush, In Asia, Faces A Test Of Diplomatic Muscle (NYT)

By David E. Sanger

DOJ_NMG_0095163

The New York Times, November 16, 2006

SINGAPORE, Thursday, Nov. 16 — President Bush arrived here Thursday morning in one of Asia's most prosperous corners, opening a five-day visit that will test whether the Republican defeat last week diminished his influence as he presses other nations to confront Iran and North Korea.

Stopping Wednesday in Moscow for refueling, Mr. Bush and his wife, Laura, had a 90-minute visit with President Vladimir V. Putin, which the White House described as largely social.

But it included some exchanges on efforts to get Russia to join a resolution imposing United Nations sanctions on Iran for its continued defiance regarding its nuclear program.

On the way here, Mr. Bush's national security adviser, Stephen J. Hadley, acknowledged that the two countries were still well apart on such sanctions.

"The issue is just what should be in the resolution," Mr. Hadley said after talking to his counterpart, Igor Ivanoff, in Moscow. "It's a little bit like sausage making — it's not pretty, and a lot of it spills out into the public. But I think the international community has held together on this issue, and I think we will again."

Russia has deep economic ties to Iran's nuclear power program — it is the supplier of nuclear reactors now under construction — and it has been the most reluctant to impose sanctions, saying they would undercut efforts to reach a negotiated settlement. Administration officials make little secret of their frustration that the year is coming to a close and Iran is continuing to enrich uranium.

Asked about seeking Iran's help with ending violence in Iraq while pressing the nuclear issue, Mr. Hadley said the administration had no intention of letting up the pressure to win Iran's help. "There's not a tradeoff between the two," he said. "Iran ought to have an interest in having a unified and stable Iraq."

In Moscow the Kremlin's spokesman, Dmitry S. Peskov, described the meeting of the presidents and their wives as brief but "very positive." He said that among the subjects they took up was an agreement, already announced, for Russia to enter the World Trade Organization.

When Mr. Bush arrives Friday in Hanoi, the Vietnamese capital, for an annual Asian summit meeting, he will face a more difficult trade issue: Congress balked at final passage of normal trade relations with Vietnam.

Mr. Bush had intended to bring news of the approval with him, but Mr. Hadley said that instead, he would tell Hanoi that he believed the problems in Congress — some with Mr. Bush's own Republican allies — would soon be resolved.

In Hanoi, Mr. Bush is also likely to have a testy encounter with President Roh Moo-hyun of South Korea. Mr. Roh has been critical of what he has called a one-sided American approach to North Korea, and earlier this week, he announced only weak sanctions against North Korea in response to its nuclear test on Oct. 9.

So far South Korea has declined to take part directly in the American-led effort to detect and seize illicit weapons shipments. Many North Korean ships pass through South Korean waters. American officials say that Mr. Roh, in a visit to Washington before the nuclear test, had indicated that if North Korea detonated a nuclear test, it would "change everything" in relations between North and South.

One of Mr. Bush's senior national security aides, speaking in Washington before the president left, but declining to talk on the record about the friction between Washington and Seoul, said, "It seems to have changed almost nothing."

Bush, Putin Discuss Iran, Korea (WT)

By Joseph Curl

The Washington Times, November 16, 2006

HANOI -- President Bush stopped off in Moscow yesterday to talk with Russian President Vladimir Putin about the nuclear proliferation efforts by North Korea and Iran before proceeding to Southeast Asia for an eight-day trade and economic trip.

Russian officials said the two leaders agreed to sign a deal next week that would help Russia join the World Trade Organization.

National Security Adviser Stephen J. Hadley said he and his Russian counterpart, Igor Ivanov, talked and said there is still general agreement on passing a United Nations resolution with consequences if Iran continues to pursue its nuclear program.

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"We need a resolution, we need to show that there's some consequences, we also need to keep the door open to negotiations if the Iranians are willing to come and suspend" their program, said Mr. Hadley.

Taking leave of Washington -- a city he lost to the Democrats one week ago -- Mr. Bush arrived in Singapore today on a trip that will be long on economic and trade talks and short on U.S. politics -- even though his forthcoming stay in Vietnam will prompt comparisons to the flagging war in Iraq.

The White House said the president plans to focus his trip to Singapore, Vietnam and Indonesia on encouraging free trade and praising economic expansion in the ascendant nations. In a speech he will deliver today, the president will utter little of his usual rhetoric on foreign trips, when he often urges nations to step up in the fight against terrorism.

"In his remarks, the president will highlight the importance of Asia in the world and will discuss the ways in which the United States and Asian nations are partnering together to face the challenges of poverty, disease, terrorism, and energy security," said Mr. Hadley.

While Mr. Bush will be president for another two years, his loss of Congress considerably weakens his clout at home. One former White House adviser said the strong hand he held when he bucked the international community and invaded Iraq may be all but played out.

"The Asian leaders will be looking at President Bush's body language," said Mike Green, who is now an Asia specialist at the Center for Strategic and International Studies. "They know he has two years left, but they're going to be all looking to see how he plays the game after this political setback."

After two nights in Singapore, including one on which the president and first lady will attend a dinner with the prime minister, Mr. Bush will visit Vietnam for three nights. His first stop is Hanoi, where he will attend the 21-nation Asia-Pacific Economic Cooperation, a summit of Pacific Rim leaders and others seeking to open trade throughout the world.

At the annual summit, Mr. Bush will hold bilateral talks with leaders from South Korea, China and Japan, along with Mr. Putin, whom he met briefly during the red-carpet refueling stop yesterday. The four nations are part of six-party talks with North Korea, which has become increasingly bellicose, test-firing missiles on July 4 and detonating what specialists say was a nuclear device in October.

The talks, which include the United States and North Korea, have been stalled for a year, but aides to the communist nation's President Kim Jong-il last month said the leader is open to restarting negotiations over its nuclear ambitions.

Also in Hanoi, Mr. Bush will tour the Joint POW-MIA Accounting Command, where he will be briefed on efforts to locate or account for all of the nearly 1,800 U.S. service members still missing from the Vietnam War.

On Monday, Mr. Bush will spend a day in Ho Chi Minh City, formerly Saigon, where he will tour the stock exchange and attend a meeting on bird flu, which has killed more than 100 people in Southeast Asia.

Bush's Visit To Vietnam Sparks Hope In Little Saigon (LAT)

By Mai Tran

The Los Angeles Times, November 16, 2006

In the streets and marketplaces of Little Saigon, the talk is of optimism and new freedoms for a country many fled decades ago.

President Bush's visit to Vietnam today is seen in the nation's largest Vietnamese American community as a heartening, profoundly important event. For some, there is even the hope that the president will find a way to champion reform in a country that still evokes bitterness and memories of terrible times.

"I've been waiting for this day," said Kimberly Ta, 61, of Anaheim, shopping with her father and friends at the Asian Garden Mall in Westminster. "I am hoping that his visit will make life better for the people of Vietnam."

Bush will attend the Asian Pacific Economic Cooperation summit in Hanoi as part of an eight-day tour. He is the second president to visit the Southeast Asian country since the former country of South Vietnam fell to the communists in 1975.

Many in Little Saigon, a bustling Vietnamese American community that sprawls through parts of Westminster, Garden Grove and Santa Ana, say it's the perfect time for Bush to voice their concerns.

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"I just hope that President Bush tells Vietnam that human rights is important," said Janet Nguyen, a Garden Grove councilwoman. Bush "comes from a country that represents freedom and democracy; he needs to remind Vietnam that if they want to benefit from the free-trade market, they have to abide by the human rights laws."

Others suggested that Bush should be cautious in dealing with the Vietnamese government. Activists from San Jose have gathered outside the White House in recent weeks, asking Bush to demand that the communist nation embrace democracy before trade with the United States is normalized.

"It's only fair," said Ta, a homemaker who immigrated to the United States in 1981 under an Amerasian sponsorship program. She visits relatives in Vietnam every year and hopes Bush's visit will "somehow make it easier for the Vietnamese to travel abroad" so her family can visit her.

Many Vietnamese Americans still have family in Vietnam.

Thuong Dinh, a cashier at Pho Vien Huong Dakao restaurant in Westminster, visits Vietnam twice a year to see family. There have been vast improvements in basic freedoms and growing prosperity, but more needs to be done, he said.

"It's getting better," said Dinh, 45, of Westminster, who fled by boat in 1979. "It's 2006 already, not like it was 25 to 30 years ago, but of course we want to see more freedom."

Vietnam was on the brink of becoming the 150th member of the World Trade Organization but its membership failed to pass in the House this week. A decision could be made in December.

The membership would be only a gesture, many said, because trade is already taking place. In Little Saigon, food, clothing, furniture, music and pottery are imported and sold at local stores. Many businesspeople travel to Vietnam but keep their dealings secret, fearing a backlash from anticommunist activists. Anticommunist feelings run deep in Little Saigon.

For Thuy Reed, a 53-year-old San Pedro resident, the trade vote is nothing more than procedural.

Even without any restrictions, Bush should push for Vietnam to trade, supporters say.

Sitting in front of a boba drink shop in the popular two-story Asian Garden Mall, Reed said that "99.9% of the stores here are already getting their products from Vietnam. At least opening trade to Vietnam would give so many people opportunities and jobs. You can't punish the laypeople of Vietnam for the work of the communist government."

Nguyen, the Garden Grove councilwoman, said her opposition to the Vietnamese government had kept her from visiting her native country. She's tracking Bush's trip, hoping that somehow it will speed reform.

"If they open up and the political dynamics change, maybe one day, I'll get to visit my homeland."

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Rice Backs Trying To Restart Trade Talks (AP)

By Anne Gearan

AP, November 16, 2006

Secretary of State Condoleezza Rice endorsed an attempt to restart global trade talks that collapsed over the summer, telling Asian trade partners on Thursday that a new trade agreement is "critical to global prosperity and security."

Rice pledged $1 million in new U.S. funding for an Asian trade development initiative and unveiled a U.S. program allowing expedited visas and other services for approved business travelers from nations in the Asia-Pacific Economic Cooperation forum.

"We need to make it easier to do business in the region," Rice told an opening session of the 21-nation forum.

According to a draft of a statement Pacific Rim leaders plan to issue later in the annual summit, the leaders agreed to return to the current round of world trade talks, launched in Doha, Qatar, in 2001. The talks collapsed in July amid an impasse over farm trade concessions and other issues.

"Both as a trade issue and a foreign policy issue, the success of the Doha round is critical to global prosperity and security," Rice said.

APEC trade and economic ministers held talks in Hanoi on Wednesday hoping to get negotiations on a global agreement to slash trade barriers back on track. Fast action is needed if the World Trade Organization is to strike a deal before President Bush's authority to reach a trade deal that can be submitted to Congress for a simple yes-or-no vote without amendments expires in mid-2007.

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Also Thursday, Rice and other delegates at the forum conferred on the North Korean nuclear issue. The informal gathering was a substitute for a smaller and more structured session that the United States and Japan had hoped to hold on the sidelines of the APEC meeting.

China, which chairs six-nation talks aimed at shuttering Pyongyang's nuclear program, strongly opposed holding a session that excluded the North, which does not participate in APEC.

The United States, South Korea, China, Japan and Russia have offered impoverished North Korea a package of economic, political and energy incentives if it gives up its nuclear weapons. The North agreed to the deal in September 2005, but then backed away.

The six-nation talks have been mothballed for a year, during which North Korea test-fired a long-range missile and conducted an underground nuclear explosion that unnerved Asia and the West.

The North agreed in principle to return to the arms control negotiations after its nuclear test Oct. 9, and host China had hoped to schedule the session before the end of the year.

Before arriving in Hanoi, Rice suggested that the new round of talks may not come quickly.

"We need to take our time this time and make sure when we go to the table at the six-party talks there is a reasonable chance of a successful outcome," Rice told reporters.

Legwork is under way to make sure new talks are tightly structured and produce a result, Rice said. Two top State Department officials recently returned from planning meetings in Asia, and Rice predicted there will be more such visits. Rice herself will meet separately with the foreign ministers of China and South Korea during her stay in the Vietnamese capital.

"I'm a veteran of arms-control negotiations," said Rice, a specialist on the former Soviet Union. "It's not at all unusual that you have a lot of preparatory work in advance of any round of getting the actual negotiators together."

The draft APEC statement shows apparent differences among members on the appropriate way to deal with the threat of weapons of mass destruction. Two sentences about WMD are enclosed in brackets, meaning some members wanted that material deleted.

The draft does not mention North Korea, although the issue was high on the summit agenda. Envoys from South Korea, Japan and the United States were to meet Wednesday in Hanoi to hammer out a common strategy ahead of six-way nuclear talks that include North Korea.

The document does stress the importance of ensuring security to advance prosperity in the region, saying the leaders are "determined to continue efforts to combat terrorism."

In the Vietnamese capital, Christopher Hill, the top U.S. nuclear envoy, said Wednesday that talks with North Korea on its nuclear program won't succeed unless the communist regime lives up to commitments to abandon nuclear weapons in exchange for aid and security guarantees.

"I think we've all made very clear that we don't accept North Korea as a nuclear state," Hill said.

South Korean nuclear envoy Chun Yung-woo earlier called for real progress in the talks.

"If we do not make substantial progress, the future for the six-party talks will be very unclear," he said late Tuesday after arriving in Hanoi from Seoul. "There should not be talks for the sake of talks."

The comments were some of the strongest Chun has made about the North.

Vietnam Studies Roots In Corruption Battle (WT)

By Nicholas Kralev

The Washington Times, November 16, 2006

HANOI -- Vietnam's ruling Communist Party is turning to the ideology and social teachings of its founder, Ho Chi Minh, in an uphill battle against rampant corruption that has resulted in the dismissal of thousands of officials in recent years.

The Politburo instructed the party's local branches this week to begin a campaign "to encourage party members and the general public to study and follow [Ho's] virtuous personality."

By doing this, it said, "the party believes people will be able to effectively push back social evils" such as "corruption, waste and individualism," a reference to the diminished role of the individual in communist ideology.

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"The party's offices and organizations will set up standards on virtue and lifestyle for cadres, party members and state employees," said the new directive, which was published by the official Vietnam News Agency.

All Vietnamese read Ho's teachings in school, but the party is worried that they either forget them as they grow older or give in to the vices of a modern and evermore developed economy, officials said yesterday.

The party has been embarrassed by the lengths to which some of its most senior members have gone for personal profit, one official said. "Thousands have been fired for corruption, embezzlement and graft."

Some of those sacked include vice ministers and even the country's anti-corruption chief. According to press reports, Luong Cao Khai received money and land from oil and gas officials and secured jobs in the energy sector for his relatives.

Last year, several oil and gas officials received sentences ranging from four years to life in prison for causing losses to the state worth millions of dollars.

Earlier this year, a betting scandal prompted the party leader, Nong Duc Manh, to say that corruption "threatens the survival of our system."

Bets on soccer games worth $7 million were reportedly placed by the head of a government agency that handles hundreds of millions of dollars in foreign development aid for construction projects. According to local press reports, he lost $320,000 on a single match in Britain between Manchester United and Arsenal on Jan. 3.

Even Vo Nguyen Giap, the retired general who is revered for Vietnam's victories over both the French and the Americans, felt compelled to remark: "The party has become a shield for corrupt officials."

Another reason for the party's appeal for its members to revisit Ho's teachings is that ideology and traditional values are far from the minds of most young Vietnamese, officials said.

Vietnam has made impressive strides in the past decade in its quest to turn its previously planned system into a modern market economy.

It joined the World Trade Organization last week and is hosting the annual Asia-Pacific Economic Cooperation summit with 21 heads of state, including President Bush, this weekend.

But the United States, which is eager to fully normalize trade relations with Vietnam, is critical of the slow pace of political reforms. The Communist Party's rule remains unchallenged, and democracy and human rights activists are regularly harassed.

Two decades ago, the Vietnamese Communist Party, faced with a faltering central-planning economy, formally abandoned Marxist approaches and began introducing market elements as part of a broad reform package called "Doi Moi," translated as either "Renewal" or "Renovation."

Foreign Students Trickling Back To US (CSM)

By Howard Lafranchi, Staff Writer Of The Christian Science Monitor

The Christian Science Monitor, November 16, 2006

A modest rise in new enrollees from abroad begins to stem the post-9/11 drop-off, a report finds.

WASHINGTON

Karian Antoine, an elementary school teacher from the Caribbean island nation of St. Lucia, had long wanted to go beyond her two-year college degree. But the idea of furthering her education in the United States had never attracted her - especially, she says, after the terrorist attacks of Sept. 11, 2001.

Now, though, the Grade 4 teacher at a Catholic school for boys is working her way toward a degree from Virginia's Lynchburg College. She enrolled in Lynchburg's program to train special-education teachers, which the college set up in St. Lucia, and is now one of 23 foreign students at the small liberal arts school.

Antoine is part of a modest rise in the number of new foreign students in the US, the first increase after several years of declines after the 9/11 attacks. While educators hope it signals a return to America's status as a magnet for international education, they acknowledge that getting more students like Antoine to study in the US will take a more coordinated effort from the government and higher-ed institutions.

With just under 565,000 foreign students, the US remains the world's most popular destination for students looking to further their education in another country. But that number is still below the high point of 584,000 foreign students set in 2002-03. US

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government efforts to streamline the visa process for foreign students, after a post-9/11 tightening of access, is one factor in a return to a rising number in the 2005-06 school year, experts say.

But a global market for foreign students means that American colleges and universities face more competition today - in particular from countries like Britain, Australia, and Japan.

"The fact is that we are in a different place now in the international student market," says Victor Johnson, public policy director for the Association of International Educators in Washington. "Competition from other countries has increased, which means the US is actually getting a smaller share of the market."

The hotter competition helps explain why Education Secretary Margaret Spellings is in China, Korea, and Japan this week with a group of university presidents - a first-of-its-kind mission - to tout the virtues of American higher education.

One reason to fire up more foreigners about US study: their impact on the economy. International students pumped about $13.5 billion into the economy last year, notes the Institute of International Education, whose annual "Open Doors" survey this week reported the increase in foreigners studying in the US. That makes higher education the fifth-highest service-sector export, according to the Department of Commerce.

As important as that is, officials say a broader national interest - one driven home by 9/11 - is the international understanding they believe results from international education. "The amount of money international students spend here is astounding, but [beyond that] are the benefits of increased contact ... between Americans and people [elsewhere]," says Paul Hiemstra, director of global education programs at the State Department. "Those direct contacts counter the stereotypes and misperceptions."

As part of an expanded effort to improve America's image abroad, the State Department is putting more emphasis on international exchanges in both directions, all under the stewardship of presidential adviser Karen Hughes. The effort includes streamlining the student visa process, making more information available to prospective students, and increasing contacts between US institutions of higher education and foreign governments, Mr. Hiemstra says.

These efforts are explained by a growing realization that the advent of a globalized world has forever changed the role of international education, experts say. "Higher education is beginning to say that without the international dimension, you just aren't educated," says Allan Goodman, president of the Institute of International Education.

New international realities will keep expanding the two-way street of international education, with high growth in the US, Mr. Goodman says. A separate survey showed the number of Americans studying abroad grew 8 percent last year, to more than 200,000. Forecasts anticipate that the number of students going outside their own country for part of their education will grow from 2.5 million today to 7 million in five to six years.

The International Educators' Mr. Johnson says the US share of that pie will grow only if the US learns from its international competitors and develops a public-private marketing plan.

Some American schools are already making such efforts. Yerlan Shildibekov, one of 30 Kazakhstani students at the Rochester Institute of Technology in New York, is benefiting from an agreement between his new school and Kazakhstan's government. He has a government scholarship but also financial benefits from RIT.

The anticipated outcome? "In a year I'll go home with a master's in electrical engineering," Mr. Shildibekov says. "But I'm living here with American roommates, so I hope to increase the understanding between America and my country."

Open Campuses (WP)

The Washington Post, November 16, 2006

WHEN IT COMES to attracting the best minds to America's universities and colleges, geography should not matter. So it is welcome news that after two years of decline, students from foreign countries are steadily coming back to U.S. college campuses. It's a trend that should be encouraged even more.

Foreign student enrollment was among the casualties of the Sept. 11, 2001, attacks. Concerns about homeland security and new restrictions on student visas resulted in long, unpredictable waits for entry into the United States. Students from other countries, believing America no longer welcomed them, went elsewhere. In the 2005-06 school year, though, according to a survey released Monday by the Institute of International Education, the number held steady at 564,766, and new enrollments were

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up about 8 percent. Credit goes to the State Department, which made foreign students a priority, adding workers to streamline the visa process and starting new recruiting and scholarship programs. Credit also goes to the educational institutions that put new energy into recruitment efforts.

This is a world of increasing competition and collaboration, and immeasurable good is achieved when barriers are torn down. Some of the students who come here today will lead their countries tomorrow, and even those who won't be leaders will leave with a better understanding and appreciation of America. While they are here, they make important contributions, such as teaching this country something about its international neighbors as well as helping the local economy. Consider, for instance, that the 7,600 international students in Washington end up pumping more dollars into the region than, say, the Washington Redskins.

Any doubt about the benefits of attracting foreign students should be erased when weighed against the fact that other countries have started their own programs to aggressively recruit these same smart students. This week a delegation of college presidents, led by education and State Department officials, is in Asia on a mission to recruit foreign scholars. America can't afford not to put out the welcome mat.

President Visits Briefly With Putin On Way To Asia (AP)

By Jennifer Loven

AP, November 16, 2006

MOSCOW, Nov. 15 -- President Bush, eager for Russian help in nuclear disputes with North Korea and Iran, tended to the sometimes frosty Washington-Moscow relationship Wednesday by paying a quick call on President Vladimir Putin.

Bush paused to visit the Russian leader for an hour and a half during an airport stopover on his way to Asia for a week-long trip that includes stays in Singapore, Vietnam and Indonesia. Bush has meetings scheduled with several important allies, including Putin, on the sidelines of a summit of Pacific Rim leaders in Hanoi this week. But only Putin rated a social call as well.

Russian news agencies quoted Kremlin spokesman Alexei Gromov as saying the two presidents discussed the Iranian nuclear program, the situation in the Middle East and nuclear nonproliferation.

Gromov also confirmed that a U.S.-Russian agreement on Russia's accession to the World Trade Organization was being readied for signing in Hanoi.

National security adviser Stephen J. Hadley, talking to reporters aboard Air Force One after Bush left, said the president's get-together with Putin "was a social meeting, as we said it would be. This was a refueling stop."

But Hadley also said the two men "talked a little bit about proliferation generally" with regard to Iran and North Korea. He also said he had spoken with his Russian counterpart, Igor Ivanov, about efforts to reach agreement on a new U.N. security resolution on Iran.

When Bush and his wife, Laura, landed, they were greeted on a red carpet on the tarmac by Putin and his wife, Lyudmila. The Russian president presented Laura Bush with a bouquet of yellow, orange and red flowers, and the four exchanged kisses.

Bush And Putin To Sign WTO Deal In Hanoi (FT)

By Neil Buckley

Financial Times, November 16, 2006

US president George W. Bush held an unusual airport meeting with Russia's Vladimir Putin during a refuelling stop in Moscow, where they confirmed the two countries would this weekend sign a bilateral accord on Russian entry to the World Trade Organisation.

Mr Bush was on his way to Hanoi for the Asia-Pacific Economic Co-operation summit, where he will hold more detailed talks with Mr Putin. Kremlin officials called Wednesday's 90-minute meeting "extraordinarily positive and friendly", saying the two leaders had discussed Iran's nuclear programme, proliferation issues and the Middle East.

Analysts said the gesture by Mr Putin to travel to the airport – accompanied by his wife Lyudmila – may have reflected a desire to ease relations between Moscow and Washington, currently seen as at their poorest since the Soviet Union collapsed in 1991. While Moscow has opposed the Iraq war, Russian officials and commentators have not welcomed last week's Democratic

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victory in Congressional elections, warning it could lead to even more of what they say is an unwarranted focus on Russia's democratic record.

The presidents "confirmed that the signing of a protocol on Russia's accession to the WTO is now being prepared for Hanoi," Alexei Gromov said, after the two men met at a Moscow airport.

Putin and Bush will meet in Hanoi at the Asia-Pacific Economic Cooperation summit on November 18 and 19.

Democrats Blast Bush Policy On N. Korea (WP)

By Glenn Kessler

The Washington Post, November 16, 2006

The Bush administration came under fierce attack yesterday from Democrats for its North Korea policy, with the incoming chairman of the House International Relations Committee saying that change is "long overdue" and that the United States should allow its chief nuclear arms negotiator to visit Pyongyang, North Korea's capital.

Meanwhile, a group of experts returning from talks with top North Korean officials offered a pessimistic report on the prospects of reaching a deal when the long-stalled six-nation talks resume later this year. North Korean officials told the experts that they would take a much tougher stance when Pyongyang returns to the negotiating table, believing it is on "equal footing" with the United States now that it has tested a nuclear weapon.

Charles L. "Jack" Pritchard, a former top State Department negotiator on North Korea, said that country's officials seem more interested in returning to the talks to make short-term gains, such as relief from a U.S. campaign to end North Korean counterfeiting of U.S. dollars or to patch up a damaged relationship with China. "They're not in this to give up their nuclear weapons," said Pritchard, now president of the Korean Economic Institute.

North Korea conducted its first nuclear test Oct. 9, after refusing to return to the talks for nearly a year. The U.N. Security Council quickly condemned the test and imposed sanctions, and on Oct. 31 Pyongyang announced that it would return to the talks after the United States agreed to address its concerns about the financial crackdown.

At a hearing yesterday on the administration's preparation for the talks, Rep. Tom Lantos (D-Calif.) faulted the administration's exclusive reliance on the six-nation negotiating framework, arguing that substantial bilateral contacts are necessary to reach any deal.

China, Japan, Russia and South Korea also participate in the talks, a format that some experts have said is cumbersome for difficult negotiations.

In the aftermath of the test, "it is now abundantly clear to the world that our current policies have failed," said Lantos, who will wield the gavel when the new Congress convenes in January. "I look forward to leading the efforts in Congress to keep North Korea on the front burner and to pushing the administration to resolve the feuds within its own ranks which have hobbled North Korea policy."

Lantos charged that Assistant Secretary of State Christopher R. Hill has been undercut in his diplomacy by "hard-liners lodged in the office of the Vice President and the Defense Department." Hill had lobbied to travel to Pyongyang to meet with North Korean officials shortly after North Korea agreed in principle in September 2005 to dismantle its nuclear programs. But the trip never took place, and then the talks stalled over the Treasury Department action.

"Ambassador Hill must also make a stopover in Pyongyang on his way back from the six-party talks, not to negotiate a new and separate deal, but rather to demonstrate to Pyongyang our peaceful intent," Lantos said. "The administration's refusal to allow visits by American diplomats to North Korea must end, and it must end now."

Undersecretary of State R. Nicholas Burns noted that U.S. officials, including Hill, have met bilaterally with North Korean officials in Beijing and New York. "Some people are insisting that the United States should negotiate with North Korea solely on a bilateral basis," he said. "But the North Korean problem, especially its pursuit of nuclear weapons, is a regional problem, it's not just a bilateral issue, because this problem poses a threat to all of its neighbors."

Lantos won support for his position from several other Democrats, as well as from Rep. Jim Leach (R-Iowa), who lost his reelection bid.

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"I believe you set up a bit of a straw-man argument," Leach told Burns. "I know of no serious commentator or observer of North Korea that favors solely bilateral discussions, which is the way you phrased it." But, he said, the problem with the administration's approach is that Hill can meet only with North Korean diplomats who are not really the decision-makers.

Democrats Urge N. Korea Nuclear Talks (AP)

By Barry Schweid

AP, November 16, 2006

Congressional Democrats, demanding a bold new approach to end a diplomatic standoff, urged the Bush administration on Wednesday to send the top U.S. negotiator to North Korea and press for an end to its nuclear weapons program.

Such a mission by Christopher Hill would demonstrate "our peaceful intent," said California Rep. Tom Lantos, the top Democrat on the House International Relations Committee. Panel members quizzed Undersecretary of State Nicholas Burns about the so-far futile effort to halt North Korea's nuclear weapons and missiles programs.

Talks involving the U.S., North Korea, South Korea, China, Japan and Russia are expected to resume next month after a suspension of more than a year. Burns said it was not possible yet to announce a precise date.

The U.S. has held sporadic, occasional talks with North Korea in New York and in Beijing. But the administration insists on a six-nation negotiations format in an effort to intensify pressure on the insular communist government.

"The North Korean problem is a regional problem," Burns said. "It poses a threat to all of its neighbors."

But Lantos, the prospective new chairman of the committee when the Democrats take control of Congress in January, said, "the administration's refusal to permit visits (by U.S. diplomats) to North Korea must end and must end now."

Supported by several Democrats on the committee and one Republican, Rep. Jim Leach of Iowa, Lantos said, "The White House must try a new and bold approach to the vexing North Korean problem."

"I don't understand why it is in the United States' interest to keep them isolated," Leach said.

On the Democratic side, Rep. Brad Sherman of California proposed that the United States offer North Korea a nonaggression pact as part of a deal in which the North Koreans permanently and verifiably give up their nuclear weapons.

Rep. Gary Ackerman, D-N.Y., accused the administration of "dithering" and said the U.S. was placing too much reliance on China to stop North Korea's programs. China played a leading diplomatic role in persuading North Korea to end its boycott of negotiations.

GOP Rep. Ileana Ros-Lehtinen of Florida cautioned against concessions or any acts of "appeasement."

Meanwhile, an American nuclear scientist who toured North Korea this month said he believed the North had enough fuel for as many as nine nuclear weapons and the capacity to make about one bomb's worth of fuel a year.

Siegfried Hecker, a former director of the Los Alamos Nuclear Laboratory, met with chief North Korean nuclear scientists during his Oct. 31-Nov. 4 visit. Hecker said that while he learned no technical details about the North's Oct. 9 nuclear test, officials indicated the test was "fully successful."

He said he and the small group of former U.S. officials who made the trip noticed a palpable sense of national pride about the test among the North Koreans they met.

Hecker based his observations on meetings with the director of the North's five-megawatt Yongbyon nuclear facility and with nuclear specialists in China. He said the North Korean nuclear test was most likely "at least partially successful," but the country probably was "still a long way from having a missile-capable nuclear design."

Rice Urges Terror Finance Crackdown In NKorea Allusion (AFP)

AFP, November 16, 2006

US Secretary of State Condoleezza Rice has urged Asia-Pacific nations to crack down on illicit financial activities by "weapons proliferators", in an indirect reference to North Korea.

"Confronting the threats posed by terrorism, proliferation of weapons of mass destruction, natural disaster and pandemic disease is inextricably tied to the prosperity of the region," Rice told APEC ministers meeting in Hanoi.

"We also hope that APEC members will take all necessary actions to prevent the abuse of their financial systems by weapons proliferators."

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North Korea's nuclear ambition, put on display last month when Pyongyang carried out its first atomic bomb test, is one of the key issues on the agenda at this week's Asia Pacific Economic Cooperation (APEC) gathering.

The United States is one of five nations involved in disarmament talks with North Korea. A breakthrough came in September 2005, when Pyongyang agreed to scrap its nuclear program in exchange for economic aid and security guarantees.

But the North walked out of the talks a year ago after Washington effectively froze 24 million dollars in North Korean funds by blacklisting a bank in Macau.

The United States said the funds were the suspected proceeds of counterfeiting US dollar "supernotes" and other illicit activities by the regime of Kim Jong-Il.

North Korea boycotted the six-party talks for a year in protest at Washington's freeze and a larger crackdown on accounts elsewhere in Asia.

The APEC meeting comes two weeks after North Korea agreed in secret negotiations in Beijing to return to the six-nation talks, which involve the two Koreas, China, Japan, Russia and the United States.

North Korean Officials Proud Of Their Nuclear Test, U.S. Experts Say (MCT)

By Renee Schoof

McClatchy, November 16, 2006

WASHINGTON - North Korean officials are proud of their country's nuclear test and are unlikely to be persuaded easily to give up their nuclear weapons, a group of Korea experts said Wednesday after a visit to the reclusive communist nation.

The experts, who visited North Korea's capital of Pyongyang from Oct. 31 to Nov. 4, just weeks after the Oct. 9 test, said they were surprised by conditions in the city, where streets were crowded with cars and, something new this year, motorcycles.

"There were also well-dressed people on the streets like I hadn't seen before," said Robert Carlin, a former U.S. intelligence analyst making his 26th visit to North Korea.

Carlin said he saw trucks laden with cabbages, new buildings going up and others freshly painted, and a well-stocked free market whose parking lot was jammed with cars.

Siegfried S. Hecker, a nuclear scientist and former director of the Los Alamos National Laboratory, said he and the others met with the head of North Korea's Yongbyon nuclear center, Ri Hong Sop, but weren't allowed to visit the center. They also spoke with high-ranking officials in the Ministry of Foreign Affairs, the army and the government.

The delegation was led by John W. Lewis, a Chinese politics and North Korea expert at Stanford University.

Hecker said that North Korean officials said they remained committed to a Sept. 19, 2005, agreement with the United States that would end the nuclear program in exchange for security guarantees and energy benefits. But Hecker said he concluded it would be harder now to persuade the North Koreans to do so.

Delegation member Charles L. Pritchard, the U.S. special envoy for negotiations with North Korea from 2001 to 2003, said he also believed that the North Koreans would be tougher negotiators.

"A few years ago I'd say it was possible to negotiate an end of the crisis. Now I'm not so sure," Pritchard said. The North Koreans are feeling confident and, in their words, "on an equal footing" with the United States, the former negotiator said.

The group met with Li Gun, deputy director general of the North Korean Ministry for Foreign Affairs, who said North Korea was committed to returning to six-party talks and the eventual denuclearization of the Korean Peninsula, Pritchard said.

Li also told the delegation that North Korea wouldn't use nuclear weapons first and wouldn't sell nuclear weapons and technology to any group, including al-Qaida.

But Pritchard said Li made clear that North Korea had short-term expectations for the upcoming talks with the United States and the four other nations, which North Korea agreed to on Oct. 31.

Li also said that China will unfreeze North Korean assets in a Macau bank and that the United States won't object as a condition of the talks, Pritchard said.

The U.S. government has claimed that North Korea was using Banco Delta Asia to launder illegal profits from drug trafficking, counterfeiting and cigarette smuggling, and it has put pressure on the bank to stop doing business with North Korea.

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Li said there had to be progress on Banco Delta Asia first, and he indicated that North Korea next would insist on dropping the sanctions contained in a U.N. Security Council resolution.

U.S. officials have said that the U.N. sanctions should be implemented but that they'll discuss the Macau bank issue at the talks. The six-party talks also include China, South Korea, Russia and Japan.

Pritchard said Li quoted President Reagan on the need to "trust but verify." Li acknowledged that verification would be necessary if North Korea agrees to suspend its nuclear programs, but insisted that it also would be necessary to verify that it receives benefits at each step.

Pritchard said the group immediately e-mailed a report to Secretary of State Condoleezza Rice. The Bush administration didn't sanction the trip and hasn't responded, he said.

Hecker suggested in a written report that the United States must do more to address North Korea's security concerns.

He also said that North Korean officials had "little appreciation of the issues of safety and security related to having a nuclear arsenal." North Korea probably has enough plutonium for nine nuclear weapons and can produce enough for one per year over the next few years, he said.

Ri and other officials didn't provide details about the Oct. 9 test, but Chinese nuclear experts put it at about 1 kiloton, which they described as "successful but not perfect," Hecker said.

Many things can go wrong in a test, but a 1-kiloton test isn't a fizzle, as some U.S. officials have suggested, Hecker said. The U.S. atomic bomb dropped on Nagasaki, Japan, produced a 21-kiloton blast.

"A 1-kiloton explosion in Manhattan would be a catastrophe," Hecker said.

US Senator Seeks 10 Billion Dollars For North Korean Human Crisis (AFP)

AFP, November 16, 2006

A bill was introduced in the US Senate calling for the establishment of a 10 billion dollar fund to prepare for any humanitarian crisis in nuclear-armed North Korea.

Bill Frist, the outgoing majority leader in the Senate who introduced the bill, said President George W. Bush should have "all necessary tools at his disposal to deal with foreseeable humanitarian contingencies on and around the Korean Peninsula.

"To make clear our intentions, and to establish a framework for providing assistance in these circumstances, my bill authorizes the creation of a 10 billion dollar 'North Korea Refugee Relief and Reconstruction Fund'", he said.

The proposed legislation was to be "a sign of hope to the people of North Korea, who have suffered for six decades under one of the cruelest regimes the world has ever known," said the retiring senator from Bush's Republican party.

"To the people of North Korea, I say 'we have not forgotten you, and we stand ready to help.'"

The hardline North Korean communist regime led by Kim Jong-Il recently tested a nuclear weapon and launched missiles in defiance of the international community. Human rights watchers have warned that the North Korean people remain vulnerable under the reclusive regime.

Kim's regime allowed as many as one million, and possibly many more, of its own people to die during the famine in the 1990s, according to a report last month commissioned by former Czech president Vaclav Havel, ex-Norwegian prime minister Kjell Bondevik and US Nobel Peace Prize laureate Elie Wiesel.

It said hunger and starvation remained a "persistent" problem and added that over 37 percent of children in North Korea were "chronically malnourished."

North Korea imprisons more than 200,000 people in its modern-day gulag, and it is estimated that more than 400,000 have died in that system over 30 years, the report said.

Frist said he introduced the bill "because of the critical threat posed to international peace and security by the hereditary dictatorship in North Korea."

"There is no doubt in my mind that in the event of massive refugee flows out of North Korea, or either the reunification of North Korea with South Korea or the emergence of a new, more benign regime in North Korea, the United States will step forward to help," he said.

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With only a brief period left for Congressional debates and voting, Frist's office does not expect the bill to be approved this year.

The new year will see the Democrats in control of both chambers of Congress after they routed the Republicans in legislative elections last week.

"There would probably not be a vote on the bill in the near future but the Senator introduced it because it was something he thought was important -- to have the resources in place when needed," his spokeswoman Carolyn Weyforth told AFP.

Frist said that to make sure the United States could provide aid immediately to refugees already coming out of North Korea, the bill authorized the president to draw down up to one billion dollars from any government agency.

White House Hunts For Way Into Iran Talks (FT)

By Guy Dinmore

Financial Times, November 16, 2006

Rarely has the Bush administration seemed so confused and defensive about its policy of seeking to isolate Iran as it responds to mounting public and international pressure to find a way out of Iraq, even if that involves making a U-turn and engaging Tehran.

On Monday, in reply to a question about the US opening a dialogue with Iran over Iraq, the president made a direct link with the nuclear issue, demanding that Tehran first verifiably suspend its uranium enrichment programme.

Since then senior officials have had to row back from those comments on the nuclear link. A US offer, extended earlier this year to Tehran to discuss Iraq, can be "reactivated", officials said. "If, in the future, we want to avail ourselves of that channel, then it certainly is a possibility," State Department spokesman Sean McCormack said. But he also added that he did not think it was under consideration.

However, David Satterfield, the state department co-ordinator for Iraq, contradicted this assertion. He told a Senate committee on Thursday that the US was reviewing the timing of a "direct dialogue" with Iran on the subject of Iraq. "We are prepared in principle to discuss Iranian activities in Iraq," he said.

Analysts say that as the US scrambles to find an honourable exit from Iraq, opening a new channel to Iran is very much under consideration. Bringing Iran and Syria into the equation is expected to form one of the main proposals of the Iraq Study Group led by former secretary of state James Baker and former Democratic congressman Lee Hamilton.

The imminent departure of Donald Rumsfeld as defence secretary also removes one of the main forces opposed to engagement with Iran. His nominated successor, Robert Gates, is closer to the Baker school of foreign policy "realists" and two years ago co-authored a think-tank report that recommended the US "deal with the current regime rather than wait for it to fall".

"The idea of talking to Iran is now the consensus position," commented Ray Takeyh, an analyst with the Council on Foreign Relations think-tank who also took part in the 2004 report on Iran. "The question is not whether to talk to Iran but how and what to talk about."

Although the US military budget is several times bigger than Iran's entire economic output, Mr Takeyh says the US will find itself negotiating from a position of weakness. "This has got to be the most incompetent administration in history," he said.

James Jeffrey, a senior state department official, echoed the concern about negotiating from a position of weakness and admitted that the US had missed opportunities in the past to deal with Iran. The most recent occasion was in the spring of 2003 when Iran – rocked by the quick defeat of the Iraqi military and the fall of Baghdad – offered a broad dialogue with the US. It was quickly rebuffed.

Now there was a danger, Mr Jeffrey said, that showing a willingness to talk would lead certain regimes – meaning Iran and Syria – to "conclude that, ah-ha, this is out of weakness. 'If these guys were strong, they wouldn't want to talk to us. Because they are weak, we need to simply expand our demands'."

Trita Parsi, an analyst who advocates engagement, says the US cannot conceal its weakness but has limited alternatives. He says that for Iran to be drawn into a dialogue it needs a clear indication that the US is looking to discuss all issues and address a strategic transformation of the relationship, not just a tactical quick fix of the Iraq crisis.

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Iran is wary of its last experience of co-operating with the US, when it helped oust the Taliban from Afghanistan in 2001 and install the Karzai government, only to be denounced by Mr Bush weeks later as a member of the "axis of evil" in a State of the Union address that amounted to a call for regime change.

A three-hour meeting last month between Mr Baker and Javad Zarif, Iranian envoy to the UN, was seen as helpful by both sides, says Mr Parsi. Mr Baker was told that Iran would consider helping the US in Iraq if "Washington first changed its attitude towards Iran" – a euphemism for the Bush administration's unwillingness to deal with Iran in a strategic manner.

As Pressure For Talks Grows, Iran And Syria Gain Leverage (WP)

By Robin Wright

The Washington Post, November 16, 2006

The White House is under growing pressure to talk to Iran and Syria to help stabilize Iraq, but mounting violence in Iraq and the Bush administration's political woes give the negotiating edge to Tehran and Damascus and complicate any U.S. outreach, experts say.

The idea of talks is widely expected to be on the list of proposals that will come out of the Iraq Study Group report next month, because co-chairman and former secretary of state James A. Baker III and other members back engaging enemies as well as allies. British Prime Minister Tony Blair this week endorsed talking with Tehran and Damascus, with caveats. The CIA director and the head of the Defense Intelligence Agency said yesterday that talks could help. And an array of experts has encouraged the administration to reach out to the countries that have meddled most in Iraq.

But the Bush administration is already questioning the idea, and even supporters admit that full cooperation by both Iran and Syria may have little impact on the many-sided insurgency. Neither country has much sway over Iraq's Sunnis or the al-Qaeda branch in Iraq, as both are ruled by Shiites or Shiite offshoots.

Secretary of State Condoleezza Rice, traveling yesterday to a conference in Vietnam, said that she is prepared to talk to "anybody, anywhere, anytime" under circumstances in which she believed progress was really possible. "I'm not afraid to talk to anyone," she told reporters. But she dismissed the idea that diplomacy offers any "magic bullets" for Iraq.

The United States has made multiple overtures to Tehran, particularly related to its controversial nuclear program. A year ago, Rice told Congress that Zalmay Khalilzad, U.S. ambassador to Iraq, had been empowered to talk to his Iranian counterpart in Baghdad on Iraq.

"There's no lack of opportunity to talk to the Iranians," she told reporters. "The question is: Is there anything about Iranian behavior that suggests that they are prepared to contribute to stability in Iraq? And I have to say that at this point I don't see it."

Syria has given no indication that it is willing to be a stabilizing force anywhere in the region, including in Iraq, Lebanon and the Arab-Israeli dispute, she added. President Bashar al-Assad's government has "aligned itself with the forces of extremism," she said.

In a briefing Wednesday aboard Air Force One en route to Singapore, national security adviser Stephen J. Hadley all but rejected the idea. "What we need is less talk and more action by Iran," he said.

But experts on both sides of the Iraq debate argue that after decades of tension with both countries, Iran and Syria now have a common interest with the United States in preventing further turmoil in Iraq. "We've gone past the point of being desirable. It's absolutely necessary to talk to them," said Joseph Cirincione, vice president of the Center for American Progress.

Iran fears the spillover of Iraq's political problems on its own large Kurdish, Sunni and Arab minorities in the event of a full-scale civil war. It also was burdened with a refugee problem as more than 2 million people fled wars in neighboring Iraq and Afghanistan.

Syria is also looking for a way out of its isolation. And it fears that Kurdish separatism in Iraq would influence its own restive Kurdish population, said Theodore H. Kattouf, former U.S. ambassador to Syria.

"They have some hardheaded reasons to want to coordinate with us to make sure that our withdrawal, which they want, is not precipitous," said Geoffrey Kemp, a Reagan administration National Security Council staffer.

Yet prospects of U.S. success are limited, analysts warn. At the negotiating table, Iran and Syria would for the first time hold the trump cards after years of public rebukes and punitive sanctions, and would see any overture by Washington as a win for

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them. The administration could have achieved far more if it had talked to both countries from a position of strength on the eve of war in 2003 or last year, analysts say.

"Neither Iran nor Syria will do a favor for the U.S. without wanting something back -- and what both countries want are things that the U.S. is not willing to give them," said Shaul Bakhash, a George Mason University expert on Iran.

Cooperating with the United States also carries dangers. "Syria and Iran both believe that the U.S. is tilting at windmills and will not lend their leverage to a venture which they see as doomed," said Joshua Landis, a University of Oklahoma specialist who recently spent a year as a Fulbright scholar in Damascus.

Both countries have limited ability to solve the complicated morass of problems in Iraq. In testimony yesterday before the Senate Armed Services Committee, the CIA director, Gen. Michael V. Hayden, said Iran and Syria have varying degrees of influence on Iraq.

"Clearly, both governments could do more. If our dialogue with them could convince them to do more, that their interests are not served by a fracturing of Iraq, then I would say that might be useful," Hayden said.

But on the biggest issue of preventing full-scale civil war, Iran may not be able to rein in Iraq's Shiite militias. "Lots of people in the Shiite community are happy to take Iranian money and arms but they are not willing to take Iranian orders," said Patrick Clawson of the Washington Institute for Near East Policy.

Abba Olmert (WSJ)

By Michael B. Oren

The Wall Street Journal, November 16, 2006

"Israel will not be alone unless it decides to go it alone." With these words, Lyndon B. Johnson greeted Israeli Foreign Minister Abba Eban at the White House on May 26, 1967. The Middle East was in the throes of an escalating crisis. Gamal Abdul Nasser had evicted U.N. peacekeepers from Egypt's border with Israel, blockaded the Straits of Tiran to Israeli shipping, and called on the Arab world to "throw the Jews into the sea." Israel had no intention of waiting to see if Nasser would carry out his pledge, or of keeping its troops on the permanent state of alert that was bankrupting the country. And so the Israeli government sent its foreign minister to seek Johnson's approval for mounting a pre-emptive strike. But LBJ only disappointed Eban. Though hostile to Nasser and firmly supportive of Israel, the president was hamstrung by America's imbroglio in Vietnam and by the drop in his domestic support. The most he offered the Israelis was Washington's help in mobilizing international action against Egypt. Beyond that, there was only that repeated, cryptic phrase, "Israel will not be alone unless it decides to go it alone."

Perhaps a similar message was imparted by George W. Bush in his meeting earlier this week with Israel's Prime Minister Ehud Olmert. Much like 1967, Israel faces a Middle Eastern leader who has repeatedly sworn to wipe it off the map, and to that end is assiduously trying to acquire nuclear weapons. Like Nasser, Mahmoud Ahmadinejad can cripple Israel economically by keeping it in a state of alert, driving away foreign investment and tourism. In the absence of international commitment to thwart Iran's nuclear plans, Israel has no choice but to consider striking pre-emptively. Doing so, however, requires explicit U.S. support, or at the very least, an indication that the U.S. will not oppose such action. Like Eban 40 years earlier, Mr. Olmert came to Washington in search of a green light.

But the U.S. is hardly in the position to sanction an Israeli attack. Bogged down in Iraq and hemorrhaging political capital at home, Mr. Bush resembles Johnson in his inability to approve risky military initiatives. As inimical to Mr. Ahmadinejad as his predecessor was to Nasser, and at least as sympathetic to the Jewish state, Mr. Bush is nevertheless unable to undertake a unilateral attack against Iran or even to endorse an Israeli one.

This was bad news for Mr. Olmert. The Israeli prime minister hoped to secure a hard-and-fast timetable for interdicting Iran's nuclear program first by diplomacy and then, if that failed, by force. Instead, he heard that the U.S. would only support measures to isolate Iran economically and balked at the use of bombs. Though he and his administration have routinely stated a determination to prevent Iran from obtaining strategic capabilities, Mr. Bush, in the aftermath of his party's electoral defeats, avoided all public mention of armed power as a means of achieving that goal.

The only option for the U.S., then, is international sanctions. These, however, have proven singularly inadequate in quashing the nuclear aspirations of North Korea -- a country far more financially fragile than Iran -- and lack the vital support of

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Russia, China and France. Iran has also threatened to retaliate for sanctions by cutting back oil production and increasing its support for terror.

Back in 1967, Johnson also tried to apply international pressure on Egypt. He planned to issue a multilateral declaration condemning the closure of Tiran and to create a convoy of ships from 26 nations to physically challenge the blockade. But fearing for their oil supplies, European countries refused to cooperate with Johnson's démarche, while Egypt threatened violence against any attempt to reopen the straits. In the end, only four countries were willing to sign the declaration and only two volunteered ships for the convoy.

Mr. Bush is unlikely to be more successful than Johnson in marshalling international strictures against a defiant Middle Eastern regime. Nor was Mr. Olmert liable to extract from Mr. Bush more concrete backing for pre-emptive action than Eban did from LBJ. At most, Mr. Bush could have signaled his sympathy for Israel's plight and for the steps it must take to ensure its survival. The light Mr. Olmert received in Washington was probably not green, but neither was it flashing red.

Eban left the White House disappointed and confused. Neither he nor the Israeli government could decipher the meaning of the message "Israel will not be alone unless it decides to go it alone." Was the president opposed to an assault against Egypt, as some of the ministers believed, or was he indicating his willingness to look the other way while Israel attacked? Ultimately, Israeli leaders concluded that, while the U.S. might condemn the action, it would probably do nothing to stop it. Johnson, for his part, understood that the Israelis had lost faith in international diplomacy and would interpret his words as a go. "They're going to hit," the president sighed, "and there's nothing we can do about it."

Lyndon Johnson indeed did little to prevent Israel from launching its surprise attack against Egypt on June 5 or, after Jordan and Syria joined the war, from advancing into the West Bank and the Golan Heights. The Six-Day War was a seismic event that profoundly altered the Middle East, with reverberations that continue to convulse the region. An Israeli strike at Iran's nuclear facilities could well have a similar impact, especially as Mr. Ahmadinejad and the mullahs are certain to react violently.

Mr. Olmert and his government must consider such consequences as they decide on Israel's next moves. The ramifications of that decision are certain to affect America as well. Many Arabs to this day believe that the U.S. was complicit in the Six-Day War, and even that American pilots flew Israeli planes. Such rumors will again be rife if Israel attacks Iran, and especially if Israeli jets pass through Iraq's American-controlled airspace. Israel may indeed act alone, but in the minds of a great many people in the Middle East, the U.S. acts with it.

Mr. Oren, a senior fellow at the Shalem Center in Jerusalem, is author of "Power, Faith, and Fantasy: America in the Middle East, 1776 to the Present," forthcoming from W.W. Norton.

Six Major Powers Fail To Bread Deadlock On Proposed UN Sanctions (AFP)

AFP, November 16, 2006

Six major UN powers failed to break the deadlock in their bid to agree on a package of targeted sanctions against Iran over its refusal to suspend sensitive nuclear fuel work.

"We did not make any progress today," US Ambassador to the United Nations John Bolton told reporters after envoys of the six powers wound up their sixth informal session in three weeks on a European draft resolution urging nuclear and ballistic missile-related sanctions against Iran.

The meeting at France's UN mission in New York was attended by ambassadors from Germany and the UN Security Council's permanent members -- Britain, China, France, Russia and the United States.

"We'll meet again in the near future," said Bolton, without saying exactly when.

He added that the sanctions issue may also be discussed at the foreign minister level on the margins of the weekend meeting of the Asia Pacific Economic Cooperation group in Hanoi.

Western countries suspects Iran is covertly seeking to build nuclear weapons.

Tehran, which insists that its nuclear program is peaceful, has rejected UN demands that it halt uranium enrichment, a process that can produce fuel for electricity generation but can also be used to produce the raw material for a nuclear warhead.

The draft put forward by Britain, France and Germany also includes travel bans and financial restrictions on Iranian scientists working on the nuclear and missile programs.

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Russia and China, which both maintain close energy and trade ties with Tehran, want to drastically reduce the scope of the sanctions while the US side is pushing for even tougher sanctions.

Iran Dismisses U.N. Report On Uranium (AP)

By Nasser Karimi

AP, November 16, 2006

Iran on Wednesday dismissed a U.N. report that inspectors found new traces of enriched uranium and plutonium at a nuclear waste facility, saying it had already explained that discovery.

Iranian President Mahmoud Ahmadinejad insisted the West will gradually back down in its standoff with Iran and eventually accept its nuclear program.

"While the West tries to thwart the progress of our nation, time is on our side," Ahmadinejad told a crowd in Sanandaj, the capital city of Iran's Kurdistan province. "They would have to take one step back with every passing day and approve the right of the Iranian people."

Oil-rich Iran has claimed it has a right to a nuclear program it says is aimed at producing energy. But the United States suspects Tehran has ambitions to make nuclear weapons.

Ahmadinejad's comments came a day after an International Atomic Energy Agency report said its experts have found unexplained plutonium and highly enriched uranium traces in a nuclear waste facility in Iran. Both materials can be used in building a nuclear warhead, though one U.N. official said the uranium was not enriched to weapons-grade level.

Alaeddin Boroujerdi, head of the parliamentary committee on National Security and Foreign Policy, called the report "an old story."

"This is an old story and contains no new points," Boroujerdi told the official Islamic Republic News Agency on Wednesday. "Iran has submitted a comprehensive report on the issue to the IAEA. It will be convincing."

He did not elaborate on the source of the traces. Iran has said that previous traces of enriched uranium found by inspectors came from equipment that it bought from abroad without knowing of the contamination.

"What was mentioned in (IAEA chief Mohamed) ElBaradei's report are issues that Iran has already answered many times. Tehran, based on the safeguards, has fully cooperated with the IAEA," the official Islamic Republic News Agency quoted Foreign Ministry spokesman Mohammed Ali Hosseini as saying.

A senior U.N. official who was familiar with the report cautioned against reading too much into the new findings, saying Iran had explained both and they could plausibly be classified as byproducts of peaceful nuclear activities.

The official, who spoke on condition of anonymity because he was not authorized to discuss the report publicly, said that while the uranium traces were enriched to a higher level than needed to generate power, they were below weapons-grade.

The report, prepared for next week's meeting of the 35-nation IAEA, also faulted Tehran for not cooperating with the agency's attempts to investigate suspicious aspects of Iran's nuclear program that have led to fears it might be interested in developing nuclear arms.

The U.S. and its European allies are currently negotiating with Russia and China over a draft U.N. Security Council resolution that would penalize Iran for its refusal to respect an Aug. 31 deadline for halting uranium enrichment.

Russia and China have extensive trade with Iran and are rejecting the harsh sanctions that the Western allies want to impose.

The five veto-wielding Security Council members — the U.S., Russia, China, Britain and France — and Germany have now held six rounds of closed-door talks.

John Bolton, the U.S. ambassador to the United Nations, said Wednesday there were still "wide gaps" between the Russians and Europeans. Asked whether there had been any progress since the talks began, Bolton said, "Well, we didn't make any progress today — let's leave it at that."

President Bush, eager for Russian help in ongoing nuclear disputes with North Korea and Iran, visited President Vladimir Putin Wednesday in Moscow at an airport stopover on his way to Asia.

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U.S. National Security Adviser Stephen Hadley played down differences between Washington and Moscow, saying negotiations on U.N. resolutions are "a little bit like sausage making."

"It's not pretty and a lot of it spills out to the public, but I think the international community has held together on this issue and I think it will again," he said.

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Associated Press writers Edith M. Lederer at the United Nations and Jennifer Loven in Moscow contributed to this report.

China Could Find Congress A Chillier Place (WSJ)

By Neil King Jr.

The Wall Street Journal, November 16, 2006

WASHINGTON -- She scuffled with police on Tiananmen Square, protested the visits of Chinese leaders to the White House, and calls the U.S. trade relationship with China "a disaster."

When Democratic Rep. Nancy Pelosi becomes House speaker in January, her views on China could set the tone for a new Congress looking to get tough on Beijing. Mrs. Pelosi's criticisms include human-rights abuses and unfair trade practices, as well as allegations that China is manipulating its currency and seeking technologies to undermine U.S. national security.

Just how much Mrs. Pelosi and other top Democrats will focus on China -- and how much influence they will have on China policy -- is hard to predict. But apprehensions run high in Beijing and Washington that a Pelosi-led, Democrat-controlled House could seize on China trade and security issues to bash President Bush, much as congressional Republicans did in the final years of the Clinton administration.

"There is definitely going to be a shift" in the House, said Republican Rep. Mark Kirk of Illinois, co-chair of the bipartisan, pro-engagement, U.S.-China Working Group in the House. "The question is whether the shift will be effectively blocked by the Senate and the White House."

China's ambassador to Washington, Zhou Wenzhong, declined to comment on Mrs. Pelosi, and said that "mainstream Democrats basically support the current policy." Still, he expressed concern that the new Congress could be "more concerned about trade and about human-rights issues." Administration officials say that in private conversations, Chinese diplomats have expressed deeper worries about the new Congress than their ambassador has in public remarks.

The direction the Democrats take on China will depend on the strength of the economy before the 2008 presidential election and the party's overall strategy leading up to 2008. Some Democrats say the party may not need to make President Bush's China policy a key issue over the next two years, with Mr. Bush already beleaguered by the war in Iraq and rising nuclear threats in Iran and North Korea.

The Bush administration hasn't taken a hard-line approach toward China, with Beijing a pivotal player on global-security issues of concern to the U.S. The two countries have also strengthened ties and exchanges in many other areas, such as law enforcement and civil-service training.

"Whenever we have split government, Congress sees that as an opening to attack the administration's China policy," said Jeffrey Bader, a former Clinton official on China who now heads the Brookings Institution's Thornton China Center.

For months, Mrs. Pelosi has joined top Republican lawmakers and Democrats, including New York Rep. Charles Rangel, next chairman of the House Ways and Means Committee, in calling on the Bush administration to crack down on China's trade practices through the World Trade Organization.

Mrs. Pelosi and a bipartisan cadre of lawmakers have urged the administration to put more pressure on China to further loosen its currency controls and take action against rampant piracy of U.S. goods. Critics say Beijing has kept the yuan artificially low, making its exports cheaper and fueling a huge trade surplus with the U.S. She has urged the U.S. to file a WTO case on that issue, too.

Other Democrats said they plan to push hard on Chinese labor standards, and have hinted that future trade restrictions could hinge on findings of unfair labor practices in China. Both Mrs. Pelosi and Mr. Rangel have argued that China's holdings of U.S. Treasury bills, valued at $339 billion as of August, pose a threat to U.S. national security.

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Speaking after last week's midterm elections, which put both houses of Congress under Democratic control, Mr. Rangel said it might be hard to pursue China on trade violations because of its huge financial leverage over the U.S. "But at least we can be angry ... and try to protect American industry," he said.

Mr. Rangel said he intends to defer to the administration on China policy, at least to start, and wants to work alongside Treasury Secretary Henry Paulson and others, "rather than Congress mandating that they do something."

Mrs. Pelosi's aides said her new prominence won't change her views on China, particularly when it comes to the country's human-rights abuses and lack of religious freedom. But they said she will have a lot on her plate, and won't try to dictate the direction of House policy on China at the committee level. Mrs. Pelosi declined to comment.

The most important change, Pelosi aides said, is that she will allow tough China legislation to come to a full vote in the House, instead of keeping bills bottled up in committee, as many previous speakers have.

Mrs. Pelosi's district includes San Francisco's Chinatown, which has traditionally taken an anti-Beijing stance.

After Beijing crushed the democracy protests in Tiananmen Square in 1989, Mrs. Pelosi battled the first Bush administration and helped to protect Chinese students in the U.S. She also worked to make preferential trade benefits to China conditional on its showing "significant progress" on human rights.

In September 1991, Chinese police stopped Mrs. Pelosi and two other U.S. lawmakers on Tiananmen Square after they unfurled a pro-democracy banner. The Chinese foreign ministry called the move "a premeditated, anti-Chinese farce."

Mrs. Pelosi, along with several prominent House Republicans, continued to push for changes in China policy during the Clinton administration. In 1997, as Mr. Clinton was greeting Chinese leader Jiang Zemin at the White House, Mrs. Pelosi, at a nearby rally, denounced the visit.

In March, as the White House prepared to welcome Chinese President Hu Jintao, Mrs. Pelosi, Mr. Rangel and 14 other Democrats wrote to Mr. Bush, urging the U.S. to file more cases against China and other countries within the WTO. In an opinion piece published in the Los Angeles Times the day Mr. Hu arrived, Mrs. Pelosi wrote: "The American people want the administration to show resolve in standing up to Beijing, to demonstrate that we believe that the Chinese people deserve freedom."

Myron Brilliant, head of the U.S. Chamber of Commerce's Asia division, said Democrats harbor "a lot of displeasure at the lack of follow-through in China on the trade front." He said the chamber is taking a "wait-and-see attitude" toward the next Congress, but would mobilize with other business groups if the House tries to address China issues through legislation.

Using "unilateral swords are not actions that we can support," he said.

Write to Neil King Jr. at neil.king@wsj.com1

Palestinian Rocket Fire Kills Israeli Woman (WP)

By Scott Wilson

The Washington Post, November 16, 2006

JERUSALEM, Nov. 15 -- An Israeli woman was killed Wednesday in a Palestinian rocket strike on the town of Sderot, prompting some Israeli lawmakers to demand a sharp military response in an effort to end such attacks from the Gaza Strip.

The death of Faina Slotzker, 57, was the first fatality inside Israel in a Palestinian rocket strike since July 2005. It brought competing assertions of responsibility from the Hamas and Islamic Jihad movements, both of which said the attack on a residential neighborhood was retaliation for Israeli shelling last week that killed 20 Palestinian civilians in the Gaza town of Beit Hanoun.

At least nine rockets landed Wednesday in Israel, including four in the city of Ashkelon north of Gaza. Two Israelis were reported seriously wounded by the rockets: a 17-year-old boy and a 24-year-old man identified as a bodyguard of Defense Minister Amir Peretz, who lives in Sderot. Doctors at Barzilai Hospital in Ashkelon said the man's legs had to be amputated.

Peretz, under mounting pressure to end rocket fire from Gaza that has menaced Israeli border cities for years, pledged that those responsible would "pay a heavy price." Some lawmakers in Jerusalem demanded swift retaliation to deter Palestinians from future strikes.

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"Israel will pay a heavier price if it will not operate immediately" in Gaza, Danny Naveh, a member of the Likud Party, said in parliament. Echoing warnings of other lawmakers that Israel's frontline towns were being abandoned by the military, Naveh said, "Any day that passes without a large-scale operation creates the feeling that the fate of Sderot is not that of Tel Aviv," Israel's largest city.

Slotzker was the seventh person killed by Palestinian rocket strikes inside Israel since such attacks began in 2000, at the start of the most recent Palestinian uprising. The majority of the victims lived in Sderot, a town of 20,000 that sits only a few miles east of the Gaza border. In addition, a Bedouin shepherd and his 17-year-old son were killed in March when they detonated an unexploded rocket in a field near Sderot.

Hundreds of the crude rockets, known as Qassams, have been fired into Israel over the last six years. Launched from makeshift tripods, the rockets are highly inaccurate and pack little explosive force, although they have damaged schools, public buildings and homes in border towns.

Israel withdrew its settlers and soldiers from Gaza 14 months ago, but the army has pushed back into the strip several times since June 25, when gunmen, some of whom belonged to Hamas's military wing, captured an Israeli corporal. The army has fired more than 10,000 artillery shells toward Qassam launch sites in Gaza since the withdrawal, leading to what until recently had been a steady decline in the number of rockets landing in Israel.

In recent weeks, Israeli officials have signaled that a large operation inside Gaza might be necessary to end the rocket attacks and weapons smuggling through tunnels along the strip's southern border with Egypt.

Briefing foreign journalists earlier this week, an Israeli military official said that "tons" of explosives have entered Gaza through the tunnels since the Israeli withdrawal, including propellants the official said were used to magnify the rockets' blast and range. He singled out Hamas, now running the Palestinian Authority, as "a growing military threat to Israel."

The warning came after weeks of stepped-up Israeli military operations in the strip that failed to stop the attacks and inflamed the passions of residents of Gaza's border towns and the armed groups at war with the Jewish state. An intensive six-day operation inside Beit Hanoun killed more than 60 Palestinians, just over half of them gunmen. One Israeli soldier also was killed.

Gaza Rocket Kills Israeli; Retaliatory Strike Launched (WT)

By Joshua Mitnick

The Washington Times, November 16, 2006

SDEROT, Israel -- Rockets fired from the Gaza Strip into the town of Sderot yesterday killed an Israeli woman, critically injured two persons and narrowly missed the home of Defense Minister Amir Peretz, raising pressure on the government to order the army back across the border.

Israeli warplanes raided the Gaza Strip overnight, hours after the Palestinian rocket attack.

The retaliatory attack followed a promise by Mr. Peretz to hit back and a warning that militants would "pay a heavy price."

Fatima Slutsker, a 57-year-old mother of two, died of wounds sustained when the rocket struck early yesterday in a street in the town of Sderot, three miles north of Gaza, police and medics said.

Prime Minister Ehud Olmert, who was in Los Angeles for meetings with Jewish community leaders, ordered the army to continue its lethal four-month offensive in the coastal strip after the death.

"Olmert has been updated and spoke on the phone with the defense minister and instructed him to continue to act against Qassam rocket fire and infrastructure," Mr. Olmert's spokeswoman, Miri Eisin, told reporters in Los Angeles.

The death of the Sderot woman was the first fatality caused by one of the crude Qassam rockets in more than a year, and it highlighted the limited effectiveness of a recent weeklong offensive against Palestinian militants holed up in the northern Gaza village of Beit Hanoun.

It also served as a reminder that Palestinian militants, like Hezbollah, are able to paralyze an Israeli city -- however small and nonstrategic. Members of Mr. Olmert's Cabinet said not enough is being done to shut down the rocket attacks.

"The military's activities aren't satisfactory," said Public Security Minister Avi Dichter. The Associated Press quoted him as saying Israel must find a way to halt the attacks, "whether that means a ground operation, an air operation or other special operations."

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Israeli officials have said the army should retake the Philadelphi corridor along Gaza's border with Egypt to halt weapons smuggling.

Israeli intelligence officers say the corridor has been used by Palestinian militants to bring in anti-tank missiles and material for unmanned attack drones -- equipment that will make Israelis "miss" the days of the Qassams, said Sderot Mayor Eli Moyal.

"From day to day, the firing is becoming more precise, more fatal and more dangerous," wrote Ron Ben-Yishai, a veteran security-affairs commentator writing on a Web site linked with the Yediot Ahronot newspaper. "What the government doesn't do today will be more difficult tomorrow."

But some analysts said Israel should postpone any major military operation in Gaza to enable the formation of a more moderate Palestinian "unity government" that could improve security in Gaza and possibly restart peace negotiations.

Israel hopes that ongoing talks between Hamas and Fatah will produce a new government that would accept international demands laid out by the so-called Quartet -- the European Union, the United Nations, the U.S. and Russia -- and possibly offer a prisoner swap for Cpl. Gilad Shalit, the soldier held in captivity in Gaza since June 25.

"This is the best-case scenario," said Yossi Alpher, editor of a Middle East op-ed Web site, bitterlemons.org. "If all of that happens, then you have a good reason not to launch an offensive."

Palestinian militants rushed to take credit for the attack while residents of Sderot, located near the Negev Desert, complained that the government has failed to find a remedy for the daily trauma over the past six years.

Frustration with the government has left one community leader with a tinge of cynicism: He suggested that Sderot might have gotten more attention in Israel if residents had fled the city as did residents of northern Israel during the summer's border war with Hezbollah.

"Maybe we made a mistake" by refusing to flee, said Alon Davidi, a local activist who supports re-establishing an Israeli buffer zone in northern Gaza to push back the attackers. "Maybe this is what we need to do. People don't appreciate it when people just bite their lips and stay put."

Other residents say they are wary of proposals to reconquer Gaza. As he awaited tax officials to assess the damage from a Qassam rocket that severely damaged his home and left a small ditch in his yard, Shimon Ganam said Israel's military operations in Gaza have only triggered more rocket attacks on the city.

"The cease-fire a year and a half ago is the only thing that brought us security," he said, standing next to a house with an entire wall missing, shrapnel pockmarks, and the roof beams exposed. "Now we're being held hostage."

Hamas Claims Responsibility For Fatal Rocket Attack (CHIT)

By Joel Greenberg

Chicago Tribune, November 16, 2006

SDEROT, Israel -- Rockets fired from the Gaza Strip killed a woman and wounded several other people in this border town Wednesday, drawing warnings of a military response from Israeli leaders.

It was the first fatal Palestinian rocket strike on Israel since it withdrew from the Gaza Strip last year. The attacks have continued despite repeated army raids in an effort to halt the fire.

The armed wing of Hamas claimed responsibility for the attack, saying it was retaliating for an Israeli shelling last week that killed 19 Palestinian civilians in the Gaza Strip town of Beit Hanoun. The militant Islamic Jihad group said it also had fired rockets.

The latest salvos raised the prospect of further Israeli action against militants in Gaza, with some Cabinet ministers calling for a tough response.

"Our action in Gaza will continue without interruption," said Prime Minister Ehud Olmert, who was meeting American Jewish leaders in Los Angeles. "We will decide on additional steps as required to continue fighting the unceasing, murderous terror from Gaza."

One rocket that hit Sderot slammed into a sidewalk about 150 yards from the house of Defense Minister Amir Peretz, who was not home. The explosion killed a passerby, Faina Slotzker, 57, and seriously wounded a security guard patrolling near the minister's residence, mangling his legs. Several people were slightly hurt.

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Galit Salim, 15, said she had been nearby on her way to school when she heard the incoming rocket alert, "Color Red," broadcast over loudspeakers a little after 8 a.m.

"I ran back home and heard a powerful boom," she said. "There was a strong smell of smoke. I went over there and saw two people without legs. The woman was frozen, she didn't respond. The other person was moving. I was shocked."

The blast shattered the windows in the home of Leah Aroch, 74, whose house is a few yards away. Shards of glass covered her living room and the pillow of her bed. "I had just gotten up after my dog rushed in when I heard the boom. The whole house was filled with smoke," she said.

Outside on the brick sidewalk, a shallow pit and a medic's surgical gloves marked the spot where the rocket had fallen.

Hours later another rocket landed in the town, seriously wounding a 17-year-old, the army said. Four more rockets landed in the coastal city of Ashkelon but caused no casualties.

Peretz met with top army officers to discuss a response.

"We will act against all those involved in firing Qassam rockets, from the heads of the terrorist organizations down to the last activist," Peretz said in a statement. "The terror organizations will pay a heavy price."

But military action has proved ineffective in halting the rocket strikes, often triggering more.

Last week's lethal shelling of Beit Hanoun, which the army said was caused by a technical malfunction, came after a weeklong raid in the town that left widespread destruction and more than 50 people dead, both militants and civilians. Yet rocket attacks continued from other areas during the incursion and resumed from around Beit Hanoun after the troops pulled out.

"People here are defending themselves," Ghazi Hamad, spokesman for the Hamas-led Palestinian government, told Israel Radio from Gaza. "If the Israeli side is willing to stop all its actions, we have no problem with the Palestinian side also stopping."

The continuing rocket strikes, and angry criticism by Sderot residents who say they are fed up with living in fear, are likely to increase the pressure on the Israeli government to respond to the attacks, which began more than four years ago.

The crude, inaccurate rockets rarely cause casualties or damage, but previous strikes into Israel have killed six people since 2004, and the threat has terrified people in Sderot, a town of 20,000 less than a mile from the Gaza border fence.

Eli Moyal, the mayor, counseled stronger military action. "We have to create an equation that it won't be worth it for the Palestinians to shoot," he told Israel Radio.

Public Security Minister Avi Dichter, a former head of the Shin Bet security service, told Army Radio that Israel should broaden its operations to bring about a "complete halt" to rocket fire, "whether that means a ground operation, or an air operation or other special operations."

Some Sderot residents also called for harsher military measures, saying their nerves were frayed by the repeated alarms and rocket blasts.

"I fear most for my grandchildren, who wake up at night frightened by the booms," said Haya Ziegler, 58. "You live in constant fear of what will happen any minute. This is no way to live."

But Aroch, the woman living near the site of the deadly strike, said that military action had proved futile and that only talks, even with Hamas, could solve the problem.

"We have to put an end to this," she said. "We have to talk to them. We have to get to a cease-fire."

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'Human Rights' Council (WSJ)

The Wall Street Journal, November 16, 2006

When the U.N.'s Human Rights Council came into existence earlier this year over U.S. objections, we argued that the new organization offered no improvements over the discredited Human Rights Commission it replaced. Turns out we were wrong: The new Council has been worse.

Among the many problems with the old Commission -- other than a membership that included Zimbabwe, Sudan and Cuba -- was its obsessive focus on Israel. As legal scholar Anne Bayefsky has pointed out, in 40 years the Commission dedicated more than a quarter of its resolutions to scoring Israel while never once condemning repression in China.

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It was partly for this reason that the old Commission had to go, and why solons such as Kenneth Roth of Human Rights Watch and former Colorado Senator Tim Wirth of the U.N. Foundation urged the Bush Administration to endorse the Council, with Mr. Wirth describing it as "an important step forward in the fight for global human rights."

That was in March. The Council has since not been able to agree on a resolution condemning the government of Sudan for its atrocities in Darfur. Instead, the sole object of its censures to date has been -- drum roll, please -- Israel.

In July, the Council condemned Israeli operations in the West Bank and Gaza, which had been prompted by the killing of two Israeli soldiers in Israel and the hostage-taking of a third. In August it cited Israel for "massive violations of human-rights" in Lebanon, never mind the kidnapping of two Israeli soldiers by Hezbollah that had caused the war. Now the Council has dispatched "fact-finders" to Gaza to report on the latest fighting.

We won't hold our breath waiting for a balanced report. Meantime, perhaps Messrs. Roth and Wirth can reflect on what their credulity has achieved.

War Between Islamists, Government Is Brewing In Somalia (MCT)

By Shashank Bengali

McClatchy Newspapers, November 16, 2006

NAIROBI, Kenya - Five months after Islamist militias defeated a coalition of CIA-financed warlords, Somalia appears to be sliding toward a major war that diplomats fear will draw thousands of foreign fighters to the Islamist side and spill into neighboring countries.

The rise of the Islamists, who took control of the capital, Mogadishu, in June and since have seized most of southern Somalia, already was a setback for U.S. counterterrorism efforts in the region, where al-Qaida loyalists are believed to be hiding. A full-scale war would be a major test for Bush administration policy in a place that Osama bin Laden has called a battlefield in his war against the West.

Iran, Syria, Libya, Egypt, Saudi Arabia, Djibouti and Eritrea are backing the Islamists with a dizzying influx of weapons, supplies and military personnel, according to a new United Nations report to be presented Friday to the U.N. Security Council. The support ranges from uniforms to first-aid kits to surface-to-air missiles, and, in one case, guerrilla training at a camp in Syria, the report says.

On the other side is Somalia's weak interim government, backed by U.S. ally Ethiopia, which the report says has sent thousands of troops to protect the government's hold on its only major outpost, the town of Baidoa, 150 miles northwest of Mogadishu. Uganda and Yemen are providing weapons.

A senior U.S. military officer conceded last week that the U.S. has no strategy in place should war break out and denied that the U.S. government is using Ethiopia as a proxy against the Islamists. "The U.S. position is we don't want them actively involved," said the officer, who briefed reporters in Nairobi on condition of anonymity.

But some observers said the United States hasn't discouraged Ethiopia, whose leader, Meles Zenawi, has said he won't tolerate a fundamentalist regime on his borders.

The Islamists have disavowed ties to terrorist groups, but U.S. officials accuse their supreme leader, Hassan Dahir Aweys, of having links to al-Qaida. Last week, the U.S. Embassy in Kenya, citing messages from Aweys posted on Islamist Web sites, warned of potential suicide attacks in Kenya and Ethiopia.

The new U.N. report, assembled by a panel of experts monitoring a long-ignored arms embargo, said hundreds of battle-hungry foreign jihadists, some of them trained in suicide bombing and assassination techniques, have joined the Islamists in Somalia.

The spark for a conflict could come from Ethiopia or from its enemy, Eritrea, the Islamists' chief sponsor and, the U.N. report says, a conduit for Arab support. Ethiopia and Eritrea fought a grisly war in 1998-2000 over a border that's still disputed. Eritrea is also thought to have thousands of troops in Somalia.

The findings of the U.N. report couldn't be independently verified. But virtually everyone agrees that the prospects for war are high.

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"This scenario is the one that we all feared, that the threat of war could reach these proportions," said Matt Bryden, a veteran analyst who consults for the International Crisis Group think tank. "Nothing is preventing things (from) moving in this direction."

Somalia has been a black hole for U.S. policy in Africa for more than a decade, since the deaths of 18 soldiers in the 1993 "Black Hawk Down" episode in Mogadishu precipitated the withdrawal of 25,000 U.S. troops. There's been no official U.S. presence in Somalia since.

After Sept. 11, 2001, the Bush administration saw Somalia's mix of poverty and anarchy as a potentially dangerous breeding ground for terrorists. In 2005, CIA operatives began clandestinely funneling money to Mogadishu warlords in exchange for intelligence on terror suspects - an operation that fell apart in June when the Islamists drove the hated warlords from the city.

The U.N. report says that the Islamists - officially a federation of Muslim sharia law courts - have quickly become the most powerful force in the country. They've cracked down on crime by imposing Muslim law and reopened Mogadishu's airport and seaport, boosting economic activity.

With help from Arab allies, they've organized their once-patchwork militias into a coherent fighting force, amassed a huge range of arms and military vehicles, recruited foreign fighters to their cause and begun formal training camps.

The report also details cooperation between the Islamists and the militant Lebanese group Hezbollah. About 720 Somalis fought alongside Hezbollah in this summer's war against Israel in exchange for support and training from Hezbollah patrons Syria and Iran, including guerrilla training of 200 Somalis in Syria in July, the report says.

The Islamists are "fully capable of turning Somalia into an Iraq-type situation, replete with roadside and suicide bombers, assassinations and other forms of terrorist and insurgent-type activities," the report said.

A spokesman for the Islamists, Abdirahin Ali Muudey, denied receiving aid from outside Somalia. "There is not any country (that) supports us with military equipment," he said. "All those countries, especially Syria and Iran - even our officials have never visited those countries in their life."

As face-to-face talks between the Islamists and the interim government have fallen apart, Islamist forces have moved to within 20 miles of Baidoa, where thousands of Ethiopian troops are believed to be waiting. Analysts say recent heavy rains, which have made dirt roads impassable, may be the only thing stalling the outbreak of major hostilities.

The Bush administration, led by the State Department's top Africa official, Jendayi Frazer, has been pushing for the deployment of a multinational African peacekeeping force. But the U.N. report warns that inserting foreign troops could actually provoke a military confrontation.

A war would likely involve fighting near Baidoa, as well as near the Ethiopia-Somalia border, 150 miles to Baidoa's northwest. Analysts note that much of southern Ethiopia's population is ethnic Somali, and the Islamists might be able to count on support from Somali rebel groups in Ethiopia.

There also are reports that the Islamists have been amassing anti-aircraft weaponry, an indication that they expect Ethiopia to use jet aircraft to bomb targets in Mogadishu, including the airport and seaport.

If hostilities drag on, fighting could spill over into Kenya, which has its own population of disaffected ethnic Somalis as well as Islamic extremist groups operating along the coastline. Analysts believe that a protracted conflict could draw those groups to the Islamists' side.

Over the weekend, another front appeared to open up several hundred miles north, near the key semi-autonomous region of Puntland, home to a seaport that provides the Baidoa-based government's only revenue other than foreign contributions. Islamist forces battled fighters loyal to the government and to former warlord Abdi Qaybdid, capturing a town and reportedly seizing several machine-gun-mounted pickups, known as "technicals."

"There are all these different friction points," said Mario Raffaelli, Italy's special envoy to Somalia. "Any one of them can be the starting point for a fight."

McClatchy special correspondent Mahad Elmi contributed to this report from Mogadishu, Somalia.

GAO Audit Finds Waste In Cuban Aid Program (WP)

By Karen DeYoung

DOJ_NMG_0095186

The Washington Post, November 16, 2006

Nearly all of the $74 million a federal agency has spent on contracts to promote democracy in Cuba over the past decade has been distributed without competitive bidding or oversight in a program that opened the door to waste and fraud, according to a report released yesterday by the Government Accountability Office.

In one of the more extreme cases of apparent abuse, the GAO said a Miami-based group used government money to purchase "a gas chainsaw, computer gaming equipment and software (including Nintendo Game Boys and Sony PlayStations), a mountain bike, leather coats, cashmere sweaters, crab meat, and Godiva chocolates."

The group said in its grant application to the U.S. Agency for International Development that it would use the money "to provide humanitarian assistance and information to [Cuban] dissidents and their families." The director of the grant recipient, Accion Democratica Cubana, told the Miami Herald that all the luxury items -- but not the chainsaw -- were sent to Cuba. But GAO author David Gootnick said the lack of documentation made that impossible to determine.

Rep. Jeff Flake (R-Ariz.), who requested the audit along with Rep. William D. Delahunt (D-Mass.), said the lack of oversight and the failure to follow government rules led to creation of a money trough that existed largely to provide jobs and operating funds to Miami-based activists who oppose Cuba's communist government.

"I think that this administration and to some extent the last wanted simply to curry favor with the Cuban American exile community," Flake said. "It's been kind of a bipartisan thing, and you haven't had anybody really challenge it. We just kind of turned away."

Delahunt, currently the ranking minority member of the House International Relations subcommittee on oversight and investigations, said at a Capitol Hill news conference that he would hold hearings on issues raised in the audit when the new Congress convenes under Democratic leadership.

Flake and Delahunt chair the bipartisan Cuba Working Group, which has pushed unsuccessfully for changes in long-standing travel restrictions and economic sanctions -- tightened by the Bush administration -- that prohibit sending virtually anything to Cuba. "What is striking about this," Flake said of the democracy program, "is we're basically spending money to beat our own embargo."

Under Clinton-era legislation, USAID distributes money to U.S. groups to send surreptitious aid -- including food, medicine and office supplies -- to Cuba and non-monetary assistance to political dissidents and independent journalists trying to operate within the island's tightly controlled communist system. The administration has promised an additional $80 million in funding over the next two years and expanded the program to include detailed plans for a transition to democracy in Cuba. Planning has accelerated with President Fidel Castro's relinquishment of power to his brother, Raul. Although the official Cuban government position is that Fidel Castro is recovering from surgery and will return to office, U.S. intelligence officials have said they believe he has terminal cancer.

In its official response to the 59-page GAO report, USAID said that it was "taking issue" with unspecified findings but that it would "seek to improve agency performance in managing, monitoring and evaluating this assistance."

GAO auditors began with a cursory examination of the 50 grants that were made under the program from 1996 to 2005. Twenty-eight of the grants, it said, were "modified" after the fact in ways that extended agreed-upon completion dates by an average of one to three years and "increased the aggregate value of these agreements nearly eight-fold -- from about $5.9 million to nearly $50.1 million."

Auditors then conducted an in-depth examination of 10 grantees that account for more than three-quarters of the aid money. Although the GAO acknowledged the difficulty of operating effective aid programs in Cuba, it found that many of the grantees lacked records that would make it possible to determine how the aid money was used and what it accomplished.

Proposals for funding for virtually all the 10 grantees had been unsolicited and not offered for competitive bids by USAID. The government in most cases failed to comply with its rules requiring pre-award examinations, contract specificity, monitoring and formal audits at the end of a program. The GAO said it had referred three of the contracts for further investigation.

Report Cites Flaws In Cuba Aid Program (AP-Y)

By Jim Abrams, Associated Press Writer

DOJ_NMG_0095187

AP, November 16, 2006

A Democratic critic of the Bush administration's Cuba policy on Wednesday promised hearings next year on a report citing weaknesses in the U.S. program promoting democracy in Cuba.

"The conclusions are disturbing to say the least," Rep. William Delahunt, D-Mass. The report by congressional investigators said the U.S. Agency for International Development did not always properly oversee Cuban aid grants and that coordination with the State Department was sometimes ineffective. Cashmere sweaters and chocolate were among the items bought with agency money, the study found.

Delahunt requested the study with Rep. Jeff Flake, R-Ariz., another strong advocate of ending the four-decade-old policy of opposing the Castro government through economic penalties and restrictions on travel and personal contacts.

"To continue the current level of funding given the results and given the disarray this program seems to be in would be a tremendous waste of taxpayer dollars," Flake said.

When Democrats gain the majority in the next Congress, Delahunt will be chairman of the House International Relations oversight and investigation subcommittee, putting him in a position to convene hearings on Cuba.

The report by the Government Accountability Office found that in the past decade, USAID awarded 40 grants or cooperative agreements totaling $65 million and the State Department four grants worth $8 million to support democratic progress in Cuba. USAID provided 385,000 pounds of medicine, food and clothing, more than 23,000 shortwave radios and millions of books, newsletters and other informational material.

It said dissidents interviewed by the GAO in Cuba said they appreciated the assistance.

But investigators also found that 95 percent of USAID's total awards were made in response to unsolicited proposals; that reviews of grantees were not always finished before awards were granted; and that the agency did not adequately follow up on grants to ensure accountability.

Some USAID money, the report said, paid for a gas chain saw, computer gaming equipment, a mountain bike, leather coats, cashmere sweaters, crab meat and Godiva chocolates.

"Under the Bush administration's Cuba policy, it is illegal for Cuban-Americans to fly to Havana for a family funeral, but legal for the State Department to pay smugglers to bring chocolates and cashmere sweaters onto the island," said Sara Stephens, executive director for the Center for Democracy in the Americas.

Flake and Delahunt, while acknowledging the difficulty of delivering material to dissidents in Cuba, cited one finding in the report that it takes anywhere from $4 to $20 to get humanitarian or material assistance to the island.

"It may be closer to four cents a pound," if the administration lifted its restrictions on family visits and travel to Cuba, Delahunt said. "This really cries for a more thorough review of policy as opposed to just simply focusing on the findings and looking at it as an auditing problem."

USAID chief financial officer Lisa Fiely, in a letter to the GAO, said her agency has acted to comply with the recommendations. The agency took issue with some findings, she said, but pledged to better manager, monitor and evaluate the U.S. assistance.

On the Net:

Government Accountability Office: http://gao.gov/

More Cubans Take Trip To USA, Using Alternate Routes (USAT)

By Alan Gomez

USA Today, November 16, 2006

Cubans fleeing their communist homeland are reaching U.S. shores in increasingly large numbers as more brave the trip and new smuggler routes make it easier to land.

Traditionally, Cubans have used makeshift boats, rafts and even inner tubes to ride the currents toward the Florida Keys and Florida's southeast coast. But the Coast Guard and Border Patrol agents are heavily focused on the eastern shore, so more smugglers driving high-speed boats are popping up on Florida's less-populated, less-patrolled southwestern coast.

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“Authorities tied it up so tight near Miami that it's gotten hard for them to get in,” said Capt. Thom Carr of the police department on Marco Island, located west of Miami on the other side of the state. “Because of that, they told us (Cubans) might start heading this way, and now they are.”

Monday, 28 Cubans reached land in Naples. The previous day, 17 landed on Sanibel Island. And in August, 20 Cubans landed near Marco Island, according to The News-Press in Fort Myers.

That trend forced the Border Patrol to shift a special unit to southwest Florida this year to help law enforcement track down the smugglers.

“It's caught us by surprise because we haven't seen that in the past,” said Steve Cole, a spokesman with the U.S. Attorney's Office Southwest Florida division.

The shift to the Gulf of Mexico seems obvious to some who live there.

The waterfront along Miami and Fort Lauderdale is stacked with high-rise buildings that light up the waters and make it easier to spot vessels on the water. The area also has many fishermen and boaters who help the Coast Guard identify smugglers gunning for land.

On the other hand, the Gulf Coast is largely a quiet collection of beach homes where cities have laws restricting the amount of light homes can emit at night. The laws ensure that hatching sea turtles head to the water instead of being drawn to city lights.

Mark Sobel, who owns a resort on Sanibel and woke up Sunday to find 17 Cubans on his doorstep, said the combination of those factors results in a prime setting for nighttime smuggling runs. “It's quite dark, and that may very well be a haven for them,” he said.

New routes account for only part of the recent upswing in Cuban migration to the USA.

The Department of Homeland Security estimates that 6,356 Cubans reached U.S. soil in 2005. That's up from 303 in 2003 and marks the highest influx of Cubans since the Coast Guard picked up more than 37,000 Cubans in 1994 in the waters between Florida and Cuba.

Alfredo Mesa, director of the Miami-based Cuban American National Foundation, draws a direct link between the recent upsurge and a crackdown on dissidents on the island in 2003. Dozens of journalists and political activists were arrested, convicted and sentenced to decades in prison on charges of “working with a foreign power to undermine the government.”

“I would make a correlation between this recent wave and the government increasing their repressive apparatus,” Mesa said. “That's at the root of why people seek freedom.”

Lisandro Perez, a Florida International University sociology professor and past director of the school's Cuban Research Institute, takes a broader look at explaining the recent surge. The influx in 1994 was preceded in size only by the Mariel boat lift in 1980, when 125,000 Cubans arrived in Florida.

Perez says that after each massive exodus, islanders settle back down for a number of years, but the economic pressures and the “oppressive” regime eventually drive people to the point of fleeing, no matter the risk or cost. The result, Perez says, is a roughly dozen-year cycle between each exodus.

“After one of these exoduses, there's a collective breath because people who wanted to leave have left,” Perez said. “But over time, these things accumulate. There's a pent-up demand in Cuba for migration that tends to increase with time.”

Law enforcement officials say stopping such a mass migration would be just as hard now as it was during the previous waves.

The U.S. government has a migration policy unique to Cuba. Known as the “wet-foot, dry-foot” policy, any Cuban who reaches land is generally granted political asylum while those caught at sea are returned to Cuba.

That places the onus on the Coast Guard and other law enforcement to stop the floating refugees before they reach shore.

In fiscal year 2005, when more than 6,300 Cubans reached land, the Coast Guard caught 2,712.

“It's a maritime zone. We can't put a wall up around the United States,” said Petty Officer James Judge, a spokesman with the Coast Guard's Miami station. “And we don't have enough Coast Guard assets or other agencies out there to check every single boat and have a 100% way of stopping illegal trafficking of anything, including people.”

DOJ_NMG_0095189

Empowering, Not Muzzling, Our Ambassadors (WP)

The Washington Post, November 16, 2006

The memorandum that was the subject of "Karen's Rules on Diplomacy: Talk to the Media -- if You Dare" [Federal Page, Nov. 8] was originally distributed more than a year ago and is having its intended effect of freeing U.S. ambassadors to engage with the media around the world. It's disappointing that neither The Post nor the organizational psychologists it consulted bothered to check with the State Department before publishing the article. If you had, you would have learned that these guidelines empower our ambassadors rather than restrict them.

When I arrived at the State Department and met with ambassadors last year, many told me that they felt they were not allowed to speak on the record to the media unless the interview was "pre-cleared" by Washington. While this perception was not entirely accurate, many ambassadors hesitated to speak on the record without specific permission. Given time differences and journalists' daily deadlines, that meant too many ambassadors did not regularly engage with the media. Yet it seemed to me, and to Secretary of State Condoleezza Rice, that if we trusted our ambassadors to represent our country overseas, we should also trust them to use good judgment in speaking to the media about U.S. policies.

As I began encouraging ambassadors to engage more vigorously with media, they requested clear guidelines. The resulting rules cited by The Post have been applauded by our missions abroad; in fact, they were reissued at the request of public affairs officers because many ambassadors are new.

We have dramatically increased the appearances by our ambassadors on media outlets around the world. This expanded engagement is good for our country.

Undersecretary of State
for Public Diplomacy and Public Affairs
Washington

Kabila Wins Election Runoff In Congo (AP)

By Michelle Faul

AP, November 16, 2006

Incumbent President Joseph Kabila was declared the winner Wednesday of Congo's tense runoff election, defeating his rival and ex-rebel leader, Jean-Pierre Bemba, in the country's first multiparty contest in more than four decades.

Kabila won with about 58 percent of the vote, compared with nearly 42 percent for Bemba, said Apollinaire Malu Malu, chairman of the Independent Electoral Commission.

Bemba has disputed results from the Oct. 29 vote for days and his forces fought police and troops loyal to Kabila on Saturday for several hours in the capital, leaving three civilians and one soldier dead. Earlier Wednesday, Bemba's fighters refused a request by U.N. peacekeepers to return to military barracks in the city.

Bemba's home was silent, as was most of this capital of nearly 7 million people, where he enjoys massive support and Kabila is largely disliked. A few dozen people in some downtown Kinshasa bars and made celebratory toasts, and car horns honked in victory in an elite suburb.

"Peace must reign in every corner of the country. Long live democracy. Long live the new Democratic Republic of Congo," Kabila said in a televised address after he was declared the winner. "I ask you tonight to remain united and to live in fraternity and tolerance."

The U.N. mission deployed tanks onto Kinshasa's streets Wednesday, part of stepped-up security across Kinshasa that has also included a greater presence of European peacekeepers and police.

The electoral commission had said it would look into Bemba's complaints alleging fraud, but Malu Malu made no reference to the investigations.

The 35-year-old Kabila won 9,436,779 votes, compared to 6,819,822 votes for Bemba, Malu Malu said. Turnout among the nation's 25 million registered voters was about 65 percent.

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Congo may one day look back at the election as the difficult birth of an era of peace, democracy and prosperity after decades of colonial rule, dictatorship and war that devastated what should be among the richest countries in Africa, if not the world. But for now, it is far from clear that supporters of the political rivals won't resort to violence.

"The big hope is that people want the elections, they want peace, they want to get on with their lives in circumstances that promise a better future," said William Lacy Swing, the U.N. secretary-general's special representative to the Congo.

"The vast majority of people are tired of war, tired of violence, they want peace and they are not easily going to be involved in acts that will disrupt order," he said. "I honestly believe that after these elections, one can truly say that this country is another country."

International observers have said voting was largely free and fair, and the election commission has rejected accusations its count has been skewed by fraud.

When results of the first presidential round were announced in August, the two sides battled it out on the streets of Kinshasa for three days, killing 23 people.

White U.N. personnel carriers with mounted submachine guns and truckloads of troops remained overnight in front of Bemba's house on the capital's main June 30 Boulevard. U.N. military spokesman Lt. Col. Stephane Lescoffit said about 100 troops had been stationed there.

On Tuesday, Bemba's spokesman said, a Congolese Armed Forces officer led a convoy of 16 trucks to the house and demanded that 300 members of Bemba's bodyguard accompany them to be confined to barracks on the outskirts of town. They refused and the trucks left, said the spokesman, Moise Musangana.

Army spokesman Col. Leo-Richard Kasonga said he couldn't immediately comment on the demand that Bemba's forces be confined to barracks, which appeared to have been made without consulting the U.N. peacekeepers.

Musangana said Bemba had about 1,500 armed fighters at his home, while the presidential guard numbered up to 15,000.

On Tuesday, Bemba's supporters challenged the vote count and threatened to tear up agreements to use dialogue and not violence to resolve disputes.

International observers have reported some problems in the largely peaceful elections, but largely agree that the exercise was free and fair — a tremendous achievement given the size and population of the country, its primitive infrastructure, lack of institutions, and the fragility of a peace that still has not taken hold in the east.

The Central African nation is the size of the United States east of the Mississippi, but has only 300 miles of paved roads, posing huge logistical problems for the U.N. mission that spent nearly $500 million on the vote, the biggest election the world body had ever helped organize.

"There have been issues but, technically speaking, I really believe it was free and fair," said Carmina Sanchis-Ruescas of the Washington-based IFES, which aids elections around the world. "There always some errors and mistakes, but not to the extent that we could claim that it has not been free and fair."

The names of some voters didn't make it onto the lists of eligible voters because of technical glitches, while up to 1.5 million poll workers and observers were allowed to vote outside their home districts, raising concerns.

The country's top Roman Catholic prelate, Cardinal Frederic Etsou, accused the Electoral Commission of publishing false results.

But the biggest national observer mission, set up by the Catholic Church, found no evidence the count was rigged.

"We saw some irregularities, but we cannot speak of fraud," said Henri Nuyiya of the Coordination for a Successful Transition, which mustered 50,000 election volunteers. "If there were a few people who voted in places where they were not registered, this would not have affected the results of the elections."

Both candidates had representatives at polling stations who were given copies of the results on the day of balloting, said Colin Stewart of the Atlanta-based Carter Center, which also sent observers.

That measure, he said, "constitutes a very strong measure of transparency and virtually eliminates any possibility of significant fraud in the compilation process."

Incumbent Declared Winner In Congo Vote (WP)

DOJ_NMG_0095191

By Stephanie McCrummen

The Washington Post, November 16, 2006

KINSHASA, Congo, Nov. 15 -- Incumbent Joseph Kabila was on Wednesday declared the winner of Congo's first presidential elections in more than 40 years, as the crumbling boulevards of the capital remained calm.

The announcement came during a week of rising tensions and as dozens of U.N. tanks patrolled the streets. On Tuesday, supporters of Kabila's rival, Jean-Pierre Bemba, essentially declared their candidate president, accusing the election commission and other countries of an "electoral holdup."

Bemba, a former rebel leader, has wide support in Kinshasa and a personal guard of an estimated 1,000 soldiers who had refused to evacuate to the edges of the city.

By sundown Wednesday, many Congolese were expressing fear that the historic vote would end in a street brawl. Business owners chained their doors early, streets were unusually empty, and some families boarded ferries bound for Brazzaville, in neighboring Congo Republic across the vast Congo River.

But the sort of violence that killed at least 23 people after the first round of voting on July 30, and that people endured during a decade of civil war, did not materialize.

"We're fed up with the fighting," said Charles Tumba, a Bemba supporter sitting outside a house lacking electricity and running water most of the time. "Basically, everybody is expecting a change in the country. But let's wait and see."

Some international election observers reported irregularities but said none were significant enough to alter the results.

A massive logistical effort had gone into the election in Congo, a mostly roadless country the size of Western Europe with a population of more than 62 million. Foreign donors poured in $450 million to support the vote, which one Western aid official deemed perhaps one of the "most complicated processes in the history of democracy."

The United Nations deployed 17,500 troops, the largest peacekeeping force in the world. Election workers registered more than 25 million voters, many of whom walked miles to cast paper ballots that had to be trucked, biked, canoed or hiked to one of thousands of counting centers across the country. And because there was a runoff, it was done twice.

Kabila, who took power after his father, Laurent Kabila, was assassinated in 2001, faces the challenge of satisfying the high expectations of the electorate, including the 42 percent who voted for Bemba, in a country with more than 200 ethnic groups and at least that many political parties.

"It's not enough just to vote," said Christophe Lutundula, an opposition lawmaker who received death threats after he wrote a report examining wartime mining contracts. Kabila "has to manage his victory. And there has not been much progress in the maturing of the political culture, and that's what worries me most. It is effectively a cultural war to change things in this country."

Kabila takes charge of a country still imbued with the legacy of its longtime dictator, Mobutu Sese Seko, who looted billions from the government during his 32-year rule. The violence, disease and famine accompanying the civil war that followed left more than 4 million people dead.

Several former rebel leaders accused of war crimes now hold high-ranking positions in the national army, and militias still terrorize people in the east, taking over farms and national parks. Kabila also faces a population desperate for decent jobs, as unemployment hovers around 80 percent.

Many here say they hope a new constitution, adopted last year, will provide some framework for reforms. The document provides for the creation of provincial legislatures, for example, that in theory will decentralize state power, allowing provinces to retain 40 percent of revenue for local projects.

"People have learned a lot from this process," the aid official said. "And it has created a whole cadre of people who understand what it means to be in the weeds of democracy."

'Glamorous' Socialist Seeks French Presidency (USAT)

By Jeffrey Stinson

USA Today, November 16, 2006

DOJ_NMG_0095192

PARIS — Is France, which has been led by male political lions like Charles de Gaulle, Francois Mitterrand and now Jacques Chirac, ready for a female president? And a woman who is a glamorous, unmarried mother — and a new-breed Socialist at that?

Segolene Royal, 53, who hopes to be the republic's first female president, will get a partial answer to that question this week. The Socialist Party's 200,000-plus registered members go to the polls today to choose their nominee for April's presidential election. Results are due Friday.

Royal already has shaken up French politics, traditionally dominated by men from the elite universities that groom the nation's leaders and move up through France's bureaucracy.

She has graced the covers of magazines such as TIME Europe. While on vacation in August, paparazzi photographed her in a turquoise bikini. "She's very glamorous. She's very pretty. She's seen as separate from the French ruling elite," says Rachna Uppal, European analyst for Global Insight, a London-based consulting firm.

On the final day of campaigning Wednesday, Royal's two male opponents, Dominique Strauss-Kahn and Laurent Fabius, denied her accusations of chauvinism.

Royal quoted Strauss-Kahn this week as saying that she "would have done better to stay at home rather than read out her cookery notes." She told party members that Fabius had wondered, "Who is going to look after the children?" if she became the party candidate.

As leader of her party — and possibly of the nation — Royal says she offers something different: a connection with the French people.

Uppal says Royal cultivates the image of a person who is willing to listen. France has been racked by riots in the past year by minority youths, mostly Muslim, who complain they are discriminated against in jobs, in education and in treatment by police.

The French "think they want change; they say they want change," Uppal says. "But they fear change. Royal stands out as someone who is listening to them."

Although there are no recent polls of party members, Royal was the choice of 58% of those who "sympathize" with the Socialist Party in a poll in Sunday's Le Journal du Dimanche by the Ifop agency. Strauss-Kahn, a former finance minister, was preferred by 32% in the Nov. 2-10 poll of 716 Socialist-leaning adults.

Royal is running even among all voters in a matchup against the likely presidential candidate of the ruling center-right party, Interior Minister Nicolas Sarkozy. She was favored by 32% to Sarkozy's 31% in an Oct. 17-18 poll by the firm CSA.

"She has a very good chance of becoming the first woman president," William Keylor, professor of international relations at Boston University, says of Royal. "This would be a sea change in French politics if those old guys are going to have to … turn over Elysée Palace to a woman."

Royal's background is similar to her male political counterparts. She got an economics degree from Paris' Institute of Political Sciences, known as Sciences Po. She also graduated from the National School of Administration, the launch pad for the governing elite. She served as minister of environment, education and family and children. In 2004, she was elected president of one of 12 elected regional administrative bodies.

At Sciences Po, she met Francois Hollande, 52, a veteran French politician and chairman of the Socialist Party since 1997. She and Hollande live together, but they never married. They have four children.

"I would vote for her," says Catherine Clisson, 43, a Paris homemaker and mother of a teenage boy and 11-year-old girl. "I really would like a change. The (male) politicians we have from the establishment, they don't really know how people live. A woman like Segolene Royal knows a little more."

Royal's rise as a political star hasn't been trouble-free. She has drawn harsh criticism from Socialist hard-liners for some of her stands. And she has backtracked to avoid alienating the party base.

She backed off her critique of France's 35-hour workweek, which is a Socialist party sacred cow.

She has been fuzzy on how to pull France out of its economic doldrums. The French economy was stagnant in the third quarter. Unemployment for minority youths in suburban areas is as high as 20%, although it dipped to 8.8% in September, lowest level in five years.

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Royal also has not made her foreign policy views clear, although she has indicated her take on U.S.-French relations differs from opponent Sarkozy, who is strongly pro-American, says Philip Gordon, senior fellow at the Brookings Institution in Washington. "She's staking out a position that stresses France's independence from the United States," Gordon says.

Royal wants delinquent juveniles to be sent to boot camps run by the military. And she has called for "citizens' juries" that would assess how politicians are doing and attend Cabinet meetings.

When jeered by Socialists at a candidate debate last month, Royal defended the juries. "Don't be afraid of the people," she said. "Democracy is like love: The more you get of it, the bigger it grows."

If no candidate emerges with a majority Friday, Socialists will hold a runoff between the top two vote-getters next Thursday.

Analyst Uppal says a second round could prevent Royal from taking positions that stray from the traditional Socialist platform. "She wants a shoo-in," Uppal says. "If she's a shoo-in, she will be saying a lot more controversial things."

Annan Faults 'Frightening Lack Of Leadership' For Global Warming (NYT)

By Jeffrey Gettleman

The New York Times, November 16, 2006

NAIROBI, Kenya, Nov. 15 — Secretary General Kofi Annan on Wednesday put the blame for global warming on "a frightening lack of leadership," saying the poorest people in the world, who do not even create much pollution, bear the brunt of rising temperatures.

"The impact of climate change will fall disproportionately on the world's poorest countries, many of them here in Africa," Mr. Annan said in a speech to a major climate conference here. "Poor people already live on the front lines of pollution, disaster and the degradation of resources and land.

"For them," the United Nations leader said, "adaptation is a matter of sheer survival."

When pressed at a news conference afterward about his comments on poor leadership, Mr. Annan denied that he was singling out the United States, the world's biggest source of the smokestack and tailpipe gases that are linked by most scientists to rising temperatures. The United States is also one of the few countries that has not ratified the Kyoto Protocol, the first treaty setting limits on the heat-trapping pollutants.

"My speech was not directed at a particular individual or leader," Mr. Annan said. "I just want leaders around the world to show courage, because this is one of the greatest challenges of our time."

Among other issues, negotiators at the climate conference are exploring how to set new emissions limits for the period after 2012, when Kyoto's terms expire. Bush administration officials have said the United States has no plans to accept any binding limits.

The delegation from the United States, meanwhile, denied that it was part of the leadership failure that Mr. Annan spoke about.

Paula J. Dobriansky, the under secretary of state for democracy and global affairs, said Wednesday that "we think the United States has been leading in its groundbreaking initiatives." She listed several measures, including financial incentives for businesses to reduce pollution and strict domestic rules that she said had helped in the fight against global warming.

Each year thousands of environmental experts, government officials and activist groups gather for a nearly two-week-long conference on how to battle global warming.

This year's conference in Nairobi, partly because it has drawn so many Africans, has focused on the possibility that those least responsible for pollution-induced climate change may suffer the most from it. Africa, one of the least industrialized areas in the world, is a case in point.

The herders of Kenya's grassy plains, for example, whose total pollution basically boils down to their cooking fires and the few cigarettes they smoke, are being displaced by increasingly frequent droughts, which many scientists blame at least partly on global warming.

Malaria, one of Africa's leading killers, is spreading to higher altitudes because of rising temperatures. The Sahara is expanding, turning farmland into desert and contributing to conflicts like the one in the Darfur region of Sudan. And the list goes on.

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"Africa faces some of the fiercest effects of climate change," Kenya's president, Mwai Kibaki, said in a speech on Wednesday at the climate conference. He said warmer temperatures could destroy agriculture and tourism, two of Kenya's brightest hopes for a way out of poverty.

The emphasis on poor countries has led to another running theme at this year's climate caucus: adaptation. Experts and politicians concede that so much carbon dioxide, one of the dominant heat-trapping gases, has already accumulated in the atmosphere that the world must accept global warming and figure out how to adapt to it.

"For too long the international community focused almost exclusively on mitigation," said Kivutha Kibwana, Kenya's environmental minister, who is president of the conference. "Let Nairobi be the starting point whereby adaptation and mitigation efforts go hand in hand."

The conference has succeeded in establishing the broad outlines of an adaptation fund that calls for industrialized countries to help poor countries deal with the adverse effects of climate change through measures like relocating coastal people displaced by floods.

Though the fund is still tiny, around $3 million, United Nations officials say that it will grow rapidly and that there is now a plan for how to manage it. Each country will get one vote, which will give the developing world a larger voice than that of industrialized nations.

Still, much work remains, and the conference ends Friday. One bogged-down proposal is the effort to limit the average global temperature increase to 3.5 degrees Fahrenheit or so, which may not sound like much but would significantly change the environment. In the past century, average global temperatures have risen about 1 degree.

Even moderate projections of warming under current emissions trends foresee four or five times that temperature increase by 2100, accompanied by a substantial rise in sea levels and disruption of climate patterns and water supplies.

Earlier this week, a group of island nations objected to the 3.5-degree ceiling, saying that even that would be too high for them to bear, because of all the flooding.

Participants were also divided over the idea of a carbon dioxide tax. On Wednesday the president of Switzerland, Moritz Leuenberger, proposed using such a tax to finance adaptation programs. The tax would serve the dual purpose of discouraging rich countries from polluting and helping poor countries deal with the consequences of pollution.

"This is not a fight against nature," Mr. Leuenberger said. "It is a battle against shortsighted egoism."

Talks By India And Pakistan Make No Gains On Train Blasts (NYT)

By Somini Sengupta

The New York Times, November 16, 2006

NEW DELHI, Nov. 15 — Peace talks between India and Pakistan, which had stalled after the bombings of commuter trains in Mumbai in July, limped forward this week, as senior officials from both countries met here for two days to discuss issues ranging from how to exchange information on terrorist groups to a dispute over an uninhabitable area high in the Himalayas.

But the dialogue between their top diplomats ended Wednesday without movement on a crucial and closely watched item: India, having accused Pakistan of involvement in the Mumbai bombings, presented no evidence of such complicity.

India has long blamed Pakistan-based militant groups for organizing terrorist acts on Indian soil, and the Indian police have recently accused the Pakistani intelligence agency of directing the July 11 train bombings.

Pakistan has repeatedly rejected blame and challenged India to share its evidence. The two countries agreed in September to exchange information about terrorism, but plenty of doubts remain on each side about whether their mutual distrust will permit an earnest exchange.

The Pakistani foreign secretary, Riaz Muhammad Khan, told reporters on Wednesday afternoon that India had furnished information about "linkages" between banned militant groups in India and Pakistan, but nothing on the Mumbai attacks.

His counterpart, Shiv Shankar Menon, would only say of the information that it was "material relating to cross-border linkages to terrorist acts in India."

Asked if elements in the Pakistani government had been involved, Mr. Menon would not specify. "There are elements in Pakistan that are involved, not just in assisting but inciting terrorism in India," he said.

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Mr. Menon also said that his government could not proffer information on the Mumbai blasts because no one had been charged in an Indian court. The police in Mumbai have made arrests, but some of the suspects have complained that confessions, implicating militant groups and intelligence operatives in Pakistan, were extracted by force. In a television interview last month, the Indian national security adviser, M. K. Narayanan, said that India had less than "clinching" evidence.

In a joint statement, the two nations, each with nuclear weapons, agreed to continue talking and said they had reached agreement on "reducing the risk from accidents relating to nuclear weapons."

They were far from an accord on pulling back troops from Siachen Glacier, 18,500 feet in the Himalayas, where Indian and Pakistani soldiers have faced off for more than 20 years. It is uninhabitable, and the dispute is less over who controls it than recording on a map whose troops were last standing where. India wants its troop positions laid out on a map; Pakistan says it opposes what Mr. Khan on Wednesday called "endorsement of a certain claim."

Pakistan Moves Toward Altering Rape Law (NYT)

By Salman Masood

The New York Times, November 16, 2006

ISLAMABAD, Pakistan, Nov. 15 — After months of delay, the Pakistani government on Wednesday finally pushed legislation through the lower house of Parliament to amend rape laws that human rights advocates say have led to punishment for thousands of innocent victims.

The passage of the legislation, which has been opposed by Islamist parties, is seen as a litmus test for President Pervez Musharraf's commitment to steering the country toward moderation and enlightenment. Because of the pressure by the Islamic groups, though, the measure passed on Wednesday still contains provisions that concern human rights groups.

To become law, the bill must be approved by the Senate, which is expected, and by General Musharraf. Months of wrangling and political opposition cast doubts on whether the government would succeed in passing the changes to the current law, the Hudood ordinance, under which women who report rape can end up being prosecuted for adultery. The law was enacted in 1979 by a former military dictator, Gen. Muhammad Zia al-Haq, to appease Islamists who contended that he was secularizing the country.

Late Wednesday, General Musharraf made an appearance on state-run television and congratulated the nation on the passage of the measure, the Women's Protection bill, saying, "This process of empowerment, protection of women will continue."

Under the Hudood ordinance, rape is included in matters covered under Islamic law, like marriage and divorce. A woman who reports that she has been raped must produce four male witnesses to prove it. If she fails to do so, she can be prosecuted for adultery. Thousands of women have been punished under the law, often on the flimsiest evidence. That risk has kept many women from trying to bring their attackers to justice.

The legislation passed Wednesday gives judges the discretion to try rape cases in a criminal rather than an Islamic court. The new legislation allows forensic and circumstantial evidence to be used as a basis for convictions, as with other crimes.

The amendment also introduces the concept of statutory rape, outlawing sex with girls under 16. The Islamic code had merely banned sex with girls before puberty.

The change in the law comes after high-profile cases that were widely publicized here by women's rights groups and in the West and that brought considerable pressure to bear on the government. They include cases in which local authorities have permitted rapes as a way of compensating someone judged to have been wronged by the woman's male relatives.

Dealing with Hudood laws has been a political minefield for General Musharraf, with Islamic opposition political parties saying that changing the laws would violate the principles of Islam. Pakistani officials have taken pains to convince the public that amending the laws would not violate Islamic precepts, and General Musharraf repeated that theme in his remarks. "I assure the entire nation that no Pakistani can ever think of enacting law that is repugnant to the Holy Koran and the Sunnah," the recorded teachings and actions of the Prophet Muhammad, he said.

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The new law would continue to allow prosecutions for what it calls fornication, a provision that was introduced at the insistence of religious scholars and was backed by the alliance of religious opposition parties. Human rights advocates on Wednesday expressed concern over that provision.

General Musharraf said in his televised address that the government "did not cave in to the mullahs" and that "the section regarding fornication was inserted after consultation with legal experts and ruling party members."

The legislation approved Wednesday was shaped during months of drafting and back-door negotiations between the government and opposition political parties. Vociferous protests by an alliance of Islamist parties had stalled the legislation, which was introduced in August.

An attempt to pass a new law in September broke down after threats of mass resignations by the religious alliance forced the government to pull the legislation back. But on Wednesday, the government finally moved ahead, and Parliament's lower house passed the bill in just one sitting.

Opposition members from the more extreme Islamist parties boycotted the vote and walked out of the Parliament as the legislation was introduced. But it seemed unlikely that religious alliance members would go so far as to resign from Parliament, analysts here said.

Maulana Fazalur Rehman, leader of Muattahida Majlis-e-Amal, the alliance of religious parties, said the bill "will turn Pakistan into a free-sex zone."

The liberal opposition Pakistan People's Party of former Prime Minister Benazir Bhutto supported the bill. Sherry Rehman, central information secretary for the party, said it had decided to support the legislation because it was consistent with the party's goal of emancipating and empowering Pakistan's women.

"We are not totally satisfied," she said. "We wanted a total repeal of the Hudood laws."

Human rights advocates have demanded a total repeal of the Hudood laws, and the move on Wednesday met with guarded words of welcome but also with concerns.

Farzana Bari, a member of Pattan, a human rights advocate, said she was pleased that rape cases would be prosecuted under the country's penal code. But she said she was disappointed that the government had tried to appease the Islamists by incorporating the so-called fornication section.

She said noted that adultery had not been an offense against the state before the Hudood laws, and she worried that judges could be bribed to misuse the provisions. "There is nothing to celebrate," Ms. Bari said. "This clause about fornication would now open a new chapter of misuse and abuse."

Pakistan Moves To Amend Rape Laws (WP/AP)

By Paul Garwood, Associated Press

The Washington Post, November 16, 2006

ISLAMABAD, Pakistan, Nov. 15 -- Pakistan's lower house of Parliament passed amendments to the country's rape laws Wednesday, ditching the death penalty for extramarital sex and revising a clause on making victims produce four witnesses to prove rape cases.

Consensual sex outside marriage would remain a crime punishable by five years in prison or a $165 fine, said a parliamentary official, who spoke on condition of anonymity because he was not authorized to speak to reporters.

International and local calls for change intensified after the 2002 gang rape of Mukhtar Mai. A tribal council in her village in Punjab province ordered the rape as punishment for her 13-year-old brother's alleged affair with a woman of a higher caste.

The amendments enraged Islamic conservatives but won cautious support from human rights activists, who wanted the controversial laws scrapped altogether.

Pakistan's president, Gen. Pervez Musharraf, praised lawmakers for approving the amendments and criticized fundamentalists for their "unnecessary" opposition and their claims that his government was acting against Islam.

"I have taken a firm decision to change these unjust rape laws as it was necessary to amend them to protect women," Musharraf said in a televised address to the nation. He urged the Senate, dominated by government allies, to swiftly approve the measure.

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Pakistan's late dictator, Gen. Mohammed Zia ul-Haq, introduced the laws, known as the Hudood Ordinance, in 1979 to appease Islamic political groups opposed to the secularization of Pakistani society.

Human rights activists and moderates have long condemned the laws for punishing rape victims instead of protecting them. The laws placed the burden of proof on victims while providing safeguards for their attackers, such as requiring four eyewitnesses to bring rape charges.

The amendments coincide with efforts by the Islamabad government to soften the country's hard-line Islamic image and pacify opponents of the laws.

Hina Jilani , a leading Pakistani human rights activist, praised the government for taking practical steps to amend the laws, but she demanded more legislation to protect women's rights.

"The government has made some positive changes by passing this bill, but it does not meet our demands," said Jilani, of the independent Human Rights Commission of Pakistan. "We wanted a total repeal of the 1979 rape law, but the government has not done it."

The amendments drop the death penalty and flogging for people convicted of having consensual sex outside marriage and give judges discretion to try rape cases in a criminal court, rather than an Islamic court. Strict Islamic law dictates that a woman claiming rape must produce four witnesses, making a trial almost impossible.

Support Builds For Libyan Dissident (WP)

By Nora Boustany

The Washington Post, November 16, 2006

Human rights activists and Western diplomats are increasingly concerned about the welfare of Fathi al-Jahmi, a leading Libyan dissident awaiting a possible death sentence while being held in solitary confinement in Libya, and who is known to have several life-threatening health conditions for which he is receiving little or no medical care. He is charged with having an unauthorized meeting two years ago with a foreign official -- believed to be a U.S. diplomat -- and campaigners are pushing the Bush administration to do more to secure his release.

Jahmi, 65, a democracy activist in Libya since the late 1970s, has been in and out of Libyan jails and survived an assassination attempt in 1990 when gunmen stormed into his house. A civil engineer, Jahmi had served as governor of Libya's oil-rich Gulf province and as head of the National Planning Committee until 1972. After 1978, when his businesses were nationalized, he became Libya's public face for democracy, free enterprise and freedom of expression.

He was imprisoned in October 2002 after delivering a speech at a conference in Tripoli calling for democracy, a free press and the release of political prisoners. He was released on March 12, 2004, after intervention by Sen. Joseph R. Biden Jr. (D-Del.), who held a face-to-face meeting with Libyan leader Moammar Gaddafi to ask for Jahmi's freedom.

Jahmi and his eldest son, Mohamed, met subsequently with a U.S. diplomat at the Corinthia hotel in Tripoli to express his gratitude for the U.S. help in his release, according to his brother and human rights groups. Two U.S. diplomats later visited Jahmi at his house, said his brother, Mohammed al-Jahmi, who said members of the Libyan state security bureau were parked outside the house and threatened the family.

Fathi al-Jahmi was rearrested two weeks later and has been in jail since. "I happened to be on the phone with the family when government agents encircled his house. I could hear the sirens," his brother recalled.

Jahmi has been accused of "exchanging information with employees of a foreign state that is harmful to the country" and "scheming with foreigners during times of peace," according to a statement from the Libyan People's Bureau, or embassy, in London sent to Amnesty International in July.

New York-based Human Rights Watch says Libya's penal code imposes the death penalty on anyone who talks to or conspires with a foreign official to provoke or contribute to an attack against Libya. The United States restored full diplomatic relations with Libya in May.

Jahmi's family had been trying to get indictment papers for the past two years, and this week was the first they learned of the charge, Mohammed al-Jahmi said in an e-mail.

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Mohammed al-Jahmi, a software engineer in Boston who came to study in the United States in 1977 and remained here, said he was extremely concerned about his brother's health. "I know everyone is doing their best to help. Everyone at the State Department kept telling me that Libya has changed. Libya has not changed," he said. He said his brother had never called for violence but for political dialogue for change at a roundtable of Libyans.

Several members of Congress, 36 human rights organizations in the United States and abroad, and other concerned citizens plan this week to send a petition to President Bush and Secretary of State Condoleezza Rice urging them to take swift action to secure Jahmi's release. "The United States has now restored diplomatic relations with Libya," the petition says. "We urge you to use this opportunity to bring about the immediate and unconditional release of Fathi Eljahmi and all prisoners of conscience in Libya."

"We do remain concerned about Libya's human rights record," a State Department official said Monday. "We have raised Mr. al-Jahmi's case with Libyan authorities and we continue to do so since we have normalized relations. We want the Libyan government to release Fathi al-Jahmi immediately," he added.

Repeated telephone calls to Libya's ambassador to Washington, Ali Suleiman Aujali, were not returned.

In February 2005, the group Physicians for Human Rights sent a Dutch physician and prison health expert to evaluate Jahmi. The report, by Joost Jan Den Otter, said Jahmi's chronic conditions, including diabetes, high blood pressure and coronary artery disease, and his inadequate care in prison, could lead to a "lethal scenario." The report warned that Jahmi was in danger of a fatal heart attack or severe kidney failure. It also described Jahmi's dismal appearance and hygiene and called his treatment "cruel, inhuman and degrading."

Three Libyan doctors confirmed the diagnosis and informed the Dutch physician that Jahmi was now receiving proper treatment. When Human Rights Watch visited him in May 2005, Jahmi had been given a haircut and cleaned up, according to a photograph taken by a representative of the group.

Jahmi's son Mohamed visited him in jail at the end of August this year and said he looked frail and ashen. Jahmi told his son that his supply of medications had run out and had not been refilled.

The complex U.S.-Libyan relationship deteriorated in 1986, when President Ronald Reagan ordered a U.S. military strike against Tripoli that targeted Gaddafi's residential compound and killed his young daughter. The airstrike was in retaliation for the bombing 10 days earlier of a discotheque in West Berlin frequented by U.S. military members.

Relations between the two countries have swung dramatically since, from Libya being routinely accused of supporting international terrorism to Gaddafi winning praise for abandoning his nuclear program and the release in March of 132 political prisoners.

Presidential Candidate Bucks Chavez Tide (AP)

By Christopher Toothaker

AP, November 16, 2006

The best hope for many Venezuelans fed up with what they see as increasingly autocratic rule under President Hugo Chavez may be a gravelly voiced political veteran with a reputation for boldness and grit.

On the campaign trail, Manuel Rosales pumps his fists in the air, provoking screams of near-religious fervor from thousands of exuberant supporters.

The gray-haired 53-year-old has managed to galvanize the fractured opposition as its unity candidate to face Chavez in Dec. 3 elections, and is drawing giant crowds even though he trails the incumbent by 20 points or more in most opinion polls.

"Democracy is at risk with this government, and Venezuelans need to unite to defend it," Rosales told The Associated Press, accusing Chavez of wanting to be president-for-life like his friend Fidel Castro of Cuba.

Rosales gets his message out forcefully through private Venezuelan TV stations and newspapers that carry a steady stream of Chavez criticism. He gets limited coverage on state television, which sometimes interrupts his speeches or films them from odd or unflattering angles.

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Billboards for Rosales show him surging through campaign crowds and bear the slogan "Dare to change!" But Chavez billboards are much more numerous, and the opposition has complained that when Chavez seizes the airwaves to speak for hours, it amounts to an unfair campaign practice.

Rosales, who temporarily stepped down as governor of the western state of Zulia to run, is one of just a handful of opposition politicians to remain a regional powerbroker in defiance of the pro-Chavez tide. He was one of only two non-Chavistas to win governor's races in elections two years ago.

And while he has many middle- and upper-class supporters, Rosales has sought to make inroads among Chavez's traditional support base — the poor.

He strongly criticizes what he calls handout social programs at the heart of Chavez's populist agenda, saying money is tossed about to secure political patronage. Instead, Rosales proposes creating a state-issued debit card to directly distribute one-fifth of Venezuela's oil income among the country's poorest families.

Many Venezuelans say the candidate, a cattle rancher who has been active in politics for three decades, lacks Chavez's charisma.

But in Venezuela's highly polarized society, this former mayor of Maracaibo, the country's second-largest city, has seen the campaign take on religious overtones.

At rallies, supporters press wooden crosses or figurines of Christ into Rosales' hands. Others give him pictures of saints or bottles of holy water — displays of devotion also common among followers of Chavez, who often invokes Jesus as an inspiration.

When Rosales walks through crowds, supporters often try to push past security guards to shake his hand, hug or kiss him.

"He's the only hope we have to get rid of this government. That's why we love him," said Roselyn Fuentes, one of tens of thousands who joined a campaign march across Caracas.

"Take a look at this," Rosales said while riding in a sport-utility vehicle after a campaign stop, rolling up his sleeves to reveal bruises and scratches on his forearms. "That's the affection of the people."

Some give Rosales poems written in his honor or notes asking for help finding a job — displays of devotion also seen among Chavez's backers.

Chavez avoids referring to Rosales by name, often calling him the "ex-governor" and depicting him as a U.S. pawn. Some pro-Chavez campaign banners read: "Vote against the devil — Vote against the empire."

But Rosales denies any links to Washington, insisting he's an independent-minded democrat speaking for Venezuelans whom Chavez has betrayed. And he's tried to distance himself from the corrupt political class that ran the country for four decades until Chavez's 1998 election.

In fact, until recently Chavez and Rosales were on speaking terms, the centrist governor being one of the few opposition leaders to occasionally attend presidential functions. That changed in December when Rosales' small party, A New Time, joined a boycott of congressional elections.

Some Chavez supporters poke fun at Rosales, noting he has stumbled over words. His response: "Maybe I don't talk so pretty, but I'm honest."

Rosales also has warned he could call street protests after next month's vote if he thinks it hasn't been conducted fairly.

Friends say Rosales isn't likely to back down. They say that when Rosales won his first election in his hometown in 1979, local political bosses tried to tamper with the results — and that a gun was fired into the air during an argument among Rosales, his opponents and soldiers guarding the ballots.

Rosales claims not to remember exactly what happened, saying "problems, attempts at fraud arise in many elections and everyone defends what's theirs. There was a problem there and I defended what was mine."

Asked who fired the gun, Rosales grinned and responded: "I don't remember. Maybe it was a firework."

No Apartheid For Gays, Either (LAT)

The Los Angeles Times, November 16, 2006

DOJ_NMG_0095200

WHEN SOUTH AFRICAN lawmakers voted Tuesday to legalize same-sex marriage, the former icon of unjust government reminded the world that its break from colonial apartheid wasn't just about changing the power structure. It was about conferring broad civil rights within its borders.

What makes the vote by South Africa's Parliament unique is that it stems not from the gradual social liberalization that sparked similar moves in such countries as Spain and Canada but from its very constitution. Adopted in 1996, that document drew its inspiration from a newfound hope of rights for all and, as a result, specifically prohibited discrimination against homosexuals.

Under court order to follow its own constitution, Parliament was forced into overriding old marriage laws and extending marriage rights to same-sex couples, thus becoming an unlikely global beacon of progressiveness. The vote is all the more extraordinary for its contrast with much of Africa on the question of homosexuality, which is illegal in most sub-Saharan countries.

It's regrettable that, unlike other countries that have legalized same-sex unions, South Africa will allow civil officials to opt out of performing gay-marriage ceremonies. It should not be up to government functionaries to determine whether a nation's laws are to their liking; it's simply their job to carry out the laws. Time might cure what Parliament didn't. As same-sex marriage becomes more common in South Africa, and people see it does nothing to hurt the nation or heterosexual marriage, objections by officials may decline.

South Africa is far from a perfect democracy, and government action alone, in South Africa as elsewhere, cannot end discrimination. Some of its leaders, notably President Thabo Mbeki, have been less than enlightened in their views on homosexuality and AIDS. (Only recently has his government made antiretroviral drugs more widely available.) But on Tuesday, the nation showed that it has shed the worst of its past and is growing into a rights-based democracy.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Prosecutors Urge Jurors To Convict Colombian Rebel Leader (AP)

By Hope Yen, Associated Press
AP, November 16, 2006

WASHINGTON – The government urged jurors Wednesday to convict Colombian rebel leader Ricardo Palmera, saying he should be held responsible in a plot to keep three Americans hostage, whatever his politics.

But the defense portrayed Palmera as a man who deserves jurors' benefit of the doubt as a tangential leftist sympathizer caught in the middle after trying to negotiate a deal between guerrilla fighters and the U.S.-backed Colombian government.

"By definition, if you're a rebel, no state is ever going to recognize you. By definition, a prosecutor is always waiting for you," said Palmera attorney Robert Tucker. "It tells you, 'Don't go for the labels of terrorist. Don't go for the misstatements of evidence.'"

In closing arguments, Justice Department attorney Kenneth Kohl exhorted the jury to look past the "political smoke" in the five-week trial of Palmera, who has called the aims of his FARC leftist group noble and peaceful.

"FARC is not above the law," Kohl said, as Palmera, dressed in khaki pants, a navy blazer and green tie, quietly scribbled on a notepad. "Holding people against their will for political purposes is what terrorism is."

Chief U.S. District Judge Thomas Hogan instructed the 12-member jury to begin deliberations Thursday in a case in which the lives of the three Americans – who are still being held in the thick jungles of south Colombia – may hang in the balance.

"You should not speculate on the impact your verdict might have on their situation," Hogan said, as relatives of the hostages – Marc Gonsalves, Thomas Howes and Keith Stansell – sat nearby.

Palmera, 56, is charged with hostage-taking, conspiracy and providing material support to terrorists after a plane carrying the U.S. military contractors encountered engine trouble and crashed in Colombia in February 2003.

Palmera, who is better known by his nom de guerre Simon Trinidad, was extradited in late 2004 after his capture in Ecuador. If convicted, Palmera could face 30 years in prison, the maximum allowed under the extradition treaty between Colombia and the United States.

FARC, listed by the U.S. government as a "foreign terrorist organization," is demanding that the Colombia government release all of the group's imprisoned members, including Palmera, in exchange for the release of some 60 hostages.

The hostages include the three Americans on the plane who authorities says were defense contractors involved in a counternarcotics mission.

President Alvaro Uribe recently broke off preliminary negotiations after blaming the rebel group for a car bombing in a military installation that injured more than 20 people, insisting that the hostages would be freed by military operations.

Visiting Washington on Monday, Uribe contended that imprisoning Palmera would ultimately lead to a more stable peace.

"Condemning the terrorists pushes away immediate peace, but constructs a solid peace," he said. "Not condemning the terrorists creates an artificial peace."

A former banker from a wealthy family, the Harvard-educated Palmera says he took up arms to fight social injustice. FARC, along with a smaller leftist rebel group, has battled to topple the Colombian government for 42 years in a conflict that has claimed more than 3,000 lives a year.

In the past six years, the U.S. government has provided $4 billion in mostly military aid to Colombia to fight the insurgency and the country's enormous drug trade.

US Argues Harsh Treatment Shouldn't Undercut Padilla Case (CSM)

By Warren Richey
The Christian Science Monitor, November 16, 2006

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The case of suspected Al Qaeda sympathizer Jose Padilla is raising fundamental questions about whether a US citizen's harsh treatment - and alleged torture - while in US military custody should prevent his later prosecution in the criminal-justice system.

Lawyers for Mr. Padilla charge that he was tortured while being held for three years and eight months as an enemy combatant in a military prison in Charleston, S.C. The lawyers are asking that all criminal charges against him be dropped because of the government's alleged illegal and abusive treatment.

Federal prosecutors responded for the first time this week to the accusations, telling US District Judge Marcia Cooke in a written motion that Padilla was not tortured or abused. But even if he had been tortured, they added, there is no legal support for Padilla's request that all charges against him be dismissed.

"Padilla has not cited a single precedent absolutely barring a federal criminal prosecution because of alleged due process violations committed during a prior military detention," writes Assistant US Attorney Russell Killinger.

Padilla's case, pending in US District Court here, highlights the murky intersection between the Bush administration's open-ended interrogation of enemy combatants to collect intelligence and the subsequent transfer of an enemy combatant who is also a US citizen to face punishment in the criminal-justice system.

Padilla is best known for allegedly plotting with Al Qaeda to detonate a radiological "dirty bomb" in a major US city. But when he was transferred from military custody to the civilian court system in January to face criminal charges, the dirty-bomb plot and other detailed information obtained by military interrogators was excluded from the indictment.

Instead, he is facing a more general charge that he engaged in a loosely-defined conspiracy by becoming a recruit to help wage a violent jihad. Padilla denies the charge.

Padilla's lawyers first made their torture allegations in court papers filed last month. They said military interrogators engaged in torture - including administering the mind-altering drug LSD - to try to force Padilla to reveal all he knew about Al Qaeda.

"He was assaulted, threatened with imminent death, and subjected to myriad other deprivations during his captivity at the Naval Brig," according to a legal motion filed by Acting Federal Public Defender Michael Caruso, one of Padilla's appointed lawyers. "He was drugged and subjected to cruel interrogations" using stress positions, forced hypothermia, and sleep deprivation, the brief says.

But the most painful and damaging tactic, the brief says, was extreme isolation in a windowless 9-by-7-foot cell. "Extended periods of solitary confinement are the most severe deprivation of liberty - short of the death penalty - that the government imposes," Mr. Caruso writes.

Padilla's lawyers are asking Judge Cooke to dismiss all charges against Padilla because of what they say amounts to outrageous government conduct.

Prosecutors dispute the charge. "The government in the strongest terms denies Padilla's allegations of torture - allegations made without support and without citing a shred of record evidence," writes Mr. Killinger.

He adds, "Even if this court were to believe all of the unsupported allegations in Padilla's motion and thereby concluded that he suffered 'shocking' due-process violations during his military detention (a claim the government disputes emphatically), dismissal of the indictment would nevertheless be unwarranted as a matter of law."

Killinger says the correct remedy for Padilla would be to sue his military interrogators in federal court for civil damages, or to seek government prosecution of the alleged torturers. But Killinger says that Padilla "is not entitled to a free pass from his own criminal conduct."

At issue in the defense motion and the prosecutor's reply brief is what standard the court should apply in assessing whether the government acted so outrageously in its treatment of Padilla that the case must be dismissed.

While the facts of Padilla's harsh treatment (if accurate) favor the defense, existing legal precedents favor the government.

The 11th US Circuit Court of Appeals, which covers Miami, has been reluctant in the past to dismiss cases based on allegations of outrageous government conduct. Appeals court judges in the First, Sixth, and Seventh circuits have gone even further, declaring that the outrageous government conduct defense does not exist, according to the prosecutors' brief.

Defense lawyers began their argument in their brief not with a quote from a learned legal scholar but instead from philosopher Friedrich Nietzsche. "Whoever fights monsters should see to it that in the process he does not become a monster."

Padilla's lawyers acknowledge that outrageous government conduct motions are rarely justified, and thus rarely granted. But they add: "The treatment of Mr. Padilla, a natural born citizen of the United States, is a blot on this nation's character, shameful in its disrespect for the rule of law, and should never be repeated."

Prosecutors say Padilla was lawfully detained by the military as an enemy combatant and that no information obtained during his interrogations will be used as evidence against him at his trial.

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Analysts who closely follow the case say the torture allegation is a potential blockbuster. "I think the judge is going to take a real serious look at whether this case should go forward or not," says David Oscar Markus, president of the Miami Chapter of the Florida Association of Criminal Defense Lawyers. "This judge has shown that she is not just going to roll over for what the government says. She's already dismissed some counts in the indictment and she is looking at what they have done very seriously."

Mr. Markus says the lack of existing legal precedents supporting dismissal may not matter in the Padilla torture issue. "There is no precedent for something like this because nothing like this has ever happened before," he says.

How the issue plays out from here may depend on whether Padilla's lawyers are able to present evidence of Padilla's torture in court, Markus says. Medical records from the Navy brig where Padilla was held in South Carolina could offer independent and reliable evidence of abuse, if he was provided medical care as the government claims.

"Padilla's conditions of confinement were humane and designed to ensure his safety and security," the government's brief says. "While in the brig Padilla never reported any abusive treatment to the staff or medical personnel."

Lawyers Try To Stop Gitmo Med Procedure (AP)

By Andrew O. Selsky

AP, November 15, 2006

An attorney for a Guantanamo Bay detainee has asked a judge to block a planned medical procedure on the prisoner's heart, saying that performing it at the U.S. base puts his life at risk.

Saifullah A. Paracha, a 69-year-old multimillionaire businessman from Karachi, Pakistan, already had one heart attack while in U.S. custody and in recent days has suffered chest pains, his lawyers said. Doctors plan to perform a cardiac catheterization on Paracha this month at the isolated Guantanamo Bay Naval Base in southeast Cuba.

Gaillard T. Hunt, one of Paracha's attorneys, asked a federal court in Washington Tuesday to block it, saying Guantanamo lacks the medical facilities for the procedure and sufficient backup in case anything goes wrong.

Hunt said it should be carried out in a hospital in the United States or Pakistan.

"There is no excuse for risking petitioner Paracha's life by subjecting him to this procedure at Guantanamo," Hunt said in an emergency petition, a copy of which was provided to The Associated Press.

Transferring Paracha to a hospital in the United States could present legal complications for the Bush administration, which has maintained that because the Guantanamo detainees were picked up overseas and are being held on foreign land, they may be detained indefinitely without charges or trial. A new law strips foreign "enemy combatants" held anywhere by the United States of their right to contest their detention in court. That law is being challenged.

Paracha's legal team has no ulterior motives, said another of his lawyers, Zachary Philip Katznelson.

"Our goal here is not anything duplicitous or underhanded to get court jurisdiction," he said in a telephone interview. "It is to get decent medical care."

The government is to reply to Hunt's petition by Friday. The case was expected to be argued in court on Monday, Hunt said.

Katznelson said he found Paracha chained to a bed at the base hospital when he visited Guantanamo on Nov. 7 and 9.

"All four limbs were shackled to the bed," and there wasn't enough slack in the chains to enable Paracha to turn over, he complained.

During a cardiac catheterization, a doctor inserts a thin plastic tube into an artery or vein in the arm or leg and pushes it into the chambers of the heart or into the coronary arteries to measure blood pressure within the heart and blood oxygen levels.

Army Lt. Col. Lora Tucker said from Guantanamo that its medical facilities "are excellent" and that additional specialists and medical equipment could be brought to the U.S. Navy base as needed.

"We are committed to preserving the health and lives of all detainees," Tucker said in an e-mail to AP. She declined to discuss Paracha because it was against policy to discuss a specific detainee's heath.

There have been three deaths among detainees at Guantanamo since it began taking in men captured in Afghanistan and other areas in January 2002 — all suicides on June 10. Some 430 men are currently held at the prison camp.

On Nov. 7, Paracha suffered chest pains at Guantanamo and a medical technician was brought in. His pulse had dropped to 46 beats per minute and his blood pressure was around 90 over 58, Katznelson said in a statement to the court.

Paracha suffered his first heart attack in 1995 and had a second one in 2003 while in U.S. military custody at Bagram Air Base in Afghanistan, Katznelson said. His family in Pakistan, concerned about his health, has urged Pakistan's government to seek his return home for treatment.

A computer science graduate of the New York Institute of Technology, Paracha was arrested on arrival in Bangkok, Thailand, in July 2003, held in isolation for 14 months in Afghanistan and then sent to Guantanamo.

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Paracha has acknowledged meeting Osama bin Laden twice, but denied making investments for al-Qaida members, translating statements for bin Laden, joining in a plot to smuggle explosives into the United States or recommending that nuclear weapons be used against U.S. soldiers.

German Court Finds Sept. 11 Terrorist Guilty Of Abetting Murder (BLOOM)

By Claudia Rach

Bloomberg, November 16, 2006

Nov. 16 (Bloomberg) -- Germany's highest criminal court found Mounir el-Motassadeq guilty of abetting the murder of more than 200 people in the Sept. 11 attacks in the U.S., overturning part of a lower court's decision.

The Federal Court of Justice today upheld the lower court's ruling that el-Motassadeq, a 32-year-old Moroccan, was guilty of being a member of the Hamburg terror cell that participated in the attacks.

El-Motassadeq's seven-year jail sentence will be reassessed by the Hamburg Higher Regional Court, according to today's decision.

The case number is 3 StR 139/06.

German 9/11 Trial Underscores Need For Better Global Cooperation (CSM)

By Mary Wiltenburg

The Christian Science Monitor, November 16, 2006

If convicted terrorist-cell member Mounir el-Motassadeq walks free Thursday from a German courtroom, he may have US security policy to thank.

Direct and respectful before his judges, Mr. Motassadeq is less well-known than recently sentenced 9/11 conspirator Zacarias Moussaoui, whose courtroom theatrics drew broad attention to his trial in the US.

But the dramatic legal odyssey of the first man ever tried in connection with the Sept. 11 attacks has been the focus of bitter recrimination between German and US officials, who have denied the case's lawyers access to statements from a key witness.

As both countries attempt to strike the right balance between national security and the rule of law, observers say the case is a prime example of why it will take better global cooperation to succeed in the war on terror.

"The information-sharing problem is the key to fighting international terrorism," says law professor Joachim Wolf of Ruhr University in Bochum. "This [case] has been a disaster. But even a disaster can be a first step for developing something."

Since Motassadeq's first trial opened in 2002, the Moroccan citizen's case has taken numerous turns: In 2003, he was found guilty of abetting the murder of 3,066 people. On appeal, he was declared wrongly convicted. In a second trial, he was sentenced to seven years for membership in a terrorist organization. This February, he was released on bond pending resolution of appeals. Thursday, the German Supreme Court is expected to issue a ruling that might clear Motassadeq of all charges, return him to prison, or grant him a third trial that could reinstate the accessory-to-murder charges.

The key question before the court is whether Motassadeq's second trial erred in sentencing him so lightly, given his close association with three of the 9/11 hijackers: Mohamed Atta, Marwan al Shehhi, and Ziad Jarrah.

A one-time roommate and a member of their Islamic study group in Hamburg, Motassadeq handled business affairs for the men while they trained at Al Qaeda camps in Afghanistan, then went there himself to train. When his friends left Germany to enroll in US flight schools, Motassadeq offered to look out for Mr. Jarrah's girlfriend. He paid bills from Mr. al Shehhi's bank account. He signed Mr. Atta's will.

All along, Motassadeq has maintained that one man could prove his innocence: Ramzi Binalshibh. Referred to by the 9/11 Commission Report as the fourth member of the Hamburg cell and a 9/11 plotter, Mr. Binalshibh was held in an undisclosed CIA facility from his 2002 capture until September, when he was one of 14 "high value" suspects moved to the US military prison in Guantánamo Bay, Cuba.

Since 2002, German courts have repeatedly requested access to Binalshibh. Despite numerous appeals, including two personal visits to the US by the German prosecutor, American intelligence services have refused, saying such a move would jeopardize national security.

Consequently, defense lawyer Udo Jacob argues, evidence that might have showed Motassadeq's innocence "was not considered, and I think this is a big fault in the sentence."

In Motassadeq's first trial, a Hamburg court convicted him on the basis of other evidence - evidence which "could hardly have been poorer," wrote University of Erlangen-Nürnberg law professor Christoph Safferling in a 2004 article.

But in February 2004, the same court acquitted Motassadeq's friend, Abdelghani Mzoudi, of identical charges for lack of evidence. The following month, Motassadeq's conviction was overturned.

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These developments drew an outcry from the German press. Judges raged, and federal prosecutor Kay Nehm criticized US lack of cooperation as "incomprehensible." American critics countered that German courts were soft on terrorists.

"I think what is difficult for Americans to understand is how important it is to Germans to keep up the rule of law after the Nazi era," says Loammi Blaauw-Wolf, a lawyer who analyzed the decisions for the German Law Journal. "Even if it's a terrorist, or somebody suspected of such serious crimes, they are always willing to give him the benefit of the doubt and to give him a fair trial."

When Motassadeq's second trial began later that year, the US provided the court six pages of summarized statements by Binalshibh and two other men in their custody - Khalid Sheikh Mohammed and Mohamedou Ould Slahi. The summary indicated that Motassadeq had no knowledge of the 9/11 plot.

Although they eventually entered the pages into evidence, German courts were hesitant to do so. There was no way to prove, judges argued, that the statements had not been extracted under torture. The US declined to elaborate on the circumstances under which they were taken.

"This was a very uncomfortable situation," says Dr. Wolf, "uncomfortable for German judges, and for German laws as a whole." Lawyers in the case also expressed reservations about the evidence.

"I don't know if it's trustworthy or not," says attorney Sven Leistikow, who represents 9/11 victims' families. "For me as a European, that's not something I can work with. It's like something from the Inquisition."

Considering the countries' joint histories, says Dr. Blaauw-Wolf, judges' concern with strict fidelity to the Geneva Conventions should come as no surprise. After all, she says, it was America's own Marshall Plan that brought the rule of law to Germany. This week, human rights groups filed suit in Berlin against high-ranking US officials, including outgoing Defense Secretary Donald Rumsfeld, for authorizing torture at Abu Ghraib prison in Iraq.

Now, prosecutors in the Motassadeq case claim they have new evidence that could secure a fair verdict. Some observers wonder whether the US will allow Germany access to Binalshibh, now that he has requested a lawyer. US State, Justice, and Defense Department officials declined to comment on the possibility. Policy analysts have argued that disclosing such intelligence information in court runs the risk of exposing sensitive sources, or of transmitting key information to terrorists not yet apprehended.

A Better Way To Fight Terrorism (WP)

By John Hamre

The Washington Post, November 16, 2006

In the warm glow of post-election bipartisanship, Congress and President Bush would do well to take on a crucial task: forging a new legal foundation for the global war on terrorism. The current policy framework is a disaster. While I know it's not true, still, the world believes that America condones torture, prison camps and "disappearance" tactics.

Let me recount an analogy. I remember a day back in 1986, when I was working for the Senate Armed Services Committee. An intelligence officer told me that the Navy had just recovered a Soviet sonobuoy and, in taking it apart for intelligence assessment, our government had discovered an American-designed computer chip -- one that we had not yet even certified for production in our own systems. The Soviet Union clearly had superior intelligence and counterintelligence capabilities.

But these did not make the Soviets strong enough to overcome their fundamental flaw. In fact, they were doomed because their whole social construct was built on a lie. America and its allies were victorious because they embraced transcendent government values of freedom, liberty, accountability and transparency. Our ideals and their practice brought hope to millions around the world and drew our allies closer to us.

The United States will lose the global war on terrorism if we feel we must adopt tactics that undermine our civic values. For generations the world has admired America's commitment to the rule of law and government accountability. Much of the world now questions that commitment.

President Bush was right to say that the previous framework of international legal norms did not anticipate al-Qaeda-type combatants. But the administration failed to follow through to lead the world to a new legal framework. And the policies that led to Guantanamo Bay, Abu Ghraib, secret renditions and warrantless wiretaps have undermined America's towering moral authority.

The compromises of the final days before Congress recessed for the midterm election only muddied the waters. Political urgency infected an honest search for a durable policy framework.

This is an opportunity for constructive bipartisanship. The election is over. Instead of defaulting to the blue-ribbon-commission model, we should ask Congress to work on this problem. Let's ask the leadership to create a special select committee, made up of the chairmen and ranking minority members of the Armed Services, Foreign Relations, Intelligence and

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Judiciary committees, to work together for six months. They should assemble a panel of advisers consisting of politicians and jurists of excellent reputation -- people such as Sandra Day O'Connor, Sam Nunn, John Danforth and John Glenn.

We do need a new framework and a new national consensus, one that meets the challenges of this new enemy and is consistent with our tradition as the most revolutionary nation in history; one that holds the rule of law and government accountability inviolable by even the most powerful politicians.

We can prevail in the long war only if America recovers its tarnished inspirational powers and draws to its side the enthusiastic support of friends and allies.

The writer, a former deputy secretary of defense, is president of the Center for Strategic and International Studies.

HOMELAND RESPONSE:

Dirty Bombs: A Nation Unprepared (KTVT)

By Robert Riggs

KTVT-TV, November 16, 2006

(CBS 11 News) FBI ACADEMY - QUANTICO, Virginia Handheld devices set off the telltale clicking sound that signals the presence of radioactive material as elite FBI units practice collecting evidence from the scene of a "dirty bomb" attack. Agents gather outside the nation's capital at the FBI's Training Academy in Quantico, Virginia to train on how to prevent or identify the perpetrators of such an attack.

Nuclear terror experts consider the dirty bomb is a weapon of choice for inflicting psychological and economic chaos in an urban setting. A dirty bomb uses conventional explosives to pulverize and disperse radioactive material into the air.

Travis Callaway, a nuclear specialist with the FBI, says it's easy for terrorists to get their hands on the key ingredients. "Getting an industrial or medical isotope is not that difficult to come by. There are literally millions of sources around the world. They are used in industry and medical purposes all the time. Most are not guarded at all or under simple lock and key."

Two dozen response teams, based at FBI offices across the country, receive 300 hours of specialized training on weapons of mass destruction. Their detection equipment can pick up rays emitted by everything from low grade radioactive materials to nuclear weapons.

The teams maintain a low profile at high profile events says John Fraga the chief of the Hazardous Materials Response Unit. "The majority of our work in prevention has been deploying to special events or events that would attract the attention of certain groups. Having us on site is certainly the better thing to have so we can assess threats and packages and things like that."

The units spend most of their time assessing the scientific plausibility of threats such as the phony threat posted on a website last month about dirty bomb attacks on NFL stadiums.

A dirty bomb is considered a weapon of 'mass disruption' capable of inflicting devastating economic damage rather than mass casualties. The radioactive contamination could shut down a wide swath of a city's business district, and neighborhoods that were located downwind from the point of detonation, for years, if not for decades. The cleanup could cost billions of dollars and all commercial insurance policies sold in the United States appear to exclude damage from radiation according to a study by the National Defense University.

"It's not going to kill a lot of people but it can cause a lot of contamination. It can cause a lot of social and psychological disruption and economic effects," says Charles Ferguson, Council on Foreign Relations. "I think that's why a lot of terrorist groups might be attracted to the dirty bomb."

Ferguson was a nuclear engineering officer on a U.S. Navy ballistic missile submarine and recently warned, in a report titled Preventing Catastrophic Nuclear Terrorism, that the threat of nuclear attack by terrorists has never been greater.

The physicist says there is a lot of worry that the government is not prepared especially in the wake of its slow response to Hurricane Katrina.

"We are still a long way from having the ability to quickly decontaminate under the most strenuous circumstances," Ferguson says. "We need to be doing more realistic exercises to train our first responders and our political leadership to deal with that kind of event."

Ferguson recommends that the government stockpile decontamination supplies and medications to treat radiation sickness outside major urban areas.

First responders also can't precisely predict where the fallout from a dirty bomb would spread to and who would be exposed to the long term effects of low level radiation.

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"The biggest issue with the aftermath of a dirty bomb is you can't see it, you can't smell it, you can't taste it, and you don't know where it is. If in downtown Dallas we detected radiation, what part of downtown Dallas do we evacuate? My guess is as soon as the word got out that there's a radiation release in Dallas everybody is going to try to get out of that city," said Ron Chesser, Texas Tech University scientist.

Chesser looks for answers in the aftermath of the world's worst nuclear power plant disaster at Chernobyl in the Ukraine. For the past 12 years, Chesser and his colleagues from the Center for Environmental Radiation Studies in Lubbock have traveled to Pripyat in the Ukraine to study the effects of radiation released from Chernobyl's reactor meltdown in 1986.

Radioactive fallout from the explosion forced 135,000 people living downwind in Pripyat to permanently abandon their homes in what was considered at that time the most modern city in the Soviet Union. Chesser points to ghostly photographs.

Pictures taken before and after disaster show a once vibrant life in parks and high rises virtually frozen in time just as frightened residents had suddenly left it twenty-years ago. A poignant sign reads, "Our Home. It will protect us." School children's homework assignments still sit on desks in vacant class rooms, history books about Lenin stand on the shelves.

The Texas Tech scientists measured 2,500 points of radiation around the city and created a three-dimensional computer model of every structure. At the click of a computer mouse, two animated plumes of red colored radioactive fallout blossom from the reactor site and spread across the region showing the path of the radioactive cloud.

Chesser is trying to produce a mathematical model that will help first responders in the U.S. see the dispersal pattern of fallout from a dirty bomb and show what areas need to be evacuated. "The flow of particles through an urban canyon is a complex process mathematically. It's very difficult to estimate because weather and winds are unpredictable, especially winds around buildings and in and amongst buildings and down avenues."

The Soviet experience indicates that a dirty bomb could trigger widespread panic. Chesser says the residents of Scandinavian countries located hundreds of miles away may have over reacted in the absence of accurate information. "In the two or three years after the Chernobyl accident there were over a hundred thousand voluntary abortions by expectant parents. They chose this path because of the fear of congenital birth defects."

U.S. public health authorities are also unprepared to tell people if they will later suffer from cancer, according to Chesser. He says it's hard to get the government to invest in studies about the effects of exposure to low dose radiation. "Unfortunately, all we can give the victims are statistics and statistics are pretty cold when you are talking to an individual about their specific health risk."

Rather than panic and run from a dirty bomb Chesser says, "The safest thing would be to stay put inside a building, closing the windows and the ventilation system so you don't inhale or ingest the radioactive particles."

At the current pace of research and planning, reliable safety advice from the government may be a long time coming.

Feds Bust UMass Student For Sears Tower Bomb Hoax (BOSH)

By O'Ryan Johnson

Boston Herald, November 16, 2006

A 21-year-old University of Massachusetts student sent a booze-fueled bomb hoax to the National Security Agency, claiming a man he'd randomly plucked from facebook.com was planning a suicide attack on the Sears Tower, according to an FBI affidavit.

Agents yesterday arrested Adam Hart of Georgetown, at UMass Amherst, where he now goes to school. He attended UMass-Dartmouth at the time of the incident. He pleaded not guilty to malicious conveying of false information and was released on a $10,000 unsecured bond. A woman at the Hart home declined to comment.

"I was drunk and was searching for a variety of novelty names, (sluts, athletes, ect.. (sic))," Hart wrote in a letter of apology to the National Security Agency. "At one point I searched for Osamah. When the name Osamah Abdallah came up I sent him a message."

That message sparked an exchange with Abdallah, a Loyola University student, that ended when Hart woke up after another long night of drinking and e-mailed the NSA, the affidavit states.

"I had gone out to drink again but this time it was in excess," Hart wrote in his apology letter. 'I was still a little angry from his message and was trying to be funny in front of my roommate . . . At this point I wrote the email to the NSA."

That e-mail, sent April 22, sparked a massive effort to gird the nation's tallest building against a possible suicide bomb attack. Meanwhile, agents from the Joint Terrorism Task Forces hunted down Abdallah and yanked him from a Loyola classroom. He showed agents his facebook.com profile and showed them his response to Hart's e-mail, which he described as sad, since such a hateful person shared the name "Adam" with a biblical prophet, the affidavit states.

Judge Rejects Request To Strike Don't-tell-how-to-make-a-bomb Law (SDUT)

DOJ_NMG_0095211

By Onell R. Soto, Union-tribune Staff Writer

The San Diego Union-Tribune, November 16, 2006

SAN DIEGO – A local federal judge has rejected a radical activist's request to invalidate a law making it illegal to tell people how to make a firebomb with the intention that they go out and commit a violent crime.

Rodney Coronado, 40, of Tucson, argued that the law infringed upon the First Amendment protections of free speech.

Judge Jeffrey A. Miller Wednesday sided with prosecutors, who said the law was tailored to apply to specific criminal activity which the government has a responsibility to control.

The law, enacted after the 1995 bombing of a federal building in Oklahoma City, makes it a crime to "teach or demonstrate" how to make an explosive, destructive device or weapon of mass destruction intending that the information be used to commit a federal crime of violence.

On Aug. 1, 2003, Coronado gave a speech in Hillcrest in which, in response to a question from the audience, he demonstrated how he made a gasoline-fueled device he used to burn down a Michigan State University laboratory in 1992.

Hours earlier, an arson fire destroyed a huge housing complex under construction in University City causing $50 million in damage. A group for which Coronado has acted as spokesman, the Earth Liberation Front, or ELF, took credit.

Coronado has not been charged in connection with that arson, but he was charged with breaking the law on telling people how to make a destructive device.

His lawyer, Gerald Singleton, argued that he was within his First Amendment rights to talk about the Michigan arson, for which he served a prison term.

Miller disagreed.

"Here, the deterrent effect of (the statute) on legitimate expression is insubstantial and remote," he said.

He also ruled that other objections to the law will be decided after witnesses testify at a trial, which has not yet been scheduled.

Prosecutor John Parmley was not available for comment Wednesday.

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Steven Hatfill Demands Fines For N.Y. Times (NYS)

By Josh Gerstein, Staff Reporter of the Sun

New York Sun, November 16, 2006

A former Army scientist suing the New York Times for libel has asked a federal judge to fine the newspaper $25,000 a day for refusing to disclose its confidential sources and to increase the fine amount by $25,000 each month in an attempt to encourage the paper to comply.

The scientist, Steven Hatfill, contends that a series of Times columns fingered him as responsible for the anthrax mailings in 2001 that terrorized the nation and killed at least five people. While the FBI searched Mr. Hatfill's home and the Justice Department eventually named him as a "person of interest" in the anthrax case, neither the scientist nor anyone else was ever charged in connection with the crimes.

Last month, a federal magistrate in Alexandria, Va., where Mr. Hatfill's suit was filed, ordered the Times to identify the sources for the five columns in dispute. A federal judge upheld the order, but the newspaper indicated the author of the columns, Nicholas Kristof, would persist in refusing to name his sources.

"There has been a certain 'heads I win, tails you lose' quality to the Times's litigation of this issue so far," an attorney for Mr. Hatfill, Thomas Connolly, wrote in a motion urging the fines. "In order to ensure that the officers, directors, and shareholders of the Times are fully involved in determining whether it wishes to ignore the judicial power of the United States, this court should impose a significant monetary sanction for each day of non-compliance."

Mr. Connolly painted the Times's refusal to comply as brazen and willful. "Courts, not newspapers, decide what evidence must be presented in court when the administration of justice so requires," the lawyer wrote.

In a filing yesterday, counsel for the Times called the proposed fines "extreme, over-reaching and unwarranted."

Attorneys for the Times insist that the newspaper is simply preserving its right to appeal the order to disclose its sources.

The Times also noted that 10 of the 12 sources Mr. Kristof relied on are known to Mr. Hatfill, either because they were not granted confidentiality or agreed to waive it. As a result, the names of only two sources are being withheld. Mr. Kristof has said both were FBI employees.

The Times's lawyers also said Mr. Hatfill deliberately delayed giving his deposition in the case and that his attorneys' bid to block further discovery by the Times is part of "a ruse designed to insulate plaintiff from giving any testimony under oath at all."

A court hearing on the proposed sanctions is set for tomorrow.

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Lawyer Disputes Feds' Claim That His Client Engaged In 'Overt Sexual Activity' On Airliner (AP)

AP, November 16, 2006

(AP) - RALEIGH, North Carolina-A man arrested for allegedly engaging in "overt sexual activity" with his girlfriend on an airliner was lying with his head on her lap because he was not feeling well, his attorney said.

That gesture was misinterpreted by a flight attendant, who humiliated and harassed the couple, said attorney Deb Newton, who represents Carl Persing.

Persing and Dawn Sewell, both of Lakewood, California, face federal charges of interfering with flight crew members, allegedly by disobeying a flight attendant's request that they stop their public displays of affection.

They were arrested on Sept. 15 when they arrived at Raleigh-Durham International Airport on a Southwest Airlines flight from Los Angeles.

"The one witness I've talked to and the defendant dispute almost everything in the government's affidavit as to what happened on that airplane," Newton said.

She said Persing suffers from a chronic disease requiring medication that makes him drowsy, dizzy and irritable. She would not identify the disease to protect her client's privacy.

Newton said she will ask that the charges be dismissed.

Sewell's lawyer did not immediately return a call seeking comment.

Allard Lobbies For Supermax Funding (RMN)

Rocky Mountain News, November 15, 2006

U.S. Sen. Wayne Allard, R-Colo., met today with U.S. Attorney General Alberto Gonzalez to seek support in adding $12 million to the Commerce, Justice and State Appropriations bill to fund a perimeter fence at Supermax in Florence.

Allard's office said that during the meeting, Gonzalez pledged to work with Allard to address the funding issue for the fence.

The prison holds a number of the nation's most notorious terrorists such as 9/11 conspirator Zacarias Moussaoui and 1993 World Trade Center bomber Ramzi Yousef.

A Justice Department inspector general's report in September criticized the prison for a number of shortcomings, including a lack of security and failure to monitor the mail.

"Today's meeting was extremely productive," said Allard. "Attorney General Gonzales assured me that the mail deficiencies raised in the inspector general's report are being addressed, and he agreed to discuss the need for a perimeter fence with the Bureau of Prisons director and follow up with me on the potential avenues to funding the fence."

Allard conducted a tour of the facility on Oct. 30 and met with local law enforcement, prison guards and community officials to hear their concerns regarding prison operations.

He then met last Thursday with Federal Bureau of Prisons Director Harley G. Lappin to explain the issues raised in the meeting.

"I have taken the concerns raised to me during my visit to Supermax and the meeting with Florence citizens back to Washington and have brought them directly to the attention of the director of the Bureau of Prisons and to the attorney general," said Allard.

"Supermax houses some of the most dangerous prisoners in the country and we need to ensure we are doing everything needed to protect the prison personnel and the surrounding communities."

WAR NEWS:

General: Hold Off On Iraq Pullout (USAT)

By Matt Kelley

USA Today, November 16, 2006

WASHINGTON — The top U.S. commander in the Middle East urged Congress to resist withdrawing American troops from Iraq any time soon, a stance that drew sharp disagreement from top Republicans and Democrats.

A week after the midterm election in which voters said changing Iraq policy was a top priority, Gen. John Abizaid told House and Senate committees that military commanders are analyzing possible policy options for President Bush.

"We have every option on the table, all the way from increasing our U.S. combat forces down to withdrawing our U.S. forces," Abizaid told the Senate Armed Services Committee. Iraq has no more than six months to quell sectarian violence before it rages out of control, he said.

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Still, Abizaid said he would not recommend cutting or adding troops. That position drew criticism from two prominent members of the panel contemplating presidential bids in 2008.

"I regret deeply that you seem to think the status quo and the rate of progress is acceptable, when the American people do not," said Arizona Republican John McCain.

Abizaid objected, saying he wanted quicker progress in Iraq. He said a major focus of that effort is working with the government of Prime Minister Nouri al-Maliki.

"We must stick with them until such time as they show us they can't do it," he said.

New York Democrat Hillary Clinton, another possible presidential contender, said that point had passed.

"I see very little indication that there has been a resolution within the Iraqi government that the violence must stop," she said.

Carl Levin, the Michigan Democrat who will take over as committee chairman in January, continued to press his plan to tell Iraqi leaders that American troops will begin to be withdrawn in four to six months. Levin said that's the best way to "stop the march down the path to full-blown civil war."

Abizaid said withdrawing troops would undercut Iraq's government and cause more violence. Adding a large number of U.S. troops also is a bad idea, Abizaid said. "I believe more American forces would prevent the Iraqis from doing more," Abizaid said.

David Satterfield, the State Department's Iraq adviser, told lawmakers the Bush administration was willing to talk to officials in neighboring Iran. Although Satterfield said both Iran and Syria were "negative actors" in Iraq by supporting armed groups, he only ruled out talks with Syria.

The Bush administration has rejected previous calls for talks with Tehran, saying Iran must first stop its uranium-enrichment programs.

General Warns Against Iraq Exit Timeline (FT)

By Demetri Sevastopulo

Financial Times, November 16, 2006

General John Abizaid, the top US commander in the Middle East, on Wednesday warned that a phased withdrawal of US troops within six months, which some Democrats want, would increase sectarian violence in Iraq.

Gen Abizaid also drew the ire of John McCain, the Arizona senator and Republican frontrunner for the 2008 presidential race, by saying he did not believe more troops would help the US stop the bloodshed in the war-torn country.

"I believe more American forces prevent the Iraqis from doing more, taking more responsibility for their future," Gen Abizaid said at a contentious Senate armed services hearing.

Democrats, and many Republicans, are stepping up pressure on the Bush administration to change course in Iraq in the wake of last week's congressional elections, which were largely seen as a referendum on US policy on Iraq.

"I am…disappointed that basically you're advocating that status quo here today which I think the American people in the last election said that is not an acceptable condition for the American people," Mr McCain told Gen Abizaid.

Gen Abizaid was testifying before the committee for the first time since President George W. Bush announced last week that he was replacing Donald Rumsfeld, defence secretary, with Robert Gates, a former director of the Central Intelligence Agency.

In August, Gen Abizaid told the same committee that Iraq could descend into civil war if the violence in Baghdad was not curtailed. But on Wedneday he said he believed the situation in Iraq had improved since then.

The four-star general said that while the level of violence in Iraq "remain dangerously high" he remains "optimistic" that the US can stabilise Iraq.

Many Democrats, including Carl Levin, who will become chairman of the Senate armed services committee in January, argue that the US needs to pressure the Iraqis by announcing a timetable to start withdrawing troops within four to six months.

But Gen Abizaid stressed that setting timelines for withdrawals would impede the US effort in Iraq. "We need flexibility to manage our forces...Caps and specific timetables limit that flexibility," he said.

Facing Withdrawal Demands, Abizaid Calls For More Troops (LAT)

By Peter Spiegel

The Los Angeles Times, November 16, 2006

WASHINGTON — The commander of U.S. forces in the Middle East said Wednesday that he had requested an increase in the number of U.S. military advisers in Iraq and had sent another 2,000-Marine unit into the country's restive western region.

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In two back-to-back hearings on Capitol Hill, Army Gen. John P. Abizaid, head of U.S. Central Command, resisted calls by Democrats for troop withdrawals, saying it would lead to further sectarian violence.

He defended plans for keeping troop levels at or slightly above the current 141,000 and said he remained optimistic that Iraq could become stable.

Abizaid was met with deep skepticism in the Senate, where even Republicans who have supported the war questioned his judgment on troop levels and his optimistic assessment of Iraqi security forces.

The criticism signaled a more active role by members of Congress in challenging the Bush administration on the war's conduct.

With Defense Secretary Donald H. Rumsfeld's pending departure and the Democratic takeover of Congress, top generals are likely to face greater criticism.

"I must say that I come to this hearing with a great deal of skepticism, because, prior to this hearing, there's been a great deal of obfuscation by the witnesses in front of this committee as to what the truth is," said Sen. Bill Nelson, D-Fla.

The heightened tension, and Abizaid's defense of troop levels, came amid signs that the Pentagon and White House are considering a significant shift in Iraq policy.

In addition to a report from the bipartisan Iraq Study Group and a separate review by the Pentagon's Joint Staff, the administration said Wednesday that President Bush had ordered an internal review by the National Security Council that would bring together the thinking of various government agencies on how to move forward in Iraq.

"(Bush) thought it was high time that these reviews be brought together and put in an integrated form, so he can get a look at it and begin getting in his own mind what the way forward needs to be in Iraq," Stephen Hadley, the national security adviser, told reporters traveling to Asia with Bush on Air Force One.

Against a barrage of questions from some lawmakers calling for phased withdrawals and others advocating an increase in troops, Abizaid defended the status quo, warning against timetables and insisting current troop levels were adequate to quell violence and help prepare Iraqi forces.

"Our troop posture needs to stay where it is as we move to enhance the capabilities of the Iraqi security forces," Abizaid said.

The assessment was supported by Lt. Gen. Michael D. Maples, director of the Defense Intelligence Agency, who argued in testimony later Wednesday that the presence of U.S. forces was the bulwark against the breakdown of central authority in Iraq.

Maples told the Senate panel that sectarian violence was on the rise and was undermining public support for the government and the nascent Iraqi military.

"I think we still have the opportunity for success, but it will be a very difficult process to get us to where we want to be, both from a security standpoint and from a political standpoint, in Iraq," Maples said.

Abizaid said that although sectarian violence remained at unacceptably high levels, it had declined since August, when he told the same Senate committee that Iraq was at risk of sliding into civil war.

Abizaid's steadfastness on troop levels drew ire from lawmakers on both sides of the aisle, particularly Sen. John McCain, R-Ariz., a probable 2008 presidential contender who has become the most vocal advocate for an increase in U.S. troops in Iraq.

Seizing on Abizaid's acknowledgment that western Anbar province was not under coalition control and that troops who might have been used to secure the Sunni insurgent stronghold had been diverted to Baghdad, McCain said Abizaid was failing to prevent a return of insurgent control.

"Wouldn't it make sense to ... get both Baghdad and al-Anbar province under control before we have another battle of Fallujah and lose many more lives?" McCain said. "I don't understand that tactic, General."

Abizaid conceded that sending 20,000 additional troops into Iraq might temporarily quell violence, but he said it also would upset American efforts to get the Iraqi government to take more responsibility for the country's internal security.

Abizaid added that, even if it were in Iraq's best interest to increase the presence of U.S. forces, it would be difficult for the Pentagon to find additional combat troops without increasing the size of the active-duty military.

Nonetheless, Abizaid acknowledged that he planned to increase troop levels in the near term. Abizaid ordered the 15th Marine Expeditionary Unit, which has been on ships in the Persian Gulf for months as a backup reserve force, into Iraq.

A Defense official said the Marines already had landed in Kuwait ahead of their deployment to Anbar, which has continued to see some of the fiercest fighting between American forces and insurgents.

In addition, Abizaid said he would request that the number of military advisers in Iraq be "substantially increased," largely by adding to the size of the nearly 300 embedded teams, now composed of 11 soldiers each. He said the number was still being worked out by his staff.

The general said he believed the United States had four to six months to get violence in Iraq under control before it reached a level at which it might be impossible to contain. Army Gen. George W. Casey, commander of coalition forces in Iraq,

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said last month that he believed Iraqi forces would be able to take over security operations in 12 to 18 months. Abizaid said he was working to speed up that timetable.

General Warns Of Risks In Iraq If G.I.'s Are Cut (NYT)

By Michael R. Gordon, Mark Mazzetti

The New York Times, November 16, 2006

WASHINGTON, Nov. 15 — The top American military commander for the Middle East said Wednesday that to begin a significant troop withdrawal from Iraq over the next six months would lead to an increase in sectarian killings and hamper efforts to persuade the Iraqi government to make the difficult decisions needed to secure the country.

The commander, Gen. John P. Abizaid, made it clear that he did not endorse the phased troop withdrawals being proposed by Democratic lawmakers. Instead, he said the number of troops in Iraq might be increased by a small amount as part of new plans by American commanders to improve the training of the Iraqi Army.

General Abizaid did not rule out a larger troop increase, but he said the American military was stretched too thin to make such a step possible over the long term. And he said such an expansion might dissuade the Iraqis from making more of an effort to provide for their own security.

"We can put in 20,000 more Americans tomorrow and achieve a temporary effect," he said. "But when you look at the overall American force pool that's available out there, the ability to sustain that commitment is simply not something that we have right now with the size of the Army and the Marine Corps."

General Abizaid also publicly said for the first time that the American position in Iraq had been undermined by the Bush administration's decision not to deploy a larger force to stabilize the country in 2003. That decision was made after Gen. Eric K. Shinseki, the Army chief of staff at the time, told Congress that several hundred thousand troops would be needed. His testimony was derided by Defense Secretary Donald H. Rumsfeld, and the general was ostracized at the Pentagon before his retirement a few months later.

"General Shinseki was right that a greater international force contribution, U.S. force contribution and Iraqi force contribution should have been available immediately after major combat operations," General Abizaid said. "I think you can look back and say that more American troops would have been advisable in the early stages of May, June, July."

The testimony, given to the Senate and House Armed Services Committees, was the first by the American commander since August, and it followed several months of setbacks in Iraq that helped to fuel the Democratic victories in last week's election. Skepticism among lawmakers from both parties was palpable, and the concerns of the lawmakers were reinforced by intelligence officials who testified later in the day and who painted a more pessimistic portrait of the violence in Iraq than General Abizaid did.

Among the Iraq policy reviews now under way is an effort by the Iraq Study Group, led by James A. Baker III and Lee H. Hamilton, and a separate administration study ordered by President Bush.

Under the immediate initiative that General Abizaid described, the number of American military advisers working with Iraqi forces will be increased, with advisers to be assigned even to small Iraqi units with fewer than 200 soldiers.

"We need to put more American capacity into Iraqi units to make them more capable in their ability to confront the sectarian problem," General Abizaid told the Senate Armed Services Committee. "It is possible that we might have to go up in troop levels in order to increase the number of forces that go into the Iraqi security forces, but I believe that's only temporary."

The next steps in Iraq were very much on the mind of lawmakers on Wednesday. Senator John McCain, Republican of Arizona, cited the concerns of Marine Corps officers in Anbar Province in complaining that General Abizaid had not dispatched enough forces to defeat the insurgency there. Senator Hillary Rodham Clinton, Democrat of New York, said the Iraqi government was not taking the steps needed to win the trust of the population and improve security.

In their testimony on Wednesday, Gen. Michael V. Hayden, director of the Central Intelligence Agency, and Lt. Gen. Michael D. Maples, director of the Defense Intelligence Agency, said they agreed with General Abizaid that American forces were one of the few elements keeping a lid on violence in Iraq and that withdrawing troops would only increase sectarian violence.

But General Maples said that the violence continued to increase in "scope, complexity and lethality" and that it was "creating an atmosphere of fear and hardening sectarianism, which is empowering militias and vigilante groups."

In all of Iraq, attacks against allied troops last month averaged 180 per day, up from 170 per day in September and 70 per day in January, General Maples said in written testimony. Daily attacks on Iraqi civilians averaged roughly 40 per day last month, four times higher than the average in January. General Maples also noted that recent operations in Baghdad had achieved only a moderate success, because after American officials had turned neighborhoods over to the Iraqis, "attacks returned to and even surpassed preoperational levels."

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Reinforcing this view, General Hayden said the C.I.A. station in Baghdad assessed that Iraq was deteriorating to a chaotic state, with the political center disintegrating and rival factions increasingly warring with each other. “Their view of the battlefield is that it is descending into smaller and smaller groups fighting over smaller and smaller issues over smaller and smaller pieces of territory,” he said.

The two intelligence officials said Wednesday that there were only an estimated 1,300 foreign fighters in the country and that the number of Sunni Arab insurgents actively planning and carrying out attacks on American forces was probably more than 10,000.

Senator Jack Reed, Democrat of Rhode Island, asked General Abizaid how much time the United States had to bring down the violence in Baghdad before events there were beyond the control of the Iraqi government. General Abizaid said the answer was four to six months.

Securing Baghdad, the general said, was the main effort. But there are other difficult missions ahead, he said. One is supporting an Iraqi-led effort to disarm the Mahdi Army, the Shiite militia nominally loyal to the cleric Moktada al-Sadr.

Another is securing Anbar Province, the seat of the Sunni Arab insurgency. General Abizaid said that to try to hold the line there, he had decided to dispatch a 2,200-strong Marine Expeditionary Unit. “Al Anbar Province is not under control,” General Abizaid said.

Many experts have advocated talking directly to Iran and Syria to help stabilize Iraq, an approach the Iraq Study Group is expected to endorse. General Hayden said that Iran’s ambitions inside Iraq seemed to be expanding and that Iran had been conducting a foreign policy of “dangerous triumphalism.”

David M. Satterfield, the State Department’s coordinator for Iraq, told the Senate committee that the United States was prepared “in principle” to discuss the situation in Iraq with Iran, but the timing was uncertain.

“We are prepared in principle to discuss Iranian activities in Iraq,” Mr. Satterfield said. “The timing of such a direct dialogue is one that we still have under review.”

Abizaid Says Withdrawal Would Mean More Unrest (WP)

By Thomas E. Ricks, Ann Scott Tyson

The Washington Post, November 16, 2006

The top U.S. commander for Iraq told Congress yesterday that a phased withdrawal of American troops would unleash more sectarian strife, and instead he advocated a "major change" in strategy that would beef up U.S. military teams training Iraqi forces.

Gen. John P. Abizaid, chief of the U.S. Central Command, said bolstering the training effort could require a further increase in the number of U.S. troops in Iraq, already higher than expected at more than 140,000, and said no cuts are planned.

Facing searing questions from Democrats and Republicans alike, some of whom voiced disappointment in Abizaid and questioned his credibility, the general acknowledged mistakes in the war effort. But he voiced optimism that Iraq's military can stabilize the country, given enough U.S. backing and political support from Iraq's government.

"We haven't misled people. We have learned some hard lessons," he said in one tense exchange before the Senate Armed Services Committee.

The first major Iraq hearings since the Nov. 7 midterm elections revealed blunt impatience among Democrats as well as open frustration from Republicans, and produced the rare spectacle of presidential hopefuls from both parties taking aim at the general.

Sen. Hillary Rodham Clinton (D-N.Y.) took exception with Abizaid's talk of all the steps that the Iraqi government needs to take. "Hope is not a method," she told him. "We've had testimony now for four years about what 'must be done' -- and it doesn't get done."

Abizaid shot back: "I would also say that despair is not a method."

Sen. John McCain (R-Ariz.), another presidential contender, voiced disappointment that Abizaid seemed to be clinging to the "status quo" -- an assertion the general rejected.

In an unusual admission, Abizaid said there should have been more U.S. troops, as well as Iraqi and foreign forces, to stabilize the country immediately after the U.S.-led invasion in March 2003. "General [Eric] Shinseki was right that a greater international force contribution, U.S. force contribution and Iraqi force contribution should have been available immediately after major combat operations," he said.

Abizaid also said the policy of "de-Baathification" of Iraq society introduced in 2003 by then-U.S. Proconsul L. Paul Bremer was too severe.

Under hard questioning from McCain, Abizaid spoke frankly about the stress on U.S. forces, which he said constrains any major troop increase. "We can put in 20,000 more Americans tomorrow and achieve a temporary effect. But when you look at the

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overall American force pool that's available out there, the ability to sustain that commitment is simply not something that we have right now with the size of the Army and the Marine Corps," he said. He later told a House panel that exceeding current troop levels would place "a tremendous strain" on the Army.

McCain, who favors a significant boost in U.S. forces, quizzed Abizaid on why more troops have not been sent to the Sunni insurgent stronghold of Anbar province, where U.S. casualties are among the highest in Iraq and Marine commanders say they lack sufficient forces.

"General Abizaid, is al-Anbar province under control?" McCain asked.

"Al-Anbar province is not under control, Senator," Abizaid replied. He said he recently released a Marine expeditionary unit of more than 2,000 troops from the Middle East to reinforce troops in Anbar. Still, he said that Baghdad and not Anbar will remain the main military effort, and that Iraqi forces will have to do more.

"I regret deeply that you seem to think that the status quo and the rate of progress we're making is acceptable. I think most Americans do not," McCain concluded. Abizaid disagreed, saying his new emphasis on training is "a major change."

Other Republicans showed a new skepticism about U.S. policy in Iraq. "It's taking us a lot longer than we thought," said Saxby Chambliss (Ga.). Even John W. Warner, the courtly Virginian who chairs the committee, opened by noting that on Nov. 26, U.S. troops will have been fighting in Iraq longer than they fought in World War II.

On the broader debate over Iraq strategy, Abizaid said partitioning the country, as some analysts have suggested, is "not viable." "I can't imagine in particular how a Sunni state could survive," he said, predicting it would devolve into an al-Qaeda terrorist haven. A Shiite state would fall under domination by Iran, he said.

Amid widespread criticism by lawmakers of the Iraqi government's leadership, Abizaid stressed he has confidence in Prime Minister Nouri al-Maliki, and had urged him in a meeting this week to disarm Shiite militias "soon." By that, Abizaid testified, he meant in four to six months.

The Iraqi army will take the lead in pacifying militias, he said, emphasizing that is one reason the U.S. military should redouble efforts to train Iraqi forces. That option is said to be favored by several members of the Iraq Study Group, the bipartisan panel led by former secretary of state James A. Baker III and former representative Lee H. Hamilton (D-Ind.), which is expected to make recommendations next month.

Teams of U.S. military trainers embedded with Iraqi units "need to be substantially expanded" so they can reach down to the company level, Abizaid said. He indicated he will try to find troops for that expansion from the existing U.S. force in Iraq but said he is not sure whether that is possible.

Abizaid said adding U.S. troops to Iraq would discourage Iraqis from taking the lead in their own security -- something he predicted they may be ready to do in as little as 12 months. He acknowledged the current U.S. force level in Iraq of 15 brigades is already three to five brigades -- or 10,000 to 20,000 troops -- higher than what he projected it would be before sectarian fighting erupted in Iraq in the spring.

Top General Hits Pullout Plan By Democrats (WT)

By Rowan Scarborough

The Washington Times, November 16, 2006

The top U.S. commander for Iraq rejected yesterday proposals from Senate Democrats to immediately pull troops from Iraq or do it on a specific timetable starting in March.

"Our troops' posture needs to stay where it is as we move to enhance the capabilities of the Iraqi security forces," Gen. John Abizaid, the head of U.S. Central Command, told the Senate Armed Services Committee, "and then we need to assess whether or not we can bring major combat units out of there."

His response was, in effect, a dismissal of a proposal from incoming Senate Armed Services Chairman Carl Levin, Michigan Democrat, for a phased withdrawal to begin in four months, and from Rep. John P. Murtha, Pennsylvania Democrat, for an immediate pullout.

Gen. Abizaid said current troop levels, and an improving Iraqi security force of more than 300,000, are sufficient to eventually win.

"I believe that we can move forward," he said.

But Democrats, and at least one Republican, expressed skepticism.

"It's not encouraging to those of us who heard time after time that things are, quote, 'progressing well,' that we're making progress, et cetera, because we're hearing from many other sources that that's not the case," said Sen. John McCain, Arizona Republican.

Sen. Joe Lieberman of Connecticut, who won re-election as an independent, displayed how difficult it will be for Mr. Levin to get a majority of senators to agree to specific withdrawal dates.

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"I agree with both of you that a congressional mandate to begin a withdrawal from Iraq in a time certain would be a disaster for the Iraqis and, more directly, for the U.S.," he said.

Gen. Michael V. Hayden, CIA director, later provided a sober picture of Iraq.

"Even if the central government gains broader support from Iraq's communities, implementing the reforms needed to improve life for all Iraqis will be extremely difficult," he said. "Iraq's endemic violence is eating away at the state's ability to govern. The security forces are plagued by sectarianism and severe maintenance and logistics problems."

The hearing also found the Bush administration signaling a postelection change in policy toward Iran, which the U.S. says is fueling the Shi'ite insurgency and deaths squads in Iraq. Coupled with Sunni terrorists, the groups have spun Baghdad into waves of violent sectarian killings that threaten to throw the country into a civil war. October was one of the deadliest months for U.S. troops, and more than 2,800 have been killed in the war.

David Satterfield, the top adviser on Iraq to Secretary of State Condoleezza Rice, said the United States is ready to talk directly with Iran about achieving peace in Iraq. Mr. Satterfield did not open the door to the other problem neighbor, Syria.

Yesterday's hearing came at another pivotal time for the 3½-year-old war. Absent at the witness table was outgoing Defense Secretary Donald H. Rumsfeld, who resigned under pressure on an Election Day that saw Democrats retake Congress largely on frustration with the Iraq war. Defense Secretary-designate Robert M. Gates is to undergo confirmation hearings before the committee next month.

Democrats take control of Congress in January and are expected to debate legislation that would speed a troop exodus. Republicans and the White House, so far, oppose such measures. All Washington eyes are on the Iraq Study Group, a congressionally created panel of former government officials. It is set next month to lay out a list of options for winning in Iraq.

Two widely speculated ideas are a timetable for troop withdrawal and direct talks with Syria and Iran, both U.S.-designated terror states. Gen. Abizaid seemed to rule out the first option; Mr. Satterfield accepted part of the second.

Gen. Abizaid confirmed an Associated Press report that when he met with Iraqi Prime Minister Nouri al-Maliki, a Shi'ite, in Baghdad this week, he pressed him to begin ordering his forces to disarm the Mahdi's Army, from which cells have spun off into death squads.

The Mahdi's Army is led by radical cleric Muqtada al-Sadr, a political ally of Mr. al-Maliki. Gen. Abizaid said Mr. al-Maliki has begun disarming the militia, and U.S. forces have raided suspected death squads in Sadr City, Sheik al-Sadr's stronghold.

The general said Iraq must curtail violence in six months or risk losing any chance of a political settlement. He acknowledged that there are not enough U.S. forces in Iraq to control the entire Anbar province, a sprawling Sunni region west of Baghdad that has become a base for al Qaeda terrorists.

This remark brought a sharp rebuke from Mr. McCain. Although many Democrats want troops called home, and Republicans generally back the current 140,000, Mr. McCain advocates sending more forces.

"Wouldn't it make sense to say it might be well to get both Baghdad and al Anbar province under control before we have another battle of Fallujah and lose many more lives?" Mr. McCain said.

Gen. Abizaid answered, "It's easy for the Iraqis to rely upon us to do this work. I believe that more American forces prevent the Iraqis from doing more, from taking more responsibility for their own future. They will win the insurgency, they will solve the sectarian violence problem, and they'll do it with our help."

Gen. Abizaid has recommended a temporary increase of U.S. trainers embedded with Iraqi units.

With Politics As Subtext, Senators Clash On Iraq (NYT)

By Kate Zernike

The New York Times, November 16, 2006

WASHINGTON, Nov. 15 — For much of the first postelection hearing on the war in Iraq on Wednesday, the Republican side of the table was largely empty. But the room was still crowded — with competing agendas.

There were three contenders for president, including the Democratic and the Republican titans for 2008 and the one from Indiana who is hoping to cast himself as the Democrats' compromise candidate.

There was the self-described "Independent Democrat — capital I, capital D," who is at risk of bolting and taking his party's new narrow majority with him. (Was that red tie a hint?) And there were the two parties, trying to bolster their positions on the war after an election that each side seemed to interpret in wildly different ways.

In contrast to the Republicans, who arrived late and left early (if they arrived at all), all but one of the Democrats arrived early and stayed late, filling up their side of the Armed Services Committee table quickly, eager to assert their new strength. As the hearing began, Senator Bill Nelson, a Florida Democrat, flashed a thumbs-up to the incoming Democratic chairman, Senator Carl Levin of Michigan.

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But no sooner had Mr. Levin outlined his case for a phased pullout of troops beginning in four to six months than the new Independent Democratic hero of the hawkish wing, Senator Joseph I. Lieberman of Connecticut, began acting the role of cross-examiner, leading Gen. John P. Abizaid, the top American military commander in the Middle East, to say that such a withdrawal would increase violence and instability.

"I take it by your answer that you profoundly disagree?" Mr. Lieberman asked. With the Democrats, he meant. "We have a window of opportunity and, really, responsibility now, after the election," he said, "to find a bipartisan consensus for being supportive of the efforts of our troops and our diplomats there to achieve success."

To this, Senator Hillary Rodham Clinton of New York, the leading Democratic contender for the 2008 race, knocked back the remains in her coffee cup.

Her leading Republican rival, Senator John McCain of Arizona, pressed his argument that more troops were needed in Iraq. When General Abizaid disagreed, Mr. McCain called attention to the remarks of retired military officers who characterized Congressional proposals for phased withdrawal as "terribly naïve." Mr. McCain's protégé, Senator Lindsey Graham of South Carolina, backed him up; when the general insisted that more troops were not the solution, Mr. Graham cut him off, saying, "Do we need less?" forcing General Abizaid to say that no, that was not the solution, either.

Mrs. Clinton pressed the Democrats' case that a change in military strategy was necessary to prod the Iraqis into taking responsibility for their own country. "Hope is not a strategy," she told the generals. "Hortatory talk about what the Iraqi government must do is getting old. I have heard over and over again, 'The government must do this, the Iraqi Army must do that.' Nobody disagrees with that. The brutal fact is, it's not happening."

She showed she could play bipartisan with the best of them, noting that the new Iraq had failed to meet the benchmarks demanded by Mr. Nelson and Senator Saxby Chambliss of Georgia, a Republican.

"Can you offer us more than the hope that the Iraqi government and the Iraqi Army will step up to the task?" she asked.

Mr. McCain, who would have been the committee chairman had the Republicans maintained control of the Senate, arrived almost an hour late, heralded by the accelerated click of cameras.

As Mr. Nelson questioned General Abizaid, the Arizona senator stood up to confer with Senator Susan M. Collins, a moderate Republican from Maine. At this, Mr. Lieberman got up and walked to the Republican side to join them in a brief, chuckling huddle, then ambled back to his party's side with a glance at his colleagues as if to say, "You watching?"

In his questions, Mr. Lieberman noted that he was "picking up on" points Mr. McCain and Mr. Graham had made.

Senator Evan Bayh of Indiana, the other Democratic presidential hopeful, who advocates moderation between the party's liberal and hawkish wings, tried to emphasize that the Republicans had lost a national referendum on Iraq.

"We just had an election in our country in which the American people expressed less than total confidence in the effectiveness of our own government," Mr. Bayh said, introducing the idea that the Iraqi government did not deserve much confidence, either.

"I mean, they say the right things," he said, "but when the going gets tough and they have to make the hard decisions, they sort of retreat into their corner and they're just not able to find that common ground."

But while Democrats argued that the election had been a signal from American people that the military solution was not working, Mr. McCain said it was a message that they were unhappy with the status quo — and that only more troops could shake the stagnation.

"Many of us believe that this may not be a long-term commitment," he said, "but at least a commitment to bring Baghdad under control, and that is not happening today."

General Abizaid gave something to both sides, arguing for making the American teams helping to train the Iraqi military "more robust." But he said Iraqis looked unkindly on a major increase in American troops. "They believe it undermines their gaining greater and greater authority and responsibility," he said.

The Republican side was anchored by the departing chairman and the protector of Senate decorum, Senator John W. Warner of Virginia. He congratulated Mr. Levin, noting that they came to the Senate together 28 years ago. When Senator Jim Talent of Missouri, the only committee member seeking re-election to lose, arrived on the Republican side, Mr. Warner walked over to shake his hand.

New Armed Services Chairs Oppose Iraq (AP)

By Anne Plummer Flaherty

AP, November 15, 2006

The two Democrats who will lead the Armed Services committees next year indicated Wednesday they will not relent in opposing President Bush's Iraq policies and may turn up the heat.

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Michigan Sen. Carl Levin and Missouri Rep. Ike Skelton, in the first hearings on Iraq since Democrats regained power in last week's elections, said the Bush administration had bungled the war and the U.S. soon should begin to pull out some troops.

Levin, 72, and Skelton, 74, have been the leading voices among Democrats on the war. Known as staunch supporters of the military and its budget, the lawmakers have a tough road ahead.

Their fellow Democrats are divided on exactly how to stabilize Iraq. Democratic leaders agree only that pulling out an undetermined number of troops soon would help to put political pressure on the Iraqis to assume more responsibility.

Also, Gen. John Abizaid, the top commander of U.S. forces in the Middle East, warned on Wednesday against setting a withdrawal timetable. Abizaid told the House and Senate committees that the troop levels should stay roughly the same as now, with more emphasis needed on training Iraqi forces.

But Levin told reporters he was encouraged the general said all options should remain on the table.

"The only way for Iraqi leaders to squarely face that reality is for President Bush to tell them that the United States will begin a phased redeployment of our forces within four to six months," Levin said. The senator, recognizable by the reading glasses he always wears on the tip of his nose, is known for his dogged style of questioning witnesses.

At the House hearing, Skelton said he was not feeling optimistic about Iraq.

"The administration must look carefully at our objectives in Iraq: whether they are achievable, by what means and whether they are worth the cost in money, lives and military readiness," he said.

Skelton, who focuses his efforts on improving combat readiness of troops, backs a plan that would set a formula to send home troops. For every three Iraqi units deemed proficient, one U.S. unit should come home, he said.

U.S. Military Leaders Oppose Timetable On Iraq (MCT)

By Nancy A. Youssef, Drew Brown

McClatchy, November 16, 2006

BAGHDAD, Iraq - U.S. military leaders in Iraq and in Washington on Wednesday rejected the calls for a timetable for withdrawing U.S. forces from Iraq, underscoring the difficulty of reaching any consensus on a new Iraq policy.

In an exclusive interview in Baghdad, Army Gen. George W. Casey, the top U.S. commander in Iraq, told McClatchy Newspapers that the situation in Iraq remains too unstable to withdraw troops and that setting a date for U.S. troops to start leaving would "just allow folks to wait us out."

In Washington, Army Gen. John Abizaid, chief of U.S. Central Command, went further, telling the Senate Armed Services Committee that more U.S. troops could be needed to stabilize the country.

"We have every option on the table, and we will present them to the chain of command," Abizaid said.

Asked by Sen. Carl Levin, D-Mich., if that meant sending more troops to Iraq, Abizaid said, "To include that."

The comments highlighted the conflict that's likely to divide Congress and the military over Iraq policy as newly empowered Democrats push the Bush administration to start bringing some troops home.

Levin, who'll chair the Senate Armed Services Committee when the new Congress convenes in January, said President Bush should tell Iraqi leaders that U.S. forces will begin gradually withdrawing in four to six months.

"We should put the responsibility for Iraq's future squarely where it belongs - on the Iraqis," Levin said. "We cannot save the Iraqis from themselves."

In the wake of the Democrats' election victory last week and the resignation the next day of Defense Secretary Donald H. Rumsfeld, expectations for a change in Iraq strategy have grown. On Monday, Bush met with former Secretary of State James A. Baker III and other members of the Iraq Study Group, a 10-member panel that's studying options for Iraq policy and is expected to make a recommendation in early December.

But it's unclear whether the group will recommend substantial changes or whether Bush will accept its recommendations. The military officers' comments suggest they see little choice but to pursue present policy.

In his interview, Casey said the United States must draw down troops only when Iraqi forces can stand on their own. U.S. forces have been working for three years to build Iraqi army and police units that are capable of fighting insurgents, but the results have been mixed.

"We have always thought that we would gradually reduce our forces. So I am not against reducing troops," Casey said. "It's just got to be balanced with the Iraqi security forces and the situation on the ground. That's always been the strategy."

Casey also repeated what U.S. commanders have been saying for some time - that the U.S. has enough troops in Iraq and that increasing troops wouldn't improve the situation. "As I have said from the beginning, I will ask for what I need to get the job done, and I have," he said. "Right now, we have what we need."

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Casey said U.S. military strategy in Iraq was working, even though it may be too slow for some. He said that the Baghdad security plan, which was initiated in August, has reduced violence between Shiites and Sunnis, though he acknowledged that the number of deaths in October - 1,600, according to Baghdad's morgue - was "high."

"But those are not as high as what we saw in the summer," he said.

The situation in Iraq remains too volatile for the United States to set a timetable to start withdrawing troops, Casey said.

"I don't think that's a good idea at all," he said. "That just allows folks to wait us out."

In Washington, little new information came out of the Senate hearing.

David Satterfield, a senior adviser to Secretary of State Condoleezza Rice and the State Department's coordinator for Iraq, said the administration could be ready to discuss the situation in Iraq with neighboring Iran, something Baker has hinted in television interviews that the study group might recommend. The administration hasn't decided under what conditions it might be willing to do so.

"We are prepared in principle to discuss Iranian activities in Iraq," Satterfield said. "The timing of such direct dialogue is one that we still have under review."

The Bush administration accuses Iran of supporting radical Shiite militias in Iraq and charges that Syria turns a blind eye to Sunni insurgents sneaking across its borders. Bush has said he'll talk to Iran if it abandons its nuclear program, which it has refused to do.

As for troop levels, while Abizaid said it was possible that the U.S. would consider increasing the number of soldiers in Iraq, his basic position was unchanged.

Asked by Sen. Lindsey Graham, R-S.C., if more U.S. troops were needed in Iraq, Abizaid said he believed that troop levels "need to stay where they are."

Later, he told Sen. John McCain, R-Ariz., that sending 20,000 more U.S. troops to Iraq might "achieve a temporary effect," but that he didn't believe the Army and the Marine Corps could "sustain the commitment."

Abizaid also told McCain that he'd met with Casey and every division commander in Iraq and asked them if more U.S. forces would "add considerably to our ability to achieve success in Iraq."

"And they all said no," Abizaid said. "And the reason is because we want the Iraqis to do more."

Dems Call For More Urgency On Iraq (CSM)

By Linda Feldmann

The Christian Science Monitor, November 16, 2006

WASHINGTON

The leadership of the new Senate Democratic majority expressed concern Wednesday that President Bush does not understand the urgency of the situation in Iraq, and does not appear to be planning for change beyond replacing Donald Rumsfeld as secretary of Defense.

"We are bound and determined to change course in Iraq," Sen. Harry Reid (D) of Nevada, who will be Senate majority leader in the new Congress, told a Monitor breakfast. "We have a plan, we have enunciated that plan, we have done it through legislation and a lot of talk, and we'll continue to do that."

Senator Reid was accompanied by his deputies in the Democratic leadership, Richard Durbin of Illinois, Charles Schumer of New York, and Patty Murray of Washington. Senator Durbin spoke of a meeting he and Reid had attended with the president last Friday, in which he said he thought Mr. Bush was "sensitive to the fact that the political dynamic in this town has changed."

But, Durbin added, "I did not hear in the president's response on Iraq that he was preparing for change beyond the replacement of Secretary Rumsfeld. I hope that that changes in the weeks ahead with the Iraq Study commission and the president's own investigation, because ... Iraq is deterioriating by the day."

All four senators expressed hope for bipartisanship when the Democrats take control of the House and Senate in January. Reid was complimentary of the Republicans' new leader in the Senate, Mitch McConnell of Kentucky, calling him "a creature of the Senate" who has been there a long time and understands it.

As for working with the White House, Senator Schumer offered some advice for the president: "Frankly, I hope George Bush works with us in a bipartisan way, but that means he's going to have to break from [Vice President] Dick Cheney, who does not believe in bipartisanship, who believes he is right and the rest of the country is going wrong and he has a mission to take it back."

Later, the senators added that they were not pushing for impeachment, of either Bush or Cheney.

"One of the things that we were able to cut off pretty quickly is the 'impeach Bush' program," said Reid, referring to some Democratic activists who have that goal. "That was because of two words: Dick Cheney," he joked.

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Schumer blamed the administration for not listening to multiple points of view, saying that when someone does, "they kneecap him."

"They call him names, they attack their integrity or their loyalty to America," Schumer said. "And it seems to me, that's what Dick Cheney has done over and over again, in terms of not listening to other people, and the president seems to listen to Dick Cheney. So my hope is he'll listen to multiple voices, because there's a lot out there and I think it's one of the reasons they had such trouble in 2006."

The "Stay Or Leave" Debate In The US Finds A Mirror In Baghdad (NYT)

By Sabrina Tavernise

The New York Times, November 16, 2006

BAGHDAD, Nov. 15 — While Americans in a faraway land debate their fate, Iraqis have already decided on the cure. The only problem is that there is more than one set of Iraqis. Shiites want their country back. Sunni Arabs want a strongman. They cannot agree.

"We don't want to see them in the streets," a wiry man named Tariq said of American troops as he measured cloth in a tailor shop.

Saad Abdul Razzaq, a Sunni whose brother was killed by Shiite militiamen a week ago, was of the strongman school: "Democracy is not working. Only power can control Iraqis."

As the United States grapples with difficult decisions over the war, Iraqis are also debating. But just when they need to band together, they have never been further apart. Their government has ground to a halt, paralyzed by disagreements between Sunni and Shiite parties. Militias are at the root of the security problem, but as long as the state remains helpless, many consider them its only solution.

The landscape is that of a country sliding into war, and Sunnis and Shiites, like Republicans and Democrats, desperately look for ways out.

Shiites agree with many Democrats: American soldiers should withdraw to their bases. Sunnis say total control by the Shiite-dominated government could mean massacres.

"It's a disaster if the American forces stay in Iraq, but it's also a disaster if they go," said an elderly man named Ayad, who was discussing politics with friends in central Baghdad.

Abbas Fadhel, a college professor sitting in a social club in central Baghdad, spoke of the widening division and dim prospects for the future. "The seriousness of this is that the sectarianism has penetrated to the educated people," he said. "They deny it, but when push comes to shove, you can see that they have become so."

The mass kidnapping at a government ministry on Tuesday by gunmen in Iraqi military uniforms was symbolic of the breakdown. "It was really something humiliating," said Husham al-Madfai, an architect who was sitting in his garden drinking beer Wednesday afternoon. "They went into a ministry and kidnapped tens of people. That means the government does not exist."

But the kidnapping was interpreted in different ways. Sunnis laid much of the blame with the government. Reflecting a broad shift that has taken place among Shiites, Sunnis had more sympathy for what they saw as the government's plight. Militias, they said, were like parasites that the government would not be able to get rid of until it gained more control over security tasks now handled by Americans.

"It's like organized crime," said Tariq, gesturing animatedly with a thimble on one finger. "If the government had sovereignty, it could combat all these things that are going on."

Violence that many see as having been carried out by Sunnis has hardened attitudes. Muhammad Faisal, a Shiite whose brother and seven friends were shot to death in southern Baghdad on Sept. 23 while they were putting up a poster of a Shiite cleric, said the government of Prime Minister Nuri Kamal al-Maliki was like "a surgeon without his instruments."

Meanwhile, militias are seen as a necessary protection against aggression by the other side.

As Shiites have risen to power and filled the ranks of the security forces, Sunnis, who used to condemn the American forces, now often see them as a primary safeguard against Shiite violence. They do not trust the government, a concern that was underscored by Tuesday's kidnapping.

The sheer magnitude of the violence since Mr. Maliki took office in the spring has swept away what trust they had. In all, five members of Mr. Abdul Razzaq's extended family have died in violence since 2003.

He would like to see a military coup, to be headed by a strongman, possibly Ayad Allawi, the former prime minister and secular Shiite with a past tied to the Baathists, the ruling party under Saddam Hussein.

"He worked with Saddam," Mr. Abdul Razzaq said. "He knows his way."

Mr. Madfai, the architect, disagreed. A coup would not work. The new government would be besieged. "All those militias will turn to fight against them," he said, speaking by telephone.

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He paused as two helicopters thundered overhead. The beer was running out, he said, a problem he blamed on the Americans. All the alcohol sellers in his area, Mansour, have been killed, and most shops are now closed.

"Who's responsible for that? Rumsfeld," he said. "He should send us some beer."

Alcohol, a target of some of the Islamic militias, was not in short supply at the social club, where Shiek Mazin al-Khalaf, an Iraqi Sunni who speaks British-accented English, was enjoying a vodka. Iraqis are destined to fight, he said, because after years of abuse, they are capable only of abusing.

"Iraqis have been in prison since 1958," the year the monarchy was overthrown, he said. "The prisoners got out, they smelled the air, saw cars and cellphones. But they are criminals."

A Shiite sitting on the other side of the table took issue with the description. "Victims, not criminals," he hissed, after Mr. Khalaf left the table.

A Shiite sheik from Amara, Abd al-Karim al-Muhammadawi, offered an extreme prescriptive. He said the only solution would be to ban the major political parties, declare martial law and begin again.

The alternative, he said, is for the American military to leave Iraq completely and let the Iraqis begin a full-on civil war. "This is better than the Iraqi condition now," he said.

Faaz, a student in Sadr City, the largest Shiite neighborhood in Baghdad, agreed. "I'd prefer to have what they had in Lebanon — a declared civil war," he said. "There is a lot of killing, but no one confesses what he is really doing."

Sabah, a Shiite whose husband, a Sunni, was killed by Shiites in early September, said a full-scale pullout would be a disaster. "If the American forces leave Iraq, we will walk on bodies," she said, sitting in her tiny living room in Karada, in central Baghdad. "The war would be face to face."

For Tariq, all this talk of sects was irritating. It is bad manners in Iraqi society to ask somebody's sect. His response, when asked on Wednesday, was simply, "Muslim."

But the clunky yellow-stone building across the street, the ministry where the employees were kidnapped Tuesday, seemed a looming reminder that in Iraq, more and more often, sects count.

He was relieved to know that one of the kidnapped employees, a senior official and a wearer of his suits, had been released. The man, he said, was a Shiite.

Sectarian Strife In Iraq Imperils Entire Region, Analysts Warn (WP)

By Ellen Knickmeyer

The Washington Post, November 16, 2006

BAGHDAD -- While American commanders have suggested that civil war is possible in Iraq, many leaders, experts and ordinary people in Baghdad and around the Middle East say it is already underway, and that the real worry ahead is that the conflict will destroy the flimsy Iraqi state and draw in surrounding countries.

Whether the U.S. military departs Iraq sooner or later, the United States will be hard-pressed to leave behind a country that does not threaten U.S. interests and regional peace, according to U.S. and Arab analysts and political observers.

"We're not talking about just a full-scale civil war. This would be a failed-state situation with fighting among various groups," growing into regional conflict, Joost Hiltermann, Middle East project director for the International Crisis Group, said by telephone from Amman, Jordan.

"The war will be over Iraq, over its dead body," Hiltermann said.

"All indications point to a current state of civil war and the disintegration of the Iraqi state," Nawaf Obaid, an adjunct fellow at the Center for Strategic and International Studies and an adviser to the Saudi government, said last week at a conference in Washington on U.S.-Arab relations.

As Iraq's neighbors grapple with the various ideas put forward for solving the country's problems, they uniformly shudder at one proposal: dividing Iraq into separate regions for Sunnis, Shiites and Kurds, and then speeding the withdrawal of U.S. forces.

"To envision that you can divide Iraq into three parts is to envision ethnic cleansing on a massive scale, sectarian killing on a massive scale," Prince Turki al-Faisal, the Saudi ambassador to the United States, said Oct. 30 at a conference in Washington. "Since America came into Iraq uninvited, it should not leave Iraq uninvited."

"When the ethnic-religious break occurs in one country, it will not fail to occur elsewhere, too," Syrian President Bashar al-Assad told Germany's Der Spiegel newsweekly recently. "It would be as it was at the end of the Soviet Union, only much worse. Large wars, small wars -- no one will be able to get a grip on the consequences."

In an analysis published last month by the Center for Strategic and International Studies, Obaid said sectarian conflicts could make Iraq a battleground for the region.

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Obaid described widespread interference by Iranian security forces within Iraq. He urged Saudi Arabia, which is building a 560-mile wall on its border with Iraq, to warn Iran "that if these activities are not checked," Saudi Arabia "will be forced to consider a similar overt and covert program of its own."

In Damascus, a Syrian analyst close to the Assad government warned that other countries would intervene if Iraq descended into full-scale civil war. "Iran will get involved, Turkey will get involved, Saudi Arabia, Syria," said the analyst, who spoke on condition he not be identified further.

"Regional war is very much a possibility," said Hiltermann, the analyst for the International Crisis Group. Iraq's neighbors "are hysterical about Iranian strategic advances in the region," he said.

U.S. Ambassador Zalmay Khalilzad last month ranked Syria and Iran with al-Qaeda in Iraq, one of the country's principal Sunni Arab insurgent groups, in terms of destabilizing influences in Iraq. Despite that assessment, the United States has not held substantive talks with Syria regarding Iraq since 2004 or with Iran since the war began in 2003.

Diplomats and analysts increasingly are urging the Bush administration to reach out to both countries as part of a regional approach to quelling Iraq's troubles. Former secretary of state James A. Baker III, leader of a panel preparing a set of policy recommendations for the Bush administration, already has endorsed the idea of seeking the help of Iran and Syria.

"The thing is, because Iran and Syria both have spoiling power in Iraq, if you could neutralize them," it would ease some of the many pressures within Iraq, Hiltermann said. But he said the two countries may demand a mighty trade-off: for Syria, U.S. help with its biggest stated aim, winning back the Golan Heights from Israel; for Iran, U.S. compromise over its nuclear program.

Hiltermann acknowledged the difficulty. "I'm saying it's required," he said. "I'm not saying it's possible."

In Baghdad's Shiite stronghold of Sadr City late last month, aides to one of the country's leading Shiite clerics held a rally to urge followers to bide their time until the American forces leave the country. The rally was called by followers of Moqtada al-Sadr, a strongly anti-occupation figure whose bloc is a leading partner in the current Shiite-led government and who is one likely claimant to power should the Americans withdraw.

"Will America win?" a speaker in a brown turban demanded before the more than 1,000 protesters, as a brewing storm whirled dirt and trash and pelted ralliers with drops of cold rain. Loudspeakers shot his question back across the square.

The men thrust their fists in the air, shouting their answer out to a grim, gray sky: "No, no! America will not win!"

Between 2 percent and 5 percent of Iraq's 27 million people have been killed, wounded or uprooted since the Americans invaded in 2003, calculates Anthony H. Cordesman of the Center for International and Strategic Studies.

"This is civil war," he said.

Since midsummer, Shiite militias, Sunni insurgent groups, ad-hoc Sunni self-defense groups and tribes have accelerated campaigns of sectarian cleansing that are forcing countless thousands of Shiites and Sunnis in Baghdad to seek safety among their own kind.

Whole towns north and south of Baghdad are locked in the same sectarian struggle, among them the central Shiite city of Balad, still under siege by gunmen from surrounding Sunni towns after a bloody spate of sectarian massacres last month.

Even outside the epicenter of sectarian strife in the central region of the country, Shiite factions battle each other in the south, Sunni tribes and factions clash in the west. Across Iraq, the criminal gangs that emerged with the collapse of law and order rule patches of turf as mini-warlords.

Since the war began, 1.6 million Iraqis have sought refuge in neighboring countries; at least 231,530 people have been displaced inside Iraq since February, when Shiite-Sunni violence exploded with the bombing of a Shiite shrine in the northern city of Samarra, according to figures from the United Nations and the U.N.-affiliated International Organization for Migration.

There used to be a time when Sunnis and Shiites "were living like family. We were married to each other, we all had Sunni friends, we all had Shiite friends. It was all like a balloon that exploded," a gaunt, weeping Sunni woman said in her bare apartment.

Until this year, the 41-year-old widow and former teacher -- who would identify herself only as Um Mohammed, fearing retaliation -- lived in Husseiniyah, a Shiite district of Baghdad. But after Shiite militias forced all the Sunnis out, she fled to a too-costly, too-small place in the overwhelmingly Sunni neighborhood of Sadiyah, on the western side of the Tigris River.

The Mahdi Army and the Badr Organization, two militias loyal to the Shiite religious parties now governing Iraq, had taken over her old neighborhood by this spring, she said. Mahdi Army officials commandeered the two rental homes she relied on to support herself and her children. They forced the Sunni tenants out and installed Shiite families, who paid her rent through the Mahdi Army office, at a greatly reduced price set by the militia, the widow said.

Letters placed at the doors of Sunni families -- sometimes with bloody bullets tucked inside the envelopes -- warned Sunnis to leave. Shiite boys as young as 10 took to wearing the black clothes of the militias, and they promised her 10-year-old son, Ahmed, they would burn him alive in his house at night as he slept.

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Um Mohammed reluctantly took her only other child still at home, a 15-year-old daughter, out of school and married her off to an older man in Sadiyah in a bid to provide her protection among fellow Sunnis. When Um Mohammed received a third letter threatening death, she and Ahmed finally moved to Sadiyah. Longtime Shiite neighbors sadly watched her leave but were too afraid of the militias to help her move, she said.

"I want to return to my home. But we are safer here," she said.

Across the Tigris River from Um Mohammed, another widow, Zayneb Khatan, a Shiite, sat in her equally plain new home. After gunmen shot and killed her husband in front of their home in the Sunni neighborhood of Cairo as he went to buy bread, Khatan fled with her 2-year-old daughter and the clothes on their backs.

"Some Sunnis are good," she said as she sat on a secondhand divan. "But I cannot say I will ever live among them again."

Iran Hints That US Shouldn't Withdraw From Iraq Too Soon (LAT)

By Kim Murphy

The Los Angeles Times, November 16, 2006

LONDON — Iran has consistently opposed the presence of U.S. forces in Iraq, but new prospects of a stepped-up American withdrawal are prompting growing unease in the Islamic Republic, where many fear the repercussions of a dangerously unstable neighbor.

Officially, Iran's policy remains flatly opposed to American troops in Iraq and characterizes them as a key contributor to the escalating violence. Iran's government says it wants the U.S. to withdraw at the earliest possible opportunity.

But the U.S. elections this month that swept in a Democratic majority to Congress and subsequent talk of a phased pullout have touched off a discussion in Tehran about the outright anarchy that could result.

On Tuesday night, Tehran's English-language news channel featured commentary from political scientist Pirouz Mojtahedzadeh, who called for the U.S. to remain in Iraq until it has established a strong, stable central government capable of providing adequate security.

"The Americans can't simply withdraw from Iraq, leaving the mess as it is," Mojtahedzadeh said in a telephone interview from the Iranian capital afterward. "Who's going to look for the safety of the Iraqis there? The Iranians can't do it. The Turks can't do it.... This is not a question of political rivalry between Iran and the West. It has to do with the fact that the society has to have a government structure in place."

Analysts familiar with official thinking say there is growing support for views like Mojtahedzadeh's within Iran's professional foreign policy establishment, if not within the hard-line circles closest to President Mahmoud Ahmadinejad, and a feeling that a drawn-out timetable for withdrawal would be preferable to a quick pullout.

"They've not said it directly and openly as an official policy line, that they'd like the U.S. to stay, but I think there's a sense among the Iranians that they understand that the U.S. cannot just leave immediately," said Hadi Semati, an Iranian political analyst who is a visiting fellow at the Brookings Institution.

"If you're talking about the officials and the foreign policy establishment, I think they're more these days cognizant and aware of the possible dangers and repercussions of civil war and the collapse of what is left of Iraqi governance on Iran. The fact [is] that if the bloodshed gets out of hand, they might at some point feel compelled to intervene to support their Shiite co-religionists against extremists and death squads and mass killings," Semati said.

"At the same time, they don't want to be seen as the one that supports a U.S. occupation force. That's why they're conflicted," he said.

'Source of instability'

An official Iranian source, who spoke on condition of anonymity, said Iran's position was unchanged and continued to urge a quick U.S. withdrawal.

"We oppose the Western forces continuing the occupation there. As long as they are there, we think the violence in this situation will continue, and it does not help whatsoever the stability in the region," he said.

Another official source echoed that view. "Why would the U.S. think that their rapid withdrawal would be rejected by Iran? Do they think their presence is a help? Iran thinks it is not," he said.

"Some in the U.S. argue that Iran wants the U.S. to stay because it is a good target for Iran, and will every day face new problems there. But I think their presence also is a source of instability for the region, and Iran is rather a supporter of the Iraqi government and people and doesn't want to witness their daily pain."

Still, Mojtahedzadeh, who also operates a think tank in London, said the fact that he was invited to argue against a rapid U.S. withdrawal on Iranian television suggested some level of official sanction of the view.

"I think the official position is in agreement with this," he said. "It works very subtly, in ways that are not quite obvious.

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"But someone like me being on the record on Iranian radio and TV saying it's not wise to push the U.S. out of Iraq because the aggressor, according to international laws, has the duty of putting things back in place, this tells you everything," he said.

Iranian analysts said senior officials would never vary from Iran's established line opposing U.S. intervention. And, they said, no one in Iran is in favor of a long-term U.S. presence in Iraq. There appears to be unanimity in the government that the upper Persian Gulf is Iran's domain and that there certainly should be no U.S. bases there.

But on the issue of the timing of a withdrawal, there are various constituencies to whom Iran must speak, said Ali Ansari, a professor of Iranian studies in Britain and author of "Confronting Iran: The Failure of American Foreign Policy and the Next Great Crisis in the Middle East."

"To the Arab Middle East, Iran says yes, the Americans are part of the problem, get out. But then there are the Iranians who say, 'When we say get out, we don't mean get out and leave it in a mess,' " Ansari said.

He said that although the official line of Ahmadinejad remains unchanged, "there's a strong class of bureaucratic thinkers, strategic thinkers in the Foreign Ministry, who think that actually it serves our interests better [if U.S. troops remain a bit longer]. Because let's face it, if the Americans leave, all this inside fighting in Iraq might turn on the Iranians. As long as the Americans are still there, they are acting as a lighting rod for that."

'A paradox'

The range of opinion also extends to hard-liners, analysts said, who have opposed the occupation but relish seeing the U.S. bogged down and embarrassed in Iraq, and distracted from going after Iran's nuclear program.

"There are some in the hard-liners who say while the Americans are there, they're within reach [of Iranian missiles] if we need to retaliate," Ansari said.

The schizophrenic thinking on the issue was clearly reflected in the recent visit of former reformist President Mohammad Khatami to the U.S., where he advised against a speedy exit from Iraq.

"We are at a paradox," he told an audience at the University of Virginia. "The occupation must end so there can be peace. But also, you can't leave the present Iraqi government at the mercy of the terrorists. If you ask me should the Americans leave tomorrow, I'd say, 'No, don't do it.' "

Kaveh Afrasiabi, author of "After Khomeini: New Directions in Iran's Foreign Policy," said a rapid U.S. pullout would jeopardize the two "pillars" of Iranian policy on Iraq: Iraq's "national unity" and territorial integrity, goals that are shared with the U.S. That has prompted some to recognize the need for "a more nuanced foreign policy balancing act."

Yet that stance is far from a full about-face, he said. And some Iranian officials say privately that some in the U.S. appear to be using threats of a speedy pullout as a way of inducing Iran to make concessions in other areas, namely its controversial nuclear program.

In the end, Semati said, Iran would be most happy if a joint solution to the Iraq conflict was engineered by the U.S. and Iran in tandem, leading to a withdrawal of U.S. troops on the basis of "a shared success."

"They would like to see the U.S. succeed in stabilizing Iraq, but they would like to share in that success," he said. "They're the major player inside Iraq, they have lent their support to the Iraqi [democratic] transition, and they think the Americans have paid very little attention to their contribution," he said.

US Should Add Troops To Prevent Disaster In Iraq (RC)

By Morton M. Kondracke

Roll Call, November 16, 2006

To salvage stability from what looks like inevitable chaos in Iraq, the United States needs a new strategy that produces security, political reconciliation and hope.

That should involve sending more U.S. troops — at least on a temporary basis — while pressuring the Iraqi government for reform and mounting a massive jobs project to reduce unemployment in the country.

It would be politically impossible for the Bush administration to increase U.S. troop levels after Democrats won the recent elections, but conceivably it could be done if the idea is blessed by the Iraq Study Group headed by former Secretary of State James Baker and former Rep. Lee Hamilton (D-Ind.).

Even though only 16 percent of Americans favor sending more U.S. troops, according to election exit polls, they're desperately needed to secure Baghdad, to train Iraqi forces and undercut the population's increasing dependency on sectarian militias.

The offer to send more troops ought to be contingent on the Iraqi government's willingness to take steps, at long last, toward national reconciliation and its willingness to bring the militias under control.

To undergird the case, Iraqi Prime Minister Nuri al-Maliki should be told that if he doesn't take necessary steps — and soon — U.S. withdrawal will be inevitable, with disastrous consequences for him and his country.

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The only major U.S. politician who is calling for more U.S. troops is Sen. John McCain (R-Ariz.), but he's made a powerful case for years that the Bush administration was refusing to supply enough forces to secure the country.

As McCain said on NBC's "Meet the Press" on Sunday, "We're paying the price for the failure of our policy in the past and the question, then, before the American people is, are we ready to quit? And I believe the consequences of failure are chaos for the region, which will spread."

Clearly, some Americans, mainly liberal Democrats, are ready to quit and have been ready for a long time, some even before hostilities began. The exit polls showed that 30 percent of Americans want to withdraw all U.S. troops, and that this group voted Democratic by a margin of 83 percent to 15 percent.

Among the raft of books analyzing the Bush administration's mistakes in Iraq, Thomas Ricks' "Fiasco" makes a compelling case that the anti-Iraq War side had it right at the beginning: Not only did Saddam Hussein not have weapons of mass destruction, but the Clinton administration's much-criticized 1998 bombing raids nearly toppled his regime and made it entirely possible to contain Iraqi aggression.

And Ricks' extensive interviews with (mainly retired) military commanders makes it sickeningly plain, for any supporter of the war like me, how carelessly former Secretary of Defense Donald Rumsfeld and his "neo-conservative" top civilian aides planned the war's aftermath.

In Ricks' telling, Rumsfeld and Co. were determined not to listen to any advice from any war doubters — notably, former CENTCOM commander Gen. Anthony Zinni and Secretary of State Colin Powell — and discarded extensive post-invasion plans drawn up by Zinni and the State Department.

Rumsfeld also fired or intimidated commanders who called for higher troop levels, seemingly determined to disprove the "Powell Doctrine," that U.S. operations should be undertaken only with massive force.

The result was that, while allied forces won a quick a military victory, they could not establish security for the population and massive looting, destruction and insurgency quickly followed.

The Rumsfeld decision to disband the Iraqi army — or not call its lower echelons back into being after it dissolved — also left hundreds of thousands of armed men unemployed and ready for mobilization by insurgent groups.

Despite widespread calls for Rumsfeld's ouster, Bush stuck with him until last week — and might well have kept him aboard indefinitely, had Democrats not captured both chambers of Congress.

As any number of Republicans have privately complained, firing Rumsfeld much earlier — say, in September — would have signaled that Bush really meant to change strategies and might have tempered GOP losses in the elections.

Regardless of past errors, however, Bush, along with newly empowered Democrats, have to figure out a strategy that does not result in total chaos in Iraq, regional conflict among Iraq's neighbors, creation of a terrorist state and an utter strategic defeat for the United States.

Even though the Baker-Hamilton commission hasn't reported its recommendations yet, Democrats are calling for troop withdrawals, some leading to a full U.S. departure on a fixed deadline while others are on a phased basis beginning in four to six months with no fixed deadlines.

An increase in the U.S. troop presence — by, say, 50,000 personnel for Baghdad duty in 2007 — will be possible only if it comes with strong backing from the bipartisan commission. Such an idea has been rumored as among the steps being considered by the panel.

But no stability is possible in Iraq without a political settlement that ensures minority Sunnis adequate oil revenues and political representation. Democrats such as Sen. Carl Levin (Mich.) want to force Iraqi action by moving toward troop withdrawals.

Brookings Institution scholar Michael O'Hanlon says that Bush could well leverage the Democratic victory, and the prospect of withdrawals, to prod al-Maliki to take needed action, playing "good cop" to the Democrats' "bad cop."

O'Hanlon also told me he had recommended to the Baker-Hamilton commission that the U.S. mount a large-scale jobs program to reduce Iraqi unemployment from its astronomical levels of 30 percent to 50 percent.

One good result of the 2006 elections is that both parties are now responsible for Iraq policy. Bush and the Democrats should work together to achieve something that can be called success — or even victory.

About 70 Freed After Mass Iraq Abduction (AP)

By Thomas Wagner

AP, November 15, 2006

Kidnappers released about 70 people snatched in a mass abduction by suspected Shiite militiamen who answer to a key backer of the prime minister — a sign the militants went too far and Iraq's leader may be yielding to intense U.S. pressure to crack down on sectarian violence.

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But Prime Minister Nouri al-Maliki clearly has more work to do. Iraqi police, hospital and morgue officials reported 105 new violent deaths Wednesday; 54 of the victims were tortured and shot, their bodies dumped in Baghdad.

The quick release of many of the captives — less than 24 hours after the abductions — was surprising in a country where hundreds of Iraqis have been kidnapped, murdered and dumped in streets or rivers each month. In two recent mass kidnappings, both of about 50 people, the victims were never heard of again.

It was unclear how many Iraqis remained captive from Tuesday's assault. Government ministries have given wildly varying figures on the number of people seized, with reports ranging from a high of about 150 to a low of 40 to 50.

"We have information about the kidnappers and where the rest of the hostages are being held. Work is going well to release them," Higher Education Minister Abed Theyab told Al-Arabiya television.

The mass abduction took place in broad daylight when gunmen disguised in the blue camouflage uniforms of police commandos raided the Higher Education Ministry in Karradah, a primarily Shiite area of downtown Baghdad, handcuffed their victims and took them away in about 20 pickup trucks.

The assault was widely believed to have been the work of the Mahdi Army, the heavily armed militia of anti-American Shiite cleric Muqtada al-Sadr, and it raised questions about al-Maliki's commitment to wipe out the Shiite militias of his prime political backers: the Supreme Council for the Islamic Revolution in Iraq and al-Sadr's Sadrist Movement.

The mass abduction was seen as retaliation for the recent kidnapping of 50 Shiites south of Baghdad.

But al-Maliki's public criticism of the kidnappers, and the fact that his Shiite-dominated government quickly won the release of many captives, appeared to be a sign that the militants had gone too far and the prime minister was ready to comply with U.S. demands to corral the militias and their death squads.

Many of the fighters are believed to operate within the country's police and security forces, both of which are run and dominated by Shiites.

On Monday, Gen. John Abizaid, chief of the U.S. Central Command, became the third Washington heavyweight in two weeks to tell al-Maliki that the armed groups had to be disbanded and disarmed and the United States wanted proof.

Frustration has been growing inside the Bush administration over al-Maliki's perceived disregard for the country's Sunni Arab minority, which dominated the country until the fall of Saddam Hussein.

The United States has struggled since it invaded in 2003 to build a democratic and multi-sectarian and multiethnic government. Al-Maliki has been increasingly seen as a reluctant partner, if not a hindrance.

Until about nine months ago, the Shiite majority had resisted major acts of revenge against some Sunni insurgent groups and al-Qaida in Iraq and its allies that were behind the killing of U.S. troops and thousands of Shiites in bomb and mortar attacks.

But after the Feb. 22 bombing of a major Shiite shrine in Samarra, north of Baghdad, enraged Shiites began fighting back — primarily members of the Mahdi Army who stormed out of Baghdad's Sadr City Shiite slum bent on revenge. Al-Maliki is heavily dependent on al-Sadr, the militia's benefactor, for his political survival.

When al-Maliki became prime minister in May at the head of a nominal national unity government, he put forward a 24-point reconciliation plan that was optimistically seen as a bid to draw disaffected Sunnis into the political fold.

But as the months passed, extreme violence blamed on the Mahdi Army and to a lesser degree on the Badr Brigade, another Shiite militia, spiraled out of control. The brutal sectarian killings brought Iraq to the edge of civil war.

The unleashing of the militias and their death squads only compounded anger among moderate Sunnis over the prime minister's seeming inaction on concrete moves toward national reconciliation.

But al-Maliki's handling of Tuesday's mass kidnapping suggested that he has realized he can no longer ignore U.S. demands regarding the militias, now that Democrats have taken control of the U.S. Congress and with President Bush reconsidering the goals and mission of U.S. forces in Iraq.

Al-Maliki first appeared to minimize the importance of kidnappings Tuesday, saying on television: "What is happening is not terrorism, but the result of disagreements and conflict between militias belonging to this side or that."

But on Wednesday he said, "Most of the hostages were freed, but that is not enough for us. We will chase those who did this ugly criminal act."

Authorities arrested six top police officers who served in the Shiite region where the kidnapping occurred and the Mahdi Army is increasingly powerful.

Meeting with professors and students at Baghdad University to show of support for the country's educational institutions, the prime minister said: "We regret what happened yesterday. The government's reaction was strong."

Higher Education Ministry spokesman Basil al-Khatib said 40 employees of the Higher Education Ministry, which handles academic grants and exchanges, were released Tuesday and 32 more were freed Wednesday.

Al-Khatib said Theyab, a Sunni, had suspended his participation in the government until all the kidnap victims were released.

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Among the 105 who were killed or found dead in Iraq on Wednesday, 11 died in the deadliest single attack — a car bomb that also wounded at least 32 near a gasoline station in central Baghdad's Bab Shargi area, police said.

The day's fatalities included journalists Fadia Mohammed al-Taie in Mosul and Luma al-Karkhi in Baqouba.

At least 91 journalists have been killed in Iraq since hostilities began in March 2003, according to an Associated Press count based on statistics kept by the New York-based Committee to Protect Journalists. Also, 36 other media employees, including drivers, interpreters and guards, have been killed — all of them Iraqi except for one Lebanese.

The U.S. military also announced the combat deaths of three U.S. Army soldiers and three U.S. Marines, raising the number of American war dead to 2,858. So far this month, 40 American service members have been killed or died in Iraq.

The six all died Tuesday, four fighting in the insurgent stronghold of Anbar Province in western Iraq and two whose convoy was hit by a roadside bomb in Baghdad.

Kidnappings Stir Political Dispute In Iraq (NYT)

By Kirk Semple

The New York Times, November 16, 2006

BAGHDAD, Nov. 15 — A dispute erupted Wednesday between Iraqi officials over the fate of dozens of captives abducted from a government building, undermining an effort by Prime Minister Nuri Kamal al-Maliki to project an image of authority during the crisis.

A spokesman for Abed Dhiab al-Ajeeli, the minister of higher education, said nearly 100 of about 150 captives were still being held a day after the kidnapping, at the ministry's compound. But the government's chief spokesman, Ali Dabbagh, contended that only 39 people had been kidnapped and that all but 2 had been released. Both men angrily dismissed the other's comments as false.

Late Wednesday, Mr. Dhiab, one of the few Sunni Arabs in Mr. Maliki's Shiite-dominated cabinet, announced that he was stepping down from his post until all the captives had been rescued. In a written statement, apparently directed at the Maliki administration, he said that any effort to make the kidnapping "a political issue" would be "unacceptable behavior."

The disagreements emerged as Mr. Maliki and his aides sought to convey a sense of governmental cohesion and resolve in response to the abductions. Mr. Dabbagh attributed the releases to an aggressive series of overnight raids and persistent pressure on the kidnappers by Iraqi security forces. Mr. Maliki told an audience at the University of Baghdad that he would bring the kidnappers to justice.

Mr. Maliki has been accused by American officials and some Iraqi leaders of failing to act decisively to curb surging violence, eliminate rampant corruption and improve public services. In particular, he has been criticized for his inability, or unwillingness, to dismantle Shiite militias linked to the governing Shiite parties yet responsible for staging sectarian attacks in cooperation with Iraqi security forces or with access to government uniforms and vehicles.

Mr. Maliki and other Shiite leaders have tried to deflect attention away from the militias, insisting that the greatest threat to public security still remains the insurgency, led by Sunni Arabs, which is responsible for the vast majority of casualties inflicted on American and Iraqi government forces. At the same time, the prime minister has pressed American officials to give him more authority over the country's security.

But the mass kidnapping on Tuesday, conducted inside a government building during office hours, underscored the profound weaknesses of Iraq's security forces and put further strain on Mr. Maliki's relationships with the Americans and his Sunni Arab critics.

The kidnapping, by gunmen wearing Iraqi police commando uniforms and driving more than 20 vehicles with Interior Ministry markings, was similar in style to several other mass abductions this year. The captives, who included Shiites, Sunni Arabs, Kurds and Christians, were driven to a predominantly Shiite area of eastern Baghdad, officials said, probably passing through numerous police checkpoints unimpeded.

Hours after the abduction, the Interior Ministry, which oversees the nation's police forces, arrested several police commanders in charge of the area where the ministry site is. And late Tuesday, Mr. Maliki, in an appearance on state-run television, said he had ordered an intensive search for the kidnapping victims.

But the identity of the kidnappers remained unclear on Wednesday, as did their motive.

Mr. Dabbagh said the kidnapping had been conducted by a "gang of criminals that belongs to a certain militia," and was intended to foment sectarian tensions, but he did not identify the militia. He said he could not explain why the kidnappers had attacked the Ministry of Higher Education. The attackers were "trying to break the stability between the Shiites and Sunnis," he said in a telephone interview.

The ministry has long been viewed as a Sunni Arab bastion. During Saddam Hussein's rule, it was known mockingly among non-Sunnis as "the Ministry of Al Ani and Al Rawi," after two towns in the overwhelmingly Sunni Arab province of Anbar,

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said Dr. Abdullah Kendoush, a longtime physicist in the Ministry of Science and Technology who recently left Iraq to take a temporary post at the University of Florida in Gainesville.

In the argument over numbers, Basil al-Khateeb, the spokesman for the Ministry of Higher Education, said late Wednesday that “about 150 people” had been kidnapped and 52 of them had been released. He said the ministry had arrived at its tallies by debriefing witnesses and victims who were freed.

Mr. Dabbagh said that in all, 16 ministry employees, 18 guards and five visitors had been kidnapped from the building and that 37 had been released by late Wednesday under pressure from Iraqi security forces conducting operations in eastern Baghdad. He described Mr. Khateeb’s comments by saying, “That is not an official statement of the government.”

The American military command put the number of kidnapping victims at about 55.

Balal Hassan, a Sunni Arab who said his brother Walid worked for the ministry and was one of those kidnapped, said he and his relatives had been desperately trying to find out information about the kidnappings but had received no help from government officials. “So far they have done nothing,” he said in a telephone interview. “Hopefully they will do something significant.”

The United States military on Wednesday announced the deaths of six Americans. Three marines and one soldier were killed on Tuesday during combat operations in Anbar Province, the military said, and two soldiers were killed by a bomb in northwestern Baghdad.

A car bomb exploded on Wednesday at a gas station near the Interior Ministry, killing eight people and wounding 32, according to a ministry official. A suicide bomber joined a crowd of mourners at a funeral in Dora, in southern Baghdad, and detonated his explosives, killing three people and wounding 12.

In Iraqi Colleges, Fear For An Already Shrunken Realm (WP)

By Sudarsan Raghavan

The Washington Post, November 16, 2006

BAGHDAD, Nov. 15 -- Over the past six months, Professor Amir Hassan's world has been shrinking. Two colleagues were assassinated, one with his family. Another was kidnapped. Two received death threats, forcing one to flee to Jordan. And since September, six other senior members of his political science department at Baghdad University have left Iraq.

Now, Hassan, a slim, carefully groomed man with a snowy mustache and owlish glasses, expects his world to condense even more. On Wednesday, in words filled with deep foreboding, he said the mass abduction of scores of people from a government educational agency a day earlier would persuade more academics to flee, further weakening a crucial, if fragile, pillar of Iraq.

"We are living in the killing stage," Hassan said, seated behind a neat desk in a spare, dimly lit office. "We know that our chance of dying is now greater than our chance of staying alive."

The emotions unleashed by one of the biggest mass kidnappings since the 2003 U.S.-led invasion reverberated across Iraq on Wednesday, splitting the cabinet along sectarian lines and spawning a heated dispute over how many men were abducted. But the most profound effect of what many Iraqis view as a national calamity was felt in university halls and campuses across Iraq. Here, the abductions highlighted the plight of academics and an educational system besieged by sectarian tensions, lawlessness and government ineffectiveness.

"What happened in Baghdad yesterday was a catastrophe that could destroy the entire educational process," said Fikret Mahmoud Omar, an instructor at a technical college in the northern city of Kirkuk. "It shows that the process in Iraq is on the verge of collapse and confirms that terrorists and militias are the ones who are in control of events."

By late Wednesday night, it was still unclear how many Iraqis remained captive after Tuesday's brazen daylight raid on a Ministry of Higher Education building in Baghdad's upscale Karrada neighborhood. About 80 gunmen, dressed in blue police commando uniforms and driving police vehicles with no license plates, handcuffed, blindfolded and carried off male employees and visitors. They locked women up in rooms before driving away in their official-looking convoy.

Less than 24 hours later, captives were being freed, an unusual development in a nation where kidnap victims are often held for months or killed. A Ministry of Higher Education spokesman, Bilal al-Khatib, said about 70 of as many as 150 kidnap victims had been released. But Ali al-Dabbagh, a spokesman for the Shiite-led government of Prime Minister Nouri al-Maliki, said about 40 had been set free and only a few remained captive. Higher Education Minister Abed Thiyab, a prominent Sunni Muslim, declared he would suspend his "membership in the Maliki government until all hostages are released."

Even as politicians bickered, they voiced a common belief that the assault could have serious repercussions in educational institutions across the country. Already, Khatib said, at least 160 professors have been killed since the U.S.-led invasion and more than 1,500 have fled the country, part of the growing exodus of middle-class professionals. Hassan, the professor, said he

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believes the kidnappers targeted the agency Tuesday because it granted scholarships to Iraqi professors and students applying to study abroad.

"This was the means to have contact with other countries. So if they cut this, they cut life," said Hassan, who said he himself had no plans to flee Iraq.

On Wednesday, Maliki visited Baghdad University, one of Iraq's most prestigious academic institutions, to show his commitment to bolstering security and stopping sectarian strife.

Addressing students and professors, he described the kidnappers as "worse than extremists" and said the attack was a product of militia rivalries. Although no group has asserted responsibility, many people say they believe Shiite Muslim militias -- especially the Mahdi Army, linked to cleric and political kingmaker Moqtada al-Sadr -- were behind the abductions. Shiite groups have staged previous mass kidnappings and are widely believed to have infiltrated Iraq's security forces.

"We will chase those who did this ugly criminal act," Maliki promised.

But his audience was more interested about his plans for Iraq's universities. Several students and professors stood up to ask him questions about how he would shield them from the chaos infecting Iraq. Maliki said he would ban pictures, leaflets, placards or other politically inspired materials from campuses "because the universities shall remain outside partisan politics or sectarian affiliation." He also promised that the government would "allocate funds to support students" and that professors and students would be protected.

"I hope you will continue your studies vigorously and not bow in front of those who want to paralyze our universities," Maliki told the gathering. "We regret what happened yesterday, but the government's reaction was strong."

In Kirkuk, Essam Muhedeen Arzad, a student at the College of Education, said Maliki's words calmed him. "I feel very sad for what has happened, particularly since we are in Iraq, which is the land of civilization and learning," Arzad said. "We need to capture those who are responsible for this act and bring them to justice to show the world that we are a nation of civilized people and will not accept such terrorist acts."

But for other college students, the abductions were a tipping point. For months, Faiha Abdul Jabar, in her second year studying science at Diyala University, said she was thinking of quitting her studies and staying home. A few hours after the assault, she was convinced.

"As a girl, I have a lot of fears from what happened yesterday," Abdul Jabar said. "Those armed men were able to storm into a governmental office and kidnap all the employees, and no one was able to save them or protect them. So what will happen to us if armed men stormed our college and kidnapped us?"

"The government is responsible for what is happening, and the government is responsible for making me lose this year," she added.

Zaman Adam Ali, who is studying English at Diyala University, also quit her studies on Tuesday, along with her two sisters, Eman and Hanan. "The government is responsible for destroying our future," Ali said.

Like almost every upheaval nowadays in Iraq, the kidnappings are being viewed through a prism of sectarianism. Muhammad Jamal, a law student at Tikrit University, sees the political disputes as an attempt by Shiite officials, hardened by sectarian divisions, to "lessen the importance" of the assaults. "This action is proof that we have a sectarian government," he said.

In a parking lot at Baghdad University on Wednesday, Lena Sadhi and Fatima Salim were standing next to a white car. Two hours earlier, they and other students had staged a protest. They heard that the Ministry of Higher Education was considering shutting down universities in the capital in the wake of the abductions, citing poor security. But they were hungry for education.

"The government doesn't want to continue our studies. That's why we protested," said Salim, who wore an aquamarine head scarf. "Why can people in the north and in the south be able to finish their studies and we can't?"

But Salim was also angry at the kidnappers. "They want our life to collapse," she said. "The only life we have is the university."

US Troops Look For An Inside Man In Iraqi Slayings (LAT)

By Doug Smith

The Los Angeles Times, November 16, 2006

Baghdad — The U.S. soldier looked around a crowded Iraqi home and watched as an old man in a green dishdasha robe scooted across to an interpreter and whispered in his ear.

"The guy says if you don't take action, they're going" to do it themselves, the interpreter told Capt. Rob Murdough. The threat of vigilante revenge caused Murdough's face to flush.

"That's not justice," he said sharply, and turned to a young man sitting on a couch with half a dozen elders.

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Murdough normally led a mortar platoon, but in a city awash in killings he had become a detective trying to solve a mass kidnapping and slaying that may have been ordered by Iraqi police officials. After two frustrating days, Murdough thought he was finally near a break in the case: The young man he had come to see might be able to lead him to a suspect.

At least 22 Iraqi men had been kidnapped from a meatpacking plant, and six who were Sunni Arab Muslims had been shot dead. Investigators were trying to find an inside man — a Shiite Muslim employee at the plant — who they thought had helped the killers.

The employee, named Hussein, was believed to have contacts with the Al Mahdi army, the Shiite militia loyal to radical cleric Muqtada Sadr.

If Murdough could get the young man to lead him to Hussein's house, the Army would arrest the suspect. But the young man had good reason to be leery. There was a sniper in Hussein's neighborhood, which was filled with Al Mahdi militiamen, he said. When a stranger walks in, they call each other by cellphone, he told the American soldier.

Murdough urged the young man to ride in a U.S. armored vehicle, promising he would remain hidden. After a time, he agreed and drew a crude map to Hussein's street, warning that the Al Mahdi army members there didn't want "anything to do with American soldiers."

Inside, the young man crouched on one of the vehicle's low benches, next to the interpreter and a soldier. His eyes grew wide as he examined the jumble around him: high-tech communications gear, weapons, an ice chest, a garbage bag. As the vehicle moved down the street, a soldier gave him a helmet and combat shirt and an olive blindfold. He tied it over his nose like a movie outlaw. Only his eyes showed.

The armored vehicle made a few turns and stopped. The soldiers got out and moved down a street of low walls and iron gates, taking a few minutes to chat with each man they encountered, just as they would on a routine patrol.

"Hi, we're here to help," Murdough said time and again. "Do you have any information about bad guys?"

Murdough noticed several men and boys gathered at one of the houses. He told Pfc. Julia Thompson, the team's only woman, to quietly take a photo. Thompson then took the camera back to the armored vehicle. The young man inside studied the image on the camera screen. One of the men was Hussein's father, he said, another his brother.

Murdough and his men moved on, casually stopping at several houses and sidewalk shops. Then they strolled back to the group. "Could we take a picture of your family?" he asked.

The men looked surprised, but agreed. While they posed, Murdough asked casually about the family. One of the men introduced two sons and said a third was at work. "What's his name?" Murdough asked.

"Hussein," the man said.

Murdough had located the suspect's home. Now he hoped that he had concealed his purpose enough to avoid scaring Hussein off. In a few days, he would return and try to make an arrest.

By now, Murdough and his commanding officer, Lt. Col. John Norris, were making progress in the investigation. They had evidence that pointed to police involvement in the slayings: In the empty lot where six of the kidnapping victims had been found shot to death, U.S. soldiers discovered shell casings that bore the characteristic square indentation made by a Glock handgun, a sidearm rare in Iraq except among the American-armed security forces.

Norris already had ordered one Iraqi police unit off the streets and back to its barracks for retraining. But he knew the unit would one day return to patrol, and he was concerned about its leadership.

On the fourth day after the kidnappings, Norris went to police headquarters to have what he thought would be a "face to face" with the Iraqi battalion's new commander.

Instead, after Norris cooled his heels in a dreary reception room, a large Iraqi man in a brown suit strode in followed by a videographer and a photographer. The man sat regally in the commander's chair and announced himself as Brig. Gen. Najim. Norris was surprised. Najim had been in command of three Iraqi police battalions, but Norris thought he had been dismissed.

Najim spoke to the American in a strident voice, keeping his eyes focused on the camera. Speaking through Norris' interpreter, the general insisted that Iraqi media had made up the story of police involvement in the kidnappings. The Iraqi police had conducted their own investigation, he declared.

"Everyone knows now we had nothing to do with that."

Norris disagreed. "They were Iraqi national police in Iraqi national police vehicles who conducted the kidnapping," he said.

"Only one vehicle," the general said.

"They carried Motorolas" — the type of portable radio used by Iraqi police — Norris said. "It was an organized Iraqi national police force."

Growing agitated, Norris recounted a killing he had witnessed the day before the kidnappings about 200 yards from an Iraqi national police checkpoint.

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"An Iraqi citizen was murdered on this street in cold blood," he said. "A vehicle stopped. Two individuals stepped out, shot him in the head several times. They got in the car and drove away."

Norris grabbed three soda cans to illustrate what he had seen.

"Iraqi national police headquarters," he declared, plunking down the first can on a coffee table. "Iraqi national police checkpoint," he said, putting the second down nearby. "Local national murdered in cold blood," he said, banging the third can on the table in front of the second.

"I have an Iraqi national police vehicle drive by while I'm standing there. I personally ask him to help. He said, 'It's not my job,' " Norris said. "Does this sound like the performance we want of the Iraqi national police? Is this somebody deserving of the respect of the Iraqi people?"

Najim seemed unimpressed. "What kind of vehicle was it?" he asked, sidestepping Norris' question.

As if on cue, an Iraqi officer entered the room, interrupting to announce that the battalion had been assembled.

"Do you want to see my men?" the general asked.

About 200 men came sloppily to attention as Najim and his American visitors walked out to the drill yard behind the building. "At ease," Najim said, displaying his authority. The men squatted on the concrete.

"Don't pay attention to the media," he said, as Norris looked on, astonished at the Iraqi's audacity. "They always say the wrong thing. Keep up the good work. You are all patriots."

As he moved to leave, police officers approached and kissed his cheek.

Third of four parts. Next: A little victory.

Nurture Iraqi Democracy, From The Ground Up (LAT)

By Michael Rubin

The Los Angeles Times, November 16, 2006

THE DEMOCRATICALLY elected government of Iraqi Prime Minister Nouri Maliki has proved a grave disappointment. Security has worsened since Maliki has been in power. Ignoring the pleas of U.S. officials, he has been unwilling to crack down on the militias and death squads that fuel sectarian violence — and the mass kidnapping from a Ministry of Higher Education building in Baghdad on Tuesday by gunmen in police uniforms shows the consequences.

Last month, Maliki's government refused to cooperate with U.S. troops searching for a kidnapped comrade. A week later, Maliki ordered U.S. forces to lift a blockade of Sadr City, where the missing soldier was believed to be held.

Corruption remains corrosive. Maliki's administration has hemorrhaged hundreds of millions of dollars. Oil revenues and foreign aid disappear. Maliki and his allies treat ministries as mechanisms for patronage. They dispense jobs to political loyalists, not able technocrats. Officials in the Shiite-dominated Health Ministry, for example, have replaced experienced doctors with uneducated militiamen.

But does this mean that the U.S. ambition to bring democracy to Iraq was a mistake? As a supporter of the war, and later an advisor to the U.S. occupation authority, I don't think so. Despite our disappointment with Maliki, the strategic rationale for promoting democracy in the Middle East — and in Iraq in particular — remains sound. But it needs to be a long-term strategy, as demonstrated by our success in Korea, where more than 35,000 American servicemen sacrificed their lives. Half a century later, the juxtaposition of totalitarian, destitute and nuclear North Korea with thriving and peaceful South Korea shows the value of a long-term strategy to build democracy.

With chaos growing, impatience in Washington should not come as a surprise. In March, Congress charged a bipartisan commission chaired by former Secretary of State James A. Baker III and former Rep. Lee H. Hamilton (D-Ind.) to look at Iraq with "fresh eyes," but it's already clear that its final recommendations will not make a priority of preserving democracy. Sen. Joseph R. Biden Jr. (D-Del.), the incoming chairman of the Senate Foreign Relations Committee, has said he has no confidence in Maliki and has called for Iraq's division. Others seek to scrap the constitution or impose a strongman. Rumors circulate in Baghdad that the CIA plans a coup.

But to give up on democracy would affirm our adversaries' conspiracy theories, betray the Iraqi people and undercut U.S. diplomacy for decades. Rather, Washington should leave the elected government in place but stop funding it. If Maliki wants to treat ministries as fiefdoms, let him do it without our money. American taxpayers are under no obligation to subsidize an ineffective government that is hostile to U.S. interests.

Some who advocate shock therapy to reform the Maliki government, such as Sen. Carl Levin (D-Mich.), argue that the way to force it to take responsibility is through a phased withdrawal of U.S. troops. But only the best-armed groups would benefit. Ending subsidies to the central government, though, would promote better government, more efficient tax collection and greater transparency over oil revenues (without, most likely, actually bringing down the Maliki government). Accountability, not elections, is the bedrock of democracy.

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I'm not suggesting that aid to Iraq should be cut off entirely. Rather, it should be redirected away from the central government through the U.S. military to Iraq's municipalities, especially those that are run by democratically elected city and town councils. Democracy is best built from the bottom up.

Shortly after Saddam Hussein's ouster, I spent a few days with the 173rd Airborne Brigade around Kirkuk, an ethnic and sectarian flashpoint. The U.S. troops offered aid, but the councils determined how it would be spent. For example, Kurds might be a plurality, but they could not dictate. In order to win consensus, they had to compromise with Turkomen and Arabs. Technocrats and those willing to compromise rose as Iraqis pushed the populists aside.

Can this local emphasis work given the ongoing sectarian violence? Yes. Many Iraqis support ethnic militias because they provide services and security the central government is unable to supply. The greatest impediments to reconstruction now are corruption and security. But every day, U.S. servicemen go on patrol across Iraq. They visit every city, town and village. They know what is possible and can keep tabs on the money they are handing out. While billions spent by Green Zone diplomats have evaporated into the ether, U.S. troops can provide accountability.

Injecting money directly to local projects works. Indeed, it is how Muqtada Sadr and the militias have won hearts, if not minds, and at a far lower cost. Rather than ignore our enemies, we should copy their model of success. The stakes for Iraq and U.S. national security are simply too high to throw in the towel.

Unleash The Shiites? (LAT)

By Laura Rozen

The Los Angeles Times, November 16, 2006

AS SECTARIAN violence rises in Iraq and the White House comes under increasing pressure to revamp its strategy there, a debate is emerging inside the Bush administration: Should the U.S. abandon its efforts to act as a neutral referee in the ongoing civil war and, instead, throw its lot in with the Shiites?

A U.S. tilt toward the Shiites is a risky strategy, one that could further alienate Iraq's Sunni neighbors and that could backfire by driving its Sunni population into common cause with foreign jihadists and Al Qaeda cells. But elements of the administration, including some members of the intelligence community, believe that such a tilt could lead to stability more quickly than the current policy of trying to police the ongoing sectarian conflict evenhandedly, with little success and at great cost.

This past Veterans Day weekend, according to my sources, almost the entire Bush national security team gathered for an unpublicized two-day meeting. The topic: Iraq. The purpose of the meeting was to come up with a consensus position on a new path forward. Among those attending were President Bush, Vice President Dick Cheney, Secretary of State Condoleezza Rice, national security advisor Stephen Hadley, outgoing Defense Secretary Donald H. Rumsfeld and National Intelligence Director John Negroponte.

Numerous policy options were put forward at the meeting, which revolved around a strategy paper prepared by Hadley and drawn from his recent trip to Baghdad. One was the Shiite option. Participants were asked to consider whether the U.S. could really afford to keep fighting both the Sunni insurgency and Shiite militias — or whether it should instead focus its efforts on combating the Sunni insurgency exclusively, and even help empower the Shiites against the Sunnis.

To do so would be a reversal of Washington's strategy over the last two years of trying to coax the Sunnis into the political process, an effort led by U.S. Ambassador to Iraq Zalmay Khalilzad. It also would discount some U.S. military commanders' concerns that the Al Mahdi army, a Shiite militia loyal to the radical cleric Muqtada Sadr, poses as great a threat to American interests as that presented by the Sunni insurgency centered in western Iraq's Al Anbar province.

So what's the logic behind the idea of "unleashing the Shiites"? It's the path of least resistance, according to its supporters, and it could help accelerate one side actually winning Iraq's sectarian conflict, thereby shortening the conflict, while reducing some of the critical security concerns driving Shiites to mobilize their own militias in the first place.

"As an alternative Plan B, it has the virtue of possibly being more militarily effective," said Thomas Donnelly, a military expert at the Center for Strategic and International Studies.

"When you are trying to police [a civil war], all you can do is contain it," said Monica Toft, a professor specializing in ethnic conflict at Harvard University's John F. Kennedy School of Government. "Whereas if you're backing one side, there are not as many variables to control."

But such a strategy brings with it significant dangers. Washington might pick the wrong leaders on the side it chooses to back. Should it, for instance, continue to back Iraq's Shiite prime minister, Nouri Maliki, or tilt in favor of his Shiite rival, Abdelaziz Hakim, and his party, the Supreme Council for Islamic Revolution in Iraq? Either choice could lead to more intra-Shiite infighting and violence.

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Or the strategy could drive Iraq's Sunni tribes to align themselves more closely with Al Qaeda. And it seems certain to further alienate Iraq's Sunni neighbors and erstwhile U.S. allies such as Saudi Arabia, Turkey and Jordan — while strengthening Iran's hand in Iraq.

Among the risks of an unleash-the-Shiites strategy is that if it were adopted, the White House would be unlikely to publicly acknowledge that such a choice had been made. Like so much else that has contributed to the U.S. difficulties in Iraq, it would be a decision taken in the dark, outside the realm of public debate.

Police In Anbar Province Lack Protection, Pay (USAT)

By Tom Vanden Brook

USA Today, November 16, 2006

HADITHA, Iraq — Shaaban al-Obeidi, a police chief in a small town in western Iraq, is regularly the target of assassination attempts.

On one recent attack, he was shot in the chest and left for dead.

But al-Obeidi refuses to give up his job as police chief of Baghdadi, a Euphrates River valley town about 100 miles northwest of Baghdad.

"We will sacrifice our lives for our country," al-Obeidi says.

Anbar province, a Sunni stronghold west of the capital, is lightly held by about 33,000 U.S. troops spread across 53,000 square miles.

Marine Maj. Gen. Richard Zilmer, commander of forces in western Iraq, has said he doesn't command enough forces to defeat the insurgency. Instead, American forces are training Iraqi soldiers and police officers to do it.

Recruiting police officers and protecting them is difficult. Locals are reluctant to join the police because insurgents are waging an effective intimidation campaign and there aren't enough American forces to protect every recruit.

"Nobody from this area wants to join the police until they feel safe," says Marine Brig. Gen. Robert Neller, deputy commander of U.S. troops in the region. "We've seen a lot of positive signs. The police will give us information about insurgents. We just need to keep them alive."

During a recent tour of towns in Anbar, the challenges were evident: police officers complained of being outgunned by insurgents and often going unpaid.

Gen. John Abizaid, the U.S. commander of U.S. forces in the Middle East, acknowledged during congressional testimony Wednesday that paying police officers in the province has been a problem. Anbar is a mostly Sunni province. The central government is dominated by Shiites. Abizaid also acknowledged Anbar was not under control. "I believe that you can't have a main effort everywhere and that the preponderance of the military activity needs to go into the Baghdad area," Abizaid said.

Insurgents wage an aggressive fight in Anbar. About 40% of the U.S. deaths this year in Iraq occurred in this region, which stretches from Baghdad to the border of Syria. The Pentagon announced Wednesday that insurgents had killed three Marines and one soldier in Anbar on Tuesday.

Insurgents work hard to scare locals from joining the police or helping the local government. In Rawah, a small town on a bend of the Euphrates River, insurgents killed a police officer in June and rolled his head through a marketplace, said Eloy Saenz, 55, a U.S. civilian adviser to the Rawah police. At the time, there were 28 police officers in the town. Now there are seven.

The force could use about 150 cops, says Saenz, a retired police sergeant from Houston who is stationed with Marines in Rawah. "People are afraid to be police here," he says. "They fear they'll be killed."

U.S. forces have put more troops in strategically important towns. In Qaim, about a mile from the Syrian border, a police force has been established and a municipal government is in place. U.S. forces have loosened the grip of insurgents and reduced violence in the town.

Marine Lt. Col. Scott Shuster says driving down Market Street, the town's main thoroughfare, used to be "a firefight the whole way."

Now, local vendors line the sidewalks. On one side, red-and-green wheelbarrows and generators are set out in front of a hardware store. On the other side, women sell radishes and bags of onions.

Still, outsiders are viewed warily. Pedestrians glare at a convoy of American Humvees. No one smiles or waves at the passing vehicles.

In his crowded office, Qaim Mayor Fahran Fahran complains that he receives no support from the national government. He needs fuel, equipment and salaries for his police force. The economy also needs a boost, he says.

On a recent visit, Neller says he'll provide equipment and is working on the pay issues with the government in Baghdad. He says Qaim needs about 2,000 police officers and has about 1,400. He promises to help recruit more.

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Marines elsewhere in the province also point to progress. Patrolling a six-lane highway near Fallujah whose lanes are blackened from roadside bomb blasts, Cpl. Scott Peterson says he sees Iraqi soldiers assuming more responsibility and becoming more capable.

"From our perspective, it is getting better," Peterson, 22, of Mobile, Ala., says over the clatter of an armored amphibious assault vehicle as it rumbles down the highway. "They're taking over."

Soldier Pleads In Iraq Rape, Murder Case (AP)

By Ryan Lenz

AP, November 15, 2006

One of four U.S. soldiers accused of raping a 14-year-old Iraqi girl last spring and killing her and her family pleaded guilty Wednesday, and agreed to testify against the others.

Spc. James P. Barker agreed to the plea deal to avoid the death penalty, said his civilian attorney, David Sheldon.

The military judge presiding over the case, Lt. Col. Richard Anderson, asked Barker why he participated in the attack in Mahmoudiya, a village about 20 miles south of Baghdad. It was among the worst in a series of alleged attacks on civilians and other abuses by military personnel in Iraq.

"I hated Iraqis, your honor," Barker answered. "They can smile at you, then shoot you in your face without even thinking about it."

Anderson accepted the plea agreement, which calls for Barker to serve at least life in prison. The judge will decide in a hearing Thursday whether Barker should be allowed to seek parole.

Sgt. Paul E. Cortez, 24, and Pfc. Jesse V. Spielman, 22, members of the 101st Airborne Division with Barker, also are charged in the case. Cortez deferred entering a plea during his arraignment Wednesday morning. Spielman will be arraigned in December. The fourth soldier, Pfc. Bryan L. Howard, 19, also deferred entering a plea at his arraignment in October.

A fifth person, former Army private Steve Green, 21, pleaded not guilty last week to civilian charges including murder and sexual assault.

Green was discharged from the Army for a "personality disorder" before the allegations became known, and prosecutors have yet to say if they will pursue the death penalty against him.

The group is accused of raping the girl and burning her body to conceal their crimes, then killing the girl's father, mother and 6-year-old sister.

After entering his plea Wednesday, Barker gave the court a vivid account of the events.

Barker said he and the others were drinking and playing cards while they manned a traffic checkpoint. Green brought up the idea of raping the girl and killing her family, he said.

"He brought it up to me and asked me what I thought about it. At a couple of points, I told him he was crazy," Barker said.

Barker said he and Green then approached the others with the idea, but there never was a verbal agreement to do it.

"Things just got set in motion, we just started changing (clothes), myself, Cortez and Green," Barker said. "By the time we started changing clothes, it was more or less a nonverbal agreement that we were going to go along with what we were discussing."

Barker said he, Green and Cortez raped the girl, and Green killed the girl, her parents and her sister.

Barker did not name Spielman and Howard as participants in the rape and slayings, though he said they were at the house when the assault occurred and had come knowing what the others intended to do.

Under military law, soldiers who are present when a crime is committed can be charged with that crime even if they did not play an active role.

Cortez, who could face the death penalty if convicted, and Howard watched from the audience as Barker described the assault. They were accompanied by their defense attorneys and declined to comment.

Taliban, Al-Qaeda Resurge In Afghanistan, CIA Says (WP)

By Dafna Linzer, Walter Pincus

The Washington Post, November 16, 2006

Al-Qaeda's influence and numbers are rapidly growing in Afghanistan, with fighters operating from new havens and mimicking techniques learned on the Iraqi battlefield for use against U.S. and allied troops, the directors of the CIA and defense intelligence told Congress yesterday.

Five years after the United States drove al-Qaeda and the Taliban from Afghanistan, Gen. Michael V. Hayden, director of the CIA, told the Senate Armed Services Committee that both groups are back, waging a "bloody insurgency" in the south and

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east of the country. U.S. support for the Kabul government of Hamid Karzai will be needed for "at least a decade" to ensure that the country does not fall again, he said.

At yesterday's Senate hearings, devoted mostly to Iraq, Hayden and Lt. Gen. Michael D. Maples, director of the Pentagon's Defense Intelligence Agency, painted a stark portrait of a struggling Afghanistan and a successful al-Qaeda capable of operating on two battlefields.

"The direct tissue between Iraq and Afghanistan is al-Qaeda," said Hayden, who visited both countries recently. "The lessons learned in Iraq are being applied to Afghanistan."

Senators noted the increased use of roadside bombs and the relatively new phenomenon of suicide attacks, which had not been seen in Afghanistan before the Iraq war.

Hayden told the Senate panel that the Taliban, aided by al-Qaeda, "has built momentum this year" in Afghanistan and that "the level of violence associated with the insurgency has increased significantly." He also noted that Karzai's government "is nowhere to be seen" in many rural areas where a lack of security is affecting millions of Afghans for whom the quality of life has not advanced since the U.S. military arrived in October 2001.

Maples said the insurgency "had strengthened its capabilities and influence" with its base among Pashtun communities in the south, as violence this year has almost doubled since 2005. U.S. troop levels in Afghanistan began dropping earlier this year as NATO arrived to take over the bulk of the fighting. Meanwhile, U.S. Special Forces continue to search for al-Qaeda bases in Afghan-Pakistani border areas.

The CIA director said that region has become a new "physical safe haven" that al-Qaeda uses as a "jump-off point for its guerrilla forays into Afghanistan."

Bush administration officials have repeatedly said that the battle against al-Qaeda has led to the death or capture of more than half of Osama bin Laden's top people.

Hayden said yesterday that "the group's cadre of seasoned, committed leaders" remains fairly cohesive and focused on strategic objectives, "despite having lost a number of veterans over the years." Bin Laden himself, and his deputy Ayman al-Zawahiri, continue to play a crucial role while hiding out somewhere along the Afghan-Pakistani border.

Hayden said the organization had lost a series of leaders since the Sept. 11, 2001, attacks. But the losses have been "mitigated by what is, frankly, a pretty deep bench of low-ranking personnel capable of stepping up to assume leadership positions." Hayden said the lower ranks are dominated by men in their early 40s with two decades of experience fighting.

The two intelligence chiefs said that al-Qaeda, through propaganda and attacks, has been increasingly successful in defining Afghanistan and Iraq as critical battlegrounds against the West.

"We have radical groups like al-Qaeda and its affiliates sponsoring terrorists, insurgents in Iraq, Afghanistan and elsewhere that seem to be able to preempt governments and eclipse the moderate actors in the region. There remains in Iraq today a broad and vicious al-Qaeda offensive targeting us and innocent Iraqis," the CIA director said.

In Iraq, Maples said, al-Qaeda accounts for a fraction of the daily attacks. "Yet the high-profile nature of these operations have a disproportionate impact on the population and on perceptions of stability," he said. The death earlier this year of Abu Musab al-Zarqawi, the leader of al-Qaeda in Iraq, did not stop what Hayden described as an "al-Qaeda campaign of almost satanic terror" in that country.

In Iraq, Maples said, al-Qaeda has managed to "capitalize on the current cycle of sectarian violence, by creating the perception that its attacks are designed to aid and defend the country's Sunni minority."

Both men said a U.S. military failure in Iraq would effectively turn the country into al-Qaeda's next haven, providing the group with the kind of security it had in Afghanistan for years before 2001.

Christmas Tree Growers Want To Give U.S. Troops Abroad A Little Bit Of Home (USAT/AP)

By William Kates

USA Today, November 16, 2006

SYRACUSE, N.Y. — With U.S. troops facing another holiday season in foreign war zones, Christmas tree growers across the nation are donating thousands of trees to them and their families stateside.

“It's a special time of year. This is a small way to help lessen the pain of separation and say thank you for the sacrifices we are asking them to make,” said Richard Moore, a tree farmer who coordinates the collection for the Christmas Tree Farmers Association of New York. “Any American would want to help out.”

The “Trees for Troops” effort is part of a campaign by the National Christmas Tree Association's Christmas Spirit Foundation to collect more than 11,000 trees in 27 states, said Lee Ann Friga, a spokeswoman for the Missouri-based foundation.

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Last year, the foundation delivered more than 4,300 Christmas trees to soldiers' families at five Army posts, Friga said. It sent 175 trees overseas.

This year, the trees will be distributed among 20 military installations representing all four branches of the service, Friga said.

Four hundred trees will be sent to units stationed in Iraq, Afghanistan, Kuwait and Qatar, she said.

"The interest just exploded. This year, we had to include more growers and more pickup locations," Friga said.

In New York, growers can donate trees at any one of 10 drop-off locations across the upstate region, said Moore, a vice president of the national organization.

From those locations, the trees will be transported to tree farms in Ballston Spa and Scottsville, where FedEx has volunteered to pick them up and deliver them to the U.S. Army's Fort Drum near Watertown, and to other military installations, he said.

Last year, New York tree growers donated 145 trees.

"This year, we are trying to get more growers to contribute. We would rather have 150 growers give two or three trees each, rather than have one farm give 75 or 80 trees," said Moore, who is giving five trees. "The more, the merrier. We want to share the joy of giving."

The New York association has 450 members.

Moore said there are probably more than 1,000 other small tree farms in the state. Non-farmers can contribute trees by signing up on the national organization's website, Friga said.

The drop-off locations will collect trees through Nov. 28. All types of Christmas trees will be accepted, but Moore said they should not exceed 7 feet in height for shipping purposes. Pine trees and fir trees are recommended because they have the best needle retention, he said.

"Last year, my church sent a small Christmas tree to a soldier in Iraq who was from our congregation," he said. "He decorated it, put it on the back of his M1 (tank) and sent us back a photo. He came home this summer and told us how touched he had been by what we had done.

"Imagine touching thousands of people like that."

CORPORATE SCANDALS:

Enron's Causey Sentenced To 5 1/2 Years (AP)

By Juan A. Lozano, Associated Press Writer

AP, November 16, 2006

(AP) - HOUSTON-Richard Causey, the last of the top Enron Corp. executives to learn his punishment, was sentenced Wednesday to five-and-a-half years in prison for his role in one of the biggest corporate scandals in U.S. history.

Causey, the company's former chief accounting officer, pleaded guilty in December to securities fraud two weeks before he was to be tried along with Enron founder Kenneth Lay and former Chief Executive Jeffrey Skilling on conspiracy, fraud and other charges related to the company's collapse.

Causey, 46, had agreed to serve seven years in prison. Prosecutors indicated they could have recommended it be reduced to five if they were pleased with his cooperation.

The maximum penalty for securities fraud is 10 years in prison and a fine of $1 million or twice the amount illegally gained.

Causey also agreed to fork over $1.25 million to the government and forfeited a claim to about $250,000 in deferred compensation as part of his plea deal. Unlike others at Enron, Causey didn't skim millions of dollars for himself from shady deals.

Prosecutors dropped their plan to seize Causey's home, a $950,000 two-story, red brick house in a Houston suburb.

Causey, the government's 16th cooperating witness who entered a guilty plea, had faced more than 30 counts of conspiracy, fraud, insider trading, lying to auditors and money laundering.

In his guilty plea, Causey admitted that he and other senior Enron managers made various false public findings and statements.

He did not testify in the Lay-Skilling trial earlier this year, though he was on the defense witness list.

Skilling and Lay were convicted in May of conspiracy and fraud. Lay's convictions were wiped out with his July death from heart disease. Skilling was sentenced last month to more than 24 years in prison.

Andrew Fastow, Enron's ex-chief financial officer whose schemes helped doom the company, was sentenced in September to six years and is serving his term in a federal prison in Louisiana.

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On Friday, Mark Koenig, Enron's former investor relations director, and Michael Kopper, an Enron managing director and Fastow's once-trusted top aide, were set to be sentenced.

Enron, once the nation's seventh-largest company, crumbled into bankruptcy proceedings in December 2001 after years of accounting tricks could no longer hide billions in debt or make failing ventures appear profitable. The collapse wiped out thousands of jobs, more than $60 billion in market value and more than $2 billion in pension plans.

Case Closed: Last Top Enron Exec Sentenced (USAT)

By Greg Farrell

USA Today, November 16, 2006

A federal judge in Houston sentenced Richard Causey, former chief accounting officer of Enron, to 5½ years in prison Wednesday, bringing an end to the government's prosecution of top managers at what was once the nation's seventh-largest company.

Causey's sentence includes $1.25 million in forfeiture and a fine of $25,000. He could have received up to seven years under the plea deal he entered last year.

Earlier this year, a jury in Houston convicted Enron's two former CEOs, Ken Lay and Jeff Skilling, of lying to the public about the company's financial health. For his role in the fraud, Skilling was sentenced to 24 years and four months in prison. Lay's conviction was vacated because he died in July before he had the chance to appeal the verdict.

Causey was originally scheduled to go to trial as a co-defendant with the two men.

Former Enron chief financial officer Andrew Fastow, the other member of the company's inner sanctum of management, pleaded guilty in early 2004, agreeing to serve a 10-year sentence for crimes he committed at the company. But because of his cooperation, which culminated in one week of trial testimony on behalf of the government against Lay and Skilling, a federal judge in September reduced his sentence to six years.

Christopher Bebel, a Houston attorney who has followed the Enron proceedings, says it wouldn't have made any sense for U.S. District Judge Sim Lake to give Causey a stiffer sentence than Fastow.

"Judges strive for consistency," Bebel says. "Causey was less culpable than Fastow."

Enron collapsed into bankruptcy five years ago after acknowledging that Fastow, the CFO, had entered into numerous business deals with the company that helped prop up Enron's earnings. Fastow later admitted that he embezzled close to $30 million from the company. Enron's market capitalization, which at one point exceeded $60 billion, was wiped out in the ensuing sell-off of stock.

In January 2002, the Department of Justice formed the Enron Task Force. Since then, prosecutors induced 16 former executives to plead guilty to related crimes, while several others were convicted at trial. Two former Enron executives have been acquitted of all charges, and three Merrill Lynch bankers, convicted in 2004, had their convictions overturned on appeal.

Two other former Enron executives who pleaded guilty and cooperated with the government, Michael Kopper and Mark Koenig, are scheduled to be sentenced in Houston on Friday. But with Causey's sentencing, the last of the big Enron cases has been disposed of.

"This closes out an era," says Philip Hilder, a Houston attorney who represented internal Enron whistleblower Sherron Watkins. "Everything else will be a footnote."

Former Enron Accountant Gets 51/2 Years For Fraud (WP)

By Carrie Johnson

The Washington Post, November 16, 2006

The former chief accountant for Enron Corp. received a 5 1/2 -year prison sentence yesterday, becoming the last member of the energy trader's upper echelon to face judgment for a fraud that cost thousands of employees their jobs and left investors billions of dollars poorer.

Richard A. Causey, 46, pleaded guilty to a single count of securities fraud in December, weeks before he was to face trial on conspiracy and fraud charges in a case that government lawyers have called the most complex white-collar prosecution in history. Causey, who must also serve two years of probation, remained free yesterday while prison officials determined whether to send him to the facility he requested, in Bastrop, Tex.

Causey's sentence follows prison terms recently handed to two other key Enron figures. Former chief executive Jeffrey K. Skilling was sentenced last month to 24 years and four months, while onetime finance chief Andrew S. Fastow was sentenced in September to six years. Company founder Kenneth L. Lay died of heart disease in July, less than two months after a jury convicted him and Skilling of misleading shareholders and employees about Enron's mounting financial problems before its December 2001 bankruptcy.

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Corporate insiders portrayed Causey, a former accountant at Arthur Andersen LLP known for his genial personality and his love of golf, as a man cowed by Enron's aggressive, rules-bending culture. But prosecutors on the Justice Department's since-disbanded Enron Task Force contended that fraud could not have flourished without Causey's actions and his failure to blow the whistle on others.

His get-along attitude helped Causey steadily climb the corporate ladder, and he became Enron's top accountant in 1998, three years before the company's demise. Causey and his wife, Elizabeth, last year forfeited $1.25 million in a bank account, and he gave up the rights to about $250,000 more in deferred pay from Enron.

Under the terms of his plea agreement, Causey could have faced as many as seven years in prison, one more than Fastow, who was considered an architect of the Enron scheme and who used business partnerships to siphon as much as $60 million for himself and his friends. In September, a judge shaved four years off his possible sentence.

Prosecutor Kathryn H. Ruemmler requested a reduction of three to six months for Causey. Ultimately, U.S. District Judge Simeon T. Lake III gave Causey an 18-month credit for, among other things, helping to streamline the government's case.

Reid H. Weingarten, Causey's lawyer who is based in the District, said in an e-mail that it was "hard to be happy when a thoroughly decent man you like a lot gets 66 months, but we are relieved given how much worse it could have been."

On Friday, two more members of Enron's middle-management team are scheduled to be sentenced as the nearly five-year-old scandal draws to a close. Former investor relations official Mark E. Koenig and former finance executive Michael J. Kopper, the first man to admit criminal wrongdoing at Enron four years ago, will be sentenced by separate federal judges in Houston.

SEC Intensifies Probe Into Dell's Accounting (AAS)

By Dan Zehr, AMERICAN-STATESMAN STAFF

Austin American-Statesman, November 16, 2006

Company postpones quarterly report at last minute

Federal securities regulators have launched a formal investigation into Dell Inc.'s financial record-keeping, upgrading an informal inquiry they started a year ago.

Dell disclosed the development Wednesday evening. At the same time, it said it would postpone its third-quarter financial report, which had been scheduled for today, until the end of the month.

Dell said the move was related to ongoing reviews of its accounting, not the upgrading of the Securities and Exchange Commission investigation.

"It really is just a high degree of prudence that's being placed on all our financial reporting right now," said spokesman Jess Blackburn. "There's just a high degree of care being given to reviewing that material and being certain of what we want to report before we report it."

The SEC does not comment on investigations, and there have been few clues about what the probe involves. Dell previously has said the reviews focus on "issues related to accruals, reserves and other balance-sheet items."

A formal investigation indicates the agency has reason to believe there are problems with Dell's books and gives the agency the authority to subpoena testimony and documents.

"It's an important difference," said Jim Asperger, a partner with O'Melveny & Myers LLP, a Los Angeles-based law firm. "What that means is there could be third-party witnesses, former employees or some other persons or entities they want to compel to testify.

"It doesn't necessarily mean they're not satisfied with Dell's compliance in the investigation."

Blackburn said the company will continue to cooperate fully with the SEC, as well as U.S. Justice Department investigators who also are reviewing the company's record-keeping.

The formal investigation and postponed earnings come just as Dell appeared to have shrugged off the most serious effects of a yearlong stretch of setbacks.

It has seen its sales slow and profits fall. And it recently has lost ground to rivals, especially to Hewlett-Packard Co., which recently replaced Dell as the world's biggest computer maker.

Its shares hit a four-year low of $20.75 in July, but have been recovering as of late, closing Wednesday at $25.75. The shares fell almost 3 percent in after-hours trading following the SEC news.

In the past week, several analysts had brightened their outlook for Dell. While the company's computer shipments slowed, they said, it had sold more expensive machines and probably would report a stronger-than-expected profit.

They now will have to wait until later this month to find out how the turnaround at Dell is progressing.

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"It's not ideal to have to issue a delay . . . but they want to make sure they're not coming out and saying things they'll have to change later," said Sam Bhavnani, an technology analyst with Current Analysis in San Diego. "You definitely don't want to read too much into it. As a company, Dell has operated above board historically, so it's a wait and see type of thing."

Investors will also have to continue to wait for Dell's official second-quarter report to the SEC. Under the rules of the Nasdaq market on which Dell shares trade, its stock could be pulled from listing if it doesn't file the report in a timely manner.

Analysts have said the likelihood of Dell being delisted is remote, and Blackburn said the company has "no immediate concern of being delisted." Dell will file the official report when once its board's audit committee finishes its review of the company's books, he said.

Dell first revealed concerns about its financial reporting in August, when it said it had been the subject of an information investigation by the SEC. In response to that inquiry, Dell said it had found some accounting problems stretched back before the investigation started and asked the audit committee to begin an independent probe.

By September, the reviews had raised the interest of the Justice Department. The U.S. attorney for the Southern District of New York asked for documents going back to 2002.

Dell initially downplayed the problems and said they likely would have little significant impact on its earnings. However, after the Justice Department launched its inquiry, Dell's audit committee said it had made no determination on how significant the impact of the investigations might be.

At the time, Bear, Stearns & Co. Inc. Andy Neff said, "Now that you have the U.S. attorney involved, this is becoming a concern."

Since the Justice Department opened its investigation, several prominent national law firms have announced class-action lawsuits on behalf of Dell shareholders. To date, none of those complaints has been granted class-action status.

Dell To Delay Results As SEC Begins A Formal Probe (WSJ)

By Christopher Lawton

The Wall Street Journal, November 16, 2006

Dell Inc. said the Securities and Exchange Commission had stepped up an informal probe into its accounting to a full-fledged investigation and that its fiscal-third-quarter earnings report will be delayed because of the "complexity" surrounding the inquiry.

The Round Rock, Texas, company disclosed it was being investigated by the SEC in August in what at the time was described as an informal probe. In advancing to what Dell now calls a "formal order of investigation," the SEC is given power to subpoena company officials and documents.

Neither Dell nor the SEC has disclosed the exact nature of the issues being investigated. In September, Dell issued a statement noting that the probe could involve potential issues "relating to accruals, reserves and other balance- sheet items." Companies use accruals and reserves when they sell services but deliver them at a later date. In Dell's case, the company typically sets aside funds from current operations to cover the cost of future warranty claims.

Dell declined to make executives available to comment. An SEC spokesman didn't return a call for comment. The announcement of the earnings-report delay and the SEC investigation came late yesterday, sending Dell's stock down 2.8% to $25.04 in after-hours trading from a 4 p.m. price of $25.75.

The intensifying investigation is the latest in a series of setbacks for Dell. Over the past year, the onetime highflier has suffered slower growth and falling profits amid a struggle to compete against resurgent rivals such as Hewlett-Packard Co. Dell recently lost its position as the world's largest personal-computer seller, according to market researchers IDC and Gartner. It also announced a battery recall involving millions of laptops in August because the batteries were a potential fire hazard. Dell's stock has fallen 14% so far this year.

The SEC investigation, when initially disclosed, was characterized by Dell as unlikely to materially affect its earnings. At that time, Dell's board also launched its own inquiry into the company's accounting at the request of management. But in September, the company said it would delay the filing of its second-quarter report with the SEC. Dell also disclosed it had been subpoenaed by the U.S. attorney for the Southern District of New York for documents going back as far as 2002. The second-quarter report still hasn't been filed with the SEC.

In a statement yesterday, Dell said it would report earnings by the end of the month and that future earnings would be announced one week later than previously scheduled. The company had been expected to announce its fiscal-third-quarter results today. Analysts had projected that the company would report improved profit for the quarter, thanks to more disciplined pricing.

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Charlie Wolf, an analyst with Needham & Co., said yesterday's news reflects confusion among Dell's senior management and casts further doubt on the future of Kevin Rollins, Dell's chief executive, who rose to the top spot in 2004. "It's like no one is running the ship," Mr. Wolf said. "Ever since Kevin became CEO, it's been a downward trajectory in this company."

Earlier this week, Dell's founder, Michael Dell, was quoted in a BusinessWeek.com article saying that he was searching for an executive to run Dell's services business in a bid to restore sales and profit growth to the company. Mr. Dell also reiterated his support for Mr. Rollins in that article.

Write to Christopher Lawton at christopher.lawton@wsj.com1

Dell Accounting Inquiry Made Formal By S.E.C. (NYT)

By Damon Darlin

The New York Times, November 16, 2006

Dell said yesterday that the Securities and Exchange Commission had started a formal investigation into its accounting practices, but provided no other details of the inquiry that began in August.

As a result, the computer company said it was delaying the release of its third-quarter financial results until the end of the month. It had planned to announce them today after the markets closed. The company said the delay was not because of the new status of the investigation, but rather because of the difficulty of answering government queries, conducting its own inquiry and quickly compiling complex financial information.

A spokesman for the company, Robert Pearson, said the company was “fully cooperating” with the S.E.C. But the company has refused to provide details to its investors about what has attracted the government’s attention. Mr. Pearson said it had nothing to do with options backdating, an accounting problem that has ensnared many high-growth companies in recent months. “We have to let it play out,” he said.

The announcement surprised analysts, as had previous announcements about the accounting investigations. Dell had announced preliminary results for its second quarter in August, but has not yet filed the required 10-Q quarterly report of those earnings with the S.E.C. The company also canceled an analysts’ meeting in September at the last moment, citing the S.E.C.’s investigation.

The company said that it would announce its third-quarter results in a news release at the end of the month and its top executives would not hold the customary conference call with analysts and journalists.

Despite the uncertainty of the investigation, many analysts had started to change their opinion of the company’s stock this month. Laura Conigliaro of Goldman Sachs lifted her recommendation in early November to neutral, from sell. Ben Reitzes, a UBS analyst, recently raised his rating on Dell to neutral from reduce on the ground that the company appears to have made steps to improve its margins.

The shares closed yesterday at $25.75, up 35.9 percent from its 52-week low of $18.95. Shares fell 2.7 percent in after-hours trading after the announcement.

A. M. Sacconaghi Jr., an analyst with Sanford C. Bernstein & Company who rates the company as outperforming the stock market, said in a research report published Monday that net income dropped 27.8 percent in the third quarter compared with last year. He also predicted that the company would show slower revenue growth of 1 percent compared with 5 percent in the second quarter.

On the plus side, the company may be seeing an improvement in profit margins because of less aggressive pricing of its PCs, he said. Gross margins, which had dropped in the second quarter to 15.7 percent, from 18.6 a year earlier, might have rebounded to 16.3 percent in the latest quarter, Mr. Sacconaghi said.

Mr. Sacconaghi also said that “further stock appreciation is likely to require patience as Dell takes action to stabilize its business, which may take several quarters.”

Dell continues to have problem selling computers in the United States, particularly to consumers. As a result, Dell has lost its berth as the world’s largest PC vendor to its rival, Hewlett-Packard, according to market analysts at IDC and Gartner.

Dell continues to lose share in the one segment of the PC market, notebook computers, that is growing significantly, said Tony Berkman, executive director of Majestic Research, which conducts equity research of technology companies. He said North American unit sales of notebooks declined in Dell’s third quarter by 4.9 percent. Much of that decline was the result of weakness in the company’s Inspiron line aimed at consumers.

The average selling price of the Inspiron notebooks was falling faster than the rest of the category, 19.2 percent in the last 12 months to $720, said Mr. Berkman. He did say that the company was seeing strength in its printer line, with unit sales up 28 percent year-over-year and unit sales of high-margin printer cartridges rose 43 percent.

Unlike many of the Wall Street securities analysts, he is not an optimist. “I believe in momentum,” said Mr. Berkman. “I just don’t know what that catalyst is for Dell.”

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Former HP Chairwoman Pleads Not Guilty In Spying Scandal (AP)

By Jordan Robertson, Ap Business Writer

AP, November 16, 2006

(AP) - SAN JOSE, California-Former Hewlett-Packard Co. Chairwoman Patricia Dunn pleaded not guilty Wednesday to four felony identity theft and fraud charges for allegedly instigating the company's ill-fated spying probe into boardroom leaks.

Dunn appeared briefly for her arraignment in Santa Clara County Superior Court and was released on her own recognizance after her lawyer entered the plea for her.

She and her attorney, Raj Chatterjee, declined to comment as they left court.

Dunn, 53, is one of five people charged in the computer and printer maker's clandestine efforts to unmask board members who discussed company business with reporters. Investigators used a shady ruse known as "pretexting" to obtain the confidential phone logs of directors, reporters and others to trace the source of the leaks.

Testifying before a congressional in September, Dunn said she was repeatedly reassured by HP's lawyers about the legality of its detectives' subterfuge.

She resigned from HP's board after the scandal broke in early September. The two-time cancer survivor recently began chemotherapy for ovarian cancer.

Kevin Hunsaker, HP's former ethics chief who allegedly directed the probe, pleaded not guilty last week and was released.

Three private investigators - Ronald DeLia, Matthew DePante and Bryan Wagner - have also entered not guilty pleas and were released.

Lawyers for all the defendants are scheduled to appear in court again Friday to discuss the schedule for future hearings.

The defendants each face four counts: use of false or fraudulent pretenses to obtain confidential information from a public utility; unauthorized access to computer data; identity theft; and conspiracy to commit each of those crimes.

Each charge carries a fine of up to $10,000 (â‚¬7,817) and three years in prison.

Audit Clears SEC's Financial Statements (WP)

By Carrie Johnson

The Washington Post, November 16, 2006

Auditors gave the financial statements of the Securities and Exchange Commission a clean bill of health, a sign that the market watchdog has taken steps to fix problems that prompted a lawmaker last year to chide the agency for what he called "hypocrisy."

The Government Accountability Office, which reviewed the SEC's books for the fiscal year ended in September, said in documents issued yesterday that the SEC had come close to fully resolving past weaknesses in its financial controls.

The GAO had cited problems with how the SEC tracks penalties it levies, with its information systems controls and with its financial reporting process. Now, auditors say, those issues are far less serious than they were.

This is the third year the SEC has allowed outside audit of its books and financial controls, which are designed to help prevent fraud and mistakes.

The problems were exposed in March 2005, the same time securities regulators were imposing stiff new rules that forced managers at publicly traded companies to assess their own controls. The rules have proven expensive and controversial and are the focus of an aggressive and well-funded business lobbying campaign. This week, leaders at the SEC and the Public Company Accounting Oversight Board, which oversees the audit industry, have been working to resolve differences in their approach to modifying the rules.

Word of the clean audit comes as SEC is facing new challenges. Under the direction of Senate Finance Committee Chairman Charles E. Grassley (R-Iowa), the GAO is studying the agency's enforcement operations, including how it tracks cases and makes referrals to criminal authorities. The agency filed 9 percent fewer enforcement cases in fiscal 2006 than it did in 2005, according to statistics released earlier this month. The GAO report is to be completed in June.

Ousters Can Raise Chance Of Charges (LAT)

By Tom Petruno, Times Staff Writer

The Los Angeles Times, November 16, 2006

The firings of KB Home CEO Bruce Karatz and others in the corporate stock-option scandal make them possible targets for prosecutors.

By ousting KB Home chief Bruce Karatz over inflated stock option awards, the Los Angeles company's board instantly made the executive a high-profile potential target for federal prosecutors, legal experts say.

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More than 50 corporate officers nationwide have resigned or been fired in the continuing scandal over alleged option manipulation, but most of those have been at relatively small companies.

As the head of a business with $10 billion in annual sales, Karatz automatically would present a higher priority to government investigators than executives who ran much smaller firms, several attorneys said.

"Especially if it's someone senior, I think those go to the top of the list" for prosecutors, said John Olson, a partner at Gibson, Dunn & Crutcher in Washington.

Authorities have not accused Karatz of wrongdoing, and spokesmen for both the U.S. attorney's office and the Securities and Exchange Commission declined to comment Wednesday on Karatz or KB Home. The company in August disclosed that the SEC was conducting an informal investigation of its option practices.

On Sunday, the company's board announced that Karatz had resigned following an internal investigation that determined he was responsible for setting "incorrect" stock option grant dates from 1998 to 2005. The effect was to boost the value of those grants for Karatz and other KB Home executives.

"It's a huge thing for a board to kick out a CEO," said Thomas Curran, an attorney at Ganfer & Shore and a former assistant district attorney in New York.

The directors said that Karatz and Gary A. Ray, who had been the company's human resources chief, chose the option grant dates.

Ray also was fired Sunday, and the company said that Richard B. Hirst, its chief legal officer, had resigned.

Karatz, 61, had served as chief executive of KB Home since 1986.

"Bruce Karatz believed he was acting properly, with the knowledge and approval of legal counsel," his attorney, Daniel Bookin, said Wednesday.

The mispricing of option grants is at the heart of company and government investigations now covering more than 150 firms nationwide.

Options are rights to buy stock at a set price within a certain time period. Securities regulations generally require that the purchase price of an option be the stock's market price on the day the option is granted by the company's board.

The probes are focusing on so-called backdating, whereby some executives looked back weeks or months and reset grant dates to coincide with their stock's lowest price in a particular period. Doing so could give the executives instant paper gains on their options. It could also understate a company's compensation costs and overstate earnings.

Thus far, the SEC and Justice Department have filed civil and criminal cases against executives of two companies.

At a number of companies, however, board investigations have concluded that options were mispriced because of sloppy bookkeeping rather than intentional misconduct, and that there was no reason to fire executives even if previous earnings had to be restated.

Legal experts say companies naturally would prefer not to dismiss executives because doing so can imply wrongdoing by the company and invite lawsuits from angry shareholders.

"What company puts a gun in their mouth unless they really didn't have a choice?" Curran asked.

Directors' decision to fire executives, many attorneys say, is primarily motivated by a desire to show federal authorities that the firm is serious about fixing what went wrong. The hope is that the company can avoid a government lawsuit if it forcefully addresses alleged abuses.

"The reason that companies typically terminate executives is to take a step to avoid prosecution of the company itself," said Matthew Jacobs, a criminal defense lawyer at McDermott Will & Emery in Palo Alto.

But by conducting a detailed probe that exposes possible wrongdoing by executives, companies may also increase the likelihood of government charges against the dismissed officers, lawyers say.

In recent years, the SEC and the Justice Department have made it clear that they expect companies to aggressively investigate alleged executive wrongdoing — and to share that material with prosecutors. That can give government investigators a head start if they choose to pursue cases against individuals.

"It's a great advantage to a company to have a thorough investigation, and it's also a great benefit to regulators," said James Doty, a partner at Baker Botts in Washington.

Still, the act of mispricing option grants alone doesn't give the government a slam-dunk case of securities fraud, legal experts caution. One major hurdle is showing that an executive had an intent to deceive the company's directors and shareholders, and knew that the mispricing broke the law.

"It's one thing for a company to cut the cord to an executive and restate earnings, but it's not a straight line between that and the ability to indict and convict," Jacobs said.

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CRIMINAL LAW:

Disgraced Lobbyist Jack Abramoff Reports To Prison (AP)

AP, November 16, 2006

(AP) - CUMBERLAND, Maryland-Disgraced lobbyist Jack Abramoff, convicted of federal charges after using expensive gifts, campaign donations and exotic trips to win access to the powerful in Washington, went to prison Wednesday.

Abramoff was the key figure in a government corruption scandal that contributed to the Republican Party's nationwide defeat in last week's midterm election.

Abramoff arrived at about 6:30 a.m. EST (1130 GMT) at a relatively secluded prison facility in western Maryland to begin serving a nearly six-year prison sentence for a fraudulent deal to buy a fleet of casino ships in Florida.

Abramoff was delivered out of sight of waiting reporters and camera crews and his arrival was announced in a two-paragraph statement by a prison representative.

The part of the camp where Abramoff will be kept is a 334-bed minimum security facility located near an industrial park along the north branch of the Potomac River.

The camp is all male. It consists of a number of two-story dormitories that are light red cinderblock structures. Each dormitory contains a number of six-bed cubicles, and Abramoff was being assigned to one of those. The prison is nearly surrounded by Appalachian Mountain ridges rising along either bank of the Potomac on the Maryland and West Virginia sides of the river.

Stephen Finger, executive assistant at the prison, said all inmates work while there. Incoming inmates such as Abramoff typically are assigned to menial jobs such as food service work. Finer said that inmates can work their way up from low-level jobs paying 12 cents an hour to better positions paying up to 40 cents an hour.

Abramoff also is awaiting sentencing for corrupting government officials and their staff members. He made a name for himself on Capitol Hill by lavishing politicians with football tickets or whisking them away on faraway golf junkets, and thus became the face of government corruption.

If it were up to the Justice Department, however, Abramoff would not be heading to prison - at least not yet. He could hold the key to a sweeping corruption case involving Congress, members of the Bush administration and their aides, and prosecutors said putting their star witness behind bars would impede the investigation.

But a Miami federal judge refused to delay the sentence, meaning Abramoff's cooperation will have to continue from prison, where he will be inmate No. 27593-112. Abramoff's lawyers had no comment.

Abramoff was originally assigned to a federal prison in Pennsylvania about four hours away from Washington. Prosecutors wanted him assigned, instead, to the prison here, which is about two hours away.

Abramoff enjoyed access and influence across Capitol Hill, from his close ties to congressmen to his hundreds of contacts with White House officials. He kept his powerful friends flush with campaign cash, gifts and trips such as a $92,000 chartered jet to Scotland for a golf outing with Representative Bob Ney, Bush administration official David Safavian and congressional aides.

Ney, an Ohio Republican who recently resigned, became the first congressman convicted in the case when he admitted last month that he took official actions on behalf of Abramoff's lobbying clients in exchange for his gifts and campaign donations.

The investigation had already ensnared Ney's former chief of staff as well as two aides to former House Majority Leader Tom DeLay. The investigation cost DeLay his leadership seat before he ultimately resigned, and it contributed to the Election Day defeat of Republican Senator Conrad Burns of Montana.

Safavian was sentenced in October to 18 months in prison for lying to investigators about his ties to Abramoff. He is asking a federal judge to postpone his sentence until he can appeal his conviction.

Burns, who received about $150,000 in Abramoff-related donations and whose aides traveled on the lobbyist's jet to the 2001 Super Bowl, has denied any wrongdoing. Though two of DeLay's aides have pleaded guilty, the former majority leader maintains his innocence and has not been charged.

Also under scrutiny are Representative John Doolittle, a California Republican, who accepted campaign money from Abramoff and used the lobbyist's luxury sports box for a fundraiser without initially reporting it, and former Deputy Interior Secretary Steven Griles, who senators and a former colleague said gave preferential treatment to Abramoff and his Indian tribe clients.

Abramoff Begins Serving Sentence At Maryland Prison (LAW)

By Anna Palmer, Legal Times

Legal Times, November 16, 2006

DOJ_NMG_0095246

Disgraced lobbyist Jack Abramoff reported to prison Wednesday in Cumberland, Md., to begin serving a sentence of almost six years for defrauding banks of $23 million when buying a Florida casino cruise line in 2000.

Abramoff also faces jail time after pleading guilty in Washington to fraud, tax evasion and conspiracy to bribe public officials. Justice Department lawyers have put off Abramoff's sentencing related to those charges, citing his cooperation with the department's ongoing corruption probe. He is expected to be sentenced in that case next year.

Although Abramoff was originally supposed to report to prison in Pennsylvania, the Justice Department intervened in late October, suggesting the Federal Correctional Institute in Cumberland as its preferred choice. Located in western Maryland, the medium-security facility is within driving distance of Washington, allowing federal prosecutors easy access to Abramoff.

Abramoff was sentenced in March by U.S. District Judge Paul Huck in the Southern District of Florida after pleading guilty to wire fraud, conspiracy to commit wire fraud, and mail fraud. He was also sentenced to three years of supervised release.

Abramoff's lawyers, from Chadbourne & Parke, declined to comment Wednesday.

Abramoff, formerly a top lobbyist at Greenberg Traurig's D.C. office, is at the center of a lobbying scandal that has already ensnared six other lobbyists and government officials, including former Rep. Robert Ney, R-Ohio, who pleaded guilty to criminal fraud charges in September.

Four of the six have pleaded guilty to bribery charges: Abramoff business partner Michael Scanlon, a former staffer to then-House Majority Leader Tom DeLay, R-Texas; Neil Volz, former chief of staff to Ney; Abramoff's Florida business associate Adam Kidan; and former Alexander Strategy lobbyist Tony Rudy. David Safavian, former chief procurement officer for the Office of Management and Budget, was convicted in June of making false statements and obstructing justice in connection with his work with Abramoff. He was sentenced to 18 months in prison last month.

Abramoff, former Greenberg Traurig lobbyists Jon Van Horne and Neil Volz, and former head of the Christian Coalition Ralph Reed Jr. still face a suit in Texas brought by the Alabama-Coushatta Tribe of Texas in July for allegedly defrauding the tribe, which had hired Abramoff to assist in keeping its gaming operation open.

Another Guilty Plea In 2002 Phone-jam Case (MANUL)

By John Distaso, Senior Political Reporter

Manchester (NH) Union Leader, November 15, 2006

Concord – A third conspirator has agreed to plead guilty to federal criminal charges in connection with a Republican operation that jammed Democratic get-out-the-vote telephone lines on election day, 2002.

Shaun Hansen, whose former telemarketing firm placed the hundreds of line-jamming calls after being hired by a Republican operative, admits violating federal statutes outlawing telephone harassment and conspiracy to commit telephone harassment.

He faces maximum penalties of $250,000 and five years in prison for the harassment charge and a fine of $250,000 for the conspiracy charge. But under an agreement filed in U.S. District Court in Concord this week, federal prosecutors agreed not to oppose Hansen's request for sentence reduction "based upon the defendant's apparent prompt recognition and affirmative acceptance of personal responsibility for the offense."

The Justice Department also agreed not to prosecute Hansen on any additional charges.Hansen owned the former Idaho-based Mylo Enterprises, a telemarketing firm that was paid $2,500 by GOP consultant Allen Raymond to place hundreds of hang-up calls to five Democratic Party offices and the Manchester firefighters union headquarters to jam their get-out-the-vote and rides-to-the-polls telephone lines. The operation proceeded for about 90 minutes on the morning of election day, 2002, before being called off by the former GOP state chairman.According to previous court documents and testimony, Raymond was hired by former state Republican executive director Charles McGee for $15,600 to find a firm to make the calls. McGee and Raymond also spoke with former Republican National Committee official James Tobin about the operation, according to court documents and testimony.

McGee and Raymond pleaded guilty to harassment and conspiracy charges and served seven and three months in prison, respectively. Tobin was convicted by a jury a year ago on federal conspiracy charges and is free pending appeal.

Hansen's plea agreement was filed less than three weeks before he was to stand trial on Dec. 5.

A civil suit filed by the state Democratic Party against the state Republican Party, the Republican National Committee and other GOP entities and officials is pending in state Superior Court. Democrats are trying to discover whether national GOP figures had any involvement in the phone-jamming operation, while Republicans say the suit is a political stunt meant to embarrass the party.

State Democratic Chair Kathy Sullivan yesterday called Hansen's plea "a sad reminder of the type of politics rejected by the voters last Tuesday," when Democrats registered major victories on Capitol Hill and in New Hampshire.

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Judge Sentences TV Advertiser To 86 Months For Selling Faulty Computers (AP)

By Maryclaire Dale, Associated Press Writer

AP, November 16, 2006

(AP) - PHILADELPHIA-A TV pitchman who defrauded customers, banks and vendors out of $39 million by selling them faulty computers was sentenced to more than seven years in prison by a judge who called his conduct "unforgivable."

George Capell, 51, continued to scheme until the end, tapping a secret bank account even after his bankruptcy and guilty plea to indulge a taste for strip clubs, fancy cars and a Florida condominium, authorities said.

"This to me is unforgivable," U.S. District Judge Anita B. Brody said Tuesday in handing down an 86-month sentence, near the top of the sentencing guidelines.

Capell's lawyer, Scott DiClaudio, blamed the losses on "a failed business model."

After seeing Capell's TV infomercials, some customers spent upward of $2,000 apiece on computer systems that arrived, if at all, with broken or missing parts. Many of the customers were disabled or unemployed, and needed the computers to find jobs, the judge said.

Others lived in rural areas far from an electronics store, and were forced to buy computers sight unseen, said bankruptcy court trustee Lawrence Lichtenstein.

The bilked customers, from more than a dozen states, have received restitution of 25 cents on the dollar, Lichtenstein said. He hopes to eke out another 10 cents on the dollar for them through the sale of Capell's condominium and half the proceeds of Capell's $1 million home.

Capell's wife Lynn is entitled to the other half of the house proceeds. She was in court Tuesday with the couple's three children, ages 20 through 23.

"I'm truly sorry for those people that were hurt in this case. I thought I could make it work, but I was wrong," Capell told the judge.

Capell pleaded guilty to 41 fraud and money laundering counts in April. His company, which did business as the Video Computer Store, ran a call center and warehouse from 1999 to 2001.

Capell was ordered to pay nearly $32 million in restitution, but Lichtenstein doubts victims will see anything close to that amount, even after Capell leaves prison. The trustee has recovered just over $1 million so far.

Capell's chief financial officer, Patrick Buttery, pleaded guilty to similar crimes and is scheduled to be sentenced on Jan. 30.

Authorities Form Multinational Unit To Hunt Pedophiles (USAT)

By Donna Leinwand

USA Today, November 16, 2006

WASHINGTON — U.S. agents are joining authorities in Canada, Britain and Australia to form a global police unit that will help monitor the Internet for child molesters who seek victims online.

Law enforcement representatives from each country met here Wednesday to discuss the program, one of the latest in a series of initiatives aimed at countering the rising number of ways in which pedophiles and pornographers use the Internet to harm children.

Under the program, known as the Virtual Global Taskforce (VGT), agents from each nation will take turns monitoring a London-based website (www.virtualglobaltaskforce.com) that responds to reports from youths and others about suspected predators, says VGT Chairman Jim Gamble, chief executive officer of the United Kingdom's Child Exploitation and Online Protection Center.

Investigators can immediately trace a suspect's location through his Internet connection and contact a local police agency to further investigate the case or make an arrest, Gamble says. As authorities have done in anti-child-pornography programs, VGT investigators also will go undercover in chat rooms and on websites where pedophiles are likely to be, he says.

The VGT is one of dozens of ways police and child protection groups try to catch predators and stem the trade in pornographic photos of children. The groups work with Internet service providers and credit card companies to identify websites used to trade such photos. Congress has boosted funding for investigations and prosecutions aimed at child porn.

VGT has operated in Britain and Australia since January 2005. U.S. authorities have been involved in planning the site since the concept arose in 2002 but have not been full participants. U.S. Immigration and Customs Enforcement (ICE) will staff the U.S. part of the operation beginning in January from the agency's cybercrime center in Virginia, ICE Assistant Secretary Julie Myers says.

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Youths and others can report suspicious conversations or contacts to the VGT's website. Several popular chat sites feature the VGT's icon, so people can link immediately to the site to file a report, Gamble says. The website fielded 2,000 reports in the first six months of 2006, he says, more than 75% of which came from children.

The first online offender caught through the global policing program was sentenced June 22 to nine years in prison in England. Lee Costi, 21, of Haslemere, Surrey, pleaded guilty to sexual activity with a child, making indecent images of children, possessing more than 40 such images and several other charges.

According to the Nottinghamshire police in England, Costi was arrested after a teenage girl whom Costi had approached in a chat room had reported the information to the VGT website. Clive Michel, spokesman for the U.K.'s Online Protection Center, says investigators tracked down Costi and the case led authorities to identify at least one other pedophile in Eastern Europe.

In another case, U.S. authorities received information about a man in England who said in a chat room that he planned to molest children, ICE spokeswoman Jamie Zuieback says. U.S. authorities shared the information with VGT investigators. U.S. and British investigators quickly traced the man's location, and British police arrested him at his house, where they found child pornography, she says.

"VGT is the multinational, online police station," Gamble says.

"We really need to ignore the territorial boundaries because the Internet doesn't have territorial boundaries."

Judge Rejects Challenge To Evidence In Cuban Agent Case (AP)

AP, November 16, 2006

MIAMI - A federal judge refused Wednesday to throw out a lengthy statement given to the FBI by a college professor charged along with his wife with acting as illegal agents of Cuba's communist government.

U.S. Magistrate Judge Barry Garber, whose recommendation must be approved by another judge, ruled that Florida International University psychology professor Carlos Alvarez gave the statements voluntarily, was free to leave the FBI interviews any time and was never promised immunity from prosecution.

The statements Alvarez gave to the FBI in summer 2005 are the cornerstone of the federal case against he and his wife, Elsa, also an FIU employee. They were arrested in January on charges of failing to register with the U.S. as agents of Cuban President Fidel Castro's government and have pleaded not guilty.

Transcripts of the statements show that Alvarez admitted to decades of involvement with Cuba. Prosecutors say they spied for Cuban President Fidel Castro's government, mainly on activities of Cuban exiles and prominent people in Miami and on U.S. political developments and public opinion.

Alvarez testified during hearings in August that he viewed himself as a "collaborator" with the Havana government but not as foreign intelligence agent. Prosecutors also have evidence from telephone wiretaps and at least one listening device placed in the Alvarez's Miami home.

Alvarez's lawyer will have a chance to contest the ruling before U.S. District Judge K. Michael Moore, who is overseeing the case, issues a final decision.

Officials Cannot Confirm Whitey Bulger 'Sighting' (BOS)

By Shelley Murphy, Globe Staff

The Boston Globe, November 16, 2006

The tip sounded like a scene out of a movie: Fugitive gangster James "Whitey" Bulger was believed to have been spotted at a San Diego theater last month, checking out Jack Nicholson's portrayal of him in the new gangster film, "The Departed."

A deputy sheriff's belief that he trailed the Bulger look-alike from the theater on Oct. 6 before losing him on a trolley sent the FBI and San Diego police scrambling to review surveillance tapes from the theater and surrounding area, according to law enforcement officials.

But yesterday, the US attorney's office in Boston, which is overseeing the hunt for Bulger, 77, one of the FBI's 10 Most Wanted, said the sighting remains uncorroborated.

"Bulger Fugitive Task Force investigators have reviewed all relevant material related to the recently reported sighting of James Bulger in San Diego," Robert Krekorian, executive assistant US attorney, said in a prepared statement.

"At this time, no one has concluded that the individual in question is, in fact, James Bulger."

Krekorian added that, as with every lead in the manhunt, all "logical and appropriate investigative steps" are being taken to follow up on the sighting.

Bulger, a longtime FBI informant, fled before his 1995 racketeering indictment and has since been charged with 19 murders.

The last confirmed sighting of the South Boston crime boss was in London in September 2002, according to the FBI.

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There was another reported sighting in California, which the FBI said it never resolved.

In January 2000, Bulger and his girlfriend, Catherine Greig , were allegedly seen at a hair salon in Fountain Valley, Calif., less than 100 miles from San Diego.

Feds To Be On Alert At Whitey Galpal's Mom's Burial Today (BOSH)

By Laurel J. Sweet

Boston Herald, November 16, 2006

The South Boston mother of James "Whitey" Bulger's girlfriend, Catherine Greig, will be laid to rest today, presumably never to know if her fugitive daughter is dead or alive.

Jenit L. Greig, 78, died Monday. A memorial service will be held this morning at the O'Brien Funeral Home in South Boston. Sources said federal authorities, who have been hunting for Bulger and Greig nearly 12 years, will be watching.

Meanwhile, Whitey watchers are debating the authenticity of an alleged San Diego sighting of America's most-wanted fugitive mob boss last month.

"Bulger Fugitive Task Force investigators have reviewed all relevant material related to the recently reported sighting of James Bulger in San Diego," executive Assistant U.S. Attorney Robert Krekorian in Boston said yesterday in a prepared statement.

"At this time, no one has concluded that the individual is in fact James Bulger."

An off-duty cop claimed he saw Bulger leave a showing of "The Departed" at the UA Horton Plaza 14 movie theaters in downtown San Diego, then board a trolley. Bulger was reportedly alone.

Theater manager Robert Livingston said the cineplex is less than 15 miles from the Mexico border. He said FBI agents in San Diego subpoenaed the theaters' security tapes.

"The Departed" stars Jack Nicholson as a psychotic South Boston Irish crime boss, believed to be based on Bulger, 77, a suspect in at least 19 murders.

Friends said Jenit Greig, whose now 55-year-old daughter Bulger took on the lam, was "a very nice, very quiet" woman.

Her sister, Iva Harrington, 81, declined to comment. Catherine Greig's twin sister, Margaret McCusker, did not return a call.

Peter Gelzinis, Howie Carr and Michele McPhee contributed to this report.

Official Admits Accepting Bribe (NSL)

By John P. Martin, Star-ledger Staff

Newark Star-Ledger (NJ), November 16, 2006

A former West Long Branch councilman yesterday admitted taking a $1,500 bribe in an FBI sting, the latest conviction in a long-running investigation of municipal corruption in Monmouth County.

Joseph DeLisa, 50, pleaded guilty to a single count of extortion during a hearing before U.S. District Judge William Martini in Newark.

Under questioning from Assistant U.S. Attorney Marc Larkins, DeLisa acknowledged taking the bribe in November 2003 from a cooperating FBI witness posing as a demolition contractor. He said he had been introduced to the contractor by then mayor Paul Zambrano.

In return for the money, DeLisa promised his support on no-bid township contracts.

Both men were among nearly 20 elected officials and businessmen in Monmouth County charged or convicted of public corruption since early 2005. DeLisa, a councilman since 1998, immediately resigned. Zambrano was the first to enter a plea more than a year ago; he admitted taking $15,000, but has not yet been sentenced.

DeLisa's plea was similar, but it left unresolved one of the most notable allegations in his case: that he also accepted payoffs from developers Jack Westlake and Jack Morris when Morris wanted to build a drugstore in the town.

Those accusations emerged in a new indictment last spring, when federal agents were intensifying their investigation into former state Senate President John Lynch, a close friend and business partner to both Westlake and Morris.

Lynch and Westlake have since pleaded guilty to unrelated tax and fraud counts. Morris has never been charged.

Larkins and Assistant U.S. Attorney Rachel Honig declined to comment yesterday on the alleged drugstore plan bribe.

DeLisa left the courtroom without commenting. His attorney, John McDonald, noted that the ex-councilman's plea didn't include any reference to the project or developers. He declined to say more, except that DeLisa isn't cooperating and hoped to put the case behind him.

West Long Branch Councilman Admits Taking Bribe (NSDY/AP)

Long Island Newsday, November 16, 2006

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NEWARK, N.J. (AP) _ Former West Long Branch Councilman Joseph DeLisa admitted Wednesday that he took a $1,500 cash bribe in an Atlantic City hotel room from someone he believed to be a corrupt contractor seeking business with the borough.

DeLisa, 50, pleaded guilty to extortion, and could receive as much as 20 years in prison when sentenced in March.

A councilman from January 1998 through February 2005, DeLisa admitted that on Nov. 19, 2003, he met the man he believed to be a demolition contractor and accepted the cash from him.

DeLisa told U.S. District Judge William J. Martini that former West Long Branch Mayor Paul Zambrano introduced him to the contractor, who was actually an FBI cooperating witness.

DeLisa said he and Zambrano agreed that DeLisa would assist the contractor in obtaining demolition and other public contracts from the borough. Zambrano pleaded guilty to the same charge in August 2005, and is awaiting sentencing.

John Dougherty's Home Searched In Federal Probe (PHI)

By John Shiffman And Michael Currie Schaffer

The Philadelphia Inquirer, November 16, 2006

Federal agents executed a search warrant at the home of labor union leader John J. Dougherty last week as part of their tax-fraud investigation into a local electrical contractor, sources said.

The sources, who declined to be identified because the matter remains under investigation, said agents entered the South Philadelphia home of Dougherty, a possible 2007 mayoral candidate, early Friday morning.

Philadelphia FBI spokeswoman Jerri Williams said she could neither confirm nor deny the raid.

Dougherty's spokesman, Frank Keel, did not return repeated calls for comment.

Friday's search represents the most recent turn in the sprawling investigation of the contractor, Donald "Gus" Dougherty, who is a close friend of but no relation to John Dougherty.

The probe became public Jan. 28, when FBI, IRS and Labor Department agents raided Gus Dougherty's large home on Pierce Street.

As the investigation proceeded, it also shined a light on the well-connected contractor's dealings with several prominent city political figures - notably John Dougherty, who leads the local electricians' union. Until earlier this year, he also was the treasurer of the city's Democratic Party.

Sources said agents have asked whether electricians' union leaders knew about an alleged scheme by Gus Dougherty to avoid paying federal taxes and union health and pension payments by paying union electricians in cash.

They also said investigators have scrutinized financial transactions between the contractor and the union leader, including renovations at John Dougherty's home and the sale of a Jersey Shore condo by Gus Dougherty to John Dougherty.

Last spring, subpoenas also were issued to the city Redevelopment Authority and to the Pennsport Civic Association - both of which are led by John Dougherty. The Pennsport subpoena was reported by the Philadelphia Daily News.

John Dougherty has repeatedly said he did nothing wrong, insisting in a May interview that he "paid through the nose" for the home renovations because he told Gus Dougherty "to do it by the book."

"There has been no new development with regard to any matter involving my client," Gus Dougherty's attorney, Nicholas J. Nastasi Sr., said yesterday.

Over the years, Gus Dougherty's projects have included the 2000 Republican National Convention, Center City hotels, and the implosion of Veterans Stadium. He also did electrical work for a number of leading local Democrats, including U.S. Rep. Bob Brady and State Sen. Vincent J. Fumo.

Though allies had distributed bumper stickers and T-shirts touting his mayoral candidacy, John Dougherty has maintained a lower profile over the last few months. Aides say he was busy working behind the scenes on state political issues.

FBI Joins Johnson School Inquiry (LEXHL)

By Lee Mueller, EASTERN KENTUCKY BUREAU

Lexington Herald-Leader (KY), November 16, 2006

Ex-official's son paid while in jail

PAINTSVILLE - The FBI has joined a Johnson County grand jury investigation into allegations that a former school district finance director allegedly had her son on the system's payroll while he was in jail.

Peggy L. VanHoose, 56, of Tudor Key allegedly paid her son, Michael D. VanHoose, thousands of dollars between 2000 and 2005, although he spent 92 weeks of that time in the Big Sandy Regional Detention Center, according to jail records and a recent audit conducted for the school district.

Assistant Commonwealth's Attorney David Blankenship said yesterday that an FBI agent had contacted Johnson County prosecutors about the case.

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An FBI agent in Pikeville identified by Blankenship could not be reached.

Meanwhile, a Johnson County grand jury is scheduled to meet Thursday to question witnesses, including new schools Superintendent Steve Trimble, a school board member and VanHoose's former payroll officer, Shelby Jean Coleman.

VanHoose, who was being paid $96,000 a year, had worked 33 years for the district. Board officials said they began an internal investigation shortly after Superintendent Orville Hamilton died of cancer in October 2005.

Trimble, who became superintendent of Johnson County schools on Jan. 1, was not in his office yesterday morning and did not return two phone calls.

A recent audit by a Paintsville firm, Wells & Company PSC, did not identify VanHoose's son by name, but reported that an employee -- with no record of being hired -- had been paid from Jan. 1, 2000, to Dec. 31, 2005, although Big Sandy Regional Detention Center records show he was in jail for 92 weeks during that time.

The Paintsville Herald reported recently that school district finance records show Michael VanHoose was paid $64,723.72 between Nov. 28, 2002, and Dec. 31, 2005. For the first 141/2 months of that period, he was incarcerated on drug charges, jail records show.

The district's records showed he received a pay raise while in jail in July 2003, the newspaper said. His two-week paychecks eventually rose from $675.68 to $961.42 by December 2005.

The audit report said no time sheets were submitted, but payroll checks were given to another employee and later cashed.

Peggy VanHoose was paid about $7,000 a month from July 2002 to August 2005, but her pay slowly decreased to $1,751 by March of this year, the paper said.

Coleman, 47, a tenured classified employee who had worked almost 20 years in VanHoose's office, was fired in May. She is challenging her dismissal, but a due-process hearing scheduled for this week was postponed after she was subpoenaed by the grand jury, said Michael Schmitt, a Paintsville attorney who represents the school district.

"We just want to see if the grand jury's going to wrap up its business soon or whether it's going to go on," said Coleman's attorney, Mary Ruble of Lexington. Hearing officer Bayard Collier has not yet rescheduled the hearing, she said.

Coleman has a high school General Educational Development certificate. Investigators say she was being paid $47,000 a year.

Reach Lee Mueller at (606) 789-4800 or at lmueller1@herald-leader.com.

NY Authorities Bring Down Huge Gambling Ring, Arrest Poker Player (AP)

By Tom Hays, The Associated Press

AP, November 16, 2006

NEW YORK (AP) — More than two dozen people, including a former professional baseball scout and a high-stakes poker player, were charged Wednesday in connection with a billion-dollar-a-year gambling ring that rivaled casino sports books.

The massive illegal betting scheme was orchestrated through a site called Playwithal.com, run by the poker player, James Giordano, 52, of Pine Crest, Fla., Police Commissioner Raymond Kelly and Queens District Attorney Richard Brown said.

A break in the case came last year when New York Police Department investigators secretly hacked into a laptop computer that Giordano had left in a Long Island hotel while attending a wedding, police said. He was arrested early Wednesday by FBI agents who had to scale the walls of his fortess-like Florida compound.

Also arrested was Frank Falzarano, 52, of Seaford, on Long Island, a one-time scout for the Washington Nationals and for the San Francisco Giants. He allegedly was a top earner in a network of 2,000 bookies who took more than $3.3 billion in cash wagers since 2004 from tens of thousands of customers nationwide.

"This is the largest illegal gambling operation we have ever encountered," Kelly said at a news conference. "It rivals casinos for the amount of betting."

Though the gambling ring relied on a Web site, it was different from the online betting operations targeted by recent federal legislation, said Deputy Inspector Brian O'Neill, who supervised the investigation.

The scheme involved placing sports bets through bookies, who would assign bettors a secret code to track their wagers and monitor point spreads and results through the restricted Web site. The bets were taken on all kinds of sports, including football, baseball, basketball, hockey, car racing and golf.

The defendants allegedly laundered and stashed away "untold millions of dollars" using shell corporations and bank accounts in Central America, the Caribbean, Switzerland, Hong Kong and elsewhere, Brown said. The prosecutor called the $500 million asset forfeiture case "among the largest such cases ever filed."

A total of 27 people in New York, New Jersey, Florida and Nevada were charged with enterprise corruption, money laundering, promoting gambling and other counts. Giordano had waived extradition in Florida and was expected to be arraigned next week; prosecutors did not have the name of his lawyer.

Falzarano, who was ordered held on $500,000 bail after pleading not guilty, "looks forward to defending himself in court," defense attorney Peter Tomao said.

In a statement, the Nationals described Falzarano as a part-time scout whose contract expired on Oct. 31 and was not renewed. The team declined further comment.

Charges also were brought against three companies that allegedly helped Giordano develop and secure the Web site: Primary Development Inc. of Farmingdale, N.Y., Prolexic Technologies Inc. of Hollywood, Fla., and Digital Networks, S.A., Inc. of Davie, Fla.

Search warrants executed in several locations resulted in the seizure of gambling records, computers and hundreds of millions of dollars in property, some of it stashed in a secret room concealed by a bookshelf in the Manhattan home of one of the suspects.

The property includes four Manhattan condominiums, millions of dollars in cash, tens of thousands of dollars worth of casino chips from the Bellagio casino in Las Vegas, jewelry, gold coins, and a football signed by the 1969 New York Jets following their Super Bowl victory. Also seized was original artwork by Peter Max and Salvador Dali.

Police launched an investigation last year after receiving a tip from a suspect in a separate organized crime probe. Over the next several months, detectives with computer expertise broke the code for the Web site and began electronic surveillance of the suspects.

Giordano "carried everything about the gambling enterprise on a laptop computer never let out of his sight, except when he left it at a hotel in Nassau County where he had returned this past June for a family wedding," Kelly said.

In the three hours that Giordano and his wife were at the wedding, investigators entered the hotel room with a warrant, found the laptop on a desk and made a digital copy of the hard drive without his knowledge, police said.

Giordano won a Texas Hold 'em tournament at the Bellagio worth nearly $100,000 earlier this year.

Online Bookie Ring Has Link To Miami (MH)

The Miami Herald, November 16, 2006

It was the key to a billion-dollar-a-year illegal gambling kingdom: a laptop computer that authorities say was owned by a professional poker player from Miami named James Giordano.

Giordano, who rarely let the computer out of his sight, left it behind earlier this year in New York while attending a wedding, police said Wednesday. But in the three hours he and his wife were away from their Long Island hotel room, investigators armed with a search warrant and computer expertise sneaked in, found the laptop on a desk and made a digital copy of the hard drive.

The covert operation on June 15 helped unlock a sophisticated Internet-based gambling scheme that has taken in $3.3 billion in cash wagers from 40,000 bettors nationwide since 2004, authorities said. They announced charges against Giordano, 26 other defendants and three companies, including one in Hollywood and another in Davie.

"This is the largest illegal gambling operation we have ever encountered," said New York Police Commissioner Raymond Kelly. ``It rivals casinos for the amount of betting."

At first, FBI agents and Miami-Dade County police tried to trick Giordano, 52, into letting them onto his property. They phoned him from a call box next to the entrance gate of his walled Pinecrest estate, saying they needed to get in to catch a burglar. He said no.

Armed with arrest and search warrants, they then climbed over Giordano's four-foot wall and knocked on his front door. They arrested him about 6 a.m. Tuesday, and he was placed in police custody.

FBI spokeswoman Judy Orihuela said FBI agents also searched the South Florida homes of some other suspects and the offices of companies involved.

Arrested at his Long Island home in Seaford, N.Y., was Frank Falzarano, identified by prosecutors as a scout for the Washington Nationals baseball club. Falzarano, 52, allegedly was a top earner in a network of 2,000 bookies.

Prosecutors claim the ring ran gambling wire rooms in Miami and on the Caribbean island of St. Martin, where operators took bets and kept records. Bookies assigned clients a secret code to track their wagers and monitor point spreads and results through a restricted website, Playwithal.com. The bets were on all kinds of sports, including football, baseball, basketball, hockey, auto racing and golf.

SHELL CORPORATIONS

The defendants laundered and stashed away "untold millions of dollars" using shell corporations and bank accounts in Central America, the Caribbean, Switzerland, Hong Kong and elsewhere, said Queens, N.Y., District Attorney Richard Brown. The prosecutor called the $500 million asset forfeiture case ``among the largest such cases ever filed."

The 27 people in New York, New Jersey, Florida and Nevada were charged with money laundering and promoting gambling, among other counts.

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Giordano waived extradition in Florida and is expected to be arraigned next week. Prosecutors did not have the name of his attorney.

Falzarano, who was ordered held on $500,000 bail after pleading not guilty, "looks forward to defending himself in court," said defense attorney Peter Tomao.

Charges also were brought against three companies that allegedly helped Giordano develop and secure the website: Primary Development of Farmingdale, N.Y., Prolexic Technologies of Hollywood, and Digital Solutions of Davie.

No officials at the companies would comment.

At Prolexic -- in the downtown Hollywood arts district on the fourth floor of the Harrison Executive Centre at 1930 Harrison St. -- at least three law enforcement officers were loading computer equipment from the company onto a dolly. When a reporter walked in, the officers shut and locked the door.

The companies face a fine of $10,000, or twice the amount of their illegal gains, prosecutors said.

The individual defendants face up to 25 years in prison if convicted.

VALUABLE POSSESSIONS

Search warrants resulted in the seizure of gambling records, computers and hundreds of millions of dollars in property, some of it stashed in a secret room concealed by a bookshelf in the Manhattan home of one of the suspects.

The property includes four Manhattan condominiums, millions in cash, tens of thousands of dollars' worth of casino chips from the Bellagio casino in Las Vegas, jewelry, gold coins and a football signed by the 1969 New York Jets following their Super Bowl victory. Also seized was original artwork by Peter Max and Salvador Dalí.

Police launched an investigation last year after receiving a tip from a suspect in a separate organized crime probe.

Over the next several months, detectives broke the code for the website and began electronic surveillance of the suspects.

Giordano won a Texas Hold 'em poker tournament worth nearly $100,000 at the Bellagio earlier this year.

Associated Press writers Tom Hays and Ula Ilnytzky, Miami Herald staff writers Jennifer Mooney Piedra, Jay Weaver and Bridget Carey and Bloomberg News Service contributed to this report.

Dozens Charged With Running Gambling Ring (WP)

The Washington Post, November 16, 2006

More than two dozen people, including a professional baseball scout and a high-stakes poker player, were charged yesterday in connection with a billion-dollar-a-year gambling ring that rivaled casino sports books.

The illegal betting scheme was orchestrated through a Web site called Playwithal.com, run by poker player James Giordano, 52, of Pinecrest, Fla., according to New York City Police Commissioner Raymond Kelly and Queens District Attorney Richard Brown.

A break in the case came last year when investigators secretly hacked into a laptop computer that Giordano had left in a Long Island hotel while attending a wedding, police said. He was arrested early yesterday by FBI agents who had to scale the walls of his fortress-like Florida compound.

Also arrested was Frank Falzarano, 52, of Seaford, N.Y., who was identified by prosecutors as a scout for the Washington Nationals and a former scout for the San Francisco Giants. He allegedly was a top earner in a network of 2,000 bookies who took more than $3.3 billion in cash wagers since 2004 from tens of thousands of customers nationwide.

The Nationals released the following statement: "The Nationals have no information nor any comment on any aspect of the legal proceedings announced today involving Frank Falzarano. Mr. Falzarano was a part-time scout who worked for an area scout, who is no longer with the club. Falzarano's contract with the Nationals expired on October 31 and was not renewed."

Though the gambling ring relied on a Web site, it was different from the online betting operations targeted by recent federal legislation. The scheme involved placing bets through bookies, who would assign bettors a secret code to track their wagers and monitor point spreads and results through the secured Web site. The bets were taken on all kinds of sports, including football, baseball, basketball, hockey and auto racing.

The defendants allegedly laundered and stashed away "untold millions of dollars" using shell corporations and bank accounts in Central America, the Caribbean, Switzerland, Hong Kong and elsewhere, Brown said.

A total of 27 people in New York, New Jersey, Florida and Nevada were charged with enterprise corruption, money laundering, promoting gambling and other counts.

-- From News Services and Staff Reports

27 Arrested In City's 'Largest' Betting Bust (NSDY)

By Rocco Parascandola, Staff Writer; Matthew Nestel And Staff Writer Luis Perez Contributed To This Story.

Long Island Newsday, November 16, 2006

DOJ_NMG_0095254

City investigators were deep into a probe of rogue pharmacists when a tip turned into a 28-month-long investigation of a multibillion-dollar illegal sports betting operation that ended with the arrest of 27 suspects, authorities said yesterday.

Thanks to a tip, authorities closed the gambling ring that merged old-school tactics with the Internet and stretched from New York to Nevada and overseas, and took in $2.5 million a day in bets.

"This is the largest illegal gambling operation we have ever encountered," said Police Commissioner Ray Kelly. "It rivals casinos for the amount of betting: $3.3 billion over the last 28 months alone."

City authorities said there were 40,000 gamblers; about 2,000 bookies; and shell corporations as far away as Switzerland and Hong Kong.

The suspects include the alleged mastermind, James Giordano, a high-stakes poker player; accused bookie Frank Falzarano, of Seaford, a scout for the Washington Nationals baseball team; and a suspected enforcer, Steven Tarantino, a Luchese family associate.Kelly said there is no indication Falzarano compromised the integrity of any Major League Baseball games. League officials have been notified of his arrest. "My husband is a good man. That's all I have to say," Falzarano's wife, Joan, 51, said.

The case was made, in part, when authorities downloaded information from the hard drive of Giordano's laptop computer, left at a Long Island hotel while he and his wife attended a June 17 wedding.

"We put a surveillance on him to make sure there were no errors," said police Deputy Insp. Brian O'Neill. "Then we brought his computer back, hooked it up as close as possible to the way he left it and walked out."

Giordano was arrested early yesterday by FBI agents in Pine Crest, Fla. Tarantino, 33, was arrested by police who found him hiding in the bathroom of his East 57th Street apartment.

The suspects in New York, New Jersey, Florida and Nevada have been charged with various counts of enterprise corruption, money laundering, gambling and conspiracy, according to Queens District Attorney Richard Brown, whose office is prosecuting the case because it started in that borough.

Seized were gambling records, about $6 million in cash, real estate and a football signed by the 1969 Super Bowl champion Jets. The operation differed from most online gambling sites because Giordano's Web site, playwithal.com - essentially a computerized bettor sheet - could only be accessed by those who had already established an in-person relationship with one of the suspected bookies, police said.

The parents of suspect, John Ducato, 47, of Deer Park, came to his arraignment yesterday. "He lives at home," said his mother, Jean Ducato. "He helps his parents every day."

Matthew Nestel and staff writer Luis Perez contributed to this story.

The book on Web bet ring:

28 month investigation

$3.3B wagered in that time

2,000 approximate number of people employed by the operation

$500M civil forfeiture action filed against 20 of the defendants

40,000 different people bet with this site

Queens district attorney's office

$3.3 BIL CASINO ROYALE (NYPOST)

By Todd Venezia,, Erika Martinez & Ikimulisa Livingston

The New York Post, November 16, 2006

November 16, 2006 -- A high-stakes poker player's bets were nothing compared to the gamble he took by running a staggering $3.3 billion Internet bookmaking operation - that was busted when cops cloned his computer hard drive, authorities said yesterday.

James Giordano, the reputed kingpin of the international online sports betting ring, was indicted in Queens Supreme Court along with 26 others - including a mob associate, a Major League Baseball scout and a Long Island Web designer - on a host of gambling and corruption charges.

"This is the largest illegal gambling operation we have ever encountered," NYPD Commissioner Raymond Kelly said. "It rivals casinos for the amount of betting."

Giordano is a big-money poker pro who has competed in the World Series of Poker and who in July won a tournament at the Bellagio casino in Las Vegas, which bagged him nearly $100,000.

Authorities said his luck actually turned bad a month earlier, when he attended a family wedding in Long Island on June 17.

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While Giordano - who goes by the nickname "Dexter" - and his wife were at the ceremony, police executed a warrant in their hotel room. In the three hours they were gone, investigators seized his laptop computer and took it to another room, where they cloned the hard drive, then put the computer back in his room.

Giordano didn't know his computer had been tampered with, and kept using it. The gambler took extraordinary measures to hide his activities, such as getting a new cellphone each month, but didn't know his cloned laptop was allowing cops to watch all of his online gaming activities in real time - and to collect crucial evidence, authorities said.

That helped investigators unravel Giordano's ties to the some 40,000 customers who allegedly placed bets on football, baseball, golf and other sports with the help of a Web site called playwithal.com.

"It made for a much stronger case," NYPD Deputy Inspector Brian O'Neill said. "Everything was happening on that page with the log-in numbers being observed by the NYPD."

Giordano allegedly ran the operation from a walled $10 million Florida compound that was raided by the FBI yesterday. He was taken to the Miami-Dade County jail, where he was awaiting extradition to New York.

After the indictments were handed up in Queens, search warrants were executed around the country. Authorities said they pulled a total of $1.6 million in cash connected to the ring from closets, boxes and attics from numerous sites that were raided.

The searched property includes four Manhattan condominiums owned by two alleged members of the operation: Monte Weiner, 56, and his son Eric, 27.

Cops seized a treasure trove from the family, including jewelry, gold coins and artwork by Peter Max and Salvador Dali. Also among the swag were autographed photos of Yankee legends Mickey Mantle and Joe DiMaggio; a football signed by the 1969 New York Jets following their Super Bowl victory; and a bat used by Ted Williams.

Officials even seized tens of thousands of dollars in casino chips from the Bellagio.

Despite its high-tech online facade, Giordano's operation ran very much like an old-school, illegal sports-betting business, complete with some 2,000 bookies in almost every state who dealt in cash, police said.

And for those players who felt that they could get away with stiffing an online gaming operation, there was a team of goons on call to collect bets, cops said.

"At lower levels of the organization, they will sometimes use organized-crime associates as enforcers," O'Neill said.

"In one instance, a California man, who was late in paying a $129,000 debt . . . was told that two enforcers were on their way to the West Coast to 'slice your face,' " Kelly said yesterday. "He repaid the money without further encouragement."

The operation's many bookies would kick up money, Mafia-style, to "agents" who dealt in sums that rival the sports betting operation at major Vegas casinos, authorities said. The top agent was Donald Clark, who booked $652,000 in bets in one week alone, police said. Another alleged big earner was Frank Falzarano of Seaford, L.I., who officials said was a scout for baseball's Washington Nationals. He went by the code name "Z8300," and handled wagers at a rate of more than $8 million a year, cops said.

Clark was being held yesterday in lieu of $750,000 bail, while Falzarano posted $500,000 bail and was freed.

Despite Falzarano's participation in the betting ring, no baseball games were affected, cops said. The Nationals said in a statement that Falzarano was a part-time scout whose contract expired on Oct. 31.

Authorities said the ring even had "wire rooms" in Costa Rica and St. Maarten. It was busted in Queens because authorities there got wind of the operation while investigating a prescription drug resale scheme linked to the Bonanno crime family in 2005.

One of the people involved in the drug plot told officials about Giordano and his alleged gambling ring.

The ring used shell corporations and had bank accounts around the world, including Switzerland, the Caribbean and Hong Kong.

After members of the Russian mob allegedly launched a denial of service attack on the playwithal.com server, Giordano allegedly hired a Long Island Web design company called Primary Development and two Florida service providers to beef up security.

Authorities said that the leaders of the computer businesses knew who they were working for. So, in an unusual move, the three companies and Primary's CEO, Maurice Freeman, 37, of East Northport, L.I., were indicted as part of the scheme.

Once the site was buffed up, Giordano's operation started running smoothly, cops said. Over the 28-month period while they were under scrutiny by authorities, they took an estimated $3.3 billion in wagers.

The bettors allegedly used the playwithal.com Web site as a wager sheet to place their bets. They then paid their losses - or collected their winnings - in face-to-face meetings with their bookie, police said.

The bookies paid up to the agents or runners, according to authorities. The runners allegedly paid up to a group of "money collectors," who included Steven Tarantino, 33, described by cops as a known associate of the Luchese crime family. Monte Weiner and three others were also accused of being "collectors."

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At the top was Giordano, who allegedly left the day-to-day operations to his lieutenant - his son in-law Daniel Clarin, who was also indicted. Also charged were Gior- dano's wife, Priscilla Ann, and daughter, Melissa Clarin, Daniel's wife.

Because of the size of the ring, authorities are bringing a civil asset forfeiture case against the suspects worth half a billion dollars.

The busts marked the first time anyone has been charged under the new federal Unlawful Internet Gambling Enforcement Act, signed into law by President Bush last month.

Queens DA Richard Brown said that gambling online is a plague on the public.

"Internet gambling has been compared by some to the crack cocaine epidemic of the late '80s and early '90s," he said. "It's been said of Internet gambling that you simply click the mouse and loose your house."

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You Lose! 3B Ring Bashed (NYDN)

By Robert F. Mooreand Scott Shifrel, Daily News Staff Writers

New York Daily News, November 16, 2006

All bets are off on a $3.3 billion gambling operation that used the Internet, off-shore computer servers and good, old-fashioned mob muscle.

More than two dozen people were arrested and more than $7 million in cash was seized after police and FBI agents shut down the popular sports betting site Playwithal.com.

"This is the largest illegal gambling operation this department has ever encountered," said Police Commissioner Raymond Kelly at a press conference announcing the bust. "It rivals casinos for the amount of betting."

Among those nabbed was James Giordano, an ex-New Yorker and ranked professional poker player whom authorities identified as the gambling mastermind who ran the illicit operation from behind the walls of his fortresslike Florida compound. Also arrested was a Major League Baseball scout, a Web designer and a Luchese crime family associate.

The bust is the first since President Bush signed a law last month making it difficult for bettors to fund their Internet gambling accounts through U.S.-based credit cards or banks - although Playwithal.com relied on hard cash.

Traditional bookies would give bettors a secret code to use the Internet gambling site, authorities said. Bets were taken on all kinds of sports, including football, baseball, basketball, hockey, auto racing and golf - and at the end of each week, the bookies would pay off or collect from each client.

"They laundered and stashed away millions in winnings using shell corporations and bank accounts in Central America, the Caribbean, Switzerland and Hong Kong," said Queens District Attorney Richard Brown, who led the 28-month probe.

Prosecutors also seized hundreds of millions of dollars in cash and property as part of a civil forfeiture suit that seeks $500 million in damages.

Among the assets confiscated, Brown said, were four luxury Manhattan condos, a modern art collection and a football signed by the 1969 Super Bowl III champion New York Jets.

The artwork by Salvador Dali and Peter Max and the sports memorabilia were found in a secret room hidden behind a bookshelf in a Murray Hill condo.

Investigators said one of the biggest earners in the network of 2,000 bookies nationwide was Frank Falzarano, 52, of Seaford, L.I., a scout for the Washington Nationals and a former scout for the San Francisco Giants.

Authorities said the investigation of the sophisticated gaming operation began with a simple tip involving the attempted kidnapping of a gambler who owed a bookie $40,000.

From there, prosecutors eavesdropped on thousands of phone conversations and even broke into e-mail communications at the site's snazzy Web site. Bets also were taken by phone - but all wagers were ultimately recorded on computer servers in Costa Rica or St. Maarten.

"They were as savvy and adept in the use of computer technology as they were proficient in the art of secreting and laundering untold millions of dollars," Brown said.

Still, Giordano allegedly relied on old-fashioned mob muscle from Luchese family associate Steven Tarantino, 33, of Manhattan, and paid tribute to jailed ex-Bonanno family acting boss Anthony Urso, sources said.

A break in the case came last year when investigators secretly hacked into a laptop computer that Giordano had left in a Long Island hotel while attending a wedding, police said. On another occasion, investigators tapped Giordano's cell phone while he played in a January poker tournament at the Bellagio, made famous in the movie "Ocean's 11."

Giordano won a Texas Hold 'em tournament at the Bellagio worth nearly $100,000 earlier this year.

He was arrested early yesterday by FBI agents who had to scale the walls of his Pine Crest, Fla., compound.

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"Troublesome is the fact that so many people today are involved in Internet gambling," Brown said. "You simply click the mouse and lose your house."

Campaign Gifts To Governor Probed (MH)

By Frances Robles

The Miami Herald, November 16, 2006

Puerto Rico's secretary of state has until Friday to produce documents relating to dozens of people and firms in the latest chapter of a monthslong federal probe of donations to a political campaign of the current governor.

The office of Secretary of State Fernando Bonilla has confirmed that it received a subpoena for all documents -- including checks, e-mails, faxes and handwritten notes -- on more than 60 individuals or companies tied to a handful of Philadelphia fundraisers.

The fundraisers helped collect campaign contributions for Aníbal Acevedo Vilá while he was resident commissioner -- Puerto Rico's nonvoting representative in Congress. Acevedo Vilá was elected governor last year.

TESTIMONY SOUGHT

Bonilla was ordered to appear Friday morning before a federal grand jury in San Juan but can avoid testifying in person by delivering the documents to the FBI, according to a copy of the subpoena published by the newspaper El Nuevo Día.

A spokesman for the FBI's San Juan office, Harry Rodriguez, said federal law prohibits him from discussing grand jury probes.

"The FBI has jurisdiction to investigate public federal election-law violations involving excessive campaign contributions, corporate contributions and conduit contributions made through third parties," Rodriguez said. ``It is not unusual for these illegal-contribution cases to be connected to schemes to corruptly influence elected officials."

According to media reports in Puerto Rico and Philadelphia, federal investigators are trying to determine whether "straw contributions" -- donations illegally made under another person's name -- were made in order to bypass federal campaign donation limits. A June report by the Philadelphia Inquirer showed that several Pennsylvania dental company employees listed as contributors on Acevedo's campaign finance reports had said they never gave money to the campaign.

The investigation also seeks to determine whether government contracts were steered to companies that helped fill Acevedo's campaign coffers.

"We understand the investigation is about some people from Philadelphia who at some moments made donations to Aníbal Acevedo Vilá's resident commissioner campaign, and federal authorities are trying to determine whether they did so in accordance with the law," Acevedo's spokeswoman, Juanita Colombani, said in an e-mail to The Miami Herald. ``The governor has not been notified that he is a target or subject of the investigation."

Several of the governor's current and former aides, including Colombani, have been subpoenaed to testify. Colombani said she testified before the grand jury and was questioned by the FBI at her house.

"All the donations the governor received for his campaign for resident commissioner were done legally and were reported to the Federal Elections Commission," she wrote. ``The governor has said and reiterates that he has never received or solicited a donation in exchange for anything."

PHILADELPHIA MEN

The investigation so far has centered around Philadelphia dentist Candido Negron and his business associate, Robert M. Feldman, a Philadelphia Democratic Party fundraiser who once co-hosted a fundraiser for Acevedo Vilá.

Feldman and Negron are under scrutiny because they were seeking a contract from the island's government healthcare system for Doral Dental, a Wisconsin-based company that has paid them hundreds of thousands of dollars in commissions, the Inquirer reported.

Among the documents the grand jury requested are those relating to Feldman and 10 of his companies. Feldman's attorney, Henry E. Hockeimer, said Feldman and Negron were business partners who did consulting work for Doral Dental, also mentioned in the subpoena.

"Mr. Feldman never did business in Puerto Rico," Hockeimer said. He declined to comment further.

Attempts to reach Negron were unsuccessful.

Doral Dental spokesman Michael Pflugheoft said the company, which specializes in government contracts, has not done any business in Puerto Rico.

"We became aware of this through the media," he said. ``It isn't anything we're involved in."

The secretary of state was also ordered to produce records relating to prominent Philadelphia developer Kenneth N. Goldenberg. His spokesman Greg Reaves said the company received "a request for information" and cooperated.

`FISHING EXPEDITION'

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The subpoena also listed Parkway Corp., a Philadelphia real-estate development company. Calling it a "fishing expedition," company spokesman Howard Trachtman said Parkway was issued a subpoena several months ago, despite not having done business on the island in more than a decade.

"I can tell you we did receive a subpoena, and we responded," Trachtman said. ``I don't know what they're looking for."

Vernon Mayor, Former City Administrator Charged With Corruption (LAT)

By Hector Becerra

The Los Angeles Times, November 16, 2006

Capping years of investigations into Vernon, Los Angeles prosecutors today filed public corruption charges that accused the small industrial city's longtime mayor of voter fraud and the former city administrator of using public funds for personal use.

The indictment came after decades of complaints by critics that the city south of downtown Los Angeles operates as a fiefdom by leaders, including Mayor Leonis Malburg, who has been in office for more than 50 years. He is the grandson of Vernon's founder.

Most of Vernon's homes are owned by Malburg, other council members and the city. Most of the 91 residents are city employees.

Prosecutors charged that Malburg has been fraudulently voting in Vernon elections, even though he has long lived in a posh estate in Hancock Park, 20 miles from the gritty city that is home to various manufacturing businesses and factories.

The district attorney's office charged that longtime city administrator Bruce Malkenhorst Sr. used $60,000 in city money for personal uses. Makenhorst was the highest paid city official in the state before stepping down two years ago, earning more than $600,000 a year for running a city of fewer than 100 people.

The charges mark the biggest challenge in decades to the reign of Malburg and his allies, who aggressively fought efforts to unseat them.

The indictment comes after a tumultuous election in which the city hired gun-toting private investigators to follow challengers seeking to unseat Malburg and the other council incumbents.

Prosecutors have been building their cases against the city officials for nearly a decade, but Vernon waged a long court battle in an unsuccessful effort to avoid turning over city records.

hector.becerra@latimes.com

In Murder Case, New Evidence But Same Cell (NYT)

By Jim Dwyer

The New York Times, November 16, 2006

More than two years ago, investigators from the Queens district attorney's office sat in Jaime Acevedo's living room and listened to him describe a night in 1992 — an instant, really — that has yet to end.

Mr. Acevedo, seen by the authorities as an ordinary, law-abiding, working man with no reason to lie, said that he knew the inside details on a little-noticed murder in Woodside, one that seemed to have been solved and settled long ago.

Investigators had never spoken with Mr. Acevedo or realized that he knew anything about the case. But in fact, Mr. Acevedo told them, he had unwittingly given the killer a ride to and from the murder scene. The man he named had never been connected or charged with the crime.

There was more.

Mr. Acevedo said the one person accused and convicted of the murder had nothing to do with it. That man, Joshua Rivera, sentenced to 37 years, had not even been present, according to Mr. Acevedo.

The story did not end there. The district attorney's investigators found another man who told essentially the same story as Mr. Acevedo: he, too, said that he had been in the car with the killer and that Mr. Rivera was not involved.

Two years later, Mr. Rivera, 36, is still serving time for the murder, and the man named as the real killer by the two new witnesses has not been charged.

In an era when DNA tests seem to have made unraveling convictions as easy as untying a shoe, Mr. Rivera's case is a reminder that the criminal justice system, by law and custom, generally resists the reopening of jury verdicts, at times even in the face of new evidence that seems strong.

It is also a vivid example of the discretion that prosecutors can exercise in not only bringing cases but also reviewing their outcomes.

After his appeals were exhausted, Mr. Rivera wrote to prosecutors to insist on his innocence. Starting in 2003, prosecutors in an unofficial unit that examined claims of "actual innocence" located the new witnesses, according to court papers.

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After those prosecutors raised questions about whether the right man was in prison, the case was turned over to more senior prosecutors. They resisted Mr. Rivera's first request to overturn the verdict, saying that he and his lawyer could have found witnesses like Mr. Acevedo before his trial in 1995.

Now, however, as Mr. Rivera's advocates continue to press his cause, the district attorney's office has agreed to have the new evidence presented to a judge, who will consider whether it casts doubt on the verdict, a senior prosecutor in the Queens office said.

In particular, the judge will be asked to weigh whether the new evidence is strong enough to contradict the original testimony of two eyewitnesses who said that they saw Mr. Rivera do the killing. That senior prosecutor said he could not speak for attribution because the case is pending in court.

At its beginnings, the case seemed numbingly familiar, and simple.

On the morning of Sept. 19, 1992, a man named Leonard Aquino stood with another man in front of a building at 47-25 48th Street in Woodside. He was approached by a couple of men who spoke briefly, then opened fire. Mr. Aquino was killed; another man, Paul Peralta, was shot, but survived.

Mr. Rivera, whose nickname was Shorty 140, was known to many people in the building and had been in trouble before, including a conviction for gun possession.

His picture was picked out of an array of photos by Mr. Peralta and another witness, and in February 1993, five months after the shooting, Mr. Rivera was charged with killing Mr. Aquino and shooting Mr. Peralta. He was convicted in December 1995.

His efforts to overturn the case were supported by a friend who grew up with Mr. Rivera in Astoria, Sherman Jackson, who had competed with him in break dancing competitions. After a stint in the Marine Corps, Mr. Jackson became a prosecutor in the Queens district attorney's office.

Troubled by his old friend's assertion that he had been wrongly convicted, Mr. Jackson raised the question of Mr. Rivera's innocence in 2003 with his boss, Gregory Lasak, who was a homicide prosecutor and had also been involved in the exoneration of 20 innocent people.

Based on a prison letter from Mr. Rivera, Mr. Lasak had already begun an investigation into Mr. Rivera's case, according to Mr. Jackson. As part of that review, investigators tracked down Mr. Acevedo and the second man, Kenny Chung, who said he was in the car with the killer that night in 1992.

Meanwhile, Mr. Jackson, who had gone into private practice, spoke with Mr. Peralta and learned that he was wavering on his identification of Mr. Rivera as the gunman. He also spoke with a neighbor who had given first aid to Mr. Aquino and Mr. Peralta. The neighbor said that Mr. Peralta had told her that it had all happened too quickly for him to recognize his attackers.

Mr. Lasak began serving as a State Supreme Court justice in 2004. Mr. Rivera is represented by Chris Renfroe, a private defense lawyer in Queens.

Mr. Renfroe said that he believed that when District Attorney Richard A. Brown focused on the details of the case, he would quickly move to resolve it in Mr. Rivera's favor.

Mr. Brown declined to comment on the case. But in the past, his staff had said that the case was not black and white. For one thing, Mr. Chung had consented to be interviewed only in the presence of a known gang member and had refused to identify the fourth person in the car.

Mr. Jackson, the former prosecutor and friend of Mr. Rivera's, said: "The time for delaying has ended. The prosecution could shine from this because justice goes both ways, putting people in jail and getting them out."

This week, Mr. Acevedo — who had no role in the trials and never spoke with the authorities until late 2004 — sat in a restaurant in Astoria and recalled the night of the murder.

He was 22 years old and had been working steadily in supermarkets and delivering advertising circulars since he was 14, which allowed him to buy the car that he drove into Manhattan that evening with three other men. One was Mr. Chung, who has also spoken with prosecutors about the events; the other two were acquaintances whom he knew only as Aid and Everlast.

After going to clubs, they returned to Queens near dawn. Mr. Acevedo said that his passengers directed him to pull over at 48th Street in Woodside.

The men he knew as Aid and Everlast got out of the car, and Mr. Acevedo said he stepped out a moment later. He estimated he was about five or seven car lengths away when they approached the door of the building. He heard shots, he said.

"I had no idea what was going to happen," Mr. Acevedo said. "I saw flashes off the wall of the building." The two men came racing toward him, and one of them dropped a gun in the curb and picked it up. They jumped in the car and fled the scene, he said.

Mr. Acevedo said he had no choice but to drive them away. "They had a gun and just shot someone," he said.

In the car, he said, they talked about how they had made the approach.

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“They said they asked those guys for weed, that was the story, then Aim shot,” Mr. Acevedo said. He dropped them at their homes in Elmhurst.

“Then I just drove around for two hours,” he said. “My head was so full. I didn’t belong with them. I was just being with people I didn’t belong with. I never was a thug.”

He currently holds a full-time, job, though he asked that it not be described. He has not had a girlfriend since the killing.

“I never got married, I never had kids, and these were my dreams,” he said. “At holidays, Thanksgiving with my sisters, sitting there and everyone is having a good time, then you stop. This is in the back of your head.

“When you wake up in the morning, instantly, this goes through my head,” Mr. Acevedo said. “To this day. I don’t even have to fully wake up. Instantly. Every day.”

Simpson Revisits Infamous Case (LAT)

By Robin Abcarian And Martin Miller

The Los Angeles Times, November 16, 2006

HOLLYWOOD — The two abiding emotions that characterized the O.J. Simpson double murder case -- revulsion and fascination -- surfaced again this week when, just in time for November television sweeps, Simpson revealed that he will take part in a two-part Fox television special and release a book that will address how he might have killed his ex-wife, Nicole Brown, and her friend Ron Goldman.

"If I Did It," is to be released Nov. 30 by Regan, an imprint of HarperCollins, which is owned by Rupert Murdoch's News Corp. Another division of News Corp, the Fox network, will air a two-part interview with Simpson, conducted by his publisher, Judith Regan, on Monday, Nov. 27 and Wednesday, Nov. 29. In the book and the interviews, according to a statement from HarperCollins, Simpson will give a "bone-chilling account of the night of the murders," which took place on June 12, 1994.

"I'm going to tell you a story you've never heard before, because no one knows this story the way I know it," Simpson writes in the publisher's release. "I want you to forget everything you think you know about that night, because I know the facts better than anyone."

As condemnation flowed from victims' families, publishers, broadcasters, bloggers and others involved in the sensational criminal case, Regan defended her decision to publish the book. . "It's not fiction," she said Wednesday evening at a dinner for the National Book Awards in New York. As to whether Simpson would agree with that, she replied, "I don't know." She sidestepped questions about whether the former football star had approached her, or the other way around, and how he might be paid. But she acknowledged the torrent of criticism already directed at the joint television-book project.

"I think the media has spun it in the wrong direction," said Regan. "When they see the special and when they read the book and hear about why I did it, why I think this is an important moment, I think they'll have a different viewpoint."

Simpson, who was acquitted of murder, was found responsible for the killings in a subsequent civil trial. The televised trial deeply divided the U.S., often along racial lines, changed the way crime scenes are handled and spawned a new category of TV personality -- the courtroom legal analyst.

One such pundit, Dan Abrams, who provided legal analysis on the Simpson case for Court TV and "The Today Show," noted that Simpson's apparent willingness to discuss how he would have committed the murders is a tack he has used before. "This is vintage O.J. Simpson," said Abrams, who is now general manager of MSNBC. "My guess is that there's more talk of golf and his kids than there is about how the killer may have committed this crime," he said. "I think it will probably do pretty well, because I do think there's still a fascination with him. But I don't think it's going to be a lockbuster night the way it would have been 10 years ago. I think there's a little O.J. fatigue. "

Others familiar with the tragic public soap opera also said that little, if any, new information is likely to come to light in a case that has been the source of exhaustive coverage and speculation and generated scores of books, television programs and even re-enactments.

In the past, even Simpson has speculated about his own guilt. "Let's say I committed this crime," he told Esquire magazine in 1998. "Even if I did do this, it would have to have been because I loved her very much, right?"

The family of Nicole Brown Simpson expressed outrage. "It's unfortunate that Simpson has decided to awaken a nightmare that we have painfully endured and worked so hard to move beyond," said Denise Brown, Nicole's sister, in a statement. "We hope Ms. Regan takes full accountability for promoting the wrongdoing of criminals and leveraging this forum and the actions of Simpson to commercialize abuse."

Their view was echoed by Ron Goldman's father, Fred, who has continued to pursue collection of the $33.5 million judgment that was levied in 1997 against Simpson by a civil jury that found him responsible for the murders. To date, the family has only been paid a couple of thousand dollars in proceeds from items seized from the former football player and sold at

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auction. According to Daniel Petrocelli, who represented the Goldmans in the civil trial, the debt has grown close to $40 million now, with interest.

Petrocelli doubts that the families will receive any of the money Simpson will earn from the project.

"It is an all-time low for television," said Goldman. "To imagine that a major network would put a murderer on TV to have him tell how he would murder the mother of his children and my son is beyond comprehension."

Goldman said he thinks the outrage should extend to the entire Fox network. "Send a message to Fox that if Fox believes their viewers want this kind of trash on television, they must not think very highly of their viewers," Goldman said.

Fox television executives declined to comment on the broadcast.

Two weeks ago, in his most recent attempt to collect the debt, Fred Goldman was rebuffed in a Santa Monica courtroom when he sought control over the rights to Simpson's name, image and likeness.

Goldman's current attorney Jonathan Polak said he plans to appeal the ruling. He expressed indignation that Simpson could profit from the very murder that he has long denied, and blasted those who would profit from Simpson's story.

From a legal perspective, said experts, even if Simpson confessed to the double murder, he could not be tried again. Under the legal concept of double jeopardy, a person may not be charged with a crime for which he has already been acquitted.

The controversy and attendant publicity may guarantee what Fox hoped for all along -- big ratings at a critical period when advertising rates are being determined. Media observers likened the move to ABC's 2003 interview with Michael Jackson about allegations of child molestation, which drew some 27 million viewers.

"This is an old-fashioned sweeps stunt pure and simple," said Brad Adgate, research director for the ad-buying firm Horizon Media.

"There's going to be a high curiosity factor to watch it."

Times staff writers Greg Krikorian, Matea Gold, Paul Lieberman and Maura Dolan contributed to this report.

CIVIL LAW:

Unions Object To New Bonus Plan For Dana Executives (AP)

By Marc Hopkins, The Associated Press

AP, November 16, 2006

WASHINGTON (AP) — Unions representing Dana Corp. employees say its proposal to pay millions to executives while it plans to cut health care and retiree benefits should be struck down.

"It is precisely this double standard — insulating executives from the consequences of bankruptcy while workers must cope with harsh, draconian consequences — that Congress sought to eliminate" with the a recent bankruptcy reform act, the unions said in court papers.

The joint objection from the United Autoworkers and United Steelworkers unions comes in the midst of Dana's renewed efforts to get bankruptcy court approval for a long-term incentive plan.

Dana, of Toledo, Ohio, makes axles, frames and other large components for cars and commercial trucks and is highly dependent on customers General Motors Corp. and Ford Motor Co.

The company is one of at least a half-dozen large U.S. auto-parts companies that have fallen into bankruptcy due to production cutbacks by the country's biggest auto makers.

Under the proposal, Dana Chief Executive Michael J. Burns will receive up to $4.5 million during 2007 and up to $2.25 million in 2008. The payments are tied to the achievement of various earnings benchmarks. The payments aren't guaranteed.

The company said five other top managers would share a bonus pool of up to $3.18 million in 2007 and would be entitled to a pool of at least $1.59 million the year after.

Dana's latest proposal is a step down from a previous plan that entitled Burns to $9.1 million over the next few years, including a $6 million bonus once the auto-parts supplier emerged from bankruptcy protection.

The company's official committee of unsecured creditors filed papers Tuesday supporting the proposal saying it links the performance of top managers to the interests of creditors.

Creditors said the plan motivates executives to minimize the amount of claims against the company. If allowed unsecured claims exceed $2.85 billion, the incentive bonuses to management will decrease.

Dana stressed that incentive payments aren't assured, and that the earnings targets will require management to "stretch" to achieve better operating results.

But the unions don't buy that argument. They said Dana failed to offer any evidence supporting the challenges faced by executives. They also didn't view performance targets as hard to achieve.

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The timing of Dana's proposal is also inappropriate the unions said. It coincides with the company's recent announcement to close eight plants in North America in addition to eight other locations targeted for closure under the company's restructuring effort.

The latest proposal is Dana's second attempt to get Judge Burton Lifland to sign off on the bonus plan. He denied the first plan on Sept. 5, saying it clashed with provisions of the 2005 bankruptcy law. Those provisions allow retention bonuses only if the employee has a competing offer for equal or higher pay.

At the time, Dana's bonus request was widely viewed as a litmus test for Section 503(c) of the Bankruptcy Abuse Prevention and Consumer Protection Act, enacted a year ago.

The Justice Department has consistently opposed Dana's efforts, and in court papers Tuesday, U.S. Trustee Diana G. Adams said the company again failed to meet the requirements for bonus payments under the reform act.

Lifland will consider Dana's executive compensation package during a Nov. 21 hearing at the U.S. Bankruptcy Court in Manhattan.

CIVIL RIGHTS:

Suspect In LAPD Excessive Force Probe Enters Plea And Is Released (LAT)

By Peter Y. Hong And Patrick Mcgreevy, Times Staff Writers

The Los Angeles Times, November 16, 2006

The man who was repeatedly punched by a Los Angeles police officer on a video circulated on the Internet struck a plea bargain Wednesday and was released from jail.

William Cardenas, 23, pleaded no contest to a misdemeanor charge of resisting, delaying or obstructing an officer. He had been in custody since his arrest Aug. 11, after he ran from police in Hollywood, who said he had been drinking a beer in public.

Video of the arrest posted on YouTube.com showed Cardenas lying on his back and taking punches to the face from one officer as another officer sat on his stomach. In exchange for his plea to the misdemeanor, prosecutors dropped two felony charges of resisting officers.

Cardenas' lawyer, B. Kwaku Duren, said he had offered the plea bargain to prosecutors two months ago but had not heard back from them. He attributed the plea agreement to the publicity stemming from the video.

Asked whether the video had led to the deal, Deputy Dist. Atty Michael Yglecias said: "I would be lying if I said it didn't. Obviously it was part of the evidence we considered."

LAPD Chief William J. Bratton told Patt Morrison in an interview on KPCC-FM (89.3) that he did not think the release of the video, and the widespread exposure that followed, had an effect on Cardenas' getting a reduction in charges.

"Not at all," he said. "If anything, the video would show he resisted arrest."

Bratton said plea bargains were "something done in the majority of cases in Los Angeles," he said. "I think it's probably an effort on the part of Mr. Cardenas to get out of jail."

Bratton noted that a judge had previously held Cardenas over for trial. "Police work is never pretty, particularly when you have people resisting arrest," the chief said.

He added that the district attorney's office was continuing its criminal investigation of the matter and that the LAPD was continuing the administrative investigation to see if the department had complied with its own policy.

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Video Arrest Subject Pleads No Contest (NSDY/AP)

By Associated Press, November 15, 2006, 7:50 Pm Est

Long Island Newsday, November 16, 2006

William Cardenas, 23, was sentenced to three months already served in jail and placed on three years of probation.

The video footage posted on the Web site YouTube.com showed the arrest of Cardenas, an alleged gang member. Two Los Angeles officers can be seen holding him down on a Hollywood curb as one punches him several times in the face.

The clip caused a sensation, with 155,000 views, and eventually prompted the FBI and the Los Angeles Police Department to investigate.

Police said Cardenas had been wanted on charges of receiving stolen property when they confronted him Aug. 11.

In an arrest report obtained by The Associated Press, the officers said they tried to arrest Cardenas after spotting him on a sidewalk, but he fled.

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The officers caught up to him, tripped him and swarmed over him to apply handcuffs, the report said. In their report, they admitted hitting him repeatedly in the face, saying he was resisting and that they feared he might grab one of their guns.

Cardenas' attorney, B. Kwaku Duren, accused the officers of using excessive force.

LAPD Officers Cleared In Arrest Probe (AP)

AP, November 16, 2006

(AP) - LOS ANGELES-A district attorney's investigation has cleared police officers of wrongdoing in a videotaped incident in which a transient in handcuffs was apparently pepper-sprayed in a police car, police Chief William Bratton said Tuesday.

The February 2005 incident came to light this week when the videotape, shot by a citizen, was released by the man's attorney.

The tape of Benjamin Barker's arrest surfaced on the heels of an 18-second video showing a Los Angeles officer repeatedly punching a suspect in the face while another officer tried to handcuff the man during a struggle on a Hollywood street on Aug. 11.

At a news conference, Bratton cited a Nov. 15, 2005, decision by the Los Angeles County district attorney's office in which prosecutors declined to file any charges against officers in the arrest of Barker, who had been in a scuffle with a Venice merchant.

"Examination of the videotape clearly shows (the officers) did not use excessive force on Benjamin Barker, nor did they assault him under color of authority," Bratton said, quoting the decision. "The officers showed remarkable restraint and demonstrated professional courtesy to Barker despite his belligerent, threatening and combative behavior."

The Los Angeles Times reported Tuesday that the tape shows an officer take pepper spray out of a holster, then raise it toward Barker's face, but the actual spraying is obscured by shadows.

The report found that Barker kicked at one officer, lunged toward another, "battered" another officer by spitting on him, and then vandalized the police car, Bratton said.

"The officers used that degree of force necessary to restrain Barker and maintain custody of him," the chief said, quoting from the decision.

Barker has since pleaded guilty to misdemeanor battery on the shopkeeper.

Barker's attorney, John Raphling, told the Los Angeles Times that Barker was whining and crying on the tape, "but he is not being aggressive or threatening" to the officers. Messages seeking comment were left Tuesday by The Associated Press, but were not immediately returned.

The district attorney's office also concluded that reports by two officers that said the pepper spray was administered outside the car were mistaken recollections and not intentional misstatements of fact.

The chief noted that a court commissioner who held a hearing in the separate Hollywood arrest also found the officers in that case did nothing wrong because that suspect was resisting.

But the chief said administrative reviews of whether officers in both incidents violated departmental policies or procedures had yet to conclude. He said his decision in the Barker arrest would be made soon.

More Racist Graffiti Reported In Charles (WP)

By Dan Morse, Washington Post Staff Writer

The Washington Post, November 16, 2006

Church Defaced Again in Latest Case

Local and federal investigators continued this week to probe a string of racist graffiti incidents in Charles County, the latest one occurring at an African American church that had received a bomb threat a week before.

Members of Zion Baptist Church in Welcome spotted the latest graffiti when they arrived for Sunday morning service. Someone had used bright orange paint to spray "KKK," "White Power" and "Bang Boom" on a roadway leading to the church's parking lot. The graffiti had been painted that morning or the day before, according to the county's sheriff's office.

On Nov. 5 someone called the church with a bomb threat. Two Charles deputies and their dogs went to the church but found nothing during a sweep of the building and grounds. Investigators said they believe the threat was made from a pay phone at Best One Food Stores in Seat Pleasant, which is in Prince George's County near the D.C. line.

Sheriff's office investigators said they believe the "Bang Boom" graffiti was a reference to the bomb threat, but they don't know if it was done by the same person or by someone who heard or read about the threat.

The weekend's graffiti was not the first such incident at the church. On Sept. 10, sheriff's deputies responded to an alarm there. After arriving, they found "KKK" painted on a side door and on the back of a church sign. Additionally, the front glass door

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was painted with crudely drawn symbols: a large incomplete circle with geometric shapes on either side, authorities and church members said.

In all, there have been 11 such cases in Charles since August. Local officials arrested two 15-year-olds in connection with one incident after lifting fingerprints from a can of white spray paint, but authorities have not tied those juveniles to any of the other incidents, which have been classified as hate crimes by the sheriff's office.

In September, local officials contacted the FBI, and the agencies have conducted a joint investigation of the incidents since, said Kristen Timko, a sheriff's office spokeswoman. "Our detectives meet regularly with them," she said.

The incidents have left many Charles residents wondering whether the crimes are the work of a few racially motivated perpetrators or part of broader race relations problems. Either way, Sheriff Frederick E. Davis said it's a serious matter.

"When they're spraying 'white pride' and 'KKK,' that's not a perception problem. That's a real problem, and it's something that needs to be stopped," he said in September.

Members of Zion Baptist are facing the same questions.

"We don't know if it's a planned, orchestrated move, or if it's a random act. . . . We're pretty much baffled by it," said Charles "Pete" Williams, chairman of the deacons at the church. Church members are considering new security measures and are appealing to higher powers.

"We're coming together to do what Christians do: Pray. And pray for the people who are doing this," he said.

As of Tuesday afternoon, the graffiti was still on the roadway.

The church's Sunday service draws 200 to 250 people. Many are longtime county residents, and those who live in the Welcome area have not reported problems with neighbors, Williams said.

He said he hasn't noticed a drop in service attendance: "So far we're pretty much standing strong."

Counting The Vote, Badly (NYT)

The New York Times, November 16, 2006

Last week's elections provided a lot of disturbing news about the reliability of electronic voting — starting, naturally, with Florida. In a Congressional race there between Vern Buchanan, a Republican, and Christine Jennings, a Democrat, the machines in Sarasota County reported that more than 18,000 people, or one in eight, did not choose either candidate. That "undervote" of nearly 13 percent is hard to believe, given that only about 2.5 percent of absentee voters did not vote in that race. If there was a glitch, it may have made all the difference. Ms. Jennings trails Mr. Buchanan by about 400 votes.

The serious questions about the Buchanan- Jennings race only add to the high level of mistrust that many people already feel about electronic voting. More than half of the states, including California, New York, Ohio and Illinois, now require that electronic voting machines produce voter-verified paper records, which help ensure that votes are properly recorded. But Congress has resisted all appeals to pass a law that would ensure that electronic voting is honest and accurate across the nation.

Fortunately, that may be about to change. With the Democrats now in control of both houses, there is an excellent chance of passing tough electronic voting legislation. Representative Rush Holt, Democrat of New Jersey, had more than 200 co-sponsors for a strong electronic voting bill before this month's election, and support is likely to grow in the new Congress. In the Senate, Dianne Feinstein, the California Democrat who will be chairwoman of the Rules and Administration Committee, which oversees elections, plans to develop a similar bill.

The problems with elections go well beyond electronic voting. Partisan secretaries of state continue to skew the rules to favor their parties and political allies. States are adopting harsh standards for voter registration drives to make it harder for people to register, as well as draconian voter identification laws to make casting a ballot harder for poor people, racial minorities, the elderly and students. Some states have adopted an indefensible rule that provisional ballots cast at the wrong table of the correct polling place must be thrown out.

Congress has failed to address these and other important flaws with the mechanics of the election system. But this, too, may be about to change. Senator Feinstein is saying that providing fair access to the ballot will be among her committee's top priorities in the coming year. Senator Hillary Rodham Clinton, Democrat of New York, plans to revise and reintroduce her "Count Every Vote Act," which takes an admirably broad approach to overhauling the voting system.

Election reform has tended to be a partisan issue, with Democrats arguing for reform and Republicans resisting it. It shouldn't be. Congressional Democrats should make fixing this country's broken system of elections a top priority, and Republicans should join them.

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ANTITRUST:

U.S. Opens Criminal Probe Of Banks' Municipal Deals (Correct) (BLOOM)

By William Selway And Martin Z. Braun

Bloomberg, November 16, 2006

(Corrects fourth paragraph to show Investment Management was searched by Justice Department officials, not the FBI.)

Nov. 15 (Bloomberg) -- The U.S. Department of Justice is conducting a criminal investigation into whether banks and brokers conspired to rig the bidding for contracts that U.S. local governments use to invest bond proceeds.

Municipalities purchase guaranteed investment contracts, known as GICs, with bond money until they need the funds to pay for projects. The contracts are what banks and brokers used to invest at least $7 billion of bond proceeds raised by local governments across the U.S. in the past decade that were never spent, according to an Oct. 4 Bloomberg News report.

``It's about time," said Mark Schwartz, a Bryn Mawr, Pennsylvania-based lawyer and former head of municipal bonds for Prudential Financial Corp.'s mid-Atlantic region, about the investigation. ``This is an incestuous little business."

Dexia SA's Financial Security Assurance Holdings Ltd. unit today said it was subpoenaed by the U.S. Justice Department as part of the probe by antitrust regulators. Investment Management Advisory Group Inc., a GIC broker and municipal derivatives adviser based in Pottstown, Pennsylvania, was searched by Justice Department officials, Gene Grabowski, a spokesman for the firm, said.

The actions by the Justice Department show that an investigation into how banks compete for the right to reinvest the money raised in the $2 trillion tax-exempt bond market has expanded beyond the U.S. Internal Revenue Service. The IRS has been looking into whether brokers awarded the work to favored banks, potentially boosting the cost of the investment agreements and depriving the federal government of tax revenue.

`Anticompetitive Practices'

Kathleen Blomquist, a spokeswoman for the U.S. Department of Justice, confirmed an ``investigation of anticompetitive practices in the municipal bond industry." She declined to provide further detail of the subpoena of Financial Security or whether other subpoenas were issued.

Betsy Castenir, a spokeswoman for Financial Security, declined to comment further on the investigation. The company, part of Belgium's third-biggest financial services firm, also insures municipal bonds against default. Financial Security said it isn't aware of any specific allegations of misconduct.

The IRS has been investigating bidding for GICs and has raised concerns that improper bidding may have diverted to banks money that should have been paid in taxes. U.S. tax law prevents local governments from profiting by selling municipal bonds and reinvesting the money at higher rates. Such earnings, known as arbitrage, must be paid to the U.S. government.

The IRS last year told officials from Atlanta that the city may have overpaid for a $453 million guaranteed investment contract from Bank of America Corp. in an auction run by CDR Financial Products Inc.

Payments for Nothing

Bloomberg News reported last month that the Bank of America employee who bid for the work was fired after disclosing that he paid $57,393 to CDR for transactions in which it played no role. The employee said the payments were made to bolster his relationship with CDR.

Bank of America spokeswoman Shirley Norton didn't immediately return a phone call seeking comment on whether it has been contacted by the Justice Department. Allan Ripp, a spokesman for CDR, also didn't immediately return a phone call seeking comment.

KKR, Carlyle, 11 Others Accused Of Rigging Buyouts (Update2) (BLOOM)

By David Glovin

Bloomberg, November 16, 2006

Nov. 15 (Bloomberg) -- Kohlberg Kravis Roberts & Co. and Carlyle Group, the manager of the biggest U.S. buyout fund, are among 13 private equity firms accused in a class-action lawsuit of rigging the market to take companies private.

The class action was filed in Manhattan federal court by investors who claim they didn't receive full value for their shares because of a conspiracy that violated antitrust laws.

``Investors in the target company are deprived of the full economic value of their holdings and `squeezed out' at artificially low valuations," the suit says.

The U.S. Justice Department launched an informal antitrust investigation into allegations that private-equity firms collaborated on leveraged buyouts, according to a person familiar with the matter.

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Carlyle spokesman Christopher Ullman declined to comment on the lawsuit.

The suit alleges violations of federal antitrust laws, which entitle successful plaintiffs to recover triple damages. It seeks to represent tens of thousands of shareholders in dozens of deals in which public companies were taken private.

``It's a relatively large class," said Fred Isquith, a lawyer at Wolf Haldenstein Adler Freeman & Herz in Manhattan, which brought the case.

Univision, HCA, Harrah's

The named plaintiffs -- L.A. Murphy, Marvin Sternhell, and Henoch Kaiman -- were investors in dozens of companies, including Univision Communications Inc., HCA Inc., and Harrah's Entertainment Inc.

Other firms named as defendants in the complaint are Clayton, Dubilier, & Rice; Silver Lake Partners; Blackstone Group; Bain Capital LLC; Thomas H. Lee Partners; Texas Pacific Group; Madison Dearborn Partners; Apollo Management LP; Providence Equity Partners; Merrill Lynch & Co. Inc.; and Warburg Pincus LLC.

US Airways Bids To Acquire Delta And No. 1 Rank (WP)

By Del Quentin Wilber

The Washington Post, November 16, 2006

US Airways Group Inc. yesterday launched an $8 billion bid for Delta Air Lines Inc., a move that would create the nation's largest carrier and possibly trigger other airline mergers in an industry recovering from a major downturn.

US Airways chief executive Doug Parker said combining carriers would boost profit and substantially cut costs by eliminating overlapping work and flights. Parker, who is credited with helping to successfully merge US Airways and America West in 2005, said he wanted to take advantage of Delta's status in Chapter 11 bankruptcy protection. If he waited until after the carrier exited bankruptcy, it would be harder to jettison unneeded Delta aircraft, he said.

"It's a unique opportunity to create a significant amount of value," Parker said in an interview.

Topping the list of potential obstacles is Delta's management, which isn't excited about any merger. Chief executive Gerald Grinstein sent a memo to employees later in the day, saying he didn't want Delta to emerge from bankruptcy protection as a "merged, acquired or otherwise consolidated airline."

The new airline would retain the Delta name and offer more seats than any other airline in the nation, surpassing the current leader, American Airlines, US Airways executives said. Its network would extend from New York to Phoenix and abroad. Delta would become the top airline, serving 155 domestic airports and 350 destinations worldwide, the executives said.

It is not known which frequent-flier program the new company would retain -- US Airways is a member of the Star Alliance network, and Delta is a partner in SkyTeam, both extensive partnerships involving foreign carriers.

Although US Airways executives said they would not stop flying to any cities served by either carrier, they said the merger would allow them to cut about 10 percent of the two airlines' flights. The new airline would be able to cut costs by flying fewer aircraft with more passengers, the executives said.

"We would also benefit from reducing service to some underperforming markets and discontinuing some unprofitable" routes, Parker said in a conference call with analysts.

With the reduction in flights, the number of cheap fares offered by the combined airline on many routes would decline and the average ticket price would increase, experts said.

"Fares will go up a little bit because there will be less overall competition," said Michael MacNair, author of "Smooth Landings," a book on managing business travel. He added that business travelers are nervous about the deal because they "don't want to shoulder the burden of higher ticket prices because competition goes away."

US Airways stock soared yesterday in reaction to the bid, closing up 16.8 percent, to $59.46 a share on the New York Stock Exchange. Delta shares closed at $1.52, up 3.4 percent, and its distressed bonds jumped in value and were among the most actively traded corporate debt issues yesterday.

Most analysts seemed enthusiastic about the proposal, saying they welcomed the idea of consolidation in the industry. Airline executives, including the chief executive of United Airlines, have said the industry needs to shrink to remain competitive. Among other possible merger targets, analysts mentioned United, American, Continental and Northwest airlines.

Analysts cautioned, however, that a US Airways-Delta deal faces many hurdles. US Airways hasn't yet fully digested its last merger; it hasn't even finished painting all of its America West jets in the new company colors.

Delta's chief executive brushed off attempts by Parker to discuss a merger this fall, according to letters exchanged between the two men.

In a statement yesterday, Grinstein said his airline's "plan has always been to emerge from bankruptcy in the first half of 2007 as a strong, stand-alone carrier. Our plan is working and we are proud of the progress Delta people are making to achieve that objective."

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Grinstein said in yesterday's memo to employees: "I've said before and continue to believe that the history of mergers in the airline industry is almost always one of failure."

Faced with that resistance, Parker sidestepped Delta's management yesterday and made a direct pitch to its creditors. The offer totals $4 billion in cash and 78.5 million shares of US Airways stock. If creditors like the deal, they could approach Delta management and encourage them to consider it.

Regulators also may question the bid. The new airline would probably have to shed one of its lucrative shuttle routes between Washington, New York City and Boston, US Airways executives acknowledged.

The Justice Department, which would scrutinize any potential merger, might also force the airline to eliminate some of its East Coast hub airports. The airline would have major operations at pairs of neighboring hubs, such as those in Charlotte and Atlanta, and New York and Philadelphia.

Antitrust lawyers said the Justice Department would focus on whether the proposed merger might diminish competition and harm consumers. Six years ago, the department seemed ready to challenge a proposed merger between US Airways and United Airlines before it fell apart.

But the emergence of low-cost carriers and Delta's struggles in bankruptcy may change the view of the department's lawyers, said Bill Bayer, an antitrust lawyer and a former head of the Federal Trade Commission's antitrust division.

"The market has obviously changed in six years," Bayer said, but questions remain about whether "it has changed to the point where the cost savings from combining these two carriers will outweigh the risks to consumers and competition."

If the airlines reach a deal, it will also probably be studied by the new Democratic Congress next year.

Rep. James L. Oberstar (D-Minn.), the ranking Democrat, and likely future chairman, on the House Transportation and Infrastructure Committee, said he would probably hold hearings on such a merger.

"A combination of carriers of this magnitude should be scrutinized in the public domain," Oberstar said.

US Airways Seeks To Acquire Delta In Bid To Be No. 1 (NYT)

By Andrew Ross Sorkin

The New York Times, November 16, 2006

US Airways made an $8 billion offer for Delta Air Lines yesterday in an effort to become the largest airline in the world and dominate travel on the East Coast of the United States.

The surprise offer may presage a wave of mergers in the struggling airline industry. While consolidation of companies often leads to higher prices, it is unclear at this point whether this merger would do anything like that.

But any deal for Delta would have to overcome high hurdles, including antitrust scrutiny and a lack of support from Delta's management, which rebuffed advances from US Airways this summer.

In an unusual tack, the unsolicited offer is being made to the creditors of Delta, which is operating under bankruptcy protection — a process that will give Delta management control over any plan to get out of bankruptcy for at least several more months.

Delta said yesterday that it would review the offer. Delta is now the fourth-largest domestic airline and US Airways is No. 5. US Airways said the combined carrier would be bigger than the current leader, American Airlines, and would be called Delta Air Lines. It noted that Delta is a "very, very powerful" brand worldwide.

A deal would presumably be welcomed by many investors and analysts, who maintain that there are too many airlines fighting for razor-thin profits.

Since the drop in air travel after the Sept. 11 attacks, nearly all the established carriers have sought bankruptcy protection. US Airways has filed for bankruptcy protection twice since 2002 and has turned itself around through a merger with America West last year.

This competition among airlines has benefited some passengers. Even as the economy has rebounded and planes are as heavily booked as they have ever been, competition has kept a lid on fares on some popular routes at certain times of the year. That has sliced airlines' profit margin thinner, making mergers — and the opportunity to pare some of their high costs — an attractive proposition.

The offer for Delta changes the calculations for deals to come. It had been widely expected that Delta would find a merger partner after emerging from bankruptcy protection, not before. The airlines that it has code-sharing relationships with now, notably Northwest and Continental, were seen as the most likely partners.

US Airways estimated that a merger would save at least $1.65 billion in operating costs annually by combining facilities at some airports, eliminating flights and cutting capacity by about 10 percent.

About 50 percent of the routes served by Delta and US Airways overlap, said Daniel Kasper, an airline consultant with LECG.

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Robert W. Mann, a consultant in Port Washington, N.Y., said, “If the combined companies reduce the number of flights offered in routes where they overlap, you could see higher prices for consumers.”

As a result, any deal can be expected to receive scrutiny from the Justice Department and it might well result in the sale of either the US Airways or the Delta shuttle services connecting New York, Washington and Boston. A merger of the airlines could be among the first to be reviewed in Washington after the Democrats take control of Congress in January.

News of the offer drew a mixed reaction from travelers yesterday. While some welcomed the possible combination — particularly if it ensured the survival of Delta — others worried about the prospect of higher fares and still lower customer-service levels.

“They’re taking two poorly performing airlines, especially from a passengers’ point of view, and putting them together,” said Michael J. Grossman, a lawyer from Lexington, Ky., and a Delta frequent flier. “What you’re left with is the lowest common denominator.”

A regulatory inquiry would not be the only gantlet US Airways would have to run. The first is overcoming resistance from Delta. US Airways’ chief executive, W. Douglas Parker, has approached Delta’s chief executive, Gerald Grinstein, over the last several months about merging, but was rebuffed, according to letters that US Airways released yesterday. In late September, he tried again. Mr. Grinstein turned him down once more.

Yesterday, Mr. Grinstein said in a statement, "We received a letter from US. Airways this morning and will, of course, review it.” Then he added, “Delta’s plan has always been to emerge from bankruptcy in the first half of 2007 as a strong stand-alone carrier.”

Mr. Parker, a longtime proponent of consolidation, said in an interview yesterday that it was imperative that Delta engage in discussions with US Airways while it was still in bankruptcy protection. “We need to act on this before they emerge,” he said.

Striking a deal with Delta before it comes out of Chapter 11 protection could have major advantages for US Airways. Mr. Parker said that half the projected $1.65 billion in merger savings could not be achieved outside bankruptcy status.

While in bankruptcy, a company can seek court permission to reject contracts, renegotiate aircraft leases or terminate labor contracts — powers that US Airways exercised during its stays in Chapter 11.

But until February, only Delta management can present a plan to take the airline out of bankruptcy.

To succeed, US Airways will have to win the support of a significant chunk of Delta’s creditors, a group that may include hedge funds that acquired the debt in the secondary markets, and hope that they will put pressure on Delta’s management to engage in discussions.

GE Commercial Aviation Services, which finances much of the aircraft borrowing in the global industry, could prove to be a powerful player in the discussions because it provided the equivalent of debtor-in-possession financing to Delta at the beginning of its bankruptcy.

With enough backing, "it is very possible that, with patience and fortitude, they could get somewhere," said J. Andrew Rahl, head of the bankruptcy group at the law firm of Anderson Kill & Olick. Delta’s unsecured debt has recently traded at 40 cents on the dollar, US Airways noted.

In a sign that creditors welcomed the offer from US Airways, Delta’s bonds surged yesterday. The price of its 2009 note rose 21.25 cents, to 61.75 cents on the dollar. Airline stocks, including shares of US Airways, also rose sharply.

If enough creditors think that they would do better in a merger than in a stand-alone reorganization, "Delta’s going to have a hard time putting a plan out there," said David W. Dykhouse, a partner at Patterson Belknap Webb & Tyler in New York.

Wilbur L. Ross Jr., whose investment firm has bought many distressed companies, said that when a company has been in bankruptcy protection as long as Delta, its debt “starts to move into the hands of the distressed-investment community.” These investors, many of them hedge funds, are likely to promote rival offers, he said, adding, “Chances are they would be pushing for an auction.”

Two of the largest holders of Delta’s unsecured claims are the federal Pension Benefit Guaranty Corporation and the Air Line Pilots Association, which represents Delta pilots.

Members of Delta’s committee of unsecured creditors either did not return calls requesting comment yesterday or declined to comment.

US Airways said it was offering $4 billion in cash, plus US Airways stock valued at $4 billion at the market close on Tuesday. That price would represent a substantial premium for Delta’s creditors, who would own about 45 percent of the combined company.

Still, it remains possible that Delta’s creditors’ committee could end up siding with Mr. Grinstein because it could take regulators far longer to decide whether to permit a US Airways-Delta merger than for Delta to come out of bankruptcy alone, antitrust lawyers said.

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Regulators are likely to look hard at the combined company's prospective dominance on routes into the Southeast; Delta maintains a hub in Atlanta and US Airways has a hub in Charlotte, N.C., antitrust experts noted.

For instance, US Airways has 19 flights today from La Guardia Airport in New York to Orlando, Fla., and Delta offers 28. From Boston to Fort Lauderdale, Fla., US Airways has 20 flights and Delta has 31.

And the deal could face an outpouring of criticism from consumers and consumer advocacy groups. Susan Johnson, an auditor from Philadelphia and an elite-level US Airways flier, said yesterday that she was "concerned about the monopoly this will present for US Airways, and how that will affect pricing."

"Sure, prices will be low initially," she said. "But in the long run, will they increase the cost of their ticket?"

Mr. Parker, the US Airways chief, said he was confident that the proposed combination would pass muster under antitrust laws.

Analysts said a merger could result in a leaner, more efficient airline.

"Even though airline mergers tend to be messy while employees, cultures and fleet types are integrated," said Ray Neidl, an analyst with Calyon Securities, "in the long term, a merged carrier should benefit in synergies from revenue generation, the ability to cut overhead costs and the probability that marginal hubs would be closed."

Not all industry watchers are convinced that consolidation will cure the airline industry's ills.

"Airlines are notoriously risky to operate," said Allen Michel, a professor at the Boston University School of Management. "Far in excess of 100 airlines have gone into bankruptcy since airline deregulation in 1978."

Moreover, US Airways has not completed integrating last year's America West combination, "and it is questionable whether the Delta deal will pass antitrust muster," said Professor Michel said. "Adding these factors to the complexities associated with an ordinary merger increase the odds against success."

Labor-management relations are potentially another problem. Both airlines have clashed in recent years with their unions, principally the Air Line Pilots' Association. And both have struggled to cope with low-price competitors like JetBlue and Southwest.

For fliers, the deal may mean more routes and frequency in the long term, but it could also create headaches as the companies merge their operations, schedules and frequent-flier mile programs.

In an e-mail message to members of US Airways' frequent-flier club yesterday, the carrier promised to "work hard to mitigate transition difficulties," like those that occurred after its merger with America West, when many passengers were left confused. In the same message, US Airways tried to emphasize the "enormous benefits" of a deal with Delta.

The message made no mention of US Airways' plan to cut flight capacity by 10 percent.

US Airways Presses Delta Over $8bn Offer (FT)

By Doug Cameron

Financial Times, November 16, 2006

US Airways on Wednesday insisted that Delta Air Lines' management would be forced to consider its $8bn offer to create the biggest US airline by revenues, in spite of its rival's pledge to emerge from bankruptcy as an independent company.

Doug Parker, US Airways chairman and chief executive, launched his second effort in 18 months to buy a bankrupt carrier and push an enlarged US Airways into the global airline elite.

However, Delta quickly repeated its opposition to the move after rebuffing an approach this year, forcing US Airways to appeal directly to its unsecured creditors.

Mr Parker insisted that Delta's executives would be forced to hold talks as the premium offered to creditors was superior to their existing plan.

"We have put a proposal to them that would be better than anything else, certainly their own plan [and as a result] we will get management support," Mr Parker said in an interview with the Financial Times.

Gerald Grinstein, Delta's chairman and chief executive, has rebuffed approaches from US Airways and United in favour of restructuring the carrier to leave bankruptcy next year, when he plans to step down.

Mr Grinstein favours leveraging Delta's domestic strength in Atlanta and New York to expand its international services after restructuring to give it costs a quarter below rivals such as Air France-KLM and Lufthansa.

"Jerry has enormous credibility with the Delta employees, [and] labour integration is essential to the success of these things," said Michael E. Levine, distinguished research scholar at the New York University School of Law.

US Airways' cash and stock proposal represents a 25 per cent premium over the pre-announcement value of Delta creditors' claims, which rose more than 40 per cent on Wednesday as US Airways' own stock price climbed 15 per cent to a record $58.42.

Mr Parker said there was "a unique opportunity" to combine networks viewed by analysts as complementary.

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Mr Parker maintained that the rise of low-cost carriers in the US meant there would be no antitrust issues with the proposed takeover. He intends to close the deal by mid-2007 when Delta aims to emerge from the bankruptcy protection it sought in September last year. The US justice department blocked an attempt by United to acquire the old US Airways in 2000 on competition grounds, scuppering another proposed combination between American and Northwest.

"There's much less concern [now] with the DoJ about the impact on consumers," said Mr Parker.

Additional reporting by Stephanie Kirchgaessner in Washington and James Politi in New York

US Airways Makes Bid For Delta (PPG)

By Dan Fitzpatrick And Mark Belko

Pittsburgh Post-Gazette, November 16, 2006

It offers bankrupt airline's creditors an $8 billion cash-and-stock deal

After being rebuffed twice by phone and letter, US Airways boss Doug Parker went public yesterday with his campaign to buy bankrupt Delta Air Lines, asking Delta creditors to accept an $8 billion cash-and-stock deal that would create one of the world's largest air carriers, save the combined company $1.65 billion annually and retire the US Airways brand for good.

A longtime cheerleader for industry consolidation, Mr. Parker wants the Delta deal done before the nation's No. 3 carrier emerges from bankruptcy next year, making it easier for the combined company to cut costs, give back planes to lenders, renegotiate contracts and shed unprofitable leases -- just as the twice-bankrupt US Airways did last year while merging with America West Airlines.

After that, "it will be too late," he said yesterday. "We will all regret not acting sooner."

Just how the proposed combination -- if it clears Delta's apparent opposition and regulatory hurdles that some believe will be significant -- would affect Pittsburgh wasn't clear.

Allegheny County Airport Authority Executive Director Kent George believes any cuts would be minimal, given that US Airways already has slashed local employment by more than 10,000 to just above 2,000 and daily flights by more than 400 to 158 since 2000.

US Airways executives reiterated that optimism in comments yesterday, with airline president Scott Kirby saying Pittsburgh "will continue to be an important part of our network" with or without the merger.

But some analysts questioned if a combined US Airways-Delta would be all that committed to Pittsburgh, given that Delta already has a regional jet hub in suburban Cincinnati, where costs are lower and connecting service to other markets is more extensive. "I think a deal like this would be disastrous for Pittsburgh," said local airline analyst Bill Lauer.

Mr. Parker and Delta Chief Executive Officer Gerald Grinstein first spoke about this subject in the spring, via phone.

At the time, US Airways described that exchange as a "courtesy call," with Mr. Parker hearing rumors about interest from other carriers and wanting Mr. Grinstein to know that he was interested, too.

He followed up with a more serious Sept. 29 letter asking for a "meaningful dialogue about entering into a transaction." Mr. Grinstein's response, on Oct. 17, was that it would "not be productive" to discuss a merger at this time.

So Mr. Parker turned up the pressure yesterday by releasing his latest missive to Mr. Grinstein and broadcasting his intent to take the merger proposal directly to Delta's creditors -- the ones who will make a final decision about the airline's reorganization plan and whether any competing bids are better. US Airways will not be able to submit its alternative plan until mid-February at the earliest.

"I believe we owe it to our respective stakeholders to pursue this opportunity vigorously," Mr. Parker wrote to Mr. Grinstein.

Atlanta-based Delta did not appear ruffled by all of yesterday's rhetoric and attention.

Mr. Grinstein, in a statement, said the airline would "of course review" Mr. Parker's letter but that "Delta's plan has always been to emerge from bankruptcy in the first half of 2007 as a strong, stand-alone carrier. Our plan is working."

A successful merger could spark a new round of consolidation in the industry. United Airlines-Continental Airlines and American Airlines-Northwest Airlines are some possible hook-ups that could result, according to longtime Virginia airline consultant Darryl Jenkins, who believes Mr. Parker dreamed up this combination two to three years ago, before the America West-US Airways deal happened.

Several hurdles stand in the way of Mr. Parker's plan.

US Airways, now based in Tempe, Ariz., still needs to officially complete its merger with America West, with several labor contracts covering pilots, flight attendants and mechanics still not signed. US Airways machinists and pilots unions issued statements yesterday warning that the current labor negotiations need to be settled before any talks with Delta can begin.

"Management's grandiose plans cannot take off without the pilots on board," said US Airways pilots chairman Jack Stephan.

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The deal also is sure to face intense antitrust scrutiny in Washington, D.C., similar to the concern that killed a proposed US Airways-United merger in 2000. US Airways and Delta do overlap in some key markets up and down the East Coast, and the combined company would be the largest carrier at 155 airports.

It would have two big hubs in the Southeast (Charlotte, N.C., and Atlanta), two in the West (Phoenix and Salt Lake City) and two in the Northeast (New York and Philadelphia), along with strongholds in the same geographic areas (Boston, Washington, Pittsburgh, Cincinnati).

Some analysts believe hubs will have to be cut, with Charlotte looking most vulnerable sitting so close to Atlanta, Delta's biggest hub. "It is not a clean situation," said Bill Warlick, an airline analyst with Fitch Ratings in Chicago.

But US Airways is convinced this can work. It intends to sell one of the airlines' two East Coast shuttle operations connecting New York, Washington and Boston to mitigate antitrust concerns. Also, it says industry conditions are considerably different than six years ago, when the U.S. Department of Justice nixed the United merger.

Following the 9/11 attacks, a slew of big carriers filed for bankruptcy and racked up more than $40 billion in losses while lower-cost competitors such as Southwest Airlines and JetBlue Airways encroached on new territory, such as Pittsburgh.

The blueprint for the Delta takeover attempt comes straight from America West's successful acquisition of US Airways last year.

America West stepped in at the 11th hour and took the novel step of purchasing US Airways in Chapter 11. Under court protection, US Airways slashed employee pay and benefits, canceled pensions, tore up leases and slashed costs.

When it emerged, the combined airlines flew under the better-known US Airways banner.

US Airways said Citigroup has committed $7.2 billion in financing for the deal.

No city has suffered more as a result of the industry's woes than Pittsburgh.

But US Airways maintained that no job losses would result from a merger and that the Pittsburgh area would keep flights and facilities, such as the maintenance hangars near Pittsburgh International Airport. How much of each it would keep is still unknown -- US Airways also made it clear that flights would have to be cut across the system to lower costs. "It is too early to say" what airports would lose out, Mr. Kirby said.

Mr. George, the airport authority executive director, agreed, adding that he does not believe a Delta-US Airways merger would have an enormous impact on service in Pittsburgh in part because US Airways already has eliminated most of its connecting service, retaining flights that only serve the local market.

Although Delta and US Airways compete on service to Atlanta, a merger would not necessarily diminish that because AirTran Airways also serves the market, he said. The same is true of New York, where Delta and US Airways compete for local traffic. With the entrance of Jet Blue into the market, there still will be competition.

In markets where there would not be competition, he was confident that other airlines would step in to offer an alternative, he said. And he doesn't see Pittsburgh losing flights to Cincinnati, saying that Cincinnati has even less of a local traffic base than Pittsburgh does.

One thing that is all but certain, he said, is that US Airway's move will delay a decision by two to three months on where to put a new $25 million flight operations center.

Pittsburgh, Phoenix and Charlotte are competing for the center, which would replace facilities US Airways has in Pittsburgh and Phoenix. Before yesterday's bid, US Airways was planning to decide on a new location by February.

"If the merger appears that it's going through, the overall plan in how to do an overall operations and control center must be rethought because now you're doing it for a much larger airline," Mr. George said.

(Dan Fitzpatrick can be reached at dfitzpatrick@post-gazette.com or 412-263-1752. Mark Belko can be reached at mbelko@post-gazette.com or 412-263-1262. Cox News Service contributed to this report.)

US Airways Announces Takeover Bid For Delta (LAT)

By Peter Pae

The Los Angeles Times, November 16, 2006

US Airways Group today said it was making an $8-billion takeover bid for Delta Air Lines to create one of the world's largest carriers after attempted merger talks with the nation's third-largest airline failed this summer.

US Airways, the nation's sixth-largest carrier in terms of passenger traffic, said it is appealing directly to Delta Air's creditors to buy the larger airline, which is undergoing reorganization in U.S. Bankruptcy Court.

"We believe that the combination of US Airways and Delta is extremely compelling and will create significant value for each of our stakeholders," US Airways Chairman and Chief Executive Doug Parker said in a statement.

While US Airways has little presence in Southern California, Delta is the fourth-largest airline operating out of Los Angeles International Airport and the second-largest at Ontario Airport.

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If approved — and there are several hurdles to overcome, including federal regulatory approvals — the merger could set off a wave of consolidation in the domestic airline industry, analysts said.

The takeover bid is a fallout of overcapacity in the airline industry that has financially hurt the larger airlines, analysts said. According to the Airline Transport Assn., U.S. commercial airlines have lost $35 billion since 2001, though the industry is recovering and may turn a profit this year.

"The world doesn't need six of these old established legacy carriers," said Ed Greenslet, publisher of the Airline Monitor. "Those six at one time had 90% of the domestic traffic in this country. Now they have half of it. The pie for those carriers is getting smaller because of the low-cost carrier like Southwest and Jet Blue."

For its part, Delta said in a statement that it intends to emerge from Bankruptcy Court protection as a stand-alone carrier.

"We received a letter from US Airways this morning and will of course review it," Delta Chief Executive Gerald Grinstein said in a statement.

But he added: "Delta's plan has always been to emerge from bankruptcy in the first half of 2007 as a strong, stand-alone carrier."

US Airways, which is merging with America West Airlines, said it was appealing to creditors because it was rebuffed in an initial attempt to talk to Delta's management.

"We thought about this opportunity for quite a while," US Airways' Parker said in a videoconference with the airline's employees today. "They responded back that they didn't think it was a good idea."

Parker said a merger of the two airlines could provide a projected $1.65 billion in annual cost savings for the combined companies. He added that the bid was being made now because the projected cost savings could be shaved by half if it waited for Delta to emerge from bankruptcy.

Under the terms of the offer, Delta creditors would receive $4 billion in cash and 78.5 million US Airway shares, valued at about $4 billion based on Tuesday's closing stock price.

US Airways said it has obtained $7.2 billion in committed financing from Citigroup.

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US Airways Proposes $8.7 Billion Delta Air Takeover (Update15) (BLOOM)

By Mary Schlangenstein

Bloomberg, November 16, 2006

Nov. 15 (Bloomberg) -- US Airways Group Inc. made an unsolicited $8.67 billion offer for bankrupt Delta Air Lines Inc. that would create the world's largest carrier.

Delta's creditors would get $4 billion in cash and $4.67 billion in stock of US Airways, formed 14 months ago as it exited bankruptcy through a merger with America West Holdings Corp. Delta Chief Executive Officer Gerald Grinstein agreed today to review the offer even as he reaffirmed his aim to keep Delta independent.

The bid sparked a rally in airline shares, sending the Bloomberg U.S. Airlines Index up the most since May 2003 on speculation that more consolidation will follow. US Airways CEO Doug Parker has championed the idea of mergers.

``We believe this bid may prompt other bids for Delta and possibly set an industry trend for consolidation," Ray Neidl, a Calyon Securities analyst in New York, said in a report. ``However, Delta management remains hostile at this point to any merger, which could cause delays."

Grinstein told employees in a letter Delta wants to remain independent when it emerges from bankruptcy in the first half of 2007, not a ``merged, acquired or otherwise consolidated airline."

`We Remain Skeptical'

``While Delta is obligated to review this proposal carefully, we remain skeptical that it would make sense to deviate from our plan," he said in the letter.

Like Delta, Northwest Airlines Corp. also wants to exit Chapter 11 next year, and the two carriers' plans are helping fuel the industry's merger speculation. U.S. airlines this year may post their first collective profit since 2000, after more than $40 billion in losses from 2001 through 2005.

Shares of US Airways jumped $8.57, or 17 percent, to $59.50 at 4:01 p.m. in New York Stock Exchange composite trading, leading a surge by carriers including Continental Airlines Inc. and AirTran Holdings Inc. About 13.8 million US Airways shares changed hands, the most ever for the airline.

Delta's 7.9 percent notes maturing in 2009 rose 21.25 cents to 61.75 cents on the dollar, according to Trace, the bond price reporting system of the NASD. The yield fell to 26.67 percent.

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Citigroup Inc. has committed $7.2 billion in financing for the proposed merger, US Airways said. Delta's unsecured creditors would own 45 percent of the combined company. The stock portion of the offer is for 78.5 million shares, so the value of that part of the transaction will change daily.

Biggest Carrier

A combined US Airways-Delta would retain Delta's name and vault past AMR Corp.'s American Airlines to become the world's largest carrier, as measured by miles flown by paying passengers. By that standard, Delta is the third-largest U.S. airline and US Airways is the seventh-biggest.

US Airways and Atlanta-based Delta both have U.S. East Coast networks, while Tempe, Arizona-based US Airways also has a West Coast presence. Delta has added more than 70 new international routes since 2005 under a plan to almost double overseas flying to 35 percent of the carrier's total.

The combined airline would be the largest in terms of passengers carried in the northeastern and southeastern U.S. and Florida, and second-biggest in the Southwest, US Airways said.

A merged US Airways-Delta also would have more than 18 percent of the U.S. industry's capacity, US Airways said. Any merger agreement must be approved by the U.S. Justice Department, US Airways shareholders and the court overseeing Delta's bankruptcy.

`Very Sensible'

``This would be a very sensible move, but fiendishly complicated," said Richard Aboulafia, vice president of Teal Group, a Fairfax, Virginia-based consultant. ``Complicated by issues of seniority, culture, fleet, route networks -- and that's just scratching the surface."

Delta has major airport operations in Atlanta, Cincinnati, Salt Lake City and New York. US Airways has hubs in Phoenix, Philadelphia and Charlotte, North Carolina.

Both carriers run shuttle services in the U.S. northeast, and US Airways' plan calls for selling one of them, Parker said. The company hasn't decided which.

The US Airways shuttle has 14 daily flights between Boston and New York's LaGuardia airport and 15 between LaGuardia and Washington's Ronald Reagan airport. Delta operates 16 daily weekday flights between Boston and New York, and 15 between New York and Washington.

``We can put the two networks together and optimize them," Parker, 45, said in an interview. ``As we do that, we can actually fly to 100 percent of the cities we serve today with two networks, with 10 percent fewer airplanes. That's a lot of savings."

Annual Savings

US Airways estimated the annual savings for the two companies at $1.65 billion over two years. US Airways hasn't decided where a combined carrier would be based.

US Airways said it wouldn't have to shed jobs, relying instead on attrition and employee leaves to thin the workforce as the combined airline pares capacity by 10 percent. Delta has 47,000 employees and 469 planes in its main jet operations, compared with 35,425 workers and 357 planes at US Airways.

Pay for the employees would be based on the higher of existing labor costs between the two carriers, Parker said, at an incremental expense of about $90 million.

The pay plan ``is a big positive for employees," US Airways President J. Scott Kirby said in an interview. ``Our employees also would have the advantage of working for a larger, even more financially sound airline. We hope that will get negotiations on a fast track with each group."

Grinstein, 74, responded to US Airways' initial merger offer in an Oct. 17 letter, telling Parker ``it would not be productive." US Airways disclosed the letter in a filing today.

Delta's Strategy

Since filing for Chapter 11 in September 2005, Delta has cut unprofitable flights, reduced labor costs in part by eliminating 9,000 jobs and shed aircraft.

Parker said the merger must be done before Delta leaves Chapter 11, or at least half of the savings would be lost. The offer is ``absolutely" conditioned on completion in bankruptcy, he said.

By law, Delta has the exclusive right through Feb. 15 to file a plan to exit bankruptcy. By going public with its offer, US Airways hopes to convince Delta creditors that a merger is a better option, said William Rochelle, a partner at Fulbright & Jaworski LLP in New York who represents some creditors.

Creditors

``US Airways is not going to get to first base unless they can generate some significant degree of creditor support for the offer," Rochelle said in an interview. ``By simply making the offer public, Parker has thrown a ball up in the air. He'll see which team catches it -- the Delta team or the creditor team."

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Rochelle doesn't expect to see a battle in bankruptcy court over Delta, although there will be ``hard bargaining'' over any agreement that may be reached.

Parker said the combined airline would be ``a more effective and profitable competitor in the current fragmented marketplace.'' US Airways' offer is a 25 percent premium over the Nov. 14 trading price of Delta's pre-petition unsecured claims and a 40 percent premium over the average trading price for unsecured claims over the past 30 days, US Airways said.

If approved, the merger would be the largest in the airline industry, ahead of American's acquisition of Trans World Airlines Inc. for $2.8 billion in cash and assumed debt in 2001.

Parker said the merger with Delta would be completed in the first half of 2007 and eventually would boost US Airways' earnings per share by 40 percent.

US Airways still is completing its 2005 merger with America West. The airlines haven't fully integrated their labor groups or their computerized reservation systems and are still flying under separate operating certificates.

Operations Questions

``While this may look good on paper, the fact is Parker has yet to demonstrate for us he's capable of putting two airlines together, much less three,'' said Jack Stephan, chairman of US Airways' Air Line Pilots Association. ``He needs to address operational and labor issues going on in his own backyard first before he can tackle anything else.''

US Airways and America West pilots plan picketing tomorrow in Phoenix and Charlotte to protest lack of an integrated contract for pilots. A spokesman for Delta pilots didn't immediately return a call for comment.

The Machinists union also wants any merger efforts to wait until after US Airways finishes contract talks. The Association of Flight Attendants-CWA didn't immediately return a call for comment.

Airlines' History

The US Airways-America West combination followed two bankruptcy filings by US Airways and a previous trip through Chapter 11 for America West. In the merger, the airline's headquarters was moved to Tempe from Arlington, Virginia, and America West executives, including Parker, kept the top management jobs.

Maintaining the Delta name for a merged carrier would extend a brand that dates to 1928, when an investment group purchased a 4-year-old crop-dusting company and renamed it Delta Air Service after the Mississippi Delta region where it operated. The company began flying passengers the next year.

United, the world's second-largest carrier, in September hired Goldman Sachs Group Inc. to explore possible transactions, including mergers. United CEO Glenn Tilton has called for industry consolidation since February 2005.

US Air Faces Long Road In Delta Bid (USAT)

By Marilyn Adams

USA Today, November 16, 2006

US Airways' brash $8 billion bid to buy Delta Air Lines won a warm reception Wednesday on Wall Street, but the proposed deal has a long way to go to get done.

US Airways' bid, immediately rebuffed by Delta management, would make the combined airline the USA's top carrier by domestic flying capacity, eclipsing American Airlines. By US Airways' own calculations, the combined carrier would be the biggest airline in the Northeast and the Southeast, the biggest carrier across the Atlantic, and the second-biggest airline in the Caribbean.

US Airways shares closed up nearly 17%, at $59.50, on strong buy recommendations from analysts. The company offered $4 billion in cash and about $4.6 billion worth of US Airways stock, which would give tens of thousands of unsecured creditors at Delta a 25% premium over the value of their claims as of Tuesday: 40 cents on the dollar. Delta filed Chapter 11 bankruptcy reorganization in 2005.

“The proposal we've made is extremely compelling,” US Airways CEO Doug Parker said Wednesday. But it faces several hurdles; some certain, some not.

The takeover bid would require the approval of Delta's bankruptcy judge, US Airways' shareholders, Delta's creditors and the U.S. government. And it might not be the only offer for Delta, a potentially attractive target as the USA's third-biggest carrier. Some of the hurdles:

·Delta management. Delta CEO Gerald Grinstein reiterated Wednesday his long-held position that he wants the carrier to exit bankruptcy next year as an independent airline. In its bankruptcy case, Delta has the exclusive legal right until Feb. 15 to present the court a plan of reorganization. Unless the judge terminates that right, a competing plan from Delta's creditors or an outside party can't be considered.

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·Antitrust. A merger between two such big carriers needs Justice Department approval. The agency would have to determine whether the deal would help or hurt consumers in terms of fares and flight options. Antitrust considerations are particularly strong along the East Coast, where the route networks of both Delta and US Airways are heavily concentrated.

·A competing bid. Another carrier or investor group could make a competing offer for Delta, leading to a bidding war. That would force US Airways to sweeten its offer or drop out of the bidding.

United Airlines CEO Glenn Tilton, for one, has made no secret of his interest in a merger. Tilton believes that the U.S. airline industry has too many players and should consolidate. United itself emerged from bankruptcy earlier this year.

United Airlines spokeswoman Jean Medina said Wednesday the Chicago-based airline has "been consistent in our position on consolidation in the airline industry, and nothing has changed." She would not comment on the possibility of a competing offer for Delta.

· Labor. US Airways is itself the product of a recent merger between Phoenix-based America West and Virginia-based US Airways (story, above). The two carriers' labor unions and operations have not yet been fully merged. Labor tensions and operational glitches remain. A new merger could throw US Airways and Delta into a period of transition again.

"This would have to jump through many hoops," said Chicago-based bankruptcy lawyer Fruman Jacobson, who represented the unsecured creditors of United Airlines during its bankruptcy case. "It could run into some serious antitrust problems." At the same time, he said, Delta's board of directors "has an obligation to review all qualified offers. Looking at just the raw numbers, this has to be taken seriously, especially the $4 billion in cash."

Typically, unsecured creditors in a bankruptcy case receive only stock in the reorganized company as payment for claims, not cash.

New York-based lawyer Daniel Golden, who represents Delta's unsecured creditors committee, said the group was scheduled to begin discussing the offer Wednesday during a regularly scheduled meeting. The committee represents creditors such as bondholders, suppliers and vendors, whose claims are not secured by tangible assets such as aircraft.

Delta CEO Grinstein said in a statement that the company will review the offer. But he reiterated Delta's wish to emerge from bankruptcy in the first half of 2007 as a "strong, stand-alone carrier."

The proposal was not a complete surprise. Parker, the US Airways CEO, first approached Grinstein last spring with the idea of merging. In September, Parker sent a formal letter proposing such a deal.

Grinstein politely rebuffed both invitations.

US Airways' bid quickly sparked speculation about more merger activity in the domestic airline industry, which only recently began pulling out of a deep, five-year financial slump.

In addition to speculation about expansion-minded United, the Delta deal focused attention on a possible bid for Northwest Airlines, also operating in Chapter 11 bankruptcy. Analyst Ray Neidl of Calyon Securities said Wednesday the US Airways bid could be the first of many merger proposals.

"We believe that this bid may prompt other bids for Delta and possibly set an industry trend for consolidation," Neidl said.

To finance the offer, US Airways said it has lined up $7.2 billion in financing from Citigroup to provide the $4 billion in cash, refinance Delta's bankruptcy loan, and refinance an existing loan from GE Capital to US Airways.

But Parker said the deal makes sense only if it is sealed before Delta exits bankruptcy. While under the protection of bankruptcy court, Delta has the legal right to reject or renegotiate leases for aircraft and other assets, a powerful cost-cutting tool. US Airways estimates that by combining fleets, networks and facilities, and by eliminating redundancies, the combined airline could achieve $1.65 billion in annual cost savings.

Parker is not proposing the merged carrier close hub airports, exit cities or shed significant flying capacity. On the contrary, he said the proposed new carrier would serve the same cities the two carriers do now, including every major market along the East Coast: Boston, New York, Philadelphia, Washington, Charlotte, Atlanta and Florida's largest cities. US Airways' home base of Phoenix and Delta's Salt Lake City hub are also relatively close.

The merged carrier would reduce its combined overall flying capacity by 10%, he said.

The biggest concession Parker proposed is selling one of the two hourly shuttle services serving high-paying business travelers in the Boston-New York-Washington corridor. Delta operates one shuttle, US Airways another. Eliminating one would remove a potential objection by the Justice Department.

Parker played down concerns that the deal might be viewed as anti-competitive. "Our management has a record of consumer-friendly pricing," he said. "Consumers on the East Coast would have a stronger airline with the ability to lower fares."

Justice has approved two airline mergers in recent years involving carriers in bankruptcy court: American's takeover of TWA in 2001, when TWA was in its third bankruptcy and in danger of disappearing; and America West's merger with US Airways last year when the latter was in Chapter 11.

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The old US Airways was concentrated along the East Coast, while America West was concentrated in the West, with relatively little overlap.

But Justice blocked a proposed merger of United and US Airways in 2001, saying the merged carrier would have too much overlap on the East Coast and would hinder competition.

Hewitt Pate, former Justice Department antitrust chief and now a partner at Hunton & Williams, said the department traditionally looks at airline mergers in terms of combined market share on routes they serve.

Historically, he said, Justice has been friendly to mergers that combined route systems with little overlap. It has been "skeptical of deals with a high degree of overlap where the two companies serve a lot of the same city pairs," he said.

Business professor Severin Borenstein of the University of California at Berkeley said the two carriers' nearby hubs in Atlanta and Charlotte, Cincinnati and Pittsburgh, and Salt Lake City and Phoenix could pose potential antitrust problems.

Both carriers also have a significant presence in Boston Logan, New York LaGuardia and Washington Reagan. US Airways has the largest presence in Philadelphia and Charlotte, while Delta dominates Atlanta.

"There's a fair amount of overlap in their route structures, particularly in the Southeast, and I would think that would be a problem for Washington," Borenstein said.

Borenstein noted that the USA's airline landscape has changed dramatically in the last six years. Low-cost carriers including Southwest, AirTran, Jet Blue, Frontier and Spirit now control about 25% of the domestic market.

US Airways Makes Bid For Delta (WT)

By Sean Lengell, The Washington Times

The Washington Times, November 16, 2006

US Airways Group Inc. proposed an $8 billion takeover of bankrupt Delta Air Lines Inc. yesterday, although Delta says it has no interest in the offer.

The proposed entity, which would operate with the Delta name, would be the leading trans-Atlantic carrier.

The proposal is the latest move by US Airways Chief Executive Officer Doug Parker, who orchestrated the 2005 takeover of the bankrupt airline by America West Airlines and has pushed for consolidation in the industry.

"Consumers will have the advantages of a larger, full-service airline with the cost structure of a low-fare carrier," Mr. Parker said.

With two major U.S. carriers -- Delta and Northwest Airlines Corp. -- operating in bankruptcy, industry watchers have been expecting a wave of consolidation and said a US Airways-Delta deal could jump-start the process.

Under the proposal, the combined airline would serve as many cities as US Airways currently does but with 10 percent fewer flights because some duplicate routes would be eliminated.

The merged company also would sell one of its shuttle operations that operate in the Northeast, mostly between Washington, New York and Boston, to eliminate the overlapping routes and to alleviate antitrust concerns.

But Delta's management has said it is committed to leaving Chapter 11 bankruptcy protection in the first half of 2007 as a stand-alone carrier.

"We received a letter from US Airways [yesterday] morning and will of course review it," said Delta's chief executive, Gerald Grinstein. But "our plan is working, and we are proud of the progress Delta people are making to achieve this objective."

The bankruptcy court has given the Atlanta carrier until Feb. 15 to file a reorganization plan.

"We will continue to move aggressively towards that goal," Mr. Grinstein said.

Delta rebuffed merger talks with the Tempe, Ariz., company earlier in the fall.

A merger between US Airways and Delta, which has been operating in bankruptcy since September 2005, would give Delta creditors significantly greater value than under any stand-alone plan, Mr. Parker said.

Delta's creditors would get $4 billion in cash and $4.67 billion in stock of US Airways.

"We just believe this is a better plan, and we want to get it on the table to the creditors," Mr. Parker said. "We believe once they understand this alternative plan, they'll prefer it."

US Airways' largest shareholder, PAR Capital Management, backs the offer.

"We enthusiastically support this transaction, which we believe offers the opportunity to build upon US Airways' current competitive position," said Paul Reeder, president of PAR Capital Management. "We have confidence in the US Airways management team ... and the potential upside for US Airways shareholders."

US Airways has obtained $7.2 billion in committed financing for the deal from Citigroup.

Domestic mergers are subject to U.S. antitrust laws and must be approved by the Department of Justice. The merger, if it were to go through, also would have to be approved by the Department of Transportation, the Federal Aviation Administration and the Securities and Exchange Commission, as well as the European Union.

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Justice officials declined to comment on the proposal.

But some industry watchers doubt the Justice Department would approve the proposal.

"In some markets, they would create a monopoly position," said Mike Boyd, a Colorado airline analyst. "This stuff [from Mr. Parker] about, 'Well, we all know we need consolidation.' Really? Mr. Grinstein doesn't think so. The chairman of Continental doesn't think so; the chairman of Northwest doesn't think so."

Ray Neidl, an equity analyst for the airline industry, agreed that the merger proposal wouldn't be an easy sell to the Justice Department, saying the offer has a 30 percent to 40 percent chance of rejection.

A reduction in competition also would be bad for consumers, Mr. Boyd said.

"This is a bad deal," he said. "Consumers lose big time. Whenever you lose a top competitor, consumers lose."

A merger of US Airways and Delta would create a cumbersome system with eight hubs -- far too many to be cost-effective, said analyst Anthony Tangorra, chief executive of Latitude Transport Advisory.

"There are other networks available out there that would be a better fit for [US Airways] and Delta," he said.

Although Delta's management is giving the proposal a cool reception, the airline could be forced into a merger if its leading investors push the matter.

"This appears to be sort of like a hostile takeover," said CreditSights analyst Roger King. "Grinstein has made it clear that he doesn't want to merge. But US Airways is appealing directly to the creditors."

US Airways shares jumped 17 percent to $59.50 on the New York Stock Exchange after the announcement.

Delta added 5 cents to $1.52 in over-the-counter trading.

Mr. Neidl cautioned that the market's favorable reaction to the proposal will be tempered in the near future.

"Investing around potential mergers is tricky at best," he said.

US Airways Proposes To Merge With Delta (WSJ)

By Evan Perez

The Wall Street Journal, November 16, 2006

US Airways Group Chief Executive Officer Doug Parker, rebuffed in an approach earlier this summer for merger talks with Delta Air Lines executives, is going around management and directly to the company's creditors with an $8 billion offer to buy the larger airline when it exits bankruptcy-court protection.

US Airways promised creditors "a significant premium" by offering $4 billion in cash and 78.5 million shares of US Airways stock, according to a securities filing by Delta.

US Airways chairman and CEO Douglas Parker5 says that he can't wait anymore to try and advance a merger with Delta, and that the company would likely sell its own Air Shuttle service, keeping Delta's instead.

Mr. Parker, in a conference call with Wall Street analysts, said he was making his move now because half of the projected $1.65 billion in annual cost savings that could be achieved by combining the two carriers would disappear if Tempe, Ariz.-based US Airways waits until after Delta exits bankruptcy.

While antitrust concerns would be among several hurdles to the combination, Mr. Parker said he didn't think there were any issues that couldn't be resolved. He suggested that either of US Airways' and Delta's competing Northeastern U.S. "shuttles," which connect Boston, New York and Washington, DC, could be put up for sale in order to satisfy antitrust problems. The merger last year of US Airways and America West, Mr. Parker said, shows that mergers "can be good for investors and consumers."

US Airways said frequent-flyer customers at the two carriers would have their current mileage balances combined as part of a Delta takeover. But the airlines participate in different global marketing alliances, so US Airways would have to narrow that to a single partnership.

Mr. Parker has been buoyed by a high-flying stock price since the company's merger with America West Airlines. The Wall Street Journal reported that he telephoned Chief Executive Gerald Grinstein earlier this summer to gauge his interest in a possible merger. (See article6.)

Mr. Grinstein told Mr. Parker that Delta wasn't interested in starting merger talks, because the Atlanta-based airline plans to exit bankruptcy-court protection next spring as a stand-alone carrier.

Mr. Grinstein echoed that sentiment in a statement Wednesday. "We received a letter from U.S. Airways this morning and will of course review it," Mr. Grinstein said. However, "Delta's plan has always been to emerge from bankruptcy in the first half of 2007 as a strong, stand-alone carrier. Our plan is working and we are proud of the progress Delta people are making to achieve this objective."

The overture by Mr. Parker, an outspoken proponent of consolidation as part of the cure for the airline industry's financial ills, is the strongest signal yet to surface that a long-predicted consolidation among U.S. airlines could finally begin.

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Airline mergers are notoriously fraught with troubles, in the past running into obstacles such as unionized-labor opposition and antitrust concerns. Mr. Grinstein has expressed doubt that a Delta-US Airways merger would pass antitrust muster because Delta's Atlanta hub competes for passengers with US Airways' Charlotte hub, a person familiar with this thinking said.

Nonetheless, US Airways, the nation's sixth-largest carrier by traffic, Mr. Parker has repeated his contention that with Delta and Northwest Airlines both operating under bankruptcy-court protection, the time is ripe for an airline merger and that he would be interested in either carrier. Delta, the third-largest U.S. carrier by traffic, and Northwest, Eagan, Minn., the fourth-largest, filed for bankruptcy protection minutes apart last September, fueling speculation that the carriers could make likely merger candidates. Airlines in bankruptcy court make attractive merger targets because under court protection, carriers have greater leeway to restructure aircraft fleets and reject existing contracts with employee groups and vendors.

Though Mr. Parker has been the most vocal about his interest in consolidating with an airline in bankruptcy protection, other airline executives are ruminating about the possibility. Top executives, bankers and potential investors are feeding the rumor mill about possible combinations, partly because many in the industry say the U.S. airline industry's current financial recovery would benefit if there were fewer big carriers.

Glenn Tilton, UAL Corp.'s chief executive, is among several top airline executives who have said six U.S. network airlines are probably too many and have urged full deregulation so U.S. carriers can compete with foreign airlines that already are beginning to combine.

UAL, which spent 38 months in bankruptcy-court protection before emerging on Feb. 1, "entertained transaction discussions" with both Delta and Continental Airlines about 18 months ago, according to two people familiar with the matter. But the talks were extremely preliminary and didn't go anywhere.

That investors thus far have done well on the US Airways-America West combination is helping to fan the merger talk. However, there are fears that while the US Airways-America West merger occurred as airlines were on an upswing, the next combination may well miss what may be the peak in the industry's cycle. Also, before its merger with America West, US Airways was in danger of liquidating and thus needed the deal to save itself. Northwest and Delta aren't in that situation.

Meanwhile, the integration at US Airways is by no means complete. Unionized-labor groups from both airlines must still be combined, and several new contracts must be negotiated. Reassigning seniority rankings of merged labor groups could cause tension between employees and management.

Following the initial conversation between Messrs. Parker and Grinstein about a possible deal, Mr. Parker sent the Delta CEO a letter on Sept. 29 pressing Mr. Grinstein to meet for further talks, according to a letter Mr. Parker sent today to Mr. Grinstein. According to the letter, which US Airways released as part of its unsolicited takeover offer, Mr. Grinstein "declined to meet or even enter into discussions."

Betsy Talton, a Delta spokeswoman, said the airline is focused on emerging from bankruptcy as a standalone carrier.

The combined carrier would be holding the leading market share in 155 U.S. airports, have the most flights across the Atlantic Ocean of any U.S. carrier and rank No. 2 in flights to and from the Caribbean region. US Airways insisted it wouldn't have to exit any U.S. markets in order to achieve cost savings of at least $1.65 billion a year following a takeover of Delta. US Airways said it would eliminate about 10% of the combined airlines' capacity.

US Airways said it thinks that any antitrust issues "can be resolved," though the airline offered no immediate details on what it might do to ease anticompetitive concerns. Since the merger with America West, US Airways says it has lowered leisure fares in nearly 350 markets by an average of 24%.

The proposal would face an antitrust review by the Justice Department, which has rejected several big airline deals in recent years. But enforcers have historically allowed most acquisitions of bankrupt companies to proceed. And there has been a broad easing of merger enforcement under the Bush administration, which has approved many deals that might have been challenged in the past.

Even if the merger is allowed to proceed, antitrust enforcers are likely to conduct a market-by-market analysis and could force the sale of some city pairs served solely by Delta and US Airways.

A merger might also draw congressional scrutiny, where Democrats will control transportation and antitrust committees that may seek to weigh in on the deal. "Some mergers will face a tougher political gauntlet than in the past," says Scott Cleland, of Precursor LLC, a Washington consultant. Democrats often are more willing to seek changes in a merger to ease competition concerns, he says. But it is unlikely that the deal will be derailed.

--John R. Wilke in Washington contributed to this article.

Federal Watchdogs Likely To Approve Deal (AJC)

By Marilyn Geewax, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, November 16, 2006

Washington — If US Airways Group can persuade investors and creditors to accept its unsolicited $8 billion bid for Delta Air Lines Inc., federal regulators likely will approve the deal as well, analysts said Wednesday.

"I don't believe there will be any antitrust problems," said John Pincavage, a longtime airline adviser with Pincavage & Associates.

US Airways spokeswoman Valerie Wunder said the airline will work with regulatory agencies to free up whatever routes, airport slots and gates might be necessary to eliminate monopoly concerns. "We are confident any antitrust issue can be resolved," she said.

Pincavage noted that US Airways has specifically said that the combined company would sell off one of its two lucrative shuttle services linking Boston, New York and Washington to avoid gaining a monopoly in that market.

US Airways also competes with Delta up and down the Eastern Seaboard. And each has a hub in the Southeast, with Delta concentrated at Atlanta's Hartsfield-Jackson International Airport and US Airways at Charlotte Douglas International Airport.

To avoid antitrust problems, the Justice Department likely would want the combined carrier to scale back operations at those hubs to make room for competitors. It also might insist on reductions in operations at Delta's hub in Salt Lake City, which is relatively close to US Airways' hubs in Phoenix and Las Vegas.

But Justice Department spokeswoman Gina Talamona said it is too soon say exactly which concessions would be required to win approval.

If the proposed takeover were to move forward, "we would be interested in taking a look at it," she said. Divestiture decisions then "would have to be made on a case-by-case basis," she said.

Administration's 'laissez-faire policy'

Philip Baggaley, senior airline credit analyst with Standard & Poor's, said that "it's more likely than not that the Justice Department will approve" the just-proposed transaction as well, because "the Bush administration has certainly espoused a laissez-faire policy."

Merger opponents may want to look to Congress for help in pressuring Justice officials to stop the combination, especially since the new Congress will be controlled by Democrats, who typically are more skeptical of airline mergers.

For example, during the Clinton era, the Justice Department rejected both Northwest Airlines' attempt to buy Continental Airlines and United Airlines' bid to buy US Airways.

But this particular takeover might enjoy a warmer reception from Democrats. If unionized US Airways takes over largely nonunionized Delta, tens of thousands of Delta workers could end up paying union dues, an outcome that would please Democrats.

Also, the airline industry has struggled in recent years with overcapacity, which has reduced concerns about inadequate competition.

Sen. Johnny Isakson (R-Ga.) agreed that "congressional hearings aren't on the horizon," but said he would use whatever political pressure he could muster to scuttle the deal if Delta continues to oppose it.

His allies in such a fight would be legislators from states that stand to lose service in a merger, such as North Carolina or Ohio, where Delta has a hub in Cincinnati.

"Delta deserves the right to emerge from bankruptcy" and set its own course, Isakson said. "Their home is in Atlanta, and I want to be sure it remains in Atlanta."

Hostile Approach Set To Face Tough Antitrust Probe (FT)

By Stephanie Kirchgaessner

Financial Times, November 16, 2006

US Airways' hostile bid for Delta will face a tough antitrust review by the Department of Justice, according to Washington experts who say authorities are likely to take into account the companies' concentration of routes along the east coast.

US Air is likely to approach an antitrust probe with an arsenal of arguments to support the proposed deal.

These include the changing dynamics of the troubled airline industry, the fact that it is willing to divest one of the companies' north-east shuttles and that the emergence of cheaper airlines has given passengers more options.

The airline may also highlight proposed synergies of $1.65bn a year - an argument that has resonated in the past with Thomas Barnett, the head of the antitrust division.

But one Washington source with knowledge about such investigations said the division has historically not always been swayed by divestiture offers from airlines, because they may not create enough competition in the marketplace.

Although the justice department would not make an antitrust ruling based on Delta's willingness to be taken over, an unwilling merger partner could offer ammunition to build a case against the deal.

Although the Bush administration has largely been seen as taking a hands-off approach to antitrust reviews, one notable exception was the antitrust division's 2001 rejection of the proposed US Air-United merger.

In a July interview with the Financial Times, Mr Barnett said he did not believe that the justice department needed to rethink its approach to airline mergers, but that it was worth considering whether the underlying "facts" of the industry had changed "so that applying [antitrust] principles might lead to a different result" in some cases.

"Certainly we take into account issues such as the competitive health or viability of an individual company or competitor, whether there are efficiencies that can be gained, whether the regulatory environment is changing to create new sources of competition [and] whether they have better access to consumers than before," he said.

Mr Barnett also noted, however, that some factors - including some city pair routes where airlines have a high market share - "cut in another direction".

US Airways' $8 Billion Bid For Delta May Unleash New Consolidation (FWJD)

By Harry R. Weber

The Fort Wayne Journal Gazette, November 16, 2006

US Airways made a hostile $8 billion bid for Delta Air Lines on Wednesday, ignoring Delta's repeated statements that it isn't interested in a merger. The move could start a stampede of competing bids in a long-predicted industry consolidation.

Analysts said United Airlines' parent company may make its own move to acquire Delta, and takeover bids for Northwest Airlines, which like Delta is being reorganized in bankruptcy court, can't be ruled out.

They also questioned whether US Airways could complete its plan to create the country's largest carrier, even after a planned 10 percent cut in capacity, on the compacted timeline it is seeking.

"My main question mark is if the politicians and regulators would allow it to happen, because if it did it would probably set off a trend for industry consolidation," Ray Neidl, an airline analyst with Calyon Securities in New York, said of a Delta-US Airways combination.

It also could lead to higher ticket prices for passengers, industry experts said.

"With a capacity reduction of 10 percent, fares are going nowhere but up," said Robert W. Mann, a Port Washington, N.Y.-based airline consultant.

Rep. James Oberstar, D-Minn., who is set to become chairman of the House Transportation Committee, said he is concerned the combination would reduce competition and increase costs for travelers.

"If the Justice Department on its own does not initiate an antitrust review, I would ask them to do that," he said.

Delta said its goal remains to be a stand-alone company when it emerges from bankruptcy and that it had the backing of its creditors committee when it declined earlier discussions with US Airways.

It has yet to file its own plan of reorganization, but has the exclusive right to do so until Feb. 15.

If the deal is completed, the combined airline would operate under the Delta name and serve more than 350 destinations across five continents.

The combined company would divest certain assets, including one of the two hourly shuttle services that Delta and US Airways operate among Boston, New York and Washington. US Airways has not decided where the combined company would be based.

The US Airways offer comes as it and America West are still integrating their operations after their combination last year. To date, only 57 percent of America West planes have been painted over with US Airways' logos, a spokesman said.

The deal also comes with a host of labor-related complications, according to aviation consultant Mann.

"There will be a huge seniority integration problem that will result. It's already problematic after the US Airways-America West merger. This will only increase it fourfold," he said.

As it stands now, Delta's existing common shares are likely to end up worthless when it exits bankruptcy. In most bankruptcy cases, debtholders end up with new shares of the company.

That's where the US Airways offer comes in: It is proposing to pay Delta's unsecured creditors $4 billion in cash and 78.5 million shares of US Airways stock after Delta emerges from bankruptcy.

Shares of US Airways Group Inc. rose $8.57, or 16.83 percent, to $59.50 Wednesday on the New York Stock Exchange. Delta Air Lines Inc. shares are traded over the counter.

Doug Parker, chief executive of Tempe, Ariz.-based US Airways, said in an interview he believes Delta's creditors ultimately will see that his offer is fair.

"The (bankruptcy) process is designed so that the creditors get the highest possible value for their clients," he said.

Parker said he would anticipate flying with 10 percent fewer planes, but "the plan is not predicated on any job cuts" for the 85,000 employees at the two companies.

The combination would create a company with about $28 billion in annual revenue, leapfrogging it past the current No. 1 U.S. carrier, AMR Corp.'s American Airlines.

The projection is based on revenue figures through the first nine months of 2006. It's unclear how any divestitures would affect a combined Delta-US Airways' revenue.

Delta Chief Executive Gerald Grinstein said last month he had received "feelers" from UAL Corp.'s United Airlines about a possible merger 18 months ago, but quickly rejected them. And he said in a statement Wednesday that "Delta's plan has always been to emerge from bankruptcy in the first half of 2007 as a strong, standalone carrier."

In a memo later to employees, Grinstein was more firm, saying "while Delta is obligated to review this proposal carefully, we remain skeptical that it would make sense to deviate from our plan."

Elk Grove Village, Ill.-based UAL sidestepped questions about its intentions, but didn't rule out a possible bid.

"We think consolidation is good for the industry," said Jake Brace, chief financial officer, when asked about its plans at a Citigroup investment conference in New York. "If it makes sense for us to participate in it, we will."

One analyst called United the perfect merger companion for Delta, with its trans-Pacific routes and international network matching up well with Delta's strengths on Atlantic and Latin American routes.

"If anyone takes over Delta, bet on United," said CreditSights' Roger King.

Morningstar analyst Brian Nelson also said he sees a United pursuit of Delta as a possibility, even though it would conflict with its stated strategy of paying down debt.

Bill Hochmuth, an analyst who tracks airlines at Thrivent Financial for Lutherans, said Northwest Airlines Corp. could potentially be an acquirer, although probably as more of a merger of equals.

Other airlines either declined to comment or said they were reviewing US Airways' offer.

US Airways, which was created after US Airways emerged from bankruptcy and was acquired by America West last year, said the deal is expected to generate $1.65 billion in annual savings from optimization of the airlines' networks and combining facilities in overlap airports.

US Airways sent a letter touting the Delta buyout to its frequent flyers, claiming the deal would reduce fares and combine the two airlines' frequent flyers programs, making it easier to redeem miles.

During a conference call, some analysts were skeptical of US Airways' confidence it can get the deal done if Delta is hostile to the bid.

They also questioned why US Airways is bidding for Delta, as opposed to another airline, like Northwest, which also is in bankruptcy.

Parker said the Delta bid makes more sense because of the synergies that can be realized. He also said he is confident the deal can clear all the hurdles it needs to, and "would prevail over any other bid if there were any."

US Airways has hubs in Phoenix, Philadelphia and Charlotte, N.C. Delta's hubs are in Atlanta, Cincinnati and Salt Lake City.

The deal makes the most sense only if it is consummated through the bankruptcy process, rather than waiting until after emergence to reach agreement, Parker said. That's because of further cost cuts that could be gained through the bankruptcy court.

As for employees, Parker said "we happen to have similar labor costs on both sides."

He did not discuss pilot pay.

US Airways has received a commitment from Citigroup Inc. to provide $7.2 billion in new financing for the deal. The funding would be used to refinance Delta's debtor-in-possession credit facility, refinance US Airways' existing senior secured facility with GE Capital, and provide funds for the $4 billion cash portion of the offer.

All other allowed secured debt and administrative claims would be assumed or paid in full. As of the end of May, Delta owed $7.49 billion to holders of secured claims, according to a court filing.

US Airways said the offer is a 25 percent premium over the current trading price of Delta's pre-petition unsecured claims as of Tuesday, and a 40 percent premium over the average trading price for Delta unsecured claims over the last 30 days.

Associated Press writers Daniel Yee in Atlanta, Joshua Freed in Minneapolis, Dave Carpenter in Chicago, David Koenig in Dallas, Brad Foss in Washington and Vinnee Tong in New York contributed to this report.

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Do Fliers Gain When Airlines Consolidate? (WSJ)

By Darren Everson And Betsy Mckay

The Wall Street Journal, November 16, 2006

US Airways Group Inc., which yesterday bid $8.67 billion to acquire Delta Air Lines, believes consolidation would help the troubled airline industry. But in the wake of US Airways' own purchase by America West, it's less clear how much consumers stand to benefit.

Delta has rejected the offer by US Airways. But if the hostile bid should prove successful, analysts say there could be some advantages for consumers, but also some risks. Users of US Airways frequent-flier miles, for instance, could benefit from having access to Delta's extensive international route system. On the other hand, overlaps in service, especially in some Southern cities where both airlines have major operations, could reduce competition and lead to increased fares. What's more, persistent glitches in the process of integrating US Airways and America West raise concerns about customer service should the Delta bid succeed.

A US Airways-Delta merger would create the country's largest carrier, with an 18% market share by available seat miles, an airline industry measure of capacity. Delta, the nation's third-largest airline by passenger traffic, has hubs in Atlanta, Cincinnati, New York (John F. Kennedy) and Salt Lake City. US Airways, which ranks No. 6, has hubs in Charlotte, N.C.; Philadelphia, Phoenix, Pittsburgh and Las Vegas. There is significant overlap between Delta's 6,795 daily flights and US Airways' 3,846, especially because both operate shuttles on the East Coast.

So far, US Airways has disclosed little about how a takeover of Delta would affect each airline's operations. One exception: One of the two companies' overlapping East Coast shuttle services, which connect Boston, New York and Washington, would probably have to be sold to satisfy antitrust concerns, US Airways says.

Beyond the shuttles, there is significant overlap in the South, with Delta's main hub situated in Atlanta and US Airways having significant operations in Charlotte. The concentration means that "it would destroy competition in the deep South," says Michael Boyd, president of Boyd Group Inc., an aviation-industry advisory group in Evergreen, Colo.

For example, while no airline currently commands more than a 39% market share in Charleston, S.C., a merged US Airways-Delta would gain more than a 70% share of that market, Mr. Boyd says. The new airline would have more than 75% of flights serving Montgomery, Ala., and nearly 80% of the market in Charlottesville, Va. "This is going to really hurt the consumer," he says.

Even outside of the South, the sheer size of the merged airline could create pricing power that pushes fares higher, especially along the East Coast, says Jay Sorensen, president of consulting firm IdeaWorks. However, Mr. Sorensen says that could benefit consumers in the long run.

"The first response to that [merger] outcome might be negative," Mr. Sorensen says. "But I think it's a good thing for the consumer. This industry simply needs higher fares to get back on a solid financial footing. Profitable airlines give better service in every regard from comfort in the air to reliably delivering baggage at the end of a flight."

US Airways counters arguments that fares could rise. It points to its merger with America West, which it says led to fare cuts averaging 24%. Plus, the airline says, even in the South, low-cast carriers like Southwest Airlines and AirTran Holdings Inc. remain as competition.

US Airways has proposed combining the two airlines' frequent-flier programs should the merger succeed. For US Airways' frequent fliers, Delta's extensive international routes could offer more destinations. But for users of Delta's SkyMiles, a merger could bring setbacks. For instance, Delta's SkyMiles currently expire after three years for members whose accounts have no activity, compared with a 18-month expiration term for US Airways' program, which is half the industry standard. Although Delta is shortening its expiration term to a two-year period, that's still longer than that of US Airways, says Tim Winship, publisher of FrequentFlier.com.

"When you boil it down, you have a low-cost carrier acquiring a full-service carrier," says Mr. Winship. "Watch out for terms and conditions changes," Mr. Winship says, "and keep your fingers crossed that they don't reflexively adopt the lowest common denominator since part of the goal of these tie-ups is to squeeze down costs and maximize efficiency."

In the short term, US Airways' merger with America West portends possible logistical problems to a combination with Delta. US Airways and America West aren't expected to be fully integrated until the second quarter of next year, says a person familiar with the process. For now, consumers remain confused about which airport kiosk to use and where to check in at the airport for a flight.

In an internal US Airways newsletter dated yesterday, a Q-and-A explaining the Delta merger proposal acknowledged the integration glitches US Airways still faces with its America West deal. One question began, "Are you guys out of your minds?"

One issue in a US Airways-Delta merger that could need immediate attention is the fate of one of the East Coast shuttle services the two airlines operate. But the sale of either of the shuttle services would likely mean little more to consumers than a change in name on a plane, industry experts say.

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Both services, Delta Shuttle and US Airways Shuttle, currently operate hourly flights on weekdays between New York and the two other Northeast corridor cities, with more infrequent shuttle flights on weekends. The services are not a huge source of profit, despite their popularity, says Mr. Boyd, the aviation-industry adviser.

It's unclear who would be interested in buying either of the shuttle services. Analysts speculated yesterday that AMR Corp.'s American Airlines, Northwest Airlines and UAL Corp.'s United Airlines would be the most likely suitors. American has tried to buy the US Airways shuttle before and runs flights along the shuttle routes on tiny regional jets. Its customers would clearly prefer an upgrade. An American spokesman declined to comment yesterday.

US Airways Bid For Delta Could Spur Consolidations (FWST)

By Trebor Banstetter

The Fort Worth Star-Telegram, November 16, 2006

Imagine booking a flight on Americanorthwest Airlines, an aviation behemoth with six domestic hubs and unmatched service to Asia, Latin America and Europe.

Or flying on United-Continental Airways (or perhaps Continental United Airlines, or even UniCont Air), a powerhouse in the West and on the East Coast. And for a low-fare trip, you could check prices on FronTranBlue.

The airline industry is buzzing over those potential airline combinations and more, after US Airways sparked the latest round of merger speculation Wednesday with a hostile bid to take over the bankrupt Delta Air Lines for $8 billion in cash and stock.

The chatter sent airline stocks soaring, despite warnings from some experts that industry consolidation is likely to move slowly and that any US Airways-Delta deal faces significant challenges. Delta executives said they weren't interested, and even if creditors sign on, a merger would receive intense scrutiny from regulators and the Justice Department.

And some analysts pointed to the industry's record of failed airline mergers.

"It's a terrible idea," said consultant Mike Boyd of the Boyd Group of Evergreen, Colo. "It's a bad deal for the customers, the employees, for everybody, really, except the financial types."

Still, "investors seem to like the prospect of this deal setting off industry consolidation," airline analyst Ray Neidl of Calyon Securities noted in a report Wednesday. "We would not be surprised if other offers emerge for Delta and that an industry trend in mergers and acquisitions starts."

Shares of AMR Corp., American Airlines' parent (ticker: AMR), rose $1.65, or 5.4 percent, to $32.33 Wednesday, and Southwest Airlines' shares climbed 70 cents, or 4.6 percent, to finish at $15.94. Shares of US Airways (LCC) soared $8.57, or 16.8 percent, to close at $59.50, while Continental stock (CAL) jumped $4.72 per share, or 12.3 percent, finishing at $43.08.

Speculation has been rampant for months that the major airlines may consider mergers, particularly as Delta and Northwest Airlines restructure in bankruptcy. Most analysts say Fort Worth-based American and Dallas-based Southwest are not among the top merger candidates, because both airlines have strong finances and could weaken themselves by buying a struggling partner.

Still, if other carriers do combine, it would increase the pressure for those airlines to consider strategic partnerships, said longtime industry consultant Darryl Jenkins.

"If this happens, then the competitive landscape changes, and American will have to reassess its own plans," he said. "I don't think they want to do a merger, but they're going to be watching this."

Officials with American declined to comment on the proposed Delta merger. "We're watching it closely like everyone else," spokesman Tim Smith said.

Beth Harbin, a Southwest spokeswoman, said her airline already competes with Delta and US Airways. "We haven't heard anything today that would prompt us to change course," she said.

Bob McAdoo, an analyst with Prudential Equity Group, said a merger could be good for the industry, because it would shrink airline capacity further and increase fares.

And industry observers quickly began handicapping other possible combinations.

Analyst Susan Donofrio of Cathay Financial said American could make a good partner for Northwest, despite the two airlines having "very different management styles."

Northwest's strong Pacific presence would nicely complement American's Latin American and trans-Atlantic routes, she wrote in a note to investors. And domestically, Northwest's hubs in Minneapolis, Detroit and Memphis would "fill out" American's route network, which centers on Dallas/Fort Worth Airport, Chicago and Miami, she said.

American could get a bargain price for Northwest in bankruptcy court. "The acquisition of a bankrupt carrier remains attractive, as there exists the ability to renegotiate or break lease agreements and reduce unprofitable capacity," Donofrio said.

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Analysts also suggested that United Airlines might make a good partner for Houston-based Continental Airlines. United executives have speculated in recent months that they might be looking to merge, and there have also been reports that the company might consider going private through a leveraged buyout.

Analyst Roger King of research firm CreditSights speculated that United might make a competing bid for Delta.

"If anyone takes over Delta, bet on United," he wrote in a report. "United has the best strategic fit; the combined networks would create the best airline in the world."

Even the discount airlines are being scrutinized for possible combinations. The announcement that Frontier Airlines and AirTran Airways will share frequent-flier programs sparked some speculation that greater cooperation is in store for the two carriers.

And Donofrio suggested that JetBlue Airways might make a good match for Frontier, because both airlines have Airbus fleets and a combination would balance their route structures.

David Neeleman, JetBlue's chief executive, told Bloomberg News on Wednesday that his company has no plans to acquire or merge with another airline.

"We're not a merger candidate," he said.

Boyd, the Colorado consultant, cautioned that mergers might not be the best answer for the industry's woes. He said the smart airlines will stay on the sidelines and let competitors get distracted by time-consuming and costly acquisitions.

"What the guys at American should do is, they should help US Airways finance this deal," he said. "It would be great for American."

Boyd said Delta and US Airways would be "wallowing in the merger mud" for years, as would most other airlines that try to combine.

"It would get very, very ugly," he said.

Stuart Klaskin, an industry consultant with Klaskin, Kushner & Co. in Coral Gables, Fla., added that the antitrust concerns could overwhelm any significant combination.

"In order to get a deal like this past the regulators, you may have to lop off such a huge part of the system that you don't end up gaining anything," he said.

When Delta executives said they wanted to stay independent, "they weren't being coy," Klaskin said. "They have good reason to want to avoid this." The proposal

US Airways wants to buy Delta Air Lines out of bankruptcy for $8 billion in cash and stock. US Airways

Headquarters: Tempe, Ariz.

CEO: Doug Parker

2005 revenue: $5.1 billion

Destinations:

234 cities in 28 countries

Top cities: Charlotte, N.C.; Philadelphia; Phoenix

Daily flights: 3,846

Airplane fleet: 365

Employees: 35,000 Delta Air Lines

Headquarters: Atlanta

CEO: Gerald Grinstein

2005 revenue: $16 billion

Destinations:

292 cities in 46 countries

Top cities: Atlanta, Cincinnati, New York

Daily flights: 6,795

Airplane fleet: 625

Employees: 47,000 The speculation

Industry watchers are buzzing about other potential mergers, although nothing has been proposed and some argue that antitrust concerns could block a significant deal.

American Airlines–Northwest Airlines

The pros: These two airlines could create a powerhouse with unprecedented service to Asia, Europe and Latin America and a far-flung domestic system with six hubs: D/FW, Miami, Chicago, Detroit, Minneapolis/St. Paul and Memphis.

The cons: Their jet fleets aren't particularly compatible, and combining labor unions would be a huge obstacle. American executives might also want to avoid the distraction of merger issues as the airline works to return to consistent profitability.

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United Airlines–Continental Airlines

The pros: These airlines don't have overlapping hubs, which would reduce antitrust concerns. A merger would also combine United's strength in the eastern U.S. with Continental's in the West.

The cons: Continental, already in relatively good financial shape, might be unwilling to take on a struggling partner. And Northwest could block a deal under an option it holds with Continental.

Discount airlines

The pros: AirTran Airways and Frontier Airlines recently announced an agreement to share frequent-flier programs, which could be a prelude to a stronger partnership. And JetBlue Airways, which has a strong East Coast presence, could benefit from merging with Frontier, solid in the West.

The cons: The discount carriers are already growing fast and don't need acquisitions to expand. And their low-cost structures could be at risk from the complexities that often accompany a merger. Trebor Banstetter, 817-390-7064

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http://www.dfw.com

Let Delta Fly Right (LAT)

The Los Angeles Times, November 16, 2006

The proposed merger between US Airways and Delta is a step in the right direction for the ailing industry.

THE NATION'S airline industry has been in a gradual recovery lately. But US Airways Group Inc.'s announced bid to acquire Delta Air Lines Inc. promises to set off a needed consolidation of the business that will make it better able to weather the next financial downturn. Let's hope federal regulators don't block such a transformation this time around.

That's precisely what happened in 2001 when the Department of Justice ill-advisedly blocked the merger of US Airways and UAL Corp.'s United Airlines on antitrust grounds. The airline industry then had to confront an economic slowdown and the post-9/11 trauma with excess capacity, losing billions of dollars. Since 2002, four major U.S. airlines have sought bankruptcy protection; two (Delta and Northwest Airlines Corp.) are currently in Chapter 11.

US Airways says it will cut about 10% of the new Delta's passenger capacity if the two airlines merge (under the Delta brand), mostly from routes that have redundant service. It also could close a few expensive hubs. Between 2001 and 2004, US Airways filed for bankruptcy twice. The airline probably would have shut down completely if scrappy America West Airlines hadn't bought it in 2005. Delta says it will review US Airways' offer but will go forward with its plan to emerge from bankruptcy as a stand-alone airline.

The federal government should carefully review the deal if it goes forward, as well as any other such mergers. (Continental Airlines Inc. and Northwest have been eyeing each other for years, and United Chief Executive Glenn Tilton has been a vocal advocate of more aggressive consolidation in the industry.) Some routes will need to be dropped, some gates surrendered to competitors.

But regulators need to recognize that the industry is changing. The country needs fewer first-tier coast-to-coast airlines with a broader reach at home and abroad. The problem with some major U.S. airlines is that they are simultaneously too small and too large. Beyond these, growing low-cost carriers such as Southwest Airlines Co. and JetBlue Airways Corp. handle nearly one-third of all domestic passengers, and will have about 50% of the country's total market share in a decade.

Such nimble airlines are more capable than ever at filling niches created by the post-merger abandonment of routes by larger carriers — or by their greedy overpricing in other markets.

If Congress really wants to help consumers and shore up the financial health of airlines, it should allow the entry of foreign carriers and investors, which it has repeatedly declined to do. This is a global industry, after all.

Micron Subpoenaed In Price-fixing Probe; Two Idahoans Sue (IDAHOST)

By Ken Dey, Idaho Statesman

Idaho Statesman, November 16, 2006

Federal prosecutors have subpoenaed Micron Technology in an investigation into possible price-fixing of static random access memory, or SRAM, by semiconductor companies. This week, Micron was also named with more than 20 other semiconductor companies in a price-fixing lawsuit filed in Boise.

The lawsuit, filed Tuesday on behalf of Idaho residents Mark Alon Davis and Kenneth W. Herbert, alleges that between Jan. 1, 1998 and Dec. 31, 2005 the companies agreed to combat declines in prices for SRAM — a type of memory used in computers and electronic products — by manipulating the wholesale price. The lawsuit alleges the manipulation ultimately led to higher prices of consumer electronic products that used SRAM.

Micron confirmed in documents filed with the Securities and Exchange Commission that it received a subpoena Oct. 11 related to the investigation.

"Micron believes that it is not a target of the investigation and will fully cooperate with the Department of Justice," Micron said today in a statement to the Idaho Statesman. "Micron will vigorously defend against any civil class action cases that are filed."

The Justice Department hasn't said what period its SRAM investigation covers, but a similar department investigation of alleged dynamic random access memory, or DRAM, price fixing covered 1999 to 2002. Micron has cooperated with the Justice Department in that investigation.

SRAM is found in small quantities in personal computers. It's also used in disk drives, communications equipment and networking gear. Philip Gordon, the Boise lawyer representing Davis and Herbert, said his clients bought products with SRAM including printers, routers and cell phones.

Unlike DRAM, SRAM keeps its data without electrical power. DRAM is used extensively in computers. Mark DeVoss, a senior analyst with iSuppli Corp. which analyzes the semiconductor industry, said the demand for SRAM is declining because more companies are integrating the features of SRAM into the microprocessors of devices, retaining the benefits of SRAM in a smaller space.

AT&T Merger May Face Further Scrutiny (SAEN)

By Sanford Nowlin, Express-News Business Writer

San Antonio Express-News, November 16, 2006

The next chairman of the Senate Commerce Committee said San Antonio-based AT&T Inc.'s purchase of BellSouth Corp. needs more scrutiny and should be the focus of a hearing when Democrats assume control of Congress in January.

Sen. Daniel Inouye, D-Hawaii, the incoming chairman, told reporters late Tuesday that his committee should take a look at the telecommunications megamerger. He said he would like the Federal Communications Commission to delay approval until after the hearing.

"We'd like to know what the impact would be," Inouye said. "I think the people of the United States would like to know."

The hearing will take place, a spokesperson for Inouye later said, whether or not the FCC approves the merger by the end of the year.

Investors appear to be bracing for what the congressional power shift means for AT&T.

Company shares dropped 1.52 percent to $32.46 on Wednesday on concern the new Congress will bring a less-friendly regulatory environment for the telecom giant.

The shift comes on top of investor worries that the FCC has three times delayed a vote on the deal.

"Everyone seems to think this deal will get done, but there's a new level of uncertainty," Frost Bank analyst Le Keough said.

Although the Justice Department and 18 state bodies have cleared the AT&T-BellSouth deal, it's still awaiting a nod from the FCC, the last regulatory agency needed to approve it. The commission's two Republican and two Democratic commissioners are divided over what conditions to apply to the deal.

The FCC may vote on the deal at its Dec. 14 meeting, experts said, but deliberations could continue into next year if the commission can't break its impasse.

However, the delay might not be indefinite, because FCC Chairman Kevin Martin has the option of bringing in the commission's fifth member, Republican Robert McDowell, to break a tie. McDowell has recused himself from the deliberations because he previously worked for a group that represented AT&T's competitors.

In exchange for approving its takeover of Atlanta-based BellSouth, AT&T has offered to temporarily freeze the wholesale rates it charges competitors and provide $10-a-month high-speed Internet service to customers who also take its phone service.

Competitors have argued that the company should be forced to sign off on net neutrality safeguards and to sell off some of its wireless spectrum.

"The conditions we've offered have received glowing approval from a broad range of individuals and groups, both Democratic and Republican," AT&T spokesman Mike Balmoris said.

Inouye's remarks come on top of comments last week from Rep. John Dingell, D-Mich., who's expected to become chairman of the House Commerce Committee. Dingell said he thinks the FCC needs to review the deal thoroughly

Although some worry Democratic pressure may slow the review, Inouye's and Dingell's recent remarks may lead the FCC's Martin to speed up deliberations so the merger can be approved before the new Congress convenes, said Jeff Gulati, a Bentley College political science professor who tracks telecom policy.

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"I think this is really (Inouye) letting the FCC know that the Democrats are relevant and that they're going to exercise some oversight responsibility on these mergers, which is something the Republicans didn't exactly do over the last several years," Gulati said.

Microsoft Still Short On Data, The EU Says (AP)

By Aoife White, THE ASSOCIATED PRESS

AP, November 16, 2006

BRUSSELS, Belgium -- Microsoft Corp. still has not supplied the "complete and accurate" documentation necessary to comply with a 2004 antitrust order, European Union regulators said Wednesday. They warned that new fines could be imposed unless Microsoft supplies full information by Nov. 23.

The European Commission, which fined Microsoft $357 million in July for not providing the technical information, said it expects "the remaining omissions and deficiencies" to be remedied quickly.

"Our patience is finite," EU spokesman Jonathan Todd said. "Until we have the whole set of documents, it's worth nothing."

Microsoft said it already had made "very significant progress" in improving the information it has given regulators, which aims to help rivals make server software that works smoothly with its desktop operating system Windows.

"We stand ready to do any additional work that is required to comply with the commission's decision," Microsoft said.

But the EU's executive arm said that what Microsoft has done so far is not enough and that there are still problems with the technical manual that will eventually be turned over to rivals to check before Microsoft can get the all-clear.

The commission said it wants "the remaining omissions and deficiencies in the technical documentation to be remedied by Nov. 23" so that all the material will be available by the end of this month for potential licensees to review.

Regulators must then decide if Microsoft has finally obeyed its 2004 ruling that found that the company had abused its monopoly by deliberately withholding technical data from rivals.

That decision would be based on comments from potential licensees and advice from an independent trustee, computer scientist Neil Barrett, on whether that information is "operational."

"Should Microsoft continue to fail to comply, the amount of the daily penalty payment to which Microsoft could be subject would be increased from up to 2 million euros ($2.56 million) to up to 3 million euros ($3.85 million) per day with effect from July 31, 2006," the commission warned.

EU antitrust chief Neelie Kroes told the The Guardian newspaper in Britain that her patience had run out, about 3 1/2 years after Microsoft was ordered to hand over the data.

"I don't have eternal life," she said in an interview published Wednesday. "I am not impressed if someone says 90 percent of the information is already there when we need 100 percent. It's a jigsaw, and some parts are missing."

The EU fined Microsoft a record $613 million in March 2004 and told it to share interoperability information with rivals and put on sale a copy of Windows without Media Player software.

Regulators said Microsoft had committed to and missed a number of deadlines for supplying "complete and accurate specifications," the last on July 19.

Microsoft said it had responded quickly and completely to all requests and queries on the technical documentation since the July deadline.

ENVIRONMENT/INDIAN AFFAIRS:

Environmentalists Sue Bush Administration Over Global Warming Report (AP)

By Terence Chea, Associated Press Writer

AP, November 16, 2006

(AP) - SAN FRANCISCO-Environmentalists sued the Bush administration for failing to produce a report on global warming's impact on the United States' environment, economy and public health.

Tuesday's lawsuit seeks to compel the U.S. Climate Change Science Program to issue the national assessment, which should contain the most recent scientific data on global warming and projections for its future impacts. The plaintiffs claim the government must complete such a report every four years under the Global Change Research Act of 1990.

"Global warming is one of the most serious threats facing humanity today," according to the complaint. Without the report, decision makers and the public "are without one of the most important tools to grapple with this complex, potentially overwhelming and yet all important issue."

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The White House Office of Science and Technology Policy, which was named in the lawsuit, had not received the complaint Tuesday and could not comment on it, said spokesman Ben Fallon.

But Fallon defended the administration's record on combating global warming, pointing to increased funding for alternative energy research and partnerships with other countries.

"We feel very positive about our record on climate change," Fallon said. "The president has been focused on results-driven research and looking for practical ways to address climate change in ways that aren't damaging to the economy."

Officials at the Climate Change Science Program, also named in the complaint, did not immediately respond to calls seeking comment.

The lawsuit was filed in federal court in San Francisco by the Center for Biological Diversity, Friends of the Earth and Greenpeace.

The assessment, which plaintiffs allege was due in November 2004, is the "first step in crafting solutions to the devastating consequences of climate change if we don't act now," said Julie Teel, an attorney for the plaintiffs.

Sen. John Kerry, a Massachusetts Democrat and former presidential candidate, who has also been calling on the administration to issue the assessment, expressed support for the lawsuit.

"It's the right time to push Washington to grapple with this issue," Kerry said in a statement. "For too many years, action on global climate change has been stopped dead in its tracks by government foot-dragging, hiding information and smothering science."

Environmentalists have accused the administration of trying to suppress dissemination of the previous assessment, issued in 2000, which predicted a dramatic rise in catastrophic storms, floods, droughts and heat-related deaths.

The lawsuit comes as experts from around the world meet in Nairobi for the two-week U.N. climate conference, where they have been trying to set a course for future controls on global greenhouse gas emissions.

Scientists attribute at least some of the past century's rise in global temperatures to the accumulation in the atmosphere of carbon dioxide and other heat-trapping gases, byproducts of power plants, automobiles and other fossil fuel-burning sources.

On the Net:

U.S. Climate Change Science Program: http://www.climatescience.gov/

Center for Biological Diversity: http://www.biologicaldiversity.org/swcbd/programs/policy/energy/ ati onal-ass essment.html

Court Asked To Rescind EPA Decision Allowing Field Burning (AP)

By Gene Johnson, AP Legal Affairs Writer

AP, November 16, 2006

SEATTLE (AP) -- The dense plumes of smoke that arise when grass-seed farmers in Idaho burn their fields cause asthma in children, reduce visibility on highways and actually kill people, but the Environmental Protection Agency did not study those effects before changing a federal rule to allow such fires, a lawyer for a clean-air group told judges Wednesday.

"The smoke from this burning is so thick it sends people to the hospital," attorney David Baron told the three-judge panel from the 9th U.S. Circuit Court of Appeals, where such cases are heard.

Baron represents Safe Air For Everyone, a Washington and Idaho clean-air group, as well as the American Lung Association, which sued late last year to undo the EPA's rule change on the grounds that the agency made the decision without first studying what the effects would be.

Kentucky bluegrass seed grown in northern Idaho is shipped across the nation to be used in landscaping and golf courses. Farmers contend they must burn the stubble left on fields to improve the production of the next year's crop and control pests. The smoke often drifts into neighboring states and Canada.

Hundreds of doctors have signed petitions seeking an end to the burning, saying their patients suffer ill effects from the dense smoke; in 2000, a coroner determined that a Rathdrum, Idaho, woman died from inhaling it. Clean-air groups argue that a 1998 decision to ban grass-field burning in Washington state has not harmed the seed industry.

The field burning has gone on for years in Idaho, where it is allowed under state law but historically not under the federal plan for Idaho established under the Clean Air Act. Last year, after health groups threatened to sue farmers for burning fields, the EPA changed the plan for Idaho, saying it had intended to allow grass-field burning all along.

The EPA insisted that the change was a simple clarification that could be made without first conducting a study.

"There was no statement in the state implementation plan that crop residue burning was allowed," said Justice Department lawyer Paul Cirino. "But everybody knew it was allowed in Idaho."

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The judges - Arthur Alarcon, Pamela Ann Rymer and Marsha Berzon - regarded that argument dubiously. They said that field burning clearly had been prohibited under the federal plan, and that the government's rule change allowing such burning was more than a "clarification."

"It says flat out that you can't have open burning, and now the agency can interpret that to mean something else?" Berzon asked Cirino.

"I'm having trouble with your use of the word 'clarification,'" Alarcon added.

Baron said after the hearing that if the EPA is forced to study the matter, it may eventually come around to banning the practice.

"We find it remarkable that the EPA would be so resistant to taking a close look at the effects of this burning, when it's making people sick, sending them to the hospital and clouding skies across Idaho," he said.

The judges will issue a ruling at a later date.

Also argued Wednesday was a tangentially related case concerning the EPA's requirements for field burning on the Coeur d'Alene Tribe's reservation in Idaho.

Some Americans Lack Food, But USDA Won't Call Them Hungry (WP)

By Elizabeth Williamson

The Washington Post, November 16, 2006

The U.S. government has vowed that Americans will never be hungry again. But they may experience "very low food security."

Every year, the Agriculture Department issues a report that measures Americans' access to food, and it has consistently used the word "hunger" to describe those who can least afford to put food on the table. But not this year.

Mark Nord, the lead author of the report, said "hungry" is "not a scientifically accurate term for the specific phenomenon being measured in the food security survey." Nord, a USDA sociologist, said, "We don't have a measure of that condition."

The USDA said that 12 percent of Americans -- 35 million people -- could not put food on the table at least part of last year. Eleven million of them reported going hungry at times. Beginning this year, the USDA has determined "very low food security" to be a more scientifically palatable description for that group.

The United States has set a goal of reducing the proportion of food-insecure households to 6 percent or less by 2010, or half the 1995 level, but it is proving difficult. The number of hungriest Americans has risen over the past five years. Last year, the total share of food-insecure households stood at 11 percent.

Less vexing has been the effort to fix the way hunger is described. Three years ago, the USDA asked the Committee on National Statistics of the National Academies "to ensure that the measurement methods USDA uses to assess households' access -- or lack of access -- to adequate food and the language used to describe those conditions are conceptually and operationally sound."

Among several recommendations, the panel suggested that the USDA scrap the word hunger, which "should refer to a potential consequence of food insecurity that, because of prolonged, involuntary lack of food, results in discomfort, illness, weakness, or pain that goes beyond the usual uneasy sensation."

To measure hunger, the USDA determined, the government would have to ask individual people whether "lack of eating led to these more severe conditions," as opposed to asking who can afford to keep food in the house, Nord said.

It is not likely that USDA economists will tackle measuring individual hunger. "Hunger is clearly an important issue," Nord said. "But lacking a widespread consensus on what the word 'hunger' should refer to, it's difficult for research to shed meaningful light on it."

Anti-hunger advocates say the new words sugarcoat a national shame. "The proposal to remove the word 'hunger' from our official reports is a huge disservice to the millions of Americans who struggle daily to feed themselves and their families," said David Beckmann, president of Bread for the World, an anti-hunger advocacy group. "We . . . cannot hide the reality of hunger among our citizens."

In assembling its report, the USDA divides Americans into groups with "food security" and those with "food insecurity," who cannot always afford to keep food on the table. Under the old lexicon, that group -- 11 percent of American households last year -- was categorized into "food insecurity without hunger," meaning people who ate, though sometimes not well, and "food insecurity with hunger," for those who sometimes had no food.

That last group now forms the category "very low food security," described as experiencing "multiple indications of disrupted eating patterns and reduced food intake." Slightly better-off people who aren't always sure where their next meal is coming from are labeled "low food security."

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That 35 million people in this wealthy nation feel insecure about their next meal can be hard to believe, even in the highest circles. In 1999, Texas Gov. George W. Bush, then running for president, said he thought the annual USDA report -- which consistently finds his home state one of the hungriest in the nation -- was fabricated.

"I'm sure there are some people in my state who are hungry," Bush said. "I don't believe 5 percent are hungry."

Bush said he believed that the statistics were aimed at his candidacy. "Yeah, I'm surprised a report floats out of Washington when I'm running a presidential campaign," he said.

The agency usually releases the report in the fall, for reasons that "have nothing to do with politics," Nord said.

This year, when the report failed to appear in October as it usually does, Democrats accused the Bush administration of delaying its release until after the midterm elections. Nord denied the contention, saying, "This is a schedule that was set several months ago."

Isleta Settlement Gets Approval From Senate (AP)

AP, November 16, 2006

ALBUQUERQUE (AP) - The Senate has passed a $40 million settlement negotiated by Isleta Pueblo and the federal government over past mismanagement of tribal land.

The measure, unanimously approved by the Senate on Monday, now heads to President Bush for his consideration.

The pueblo sued the government, seeking compensation for damages to its land south of Albuquerque. The pueblo, the Interior Department and the U.S. Justice Department spent years reviewing the claims and reached agreement in June on how to resolve the matter.

The legislation establishes a natural resources fund of more than $32 million for the pueblo to use to restore agricultural, range and forestry property. The measure also authorizes $7.2 million, but that money is subject to administration budgeting and the federal appropriations process.

Members of New Mexico's congressional delegation said the legislation, once signed by the president, will allow Isleta Pueblo to improve drainage on its agricultural lands and rehabilitate lands damaged by trespass grazing and excessive logging.

"The pueblo deserves this compensation and the president's signature on this bill will allow that to happen," said Sen. Pete Domenici, R-N.M.

Sen. Jeff Bingaman, D-N.M., added that restoring tribal lands will help create new economic opportunities for Isleta Pueblo.

FBI/DEA/ATF/USMS:

Mob Reappears In Court (PHI)

By Kitty Caparella

The Philadelphia Inquirer, November 16, 2006

"The mob is back and there's gonna be trouble,

"Hey la day la, da mob is back."

- Sung to the tune of the

Angels'"My Boyfriend's Back."

Now, after a four-year rebuilding phase in Philadelphia and South Jersey, organized crime is making a comeback in federal court.

Today, reputed mob soldier Damion Canalichio, 37, once a top aide to jailed mob underboss Steve Mazzone, will seek bail on federal drug-trafficking charges, according to his attorney Joseph Santaguida.

Canalichio, who served 27 months for a 1997 drug conviction, and his sidekick, Christopher Cerr, 36, of Glenolden, were arrested yesterday without incident by FBI agents in South Jersey and in Delaware County.

Assistant U.S. Attorney Frank Labor said a seven-count indictment was unsealed, charging the pair with selling more than 300 grams of cocaine for a total of $9,200 in June 2004.

During a one-month investigation by FBI agent John Augustine, the two allegedly sold the cocaine on June 2, 10, and 24 in 2004 at the corner of Snyder Avenue and Hicks Street - across from the Melrose Diner - in South Philadelphia, according to the indictment.

They are charged with three counts of drug distribution, drug distribution within 1,000 feet of a school - South Philadelphia High - and conspiracy. The government also is seeking to confiscate Cerr's 2004 Ford Explorer. Cerr is represented by attorney Carina Laguzzi.

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Labor would not comment on why it took 29 months to indict the pair. However, sources say, the feds have ongoing investigations into mob activities, particularly sports gambling.

The street sales - a drop in mob status for Canalichio - allegedly took place a block from where mob associate Frank Baldino was killed during the bloody 1993 mob war between the John Stanfa crime family and a rival faction headed by Joseph "Skinny Joey" Merlino, who later became boss.

Stanfa and Merlino were convicted in racketeering trials. Stanfa, 65, is serving five consecutive life terms, and Merlino, 44, is due to be released in 2011 after serving a 14-year term.

· Meanwhile in New Jersey, reputed mob soldier and convicted extortionist Vincent Filipelli, 53, was arrested on Oct. 24 on a one-count indictment charging him with extortion in connection with running an illegal sports gambling operation.

During a 14-month joint FBI-New Jersey State Police investigation, Filipelli, who competed in professional bodybuilding contests before becoming a mob enforcer, allegedly threatened to put an undercover trooper, who "owed" a gambling debt, in the hospital.

Filipelli, of Cherry Hill, is being held without bail in the Federal Detention Center at 7th and Arch streets, where Canalichio and Cerr are in custody.

· And in upstate Pennsylvania, one of the Philly mob's biggest supporters, William "Billy" D'Elia, reputed crime boss of Northeastern Pennsylvania, was charged on Nov. 1 in an 18-count federal indictment on charges of laundering hundreds of thousands of dollars in drug proceeds via banks in the Dominican Republic from 1999 to 2006.

He faces a maximum of 245 years in prison, forfeiture of $565,000 and a $4 million fine if convicted of multiple counts of money laundering, interstate transportation of laundered money, solicitation of murder, perjury, witness tampering, obstruction of justice, conspiracy and contempt of court.

U.S. Charges Detroit Man In Fentanyl Deaths (AP)

AP, November 16, 2006

DETROIT -- Federal prosecutors charged a Detroit man with causing the deaths of two people by giving them heroin laced with the painkiller fentanyl, a combination blamed in the deaths of more than 100 drug users in southeast Michigan over the past year.

James E. Coleman, 36, was arraigned Wednesday in U.S. District Court on two counts of delivery of a controlled substance resulting in death. Coleman has been in custody since June, when he was charged with drug possession in the case.

Coleman is charged in the deaths of Lauren Jolly, 17, of Oakland County's Bloomfield Township, and Daniel McElmurry, 30, of Madison Heights.

Jolly snorted a combination of heroin and fentanyl on May 24 in a Detroit drug house. Authorities said Coleman's brother, Donald Cunningham, placed Jolly in a bathtub full of ice in an attempt to revive her, but did not seek medical treatment. Another drug customer took Jolly to a hospital, where the high school junior was pronounced dead.

McElmurry died in June.

Coleman did not know the drugs contained fentanyl and did not intend to kill anyone, defense attorney Warren Harris said.

The charge carries a 20-year minimum prison sentence and a maximum of life in prison.

Jolly told police about the drug house six weeks before her death, when she was arrested in connection with having heroin mixed with fentanyl. Her information helped police obtain search warrants that led to a raid and Cunningham's arrest.

Cunningham, 27, is in state prison on a parole violation. There are no plans to charge him under federal law, the U.S. Attorney's Office said Wednesday.

Feds Charge Suspect In Fentanyl Deaths (DN)

Detroit News, November 15, 2006

Federal officials today charged an accused heroin dealer with causing the deaths of two drug users by giving them heroin laced with the painkiller fentanyl.

They are the first such state or federal charges in connection with the street sale of fentanyl-laced heroin in the Detroit area in 2005-06, which killed an estimated 133 drug users between September and July.

James Edgar Coleman, 36, of Detroit, was arraigned today and is expected to plead guilty in U.S. District Court in Detroit Thursday to two counts of delivering a controlled substance resulting in death, Coleman's lawyer Warren Harris of Southfield said.

The charges each carry a 20-year minimum prison sentence and a maximum of life in prison.

Coleman is charged in connection with the deaths of Lauren Jolly, a 17-year-old Bloomfield Township high school student who died in April, and Daniel McElmurry, 30, who died May 26.

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Harris said Coleman did not know the drugs contained fentanyl and he did not intend to kill anyone.

Coleman has been in custody since June on charges of distributing heroin and cocaine.

Notes: U.S. Rules Won't Be Party To Bode-type Behavior (USAT)

By Vicki Michaelis, Usa Today

USA Today, November 16, 2006

With the memory still fresh of U.S. skier Bode Miller making more headlines for what he did at the bars than on the slopes at the 2006 Winter Olympics in Italy, the U.S. Ski and Snowboard Association has instituted new policies.

USSA staff and athletes no longer are allowed to drink alcohol together. No alcohol consumption is allowed at team hotels. And during official training camps and competitions, all athletes are required to stay in team hotels.

"We'd be naive to say that it wasn't" at least partly a response to what happened at the Olympics, USSA spokesman Tom Kelly said.

Miller, the 2005 overall World Cup champion, was photographed partying with a Playboy Playmate during the Olympics and told reporters after not medaling: "It's been an awesome two weeks. I got to party and socialize at an Olympic level."

U.S. aerials skier Jeret Peterson was sent home after fighting with a friend following a night of partying.

During the Games, Miller and U.S. teammates Daron Rahlves and Julia Mancuso stayed in their own RVs. This season, U.S. skiers can use their RVs between competitions, but the athletes will be with the team during competitions, subject to the stricter alcohol guidelines.

"We just want to have a more professional approach and create more of a performance environment when we're on the road," Kelly said.

BALCO charges

Trevor Graham, who triggered the BALCO steroid scandal, is expected to appear in federal court Thursday in San Francisco for his arraignment on a three-count indictment.

Graham, a high-profile coach whose track athletes have accumulated medals as well as drug positives, is accused of lying to federal investigators three times in BALCO inquiries. He faces maximum penalties of five years in prison and a fine of $250,000 on each count.

According to the Nov. 2 indictment, Raleigh, N.C.-based Graham was interviewed by federal investigators in June 2004, a year after Graham anonymously sent a vial of a designer steroid to the U.S. Anti-Doping Agency. Graham, who later acknowledged sending the vial, told USADA the steroid had been given to athletes by Victor Conte, founder of the Bay Area Laboratory Co-operative.

The indictment alleges Graham told the agents that he never referred his athletes to someone referred to as Source A to obtain banned performance-enhancing drugs. The indictment alleges Source A provided drugs to Graham and his athletes.

The second count contends Graham lied by stating he never met Source A in person when they had several meetings. The third count alleges Graham told agents he last contacted Source A in 1997 despite having numerous contacts from 1997 through 2004.

Angel Heredia told a grand jury he supplied steroids, human growth hormone and EPO to Graham from 1996 through 2000 before a financial dispute ended their relationship, according to The New York Times and San Francisco Chronicle.

Landis and the lab

Embattled Tour de France champion Floyd Landis is basing his defense against doping charges on mismanagement in the French laboratory that processed his urine samples at the 2006 Tour. Wednesday, the director of the International Olympic Committee-accredited lab admitted that some "insignificant" numbers were in error but had no bearing on the legitimacy of the tests, which showed Landis' testosterone-to-epitestosterone ratios to be out of kilter after the Tour's 17th stage.

A February date is expected for the Landis USADA hearing, but no matter what the result is, the case will be sent to the Court for Arbitration in Sport for final appeal. Landis could receive a two-year suspension if found guilty.

Contributing: Dick Patrick, Sal Ruibal

Bikers Sentenced For Meth-making (AP)

AP, November 16, 2006

Authorities say the illegal activity relatively new in Detroit area.

DETROIT (AP) -- Several people affiliated with a biker gang will face prison time for a methamphetamine-making operation in Macomb and St. Clair counties, the U.S. Attorney's Office said.

Prosecutors describe it as the first major meth case in U.S. District Court in Detroit. Seven individuals from the Devils' Disciples motorcycle gang will serve sentences ranging from 30 to 97 months.

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"We're pleased because it just goes to show that methamphetamine is relatively new to this area, and we don't see meth a whole lot," Assistant U.S. Attorney Matthew Schneider told the Detroit Free Press. "But I think that what this shows is when we see it, we're going to take action."

U.S. District Judge Marianne O. Battani sentenced the final defendant, Patricia Schoeninger, 44, of Algonac, Mich., on Monday to 30 months in prison followed by four years of supervised release. Schoeninger pleaded guilty in June to one count of conspiracy to manufacture meth.

Prosecutors said members who were convicted and sentenced earlier this year are: Michael Mastromatteo, 48, of Mount Clemens, Mich., and Gregory Schoeninger, 45, of Algonac. Their convicted associates, who also were sentenced in September and October, are: Demetrius Meffer, 38, of Chesterfield Township; Joseph Rottman, 43, of Macomb Township; Tami Watters, 41, of Gaylord; and Drago Stajninger, 41, of Chesterfield Township.

The Schoeningers are married.

In March 2005, law enforcement agencies raided several locations, including the bikers' clubhouse in Mount Clemens. Authorities also discovered working meth labs in Harrison and Macomb townships. Evidence from other searches in New Haven, Algonac and Chesterfield Township revealed labs had been relocated frequently.

Meth Makers Get Prison (FREEP)

By Christy Arboscello, Free Press Staff Writer

Detroit Free Press, November 15, 2006

Biker gang allies ran operations in Macomb, St. Clair

Two members and five associates of the oddly-named Devils' Diciples biker gang will face prison time for their involvement in a methamphetamine-making operation in Macomb and St. Clair counties, the U.S. Attorney's Office said Monday.

In what prosecutors called the first major meth case in U.S. District Court in Detroit, the individuals will serve sentences ranging from 30 to 97 months.

"We're pleased because it just goes to show that methamphetamine is relatively new to this area and we don't see meth a whole lot. But I think that what this shows is when we see it, we're going to take action," said U.S. Attorney Matthew Schneider, who worked on the case.

U.S. District Judge Marianne O. Battani sentenced the final defendant, Patricia Schoeninger, 44, of Algonac, on Monday to 30 months in prison followed by four years of supervised release. Schoeninger pleaded guilty in June to one count of conspiracy to manufacture meth.

According to the U.S. Attorney's Office, the biker gang members who were convicted and sentenced earlier this year are: Michael (Iron Mike) Mastromatteo, 48, of Mt. Clemens and Gregory (Breakdown) Schoeninger, 45, of Algonac. Their convicted associates, who were also sentenced in September and October, are: Demetrius (Demi) Meffer, 38, of Chesterfield Township; Joseph Rottman, 43, of Macomb Township; Tami Watters, 41, of Gaylord; and Drago Stajninger, 41, of Chesterfield Township.

Gregory Schoeninger and Patricia Schoeninger are married. In March 2005, the FBI, Michigan State Police and the County of Macomb Enforcement Team conducted extensive raids at several locations, including the bikers' clubhouse in Mt. Clemens. Authorities also discovered working meth labs in Harrison and Macomb townships. Evidence from other searches in New Haven, Algonac and Chesterfield Township revealed labs had been relocated frequently to avoid detection.

Police: Meth Crisis Minimized In Area (PHTH)

By Molly Montag

Port Huron (MI) Times-Herald, November 16, 2006

Crack remains local illegal drug of choice

Despite two Clay Township men's involvement in a large methamphetamine ring, narcotics agents said crack cocaine still is the leading problem drug locally.

U.S. District Judge Marianne O. Battani sentenced Patricia Schoeninger, 44, of Clay Township on Monday to 30 months in prison followed by four years of supervised release. Schoeninger pleaded guilty in June to one count of conspiracy to manufacture meth. Her husband, Gregory Schoeninger, 45, was convicted earlier this year.

Prosecutors describe the case, which involved members of the Devils' Disciples motorcycle gang, as the first major meth case in U.S. District Court in Detroit. In March 2005, law enforcement agencies raided several locations, including the bikers' clubhouse in Mount Clemens.

Authorities also discovered working meth labs in Harrison and Macomb townships. Evidence from other searches in New Haven, the Algonac area and Chesterfield Township revealed labs frequently had been relocated.

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St. Clair County sheriff Lt. Tim Donnellon, who assisted with the investigation, said methamphetamine hasn't become the local epidemic authorities once feared it would.

"The meth hasn't really taken hold, and it hasn't been able to displace crack because of the Detroit influence," he said.

Algonac Police Chief Richard Torongeau said he hasn't noticed an increase in meth activity downriver. Algonac is bordered by Clay Township, where the Schoeningers live.

"I'm sure it's here, but we haven't seen a whole lot of it," Torongeau said.

Sanilac County hasn't had a criminal case involving meth in the past two years, said Bill Gray, director of the county's drug task force.

Cocaine use, however, seems to be on the rise, Gray said.

"It is one of the great mysteries of the last decade why methamphetamine is not in the Thumb area the way it is in (other parts of) Michigan or the Midwest," Gray said.

Contact Molly Montag at (810) 989-6275 or mmontag@gannett.com

Livermore Seeks Permanent Ban On Marijuana Dispensaries (TH)

By Brian Foley

TriValley Herald, November 15, 2006

LIVERMORE - City officials are moving forward with plans to permanently ban medical marijuana dispensaries.

An existing moratorium is scheduled to expire Sept. 11, 2007 after the council voted to extend it two months ago. City officials say that the City Council didn't want to wait until the last minute to make a permanent decision.

"We ran the course on investigating and researching and reached a critical point where we were able to come up with a recommendation for the council," said city attorney John Pomidor. "The council didn't want us taking it to the last moment."

On Monday, the council voted 4-1 to instruct its staff to draft an ordinance.

"We've done extensive research," said City Manager Linda Barton. "We were unable to find a model or an example of a successful operation that didn't deal with secondary impacts."

Those secondary impacts include a reputation that dispensaries draw crime. On top of that, a problem looms for cities because of disparities between state and federal laws. While Proposition 215 legalized marijuana for medicinal purposes at the state level, the federal government regards the drug as illegal.

Councilman Tom Reitter, the dissenting vote, favored communicating with the city of Oakland and its dispensary operators before making a permanent decision.

On Monday, a handful of opponents urged the council to show restraint, reminding them that with Congress shifting to Democratic control that federal marijuana laws might change.

An Oakland attorney, James Anthony, lambasted the city staff's report on the subject that heavily relied on past negative incidents with dispensaries. Anthony called the report "a hatchet job" that ignored positive aspects. He pointed to Oakland, which regulates, permits and oversees four successful dispensaries.

"(The staff report) was very one-sided," he said. "It consisted of cut-and-paste horror stories associated with unregulated dispensaries."

Barbara Killey, an Oakland administrative hearing officer, confirmed that Oakland police has "had almost zero problems with dispensaries." She said Livermore officials have not contacted her.

Livermore resident Michael Ferrucci, a medical marijuana patient, hopes for a strong turnout when the City Council formally votes on an ordinance. He said Tri-Valley residents who are sick shouldn't have to drive to Oakland and Hayward for medicine.

"I want to invite the public -- cancer patients, M.S. patients, pain patients -- to show up and have their eyes on the council as they take their medicine away," he said.

Pomidor expects the city staff to present an ordinance to the council in January.

In June, Dublin formally banned dispensaries and in July, Pleasanton extended its year-long moratorium.

Gardena Joins Bans On Medical Marijuana Outlets (TDB)

By Gene Maddaus, Daily Breeze

Torrance (CA) Daily Breeze, November 16, 2006

Moratorium for 45 days will allow staff time to come up with permanent regulations.

Weeks after ordering two medical marijuana dispensaries to close, the Gardena City Council imposed a moratorium on such facilities Tuesday night.

Both dispensaries are still fighting City Hall. California Caregivers' Association, on Vermont Avenue, has closed, but its owner has sued the city in an effort to reopen next year.

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The other dispensary, Nature's Holistic Caregivers on Crenshaw Boulevard, remains open in defiance of the City Council, which revoked its business license last month.

The council passed the 45-day moratorium with little fanfare on Tuesday night. The temporary ban will give the city's planning staffers time to draft permanent regulations.

Allison Margolin, the attorney for Nature's Holistic Caregivers, argued that it is against the law for the city to forbid marijuana dispensaries from doing business.

"It's illegal and it's a moral crime," she said. "What this would do is put marijuana back on the streets." Though California voters legalized medical marijuana a decade ago, it remains a controlled substance under federal law. As marijuana dispensaries have spread statewide, cities have struggled with the question of how best to regulate them. Several South Bay cities, including Lawndale, Torrance, Hawthorne, Redondo Beach, and Rancho Palos Verdes, have instituted bans similar to the one the Gardena council passed Tuesday night.

Councilman Steve Bradford, who was the lone supporter of the dispensaries last month, dissented from the majority again, as the council voted 4-1 to enact the moratorium.

Virgil Grant, the owner of Nature's Holistic Caregivers, presented 500 signatures from Gardena residents supporting his dispensary.

In an interview, Councilman Oscar Medrano cited concerns that the federal government could withdraw grants if the city allows marijuana dispensaries to operate.

"I will not allow moneys to be taken away from our seniors, our kids, our Meals on Wheels programs," Medrano said. "These are essential programs that are needed to keep the kids off the street." Medrano said he sympathized with medical marijuana patients, but was concerned that marijuana dispensaries are unregulated.

"Let's let a doctor prescribe it in the hospital," he said. "Let it be given in the right way, not in a store where you can walk in off the street."

Mexican Cartels Expand Meth Dealing In U.S. (ABC)

By Jason Ryan

ABC News, November 15, 2006

Mexican drug-trafficking cartels have moved in to fill the void left by the successful crackdown on small methamphetamine labs across the United States, and the foreign traffickers have brought the highly addictive drug into parts of the country where it was rarely seen before, according to a new report by the National Drug Intelligence Center.

According to Health and Human Services data, drug use is down over the last four years, but a new report says that Mexican drug trafficking organizations, or DTOs, have gained strength in the United States and that heroin usage has increased among some drug addicts.

DEA officials believe that five main Mexican drug cartels have increased operations in the United States.

Mexican drug-trafficking organizations have "gained considerable strength and greatly expanded their presence in drug markets throughout the country, even in many smaller communities in Midwestern and Eastern states," said the report, which was released today.

Because the ingredients for making meth were easily obtainable, small makeshift meth labs sprang up across the country, feeding much of the surge in meth use since the early 1990s. But when states started passing laws limiting access to some of the key ingredients, such as pseudoephedrine, many of those mom-and-pop labs closed.

The federal government followed suit when Congress tacked a meth provision onto the reauthorization of the USA Patriot Act that limits the amount of pseudoephedrine people can buy at pharmacies.

According to the DEA, since 2004 there have been fewer U.S.-based labs, judging from the DEA's seizure data.

"We've had a significant reduction in domestic labs, with Mexican DTOs filling the void," one DEA official, who requested anonymity, told ABC News.

The spread of methamphetamine can be seen in cities such as Atlanta, which has had several high-yield busts in recent months. In August, the U.S. Attorney's Office in Atlanta announced the largest meth seizure in Georgia's history, which removed as much as $50 million worth of meth from the streets.

The Mexican cartels were behind the deals, and the DEA believes they have been trying to use Atlanta as a hub for trafficking.

"We've never seen meth on the eastern seaboard … in those quantities," the DEA official said.

National Drug Intelligence Center spokesman Charles Miller said the Mexican drug-trafficking networks have been able to gain influence for several reasons, including their access to the precursor chemicals needed to make high-quality methamphetamine.

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Many of these chemicals, including large quantities of the cold medicine pseudoephedrine, come from Asia.

According to the National Drug Intelligence Center, the Mexican groups have been able to use their traditional trafficking networks for cocaine and marijuana to distribute the methamphetamine, which is made in so-called superlabs — large production facilities in Mexico.

DEA officials said they have seen evidence of the Mexican groups increasing their activity in meth distribution, with increased meth seizures at the southern border.

In 2004, DEA data showed that 2,420 kilos of meth where seized at the southern U.S. border. In 2005, seizures had increased to 2,750 kilos.

Although casual use of methamphetamine appears to be stable, the report said there is an increase in the number of meth-related treatment admissions and methamphetamine-dependent individuals nationwide. In 2004, 129,079 were admitted to treatment facilities for meth treatment, compared with 82,113 in 2001.

Meth is not the only area in which the Mexican groups have increased the business opportunities.

The threat assessment notes that the Mexican groups have the "ability to advance Mexican heroin beyond traditional Western state heroin markets."

The report said this "presents new challenges to law enforcement as more groups make the drug consistently available to individuals even in smaller, more rural Eastern communities."

The assessment also found that heroin use has increased among some drug addicts who abuse prescription painkillers. The report found that prescription narcotic abusers have switched to heroin.

"Law enforcement reporting indicates that abusers of pharmaceutical opioids, primarily OxyContin and methadone, but other drugs as well, have switched and continue to switch to heroin, particularly when heroin is more available and cheaper," according to the report.

The report said this trend has been seen in California, Florida, Michigan, Ohio and Wisconsin.

To combat the influence of the Mexican networks, the DEA has engaged in a series of training programs with Mexican law enforcement agencies to try to dismantle their networks.

Meth, Ecstacy, Heroin Readily Available (WT/UPI)

The Washington Times/UPI, November 16, 2006

Larger amounts of drugs are coming into the United States from Mexico, Columbia and Asia, the National Drug Intelligence Center said.

In its 2007 drug threat assessment, the center said organizations producing ice methamphetamine in Mexico have expanded their presence throughout the United States. The center, which is part of the Department of Justice, said the presence of Mexican traffickers in U.S. drug markets has allowed the introduction of Mexican black tar and brown powder heroin into Southeastern and Midwestern states.

Cocaine availability and use in the United States have not significantly changed, but Ecstasy availability and distribution have increased significantly, the center reported.

Asian gangs based in Canada contributed to increases in potency and distribution of marijuana throughout the United States.

Rates of prescription drug abuse top those of other drugs, except marijuana, but the center said law enforcement agencies have had recent success in reducing illegal use of prescription drugs. However, that has caused some addicts to substitute drugs such as heroin for prescription narcotics.

Most Mexican and Colombian traffickers consolidated their money into large bulk cash shipments, smuggling them into Mexico, the report said. U.S. law enforcement efforts have made it more difficult to launder money in U.S. financial institutions.

Canada-based Drug Traffickers Peddling More Ecstasy In U.S., Says Report (CP)

Canadian Press, November 16, 2006

WASHINGTON (CP) - Asian drug traffickers based in Canada have gained control over most of the ecstasy distribution in the United States and expanded their reach, said an American drug report released Wednesday.

The National Drug Threat Assessment by the U.S. Justice Department also said the production of high-potency marijuana in Canada is a problem, although marijuana use has declined slightly.

The strength of seized marijuana samples has more than doubled from 2000 through 2005, says the drug threat report, which is published annually.

High potency production has increased at indoor and outdoor sites in the United States, said the report, and outdoor plants in central California are growing a product comparable in quality to Canada's B.C. Bud.

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There's also more smuggling of strong weed into the country by Canada-based Asian groups.

Since 2004, cross-border ecstasy trafficking has increased significantly, with Canada-based operations expanding distribution to most U.S. states.

Distribution is now at a level similar to that of 2001, when availability peaked under the control of Israeli traffickers who have mostly been broken up by U.S. police operations.

Israeli groups smuggled ecstasy into East Coast cities almost exclusively through couriers on commercial flights from Europe.

Traffickers in Canada, said the report, use private and commercial vehicles crossing the border.

U.S. Officials Troubled By Expansion Of Asian-Canadian Drug Gangs (GM)

Globe and Mail, November 16, 2006

Canadian-based Asian crime syndicates have become the No. 1 distributors of ecstasy in the United States, according to a new report released yesterday.

The business of Vietnamese and other Asian gangs, who started out by growing the popular form of marijuana known as B.C. Bud, has boomed, according to the U.S. Department of Justice. The agency's national drug intelligence centre says the groups have diversified their product lines and set up U.S. franchises, grabbing a significant share of the multibillion-dollar U.S. drug market.

"Canadian-based Asian DTOs [drug-trafficking organizations] have recently gained control over most MDMA [ecstasy] distribution in the United States," states the centre's annual threat assessment, released yesterday.

It adds that in the United States "an estimated $5.2-billion (U.S.) to $21.2-billion is generated through the wholesale distribution of marijuana and MDMA by Canada-based DTOs, and much of the illegal drug proceeds are transported in bulk" back to Canada.

(The figures were achieved by multiplying the estimates of Canadian-produced drugs available in the United States by their estimated wholesale value; comparable estimates arose a few years ago, when Forbes Magazine put the value of B.C.'s marijuana crop alone at up to $7-billion.)

Figures as high as this would suggest that Canada's illegal drug business with the United States could rival the overall value of Canada's legitimate exports, such as wheat ($2.7-billion Canadian) or even lumber and sawmill products ($18.9-billion). Yet one statistician who examined the U.S. study said comparisons should be made cautiously.

"Using the $20-billion figure is an overstatement . . . it's way, way too high," said Philip Cross, an analyst at Statistics Canada. While the government agency doesn't track illegal drug activity, he looked at the U.S. study's methodology, and said that lower ranges of the estimate are far more likely.

Whatever the dollar amount, the drug business would appear to be as brisk as ever. Mexican drug networks remain, by far, the biggest problem in the United States. But Canadian gangs are also carving out territory in their niches.

Since marijuana grow-operations began spreading eastward from British Columbia in the late 1990s, Canadian police have warned the activity would lead to increasingly entrenched criminal networks dealing not just in pot, but also in chemical drugs, like methylenedioxy-methylampheta-mine (MDMA), the club-drug known as ecstasy.

The United States says it is now picking up precisely this sort of activity. South of the border, police say they dismantled Israeli-based organizations importing the club drugs, only to see Asian gangs from Canada fill the vacuum. The problem, as stated in the threat assessment released yesterday, is that the new gangs appear stronger and more impenetrable, largely because of the difficulty in gaining informants in tightly knit ethnically homogeneous groups.

Syndicates still ship synthetic drugs such as ecstasy from overseas, but increasingly they produce them on the continent. "Canada-based Asian criminal groups most often smuggle the drug into the United States via private and commercial vehicles over the Canada-U.S. border," the report says. "Almost all of the MDMA smuggled into the United States from Canada is produced in Canada."

Ecstasy may be a growth industry, but these gangs have never abandoned their core product. "High-potency marijuana production, smuggling and distribution by Canada-based Asian DTOs, primarily of Vietnamese ethnicity, is increasing," the report says.

Fugitives Answer Call To Surrender (USAT)

By Dennis Wagner And Lindsey Collom

USA Today, November 16, 2006

PHOENIX — Sean White, wanted on criminal warrants for a probation violation and failure to appear in court, went to church Wednesday morning to get right with the law.

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The 32-year-old man was among the 120 suspects who turned themselves in during the first four hours of Fugitive Safe Surrender.

The program, which ends Saturday, basically is an invitation from federal and state authorities who are telling fugitives they might receive "favorable consideration" by turning themselves in at a makeshift justice center at Pilgrim Rest Baptist Church.

Doug Weiner, a former Cuyahoga County, Ohio, prosecutor and co-founder of Fugitive Safe Surrender, said the long-term goal is to conduct programs nationwide. Plans already are underway for ones in Indianapolis; Rochester, N.Y.; Akron, Ohio; and Richmond, Va.

David Gonzales, U.S. Marshal for Arizona, said the program gives suspects a chance to deal with criminal warrants at a neutral site, which cuts costs for the public and reduces the chance of a dangerous situation for law officers.

Defendants who show up at the Phoenix church find public defenders to represent them and judges to conduct hearings. Often, when fugitives are caught in traffic stops or tracked down by agents, they face the humiliation of being handcuffed in front of family and the hassle of going straight to jail.

Under Safe Surrender, Gonzales said, most of those wanted for non-violent offenses will be processed within hours and released without going behind bars. The fugitives who turned themselves in Wednesday morning were suspects in cases involving drunken driving, disorderly conduct and failure to pay fines.

A federal Office of Justice Programs grant for $600,000 is financing the development of Fugitive Safe Surrender. The grant is being supplemented with money, manpower and equipment from state and local agencies. Gonzales said he expects the effort in Phoenix to cost about $75,000.

"We think it's a win-win situation for the community," Gonzales said.

The Safe Surrender concept was first tried 13 months ago in Cleveland. Over a four-day period, more than 840 people visited a church to resolve criminal warrants. Although most were wanted for non-violent misdemeanors, the lineup included 324 felony suspects, with "some wanted for rape, robbery, assault and drug offenses," said Peter Elliott, the U.S. Attorney for northern Ohio.

Elliott said he hit upon the idea for Safe Surrender last year. He said he realized suspects might turn themselves in if they could do so safely, and he figured churches would be good safe havens.

When the suspects in Cleveland were asked why they surrendered, Gonzales said, "The overwhelming response was they were tired of running. … It's stressful."

Sean White had been on the run since 2002, when he walked away from a work-release program. At the time, White was 20 days into a 40-day DUI sentence at a Maricopa County jail. It was the wrong decision, he said, and life hasn't been easy since.

White lost a construction job because his driver's license was suspended, he said, and lack of income led his family of five to move from a three-bedroom home to a pay-by-week hotel.

Even more, he said, the main motivation for surrendering is to help solve his half brother's murder. Robert Dickey, 40, was driving to work when someone he stopped to help along the roadway fatally stabbed him in June 2005, White said. He said he hasn't been involved for fear of arrest.

"It's pretty much weighed me down every single day," White said. "Whatever I have to serve, pay, I want to get it over with so I can get on with my life."

In Maricopa County, where there are about 70,000 criminal warrants waiting to be served, according to Gonzales and county law enforcement, the operation was preceded by a media blitz featuring newspaper ads, church fliers and public service announcements on radio and television. In the days leading up to the roundup, Gonzales said, the marshals' phone line was "ringing off the hook" with calls from fugitives wanting details.

Gonzales, along with Maricopa County Sheriff Joe Arpaio and Attorney Andrew Thomas, stressed that defendants are not being offered amnesty — only a promise that prosecutors will consider the voluntary surrender.

White said he believes that turning himself in helped his case: He was free to leave after the proceedings. A county commissioner at the church quashed one of his warrants; the other will be addressed in a municipal court.

On Wednesday, Gonzales said he was surprised by the turnout so early in the program. "I thought it would start off slow and build up. This is good," he said. "It just shows the desperation."

Despite the program's initial success in Ohio, there have been problems. In Albuquerque, authorities abandoned plans because they lacked resources. And a surrender program in Camden, N.J., was canceled after the state Supreme Court balked because of concerns about mixing church and state.

Elliott and Gonzales said that while ministers support the program and churches provide a venue, Fugitive Safe Surrender doesn't involve preaching or proselytizing.

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"This is all about trust," Elliott said. "It's not a faith-based program. It is a law enforcement program that is faith-based in nature."

IMMIGRATION:

29 Immigrants Arrested For Visa Fraud (USAT)

By Donna Leinwand

USA Today, November 16, 2006

Federal agents on Wednesday arrested 29 people, mostly Pakistanis, who allegedly posed as Muslim religious workers to obtain special visas to enter the USA.

The immigrants, arrested in Boston; New York City; Buffalo; Hartford, Conn.; Atlanta; St. Paul; Newark, N.J.; Philadelphia; Washington, D.C., and Harrisburg, Va., face civil immigration charges and could be deported if they are found to have violated federal law, said Marc Raimondi, spokesman for Immigration and Customs Enforcement (ICE). Agents involved in the investigation also arrested eight people on other immigration charges, he said.

The arrests were part of a probe into several organizations that posed as legitimate religious groups and filed false visa applications for the immigrants under the religious worker program, ICE spokesman Dean Boyd said.

The immigrants paid fees, sometimes several thousand dollars, for the fraudulent paperwork, Boyd said. He said he could not release the groups' names because the investigation was continuing.

The religious worker program allows churches, synagogues, mosques, temples and other religious organizations in the USA to sponsor visa applications for immigrants with specific religious training and experience. The visas allow a legal visitor to work only in a religion-related job for a limited time, generally no more than three years.

The immigrants arrested Wednesday worked at non-religious jobs, Raimondi said. Among them: gas station attendant, truck driver and factory worker.

"If these allegations are true, it is sad to see people misuse the religious-worker visa program in an attempt to gain fraudulent immigration status in the United States," said Arsalan Iftikhar, national legal director for the Council on American-Islamic Relations. "In a time where increased dialogue is needed between people of all faiths, it is imperative that initiatives like the religious-worker visa program continue to bring credible religious workers of all faiths to America."

As Congress has wrestled with immigration policy since the Sept. 11, 2001, terrorist attacks, ICE has increased enforcement efforts against document fraud, fugitive aliens convicted of violent crimes and workplaces that employ illegal workers.

In a report released in July, the U.S. Bureau of Citizenship and Immigration Services said the religious-worker classification was "historically considered to have a high fraud rate."

The agency said it examined a sample of religious-worker immigration petitions submitted over a six-month period and found fraud in one-third of the cases.

DHS Watchdog Warns 'Fence' Cost Will Grow (WP)

By Spencer S. Hsu

The Washington Post, November 16, 2006

The Bush administration's proposal to secure the nation's borders with a high-tech "virtual fence" is likely to cost far more than the $2 billion that industry analysts initially estimated, possibly up to $30 billion, a government watchdog agency warned yesterday.

According to the Homeland Security Department inspector general, the ambitious plan to deploy sensors, cameras and other surveillance technology along 6,000 miles of the borders with Canada and Mexico runs the risk of runaway costs because of poorly defined objectives and a vastly overstretched contracting staff at the department.

The dramatically higher estimates, delivered to House members by Inspector General Richard L. Skinner, injected a new dose of skepticism into the national debate to curb illegal immigration, which has focused in large part on gaining control of the borders.

Critics have charged that a Republican-led Congress and President Bush approved legislation with much fanfare this fall authorizing the construction of a 700-mile fence along a third of the Mexican frontier without funding the work.

Now, the feasibility of the Bush administration's preferred plan, to which Congress has dedicated $1.2 billion and which is beginning on a pilot basis along a 28-mile stretch south of Tucson, drew fresh doubts from Congress as it moves into Democratic control.

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Immigration-policy experts said the red flags raised over the border-security initiative could increase pressure on Congress to act on other measures they say are needed, such as stepping up enforcement against U.S. employers who hire illegal workers, cracking down on immigrants who overstay their visas, and overhauling legal immigration channels.

"If it's going to cost 8 to 30 billion dollars," asked Deborah W. Meyers, a senior policy analyst at the Migration Policy Institute, ". . . is that really the most effective way of achieving the policy goal?"

Bush administration allies said the report underscores the need for a guest-worker program, which the president has proposed, to meet the demand for labor in this nation and reduce pressure at the border by illegal crossers.

Members of a House homeland security oversight panel stressed yesterday how the government's poor track record on border enforcement undermined their confidence. A much smaller attempt in the 1990s to deploy remote-sensing technology on the border "started as a $2 million program and turned into a quarter-billion-dollar disaster," said Rep. Mike Rogers (R-Ala.), becoming "a poster child of government waste and mismanagement."

"It seems like deja vu all over again," said Rep. Kendrick B. Meek (D-Fla.).

Rep. Mark Edward Souder (R-Ind.) contrasted the administration's assertion that it could gain control of the border by 2009 with what the White House was prepared to pay for. Souder said he was "baffled" by the department's selection in September of aerospace giant Boeing Co. to lead the open-ended effort without more certainty about final cost.

"It could be between 2 and 30 billion dollars, you're not sure which? . . . So it's pie in the sky, 'give us your best shot'?" Souder said. "It just seems extraordinary."

Gregory Giddens, director of the DHS Secure Border Initiative program, and Deborah J. Spero, deputy commissioner of Customs and Border Protection, said cost estimates are premature because the administration has not settled on a strategy or decided what it will buy. The cost could be far lower and, responding to congressional pressure, DHS will provide a more detailed blueprint of its plans by Dec. 4.

"We do not have a cost estimate publicly," Giddens said.

Industry sources also expressed surprise at the inspector general's estimate, which ranged from $8 billion to $30 billion. The lower figure had been discussed informally, according to people familiar with competition among Boeing and four other firms. The consensus estimate given publicly, though, was that the project would be worth $2 billion to $2.5 billion.

Former DHS inspector general Clark Kent Ervin said agency officials have underestimated the cost of major programs in the past, partly to sell them to Congress and partly because DHS contracting officers were overwhelmed. In August, 69 of 252 jobs in the office managing the Secure Border Initiative Network project were filled, Skinner reported, and plans call for two-thirds of contract overseers to be contractors.

We Must Start Over On Immigration Reform (HILL)

By Manuel A. Miranda

The Hill, November 16, 2006

The recent election did not reward hard-liners on immigration, but voters and those who chose not to vote also punished Republicans for an irresponsible immigration solution in the Senate.

Just before the election, the president signed the Border Fence Law. It was not the immigration bill he wanted. Last year, House Republican leaders stopped cold the president's proposal that would have used a guest-worker program as the path to legalize over 12 million illegal immigrants. With far less reluctance, House Republicans rejected a Senate bill that made the president's guest-worker plan worse — much worse. This was a rare act of statecraft, if not courage. All Americans want a solution to address our failed immigration policy, but not necessarily that one.

Exit polls show that 57 percent of voters want to offer a legal status to illegal immigrants, while 38 percent want to deport them. Those are two sizeable, countervailing numbers that politicians should not ignore. Election over, it is time for a cohesive immigration reform.

We all need to take a deep breath and start working for a reform short on slogans and Band-Aid solutions and long on far-sighted policy. Conservatives especially need to throw cold water on our faces. The loss of the Republican leadership in the House means the jig is up. A Senate filibuster is the only hope to block another bloated bill that fails to solve the real problem: America's short-sighted immigration policies.

In 2001, President Bush promised the then-president of Mexico, Vicente Fox, that he would seek a legal status for America's illegal immigrants, over 70 percent of whom are Mexican. In return, the Mexican president promised major fiscal reforms so his people might stay home. Fox never made good. Mexico's fiscal policies only worsened, pushing more Mexicans across the border. President Bush should not feel obliged.

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The White House needs to give up the guest-worker program as the only solution, and congressional leaders on each side must distance themselves from the simplistic desires of their supporters. Each major interest can get something, without abandoning America's interests.

All experience suggests that a guest-worker program that is not temporary does more long-term harm than temporary good. It will certainly not work if its true purpose is the legalization of millions. Even so, there is only one good argument against a true guest-worker program: This country has never intentionally sought a peasant class. We would not be the same America if we start now.

A guest-worker program, however, that is truly temporary, and measured to obtain targeted regional and sector-driven goals, can be achieved without injuring our national character. So there is room to give the president, Mexico, liberals, free-traders, bishops and pastors what they want: legal status for some, though not all, illegal immigrants.

No one could reasonably disagree with placing security and employment enforcement first. And no one should be so cold-hearted as to ignore the harm we do with policies blind to the failure of the source country that exports its poor. Illegal immigration is a human tragedy that disrupts lives and separates families. It is a failure of two governments: the one that fails its people and the one that invites their departure for cheap labor's sake. A cohesive reform cannot leave unaddressed the obligation of our neighbors to heal themselves.

Political reality suggests that there will be no solution that disguises an amnesty or fails to legalize millions, but there will be no cohesive reform if millions today translate into tens of millions tomorrow. A policy reform that does not put everything on the table, including the so-called "anchor baby" policy, by which the children of illegal immigrants (and even tourists) become citizens upon mere birth here, and chain migration, by which whole clans get a foot in the door, is no reform at all.

Achieving a cohesive reform requires abandoning Band-Aid solutions. The truth is that, barring disparate regional impacts, which are real, America can absorb (and assimilate) millions of people, but just doing that is not a policy. And neither is a border fence.

The greatest obstacle to immigration reform has been the confines of this past year's debate. We must start over.

Miranda is former immigration counsel to Senate Majority Leader Bill Frist (R-Tenn.). He became a citizen in 1976.

No Mandate For Amnesty (USAT)

By Mark Krikorian

USA Today, November 16, 2006

President Bush and his Democratic allies on immigration are pointing to the results of last week's elections as a mandate for what they call "comprehensive" reform — but what most people would rightly call amnesty for illegal aliens.

The results suggest nothing of the kind; in the face of deep discontent with Republicans over Iraq and a cascade of scandals, immigration probably didn't decide any races at all, largely because most Democrats wisely avoided any mention of amnesty and focused on enforcement.

Assuming the election analysis by the president and others is a sincere mistake, however, it likely stems from a misunderstanding of the options we face to deal with the illegal population of about 12 million people. Almost all polling has offered respondents only the unpalatable choice of mass deportations or amnesty.

But there is a third way, and that is the approach embodied in the bill passed nearly a year ago by the House. Sometimes called "attrition through enforcement," such a policy would strictly enforce immigration laws (something we have never tried) so as to limit new illegal settlement and cause illegal immigrants already here to go home over time.

The result would be an annual decrease in the illegal population, instead of continuing increases. Research by my Center for Immigration Studies found that this approach could cut the illegal population by half in five years, requiring only a modest increase in resources and using only normal law-enforcement tools.

In a pre-election poll of likely voters, done for the center by the Polling Company Inc. using neutral language (i.e., without the words "amnesty" or "aliens"), 44% backed enforcing laws "to cause illegal immigrants to go home over time." An additional 20% wanted roundups and deportations; only 31% supported legalization. When offered the full range of choices, amnesty is rejected 2-1.

Supporters of legalization would do well to keep this in mind, lest they be surprised in the presidential election of 2008.

Mark Krikorian is executive director of the Center for Immigration Studies, a think tank that supports tighter controls on immigration.

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TAX:

The Economic Agenda (WP)

The Washington Post, November 16, 2006

THE MIDTERM elections were in part a repudiation of Republican economic priorities. The economy has grown strongly for five years even though it is slowing now, but the fruits of prosperity have not been shared widely. While corporate profits and pay for people at the top have risen, the majority of the workforce has experienced a stagnation of pay that stretches back, with only brief respites, to around 1980. The Republican Party has veered between denying the data and acknowledging middle-class anxiety while offering nothing to assuage it. The Democrats have understood the nation's economic insecurity, and they have been rewarded.

Having diagnosed the problem correctly, Democrats need a prescription. Some remedies that were tested during the campaign are not promising. As Slate's Jacob Weisberg has written, Democrats offered a mixture of economic populism (blaming middle-class insecurity on rich Americans) and economic nationalism (blaming middle-class insecurity on poor foreigners). But a populist drive to impose a surtax on energy companies will guarantee higher energy prices by deterring investment in new sources of supply. A populist attack on pharmaceutical companies will produce a lobbying war without solving the problems of health care. The real waste in the system is not that people overpay for drugs, but rather that they consume tests and other services without regard to their cost.

As for economic nationalism, clamping down on trade might help workers in declining manufacturing industries. But restricting imports would push up prices for people in the service sector, which includes hotel janitors, fast-food workers and other modestly paid groups, so the net effect on poor and middle-income families would probably be negative. Restricting immigration sounds like a good way to push wages up -- if there are fewer workers, surely the price of their work will rise? But economic studies find this effect is either negligible or nonexistent. Restricting the supply of low-wage labor may simply cause labor-intensive industries to shift abroad, or it may drive employers to buy extra tools and machines and so get by with fewer workers. Either way, a reduction in the supply of workers may be matched by lower demand for workers, which would explain why U.S. cities without immigrants haven't experienced more wage gains than cities with lots of them.

The good news is that the Democrats are not tied to these bad policies. One populist promise on which they propose to act promptly happens also to be reasonable: Raising the federal minimum wage makes sense because it is so low that lifting it probably won't hurt job creation. Beyond that, Democrats need to come up with policies that address inequality while not damaging growth, starting perhaps with tax reform. The existing system of tax breaks for savings, homeownership and health care favors the wealthy while draining billions from the government. Restructuring these tax breaks could shrink the deficit while freeing money for Democratic spending plans. Moreover, the Bush administration is on record as supporting tax reform. Here is an opportunity to make bipartisan progress: in a word, to govern.

CONGRESS-ADMINISTRATION:

Bush To Put Nominations Back On Table (NYT)

By Neil A. Lewis

The New York Times, November 16, 2006

WASHINGTON, Nov. 15 — White House officials said Wednesday that President Bush would renominate six of his earlier choices to sit on the federal appeals court, leaving Democratic senators and other analysts to ponder what message he is sending.

At least four of the nominations have been declared dead on arrival in the Senate by Democrats who have consistently opposed them as unacceptable. All six nominations will remain before the Senate through the lame-duck session of Congress and then will expire.

When the 110th Congress is seated in January, Mr. Bush can deliver another list of judicial nominees to the Senate, which will by then have a Democratic majority.

Mr. Bush's motive in sending up the nominations has been closely analyzed, with several Democrats and liberals labeling it as provocative and a sign that he does not intend to seek compromise as he suggested he would after Republican losses in the elections last week.

"Democrats have asked the president to be bipartisan, but this is a clear slap in the face at our request," said Senator Charles E. Schumer, Democrat of New York, who is a member of the Judiciary Committee. "For the sake of the country, we hope

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that this is an aberration because the president feels he must placate his hard-right base rather than an indication of things to come."

Senator Patrick J. Leahy, Democrat of Vermont, who will be the leader of the Judiciary Committee, said, "Barely a week after the president promised to change course by working in a bipartisan and cooperative way with Congress, it is disappointing that he has decided to 'stay the course' on judicial nominees."

But Edward Whelan, the president of the Ethics and Public Policy Center, who has supported Mr. Bush's judicial nominations throughout the first term, said Democrats were engaging in "rhetorical gamesmanship." He said that despite the changed numbers in the Senate, Mr. Bush was not obliged to offer a unilateral surrender. He said the president was resubmitting the nominees for the lame-duck session because Democrats had refused to comply with the usual courtesy and moved to have the nominations expire at the last recess.

The four nominees whose chances of confirmation are viewed as nearly impossible are: William J. Haynes II, the Pentagon's general counsel who was involved in setting many of the interrogation policies for detainees; William G. Myers III, a longtime lobbyist for the mining and ranching industries and a critic of environmental regulations; Terrence W. Boyle, a district court judge in North Carolina; and Michael B. Wallace of Mississippi, a lawyer rated unqualified for the court by the American Bar Association.

The other nominees, who have not aroused as much opposition, are N. Randy Smith, a district judge in Idaho, and Peter D. Keisler, assistant attorney general for the civil division of the Justice Department.

White House Resubmits Appeals Court Nominees Opposed By Democrats (AP)

By Devlin Barrett, The Associated Press

AP, November 16, 2006

The Bush administration, trying to push through judicial nominations before Republicans lose control of the Senate, resubmitted six nominees deemed by Democrats too conservative for the federal bench.

Five nominees were the subject of an angry exchange in August when Democrats said their selection was a sop to the president's conservative base.

The White House on Wednesday submitted Terrence Boyle of North Carolina and William James Haynes II of Virginia to the 4th U.S. Circuit Court of Appeals in Richmond, Va.; Michael Brunson Wallace of Mississippi to the 5th Circuit in New Orleans; Peter Keisler of Maryland to the District of Columbia Circuit; and William Gerry Myers III and Norman Randy Smith, both of Idaho, for the 9th Circuit in San Francisco.

Everyone except Keisler has generated intense opposition from Democrats.

Under Senate rules the nominations must be resubmitted after Congress takes an extended break, as was the case this year for the 2006 election.

"Democrats have asked the president to be bipartisan, but this is a clear slap in the face at our request," said Sen. Charles Schumer, D-N.Y., a member of the Judiciary Committee. "For the sake of the country, we hope that this is an aberration because the president feels he must placate his hard-right base, rather than an indication of things to come."

Sen. Jon Cornyn, R-Texas, a vocal backer of many of Bush's judicial picks, said he thought it would be "very tough" to get the nominees through the Senate during the lame-duck session. But, he added, "Hope springs eternal."

Cornyn said judicial nominees will test the Democrats' stated desire to run the Senate with greater bipartisanship.

"We'll see whether now that they're in majority status, if we're going to have ideological litmus tests for judges," Cornyn said.

The president's picks for the federal bench have sparked angry debate in the Senate. The incoming majority leader, Democrat Harry Reid of Nevada, once threatened to filibuster Boyle's nomination if it came to the full Senate.

Haynes was an architect of the Bush administration's eventually abandoned policy on the treatment of terrorism detainees. He later told a Senate panel that reversing the policy was the "right thing to do."

Bush this week also has sent several nonjudicial nominees to the Senate. One was Kenneth Y. Tomlinson, renominated as chairman of the Broadcasting Board of Governors, the agency that directs U.S. overseas broadcasts. His nomination has bogged down because of allegations of misconduct. A report released in August by the State Department's inspector general said Tomlinson misused government funds for two years as the board chairman. He disputed the allegations.

Bush Resubmits Six U.S. Appellate Court Nominees (Update1) (BLOOM)

By James Rowley

Bloomberg, November 16, 2006

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Nov. 15 (Bloomberg) -- President George W. Bush resubmitted six appellate-court nominees, who earlier drew objections from Democrats, for Senate consideration in the waning days of the Republican majority.

The Senate returned the six appeals-court nominees to the president in late September when Congress recessed to campaign for midterm elections. The elections gave Democrats a majority in the Senate starting in January and the power to block confirmation of the nominees.

Bush's decision to resubmit the six nominees was criticized by Vermont Democrat Patrick Leahy, who will be chairman the Judiciary Committee in the Democratic-controlled Senate.

``The president is choosing partisanship over progress and division over unity," Leahy said in a statement. ``The signal the president is sending by renominating these controversial candidates is regrettable."

Bush spokeswoman Emily Lawrimore said the White House is ``hopeful that the days of obstruction are behind us."

``We view this as a logical step in the judicial nomination process," she said.

The Judiciary Committee's current chairman, Pennsylvania Republican Arlen Specter, said yesterday, ``It is obvious that they cannot move" through the Senate before the Democrats take control.

Defense Department Counsel

The resubmitted nominees include William J. Haynes II, the Defense Department's general counsel who helped devise military interrogation policies for suspected terrorists. Democrats and some Republicans argue the interrogation policy encouraged abuse of prisoners seized in Iraq and Afghanistan.

Democrats, including Senator Joseph Lieberman of Connecticut, have questioned whether Haynes was evasive during a July hearing when he was questioned about how the interrogation policy was adopted.

Haynes, 48, was nominated for a seat on the 4th U.S. Circuit Court of Appeals in Richmond, Virginia. Also nominated for that court was Terrence W. Boyle, 60, a federal trial judge in North Carolina who Democrats argue has shown hostility to employment discrimination lawsuits.

Bush also renominated Michael B. Wallace, 55, a Jackson, Mississippi, lawyer who the American Bar Association's judicial screening committee found professionally ``unqualified" for a seat on the New Orleans-based 5th U.S. Circuit Court of Appeals. Wallace is a former aide to Senator Trent Lott, a Mississippi Republican.

Myers

William G. Myers III, 51, a mining and ranching lobbyist, was renominated for a seat on the 9th Circuit Court of Appeals in San Francisco. Democrats object to Myers' record as an opponent of environmental laws, arguing that as the Interior Department's solicitor he promoted corporate interests over enforcement of regulations to protect federal land.

Peter D. Keisler, head of the Justice Department's civil division, was renominated for a seat on the Washington-based D.C. Circuit.

The panel's eight Democrats objected in July to considering Keisler's nomination, citing a longstanding dispute over whether to fill the vacancy on the Washington court. During Bill Clinton's presidency, Republicans refused to act on nominations to fill the seat, citing a decline in the court's workload.

California Democratic Senator Dianne Feinstein has opposed the confirmation of N. Randy Smith, an Idaho resident, on the basis that he was nominated to fill a seat on the 9th Circuit Court of Appeals traditionally reserved for a California resident.

Leahy has suggested that Bush nominate Smith for the Idaho seat that Myers has been picked to fill.

Bush Renominates Judicial Picks (WP)

By Peter Baker

The Washington Post, November 16, 2006

President Bush renominated six previously blocked candidates for federal appeals court yesterday, triggering the first real battle with ascendant Democrats since the midterm elections and signaling what could be the start of a fierce two-year struggle over the shape of the federal judiciary.

The move heartened conservatives who worried that Bush would scale back his ambition to move courts to the right and outraged liberals, who called it a violation of the spirit of bipartisanship promised since Democrats captured Congress. Both sides saw it as a possible harbinger for the remainder of Bush's presidency, particularly if a Supreme Court vacancy opens.

The decision to send back the six nominees, along with four new candidates for the bench, was a provocative maneuver intended to signal that Bush does not plan to cower in the face of an opposition Congress, because the Senate almost certainly will not act on them in the lame-duck session that adjourns next month. If Bush wants to keep pushing for these nominations, he will have to resubmit them in January, when the Senate reconvenes with a 51-vote Democratic majority.

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"We are hopeful that the days of judicial obstruction are behind us," said White House spokeswoman Emily Lawrimore. Noting that a Republican Senate confirmed 15 of Bill Clinton's nominees to the federal appeals bench in his last two years as president, she added: "We are hopeful that President Bush's nominees will receive a fair up-or-down vote."

Sen. Charles E. Schumer (D-N.Y.) said none of the six would be confirmed. "It's a real slap in the face," he said by telephone. "It basically makes you think the talk of bipartisanship is just talk. . . . I guess it's a sop to the right, but if he's going to keep doing sops to the right, it means they didn't pay attention to the results of the election."

Judgeships have been a priority for conservatives and a major flashpoint between Bush and congressional Democrats. A group of centrist senators from both parties last year brokered a truce in the nomination war and Bush secured confirmation for two Supreme Court nominees, John G. Roberts Jr. and Samuel A. Alito Jr. In his final days on the campaign trail, Bush warned supporters that a Democratic Senate would never have confirmed Roberts or Alito and would stonewall future nominations.

Now he appears ready to test that proposition. None of the six nominees resubmitted yesterday received a Senate floor vote: Michael B. Wallace for the U.S. Court of Appeals for the 5th Circuit; William J. Haynes II and Terrence W. Boyle Jr. for the 4th Circuit; William G. Myers III and Norman Randy Smith for the 9th Circuit; and Peter D. Keisler for the D.C. Circuit.

In addition, he sent four new nominations: James E. Rogan to the U.S. District Court in California; Benjamin H. Settle to the district court in Washington state; and Margaret A. Ryan and Scott W. Stucky to the U.S. Court of Appeals for the Armed Forces. Rogan, a Republican former congressman, is the most prominent of the four, having served as one of the House managers who prosecuted Clinton during his 1999 impeachment trial.

Four of the previously blocked nominees were criticized as unqualified or too conservative. One of the others ran into objections from California senators who did not want his seat moved to Idaho and the last was stalled by assertions that the caseload on his circuit did not justify another judge. Senate Judiciary Committee Chairman Arlen Specter (R-Pa.) said Tuesday that he would not move the nominations during the lame-duck session.

Elliot Mincberg, legal director of the liberal People for the American Way, said: "This is a disturbing sign . . . in terms of Bush trying to reach out for genuine consultation and consensus. But even more important will be what he does in January. If he takes the same tack in January, then he signals that he wants confrontation."

Conservatives hope that is what Bush wants and say it will test Democrats' commitment to bipartisanship. "The president's sending the message that he's not going to deviate one iota from his judicial philosophy, which is that he's going to send up nominees who don't legislate from the bench," said Jay Sekulow, chief counsel of Pat Robertson's American Center for Law and Justice, who advises the White House.

Bush Resubmits 6 For Judgeships (WT)

By Stephen Dinan And Charles Hurt

The Washington Times, November 16, 2006

The White House yesterday resubmitted six contentious judicial nominees to the Senate in what Republicans said was a signal President Bush will fight over judges even under Democratic control, and Democrats said proves the president already has forsaken bipartisanship.

In addition to the six resubmissions -- needed because the nominees had been automatically returned to the White House during the October recess -- Mr. Bush also sent over four new nominees.

The White House said the nominations are "a logical step" meant to keep the confirmation process on track.

"These renominations simply restore the nominees to the position they were in prior to the [October] recess, when the nominees were pending in the Senate and awaiting fair consideration of an up-or-down vote," said Emily Lawrimore, a White House spokeswoman.

But several of those nominees would have a difficult time gaining a majority vote, and with little time left in this year's session and with Democrats about to take control next year, nothing is likely to happen.

"There is zero, zip, zilch chance of any of these judges making it through the Senate killing fields in the waning days," said one Republican aide, who has watched the nominees situation but asked not to be identified. "Without a plan for successful confirmation from the White House, the only point is to fly the flag as the judicial-confirmation ship slips beneath the waves. Burble, gurgle."

All nominees expire at the end of this year, and Democrats said with so little time left, Mr. Bush's move proves he is playing a partisan game rather than trying to work with them.

"Democrats have asked the president to be bipartisan, but this is a clear slap in the face at our request," said Sen. Charles E. Schumer, New York Democrat and a point man for his party on judicial nominees.

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But Sean Rushton, executive director of the Committee for Justice, a conservative group that advocates for judges, said Democrats forced the issue by denying Mr. Bush the usual courtesy of carrying the judges over the recess. That is why Mr. Bush had to resubmit the six contentious ones yesterday.

"It's a bullying tactic to try to paint the president into backing off from these nominees," he said.

The six resubmissions are Terrence W. Boyle and William James Haynes II to the U.S. 4th Circuit Court of Appeals, Peter D. Keisler to the U.S. Circuit Court of Appeals for the District of Columbia, William Gerry Myers III and Norman Randy Smith to the 9th Circuit and Michael Brunson Wallace to the 5th Circuit.

The new nominees are James Edward Rogan to the U.S. District Court for the Central District of California, Benjamin Hale Settle to the District Court for the Western District of Washington and Margaret A. Ryan and Scott Wallace Stucky to the Court of Appeals for the Armed Forces.

It is a curious end to a year that began with the confirmation of Justice Samuel A. Alito Jr. to the Supreme Court. But since then, confirmations have dropped off. One key senator earlier this year blamed the White House for not sending up new nominees fast enough, though Mr. Rushton said the Senate leadership failed to push the pending nominees.

House, Senate Pass Stopgap Funding Bill (AP-Y)

By Andrew Taylor, Associated Press Writer

AP, November 16, 2006

Congress passed a bill Wednesday that keeps open those agencies awaiting approval of their budgets as lawmakers seek a deal on lots of unfinished fiscal business.

The temporary spending measure sped through the House and Senate on voice votes. Without passage, 13 Cabinet agencies would have had to close down Friday at midnight. When President Bush signs the bill, the government will remain open through Dec. 8.

The bill's passage was the only significant accomplishment Wednesday by the postelection Congress. Senate leaders had hoped to turn to an agriculture spending bill and a bill to allow civilian nuclear fuel shipments to India, but lawmakers quickly bogged down.

Republican conservatives want to slow the appropriations process. They fear that Appropriations Committee members will muscle through a massive spending bill full of parochial projects as one of the last acts of Congress before Republicans lose control.

Farm-state Democrats, meanwhile, demanded a vote on a multibillion dollar billion farm disaster aid plan as part of the agriculture spending measure.

The net result was gridlock broken only by passage of the stopgap measure.

Congress has yet to finish nine of 11 spending bills for the budget year that began Oct. 1. Those bills total more than $460 billion. The only practicable way of finishing them before lawmakers exit Washington for good in December is to bundle them into one or more multiple bill proposals.

But there are divisions among Republican over whether to even try to advance the spending bills. Without GOP unity, it will be virtually impossible to do so. That raises the prospect that Democrats will have to tackle the difficult task after taking control of Congress in January.

Past Is Not Prologue For Gates (HILL)

By Elana Schor

The Hill, November 16, 2006

Senate Democrats could find themselves walking a fine line as the chamber takes up Defense Secretary nominee Robert Gates, weighing the value of regime change at the Pentagon after six stormy years of Secretary Donald Rumsfeld against their new position of power as an incoming majority.

The dozen sitting Democrats who voted against Gates when he took over as CIA director in 1991 face a particular challenge as they re-examine old allegations about Gates's role in intelligence-gathering during the Iran-Contra affair. Several CIA colleagues came forward then to charge Gates with twisting intelligence to fit the White House agenda, criticism that had derailed an earlier Gates bid to head the agency.

The Senate's Democratic majority ended up confirming Gates in 1991, with eight members who are still serving voting yes — including new Senate Majority Leader Harry Reid (D-Nev.).

Yet, those 12 Democratic votes against Gates in 1991 appear to set little precedent for Senate Democrats ready to replace Rumsfeld's combative and closed leadership style with Gates, a former member of the independent Iraq Study Group that will soon weigh in on the Iraq war policy.

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The first senator to reveal that he would reverse an old vote against Gates was Joseph Biden Jr. (D-Del.), who told ABC's "This Week" on Sunday that a desire to change course in Iraq would overcome his former skepticism about Iran-Contra.

"To put it very, very bluntly, as long as he's not there, Rumsfeld is there," Biden said.

Another Democrat who had opposed Gates's CIA bid, Sen. Max Baucus (Mont.), then attributed his vote to unanswered questions about Gates's politicization of intelligence, a charge reminiscent of some war critics' view that the Bush administration "cherry-picked" intelligence to justify invading Iraq.

"In the spirit of moving along," Baucus said on Monday, he would likely support Gates this time around. "Gates is certainly qualified."

Sen. Jay Rockefeller (D-W.Va.), who will take over the Intelligence Committee next year, gave a floor speech against Gates in 1991. Rockefeller said in a statement last week, however, that choosing Gates to head Defense "may signal that [Bush] is searching for a realistic and pragmatic approach in Iraq and the war on terror."

Other Democrats set to become committee chairmen in January voiced discontent 15 years ago over Gates's role in sharing intelligence with Saddam Hussein during Iraq's 1980s war with Iran, including Sens. Edward Kennedy (Mass.) and Tom Harkin (Iowa). Seven other sitting Democrats voted against Gates then: Jeff Bingaman (N.M.), John Kerry (Mass.), Frank Lautenberg (N.J.), Kent Conrad (N.D.), Chris Dodd (Conn.), Carl Levin (Mich.), and Paul Sarbanes (Md.). Sen. Jim Jeffords (I-Vt.), who, like Sarbanes, is retiring this year, also voted against Gates.

Levin will take over the Armed Services Committee next year, but he is not likely to gavel in any Gates hearings. Levin and current Armed Services Chairman John Warner (R-Va.) are planning to start the confirmation process when the Senate returns from Thanksgiving recess and complete it as soon as possible.

What is unclear is whether Democratic senators will view their past votes on Gates as a precedent; the caucus's unified effort to effect positive change in Iraq and begin a phased redeployment of troops is certain to play into the debate. Reid, who voted to install Gates at the CIA in 1991, said at a Christian Science Monitor breakfast yesterday that he welcomes a swift process.

"There is some urgency in our minds to move this along as quickly as possible," said Reid, who noted that Gates's ties to Iran-Contra did concern him. "I certainly want to get rid of Rumsfeld, sooner rather than later."

Levin has said that he will re-examine Gates impartially, adding this week that "the last 15 years are more important to me [than Iran-Contra]. … I'll give him a fresh, fair hearing."

Democrats are conscious of the need to thoroughly examine Gates before sending him to replace Rumsfeld, who had become a symbol of the Bush administration's Iraq missteps for members of both parties. Sen. Charles Schumer (N.Y.), Democrats' new third-ranking leader, was in the House during Gates's last confirmation vote but cautioned that Democrats "do not want to do anything dilatory."

Democrats will be asking, "Does he have an independent mind?" Schumer said.

Reid and Schumer addressed several other future goals at the Monitor breakfast. Senate Democratic leaders are considering legislation to establish criminal penalties for election fraud and manipulation, a response to widespread reports last week that Democratic voters were targeted with late-night robo-calls and efforts to mislead them away from the polls.

Reid also hinted that the outside fundraising groups that have become pivotal to Democratic campaign operations would be scrutinized by the Democratic majority.

"We're going to have to take a real close look at 527s," Reid said.

Lott Beats Alexander 25-24 For Comeback (HILL)

By Elana Schor

The Hill, November 16, 2006

Senate Republicans chose Trent Lott (Miss.) as their new whip yesterday by the narrowest of margins, cementing his comeback after four years out of leadership and signaling a GOP minority ready to assert itself and bounce back from defeat.

Lott bested Sen. Lamar Alexander (R-Tenn.), who began openly campaigning more than a year ago, by 25 votes to 24. Senators said Lott's proven negotiating ability and his institutional knowledge made the difference as Republicans prepare to move into a full cycle of minority status for the first time since 1995.

Sen. Jon Kyl (R-Ariz.), who was unopposed in his bid for conference chairman, said "experience" was the singular force behind Lott's last-minute triumph against the well-liked Alexander. "There's nobody better at working with other folks, including across the aisle, than Trent."

Sen. Richard Lugar (R-Ind.) echoed that sentiment, saying, "I want people with confidence and people who will work well with the Democrats" in the leadership.

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Sen. Wayne Allard (R-Colo.) noted Lott's rededication to the party as he worked his way back from the turbulence of 2002, when the Mississippian was forced out as majority leader under pressure from the White House after making remarks seen as racially insensitive.

"Trent Lott was a great team player after suffering a great emotional defeat for him," said Allard, who publicly supported Alexander. "He has worked hard since then. I think [Lott backers] appreciate that."

Lott has called the whip's post the best job in the capital, and yesterday said it was the "job I have loved to do the most." The longtime House whip, who also won a one-vote Senate whip election in 1995 against former Sen. Alan Simpson (R-Wyo.), must now try to divert the media attention he naturally attracts toward the Republicans' new majority leader, Sen. Mitch McConnell (Ky.).

Arriving before the cameras yesterday, the new GOP leadership team referred to McConnell one question about the conference's post-election mood – "upbeat," he said, "which may surprise you" – before the topic turned to Lott. The new whip demurred, seeking to shift the spotlight back onto McConnell, "where it belongs." McConnell then closed down the press conference.

The challenge McConnell and Lott face in ensuring that the latter does not upstage the former will be amplified as senators jostle to position themselves for presidential bids. Sen. John McCain (R-Ariz.), the GOP's frontrunner, was a strong Lott booster as the latter delayed any public campaigning until Sen. Rick Santorum (R-Pa.), the natural heir to the whip job, lost his reelection race.

Less than 18 months ago, Lott was the subject of rampant retirement rumors after Hurricane Katrina tore through the Gulf Coast, demolishing his family home in Pasacagoula, Miss. But the personal setback appeared to reinvigorate the institutionalist Lott, who took on an increasingly helpful role for the GOP leadership led by the man installed to replace him, outgoing Majority Leader Bill Frist (R-Tenn.).

Lott also led the way at times as Republican lawmakers asserted their independence from the Bush administration. Lott publicly warned the president in March that if he vetoed legislation negating a ports takeover by a Middle-Eastern company, "Okay, big boy, I'll just vote to override your veto."

That independence was a factor for Sen. Olympia Snowe (R-Maine), another Lott backer, who said the events of 2002 were water under the bridge.

"Trent understands … that what the president may want may not be what we can advance," said the centrist Snowe. "You have to have a broader umbrella for all Republicans. Not every Republican is going to be able to vote the same way."

Republican senators cast a unified vote for the rest of their leadership, including Sens. Kay Bailey Hutchison (R-Texas) as GOP Policy Committee chairwoman, John Cornyn (R-Texas) as conference vice-chairman and John Ensign (R-Nev.) as National Republican Senatorial Committee chairman.

Cornyn said yesterday that the closeness of the whip vote would leave no lingering tension in the conference, adding that Alexander would play a key role.

"I would not be surprised," Cornyn said, if a leadership position tailored to Alexander's strengths were created. Senate Democrats crafted their own new post this week for their victorious campaign chief, Charles Schumer (N.Y.).

Cornyn, whose new mandate is to hone and articulate the GOP message, also described a willingness among Republicans to heed the Democratic majority's call for bipartisanship but rebel when it is called for. "It doesn't mean we are going to be unnecessarily partisan … but we can shape, or in some cases stop, legislation," he said.

McConnell had a similar message, telling reporters that "we represent a vigorous body of 49, and hopefully a minority that is only in this position for a couple of years."

Republican Sens. Judd Gregg (N.H.) and Gordon Smith (Ore.) gave Lott's nominating speeches, according to sources, while Sens. Bob Bennett (Utah) and Johnny Isakson (Ga.) gave Alexander's.

Democrats, who faced no contested leadership races, were watching the contest almost as avidly as Republicans. Mississippi Rep. Gene Taylor (D) issued a statement hailing Lott's win, and new Senate Majority Leader Harry Reid (D-Nev.) said at a breakfast interview yesterday morning that he has "great affection for Trent Lott."

"Behind the scenes the past two years, he has been extremely helpful to me," Reid said.

Roxana Tiron contributed to this report.

Lott Returns To Senate Leadership (WSJ)

By David Rogers

The Wall Street Journal, November 16, 2006

WASHINGTON -- Mississippi's Trent Lott barreled back into the Senate Republican leadership as party whip when the 110th Congress convenes in January.

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The narrow 25-24 caucus vote echoed Mr. Lott's 1994 victory when he wrested the same No. 2 party post from former Wyoming Sen. Alan Simpson. But this triumph also spelled redemption for a man who rose as high as Senate majority leader before falling precipitously in 2002.

For President Bush, the Mississippian's return could be a mixed blessing. Mr. Lott blamed the White House for contributing to his ouster, but he brings a set of legislative skills that the administration sorely needs to move its agenda in the new Democratic-controlled Congress.

After four years of Bill Frist, the retiring Senate leader who never seemed at home in the chamber, Republicans are hungry for a proven expediter. Mr. Frist's Tennessee colleague, Sen. Lamar Alexander, who began campaigning for the whip's post a year ago, couldn't withstand Mr. Lott's late surge.

Sen. Judd Gregg (R., N.H.) said of Mr. Lott: "He goes across the aisle better than any other member of our caucus. He has an intuitive sense of the way this place works."

"He's the best I've seen in 20 years in the Senate in working both the Senate and the other side of the Capitol," said Sen. John McCain (R., Ariz.).

Mr. Lott fell from power after suggesting at a televised party in December 2002 that the nation would have had fewer problems if the segregationist policies of the old Dixiecrat Party in the South had prevailed. He denied any racist intent but was rebuked by the president and complained that the White House encouraged efforts to replace him with Mr. Frist.

Mr. Lott was emotional after his triumph and pledged his loyalty to the new Senate Republican Leader Mitch McConnell (R., Ky.). Mr. McConnell had signaled privately that he wouldn't work against Mr. Lott's comeback, but the victory also reflects changes in the senator as a person.

Mr. Lott reached out to colleagues like Sen. McCain, with whom he had fought in the past. And in seconding the nomination, Oregon Sen. Gordon Smith said Mr. Lott was stronger for having dealt with the twin setbacks of losing his leadership post and seeing his home state and Gulf Coast house devastated by Hurricane Katrina.

"If any man has gotten a one-two punch and gotten off the mat a better man, it's Trent Lott," Mr. Smith said.

Mr. Lott's return also underscores the human dimension of leadership elections in Congress, a huge factor again today for House Democrats deciding on majority leader for the coming Congress. Rep. Steny Hoyer of Maryland, the party whip, is seeking the post, but faces stiff resistance from Pennsylvania Rep. John Murtha, a Marine Vietnam veteran who has helped to galvanize public support for the party by speaking out against the Iraq war.

Part of the fight is about loyalties, most notably those of Rep. Nancy Pelosi (D., Calif.), the future speaker who publicly endorsed Mr. Murtha, a friend. Part also is about ideas. The 74-year-old Mr. Murtha has risked much of what he has in the House to press his case for a stronger stand on Iraq. And part is about money and the ethical problems that persist for Congress after an election in which corruption was an issue for voters.

Public Citizen, the consumer nonprofit group, last night released a study showing that Mr. Hoyer ranks far higher than Mr. Murtha in his dependency on special-interest political funds. But as the race tightens, Hoyer supporters have focused on Mr. Murtha's ethical scrapes and role as an unindicted co-conspirator in the Abscam bribery scandal in 1980.

A videotape of Mr. Murtha meeting with an FBI operative posing as a cash-wielding Arab sheik was resurrected earlier this year by conservatives attacking his stand on Iraq. It has now come into play in the leadership race and could be fatal.

Mr. Murtha denies taking any money but remains very much an old school politician who lives by his own code. Others in similar circumstances have redeemed themselves in the public's eye by becoming reformers; Mr. Murtha is much more resistant to new rules as the solution, though he has promised to back an ethics package promoted by Ms. Pelosi.

House Republicans also have their caucus races -- and divisions -- which will play out tomorrow. Ohio Rep. John Boehner appears increasingly confident of keep his post as the new minority leader after Rep. Joe Barton (R., Tex.) withdrew last evening and pledged to support Mr. Boehner against the remaining challenger, Rep. Mike Pence (R., Ind.).

Write to David Rogers at david.rogers@wsj.com2

Senate Republicans Tap Lott For No. 2 Leadership Job (USAT)

By Bill Nichols And Kathy Kiely

USA Today, November 16, 2006

WASHINGTON — Senate Republicans picked a blunt White House critic to be their party's second-in-command Wednesday, as they resurrected the political career of a lawmaker who once made comments viewed by some as racially insensitive.

President Bush called Mississippi Sen. Trent Lott from Air Force One to offer congratulations after Lott won the GOP's minority whip job over Sen. Lamar Alexander of Tennessee, who had predicted victory Tuesday night.

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"We have a lot of important priorities to work on and as the president told Sen. Lott, he very much looks forward to working with him," White House spokesman Scott Stanzel said.

Lott stepped down as Senate majority leader in 2002 after he suggested the nation would have been better off if then-senator Strom Thurmond of South Carolina had been elected president in 1948. Thurmond had run as a segregationist "Dixiecrat."

Since then, Lott has not shied from criticizing the White House.

·"They still need men and women of gravitas and stature," Lott said of the administration in March, while also predicting that Bush would "be a drag in the fall" elections if his approval ratings did not rise.

·"The White House can become a cocoon. The president and vice president have to make sure they reach out and listen to a variety of voices," Lott warned in an interview with USA TODAY before Bush began his second term.

Lott was more circumspect Wednesday as he joined Kentucky's Mitch McConnell, who was elected GOP leader, as the power brokers in the new Republican Senate minority.

Democrat Harry Reid of Nevada will be majority leader and Dick Durbin of Illinois will serve as majority whip when the new legislative term begins in January.

Even though Democrats will have a 51-49 vote edge in the Senate, the minority party can use parliamentary tactics to block legislation and nominations. McConnell said he would "lead a vigorous minority of 49 in a body where it takes 60 votes to do anything."

Lott said he is "honored to be part of this leadership team … and to do a job that I've really loved the most: count the votes." He also previously served as whip in the House and Senate.

Lott's spokeswoman, Susan Irby, argued that the senators' vote of confidence in Lott was a credit to his "proven talent" as a vote counter and not a jab at Bush.

Paul Light, a professor of public service at New York University, believes administration officials likely are not so sanguine in private. "I doubt they're saying, 'Gee, how great it is to see Trent back in the leadership chain,' " Light said.

Lott beat Alexander on a 25-24 vote in a secret ballot. The whip serves as the party's chief vote counter and legislative tactician and is charged with enforcing party loyalty.

For Republicans, their leadership contest returns to the limelight a canny Southerner whose career seemed in tatters. In 2002, Lott said he was just trying to make Thurmond feel good at his 100th birthday party. Lott apologized repeatedly for his remarks.

"For Lott, it's a four-year journey from presumed ruin to undeniable redemption that is nothing short of remarkable," said Sid Salter, a Mississippi political analyst and newspaper columnist for The Clarion-Ledger in Jackson, Miss.

Sen. George Voinovich, R-Ohio, said some colleagues supported Lott because he'd not only been publicly embarrassed but also lost his Pascagoula, Miss., home in Hurricane Katrina. "This guy has been through hell," Voinovich said. "There was some feeling that Trent got a bad deal several years ago. … This was some way of letting him know there is redemption."

Lott is currently living out of a trailer on the site where his home used to be while he waits for insurance claims to be settled in court.

"Senators, like most Americans, like a comeback," Alexander said.

Republicans Return Lott To Leadership (AP-Y)

By Laurie Kellman, Associated Press Writer

AP, November 16, 2006

Less than a half-hour after Republican senators voted to return Sen. Trent Lott to their leadership team, the Mississippi senator's phone rang. It was Vice President Dick Cheney, calling with congratulations on his election as the Senate's Republican whip, the No. 2 post, behind GOP minority leader-elect Mitch McConnell.

A few hours later, Cheney again delivered an atta-boy in person during a GOP policy lunch. So did White House Chief of Staff Josh Bolton. And President Bush rang from Air Force One.

Lott's redemption had begun — just four years after the same White House helped engineer his ouster as the party's Senate leader.

It must have been sweet. Lott, 65, did little to hide his resentment during his exile from the party's top Senate ranks, shoved out for rhetorical offense: At Sen. Strom Thurmond's 100th birthday bash, Lott had saluted the South Carolina senator with comments later interpreted as support for southern segregationist policies.

Lott explained. He apologized. But some Senate colleagues undermined him, he wrote in a book last year. White House officials demanded his ouster. And perhaps worse, Bush hurt his feelings by disavowing the comments in a tone that was "devastating ... booming and nasty."

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What a difference four years makes. Bush's popularity is drooping over the war in Iraq. Angry voters stripped Republicans of their majority in the Nov. 7 elections. And in a 100-member chamber in which Democrats hold the majority by one senator, Lott is the Republican in charge of lining up and counting votes for the next two years — when members of both parties will be seeking legislative accomplishments to tout on the 2008 campaign trail.

That makes him powerful enough to get the White House's attention once again.

En route to Singapore, Bush "told Senator Lott that he looked forward to working with him in the upcoming Congress," according to White House spokesman Scott Stanzel.

Another event during Lott's exile changed his relationship with the White House: Hurricane Katrina. The massive storm devastated Lott's home state, not to mention his historic oceanside home in Pascagoula. He found his refrigerator a few blocks away in a neighbor's yard. For him, the administration's bungled response was personal. He considered retiring this year, after three terms in the Senate and eight in the House.

But even as he was making that decision, Lott hinted to a reporter that he'd like to return to leadership.

"I might do it just to make everybody nervous," he said last year.

The comeback is an apt outlet for Lott's talents. He was the rare majority leader who seemed to relish the vote-wrangling duties that some of his predecessors loathed. Lott appropriated former majority leader Howard Baker's derisive description of the job for the title of his tell-all memoir last year: "Herding Cats: A Life in Politics."

Last week, Lott began an under-the-radar campaign for whip, notwithstanding Tennessee Sen. Lamar Alexander's 18-month bid for the same job.

He shifted into prime cat-herding mode Tuesday evening when senators returned to the chamber for their first vote since the election. Buzzing from one colleague to the next, sitting, standing, gesturing and pausing to count a list of supporters, Lott lined them up even as Alexander's office boasted of as many as 30 votes.

The next morning, the mild-mannered Tennessee senator estimated Lott had peeled off three senators who had committed to Alexander but changed their minds. Lott won the election 25-24.

Living proof that there can be second acts in politics, Lott was uncharacteristically mum when he strode out of the caucus with the rest of the newly elected GOP leadership team. He was sticking to the pledge he made during his quiet campaign to not overshadow his party's new leader, McConnell. Asked if he felt vindicated, Lott just pressed his lips together and shook his head.

Trent Lott Rejoins Senate GOP Leadership (LAT)

By Johanna Neuman

The Los Angeles Times, November 16, 2006

WASHINGTON — Four years after he was ousted as majority leader for racially insensitive remarks at Strom Thurmond's 100th birthday party, Mississippi's Trent Lott returned to the GOP leadership ranks today.

In an election closer than the one that put Democrats in charge of the Senate, Republicans today narrowly chose Lott for the vote-counting whip position over Lamar Alexander of Tennessee by a 25-24 vote, giving Lott the No. 2 leadership slot.

Lott was forced to resign as majority leader in 2002 after the Bush White House joined a chorus of criticism over remarks in which Lott noted that Mississippi voted for South Carolina's Thurmond when he ran for president in 1948 on a states' rights platform that supported racial segregation.

"We voted for him," said Lott. "We're proud of it. And if the rest of the country had followed our lead, we wouldn't have had all these problems over all these years either."

Lott explained that he had just made an off-the-cuff remark, but as demands grew for his resignation, he went on Black Entertainment Television to repudiate past votes against civil rights legislation and to affirm his support for affirmation action programs.

With the drumbeat growing for his removal, White House maneuvering forced Lott to resign his leadership post to make room for Tennessee's Bill Frist. In the years since, Lott has nursed his skills as a backbencher — talents for vote-counting and behind-the-scenes maneuvering now critical to a GOP in the minority. In his own campaign for reelection as a senator last week, Lott won with 64% of the vote.

"We're going to be a vigorous minority of 49 in a body where it takes 60 to do anything," said Sen. Mitch McConnell of Kentucky, elected unanimously to be the new Senate GOP leader. Introducing his new leadership team, McConnell said, "Hopefully, we're a minority that will only be in that position for a couple of years."

Lott deflected efforts by reporters to question him about his return to the leadership ranks, saying "the spotlight" should be on McConnell.

Hill observers were buzzing at the feat because Alexander — a former governor and Cabinet secretary — had campaigned for more than a year as a clean face choice for a demoralized party and had been boasting that he had the votes.

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The vote within the Republican caucus could also reflect unhappiness with President Bush for engineering the switch to Frist, who was not considered a strong leader.

Other members of the new leadership team include: John Kyl of Arizona, Kay Bailey Hutchison of Texas, John Cornyn of Texas and John Ensign of Nevada, who will head the Republican senatorial campaign dedicated to returning Republicans to power after the 2008 elections.

"We have a lot of incumbents to protect," he said. Expressing hope that "this title of minority we only have for two years," Ensign said, "We're going to look for a couple of (Democratic) targets."

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In The End, It's Lott By A Single Ballot (RC)

By Erin P. Billings And Emily Pierce

Roll Call, November 16, 2006

Proving himself once again to be the master vote-counter the job requires, Sen. Trent Lott (R-Miss.) orchestrated a stunning return to the GOP leadership Wednesday by pulling off a one-vote upset of Sen. Lamar Alexander (Tenn.) to become the next Senate Minority Whip.

The former Majority Leader bested Alexander on a secret ballot tally of 25-24, but few dared to predict the outcome before Senators convened behind closed doors to elect their chain of command for the 110th Congress. Even heading into the vote, Alexander suggested the tally would be close and jokingly hoped the final outcome would reflect the 27 solid commitments he was convinced he had at 11 p.m. the previous night.

"I think Trent proved to be a better vote counter and I think Senators, like most Americans, like a comeback," Alexander said afterward. "He deserves great credit for that."

In signature Lott style, the veteran Senator was able to win by corralling a solid base of support, picking off a number of Alexander's backers and working his candidacy right up to the Wednesday-morning vote. Lott was seen walking into the Old Senate chambers talking with Sen. Lisa Murkowski (Alaska), whom several GOP Senate aides characterized as one of the few remaining undecided lawmakers.

The vote in the Whip contest came after the Republican Conference confirmed Sen. Mitch McConnell's ascension to Minority Leader. He replaces retiring Sen. Bill Frist (Tenn.) as the GOP leader.

Lott's coup was somewhat remarkable given he entered the race long after Alexander, who had been campaigning for the job for more than a year. Lott, ousted as the Majority Leader in December 2002 after making remarks perceived as racially insensitive at the late Sen. Strom Thurmond's 100th birthday party, had been campaigning quietly in recent weeks but didn't formally jump into the Whip hunt until Monday night.

Yet the Mississippi Senator has made no secret that serving as the Republican Whip had been his most pleasurable leadership experience to date, and reiterated that sentiment Wednesday, saying he was delighted to "do a job that I've always really loved most, and that's count the votes."

Lott formerly served as the House GOP Whip and later as the Senate Republican Whip, a slot he also secured by a narrow one-vote margin when he took on and beat then-Sen. Alan Simpson (Wyo.). Just as Alexander was viewed as the frontrunner for the Whip job, many had predicted Simpson would outpoll Lott during that race in 1994.

Lott said he was "exhilarated to have the opportunity" to get another shot in the Republican leadership (those close to him said it would have been his last try at a comeback had he failed). As he campaigned, Lott and his allies touted his battle-tested abilities as a Whip, experience at making a deal and knowing how to be effective as a member of the minority — a status the Republicans have experienced only briefly over the past dozen years.

In the end, "it came down to negotiating skills and a strong professional relationship with Democrats, both rank and file and the Democratic leadership," said one GOP Senator who supported Lott. "And, I think, a common sense understanding of what Republican Members want from their leadership."

Sen. Olympia Snowe (Maine), a Lott supporter, said the job "does require someone who's got that institutional knowledge and appreciation of what it's going to take not only to help rebuild the Republicans within the institution, but also nationally."

Even Sen. Harry Reid (D-Nev.), the incoming Majority Leader, gave a nod to Lott's political skills, saying: "I have great respect for his abilities ... behind the scenes he's been very helpful."

But for all Lott's attributes, he also may need to spend part of his honeymoon proving to his critics that he won't be overly outspoken or constantly overshadowing McConnell. Lott sought to dispel those concerns both privately to Senators on Wednesday morning, and again to the public when he emerged with McConnell and the five other newly elected leaders following the votes.

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Perhaps the strongest signal sent to his Conference came in the form of the two men he chose to nominate him: Sens. Gordon Smith (Ore.) and Judd Gregg (N.H.), who had only moments earlier performed the same task for McConnell.

The media savvy Lott spoke only briefly to the press, and when asked to talk about his return to the limelight with a victory over Alexander, he deferentially turned to the incoming Minority Leader, saying: "The spotlight belongs on him."

Snowe said Lott expressed that same desire to his colleagues in private, saying she believes such a posture "is most appropriate."

"He understands that his role is to help reinforce what the leader's going to be trying to achieve on behalf of all the Conference."

Beyond that, Lott will undoubtedly have to ride through the replay of how he fell from grace as the Majority Leader just four years ago. Lott's colleagues forced him from the helm after he implied that had Thurmond, a 1948 candidate for the White House, been elected president on a segregationist platform, we could have avoided "all these problems" we have today.

Several Republican Senators said Wednesday that it is time to let the past go.

"I think that people understand that he has been deeply apologetic and regrettable for having made those remarks," Snowe said.

Clearly, Lott's past was his greatest selling point and perhaps shortcoming, given those backing Alexander said it was a fresh face and loyalty they sought. Still, most agreed the closeness of the outcome for the Whip job signified that the two Senators are both well-liked and respected, and insisted there is not a division among them about how best to move ahead in the next session.

"Lamar had a lot of support, but there is a lot of confidence in Trent as a Whip," explained Sen. Jon Kyl (Ariz.), the newly elected Conference chairman. "This is a victory for Trent as a Whip, but this is not a loss for Lamar."

"If there was ever a leadership race where people liked both people, it was this one," said Sen. Kay Bailey Hutchison (Texas), the new Policy Committee chairwoman. "Both are recognized for their very strong characteristics ... I don't think there was a vote against either one of them."

In fact, shortly after the results were announced, several Republican aides and Senators suggested that Alexander might find a place at the leadership table after all. Sen. John Cornyn (Texas), the new vice chairman of the Conference, said he expected Alexander will have an "important role" in the next Congress, and that there will be "additional ideas on that."

Republicans enter the 110th Congress with 49 Senators, six seats fewer than in the current Congress following their crippling electoral loss last Tuesday. Despite the turn of events, Republicans attempted to put a brave face on their new status, and each talked about their razor-sharp focus on toppling the Democrats and taking control of the Senate in 2008.

In addition to tapping McConnell as their Minority Leader and Lott as Whip, GOP Senators unanimously chose Kyl as Conference chairman, Hutchison as Policy Committee chairwoman, Cornyn as Conference vice chairman and Sen. John Ensign (Nev.) as National Republican Senatorial Committee chairman.

"My responsibility is to make sure the title of minority party is a title we only have for two years," Ensign said.

Emerging as the incoming leader, McConnell described his Conference as "very upbeat, which may surprise you." McConnell, who is vacating the job as Whip, added that the Republicans' margin in the Senate should not be discounted, noting that it takes 60 votes to pass legislation in the chamber.

"We will be a robust minority, a vigorous minority and hopefully a minority that is in that position for only a couple of years," he said, referring to the 2008 elections.

Sen. Lott Returns To GOP Leadership With One-Vote Victory (CQ)

By Daphne Retter

CQ, November 16, 2006

Senate Republicans proved on Wednesday that there can indeed be second acts in politics, electing their former leader Trent Lott of Mississippi to the No. 2 minority leadership post for the 110th Congress.

Lott prevailed over Lamar Alexander, R-Tenn., by a single vote in a race he jumped into only this week, after the Nov. 7 elections gave Democrats control of the Senate by a 51-49 margin. Alexander began lining up support nearly a year ago

Lott, 65, will serve as GOP whip under newly anointed Minority Leader Mitch McConnell, R-Ky., who was unopposed in his bid to succeed retiring Majority Leader Bill Frist, R-Tenn. McConnell has served as whip for the past four years.

Alexander announced a week ago that he had lined up more than 25 votes — a majority of his caucus. But secret ballot elections for leadership posts are notorious for wrecking all advance nose counts.

Lott's victory is sweet redemption for a man whose long public career appeared to derail four years ago. Just weeks after Republicans chose him as majority leader following the 2002 elections, he was pressured out of the job after suggesting that the

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country would have been better off had former Sen. Strom Thurmond, R-S.C. (1954-2003), won the presidency in 1948 running on his segregationist "Dixiecrat" platform.

He contemplated retiring at the time, but decided he still could help funnel much-needed federal largess to Mississippi, one of the nation's poorest states. He hunkered down, and took over the chairmanship of the Rules Committee — a consolation prize he was given at the time by the new Frist-McConnell leadership team. McConnell had chaired the committee before he was chosen as whip.

Now, Lott — newly elected to a fourth Senate term — will be McConnell's deputy. Unlike the Kentuckian, a backstage operator with little appetite for dealing with the media, Lott glories in the give-and-take with reporters. His pithy assessments of the Senate's dynamics and quotable views on issues of the day have made him a media favorite.

The whip's race was the only contested leadership election for Republicans. Although no official announcements were available at mid-morning, Jon Kyl of Arizona was expected to replace Rick Santorum of Pennsylvania as Republican Conference chairman. Santorum was defeated in his re-election bid Nov. 7.

Kay Bailey Hutchison of Texas was in line to be the Republican Policy Committee chairwoman, Kyl's current spot.

John Ensign of Nevada was expected to head the National Republican Senatorial Committee in the 2008 election cycle. Republicans will be defending 21 seats in 2008, compared with 12 Democratic seats in play. The Democratic Senatorial Campaign Committee will again be chaired by Charles E. Schumer, D-N.Y., whose record-breaking fundraising in the 2006 cycle gave Democrats a huge boost in their successful drive to recapture the majority.

In Senate Shift, Big Comeback For Trent Lott (NYT)

By Mark Leibovich

The New York Times, November 16, 2006

WASHINGTON, Nov. 15 — In their rehabilitation campaign, Senate Republicans will rely heavily on a man whose recent history is itself a testament to sudden falls, unlikely recoveries and the fickle hands of fortune in American politics.

Senator Trent Lott of Mississippi, who went from Senate minority leader to presumptive majority leader to disgrace in a matter of days four years ago, was elected minority whip, the party's second-ranking Senate leadership position, on Wednesday.

Usually, the choice of a whip, a vital but unglamorous job, would draw little attention. But the election of Mr. Lott offers an unlikely study in professional redemption.

"One thing that this proves is that the United States Senate, like the American public, likes a comeback story," said Senator Lamar Alexander, the Tennessee Republican whom Mr. Lott defeated by a single vote.

Senator John McCain, Republican of Arizona, who was said to be an important supporter of Mr. Lott, added, "He paid a pretty high price for the statement he made."

Mr. McCain was referring to a 100th birthday party toast for Senator Strom Thurmond, Republican of South Carolina, in which Mr. Lott seemed to praise Mr. Thurmond, a longtime segregationist, for his 1948 presidential campaign. Noting that his home state had voted for Mr. Thurmond then, Mr. Lott added: "We're proud of it. And if the rest of the country had followed our lead, we wouldn't have had all these problems."

Mr. Lott, who was in line to be the Senate majority leader, explained his comments as a well-intentioned tribute to a longtime colleague. He issued serial apologies, but was eventually forced to give up his leadership position.

"We all believe in redemption," Mr. McCain said Wednesday, adding, "Thank God."

Republicans favored Mr. Lott for the leadership post largely because of their election losses last week. With Republicans now a minority in the Senate, Mr. Lott was seen as effective in rounding up votes and striking deals. Several senators said the caucus badly needed his legislative expertise, including his ability to work across party lines. (Among the first well-wishers to call him Wednesday were two Democrats, Tom Daschle, the former Senate Democratic leader, and Senator Edward M. Kennedy of Massachusetts.)

Mr. Lott declined to be interviewed, citing a desire to allow the incoming minority leader, Senator Mitch McConnell of Kentucky, to serve as the spokesman for the leadership team. "I'm going to shock you and defer," Mr. Lott told reporters. "The spotlight belongs on the leader today."

Mr. Lott, 65, made his way back into prominence by deploying the same skills that have sustained his political career. He courted and counted his votes carefully. He quietly did committee work and dutifully attended hearings. He earned credit by running for re-election this year rather than retiring, thereby saving what might have been a vulnerable Republican Senate seat. And he bided his time.

Mr. Lott has always been vigilant in allowing reason and results to prevail over emotion. He is a fierce pragmatist, who has spoken of his father's alcoholism and its effect on him. "It makes you maybe grow up a little early," he said in 1997.

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He has always craved order and leaves little to chance. In the throes of his crisis in 2002, Mr. Lott spent hours bunkered in his home in Pascagoula, Miss., methodically calling friends and colleagues — 50 calls a day — in an effort to save his job. It was a rigorous and disciplined process, similar to the one he followed in recent days as he campaigned quietly for the whip post. He contacted colleagues by phone and in person, emphasizing his ability to get results, his encyclopedic grasp of Senate rules and his skill in working closely with the House.

Once forced out of the leadership, Mr. Lott complained bitterly that Republican senators and the Bush administration had betrayed him.

"I'd been knifed in the back," Mr. Lott wrote in his book, "Herding Cats: A Life in Politics." "But in order to be effective again," he wrote, "I had to shake some of the hands that held the daggers."

Mr. Alexander recalls seeking Mr. Lott out to make sure he attended a celebration for new senators soon after he stepped down in 2002. Few expected Mr. Lott to attend, and he was not in a celebrating mood. But he showed up . "He wasn't pouting, "Mr. Alexander said. "He wasn't feeling sorry for himself."

Mr. Lott largely undertook his campaign for whip in one-on-one discussions, figuring that a visible effort would bring attention to his past troubles and perhaps scare off potential supporters.

"Nobody knew where he was; it was a stealth candidacy," said former Senator John B. Breaux, Democrat of Louisiana and one of Mr. Lott's closest friends. "His strategy was, 'Run silent, run deep,' like the old submarine."

Mr. Lott's "stealth" return was also forged over many quiet dealings and much legislative grunt work. "He reimmersed himself in committee work, went to a lot of hearings and asked a lot of questions," said Senator Olympia J. Snowe, Republican of Maine. "Once you've been a leader, it's hard to come back and do these things."

Mr. Lott's public fall was followed by a series of blunt remarks befitting a man who felt he had little to lose. "They're going to have to deal with me," he said of the Bush administration in a Time magazine interview in September 2003. "And they need to keep me in mind because I can be a problem."

He became a critic of Defense Secretary Donald H. Rumsfeld ("I'm not a fan," he said in 2004.), the failed Supreme Court nominee Harriet E. Miers and Attorney General Alberto R. Gonzales. He said President Bush should be "ashamed of the abysmal" way he had treated former Treasury Secretary John W. Snow, who resigned this year after months of lukewarm support from the White House. And he took repeated shots at Senator Bill Frist of Tennessee, his successor as Republican leader. (Mr. Frist did not seek re-election this year.)

Mr. Lott was at his most fervent after Hurricane Katrina. He became a vocal critic of the Federal Emergency Management Agency, challenged insurance companies that refused to cover damages from the storm and helped secure federal relief money for homeowners.

The hurricane destroyed Mr. Lott's home on the Gulf Coast and marked a pivot point in his life and career. Mr. Lott and his wife, Tricia, had decided in 2001 that he would not run for re-election this year. But the hurricane, which he called "a disastrous event of biblical proportions," spurred a reassessment. "I concluded that I still have a zest for the job here in Washington," he said in a news conference early this year. One of the many congratulatory calls to Mr. Lott on Wednesday came from Donna Brazile, a Democratic strategist and Louisiana native, who said she gained respect for Mr. Lott after the storm.

"I believe in reconciliation; I've always believed in that," Ms. Brazile said. "I'll never forget the morning that I had to suck it up and call Trent Lott to help me with my relatives in Mississippi." She added, "On Katrina, he's just been a champion."

Among the other callers were President Bush, from Air Force One. Vice President Dick Cheney offered his best wishes in person.

"It's just a hugely significant political victory for Trent, especially after he had the rug cut out from under him," Mr. Breaux said.

He said he believed Mr. Lott would thrive, given the makeup of the Senate and his ability to work with Democrats .

Mr. Breaux hastened to add a caveat: "Trent promised me he'd never give speeches at any more birthday parties."

Lott Rejoins Senate Leadership (WP)

By Charles Babington

The Washington Post, November 16, 2006

Four years after racially impolitic remarks cost him the Senate's top post, Sen. Trent Lott (Miss.) rejoined Congress's leadership ranks yesterday when his Republican colleagues turned to the veteran insider and skilled vote-counter to help them plot their return to majority status.

By a 25 to 24 secret-ballot vote, Lott defeated Sen. Lamar Alexander (Tenn.) for the position of minority whip, the party's second-highest post. As expected, GOP senators elected Mitch McConnell (Ky.) as Senate minority leader for the new Congress

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that will convene in January. But his victory was tempered by Lott's come-from-behind win over Alexander, who was seen as McConnell's and the Bush administration's preferred choice for whip.

Lott's feat ranks among the more impressive political comebacks of recent times, just as his fall from grace in December 2002 was spectacular and painful. At a 100th-birthday party for then-Sen. Strom Thurmond (R-S.C.), Lott said the nation "wouldn't have had all these problems" if Thurmond had been elected president in 1948. Thurmond had run on a segregationist platform as a Dixiecrat that year, and critics denounced the remarks as racist.

Lott said he was simply flattering an old man. But Bush administration supporters and other Republicans helped engineer his ouster just as he was about to become Senate majority leader again after the 2002 midterm elections, replacing him with Sen. Bill Frist (R-Tenn.). Now Frist is retiring, and Republicans are reeling from last week's elections, which gave Democrats a 51 to 49 edge in the Senate and a bigger margin in the House.

As GOP senators emerged from their closed-door meeting at the Capitol yesterday, several said the shock of last week's results prompted wavering colleagues to vote for Lott, who has spent 34 years in Congress (to Alexander's four), and much time negotiating deals and crafting compromises.

"We're going through a major transformation from the majority to minority status in both the House and Senate," said Sen. Olympia J. Snowe (Maine), a prominent GOP moderate and Lott supporter. "So it does require somebody who's got that institutional knowledge and appreciation for what it's going to take not only to rebuild Republicans within the institution but also nationally." Implicitly noting that Lott has never been close to President Bush, Snowe added that "there are times when you can't put all your eggs in the president's basket."

The White House said Bush, en route to Singapore, telephoned Lott from Air Force One to congratulate him.

Snowe said she thinks that Americans are ready to forgive Lott's Thurmond remarks. "He regrets it and has apologized," she said. "I think people have admired how he has been able to come back from that. He paid a heavy price, and he deeply regrets that, obviously."

Lott, 65, was uncharacteristically mum after the elections, telling reporters that it was McConnell's day to shine. Asked if he had any new reflections on the 1948 presidential race, he laughed and said, "Oh no, not at all. I'm strictly looking forward."

Almost from the day he joined the House in 1973, Lott -- a former cheerleader at the University of Mississippi -- was a genial and savvy insider who craved leadership posts. He was elected House minority whip in 1980, and 14 years later he became the first Republican to have been elected whip in both chambers. In that 1994 Senate GOP election, much like yesterday's, most party leaders opposed Lott, but many rank-and-file members rewarded him for years of friendship and guidance. He was Senate majority leader from June 1996 through mid-2001, except for a brief period in January 2001.

Yesterday, colleagues said the GOP's new minority status calls for a leader who has lived through such an experience and knows when to cut deals with the majority and when to stand firm. Alexander, a former governor and two-time presidential candidate, is well-liked, said Sen. John Thune (R-S.D.), a Lott supporter. "But, at the end of the day, what helped swing it for Lott was that experience in the minority and knowing what the tactics and rules of engagement are," he said.

Referring to Lott's Thurmond comments, Thune said that Americans believe in redemption. "It's one of those things that happened fairly long ago," he said, "and people have moved on."

Rep. Melvin Watt (D-N.C.), chairman of the Congressional Black Caucus, was less forgiving. "For many African Americans the sting of Trent Lott's hurtful words are unlikely to expire anytime soon," he said in a written statement. "However, his Republican colleagues have given him a second chance to address many of the glaring disparities that impact poor people, particularly African Americans, that he and his party have ignored for so long."

Lott Returns To GOP Leadership Position (MCT)

By Margaret Talev

McClatchy Newspapers, November 16, 2006

WASHINGTON - Four years after his racially incendiary remarks forced him to step down as Senate Republican leader, Trent Lott of Mississippi was born again politically on Wednesday, winning the second-ranking post of Republican whip.

As expected, Sen. Mitch McConnell of Kentucky was chosen unanimously for the top job of Senate minority leader, beginning in January.

The new Senate GOP leadership team represents a return to pragmatism. They're seasoned GOP parliamentarians who are expected to cross party lines and buck the White House more often than did retiring Majority Leader Bill Frist, R-Tenn., who concentrated more on pleasing the president and the Republican Party base that's key to his presidential hopes for 2008.

McConnell and Lott are Senate traditionalists, and while both are conservative partisans, they also know how to cut deals to get things done.

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"I can work with Mitch," said the next Senate majority leader, Harry Reid, D-Nev., who praised McConnell's understanding of how the Senate operates. Reid's deputy, Sen. Richard Durbin of Illinois, said dealing with McConnell would be a "double-edged sword" because as much as McConnell might see the benefits of cooperation, he also would be skilled at obstruction when he chose.

In an interview, Lott said it was "very likely" that Republicans would join Democrats in increasing the minimum wage if it could be packaged with incentives for businesses. "I have a pragmatist side to me and I'm also a populist. I have a blue-collar, working-class family background, and that feeling wells up in me sometimes."

The next big congressional leadership showdown comes Thursday. House of Representatives Democrats will select their No. 2 leader for the next Congress, when they'll be in the majority for the first time since 1994.

The contest pits the popular moderate Rep. Steny Hoyer of Maryland against Rep. John Murtha of Pennsylvania, who led Democrats in questioning the Iraq war over the past year and has the support of incoming House Speaker Nancy Pelosi, D-Calif.

But Murtha also has some ethics issues.

Murtha was a target in the federal Abscam probe of congressional corruption a quarter-century ago. He refused to take a bribe from undercover FBI agents, but a secret film of the exchange shows him suggesting that he might be open to a cash payoff later: "You know, we do business for awhile, maybe I'll be interested," Murtha said. He was never indicted.

Voters last week rejected Republican rule in Congress in part because of disgust with corruption scandals. If the first decision newly elected House Democrats make is to choose Murtha as their No. 2 leader, they risk tarnishing their image on ethics before they even take power.

In addition, Murtha has a reputation for playing pork-barrel politics as one of the House's key appropriators. Another reason voters rejected Republicans was because of their outrage at their soaring spending, especially on special "earmarks," or pork projects inserted into spending bills by appropriators such as Murtha as special favors for lawmakers in exchange for their support.

Elevating Murtha thus could undercut the credibility of Pelosi's vow to rid Capitol Hill of corruption. But Murtha is a loyal lieutenant to Pelosi, and she's said to have a grudge against Hoyer, who challenged her unsuccessfully for party whip in 2001.

On Wednesday, however, it was the Senate Republicans' secret-ballot elections that captivated Capitol Hill.

"We are unified in our desire to work with the Democrats across party lines to see what we can accomplish for the country," McConnell said, with his leadership team at his side. "But we will be a robust minority, a vigorous minority and hopefully a minority that is only in that condition for a couple of years."

McConnell has largely supported the president and corporate America and led a high-profile attempt to block campaign-finance limits, saying they infringed on free speech. He also crossed party leaders in blocking a ban on flag burning. He's married to Labor Secretary Elaine Chao.

As for Lott, several Republicans said their party has benefited over the years from his brokering of bipartisan deals for a higher minimum wage, welfare reform, health insurance portability and tax cuts.

Lott edged out Tennessee Sen. Lamar Alexander for the whip's job by one vote, and GOP senators at the closed-door session said the Mississippian's eyes filled with tears upon his victory.

In an interview later, Lott said his return to leadership "takes on extra meaning for me because of how I exited it and what I went through last year. I lost my mother and I lost my house (to Hurricane Katrina). All of that just kind of welled up in that moment."

Lott was forced to step down as the Republicans' leader in 2002 after his remarks at a 100th birthday celebration for Sen. Strom Thurmond, who'd run for president in 1948 as a segregationist. Lott had said that "we wouldn't have had all these problems over all these years" if Thurmond had won.

Lott's subsequent apology and explanation that he'd meant to honor Thurmond's life accomplishments, not segregation, failed to save him.

With President Bush's backing, Frist, a heart surgeon with weaker political instincts and less experience than Lott, stepped in, but he's been roundly criticized for political miscalculations.

Lott, meanwhile, has worked behind the scenes to redeem himself with colleagues, and he drew bipartisan praise last year for advocating for Hurricane Katrina victims.

He'd planned to retire, but after Katrina, chose to seek re-election. "I worked very hard to show I can take a lick and keep on going, and I was not just going to go away and sulk and give up the ghost. I took my lumps and I licked my wounds, and I came back."

Reid called Lott's victory "a great comeback."

Sen. Olympia Snowe, R-Maine, a swing vote on many issues, said of Lott, "Because of where we are today and because he did have those skills, we needed to take advantage of his capabilities and talents and skills and institutional knowledge."

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Sen. John McCain, R-Ariz., said Lott "is the most adept at getting legislation passed of anyone I've ever known, probably . . . I think most people think he paid a pretty heavy price for the mistake that he made. We all believe in redemption, thank God."

The More Things Change ... (NYT)

The New York Times, November 16, 2006

As victorious Democrats choose the Capitol hierarchy to promote their promises of reform, and Republicans choose their new minority leadership, they are entitled to their own best judgments. With that in mind, we have no prime candidates to tout for caucus leadership. We just want to remind lawmakers of the one clear message from this muddled election season: voters wanted something other than the old back-scratching status quo.

So far, the Democrats seem not to have paid much attention to the tattered baggage lugged into the limelight by Representative John Murtha of Pennsylvania, the Iraq war critic who is Speaker-to-be Nancy Pelosi's choice for second in command. And yesterday, Republicans resurrected Trent Lott, the Mississippi senator who fell from the majority leader's post three years ago.

For all his commendable instincts in articulating the Bush administration's Iraq failures, Mr. Murtha has long been known in the Capitol as a crude master of swapping pork-barrel budget goodies for lobbyists' campaign lucre. Only recently, he stood out for opposing strong ethics reform.

And while Ms. Pelosi is vowing to hammer home ethics reform as her first order of business, the Capitol newspaper Roll Call reported that Mr. Murtha was vulgarly belittling her program in private meetings with lawmakers. Mr. Murtha's ambition is directed against the current No. 2, Representative Steny Hoyer of Maryland, who also is no slouch in maintaining overly close ties to the K Street business and lobbying powers.

The Republicans' defeat at the polls has sparked decidedly Transylvanian initiatives: Mr. Lott, who tripped from power over racially charged remarks he made in a fit of Dixiecrat nostalgia, has returned to new life as No. 2 in the minority leadership. And Representative John Boehner, finished as House majority leader, is plumping for resurrection as minority leader. At least Speaker Dennis Hastert was chagrined enough to drop the gavel and head for the shadows in the face of the voters' verdict.

Voters can only hope the party conferences this week do not signal that the obvious lessons of Election Day are already being lost on the next Congress.

Alexander Spins Leadership Loss As Good For Constituents (NCP)

By Jared Allen

Nashville City Paper, November 16, 2006

After a last-minute and surprise loss in his bid to become the No. 2 Republican in the U.S. Senate, an upbeat Lamar Alexander on Wednesday tried to spin his stunning loss to former Senate Majority Leader Trent Lott as good for Tennessee.

Despite going into Wednesday morning's GOP conference leadership elections confident that he had secured more than a majority of the votes necessary to succeed Sen. Mitch McConnell, R-Ky., as Republican whip, Alexander lost by one vote to Lott, who had announced his intention to run for the leadership post only a week-and-a-half ago.

"Senator Lott conclusively proved he's a better vote counter than I," Alexander said in a Wednesday afternoon conference call with reporters.

Alexander, who had said as late as Tuesday night that he had 27 of the 49 Republican votes, ended up with the support of only 24 of his GOP colleagues, one shy of the 25 gained by Lott.

"Some people changed their minds," Alexander said with a laugh in describing what happened.

"I would have been better off if the vote had been 11 p.m. last night [when] I had 27 votes," he said.

Saying that last minute "changes or switches are not unusual," Alexander explained that he was likely beaten by a delayed backlash against those — including former Sen. Majority Leader and Tennessee Senator Bill Frist — who helped orchestrate Lott's ouster as Majority Leader four years ago.

"One of the senators said to me at lunch that this was about redemption. Some senators felt as though [Lott] was treated unfairly four years ago and wanted to give him a second chance," Alexander, who is now Tennessee's senior senator, said. "There are lots of personal feelings that come into decisions like this."

After remarking publicly that the United States would have been better off had then-Dixiecrat and segregationalist presidential candidate Strom Thurman won election to the White House in 1948, Lott was forced to step down as Republican leader.

Alexander said he harbors no ill will toward Lott, who he said remains his "good friend," and pledged to support both Lott and McConnell, who was elected to succeed Frist as the GOP leader.

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But Alexander said that while he openly wanted the whip post — which he campaigned for over a year for, and that he thought he had locked up after Sen. Rick Santorum (R-PA) failed in his bid to return to the Senate – he believes his loss will free him up to vote his conscience on issues, rather than fight for party votes.

"I'm a pretty independent fellow, anyway," the former Tennessee Governor said. "And having my independence increased on the issues I care about the most appeals to me a lot."

Alexander said education, energy, job creation and the environment will continue to sit atop his legislative agenda.

Senate GOP Focusing More On Big Picture Than Lame Duck (HILL)

By Alexander Bolton

The Hill, November 16, 2006

Newly elected Senate Republican Leader Mitch McConnell (R-Ky.) convened his new leadership team for the first time late yesterday afternoon to take stock of its party's recent setback at the polls and to plot the future.

The leaders discussed next month's leadership retreat and the importance of keeping open the channels of communication among themselves, but they did not discuss in depth how to handle the few remaining weeks of the Republican majority. Leaving Senate Majority Leader Bill Frist (R-Tenn.) in charge of next month's agenda has created somewhat of a leadership vacuum in a growing split within the Senate GOP conference over spending priorities.

"We might have an opinion, but others are in charge right now," Sen. Trent Lott (R-Miss.), the newly elected Republican whip, said after the meeting when asked about the chamber's immediate agenda. Democrats take control of the Senate in January, but the remaining Republicans' legislative agenda in this Congress is significantly hampered by their poor showing at the polls.

Earlier in the afternoon, the entire Republican conference met to assess last week's election and discuss what they hoped to accomplish before turning power over to the Democrats.

Behind closed doors, frustrated Republicans voiced concern that they lost six seats because they have drifted away from their core principles, said participants.

First and foremost, Republican senators are distressed that the GOP is no longer regarded as the party of fiscal discipline, an anxiety that is fueling a debate over how to handle the pending appropriations bills. The unfinished spending bills make up a significant portion of the work leaders hope to complete during the lame-duck session in December.

While Frist, who will retire from the upper chamber at the end of the year, is still technically the majority leader, and outgoing Sen. Rick Santorum (R-Pa.) is still the GOP conference chairman, the real power in the Republican leadership has passed onto the new leadership team: McConnell, the Republican leader-elect; Lott, the Republican whip-elect; and Sen. Jon Kyl (Ariz.), the elected Republican conference chairman.

One of the new leadership's first challenges is to bridge schisms that have emerged within the Republican conference over how to handle the remaining spending bills.

But members confined their first meeting to other topics, according to participants.

At a closed-door meeting of the Senate Republican conference yesterday, lawmakers argued back and forth over whether to attempt to complete the nine outstanding appropriations bills.

A group of Republicans led by Sen. Jim DeMint (R-S.C.) argued that to cut costs, the spending bills should be left unfinished, said colleagues. DeMint believes that Congress should freeze spending at current levels by passing a stopgap measure funding government into next year.

"There are some people who want to do that and I think that's a very bad move," said Sen. Kit Bond (R-Mo.), a senior member of the Senate Appropriations Committee. "The Democrats have indicated that they want to cooperate, so I think we need to get everyone on the buggy and do the job we were elected to do."

Some Republican strategists believe that pushing the spending bills into next year would tie up the Democrats and make it more difficult for them to aggressively pursue their agenda on other issues such as Iraq, Medicare, and middle-class tax cuts.

A White House official said that is a major reason for why Democratic leaders are eager to cooperate on finishing the spending bills this year.

Meanwhile, another conservative Republican freshman, Sen. Tom Coburn (Okla.), has prepared nearly 40 amendments to strike earmarks in the pending agriculture appropriations bills. And he has made it known that he plans to attack other project-laden spending bills in the same way, setting his colleagues up for a slow legislative grind if they decide to pass appropriations bills individually in December, as some lawmakers have urged.

"His concern is that voters want to see the favor factory shut down, not turned over to new management," said John Hart, Coburn's spokesman. "The worst response Congress can have to the elections is to go on an earmark spending binge with one of the first appropriations bills."

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"I think there are a number of different fractures within the conference on the bills," said Sen. Judd Gregg (R-N.H.), chairman of the Homeland Security Appropriations Subcommittee. "There are people like myself who don't like to see the emergency spending being thrown in there, there are people like Coburn who don't like the earmarks, there are people like DeMint who think they should be kicked over to the next Congress like [former Sen. Tom] Daschle [D-S.D.] kicked it over to us, and there are people like [Senate Appropriations Committee Chairman] Thad Cochran [R-Miss.] who want to get it done because they think it's their job."

While some lawmakers are pushing for the stopgap spending measure, and others want to pass as many individual bills as possible, a third option would be to combine the bills into a massive omnibus spending package, or several smaller "minibus" packages.

GOP leaders had hoped to pass the agriculture bill before recessing for Thanksgiving, but that may not be possible because of nearly $9 billion in emergency spending that may accompany the legislation, drawing protests from conservative Republicans.

Leaders also hope to ratify a nuclear non-proliferation treaty with India. White House Chief of Staff Josh Bolten, who sat in on yesterday's Senate Republican conference meeting, exhorted the assembled lawmakers to pass the bill. Lawmakers said there was a chance of doing that last night.

A Senate GOP leadership aide said that in addition to the spending bills, other items on the December agenda include legislation giving Vietnam permanent normal trade status, a package of tax-cut extensions, and legislation addressing the threat of bioterrorism.

Senate Republicans have not yet placed offshore drilling legislation on their December agenda because it's not clear whether a similar bill could be passed in the House.

A House GOP leadership aide said that House Republican leaders would put the Vietnam trade bill back on the floor next month, as well as a package of tax-cut extensions. In a surprise vote, the House rejected the Vietnam trade measure earlier this week.

What tax cuts will be in the package is still the subject of bicameral negotiations.

The House aide said that Republican leaders, chairmen and rank-and-file members are also debating whether to finish the appropriations bills or postpone their completion until the next Congress.

May The Best Bulldog Win: GOP Rivals (HILL)

By Patrick O'Connor

The Hill, November 16, 2006

House Republicans have already begun mapping their attack strategy for the next two years.

Leadership candidates have highlighted their plans to hammer the incoming Democratic majority for ethical lapses, fiscal irresponsibility and legislative mismanagement, borrowing from a playbook those same Democrats used with great success to unseat the Republican majority.

Leadership hopefuls have made regaining the majority the central thrust of their campaigns, but rank-and-file members are debating as to which candidates can successfully implement their attack strategies as well as the particulars of the individual plans.

Majority Whip Roy Blunt (R-Mo.), who is locked in a tight race with Rep. John Shadegg (R-Ariz.) to retain his post in the next Congress, released a detailed roadmap yesterday to unify Republicans on tough votes, offer viable alternatives to Democratic bills on the floor and target potentially vulnerable Democrats on every tough vote.

Blunt is trying to make his procedural knowledge a big advantage over Shadegg heading into a potentially tight election with the Arizona conservative.

In the strategy memo, entitled "24 Months to a New Republican Majority — A Plan for Victory," Blunt outlined 60 Democratic seats carried by President Bush in 2004 where Republican leaders will apply pressure either to flip Democrats on the floor or punish them in campaign materials for voting with party leaders.

"We must hold our Conference together to deny [presumptive House Speaker] Nancy Pelosi (D-Calif.) victory and force vulnerable Democrats to take tough votes," Blunt wrote. "This won't be as simple as going to the floor every day and simply voting 'no.' We will have to offer well-crafted alternatives that allow some of our Members to vote 'yes' on a better plan before voting on the Pelosi plan."

Blunt outlines amendments he would offer to projected votes implementing pay-go rules in the budget process, raising the minimum wage and allowing the federal government to negotiate drug prices with pharmaceutical companies, each of which is expected to be part of package offered by Democrats in the first 100 hours of their majority.

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"It's going to take a lot more than that," said Pelosi spokesman Drew Hammill about offering amendments to sink the Democratic legislation. "There is consensus on each of these issues, and I think there will be a push for clean passage" on the popular measures.

Shadegg also offered members his own broad vision statement yesterday in which he promises to work with the next chairman of the National Republican Congressional Committee to hold freshman Democrats accountable for the campaign promises they made during the last cycle.

In an echo of the GOP's combative stance, Rep. Bill Thomas (R-Calif.), the retiring chairman of the Ways and Means Committee, gave an impassioned speech to members yesterday during their regularly scheduled conference meeting, members and aides said afterward.

"The wake is over," Thomas told his Republican colleagues yesterday while imploring those who will remain next year to use their power as a minority to exploit divisions on the other side of the aisle.

Thomas, who has never shied from partisan sparring, told his soon-to-be-former colleagues to hammer Pelosi immediately for her attempts to elevate Rep. John Murtha (D-Pa.) to the majority leader post despite his role as an un-indicted co-conspirator in the FBI's Abscam investigation.

As members prepare to elect a new slate of leaders in the wake of their devastating electoral loss, Republicans appear likely to elect a slate of familiar faces to the leadership, even though many lawmakers are concerned this could send the wrong message to voters.

During a closed-door meeting of the conservative Republican Study Committee (RSC), Blunt hinted that four members of the current leadership — himself; his chief deputy, Rep. Eric Cantor (R-Va.); Majority Leader John Boehner (R-Ohio); and Republican Policy Committee Chairman Adam Putnam (R-Fla.) — will return to the leadership, an aide present said.

Blunt is trying to hold his post as whip despite a groundswell of support for Cantor. There has been talk of organizing a write-in candidacy for the Virginia Republican, but members and staff are doubtful that a member will stand up and nominate him in the conference meeting for fear of angering Blunt.

Former Speaker Newt Gingrich (R-Ga.) circulated a letter yesterday outlining his own vision for Republicans in the minority in which he questions the wisdom of electing familiar faces to the leadership.

"Are House Republicans electing a leadership team to be an effective minority or a leadership team to regain the majority?" Gingrich wrote to members. "These are very different roles and require very different considerations, very different strategies and very different leaders."

Rep. Mike Pence (R-Ind.), the self-proclaimed "cheerful pugilist" who chairs the RSC, delivered a fervent speech to centrist members of the Tuesday Group yesterday that one aide present believed would sway at least a few members in attendance, even though Boehner is still considered the front-runner.

Pence ducked into an empty conference room with Energy and Commerce Committee Chairman Joe Barton (R-Texas), who is also running for leader, after making his presentation, but denied afterward that the two were conspiring against Boehner, the odds-on favorite.

In addition, Sen. John McCain (R-Ariz.) announced his endorsement of Shadegg yesterday, even though Shadegg's team debated releasing the senator's endorsement during the race for leader last winter. Some House Republicans are not fond of McCain, claiming he's a liberal Republican who constantly seeks media attention.

Republicans have punted one of the biggest questions about their reorganization until after the reorganization caucus this Friday.

Rep. Deborah Pryce (R-Ohio), the outgoing chair of the Republican Conference, told members in their closed-door meeting yesterday that leaders would not introduce a revised conference rules package until members return from the Thanksgiving holiday. Staff for outgoing Speaker Dennis Hastert (R-Ill.) and Rules Chairman David Dreier (R-Calif.) will work with the staff of the newly elected leaders to craft the final package.

The two big questions at this point regard term limits for ranking members — whether or not service as chairman counts against members in vying for ranking member slots and whether those ranking members will be chosen solely for seniority or will be allowed to make presentations to the reconfigured Steering Committee.

Most of the members vying for those slots have already made inquires with leadership about that process and will continue to angle for those slots as leaders craft the new rules.

"We're waiting on leadership selection," said Rep. Richard Baker (R-La.), the senior Republican on the Financial Services Committee, who was in a tight race to chair the committee before last week's loss. "It's too early at the moment to know how it will play out."

Baker's chief rival for the slot, Rep. Spencer Bachus (R-Ala.) — should Pryce and Dreier not ask to be considered — will also continue to campaign.

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"It matters," Bachus said of becoming the ranking Republican. "Whoever the ranking member is absolutely has a step up" in a potential future race to become chairman.

To Learn From '06, We Must Heed Lessons Of '94 (RC)

By Rep. John Boehner
Roll Call, November 16, 2006

In the wake of last week's defeat, Republicans have engaged in a serious and much-needed dialogue about our party and its future. This is a healthy exercise, and one from which Republicans will emerge stronger.

In my letter announcing my candidacy for House Minority Leader, I talked about my experiences in the early 1990s. Instead of settling for our minority status back in 1993-94 and adopting the mindset of a permanent minority, we set out to change things in a big way.

In 1994 we developed the vision that led to the "Contract with America," which proudly said that House Republicans were ready as a team to take on the Washington, D.C., status quo. One of the secrets of the contract's success was that we recognized the things that unite Republicans across the spectrum are tax cuts, spending taxpayers' dollars wisely, ethics and accountability, and reforming government programs to demand results. We also recognized these ideas and policies have the added benefit of bringing in more and more Americans to support the conservative cause.

If we want our majority back in 2008, House Republicans need to get back to these basics and rededicate ourselves to the reform mindset that put us in the majority. We need to rebuild the Republican coalition by focusing on conservative ideas that can win broad-based support not just among House Members, but among the American people.

It's something you've heard me say time and time again: Good policy equals good politics. Together, we'll produce a next generation of great Republican ideas while always adhering to our core principles: a smaller, smarter, less-intrusive federal government. We'll draw on the talents of every Member and look to the outside for solutions.

We'll aggressively sell these solutions inside and outside the Beltway, using traditional and new media, and our network of friends and allies throughout the country. This will be hard work — no one Leader can do this — but working together as a team, we can get it done.

We also must work to prevent, root out and punish corruption and ethics violations. In 1994 we changed our rules to deny prime positions to any Member who had been indicted. But the appalling behavior of various Members on both sides of the aisle makes it clear we must do more.

The existing ethics committee process must be faster, and we need to give it teeth. More to the point, I simply will not tolerate ethical misconduct in our Conference. Clear likelihood of serious transgressions will lead to suspension from important committee posts; guilt will lead to immediate and severe consequences.

The Minority Leader will need to hold every Democrat accountable for their behavior, their promises and their policies. The Leader will need to fight for fairness for all Republican Members, in committee assignments, resources and process.

The Leader will need to look in every corner of every Democrat-held district to help recruit candidates to win back the majority, and to ensure our candidates have the resources they'll need to compete and win. In short, the job of a Republican Leader in the minority will be to hold the job for as short a time as possible.

My collective experiences in the House — as a minority backbencher; as a co-author of the Contract with America; as Republican Conference chairman; as chairman of a committee; and as Majority Leader — have given me the perspective and experience our Conference needs to lead this effort.

These elections weren't a battle of ideas in which Americans embraced the values of Democrats over Republicans. We failed to meet the expectations of voters who supported us since 1994. Simply announcing our intention to return to our core principles is not enough. We need a Leader who knows how to build teams; how to articulate a vision for the future; how to set bold goals that bring out the best in our team; and how to achieve those goals.

I was in the minority once, and I hated it. I know how we got out of the wilderness, and I know how we built a majority that delivered reforms that changed American history. I know we can do it again. If House Republicans honor me with their vote, I will help lead the way.

Rep. John Boehner (R-Ohio) is House Majority Leader.

Conservative Democrats Seek Larger Role (AP-Y)

By Jim Abrams, Associated Press Writer
AP, November 16, 2006

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For a dozen years, the Democratic conservatives known as Blue Dogs have been baying at the moon, ignored by Republicans and tolerated by their more liberal Democratic colleagues. Now, these House lawmakers say that is about to change.

Republicans "did not lose their seats to liberal Democrats" in last weeks elections, said Rep. Mike Ross, D-Ark. "Republicans lost their seats to Blue Dog Democrats."

"We'll have a lot to say about what passes and what doesn't" when the 110th Congress convenes in January with Democrats in control for the first time in 12 years, said Ross, new communications director for the caucus.

With the addition of nine newly elected freshmen, the Blue Dogs claim 44 members, nearly 20 percent of the incoming Democratic majority. They will be led by Rep. Allen Boyd, D-Fla., and include Rep. Collin Peterson, D-Minn., in line to become the next Agriculture Committee chairman.

The Blue Dogs were formed in 1994 after Republicans swept the long-entrenched Democrats from power. They tend to be social conservatives on such issues as abortion. But their big issue is fiscal discipline — balancing the budget and reducing the federal debt.

Many in the group are from the South, and the group took its name from the old adage that southerners would vote for yellow dog if he were on the Democratic ballot. A blue dog, they decided, was a moderate or conservative "choked blue" by the Democrats in the years leading up to 1994.

Already, leaders from both parties are courting their votes. Speaker-to-be Nancy Pelosi, a California liberal, has promised to make "paygo," a Blue Dog-backed principle that any new spending be paid for with cuts in other programs or new revenues, one of her first legislative goals.

"Leader Pelosi looks forward to working with the Blue Dogs in the 110th Congress," said Jennifer Crider, Pelosi's spokeswoman. "They are important voices in our diverse caucus."

Rep. Mike Pence, R-Ind., who is running for the position of Republican leader in the next Congress, listed cooperation with the Blue Dogs as part of his platform.

"We also will attempt to restart the old GOP-Boll Weevil coalition that proved so successful in the 1980s to advance President Reagan's revolution," Pence said. "There are Blue Dog Democrats that want to balance the budget, address our nation's abounding debt, strengthen Social Security and protect life and marriage. Our minority will look for opportunities to work with them when there is agreement."

Linda Fowler, professor of government at Dartmouth College, said the influence of the Blue Dogs could depend on President Bush. If the president "shows interest in legislation on Social Security, the deficit, and fiscal issues that the Blue Dogs care about, then I think they will have a lot of leverage," Fowler said.

Americans, said Stephanie Herseth, a Blue Dog Democrat from heavily Republican South Dakota, "are looking for leadership from the center." She said they will seek consensus with other Democrats while at the same time will "certainly continue to work with our Republican friends in a bipartisan way."

On the Net:

Blue Dogs: http://www.house.gov/cardoza/BlueDogs/bluedogs.shtml

'Tuesday Dogs' May Join Forces (RC)

By Jennifer Yachnin And Susan Davis

Roll Call, November 16, 2006

In an effort to boost their influence in the sharply divided chamber, members of the moderate Republican and Democratic House factions indicated Wednesday that the two groups may coordinate efforts in the 110th Congress and could move to create a formal bipartisan coalition in the new session.

Members of the fiscally conservative Democratic Blue Dog Coalition and the centrist Republican Tuesday Group met in advance of the Nov. 7 elections, Rep. Jim Matheson (D-Utah) said Wednesday, to discuss areas where the groups could align.

“We have a lot of common interests,” Matheson, a co-chairman of the Blue Dogs in the 109th Congress, said of his meeting with Republican Rep. Mark Kirk (Ill.), who co-chairs the Tuesday Group.

According to Matheson, the moderate coalitions are most likely to work together on pro-growth and fiscal legislation, while Kirk cited issues such as expanding stem-cell research and portions of the “Suburban Agenda,” an effort spearheaded by Kirk that includes legislation to stop online sexual predators and improve access to health care.

“At this point, we’re starting a dialogue,” Kirk said in an interview Wednesday, adding that the recent influx of new moderate Democrats elected last Tuesday will bolster opportunities to govern “from the political center.”

Kirk said the two groups will hold a luncheon to swap legislative agendas when Congress returns the week of Dec. 4. There they will discuss the possible creation of a new bipartisan caucus that Kirk dubbed the “Tuesday Dogs.”

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With the defeat of six current Tuesday Group members, as well as a co-chairman, Rep. Charles Bass (R-N.H.), Kirk said the group also will hold leadership elections in December to name a new co-chairman. He estimated the group's roster in the next Congress to total 35 members.

Rep. Charlie Dent (R-Pa.) is one moderate viewed as a potential candidate for co-chairman, although others could step forward.

"There's a lot more that unites us than divides us," said Rep. Mike Ross (D-Ark.), who will be a co-chairman of the Blue Dogs next year. "The American people expect us to reach across the aisle. There may be temptation to 'get even' [with Republicans in the 110th Congress], but I think that would be a huge mistake."

Although the Blue Dog leaders had attempted similar meetings with moderate Republicans in the current session, Rep. Dennis Cardoza (D-Calif.) said he believes those efforts never came to fruition because of pressure from the GOP leadership.

"There may be more opportunity now," said Cardoza, a co-chairman of the coalition in the current Congress. Citing the number of moderate Republican losses in the recent elections, Cardoza added: "Now they're emboldened ... to be more aggressive on behalf of the national agenda, instead of the party agenda."

During a Wednesday morning press conference to introduce the newest Blue Dog lawmakers, several of the coalition's leaders stressed that the group will work on bipartisan efforts in the next session.

"The Blue Dogs believe in partnership, not partisanship," said Rep. Allen Boyd (D-Fla.), who along with Ross and Rep. Dennis Moore (D-Kan.) will chair the group in the new Congress. Rep. Stephanie Herseth (D-S.D.) will serve as the group's whip.

"We're not going to be a rubber stamp for anyone. We're going to help bring our party back to the middle," Ross said of the 44-member coalition, which includes nine freshman lawmakers. "We have a lot to say about what passes or doesn't pass when it reaches the floor."

The Blue Dogs also discussed their 12-point agenda, which calls on Congress to pass a constitutional amendment mandating a balanced budget; restore "pay as you go" budget guidelines through 2010; implement new rules requiring roll call votes for spending bills with more than $50 million in new spending; establish strict rules on emergency spending, as well as establishing a "rainy day" fund for those funds; subject any increase in the debt limit to a roll call vote; implement new rules requiring all Congressional earmarks to include publicly accessible justifications; new guidelines requiring a three-day minimum for Members to review legislation before a scheduled vote; as well as new guidelines requiring House committees to detail their oversight efforts in biannual reports.

What You Heard About 'Conservative Democrats' Winning Was Wrong (RC)

By Stuart Rothenberg

Roll Call, November 16, 2006

It quickly has become conventional wisdom that last week's Democratic House victory swept in a crop of moderate and conservative Democrats who'll both keep party liberals in check and help remake the image of the party of former Vice President Al Gore, Sen. John Kerry (D-Mass.) and soon-to-be Speaker Nancy Pelosi (D-Calif.).

Well, I met dozens of Democrats running in 2006 — no, not everyone, but most of them — and I can't find much more than a couple who merit the label "conservative." That's not meant to be either criticism or praise. It's merely a statement of fact.

North Carolina Rep.-elect Heath Shuler surely qualifies as a culturally conservative Democrat, but the pro-life, pro-gun Democrat who is a member of the Fellowship of Christian Athletes is the exception, not the rule. Virtually all of the Democrats I interviewed were pro-choice, favored rolling back President Bush's tax cuts and sounded traditional Democratic themes on education, the environment and foreign policy.

In Connecticut, Reps.-elect Chris Murphy and Joe Courtney are pretty typical Northern liberals. In New York, Rep.-elect John Hall, who I didn't meet, appears to be quite left of center. Two upstate Democrats, Reps.-elect Kirsten Gillibrand and Michael Arcuri, have more moderate personas, but I wouldn't go so far as to call them conservatives, or even moderates.

Arcuri often referred to himself as a "Boehlert Democrat," a label that won't make conservatives who cringed at the voting record of retiring Rep. Sherwood Boehlert (R) the least bit comfortable. Gillibrand, who is impossible not to like, didn't sound like a liberal firebrand, but I'd be surprised if her record was much different from that of most Northeast Democrats.

In Pennsylvania, there is no reason to believe that Reps.-elect Patrick Murphy and Joe Sestak will be anything but typical suburban Philadelphia Democrats: If you are a liberal, you'll like them, and if you aren't, you probably won't.

In Florida, Rep.-elect Ron Klein's state legislative voting record seems consistent with a liberal Democrat, and while some observers have pointed out that Rep.-elect Tim Mahoney talked a moderate line during his campaign and is a former Republican, my notes from my interview with him show that he has not supported a Republican presidential nominee for more than 20 years and seems likely to vote along traditional Democratic lines.

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Texas Rep.-elect Nick Lampson may have to vote like a moderate or conservative if he has any hope of winning re-election in Texas' 22nd district in two years, but his record when he was in Congress was not what one normally would identify as conservative, or even moderate.

My interview with California Rep.-elect Jerry McNerney suggests he's quite liberal. The same goes for Rep.-elect Steve Kagen in Wisconsin. I didn't interview Iowa's newly elected Member, Dave Loebsack, but his profile — he's a political science professor at Cornell College and ran against middle-of-the-road GOP Rep. Jim Leach from the left — suggests he's no moderate.

In Ohio, Rep.-elect Charlie Wilson is conservative on cultural issues, so that makes him a relatively moderate Democrat. But fellow Buckeye State Rep.-elect Betty Sutton certainly isn't a moderate, and although I didn't meet Rep.-elect Zack Space, I am told by people who did that his views seem fairly liberal.

I wrote after the previous cycle that I liked Indiana Democrat Joe Donnelly and hoped he'd run again, but I'd never call him a conservative Democrat. On the other hand, Rep.-elect Brad Ellsworth told me that he is pro-life, supports a constitutional amendment defining marriage and supports capital punishment, so he does appear to be a moderate Democrat.

Then there is Rep.-elect Baron Hill, who, if you ask him, probably will call himself a moderate Democrat. The only problem is that voters in Indiana's 9th district fired him two years ago because they thought he was a cultural liberal who tried to have issues both ways.

I've never met Rep.-elect John Yarmuth, who knocked off Rep. Anne Northup (R-Ky.) and has a reputation for being both very personable and very liberal. Kansas Rep.-elect Nancy Boyda is pro-choice, and as far as I can tell, there is no reason to see her as a moderate.

Kentucky Democrat Ken Lucas would have been a conservative Democrat, but he lost. Florida's Christine Jennings, a bank president, might have been moderate on business issues, but she apparently lost narrowly.

Colorado Rep.-elect Ed Perlmutter? Liberal. Iowa Rep.-elect Bruce Braley? Very liberal. Arizona Rep.-elect Gabrielle Giffords? Liberal, I think.

Now let me be very clear about my point. I'm not saying that it's good or bad that most of these Democrats are likely to be pretty typical members of their party. I'm only saying that's where they fit. A bunch of conservative Democrats didn't win election last week.

So how and why did the buzz get going that the Democrats elected last Tuesday foreshadow a different Democratic Party? I'm not sure.

Part of it may have been all the hype about Democrats "broadening the playing field" and possibly taking very Republican seats in Idaho, Nebraska, Colorado, Washington, Wyoming and Indiana. That didn't happen, though in some cases the Democrats running for those seats performed well above what would be expected for their party.

Though there were obvious exceptions, most of the House takeovers occurred in swing and Democratic-leaning districts, and those districts elected pretty conventional Democrats.

The election of Bob Casey Jr. (Pa.) to the Senate may have added to the impression that Democrats were sending moderates and conservatives to Washington, D.C. But again, Casey — who opposes legal abortion — is the exception, not the rule.

House Democrats way well attempt to steer a more moderate path between now and 2008, especially since their opportunities are limited with Bush in the White House. But if that happens, it would be the result of a pragmatic decision by party leaders, not the result of an infusion of moderates and conservatives into their party last week.

Stuart Rothenberg is editor of the Rothenberg Political Report.

Which Bipartisanship Will Bush Choose? (WSJ)

By Newt Gingrich

The Wall Street Journal, November 16, 2006

The election results pose two enormous strategic choices for America. First, the obvious outcome of a Democratic-controlled Congress and a Republican White House is the need for bipartisan cooperation in order to get anything done. The key question is: Which kind of bipartisanship will emerge? Will there be a Ronald Reagan approach to bipartisanship which appeals to the conservative majority of the House? Or will there be an establishment bipartisanship which cuts deals between liberals and the White House? Second: Will the departure of Donald Rumsfeld and his replacement by Robert Gates lead to a tactical effort to minimize the difficulties of Iraq, or to a fundamental rethinking of the larger threats to American safety?

These two choices are strikingly interrelated. An establishment bipartisanship between the White House and liberal congressional leaders will almost certainly make it necessary to focus narrowly on how to minimize difficulties in Iraq and postpone consideration of the larger threats to America for the remainder of this and into the next presidency. By contrast, a

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conservative bipartisanship that knits together the House Republicans and the Blue Dog Democrats into a floor majority, working with a White House that emphasizes popular issues at the grassroots, would make it much easier to focus on the larger threats to American safety. (Such a bipartisanship could stress making the cap gains tax cut permanent; controlling set-asides and discretionary spending; oversight on failing bureaucracies and waste; English as the language of government; and biofuels as part of an energy policy.)

How these bipartisanship choices are made will do a great deal to define our government and politics for the next few years. Each strategy cross-pressures a different part of the House and Senate. Each requires some members to choose between their loyalty to their values and those held by their districts on the one hand and their party leadership on the other.

A liberal establishment strategy will almost certainly split the GOP and lead to a grassroots rebellion against the kind of policies which a Pelosi-Reid alliance would force on the White House. House Republicans would find themselves split again and again as their leadership cooperated with Nancy Pelosi to bring forward liberal legislation. Conservative senators would find themselves blocking and filibustering liberal legislation brought forward by the Senate establishment Republican leadership and Harry Reid. Their supporters at home would be angrily insistent on active opposition to a liberal establishment legislative agenda.

On the other hand, a conservative populist grassroots strategy would almost certainly make daily interactions with liberal leaders more confrontational as they found themselves nominally chairing committees but losing votes on the floor and having their initiatives rejected by a conservative grassroots coalition. With a conservative populist grassroots strategy it is the 44 Blue Dog Democrats who would find themselves cross-pressured. In the House, some 54 Democrats won by claiming they were much more conservative than Nancy Pelosi, and much more conservative than the San Francisco values she represents. Here, they would be forced to choose between their voters back home and the promises made to them during the campaign, and their leadership.

Ironically, the very nature of the Democratic victory makes it possible to re-establish the conservative Democrat and House Republican coalition which made the Reagan legislative victories of 1981-82 possible. Tip O'Neill was the liberal Democratic speaker when Reagan became president, but he did not have a liberal majority in the House. Yet despite a seemingly liberal Democrat lock in a 242-192 majority, they lost control of the floor on the most important bill of Reagan's first term. His tax cuts were initially passed 238-195 with 48 Democrats splitting from the leadership and siding with Reagan and the GOP. The final passage of the conference report passed 282-95, with a 113-vote Democratic majority siding with Reagan and only 95 liberal democrats voting "no."

I was a sophomore during this exciting Reagan first term and I learned from him the art of appealing to the American people to win votes in Washington. When we passed welfare reform in 1996, the Democrats split 98 "yes" and 98 "no." When we passed the Balanced Budget Act of 1997, the Democrats split 153 "yes" and only 52 diehard liberals voted "no."

If President Bush decides to govern as President Reagan did, he will work to unify the Blue Dog Democrats with the Republicans to win a handful of very large victories while accepting a constant barrage of unhappiness from the liberal leadership. That is what conservative bipartisanship is like. If on the other hand, President Bush decides on an establishment strategy of cooperating with the liberal leadership, he will guarantee splitting his own party and will see his legacy drift further and further to the left as the Pelosi-Reid wing of their party demands more and more concessions.

This choice of which strategy to follow domestically has an enormous implication for national security. A liberal coalition will focus narrowly on Iraq and seek to avoid thinking about the scale of threat we face internationally. A conservative bipartisan coalition will look first to the larger threat to American security and will then seek to find solutions in Iraq to strengthen American security. It is hard to see how a liberal coalition will be able to look at the larger threats to our safety, even when the threat, articulated in this warning by Vice Admiral Patrick Walsh, is clear: "What we are talking about today is an ideology that thrives on murder, intimidation and fear. It puts innocent people at risk, particularly those in open societies. What we are talking about are people who worship death itself."

Thus the decision about which bipartisanship to pursue with regard to a legislative agenda and the Iraq war becomes for the Bush administration a decision about how safe and how prosperous America will be under divided government.

Mr. Gingrich is a former speaker of the U.S. House of Representatives.

Murtha Calls Ethics Bill 'Total Crap' (RC)

By John Bresnahan

Roll Call, November 16, 2006

Rep. John Murtha (D-Pa.) told a group of Democratic moderates on Tuesday that an ethics and lobbying reform bill being pushed by party leaders was "total crap," but said that he would work to enact the legislation because Speaker-to-be Nancy Pelosi (D-Calif.) supports it.

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Murtha and Current Minority Whip Steny Hoyer (D-Md.) are locked in a battle for the House Majority Leader post, and both men made presentations to the Blue Dog Coalition on Tuesday in a bid for their votes.

"Even though I think it's total crap, I'll vote for it and pass it because that's what Nancy wants," Murtha told the Blue Dogs, according to three sources who were at the meeting.

Pelosi has made enactment of the Honest Leadership and Open Government Act the cornerstone of her legislative agenda for the 110th Congress, and she is preparing to make it the first bill introduced under her reign. Murtha voted against the legislation earlier this year on the House floor.

Congressional corruption was a major issue for voters in the recent midterm elections, and Pelosi has pledged to clean up the Congress as part of her efforts to reform the House.

A Democratic lawmaker, speaking on the condition of anonymity, said he was "surprised" by the tone of Murtha's comments, especially Murtha's repeated claim that he would back any proposal that Pelosi favored. This lawmaker has already declared for Hoyer.

"'My agenda will be Nancy's agenda' — he kept saying that," the lawmaker said. "The performance was stunningly awful."

Another Democrat who was in the room said Murtha's remarks, especially on the ethics and lobbying reform bill, "were not the right thing to say in front of a roomful of Blue Dogs."

Murtha office's did not comment for this article.

Many Say Leadership Race Damages Democrats' Image (NYT)

By Carl Hulse

The New York Times, November 16, 2006

WASHINGTON, Nov. 15 — House members acknowledged on Wednesday that the increasingly bitter contest for majority leader was sullying the image of unity and new direction that Democrats hoped to convey.

"It's four days that we haven't talked about our message and built on the euphoria," said Representative Ellen O. Tauscher, a California Democrat who is supporting Representative Steny H. Hoyer of Maryland in the leadership vote on Thursday. "We had such perfect pitch last week."

Downtrodden Republicans were enjoying the spectacle of the split between Representative Nancy Pelosi, the incoming speaker, who is publicly pushing Representative John P. Murtha, her longtime ally, and Democrats rallying behind Mr. Hoyer, who has served in the leadership slot beneath Ms. Pelosi for four years.

"I can't believe they are self-destructing before they even get started," said Representative Ray LaHood, Republican of Illinois. "Everyone on our side is giddy."

The race has not broken along conventional ideological lines. Mr. Murtha, a staunch conservative on most issues with the exception of his highly publicized opposition to the Iraq war, enjoys support from some of the most liberal Democrats. Mr. Hoyer, the more liberal of the two, has attracted strong backing from moderates and centrists, as well as some of the most seasoned House Democrats.

It has also left Democrats and Republicans in both the House and Senate straining to understand Ms. Pelosi's strategy.

They wonder why, in her moment of victory, she injected herself into a leadership fight that will end with the selection of her rival or her own choice, a lawmaker criticized for his ethics record, after an election in which Democrats campaigned on a clean-government theme.

Mr. Murtha himself has thrown more fuel on that fire. Members of the conservative Democratic Blue Dog group said that during an appearance before them Tuesday, Mr. Murtha disparaged an ethics overhaul that Ms. Pelosi and the leadership have been promising as one of their first orders of business.

Two lawmakers at the session confirmed that the comment, first reported by the Capitol Hill newspaper Roll Call, left many stunned, given the new scrutiny Mr. Murtha's deal-making on the Appropriations Committee has drawn, along with his involvement in the 1980 Abscam bribery sting run by the F.B.I. He was never charged in that case, but a widely circulated film showed him being offered a bribe and responding that he was not interested in the money "at this time."

In an interview on the MSNBC show "Hardball" Wednesday afternoon, Mr. Murtha said that at the time of Abscam he was interested in attracting foreign investment to relieve high unemployment in his Pennsylvania district and, though suspicious of the offer, wanted to keep open the possibility of legitimate investment. As for the ethics package promoted by Ms. Pelosi, Mr. Murtha said he was complaining that Congressional wrongdoing was superceding other matters "when we've got a war going on and we got all these other issues — $8 billion a month we're spending."

After writing a letter of support for Mr. Murtha, Ms. Pelosi has personally gone to bat for him, attending a reception for new members and pressing lawmakers on their choice for majority leader. Her allies say her intervention reflects the sort of risk-taking

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strategy that has brought her to the brink of becoming speaker. And no matter how it turns out, they say, it will send a message to lawmakers that if they stick with her, she will reciprocate.

But several Democrats said her direct involvement was clouding the Democratic takeover by showing squabbling Democrats in serious disagreement over the direction of the party.

"This is somewhat distracting us," Mr. Hoyer conceded Wednesday, even as he predicted that he would win the race and that the party would avoid substantial fallout.

"I expect that we will bring the party together and become unified and move on from this," he said in a brief interview.

Mr. Hoyer came in for criticism of his own Wednesday from an outside watchdog group, Public Citizen. It ranked him as a top Congressional recipient of contributions from lobbyists and political action committees, receiving more than $5.6 million in PAC money since 2000. Mr. Murtha collected about half that much.

"Both candidates for House leadership have taken large amounts of special interest money," said Joan Claybrook, president of Public Citizen.

Mr. Murtha and his allies have emphasized the role he played in building Democratic opposition to the Iraq war, an issue that was crucial to the party's victories last week.

Mr. Hoyer and his supporters acknowledge the import of Mr. Murtha's turnaround after his initial support of the war. Representative Barney Frank of Massachusetts described it as a "Nixon goes to China moment," but said it did not entitle Mr. Murtha to the leadership post.

Representative Dennis J. Kucinich, a liberal Democrat from Ohio who disagrees with Mr. Murtha on major social issues like abortion and gun control, said in a letter distributed to his colleagues that Mr. Murtha's leadership on the war outweighed other considerations.

"We need Jack Murtha for majority leader," Mr. Kucinich wrote, "because at a critical moment on the major international policy issue facing America and the world, he showed an openness, a readiness to listen and a willingness to set a new direction, based on new information. This is the mark of someone who moves forward with courage."

House Race Pits Murtha Vs. Ethics (WT)

By Charles Hurt

The Washington Times, November 16, 2006

House Democrats will decide today whether to install as their majority leader one of the most scandal-tainted members of Congress.

Today's vote on Rep. John P. Murtha -- whom likely Speaker Nancy Pelosi enthusiastically supports -- comes 10 days after Democrats seized control of the House and Senate after promising to clean up the corruption that they said had become a hallmark of the Republican Congress.

In the Senate, meanwhile, Republicans yesterday picked as their leader Sen. Mitch McConnell of Kentucky. The No. 2 position of Republican whip went to Sen. Trent Lott, the Mississippian who four years ago fell from leadership after praising the 1948 presidential campaign of then-segregationist Strom Thurmond of South Carolina.

Mr. McConnell, who for years has excoriated Democrats for obstructing the Republican majority in the Senate, signaled the new minority's willingness to play a similar role.

"We represent a vigorous minority of 49 in a body where it takes 60 to do anything," he told reporters. "We are unified in our desire to work with the Democrats across party lines to see what we can accomplish for the country, but we will be a robust minority, a vigorous minority, and hopefully a minority that is only in that condition for a couple of years."

Meanwhile, Senate Democrats emphasized the need for Republican cooperation.

"We really need bipartisanship," said incoming Majority Whip Richard J. Durbin, the Illinois Democrat who helped lead the filibusters of President Bush's judicial nominees.

But most of the attention on Capitol Hill yesterday fell on Mr. Murtha's run for House leadership, which many Democrats worry will sully their stunning victories last week and ruin any hopes of a reputation for ethical reform. Mr. Murtha didn't help his case when reports surfaced yesterday that he dismissed the party's plans for ethics reform during a gathering of newly elected Democrats.

Mr. Murtha, elected last week to his 18th term, is often noted today for his service in the military and his demands that troops be withdrawn from Iraq. But for more than 25 years, he's also been remembered as the "unindicted co-conspirator" in one of the most famous and blatant cases of congressional corruption ever exposed.

In 1980, Mr. Murtha of Pennsylvania was among eight members of Congress lured to a town house in Washington to collect $50,000 in "walking-around money" from what turned out to be FBI agents posing as emissaries for an Arab sheik seeking influence.

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Video of the rendezvous shows Mr. Murtha negotiating for a long-term relationship with the apparent crooks, trying to cut fellow congressmen out of the deal and stating that he may be willing to take money from the men in the future.

Mr. Murtha turned down their bribe -- for the time being. But he spent 54 minutes doing so, according to FBI surveillance tapes recently obtained by the conservative magazine the American Spectator and posted on the Internet.

"These guys were trying to corrupt me," he said in an interview yesterday with Chris Matthews of MSNBC. "They were the slimiest guys I've ever seen.

"I deal with people like this all the time," he added.

He insisted that his only interest was in getting the men to invest in his district.

Mr. Murtha testified against his fellow congressmen in federal court and was not charged with any crimes. In 1981, the House ethics committee also declined to punish him.

"The ethics committee cleared me completely, unanimous vote," he said yesterday.

According to news reports at the time, the panel in the Democrat-controlled Congress declined to pursue charges on a party-line vote.

Some Democrats say Mrs. Pelosi's backing of Mr. Murtha doesn't bode well for her promise to aggressively root out corruption in Congress. At the very least, critics say, Mr. Murtha failed to obey House rules requiring that members report any attempted bribes -- a rule that Mr. Murtha should have been aware of as a member of the House ethics committee in 1980.

The liberal activist group Citizens for Responsibility and Ethics in Washington named Mr. Murtha one of the most corrupt members of Congress -- not mentioning his role in the Abscam scandal, but instead highlighting his dealings with lobbyists and pork-barrel spending in recent years.

Both Mr. Murtha and Rep. Steny H. Hoyer of Maryland, who is currently the No. 2 House Democratic leader, have said they have the votes to get elected majority leader.

Dem Division And Dismay (HILL)

By Josephine Hearn

The Hill, November 16, 2006

House Democrats head to the ballot box today to elect their majority leader, with many of them fretting that the contentious race has split their caucus into two warring camps, one allied with Rep. John Murtha (D-Pa.) and Speaker-to-be Nancy Pelosi (D-Calif.) and the other with Democratic Whip Steny Hoyer (D-Md.), regardless of today's outcome.

The race has reinforced longstanding divisions between different factions in the caucus, members and observers said, and has diverted their attention from a positive message they hoped to project just days after winning control of the House.

"We're trying to say it's a new day, and unfortunately, we've started a new day with unnecessary controversy," said Rep. Charlie Gonzalez (D-Texas), a Hoyer ally. "Members see this as something unnecessary, something counterproductive, something that is sucking up all the oxygen in the room when we really need to work on improving the functioning of the House."

Elated by their victory last week at the polls, many House Democrats were further encouraged by the harmonious resolution last week of a battle brewing for the post of majority whip, praising Speaker-to-be Nancy Pelosi (D-Calif.) for brokering the compromise.

But on Sunday, Pelosi took a decidedly different tack by stepping into the majority leader race on Murtha's behalf, a move that escalated an already vigorous contest. Two hundred thirty-one House Democrats will meet this morning at 9 a.m. to vote for their entire slate of leaders, although the majority leader position is the only contested race. They will first vote on a motion to allow Christine Jennings and Rep. William Jefferson (D-La.) to vote. Jennings's Florida race is still contested. Jefferson still faces a runoff.

Many Democrats were dismayed at the ever more heated and at times ugly battle between two of their most senior members, much of it playing out on national television.

Some Hoyer backers questioned Pelosi's political judgment, arguing that the effort to "purge" Hoyer from the leadership would damage caucus unity.

"It's a terrible way to start. It's a lose-lose situation. Either way she has polarized the caucus," said one House Democrat allied with Hoyer.

"You're going to be more likely to question her after something like this that is so clearly bad for us and could have been avoided," another commented.

The situation reminded more than one lawmaker of a remark made once by former Rep. Mo Udall (D-Ariz.): "I have learned the difference between a cactus and a caucus. On a cactus, the pricks are on the outside."

A Murtha backer took offense at the suggestion that the battle would create long-lasting acrimony among members.

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"I've been hearing that for six months, that it's going to do damage to the caucus. Yeah, for about 30 seconds. Anyone who feels that way is a jerk. I don't feel that way. If someone says that, they really don't belong in politics," said Rep. Michael Capuano (D-Mass.), a Murtha ally.

"If this thing was about making an empress, I wouldn't do it," Capuano added.

Members will vote by secret ballot, making it difficult to predict an outcome.

Rep. Bill Pascrell (D-N.J.), a Murtha ally, said he could tell which members might ultimately switch their votes.

"You know when people are telling you what you want to hear. You know when they hem and haw … Who knows how it's going to turn out, but we'll be ready."

Murtha himself was absent during House floor votes yesterday as he has been all week. Hoyer has not missed a vote.

As the sun set on the Capitol last night, both camps were executing their endgame. Murtha's allies huddled in a Rayburn committee room to plot strategy. Reps. Anna Eshoo (D-Calif.), Robert Brady (D-Pa.), Tim Holden (D-Pa.), John Larson (D-Conn.), Carolyn McCarthy (D-N.Y.), Tim Ryan (D-Ohio), Allyson Schwartz (D-Pa.), Gene Taylor (D-Miss.), Mike Thompson (D-Calif.), Anthony Weiner (D-N.Y.), as well as Capuano and Pascrell, attended.

Pelosi continued to meet individually with incoming freshmen members yesterday. Pelosi has been raising the majority leader race with freshman during the same introductory meeting where they discuss committee assignments.

"Some of the freshmen who came in with some naivete are understanding the meaning [of Pelosi's endorsement]," Rep. Jim Moran (D-Va.) said Monday night. If they do not, "They'll screw themselves for the rest of their lives."

Both sides asserted that they had the necessary support, but the secret-ballot vote means that members may defect at the last moment without ever facing retribution.

Rep. Albert Wynn (D-Md.) said he expected some members not to honor the commitments they had made to the candidates.

"Ask anyone who's ever run for a leadership position and they'll tell you: Members lie."

Brad Haynes contributed to this report.

Democratic Leadership Hopefuls Marked By Ethical Questions (LAT)

By Tom Hamburger And Chuck Neubauer

The Los Angeles Times, November 16, 2006

WASHINGTON — Though incoming House Speaker Nancy Pelosi promises to push through ethical reforms in Congress, both of the Democrats vying to be her second-in-command have long histories of earmarking, close relationships with corporate interests, and using their positions to raise millions of dollars in campaign contributions.

Pelosi's choice for the job, Rep. John P. Murtha of Pennsylvania, used his seat on the appropriations committee and the largely secret earmark process to obtain $121 million in earmarks during the current session, making him one of the top earmarkers in Congress, according to the watchdog group Taxpayers for Common Sense.

Murtha, a tough-talking veteran who made headlines last year by denouncing President Bush's policy in Iraq, directed much of the money to firms and institutions in Johnstown, Pa., in his district. Defense contractors and other beneficiaries dominated a list of Murtha's top campaign contributors.

Murtha was an unindicted co-conspirator in the Abscam scandal of the 1970s, which has prompted some to support the other man seeking the House majority leader's job — Rep. Steny H. Hoyer of Maryland — as the more ethical candidate.

Hoyer, also on appropriations, sent $61.7 million to his district just outside of Washington during this Congress, the watchdog group says. That put him among the top 10% of earmarkers in the House. The earmarks frequently benefited local defense contractors.

In the 2006 defense appropriations bill, for example, Hoyer secured $2.8 million for ManTech International Corp., which has a facility in his district that is developing a military project. ManTech's executives and its political action committee have donated $49,000 to Hoyer's campaign and leadership funds since 2001.

David Sirota, a former House Appropriations Committee aide who wrote the recently published book "Hostile Takeover" decrying corporate influence on the Democratic Party, said he was concerned about the records of Murtha and Hoyer.

"In my book I wrote that a top legislative staffer to Hoyer simultaneously served as a top corporate fundraiser for Hoyer, helping raise money for his leadership PAC," he said.

"There is nothing illegal about that, but it definitely makes a joke of the idea that Hoyer is the ethics candidate in this race," said Sirota, who supports Murtha for the post.

Federal Election Commission records show Murtha also employed at least one staffer to do campaign work.

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Cloaked in secrecy

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Earmarking, and the symbiotic relationship it often creates between members of Congress and corporate and other interest groups, has become a symbol of the ethical laxity that Democrats campaigned against in last week's midterm election.

Earmarking is a form of pork-barrel spending often favored by committee chairmen, congressional leaders and other insiders. Cloaked in secrecy, it enables favored members to bypass the normal budget and appropriations process and insert narrowly drawn spending provisions into legislation.

Though not new, the practice has exploded in recent years. In the most flagrant cases, members have used the process for personal enrichment. In other cases, the spending provisions appear to have been used as a kind of quid pro quo to reward campaign contributors and other supporters.

Earmarks played a role in the Jack Abramoff scandal and the bribery conviction of former Rep. Randy "Duke" Cunningham (R-Rancho Santa Fe).

They have also led to federal investigations, including an inquiry involving Rep. Jerry Lewis (R-Redlands), outgoing chairman of the House Appropriations Committee.

Even when illegal or improper conduct was not at issue, earmarks for campaign contributors have been at the heart of the increasing role of money in politics. Murtha and Hoyer have been senior members of the House Appropriations Committee; its members are usually among the leading earmarkers and also major fundraisers for their parties.

Hoyer told a website this week that he did not favor ending the earmarks system, but said he supported reform and greater transparency so the public would know what was happening.

An aide said Hoyer supported "comprehensive earmark reform that would require full disclosure, including the sponsor. He also believes that all conference reports should be available for members to scrutinize before they are voted on, and should not have last-minute earmarks included, as has been the practice under Republicans."

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Dealings with business

Hoyer has been a vigorous player of the traditional earmarking game.

For example, he has obtained more than $7 million in recent years for the manufacturer of Beretta firearms, which has a facility in his district and manufactures the 9-millimeter pistols used by the Marines. In effect, the earmark required the Pentagon to buy ammunition clips from Beretta USA. In an earlier purchase, the military had obtained clips from another supplier that had submitted the lowest bid; Hoyer said the cheaper clips had sometimes malfunctioned.

At least one Beretta executive has contributed to Hoyer's campaign fund.

Murtha is no stranger to ethics controversies.

Some of his largest campaign contributions came from the clients of Washington lobbying firms that represent beneficiaries of his earmarks.

Among them is a firm, Ervin Technical Associates, chaired by a former House colleague, Joseph M. McDade, who was accused in 1992 of providing earmarks in exchange for campaign contributions and gifts. He was charged with bribery and racketeering for accepting gifts and other benefits from defense interests, but was acquitted.

McDade and other principals of the firm could not be reached for comment, but an independent contractor working with the firm said the firm had the highest integrity, and defended the need for earmarks generally.

Another firm associated with Murtha, the PMA Group, is led by Paul Magliocchetti, who worked with Murtha as a senior staffer on the defense appropriations subcommittee for a decade. The PMA Group and 11 of the firm's clients rank in the top 20 contributors to Murtha, with campaign contributions totaling $274,649 in this election cycle, according to calculations by Citizens for Responsibility and Ethics in Washington, a left-leaning watchdog group.

The 2004 defense appropriations bill provided earmarks for 10 companies represented by a lobbying firm in which his brother, Robert "Kit" Murtha, was a senior partner. The Los Angeles Times first reported in 2005 on Robert Murtha's lobbying activities for the firm, KSA Consulting.

At the time, Robert Murtha and others at KSA said he did not lobby his brother and thus saw no problem in his lobbying others.

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A new controversy

On Tuesday, a new controversy flared up. The Capitol Hill newspaper Roll Call quoted Murtha as telling a group of Democrats that Pelosi's ethics reforms were "total crap."

Murtha said his remarks were misinterpreted, perhaps deliberately. He told MSNBC on Wednesday that he had been referring to illegal activities such as Abramoff's, not to the reforms.

"What Nancy is trying to do is important," he told host Chris Matthews.

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"What I said was, it's total crap, the idea we have to deal with an issue like this … when we've got a war going on," Murtha said.

Murtha first gained national attention decades ago as an unindicted co-conspirator in the Abscam investigation into congressional corruption. In a videotaped interview with the FBI agent posing as a sheik, Murtha was offered $50,000 to help the sheik.

"I'm not interested. I'm sorry," Murtha told the FBI agent, but added: "At this point. You know, we do business for a while, maybe I'll be interested, maybe I won't."

Murtha did not respond to requests for comment, but he told MSNBC that he knew the fake sheik was trying to corrupt him, but that he led him on in hopes of luring investment to his hard-pressed district. "I deal with people like this all the time," he told Matthews.

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Pelosi Faces Leadership Test With Vote (AP-Y)

By Andrew Taylor, Associated Press Writer

AP, November 16, 2006

House Speaker-to-be Nancy Pelosi faces a major leadership test Thursday, barely a week into her new role, as Democrats vote on her choice for majority leader. She's supporting a lawmaker once caught up in a bribery scandal and known more recently for trading votes for pork projects.

Pelosi's prestige is on the line after endorsing longtime ally John Murtha of Pennsylvania to be the No. 2 Democrat in place of her longtime rival Steny Hoyer of Maryland.

Senate Republicans, meanwhile, rewarded Mississippi Sen. Trent Lott with their No. 2 post, four years after the White House helped push him out of his job running the Senate for making remarks interpreted as endorsing segregation. President Bush, on a trip to Russia and Asia, telephoned Lott on Wednesday with congratulations.

Pressured to step down from the Senate's top spot in 2002, Lott returned to the Republicans' second-ranking position by nosing out Sen. Lamar Alexander, R-Tenn., who had made an 18-month bid for the post. Lott promised to defer to Minority Leader-to-be Mitch McConnell, R-Ky.

House Republicans, finding themselves in the minority for the first time since 1994, will meet in private Thursday to hear presentations from candidates for their half-dozen leadership posts. Their election is scheduled Friday. Speaker Dennis Hastert of Illinois is leaving the leadership ranks. Replacing him as the House's top Republican became a two-man race Wednesday between current Majority Leader John Boehner of Ohio and conservative challenger Mike Pence of Indiana. Energy and Commerce Committee Chairman Joe Barton of Texas dropped out and endorsed Boehner.

Hoyer entered the Democratic leadership race with a substantial lead by most counts, but he has been scrambling to hold onto supporters since Pelosi's surprise intervention on Sunday. He appeared to carry a lead into Thursday's secret ballot despite Pelosi's opposition.

"I think we're in very good shape. I expect to win," Hoyer said. "I expect that we will bring the party together and become unified and move on from this."

With characteristic gruffness, Murtha said the opposite was true: "We're going to win. We got the votes," he said Wednesday afternoon on MSNBC's "Hardball."

Allies such as Rep. George Miller, D-Calif. — also a top confidant of Pelosi — have been working this week to peel away votes from Hoyer. Pelosi also has intervened more directly, making the case for Murtha in one-on-one meetings with Democratic freshmen — sessions in which the incoming lawmakers ask for all-important committee assignments.

Murtha, a former Marine who generally has supported U.S. military efforts, has gained considerable attention this year for his criticism of the administration's Iraq war policies. He steered Pelosi's winning campaign in 2001 against Hoyer for the No. 2 Democratic leadership post, and his supporters say Pelosi deserves a more loyal wingman.

But Murtha is also a controversial figure. He was investigated in 1980 as part of the Abscam bribery sting, but was the only lawmaker involved who wasn't charged criminally.

FBI agents pretending to represent an Arab sheik wanting to reside in the United States and seeking investment opportunities approached Murtha and several other lawmakers with offers of bribes.

When offered $50,000, Murtha is recorded as saying, "I'm not interested ... at this point." A grand jury declined to prosecute Murtha, and the House ethics committee issued no findings against him. On MSNBC Wednesday, Murtha said, "I told them I wanted investment in my district. They put $50,000 on the table and I said, `I'm not interested.'"

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Murtha has a record of not always being a leadership loyalist, frequently supplying votes to GOP leaders who were struggling to pass bills. The none-too-subtle trade-off: Murtha and his allies would do better when home-state projects were doled out by the Republicans.

He has been criticized by ethics watchdogs such as Citizens for Responsibility and Ethics in Washington, who have said he exemplifies a "pay-to-play" culture of Washington. The group says Murtha has steered defense projects to clients of KSA Consulting, a lobbying firm that until recently employed his brother Kit. Clients of the firm are generous with campaign contributions.

Hoyer claims considerable support from some liberals made uncomfortable by Murtha's opposition to abortion, gun control and changes to House ethics rules. He also is a leadership contact for many moderate "Blue Dog" Democrats.

Hoyer's backers say he has been an able lieutenant to Pelosi and has done nothing to disqualify himself from holding the same position in the majority.

He has been aggressive in lining up supporters, most of whom are sticking with him.

"One of the first things I learned around here is that when you give your commitment you honor it," said Rep. Rick Boucher, D-Va., a Hoyer supporter.

Pelosi Splits Democrats With Push For Murtha (WP)

By Jonathan Weisman And Lois Romano

The Washington Post, November 16, 2006

A showdown over the House majority leader's post today has Democrats bitterly divided only a week after their party took control of Congress and has prompted numerous complaints that Speaker-designate Nancy Pelosi (Calif.) and her allies are using strong-arm tactics and threats to try to elect Rep. John P. Murtha (Pa.) to the job.

Murtha, 74, a former Marine who was among the first on Capitol Hill to call for a U.S. troop withdrawal from Iraq, may have hurt his own chances Tuesday night when he derided the Democrats' ethics and lobbying package before saying he will push for its passage anyway out of deference to Pelosi. His statement, at a gathering of conservative "Blue Dog" Democrats, was cited by backers of his rival, Rep. Steny H. Hoyer (Md.), as further proof that Murtha's controversial ethics record disqualifies him to lead the party in a new political era.

Pelosi's aggressive intervention on behalf of Murtha has baffled and angered many Democrats, who think she has unnecessarily put her reputation on the line out of misplaced loyalty to a friend and because of a long-standing feud with Hoyer, the minority whip. Pelosi has pushed Murtha's candidacy at social events, in private meetings and with incoming freshman Democrats; they have been called to her office to discuss committee assignments, only to hear first that she needs Murtha in order to be an effective leader.

Hoyer, 67, was heavily favored to win the race until Sunday, when Pelosi -- in a move that shocked even her staff -- openly threw her support to Murtha, despite a vow to stay neutral. She said in a letter that she was swayed by Murtha's early call for a withdrawal of U.S. troops, and that he would be best positioned to lead a new Democratic majority.

Hoyer still maintains the public support of most incoming committee chairmen, influential liberals such as Reps. Barney Frank (Mass.) and Maxine Waters (Calif.), most conservative Blue Dogs, and 21 of the 40 or so freshmen. But Murtha has a sizable contingent from the Appropriations Committee and the Pennsylvania delegation, as well as Pelosi's closest supporters. Since her endorsement, Pelosi has been unabashedly pushing Murtha.

"Have you ever seen a leader get involved in race like this? That should tell you all you need to know about her commitment," said Rep. Anna G. Eshoo (D-Calif.), a friend of Pelosi's who is supporting Murtha.

So intense has the lobbying been that incoming House Ways and Means Chairman Charles B. Rangel (D-N.Y.) -- after fielding a call from Pelosi -- said in a media report that he hadn't really endorsed Hoyer in a published interview in which he praised him.

One conservative Democrat said that a Murtha-Pelosi ally approached him on the House floor and said pointedly: "I hope you like your committee assignment, because it's the only one you're going to get."

In a phone call initiated by Murtha that same day, the lawmaker told the longtime politician that he had already signed a letter of support for Hoyer. The congressman said he was stunned when Murtha told him, "Letters don't mean anything."

Hoyer's supporters complained about such tactics.

"Commitment is something of value in this institution," said Rep. Artur Davis (D-Ala.). "If you have somebody in this race saying, 'Oh, your promises don't really mean anything in a secret ballot,' that bothers me, and it should bother a lot of people."

Murtha, the ranking Democrat on the powerful Appropriations defense subcommittee, has been dogged by allegations that he has skirted ethical boundaries and has thwarted efforts to tighten rules on lobbying. Those questions were amplified

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yesterday after at least three attendees at the Tuesday-night meeting of Blue Dog lawmakers complained that Murtha had disparaged the Democrats' ethics and lobbying package.

"He said, 'You know, I believe it's total crap, but Nancy supports it, and I'm going to push it,' " said a senior Blue Dog Democrat and Hoyer supporter, who spoke on the condition of anonymity because he was divulging comments from a closed-door meeting.

Pelosi aides stressed that Murtha remains dedicated to the package's passage, but the dust-up rekindled memories of past Murtha votes. He was one of 12 Democrats to vote against campaign finance legislation written by Sens. John McCain (R-Ariz.) and Russell Feingold (D-Wis.), and he was one of four Democrats who opposed an ethics package earlier this year that was designed to contrast the Democrats' tough stance with a weaker Republican bill. He also pushed a rules change to block outside groups from filing complaints to the House ethics committee.

The Murtha camp has accused Hoyer of a "stay the course" mentality on Iraq, which Hoyer says does not accurately reflect his call for a phased redeployment of troops.

Although the main focus has been on the nasty sniping between Murtha and Hoyer, the unspoken story is the long-simmering rivalry between Pelosi and Hoyer. The two have known each other more than 40 years -- since, as young, ambitious Maryland natives, they interned for then-Sen. Daniel B. Brewster.

At one time they were friends, but their ambitions eventually put them on a collision course. Pelosi nominated Hoyer in a 1991 House leadership race and was one of his lieutenants. But in 2001, the two ran against each other in a protracted and nasty race for minority whip. Pelosi won handily, but her allies charge that Hoyer never stopped running for the next prize and along the way tried to undercut her authority. Hoyer has said he has never been anything but supportive of Pelosi.

For the most part, lawmakers, Hill aides and some outside advisers -- even some close to her -- say they are at a loss to explain why Pelosi has held a grudge for so long, because she clearly has the upper hand as leader of the House Democrats. They suggest that part of what rankles her is that Hoyer is not beholden to her and feels no compulsion to publicly agree with her on every issue. This, allies say, she sees as a sign of disloyalty. With the number of declared votes still heavily favoring Hoyer, Murtha's supporters were hoping a plea to unify behind Pelosi would secure an upset today.

It is not clear that the pitch is working. "I'm a DA," said Hoyer supporter Michael Arcuri (D), the Oneida County district attorney just elected to represent his Upstate New York district. "I'm used to pressure."

New Congress Vows To Clean Up Act (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, November 16, 2006

WASHINGTON

The midterm elections that ended GOP control of both House and Senate turned on two overriding themes: the war in Iraq and corruption in Congress.

Now, beginning with leadership elections this week, both parties are out to show voters they got the message.

For Democrats, united in a keen desire not to slip back into the minority in 2008, a first step is the promise of a new style of leadership on Capitol Hill: open, bipartisan, and above reproach - and an agenda anchored in the needs of the average American family.

"Voters rejected the Bush agenda, but they haven't yet embraced us," said Sen. Charles Schumer of New York, who was elevated Tuesday to No. 3 in the Democratic leadership after chairing the party's senatorial campaign committee to a victory few of his colleagues believed would happen. "What we have here could vanish if we don't do the job."

What's missing from Democrats' ambitious early agenda, critics say, is a quick, clean, anticorruption element. House Democratic leader Nancy Pelosi promised last January to enact an ethics package - including a ban on all gifts from lobbyists, disclosure of earmarks, and a two-year wait before lawmakers leaving office can work as lobbyists - if Democrats took back the House. Pelosi aides say the presumptive House speaker wants an "Honest Leadership Open Government" package - details to be disclosed - to go through the committee process in the new Congress.

Both the House and Senate later passed versions of lobby reform last spring, but GOP leaders have yet to agree on terms for a conference to work out differences between the two bills, which will die at the end of the 109th Congress in December.

Both ethics and the Iraq war are emerging as key issues in an unexpectedly bitter race for the new House majority leader, the Democrats' second in command behind Ms. Pelosi.

In what is seen as an early test of leadership, Pelosi is publicly backing Rep. John Murtha of Pennsylvania over her current deputy, Steny Hoyer of Maryland, for the post. Representative Murtha's call for an immediate redeployment of US troops from Iraq helped mobilize the party's antiwar base in last week's election. Murtha charges that Mr. Hoyer's views on Iraq line up with those of President Bush.

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In response, Representative Hoyer's supporters are reviving accounts of Murtha's less-than-decisive rejection of a bribe in the 1980 Abscam FBI sting operation. More recently, Murtha has battled allegations that he may have accepted favors from defense contractors.

"The fight between Murtha and Hoyer is a template for Democrats on the war and corruption," says Ross Baker, a political scientist at Rutgers University in New Jersey. "Until this election, Murtha had an iconic status as an outspoken, truth-telling Democrat, and all of a sudden ethics has become a liability. It's an awkward position for Pelosi, whatever the outcome," he adds.

Most immediately, Murtha's opposition to ethics reform, including past brushes with ethics issues, open Pelosi to charges that she hasn't heard voters on the importance of cleaning up the culture of corruption in Washington.

House Democrats will decide between Murtha and Hoyer in a secret ballot Thursday.

"Future House Speaker Pelosi's endorsement of Representative Murtha, one of the most unethical members of Congress, shows that she may have prioritized ethics reform merely to win votes, with no real commitment to changing the culture of corruption," said Melanie Sloan, executive director of Citizens for Responsibility and Ethics in Washington, a group that took a lead in criticizing former GOP majority leader Tom DeLay of Texas over corruption charges.

Among Senate Democrats, meanwhile, the mood this week was jubilant as they voted for their leaders for the 110th Congress. This slate includes majority leader Harry Reid of Nevada, majority whip Richard Durbin of Illinois, and conference secretary Patty Murray of Washington. Outgoing conference secretary Debbie Stabenow of Michigan replaces Sen. Hillary Rodham Clinton of New York - a move that presidential watchers view as another signal that the former first lady is preparing for a campaign for the Oval Office.

On the Republican side, there was suspense but little controversy, as the outgoing GOP majority promoted their whip, Sen. Mitch McConnell of Kentucky, to replace retiring Republican leader Bill Frist.

In a surprise move, Sen. Trent Lott, a former GOP Senate majority leader, won the whip race. It's the first time a Senate majority leader ran for a lower position, say Senate historians. "I'm doing the job I love the most: count the votes," Senator Lott said.

But stakes are higher - and the mood darker - among House Republicans. In a vote expected Friday, the GOP caucus chooses among John Boehner of Ohio, current majority leader, and challengers Mike Pence of Indiana and Joe Barton of Texas. Mr. Pence, a favorite of conservative commentators, says Republicans lost the majority because they forgot their principles, especially limited government.

Boehner explains the loss as "a referendum on the Bush administration and the war in Iraq," factors that are "now beyond our control." Republicans can regain the majority, he says, by holding Democrats accountable and "holding ourselves accountable" via ethics reform "with teeth."

Pelosi's First Mistake (WP)

By Robert D. Novak

The Washington Post, November 16, 2006

As the new House majority caucus prepared to pick its leadership today, Democrats were trying to make the best of the inevitability of Nancy Pelosi as the party's first speaker in a dozen years. They have put out the word that she was not serious in endorsing Rep. John Murtha for majority leader. How much effort she has exerted for her longtime ally is irrelevant, but she has actively solicited votes this week.

The damage to her was irrevocable when she wrote her colleagues Sunday urging them to pick Murtha over Rep. Steny Hoyer. Close associates of Hoyer say her letter stunned him, and he was not alone. While Pelosi had made it clear that she would vote for Murtha, the public endorsement was unexpected.

Although Pelosi's apologists had stressed that this was not a public campaign, but a pro forma endorsement, she began actively campaigning for Murtha on Tuesday. Even before that, the letter itself was taken seriously within the Democratic caucus, including by Hoyer and his close associates. A speaker's written word cannot be taken lightly.

This is a no-win situation for Pelosi. If Murtha wins today, she will be accused of personal vindictiveness in derailing Hoyer, who is more popular in the caucus and better qualified for leadership. If Murtha loses, as is much more probable, she will be seen as bumbling her first attempt to lead the new Democratic majority. Pelosi could have avoided this dilemma by standing aside as Newt Gingrich, then the presumptive speaker, did when he voted for his ally Robert Walker as majority whip but did not ask members to oppose Tom DeLay.

Pelosi's mistake confirms long-standing, privately held Democratic apprehension about her abilities. Such concerns do not reflect the Republican indictment of her as a reflexive San Francisco liberal. Some of her most trenchant congressional critics are on the left wing of the party. These colleagues worry that her decision making may be distorted by personal considerations.

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Hoyer is the most accomplished Democratic legislator in the House, widely respected on both sides of the aisle. He, not Pelosi, would be preparing to be speaker had he not lost to her in a 2001 contest for minority whip, thanks to nearly complete support from her huge California delegation. That put Pelosi ahead of Hoyer on the leadership escalator. While Hoyer would win a secret poll of the Democratic caucus as more qualified, Democrats cannot turn aside the first female speaker.

It was assumed that Hoyer would be given the No. 2 position of leading a Democratic majority -- until Jack Murtha announced his candidacy. Never before during his 32 low-profile years in the House could anyone have imagined Murtha seeking any leadership role. He has been a backroom distributor of federal pork who disdained public exposure, and he was in the headlines only as an unindicted co-conspirator in the 1980 Abscam scandal. Murtha became an unlikely hero of the left last year when he called for the withdrawal of U.S. troops from Iraq.

With Pelosi and Hoyer working amicably the past two years, the speaker-to-be was expected to keep her hands off the majority leader's race. Since the Nov. 7 elections, she had exhibited restraint, in public utterances and in quietly handling the ambitions of Rahm Emanuel.

Emanuel, as chairman of the Democratic Congressional Campaign Committee, was the architect of the 2006 victory. He coveted the third-ranking post of majority whip, but that put him on a collision course with the Congressional Black Caucus's candidate, Rep. James Clyburn. A ruinous competition was averted when Pelosi brokered a deal whereby Emanuel agreed to replace Clyburn as House Democratic Caucus chairman.

But Pelosi's personal pique was evident in her opposition to her rival diva from California, Rep. Jane Harman, as chairman of the House intelligence committee. In line to replace Harman is Rep. Alcee Hastings, who was once impeached as a federal judge on bribery charges.

For a party that effectively stressed a Republican climate of corruption in the recent campaign to consider placing Murtha and Hastings in its leadership astonishes a wide range of Democrats. They do not believe Murtha can defeat Hoyer, but the imminence of Hastings stuns them. Well-placed Democrats have told Pelosi she cannot permit this to happen. What they hesitate to contemplate is what lies ahead based on Pelosi's performance before she has taken the oath.

Same Old Congressional Hacks (LAT)

The Los Angeles Times, November 16, 2006

EVERYONE FROM President Bush to pundits of the left, right and center have acknowledged that last week's election results show that voters wanted change. So why have Democrats and Republicans in Congress apparently adopted as their theme the Who's famous line: "Meet the new boss, same as the old boss"?

On Wednesday, Senate Republicans went back to the future to choose Trent Lott of Mississippi as the soon-to-be minority whip, the No. 2 Republican in the chamber after Minority Leader Mitch McConnell (R-Ky.). Yes, the same Trent Lott who had to resign as majority leader four years ago after proclaiming that if the rest of the country had followed Mississippi's lead in voting for segregationist Strom Thurmond for president in 1948, "we wouldn't have had all these problems over all these years."

And yes, the Republicans are doing this in the "year of the macaca." One of the reasons they will soon find themselves in the minority, you will recall, was Confederate aficionado and Virginia Sen. George Allen's use of the loaded term "macaca" to describe a minority staffer from his opponent's campaign.

Lott, for his part, might have survived his tasteless tribute to Thurmond, offered at the former Dixiecrat's 100th birthday, if he didn't already have a credibility problem on issues of race. For example, when the Internal Revenue Service moved in 1981 to yank the tax-exempt status of Bob Jones University because it prohibited interracial dating, Lott defended the school's position on religious freedom grounds. Other than the posthumous election of Thurmond as minority leader, it's hard to imagine a worse signal for the Republican Party to send minorities.

Democrats tempted to gloat over Lott's semi-comeback have their own "back to the future" problem. Today, the incoming majority in the House will choose its majority leader, the No. 2 Democrat in the chamber, and Speaker-elect Nancy Pelosi (D-San Francisco) has endorsed Rep. John P. Murtha (D-Pa.) for the position over Rep. Steny H. Hoyer (D-Md.), the current Democratic whip.

The 74-year-old Murtha is an old hand in the sort of politics that voters supposedly rebelled against last week. Americans with a short memory think of Murtha as the longtime hawk turned critic of U.S. involvement in Iraq. But long before he began to channel the U.S. military's complaints about the Iraq war, Murtha was known as the consummate Washington insider.

He is an avid supporter of the special-interest appropriations known as "earmarking," which are central to the "culture of corruption" that Democrats railed against in the recent campaign. Also, as Times reporters Janet Hook and Richard Simon noted this week, in the 1980s, Murtha was investigated in connection with the Abscam bribery scandal, in which FBI agents posing as wealthy Arab sheiks tested the rectitude of members of Congress. He was cleared of wrongdoing, but his videotaped behavior — "I am not interested, at this point," he said when offered a bribe — proved highly embarrassing.

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Murtha's history would seem to belie Pelosi's call for "the most honest, the most open and the most ethical Congress in history." But like the Republicans in the Senate, the new speaker seems willing to go only so far in satisfying the voters' appetite for change. If that disappointing pattern persists, Americans who thought they voted for change might echo the title of the Who classic we quoted above: "Won't Get Fooled Again."

Pelosi And Pork (WSJ)

The Wall Street Journal, November 16, 2006

We'll find out when Democrats vote today if Speaker-in-waiting Nancy Pelosi was able to push aside her long-serving deputy in favor of her antiwar friend, John Murtha, as House Democratic majority leader. But an even bigger sign of how Democrats plan to govern is whether they implement the "earmark" reform they campaigned on this fall.

House leadership races are typically inside baseball, but Ms. Pelosi's support for Mr. Murtha is notable as a message of politics as usual. The Pennsylvania Congressman first elected in 1974 was an unindicted co-conspirator in the Abscam probe nearly 30 years ago. As a key Appropriator, he is also a champion of earmarked spending projects and his brother was a renowned earmark lobbyist. If he wins, Democrats will be rewarding his antiwar stance over the need for a cleaner Congress.

All eyes should then turn to whether Ms. Pelosi follows through on her promise to clean up earmarks. So far, she's said the right things about greater transparency that would require every Member to disclose his support for every earmark, which have become such opportunities for corruption. Last weekend she was quoted as saying, refreshingly, that "I'd just as soon do away with all" earmarks.

The Congressional Research Service counted some 16,500 earmarks in spending bills in 2005, at a cost of nearly $50 billion. Senator Tom Coburn (R., Okla.) says the "real cost" is "probably ten times" greater, because these goodies are the "currency" that Appropriators use to buy the votes to pass bills that might otherwise fail as too costly.

Ms. Pelosi can do something about all this by enacting earmark reform sponsored by two Democrats, Rahm Emanuel of Illinois and Chris Van Hollen of Maryland. Mr. Emanuel ran the Democratic campaign committee this year and talked up his reform all over the country as a way to embarrass Republicans.

Their bill would ban any earmarks stuffed into conference reports that were not previously approved by either the House or Senate. Their reform would also make it illegal for members of Congress or their families "to personally benefit from the awarding of an earmark." And the reform would rule out of order any tax provision designed to benefit any individual or company. Good stuff.

But did Democrats mean it? Some Republicans are already questioning Ms. Pelosi's sincerity. The transparency provision she wants to enact was adopted earlier this year by the Republican House, and at the time she described that effort as a "sham" that "does not save one penny or prevent one earmark." Soon-to-be House Appropriations Committee Chairman David Obey also lambasted GOP earmark reforms as "a fraud," adding that "I don't care if you list the Members who sponsor earmarks" because they are often proud of their pork and because the budget savings would be "miniscule."

By the way, Republicans could also show that they heard voters last week by stripping earmarks from the nine spending bills for fiscal 2007 that they have yet to pass in this lame-duck session. GOP leaders John Boehner and Roy Blunt are seeking re-election with pledges to recommit to a reform agenda based on conservative principles. Earmarking isn't such a principle. But the real hope for reform now lies with the new Democratic majority, and whether it will follow Mr. Emanuel's example, or Mr. Murtha's.

Black Lawmakers In Line For Key Posts (WP)

By Darryl Fears

The Washington Post, November 16, 2006

Three days after workers broke ground for the Martin Luther King Jr. Memorial on the Mall, the Congressional Black Caucus is preparing to break new ground of its own.

Five of its members are poised to take the helm of key House committees when Democrats assume control of Congress next year: John Conyers Jr. (Mich.) of Judiciary, Alcee L. Hastings (Fla.) of intelligence, Juanita Millender-McDonald (Calif.) of House Administration, Reps. Charles B. Rangel (N.Y.) of Ways and Means, and Bennie Thompson (Miss.) of Homeland Security.

Another member, Rep. James E. Clyburn (S.C.), is slated to be named majority whip, which would make him the third-ranking Democrat in the House. Minority Leader Nancy Pelosi (D-Calif.), the presumed speaker of the 110th Congress, has campaigned on his behalf.

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"If they accede to that much power, it would truly be the realization of the kind of dream we've been waiting for since the civil rights movement," said Ronald Walters, a University of Maryland political science professor and a former political strategist who is black.

But, said Walters, that is a big "if." The appointment of Millender-McDonald is less certain than those of some of the others, and Hastings faces a steep uphill climb in his bid for the intelligence post because of past ethics problems.

On top of all that, Black Caucus members, who tend to be more liberal, might find it hard to push their traditional social agenda. Conservative and moderate "Blue Dog" Democrats, whose numbers are nearly equal to those of Black Caucus members, have vowed to counter agendas that they deem too liberal.

Rangel, the likely chairman of Ways and Means, which he called the "most important and most powerful" committee, said conservative Democrats need not worry.

"I'm excited to participate in a kinder and gentler Congress," he said. Congress under Republican leadership "was a heavy blow . . . to me personally," he added. ". . . People not talking to each other. It was a nightmare."

For Pelosi, the decision of whether to appoint Hastings as intelligence chairman is something of a headache. Hastings is haunted by accusations that, as a judge, he accepted a $150,000 bribe in exchange for a lenient sentence in a perjury case.

Hastings was acquitted of bribery and perjury charges by a jury in a criminal trial, but the House impeached him in 1989, and the Senate later removed him from the bench. When Hastings challenged the decision in federal court, a judge, Stanley Sporkin, ruled in his favor and remanded the case to the Senate. The removal was eventually upheld.

One political hurdle for Hastings to overcome in chairing such a sensitive panel as the intelligence committee stems from his long-standing legal debts, which, according to his most recent financial statement, amounted to between $2.1 million and $7.35 million last year. Hastings listed assets worth less than $15,000 in the statement, filed in May.

Pelosi's office declined to comment on Hastings's possible appointment, except to say that he and Rep. Silvestre Reyes (D-Tex.), a member of the Congressional Hispanic Caucus, are vying for the chairmanship. She is already under fire for her decision to support Rep. John P. Murtha (D-Pa.) as majority leader, despite ethical issues in his past.

Black Caucus Chairman Melvin Watt (D-N.C.) said the Hastings decision should be a done deal. "The leadership told us a long time ago that it was going to happen, and I believe it's going to happen," he said.

The caucus was founded in 1969 by 13 members who joined forces to address African American concerns, according to its Web site. In the recent midterm elections, its membership grew in number, to 42, and in diversity, with a Jamaican American, a Muslim and a Buddhist joining its ranks.

The coalition was at the height of its power in 1994, said David Bositis, a researcher for the Congressional Black Caucus, but Republicans seized control from Democrats that year and sank the caucus into obscurity. In recent years, it had to beg members of the Bush administration for an audience it rarely got.

Clyburn, the presumed incoming majority whip, said he will work to stamp out the racial perceptions of black Democrats, particularly among those who said -- on background -- that he is not traditionally suited for the job, which normally goes to a skilled backroom dealer and fundraiser.

"People tend to look at you and pigeonhole you based on what they see," Clyburn said, bristling. " 'I know he can't raise money because black folks can't raise money.' I think I earned this position, and I intend to claim it based on my record."

Blacks Eye Leading 5 House Committees (WT)

By Brian Debose

The Washington Times, November 16, 2006

House Democrats will find out today which positions of power they will wield in the new Congress, and the magic numbers for members of the Congressional Black Caucus are five and 17.

"That sounds about right, based on seniority," said Reps. Bobby L. Rush, Illinois Democrat, and Albert R. Wynn, Maryland Democrat.

The CBC expects at least five committee chairmanships and as many as 17 subcommittee chairmanships to be led by its members in the 110th Congress after a vote by the Democratic Caucus concludes shortly after noon today. But some said the numbers might not exactly reflect seniority alone on the subcommittee seats.

"You select chairmanships based on seniority, but someone in your caucus can challenge a senior member, and they will have five minutes to explain why they should be the chair and then the committee votes on who should fill that seat," said a Democratic staffer.

And much of this could be affected by the battle between Reps. Steny H. Hoyer of Maryland and John P. Murtha of Pennsylvania for majority leader.

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House Minority Leader Nancy Pelosi of California backs Mr. Murtha, while Mr. Hoyer has support from many CBC members. That race is becoming extremely contentious and stems from the fight between Mrs. Pelosi and Mr. Hoyer for minority whip in 2001, which Mrs. Pelosi won.

"What can happen is Mrs. Pelosi can decide to throw her support to someone for a chairmanship, which would give that person a lot of sway with the committee members," said the staffer.

House committees that will be chaired by CBC members are:

·Ways and Means: Rep. Charles B. Rangel of New York.

·Homeland Security: Rep. Bennie Thompson of Mississippi.

·Administration: Rep. Juanita Millender-McDonald of California.

·Judiciary: Rep. John Conyers Jr. of Michigan.

Mrs. Pelosi has said publicly that she would support Rep. Alcee L. Hastings, Florida Democrat, as chairman of the House Permanent Select Committee on Intelligence, but a staffer in Mrs. Pelosi's office said a decision would not come before Congress returns from the Thanksgiving recess in early December.

"We are strongly supporting Alcee Hastings. I don't think there should be any doubt or question about that," said Rep. Melvin L. Watt, North Carolina Democrat and CBC chairman.

There is concern about Mr. Hastings' past ethics problems. He was a federal district judge in Florida before coming to Congress in 1992, but was impeached and removed from his judgeship in 1989 for bribery and perjury despite being acquitted on all charges in a criminal trial, a first in American politics.

Mr. Hastings said he has visited more than 25 intelligence posts around the world in expectation of this "opportunity" and has gotten support from Democratic members of the Florida delegation.

"People around the country are sending Mrs. Pelosi letters and e-mails on my behalf that I have not solicited, and Nancy has not spoken to me about her intentions as yet, but it is all political, and I am hoping to get the job," Mr. Hastings said.

Rep. Jane Harman, California Democrat, is the current ranking member, but there has been tension between her and Mrs. Pelosi, as she is a member of the more conservative Blue Dog Coalition of Democrats, that is friendly with Mr. Hoyer.

She was able to secure her position on the committee, after leaving to run for governor and then returning to Congress, through a deal in which the former ranking member on intelligence, CBC member Rep. Sanford D. Bishop Jr. of Georgia was eased off the committee so Mrs. Harman could take over.

Reid Plotting Agenda (RC)

By Emily Pierce

Roll Call, November 16, 2006

The Senate Democratic leadership team plans a long, laborious slog for the Senate next year even as party leaders continue to formalize their legislative agenda for the 110th Congress — an agenda that already includes a couple of surprises.

At a breakfast with reporters Tuesday, incoming Majority Leader Harry Reid (D-Nev.) warned that the “do-nothing” Congress, as his party has labeled recent Republican rule in the chamber, will soon be over.

Promising to “work long hours,” Reid said that “we’re going to work more than just Tuesday, Wednesday and Thursday until noon.”

Democratic leaders indicated they were keenly aware that this month’s elections, in which they won a majority in both chambers for the first time in 12 years, could be just a flash in the pan if they do not deliver on their campaign promises.

Democratic Senatorial Campaign Committee Chairman Charles Schumer (N.Y.) acknowledged that the 2006 elections were “largely a rejection of George Bush,” and not necessarily a full embrace of Democratic policies. But he added that voters “are giving us a chance, and our job over the next two years is to close the deal.”

To that end, Reid outlined some of his top legislative priorities for next year, which include an effort to “do everything we can to make elections more civil.”

Principally, Reid said that would mean passing a bill to create criminal penalties for election fraud, including offenses such as voter misinformation campaigns carried out by robo-calls and misleading flyers.

Noting that such tactics were used in both the Missouri and Maryland Senate races, Schumer said, “I think the person or people who authorized that should go to jail for 10 years.” Currently, civil fines usually are the most serious penalty assessed for such ploys. Schumer added that a separate unit should be created within the Justice Department to deal with cases of election fraud.

Reid said the election measure likely would be one of the first 10 bills Democrats introduce next year — an indication of the high priority the party places on the issue.

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Reid also indicated that he wants to rein in independent campaign expenditure groups, known as 527s, even though many of them have helped Democrats even out the edge in hard-dollar fundraising that Republicans have typically enjoyed.

"We're going to have to take a real close look at 527s," said Reid, acknowledging that some in his party may not like it.

As they assess the rest of their agenda — much of which they already have talked about in broad terms — Democratic Senators and aides said choices still have to be made about what specific legislation should be included under the rubric of their election-year themes of energy independence, modifying the Medicare prescription drug benefit, making college more affordable, raising the minimum wage, passing terrorism prevention measures and protecting employee pensions.

"We're going to be working on that over the next several weeks," said Sen. Patty Murray (Wash.), who was elected this week to serve as secretary of the Democratic Caucus.

Murray added that the party leadership would be consulting with all the incoming chairmen of Senate committees and would be "working with the entire Caucus to put that together."

Reid also indicated that he would be deferential to members of the Caucus, and chairmen in particular, on many legislative issues, saying, "I believe in the committee system."

On the Medicare prescription drug benefit, Democrats already have said their main concern is to give Medicare officials the ability to use the government's buying muscle to negotiate lower prices for medicines. However, Democrats may want to couple legislation to do that with bills allowing the importation of prescription drugs from Canada or eliminating the coverage gap (also known as the "doughnut hole") that some Medicare beneficiaries are experiencing with the drug benefit.

On college affordability, Democrats have been pushing to lower student-loan interest rates, but that could be attached to a proposal to expand Pell Grants, among other things.

Reid said he already had begun talks with incoming Senate Minority Leader Mitch McConnell (R-Ky.) about how to press forward with legislation implementing the recommendations of the 9/11 commission, which outlined ways in which the government could make the country safer following the devastating terrorist attacks of Sept. 11, 2001.

But Reid acknowledged that he may not be able to secure enactment of the entire package of recommendations and noted that some have already become law.

"I'm not going to say we'll do all of them, but we certainly need to do most of them," he said. "We'll move forward as expeditiously as possible in enacting those."

While immigration and trade are unlikely to make the Democrats' top-10 list, party leaders said they would still address the issues as they crop up.

On immigration, Reid said the comprehensive approach that passed the Senate earlier this year would likely be the model for any Democratic reforms to the system.

As for trade deals, Democratic leaders indicated that such pacts would get more scrutiny under now that they are in power.

New Majority Whip Dick Durbin (D-Ill.) said he voted for free trade pacts, such as the North American Free Trade Agreement, but now feels "betrayed."

"We have not created enforceable agreements," Durbin said.

Meanwhile, Democrats are still looking to push a lobbying and ethics reform bill that includes a provision requiring Senators to acknowledge their pet projects, or earmarks, in spending bills, Reid said.

Reid also promised to institute strict internal budget rules, known as pay as you go, and to repeal tax breaks for major oil companies that have seen record profits in recent years.

In addition to charting the waters Democrats want to traverse, Reid also talked a bit about what Democrats won't be doing. He said talk within his party of removing Bush from office was easily quelled by the realization of who would succeed him.

"One of the things we're able to cut off pretty quickly was the 'impeach Bush'" talk, Reid said. "That was because of two words: Dick Cheney."

Time Of Testing For Harry Reid (WP)

By David S. Broder

The Washington Post, November 16, 2006

When Virginia Sen. George Allen conceded to Jim Webb last week, giving the Democrats their 51st seat in the Senate, the responsibility for the work of the legislative branch shifted definitively -- and a potential weak point for the new majority was exposed.

Hours earlier it became clear that the Democrats had won a majority in the House of almost the same size that Republicans had enjoyed for the past two years -- a working margin large enough to support a fairly ambitious agenda. Nancy Pelosi, who will be speaker of the House, has the personal strength and political skills to hold that majority together at least as

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well as Dennis Hastert did in his time at the helm. House rules favor majority control, so Pelosi can be generous toward the minority without jeopardizing her chances of success.

The 51-49 Senate is a very different proposition. As Republicans learned to their chagrin in the past few years, it takes 60 votes to accomplish almost anything controversial or substantive in the Senate -- the number needed to bring debate to a close and force an up-or-down vote. That means persuading or pressuring at least nine Republicans to go along. Otherwise, Sen. Mitch McConnell, the crafty Kentuckian elected to be the Republican minority leader, will have veto power over legislation -- before it goes to the White House, where President Bush will wield a veto pen of his own.

That reality puts an enormous strain on Harry Reid, the Nevadan who has struggled these past two years to master the less arduous duties of Senate minority leader. The risk for Democrats is that Reid may not be up to the challenge.

We saw how weakness in the majority leader could hurt a party in the recent example of Sen. Bill Frist. More than once Frist was unable to hold his own troops together on big issues or to thwart Reid and the Democrats when they built roadblocks to administration bills. Now the situation is reversed, and it is Reid who will be tested.

The modern Senate is a haven for freelancers, for senators who play to national constituencies outside the Capitol and whose energies are focused on their personal ambitions. That is especially true during the presidential campaign season, which unfortunately is already upon us.

The Senate is chockablock with presidential wannabes. On the Democratic side, they include the leading contender, Hillary Rodham Clinton of New York, as well as Evan Bayh of Indiana, Joe Biden of Delaware, Chris Dodd of Connecticut, Barack Obama of Illinois and -- in his own mind, at least -- John Kerry of Massachusetts. On the Republican side, the potential leading candidate, John McCain of Arizona, has many friends, among them such influential and ambitious senators as Chuck Hagel of Nebraska, Trent Lott of Mississippi, Lindsey Graham of South Carolina and John Sununu of New Hampshire. Another possible candidate is Sen. Sam Brownback of Kansas, who represents the religious right.

In addition to those egos and ambitions, Reid will have to contend with a few real mavericks and independent spirits in his caucus. Sen. Joe Lieberman of Connecticut, elected last week as an independent Democrat after losing his party's primary to Ned Lamont, has reiterated his intention to follow his own path rather than accept party discipline. He has staked out a position on Iraq -- opposing any timetable for withdrawal -- that is at odds with the prevailing inclination of the new majority.

And Webb, the man who gave the Democrats that majority, will now give their leadership anxious moments. A newcomer to elective politics and resentful of the conventions and demands of the political game, Webb is also a newcomer to the Democratic Party. His previous government experience was as Navy secretary in the Reagan administration. His campaign showed him to be a populist on economic issues and a sharp critic of U.S. involvement in Iraq -- but often unpredictable or uncertain about other questions. Most of all, he resisted being managed or directed, so Reid will have to handle him with kid gloves.

As minority leader, Reid was remarkably effective in keeping the Democratic caucus united but far less successful as a public spokesman for his party. His partisan comments were often too sharp, his television appearances less than commanding. In his new role, he will be far more exposed, and his flaws more conspicuous.

With a House majority and nominal control of the Senate, the Democrats will be expected to deliver on their promise to bring the Iraq war to some kind of conclusion and redirect domestic policy to the benefit of the middle and working classes.

That is a large order for the Senate Democrats and their tiny majority -- and their leader, Harry Reid.

Can The Democrats Deliver? (WP)

By Robert J. Samuelson

The Washington Post, November 16, 2006

Among Washington lobbyists, policy analysts, congressional staffers and journalists, the game last week was to figure out how the Democrats' capture of Congress will refashion legislative agendas. One answer is that we won't know until the leadership sets its political strategy, canvasses its members and consults interest groups. Another answer is: Temper your expectations. Even forgetting possible vetoes by President Bush, the Democrats have less leeway to alter policy than their rhetoric implies.

Although Democrats didn't promise much -- they benefited heavily from unhappiness with the war in Iraq -- they still succumbed to exaggeration. Their sound bites ran ahead of plausible solutions. Consider three familiar themes. Bush's tax cuts for the wealthy; inaction on the minimum wage; and Republican opposition to negotiating Medicare drug prices with the pharmaceutical companies. All are of a piece: The Republicans are lackeys for the wealthy business class; they don't care much about the poor.

But what can the Democrats do? Let's see.

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Â· Tax cuts for the rich. Yes, Bush and Congress cut the top two income tax rates from 39.6 percent and 36 percent under Bill Clinton to 35 and 33 percent. They also cut the top tax rate on capital gains (mostly stock profits) from 20 percent to 15 percent and the top rate on dividends to 15 percent (before, dividends were taxed as ordinary income with rates up to 39.6 percent). Because stock ownership is heavily concentrated among the rich, they benefited most from these cuts.

Suppose Democrats repealed them. The top rate would revert to 39.6 percent -- and so on. Given the Democrats' thunderous denunciation of these tax cuts, you might imagine that budget deficits would vanish and there'd be more money for health and education spending. Well, no. In fiscal 2007 and 2008, federal revenue would increase $42 billion and $63 billion, estimates the Tax Policy Center of the Urban Institute and Brookings Institution. Though big sums, they don't even cover the deficits. The Congressional Budget Office projects these at $286 billion (2007) and $273 billion (2008).

Note: Most of Bush's tax cuts expire at the end of 2010, but Democratic leaders haven't pledged to repeal the tax cuts for the rich before that -- and they have pledged to protect Bush's middle-class tax cuts. Even undoing all of Bush's tax cuts probably wouldn't eliminate budget deficits. Altogether, the tax cuts cost the government about $200 billion annually, estimates the congressional Joint Committee on Taxation.

Â· The minimum wage. It hasn't changed since Sept. 1, 1997, when it went to $5.15 an hour. Looks bad for the Republicans. Democrats say they'll increase it immediately, possibly to $7.25 in two steps by 2008. Unfortunately, the minimum wage isn't a powerful way to help the poor.

One problem: If you raise the minimum wage too much, you destroy jobs for the young and unskilled -- the people you're trying to help. Companies won't pay workers more than they're worth. Another problem: Higher wages won't help many poor families, because 40 percent have no workers and 35 percent have only part-time or part-year workers. Finally, many workers with wages around the minimum aren't poor. They're young or part-time workers from middle-class families.

Economist Jared Bernstein of the Economic Policy Institute, a liberal think tank favoring a higher minimum wage, thinks that almost 15 million workers might get a pay increase if the minimum wage went to $7.25. That would represent about 10 percent of all workers and would include those now at the minimum (1.9 million), those between the old and new minimums (4.7 million) and some just above the new minimum (8.3 million). But less than 40 percent of the wage gains would go to the poorest fifth of households.

Â· Drug prices. Democrats will move to lift the prohibition against the government negotiating directly with pharmaceutical companies over drug prices paid by Medicare. Some Democrats want to use the savings to expand benefits, but just how much could be saved is in dispute. The Department of Veterans Affairs already negotiates directly with drug companies. A study by Families USA, a liberal advocacy group, contends that the VA's prices on major drugs are 48 percent lower than Medicare's.

The administration says the comparison is misleading. The VA program serves a smaller population (4.4 million vs. 23 million for Medicare), and drug companies wouldn't provide such steep discounts for a bigger program. Moreover, the VA often gets lower prices by offering only one drug in a class -- and running a competition among suppliers. Medicare wants to provide more choice. Direct negotiations couldn't be easily grafted onto the existing drug benefit, which uses insurance companies. The insurers, the administration says, have already negotiated low prices.

Even if more savings could be had, they shouldn't be used to expand coverage. Over the next decade, the CBO estimates that the drug program will cost $900 billion; none of that is covered by dedicated taxes. Expanding coverage could worsen budget deficits. For example, the CBO has informally estimated that closing the "doughnut hole" -- a coverage gap in many Medicare drug plans -- would cost $450 billion more over the decade.

On domestic policy, Democrats have few big opportunities. This creates a dilemma. They can either concentrate on symbolic acts (the minimum wage, the drug benefit) that sharpen their differences with Republicans. Or they can find less controversial matters, where cooperation seems possible, to advertise their fitness to govern and their credentials as centrists. It will be difficult to do both. There's only one solace -- the Republicans face the same dilemma.

Pension Deficit Narrows At PBGC (WP/AP)

By Jeannine Aversa

The Washington Post/AP, November 16, 2006

The federal agency that insures private pension plans for millions of Americans logged a deficit of $18.1 billion this year, a big improvement from last year as a new law helped to put the agency on better financial footing.

The deficit for the 2006 fiscal year reported by the Pension Benefit Guaranty Corp. yesterday was down from a shortfall of $22.8 billion recorded in 2005 and a record $23.3 billion in 2004.

"The PBGC's financial condition appears to have stabilized for the time being," said Vincent K. Snowbarger, interim director of the agency, which insures pensions for 44 million workers and retirees.

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The agency disclosed in its annual report to Congress that as of Sept. 30 it had assets of $60 billion to cover liabilities of $78.1 billion.

The PBGC attributed the shrinking deficit mainly to a provision in the new pension law that gives airlines that are in bankruptcy protection and have frozen their pension plans extra time for their pension plans to become financially whole. That led to a sharp reduction in probable liabilities on the agency's balance sheet, the agency said.

"From the individual worker's standpoint, you are still looking at a big deficit," said Greg McBride, senior financial analyst at Bankrate.com. "The message here is even if you have a pension, you still need to save on your own because the health of that pension when you go to retire could be tenuous."

The report comes as Americans are feeling anxious about their retirement security. In recent years, the number of ailing companies turning their pension liabilities over to the PBGC has exploded. The problem has been especially pronounced in industries such as steel and the airlines, which are heavily unionized.

Organized labor wants the new Democrat-controlled Congress, which will convene in January, to provide more pension protections, including for defined-benefit plans, which are increasingly being replaced by 401(k) plans.

The PBGC was created in 1974 as a government insurance program for traditional, defined-benefit pension plans. Those plans give retirees a fixed monthly amount based on salary and years of employment. Companies that sponsor these traditional pension plans pay insurance premiums to the agency. If a company can't support its pension obligations, the agency takes over the plan and pays promised benefits up to certain limits.

The maximum annual benefit for plans taken over in 2006 is $47,659 for workers who wait until 65 to retire. Workers who retire before 65 get smaller benefits.

Traditional pension plans are still underfunded but not by as much as in the past, the agency said. These pensions now are underfunded by $350 billion, compared with $450 billion last year. Higher interest rates, a better-performing stock market, improved credit ratings and better plan funding by some companies were among the factors that helped narrow the gap, economists said.

President Bush signed a bill in August to shore up funding for traditional pensions. Supporters hope the changes will help prevent a multibillion-dollar taxpayer bailout of the PBGC.

In addition to insurance premiums paid by companies, the PBGC's operations are financed by money it earns from investments and funds from pension plans it takes over. The agency is not financed through tax revenue.

Government Admits Improper Farm Payments (AP-Y)

By Libby Quaid, Ap Food And Farm Writer

AP, November 16, 2006

The Agriculture Department on Wednesday acknowledged making improper payments to farmers worth more than $2.8 billion last year.

Officials explained that most of the payments involved missing or incomplete paperwork.

"We take this very seriously," said Chuck Christopherson, the department's chief financial officer. "We know this is something that we can address and that we can fix."

Federal law requires agencies to track erroneous payments, such as checks sent to farmers who were not eligible for a particular program, or payments for the wrong amount of money.

The amount of improper payments in fiscal 2006 was about 11 percent of farm program payments, the department said. The fiscal year ended on Sept. 30.

Officials said nearly all of that, 10 percent, was because of missing or incomplete paperwork. As of last year, officials included in their tracking payments for which paperwork was missing or incomplete, such as a form that went unsigned.

"While I certainly take seriously our jobs to ensure that every T is crossed and every I is dotted, I believe it's noteworthy to distinguish between the two types of errors here," said Teresa Lasseter, administrator of the Farm Service Agency, which runs most farm programs.

FSA is pursuing a plan to consolidate more than 2,300 county offices in an effort to modernize a Depression-era network with too few trained employees and some computers so old they can't connect to the Internet.

The local offices are where farmers sign up for government payments and loans.

"We can't really tell you that smaller-staffed offices or larger-staffed offices fared any better" at preventing improper payments, Lasseter said. "But certainly, better-trained staff with more tools to do their jobs would help us."

The department found fewer than 1 percent of improper payments in its farm programs in 2005, but it tracked fewer programs, reviewing about $38 billion in payments, versus $65 billion in 2006.

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Separately, the department found $1.6 billion in improper payments made through the food stamp program. That amount was about 5.84 percent of all payments, Christopherson said, down from 5.88 percent a year before.

In April, the department's inspector general said the agency loaned $9 million over six years to farmers who shouldn't have gotten loans. The audit followed a 1999 report by the inspector general that identified $24.1 million in improper or questionable loans.

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On the Net:

Agriculture Department: http://www.usda.gov

Rumsfeld Adviser Leaving For Think Tank (AP)

AP, November 15, 2006

Defense Secretary Donald H. Rumsfeld's top international policy adviser is leaving his post, in the first announced Pentagon departure since the secretary's resignation last week.

Peter W. Rodman, the assistant secretary of defense for international security affairs, will join the Brookings Institution as a senior fellow. Rodman's move has been in the works for months and was not triggered by Rumsfeld's resignation, according to Pentagon press secretary Eric Ruff.

Rodman, who began his career in government as an assistant to Henry Kissinger, has worked in five presidential administrations, including stints at the National Security Council and the State Department.

He has served as Rumsfeld's senior adviser on security strategy and policy involving the Middle East, Asia and Europe. He traveled recently with Rumsfeld on diplomatic visits to China and southeast Asia.

Rodman will be working with the Foreign Policy Studies Program at Brookings in the new year.

No date has been set yet for Rumsfeld's departure. President Bush has chosen former CIA director Robert Gates to replace Rumsfeld, and the Senate is expected to conduct a confirmation hearing as soon as next month.

Pentagon's Travel System Is Hardly Used (AP)

By Larry Margasak

AP, November 15, 2006

The Defense Department's computerized travel reservation system has turned into a half-billion-dollar fiasco, so flawed that only 17 percent of the travelers are using it as intended, Senate investigators say.

The system was designed as the Pentagon's version of an Internet travel site, where flights, hotels and rental cars can be booked without the need for fee-based travel agents.

The Senate's Permanent Subcommittee on Investigations, in checks this year of 41 military installations and the Pentagon, found that 83 percent of travelers have been contacting professional travel agents first — and then using the new system to book the travel afterward.

At the Pentagon, less than 20 percent of travelers used the Defense Travel System as intended. Virtually no travelers used the system at Dugway Proving Grounds in Utah, and Fort Leavenworth, Kan., investigators found.

Once the computer system is activated at an installation, the travelers must use it to make their reservations, the Pentagon said.

Travel agents told the subcommittee they could have booked everything in five minutes. Investigators said using the two-tiered method could take a half-hour, adding that the new system is missing flight and hotel information and does not always provide the cheapest options.

The investigators and Congress' Government Accountability Office are now questioning the Pentagon estimates of how much it saved by replacing the old paper form system with the expensive computerized one.

A senator plans legislation to force the Pentagon to use travel agents, saying military staff is wasting too much time using the cumbersome new system and therefore erasing any cost savings.

Sen. Norm Coleman, R-Minn., chairman of the investigative panel, said the Pentagon's idea of eliminating travel agents "would be the same as directing all DoD personnel to speak Arabic in order to save money on translation services. DoD is claiming the savings from reduced travel agent fees without considering the cost of having the troops do the work."

Pentagon officials insist the new system is working fine.

"If my boss said I had to leave in a couple of hours, I could do that," said Marine Maj. Stewart Upton, a Pentagon spokesman. "The future is in Internet booking. The system is effective, it's efficient, it gives you options on airlines, rental car agencies and hotels. We're very impressed."

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For 2006, the Pentagon estimated savings at between $13.9 million and $33.4 million. After 2007, the savings would range between $56 million and $177 million annually, with recent estimates supporting the higher figure, the Pentagon said.

But the cost of the Defense Travel System has skyrocketed, from an initial estimate of $263 million to $474 million.

The subcommittee investigated about 755,000 trips from January through September this year. Besides failing to find all the necessary flight and hotel information, the system is unable to process two-dozen categories of temporary travel, including trips by National Guard and Reserves troops, the subcommittee found.

Coleman said further efforts to save the computer system are a waste. "I am appalled that DoD did not pull the plug on the travel function" of the new system long before now, he said.

The contract was awarded in 1998 to a company that is now part of Northrop Grumman Mission Systems.

Detroit And Bush (WSJ)

The Wall Street Journal, November 16, 2006

Auto executives from the Big Three finally got their sit-down with President Bush this week, where they (surprise!) pleaded for federal relief. The press billed it as a meeting between the President and "American" car makers, which is true as far as it goes. But what does it mean to be a domestic auto manufacturer today, and do Ford, General Motors and DaimlerChrysler alone still speak for the industry?

The Big Three still dominate U.S. auto production, but foreign makers continue to gain market share, currently accounting for some 40% of all passenger cars and light trucks sold in the U.S. Foreign auto makers also continue to invest and expand their presence stateside. In 2004 foreign-owned plants in the U.S. accounted for nearly 29% of all vehicles produced domestically; in 1984 it was less than 3%. Auto imports are rising, but they remain lower than they were at their peak in the 1980s.

In a study published earlier this year, the Cato Institute's Daniel Griswold and Daniel Ikenson report that each of the top 10 selling cars and trucks in the first half of 2006 is produced at U.S. facilities. "Toyota Camry, Honda Accord, Chevy Impala (GM), Ford Taurus, Nissan Altima, Ford Explorer, Chrysler Town & Country, and other models that round off the most popular 20, regardless of the location of company headquarters, are produced in U.S. plants by American workers who contribute to the local, state, and national economies through their employment, expenditures, and taxes," the authors note.

All of which suggests that the U.S. auto industry as a whole is healthy and that the troubles of GM, Ford and Chrysler are by and large unique to those Detroit players. This is an important distinction, because the auto executives who met with Mr. Bush are keen to present their current woes as industry-wide. And the Big Three are counting on Michigan's Democrats in Congress, who now find themselves in the majority, to help make the case.

GM posted a $10.6 billion loss last year and has closed plants and offered union-worker buyouts. Ford is downsizing its workforce in the wake of weak sales. Both companies are responding to self-inflicted wounds that result from weak product lines, plus labor deals with the United Auto Workers that include generous benefits and pensions, as well as GM's notorious Jobs Bank that pays thousands of workers for not working. GM is paying for the health care of more retired workers (and their dependents) than of active employees.

These legacy costs, which don't burden foreign competitors, are gobbling up cash at the Big Three and explain their eagerness to seek political benediction. Mr. Bush had been resisting their overtures and appears to be standing his ground, agreeing to little more after this week's meeting than a "continuing dialogue." But with Michigan Democrats Carl Levin and John Dingell filling leadership posts, there's likely to be increased pressure for some kind of government aid. And if these Democrats have their way, that will involve some taxpayer assumption of legacy costs.

The President's inconsistency on bailouts won't help matters. The airlines have received between $15 billion and $20 billion in cash to help keep them afloat in the wake of 9/11. And in 2002 the Bush Administration enacted steel tariffs, even as large bankrupt steel firms dumped their own legacy costs on the federal Pension Benefit Guaranty Corporation.

Detroit auto makers are angling for a similar deal, but it would only retard the necessary if painful transformation that is currently taking place at the Big Three. It would also reward bad management decisions -- and union intransigence -- by allowing car companies to toss health care costs over to taxpayers.

Claims that U.S. auto manufacturers are at a competitive disadvantage due to an undervalued Japanese yen also don't hold up. Last year, both the Treasury and Federal Reserve looked into accusations of currency manipulation and found no evidence that it was taking place. Over the past three years the Japanese yen has appreciated against the dollar by about 12%. In any case, the value of the yen has nothing to do with GM competing with the Hondas made in Marysville, Ohio.

With respect to Korea, a huge country with a closely protected auto market, the Big Three have a trade point. But the proper government response is to urge Korea to open its markets more, not to reply in kind. And, by the way, the car makers are

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also right about U.S. anti-dumping trade laws, which steel makers and their lawyers have used to raise domestic steel prices. How about Democrats and Mr. Bush calling for the repeal of those laws?

GM, Ford, Chrysler and their enablers in the new Congress would have you believe otherwise, but outside of Michigan the U.S. remains a great place to produce vehicles. Consumers have more choices in what to drive and better quality than ever. And prices are competitive. Government intervention in a market this healthy can only increase the chances that it won't stay that way.

OTHER NEWS:

Fed Points To Soft Landing For Economy (FT)

By Krishna Guha And Michael Mackenzie

Financial Times, November 16, 2006

Federal Reserve policymakers are becoming a little more confident about their ability to engineer a soft landing for the US economy, minutes published on Wednesday reveal.

The minutes, from the last Fed policy meeting on October 25, show that most Fed policymakers thought the downside risks to growth had "diminished a little" since the previous meeting, while some thought the upside risks to inflation had also declined, though "only slightly".

However, the outlook for both inflation and growth remains very uncertain.

Policymakers underscored that – not withstanding weak third quarter growth – they are still focused on the risks to inflation, sounding, if anything, more hawkish than in the previous minutes for September.

All members of the committee "expressed concern about the outlook for inflation" and all "agreed that the risks to achieving the anticipated reduction in inflation remained of the greatest concern."

They talked openly about the need to assess whether they should be raising rates at the next policy meeting in December.

Stocks rallied after the minutes were released, while the futures market priced in a reduced probability that the Fed would cut interest rates early next year.

"They are telling us that they are certainly not leaning that way right now," said Peter Hooper, chief economist at Deutsche Bank Securities.

Tom Di Galoma, head of trading at Jefferies & Co, said the Fed's tough talk would "up the ante" ahead of today's consumer price inflation report.

The minutes show that Fed policymakers viewed the weakness in the third quarter "broadly as anticipated."

While growth had slowed a bit more abruptly than they expected, they attributed this to "temporary influences" that would not have an ongoing effect on economic activity.

Many Fed policymakers "drew some comfort" from recent housing market data. With retail spending "relatively robust" the housing slowdown "also did not seem to be spilling over into consumer spending."

Most expected core inflation to "edge lower" as pressure from past increases in energy prices waned, shelter costs slowed and pressure on overall levels of resource utilisation eased a little.

The committee noted that "recent changes in core prices had declined slightly from earlier in the year."

However, the labour market was "tight" and presented an upside risk to inflation.

There were hints that the patience of some committee members is being stretched.

Fed Keeps Policy Attention Firmly On Inflation (WSJ)

By Greg Ip

The Wall Street Journal, November 16, 2006

WASHINGTON -- Federal Reserve officials remain firmly focused on inflation, minutes of their last policy meeting show, suggesting that a near-term cut in interest rates remains unlikely. Since the Oct. 24-25 meeting, markets have begun to see a greater probability of a rate cut by May, in part because of softer-than-expected data on wholesale prices, manufacturing activity and retail sales.

Still, the meeting minutes, released yesterday with the usual three-week lag, suggest the central bank is sufficiently preoccupied with inflation that the latest data would have little effect on its rate intentions.

Lou Crandall, chief economist at Wrightson Associates, said the pattern in recent months has been for investors to mark up the odds of a rate cut on economic data, then mark them down on commentary from the Fed, such as speeches or statements. Investors, he said, are "overreacting to the bond-friendly news and underreacting to the unfriendly news."

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Bond-friendly news is news that suggests lower interest rates.

At the October meeting, the policy-making Federal Open Market Committee left its target for short-term interest rates at 5.25%, where it has stood since late June.

At that meeting, "most" committee members felt "downside risks to economic activity had diminished a little, and likewise some members felt that the upside risks to inflation had declined, though only slightly," the minutes said. "All members agreed that the risks to achieving the anticipated reduction in inflation remained of greatest concern."

They noted that a lot of economic data would be released before the next meeting, on Dec. 12, to help decide "whether any additional firming was needed to address those risks." Even though another rate increase appears unlikely, the fact that officials see their choice as between an increase or no change suggests that odds of a near-term rate cut are remote. Thus, the Fed could stay on hold for some months to come.

Even though monthly core inflation rates, which exclude food and energy, have moderated from earlier this year, inflation is still higher than what most Fed officials would define as "price stability." Some define price stability as inflation of about 2%, some as 1% to 2% and some wouldn't put a number on it.

Nonetheless, "nearly all participants viewed the current rates of core inflation" -- between 2.4% and 2.9%, depending on the price index used -- "as uncomfortably high and stressed the importance of further moderation."

The minutes said FOMC members expect core inflation to decline, as the indirect effects of the retreat in energy prices feed through to other goods and services, and the cost of housing ceases to be a source of upward pressure. They also said the decline in housing activity is unfolding as expected and that the "risk of an even larger contraction in this sector had ebbed." Some, however, fretted that it could yet spill over to other areas of consumer spending.

While the October meeting was lengthened to two days to discuss improving its communications with the public, little progress was made on that front. Members debated the merits of an explicit numerical objective for inflation -- what they used to call an inflation target -- but selecting such an objective "raised a number of complex and interrelated issues that required considerable further discussion."

Fed insiders have said setting an inflation objective raises questions about what number to use, whether to pick a single number or a range, what time period, if any, in which to commit to achieving that number, and how to update the public on progress toward that objective, such as through a forecast.

Write to Greg Ip at greg.ip@wsj.com2

Fed Bankers All Show Inflation Concerns (USAT)

By Barbara Hagenbaugh

USA Today, November 16, 2006

WASHINGTON — Investors and others hoping for an interest rate cut from the Federal Reserve early next year may be disappointed.

Minutes from the Fed's meeting three weeks ago show that “all” of the central bankers were concerned about inflation and said the risks that price pressures would not diminish were “of greatest concern.”

That, along with fading concern among Fed members about a softening in economic activity, suggest the Fed is nowhere near cutting interest rates, Lehman Bros. chief U.S. economist Ethan Harris says.

“We're a long way from an ease based on what the Fed is saying,” says Harris, who anticipates the Fed will actually raise rates in the first quarter in order to stem inflation pressures.

Recent data on prices have suggested that inflation pressures have eased in recent months. That has led to increased expectations that the Fed would be cutting interest rates early in 2007.

Expectations for a rate cut in the first quarter of 2007 peaked Oct. 4. Investors in a market in which participants bet on future Fed moves at that time were pricing in a nearly 80% chance that the Fed would cut rates in March, the second meeting in 2007, according to Moody's Economy.com.

But those expectations have eased. The odds of a rate cut in March fell to 18% following release of the Fed minutes Wednesday, down from 28% earlier in the day.

Stock prices gave back some of their earlier gains after the minutes were issued midafternoon Wednesday as expectations of a rate cut eased.

The Fed in particular noted that a tight labor market could lead to a “sustained increase in wage pressure,” and thus inflation. Although high profit margins meant some companies could absorb the added wage costs, rather than raise prices, that was by no means a given.

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"All meeting participants expressed concern about the outlook for inflation," the minutes said. "Participants were concerned that inflation expectations could begin to drift upwards if core (excluding food and energy) inflation remained elevated for a protracted period."

Although "most" of the Fed officials expected inflation to ease, "they were quite uncertain as to the likely pace and extent of that moderation," the minutes said.

Economists at Moody's Economy.com still expect the Fed will cut rates twice in the first half of 2007. A softening economy will lead to a weaker job market and a reduction in inflationary pressures, says Dan Jester, associate economist at the economic consulting firm.

The Fed left its target for short-term interest rates, which influence borrowing costs across the economy, steady at its meeting last month, marking the third-consecutive meeting without any changes. Fed officials previously raised interest rates at 17 consecutive meetings. The current target, at 5.25%, is the highest in nearly six years.

Fed Chairman Ben Bernanke and his colleagues next meet to discuss interest rates on Dec. 12. Investors are expecting the Fed will keep rates unchanged next month, as well as at the following meeting in January.

What Slowdown? Stocks March On To Fresh Highs (WSJ)

By Peter A. Mckay

The Wall Street Journal, November 16, 2006

Investors bid stocks to fresh highs, their hopes for a less-than-traumatic economic slowdown buoyed by newly released comments by Federal Reserve policymakers.

Minutes from Fed officials' October meeting showed that the central bank's rate setters still are concerned about whether inflation will indeed slow in the months ahead as they have projected. But the minutes also portrayed the housing market's slowdown as orderly, saying the risk of a steeper downturn had "ebbed."

The Dow Jones Industrial Average rallied 33.70 points, or 0.3%, to a record 12251.71, up 14.3% on the year. Shares in Altria Group, one of the blue-chip average's largest individual components, rose 1.3% after Goldman Sachs upgraded its rating on the company to "buy" from "hold."

The broad Standard & Poor's 500-stock index crossed 1400 for the first time in more than six years but finished shy of that psychologically important number. The index ended 0.2% higher, up 3.35 points at 1396.57, its highest close since Nov. 9, 2000, and up 11.9% on the year. It still would have to rise more than 9% to top its record set in early 2000.

The technology-heavy Nasdaq Composite Index rose 0.5%, or 12.09 points, to 2442.75, up 10.8% on the year. It was the best close since Feb. 15, 2001, though the index would have to more than double to reach a new record.

"We're seeing a self-fulfilling prophecy take place in the market right now," said S&P strategist Sam Stovall. "You have money managers saying, 'I don't want to be left behind,' " while their competitors rack up big year-end gains.

An $8 billion offer by US Airways Group to acquire Delta Air Lines also helped the market, especially the transportation sector. But on a downbeat note, crude-oil prices rose on supply concerns.

Contracts for December delivery rose 48 cents, or 0.8%, to $58.76 a barrel, still off 2.8% on the year at the New York Mercantile Exchange.

In other economic news, the Fed's New York branch released results of this month's Empire State Manufacturing survey, which showed surprisingly strong industrial activity in the state. Contrary to analysts' expectations for a monthly drop in the survey index, it rose this month to 26.66, the highest reading since June.

Today, the market will receive fresh data on inflation at the consumer level, which could set off another round of heated speculation about the Fed's next move. Analysts expect the government's Consumer Price Index to show a 0.2% increase in October, not including volatile food and energy prices.

In major U.S. market action:

Stocks rose1 and bond prices fell2: The 10-year note fell 11/32 point, or $3.44 for each $1,000 invested, pushing the yield up to 4.619%. The 30-year bond fell 16/32 to yield 4.697%.

The dollar was mixed3. Against the Japanese currency, the dollar rose to 118.04 yen, compared to 117.51. The euro rose to $1.2826, compared to $1.2822.

Write to Peter A. McKay at peter.mckay@wsj.com4

In Second Coal Rush, New Mind-Set In The Mines (WP)

By Dale Russakoff

The Washington Post, November 16, 2006

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COULTERVILLE, Ill. -- Billy Vandom was 220 feet underground, but to him, it was the top of the world. He is a coal miner, a species of well-paid American worker that was on the verge of extinction in these parts for more than a decade.

Now global economic forces have realigned, and coal mining is back. And a new generation of miners is living the good life not seen here since coal was king.

"I was able to buy me a new truck and I got my wife a new car," said Vandom, 22, from the helm of an enormous ram car, hauling tons of freshly mined coal through the low-lit darkness of the Gateway Mine here. "We have a new baby boy, and we moved into a new apartment and we fixed up a nice room for him."

Vandom has gone from struggling to pay bills with two low-wage jobs -- cooking at the Elks club and changing oil at the local Pennzoil -- to making $20 an hour plus benefits.

Those are union wages, but there is no union here. As the industry withered east of the Mississippi River, so did the United Mine Workers of America -- from 167,000 active members in 1980 to 16,000 today. The shift is profound in Southern Illinois, where being a miner used to begin with pledging allegiance to the UMWA for leading miners into the middle class.

Now the union is trying to come back, too, beginning with an organizing campaign targeting Peabody Energy Corp., owner of the Gateway Mine and the world's largest coal company.

It is proving to be a tough slog, and not just because the weakened union is up against a multibillion-dollar company. The UMWA is struggling to bridge a gap between young workers like Vandom, giddy over high wages in this long-depressed region, and older ones focused on pensions and gold-plated health care in retirement.

It is the same generational divide that defines the national debate over Social Security, but it is starker here because there is no one in the middle. As Midwestern coal production crashed in the 1980s and 1990s, young workers fled. People here refer to a "lost generation of miners." At Gateway, as at mines throughout the area, almost everyone is over 50 or under 30.

It falls to UMWA organizer Ron Huff to try to straddle the generation gap. He said he is making headway with middle-aged miners but very little with younger ones.

"All they can see is the money," he said. "I was the same way when I was their age."A Generation Gap

The miners here come not only from different generations but different worlds. Those in their 50s mostly began mining as union men from union families, following grandfathers, fathers and uncles.

Their towns erected memorials to men who died in mine accidents alongside memorials for fallen soldiers. They relied on the union to protect them in a dangerous workplace and were raised to revere John L. Lewis, the longtime UMWA president.

"I have three pictures side by side in my house: John L. Lewis, Franklin Delano Roosevelt and Jesus," said Jack McReynolds, 70, a retired miner eating lunch recently at Lola's Uptown Restaurant in West Frankfort, once home to seven coal mines, all now closed. "I draw Social Security on account of FDR. I draw a pension on account of John L. Lewis, and I'm going to Heaven because of Jesus."

Minutes later, in walked an embodiment of the rupture in the union culture. Carl "Bubba" Vincelette, 27, another Gateway miner, was in grade school as mines closed and once-proud union men clamored to be janitors. His father never mined coal. "A lot of the young guys see all these places were union before and they all closed, so it's all part of what went wrong," he said.

If older miners say the union made them middle class, Vincelette credits Peabody, which he sees as a progressive firm that pays four times what he made at his previous job and invests heavily in safety and training. In two of the past three years, Peabody mines have won the Mine Safety and Health Administration's top award for safety.

Bobby Townsend, 46, one of the youngest union supporters at Wildcat Hills, a strip mine 80 miles southeast of here, sees Peabody very differently. He speaks with outrage about a company whose stock soared with energy prices and rewarded its departing chief executive with $46 million last year but won't pay for the health insurance of miners like him when they retire.

"It's out of balance between the corporate world and the workers, and we have to make a stand," he said. "We work ourselves to the bone and they go to a gym to get exercise. They look 50 when they're 70. We look 70 when we're 50. We spend our life making these people millions of dollars; we ought to at least have pension and medical."Not Quite Golden

A dozen men in miners' boots filed into a meeting hall in Harrisburg, Ill., after their 10 1/2 -hour shift at Wildcat Hills. All had publicly pledged to support the UMWA, and all were over 50 but Townsend, his dark hair a striking exception among the gray and the bald.

"Nobody younger than me is up for the union," Townsend said. "They're buying houses and motorcycles. They think it'll run forever."

"It won't," said Larry Robbins, a miner for 26 years. His last union mine closed in the 1990s, three months before he would have logged a golden 20 years -- golden because that's when union miners qualify for lifetime retiree health insurance. Every year worked in a UMWA mine counts toward the 20. Time in a nonunion mine does not.

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Around the room, one after another miner said he needed only a year or two or three of union time to hit the 20-year mark. All had voted as young men to limit wage increases in favor of retiree benefits -- only to see the clock stop before their time came.

Gary Wheeler, 53, had 17 years when his mine closed in 1994. Danny Droit, 59, said he had "roughly" 20, but worried that his total time would fall just short of the mark. Dick Bearden had 17 years.

"That medical card is worth its weight in gold," Townsend said. "My father-in-law retired with it, and he didn't have to worry what the doctor or the medicine cost. My father is in construction and is still working at age 76 to pay for health insurance."

The former union miners were among thousands east of the Mississippi River whose mines closed after Congress mandated acid rain controls in 1990, shattering demand for high-sulfur coal. To comply, utilities switched en masse to low-sulfur coal from the vast Powder River Basin in Montana and Wyoming.

The shift effectively broke the union. Mines closed or went bankrupt across the Midwest and northern Appalachia, where the union was dominant, and opened throughout the nonunion West.

Court rulings hastened the union's decline. Gateway, for example, was for decades a union mine doing business as Zeigler 11. But its previous owner won the right in bankruptcy court to shed its union contracts in 2004. Peabody bought the mine out of bankruptcy, changed its name and reopened it in 2005 under a nonunion subsidiary, Black Beauty Coal Co.

Eighty percent of Peabody's miners were unionized in the 1980s. With its operations now mostly in the West, chief executive Gregory Boyce reported this year to shareholders that 85 percent of Peabody's coal comes from "union-free operations."'I Just Want the Cash Now'

Coal's rebound here is a direct result of soaring U.S. demand for electricity, half of which currently comes from coal. The Bush administration is promoting coal as a "freedom fuel" -- in contrast to foreign oil -- and utilities are on a coal binge, with 154 new coal-fired plants on the drawing board. New plants must have scrubbers that remove sulfur before it reaches the atmosphere, so high-sulfur coal is back in the game. Meanwhile, coal states and the industry are investing heavily in technologies to convert coal into liquid fuel to power cars and jet planes.

The Illinois Office of Coal Development forecasts 3,000 new mining jobs statewide in the next three years, and another 2,000 as older miners retire, but that is just a shadow of the roughly 20,000 coal mining jobs that were here before the crash. And other high-paying production jobs are vanishing; a nearby Maytag plant with 942 workers is closing next month.

Younger workers interviewed throughout the area said they felt they had little leverage to complain about long hours or difficult working conditions because so many people were waiting in line for jobs that pay well. Gateway had 1,300 applicants for its 200 jobs, according to operations manager Thomas A. Benner.

Aaron Wright, 37, a son and nephew of union miners, said he would happily work without a union if he could get a coal-mining job.

"I'm tired of making $8 to $9 an hour, not enough to support myself, not enough to support my kids," Wright said. "I just want the cash now."

Middle-aged union supporters say younger workers are naive to think they won't face supervisors who underestimate danger or play favorites in assigning work, or try to deny their rights if they are injured or lay them off without explanation. They say they've seen all this and more.

But Vic Svec, Peabody's senior vice president for communications, said the company works hard to show workers they don't need a union. Peabody pegs its wage scale to match or exceed the UMWA's, he said. It also provides a 401(k) with a generous company match, and pays bonuses at mines that meet productivity and safety targets. Vandom said he gets a $700 to $800 bonus about every three months.

"Our strategy is to have the best possible relationship with employees," Svec said. "We don't feel it benefits our employees or our operations to have third parties involved."Thinking Long Term

With so many miners nearing retirement age, Peabody also has a major financial interest in keeping the union at bay: Retired miners have much higher than average medical costs, according to a union study.

This was easy to believe from the collective ailments of UMWA pensioners who gathered on a recent morning at the Knights of Columbus hall in Pinckneyville. Robert McCrary, 72, who retired from Arch Coal Inc. after 36 years, said he has black lung disease, and heart disease that has required multiple stents, a defibrillator and a pacemaker. He said he takes 16 prescription drugs.

Larry Bruns, 63, who retired from Peabody after more than 37 years, said he has had hip replacements, a hernia, carpal tunnel syndrome, arthritis, high blood pressure and an enlarged prostate -- "and I'm just a young pup."

With so few active union miners, many retirees say they worry the UMWA will have trouble defending their increasingly costly health care at the bargaining table. Retiree medical care is negotiated in each union contract.

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"If they take the insurance away, they'll just need enough to bury me," said Rick Harrison, another Zeigler retiree, who has had three open-heart surgeries and is due for a fourth.

Back at Lola's Uptown Restaurant, Vincelette recalled that he had listened with an open mind when a UMWA organizer visited him recently. The organizer said union coal miners elect safety committees that have authority to shut a mine if they judge it unsafe. But Vincelette said he trusted Peabody to be vigilant about safety.

The organizer also said that with 20 years in a union mine, Vincelette would get retiree health insurance for life. But 20 years sounded like an eternity.

"The way everything's going -- wars and stuff like that -- it's hard to think long term," he said.

McReynolds, the retired UMWA miner with John L. Lewis's picture in his living room, listened from across the table in pained silence.

When the young miner left, McReynolds rose slowly from his chair and straightened his Mason's hat bearing a UMWA pensioners' emblem and a gold pick-and-shovel pin the union gave him. "That young man has no idea what he's talking about," he said.

Most Students In Big Cities Lag Badly In Basic Science (NYT)

By Diana Jean Schemo

The New York Times, November 16, 2006

WASHINGTON, Nov. 15 — A least half of eighth graders tested in science failed to demonstrate even a basic understanding of the subject in 9 of 10 major cities, and fourth graders, the only other group tested, fared little better, according to results released here Wednesday.

The outcome of those tests, part of the National Assessment of Educational Progress, often called the nation's report card, showed that student performance in urban public schools was not only poor but also far short of science scores in the nation as a whole.

Half or a little more of the eighth-grade students in Charlotte, San Diego and Boston lacked a basic grasp of science.

In six of the other cities — New York, Houston, Chicago, Cleveland, Los Angeles and Atlanta — the share of eighth graders without that knowledge was even higher, ranging from about three-fifths in New York to about four-fifths in Atlanta. By comparison, the corresponding share for the nation as a whole was 43 percent.

Among the 10 cities, only in Austin were the eighth graders who lacked a basic understanding in the minority, and just barely there.

"It's a national disgrace," said Rodger W. Bybee, director of the Biological Sciences Curriculum Study, which develops and evaluates science curriculums and promotes the teaching of science. "We as a nation should be able to do better than that."

At the fourth-grade level, a majority of students in all the 10 cities except Austin, Charlotte and San Diego failed to demonstrate basic understanding in science, compared with 34 percent nationwide. According to a report accompanying the scores, this meant they lacked the skills and reasoning needed to learn science, and could not read simple charts or follow elementary experiments. A similar definition, though with expectations of a higher level of skill, applied to eighth graders.

Students in New York were on a par with those in other large cities, though white students there scored lower than whites in other cities and in the nation. The scores of blacks and Latinos in New York were not significantly different from those of similar students in the other cities.

New York's schools chancellor, Joel I. Klein, pointed out in a statement that low-income students there had done better than those in most other cities, but added, "We, like the rest of the country, have a lot more work to do in this critical area" of teaching science to the poor.

He noted that beginning with the next academic year, the city would begin testing students annually in science in Grades 3 to 8. Another innovation for the 2007-8 school year is that under the No Child Left Behind Act, public schools across the country must begin testing students in science at least once from Grades 3 to 8. But the results of these tests, like those of New York's, will not determine whether schools have made sufficient progress under the law, which counts only reading and math to determine a school's standing.

While states use a hodgepodge of tests to measure student achievement, the national assessment is the only exam given to students nationwide. The science test — in earth, physical and life sciences — was given in early 2005 to 280,000 students, including an extra 30,000 at public schools in the 10 cities, which had volunteered so that they could get a comparative snapshot of performance. The scores were grouped in four categories, from below basic to advanced.

The results prompted the Council of the Great City Schools, which represents the nation's largest school districts, to call for national standards in science, and in reading and math as well.

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Michael Casserly, the group's executive director, acknowledged that political resistance to national standards was strong in a nation that generally considers education a prerogative of localities. But Mr. Casserly said such standards would lend clarity to efforts to improve achievement.

The fourth-grade national assessment, he said, tests students in subjects like electrical circuitry, the difference between plant and animal cells, and the formation of rocks. "But some state standards," he continued, "don't teach them until the fifth grade. It is not clear, then, what our teachers are supposed to teach when."

Gerald Wheeler, executive director of the National Science Teachers Association, who wrote some of the questions asked on the national assessment, said he found the test results "extremely disappointing."

"There's no way these kids are going to be able to survive in our technological society," Dr. Wheeler said.

With the exception of fourth graders in Austin, low-income students in urban schools performed significantly below the average for low-income students nationwide. "Student poverty, parent education, home resources, English-language proficiency and other factors outside our control work in tandem like a perfect storm to dampen our results in ways that few others have to contend with," Mr. Casserly said.

But the results suggested that performance was influenced more by the disparities associated with race and income than by whether students attended school in cities or in other settings, said Darvin M. Winick, chairman of the National Assessment Governing Board, which oversees the test.

For example, while Atlanta was below the median in the ranking of urban performance, its white fourth graders not only did better on the exam than did 86 percent of fourth graders across the country but also outperformed the nation's white fourth graders as a whole, who reached only the 62nd percentile. At the same time, the city's black fourth graders were in the bottom 22 percent of fourth graders nationwide — two points below the national average for blacks.

Only in Austin, Houston and Charlotte did black and Latino fourth graders score higher than similar students in the nation as a whole. Still, their scores were in the bottom 25 percent to 32 percent of all students taking the exam.

Urban Students Perform Worse At Science (AP)

AP, November 16, 2006

WASHINGTON (AP) -- Children in major U.S. cities perform worse than other students around the country on science tests given in elementary and middle school, a snapshot released by the government Wednesday shows.

Ten urban school districts volunteered to take the tests and have their scores compared to public school students nationwide for the first time.

Fourth-graders in nine of the 10 city districts had lower average scores than public school students nationally. The only exception was Austin, Texas, where they performed at the national average.

In eighth grade, all 10 urban districts had average scores below the national average.

The science scores are from the 2005 National Assessment of Educational Progress, a test given nationwide periodically on a range of subjects. It is viewed as the best way to compare student achievement across state and district lines.

Besides Austin, the urban districts that participated in the comparative look were: Atlanta; Boston; Charlotte, N.C.; Chicago; Cleveland; Houston; Los Angeles; New York and San Diego.

The districts enroll a disproportionately large share of minorities, children who have limited English ability, and children from low-income families. Taking this into account, the results showed minorities in the city schools often performed similarly to students with the same backgrounds in the national sample.

The topics covered on the tests include earth science, physics, chemistry and biology.

The new scores emphasize how much room for improvement remains across a range of urban districts -- just as is the case for most of the nation's schools.

Nationally, for example, just a little more than a quarter of students in both grades could handle challenging subject matter -- a skill level educators call "proficient".

Among the city schools, only Austin had about that proportion of students testing at that level in both grades, with Charlotte not far behind.

Cleveland had the smallest percentage of fourth- and eighth-grade students who were proficient -- no more than 6 percent.

Fourth-graders working at a proficient level can relate the relative amount of time a candle burns to the amount of air available. Proficient eighth-graders can identify the energy conversions that occur in an electric fan.

Nationally, 34 percent of fourth-graders fell into the bottom achievement category, unable to perform at even a "basic" level. That category also applied to 43 percent of eighth-graders.

The urban districts all had more students in the lowest-scoring category than the nationwide sample.

Chicago and Los Angeles had the most fourth-graders in that group, with 65 percent falling below basic levels.

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Atlanta fared the worst among eighth-graders, with 78 percent of students recording below basic scores.

Gerry Wheeler, executive director of the National Science Teacher Association, called the report discouraging.

"There's no way these young adults are going to be able to survive in this scientific and technological society," Wheeler said. He cited high teacher turnover and a lack of emphasis on teacher training as problems in urban school districts.

The government could not point to specific trends for the urban group, since this was the first time those cities have volunteered to have their scores put under a microscope.

The national science scores were released earlier this year and showed improvements among elementary school children nationwide in science since 2000, but not among middle and high school students.

"We need to devote more time and energy to science instruction, not just in the cities but nationwide, because nobody has much bragging rights on science performance anywhere in the country," said Michael Casserly, executive director of the Council of the Great City Schools -- a coalition of urban public school systems.

Casserly said the test results demonstrate a need for national standards in science to clarify what students are expected to know. The group also is advocating national standards for reading and math.

Urban students generally also scored lower than students nationwide in reading and math on national tests given last year.

The No Child Left Behind law, which Congress passed in 2001, requires states to administer their own assessments in math and reading, with penalties for schools that fail to improve.

State science testing under the law will begin in the 2007-08 school year, although schools will not face consequences for their performance -- something President Bush wants Congress to change.

The new report of lackluster performance underscores a deep concern among political and business executives who see eroding science achievement as a threat to the U.S. economy.

KBR Becomes Separate Stock (USAT)

By Matt Krantz

USA Today, November 16, 2006

The investor on the street is about to get a chance to own a piece of Iraq Inc. The question is, will he want to?

Today, KBR, which runs almost every aspect of the Iraq war except the fighting, will trade as a separate stock after an initial public offering. It raised $473.3 million Wednesday, after pricing the 27.8 million shares it's selling at $17 a share.

KBR isn't a household name, but it's the unit of Halliburton that handles everything in Iraq ranging from operating cafeterias for soldiers to providing fuel, laundry and other services. Vice President Cheney used to be CEO of Halliburton, a fact that was a political lightning rod in the 2004 election.

And that's the problem. With Democrats in control of Congress, largely due to voters' displeasure with Iraq, KBR must persuade investors to take part of its IPO.

For investors, “KBR is the demon spawn of Halliburton,” says Ben Holmes, publisher of MorningNotes.com, a market and IPO research firm. “That will have some effect.”

·Revenue at risk. KBR gets 56% of its revenue from its efforts in Iraq and Afghanistan, says William Smith, CEO of Renaissance Capital.

Last year, 65% of KBR's $10.1 billion in revenue came from U.S. government contracts. With Democrats in charge, the windfall will likely dwindle. “The Iraq situation has been a financial plus for this organization,” Smith says. KBR “isn't picking up arms, but it's picking up everything else.”

The company says in a regulatory filing that a “decrease in the magnitude of work we perform for the United States government in Iraq” would have a “material adverse effect on our business.”

·Potential for investigations. A Democratic Congress may further investigate the company, already at the center of several probes, Holmes says.

In June 2005, the Defense Contract Management Agency recommended withholding $55 million until KBR further documented billings for housing soldiers. Another $95 million in bills have been questioned regarding dining facilities in Iraq. KBR's procurement matters are being investigated by the U.S. Department of Justice and an assistant U.S. Attorney in Illinois.

But KBR has been broadening its business outside Iraq, says Francis Gaskins of IPOdesktop. Its backlog of business jumped 42% from last year to September, largely on non-Iraq jobs. The backlog is the salvation of a company that normally would struggle to win over investors. But it's unclear how profitable it is and whether investors are willing to pay up. “When investors really analyze the valuation, they aren't going to like it,” he says.

Dems May Expand Senate Majority In ’08 (HILL)

By Aaron Blake

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The Hill, November 16, 2006

Senate Democrats will have a wider field of possibilities and probably more open seats available to expand their majority in 2008, though Senate Republicans will have several chances to pick off red-state Democrats.

Of the 33 seats up for election two years from now, 21 are held by Republicans. Eight of those 21 were elected with 55 percent of the vote or less in 2002, and in seven of them the incumbent is a freshman. The party also faces several retirement questions.

Democrats might not lose any incumbents to retirement now that they are in the majority — a crucial first step to maintaining and growing that majority.

Two big Democratic retirement risks, 82-year-old Sen. Frank Lautenberg (N.J.) and 69-year-old Sen. Jay Rockefeller (W.Va.), intend to run again in 2008, according to their offices. Sen. Tom Harkin (D-Iowa), who turns 67 on Sunday, could announce whether he will run for a fifth term by the end of the week, his office said.

Harkin, Sen. Carl Levin (D-Mich.), 72, who has not decided, and Sen. Max Baucus (D-Mont.), 64, who did not respond to inquiries, may be re-energized by capturing prized committee chairmanships. Levin will lead the Armed Services Committee, Baucus will run the Finance Committee and Harkin will head the Agriculture Committee.

All five of those seats would be attractive to Republicans if they were open, though Harkin has never garnered more than 55 percent of the vote in his four campaigns, and his seat will draw Republican attention regardless of whether he stays or goes.

Lautenberg's decision to run again is particularly important for Democrats because he already retired once, in 2000, only to run again in 2002; does not have a chairmanship because his seniority was not restored; and could face tough opposition from Tom Kean Jr., the Republican candidate this year, who ran strongly even though he was defeated.

Jennifer Duffy of the Cook Political Report expects Democrats to skate into 2008 with all five of these potential retirees. "Given that Democrats have the majority, I don't expect anybody to retire," Duffy said. "I think Harkin was thinking about it, but now that he has Ag, what's his incentive to retire? Maybe Rockefeller was thinking about it, but now he's got Intelligence, so what's his incentive?"

On the Republican side, Sens. Pat Roberts (Kan.), 70, Pete Domenici (N.M.), 74, and Ted Stevens (Alaska), who turns 83 on Saturday, have all told The Hill they intend to seek reelection. But speculation is rampant about Sens. John Warner (Va.), 79, and Wayne Allard (Colo.), who is at the tail end of a two-term-limit pledge.

Warner spokesman John Ullyot said the senator generally decides whether to run about a year and a half before an election. Allard, who has raised the least and has the second-least cashonhand ($120,000) of the 33 senators up for reelection in 2008, will wait until after the New Year to decide, spokeswoman Laura Condeluci said.

Both states would be prime pickup territory for Democrats, who will hold the other Senate seat in each come January. Allard's seat is a target whether he runs or not, and Democrats already have a strong candidate in Rep. Mark Udall, who declared for the race in March 2005 and had more than $1 million on hand as of October.

In purple Virginia, former Gov. Mark Warner (D), who decided against a presidential bid recently, would be a strong candidate to replace Republican Sen. John Warner.

The most vulnerable incumbents are Allard, Sen. Norm Coleman (R-Minn.) and Sen. Mary Landrieu (D-La.), according to the Cook Political Report. No races are yet listed as tossups.

Along with Landrieu, Baucus and Sens. Mark Pryor (D-Ark.) and Tim Johnson (D-S.D.) give Republicans four possible red-state pickups. Landrieu, who intends to run for a third term, is listed as "lean Democratic," while the latter three and Harkin are "likely Democratic."

But Republicans failed to field strong challengers against red-state Democrats Ben Nelson (Neb.), Kent Conrad (N.D.) and Robert Byrd (W.Va.) this year, drawing their biggest recruiting successes in blue states Maryland and New Jersey. They did not pick up any Democratic seats.

For Democrats, Allard and Coleman are listed as "lean Republican," while four other Republicans — Susan Collins (R-Maine), John Sununu (R-N.H.), Elizabeth Dole (R-N.C.), and James Inhofe (R-Okla.) — are listed as "likely Republican."

Dole, a 70-year-old freshman and outgoing head of the National Republican Senatorial Committee, intends to run again, according to her office. Inhofe, who turns 72 on Friday, did not respond to requests for comment but has talked about assuming the Armed Services chairmanship in 2009, suggesting he expects to be around after 2008.

Roberts, 70, intends to seek reelection, according to his office, and Sen. Thad Cochran (R-Miss.), 68, will make a decision a year from now, spokeswoman Jenny Manley said. Sen. Chuck Hagel (R-Neb.), 60, has not decided, but has expressed interest in running for president.

Two Democratic senators, Joseph Biden Jr. (Del.) and John Kerry (Mass.), may retire and run for the White House. Biden's office said he is taking the necessary steps to run for Senate, and Kerry's presidential prospects took a hit this month when his "botched joke" appeared to insult the intelligence and education of soldiers in Iraq. Kerry later apologized.

Republican Rep. Mike Castle (Del.), who just won statewide reelection by 18 points in his at-large House seat, would have a strong shot at succeeding Biden, but both Delaware and Massachusetts are blue states.

Biden will lead the Foreign Relations Committee, and Kerry will lead the Small Business Committee. Another blue-state Democrat, Sen. Dick Durbin (Ill.), who didn't face a strong challenge in 2002, will be assistant majority leader.

Early retirements within the realm of possibility include: Hawaii, where Democratic Sens. Daniel Inouye and Daniel Akaka will both be 84 on Election Day; Pennsylvania, where Republican Sen. Arlen Specter, 76, has battled Hodgkin's disease; and Wyoming, where Republican Sen. Craig Thomas, 73, last week revealed he has leukemia. Thomas and Akaka were both reelected last week, and Akaka will now chair the Veterans Affairs Committee.

Amy Sherman and Madeleine Scinto contributed to this report.

Family-friendly Agenda Urged (WT)

By Cheryl Wetzstein

The Washington Times, November 16, 2006

Democrats closed a so-called "parent gap" in this month's election and should seize the moment by pushing family-friendly legislation, analysts told a Capitol Hill briefing yesterday.

Married parents -- especially married mothers -- have voted Republican in recent years, partly because of a perception that Democrats don't care about family issues, said Michele Stockwell, a social policy analyst with the Progressive Policy Institute.

This month's election results show that Democrats "closed this parent gap, at least temporarily," she said. But the gap needs to be closed permanently by addressing families' concerns.

Sen. Blanche Lincoln, Arkansas Democrat, told those at the briefing that Democrats are up to the task, even though they need to be "a little more expressive" about it.

"Getting results is the most important thing we can do in leadership," she said, citing employee flextime, easier access to health care, more trained health care workers in geriatrics and more Internet safety tools to protect children as important legislative goals.

Some family advocates, however, expressed dismay at the lack of attention to family issues in Democratic platforms. For instance, the House Democrats' "Six for '06" agenda laid out goals for changing Iraq policy, raising the minimum wage, making college tuition a permanent tax deduction, lowering gas prices, promoting stem-cell research and blocking partial privatization of Social Security.

But expanded paid sick leave for workers? A Democratic Senate staffer recently said an issue like that wouldn't be considered for "several years," said one audience member.

Pollster Anna Greenberg of Greenberg Quinlan Rosner told the Progressive Policy Institute event that the war in Iraq and the economy were voters' top issues, but political leaders -- especially the new Democratic majority -- shouldn't let those issues obscure the "underlying discontent" that most voters feel about their personal finances.

Polls find that "the biggest source of stress is work [and] the biggest source of stress about work is how much you make," said Ms. Greenberg, adding that both low-income and middle-income families are feeling "squeezed" as expenses outstrip incomes.

In many households, both parents are working to get ahead, but this only feeds into another huge concern, which is "not having enough time with their kids," Ms. Greenberg said.

"And this is not just the problem of married parents," she added. "This is the No. 1 concern of single parents, especially single moms. They are the least likely to feel they have control over what their kids are doing."

Democrats have a huge opportunity to act on these issues, especially by working with Republicans and finding common ground, said Shelley Waters Boots, a policy leader at the Parents Action for Children, a parents' advocacy group founded by actor-director Rob Reiner.

These "shouldn't be one-party issues," she said. "These issues are ripe for the taking."

Stan Greenberg And James Carville (CSM)

By David Cook

The Christian Science Monitor, November 16, 2006

Sweet as it was to win control of the House and the Senate in the 2006 election, some Democratic operatives think their victory could have been bigger if national party chairman Howard Dean had been willing to spend more in districts where races were close.

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According to Democratic pollster Stan Greenberg, "there were two dozen seats in which Republicans got 51 percent or less....There is a very big difference between defending these seats as incumbents or still trying to pick these up while they are being protected by Republicans."

James Carville, who along with Greenberg co-founded Democracy Corps, a Democratic strategy group, told a Monitor breakfast on Wednesday, "We beat the hell out of them at the committees, at the congressional [campaign] committees. The DNC [Democratic National Committee] left the money on the table."

Carville said DNC Chairman Howard Dean should be dumped. Carville added that Dean "should be held accountable" and described his leadership as "Rumsfeldian in its competence."

Chairman Dean has been investing in a strategy of rebuilding the party in all 50 states and hiring local operatives to help with that task. DNC member Don Fowler sent fellow DNC members a message on Tuesday saying that talk of replacing Dean was "nonsense. The 50-state strategy is exactly what the Democratic Party needed and continues to need. Why do the Washington people think that they have a special prerogative to dictate what the Democratic Party needs?"

While saying he has no problem with the 50-state strategy, Carville quipped that, "the point of a political party is not to hire people, it is to elect people."

Beyond the question of party leadership, both Republicans and Democrats face dangers as they turn their attention to the 2008 presidential election. "The big Republican problem going into '08 is Bush. I mean, he is just unpopular," Carville said. "Unless he has a really good two years, which maybe he does, he is in danger of being a complete albatross on the Republican Party."

"The biggest danger for Democrats is that we do what we kind of do sometimes [and] fracture ...if it looks like we are kind of fighting and incapable and don't get anything done, that is our biggest danger," Carville said.

Flush Of Victory Past, Democrats Revert To Finger-Pointing (NYT)

By Adam Nagourney

The New York Times, November 16, 2006

WASHINGTON, Nov. 15 — One would think that after their biggest electoral triumph in about a decade, Democrats would finally break their usual postelection syndrome — a November loss followed by recriminations, finger-pointing and infighting.

Well, think again.

The Democrats are celebrating their big victory of Nov. 7 with recriminations, finger-pointing and infighting, no matter that they won control of the Senate and the House for the first time since 1994.

State Democratic leaders are saying Howard Dean, the party chairman, is not receiving the credit he deserves for the triumph.

Offering a rather different view, two leading party strategists rebuked Mr. Dean on Wednesday, saying the Democrats could have captured 40 House seats rather than 29 had Mr. Dean bowed to demands by Representative Rahm Emanuel of Illinois, leader of the effort to recapture the House, to put more money into Congressional races.

“I would describe his leadership as Rumsfeldian in its incompetence,” one strategist, James Carville, said of Mr. Dean.

Liberal bloggers say they are not receiving the credit they deserve and are chafing at how what they call the mainstream media has showered too much credit on Mr. Emanuel and his Senate counterpart, Charles E. Schumer of New York, for the sweep.

“Rahm won everything” was the headline on a sarcastic post on MyDD, a liberal Web site.

On Capitol Hill, soon-to-be Speaker Nancy Pelosi of California has waded into a leadership fight that has divided her caucus, providing the public — in its first glimpse of the incoming Congress — with a reminder of just how much Democrats like to rumble. Democrats, if grimacing, sought to put the best face on the latest episode of that familiar Washington series, Democrats in Disarray.

“We are a diverse party,” said Donald Fowler, a veteran South Carolina Democratic leader. “We have different people from different backgrounds, and we see things differently both in terms of style and issues.”

Mr. Fowler sighed before letting out: “We’re nuts! We’re all nuts!”

Larry Gates, the Democratic chairman in Kansas, where Democrats stunned Republicans by capturing a once very-red seat, said: “This is what we Democrats do. A little bit of success, and we start to fight.”

So it was that Stan Greenberg, the Democratic pollster, and Mr. Carville used the forum of a Monitor Breakfast, a gathering of newsmakers and reporters, to say Mr. Dean wasted an opportunity to make historic gains by refusing to take resources out of his effort to build up parties in all 50 states and put them into Congressional races.

Mr. Greenberg said that Republicans held 14 seats by a single percentage point and that a small investment by Mr. Dean could have put Democrats into a commanding position for the rest of the decade.

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"There was a missed opportunity here," he said. "I've sat down with Republican pollsters to discuss this race: They believe we left 10 to 20 seats on the table."

Mr. Carville, whose close ties to former President Bill Clinton and Senator Hillary Rodham Clinton of New York have prompted speculation that he is attacking Mr. Dean on their behalf, said the Democratic National Committee had taken out a $10 million line of credit and used barely half of it.

"They left money on the table," he said.

Asked whether Mr. Dean should step down, he responded, loudly, in the affirmative. "He should be held accountable," Mr. Carville said.

In an interview later, he asked, "Do we want to go into '08 with a C minus general at the D.N.C.?"

Aides to Mr. and Mrs. Clinton said Mr. Carville had not cleared his attacks on Mr. Dean with them.

The attacks set off recriminations in Mr. Dean's base, state parties that have benefited from his decision to channel millions of dollars to them.

"Asking Dean to step down now, after last week, is equivalent to asking Eisenhower to resign after the Normandy invasion," Mr. Fowler said. "It's just nonsense.

"Carville and Greenberg — those people are my friends — they are just dead wrong. They wanted all that money to go to Washington consultants and speechwriters and pollsters. This kind of nonsense is destructive of the party."

The Democratic chairman in Michigan, Mark Brewer, said party money had allowed Michigan to re-elect its Democratic governor and senator.

"This is a zero-sum game," Mr. Brewer said. "That money would have had to come from somewhere. We should be looking forward to future endeavors, and not attacking at this moment of great triumph."

Mr. Dean was traveling and not available for comment, aides said.

At Democratic National Committee headquarters, the communications director, Karen Finney, insisted that Mr. Dean had spent money on House races through the final hours, notwithstanding his announcement in the campaign that his top priority was rebuilding state parties, even in longtime Republican states.

Ms. Finney expressed incredulity that Democrats would be going after Democrats in this of all weeks.

"Did he not see that we won?" she said of Mr. Carville. "Did he not read the results? If James and Stan are interested in knowing what the D.N.C. is doing and has done, they can pick up the telephone and give me a call."

Mr. Emanuel warred with Mr. Dean over his refusal to provide as much money as Mr. Emanuel said he needed.

He said Wednesday that a favored candidate, Tammy Duckworth, the severely injured Iraq war veteran running for an open Republican seat in Illinois, had lost because the Republicans had spent $1 million on negative advertisements against her in the final weekend and that he did not have the money to respond.

Mr. Carville and Mr. Greenberg have been close to Mr. Emanuel since they worked in the Clinton White House in 1992. Asked about the criticism of the two, Mr. Emanuel said he would offer precisely these two sentences: "More resources brings more seats into play. Full stop."

There was also some lesser blame passing. Mr. Emanuel suggested that Democrats had fallen just short of picking up the seat held by Representative Christopher Shays, Republican of Connecticut, because Senator Joseph I. Lieberman, a registered Democrat, had sought re-election on an independent line after losing the Democratic primary. That brought out more Republican votes.

Mr. Greenberg fumbled when asked in a two-part question whether he agreed with some Democrats that a botched joke by Senator John Kerry of Massachusetts and the White House attack on it might have made the difference in very close races where Democrats lost, like the effort to defeat Representative Heather A. Wilson in New Mexico.

"Bah-bah-bah-bah, let me go to the first question," Mr. Greenberg said haltingly before returning, with prompting, to the original question, allowing that the Kerry episode might have "moved the needle a little bit."

Carville Says Dems Should Dump Dean Over "Rumsfeldian" Incompetence (AAS)

By Scott Shepard

Austin American Statesman, November 16, 2006

Democratic strategist James Carville says his party should dump Howard Dean as chairman of the Democratic Party because of incompetence.

Carville, during coffee and rolls with political reporters today, said Democrats could have picked up as many as 50 House seats, instead of the nearly 30 they have so far.

The reason they didn't, he said, is the Democratic National Committee did not spend some $6 million it could have put into so-called "third tier" House races against vulnerable Republicans.

Carville said the other Democratic campaign committees had borrowed to the hilt.

He said he tried to meet with Dean to argue for additional spending for Democrats in the final days of the campaign, but Dean declined and gave no reason why.

Asked by a reporter whether Dean should be dumped, Carville replied, “In a word, do I think? Yes.”

He added, “I think he should be held accountable.” He added, “I would describe his leadership as Rumsfeldian in its competence.”

Carville likened the Democratic takeover of Congress to the civil war battle at Gettysburg, which the Union army won but failed to pursue the Confederate army when it retreated.

“We should have chased them down,” Carville said. There was no immediate response from Dean or the DNC.

GOP's Simmons Concedes Conn. House Race (AP-Y)

By Susan Haigh, Associated Press Writer

AP, November 16, 2006

More than a week after Election Day, Republican U.S. Rep. Rob Simmons conceded to Democrat Joe Courtney on Wednesday, but did not rule out running again in two years.

Simmons spoke to supporters — some tearful — who packed his headquarters Wednesday afternoon, a few hours after Secretary of the State Susan Bysiewicz confirmed that Courtney had won by 91 of nearly 250,000 votes cast.

"Unfortunately, the tide was against us," said Simmons, who sought a fourth term in what had been the nation's most heavily Democratic-leaning district represented by a Republican.

On Election Day, Courtney, who lost to Simmons in 2002, led by 167 votes. But recounts in the district's 65 towns uncovered some flaws, including a 100-vote mistake in the small town of Lebanon that lowered the margin to 66 votes at one point.

Courtney, speaking at a press conference in Washington, D.C., thanked Simmons for what he called a "gracious statement by a very tough opponent" and said he looks forward to getting started.

"I'm going to fly home without a plane, I'm so excited," he said.

The deadline to file any legal challenges is Nov. 21, but Simmons said he does not want a repeat of the unease he sensed in the district in 1994, the last time there was a recount in the 2nd District. Then-Democratic Rep. Sam Gejdenson defeated Republican Ed Munster by 21 votes in a race that dragged on for five months. Simmons first won the seat in 2000 by ousting Gejdenson.

State Republican Party Chairman George Gallo said Simmons made the right choice by not contesting the election. But he said the party was considering filing a complaint after receiving tips that a handful of college students may have voted twice. Even if proven, it did not appear the complaint would significantly change the results.

Both Courtney and Murphy are in Washington, D.C., this week for orientation. Courtney learned of the final recount results from speaker-to-be Nancy Pelosi on Tuesday night.

The recount was automatically triggered because Courtney's unofficial victory margin was less than half of 1 percent of the votes cast.

Simmons Concedes Defeat To Courtney In Connecticut 2 (CQ)

By Marie Horrigan

Congressional Quarterly, November 16, 2006

Three-term Republican Rep. Rob Simmons officially conceded the race for Connecticut’s 2nd District Wednesday afternoon, just hours after state officials announced Democrat Joe Courtney had clinched a razor-thin victory in a recanvass of the district’s vote.

“I’m disappointed by the outcome, but not by the effort,” Simmons told supporters in his Mystic, Conn., campaign headquarters Wednesday afternoon after conceding the race, the Norwich Bulletin reported.

Courtney’s victory ensures him a place in the large and historic Democratic freshman Class of 2006 — and almost certainly a place near the top of the Republican Party’s initial target list for the 2008 battle to control the House. Courtney won by just a 90-vote margin, with 121,247 votes to 121,157 votes for Simmons, according to the Connecticut Secretary of State’s office on Wednesday.

The Courtney-Simmons contest was the closest of many tight races in a midterm election cycle that boosted Democrats to control of both chambers of Congress. Many of the Democratic takeovers came in districts held by moderate Republicans such as Simmons; a similarly positioned Connecticut Republican, 12-term incumbent Nancy L. Johnson, was unseated in the 5th District by Democratic state Sen. Chris Murphy.

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Courtney had declared victory on Election Night, when returns indicated he led Simmons by 167 votes. He has been in Washington this week, attending freshman orientation.

The narrow victory margin, less than one-half of one percent of the vote, triggered an automatic recount that began Nov. 8 and wrapped up Tuesday night.

This was the second face-off between Simmons and Courtney. Simmons won his second term in 2002 with an 8 percentage-point edge, 54 percent to 46 percent, over Courtney.

Voter turnout was higher this year than four years ago: 242,000 people cast a ballot in the 2006 rematch, versus 217,000 in the candidates' first showdown.

One difference this election cycle was the the difficult national political atmosphere for Republicans, with voters expressing disapproval of congressional scandals, the war in Iraq and President Bush.

Democrats, including Courtney, argued that while their Republican opponents — particularly centrists like Simmons — might not be directly responsible for ethical scandals and troubles in Iraq, their re-elections would effectively endorse Bush's conduct and empower Republicans to continue to pursue their agenda.

In a statement Tuesday night, Courtney announced the recanvass had confirmed his victory and said he would focus on demanding accountability from the White House on the Iraq war, as well as improving the prescription drug benefit program provided to seniors through Medicare.

Connecticut's 2nd District also hosted an extremely tight race during the last election that saw both chambers of Congress change hands — the 1994 Republican landslide. That year, however, the incumbent prevailed: Democrat Sam Gejdenson defeated his Republican opponent by 21 votes.

2 Incumbent Dems Keep House Seats In Ga. (AP-Y)

By Shannon Mccaffrey, Associated Press Writer

AP, November 16, 2006

Reps. John Barrow and Jim Marshall were certified the winners of their respective races Wednesday, all but ending GOP hopes of knocking off at least one Democratic incumbent in the Nov. 7 congressional races.

Barrow defeated Republican Max Burns in eastern Georgia's 12th District by just 864 votes out of 142,438 cast, according to the final tallies released by Secretary of State Cathy Cox. In middle Georgia's 8th District, Marshall defeated Republican Mac Collins by 1,752 votes out of 159,568 cast.

Both GOP challengers are former congressmen who had been considered among Republicans' best chances to counter what became a Democratic landslide last week.

Neither had conceded defeat as of Wednesday afternoon, but only Burns could demand a recount because he lost by less than 1 percent of the vote. He has two business days to do so, under state law.

"As of right this second, we do not know if we're going to ask for a recount or not," Burns' campaign manager, Tim Baker, said Wednesday.

Barrow and Marshall had previously claimed victory, and political experts said that in the age of electronic voting, it would be unlikely for a recount to alter the result.

Two Democrats Win In Georgia (NYT)

By Shaila Dewan

The New York Times, November 16, 2006

ATLANTA, Nov. 15 — Georgia officials certified the votes on Wednesday in two extremely close Congressional races, putting the Democratic incumbents, Jim Marshall of Macon and John Barrow of Savannah, officially in the winners' column.

Neither of the Republican challengers had conceded, and Mr. Barrow, who won by 864 votes, could face a recount if his opponent, Max Burns, requests one. Georgia law allows a recount if the margin of victory is less than 1 percent of the votes cast.

Mr. Marshall won his race against his Republican challenger, Mac Collins, by more than 1 percent, 1,752 votes. "I know who each and every one of them are, and I've sent them all cards," said his spokesman, Doug Moore.

The incumbents, the only white Democrats in the Georgia delegation, faced an uphill battle because their districts had been redrawn to include more Republicans and their challengers were former congressmen. Democratic turnout in the state was low, and President Bush campaigned twice in each district for the challengers.

Tim Baker, Mr. Burns's campaign manager, said the campaign would announce on Thursday whether a recount would be requested.

Grading The Pollsters (WSJ)

DOJ_NMG_0095360

The Wall Street Journal, November 16, 2006

Political polling has come a long way since "Dewey Defeats Truman."

Pollsters earned high marks in last week's elections: Surveys correctly predicted that the Democrats would win control of the House of Representatives, that the Senate would be closely contested and that Democratic gubernatorial candidates would sweep into statehouses.

That doesn't mean that some pollsters didn't do better than others, however, and firms haven't hesitated to trumpet their results. "Rasmussen Reports is the winner in polling accuracy!" read a news release from the Asbury Park, N.J., polling firm. The headline from a Zogby International release1 said the Utica, N.Y., pollster batted "10 for 10" in its telephone polls of competitive Senate races, and asserted the results from its online polls showed its "interactive polling model shines."

I crunched the results from pollsters on dozens of races, and found that some did indeed appear to be more accurate than others. I'll share my results later in the column, but before I do, I want to explain why I'm more reluctant to crown a winner than some of the polling firms were in their PR. The science of evaluating polls remains very much a work in progress.

"A small cottage industry has looked at these issues, but not a large number of people have bothered with it," said Charles Franklin, a professor of political science at the University of Wisconsin who blogs about polls at Political Arithmetik2.

Until recently, measuring poll accuracy was time consuming, and analyses often followed long after the election. Jay H. Leve, founder and chief executive of Verona, N.J.-based SurveyUSA -- one of the companies I evaluated -- said it took seven employees of his firm a full month to analyze the 2004 polls.

But two months ago, the Web site Pollster.com5 launched, compiling public reports from several polling firms. Some individual firms have also been quicker to post their own results on their Web sites.

While data are now easier to obtain, there remains disagreement about how to calculate accuracy. Is picking the winner enough? Most experts agree it isn't, and focus instead on measuring how close the predictions were to the actual spread -- the difference in percentage points between the two candidates. But what if a poll accurately predicts an election will be decided within a one-percentage-point margin, but incorrectly identified the victor?

Today's preferred methods haven't changed much since political polling's nadir, in 1948, when erroneous pre-election surveys were relied on by the credulous press to predict a victory for Republican Thomas Dewey over Harry Truman. In one of its editions printed on election night, the Chicago Daily Tribune ran the infamous headline, "Dewey Defeats Truman."6

To assess what went wrong and to regain credibility, the nonprofit Social Science Research Council7 outlined ways to measure poll accuracy. Among eight methods the researchers considered, they chose to measure the difference between the predicted percentage vote for the leading candidate, and the actual share for that candidate. However, this method doesn't spot big errors in predicted victory margins, and can be skewed by independent candidates. As it happens, in 1948, Strom Thurmond and Henry Wallace influenced both the polls and President Truman's victory.

More recently, a study8 of 2002 polls by Prof. Franklin showed that the holder of a five-point lead in a poll won only 60% to 65% of the time, and polls showing the leader ahead by 10 points or more were dead wrong 10% of the time.

Pollsters expected a rout by incumbent Bill Clinton in the 1996 presidential election, but he beat Republican Bob Dole by just 8.5 percentage points in the popular vote. Political scientist Everett Carll Ladd Jr. criticized the polls in the press, calling them worse than the 1948 fiasco, and prompting veteran pollster Warren Mitofsky to analyze the results.

Mr. Mitofsky found that "no standard metric for gauging poll accuracy had been adopted by the polling community." So he went back to the SSRC's work after the 1948 election, and found another method he preferred: comparing the predicted victory margin to the actual margin, or the error on the margin. If a poll finds Candidate A ahead by three points and he wins by 10 points, that's an error on the margin of seven points. If Candidate B wins by five points, that's an error of eight points. There's no penalty for picking the wrong winner; pollsters are graded only on their error margin. (Mr. Mitofsky, a pioneer of exit polling and a helpful source for my Numbers Guy columns, died Sept. 1 at age 71. He was remembered online by several9 polling10 organizations11.)

I opted to use Mr. Mitofsky's method in my own number crunching. I looked at five pollsters that were among the most prolific: Rasmussen, SurveyUSA, Zogby (which releases separate telephone and online polls) and Washington, D.C.-based Mason-Dixon. For all but the latter, I used the numbers posted on the organizations' own Web sites. For Mason-Dixon, which keeps some of its poll data behind a subscriber wall, I used Pollster.com to find polls from the two weeks before the election. I checked the results against vote counts as of this Tuesday.

(I chose the firms because they were active in many statewide elections. More familiar names such as Gallup and CBS News/New York Times polled in fewer races, focusing more on national attitudes such as approval ratings for Congress.)

There were some interesting trends: Phone polls tended to be better than online surveys, and companies that used recorded voices rather than live humans in their surveys were standouts. Nearly everyone had some big misses, though, such as predicting that races would be too close to call when in fact they were won by healthy margins. Also, I found that being loyal to a

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particular polling outfit may not be wise. Taking an average of the five most recent polls for a given state, regardless of the author -- a measure compiled by Pollster.com -- yielded a higher accuracy rate than most individual pollsters.

On to the results: In the Senate races, the average error on the margin of victory was tightly bunched for all the phone polls. Rasmussen (25 races) and Mason-Dixon (15) each were off by an average of fewer than four points on the margin. Zogby's phone polls (10) and SurveyUSA (18) each missed by slightly more than four points. Just four of the 68 phone polls missed by 10 points or more, with the widest miss at 18 points.

But the performance of Zogby Interactive, the unit that conducts surveys online, demonstrates the dubious value of judging polls only by whether they pick winners correctly. As Zogby noted in a press release, its online polls identified 18 of 19 Senate winners correctly. But its predictions missed by an average of 8.6 percentage points in those polls -- at least twice the average miss of four other polling operations I examined. Zogby predicted a nine-point win for Democrat Herb Kohl in Wisconsin; he won by 37 points. Democrat Maria Cantwell was expected to win by four points in Washington; she won by 17. (Zogby cooperated with WSJ.com on an online polling project that tracked some Senate and gubernatorial races.)

The picture was similar in the gubernatorial races (where Zogby polled only online, not by phone). Mason-Dixon's average error was under 3.4 points in 14 races. Rasmussen missed by an average of 3.8 points in 30 races; SurveyUSA was off by 4.4 points, on average, in 18 races. But Zogby's online poll missed by an average of 8.3 points, erring on six races by more than 15 points.

Zogby's online polls "just blew it" in Colorado and Arkansas governor races, Chief Executive John Zogby told me. (See Zogby's scorecard.12) In other races, such as the two Senate races I mentioned, "we had the right direction but a closer race than the final." One explanation, he said, may be that Zogby's final online polls collected responses one to two weeks before the election, whereas other polling firms were active until the final week. "We have more work to do" to improve online polling, Mr. Zogby said, but he added, "we believe it's not only the wave of the future, but the future is very close to now."

"I don't think there's anyone out there who did better than us," Rasmussen Reports President Scott Rasmussen told me. (Read its own scorecard for its Senate13 and gubernatorial14 polls.)

Larry Harris, a principal with Mason-Dixon, said of his firm's numbers: "We had another good year."

Meanwhile, SurveyUSA has posted a detailed scorecard15 on its Web site, listing how its results compared with those of competitors in different states. "We won't be satisfied until we have an error of zero across our entire body of work," Mr. Leve said. "We're obviously proud of what we did. But I don't think any pollster whose error is greater than zero should be bragging, and we're not."

Remember, my analysis didn't penalize pollsters for picking the wrong winner, which happened nine times, though that's something that other evaluators might take into account. I ignored it partly because some races were decided by a few points or less -- a gap smaller than the statistical margin of error on these polls. For example, Rasmussen's final poll in the Minnesota governor's election showed Democrat Mike Hatch leading Republican incumbent Tim Pawlenty by two points. Mr. Pawlenty won by one point. Rasmussen also missed the Missouri Senate race by a small margin, with the loser, Republican Jim Talent, leading by one point in its final poll. * * *

Thanks to everyone who posted to the most recent forum16 about my column17 on lotteries and sweepstakes. I'll be reading, and responding to, your comments about polls in a new forum18 this week. And please remember to use your full name with posts. (If you have a comment or suggestion unrelated to this week's column, please email me directly at numbersguy@wsj.com19.)

Putting Faith Before Politics (NYT)

By David Kuo

The New York Times, November 16, 2006

SINCE 1992, every national Republican electoral defeat has been accompanied by an obituary for the religious right. Every one of these obituaries has been premature — after these losses, the religious right only grew stronger. After the defeat of President George H. W. Bush in 1992, the conventional wisdom held that Christian evangelicals would be chastened. As one major magazine put it, Mr. Bush's defeat meant that "time had run out on their crusade to create a Christian America." Yet in the next two years, the Christian Coalition grew by leaps and bounds; in 1994, it helped usher in the Gingrich revolution.

In 1996, after Bill Clinton defeated Bob Dole, Margaret Tutwiler, a Republican strategist, declared that in order for Republicans to win, "We're going to have to take on the religious nuts." Two years later, after Republicans failed to gain any ground on Democrats — despite Mr. Clinton's impeachment — John Zogby, the pollster, concluded that "Christian absolutism" scared voters. Wrong again. Those same Christian "absolutists" helped sweep George W. Bush into office in 2000.

Jesus was resurrected only once. The religious right has been resurrected at least twice in just the past 15 years.

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The conventional wisdom about the Democratic thumping of Republicans last week says something a little different about the religious right — that its members are beginning to migrate to the Democratic Party. The statistic that is exciting Democrats the most is that nearly 30 percent of white evangelicals, the true Republican base, voted Democratic. In addition, the red-blue split of weekly churchgoers has narrowed. Commentators are atwitter about the shrinking "God gap."

Once again, the conventional wisdom is wrong. Yes, it is true that almost 30 percent of white evangelicals voted for the Democrats, up from the 22 percent Senator John Kerry received in the 2004 presidential race. But that 2004 number was aberrantly low. More typical were exit polls from the 1996 Congressional election, where 25 percent of white evangelicals voted for Democrats.

So before rearranging their public policy agenda in hopes of attracting evangelicals, the Democrats would be wise to think twice. There has been a radical change in the attitudes of evangelicals — it's just not one that will automatically be in the Democrats' favor.

You see, evangelicals aren't re-examining their political priorities nearly as much as they are re-examining their spiritual priorities. That could be bad news for both political parties.

John W. Whitehead of the Rutherford Institute, the conservative Christian organization that gained notoriety during the 1990s when it represented Paula Jones in her sexual harassment suit against Bill Clinton, wrote this after the elections: "Modern Christianity, having lost sight of Christ's teachings, has been co-opted by legalism, materialism and politics. Simply put, it has lost its spirituality."

He went on, "Whereas Christianity was once synonymous with charity, compassion and love for one's neighbor, today it is more often equated with partisan politics, anti-homosexual rhetoric and affluent mega-churches."

Mr. Whitehead is hardly alone. Just before the elections, Gordon MacDonald, an evangelical leader, wrote that he was concerned that some evangelical personalities had been seduced and used by the White House. He worried that the movement might "fragment because it is more identified by a political agenda that seems to be failing and less identified by a commitment to Jesus and his kingdom."

Certainly, the White House showed the heartlessness of politics in Ted Haggard's fall. Mr. Haggard had once been welcomed at the White House, relied on to rally other evangelicals and invited to pray with the president.

Yet his downfall provoked only this reaction from a low-level White House spokesman: "He had been on a couple of calls, but was not a weekly participant in those calls. I believe he's been to the White House one or two times." To evangelicals who know that this statement was misleading, and know from the Bible what being kicked to the curb looks like, it was a revealing moment about the unchristian behavior politics inspires.

Perhaps that's why a rift appears to be growing in what was once a strong alliance. Beliefnet.com's post-election online survey of more than 2,000 people revealed that nearly 40 percent of evangelicals support the idea of a two-year Christian "fast" from intense political activism. Instead of directing their energies toward campaigns, evangelicals would spend their time helping the poor.

Why might such an idea get traction among evangelicals? For practical reasons as well as spiritual ones. Evangelicals are beginning to see the effect of their political involvement on those with whom they hope to share Jesus' eternal message: non-evangelicals. Tellingly, Beliefnet's poll showed that nearly 60 percent of non-evangelicals have a more negative view of Jesus because of Christian political involvement; almost 40 percent believe that George W. Bush's faith has had a negative impact on his presidency.

There is also the matter of the record, which I saw being shaped during my time in the White House. Conservative Christians (like me) were promised that having an evangelical like Mr. Bush in office was a dream come true. Well, it wasn't. Not by a long shot. The administration accomplished little that evangelicals really cared about.

Nowhere was this clearer than on the issue of abortion. Despite strong Republican majorities, and his own pro-life stands, Mr. Bush settled for the largely symbolic partial-birth abortion restriction rather than pursuing more substantial change. Then there were the forgotten commitments to give faith-based charities the resources they needed to care for the poor. Evangelicals are not likely to fall for such promises in the future.

Don't expect conservative Christians in politics to start to disappear, of course. There are those who find the moral force of issues like abortion and gay marriage equal to that of the abolition of slavery — worth pursuing no matter what the risks of politics are for the soul. But the advocates working these special interests may, I think, be far fewer in coming years than in years past. Gay marriage was a less mobilizing force in 2006 than it was in 2004. In Arizona the ballot measure to outlaw it was defeated. The South Dakota abortion ban failed.

We will have to wait until 2008 to see just how deep this evangelical spiritual re-examination goes, and how seductive politics will continue to be to committed Christians. Meanwhile, evangelicals aren't flocking to the Democratic Party. If anything,

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they are becoming more truly conservative in their recognition of the negative spiritual consequences of political obsession and of the limitations of government power.

C. S. Lewis once warned that any Christian who uses his faith as a means to a political end would corrupt both his faith and the faith writ large. A lot of Christians are reading C. S. Lewis these days.

Alabama Lazarus Act (WSJ)

By Quin Hillyer

The Wall Street Journal, November 16, 2006

BIRMINGHAM, Ala. -- In Birmingham they love the governor. And in Mobile and Huntsville, too.

As Republicans coast to coast were burying their many political dead, a Republican governor once given up for dead was enjoying a landslide victory. Alabama Gov. Bob Riley was re-elected last week, beating long-popular Lt. Gov. Lucy Baxley with more than 58% of the vote, including an impressive 20% of the black vote. His victory was not simply the result of Alabama being a Republican state: Democrats won the two next most prominent statewide races, those for lieutenant governor and Supreme Court chief justice. In Alabama as elsewhere, this was a Democratic year -- with the notable exception of Mr. Riley, a conservative reformer in cowboy boots, with a cheerful, Reagan-like demeanor.

Three years ago, few observers believed that he could ever win again. A businessman who began his post-college career by selling eggs door-to-door (literally), later to sell his hens and build a business of car dealerships and a trucking company, Mr. Riley was a relatively obscure three-term congressman when he ran for governor in 2002. In that race, he barely squeaked past scandal-plagued Democratic incumbent Don Siegelman by a lawsuit-challenged 3,120 votes.

During his first year in office, Mr. Riley pushed an ambitious, complicated tax-reform proposal that was part of a multiyear plan to shift revenues to under-funded departments such as law enforcement while relieving the tax burden on low-income workers. Derided (a bit misleadingly) by opponents as a huge tax increase -- although far more people would have enjoyed a tax cut than endured a tax hike under the proposal -- the initiative was destroyed in a statewide referendum, receiving only 32.5% of the vote. Pundits immediately pronounced the governor a total goner.

How, then, did Mr. Riley recover from such political disaster to win re-election so resoundingly? Not just Mr. Riley but editorial writers across the state will readily identify his successes in the "Three Es": economic development, education and, not least, ethics. Consider the statistics: An unemployment rate that dropped to an astonishingly low (especially for Alabama) 3.3% from 5.3%; school test scores rising, especially in reading proficiency in at-risk schools blessed with the Riley-backed (and nationally copied) Alabama Reading Initiative; and public standards of ethics combined with radically open government records, along with measurable performance standards imposed on every department of state government.

These accomplishments stand in marked contrast to the record of Mr. Siegelman, who presided over a budget crisis and now stands convicted of bribery and other infractions.

In his Birmingham hotel suite an hour before the polls closed Nov. 7, during a lengthy conversation sandwiched around a friendly phone call from Florida Gov. Jeb Bush, Mr. Riley explained with great depth and detail -- not to mention a guileless enthusiasm -- how it was that his administration so impressed the voters.

"I think people appreciated that after [the tax reform initiative] failed, we turned around and did exactly what the people told us to do. We cut half a billion dollars out of [an already tight] budget . . . We put a new economic model together for Alabama, and it has been remarkably successful . . . We found a way to cut taxes anyway [chiefly by raising the earnings threshold below which workers pay no income tax], and we got really good grades when the hurricanes came through."

Alabama has been ravaged by three hurricanes during Mr. Riley's tenure, and the state's response each time was a model of effectiveness. Listen to Howard Shell, since 1986 the mayor of Atmore (pop. 8,000): "Ivan and Dennis both hit us hard. . . . For the city of Atmore, Gov. Riley was really responsive when we really needed it. Just one phone call to him, and he began to make things happen. He got us extra law enforcement right away, he got forestry experts , he got all the state agencies to help in every way. . . . He's one of the most proactive governors we have had, the best we've had since I've been here."

Mr. Riley's particular genius, meanwhile, has been evident in his efforts at business development. He consolidated nine different state agencies charged with economic development into just one, hired top-notch administrators and used federal grants more wisely by paying attention to small details such as re-routing small roads, building water tanks and improving the state's job-training agencies so that they provide what he calls "job-specific, product-specific, even company-specific training."

For four years running, Southern Business and Development Magazine has named Alabama its "state of the year." Site Selection magazine ranked the Alabama Development Office as the top such agency in the nation. And even in the state's rural, long-impoverished "Black Belt" (so named for the color of its loamy soil), unemployment has dropped to 7.7% from many years in the double digits, largely due to initiatives by the Riley-created Black Belt Action Commission.

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Elsewhere, Mayor Harold Crouch of Chatom (pop. 1,204), a self-described political ticket-splitter, tells of how Mr. Riley has made the state capitol "acceptable to rural Alabama again." Just by helping with infrastructure such as water service and a little paving and earth-moving, Mr. Riley's team made it possible for Chatom to land a plant of A.C. Manufacturing, a garment company, with 152 jobs. "It would not have occurred if the governor had not personally stepped in to help," Mr. Crouch said.

Thus did Mr. Riley run for re-election as a genial, tax-cutting, budget-cutting, crisis-handling, job-creating, education-boosting, utterly scandal-free reformer. Every major newspaper in the state -- conservative, moderate and liberal alike -- endorsed him for another term. Interesting how that works.

In his victory speech on election night, Bob Riley put himself on the line by urging the people of the state to "demand a higher level of excellence from state government than you have ever demanded before." Judging from the election results, Alabamians think that type of excellence already is housed in their governor's mansion.

McCain Committee Lays Groundwork For '08 Bid (USAT)

By Jill Lawrence

USA Today, November 16, 2006

WASHINGTON — Arizona Sen. John McCain, a leading White House prospect, today is forming a presidential exploratory committee in order to start amassing money for the 2008 Republican nomination contest.

The committee, to be registered with the Federal Election Commission, will allow McCain to promote a potential candidacy before he officially enters the race. He says he'll make a final decision with his family over the Christmas holidays.

McCain, 70, was a prisoner of war in Vietnam. He showed appeal to moderates and independents in his bid for the 2000 GOP nomination against George W. Bush.

Since then, McCain has made overtures to conservatives and built a national network of activists and fundraisers. He appeared at 346 events and raised $10.5 million for GOP candidates this year.

McCain's new committee will file quarterly reports to the FEC. It already has a website — www.exploremccain.com — that will do a live webcast of a major speech McCain is giving today to GOPAC, a group that fosters Republican candidates at the state and local level.

“We are not under the radar,” said Rick Davis, director of the committee. “We wanted to get people paying attention to the speech.”

Asked to choose a presidential nominee in a USA TODAY/Gallup Poll in the past week, 26% of Republicans and independents who lean toward the GOP picked McCain. Former New York mayor Rudy Giuliani, who formed an exploratory committee last week, was first at 28%.

Another Republican, former Wisconsin governor Tommy Thompson, said he will create an exploratory committee after Jan. 1, the Associated Press reported Wednesday. Iowa Gov. Tom Vilsack, a Democrat, has done so already.

New York Sen. Hillary Rodham Clinton leads potential Democratic nominees in polls. Among Democrats and independents who lean toward the Democrats surveyed, 31% supported Clinton.

If Clinton runs, she would start with millions of dollars left from her Senate race this year. McCain could put about $1 million toward a bid.

Primaries begin in January 2008, so candidates must raise most of their money in 2007. They can get federal help if they limit primary-season spending, but major candidates ignored the limits in 2004. Bush raised about $270 million before he was nominated; Democrat John Kerry raised $235 million.

McCain Takes Step Toward White House Bid (AP-Y)

AP, November 16, 2006

Republican Sen. John McCain will file paperwork with the Federal Election Commission on Thursday to create a presidential exploratory committee, his aides said Wednesday.

The Arizona senator also launched a Web site — http://www.exploremccain.com — that allows supporters to donate and join his effort. His speech before the conservative group GOPAC on Thursday will be broadcast on the site.

The move was expected — the senator discussed it Sunday on national television. McCain insists he won't make a final decision about running for president until after the Christmas holidays.

McCain, a former Navy pilot who was a prisoner of war in Vietnam, ran for president against George W. Bush in 2000 and lost in a bitter two-way race.

If McCain were to run again, he would turn 72 on Aug. 29, 2008, at the height of the campaign. Only President Reagan was older — 73 at the start of his second term.

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McCain Moves Toward '08 Presidential Run (LAT)

By Janet Hook

The Los Angeles Times, November 16, 2006

WASHINGTON — Striding through the wreckage of the midterm election, Sen. John McCain (R-Ariz.) will take a major step today toward a 2008 presidential bid by announcing he has established a committee to formally explore a campaign and making two major speeches laying out his vision for the future of the GOP.

McCain has been considered the front-runner for the Republican nomination in a field that changed rapidly after the tumultuous midterms.

In response to the party's big losses, McCain has been moving to make a fresh appeal to the surly voters who helped end GOP control of the House and the Senate — Republicans and independents angry about government corruption and excessive spending.

That anger contributed to Democratic gains in 2006, but it may open a political opportunity for McCain in 2008 by highlighting concerns about lax ethics and pork-barrel spending — his signature issues.

"For years he's been on a one-man crusade against wasteful spending in Washington," says a biography of McCain on http://www.exploremccain.com , the website launched Wednesday by his exploratory committee. "Because of his crackdown on waste in government, he's been nicknamed 'The Sheriff.' "

But the midterms underscore a growing risk for McCain on another front: Polls show that a majority of voters disapprove of the war in Iraq and want at least some troops withdrawn, and McCain is almost alone in calling for a larger deployment. He reinforced that position Wednesday when, at a Senate hearing, he upbraided military leaders for not calling for more troops.

"I'm of course disappointed that basically you're advocating the status quo here today, which I think the American people in the last election said … is not an acceptable condition," he said.

Other potential White House contenders are jockeying for position as well. On Wednesday, former Wisconsin Gov. Tommy G. Thompson, secretary of Health and Human Services in President Bush's first term, said he intended to form a presidential exploratory committee.

Earlier this week, former New York Mayor Rudolph W. Giuliani also took a step in that direction. Massachusetts Gov. Mitt Romney is courting evangelical Republicans. Rep. Duncan Hunter (R-El Cajon) has announced a longshot White House bid.

But allies of McCain, whose maverick streak is thought to have cross-party appeal, say he is in the best position to thrive in the aftermath of election results that illustrated the GOP's weakness among independents.

"John is probably emboldened to run for president because our party is adrift in areas where I think he has a lot to offer," said Sen. Lindsey Graham (R-S.C.), a McCain ally.

McCain has said he will make no decision about running until he and his family discuss it over the Christmas holiday. But rarely does a person set up an exploratory committee and decide not to run. Having such a committee allows potential candidates to raise money and begin establishing a political organization while they are testing the waters for a formal run.

McCain's speech today to GOPAC, a conservative political group, is intended as his first broad assessment of the state of the GOP and how he would lead it. A source familiar with the speech said McCain aspired to fill the post-midterm political vacuum in the same way Ronald Reagan did in a fabled speech after the GOP lost the White House in 1976.

McCain has been arguing that Republicans lost ground this year because the party strayed from its conservative principles of fiscal restraint and political reform with a spate of scandals, the creation of expensive programs like the Medicare drug benefit and the proliferation of pork-barrel spending.

"We Republicans have lost our way," McCain has said. "We came to Washington to change government, and government changed us."

McCain also will speak today to the Federalist Society, an organization of conservative lawyers that has been at the heart of bitter Senate debates over confirmation of Bush's judicial nominees. That faction of the party was furious with McCain and others in a bipartisan group of senators, nicknamed the Gang of 14, who last year blocked a bid by GOP leaders to deny Democrats the right to filibuster judicial nominations.

Conservative lawyers aren't the only ones in the GOP base who view McCain with suspicion. He alienated social conservatives with a 2000 speech harshly critical of the influence of evangelical leaders in the GOP. His support for giving illegal immigrants a path to citizenship, his concern about global warming and his opposition to Bush's tax cuts have earned him ire from many on the right.

On the war, McCain risks alienating another constituency — the majority of Americans who said in exit polls that they wanted U.S. troop strength in Iraq reduced. McCain has been one of Bush's most stalwart supporters of the mission in Iraq, although he has been critical of the way the administration has prosecuted the war.

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He has argued that ending instability in Iraq requires a larger U.S. military presence. His advisors contend that whatever political risk McCain runs by taking that position, he would take a bigger risk of looking like a political opportunist if he reversed field and called for withdrawal.

"It's classic McCain," said Mark McKinnon, one of his advisors. "He's always willing to do the unpopular thing. Even people who disagree with him about the troops will feel, 'At least he's being straight with us.' "

But his critics say that because voters' emotions about Iraq run so deep, his views on the war will probably undercut his appeal to independents.

"Independents are concerned and angry about the war in Iraq, and John McCain has consistently said that we should stay the course," said Stacie Paxton, a spokeswoman for the Democratic National Committee. "If John McCain's political strategy is to appeal to independents, his position on the Iraq war is a serious problem for him."

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Ex-Bush Aide To Explore Presidential Run (AP-Y)

By Mike Glover, Associated Press Writer

AP, November 16, 2006

Former Wisconsin Gov. Tommy Thompson, who served as Health and Human Services Secretary in President Bush's first term, said Wednesday he intends to form a committee to explore a possible run for the White House in 2008.

"I intend to do so after the first of the year," the Republican said in reference to establishing an exploratory committee.

Thompson made the comments in Iowa, where he met with about 100 members of a group called Iowans for Wellness and Prevention. The state holds the first votes of the presidential nominating process.

Thompson, who will turn 65 on Sunday, spent nearly four decades in politics and government, including 14 years as governor. He resigned as HHS secretary in December 2004 shortly after Bush won a second term. His tenure at HHS was marked by anthrax attacks, a flu vaccine shortage and passage of the Medicare prescription law.

"We touched the third rail of politics and delivered on our promise to modernize Medicare with prescription drug coverage," Thompson said.

During his stop in Iowa, Thompson argued that his background as a Midwest governor and HHS secretary would appeal to voters.

"The three big issues in 2008 are going to be health, energy independence and the war in Iraq," he said.

Thompson faces a daunting task in what's expected to be a crowded field of Republican presidential candidates. Front-runner Sen. John McCain planned to file the paperwork for an exploratory committee on Thursday and former New York City mayor Rudy Giuliani recently took the first step in his bid.

Other potential candidates include Massachusetts Gov. Mitt Romney, Tennessee Sen. Bill Frist, Arkansas Gov. Mike Huckabee and New York Gov. George Pataki. California Rep. Duncan Hunter also has announced a presidential bid.

Thompson said more than 90 percent of spending on health care — roughly 16 percent of the gross national product — is for treating disease, while only about 8 percent is spent on prevention.

"To me that's just backwards," he said. "I want to try and transpose that."

Thompson had been the state's longest-serving governor when Bush named him to lead the department. He made his mark as governor by pushing for an overhaul of Wisconsin welfare laws, well before Congress and President Clinton took up the issue on the national level.

But a month after the Sept. 11 attacks, the nation faced its first case of bioterrorism in the form of anthrax attacks against government and media targets in Washington, Florida and New York.

Thompson generally escaped criticism, but lawmakers complained that the Centers for Disease Control and Prevention reacted slowly to the crisis.

In 2004, similar criticism was leveled at the Food and Drug Administration for its reaction to the loss of half the U.S. supply of flu vaccine because of contamination at a manufacturing plant in England.

The FDA also has come under fire for its handling of safety concerns about Merck & Co.'s Vioxx painkiller.

Thompson, meanwhile, was a key player in President Bush's AIDS initiative, a commitment of $15 billion over 5 years for treatment and prevention of the scourge overseas.

He traveled frequently to Africa. Thompson also used his AIDS role to trumpet his idea of medical diplomacy, investing in health care and medical facilities around the world.

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Born in Elroy, Wis., Thompson prided himself on his small-town roots as he won an unprecedented four terms as Wisconsin's governor. His father was a grocer. Thompson introduced himself to voters during his first gubernatorial campaign in 1986 as a proud son of Elroy — "located between Kendall and Union Center, north of Wonewoc and south of Hustler."

During his tenure, Thompson pushed the Milwaukee School Choice program, in which religious and private schools received up to $5,000 per pupil from the state to cover tuition for low-income Milwaukee students who otherwise would attend public schools.

Thompson occasionally flirted with the idea of going to Washington. He ran for Congress in 1979 but lost in the Republican primary and considered briefly running for president in 2000 but dropped the idea, saying he didn't have the necessary financial backing or support.

Analysis: Clinton Undecided On '08 Run (AP-Y)

By Beth Fouhy, Associated Press Writer

AP, November 16, 2006

Democratic Sen. Hillary Rodham Clinton's professed indecision about a presidential bid seems a bit disingenuous. After all, she has millions in the bank, a national network of supporters and an unrivaled team of political strategists. Not to be trumped by other potential candidates/authors, the former first lady plans to rerelease her best-selling book, "It Takes a Village."

Fresh off her landslide Senate re-election victory, the New York lawmaker has been inundated with questions about her political future. Although polls show her the front-runner for her party's 2008 presidential nomination, Clinton insists she's just starting the process of making a final decision.

"I will look at the possibilities, but I ... haven't really had the time to talk to people about it," Clinton said in New York earlier this week — the latest non-answer to the question that's dogged her incessantly since the midterm elections.

Clinton is under less pressure to disclose her intentions early thanks to money and her standing in several polls that put her ahead. An Associated Press-AOL News poll in late October found that, among registered Democrats, she essentially was tied with Illinois Sen. Barack Obama as the person they would most like to see elected president in 2008. The other White House hopefuls were in single digits.

Among registered black Democrats, she led Obama 29 percent to 10 percent on the same question in an AP-AOL Black Voices poll.

She has as much as $13 million remaining from her Senate run that can be used in a presidential bid, far more than lesser known candidates such as Iowa Gov. Tom Vilsack, who recently formed a campaign committee.

Advisers also insist it's Clinton's nature to deliberate, reaching out to activists, donors and operatives — particularly in states with key early contests such as Iowa and New Hampshire — before reaching a final decision.

As a roadmap, they point to her decision to run for the Senate in New York in 2000, when she was still first lady. Then, she spent months seeking counsel from numerous friends and advisers and went on a "listening tour" of the state.

Clinton's inner circle continues to operate in a virtual cone of silence, divulging little information and letting no stray words escape that could be seized upon or misinterpreted. Among those most knowledgeable about her plans are longtime political director, Patti Solis Doyle; communications director Howard Wolfson; strategist Ann Lewis; pollster Mark Penn, media adviser Mandy Grunwald; and former Democratic National Committee chairman Terry McAuliffe.

"The people who know what's going on aren't saying anything, and the ones who are talking don't know what's going on," said Jay Carson, a spokesman for another confidante — former President Clinton.

While Bill Clinton has been one of the biggest boosters of his wife's presumed presidential ambitions, even he has said publicly — as recently as last weekend — that he doesn't know what her final decision will be. He leaves shortly after Thanksgiving for a two-week tour of Asia on behalf of his foundation, suggesting a major announcement about Sen. Clinton's political future won't come anytime soon.

"Senator Clinton made it clear that she will begin focusing on this decision after the election, and she will," Wolfson said.

In the coming weeks, Hillary Clinton's best-selling book on raising children, "It Takes a Village," will be rereleased by Simon and Schuster. She has penned a new introduction describing how the "village" has changed in the 10 years since the book was first published. An audio version, with Clinton reading the book, also will be released.

In 1996, the book sold 700,000 copies and a year later, Clinton captured a Grammy award for her audio version.

This time, she will be competing with Obama's "The Audacity of Hope: Thoughts on Reclaiming the American Dream," which recently vaulted to No. 1 on The New York Times best-seller list. John Edwards, the 2004 Democratic vice presidential nominee, has embarked on a book tour to promote "Home: The Blueprints of Our Lives," a coffee-table collection of mini-memoirs that he edited.

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One factor influencing Clinton as she contemplates a presidential bid is the shift of power on Capitol Hill. Not only is Clinton poised to be part of a new Democratic majority, she likely will chair the Environment and Public Works Subcommittee on Fisheries, Wildlife and Water. The job will give her a platform on environmental issues, which former vice president Al Gore has largely claimed.

One New York Democrat familiar with Clinton's thinking said people have underestimated her desire to be a senator and the impact of the newfound majority status. Those factors may work against a presidential bid.

Still, many skeptics laugh off any suggestion Clinton might not run.

Dick Morris, a longtime political strategist for both Clintons who has become a vehement critic in recent years, said she has made a pretense of indecision because she didn't want to risk her re-election to the Senate. He calls her current process of deliberation "a charade."

Morris puts it this way: "If I were still an adviser of hers, and I called her up and said 'Hillary, I think you should run for president in 2008,' I would be laughed off the phone. It would be like saying, 'I think you should breathe.'"

Political Lessons (WP)

The Washington Post, November 16, 2006

THERE ARE lessons for both political parties in the conduct and outcome of the U.S. Senate race in Maryland this year. Republicans, whose Senate candidate was an African American man, discovered that identity politics and fraudulent campaign literature are not enough to drive African American voters into jettisoning their loyalty to the Democratic Party en masse. Democrats, who nominated white candidates for the Senate and every other marquee statewide race, were put on notice not to take their indispensable core constituency, African Americans, for granted. Both parties might profit from treating black voters, who account for between 20 and 25 percent of the state's electorate, with more respect.

In nominating Lt. Gov. Michael S. Steele to run for the Senate, the Republicans clearly hoped that his race would win black votes. Mr. Steele campaigned heavily in Prince George's County, where he lives, trying to drive a wedge between the county's largely black voting population and the Democratic Party. But his appeal was dimmed by his insistent fuzziness on matters of substance, coupled with an economic platform based on tax giveaways to the rich. At the same time, he used a sleek, gimmicky advertising campaign that sought to substitute personality for policy. It didn't work. Just 23 percent of Prince Georgians who voted, and a quarter of all African Americans in Maryland, cast ballots for Mr. Steele.

It is true that Mr. Steele attracted more black votes than Republican candidates generally do in Maryland. But even that was tainted by a crude, eleventh-hour trick engineered by Republicans: the distribution of pamphlets in Prince George's blurring Mr. Steele's Republican affiliation and falsely suggesting that key black Democrats were supporting him. The pamphlet took Prince George's African American voters -- among the nation's best-educated -- for fools. Little wonder that many of them reacted with indignation and hostility. If Republicans are truly interested in wresting African American voters from the Democratic Party, they should try nominating candidates who campaign on substance, not symbols, and who treat all voters with equal respect.

The Democrats, who swept the statewide races, may feel they have less cause for introspection. That would be a mistake, because clearly some African American Democrats in Maryland feel the party has taken them for granted, despite the successful candidacy of the lieutenant governor-elect, Del. Anthony G. Brown, a rising star who is black. The Democrats' troubles began last year when the entrance of Kweisi Mfume into the Senate race was greeted with a profound silence by many in the party's hierarchy. Party elders, notably Rep. Steny H. Hoyer and state Senate President Thomas V. Mike Miller Jr., rushed to endorse Rep. Benjamin L. Cardin, the eventual winner, for the job. That was their right; after all, Mr. Cardin has been a leading political figure in Maryland for decades. But Mr. Mfume -- who had served on the Baltimore City Council, as a member of the House of Representatives and as president of the NAACP -- thought it unseemly that he received so little consideration from the party, and some black party stalwarts agreed. They have sent the party a message that its leadership would be wise to heed.

Bush's Asia Trip To Focus On Trade, Terrorism (LAT)

By James Gerstenzang

The Los Angeles Times, November 16, 2006

SINGAPORE — President Bush arrived here today to begin an Asian tour knitting together the twin issues of economic security and counter-terrorism that are at the center of his agenda for the final two years of his presidency.

Over five days, the trip will take Bush from Singapore to Hanoi, for a Pacific Rim economic summit, and to Ho Chi Minh City and Indonesia, where he will seek cooperation in the campaign against terrorism.

Bush, who left Washington on Tuesday, spent two nights aboard Air Force One, flying by way of Moscow.

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During a refueling stop Wednesday at Vnukovo II International Airport, the president and First Lady Laura Bush spent about 90 minutes with Russian President Vladimir V. Putin, and his wife, Lyudmila, lunching on Kamchatka crab, pancakes with red and black caviar, and other Russian delicacies.

The Russian news media said the presidents discussed efforts to persuade Iran to freeze its nuclear enrichment program and Russia's accession to the World Trade Organization, which will probably get a boost in Hanoi.

Bush's trip is centered on a three-day visit to Vietnam, his first and the second by a U.S. president since the end of the Vietnam War. President Clinton visited in November 2000, two months before leaving office.

Although the Asia-Pacific Economic Cooperation summit is focused on economic and trade issues, it takes place against the backdrop of the anti-terrorism campaign, the rise of China as an economic and diplomatic presence, and the loss of Republican Party foreign policy dominance after the congressional election.

"All Asian friends will be watching initially President Bush and his team in terms of his body language, his statements, to see whether he will be weakened or committed to going forward with a broad and purposeful agenda in Asia as a whole," said Kurt Campbell, a former senior Pentagon official and senior vice president of the Center for Strategic and International Studies, a Washington think tank.

One of the first tests of Bush's ability to move forward is the challenge posed by North Korea's explosion of a nuclear device on Oct. 9. It will probably be a central topic on the sidelines of the summit.

Speaking with reporters last week, Stephen Hadley, Bush's national security advisor, said there was a possibility that the government in Pyongyang "would take some action" during the summit to demonstrate its belligerence.

As the place where the foreign policy of several U.S. presidents went awry, Vietnam will prove a challenge for Bush.

Critics may find it easy to draw parallels between the war in Iraq and the war in Vietnam: fighting with no sign that the administration's political goals are being met; a steady drain on the U.S. military; daily casualty reports in the news media; popular opinion in the United States and beyond turning against the president; and growing evidence of civil war.

For Vietnam, Bush's visit is part of a diplomatic coming-out party more than 31 years after the communists' victory led to the country's unification.

The 21-member Asia-Pacific Economic Cooperation forum is being held in Vietnam for the first time, lending legitimacy to the Hanoi government and recognition to its powerful economic engine.

Vietnam's economy has grown dramatically after the introduction of market reforms. Last year, it grew at a rate of 8.4%, although per-capita income was a meager $638.

The annual meeting of the Asia-Pacific Economic Cooperation forum, which was established in 1989, brings together leaders from the Pacific Rim with the goal of advancing economic growth, opening trade and promoting trade-related security.

The participating countries account for 40% of the world's population, 56% of its economic output and 48% of world trade.

For Bush, Singapore is an appropriate launching point for a trip linking economic, diplomatic and security concerns.

The country has been a historic center of Southeast Asian trade, has maintained close ties with the United States, particularly to Republican presidents, and is an ally of the administration in the U.S.-declared war on terrorism.

With connections throughout the region, Singapore also offers Bush perspectives on China's growth and conditions in Indonesia, the most populous Muslim nation, said Campbell, the think tank analyst. Bush's final stop there Monday has been limited to about six hours because of security concerns.

The president scheduled a series of meetings with Singaporean leaders today, followed by a speech at the National University of Singapore that is expected to focus on economic security and the fight against terrorism, disease and poverty.

Before the afternoon meetings, the president was expected to tour the Asian Civilizations Museum, which features 1,300 artifacts of Chinese, Southeast Asian, South Asian and West Asian Islamic cultures.

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Times staff writer David Holley in Moscow contributed to this report.

Asians Ask How Elections Affect Trade (USAT)

By David Jackson

USA Today, November 16, 2006

SINGAPORE — As President Bush sorts out his relationship with the incoming Democratic Congress, some Asian leaders wonder whether last week's elections were a vote against free trade and their countries' economic opportunities.

The new Democratic majority in the U.S. House of Representatives and Senate, including members who say free trade leads to American job losses, makes trade a timely topic for Bush's visits this week to Singapore, Indonesia and an economic conference in Vietnam.

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"I know people in various governments around the region who are concerned," said Edmund Sim, a Singapore attorney who has worked on trade agreements.

In Indonesia, Foreign Minister Hassan Wirajuda told reporters that "like some other countries that are currently discussing free-trade areas, we are very worried."

The United States had a $373 billion trade deficit with Asian countries in 2005, representing nearly half of its overall $767 billion trade deficit. The red ink was led by a $202 billion deficit with China.

The United States had small trade surpluses with a few Asian nations, including Hong Kong and Singapore.

Bush arrived this morning (local time) in Singapore, a gleaming city synonymous with international barter since Britain's Sir Thomas Stamford Raffles established a trading post here in 1819.

As Air Force One refueled in Moscow, Bush had lunch with Russian President Vladimir Putin. The two leaders discussed the nuclear ambitions of Iran and North Korea.

Tonight, Bush delivers a major speech on U.S.-Asian relations that will include a renewed commitment to what national security adviser Stephen Hadley called "trade liberalization."

Delegates to the Asia-Pacific Economic Cooperation forum, to be held this weekend in Hanoi, will assess Bush's political strength in light of the election victories by the Democrats.

"They're going to be all looking to see how he plays the game after this political setback," said Michael Green, a former member of Bush's National Security Council.

Though the Iraq war dominated the midterm elections, some successful Democrats argued that American companies have used lower trade barriers to move jobs overseas.

Rep. Sherrod Brown, D-Ohio, who defeated Republican Sen. Mike DeWine, called for "renegotiating job-killing trade agreements." Brown wrote a book called, Myths of Free Trade: Why American Trade Policy Has Failed.

Sim, a native of Louisiana who has worked in Singapore for nearly a decade, says, "American consumers benefit tremendously from free trade," in terms of lower prices and product variety.

In what may be a preview of debates to come, the House failed Monday to muster the two-thirds vote necessary to approve normal trade relations with Vietnam, something Bush wants before the APEC summit. Ninety-four Democrats voted against the trade deal, along with 66 Republicans. The House may try again in December.

Another test will come next summer, when the new Congress decides whether to continue giving presidents the power to negotiate trade agreements that cannot be amended and require only an up-or-down vote. This is known as "fast track" authority.

Democrats plan to seek greater oversight and enforcement capabilities to protect U.S. jobs. Sen. Max Baucus, D-Mont., in line to be chairman of the Senate Finance Committee, wants to create a chief enforcement officer in the U.S. trade representative's office.

"Moving forward on aggressive trade initiatives requires that we tackle — with equal vigor — their domestic consequences," Baucus said recently.

Rep. Jim McCrery, R-La., who will be the top Republican on the House Ways and Means Committee, says the trend away from unfettered free trade has been building for some time. He notes the coalition that supported President Clinton's effort on the North American Free Trade Agreement between the United States, Canada and Mexico has shrunk.

Simon Tay, chairman of the Singapore Institute of International Affairs, notes the Bush administration has discussed an overall "free-trade area" for Asian nations, an idea to be reviewed at the economic forum in Vietnam. Tay said a Democratic Congress and the "looming end of fast-track approval" puts a lot of "pressure" against that concept.

Paul Rosenthal, an international trade lawyer in Washington, predicted Democrats will probably seek restrictive trade agreements that would include requirements that trading partners abide by international labor and environmental standards.

"I don't think there will be an end to free-trade negotiations," Rosenthal said. "But I do think there's going to be a lot closer scrutiny."

Bush Seeks To Reassure Allies On Trade (AP-Y)

By Terence Hunt, Ap White House Correspondent

AP, November 16, 2006

President Bush is seeking to reassure nervous Asian allies that the United States will remain a reliable partner in liberalizing trade, confronting North Korea's nuclear threat and fighting terrorism after an election upheaval back home.

In Bush's first overseas trip since Republicans lost the House and Senate, world leaders are looking for any sign of change since the election repudiation of his Iraq policy.

In an early embarrassment for Bush, the House failed to approve normalized trade relations with Vietnam — a move Bush wanted completed this week. Instead, Congress probably will consider it in December.

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Bush's eight-day journey takes him to Singapore, Vietnam and Indonesia. A week later, he will be in Europe for a summit of NATO leaders. The two trips will take him away from Washington at a crucial time when the postelection, lame-duck Congress is dealing with issues the White House has deemed vital.

The president planned to outline the themes of his trip with a speech in Singapore on Thursday, emphasizing how the United States and Asian nations can work together.

"The Asian leaders will be looking at President Bush's body language," said Mike Green, who until earlier this year was senior director for Asia at the National Security Council. "They know he's the commander in chief. They know that he has two years left, but they're going to be all looking to see how he plays the game after this political setback."

En route to Singapore, Air Force One stopped in Moscow for refueling. Russian President Vladimir Putin and his wife, Lyudmila, came out to the airport to greet Bush and his wife, Laura, on a red carpet. Bush's stop was a pointed gesture of friendship toward Putin, whose support Bush needs in dealing with North Korea and Iran. Typically, U.S. presidents heading for Asia fly west, not east, and refuel in Alaska.

National Security Adviser Stephen Hadley, talking to reporters aboard Air Force One after Bush left, said the presidents "talked a little bit about proliferation generally" with regard to Iran and North Korea.

Russian news agencies quoted Kremlin spokesman Alexei Gromov as confirming that a bilateral agreement on Russia's accession to the World Trade Organization was being readied for signing in Hanoi.

While the Republican election defeat was cheered by many in Europe, where Bush is highly unpopular, it is a different story in Asia. Many Asian nations are nervous about the rise of China and look to the United States to be a force of strength and continuity. They will be watching for Bush for possible signals.

Along with trade and regional security, the trip will deal with issues such as avian flu, the battle against government corruption, the promotion of freedom and curbing of poverty. Southeast Asia also is an area with active al-Qaida-linked terrorists.

On Friday Bush will travel to Vietnam for the annual summit of 21 Pacific Rim leaders.

On the summit's sidelines, Bush will meet individually with his partners in talks aimed at persuading a defiant North Korea to abandon its nuclear weapons program. He will meet on Saturday with Japan's new prime minister, Shinzo Abe, and South Korea President Roh Moo-hyun and on Sunday with Putin and Chinese President Hu Jintao.

The leaders will explore how to proceed in the start-and-stop talks on North Korean disarmament. After testing a nuclear bomb Oct. 9, North Korea declared its willingness to return to the negotiations; no date has been set.

Worried about angering Pyongyang, South Korea has balked at Washington's demand that it fully join a U.S.-led effort to intercept North Korean ships suspected of carrying supplies for the North's nuclear and missile weapons programs.

Meanwhile, this week's setback on normal trade relations with Vietnam could portend tough times for other trade legislation when the Democrats take over Congress in January. Many Democrats see trade liberalizing legislation as a threat to American jobs. Bush's authority to negotiate a "fast-track" agreement that can be submitted to Congress for a simple yes-or-no vote without amendments is due to expire on July 1, 2007.

Regarding congressional inaction on Vietnam trade relations, Hadley said, "It is unfortunate that it could not have been done before the president arrived, but I think the message for the Vietnamese people will be, 'This is going to get done.'"

After 3 1/2 days in Vietnam, Bush will visit Indonesia, the world's largest Muslim-majority nation. The president will stop in Hawaii on his way back to the United States and have breakfast Tuesday morning with troops at Hickam Air Force Base before returning to Washington.

Blow To Bush As Vietnam Trading Bill Rejected (FT)

By Alan Beattie And Amy Kazmin

Financial Times, November 16, 2006

The administration of President George W. Bush scrambled on Wednesday to play down the significance of the US House of Representatives defeating a motion to treat Vietnam as a full trading partner.

The leadership of the House, which remains in Republican hands until the newly elected Democrat-controlled Congress takes over in January, decided on Tuesday night not to call for another vote on the bill to grant Vietnam so-called “permanent normal trade relations” after it failed to get the requisite two-thirds majority on Monday.

Though the bill is very likely to pass when Congress reconvenes in December, the timing of the vote, days before Mr Bush attends the Asia-Pacific Economic Co-operation (Apec) forum in Vietnam is highly unfortunate for the White House.

Susan Schwab, US trade representative, used a press conference in Hanoi on Wednesday to argue that the defeat arose from procedural problems, not fear of Vietnam or rejection of trade deals.

“You have to be a student of our congressional system to understand the vote,” she said. “The fact is that there was strong bipartisan support in favour of permanent normal trade relations for Vietnam in the House of Representatives.”

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The House of Representatives voted 228 to 161 to pass the bill. But it failed to reach the two-thirds majority required under the expedited procedures used.

The bill commits the US to giving Vietnam the same privileges as any other member of the World Trade Organisation, which Vietnam is due to join next year. It is largely symbolic but observers said Hanoi may not quickly forget the diplomatic embarrassment the US has caused it at a moment when it is under intense global scrutiny as the host of an important regional economic forum.

"What a screw-up," said Fred Burke, a partner at the law firm Baker & McKenzie in Ho Chi Minh City. "It's a disaster. It undermines so much of the goodwill and co-operative atmosphere that is really strong right now."

The failure to pass the bill caused irritation within the administration about Republican mismanagement of the House. But there was also dissent from the party that will make it harder to form a bipartisan majority on trade. Ted Poe, a Texas congressman, said he and other Republicans would continue to vote against the pact and might challenge future bilateral deals, such as the free trade agreement with Peru.

Adam Sitkoff, executive director of the America Chamber of Commerce in Hanoi, said he was disappointed the vote would be delayed but confident it would pass in December. "There is strong bipartisan support and the new Democrat leadership voted in favour of this bill," he said.

Trade Bills Now Face Tough Odds (NYT)

By Steven R. Weisman

The New York Times, November 16, 2006

WASHINGTON, Nov. 15 — The Bush administration says it has no higher global economic priority than to combat rising protectionism. This week the challenge became harder and more complicated.

Like a lightning bolt that illuminates a dark landscape, the failure by the House to pass what should have been a routine measure sought by President Bush to extend normal trade relations with Vietnam shows how much harder it will be to win approval of trade bills from now on.

Administration officials said Wednesday that they still hoped the Vietnam trade bill would be approved by the end of the year in the lame-duck Congressional session that continues to be led by Republicans. They said the same for other bills that would grant trade preferences to poor countries in Asia, Africa and Latin America.

But after an election in which many winning Democrats ran on promises to look more skeptically at trade measures, Democratic leaders and trade lobbyists agreed that, at least next year, the administration is going to have to adjust to a new environment and make concessions in order to get such bills through a Democratic-controlled Congress.

Among the concessions might be greater efforts to get trading partners to crack down on sweatshops and labor abuses and to respect environmental standards and other types of regulations in their countries. Trade deals may also have to address what sorts of goods the American government can procure from overseas.

"The election was a reaffirmation of public skepticism on trade deals," said Lori Wallach, director of Public Citizen's Global Trade Watch, a group founded by Ralph Nader. "There's going to be a majority for trade deals, but it's going to be a different majority than the one we're used to. The skeptics are going to have a say."

This was also the view of groups advocating trade agreements representing big business.

"We're optimistic about working with the new Congress, but we're going to have to show some flexibility," said Christopher Wenk, director of international trade policy at the National Association of Manufacturers. "Labor is going to have to play a more prevalent role, and environmental issues are going to have to be addressed."

The Vietnam bill passed by a majority, but it fell short of the two-thirds majority needed under special rules invoked to speed its consideration on the eve of Mr. Bush's trip to Hanoi, his first visit to the country with which the United States fought a war a generation ago.

The result was an embarrassment for the White House, suddenly deprived of a tangible way to prove that relations with Vietnam were improving under Mr. Bush. Even administration officials said they were not sure why the bill failed and seemed ready to blame Republicans as well as Democrats.

A day after Republican leaders decided not to even try to pass the bill before Mr. Bush's visit, new details of the inner workings of the House bill were emerging. Legislative aides said Republican skeptics of the bill were furious with their leaders that it was being scheduled so soon after an election in which trade was an issue.

More than 60 Republican voted against the measure, an unusually high number for a party that stands for free trade. Misgivings about improving relations with Vietnam three decades after the war were cited as a factor in their dissent.

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So was a general feeling of resentment toward Representative Bill Thomas, the California Republican who is outgoing chairman of the Ways and Means Committee, whose style of running the committee is criticized by Republicans and Democrats as autocratic and doctrinaire.

On the Democratic side, the issue was complicated as well. Democratic leaders like Representatives Nancy Pelosi, set to become House speaker, and Charles B. Rangel, the expected chairman of the Ways and Means Committee, supported the Vietnam bill. Their offices noted that more than 90 Democrats voted for it.

Mr. Rangel said he would handle trade legislation differently from Mr. Thomas and consult lawmakers about their ideas before the vote. He said trade actually offered more of a prospect for bipartisan cooperation than other issues like taxes, Social Security and Medicare.

"With all the other big-ticket items we're facing, trade is one issue that could be more easily dealt with in a bipartisan way," Mr. Rangel said in an interview. "In the past, Republicans never welcomed working with us, except to tell our trading partners that it was the Democrats who were holding up trade deals."

Mr. Rangel said, however, that he did not think trading partners would object to the kinds of concerns on labor, environment and other issues that Democrats would be raising. "I have not heard one representative of any government objecting to any suggestions by Democrats," he said.

Trade officials say that dictating labor, environmental and regulatory standards of American trading partners is not as easy as Mr. Rangel and the Democrats assert in the current environment as European, Latin American and Asian countries are making trade deals with each other that could freeze out the United States.

"We do not have the luxury of standing on the sidelines," said an administration trade official, asking not to be identified discussing tactics in Congress. "We have got to be in the game. We have to get preferential access."

The Vietnam deal was especially upsetting to the American textile industry, which has been reeling from a succession of trade deals with Mexico, the Caribbean and China over the last 10 years. Some worried that the Vietnam arrangement might allow cheating by China to circumvent curbs on its exports by going through that country.

Democrats denied Republican claims that they were under pressure from their labor supporters to vote against the Vietnam deal. They said the vote on Monday evening demonstrated that, while about half the Democrats in Congress might vote against future accords — and indeed most Democrats opposed trade deals even under President Bill Clinton — there should be enough Democrats to join with Republicans to pass some measures. Whatever happens on Vietnam and the pending deals with poor countries, the vote this week was not seen as good news for a future global trade accord, which is hung up on the issue of farm subsidies and tariffs.

The Bush administration has made it clear that it cannot offer to reduce its current level of $20 billion in farm subsidies in return for modest access to European, Indian, Indonesian and Brazilian markets for American goods. Such access seems not to be in the offing, and therefore many trade experts are pessimistic about getting a global deal.

Bad Start For Bipartisanship On Trade Issues (FT)

By Alan Beattie And Eoin Callan

Financial Times, November 16, 2006

Never mind the Democrats: it's those Capitol Hill Republicans you need to watch out for. That was the conclusion of frustrated Bush administration officials as they blamed the ineptitude of the Republican leadership of the House of Representatives for trying and failing to rush through the Vietnam trade bill on Monday.

As one frustrated official put it on Wednesday: "The bottom line is that we can't blame this one on the Democrats." While some Democrats have been warning that they will scrutinise trade agreements much more closely when they take over the House and Senate in January, the Democrat vote on Monday divided almost evenly for and against – more favourable than for many trade bills. It was the failure of some Republicans to turn up, along with 66 who voted against, that did for the bill. Some speculated that the votes against might have reflected congressional Rep-ublican resentment towards the White House after the heavy defeats of the mid-term elections.

"If they had not used the suspension calendar, this would probably have been seen as a huge bipartisan victory," the administration official said. The official was referring to the accelerated "suspension" process chosen by the House Republican leadership to push the vote through before this weekend's Asia-Pacific Economic Co-operation (Apec) meeting in Hanoi. Though the bill will very probably be passed when it comes up again early next month, it is a bad start for the administration's attempts to achieve cross-party support for trade liberalisation on Capitol Hill.

The White House will face a tough challenge selling any new trade deals to a House and Senate both controlled by Democrats. In particular, it looks ever more quixotic to attempt to turn the Apec forum, which meets this weekend in Hanoi, into a giant free trade agreement of Asia-Pacific (FTAAP), as suggested by some.

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The Apec heads of government will call for feasibility studies of the possibility of melding the 21 members of Apec into a trade pact. But since such a deal would involve the US promising even more trade liberalisation with China, a key member of the bloc, it looks to most like a non-starter. Even some Democrats promising bipartisanship on trade issues balk at going any further with China until they are happy it is playing by the rules it has already signed up to.

Barack Obama, a contender for the 2008 Democratic presidential nomination, said frustration over relations with Beijing had emerged as a hot-button issue for "congressmen from states that have been hit by job losses in manufacturing". "There are a number of incoming congressmen that want a new approach to engagement with China," he said.

Even so-called "Blue Dog" Democrats – those with centrist pro-business policies – declare the first order of business on China is addressing outstanding differences over global imbalances, monetary policy, and enforcement of existing trade obligations.

"Democrats are anxious to start by sitting down with the Bush administration and hammering out these issues," said an aide to John Tanner, a leading Blue Dog in the House of Representatives.

US business groups also rejected suggestions of a regional FTA, saying the Doha round of trade talks remained the best hope. "We need to press China for results on unmet obligations," said Myron Brilliant, of the US Chamber of Commerce. And when even the fervently pro-trade hosts don't think a deal is a runner in the near future, it seems unlikely many will dissent. "Establishment of the Free Trade Area in Asia-Pacific cannot be realised in the near future," Tran Thu Hang, deputy director-general of the Vietnamese trade ministry's multilateral section, told the state-controlled Vietnam News. "The orientation of the current free trade agreements are such that it would require major changes in Apec's mechanism."

Bush, In Asia, Faces A Test Of Diplomatic Muscle (NYT)

By David E. Sanger

The New York Times, November 16, 2006

SINGAPORE, Thursday, Nov. 16 — President Bush arrived here Thursday morning in one of Asia's most prosperous corners, opening a five-day visit that will test whether the Republican defeat last week diminished his influence as he presses other nations to confront Iran and North Korea.

Stopping Wednesday in Moscow for refueling, Mr. Bush and his wife, Laura, had a 90-minute visit with President Vladimir V. Putin, which the White House described as largely social.

But it included some exchanges on efforts to get Russia to join a resolution imposing United Nations sanctions on Iran for its continued defiance regarding its nuclear program.

On the way here, Mr. Bush's national security adviser, Stephen J. Hadley, acknowledged that the two countries were still well apart on such sanctions.

"The issue is just what should be in the resolution," Mr. Hadley said after talking to his counterpart, Igor Ivanoff, in Moscow. "It's a little bit like sausage making — it's not pretty, and a lot of it spills out into the public. But I think the international community has held together on this issue, and I think we will again."

Russia has deep economic ties to Iran's nuclear power program — it is the supplier of nuclear reactors now under construction — and it has been the most reluctant to impose sanctions, saying they would undercut efforts to reach a negotiated settlement. Administration officials make little secret of their frustration that the year is coming to a close and Iran is continuing to enrich uranium.

Asked about seeking Iran's help with ending violence in Iraq while pressing the nuclear issue, Mr. Hadley said the administration had no intention of letting up the pressure to win Iran's help. "There's not a tradeoff between the two," he said. "Iran ought to have an interest in having a unified and stable Iraq."

In Moscow the Kremlin's spokesman, Dmitry S. Peskov, described the meeting of the presidents and their wives as brief but "very positive." He said that among the subjects they took up was an agreement, already announced, for Russia to enter the World Trade Organization.

When Mr. Bush arrives Friday in Hanoi, the Vietnamese capital, for an annual Asian summit meeting, he will face a more difficult trade issue: Congress balked at final passage of normal trade relations with Vietnam.

Mr. Bush had intended to bring news of the approval with him, but Mr. Hadley said that instead, he would tell Hanoi that he believed the problems in Congress — some with Mr. Bush's own Republican allies — would soon be resolved.

In Hanoi, Mr. Bush is also likely to have a testy encounter with President Roh Moo-hyun of South Korea. Mr. Roh has been critical of what he has called a one-sided American approach to North Korea, and earlier this week, he announced only weak sanctions against North Korea in response to its nuclear test on Oct. 9.

So far South Korea has declined to take part directly in the American-led effort to detect and seize illicit weapons shipments. Many North Korean ships pass through South Korean waters. American officials say that Mr. Roh, in a visit to

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Washington before the nuclear test, had indicated that if North Korea detonated a nuclear test, it would “change everything” in relations between North and South.

One of Mr. Bush’s senior national security aides, speaking in Washington before the president left, but declining to talk on the record about the friction between Washington and Seoul, said, “It seems to have changed almost nothing.”

Bush, Putin Discuss Iran, Korea (WT)

By Joseph Curl

The Washington Times, November 16, 2006

HANOI -- President Bush stopped off in Moscow yesterday to talk with Russian President Vladimir Putin about the nuclear proliferation efforts by North Korea and Iran before proceeding to Southeast Asia for an eight-day trade and economic trip.

Russian officials said the two leaders agreed to sign a deal next week that would help Russia join the World Trade Organization.

National Security Adviser Stephen J. Hadley said he and his Russian counterpart, Igor Ivanov, talked and said there is still general agreement on passing a United Nations resolution with consequences if Iran continues to pursue its nuclear program.

"We need a resolution, we need to show that there's some consequences, we also need to keep the door open to negotiations if the Iranians are willing to come and suspend" their program, said Mr. Hadley.

Taking leave of Washington -- a city he lost to the Democrats one week ago -- Mr. Bush arrived in Singapore today on a trip that will be long on economic and trade talks and short on U.S. politics -- even though his forthcoming stay in Vietnam will prompt comparisons to the flagging war in Iraq.

The White House said the president plans to focus his trip to Singapore, Vietnam and Indonesia on encouraging free trade and praising economic expansion in the ascendant nations. In a speech he will deliver today, the president will utter little of his usual rhetoric on foreign trips, when he often urges nations to step up in the fight against terrorism.

"In his remarks, the president will highlight the importance of Asia in the world and will discuss the ways in which the United States and Asian nations are partnering together to face the challenges of poverty, disease, terrorism, and energy security," said Mr. Hadley.

While Mr. Bush will be president for another two years, his loss of Congress considerably weakens his clout at home. One former White House adviser said the strong hand he held when he bucked the international community and invaded Iraq may be all but played out.

"The Asian leaders will be looking at President Bush's body language," said Mike Green, who is now an Asia specialist at the Center for Strategic and International Studies. "They know he has two years left, but they're going to be all looking to see how he plays the game after this political setback."

After two nights in Singapore, including one on which the president and first lady will attend a dinner with the prime minister, Mr. Bush will visit Vietnam for three nights. His first stop is Hanoi, where he will attend the 21-nation Asia-Pacific Economic Cooperation, a summit of Pacific Rim leaders and others seeking to open trade throughout the world.

At the annual summit, Mr. Bush will hold bilateral talks with leaders from South Korea, China and Japan, along with Mr. Putin, whom he met briefly during the red-carpet refueling stop yesterday. The four nations are part of six-party talks with North Korea, which has become increasingly bellicose, test-firing missiles on July 4 and detonating what specialists say was a nuclear device in October.

The talks, which include the United States and North Korea, have been stalled for a year, but aides to the communist nation's President Kim Jong-il last month said the leader is open to restarting negotiations over its nuclear ambitions.

Also in Hanoi, Mr. Bush will tour the Joint POW-MIA Accounting Command, where he will be briefed on efforts to locate or account for all of the nearly 1,800 U.S. service members still missing from the Vietnam War.

On Monday, Mr. Bush will spend a day in Ho Chi Minh City, formerly Saigon, where he will tour the stock exchange and attend a meeting on bird flu, which has killed more than 100 people in Southeast Asia.

Bush's Visit To Vietnam Sparks Hope In Little Saigon (LAT)

By Mai Tran

The Los Angeles Times, November 16, 2006

In the streets and marketplaces of Little Saigon, the talk is of optimism and new freedoms for a country many fled decades ago.

President Bush's visit to Vietnam today is seen in the nation's largest Vietnamese American community as a heartening, profoundly important event. For some, there is even the hope that the president will find a way to champion reform in a country that still evokes bitterness and memories of terrible times.

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"I've been waiting for this day," said Kimberly Ta, 61, of Anaheim, shopping with her father and friends at the Asian Garden Mall in Westminster. "I am hoping that his visit will make life better for the people of Vietnam."

Bush will attend the Asian Pacific Economic Cooperation summit in Hanoi as part of an eight-day tour. He is the second president to visit the Southeast Asian country since the former country of South Vietnam fell to the communists in 1975.

Many in Little Saigon, a bustling Vietnamese American community that sprawls through parts of Westminster, Garden Grove and Santa Ana, say it's the perfect time for Bush to voice their concerns.

"I just hope that President Bush tells Vietnam that human rights is important," said Janet Nguyen, a Garden Grove councilwoman. Bush "comes from a country that represents freedom and democracy; he needs to remind Vietnam that if they want to benefit from the free-trade market, they have to abide by the human rights laws."

Others suggested that Bush should be cautious in dealing with the Vietnamese government. Activists from San Jose have gathered outside the White House in recent weeks, asking Bush to demand that the communist nation embrace democracy before trade with the United States is normalized.

"It's only fair," said Ta, a homemaker who immigrated to the United States in 1981 under an Amerasian sponsorship program. She visits relatives in Vietnam every year and hopes Bush's visit will "somehow make it easier for the Vietnamese to travel abroad" so her family can visit her.

Many Vietnamese Americans still have family in Vietnam.

Thuong Dinh, a cashier at Pho Vien Huong Dakao restaurant in Westminster, visits Vietnam twice a year to see family. There have been vast improvements in basic freedoms and growing prosperity, but more needs to be done, he said.

"It's getting better," said Dinh, 45, of Westminster, who fled by boat in 1979. "It's 2006 already, not like it was 25 to 30 years ago, but of course we want to see more freedom."

Vietnam was on the brink of becoming the 150th member of the World Trade Organization but its membership failed to pass in the House this week. A decision could be made in December.

The membership would be only a gesture, many said, because trade is already taking place. In Little Saigon, food, clothing, furniture, music and pottery are imported and sold at local stores. Many businesspeople travel to Vietnam but keep their dealings secret, fearing a backlash from anticommunist activists. Anticommunist feelings run deep in Little Saigon.

For Thuy Reed, a 53-year-old San Pedro resident, the trade vote is nothing more than procedural.

Even without any restrictions, Bush should push for Vietnam to trade, supporters say.

Sitting in front of a boba drink shop in the popular two-story Asian Garden Mall, Reed said that "99.9% of the stores here are already getting their products from Vietnam. At least opening trade to Vietnam would give so many people opportunities and jobs. You can't punish the laypeople of Vietnam for the work of the communist government."

Nguyen, the Garden Grove councilwoman, said her opposition to the Vietnamese government had kept her from visiting her native country. She's tracking Bush's trip, hoping that somehow it will speed reform.

"If they open up and the political dynamics change, maybe one day, I'll get to visit my homeland."

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Rice Backs Trying To Restart Trade Talks (AP)

By Anne Gearan

AP, November 16, 2006

Secretary of State Condoleezza Rice endorsed an attempt to restart global trade talks that collapsed over the summer, telling Asian trade partners on Thursday that a new trade agreement is "critical to global prosperity and security."

Rice pledged $1 million in new U.S. funding for an Asian trade development initiative and unveiled a U.S. program allowing expedited visas and other services for approved business travelers from nations in the Asia-Pacific Economic Cooperation forum.

"We need to make it easier to do business in the region," Rice told an opening session of the 21-nation forum.

According to a draft of a statement Pacific Rim leaders plan to issue later in the annual summit, the leaders agreed to return to the current round of world trade talks, launched in Doha, Qatar, in 2001. The talks collapsed in July amid an impasse over farm trade concessions and other issues.

"Both as a trade issue and a foreign policy issue, the success of the Doha round is critical to global prosperity and security," Rice said.

APEC trade and economic ministers held talks in Hanoi on Wednesday hoping to get negotiations on a global agreement to slash trade barriers back on track. Fast action is needed if the World Trade Organization is to strike a deal before President Bush's authority to reach a trade deal that can be submitted to Congress for a simple yes-or-no vote without amendments expires in mid-2007.

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Also Thursday, Rice and other delegates at the forum conferred on the North Korean nuclear issue. The informal gathering was a substitute for a smaller and more structured session that the United States and Japan had hoped to hold on the sidelines of the APEC meeting.

China, which chairs six-nation talks aimed at shuttering Pyongyang's nuclear program, strongly opposed holding a session that excluded the North, which does not participate in APEC.

The United States, South Korea, China, Japan and Russia have offered impoverished North Korea a package of economic, political and energy incentives if it gives up its nuclear weapons. The North agreed to the deal in September 2005, but then backed away.

The six-nation talks have been mothballed for a year, during which North Korea test-fired a long-range missile and conducted an underground nuclear explosion that unnerved Asia and the West.

The North agreed in principle to return to the arms control negotiations after its nuclear test Oct. 9, and host China had hoped to schedule the session before the end of the year.

Before arriving in Hanoi, Rice suggested that the new round of talks may not come quickly.

"We need to take our time this time and make sure when we go to the table at the six-party talks there is a reasonable chance of a successful outcome," Rice told reporters.

Legwork is under way to make sure new talks are tightly structured and produce a result, Rice said. Two top State Department officials recently returned from planning meetings in Asia, and Rice predicted there will be more such visits. Rice herself will meet separately with the foreign ministers of China and South Korea during her stay in the Vietnamese capital.

"I'm a veteran of arms-control negotiations," said Rice, a specialist on the former Soviet Union. "It's not at all unusual that you have a lot of preparatory work in advance of any round of getting the actual negotiators together."

The draft APEC statement shows apparent differences among members on the appropriate way to deal with the threat of weapons of mass destruction. Two sentences about WMD are enclosed in brackets, meaning some members wanted that material deleted.

The draft does not mention North Korea, although the issue was high on the summit agenda. Envoys from South Korea, Japan and the United States were to meet Wednesday in Hanoi to hammer out a common strategy ahead of six-way nuclear talks that include North Korea.

The document does stress the importance of ensuring security to advance prosperity in the region, saying the leaders are "determined to continue efforts to combat terrorism."

In the Vietnamese capital, Christopher Hill, the top U.S. nuclear envoy, said Wednesday that talks with North Korea on its nuclear program won't succeed unless the communist regime lives up to commitments to abandon nuclear weapons in exchange for aid and security guarantees.

"I think we've all made very clear that we don't accept North Korea as a nuclear state," Hill said.

South Korean nuclear envoy Chun Yung-woo earlier called for real progress in the talks.

"If we do not make substantial progress, the future for the six-party talks will be very unclear," he said late Tuesday after arriving in Hanoi from Seoul. "There should not be talks for the sake of talks."

The comments were some of the strongest Chun has made about the North.

Vietnam Studies Roots In Corruption Battle (WT)

By Nicholas Kralev

The Washington Times, November 16, 2006

HANOI -- Vietnam's ruling Communist Party is turning to the ideology and social teachings of its founder, Ho Chi Minh, in an uphill battle against rampant corruption that has resulted in the dismissal of thousands of officials in recent years.

The Politburo instructed the party's local branches this week to begin a campaign "to encourage party members and the general public to study and follow [Ho's] virtuous personality."

By doing this, it said, "the party believes people will be able to effectively push back social evils" such as "corruption, waste and individualism," a reference to the diminished role of the individual in communist ideology.

"The party's offices and organizations will set up standards on virtue and lifestyle for cadres, party members and state employees," said the new directive, which was published by the official Vietnam News Agency.

All Vietnamese read Ho's teachings in school, but the party is worried that they either forget them as they grow older or give in to the vices of a modern and evermore developed economy, officials said yesterday.

The party has been embarrassed by the lengths to which some of its most senior members have gone for personal profit, one official said. "Thousands have been fired for corruption, embezzlement and graft."

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Some of those sacked include vice ministers and even the country's anti-corruption chief. According to press reports, Luong Cao Khai received money and land from oil and gas officials and secured jobs in the energy sector for his relatives.

Last year, several oil and gas officials received sentences ranging from four years to life in prison for causing losses to the state worth millions of dollars.

Earlier this year, a betting scandal prompted the party leader, Nong Duc Manh, to say that corruption "threatens the survival of our system."

Bets on soccer games worth $7 million were reportedly placed by the head of a government agency that handles hundreds of millions of dollars in foreign development aid for construction projects. According to local press reports, he lost $320,000 on a single match in Britain between Manchester United and Arsenal on Jan. 3.

Even Vo Nguyen Giap, the retired general who is revered for Vietnam's victories over both the French and the Americans, felt compelled to remark: "The party has become a shield for corrupt officials."

Another reason for the party's appeal for its members to revisit Ho's teachings is that ideology and traditional values are far from the minds of most young Vietnamese, officials said.

Vietnam has made impressive strides in the past decade in its quest to turn its previously planned system into a modern market economy.

It joined the World Trade Organization last week and is hosting the annual Asia-Pacific Economic Cooperation summit with 21 heads of state, including President Bush, this weekend.

But the United States, which is eager to fully normalize trade relations with Vietnam, is critical of the slow pace of political reforms. The Communist Party's rule remains unchallenged, and democracy and human rights activists are regularly harassed.

Two decades ago, the Vietnamese Communist Party, faced with a faltering central-planning economy, formally abandoned Marxist approaches and began introducing market elements as part of a broad reform package called "Doi Moi," translated as either "Renewal" or "Renovation."

Foreign Students Trickling Back To US (CSM)

By Howard Lafranchi, Staff Writer Of The Christian Science Monitor

The Christian Science Monitor, November 16, 2006

A modest rise in new enrollees from abroad begins to stem the post-9/11 drop-off, a report finds.

WASHINGTON

Karian Antoine, an elementary school teacher from the Caribbean island nation of St. Lucia, had long wanted to go beyond her two-year college degree. But the idea of furthering her education in the United States had never attracted her - especially, she says, after the terrorist attacks of Sept. 11, 2001.

Now, though, the Grade 4 teacher at a Catholic school for boys is working her way toward a degree from Virginia's Lynchburg College. She enrolled in Lynchburg's program to train special-education teachers, which the college set up in St. Lucia, and is now one of 23 foreign students at the small liberal arts school.

Antoine is part of a modest rise in the number of new foreign students in the US, the first increase after several years of declines after the 9/11 attacks. While educators hope it signals a return to America's status as a magnet for international education, they acknowledge that getting more students like Antoine to study in the US will take a more coordinated effort from the government and higher-ed institutions.

With just under 565,000 foreign students, the US remains the world's most popular destination for students looking to further their education in another country. But that number is still below the high point of 584,000 foreign students set in 2002-03. US government efforts to streamline the visa process for foreign students, after a post-9/11 tightening of access, is one factor in a return to a rising number in the 2005-06 school year, experts say.

But a global market for foreign students means that American colleges and universities face more competition today - in particular from countries like Britain, Australia, and Japan.

"The fact is that we are in a different place now in the international student market," says Victor Johnson, public policy director for the Association of International Educators in Washington. "Competition from other countries has increased, which means the US is actually getting a smaller share of the market."

The hotter competition helps explain why Education Secretary Margaret Spellings is in China, Korea, and Japan this week with a group of university presidents - a first-of-its-kind mission - to tout the virtues of American higher education.

One reason to fire up more foreigners about US study: their impact on the economy. International students pumped about $13.5 billion into the economy last year, notes the Institute of International Education, whose annual "Open Doors" survey this week reported the increase in foreigners studying in the US. That makes higher education the fifth-highest service-sector export, according to the Department of Commerce.

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As important as that is, officials say a broader national interest - one driven home by 9/11 - is the international understanding they believe results from international education. "The amount of money international students spend here is astounding, but [beyond that] are the benefits of increased contact ... between Americans and people [elsewhere]," says Paul Hiemstra, director of global education programs at the State Department. "Those direct contacts counter the stereotypes and misperceptions."

As part of an expanded effort to improve America's image abroad, the State Department is putting more emphasis on international exchanges in both directions, all under the stewardship of presidential adviser Karen Hughes. The effort includes streamlining the student visa process, making more information available to prospective students, and increasing contacts between US institutions of higher education and foreign governments, Mr. Hiemstra says.

These efforts are explained by a growing realization that the advent of a globalized world has forever changed the role of international education, experts say. "Higher education is beginning to say that without the international dimension, you just aren't educated," says Allan Goodman, president of the Institute of International Education.

New international realities will keep expanding the two-way street of international education, with high growth in the US, Mr. Goodman says. A separate survey showed the number of Americans studying abroad grew 8 percent last year, to more than 200,000. Forecasts anticipate that the number of students going outside their own country for part of their education will grow from 2.5 million today to 7 million in five to six years.

The International Educators' Mr. Johnson says the US share of that pie will grow only if the US learns from its international competitors and develops a public-private marketing plan.

Some American schools are already making such efforts. Yerlan Shildibekov, one of 30 Kazakhstani students at the Rochester Institute of Technology in New York, is benefiting from an agreement between his new school and Kazakhstan's government. He has a government scholarship but also financial benefits from RIT.

The anticipated outcome? "In a year I'll go home with a master's in electrical engineering," Mr. Shildibekov says. "But I'm living here with American roommates, so I hope to increase the understanding between America and my country."

Open Campuses (WP)

The Washington Post, November 16, 2006

WHEN IT COMES to attracting the best minds to America's universities and colleges, geography should not matter. So it is welcome news that after two years of decline, students from foreign countries are steadily coming back to U.S. college campuses. It's a trend that should be encouraged even more.

Foreign student enrollment was among the casualties of the Sept. 11, 2001, attacks. Concerns about homeland security and new restrictions on student visas resulted in long, unpredictable waits for entry into the United States. Students from other countries, believing America no longer welcomed them, went elsewhere. In the 2005-06 school year, though, according to a survey released Monday by the Institute of International Education, the number held steady at 564,766, and new enrollments were up about 8 percent. Credit goes to the State Department, which made foreign students a priority, adding workers to streamline the visa process and starting new recruiting and scholarship programs. Credit also goes to the educational institutions that put new energy into recruitment efforts.

This is a world of increasing competition and collaboration, and immeasurable good is achieved when barriers are torn down. Some of the students who come here today will lead their countries tomorrow, and even those who won't be leaders will leave with a better understanding and appreciation of America. While they are here, they make important contributions, such as teaching this country something about its international neighbors as well as helping the local economy. Consider, for instance, that the 7,600 international students in Washington end up pumping more dollars into the region than, say, the Washington Redskins.

Any doubt about the benefits of attracting foreign students should be erased when weighed against the fact that other countries have started their own programs to aggressively recruit these same smart students. This week a delegation of college presidents, led by education and State Department officials, is in Asia on a mission to recruit foreign scholars. America can't afford not to put out the welcome mat.

President Visits Briefly With Putin On Way To Asia (AP)

By Jennifer Loven

AP, November 16, 2006

MOSCOW, Nov. 15 -- President Bush, eager for Russian help in nuclear disputes with North Korea and Iran, tended to the sometimes frosty Washington-Moscow relationship Wednesday by paying a quick call on President Vladimir Putin.

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Bush paused to visit the Russian leader for an hour and a half during an airport stopover on his way to Asia for a week-long trip that includes stays in Singapore, Vietnam and Indonesia. Bush has meetings scheduled with several important allies, including Putin, on the sidelines of a summit of Pacific Rim leaders in Hanoi this week. But only Putin rated a social call as well.

Russian news agencies quoted Kremlin spokesman Alexei Gromov as saying the two presidents discussed the Iranian nuclear program, the situation in the Middle East and nuclear nonproliferation.

Gromov also confirmed that a U.S.-Russian agreement on Russia's accession to the World Trade Organization was being readied for signing in Hanoi.

National security adviser Stephen J. Hadley, talking to reporters aboard Air Force One after Bush left, said the president's get-together with Putin "was a social meeting, as we said it would be. This was a refueling stop."

But Hadley also said the two men "talked a little bit about proliferation generally" with regard to Iran and North Korea. He also said he had spoken with his Russian counterpart, Igor Ivanov, about efforts to reach agreement on a new U.N. security resolution on Iran.

When Bush and his wife, Laura, landed, they were greeted on a red carpet on the tarmac by Putin and his wife, Lyudmila. The Russian president presented Laura Bush with a bouquet of yellow, orange and red flowers, and the four exchanged kisses.

Bush And Putin To Sign WTO Deal In Hanoi (FT)

By Neil Buckley

Financial Times, November 16, 2006

US president George W. Bush held an unusual airport meeting with Russia's Vladimir Putin during a refuelling stop in Moscow, where they confirmed the two countries would this weekend sign a bilateral accord on Russian entry to the World Trade Organisation.

Mr Bush was on his way to Hanoi for the Asia-Pacific Economic Co-operation summit, where he will hold more detailed talks with Mr Putin. Kremlin officials called Wednesday's 90-minute meeting "extraordinarily positive and friendly", saying the two leaders had discussed Iran's nuclear programme, proliferation issues and the Middle East.

Analysts said the gesture by Mr Putin to travel to the airport – accompanied by his wife Lyudmila – may have reflected a desire to ease relations between Moscow and Washington, currently seen as at their poorest since the Soviet Union collapsed in 1991. While Moscow has opposed the Iraq war, Russian officials and commentators have not welcomed last week's Democratic victory in Congressional elections, warning it could lead to even more of what they say is an unwarranted focus on Russia's democratic record.

The presidents "confirmed that the signing of a protocol on Russia's accession to the WTO is now being prepared for Hanoi," Alexei Gromov said, after the two men met at a Moscow airport.

Putin and Bush will meet in Hanoi at the Asia-PacificEconomic Cooperation summit on November 18 and 19.

Democrats Blast Bush Policy On N. Korea (WP)

By Glenn Kessler

The Washington Post, November 16, 2006

The Bush administration came under fierce attack yesterday from Democrats for its North Korea policy, with the incoming chairman of the House International Relations Committee saying that change is "long overdue" and that the United States should allow its chief nuclear arms negotiator to visit Pyongyang, North Korea's capital.

Meanwhile, a group of experts returning from talks with top North Korean officials offered a pessimistic report on the prospects of reaching a deal when the long-stalled six-nation talks resume later this year. North Korean officials told the experts that they would take a much tougher stance when Pyongyang returns to the negotiating table, believing it is on "equal footing" with the United States now that it has tested a nuclear weapon.

Charles L. "Jack" Pritchard, a former top State Department negotiator on North Korea, said that country's officials seem more interested in returning to the talks to make short-term gains, such as relief from a U.S. campaign to end North Korean counterfeiting of U.S. dollars or to patch up a damaged relationship with China. "They're not in this to give up their nuclear weapons," said Pritchard, now president of the Korean Economic Institute.

North Korea conducted its first nuclear test Oct. 9, after refusing to return to the talks for nearly a year. The U.N. Security Council quickly condemned the test and imposed sanctions, and on Oct. 31 Pyongyang announced that it would return to the talks after the United States agreed to address its concerns about the financial crackdown.

At a hearing yesterday on the administration's preparation for the talks, Rep. Tom Lantos (D-Calif.) faulted the administration's exclusive reliance on the six-nation negotiating framework, arguing that substantial bilateral contacts are necessary to reach any deal.

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China, Japan, Russia and South Korea also participate in the talks, a format that some experts have said is cumbersome for difficult negotiations.

In the aftermath of the test, "it is now abundantly clear to the world that our current policies have failed," said Lantos, who will wield the gavel when the new Congress convenes in January. "I look forward to leading the efforts in Congress to keep North Korea on the front burner and to pushing the administration to resolve the feuds within its own ranks which have hobbled North Korea policy."

Lantos charged that Assistant Secretary of State Christopher R. Hill has been undercut in his diplomacy by "hard-liners lodged in the office of the Vice President and the Defense Department." Hill had lobbied to travel to Pyongyang to meet with North Korean officials shortly after North Korea agreed in principle in September 2005 to dismantle its nuclear programs. But the trip never took place, and then the talks stalled over the Treasury Department action.

"Ambassador Hill must also make a stopover in Pyongyang on his way back from the six-party talks, not to negotiate a new and separate deal, but rather to demonstrate to Pyongyang our peaceful intent," Lantos said. "The administration's refusal to allow visits by American diplomats to North Korea must end, and it must end now."

Undersecretary of State R. Nicholas Burns noted that U.S. officials, including Hill, have met bilaterally with North Korean officials in Beijing and New York. "Some people are insisting that the United States should negotiate with North Korea solely on a bilateral basis," he said. "But the North Korean problem, especially its pursuit of nuclear weapons, is a regional problem, it's not just a bilateral issue, because this problem poses a threat to all of its neighbors."

Lantos won support for his position from several other Democrats, as well as from Rep. Jim Leach (R-Iowa), who lost his reelection bid.

"I believe you set up a bit of a straw-man argument," Leach told Burns. "I know of no serious commentator or observer of North Korea that favors solely bilateral discussions, which is the way you phrased it." But, he said, the problem with the administration's approach is that Hill can meet only with North Korean diplomats who are not really the decision-makers.

Democrats Urge N. Korea Nuclear Talks (AP)

By Barry Schweid

AP, November 16, 2006

Congressional Democrats, demanding a bold new approach to end a diplomatic standoff, urged the Bush administration on Wednesday to send the top U.S. negotiator to North Korea and press for an end to its nuclear weapons program.

Such a mission by Christopher Hill would demonstrate "our peaceful intent," said California Rep. Tom Lantos, the top Democrat on the House International Relations Committee. Panel members quizzed Undersecretary of State Nicholas Burns about the so-far futile effort to halt North Korea's nuclear weapons and missiles programs.

Talks involving the U.S., North Korea, South Korea, China, Japan and Russia are expected to resume next month after a suspension of more than a year. Burns said it was not possible yet to announce a precise date.

The U.S. has held sporadic, occasional talks with North Korea in New York and in Beijing. But the administration insists on a six-nation negotiations format in an effort to intensify pressure on the insular communist government.

"The North Korean problem is a regional problem," Burns said. "It poses a threat to all of its neighbors."

But Lantos, the prospective new chairman of the committee when the Democrats take control of Congress in January, said, "the administration's refusal to permit visits (by U.S. diplomats) to North Korea must end and must end now."

Supported by several Democrats on the committee and one Republican, Rep. Jim Leach of Iowa, Lantos said, "The White House must try a new and bold approach to the vexing North Korean problem."

"I don't understand why it is in the United States' interest to keep them isolated," Leach said.

On the Democratic side, Rep. Brad Sherman of California proposed that the United States offer North Korea a nonaggression pact as part of a deal in which the North Koreans permanently and verifiably give up their nuclear weapons.

Rep. Gary Ackerman, D-N.Y., accused the administration of "dithering" and said the U.S. was placing too much reliance on China to stop North Korea's programs. China played a leading diplomatic role in persuading North Korea to end its boycott of negotiations.

GOP Rep. Ileana Ros-Lehtinen of Florida cautioned against concessions or any acts of "appeasement."

Meanwhile, an American nuclear scientist who toured North Korea this month said he believed the North had enough fuel for as many as nine nuclear weapons and the capacity to make about one bomb's worth of fuel a year.

Siegfried Hecker, a former director of the Los Alamos Nuclear Laboratory, met with chief North Korean nuclear scientists during his Oct. 31-Nov. 4 visit. Hecker said that while he learned no technical details about the North's Oct. 9 nuclear test, officials indicated the test was "fully successful."

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He said he and the small group of former U.S. officials who made the trip noticed a palpable sense of national pride about the test among the North Koreans they met.

Hecker based his observations on meetings with the director of the North's five-megawatt Yongbyon nuclear facility and with nuclear specialists in China. He said the North Korean nuclear test was most likely "at least partially successful," but the country probably was "still a long way from having a missile-capable nuclear design."

Rice Urges Terror Finance Crackdown In NKorea Allusion (AFP)

AFP, November 16, 2006

US Secretary of State Condoleezza Rice has urged Asia-Pacific nations to crack down on illicit financial activities by "weapons proliferators", in an indirect reference to North Korea.

"Confronting the threats posed by terrorism, proliferation of weapons of mass destruction, natural disaster and pandemic disease is inextricably tied to the prosperity of the region," Rice told APEC ministers meeting in Hanoi.

"We also hope that APEC members will take all necessary actions to prevent the abuse of their financial systems by weapons proliferators."

North Korea's nuclear ambition, put on display last month when Pyongyang carried out its first atomic bomb test, is one of the key issues on the agenda at this week's Asia Pacific Economic Cooperation (APEC) gathering.

The United States is one of five nations involved in disarmament talks with North Korea. A breakthrough came in September 2005, when Pyongyang agreed to scrap its nuclear program in exchange for economic aid and security guarantees.

But the North walked out of the talks a year ago after Washington effectively froze 24 million dollars in North Korean funds by blacklisting a bank in Macau.

The United States said the funds were the suspected proceeds of counterfeiting US dollar "supernotes" and other illicit activities by the regime of Kim Jong-Il.

North Korea boycotted the six-party talks for a year in protest at Washington's freeze and a larger crackdown on accounts elsewhere in Asia.

The APEC meeting comes two weeks after North Korea agreed in secret negotiations in Beijing to return to the six-nation talks, which involve the two Koreas, China, Japan, Russia and the United States.

North Korean Officials Proud Of Their Nuclear Test, U.S. Experts Say (MCT)

By Renee Schoof

McClatchy, November 16, 2006

WASHINGTON - North Korean officials are proud of their country's nuclear test and are unlikely to be persuaded easily to give up their nuclear weapons, a group of Korea experts said Wednesday after a visit to the reclusive communist nation.

The experts, who visited North Korea's capital of Pyongyang from Oct. 31 to Nov. 4, just weeks after the Oct. 9 test, said they were surprised by conditions in the city, where streets were crowded with cars and, something new this year, motorcycles.

"There were also well-dressed people on the streets like I hadn't seen before," said Robert Carlin, a former U.S. intelligence analyst making his 26th visit to North Korea.

Carlin said he saw trucks laden with cabbages, new buildings going up and others freshly painted, and a well-stocked free market whose parking lot was jammed with cars.

Siegfried S. Hecker, a nuclear scientist and former director of the Los Alamos National Laboratory, said he and the others met with the head of North Korea's Yongbyon nuclear center, Ri Hong Sop, but weren't allowed to visit the center. They also spoke with high-ranking officials in the Ministry of Foreign Affairs, the army and the government.

The delegation was led by John W. Lewis, a Chinese politics and North Korea expert at Stanford University.

Hecker said that North Korean officials said they remained committed to a Sept. 19, 2005, agreement with the United States that would end the nuclear program in exchange for security guarantees and energy benefits. But Hecker said he concluded it would be harder now to persuade the North Koreans to do so.

Delegation member Charles L. Pritchard, the U.S. special envoy for negotiations with North Korea from 2001 to 2003, said he also believed that the North Koreans would be tougher negotiators.

"A few years ago I'd say it was possible to negotiate an end of the crisis. Now I'm not so sure," Pritchard said. The North Koreans are feeling confident and, in their words, "on an equal footing" with the United States, the former negotiator said.

The group met with Li Gun, deputy director general of the North Korean Ministry for Foreign Affairs, who said North Korea was committed to returning to six-party talks and the eventual denuclearization of the Korean Peninsula, Pritchard said.

Li also told the delegation that North Korea wouldn't use nuclear weapons first and wouldn't sell nuclear weapons and technology to any group, including al-Qaida.

But Pritchard said Li made clear that North Korea had short-term expectations for the upcoming talks with the United States and the four other nations, which North Korea agreed to on Oct. 31.

Li also said that China will unfreeze North Korean assets in a Macau bank and that the United States won't object as a condition of the talks, Pritchard said.

The U.S. government has claimed that North Korea was using Banco Delta Asia to launder illegal profits from drug trafficking, counterfeiting and cigarette smuggling, and it has put pressure on the bank to stop doing business with North Korea.

Li said there had to be progress on Banco Delta Asia first, and he indicated that North Korea next would insist on dropping the sanctions contained in a U.N. Security Council resolution.

U.S. officials have said that the U.N. sanctions should be implemented but that they'll discuss the Macau bank issue at the talks. The six-party talks also include China, South Korea, Russia and Japan.

Pritchard said Li quoted President Reagan on the need to "trust but verify." Li acknowledged that verification would be necessary if North Korea agrees to suspend its nuclear programs, but insisted that it also would be necessary to verify that it receives benefits at each step.

Pritchard said the group immediately e-mailed a report to Secretary of State Condoleezza Rice. The Bush administration didn't sanction the trip and hasn't responded, he said.

Hecker suggested in a written report that the United States must do more to address North Korea's security concerns.

He also said that North Korean officials had "little appreciation of the issues of safety and security related to having a nuclear arsenal." North Korea probably has enough plutonium for nine nuclear weapons and can produce enough for one per year over the next few years, he said.

Ri and other officials didn't provide details about the Oct. 9 test, but Chinese nuclear experts put it at about 1 kiloton, which they described as "successful but not perfect," Hecker said.

Many things can go wrong in a test, but a 1-kiloton test isn't a fizzle, as some U.S. officials have suggested, Hecker said. The U.S. atomic bomb dropped on Nagasaki, Japan, produced a 21-kiloton blast.

"A 1-kiloton explosion in Manhattan would be a catastrophe," Hecker said.

US Senator Seeks 10 Billion Dollars For North Korean Human Crisis (AFP)

AFP, November 16, 2006

A bill was introduced in the US Senate calling for the establishment of a 10 billion dollar fund to prepare for any humanitarian crisis in nuclear-armed North Korea.

Bill Frist, the outgoing majority leader in the Senate who introduced the bill, said President George W. Bush should have "all necessary tools at his disposal to deal with foreseeable humanitarian contingencies on and around the Korean Peninsula.

"To make clear our intentions, and to establish a framework for providing assistance in these circumstances, my bill authorizes the creation of a 10 billion dollar 'North Korea Refugee Relief and Reconstruction Fund'", he said.

The proposed legislation was to be "a sign of hope to the people of North Korea, who have suffered for six decades under one of the cruelest regimes the world has ever known," said the retiring senator from Bush's Republican party.

"To the people of North Korea, I say 'we have not forgotten you, and we stand ready to help.'"

The hardline North Korean communist regime led by Kim Jong-Il recently tested a nuclear weapon and launched missiles in defiance of the international community. Human rights watchers have warned that the North Korean people remain vulnerable under the reclusive regime.

Kim's regime allowed as many as one million, and possibly many more, of its own people to die during the famine in the 1990s, according to a report last month commissioned by former Czech president Vaclav Havel, ex-Norwegian prime minister Kjell Bondevik and US Nobel Peace Prize laureate Elie Wiesel.

It said hunger and starvation remained a "persistent" problem and added that over 37 percent of children in North Korea were "chronically malnourished."

North Korea imprisons more than 200,000 people in its modern-day gulag, and it is estimated that more than 400,000 have died in that system over 30 years, the report said.

Frist said he introduced the bill "because of the critical threat posed to international peace and security by the hereditary dictatorship in North Korea."

"There is no doubt in my mind that in the event of massive refugee flows out of North Korea, or either the reunification of North Korea with South Korea or the emergence of a new, more benign regime in North Korea, the United States will step forward to help," he said.

With only a brief period left for Congressional debates and voting, Frist's office does not expect the bill to be approved this year.

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The new year will see the Democrats in control of both chambers of Congress after they routed the Republicans in legislative elections last week.

"There would probably not be a vote on the bill in the near future but the Senator introduced it because it was something he thought was important -- to have the resources in place when needed," his spokeswoman Carolyn Weyforth told AFP.

Frist said that to make sure the United States could provide aid immediately to refugees already coming out of North Korea, the bill authorized the president to draw down up to one billion dollars from any government agency.

White House Hunts For Way Into Iran Talks (FT)

By Guy Dinmore

Financial Times, November 16, 2006

Rarely has the Bush administration seemed so confused and defensive about its policy of seeking to isolate Iran as it responds to mounting public and international pressure to find a way out of Iraq, even if that involves making a U-turn and engaging Tehran.

On Monday, in reply to a question about the US opening a dialogue with Iran over Iraq, the president made a direct link with the nuclear issue, demanding that Tehran first verifiably suspend its uranium enrichment programme.

Since then senior officials have had to row back from those comments on the nuclear link. A US offer, extended earlier this year to Tehran to discuss Iraq, can be "reactivated", officials said. "If, in the future, we want to avail ourselves of that channel, then it certainly is a possibility," State Department spokesman Sean McCormack said. But he also added that he did not think it was under consideration.

However, David Satterfield, the state department co-ordinator for Iraq, contradicted this assertion. He told a Senate committee on Thursday that the US was reviewing the timing of a "direct dialogue" with Iran on the subject of Iraq. "We are prepared in principle to discuss Iranian activities in Iraq," he said.

Analysts say that as the US scrambles to find an honourable exit from Iraq, opening a new channel to Iran is very much under consideration. Bringing Iran and Syria into the equation is expected to form one of the main proposals of the Iraq Study Group led by former secretary of state James Baker and former Democratic congressman Lee Hamilton.

The imminent departure of Donald Rumsfeld as defence secretary also removes one of the main forces opposed to engagement with Iran. His nominated successor, Robert Gates, is closer to the Baker school of foreign policy "realists" and two years ago co-authored a think-tank report that recommended the US "deal with the current regime rather than wait for it to fall".

"The idea of talking to Iran is now the consensus position," commented Ray Takeyh, an analyst with the Council on Foreign Relations think-tank who also took part in the 2004 report on Iran. "The question is not whether to talk to Iran but how and what to talk about."

Although the US military budget is several times bigger than Iran's entire economic output, Mr Takeyh says the US will find itself negotiating from a position of weakness. "This has got to be the most incompetent administration in history," he said.

James Jeffrey, a senior state department official, echoed the concern about negotiating from a position of weakness and admitted that the US had missed opportunities in the past to deal with Iran. The most recent occasion was in the spring of 2003 when Iran – rocked by the quick defeat of the Iraqi military and the fall of Baghdad – offered a broad dialogue with the US. It was quickly rebuffed.

Now there was a danger, Mr Jeffrey said, that showing a willingness to talk would lead certain regimes – meaning Iran and Syria – to "conclude that, ah-ha, this is out of weakness. 'If these guys were strong, they wouldn't want to talk to us. Because they are weak, we need to simply expand our demands'."

Trita Parsi, an analyst who advocates engagement, says the US cannot conceal its weakness but has limited alternatives. He says that for Iran to be drawn into a dialogue it needs a clear indication that the US is looking to discuss all issues and address a strategic transformation of the relationship, not just a tactical quick fix of the Iraq crisis.

Iran is wary of its last experience of co-operating with the US, when it helped oust the Taliban from Afghanistan in 2001 and install the Karzai government, only to be denounced by Mr Bush weeks later as a member of the "axis of evil" in a State of the Union address that amounted to a call for regime change.

A three-hour meeting last month between Mr Baker and Javad Zarif, Iranian envoy to the UN, was seen as helpful by both sides, says Mr Parsi. Mr Baker was told that Iran would consider helping the US in Iraq if "Washington first changed its attitude towards Iran" – a euphemism for the Bush administration's unwillingness to deal with Iran in a strategic manner.

As Pressure For Talks Grows, Iran And Syria Gain Leverage (WP)

By Robin Wright

The Washington Post, November 16, 2006

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The White House is under growing pressure to talk to Iran and Syria to help stabilize Iraq, but mounting violence in Iraq and the Bush administration's political woes give the negotiating edge to Tehran and Damascus and complicate any U.S. outreach, experts say.

The idea of talks is widely expected to be on the list of proposals that will come out of the Iraq Study Group report next month, because co-chairman and former secretary of state James A. Baker III and other members back engaging enemies as well as allies. British Prime Minister Tony Blair this week endorsed talking with Tehran and Damascus, with caveats. The CIA director and the head of the Defense Intelligence Agency said yesterday that talks could help. And an array of experts has encouraged the administration to reach out to the countries that have meddled most in Iraq.

But the Bush administration is already questioning the idea, and even supporters admit that full cooperation by both Iran and Syria may have little impact on the many-sided insurgency. Neither country has much sway over Iraq's Sunnis or the al-Qaeda branch in Iraq, as both are ruled by Shiites or Shiite offshoots.

Secretary of State Condoleezza Rice, traveling yesterday to a conference in Vietnam, said that she is prepared to talk to "anybody, anywhere, anytime" under circumstances in which she believed progress was really possible. "I'm not afraid to talk to anyone," she told reporters. But she dismissed the idea that diplomacy offers any "magic bullets" for Iraq.

The United States has made multiple overtures to Tehran, particularly related to its controversial nuclear program. A year ago, Rice told Congress that Zalmay Khalilzad, U.S. ambassador to Iraq, had been empowered to talk to his Iranian counterpart in Baghdad on Iraq.

"There's no lack of opportunity to talk to the Iranians," she told reporters. "The question is: Is there anything about Iranian behavior that suggests that they are prepared to contribute to stability in Iraq? And I have to say that at this point I don't see it."

Syria has given no indication that it is willing to be a stabilizing force anywhere in the region, including in Iraq, Lebanon and the Arab-Israeli dispute, she added. President Bashar al-Assad's government has "aligned itself with the forces of extremism," she said.

In a briefing Wednesday aboard Air Force One en route to Singapore, national security adviser Stephen J. Hadley all but rejected the idea. "What we need is less talk and more action by Iran," he said.

But experts on both sides of the Iraq debate argue that after decades of tension with both countries, Iran and Syria now have a common interest with the United States in preventing further turmoil in Iraq. "We've gone past the point of being desirable. It's absolutely necessary to talk to them," said Joseph Cirincione, vice president of the Center for American Progress.

Iran fears the spillover of Iraq's political problems on its own large Kurdish, Sunni and Arab minorities in the event of a full-scale civil war. It also was burdened with a refugee problem as more than 2 million people fled wars in neighboring Iraq and Afghanistan.

Syria is also looking for a way out of its isolation. And it fears that Kurdish separatism in Iraq would influence its own restive Kurdish population, said Theodore H. Kattouf, former U.S. ambassador to Syria.

"They have some hardheaded reasons to want to coordinate with us to make sure that our withdrawal, which they want, is not precipitous," said Geoffrey Kemp, a Reagan administration National Security Council staffer.

Yet prospects of U.S. success are limited, analysts warn. At the negotiating table, Iran and Syria would for the first time hold the trump cards after years of public rebukes and punitive sanctions, and would see any overture by Washington as a win for them. The administration could have achieved far more if it had talked to both countries from a position of strength on the eve of war in 2003 or last year, analysts say.

"Neither Iran nor Syria will do a favor for the U.S. without wanting something back -- and what both countries want are things that the U.S. is not willing to give them," said Shaul Bakhash, a George Mason University expert on Iran.

Cooperating with the United States also carries dangers. "Syria and Iran both believe that the U.S. is tilting at windmills and will not lend their leverage to a venture which they see as doomed," said Joshua Landis, a University of Oklahoma specialist who recently spent a year as a Fulbright scholar in Damascus.

Both countries have limited ability to solve the complicated morass of problems in Iraq. In testimony yesterday before the Senate Armed Services Committee, the CIA director, Gen. Michael V. Hayden, said Iran and Syria have varying degrees of influence on Iraq.

"Clearly, both governments could do more. If our dialogue with them could convince them to do more, that their interests are not served by a fracturing of Iraq, then I would say that might be useful," Hayden said.

But on the biggest issue of preventing full-scale civil war, Iran may not be able to rein in Iraq's Shiite militias. "Lots of people in the Shiite community are happy to take Iranian money and arms but they are not willing to take Iranian orders," said Patrick Clawson of the Washington Institute for Near East Policy.

Abba Olmert (WSJ)

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By Michael B. Oren

The Wall Street Journal, November 16, 2006

"Israel will not be alone unless it decides to go it alone." With these words, Lyndon B. Johnson greeted Israeli Foreign Minister Abba Eban at the White House on May 26, 1967. The Middle East was in the throes of an escalating crisis. Gamal Abdul Nasser had evicted U.N. peacekeepers from Egypt's border with Israel, blockaded the Straits of Tiran to Israeli shipping, and called on the Arab world to "throw the Jews into the sea." Israel had no intention of waiting to see if Nasser would carry out his pledge, or of keeping its troops on the permanent state of alert that was bankrupting the country. And so the Israeli government sent its foreign minister to seek Johnson's approval for mounting a pre-emptive strike. But LBJ only disappointed Eban. Though hostile to Nasser and firmly supportive of Israel, the president was hamstrung by America's imbroglio in Vietnam and by the drop in his domestic support. The most he offered the Israelis was Washington's help in mobilizing international action against Egypt. Beyond that, there was only that repeated, cryptic phrase, "Israel will not be alone unless it decides to go it alone."

Perhaps a similar message was imparted by George W. Bush in his meeting earlier this week with Israel's Prime Minister Ehud Olmert. Much like 1967, Israel faces a Middle Eastern leader who has repeatedly sworn to wipe it off the map, and to that end is assiduously trying to acquire nuclear weapons. Like Nasser, Mahmoud Ahmadinejad can cripple Israel economically by keeping it in a state of alert, driving away foreign investment and tourism. In the absence of international commitment to thwart Iran's nuclear plans, Israel has no choice but to consider striking pre-emptively. Doing so, however, requires explicit U.S. support, or at the very least, an indication that the U.S. will not oppose such action. Like Eban 40 years earlier, Mr. Olmert came to Washington in search of a green light.

But the U.S. is hardly in the position to sanction an Israeli attack. Bogged down in Iraq and hemorrhaging political capital at home, Mr. Bush resembles Johnson in his inability to approve risky military initiatives. As inimical to Mr. Ahmadinejad as his predecessor was to Nasser, and at least as sympathetic to the Jewish state, Mr. Bush is nevertheless unable to undertake a unilateral attack against Iran or even to endorse an Israeli one.

This was bad news for Mr. Olmert. The Israeli prime minister hoped to secure a hard-and-fast timetable for interdicting Iran's nuclear program first by diplomacy and then, if that failed, by force. Instead, he heard that the U.S. would only support measures to isolate Iran economically and balked at the use of bombs. Though he and his administration have routinely stated a determination to prevent Iran from obtaining strategic capabilities, Mr. Bush, in the aftermath of his party's electoral defeats, avoided all public mention of armed power as a means of achieving that goal.

The only option for the U.S., then, is international sanctions. These, however, have proven singularly inadequate in quashing the nuclear aspirations of North Korea -- a country far more financially fragile than Iran -- and lack the vital support of Russia, China and France. Iran has also threatened to retaliate for sanctions by cutting back oil production and increasing its support for terror.

Back in 1967, Johnson also tried to apply international pressure on Egypt. He planned to issue a multilateral declaration condemning the closure of Tiran and to create a convoy of ships from 26 nations to physically challenge the blockade. But fearing for their oil supplies, European countries refused to cooperate with Johnson's démarche, while Egypt threatened violence against any attempt to reopen the straits. In the end, only four countries were willing to sign the declaration and only two volunteered ships for the convoy.

Mr. Bush is unlikely to be more successful than Johnson in marshalling international strictures against a defiant Middle Eastern regime. Nor was Mr. Olmert liable to extract from Mr. Bush more concrete backing for pre-emptive action than Eban did from LBJ. At most, Mr. Bush could have signaled his sympathy for Israel's plight and for the steps it must take to ensure its survival. The light Mr. Olmert received in Washington was probably not green, but neither was it flashing red.

Eban left the White House disappointed and confused. Neither he nor the Israeli government could decipher the meaning of the message "Israel will not be alone unless it decides to go it alone." Was the president opposed to an assault against Egypt, as some of the ministers believed, or was he indicating his willingness to look the other way while Israel attacked? Ultimately, Israeli leaders concluded that, while the U.S. might condemn the action, it would probably do nothing to stop it. Johnson, for his part, understood that the Israelis had lost faith in international diplomacy and would interpret his words as a go. "They're going to hit," the president sighed, "and there's nothing we can do about it."

Lyndon Johnson indeed did little to prevent Israel from launching its surprise attack against Egypt on June 5 or, after Jordan and Syria joined the war, from advancing into the West Bank and the Golan Heights. The Six-Day War was a seismic event that profoundly altered the Middle East, with reverberations that continue to convulse the region. An Israeli strike at Iran's nuclear facilities could well have a similar impact, especially as Mr. Ahmadinejad and the mullahs are certain to react violently.

Mr. Olmert and his government must consider such consequences as they decide on Israel's next moves. The ramifications of that decision are certain to affect America as well. Many Arabs to this day believe that the U.S. was complicit in the Six-Day War, and even that American pilots flew Israeli planes. Such rumors will again be rife if Israel attacks Iran, and

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especially if Israeli jets pass through Iraq's American-controlled airspace. Israel may indeed act alone, but in the minds of a great many people in the Middle East, the U.S. acts with it.

Mr. Oren, a senior fellow at the Shalem Center in Jerusalem, is author of "Power, Faith, and Fantasy: America in the Middle East, 1776 to the Present," forthcoming from W.W. Norton.

Six Major Powers Fail To Bread Deadlock On Proposed UN Sanctions (AFP)

AFP, November 16, 2006

Six major UN powers failed to break the deadlock in their bid to agree on a package of targeted sanctions against Iran over its refusal to suspend sensitive nuclear fuel work.

"We did not make any progress today," US Ambassador to the United Nations John Bolton told reporters after envoys of the six powers wound up their sixth informal session in three weeks on a European draft resolution urging nuclear and ballistic missile-related sanctions against Iran.

The meeting at France's UN mission in New York was attended by ambassadors from Germany and the UN Security Council's permanent members -- Britain, China, France, Russia and the United States.

"We'll meet again in the near future," said Bolton, without saying exactly when.

He added that the sanctions issue may also be discussed at the foreign minister level on the margins of the weekend meeting of the Asia Pacific Economic Cooperation group in Hanoi.

Western countries suspects Iran is covertly seeking to build nuclear weapons.

Tehran, which insists that its nuclear program is peaceful, has rejected UN demands that it halt uranium enrichment, a process that can produce fuel for electricity generation but can also be used to produce the raw material for a nuclear warhead.

The draft put forward by Britain, France and Germany also includes travel bans and financial restrictions on Iranian scientists working on the nuclear and missile programs.

Russia and China, which both maintain close energy and trade ties with Tehran, want to drastically reduce the scope of the sanctions while the US side is pushing for even tougher sanctions.

Iran Dismisses U.N. Report On Uranium (AP)

By Nasser Karimi

AP, November 16, 2006

Iran on Wednesday dismissed a U.N. report that inspectors found new traces of enriched uranium and plutonium at a nuclear waste facility, saying it had already explained that discovery.

Iranian President Mahmoud Ahmadinejad insisted the West will gradually back down in its standoff with Iran and eventually accept its nuclear program.

"While the West tries to thwart the progress of our nation, time is on our side," Ahmadinejad told a crowd in Sanandaj, the capital city of Iran's Kurdistan province. "They would have to take one step back with every passing day and approve the right of the Iranian people."

Oil-rich Iran has claimed it has a right to a nuclear program it says is aimed at producing energy. But the United States suspects Tehran has ambitions to make nuclear weapons.

Ahmadinejad's comments came a day after an International Atomic Energy Agency report said its experts have found unexplained plutonium and highly enriched uranium traces in a nuclear waste facility in Iran. Both materials can be used in building a nuclear warhead, though one U.N. official said the uranium was not enriched to weapons-grade level.

Alaeddin Boroujerdi, head of the parliamentary committee on National Security and Foreign Policy, called the report "an old story."

"This is an old story and contains no new points," Boroujerdi told the official Islamic Republic News Agency on Wednesday. "Iran has submitted a comprehensive report on the issue to the IAEA. It will be convincing."

He did not elaborate on the source of the traces. Iran has said that previous traces of enriched uranium found by inspectors came from equipment that it bought from abroad without knowing of the contamination.

"What was mentioned in (IAEA chief Mohamed) ElBaradei's report are issues that Iran has already answered many times. Tehran, based on the safeguards, has fully cooperated with the IAEA," the official Islamic Republic News Agency quoted Foreign Ministry spokesman Mohammed Ali Hosseini as saying.

A senior U.N. official who was familiar with the report cautioned against reading too much into the new findings, saying Iran had explained both and they could plausibly be classified as byproducts of peaceful nuclear activities.

The official, who spoke on condition of anonymity because he was not authorized to discuss the report publicly, said that while the uranium traces were enriched to a higher level than needed to generate power, they were below weapons-grade.

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The report, prepared for next week's meeting of the 35-nation IAEA, also faulted Tehran for not cooperating with the agency's attempts to investigate suspicious aspects of Iran's nuclear program that have led to fears it might be interested in developing nuclear arms.

The U.S. and its European allies are currently negotiating with Russia and China over a draft U.N. Security Council resolution that would penalize Iran for its refusal to respect an Aug. 31 deadline for halting uranium enrichment.

Russia and China have extensive trade with Iran and are rejecting the harsh sanctions that the Western allies want to impose.

The five veto-wielding Security Council members — the U.S., Russia, China, Britain and France — and Germany have now held six rounds of closed-door talks.

John Bolton, the U.S. ambassador to the United Nations, said Wednesday there were still "wide gaps" between the Russians and Europeans. Asked whether there had been any progress since the talks began, Bolton said, "Well, we didn't make any progress today — let's leave it at that."

President Bush, eager for Russian help in ongoing nuclear disputes with North Korea and Iran, visited President Vladimir Putin Wednesday in Moscow at an airport stopover on his way to Asia.

U.S. National Security Adviser Stephen Hadley played down differences between Washington and Moscow, saying negotiations on U.N. resolutions are "a little bit like sausage making."

"It's not pretty and a lot of it spills out to the public, but I think the international community has held together on this issue and I think it will again," he said.

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Associated Press writers Edith M. Lederer at the United Nations and Jennifer Loven in Moscow contributed to this report.

China Could Find Congress A Chillier Place (WSJ)

By Neil King Jr.

The Wall Street Journal, November 16, 2006

WASHINGTON -- She scuffled with police on Tiananmen Square, protested the visits of Chinese leaders to the White House, and calls the U.S. trade relationship with China "a disaster."

When Democratic Rep. Nancy Pelosi becomes House speaker in January, her views on China could set the tone for a new Congress looking to get tough on Beijing. Mrs. Pelosi's criticisms include human-rights abuses and unfair trade practices, as well as allegations that China is manipulating its currency and seeking technologies to undermine U.S. national security.

Just how much Mrs. Pelosi and other top Democrats will focus on China -- and how much influence they will have on China policy -- is hard to predict. But apprehensions run high in Beijing and Washington that a Pelosi-led, Democrat-controlled House could seize on China trade and security issues to bash President Bush, much as congressional Republicans did in the final years of the Clinton administration.

"There is definitely going to be a shift" in the House, said Republican Rep. Mark Kirk of Illinois, co-chair of the bipartisan, pro-engagement, U.S.-China Working Group in the House. "The question is whether the shift will be effectively blocked by the Senate and the White House."

China's ambassador to Washington, Zhou Wenzhong, declined to comment on Mrs. Pelosi, and said that "mainstream Democrats basically support the current policy." Still, he expressed concern that the new Congress could be "more concerned about trade and about human-rights issues." Administration officials say that in private conversations, Chinese diplomats have expressed deeper worries about the new Congress than their ambassador has in public remarks.

The direction the Democrats take on China will depend on the strength of the economy before the 2008 presidential election and the party's overall strategy leading up to 2008. Some Democrats say the party may not need to make President Bush's China policy a key issue over the next two years, with Mr. Bush already beleaguered by the war in Iraq and rising nuclear threats in Iran and North Korea.

The Bush administration hasn't taken a hard-line approach toward China, with Beijing a pivotal player on global-security issues of concern to the U.S. The two countries have also strengthened ties and exchanges in many other areas, such as law enforcement and civil-service training.

"Whenever we have split government, Congress sees that as an opening to attack the administration's China policy," said Jeffrey Bader, a former Clinton official on China who now heads the Brookings Institution's Thornton China Center.

For months, Mrs. Pelosi has joined top Republican lawmakers and Democrats, including New York Rep. Charles Rangel, next chairman of the House Ways and Means Committee, in calling on the Bush administration to crack down on China's trade practices through the World Trade Organization.

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Mrs. Pelosi and a bipartisan cadre of lawmakers have urged the administration to put more pressure on China to further loosen its currency controls and take action against rampant piracy of U.S. goods. Critics say Beijing has kept the yuan artificially low, making its exports cheaper and fueling a huge trade surplus with the U.S. She has urged the U.S. to file a WTO case on that issue, too.

Other Democrats said they plan to push hard on Chinese labor standards, and have hinted that future trade restrictions could hinge on findings of unfair labor practices in China. Both Mrs. Pelosi and Mr. Rangel have argued that China's holdings of U.S. Treasury bills, valued at $339 billion as of August, pose a threat to U.S. national security.

Speaking after last week's midterm elections, which put both houses of Congress under Democratic control, Mr. Rangel said it might be hard to pursue China on trade violations because of its huge financial leverage over the U.S. "But at least we can be angry ... and try to protect American industry," he said.

Mr. Rangel said he intends to defer to the administration on China policy, at least to start, and wants to work alongside Treasury Secretary Henry Paulson and others, "rather than Congress mandating that they do something."

Mrs. Pelosi's aides said her new prominence won't change her views on China, particularly when it comes to the country's human-rights abuses and lack of religious freedom. But they said she will have a lot on her plate, and won't try to dictate the direction of House policy on China at the committee level. Mrs. Pelosi declined to comment.

The most important change, Pelosi aides said, is that she will allow tough China legislation to come to a full vote in the House, instead of keeping bills bottled up in committee, as many previous speakers have.

Mrs. Pelosi's district includes San Francisco's Chinatown, which has traditionally taken an anti-Beijing stance.

After Beijing crushed the democracy protests in Tiananmen Square in 1989, Mrs. Pelosi battled the first Bush administration and helped to protect Chinese students in the U.S. She also worked to make preferential trade benefits to China conditional on its showing "significant progress" on human rights.

In September 1991, Chinese police stopped Mrs. Pelosi and two other U.S. lawmakers on Tiananmen Square after they unfurled a pro-democracy banner. The Chinese foreign ministry called the move "a premeditated, anti-Chinese farce."

Mrs. Pelosi, along with several prominent House Republicans, continued to push for changes in China policy during the Clinton administration. In 1997, as Mr. Clinton was greeting Chinese leader Jiang Zemin at the White House, Mrs. Pelosi, at a nearby rally, denounced the visit.

In March, as the White House prepared to welcome Chinese President Hu Jintao, Mrs. Pelosi, Mr. Rangel and 14 other Democrats wrote to Mr. Bush, urging the U.S. to file more cases against China and other countries within the WTO. In an opinion piece published in the Los Angeles Times the day Mr. Hu arrived, Mrs. Pelosi wrote: "The American people want the administration to show resolve in standing up to Beijing, to demonstrate that we believe that the Chinese people deserve freedom."

Myron Brilliant, head of the U.S. Chamber of Commerce's Asia division, said Democrats harbor "a lot of displeasure at the lack of follow-through in China on the trade front." He said the chamber is taking a "wait-and-see attitude" toward the next Congress, but would mobilize with other business groups if the House tries to address China issues through legislation.

Using "unilateral swords are not actions that we can support," he said.

Write to Neil King Jr. at neil.king@wsj.com1

Palestinian Rocket Fire Kills Israeli Woman (WP)

By Scott Wilson

The Washington Post, November 16, 2006

JERUSALEM, Nov. 15 -- An Israeli woman was killed Wednesday in a Palestinian rocket strike on the town of Sderot, prompting some Israeli lawmakers to demand a sharp military response in an effort to end such attacks from the Gaza Strip.

The death of Faina Slotzker, 57, was the first fatality inside Israel in a Palestinian rocket strike since July 2005. It brought competing assertions of responsibility from the Hamas and Islamic Jihad movements, both of which said the attack on a residential neighborhood was retaliation for Israeli shelling last week that killed 20 Palestinian civilians in the Gaza town of Beit Hanoun.

At least nine rockets landed Wednesday in Israel, including four in the city of Ashkelon north of Gaza. Two Israelis were reported seriously wounded by the rockets: a 17-year-old boy and a 24-year-old man identified as a bodyguard of Defense Minister Amir Peretz, who lives in Sderot. Doctors at Barzilai Hospital in Ashkelon said the man's legs had to be amputated.

Peretz, under mounting pressure to end rocket fire from Gaza that has menaced Israeli border cities for years, pledged that those responsible would "pay a heavy price." Some lawmakers in Jerusalem demanded swift retaliation to deter Palestinians from future strikes.

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"Israel will pay a heavier price if it will not operate immediately" in Gaza, Danny Naveh, a member of the Likud Party, said in parliament. Echoing warnings of other lawmakers that Israel's frontline towns were being abandoned by the military, Naveh said, "Any day that passes without a large-scale operation creates the feeling that the fate of Sderot is not that of Tel Aviv," Israel's largest city.

Slotzker was the seventh person killed by Palestinian rocket strikes inside Israel since such attacks began in 2000, at the start of the most recent Palestinian uprising. The majority of the victims lived in Sderot, a town of 20,000 that sits only a few miles east of the Gaza border. In addition, a Bedouin shepherd and his 17-year-old son were killed in March when they detonated an unexploded rocket in a field near Sderot.

Hundreds of the crude rockets, known as Qassams, have been fired into Israel over the last six years. Launched from makeshift tripods, the rockets are highly inaccurate and pack little explosive force, although they have damaged schools, public buildings and homes in border towns.

Israel withdrew its settlers and soldiers from Gaza 14 months ago, but the army has pushed back into the strip several times since June 25, when gunmen, some of whom belonged to Hamas's military wing, captured an Israeli corporal. The army has fired more than 10,000 artillery shells toward Qassam launch sites in Gaza since the withdrawal, leading to what until recently had been a steady decline in the number of rockets landing in Israel.

In recent weeks, Israeli officials have signaled that a large operation inside Gaza might be necessary to end the rocket attacks and weapons smuggling through tunnels along the strip's southern border with Egypt.

Briefing foreign journalists earlier this week, an Israeli military official said that "tons" of explosives have entered Gaza through the tunnels since the Israeli withdrawal, including propellants the official said were used to magnify the rockets' blast and range. He singled out Hamas, now running the Palestinian Authority, as "a growing military threat to Israel."

The warning came after weeks of stepped-up Israeli military operations in the strip that failed to stop the attacks and inflamed the passions of residents of Gaza's border towns and the armed groups at war with the Jewish state. An intensive six-day operation inside Beit Hanoun killed more than 60 Palestinians, just over half of them gunmen. One Israeli soldier also was killed.

Gaza Rocket Kills Israeli; Retaliatory Strike Launched (WT)

By Joshua Mitnick

The Washington Times, November 16, 2006

SDEROT, Israel -- Rockets fired from the Gaza Strip into the town of Sderot yesterday killed an Israeli woman, critically injured two persons and narrowly missed the home of Defense Minister Amir Peretz, raising pressure on the government to order the army back across the border.

Israeli warplanes raided the Gaza Strip overnight, hours after the Palestinian rocket attack.

The retaliatory attack followed a promise by Mr. Peretz to hit back and a warning that militants would "pay a heavy price."

Fatima Slutsker, a 57-year-old mother of two, died of wounds sustained when the rocket struck early yesterday in a street in the town of Sderot, three miles north of Gaza, police and medics said.

Prime Minister Ehud Olmert, who was in Los Angeles for meetings with Jewish community leaders, ordered the army to continue its lethal four-month offensive in the coastal strip after the death.

"Olmert has been updated and spoke on the phone with the defense minister and instructed him to continue to act against Qassam rocket fire and infrastructure," Mr. Olmert's spokeswoman, Miri Eisin, told reporters in Los Angeles.

The death of the Sderot woman was the first fatality caused by one of the crude Qassam rockets in more than a year, and it highlighted the limited effectiveness of a recent weeklong offensive against Palestinian militants holed up in the northern Gaza village of Beit Hanoun.

It also served as a reminder that Palestinian militants, like Hezbollah, are able to paralyze an Israeli city -- however small and nonstrategic. Members of Mr. Olmert's Cabinet said not enough is being done to shut down the rocket attacks.

"The military's activities aren't satisfactory," said Public Security Minister Avi Dichter. The Associated Press quoted him as saying Israel must find a way to halt the attacks, "whether that means a ground operation, an air operation or other special operations."

Israeli officials have said the army should retake the Philadelphi corridor along Gaza's border with Egypt to halt weapons smuggling.

Israeli intelligence officers say the corridor has been used by Palestinian militants to bring in anti-tank missiles and material for unmanned attack drones -- equipment that will make Israelis "miss" the days of the Qassams, said Sderot Mayor Eli Moyal.

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"From day to day, the firing is becoming more precise, more fatal and more dangerous," wrote Ron Ben-Yishai, a veteran security-affairs commentator writing on a Web site linked with the Yediot Ahronot newspaper. "What the government doesn't do today will be more difficult tomorrow."

But some analysts said Israel should postpone any major military operation in Gaza to enable the formation of a more moderate Palestinian "unity government" that could improve security in Gaza and possibly restart peace negotiations.

Israel hopes that ongoing talks between Hamas and Fatah will produce a new government that would accept international demands laid out by the so-called Quartet -- the European Union, the United Nations, the U.S. and Russia -- and possibly offer a prisoner swap for Cpl. Gilad Shalit, the soldier held in captivity in Gaza since June 25.

"This is the best-case scenario," said Yossi Alpher, editor of a Middle East op-ed Web site, bitterlemons.org. "If all of that happens, then you have a good reason not to launch an offensive."

Palestinian militants rushed to take credit for the attack while residents of Sderot, located near the Negev Desert, complained that the government has failed to find a remedy for the daily trauma over the past six years.

Frustration with the government has left one community leader with a tinge of cynicism: He suggested that Sderot might have gotten more attention in Israel if residents had fled the city as did residents of northern Israel during the summer's border war with Hezbollah.

"Maybe we made a mistake" by refusing to flee, said Alon Davidi, a local activist who supports re-establishing an Israeli buffer zone in northern Gaza to push back the attackers. "Maybe this is what we need to do. People don't appreciate it when people just bite their lips and stay put."

Other residents say they are wary of proposals to reconquer Gaza. As he awaited tax officials to assess the damage from a Qassam rocket that severely damaged his home and left a small ditch in his yard, Shimon Ganam said Israel's military operations in Gaza have only triggered more rocket attacks on the city.

"The cease-fire a year and a half ago is the only thing that brought us security," he said, standing next to a house with an entire wall missing, shrapnel pockmarks, and the roof beams exposed. "Now we're being held hostage."

Hamas Claims Responsibility For Fatal Rocket Attack (CHIT)

By Joel Greenberg

Chicago Tribune, November 16, 2006

SDEROT, Israel -- Rockets fired from the Gaza Strip killed a woman and wounded several other people in this border town Wednesday, drawing warnings of a military response from Israeli leaders.

It was the first fatal Palestinian rocket strike on Israel since it withdrew from the Gaza Strip last year. The attacks have continued despite repeated army raids in an effort to halt the fire.

The armed wing of Hamas claimed responsibility for the attack, saying it was retaliating for an Israeli shelling last week that killed 19 Palestinian civilians in the Gaza Strip town of Beit Hanoun. The militant Islamic Jihad group said it also had fired rockets.

The latest salvos raised the prospect of further Israeli action against militants in Gaza, with some Cabinet ministers calling for a tough response.

"Our action in Gaza will continue without interruption," said Prime Minister Ehud Olmert, who was meeting American Jewish leaders in Los Angeles. "We will decide on additional steps as required to continue fighting the unceasing, murderous terror from Gaza."

One rocket that hit Sderot slammed into a sidewalk about 150 yards from the house of Defense Minister Amir Peretz, who was not home. The explosion killed a passerby, Faina Slotzker, 57, and seriously wounded a security guard patrolling near the minister's residence, mangling his legs. Several people were slightly hurt.

Galit Salim, 15, said she had been nearby on her way to school when she heard the incoming rocket alert, "Color Red," broadcast over loudspeakers a little after 8 a.m.

"I ran back home and heard a powerful boom," she said. "There was a strong smell of smoke. I went over there and saw two people without legs. The woman was frozen, she didn't respond. The other person was moving. I was shocked."

The blast shattered the windows in the home of Leah Aroch, 74, whose house is a few yards away. Shards of glass covered her living room and the pillow of her bed. "I had just gotten up after my dog rushed in when I heard the boom. The whole house was filled with smoke," she said.

Outside on the brick sidewalk, a shallow pit and a medic's surgical gloves marked the spot where the rocket had fallen.

Hours later another rocket landed in the town, seriously wounding a 17-year-old, the army said. Four more rockets landed in the coastal city of Ashkelon but caused no casualties.

Peretz met with top army officers to discuss a response.

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"We will act against all those involved in firing Qassam rockets, from the heads of the terrorist organizations down to the last activist," Peretz said in a statement. "The terror organizations will pay a heavy price."

But military action has proved ineffective in halting the rocket strikes, often triggering more.

Last week's lethal shelling of Beit Hanoun, which the army said was caused by a technical malfunction, came after a weeklong raid in the town that left widespread destruction and more than 50 people dead, both militants and civilians. Yet rocket attacks continued from other areas during the incursion and resumed from around Beit Hanoun after the troops pulled out.

"People here are defending themselves," Ghazi Hamad, spokesman for the Hamas-led Palestinian government, told Israel Radio from Gaza. "If the Israeli side is willing to stop all its actions, we have no problem with the Palestinian side also stopping."

The continuing rocket strikes, and angry criticism by Sderot residents who say they are fed up with living in fear, are likely to increase the pressure on the Israeli government to respond to the attacks, which began more than four years ago.

The crude, inaccurate rockets rarely cause casualties or damage, but previous strikes into Israel have killed six people since 2004, and the threat has terrified people in Sderot, a town of 20,000 less than a mile from the Gaza border fence.

Eli Moyal, the mayor, counseled stronger military action. "We have to create an equation that it won't be worth it for the Palestinians to shoot," he told Israel Radio.

Public Security Minister Avi Dichter, a former head of the Shin Bet security service, told Army Radio that Israel should broaden its operations to bring about a "complete halt" to rocket fire, "whether that means a ground operation, or an air operation or other special operations."

Some Sderot residents also called for harsher military measures, saying their nerves were frayed by the repeated alarms and rocket blasts.

"I fear most for my grandchildren, who wake up at night frightened by the booms," said Haya Ziegler, 58. "You live in constant fear of what will happen any minute. This is no way to live."

But Aroch, the woman living near the site of the deadly strike, said that military action had proved futile and that only talks, even with Hamas, could solve the problem.

"We have to put an end to this," she said. "We have to talk to them. We have to get to a cease-fire."

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'Human Rights' Council (WSJ)

The Wall Street Journal, November 16, 2006

When the U.N.'s Human Rights Council came into existence earlier this year over U.S. objections, we argued that the new organization offered no improvements over the discredited Human Rights Commission it replaced. Turns out we were wrong: The new Council has been worse.

Among the many problems with the old Commission -- other than a membership that included Zimbabwe, Sudan and Cuba -- was its obsessive focus on Israel. As legal scholar Anne Bayefsky has pointed out, in 40 years the Commission dedicated more than a quarter of its resolutions to scoring Israel while never once condemning repression in China.

It was partly for this reason that the old Commission had to go, and why solons such as Kenneth Roth of Human Rights Watch and former Colorado Senator Tim Wirth of the U.N. Foundation urged the Bush Administration to endorse the Council, with Mr. Wirth describing it as "an important step forward in the fight for global human rights."

That was in March. The Council has since not been able to agree on a resolution condemning the government of Sudan for its atrocities in Darfur. Instead, the sole object of its censures to date has been -- drum roll, please -- Israel.

In July, the Council condemned Israeli operations in the West Bank and Gaza, which had been prompted by the killing of two Israeli soldiers in Israel and the hostage-taking of a third. In August it cited Israel for "massive violations of human-rights" in Lebanon, never mind the kidnapping of two Israeli soldiers by Hezbollah that had caused the war. Now the Council has dispatched "fact-finders" to Gaza to report on the latest fighting.

We won't hold our breath waiting for a balanced report. Meantime, perhaps Messrs. Roth and Wirth can reflect on what their credulity has achieved.

War Between Islamists, Government Is Brewing In Somalia (MCT)

By Shashank Bengali

McClatchy Newspapers, November 16, 2006

NAIROBI, Kenya - Five months after Islamist militias defeated a coalition of CIA-financed warlords, Somalia appears to be sliding toward a major war that diplomats fear will draw thousands of foreign fighters to the Islamist side and spill into neighboring countries.

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The rise of the Islamists, who took control of the capital, Mogadishu, in June and since have seized most of southern Somalia, already was a setback for U.S. counterterrorism efforts in the region, where al-Qaida loyalists are believed to be hiding. A full-scale war would be a major test for Bush administration policy in a place that Osama bin Laden has called a battlefield in his war against the West.

Iran, Syria, Libya, Egypt, Saudi Arabia, Djibouti and Eritrea are backing the Islamists with a dizzying influx of weapons, supplies and military personnel, according to a new United Nations report to be presented Friday to the U.N. Security Council. The support ranges from uniforms to first-aid kits to surface-to-air missiles, and, in one case, guerrilla training at a camp in Syria, the report says.

On the other side is Somalia's weak interim government, backed by U.S. ally Ethiopia, which the report says has sent thousands of troops to protect the government's hold on its only major outpost, the town of Baidoa, 150 miles northwest of Mogadishu. Uganda and Yemen are providing weapons.

A senior U.S. military officer conceded last week that the U.S. has no strategy in place should war break out and denied that the U.S. government is using Ethiopia as a proxy against the Islamists. "The U.S. position is we don't want them actively involved," said the officer, who briefed reporters in Nairobi on condition of anonymity.

But some observers said the United States hasn't discouraged Ethiopia, whose leader, Meles Zenawi, has said he won't tolerate a fundamentalist regime on his borders.

The Islamists have disavowed ties to terrorist groups, but U.S. officials accuse their supreme leader, Hassan Dahir Aweys, of having links to al-Qaida. Last week, the U.S. Embassy in Kenya, citing messages from Aweys posted on Islamist Web sites, warned of potential suicide attacks in Kenya and Ethiopia.

The new U.N. report, assembled by a panel of experts monitoring a long-ignored arms embargo, said hundreds of battle-hungry foreign jihadists, some of them trained in suicide bombing and assassination techniques, have joined the Islamists in Somalia.

The spark for a conflict could come from Ethiopia or from its enemy, Eritrea, the Islamists' chief sponsor and, the U.N. report says, a conduit for Arab support. Ethiopia and Eritrea fought a grisly war in 1998-2000 over a border that's still disputed. Eritrea is also thought to have thousands of troops in Somalia.

The findings of the U.N. report couldn't be independently verified. But virtually everyone agrees that the prospects for war are high.

"This scenario is the one that we all feared, that the threat of war could reach these proportions," said Matt Bryden, a veteran analyst who consults for the International Crisis Group think tank. "Nothing is preventing things (from) moving in this direction."

Somalia has been a black hole for U.S. policy in Africa for more than a decade, since the deaths of 18 soldiers in the 1993 "Black Hawk Down" episode in Mogadishu precipitated the withdrawal of 25,000 U.S. troops. There's been no official U.S. presence in Somalia since.

After Sept. 11, 2001, the Bush administration saw Somalia's mix of poverty and anarchy as a potentially dangerous breeding ground for terrorists. In 2005, CIA operatives began clandestinely funneling money to Mogadishu warlords in exchange for intelligence on terror suspects - an operation that fell apart in June when the Islamists drove the hated warlords from the city.

The U.N. report says that the Islamists - officially a federation of Muslim sharia law courts - have quickly become the most powerful force in the country. They've cracked down on crime by imposing Muslim law and reopened Mogadishu's airport and seaport, boosting economic activity.

With help from Arab allies, they've organized their once-patchwork militias into a coherent fighting force, amassed a huge range of arms and military vehicles, recruited foreign fighters to their cause and begun formal training camps.

The report also details cooperation between the Islamists and the militant Lebanese group Hezbollah. About 720 Somalis fought alongside Hezbollah in this summer's war against Israel in exchange for support and training from Hezbollah patrons Syria and Iran, including guerrilla training of 200 Somalis in Syria in July, the report says.

The Islamists are "fully capable of turning Somalia into an Iraq-type situation, replete with roadside and suicide bombers, assassinations and other forms of terrorist and insurgent-type activities," the report said.

A spokesman for the Islamists, Abdirahin Ali Muudey, denied receiving aid from outside Somalia. "There is not any country (that) supports us with military equipment," he said. "All those countries, especially Syria and Iran - even our officials have never visited those countries in their life."

As face-to-face talks between the Islamists and the interim government have fallen apart, Islamist forces have moved to within 20 miles of Baidoa, where thousands of Ethiopian troops are believed to be waiting. Analysts say recent heavy rains, which have made dirt roads impassable, may be the only thing stalling the outbreak of major hostilities.

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The Bush administration, led by the State Department's top Africa official, Jendayi Frazer, has been pushing for the deployment of a multinational African peacekeeping force. But the U.N. report warns that inserting foreign troops could actually provoke a military confrontation.

A war would likely involve fighting near Baidoa, as well as near the Ethiopia-Somalia border, 150 miles to Baidoa's northwest. Analysts note that much of southern Ethiopia's population is ethnic Somali, and the Islamists might be able to count on support from Somali rebel groups in Ethiopia.

There also are reports that the Islamists have been amassing anti-aircraft weaponry, an indication that they expect Ethiopia to use jet aircraft to bomb targets in Mogadishu, including the airport and seaport.

If hostilities drag on, fighting could spill over into Kenya, which has its own population of disaffected ethnic Somalis as well as Islamic extremist groups operating along the coastline. Analysts believe that a protracted conflict could draw those groups to the Islamists' side.

Over the weekend, another front appeared to open up several hundred miles north, near the key semi-autonomous region of Puntland, home to a seaport that provides the Baidoa-based government's only revenue other than foreign contributions. Islamist forces battled fighters loyal to the government and to former warlord Abdi Qaybdid, capturing a town and reportedly seizing several machine-gun-mounted pickups, known as "technicals."

"There are all these different friction points," said Mario Raffaelli, Italy's special envoy to Somalia. "Any one of them can be the starting point for a fight."

McClatchy special correspondent Mahad Elmi contributed to this report from Mogadishu, Somalia.

GAO Audit Finds Waste In Cuban Aid Program (WP)

By Karen DeYoung

The Washington Post, November 16, 2006

Nearly all of the $74 million a federal agency has spent on contracts to promote democracy in Cuba over the past decade has been distributed without competitive bidding or oversight in a program that opened the door to waste and fraud, according to a report released yesterday by the Government Accountability Office.

In one of the more extreme cases of apparent abuse, the GAO said a Miami-based group used government money to purchase "a gas chainsaw, computer gaming equipment and software (including Nintendo Game Boys and Sony PlayStations), a mountain bike, leather coats, cashmere sweaters, crab meat, and Godiva chocolates."

The group said in its grant application to the U.S. Agency for International Development that it would use the money "to provide humanitarian assistance and information to [Cuban] dissidents and their families." The director of the grant recipient, Accion Democratica Cubana, told the Miami Herald that all the luxury items -- but not the chainsaw -- were sent to Cuba. But GAO author David Gootnick said the lack of documentation made that impossible to determine.

Rep. Jeff Flake (R-Ariz.), who requested the audit along with Rep. William D. Delahunt (D-Mass.), said the lack of oversight and the failure to follow government rules led to creation of a money trough that existed largely to provide jobs and operating funds to Miami-based activists who oppose Cuba's communist government.

"I think that this administration and to some extent the last wanted simply to curry favor with the Cuban American exile community," Flake said. "It's been kind of a bipartisan thing, and you haven't had anybody really challenge it. We just kind of turned away."

Delahunt, currently the ranking minority member of the House International Relations subcommittee on oversight and investigations, said at a Capitol Hill news conference that he would hold hearings on issues raised in the audit when the new Congress convenes under Democratic leadership.

Flake and Delahunt chair the bipartisan Cuba Working Group, which has pushed unsuccessfully for changes in long-standing travel restrictions and economic sanctions -- tightened by the Bush administration -- that prohibit sending virtually anything to Cuba. "What is striking about this," Flake said of the democracy program, "is we're basically spending money to beat our own embargo."

Under Clinton-era legislation, USAID distributes money to U.S. groups to send surreptitious aid -- including food, medicine and office supplies -- to Cuba and non-monetary assistance to political dissidents and independent journalists trying to operate within the island's tightly controlled communist system. The administration has promised an additional $80 million in funding over the next two years and expanded the program to include detailed plans for a transition to democracy in Cuba. Planning has accelerated with President Fidel Castro's relinquishment of power to his brother, Raul. Although the official Cuban government position is that Fidel Castro is recovering from surgery and will return to office, U.S. intelligence officials have said they believe he has terminal cancer.

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In its official response to the 59-page GAO report, USAID said that it was "taking issue" with unspecified findings but that it would "seek to improve agency performance in managing, monitoring and evaluating this assistance."

GAO auditors began with a cursory examination of the 50 grants that were made under the program from 1996 to 2005. Twenty-eight of the grants, it said, were "modified" after the fact in ways that extended agreed-upon completion dates by an average of one to three years and "increased the aggregate value of these agreements nearly eight-fold -- from about $5.9 million to nearly $50.1 million."

Auditors then conducted an in-depth examination of 10 grantees that account for more than three-quarters of the aid money. Although the GAO acknowledged the difficulty of operating effective aid programs in Cuba, it found that many of the grantees lacked records that would make it possible to determine how the aid money was used and what it accomplished.

Proposals for funding for virtually all the 10 grantees had been unsolicited and not offered for competitive bids by USAID. The government in most cases failed to comply with its rules requiring pre-award examinations, contract specificity, monitoring and formal audits at the end of a program. The GAO said it had referred three of the contracts for further investigation.

Report Cites Flaws In Cuba Aid Program (AP-Y)

By Jim Abrams, Associated Press Writer

AP, November 16, 2006

A Democratic critic of the Bush administration's Cuba policy on Wednesday promised hearings next year on a report citing weaknesses in the U.S. program promoting democracy in Cuba.

"The conclusions are disturbing to say the least," Rep. William Delahunt, D-Mass. The report by congressional investigators said the U.S. Agency for International Development did not always properly oversee Cuban aid grants and that coordination with the State Department was sometimes ineffective. Cashmere sweaters and chocolate were among the items bought with agency money, the study found.

Delahunt requested the study with Rep. Jeff Flake, R-Ariz., another strong advocate of ending the four-decade-old policy of opposing the Castro government through economic penalties and restrictions on travel and personal contacts.

"To continue the current level of funding given the results and given the disarray this program seems to be in would be a tremendous waste of taxpayer dollars," Flake said.

When Democrats gain the majority in the next Congress, Delahunt will be chairman of the House International Relations oversight and investigation subcommittee, putting him in a position to convene hearings on Cuba.

The report by the Government Accountability Office found that in the past decade, USAID awarded 40 grants or cooperative agreements totaling $65 million and the State Department four grants worth $8 million to support democratic progress in Cuba. USAID provided 385,000 pounds of medicine, food and clothing, more than 23,000 shortwave radios and millions of books, newsletters and other informational material.

It said dissidents interviewed by the GAO in Cuba said they appreciated the assistance.

But investigators also found that 95 percent of USAID's total awards were made in response to unsolicited proposals; that reviews of grantees were not always finished before awards were granted; and that the agency did not adequately follow up on grants to ensure accountability.

Some USAID money, the report said, paid for a gas chain saw, computer gaming equipment, a mountain bike, leather coats, cashmere sweaters, crab meat and Godiva chocolates.

"Under the Bush administration's Cuba policy, it is illegal for Cuban-Americans to fly to Havana for a family funeral, but legal for the State Department to pay smugglers to bring chocolates and cashmere sweaters onto the island," said Sara Stephens, executive director for the Center for Democracy in the Americas.

Flake and Delahunt, while acknowledging the difficulty of delivering material to dissidents in Cuba, cited one finding in the report that it takes anywhere from $4 to $20 to get humanitarian or material assistance to the island.

"It may be closer to four cents a pound," if the administration lifted its restrictions on family visits and travel to Cuba, Delahunt said. "This really cries for a more thorough review of policy as opposed to just simply focusing on the findings and looking at it as an auditing problem."

USAID chief financial officer Lisa Fiely, in a letter to the GAO, said her agency has acted to comply with the recommendations. The agency took issue with some findings, she said, but pledged to better manager, monitor and evaluate the U.S. assistance.

On the Net:

Government Accountability Office: http://gao.gov/

More Cubans Take Trip To USA, Using Alternate Routes (USAT)

DOJ_NMG_0095396

By Alan Gomez

USA Today, November 16, 2006

Cubans fleeing their communist homeland are reaching U.S. shores in increasingly large numbers as more brave the trip and new smuggler routes make it easier to land.

Traditionally, Cubans have used makeshift boats, rafts and even inner tubes to ride the currents toward the Florida Keys and Florida's southeast coast. But the Coast Guard and Border Patrol agents are heavily focused on the eastern shore, so more smugglers driving high-speed boats are popping up on Florida's less-populated, less-patrolled southwestern coast.

"Authorities tied it up so tight near Miami that it's gotten hard for them to get in," said Capt. Thom Carr of the police department on Marco Island, located west of Miami on the other side of the state. "Because of that, they told us (Cubans) might start heading this way, and now they are."

Monday, 28 Cubans reached land in Naples. The previous day, 17 landed on Sanibel Island. And in August, 20 Cubans landed near Marco Island, according to The News-Press in Fort Myers.

That trend forced the Border Patrol to shift a special unit to southwest Florida this year to help law enforcement track down the smugglers.

"It's caught us by surprise because we haven't seen that in the past," said Steve Cole, a spokesman with the U.S. Attorney's Office Southwest Florida division.

The shift to the Gulf of Mexico seems obvious to some who live there.

The waterfront along Miami and Fort Lauderdale is stacked with high-rise buildings that light up the waters and make it easier to spot vessels on the water. The area also has many fishermen and boaters who help the Coast Guard identify smugglers gunning for land.

On the other hand, the Gulf Coast is largely a quiet collection of beach homes where cities have laws restricting the amount of light homes can emit at night. The laws ensure that hatching sea turtles head to the water instead of being drawn to city lights.

Mark Sobel, who owns a resort on Sanibel and woke up Sunday to find 17 Cubans on his doorstep, said the combination of those factors results in a prime setting for nighttime smuggling runs. "It's quite dark, and that may very well be a haven for them," he said.

New routes account for only part of the recent upswing in Cuban migration to the USA.

The Department of Homeland Security estimates that 6,356 Cubans reached U.S. soil in 2005. That's up from 303 in 2003 and marks the highest influx of Cubans since the Coast Guard picked up more than 37,000 Cubans in 1994 in the waters between Florida and Cuba.

Alfredo Mesa, director of the Miami-based Cuban American National Foundation, draws a direct link between the recent upsurge and a crackdown on dissidents on the island in 2003. Dozens of journalists and political activists were arrested, convicted and sentenced to decades in prison on charges of "working with a foreign power to undermine the government."

"I would make a correlation between this recent wave and the government increasing their repressive apparatus," Mesa said. "That's at the root of why people seek freedom."

Lisandro Perez, a Florida International University sociology professor and past director of the school's Cuban Research Institute, takes a broader look at explaining the recent surge. The influx in 1994 was preceded in size only by the Mariel boat lift in 1980, when 125,000 Cubans arrived in Florida.

Perez says that after each massive exodus, islanders settle back down for a number of years, but the economic pressures and the "oppressive" regime eventually drive people to the point of fleeing, no matter the risk or cost. The result, Perez says, is a roughly dozen-year cycle between each exodus.

"After one of these exoduses, there's a collective breath because people who wanted to leave have left," Perez said. "But over time, these things accumulate. There's a pent-up demand in Cuba for migration that tends to increase with time."

Law enforcement officials say stopping such a mass migration would be just as hard now as it was during the previous waves.

The U.S. government has a migration policy unique to Cuba. Known as the "wet-foot, dry-foot" policy, any Cuban who reaches land is generally granted political asylum while those caught at sea are returned to Cuba.

That places the onus on the Coast Guard and other law enforcement to stop the floating refugees before they reach shore.

In fiscal year 2005, when more than 6,300 Cubans reached land, the Coast Guard caught 2,712.

"It's a maritime zone. We can't put a wall up around the United States," said Petty Officer James Judge, a spokesman with the Coast Guard's Miami station. "And we don't have enough Coast Guard assets or other agencies out there to check every single boat and have a 100% way of stopping illegal trafficking of anything, including people."

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Empowering, Not Muzzling, Our Ambassadors (WP)

The Washington Post, November 16, 2006

The memorandum that was the subject of "Karen's Rules on Diplomacy: Talk to the Media -- if You Dare" [Federal Page, Nov. 8] was originally distributed more than a year ago and is having its intended effect of freeing U.S. ambassadors to engage with the media around the world. It's disappointing that neither The Post nor the organizational psychologists it consulted bothered to check with the State Department before publishing the article. If you had, you would have learned that these guidelines empower our ambassadors rather than restrict them.

When I arrived at the State Department and met with ambassadors last year, many told me that they felt they were not allowed to speak on the record to the media unless the interview was "pre-cleared" by Washington. While this perception was not entirely accurate, many ambassadors hesitated to speak on the record without specific permission. Given time differences and journalists' daily deadlines, that meant too many ambassadors did not regularly engage with the media. Yet it seemed to me, and to Secretary of State Condoleezza Rice, that if we trusted our ambassadors to represent our country overseas, we should also trust them to use good judgment in speaking to the media about U.S. policies.

As I began encouraging ambassadors to engage more vigorously with media, they requested clear guidelines. The resulting rules cited by The Post have been applauded by our missions abroad; in fact, they were reissued at the request of public affairs officers because many ambassadors are new.

We have dramatically increased the appearances by our ambassadors on media outlets around the world. This expanded engagement is good for our country.

Undersecretary of State
for Public Diplomacy and Public Affairs
Washington

Kabila Wins Election Runoff In Congo (AP)

By Michelle Faul

AP, November 16, 2006

Incumbent President Joseph Kabila was declared the winner Wednesday of Congo's tense runoff election, defeating his rival and ex-rebel leader, Jean-Pierre Bemba, in the country's first multiparty contest in more than four decades.

Kabila won with about 58 percent of the vote, compared with nearly 42 percent for Bemba, said Apollinaire Malu Malu, chairman of the Independent Electoral Commission.

Bemba has disputed results from the Oct. 29 vote for days and his forces fought police and troops loyal to Kabila on Saturday for several hours in the capital, leaving three civilians and one soldier dead. Earlier Wednesday, Bemba's fighters refused a request by U.N. peacekeepers to return to military barracks in the city.

Bemba's home was silent, as was most of this capital of nearly 7 million people, where he enjoys massive support and Kabila is largely disliked. A few dozen people in some downtown Kinshasa bars and made celebratory toasts, and car horns honked in victory in an elite suburb.

"Peace must reign in every corner of the country. Long live democracy. Long live the new Democratic Republic of Congo," Kabila said in a televised address after he was declared the winner. "I ask you tonight to remain united and to live in fraternity and tolerance."

The U.N. mission deployed tanks onto Kinshasa's streets Wednesday, part of stepped-up security across Kinshasa that has also included a greater presence of European peacekeepers and police.

The electoral commission had said it would look into Bemba's complaints alleging fraud, but Malu Malu made no reference to the investigations.

The 35-year-old Kabila won 9,436,779 votes, compared to 6,819,822 votes for Bemba, Malu Malu said. Turnout among the nation's 25 million registered voters was about 65 percent.

Congo may one day look back at the election as the difficult birth of an era of peace, democracy and prosperity after decades of colonial rule, dictatorship and war that devastated what should be among the richest countries in Africa, if not the world. But for now, it is far from clear that supporters of the political rivals won't resort to violence.

"The big hope is that people want the elections, they want peace, they want to get on with their lives in circumstances that promise a better future," said William Lacy Swing, the U.N. secretary-general's special representative to the Congo.

"The vast majority of people are tired of war, tired of violence, they want peace and they are not easily going to be involved in acts that will disrupt order," he said. "I honestly believe that after these elections, one can truly say that this country is another country."

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International observers have said voting was largely free and fair, and the election commission has rejected accusations its count has been skewed by fraud.

When results of the first presidential round were announced in August, the two sides battled it out on the streets of Kinshasa for three days, killing 23 people.

White U.N. personnel carriers with mounted submachine guns and truckloads of troops remained overnight in front of Bemba's house on the capital's main June 30 Boulevard. U.N. military spokesman Lt. Col. Stephane Lescoffit said about 100 troops had been stationed there.

On Tuesday, Bemba's spokesman said, a Congolese Armed Forces officer led a convoy of 16 trucks to the house and demanded that 300 members of Bemba's bodyguard accompany them to be confined to barracks on the outskirts of town. They refused and the trucks left, said the spokesman, Moise Musangana.

Army spokesman Col. Leo-Richard Kasonga said he couldn't immediately comment on the demand that Bemba's forces be confined to barracks, which appeared to have been made without consulting the U.N. peacekeepers.

Musangana said Bemba had about 1,500 armed fighters at his home, while the presidential guard numbered up to 15,000.

On Tuesday, Bemba's supporters challenged the vote count and threatened to tear up agreements to use dialogue and not violence to resolve disputes.

International observers have reported some problems in the largely peaceful elections, but largely agree that the exercise was free and fair — a tremendous achievement given the size and population of the country, its primitive infrastructure, lack of institutions, and the fragility of a peace that still has not taken hold in the east.

The Central African nation is the size of the United States east of the Mississippi, but has only 300 miles of paved roads, posing huge logistical problems for the U.N. mission that spent nearly $500 million on the vote, the biggest election the world body had ever helped organize.

"There have been issues but, technically speaking, I really believe it was free and fair," said Carmina Sanchis-Ruescas of the Washington-based IFES, which aids elections around the world. "There always some errors and mistakes, but not to the extent that we could claim that it has not been free and fair."

The names of some voters didn't make it onto the lists of eligible voters because of technical glitches, while up to 1.5 million poll workers and observers were allowed to vote outside their home districts, raising concerns.

The country's top Roman Catholic prelate, Cardinal Frederic Etsou, accused the Electoral Commission of publishing false results.

But the biggest national observer mission, set up by the Catholic Church, found no evidence the count was rigged.

"We saw some irregularities, but we cannot speak of fraud," said Henri Nuyiya of the Coordination for a Successful Transition, which mustered 50,000 election volunteers. "If there were a few people who voted in places where they were not registered, this would not have affected the results of the elections."

Both candidates had representatives at polling stations who were given copies of the results on the day of balloting, said Colin Stewart of the Atlanta-based Carter Center, which also sent observers.

That measure, he said, "constitutes a very strong measure of transparency and virtually eliminates any possibility of significant fraud in the compilation process."

Incumbent Declared Winner In Congo Vote (WP)

By Stephanie McCrummen

The Washington Post, November 16, 2006

KINSHASA, Congo, Nov. 15 -- Incumbent Joseph Kabila was on Wednesday declared the winner of Congo's first presidential elections in more than 40 years, as the crumbling boulevards of the capital remained calm.

The announcement came during a week of rising tensions and as dozens of U.N. tanks patrolled the streets. On Tuesday, supporters of Kabila's rival, Jean-Pierre Bemba, essentially declared their candidate president, accusing the election commission and other countries of an "electoral holdup."

Bemba, a former rebel leader, has wide support in Kinshasa and a personal guard of an estimated 1,000 soldiers who had refused to evacuate to the edges of the city.

By sundown Wednesday, many Congolese were expressing fear that the historic vote would end in a street brawl. Business owners chained their doors early, streets were unusually empty, and some families boarded ferries bound for Brazzaville, in neighboring Congo Republic across the vast Congo River.

But the sort of violence that killed at least 23 people after the first round of voting on July 30, and that people endured during a decade of civil war, did not materialize.

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"We're fed up with the fighting," said Charles Tumba, a Bemba supporter sitting outside a house lacking electricity and running water most of the time. "Basically, everybody is expecting a change in the country. But let's wait and see."

Some international election observers reported irregularities but said none were significant enough to alter the results.

A massive logistical effort had gone into the election in Congo, a mostly roadless country the size of Western Europe with a population of more than 62 million. Foreign donors poured in $450 million to support the vote, which one Western aid official deemed perhaps one of the "most complicated processes in the history of democracy."

The United Nations deployed 17,500 troops, the largest peacekeeping force in the world. Election workers registered more than 25 million voters, many of whom walked miles to cast paper ballots that had to be trucked, biked, canoed or hiked to one of thousands of counting centers across the country. And because there was a runoff, it was done twice.

Kabila, who took power after his father, Laurent Kabila, was assassinated in 2001, faces the challenge of satisfying the high expectations of the electorate, including the 42 percent who voted for Bemba, in a country with more than 200 ethnic groups and at least that many political parties.

"It's not enough just to vote," said Christophe Lutundula, an opposition lawmaker who received death threats after he wrote a report examining wartime mining contracts. Kabila "has to manage his victory. And there has not been much progress in the maturing of the political culture, and that's what worries me most. It is effectively a cultural war to change things in this country."

Kabila takes charge of a country still imbued with the legacy of its longtime dictator, Mobutu Sese Seko, who looted billions from the government during his 32-year rule. The violence, disease and famine accompanying the civil war that followed left more than 4 million people dead.

Several former rebel leaders accused of war crimes now hold high-ranking positions in the national army, and militias still terrorize people in the east, taking over farms and national parks. Kabila also faces a population desperate for decent jobs, as unemployment hovers around 80 percent.

Many here say they hope a new constitution, adopted last year, will provide some framework for reforms. The document provides for the creation of provincial legislatures, for example, that in theory will decentralize state power, allowing provinces to retain 40 percent of revenue for local projects.

"People have learned a lot from this process," the aid official said. "And it has created a whole cadre of people who understand what it means to be in the weeds of democracy."

‘Glamorous' Socialist Seeks French Presidency (USAT)

By Jeffrey Stinson

USA Today, November 16, 2006

PARIS — Is France, which has been led by male political lions like Charles de Gaulle, Francois Mitterrand and now Jacques Chirac, ready for a female president? And a woman who is a glamorous, unmarried mother — and a new-breed Socialist at that?

Segolene Royal, 53, who hopes to be the republic's first female president, will get a partial answer to that question this week. The Socialist Party's 200,000-plus registered members go to the polls today to choose their nominee for April's presidential election. Results are due Friday.

Royal already has shaken up French politics, traditionally dominated by men from the elite universities that groom the nation's leaders and move up through France's bureaucracy.

She has graced the covers of magazines such as TIME Europe. While on vacation in August, paparazzi photographed her in a turquoise bikini. “She's very glamorous. She's very pretty. She's seen as separate from the French ruling elite,” says Rachna Uppal, European analyst for Global Insight, a London-based consulting firm.

On the final day of campaigning Wednesday, Royal's two male opponents, Dominique Strauss-Kahn and Laurent Fabius, denied her accusations of chauvinism.

Royal quoted Strauss-Kahn this week as saying that she “would have done better to stay at home rather than read out her cookery notes.” She told party members that Fabius had wondered, “Who is going to look after the children?” if she became the party candidate.

As leader of her party — and possibly of the nation — Royal says she offers something different: a connection with the French people.

Uppal says Royal cultivates the image of a person who is willing to listen. France has been racked by riots in the past year by minority youths, mostly Muslim, who complain they are discriminated against in jobs, in education and in treatment by police.

The French “think they want change; they say they want change,” Uppal says. “But they fear change. Royal stands out as someone who is listening to them.”

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Although there are no recent polls of party members, Royal was the choice of 58% of those who "sympathize" with the Socialist Party in a poll in Sunday's Le Journal du Dimanche by the Ifop agency. Strauss-Kahn, a former finance minister, was preferred by 32% in the Nov. 2-10 poll of 716 Socialist-leaning adults.

Royal is running even among all voters in a matchup against the likely presidential candidate of the ruling center-right party, Interior Minister Nicolas Sarkozy. She was favored by 32% to Sarkozy's 31% in an Oct. 17-18 poll by the firm CSA.

"She has a very good chance of becoming the first woman president," William Keylor, professor of international relations at Boston University, says of Royal. "This would be a sea change in French politics if those old guys are going to have to … turn over Elysée Palace to a woman."

Royal's background is similar to her male political counterparts. She got an economics degree from Paris' Institute of Political Sciences, known as Sciences Po. She also graduated from the National School of Administration, the launch pad for the governing elite. She served as minister of environment, education and family and children. In 2004, she was elected president of one of 12 elected regional administrative bodies.

At Sciences Po, she met Francois Hollande, 52, a veteran French politician and chairman of the Socialist Party since 1997. She and Hollande live together, but they never married. They have four children.

"I would vote for her," says Catherine Clisson, 43, a Paris homemaker and mother of a teenage boy and 11-year-old girl. "I really would like a change. The (male) politicians we have from the establishment, they don't really know how people live. A woman like Segolene Royal knows a little more."

Royal's rise as a political star hasn't been trouble-free. She has drawn harsh criticism from Socialist hard-liners for some of her stands. And she has backtracked to avoid alienating the party base.

She backed off her critique of France's 35-hour workweek, which is a Socialist party sacred cow.

She has been fuzzy on how to pull France out of its economic doldrums. The French economy was stagnant in the third quarter. Unemployment for minority youths in suburban areas is as high as 20%, although it dipped to 8.8% in September, lowest level in five years.

Royal also has not made her foreign policy views clear, although she has indicated her take on U.S.-French relations differs from opponent Sarkozy, who is strongly pro-American, says Philip Gordon, senior fellow at the Brookings Institution in Washington. "She's staking out a position that stresses France's independence from the United States," Gordon says.

Royal wants delinquent juveniles to be sent to boot camps run by the military. And she has called for "citizens' juries" that would assess how politicians are doing and attend Cabinet meetings.

When jeered by Socialists at a candidate debate last month, Royal defended the juries. "Don't be afraid of the people," she said. "Democracy is like love: The more you get of it, the bigger it grows."

If no candidate emerges with a majority Friday, Socialists will hold a runoff between the top two vote-getters next Thursday.

Analyst Uppal says a second round could prevent Royal from taking positions that stray from the traditional Socialist platform. "She wants a shoo-in," Uppal says. "If she's a shoo-in, she will be saying a lot more controversial things."

Annan Faults 'Frightening Lack Of Leadership' For Global Warming (NYT)

By Jeffrey Gettleman

The New York Times, November 16, 2006

NAIROBI, Kenya, Nov. 15 — Secretary General Kofi Annan on Wednesday put the blame for global warming on "a frightening lack of leadership," saying the poorest people in the world, who do not even create much pollution, bear the brunt of rising temperatures.

"The impact of climate change will fall disproportionately on the world's poorest countries, many of them here in Africa," Mr. Annan said in a speech to a major climate conference here. "Poor people already live on the front lines of pollution, disaster and the degradation of resources and land.

"For them," the United Nations leader said, "adaptation is a matter of sheer survival."

When pressed at a news conference afterward about his comments on poor leadership, Mr. Annan denied that he was singling out the United States, the world's biggest source of the smokestack and tailpipe gases that are linked by most scientists to rising temperatures. The United States is also one of the few countries that has not ratified the Kyoto Protocol, the first treaty setting limits on the heat-trapping pollutants.

"My speech was not directed at a particular individual or leader," Mr. Annan said. "I just want leaders around the world to show courage, because this is one of the greatest challenges of our time."

Among other issues, negotiators at the climate conference are exploring how to set new emissions limits for the period after 2012, when Kyoto's terms expire. Bush administration officials have said the United States has no plans to accept any binding limits.

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The delegation from the United States, meanwhile, denied that it was part of the leadership failure that Mr. Annan spoke about.

Paula J. Dobriansky, the under secretary of state for democracy and global affairs, said Wednesday that "we think the United States has been leading in its groundbreaking initiatives." She listed several measures, including financial incentives for businesses to reduce pollution and strict domestic rules that she said had helped in the fight against global warming.

Each year thousands of environmental experts, government officials and activist groups gather for a nearly two-week-long conference on how to battle global warming.

This year's conference in Nairobi, partly because it has drawn so many Africans, has focused on the possibility that those least responsible for pollution-induced climate change may suffer the most from it. Africa, one of the least industrialized areas in the world, is a case in point.

The herders of Kenya's grassy plains, for example, whose total pollution basically boils down to their cooking fires and the few cigarettes they smoke, are being displaced by increasingly frequent droughts, which many scientists blame at least partly on global warming.

Malaria, one of Africa's leading killers, is spreading to higher altitudes because of rising temperatures. The Sahara is expanding, turning farmland into desert and contributing to conflicts like the one in the Darfur region of Sudan. And the list goes on.

"Africa faces some of the fiercest effects of climate change," Kenya's president, Mwai Kibaki, said in a speech on Wednesday at the climate conference. He said warmer temperatures could destroy agriculture and tourism, two of Kenya's brightest hopes for a way out of poverty.

The emphasis on poor countries has led to another running theme at this year's climate caucus: adaptation. Experts and politicians concede that so much carbon dioxide, one of the dominant heat-trapping gases, has already accumulated in the atmosphere that the world must accept global warming and figure out how to adapt to it.

"For too long the international community focused almost exclusively on mitigation," said Kivutha Kibwana, Kenya's environmental minister, who is president of the conference. "Let Nairobi be the starting point whereby adaptation and mitigation efforts go hand in hand."

The conference has succeeded in establishing the broad outlines of an adaptation fund that calls for industrialized countries to help poor countries deal with the adverse effects of climate change through measures like relocating coastal people displaced by floods.

Though the fund is still tiny, around $3 million, United Nations officials say that it will grow rapidly and that there is now a plan for how to manage it. Each country will get one vote, which will give the developing world a larger voice than that of industrialized nations.

Still, much work remains, and the conference ends Friday. One bogged-down proposal is the effort to limit the average global temperature increase to 3.5 degrees Fahrenheit or so, which may not sound like much but would significantly change the environment. In the past century, average global temperatures have risen about 1 degree.

Even moderate projections of warming under current emissions trends foresee four or five times that temperature increase by 2100, accompanied by a substantial rise in sea levels and disruption of climate patterns and water supplies.

Earlier this week, a group of island nations objected to the 3.5-degree ceiling, saying that even that would be too high for them to bear, because of all the flooding.

Participants were also divided over the idea of a carbon dioxide tax. On Wednesday the president of Switzerland, Moritz Leuenberger, proposed using such a tax to finance adaptation programs. The tax would serve the dual purpose of discouraging rich countries from polluting and helping poor countries deal with the consequences of pollution.

"This is not a fight against nature," Mr. Leuenberger said. "It is a battle against shortsighted egoism."

Talks By India And Pakistan Make No Gains On Train Blasts (NYT)

By Somini Sengupta

The New York Times, November 16, 2006

NEW DELHI, Nov. 15 — Peace talks between India and Pakistan, which had stalled after the bombings of commuter trains in Mumbai in July, limped forward this week, as senior officials from both countries met here for two days to discuss issues ranging from how to exchange information on terrorist groups to a dispute over an uninhabitable area high in the Himalayas.

But the dialogue between their top diplomats ended Wednesday without movement on a crucial and closely watched item: India, having accused Pakistan of involvement in the Mumbai bombings, presented no evidence of such complicity.

India has long blamed Pakistan-based militant groups for organizing terrorist acts on Indian soil, and the Indian police have recently accused the Pakistani intelligence agency of directing the July 11 train bombings.

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Pakistan has repeatedly rejected blame and challenged India to share its evidence. The two countries agreed in September to exchange information about terrorism, but plenty of doubts remain on each side about whether their mutual distrust will permit an earnest exchange.

The Pakistani foreign secretary, Riaz Muhammad Khan, told reporters on Wednesday afternoon that India had furnished information about "linkages" between banned militant groups in India and Pakistan, but nothing on the Mumbai attacks.

His counterpart, Shiv Shankar Menon, would only say of the information that it was "material relating to cross-border linkages to terrorist acts in India."

Asked if elements in the Pakistani government had been involved, Mr. Menon would not specify. "There are elements in Pakistan that are involved, not just in assisting but inciting terrorism in India," he said.

Mr. Menon also said that his government could not proffer information on the Mumbai blasts because no one had been charged in an Indian court. The police in Mumbai have made arrests, but some of the suspects have complained that confessions, implicating militant groups and intelligence operatives in Pakistan, were extracted by force. In a television interview last month, the Indian national security adviser, M. K. Narayanan, said that India had less than "clinching" evidence.

In a joint statement, the two nations, each with nuclear weapons, agreed to continue talking and said they had reached agreement on "reducing the risk from accidents relating to nuclear weapons."

They were far from an accord on pulling back troops from Siachen Glacier, 18,500 feet in the Himalayas, where Indian and Pakistani soldiers have faced off for more than 20 years. It is uninhabitable, and the dispute is less over who controls it than recording on a map whose troops were last standing where. India wants its troop positions laid out on a map; Pakistan says it opposes what Mr. Khan on Wednesday called "endorsement of a certain claim."

Pakistan Moves Toward Altering Rape Law (NYT)

By Salman Masood

The New York Times, November 16, 2006

ISLAMABAD, Pakistan, Nov. 15 — After months of delay, the Pakistani government on Wednesday finally pushed legislation through the lower house of Parliament to amend rape laws that human rights advocates say have led to punishment for thousands of innocent victims.

The passage of the legislation, which has been opposed by Islamist parties, is seen as a litmus test for President Pervez Musharraf's commitment to steering the country toward moderation and enlightenment. Because of the pressure by the Islamic groups, though, the measure passed on Wednesday still contains provisions that concern human rights groups.

To become law, the bill must be approved by the Senate, which is expected, and by General Musharraf. Months of wrangling and political opposition cast doubts on whether the government would succeed in passing the changes to the current law, the Hudood ordinance, under which women who report rape can end up being prosecuted for adultery. The law was enacted in 1979 by a former military dictator, Gen. Muhammad Zia al-Haq, to appease Islamists who contended that he was secularizing the country.

Late Wednesday, General Musharraf made an appearance on state-run television and congratulated the nation on the passage of the measure, the Women's Protection bill, saying, "This process of empowerment, protection of women will continue."

Under the Hudood ordinance, rape is included in matters covered under Islamic law, like marriage and divorce. A woman who reports that she has been raped must produce four male witnesses to prove it. If she fails to do so, she can be prosecuted for adultery. Thousands of women have been punished under the law, often on the flimsiest evidence. That risk has kept many women from trying to bring their attackers to justice.

The legislation passed Wednesday gives judges the discretion to try rape cases in a criminal rather than an Islamic court. The new legislation allows forensic and circumstantial evidence to be used as a basis for convictions, as with other crimes.

The amendment also introduces the concept of statutory rape, outlawing sex with girls under 16. The Islamic code had merely banned sex with girls before puberty.

The change in the law comes after high-profile cases that were widely publicized here by women's rights groups and in the West and that brought considerable pressure to bear on the government. They include cases in which local authorities have permitted rapes as a way of compensating someone judged to have been wronged by the woman's male relatives.

Dealing with Hudood laws has been a political minefield for General Musharraf, with Islamic opposition political parties saying that changing the laws would violate the principles of Islam. Pakistani officials have taken pains to convince the public that amending the laws would not violate Islamic precepts, and General Musharraf repeated that theme in his remarks. "I assure the entire nation that no Pakistani can ever think of enacting law that is repugnant to the Holy Koran and the Sunnah," the recorded teachings and actions of the Prophet Muhammad, he said.

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The new law would continue to allow prosecutions for what it calls fornication, a provision that was introduced at the insistence of religious scholars and was backed by the alliance of religious opposition parties. Human rights advocates on Wednesday expressed concern over that provision.

General Musharraf said in his televised address that the government "did not cave in to the mullahs" and that "the section regarding fornication was inserted after consultation with legal experts and ruling party members."

The legislation approved Wednesday was shaped during months of drafting and back-door negotiations between the government and opposition political parties. Vociferous protests by an alliance of Islamist parties had stalled the legislation, which was introduced in August.

An attempt to pass a new law in September broke down after threats of mass resignations by the religious alliance forced the government to pull the legislation back. But on Wednesday, the government finally moved ahead, and Parliament's lower house passed the bill in just one sitting.

Opposition members from the more extreme Islamist parties boycotted the vote and walked out of the Parliament as the legislation was introduced. But it seemed unlikely that religious alliance members would go so far as to resign from Parliament, analysts here said.

Maulana Fazalur Rehman, leader of Muattahida Majlis-e-Amal, the alliance of religious parties, said the bill "will turn Pakistan into a free-sex zone."

The liberal opposition Pakistan People's Party of former Prime Minister Benazir Bhutto supported the bill. Sherry Rehman, central information secretary for the party, said it had decided to support the legislation because it was consistent with the party's goal of emancipating and empowering Pakistan's women.

"We are not totally satisfied," she said. "We wanted a total repeal of the Hudood laws."

Human rights advocates have demanded a total repeal of the Hudood laws, and the move on Wednesday met with guarded words of welcome but also with concerns.

Farzana Bari, a member of Pattan, a human rights advocate, said she was pleased that rape cases would be prosecuted under the country's penal code. But she said she was disappointed that the government had tried to appease the Islamists by incorporating the so-called fornication section.

She said noted that adultery had not been an offense against the state before the Hudood laws, and she worried that judges could be bribed to misuse the provisions. "There is nothing to celebrate," Ms. Bari said. "This clause about fornication would now open a new chapter of misuse and abuse."

Pakistan Moves To Amend Rape Laws (WP/AP)

By Paul Garwood, Associated Press

The Washington Post, November 16, 2006

ISLAMABAD, Pakistan, Nov. 15 -- Pakistan's lower house of Parliament passed amendments to the country's rape laws Wednesday, ditching the death penalty for extramarital sex and revising a clause on making victims produce four witnesses to prove rape cases.

Consensual sex outside marriage would remain a crime punishable by five years in prison or a $165 fine, said a parliamentary official, who spoke on condition of anonymity because he was not authorized to speak to reporters.

International and local calls for change intensified after the 2002 gang rape of Mukhtar Mai. A tribal council in her village in Punjab province ordered the rape as punishment for her 13-year-old brother's alleged affair with a woman of a higher caste.

The amendments enraged Islamic conservatives but won cautious support from human rights activists, who wanted the controversial laws scrapped altogether.

Pakistan's president, Gen. Pervez Musharraf, praised lawmakers for approving the amendments and criticized fundamentalists for their "unnecessary" opposition and their claims that his government was acting against Islam.

"I have taken a firm decision to change these unjust rape laws as it was necessary to amend them to protect women," Musharraf said in a televised address to the nation. He urged the Senate, dominated by government allies, to swiftly approve the measure.

Pakistan's late dictator, Gen. Mohammed Zia ul-Haq, introduced the laws, known as the Hudood Ordinance, in 1979 to appease Islamic political groups opposed to the secularization of Pakistani society.

Human rights activists and moderates have long condemned the laws for punishing rape victims instead of protecting them. The laws placed the burden of proof on victims while providing safeguards for their attackers, such as requiring four eyewitnesses to bring rape charges.

The amendments coincide with efforts by the Islamabad government to soften the country's hard-line Islamic image and pacify opponents of the laws.

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Hina Jilani , a leading Pakistani human rights activist, praised the government for taking practical steps to amend the laws, but she demanded more legislation to protect women's rights.

"The government has made some positive changes by passing this bill, but it does not meet our demands," said Jilani, of the independent Human Rights Commission of Pakistan. "We wanted a total repeal of the 1979 rape law, but the government has not done it."

The amendments drop the death penalty and flogging for people convicted of having consensual sex outside marriage and give judges discretion to try rape cases in a criminal court, rather than an Islamic court. Strict Islamic law dictates that a woman claiming rape must produce four witnesses, making a trial almost impossible.

Support Builds For Libyan Dissident (WP)

By Nora Boustany

The Washington Post, November 16, 2006

Human rights activists and Western diplomats are increasingly concerned about the welfare of Fathi al-Jahmi, a leading Libyan dissident awaiting a possible death sentence while being held in solitary confinement in Libya, and who is known to have several life-threatening health conditions for which he is receiving little or no medical care. He is charged with having an unauthorized meeting two years ago with a foreign official -- believed to be a U.S. diplomat -- and campaigners are pushing the Bush administration to do more to secure his release.

Jahmi, 65, a democracy activist in Libya since the late 1970s, has been in and out of Libyan jails and survived an assassination attempt in 1990 when gunmen stormed into his house. A civil engineer, Jahmi had served as governor of Libya's oil-rich Gulf province and as head of the National Planning Committee until 1972. After 1978, when his businesses were nationalized, he became Libya's public face for democracy, free enterprise and freedom of expression.

He was imprisoned in October 2002 after delivering a speech at a conference in Tripoli calling for democracy, a free press and the release of political prisoners. He was released on March 12, 2004, after intervention by Sen. Joseph R. Biden Jr. (D-Del.), who held a face-to-face meeting with Libyan leader Moammar Gaddafi to ask for Jahmi's freedom.

Jahmi and his eldest son, Mohamed, met subsequently with a U.S. diplomat at the Corinthia hotel in Tripoli to express his gratitude for the U.S. help in his release, according to his brother and human rights groups. Two U.S. diplomats later visited Jahmi at his house, said his brother, Mohammed al-Jahmi, who said members of the Libyan state security bureau were parked outside the house and threatened the family.

Fathi al-Jahmi was rearrested two weeks later and has been in jail since. "I happened to be on the phone with the family when government agents encircled his house. I could hear the sirens," his brother recalled.

Jahmi has been accused of "exchanging information with employees of a foreign state that is harmful to the country" and "scheming with foreigners during times of peace," according to a statement from the Libyan People's Bureau, or embassy, in London sent to Amnesty International in July.

New York-based Human Rights Watch says Libya's penal code imposes the death penalty on anyone who talks to or conspires with a foreign official to provoke or contribute to an attack against Libya. The United States restored full diplomatic relations with Libya in May.

Jahmi's family had been trying to get indictment papers for the past two years, and this week was the first they learned of the charge, Mohammed al-Jahmi said in an e-mail.

Mohammed al-Jahmi, a software engineer in Boston who came to study in the United States in 1977 and remained here, said he was extremely concerned about his brother's health. "I know everyone is doing their best to help. Everyone at the State Department kept telling me that Libya has changed. Libya has not changed," he said. He said his brother had never called for violence but for political dialogue for change at a roundtable of Libyans.

Several members of Congress, 36 human rights organizations in the United States and abroad, and other concerned citizens plan this week to send a petition to President Bush and Secretary of State Condoleezza Rice urging them to take swift action to secure Jahmi's release. "The United States has now restored diplomatic relations with Libya," the petition says. "We urge you to use this opportunity to bring about the immediate and unconditional release of Fathi Eljahmi and all prisoners of conscience in Libya."

"We do remain concerned about Libya's human rights record," a State Department official said Monday. "We have raised Mr. al-Jahmi's case with Libyan authorities and we continue to do so since we have normalized relations. We want the Libyan government to release Fathi al-Jahmi immediately," he added.

Repeated telephone calls to Libya's ambassador to Washington, Ali Suleiman Aujali, were not returned.

In February 2005, the group Physicians for Human Rights sent a Dutch physician and prison health expert to evaluate Jahmi. The report, by Joost Jan Den Otter, said Jahmi's chronic conditions, including diabetes, high blood pressure and coronary

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artery disease, and his inadequate care in prison, could lead to a "lethal scenario." The report warned that Jahmi was in danger of a fatal heart attack or severe kidney failure. It also described Jahmi's dismal appearance and hygiene and called his treatment "cruel, inhuman and degrading."

Three Libyan doctors confirmed the diagnosis and informed the Dutch physician that Jahmi was now receiving proper treatment. When Human Rights Watch visited him in May 2005, Jahmi had been given a haircut and cleaned up, according to a photograph taken by a representative of the group.

Jahmi's son Mohamed visited him in jail at the end of August this year and said he looked frail and ashen. Jahmi told his son that his supply of medications had run out and had not been refilled.

The complex U.S.-Libyan relationship deteriorated in 1986, when President Ronald Reagan ordered a U.S. military strike against Tripoli that targeted Gaddafi's residential compound and killed his young daughter. The airstrike was in retaliation for the bombing 10 days earlier of a discotheque in West Berlin frequented by U.S. military members.

Relations between the two countries have swung dramatically since, from Libya being routinely accused of supporting international terrorism to Gaddafi winning praise for abandoning his nuclear program and the release in March of 132 political prisoners.

Presidential Candidate Bucks Chavez Tide (AP)

By Christopher Toothaker

AP, November 16, 2006

The best hope for many Venezuelans fed up with what they see as increasingly autocratic rule under President Hugo Chavez may be a gravelly voiced political veteran with a reputation for boldness and grit.

On the campaign trail, Manuel Rosales pumps his fists in the air, provoking screams of near-religious fervor from thousands of exuberant supporters.

The gray-haired 53-year-old has managed to galvanize the fractured opposition as its unity candidate to face Chavez in Dec. 3 elections, and is drawing giant crowds even though he trails the incumbent by 20 points or more in most opinion polls.

"Democracy is at risk with this government, and Venezuelans need to unite to defend it," Rosales told The Associated Press, accusing Chavez of wanting to be president-for-life like his friend Fidel Castro of Cuba.

Rosales gets his message out forcefully through private Venezuelan TV stations and newspapers that carry a steady stream of Chavez criticism. He gets limited coverage on state television, which sometimes interrupts his speeches or films them from odd or unflattering angles.

Billboards for Rosales show him surging through campaign crowds and bear the slogan "Dare to change!" But Chavez billboards are much more numerous, and the opposition has complained that when Chavez seizes the airwaves to speak for hours, it amounts to an unfair campaign practice.

Rosales, who temporarily stepped down as governor of the western state of Zulia to run, is one of just a handful of opposition politicians to remain a regional powerbroker in defiance of the pro-Chavez tide. He was one of only two non-Chavistas to win governor's races in elections two years ago.

And while he has many middle- and upper-class supporters, Rosales has sought to make inroads among Chavez's traditional support base — the poor.

He strongly criticizes what he calls handout social programs at the heart of Chavez's populist agenda, saying money is tossed about to secure political patronage. Instead, Rosales proposes creating a state-issued debit card to directly distribute one-fifth of Venezuela's oil income among the country's poorest families.

Many Venezuelans say the candidate, a cattle rancher who has been active in politics for three decades, lacks Chavez's charisma.

But in Venezuela's highly polarized society, this former mayor of Maracaibo, the country's second-largest city, has seen the campaign take on religious overtones.

At rallies, supporters press wooden crosses or figurines of Christ into Rosales' hands. Others give him pictures of saints or bottles of holy water — displays of devotion also common among followers of Chavez, who often invokes Jesus as an inspiration.

When Rosales walks through crowds, supporters often try to push past security guards to shake his hand, hug or kiss him.

"He's the only hope we have to get rid of this government. That's why we love him," said Roselyn Fuentes, one of tens of thousands who joined a campaign march across Caracas.

"Take a look at this," Rosales said while riding in a sport-utility vehicle after a campaign stop, rolling up his sleeves to reveal bruises and scratches on his forearms. "That's the affection of the people."

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Some give Rosales poems written in his honor or notes asking for help finding a job — displays of devotion also seen among Chavez's backers.

Chavez avoids referring to Rosales by name, often calling him the "ex-governor" and depicting him as a U.S. pawn. Some pro-Chavez campaign banners read: "Vote against the devil — Vote against the empire."

But Rosales denies any links to Washington, insisting he's an independent-minded democrat speaking for Venezuelans whom Chavez has betrayed. And he's tried to distance himself from the corrupt political class that ran the country for four decades until Chavez's 1998 election.

In fact, until recently Chavez and Rosales were on speaking terms, the centrist governor being one of the few opposition leaders to occasionally attend presidential functions. That changed in December when Rosales' small party, A New Time, joined a boycott of congressional elections.

Some Chavez supporters poke fun at Rosales, noting he has stumbled over words. His response: "Maybe I don't talk so pretty, but I'm honest."

Rosales also has warned he could call street protests after next month's vote if he thinks it hasn't been conducted fairly.

Friends say Rosales isn't likely to back down. They say that when Rosales won his first election in his hometown in 1979, local political bosses tried to tamper with the results — and that a gun was fired into the air during an argument among Rosales, his opponents and soldiers guarding the ballots.

Rosales claims not to remember exactly what happened, saying "problems, attempts at fraud arise in many elections and everyone defends what's theirs. There was a problem there and I defended what was mine."

Asked who fired the gun, Rosales grinned and responded: "I don't remember. Maybe it was a firework."

No Apartheid For Gays, Either (LAT)

The Los Angeles Times, November 16, 2006

WHEN SOUTH AFRICAN lawmakers voted Tuesday to legalize same-sex marriage, the former icon of unjust government reminded the world that its break from colonial apartheid wasn't just about changing the power structure. It was about conferring broad civil rights within its borders.

What makes the vote by South Africa's Parliament unique is that it stems not from the gradual social liberalization that sparked similar moves in such countries as Spain and Canada but from its very constitution. Adopted in 1996, that document drew its inspiration from a newfound hope of rights for all and, as a result, specifically prohibited discrimination against homosexuals.

Under court order to follow its own constitution, Parliament was forced into overriding old marriage laws and extending marriage rights to same-sex couples, thus becoming an unlikely global beacon of progressiveness. The vote is all the more extraordinary for its contrast with much of Africa on the question of homosexuality, which is illegal in most sub-Saharan countries.

It's regrettable that, unlike other countries that have legalized same-sex unions, South Africa will allow civil officials to opt out of performing gay-marriage ceremonies. It should not be up to government functionaries to determine whether a nation's laws are to their liking; it's simply their job to carry out the laws. Time might cure what Parliament didn't. As same-sex marriage becomes more common in South Africa, and people see it does nothing to hurt the nation or heterosexual marriage, objections by officials may decline.

South Africa is far from a perfect democracy, and government action alone, in South Africa as elsewhere, cannot end discrimination. Some of its leaders, notably President Thabo Mbeki, have been less than enlightened in their views on homosexuality and AIDS. (Only recently has his government made antiretroviral drugs more widely available.) But on Tuesday, the nation showed that it has shed the worst of its past and is growing into a rights-based democracy.

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USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Friday, November 17, 2006 8:06 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Friday, November 17, 2006
Attachments:	agnb061117.pdf; agnb061117.doc

THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Closing Arguments Made At 9/11 Investigation Perjury Retrial. The New York Times (11/17, Rivera, 1.16M) reports, "Lawyers gave closing arguments yesterday in the latest phase of a drawn-out legal battle involving a Jordanian immigrant accused of trying to mislead a grand jury investigating the Sept. 11 attacks. Prosecutors say the immigrant, Osama Awadallah, who is on trial for the second time in Federal District Court in Manhattan, lied repeatedly when he told a grand jury in October 2001 that he did not know Khalid al-Midhar, who took part in the attacks, and when he denied writing Mr. Midhar's name in a school notebook. … Mr. Awadallah's lawyer, Jesse Berman, countered by saying that his client never meant to give the grand jury wrong information, and did so only after enduring 20 days of incarceration that left him confused, frightened and paranoid." The Times notes, "Under questioning by the F.B.I., Mr. Awadallah said he knew" 9/11 hijacker Nawaf al-Hazmi, "who worked at the same gas station and worshiped at the same mosque. He also said he remembered an acquaintance of Mr. Hazmi and described him physically but said he had never learned his name. When shown a picture of Khalid al-Midhar, Mr. Awadallah claimed not to recognize him."

The AP (11/17, Caruso) reports, "In his closing argument at the retrial on Thursday, defense attorney Jesse Berman said Awadallah, who was 20 when he was arrested, was simply exhausted, confused and frightened during his grand jury testimony and didn't intend to mislead anyone. … He accused FBI agents and prosecutors of deliberately provoking and upsetting Awadallah, who was handcuffed to his chair. In the weeks leading up to his testimony, Awadallah was kept in solitary confinement and was subjected to strip searches. He also claimed to have been beaten by his jailers.

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… Assistant U.S. Attorney Karl Metzner told jurors there was no evidence Awadallah was confused, forgetful or disoriented by mistreatment. … 'He didn't make a mistake. He lied deliberately,' Metzner said."

Pentagon Plans Pricey Military Commissions Compound At Guantanamo. The Miami Herald (11/17, Rosenberg, 286K) reports the Pentagon "plans a Military Commissions compound at Guantánamo Bay, Cuba, costing up to $125 million, a major undertaking meant to accommodate up to 1,200 people at the Navy base for the first U.S. war crimes trials since World War II." If Congress approves the funding, "it would be the largest single construction expenditure at Guantánamo since the Bush administration set up the offshore detention and interrogation center in January 2002. No Defense Department official would speak about the project with his or her name attached. But one Pentagon insider with knowledge of the plan said officials envision the fast-track construction of a major compound at an abandoned airfield that in the 1990s housed a tent camp for Cuban rafters."

Report Shows US Allowed No Witnesses For Gitmo Detainees. The AP (11/17, Ben Fox) reports, "The US military called no witnesses, withheld evidence from detainees and usually reached a decision within a day as it determined that hundreds of men detained at Guantanamo Bay were 'enemy combatants,' according to a new report." The analysis found "hearings that determined whether a prisoner should remain in custody gave the accused little opportunity to contest allegations against him."' They "provided an advance copy of the report to The Associated Press late Thursday and planned to release it Friday on the Internet." Their findings "based on an analysis of records of military hearings of 393 detainees, comes as the US government seeks to severely restrict detainee access to civilian courts, arguing that the Combatant Status Review Tribunals should be their main legal recourse."

Friend Of 9/11 Hijackers Convicted As "Accessory To Murder." The Washington Post/AP (11/17) reports a Moroccan man, Mounir Motassadeq has been "convicted of being an accessory to murder in the Sept. 11, 2001 … as a German appeals court ruled Thursday that evidence showed he knew that the plotters planned to hijack and crash planes." The AP adds, "The Federal Court of Justice found that a Hamburg court decided wrongly last year to acquit Motassadeq of direct involvement in the attacks, even as it convicted him of membership in a terrorist organization and sentenced him to seven years in prison."

The CBS Evening News (11/16, story 8, 0:15, Couric, 7.66M) reported, "The court said the Moroccan man acted as an accessory to murder in the attacks and played a direct role in the plot. He could get 15 years in prison."

HOMELAND RESPONSE:

Man Arrested At Detroit Airport With Information On Nukes, Cyanide. USA Today (11/17, Leinwand, 2.27M) reports, "Federal agents continue to investigate a Dallas man arrested at a Detroit airport Tuesday after arriving on a flight from Amsterdam with nearly $79,000 in cash and a laptop computer that, according to court papers, contained information about nuclear materials and cyanide." Sisayehiticha Dinssa, who will appear for a detention hearing Monday, "is charged with illegally concealing more than $10,000 in his luggage and with smuggling bulk cash into the USA. If convicted, Dinssa could be sentenced to five years in prison on each charge." ICE spokesman Greg Palmore said Thursday that agents had "no evidence to suggest Dinssa was involved in a terrorism plot," but added that they were seeking more information "to get clear about what this guy was up to." The AP (11/16) reported Dinssa, an unemployed US citizen from Dallas, "arrived in Detroit from Nigeria by way of Amsterdam and was headed for Phoenix," according to Assistant US Attorney Leonid Feller.

ABC News (11/17, Thomas, Ryan) reports, "Customs officers also discovered that Dinssa was in possession of a laptop computer for which he had no power source. During an initial look at the computer, 'Inspectors discovered some files that had been downloaded with information about cyanide and nuclear materials,' an affidavit from an ICE agent filed in the U.S. District Court in Detroit noted. … According to two senior U.S. government officials briefed on the matter, the files appear to be beyond what someone would normally download from the Internet. According to U.S. officials, Dinssa may have been researching the materials extensively. … Dinssa had claimed he was only carrying $18,000. It is undetermined if this is an alleged smuggling case or potentially something more sinister." ABC notes, "FBI agents and investigators from the U.S. Attorney's Office are expected to obtain a search warrant and examine the hard drive of the

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computer to determine the nature of the computer files. The Justice Department has asked that Dinssa be held in custody until he makes an appearance Monday in federal court for a detention hearing."

El-Masri To Be Granted US Visa, But May Still Be Denied Entry. The Washington Times/UPI (11/17, Waterman) reports, "A German Muslim whose detention and torture by the CIA prompted an apology from Secretary of State Condoleezza Rice will be granted a visa to come to the United States, although he might still be refused entry. 'Khaled el-Masri was found inadmissible to the United States on the basis of ... terrorist activities, and issued a visa on the basis of a waiver from the Department of Homeland Security,' a State Department official told United Press International. The official declined to comment further," as did DHS spokesman Russ Knocke. "Under US law, a visa does not give a foreigner the right to enter the United States -- something that is granted at the port of entry by inspectors working for the Department of Homeland Security."

Information-Sharing Plan To Help Local Governments Handle Terror Alerts. The Washington Post (11/17, A10, DeYoung, 690K) reports, "A new plan to improve information-sharing about terrorism, signed by President Bush this week and delivered to Congress yesterday, establishes a Washington-based 'threat assessment group' that includes federal, state and local officials. It also aims to reduce more than 100 restrictive and confusing categories of 'sensitive' federal information to a half-dozen or fewer so local-level officials can better understand what they are told." Thomas E. McNamara, whose office, under Director of National Intelligence John D. Negroponte, wrote the plan, "expects the new Interagency Threat Assessment Coordination Group, based at the National Counterterrorism Center and headed by the Department of Homeland Security, to be operating by year's end."

Report Urges US To Consider New Chemical Weapons Destruction Technologies. The AP (11/16) reports the National Research Council, in a study requested by the Army, said technologies "used to destroy chemical weapons in Europe and Japan are faster than one in the U.S. and should be considered." The council said the "foreign systems are as safe and sometimes more environmentally friendly that those in use here."

Palestinian Acquitted Of Terror Charge Stripped Of US Citizenship. The AP (11/17) reports, "A former University of Arkansas graduate student from the Middle East lost his U.S. citizenship Thursday and was sentenced to 15 months in federal prison. Arwah Jaber, who was born in the West Bank, was previously acquitted of an aiding-terrorism charge but convicted of lesser offenses, including obtaining his citizenship fraudulently. … Prosecutors said he planned to join Palestinian Islamic Jihad, labeled by U.S. authorities as a terrorist organization." The AP notes, "Jaber said at his trial that he did not cite his Palestinian name, Orwah Houshia, in immigration papers — though he applied for credit cards using that name — because he had used Arwah Jaber on all his immigration papers up until then."

VaxGen Wins Anthrax Vaccine Testing Extension. The Washington Post (11/17, Merle, 690K) reports that the government has given more time to the California biotechnology firm VaxGen Inc. "to conduct human testing of its anthrax vaccine, postponing a decision on whether the program should be canceled." The FDA "threw the effort into doubt earlier this month after calling a halt to testing in response to questions about the drug's reliability. The decision put the company in potential violation of its contract with the Department of Health and Human Services, which required testing to begin Nov. 13." The Post adds, "VaxGen said HHS has decided to extend the company's deadline for resolving the issue until Dec. 18. At stake is a contract potentially worth $1 billion."

WAR NEWS:

Four Americans Kidnapped In Iraq. ABC World News (11/16, story 4, 1:30, Gibson, 8.78M) reported, "A senior military official has told ABC News of another mass kidnapping in that country, as another convoy of contractors was taken hostage today. It happened near the city of Nasiriyah. 19 trucks were captured. And there are many people missing, four of them believed to be Americans." ABC (Karl) added, "Defense officials tell ABC News, that coalition forces have mobilized to try to find those four missing Americans. This incident happened today…near the Kuwaiti

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border. It involved a Kuwait-based company called Crescent Security Group." The CBS Evening News (11/16, story 7, Couric, 7.66M) also reported "four Americans who work in Iraq for private companies are missing." NBC Nightly News (11/16, story 5, 0:25, Williams, 9.87M) said "Pentagon and military officials are telling NBC News as many as 14 people, including four American contractors, have been kidnapped."

The AP (11/17, Mroue) reports "an official familiar with the incident said preliminary reports being checked by the military indicated that the attack occurred at a checkpoint near Nasiriyah and that four Americans were believed to have been taken captive." The official, "who requested anonymity because of the security situation in Iraq," said "it appears that some of the convoy drivers had been released, and were being interviewed by the military. He said initial reports suggest that the attack occurred at a checkpoint in a location where normally there is no blockade."

Five More US Soldiers Killed. Meanwhile, the Los Angeles Times (11/17, Roug, 850K) reports, "Five more American soldiers have been killed in Iraq, the US military said, and gunmen, rockets and roadside bombs killed at least 17 Iraqis and wounded 25 others Thursday. … At least 2,864 U.S. troops have died in Iraq since the 2003 American-led invasion, according to icasualties.org."

Intelligence Officials Say Violence In Iraq Is Increasingly Complicated. The Washington Post (11/17, A19, Pincus, 690K) reports attacks "in Iraq reached a high of approximately 180 a day last month, reflecting an increasingly complicated conflict that includes sectarian clashes of Sunni and Shiite militias on top of continuing strikes by insurgents, criminal gangs and al-Qaeda terrorists, according to the directors of the CIA and the Defense Intelligence Agency." CIA Director Gen. Michael V. Hayden said, "No single narrative is sufficient to explain all the violence we see in Iraq today." The Post adds, "Attempting to describe the enemy, Lt. Gen. Michael D. Maples, the DIA director, listed 'Iraqi nationalists, ex-Baathists, former military, angry Sunni, Jihadists, foreign fighters and al-Qaeda,' who create an 'overlapping, complex and multi-polar Sunni insurgent and terrorist environment.' He added that 'Shia militias and Shia militants, some Kurdish pesh merga, and extensive criminal activity further contribute to violence, instability and insecurity.'" In "unusually harsh terms, the two intelligence directors spelled out how quickly the violence in Iraq has escalated this year, from about 70 attacks a day in January to about 100 a day in May and then to last month's figure."

Iraqi Government Issues Warrant For Prominent Sunni Cleric. The Los Angeles Times (11/17, Roug, Daragahi, 850K) reports, "Iraq's Shiite-led government issued an arrest warrant Thursday for the country's leading Sunni Arab cleric, accusing him of colluding with insurgents, a potentially explosive charge that could exacerbate tensions between the country's warring sectarian groups and further divide a fragile national government." The move against "Harith Dhari, the head of the Muslim Scholars Association, comes two days after an audacious daytime kidnapping in Baghdad ruptured the government of Prime Minister Nouri al-Maliki, setting Sunni politicians against Shiites." The Times adds, "Dhari has been a vocal, sometimes sarcastic, critic of the government, questioning the legitimacy of Saddam Hussein's criminal trials, and ridiculing the government's reconciliation efforts." The warrant "virtually is certain to rekindle threats of a boycott of the government by Sunni Arab politicians." The Washington Times (11/17, Mroue, 88K) notes Mohammed Bashar al-Faidi, spokesman for the Sunni Association of Muslim Scholars, "condemned the warrant for Mr. al-Dhari's arrest. 'This government should resign before the Iraqi people force it to resign,' Mr. al-Faidi said from Jordan. 'The association calls on its people to be calm.'"

The Washington Post (11/17, A16, Raghavan, 690K) reports "the move came as cracks emerged within Iraq's six-month-old unity government over the numbers of government employees taken in a mass kidnapping on Tuesday and whether some were tortured and killed."

Administration To Request Up To $160 Billion For Iraq, Afghanistan Wars. USA Today (11/17, Wolf, 2.27M) reports the Bush Administration is "preparing its largest spending request yet for the wars in Iraq and Afghanistan, a proposal that could make the conflict the most expensive since World War II." The Pentagon is "considering $127 billion to $160 billion in requests from the armed services for the 2007 fiscal year, which began last month, several lawmakers and congressional staff members said. That's on top of $70 billion already approved for 2007." Since 2001, Congress "has approved $502 billion for the war on terror, roughly two-thirds for Iraq. The latest request, due to reach the incoming Democratic-controlled Congress next spring, would make the war on terror more expensive than the Vietnam War." The new request "being considered for the war on terror would be about one-fourth what the government

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spends annually on Social Security — and 10 times what it spends on its space program."

Democrats Raise Possibility Of Cutting Iraq Funds. Rep. Jim Moran said on PBS' NewsHour (11/16, Warner), "The irony is that now Jack Murtha is chairman of the Defense Appropriations Committee. That is the one committee that can at least change the course in Iraq. … So the irony here is that Jack is in an even more pivotal position to achieve his objective vis-a-vis Iraq."

Rep. Dennis Kucinich said on Fox News' Your World (11/16, Cavuto), "I have to talk to a lot of my Democratic colleagues to convince them that the wisest course is to stop the funding. It's inevitable that we're going to get out of Iraq. I mean, we're going to leave. Sooner or later, the funds are going to be cut off. So why don't we do it now? Why don't we do it now before more deaths, before we waste the taxpayers' dollars? … There will be enough money to bring the troops home. … The American people asked for a new direction. And part of that new direction should be out."

Kennedy Calls For National Intelligence Estimate On Iraq. Sen. Ted Kennedy said on MSNBC (11/16, O'Donnell), "Gen. Abizaid indicated to the Armed Services Committee that the conditions with regard to sectarian violence were getting much better over in Baghdad and generally in Iraq. Then, in the afternoon, we had Gen. Maples, who represents the Defense Intelligence Agency, who said there is continued deterioration, the rise of sectarian violence. So we have a division with their presentation to the Armed Services Committee. What is necessary is for the intelligence agencies to get together with a National Intelligence Estimate. … That has not been done in two years. It's basically inexcusable that it hasn't been done."

No Agreement On Turning Over Security To Iraq. The Christian Science Monitor (11/17, Grier, 59K) reports "there is near agreement" in Congress "on at least one aspect of Iraq policy: the Iraqis themselves need to shoulder more of the burden of stabilizing their country. But this consensus breaks down over the obvious follow-up question. How?" Many Democrats, "newly emboldened by their election victories, favor an approach that might be labeled 'tough love.' It goes something like this: If the US plans a phased pullout of troops within four to six months, the Iraqi government will face up to what has to be done." But the White House – "and the top generals of the US military - favor a strategy that they consider more nurturing. The US needs to intensify efforts to train the Iraqi armed forces to fight for themselves, according to Gen. John Abizaid, US commander in the Middle East. A scheduled US pullout might simply cause Iraq's sectarian factions to prepare for chaos to come." The "gap between these approaches suggests that despite the recent shift in US politics, in Washington there are heated debates over Iraq yet to come."

House Republican Whip Roy Blunt said on MSNBC's Hardball (11/16, Matthews), "I think we are interested in what happens now with the new secretary of defense. I think many of our members, including me, think that if that decision would have been made earlier, it would have given our members a little more ability out there to talk about the fact that everything is under review. We have got to constantly be looking at the goals we set, whether we're meeting them or not, if they're still achievable, and what the Iraqis are doing to do their part."

Military Experts Said To Oppose McCain Plan To Boost Troop Levels. The Washington Post (11/17, A17, White, 690K) reports the "debate about how to proceed in Iraq, which in the past few months has focused on withdrawing U.S. troops, now includes serious discussion about adding more forces to the fight." Sen. John McCain (R-Ariz.) "repeatedly suggested this week that the United States needs thousands more troops in Iraq, and members of the bipartisan Iraq Study Group have discussed similar ideas as they prepare a much-anticipated policy recommendation. Members of Congress raised the concept on Wednesday in hearings with the region's top U.S. military commander." In a speech "last night to Republicans, McCain, who is considering a presidential bid in 2008, reiterated his desire for more troops to solve a 'dire' situation." But military officials "and defense experts, however, said yesterday that significantly escalating the number of U.S. combat troops in Iraq is largely implausible because it would severely strain the military, would be unsustainable for more than a few months and would offer no discernable long-term benefit." Military officials "and experts said yesterday that they think such a plan could work only temporarily because the Army and Marine Corps are stretched thin by ongoing conflicts. They said a large number of troops sent into Iraq would be hard to sustain over time without dipping significantly into the National Guard and reserves."

Deployments, Lack Of Funding Said To Be Wearing Down Armed Forces. In a McClatchy op-ed (11/17), Joseph Galloway says, "It's past time to start repairing

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the damage the Bush administration's way of war has done to our Army and our Marine Corps." Doing so "will take many years and many billions of dollars." The Army, "and its National Guard and Reserve, have been worn down - some would say worn out - by the endless deployments of troops on one-year combat tours to Iraq and Afghanistan. Many professional soldiers and their families are now enduring their second or third trips to Iraq, certain that a fourth or fifth awaits them if they continue to serve." Their equipment, "from Abrams tanks to Bradley fighting vehicles to Stryker armored cars to Humvees and helicopters, is wearing out even faster than the soldiers are. The money to repair and rebuild those vehicles - Army Chief Gen. Peter J. Schoomaker says he needs $17 billion for that right now - hasn't been forthcoming from this administration and the outgoing Congress." Army officials "say they're a total of some $25 billion short of what they need to sustain the current levels of operations."

"Coalition Of The Willing" Continues To Shrink. The Washington Times (11/17, Sands, 88K) reports Iraq's "coalition of the willing is becoming an increasingly exclusive club." The "coalition of foreign countries willing to deploy their forces in Iraq has shrunk steadily -- and soon could shrink even more. Twenty-three countries remain in the U.S.-led coalition and the United Nations' mission serving in and around Iraq, down from a high of 42 that joined the United States in the invasion or the postwar occupation of Iraq. More than half of those contributors have fewer than 150 troops, engineers or military trainers in the Iraq theater." Like President Bush, "many leaders of the contributing countries are resisting intense domestic political pressures to bring the troops home, especially as the casualty levels rise and the problems of the embattled Iraqi government mount."

Baker Thought To Be Seeking Political Consensus On Iraq Alternatives. McClatchy (11/17, Strobel) reports when James Baker "became President George H.W. Bush's secretary of state in 1989, one of the first things he did was cut a bipartisan deal to end years of poisonous wrangling over U.S. policy in Central America - an issue as divisive then as Iraq is today." Now, Baker "faces a similar - but tougher - challenge as he and retired congressman Lee Hamilton co-chair a committee that's increasingly seen as the last, best hope for finding a respectable exit from Iraq." Baker is "proceeding much as he did when he negotiated over Nicaragua and El Salvador in the '80s, according to individuals close to him and the panel, known as the Iraq Study Group." Baker saw the "disputes over Central America policy as 'first and foremost a domestic political issue,' he wrote in his 1995 memoir, 'The Politics of Diplomacy.' If the politics couldn't be defused, 'any hopes for a diplomatic solution, much less achieving a bipartisan foreign policy, were doomed.'" McClatchy adds the ISG is "widely portrayed as seeking new solutions to halt Iraq's slide into civil war and extricate the 141,000 U.S. troops there." But there "may not be any good solutions, and Baker's real goal is to forge a bipartisan consensus at all costs, the people close to him and the group say."

Few Alternatives Seen In Iraq Policy. The AP (11/17, Flaherty) reports that as President Bush, Congress and the ISG "seek new approaches for the unpopular war, warnings from the top American commander in the Middle East make clear there is no simple answer." At the "end of the day, military deployments will be up to President Bush, who has staunchly defended his handling of the war." Bush said he "is open to fresh approaches. With pressure on him to find a different path, the only thing most experts agree on is that each idea presents considerable risk." The problem, Abizaid "conceded, is the Baghdad government, which he said is only beginning to understand that it must support the Iraqi Army and not the Shiite militias engaged in near civil war against Sunni fighters." Abizaid told the House Armed Services Committee "about putting his faith in the Iraqi government and its forces, 'Well, maybe it's a dumb bet. But I don't think so.'" The AP adds, "If that seemed a halfhearted endorsement of his own strategy, his description of other alternatives was even more glum." Abizaid "swatted down a suggestion being pushed by many congressional Democrats, including Sen. Carl Levin, D-Mich., to begin decreasing U.S. troop levels because it could cause instability. Democrats are expected to support that plan when they take over control of Congress next year." Abizaid also "said a proposal by Sens. John McCain, R-Ariz., and Lindsey Graham, R-S.C., to bolster the 141,000 U.S. troops already there could not be sustained because the American military is stretched too thin already. He said troop increases would also erode the effort to force Iraqis to take on more responsibility."

Lack Of Iraqi National Consciousness Said To Be Root Of Failed Maliki Government. In his Washington Post column (11/17, A25), Charles Krauthammer says, "Iraq's first truly democratic government turned out to be hopelessly feeble and fractured, little more than a collection of ministries handed over to various parties, militias and strongmen. The

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problem is not, as we endlessly argue about, the number of American troops. Or of Iraqi troops. The problem is the allegiance of the Iraqi troops. Some serve the abstraction called Iraq. But many swear fealty to political parties, religious sects or militia leaders." At this "earliest stage of democratic development, Iraqi national consciousness is as yet too weak and the culture of compromise too undeveloped to produce an effective government enjoying broad allegiance." The Maliki government "is a failure. It is beholden to a coalition dominated by two Shiite religious parties, each armed and ambitious, at odds with each other and with the ultimate aim of a stable, modern, democratic regime. Is this America's fault? No. It is a result of Iraq's first democratic election." It was "never certain whether the long-oppressed Shiites would have enough sense of nation and sense of compromise to govern rather than rule. The answer is now clear: United in a dominating coalition, they do not."

Rumsfeld Tells American Spectator Dinner US Should Not Abandon Iraq. The Washington Times' "Inside the Beltway" column (11/17, McCaslin) reports, "The American Spectator's 2006 Robert L. Bartley dinner on Wednesday was 'off-the-record,' but we can tell you that outgoing Defense Secretary Donald H. Rumsfeld's keynote address made clear that the United States should not abandon Iraq anytime soon. Subsequent remarks from Massachusetts Gov. Mitt Romney, which were filled with praise for Mr. Rumsfeld and the U.S. military (several injured Iraq war veterans were in the packed audience at the Mandarin Oriental hotel), echoed the secretary's sentiments."

Aides Likely To Follow Rumsfeld's Departure From Pentagon. The Washington Post (11/17, A23, Kamen, 690K) reports in its "In the Loop" column that Defense Secretary Donald Rumsfeld's "firing is sure to spark the departure of many of his top aides. One assistant secretary, Peter Rodman, has already moved back to the Brookings Institution -- but that was long planned, we're told." Several others "are on the endangered species list. Stephen Cambone, the undersecretary for intelligence, is surely gone. His deputy, Lt. Gen. Gerald Boykin-- famed for his memorable remark that 'my God was bigger than his' and other sage observations -- won't be far behind." Others on "the various DOD departure lists include acquisitions chief Kenneth Krieg; comptroller Tina Jonas; assistant secretary Thomas W. O'Connell, who runs Special Operations and Low-Intensity Conflict; and top Rumsfeld aide Robert Rangel, though Rangel is highly regarded in the building and among some House folks." Reporters will "be watching to see if spokesman Dorrance Smith, who just beefed up his public affairs staff with a 'rapid response' team to correct media lies, mischaracterizations and inaccuracies, hangs on."

Rumsfeld Website's Math Criticized. The Washington Post (11/17, A23, Kamen, 690K) also reports in its "In the Loop" column, "Seemed Defense Secretary Donald Rumsfeld had barely left his Oval Office firing ceremony when the Pentagon Web site popped up with a new feature titled 'Six Years of Accomplishments' with Rummy. First and foremost were his accomplishments in the 'war on terror,' where overall, military efforts 'liberated 50 million people in Afghanistan and Iraq.' More specifically, they've 'liberated 31 million Afghans from Taliban control and destroyed Al-Qaeda sanctuary.' And they've 'liberated 27 million Iraqis from a brutal dictatorship and turned over sovereignty of the country to an Iraqi government.'" The Post adds, "Math, apparently, is not a strong point. Somewhere it seems they lost -- or gained -- 8 million people."

About 2,200 Marines Heading To Anbar Province. The AP (11/17, Burns) reports that roughly 2,200 Marines are heading "from their ships in the Persian Gulf to an undisclosed location in Iraq's western Anbar province to help shore up US combat power in an area riddled with insurgent violence." The move is an indication "of the severity of the conflict in Anbar. The insurgency is entrenched and well-organized in a province where US soldiers and Marines are being killed almost daily." The AP adds, "The move was disclosed on Wednesday by Gen. John Abizaid during testimony to the Senate Armed Services Committee." Abizaid "approved the deployment 'to help address' concerns expressed by Maj. Gen. Richard Zilmer, who commands all US forces in Anbar."

Contractor Employees Claim Boss Shot At Iraqi Civilians. The New York Times (11/17, Chivers, 1.16M) reports that two former employees of the American private military contracting company Triple Canopy "have claimed in a Virginia court that they witnessed their supervisor deliberately shoot at Iraqi vehicles and civilians this summer, and that the company fired them for reporting the incidents." They say the company "retaliated against the men for reporting that the supervisor had committed violent felonies, and perhaps murder, on the job." The lawsuit also claims the

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men have been blacklisted in "the private military contracting industry, rendering them unemployable in the lucrative trade of providing private security in Iraq." The suit was filed in late July, and on Thursday, "the court set a trial date for next summer."

The Washington Post (11/17, A20, Jackman, 690K) says, "Triple Canopy was the ninth-largest contractor for the US State Department in fiscal 2005, with payments totaling more than $90 million, government records show. Former Army Ranger Shane Schmidt, former Marine Charles L. Sheppard III and their shift leader "were all working on an assignment for KBR when the shootings occurred near Baghdad on July 8, alleges the suit, filed in Fairfax County Circuit Court." The lawsuit "alleges wrongful termination and wrongful interference with their professional future."

Sunnis Seek Refuge In Fallujah. The AP (11/17, Hurst) reports that while security is tight and Fallujah "has become a refuge from the death squads and mortar battles in Baghdad," US Marines say about 150 Iraqis flee here each week from the capital, 40 miles to the east." Fallujah's population is "overwhelmingly Sunni Arab," and as a result, Fallujah "has not experienced the raging sectarian warfare that has the capital teetering on the brink of civil war." The migration is "part of a larger exodus out of Baghdad, where entire neighborhoods have been uprooted."

Administration Downplays Usefulness Of Iran, Syria Talks. The Wall Street Journal (11/17, Harwood, 2.04M) reports in its "Washington Wire" that the Administration "downplays usefulness of talking to Iran and Syria about Iraq. Although Baker-Hamilton group, top Democrats and Britain's Blair recommend talks, Secretary of State Rice insists Iran or Syria would demand concessions and couldn't cure Iraq's rising sectarian violence."

Soldier Sentenced To 90 Years For Rape, Murder Of Iraqi Girl. The Washington Post (11/17, A18, White, 690K) reports, "An Army specialist who admitted that he and a group of other U.S. soldiers raped a 14-year-old girl and killed her and her family in an Iraqi village was sentenced to 90 years in prison yesterday, by far the longest sentence for a U.S. soldier in connection with the death of an Iraqi civilian since the war began in 2003." Spec. James P. Barker, 23, "could be eligible for parole in 20 years, as part of a plea agreement with prosecutors that spares him the possibility of a death sentence. Barker has indicated he will testify against other soldiers in the case, some of whom face the death penalty."

US Airstrikes In Afghanistan Increase. The New York Times (11/17, Cloud, 1.16M) reports that the Air Force has conducted "over 2,000 air strikes in Afghanistan over the past six months, a sharp increase in bombing that reflects the growing demand for American air cover since NATO has assumed a larger ground combat role, Air Force officials said." The "intensifying campaign has focused on southern Afghanistan, where NATO units, primarily from Britain, Canada and the Netherlands, as well as American Special Forces have been engaging in the heaviest and most frequent ground combat with Taliban rebels since the invasion five years ago." The NATO forces are "mostly operating without heavy armor or artillery support, and as Taliban resistance has continued, more air support has been used to compensate for the lightness of the units."

Army Retooling To Fight Insurgencies. McClatchy (11/17, Brown) reports the United States Army Combined Arms Center "has retooled the Army's leadership and training programs to focus on what motivates insurgents, the strategies and tactics they use and the cultures in which they operate." The shift "away from major combat operations to irregular warfare is one of the most significant changes in doctrine and training the Army has undertaken since World War II." Irregular "war and stability operations were considered lesser tasks that required little preparation or practice. Large-scale war remained the Army's focus even after the invasion of Iraq in 2003. Since then, however, that focus has changed as it's become clear that Iraq and Afghanistan are part of a long guerrilla struggle that could last decades."

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Gonzales To Address Air Force Academy Saturday. The Rocky Mountain News (11/16) reports, "U.S. Attorney General Alberto Gonzales will speak to about 700 cadets at the Air Force Academy on Saturday. … His talk will include upholding civil liberties and the war on terrorism."

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CORPORATE SCANDALS:

DOJ To Ease Thompson Memo Rules On Corporate Fraud. Bloomberg (11/17, Schmidt) reports, "The U.S. Justice Department plans to make it harder for prosecutors to force companies to waive their legal rights in plea negotiations to avoid indictment, people familiar with the plan said." Bloomberg continues, "The proposed changes address concerns that companies are being asked unfairly to reveal confidential talks with their lawyers and cut off legal support for employees under investigation, the people said. Businesses, lawmakers and federal judges have complained that the department rules adopted in the wake of corporate accounting scandals in 2001 and 2002 erode the rights of companies and employees. … 'This is a policy issue that needs to be addressed and there has been a lot of criticism from a lot of different directions,' said former Justice Department official George Terwilliger, a partner at the White & Case law firm in Washington. 'There is also a recognition that we need to be careful how we tinker with the engine of commerce.'" Bloomberg adds, "Deputy Attorney General Paul McNulty is likely to announce the revised policy in a speech early next month, the people said. They stressed that the changes won't be dramatic and are still being debated within the department. … McNulty, who also heads President George W. Bush's corporate fraud task force, hasn't signed off on the proposed changes, the people said. He was traveling and unavailable for comment. … 'We want to get it right,' McNulty told a Senate Judiciary Committee hearing in September. 'We don't want to do something that is inappropriate or unreasonable.' … Brian Roehrkasse, a Justice Department spokesman, said the rules are under review and any changes would be in accord with 'safeguarding the integrity of our financial institutions' and 'the public interest.' … The policy in question -- originally outlined in a 2003 memo by then-Deputy Attorney General Larry Thompson -- offers leniency to companies that cooperate with prosecutors. It suggests that companies can benefit by waiving attorney-client privilege and by not paying the legal bills of 'culpable employees.'"

Lay's Death Prompts Senate Bill To End Practice Of Vacating Convictions. The Wall Street Journal (11/17, Burns) reports, "The death of former Enron Corp. chief executive Kenneth Lay prompted Senate lawmakers to introduce legislation Thursday that would end the practice of dismissing convictions of defendants who die before an appeal is final. The bill by Senate Judiciary Committee members Dianne Feinstein, a Democrat from California, and Jeff Sessions, a Republican from Alabama, was written with help from the Justice Department, which had sought changes after Mr. Lay's death on July 5. Mr. Lay died just weeks after being convicted on criminal charges including securities and bank fraud; a federal district court judge in Houston dismissed the convictions in October. Under current U.S. law, criminal convictions are tossed out when defendants such as Mr. Lay die before they exhaust their right to an appeal." Sessions "noted that Mr. Lay's trial took months and cost taxpayers millions. In such cases, he said 'it is wrong to force the victims or the government to start over from scratch.'" The two senators "said the Justice Department supports the 'principles' contained in the bill. … As written, the bill would end the practice of vacating convictions in such cases and establish new procedures that would allow some cases to continue."

The Houston Chronicle (11/17) reports, "In the wake of a federal judge's decision vacating the late Ken Lay's fraud and conspiracy convictions, two senators introduced a bill today to allow victims to seek restitution when a defendant convicted of a crime dies before his appeals have been completed. … The same day the Justice Department filed notice it will appeal U.S. District Judge Sim Lake's decision to clear Lay's name 'in light of pending legislation.'" The Chronicle continues, "Last month, Lake wiped out the one-time Enron Corp. chairman's convictions because Lay died before the appeals process had been completed. … In reaching that decision, Lake was following a precedent set in the New Orleans-based 5th U.S. Circuit Court of Appeals — the same court that will hear the government's challenge." The Chronicle adds, "The 5th Circuit is unlikely to side with the Justice Department because that court set the precedent Lake followed, said Brian Wice, a Houston attorney who specializes in appeals issues. But the government needs to appeal to that court before it can appeal to the U.S. Supreme Court, he said. … Earlier this month, a three-judge 5th Circuit panel already refused to order Lake to reverse his decision. The panel reiterated Lake's position that legal precedent says that 'when a defendant who has been found guilty of a federal crime dies before exhaustion of his appeal, his prosecution must be abated, his conviction vacated and his indictment

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dismissed.' … The ruling responded to an appeal of Lake's decision by an Enron shareholder."

The AP (11/17, Ben Evans) reports, "Republican Sen. Jeff Sessions is joining a California Democrat to try to scrap the legal precedent that allowed Enron founder Kenneth Lay's fraud conviction to be cleared from his record after he died in July." The AP continues, "The clearing of Lay's record has hurt prosecutors' efforts to extract $43.5 million in restitution from Lay's estate. Sessions' legislation is an attempt to address that. … Working with the Justice Department, which asked for similar legislation shortly after Lay died, Sessions of Mobile joined Democrat Dianne Feinstein of California to introduce a bill this week that would keep federal convictions in force when a defendant dies, while allowing victims to continue seeking restitution." The Chronicle adds, "Courts traditionally have interpreted the law differently, erasing the convictions of defendants who die before having the chance to appeal. … The bill would make the changes retroactive to July 1 so that they would apply in the Lay case. … 'When a criminal conviction involves financial restitution to the victims of the crime, or when the conviction could be used in a later civil lawsuit, those effects of the conviction should not be erased by the death of the defendant,' Sessions, a former U.S. attorney, said in a release. 'It is wrong to force the victims or the government to start over from scratch.'"

Skilling Settles Enron Employees' Pension Dispute. The Houston Chronicle (11/17) reports, "Former Enron CEO Jeff Skilling has settled the last dispute in litigation by former Enron employees seeking to recover at least some of their pensions that disappeared when the company crashed." The Chronicle continues, "The ex-CEO, who is slated to begin serving more than 24 years in prison next month, has withdrawn his opposition to an $85 million settlement that plaintiffs reached with former company directors and other executives two years ago. … In exchange, plaintiffs resolved claims against Skilling — the last named defendant who hadn't settled — effectively bringing the litigation to a close. … 'Yes, it's over. Our clients are thrilled,' said Lynn Sarko, an attorney who represents ex-Enron employees, today. 'While they are grateful that some of their retirement money was recovered, it will never make up for the destruction of their retirement nest egg.'" The Chronicle adds, "The lawsuit, which recovered about $265 million in settlements — including the $85 million held up by a Skilling appeal — was filed on behalf of more than 20,000 employees after Enron went bankrupt in December 2001. The Labor Department later filed similar litigation, which was folded into the main lawsuit. … The $85 million settlement is derived from insurance money that covered Enron directors and other executives who served on the company's administrative committee. They, as well as Skilling, were named as defendants in the litigation."

Study Examines Stock Options Manipulation. The New York Times (11/17, Dash) reports, "Abuses of stock option grants are perceived to have spread like a virus among high-technology companies. But a new study suggests that hundreds of old-economy companies may also have caught the backdating bug." The Times continues, "In a paper to be released today, researchers estimate that 590 nontechnology companies appear to have manipulated options so their chief executives received them at the lowest price of the month. That compares with 130 technology companies that appear to have backdated their chief executives' options to a monthly low during a 10-year period to the end of 2005." The Times adds, "Traditional manufacturing and service firms make up the bulk of publicly traded companies, so it comes as no surprise that the sheer number of manipulated grants outside the technology sector is larger. … Yet old-economy companies also appear to have made improper grants somewhat less frequently than their new-economy peers, making patterns more difficult to find. That combination, the researchers suggest, has allowed old-line companies to escape much of the scrutiny." The Times notes, "The study is the latest in a series of papers by academic and governance research groups that attempt to measure the extent of the backdating scandal and to explain how it spread. More than 120 companies are under investigation by the Securities and Exchange Commission. The Justice Department and Internal Revenue Service are conducting separate reviews. More than 50 executives and directors have been forced out or fired as a result."

The Wall Street Journal (11/17, A2, Hechinger) reports, "About 850 U.S. chief executives received backdated or otherwise manipulated stock option grants that boosted their annual pay, on average, by at least 10%, according to a new study." The Journal continues, "The study, released yesterday by professors at Harvard and Cornell universities and the French business school Insead, bolsters the view of federal prosecutors who have viewed stock-option backdating as means to steal money from shareholders. Defenders of the

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companies who engaged in the practice have said that backdating often involved minor sums and was merely an alternative way of providing market-based pay." The Journal adds, "More than 130 companies are under federal investigation in the stock option timing scandal, which has claimed the jobs of more than 50 executives and directors. Five former executives face criminal charges."

The Financial Times (11/17, Guerrera, Masters) reports, "The research by three academics is the first to suggest a link between lax internal controls and stock options backdating. The scandal has so far engulfed more than 130 US companies in internal and regulatory probes but the study suggests that number could climb to 720. … The research also found that, contrary to a widespread perception, 'old economy' companies used the practice almost as much as rivals in 'new economy' sectors – a feature underlined by one of the most recent casualties of the scandal, Bruce Karatz, the ousted chief executive of the housebuilder KB Home. … The results of the study, which looked at options granted by 8,000 companies between 1996 and 2005, will undermine claims by some companies and lawyers that backdating was a widespread and legitimate way of rewarding chief executives."

Comverse CEO Tries To Put Down Roots In Namibia While Fighting Extradition To US. The Wall Street Journal (11/17, A1, Stecklow) reports from Windhoek, Namibia, "Wolfgang Balzer, general manager of the Hotel Thule, now realizes there was something unusual about the Israeli family who checked in this summer for a month, identifying themselves as the Jacobs. … Saying they were planning on settling here, they didn't use credit cards and paid their bill in advance. The husband, who usually kept to himself, became extremely agitated when CNN wasn't available for a few days on their television. … 'I personally thought he was a lawyer or something and he was going to work here,' the hotel manager says. He learned otherwise in late September." The Journal continues, "That's when it emerged that the husband was Jacob 'Kobi' Alexander, a fugitive wanted in the U.S. on fraud charges related to stock-options backdating. The former chief executive of Comverse Technology Inc., a New York software company, had skipped out on the chance to begin talks with U.S. prosecutors that his own New York lawyers had initiated, according to a person familiar with the discussions. … He was arrested at U.S. prosecutors' request on Sept. 27 during lunch with his wife at a country club, even though Namibia has no extradition treaty with the U.S. A Namibian bank regulator had noticed large transfers to Mr. Alexander's local account and tipped off U.S. authorities. Mr. Alexander already had received a two-year work permit under his own name, even though he used an alias at the hotel. The Namibian government asked him to invest $43 million to help qualify for permanent residency." The Journal notes, "Life on the lam has been full of bizarre twists for Mr. Alexander, a 54-year-old Israeli citizen and wealthy ex-CEO who abandoned his family's life in Manhattan for this remote, arid spot in southern Africa. … He was released from jail six days after his arrest on $1.4 million bail, a record amount in this country. Now he continues to live here, out in the open, sometimes buying ice cream in a local mall for his three children. If extradited and convicted in the U.S., he faces up to 25 years in prison. While his team of local lawyers has been fighting extradition, he appears to be trying to settle in Namibia for the long haul."

Judge Bans Former Adelphia Official From Company For Life. The Wall Street Journal/AP (11/17, A17) reports, "A federal judge barred a former Adelphia Communications Corp. executive from ever serving again as an officer or director of a publicly traded company." The AP continues, "Ruling in a case brought by the Securities and Exchange Commission, the judge said former Adelphia vice president Michael C. Mulcahey had helped the former cable-television giant's founding family engage in a fraud that contributed to the company's 2002 collapse. … Mr. Mulcahey was acquitted of criminal fraud charges in 2004, but the SEC sought regulatory sanctions for his conduct." The AP adds, 'U.S. District Judge Kevin Castel conducted a trial in July and ruled yesterday that although Mr. Mulcahey wasn't an 'architect' of fraud at Adelphia he had 'egregiously' violated 'numerous securities laws.' … The judge also ruled, however, that Mr. Mulcahey hadn't been personally enriched by fraud at the company. He declined to order any fines against Mr. Mulcahey, who made $140,000 in his best year with Adelphia, but banned him from receiving 'anything of value' in the future from the family of the company's founder, John Rigas, who was convicted along with a son on fraud charges."

Hewlett-Packard Profits Surge Amid Unfolding Scandal. The New York Times (11/17, Darlin) reports, "In a period punctuated by distracting revelations of company spying, Hewlett-Packard nevertheless

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sharply increased its revenue and made more profit from the revenue." The Times continues, "Net income for its fourth quarter, which ended Oct. 31, rose to $1.7 billion, or 60 cents a share, from $416 million, or 14 cents a share, a year ago, which included $1.57 billion in restructuring charges. After adjusting for the manner in which the charges are accounted for, net income increased 27 percent. Revenue increased 7 percent, to $24.6 billion." The Times adds, "With $91.7 billion in revenue for the year, a 6 percent increase over 2005, the company overtook I.B.M. as the world's largest technology company. (The consensus of analysts puts I.B.M.'s 2006 revenue at $90.72 billion.) H.P. has also overtaken Dell as the world's largest PC vendor mostly because sales of its notebook computers grew 24 percent. … 'We certainly aren't taking any victory laps, but we are pleased with the progress,' the chairman and chief executive, Mark V. Hurd, said." The Times notes, "The company's top executives were distracted through much of the quarter by revelations of spying operations conducted against several directors and journalists. The imbroglio led to the resignation of Patricia C. Dunn, the company's chairwoman, who this week pleaded not guilty to four felony charges. A former company lawyer and its director of ethics, Kevin Hunsaker, also faces charges. He has pleaded not guilty. Three contractors were also charged and have also pleaded not guilty. … The fallout from the affair has not ended. The company disclosed that the Securities and Exchange Commission has opened an investigation of the handling of disclosures of board information. It also said the Federal Communications Commission has requested information on the company's spying, which included using false pretenses to obtain private phone records. The California attorney general is expected to sue Hewlett-Packard in civil court. In addition, the United States attorney in Northern California continues his investigation."

CRIMINAL LAW:

US, Canada Agree To Share Forensics Data.

The AP (11/17) reports, "U.S. and Canadian law enforcement officials agreed Thursday to begin sharing forensics data from crimes scenes in both countries." The AP continues, "A memorandum of understanding signed by Attorney General Alberto Gonzales and Canadian Minister of Public Safety Stockwell Day marks the first in which the United States has agreed to immediate sharing of crime-scene information with a foreign government. … 'And while terrorism is a primary concern for all of us, it is not our only job,' Gonzales said. 'Criminals are constantly searching for new ways to prey upon our communities. To stop them, we must maintain the same vigilance we show against terrorists.'" The AP adds, "Before Thursday's action, the two countries exchanged only a limited amount of ballistics information. … Under the agreement, each country will be able to view real-time forensics data, allowing bullets and firearms to be linked across crime scenes in both countries, said Michael Sullivan, acting director of the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives. … Canada has strict laws governing handgun sales, with the result that the majority of handguns used to commit crimes in Canada are purchased in the United States, Sullivan said." The AP notes, "The signing took place as part of the ninth annual United States-Canada Cross-Border Crime Forum, which is held at the historic Biltmore Estate in western North Carolina. The two-day meeting brought together hundreds of law-enforcement officers from the two countries."

The Asheville (NC) Citizen-Times (11/17, Barrett) reports, "U.S. Attorney General Alberto Gonzales, Secretary of Homeland Security Michael Chertoff and other government officials from the United States and Canada are on the Biltmore Estate today for a meeting on fighting crime along the two countries' border." The Citizen-Times continues, "Canadian Minister of Justice Vic Toews and Stockwell Day, Canada's minister of public safety and emergency preparedness are also scheduled to attend. … Approximately 130 people are attending the forum, including Canadian and U.S. officials and the U.S. Attorneys General from all the border states with Canada." The Citizen-Times adds, "Biltmore Estate spokesperson Elizabeth Sims said a past visit to the estate by Gonzales' wife inspired forum organizers to choose Biltmore for their meeting. … 'Mrs. Gonzales visited the property a couple of years ago and stayed at the inn and she just really liked the Biltmore Estate,' Sims said. 'So when they began looking for a location for this meeting, they thought we were a great place.'"

The Canadian Press (11/17) reports, "Canada and the United States signed a deal yesterday to share more information quickly on guns, bullets and cartridges related to crime scenes. … The agreement will enable police on both sides of the border to compare evidence electronically and instantaneously instead of exchanging it manually on a case-by-case basis." CP adds, "U.S. Attorney General Alberto Gonzales also emphasized co-operative steps to combat the

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illegal flow of U.S. firearms north of the border, including a focus on the rise of gun-related violence in the Toronto area. … Canada has long complained about the weapons, particularly handguns, smuggled in from the United States."

WLOS- TV (11/16, 11:00 p.m.) Greenville, Spartanburg, Asheville, broadcasted, "33 top Bush Administration officials come to Asheville to discuss border security and fighting crime with their Canadian counterparts. US Attorney General Alberto Gonzales and Homeland Security Chief Michael Chertoff hosted the gathering at the Biltmore Estate. More than 100 law enforcement officials watched as the two sides signed an agreement to share firearms information. Gonzales said, "It will improve our ability to identify crime scene evidence and will advance joint efforts to fight gun crimes." WSPA- TV and WYFF- TV also ran this story in the same cities.

Abramoff Reportedly Fingers Reid, Other Democratic Senators. ABC News' "The Blotter" blog (11/15, Ross, Schwartz) reported, "As convicted lobbyist Jack Abramoff reported to federal prison today, a source close to the investigation surrounding his activities told ABC News that Sen. Harry Reid (D-Nev.) was one of the members of Congress Abramoff had allegedly implicated in his cooperation with federal prosecutors." A spokesperson for Reid "said the senator had done nothing illegal or unethical." Reid spokesman Jim Manley said, "We have no idea what Abramoff is telling prosecutors to save his skin, but I do know that these kind of old allegations are completely ridiculous and untrue." ABC adds, "A source close to the investigation says Abramoff told prosecutors that more than $30,000 in campaign contributions to Reid from Abramoff's clients 'were no accident and were in fact requested by Reid.'" Abramoff has "reportedly claimed the Nevada senator agreed to help him on matters related to Indian gambling." Sources "close to the federal investigation say Abramoff has offered testimony about his contacts with 'six to eight seriously corrupt Democratic senators' and an ever larger number of Republican members of Congress." In addition to Reid, "the sources say Abramoff has been most closely questioned about his contacts with Sen. Conrad Burns (R-Mont.), who was defeated in last week's election."

Texas Appeals Court Rules Bush Overstepped Authority In Medellin Case. The AP (11/17, Graczyk) reports from Houston, "A state appeals court chastised President Bush for intervening in the case of a condemned killer born in Mexico, one of several dozen cases in which Bush ordered new hearings amid international complaints." The AP continues, "The Texas Court of Criminal Appeals on Wednesday rejected the argument from Jose Ernesto Medellin that he was denied legal help he should have received under international treaties. … Medellin, who spent most of his life in Texas, was sentenced in 1994 to die for the rapes and killings of two teenage girls. … 'We hold that the President has exceeded his constitutional authority by intruding into the independent powers of the judiciary,' the court said in a 64-page ruling." The AP adds, "Justice Department spokesman Brian Roehrkasse said the department was reviewing the ruling and considering its options. … Medellin was supported in his appeal by dozens of countries, legal groups and human rights organizations, as well as former American diplomats and the European Union. Much of the international community is opposed to capital punishment and the execution of Mexican nationals in Texas, the nation's most active death penalty state, is a particularly touchy point." The AP notes, "At issue overall was how much weight U.S. courts should give to decisions of the International Court of Justice in The Hague, which ruled the convictions of Medellin and 50 other Mexican-born prisoners violated the 1963 Vienna Convention. The pact requires consular access for Americans detained abroad and foreigners arrested in the United States. … In February 2005, Bush unexpectedly ordered new state court hearings for all 51 prisoners. The Texas court said Wednesday neither the Constitution nor any act of Congress gives the president the power to issue such an order. … The decision means Medellin, 31, is not entitled to additional review of his international rights claim."

Judge Stays Ohio Death Sentence. WBNS-TV, CBS 10, Columbus, OH (11/17, Seavert, Moore) reports, "A jury found Daryl Lawrence guilty of murdering a Columbus police officer. … But Thursday, a judge put Lawrence's death sentence on hold, taking the convicted killer off Ohio's Death Row for now." WBNS-TV continues, "Lawrence shot Officer Brian Hurst during a bank robbery committed January 6, 2005. That conviction stands. The dispute is over the jury's sentence recommendations on two separate murder counts. … One called for giving Lawrence the death penalty. The other recommends a life sentence. … Lawrence's lawyers argued the decision was inconsistent. On Thursday, a federal

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judge announced he agreed." WBNS-TV adds, "Federal judge Gregory Frost issued a written decision reading the jury's sentencing on Lawrence's murder verdicts were inconsistent -- giving life on one charge and then death on another. The judge wrote: 'The court has no choice but to set aside the death sentence and order a new sentencing hearing.' … The judge added, 'The discrepencies point to irrational arbitrary juror conduct.' … Franklin County Prosecutor Ron O'Brien told 10TV Thursday that he will meet with Justice Department officials to decide the next step. O'Brien said they will likely appeal this decision to the Federal Appeals Court."

Florida Officials Join FBI In Foley Probe. The South Florida Sun-Sentinel (11/17, Othón) reports, "Not seen publicly since resigning from Congress in a national scandal, Mark Foley emerged on Thursday in Palm Beach County after the death of his father. … The former Congressman, who left his post as a U.S. representative in September after the disclosure that he had sent sexually explicit emails to Congressional pages, is in town for Ed Foley's funeral. Ed Foley, 85, died Tuesday." The Sun-Sentinel continues, "Foley's emergence comes as the Florida Department of Law Enforcement indicated it has shifted from a preliminary inquiry to a 'full-fledged criminal investigation' regarding Foley. … As the scandal unfolded and more details were made public concerning Foley's communications with teenage boys, the U.S. Justice Department and FDLE indicated they were launching inquiries. … 'We found that there might be criminal violations that would warrant a full investigation,' said FDLE spokeswoman Kristen Perezluha, adding that the agency also is assisting the FBI. 'We don't know, but that's what we're going to look into.'"

Judge Stays Safavian Sentence. Government Executive (11/17, Palmer) reports, "In an unexpected move, a judge granted a request Thursday from David Safavian, the former head of the Office of Management and Budget's procurement policy shop, for a stay of his prison sentence, pending an appeal of his June conviction of obstructing justice and making false statements." GE continues, "Safavian filed an appeal in September challenging his conviction on four counts of making false statements to General Services Administration employees and obstructing an investigation by GSA's inspector general. The charges stem from Safavian's relationship with lobbyist Jack Abramoff while serving as chief of staff at GSA, and focused on a Scotland golf trip the men took together, along with other officials, in 2002." GE adds, "Appeals can take several years, so Safavian's sentence of 18 months -- if upheld -- will not begin until after that ruling. … In his opinion granting the request, U.S. District Judge Paul Friedman cited the section of U.S. Code that says that if a person is not likely to flee, and the appeal raises a substantial question of law likely to result in a reversal, new trial or different sentence, then the judge can grant a request for release on bond. … Safavian's lawyer, Barbara 'Biz' Van Gelder, raised numerous legal issues before, during and after the trial, including questions about the admission of controversial e-mails between Safavian and Abramoff as evidence."

US Attorney, FBI Investigating Cleveland Public Housing Land Deal. The AP (11/17) reports from Cleveland, "Federal prosecutors are investigating the $150,000-an-acre purchase of inner-city land by the city's public housing agency. U.S. Attorney Greg White said Wednesday that his office and FBI agents had begun a preliminary investigation of the purchase by the Cuyahoga Metropolitan Housing Authority. White confirmed the investigation one day after Todd Davis, a developer whose company sold the land to the agency, met with federal investigators."

Pennsylvania Couple Suing To Obtain New York Fugitive Reward. In a widely-distributed story, the AP (11/17, Nephin) reports, "A couple filed a lawsuit to claim a $350,000 reward offered for Ralph 'Bucky' Phillips, a former fugitive who is accused of shooting a New York state trooper and suspected of shooting two others." Jack and Gloria Young of Warren, Penn., "called Warren city police shortly before midnight on Sept. 7 after seeing a suspicious person near their property, a tip they say led directly to the capture of Phillips. 'But for my clients' phone call, (police) still would not have found Bucky, or at least not found him that night,' Robert C. Greene, an attorney for the Youngs, said Thursday." The AP notes, "The couple is suing the Police Benevolent Association of the New York State Troopers Inc., which they say is wrongly withholding the reward. … The FBI put up an additional $100,000 reward. The lawsuit does not address that reward, but Greene said the couple is considering suing the FBI also."

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Reputed Philadelphia Mob Associate Released On Bond. The Philadelphia Inquirer (11/17, Anastasia, 385K) reports, "Reputed mob associate Damion Canalichio was released on $75,000 bond yesterday after his arrest earlier this week on two-year-old drug-dealing charges. Canalichio, 37, is the second high-profile mob figure to be arrested in the last month in what some law enforcement sources say is part of a concerted federal push against alleged South Philadelphia mob boss Joseph Ligambi." The Inquirer notes, "The fact that authorities waited more than two years to bring charges in the case has fueled speculation that Canalichio is a target in a broader probe. His attorney, Joseph Santaguida, said yesterday that he originally thought his client was going to be arrested on illegal-gambling charges. In June, the FBI raided Canalichio's home and an apartment on Snyder Avenue out of which he…allegedly operated. No drugs were found, but authorities reportedly seized records and documents tied to a gambling operation."

Boston Mobster Serving Life For Murder Paroled For Christmas. The Boston Herald (11/17, McPhee, 184K) reports, "Vincent Federico -- the convicted killer who became a made man in the Mafia while on a weekend prison furlough in a ceremony that was bugged by the FBI -- will be paroled for Christmas after he disavowed any mob ties, the Herald has learned. Federico, now 46, is a second-degree lifer at MCI-Norfolk in connection with the murder of a Cambridge man, Robert McFarlane, who was hit by five bullets as he helped a friend move out of a North End apartment above Federico's in 1977. Federico had argued with the victim for no apparent reason before shooting him…according to the parole decision." The Herald notes, "The FBI bug in the Medford basement was long considered the most important incursion ever by law enforcement into the innermost sanctums of organized crime, and the tapes helped bring down the Patriarca family."

US Investigating Alleged Sex Tourism By San Francisco Police Officer. KTVU-TV San Francisco (11/16) reported on its Web site from a story broadcast yesterday, "Federal authorities confirmed Thursday an investigation into the past actions of San Francisco police Officer Donald Ramirez, who died of an apparent suicide last month in a Cambodian jail cell where he was being held for sex crimes." Cambodian "authorities had apparently arrested Ramirez for sexual activity with a 14-year girl." ICE spokeswoman Virginia Kice "said Thursday that Ramirez had been under investigation since 2001," but "they never found any evidence of a crime. 'We have received several new leads and we will pursue those vigorously,' Kice said." KTVU noted, "Akha human rights activist Matthew McDaniel says he told an FBI agent that Ramirez '…had a real appetite for underage girls' when the agent contacted him a decade ago in Burma."

Bay City News Wires (11/16, 5:25 p.m. PST) reported, "Police commissioner Joe Veronese said last week of the investigation that 'there was no greater issue in the department than this.' The police commission, however, has yet to announce if it will take up the issue. Other police organizations are staying away from any involvement in the incident. 'Whatever he does in his off-duty time is his matter,' Police Officers Association Vice President Kevin Martin said. 'This is not a POA issue.'"

Judge Denies Bail For KeyBank Executive Charged With Embezzlement. The AP (11/17) reports, "A former KeyBank vice president accused of embezzling $29 million is a risk to flee and must be jailed to await his trial, a federal magistrate ruled Thursday in denying bond for the suspect. Magistrate Judge Patricia A. Hemann said the overseas travels of David F. Verhotz, 56, of Cleveland, likely gave him contacts that would be useful if he fled. In addition, she noted that more than $8 million is still missing." The AP notes, "An affidavit filed by the FBI said Verhotz took out loans in the names of three European banks and put the money in his accounts."

Texas Bank Manager Pleads Guilty To Embezzlement. The San Antonio Express-News (11/17, Contreras) reports, "Nancy Lynn Limmer has been a New Braunfels councilwoman and bank branch manager, but on Thursday she became a federal felon. In a federal court hearing in San Antonio, Limmer, 44, admitted that she defrauded more than $161,000 from the First Commercial Bank in New Braunfels, where she'd worked for 17 years. … She admitted misappropriating money from customers' accounts at the branch she headed in New Braunfels between April 2002 and August 2005." The Express-News notes that Limmer cooperated "with the FBI" and agreed to "a plea deal before Assistant U.S. Attorney Tom McHugh presented the case to a grand jury."

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Connecticut Investment Advisor Pleads Guilty To Defrauding Clients. The Hartford Courant (11/15, Gosselin, 190K) reported, "Avon investment adviser David M. Faubert lived the high life for five years, taking lavish vacations, buying expensive cars and developing a love for the Foxwoods and Mohegan Sun casinos. But that lifestyle costs money. And as Faubert racked up $1 million in gambling losses and became a heavy cocaine user, he found a new source of financing: more than $4.5 million of his clients' money." On Tuesday, Faubert "pleaded guilty in U.S. District Court in New Haven to 10 counts of mail fraud, one count of embezzlement from an employee benefit plan and four counts of filing false tax returns, all between 2000 and 2005." The AP (11/15) noted, "Faubert told clients that he would guarantee them an 8 percent rate of return if the clients invested money in a fixed investment account he controlled, authorities said. As a result of Faubert's promises, 21 clients provided him with about $5.5 million. But authorities say the fixed investment account did not exist, and Faubert deposited the money into his business and personal accounts."

Florida Man Sentenced To 15 Years In Prison For Child Porn Possession. The Tampa Tribune (11/17, Silvestrini) reports, "A former Polk County sheriff's employee was sentenced Thursday morning to 15 years in federal prison after pleading guilty to child pornography charges. After he is released, James Patrick Odle, 24, of Winter Haven, will be on probation indefinitely under the terms of his sentence. Odle was a civilian detention technician at the South County Jail in Frostproof when investigators from the FBI's Innocent Images Task Force searched his room in his parents' home." The Tribune notes, "A forensic examination of his computers and electronic storage devices revealed more than 5,000 images, including three video files, of children engaged in sexually explicit conduct, according to the U.S. attorney's office."

Former USF Dean Pleads Guilty To Child Porn Charge. The AP (11/17) reports, "A former dean at University of San Francisco's School of Education has agreed to plead guilty to a child pornography charge and serve more than 5 years in prison, federal prosecutors said." The AP continues, "William T. Garner, 66, of San Francisco, acknowledged in the plea deal that he knowingly possessed more than 15,000 images of minors engaged in sexually explicit acts, U.S. Attorney Kevin Ryan said. … 'The children depicted in these images are the victims of horrible abuse, and we will vigorously prosecute individuals possessing these materials,' Ryan said in a statement." The AP adds, "Garner and prosecutors agreed to recommend a 63-month prison sentence, a fine of $12,500 and $50,000 in restitution to be paid to the San Francisco Child Abuse Prevention Center, Ryan said. The penalties still must be approved by a judge. .. .The maximum penalty for the charge is a 10-year prison term and a $250,000 fine."

Global Crossing Official Blasts New Wiretapping Rules. CNET News (11/17, Broache) reports, "An executive from a company that manages a large portion of the Internet's infrastructure on Thursday slammed federal wiretapping rules expected to take effect next spring." CNET continues, "Paul Kouroupas, vice president of regulatory affairs for Global Crossing, strongly criticized the Federal Communications Commission's broadening of a 1994 law--originally intended to cover telephone providers--as disproportionately costly, complex, and riddled with privacy concerns. His company is one of the world's largest Internet backbone providers. … 'Our customers are large Fortune 500 companies--not too many of those companies are conducting drug deals or terrorist activities out of Merrill Lynch's offices or using their phones in that way,' Kouroupas said at an event here sponsored by the DC Bar Association. 'By and large we don't get wiretap requests, yet we're faced with the costs to come into compliance,' which he estimated at $1 million." CNET adds, "At issue is an order issued last fall by the Federal Communications Commission that set a deadline of May 14, 2007, by which most broadband and Internet phone providers are required to reengineer their networks for easier snooping by law enforcement. The move expanded the Communications Assistance for Law Enforcement Act, or CALEA, which Congress wrote to impose obligations on telephone companies, but not Internet providers. … Even without the new FCC rules, police have the legal authority to conduct Internet wiretaps, but they have claimed the need for a 'standardized' system. The formal broadening of the rules followed lobbying from the FBI, the Drug Enforcement Administration and the Justice Department, which said they needed to be able to eavesdrop more readily on criminals who spurned traditional telephone lines."

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DC Police Arrest Man In Burglary At Site Of Lawyer's Slaying. The Washington Post (11/17, B01, Klein, Schwartzman) reports, "A burglary at a Northwest Washington townhouse has drawn the attention of D.C. homicide detectives investigating the unsolved slaying of a prominent lawyer three months ago at the same address." The Post continues, "Police have arrested a 36-year-old man in the burglary of the house, which was unoccupied during the break-in Oct. 30. Authorities quoted the man, Phelps Collins, as saying that he got inside with help from a friend -- the brother of the townhouse's owner. … Detectives have not drawn a connection between the break-in and the stabbing of Robert Wone on Aug. 2, but homicide detectives have been looking into the burglary in hopes of uncovering potential leads, authorities said. Wone, 32, was stabbed in the chest while visiting friends at the home in the 1500 block of Swann Street NW, on the edge of Dupont Circle." The Post adds, "New details about the burglary emerged through interviews, court papers and testimony at a hearing for Collins this week in D.C. Superior Court. Collins was arrested last Friday on a burglary charge. … Police said Collins told them that the friend, Michael Price, had a key to the house because it belonged to his brother, Joe Price. Police also quoted Collins as saying that Michael Price turned off the alarm once the two men entered the house. About $7,700 worth of electronics were stolen, police said. … Michael Price has not been charged in the burglary."

Stores Use Internal Security To Stop Thieves. USA Today (11/17, O'donnell) reports from Seminole, FL, "Justin Reed is scanning images from 18 cameras at a Beall's department store here when saleswoman Carissa Tunis calls from the juniors department to direct his attention to four young men behaving oddly. … Reed, sitting in the store's so-called loss-prevention room, zeros in on the men and sees one slip a wallet in his pocket. He goes back over the image a few times to be sure. When another camera shows the group leaving the store, Reed and Jim Stevenson, a Beall's loss-prevention senior manager, slip out the security door and nab a 17-year-old." USA continues, "As the two beefy investigators hustle the teen back inside, he pleads that he's just off probation. They call the police anyway. Within minutes, he's the first of two shoplifters arrested during four hours that USA TODAY spent observing the store's crime-fighting efforts. … On this November day, the culprit is a fairly harmless high school dropout. But the retail industry spends billions on technology and investigators such as Reed to combat what they call 'organized theft rings': gangs of shoplifters who sweep through stores with military precision. The retailers are fighting back with a new national crime database, electronic receipts, digital video recording technology and their own brand of detective work." USA adds, "Stymied by police and courts that are often unwilling or unable to tackle crimes they may see as petty theft, the retailers build their own cases against the gangs, connecting crimes that often cross county and state lines. To help document the scope of this organized thievery, investigators for Walgreens, Target, Safeway, Limited Brands and others even follow thieves from their stores to the 'fences' where they sell the goods. … The FBI and retail groups expect that by the end of this year, every major retailer will be able to share crime data — including photos of suspects from their store cameras — in a computer database. Beall's, a Florida-based chain, and other retailers now track shoplifting gangs using the database, which has already helped link a suspect to thefts of $500,000 worth of goods from 12 retailers. The man is still a fugitive, but warrants for his arrest are out in three states."

Baltimore Bars Hit By String Of Armed Robberies. The Baltimore Sun (11/17, Linskey) reports, "A masked man put a gun to the head of a bartender at Dizzy Issie's and demanded that she open the register while he counted to five. The man yelled, 'Keep down don't move' to the 50 or so people at the hipster Remington bar. A second man, also masked, stood lookout at a side door." The Sun continues, "After prying the till free, the pair ran out with about $800 and hopped into a waiting car. Shaken customers picked themselves up. Several called police, and then everyone cleared out for the night. … Police say they believe the same men have held up eight bars in the past three weeks, usually the same way." The Sun adds, "Either two or three men enter the tavern wearing gloves and masks or bandanas to cover their faces, according to police. One man, waving a gun, immediately jumps behind the bar and, in most cases, removes the entire cash drawer. Another man stands as a lookout and prevents people from leaving the bar. … In addition to the Tuesday night robbery at Dizzy Issie's, police believe the group is responsible for holding up three other bars this week -- one in Charles Village on Monday night, one in Upper Fells Point late Wednesday and another in Pigtown early Thursday morning. In recent weeks other bars have

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been held up in Remington, Mill Hill and Carroll-South Hilton in West Baltimore."

DC Has High Rate Of Gun Slayings. The Washington Times (11/17, Cella) reports, "The District is among the major U.S. cities with the highest percentage of people being killed by firearms, despite having one of the strictest gun-control laws in the country." The Times continues, "A recent Metropolitan Police Department report on homicides from 2001 to 2005 states that 901 of 1,126 homicide victims, or about 80 percent, were fatally shot. … 'It's a problem,' Chief Charles H. Ramsey said. 'It may be something that's with us for a while.'" The Times adds, "Firearms last year alone were used to commit 157 of the District's 196 homicides, or about 80 percent. That percentage has remained relatively consistent since 2001, when a five-year low of 78.4 percent of homicides were committed using guns. .. .FBI crime statistics for 2005 show 10,100 of the country's 14,860 homicide victims, or 68 percent, were killed by guns. .. .The District's percentage of gun homicides is comparable to those in other big cities, according to the U.S. Bureau of Justice Statistics. … In 2004, the last year for which comprehensive statistics were available, the 79.3 percent of homicides involving guns in the District was higher than the 61.1 percent in New York. Chicago reported 75.2 percent, and Baltimore had 77.5 percent."

Target Of California Corruption Probe Faces Molestation Charges. The Los Angeles Times (11/17, Hong, Pringle) reports, "A political corruption scandal took a sordid turn Thursday when a defendant in the Vernon voter-fraud prosecution was charged with sexually molesting four boys while serving as dean of students at Daniel Murphy Catholic High School." The Times continues, "John Joseph Malburg, son of Vernon Mayor Leonis Malburg, who is also accused in the corruption case, pleaded not guilty to numerous counts of child sexual abuse, lewd acts and making a videotape for sale of a minor engaged in sex acts." The Times adds, "Authorities said one student appeared in a sexually explicit tape in exchange for a higher grade. In addition, Malburg, 37, is charged with possessing child pornography and secretly videotaping boys while they showered at his Hancock Park home. … As an offshoot of the 19-month corruption probe, investigators began to examine Malburg's contact with the boys over a period of 10 years, according to the Los Angeles County district attorney's office." The Times notes, "The Archdiocese of Los Angeles learned about the sex abuse inquiry sometime before Malburg was fired in July but did not notify parents at the Fairfax-area school, spokesman Tod M. Tamberg said. … Tamberg said the district attorney's office asked the archdiocese to keep the matter confidential. Jane Robison, a district attorney's spokeswoman, could not confirm that."

CIVIL LAW:

Trial Begins In Suit Against FBI Alleging Wrongful Convictions. The AP (11/17, Lindsay) reports, "Two Boston men spent 30 years in prison for an underworld slaying they did not commit after a judge ruled that the FBI withheld evidence that would have cleared the pair to protect a mob hitman who was serving as an informant. … Now, in a trial that opened Thursday, those men and the families of two others who were wrongfully convicted are seeking damages from the government that could total more than $100 million." The AP continues, "Joseph 'The Animal' Barboza was a known mob assassin responsible for numerous hits during Boston's gangland wars of the 1960s. He was also so vital to FBI efforts to crack the mob that the agency allowed him to wrongly implicate four men for murder, attorneys for the plaintiffs said in opening statements. … Joseph Salvati and Peter Limone and the families of two other men who died while behind bars accuse the federal government of malicious prosecution, conspiracy and depriving the men's family of companionship. … 'It was a rigged game, a charade, a story concocted by Mr. Barboza and assented to by the FBI,' said attorney Austin McGuigan, who represents Salvati. 'There was no hope the real story in this case would be uncovered.'" The AP adds, "The case is the latest development in a scandal that unfolded in Boston about a decade ago, when it was learned that the FBI had a corrupt relationship with the mob, protecting killers who were informants and even tipping them off to pending indictments. … The lawsuit was filed after the Justice Department released documents in 2001 that showed the FBI withheld evidence from state prosecutors that could have cleared the men so the agency could protect an informant who actually committed the crime."

The Boston Globe (11/17, Murphy) reports, "There's no question that the FBI recruited notorious hitman Joseph 'The Animal' Barboza as a witness against local Mafia leaders,

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then turned him over to state prosecutors in a case that led to the wrongful conviction of four men for a 1965 gangland murder in Chelsea. … But Thursday, on the first day of a civil trial seeking more than $100 million in damages from the federal government, a Justice Department lawyer insisted the FBI can't be blamed because state prosecutors were responsible for investigating and trying the case. … 'The FBI is not liable,' said the government attorney, Bridget Bailey Lipscomb. … But lawyers for Peter Limone, Joseph Salvati, Henry Tameleo, and Louis Greco accused the FBI of making a 'mockery' of justice by failing to tell state prosecutors or defense lawyers about evidence that suggested Barboza had framed the four men for the slaying of small-time hoodlum Edward 'Teddy' Deegan."

Boston Herald Columnist Assails FBI, Lipscomb. In his Boston Herald (11/17, 184K) column, Peter Gelzinis writes, "That the prospect of justice has arrived 40 years late for Joe Salvati and Peter Limone, along with two fellow defendants who died in prison, Louis Greco and Henry Tameleo…is shameful. That the Department of Justice has seen fit to send Bridget Bailey Lipscomb back to Boston to defend the putrid reputation of the FBI…well, that could be called a blessing. With Ms. Lipscomb at the government table, the only question may well be how much of a potential $100 million in civil damages will these men and their families see. Five months ago, Lipscomb's attempt to convince U.S. District Court Judge Reginald C. Lindsay that the FBI could not be blamed for enabling their Teflon rat, Whitey Bulger, to slaughter John McIntyre, turned into graceless courtroom hash." Gelznis adds, "This time, however, the FBI's crime is even more egregious. And the case will be heard by a different federal judge, U.S. District Court Judge Nancy Gertner."

CIVIL RIGHTS:

Democrats Vow To Strengthen Oversight Of DOJ Civil Rights Division. The Boston Globe (11/17, Savage) reports, "Democrats on the Senate Judiciary Committee yesterday vowed to impose intense oversight on the Justice Department's Civil Rights Division next year, telling a Bush administration official in charge of the agency that the next Congress will scrutinize whether civil rights laws are being properly enforced." The Globe continues, "Speaking at the first Civil Rights Division oversight hearing since May 2002, the Democrats cited several newspaper articles about the agency over the past year -- including a Globe analysis of changes in the hiring process for lawyers in the division -- and said they would investigate the administration's stewardship of the agency after they regain power in January. … 'There are disturbing reports that career lawyers have been shut out of the division's decision-making process, that the division's civil rights enforcement on behalf of racial minorities has sharply declined, and that the department has packed the division with attorneys who have no background in civil rights litigation,' said Senator Patrick J. Leahy, Democrat of Vermont, who will become committee chairman in January." The Globe adds, "Senator Russell Feingold, Democrat of Wisconsin, said he wanted to know whether the Bush administration was exerting political interference on the division's decisions about when to file cases. The agency has long been a source of political tension because it is charged with enforcing antidiscrimination laws and reviewing changes to state voting rules. … Wan Kim , assistant attorney general for civil rights, said he welcomed congressional attention. … 'I certainly share your . . . interest in oversight,' Kim said, adding that he has 'a deep and abiding respect for this committee and the work that it does in making sure that all branches of government are operating consistent with the law.'" The Globe notes, "One major focus by the lawmakers was a change in hiring procedures. In July, the Globe reported that in late 2002, the Bush administration disbanded a longstanding hiring committee of veteran career lawyers. Political appointees took over screening résumés, interviewing applicants, and deciding who should fill vacancies in the permanent civil service ranks. … After the change, successful applicants were significantly less likely to have civil rights backgrounds, according to a Globe analysis of résumés obtained under the Freedom of Information Act. New hires were also more likely to have conservative credentials, such as membership in the Federalist Society, a group that takes a skeptical view of aggressive civil rights enforcement."

DOJ Sues California Apartment Owners Alleging Discrimination. The AP (11/17) reports, "The U.S. Justice Department sued two apartment building owners for housing discrimination Thursday, claiming they favored Vietnamese tenants over Hispanic tenants." The AP continues, "Gary Luke and Mary Ngo, owners of adjacent apartment complexes in Garden Grove in Orange County, violated the federal Fair Housing Act barring discrimination

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against people based on national origin, the government claims. … The lawsuit arose from a charge made recently by the U.S. Department of Housing and Urban Development. The suit seeks monetary damages, civil penalties and a court order prohibiting future discrimination." The AP adds, "Federal authorities say Luke and Ngo issued notices in the last year to Hispanic tenants telling them they had 60 days to leave so their units could be renovated. … When Hispanic tenants later tried to move back into the remodeled units, all were either told that they could not return or were promised rental applications that were never provided, authorities said. … Vacated units were later rented out to Vietnamese tenants, the government said."

DOJ May Be Probing GOP Maryland Election Fliers. The Washington Post (11/17, B02, Rich, Eggen) reports, "A senior Justice Department official said yesterday that the misleading fliers distributed by Republicans in Maryland on Election Day may -- or may not -- be the subject of an investigation by the department's criminal division." The Post continues, "Wan Kim, assistant attorney general for the department's civil rights division, said during a Senate hearing that he believed the matter was under investigation but quickly added, 'I'm not 100 percent sure about that.' … Two public affairs officers at Justice Department headquarters in Washington said they could neither confirm nor deny that an investigation is underway." The Post adds, "The fliers -- authorized by the campaigns of Republicans Gov. Robert L. Ehrlich Jr., who lost his bid for a second term, and Michael S. Steele, who was defeated in his bid for a Senate seat -- have been widely denounced for implying, incorrectly, that the two candidates were endorsed by prominent black figures including former NAACP leader Kweisi Mfume and Prince George's County Executive Jack B. Johnson (D)."

Two Face Additional Sex Trafficking Charges In Tennessee. The Robertson County (TN) Times (11/17, Howard) reports, "Two people are facing additional federal charges this week for allegedly forcing a Mexican teenager into prostitution as part of a sex trafficking ring that operated in Nashville and Memphis, federal officials said." The Times continues, "A federal grand jury in Memphis issued indictments Thursday charging Juan Mendez and Cristina Andres Perfecto with using fraud and coercion to force an adult woman and the teenager into a life of prostitution. They were charged in October with sex trafficking of children." The Times adds, "Federal investigators believe the teenager was smuggled into the country from Oaxaca, Mexico, and thought she was going to get a job as a waitress at a Nashville restaurant. … She was taken to a Harding Place-area apartment, where she was beaten, raped and forced to have sex with as many as 40 men per day, according to court documents." The Times notes, "The girl, now 15, was taken into the custody of the state Department of Children's Services and placed with a Spanish-speaking foster family, DCS spokesman Rob Johnson said. … Raymundo Flores, Raul Santillan-Leon and Fernando Reyes-Santillan also were indicted on charges of conspiracy to launder money and harbor illegal immigrants at a brothel in Memphis, justice department officials said in a news release. … All five of those indicted were connected to the same sex-trafficking ring, according to federal officials."

Judge Asked To Limit DOJ's Involvement In Probe Of Mississippi Inmate Death. The Biloxi (MS) Sun Herald (11/17, Fitzgerald) reports from Gulfport, MS, "Ryan Teel's attorney wants a judge to instruct the government not to interfere with the defendant's investigation in preparation of Teel's trial involving an inmate death." The Herald continues, "The Harrison County Sheriff's Department has denied the defense a request to examine the county jail booking room and to question jail employees, according to a motion filed by Jim Davis, Teel's attorney. … Teel, a former corrections officer, is set to stand trial May 28 on criminal charges of civil rights violations in the fatal beating of Jessie Lee Williams Jr. The incident occurred in the jail booking room on Feb. 4. Regina Rhodes, also a former jailer, pleaded guilty to her role in the assault and to lying to cover it up." The Herald adds, "Davis asked for an emergency telephone conference with a judge today to discuss his concerns. … Allowing the defense access to the booking room and jail employees is 'necessary in order to properly prepare for trial,' Davis wrote in his motion. He was not available for comment Thursday. … Teel is in custody at an undisclosed location." The Herald notes, "Davis' latest motions claim Capt. Steve Campbell, who runs the sheriff's professional standards unit, agreed Nov. 7 to allow a booking room visit and witness interviews, but changed his mind the next day. Campbell said permission was needed from the U.S. Attorney's Office, an affidavit stated. … Sheriff George H. Payne Jr. declined comment and referred questions to his attorney, Cy Faneca, who said he advised the sheriff to let the U.S. Justice

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Department make that decision. … 'We are not involved in the criminal case because the Justice Department is conducting that investigation,' Faneca said. 'Nobody has told us what the ground rules are, so it certainly would be prudent to let Justice make that decision.' … The U.S. Attorney's Office, which is prosecuting Teel in the criminal case, operates under the Justice Department. … U.S. Attorney Dunn Lampton said his office will file a response to Davis' complaint today."

UCLA Police Use Stun-Gun On Student In Library ID Dispute. The AP (11/17) reports, "A UCLA police officer shocked a student with a stun gun at a campus library after he refused repeated requests to show student identification and wouldn't leave, police said." The AP continues, "The student, Mostafa Tabatabainejad, was shocked Tuesday at about 11 p.m. as police did a routine check of student IDs at the University of California, Los Angeles Powell Library computer lab. … 'This is a long-standing library policy to ensure the safety of students during the late-night hours,' said UCLA Police Department spokeswoman Nancy Greenstein." The AP adds, "She said police tried to escort Tabatabainejad, 23, out of the library after he refused to provide identification. Tabatabainejad instead encouraged others at the library to join his resistance, and when a crowd began to gather, police used the stun gun on him, Greenstein said. … Tabatabainejad was arrested for resisting and obstructing a police officer and later released on his own recognizance."

Study Says California Initiative Limited Minority Contracts, Admissions. The Washington Post (11/17, A23, Williamson, Strauss, 690K) reports the "number of minorities -- particularly black Americans -- winning government contracts and being admitted to public colleges and universities in California has dwindled since a ballot measure was passed 10 years ago outlawing preferential treatment for minorities in those areas, according to a study released yesterday." The report "comes as the longtime controversy over affirmative action is gaining new attention. Michigan voters last week adopted a constitutional amendment essentially taking the same action as California, and the American Bar Association is facing criticism from some groups for strengthening its diversity requirements for accreditation of law schools." The study "of California's Proposition 209 shows that it has had a major effect, according to Ellis Cose, who wrote the report for the Institute for Justice and Journalism at the University of Southern California's Annenberg School for Communication."

Laws To Make English Official Language Gaining Support. USA Today (11/17, Dorell, 2.27M) reports, "Voters and town boards in several states recently passed laws making English the official language, garnering Hispanic support in one case for what many say was a message to Washington." Arizona voters "last week approved Proposition 103, a constitutional amendment making English the official language of the state. Passing similar laws were the city councils of Taneytown, Md.; Farmers Branch, Texas, and the town board of Pahrump, Nev." While English-only proposals in the U.S. Congress have gone nowhere, the Arizona measure passed by a 3-to-1 ratio, with 48% of Hispanics supporting it, according to an Associated Press exit poll." Jose Esparza, vice chairman of the Arizona Latino Republican Association, said "Hispanic support is a sign that 'the majority of Hispanics believe that the key to success in America is to learn the language of the land, learn English.'"

Black Entrepreneurs Face Unique Challenges In Emerging Industries. The Washington Post (11/17) reports on the challenges faced by black entrepreneurs in the DC area, focusing on Enlightened Inc, a technology consulting firm. The Post reports, "Sitting around a conference table, eight employees of Enlightened Inc., a technology consulting firm, were struggling to polish a proposal that could well determine the firm's future. It was not going well. … Chief executive Antwanye Ford was rubbing his forehead in frustration. … Enlightened's bid for a multimillion-dollar contract to update the computer system used by the District's probation and parole officers was simply not good enough, he told his staff. The proposal needed more graphics, more punch. As Ford saw it, this bid was his fledgling black firm's ticket to a new competitive league. … Suddenly, Ford's cellphone was vibrating. He excused himself and headed into his private office. It was Larry Daniels, one of the District's chief accountants who oversees city spending. Daniels had received complaints about Enlightened's work on another project, a $400,000 contract to do inventory of D.C. property: police cars, fire trucks, public school furniture. … It was too much. Frustrated and embarrassed, Ford heaved his bottle of water across the room. 'You only get one opportunity, maybe two at the most, to

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prove yourself,' he later fumed to a visitor. 'As a minority, you have to work extra hard. . . . We're constantly being watched and judged.'" The Post adds, "As the day wore on, Ford felt that what he had spent years seeking -- acceptance, respect, an unchallenged level of achievement -- had been put at risk. In danger of losing one contract and not winning another he coveted, Ford wondered: Would his aspirations for Enlightened ever be realized? Would he feel this extra pull to prove himself if he were not black? … Ford's anxiety about image is common among black businessmen who are barreling into territory where relatively few of them have established ownership: information technology, construction, real estate, financial management. Many bring with them advanced degrees, years of corporate experience, and cultural and emotional complexities that can both enrich and burden their lives as business owners. Many struggle with whether they must sacrifice their identity to be successful. In Ford's case, that means questioning whether Enlightened should even promote that it is black-owned."

Conservatives Criticize State Marriage Amendments. In a New York Times op-ed (11/17), David B. Rivkin Jr. and Lee A. Casey, lawyers who served in the Justice Department under Presidents Ronald Reagan and George H. W. Bush, say, "Conservatives have consoled themselves since Election Day with the knowledge that many 'conservative' social issues did well — including (and especially) the eight state 'marriage amendments' on the ballot — even if the Republican candidates faltered." These "marriage measures, of which only Arizona's was defeated, generally prevent recognition of gay marriages by defining marriage as a 'union between a man and a woman' in the state constitutions. More than half of the states now have such constitutional provisions (some of which would also forbid same-sex civil unions), and conservatives need to reconsider whether that's really what we want. There are, in fact, some very good reasons conservatives should oppose this approach." At "least since independence, the question of who may marry and under what conditions has been the province of the state legislatures. And it should have remained that way." Errant "or aggressive judges can be corrected by amendments that simply deny the state courts authority over this issue, reserving the definition and regulation of marriage to the legislatures alone."

Pentagon Reclassifies Homosexuality. The AP (11/16, Baldor) reports, "Pentagon guidelines that classified homosexuality as a mental disorder now put it among a list of conditions or 'circumstances' that range from bed-wetting to fear of flying." The new rules "are related to the military's retirement practices. The change does not affect the 'don't ask, don't tell' policy." The revision "came in response to criticism this year when it was discovered that the guidelines listed homosexuality alongside mental retardation and personality disorders."

Breast-Feeding Mother Files Complaint Against Airlines. USA Today (11/17, Bazar, Hemingway) reports, "A clash between a nursing mother and a flight attendant has sparked a discrimination complaint, an airline investigation and a grass-roots protest." USA continues, "Emily Gillette, her husband, Brad; and their then 22-month-old daughter, River, were removed from an Oct. 13 flight from Burlington, Vt., to New York after a flight attendant asked Gillette to cover up while she was breast-feeding the girl. … Freedom Airlines operated the Delta Airlines flight." USA adds, "Gillette, 27, filed a complaint against both airlines last week with the Vermont Human Rights Commission alleging that the airlines violated a state law that allows women to breast-feed 'in any place of public accommodation.' The airlines have until Nov. 27 to respond, Gillette's attorney, Elizabeth Boepple, says."

ANTITRUST:

Barnett Defends DOJ Approval Of AT&T-BellSouth Deal. The AP (11/17, Apuzzo) reports, "The Justice Department's top antitrust official on Thursday defended the agency's unconditional approval of AT&T's $82 billion buyout of BellSouth Corp. as 'pretty straightforward' despite criticism from Democratic regulators and lawmakers." The AP continues, "The buyout would further reunite parts of the old Ma Bell phone monopoly, broken up by the government in 1984, and create the largest U.S. provider of telephone, wireless and broadband Internet services. … 'We're living a very different world than we were in the 1980s,' Assistant Attorney General Thomas O. Barnett said in an interview during an antitrust conference. 'The mere size of a company in general doesn't tell you whether a merger is going to harm consumer welfare.'" The AP adds, "The Federal Communications Commission, the final

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regulatory hurdle for the deal to be approved, has delayed a final vote three times. Two Democrats on the FCC, Michael Copps and Jonathan Adelstein, have accused the Justice Department of falling down on the job. .. .Barnett said the agency spent months reviewing documents and interviewing customers and competitors before concluding that the deal probably would save customers money. … Once that conclusion was reached, 'it's a pretty straightforward deal for us,' he said." The AP notes, "If the deal wins final government approval, the merger would give San Antonio-based AT&T Inc. total control over the nation's largest cellular provider, Cingular Wireless, a joint venture of the two phone companies that serves 57.3 million customers. … Consumer rights groups have criticized the deal as putting too much of the telecommunications infrastructure under the control of one company."

DOJ Seizes Documents In Bank Bid-Rigging Probe. Bloomberg (11/17, News) reports, "Law enforcement agents seized documents from three brokers and subpoenaed companies including at least two insurers and General Electric in a criminal investigation of whether banks and financial firms conspired to rig bids for investment deals with local governments." Bloomberg continues, "The investigation by the Justice Department centers on guaranteed investment contracts, which municipalities buy to hold bond money until funds are needed to pay for projects. … F.B.I. agents searched CDR Financial Products, a financial adviser and broker in Beverly Hills, Calif., on Wednesday, said Laura Eimiller, a spokeswoman for the F.B.I. in Los Angeles, without providing further details." Bloomberg adds, "Financial Security Assurance Holdings, a unit of the Brussels-based financial services company Dexia, said Wednesday that it was subpoenaed by the Justice Department. … The FGIC Corporation, a New York-based bond insurer, also received a Justice Department subpoena, Brian Moore, a company spokesman, said yesterday. Mr. Moore said FGIC, a former unit of General Electric, had exited the guaranteed investment contract business in 2003 when G.E. sold the company. The outstanding contracts remained with G.E. … Federal investigators took documents Wednesday from the Investment Management Advisory Group, a broker of guaranteed investment contracts and municipal derivatives adviser based in Pottstown, Pa., said Gene Grabowski, a spokesman for the company. … Yesterday, a third guaranteed investment contract broker, Sound Capital Management, based in Eden Prairie, Minn., said federal investigators seized documents and served a subpoena for more documents."

The Philadelphia Inquirer (11/17, Fazlollah) reports, "Federal agents have seized records from a Montgomery County (PA) investment broker and a California company in an investigation of whether banks and financial firms conspired to rig bids for investment deals with local governments. … The investigation centers on alleged bid-rigging in guaranteed investment contracts, which cities buy to hold bond money until funds are needed to pay for projects." The Inquirer continues, "Federal agents took documents from Investment Management Advisory Group Inc., a Pottstown broker of guaranteed investment contracts, firm spokesman Gene Grabowski said. Besides seizing boxes of documents, FBI agents copied the hard drives of computers at the firm. … FBI spokeswoman Jerri Williams said agents from New York were assisted by the bureau's Philadelphia office. … 'IMAGE received a subpoena from the Antitrust Division of the U.S. Department of Justice, and the company is cooperating fully with the authorities,' the company said in a statement. 'It is our understanding that subpoenas have been issued to numerous other firms and that the investigation is industry-wide. We are confident that our business practices and employees will be fully vindicated as this investigation continues.' … The actions by the Justice Department show that an investigation into how banks compete for the right to reinvest money raised in the $2 trillion market for tax-exempt bonds has expanded beyond the U.S. Internal Revenue Service. The IRS has been looking into whether brokers awarded the work to favored banks, potentially boosting the cost of the investment agreements and depriving the federal government of tax revenue. … Justice Department spokeswoman Kathleen Blomquist said the agency was conducting an 'investigation of anticompetitive practices in the municipal-bond industry.'"

The Los Angeles Times (11/17, Reckard) reports, "The FBI raided financial firms on both coasts, including Beverly Hills-based CDR Financial Products, as part of an investigation into possible bid rigging on investments sold to public agencies, federal authorities and the firms said Thursday." The Times continues, "Federal authorities also seized information from at least one municipal bond insurer in connection with the probe. Another of the companies raided, Investment Management Advisory Group of Pottstown, Pa., said the investigation was industrywide and had resulted

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in subpoenas to a number of other firms." The Times adds, "CDR Financial and the other companies help cities, counties and public agencies invest money generated by bond sales in guaranteed investment contracts. Such contracts are used to allow the proceeds of bond issues to earn interest until they are spent on public projects. … CDR said it was cooperating with the investigation and remained open for business. … 'The firm believes it has acted appropriately in all of the financings under review,' CDR said in a statement." The Times notes, "FBI agents and criminal investigators from the Internal Revenue Service served a search warrant on CDR about 6 a.m. on Wednesday and remained there all day, said Laura Eimiller, an FBI spokeswoman in Los Angeles. … She said details weren't available because a judge had sealed the search documents. … A U.S. Justice Department spokeswoman in Washington, Cynthia Magnuson, said the agency's antitrust department was investigating the possibility of anti-competitive practices in the municipal bond industry. She wouldn't elaborate."

Two Convicted In Indianapolis Concrete Price-Fixing Case. The Indianapolis (IN) Star (11/17, Corcoran) reports, "A two-year criminal investigation into price-fixing by ready-mix concrete companies in the Indianapolis area ended Thursday when a federal jury convicted two Noblesville men and their company of participating in the scheme." The Star continues, "After hearing 21/2 days of evidence in U.S. District Court, a jury of eight women and four men found cousins Chris A. Beaver, 42, and Ricky J. Beaver, 43, conspired with other ready-mix concrete companies to set prices from July 2000 through May 2004." The Star adds, "Frank J. Vondrak of the U.S. Department of Justice's Antitrust Division would not rule out further charges involving officials of companies serving Marion, Muncie and Bloomington, where trial testimony indicated price-fixing also took place." The Star notes, "Vondrak led a team of lawyers, including Jonathan A. Epstein and Eric L. Schleef, that won Thursday's guilty verdicts after a series of pleas by other participants. Most executives cooperated with the FBI and Justice Department in exchange for lighter sentences or immunity from prosecution. … During the trial, prosecutors repeatedly reminded jurors of guilty pleas made by concrete executives, including four officials of Greenfield-based Irving Materials Inc. That company agreed last year to pay a $29.2 million fine, the largest financial penalty ever in a domestic antitrust case. … 'We are pleased that the jury decided to hold accountable these participants in a price-fixing scheme that deprived consumers in Indianapolis of the benefit of a competitive marketplace,' Antitrust Division leader Thomas O. Barnett said in a statement. … As a result of the trial, the Beavers face maximum prison terms four times longer than those recommended for the ringleaders. The men face fines of up to $600,000 each. No sentencing date has been set."

The AP (11/17) reports, "Two other companies have been fined more than $30 million and several company executives have been sentenced to prison for their role in what prosecutors said was a scheme that lasted from January 2000 to May 2004 and resulted in millions of dollars in illegal profits. … Officials from the other companies testified during this week's trial that Chris Beaver, the operations manager for Beaver Materials, and Ricky Beaver, the commercial sales manager, attended meetings during which the firms agreed on prices and discounts and the timing of price increases." The AP adds, "The Beavers and the family owned company were the only ones whom prosecutors tied to the conspiracy that did not admit to their involvement. … Beaver Materials faces a potential fine of $10 million as a result of the verdict, but defense attorney Jeff Lockwood said he did not believe his clients regretted their decision to fight the allegations. … The scheme came to light last year when Irving Materials Inc. of Greenfield agreed to pay $29.2 million in fines, which prosecutors said was the largest ever assessed in a domestic antitrust investigation."

Former Elpida Memory Official To Plead Guilty In Chip Price-Fixing Probe. The AP (11/17) reports, "A former executive at a computer chip maker is the latest person to agree to plead guilty in a global U.S. Justice Department price-fixing probe, the government said Thursday." The AP continues, "D. James Sogas of Burlingame (CA), ex-vice president of sales for Elpida Memory, agreed to plead guilty to violating the Sherman Act. He agreed to serve a seven-month prison term and pay a $250,000 fine if the plea deal is approved by a federal judge."

AFP (11/17) reports, "Including Sogas, US prosecutors have charged four companies and 17 individuals, and have levied fines totaling more that 731 million dollars in the probe into price fixing of dynamic random access memory (DRAM), a widely used memory component in electronics. … 'The (Justice Department) antitrust division remains steadfast in its

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commitment to deter illegal cartel activity and to hold accountable those who participate in price fixing conspiracies,' said assistant attorney general for antitrust, Thomas Barnett." AFP adds, "According to the agency, DRAM is the most commonly used semiconductor memory product and is used in variety of computer, telecommunication, and consumer electronic products. .. .The chips are used in personal computers, mobile phones, digital cameras, video recorders, game consoles and digital music players. There were approximately 25 billion dollars in DRAM sales worldwide in 2005."

Bloomberg (11/17, Gullo) reports, "The plea agreement stems from a four-year federal investigation into price fixing in the chip market that has led to claims against four companies and 16 individuals, and fines of $731 million, the U.S. said. Worldwide DRAM sales were $25 billion in 2005, the Justice Department said. … Sogas has agreed to serve a sentence of seven months in prison and pay a $250,000 fine, prosecutors said. He is also cooperating with the federal investigation. Elpida agreed in January to pay $84 million to settle price-fixing charges. … Sogas is the first Elpida Memory executive to agree to a prison sentence in the DRAM investigation, the Justice Department said."

Private Equity Group Purchases Clear Channel For $18.7 Billion. The Financial Times (11/17, Politi) reports, "Two buy-out groups and five Wall Street banks on Thursday combined to buy Clear Channel Communications for $18.7bn, taking the largest US radio station chain private after a short but dramatic auction." The Times continues, "The deal, led by Bain Capital and Thomas H. Lee Partners, marks the latest and biggest effort by cash-rich private equity firms to refashion chunks of the traditional media industry challenged by the digital age." The Times adds, "The two firms will control a large outdoor advertising business and 1,200 radio stations accumulated in 30 years of deals by members of the Mays family, who founded Clear Channel in 1972 and will continue to run the company under its new owners. … JCDecaux, the French outdoor advertising company, said it was interested in buying Clear Channel Outdoor and the buyers 'are aware of our interest'. Analysts have speculated that any buyer of the radio group would sell the outdoor advertising business to help finance the transaction."

The Wall Street Journal (11/17, B1, Mcbride, Berman) reports, "In an age of intense competition from iPods, satellite radio and other glitzy new media, many investors have given up on the traditional radio industry. With an $18.7 billion buyout of radio giant Clear Channel Communications Inc., a group of private-equity investors is betting that the medium will be able to ride out the current storm much as it weathered past threats from television and other rivals." The Journal continues, "A group led by Thomas H. Lee Partners LP and Bain Capital LLC has agreed to acquire Clear Channel for $37.60 a share, plus the assumption of about $8 billion in debt. Thomas Lee and Bain beat out a second group comprising Providence Equity Partners Inc., Kohlberg Kravis Roberts & Co. and Blackstone Group, which had bid $36.85 a share. Each firm will have about a one-third equity stake, leaving the remaining third divided among a consortium of banks and the Mays family, who will be eligible for an options pool representing 3% to 5% of the new company. Mark Mays, currently chief executive, and Randall Mays, currently president and chief financial officer, will continue in those roles. Founder Lowry Mays may stay on as chairman emeritus." The Journal adds, "Separately, Clear Channel said it was selling its 42 television stations and 448 of its radio stations in smaller and medium-size markets. That would still leave the company a radio giant, with more than 700 stations around the country. … The deal is the latest in a string of private-equity transactions in the industry, underscoring the growing attraction of radio to private equity despite stagnant advertising revenue and other problems. The business's steady cash flow and what some see as an opportunity to increase revenue using new technologies such as digital radio have some investors saying the business has been undervalued by Wall Street."

The Washington Post (11/17, D01, Ahrens) reports, "Clear Channel Communications Inc. has agreed to sell the company to a consortium of private-equity firms and plans to shear off more than one-third of its 1,150 radio stations, dismantling a giant that dominated the industry and became the bogyman of media consolidation for the past half-decade." The Post continues, "Clear Channel is hard to avoid in Washington. It owns eight local radio stations, including popular rocker DC101, top 40 station Hot 99.5 and sports-talk WTEM-AM. It sells ad space atop hundreds of taxis and on the sides of bus stops and provides traffic updates through its Total Traffic Network unit. … The buyers, led by Bain Capital Partners and Thomas H. Lee Partners, agreed to pay $26.7 billion for the company, which includes the assumption of $8 billion in debt." The Post adds, "In a separate transaction also

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announced yesterday, Clear Channel said it would seek buyers for all of its television stations and 448 of its smaller radio stations, presumably because the private-equity buyers are not interested in owning television or small-market radio. The stations marked for sale are all outside the nation's top 100 markets, which would exclude Washington, the eighth largest. .. .The sell-off will mark the end of the consolidation era for the radio industry and its largest player, Clear Channel, and an acknowledgment by the company that it no longer is interested in smaller radio markets."

Reader's Digest Association Purchased By Ripplewood Holdings. The Wall Street Journal (11/17, B5, Ellison, Berman) reports, "Private-equity firm Ripplewood Holdings LLC, leading a group that agreed to buy Reader's Digest Association Inc. for $1.6 billion, now faces the tough challenge of turning around the long-declining magazine publisher." The Journal continues, "To help do so, Ripplewood plans to integrate its existing media businesses, which include Time Life Books and the Weekly Reader, with Reader's Digest direct-marketing machine. Aside from the pint-sized magazine, Reader's Digest publishes 26 other titles, including faster-growing names such as Every Day with Rachael Ray and Backyard Living." The Journal adds, "The deal comes as private-equity firms are bidding on a growing number of media properties struggling to cope with shifts in consumer habits brought on by the Internet and other new media. Reader's Digest, well known to many older Americans and people overseas, has been losing circulation for many years. … Four years ago, under pressure from investors unhappy with the company's performance, the founding Wallace family agreed to eliminate a dual-share voting structure that had allowed them to retain control of the company. … But there's been no improvement in the performance of the business, based in a sprawling colonial complex in Pleasantville, N.Y. Revenue has been flat for the past three years. And the company, which has taken write-downs of book-fair business Books Are Fun, has posted operating losses for the past two years."

RTL Considers Bid For ITV Group. The Financial Times (11/17, Edgecliffe-Johnson, Terazono) reports, "RTL, Europe's largest broadcaster, is working with private equity backers on a possible £5bn-plus ($9.4bn) offer for ITV, the UK television company that is waiting for NTL, the US-listed cable company, to formalise the bid approach it made last week." The Times continues, "Its plan envisages private equity groups putting up most of the funds needed to acquire ITV, which has a market capitalisation of £4.5bn and almost £1bn in debt. … The structure would allow RTL to acquire a minority stake without calling on Bertelsmann, the German media group that owns 90 per cent of its shares, to fund the deal." The Times adds, "After Bertelsmann bought out its only outside shareholder in May for €4.5bn ($5.8bn), it said its debt load would preclude any large deals until the end of 2007. … RTL would not comment, but the group is understood to be concerned about overpaying, so a steep rise in ITV's share price could yet derail its plans. One media executive cautioned that the plan had just a 50 per cent chance of succeeding. … A formal offer by NTL for ITV could also deter RTL. The chairmen of ITV and NTL have yet to meet, but NTL has already begun lining up financing for the deal, which would greatly increase its debt load, and has approached Michael Jackson, the former Channel 4 chief executive, to run ITV if its offer succeeds."

Johnson & Johnson To Purchase Conor Medsystems For $1.4 Billion. The AP (11/17) reports, "Johnson & Johnson said late Thursday it will buy cardiac stent maker Conor Medsystems Inc. for $33.50 per share in cash, for a total value of about $1.4 billion. The purchase price represents a 21 percent premium to Conor's Thursday closing stock price." The AP continues, "The company said the deal gives J&J's Cordis unit the controlled drug delivery technology currently used on the CoStar Stent System, a paclitaxel-eluting cobalt chromium stent with a bioabsorbable polymer. … The CoStar Stent is currently sold outside the United States, and enrollment in its U.S. pivotal clinical trial has been completed. The stent is used for the treatment of narrowing of the arteries and the company hopes it will be used as a treatment for heart attacks." The AP adds, "Conor Medsystems' CoStar Stent uses reservoir drug-delivery technology that enables site-specific drug delivery as well as the potential for delivery of multiple drugs that may be useful in the treatment of cardiovascular, peripheral vascular and neurovascular diseases. .. The boards of both J&J and Conor have approved the transaction, which is expected to close in the first quarter of 2007, subject to antitrust clearance, Conor stockholder approval and other customary closing conditions."

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Antitrust Officials Wary Of Gas Price-Gouging Law. The AP (11/17, Apuzzo) reports, "The head of the Federal Trade Commission predicted Thursday that Congress would pass a gasoline price-gouging law despite her warnings that the country doesn't need one and it might cause fuel shortages." The AP continues, "FTC Chairwoman Deborah Platt Majoras said she has warned Congress publicly and privately about the dangers of such a law. … 'We looked very carefully but didn't see any new legislation needed to protect consumers,' Majoras said at an antitrust conference Thursday. 'Will new legislation be passed? I think we will see a price-gouging statute pass, perhaps at the end of this (incoming) Congress.'" The AP adds, "With gas prices rising to over $3 per gallon this spring, the House passed a bill permitting large fines and jail time for price gougers. The Senate has not acted on it and Sen. Max Baucus, D-Mont., the incoming Finance Committee chairman, said Thursday, 'There's a lot more that has a higher priority.' … Majoras said she understood the public's frustration and concern but said an upcoming FTC report on the price spikes found that consumer demand was up at the time. … Testifying in May before the Senate Commerce Committee, Majoras said retailers might let the gas run out rather than raise prices and risk facing prosecution. She noted the price spikes after Hurricane Katrina last year resulted in more fuel getting to market. … The Justice Department's top antitrust official, Assistant Attorney General Thomas O. Barnett, attended Thursday's conference and said addressing fuel prices was a tricky issue for his agency. … He said that like all cartels, the Organization of Petroleum Exporting Countries is bad for consumers. But he said any effort to hold OPEC to U.S. competition laws would have to be balanced with national security and diplomatic interests."

Delta Seeks Creditor Support To Dodge US Airways Takeover Bid. The Wall Street Journal (11/17, Perez, Trottman) reports, "Delta Air Lines began trying to rally support from creditors for its push to fend off an $8.76 billion hostile takeover bid by US Airways, with the Atlanta carrier firmly reiterating its determination to emerge from bankruptcy as a standalone company." The Journal continues, "Delta Chief Executive Gerald Grinstein and other executives at the third-largest U.S. airline by traffic held a series of conference calls yesterday with creditors to sift through terms of US Airways' cash-and-stock offer, pressing creditors to back Delta's restructuring plan. The move could give Delta an early advantage in its fight to remain independent, since US Airways hasn't had any face-to-face meetings with Delta's official creditors committee. … US Airways officials were still trying to arrange a meeting with representatives of Delta's official creditors committee. People familiar with the situation said such a meeting could come as early as next week, with Delta officials expected to attend." The Journal notes, "The Atlanta airline said the executives were reviewing the unsolicited proposal, which seeks to combine US Airways, based in Tempe, Ariz., with its much bigger rival under the Delta name and become the biggest US airline in terms of passenger traffic."

Experts Differ On Merger's Potential Consumer Impact. The Christian Science Monitor (11/17, Marks) reports, "Whenever a big airline deal is proposed, the first question that arises usually is: What will it mean for the flying public? … In the case of US Airways' announcement this week that it hopes to acquire bankrupt Delta Air Lines for $8 billion, the simple answer is: higher prices. … That's because the merger would cut capacity by about 10 percent - in other words, passengers would have 10 percent fewer seats to choose from when they fly, which usually drives up prices. That would be good for the overall industry's bottom line. .. .But the dynamics behind this proposed merger, and the still precarious state of the nation's recovering aviation industry in the post-9/11 world, make the ramifications for the public far less clear. Add to that, it's far from a done deal: It still needs approval from the bankruptcy courts and the Justice Department. As a result, analysts have starkly different assessments of 'just what this will mean.'" The Monitor notes, "One camp thinks it's the best thing to happen to the industry bottom line since jet fuel prices dropped below $70 a barrel. That's because it will cut capacity. … But a different school of thought says that with planes already flying 80-to-90 percent full, overcapacity in the industry is no longer a major issue. After all, the traditional, so-called legacy carriers are making money even with oil at $60 a barrel."

USA Today (11/17, Reed, Hansen) reports, "Travelers in at least two dozen Eastern and Southeastern cities would see their air travel options significantly reduced by a merger between US Airways and Delta Air Lines." USA continues, "According to a USA TODAY analysis of airline data from Back Aviation Solutions, a merged carrier would have 50% or more of the scheduled capacity in 111 markets in the USA. That's up from 55 markets for US Airways and 31 markets for Delta. Both carriers are strong in the East and South, so not

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surprisingly, many of the communities that would see the biggest loss of choice are there, too." USA adds, "Delta management has been resistant to any takeover bid, and says it prefers to emerge from bankruptcy reorganization next year as an independent carrier. Delta CEO Gerald Grinstein had previously rejected two private approaches from his counterpart at US Airways, Doug Parker. … The proposed deal would require approval from the bankruptcy court, federal antitrust officials and US Airways shareholders."

US Airways' CEO No Stranger To Bold Moves. The AP (11/17, Weber) reports, "When JetBlue announced in April it was launching flights to Charlotte, N.C., a major hub city for US Airways, JetBlue's CEO belittled the service passengers in that city had been getting as 'substandard.' … US Airways' chief executive, Doug Parker, shot back in a letter to his own employees: 'US Airways is going to be here long after JetBlue.'" The AP continues, "Analysts, industry experts and those familiar with Parker's reputation said Thursday the 45-year-old's hostile bid to acquire a bigger rival in Delta Air Lines was not surprising, given bold statements like that one. … 'I think anybody has to be feisty to do what he's doing,' said Boston University School of Management Professor Allen Michel, referring to the unsolicited offer for Delta launched Wednesday by US Airways. The cash and stock bid to buy Delta once it emerges from bankruptcy is currently valued at $8.8 billion." The AP adds, "Parker's also been described as genial and approachable. Observers say those qualities could help him and his Tempe, Ariz.-based airline win over Delta employees. … Parker, who has held management positions at Northwest Airlines and American Airlines, led America West when it bought US Airways last year and adopted the US Airways name. While he's still integrating the two carriers, he says he's ready to tackle an even bigger challenge in acquiring Delta. This time, the company would keep the Delta name, becoming the nation's largest carrier in terms of revenue. … Delta's chief executive, Gerald Grinstein, said in a memo to employees late Wednesday that the Atlanta-based airline is committed to its plan to emerge from bankruptcy as a standalone carrier. … He also said 'the history of mergers in the airline industry is almost always one of failure, with over-promise of synergies and under-delivery of results.' … Parker clearly has a different view, that consolidation is the wave of the future in the airline industry. He also knows that the bankruptcy process gives him an opportunity to pitch an alternative plan to Delta's creditors. Whether his bid for Delta works or not, analysts tend to agree with Parker that major carriers need to combine to reduce capacity in the industry."

NYTimes Warns About "Dampened Competition" If Airline Merger Goes Through. The New York Times (11/17, 1.16M) editorializes, "US Airways' $8 billion offer for Delta Air Lines could kick off a wave of consolidation in the airline industry. The question for regulators is whether the result is a leaner, meaner industry with lower costs or just a case of less competition driving prices higher. Without allowing a free-for-all to break out, there is clearly some room for combining operations in this changing industry." But "the fact that the two airlines offer competing shuttle service between Boston, New York and Washington raises a big concern: that all these savings could come about as a result of dampened competition and thus at the expense of consumers. … Domestic carriers should take care when it comes to raising fares. There are plenty of foreign carriers that would love to gain access to the United States domestic market. If the locals get lazy and expensive, they could compel Congress to open the door to outside competition. It wouldn't be a bad idea to re-examine the idea now, before the merger wave has crested."

Grupo Mexico To Fight Antitrust Ruling Against Railway Merger. The AP (11/17) reports, "Mexican mining and railroad company Grupo Mexico said Thursday it will fight the federal antitrust commission's decision to uphold a previous ruling that blocked the company's plans to merge two railways. … The company 'will take all legal means at its disposal' to fight the ruling, Grupo Mexico said in a filing with the Mexican stock exchange." The AP continues, "In November 2005, Grupo Mexico said it would merge its Ferromex unit with Ferrosur, controlled by multibillionaire Carlos Slim. The antitrust commission rejected the proposed merger in June, and Grupo Mexico appealed. … The commission rejected the appeal on Wednesday, arguing that a merger would have led to excessive concentration in the railroad industry to the detriment of consumers and competitors." The AP adds, 'Grupo Mexico has argued it must expand in order to compete with U.S.-based railroad Kansas City Southern. .. .Kansas City Southern last year gained full control of local railway TFM, which runs through the heart of Mexico's industrial region to the border town of Nuevo Laredo from the Pacific port of Lazaro Cardenas."

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ENVIRONMENT/INDIAN AFFAIRS:

Energy Interests Split On Drilling Legislation In Lame Duck Session. The Wall Street Journal (11/17, Harwood, 2.04M) reports in its "Washington Wire" that energy interests are "split on lame-duck drilling legislation. Industry, agriculture and labor groups seek House passage of Senate's offshore drilling bill, which would send measure to Bush's desk. 'We've got a bird in the hand,' says Jack Gerard of American Chemistry Council." Some companies "hold out for more ambitious House bill, which would allow states such as Virginia to opt out of anti-drilling moratoria. Robert Slaughter of National Petrochemical and Refiners Association says 'it will be difficult' to get Democratic majorities to revisit the issue later."

Oil Prices Plunge To Lowest Level In A Year. ABC World News (11/16, story 8, 0:10, Gibson, 8.78M) reported "the price of crude oil fell sharply" yesterday today. It "plunged by $2.50 a barrel, closing at the lowest price in a year." The New York Times (11/17, Mouawad, 1.16M) says "oil traders expressed doubt that OPEC members would carry out on their recent deal to trim production." Crude "for December delivery lost 4.25 percent, or $2.50 a barrel, to settle at $56.26. The drop, the steepest in 15 months, came as oil and natural gas inventories increased as a result of milder weather in the United States and Europe, reducing demand." The Times adds, "The uncertainty surrounding OPEC policies underscores the cartel's difficulties in coping with a slowing market after three years of rising prices and surging demand. Analysts view the group as too divided to be effective: at best, they expect OPEC members to fulfill only half the cuts pledged in Qatar."

WSJournal Urges House To Pass Senate Offshore Drilling Bill. In an editorial, the Wall Street Journal (11/17, A20, 2.04M) writes that if the lame-duck Congress "wants an easy victory for the U.S. economy it'll whip through the offshore drilling bill that has passed the Senate and awaits action in conference." The legislation "doesn't go nearly as far as we or many in the House would like, but it's the best opportunity for new U.S. energy exploration in years." Short supplies and high prices for natural gas "are punishing American industry, causing plant closures and job flight overseas. It is one of the larger economic messes in recent history, yet the political class barely mentions it -- perhaps because the politicians have done more than anyone to cause it." The Journal writes, "[W]ith coastal, anti-drilling Democrats set to run Congress next year, now is the time for the House to swallow its pride, pass the Senate version without amendment to avoid a conference, and send it to President Bush."

FTC Head Predicts Congress Will Pass Gasoline Price Gouging Bill. The AP (11/16, Apuzzo) reports, "The head of the Federal Trade Commission predicted Thursday that Congress would pass a gasoline price-gouging law despite her warnings that the country doesn't need one and it might cause fuel shortages. FTC Chairwoman Deborah Platt Majoras said she has warned Congress publicly and privately about the dangers of such a law." In the spring, "the House passed a bill permitting large fines and jail time for price gougers. The Senate has not acted on it and Sen. Max Baucus, D-Mont., the incoming Finance Committee chairman, said Thursday, 'There's a lot more that has a higher priority.'" In testimony before a Senate committee in May, "Majoras said retailers might let the gas run out rather than raise prices and risk facing prosecution."

California Board Prepares Effort To Combat Global Warming. The Wall Street Journal (11/17, Fialka, 2.04M) reports California's Air Resources Board is "a semi-independent agency that has been given the job of drawing up the nation's first regulatory program intended to reduce greenhouse-gas emissions by all sectors of the economy." To accomplish this, Dr. Robert Sawyer, the chairman, "and his agency, which is known outside California as CARB, will likely face fierce lobbying by industries and consumer groups, and difficult political questions that haven't yet been answered in the U.S." But California regulations "have shaped national legislation in the past, and CARB's efforts will be closely watched by other states and by the new Democratic Congress in Washington, where emissions reduction is likely to get increased traction." The change "will be most dramatic in the Senate, where Barbara Boxer, a California Democrat, will succeed James Inhofe, an Oklahoma Republican, as chairman of the Committee on Environment and Public Works." Boxer, "who believes 'global warming could reshape the world as we know it,' says she will introduce federal legislation that is similar to California's."

Ethanol Boosters May Shoot Down Pheasant Hunting Boom. The Wall Street Journal (11/17, A1, Hallinan) reports from Vivian, SD, "For nearly 100

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years, LeRoy 'Frenchy' Authier's family has ranched and farmed along the banks of a slender stream known as Medicine Creek. … They grew wheat and raised cattle. But farms got bigger and prices got lower and after a while, the money didn't add up the way it used to. So nine years ago Mr. Authier's 46-year-old son, Mike, and his wife, Katherine, sold off the last of the cattle and turned to a new crop: pheasants." The Journal continues, "Today, they have four separate lodges on their land, including a converted barn and granary, that can accommodate up to 35 guests a day. Called the Medicine Creek Pheasant Ranch, about 30 miles south of the state capital of Pierre, it draws hunters from across the country. … Thanks to a federal program that pays farmers to idle millions of acres, the once-decimated pheasant is making a comeback. Many states in the nation's midsection are reporting their biggest populations of the game bird in nearly a half century. Hunters are also turning out in force, willing to pay people like the Authiers thousands of dollars a week to shoot the birds. … One result is an unexpected boom that is raising land values, propping up farms and generating new businesses in many parts of the Great Plains. In a good year the Authiers' pheasant operation will gross six times what the farm did, allowing them to raise their children in the house where Frenchy was born." The Journal notes, "The pheasant phenomenon has created an unusual alliance of farmers, hunters and environmentalists bent on preserving the program that pays farmers to leave some lands idle. For them, the biggest threat to the bird's well-being today isn't coyotes. It's corn, which is used to make ethanol -- the other big growth industry on the Plains. High oil prices have created intense interest in ethanol, an alternative fuel usually mixed with gasoline. As Congress prepares to write next year's farm bill, some want to see a portion of idled cropland planted with corn for ethanol production."

Michigan Land To Be Taken Into Tribal Trust. Indian Country Today (11/13, Toensing) reports from Bradley, MI, "The Match-E-Be-Nash-She-Wish Band of Pottawatomi's planned casino and entertainment center took a great leap forward recently when the federal government announced it would take land into trust for the project early next year." ICT continues, "The Interior Department will take 146 acres in Allegan County into trust for the tribe, which is known as the Gun Lake Tribe, on Jan. 5, 2007, according to an Oct. 27 Justice Department filing in the U.S. District Court in Washington, D.C., and with Michigan Gambling Opposition (MichGO), an anti-Indian casino group. … 'This is another very significant step forward for our tribe. We applaud the actions of the federal government in their efforts to provide relief to the tribe and the local communities that are eager for the thousands of jobs and economic growth the casino will provide,' Chairman D.K. Sprague said. … The tribe expects to begin construction next spring, Sprague said." ICT adds, "MichGO has until Jan. 5 to file an injunction against Interior, a legal step the group will take, spokesman John Helmholdt said. … 'MichGO will be filing the preliminary motion for injunction and we're going to continue to cooperate and work with the court in a timely manner and leave it up to the court to decide,' Helmholdt said. … The 300-member Gun Lake Tribe was federally acknowledged in 1999, but its effort to take land into trust have been snarled in court and at Interior since then. … Interior granted final approval to the tribe's land into trust application in May 2005. MichGO immediately challenged Interior in a lawsuit that is pending in the Washington federal court." ICT notes, "Last January, the tribe and the Justice Department filed for a summary judgment of MichGO's lawsuit, but the court has not acted since then. Around the same time, a federal appeals court dismissed an identical lawsuit that sought to delay the Pokagon Band of Potawatomi from developing Four Winds Casino Resort in southwestern Michigan. The dismissal set a precedent for MichGo's action against Gun Lake."

FBI/DEA/ATF/USMS:

Track Coach Pleads Not Guilty In BALCO Probe. The AP (11/17, Kravets) reports, "Elite track coach Trevor Graham pleaded not guilty Thursday to accusations he hindered a continuing government steroids probe targeting high-profile athletes." The AP continues, "Graham, who has trained Justin Gatlin, Marion Jones and Tim Montgomery, is charged with three counts of making false statements to federal agents in an indictment issued Nov. 1 by the grand jury investigating performance-enhancing drugs in professional sports. … Graham was freed on US$25,000 bond after appearing before U.S. Magistrate Edwin Chen." The AP adds, "Graham operates Raleigh, North Carolina-based Sprint Capitol USA, a team of about 10 athletes that includes Gatlin, the 100-meter co-world record holder who tested positive for testosterone and other steroids in April."

The Washington Post (11/17) reports, "Graham, who faces three counts of making false statements about his

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relationship with an admitted steroid dealer, appeared in front of U.S. Magistrate Edwin Chen in San Francisco. … He began the massive steroids probe now known as BALCO (Bay Area Laboratory Co-Operative), which has resulted in four criminal convictions but combined sentences of less than a year in prison."

Bloomberg (11/16) reports Graham "obtained illegal performance-enhancing drugs from an unidentified source and lied about it to U.S. Internal Revenue Service agents who interviewed him in June 2004, according to the U.S. Attorney's office in San Francisco. Graham also lied about his contacts with the supplier, the statement said. … Graham, who is based in North Carolina, wasn't charged with distributing steroids."

Cable TV Coverage. ESPN (11/16, 7:00 p.m.) aired, "Track coach Trevor Graham pleaded not guilty today to accusations he hindered a probe targeting slugger Barry Bonds and other high-profile athletes. Graham…is charged with making false statements to federal agents. Those charges came in an indictment issued by a grand jury investigating performance-enhancing drugs in professional sports."

CNN (11/16, 4:00 p.m.) aired, "Track coach Trevor Graham has pleaded not guilty to accusations that he hindered a government probe into steroids. Graham is out on bond on three counts of making false statements to federal agents."

Local TV Coverage. KNTV-TV, San Francisco-Oakland-San Jose (11/16, 6:00 p.m.) aired, "The man who sparked the BALCO story and investigation pleaded not guilty to lying about his role. A grand jury indicted Trevor Graham…on three charges of making false statements. They interviewed him in 2000 under immunity agreements but it did not cover lying."

KTVU-TV, San Francisco-Oakland-San Jose (11/16, 6:00 p.m.) aired, "Track coach Trevor Graham pleaded not guilty this morning in connection with the BALCO steroids scandal. Graham is charged with three counts of making false statements to federal agents. A federal grand jury indicted Graham two weeks ago."

Anderson Sent To Prison A Third Time. There are more than 300 media references to trainer Greg Anderson being ordered to return to prison for refusing to testify about alleged steroid use by Barry Bonds. Many media outlets combined their stories about Anderson's and Graham's court appearances. The Washington Post (11/17) reports a federal appeals court in San Francisco "ruled yesterday that Barry Bonds's personal trainer must return to prison for refusing to testify before a grand jury investigating performance-enhancing drugs in professional sports. Greg Anderson, 40, already has served two other brief prison stints for refusing to testify whether his boyhood friend lied when he said he never knowingly used steroids. Both times, Anderson, held in contempt of court, was released on procedural grounds. Anderson could serve more than a year behind bars unless he agrees to tell the grand jury what he knows about Bonds's alleged steroids use."

The Los Angeles Times (11/17) reports Anderson's attorney "argued that Anderson shouldn't testify because prosecutors are relying on information that they gained in an illegally obtained recording of Anderson discussing steroids in 2004. Prosecutors counter that their questions to Anderson are based on a search they conducted of Anderson's home, along with other athletes' secret testimony."

The AP (11/17) reports Anderson "has already been behind bars twice after being held in contempt of court for his refusal to testify to a grand jury investigating Bonds on allegations of perjury and tax evasion. Both times, the prison stints were cut short because of legal technicalities."

Cable TV Coverage. ESPN (11/16, 5:00 p.m.) aired, "Greg Anderson must report to the federal correctional institution in Dublin, California, in two days, and he could serve more than a year behind bars unless he agrees to testify against the Giants slugger. The grand jury is investigating whether Bonds lied when he said he never knowingly used steroids."

Local TV Coverage. KABC-TV, Los Angeles (11/16, 6:00 p.m.) aired, "Barry Bonds's trainer Greg Anderson was released from prison a month ago and within two weeks refused to testify against his friend before a grand jury for a third time, so for the third time Anderson has been ordered back to jail for contempt. This time he could sit in jail for a year, unless he talks."

KNSD-TV, San Diego (11/16, 4:00 p.m.) aired, "Baseball's Barry Bonds's trainer is heading back to prison for refusing to testify before a grand jury. An appeals court in San Francisco today ruled Greg Anderson [report to] a federal facility within two days. He could serve more than a year behind bars unless he agrees to tell the grand jury what he knows about Bonds's alleged steroid use."

KNBC-TV, Los Angeles (11/16, 5:00 p.m.) aired, "An appeals court in San Francisco ruled today that Greg

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Anderson must report to a federal facility within than two days. He could serve more than a year behind bars unless he agrees to tell the grand jury about what he knows about Bonds's alleged steroid use."

KPIX-TV, San Francisco-Oakland-San Jose (11/16, 6:00 p.m.) aired, "A federal appeals court ruled today that Barry Bonds's personal trainer Greg Anderson must go back to prison for refusing to testify before a grand jury investigating performance-enhancing drugs in professional sports. The friend of Bonds has been to prison twice this year and is ordered to return by November 20. This time, he could serve as much as a year."

Man Admits Selling Fentanyl-Laced Heroin Linked To 2 Deaths In Detroit. The Detroit News (11/16) reports a Detroit man "faces more than 24 years in prison after he admitted…to distributing heroin laced with the painkiller fentanyl that killed two people. U.S. District Judge Lawrence P. Zatkoff will sentence James Edgar Coleman, 36, on Feb. 6 on two counts of distributing a controlled substance causing death." Coleman "said he did not know the heroin contained fentanyl."

The Detroit Free Press (11/16, Schaefer) reports, "As part of a plea deal, Coleman would be sentenced to 24 1/3 years to nearly 30 ½ years. Coleman's lawyer, Warren Harris, said his client was sorry and took the deal because he could have gotten life in prison on other charges the government issued."

The AP (11/16) reports Coleman "entered the plea to two counts of delivery of a controlled substance resulting in death."

Judge In California Tentatively Rejects Medical Marijuana Challenge. The San Diego Union-Tribune (11/16, Mcdonald) reports a Superior Court judge "rejected an argument Thursday from San Diego County that the state medical marijuana laws are illegal because they conflict with federal drug prohibitions. In a tentative ruling, Judge William R. Nevitt Jr., said California laws permitting chronically ill patients to grow and smoke marijuana are voluntary, and as such do not automatically conflict with federals laws banning pot. … It is unclear whether Nevitt will issue a formal ruling from the bench or take the case under submission."

The North County Times (11/16) reports the county "argued that the California law should be 'pre-empted' by federal law, which says all marijuana use is illegal, under the U.S. Constitution's 'Supremacy Clause,' which says federal laws should be 'supreme' over state laws. Nevitt, however, said in his tentative ruling that the county's argument ignored the corollary to the Supremacy Clause that held in matters where states traditionally legislate, state law is considered pre-eminent."

The AP (11/16) reports San Diego County "sued the state of California in February after the Board of Supervisors refused to follow state rules requiring them to issue identification cards to medical marijuana users."

In a separate story, the AP reports, (11/17) attorneys for San Diego County "argued Thursday before a state court judge that the federal ban on marijuana use precludes states from exempting people who use the drug for medical purposes. … Nevitt did not indicate when a final ruling would be issued but set a Dec. 1 deadline for additional briefs on issues related to the case. In his tentative ruling, Nevitt agreed with attorneys for the state, who argued that California is entitled to pass its own drug laws and legislate programs that allow marijuana use for medical purposes."

On its Web site, KGTV-TV, San Diego (11/17) reports after hearing oral arguments…Nevitt declined to issue a final decision in the lawsuit brought by San Diego, San Bernardino and Merced counties. … The suit was filed against the local chapter of the National Organization for the Reform of Marijuana Laws, or NORML, after the San Diego County Board of Supervisors refused to implement part of the state law requiring officials to issue identification cards to medical marijuana users to protect them from prosecution. The American Civil Liberties Union, Americans for Safe Access and Drug Policy Alliance joined San Diego NORML in fighting the suit."

In Tennessee, Man Pleads Guilty In Marijuana, Money Laundering Conspiracy. The Knoxville (TN) News Sentinel (11/17, Satterfield) reports, Assistant U.S. Attorney Hugh Ward on Thursday "laid bare in U.S. District Court the details of Arizona drug supplier Phillip Arthur Apodaca's role in the marijuana-peddling conspiracy case involving Market Square businessman Scott West and his brother." Apodaca "pleaded guilty to charges of conspiring to push more than a ton of marijuana and plotting to launder at least $2.5 million in drug money. … Apodaca already faces a boost in his basic penalty range because the U.S. Drug Enforcement Administration, which toppled the

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West conspiracy, found guns in the supplier's possession when he was nabbed, Ward said."

ATF Joins Search For Suspects In Detroit Shootings. The AP (11/17, Vample) reports, "Police arrested a man suspected in a series of shootings Thursday that left two people dead and three others wounded within a span of 10 minutes." The AP continues, "The shootings took place shortly after 6 a.m. in a three- to four-block area on the city's west side, Detroit police spokesman James Tate said. … Killed were Arthur James Smith, 49, and Othelia Fry, 58, both of Detroit, said Yvette Walker, a Detroit police spokeswoman. The wounded men - Elton Ash, 51, Dennis Anderson, 49, and James L. Brown, 50 - were treated at Henry Ford Hospital and released, hospital spokeswoman Synthia Bryant said." The AP adds, "Police arrested the suspect Thursday afternoon at a house about a half-mile from where the shootings occurred, The Detroit News reported on its Web site. … Investigators received a tip from a woman who told them the suspect told her he had shot five people in the morning. The woman led police to the man, the newspaper said. … The U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives was offering a $10,000 reward for information leading to the arrest and conviction of those responsible for the shootings. … 'The magnitude of the violence, coupled with a gunman - or gunmen - at large precipitated our offer of assistance to the Detroit Police Department and our involvement in the manhunt,' said Valerie J. Goddard, the agent in charge of the ATF's Detroit office."

IMMIGRATION:

DHS IG Warns House Panel Of Risks In Virtual Border Fence Contract. In an article appearing on more than 50 news websites, the AP (11/16) reported an audit from DHS IG Richard L. Skinner says the department's plans for a "virtual fence" along the Southwestern border "could cost 15 times the initial $2 billion estimate," with early estimates ranging "from $8 billion to $30 billion." DHS spokesman Russ Knocke said he was not sure where Skinner's "numbers are coming from." He added that "the agency was open to listening to Skinner's ideas on how to strengthen oversight of the program." Skinner told the House Homeland Security Committee's management subcommittee Wednesday "that the type of contract awarded to Boeing for the border program creates additional risks that, 'unless properly managed, threaten achievement of cost, schedule, performance, and, ultimately, mission objectives.'"

TAX:

IRS Filing Shows Minutemen Outspent Donations. The Washington Times (11/17, Seper, 88K) reports the Minuteman Civil Defense Corps, "under fire for a lack of financial accountability, spent nearly $450,000 last year for volunteers to patrol the U.S.-Mexico border -- about $31,000 more than it collected in donations and registration fees -- according to a report released yesterday." The organization's "first Internal Revenue Service Form 990 filing as a 501(c)4 tax-exempt charitable trust showed nearly $285,000 in MCDC contributions, or roughly 63 percent, were used to pay for program management and operating expenses, such as travel expenditures, salaries, educational materials and office expenses. Another $145,000, about 32 percent, went for MCDC's fundraising programs." The reports says "about $20,000, or 5 percent, was spent on field supplies, meals, fuel and background checks for the claimed 8,500 Minuteman volunteers, who last year staffed observation posts at selected points along the Mexican border from California to Texas in April and October." While the IRS papers "document MCDC collections and expenditures through Dec. 31, a reported donation total of $418,493 is significantly less than the $1.6 million MCDC President Chris Simcox told The Washington Times in July that the group had collected in donations since its April 2005 creation. That figure was said to include $1 million in direct MCDC contributions and $600,000 toward the construction of a $55 million border fence."

CONGRESS-ADMINISTRATION:

Bush's Agenda Said To Contradict Calls For Bipartisanship. McClatchy (11/17, Thomma) reports, "President Bush made nice with the Democrats for the television cameras after they won control of Congress, complete with pictures filled with handshakes, smiles and vows of working together. He even tossed Secretary of Defense Donald H. Rumsfeld over the side, making many people think that maybe he was going to move more toward the center and reach out for bipartisan openings." However, "the agenda he's sent to Congress since then is full of

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Republican proposals that have no chance of winning bipartisan approval, enrage Democrats, rally his conservative base and appear to be intended to paint Democrats as obstructionist." Bush "has resubmitted several judicial nominations that had been blocked even before last week's elections. He's asked again that the Senate confirm John Bolton as ambassador to the United Nations. And he's urged approval of warrantless eavesdropping on suspected terrorists without any accommodation to Democrats' demands that a court sign off on the spying." These proposals "could be simply his opening bid in what would be a tough round of negotiations with the Democrats. Or they could be a political gambit designed to frame the Democrats early on as obstructionists while rallying a conservative base dispirited by last week's election losses. Either way, they contradict the initial post-election image that indicated that Bush was ready to reach out to Democrats."

Keroack Appointment "Latest Provocative Personnel Move" By Bush. The Washington Post (11/17, Lee, 690K) reports, "The Bush administration has appointed a new chief of family-planning programs at the Department of Health and Human Services who worked at a Christian pregnancy-counseling organization that regards the distribution of contraceptives as 'demeaning to women.'" Eric Keroack is "medical director for A Woman's Concern, a nonprofit group based in Dorchester, Mass." He "will become deputy assistant secretary for population affairs in the next two weeks, department spokeswoman Christina Pearson said yesterday." Keroack "will advise Secretary Mike Leavitt on matters such as reproductive health and adolescent pregnancy. He will oversee $283 million in annual family-planning grants that, according to HHS, are 'designed to provide access to contraceptive supplies and information to all who want and need them with priority given to low-income persons.'" The appointment "does not require Senate confirmation." It "was the latest provocative personnel move by the White House since Democrats won control of Congress in this month's midterm elections." The Los Angeles Times (11/17, 850K) runs the WPost story in this morning's edition.

NYTimes, WPost Chide Bush Over Judicial Nominations. In an editorial titled "Still Waiting For Bipartisanship," the New York Times (11/17, 1.16M) writes, "The voters sent a clear message last week that they do not want the far right of the Republican Party calling the shots in Washington. But President Bush has ignored the message, resubmitting a group of archconservative, underqualified judicial nominees that Senate Democrats have already said are unacceptable. With the Democrats about to take control of the Senate, it is highly unlikely that these men will be confirmed. But the renominations suggest that when it comes to filling judgeships, Mr. Bush is still not looking for either excellence or common ground. … Beyond their ideology, these nominees embody values that the American people rejected in the midterm elections."

The Washington Post (11/17, 690K) editorializes, "Given his pledges of bipartisanship…Bush's decision to resubmit a crop of his most controversial judicial nominations strikes a discordant note. … The real test of Mr. Bush's commitment to a more bipartisan approach to nominations will come in January, when he confronts the new Congress and its Democratic-led Senate Judiciary Committee. At that point, he should decline to renominate four of the current group of nominees. Democrats have valid objections on the merits to William J. Haynes II, William G. Myers III, Terrence W. Boyle Jr. and Michael B. Wallace -- all nominees to federal appeals courts." Peter D. Keisler, "Bush's highly qualified nominee to the US Court of Appeals for the DC Circuit…certainly warrants confirmation. Yet like a string of qualified nominees to the same court before him, he is caught up in a dispute over how many seats the court should have."

Some Think Rove's Days Are Numbered In Weeks, Not Months. The White House Bulletin / US News (11/16) reported, "The rumors that chief White House political architect Karl Rove will leave sometime next year are being bolstered with new insider reports that his partisan style is a hurdle to President Bush's new push for bipartisanship. 'Karl represents the old style and he's got to go if the Democrats are going to believe Bush's talk of getting along,' said a key Bush advisor. Other elements are also at play: The election of Sen. Trent Lott to the number two GOP leadership position in the Senate is also a threat to the White House and Rove, who worked against him when he battled to save his majority leader's job after his insensitive remarks about Sen. Strom Thurmond. And insiders report that Bush counsel Harriet Miers isn't a fan, believing that Rove didn't do enough to help her failed Supreme Court nomination among conservatives. In fact, one top West Wing advisor said that the unexpected ouster of Rove aide Susan Ralston over ethics questions was orchestrated by Miers as a signal to Rove to

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leave. The advisor said that Rove is aware of the situation and that a departure might come in 'weeks, not months.' A Rove ally, however, noted that he has a record of out-witting his critics."

Democratic Congress Expected To Approve Minimum Wage Increase. The CBS Evening News (11/16, story 4, 2:35, Couric, 7.66M) reported, "With the Democrats in charge of the new Congress, Senator Edward Kennedy will chair the committee that deals with the Federal minimum wage. It's now $5.15 an hour, and Kennedy said again today that raising it is at the top of his agenda." CBS (Bowers) added, "Illinois is one of 23 states with a higher minimum wage than the $5.15 level set by the Federal Government nearly a decade ago. This month, voters in six more states overwhelmingly approved getting a raise to minimum wage workers and adding a cost of living adjustment. It's an issue that's gaining traction with Americans. Incoming House Speaker Nancy Pelosi promises to make it a priority, putting pressure on President Bush to go along." Rose Elsenbrey, Economic Policy Institute: "I think that we will see a minimum wage increase within the next six or eight months."

The AP (11/17, Freking) reports President Bush "signaled readiness last week to consider some Democratic priorities such as a minimum-wage increase, overhauling immigration policy and finding compromise on renewing the No Child Left Behind education law."

Kennedy Aims To Extend Universal Coverage To Children. The Washington Times (11/17, Fagan, 88K) reports, "The soon-to-be chairman of the Senate health panel said yesterday his ultimate goal is to have the government provide health care coverage for all Americans." Sen. Edward M. Kennedy (D) "said he knows it will take awhile to gain support for the idea, so he will focus in the meantime on extending coverage to different groups, starting with covering more children under the existing Children's Health Insurance Program (CHIP) -- something he thinks there is 'a lot of sentiment for.'" But Kennedy, "who yesterday laid out his agenda for the Health Education Labor and Workforce Committee, said universal health care is the goal."

Bush Administration Said To Be Redefining "Hunger." ABC World News (11/16, story 6, 2:35, Gibson, 8.78M) reported, "In Washington, it's hard to believe. But the government has eliminated hunger. How did they do it? In a key government report, the word hunger is no longer being used to describe people without enough food. 35 million Americans fit into that category last year. The government called them hungry then. But no more." ABC (Stark) added, "Only in Washington could there be a debate about the meaning of the word hunger." Those who lack food now "have 'very low food security.'" Deborah Leff, Public welfare Foundation: "When they hear 'very low food security,' if sounds like bureaucratic jargon. It doesn't sound like people who can't get enough to eat." Stark: "Some say that may be the point. Just last year, the government used the word 'hunger' to describe, for example, those who run out of food and have no money to buy more, or families where parents skip meals so their children can eat. They were labeled as having 'food insecurity with hunger.' Now, they have 'very low food security.' 'Hunger' is out. The Bush Administration defends the change, saying it's based on recommendations from the national academies, which questioned whether the report truly measures hunger or just access to food."

WPost Mocks USDA's Avoidance Of Term "Hunger." The Washington Post (11/17, 690K) editorializes, "The agriculture Department has taken what you might call the Scarlett O'Hara approach to Americans without enough to eat: It will never call them hungry again. Rumbling stomachs? Malnourishment? That's not hunger, the department says. It's experiencing 'very low food security.' Maybe there's some scientific basis for this Orwellian recasting. … At least the USDA doesn't have jurisdiction over national monuments. Otherwise, just imagine it going after the inscription on the Statue of Liberty next: 'Give me your energy-deficient, your financially challenged, your space-impaired masses yearning to breathe free.'"

Democrats Snub Pelosi, Select Hoyer As Majority Leader. On the day in which she made history by coming the first woman speaker of the House, Nancy Pelosi is having to deal with very negative media coverage. The AP reports Democrats yesterday elected her "by acclamation," then "quickly snubbed her, selecting Steny Hoyer of Maryland as majority leader against her wishes." Pelosi had endorsed Rep. John Murtha, but "the secret-ballot vote for Hoyer was 149-86." Pelosi's own election is being largely overshadowed by Murtha's defeat. A number of reports and analyses pieces refer to Democrats rebuffing or

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stunning the Speaker-elect, and suggest the election fiasco raises questions about Pelosi's leadership. CNN's The Situation Room (11/16, Bash) said that "even before she takes the gavel, Pelosi is facing questions about whether she made a major strategic blunder." Democratic strategist Paul Begala, also on CNN's The Situation Room (11/16, Blitzer), said "It's a bigger defeat for Nancy Pelosi than for Jack Murtha." Pelosi "takes it on the chin here."

The CBS Evening News (11/16, story 2, 1:15, Couric, 7.66M) said Pelosi's "moment of triumph was followed by her first big political setback." Also on the CBS Evening News (11/16, story 3, 1:45, 7.66M), Bob Schiefer said the Murtha-Hoyer debate "has made the gap" between liberal and conservative Democrats in the caucus "even wider" and "it has raised real questions about her judgment." On ABC World News (11/16, story 5, 2:50, Gibson, 8.78M) George Stephanopoulos was asked to consider what Murtha's loss says "about her ability to lead the Democrats in the House." Stephanopoulos said "a lot of her opponents are saying they hope she learned a lesson, not to put personal loyalty above the interests of her caucus."

NBC Nightly News (11/16, story 4, 1:35, Reid, 9.87M) called it "a stunning defeat," and showed Pelosi saying, "We've had our debates and disagreements in that room and now that is over. As I said to my colleagues, as we say in church, let there be peace on earth and let it begin with us."

The Washington Post (11/17, Weisman, Romano, 690K) says the vote exposes "a deep political divide even before the party takes control." The vote "was viewed by many in the party as a repudiation of Pelosi's strong-arm tactics. … Pelosi's aggressive, last-minute campaign for Murtha in the face of overwhelming support for Hoyer left many Democrats worried that she has become too reliant on a tight inner circle, too reluctant to listen to the broader Democratic caucus and mistakenly convinced that she can dictate the direction the caucus must take."

The Los Angeles Times (11/17, Hook, Simon, 850K) headlines its front-page report "Pelosi's Early Setback Has Her Party On Alert," and says Democrats "gave Pelosi a brusque lesson in the limits of her power." It was "a battle that many felt Pelosi made unnecessarily bitter." Hoyer "didn't merely defeat Murtha, Pelosi's strong preference, but trounced him." The Times adds, "some Democrats were left wondering why Pelosi had injected herself into a bitter leadership battle with her last-minute support of Murtha over Hoyer, who had long been on track to claim the No. 2 job."

The Los Angeles Times (11/17, Simon, 850K) also runs an analysis piece this morning titled "Party Gets A Rocky Start," in which it quotes "a Democratic lawmaker who spoke on condition that he not be named for fear of retribution from the leadership." The lawmaker said, "These aren't the headlines we wanted to generate." McClatchy (11/17, Talev) also quotes "one moderate Democratic congressman, who spoke on condition of anonymity for fear of retribution," saying "Pelosi's backing of Murtha made her look petty and shook some members' faith in her leadership. 'She owes Murtha a lot; she owes the caucus more,' he said. 'A good leader knows when she has to tell a member no, even when it's your friend. She'll either get it and lead differently,' the congressman said, 'or she won't lead long.'"

The New York Times (11/17, Hulse, 1.16M) says Hoyer's win strains "the unity of the new majority party," and is "an indication that rank-and-file members would be willing to break from Ms. Pelosi." Some Democrats "portrayed her decision to inject herself into the race as a miscalculation that elevated the battle into an unnecessary early test of her power and ended up giving more influence to Mr. Hoyer. But they said they did not expect hard feelings to linger."

Dana Milbank writes in the Washington Post (11/17, 690K) that Pelosi "experienced her first smackdown" yesterday. Pelosi "had only herself to blame for this briefest of honeymoons." Yesterday "should have been a coronation for the first woman to be speaker. Instead, her party had plunged into fratricide, and cable news was running nonstop clips of Murtha talking with FBI agents posing as sheiks in the Abscam sting."

The Wall Street Journal (11/17, Rogers, Lueck, 2.04M) reports the "Democratic fight…showed the political dangers of…Pelosi's risk-taking leadership style as the incoming speaker," while USA Today (11/17, Stone, Nichols, 2.27M) says "the next speaker of the House lost her first test Thursday even before she takes office. The decision by House Democrats to choose…Hoyer to be majority leader over…Murtha…dampened what until now had been a jubilant time for their party."

CQ (11/17, Ferrechio) runs a similar story under the headline "In Rebuff To Pelosi, Democrats Elect Hoyer As Majority Leader," while the Washington Times (11/17, Hurt, 88K) says "yesterday's vote showed that nearly two-thirds of the new Democratic majority in the House was willing to defy Mrs. Pelosi's demand that they vote for Mr. Murtha. Since gaining 29 seats in the Nov. 7 election, House Democrats

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have privately expressed deep concern over Mr. Murtha and say Mrs. Pelosi blundered by backing him so forcefully."

The Financial Times (11/17, Yeager) reports, "Throughout the mid-term election campaign, Mrs Pelosi pledged that the first act of a Democratic-controlled Congress would be a tough package of rules and ethics reform, following a series of mostly Republican scandals. But she raised eyebrows this week with her endorsement of Mr Murtha, who has been called "ethically challenged" by government watchdogs." Murtha "has faced allegations that he abused his position as a member of the defence appropriations sub-committee by favouring a lobbying company of a former long-term staffer and clients of Robert 'Kit' Murtha, his brother."

Hoyer, together with a number of Democratic lawmakers, granted interviews to several cable shows last night, arguing their caucus is united and the leadership election will have no long-term consequences. But the New York Times (11/17, Hulse, 1.16M) notes "not everyone was willing to put aside the fight so quickly. Some supporters of Mr. Murtha, a longtime member of the Appropriations Committee whose candidacy was dogged by questions about his ethics record, were disgruntled and said they were trying to identify lawmakers who had broken pledges to support him. 'We won't trust them on issues like this the next time,' said Representative James P. Moran, a Murtha ally from Virginia who said Mr. Murtha had been betrayed." Moran was more conciliatory on PBS' NewsHour (11/16, Warner), where he said, "This is behind us. It's time to move forward, and Steny certainly worked hard enough to be deserving of majority leader, and I congratulate him. … The caucus has spoken."

And the Baltimore Sun (11/17, Davis, 257K) reports California Rep. Maxine Waters, "a Hoyer supporter, said Pelosi's campaign -- in which she and her lieutenants urged lawmakers to abandon commitments to Hoyer or risk losing their chances at coveted committee posts -- had raised serious questions within the party. 'What most people didn't understand was the why's of it all,' Waters said." But "she added -- in what could portend difficult days ahead as Pelosi attempts to impose order on her caucus -- that lawmakers had mostly ignored Pelosi's 11th-hour effort to sway them in Murtha's favor." Waters said on MSNBC's Hardball (11/16, Matthews), "Steny has demonstrated his leadership. He's paid his dues. Steny knows the name of every member in Congress, all of the new members. He pays attention. He's been there every Thursday morning to run those whip meetings. He took his licking and he kept on ticking. He lost but played the game of being a team member. And he's a members' leader."

Hoyer said on CNN's The Situation Room (11/16, Blitzer), "The caucus spoke with a strong voice hat they thought the leadership that I'm providing, and the team of Nancy Pelosi and Steny Hoyer together, creating the kind of unity we had in our caucus, is one they wanted to keep, now that we have won the majority." Hoyer said on MSNBC's Hardball (11/16, Matthews) that he and Pelosi "have known each other 40 years. We had this temporary disagreement, obviously, but we will get over that quickly. Why? Because we're going to move fast, and when you're moving fast, you are thinking about going forward, not what happened yesterday." On Fox News' The Big Story (11/16, Gibson), Hoyer said, "Nancy is a very loyal person. Jack Murtha is a close friend of hers, had worked hard for her election as whip and then as leader. And I think she felt that she owed that response to him. I understood that. But that's the past. We have been given a responsibility by the American people and we need to meet it together." Profiles in this morning's newspapers describe Hoyer as a moderate pragmatist. The Washington Post (11/17, Murray, 690K), in a story titled "Political Pragmatism Carried Hoyer To The Top," says Hoyer is "a practical moderate and Nancy Pelosi is a liberal idealist, and for more than 40 years they have competed like siblings, all the way to the pinnacle of politics." The New York Times (11/17, Zernike, 1.16M) runs a similar profile under the headline "Steny H. Hoyer, A Cultivator Of Loyalties." The Times says, "WASHINGTON, Nov. 16 — If you placed an order for a congressman, chances are you would get Steny Hoyer. There is the immovable silver hair and the gleaming smile, the assiduous courting of colleagues, supporters and lobbyists, even the requisite life-changing encounter with John F. Kennedy."

Rep. Charles Rangel said on Fox News' The Big Story (11/16, Gibson), "I was scared to death that this thing was going to explode right on the Democratic Party. … If you could have seen the emotion of the Democratic caucus as both of them -- Pelosi and Hoyer -- hugged each other, it just brought us together with a sense of unity that -- we were fearful, but it was really exciting." On MSNBC's Tucker (11/16, Carlson), Rangel made similar comments, saying, "I was frightened as heck that this was going to be a big obstacle to unity, but you would have to be there to see how these two professionals handled Steny Hoyer's victory. He

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could not have been more cordial, friendly and dedicated to the success of Nancy Pelosi as the first woman speaker. Murtha was terrific."

Rep. Barney Frank, asked on PBS' NewsHour (11/16, Warner) "how serious a defeat" the Hoyer victory is for Pelosi, said, "Not at all. In the first place, it was not her first power play. Her first power play was a very successful one. I know only controversy makes news, but we had a potential controversy between Rahm Emanuel…and Jim Clyburn, our caucus chairman. She worked out a deal whereby Jim became the whip, the number three, an African-American very important in an elected leadership position, only the second time in history that's happened, and Rahm became caucus chair. We had this fight. But the key point is this: Nancy Pelosi and Steny Hoyer have worked together as number-one and number-two on the Democratic side for four years."

Rep. Dennis Kucinich said on Fox News' Your World (11/16, Cavuto), "A lot of us like Jack Murtha a lot. We appreciate the work he did in helping us to create a majority by making Iraq the issue. But we're united. And that's something to keep in mind."

Rep. Chaka Fattah said on MSNBC's Hardball (11/16, Matthews), "I love Jack Murtha and I think the country loves him for his courage and standing up against this war. He got a lot of votes in the Democratic caucus today, but it didn't add up to a win for him. But I think those who know Jack Murtha know that that's one moment in time we're going to be united. Steny Hoyer deserves this victory. He got the lion's share of the votes today. And we're going be a united caucus."

Rep. Ellen Tauscher said on MSNBC (11/16, O'Donnell), "I don't think it was a feud. We were trying to sort out how to put the best team front and center for us to go into the majority. And we went with the team that brought us into the majority."

Rep. Steve Israel said on MSNBC's Hardball (11/16, Matthews), "I supported Steny Hoyer. This wasn't about the war in Iraq. This was about a leadership election. This is about two class acts who were competing for one position."

Blue Dog Coalition leader Rep. Allen Boyd said on MSNBC's Hardball (11/16, Matthews), "Most of our members supported Steny Hoyer."

More Commentary. In an editorial headlined "Speaker Pelosi Tempts Disaster," the New York Times (11/17, 1.16M) says "Pelosi has managed to severely scar her leadership even before taking up the gavel as the new speaker of the House. First, she played politics with the leadership of the House Intelligence Committee to settle an old score and a new debt. And then she put herself in a lose-lose position by trying to force a badly tarnished ally…on the incoming Democratic Congress as majority leader. … The new majority -- led by a presumably wiser speaker -- must realize by now that intramural vendetta is hardly a substitute for productive government."

E.J. Dionne, in the Washington Post (11/17, 690K), writes "Democrats might usefully take a break from their inane round of back-stabbing and score-settling to focus, for a few moments, on why voters gave them their congressional majorities. A lot of Americans are hurting in the pocketbook, and if Democrats don't use the next two years to help them, the party will squander the trust it has temporarily earned."

GOP Rep. Ray LaHood said on MSNBC's Tucker (11/6, Carlson), "I think Pelosi's in the self-destruct mode and has been in that mode all week. And she's not off to a very great start for somebody who's talking about bringing her whole caucus together. It looks like she's parted ways with many of them. … It shows a pretty ineffective speaker-elect."

Ex-Rep. J.C. Watts, a Republican, said on CNN's The Situation Room (11/16, Blitzer), "I think this is a small stumble, because I think the Democrats understand that if they allow this to become a problem in terms of governing, it sets them back tremendously over the next couple of years. So I think, hopefully, my advice to them would be they'll have these petty fights behind closed doors, but, hey, get over this. The election is over. Put a good face on it and move forward."

Federal Workers Union Hails Hoyer Selection. The Washington Post's (11/17, D4, Barr) "Federal Diary" column reports, "Federal employee groups yesterday welcomed the election of Rep. Steny H. Hoyer (D-Md.) as the next House majority leader. Hoyer has championed federal pay raises and benefits for more than two decades. 'We have never before had such a good friend so high in the congressional leadership," said Margaret Baptiste, president of the National Active and Retired Federal Employees Association."

LATimes Endorses Harman For Intel Committee Chairmanship. The Los Angeles Times (11/17, 850K) editorializes that Pelosi's "embarrassing experience" of endorsing Rep. John P. Murtha, should make her "reconsider another ill-advised promotion: Her apparent intention to bestow the chairmanship of the House Intelligence Committee not on the panel's ranking Democrat, Rep. Jane Harman but on Rep. Alcee L. Hastings." A "litany of

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explanations have been adduced to explain why Pelosi would bypass Harman, an expert on intelligence matters who has won the respect of both parties while criticizing some of the Bush administration's excesses in the war on terror," but "none of them is persuasive," and Harman "has earned this chairmanship." Pelosi "should think twice before indulging in a witch hunt of colleagues who can work well with Republicans," and Harman fits the position "far more than Hastings."

Gates To Begin Capitol Hill Visits Today. The AP (11/16, Flaherty) reports Defense Secretary-designate Robert Gates "is making his first round of visits on Capitol Hill" since his nomination. The "one-on-one meetings Friday with lawmakers are in anticipation of Gates' confirmation hearing next month. The Senate Armed Services Committee plans to hold the hearing the week of Dec. 4."

RAND Analyst Says Gates Will Have Opportunities At DOD. In a WashingtonPost.com (11/17) essay, RAND Corporation senior analyst Gregory Treverton writes that, if confirmed, Gates "will not have much time in office but he will have opportunity." He "comes to the job without much baggage, either of ideology or policy. He didn't campaign for the job -- indeed, he turned down the position of director of national intelligence when it was offered -- so he has some independence. And he comes to office when desperation might make for a serious debate about policy toward Iraq." Treverton lists Iraq, military transformation, and intelligence as areas Gates can impact during his tenure.

Bipartisan Senate Bill Seeks To Improve Drug Safety. The AP (11/17, Bridges) reports, "A bipartisan bill represents the best shot in years to improve the safety of drugs the Food and Drug Administration regulates, but needs bolstering to heal the ailing regulatory agency, witnesses told lawmakers Thursday." The bill, "introduced in August by Sens. Mike Enzi, R-Wyo., and Ted Kennedy, D-Mass., comes on the heels of a string of high-profile drug recalls and safety warnings. Among them was the 2004 withdrawal of the popular painkiller Vioxx after long-term use was linked to an increased risk of heart attack and stroke." USA Today (11/17, 2.27M) says "representatives from the pharmaceutical industry and consumer and patient groups agreed Thursday that a bipartisan bill working its way through the Senate would improve drug safety and public confidence."

New OPM Groups To Focus On Federal Workforce Issues. The Washington Post's (11/17, D4, Barr) "Federal Diary" column reports, "In an effort to take a more strategic approach to federal workforce management, an interagency group has reorganized with an eye to how best to help Uncle Sam recruit and train a new generation of public servants." The "Chief Human Capital Officers Council, was created in 2002 to advise agencies on how to improve federal personnel systems." The Post adds that "Projections show that 40 percent of the federal workforce will retire by 2015, casting agencies into a war for talent with corporations, consulting firms and other employers."

Possibility Of Replacing Cheney As Vice President Floated. In his USA Today column (11/17), Al Neuharth says that for the 2008 election, "Dick Cheney unequivocally has taken himself out of the running. So he's toast. It's hard to think of a good reason he should remain in office and logical to assume that some Republicans are pushing him to leave. It could be on 'doctor's orders.' He's 65 with serious heart problems." President Bush "then could name a vice presidential successor who they hope might be nominated and win in '08. But the appointment would need approval of both houses of Congress. With control shifting to the Democrats in January, time may be of the essence." Names that are "likely on the short might-be list (alphabetically): Bill Frist, 54, Senate majority leader from Tennessee; Rudy Giuliani, 62, former mayor of New York City; John McCain, 70, U.S. senator from Arizona; Condoleezza Rice, 52, secretary of State." If Cheney "goes, Bush could make political history by naming the first woman and first black as veep."

Bush Urged To Resist Entitlement Compromise That Includes Tax Hikes. In his Wall Street Journal column (11/17), Daniel Henninger discusses the impact of the Reagan tax cuts in the US and in Eastern Europe, adding, "Last week former Clinton Treasury Secretary Robert Rubin exhorted the Democrats to raise taxes 'to solve the nation's fiscal problems.' The Rubin Solution may not be easy. Even a Democratic Congress might realize that raising taxes today is swimming against the global tides. In reversing the Clinton tax increases, passed in another age 13 years ago, and spreading tax cuts to the financial sector, George Bush has driven the roots of the Reagan tax philosophy deeper. If he resists a grand

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compromise on entitlements that raises taxes, it may prove to be his most enduring legacy."

Healthcare, Energy, Economic Justice Suggested As Democratic Agenda Items. In his Washington Post column (11/17, A17), David Ignatius says, "What are the issues where the Democrats should plant their flag and try to create a new majority? Two are no-brainers that should have broad bipartisan support next year: reviving the Clinton administration's push for national health-care policies that can save costs and improve care, and getting serious about alternative energy policies that can reduce demand for foreign oil. Sen. Hillary Clinton has already staked out these issues, which will enhance her stature as a 2008 presidential candidate." A "third big Democratic idea was advanced this week by Jim Webb, the senator-elect from Virginia, who promises to be one of the most interesting voices in the new Congress. He argued in the Wall Street Journal that the Democrats should focus on economic justice."

LATimes Says Big Three's Days Of Federal Help Are Over. The Los Angeles Times (11/17, 850K) editorializes "Very little, if anything, is expected to come of the meeting," between President Bush and the heads of General Motors, Ford and DaimlerChrysler's Chrysler Group, after "months of lobbying for some face time." It was "a reflection not only of the newfound weakness of the industry but of a change in global circumstances." Although the US auto industry is "an important part of the nation's economy," the days of "massive federal bailouts for the likes of Chrysler are over."

OTHER NEWS:

Stocks Soar To New Record After Positive Inflation News. The CBS Evening News (11/16, story 5, 0:15, Couric, 7.66M) reported, "There's one piece of good news tonight about prices: Cheaper gasoline has us talking about deflation instead of inflation for a second straight month. Consumer prices dropped by a half percent in October. So far this year, inflation is running 2.4%. That's a full point lower than last year." ABC World News (11/16, story 9, 0:10, Gibson, 8.78M) says "the Dow gained 54 points to close at 12,305. And that's its third-consecutive record." The Wall Street Journal (11/17, McKay, 2.04M) notes "the Standard & Poor's 500-stock index rose 0.2%, or 3.19 points, to 1399.76, shy of its first close above 1400 since November 2000. The broad-based index is up 12% this year. The Nasdaq Composite Index rose 0.3%, or 6.31 points, to 2449.06, up 11% year to date."

The Washington Post (11/17, Schneider, Henderson, 690K) runs a similar report titled Inflation Drops Again As Gasoline Prices Fall," in which is says "inflation continued to moderate in October as falling oil prices, a slack housing market and a decline in clothing costs reinforced the sense of a gradually slowing economy." Labor Department "statistics released yesterday indicated that overall prices declined 0.5 percent in October on a seasonally adjusted basis, following a similar decline in the previous month. Excluding volatile fuel and food costs, prices rose 0.1 percent, the smallest increase since December and a sign that core inflation is declining."

The Wall Street Journal (11/17, Gerena-Morales, 2.04M) headlines its story "Inflationary Signs Weaken Broadly," and quotes Nariman Behravesh, chief economist at consulting firm Global Insight, saying the inflation report "is unmitigated good news. … It will provide great comfort to the Fed because they've been saying that inflation is going to come down -- and it has. People who were worried about [high] core inflation can breathe a little easier." In fact, the Financial Times (11/17, Callan, Guha) titles its story "Inflation Slowdown Raises Rate Cut Hope." The New York Times (11/17, Porter, Peters, 1.16M) and Christian Science Monitor (11/17, Scherer, 59K), among other newspapers, also report on the inflation numbers.

KBR Shares Soar On NYSE Debut. The Wall Street Journal (11/17, Civils, 2.04M) writes that Halliburton "has shed a big part of its business, for better or worse. KBR, the engineering and construction unit with a huge presence in Iraq, was successfully offered to the public Thursday after a slight delay. Halliburton's stock, which has rallied in anticipation of the spinoff, has done well since the Iraq war began, rising from around $10 to an all-time high of $42 earlier this year. Shares closed Thursday at $32.51, down $1.04 on the New York Stock Exchange." The Washington Post (11/17, D3, Witte, 690K) says analysts said Halliburton's "main reason for making the move was that KBR had become a drain on the company's share price. While KBR takes in huge revenues through its government contracting and

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engineering work, its profit margins are considerably thinner than those of the rest of Halliburton."

KBR Could Still Face Difficulties With UK's MoD. The Financial Times (11/17, Gangahar) says KBR shares "soared as much as 25 per cent on their debut." KBR "ignored calls from the UK's Ministry of Defence to postpone its float," which the ministry requested "to give it time to determine the financial viability of KBR." But the Houston Chronicle (11/17, Clanton, 530K) says KBR's decision to ignore the UK request "might still come back to bite it." KBR CEO William Utt will meet with a top MoD official Monday "to discuss the impact of the move on a strategically important naval dockyard, which is majority-owned by KBR." The UK "has threatened to reject the lucrative contract if both sides cannot come to terms."

Several House Races Remain Too Close To Call. USA Today (11/17, Stone, 2.27M) reports, "Recounts, runoffs and Saturday's Ohio State-Michigan football game stand in the way of deciding House races that remain too close to call 10 days after the election. Nearly a dozen races were unsettled at the start of the week." Four races "have been called since Tuesday, all but one in favor of the incumbent. Connecticut Republican Rep. Rob Simmons lost to Democrat Joe Courtney by 91 of nearly 250,000 votes cast." Republicans "lead in all five races in which absentee and provisional ballots are still being counted." One of the "closest contests is being waged in North Carolina, where GOP Rep. Robin Hayes leads Democrat Larry Kissell by about 450 votes. Poll workers are hand-tallying nearly 1,500 provisional ballots." In Ohio, Rep. Deborah Pryce, "who has said she'll step down from her GOP leadership position, leads Democrat Mary Jo Kilroy by 3,536 votes. Election officials won't count provisional ballots until Sunday, so workers can watch the Ohio State-Michigan game Saturday." Freshman Republican Rep. Jean Schmidt "leads Democrat Victoria Wulsin by about 2,800 votes. Provisional and absentee ballots could be counted by Tuesday." The "most contentious standoff is in Florida in the district that Republican Katherine Harris — a central figure in the disputed 2000 presidential election recount — gave up for her failed run for senator. Just 401 votes separate the leader, Republican Vern Buchanan, from Democrat Christine Jennings." A recount is "underway, but that's not likely to explain why more than 18,000 voters in heavily Democratic Sarasota County left the House race blank on their electronic touch-screen ballots." Two other races "will be decided in runoffs next month. In Louisiana, state Rep. Karen Carter is challenging fellow Democrat Rep. William Jefferson, who is under investigation for alleged bribery." In Texas, GOP Rep. Henry Bonilla "faces Democratic former congressman Ciro Rodriguez."

Democrat Won't Seek Recount In Wyoming House Race. The AP (11/17, Moen) reports Democratic challenger Gary Trauner "said Thursday he would not seek a recount in his narrow loss to Republican Rep. Barbara Cubin in Wyoming's closest House race in 36 years." Trauner said in a statement, "It is time to put this election to rest and look to the future." The AP adds Cubin "beat Trauner by 1,012 votes out of 193,369 cast. The State Canvassing Board certified the election results Wednesday."

D Street SE's 100 Block Symbolizes GOP's Loss Of House. McClatchy (11/17, Stearns) reports, "A requiem for the nearly departed Republican Congress: A stroll down the 100 block of D Street, Southeast in the nation's capital." Inside the "elegant painted-brick rowhouses that line the quiet street within sight of the U.S. Capitol are the stories of a revolution gone wildly wrong." For the "last couple of years, several of the neighbors hosted a progressive cocktail party/fundraiser, according to the Capitol Hill newspaper Roll Call. Admission: $1,000 per house." McClatchy lists the "neighbors, the drinks, the problems, the consequences" of defeat. Now-former GOP members who lived on the block included Reps. Nancy Johnson, Clay Shaw, Jim Ryun, Chris Chocola, Mark Foley, and Porter Goss."

Democrats Hopeful For Continued Success In 2008. The Wall Street Journal (11/17, Harwood, 2.04M) reports in its "Washington Wire" that, "Democrats see improved electoral map as 2008 field expands. House Democratic campaign chief Emanuel touts gains among suburbanites and higher-income voters -- Democrats won among those earning $50,000 to $100,000. Republican consultant Steve Lombardo, citing Democratic advances among Catholics, says 'only another election or two' can prove staying power of such trends." Sen. Dodd of Connecticut, "who may join Democratic nomination race, calls for 'New Age of Idealism.' His annual Williamsburg retreat for supporters attracts greater interest given his 2008 aspirations and ascension to Senate Banking chairmanship.

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Democrats hold most congressional seats in states with 303 electoral votes, strategist Mark Gersh says."

McCain Says GOP Needs To Return To "Common Sense Conservatism." The AP (11/17, Sidoti) reports Sen. John McCain "called on the Republican Party to return to its common-sense conservatism — and implicitly cast himself as the one who can lead the party's rebirth." In the "first of two speeches that could set the tone for a potential presidential campaign," McCain said, "We lost our principles and our majority. And there is no way to recover our majority without recovering our principles first." The AP adds that on the "same day he launched a presidential exploratory committee, McCain said voters felt that Republicans valued their incumbency over their beliefs on such conservative standards as limited and efficient government — and he urged a return to those tenets." McCain "spoke before members of the Federalist Society, the organization of more than 25,000 conservatives and libertarians including high-profile members of the Bush administration, the federal judiciary and Congress. Later Thursday, he was delivering a broader speech about the future of the Republican Party to another conservative pillar, GOPAC." McCain is "taking advantage of the postelection period to outline a vision for the party much like Ronald Reagan did after the Republican defeat in the 1976 presidential election." As expected, McCain "also filed paperwork with the Federal Election Commission that will allow him to raise money and travel the country while weighing a bid." Despite all "the action, McCain says he will wait until after the Christmas holiday to decide whether to make a second bid for the White House."

The New York Times (11/17, Nagourney, 1.16M) reports McCain "said Thursday that Republicans had lost the midterm elections because 'we abandoned our principles' on fiscal policy and government restraint, inviting a backlash from Americans over what they saw as widespread hypocrisy." McCain, "in back-to-back speeches delivered on the day he formally created his presidential exploratory committee — portrayed the election result as deserved punishment of Republicans for their performance in office, rather than an affirmation of the Democratic Party. Speaking to two conservative audiences still reeling from the Republicans' losses of the House and Senate, he said Republicans could recover from the election but only if they took lessons from the results." McCain said, "Hypocrisy, my friends, is the most obvious of political sins — and the people will punish it." The Times adds the speeches "were what aides described as the start of a new phase in Mr. McCain's likely try for the presidency, though he will make a formal decision on whether to run next year. The addresses, amounting to a sharp repudiation of his own party as well as an unambiguous embrace of conservative ideology, come as Republicans debate what lessons should be drawn from the defeat."

The Washington Post (11/17, A7, Balz, 690K) reports McCain "took the first formal steps toward a 2008 presidential campaign yesterday and used a pair of speeches before Republican audiences to argue that his brand of conservative, reform-minded politics and hawkish foreign policy can restore the GOP to power." McCain "cited Reagan frequently as the guidepost for the future of the party. In contrast, he never mentioned Bush by name, although he was implicitly critical of the administration's conduct of the war in Iraq. By choosing two conservative audiences for his first major post-election speeches, McCain demonstrated his desire to mend relations with the right, which helped deny him the nomination in 2000." McCain's "moves yesterday were the latest evidence suggesting that the 2008 presidential campaign will accelerate to warp speed earlier than in any other period in recent history." McCain advisers "likened yesterday's speeches -- to the GOPAC political action committee and the Federalist Society -- to an address Reagan delivered in 1977 after the Democrats won the White House and GOP fortunes appeared to ebb."

The Washington Times (11/17, Dinan, 88K) reports the story under the headline, "McCain Says GOP Needs To Recover 'Lost' Principles." The Times reports McCain "said a majority of voters are still conservative and added the Republican Party must return to basic principles of limited government in order to recapture their support." He also said "last week's elections, in which Republicans lost control of the House and Senate, were not an endorsement of Democratic ideas, nor of an isolationist approach to foreign policy." At the Federalist Society, McCain "drew a standing ovation at the beginning and at the end of his remarks."

CNN's The Situation Room (11/16, Crowley) reported, "This is the day that John McCain filed papers for an exploratory presidential committee, but the fact is that the words he's going to speak today to these two conservative groups shows he's doing a lot more than exploring."

Discussing the 2008 Republican presidential contest on MSNBC's Tucker (11/16, Carlson), GOP strategist Roger

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Stone said Sen. John McCain is "pretty strong. I think he's the frontrunner. Rudy Giuliani, who I have enormous respect for, would be a terrific vice presidential candidate, but at the end of the day how he will wear in the primaries remains to be seen. John McCain is fundamentally a conservative in a conservative party. And the Republican Party tasted defeat last week, they didn't like the taste. John McCain's the only candidate they have on the horizon who is competitive in places like Pennsylvania and New Jersey and Ohio, and therefore he's our strongest candidate."

Asked on MSNBC's Hardball (11/16, Matthews) if he is "a McCain man," Rep. John Shadegg said, "I think he's the star-quality candidate we need."

Edwards Still Undecided On '08 Run. Ex-Sen. John Edwards, asked on CNN's The Situation Room (11/16, Blitzer) if he wants to be president, said, "Maybe, a resounding maybe. I haven't decided for sure, but I'm seriously thinking about it. … I'll decide in the next few months. And it will be dependent in part on how Elizabeth is doing. But right now, she's doing great. And whether I think it's an important thing for the people that I would want to represent for me to run for the White House."

Ford Not Ruling Out Challenge To Alexander In 2008. Asked on CNN's The Situation Room (11/16, Blitzer) about the fact that Sen. Lamar Alexander is up for reelection in 2008, Rep. Harold Ford Jr. said, "I read that somewhere. The next two years will be interesting." Blitzer: "You're certainly not ruling that out?" Ford: "No, not at all."

RNC Says No Offer Was Made To Steele. The Washington Times (11/17, Hallow, 88K) reports the Republican National Committee "this week said it never offered Maryland Lt. Gov. Michael S. Steele 'a specific role' at the committee after his unsuccessful campaign for the U.S. Senate." Many conservatives "were surprised this week when, after reports that some leading Republicans favored Mr. Steele to succeed Ken Mehlman as chairman of the RNC, the White House leaked word to news agencies that President Bush would back Florida Sen. Mel Martinez for the top post at the committee." Steele "told The Times on Wednesday that neither White House adviser Karl Rove nor Mr. Mehlman 'offered me formally' any job." Steele said, "I got calls from various state party chairmen and national committee members to take the chairman's post on Thursday and Friday of last week. I told them, 'This is clearly a White House decision. We'll just have to wait to see what the White House decides.' This isn't something I actively pursued. It grew up out of the grass roots." Steele added that "all this is moot now. The president has made his decision, and I am a team player."

DeLay's Replacement Seeks Investigation Of Missing Computer Files. The New York Times/AP (11/17) reports the "newest member of Congress, who is temporarily filling former Majority Leader Tom DeLay's Texas seat, wants an investigation into the destruction of computer files in her office by staffers she inherited from DeLay." Rep. Shelley Sekula-Gibbs, R-Texas, "said the staffers resigned en masse and walked out Tuesday, a day after she was sworn in to fill DeLay's seat for the next seven weeks. A Capitol Hill newspaper, Roll Call, reported the staffers did not like the way she was treating them." Sekula-Gibbs "said in a statement Thursday that seven employees in her Washington office and the district office in Stafford, Texas, outside Houston, 'deleted records and files without my knowledge or permission' on the same day she was sworn in." Sekula-Gibbs "said the walkouts were 'suspicious' in that the seven took the time to delete files before leaving without notice." The AP adds David James, "former deputy chief of staff for DeLay, released a statement Thursday saying that the computers in the office were 'scrubbed and reconfigured' according to House rules on transition between members and that work performed for the congresswoman during the brief time he worked there was preserved."

The Washington Post (11/17, A4, Babington, 690K) reports, "Just when it seemed things could get no stranger regarding the House seat once held by Texas Republican Tom DeLay, his successor called for an investigation into missing computer records last night, and an aide accused her of 'disrespect and unprofessionalism.'" Rep. Sekula-Gibbs "said that former DeLay employees apparently deleted the office's computer files shortly before they walked out, en masse, on Tuesday." Sekula-Gibbs, "a dermatologist, arrived for Congress's lame-duck session with ambitions for funding a fence along the Mexican border, making a number of tax cuts permanent and achieving other goals that may or may not be possible in the handful of appropriations bills on Congress's plate."

GOP Alienation Of Latinos Seen As Key To 2006 Losses. In a Los Angeles Times op-ed (11/17),

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Tamar Jacoby of the Manhattan Institute says, "Republicans are asking what they did wrong in the 2006 midterms. This is a question with many answers. But few missteps were more foolish — and few will be harder to correct — than those made with Latino voters. The appointment this week of Cuban-born Sen. Mel Martinez of Florida to chair the Republican National Committee is a good way to make a new start. But the damage done in the last year goes deeper than symbolism, and it will take more than one appointment to undo it." Republican hard-liners "in the House refused to enact the president's immigration reform. They passed a bill making felons of illegal immigrants, not because it was good law but merely to make a political point." The results "were hardly surprising. Last week, Latinos voted 70% to 29% in favor of Democrats."

Moore Makes Pledge To Conservatives. In a Los Angeles Times op-ed (11/17), Michael Moore offers "A Liberal's Pledge to Disheartened Conservatives." The pledge includes offers to "always respect" conservatives who vote Republican, including "never, ever, call[ing] you 'unpatriotic' simply because you disagree with us. In fact, we encourage you to dissent and disagree with us." The liberals will "let you marry whomever you want," and will "soon bring our sons and daughters home from Iraq," and bring "your sons and daughters home too."

O'Connor Recounts Receiving Package Containing Poison. The New York Times (11/17, Greenhouse, 1.16M) reports, "A discussion of recent threats to judges' safety, at a bar association conference in suburban Dallas last week, became startlingly specific when Sandra Day O'Connor, the retired Supreme Court justice, recounted that each justice had received in the mail 'a wonderful package of home-baked cookies' that contained 'enough poison to kill the entire membership of the court.'" Justice O'Connor's remarks "were reported on Thursday in The Star-Telegram in Fort Worth."

Shadegg Is Matthews' "Favorite Candidate." On his MSNBC Hardball (11/16) show, Chris Matthews introduced Rep. John Shadegg as "a real Barry Goldwater principled conservative" and told him, "you're my one favorite candidate on the Republican side." Asked if he can win his race for minority whip today, Shadegg said, "I believe I can. I'm certainly hopeful. I'm not going to give you a count and tell you that we've got it locked up; we don't."

Conservative Think Tank Promoter Profiled. The New York Times (11/17, Deparle, 1.16M) profiles Lawrence W. Reed, "one of those people with so much passion for an unusual line of work that he invented a new occupation, and it has helped shape the conservative movement from here to the Himalayas." Reed "runs a conservative think tank school. Twice a year, ideological allies from across the globe travel to his program at the Mackinac Center for Public Policy in Midland, Mich., to study the tricks of the idea-peddling trade. Policy institutes have been central to a national organizing strategy that has long won the right a reputation for savvy, and state-level versions are growing in number and clout." Pushing "causes like lower taxes, less spending and school choice plans, they have offered conservatives a base of influence independent of electoral politics. Indeed, after the Republican losses in the midterm elections, many conservatives said this carefully tended world — of research organizations, single-interest groups, foundations and publications — was vital to the movement's revival."

Milton Friedman Dead At 94. The Wall Street Journal (11/17, Ip, Whitehouse, 2.04M) reports, "A half century ago, Milton Friedman's advocacy of free markets over government intervention and his prescription for inflation-fighting by central banks were treated as fringe notions by many economists. By the time the Nobel Prize-winning economist died yesterday at the age of 94, his views had helped to reshape modern capitalism." Friedman "provided the intellectual foundations for the anti-inflation, tax-cutting and antigovernment policies of President Ronald Reagan and British Prime Minister Margaret Thatcher and an era of more-disciplined central banking. His ideas helped to end the military draft in the 1970s, gave birth to staple conservative causes such as school vouchers and created the groundwork for new economic views about the Great Depression, unemployment, inflation and exchange rates." The New York Times (11/17, Noble, 1.16M) calls Friedman "the grandmaster of free-market economic theory in the postwar era and a prime force in the movement of nations toward less government and greater reliance on individual responsibility." The Los Angeles Times (11/17, Peterson, 850K), Washington Post (11/17, A1, Sulliva, Losada, 690K) and USA Today (11/17, Kirchhoff, 2.27M) run similar reports.

In his Washington Post column (11/17, D1), Steven Pearlstein writes, "Friedman's abiding distrust of government

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action also blinded him to its successes. But it would be wrong to confuse his libertarian instincts with lack of human sympathy. He was an early proponent of the negative income tax, now known as the earned income tax credit -- which supplements the wages of millions of low-income workers. And while he opposed rent control, public education and Social Security, he promoted government vouchers to help people buy housing, education and medical care."

The Wall Street Journal (11/17, 2.04M), in an editorial, calls Friedman "arguably the greatest economist of the 20th century," and notes "this newspaper had the privilege of publishing Milton Friedman's articles on numerous occasions over the years. We've also disagreed with him from time to time, notably on exchange rates and drug legalization. … On the death of Ronald Reagan, whom he advised, Mr. Friedman wrote on these pages that 'few people in human history have contributed more to the achievement of human freedom.' The same can and long will be said of Milton Friedman." The Wall Street Journal (11/17, 2.04M) also runs an op-ed by Friedman, titled "Why Money Matters."

In Singapore, Bush Promotes Trade, Issues Warning To North Korea. In Singapore, the first leg of his Asian trip, President Bush promoted free trade and addressed the situation with North Korea. Bush's trip generated no network TV coverage last night. Press accounts this morning tend to have a negative tone, emphasizing what they see as Bush's weakened political position. Also, with Bush traveling to Vietnam, several reports also see an analogy between the Vietnam and Iraq wars – one that may be overshadowing Bush's message. The New York Times (11/17, Sanger, 1.16M) runs a report titled "On To Vietnam, Bush Hears Echoes Of 1968 In Iraq 2006," in which it says that "until now, when asked what he had learned from Vietnam, Mr. Bush has almost reflexively reached for the same line: That he does not micromanage his generals, the way Mr. Johnson did. It is a response drawn from conservative orthodoxy about what went wrong in Vietnam, underlying an argument that had the generals been allowed to fight their way, the United States might have won." But "he may feel compelled to say more after he lands in Hanoi. Mr. Bush will find himself inside government halls adorned with paintings of Ho Chi Minh."

Likewise, the Washington Times (11/17, Curl, 88K) headlines its analysis of Bush's trip "Comparisons With Vietnam Shadow Bush Trip," reporting "the specter of the Vietnam War 30 years ago and comparisons to the US-led war in Iraq have followed him to the Pacific Rim." The Los Angeles Times (11/17, Gerstenzang, 850K) also says Bush "was shadowed by an issue that was politically difficult for him when he first ran for president, just as it was for [President] Clinton: the question of military service during the Vietnam War. And there was new attention to an issue that is politically painful for him in 2006: whether the Iraq war is turning into a new generation's equivalent of the torturous Vietnam conflict."

USA Today (11/17, Jackson, 2.27M) reports "Bush pressed familiar points in Asia on Thursday on trade and anti-terrorism policies, but Democrats are making it clear the political environment has changed back home." Bush told an audience in Singapore that "the United States wants to expand trade in Asia and work to restrict the spread of nuclear weapons, particularly from North Korea." But "in Washington, Democrats preparing to take charge of Congress next year challenged Bush over his approaches to free trade and North Korea, as well as the war in Iraq. 'The next few months will be a time of great transition here in Congress and hopefully in American foreign policy,' Rep. Tom Lantos, D-Calif., said." Lantos "will be the next chairman of the House International Relations Committee." He "called for sending an American envoy directly to North Korea to negotiate a halt to its nuclear weapons program."

The Wall Street Journal (11/17, Dreazen, 2.04M) says Bush's "Asia swing" is being "overshadowed by political troubles at home and diplomatic disputes abroad." In Singapore, "Bush fired back at newly empowered Democrats challenging his free-trade push." He "urged Asian countries to work with the US to rejuvenate a long-stalled round of global trade talks and endorsed the idea of a free-trade agreement with all 21 Pacific Rim members -- even as he felt compelled to rally support anew in his own government for such efforts. 'We hear voices calling for us to retreat from the world and close our doors to its opportunities, he told an audience at the National University of Singapore in his first major speech of the trip. " 'These are the old temptations of isolationism and protectionism, and 'America must reject them.'"

The Washington Post (11/17, A15, Fletcher, 690K) reports Bush yesterday "warned North Korea that the United States would consider it a 'grave threat' and would hold North Korea responsible if it transfers nuclear bomb technology to another country or to a terrorist organization." During a speech at the National University of Singapore, he urged

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Pyongyang to take "concrete steps" to end its nuclear program, and he called on other Asian countries to send the same message. Meanwhile, in comments to reporters in Hanoi, Secretary of State Condoleezza Rice "said there was deep skepticism among the group's members that North Korea actually intended to abandon its nuclear weapons." Asked if she would favor delaying talks until she was certain North Korea would take steps to show its commitment, Rice said: "I don't think it makes sense for us to have talks unless we think that it's going to be fruitful." The AP (11/17, Hunt) called Bush's plea an attempt to "exert his authority on the world stage" after being "hurt by election losses back home."

The New York Times (11/17, Sanger, Cooper, 1.16M) reports Secretary of State Condoleezza Rice, "speaking with reporters in Hanoi, said that the coming resumption of long-running six-way talks with North Korea over its nuclear program would be pointless without shows of good faith from both sides." The Times adds, "Together, the statements by Mr. Bush and Ms. Rice suggest how much the issue of North Korea's newly acquired nuclear-power status is likely to dominate the APEC meeting, which usually focuses on trade issues."

The Financial Times (11/17, Kazmin, Daniel), meanwhile, says "Vietnam's communist rulers will on Friday suppress their irritation at the US rejection of a trade bill and roll out a red carpet for…Bush. They are keen to deepen a relationship crucial to their country's future prosperity." But "the second US presidential visit since the end of the Vietnam war has spawned little of the public enthusiasm generated by Bill Clinton's ground-breaking trip six years ago."

Seoul Backs UN Resolution Condemning Pyongyang. The Financial Times (11/17, Fifield) reports South Korea Thursday "said it would vote in favor of a United Nations resolution condemning North Korea for its human rights record, an about-face from its traditional practice of avoiding antagonizing its neighbor." The Times says the "shift comes as Ban Ki-moon, the former foreign minister, prepares to take over the running of the UN, a move that has contributed to Seoul's realization that it cannot stay silent about what it sees as one of the world's worst human rights situations." Song Min-soon, the incoming foreign minister, said Pyongyang's "nuclear test and missile launches contributed to the change in position."

US Panel Seeks Broader Sanctions Against China. AFP (11/17, Parameswaran) reports that a "Congress-appointed panel sought broader sanctions against Chinese firms proliferating unconventional weapons and wanted Beijing to inspect ships plying to or from nuclear-armed North Korea's ports." The United States-China Economic and Security Review Commission "said in its annual report that current sanctions against Chinese companies that proliferate equipment and technology related to weapons of mass destruction should be 'broadened and harmonized for increased effectiveness.'"

White House Surprised By Vietnam Trade Bill "Stumble." The Wall Street Journal (11/17, Harwood, 2.04M) reports in its "Washington Wire" that its "Vietnam trade stumble catches White House by surprise. Red-faced Trade Representative Schwab, in Hanoi, is forced to parse congressional procedures after trade pact wins majority but falls short of two-thirds required under special parliamentary rules. 'Getting this through Congress was a huge deal' for Vietnam, an administration official says amid Bush's Asia trip." Textile lobbyist Augustine Tantillo "says misfire underscores spread of 'cold feet' among lawmakers about free trade. North Carolina Republican Rep. Robin Hayes, whose dead-heat re-election race remains undecided, chides party leaders for bringing up the measure so soon after the election."

More Commentary On US-Vietnam Ties. Author Aimee Phan writes in USA Today (11/17, 2.27M), "For many Vietnamese-Americans, a trial last week in Vietnam was their worst nightmare realized. Three Vietnamese-Americans were convicted on terrorism charges last Friday. Along with four Vietnamese nationals, they were found guilty of plotting to use radio equipment to call for a public insurgency against the Communist regime. The defendants were accused of having ties with the Government of Free Vietnam, which Hanoi regards as a terrorist organization. According to its website, the California-based pro-democracy group claims to advocate peaceful protest against the current regime." The case "gives the Bush administration an opportunity to leverage trade relations with Vietnam in exchange for improved human rights policies."

The Washington Post (11/17, 690K) editorializes, "The Vietnam deal…demonstrates the perversity of congressional obstructionism on trade. US negotiators have helped to secure access to Vietnam's markets as a condition for its joining the World Trade Organization. The negotiation is complete, and Vietnam will join the WTO irrespective of what Congress says." But "Congress does have the power to shoot itself in the foot: If it refuses to ratify the deal, other WTO

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members will enjoy the market access that Vietnam has promised while the United States is denied it. An attempt to pass enabling legislation failed in the House this week, and a second attempt was pushed into December." The Post goes on to criticize "a minority in Congress who represent vulnerable textile regions and a majority that is supportive but lethargic."

Putin Discusses Goals For APEC Summit. Russian President Vladimir Putin writes in the Washington Times (11/17, 88K) about Russia's role in Asia, noting that during this week's APEC summit in Hanoi "we are going to discuss a plan of action…towards building a system of free and open trade and investment in the region." At the same time, Putin noted that "one of its key goals" is "countering international terrorism," along with measures to "completely eradicate the social roots of terrorism -- poverty, hunger and chronic unemployment." As a major supplier of energy to world markets, he said Russia is also "open to cooperation," but remains "convinced that the terms should be beneficial for all partners." In conclusion, Putin said he would "like to emphasize that we are optimistic about APEC's future" and that Russia "intends to take a vigorous part in addressing future challenges together with other members."

Hoagland Urges White House To Reinforce Relations With Russia. Washington Post (11/17, A25, 690K) columnist Jim Hoagland writes, "For George W. Bush, meeting Vladimir Putin is no longer an uplifting opportunity to look into the Russian leader's eyes and glimpse a kindred soul. Their encounters have become exercises in damage limitation or unavoidable bits of scheduling during international conferences." Although he says it "is easy to understand why Bush has dropped his earlier enthusiasm for Putin," Hoagland notes that Washington and Moscow "have two looming opportunities to put political and trade relations on a sounder footing and make their relationship less vulnerable to personal ups and downs." At this month's NATO summit in Latvia, he says Bush "may be tempted to go back on a tentative compromise that Washington has struck with its European and Canadian allies concerning future alliance membership for Georgia and Ukraine." And the second is Congress' approval of a bilateral agreement reached with Russia on its application to join the World Trade Organization. Although Bush's "clearing vision of Putin's flaws and the American leader's candor with his peers are welcome developments," Hoagland cautions that they "make it even more important for the United States and Russia to seize opportunities that reinforce a relationship that cannot for long be dominated by personal ties."

Senate Backs Nuclear Deal With India. The New York Times (11/17, A10, Shanker, 1.16M) reports the Senate "gave overwhelming approval late Thursday to President Bush's deal for nuclear cooperation with India, a vote expressing that a goal of nurturing India as an ally outweighed concerns over the risks of spreading nuclear skills and bomb-making materials." The agreement "calls for the [US] to end a long moratorium on sales of nuclear fuel and reactor components. For its part, India would divide its reactor facilities into civilian and military nuclear programs, with civilian facilities open to international inspections." However, "Critics have been unwavering in arguing that the pact would rally nations like North Korea and Iran to press ahead with nuclear weapons programs despite international complaints and threats. Opponents of the measure also warned that the deal would allow India to build more bombs with its limited stockpile of radioactive material, and could spur a regional nuclear arms race with Pakistan and China." The AP (11/17, Klug) notes the vote was 85 to 12.

The Financial Times (11/17, Johnson, Bokhari, Luce) says the approval "came despite concerns that the deal would encourage India to expand its nuclear weapons arsenal and spur a regional arms race with nuclear rivals Pakistan and China. Washington is especially concerned that China's President Hu Jintao will give the green light to an ambitious expansion of Beijing's controversial nuclear co-operation with Pakistan during his visit to Islamabad next week." The Times also notes that the "delicacy of south Asia's nuclear balance was underscored on Thursday as Pakistan test-fired a nuclear capable medium-range missile, a day after peace talks with New Delhi." The Los Angeles Times (11/17, Chu, 850K) also reports "there are already signs that Beijing may retaliate," and notes : On Hu's expected announcement in Pakistan."

The Wall Street Journal (11/17, A8, Solomon, 2.04M) reports, "Despite the deal's easy passage through the Senate, congressional officials said a number of roadblocks still need to be cleared before the US can begin shipping nuclear fuels to the subcontinent." The House "passed a different version of the pact, and the two chambers need to try and reconcile the versions before they adjourn in December. And Washington still needs the Nuclear Suppliers Group, an international body that regulates the trade in nuclear fuels, to

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provide New Delhi with clearance. After that, the Bush administration and the International Atomic Energy Association still must reach an agreement with New Delhi over the inspection regime that's required in order for the transfer of nuclear fuels."

Meanwhile, the Washington Post (11/17, A14, Linzer, 690K) says advocates of the plan "see it as a way to cement ties with a rapidly modernizing, friendly democracy whose economic and military strength could one day rival China's." For its part, the Post notes that "although the effort has garnered little attention outside Washington, it has the potential to radically alter US foreign policy for decades. Bush administration officials say they believe it will accelerate India's rise as a regional counterweight to China and provide the United States with a new foothold in Asia." Undersecretary of State Burns welcomed the bipartisan support late yesterday and called the agreement "one of the most important foreign policy initiatives of the last several years."

European Nations To Present New Mideast Peace Initiative. The Financial Times (11/17, Burnett) reports Spain, France and Italy "plan to present a new Middle East peace initiative to their European partners at an EU summit in December," Spanish Prime Minister José Luis Rodríguez Zapatero said Thursday. Spain "hopes to gain the backing of Germany and Britain for the initiative, calling for an immediate ceasefire, the formation of an internationally recognized Palestinian unity government and a peace conference. French President Jacques Chirac said France would "act jointly" with Spain, Italy and other European countries to "try to initiate indispensable moral and political reforms in the Middle East."

Blair Says New Initiative Could Come "Within Weeks." In an interview with the Washington Post (11/17, A15, Sullivan, Jordan, 690K), British Prime Minister Tony Blair Thursday "offered hope for progress" on the Israeli-Palestinian conflict, saying that "sensible Arab and Muslim countries" now see "strategic reasons" for finding a solution and that new initiatives could come "within weeks." Blair said "this is an opportunity for us if we are prepared to seize it now," citing leaders of Saudi Arabia, Egypt and Jordan as among those who "want to make progress" on an issue he called the "crux" of problems in the Middle East. Blair declined to provide specifics but said British officials were holding private talks with Middle Eastern governments as well as the Bush administration about measures "to move this forward." The Post notes that Blair is also planning a trip in the next few weeks to the Middle East, which he said was facing a "critical moment."

Olmert Says No Large Scale Gaza Offensive Planned. The New York Times (11/17, A12, Fisher, 1.16M) reports, "Despite calls from some Israelis for an invasion of Gaza after" a rocket attack killed a woman Wednesday, Prime Minister Ehud Olmert "signaled that he would respond with restraint." He told reporters on his flight home from the United States that "while Israel would continue targeted attacks, a large-scale assault would not necessarily solve the problem of the crude homemade Qassam rockets fired by Palestinian militants into Israel nearly every day." The Times notes that "this is a delicate time in negotiations among Palestinian leaders who are trying to form a unity government of professionals and technocrats," and Olmert's remarks "seemed to indicate that a new Israeli offensive would not add to the already-deep difficulties of striking a deal."

Palestinian Factions Build Up Arms As Tension Rises. In a front page article, the Washington Times (11/17, A1, Mitnick, 88K) reports that "an arms race by rival Palestinian militants has nearly doubled the price of guns in anticipation that fighting in the Gaza Strip between Hamas and Fatah militias will spread to the West Bank." The Times notes that "since Hamas took over the Palestinian Authority in March, tension between Hamas- and Fatah-affiliated militias has frequently exploded into street warfare," and "as the vacuum of lawlessness that has existed in the Palestinian territories for years grows even wider, rival security outfits as well as gunmen from mafia-like clans are moving to fill the gap."

US Hospital Ship Improved Public Opinion In Muslim Countries. The Washington Times (11/17, Bawa, 88K) reports that "public opinion polls conducted in two of the more populous Muslim countries showed that humanitarian aid from a US Navy hospital ship had healed more than health problems." The polls by the Washington group Terror Free Tomorrow showed that "when people were made aware of the mission, it left a positive perception of the United States." Responding to the polls' findings, undersecretary of state for public diplomacy, Karen Hughes, said humanitarian efforts "undermine ideological support for terror." Noting "a misunderstanding about America," Hughes

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noted, "People don't realize that the United States is the No. 1 donor of medicine and food to the Palestinian people."

Blair Urges US Take Lead On Climate Change. In an interview with the Washington Post (11/17, A15, Sullivan, Jordan, 690K), British Prime Minister Tony Blair Thursday "made an impassioned plea for the United States to lead the world on climate change, an issue that Blair has championed despite reluctance from the Bush White House." Blair said there is now "a big opportunity for the administration and for America on climate change," and urged the White House to "come up with a sensible plan and framework."

Rice Welcomes Agreement On Darfur Peacekeepers. The New York Times (11/17, Cooper, 1.16M) reports Secretary of State Rice said that "by agreeing in principle to allow a joint United Nations-African Union peacekeeping force into the war-stricken Darfur region," Sudanese President Omar Hassan al-Bashir "has a chance to rehabilitate its image in the rest of the world." Speaking to reporters in Hanoi, Rice "hailed the deal" struck in Addis Ababa by UN Secretary-General Kofi Annan and Bashir, saying, "I think it certainly is a real opportunity to resolve what is an extremely difficult problem, and to get back on a road where innocent people can be protected and the Sudanese government has a chance to make right with the international system."

Separately, the New York Times (11/17, A3, Worth, 1.16M) reports Sudan Thursday "agreed in principle" to allow a joint United Nations-African Union peacekeeping force into Darfur, "reversing its longstanding refusal to let United Nations troops in." The agreement "raised hopes for a more effective peacekeeping effort in Darfur." However, the Times cautions that it is "not clear how soon the new force can enter Darfur," because "two major issues must still be worked out before the agreement becomes final: the number of troops, and how the commander will be selected." The AP (11/17, Neuhaus) quotes Annan as saying a meeting "should take place in the next couple of weeks to resolve outstanding issues by the end of the year."

Sudan Shuts Out Outside World From Darfur. The Christian Science Monitor (11/17, Houreld, 59K) reports, "As outgoing UN chief Kofi Annan began a major push to stem the escalating crisis during high-level meetings in Addis Ababa, Ethiopia, Thursday, the Sudanese government told top UN humanitarian official Jan Egeland that all his proposed destinations on a three-day trip to Darfur are too insecure to visit this weekend." Last week, the Norwegian Refugee Council "announced it was being forced out of Darfur after its permit to operate had been indefinitely suspended for the fifth time, making working conditions 'impossible.' Other foreign aid workers say they have been denied permission to reenter the country after leaving to attend a family emergency or to seek medical treatment." Even the African Union "monitoring force of nearly 7,000 soldiers is also frequently stymied in its investigative attempts. During the one-day talks in Ethiopia with UN, EU, and Arab League officials Thursday, Mr Annan pushed for a 'hybrid' force of AU and UN peacekeepers to be allowed into Darfur. But early indications were that Sudan would reject this."

Burmese Military Wipes Out Minority Villages To Build Security Gate. The Washington Post (11/17, A1, Faiola, 690K) reports, "According to estimates by relief groups, Burmese forces have burned down more than 200 civilian villages here in Karen state, destroyed crops and placed land mines along key jungle passages to prevent refugees from returning to their home villages." At least "20,000 civilians have been displaced over the past eight to 10 months," and "dozens of people have died," as "a consequence of Burma's largest military offensive against its own people in more than a decade, according to aid groups and Western diplomats." Observers say they are "attempting to build a broad security cordon around their new capital near the inland city of Pyinmana," and the Burmese have "already begun moving government offices there from Rangoon, the old capital, and are finishing work on a sprawling military bunker."

Royal Becomes French Socialists' Presidential Nominee. The AP (11/17, Charlton) reports, "Segolene Royal got a running start Thursday to her campaign to become France's first female president, decisively beating two rivals to wrap up the nomination for the main opposition Socialist Party in a single round of voting." The victory "spared" Royal a "second round against her two rivals from the party's old guard — Former Prime Minister Laurent Fabius and former Finance Minister Dominique Strauss-Kahn." In the final tally, Royal "had collected 60.62 percent of votes, while Strauss-Kahn won 20.83 percent and Fabius gained 18.54 percent," with "about 82 percent of the

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219,000 party members eligible to vote cast ballots. Strauss-Kahn and Fabius both conceded their defeat.

The New York Times (11/17, Sciolino, 1.16M) also reports, "With most of the vote in," Royal, 53, "a regional president and former minister, won 60.6 percent of the vote of the party's nearly 219,000 members in an unusual primary." The victory "helped validate" Royal's standing as "the only candidate capable of beating the right's frontrunner, Nicolas Sarkozy, the Interior Minister who is seeking his UMP party's nomination for the 2007 presidential election." An Ipsos opinion poll released on Thursday found Royal and Sarkozy "statistically tied if they were to face off in a second round of voting, after other candidates had been eliminated." Her opponents "agree that her looks help," and "in poll after poll, her telegenic smile and elegant profile have appealed to a French public yearning for a new style of leadership."

The Wall Street Journal (11/17, Gauthier-Villars, 2.04M) reports that Stephane Le Foll, chief of staff for the Socialist Party's head secretary, "declined to give a percentage" by which Royal "was expected to win, but said some 75,300 votes had been counted out of a total 180,000 ballots cast." Her nomination "highlights France's deep desire for change after nearly twelve years of economic stagnation and sagging morale under the rule of current President Jacques Chirac." The ruling UMP party "is expected to choose its candidate early next year."

The Washington Post (11/17, A15, Anderson, 690K) reports, "Riding a wave of popular disgust with France's political status quo," Royal on Thursday "used an Internet-fueled, personality-driven campaign to capture the Socialist Party's nomination for president and boost her bid to become France's first female head of state." Le Monde newspaper "estimated that she captured about 61 percent of the vote in turning back challenges from Strauss-Kahn and Laurent Fabius, "who both garnered about 19 percent, Le Monde projected." Political analysts and opinion surveys suggest that Royal "will face a tough challenge uniting the left for the first round of the general election so that it does not splinter its vote and hand a victory to the hard right."

Immigration Increases In Ireland. The Washington Times (11/17, Healy, 88K) reports that after several centuries "that has seen Irish men and women emigrating around the world, taking their culture and legends with them, a decade of rapid economic growth has made the land of shamrocks a primary destination for hordes of immigrants, mainly from Eastern Europe." The Times notes, "Foreign nationals now account for 10 percent of the population, twice as many as just two years ago, forcing the government for the first time to begin drafting a formal immigration policy to deal with the influx. 'Over "80 percent of the new immigrants are under age 44, and almost half come from states that joined the European Union in 2004. Large numbers are employed in the retail, agriculture and construction sectors, helping to fuel one of the fastest-growing economies in Europe."

China's Thirst For Energy Seen As Undercutting Sanctions Against Myanmar. The New York Times (11/17, Perlez, 1.16M) reports that in the waters off Myanmar, "an Asian energy rush is on. Huge pockets of natural gas have been found. China and India are jostling to sign deals. Plans are afoot to spend billions on new ports and pipelines." Yet in towns onshore, "not a light is to be seen. ... People receive two hours of electricity a day from a military government that is among the world's most repressive. But attempts at outside pressure to prod the government to address its people's needs and curb abuses have faltered, in large part because China's thirst for resources has undermined nearly a decade of American economic sanctions." Critics say " On topic on President Bush's agenda for the APEC summit "will be how to keep up the pressure." But "[h]e is not likely to find cooperation, not from rivals like China and Russia, or even countries like Singapore and Indonesia, which trade freely with Myanmar." The "energy rush is the latest demonstration of how the hunt for oil and gas, and China's economic leverage, are reshaping international politics, often in ways that run counter to American preferences."

Friedman Urges China To Adopt Environmental Policies. Columnist Thomas Friedman writes in the New York Times (11/17, 1.16M) that regarding China's environment, "the same kind of bruising effort it took for Deng Xiaoping to move China from communism to capitalism will be required to move China from its polluting model of capitalism to a sustainable one." Moving China "to a new sustainable model will take more than ordinary leadership," and "a giant leader who by sheer force of will moves the whole system against all the entrenched habits and interests." It will take a "green Deng Xiaoping," otherwise, "every day here will feel like midnight at noon."

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Congress Urged Not To Close Door On Free Trade In Andes. Columnist Mary Anastasia O'Grady writes in the Wall Street Journal (11/17, 2.04M), "Sometimes it seems that our elected representatives in Washington are not all that bright. Either that or they don't always act with the best interests of the American people in mind." Take the opposition in Congress "to the pending free trade agreements between the US and Peru and Colombia. The Bush administration has already signed the FTA with Peru and is expected to sign the Colombia FTA by the end of next week. But to be implemented, both pacts need to be ratified by the US Congress. Right now, with the Democratic leadership opposed and some Republicans unwilling to back the president, that looks doubtful." O'Grady concludes, "Colombia is not the only place where a Big Labor oligarchy has been known to call the shots for the rest of us. The Democratic-led Congress taking over in January is likely to experience a similar tyranny. That means that the only hope now for a step forward in US-Latin American trade relations lies with Republicans, who would be wise to pass these FTAs before they leave the majority in December."

NYTimes Says Kosovo "Limbos" Too Unstable. New York Times (11/17, 1.16M) editorializes, "For the past seven years, the tiny Balkan region of Kosovo has been in limbo," but "limbos are unstable." Belgrade will "always object to Kosovo's independence," and the "best chance of moderating its reaction is the promise of eventual membership in the European Union and a clear warning that Europe will be watching how it treats its new neighbor." The Kosovars "should be clear that donors and everyone else will be watching just as closely to see how they treat their own Kosovar Serbs."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"$2-Billion Downtown Overhaul In The Red."
"Economist Changed The World."
"Rounds Of Sadness And Joy."
"Pelosi's Early Setback Has Her Party On Alert."
"Iraq's Shiite-led Regime Seeks To Arrest Top Sunni Cleric."
"They Never Needed To Reimagine 'Bobby'."

USA Today:
"P.S.: More PS3s Are On The Way."
"Trip To National Title Game On The Line Saturday."
"Military May Ask $127b For Wars."

New York Times:
"Pelosi Rebuffed Over Her Choice For House Post."
"Spitzer Is Likely To Seek Hevesi's Ouster."
"Socialists Back Woman In Race To Lead France."
"Myanmar Is Left in Dark, An Energy-Rich Orphan."
"U.S. Airstrikes Climb Sharply In Afghanistan."
"Showing A New Style, Department Stores Surge."
"Milton Friedman, Free-Market Theorist, Dies At 94."

Washington Post:
"Bush Choice for Family-Planning Post Criticized."
"Economist Touted Laissez-Faire Policy."
"Misery Spirals in Burma As Junta Targets Minorities."
"SAT Monitors Napped, Ignored Rules, Teens Say."
"A Chance To Get Into The Room."
"Democrats Pick Hoyer Over Murtha."

Washington Times:
"Hoyer Elected Majority Leader."
"District Slayings Usually With Gun."
"Comparisons With Vietnam Shadow Bush Trip."
"Ireland Sees Pike In Foreign Workers."
"Palestinian Rivary Rings Up Cost Of Guns."
"Science, Technology Not Making The Grades In US."

Detroit Free Press:
"Michigan Reservist Travel Path OF Peril."
"'Lord, Don't Let It Be Her,' One Victim's Husband Says."
"Wayne State, DMC Prepare For Breakup."
"GM Works To Keep Lead In Biggest Potential Market."

Atlanta Journal-Constitution:
"Analyst Bullish On Bid For Delta."
"$261 Million Gift Bolsters Emory."
"CDC On Probation Over Care Of Animals."
"The Game Of His Life."
"Adoptions Fail, Couples Feel Dumped."

Houston Chronicle:
"Teen's fate Hinges On A Violent Past."
"Four U.S. Civilians Thought Abducted In Iraq."
"HISD Enrollment Down By 7,000 For Fall Semester."
"Majority Leader Pick Shows Democrats' Discord."
"Sekila-Gibbs Demnds Probe Of Aides Who Quit."

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Story Lineup From Last Night's Network News:

ABC: Deadly Tornado; Strange Fall Tornados; Airport Travel Delays; 2nd Mass Kidnapping-Iraq; New Democratic House Leadership; No Longer Called Hunger; Competing Clinics-Medicine Vs Faith; Oil Prices; Stock Market; OJ's New Book; Milton Friedman Obit; Sea Lion Attacking Swimmers-San Francisco.

CBS: Deadly Tornado; New Democratic House Leadership; New Democratic Leadership-Analysis; The Minimum Wage; Consumer Prices Drop; Milton Friedman Obit; 2nd Mass Kidnapping-Iraq; 9/11 Hijacker Associate Convicted; Nasiri Interview; New Medical Study-Walking; Male Biological Clock; New Sony Playstation.

NBC: Deadly Tornado; Daycare Center-Tornado; Recent Tornado-Analysis; New Democratic House Leadership; 2nd Mass Kidnapping-Iraq; Army Reservist Return To Unemployment; FDA Approves New Cancer Drug; Smoking & Cancer Risk; Darfur Crisis; Milton Friedman Obit; Police New Cod-Talk.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Participates in radio address, Shangri-La Hotel, Singapore; lunch with Australian Prime Minister John Howard, Sheraton Hanoi; arrival ceremony, Presidential Palace, Hanoi; photo opportunity with the President of Vietnam and Mrs. Chi, Presidential Palace; meets with the President of Vietnam, Presidential Palace; meet with the Prime Minister of Vietnam, Presidential Palace; meets with the General Secretary of the Communist Party of Vietnam, Communist Party Headquarters, Hanoi; attends state banquet, International Convention Center.

VICE PRESIDENT CHENEY — 5 p.m. Speaks to the Federalist Society convention, Mayflower Hotel.

LAURA BUSH — Attends roundtable and lunch at Know One, Teach One Restaurant, Hanoi.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: BIOETHICS _ The President's Council on Bioethics holds a meeting. Highlights: 8:30 a.m. Session 5: Organ Procurement, Transplantation and Allocation: Policy Options. 10:15 a.m. Session 6: The Ethics of Health Care. Norman Daniels, Mary B. Saltonstall Professor of Population Ethics and Professor of Ethics and Population Health, Department of Population and International Health Harvard School of Public Health. 11:45 a.m. Session 7: Public Comments. 12 p.m. Adjournment. Location: Hamilton Crowne Plaza Hotel, 1001 14th St. NW.

FEDERALIST SOCIETY _ The Federalist Society holds its 2006 National Lawyers Convention. Highlights: 8:30 a.m. Sen. Arlen Specter. 10:30 a.m. Mississippi Gov. Haley Barbour. 11:15 a.m. Homeland Security Secretary Chertoff. 1:45 p.m. Session on the role of State Attorneys General, with Indiana AG Steve Carter, and Kansas AG Phill Kline. 5 p.m. Vice President Cheney. Location: Renaissance Mayflower Hotel, 1127 Connecticut Ave. NW, unless otherwise noted.

ISLAMIC CONFERENCE _ The Kuwaiti government sponsors the Islamic Moderation Conference aimed at developing a more moderate image of Islam in the west and to improve the integration of Muslim communities in the US. Location: Mandarin Oriental Hotel, 1330 Maryland Ave. SW.

HOUSE GOP _ 8 a.m. Newly-elected Republican leaders will address the media immediately following leadership elections (in Room 1100, Longworth). Notes: Times approximate. Press set-up at 7 a.m. GOP Conference meeting begins at 8 a.m. Location: Longworth House Office Building Lobby, Independence Avenue entrance.

PENTAGON-IRAQ BRIEFING _ 9 a.m. Marine Col. Larry Nicholson, commander of Regimental Combat Team 5, will brief live from Camp Fallujah, Iraq, to give an update on ongoing security operations in Iraq. Location: DOD Briefing Studio, Pentagon 2E579.

US-INDIA _ 9 a.m. The Center for Strategic and International Relations and the US Chamber of Commerce's Space Enterprise Council hold a discussion on US-Indian space cooperation. Location: Room B1-B, 1800 K St. NW.

GRADUATION GAP _ 12:30 p.m. The Center for American Progress holds a discussion on the federal role in closing the graduation gap, with Adria Steinberg and Cassius Johnson of Jobs for the Future, Robert Balfanz of Johns Hopkins University, and Carmel Martin of the Senate Health committee staff. Location: 1333 H St. NW.

GUN SHOWS _ 12:30 p.m. Author Joan Burbick speaks about how gun shows are an important part of the nation's gun rights movement. Location: National Press Club.

WOMEN-VOTERS _ 12:30 p.m. Lifetime Television and Redbook magazine, others, hold a telephone news conference to release two post-election surveys showing that women emerged as a key voice for change in the 2006

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election. Contacts: Nancy Bennett, 800-834-1110. Notes: Callin number: 800-811-8830; passcode: women's vote. RSVP required to reserve a slot.

REID-GATES _ 1:15 p.m. Incoming Senate Majority Leader Harry Reid holds a photo opportunity with Secretary of Defense Nominee Dr. Robert M. Gates. Location: Ohio Clock Corridor.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Closing Arguments Made At 9/11 Investigation Perjury Retrial. The New York Times (11/17, Rivera, 1.16M) reports, "Lawyers gave closing arguments yesterday in the latest phase of a drawn-out legal battle involving a Jordanian immigrant accused of trying to mislead a grand jury investigating the Sept. 11 attacks. Prosecutors say the immigrant, Osama Awadallah, who is on trial for the second time in Federal District Court in Manhattan, lied repeatedly when he told a grand jury in October 2001 that he did not know Khalid al-Midhar, who took part in the attacks, and when he denied writing Mr. Midhar's name in a school notebook. … Mr. Awadallah's lawyer, Jesse Berman, countered by saying that his client never meant to give the grand jury wrong information, and did so only after enduring 20 days of incarceration that left him confused, frightened and paranoid." The Times notes, "Under questioning by the F.B.I., Mr. Awadallah said he knew" 9/11 hijacker Nawaf al-Hazmi, "who worked at the same gas station and worshiped at the same mosque. He also said he remembered an acquaintance of Mr. Hazmi and described him physically but said he had never learned his name. When shown a picture of Khalid al-Midhar, Mr. Awadallah claimed not to recognize him."

The AP (11/17, Caruso) reports, "In his closing argument at the retrial on Thursday, defense attorney Jesse Berman said Awadallah, who was 20 when he was arrested, was simply exhausted, confused and frightened during his grand jury testimony and didn't intend to mislead anyone. … He accused FBI agents and prosecutors of deliberately provoking and upsetting Awadallah, who was handcuffed to his chair. In the weeks leading up to his testimony, Awadallah was kept in solitary confinement and was subjected to strip searches. He also claimed to have been beaten by his jailers. … Assistant U.S. Attorney Karl Metzner told jurors there was no evidence Awadallah was confused, forgetful or disoriented by mistreatment. … 'He didn't make a mistake. He lied deliberately,' Metzner said."

Pentagon Plans Pricey Military Commissions Compound At Guantanamo. The Miami Herald (11/17, Rosenberg, 286K) reports the Pentagon "plans a Military Commissions compound at Guantánamo Bay, Cuba, costing up to $125 million, a major undertaking meant to accommodate up to 1,200 people at the Navy base for the first U.S. war crimes trials since World War II." If Congress approves the funding, "it would be the largest single construction expenditure at Guantánamo since the Bush administration set up the offshore detention and interrogation center in January 2002. No Defense Department official would speak about the project with his or her name attached. But one Pentagon insider with knowledge of the plan said officials envision the fast-track construction of a major compound at an abandoned airfield that in the 1990s housed a tent camp for Cuban rafters."

Report Shows US Allowed No Witnesses For Gitmo Detainees. The AP (11/17, Ben Fox) reports, "The US military called no witnesses, withheld evidence from detainees and usually reached a decision within a day as it determined that hundreds of men detained at Guantanamo Bay were 'enemy combatants,' according to a new report." The analysis found "hearings that determined whether a prisoner should remain in custody gave the accused little opportunity to contest allegations against him."' They "provided an advance copy of the report to The Associated Press late Thursday and planned to release it Friday on the Internet." Their findings "based on an analysis of records of military hearings of 393 detainees, comes as the US government seeks to severely restrict detainee access to civilian courts, arguing that the Combatant Status Review Tribunals should be their main legal recourse."

Friend Of 9/11 Hijackers Convicted As "Accessory To Murder." The Washington Post/AP (11/17) reports a Moroccan man, Mounir Motassadeq has been "convicted of being an accessory to murder in the Sept. 11, 2001 … as a German appeals court ruled Thursday that evidence showed he knew that the plotters planned to hijack and crash planes." The AP adds, "The Federal Court of Justice found that a Hamburg court decided wrongly last year to acquit Motassadeq of direct involvement in the attacks, even as it convicted him of membership in a terrorist organization and sentenced him to seven years in prison."

The CBS Evening News (11/16, story 8, 0:15, Couric, 7.66M) reported, "The court said the Moroccan man acted as an accessory to murder in the attacks and played a direct role in the plot. He could get 15 years in prison."

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HOMELAND RESPONSE:

Man Arrested At Detroit Airport With Information On Nukes, Cyanide. USA Today (11/17, Leinwand, 2.27M) reports, "Federal agents continue to investigate a Dallas man arrested at a Detroit airport Tuesday after arriving on a flight from Amsterdam with nearly $79,000 in cash and a laptop computer that, according to court papers, contained information about nuclear materials and cyanide." Sisayehiticha Dinssa, who will appear for a detention hearing Monday, "is charged with illegally concealing more than $10,000 in his luggage and with smuggling bulk cash into the USA. If convicted, Dinssa could be sentenced to five years in prison on each charge." ICE spokesman Greg Palmore said Thursday that agents had "no evidence to suggest Dinssa was involved in a terrorism plot," but added that they were seeking more information "to get clear about what this guy was up to." The AP (11/16) reported Dinssa, an unemployed US citizen from Dallas, "arrived in Detroit from Nigeria by way of Amsterdam and was headed for Phoenix," according to Assistant US Attorney Leonid Feller.

ABC News (11/17, Thomas, Ryan) reports, "Customs officers also discovered that Dinssa was in possession of a laptop computer for which he had no power source. During an initial look at the computer, 'Inspectors discovered some files that had been downloaded with information about cyanide and nuclear materials,' an affidavit from an ICE agent filed in the U.S. District Court in Detroit noted. … According to two senior U.S. government officials briefed on the matter, the files appear to be beyond what someone would normally download from the Internet. According to U.S. officials, Dinssa may have been researching the materials extensively. … Dinssa had claimed he was only carrying $18,000. It is undetermined if this is an alleged smuggling case or potentially something more sinister." ABC notes, "FBI agents and investigators from the U.S. Attorney's Office are expected to obtain a search warrant and examine the hard drive of the computer to determine the nature of the computer files. The Justice Department has asked that Dinssa be held in custody until he makes an appearance Monday in federal court for a detention hearing."

El-Masri To Be Granted US Visa, But May Still Be Denied Entry. The Washington Times/UPI (11/17, Waterman) reports, "A German Muslim whose detention and torture by the CIA prompted an apology from Secretary of State Condoleezza Rice will be granted a visa to come to the United States, although he might still be refused entry. 'Khaled el-Masri was found inadmissible to the United States on the basis of ... terrorist activities, and issued a visa on the basis of a waiver from the Department of Homeland Security,' a State Department official told United Press International. The official declined to comment further," as did DHS spokesman Russ Knocke. "Under US law, a visa does not give a foreigner the right to enter the United States -- something that is granted at the port of entry by inspectors working for the Department of Homeland Security."

Information-Sharing Plan To Help Local Governments Handle Terror Alerts. The Washington Post (11/17, A10, DeYoung, 690K) reports, "A new plan to improve information-sharing about terrorism, signed by President Bush this week and delivered to Congress yesterday, establishes a Washington-based 'threat assessment group' that includes federal, state and local officials. It also aims to reduce more than 100 restrictive and confusing categories of 'sensitive' federal information to a half-dozen or fewer so local-level officials can better understand what they are told." Thomas E. McNamara, whose office, under Director of National Intelligence John D. Negroponte, wrote the plan, "expects the new Interagency Threat Assessment Coordination Group, based at the National Counterterrorism Center and headed by the Department of Homeland Security, to be operating by year's end."

Report Urges US To Consider New Chemical Weapons Destruction Technologies. The AP (11/16) reports the National Research Council, in a study requested by the Army, said technologies "used to destroy chemical weapons in Europe and Japan are faster than one in the U.S. and should be considered." The council said the "foreign systems are as safe and sometimes more environmentally friendly that those in use here."

Palestinian Acquitted Of Terror Charge Stripped Of US Citizenship. The AP (11/17) reports, "A former University of Arkansas graduate student from the Middle East lost his U.S. citizenship Thursday and was sentenced to 15 months in federal prison. Arwah Jaber, who was born in the West Bank, was previously acquitted of an aiding-terrorism charge but convicted of lesser offenses, including obtaining his citizenship fraudulently. … Prosecutors said he planned to join Palestinian Islamic Jihad, labeled by U.S. authorities as a terrorist organization." The AP notes, "Jaber said at his trial that he did not cite his Palestinian name, Orwah Houshia, in immigration papers — though he applied for credit cards using that name — because he had used Arwah Jaber on all his immigration papers up until then."

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VaxGen Wins Anthrax Vaccine Testing Extension. The Washington Post (11/17, Merle, 690K) reports that the government has given more time to the California biotechnology firm VaxGen Inc. "to conduct human testing of its anthrax vaccine, postponing a decision on whether the program should be canceled." The FDA "threw the effort into doubt earlier this month after calling a halt to testing in response to questions about the drug's reliability. The decision put the company in potential violation of its contract with the Department of Health and Human Services, which required testing to begin Nov. 13." The Post adds, "VaxGen said HHS has decided to extend the company's deadline for resolving the issue until Dec. 18. At stake is a contract potentially worth $1 billion."

WAR NEWS:

Four Americans Kidnapped In Iraq. ABC World News (11/16, story 4, 1:30, Gibson, 8.78M) reported, "A senior military official has told ABC News of another mass kidnapping in that country, as another convoy of contractors was taken hostage today. It happened near the city of Nasiriyah. 19 trucks were captured. And there are many people missing, four of them believed to be Americans." ABC (Karl) added, "Defense officials tell ABC News, that coalition forces have mobilized to try to find those four missing Americans. This incident happened today…near the Kuwaiti border. It involved a Kuwait-based company called Crescent Security Group." The CBS Evening News (11/16, story 7, Couric, 7.66M) also reported "four Americans who work in Iraq for private companies are missing." NBC Nightly News (11/16, story 5, 0:25, Williams, 9.87M) said "Pentagon and military officials are telling NBC News as many as 14 people, including four American contractors, have been kidnapped."

The AP (11/17, Mroue) reports "an official familiar with the incident said preliminary reports being checked by the military indicated that the attack occurred at a checkpoint near Nasiriyah and that four Americans were believed to have been taken captive." The official, "who requested anonymity because of the security situation in Iraq," said "it appears that some of the convoy drivers had been released, and were being interviewed by the military. He said initial reports suggest that the attack occurred at a checkpoint in a location where normally there is no blockade."

Five More US Soldiers Killed. Meanwhile, the Los Angeles Times (11/17, Roug, 850K) reports, "Five more American soldiers have been killed in Iraq, the US military said, and gunmen, rockets and roadside bombs killed at least 17 Iraqis and wounded 25 others Thursday. … At least 2,864 U.S. troops have died in Iraq since the 2003 American-led invasion, according to icasualties.org."

Intelligence Officials Say Violence In Iraq Is Increasingly Complicated. The Washington Post (11/17, A19, Pincus, 690K) reports attacks "in Iraq reached a high of approximately 180 a day last month, reflecting an increasingly complicated conflict that includes sectarian clashes of Sunni and Shiite militias on top of continuing strikes by insurgents, criminal gangs and al-Qaeda terrorists, according to the directors of the CIA and the Defense Intelligence Agency." CIA Director Gen. Michael V. Hayden said, "No single narrative is sufficient to explain all the violence we see in Iraq today." The Post adds, "Attempting to describe the enemy, Lt. Gen. Michael D. Maples, the DIA director, listed 'Iraqi nationalists, ex-Baathists, former military, angry Sunni, Jihadists, foreign fighters and al-Qaeda,' who create an 'overlapping, complex and multi-polar Sunni insurgent and terrorist environment.' He added that 'Shia militias and Shia militants, some Kurdish pesh merga, and extensive criminal activity further contribute to violence, instability and insecurity.'" In "unusually harsh terms, the two intelligence directors spelled out how quickly the violence in Iraq has escalated this year, from about 70 attacks a day in January to about 100 a day in May and then to last month's figure."

Iraqi Government Issues Warrant For Prominent Sunni Cleric. The Los Angeles Times (11/17, Roug, Daragahi, 850K) reports, "Iraq's Shiite-led government issued an arrest warrant Thursday for the country's leading Sunni Arab cleric, accusing him of colluding with insurgents, a potentially explosive charge that could exacerbate tensions between the country's warring sectarian groups and further divide a fragile national government." The move against "Harith Dhari, the head of the Muslim Scholars Association, comes two days after an audacious daytime kidnapping in Baghdad ruptured the government of Prime Minister Nouri al-Maliki, setting Sunni politicians against Shiites." The Times adds, "Dhari has been a vocal, sometimes sarcastic, critic of the government, questioning the legitimacy of Saddam Hussein's criminal trials, and ridiculing the government's reconciliation efforts." The warrant "virtually is certain to rekindle threats of a boycott of the government by Sunni Arab politicians." The Washington Times (11/17, Mroue, 88K) notes Mohammed Bashar al-Faidi, spokesman for the Sunni Association of Muslim Scholars, "condemned the warrant for Mr. al-Dhari's arrest. 'This government should resign before the Iraqi people force it to resign,' Mr. al-Faidi said from Jordan. 'The association calls on its people to be calm.'"

The Washington Post (11/17, A16, Raghavan, 690K) reports "the move came as cracks emerged within Iraq's six-month-old unity government over the numbers of government employees taken in a mass kidnapping on Tuesday and whether some were tortured and killed."

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Administration To Request Up To $160 Billion For Iraq, Afghanistan Wars. USA Today (11/17, Wolf, 2.27M) reports the Bush Administration is "preparing its largest spending request yet for the wars in Iraq and Afghanistan, a proposal that could make the conflict the most expensive since World War II." The Pentagon is "considering $127 billion to $160 billion in requests from the armed services for the 2007 fiscal year, which began last month, several lawmakers and congressional staff members said. That's on top of $70 billion already approved for 2007." Since 2001, Congress "has approved $502 billion for the war on terror, roughly two-thirds for Iraq. The latest request, due to reach the incoming Democratic-controlled Congress next spring, would make the war on terror more expensive than the Vietnam War." The new request "being considered for the war on terror would be about one-fourth what the government spends annually on Social Security — and 10 times what it spends on its space program."

Democrats Raise Possibility Of Cutting Iraq Funds. Rep. Jim Moran said on PBS' NewsHour (11/16, Warner), "The irony is that now Jack Murtha is chairman of the Defense Appropriations Committee. That is the one committee that can at least change the course in Iraq. … So the irony here is that Jack is in an even more pivotal position to achieve his objective vis-a-vis Iraq."

Rep. Dennis Kucinich said on Fox News' Your World (11/16, Cavuto), "I have to talk to a lot of my Democratic colleagues to convince them that the wisest course is to stop the funding. It's inevitable that we're going to get out of Iraq. I mean, we're going to leave. Sooner or later, the funds are going to be cut off. So why don't we do it now? Why don't we do it now before more deaths, before we waste the taxpayers' dollars? … There will be enough money to bring the troops home. … The American people asked for a new direction. And part of that new direction should be out."

Kennedy Calls For National Intelligence Estimate On Iraq. Sen. Ted Kennedy said on MSNBC (11/16, O'Donnell), "Gen. Abizaid indicated to the Armed Services Committee that the conditions with regard to sectarian violence were getting much better over in Baghdad and generally in Iraq. Then, in the afternoon, we had Gen. Maples, who represents the Defense Intelligence Agency, who said there is continued deterioration, the rise of sectarian violence. So we have a division with their presentation to the Armed Services Committee. What is necessary is for the intelligence agencies to get together with a National Intelligence Estimate. … That has not been done in two years. It's basically inexcusable that it hasn't been done."

No Agreement On Turning Over Security To Iraq. The Christian Science Monitor (11/17, Grier, 59K) reports "there is near agreement" in Congress "on at least one aspect of Iraq policy: the Iraqis themselves need to shoulder more of the burden of stabilizing their country. But this consensus breaks down over the obvious follow-up question. How?" Many Democrats, "newly emboldened by their election victories, favor an approach that might be labeled 'tough love.' It goes something like this: If the US plans a phased pullout of troops within four to six months, the Iraqi government will face up to what has to be done." But the White House – "and the top generals of the US military - favor a strategy that they consider more nurturing. The US needs to intensify efforts to train the Iraqi armed forces to fight for themselves, according to Gen. John Abizaid, US commander in the Middle East. A scheduled US pullout might simply cause Iraq's sectarian factions to prepare for chaos to come." The "gap between these approaches suggests that despite the recent shift in US politics, in Washington there are heated debates over Iraq yet to come."

House Republican Whip Roy Blunt said on MSNBC's Hardball (11/16, Matthews), "I think we are interested in what happens now with the new secretary of defense. I think many of our members, including me, think that if that decision would have been made earlier, it would have given our members a little more ability out there to talk about the fact that everything is under review. We have got to constantly be looking at the goals we set, whether we're meeting them or not, if they're still achievable, and what the Iraqis are doing to do their part."

Military Experts Said To Oppose McCain Plan To Boost Troop Levels. The Washington Post (11/17, A17, White, 690K) reports the "debate about how to proceed in Iraq, which in the past few months has focused on withdrawing U.S. troops, now includes serious discussion about adding more forces to the fight." Sen. John McCain (R-Ariz.) "repeatedly suggested this week that the United States needs thousands more troops in Iraq, and members of the bipartisan Iraq Study Group have discussed similar ideas as they prepare a much-anticipated policy recommendation. Members of Congress raised the concept on Wednesday in hearings with the region's top U.S. military commander." In a speech "last night to Republicans, McCain, who is considering a presidential bid in 2008, reiterated his desire for more troops to solve a 'dire' situation." But military officials "and defense experts, however, said yesterday that significantly escalating the number of U.S. combat troops in Iraq is largely implausible because it would severely strain the military, would be unsustainable for more than a few months and would offer no discernable long-term benefit." Military officials "and experts said yesterday that they think such a plan could work only temporarily because the Army and Marine Corps are stretched thin by ongoing conflicts. They said a large number of troops sent into Iraq would be hard to

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sustain over time without dipping significantly into the National Guard and reserves."

Deployments, Lack Of Funding Said To Be Wearing Down Armed Forces. In a McClatchy op-ed (11/17), Joseph Galloway says, "It's past time to start repairing the damage the Bush administration's way of war has done to our Army and our Marine Corps." Doing so "will take many years and many billions of dollars." The Army, "and its National Guard and Reserve, have been worn down - some would say worn out - by the endless deployments of troops on one-year combat tours to Iraq and Afghanistan. Many professional soldiers and their families are now enduring their second or third trips to Iraq, certain that a fourth or fifth awaits them if they continue to serve." Their equipment, "from Abrams tanks to Bradley fighting vehicles to Stryker armored cars to Humvees and helicopters, is wearing out even faster than the soldiers are. The money to repair and rebuild those vehicles - Army Chief Gen. Peter J. Schoomaker says he needs $17 billion for that right now - hasn't been forthcoming from this administration and the outgoing Congress." Army officials "say they're a total of some $25 billion short of what they need to sustain the current levels of operations."

"Coalition Of The Willing" Continues To Shrink. The Washington Times (11/17, Sands, 88K) reports Iraq's "coalition of the willing is becoming an increasingly exclusive club." The "coalition of foreign countries willing to deploy their forces in Iraq has shrunk steadily -- and soon could shrink even more. Twenty-three countries remain in the U.S.-led coalition and the United Nations' mission serving in and around Iraq, down from a high of 42 that joined the United States in the invasion or the postwar occupation of Iraq. More than half of those contributors have fewer than 150 troops, engineers or military trainers in the Iraq theater." Like President Bush, "many leaders of the contributing countries are resisting intense domestic political pressures to bring the troops home, especially as the casualty levels rise and the problems of the embattled Iraqi government mount."

Baker Thought To Be Seeking Political Consensus On Iraq Alternatives. McClatchy (11/17, Strobel) reports when James Baker "became President George H.W. Bush's secretary of state in 1989, one of the first things he did was cut a bipartisan deal to end years of poisonous wrangling over U.S. policy in Central America - an issue as divisive then as Iraq is today." Now, Baker "faces a similar - but tougher - challenge as he and retired congressman Lee Hamilton co-chair a committee that's increasingly seen as the last, best hope for finding a respectable exit from Iraq." Baker is "proceeding much as he did when he negotiated over Nicaragua and El Salvador in the '80s, according to individuals close to him and the panel, known as the Iraq Study Group." Baker saw the "disputes over Central America policy as 'first and foremost a domestic political issue,' he wrote in his 1995 memoir, 'The Politics of Diplomacy.' If the politics couldn't be defused, 'any hopes for a diplomatic solution, much less achieving a bipartisan foreign policy, were doomed.'" McClatchy adds the ISG is "widely portrayed as seeking new solutions to halt Iraq's slide into civil war and extricate the 141,000 U.S. troops there." But there "may not be any good solutions, and Baker's real goal is to forge a bipartisan consensus at all costs, the people close to him and the group say."

Few Alternatives Seen In Iraq Policy. The AP (11/17, Flaherty) reports that as President Bush, Congress and the ISG "seek new approaches for the unpopular war, warnings from the top American commander in the Middle East make clear there is no simple answer." At the "end of the day, military deployments will be up to President Bush, who has staunchly defended his handling of the war." Bush said he "is open to fresh approaches. With pressure on him to find a different path, the only thing most experts agree on is that each idea presents considerable risk." The problem, Abizaid "conceded, is the Baghdad government, which he said is only beginning to understand that it must support the Iraqi Army and not the Shiite militias engaged in near civil war against Sunni fighters." Abizaid told the House Armed Services Committee "about putting his faith in the Iraqi government and its forces, 'Well, maybe it's a dumb bet. But I don't think so.'" The AP adds, "If that seemed a halfhearted endorsement of his own strategy, his description of other alternatives was even more glum." Abizaid "swatted down a suggestion being pushed by many congressional Democrats, including Sen. Carl Levin, D-Mich., to begin decreasing U.S. troop levels because it could cause instability. Democrats are expected to support that plan when they take over control of Congress next year." Abizaid also "said a proposal by Sens. John McCain, R-Ariz., and Lindsey Graham, R-S.C., to bolster the 141,000 U.S. troops already there could not be sustained because the American military is stretched too thin already. He said troop increases would also erode the effort to force Iraqis to take on more responsibility."

Lack Of Iraqi National Consciousness Said To Be Root Of Failed Maliki Government. In his Washington Post column (11/17, A25), Charles Krauthammer says, "Iraq's first truly democratic government turned out to be hopelessly feeble and fractured, little more than a collection of ministries handed over to various parties, militias and strongmen. The problem is not, as we endlessly argue about, the number of American troops. Or of Iraqi troops. The problem is the allegiance of the Iraqi troops. Some serve the abstraction called Iraq. But many swear fealty to political parties, religious sects or militia leaders." At this "earliest stage of democratic development, Iraqi national consciousness is as yet too weak and the culture of compromise too undeveloped to produce an effective government enjoying broad allegiance." The Maliki government "is a failure. It is

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beholden to a coalition dominated by two Shiite religious parties, each armed and ambitious, at odds with each other and with the ultimate aim of a stable, modern, democratic regime. Is this America's fault? No. It is a result of Iraq's first democratic election." It was "never certain whether the long-oppressed Shiites would have enough sense of nation and sense of compromise to govern rather than rule. The answer is now clear: United in a dominating coalition, they do not."

Rumsfeld Tells American Spectator Dinner US Should Not Abandon Iraq. The Washington Times' "Inside the Beltway" column (11/17, McCaslin) reports, "The American Spectator's 2006 Robert L. Bartley dinner on Wednesday was 'off-the-record,' but we can tell you that outgoing Defense Secretary Donald H. Rumsfeld's keynote address made clear that the United States should not abandon Iraq anytime soon. Subsequent remarks from Massachusetts Gov. Mitt Romney, which were filled with praise for Mr. Rumsfeld and the U.S. military (several injured Iraq war veterans were in the packed audience at the Mandarin Oriental hotel), echoed the secretary's sentiments."

Aides Likely To Follow Rumsfeld's Departure From Pentagon. The Washington Post (11/17, A23, Kamen, 690K) reports in its "In the Loop" column that Defense Secretary Donald Rumsfeld's "firing is sure to spark the departure of many of his top aides. One assistant secretary, Peter Rodman, has already moved back to the Brookings Institution -- but that was long planned, we're told." Several others "are on the endangered species list. Stephen Cambone, the undersecretary for intelligence, is surely gone. His deputy, Lt. Gen. Gerald Boykin-- famed for his memorable remark that 'my God was bigger than his' and other sage observations -- won't be far behind." Others on "the various DOD departure lists include acquisitions chief Kenneth Krieg; comptroller Tina Jonas; assistant secretary Thomas W. O'Connell, who runs Special Operations and Low-Intensity Conflict; and top Rumsfeld aide Robert Rangel, though Rangel is highly regarded in the building and among some House folks." Reporters will "be watching to see if spokesman Dorrance Smith, who just beefed up his public affairs staff with a 'rapid response' team to correct media lies, mischaracterizations and inaccuracies, hangs on."

Rumsfeld Website's Math Criticized. The Washington Post (11/17, A23, Kamen, 690K) also reports in its "In the Loop" column, "Seemed Defense Secretary Donald Rumsfeld had barely left his Oval Office firing ceremony when the Pentagon Web site popped up with a new feature titled 'Six Years of Accomplishments' with Rummy. First and foremost were his accomplishments in the 'war on terror,' where overall, military efforts 'liberated 50 million people in Afghanistan and Iraq.' More specifically, they've 'liberated 31 million Afghans from Taliban control and destroyed Al-Qaeda sanctuary.' And they've 'liberated 27 million Iraqis from a brutal dictatorship and turned over sovereignty of the country to an Iraqi government.'" The Post adds, "Math, apparently, is not a strong point. Somewhere it seems they lost -- or gained -- 8 million people."

About 2,200 Marines Heading To Anbar Province. The AP (11/17, Burns) reports that roughly 2,200 Marines are heading "from their ships in the Persian Gulf to an undisclosed location in Iraq's western Anbar province to help shore up US combat power in an area riddled with insurgent violence." The move is an indication "of the severity of the conflict in Anbar. The insurgency is entrenched and well-organized in a province where US soldiers and Marines are being killed almost daily." The AP adds, "The move was disclosed on Wednesday by Gen. John Abizaid during testimony to the Senate Armed Services Committee." Abizaid "approved the deployment 'to help address' concerns expressed by Maj. Gen. Richard Zilmer, who commands all US forces in Anbar."

Contractor Employees Claim Boss Shot At Iraqi Civilians. The New York Times (11/17, Chivers, 1.16M) reports that two former employees of the American private military contracting company Triple Canopy "have claimed in a Virginia court that they witnessed their supervisor deliberately shoot at Iraqi vehicles and civilians this summer, and that the company fired them for reporting the incidents." They say the company "retaliated against the men for reporting that the supervisor had committed violent felonies, and perhaps murder, on the job." The lawsuit also claims the men have been blacklisted in "the private military contracting industry, rendering them unemployable in the lucrative trade of providing private security in Iraq." The suit was filed in late July, and on Thursday, "the court set a trial date for next summer."

The Washington Post (11/17, A20, Jackman, 690K) says, "Triple Canopy was the ninth-largest contractor for the US State Department in fiscal 2005, with payments totaling more than $90 million, government records show. Former Army Ranger Shane Schmidt, former Marine Charles L. Sheppard III and their shift leader "were all working on an assignment for KBR when the shootings occurred near Baghdad on July 8, alleges the suit, filed in Fairfax County Circuit Court." The lawsuit "alleges wrongful termination and wrongful interference with their professional future."

Sunnis Seek Refuge In Fallujah. The AP (11/17, Hurst) reports that while security is tight and Fallujah "has become a refuge from the death squads and mortar battles in Baghdad," US Marines say about 150 Iraqis flee here each week from the capital, 40 miles to the east." Fallujah's population is "overwhelmingly Sunni Arab," and as a result,

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Fallujah "has not experienced the raging sectarian warfare that has the capital teetering on the brink of civil war." The migration is "part of a larger exodus out of Baghdad, where entire neighborhoods have been uprooted."

Administration Downplays Usefulness Of Iran, Syria Talks. The Wall Street Journal (11/17, Harwood, 2.04M) reports in its "Washington Wire" that the Administration "downplays usefulness of talking to Iran and Syria about Iraq. Although Baker-Hamilton group, top Democrats and Britain's Blair recommend talks, Secretary of State Rice insists Iran or Syria would demand concessions and couldn't cure Iraq's rising sectarian violence."

Soldier Sentenced To 90 Years For Rape, Murder Of Iraqi Girl. The Washington Post (11/17, A18, White, 690K) reports, "An Army specialist who admitted that he and a group of other U.S. soldiers raped a 14-year-old girl and killed her and her family in an Iraqi village was sentenced to 90 years in prison yesterday, by far the longest sentence for a U.S. soldier in connection with the death of an Iraqi civilian since the war began in 2003." Spec. James P. Barker, 23, "could be eligible for parole in 20 years, as part of a plea agreement with prosecutors that spares him the possibility of a death sentence. Barker has indicated he will testify against other soldiers in the case, some of whom face the death penalty."

US Airstrikes In Afghanistan Increase. The New York Times (11/17, Cloud, 1.16M) reports that the Air Force has conducted "over 2,000 air strikes in Afghanistan over the past six months, a sharp increase in bombing that reflects the growing demand for American air cover since NATO has assumed a larger ground combat role, Air Force officials said." The "intensifying campaign has focused on southern Afghanistan, where NATO units, primarily from Britain, Canada and the Netherlands, as well as American Special Forces have been engaging in the heaviest and most frequent ground combat with Taliban rebels since the invasion five years ago." The NATO forces are "mostly operating without heavy armor or artillery support, and as Taliban resistance has continued, more air support has been used to compensate for the lightness of the units."

Army Retooling To Fight Insurgencies. McClatchy (11/17, Brown) reports the United States Army Combined Arms Center "has retooled the Army's leadership and training programs to focus on what motivates insurgents, the strategies and tactics they use and the cultures in which they operate." The shift "away from major combat operations to irregular warfare is one of the most significant changes in doctrine and training the Army has undertaken since World War II." Irregular "war and stability operations were considered lesser tasks that required little preparation or practice. Large-scale war remained the Army's focus even after the invasion of Iraq in 2003. Since then, however, that focus has changed as it's become clear that Iraq and Afghanistan are part of a long guerrilla struggle that could last decades."

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Gonzales To Address Air Force Academy Saturday. The Rocky Mountain News (11/16) reports, "U.S. Attorney General Alberto Gonzales will speak to about 700 cadets at the Air Force Academy on Saturday. … His talk will include upholding civil liberties and the war on terrorism."

CORPORATE SCANDALS:

DOJ To Ease Thompson Memo Rules On Corporate Fraud. Bloomberg (11/17, Schmidt) reports, "The U.S. Justice Department plans to make it harder for prosecutors to force companies to waive their legal rights in plea negotiations to avoid indictment, people familiar with the plan said." Bloomberg continues, "The proposed changes address concerns that companies are being asked unfairly to reveal confidential talks with their lawyers and cut off legal support for employees under investigation, the people said. Businesses, lawmakers and federal judges have complained that the department rules adopted in the wake of corporate accounting scandals in 2001 and 2002 erode the rights of companies and employees. … 'This is a policy issue that needs to be addressed and there has been a lot of criticism from a lot of different directions,' said former Justice Department official George Terwilliger, a partner at the White & Case law firm in Washington. 'There is also a recognition that we need to be careful how we tinker with the engine of commerce.'" Bloomberg adds, "Deputy Attorney General Paul McNulty is likely to announce the revised policy in a speech early next month, the people said. They stressed that the changes won't be dramatic and are still being debated within the department. … McNulty, who also heads President George W. Bush's corporate fraud task force, hasn't signed off on the proposed changes, the people said. He was traveling and unavailable for comment. … 'We want to get it right,' McNulty told a Senate Judiciary Committee hearing in September. 'We don't want to do something that is inappropriate or unreasonable.' … Brian Roehrkasse, a Justice Department spokesman, said the rules are under review and any changes would be in accord with 'safeguarding the integrity of our financial institutions' and 'the public interest.' … The policy in question -- originally outlined in a 2003 memo by then-Deputy Attorney General Larry

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Thompson -- offers leniency to companies that cooperate with prosecutors. It suggests that companies can benefit by waiving attorney-client privilege and by not paying the legal bills of 'culpable employees.'"

Lay's Death Prompts Senate Bill To End Practice Of Vacating Convictions. The Wall Street Journal (11/17, Burns) reports, "The death of former Enron Corp. chief executive Kenneth Lay prompted Senate lawmakers to introduce legislation Thursday that would end the practice of dismissing convictions of defendants who die before an appeal is final. The bill by Senate Judiciary Committee members Dianne Feinstein, a Democrat from California, and Jeff Sessions, a Republican from Alabama, was written with help from the Justice Department, which had sought changes after Mr. Lay's death on July 5. Mr. Lay died just weeks after being convicted on criminal charges including securities and bank fraud; a federal district court judge in Houston dismissed the convictions in October. Under current U.S. law, criminal convictions are tossed out when defendants such as Mr. Lay die before they exhaust their right to an appeal." Sessions "noted that Mr. Lay's trial took months and cost taxpayers millions. In such cases, he said 'it is wrong to force the victims or the government to start over from scratch.'" The two senators "said the Justice Department supports the 'principles' contained in the bill. … As written, the bill would end the practice of vacating convictions in such cases and establish new procedures that would allow some cases to continue."

The Houston Chronicle (11/17) reports, "In the wake of a federal judge's decision vacating the late Ken Lay's fraud and conspiracy convictions, two senators introduced a bill today to allow victims to seek restitution when a defendant convicted of a crime dies before his appeals have been completed. … The same day the Justice Department filed notice it will appeal U.S. District Judge Sim Lake's decision to clear Lay's name 'in light of pending legislation.'" The Chronicle continues, "Last month, Lake wiped out the one-time Enron Corp. chairman's convictions because Lay died before the appeals process had been completed. … In reaching that decision, Lake was following a precedent set in the New Orleans-based 5th U.S. Circuit Court of Appeals — the same court that will hear the government's challenge." The Chronicle adds, "The 5th Circuit is unlikely to side with the Justice Department because that court set the precedent Lake followed, said Brian Wice, a Houston attorney who specializes in appeals issues. But the government needs to appeal to that court before it can appeal to the U.S. Supreme Court, he said. … Earlier this month, a three-judge 5th Circuit panel already refused to order Lake to reverse his decision. The panel reiterated Lake's position that legal precedent says that 'when a defendant who has been found guilty of a federal crime dies before exhaustion of his appeal, his prosecution must be abated, his conviction vacated and his indictment dismissed.' … The ruling responded to an appeal of Lake's decision by an Enron shareholder."

The AP (11/17, Ben Evans) reports, "Republican Sen. Jeff Sessions is joining a California Democrat to try to scrap the legal precedent that allowed Enron founder Kenneth Lay's fraud conviction to be cleared from his record after he died in July." The AP continues, "The clearing of Lay's record has hurt prosecutors' efforts to extract $43.5 million in restitution from Lay's estate. Sessions' legislation is an attempt to address that. … Working with the Justice Department, which asked for similar legislation shortly after Lay died, Sessions of Mobile joined Democrat Dianne Feinstein of California to introduce a bill this week that would keep federal convictions in force when a defendant dies, while allowing victims to continue seeking restitution." The Chronicle adds, "Courts traditionally have interpreted the law differently, erasing the convictions of defendants who die before having the chance to appeal. … The bill would make the changes retroactive to July 1 so that they would apply in the Lay case. … 'When a criminal conviction involves financial restitution to the victims of the crime, or when the conviction could be used in a later civil lawsuit, those effects of the conviction should not be erased by the death of the defendant,' Sessions, a former U.S. attorney, said in a release. 'It is wrong to force the victims or the government to start over from scratch.'"

Skilling Settles Enron Employees' Pension Dispute. The Houston Chronicle (11/17) reports, "Former Enron CEO Jeff Skilling has settled the last dispute in litigation by former Enron employees seeking to recover at least some of their pensions that disappeared when the company crashed." The Chronicle continues, "The ex-CEO, who is slated to begin serving more than 24 years in prison next month, has withdrawn his opposition to an $85 million settlement that plaintiffs reached with former company directors and other executives two years ago. … In exchange, plaintiffs resolved claims against Skilling — the last named defendant who hadn't settled — effectively bringing the litigation to a close. … 'Yes, it's over. Our clients are thrilled,' said Lynn Sarko, an attorney who represents ex-Enron employees, today. 'While they are grateful that some of their retirement money was recovered, it will never make up for the destruction of their retirement nest egg.'" The Chronicle adds, "The lawsuit, which recovered about $265 million in settlements — including the $85 million held up by a Skilling appeal — was filed on behalf of more than 20,000 employees after Enron went bankrupt in December 2001. The Labor Department later filed similar litigation, which was folded into the main lawsuit. … The $85 million settlement is derived from insurance money that covered Enron directors and other executives who served on the company's administrative

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committee. They, as well as Skilling, were named as defendants in the litigation."

Study Examines Stock Options Manipulation. The New York Times (11/17, Dash) reports, "Abuses of stock option grants are perceived to have spread like a virus among high-technology companies. But a new study suggests that hundreds of old-economy companies may also have caught the backdating bug." The Times continues, "In a paper to be released today, researchers estimate that 590 nontechnology companies appear to have manipulated options so their chief executives received them at the lowest price of the month. That compares with 130 technology companies that appear to have backdated their chief executives' options to a monthly low during a 10-year period to the end of 2005." The Times adds, "Traditional manufacturing and service firms make up the bulk of publicly traded companies, so it comes as no surprise that the sheer number of manipulated grants outside the technology sector is larger. … Yet old-economy companies also appear to have made improper grants somewhat less frequently than their new-economy peers, making patterns more difficult to find. That combination, the researchers suggest, has allowed old-line companies to escape much of the scrutiny." The Times notes, "The study is the latest in a series of papers by academic and governance research groups that attempt to measure the extent of the backdating scandal and to explain how it spread. More than 120 companies are under investigation by the Securities and Exchange Commission. The Justice Department and Internal Revenue Service are conducting separate reviews. More than 50 executives and directors have been forced out or fired as a result."

The Wall Street Journal (11/17, A2, Hechinger) reports, "About 850 U.S. chief executives received backdated or otherwise manipulated stock option grants that boosted their annual pay, on average, by at least 10%, according to a new study." The Journal continues, "The study, released yesterday by professors at Harvard and Cornell universities and the French business school Insead, bolsters the view of federal prosecutors who have viewed stock-option backdating as means to steal money from shareholders. Defenders of the companies who engaged in the practice have said that backdating often involved minor sums and was merely an alternative way of providing market-based pay." The Journal adds, "More than 130 companies are under federal investigation in the stock option timing scandal, which has claimed the jobs of more than 50 executives and directors. Five former executives face criminal charges."

The Financial Times (11/17, Guerrera, Masters) reports, "The research by three academics is the first to suggest a link between lax internal controls and stock options backdating. The scandal has so far engulfed more than 130 US companies in internal and regulatory probes but the study suggests that number could climb to 720. … The research also found that, contrary to a widespread perception, 'old economy' companies used the practice almost as much as rivals in 'new economy' sectors – a feature underlined by one of the most recent casualties of the scandal, Bruce Karatz, the ousted chief executive of the housebuilder KB Home. … The results of the study, which looked at options granted by 8,000 companies between 1996 and 2005, will undermine claims by some companies and lawyers that backdating was a widespread and legitimate way of rewarding chief executives."

Comverse CEO Tries To Put Down Roots In Namibia While Fighting Extradition To US. The Wall Street Journal (11/17, A1, Stecklow) reports from Windhoek, Namibia, "Wolfgang Balzer, general manager of the Hotel Thule, now realizes there was something unusual about the Israeli family who checked in this summer for a month, identifying themselves as the Jacobs. … Saying they were planning on settling here, they didn't use credit cards and paid their bill in advance. The husband, who usually kept to himself, became extremely agitated when CNN wasn't available for a few days on their television. … 'I personally thought he was a lawyer or something and he was going to work here,' the hotel manager says. He learned otherwise in late September." The Journal continues, "That's when it emerged that the husband was Jacob 'Kobi' Alexander, a fugitive wanted in the U.S. on fraud charges related to stock-options backdating. The former chief executive of Comverse Technology Inc., a New York software company, had skipped out on the chance to begin talks with U.S. prosecutors that his own New York lawyers had initiated, according to a person familiar with the discussions. … He was arrested at U.S. prosecutors' request on Sept. 27 during lunch with his wife at a country club, even though Namibia has no extradition treaty with the U.S. A Namibian bank regulator had noticed large transfers to Mr. Alexander's local account and tipped off U.S. authorities. Mr. Alexander already had received a two-year work permit under his own name, even though he used an alias at the hotel. The Namibian government asked him to invest $43 million to help qualify for permanent residency." The Journal notes, "Life on the lam has been full of bizarre twists for Mr. Alexander, a 54-year-old Israeli citizen and wealthy ex-CEO who abandoned his family's life in Manhattan for this remote, arid spot in southern Africa. … He was released from jail six days after his arrest on $1.4 million bail, a record amount in this country. Now he continues to live here, out in the open, sometimes buying ice cream in a local mall for his three children. If extradited and convicted in the U.S., he faces up to 25 years in prison. While his team of local lawyers has been fighting extradition, he appears to be trying to settle in Namibia for the long haul."

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Judge Bans Former Adelphia Official From Company For Life. The Wall Street Journal/AP (11/17, A17) reports, "A federal judge barred a former Adelphia Communications Corp. executive from ever serving again as an officer or director of a publicly traded company." The AP continues, "Ruling in a case brought by the Securities and Exchange Commission, the judge said former Adelphia vice president Michael C. Mulcahey had helped the former cable-television giant's founding family engage in a fraud that contributed to the company's 2002 collapse. … Mr. Mulcahey was acquitted of criminal fraud charges in 2004, but the SEC sought regulatory sanctions for his conduct." The AP adds, 'U.S. District Judge Kevin Castel conducted a trial in July and ruled yesterday that although Mr. Mulcahey wasn't an 'architect' of fraud at Adelphia he had 'egregiously' violated 'numerous securities laws.' … The judge also ruled, however, that Mr. Mulcahey hadn't been personally enriched by fraud at the company. He declined to order any fines against Mr. Mulcahey, who made $140,000 in his best year with Adelphia, but banned him from receiving 'anything of value' in the future from the family of the company's founder, John Rigas, who was convicted along with a son on fraud charges."

Hewlett-Packard Profits Surge Amid Unfolding Scandal. The New York Times (11/17, Darlin) reports, "In a period punctuated by distracting revelations of company spying, Hewlett-Packard nevertheless sharply increased its revenue and made more profit from the revenue." The Times continues, "Net income for its fourth quarter, which ended Oct. 31, rose to $1.7 billion, or 60 cents a share, from $416 million, or 14 cents a share, a year ago, which included $1.57 billion in restructuring charges. After adjusting for the manner in which the charges are accounted for, net income increased 27 percent. Revenue increased 7 percent, to $24.6 billion." The Times adds, "With $91.7 billion in revenue for the year, a 6 percent increase over 2005, the company overtook I.B.M. as the world's largest technology company. (The consensus of analysts puts I.B.M.'s 2006 revenue at $90.72 billion.) H.P. has also overtaken Dell as the world's largest PC vendor mostly because sales of its notebook computers grew 24 percent. … 'We certainly aren't taking any victory laps, but we are pleased with the progress,' the chairman and chief executive, Mark V. Hurd, said." The Times notes, "The company's top executives were distracted through much of the quarter by revelations of spying operations conducted against several directors and journalists. The imbroglio led to the resignation of Patricia C. Dunn, the company's chairwoman, who this week pleaded not guilty to four felony charges. A former company lawyer and its director of ethics, Kevin Hunsaker, also faces charges. He has pleaded not guilty. Three contractors were also charged and have also pleaded not guilty. … The fallout from the affair has not ended. The company disclosed that the Securities and Exchange Commission has opened an investigation of the handling of disclosures of board information. It also said the Federal Communications Commission has requested information on the company's spying, which included using false pretenses to obtain private phone records. The California attorney general is expected to sue Hewlett-Packard in civil court. In addition, the United States attorney in Northern California continues his investigation."

CRIMINAL LAW:

US, Canada Agree To Share Forensics Data. The AP (11/17) reports, "U.S. and Canadian law enforcement officials agreed Thursday to begin sharing forensics data from crimes scenes in both countries." The AP continues, "A memorandum of understanding signed by Attorney General Alberto Gonzales and Canadian Minister of Public Safety Stockwell Day marks the first in which the United States has agreed to immediate sharing of crime-scene information with a foreign government. … 'And while terrorism is a primary concern for all of us, it is not our only job,' Gonzales said. 'Criminals are constantly searching for new ways to prey upon our communities. To stop them, we must maintain the same vigilance we show against terrorists.'" The AP adds, "Before Thursday's action, the two countries exchanged only a limited amount of ballistics information. … Under the agreement, each country will be able to view real-time forensics data, allowing bullets and firearms to be linked across crime scenes in both countries, said Michael Sullivan, acting director of the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives. … Canada has strict laws governing handgun sales, with the result that the majority of handguns used to commit crimes in Canada are purchased in the United States, Sullivan said." The AP notes, "The signing took place as part of the ninth annual United States-Canada Cross-Border Crime Forum, which is held at the historic Biltmore Estate in western North Carolina. The two-day meeting brought together hundreds of law-enforcement officers from the two countries."

The Asheville (NC) Citizen-Times (11/17, Barrett) reports, "U.S. Attorney General Alberto Gonzales, Secretary of Homeland Security Michael Chertoff and other government officials from the United States and Canada are on the Biltmore Estate today for a meeting on fighting crime along the two countries' border." The Citizen-Times continues, "Canadian Minister of Justice Vic Toews and Stockwell Day, Canada's minister of public safety and emergency preparedness are also scheduled to attend. … Approximately 130 people are attending the forum, including Canadian and U.S. officials and the U.S. Attorneys General from all the

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border states with Canada." The Citizen-Times adds, "Biltmore Estate spokesperson Elizabeth Sims said a past visit to the estate by Gonzales' wife inspired forum organizers to choose Biltmore for their meeting. … 'Mrs. Gonzales visited the property a couple of years ago and stayed at the inn and she just really liked the Biltmore Estate,' Sims said. 'So when they began looking for a location for this meeting, they thought we were a great place.'"

The Canadian Press (11/17) reports, "Canada and the United States signed a deal yesterday to share more information quickly on guns, bullets and cartridges related to crime scenes. … The agreement will enable police on both sides of the border to compare evidence electronically and instantaneously instead of exchanging it manually on a case-by-case basis." CP adds, "U.S. Attorney General Alberto Gonzales also emphasized co-operative steps to combat the illegal flow of U.S. firearms north of the border, including a focus on the rise of gun-related violence in the Toronto area. … Canada has long complained about the weapons, particularly handguns, smuggled in from the United States."

WLOS- TV (11/16, 11:00 p.m.) Greenville, Spartanburg, Asheville, broadcasted, "33 top Bush Administration officials come to Asheville to discuss border security and fighting crime with their Canadian counterparts. US Attorney General Alberto Gonzales and Homeland Security Chief Michael Chertoff hosted the gathering at the Biltmore Estate. More than 100 law enforcement officials watched as the two sides signed an agreement to share firearms information. Gonzales said, "It will improve our ability to identify crime scene evidence and will advance joint efforts to fight gun crimes." WSPA- TV and WYFF- TV also ran this story in the same cities.

Abramoff Reportedly Fingers Reid, Other Democratic Senators. ABC News' "The Blotter" blog (11/15, Ross, Schwartz) reported, "As convicted lobbyist Jack Abramoff reported to federal prison today, a source close to the investigation surrounding his activities told ABC News that Sen. Harry Reid (D-Nev.) was one of the members of Congress Abramoff had allegedly implicated in his cooperation with federal prosecutors." A spokesperson for Reid "said the senator had done nothing illegal or unethical." Reid spokesman Jim Manley said, "We have no idea what Abramoff is telling prosecutors to save his skin, but I do know that these kind of old allegations are completely ridiculous and untrue." ABC adds, "A source close to the investigation says Abramoff told prosecutors that more than $30,000 in campaign contributions to Reid from Abramoff's clients 'were no accident and were in fact requested by Reid.'" Abramoff has "reportedly claimed the Nevada senator agreed to help him on matters related to Indian gambling." Sources "close to the federal investigation say Abramoff has offered testimony about his contacts with 'six to eight seriously corrupt Democratic senators' and an ever larger number of Republican members of Congress." In addition to Reid, "the sources say Abramoff has been most closely questioned about his contacts with Sen. Conrad Burns (R-Mont.), who was defeated in last week's election."

Texas Appeals Court Rules Bush Overstepped Authority In Medellin Case. The AP (11/17, Graczyk) reports from Houston, "A state appeals court chastised President Bush for intervening in the case of a condemned killer born in Mexico, one of several dozen cases in which Bush ordered new hearings amid international complaints." The AP continues, "The Texas Court of Criminal Appeals on Wednesday rejected the argument from Jose Ernesto Medellin that he was denied legal help he should have received under international treaties. … Medellin, who spent most of his life in Texas, was sentenced in 1994 to die for the rapes and killings of two teenage girls. .. . 'We hold that the President has exceeded his constitutional authority by intruding into the independent powers of the judiciary,' the court said in a 64-page ruling." The AP adds, "Justice Department spokesman Brian Roehrkasse said the department was reviewing the ruling and considering its options. … Medellin was supported in his appeal by dozens of countries, legal groups and human rights organizations, as well as former American diplomats and the European Union. Much of the international community is opposed to capital punishment and the execution of Mexican nationals in Texas, the nation's most active death penalty state, is a particularly touchy point." The AP notes, "At issue overall was how much weight U.S. courts should give to decisions of the International Court of Justice in The Hague, which ruled the convictions of Medellin and 50 other Mexican-born prisoners violated the 1963 Vienna Convention. The pact requires consular access for Americans detained abroad and foreigners arrested in the United States. … In February 2005, Bush unexpectedly ordered new state court hearings for all 51 prisoners. The Texas court said Wednesday neither the Constitution nor any act of Congress gives the president the power to issue such an order. … The decision means Medellin, 31, is not entitled to additional review of his international rights claim."

Judge Stays Ohio Death Sentence. WBNS-TV, CBS 10, Columbus, OH (11/17, Seavert, Moore) reports, "A jury found Daryl Lawrence guilty of murdering a Columbus police officer. … But Thursday, a judge put Lawrence's death sentence on hold, taking the convicted killer off Ohio's Death Row for now." WBNS-TV continues, "Lawrence shot Officer Brian Hurst during a bank robbery committed January 6, 2005. That conviction stands. The dispute is over the jury's sentence recommendations on two separate murder counts.

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… One called for giving Lawrence the death penalty. The other recommends a life sentence. … Lawrence's lawyers argued the decision was inconsistent. On Thursday, a federal judge announced he agreed." WBNS-TV adds, "Federal judge Gregory Frost issued a written decision reading the jury's sentencing on Lawrence's murder verdicts were inconsistent -- giving life on one charge and then death on another. The judge wrote: 'The court has no choice but to set aside the death sentence and order a new sentencing hearing.' … The judge added, 'The discrepencies point to irrational arbitrary juror conduct.' … Franklin County Prosecutor Ron O'Brien told 10TV Thursday that he will meet with Justice Department officials to decide the next step. O'Brien said they will likely appeal this decision to the Federal Appeals Court."

Florida Officials Join FBI In Foley Probe. The South Florida Sun-Sentinel (11/17, Othón) reports, "Not seen publicly since resigning from Congress in a national scandal, Mark Foley emerged on Thursday in Palm Beach County after the death of his father. … The former Congressman, who left his post as a U.S. representative in September after the disclosure that he had sent sexually explicit emails to Congressional pages, is in town for Ed Foley's funeral. Ed Foley, 85, died Tuesday." The Sun-Sentinel continues, "Foley's emergence comes as the Florida Department of Law Enforcement indicated it has shifted from a preliminary inquiry to a 'full-fledged criminal investigation' regarding Foley. … As the scandal unfolded and more details were made public concerning Foley's communications with teenage boys, the U.S. Justice Department and FDLE indicated they were launching inquiries. … 'We found that there might be criminal violations that would warrant a full investigation,' said FDLE spokeswoman Kristen Perezluha, adding that the agency also is assisting the FBI. 'We don't know, but that's what we're going to look into.'"

Judge Stays Safavian Sentence. Government Executive (11/17, Palmer) reports, "In an unexpected move, a judge granted a request Thursday from David Safavian, the former head of the Office of Management and Budget's procurement policy shop, for a stay of his prison sentence, pending an appeal of his June conviction of obstructing justice and making false statements." GE continues, "Safavian filed an appeal in September challenging his conviction on four counts of making false statements to General Services Administration employees and obstructing an investigation by GSA's inspector general. The charges stem from Safavian's relationship with lobbyist Jack Abramoff while serving as chief of staff at GSA, and focused on a Scotland golf trip the men took together, along with other officials, in 2002." GE adds, "Appeals can take several years, so Safavian's sentence of 18 months -- if upheld -- will not begin until after that ruling. … In his opinion granting the request, U.S. District Judge Paul Friedman cited the section of U.S. Code that says that if a person is not likely to flee, and the appeal raises a substantial question of law likely to result in a reversal, new trial or different sentence, then the judge can grant a request for release on bond. … Safavian's lawyer, Barbara 'Biz' Van Gelder, raised numerous legal issues before, during and after the trial, including questions about the admission of controversial e-mails between Safavian and Abramoff as evidence."

US Attorney, FBI Investigating Cleveland Public Housing Land Deal. The AP (11/17) reports from Cleveland, "Federal prosecutors are investigating the $150,000-an-acre purchase of inner-city land by the city's public housing agency. U.S. Attorney Greg White said Wednesday that his office and FBI agents had begun a preliminary investigation of the purchase by the Cuyahoga Metropolitan Housing Authority. White confirmed the investigation one day after Todd Davis, a developer whose company sold the land to the agency, met with federal investigators."

Pennsylvania Couple Suing To Obtain New York Fugitive Reward. In a widely-distributed story, the AP (11/17, Nephin) reports, "A couple filed a lawsuit to claim a $350,000 reward offered for Ralph 'Bucky' Phillips, a former fugitive who is accused of shooting a New York state trooper and suspected of shooting two others." Jack and Gloria Young of Warren, Penn., "called Warren city police shortly before midnight on Sept. 7 after seeing a suspicious person near their property, a tip they say led directly to the capture of Phillips. 'But for my clients' phone call, (police) still would not have found Bucky, or at least not found him that night,' Robert C. Greene, an attorney for the Youngs, said Thursday." The AP notes, "The couple is suing the Police Benevolent Association of the New York State Troopers Inc., which they say is wrongly withholding the reward. … The FBI put up an additional $100,000 reward. The lawsuit does not address that reward, but Greene said the couple is considering suing the FBI also."

Reputed Philadelphia Mob Associate Released On Bond. The Philadelphia Inquirer (11/17, Anastasia, 385K) reports, "Reputed mob associate Damion Canalichio was released on $75,000 bond yesterday after his arrest earlier this week on two-year-old drug-dealing charges. Canalichio, 37, is the second high-profile mob figure to be arrested in the last month in what some law enforcement sources say is part of a concerted federal push against alleged South Philadelphia mob boss Joseph Ligambi." The Inquirer notes, "The fact that authorities waited more than two

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years to bring charges in the case has fueled speculation that Canalichio is a target in a broader probe. His attorney, Joseph Santaguida, said yesterday that he originally thought his client was going to be arrested on illegal-gambling charges. In June, the FBI raided Canalichio's home and an apartment on Snyder Avenue out of which he…allegedly operated. No drugs were found, but authorities reportedly seized records and documents tied to a gambling operation."

Boston Mobster Serving Life For Murder Paroled For Christmas. The Boston Herald (11/17, McPhee, 184K) reports, "Vincent Federico -- the convicted killer who became a made man in the Mafia while on a weekend prison furlough in a ceremony that was bugged by the FBI -- will be paroled for Christmas after he disavowed any mob ties, the Herald has learned. Federico, now 46, is a second-degree lifer at MCI-Norfolk in connection with the murder of a Cambridge man, Robert McFarlane, who was hit by five bullets as he helped a friend move out of a North End apartment above Federico's in 1977. Federico had argued with the victim for no apparent reason before shooting him…according to the parole decision." The Herald notes, "The FBI bug in the Medford basement was long considered the most important incursion ever by law enforcement into the innermost sanctums of organized crime, and the tapes helped bring down the Patriarca family."

US Investigating Alleged Sex Tourism By San Francisco Police Officer. KTVU-TV San Francisco (11/16) reported on its Web site from a story broadcast yesterday, "Federal authorities confirmed Thursday an investigation into the past actions of San Francisco police Officer Donald Ramirez, who died of an apparent suicide last month in a Cambodian jail cell where he was being held for sex crimes." Cambodian "authorities had apparently arrested Ramirez for sexual activity with a 14-year girl." ICE spokeswoman Virginia Kice "said Thursday that Ramirez had been under investigation since 2001," but "they never found any evidence of a crime. 'We have received several new leads and we will pursue those vigorously,' Kice said." KTVU noted, "Akha human rights activist Matthew McDaniel says he told an FBI agent that Ramirez '…had a real appetite for underage girls' when the agent contacted him a decade ago in Burma."

Bay City News Wires (11/16, 5:25 p.m. PST) reported, "Police commissioner Joe Veronese said last week of the investigation that 'there was no greater issue in the department than this.' The police commission, however, has yet to announce if it will take up the issue. Other police organizations are staying away from any involvement in the incident. 'Whatever he does in his off-duty time is his matter,' Police Officers Association Vice President Kevin Martin said. 'This is not a POA issue.'"

Judge Denies Bail For KeyBank Executive Charged With Embezzlement. The AP (11/17) reports, "A former KeyBank vice president accused of embezzling $29 million is a risk to flee and must be jailed to await his trial, a federal magistrate ruled Thursday in denying bond for the suspect. Magistrate Judge Patricia A. Hemann said the overseas travels of David F. Verhotz, 56, of Cleveland, likely gave him contacts that would be useful if he fled. In addition, she noted that more than $8 million is still missing." The AP notes, "An affidavit filed by the FBI said Verhotz took out loans in the names of three European banks and put the money in his accounts."

Texas Bank Manager Pleads Guilty To Embezzlement. The San Antonio Express-News (11/17, Contreras) reports, "Nancy Lynn Limmer has been a New Braunfels councilwoman and bank branch manager, but on Thursday she became a federal felon. In a federal court hearing in San Antonio, Limmer, 44, admitted that she defrauded more than $161,000 from the First Commercial Bank in New Braunfels, where she'd worked for 17 years. … She admitted misappropriating money from customers' accounts at the branch she headed in New Braunfels between April 2002 and August 2005." The Express-News notes that Limmer cooperated "with the FBI" and agreed to "a plea deal before Assistant U.S. Attorney Tom McHugh presented the case to a grand jury."

Connecticut Investment Advisor Pleads Guilty To Defrauding Clients. The Hartford Courant (11/15, Gosselin, 190K) reported, "Avon investment adviser David M. Faubert lived the high life for five years, taking lavish vacations, buying expensive cars and developing a love for the Foxwoods and Mohegan Sun casinos. But that lifestyle costs money. And as Faubert racked up $1 million in gambling losses and became a heavy cocaine user, he found a new source of financing: more than $4.5 million of his clients' money." On Tuesday, Faubert "pleaded guilty in U.S. District Court in New Haven to 10 counts of mail fraud, one count of embezzlement from an employee benefit plan and four counts of filing false tax returns, all between 2000 and 2005." The AP (11/15) noted, "Faubert told clients that he would guarantee them an 8 percent rate of return if the clients invested money in a fixed investment account he controlled, authorities said. As a result of Faubert's promises, 21 clients provided him with about $5.5 million. But authorities say the fixed investment account did not exist, and Faubert deposited the money into his business and personal accounts."

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Florida Man Sentenced To 15 Years In Prison For Child Porn Possession. The Tampa Tribune (11/17, Silvestrini) reports, "A former Polk County sheriff's employee was sentenced Thursday morning to 15 years in federal prison after pleading guilty to child pornography charges. After he is released, James Patrick Odle, 24, of Winter Haven, will be on probation indefinitely under the terms of his sentence. Odle was a civilian detention technician at the South County Jail in Frostproof when investigators from the FBI's Innocent Images Task Force searched his room in his parents' home." The Tribune notes, "A forensic examination of his computers and electronic storage devices revealed more than 5,000 images, including three video files, of children engaged in sexually explicit conduct, according to the U.S. attorney's office."

Former USF Dean Pleads Guilty To Child Porn Charge. The AP (11/17) reports, "A former dean at University of San Francisco's School of Education has agreed to plead guilty to a child pornography charge and serve more than 5 years in prison, federal prosecutors said." The AP continues, "William T. Garner, 66, of San Francisco, acknowledged in the plea deal that he knowingly possessed more than 15,000 images of minors engaged in sexually explicit acts, U.S. Attorney Kevin Ryan said. … 'The children depicted in these images are the victims of horrible abuse, and we will vigorously prosecute individuals possessing these materials,' Ryan said in a statement." The AP adds, "Garner and prosecutors agreed to recommend a 63-month prison sentence, a fine of $12,500 and $50,000 in restitution to be paid to the San Francisco Child Abuse Prevention Center, Ryan said. The penalties still must be approved by a judge. .. .The maximum penalty for the charge is a 10-year prison term and a $250,000 fine."

Global Crossing Official Blasts New Wiretapping Rules. CNET News (11/17, Broache) reports, "An executive from a company that manages a large portion of the Internet's infrastructure on Thursday slammed federal wiretapping rules expected to take effect next spring." CNET continues, "Paul Kouroupas, vice president of regulatory affairs for Global Crossing, strongly criticized the Federal Communications Commission's broadening of a 1994 law--originally intended to cover telephone providers--as disproportionately costly, complex, and riddled with privacy concerns. His company is one of the world's largest Internet backbone providers. … 'Our customers are large Fortune 500 companies--not too many of those companies are conducting drug deals or terrorist activities out of Merrill Lynch's offices or using their phones in that way,' Kouroupas said at an event here sponsored by the DC Bar Association. 'By and large we don't get wiretap requests, yet we're faced with the costs to come into compliance,' which he estimated at $1 million." CNET adds, "At issue is an order issued last fall by the Federal Communications Commission that set a deadline of May 14, 2007, by which most broadband and Internet phone providers are required to reengineer their networks for easier snooping by law enforcement. The move expanded the Communications Assistance for Law Enforcement Act, or CALEA, which Congress wrote to impose obligations on telephone companies, but not Internet providers. … Even without the new FCC rules, police have the legal authority to conduct Internet wiretaps, but they have claimed the need for a 'standardized' system. The formal broadening of the rules followed lobbying from the FBI, the Drug Enforcement Administration and the Justice Department, which said they needed to be able to eavesdrop more readily on criminals who spurned traditional telephone lines."

DC Police Arrest Man In Burglary At Site Of Lawyer's Slaying. The Washington Post (11/17, B01, Klein, Schwartzman) reports, "A burglary at a Northwest Washington townhouse has drawn the attention of D.C. homicide detectives investigating the unsolved slaying of a prominent lawyer three months ago at the same address." The Post continues, "Police have arrested a 36-year-old man in the burglary of the house, which was unoccupied during the break-in Oct. 30. Authorities quoted the man, Phelps Collins, as saying that he got inside with help from a friend -- the brother of the townhouse's owner. … Detectives have not drawn a connection between the break-in and the stabbing of Robert Wone on Aug. 2, but homicide detectives have been looking into the burglary in hopes of uncovering potential leads, authorities said. Wone, 32, was stabbed in the chest while visiting friends at the home in the 1500 block of Swann Street NW, on the edge of Dupont Circle." The Post adds, "New details about the burglary emerged through interviews, court papers and testimony at a hearing for Collins this week in D.C. Superior Court. Collins was arrested last Friday on a burglary charge. … Police said Collins told them that the friend, Michael Price, had a key to the house because it belonged to his brother, Joe Price. Police also quoted Collins as saying that Michael Price turned off the alarm once the two men entered the house. About $7,700 worth of electronics were stolen, police said. … Michael Price has not been charged in the burglary."

Stores Use Internal Security To Stop Thieves. USA Today (11/17, O'donnell) reports from Seminole, FL, "Justin Reed is scanning images from 18 cameras at a Beall's department store here when saleswoman Carissa Tunis calls from the juniors department to direct his attention to four young men behaving oddly. … Reed, sitting in the store's so-called loss-prevention room, zeros in on the men and sees

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one slip a wallet in his pocket. He goes back over the image a few times to be sure. When another camera shows the group leaving the store, Reed and Jim Stevenson, a Beall's loss-prevention senior manager, slip out the security door and nab a 17-year-old." USA continues, "As the two beefy investigators hustle the teen back inside, he pleads that he's just off probation. They call the police anyway. Within minutes, he's the first of two shoplifters arrested during four hours that USA TODAY spent observing the store's crime-fighting efforts. … On this November day, the culprit is a fairly harmless high school dropout. But the retail industry spends billions on technology and investigators such as Reed to combat what they call 'organized theft rings': gangs of shoplifters who sweep through stores with military precision. The retailers are fighting back with a new national crime database, electronic receipts, digital video recording technology and their own brand of detective work." USA adds, "Stymied by police and courts that are often unwilling or unable to tackle crimes they may see as petty theft, the retailers build their own cases against the gangs, connecting crimes that often cross county and state lines. To help document the scope of this organized thievery, investigators for Walgreens, Target, Safeway, Limited Brands and others even follow thieves from their stores to the 'fences' where they sell the goods. … The FBI and retail groups expect that by the end of this year, every major retailer will be able to share crime data — including photos of suspects from their store cameras — in a computer database. Beall's, a Florida-based chain, and other retailers now track shoplifting gangs using the database, which has already helped link a suspect to thefts of $500,000 worth of goods from 12 retailers. The man is still a fugitive, but warrants for his arrest are out in three states."

Baltimore Bars Hit By String Of Armed Robberies. The Baltimore Sun (11/17, Linskey) reports, "A masked man put a gun to the head of a bartender at Dizzy Issie's and demanded that she open the register while he counted to five. The man yelled, 'Keep down don't move' to the 50 or so people at the hipster Remington bar. A second man, also masked, stood lookout at a side door." The Sun continues, "After prying the till free, the pair ran out with about $800 and hopped into a waiting car. Shaken customers picked themselves up. Several called police, and then everyone cleared out for the night. … Police say they believe the same men have held up eight bars in the past three weeks, usually the same way." The Sun adds, "Either two or three men enter the tavern wearing gloves and masks or bandanas to cover their faces, according to police. One man, waving a gun, immediately jumps behind the bar and, in most cases, removes the entire cash drawer. Another man stands as a lookout and prevents people from leaving the bar. … In addition to the Tuesday night robbery at Dizzy Issie's, police believe the group is responsible for holding up three other bars this week -- one in Charles Village on Monday night, one in Upper Fells Point late Wednesday and another in Pigtown early Thursday morning. In recent weeks other bars have been held up in Remington, Mill Hill and Carroll-South Hilton in West Baltimore."

DC Has High Rate Of Gun Slayings. The Washington Times (11/17, Cella) reports, "The District is among the major U.S. cities with the highest percentage of people being killed by firearms, despite having one of the strictest gun-control laws in the country." The Times continues, "A recent Metropolitan Police Department report on homicides from 2001 to 2005 states that 901 of 1,126 homicide victims, or about 80 percent, were fatally shot. … 'It's a problem,' Chief Charles H. Ramsey said. 'It may be something that's with us for a while.'" The Times adds, "Firearms last year alone were used to commit 157 of the District's 196 homicides, or about 80 percent. That percentage has remained relatively consistent since 2001, when a five-year low of 78.4 percent of homicides were committed using guns. .. .FBI crime statistics for 2005 show 10,100 of the country's 14,860 homicide victims, or 68 percent, were killed by guns. .. .The District's percentage of gun homicides is comparable to those in other big cities, according to the U.S. Bureau of Justice Statistics. … In 2004, the last year for which comprehensive statistics were available, the 79.3 percent of homicides involving guns in the District was higher than the 61.1 percent in New York. Chicago reported 75.2 percent, and Baltimore had 77.5 percent."

Target Of California Corruption Probe Faces Molestation Charges. The Los Angeles Times (11/17, Hong, Pringle) reports, "A political corruption scandal took a sordid turn Thursday when a defendant in the Vernon voter-fraud prosecution was charged with sexually molesting four boys while serving as dean of students at Daniel Murphy Catholic High School." The Times continues, "John Joseph Malburg, son of Vernon Mayor Leonis Malburg, who is also accused in the corruption case, pleaded not guilty to numerous counts of child sexual abuse, lewd acts and making a videotape for sale of a minor engaged in sex acts." The Times adds, "Authorities said one student appeared in a sexually explicit tape in exchange for a higher grade. In addition, Malburg, 37, is charged with possessing child pornography and secretly videotaping boys while they showered at his Hancock Park home. … As an offshoot of the 19-month corruption probe, investigators began to examine Malburg's contact with the boys over a period of 10 years, according to the Los Angeles County district attorney's office." The Times notes, "The Archdiocese of Los Angeles learned

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about the sex abuse inquiry sometime before Malburg was fired in July but did not notify parents at the Fairfax-area school, spokesman Tod M. Tamberg said. … Tamberg said the district attorney's office asked the archdiocese to keep the matter confidential. Jane Robison, a district attorney's spokeswoman, could not confirm that."

CIVIL LAW:

Trial Begins In Suit Against FBI Alleging Wrongful Convictions. The AP (11/17, Lindsay) reports, "Two Boston men spent 30 years in prison for an underworld slaying they did not commit after a judge ruled that the FBI withheld evidence that would have cleared the pair to protect a mob hitman who was serving as an informant. … Now, in a trial that opened Thursday, those men and the families of two others who were wrongfully convicted are seeking damages from the government that could total more than $100 million." The AP continues, "Joseph 'The Animal' Barboza was a known mob assassin responsible for numerous hits during Boston's gangland wars of the 1960s. He was also so vital to FBI efforts to crack the mob that the agency allowed him to wrongly implicate four men for murder, attorneys for the plaintiffs said in opening statements. … Joseph Salvati and Peter Limone and the families of two other men who died while behind bars accuse the federal government of malicious prosecution, conspiracy and depriving the men's family of companionship. … 'It was a rigged game, a charade, a story concocted by Mr. Barboza and assented to by the FBI,' said attorney Austin McGuigan, who represents Salvati. 'There was no hope the real story in this case would be uncovered.'" The AP adds, "The case is the latest development in a scandal that unfolded in Boston about a decade ago, when it was learned that the FBI had a corrupt relationship with the mob, protecting killers who were informants and even tipping them off to pending indictments. … The lawsuit was filed after the Justice Department released documents in 2001 that showed the FBI withheld evidence from state prosecutors that could have cleared the men so the agency could protect an informant who actually committed the crime."

The Boston Globe (11/17, Murphy) reports, "There's no question that the FBI recruited notorious hitman Joseph 'The Animal' Barboza as a witness against local Mafia leaders, then turned him over to state prosecutors in a case that led to the wrongful conviction of four men for a 1965 gangland murder in Chelsea. … But Thursday, on the first day of a civil trial seeking more than $100 million in damages from the federal government, a Justice Department lawyer insisted the FBI can't be blamed because state prosecutors were responsible for investigating and trying the case. … 'The FBI is not liable,' said the government attorney, Bridget Bailey Lipscomb. … But lawyers for Peter Limone, Joseph Salvati, Henry Tameleo, and Louis Greco accused the FBI of making a 'mockery' of justice by failing to tell state prosecutors or defense lawyers about evidence that suggested Barboza had framed the four men for the slaying of small-time hoodlum Edward 'Teddy' Deegan."

Boston Herald Columnist Assails FBI, Lipscomb. In his Boston Herald (11/17, 184K) column, Peter Gelzinis writes, "That the prospect of justice has arrived 40 years late for Joe Salvati and Peter Limone, along with two fellow defendants who died in prison, Louis Greco and Henry Tameleo…is shameful. That the Department of Justice has seen fit to send Bridget Bailey Lipscomb back to Boston to defend the putrid reputation of the FBI…well, that could be called a blessing. With Ms. Lipscomb at the government table, the only question may well be how much of a potential $100 million in civil damages will these men and their families see. Five months ago, Lipscomb's attempt to convince U.S. District Court Judge Reginald C. Lindsay that the FBI could not be blamed for enabling their Teflon rat, Whitey Bulger, to slaughter John McIntyre, turned into graceless courtroom hash." Gelznis adds, "This time, however, the FBI's crime is even more egregious. And the case will be heard by a different federal judge, U.S. District Court Judge Nancy Gertner."

CIVIL RIGHTS:

Democrats Vow To Strengthen Oversight Of DOJ Civil Rights Division. The Boston Globe (11/17, Savage) reports, "Democrats on the Senate Judiciary Committee yesterday vowed to impose intense oversight on the Justice Department's Civil Rights Division next year, telling a Bush administration official in charge of the agency that the next Congress will scrutinize whether civil rights laws are being properly enforced." The Globe continues, "Speaking at the first Civil Rights Division oversight hearing since May 2002, the Democrats cited several newspaper articles about the agency over the past year -- including a Globe analysis of changes in the hiring process for lawyers in the division -- and said they would investigate the administration's stewardship of the agency after they regain power in January. … 'There are disturbing reports that career lawyers have been shut out of the division's decision-making process, that the division's civil rights enforcement on behalf of racial minorities has sharply declined, and that the department has packed the division with attorneys who have no background in civil rights litigation,' said Senator Patrick J. Leahy, Democrat of Vermont, who will become committee chairman in January." The Globe adds, "Senator Russell Feingold, Democrat of Wisconsin, said he wanted to know whether the Bush administration was exerting political

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interference on the division's decisions about when to file cases. The agency has long been a source of political tension because it is charged with enforcing antidiscrimination laws and reviewing changes to state voting rules. … Wan Kim , assistant attorney general for civil rights, said he welcomed congressional attention. … 'I certainly share your . . . interest in oversight,' Kim said, adding that he has 'a deep and abiding respect for this committee and the work that it does in making sure that all branches of government are operating consistent with the law.'" The Globe notes, "One major focus by the lawmakers was a change in hiring procedures. In July, the Globe reported that in late 2002, the Bush administration disbanded a longstanding hiring committee of veteran career lawyers. Political appointees took over screening résumés, interviewing applicants, and deciding who should fill vacancies in the permanent civil service ranks. … After the change, successful applicants were significantly less likely to have civil rights backgrounds, according to a Globe analysis of résumés obtained under the Freedom of Information Act. New hires were also more likely to have conservative credentials, such as membership in the Federalist Society, a group that takes a skeptical view of aggressive civil rights enforcement."

DOJ Sues California Apartment Owners Alleging Discrimination. The AP (11/17) reports, "The U.S. Justice Department sued two apartment building owners for housing discrimination Thursday, claiming they favored Vietnamese tenants over Hispanic tenants." The AP continues, "Gary Luke and Mary Ngo, owners of adjacent apartment complexes in Garden Grove in Orange County, violated the federal Fair Housing Act barring discrimination against people based on national origin, the government claims. … The lawsuit arose from a charge made recently by the U.S. Department of Housing and Urban Development. The suit seeks monetary damages, civil penalties and a court order prohibiting future discrimination." The AP adds, "Federal authorities say Luke and Ngo issued notices in the last year to Hispanic tenants telling them they had 60 days to leave so their units could be renovated. … When Hispanic tenants later tried to move back into the remodeled units, all were either told that they could not return or were promised rental applications that were never provided, authorities said. … Vacated units were later rented out to Vietnamese tenants, the government said."

DOJ May Be Probing GOP Maryland Election Fliers. The Washington Post (11/17, B02, Rich, Eggen) reports, "A senior Justice Department official said yesterday that the misleading fliers distributed by Republicans in Maryland on Election Day may -- or may not -- be the subject of an investigation by the department's criminal division." The Post continues, "Wan Kim, assistant attorney general for the department's civil rights division, said during a Senate hearing that he believed the matter was under investigation but quickly added, 'I'm not 100 percent sure about that.' … Two public affairs officers at Justice Department headquarters in Washington said they could neither confirm nor deny that an investigation is underway." The Post adds, "The fliers -- authorized by the campaigns of Republicans Gov. Robert L. Ehrlich Jr., who lost his bid for a second term, and Michael S. Steele, who was defeated in his bid for a Senate seat -- have been widely denounced for implying, incorrectly, that the two candidates were endorsed by prominent black figures including former NAACP leader Kweisi Mfume and Prince George's County Executive Jack B. Johnson (D)."

Two Face Additional Sex Trafficking Charges In Tennessee. The Robertson County (TN) Times (11/17, Howard) reports, "Two people are facing additional federal charges this week for allegedly forcing a Mexican teenager into prostitution as part of a sex trafficking ring that operated in Nashville and Memphis, federal officials said." The Times continues, "A federal grand jury in Memphis issued indictments Thursday charging Juan Mendez and Cristina Andres Perfecto with using fraud and coercion to force an adult woman and the teenager into a life of prostitution. They were charged in October with sex trafficking of children." The Times adds, "Federal investigators believe the teenager was smuggled into the country from Oaxaca, Mexico, and thought she was going to get a job as a waitress at a Nashville restaurant. … She was taken to a Harding Place-area apartment, where she was beaten, raped and forced to have sex with as many as 40 men per day, according to court documents." The Times notes, "The girl, now 15, was taken into the custody of the state Department of Children's Services and placed with a Spanish-speaking foster family, DCS spokesman Rob Johnson said. … Raymundo Flores, Raul Santillan-Leon and Fernando Reyes-Santillan also were indicted on charges of conspiracy to launder money and harbor illegal immigrants at a brothel in Memphis, justice department officials said in a news release. … All five of those indicted were connected to the same sex-trafficking ring, according to federal officials."

Judge Asked To Limit DOJ's Involvement In Probe Of Mississippi Inmate Death. The Biloxi (MS) Sun Herald (11/17, Fitzgerald) reports from Gulfport, MS, "Ryan Teel's attorney wants a judge to instruct the government not to interfere with the defendant's investigation in preparation of Teel's trial involving an inmate death." The Herald continues, "The Harrison County Sheriff's Department has denied the defense a request to examine the county jail booking room and to question jail employees, according to a

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motion filed by Jim Davis, Teel's attorney. … Teel, a former corrections officer, is set to stand trial May 28 on criminal charges of civil rights violations in the fatal beating of Jessie Lee Williams Jr. The incident occurred in the jail booking room on Feb. 4. Regina Rhodes, also a former jailer, pleaded guilty to her role in the assault and to lying to cover it up." The Herald adds, "Davis asked for an emergency telephone conference with a judge today to discuss his concerns. … Allowing the defense access to the booking room and jail employees is 'necessary in order to properly prepare for trial,' Davis wrote in his motion. He was not available for comment Thursday. … Teel is in custody at an undisclosed location." The Herald notes, "Davis' latest motions claim Capt. Steve Campbell, who runs the sheriff's professional standards unit, agreed Nov. 7 to allow a booking room visit and witness interviews, but changed his mind the next day. Campbell said permission was needed from the U.S. Attorney's Office, an affidavit stated. … Sheriff George H. Payne Jr. declined comment and referred questions to his attorney, Cy Faneca, who said he advised the sheriff to let the U.S. Justice Department make that decision. … 'We are not involved in the criminal case because the Justice Department is conducting that investigation,' Faneca said. 'Nobody has told us what the ground rules are, so it certainly would be prudent to let Justice make that decision.' … The U.S. Attorney's Office, which is prosecuting Teel in the criminal case, operates under the Justice Department. … U.S. Attorney Dunn Lampton said his office will file a response to Davis' complaint today."

UCLA Police Use Stun-Gun On Student In Library ID Dispute. The AP (11/17) reports, "A UCLA police officer shocked a student with a stun gun at a campus library after he refused repeated requests to show student identification and wouldn't leave, police said." The AP continues, "The student, Mostafa Tabatabainejad, was shocked Tuesday at about 11 p.m. as police did a routine check of student IDs at the University of California, Los Angeles Powell Library computer lab. … 'This is a long-standing library policy to ensure the safety of students during the late-night hours,' said UCLA Police Department spokeswoman Nancy Greenstein." The AP adds, "She said police tried to escort Tabatabainejad, 23, out of the library after he refused to provide identification. Tabatabainejad instead encouraged others at the library to join his resistance, and when a crowd began to gather, police used the stun gun on him, Greenstein said. … Tabatabainejad was arrested for resisting and obstructing a police officer and later released on his own recognizance."

Study Says California Initiative Limited Minority Contracts, Admissions. The Washington Post (11/17, A23, Williamson, Strauss, 690K) reports the "number of minorities -- particularly black Americans -- winning government contracts and being admitted to public colleges and universities in California has dwindled since a ballot measure was passed 10 years ago outlawing preferential treatment for minorities in those areas, according to a study released yesterday." The report "comes as the longtime controversy over affirmative action is gaining new attention. Michigan voters last week adopted a constitutional amendment essentially taking the same action as California, and the American Bar Association is facing criticism from some groups for strengthening its diversity requirements for accreditation of law schools." The study "of California's Proposition 209 shows that it has had a major effect, according to Ellis Cose, who wrote the report for the Institute for Justice and Journalism at the University of Southern California's Annenberg School for Communication."

Laws To Make English Official Language Gaining Support. USA Today (11/17, Dorell, 2.27M) reports, "Voters and town boards in several states recently passed laws making English the official language, garnering Hispanic support in one case for what many say was a message to Washington." Arizona voters "last week approved Proposition 103, a constitutional amendment making English the official language of the state. Passing similar laws were the city councils of Taneytown, Md.; Farmers Branch, Texas, and the town board of Pahrump, Nev." While English-only proposals in the U.S. Congress have gone nowhere, the Arizona measure passed by a 3-to-1 ratio, with 48% of Hispanics supporting it, according to an Associated Press exit poll." Jose Esparza, vice chairman of the Arizona Latino Republican Association, said "Hispanic support is a sign that 'the majority of Hispanics believe that the key to success in America is to learn the language of the land, learn English.'"

Black Entrepreneurs Face Unique Challenges In Emerging Industries. The Washington Post (11/17) reports on the challenges faced by black entrepreneurs in the DC area, focusing on Enlightened Inc, a technology consulting firm. The Post reports, "Sitting around a conference table, eight employees of Enlightened Inc., a technology consulting firm, were struggling to polish a proposal that could well determine the firm's future. It was not going well. … Chief executive Antwanye Ford was rubbing his forehead in frustration. … Enlightened's bid for a multimillion-dollar contract to update the computer system used by the District's probation and parole officers was simply not good enough, he told his staff. The proposal needed more graphics, more punch. As Ford saw it, this bid was his fledgling black firm's ticket to a new competitive league. …

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Suddenly, Ford's cellphone was vibrating. He excused himself and headed into his private office. It was Larry Daniels, one of the District's chief accountants who oversees city spending. Daniels had received complaints about Enlightened's work on another project, a $400,000 contract to do inventory of D.C. property: police cars, fire trucks, public school furniture. … It was too much. Frustrated and embarrassed, Ford heaved his bottle of water across the room. 'You only get one opportunity, maybe two at the most, to prove yourself,' he later fumed to a visitor. 'As a minority, you have to work extra hard. . . . We're constantly being watched and judged.'" The Post adds, "As the day wore on, Ford felt that what he had spent years seeking -- acceptance, respect, an unchallenged level of achievement -- had been put at risk. In danger of losing one contract and not winning another he coveted, Ford wondered: Would his aspirations for Enlightened ever be realized? Would he feel this extra pull to prove himself if he were not black? … Ford's anxiety about image is common among black businessmen who are barreling into territory where relatively few of them have established ownership: information technology, construction, real estate, financial management. Many bring with them advanced degrees, years of corporate experience, and cultural and emotional complexities that can both enrich and burden their lives as business owners. Many struggle with whether they must sacrifice their identity to be successful. In Ford's case, that means questioning whether Enlightened should even promote that it is black-owned."

Conservatives Criticize State Marriage Amendments. In a New York Times op-ed (11/17), David B. Rivkin Jr. and Lee A. Casey, lawyers who served in the Justice Department under Presidents Ronald Reagan and George H. W. Bush, say, "Conservatives have consoled themselves since Election Day with the knowledge that many 'conservative' social issues did well — including (and especially) the eight state 'marriage amendments' on the ballot — even if the Republican candidates faltered." These "marriage measures, of which only Arizona's was defeated, generally prevent recognition of gay marriages by defining marriage as a 'union between a man and a woman' in the state constitutions. More than half of the states now have such constitutional provisions (some of which would also forbid same-sex civil unions), and conservatives need to reconsider whether that's really what we want. There are, in fact, some very good reasons conservatives should oppose this approach." At "least since independence, the question of who may marry and under what conditions has been the province of the state legislatures. And it should have remained that way." Errant "or aggressive judges can be corrected by amendments that simply deny the state courts authority over this issue, reserving the definition and regulation of marriage to the legislatures alone."

Pentagon Reclassifies Homosexuality. The AP (11/16, Baldor) reports, "Pentagon guidelines that classified homosexuality as a mental disorder now put it among a list of conditions or 'circumstances' that range from bed-wetting to fear of flying." The new rules "are related to the military's retirement practices. The change does not affect the 'don't ask, don't tell' policy." The revision "came in response to criticism this year when it was discovered that the guidelines listed homosexuality alongside mental retardation and personality disorders."

Breast-Feeding Mother Files Complaint Against Airlines. USA Today (11/17, Bazar, Hemingway) reports, "A clash between a nursing mother and a flight attendant has sparked a discrimination complaint, an airline investigation and a grass-roots protest." USA continues, "Emily Gillette, her husband, Brad; and their then 22-month-old daughter, River, were removed from an Oct. 13 flight from Burlington, Vt., to New York after a flight attendant asked Gillette to cover up while she was breast-feeding the girl. … Freedom Airlines operated the Delta Airlines flight." USA adds, "Gillette, 27, filed a complaint against both airlines last week with the Vermont Human Rights Commission alleging that the airlines violated a state law that allows women to breast-feed 'in any place of public accommodation.' The airlines have until Nov. 27 to respond, Gillette's attorney, Elizabeth Boepple, says."

ANTITRUST:

Barnett Defends DOJ Approval Of AT&T-BellSouth Deal. The AP (11/17, Apuzzo) reports, "The Justice Department's top antitrust official on Thursday defended the agency's unconditional approval of AT&T's $82 billion buyout of BellSouth Corp. as 'pretty straightforward' despite criticism from Democratic regulators and lawmakers." The AP continues, "The buyout would further reunite parts of the old Ma Bell phone monopoly, broken up by the government in 1984, and create the largest U.S. provider of telephone, wireless and broadband Internet services. … 'We're living a very different world than we were in the 1980s,' Assistant Attorney General Thomas O. Barnett said in an interview during an antitrust conference. 'The mere size of a company in general doesn't tell you whether a merger is going to harm consumer welfare.'" The AP adds, "The Federal Communications Commission, the final regulatory hurdle for the deal to be approved, has delayed a final vote three times. Two Democrats on the FCC, Michael Copps and Jonathan Adelstein, have accused the Justice Department of falling down on the job. .. .Barnett said the agency spent

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months reviewing documents and interviewing customers and competitors before concluding that the deal probably would save customers money. … Once that conclusion was reached, 'it's a pretty straightforward deal for us,' he said." The AP notes, "If the deal wins final government approval, the merger would give San Antonio-based AT&T Inc. total control over the nation's largest cellular provider, Cingular Wireless, a joint venture of the two phone companies that serves 57.3 million customers. … Consumer rights groups have criticized the deal as putting too much of the telecommunications infrastructure under the control of one company."

DOJ Seizes Documents In Bank Bid-Rigging Probe. Bloomberg (11/17, News) reports, "Law enforcement agents seized documents from three brokers and subpoenaed companies including at least two insurers and General Electric in a criminal investigation of whether banks and financial firms conspired to rig bids for investment deals with local governments." Bloomberg continues, "The investigation by the Justice Department centers on guaranteed investment contracts, which municipalities buy to hold bond money until funds are needed to pay for projects. … F.B.I. agents searched CDR Financial Products, a financial adviser and broker in Beverly Hills, Calif., on Wednesday, said Laura Eimiller, a spokeswoman for the F.B.I. in Los Angeles, without providing further details." Bloomberg adds, "Financial Security Assurance Holdings, a unit of the Brussels-based financial services company Dexia, said Wednesday that it was subpoenaed by the Justice Department. … The FGIC Corporation, a New York-based bond insurer, also received a Justice Department subpoena, Brian Moore, a company spokesman, said yesterday. Mr. Moore said FGIC, a former unit of General Electric, had exited the guaranteed investment contract business in 2003 when G.E. sold the company. The outstanding contracts remained with G.E. … Federal investigators took documents Wednesday from the Investment Management Advisory Group, a broker of guaranteed investment contracts and municipal derivatives adviser based in Pottstown, Pa., said Gene Grabowski, a spokesman for the company. … Yesterday, a third guaranteed investment contract broker, Sound Capital Management, based in Eden Prairie, Minn., said federal investigators seized documents and served a subpoena for more documents."

The Philadelphia Inquirer (11/17, Fazlollah) reports, "Federal agents have seized records from a Montgomery County (PA) investment broker and a California company in an investigation of whether banks and financial firms conspired to rig bids for investment deals with local governments. … The investigation centers on alleged bid-rigging in guaranteed investment contracts, which cities buy to hold bond money until funds are needed to pay for projects." The Inquirer continues, "Federal agents took documents from Investment Management Advisory Group Inc., a Pottstown broker of guaranteed investment contracts, firm spokesman Gene Grabowski said. Besides seizing boxes of documents, FBI agents copied the hard drives of computers at the firm. … FBI spokeswoman Jerri Williams said agents from New York were assisted by the bureau's Philadelphia office. … 'IMAGE received a subpoena from the Antitrust Division of the U.S. Department of Justice, and the company is cooperating fully with the authorities,' the company said in a statement. 'It is our understanding that subpoenas have been issued to numerous other firms and that the investigation is industry-wide. We are confident that our business practices and employees will be fully vindicated as this investigation continues.' … The actions by the Justice Department show that an investigation into how banks compete for the right to reinvest money raised in the $2 trillion market for tax-exempt bonds has expanded beyond the U.S. Internal Revenue Service. The IRS has been looking into whether brokers awarded the work to favored banks, potentially boosting the cost of the investment agreements and depriving the federal government of tax revenue. … Justice Department spokeswoman Kathleen Blomquist said the agency was conducting an 'investigation of anticompetitive practices in the municipal-bond industry.'"

The Los Angeles Times (11/17, Reckard) reports, "The FBI raided financial firms on both coasts, including Beverly Hills-based CDR Financial Products, as part of an investigation into possible bid rigging on investments sold to public agencies, federal authorities and the firms said Thursday." The Times continues, "Federal authorities also seized information from at least one municipal bond insurer in connection with the probe. Another of the companies raided, Investment Management Advisory Group of Pottstown, Pa., said the investigation was industrywide and had resulted in subpoenas to a number of other firms." The Times adds, "CDR Financial and the other companies help cities, counties and public agencies invest money generated by bond sales in guaranteed investment contracts. Such contracts are used to allow the proceeds of bond issues to earn interest until they are spent on public projects. … CDR said it was cooperating with the investigation and remained open for business. … 'The firm believes it has acted appropriately in all of the financings under review,' CDR said in a statement." The Times notes, "FBI agents and criminal investigators from the Internal Revenue Service served a search warrant on CDR about 6 a.m. on Wednesday and remained there all day, said Laura Eimiller, an FBI spokeswoman in Los Angeles. … She said details weren't available because a judge had sealed the search documents. … A U.S. Justice Department spokeswoman in Washington, Cynthia Magnuson, said the agency's antitrust department was investigating the possibility

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of anti-competitive practices in the municipal bond industry. She wouldn't elaborate."

Two Convicted In Indianapolis Concrete Price-Fixing Case. The Indianapolis (IN) Star (11/17, Corcoran) reports, "A two-year criminal investigation into price-fixing by ready-mix concrete companies in the Indianapolis area ended Thursday when a federal jury convicted two Noblesville men and their company of participating in the scheme." The Star continues, "After hearing 21/2 days of evidence in U.S. District Court, a jury of eight women and four men found cousins Chris A. Beaver, 42, and Ricky J. Beaver, 43, conspired with other ready-mix concrete companies to set prices from July 2000 through May 2004." The Star adds, "Frank J. Vondrak of the U.S. Department of Justice's Antitrust Division would not rule out further charges involving officials of companies serving Marion, Muncie and Bloomington, where trial testimony indicated price-fixing also took place." The Star notes, "Vondrak led a team of lawyers, including Jonathan A. Epstein and Eric L. Schleef, that won Thursday's guilty verdicts after a series of pleas by other participants. Most executives cooperated with the FBI and Justice Department in exchange for lighter sentences or immunity from prosecution. … During the trial, prosecutors repeatedly reminded jurors of guilty pleas made by concrete executives, including four officials of Greenfield-based Irving Materials Inc. That company agreed last year to pay a $29.2 million fine, the largest financial penalty ever in a domestic antitrust case. … 'We are pleased that the jury decided to hold accountable these participants in a price-fixing scheme that deprived consumers in Indianapolis of the benefit of a competitive marketplace,' Antitrust Division leader Thomas O. Barnett said in a statement. … As a result of the trial, the Beavers face maximum prison terms four times longer than those recommended for the ringleaders. The men face fines of up to $600,000 each. No sentencing date has been set."

The AP (11/17) reports, "Two other companies have been fined more than $30 million and several company executives have been sentenced to prison for their role in what prosecutors said was a scheme that lasted from January 2000 to May 2004 and resulted in millions of dollars in illegal profits. … Officials from the other companies testified during this week's trial that Chris Beaver, the operations manager for Beaver Materials, and Ricky Beaver, the commercial sales manager, attended meetings during which the firms agreed on prices and discounts and the timing of price increases." The AP adds, "The Beavers and the family owned company were the only ones whom prosecutors tied to the conspiracy that did not admit to their involvement. … Beaver Materials faces a potential fine of $10 million as a result of the verdict, but defense attorney Jeff Lockwood said he did not believe his clients regretted their decision to fight the allegations. … The scheme came to light last year when Irving Materials Inc. of Greenfield agreed to pay $29.2 million in fines, which prosecutors said was the largest ever assessed in a domestic antitrust investigation."

Former Elpida Memory Official To Plead Guilty In Chip Price-Fixing Probe. The AP (11/17) reports, "A former executive at a computer chip maker is the latest person to agree to plead guilty in a global U.S. Justice Department price-fixing probe, the government said Thursday." The AP continues, "D. James Sogas of Burlingame (CA), ex-vice president of sales for Elpida Memory, agreed to plead guilty to violating the Sherman Act. He agreed to serve a seven-month prison term and pay a $250,000 fine if the plea deal is approved by a federal judge."

AFP (11/17) reports, "Including Sogas, US prosecutors have charged four companies and 17 individuals, and have levied fines totaling more that 731 million dollars in the probe into price fixing of dynamic random access memory (DRAM), a widely used memory component in electronics. … 'The (Justice Department) antitrust division remains steadfast in its commitment to deter illegal cartel activity and to hold accountable those who participate in price fixing conspiracies,' said assistant attorney general for antitrust, Thomas Barnett." AFP adds, "According to the agency, DRAM is the most commonly used semiconductor memory product and is used in variety of computer, telecommunication, and consumer electronic products. .. .The chips are used in personal computers, mobile phones, digital cameras, video recorders, game consoles and digital music players. There were approximately 25 billion dollars in DRAM sales worldwide in 2005."

Bloomberg (11/17, Gullo) reports, "The plea agreement stems from a four-year federal investigation into price fixing in the chip market that has led to claims against four companies and 16 individuals, and fines of $731 million, the U.S. said. Worldwide DRAM sales were $25 billion in 2005, the Justice Department said. … Sogas has agreed to serve a sentence of seven months in prison and pay a $250,000 fine, prosecutors said. He is also cooperating with the federal investigation. Elpida agreed in January to pay $84 million to settle price-fixing charges. … Sogas is the first Elpida Memory executive to agree to a prison sentence in the DRAM investigation, the Justice Department said."

Private Equity Group Purchases Clear Channel For $18.7 Billion. The Financial Times (11/17, Politi) reports, "Two buy-out groups and five Wall Street banks on Thursday combined to buy Clear Channel Communications for $18.7bn, taking the largest US radio station chain private after a short but dramatic auction." The Times continues, "The deal, led by Bain Capital and Thomas H. Lee Partners,

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marks the latest and biggest effort by cash-rich private equity firms to refashion chunks of the traditional media industry challenged by the digital age." The Times adds, "The two firms will control a large outdoor advertising business and 1,200 radio stations accumulated in 30 years of deals by members of the Mays family, who founded Clear Channel in 1972 and will continue to run the company under its new owners. … JCDecaux, the French outdoor advertising company, said it was interested in buying Clear Channel Outdoor and the buyers 'are aware of our interest'. Analysts have speculated that any buyer of the radio group would sell the outdoor advertising business to help finance the transaction."

The Wall Street Journal (11/17, B1, Mcbride, Berman) reports, "In an age of intense competition from iPods, satellite radio and other glitzy new media, many investors have given up on the traditional radio industry. With an $18.7 billion buyout of radio giant Clear Channel Communications Inc., a group of private-equity investors is betting that the medium will be able to ride out the current storm much as it weathered past threats from television and other rivals." The Journal continues, "A group led by Thomas H. Lee Partners LP and Bain Capital LLC has agreed to acquire Clear Channel for $37.60 a share, plus the assumption of about $8 billion in debt. Thomas Lee and Bain beat out a second group comprising Providence Equity Partners Inc., Kohlberg Kravis Roberts & Co. and Blackstone Group, which had bid $36.85 a share. Each firm will have about a one-third equity stake, leaving the remaining third divided among a consortium of banks and the Mays family, who will be eligible for an options pool representing 3% to 5% of the new company. Mark Mays, currently chief executive, and Randall Mays, currently president and chief financial officer, will continue in those roles. Founder Lowry Mays may stay on as chairman emeritus." The Journal adds, "Separately, Clear Channel said it was selling its 42 television stations and 448 of its radio stations in smaller and medium-size markets. That would still leave the company a radio giant, with more than 700 stations around the country. … The deal is the latest in a string of private-equity transactions in the industry, underscoring the growing attraction of radio to private equity despite stagnant advertising revenue and other problems. The business's steady cash flow and what some see as an opportunity to increase revenue using new technologies such as digital radio have some investors saying the business has been undervalued by Wall Street."

The Washington Post (11/17, D01, Ahrens) reports, "Clear Channel Communications Inc. has agreed to sell the company to a consortium of private-equity firms and plans to shear off more than one-third of its 1,150 radio stations, dismantling a giant that dominated the industry and became the bogyman of media consolidation for the past half-decade." The Post continues, "Clear Channel is hard to avoid in Washington. It owns eight local radio stations, including popular rocker DC101, top 40 station Hot 99.5 and sports-talk WTEM-AM. It sells ad space atop hundreds of taxis and on the sides of bus stops and provides traffic updates through its Total Traffic Network unit. … The buyers, led by Bain Capital Partners and Thomas H. Lee Partners, agreed to pay $26.7 billion for the company, which includes the assumption of $8 billion in debt." The Post adds, "In a separate transaction also announced yesterday, Clear Channel said it would seek buyers for all of its television stations and 448 of its smaller radio stations, presumably because the private-equity buyers are not interested in owning television or small-market radio. The stations marked for sale are all outside the nation's top 100 markets, which would exclude Washington, the eighth largest. .. .The sell-off will mark the end of the consolidation era for the radio industry and its largest player, Clear Channel, and an acknowledgment by the company that it no longer is interested in smaller radio markets."

Reader's Digest Association Purchased By Ripplewood Holdings. The Wall Street Journal (11/17, B5, Ellison, Berman) reports, "Private-equity firm Ripplewood Holdings LLC, leading a group that agreed to buy Reader's Digest Association Inc. for $1.6 billion, now faces the tough challenge of turning around the long-declining magazine publisher." The Journal continues, "To help do so, Ripplewood plans to integrate its existing media businesses, which include Time Life Books and the Weekly Reader, with Reader's Digest direct-marketing machine. Aside from the pint-sized magazine, Reader's Digest publishes 26 other titles, including faster-growing names such as Every Day with Rachael Ray and Backyard Living." The Journal adds, "The deal comes as private-equity firms are bidding on a growing number of media properties struggling to cope with shifts in consumer habits brought on by the Internet and other new media. Reader's Digest, well known to many older Americans and people overseas, has been losing circulation for many years. … Four years ago, under pressure from investors unhappy with the company's performance, the founding Wallace family agreed to eliminate a dual-share voting structure that had allowed them to retain control of the company. … But there's been no improvement in the performance of the business, based in a sprawling colonial complex in Pleasantville, N.Y. Revenue has been flat for the past three years. And the company, which has taken write-downs of book-fair business Books Are Fun, has posted operating losses for the past two years."

RTL Considers Bid For ITV Group. The Financial Times (11/17, Edgecliffe-Johnson, Terazono) reports, "RTL, Europe's largest broadcaster, is working with private equity backers on a possible £5bn-plus ($9.4bn) offer for ITV, the UK television company that is waiting for NTL, the US-listed

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cable company, to formalise the bid approach it made last week." The Times continues, "Its plan envisages private equity groups putting up most of the funds needed to acquire ITV, which has a market capitalisation of £4.5bn and almost £1bn in debt. … The structure would allow RTL to acquire a minority stake without calling on Bertelsmann, the German media group that owns 90 per cent of its shares, to fund the deal." The Times adds, "After Bertelsmann bought out its only outside shareholder in May for €4.5bn ($5.8bn), it said its debt load would preclude any large deals until the end of 2007. … RTL would not comment, but the group is understood to be concerned about overpaying, so a steep rise in ITV's share price could yet derail its plans. One media executive cautioned that the plan had just a 50 per cent chance of succeeding. … A formal offer by NTL for ITV could also deter RTL. The chairmen of ITV and NTL have yet to meet, but NTL has already begun lining up financing for the deal, which would greatly increase its debt load, and has approached Michael Jackson, the former Channel 4 chief executive, to run ITV if its offer succeeds."

Johnson & Johnson To Purchase Conor Medsystems For $1.4 Billion. The AP (11/17) reports, "Johnson & Johnson said late Thursday it will buy cardiac stent maker Conor Medsystems Inc. for $33.50 per share in cash, for a total value of about $1.4 billion. The purchase price represents a 21 percent premium to Conor's Thursday closing stock price." The AP continues, "The company said the deal gives J&J's Cordis unit the controlled drug delivery technology currently used on the CoStar Stent System, a paclitaxel-eluting cobalt chromium stent with a bioabsorbable polymer. … The CoStar Stent is currently sold outside the United States, and enrollment in its U.S. pivotal clinical trial has been completed. The stent is used for the treatment of narrowing of the arteries and the company hopes it will be used as a treatment for heart attacks." The AP adds, "Conor Medsystems' CoStar Stent uses reservoir drug-delivery technology that enables site-specific drug delivery as well as the potential for delivery of multiple drugs that may be useful in the treatment of cardiovascular, peripheral vascular and neurovascular diseases. .. The boards of both J&J and Conor have approved the transaction, which is expected to close in the first quarter of 2007, subject to antitrust clearance, Conor stockholder approval and other customary closing conditions."

Antitrust Officials Wary Of Gas Price-Gouging Law. The AP (11/17, Apuzzo) reports, "The head of the Federal Trade Commission predicted Thursday that Congress would pass a gasoline price-gouging law despite her warnings that the country doesn't need one and it might cause fuel shortages." The AP continues, "FTC Chairwoman Deborah Platt Majoras said she has warned Congress publicly and privately about the dangers of such a law. … 'We looked very carefully but didn't see any new legislation needed to protect consumers,' Majoras said at an antitrust conference Thursday. 'Will new legislation be passed? I think we will see a price-gouging statute pass, perhaps at the end of this (incoming) Congress.'" The AP adds, "With gas prices rising to over $3 per gallon this spring, the House passed a bill permitting large fines and jail time for price gougers. The Senate has not acted on it and Sen. Max Baucus, D-Mont., the incoming Finance Committee chairman, said Thursday, 'There's a lot more that has a higher priority.' … Majoras said she understood the public's frustration and concern but said an upcoming FTC report on the price spikes found that consumer demand was up at the time. … Testifying in May before the Senate Commerce Committee, Majoras said retailers might let the gas run out rather than raise prices and risk facing prosecution. She noted the price spikes after Hurricane Katrina last year resulted in more fuel getting to market. … The Justice Department's top antitrust official, Assistant Attorney General Thomas O. Barnett, attended Thursday's conference and said addressing fuel prices was a tricky issue for his agency. … He said that like all cartels, the Organization of Petroleum Exporting Countries is bad for consumers. But he said any effort to hold OPEC to U.S. competition laws would have to be balanced with national security and diplomatic interests."

Delta Seeks Creditor Support To Dodge US Airways Takeover Bid. The Wall Street Journal (11/17, Perez, Trottman) reports, "Delta Air Lines began trying to rally support from creditors for its push to fend off an $8.76 billion hostile takeover bid by US Airways, with the Atlanta carrier firmly reiterating its determination to emerge from bankruptcy as a standalone company." The Journal continues, "Delta Chief Executive Gerald Grinstein and other executives at the third-largest U.S. airline by traffic held a series of conference calls yesterday with creditors to sift through terms of US Airways' cash-and-stock offer, pressing creditors to back Delta's restructuring plan. The move could give Delta an early advantage in its fight to remain independent, since US Airways hasn't had any face-to-face meetings with Delta's official creditors committee. … US Airways officials were still trying to arrange a meeting with representatives of Delta's official creditors committee. People familiar with the situation said such a meeting could come as early as next week, with Delta officials expected to attend." The Journal notes, "The Atlanta airline said the executives were reviewing the unsolicited proposal, which seeks to combine US Airways, based in Tempe, Ariz., with its much bigger rival under the Delta name and become the biggest US airline in terms of passenger traffic."

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Experts Differ On Merger's Potential Consumer Impact. The Christian Science Monitor (11/17, Marks) reports, "Whenever a big airline deal is proposed, the first question that arises usually is: What will it mean for the flying public? … In the case of US Airways' announcement this week that it hopes to acquire bankrupt Delta Air Lines for $8 billion, the simple answer is: higher prices. … That's because the merger would cut capacity by about 10 percent - in other words, passengers would have 10 percent fewer seats to choose from when they fly, which usually drives up prices. That would be good for the overall industry's bottom line. .. .But the dynamics behind this proposed merger, and the still precarious state of the nation's recovering aviation industry in the post-9/11 world, make the ramifications for the public far less clear. Add to that, it's far from a done deal: It still needs approval from the bankruptcy courts and the Justice Department. As a result, analysts have starkly different assessments of 'just what this will mean.'" The Monitor notes, "One camp thinks it's the best thing to happen to the industry bottom line since jet fuel prices dropped below $70 a barrel. That's because it will cut capacity. … But a different school of thought says that with planes already flying 80-to-90 percent full, overcapacity in the industry is no longer a major issue. After all, the traditional, so-called legacy carriers are making money even with oil at $60 a barrel."

USA Today (11/17, Reed, Hansen) reports, "Travelers in at least two dozen Eastern and Southeastern cities would see their air travel options significantly reduced by a merger between US Airways and Delta Air Lines." USA continues, "According to a USA TODAY analysis of airline data from Back Aviation Solutions, a merged carrier would have 50% or more of the scheduled capacity in 111 markets in the USA. That's up from 55 markets for US Airways and 31 markets for Delta. Both carriers are strong in the East and South, so not surprisingly, many of the communities that would see the biggest loss of choice are there, too." USA adds, "Delta management has been resistant to any takeover bid, and says it prefers to emerge from bankruptcy reorganization next year as an independent carrier. Delta CEO Gerald Grinstein had previously rejected two private approaches from his counterpart at US Airways, Doug Parker. … The proposed deal would require approval from the bankruptcy court, federal antitrust officials and US Airways shareholders."

US Airways' CEO No Stranger To Bold Moves. The AP (11/17, Weber) reports, "When JetBlue announced in April it was launching flights to Charlotte, N.C., a major hub city for US Airways, JetBlue's CEO belittled the service passengers in that city had been getting as 'substandard.' … US Airways' chief executive, Doug Parker, shot back in a letter to his own employees: 'US Airways is going to be here long after JetBlue.'" The AP continues, "Analysts, industry experts and those familiar with Parker's reputation said Thursday the 45-year-old's hostile bid to acquire a bigger rival in Delta Air Lines was not surprising, given bold statements like that one. … 'I think anybody has to be feisty to do what he's doing,' said Boston University School of Management Professor Allen Michel, referring to the unsolicited offer for Delta launched Wednesday by US Airways. The cash and stock bid to buy Delta once it emerges from bankruptcy is currently valued at $8.8 billion." The AP adds, "Parker's also been described as genial and approachable. Observers say those qualities could help him and his Tempe, Ariz.-based airline win over Delta employees. … Parker, who has held management positions at Northwest Airlines and American Airlines, led America West when it bought US Airways last year and adopted the US Airways name. While he's still integrating the two carriers, he says he's ready to tackle an even bigger challenge in acquiring Delta. This time, the company would keep the Delta name, becoming the nation's largest carrier in terms of revenue. … Delta's chief executive, Gerald Grinstein, said in a memo to employees late Wednesday that the Atlanta-based airline is committed to its plan to emerge from bankruptcy as a standalone carrier. … He also said 'the history of mergers in the airline industry is almost always one of failure, with over-promise of synergies and under-delivery of results.' … Parker clearly has a different view, that consolidation is the wave of the future in the airline industry. He also knows that the bankruptcy process gives him an opportunity to pitch an alternative plan to Delta's creditors. Whether his bid for Delta works or not, analysts tend to agree with Parker that major carriers need to combine to reduce capacity in the industry."

NYTimes Warns About "Dampened Competition" If Airline Merger Goes Through. The New York Times (11/17, 1.16M) editorializes, "US Airways' $8 billion offer for Delta Air Lines could kick off a wave of consolidation in the airline industry. The question for regulators is whether the result is a leaner, meaner industry with lower costs or just a case of less competition driving prices higher. Without allowing a free-for-all to break out, there is clearly some room for combining operations in this changing industry." But "the fact that the two airlines offer competing shuttle service between Boston, New York and Washington raises a big concern: that all these savings could come about as a result of dampened competition and thus at the expense of consumers. … Domestic carriers should take care when it comes to raising fares. There are plenty of foreign carriers that would love to gain access to the United States domestic market. If the locals get lazy and expensive, they could compel Congress to open the door to outside competition. It wouldn't be a bad idea to re-examine the idea now, before the merger wave has crested."

Grupo Mexico To Fight Antitrust Ruling Against Railway Merger. The AP (11/17) reports, "Mexican

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mining and railroad company Grupo Mexico said Thursday it will fight the federal antitrust commission's decision to uphold a previous ruling that blocked the company's plans to merge two railways. … The company 'will take all legal means at its disposal' to fight the ruling, Grupo Mexico said in a filing with the Mexican stock exchange." The AP continues, "In November 2005, Grupo Mexico said it would merge its Ferromex unit with Ferrosur, controlled by multibillionaire Carlos Slim. The antitrust commission rejected the proposed merger in June, and Grupo Mexico appealed. … The commission rejected the appeal on Wednesday, arguing that a merger would have led to excessive concentration in the railroad industry to the detriment of consumers and competitors." The AP adds, 'Grupo Mexico has argued it must expand in order to compete with U.S.-based railroad Kansas City Southern. .. .Kansas City Southern last year gained full control of local railway TFM, which runs through the heart of Mexico's industrial region to the border town of Nuevo Laredo from the Pacific port of Lazaro Cardenas."

ENVIRONMENT/INDIAN AFFAIRS:

Energy Interests Split On Drilling Legislation In Lame Duck Session. The Wall Street Journal (11/17, Harwood, 2.04M) reports in its "Washington Wire" that energy interests are "split on lame-duck drilling legislation. Industry, agriculture and labor groups seek House passage of Senate's offshore drilling bill, which would send measure to Bush's desk. 'We've got a bird in the hand,' says Jack Gerard of American Chemistry Council." Some companies "hold out for more ambitious House bill, which would allow states such as Virginia to opt out of anti-drilling moratoria. Robert Slaughter of National Petrochemical and Refiners Association says 'it will be difficult' to get Democratic majorities to revisit the issue later."

Oil Prices Plunge To Lowest Level In A Year. ABC World News (11/16, story 8, 0:10, Gibson, 8.78M) reported "the price of crude oil fell sharply" yesterday today. It "plunged by $2.50 a barrel, closing at the lowest price in a year." The New York Times (11/17, Mouawad, 1.16M) says "oil traders expressed doubt that OPEC members would carry out on their recent deal to trim production." Crude "for December delivery lost 4.25 percent, or $2.50 a barrel, to settle at $56.26. The drop, the steepest in 15 months, came as oil and natural gas inventories increased as a result of milder weather in the United States and Europe, reducing demand." The Times adds, "The uncertainty surrounding OPEC policies underscores the cartel's difficulties in coping with a slowing market after three years of rising prices and surging demand. Analysts view the group as too divided to be effective: at best, they expect OPEC members to fulfill only half the cuts pledged in Qatar."

WSJournal Urges House To Pass Senate Offshore Drilling Bill. In an editorial, the Wall Street Journal (11/17, A20, 2.04M) writes that if the lame-duck Congress "wants an easy victory for the U.S. economy it'll whip through the offshore drilling bill that has passed the Senate and awaits action in conference." The legislation "doesn't go nearly as far as we or many in the House would like, but it's the best opportunity for new U.S. energy exploration in years." Short supplies and high prices for natural gas "are punishing American industry, causing plant closures and job flight overseas. It is one of the larger economic messes in recent history, yet the political class barely mentions it -- perhaps because the politicians have done more than anyone to cause it." The Journal writes, "[W]ith coastal, anti-drilling Democrats set to run Congress next year, now is the time for the House to swallow its pride, pass the Senate version without amendment to avoid a conference, and send it to President Bush."

FTC Head Predicts Congress Will Pass Gasoline Price Gouging Bill. The AP (11/16, Apuzzo) reports, "The head of the Federal Trade Commission predicted Thursday that Congress would pass a gasoline price-gouging law despite her warnings that the country doesn't need one and it might cause fuel shortages. FTC Chairwoman Deborah Platt Majoras said she has warned Congress publicly and privately about the dangers of such a law." In the spring, "the House passed a bill permitting large fines and jail time for price gougers. The Senate has not acted on it and Sen. Max Baucus, D-Mont., the incoming Finance Committee chairman, said Thursday, 'There's a lot more that has a higher priority.'" In testimony before a Senate committee in May, "Majoras said retailers might let the gas run out rather than raise prices and risk facing prosecution."

California Board Prepares Effort To Combat Global Warming. The Wall Street Journal (11/17, Fialka, 2.04M) reports California's Air Resources Board is "a semi-independent agency that has been given the job of drawing up the nation's first regulatory program intended to reduce greenhouse-gas emissions by all sectors of the economy." To accomplish this, Dr. Robert Sawyer, the chairman, "and his agency, which is known outside California as CARB, will likely face fierce lobbying by industries and consumer groups, and difficult political questions that haven't yet been answered in the U.S." But California regulations "have shaped national legislation in the past, and CARB's efforts will be closely watched by other states and by the new Democratic Congress in Washington, where emissions reduction is likely to get increased traction." The change "will be most dramatic in the Senate, where Barbara Boxer, a California Democrat, will succeed James Inhofe, an Oklahoma Republican, as chairman of the Committee on Environment and Public Works." Boxer, "who believes 'global

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warming could reshape the world as we know it,' says she will introduce federal legislation that is similar to California's."

Ethanol Boosters May Shoot Down Pheasant Hunting Boom. The Wall Street Journal (11/17, A1, Hallinan) reports from Vivian, SD, "For nearly 100 years, LeRoy 'Frenchy' Authier's family has ranched and farmed along the banks of a slender stream known as Medicine Creek. … They grew wheat and raised cattle. But farms got bigger and prices got lower and after a while, the money didn't add up the way it used to. So nine years ago Mr. Authier's 46-year-old son, Mike, and his wife, Katherine, sold off the last of the cattle and turned to a new crop: pheasants." The Journal continues, "Today, they have four separate lodges on their land, including a converted barn and granary, that can accommodate up to 35 guests a day. Called the Medicine Creek Pheasant Ranch, about 30 miles south of the state capital of Pierre, it draws hunters from across the country. … Thanks to a federal program that pays farmers to idle millions of acres, the once-decimated pheasant is making a comeback. Many states in the nation's midsection are reporting their biggest populations of the game bird in nearly a half century. Hunters are also turning out in force, willing to pay people like the Authiers thousands of dollars a week to shoot the birds. … One result is an unexpected boom that is raising land values, propping up farms and generating new businesses in many parts of the Great Plains. In a good year the Authiers' pheasant operation will gross six times what the farm did, allowing them to raise their children in the house where Frenchy was born." The Journal notes, "The pheasant phenomenon has created an unusual alliance of farmers, hunters and environmentalists bent on preserving the program that pays farmers to leave some lands idle. For them, the biggest threat to the bird's well-being today isn't coyotes. It's corn, which is used to make ethanol -- the other big growth industry on the Plains. High oil prices have created intense interest in ethanol, an alternative fuel usually mixed with gasoline. As Congress prepares to write next year's farm bill, some want to see a portion of idled cropland planted with corn for ethanol production."

Michigan Land To Be Taken Into Tribal Trust. Indian Country Today (11/13, Toensing) reports from Bradley, MI, "The Match-E-Be-Nash-She-Wish Band of Pottawatomi's planned casino and entertainment center took a great leap forward recently when the federal government announced it would take land into trust for the project early next year." ICT continues, "The Interior Department will take 146 acres in Allegan County into trust for the tribe, which is known as the Gun Lake Tribe, on Jan. 5, 2007, according to an Oct. 27 Justice Department filing in the U.S. District Court in Washington, D.C., and with Michigan Gambling Opposition (MichGO), an anti-Indian casino group. … 'This is another very significant step forward for our tribe. We applaud the actions of the federal government in their efforts to provide relief to the tribe and the local communities that are eager for the thousands of jobs and economic growth the casino will provide,' Chairman D.K. Sprague said. … The tribe expects to begin construction next spring, Sprague said." ICT adds, "MichGO has until Jan. 5 to file an injunction against Interior, a legal step the group will take, spokesman John Helmholdt said. … 'MichGO will be filing the preliminary motion for injunction and we're going to continue to cooperate and work with the court in a timely manner and leave it up to the court to decide,' Helmholdt said. … The 300-member Gun Lake Tribe was federally acknowledged in 1999, but its effort to take land into trust have been snarled in court and at Interior since then. … Interior granted final approval to the tribe's land into trust application in May 2005. MichGO immediately challenged Interior in a lawsuit that is pending in the Washington federal court." ICT notes, "Last January, the tribe and the Justice Department filed for a summary judgment of MichGO's lawsuit, but the court has not acted since then. Around the same time, a federal appeals court dismissed an identical lawsuit that sought to delay the Pokagon Band of Potawatomi from developing Four Winds Casino Resort in southwestern Michigan. The dismissal set a precedent for MichGo's action against Gun Lake."

FBI/DEA/ATF/USMS:

Track Coach Pleads Not Guilty In BALCO Probe. The AP (11/17, Kravets) reports, "Elite track coach Trevor Graham pleaded not guilty Thursday to accusations he hindered a continuing government steroids probe targeting high-profile athletes." The AP continues, "Graham, who has trained Justin Gatlin, Marion Jones and Tim Montgomery, is charged with three counts of making false statements to federal agents in an indictment issued Nov. 1 by the grand jury investigating performance-enhancing drugs in professional sports. … Graham was freed on US$25,000 bond after appearing before U.S. Magistrate Edwin Chen." The AP adds, "Graham operates Raleigh, North Carolina-based Sprint Capitol USA, a team of about 10 athletes that includes Gatlin, the 100-meter co-world record holder who tested positive for testosterone and other steroids in April."

The Washington Post (11/17) reports, "Graham, who faces three counts of making false statements about his relationship with an admitted steroid dealer, appeared in front of U.S. Magistrate Edwin Chen in San Francisco. … He began the massive steroids probe now known as BALCO (Bay Area Laboratory Co-Operative), which has resulted in four criminal convictions but combined sentences of less than a year in prison."

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Bloomberg (11/16) reports Graham "obtained illegal performance-enhancing drugs from an unidentified source and lied about it to U.S. Internal Revenue Service agents who interviewed him in June 2004, according to the U.S. Attorney's office in San Francisco. Graham also lied about his contacts with the supplier, the statement said. … Graham, who is based in North Carolina, wasn't charged with distributing steroids."

Cable TV Coverage. ESPN (11/16, 7:00 p.m.) aired, "Track coach Trevor Graham pleaded not guilty today to accusations he hindered a probe targeting slugger Barry Bonds and other high-profile athletes. Graham…is charged with making false statements to federal agents. Those charges came in an indictment issued by a grand jury investigating performance-enhancing drugs in professional sports."

CNN (11/16, 4:00 p.m.) aired, "Track coach Trevor Graham has pleaded not guilty to accusations that he hindered a government probe into steroids. Graham is out on bond on three counts of making false statements to federal agents."

Local TV Coverage. KNTV-TV, San Francisco-Oakland-San Jose (11/16, 6:00 p.m.) aired, "The man who sparked the BALCO story and investigation pleaded not guilty to lying about his role. A grand jury indicted Trevor Graham…on three charges of making false statements. They interviewed him in 2000 under immunity agreements but it did not cover lying."

KTVU-TV, San Francisco-Oakland-San Jose (11/16, 6:00 p.m.) aired, "Track coach Trevor Graham pleaded not guilty this morning in connection with the BALCO steroids scandal. Graham is charged with three counts of making false statements to federal agents. A federal grand jury indicted Graham two weeks ago."

Anderson Sent To Prison A Third Time. There are more than 300 media references to trainer Greg Anderson being ordered to return to prison for refusing to testify about alleged steroid use by Barry Bonds. Many media outlets combined their stories about Anderson's and Graham's court appearances. The Washington Post (11/17) reports a federal appeals court in San Francisco "ruled yesterday that Barry Bonds's personal trainer must return to prison for refusing to testify before a grand jury investigating performance-enhancing drugs in professional sports. Greg Anderson, 40, already has served two other brief prison stints for refusing to testify whether his boyhood friend lied when he said he never knowingly used steroids. Both times, Anderson, held in contempt of court, was released on procedural grounds. Anderson could serve more than a year behind bars unless he agrees to tell the grand jury what he knows about Bonds's alleged steroids use."

The Los Angeles Times (11/17) reports Anderson's attorney "argued that Anderson shouldn't testify because prosecutors are relying on information that they gained in an illegally obtained recording of Anderson discussing steroids in 2004. Prosecutors counter that their questions to Anderson are based on a search they conducted of Anderson's home, along with other athletes' secret testimony."

The AP (11/17) reports Anderson "has already been behind bars twice after being held in contempt of court for his refusal to testify to a grand jury investigating Bonds on allegations of perjury and tax evasion. Both times, the prison stints were cut short because of legal technicalities."

Cable TV Coverage. ESPN (11/16, 5:00 p.m.) aired, "Greg Anderson must report to the federal correctional institution in Dublin, California, in two days, and he could serve more than a year behind bars unless he agrees to testify against the Giants slugger. The grand jury is investigating whether Bonds lied when he said he never knowingly used steroids."

Local TV Coverage. KABC-TV, Los Angeles (11/16, 6:00 p.m.) aired, "Barry Bonds's trainer Greg Anderson was released from prison a month ago and within two weeks refused to testify against his friend before a grand jury for a third time, so for the third time Anderson has been ordered back to jail for contempt. This time he could sit in jail for a year, unless he talks."

KNSD-TV, San Diego (11/16, 4:00 p.m.) aired, "Baseball's Barry Bonds's trainer is heading back to prison for refusing to testify before a grand jury. An appeals court in San Francisco today ruled Greg Anderson [report to] a federal facility within two days. He could serve more than a year behind bars unless he agrees to tell the grand jury what he knows about Bonds's alleged steroid use."

KNBC-TV, Los Angeles (11/16, 5:00 p.m.) aired, "An appeals court in San Francisco ruled today that Greg Anderson must report to a federal facility within than two days. He could serve more than a year behind bars unless he agrees to tell the grand jury about what he knows about Bonds's alleged steroid use."

KPIX-TV, San Francisco-Oakland-San Jose (11/16, 6:00 p.m.) aired, "A federal appeals court ruled today that Barry Bonds's personal trainer Greg Anderson must go back to prison for refusing to testify before a grand jury investigating performance-enhancing drugs in professional sports. The friend of Bonds has been to prison twice this year and is ordered to return by November 20. This time, he could serve as much as a year."

Man Admits Selling Fentanyl-Laced Heroin Linked To 2 Deaths In Detroit. The Detroit News (11/16) reports a Detroit man "faces more than 24 years in prison after he admitted…to distributing heroin laced with the painkiller fentanyl that killed two people. U.S. District Judge Lawrence P. Zatkoff will sentence James Edgar Coleman, 36,

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on Feb. 6 on two counts of distributing a controlled substance causing death." Coleman "said he did not know the heroin contained fentanyl."

The Detroit Free Press (11/16, Schaefer) reports, "As part of a plea deal, Coleman would be sentenced to 24 1/3 years to nearly 30 ½ years. Coleman's lawyer, Warren Harris, said his client was sorry and took the deal because he could have gotten life in prison on other charges the government issued."

The AP (11/16) reports Coleman "entered the plea to two counts of delivery of a controlled substance resulting in death."

Judge In California Tentatively Rejects Medical Marijuana Challenge. The San Diego Union-Tribune (11/16, Mcdonald) reports a Superior Court judge "rejected an argument Thursday from San Diego County that the state medical marijuana laws are illegal because they conflict with federal drug prohibitions. In a tentative ruling, Judge William R. Nevitt Jr., said California laws permitting chronically ill patients to grow and smoke marijuana are voluntary, and as such do not automatically conflict with federals laws banning pot. … It is unclear whether Nevitt will issue a formal ruling from the bench or take the case under submission."

The North County Times (11/16) reports the county "argued that the California law should be 'pre-empted' by federal law, which says all marijuana use is illegal, under the U.S. Constitution's 'Supremacy Clause,' which says federal laws should be 'supreme' over state laws. Nevitt, however, said in his tentative ruling that the county's argument ignored the corollary to the Supremacy Clause that held in matters where states traditionally legislate, state law is considered pre-eminent."

The AP (11/16) reports San Diego County "sued the state of California in February after the Board of Supervisors refused to follow state rules requiring them to issue identification cards to medical marijuana users."

In a separate story, the AP reports, (11/17) attorneys for San Diego County "argued Thursday before a state court judge that the federal ban on marijuana use precludes states from exempting people who use the drug for medical purposes. … Nevitt did not indicate when a final ruling would be issued but set a Dec. 1 deadline for additional briefs on issues related to the case. In his tentative ruling, Nevitt agreed with attorneys for the state, who argued that California is entitled to pass its own drug laws and legislate programs that allow marijuana use for medical purposes."

On its Web site, KGTV-TV, San Diego (11/17) reports after hearing oral arguments…Nevitt declined to issue a final decision in the lawsuit brought by San Diego, San Bernardino and Merced counties. … The suit was filed against the local chapter of the National Organization for the Reform of Marijuana Laws, or NORML, after the San Diego County Board of Supervisors refused to implement part of the state law requiring officials to issue identification cards to medical marijuana users to protect them from prosecution. The American Civil Liberties Union, Americans for Safe Access and Drug Policy Alliance joined San Diego NORML in fighting the suit."

In Tennessee, Man Pleads Guilty In Marijuana, Money Laundering Conspiracy. The Knoxville (TN) News Sentinel (11/17, Satterfield) reports, Assistant U.S. Attorney Hugh Ward on Thursday "laid bare in U.S. District Court the details of Arizona drug supplier Phillip Arthur Apodaca's role in the marijuana-peddling conspiracy case involving Market Square businessman Scott West and his brother." Apodaca "pleaded guilty to charges of conspiring to push more than a ton of marijuana and plotting to launder at least $2.5 million in drug money. … Apodaca already faces a boost in his basic penalty range because the U.S. Drug Enforcement Administration, which toppled the West conspiracy, found guns in the supplier's possession when he was nabbed, Ward said."

ATF Joins Search For Suspects In Detroit Shootings. The AP (11/17, Vample) reports, "Police arrested a man suspected in a series of shootings Thursday that left two people dead and three others wounded within a span of 10 minutes." The AP continues, "The shootings took place shortly after 6 a.m. in a three- to four-block area on the city's west side, Detroit police spokesman James Tate said. … Killed were Arthur James Smith, 49, and Othelia Fry, 58, both of Detroit, said Yvette Walker, a Detroit police spokeswoman. The wounded men - Elton Ash, 51, Dennis Anderson, 49, and James L. Brown, 50 - were treated at Henry Ford Hospital and released, hospital spokeswoman Synthia Bryant said." The AP adds, "Police arrested the suspect Thursday afternoon at a house about a half-mile from where the shootings occurred, The Detroit News reported on its Web site. … Investigators received a tip from a woman who told them the suspect told her he had shot five people in the morning. The woman led police to the man, the newspaper said. … The U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives was offering a $10,000 reward for information leading to the arrest and conviction of those responsible for the shootings. … 'The magnitude of the violence, coupled with a gunman - or gunmen - at large precipitated our offer of assistance to the Detroit Police Department and our involvement in the manhunt,' said Valerie J. Goddard, the agent in charge of the ATF's Detroit office."

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IMMIGRATION:

DHS IG Warns House Panel Of Risks In Virtual Border Fence Contract. In an article appearing on more than 50 news websites, the AP (11/16) reported an audit from DHS IG Richard L. Skinner says the department's plans for a "virtual fence" along the Southwestern border "could cost 15 times the initial $2 billion estimate," with early estimates ranging "from $8 billion to $30 billion." DHS spokesman Russ Knocke said he was not sure where Skinner's "numbers are coming from." He added that "the agency was open to listening to Skinner's ideas on how to strengthen oversight of the program." Skinner told the House Homeland Security Committee's management subcommittee Wednesday "that the type of contract awarded to Boeing for the border program creates additional risks that, 'unless properly managed, threaten achievement of cost, schedule, performance, and, ultimately, mission objectives.'"

TAX:

IRS Filing Shows Minutemen Outspent Donations. The Washington Times (11/17, Seper, 88K) reports the Minuteman Civil Defense Corps, "under fire for a lack of financial accountability, spent nearly $450,000 last year for volunteers to patrol the U.S.-Mexico border -- about $31,000 more than it collected in donations and registration fees -- according to a report released yesterday." The organization's "first Internal Revenue Service Form 990 filing as a 501(c)4 tax-exempt charitable trust showed nearly $285,000 in MCDC contributions, or roughly 63 percent, were used to pay for program management and operating expenses, such as travel expenditures, salaries, educational materials and office expenses. Another $145,000, about 32 percent, went for MCDC's fundraising programs." The reports says "about $20,000, or 5 percent, was spent on field supplies, meals, fuel and background checks for the claimed 8,500 Minuteman volunteers, who last year staffed observation posts at selected points along the Mexican border from California to Texas in April and October." While the IRS papers "document MCDC collections and expenditures through Dec. 31, a reported donation total of $418,493 is significantly less than the $1.6 million MCDC President Chris Simcox told The Washington Times in July that the group had collected in donations since its April 2005 creation. That figure was said to include $1 million in direct MCDC contributions and $600,000 toward the construction of a $55 million border fence."

CONGRESS-ADMINISTRATION:

Bush's Agenda Said To Contradict Calls For Bipartisanship. McClatchy (11/17, Thomma) reports, "President Bush made nice with the Democrats for the television cameras after they won control of Congress, complete with pictures filled with handshakes, smiles and vows of working together. He even tossed Secretary of Defense Donald H. Rumsfeld over the side, making many people think that maybe he was going to move more toward the center and reach out for bipartisan openings." However, "the agenda he's sent to Congress since then is full of Republican proposals that have no chance of winning bipartisan approval, enrage Democrats, rally his conservative base and appear to be intended to paint Democrats as obstructionist." Bush "has resubmitted several judicial nominations that had been blocked even before last week's elections. He's asked again that the Senate confirm John Bolton as ambassador to the United Nations. And he's urged approval of warrantless eavesdropping on suspected terrorists without any accommodation to Democrats' demands that a court sign off on the spying." These proposals "could be simply his opening bid in what would be a tough round of negotiations with the Democrats. Or they could be a political gambit designed to frame the Democrats early on as obstructionists while rallying a conservative base dispirited by last week's election losses. Either way, they contradict the initial post-election image that indicated that Bush was ready to reach out to Democrats."

Keroack Appointment "Latest Provocative Personnel Move" By Bush. The Washington Post (11/17, Lee, 690K) reports, "The Bush administration has appointed a new chief of family-planning programs at the Department of Health and Human Services who worked at a Christian pregnancy-counseling organization that regards the distribution of contraceptives as 'demeaning to women.'" Eric Keroack is "medical director for A Woman's Concern, a nonprofit group based in Dorchester, Mass." He "will become deputy assistant secretary for population affairs in the next two weeks, department spokeswoman Christina Pearson said yesterday." Keroack "will advise Secretary Mike Leavitt on matters such as reproductive health and adolescent pregnancy. He will oversee $283 million in annual family-planning grants that, according to HHS, are 'designed to provide access to contraceptive supplies and information to all who want and need them with priority given to low-income persons.'" The appointment "does not require Senate confirmation." It "was the latest provocative personnel move by the White House since Democrats won control of Congress in this month's midterm elections." The Los

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Angeles Times (11/17, 850K) runs the WPost story in this morning's edition.

NYTimes, WPost Chide Bush Over Judicial Nominations. In an editorial titled "Still Waiting For Bipartisanship," the New York Times (11/17, 1.16M) writes, "The voters sent a clear message last week that they do not want the far right of the Republican Party calling the shots in Washington. But President Bush has ignored the message, resubmitting a group of archconservative, underqualified judicial nominees that Senate Democrats have already said are unacceptable. With the Democrats about to take control of the Senate, it is highly unlikely that these men will be confirmed. But the renominations suggest that when it comes to filling judgeships, Mr. Bush is still not looking for either excellence or common ground. … Beyond their ideology, these nominees embody values that the American people rejected in the midterm elections."

The Washington Post (11/17, 690K) editorializes, "Given his pledges of bipartisanship…Bush's decision to resubmit a crop of his most controversial judicial nominations strikes a discordant note. … The real test of Mr. Bush's commitment to a more bipartisan approach to nominations will come in January, when he confronts the new Congress and its Democratic-led Senate Judiciary Committee. At that point, he should decline to renominate four of the current group of nominees. Democrats have valid objections on the merits to William J. Haynes II, William G. Myers III, Terrence W. Boyle Jr. and Michael B. Wallace -- all nominees to federal appeals courts." Peter D. Keisler, "Bush's highly qualified nominee to the US Court of Appeals for the DC Circuit…certainly warrants confirmation. Yet like a string of qualified nominees to the same court before him, he is caught up in a dispute over how many seats the court should have."

Some Think Rove's Days Are Numbered In Weeks, Not Months. The White House Bulletin / US News (11/16) reported, "The rumors that chief White House political architect Karl Rove will leave sometime next year are being bolstered with new insider reports that his partisan style is a hurdle to President Bush's new push for bipartisanship. 'Karl represents the old style and he's got to go if the Democrats are going to believe Bush's talk of getting along,' said a key Bush advisor. Other elements are also at play: The election of Sen. Trent Lott to the number two GOP leadership position in the Senate is also a threat to the White House and Rove, who worked against him when he battled to save his majority leader's job after his insensitive remarks about Sen. Strom Thurmond. And insiders report that Bush counsel Harriet Miers isn't a fan, believing that Rove didn't do enough to help her failed Supreme Court nomination among conservatives. In fact, one top West Wing advisor said that the unexpected ouster of Rove aide Susan Ralston over ethics questions was orchestrated by Miers as a signal to Rove to leave. The advisor said that Rove is aware of the situation and that a departure might come in 'weeks, not months.' A Rove ally, however, noted that he has a record of out-witting his critics."

Democratic Congress Expected To Approve Minimum Wage Increase. The CBS Evening News (11/16, story 4, 2:35, Couric, 7.66M) reported, "With the Democrats in charge of the new Congress, Senator Edward Kennedy will chair the committee that deals with the Federal minimum wage. It's now $5.15 an hour, and Kennedy said again today that raising it is at the top of his agenda." CBS (Bowers) added, "Illinois is one of 23 states with a higher minimum wage than the $5.15 level set by the Federal Government nearly a decade ago. This month, voters in six more states overwhelmingly approved getting a raise to minimum wage workers and adding a cost of living adjustment. It's an issue that's gaining traction with Americans. Incoming House Speaker Nancy Pelosi promises to make it a priority, putting pressure on President Bush to go along." Rose Elsenbrey, Economic Policy Institute: "I think that we will see a minimum wage increase within the next six or eight months."

The AP (11/17, Freking) reports President Bush "signaled readiness last week to consider some Democratic priorities such as a minimum-wage increase, overhauling immigration policy and finding compromise on renewing the No Child Left Behind education law."

Kennedy Aims To Extend Universal Coverage To Children. The Washington Times (11/17, Fagan, 88K) reports, "The soon-to-be chairman of the Senate health panel said yesterday his ultimate goal is to have the government provide health care coverage for all Americans." Sen. Edward M. Kennedy (D) "said he knows it will take awhile to gain support for the idea, so he will focus in the meantime on extending coverage to different groups, starting with covering more children under the existing Children's Health Insurance Program (CHIP) -- something he thinks there is 'a lot of sentiment for.'" But Kennedy, "who yesterday laid out his agenda for the Health Education Labor and Workforce Committee, said universal health care is the goal."

Bush Administration Said To Be Redefining "Hunger." ABC World News (11/16, story 6, 2:35, Gibson, 8.78M) reported, "In Washington, it's hard to believe. But the government has eliminated hunger. How did they do it? In a key government report, the word hunger is no longer being used to describe people without enough food. 35 million Americans fit into that category last year. The government called them hungry then. But no more." ABC (Stark) added,

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"Only in Washington could there be a debate about the meaning of the word hunger." Those who lack food now "have 'very low food security.'" Deborah Leff, Public welfare Foundation: "When they hear 'very low food security,' if sounds like bureaucratic jargon. It doesn't sound like people who can't get enough to eat." Stark: "Some say that may be the point. Just last year, the government used the word 'hunger' to describe, for example, those who run out of food and have no money to buy more, or families where parents skip meals so their children can eat. They were labeled as having 'food insecurity with hunger.' Now, they have 'very low food security.' 'Hunger' is out. The Bush Administration defends the change, saying it's based on recommendations from the national academies, which questioned whether the report truly measures hunger or just access to food."

WPost Mocks USDA's Avoidance Of Term "Hunger." The Washington Post (11/17, 690K) editorializes, "The agriculture Department has taken what you might call the Scarlett O'Hara approach to Americans without enough to eat: It will never call them hungry again. Rumbling stomachs? Malnourishment? That's not hunger, the department says. It's experiencing 'very low food security.' Maybe there's some scientific basis for this Orwellian recasting. … At least the USDA doesn't have jurisdiction over national monuments. Otherwise, just imagine it going after the inscription on the Statue of Liberty next: 'Give me your energy-deficient, your financially challenged, your space-impaired masses yearning to breathe free.'"

Democrats Snub Pelosi, Select Hoyer As Majority Leader. On the day in which she made history by coming the first woman speaker of the House, Nancy Pelosi is having to deal with very negative media coverage. The AP reports Democrats yesterday elected her "by acclamation," then "quickly snubbed her, selecting Steny Hoyer of Maryland as majority leader against her wishes." Pelosi had endorsed Rep. John Murtha, but "the secret-ballot vote for Hoyer was 149-86." Pelosi's own election is being largely overshadowed by Murtha's defeat. A number of reports and analyses pieces refer to Democrats rebuffing or stunning the Speaker-elect, and suggest the election fiasco raises questions about Pelosi's leadership. CNN's The Situation Room (11/16, Bash) said that "even before she takes the gavel, Pelosi is facing questions about whether she made a major strategic blunder." Democratic strategist Paul Begala, also on CNN's The Situation Room (11/16, Blitzer), said "It's a bigger defeat for Nancy Pelosi than for Jack Murtha." Pelosi "takes it on the chin here."

The CBS Evening News (11/16, story 2, 1:15, Couric, 7.66M) said Pelosi's "moment of triumph was followed by her first big political setback." Also on the CBS Evening News (11/16, story 3, 1:45, 7.66M), Bob Schiefer said the Murtha-Hoyer debate "has made the gap" between liberal and conservative Democrats in the caucus "even wider" and "it has raised real questions about her judgment." On ABC World News (11/16, story 5, 2:50, Gibson, 8.78M) George Stephanopoulos was asked to consider what Murtha's loss says "about her ability to lead the Democrats in the House." Stephanopoulos said "a lot of her opponents are saying they hope she learned a lesson, not to put personal loyalty above the interests of her caucus."

NBC Nightly News (11/16, story 4, 1:35, Reid, 9.87M) called it "a stunning defeat," and showed Pelosi saying, "We've had our debates and disagreements in that room and now that is over. As I said to my colleagues, as we say in church, let there be peace on earth and let it begin with us."

The Washington Post (11/17, Weisman, Romano, 690K) says the vote exposes "a deep political divide even before the party takes control." The vote "was viewed by many in the party as a repudiation of Pelosi's strong-arm tactics. … Pelosi's aggressive, last-minute campaign for Murtha in the face of overwhelming support for Hoyer left many Democrats worried that she has become too reliant on a tight inner circle, too reluctant to listen to the broader Democratic caucus and mistakenly convinced that she can dictate the direction the caucus must take."

The Los Angeles Times (11/17, Hook, Simon, 850K) headlines its front-page report "Pelosi's Early Setback Has Her Party On Alert," and says Democrats "gave Pelosi a brusque lesson in the limits of her power." It was "a battle that many felt Pelosi made unnecessarily bitter." Hoyer "didn't merely defeat Murtha, Pelosi's strong preference, but trounced him." The Times adds, "some Democrats were left wondering why Pelosi had injected herself into a bitter leadership battle with her last-minute support of Murtha over Hoyer, who had long been on track to claim the No. 2 job." The Los Angeles Times (11/17, Simon, 850K) also runs an analysis piece this morning titled "Party Gets A Rocky Start," in which it quotes "a Democratic lawmaker who spoke on condition that he not be named for fear of retribution from the leadership." The lawmaker said, "These aren't the headlines we wanted to generate." McClatchy (11/17, Talev) also quotes "one moderate Democratic congressman, who spoke on condition of anonymity for fear of retribution," saying "Pelosi's backing of Murtha made her look petty and shook some members' faith in her leadership. 'She owes Murtha a lot; she owes the caucus more,' he said. 'A good leader knows when she has to tell a member no, even when it's your friend. She'll either get it and lead differently,' the congressman said, 'or she won't lead long.'"

The New York Times (11/17, Hulse, 1.16M) says Hoyer's win strains "the unity of the new majority party," and is "an indication that rank-and-file members would be willing to break from Ms. Pelosi." Some Democrats "portrayed her decision to inject herself into the race as a miscalculation that

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elevated the battle into an unnecessary early test of her power and ended up giving more influence to Mr. Hoyer. But they said they did not expect hard feelings to linger."

Dana Milbank writes in the Washington Post (11/17, 690K) that Pelosi "experienced her first smackdown" yesterday. Pelosi "had only herself to blame for this briefest of honeymoons." Yesterday "should have been a coronation for the first woman to be speaker. Instead, her party had plunged into fratricide, and cable news was running nonstop clips of Murtha talking with FBI agents posing as sheiks in the Abscam sting."

The Wall Street Journal (11/17, Rogers, Lueck, 2.04M) reports the "Democratic fight…showed the political dangers of…Pelosi's risk-taking leadership style as the incoming speaker," while USA Today (11/17, Stone, Nichols, 2.27M) says "the next speaker of the House lost her first test Thursday even before she takes office. The decision by House Democrats to choose…Hoyer to be majority leader over…Murtha…dampened what until now had been a jubilant time for their party."

CQ (11/17, Ferrechio) runs a similar story under the headline "In Rebuff To Pelosi, Democrats Elect Hoyer As Majority Leader," while the Washington Times (11/17, Hurt, 88K) says "yesterday's vote showed that nearly two-thirds of the new Democratic majority in the House was willing to defy Mrs. Pelosi's demand that they vote for Mr. Murtha. Since gaining 29 seats in the Nov. 7 election, House Democrats have privately expressed deep concern over Mr. Murtha and say Mrs. Pelosi blundered by backing him so forcefully."

The Financial Times (11/17, Yeager) reports, "Throughout the mid-term election campaign, Mrs Pelosi pledged that the first act of a Democratic-controlled Congress would be a tough package of rules and ethics reform, following a series of mostly Republican scandals. But she raised eyebrows this week with her endorsement of Mr Murtha, who has been called "ethically challenged" by government watchdogs." Murtha "has faced allegations that he abused his position as a member of the defence appropriations sub-committee by favouring a lobbying company of a former long-term staffer and clients of Robert 'Kit' Murtha, his brother."

Hoyer, together with a number of Democratic lawmakers, granted interviews to several cable shows last night, arguing their caucus is united and the leadership election will have no long-term consequences. But the New York Times (11/17, Hulse, 1.16M) notes "not everyone was willing to put aside the fight so quickly. Some supporters of Mr. Murtha, a longtime member of the Appropriations Committee whose candidacy was dogged by questions about his ethics record, were disgruntled and said they were trying to identify lawmakers who had broken pledges to support him. 'We won't trust them on issues like this the next time,' said Representative James P. Moran, a Murtha ally from Virginia who said Mr. Murtha had been betrayed." Moran was more conciliatory on PBS' NewsHour (11/16, Warner), where he said, "This is behind us. It's time to move forward, and Steny certainly worked hard enough to be deserving of majority leader, and I congratulate him. … The caucus has spoken."

And the Baltimore Sun (11/17, Davis, 257K) reports California Rep. Maxine Waters, "a Hoyer supporter, said Pelosi's campaign -- in which she and her lieutenants urged lawmakers to abandon commitments to Hoyer or risk losing their chances at coveted committee posts -- had raised serious questions within the party. 'What most people didn't understand was the why's of it all,' Waters said." But "she added -- in what could portend difficult days ahead as Pelosi attempts to impose order on her caucus -- that lawmakers had mostly ignored Pelosi's 11th-hour effort to sway them in Murtha's favor." Waters said on MSNBC's Hardball (11/16, Matthews), "Steny has demonstrated his leadership. He's paid his dues. Steny knows the name of every member in Congress, all of the new members. He pays attention. He's been there every Thursday morning to run those whip meetings. He took his licking and he kept on ticking. He lost but played the game of being a team member. And he's a members' leader."

Hoyer said on CNN's The Situation Room (11/16, Blitzer), "The caucus spoke with a strong voice hat they thought the leadership that I'm providing, and the team of Nancy Pelosi and Steny Hoyer together, creating the kind of unity we had in our caucus, is one they wanted to keep, now that we have won the majority." Hoyer said on MSNBC's Hardball (11/16, Matthews) that he and Pelosi "have known each other 40 years. We had this temporary disagreement, obviously, but we will get over that quickly. Why? Because we're going to move fast, and when you're moving fast, you are thinking about going forward, not what happened yesterday." On Fox News' The Big Story (11/16, Gibson), Hoyer said, "Nancy is a very loyal person. Jack Murtha is a close friend of hers, had worked hard for her election as whip and then as leader. And I think she felt that she owed that response to him. I understood that. But that's the past. We have been given a responsibility by the American people and we need to meet it together." Profiles in this morning's newspapers describe Hoyer as a moderate pragmatist. The Washington Post (11/17, Murray, 690K), in a story titled "Political Pragmatism Carried Hoyer To The Top," says Hoyer is "a practical moderate and Nancy Pelosi is a liberal idealist, and for more than 40 years they have competed like siblings, all the way to the pinnacle of politics." The New York Times (11/17, Zernike, 1.16M) runs a similar profile under the headline "Steny H. Hoyer, A Cultivator Of Loyalties." The Times says, "WASHINGTON, Nov. 16 — If you placed an order for a congressman, chances are you would get Steny Hoyer. There is the immovable silver hair and the gleaming

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smile, the assiduous courting of colleagues, supporters and lobbyists, even the requisite life-changing encounter with John F. Kennedy."

Rep. Charles Rangel said on Fox News' The Big Story (11/16, Gibson), "I was scared to death that this thing was going to explode right on the Democratic Party. … If you could have seen the emotion of the Democratic caucus as both of them -- Pelosi and Hoyer -- hugged each other, it just brought us together with a sense of unity that -- we were fearful, but it was really exciting." On MSNBC's Tucker (11/16, Carlson), Rangel made similar comments, saying, "I was frightened as heck that this was going to be a big obstacle to unity, but you would have to be there to see how these two professionals handled Steny Hoyer's victory. He could not have been more cordial, friendly and dedicated to the success of Nancy Pelosi as the first woman speaker. Murtha was terrific."

Rep. Barney Frank, asked on PBS' NewsHour (11/16, Warner) "how serious a defeat" the Hoyer victory is for Pelosi, said, "Not at all. In the first place, it was not her first power play. Her first power play was a very successful one. I know only controversy makes news, but we had a potential controversy between Rahm Emanuel…and Jim Clyburn, our caucus chairman. She worked out a deal whereby Jim became the whip, the number three, an African-American very important in an elected leadership position, only the second time in history that's happened, and Rahm became caucus chair. We had this fight. But the key point is this: Nancy Pelosi and Steny Hoyer have worked together as number-one and number-two on the Democratic side for four years."

Rep. Dennis Kucinich said on Fox News' Your World (11/16, Cavuto), "A lot of us like Jack Murtha a lot. We appreciate the work he did in helping us to create a majority by making Iraq the issue. But we're united. And that's something to keep in mind."

Rep. Chaka Fattah said on MSNBC's Hardball (11/16, Matthews), "I love Jack Murtha and I think the country loves him for his courage and standing up against this war. He got a lot of votes in the Democratic caucus today, but it didn't add up to a win for him. But I think those who know Jack Murtha know that that's one moment in time we're going to be united. Steny Hoyer deserves this victory. He got the lion's share of the votes today. And we're going be a united caucus."

Rep. Ellen Tauscher said on MSNBC (11/16, O'Donnell), "I don't think it was a feud. We were trying to sort out how to put the best team front and center for us to go into the majority. And we went with the team that brought us into the majority."

Rep. Steve Israel said on MSNBC's Hardball (11/16, Matthews), "I supported Steny Hoyer. This wasn't about the war in Iraq. This was about a leadership election. This is about two class acts who were competing for one position."

Blue Dog Coalition leader Rep. Allen Boyd said on MSNBC's Hardball (11/16, Matthews), "Most of our members supported Steny Hoyer."

More Commentary. In an editorial headlined "Speaker Pelosi Tempts Disaster," the New York Times (11/17, 1.16M) says "Pelosi has managed to severely scar her leadership even before taking up the gavel as the new speaker of the House. First, she played politics with the leadership of the House Intelligence Committee to settle an old score and a new debt. And then she put herself in a lose-lose position by trying to force a badly tarnished ally…on the incoming Democratic Congress as majority leader. … The new majority -- led by a presumably wiser speaker -- must realize by now that intramural vendetta is hardly a substitute for productive government."

E.J. Dionne, in the Washington Post (11/17, 690K), writes "Democrats might usefully take a break from their inane round of back-stabbing and score-settling to focus, for a few moments, on why voters gave them their congressional majorities. A lot of Americans are hurting in the pocketbook, and if Democrats don't use the next two years to help them, the party will squander the trust it has temporarily earned."

GOP Rep. Ray LaHood said on MSNBC's Tucker (11/6, Carlson), "I think Pelosi's in the self-destruct mode and has been in that mode all week. And she's not off to a very great start for somebody who's talking about bringing her whole caucus together. It looks like she's parted ways with many of them. … It shows a pretty ineffective speaker-elect."

Ex-Rep. J.C. Watts, a Republican, said on CNN's The Situation Room (11/16, Blitzer), "I think this is a small stumble, because I think the Democrats understand that if they allow this to become a problem in terms of governing, it sets them back tremendously over the next couple of years. So I think, hopefully, my advice to them would be they'll have these petty fights behind closed doors, but, hey, get over this. The election is over. Put a good face on it and move forward."

Federal Workers Union Hails Hoyer Selection. The Washington Post's (11/17, D4, Barr) "Federal Diary" column reports, "Federal employee groups yesterday welcomed the election of Rep. Steny H. Hoyer (D-Md.) as the next House majority leader. Hoyer has championed federal pay raises and benefits for more than two decades. 'We have never before had such a good friend so high in the congressional leadership," said Margaret Baptiste, president of the National Active and Retired Federal Employees Association."

LATimes Endorses Harman For Intel Committee Chairmanship. The Los Angeles Times (11/17, 850K) editorializes that Pelosi's "embarrassing experience" of endorsing Rep. John P. Murtha, should make her "reconsider another ill-advised promotion: Her apparent intention to bestow the chairmanship of the House Intelligence Committee not on the panel's ranking Democrat, Rep. Jane

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Harman but on Rep. Alcee L. Hastings." A "litany of explanations have been adduced to explain why Pelosi would bypass Harman, an expert on intelligence matters who has won the respect of both parties while criticizing some of the Bush administration's excesses in the war on terror," but "none of them is persuasive," and Harman "has earned this chairmanship." Pelosi "should think twice before indulging in a witch hunt of colleagues who can work well with Republicans," and Harman fits the position "far more than Hastings."

Gates To Begin Capitol Hill Visits Today. The AP (11/16, Flaherty) reports Defense Secretary-designate Robert Gates "is making his first round of visits on Capitol Hill" since his nomination. The "one-on-one meetings Friday with lawmakers are in anticipation of Gates' confirmation hearing next month. The Senate Armed Services Committee plans to hold the hearing the week of Dec. 4."

RAND Analyst Says Gates Will Have Opportunities At DOD. In a WashingtonPost.com (11/17) essay, RAND Corporation senior analyst Gregory Treverton writes that, if confirmed, Gates "will not have much time in office but he will have opportunity." He "comes to the job without much baggage, either of ideology or policy. He didn't campaign for the job -- indeed, he turned down the position of director of national intelligence when it was offered -- so he has some independence. And he comes to office when desperation might make for a serious debate about policy toward Iraq." Treverton lists Iraq, military transformation, and intelligence as areas Gates can impact during his tenure.

Bipartisan Senate Bill Seeks To Improve Drug Safety. The AP (11/17, Bridges) reports, "A bipartisan bill represents the best shot in years to improve the safety of drugs the Food and Drug Administration regulates, but needs bolstering to heal the ailing regulatory agency, witnesses told lawmakers Thursday." The bill, "introduced in August by Sens. Mike Enzi, R-Wyo., and Ted Kennedy, D-Mass., comes on the heels of a string of high-profile drug recalls and safety warnings. Among them was the 2004 withdrawal of the popular painkiller Vioxx after long-term use was linked to an increased risk of heart attack and stroke." USA Today (11/17, 2.27M) says "representatives from the pharmaceutical industry and consumer and patient groups agreed Thursday that a bipartisan bill working its way through the Senate would improve drug safety and public confidence."

New OPM Groups To Focus On Federal Workforce Issues. The Washington Post's (11/17, D4, Barr) "Federal Diary" column reports, "In an effort to take a more strategic approach to federal workforce management, an interagency group has reorganized with an eye to how best to help Uncle Sam recruit and train a new generation of public servants." The "Chief Human Capital Officers Council, was created in 2002 to advise agencies on how to improve federal personnel systems." The Post adds that "Projections show that 40 percent of the federal workforce will retire by 2015, casting agencies into a war for talent with corporations, consulting firms and other employers."

Possibility Of Replacing Cheney As Vice President Floated. In his USA Today column (11/17), Al Neuharth says that for the 2008 election, "Dick Cheney unequivocally has taken himself out of the running. So he's toast. It's hard to think of a good reason he should remain in office and logical to assume that some Republicans are pushing him to leave. It could be on 'doctor's orders.' He's 65 with serious heart problems." President Bush "then could name a vice presidential successor who they hope might be nominated and win in '08. But the appointment would need approval of both houses of Congress. With control shifting to the Democrats in January, time may be of the essence." Names that are "likely on the short might-be list (alphabetically): Bill Frist, 54, Senate majority leader from Tennessee; Rudy Giuliani, 62, former mayor of New York City; John McCain, 70, U.S. senator from Arizona; Condoleezza Rice, 52, secretary of State." If Cheney "goes, Bush could make political history by naming the first woman and first black as veep."

Bush Urged To Resist Entitlement Compromise That Includes Tax Hikes. In his Wall Street Journal column (11/17), Daniel Henninger discusses the impact of the Reagan tax cuts in the US and in Eastern Europe, adding, "Last week former Clinton Treasury Secretary Robert Rubin exhorted the Democrats to raise taxes 'to solve the nation's fiscal problems.' The Rubin Solution may not be easy. Even a Democratic Congress might realize that raising taxes today is swimming against the global tides. In reversing the Clinton tax increases, passed in another age 13 years ago, and spreading tax cuts to the financial sector, George Bush has driven the roots of the Reagan tax philosophy deeper. If he resists a grand compromise on entitlements that raises taxes, it may prove to be his most enduring legacy."

Healthcare, Energy, Economic Justice Suggested As Democratic Agenda Items. In his Washington Post column (11/17, A17), David Ignatius says, "What are the issues where the Democrats should plant their flag and try to create a new majority? Two are no-brainers that should have broad bipartisan support next year: reviving the Clinton administration's push for national health-care policies that can save costs and improve care, and getting serious about alternative energy policies that can reduce demand for foreign oil. Sen. Hillary Clinton has already

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staked out these issues, which will enhance her stature as a 2008 presidential candidate." A "third big Democratic idea was advanced this week by Jim Webb, the senator-elect from Virginia, who promises to be one of the most interesting voices in the new Congress. He argued in the Wall Street Journal that the Democrats should focus on economic justice."

LATimes Says Big Three's Days Of Federal Help Are Over. The Los Angeles Times (11/17, 850K) editorializes "Very little, if anything, is expected to come of the meeting," between President Bush and the heads of General Motors, Ford and DaimlerChrysler's Chrysler Group, after "months of lobbying for some face time." It was "a reflection not only of the newfound weakness of the industry but of a change in global circumstances." Although the US auto industry is "an important part of the nation's economy," the days of "massive federal bailouts for the likes of Chrysler are over."

OTHER NEWS:

Stocks Soar To New Record After Positive Inflation News. The CBS Evening News (11/16, story 5, 0:15, Couric, 7.66M) reported, "There's one piece of good news tonight about prices: Cheaper gasoline has us talking about deflation instead of inflation for a second straight month. Consumer prices dropped by a half percent in October. So far this year, inflation is running 2.4%. That's a full point lower than last year." ABC World News (11/16, story 9, 0:10, Gibson, 8.78M) says "the Dow gained 54 points to close at 12,305. And that's its third-consecutive record." The Wall Street Journal (11/17, McKay, 2.04M) notes "the Standard & Poor's 500-stock index rose 0.2%, or 3.19 points, to 1399.76, shy of its first close above 1400 since November 2000. The broad-based index is up 12% this year. The Nasdaq Composite Index rose 0.3%, or 6.31 points, to 2449.06, up 11% year to date."

The Washington Post (11/17, Schneider, Henderson, 690K) runs a similar report titled Inflation Drops Again As Gasoline Prices Fall," in which is says "inflation continued to moderate in October as falling oil prices, a slack housing market and a decline in clothing costs reinforced the sense of a gradually slowing economy." Labor Department "statistics released yesterday indicated that overall prices declined 0.5 percent in October on a seasonally adjusted basis, following a similar decline in the previous month. Excluding volatile fuel and food costs, prices rose 0.1 percent, the smallest increase since December and a sign that core inflation is declining."

The Wall Street Journal (11/17, Gerena-Morales, 2.04M) headlines its story "Inflationary Signs Weaken Broadly," and quotes Nariman Behravesh, chief economist at consulting firm Global Insight, saying the inflation report "is unmitigated good news. … It will provide great comfort to the Fed because they've been saying that inflation is going to come down -- and it has. People who were worried about [high] core inflation can breathe a little easier." In fact, the Financial Times (11/17, Callan, Guha) titles its story "Inflation Slowdown Raises Rate Cut Hope." The New York Times (11/17, Porter, Peters, 1.16M) and Christian Science Monitor (11/17, Scherer, 59K), among other newspapers, also report on the inflation numbers.

KBR Shares Soar On NYSE Debut. The Wall Street Journal (11/17, Civils, 2.04M) writes that Halliburton "has shed a big part of its business, for better or worse. KBR, the engineering and construction unit with a huge presence in Iraq, was successfully offered to the public Thursday after a slight delay. Halliburton's stock, which has rallied in anticipation of the spinoff, has done well since the Iraq war began, rising from around $10 to an all-time high of $42 earlier this year. Shares closed Thursday at $32.51, down $1.04 on the New York Stock Exchange." The Washington Post (11/17, D3, Witte, 690K) says analysts said Halliburton's "main reason for making the move was that KBR had become a drain on the company's share price. While KBR takes in huge revenues through its government contracting and engineering work, its profit margins are considerably thinner than those of the rest of Halliburton."

KBR Could Still Face Difficulties With UK's MoD. The Financial Times (11/17, Gangahar) says KBR shares "soared as much as 25 per cent on their debut." KBR "ignored calls from the UK's Ministry of Defence to postpone its float," which the ministry requested "to give it time to determine the financial viability of KBR." But the Houston Chronicle (11/17, Clanton, 530K) says KBR's decision to ignore the UK request "might still come back to bite it." KBR CEO William Utt will meet with a top MoD official Monday "to discuss the impact of the move on a strategically important naval dockyard, which is majority-owned by KBR." The UK "has threatened to reject the lucrative contract if both sides cannot come to terms."

Several House Races Remain Too Close To Call. USA Today (11/17, Stone, 2.27M) reports, "Recounts, runoffs and Saturday's Ohio State-Michigan football game stand in the way of deciding House races that remain too close to call 10 days after the election. Nearly a dozen races were unsettled at the start of the week." Four races "have been called since Tuesday, all but one in favor of the incumbent. Connecticut Republican Rep. Rob Simmons lost to Democrat Joe Courtney by 91 of nearly 250,000 votes cast." Republicans "lead in all five races in which absentee and provisional ballots are still being counted." One of the

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"closest contests is being waged in North Carolina, where GOP Rep. Robin Hayes leads Democrat Larry Kissell by about 450 votes. Poll workers are hand-tallying nearly 1,500 provisional ballots." In Ohio, Rep. Deborah Pryce, "who has said she'll step down from her GOP leadership position, leads Democrat Mary Jo Kilroy by 3,536 votes. Election officials won't count provisional ballots until Sunday, so workers can watch the Ohio State-Michigan game Saturday." Freshman Republican Rep. Jean Schmidt "leads Democrat Victoria Wulsin by about 2,800 votes. Provisional and absentee ballots could be counted by Tuesday." The "most contentious standoff is in Florida in the district that Republican Katherine Harris — a central figure in the disputed 2000 presidential election recount — gave up for her failed run for senator. Just 401 votes separate the leader, Republican Vern Buchanan, from Democrat Christine Jennings." A recount is "underway, but that's not likely to explain why more than 18,000 voters in heavily Democratic Sarasota County left the House race blank on their electronic touch-screen ballots." Two other races "will be decided in runoffs next month. In Louisiana, state Rep. Karen Carter is challenging fellow Democrat Rep. William Jefferson, who is under investigation for alleged bribery." In Texas, GOP Rep. Henry Bonilla "faces Democratic former congressman Ciro Rodriguez."

Democrat Won't Seek Recount In Wyoming House Race. The AP (11/17, Moen) reports Democratic challenger Gary Trauner "said Thursday he would not seek a recount in his narrow loss to Republican Rep. Barbara Cubin in Wyoming's closest House race in 36 years." Trauner said in a statement, "It is time to put this election to rest and look to the future." The AP adds Cubin "beat Trauner by 1,012 votes out of 193,369 cast. The State Canvassing Board certified the election results Wednesday."

D Street SE's 100 Block Symbolizes GOP's Loss Of House. McClatchy (11/17, Stearns) reports, "A requiem for the nearly departed Republican Congress: A stroll down the 100 block of D Street, Southeast in the nation's capital." Inside the "elegant painted-brick rowhouses that line the quiet street within sight of the U.S. Capitol are the stories of a revolution gone wildly wrong." For the "last couple of years, several of the neighbors hosted a progressive cocktail party/fundraiser, according to the Capitol Hill newspaper Roll Call. Admission: $1,000 per house." McClatchy lists the "neighbors, the drinks, the problems, the consequences" of defeat. Now-former GOP members who lived on the block included Reps. Nancy Johnson, Clay Shaw, Jim Ryun, Chris Chocola, Mark Foley, and Porter Goss."

Democrats Hopeful For Continued Success In 2008. The Wall Street Journal (11/17, Harwood, 2.04M) reports in its "Washington Wire" that, "Democrats see improved electoral map as 2008 field expands. House Democratic campaign chief Emanuel touts gains among suburbanites and higher-income voters -- Democrats won among those earning $50,000 to $100,000. Republican consultant Steve Lombardo, citing Democratic advances among Catholics, says 'only another election or two' can prove staying power of such trends." Sen. Dodd of Connecticut, "who may join Democratic nomination race, calls for 'New Age of Idealism.' His annual Williamsburg retreat for supporters attracts greater interest given his 2008 aspirations and ascension to Senate Banking chairmanship. Democrats hold most congressional seats in states with 303 electoral votes, strategist Mark Gersh says."

McCain Says GOP Needs To Return To "Common Sense Conservatism." The AP (11/17, Sidoti) reports Sen. John McCain "called on the Republican Party to return to its common-sense conservatism — and implicitly cast himself as the one who can lead the party's rebirth." In the "first of two speeches that could set the tone for a potential presidential campaign," McCain said, "We lost our principles and our majority. And there is no way to recover our majority without recovering our principles first." The AP adds that on the "same day he launched a presidential exploratory committee, McCain said voters felt that Republicans valued their incumbency over their beliefs on such conservative standards as limited and efficient government — and he urged a return to those tenets." McCain "spoke before members of the Federalist Society, the organization of more than 25,000 conservatives and libertarians including high-profile members of the Bush administration, the federal judiciary and Congress. Later Thursday, he was delivering a broader speech about the future of the Republican Party to another conservative pillar, GOPAC." McCain is "taking advantage of the postelection period to outline a vision for the party much like Ronald Reagan did after the Republican defeat in the 1976 presidential election." As expected, McCain "also filed paperwork with the Federal Election Commission that will allow him to raise money and travel the country while weighing a bid." Despite all "the action, McCain says he will wait until after the Christmas holiday to decide whether to make a second bid for the White House."

The New York Times (11/17, Nagourney, 1.16M) reports McCain "said Thursday that Republicans had lost the midterm elections because 'we abandoned our principles' on fiscal policy and government restraint, inviting a backlash from Americans over what they saw as widespread hypocrisy." McCain, "in back-to-back speeches delivered on

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the day he formally created his presidential exploratory committee — portrayed the election result as deserved punishment of Republicans for their performance in office, rather than an affirmation of the Democratic Party. Speaking to two conservative audiences still reeling from the Republicans' losses of the House and Senate, he said Republicans could recover from the election but only if they took lessons from the results." McCain said, "Hypocrisy, my friends, is the most obvious of political sins — and the people will punish it." The Times adds the speeches "were what aides described as the start of a new phase in Mr. McCain's likely try for the presidency, though he will make a formal decision on whether to run next year. The addresses, amounting to a sharp repudiation of his own party as well as an unambiguous embrace of conservative ideology, come as Republicans debate what lessons should be drawn from the defeat."

The Washington Post (11/17, A7, Balz, 690K) reports McCain "took the first formal steps toward a 2008 presidential campaign yesterday and used a pair of speeches before Republican audiences to argue that his brand of conservative, reform-minded politics and hawkish foreign policy can restore the GOP to power." McCain "cited Reagan frequently as the guidepost for the future of the party. In contrast, he never mentioned Bush by name, although he was implicitly critical of the administration's conduct of the war in Iraq. By choosing two conservative audiences for his first major post-election speeches, McCain demonstrated his desire to mend relations with the right, which helped deny him the nomination in 2000." McCain's "moves yesterday were the latest evidence suggesting that the 2008 presidential campaign will accelerate to warp speed earlier than in any other period in recent history." McCain advisers "likened yesterday's speeches -- to the GOPAC political action committee and the Federalist Society -- to an address Reagan delivered in 1977 after the Democrats won the White House and GOP fortunes appeared to ebb."

The Washington Times (11/17, Dinan, 88K) reports the story under the headline, "McCain Says GOP Needs To Recover 'Lost' Principles." The Times reports McCain "said a majority of voters are still conservative and added the Republican Party must return to basic principles of limited government in order to recapture their support." He also said "last week's elections, in which Republicans lost control of the House and Senate, were not an endorsement of Democratic ideas, nor of an isolationist approach to foreign policy." At the Federalist Society, McCain "drew a standing ovation at the beginning and at the end of his remarks."

CNN's The Situation Room (11/16, Crowley) reported, "This is the day that John McCain filed papers for an exploratory presidential committee, but the fact is that the words he's going to speak today to these two conservative groups shows he's doing a lot more than exploring."

Discussing the 2008 Republican presidential contest on MSNBC's Tucker (11/16, Carlson), GOP strategist Roger Stone said Sen. John McCain is "pretty strong. I think he's the frontrunner. Rudy Giuliani, who I have enormous respect for, would be a terrific vice presidential candidate, but at the end of the day how he will wear in the primaries remains to be seen. John McCain is fundamentally a conservative in a conservative party. And the Republican Party tasted defeat last week, they didn't like the taste. John McCain's the only candidate they have on the horizon who is competitive in places like Pennsylvania and New Jersey and Ohio, and therefore he's our strongest candidate."

Asked on MSNBC's Hardball (11/16, Matthews) if he is "a McCain man," Rep. John Shadegg said, "I think he's the star-quality candidate we need."

Edwards Still Undecided On '08 Run. Ex-Sen. John Edwards, asked on CNN's The Situation Room (11/16, Blitzer) if he wants to be president, said, "Maybe, a resounding maybe. I haven't decided for sure, but I'm seriously thinking about it. … I'll decide in the next few months. And it will be dependent in part on how Elizabeth is doing. But right now, she's doing great. And whether I think it's an important thing for the people that I would want to represent for me to run for the White House."

Ford Not Ruling Out Challenge To Alexander In 2008. Asked on CNN's The Situation Room (11/16, Blitzer) about the fact that Sen. Lamar Alexander is up for reelection in 2008, Rep. Harold Ford Jr. said, "I read that somewhere. The next two years will be interesting." Blitzer: "You're certainly not ruling that out?" Ford: "No, not at all."

RNC Says No Offer Was Made To Steele. The Washington Times (11/17, Hallow, 88K) reports the Republican National Committee "this week said it never offered Maryland Lt. Gov. Michael S. Steele 'a specific role' at the committee after his unsuccessful campaign for the U.S. Senate." Many conservatives "were surprised this week when, after reports that some leading Republicans favored Mr. Steele to succeed Ken Mehlman as chairman of the RNC, the White House leaked word to news agencies that President Bush would back Florida Sen. Mel Martinez for the top post at the committee." Steele "told The Times on Wednesday that neither White House adviser Karl Rove nor Mr. Mehlman 'offered me formally' any job." Steele said, "I got calls from various state party chairmen and national committee members to take the chairman's post on Thursday and Friday of last week. I told them, 'This is clearly a White House decision. We'll just have to wait to see what the White House decides.' This isn't something I actively pursued. It grew up out of the grass roots." Steele added that "all this is

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moot now. The president has made his decision, and I am a team player."

DeLay's Replacement Seeks Investigation Of Missing Computer Files. The New York Times/AP (11/17) reports the "newest member of Congress, who is temporarily filling former Majority Leader Tom DeLay's Texas seat, wants an investigation into the destruction of computer files in her office by staffers she inherited from DeLay." Rep. Shelley Sekula-Gibbs, R-Texas, "said the staffers resigned en masse and walked out Tuesday, a day after she was sworn in to fill DeLay's seat for the next seven weeks. A Capitol Hill newspaper, Roll Call, reported the staffers did not like the way she was treating them." Sekula-Gibbs "said in a statement Thursday that seven employees in her Washington office and the district office in Stafford, Texas, outside Houston, 'deleted records and files without my knowledge or permission' on the same day she was sworn in." Sekula-Gibbs "said the walkouts were 'suspicious' in that the seven took the time to delete files before leaving without notice." The AP adds David James, "former deputy chief of staff for DeLay, released a statement Thursday saying that the computers in the office were 'scrubbed and reconfigured' according to House rules on transition between members and that work performed for the congresswoman during the brief time he worked there was preserved."

The Washington Post (11/17, A4, Babington, 690K) reports, "Just when it seemed things could get no stranger regarding the House seat once held by Texas Republican Tom DeLay, his successor called for an investigation into missing computer records last night, and an aide accused her of 'disrespect and unprofessionalism.'" Rep. Sekula-Gibbs "said that former DeLay employees apparently deleted the office's computer files shortly before they walked out, en masse, on Tuesday." Sekula-Gibbs, "a dermatologist, arrived for Congress's lame-duck session with ambitions for funding a fence along the Mexican border, making a number of tax cuts permanent and achieving other goals that may or may not be possible in the handful of appropriations bills on Congress's plate."

GOP Alienation Of Latinos Seen As Key To 2006 Losses. In a Los Angeles Times op-ed (11/17), Tamar Jacoby of the Manhattan Institute says, "Republicans are asking what they did wrong in the 2006 midterms. This is a question with many answers. But few missteps were more foolish — and few will be harder to correct — than those made with Latino voters. The appointment this week of Cuban-born Sen. Mel Martinez of Florida to chair the Republican National Committee is a good way to make a new start. But the damage done in the last year goes deeper than symbolism, and it will take more than one appointment to undo it." Republican hard-liners "in the House refused to enact the president's immigration reform. They passed a bill making felons of illegal immigrants, not because it was good law but merely to make a political point." The results "were hardly surprising. Last week, Latinos voted 70% to 29% in favor of Democrats."

Moore Makes Pledge To Conservatives. In a Los Angeles Times op-ed (11/17), Michael Moore offers "A Liberal's Pledge to Disheartened Conservatives." The pledge includes offers to "always respect" conservatives who vote Republican, including "never, ever, call[ing] you 'unpatriotic' simply because you disagree with us. In fact, we encourage you to dissent and disagree with us." The liberals will "let you marry whomever you want," and will "soon bring our sons and daughters home from Iraq," and bring "your sons and daughters home too."

O'Connor Recounts Receiving Package Containing Poison. The New York Times (11/17, Greenhouse, 1.16M) reports, "A discussion of recent threats to judges' safety, at a bar association conference in suburban Dallas last week, became startlingly specific when Sandra Day O'Connor, the retired Supreme Court justice, recounted that each justice had received in the mail 'a wonderful package of home-baked cookies' that contained 'enough poison to kill the entire membership of the court.'" Justice O'Connor's remarks "were reported on Thursday in The Star-Telegram in Fort Worth."

Shadegg Is Matthews' "Favorite Candidate." On his MSNBC Hardball (11/16) show, Chris Matthews introduced Rep. John Shadegg as "a real Barry Goldwater principled conservative" and told him, "you're my one favorite candidate on the Republican side." Asked if he can win his race for minority whip today, Shadegg said, "I believe I can. I'm certainly hopeful. I'm not going to give you a count and tell you that we've got it locked up; we don't."

Conservative Think Tank Promoter Profiled. The New York Times (11/17, Deparle, 1.16M) profiles Lawrence W. Reed, "one of those people with so much passion for an unusual line of work that he invented a new occupation, and it has helped shape the conservative movement from here to the Himalayas." Reed "runs a conservative think tank school. Twice a year, ideological allies from across the globe travel to his program at the Mackinac Center for Public Policy in Midland, Mich., to study the tricks of the idea-peddling trade. Policy institutes have been central to a national organizing strategy that has long won the right a reputation for savvy, and state-level versions are growing in number and clout." Pushing "causes like lower taxes, less spending and school choice plans, they have

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offered conservatives a base of influence independent of electoral politics. Indeed, after the Republican losses in the midterm elections, many conservatives said this carefully tended world — of research organizations, single-interest groups, foundations and publications — was vital to the movement's revival."

Milton Friedman Dead At 94. The Wall Street Journal (11/17, Ip, Whitehouse, 2.04M) reports, "A half century ago, Milton Friedman's advocacy of free markets over government intervention and his prescription for inflation-fighting by central banks were treated as fringe notions by many economists. By the time the Nobel Prize-winning economist died yesterday at the age of 94, his views had helped to reshape modern capitalism." Friedman "provided the intellectual foundations for the anti-inflation, tax-cutting and antigovernment policies of President Ronald Reagan and British Prime Minister Margaret Thatcher and an era of more-disciplined central banking. His ideas helped to end the military draft in the 1970s, gave birth to staple conservative causes such as school vouchers and created the groundwork for new economic views about the Great Depression, unemployment, inflation and exchange rates." The New York Times (11/17, Noble, 1.16M) calls Friedman "the grandmaster of free-market economic theory in the postwar era and a prime force in the movement of nations toward less government and greater reliance on individual responsibility." The Los Angeles Times (11/17, Peterson, 850K), Washington Post (11/17, A1, Sulliva, Losada, 690K) and USA Today (11/17, Kirchhoff, 2.27M) run similar reports.

In his Washington Post column (11/17, D1), Steven Pearlstein writes, "Friedman's abiding distrust of government action also blinded him to its successes. But it would be wrong to confuse his libertarian instincts with lack of human sympathy. He was an early proponent of the negative income tax, now known as the earned income tax credit -- which supplements the wages of millions of low-income workers. And while he opposed rent control, public education and Social Security, he promoted government vouchers to help people buy housing, education and medical care."

The Wall Street Journal (11/17, 2.04M), in an editorial, calls Friedman "arguably the greatest economist of the 20th century," and notes "this newspaper had the privilege of publishing Milton Friedman's articles on numerous occasions over the years. We've also disagreed with him from time to time, notably on exchange rates and drug legalization. … On the death of Ronald Reagan, whom he advised, Mr. Friedman wrote on these pages that 'few people in human history have contributed more to the achievement of human freedom.' The same can and long will be said of Milton Friedman." The Wall Street Journal (11/17, 2.04M) also runs an op-ed by Friedman, titled "Why Money Matters."

In Singapore, Bush Promotes Trade, Issues Warning To North Korea. In Singapore, the first leg of his Asian trip, President Bush promoted free trade and addressed the situation with North Korea. Bush's trip generated no network TV coverage last night. Press accounts this morning tend to have a negative tone, emphasizing what they see as Bush's weakened political position. Also, with Bush traveling to Vietnam, several reports also see an analogy between the Vietnam and Iraq wars – one that may be overshadowing Bush's message. The New York Times (11/17, Sanger, 1.16M) runs a report titled "On To Vietnam, Bush Hears Echoes Of 1968 In Iraq 2006," in which it says that "until now, when asked what he had learned from Vietnam, Mr. Bush has almost reflexively reached for the same line: That he does not micromanage his generals, the way Mr. Johnson did. It is a response drawn from conservative orthodoxy about what went wrong in Vietnam, underlying an argument that had the generals been allowed to fight their way, the United States might have won." But "he may feel compelled to say more after he lands in Hanoi. Mr. Bush will find himself inside government halls adorned with paintings of Ho Chi Minh."

Likewise, the Washington Times (11/17, Curl, 88K) headlines its analysis of Bush's trip "Comparisons With Vietnam Shadow Bush Trip," reporting "the specter of the Vietnam War 30 years ago and comparisons to the US-led war in Iraq have followed him to the Pacific Rim." The Los Angeles Times (11/17, Gerstenzang, 850K) also says Bush "was shadowed by an issue that was politically difficult for him when he first ran for president, just as it was for [President] Clinton: the question of military service during the Vietnam War. And there was new attention to an issue that is politically painful for him in 2006: whether the Iraq war is turning into a new generation's equivalent of the torturous Vietnam conflict."

USA Today (11/17, Jackson, 2.27M) reports "Bush pressed familiar points in Asia on Thursday on trade and anti-terrorism policies, but Democrats are making it clear the political environment has changed back home." Bush told an audience in Singapore that "the United States wants to expand trade in Asia and work to restrict the spread of nuclear weapons, particularly from North Korea." But "in Washington, Democrats preparing to take charge of Congress next year challenged Bush over his approaches to free trade and North Korea, as well as the war in Iraq. 'The next few months will be a time of great transition here in Congress and hopefully in American foreign policy,' Rep. Tom Lantos, D-Calif., said." Lantos "will be the next chairman of the House International Relations Committee." He "called for sending an American envoy directly to North Korea to negotiate a halt to its nuclear weapons program."

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The Wall Street Journal (11/17, Dreazen, 2.04M) says Bush's "Asia swing" is being "overshadowed by political troubles at home and diplomatic disputes abroad." In Singapore, "Bush fired back at newly empowered Democrats challenging his free-trade push." He "urged Asian countries to work with the US to rejuvenate a long-stalled round of global trade talks and endorsed the idea of a free-trade agreement with all 21 Pacific Rim members -- even as he felt compelled to rally support anew in his own government for such efforts. 'We hear voices calling for us to retreat from the world and close our doors to its opportunities, he told an audience at the National University of Singapore in his first major speech of the trip. " 'These are the old temptations of isolationism and protectionism, and 'America must reject them.'"

The Washington Post (11/17, A15, Fletcher, 690K) reports Bush yesterday "warned North Korea that the United States would consider it a 'grave threat' and would hold North Korea responsible if it transfers nuclear bomb technology to another country or to a terrorist organization." During a speech at the National University of Singapore, he urged Pyongyang to take "concrete steps" to end its nuclear program, and he called on other Asian countries to send the same message. Meanwhile, in comments to reporters in Hanoi, Secretary of State Condoleezza Rice "said there was deep skepticism among the group's members that North Korea actually intended to abandon its nuclear weapons." Asked if she would favor delaying talks until she was certain North Korea would take steps to show its commitment, Rice said: "I don't think it makes sense for us to have talks unless we think that it's going to be fruitful." The AP (11/17, Hunt) called Bush's plea an attempt to "exert his authority on the world stage" after being "hurt by election losses back home."

The New York Times (11/17, Sanger, Cooper, 1.16M) reports Secretary of State Condoleezza Rice, "speaking with reporters in Hanoi, said that the coming resumption of long-running six-way talks with North Korea over its nuclear program would be pointless without shows of good faith from both sides." The Times adds, "Together, the statements by Mr. Bush and Ms. Rice suggest how much the issue of North Korea's newly acquired nuclear-power status is likely to dominate the APEC meeting, which usually focuses on trade issues."

The Financial Times (11/17, Kazmin, Daniel), meanwhile, says "Vietnam's communist rulers will on Friday suppress their irritation at the US rejection of a trade bill and roll out a red carpet for…Bush. They are keen to deepen a relationship crucial to their country's future prosperity." But "the second US presidential visit since the end of the Vietnam war has spawned little of the public enthusiasm generated by Bill Clinton's ground-breaking trip six years ago."

Seoul Backs UN Resolution Condemning Pyongyang. The Financial Times (11/17, Fifield) reports South Korea Thursday "said it would vote in favor of a United Nations resolution condemning North Korea for its human rights record, an about-face from its traditional practice of avoiding antagonizing its neighbor." The Times says the "shift comes as Ban Ki-moon, the former foreign minister, prepares to take over the running of the UN, a move that has contributed to Seoul's realization that it cannot stay silent about what it sees as one of the world's worst human rights situations." Song Min-soon, the incoming foreign minister, said Pyongyang's "nuclear test and missile launches contributed to the change in position."

US Panel Seeks Broader Sanctions Against China. AFP (11/17, Parameswaran) reports that a "Congress-appointed panel sought broader sanctions against Chinese firms proliferating unconventional weapons and wanted Beijing to inspect ships plying to or from nuclear-armed North Korea's ports." The United States-China Economic and Security Review Commission "said in its annual report that current sanctions against Chinese companies that proliferate equipment and technology related to weapons of mass destruction should be 'broadened and harmonized for increased effectiveness.'"

White House Surprised By Vietnam Trade Bill "Stumble." The Wall Street Journal (11/17, Harwood, 2.04M) reports in its "Washington Wire" that its "Vietnam trade stumble catches White House by surprise. Red-faced Trade Representative Schwab, in Hanoi, is forced to parse congressional procedures after trade pact wins majority but falls short of two-thirds required under special parliamentary rules. 'Getting this through Congress was a huge deal' for Vietnam, an administration official says amid Bush's Asia trip." Textile lobbyist Augustine Tantillo "says misfire underscores spread of 'cold feet' among lawmakers about free trade. North Carolina Republican Rep. Robin Hayes, whose dead-heat re-election race remains undecided, chides party leaders for bringing up the measure so soon after the election."

More Commentary On US-Vietnam Ties. Author Aimee Phan writes in USA Today (11/17, 2.27M), "For many Vietnamese-Americans, a trial last week in Vietnam was their worst nightmare realized. Three Vietnamese-Americans were convicted on terrorism charges last Friday. Along with four Vietnamese nationals, they were found guilty of plotting to use radio equipment to call for a public insurgency against the Communist regime. The defendants were accused of having ties with the Government of Free Vietnam, which Hanoi regards as a terrorist organization. According to its website, the California-based pro-democracy group claims to advocate peaceful protest against the current regime." The case "gives the Bush administration an opportunity to leverage trade relations with Vietnam in exchange for improved human rights policies."

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The Washington Post (11/17, 690K) editorializes, "The Vietnam deal…demonstrates the perversity of congressional obstructionism on trade. US negotiators have helped to secure access to Vietnam's markets as a condition for its joining the World Trade Organization. The negotiation is complete, and Vietnam will join the WTO irrespective of what Congress says." But "Congress does have the power to shoot itself in the foot: If it refuses to ratify the deal, other WTO members will enjoy the market access that Vietnam has promised while the United States is denied it. An attempt to pass enabling legislation failed in the House this week, and a second attempt was pushed into December." The Post goes on to criticize "a minority in Congress who represent vulnerable textile regions and a majority that is supportive but lethargic."

Putin Discusses Goals For APEC Summit. Russian President Vladimir Putin writes in the Washington Times (11/17, 88K) about Russia's role in Asia, noting that during this week's APEC summit in Hanoi "we are going to discuss a plan of action…towards building a system of free and open trade and investment in the region." At the same time, Putin noted that "one of its key goals" is "countering international terrorism," along with measures to "completely eradicate the social roots of terrorism -- poverty, hunger and chronic unemployment." As a major supplier of energy to world markets, he said Russia is also "open to cooperation," but remains "convinced that the terms should be beneficial for all partners." In conclusion, Putin said he would "like to emphasize that we are optimistic about APEC's future" and that Russia "intends to take a vigorous part in addressing future challenges together with other members."

Hoagland Urges White House To Reinforce Relations With Russia. Washington Post (11/17, A25, 690K) columnist Jim Hoagland writes, "For George W. Bush, meeting Vladimir Putin is no longer an uplifting opportunity to look into the Russian leader's eyes and glimpse a kindred soul. Their encounters have become exercises in damage limitation or unavoidable bits of scheduling during international conferences." Although he says it "is easy to understand why Bush has dropped his earlier enthusiasm for Putin," Hoagland notes that Washington and Moscow "have two looming opportunities to put political and trade relations on a sounder footing and make their relationship less vulnerable to personal ups and downs." At this month's NATO summit in Latvia, he says Bush "may be tempted to go back on a tentative compromise that Washington has struck with its European and Canadian allies concerning future alliance membership for Georgia and Ukraine." And the second is Congress' approval of a bilateral agreement reached with Russia on its application to join the World Trade Organization. Although Bush's "clearing vision of Putin's flaws and the American leader's candor with his peers are welcome developments," Hoagland cautions that they "make it even more important for the United States and Russia to seize opportunities that reinforce a relationship that cannot for long be dominated by personal ties."

Senate Backs Nuclear Deal With India. The New York Times (11/17, A10, Shanker, 1.16M) reports the Senate "gave overwhelming approval late Thursday to President Bush's deal for nuclear cooperation with India, a vote expressing that a goal of nurturing India as an ally outweighed concerns over the risks of spreading nuclear skills and bomb-making materials." The agreement "calls for the [US] to end a long moratorium on sales of nuclear fuel and reactor components. For its part, India would divide its reactor facilities into civilian and military nuclear programs, with civilian facilities open to international inspections." However, "Critics have been unwavering in arguing that the pact would rally nations like North Korea and Iran to press ahead with nuclear weapons programs despite international complaints and threats. Opponents of the measure also warned that the deal would allow India to build more bombs with its limited stockpile of radioactive material, and could spur a regional nuclear arms race with Pakistan and China." The AP (11/17, Klug) notes the vote was 85 to 12.

The Financial Times (11/17, Johnson, Bokhari, Luce) says the approval "came despite concerns that the deal would encourage India to expand its nuclear weapons arsenal and spur a regional arms race with nuclear rivals Pakistan and China. Washington is especially concerned that China's President Hu Jintao will give the green light to an ambitious expansion of Beijing's controversial nuclear co-operation with Pakistan during his visit to Islamabad next week." The Times also notes that the "delicacy of south Asia's nuclear balance was underscored on Thursday as Pakistan test-fired a nuclear capable medium-range missile, a day after peace talks with New Delhi." The Los Angeles Times (11/17, Chu, 850K) also reports "there are already signs that Beijing may retaliate," and notes : On Hu's expected announcement in Pakistan."

The Wall Street Journal (11/17, A8, Solomon, 2.04M) reports, "Despite the deal's easy passage through the Senate, congressional officials said a number of roadblocks still need to be cleared before the US can begin shipping nuclear fuels to the subcontinent." The House "passed a different version of the pact, and the two chambers need to try and reconcile the versions before they adjourn in December. And Washington still needs the Nuclear Suppliers Group, an international body that regulates the trade in nuclear fuels, to provide New Delhi with clearance. After that, the Bush administration and the International Atomic Energy Association still must reach an agreement with New Delhi over the inspection regime that's required in order for the transfer of nuclear fuels."

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Meanwhile, the Washington Post (11/17, A14, Linzer, 690K) says advocates of the plan "see it as a way to cement ties with a rapidly modernizing, friendly democracy whose economic and military strength could one day rival China's." For its part, the Post notes that "although the effort has garnered little attention outside Washington, it has the potential to radically alter US foreign policy for decades. Bush administration officials say they believe it will accelerate India's rise as a regional counterweight to China and provide the United States with a new foothold in Asia." Undersecretary of State Burns welcomed the bipartisan support late yesterday and called the agreement "one of the most important foreign policy initiatives of the last several years."

European Nations To Present New Mideast Peace Initiative. The Financial Times (11/17, Burnett) reports Spain, France and Italy "plan to present a new Middle East peace initiative to their European partners at an EU summit in December," Spanish Prime Minister José Luis Rodríguez Zapatero said Thursday. Spain "hopes to gain the backing of Germany and Britain for the initiative, calling for an immediate ceasefire, the formation of an internationally recognized Palestinian unity government and a peace conference. French President Jacques Chirac said France would "act jointly" with Spain, Italy and other European countries to "try to initiate indispensable moral and political reforms in the Middle East."

Blair Says New Initiative Could Come "Within Weeks." In an interview with the Washington Post (11/17, A15, Sullivan, Jordan, 690K), British Prime Minister Tony Blair Thursday "offered hope for progress" on the Israeli-Palestinian conflict, saying that "sensible Arab and Muslim countries" now see "strategic reasons" for finding a solution and that new initiatives could come "within weeks." Blair said "this is an opportunity for us if we are prepared to seize it now," citing leaders of Saudi Arabia, Egypt and Jordan as among those who "want to make progress" on an issue he called the "crux" of problems in the Middle East. Blair declined to provide specifics but said British officials were holding private talks with Middle Eastern governments as well as the Bush administration about measures "to move this forward." The Post notes that Blair is also planning a trip in the next few weeks to the Middle East, which he said was facing a "critical moment."

Olmert Says No Large Scale Gaza Offensive Planned. The New York Times (11/17, A12, Fisher, 1.16M) reports, "Despite calls from some Israelis for an invasion of Gaza after" a rocket attack killed a woman Wednesday, Prime Minister Ehud Olmert "signaled that he would respond with restraint." He told reporters on his flight home from the United States that "while Israel would continue targeted attacks, a large-scale assault would not necessarily solve the problem of the crude homemade Qassam rockets fired by Palestinian militants into Israel nearly every day." The Times notes that "this is a delicate time in negotiations among Palestinian leaders who are trying to form a unity government of professionals and technocrats," and Olmert's remarks "seemed to indicate that a new Israeli offensive would not add to the already-deep difficulties of striking a deal."

Palestinian Factions Build Up Arms As Tension Rises. In a front page article, the Washington Times (11/17, A1, Mitnick, 88K) reports that "an arms race by rival Palestinian militants has nearly doubled the price of guns in anticipation that fighting in the Gaza Strip between Hamas and Fatah militias will spread to the West Bank." The Times notes that "since Hamas took over the Palestinian Authority in March, tension between Hamas- and Fatah-affiliated militias has frequently exploded into street warfare," and "as the vacuum of lawlessness that has existed in the Palestinian territories for years grows even wider, rival security outfits as well as gunmen from mafia-like clans are moving to fill the gap."

US Hospital Ship Improved Public Opinion In Muslim Countries. The Washington Times (11/17, Bawa, 88K) reports that "public opinion polls conducted in two of the more populous Muslim countries showed that humanitarian aid from a US Navy hospital ship had healed more than health problems." The polls by the Washington group Terror Free Tomorrow showed that "when people were made aware of the mission, it left a positive perception of the United States." Responding to the polls' findings, undersecretary of state for public diplomacy, Karen Hughes, said humanitarian efforts "undermine ideological support for terror." Noting "a misunderstanding about America," Hughes noted, "People don't realize that the United States is the No. 1 donor of medicine and food to the Palestinian people."

Blair Urges US Take Lead On Climate Change. In an interview with the Washington Post (11/17, A15, Sullivan, Jordan, 690K), British Prime Minister Tony Blair Thursday "made an impassioned plea for the United States to lead the world on climate change, an issue that Blair has championed despite reluctance from the Bush White House." Blair said there is now "a big opportunity for the administration and for America on climate change," and urged the White House to "come up with a sensible plan and framework."

Rice Welcomes Agreement On Darfur Peacekeepers. The New York Times (11/17, Cooper, 1.16M) reports Secretary of State Rice said that "by agreeing in principle to allow a joint United Nations-African Union peacekeeping force into the war-stricken Darfur region," Sudanese President Omar Hassan al-Bashir "has a chance to rehabilitate its image in the rest of the world." Speaking to

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reporters in Hanoi, Rice "hailed the deal" struck in Addis Ababa by UN Secretary-General Kofi Annan and Bashir, saying, "I think it certainly is a real opportunity to resolve what is an extremely difficult problem, and to get back on a road where innocent people can be protected and the Sudanese government has a chance to make right with the international system."

Separately, the New York Times (11/17, A3, Worth, 1.16M) reports Sudan Thursday "agreed in principle" to allow a joint United Nations-African Union peacekeeping force into Darfur, "reversing its longstanding refusal to let United Nations troops in." The agreement "raised hopes for a more effective peacekeeping effort in Darfur." However, the Times cautions that it is "not clear how soon the new force can enter Darfur," because "two major issues must still be worked out before the agreement becomes final: the number of troops, and how the commander will be selected." The AP (11/17, Neuhaus) quotes Annan as saying a meeting "should take place in the next couple of weeks to resolve outstanding issues by the end of the year."

Sudan Shuts Out Outside World From Darfur. The Christian Science Monitor (11/17, Houreld, 59K) reports, "As outgoing UN chief Kofi Annan began a major push to stem the escalating crisis during high-level meetings in Addis Ababa, Ethiopia, Thursday, the Sudanese government told top UN humanitarian official Jan Egeland that all his proposed destinations on a three-day trip to Darfur are too insecure to visit this weekend." Last week, the Norwegian Refugee Council "announced it was being forced out of Darfur after its permit to operate had been indefinitely suspended for the fifth time, making working conditions 'impossible.' Other foreign aid workers say they have been denied permission to reenter the country after leaving to attend a family emergency or to seek medical treatment." Even the African Union "monitoring force of nearly 7,000 soldiers is also frequently stymied in its investigative attempts. During the one-day talks in Ethiopia with UN, EU, and Arab League officials Thursday, Mr Annan pushed for a 'hybrid' force of AU and UN peacekeepers to be allowed into Darfur. But early indications were that Sudan would reject this."

Burmese Military Wipes Out Minority Villages To Build Security Gate. The Washington Post (11/17, A1, Faiola, 690K) reports, "According to estimates by relief groups, Burmese forces have burned down more than 200 civilian villages here in Karen state, destroyed crops and placed land mines along key jungle passages to prevent refugees from returning to their home villages." At least "20,000 civilians have been displaced over the past eight to 10 months," and "dozens of people have died," as "a consequence of Burma's largest military offensive against its own people in more than a decade, according to aid groups and Western diplomats." Observers say they are "attempting to build a broad security cordon around their new capital near the inland city of Pyinmana," and the Burmese have "already begun moving government offices there from Rangoon, the old capital, and are finishing work on a sprawling military bunker."

Royal Becomes French Socialists' Presidential Nominee. The AP (11/17, Charlton) reports, "Segolene Royal got a running start Thursday to her campaign to become France's first female president, decisively beating two rivals to wrap up the nomination for the main opposition Socialist Party in a single round of voting." The victory "spared" Royal a "second round against her two rivals from the party's old guard — Former Prime Minister Laurent Fabius and former Finance Minister Dominique Strauss-Kahn." In the final tally, Royal "had collected 60.62 percent of votes, while Strauss-Kahn won 20.83 percent and Fabius gained 18.54 percent," with "about 82 percent of the 219,000 party members eligible to vote cast ballots. Strauss-Kahn and Fabius both conceded their defeat.

The New York Times (11/17, Sciolino, 1.16M) also reports, "With most of the vote in," Royal, 53, "a regional president and former minister, won 60.6 percent of the vote of the party's nearly 219,000 members in an unusual primary." The victory "helped validate" Royal's standing as "the only candidate capable of beating the right's frontrunner, Nicolas Sarkozy, the Interior Minister who is seeking his UMP party's nomination for the 2007 presidential election." An Ipsos opinion poll released on Thursday found Royal and Sarkozy "statistically tied if they were to face off in a second round of voting, after other candidates had been eliminated." Her opponents "agree that her looks help," and "in poll after poll, her telegenic smile and elegant profile have appealed to a French public yearning for a new style of leadership."

The Wall Street Journal (11/17, Gauthier-Villars, 2.04M) reports that Stephane Le Foll, chief of staff for the Socialist Party's head secretary, "declined to give a percentage" by which Royal "was expected to win, but said some 75,300 votes had been counted out of a total 180,000 ballots cast." Her nomination "highlights France's deep desire for change after nearly twelve years of economic stagnation and sagging morale under the rule of current President Jacques Chirac." The ruling UMP party "is expected to choose its candidate early next year."

The Washington Post (11/17, A15, Anderson, 690K) reports, "Riding a wave of popular disgust with France's political status quo," Royal on Thursday "used an Internet-fueled, personality-driven campaign to capture the Socialist Party's nomination for president and boost her bid to become France's first female head of state." Le Monde newspaper "estimated that she captured about 61 percent of the vote in

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turning back challenges from Strauss-Kahn and Laurent Fabius, "who both garnered about 19 percent, Le Monde projected." Political analysts and opinion surveys suggest that Royal "will face a tough challenge uniting the left for the first round of the general election so that it does not splinter its vote and hand a victory to the hard right."

Immigration Increases In Ireland. The Washington Times (11/17, Healy, 88K) reports that after several centuries "that has seen Irish men and women emigrating around the world, taking their culture and legends with them, a decade of rapid economic growth has made the land of shamrocks a primary destination for hordes of immigrants, mainly from Eastern Europe." The Times notes, "Foreign nationals now account for 10 percent of the population, twice as many as just two years ago, forcing the government for the first time to begin drafting a formal immigration policy to deal with the influx. 'Over "80 percent of the new immigrants are under age 44, and almost half come from states that joined the European Union in 2004. Large numbers are employed in the retail, agriculture and construction sectors, helping to fuel one of the fastest-growing economies in Europe."

China's Thirst For Energy Seen As Undercutting Sanctions Against Myanmar. The New York Times (11/17, Perlez, 1.16M) reports that in the waters off Myanmar, "an Asian energy rush is on. Huge pockets of natural gas have been found. China and India are jostling to sign deals. Plans are afoot to spend billions on new ports and pipelines." Yet in towns onshore, "not a light is to be seen. ... People receive two hours of electricity a day from a military government that is among the world's most repressive. But attempts at outside pressure to prod the government to address its people's needs and curb abuses have faltered, in large part because China's thirst for resources has undermined nearly a decade of American economic sanctions." Critics say " On topic on President Bush's agenda for the APEC summit "will be how to keep up the pressure." But "[h]e is not likely to find cooperation, not from rivals like China and Russia, or even countries like Singapore and Indonesia, which trade freely with Myanmar." The "energy rush is the latest demonstration of how the hunt for oil and gas, and China's economic leverage, are reshaping international politics, often in ways that run counter to American preferences."

Friedman Urges China To Adopt Environmental Policies. Columnist Thomas Friedman writes in the New York Times (11/17, 1.16M) that regarding China's environment, "the same kind of bruising effort it took for Deng Xiaoping to move China from communism to capitalism will be required to move China from its polluting model of capitalism to a sustainable one." Moving China "to a new sustainable model will take more than ordinary leadership," and "a giant leader who by sheer force of will moves the whole system against all the entrenched habits and interests." It will take a "green Deng Xiaoping," otherwise, "every day here will feel like midnight at noon."

Congress Urged Not To Close Door On Free Trade In Andes. Columnist Mary Anastasia O'Grady writes in the Wall Street Journal (11/17, 2.04M), "Sometimes it seems that our elected representatives in Washington are not all that bright. Either that or they don't always act with the best interests of the American people in mind." Take the opposition in Congress "to the pending free trade agreements between the US and Peru and Colombia. The Bush administration has already signed the FTA with Peru and is expected to sign the Colombia FTA by the end of next week. But to be implemented, both pacts need to be ratified by the US Congress. Right now, with the Democratic leadership opposed and some Republicans unwilling to back the president, that looks doubtful." O'Grady concludes, "Colombia is not the only place where a Big Labor oligarchy has been known to call the shots for the rest of us. The Democratic-led Congress taking over in January is likely to experience a similar tyranny. That means that the only hope now for a step forward in US-Latin American trade relations lies with Republicans, who would be wise to pass these FTAs before they leave the majority in December."

NYTimes Says Kosovo "Limbos" Too Unstable. New York Times (11/17, 1.16M) editorializes, "For the past seven years, the tiny Balkan region of Kosovo has been in limbo," but "limbos are unstable." Belgrade will "always object to Kosovo's independence," and the "best chance of moderating its reaction is the promise of eventual membership in the European Union and a clear warning that Europe will be watching how it treats its new neighbor." The Kosovars "should be clear that donors and everyone else will be watching just as closely to see how they treat their own Kosovar Serbs."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"$2-Billion Downtown Overhaul In The Red."
"Economist Changed The World."
"Rounds Of Sadness And Joy."
"Pelosi's Early Setback Has Her Party On Alert."
"Iraq's Shiite-led Regime Seeks To Arrest Top Sunni Cleric."
"They Never Needed To Reimagine 'Bobby'."

USA Today:
"P.S.: More PS3s Are On The Way."

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"Trip To National Title Game On The Line Saturday."
"Military May Ask $127b For Wars."

New York Times:
"Pelosi Rebuffed Over Her Choice For House Post."
"Spitzer Is Likely To Seek Hevesi's Ouster."
"Socialists Back Woman In Race To Lead France."
"Myanmar Is Left in Dark, An Energy-Rich Orphan."
"U.S. Airstrikes Climb Sharply In Afghanistan."
"Showing A New Style, Department Stores Surge."
"Milton Friedman, Free-Market Theorist, Dies At 94."

Washington Post:
"Bush Choice for Family-Planning Post Criticized."
"Economist Touted Laissez-Faire Policy."
"Misery Spirals in Burma As Junta Targets Minorities."
"SAT Monitors Napped, Ignored Rules, Teens Say."
"A Chance To Get Into The Room."
"Democrats Pick Hoyer Over Murtha."

Washington Times:
"Hoyer Elected Majority Leader."
"District Slayings Usually With Gun."
"Comparisons With Vietnam Shadow Bush Trip."
"Ireland Sees Pike In Foreign Workers."
"Palestinian Rivary Rings Up Cost Of Guns."
"Science, Technology Not Making The Grades In US."

Detroit Free Press:
"Michigan Reservist Travel Path OF Peril."
"'Lord, Don't Let It Be Her,' One Victim's Husband Says."
"Wayne State, DMC Prepare For Breakup."
"GM Works To Keep Lead In Biggest Potential Market."

Atlanta Journal-Constitution:
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"$261 Million Gift Bolsters Emory."
"CDC On Probation Over Care Of Animals."
"The Game Of His Life."
"Adoptions Fail, Couples Feel Dumped."

Houston Chronicle:
"Teen's fate Hinges On A Violent Past."
"Four U.S. Civilians Thought Abducted In Iraq."
"HISD Enrollment Down By 7,000 For Fall Semester."
"Majority Leader Pick Shows Democrats' Discord."
"Sekila-Gibbs Demnds Probe Of Aides Who Quit."

Story Lineup From Last Night's Network News:
ABC: Deadly Tornado; Strange Fall Tornados; Airport Travel Delays; 2nd Mass Kidnapping-Iraq; New Democratic House Leadership; No Longer Called Hunger; Competing Clinics-Medicine Vs Faith; Oil Prices; Stock Market; OJ's New Book; Milton Friedman Obit; Sea Lion Attacking Swimmers-San Francisco.
CBS: Deadly Tornado; New Democratic House Leadership; New Democratic Leadership-Analysis; The Minimum Wage; Consumer Prices Drop; Milton Friedman Obit; 2nd Mass Kidnapping-Iraq; 9/11 Hijacker Associate Convicted; Nasiri Interview; New Medical Study-Walking; Male Biological Clock; New Sony Playstation.
NBC: Deadly Tornado; Daycare Center-Tornado; Recent Tornado-Analysis; New Democratic House Leadership; 2nd Mass Kidnapping-Iraq; Army Reservist Return To Unemployment; FDA Approves New Cancer Drug; Smoking & Cancer Risk; Darfur Crisis; Milton Friedman Obit; Police New Cod-Talk.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — Participates in radio address, Shangri-La Hotel, Singapore; lunch with Australian Prime Minister John Howard, Sheraton Hanoi; arrival ceremony, Presidential Palace, Hanoi; photo opportunity with the President of Vietnam and Mrs. Chi, Presidential Palace; meets with the President of Vietnam, Presidential Palace; meet with the Prime Minister of Vietnam, Presidential Palace; meets with the General Secretary of the Communist Party of Vietnam, Communist Party Headquarters, Hanoi; attends state banquet, International Convention Center.

VICE PRESIDENT CHENEY — 5 p.m. Speaks to the Federalist Society convention, Mayflower Hotel.

LAURA BUSH — Attends roundtable and lunch at Know One, Teach One Restaurant, Hanoi.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: BIOETHICS _ The President's Council on Bioethics holds a meeting. Highlights: 8:30 a.m. Session 5: Organ Procurement, Transplantation and Allocation: Policy Options. 10:15 a.m. Session 6: The Ethics of Health Care. Norman Daniels, Mary B. Saltonstall Professor of Population Ethics and Professor of Ethics and Population Health, Department of Population and International Health Harvard School of Public Health. 11:45 a.m. Session 7: Public Comments. 12 p.m. Adjournment. Location: Hamilton Crowne Plaza Hotel, 1001 14th St. NW.

FEDERALIST SOCIETY _ The Federalist Society holds its 2006 National Lawyers Convention. Highlights: 8:30 a.m. Sen. Arlen Specter. 10:30 a.m. Mississippi Gov. Haley Barbour. 11:15 a.m. Homeland Security Secretary Chertoff. 1:45 p.m. Session on the role of State Attorneys General, with Indiana AG Steve Carter, and Kansas AG Phill Kline. 5 p.m. Vice President Cheney. Location: Renaissance Mayflower Hotel, 1127 Connecticut Ave. NW, unless otherwise noted.

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ISLAMIC CONFERENCE _ The Kuwaiti government sponsors the Islamic Moderation Conference aimed at developing a more moderate image of Islam in the west and to improve the integration of Muslim communities in the US. Location: Mandarin Oriental Hotel, 1330 Maryland Ave. SW.

HOUSE GOP _ 8 a.m. Newly-elected Republican leaders will address the media immediately following leadership elections (in Room 1100, Longworth). Notes: Times approximate. Press set-up at 7 a.m. GOP Conference meeting begins at 8 a.m. Location: Longworth House Office Building Lobby, Independence Avenue entrance.

PENTAGON-IRAQ BRIEFING _ 9 a.m. Marine Col. Larry Nicholson, commander of Regimental Combat Team 5, will brief live from Camp Fallujah, Iraq, to give an update on ongoing security operations in Iraq. Location: DOD Briefing Studio, Pentagon 2E579.

US-INDIA _ 9 a.m. The Center for Strategic and International Relations and the US Chamber of Commerce's Space Enterprise Council hold a discussion on US-Indian space cooperation. Location: Room B1-B, 1800 K St. NW.

GRADUATION GAP _ 12:30 p.m. The Center for American Progress holds a discussion on the federal role in closing the graduation gap, with Adria Steinberg and Cassius Johnson of Jobs for the Future, Robert Balfanz of Johns Hopkins University, and Carmel Martin of the Senate Health committee staff. Location: 1333 H St. NW.

GUN SHOWS _ 12:30 p.m. Author Joan Burbick speaks about how gun shows are an important part of the nation's gun rights movement. Location: National Press Club.

WOMEN-VOTERS _ 12:30 p.m. Lifetime Television and Redbook magazine, others, hold a telephone news conference to release two post-election surveys showing that women emerged as a key voice for change in the 2006 election. Contacts: Nancy Bennett, 800-834-1110. Notes: Callin number: 800-811-8830; passcode: women's vote. RSVP required to reserve a slot.

REID-GATES _ 1:15 p.m. Incoming Senate Majority Leader Harry Reid holds a photo opportunity with Secretary of Defense Nominee Dr. Robert M. Gates. Location: Ohio Clock Corridor.

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TERRORISM NEWS:

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Jurors Begin Weighing Perjury Case Against Man Who Knew Two Sept. 11 Hijackers (NYT)

By Ray Rivera

The New York Times, November 17, 2006

Lawyers gave closing arguments yesterday in the latest phase of a drawn-out legal battle involving a Jordanian immigrant accused of trying to mislead a grand jury investigating the Sept. 11 attacks.

Prosecutors say the immigrant, Osama Awadallah, who is on trial for the second time in Federal District Court in Manhattan, lied repeatedly when he told a grand jury in October 2001 that he did not know Khalid al-Midhar, who took part in the attacks, and when he denied writing Mr. Midhar's name in a school notebook.

"Mr. Awadallah didn't tell the truth over and over and over," said Karl Metzner, an assistant United States attorney. Mr. Awadallah's lawyer, Jesse Berman, countered by saying that his client never meant to give the grand jury wrong information, and did so only after enduring 20 days of incarceration that left him confused, frightened and paranoid.

The case began when perjury charges were filed against Mr. Awadallah five years ago. The charges were thrown out by one judge and reinstated by an appeals court. Mr. Awadallah's first trial, in the spring, ended in a hung jury.

Mr. Berman said that before his grand jury testimony, his client was a model of cooperation. He readily told investigators that he knew another of the hijackers, Nawaf al-Hazmi, and consented to searches of his apartment, car and computer, even supplying the password: Islam.

"He went above and beyond the call," Mr. Berman said. "Is this someone that's trying to mislead a grand jury?"

The jury, made up of nine women and three men, deliberated for about an hour late yesterday before breaking for the evening. They will resume deliberations this morning.

Mr. Awadallah, 26, is charged with two counts of perjury and faces a maximum of 10 years in prison and then deportation if convicted.

The five-day trial was held in the same dark-paneled courtroom where, in May, a jury became hopelessly deadlocked over Mr. Awadallah's fate, with all but one juror favoring conviction.

Mr. Awadallah, who has been free on bail in San Diego, sat quietly throughout yesterday's proceedings. Behind him in the sparsely filled gallery sat his older brother, Jamal, a San Diego businessman, and their father, Ismail, a retired halal butcher who had arrived the night before from Jordan.

As in the earlier trial, prosecutors did their best to close the distance between ground zero, which sits just blocks from the courthouse, and the five years since the attacks.

"He didn't just lie to a grand jury," Mr. Metzner said. "He lied just a month after the attacks, when so much was still unknown."

Mr. Awadallah has never been accused of plotting with the terrorists or having advance knowledge of the attacks. But Mr. Metzner told jurors that Mr. Awadallah's lies to the grand jury, coming in the days after the attacks with fear of more attacks permeating the air, could have sent investigators meandering down wrong and time-consuming paths.

The government's interest in Mr. Awadallah began after investigators discovered a scrap of paper with the name "Osama" and Mr. Awadallah's former telephone number in the glove compartment of a car that Mr. Hazmi had left at Dulles International Airport, near Washington.

At the time, Mr. Awadallah was a 21-year-old college student in San Diego, where Mr. Hazmi and Mr. Midhar had lived until about a year before they boarded American Airlines Flight 77, which crashed into the Pentagon.

Under questioning by the F.B.I., Mr. Awadallah said he knew Mr. Hazmi, who worked at the same gas station and worshiped at the same mosque. He also said he remembered an acquaintance of Mr. Hazmi and described him physically but said he had never learned his name. When shown a picture of Khalid al-Midhar, Mr. Awadallah claimed not to recognize him.

After two days of interviews, Mr. Awadallah was detained as a material witness on Sept. 21, 2001, and was held in isolation at several jails.

In his first grand jury appearance nearly three weeks later, Mr. Awadallah again denied knowing anyone named Khalid. But after a long day of testimony, prosecutors showed him an essay booklet given to them by Mr. Awadallah's teacher of English as a

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Second Language. In it, written just four days after the terrorist attacks, was the passage: “One of the quietest people I have met is Nawaf. Another one, his name is Khalid.”

Mr. Awadallah at first said the booklet appeared altered, because he would not have spelled “Khalid” that way. Mr. Berman said that his client realized his mistake shortly after testifying and alerted his lawyers to it, but that prosecutors chose not to call the grand jurors back into the room.

When Mr. Awadallah appeared again before the grand jury five days later, he acknowledged that the handwriting was his and that he now remembered meeting Mr. Midhar.

During the trial, Mr. Berman showed a chart of bruises on Mr. Awadallah’s upper arms and the back of his neck, which he said his client had sustained at the hands of guards. The government has denied any mistreatment.

By the time Mr. Awadallah appeared before the grand jury, he was disoriented, exhausted and “freaked out,” which is why he initially believed that the booklet had been doctored, Mr. Berman said.

His comments underscored the notion that, though Judge Shira Scheindlin of Federal District Court warned jurors otherwise, the government was on trial for its treatment of Mr. Awadallah.

In 2002, Judge Scheindlin threw out the perjury charges against Mr. Awadallah, calling them the fruit of an illegal detention and saying that the government used duress and coercion to get him to agree to interviews.

The charges were reinstated more than a year later after a federal appeals court overturned Judge Scheindlin’s ruling.

Jury Weighs Fate Of Man Accused Of Lying About Sept. 11 Hijacker (FINDLAW/AP)

By David B. Caruso, Associated Press Writer

AP, November 17, 2006

(AP) - NEW YORK-For the second time, a jury is considering whether a foreign college student involuntarily sucked into the Sept. 11 terror probe tried to distance himself from the case by lying to a grand jury about how well he knew one of the hijackers.

Osama Awadallah was arrested in San Diego 10 days after the 2001 terror attacks when a slip of paper with his phone number on it was found in a hijacker's car. He spent the next 20 days jailed as a material witness while authorities tried to figure out what he knew.

Agents finally concluded that Awadallah was no terrorist and had only known hijackers Nawaf al-Hazmi and Khalid al-Mihdhar briefly, but he was charged with perjury over a contentious grand jury session in which he claimed he didn't remember al-Mihdhar's name.

The first trial on the perjury charge ended in a hung jury last spring.

In his closing argument at the retrial on Thursday, defense attorney Jesse Berman said Awadallah, who was 20 when he was arrested, was simply exhausted, confused and frightened during his grand jury testimony and didn't intend to mislead anyone.

"He was sincerely trying to be helpful," Berman said.

He accused FBI agents and prosecutors of deliberately provoking and upsetting Awadallah, who was handcuffed to his chair. In the weeks leading up to his testimony, Awadallah was kept in solitary confinement and was subjected to strip searches. He also claimed to have been beaten by his jailers.

"All the importance of the 9/11 investigation doesn't justify treating this man like a dog," Berman said.

Assistant U.S. Attorney Karl Metzner told jurors there was no evidence Awadallah was confused, forgetful or disoriented by mistreatment.

"He didn't make a mistake. He lied deliberately," Metzner said.

The smoking gun, he said, was an examination booklet that Awadallah had filled out for an English class a few days before his arrest.

In it, he had written, "One of the quietest people I have met is Nawaf. Another one, his name is Khalid." Metzner said that proved that Awadallah knew the hijackers better than he had let on.

"He decided he was only going to tell the grand jury as much as he thought he had to, and no more," Metzner said.

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Jurors began their deliberations Thursday evening. They went home for the night without having reached a verdict and were to continue their work Friday.

Awadallah, who was born in Venezuela and raised in Jordan, could face up to five years in prison if convicted, although U.S. District Judge Shira Scheindlin said during the case that she would be unlikely to sentence him to significant jail time. He also could be deported.

The trial focused on a strained exchange between Awadallah and his interrogators during his grand jury testimony of Oct. 10, 2001.

During the session, Awadallah acknowledged repeatedly that he knew al-Hazmi. The two had attended the same mosque and worked at the same gas station in San Diego.

He also described a second man who was often in al-Hazmi's company but said he couldn't remember his name. Asked if he knew anyone named Khalid, Awadallah said no.

A skeptical prosecutor then confronted Awadallah with the examination booklet.

Caught off guard, Awadallah initially claimed someone else had doctored the document. Five days later, he appeared before the grand jury a second time and acknowledged that the sentence was his. He said his earlier testimony had been confused.

Pentagon Wants War-crimes Compound At Guantanamo (MH)

By Carol Rosenberg

The Miami Herald, November 17, 2006

The Pentagon plans a Military Commissions compound at Guantánamo Bay, Cuba, costing up to $125 million, a major undertaking meant to accommodate up to 1,200 people at the Navy base for the first U.S. war crimes trials since World War II, The Miami Herald learned Thursday.

If funded by Congress, it would be the largest single construction expenditure at Guantánamo since the Bush administration set up the offshore detention and interrogation center in January 2002.

No Defense Department official would speak about the project with his or her name attached.

But one Pentagon insider with knowledge of the plan said officials envision the fast-track construction of a major compound at an abandoned airfield that in the 1990s housed a tent camp for Cuban rafters. Years before it had been a dirigible hangar for U.S. military blimps.

Some of the details are specified in a "pre-solicitation notice," which has been posted on the Web for potential government contractors.

The proposed complex would have housing, dining and work space for anyone involved in the trials. The project seeks to have two courtrooms completed by July, and an option to build two more before 2008, said the Pentagon official, who requested he not be identified because he wasn't authorized to speak for the department.

The official did not know whether the Pentagon would seek authorization and funding from the so-called lame-duck Congress controlled by the Republicans, or wait until the Democrats take control of Congress in January.

"They're going to have to go to Congress," the official said, adding that the Navy posted the notice for would-be contractors Nov. 3, ahead of the general elections, ``really to give folks out there interested in that kind of work a heads up that something is coming."

Bill Sutey, military advisor on the staff of Florida Democratic Sen. Bill Nelson, a member of the Senate Armed Services Committee, said, ``As a matter of law, it would require an appropriation. It's not even authorized yet."

"To anybody it would beg questions about, What are we doing here? Why are we doing it this way? What is the requirement? Why is it going to cost that much? These are routine oversight questions and we will do this," Sutey said.

The U.S. Supreme Court in June shut down the administration's first effort to stage the commissions, declaring the formula unconstitutional.

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Now, armed with a new Military Commissions Act approved by Congress, administration officials are rewriting rules for the trials. They could resume in early 2007 with suspected terrorists being charged, according to the chief prosecutor, Air Force Col. Morris Davis.

The Pentagon proposal estimates the cost of the project to be from $75 million to $125 million. It would include a courthouse with two courtrooms, a communications and closed-circuit center, a motorpool facility for up to 100 cars, housing for 800-1,200 personnel and a dining facility for up to 800 people.

To put the project in perspective, the annual operating costs at the detention center some miles away are about $100 million, according to Rear Adm. Harry Harris, the center's commander.

Once the Pentagon makes a formal request, the first opportunity to fund the new complex would be to include in supplemental spending packages being prepared by Congress for votes after a Thanksgiving recess.

The Navy would administer the building contract for what the pre-solicitation notice calls a ``Legal Compound at U.S. Guantánamo Bay, Cuba."

It lists the site as McCalla Field, an area overlooking the bay itself -- a considerable distance from the bluff overlooking the Caribbean where the 430 or so "enemy combatants" are housed and interrogated in a facility called Camp Delta and ringed by barbed-wire.

A Camp Delta spokesman, Navy Cmdr. Robert Durand, said by e-mail Thursday that the Office of the Secretary of Defense is responsible for any Military Commissions activity, but he believed ``a supplemental budget appropriation request is going out soon."

Navy Lt. Cmdr. Chito Peppler, a Pentagon spokesman for Guantánamo, said he had no information to release on the proposed court complex.

Other spokesmen at Secretary of Defense Donald Rumsfeld's Public Affairs division did not respond to inquiries about the proposed project.

Earlier efforts to stage the trials focused on alleged al Qaeda conspirators, among them Yemeni captive Salim Ahmed Hamdan, whose defense attorney, a Navy officer, challenged the formula in the civilian courts.

Since then, the CIA has sent to Guantánamo 14 suspected al Qaeda ringleaders -- among them alleged 9/11 mastermind Khalid Sheik Mohammed. Their presence at Guantánamo has heightened international interest in any prospective future war crimes trials.

Mohammed and the 13 other men had been interrogated and held in secret for three or more years, out of reach of the International Red Cross, and never charged with any crimes.

Report: Gitmo Detainees Denied Witnesses (AP-Y)

By Ben Fox, Associated Press Writer

AP, November 17, 2006

The U.S. military called no witnesses, withheld evidence from detainees and usually reached a decision within a day as it determined that hundreds of men detained at Guantanamo Bay were "enemy combatants," according to a new report.

The analysis of transcripts and records by two lawyers for Guantanamo detainees, aided by more than two dozen law students, found that hearings that determined whether a prisoner should remain in custody gave the accused little opportunity to contest allegations against him.

"These were not hearings. These were shams," said Mark Denbeaux, an attorney and Seton Hall University law professor who along with his son, Joshua, is the author of the report. They provided an advance copy of the report to The Associated Press late Thursday and planned to release it Friday on the Internet.

Their report, based on an analysis of records of military hearings of 393 detainees, comes as the U.S. government seeks to severely restrict detainee access to civilian courts, arguing that the Combatant Status Review Tribunals should be their main legal recourse.

Navy Cmdr. Jeffrey Gordon, a Pentagon spokesman, dismissed the findings as "recycled allegations," and noted the tribunals gave each detainee an opportunity to contest their designation as an enemy combatant.

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"It is not a criminal trial and is not intended to determine guilt or innocence," Gordon said. "Rather, it is an administrative process ... to confirm the status of enemy combatants detained at Guantanamo as part of the Global War on Terrorism."

The military held Combatant Status Review Tribunals for 558 detainees at the U.S. Naval Base at Guantanamo Bay in southeast Cuba between July 2004 and January 2005 and found all but 38 were enemy combatants. Handcuffed detainees appeared before a panel of three officers with no defense attorney, only a military "personal representative."

According to the report, the representatives said nothing in the hearings 14 percent of the time and made no "substantive" comments in 30 percent. In some cases, the representative even appeared to advocate the government's position, the report said.

The report is based on transcripts of tribunals that the government first released earlier this year in response to a Freedom of Information Act lawsuit filed by The Associated Press as well additional records provided by lawyers for 102 Guantanamo detainees.

Twenty-one first-year law students at Seton Hall University in Newark, N.J., analyzed the documents to create a database analyzed by eight second- and third-year students.

Among their findings:

• The government did not produce any witnesses in any hearing.

• The military denied all detainee requests to inspect the classified evidence against them.

• The military refused all requests for defense witnesses who were not detained at Guantanamo.

• In 74 percent of the cases, the government denied requests to call witnesses who were detained at the prison.

• In 91 percent of the hearings, the detainees did not present any evidence.

• In three cases, the panel found that the detainee was "no longer an enemy combatant," but the military convened new tribunals that later found them to be enemy combatants.

"No American would ever consider this to be hearing," Denbeaux said. "This is a show trial."

The U.S. military now holds about 430 men at Guantanamo on suspicion of links to al-Qaida or the Taliban and holds Administrative Review Boards for them once a year to determine whether they should still be held, released or transferred to another country.

The Military Commissions Act, which President Bush signed on Oct. 17, strips all non-U.S. citizens held under suspicion of being an enemy combatant of their right to challenge their detention in civilian courts with petitions of habeas corpus.

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On the Net:

Seton Hall University Law School: http://law.shu.edu

Friend Of 9/11 Hijackers Convicted As An Accessory To Murder (WP)

The Washington Post, November 17, 2006

KARLSRUHE, Germany, Nov. 16 -- A Moroccan man was convicted of being an accessory to murder in the Sept. 11, 2001, attacks on the World Trade Center and the Pentagon, as a German appeals court ruled Thursday that evidence showed he knew that the plotters planned to hijack and crash planes.

The Federal Court of Justice found that a Hamburg court decided wrongly last year to acquit Mounir Motassadeq of direct involvement in the attacks, even as it convicted him of membership in a terrorist organization and sentenced him to seven years in prison.

Motassadeq, 32, was a close friend of hijackers Mohamed Atta, Marwan al-Shehhi and Ziad Samir Jarrah when they lived and studied in Hamburg. He has acknowledged training at an al-Qaeda camp in Afghanistan but has insisted he knew nothing of their plans.

"The defendant is guilty not only of membership in a terrorist organization, but also as an accessory to murder of the 246 passengers and crew members of the crashed aircraft," the federal court said.

It ordered the Hamburg court to reconsider his sentence. Motassadeq, who was not present for the ruling, now could face a maximum of 15 years in prison.

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That could end a five-year saga that started with his arrest in Hamburg in November 2001 and has featured two trials -- although defense lawyers held out hope of taking his case to Germany's highest court.

Motassadeq, who already has spent a total of about three years in prison, has been free pending appeals since February, although he has had to hand in his passport to authorities and report regularly to police. An Associated Press reporter saw him leaving his Hamburg home in a car on Thursday.

No date was set for sentencing, and federal prosecutors said a Hamburg court later Thursday rejected their plea to return him to prison immediately. Prosecutors said they would appeal that decision.

HOMELAND RESPONSE:

Man With Nuclear Data, Cash Arrested At Detroit Airport (USAT)

By Donna Leinwand

USA Today, November 17, 2006

Federal agents continue to investigate a Dallas man arrested at a Detroit airport Tuesday after arriving on a flight from Amsterdam with nearly $79,000 in cash and a laptop computer that, according to court papers, contained information about nuclear materials and cyanide.

Sisayehiticha Dinssa will appear for a detention hearing before U.S. Magistrate Judge R. Steven Whalen at 1 p.m. Monday. He is charged with illegally concealing more than $10,000 in his luggage and with smuggling bulk cash into the USA. If convicted, Dinssa could be sentenced to five years in prison on each charge.

Agents said Thursday they had no evidence to suggest Dinssa was involved in a terrorism plot, Immigration and Customs Enforcement (ICE) spokesman Greg Palmore said. "The initial findings definitely are making us want to find out more about this," Palmore added. "We need to get clear about what this guy was up to."

Dinssa, a naturalized U.S. citizen originally from Ethiopia, arrived at Detroit Metro Airport's McNamara Terminal on Tuesday on a Northwest Airlines flight from Amsterdam, according to a sworn statement by ICE Special Agent Zachary Keen.

Dinssa, described in court papers as unemployed, told agents he had spent the previous months in Nairobi and had tried to start a taxi business, Palmore said. Dinssa was traveling through Amsterdam and Detroit on his way to Phoenix, Palmore said. "He wasn't very forthcoming."

Dinssa had been flagged by Customs and Border Protection inspectors for further screening after agents received information from authorities abroad that Dinssa had been "acting very strangely," Palmore said.

Inspectors found $78,883 on Dinssa and in his luggage — $60,000 more than Dinssa reported carrying when questioned by Customs agents, Keen wrote. A drug-sniffing dog smelled narcotics on the money, Keen added. No drugs were found, Palmore said.

Inspectors examined Dinssa's computer after they noticed he did not have a power cord for it, which they considered unusual, Keen wrote. Inspectors found downloaded files about cyanide and nuclear materials, Keen wrote.

"When questioned about the materials on his laptop, Dinssa stated that he was interested in learning about cyanide and nuclear materials," Keen wrote.

"There are a lot of missing pieces to the puzzle," Palmore said.

Dinssa's court-appointed public defender, Leroy Soles, could not be reached for comment at his office Thursday.

Airport Arrest Turns Up Nuclear Info (AP)

The AP, November 16, 2006

A man was arrested at Detroit Metropolitan Airport after officials say they found him carrying nearly $79,000 in cash and a laptop computer containing information about nuclear materials and cyanide.

Sisayehiticha Dinssa, an unemployed U.S. citizen, was arrested Tuesday after a dog caught the scent of narcotics on cash he was carrying, according to an affidavit filed in court.

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When agents asked him if he had any cash to declare, he said he had $18,000, authorities said. But when agents checked his luggage, they found an additional amount of about $60,900. When they scrolled through his laptop, they said they found the mysterious files.

At a court hearing Wednesday, Dinssa was ordered held in custody until at least until Monday at the request of prosecutors.

Assistant U.S. Attorney Leonid Feller argued Dinssa was a potential risk to the community and federal agents want to get a warrant to search his computer more thoroughly, The Detroit News reported Thursday. U.S. Magistrate Donald Scheer approved Feller's request to detain him.

Dinssa, who is from Dallas, arrived in Detroit from Nigeria by way of Amsterdam and was headed for Phoenix, Feller said. He is charged with concealing more than $10,000 in his luggage, which carries a maximum penalty of five years in prison, the Detroit Free Press reported.

A message seeking comment was left Thursday with his lawyer, Leroy Soles.

Man Stopped At Port Of Entry With Large Cash Sums And Laptop With Nuclear Information (ABC)

By Pierre Thomas And Jason Ryan

ABC News, November 17, 2006

A U.S. citizen of Ethiopian descent was arrested as he came into the U.S. on a flight from Amsterdam on Tuesday.

Sisayehiticha Dinssa was arrested by Immigration and Customs Enforcement agents after he was flagged for secondary inspection on entry to the U.S. at the Detroit Airport and was found to be carrying more than $78,000 in cash. Customs officials became suspicious of Dinssa when a narcotics dog signaled the scent of drugs on the money in his possession.

Customs officers also discovered that Dinssa was in possession of a laptop computer for which he had no power source. During an initial look at the computer, "Inspectors discovered some files that had been downloaded with information about cyanide and nuclear materials," an affidavit from an ICE agent filed in the U.S. District Court in Detroit noted.

According to two senior U.S. government officials briefed on the matter, the files appear to be beyond what someone would normally download from the Internet. According to U.S. officials, Dinssa may have been researching the materials extensively.

Dinssa had claimed he was only carrying $18,000. It is undetermined if this is an alleged smuggling case or potentially something more sinister.

According to federal law enforcement sources, U.S. intelligence agencies and counterterrorism officials have been tasked to run down any leads on Dinssa in their databases. According to the court records, when questioned about the information on his laptop, Dinssa said that he was "interested in learning about cyanide and nuclear materials."

FBI agents and investigators from the U.S. Attorney's Office are expected to obtain a search warrant and examine the hard drive of the computer to determine the nature of the computer files. The Justice Department has asked that Dinssa be held in custody until he makes an appearance Monday in federal court for a detention hearing.

Calls by ABC News to a lawyer representing Dinssa have not been returned.

Muslim Detained By CIA Granted U.S. Visa (WT)

By Shaun Waterman

The Washington Times, November 17, 2006

A German Muslim whose detention and torture by the CIA prompted an apology from Secretary of State Condoleezza Rice will be granted a visa to come to the United States, although he might still be refused entry.

"Khaled el-Masri was found inadmissible to the United States on the basis of ... terrorist activities, and issued a visa on the basis of a waiver from the Department of Homeland Security," a State Department official told United Press International.

The official declined to comment further, saying that the details of visa decisions were confidential.

Department of Homeland Security spokesman Russ Knocke also declined to comment on the case.

Under U.S. law, a visa does not give a foreigner the right to enter the United States -- something that is granted at the port of entry by inspectors working for the Department of Homeland Security.

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"He could still be turned away" if he was on the U.S. watch list of known or suspected terrorists, said one official.

Mr. el-Masri, a German citizen of Egyptian origin, said in a lawsuit last year that he was stopped at the Macedonian border in December 2003 while on vacation, and handed over to U.S. officials, who beat and drugged him, and took him to a secret prison in Afghanistan, where he was detained without charge and subjected to "coercive interrogation" for five months.

His case has become a lightning rod for European criticism of the United States over secret CIA prisons and other practices, including secret imprisonment of terror suspects without trial.

Mr. el-Masri has always denied any link to terrorism, and German Chancellor Angela Merkel said last year that Miss Rice had apologized for what she called "a mistake."

The American Civil Liberties Union (ACLU), which is representing Mr. el-Masri in his lawsuit, welcomed the news that he would be granted a visa.

"You would hope that after wrongfully detaining this man, torturing him, and then dumping him in Albania, they would have decency to let him come into the country to meet his lawyers," said ACLU attorney Anne Beeson.

But when Mr. el-Masri sought to enter the United States last December under the visa waiver available for German visitors, he was denied entry.

His lawyers said that he was met by homeland security officials and taken to an interview room for what is called secondary immigration screening.

After explaining the purpose of his trip, Mr. el-Masri "quite rightly refused to cooperate with authorities ... until his U.S. lawyer was present," ACLU lawyer Steven Watt told UPI.

He was told he was inadmissible under the visa waiver program, but could apply for a visa.

Two federal officials confirmed at the time that Mr. el-Masri's name was on the secret U.S. watch list of known or suspected terrorists, the Terrorist Screening Database.

One of them told UPI that there was a high-level dispute last year between the State Department and another agency, which had originally "nominated" Mr. el-Masri to the list.

"State wanted him taken off," said the official, adding that the dispute had risen to what he called "a high level" within the agencies involved.

Group Will Sort Terrorism Alerts For Local Governments (WP)

By Karen DeYoung

The Washington Post, November 17, 2006

A new plan to improve information-sharing about terrorism, signed by President Bush this week and delivered to Congress yesterday, establishes a Washington-based "threat assessment group" that includes federal, state and local officials. It also aims to reduce more than 100 restrictive and confusing categories of "sensitive" federal information to a half-dozen or fewer so local-level officials can better understand what they are told.

State and local governments and law enforcement officials have long complained of a lack of coordination among the federal agencies that send terrorism-related alerts, analysis and instructions. The new plan allows state and local officials to participate in deciding what players outside the federal government need to know and designates an online channel to distribute the information.

The 165-page plan complies with part of the intelligence reorganization mandated by Congress in 2004. Designed to avoid a repeat of failures that preceded the September 2001 al-Qaeda attacks, the legislation created the Office of the Director of National Intelligence and the National Counterterrorism Center to facilitate coordination within the federal intelligence community. The legislation also ordered creation of new systems to ensure that terrorism information was adequately shared among federal, state and local entities, resulting in the plan released yesterday.

The newly released plan "restructures the way we handle intelligence and other information so that state and local customers get products that they can use," said Thomas E. McNamara, whose office, under Director of National Intelligence John D. Negroponte, wrote it with input from across the government. A career diplomat with extensive national security and

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counterterrorism experience, McNamara was appointed by Bush early this year to fulfill the legislation's vague instruction to establish an "information sharing environment."

The intelligence community has long acknowledged that cooperation throughout government is crucial to catching potential terrorists in this country and preventing another attack. But a level of "cultural inertia" still exists at the federal level, McNamara said.

"A lot of people think that information-sharing . . . means that security and control of the information being shared will be diminished, and if security diminishes, that's a negative," McNamara said. "I'm trying to convince them that if this is done right, security will be at least as good and possibly better."

McNamara expects the new Interagency Threat Assessment Coordination Group, based at the National Counterterrorism Center and headed by the Department of Homeland Security, to be operating by year's end. It will include officials from Justice, Defense, Transportation and Energy, and from state government and local law enforcement.

Operating 24 hours a day, seven days a week, the group will receive real-time intelligence information and determine what needs to be distributed around the country. That is designed to avoid confusion that has resulted in the past when one agency, for example, distributed a nationwide threat assessment that contradicted another agency.

The plan sets a 120-day deadline for coming up with a streamlined list of "sensitive but unclassified" security classifications used by the federal government. Federal agencies have independently established more than 100 such categories of restricted information, many of them overlapping and most of them confusing to police and sheriffs departments that are expected to comply with them. McNamara said he was aiming for "six or fewer" categories.

Army Urged On Chemical Weapon Disposal (AP)

AP, November 16, 2006

Technologies used to destroy chemical weapons in Europe and Japan are faster than one in the U.S. and should be considered, the National Research Council said Thursday.

In a study requested by the Army, the council said the foreign systems are as safe and sometimes more environmentally friendly that those in use here.

Destruction of chemical weapons recovered from burial sites has been under way since the early 1990s. An international convention calls for them to be destroyed by next April.

"If the U.S. Department of Defense decides to expedite the destruction of the large amounts of chemical weapons still buried in many parts of the country, using one of these technologies will be essential," said Richard Ayen, chairman of the committee that prepared the report. He is retired director of technology at Waste Management Inc. of Houston.

The study suggested three technologies for use:

_The Controlled Detonation Chamber, developed by DeMil International Inc. of Alabama and used in Europe. It places explosives around the munitions and then detonates them in a tightly sealed chamber.

_The Detonation of Ammunition in a Vacuum-Integrated Chamber technology, developed by Kobe Steel in Japan. It works in a similar way.

_A system developed by Swedish company Dynasafe. It detonates munitions in a kiln heated to temperatures between 720 degrees and 1,080 degrees Fahrenheit.

The council is an arm of the National Academy of Sciences, an independent organization chartered by Congress to advise the government on scientific issues.

U.S. Citizenship Of Former Graduate Student Born In West Bank Revoked (AP)

AP, November 17, 2006

FAYETTEVILLE, Arkansas: A former University of Arkansas graduate student from the Middle East lost his U.S. citizenship Thursday and was sentenced to 15 months in federal prison.

Arwah Jaber, who was born in the West Bank, was previously acquitted of an aiding-terrorism charge but convicted of lesser offenses, including obtaining his citizenship fraudulently. He also was sentenced to three years supervised probation upon completion of his prison term.

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Jaber was arrested at the Northwest Regional Airport on June 14, 2005, as he prepared to leave on a trip to the Middle East. Prosecutors said he planned to join Palestinian Islamic Jihad, labeled by U.S. authorities as a terrorist organization.

Jaber obtained a doctoral degree in chemistry from the university while he awaited trial.

He was acquitted June 20 of attempting to provide material support to a terrorist organization. But the jury convicted Jaber of five lesser charges: obtaining his naturalization unlawfully, making false statements on passport and immigration applications, and two counts of making false statements on credit card applications.

Jaber said at his trial that he did not cite his Palestinian name, Orwah Houshia, in immigration papers — though he applied for credit cards using that name — because he had used Arwah Jaber on all his immigration papers up until then.

VaxGen Wins Extension On Anthrax Vaccine (WP)

By Renae Merle

The Washington Post, November 17, 2006

VaxGen Inc., a California biotechnology firm, said yesterday that the government had given it more time to conduct human testing of its anthrax vaccine, postponing a decision on whether the program should be canceled.

The Food and Drug Administration threw the effort into doubt earlier this month after calling a halt to testing in response to questions about the drug's reliability. The decision put the company in potential violation of its contract with the Department of Health and Human Services, which required testing to begin Nov. 13.

VaxGen said HHS has decided to extend the company's deadline for resolving the issue until Dec. 18. At stake is a contract potentially worth $1 billion.

Meeting that deadline will be difficult. The company has yet to hold a formal telephone or in-person meeting with the FDA.

Those meetings should occur no later than the middle of December, said Lance Ignon, VaxGen's vice president of corporate affairs. "HHS, it appears, has provided the necessary time for us to meet with FDA to try to discuss our data and try to find a pathway forward," he said.

VaxGen's anthrax vaccine effort, already years behind schedule, is the largest component of the Bush administration's Project BioShield, a $5.6 billion effort to counter bioterrorism threats. The firm has run into several technical problems, including a previous failed human test, and has struggled to fund its research. The contract calls for the company to be paid after it delivers the vaccine -- which is supposed to be enough for 25 million people, roughly the population in the New York and Washington metropolitan areas combined.

The latest problem centers on the vaccine's stability or the rate at which it would deteriorate while stockpiled. VaxGen has said it was encouraged by the improvements it made to the vaccine's stability, but that FDA still had concerns.

WAR NEWS:

Convoy Of Civilians Hijacked In Iraq (AP)

By Bassem Mroue

AP, November 17, 2006

The Pentagon said a convoy of civilians traveling near Nasiriyah was hijacked on Thursday, while earlier in the day the Shiite-led Interior Ministry issued an arrest warrant for the top leader of the country's Sunni minority. The move was certain to inflame already raging sectarian violence.

Pentagon spokesman Bryan Whitman said preliminary reports suggested there could be as many as 14 people captured and that the convoy included about 19 vehicles.

An official familiar with the incident said preliminary reports being checked by the military indicated that the attack occurred at a checkpoint near Nasiriyah and that four Americans were believed to have been taken captive.

The official, who requested anonymity because of the security situation in Iraq, said it appears that some of the convoy drivers had been released, and were being interviewed by the military. He said initial reports suggest that the attack occurred at a checkpoint in a location where normally there is no blockade.

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The convoy was being operated by the Crescent Security Group. The company works mostly in Iraq, and its operations are based in Kuwait.

Interior Minister Jawad al-Bolani, a Shiite, announced Thursday on state television that Harith al-Dhari was wanted for inciting terrorism and violence among the Iraqi people.

Al-Dhari, head of the influential Sunni Association of Muslim Scholars, is an extreme hard-liner who recently mocked a government offer of reconciliation in return for abandoning the insurgency. But the move against him threatens to drive many moderate Sunnis out of the political system.

Already, moderate Sunnis have been threatening for weeks to leave the government and take up arms. If that happens, it would likely lead to a full-fledged civil war and make it much harder for U.S. troops to withdraw from Iraq.

The warrant was issued on a day when at least 49 Iraqis died violently and the U.S. military announced the deaths of four more American soldiers. Sunnis and Shiites could not agree on whether all hostages had been released from a mass abduction in Baghdad two days earlier, and one man said he'd been beaten by the kidnappers.

Mohammed Bashar al-Faidi, spokesman for the Sunni association, condemned the warrant for al-Dhari's arrest.

"This government should resign before the Iraqi people force it to resign," al-Faidi told Al-Jazeera television from Jordan. "The association calls on its people to be calm."

Al-Faidi accused the interior minister "of supporting terrorism by covering for (Shiite) militias that are killing the Iraqi people."

Earlier this year, the Sunni association blamed the Interior Ministry for the killing of a nephew and cousin of al-Dhari. Their bodies were found in a bullet-riddled vehicle in Baghdad.

Al-Dhari regularly travels between Iraq and the Persian Gulf states, as well as Syria, Jordan and Egypt. He was believed to be in Jordan when the arrest warrant was issued Thursday night.

Al-Dhari, who is about 65, is an outspoken critic of Prime Minister Nouri al-Maliki's Shiite-dominated government and the U.S. occupation. On Tuesday, President Jalal Talabani, a Kurd, called him a hard-liner with "nothing to do but incite sectarian and ethnic sedition."

There is precedent for an arrest warrant leading to violence in Iraq.

In April 2004, a U.S. warrant against radical anti-American Shiite cleric Muqtada al-Sadr prompted a two-week uprising by his Mahdi Army militia. Hundreds were killed.

Al-Maliki, despite heavy pressure from the United States, has done nothing to wipe out the Mahdi Army. Its benefactor, al-Sadr, is a key backer of the prime minister.

The Mahdi Army was believed responsible for kidnapping scores of people from a Higher Education Ministry office building in Baghdad on Tuesday. The aftermath of that mass abduction has turned into a propaganda war.

On Thursday, the Sunni higher education minister called the Interior Ministry "a farce" for not preventing the crime and claimed more than half the 150 victims were still in the hands of Shiite abductors.

But National Security Adviser Mouwafak al-Rubaie, a Shiite, said everyone had been freed and accused Arab satellite broadcasters and Western media of hostile reporting to incite sectarian hatred in Iraq.

Within hours, however, Brig. Gen. Abdul-Karim Khalaf, spokesman for the Interior Ministry, was amending that account, saying all the Higher Education Ministry employees were free but that others taken from the building were still hostages. He gave no numbers.

A Sunni who said he was among those abducted and released claimed his arm was broken by the kidnappers. He said he saw them kill at least three hostages after taking them to empty houses in Baghdad's Sadr City Shiite slum, a stronghold of the Mahdi Army.

The man, who goes by the name Abu Kadhim, or father of Kadhim, would not allow use of his full name for fear of further trouble with the Mahdi Army, which he blamed for his torture and 2 1/2 days in captivity. He disputed Khalaf's claim that police had freed the kidnap victims.

"Thursday, they just opened the doors and dragged us into trucks. Then they dumped us on Canal Street," Abu Kadhim said. That street runs along the Army Canal just west of Sadr City.

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"I was lucky," he said. "They only beat me with a wooden club. Others were handcuffed and hanged from the ceiling by their wrists. They were beaten with iron bars. Others, building guards, had cotton shoved in their mouths and tape wound around their heads. They suffocated. One was shot in the back. The managers in the building and people with higher degrees, masters and doctorates, were in a different room. I could hear them screaming like women. Then it was quiet. I think they died."

Abu Kadhim's story could not be independently confirmed. He was interviewed by telephone.

In Thursday's deadliest attack in the capital, gunmen fired on a bakery, killing nine people, police said. Such attacks are usually carried out by Sunni militants since most bakeries in the capital are run by Shiites.

The U.S. military announced that three Task Force Lightning soldiers assigned to 3rd Brigade Combat Team, 1st Cavalry Division, were killed Wednesday in Diyala province northeast of Baghdad, one by small arms fire and two by a roadside bomb. A soldier from the Army's Multinational Corps-Iraq was killed Tuesday by small arms fire during an operation in Baghdad.

The deaths raised the number of American war dead to 2,862. So far this month in Iraq, 44 American service members have been killed or died.

Another Day Of Heavy Violence In Iraq (LAT)

By Louise Roug

The Los Angeles Times, November 17, 2006

BAGHDAD — Five more American soldiers have been killed in Iraq, the U.S. military said, and gunmen, rockets and roadside bombs killed at least 17 Iraqis and wounded 25 others Thursday.

For Iraqis in the capital, the violence began at 7 a.m., when a roadside bomb killed a policeman and injured three others in an eastern part of town. Twenty minutes later, armed men sprayed a bakery with gunfire, killing nine people and injuring two in central Baghdad.

A second bomb went off near a municipal court building on the eastern side of the city less than two hours later, killing one person and injuring eight others.

A third bomb injured four just before noon in the city center. Ten minutes later, a fourth bomb went off near a garbage collection point east of the Tigris River, killing one and injuring three others.

Later in the afternoon, explosives hidden in a motorcycle went off near a gas station in central Baghdad, killing one and injuring another. Four other bombs killed four people in separate attacks.

South of the capital, meanwhile, British forces were barraged by rockets and mortar fire; no one was killed in the attacks.

This morning, the U.S. military said a soldier was shot to death Thursday in the volatile Diyala province north of the capital. The other four Americans were killed in previous days.

In two separate attacks Wednesday in Diyala, one U.S. soldier was fatally shot and two others were killed by a roadside bomb. One more soldier was shot and killed in Baghdad on Tuesday, according to military statements.

At least 2,864 U.S. troops have died in Iraq since the 2003 American-led invasion, according to icasualties.org.+

The American military also announced the killing of nine suspected insurgents in Yousifiya, south of the capital. U.S.-led forces saw the suspected rebels hiding in nearby woods and called in air support. Several of the men killed in the aerial assault were wearing suicide vests, according to the U.S. military.

About 1,000 Iraqi soldiers searched villages south of the northern city of Kirkuk, where Iraqi and American troops have been targeted in the past.

Violence In Iraq Called Increasingly Complex (WP)

By Walter Pincus

The Washington Post, November 17, 2006

Attacks in Iraq reached a high of approximately 180 a day last month, reflecting an increasingly complicated conflict that includes sectarian clashes of Sunni and Shiite militias on top of continuing strikes by insurgents, criminal gangs and al-Qaeda terrorists, according to the directors of the CIA and the Defense Intelligence Agency.

"No single narrative is sufficient to explain all the violence we see in Iraq today," Gen. Michael V. Hayden, the CIA director, told the Senate Armed Services Committee on Wednesday.

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Attempting to describe the enemy, Lt. Gen. Michael D. Maples, the DIA director, listed "Iraqi nationalists, ex-Baathists, former military, angry Sunni, Jihadists, foreign fighters and al-Qaeda," who create an "overlapping, complex and multi-polar Sunni insurgent and terrorist environment." He added that "Shia militias and Shia militants, some Kurdish pesh merga, and extensive criminal activity further contribute to violence, instability and insecurity."

In unusually harsh terms, the two intelligence directors spelled out how quickly the violence in Iraq has escalated this year, from about 70 attacks a day in January to about 100 a day in May and then to last month's figure. "Violence in Iraq continues to increase in scope, complexity, and lethality" despite operations by the Iraqi government and the U.S.-led coalition, Maples said. He described "an atmosphere of fear and hardening sectarianism which is empowering militias and vigilante groups, hastening middle-class exodus, and shaking confidence in government and security forces."

"The longer this goes on, the less controlled the violence is, the more the violence devolves down to the neighborhood level," Hayden added. "The center disappears, and normal people acting not irrationally end up acting like extremists."

Although the Bush administration continues to emphasize the role of al-Qaeda in Iraq, Maples described the current situation as "mostly an intra-Arab struggle to determine how power and authority will be distributed," with or without the U.S. presence. Al-Qaeda and foreign terrorist numbers were put at roughly 1,300, while Hayden, pressed by senators, estimated the number of insurgents in the "low tens of thousands." Maples estimated the number of Iraqi insurgents, including militias, at 20,000 to 30,000, and said there are many more who supply support.

Asked about the brazen kidnapping in Baghdad on Tuesday of some 100 employees in the Sunni-led Ministry of Education by an apparent Shiite group in commando uniforms using Interior Ministry vehicles, Hayden said the CIA station chief in Iraq said it showed that the battlefield "is descending into smaller and smaller groups fighting over smaller and smaller issues over smaller and smaller pieces of territory."

Hayden said he believes that the turning point in the fighting came in February with the bombing of the Askariya mosque in Samarra. The destruction of the revered Shiite site by Sunni-based al-Qaeda terrorists unleashed what Hayden described as "historic forces" that have created "the satanic level of violence" of today.

"Sectarian violence now presents the greatest immediate threat to Iraq's stability and future," he said.

Underlying the sectarian fighting are not only deep-rooted religious differences, but also the more recent political history of Shiite suffering under the iron rule of Saddam Hussein and his Sunni- and Baathist Party-dominated government.

The Shiites, who make up more than half of Iraq's population, now want to make certain they control the new Iraqi government and to assure themselves that the Hussein group never regains power. "This fear of a return to Baathism is almost palpable among Shia elites," Hayden said.

As a result, the Shiites have maintained control of the Interior Ministry and the police. "Militias often operate under protection or approval of Iraqi police [when they] attack suspected Sunni insurgents and Sunni civilians," Hayden said. In addition, "radical Shia militias and splinter groups stoke the violence."

At the same time, Hayden said, there are fissures within the Shiite groups, and their "power struggles . . . make it difficult for Shia leaders to take actions that might ease Sunni fears." Adding to the problem is Iran, which is supporting even competing Shiite factions. "Iranian involvement with the Shia militias of all stripes . . . has been quite a new development," Hayden said.

Iraq's Government Issues Warrant For Sunni Cleric (LAT)

By Louise Roug And Borzou Daragahi

The Los Angeles Times, November 17, 2006

Baghdad, Iraq — Iraq's Shiite-led government issued an arrest warrant Thursday for the country's leading Sunni Arab cleric, accusing him of colluding with insurgents, a potentially explosive charge that could exacerbate tensions between the country's warring sectarian groups and further divide a fragile national government.

The move against Harith Dhari, the head of the Muslim Scholars Association, comes two days after an audacious daytime kidnapping in Baghdad ruptured the government of Prime Minister Nouri al-Maliki, setting Sunni politicians against Shiites.

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In an appearance on state-run TV late Thursday evening, Interior Minister Jawad Bolani, a Shiite, announced that Dhari was wanted for inciting violence. "The government's policy is that anyone who tries to spread division and strife among the Iraq people will be chased by our security agencies," Bolani said.

Dhari has been a vocal, sometimes sarcastic, critic of the government, questioning the legitimacy of Saddam Hussein's criminal trials, and ridiculing the government's reconciliation efforts.

"The political process that the security of Iraq is depending on is a failing process so that is why the security is failing and deteriorating," he said on al Arabiya television on Nov. 11.

The warrant against Dhari virtually is certain to rekindle threats of a boycott of the government by Sunni Arab politicians. Sunnis have warned that such a walkout would have dire consequences, further entrenching an already brutal cycle of civil war and pushing more ordinary Sunnis toward the insurgency. It would also be a lethal blow to a coalition government that U.S. policymakers had hoped would pacify Iraq's often hostile sects and ethnic groups.

U.S. Ambassador Zalmay Khalilzad spent months persuading mainstream parties representing the once-dominant Sunni Arab minority to join the Shiite-led government. But in recent months Shiite militiamen using the cover of the official security apparatus have waged a nightly subterranean war against Sunnis, whose bodies show up in drainage ditches with gunshot wounds, burn marks and other signs of torture every morning.

On Thursday, some Sunnis sounded like they already had passed their breaking point with the government.

"(The move) represents the bankruptcy of the sectarian government following one scandal after the other," association spokesman Mohammed Bashar Faidi told Al-Jazeera television. "The decisions of this government are worthless because it only rules the Green Zone."

Faidi charged Bolani with "supporting terrorism by covering for militias that are killing the Iraqi people," and told another regional channel that Dhari was in Jordan when the arrest warrant was issued.

Although a ranking cleric, Dhari does not have the stature of Shiite Grand Ayatollah Ali al-Sistani. But among Sunnis, he has emerged as a vocal representative of Sunni defiance and anger, and has become a leader of the fractious community.

Earlier in the week, Iraq's Kurdish President Jalal Talabani described Dhari as a hard-liner with "nothing to do but incite sectarian and ethnic sedition."

Violence and crime on the streets of Baghdad Thursday did not help matters. At least 17 people were killed by bombs and gunmen in the capital. In addition, gunmen dressed as police commandos kidnapped 15 people from a tea shop in a mixed neighborhood in central Baghdad, according to authorities.

Earlier in the week, a similar mass kidnapping of academics from a Sunni-led education ministry office intensified a mounting political crisis. Witnesses said that gunmen dressed in government-issued uniforms carted away as many as 150 people. Sunni politicians charge that as many as 80 are still missing -- a claim denied by al-Maliki and the Interior Ministry, which said everyone had been released unharmed.

Al-Maliki has promised to disarm and disband the Shiite militias wreaking havoc on the street. But Sunnis say the government has not done enough, particularly in failing to pursue leads provided by those who had been released in this week's kidnapping.

"The government hasn't moved a finger to investigate," said Salim Abdullah Jabouri, a spokesman for Iraq's main Sunni Arab party, which is part of the ruling government coalition. "The government is either weak or in collusion with the kidnappers or has lost control of the militias."

Sunnis say the lack of concessions they've obtained for their followers has built up sentiment for a government pullout.

Sunnis have been frustrated in their attempts to reduce the influence of Shiite militias, win guarantees that Iraq won't be partitioned and reverse laws that discriminate against former members of Saddam's Baath Party, which was dominated by Sunnis.

They've also demanded a release of the many Sunnis held in prisons on vague charges of colluding with the insurgency. They angrily accuse the Shiite-dominated government of using the legal and security apparatus for sectarian ends.

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The Sunni bloc "has never done anything good for us," said Sheik Mehdi Sumaydai, a prominent Sunni cleric who does not favor pulling out of the government but says he is under increasing pressure from his followers to adopt more radical anti-government views.

"We are receiving a big pressure from our followers, who are calling and contacting us every day to withdraw from the process," said Nourdin Hiyali, a Sunni lawmaker. "But the leaders have a different way of thinking, as this will drive the country into very bad civil war."

If Sunni political parties abandoned the government, it could unravel months of effort by U.S. diplomats and push ordinary Sunnis closer to the camp of the insurgent groups, lawmakers warn.

"When the people we represent see us leaving the political process, they will join the resistance," said Sheik Hareth Obeidi, a Sunni member of parliament. "And this will be a disaster for Iraq."

Iyad Samarai, the No. 2 person in the main Sunni political party, said no decisions had been made about bolting. "Some of the people say, 'Well, we don't have to anything to lose and we don't want to stay with the government,'" he said. "Others say, 'We should try to improve the situation.' Both views exist."

Al-Maliki will convene the Cabinet next week to resolve the deepening political divisions and the threatened Sunni walkout, a member of his coalition said Thursday.

Redha Jawad Taqi, head of the main Shiite party's political section, agreed this week's abductions had worsened the political crisis, but said al-Maliki had summoned political leaders to try and solve it.

"We need more discussions between Shias and Sunnis, Sunnis and Kurds," Taqi said. "Because if the ship sinks, we all sink."

Times staff writers Suhail Ahmad and Saif Rasheed contributed to this report.

Interior Ministry Issues Warrant For Sunni Leader (WT/AP)

By Bassem Mroue

The Washington Times, November 17, 2006

BAGHDAD -- The Shi'ite-led Interior Ministry issued an arrest warrant yesterday for the top leader of the country's Sunni minority -- a move certain to inflame already raging sectarian violence in Iraq.

Interior Minister Jawad al-Bolani, a Shi'ite, said Harith al-Dhari was wanted for inciting terrorism and violence among the Iraqi people. His message was carried on Al Iraqiya state television.

Mr. al-Dhari, head of the influential Sunni Association of Muslim Scholars, is an extreme hard-liner who recently mocked a government offer of reconciliation in return for abandoning the insurgency. But the move against him threatens to drive many moderate Sunnis out of the political system.

The warrant was issued on a day when at least 49 Iraqis were killed and the U.S. military announced the deaths of four American soldiers. Sunnis and Shi'ites could not agree on whether all hostages had been released from a mass kidnapping in Baghdad on Tuesday, and one man said he'd been beaten by the kidnappers.

Mohammed Bashar al-Faidi, spokesman for the Sunni association, condemned the warrant for Mr. al-Dhari's arrest.

"This government should resign before the Iraqi people force it to resign," Mr. al-Faidi said from Jordan. "The association calls on its people to be calm."

Mr. al-Dhari regularly travels between Iraq and the Persian Gulf states, as well as Syria, Jordan and Egypt. He was thought to be in Jordan when the arrest warrant was issued last night.

Mr. al-Dhari is an outspoken critic of Prime Minister Nouri al-Maliki's Shi'ite-dominated government and the U.S. occupation. On Tuesday, President Jalal Talabani called him a hard-liner with "nothing to do but incite sectarian and ethnic sedition."

There is precedent for an arrest warrant leading to violence in Iraq.

In April 2004, a U.S. warrant against radical anti-American Shi'ite cleric Muqtada al-Sadr prompted a two-week uprising by his Mahdi Army militia. Hundreds were killed.

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The Mahdi Army was thought to be responsible for kidnapping scores of people from a Higher Education Ministry office building in Baghdad on Tuesday. The aftermath of that mass abduction has turned into a propaganda war.

Yesterday, the Sunni higher education minister called the Interior Ministry "a farce" for not preventing the crime and claimed more than half the 150 victims were still in the hands of Shi'ite abductors.

But National Security Adviser Mouwafak al-Rubaie, a Shi'ite, said everyone had been freed and accused Arab satellite broadcasters and Western press of hostile reporting to incite sectarian hatred in Iraq.

Within hours, however, Brig. Gen. Abdul-Karim Khalaf, spokesman for the Interior Ministry, was amending that account, saying all the Higher Education Ministry employees were free but that others taken from the building were still hostages. He gave no numbers.

A Sunni who said he was among those abducted and released claimed the kidnappers broke his arm. He said he saw them kill at least three hostages after taking them to empty houses in Baghdad's Sadr City Shi'ite slum, a stronghold of the Mahdi Army.

The man, who goes by the name Abu Kadhim, or father of Kadhim, would not allow use of his full name for fear of further trouble with the Mahdi Army. His story could not be independently confirmed.

Shiite-Led Iraqi Ministry Seeks Arrest Of Top Sunni Cleric (WP)

By Sudarsan Raghavan

The Washington Post, November 17, 2006

BAGHDAD, Nov. 16 -- The Iraqi government on Thursday ordered the arrest of the country's most influential Sunni cleric for allegedly inciting violence and supporting terrorism, a move by the Shiite-led administration that could inflame the sectarian tensions already disfiguring the capital and other parts of Iraq.

Interior Minister Jawad al-Bolani declared on state television late Thursday that an arrest warrant had been issued for Harith al-Dhari, leader of the Association of Muslim Scholars, one of the most outspoken defenders of Iraq's minority Sunni Arabs after the U.S.-led invasion.

"We have proof that he is involved in terrorism," said Brig. Abdul Karim Khalaf, an Interior Ministry spokesman, without elaborating. "Wherever he is -- inside the country or outside the country -- the Iraqi courts will bring him to justice."

In recent weeks, Dhari had angered Shiite leaders by declaring on al-Arabiya television that the trial of ousted president Saddam Hussein was illegitimate, mocking efforts at national reconciliation and expressing support for al-Qaeda. He also said Shiite militias belonging to political parties had infiltrated "the majority of the security apparatuses at the Interior Ministry."

Dhari, a vocal critic of the Shiite-led government and its American backers, travels frequently outside Iraq and could not be reached for comment Thursday. He was believed to be in neighboring Jordan.

"The warrant that was issued is evidence that this government has lost its balance and that it is announcing its bankruptcy," Mohamad Bashar al-Faidy, a spokesman for the Association of Muslim Scholars, which represents Iraq's Sunni clergy, told al-Jazeera television Thursday night. He added that Dhari was not surprised by the warrant because he has been targeted before by the government.

The move came as cracks emerged within Iraq's six-month-old unity government over the numbers of government employees taken in a mass kidnapping on Tuesday and whether some were tortured and killed. It also occurred on a day when the U.S. military announced that four soldiers were killed, bringing the total number of American deaths in the country to at least 45 this month.

Much of the day's other violence was directed at Shiite Muslims. Gunmen erected fake checkpoints in a Sunni neighborhood and seized Shiite passengers off minibuses, and nine Iraqis were gunned down in a bakery, a business typically run by Shiites.

In southern Iraq, a convoy of civilians traveling near Nasiriyah was hijacked Thursday, the Associated Press reported. Pentagon spokesman Bryan Whitman said preliminary reports suggested there could be as many as 14 people captured, and ABC News reported that four of those captured were believed to be Americans.

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While Sunni Arabs revere Dhari, Shiite political leaders describe him as a hard-liner who is deepening sectarian divisions with his caustic rhetoric and vocal support for the Sunni insurgency.

Alaa Maki, a prominent Sunni political leader, said late Thursday that the arrest warrant suggested that the government was "ignorant politically" or had an agenda. "It's a politically weak decision coming from a weak government," said Maki, a senior official in the Iraqi Islamic Party, a leading Sunni Arab group. "It comes at a time when we need to calm down the situation, when we need to minimize tensions."

"Sheik Dhari is not calling for sectarianism and violence, and he's not calling for terrorism. The government has made a wrong judgment in this case," Adnan al-Dulaimi, a leader of the Iraqi Accordance Front, another Sunni coalition, told al-Jazeera on Thursday night. "We consider Dhari one of the best symbols of the Sunni leaders."

In explaining the arrest warrant, Bolani, the interior minister, said that "the government's policy is that anyone who tries to spread division and strife among the Iraqi people will be chased by our security agencies. . . . We have to prove for everyone that the government is national and it is going forward with major steps to achieve security and to achieve its political program."

In November 2004, U.S. troops raided the homes of Dhari and another senior official of the scholars association, triggering clashes in Baghdad near the association's headquarters and a mosque widely known for its militancy. Less than a year later, in June 2005, U.S. and Iraqi troops again raided Dhari's home.

A prominent Sunni member of Iraq's parliament, Saleh al-Mutlak, said he planned to ask parliament to shut down until the government revokes the warrant.

Several Sunni leaders called the order to arrest Dhari an attempt to deflect attention from the government, which is under enormous pressure to find the kidnappers of scores of Iraqis from a Higher Education Ministry building on Tuesday, one of the biggest mass abductions since the U.S.-led invasion. In the bold daylight raid, about 80 gunmen, dressed in police commando uniforms and driving police vehicles, abducted as many as 150 men.

On Thursday, Abed Thiyab, the minister of higher education, who is Sunni, said that some of the captives had been tortured and killed and that as many as 80 remained in the hands of their captors.

But Iraq's national security adviser issued a statement saying that only 50 Iraqis had been kidnapped and that all had been released. The Interior Ministry also declared all the captives were free, and the office of Prime Minister Nouri al-Maliki dismissed suggestions that any were tortured.

Military May Ask $127B For Wars (USAT)

By Richard Wolf

USA Today, November 17, 2006

WASHINGTON — The Bush administration is preparing its largest spending request yet for the wars in Iraq and Afghanistan, a proposal that could make the conflict the most expensive since World War II.

The Pentagon is considering $127 billion to $160 billion in requests from the armed services for the 2007 fiscal year, which began last month, several lawmakers and congressional staff members said. That's on top of $70 billion already approved for 2007.

Since 2001, Congress has approved $502 billion for the war on terror, roughly two-thirds for Iraq. The latest request, due to reach the incoming Democratic-controlled Congress next spring, would make the war on terror more expensive than the Vietnam War.

Sen. Kent Conrad, D-N.D., who will chair the Senate Budget Committee next year, said the amount under consideration is "$127 billion and rising." He said the cost "is going to increasingly become an issue" because it could prevent Congress from addressing domestic priorities, such as expanding Medicare prescription drug coverage.

Rep. Jim Cooper, D-Tenn., who put the expected request at $160 billion, said such a sizable increase still "won't solve the problem" in Iraq.

Bill Hoagland, a senior budget adviser to Senate Republicans, said: "At a minimum, they were looking at $130 (billion). If it goes higher than that, I'm not surprised."

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The new request being considered for the war on terror would be about one-fourth what the government spends annually on Social Security — and 10 times what it spends on its space program.

The White House called the figures premature. “They don't reflect a decision by the administration,” said budget office spokeswoman Christin Baker. “It is much too early in the process to make that determination.”

Before the Iraq war began in 2003, the Bush administration estimated its cost at $50 billion to $60 billion, though White House economic adviser Lawrence Lindsey had suggested in 2002 that it could cost as much as $200 billion.

Growing opposition to the war contributed to Democrats' takeover of the House and Senate in this month's elections. Pennsylvania Rep. John Murtha, an early critic of the war who lost his bid Thursday to be the House Democratic leader, vowed to use his clout as chairman of the House panel that reviews the Pentagon budget “to get these troops out of Iraq and get back on track and quit spending $8 billion a month.”

“The war's been an extraordinarily expensive undertaking, both in lives and in dollars,” said Senate Budget Committee Chairman Judd Gregg, R-N.H.

The new request is top-heavy with Army and Air Force costs to replace and repair equipment and redeploy troops, Hoagland said. That's why the 2007 cost is likely to top the war's average annual price tag.

Overall, he said, “we're easily headed toward $600 billion.” That would top the $536 billion cost of Vietnam in today's dollars. World War II cost an inflation-adjusted $3.6 trillion.

Leon Panetta, President Clinton's former chief of staff and a member of a bipartisan panel studying recommendations on Iraq for President Bush, said the Pentagon needs $50 billion to $60 billion to “restore the units that are being brought back here, to re-equip them and get them back to a combat-readiness status.”

Now, How To Put Iraqis In Charge (CSM)

By Peter Grier

The Christian Science Monitor, November 17, 2006

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WASHINGTON

On Capitol Hill, there is near agreement on at least one aspect of Iraq policy: the Iraqis themselves need to shoulder more of the burden of stabilizing their country. But this consensus breaks down over the obvious follow-up question. How?

Many Democrats, newly emboldened by their election victories, favor an approach that might be labeled "tough love." It goes something like this: If the US plans a phased pullout of troops within four to six months, the Iraqi government will face up to what has to be done.

"This is not precipitous; it is a responsible way to change the dynamic in Iraq," said Sen. Carl Levin (D) of Michigan, soon to be chairman of the Senate Armed Services Committee, at a Wednesday hearing.

But the White House - and the top generals of the US military - favor a strategy that they consider more nurturing. The US needs to intensify efforts to train the Iraqi armed forces to fight for themselves, according to Gen. John Abizaid, US commander in the Middle East. A scheduled US pullout might simply cause Iraq's sectarian factions to prepare for chaos to come.

The gap between these approaches suggests that despite the recent shift in US politics, in Washington there are heated debates over Iraq yet to come.

"I believe in my heart of hearts that the Iraqis must win this battle with our help," General Abizaid told the Senate Armed Services Committee. The Iraq debate, post-midterms

Democrats don't ascend to control of the House and Senate until next year. But the promise of future power can lead to assertiveness in the present, and this week, with Congress back in session, Democrats were not shy about pressing their case for a change in strategy in Iraq.

Both the Senate and House armed services panels held full-dress hearings on Iraq Wednesday, the first such inquiries in months. At both, the established fault lines between party members, and among them, were on full display.

Senator Levin for instance, a Democratic party elder on military policy, kept pressing the idea of a phased pull-out, despite General Abizaid's objections. On the opposite end of the spectrum, Sen. John McCain (R) of Arizona, a likely front-runner for the

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2008 GOP presidential nomination, waved about his proposal: an increase in troops of at least 20,000 to help bring stability to Baghdad.

Not that General Abizaid liked Senator McCain's ideas any better than those of Senator Levin.

Such an increase in US strength would have a very negative effect on public opinion in Iraq, noted Abizaid. And he questioned whether the US military was large enough overall to commit to a larger force in Iraq.

"When you look at the overall American force pool that's available out there, the ability to sustain that commitment is simply not something that we have right now with the size of the Army and the Marine Corps," said Abizaid.

And in a remarkably sharp comment about the political atmosphere in Washington, the top US military commander in the Middle East commented that some aspects of the search for alternative strategies seemed to him unseemly.

When I come to Washington, I feel despair [here]," Abizaid told the Senate panel. "When I'm in Iraq with my commanders, when I talk to our soldiers, when I talk to the Iraqi leadership, they are not despairing," General Abizaid insisted.

That said, comments this week from other US officials suggests that the intelligence community, at least, takes a dark view of the current Iraqi situation.

Iraqi insurgent attacks against US and coalition forces have increased from about 70 per month in January to 180 in October, according to the director of the Defense Intelligence Agency, Lt. Gen. Michael Maples. The rate of attacks on Iraqi civilians has increased fourfold over that same period of time.

"The perception of unchecked violence is creating an atmosphere of fear and hardening sectarianism, which is empowering militias and vigilante groups and reducing confidence in government and security forces," General Maples told the Senate Armed Services Committee.

Gen. Michael Hayden, director of the Central Intelligence Agency, was no more sunny.

"We're now face to face with whole societies that are in profound, and, frankly, volatile transitions, and whose fate will directly affect ... the security of the United States," said General Hayden. Political consequences for Democrats

Given this situation, the newly empowered Democrats face a difficult political and substantive situation, says Loren Thompson, a defense expert and chief operating officer at the Lexington Institute think tank in Washington.

If they force a redeployment of US troops, they may get blamed for any resulting violence in Iraq. Yet if they don't force a redeployment of US troops, when 2008 rolls around they and their candidates will have partial ownership of whatever the US situation in Iraq is at that time.

Sen. Levin and his cohorts are right in at least pressing the US military leadership for some sort of figures in regard to how long continued training of Iraq forces might take.

Otherwise the training mission "becomes an open-ended justification for sticking around," says Thompson.

Debate Grows Over Beefing Up U.S. Force In Iraq (WP)

By Josh White

The Washington Post, November 17, 2006

The debate about how to proceed in Iraq, which in the past few months has focused on withdrawing U.S. troops, now includes serious discussion about adding more forces to the fight.

Sen. John McCain (R-Ariz.) repeatedly suggested this week that the United States needs thousands more troops in Iraq, and members of the bipartisan Iraq Study Group have discussed similar ideas as they prepare a much-anticipated policy recommendation. Members of Congress raised the concept on Wednesday in hearings with the region's top U.S. military commander.

In a speech last night to Republicans, McCain, who is considering a presidential bid in 2008, reiterated his desire for more troops to solve a "dire" situation.

"Without additional combat forces, we will not win this war," McCain said, describing inadequate U.S. troop numbers to clear insurgent strongholds, stem sectarian violence and train Iraqi security forces. "We need to do all these things if we are to succeed. And we will need more troops to do them."

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Military officials and defense experts, however, said yesterday that significantly escalating the number of U.S. combat troops in Iraq is largely implausible because it would severely strain the military, would be unsustainable for more than a few months and would offer no discernable long-term benefit.

On Wednesday, Gen. John P. Abizaid, who leads the U.S. Central Command, testified on Capitol Hill that he believes sending in a large contingent of infantry troops would be a mistake, in part because it could dissuade Iraqi troops from taking the lead in security operations. Abizaid said he plans over coming months to introduce a more robust training effort -- involving additional U.S. trainers and advisers to help boost the numbers and capabilities of Iraqi forces -- so Iraq can defend its homeland and thus transition toward a U.S. exit.

"It's easy for the Iraqis to rely upon us to do this work," Abizaid said. "I believe that more American forces prevent the Iraqis from doing more, from taking more responsibility for their own future."

About 140,000 U.S. troops are in Iraq, many stationed in the areas around Baghdad where violence has been most severe. Military officials said yesterday that a boost of 20,000 infantry troops -- five or six brigades -- would do little to change the nature of the insurgency or the sectarian strife and that commanders are not considering such a move.

"If you put 20,000 soldiers in Baghdad, they can provide a modicum of security where they have a physical presence," said a military officer familiar with discussions on the matter. "We could flex and bend, and we could do a spike. But we can't do a steady state with that many more troops. Additional troops could do a particular job for a finite period of time, but that doesn't solve the long-term problem of holding those areas."

Military officials and experts said yesterday that they think such a plan could work only temporarily because the Army and Marine Corps are stretched thin by ongoing conflicts. They said a large number of troops sent into Iraq would be hard to sustain over time without dipping significantly into the National Guard and reserves.

The argument for increasing troop numbers is that it might stop the cycle of violence and thus halt Iraq's drift toward civil war. The problem is that military analysts say there are not enough forces available to do that.

Under the troop-to-population ratios used in historical counterinsurgency campaigns, some of which had aspects of civil wars, the United States and its allies in Iraq would need at least 500,000 and perhaps more than 1 million troops, military experts say. No one thinks those numbers will be available anytime soon, even if the training of Iraqis is greatly expanded and accelerated.

Michael Vickers, director of strategic studies at the Center for Strategic and Budgetary Assessments, said a surge could have enormous costs down the road, when U.S. officials would need to rotate fresh troops into Iraq. He also doubts the value of having more troops even temporarily.

"In the past year, we've had between 125,000 and 140,000 troops there, and the daily attacks have almost tripled," Vickers said.

Americans have soured on the war in part because U.S. casualties have continued to mount, particularly in October and the first half of this month. Simply having more troops on the ground, or repositioning troops already in Iraq to the Baghdad area, has proven deadly.

"One of the ironies, of course, is that the more soldiers you have there, the more soldiers you have in harm's way," said Edwin Dorn, a professor at the University of Texas and a former undersecretary of defense for personnel and readiness. He said a major surge would require shipping to Iraq soldiers who just recently returned. "Sending people back into the fight who were just there would seriously harm morale."

Some experts said a short-term surge could create a window for Iraqi forces to develop and take over, but they said it would have to be temporary. Retired Lt. Col. Conrad Crane, the lead author of the Army's soon-to-be-finished counterinsurgency manual, said it is unlikely a short-term surge in combat forces would be decisive.

Instead, Crane supports Abizaid's idea of increasing training efforts.

"If his goal is to increase capacity and capabilities, that's the right way to go," Crane said. "The long-term solution is to get the host nation to be able to secure their own freedom and their own liberty and future."

Time To Fix What Four Years Of War Has Broken (MCT)

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By Joseph L. Galloway

McClatchy Newspapers, November 17, 2006

Former secretary of state James Baker and his independent commission are searching for a new strategy for Iraq, and legislators of both parties will soon begin looking for a compromise answer to the same knotty problem. But it's past time to start repairing the damage the Bush administration's way of war has done to our Army and our Marine Corps.

Secretary of Defense Donald H. Rumsfeld hasn't cleaned out his desk yet, and the colonels and generals are still mentally dancing in a joyous conga line through the corridors of the Pentagon's E-Ring, but there's work to be done, and none of it is more important than fixing what four years of war in Iraq and Afghanistan has broken.

The Senate has yet to confirm Robert Gates to replace Rumsfeld, but whatever his faults - and there are more than a few - he's likely to earn swift bipartisan approval, if only because Rumsfeld won't leave until he's on deck.

The fate and the future of the U.S. Army and Marine Corps desperately need to be addressed. Doing so will take many years and many billions of dollars.

Our nation, which is defended by about seven-tenths of 1 percent of its 300 million people, today devotes just about 5 percent of its gross domestic product to defense spending. When Jack Kennedy was president, military spending totaled almost 10 percent of GDP.

The Army, and its National Guard and Reserve, have been worn down - some would say worn out - by the endless deployments of troops on one-year combat tours to Iraq and Afghanistan. Many professional soldiers and their families are now enduring their second or third trips to Iraq, certain that a fourth or fifth awaits them if they continue to serve.

Their equipment, from Abrams tanks to Bradley fighting vehicles to Stryker armored cars to Humvees and helicopters, is wearing out even faster than the soldiers are. The money to repair and rebuild those vehicles - Army Chief Gen. Peter J. Schoomaker says he needs $17 billion for that right now - hasn't been forthcoming from this administration and the outgoing Congress.

Army officials say they're a total of some $25 billion short of what they need to sustain the current levels of operations. Because that's not available, they've been robbing Peter to pay Paul, then robbing Paul to pay Patrick. Money budgeted to repair family housing and mow the grass and open the recreation centers on our Army bases is going, instead, to pay for the wars.

It's also getting harder to fill the ranks of an Army that's dropped in total manpower from 1.2 million a decade or so ago to just 497,000 at present, even as the demands for its services have grown exponentially.

In a week when the San Francisco school board voted to bar junior reserve officer training from the high schools and to ban military recruiters from their campuses, the Army is scraping the bottom of the barrel trying find enough recruits to keep the all-volunteer Army afloat.

Only by lowering standards of mental acuity and ability, accepting recruits up to age 45, paying large cash bonuses to anyone who signs on the dotted line, taking in more high school dropouts and granting waivers to recruits with criminal records, bodies covered in tattoos or both can the Army fill the holes left by those who leave every year.

In this dangerous world, Americans must be willing to pay for an Army, and they must be willing to send their sons and daughters to serve in that Army. Nations that are unwilling to defend themselves and are governed by an elite that's unwilling to send its own children to be part of that defense, are doomed.

The Bush administration says we're embarked on what it defines as a long war - 40 or 50 or 60 years of struggle with the forces of Islamic fundamentalism - and if that's true, then it's long past time to begin making some sacrifices at home to prepare to fight and win that war.

Mr. Gates can begin his brief tour as secretary of defense by jacking up the most recent Quadrennial Defense Review, the Pentagon's 20-year look at the future and what will be funded in our defense budgets, and re-ordering its priorities. He must make the hard decisions that Mr. Rumsfeld promised to make but never did.

We cannot have business as usual in the Pentagon. We cannot continue to fund huge aircraft and ship purchases for the Air Force and Navy while starving the Army and Marines who are bearing the brunt of the fighting and dying in this brave new world of ours. Boots on the ground are not as glamorous - or as lucrative to defense contractors - as the high technology so beloved by Mr. Rumsfeld. But in places such as Iraq and Afghanistan, there is still no substitute for them.

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My old friend Col. (ret.) T. R. Fehrenbach wrote in his landmark history of the Korean War that a nation that wants to hold the barbarians at bay must be willing to put its sons on the ground, in the mud and the blood. It also must be willing to pay the price for an Army and a Marine Corps that's fully manned, well trained, and equipped and supported with everything it needs.

Without that, this brave new century and millennium that were celebrated as America's will swiftly become someone's else's, and we will become no more than a footnote in history - a nation whose days of glory and power numbered only half a century or so.

ABOUT THE WRITER

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Coalition Forces Are Dwindling As U.S. Mulls Next Move In Iraq (WT)

By David R. Sands

The Washington Times, November 17, 2006

Iraq's coalition of the willing is becoming an increasingly exclusive club.

As U.S. generals and lawmakers debated this week whether to cut, raise or hold steady the 141,000-strong U.S. troop contingent in Iraq, the coalition of foreign countries willing to deploy their forces in Iraq has shrunk steadily -- and soon could shrink even more.

Twenty-three countries remain in the U.S.-led coalition and the United Nations' mission serving in and around Iraq, down from a high of 42 that joined the United States in the invasion or the postwar occupation of Iraq. More than half of those contributors have fewer than 150 troops, engineers or military trainers in the Iraq theater.

Like President Bush, many leaders of the contributing countries are resisting intense domestic political pressures to bring the troops home, especially as the casualty levels rise and the problems of the embattled Iraqi government mount.

"We need to remember what is at stake here, not only for Iraq and the Middle East, but also for American power and prestige around the world," Australian Prime Minister John Howard said this week. Mr. Howard, a staunch U.S. ally, is scheduled to meet with Mr. Bush on the sidelines of an Asia-Pacific summit today in Vietnam.

Opposition leader Kim Beazley, citing opinion polls showing 60 percent disapproval of Australia's Iraq deployment, urged Mr. Howard to tell Mr. Bush that Australia's approximately 1,400 troops in Iraq would be leaving and that the United States should withdraw as well.

"When John Howard meets George Bush, he needs to be a statesman, not a sidekick," Mr. Beazley told reporters in Canberra.

Mr. Howard rejected that idea, but acknowledged in a speech this week that the Iraq mission was "the most poll-defiant thing I have done in the whole of my prime ministership."

Portugal, Hungary, the Netherlands and Ukraine were among the countries that pulled out of Iraq in 2005. This year, Japan announced it was withdrawing its noncombat troops from Iraq. Italy, one of the largest contributors to the multinational force, plans to have all its 1,785 soldiers home by the end of the year.

Poland, which was given overall command of Iraq's south-central region, has cut its forces from 2,400 to about 900.

Smaller parties in Poland's governing coalition are pressing for a quick withdrawal of the remaining troops. The government of President Lech Kaczynski has sent conflicting signals on how long the deployment will last.

Mr. Kaczynski and senior Polish generals have been quoted as saying that the country will remain in Iraq at least through mid-2007, but a government spokesman said this week that an earlier withdrawal -- perhaps by the end of this year -- hadn't been ruled out.

Like Mr. Howard and British Prime Minister Tony Blair, Mr. Kaczynski is confronting popular opinion polls that show more than three-fifths of his constituents support an immediate withdrawal.

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Many foreign governments say they are closely following the U.S. troop debate and the recommendations to be put forward by the Iraq Study Group, a bipartisan commission led by former Secretary of State James A. Baker III. The panel's much-anticipated report, expected around the end of the year, could herald a course change in U.S. policy in the region and a shift in troop levels for the United States and its top allies.

Some countries in the Iraq coalition say they are holding firm, despite the political pressures.

Romanian President Traian Basescu told the Associated Press last week that his country's 600 noncombat troops will stay, despite pleas from the families with relatives serving there.

"Romania's honor is greater than its feelings," he said.

James Baker May Face His Toughest Challenge In Iraq (MCT)

By Warren P. Strobel

McClatchy Newspapers, November 17, 2006

WASHINGTON - When James Baker became President George H.W. Bush's secretary of state in 1989, one of the first things he did was cut a bipartisan deal to end years of poisonous wrangling over U.S. policy in Central America - an issue as divisive then as Iraq is today.

Seventeen years later, Baker faces a similar - but tougher - challenge as he and retired congressman Lee Hamilton co-chair a committee that's increasingly seen as the last, best hope for finding a respectable exit from Iraq.

Baker, now 76, is proceeding much as he did when he negotiated over Nicaragua and El Salvador in the `80s, according to individuals close to him and the panel, known as the Iraq Study Group.

Baker saw the disputes over Central America policy as "first and foremost a domestic political issue," he wrote in his 1995 memoir, "The Politics of Diplomacy." If the politics couldn't be defused, "any hopes for a diplomatic solution, much less achieving a bipartisan foreign policy, were doomed."

Today, the Iraq Study Group's five Republicans and five Democrats are widely portrayed as seeking new solutions to halt Iraq's slide into civil war and extricate the 141,000 U.S. troops there.

But there may not be any good solutions, and Baker's real goal is to forge a bipartisan consensus at all costs, the people close to him and the group say.

"It is not about new ideas. It is about ... ideas that can be supported across the political spectrum," said one person intimately involved with the group's work.

He and others spoke on condition of anonymity because Baker and Hamilton have demanded an end to media leaks about the group's deliberations. (Working in secrecy for as long as possible is another longtime Baker trait.)

Yet the hopes of finding a unified approach to the Iraq war appear to have faded since the midterm elections on Nov. 7.

Leading Democratic lawmakers, including incoming Senate Armed Services Committee chairman Sen. Carl Levin, D-Mich., have said they'll push for a withdrawal of U.S. troops beginning in the next four to six months.

President Bush and his top generals oppose timetables.

The White House initiated its own review of Iraq policy. It's unclear whether it's meant to support the Baker-Hamilton effort or pre-empt it.

"There's plenty of partisan tensions, despite all of the talk about bipartisanship," said Jeremy Rosner, a Democratic pollster and authority on public opinion and U.S. foreign policy. Still, he said, Republicans, stung by the election and looking to 2008, also are eager to see a rapid solution in Iraq.

Bernard Aronson, a former assistant secretary of state who helped Baker negotiate the Central America accord, said that in many ways, "the politics of the challenges are quite similar."

The accord with Congress essentially ended U.S. policy of trying to overthrow Nicaragua's Sandinista government by force, replacing it with a focus on democratic elections, which were won by a pro-American candidate.

But, Aronson said, Iraq "is a much tougher situation because the options are much narrower."

In 1989, he noted, the United States benefited from a changing Soviet Union that was willing to cut off arms supplies to the Sandinistas. Today, the other major player in Iraq is Iran, which by all accounts is becoming more intractable, not less.

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Exactly what course in Iraq the Baker-Hamilton commission will recommend has become the No. 1 guessing game in Washington, as well as in Middle East capitals.

It appears unlikely that the panel will recommend a summary withdrawal of U.S. troops, given the White House's flat opposition and predictions from the Pentagon and U.S. intelligence agencies that a rapid exit would fracture Iraq and possibly draw its neighbors into the war.

Nor does a "stay the course" prescription seem to be in the cards.

That leaves some version of the "old college try," a last-ditch effort to stabilize the government of Iraqi Prime Minister Nouri al Maliki and build up Iraqi security forces.

Opponents argue it won't work, even with more American troops, because Maliki has been unwilling to rein in militias of Shiite factions, which form the base of his support. Iraqi security services, particularly the police, are widely reported to be involved in sectarian violence themselves.

One proposal put to the commissioners warns that it would take 50,000 more U.S. troops, plus 10,000 to 15,000 more U.S. advisers to the Iraqi army, to have any chance of success.

That many troops may not be available from a strained U.S. Army and Marine Corps.

"We can put in 20,000 more Americans tomorrow and achieve a temporary effect. But when you look at the overall American force pool that's available out there, the ability to sustain that commitment is simply not something that we have right now," Gen. John Abizaid, the chief of U.S. Central Command, told the Armed Services Committee on Wednesday.

Baker has suggested that he favors U.S. engagement with Iran and Syria as part of a more energetic regional approach to dealing with Iraq.

One person close to him said the former secretary of state is determined to have the commission, whose work is being coordinated by the U.S. Institute of Peace, issue a single consensus report, without the dissents that sometimes accompany such documents.

Baker, a Republican and one-time political campaign manager who was chief of staff and treasury secretary under President Ronald Reagan, has long been identified with the pragmatic "realist" foreign policy of the first President Bush. That's anathema to conservatives who favor an idealistic foreign policy based on aggressively spreading democracy.

One of those conservatives, former Pentagon official Michael Rubin, writing in the Wall Street Journal, decried the proposals to engage Iran and Syria and what he called "the resurrection of realists" such as Baker and Defense Secretary-designate Robert Gates.

Aronson said the image of Baker as an amoral "pol" is unfair. "Foreign policy is politics on an international stage," he said. "You can't be effective in foreign policy unless you understand politics, broadly speaking."

Analysis: Few Military Options In Iraq (AP-Y)

By Anne Plummer Flaherty, Associated Press Writer

AP, November 17, 2006

Withdraw U.S. troops from Iraq? Won't work. Beef them up? We're stretched too thin.

As President Bush, Congress and a special commission seek new approaches for the unpopular war, warnings from the top American commander in the Middle East make clear there is no simple answer.

At the end of the day, military deployments will be up to President Bush, who has staunchly defended his handling of the war.

He said after last week's Democratic triumph in congressional elections that he is open to fresh approaches. With pressure on him to find a different path, the only thing most experts agree on is that each idea presents considerable risk.

"There's a big question right now on whether Iraq can be saved," Kenneth Pollack, who served on the National Security Council staff during the Clinton administration, said Thursday.

Gen. John Abizaid, who oversees military operations in Iraq and Afghanistan, told lawmakers this week that the best way out of the war would be to intensify efforts to train Iraqi security forces.

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Abizaid said he planned to bolster U.S. advisers assigned to Iraqi units to train them on how to fight more effectively until they can take the lead in combat.

"Ultimately," Abizaid said, "capable, independent Iraqi forces, loyal to an equally capable, independent Iraqi government, will set the conditions for the withdrawal of our major combat forces

The problem, Abizaid conceded, is the Baghdad government, which he said is only beginning to understand that it must support the Iraqi Army and not the Shiite militias engaged in near civil war against Sunni fighters.

Abizaid told the House Armed Services Committee about putting his faith in the Iraqi government and its forces, "Well, maybe it's a dumb bet. But I don't think so."

If that seemed a halfhearted endorsement of his own strategy, his description of other alternatives was even more glum.

Abizaid swatted down a suggestion being pushed by many congressional Democrats, including Sen. Carl Levin, D-Mich., to begin decreasing U.S. troop levels because it could cause instability. Democrats are expected to support that plan when they take over control of Congress next year.

Abizaid also said a proposal by Sens. John McCain, R-Ariz., and Lindsey Graham, R-S.C., to bolster the 141,000 U.S. troops already there could not be sustained because the American military is stretched too thin already. He said troop increases would also erode the effort to force Iraqis to take on more responsibility.

"I believe that the troop levels need to stay where they are," he told the Senate Armed Services Committee. "We need to put more American capacity into Iraqi units to make them more capable in their ability to confront the sectarian problem."

On top of everything, the general predicted that if the insurgents and sectarian militias are not brought under control in four to six months, the violence would surge out of control. Coincidentally or not, that is the same time frame Levin — who is slated to become chairman of the Senate Armed Services Committee — has proposed for beginning a U.S. withdrawal.

Bush's top military and political advisers are scrubbing military and political options in Iraq. A bipartisan commission led by Bush family friend and Republican James A. Baker III and former Democratic Rep. Lee Hamilton are conducting an independent assessment expected to produce recommendations next month. Senators leading the Armed Services Committee — Levin and John Warner, R-Va. — say they too plan to recommend a new way ahead.

Baker's panel has attracted the most attention, but is widely expected to defer to military commanders the big question on Iraq: How many troops should stay and for how long?

Abizaid's testimony will go a long way in influencing the Iraq debate. Known as a straight shooter and one of the military's premier experts on the Middle East, his advice is well regarded in Congress and at the White House.

His answer disappointed many lawmakers who said his plan sounded too much like the status quo.

"We're in one heck of a mess in Iraq, and the American people told us loud and clear last week that they are not happy with the course of this war. Neither am I," said McCain, a presidential contender in 2008.

The war is a top issue for Democrats as well. An AP-Ipsos poll released Tuesday found that people consider Iraq the top priority for Congress over the next two years, although 57 percent say the Democrats in Congress have no plan for Iraq.

"There's no evidence that three or six or nine or 12 months of this will get us over the hump," said Richard Haass, a former adviser to Colin Powell at the State Department. Haass is now president of the Council on Foreign Relations in New York.

Pollack, now an analyst at the Brookings Institution in Washington, said he thinks more consideration should be given to boosting troop levels dramatically — even if it means hurting the readiness of units to fight the next fight.

"McCain is absolutely right we need more troops. But where would they come from?" asked retired Army Lt. Gen. Jay Garner, a critic of Bush's handling of the war. Garner said he thinks U.S. forces should act as a backup and logistics supplier, providing fire power when needed but focusing on advising the Iraqis.

Garner, who Bush appointed in 2003 to head reconstruction efforts in Iraq but swiftly replaced with Paul Bremer, also said the Bush administration should force CIA and State Department employees to "deploy" as troops do to hasten reconstruction, he said.

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EDITOR'S NOTE — Anne Plummer Flaherty covers military and foreign affairs issues for The Associated Press.

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Why Iraq Is Crumbling (WP)

By Charles Krauthammer

The Washington Post, November 17, 2006

"A republic, if you can keep it."

-- Benjamin Franklin, upon leaving the Constitutional Convention, in answer to "What have we got?"

We have given the Iraqis a republic, and they do not appear able to keep it.

Americans flatter themselves that they are the root of all planetary evil. Nukes in North Korea? Poverty in Bolivia? Sectarian violence in Iraq? Breasts are beaten and fingers pointed as we try to somehow locate the root cause in America.

Our discourse on Iraq has followed the same pattern. Where did we go wrong? Too few troops? Too arrogant an occupation? Or too soft? Take your pick.

I have my own theories. In retrospect, I think we made several serious mistakes -- not shooting looters, not installing an Iraqi exile government right away, and not taking out Moqtada al-Sadr and his Mahdi Army in its infancy in 2004 -- that greatly compromised the occupation. Nonetheless, the root problem lies with Iraqis and their political culture.

Our objectives in Iraq were twofold and always simple: Depose Saddam Hussein and replace his murderous regime with a self-sustaining, democratic government.

The first was relatively easy. But Iraq's first truly democratic government turned out to be hopelessly feeble and fractured, little more than a collection of ministries handed over to various parties, militias and strongmen.

The problem is not, as we endlessly argue about, the number of American troops. Or of Iraqi troops. The problem is the allegiance of the Iraqi troops. Some serve the abstraction called Iraq. But many swear fealty to political parties, religious sects or militia leaders.

Are the Arabs intrinsically incapable of democracy, as the "realists" imply? True, there are political, historical, even religious reasons why Arabs are less prepared for democracy than, say, East Asians and Latin Americans who successfully democratized over the past several decades. But the problem here is Iraq's particular political culture, raped and ruined by 30 years of Hussein's totalitarianism.

What was left in its wake was a social desert, a dearth of the trust and good will and sheer human capital required for democratic governance. All that was left for the individual Iraqi to attach himself to was the mosque or clan or militia. At this earliest stage of democratic development, Iraqi national consciousness is as yet too weak and the culture of compromise too undeveloped to produce an effective government enjoying broad allegiance.

Last month American soldiers captured a Mahdi Army death squad leader in Baghdad -- only to be forced to turn him loose on order of Prime Minister Nouri al-Maliki. Two weeks ago, we were ordered, again by Maliki, to take down the barricades we had established around Sadr City in search of another notorious death squad leader and a missing American soldier.

This is no way to conduct a war. The Maliki government is a failure. It is beholden to a coalition dominated by two Shiite religious parties, each armed and ambitious, at odds with each other and with the ultimate aim of a stable, modern, democratic regime.

Is this America's fault? No. It is a result of Iraq's first democratic election. The United States was not going to replace Saddam Hussein with another tyrant. We were trying to plant democracy in the heart of the Middle East as the one conceivable antidote to extremism and terror -- and, in a country that is nearly two-thirds Shiite, that inevitably meant Shiite domination. It was never certain whether the long-oppressed Shiites would have enough sense of nation and sense of compromise to govern rather than rule. The answer is now clear: United in a dominating coalition, they do not.

Fortunately, however, the ruling Shiites do not have much internal cohesion. Just last month two of the major Shiite religious parties that underpin the Maliki government engaged in savage combat against each other in Amarah.

There is a glimmer of hope in this breakdown of the Shiite front. The unitary Shiite government having been proved such a failure, we should be encouraging the full breakup of the Shiite front in pursuit of a new coalition based on cross-sectarian alliances: the more moderate Shiite elements (secular and religious but excluding the poisonous Sadr), the Kurds and those Sunnis who recognize their minority status but are willing to accept an important, generously offered place at the table.

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Such a coalition was almost created after the latest Iraqi elections. It needs to be attempted again. One can tinker with American tactics or troop levels from today until doomsday. But unless the Iraqis can put together a government of unitary purpose and resolute action, the simple objective of this war -- to leave behind a self-sustaining democratic government -- is not attainable.

Inside The Beltway (WT)

By John McCaslin

The Washington Times, November 17, 2006

Luther lives

Letter dated Nov. 12, addressed to D.C. Mayor Anthony A. Williams, from resident Jesse H. Merrell of Garfield Street Northwest:

"Dear Mayor Williams: I realize you are going out of office but ... I write in a final futile effort about your Department of Public Works notice of Nov. 6, 2006, to Luther L. Miller, with a $75 fine for his trash containers being 'out for collection at the wrong time or place.'

"As I've repeatedly told you, Luther L. Miller is dead — has been for nearly 30 years! On Nov. 1, 2001, after a similar notice, I told you Luther Miller has been dead since 1976. On Nov. 27, 2001 — after a second notice — I wrote that Mr. Miller was 'still dead,' and to direct all future correspondence to him at Old Stone Church Cemetery, Lewisburg, W.Va.

"On Dec. 14, 2001 — after a third letter — I wrote again, asking what part of 'dead' confused you, and sent you a certified copy of his death certificate. On Feb. 2, 2002 — after an unbelievable fourth letter — I wrote and asked if I took you to see his tombstone in Lewisburg, would that help? ...

"Now, undeterred, your unrelenting, unstoppable bureaucrats ... sent another notice to Luther L. Miller on Nov. 6, 2006."

Farewell, Rummy

The American Spectator's 2006 Robert L. Bartley dinner on Wednesday was "off-the-record," but we can tell you that outgoing Defense Secretary Donald H. Rumsfeld's keynote address made clear that the United States should not abandon Iraq anytime soon.

Subsequent remarks from Massachusetts Gov. Mitt Romney, which were filled with praise for Mr. Rumsfeld and the U.S. military (several injured Iraq war veterans were in the packed audience at the Mandarin Oriental hotel), echoed the secretary's sentiments.

Master of ceremonies Grover G. Norquist pointed out that Ronald Reagan's ultimate victory in the Cold War never came until 1991 — nearly three years after he left office. Patience, he said, being the key word.

One of our favorite lines of the evening was compliments of Michael Barone, senior writer for U.S. News & World Report, who was presented with the 2006 Barbara Olson Award. Without naming names, he touched on the probability of one potential 2008 presidential candidate "throwing her broom into the ring."

Standard role

"We didn't vote for him," write the editors of the conservative Weekly Standard magazine, but "would still like to congratulate James Webb on his victory in the Virginia Senate election."

By winning, they explain, the Democrat who defeated Republican Sen. George Allen "becomes the first-ever Weekly Standard contributor to leave private life for national political office. In fact we were more than a little amused when the National Republican Senatorial Committee ran television advertisements attacking Webb for statements he made in an essay 'The War on the Military Culture' from our Jan. 20, 1997 issue."

The essay highlighted the problems posed by the assimilation of women into the military, and on that front, at least, the editors and Mr. Webb, a former Navy secretary and Republican-turned-Democrat, remain in agreement.

Minor Bach

That would be a rare concert performance of Johann Sebastian Bach's towering Mass in B Minor, led by internationally acclaimed Bach authority J. Reilly Lewis, filling the afternoon air around the Washington National Cathedral on Sunday.

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"It's a monumental work that is seldom done here in the States," Lawrence Patrick Reppert, director of administration for the Cathedral Choral Society, tells Inside the Beltway. "We're dealing with 160 to 180 voices, and a full Bach orchestra."

"Bach never intended the Mass to be performed in a place as large as this cathedral, so it will really be a treat to hear it performed in such a large space," Mr. Reppert adds.

The concert begins at 4 p.m. Tickets are required ($60 sections are sold out, but $25-to-$40 seats remain) and can be obtained in advance by calling 202/537-5527, or at the door starting at 3 p.m. Sunday.

•John McCaslin, whose column is nationally syndicated, can be reached at 202/636-3284 or jmccaslin @washingtontimes.com.

Rumsfeld's Additional Accomplishments (WP)

By Al Kamen

The Washington Post, November 17, 2006

Seemed Defense Secretary Donald Rumsfeld had barely left his Oval Office firing ceremony when the Pentagon Web site popped up with a new feature titled "Six Years of Accomplishments" with Rummy.

First and foremost were his accomplishments in the "war on terror," where overall, military efforts "liberated 50 million people in Afghanistan and Iraq." More specifically, they've "liberated 31 million Afghans from Taliban control and destroyed Al-Qaeda sanctuary." And they've "liberated 27 million Iraqis from a brutal dictatorship and turned over sovereignty of the country to an Iraqi government."

Math, apparently, is not a strong point. Somewhere it seems they lost -- or gained -- 8 million people.Following Rumsfeld Out

Meanwhile, Rumsfeld's firing is sure to spark the departure of many of his top aides. One assistant secretary, Peter Rodman, has already moved back to the Brookings Institution -- but that was long planned, we're told.

Several others are on the endangered species list. Stephen Cambone, the undersecretary for intelligence, is surely gone. His deputy, Lt. Gen. Gerald Boykin-- famed for his memorable remark that "my God was bigger than his" and other sage observations -- won't be far behind.

Others on the various DOD departure lists include acquisitions chief Kenneth Krieg; comptroller Tina Jonas; assistant secretary Thomas W. O'Connell, who runs Special Operations and Low-Intensity Conflict; and top Rumsfeld aide Robert Rangel, though Rangel is highly regarded in the building and among some House folks.

Reporters will be watching to see if spokesman Dorrance Smith, who just beefed up his public affairs staff with a "rapid response" team to correct media lies, mischaracterizations and inaccuracies, hangs on.

When the media rebuffed press office demands for corrections or declined to publish editorials, Smith had them printed in the Pentagon's "Early Bird" compilation of important news. Not just printed, but put right at the very top.

The "war on media" produced as many as six letters or "corrections" demands in a single day on Oct. 30, five of them signed by Smith.

But in recent days, there haven't been any, which would indicate either that the media have become accurate -- a near impossibility -- or just that we've lightened up on the nearly departed.

As for Smith, oddsmakers are thinking he'll probably go after Robert Gates comes in. But we're told the White House is supportive of his efforts, and we recall that Smith worked closely with Gates on the latter's successful CIA confirmation hearings. Also, Smith is on the Bush Library board at Texas A&M, where Gates is university president; they see each other and enjoy "a more-than-cordial relationship."Financial Advice for War Zone

What Iraq really needs, World Bank President Paul Wolfowitz opined on Tuesday, is advice on rebuilding its institutions -- not just money from the international community.

"I am not saying they don't need money," Wolfowitz told the European Parliament's development committee, "but they have a lot of money on their own and it's not managed right."

"What they need is help in constructing better institutions, public financial management and advice on how to better manage the petroleum sector," he said. "Help, I believe, in how to manage social safety nets."

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Of course, money management isn't easy in the middle of a war that has killed or made refugees of a huge chunk of the managerial class.

Wolfowitz said he didn't know if U.S. Mideast policy will change with the Democratic takeover of Congress. "I know that they are not going to come and ask me for my opinion," he said. That's a safe bet.

"I am not sufficiently well informed on political and security issues to give sensible advice," he added. Wolfowitz was much better informed when he predicted Iraqi oil revenue would pay for the war.

More Marines Headed To Anbar Province (AP)

By Robert Burns

AP, November 17, 2006

About 2,200 Marines are headed from their ships in the Persian Gulf to an undisclosed location in Iraq's western Anbar province to help shore up U.S. combat power in an area riddled with insurgent violence.

The move, intended as a short-term measure, is evidence of the severity of the conflict in Anbar. The insurgency is entrenched and well-organized in a province where U.S. soldiers and Marines are being killed almost daily.

Maj. Matt McLaughlin, a spokesman for U.S. Central Command, said Thursday that members of the 15th Marine Expeditionary Unit were "in the process of transitioning and moving" from their ships to a transit point for deployment to Anbar. He said he could not discuss specifics of their mission or exact destination.

It will be the unit's third tour in Iraq. It participated in the initial invasion in March 2003 and returned in March 2005.

A Marine expeditionary unit typically is organized as a combined arms team. That means it includes infantry, armor and artillery, as well as a helicopter squadron and a small number of AV-8B Harrier fighter jets.

The move was disclosed on Wednesday by Gen. John Abizaid during testimony to the Senate Armed Services Committee. He said he approved the deployment "to help address" concerns expressed by Maj. Gen. Richard Zilmer, who commands all U.S. forces in Anbar. Abizaid did not elaborate. Zilmer's staff has indicated in recent months that an increase in troop levels could help the fight against the insurgency in Anbar.

Abizaid acknowledged, when pressed during questioning by senators, that Anbar is not under the control of U.S. or Iraqi forces. He said the security problem in Baghdad was even worse and that Anbar's problems therefore must be deemed secondary to suppressing the sectarian violence in the capital.

There already are about 30,000 U.S. troops in Anbar, which includes the trouble spots of Fallujah and Ramadi. The province stretches west from Baghdad to the borders with Syria, Jordan and Saudi Arabia.

In all of Iraq there are about 141,000 U.S. troops.

When U.S. commanders decided to step up security efforts in Baghdad last summer, they moved forces into the capital from elsewhere in Iraq; one combat unit was shifted from Rawah, a restive town in Anbar.

The 15th MEU was aboard ships in the Gulf as part of a normal deployment that included recently participating in exercises with the Indian navy.

It had been designated by Abizaid as a reserve force for Iraq, to be tapped in the event circumstances required a temporary boost in combat power. Until recently an Army combat brigade also had been held in reserve in Kuwait; it also was sent into Iraq to bolster security.

Contractor's Boss In Iraq Shot At Civilians, Workers' Suit Says (NYT)

By C. J. Chivers

The New York Times, November 17, 2006

CAMP FALLUJA, Iraq, Nov. 16 — Two former employees of an American private military contracting company have claimed in a Virginia court that they witnessed their supervisor deliberately shoot at Iraqi vehicles and civilians this summer, and that the company fired them for reporting the incidents.

The allegations, made in a lawsuit filed in Fairfax County Circuit Court, say Triple Canopy, one of the largest private military contractors to work with the United States in Iraq, retaliated against the men for reporting that the supervisor had committed violent felonies, and perhaps murder, on the job.

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The lawsuit also claims that Triple Canopy's management blacklisted the men in the private military contracting industry, rendering them unemployable in the lucrative trade of providing private security in Iraq.

The suit was filed in late July. A motion by Triple Canopy to dismiss it in full was rejected by the judge last month. On Thursday, the court set a trial date for next summer.

In response to an inquiry, a spokesperson for Triple Canopy issued a statement on Thursday from the company's headquarters in Herndon, Va., outside Washington.

"Triple Canopy requires all employees to maintain the highest professional and ethical standards in every aspect of their work, including in high-threat environments such as Iraq," the statement said. "Out of respect for our judicial system and all those involved, Triple Canopy does not comment on ongoing litigation."

Triple Canopy, founded by former Delta Force commandos in 2003, is one of several young companies that support military operations in Iraq, Afghanistan and other countries.

In the suit, the former employees — Shane B. Schmidt, a former Marine Corps sniper, and Charles L. Sheppard III, a former Army Ranger — claim that on July 8 their shift leader fired deliberately and unnecessarily at Iraqi vehicles and civilians in two incidents while their team was driving in Baghdad.

Their job that day, the suit says, was to pick up an employee of KBR, a subsidiary of the Halliburton Company that is involved in construction in Iraq, at the Baghdad airport.

In the suit and in telephone interviews, however, the men said that their shift leader, who was scheduled to leave Iraq the next day, was determined to kill before he left Baghdad. (The shift leader, a former American serviceman from Oklahoma, was not named in the suit.) The first incident occurred about 2:15 p.m., the suit says, when their vehicle approached the airport entrance.

Their shift leader, the suit claims, announced that he was "going to kill someone today," stepped from his vehicle and fired several shots from his M4 assault rifle into the windshield of a stopped white truck.

The men claim that the truck was not an evident threat and that their team was not in danger. The men say in the suit that the shift leader then returned to their truck and said, "That didn't happen, understand."

Later that day, the suit says, the shift leader said, "I've never shot anyone with my pistol before," and then opened the vehicle door and fired seven or eight shots into the windshield of a taxi.

Neither of the plaintiffs, in telephone interviews, said he knew for certain what injuries had been suffered by civilians in the two vehicles that had been shot at by their shift leader. In each case, they said, their own vehicle drove away quickly after the shift leader fired.

Both men said that the shift leader had told them that if they reported the shootings they would be fired, and that they feared that the shift leader, whom they regarded as unstable, was dangerous to them.

Nevertheless, on July 10, the day after the shift leader left Iraq, the two men reported the shootings to Triple Canopy's senior supervisors in the country, the lawsuit says, adding that retaliation was swift.

"Immediately after making the report, Plaintiff Sheppard was pulled from duty and suspended," the suit claims. "Plaintiff Schmidt was suspended the following day. Within a week the plaintiffs were terminated as a result of having reported the Shift Leader's unlawful conduct."

Both men had been paid $500 a day by Triple Canopy for their work in Iraq, the suit says. Since then, they claim to have been blacklisted.

Both men seek lost earnings and damages, said their lawyer, Patricia A. Smith.

U.S. Contractor Fired On Iraqi Vehicles For Sport, Suit Alleges (WP)

By Tom Jackman

The Washington Post, November 17, 2006

A man who worked in Iraq for a Herndon-based security company is accused in a lawsuit of firing twice into Iraqi civilian vehicles last summer without provocation, possibly killing at least one person.

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Two co-workers who witnessed the shootings say in the suit that there has been no investigation, even though they reported the incidents.

All three men worked for Triple Canopy, a corporation formed in 2003 by former military men to provide security in the Middle East for the United States government and private companies. Triple Canopy was the ninth-largest contractor for the U.S. State Department in fiscal 2005, with payments totaling more than $90 million, government records show.

That sum does not include what Triple Canopy is paid by private firms such as KBR, formerly Kellogg, Brown & Root, a subsidiary of Halliburton Co. that is involved in rebuilding in Iraq. Former Army Ranger Shane Schmidt, former Marine Charles L. Sheppard III and their shift leader were all working on an assignment for KBR when the shootings occurred near Baghdad on July 8, alleges the suit, filed in Fairfax County Circuit Court.

Schmidt and Sheppard say they reported the shootings to Triple Canopy. Instead of investigating, the men allege, Triple Canopy fired them and prevented their being hired by other companies in the Middle East. The lawsuit alleges wrongful termination and wrongful interference with their professional future.

Triple Canopy and KBR declined comment on the suit. Defense Department officials did not respond to numerous inquiries, and State Department officials said they were unaware of the incidents that are being alleged.

Schmidt and Sheppard allege that Triple Canopy did not report the shootings to KBR or the government. They say that no one has ever contacted them about the shootings.

In court papers, Triple Canopy has not denied that the incidents occurred. The company has tried to have the case dismissed on the grounds that no violation of Virginia law occurred and that Schmidt and Sheppard were "at-will" employees and could be fired for any reason.

At a hearing last month, Fairfax Circuit Court Judge M. Langhorne Keith said the state's "at-will" legal doctrine has exceptions, including "when people allege that they reported a murder, two murders or maybe more than two murders, conducted by a fellow employee, and were fired for making that report."

The lawsuit does not name the person accused of the shootings, a shift leader. Schmidt and Sheppard's attorney, Patricia A. Smith of Alexandria, declined to name the man. The case is scheduled to go to trial July 30.

Smith said Schmidt and Sheppard were not available for interviews yesterday. Schmidt lives in Herndon, and Sheppard resides in Destin, Fla. Both have private security jobs in this country, far removed from the high-adrenaline, $500-a-day work they did for years in Iraq and Afghanistan, Smith said.

Schmidt was a Marine from 1995 to 2003 and was one of the first Marines deployed to Afghanistan, Smith said. He began working for Triple Canopy in Iraq in 2004.

Sheppard served in the Army from 1995 to 2002, including time as a Ranger, and was deployed in Albania and Kosovo. He worked in Iraq and Qatar for other private security companies and began working for Triple Canopy in April.

"These guys are tremendously experienced and well-respected in the field," Smith said. They assert that Triple Canopy has given other companies false reasons for firing them.

On July 8, according to their lawsuit, Schmidt and Sheppard were riding with their shift leader in a convoy to pick up a KBR employee at the Baghdad airport.

As their vehicle approached the airport, their shift leader declared that he was "going to kill someone today," the lawsuit states. The man then stepped out of the vehicle and fired several shots from his M4 rifle into the windshield of a stopped truck.

Schmidt and Sheppard were horrified, Smith said. According to the lawsuit, the shift leader told them, "That didn't happen, understand?"

After their convoy picked up the KBR employee, the crew headed to its next destination. At this point, Schmidt and Sheppard allege, their shift leader declared, "I've never shot anyone with my pistol before." The man then opened his door and fired seven or eight rounds into the windshield of a nearby taxi. Schmidt and Sheppard later heard that a cabdriver was found shot to death in the area, according to the suit.

Schmidt and Sheppard initially hesitated to report the two seemingly unprovoked shootings, especially because their supervisor told them that they would be fired if they did, their lawsuit claims. The men also feared for their safety, they said.

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But the next day, the shift leader was returned to the United States at the end of his three-month contract, Smith said. The two men reported the shootings, were suspended, then were fired. Smith said Triple Canopy told them they were fired for not reporting the shootings quickly enough. Schmidt asserts that when he asked who was investigating the incidents, Triple Canopy told him no one was investigating.

Smith said she does not know how many people might have been wounded or killed in the shootings. She said that Schmidt and Sheppard could not see into the truck that was fired on but that they did see a cabdriver in the second vehicle.

Attempts to oversee American contractors in Iraq, including the thousands who have been hired to provide security, have "gone from completely absent to spotty," said Peter W. Singer, a specialist in warfare and the Middle East at the Brookings Institution. Most oversight is focused on how U.S. money is spent, Singer said. But as to the regulating of contractors' conduct, "that part of the discussion is pretty much missing still."

Fallujah Now A Safe Haven For Sunnis (AP)

By Steven R. Hurst

AP, November 17, 2006

Some 30 Sunni refugees seeking a safe haven from Baghdad sit under the shade of a camouflage net on the outskirts of Fallujah, waiting at a makeshift U.S. facility for city IDs.

A skinny young man with a red and white scarf wound around his head pulls a reporter aside and lifts his right pant leg, exposing a shin with marks where Shiite militiamen had bored into the bone with an electric drill — the current tool of choice for Baghdad torture specialists.

Security is tight and snipers abound, but Fallujah — once an extremely violent Sunni insurgent bastion where the charred bodies of four Blackwater security men were hung on a bridge — has become a refuge from the death squads and mortar battles in Baghdad. U.S. Marines say about 150 Iraqis flee here each week from the capital, 40 miles to the east.

Unlike Baghdad, which houses large numbers of both Muslim sects, Fallujah's population is overwhelmingly Sunni Arab. As a result, Fallujah has not experienced the raging sectarian warfare that has the capital teetering on the brink of civil war. The migration is part of a larger exodus out of Baghdad, where entire neighborhoods have been uprooted.

Population figures in Iraq are little more than estimates, but Fallujah was said to have about 450,000 residents before U.S. forces stormed the city in November 2004 to drive out the insurgents. As the assault gained force nearly 400,000 of that number had fled, but the Americans say there are about 300,000 living in the city now.

Two years after the U.S. attack on Fallujah, Marine Col. Lawrence Nicholson takes rightful pride in what he and his men have done since taking over.

Nicholson strides the stony ground here in snappy camouflage fatigues, his dog tag secured under the laces of his left boot. He doesn't slip into his flak jacket but instead assaults the bulletproof vest, wrestles it on, then walks off with the slightly bowlegged gait of a man just off a horse.

"This is the club. Welcome to our country club, our gated community," the 51-year-old Toronto native said with a grin during a tour of the city Wednesday.

But if Fallujah were a hospital patient, it would still be in intensive care. Two city council members and the council president have been assassinated since February. At least 30 police officers were gunned down this summer. The mayor fled in July.

Reconstruction of the city, ruined in the Marine assault, is in progress but far from complete.

There's no bustle on the main street, and not much to bustle to. Unemployment is well above 50 percent. The cement factories are only now struggling back to life.

A reporter who tried to step outdoors during a city council meeting — part of the tour — was grabbed by the arm and pulled back inside by Marines who warned of snipers right in the center of the city.

Nicholson and his 5,000 Marines of Regimental Combat Team 5 have Fallujah sealed — the incoming roads at least — with what they call ECPs, or entry control points, manned by Americans, Iraqi army soldiers and Iraqi police. As a result, a long

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line of cars stretches at Fallujah's eastern reaches. The Americans said they have reduced the wait to drive into the city to about 40 minutes since the ECPs were put in place several months ago. It looked like a much longer wait.

In order to get in, everyone must carry a U.S.-issued ID card proving he or she is a resident and registered to live in the city. Weapons are banned in Fallujah, by law if not in fact.

At one point, Nicholson strode in to begin directing traffic himself, then pulled a local Iraqi policeman — a Sunni Muslim — together with an Iraqi soldier — a Shiite — and asked them if there were any problems between them. The men, from the rival sects whose religious-based conflict is tearing apart central Iraq, assured the colonel all was well.

Nicholson smiled and shook his head in a "Didn't I tell you so?" gesture.

He was seriously wounded the same day he took control of RCT 5 shortly before the Marine assault in November 2004. He missed the Fallujah operation but has returned and surrounded himself with an impressive team of junior officers to whip the place into shape.

His command comes across like a squad of corporate turnaround specialists sent to a troubled regional hub of some Fortune 500 company. They are smart, well-groomed rising stars of the Marine Corps — specialists in Sunni tribal affairs, linguists, organizational experts.

Nicholson — wiry and ruddy-faced with the look of a street brawler — keeps a tight rein on Fallujah and its townspeople. He understands their deep ambivalence about the U.S. forces that keep the peace.

"The average person here would tell us to 'Get the hell out of my city — but not just yet,' " the colonel said.

So while he's here, Nicholson is a nonstop dynamo — here, there, everywhere, or so he would have the Fallujans believe.

His men call him the mayor of the town. The real mayor is Jassim al-Bedawi, who took over from a predecessor who fled to Jordan this summer under threat of death.

Al-Bedawi, a lawyer, looks like a bit like Burt Reynolds in his younger days — the same white-toothed grin under a he-man mustache. He took Nicholson to task at the latest city council meeting for closing a bridge over the Euphrates River.

They call it the new bridge here. The old bridge, built in 1937, is now called the Blackwater Bridge. It's where insurgents hung the bodies of the four security men who were killed in the city in March 2004.

Al-Bedawi complained that the heavy security and closed new bridge were jamming traffic, blocking deliveries of necessary goods such as canisters of cooking gas.

Nicholson stood as if at attention in front of his chair along the wall of the City Council chamber, listening but shaking his head side to side. He said he would check but countered that there had been too many attacks on the Iraqi army at the new bridge.

He didn't say no, but he didn't offer much hope.

Only 12 of 20 council members showed up this week, obviously not keen to journey through town to a meeting that so closely associates them with the Americans.

The colonel calls the council "our dysfunctional family, but our family nevertheless."

"We preach Team Fallujah constantly ... that we're all in this together," the 26-year Marine veteran said. "But in the end we have to tell them it is their choice, what they want it to look like when we're gone."

Through the daylong tour a reporter observed, Nicholson shook as many Iraqi hands as he could, and introduced his visitors to both town dignitaries and men in the street — clearly unafraid of what the locals would say about his work.

And in short goodbye remarks, Nicholson smiled and said, "I hope you got a sense of what the average Omar is thinking."

Then he spun on his heel and barked out some orders.

Democrats See Improved Electoral Map (WSJ)

By John Harwood

The Wall Street Journal, November 17, 2006

See updates to Washington Wire each weekday at www.washwire.com1.

DEMOCRATS SEE improved electoral map as 2008 field expands.

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House Democratic campaign chief Emanuel touts gains among suburbanites and higher-income voters -- Democrats won among those earning $50,000 to $100,000. Republican consultant Steve Lombardo, citing Democratic advances among Catholics, says "only another election or two" can prove staying power of such trends.

Sen. Dodd of Connecticut, who may join Democratic nomination race, calls for "New Age of Idealism." His annual Williamsburg retreat for supporters attracts greater interest given his 2008 aspirations and ascension to Senate Banking chairmanship.

Democrats hold most congressional seats in states with 303 electoral votes, strategist Mark Gersh says.

ENERGY INTERESTS SPLIT on lame-duck drilling legislation.

Industry, agriculture and labor groups seek House passage of Senate's offshore drilling bill, which would send measure to Bush's desk. "We've got a bird in the hand," says Jack Gerard of American Chemistry Council.

Some companies hold out for more ambitious House bill, which would allow states such as Virginia to opt out of anti-drilling moratoria. Robert Slaughter of National Petrochemical and Refiners Association says "it will be difficult" to get Democratic majorities to revisit the issue later.

HEADHUNTING: Republicans confront loss of power -- and paychecks.

Defeated lawmakers search for new paths; some expect outgoing Indiana Rep. Hostettler to become a minister. Ousted Republicans should be "rich...or ready for retirement," one surviving lawmaker says, since "there are not going to be a lot of association head or lobbying jobs" in Washington.

Rumors swirl that outgoing Speaker Hastert may be Tokyo-bound, as Democratic predecessor Foley once was. Hastert, who speaks Japanese, isn't seeking a leadership post and may quit Congress altogether.

Nine of 24 Republicans on House Ways and Means Committee won't return in next Congress.

TURNABOUT: Moderate Democratic group Third Way touts increasing public receptivity toward gay rights, two years after Bush profited from anti-marriage stance. In post-election Zogby International poll, nearly two-thirds of voters support legal recognition for gay and lesbian couples. Although gay-marriage bans passed in seven states, they "have lost their impact as a wedge issue," argues Third Way's Rachel Laser. Arizonans defeated such a ban.

ADMINISTRATION DOWNPLAYS usefulness of talking to Iran and Syria about Iraq. Although Baker-Hamilton group, top Democrats and Britain's Blair recommend talks, Secretary of State Rice insists Iran or Syria would demand concessions and couldn't cure Iraq's rising sectarian violence.

INTRAMURAL FIGHT? Texas Democrat Jackson-Lee is in line to chair House immigration subcommittee, but draws criticism over her sometimes-combative style and may face competition for the post from California Rep. Lofgren. Immigration groups steer clear of debate. Iowa's Steve King, among the most vocal House opponents of immigration, is subcommittee's ranking Republican.

PARTY POOPER? Telecom bar association's annual holiday-season Chairman's dinner is nixed because FCC chief Martin won't show up; some lawyers fret he wants to kill it altogether. Last year's event attracted about 1,500 guests and raised $43,000 for scholarships. The bar association will try a springtime version next year.

VIETNAM TRADE STUMBLE catches White House by surprise.

Red-faced Trade Representative Schwab, in Hanoi, is forced to parse congressional procedures after trade pact wins majority but falls short of two-thirds required under special parliamentary rules. "Getting this through Congress was a huge deal" for Vietnam, an administration official says amid Bush's Asia trip.

Textile lobbyist Augustine Tantillo says misfire underscores spread of "cold feet" among lawmakers about free trade. North Carolina Republican Rep. Robin Hayes, whose dead-heat re-election race remains undecided, chides party leaders for bringing up the measure so soon after the election.

West Coast senators express reservations on concessions to textile-state lawmakers, fearing impact on U.S. exporters.

MINOR MEMOS: D.C. Delegate Eleanor Holmes Norton can't vote on House floor as representative of federal enclave, but may chair Transportation subcommittee in new Congress...Incoming Transportation Committee Chair Oberstar, facing uncharacteristically packed news conference, likens himself to the Bible's Joshua, "who did enter the Promised Land."

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Soldier Gets 90 Years In Rape, Killing Of Iraqi Girl (WP)

By Josh White

The Washington Post, November 17, 2006

An Army specialist who admitted that he and a group of other U.S. soldiers raped a 14-year-old girl and killed her and her family in an Iraqi village was sentenced to 90 years in prison yesterday, by far the longest sentence for a U.S. soldier in connection with the death of an Iraqi civilian since the war began in 2003.

Spec. James P. Barker, 23, could be eligible for parole in 20 years, as part of a plea agreement with prosecutors that spares him the possibility of a death sentence. Barker has indicated he will testify against other soldiers in the case, some of whom face the death penalty.

Barker yesterday became one of 16 U.S. troops sentenced to prison time for the deaths of Iraqi civilians during the war, and he received a sentence of more than three times the length of the next-longest sentence in any case that has concluded. Two soldiers are serving 25-year sentences in unrelated homicide cases.

Also yesterday, Marine Lance Cpl. Tyler A. Jackson pleaded guilty to aggravated assault and conspiracy to obstruct justice in the death of an Iraqi man near Hamdaniyah. As part of a deal, he was sentenced to 21 months in prison.

The slaying of the girl, Abier Kassim Hamzah Rashid al Janabi, on March 12 was particularly shocking because it had no connection to military combat operations and was carefully planned by soldiers who had spotted her while patrolling the Mahmudiyah area weeks before. The girl's father, mother and young sister were also killed, and soldiers set the teenager's body on fire to try to conceal the crime.

In a nine-page document that provides chilling details of the case, Barker confessed to plotting the attack on Abier with other soldiers as they played cards and drank whiskey mixed with a carbonated energy drink. The soldiers donned disguises, cut through chain-link fences and sneaked into the house, planning to kill everyone inside, according to the document.

The soldiers alternated holding Abier down on the floor while raping her, according to the document.

Another soldier, former Pfc. Steven D. Green, herded Abier's family members into a bedroom before shooting them, according to Barker's account. Green then raped and killed Abier, according to the document.

"I want the people of Iraq to know that I did not go there to do the terrible things that I did," Barker said in court, the Associated Press reported. "I do not ask anyone to forgive me today."

Barker said he became "angry and mean" as a way to survive in the austere and dangerous conditions where he served south of Baghdad, and as a result he began to hate everyone in Iraq.

Attorneys for Barker have argued that he was under extreme pressure and emotional distress while working in the Yusufiyah area, an insurgent stronghold where U.S. forces faced daily attacks and were severely understaffed. David Sheldon, Barker's civilian attorney, said he believes his client's sentence should make it difficult for prosecutors to get the death penalty against the other soldiers.

"Specialist Barker took responsibility for his actions and has expressed sincere remorse for his conduct," Sheldon said. "This sends a clear message to the government that it will be difficult to obtain a death sentence against any of the defendants, including Pfc. Green."

U.S. Airstrikes Climb Sharply In Afghanistan (NYT)

By David S. Cloud

The New York Times, November 17, 2006

The Air Force has conducted more than 2,000 airstrikes in Afghanistan over the past six months, a sharp increase in bombing that reflects the growing demand for American air cover since NATO has assumed a larger ground combat role, Air Force officials said.

The intensifying air campaign has focused on southern Afghanistan, where NATO units, primarily from Britain, Canada and the Netherlands, as well as American Special Forces have been engaging in the heaviest and most frequent ground combat with Taliban rebels since the invasion five years ago.

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The NATO forces are mostly operating without heavy armor or artillery support, and as Taliban resistance has continued, more air support has been used to compensate for the lightness of the units, Air Force officials said. Most of the strikes have come during "close air support" missions, where the bombers patrol the area and respond to calls from ground units in combat rather than performing planned strikes.

On a recent 11-hour mission that included a reporter for The New York Times, a B-1 bomber orbited at 20,000 feet, responding to radio calls from American and Canadian troops who asked the plane to use its radar to watch for insurgent forces and to be prepared to drop bombs.

On a separate mission last week, a bomber dropped its entire payload of eight 2,000-pound bombs and six 500-pound bombs after ground units called for help, Air Force officials said.

One B-1 pilot, Lt. Col. Tim Schepper, said that when troops called for airstrikes, "There are times when you can hear the gunfire and R.P.G.'s over the radio in the background, and that's when you know you have helped keep them alive." An R.P.G. is a rocket-propelled grenade.

To carry out the heavier mission load, the Air Force's entire complement of B-1 bombers was shifted over the summer from the British air base at Diego Garcia in the Indian Ocean to a Middle Eastern airfield closer to Afghanistan. The new basing arrangement shortens the flying time to Afghanistan by two hours, allowing bombers to remain overhead for longer periods between refueling by aerial tankers.

Air Force officials said they were prohibited from disclosing the location because of sensitivities by the host country about disclosing the extent of its cooperation with the American military.

Lt. Gen. David Richards, the British commander of NATO forces in Afghanistan, has promised to bring stability and win support among Afghan civilians by focusing primarily on economic development and avoiding combat. But the resurgence of the Taliban has made that difficult. NATO forces have established numerous small bases and sent out extended patrols in small formations and with little or no heavy armor and artillery. And NATO has also lacked a reserve force that can be shifted quickly to hot spots, though Poland has promised to send more troops to fulfill that role.

The 2,095 attacks by American aircraft since June is many times greater than the number of airstrikes in Iraq, where the terrain and nature of the conflict are less susceptible to bombing campaigns. There have been only 88 attacks by American aircraft in Iraq since June, according to Air Force figures. Unlike in Afghanistan, insurgents in Iraq are largely in urban areas and do not often mass in groups large enough to warrant use of airstrikes, Air Force commanders said.

The increase in total munitions dropped has also been substantial. This year in Afghanistan, American aircraft have dropped 987 bombs and fired more than 146,000 cannon rounds and bullets in strafing runs, more than was expended in both categories from the beginning of the American-led invasion in 2001 through 2004, the Air Force said. During those years, a total of 848 bombs and just over 119,000 bullets were used by aircraft, according to Air Force figures.

On the B-1 flight last week that included a reporter, Colonel Schepper and his two-man crew received a radio call from a Canadian soldier at an isolated base near the town of Tarin Kowt, who asked the aircraft to stand by for potential attacks on insurgent forces. A few hours later, the bomber crew received a similar radio message from an American Special Forces soldier, who warned that Taliban attacks on his position had been frequent. "We've had contact every day this week," said the soldier, who could not be identified under military rules. "As sure as the day is long, we'll have more."

The surge in recent airstrikes coincided with NATO moving into the south over the summer, a period when Taliban attacks also increased. Much of the bombing in September was conducted during several major NATO ground operations against concentrations of Taliban fighters. But the number of air attacks has stayed high, reaching 397 in October, and is expected to remain at comparable levels this month, according to Air Force commanders.

In Afghanistan the increased use of air power has also come at a cost in casualties among allied forces and civilians. In September, an American A-10 attack jet mistakenly opened fire on Canadian troops southwest of Kandahar, killing one and wounding dozens more.

Later that month, a nighttime NATO air attack involving an AC-130 gunship killed 31 civilians, most of whom were shepherds, a joint NATO and Afghan investigation concluded recently. The civilians were killed as they fled their tents with their

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wives and children after a NATO bomb struck a nearby compound, killing 20 Taliban fighters. There have also been increased reports of damage or destruction to mosques and other civilian buildings and property.

In addition to dropping bombs, Air Force jets are increasingly being called on to provide ground forces with intelligence about possible insurgent forces in their vicinity, using infrared cameras, radar and other surveillance equipment.

While the B-1 has proven useful in Afghanistan because of its large fuel tanks and bomb-carrying capacity, the planes' 30-year-old electronics have sometimes been a liability.

On the recent 11-hour mission, the B-1 crew had to inform ground troops several times that the plane's radar could not deliver the detailed picture of ground activity they wanted and that many fighter jets and other aircraft equipped with more modern surveillance equipment could provide.

During the mission, one American soldier called up to say that his unit was holding a memorial ceremony for a soldier who had been killed several days earlier in combat. Trying to detect any possible ambushes of the service, he asked whether the plane could see whether there were any "military-age males" with weapons nearby — a request beyond the capabilities of the B-1's electronics, the crew told him. So he requested that the B-1 perform a "show of force," a low-level pass meant to frighten any fighters nearby.

Colonel Schepper dropped the jet steeply from 20,000 feet to around 8,000 feet and roared over the soldiers' position, releasing flares to heighten the effect of the fly-by.

On the plane's radio, the soldier voiced a simple response: "Beautiful, beautiful, beautiful."

Army Retooling Itself To Fight Counterinsurgency Wars (MCT)

By Drew Brown

McClatchy Newspapers, November 17, 2006

FORT LEAVENWORTH, Kan. - At this historic Army post on a bluff overlooking the Missouri River, the Army has mounted an intense effort to train its soldiers how to fight insurgents more effectively in Iraq, Afghanistan and beyond.

Fort Leavenworth is where all-black regiments known as "buffalo soldiers" once galloped off to police the American frontier. Later generations here studied how to defeat Soviet tank divisions. Now the United States Army Combined Arms Center has retooled the Army's leadership and training programs to focus on what motivates insurgents, the strategies and tactics they use and the cultures in which they operate.

The shift away from major combat operations to irregular warfare is one of the most significant changes in doctrine and training the Army has undertaken since World War II.

"It's a big change for our Army," said Lt. Gen. David H. Petraeus, the Iraq war veteran who commands the Combined Arms Center. "Although we have done lots of counterinsurgency operations over the years, historically we have, as an institution, tended to refocus on major combat operations, the big battles, after each of our counterinsurgency operations was over."

The last time the U.S. Army fought a major counterinsurgency war was 40 years ago in Vietnam. The Army fought a smaller counterinsurgency war in El Salvador in the 1980s and intervened in Somalia, Haiti and the Balkans in the 1990s. But the Army's primary focus remained winning an all-out conventional war in Europe against the Soviet Union and the Warsaw Pact.

Irregular war and stability operations were considered lesser tasks that required little preparation or practice.

Large-scale war remained the Army's focus even after the invasion of Iraq in 2003. Since then, however, that focus has changed as it's become clear that Iraq and Afghanistan are part of a long guerrilla struggle that could last decades.

"One of the light bulbs that's come on in the last year or so is to no longer accept the notion that ... if you can do high-end major combat operations and you've got a disciplined force, then you can do this other stuff," Petraeus said. "But that's not the case. If you want to do this other stuff, then you've got to train for it."

"The greater goal is to help our Army truly be a learning organization, one that is adapting in response to the challenges we face in the long war (and) one that strives to ensure basic combat competence, but also a degree of confidence in a number of the other tasks that our soldiers are asked to perform," Petraeus said.

That means preparing soldiers for everything from high-intensity combat to peacekeeping and reconstruction. Soldiers in Iraq and Afghanistan can be asked to hunt down insurgents one day, guard polling stations another and rebuild schools the next.

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Waging a successful counterinsurgency war means that military commanders must be prepared to carry out all those missions at once, while taking into account what political and economic effects their actions will have, officials say.

"Sometimes the best action is inaction," said Clinton J. Ancker, III, the director of the Combined Arms Center Doctrine Directorate. "It's a very difficult job balancing the application of force."

Lessons such as that are at the heart of the changes the Combined Arms Center is helping to make across the Army and other services.

A team from the Army and the Marine Corps are writing the military's first counterinsurgency field manual in 20 years. A main theme is that military action is only a means to a political end.

"This manual is as much about the next fight in the GWOT (global war on terrorism)," said Ancker, who's overseeing the project. "It's not solely about the one we're in now."

At the Army's three large training centers - Fort Irwin, Calif., Fort Polk, La. and Hohenfels, Germany - soldiers now train in mock Iraqi and Afghan villages.

The exercises involve hundreds of Arab and Afghan American role players. Soldiers are given a number of missions to accomplish while fending off improvised explosive and sniper attacks. Whether they succeed depends on the relationships they establish with the villagers.

Basic trainees at Army bases in Georgia, South Carolina, Kentucky, Missouri and Oklahoma now learn how to spot and avoid roadside bombs, react to ambushes on their convoys and train with local security forces.

Hundreds of additional students enroll annually in Arabic, Pashtun and other languages at the Defense Language Institute in Monterey, Calif. And any soldier can download a course in Arabic from the Army's Web site for free.

Computer specialists at Fort Leavenworth's Battle Command Knowledge System run three dozen online forums where soldiers in the field can share information.

Books on al-Qaida, militant Islam, Iraqi and Afghan history and the Muslim world are now required reading for majors and lieutenant colonels at the Army Command and General Staff College at Fort Leavenworth. There also are courses on Middle East culture and on Islam. A week is devoted to the study of irregular warfare.

"We can't make them a cultural expert in every culture that exists over there," said Russ Crumrine, a Middle East specialist who teaches there. "But the key is to get them thinking about what they need to know and how they might apply it."

The odds are that every student at the college will be serving in combat within weeks of graduation. The faculty wants to ensure that these officers will think about the cultural effects of what they do in Iraq or Afghanistan.

"No officer would ever plan an operation without studying the terrain," said John Cary, who also teaches Middle East studies. "Now, no officer would ever plan an operation without studying the human terrain."

The Combined Arms Center at Fort Leavenworth has nine organizations involved in doctrine and leadership development, training and battle command. The center oversees field exercises at posts in California, Louisiana and Germany and training programs at another 11 schools, ranging from combat arms to military intelligence and foreign language study.

The Center also is home to the Army Command and General Staff College, a key school for mid-level officers, and the Center for Army Lessons Learned, which collects, analyzes and distributes the latest insights and observations from the battlefield. Officials describe the Center at as one of the Army's "engines of change."

For additional information:

The Combined Arms Center: http://usacac.army.mil/CAC/index.asp

The Center for Army Lessons Learned: http://call.army.mil/

Fort Leavenworth: http://www.leavenworth.army.mil/

The Army Command and General Staff College: http://www.cgsc.army.mil/

The Battle Command Knowledge System: http://usacac.army.mil/CAC/functions/battlecommandsystem.asp

Defense Language Institute: http://www.dliflc.edu/

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AG Gonzales To Speak At Air Force Academy (RMN)

Rocky Mountain News, November 16, 2006

U.S. Attorney General Alberto Gonzales will speak to about 700 cadets at the Air Force Academy on Saturday.

His talk will include upholding civil liberties and the war on terrorism.

CORPORATE SCANDALS:

Bush Administration To Ease Corporate-Fraud Rules, People Say (BLOOM)

By Robert Schmidt

Bloomberg, November 17, 2006

Nov. 17 (Bloomberg) -- The U.S. Justice Department plans to make it harder for prosecutors to force companies to waive their legal rights in plea negotiations to avoid indictment, people familiar with the plan said.

The proposed changes address concerns that companies are being asked unfairly to reveal confidential talks with their lawyers and cut off legal support for employees under investigation, the people said. Businesses, lawmakers and federal judges have complained that the department rules adopted in the wake of corporate accounting scandals in 2001 and 2002 erode the rights of companies and employees.

``This is a policy issue that needs to be addressed and there has been a lot of criticism from a lot of different directions," said former Justice Department official George Terwilliger, a partner at the White & Case law firm in Washington. ``There is also a recognition that we need to be careful how we tinker with the engine of commerce."

Deputy Attorney General Paul McNulty is likely to announce the revised policy in a speech early next month, the people said. They stressed that the changes won't be dramatic and are still being debated within the department.

McNulty, who also heads President George W. Bush's corporate fraud task force, hasn't signed off on the proposed changes, the people said. He was traveling and unavailable for comment.

``We want to get it right," McNulty told a Senate Judiciary Committee hearing in September. ``We don't want to do something that is inappropriate or unreasonable."

Protecting the Public

Brian Roehrkasse, a Justice Department spokesman, said the rules are under review and any changes would be in accord with ``safeguarding the integrity of our financial institutions" and ``the public interest."

The policy in question -- originally outlined in a 2003 memo by then-Deputy Attorney General Larry Thompson -- offers leniency to companies that cooperate with prosecutors. It suggests that companies can benefit by waiving attorney-client privilege and by not paying the legal bills of ``culpable employees."

Because an indictment is often fatal for a company, corporate lawyers are under pressure to meet almost any government demand to avoid charges. That has made the memo a rallying point for companies who say the policy amounts to coercion to settle with the government.

Arthur Andersen LLP, one of the so-called Big Five accounting firms with 85,000 employees, collapsed after it was indicted for destroying documents related to its work for Enron. The U.S. Supreme Court in 2005 overturned the conviction, too late to save the firm.

Coalition of Critics

Senator Arlen Specter, a Pennsylvania Republican who will give up his Judiciary Committee chairmanship in January, plans to introduce legislation that would compel the Justice Department to overhaul the Thompson memo. A coalition that includes the Washington-based U.S. Chamber of Commerce, the Chicago-based American Bar Association and the New York-based American Civil Liberties Union has spearheaded the attack on the memo.

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The incoming chairman of the Judiciary Committee, Vermont Democrat Patrick Leahy, has also expressed support for changing the guidelines.

The Justice Department's proposed revisions to the Thompson memo are intended to address its critics, who include three former attorneys general, the people familiar with the matter said.

One of the changes, they said, would require prosecutors to get approval from the attorney general or his top deputy before seeking a waiver of attorney-client privilege.

Each of the 93 U.S. attorneys' offices across the country has its own policy now on asking for the waivers, leading companies to complain there is no uniformity and giving prosecutors a free hand in demanding confidential material.

`A Significant Step'

``Taking the step of requiring approval in Washington would be a significant step," said Michael Horowitz, a former chief of staff in the Justice Department's criminal division and now a partner with the Cadwalader, Wickersham & Taft law firm in Washington. It would force prosecutors to justify their actions to their superiors, he said.

Another proposed revision would say companies won't be penalized for refusing to reveal confidential talks with their attorneys, the people said. They could still waive the privilege and get credit for cooperation, the people said.

The Justice Department also is considering deleting the language referring to legal fees for ``culpable employees," they said. Several federal judges have questioned that provision, including one in New York who in June ruled that the practice violated the rights of former KPMG LLP executives being tried on charges of selling illegal tax shelters. The Justice Department has appealed.

Some Critics Want More

Some critics of the current guidelines want a more drastic overhaul.

``We've built a heck of a lot of momentum, and we don't want this problem to resurface," said Susan Hackett, senior vice president of the Association of Corporate Counsel, a Washington- based group. The Justice Department is ``trying to throw a train off the tracks" by proposing only minor changes, she said.

The Justice Department says the guidelines are vital to speed investigations and help protect investors. The agency also maintains that companies often take the initiative in waiving attorney-client privilege and cutting off support for employees.

``Most corporations want out from the dark clouds of criminal wrongdoing as quickly as possible," McNulty told the Senate Judiciary Committee in September.

Ken Lay's Death Spurs Senate Bill To Allow Convictions To Stand (WSJ)

By Judith Burns

The Wall Street Journal, November 17, 2006

WASHINGTON -- The death of former Enron Corp. chief executive Kenneth Lay prompted Senate lawmakers to introduce legislation Thursday that would end the practice of dismissing convictions of defendants who die before an appeal is final.

The bill by Senate Judiciary Committee members Dianne Feinstein, a Democrat from California, and Jeff Sessions, a Republican from Alabama, was written with help from the Justice Department, which had sought changes after Mr. Lay's death on July 5.

Mr. Lay died just weeks after being convicted on criminal charges including securities and bank fraud; a federal district court judge in Houston dismissed the convictions in October. Under current U.S. law, criminal convictions are tossed out when defendants such as Mr. Lay die before they exhaust their right to an appeal.

"We need to ensure that, in these types of cases, hard-won convictions are preserved and restitution remains available for the victims of crime," Ms. Feinstein said in a statement on the legislation.

Mr. Sessions noted that Mr. Lay's trial took months and cost taxpayers millions. In such cases, he said "it is wrong to force the victims or the government to start over from scratch."

Messrs. Feinstein and Sessions said the Justice Department supports the "principles" contained in the bill. A Justice Department spokesman wasn't immediately available to comment. Samuel Buffone, an attorney for Mr. Lay in Washington, D.C., declined to comment, saying he hadn't seen the legislation.

Mr. Lay's case not only inspired the bill but would be covered by it, as the legislation would apply to all cases or appeals pending as of July 1, 2006.

As written, the bill would end the practice of vacating convictions in such cases and establish new procedures that would allow some cases to continue. While it would forbid imposing further criminal punishment on deceased defendants, the bill would permit the government to continue to press for -- and collect -- other relief, such as restitution to victims of financial frauds. The bill sets a process to ensure that after a person convicted of a crime dies, a representative of his estate can stand in his place to challenge or appeal his conviction, and secure a lawyer. In cases where a criminal forfeiture action was filed in an effort to obtain assets linked to the defendant's crimes, the bill would give the government two years after a defendant's death to seek to recover the same assets by filing a parallel civil forfeiture lawsuit.

Lay's Death Leads Senators To Offer Restitution Measure (HC)

Houston Chronicle, November 17, 2006

WASHINGTON - In the wake of a federal judge's decision vacating the late Ken Lay's fraud and conspiracy convictions, two senators introduced a bill today to allow victims to seek restitution when a defendant convicted of a crime dies before his appeals have been completed.

The same day the Justice Department filed notice it will appeal U.S. District Judge Sim Lake's decision to clear Lay's name "in light of pending legislation."

Last month, Lake wiped out the one-time Enron Corp. chairman's convictions because Lay died before the appeals process had been completed.

In reaching that decision, Lake was following a precedent set in the New Orleans-based 5th U.S. Circuit Court of Appeals — the same court that will hear the government's challenge.

The 5th Circuit is unlikely to side with the Justice Department because that court set the precedent Lake followed, said Brian Wice, a Houston attorney who specializes in appeals issues. But the government needs to appeal to that court before it can appeal to the U.S. Supreme Court, he said.

Earlier this month, a three-judge 5th Circuit panel already refused to order Lake to reverse his decision. The panel reiterated Lake's position that legal precedent says that "when a defendant who has been found guilty of a federal crime dies before exhaustion of his appeal, his prosecution must be abated, his conviction vacated and his indictment dismissed."

The ruling responded to an appeal of Lake's decision by an Enron shareholder.

Representatives of the Lay family couldn't be reached for comment this evening.

Today, Sen. Dianne Feinstein, D-Calif., and Sen. Jeff Sessions, R-Ala., both members of the Senate Judiciary Committee, introduced legislation designed to clarify the legal procedures when a defendant dies in this way.

"We need to ensure that, in these types of cases, hard-won convictions are preserved and restitution remains available for the victims of crime," Feinstein said in a statement today.

When convicted, a criminal defendant can be ordered to pay restitution to his victims, to try to make them whole. But since Lay's conviction was vacated, his estate cannot be ordered to pay restitution.

Instead, the Justice Department was forced to file a civil suit seeking to wrest control of $12.7 million worth of assets. If the government is successful, it could then turn over some or all of those proceeds to victims of the Enron debacle.

The Justice Department proposed legislation last summer that sought to preserve such convictions after a defendant dies pending sentencing and appeal — and wanted it to be retroactive to July 1, four days before Lay died. That proposal never garnered a sponsor.

The Justice Department helped Feinstein and Sessions craft the legislation introduced Thursday.

"We share Sen. Feinstein and Sen. Sessions' commitment to do away with the harmful and unwarranted effects of the abatement doctrine on crime victims," Justice Department spokeswoman Jaclyn Lesch said.

Feinstein and Sessions' bill would stipulate that a defendant's conviction cannot be vacated just because the person has died.

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That would allow for the defendant's estate to be ordered to pay direct restitution to victims. However, the proposal would allow a representative for the estate to appeal the conviction.

The bill also would give the federal government an additional two years to file a civil complaint to try to force an estate to forfeit assets.

Whether the senators can get the legislation through in the dwindling days of a lame duck session remains uncertain.

"The time is short," said Scott Gerber, a spokesman for Feinstein. "We'll do the best we can."

If they are unsuccessful, the lawmakers plan to reintroduce the bill in the new Congress.

Chronicle reporter Tom Fowler contributed to this report.

Sessions Moves To End Precedent That Cleared Enron Founder (AP)

By Ben Evans, Associated Press Writer

AP, November 17, 2006

Republican Sen. Jeff Sessions is joining a California Democrat to try to scrap the legal precedent that allowed Enron founder Kenneth Lay's fraud conviction to be cleared from his record after he died in July.

The clearing of Lay's record has hurt prosecutors' efforts to extract $43.5 million in restitution from Lay's estate. Sessions' legislation is an attempt to address that.

Working with the Justice Department, which asked for similar legislation shortly after Lay died, Sessions of Mobile joined Democrat Dianne Feinstein of California to introduce a bill this week that would keep federal convictions in force when a defendant dies, while allowing victims to continue seeking restitution.

Courts traditionally have interpreted the law differently, erasing the convictions of defendants who die before having the chance to appeal.

The bill would make the changes retroactive to July 1 so that they would apply in the Lay case.

"When a criminal conviction involves financial restitution to the victims of the crime, or when the conviction could be used in a later civil lawsuit, those effects of the conviction should not be erased by the death of the defendant," Sessions, a former U.S. attorney, said in a release. "It is wrong to force the victims or the government to start over from scratch."

Sessions, who along with Feinstein sits on the Judiciary Committee, also cited the huge costs of lengthy criminal trials.

Lay's trial "took nearly four months and cost the taxpayers millions of dollars," he said.

Lay was convicted on May 25 on 10 counts of fraud, conspiracy and lying to banks in connection with the energy conglomerate's financial collapse, which wiped out billions of dollars in market value and pension plans. He faced the prospect of spending the rest of his life in prison but died of heart disease before being sentenced on July 5, while vacationing in Aspen, Colo.

At the request of Lay's attorneys, a federal judge erased his conviction Sept. 17, despite a request from the Justice Department to postpone the decision so Congress could consider a Justice proposal to change current law.

Legal experts said the decision to clear Lay's record was consistent with long-standing precedent because Lay had not had the opportunity to appeal.

Federal prosecutors could still win the $43.5 million they say Lay gained from Enron's fraud, but they have to do so through civil proceedings in competition with other litigants and without the benefit of a criminal conviction in hand.

Along with clarifying the law on maintaining convictions, the proposed bill would allow a representative of a deceased defendant to act on the defendant's behalf in an appeal, and it would give the government extra time to file parallel civil lawsuits to try to recover unlawfully obtained assets.

Skilling, Government Agree On $85 Million Enron Deal (HC)

Houston Chronicle, November 17, 2006

Former Enron CEO Jeff Skilling has settled the last dispute in litigation by former Enron employees seeking to recover at least some of their pensions that disappeared when the company crashed.

The ex-CEO, who is slated to begin serving more than 24 years in prison next month, has withdrawn his opposition to an $85 million settlement that plaintiffs reached with former company directors and other executives two years ago.

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In exchange, plaintiffs resolved claims against Skilling — the last named defendant who hadn't settled — effectively bringing the litigation to a close.

"Yes, it's over. Our clients are thrilled," said Lynn Sarko, an attorney who represents ex-Enron employees, today. "While they are grateful that some of their retirement money was recovered, it will never make up for the destruction of their retirement nest egg."

The lawsuit, which recovered about $265 million in settlements — including the $85 million held up by a Skilling appeal — was filed on behalf of more than 20,000 employees after Enron went bankrupt in December 2001. The Labor Department later filed similar litigation, which was folded into the main lawsuit.

The Labor Department announced the agreement with Skilling today.

The $85 million settlement is derived from insurance money that covered Enron directors and other executives who served on the company's administrative committee. They, as well as Skilling, were named as defendants in the litigation.

Skilling argued that as an ex-Enron officer and director, he also was entitled to some of those insurance proceeds. He filed an appeal opposing any distribution of the funds until that question was resolved.

However, the Labor Department said today that Skilling had dropped his opposition to the settlement. Skilling also agreed to waive his right to benefits under Enron's pension plans and is permanently barred from overseeing any employee benefit plan governed by the Employee Retirement Income Security Act.

Skilling's lawyer, Daniel Petrocelli, didn't respond to a call for comment.

If U.S. District Judge Melinda Harmon approves the agreement as expected, the $85 million can be distributed to ex-Enron employees along with the other $180 million recovered, Sarko said.

Harmon has yet to determine how or when the money will be distributed.

Harmon oversees litigation filed on behalf of employees as well as shareholders who lost retirement funds or investments when the company crashed into bankruptcy nearly five years ago. The shareholder litigation has recovered more than $7 billion, but several banks remain named defendants and aim to go to trial next year.

Skilling was convicted in May of 19 counts of fraud, conspiracy, insider trading and lying to auditors for his role in leading and perpetuating fraud at the company. Last month he was sentenced to 24 years and four months in prison, and aims to appeal.

Upon being sentenced, Skilling agreed to turn over $45 million to the Justice Department in conjunction with his conviction. The money is to be added to a restitution fund related to the civil litigation on behalf of employees and shareholders.

Skilling maintains his innocence and aims to appeal. If he loses, that $45 million will be distributed to shareholders. If he wins his appeal, Skilling will get the money back.

But his agreement settling his dispute in the employee lawsuit says that he will still pay $2.5 million to ex-employees if his conviction is overturned or erased and the restitution fund is dissolved.

Skilling has been ordered to surrender to a low-security federal prison in Waseca, Minn. on Dec. 12.

Study Charts Broad Manipulation Of Options (NYT)

By Eric Dash

The New York Times, November 17, 2006

Abuses of stock option grants are perceived to have spread like a virus among high-technology companies. But a new study suggests that hundreds of old-economy companies may also have caught the backdating bug.

In a paper to be released today, researchers estimate that 590 nontechnology companies appear to have manipulated options so their chief executives received them at the lowest price of the month. That compares with 130 technology companies that appear to have backdated their chief executives' options to a monthly low during a 10-year period to the end of 2005.

Traditional manufacturing and service firms make up the bulk of publicly traded companies, so it comes as no surprise that the sheer number of manipulated grants outside the technology sector is larger.

Yet old-economy companies also appear to have made improper grants somewhat less frequently than their new-economy peers, making patterns more difficult to find. That combination, the researchers suggest, has allowed old-line companies to escape much of the scrutiny.

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The study is the latest in a series of papers by academic and governance research groups that attempt to measure the extent of the backdating scandal and to explain how it spread. More than 120 companies are under investigation by the Securities and Exchange Commission. The Justice Department and Internal Revenue Service are conducting separate reviews. More than 50 executives and directors have been forced out or fired as a result.

Even as companies like UnitedHealth Group and KB Home have reported options-related problems and ousted their top executives, many observers still consider backdating a hangover from the dot-com boom.

Most companies that have come forward so far appear to be concentrated around Silicon Valley and other technology hot spots. They include a large number of software and semiconductor companies, with a big portion of their executives' total pay apparently coming from equity grants.

But the study suggests that the problem was more widespread.

Of the roughly 1,150 options grants that the researchers believe were manipulated, an estimated 950, or 80 percent, were at nontechnology companies.

"It is not the case that people should concentrate on new-economy firms," said Lucian Bebchuk, a Harvard Law School professor and director of its corporate governance program. "That is the impression that one might get from the cases that have come under scrutiny thus far."

Professor Bebchuk co-wrote the study with Yaniv Grinstein, a Cornell University professor, and Urs Peyer of the French business school Insead. It is to be posted today on the Web site of the Harvard Law School corporate governance program.

The study also questions the notion that companies backdated stock options as a tax-efficient method of compensation. Backdated gains, in this view, were simply a substitute for offering executives more cash.

The analysis found that this was not the case. "C.E.O.'s who got lucky grants also received higher levels of other forms of compensation relative to peer companies," Professor Bebchuk said.

The researchers said the study underscored the importance of having independent directors to counter the influence of the chief executive. A company that had a majority of independent directors on its board reduced the chances that it engaged in manipulation by more than a third, according to a statistical analysis in the report.

In their study, the researchers examined some 19,000 options grants at about 5,800 companies from 1996 to the end of 2005. They found evidence suggesting that nearly 12 percent, or about 720, of the companies appear to have made at least one options grant that occurred at the lowest price of the month because of manipulation. That number may expand by several hundred companies if the second- and third-lowest prices of the month are included.

Still, the new figure is significantly smaller than the estimate that more than 2,000 companies, or 29.2 percent of companies in the study, engaged in backdating to sweeten their executives' pay. That finding, based on a similar data analysis, was released this summer by Randall Herron, an Indiana University finance professor, and Erik Lie, a University of Iowa finance professor whose research is widely credited with provoking the inquiries into options grants.

The study by Professors Herron and Lie found that the abuse was more prevalent in high-technology firms, where an estimated 32 percent of unscheduled grants were backdated; at other firms, an estimated 20 percent were backdated.

Professor Bebchuk's group found a much lower level of manipulation and a narrower difference between old- and new-economy companies. In his study, the percentage of all grants that were in the month's lowest price because of manipulation was 5.7 percent for nontechnology firms, compared with 6.1 percent for the entire sample.

The discrepancy between the two studies probably results from their different starting points and approaches. Professors Herron and Lie searched for differences in backdating patterns between new- and old-economy companies by observing abnormal returns before and after an options grant date for corporate insiders. Professor Bebchuk's team focused on the grants awarded to chief executives at monthly lows, which were most likely to be manipulated, and then on the differences between technology companies and nontechnology companies.

Backdated Options Pad CEO Pay By Average Of 10% (WSJ)

By John Hechinger

The Wall Street Journal, November 17, 2006

DOJ_NMG_0095560

About 850 U.S. chief executives received backdated or otherwise manipulated stock option grants that boosted their annual pay, on average, by at least 10%, according to a new study.

The study, released yesterday by professors at Harvard and Cornell universities and the French business school Insead, bolsters the view of federal prosecutors who have viewed stock-option backdating as means to steal money from shareholders. Defenders of the companies who engaged in the practice have said that backdating often involved minor sums and was merely an alternative way of providing market-based pay.

The study, a paper done for the Harvard Law School Program on Corporate Governance, didn't name executives or companies that may have backdated. It relied on broad statistical analyses that identified suspiciously "lucky" patterns of options granted at low prices.

The researchers also found that executives who reaped riches from backdating options started out with reported compensation that was richer than their peers at similar companies. On top of that above-average pay, executives received an average of an extra $1.3 million to $1.7 million through each manipulated grant, the academics found.

"It's not pocket change," said Lucian Bebchuk, a professor of law, economics and finance at Harvard and one of the study's authors.

More than 130 companies are under federal investigation in the stock option timing scandal, which has claimed the jobs of more than 50 executives and directors. Five former executives face criminal charges.

A stock option gives an employee the right to buy shares of a stock in the future -- generally at its current, or strike, price. The lower the strike price, the more potentially valuable the option. Backdating the option to when the stock was trading at an unusually low price can add millions of dollars to executives' pay.

Researchers examined the timing of stock option grants from 1996 through 2005, sifting through 19,036 grants made by about 6,000 companies led by a total of 8,800 chief executives.

The professors found that 2,329, or 12%, were granted at monthly low prices -- what the professor termed "lucky" grants. Only 4% were granted at monthly highs. If options were chosen randomly, roughly 5% should have been granted at monthly lows or highs, since there are about 20 trading days in a month.

The professors determined there were more than 1,100 "lucky" grants that didn't result from random selection, but were instead likely backdated or otherwise manipulated. In all, 12% of all U.S. public firms, or 720, awarded one or more manipulated grants, the study found. The study said 850 CEOs, or about 10%, received "lucky grants" based on manipulation.

Study Hits Out At Options Practice (FT)

By Francesco Guerrera And Brooke Masters

Financial Times, November 17, 2006

The controversial practice of backdating stock options to boost executive pay went hand-in-hand with poor corporate governance practices and overbearing chief executives, according to a study published on Friday.

The research by three academics is the first to suggest a link between lax internal controls and stock options backdating. The scandal has so far engulfed more than 130 US companies in internal and regulatory probes but the study suggests that number could climb to 720.

The research also found that, contrary to a widespread perception, “old economy” companies used the practice almost as much as rivals in “new economy” sectors – a feature underlined by one of the most recent casualties of the scandal, Bruce Karatz, the ousted chief executive of the housebuilder KB Home.

The results of the study, which looked at options granted by 8,000 companies between 1996 and 2005, will undermine claims by some companies and lawyers that backdating was a widespread and legitimate way of rewarding chief executives.

“These findings are consistent with the view that grant date manipulation reflects governance problems rather than a compensation device used for valid business reasons,” conclude the authors – Harvard Law School’s Lucian Bebchuk, Yaniv Grinstein from Cornell University and Insead’s Urs Peyer.

The research counters the view that gains from backdated options were not material, or simply a tax-efficient replacement for other pay, estimating that, on average, these grants increased executives’ yearly compensation by more than 10 per cent.

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By focusing on “lucky grants” – options priced at the lowest share price in a given month – the academics found that 12 per cent of companies had manipulated the timing of one or more grants.

The practice was more prevalent among companies whose boards did not have a majority of independent directors and whose chief executives had been at the helm for a long time – a sign of a link between poor corporate governance and backdating.

In total, an estimated 850 chief executives received grants that had been backdated to the lowest share price in the month to increase potential rewards, according to the study. And more than 600 chief executives were granted even more lucrative options – backdated to the lowest share price in a given quarter.

Executive Retreat Stock-Options Scandal Fugitive Puts Roots Down In Namibia (WSJ)

By Steve Stecklow

The Wall Street Journal, November 17, 2006

WINDHOEK, NAMIBIA -- Wolfgang Balzer, general manager of the Hotel Thule, now realizes there was something unusual about the Israeli family who checked in this summer for a month, identifying themselves as the Jacobs.

Saying they were planning on settling here, they didn't use credit cards and paid their bill in advance. The husband, who usually kept to himself, became extremely agitated when CNN wasn't available for a few days on their television.

"I personally thought he was a lawyer or something and he was going to work here," the hotel manager says. He learned otherwise in late September.

That's when it emerged that the husband was Jacob "Kobi" Alexander, a fugitive wanted in the U.S. on fraud charges related to stock-options backdating. The former chief executive of Comverse Technology Inc., a New York software company, had skipped out on the chance to begin talks with U.S. prosecutors that his own New York lawyers had initiated, according to a person familiar with the discussions.

He was arrested at U.S. prosecutors' request on Sept. 27 during lunch with his wife at a country club, even though Namibia has no extradition treaty with the U.S. A Namibian bank regulator had noticed large transfers to Mr. Alexander's local account and tipped off U.S. authorities. Mr. Alexander already had received a two-year work permit under his own name, even though he used an alias at the hotel. The Namibian government asked him to invest $43 million to help qualify for permanent residency.

Life on the lam has been full of bizarre twists for Mr. Alexander, a 54-year-old Israeli citizen and wealthy ex-CEO who abandoned his family's life in Manhattan for this remote, arid spot in southern Africa.

He was released from jail six days after his arrest on $1.4 million bail, a record amount in this country. Now he continues to live here, out in the open, sometimes buying ice cream in a local mall for his three children. If extradited and convicted in the U.S., he faces up to 25 years in prison. While his team of local lawyers has been fighting extradition, he appears to be trying to settle in Namibia for the long haul.

He has bought a house that backs onto a golf course, put his children into private school here, and invested in local businesses including an auto-body repair shop called Monarch Panelbeaters. One of his new business partners is a former Namibian military official linked to a scandal involving a collapsed asset-management company.

Yesterday, Mr. Alexander won at least five more months in Namibia. In a closed-door meeting, a local magistrate scheduled a three-day hearing on the extradition request to begin next April 25. "Nothing will happen until April," Johnny Truter, the Namibian government's prosecutor, said afterward.

He added that even if the ex-CEO loses the case, the appeals process could allow him to stay here for years.

Mr. Alexander, dressed for court in an open-necked blue sport shirt and dark sports jacket, declined to comment for this story. One of his attorneys, Rudi Cohrssen, said, "Things will get clearer in April."

Mr. Alexander's new life in Namibia marks one of the most unusual chapters in the stock-options backdating scandal, which has embroiled more than 130 companies, cost the jobs of more than 50 top executives and directors and led to more than $5 billion in financial restatements. Mr. Alexander is accused in a 35-count criminal indictment of engaging in a fraudulent scheme to backdate Comverse options to days when the stock was trading at low points, generating millions of dollars in extra compensation for himself and other executives.

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Prosecutors say that Mr. Alexander realized $138 million from options whose grant dates were backdated. They allege he misled auditors and shareholders and used fictitious names to generate thousands of backdated options that were parked in a secret slush fund, dubbed "I.M. Fanton" (an apparent reference to "Phantom of the Opera"), and awarded to favored employees. The indictment also charges him with witness tampering by allegedly offering millions of dollars to a Comverse executive, whom people familiar with the matter have identified as former chief financial officer David Kreinberg, "to falsely take sole responsibility for the fraud scheme."

Mr. Kreinberg and Comverse's former general counsel, William Sorin, recently pleaded guilty for their roles, naming Mr. Alexander as the scheme's mastermind. The timing of Mr. Alexander's option grants was first reported by The Wall Street Journal in March, sparking investigations by the Securities and Exchange Commission and the Justice Department. Comverse announced on May 2 that Mr. Alexander had resigned as CEO amid an internal probe of backdating.

Mr. Alexander visited Windhoek, Namibia's hilly, picturesque capital, alone in early July, Mr. Truter says. He began signing documents to invest in land here and then returned to Israel, where he was vacationing with his family. The initial trip "was obviously just preparations for coming with his family," Mr. Truter said.

But Mr. Alexander's lawyers in New York also were approaching federal prosecutors. In a July 21 phone conversation, prosecutors for the Eastern District of New York in Brooklyn suggested that Mr. Alexander return to the U.S. as a show of good faith. Federal authorities agreed to meet him at John F. Kennedy International Airport in New York but not to arrest him. They offered to begin negotiations on July 31.

Mr. Alexander appeared to agree. He provided evidence that he was booked on an El Al flight that would arrive in New York on July 28. But on July 27, he flew instead from Israel to Frankfurt, and disappeared. Prosecutors now believe Mr. Alexander was deceiving his own lawyers. He also attempted to wire $12 million out of the U.S. around July 31. He had already transferred $57 million to Israel, before the U.S. froze $48 million of his assets.

Robert Morvillo, a lawyer for Mr. Alexander in New York, said attorneys had approached prosecutors "to better understand what the allegations were, and to develop a presentation or arguments that this was not an appropriate criminal case." He declined to comment on other matters, saying they were already described in government papers.

After Mr. Alexander failed to return, prosecutors filed a criminal complaint under seal, charging him and the two other former Comverse executives with fraud. They unsealed it on Aug. 9.

By then, Mr. Alexander and his family were ensconced in two adjacent, ground-floor rooms at the Hotel Thule, which from its dining room offers a dramatic view of the dry, craggy hills that surround Windhoek. With the exception of a weekend journey to a famous Namibian safari park, hotel manager Mr. Balzer says the family spent most days in the city, traveling in a chauffeured van that picked them up each morning. Mr. Alexander's wife, Hana, sometimes would ask him questions about local schools upon their return. One of the two boys often kicked a soccer ball in the parking lot, he said, and the other son and the couple's daughter played hide-and-seek.

Mr. Alexander paid in advance for the family's two, $143-a-night rooms through a local travel agent, Namibia Travel Connection, which had booked them under the name Jacobs, Mr. Balzer says. The fact that Mr. Alexander avoided using a credit card caused some complications: At one point, Mr. Balzer says, the agency said Mr. Alexander would pay his own bills going forward. Then the hotel was told one of Mr. Alexander's lawyers, Richard Metcalfe, would cover any charges. Later, the travel agency called back and said it would take care of them after all, and did.

Mr. Metcalfe didn't return phone calls seeking comment. A man and woman at the travel agency, which operates out of a private house behind a gate, declined to comment.

Mr. Balzer recalls that when CNN, the American news channel, stopped working on the hotel's television screens, "That stressed [Mr. Alexander] out completely. He was complaining about it badly." Because it was a weekend, it couldn't be fixed for a couple of days, frustrating Mr. Alexander further.

Mr. Balzer says he assumed that the hotel guest was monitoring developments of the Israeli war then being fought in Lebanon. But he now suspects Mr. Alexander had a different concern: whether U.S. authorities were closing in.

That wouldn't come for a few weeks. In the meantime, Mr. Alexander didn't waste any time establishing his family's new life in Namibia, a former German colony that later fell under the rule of South Africa. Previously known as South West Africa, it gained

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independence in 1990 after decades of armed struggle. A tourist destination for wildlife lovers, it recently generated headlines when actors Angelina Jolie and Brad Pitt came here for the birth of their daughter.

After visiting several private schools, the Alexanders enrolled their children in an international school. Mr. Alexander bought a 2006 Toyota Land Cruiser for $107,000, he said in a sworn affidavit filed in Namibian court. He said he paid $543,000 for a two-story, beige stucco house whose backyard faces Windhoek's only golf course and country club.

Mr. Alexander hired a full-time security guard to stand outside the front of the house, which is part of a small development of 57 homes behind a guarded, locked gate. A basketball hoop hangs over the garage, and a satellite dish sits on the roof.

On Aug. 29, court records show, the Namibian Ministry of Home Affairs and Immigration issued Mr. Alexander a two-year work permit, just a day after his lawyer, Mr. Metcalfe, filed an application. Mr. Alexander also applied for permanent residency. The ministry said in a letter it will consider the residency application provided he submits plans to transfer and invest $43 million in the country. The Namibian official who signed the letter couldn't be reached for comment.

Mr. Truter, the local prosecutor, said foreigners essentially can "buy" work permits in Namibia by promising to invest in the country. "If you have a lot of money to invest, they will give it to you," he said.

Mr. Alexander said in his affidavit last month that he already had transferred more than $17 million to banks in Namibia from Israel and had invested about $1.6 million in various land deals, including a low-income housing project on the coast.

He also has invested $843,000 in Monarch Panelbeaters, the local auto-body shop, which he said was owned by "previously disadvantaged Namibians" who were saddled with debt and cash-flow problems, according to the affidavit. He called it "an example of a successful locally owned and operated business."

Under Namibian law, foreign investors must find local partners to invest with. Mr. Alexander's partners include Brigadier Mathias Shiweda, whom he described as "a well known Namibian business personality." Mr. Shiweda, a former Namibia Defense Force official who remains in charge of a state-owned military hardware manufacturer, is well known here. He's also the subject of some controversy. Last year, he was linked to a scandal in which Namibia's Social Security Commission invested and lost $4.3 million in an asset-management company that collapsed.

According to local news accounts, at an inquiry, Lazarus Kandara, the head of the collapsed firm, named Mr. Shiweda among the shareholders, and as one of several recipients of a commission from the management company in connection with another deal. A few days later, Mr. Kandara died in what Namibian police ruled a suicide. Mr. Shiweda later testified that he received no money from the firm. He declined to comment for this story.

By late August, U.S. authorities had tracked down Mr. Alexander to Namibia. But they were in a legal bind because Namibia has no extradition treaty with the U.S. American authorities had to ask Namibia's president, Hifikepunye Pohamba, to issue a formal proclamation adding the U.S. to a list of countries that fall under the country's extradition act. Although the president issued the document on Aug. 31, it wasn't published until Sept. 27, when it took effect. "We had to lay low before they changed their law and we could arrest him," said one U.S. official.

At a bail hearing on Oct. 2., Mr. Alexander presented the sworn affidavit that challenged his arrest, saying he had acted above board, and discussed his investments in the country. "While in Namibia I have used my own name openly and publicly in all my encounters and ventures with government officials and private individuals alike," he said. "I entered Namibia openly and lawfully, and I have not in any manner tried to hide my whereabouts from anyone."

To the surprise of Namibian prosecutors, a local magistrate agreed to release Mr. Alexander on bail. The release was unusual. A German citizen living in Namibia has been fighting extradition here for four years, and has spent all of that time in jail.

Mr. Truter says Mr. Alexander offered to surrender his Israeli passport and post $700,000 bail if he was released. The government asked for double that amount, and he agreed, Mr. Truter said, adding it was a record amount for bail. Dennis Khama, a government attorney who handles extradition cases, said the government has appealed Mr. Alexander's release, although no date has been set for a hearing. "Litigation can go on and go on and go on," Mr. Khama said. "There's no way of stopping that."

Mr. Khama says the fact that Mr. Alexander isn't a U.S. citizen should have no effect on whether he ultimately is extradited, nor should his investments in Namibia. But one issue may be whether stock-option backdating is a crime in Namibia, he added,

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noting that hasn't yet been decided. Mr. Cohrssen, Mr. Alexander's attorney, said: "There are many arguments" Mr. Alexander's defense team can make.

The arrest of the Israeli citizen had reverberations in the country's tiny Jewish community, especially when his bail hearing was scheduled for Oct. 2 -- which happened to be Yom Kippur, the holiest day in the Jewish calendar. Zvi Gorelick, a retired Namibian-born entrepreneur who offers kosher safari tours and performs some rabbinical functions, said he received calls from Namibia and Israel asking him to help Mr. Alexander get out of jail.

Mr. Gorelick said he quickly began "thinking like a Jew: I must get him some kosher food." But he learned that Mrs. Alexander was bringing her husband food in jail.

He said the Jewish community was divided over the fate of Mr. Alexander, though most have never met him. "On one hand you feel, 'Let's give the guy a break. He's going to bring money into the economy.' But on the other hand, you say, 'We don't need another dishonest person. There's enough dishonest people in the country,'" he said. He added that Mr. Alexander must be presumed innocent.

At the Windhoek Country Club Resort, some guests have also gotten wrapped up in Mr. Alexander's case. Sam Shapiro, owner of a fish company called Mazel Dagim in Monsey, N.Y., shook his head over Mr. Alexander's bid to stay in Namibia. "If you're asking me, it's the wrong choice to come here," he said, adding, "It's not New York, where there are movies, you can go to concerts."

--James Bandler in Boston contributed to this article.

Write to Steve Stecklow at steve.stecklow@wsj.com3

Ex-Adelphia Officer Gets Lifetime Ban (WSJ/AP)

The Wall Street Journal, November 17, 2006

NEW YORK -- A federal judge barred a former Adelphia Communications Corp. executive from ever serving again as an officer or director of a publicly traded company.

Ruling in a case brought by the Securities and Exchange Commission, the judge said former Adelphia vice president Michael C. Mulcahey had helped the former cable-television giant's founding family engage in a fraud that contributed to the company's 2002 collapse.

Mr. Mulcahey was acquitted of criminal fraud charges in 2004, but the SEC sought regulatory sanctions for his conduct.

U.S. District Judge Kevin Castel conducted a trial in July and ruled yesterday that although Mr. Mulcahey wasn't an "architect" of fraud at Adelphia he had "egregiously" violated "numerous securities laws."

The judge also ruled, however, that Mr. Mulcahey hadn't been personally enriched by fraud at the company. He declined to order any fines against Mr. Mulcahey, who made $140,000 in his best year with Adelphia, but banned him from receiving "anything of value" in the future from the family of the company's founder, John Rigas, who was convicted along with a son on fraud charges.

Mr. Mulcahey's attorney, Mark J. Mahoney, said he was "grateful" the judge decided not to impose economic sanctions but intended to appeal the lifetime ban.

Adelphia was the country's fifth-largest cable television company before it disclosed that its executives had improperly concealed $2.3 billion in debt. Its remaining assets were bought last year by Comcast Corp. and Time Warner Cable.

As Scandal Unfolded, H.P.'s Profits Surged Ahead (NYT)

By Damon Darlin

The New York Times, November 17, 2006

SAN FRANCISCO, Nov. 16 — In a period punctuated by distracting revelations of company spying, Hewlett-Packard nevertheless sharply increased its revenue and made more profit from the revenue.

Net income for its fourth quarter, which ended Oct. 31, rose to $1.7 billion, or 60 cents a share, from $416 million, or 14 cents a share, a year ago, which included $1.57 billion in restructuring charges. After adjusting for the manner in which the charges are accounted for, net income increased 27 percent. Revenue increased 7 percent, to $24.6 billion.

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With $91.7 billion in revenue for the year, a 6 percent increase over 2005, the company overtook I.B.M. as the world's largest technology company. (The consensus of analysts puts I.B.M.'s 2006 revenue at $90.72 billion.) H.P. has also overtaken Dell as the world's largest PC vendor mostly because sales of its notebook computers grew 24 percent.

"We certainly aren't taking any victory laps, but we are pleased with the progress," the chairman and chief executive, Mark V. Hurd, said.

Analysts were pleased with revenue growth in the quarter, but they were focused on how the company had made more money on each dollar of revenue across all but one line of business. For example, revenue from personal computers grew 10 percent to $7.8 billion while operating profit grew 68 percent to $336 million, largely because of the strength in sales of notebook computers. While selling PCs remained a low margin business, operating profit margin increased to 4.3 percent of revenue from 2.8 percent a year earlier.

The story was similar in the company's printer business. Operating profit grew 22 percent to $1.1 billion as operating margins increased to 14.8 percent from 13.2 percent. In software, operating margins were 17.2 percent up from 9.2 percent a year ago. The company's $4.7 billion services business, which had been its weakest link, saw operating profit jump 56.8 percent as margins rose to 12.4 percent from 9 percent.

The company's top executives were distracted through much of the quarter by revelations of spying operations conducted against several directors and journalists. The imbroglio led to the resignation of Patricia C. Dunn, the company's chairwoman, who this week pleaded not guilty to four felony charges. A former company lawyer and its director of ethics, Kevin Hunsaker, also faces charges. He has pleaded not guilty. Three contractors were also charged and have also pleaded not guilty.

The fallout from the affair has not ended. The company disclosed that the Securities and Exchange Commission has opened an investigation of the handling of disclosures of board information. It also said the Federal Communications Commission has requested information on the company's spying, which included using false pretenses to obtain private phone records. The California attorney general is expected to sue Hewlett-Packard in civil court. In addition, the United States attorney in Northern California continues his investigation.

The strong profit is one reason that investors snoozed through a month of reports of the illegal and unethical behavior by company lawyers, investigators and private detectives.

H.P. shares rose as high as $40.51 in after-hours trading and closing at $40.13 in regular trading.

The company's executives said that the improvement in profit margins showed that Mr. Hurd's plan to cut costs and free up cash to invest in growth opportunities is starting to work. "Restructuring has done wonders for profitability and it will give them room to strengthen market share gains in key areas," said William C. Shope, a securities analyst with J. P. Morgan. "The challenge will be to sustain revenue growth."

CRIMINAL LAW:

U.S., Canada To Share Forensics Data (AP)

AP, November 17, 2006

ASHEVILLE, N.C. - U.S. and Canadian law enforcement officials agreed Thursday to begin sharing forensics data from crimes scenes in both countries.

A memorandum of understanding signed by Attorney General Alberto Gonzales and Canadian Minister of Public Safety Stockwell Day marks the first in which the United States has agreed to immediate sharing of crime-scene information with a foreign government.

"And while terrorism is a primary concern for all of us, it is not our only job," Gonzales said. "Criminals are constantly searching for new ways to prey upon our communities. To stop them, we must maintain the same vigilance we show against terrorists."

Before Thursday's action, the two countries exchanged only a limited amount of ballistics information.

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Under the agreement, each country will be able to view real-time forensics data, allowing bullets and firearms to be linked across crime scenes in both countries, said Michael Sullivan, acting director of the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives.

Canada has strict laws governing handgun sales, with the result that the majority of handguns used to commit crimes in Canada are purchased in the United States, Sullivan said.

The signing took place as part of the ninth annual United States-Canada Cross-Border Crime Forum, which is held at the historic Biltmore Estate in western North Carolina. The two-day meeting brought together hundreds of law-enforcement officers from the two countries.

Also present for the signing was U.S. Homeland Security Secretary Michael Chertoff, who praised the agreement as an opportunity to stop crime at the border and improve systems that attempt to keep potential terrorists from entering both countries.

Attorney General, Other Officials Discuss U.S./Canada Border Issues Here (ASHCT)

By Mark Barrett, STAFF WRITER

Asheville (NC) Citizen-Times, November 17, 2006

ASHEVILLE – U.S. Attorney General Alberto Gonzales, Secretary of Homeland Security Michael Chertoff and other government officials from the United States and Canada are on the Biltmore Estate today for a meeting on fighting crime along the two countries' border.

Canadian Minister of Justice Vic Toews and Stockwell Day, Canada's minister of public safety and emergency preparedness are also scheduled to attend.

Approximately 130 people are attending the forum, including Canadian and U.S. officials and the U.S. Attorneys General from all the border states with Canada.

Biltmore Estate spokesperson Elizabeth Sims said a past visit to the estate by Gonzales' wife inspired forum organizers to choose Biltmore for their meeting.

"Mrs. Gonzales visited the property a couple of years ago and stayed at the inn and she just really liked the Biltmore Estate," Sims said. "So when they began looking for a location for this meeting, they thought we were a great place."

Gun Data Pact With U.S. (CP)

Canadian Press, November 17, 2006

WASHINGTON -- Canada and the United States signed a deal yesterday to share more information quickly on guns, bullets and cartridges related to crime scenes.

The agreement will enable police on both sides of the border to compare evidence electronically and instantaneously instead of exchanging it manually on a case-by-case basis.

U.S. Attorney General Alberto Gonzales also emphasized co-operative steps to combat the illegal flow of U.S. firearms north of the border, including a focus on the rise of gun-related violence in the Toronto area.

Canada has long complained about the weapons, particularly handguns, smuggled in from the United States.

Abramoff Reports To Prison; Officials Focus On Reid, Others (ABC)

By

ABC News, November 17, 2006

As convicted lobbyist Jack Abramoff reported to federal prison today, a source close to the investigation surrounding his activities told ABC News that Sen. Harry Reid (D-Nev.) was one of the members of Congress Abramoff had allegedly implicated in his cooperation with federal prosecutors.

A spokesperson for Reid, elected yesterday as the Senate Majority Leader, said the senator had done nothing illegal or unethical.

"We have no idea what Abramoff is telling prosecutors to save his skin, but I do know that these kind of old allegations are completely ridiculous and untrue," Sen. Reid's spokesman Jim Manley told ABC News.

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A source close to the investigation says Abramoff told prosecutors that more than $30,000 in campaign contributions to Reid from Abramoff's clients "were no accident and were in fact requested by Reid."

Abramoff has reportedly claimed the Nevada senator agreed to help him on matters related to Indian gambling.

The Associated Press reported earlier this year that Reid wrote at least four letters helpful to the tribes that had contributed money to his campaign.

Reid has denied there was any connection between the letters and the contributions and has said he is a longtime opponent of certain kinds of Indian reservation gambling.

The AP reported that Reid acknowledged "routine contacts" with Abramoff's lobbying partners and intervening to block rival tribal casinos.

The AP also reported that Abramoff's billing records showed extensive contact with Reid's office over a three-year period in which Reid collected more than $68,000 from Abramoff's firm, partners and clients.

Prosecutors have said that Abramoff's cooperation is essential to the corruption investigation, but, so far, they have brought only one prosecution against a member of Congress connected to Abramoff, Republican Bob Ney of Ohio, who resigned.

The source said prosecutors do not intend to rely solely on Abramoff's account of events, and his allegations against Reid and others will not necessarily result in criminal charges.

Sources close to the federal investigation say Abramoff has offered testimony about his contacts with "six to eight seriously corrupt Democratic senators" and an ever larger number of Republican members of Congress.

In addition to Reid, the sources say Abramoff has been most closely questioned about his contacts with Sen. Conrad Burns (R-Mont.), who was defeated in last week's election.

"Being defeated may have been one of the best things that ever happened to Burns," said a source close to the investigation. "There is much more interest in members of Congress who are still in office," the source said.

Burns, who received more than $150,000 in Abramoff-connected campaign contributions, has strongly denied any wrongdoing and returned the money.

Sen. Reid has been an outspoken critic of the connections between Abramoff and Republican legislators.

In a speech earlier this year, Sen. Reid described it as "a program where the lobbyists paid and the Republican members of Congress played."

The Justice Department said it would have no comment on the ongoing Abramoff investigation.

Texas Appeals Court Takes Bush To Task For Stepping In For Foreign-born Death Row Inmate (AP)

By Michael Graczyk, Associated Press

AP, November 17, 2006

HOUSTON – A state appeals court chastised President Bush for intervening in the case of a condemned killer born in Mexico, one of several dozen cases in which Bush ordered new hearings amid international complaints.

The Texas Court of Criminal Appeals on Wednesday rejected the argument from Jose Ernesto Medellin that he was denied legal help he should have received under international treaties.

Medellin, who spent most of his life in Texas, was sentenced in 1994 to die for the rapes and killings of two teenage girls.

“We hold that the President has exceeded his constitutional authority by intruding into the independent powers of the judiciary,” the court said in a 64-page ruling.

Justice Department spokesman Brian Roehrkasse said the department was reviewing the ruling and considering its options.

Medellin was supported in his appeal by dozens of countries, legal groups and human rights organizations, as well as former American diplomats and the European Union. Much of the international community is opposed to capital punishment and the execution of Mexican nationals in Texas, the nation's most active death penalty state, is a particularly touchy point.

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At issue overall was how much weight U.S. courts should give to decisions of the International Court of Justice in The Hague, which ruled the convictions of Medellin and 50 other Mexican-born prisoners violated the 1963 Vienna Convention. The pact requires consular access for Americans detained abroad and foreigners arrested in the United States.

In February 2005, Bush unexpectedly ordered new state court hearings for all 51 prisoners. The Texas court said Wednesday neither the Constitution nor any act of Congress gives the president the power to issue such an order.

The decision means Medellin, 31, is not entitled to additional review of his international rights claim.

Last year, the Supreme Court rejected Medellin's case and those of the 50 other Mexican nationals on death row in the United States, citing the presidential order, and sent them to their respective state courts for review. That ruling avoided the dispute over whether international law is binding on American courts.

In their arguments to the Supreme Court, Medellin's attorneys said his court-appointed trial lawyer was suspended from practicing law for ethics violations during the case, and he failed to call any witnesses during the guilt phase of the trial. Lawyers for Mexico said the country would have made sure Medellin had a competent lawyer had it known about the trial.

Medellin, 18 at the time, was one of six members of a fledgling Houston street gang convicted in the slayings of Jennifer Ertman, 14, and Elizabeth Pena, 16. The pair had been tortured, raped and strangled.

One of Medellin's companions, Derrick Sean O'Brien, also 18 at the time of the slayings, was executed earlier this year. In a confession, O'Brien said Medellin was at one end of a belt being pulled around Ertman's neck as he yanked on the other.

Two other gang members had their death sentences commuted to life in prison when the Supreme Court last year barred executions for those who were 17 at the time of their crimes. The man authorities call the gang's ringleader remains on death row without an execution date.

The sixth person convicted was Medellin's brother, Vernancio, who was 14 at the time and received a 40-year prison term.

Lawrence Death Sentence Set Aside (WBNS)

By Lindsey Seavert & Penny Moore

WBNS-TV, CBS 10, Columbus, OH, November 17, 2006

A jury found Daryl Lawrence guilty of murdering a Columbus police officer.

But Thursday, a judge put Lawrence's death sentence on hold, taking the convicted killer off Ohio's Death Row for now.

Lawrence shot Officer Brian Hurst during a bank robbery committed January 6, 2005. That conviction stands. The dispute is over the jury's sentence recommendations on two separate murder counts.

One called for giving Lawrence the death penalty. The other recommends a life sentence.

Lawrence's lawyers argued the decision was inconsistent. On Thursday, a federal judge announced he agreed. Friends of Hurst, like his best friend Donnie Oliveiro, see the development as a bump in the road on the way to attaining justice.

"I've prepared myself for the last two years for this day to come," Oliveiro said.

Federal judge Gregory Frost issued a written decision reading the jury's sentencing on Lawrence's murder verdicts were inconsistent -- giving life on one charge and then death on another. The judge wrote: "The court has no choice but to set aside the death sentence and order a new sentencing hearing."

The judge added, "The discrepencies point to irrational arbitrary juror conduct."

That was the exact argument from Lawrence's legal team.

"What we were trying to achieve was to restore some logic to an illogical verdict," said defense attorney Kort Gatterdam.

Gatterdam argues the appropriate remedy for Lawrence is life sentences on both counts.

"There's no way for a jury to weigh the same mitigating factors and say he deserves life and go on and say he deserves death. It makes no sense," Gatterdam said.

But Oliveiro still believes in the system, and said the death penalty is appropriate punishment for the man who killed his closest friend.

"Unfortunately for us, Bryan wasn't given the opportunity to have rights and have decisions made and appeals on whether he should die that day," Oliveiro remarked.

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Franklin County Prosecutor Ron O'Brien told 10TV Thursday that he will meet with Justice Department officials to decide the next step. O'Brien said they will likely appeal this decision to the Federal Appeals Court.

Another option O'Brien mentioned is to follow the judge's ruling and allow a new federal jury to re-sentence Lawrence.

FDLE Launches Criminal Investigation Into Foley's Communications With Boys (FLSUNSEN)

By By Nancy L. Othón, South Florida Sun-sentinel

South Florida Sun-Sentinel, November 17, 2006

WEST PALM BEACH -- Not seen publicly since resigning from Congress in a national scandal, Mark Foley emerged on Thursday in Palm Beach County after the death of his father.

The former Congressman, who left his post as a U.S. representative in September after the disclosure that he had sent sexually explicit emails to Congressional pages, is in town for Ed Foley's funeral. Ed Foley, 85, died Tuesday.

Foley's emergence comes as the Florida Department of Law Enforcement indicated it has shifted from a preliminary inquiry to a "full-fledged criminal investigation" regarding Foley.

As the scandal unfolded and more details were made public concerning Foley's communications with teenage boys, the U.S. Justice Department and FDLE indicated they were launching inquiries.

"We found that there might be criminal violations that would warrant a full investigation," said FDLE spokeswoman Kristen Perezluha, adding that the agency also is assisting the FBI. "We don't know, but that's what we're going to look into."

Wearing a red polo shirt, Foley was seen with his attorney David Roth at the Palm Beach home of his friend Layne Nisenbaum on Thursday and later spent time at Roth's office, according to WPTV-Ch. 5. Nisenbaum has a Palm Beach dermatology practice.

It's unclear whether Foley will be at today's visitation at Quattlebaum Funeral Home or Saturday's funeral Mass at Mary Immaculate Catholic Church.

His attorney, David Roth issued a brief statement Thursday on behalf of Foley and his family asking for privacy. Roth could not be reached for comment beyond the press release.

Scott Ondich, funeral director at Quattlebaum Funeral Home, acknowledged there may be speculation about Foley's presence during services.

"This is about Ed Foley, not Mark Foley, and hopefully that's how it stays," Ondich said.

Foley recently underwent treatment for alcohol addiction in an Arizona rehabilitation facility. He previously announced, through his attorneys, that he is gay and that a priest molested him when Foley was a teen.

WPTV-Ch. 5 and Amie Parnes of Scripps Treasure Coast Newspapers contributed to this report.

Nancy L. Othón can be reached at nothon@sun-sentinel.com or 561-228-5502.

Judge Stays Ex-procurement Chief's Sentence (GOVEXEC)

By Kimberly Palmer

Government Executive, November 17, 2006

In an unexpected move, a judge granted a request Thursday from David Safavian, the former head of the Office of Management and Budget's procurement policy shop, for a stay of his prison sentence, pending an appeal of his June conviction of obstructing justice and making false statements.

Safavian filed an appeal in September challenging his conviction on four counts of making false statements to General Services Administration employees and obstructing an investigation by GSA's inspector general. The charges stem from Safavian's relationship with lobbyist Jack Abramoff while serving as chief of staff at GSA, and focused on a Scotland golf trip the men took together, along with other officials, in 2002.

Appeals can take several years, so Safavian's sentence of 18 months -- if upheld -- will not begin until after that ruling.

In his opinion granting the request, U.S. District Judge Paul Friedman cited the section of U.S. Code that says that if a person is not likely to flee, and the appeal raises a substantial question of law likely to result in a reversal, new trial or different sentence, then the judge can grant a request for release on bond.

Safavian's lawyer, Barbara "Biz" Van Gelder, raised numerous legal issues before, during and after the trial, including questions about the admission of controversial e-mails between Safavian and Abramoff as evidence.

Friedman noted in his opinion that if one or more of the legal questions raised are decided in Safavian's favor, then a new trial is likely.

Justice Department prosecutor Peter Zeidenberg declined to comment. In a filing, prosecutors agreed that Safavian was not at risk of fleeing.

Feds Looking At Cleveland Housing Agency's Land Purchase (AP)

AP, November 17, 2006

CLEVELAND - Federal prosecutors are investigating the $150,000-an-acre purchase of inner-city land by the city's public housing agency.

U.S. Attorney Greg White said Wednesday that his office and FBI agents had begun a preliminary investigation of the purchase by the Cuyahoga Metropolitan Housing Authority.

White confirmed the investigation one day after Todd Davis, a developer whose company sold the land to the agency, met with federal investigators. Davis' lawyer said he requested the meeting after recent stories in The Plain Dealer about the deal.

"Mr. Davis and his companies have been transparent about their efforts during the seven years they worked on the project and have nothing to hide about the work they did turning this toxic property into a neighborhood asset," attorney John McCaffrey told the paper in an e-mail.

The agency's executive director, George Phillips, said through a spokeswoman that the agency would cooperate with any investigation.

Last month, the newspaper reported that a Davis company worked with officials to land $4.7 million in public funds to clean up and redevelop roughly 25 acres of contaminated industrial land in Cleveland. Davis' original plan was for an industrial park.

But with the approval of the agency and Cleveland officials, Davis' company instead sold the site to the housing authority for its new offices.

Northwestern Pa. Couple Wants $350,000 Reward In Trooper Shooting (NSDY/AP)

By Dan Nephin, Associated Press Writer

Long Island Newsday, November 17, 2006

PITTSBURGH -- A couple filed a lawsuit to claim a $350,000 reward offered for Ralph "Bucky" Phillips, a former fugitive who is accused of shooting a New York state trooper and suspected of shooting two others.

Phillips was captured Sept. 8 in Akeley, Pa., just south of the New York state line.

Jack and Gloria Young, of Warren, filed a federal lawsuit in Erie on Wednesday. The couple called Warren city police shortly before midnight on Sept. 7 after seeing a suspicious person near their property, a tip they say led directly to the capture of Phillips.

"But for my clients' phone call, (police) still would not have found Bucky, or at least not found him that night," Robert C. Greene, an attorney for the Youngs, said Thursday.

"There's little if any question that it was Bucky Phillips" that the Youngs saw, said Elliot J. Segel, another attorney for the couple.

The couple is suing the Police Benevolent Association of the New York State Troopers Inc., which they say is wrongly withholding the reward.

Greene said he sent a letter by regular and certified mail to the union on Sept. 14, but has heard nothing.

Dan De Federicis, president of the union, said its attorneys talked with the Youngs before the suit was filed. "We haven't said no. We're going slow here," he said.

"There's not a clear line. They saw a prowler. It's just not crystal clear," he said.

The union was working with the FBI on the reward, he said. The $350,000 includes $25,000 from the union, plus money from other groups.

The FBI put up an additional $100,000 reward. The lawsuit does not address that reward, but Greene said the couple is considering suing the FBI also.

Phillips is charged with attempted murder in the shooting of Trooper Sean Brown near Elmira, N.Y., in June, and authorities say he is suspected of shooting Troopers Donald Baker Jr. and Joseph Longobardo on Aug. 31 in western New York, near the Pennsylvania border. Longobardo died three days later. Baker is recovering.

Phillips surrendered five months and one week after escaping from a New York jail. The manhunt was one of the largest in New York state history.

Reputed Mob Figure Charged In Drug Case (PHI)

By George Anastasia

The Philadelphia Inquirer, November 17, 2006

Reputed mob associate Damion Canalichio was released on $75,000 bond yesterday after his arrest earlier this week on two-year-old drug-dealing charges.

Canalichio, 37, is the second high-profile mob figure to be arrested in the last month in what some law enforcement sources say is part of a concerted federal push against alleged South Philadelphia mob boss Joseph Ligambi.

Mob enforcer Vincent "Big Vince" Filipelli was jailed three weeks ago on gambling and extortion charges.

Canalichio, who was arrested at his South Jersey home Wednesday, was charged with cocaine trafficking. He pleaded not guilty yesterday during a brief hearing before U.S. Magistrate Judge Linda Caracappa in federal court in Philadelphia.

Caracappa ordered Canalichio released on a bond secured by the deed to his home on Ganttown Road in the Turnersville section of Washington Township. He was also ordered to wear an electronic monitor and was placed on limited house arrest.

Canalichio and Christopher Kerr were charged in a seven-count federal indictment unsealed Wednesday. Kerr is scheduled to appear at an arraignment and bail hearing today.

According to the indictment, Canalichio set up three drug deals in South Philadelphia in June 2004. In each, Kerr supplied about four ounces of cocaine to a buyer who was cooperating with federal investigators.

The fact that authorities waited more than two years to bring charges in the case has fueled speculation that Canalichio is a target in a broader probe.

His attorney, Joseph Santaguida, said yesterday that he originally thought his client was going to be arrested on illegal-gambling charges. In June, the FBI raided Canalichio's home and an apartment on Snyder Avenue out of which he and Kerr allegedly operated.

No drugs were found, but authorities reportedly seized records and documents tied to a gambling operation. According to two sources familiar with the case, one of the items seized at the Ganttown Road home was a book labeled "Daddy's book... do not open." Inside, authorities said, were names and dollar amounts that investigators believe was a list of gamblers and the amounts they owed or were owed.

Canalichio, a onetime close associate of jailed mob leader Steven Mazzone, has two prior convictions. He was sentenced to 27 months in prison after pleading guilty to a federal cocaine-distribution charge in 1998. Three years later, he pleaded guilty to receiving stolen property and was sentenced to three years' probation.

Since Mazzone's arrest in 2000, Canalichio has been identified by federal and local investigators as a key player in the Ligambi organization.

Law enforcement sources say Canalichio's arrest is one piece of a broader probe into the crime family. That investigation is focusing on gambling, extortion, loan-sharking and three unsolved murders: the November 2003 shooting of John "Johnny Gongs" Casasanto, the January 2002 ambush of Raymond "Long John" Martorano, and the October 1999 slaying of Ron Turchi.

Like the charges against Canalichio yesterday, the arrest of Filipelli last month raised more questions than it has answered. The bulky former professional body-builder was charged with using threats of violence to collect debts for a mob bookmaking operation.

The operation was reportedly run by a South Philadelphia gambler now living in the Cherry Hill area. No one else has been charged in the case, but the bookmaker is believed to have ties to the Ligambi organization.

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Mob Killer Gets Parole For Christmas (BOSH)

By Michele McPhee, Boston Herald Police Bureau Chief

Boston Herald, November 17, 2006

Vincent Federico - the convicted killer who became a made man in the Mafia while on a weekend prison furlough in a ceremony that was bugged by the FBI - will be paroled for Christmas after he disavowed any mob ties, the Herald has learned.

Federico, now 46, is a second-degree lifer at MCI-Norfolk in connection with the murder of a Cambridge man, Robert McFarlane, who was hit by five bullets as he helped a friend move out of a North End apartment above Federico's in 1977.

Federico had argued with the victim for no apparent reason before shooting him five times on Hanover Street, according to the parole decision. Federico is scheduled for release Dec. 15.

While imprisoned, Federico was granted a furlough, a weekend pass from prison that allowed him to become one of four men to be baptized into the Providence-based Patriarca crime family at a ceremony held in the basement of Federico's sister's Medford home on Oct. 29, 1989.

During the ceremony, which was overseen by reputed boss Raymond "Junior" Patriarca, the inductees pricked their trigger fingers, drew blood and burned a holy card of the crime family's patron saint while vowing: "As burns this saint so will burn my soul. I enter alive into this organization and leave it dead."

The baptism was secretly audiotaped by disgraced FBI head John Connolly, now facing the death penalty in Miami on murder conspiracy charges.

The FBI bug in the Medford basement was long considered the most important incursion ever by law enforcement into the innermost sanctums of organized crime, and the tapes helped bring down the Patriarca family.

Federico's pledge to protect mobsters was a major concern to the parole board, according to the decision.

"A focal point of deliberations during the past decade is Mr. Federicos much-publicized conduct in 1989, while incarcerated, with organized crime," the decision reads. "In a letter dated 2005, Mr. Federico expresses his regret and remorse of becoming involved with persons associated with organized crime."

When writing his letter, Federico apparently forgot the words of Biagio DiGiacomo, who baptized him and three other mobsters in 1989: "We get in alive in this organization and the only way we're going to get out is dead."

Authorities Confirm Investigation Into Dead Officer's Past (KTVU)

KTVU-TV, November 17, 2006

SAN FRANCISCO -- Federal authorities confirmed Thursday an investigation into the past actions of San Francisco police Officer Donald Ramirez, who died of an apparent suicide last month in a Cambodian jail cell where he was being held for sex crimes.

The death of Officer Donald Ramirez, 50, has some in and around the Police Department calling for a renewed investigation into whether he was traveling for years to Southeast Asia for sexual tourism -- a name given to the crime of traveling overseas to solicit children for sex.

On the evening of Oct. 31, police Sgt. Neville Gittens confirmed that Ramirez, a 25-year veteran of the force, had killed himself days earlier in a jail cell in Phnom Penh, Cambodia. Local authorities had apparently arrested Ramirez for sexual activity with a 14-year girl.

A spokeswoman for Immigration and Customs Enforcement said Thursday that Ramirez had been under investigation since 2001 when the San Francisco Police Department reported his suspicious travels.

According to Virginia Kice, immigration officials searched Ramirez as he came into the country several times but they never found any evidence of a crime.

"We have received several new leads and we will pursue those vigorously," Kice said.

Akha human rights activist Matthew McDaniel says he told an FBI agent that Ramirez "… had a real appetite for underage girls" when the agent contacted him a decade ago in Burma. McDaniel became aware of Ramirez and his habits when the officer frequented the village of Chiang Rei on the Thai-Burmese border when the activist lived there in the mid-1990s.

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And McDaniel and sources in the police department told KTVU reporter Rita Williams that other officers sometimes accompanied Ramirez on his extended visits and returned to work to brag about it.

Thursday, the mayor reacted by saying that there will be an internal investigation in the police department to see who knew what and when.

"Look, we take this seriously. I take this seriously," said Mayor Newsom. "We're going to do what's appropriate."

Police Chief Heather Fong also addressed questions about the renewed investigation into Ramirez's past and whether anyone in the department knew whether or not he traveled to Southeast Asia for sexual tourism.

"As the federal investigation moves forward, and there's information, the department will take any necessary steps," Fong said. "If people had factual information then that is a problem. We are law enforcement officers who are sworn to protect the public and to enforce the law, so if someone is aware of criminal activity and they choose not to do anything about it, that is a problem."

Police commissioner Joe Veronese said last week of the investigation that "there was no greater issue in the department than this." The police commission, however, has yet to announce if it will take up the issue.

Other police organizations are staying away from any involvement in the incident.

"Whatever he does in his off-duty time is his matter," Police Officers Association Vice President Kevin Martin said. "This is not a POA issue."

FEDERAL AUTHORITIES INVESTIGATE DEAD SF OFFICER'S PAST (BAYCNW)

Bay City News Wires, November 17, 2006

Federal authorities confirmed today an investigation into the actions of a San Francisco police officer who died of an apparent suicide in a Cambodian jail cell.

The death of Officer Donald Ramirez, 50, has some in and around the Police Department calling for a renewed investigation into whether he was traveling for years to Southeast Asia for sexual tourism -- a name given to the crime of traveling overseas to solicit children for sex.

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Fired Banker Held Without Bond In $29 Million Embezzlement (ABJ)

Akron Beacon Journal, November 17, 2006

DOJ_NMG_0095574

CLEVELAND - A former KeyBank vice president accused of embezzling $29 million is a risk to flee and must be jailed to await his trial, a federal magistrate ruled Thursday in denying bond for the suspect.

Magistrate Judge Patricia A. Hemann said the overseas travels of David F. Verhotz, 56, of Cleveland, likely gave him contacts that would be useful if he fled. In addition, she noted that more than $8 million is still missing.

Verhotz was arrested Saturday at Cleveland Hopkins International Airport after getting off a flight from Dallas. He was a senior vice president and director of the international division of Cleveland-based KeyBank.

An affidavit filed by the FBI said Verhotz took out loans in the names of three European banks and put the money in his accounts.

The bank has fired Verhotz.

Comal Woman Admits Guilt In Bank Fraud (SAEN)

By Guillermo Contreras, Express-News Staff

San Antonio Express-News, November 17, 2006

Nancy Lynn Limmer has been a New Braunfels councilwoman and bank branch manager, but on Thursday she became a federal felon.

In a federal court hearing in San Antonio, Limmer, 44, admitted that she defrauded more than $161,000 from the First Commercial Bank in New Braunfels, where she'd worked for 17 years.

Accompanied by her husband, Limmer quietly answered questions from U.S. Magistrate Judge Nancy Nowak and pleaded guilty to one count of bank fraud. She admitted misappropriating money from customers' accounts at the branch she headed in New Braunfels between April 2002 and August 2005.

Her crime was discovered last year after customers reported irregularities in their accounts to the Seguin-based bank, officials have said.

Limmer left the bank at the same time she quit the New Braunfels City Council, in July 2005, just two months after being elected.

"She obviously recognizes that she made a tremendous error," her lawyer, Van Hilley, said after the hearing. "She's done everything she can to rectify it."

That includes cooperating with the FBI and striking a plea deal before Assistant U.S. Attorney Tom McHugh presented the case to a grand jury.

Hilley told the judge Limmer's conduct has "weighed heavily on her" in the Comal County community, where her husband works as a deputy sheriff.

Hilley said Limmer acted alone, and her husband was unaware of her illegal acts.

"He was polygraphed and completely exonerated," Hilley said. "It was a unilateral action on her part."

The charge carries a maximum penalty of 30 years in prison, but because of Limmer's quick plea, she will win points toward her sentencing.

Hilley estimated she could face a sentence of about 30 months.

Sentencing was scheduled for Feb. 8 before U.S. District Judge Orlando Garcia. gcontreras@express-news.net

Adviser's Fraud Spree Ends With Guilty Pleas (HARTC)

By Kenneth R. Gosselin, Courant Staff Writer

The Hartford Courant, November 17, 2006

Avon investment adviser David M. Faubert lived the high life for five years, taking lavish vacations, buying expensive cars and developing a love for the Foxwoods and Mohegan Sun casinos.

But that lifestyle costs money. And as Faubert racked up $1 million in gambling losses and became a heavy cocaine user, he found a new source of financing: more than $4.5 million of his clients' money.

Faubert, 50, of Simsbury, pleaded guilty in U.S. District Court in New Haven to 10 counts of mail fraud, one count of embezzlement from an employee benefit plan and four counts of filing false tax returns, all between 2000 and 2005.

Tuesday's plea agreement in a criminal case against Faubert is the most recent development in a case that started 18 months ago. In early 2005, federal and state securities regulators filed lawsuits accusing Faubert of defrauding clients, some of them elderly and living in Greater Hartford.

It is unclear whether the 21 clients caught in the deception Faubert devised will recoup their money. Securities regulators in Connecticut said Tuesday they are pursuing that course, but declined to comment further.

Faubert's attorney, Hubert Santos, couldn't be reached for comment on Tuesday. Faubert is free on bail of $25,000.

According to court documents, Faubert persuaded his victims to transfer money from mutual funds and variable annuities. He told them he would invest their money in "fixed accounts" with a guaranteed return of 8 percent.

But those accounts did not exist, and Faubert diverted the money into business and personal accounts for his own use, the documents said.

Faubert, who owned Faubert Financial Group Inc., perpetrated the fraud by mailing false monthly financial statements with the "representation that certain monies were earning the promised return," according to the documents.

The documents paint a portrait of a life spinning out of control. In 2001, Faubert began to frequent Foxwoods, and then Mohegan Sun. He played the slot machines and traveled to the casino several times a week for "as much as three to four hours at a time,"the documents said. Faubert told law enforcement authorities that he lost more than $1 million between 2000 and April 2005.

Faubert told authorities that he began using cocaine in 2003 and became a "heavy user" a year later. He said he has been "addressing" his cocaine "problem" since March 2005.

Faubert also embezzled from his company's retirement plan and filed false income tax returns for 2000 through 2003, court documents said.

The Securities and Exchange Commission wrapped up its civil case last year. Faubert was ordered to pay $3.8 million to defrauded clients and $3.7 million in fines. But an SEC official in Boston said Tuesday that no payments have been made.

Faubert faces up to 20 years in prison and a fine of $250,000 on each of the mail fraud counts, five years and a $250,000 fine on the embezzlement count, and three years and a $100,000 fine on each charge of filing false tax returns.

Sentencing guidelines in the plea agreement call for up to eight years in prison and as much as $125,000 in fines. The judge does not have to adhere to those guidelines. Sentencing is set for Jan. 31.

Contact Kenneth R. Gosselin at kgosselin@courant.com.

Avon Broker Admits Stealing More Than $4 Million From Investors (NSDY)

Long Island Newsday, November 17, 2006

NEW HAVEN, Conn. -- The owner of an Avon firm admitted Tuesday to using more than $4 million stolen from investors for gambling, lavish vacations and expensive cars, federal authorities said.

David M. Faubert, 50, of Simsbury, pleaded guilty in U.S. District Court in New Haven to 10 counts of mail fraud, one count of embezzlement from an employee benefit plan and four counts of filing false tax returns.

Faubert, owner of Faubert Investment Group, Inc., provided insurance and other financial services to about 225 clients. Faubert told clients that he would guarantee them an 8 percent rate of return if the clients invested money in a fixed investment account he controlled, authorities said.

As a result of Faubert's promises, 21 clients provided him with about $5.5 million. But authorities say the fixed investment account did not exist, and Faubert deposited the money into his business and personal accounts.

As part of the scheme, Faubert spent about $4.45 million on gambling, vacations and cars for his personal use and for business expenses, authorities said.

In order to lull the investors into believing that the investments were earning the promised rate of return, Faubert mailed false monthly financial statements to his clients.

"Crimes committed by registered investment advisers who victimize individuals hoping for a relatively modest return on their investments are particularly reprehensible," said U.S. Attorney Kevin O'Connor. "We will argue for a strict sentence for this defendant, and will vigorously prosecute any broker who robs from trusting investors."

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Faubert also embezzled $27,079 from his company's retirement plan by falsely telling two employees that the money had been withheld from their paychecks and invested in the retirement plan.

Faubert filed false income tax returns for 2000 through 2003 because he failed to report the funds he embezzled from the investment clients, resulting in a tax loss to the government of nearly $1 million.

Faubert faces up to 20 years in prison and a fine of $250,000 on each of the mail fraud counts, five years and a $250,000 fine on the embezzlement count and three years and a $100,000 fine on each charge of filing false tax returns. He will be sentenced on Jan. 31.

Jail Worker Gets 15-Year Sentence For Child Porn (TAMPTRIB)

By Elaine Silvestrini, The Tampa Tribune

Tampa Tribune, November 17, 2006

TAMPA - A former Polk County sheriff's employee was sentenced Thursday morning to 15 years in federal prison after pleading guilty to child pornography charges.

After he is released, James Patrick Odle, 24, of Winter Haven, will be on probation indefinitely under the terms of his sentence.

Odle was a civilian detention technician at the South County Jail in Frostproof when investigators from the FBI's Innocent Images Task Force searched his room in his parents' home.

The search occurred after Odle transmitted 32 images of explicit child pornography during an Internet chat session, according to Odle's plea agreement.

A forensic examination of his computers and electronic storage devices revealed more than 5,000 images, including three video files, of children engaged in sexually explicit conduct, according to the U.S. attorney's office.

Specialists such as Odle work in the jail control room, monitoring video and opening electronic doors, Polk sheriff's office Chief of Staff Gary Hester said.

Odle had been suspended without pay since November 2005 and left in June, Hester said.

Former Dean Admits To Child Porn Charge (FINDLAW/AP)

AP, November 17, 2006

(AP) - SAN FRANCISCO-A former dean at University of San Francisco's School of Education has agreed to plead guilty to a child pornography charge and serve more than 5 years in prison, federal prosecutors said.

William T. Garner, 66, of San Francisco, acknowledged in the plea deal that he knowingly possessed more than 15,000 images of minors engaged in sexually explicit acts, U.S. Attorney Kevin Ryan said.

"The children depicted in these images are the victims of horrible abuse, and we will vigorously prosecute individuals possessing these materials," Ryan said in a statement.

Calls to Garner's lawyer were not immediately returned late Wednesday.

Garner and prosecutors agreed to recommend a 63-month prison sentence, a fine of $12,500 and $50,000 in restitution to be paid to the San Francisco Child Abuse Prevention Center, Ryan said. The penalties still must be approved by a judge.

The maximum penalty for the charge is a 10-year prison term and a $250,000 fine.

Garner was formerly the dean of the School of Education at USF. He retired from the university in July, said USF spokesman Gary McDonald.

Networking Exec Blasts Wiretapping Rules (CNET)

By Anne Broache, Staff Writer, CNET News.com

CNET News, November 17, 2006

Requirements for broader wiretapping on Net phone and broadband connections are too costly, unwieldy, says Global Crossing.

WASHINGTON--An executive from a company that manages a large portion of the Internet's infrastructure on Thursday slammed federal wiretapping rules expected to take effect next spring.

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Paul Kouroupas, vice president of regulatory affairs for Global Crossing, strongly criticized the Federal Communications Commission's broadening of a 1994 law--originally intended to cover telephone providers--as disproportionately costly, complex, and riddled with privacy concerns. His company is one of the world's largest Internet backbone providers.

"Our customers are large Fortune 500 companies--not too many of those companies are conducting drug deals or terrorist activities out of Merrill Lynch's offices or using their phones in that way," Kouroupas said at an event here sponsored by the DC Bar Association. "By and large we don't get wiretap requests, yet we're faced with the costs to come into compliance," which he estimated at $1 million.

At issue is an order issued last fall by the Federal Communications Commission that set a deadline of May 14, 2007, by which most broadband and Internet phone providers are required to reengineer their networks for easier snooping by law enforcement. The move expanded the Communications Assistance for Law Enforcement Act, or CALEA, which Congress wrote to impose obligations on telephone companies, but not Internet providers.

Even without the new FCC rules, police have the legal authority to conduct Internet wiretaps, but they have claimed the need for a "standardized" system. The formal broadening of the rules followed lobbying from the FBI, the Drug Enforcement Administration and the Justice Department, which said they needed to be able to eavesdrop more readily on criminals who spurned traditional telephone lines.

Kouroupas questioned repeatedly whether the rules create an appropriate balance between law enforcement needs and communication provider obligations. After all, he said, federal and state courts only signed off on about 1,700 wiretaps last year. (The secret Foreign Intelligence Surveillance Court authorized about 2,000 more, some of which involved terrorism investigations.) If the government doesn't have the budget to finance its own tapping technology, then why, Kouroupas asked, should it have the right to "deputize the telecommunications industry" to do that work?

Tom Beers, an official in the FCC's Homeland Security Bureau, said companies can file for financial assistance in making their systems compliant--but only if they're able to successfully satisfy 11 criteria outlined by the law.

The agency also plans to stand firm with the May 2007 deadline, he said. In fact, the days of "endless" extensions for achieving CALEA compliance are effectively over for any broadband or voice-over Internet protocol company, he said, because most deployed their equipment after October 1998, thereby exempting them from relief.

Kouroupas and Global Crossing aren't alone in balking at the mandate. A group of organizations and companies that included Sun Microsystems, Pulver.com, the American Association of Community Colleges, the Association of American Universities and the American Library Association lodged an appeal against the rules last fall. But a divided appeals court panel upheld the FCC's rules, dismissing the group's argument that Congress never intended CALEA to force broadband providers--and networks at corporations and universities--to build in surveillance hubs for the police.

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Since then, confusion has continued to swirl around who must comply with the expanded rules. What if, for example, Global Crossing provided a virtual private network to a corporation, which then went on to install its own equipment that allows for voice-over Internet protocol traffic? If the cops approach Global Crossing for the voice data alone, the company doesn't have ready access to that isolated stream, Kouroupas said, so it would probably be forced to hand over all of the packets traveling over that company's network.

"Is that really allowed?" he asked. "Aren't these wiretaps supposed to be narrowly tailored?"

Maura Quinn, unit chief of the FBI's CALEA Implementation Unit, acknowledged that it's difficult for officials to say authoritatively who is covered and not covered by the law.

"If there's any question of whether you need to comply," Quinn added, "CALEA is the law of the land, and it's expected people will comply with that."

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Man Arrested In Burglary At Site Of Slaying (WP)

By Allison Klein And Paul Schwartzman

The Washington Post, November 17, 2006

A burglary at a Northwest Washington townhouse has drawn the attention of D.C. homicide detectives investigating the unsolved slaying of a prominent lawyer three months ago at the same address.

Police have arrested a 36-year-old man in the burglary of the house, which was unoccupied during the break-in Oct. 30. Authorities quoted the man, Phelps Collins, as saying that he got inside with help from a friend -- the brother of the townhouse's owner.

Detectives have not drawn a connection between the break-in and the stabbing of Robert Wone on Aug. 2, but homicide detectives have been looking into the burglary in hopes of uncovering potential leads, authorities said. Wone, 32, was stabbed in the chest while visiting friends at the home in the 1500 block of Swann Street NW, on the edge of Dupont Circle.

New details about the burglary emerged through interviews, court papers and testimony at a hearing for Collins this week in D.C. Superior Court. Collins was arrested last Friday on a burglary charge.

Police said Collins told them that the friend, Michael Price, had a key to the house because it belonged to his brother, Joe Price. Police also quoted Collins as saying that Michael Price turned off the alarm once the two men entered the house. About $7,700 worth of electronics were stolen, police said.

Michael Price has not been charged in the burglary. He could not be located to comment.

After the break-in, detectives went to nearby pawnshops and found an audio system, two DVD players and other stolen goods, which led them to Collins, authorities said. Police also found a CD changer in a search of Collins's home on Calvert Street NW. Collins sold other stolen items on the street for money or drugs, they said.

Joe Price, a lawyer at a Washington firm, told police that he did not know Collins but that he had heard of him through his brother, according to an affidavit filed by police to get the search warrant for Collins's residence. Joe Price also told police that "his brother is known to use drugs and hang with subjects who use drugs on a regular basis," the affidavit said. Price told police that he did not give his brother or Collins permission to enter his house or remove and sell his property, the affidavit states.

Collins was jailed after his arrest and has been moved to a halfway house pending more hearings. His public defender declined to comment.

The Swann Street homeowners -- Joe Price and Victor Zaborsky -- were on vacation at the time of the break-in, police have said.

Joe Price, Zaborsky and another man, Dylan Ward, were in the home when Wone was killed there, police said. Wone, a lawyer for Radio Free Asia, worked late that night and was staying at the house instead of going to his home in Oakton. His body was found on a sofa bed in a guest room.

Police have offered no motive for the killing. Joe Price, Zaborsky and Ward have said they did not see what happened. They have said they believe Wone was killed by an intruder who slipped in and out of the back door without notice.

Until the break-in, police expressed doubt about the intruder theory. There was no sign of forced entry, the killer used a knife from the kitchen, and the crime scene appeared to have been cleaned before officers arrived, police said.

Investigators have convened a grand jury and enlisted the help of the FBI in the homicide. They kept control of the $1.2 million house for more than three weeks after the killing, removing flooring, pieces of walls, a chunk of staircase, the washing machine and sink traps in a search for blood and other evidence.

Although he is not charged in the burglary, Michael Price also faces legal trouble. He was arrested in Silver Spring hours after the break-in, accused of stealing a 1998 Mercury Sable belonging to his domestic partner, who had reported it stolen. During the arrest, Montgomery County police found a "broken glass pipe," the kind that often is used to smoke cocaine, in the pocket of his sweat pants, according to charging papers.

Collins, who is unemployed, has a criminal history that includes four drug convictions between 1998 and 2004 in the District and Montgomery, records show.

Authorities said some items taken in the burglary turned up at Sam's Pawnbrokers on 14th Street NW, a few blocks away.

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Sam Levy, a manager at the store, said in an interview that Collins had pawned goods at the shop in the past. Detectives visited the store last week to retrieve the items.

Levy said a detective whom he declined to identify told him that the burglary is "connected possibly to a homicide."

Stores Protect Turf From Gangs Of Thieves (USAT)

By Jayne O'Donnell

USA Today, November 17, 2006

SEMINOLE, Fla. — Justin Reed is scanning images from 18 cameras at a Beall's department store here when saleswoman Carissa Tunis calls from the juniors department to direct his attention to four young men behaving oddly.

Reed, sitting in the store's so-called loss-prevention room, zeros in on the men and sees one slip a wallet in his pocket. He goes back over the image a few times to be sure. When another camera shows the group leaving the store, Reed and Jim Stevenson, a Beall's loss-prevention senior manager, slip out the security door and nab a 17-year-old.

As the two beefy investigators hustle the teen back inside, he pleads that he's just off probation. They call the police anyway. Within minutes, he's the first of two shoplifters arrested during four hours that USA TODAY spent observing the store's crime-fighting efforts.

On this November day, the culprit is a fairly harmless high school dropout. But the retail industry spends billions on technology and investigators such as Reed to combat what they call “organized theft rings”: gangs of shoplifters who sweep through stores with military precision. The retailers are fighting back with a new national crime database, electronic receipts, digital video recording technology and their own brand of detective work.

Stymied by police and courts that are often unwilling or unable to tackle crimes they may see as petty theft, the retailers build their own cases against the gangs, connecting crimes that often cross county and state lines. To help document the scope of this organized thievery, investigators for Walgreens, Target, Safeway, Limited Brands and others even follow thieves from their stores to the “fences” where they sell the goods.

The FBI and retail groups expect that by the end of this year, every major retailer will be able to share crime data — including photos of suspects from their store cameras — in a computer database. Beall's, a Florida-based chain, and other retailers now track shoplifting gangs using the database, which has already helped link a suspect to thefts of $500,000 worth of goods from 12 retailers. The man is still a fugitive, but warrants for his arrest are out in three states.

“Retailers have now said, ‘Enough's enough,' ” says Joseph LaRocca, vice president of loss prevention at the National Retail Federation.

Retail theft cost the industry more than $37 billion last year, up from $31 billion in 2003, according to a University of Florida report. It is especially problematic during the holiday season when overcrowded stores make shoplifting more difficult to detect and fraudulent returns easier to conceal. The retail federation said this month that retailers expect to lose $3.5 billion due to just fraudulent returns this holiday season alone.

“Our retail loss numbers are below the industry average, but it is a tremendous amount of work to keep it that way,” says Daniel Doyle, Beall's vice president of loss prevention and chairman of an NRF loss-prevention committee. He wouldn't say how much the company spends on loss prevention.

Retailers are particularly concerned about gangs, which have established supply chains that make organized theft, known as “boosting,” too profitable to give up without a fight.

A single shoplifter operating as part of a gang can steal up to $200,000 worth of merchandise in a weekend, retail and police investigators say.

One night last August, Beall's cameras caught a gang of exotic dancers that stole about $170 worth of goods from the Bradenton store, police records show. Apparel from other retailers filled the women's rented SUV. Two of the three women, who worked for an exotic dancing and escort service called Black Xtasy, admitted that they were traveling the state to steal. The suspected ringleader had retail theft warrants against her in two other Florida counties.

Jerry Biggs, Walgreens' divisional coordinator for organized retail crime, says one group shoplifted from 24 of the drugstores in seven hours. In a videotaped interview with police and Biggs, admitted Walgreens shoplifter Jesus Hernandez said

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he could easily boost $10,000 worth of merchandise in four hours. Hernandez specialized in stealing diabetic test-strip packages, which sell for up to $100.

In one Walgreens investigation, a shoplifter's fence was caught with $35,000 worth of chewing gum 10-packs.

During a typical boosting, one or more gang members distract store clerks while one or two others lift merchandise. Some members stand outside the store doors, ready to signal if police or security officials are coming. Still others are in parking lots ready with getaway cars.

The gangs often are armed. One Beall's investigator was hospitalized last year after being pummeled by a man wearing brass knuckles who was serving as a gang's lookout.

The thieves usually seem to be one step ahead of security devices. Even locked glass display cases can be cracked. Fourteen Target stores in California, Illinois and Colorado were hit by thieves who broke open locked cases, filled carts with iPods and pushed the carts out the doors.

Professional shoplifters usually carry shopping bags lined with foil and duct tape to block the electric current that detects security tags.

Some thieves remove security tags and hide things under larger packages.

Anti-theft systems “only work against people who don't know how to thwart them,” says Tony Heredia, Target's director of investigations. “We call them organized thieves for a reason.”

Retailers worry about frustrating paying customers while attempting to thwart thieves. “We want to keep customers happy,” Biggs says. “But the things that keep them happy, like keeping large quantities of merchandise readily available, also keep thieves happy.”

Doyle says his investigators are “200% sure” before they apprehend a likely shoplifter, so they don't cause a customer-relations nightmare.

Returns are one area where retailers have cracked down. While some will still give cash for a return without a receipt, many major retailers require receipts. And many are using electronic receipts that can track purchases made with a credit card or check. These receipts nearly eliminate the ability to use counterfeit receipts or to return stolen goods. They also use display devices that make it difficult to slide all the items on a hanging rack into a bag, but not too difficult for legitimate customers to use.

“The retail world is so competitive that they are deathly afraid of alienating any customer or raising a ruckus,” says Peter Junger, president and founder of the electronic receipt company SiRAS.com, used by retailers including Wal-Mart.

Prosecuting retail crime is complicated in part because much of the merchandise stolen doesn't come with serial numbers. That makes it difficult to single it out as stolen.

Unless goods are made under a retailer's private label and the store has alerted police of a theft, police who stop the driver of a car full of stolen items are “probably not going to arrest them and, most likely, they're not even going to hold the merchandise,” Biggs says. “Part of what we do is help police pursue criminal charges.”

Eric Ives, unit chief for the FBI's major theft unit, which includes organized retail crime, says most of the FBI's retail crime cases come from retailers who have already done their own national surveillance and proved the interstate component the FBI needs.

Montgomery County, Md., Detective David Hill is one of the few detectives in the USA who specializes in retail crime full time. He arrested former Bush administration official Claude Allen earlier this year for felony theft after he repeatedly returned items he hadn't paid for. Allen pleaded guilty to misdemeanor theft. Hill says he got ribbed by colleagues who called him “mall man” when he took the post.

But that's quieted now that he's found connections to drug dealing and other crimes and has helped bust several organized theft rings, including a Peruvian and Colombian gang that was caught at a Maryland mall in February 2005 with $50,000 worth of apparel stolen in less than an hour.

“It definitely was a case that shows how much damage they can do in a short amount of time,” Hill says.

“The criminal world has recognized this as a much more profitable crime than burglary with much less penalty,” Biggs says.

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Indeed, while larceny overall was down 4.5% from 2000 to 2004, shoplifting increased nearly 12%, according to the FBI's Uniform Crime Report.

In Florida, the arrest of the shoplifting strippers at Beall's Bradenton store led police to a warehouse in Ocala, Fla., that they suspect was being run by a fence serving multiple gangs.

"We certainly hate to hear about groups, because they are difficult to catch, particularly with all the aliases," says Tim Osborne, a Beall's loss-prevention director who was on the scene when the strippers were arrested. "We were fortunate that night."

Armed Robbers Hit String Of City Bars (BSUN)

By Annie Linskey

The Baltimore Sun, November 17, 2006

A masked man put a gun to the head of a bartender at Dizzy Issie's and demanded that she open the register while he counted to five. The man yelled, "Keep down don't move" to the 50 or so people at the hipster Remington bar. A second man, also masked, stood lookout at a side door.

After prying the till free, the pair ran out with about $800 and hopped into a waiting car. Shaken customers picked themselves up. Several called police, and then everyone cleared out for the night.

Police say they believe the same men have held up eight bars in the past three weeks, usually the same way.

Either two or three men enter the tavern wearing gloves and masks or bandanas to cover their faces, according to police. One man, waving a gun, immediately jumps behind the bar and, in most cases, removes the entire cash drawer. Another man stands as a lookout and prevents people from leaving the bar.

"We're pursuing this very aggressively," said Matt Jablow, a police spokesman. "This is unusual for us. We're giving it a lot of attention."

In addition to the Tuesday night robbery at Dizzy Issie's, police believe the group is responsible for holding up three other bars this week -- one in Charles Village on Monday night, one in Upper Fells Point late Wednesday and another in Pigtown early Thursday morning. In recent weeks other bars have been held up in Remington, Mill Hill and Carroll-South Hilton in West Baltimore.

"It was really, really quick," said Gary Deane, the owner of I Bar, a cozy Charles Village watering hole that was robbed of about $350 Monday night. "I told the police it was almost military, the way he was in [and] out." Deane said he didn't know until after the robbery that a second man was standing at the door preventing people from leaving.

The tavern is a tiny room with exposed brick walls, a flat-screen television and a square bar. When one man flashed a gun, he said, most customers immediately crouched for cover.

"I was the only one left standing," Deane said. "It was a very frightening thing when it happened." Later, the police came and some customers trickled out. But others stuck around to exchange war stories. The next day, he said, 90 percent of his customers returned.

Police said the robbers want the cash register and don't ask customers for money. But at Molly's Public House, a Remington corner bar in a converted rowhouse that was robbed Nov. 1, one customer was apparently so flustered that he emptied the cash in pockets onto the bar without being instructed to do so.

The robbers scooped up the man's $8 as they fled with the till, according to the police report.

Getaway vehicles

Police believe the robbers have used three different escape cars: a red Dodge pickup, a black Volkswagen station wagon and a brown Mercedes. "We're cautiously optimistic that we'll make arrests in these cases," Jablow said.

In the Northern district, where three of the eight robberies have occurred, police have stepped up patrols and have additional plainclothes officers in the area.

"They are pretty brazen to do something like this," said Northern District Deputy Major Ross Buzzuro, "This is not the norm. We want this to stop. We don't want anybody to get hurt."

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Buzzuro said he believes the bars are targets of opportunity: "It is a quick way for people to get money." But, he cautioned, "these are dangerous individuals."

Remington targeted

One community particularly hard-hit is Remington, an up-and-coming residential neighborhood with a strong community association. Situated several blocks south of the Johns Hopkins University and the Baltimore Museum of Art, it attracts a mix of students and artists but also has families who have lived there for decades.

"Something needs to be done," said Elaine Stevens, the owner of Dizzy Issie's, which counts filmmaker John Waters among its patrons. Stevens said she has been a bar owner in the city for 20 years and has never experienced anything like this.

Stevens, however, was gratified that nobody was shot. And, she said, the loyalty of her customers surprised her. When the robbers left, people hugged each other. Customers left $200 cash on a table for various bills -- even though with the register out of service they couldn't settle up.

And the next day many of those who had left the bar without paying came in with money:

"My customers said they weren't going to be scared away."

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District Slayings Usually With Gun (WT)

By Matthew Cella

The Washington Times, November 17, 2006

The District is among the major U.S. cities with the highest percentage of people being killed by firearms, despite having one of the strictest gun-control laws in the country.

A recent Metropolitan Police Department report on homicides from 2001 to 2005 states that 901 of 1,126 homicide victims, or about 80 percent, were fatally shot.

"It's a problem," Chief Charles H. Ramsey said. "It may be something that's with us for a while."

Firearms last year alone were used to commit 157 of the District's 196 homicides, or about 80 percent. That percentage has remained relatively consistent since 2001, when a five-year low of 78.4 percent of homicides were committed using guns.

FBI crime statistics for 2005 show 10,100 of the country's 14,860 homicide victims, or 68 percent, were killed by guns.

The District's percentage of gun homicides is comparable to those in other big cities, according to the U.S. Bureau of Justice Statistics.

In 2004, the last year for which comprehensive statistics were available, the 79.3 percent of homicides involving guns in the District was higher than the 61.1 percent in New York. Chicago reported 75.2 percent, and Baltimore had 77.5 percent.

Atlanta had a significantly lower percentage of gun homicides than the District, 73.2 percent, despite less-restrictive gun laws. In Georgia, gun owners are not required to obtain a license or a permit, there is no waiting period to buy a handgun and no background check for second-party sales.

The District did have a lower percentage of gun homicides than New Orleans at 92 percent, Los Angeles at 80.9 percent and Detroit at 80.5 percent.

D.C. law restricts ownership of most guns that were not registered before 1977. Privately owned rifles and shotguns must be kept at home and stored unloaded, disassembled, or bound by a trigger lock or a similar device.

Michael Campbell, a spokesman for the Washington field office of the Bureau of Alcohol, Tobacco, Firearms and Explosives, said that part of the problem is the District being surrounded by jurisdictions with less-restrictive regulations.

"You can't seal the borders," he said. "There's always going to be a market for guns."

Chief Ramsey agreed.

"We have tough gun laws, but most of our guns are coming from Virginia and Maryland," he said.

D.C. police have recovered nearly 2,400 guns thus far this year, the most during the past five years. Those figures do not include the 337 guns turned in as part of a gun buy-back program in September.

Chief Ramsey thinks most gun owners are responsible, thus is not in favor of eliminating gun ownership.

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"Guns and our society go hand in hand," the chief said. But he favors "very, very stiff penalties" for people who violate the law.

The District's firearms restrictions, which were passed in 1976, include a maximum one-year penalty or $1,000 fine for first-time offenders and a maximum five-year penalty or $5,000 fine for second offenders.

"To me, that's not strong enough," the police chief said.

Carrying a pistol without a license in the District can be either a felony or a misdemeanor charge, depending on whether the offender was carrying the pistol someplace other than in his or her home or business.

Felons convicted of firearms possession can get up to 10 years in prison and a $10,000 fine. Felons who use a firearm during the commission of a violent crime can receive a maximum 15-year prison sentence. Possessing unregistered ammunition always is a misdemeanor.

Corruption Target Faces Sex Charges (LAT)

By Peter Y. Hong And Paul Pringle, Times Staff Writers

The Los Angeles Times, November 17, 2006

John Malburg, son of the Vernon mayor and a focus of a voter-fraud case, allegedly molested boys while dean at an L.A. Catholic school.

A political corruption scandal took a sordid turn Thursday when a defendant in the Vernon voter-fraud prosecution was charged with sexually molesting four boys while serving as dean of students at Daniel Murphy Catholic High School.

John Joseph Malburg, son of Vernon Mayor Leonis Malburg, who is also accused in the corruption case, pleaded not guilty to numerous counts of child sexual abuse, lewd acts and making a videotape for sale of a minor engaged in sex acts.

Authorities said one student appeared in a sexually explicit tape in exchange for a higher grade. In addition, Malburg, 37, is charged with possessing child pornography and secretly videotaping boys while they showered at his Hancock Park home.

As an offshoot of the 19-month corruption probe, investigators began to examine Malburg's contact with the boys over a period of 10 years, according to the Los Angeles County district attorney's office.

The Archdiocese of Los Angeles learned about the sex abuse inquiry sometime before Malburg was fired in July but did not notify parents at the Fairfax-area school, spokesman Tod M. Tamberg said.

Tamberg said the district attorney's office asked the archdiocese to keep the matter confidential. Jane Robison, a district attorney's spokeswoman, could not confirm that.

"The school has been cooperating fully," Tamberg said. He said there had been no earlier complaints against Malburg, who joined Daniel Murphy in 1997.

In the complaint, Malburg is accused of surreptitiously videotaping one of the students two months after the school fired him.

Outside the Detroit Street campus, several students and parents said they had not been told of the charges against Malburg and declined to discuss them.

One parent, who asked not to be named, said she was "shocked" at the news but didn't fault the school for not informing parents.

"There's no need to panic," she said.

The allegations come as the archdiocese struggles to settle more than 500 sexual abuse lawsuits. At least six of those named in the suits once worked at Daniel Murphy, although not in recent years.

Mary Grant, western director of the Survivors Network of Those Abused by Priests, a group that represents alleged victims of pedophile priests, said the Malburg case "shows that nothing has changed in the L.A. Archdiocese."

She also said it "seems odd" that the archdiocese did not alert parents.

Malburg also pleaded not guilty Thursday to charges of perjury and false voter registration in connection with an alleged family-run, decades-long corruption scheme in Vernon, a tiny industrial city a few miles south of downtown Los Angeles, where his father has held elective office for more than 50 years.

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Leonis Malburg pleaded not guilty to seven felony counts alleging various forms of voter fraud. His wife, Dominica, who is the younger Malburg's mother, entered a not guilty plea to two counts of voter fraud.

The Malburgs are accused of living in Hancock Park while voting in Vernon, 20 miles away.

The district attorney's office said investigators looking for evidence of corruption allegedly found child pornography on a computer seized from John Malburg's home.

They also confiscated pornographic home videos, officials said.

The 12 counts against Malburg cover alleged incidents from 1996 through 2000 and from 2004 to September of this year. He is accused of molesting a boy whom he met while working as a psychologist — before he was hired at Daniel Murphy.

Malburg was released on $495,000 bail. Approached in court, he declined to comment.

Daniel Murphy, formerly called St. John Vianney, is named for a Los Angeles philanthropist. It has produced several prominent graduates, including Los Angeles City Councilman Bernard C. Parks and Fire Chief William Bamattre.

"It's disturbing," Parks, a 1961 graduate, said of the allegations. "It doesn't help the school and it doesn't help the church."

Parks said it was particularly troubling given the extensive publicity of the archdiocese's sexual abuse crisis. "With all the press coverage on this, you wonder why there are those who still think they can get away with it," he said.

Bamattre's office did not return calls.

In the Vernon case, longtime city administrator Bruce Malkenhorst Sr. pleaded not guilty to charges that he spent $60,000 in city money for personal use, including massages, golf outings, meals and political contributions.

Malkenhorst was the highest paid municipal official in the state before stepping down two years ago. He earned more than $600,000 a year for running a city with fewer than 100 residents. The city also provided him with a limousine.

Prosecutors allege that the Malburgs and their allies ran Vernon as a fiefdom.

Earlier this year, the city hired armed private investigators to shadow candidates running against Leonis Malburg and other City Council incumbents.

The city evicted the challengers from their residences and removed their names from the ballot, although a judge later ruled that the election, Vernon's first in 25 years, had to go forward.

Malburg was reelected, but the results were disputed and the case ended up in court.

Vernon was founded in 1905 by a charismatic Basque immigrant named John Baptiste Leonis, who over the next few decades built a political machine that chased dissenters out of town.

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CIVIL LAW:

Exonerated In Mob Killing, Men Seek Retribution From Government (AP)

By Jay Lindsay

AP, November 17, 2006

BOSTON - Two Boston men spent 30 years in prison for an underworld slaying they did not commit after a judge ruled that the FBI withheld evidence that would have cleared the pair to protect a mob hitman who was serving as an informant.

Now, in a trial that opened Thursday, those men and the families of two others who were wrongfully convicted are seeking damages from the government that could total more than $100 million.

Joseph "The Animal" Barboza was a known mob assassin responsible for numerous hits during Boston's gangland wars of the 1960s. He was also so vital to FBI efforts to crack the mob that the agency allowed him to wrongly implicate four men for murder, attorneys for the plaintiffs said in opening statements.

Joseph Salvati and Peter Limone and the families of two other men who died while behind bars accuse the federal government of malicious prosecution, conspiracy and depriving the men's family of companionship.

"It was a rigged game, a charade, a story concocted by Mr. Barboza and assented to by the FBI," said attorney Austin McGuigan, who represents Salvati. "There was no hope the real story in this case would be uncovered."

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The case is the latest development in a scandal that unfolded in Boston about a decade ago, when it was learned that the FBI had a corrupt relationship with the mob, protecting killers who were informants and even tipping them off to pending indictments.

The lawsuit was filed after the Justice Department released documents in 2001 that showed the FBI withheld evidence from state prosecutors that could have cleared the men so the agency could protect an informant who actually committed the crime.

The lawsuit does not ask for a specific dollar award, but briefs filed in the case point to past decisions that have awarded $1 million for each year wrongly imprisoned, which would total more than $100 million in this case.

Justice Department attorney Bridget Lipscomb said federal authorities had no duty to share information with state prosecutors, and cannot be liable for the results of a separate state investigation. She also noted the four men had access to some FBI information, as well as top-notch attorneys who raised doubts about Barboza's testimony at their trial.

Limone, Louis Greco and Henry Tameleo were sentenced to death in 1968 for the murder of Edward "Teddy" Deegan, but were not executed before the death penalty was banned in 1975. Salvati was sentenced to life in prison.

Salvati, 72, and Limone, 74, were exonerated in 2001 after the Justice Department documents were released. Greco and Tameleo died behind bars before being exonerated.

The case is being tried without a jury before U.S. District Judge Nancy Gertner.

On Thursday, attorneys for the men and their families, said the problems were rooted in a 1960s FBI policy of protecting informants identities at all costs.

Days before Deegan was shot in the head in a Chelsea alley, FBI wiretaps caught Barboza and Vincent "Jimmy" Flemmi asking a Rhode Island mob boss for permission for the hit. Informants later told FBI agents that Barboza, Flemmi and three other men were responsible. FBI agent Paul Rico, who handled top echelon informants, listed Deegan as among seven people killed by Flemmi.

"The Deegan murder was literally surrounded by information that Jimmy Flemmi was one of the killers," said Michael Avery, who represents Limone and Tameleo.

But the FBI had recently recruited Flemmi as an informant and believed he would provide valuable information for years, McGuigan said. And when Barboza agreed to testify, he told the FBI he would never say anything to implicate his friend Flemmi, McGuigan said.

The FBI did not share any of this evidence with the state, Avery said, making the FBI "masters of this prosecution."

In his testimony in the Deegan case, Barboza implicated Limone, Salvati and Greco because of personal grudges, and Tameleo because an FBI agent wanted to arrest him, according to attorney Juliane Balirro, who represents Limone.

The FBI had at least 20 descriptions of the Deegan murder that conflicted with Barboza's testimony, but did not share them with prosecutors, she said.

Barboza was sentenced to a year and a day in prison after the Deegan trial, and later moved to California as the first participant of the federal witness-protection program. He was shot to death in San Francisco in 1976.

Lipscomb, the Justice Department attorney, said Barboza was subjected to more than six days of intense cross-examination during the trial, which included questions about Flemmi's possible involvement and accusations that he switched who was involved.

Trial Begins Over FBI Role In Wrongful Convictions (BOS)

By Shelley Murphy, Globe Staff

The Boston Globe, November 17, 2006

There's no question that the FBI recruited notorious hitman Joseph "The Animal" Barboza as a witness against local Mafia leaders, then turned him over to state prosecutors in a case that led to the wrongful conviction of four men for a 1965 gangland murder in Chelsea.

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But Thursday, on the first day of a civil trial seeking more than $100 million in damages from the federal government, a Justice Department lawyer insisted the FBI can't be blamed because state prosecutors were responsible for investigating and trying the case.

"The FBI is not liable," said the government attorney, Bridget Bailey Lipscomb.

But lawyers for Peter Limone, Joseph Salvati, Henry Tameleo, and Louis Greco accused the FBI of making a "mockery" of justice by failing to tell state prosecutors or defense lawyers about evidence that suggested Barboza had framed the four men for the slaying of small-time hoodlum Edward "Teddy" Deegan.

Limone, 72, and Salvati, 74, spent more than 30 years in prison before they were exonerated five years ago, while Greco and Tameleo both died in prison.

"The FBI initiated the prosecution by delivering a perjurious witness to the state prosecutor, knowing his testimony was false," said Boston attorney Juliane Balliro, who represents Limone and Tameleo's family. "But for the deliberate misconduct of the FBI, these men would not even have been indicted, let alone convicted for the murder of Edward Deegan."

The lawsuit accuses the government of malicious prosecution, intentional infliction of emotional distress, negligent supervision of FBI agents, conspiracy, and loss of consortium by the men and their families.

Deegan was gunned down in a Chelsea alley in March 1965, but local police were unable to solve the slaying until the FBI struck a deal with Barboza. He was sentenced to a year in prison for his role in Deegan's murder and his testimony led to the 1968 conviction of the four men. Tameleo, Limone, and Greco were initially given the death penalty, then later sentence to life. Salvati was also sentenced to life in prison.

Feds Pay The Price For Botched Mob Job (BOSH)

By Peter Gelzinis, Boston Herald Columnist

Boston Herald, November 17, 2006

That the prospect of justice has arrived 40 years late for Joe Salvati and Peter Limone, along with two fellow defendants who died in prison, Louis Greco and Henry Tameleo . . . is shameful.

That the Department of Justice has seen fit to send Bridget Bailey Lipscomb back to Boston to defend the putrid reputation of the FBI . . . well, that could be called a blessing.

With Ms. Lipscomb at the government table, the only question may well be how much of a potential $100 million in civil damages will these men and their families see.

Five months ago, Lipscomb's attempt to convince U.S. District Court Judge Reginald C. Lindsay that the FBI could not be blamed for enabling their Teflon rat, Whitey Bulger, to slaughter John McIntyre, turned into graceless courtroom hash.

Though Lindsay was swayed by absolutely none of it, he tossed the government a considerable bone by confining the McIntyres' award to $3.5 million instead of a possible $50 million.

This time, however, the FBI's crime is even more egregious. And the case will be heard by a different federal judge, U.S. District Court Judge Nancy Gertner.

In a nutshell: H. Paul Rico - the Darth Vader of gangster G-men and mentor to fallen FBI agent and murder defendant John "Zip" Connolly - framed four men for a murder two of his informants committed.

From the first moment, more than 40 years ago, Rico knew that Salvati, Limone, Greco and Tameleo were innocent, yet watched them go off to prison, where three languished on death row.

During yesterday's opening arguments at the Moakley Courthouse, Lipsomb countered 40 years of government treachery with the Professor Irwin Corey defense, namely:

The feds were not obliged to share information with state prosecutors (who tried the original case) and can't be held liable for the results of a separate state investigation.

Makes perfect sense, doesn't it?

In the face of such circular reasoning, Peter Limone's defense lawyer, Juliane Balliro, was moved to note, "Despite all the exposure and attention this case has received, and the fact that these men were exonerated. Despite all that was revealed during

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the Wolf Hearings. Despite the condemnations of a congressional committee, the government does not change its stripes. They still remain in complete denial."

If "staying the course" in Iraq means holding the U.S. death count to, say, 10 soldiers a week, then perhaps staying the course when it comes to the rancid saga of Boston FBI criminals means holding the cash award to a small fraction of what is being asked.

Will Bridget Bailey Lipscomb get accolades from her DOJ bosses if the plaintiffs in this case came away with only $10 million or $20 million payout? Would that pass for a government victory?

Because the sheer weight of the evidence suggests she cannot win on the merits. Because in this case, the feds have no merit.

Juiliane Balliro sees this moment as an opportunity "to finally connect all the many threads of this case into a rope." Too bad such a rope cannot be slipped around H. Paul Rico's neck, for the decrepit old son of Hoover expired in a Florida jail, awaiting his own murder trial. [continue]

CIVIL RIGHTS:

Democrats Pledge To Scrutinize Justice's Civil Rights Arm (BOS)

By Charlie Savage, Globe Staff

The Boston Globe, November 17, 2006

WASHINGTON -- Democrats on the Senate Judiciary Committee yesterday vowed to impose intense oversight on the Justice Department's Civil Rights Division next year, telling a Bush administration official in charge of the agency that the next Congress will scrutinize whether civil rights laws are being properly enforced.

Speaking at the first Civil Rights Division oversight hearing since May 2002, the Democrats cited several newspaper articles about the agency over the past year -- including a Globe analysis of changes in the hiring process for lawyers in the division -- and said they would investigate the administration's stewardship of the agency after they regain power in January.

"There are disturbing reports that career lawyers have been shut out of the division's decision-making process, that the division's civil rights enforcement on behalf of racial minorities has sharply declined, and that the department has packed the division with attorneys who have no background in civil rights litigation," said Senator Patrick J. Leahy, Democrat of Vermont, who will become committee chairman in January.

Senator Russell Feingold, Democrat of Wisconsin, said he wanted to know whether the Bush administration was exerting political interference on the division's decisions about when to file cases. The agency has long been a source of political tension because it is charged with enforcing antidiscrimination laws and reviewing changes to state voting rules.

"For the separation of powers designed by the Framers to work, we in the legislative branch need to take our oversight authority seriously," Feingold said. "While this hearing is the first good step, it is just a first step. It is clear that the Civil Rights Division of the Department of Justice requires our attention and that one hearing will not suffice."

Wan Kim , assistant attorney general for civil rights, said he welcomed congressional attention.

"I certainly share your . . . interest in oversight," Kim said, adding that he has "a deep and abiding respect for this committee and the work that it does in making sure that all branches of government are operating consistent with the law."

One major focus by the lawmakers was a change in hiring procedures. In July, the Globe reported that in late 2002, the Bush administration disbanded a longstanding hiring committee of veteran career lawyers. Political appointees took over screening résumés, interviewing applicants, and deciding who should fill vacancies in the permanent civil service ranks.

After the change, successful applicants were significantly less likely to have civil rights backgrounds, according to a Globe analysis of résumés obtained under the Freedom of Information Act. New hires were also more likely to have conservative credentials, such as membership in the Federalist Society, a group that takes a skeptical view of aggressive civil rights enforcement.

Arlen Specter, Republican of Pennsylvania and chairman of the Senate Judiciary Committee, and Senator Edward M. Kennedy, Democrat of Massachusetts, each raised the Globe article as an example of mounting "concerns" over the division's

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direction. Also, Leahy read a summary of the Globe's findings, then pressed Kim on whether ideology had become a factor in the hiring process.

Kim acknowledged that the hiring committees had been disbanded by then-Attorney General John D. Ashcroft. But he said "ideology is not a factor in my hiring process." He pledged that he would hire only "talented lawyers" who "share a commitment for the work that we do in the division."

Leahy accepted Kim's answer, but told the assistant attorney general that "I suspect during the coming year . . . we'll probably chat some more."

Specter then observed to laughter: "Sounds like a well-founded suspicion to me."

The senators also pressed Kim about several voting-rights decisions in which the division's leadership overruled career staff recommendations. In several cases, courts later rejected the division's conclusion that redistricting plans or laws were lawful.

One case involved a Georgia law that required voters without driver's licenses to buy an ID card for $20. A federal judge later blocked the law, comparing it to a Jim Crow-era "poll tax." Kim defended the Justice Department's decision to sign off on the new requirement, saying it was consistent with all relevant statutes.

Lawmakers also raised concerns about the division's process of deciding whether to bring discrimination cases. The number of cases alleging systematic discrimination against blacks has declined from previous administrations.

OC Apartment Owners Accused Of Discriminating Against Hispanics (AP)

AP, November 17, 2006

The U.S. Justice Department sued two apartment building owners for housing discrimination Thursday, claiming they favored Vietnamese tenants over Hispanic tenants.

Gary Luke and Mary Ngo, owners of adjacent apartment complexes in Garden Grove in Orange County, violated the federal Fair Housing Act barring discrimination against people based on national origin, the government claims.

The lawsuit arose from a charge made recently by the U.S. Department of Housing and Urban Development. The suit seeks monetary damages, civil penalties and a court order prohibiting future discrimination.

Federal authorities say Luke and Ngo issued notices in the last year to Hispanic tenants telling them they had 60 days to leave so their units could be renovated.

When Hispanic tenants later tried to move back into the remodeled units, all were either told that they could not return or were promised rental applications that were never provided, authorities said.

Vacated units were later rented out to Vietnamese tenants, the government said.

In one case Luke refused to rent to a Hispanic woman, saying his "partner has in mind only to rent to Vietnamese families," the government claimed. Ngo, who co-owns one of the properties with Luke, is of Vietnamese heritage.

Luke and Ngo could not be reached for comment; their telephone numbers were unlisted.

A call after business hours to defense attorney Christine Baran, who authorities say represents Luke and Ngo in the case, was not immediately returned Thursday.

Justice Department Possibly Investigating Election Day Fliers (WP)

The Washington Post, November 17, 2006

A senior Justice Department official said yesterday that the misleading fliers distributed by Republicans in Maryland on Election Day may -- or may not -- be the subject of an investigation by the department's criminal division.

Wan Kim, assistant attorney general for the department's civil rights division, said during a Senate hearing that he believed the matter was under investigation but quickly added, "I'm not 100 percent sure about that."

Two public affairs officers at Justice Department headquarters in Washington said they could neither confirm nor deny that an investigation is underway.

The fliers -- authorized by the campaigns of Republicans Gov. Robert L. Ehrlich Jr., who lost his bid for a second term, and Michael S. Steele, who was defeated in his bid for a Senate seat -- have been widely denounced for implying, incorrectly, that the

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two candidates were endorsed by prominent black figures including former NAACP leader Kweisi Mfume and Prince George's County Executive Jack B. Johnson (D).

-- Eric Rich and Dan Eggen

Two Face More Charges In Sex Trafficking Case (ROBCT)

By Kate Howard, Staff Writer

Robertson County (TN) Times, November 17, 2006

Indictment says man, woman forced minor teen into sex ring

Two people are facing additional federal charges this week for allegedly forcing a Mexican teenager into prostitution as part of a sex trafficking ring that operated in Nashville and Memphis, federal officials said.

A federal grand jury in Memphis issued indictments Thursday charging Juan Mendez and Cristina Andres Perfecto with using fraud and coercion to force an adult woman and the teenager into a life of prostitution. They were charged in October with sex trafficking of children.

Federal investigators believe the teenager was smuggled into the country from Oaxaca, Mexico, and thought she was going to get a job as a waitress at a Nashville restaurant.

She was taken to a Harding Place-area apartment, where she was beaten, raped and forced to have sex with as many as 40 men per day, according to court documents.

The girl, now 15, was taken into the custody of the state Department of Children's Services and placed with a Spanish-speaking foster family, DCS spokesman Rob Johnson said.

Raymundo Flores, Raul Santillan-Leon and Fernando Reyes-Santillan also were indicted on charges of conspiracy to launder money and harbor illegal immigrants at a brothel in Memphis, justice department officials said in a news release.

All five of those indicted were connected to the same sex-trafficking ring, according to federal officials.

Court documents said that some of the teenager's adult relatives were also lured to Tennessee with the promise of jobs and enough money to send back to their families in Mexico.

Leigh Anne Jordon, a spokeswoman for the U.S. Attorney's office in Memphis, said Thursday night that she couldn't release any additional details on the case.

Teel Defense Requests No Interference (BSH)

By Robin Fitzgerald

Biloxi Sun Herald, November 17, 2006

GULFPORT - Ryan Teel's attorney wants a judge to instruct the government not to interfere with the defendant's investigation in preparation of Teel's trial involving an inmate death.

The Harrison County Sheriff's Department has denied the defense a request to examine the county jail booking room and to question jail employees, according to a motion filed by Jim Davis, Teel's attorney.

Teel, a former corrections officer, is set to stand trial May 28 on criminal charges of civil rights violations in the fatal beating of Jessie Lee Williams Jr. The incident occurred in the jail booking room on Feb. 4. Regina Rhodes, also a former jailer, pleaded guilty to her role in the assault and to lying to cover it up.

Davis asked for an emergency telephone conference with a judge today to discuss his concerns.

Allowing the defense access to the booking room and jail employees is "necessary in order to properly prepare for trial," Davis wrote in his motion. He was not available for comment Thursday.

Teel is in custody at an undisclosed location.

Davis' latest motions claim Capt. Steve Campbell, who runs the sheriff's professional standards unit, agreed Nov. 7 to allow a booking room visit and witness interviews, but changed his mind the next day. Campbell said permission was needed from the U.S. Attorney's Office, an affidavit stated.

Sheriff George H. Payne Jr. declined comment and referred questions to his attorney, Cy Faneca, who said he advised the sheriff to let the U.S. Justice Department make that decision.

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"We are not involved in the criminal case because the Justice Department is conducting that investigation," Faneca said. "Nobody has told us what the ground rules are, so it certainly would be prudent to let Justice make that decision."

"The sheriff and I don't want to do anything that might interfere with the investigation by the Department of Justice."

The U.S. Attorney's Office, which is prosecuting Teel in the criminal case, operates under the Justice Department.

U.S. Attorney Dunn Lampton said his office will file a response to Davis' complaint today.

"The judge has asked that we not talk about these matters so a court document is the appropriate response."

A two-count indictment was unsealed after Teel's arrest by the FBI on Aug. 28.

One count accuses Teel of depriving Williams of his civil rights under color of law by using excessive force in an attempt to kill Williams. That count carries a penalty of any number of years to life in prison.

Prosecutors could upgrade that count to seek the death penalty. They have until Feb. 16 to decide.

The second count accuses Teel of falsifying a report with the intention of impeding or obstructing justice. That count carries a penalty of up to 20 years.

Two other sealed documents were filed in court on Oct. 25. Public records show no details.

UCLA Police Stun Student In ID Dispute (FINDLAW/AP)

AP, November 17, 2006

(AP) - LOS ANGELES-A UCLA police officer shocked a student with a stun gun at a campus library after he refused repeated requests to show student identification and wouldn't leave, police said.

The student, Mostafa Tabatabainejad, was shocked Tuesday at about 11 p.m. as police did a routine check of student IDs at the University of California, Los Angeles Powell Library computer lab.

"This is a long-standing library policy to ensure the safety of students during the late-night hours," said UCLA Police Department spokeswoman Nancy Greenstein.

She said police tried to escort Tabatabainejad, 23, out of the library after he refused to provide identification. Tabatabainejad instead encouraged others at the library to join his resistance, and when a crowd began to gather, police used the stun gun on him, Greenstein said.

Tabatabainejad was arrested for resisting and obstructing a police officer and later released on his own recognizance. He declined to comment Wednesday night.

New Focus On Affirmative Action (WP)

By Elizabeth Williamson And Valerie Strauss

The Washington Post, November 17, 2006

The number of minorities -- particularly black Americans -- winning government contracts and being admitted to public colleges and universities in California has dwindled since a ballot measure was passed 10 years ago outlawing preferential treatment for minorities in those areas, according to a study released yesterday.

The report comes as the longtime controversy over affirmative action is gaining new attention. Michigan voters last week adopted a constitutional amendment essentially taking the same action as California, and the American Bar Association is facing criticism from some groups for strengthening its diversity requirements for accreditation of law schools.

The study of California's Proposition 209 shows that it has had a major effect, according to Ellis Cose, who wrote the report for the Institute for Justice and Journalism at the University of Southern California's Annenberg School for Communication.

At the University of California's two flagships, the campuses in Berkeley and Los Angeles, the impact of Proposition 209 was immediate: The number of black and Hispanic freshmen admitted the year after the law took effect fell by half.

In California's transportation system, the report says, two-thirds of the minority contractors certified to do business with the state when the law went into effect have folded. "Once Proposition 209 passed, the contracts just dried up," Cose said.

The study comes after Michigan voters approved a ballot measure that aims, through a constitutional amendment, to bar public universities and state and local governments from discriminating or giving preferential treatment based on race, sex, color, ethnicity or national origin.

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The vote shows that "there is a huge sense on the part of white voters that affirmative action needs to end," said Cose, an author and columnist for Newsweek. Although the national implication remains uncertain, "if this thing is put before states where there is a significant white majority, it's likely to pass," he said.

Michigan is a textbook example of what Cose calls the "chipping away of affirmative action," a process that began in the 1970s and gained political steam in the 1990s. In 1974, the Supreme Court rejected as a throwback to "separate but equal" a Detroit plan to bus city children to suburban schools. In 2003, the court ruled that a diverse student body was important enough to support race-conscious admissions at the University of Michigan's law school.

"The measure in Michigan, as did the measure in California, passed along very clearly racial lines," Cose said, showing that "even though jurists see a legitimate state interest in diversity voters, at least white voters don't."

Opponents to last week's ballot measure promise a legal battle, as do proponents. Although the Supreme Court has repeatedly ruled in favor of affirmative action programs, the court's written opinions have signaled for years that the programs' end may be near.

The question, the California report says, is whether Americans, decades after Jim Crow, still feel legally obligated to help boost people whose race puts them at an economic and educational disadvantage. Affirmative action opponents say special treatment based on race implies lesser treatment of others based on their majority status. So by addressing one injustice, they say, the programs commit another.

Because college admissions of minority students have slid nationwide in recent years, many admissions directors have changed their recruiting focus to identify not only minorities but low-income students, including whites.

"In the last couple of years, there has been a much more concerted effort to do this in a race-neutral way," said Lee Coffin, admissions dean at Tufts University in Massachusetts. "The poor white kid has a voice that needs to be heard, in addition to the kind of racial diversity we want to create."

University of Virginia Admissions Dean Jack Blackburn said his school has changed policies and part of its recruiting approach to find more needy applicants. "We realized that we are not providing access," he said. "We are not educating very many kids from low-income backgrounds. The numbers are shockingly low."

That, he said, was one key reason the university recently announced it was dropping its binding early-decision program.

Whether last week's elections -- which returned control of Congress to Democrats, who generally favor affirmative action -- will have an impact on such programs' future remains to be seen.

An important test could come next month, when the American Bar Association undergoes review of its authority to accredit university law schools. A Department of Education hearing, aimed at recertifying the ABA's Council of the Section on Legal Education and Admissions to the Bar as the official accrediting agency for law schools, is expected to be a forum for complaints.

The ABA recently rewrote a diversity standard for law schools, requiring more concrete action to promote a diverse faculty, staff and student body. The new standard drew fire from both sides of the debate: The Congressional Black Caucus did not think it went far enough, and the Bush administration's Commission on Civil Rights said this past summer that it went too far.

The National Association of Scholars has asked the Education Department not to renew the ABA's accrediting power if it does not eliminate all requirements of racial, ethnic and gender diversity from its accreditation standards.

Sources familiar with the issue said the department is divided over the question, with some administration political appointees sympathetic to that request.

Even if affirmative action were to disappear, "the universities are going to try very hard to admit a reasonable number of minority candidates," Cose said. "But they are inevitably going to see the numbers go down."

English As Official Language Gains Support At Local Levels (USAT)

By Oren Dorell

USA Today, November 17, 2006

Voters and town boards in several states recently passed laws making English the official language, garnering Hispanic support in one case for what many say was a message to Washington.

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Arizona voters last week approved Proposition 103, a constitutional amendment making English the official language of the state. Passing similar laws were the city councils of Taneytown, Md.; Farmers Branch, Texas, and the town board of Pahrump, Nev.

"The voters in Arizona are sick and tired of the federal government doing nothing on immigration," said Arizona State Rep. Kyrsten Sinema of Phoenix, in explaining why she thought the measure passed in Arizona. She was an opponent of the proposition.

While English-only proposals in the U.S. Congress have gone nowhere, the Arizona measure passed by a 3-to-1 ratio, with 48% of Hispanics supporting it, according to an Associated Press exit poll.

Hispanic support is a sign that "the majority of Hispanics believe that the key to success in America is to learn the language of the land, learn English," says Jose Esparza, vice chairman of the Arizona Latino Republican Association.

Lydia Guzman, chairwoman of the Coalition for Latino Political Action in Phoenix, opposed the bill. She said she is worried it will be misused by anti-immigrant extremists.

Guzman was not surprised that nearly half of Hispanic voters supported the measure. She says the Hispanic community includes people who have been here for generations, who don't speak Spanish and haven't experienced the "immigrant struggle."

In Taneytown, where only 1.5% of the population is Hispanic according to the 2000 census, Councilman Paul Chamberlain says the official-English law will make "no practical change" because Taneytown does not provide services in Spanish.

"We will be helping immigrants learn the English language and not segregate into different communities," he says.

Political scientist and pollster Fred Solop of Northern Arizona University says Arizona voters, including Hispanics, have made clear that the issue of illegal immigration is their number one concern.

"There were four immigration proposals on the ballot, if there were six, they would have all passed," he says.

Among the ballot initiatives that accompanied the official-English proposition were three others that targeted illegal immigrants.

Arizona State Rep. Russell Pearce of Mesa calls official English "part of us doing our job to help (immigrants) learn to communicate.

"Government has an obligation to promote and enhance English," he says, "to help people assimilate."

Sinema derides that sentiment as "so cute," pointing out that one of the propositions that passed denies illegal immigrants state benefits, including state-funded English classes.

"To punish people by taking away funding to learn English, and at the same time demand people learn English, makes no sense at all," Sinema says.

Esparza, who supported the official-English ballot initiative, also sees "an irony" in the voters' decision to deny state funding for English education. He said conflicting measures passed "because the public, including Hispanics, is frustrated that illegal immigration continues to be a problem and they want the federal government to take action."

A Chance To Get Into The Room (WP)

The Washington Post, November 17, 2006

They didn't leave work until after 4 a.m. Four hours later, they were back in the office -- frazzled and on edge. Sitting around a conference table, eight employees of Enlightened Inc., a technology consulting firm, were struggling to polish a proposal that could well determine the firm's future. It was not going well.

Chief executive Antwanye Ford was rubbing his forehead in frustration. He was dressed meticulously, as always, in a pressed Donald Trump-brand suit and a French-cuff shirt. Not even a succession of 18-hour days could make this man look rumpled. But on this day, he was oozing tension. Enlightened's bid for a multimillion-dollar contract to update the computer system used by the District's probation and parole officers was simply not good enough, he told his staff. The proposal needed more graphics, more punch. As Ford saw it, this bid was his fledgling black firm's ticket to a new competitive league.

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Suddenly, Ford's cellphone was vibrating. He excused himself and headed into his private office. It was Larry Daniels, one of the District's chief accountants who oversees city spending. Daniels had received complaints about Enlightened's work on another project, a $400,000 contract to do inventory of D.C. property: police cars, fire trucks, public school furniture.

It was too much. Frustrated and embarrassed, Ford heaved his bottle of water across the room. "You only get one opportunity, maybe two at the most, to prove yourself," he later fumed to a visitor. "As a minority, you have to work extra hard. . . . We're constantly being watched and judged."

As the day wore on, Ford felt that what he had spent years seeking -- acceptance, respect, an unchallenged level of achievement -- had been put at risk. In danger of losing one contract and not winning another he coveted, Ford wondered: Would his aspirations for Enlightened ever be realized? Would he feel this extra pull to prove himself if he were not black?

Ford's anxiety about image is common among black businessmen who are barreling into territory where relatively few of them have established ownership: information technology, construction, real estate, financial management. Many bring with them advanced degrees, years of corporate experience, and cultural and emotional complexities that can both enrich and burden their lives as business owners. Many struggle with whether they must sacrifice their identity to be successful. In Ford's case, that means questioning whether Enlightened should even promote that it is black-owned.

"The dilemma is you don't know whether doing this or not will help," says Barron H. Harvey, dean of Howard University's School of Business and a long-time consultant to minority businesses. "There are some firms that have decided they are going to be who they are and not downplay that they are black-owned. But then they question if they had done it differently, would they have been more successful? You never know."

Ford decided he would take no chances. Enlightened's Web site features stock photos of three young, white men in suits and a white woman gathered around a laptop computer. There are no obvious indications that the firm is run by black men. "We don't want people to shut the door on us before we show them what we can do," Ford says.

The population of black male entrepreneurs has grown dramatically in the past 15 years, as more black men have abandoned corporate jobs and converted their expertise into livelihoods that they control. According to a recent U.S. Census report, the number of black men who own businesses increased by nearly a third from 1997 to 2002, and now number more than 571,000 nationwide. In eight years, at the current growth rate, that number will top 1 million. Previous generations of black businessmen were concentrated in the service and retail fields: They owned restaurants, barbershops, small grocery stores. Most relied on a black customer base. They were people like Ford's parents, who opened an upholstery shop on H Street in Northeast during the 1970s.

But that business model has markedly changed, and black entrepreneurs such as Ford are grappling with a different set of challenges.

Ford is not aware of ever having lost a contract because of his race, but he is mindful of America's history of racial prejudice. If minority companies did not face discrimination, he said, there would not be federally funded set-aside programs. Enlightened participates in such a program administered by the Small Business Administration. The 8(a) program offers business-development assistance and the opportunity to compete for federal contracts that have been reserved for small firms owned by "socially and economically disadvantaged" people, those whose net worth is less than $250,000. Enlightened, which has been in the program since 2001, is certified to participate for four more years.

But even though the program has generated considerable business, Ford is conflicted. He does not want Enlightened to be known as "just" an 8(a) firm. The designation, he believes, whispers: inferior company in business because of government handouts.

Some business choices do not come easily. The decision about what would appear on the Web site was agonizing. Asked whether he is hiding his heritage or is ashamed of it, Ford's smile disappears and his eyes narrow. He wonders aloud if it's being suggested that he is a sellout, then abruptly leaves the office to lift weights.

The next day, he admits the questioning angered him. "I had to pray about that," he says. Ford then proceeds to defend his racial consciousness: He mentors black teenagers interested in becoming entrepreneurs. He makes a point of employing black interns at his firm. And he still lives in the 'hood (in the Brookland section of Northeast), near vacant lots where he played football as a boy and within walking distance of his elderly parents. "It's expected that when you obtain a certain level of success, you

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move out to the suburbs, but that's not me," he says. Not even after his house was mistakenly riddled with bullets five years ago in a drive-by shooting.

Do not mistake his business decisions for some lack of black pride, Ford insists. Like many black businessmen who have long felt like outsiders, Ford just wants "a chance to get into the room."

"If I get in the room," he says, "I'll show you what I can do. And I'm going to do whatever I can do to get in that room."

* * *

The 'Myth Men'

In a sense, Ford's quest to "get in the room" originated on George Washington University's campus in 1983. He, Andre Rogers and Thomas Spann -- classmates who became good friends -- would meet at the black student union and fantasize about owning a business together.

At the time, blacks made up about 2 percent of the student body. On the first day of a class on race relations, the men recall, some white and Asian students talked openly about their perceptions of black people: lazy, good only at sports, the biggest beneficiaries of affirmative action. It was the first time anyone had voiced such perceptions in their presence.

"We sat there with our mouths open," Ford, 41, recalled.

The trio, along with nine other black male students, decided to form a group called the "Myth Men," in part because no black fraternities existed on campus and they craved a social outlet. But the group's other mission was to try to dispel the negative stereotypes about black men.

After graduating, Ford, Rogers and Spann worked in various corporate jobs for 10 years before deciding to pursue their college fantasy. In 1998, they began meeting in Rogers's basement after work, throwing out questions and ideas about launching an information technology consulting firm. Where should they be based? What would attract clients? Where would funding come from? With his outgoing personality, Ford was chosen as chief executive. Rogers's fondness for spreadsheets and numbers made him a natural finance chief. And Spann, who had experience in management, would be the company's chief operating officer. Because they planned to illuminate clients' possibilities, they chose a name that suggested imparting knowledge and insight. Companies that worked with them, the partners figured, would be enlightened.

In 1999, the three men resigned from their corporate positions -- Ford as a manager at Intelsat; Rogers as a software developer for Fannie Mae; Spann as a senior analyst at NASD, a financial regulatory company. With their severance packages as seed money, plus $15,000 each in cash advances on credit cards, they rented a small, windowless space, just big enough for five desks, in an office building at 11th and G streets NW. (Enlightened still has that space but has since expanded to another floor.) The company's initial work came from small government jobs subcontracted to Enlightened by larger minority firms.

Enlightened now employs about 60 salaried and hourly workers who make as little as $9 an hour and as much as $110,000 a year. Expectations are high, and so is turnover: Since Jan. 1, 21 employees have either resigned or been dismissed. Last year, Spann left his executive's chair to become a consultant because he was away from his family too much.

Enlightened designs software programs, hosts Web sites and creates management systems for such clients as the departments of Labor, Housing and Urban Development and Veterans Affairs, as well as Fannie Mae and AOL. This year, Enlightened projects revenue of about $4 million. By the end of next year, Enlightened hopes to reach $8 million in sales and double its workforce, to 120.

The company has attracted notice. In 2003, Entrepreneur magazine named Enlightened one of the country's "best and brightest" companies. A year later, Inc. magazine ranked it among the 500 fastest-growing private companies in the country -- No. 264 -- based on its 550 percent revenue growth from 1999 to 2003. Enlightened also has one of the best credit rating and financial strength scores of small companies nationwide, according to Dun & Bradstreet, an independent financial analysis firm.

With such success, why so much fretting about image?

* * *

High Expectations

To Ford, perceptions are powerful.

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Take what happened when former Enlightened accountant Frank Wentink was hired last year. His friends told him that working for a black firm would not be so hard. Set-aside programs, they said, would make his workload easier. But Wentink, who is white, soon found that he was working through the weekends and pulling all-nighters and that Ford and his senior managers were always in the office "working their tails off," he said.

Such false assumptions drive Ford, the firm's big thinker who is responsible for long-range planning. A muscular 5-foot-11 and 205 pounds, Ford thunders into a room like a politician, laughing, shaking hands, demanding eye contact. With employees, he is often like a jovial, joke-cracking big brother. But when problems surface or deadlines approach, employees say, the big brother turns into a stern, no-excuses businessman.

Ford doubts that executives at BearingPoint Inc. or Perot Systems Corp., much larger competitors, have his kind of anxiety. They never have to worry about race being a factor in winning major contracts, he says.

Some of Ford's worries about image can be traced to a 2003 meeting between Enlightened's partners and a black procurement officer for a federal agency whose contract the company had just won. [Ford declined to identify the woman or her employer because the agency remains a client.]

The procurement officer told Ford that she had noticed the startled reaction of her colleagues, most of whom were white, when Enlightened's all-black team had entered the conference room to pitch its proposal. She said Enlightened needed to "lighten up" -- hire some white staff members -- to succeed in this town. According to federal personnel statistics, nearly 70 percent of federal contracting officers are white.

Ford was offended, but he did not let it show. He told the procurement officer that he understood she was trying to be helpful. But her comments suggested that no one would take a black-owned firm seriously. And he didn't want to believe that. But her advice began to eat away at him. He started looking to hire white men, white women, anyone who would signal that his company was diverse -- and thereby more desirable to clients.

He kept thinking back to his early years in the business world, after he had attended night classes at GWU to get his master's degree in information systems, landed a job with MCI Inc.'s internal consulting division, did well and ran into what he thinks was a racial ceiling. His bosses said he simply needed more patience. They also suggested something else.

"I think he was overly conscious of race to the point where it didn't serve him well," said Lynn K. Hall, his former boss at MCI. "He focused on it. It was an internal motivator, but it also colored his perception." Hall, who is white, said that when clients questioned Ford's abilities as a consultant, Ford often attributed those assessments to racial prejudice. She remembers when Ford was tapped to implement a new finance system at MCI. During the initial meeting, employees, most of whom were white, grilled Ford with questions about his plan's practicality. Ford thought his ideas were challenged because he is black. Hall disagreed. "All consultants face those challenges," she said, adding that Ford was an "excellent" worker who "always delivered" and would have eventually moved into management.

But Ford thought the company was devaluing him. The final insult: when he learned he was being paid less than a white woman he had trained to take over one of his former jobs. The woman, he was told, had a year more experience than Ford, which is why she was paid more. "But she was doing my old job," Ford says, exasperated. "Every time I would jump a hurdle, they still wouldn't let me in the room."

So he left MCI, became a manager for Intelsat's consulting arm, and for six years prepared for the day when he could run his own business.

Among Ford's most critical hires at Enlightened: Anita Hinnerichs, 33, the company's No. 4 executive, who manages most of its day-to-day operations. In the office, Hinnerichs wears her shoulder-length brown hair in a ponytail. But when accompanying Ford or Rogers to client meetings, she lets her hair fall to her shoulders. "I realize being a white woman in this town is an advantage," she says matter-of-factly. "If I can help get them get in the door, the work will keep them there."

One of Hinnerichs's unofficial roles is to make male clients, particularly white men, feel at ease. Recently, Hinnerichs attended a meeting with a white male government official who would not return phone calls or e-mails from Rogers and a senior male employee. Now, the client responds promptly -- but only if the correspondence is from Hinnerichs.

"If we're selling to men, females are more of a plus," Ford said. "But being passionate and hungry are more important than anything."

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This strategy may be good for business, but it has caused tension in the Enlightened offices, especially among black employees, who number seven of the 18 core staff members at headquarters. Some feel like systems analyst Akisha Campbell, who says that with seven years in business and a long list of satisfied clients, Ford has proven himself. "I don't see why race would still be a problem," Campbell said.

Managing black employees, Ford and Rogers say, can be challenging. Some work hard and want executives who look like them to succeed. Others are extremely talented and therefore difficult to keep because larger firms can offer them as much as $25,000 more in salary. And then there are those who expect special breaks, challenging their bosses to the point of insubordination.

"I have very high expectations, regardless of race," Ford said. "But when it is an African American person who disappoints me, I get hurt."

* * *

Work Ethics

Working through the night is common at Enlightened, though it is not always pleasant. Gospel music, late-night inspiration for Ford and Rogers, blares through their computer speakers. If you hear Fred Hammond or Byron Cage singing, you know Antwanye Ford and Andre Rogers are around.

But not everyone can fight exhaustion with church music. During a recent all-nighter, six workers were collaborating on a proposal due at 9 a.m. By 3 a.m., weary senior manager Habib Nasibdar demanded to know why only half the staff was still working. Where were the other senior staffers, he asked Ford. "Don't raise your voice at me. This is my house," Ford snapped.

Days later, the two men joked that whenever they fight, they end up getting a contract. "We have to fight more often," Ford said.

Ford and his No. 2, Rogers, often handle confrontations differently. Rogers, 40, is more patient, more pragmatic than Ford. When he deals with employees, he gives them specific, detailed instructions so there is no confusion. More introverted than Ford, Rogers was teased for being a bookworm while growing up in New York. He is happy to let Ford take center stage.

Ford was meeting recently with one of his advisers, a George C. Scott look-alike named Joseph Libby, when Rogers walked in. Libby took one look at Rogers's black suit and joked that it matched his dark skin. Rogers just laughed. "You'll never change," he told Libby, who runs a Fairfax insurance firm. Ford dropped his head, clearly irritated. As much as he treasures Libby's counsel, his gruff jokes are difficult to accept.

Embracing diversity can be as tricky at black-owned companies as anywhere else. Ford and Rogers are vocal Christians in a workplace that includes Jews and Muslims. Ford says he tries to ensure that all employees' faiths are respected. During Ramadan, he joined his Muslim workers in a sunrise-to-sunset fast. More recently, Ford opened a senior staff meeting with a prayer, asking God to "give us the guidance and wisdom to make the right decisions," which was followed by Rogers's, "thanking you, Lord, for the opportunity to worship."

"One of the perks of owning your own business is you don't have to deny who you are," said Ford. Though some people see spirituality as a sign of weakness, he says, he believes the opposite.

"We will be humble before God but bold before man."

* * *

Source of the Drive

Ford is driving his 2005 Porsche Carrera toward Saratoga and Montana avenues in Northeast. Growing up, he spent many days in this neighborhood hanging out with friends. It's 2 p.m., and Ford notices a dozen black men his age and younger standing in front of an apartment building. Some are holding wads of cash, others are shooting dice. Cruising by, Ford feels uneasy. He jokes that in his designer suit, he is dressed like "a victim," an attractive robbery target.

His family had a house near Hechinger Mall when he was a child. After school, Ford and his sister spent evenings at the J&K Upholstery shop their parents owned on H Street NE. John and Katherine Ford put their children through Catholic schools by exchanging tuition for upholstering chairs and sofas. Ford grew up hearing Jim Crow stories from his parents, who migrated to Washington from the segregated rural areas of North Carolina and South Carolina in the 1950s. Katherine Ford taught her

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children that the best way to overcome racism was through hard work and professionalism. "I wanted them to be the best at what they do," she said. "No matter what it was, be the best. No one can stop you if you're the best at what you do."

But trying to be the best can exact a toll. Now four months into his second marriage, Ford admits that his first marriage fell victim to the 18 to 20 hours a day he routinely put in starting Enlightened. Time management still isn't easy. His first son, 8-year-old Antwanye Eric II, was diagnosed with leukemia when he was 3. The disease is in remission, but watching young Antwanye endure years of chemotherapy and steroid treatments inspired Ford to give more to social causes. Every Enlightened employee is required to participate in at least two volunteer efforts a year. Through his wife, Tanya, Ford is stepfather to Jahleel, 10, who talks of opening his own dog-walking business.

Driving past his old haunts, Ford reflects on the economic progress that has rejuvenated some District neighborhoods while skipping others. Most of his childhood buddies are either dead or in prison, he says, victims of the 1980s crack epidemic. Though his heart tells him he can still hang out here because he is a local homeboy, his mind whispers that he no longer belongs here.

"It's just something I think about at times," he says.

* * *

Resolution

Ford wasted no time dealing with the headache that caused him to hurl his water bottle across the room. If the District was dissatisfied with Enlightened's work on the $400,000 D.C. inventory project, so was Ford.

He discovered that most of his employees were having the same problem: They would show up to count copying machines or fire trucks and be told that the work had already been done. Unknown to Enlightened's employees, another contractor had a similar assignment. The employees never reported this to their supervisors, and the supervisors never asked.

Immediately, Ford decided that more aggressive supervision was needed and moved one of his senior managers, Colleen Moses, off the project. He shifted two other managers from another assignment to take over. Moses was distraught. She had been in charge of the inventory project for nearly two years; Ford's quick decision stunned her. She sat alone in the conference room, tears streaming down her face. "I just hate that I disappointed him," she said. "I just wish I had the opportunity to fix it."

But her opportunity had passed. "The customer wanted it fixed now," Ford said. "Period."

Within days, Daniels, the D.C. official who hired Enlightened for the inventory project, called to say that everything was back on track. He had heard no further complaints. In appreciation, Ford gave his project workers $25 Chipotle restaurant gift cards.

Soon afterward, Ford received even better news: Enlightened was among four companies chosen for that multimillion-dollar contract updating the computer system used by the Court Services and Offender Supervision Agency. A guaranteed four-year stream of income. Ford gathered everyone for cake to celebrate.

Finally, Ford thought, he was in the room. The relentless hours and tough choices had paid off -- for now. Enlightened could indeed compete with the big boys. Not that Ford would stop worrying about the company's image -- or his own. Worrying, he says, keeps him hungry.

"We have to fight for every job we get," Ford says. "Once you start sitting back, relaxing, you lose the edge."

Staff researchers Meg Smith and Rena Kirsch contributed to this report.

Conservatives: Keep Gay Marriage Out Of The Courts (NYT)

By David B. Rivkin Jr. And Lee A. Casey

The New York Times, November 17, 2006

CONSERVATIVES have consoled themselves since Election Day with the knowledge that many “conservative” social issues did well — including (and especially) the eight state “marriage amendments” on the ballot — even if the Republican candidates faltered.

These marriage measures, of which only Arizona’s was defeated, generally prevent recognition of gay marriages by defining marriage as a “union between a man and a woman” in the state constitutions. More than half of the states now have such constitutional provisions (some of which would also forbid same-sex civil unions), and conservatives need to reconsider whether that’s really what we want. There are, in fact, some very good reasons conservatives should oppose this approach.

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The definition of marriage is, of course, of critical importance to individuals on both sides of the issue and to society at large. But at least since independence, the question of who may marry and under what conditions has been the province of the state legislatures. And it should have remained that way.

The justifications for stripping the legislatures of authority in this area and settling the matter in a state's constitution are wanting. It's true that courts in certain states — for example, Massachusetts — have interposed themselves in this debate, misconstruing "equal protection" guarantees as requiring recognition of gay marriages. But errant or aggressive judges can be corrected by amendments that simply deny the state courts authority over this issue, reserving the definition and regulation of marriage to the legislatures alone.

Moreover, the meaning of marriage, as important as it is, is no more crucial than many other issues of individual autonomy and morality that have also historically been decided by the legislatures. These include adoption and child-welfare laws, as well as a host of criminal and other regulatory measures of the greatest moment.

Indeed, cluttering state constitutions with the disposition of many difficult social issues — and this process will probably go on, and even accelerate, especially if all of the states choose to define marriage in their constitutions — is likely to empower the judiciary more. This paradoxical and unwelcome result would arise because some of the newly enshrined constitutional definitions and guarantees are sure to conflict with one another, leaving the courts the only venue for resolving the tension. Conservatives should find this outcome highly unpalatable.

At the same time, leaving the marriage issue to the state legislatures has many benefits. As Edmund Burke taught, time-tested institutions and practices should be changed only upon the clearest need, and then only to the extent necessary. If the courts in some states have trespassed on the legislatures' traditional and legitimate authority over marriage, they can be checked without altering the otherwise established norm of legislative power in this area.

Also, allowing the issue to be decided by state legislatures would be in the best tradition of American federalism: the states act as laboratories of political change, and remain free to give divergent answers to difficult social questions. Operating within the federalist context, state legislatures are likely to enact different definitions of marriage, some allowing same-sex unions, others banning them. Significantly, the federal Defense of Marriage Act, signed by President Bill Clinton in 1996, already ensures that the choices of one state cannot be imposed on others. If that statute is ultimately found to be ineffective or unconstitutional, additional steps can be considered at the federal level to ensure that individual state choices are respected.

If state legislatures were free to define and re-define marriage, we would have genuinely political solutions to an especially difficult and incendiary issue. Very few people do not hold deep convictions regarding same-sex marriage. To enshrine the definition of marriage in a state's constitution removes the issue from the give-and-take of the normal political process. That process rarely produces an absolute victory for any side, but it also rarely results in absolute defeat. The outcome is never final; the defeated party can rally, regroup and try again.

By contrast, a constitutional amendment resolves a policy issue with a sufficient finality to prompt a more or less permanent sense of injustice and bitterness on the losing side. Conservatives, religious conservatives especially, should understand these dynamics. In Roe v. Wade, the Supreme Court granted victory on constitutional grounds to the abortion-rights position in the abortion debate, and that decision has polarized American politics for nearly two generations. America does not need another such issue. The wave of marriage amendments — at least those that go beyond removing the issue from judicial resolution — should stop.

Pentagon Alters Homosexuality Guidelines (AP)

By Lolita C. Baldor

AP, November 16, 2006

Pentagon guidelines that classified homosexuality as a mental disorder now put it among a list of conditions or "circumstances" that range from bed-wetting to fear of flying.

The new rules are related to the military's retirement practices. The change does not affect the "don't ask, don't tell" policy that prohibits officials from inquiring about the sex lives of service members and requires discharges of those who openly acknowledge being gay.

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The revision came in response to criticism this year when it was discovered that the guidelines listed homosexuality alongside mental retardation and personality disorders.

Mental health professionals said Thursday they were not satisfied by the change.

"We appreciate your good-faith effort to address our concern that the document was not medically accurate," James H. Scully, head of the American Psychiatric Association, wrote David Chu, undersecretary of defense for personnel and readiness. "But we remain concerned because we believe that the revised document lacks the clarity necessary to resolve the issue."

The guidelines outline retirement or other discharge policies for service members with physical disabilities. The rules include sections that describes other specific conditions, circumstances and defects that also could lead to retirement, but are not physical disabilities.

Among the conditions are stammering or stuttering, dyslexia, sleepwalking, motion sickness, obesity, insect venom allergies and homosexuality.

"More than 30 years after the mental health community declassified homosexuality as a mental disorder, it is disappointing that the Pentagon still continues to mischaracterize it as a 'defect,' said Rep. Marty Meehan, D-Mass., a member of the House Armed Services Committee.

Pentagon spokeswoman Cynthia Smith said "homosexuality should not have been characterized as a mental disorder. A clarification has been issued."

The psychiatric association declassified homosexuality as a mental disorder in 1973. Questions about the Pentagon's guidelines were raised in June by a research institute at the University of California at Santa Barbara.

There were 726 military members discharged under the "don't ask, don't tell" policy during the budget year that ended Sept. 30.

Nursing Mom Files Complaint Against Airlines (USAT)

By Emily Bazar And Sam Hemingway

USA Today, November 17, 2006

A clash between a nursing mother and a flight attendant has sparked a discrimination complaint, an airline investigation and a grass-roots protest.

Emily Gillette, her husband, Brad; and their then 22-month-old daughter, River, were removed from an Oct. 13 flight from Burlington, Vt., to New York after a flight attendant asked Gillette to cover up while she was breast-feeding the girl.

Freedom Airlines operated the Delta Airlines flight.

Gillette, 27, filed a complaint against both airlines last week with the Vermont Human Rights Commission alleging that the airlines violated a state law that allows women to breast-feed “in any place of public accommodation.” The airlines have until Nov. 27 to respond, Gillette's attorney, Elizabeth Boepple, says.

In a show of support, about 30 mothers and fathers and dozens of children staged a “nurse-in” protest at Burlington International Airport on Wednesday.

“I've always nursed my children when I'm on a plane,” says Carolyn Beer, 34, of Burlington. “Their ears hurt with the altitude change, and it's a strange environment for them. The alternative is to let your kid scream.”

The Gillettes, of Espanola, N.M., boarded the flight shortly before 10 p.m. They had been in Vermont visiting friends and were headed to New York to see other friends and Emily Gillette's sister.

Gillette took the window seat in the second-to-last row, she says, and her husband took the aisle. She began nursing River, using one hand to hold her shirt closed. “I was not exposed,” she says.

The flight attendant approached, tried to hand her a blanket and asked her to cover herself, she recalls. “You're offending me,” Gillette quotes the woman as saying.

“I'm not doing anything wrong and I will not cover up,” Gillette says she said in response.

Spokesmen for the airlines declined to discuss specifics of the incident.

The flight attendant walked away, Gillette says, and a few minutes later, a ticket agent boarded and said the flight attendant had ordered them removed.

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The airline arranged for a hotel for the family for the night and a flight with a different airline the next morning, but Gillette wasn't satisfied.

“No woman should ever be ashamed of breast-feeding,” she says. She wants “both airlines to create policies that protect a woman from being harassed for feeding her child on an airplane.”

Delta is working with Freedom on an investigation, Delta spokesman Anthony Black says. “Delta supports a mother's right to breast-feed-slash-bottle-feed her babies on our aircraft,” he says.

Freedom spokesman Paul Skellon says breast-feeding on a plane is OK if it's done in a “discreet way.”

Forty-three states have some form of legislation protecting a woman's right to breast-feed, according to Mary Lofton, spokeswoman for La Leche League International, a group that encourages breast-feeding.

Lofton says the league has had a growing number of contacts from women who say they were harassed for breast-feeding on planes.

Sharon Panitch, 37, a massage therapist who organized the Burlington nurse-in, says people who object are “hypocritical.”

“We just want to take care of our children,” Panitch says.

ANTITRUST:

Justice Department Supports AT&T Merger (AP)

By Matt Apuzzo, Associated Press Writer

AP, November 17, 2006

WASHINGTON (AP) - The Justice Department's top antitrust official on Thursday defended the agency's unconditional approval of AT&T's $82 billion buyout of BellSouth Corp. as "pretty straightforward" despite criticism from Democratic regulators and lawmakers.

The buyout would further reunite parts of the old Ma Bell phone monopoly, broken up by the government in 1984, and create the largest U.S. provider of telephone, wireless and broadband Internet services.

"We're living a very different world than we were in the 1980s," Assistant Attorney General Thomas O. Barnett said in an interview during an antitrust conference. "The mere size of a company in general doesn't tell you whether a merger is going to harm consumer welfare."

The Federal Communications Commission, the final regulatory hurdle for the deal to be approved, has delayed a final vote three times. Two Democrats on the FCC, Michael Copps and Jonathan Adelstein, have accused the Justice Department of falling down on the job.

Barnett said the agency spent months reviewing documents and interviewing customers and competitors before concluding that the deal probably would save customers money.

Once that conclusion was reached, "it's a pretty straightforward deal for us," he said.

If the deal wins final government approval, the merger would give San Antonio-based AT&T Inc. total control over the nation's largest cellular provider, Cingular Wireless, a joint venture of the two phone companies that serves 57.3 million customers.

Consumer rights groups have criticized the deal as putting too much of the telecommunications infrastructure under the control of one company.

Rep. John Dingell, D-Mich., who is in line to become the next chairman of the House Energy and Commerce Committee, told reporters last week that the FCC should wait until after the first of the year before making a decision. Dingell later backpedaled, saying he was only suggesting the deal should be "looked at and looked into carefully."

Companies Investigated Over Bidding (BLOOM)

By Bloomberg News

Bloomberg, November 17, 2006

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Law enforcement agents seized documents from three brokers and subpoenaed companies including at least two insurers and General Electric in a criminal investigation of whether banks and financial firms conspired to rig bids for investment deals with local governments.

The investigation by the Justice Department centers on guaranteed investment contracts, which municipalities buy to hold bond money until funds are needed to pay for projects.

F.B.I. agents searched CDR Financial Products, a financial adviser and broker in Beverly Hills, Calif., on Wednesday, said Laura Eimiller, a spokeswoman for the F.B.I. in Los Angeles, without providing further details.

Financial Security Assurance Holdings, a unit of the Brussels-based financial services company Dexia, said Wednesday that it was subpoenaed by the Justice Department.

The FGIC Corporation, a New York-based bond insurer, also received a Justice Department subpoena, Brian Moore, a company spokesman, said yesterday. Mr. Moore said FGIC, a former unit of General Electric, had exited the guaranteed investment contract business in 2003 when G.E. sold the company. The outstanding contracts remained with G.E.

G.E. also received a subpoena as part of the investigation, said a spokesman, Russell Wilkerson.

Federal investigators took documents Wednesday from the Investment Management Advisory Group, a broker of guaranteed investment contracts and municipal derivatives adviser based in Pottstown, Pa., said Gene Grabowski, a spokesman for the company.

Yesterday, a third guaranteed investment contract broker, Sound Capital Management, based in Eden Prairie, Minn., said federal investigators seized documents and served a subpoena for more documents.

FBI Seizes Montco Investment Broker's Records (PHI)

By Mark Fazlollah

The Philadelphia Inquirer, November 17, 2006

Federal agents have seized records from a Montgomery County investment broker and a California company in an investigation of whether banks and financial firms conspired to rig bids for investment deals with local governments.

The investigation centers on alleged bid-rigging in guaranteed investment contracts, which cities buy to hold bond money until funds are needed to pay for projects.

Federal agents took documents from Investment Management Advisory Group Inc., a Pottstown broker of guaranteed investment contracts, firm spokesman Gene Grabowski said. Besides seizing boxes of documents, FBI agents copied the hard drives of computers at the firm.

FBI spokeswoman Jerri Williams said agents from New York were assisted by the bureau's Philadelphia office.

"IMAGE received a subpoena from the Antitrust Division of the U.S. Department of Justice, and the company is cooperating fully with the authorities," the company said in a statement. "It is our understanding that subpoenas have been issued to numerous other firms and that the investigation is industry-wide. We are confident that our business practices and employees will be fully vindicated as this investigation continues."

IMAGE has been involved in at least two other recent federal corruption investigations.

Its top executives were among dozens of Philadelphia-area business officials listed on subpoenas issued last month by a federal grand jury in Puerto Rico looking into alleged improper campaign contributions.

A company spokesman said last week that IMAGE advised the Puerto Rican government on a bond deal in 2000.

IMAGE president David Eckhart and executive William Howell gave a total of $11,500 in 2002 to Anibal Acevedo Vila, the governor of Puerto Rico. Acevedo Vila's campaign returned part of the money because it exceeded contribution limits.

City Hall scandal

IMAGE also surfaced in the Philadelphia City Hall corruption investigation in 2004. According to testimony in the City Hall corruption trial, IMAGE provided former Philadelphia City Treasurer Corey Kemp with a $1,700 ticket to special events surrounding the 2002 NBA All-Star Game and a limousine ride to a concert in Scranton in 2003.

Kemp was sentenced to 10 years in prison. IMAGE was not charged with any crime.

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FBI agents also searched CDR Financial Products, of Beverly Hills, Calif., on Wednesday, said Laura Eimiller, a spokeswoman for the FBI in Los Angeles, without providing further details. Allan Ripp, a spokesman for CDR, declined to comment.

CDR - which also gave gifts to Kemp and the late power broker Ron White - had a secret agreement with the provider of a guaranteed investment contract for bonds issued in 1999 by an authority in Gulf Breeze, Fla., Bloomberg News reported on Oct. 4. Bloomberg said the deal allowed CDR to increase its fees if none of $220 million in bond proceeds was used for its intended purpose - affordable housing.

Belgium firm subpoenaed

Financial Security Assurance Holdings Ltd., a unit of Brussels, Belgium-based financial services company Dexia S.A., said Wednesday that it was subpoenaed by the Justice Department.

The actions by the Justice Department show that an investigation into how banks compete for the right to reinvest money raised in the $2 trillion market for tax-exempt bonds has expanded beyond the U.S. Internal Revenue Service. The IRS has been looking into whether brokers awarded the work to favored banks, potentially boosting the cost of the investment agreements and depriving the federal government of tax revenue.

"There's a lack of transparency in the whole market," Dan Veres, executive vice president of Grant Street Group, a Pittsburgh-based firm that conducts guaranteed investment contract auctions on its Web site, told Bloomberg News. "It is ripe for abuse, the whole process."

Justice Department spokeswoman Kathleen Blomquist said the agency was conducting an "investigation of anticompetitive practices in the municipal-bond industry."

The IRS's Office of Tax-Exempt Bonds said in January 2005 that it found pervasive bid-rigging for guaranteed investment contracts.

The IRS is looking into possible improper bidding that may have diverted money to banks and brokers that should have been paid in taxes.

Advisory Firms Raided In FBI Bid-rig Probe (LAT)

By E. Scott Reckard, Times Staff Writer

The Los Angeles Times, November 17, 2006

A Beverly Hills office is among those searched for evidence of possible collusion in investments sold to public agencies.

The FBI raided financial firms on both coasts, including Beverly Hills-based CDR Financial Products, as part of an investigation into possible bid rigging on investments sold to public agencies, federal authorities and the firms said Thursday.

Federal authorities also seized information from at least one municipal bond insurer in connection with the probe. Another of the companies raided, Investment Management Advisory Group of Pottstown, Pa., said the investigation was industrywide and had resulted in subpoenas to a number of other firms.

CDR Financial and the other companies help cities, counties and public agencies invest money generated by bond sales in guaranteed investment contracts. Such contracts are used to allow the proceeds of bond issues to earn interest until they are spent on public projects.

CDR said it was cooperating with the investigation and remained open for business.

"The firm believes it has acted appropriately in all of the financings under review," CDR said in a statement.

The 20-year-old company, which employs about 25 people nationwide, said it had provided advice on $158 billion in transactions, including deals to invest municipal-bond proceeds.

FBI agents and criminal investigators from the Internal Revenue Service served a search warrant on CDR about 6 a.m. on Wednesday and remained there all day, said Laura Eimiller, an FBI spokeswoman in Los Angeles.

She said details weren't available because a judge had sealed the search documents.

A U.S. Justice Department spokeswoman in Washington, Cynthia Magnuson, said the agency's antitrust department was investigating the possibility of anti-competitive practices in the municipal bond industry. She wouldn't elaborate.

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Statements issued by CDR and several other firms said they had been searched as part of a 3-year-old investigation by federal agencies into suspected collusion in the market for guaranteed investment contracts.

Municipal bond issuers are required to select providers of such contracts through competitive bids, and generally hire brokers to determine which bid is best.

Bidding in any industry can be rigged if one provider submits a realistic offer and the others agree to propose terms so poor that they are certain to be passed over.

In such a scheme, participants typically divvy up the business by taking turns submitting the realistic offer.

Subpoenas in the case have been issued by the Securities and Exchange Commission in addition to the Justice Department and the IRS, said Financial Security Assurance Holdings Ltd., a New York municipal bond insurer that also was searched.

Financial Security, a unit of European financial services group Dexia, said it "is not aware of any specific allegations concerning its own practices."

FBI investigators also seized files and copied computer hard drives at Investment Management Advisory Group. Like CDR, the Pennsylvania firm acts as a broker for municipal bond issuers. It said it was cooperating with the antitrust investigation.

"It is our understanding that subpoenas have been issued to numerous other firms and that the investigation is industrywide," Investment Management said in a statement. "We are confident that our business practices and employees will be fully vindicated as this investigation continues."

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2 Men Convicted In Scheme To Fix Concrete Prices (INDYSTAR)

By Kevin Corcoran

The Indianapolis Star, November 17, 2006

Noblesville cousins could face prison, fines; ready-mix company could owe $10 million

A two-year criminal investigation into price-fixing by ready-mix concrete companies in the Indianapolis area ended Thursday when a federal jury convicted two Noblesville men and their company of participating in the scheme.

After hearing 21/2 days of evidence in U.S. District Court, a jury of eight women and four men found cousins Chris A. Beaver, 42, and Ricky J. Beaver, 43, conspired with other ready-mix concrete companies to set prices from July 2000 through May 2004.

Frank J. Vondrak of the U.S. Department of Justice's Antitrust Division would not rule out further charges involving officials of companies serving Marion, Muncie and Bloomington, where trial testimony indicated price-fixing also took place.

Vondrak led a team of lawyers, including Jonathan A. Epstein and Eric L. Schleef, that won Thursday's guilty verdicts after a series of pleas by other participants. Most executives cooperated with the FBI and Justice Department in exchange for lighter sentences or immunity from prosecution.

During the trial, prosecutors repeatedly reminded jurors of guilty pleas made by concrete executives, including four officials of Greenfield-based Irving Materials Inc. That company agreed last year to pay a $29.2 million fine, the largest financial penalty ever in a domestic antitrust case.

"We are pleased that the jury decided to hold accountable these participants in a price-fixing scheme that deprived consumers in Indianapolis of the benefit of a competitive marketplace," Antitrust Division leader Thomas O. Barnett said in a statement.

As a result of the trial, the Beavers face maximum prison terms four times longer than those recommended for the ringleaders. The men face fines of up to $600,000 each. No sentencing date has been set.

Their company, MA-RI-AL Corp., which does business in Noblesville as Beaver Materials, faces a $10 million fine, or nearly as much as the company generated in average yearly sales during the scheme.

Chief Judge Larry J. McKinney will sentence the conspiracy's ringleaders, Gus "Butch" Nuckols III, 46, Fishers, and Scott D. Hughey, 51, Carmel, on Dec. 14.

Nuckols, president and owner of Builder's Concrete & Supply Co., testified under a plea agreement in which prosecutors agreed to recommend a 21-month sentence. Prosecutors have recommended a 24-month sentence for Hughey, who owns Hughey Inc., which does business as Carmel Concrete Products.

Hughey's testimony was critical to tying the Beavers to the conspiracy.

Testimony showed Nuckols and Hughey called a series of secret meetings with competitors to fix ready-mix concrete prices.

Much of the price-fixing involved setting a floor on discounts to already-uniform concrete prices, according to testimony from concrete executives who pleaded guilty or agreed to cooperate with officials.

Nuckols and Hughey also made repeated phone calls and held a series of smaller meetings with competitors to enforce compliance with price-fixing agreements. Testimony indicated the executives often violated these agreements, submitting bids for work that fell below the agreed-upon prices.

"I guess we all -- all the competitors -- were too selfish or too greedy to lose the accounts we had," testified Price C. Irving, 44, an Irving Materials executive who's already served his five-month sentence in a Terre Haute federal prison.

The Beavers' attorney, Jeffrey Lockwood, Anderson, argued that neither man had authority within the company to set prices. Chris Beaver was in charge of operations and was in line to run the company one day. Ricky Beaver was commercial sales manager.

Vondrak told jurors the Beavers' intent was clear: They showed up at several price-fixing meetings and never once objected to discussions about capping discounts to boost profits. Price fixing carries a maximum three-year prison term.

The Beavers also were found guilty of lying to the FBI, which carries up to a five-year sentence.

Family members wept and hugged the defendants as government attorneys, deputy U.S. marshals and the FBI case agent, Steven Schlobohm, stood silently nearby.

Call Star reporter Kevin Corcoran at (317) 444-2750.

3rd Company Convicted Of Concrete Price Fixing (AP)

AP, November 17, 2006

INDIANAPOLIS - A federal jury convicted a Noblesville company and two of its executives on charges of conspiring with central Indiana competitors to fix the price for ready-mix concrete.

Jurors on Thursday found MA-RI-AL Corp., which does business as Beaver Materials, guilty of conspiracy. They also convicted cousins Chris Beaver, 42, and Ricky Beaver, 43, on charges of conspiracy and lying to FBI investigators.

Two other companies have been fined more than $30 million and several company executives have been sentenced to prison for their role in what prosecutors said was a scheme that lasted from January 2000 to May 2004 and resulted in millions of dollars in illegal profits.

Officials from the other companies testified during this week's trial that Chris Beaver, the operations manager for Beaver Materials, and Ricky Beaver, the commercial sales manager, attended meetings during which the firms agreed on prices and discounts and the timing of price increases.

The Beavers and the family owned company were the only ones whom prosecutors tied to the conspiracy that did not admit to their involvement.

Beaver Materials faces a potential fine of $10 million as a result of the verdict, but defense attorney Jeff Lockwood said he did not believe his clients regretted their decision to fight the allegations.

"When you're not guilty it is pretty difficult to make a deal," Lockwood said. "We didn't believe that there was ever any real evidence that they came to an agreement, joined a conspiracy, because no witness testified that they did anything except remain silent at these meetings."

Thomas Barnett, assistant attorney general in charge of the Justice Department's antitrust division, said he was pleased with the verdicts against the Beavers, calling them "participants in a price-fixing scheme that deprived consumers in Indianapolis of the benefit of a competitive marketplace."

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Ready-mixed concrete is made on demand and often delivered to work sites by mixer trucks. Buyers include home owners, building contractors, schools and the government for projects such as sidewalks, patios, driveways, bridges and roads.

The scheme came to light last year when Irving Materials Inc. of Greenfield agreed to pay $29.2 million in fines, which prosecutors said was the largest ever assessed in a domestic antitrust investigation.

A judge in June ordered Builder's Concrete & Supply Co. of Fishers to pay a $4 million fine for its role.

Burlingame Exec To Plead Guilty In Chip Probe (AP)

AP, November 17, 2006

(AP) BURLINGAME A former executive at a computer chip maker is the latest person to agree to plead guilty in a global U.S. Justice Department price-fixing probe, the government said Thursday.

D. James Sogas of Burlingame, ex-vice president of sales for Elpida Memory, agreed to plead guilty to violating the Sherman Act. He agreed to serve a seven-month prison term and pay a $250,000 fine if the plea deal is approved by a federal judge.

To date, the Justice Department has charged four companies and 17 people, and has secured fines totaling more that $731 million in the probe.

Four executives each from Samsung Electronics Ltd., Hynix Semiconductor Inc. and Infineon have pleaded guilty or agreed to do so.

Court papers filed in San Francisco said Sogas conspired to fix the price of DRAM chips from April 2001 to June 2002.

The price of DRAM or dynamic random access memory soared 95 percent in less than two months in late 2001. The six largest DRAM manufacturers control 96 percent of the global market.

DRAM is the most commonly used semiconductor memory product, generating some $25 billion in sales worldwide last year. It provides high-speed storage and retrieval of electronic information for personal computers, laptops, workstations, mobile phones, digital cameras, video recorders, TVs, game consoles and digital music players.

Sogas is charged with discussing with competitors the prices of DRAM to be sold to certain customers and agreeing with competitors to coordinate bids submitted to Sun Microsystems Inc.

The price-fixing scheme affected sales to U.S. computer makers Dell Inc., Hewlett-Packard Co., Compaq, IBM Corp., Apple Computer Inc., Gateway Inc. and Sun Microsystems Inc.

US Executive For Japan Firm Gets Prison In DRAM Probe (AFP-Y)

AFP, November 17, 2006

A former US executive for a Japanese chipmaker agreed to plead guilty and accept a seven-month prison term for participating in a global price-fixing conspiracy, officials said.

The Justice Department said D. James Sogas of Burlingame, California, former vice president for Japan-based Elpida Memory, also agreed to pay a 250,000 dollar criminal fine in the agreement filed in federal court in California.

Including Sogas, US prosecutors have charged four companies and 17 individuals, and have levied fines totaling more that 731 million dollars in the probe into price fixing of dynamic random access memory (DRAM), a widely used memory component in electronics.

"The (Justice Department) antitrust division remains steadfast in its commitment to deter illegal cartel activity and to hold accountable those who participate in price fixing conspiracies," said assistant attorney general for antitrust, Thomas Barnett.

According to the agency, DRAM is the most commonly used semiconductor memory product and is used in variety of computer, telecommunication, and consumer electronic products.

The chips are used in personal computers, mobile phones, digital cameras, video recorders, game consoles and digital music players. There were approximately 25 billion dollars in DRAM sales worldwide in 2005.

Last November, South Korea's Samsung pleaded guilty as a company to charges of price fixing in a deal that came with a fine of 300 million dollars.

US authorities have alleged a conspiracy with Samsung and other producers to fix DRAM computer chip prices between April 1, 1999 and June 15, 2002.

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Former Elpida Executive Pleads Guilty To Price-Fixing (Update2) (BLOOM)

By Karen Gullo

Bloomberg, November 17, 2006

Nov. 16 (Bloomberg) -- A former executive at Elpida Memory Inc., Japan's biggest maker of computer memory chips, has agreed to plead guilty to participating in a scheme to fix chip prices, the Justice Department said.

D. James Sogas, a former vice president of sales at Tokyo- based Elpida, conspired with unnamed employees of other chipmakers to fix the prices of dynamic random access memory, or DRAM, chips from April 2001 to June 2002, federal prosecutors said in a statement.

The plea agreement stems from a four-year federal investigation into price fixing in the chip market that has led to claims against four companies and 16 individuals, and fines of $731 million, the U.S. said. Worldwide DRAM sales were $25 billion in 2005, the Justice Department said.

Sogas has agreed to serve a sentence of seven months in prison and pay a $250,000 fine, prosecutors said. He is also cooperating with the federal investigation. Elpida agreed in January to pay $84 million to settle price-fixing charges.

The agreement resolves allegations made against Sogas by federal prosecutors in San Francisco.

DRAM is the most commonly used semiconductor memory product. It's purchased by manufacturers such as Dell Inc. and Hewlett- Packard Co. for use in products including personal computers, laptops, printers, mobile phones, digital cameras and digital music players.

Sogas is the first Elpida Memory executive to agree to a prison sentence in the DRAM investigation, the Justice Department said. Lee Altschuler, Sogas's attorney declined to comment.

The case is U.S. v D. James Sogas, 06-0752, U.S. District Court, Northern District of California (San Francisco).

Banks Aid Buy-out Of Clear Channel (FT)

By James Politi

Financial Times, November 17, 2006

Two buy-out groups and five Wall Street banks on Thursday combined to buy Clear Channel Communications for $18.7bn, taking the largest US radio station chain private after a short but dramatic auction.

The deal, led by Bain Capital and Thomas H. Lee Partners, marks the latest and biggest effort by cash-rich private equity firms to refashion chunks of the traditional media industry challenged by the digital age.

The two firms will control a large outdoor advertising business and 1,200 radio stations accumulated in 30 years of deals by members of the Mays family, who founded Clear Channel in 1972 and will continue to run the company under its new owners.

JCDecaux, the French outdoor advertising company, said it was interested in buying Clear Channel Outdoor and the buyers “are aware of our interest”. Analysts have speculated that any buyer of the radio group would sell the outdoor advertising business to help finance the transaction.

The offer by T.H. Lee and Bain, already joint owners of Warner Music, surprisingly edged out a competing bid by Providence Equity Partners, Blackstone and Kohlberg Kravis Roberts, which had been discussing a deal for months before the company was put up for sale in October.

The chances of Bain and T.H. Lee emerging with the winning bid appeared to be further reduced this week when Texas Pacific Group, a third member of their consortium, pulled out.

But in a sign of how some of the largest banks are aching to participate in the private equity boom, Morgan Stanley, Citigroup, Credit Suisse, Deutsche Bank and Royal Bank of Scotland agreed to contribute about a third of the equity cheque, estimated at more than $5bn, as well as to finance the debt package of more than $21bn.

The deal could attract regulatory scrutiny, given the rising presence of private equity groups in the media industry. The Federal Communications Commission is reviewing whether to loosen media ownership limits.

The Clear Channel auction was controversial because of its short time-frame, which critics saw as preventing the board from attracting the highest offer, and the large pay-out that the Mays family will receive in the deal.

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The Texas-based company responded by allowing the board to solicit higher offers until December 7. In addition, the Mays family agreed to reduce the incentives it was entitled to in a “change of control”.

Clear Channel shareholders will receive $37.60 per share, or $18.7bn, in the buy-out. This values the company at about 12 times next year’s estimated ebitda. The buyers will be taking on about $8bn of its debt.

In A Big Bet On Radio,Private-Equity Group Buys Clear Channel (WSJ)

By Sarah Mcbride And Dennis K. Berman

The Wall Street Journal, November 17, 2006

In an age of intense competition from iPods, satellite radio and other glitzy new media, many investors have given up on the traditional radio industry. With an $18.7 billion buyout of radio giant Clear Channel Communications Inc., a group of private-equity investors is betting that the medium will be able to ride out the current storm much as it weathered past threats from television and other rivals.

A group led by Thomas H. Lee Partners LP and Bain Capital LLC has agreed to acquire Clear Channel for $37.60 a share, plus the assumption of about $8 billion in debt. Thomas Lee and Bain beat out a second group comprising Providence Equity Partners Inc., Kohlberg Kravis Roberts & Co. and Blackstone Group, which had bid $36.85 a share. Each firm will have about a one-third equity stake, leaving the remaining third divided among a consortium of banks and the Mays family, who will be eligible for an options pool representing 3% to 5% of the new company. Mark Mays, currently chief executive, and Randall Mays, currently president and chief financial officer, will continue in those roles. Founder Lowry Mays may stay on as chairman emeritus.

Separately, Clear Channel said it was selling its 42 television stations and 448 of its radio stations in smaller and medium-size markets. That would still leave the company a radio giant, with more than 700 stations around the country.

The deal is the latest in a string of private-equity transactions in the industry, underscoring the growing attraction of radio to private equity despite stagnant advertising revenue and other problems. The business's steady cash flow and what some see as an opportunity to increase revenue using new technologies such as digital radio have some investors saying the business has been undervalued by Wall Street.

The founding Mays family has a stake of only 7% in the company. Nonetheless, it has continued to be the dominant force even as the company's market value plummeted steeply in recent years because of lackluster ad revenue and the perception that the industry faced steep competition. Lately, advertising at Clear Channel's more than 1,150 radio stations has been trending upward, and its robust outdoor advertising business has been growing.

The Mayses are expected to cash out most of their stake through the transaction. The fact that the Mayses will stay on while also likely receiving a new chunk of equity from the firm's owners led to investor concern that the transaction might unfairly benefit the family more than other shareholders. The board's independent directors, led by Perry J. Lewis, moved to address such concerns by, for example, pressing the Mays family to give up a chunk of their change-of-control benefits as part of the transaction. Those benefits awarded the Mayses payments that are seven times their salaries and bonuses.

It was the willingness of the Mayses to waive more than half of those payments, according to a person familiar with the matter, that helped both the Lee/Bain group and the rival group move their bids higher. And it was additional equity funding from the winning group's banks that helped Bain and Thomas H. Lee pay up after one of their consortium members -- Texas Pacific Group -- dropped from the race.

Those equity backers include banks who don't usually put up their own capital in deals. Consortium lead adviser Morgan Stanley, for instance, is investing $500 million in the transaction, according to people familiar with the matter. Citigroup Inc., Deutsche Bank AG, Credit Suisse Group and Royal Bank of Scotland are also providing equity commitments. In addition, Wachovia Corp. is helping finance the transaction. Law firms Ropes & Gray and Dow Lohnes advised the buy-out consortium.

In an interview, Scott Sperling, co-president of Thomas Lee, and John Connaughton, a managing director at Bain, said they expect annual returns in the 20%-30% range for the company. The firms say they are largely behind the strategy that Mark and Randall Mays are already executing.

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The firms plan to step up investments in areas such as cutting-edge radio technology, using the Internet as an extension of the main radio business, and digital billboards, for which advertisers pay higher rates. Clear Channel had already been investing fairly heavily in those areas.

Bain and Thomas Lee already have radio experience through their stakes in Cumulus Media Partners, a group that runs more than 30 stations in big markets like San Francisco and Houston. In addition, Thomas Lee is a member of a group that bought Univision, which has substantial Spanish-language radio assets.

The existing stakes in other media ventures create a potential conflict with the Federal Communications Commission, which imposes limits on the number of stations any one company can own in a market. Lawyers say the companies can get around this by cutting back their involvement in the smaller groups, such as Cumulus, so they no longer have active roles in running those companies. Alternatively, they could sell their stakes in the smaller ventures.

Goldman Sachs Group Inc. and attorneys at Akin Gump Strauss Hauer & Feld advised Clear Channel, with Lazard Ltd. and law firm Sidley Austin advising the company's "special advisory committee."

Write to Sarah McBride at sarah.mcbride@wsj.com1 and Dennis K. Berman at dennis.berman@wsj.com2

Clear Channel Sale To End Era (WP)

By Frank Ahrens

The Washington Post, November 17, 2006

Clear Channel Communications Inc. has agreed to sell the company to a consortium of private-equity firms and plans to shear off more than one-third of its 1,150 radio stations, dismantling a giant that dominated the industry and became the bogyman of media consolidation for the past half-decade.

Clear Channel is hard to avoid in Washington. It owns eight local radio stations, including popular rocker DC101, top 40 station Hot 99.5 and sports-talk WTEM-AM. It sells ad space atop hundreds of taxis and on the sides of bus stops and provides traffic updates through its Total Traffic Network unit.

The buyers, led by Bain Capital Partners and Thomas H. Lee Partners, agreed to pay $26.7 billion for the company, which includes the assumption of $8 billion in debt.

In a separate transaction also announced yesterday, Clear Channel said it would seek buyers for all of its television stations and 448 of its smaller radio stations, presumably because the private-equity buyers are not interested in owning television or small-market radio. The stations marked for sale are all outside the nation's top 100 markets, which would exclude Washington, the eighth largest.

The sell-off will mark the end of the consolidation era for the radio industry and its largest player, Clear Channel, and an acknowledgment by the company that it no longer is interested in smaller radio markets.

The predecessor to Clear Channel was founded by L. Lowry Mays and Red McCombs, former owner of the Minnesota Vikings, with the purchase of one San Antonio radio station in 1972. The company went public in 1984 and grew remarkably in the 1990s as the result of favorable Federal Communications Commission rules allowing for radio consolidation. The company topped out at more than 1,200 stations in 2000, just before radio ratings and ad revenue began to flatten as listeners moved elsewhere.

As the company grew, it received unfavorable press for its size and influence on music playlists and artist development. Clear Channel was criticized for homogenizing the sound of FM radio and strong-arming acts into playing company venues in return for airplay. The criticism became so intense that the company posted a "myth vs. facts" section on its Web site to answer charges.

Mays's sons, Randall and Mark, will continue to operate the stations under new ownership. As part of the sale, all three received substantial payouts, the value of which was not disclosed.

Bain and Lee also are bidding for Tribune Co., which owns several newspapers and television stations. That process is ongoing. But now that the two private-equity firms are set to own Clear Channel, an additional purchase of Tribune could force the private-equity firms to sell certain papers and television stations to comply with FCC regulations prohibiting one company from owning a newspaper and radio or television station in the same city.

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Clear Channel stock closed up $1.24 yesterday to close at $35.36. The buyers paid $37.60 per share, the highest price the stock has seen since mid-2004, and a 25 percent premium on its average price in the month ending Oct. 24. Last year, Clear Channel radio reported more than $3.5 billion in revenue, tops among radio groups. CBS Radio was second at $2.1 billion.

It's been all downhill for Clear Channel stock since its high of nearly $100 per share in 2000, and a buyout likely represents the greatest value its owners felt they could get for their shareholders and themselves.

The buyout is a "significant milestone in radio industry history," said BIA Financial Network radio analyst Mark R. Fratrik, noting the move of traditional media from public to private ownership.

"By going private, these companies and their financial backers believe that they can grow in value over the long term without being concerned about investors' quarterly targets," Fratrik said.

Bennett Zier, who managed Washington's Clear Channel stations until January, when he left to launch Daniel M. Snyder's Triple X ESPN Radio venture, said: "We're private, and we love it."

Top Task At Reader's Digest: Revival (WSJ)

By Sarah Ellison And Dennis K. Berman

The Wall Street Journal, November 17, 2006

Private-equity firm Ripplewood Holdings LLC, leading a group that agreed to buy Reader's Digest Association Inc. for $1.6 billion, now faces the tough challenge of turning around the long-declining magazine publisher.

To help do so, Ripplewood plans to integrate its existing media businesses, which include Time Life Books and the Weekly Reader, with Reader's Digest direct-marketing machine. Aside from the pint-sized magazine, Reader's Digest publishes 26 other titles, including faster-growing names such as Every Day with Rachael Ray and Backyard Living.

The deal comes as private-equity firms are bidding on a growing number of media properties struggling to cope with shifts in consumer habits brought on by the Internet and other new media. Reader's Digest, well known to many older Americans and people overseas, has been losing circulation for many years.

Four years ago, under pressure from investors unhappy with the company's performance, the founding Wallace family agreed to eliminate a dual-share voting structure that had allowed them to retain control of the company.

But there's been no improvement in the performance of the business, based in a sprawling colonial complex in Pleasantville, N.Y. Revenue has been flat for the past three years. And the company, which has taken write-downs of book-fair business Books Are Fun, has posted operating losses for the past two years.

Still, the company has been steadily building up other parts of its business, launching 14 magazine titles in the past three years. By taking the company private, Ripplewood and the company's management see an opportunity to invest more heavily in faster-growing properties such as Every Day with Rachael Ray; Taste of Home, a cooking magazine that prints recipes from readers; and the Web site Allrecipes.com.

"One of the big advantages of being private is that you can tolerate failure and make experiments," said Tim Collins, Ripplewood's chief executive officer. Reader's Digest has put "very little money into [celebrity cooking host] Rachael Ray and it is going gangbusters. And we can do more of that by not worrying about next quarter's earnings."

Ripplewood also hopes to push the titles more heavily into the Web. Mr. Collins suggested that readers of Family Handyman magazine, for instance, could ask home-remodeling questions of an editor online, contribute to an online forum, and read electronic advertising related to the project.

Reader's Digest CEO Eric Schrier told employees in a memo yesterday morning that the sale was a "momentous step, but it does not fundamentally change what we are trying to accomplish together."

Ripplewood is paying $17 a share, a 9.6% premium on Reader's Digest's closing stock price Wednesday. Reader's Digest shares were up $1.19 to $16.70, below the offer price, in 4 p.m. New York Stock Exchange composite trading.

Coming after several years of stagnation in the company's stock, the deal pleased some shareholders. "We applaud Reader's Digest Board on the transaction announced today," said Clifton S. Robbins, CEO of Blue Harbour Group, which owned 6.9% of the company as of Sept. 30.

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Other shareholders are holding out hope that another bidder will emerge. "We're not hostile towards the announcement but it remains to be seen is if this is the best price available," said Leon Cooperman, chairman and CEO of investment firm Omega Advisors Inc., which owned about four million shares of Reader's Digest, or 4.2% of the company, as of Sept. 30.

Ripplewood has emerged as a somewhat different animal compared with the mass of large-scale buyout firms competing for the likes of Clear Channel Communications Inc. Preferring to work alone and in areas deeply out of favor with other investors, it has scored a number of large successes. The best was a deal shared with former banker J.C. Flowers, in which the two turned a $1 billion investment in a Japanese bank into a stake worth about seven times that amount back in 2004.

Aside from Ripplewood, J. Rothschild Group, GoldenTree Asset Management, GSO Capital Partners, Merrill Lynch Capital Corp. and Magnetar Capital are part of the group purchasing Reader's Digest.

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RTL Eyes £5bn Move For ITV Group (FT)

By Andrew Edgecliffe-johnson

Financial Times, November 17, 2006

RTL, Europe's largest broadcaster, is working with private equity backers on a possible £5bn-plus ($9.4bn) offer for ITV, the UK television company that is waiting for NTL, the US-listed cable company, to formalise the bid approach it made last week.

Its plan envisages private equity groups putting up most of the funds needed to acquire ITV, which has a market capitalisation of £4.5bn and almost £1bn in debt.

The structure would allow RTL to acquire a minority stake without calling on Bertelsmann, the German media group that owns 90 per cent of its shares, to fund the deal.

After Bertelsmann bought out its only outside shareholder in May for €4.5bn ($5.8bn), it said its debt load would preclude any large deals until the end of 2007.

RTL would not comment, but the group is understood to be concerned about overpaying, so a steep rise in ITV's share price could yet derail its plans. One media executive cautioned that the plan had just a 50 per cent chance of succeeding.

A formal offer by NTL for ITV could also deter RTL. The chairmen of ITV and NTL have yet to meet, but NTL has already begun lining up financing for the deal, which would greatly increase its debt load, and has approached Michael Jackson, the former Channel 4 chief executive, to run ITV if its offer succeeds.

RTL is thought to be examining alternative purchases in the European television industry at the same time, but its interest in ITV will heighten expectations that ITV's board could find it hard to remain independent.

Gerhard Zeiler, RTL's chief executive, said on Monday that it was not in talks with ITV "at the moment" but would not rule out a deal.

Private equity groups are rumoured to be struggling to value ITV at much above 125p, but valuations will depend on their estimates of when its declining advertising revenues turn round, something Mr Zeiler said on Monday he did not expect to see within a matter of months.

Buying the UK's largest commercial broadcaster would fill an important gap for the Luxembourg-listed group, which owns a smaller UK terrestrial channel, Five, but has market-leading positions in most other European markets.

RTL and Kohlberg Kravis Roberts are understood to have been looking at ITV since the spring, when a private equity team of Apax Partners and Goldman Sachs attempted to gain control of the company for 130p per share. However, KKR is not currently thought to be involved in RTL's pursuit of ITV.

It is expected that RTL would have to sell Five, where it acquired full control last year, for regulatory reasons and to help finance the deal.

J&J To Buy Conor Medsystems For $1.4B (AP)

AP, November 17, 2006

J&J to Acquire Conor Medsystems for About $1.4 Billion Cash, or $33.50 Per Conor Share

DOJ_NMG_0095611

NEW BRUNSWICK, N.J. (AP) -- Johnson & Johnson said late Thursday it will buy cardiac stent maker Conor Medsystems Inc. for $33.50 per share in cash, for a total value of about $1.4 billion. The purchase price represents a 21 percent premium to Conor's Thursday closing stock price.

The company said the deal gives J&J's Cordis unit the controlled drug delivery technology currently used on the CoStar Stent System, a paclitaxel-eluting cobalt chromium stent with a bioabsorbable polymer.

The CoStar Stent is currently sold outside the United States, and enrollment in its U.S. pivotal clinical trial has been completed. The stent is used for the treatment of narrowing of the arteries and the company hopes it will be used as a treatment for heart attacks.

Conor Medsystems' CoStar Stent uses reservoir drug-delivery technology that enables site-specific drug delivery as well as the potential for delivery of multiple drugs that may be useful in the treatment of cardiovascular, peripheral vascular and neurovascular diseases.

The boards of both J&J and Conor have approved the transaction, which is expected to close in the first quarter of 2007, subject to antitrust clearance, Conor stockholder approval and other customary closing conditions.

Menlo Park, Calif.-based Conor Medsystems will operate as part of the Cordis franchise. The company has about 200 employees and posted 2005 sales of $2.3 million.

Upon closing, Johnson & Johnson expects to record a one-time charge of about $600 million to write off in-process research and development costs. Excluding these items, the deal will modestly dilute J&J's earnings per share in 2007.

J&J shares closed earlier down a penny at $66.53 on the NYSE, and slid 13 cents after-hours. Conor shares rose 47 cents to close earlier at $27.52 on the Nasdaq.

FTC Chair: Gasoline Price-gouging Law Is Unneeded But Will Pass (AP)

By Matt Apuzzo, Associated Press

AP, November 17, 2006

WASHINGTON – The head of the Federal Trade Commission predicted Thursday that Congress would pass a gasoline price-gouging law despite her warnings that the country doesn't need one and it might cause fuel shortages.

FTC Chairwoman Deborah Platt Majoras said she has warned Congress publicly and privately about the dangers of such a law.

“We looked vary carefully but didn't see any new legislation needed to protect consumers,” Majoras said at an antitrust conference Thursday. “Will new legislation be passed? I think we will see a price-gouging statute pass, perhaps at the end of this (incoming) Congress.”

With gas prices rising to over $3 per gallon this spring, the House passed a bill permitting large fines and jail time for price gougers. The Senate has not acted on it and Sen. Max Baucus, D-Mont., the incoming Finance Committee chairman, said Thursday, “There's a lot more that has a higher priority.”

Majoras said she understood the public's frustration and concern but said an upcoming FTC report on the price spikes found that consumer demand was up at the time.

“There is a distinction between a market determination you don't like and a market failure,” she said.

Testifying in May before the Senate Commerce Committee, Majoras said retailers might let the gas run out rather than raise prices and risk facing prosecution. She noted the price spikes after Hurricane Katrina last year resulted in more fuel getting to market.

Majoras, who has previously questioned whether a price-gouging law could easily be enforced, said Thursday that despite her concerns, the agency would enforce the law if it passed.

The Justice Department's top antitrust official, Assistant Attorney General Thomas O. Barnett, attended Thursday's conference and said addressing fuel prices was a tricky issue for his agency.

He said that like all cartels, the Organization of Petroleum Exporting Countries is bad for consumers. But he said any effort to hold OPEC to U.S. competition laws would have to be balanced with national security and diplomatic interests.

Delta Seeks Creditor Help To Fend Off US Airways Bid (WSJ)

DOJ_NMG_0095612

By Evan Perez And Melanie Trottman

The Wall Street Journal, November 17, 2006

Delta Air Lines began trying to rally support from creditors for its push to fend off an $8.76 billion hostile takeover bid by US Airways, with the Atlanta carrier firmly reiterating its determination to emerge from bankruptcy as a standalone company.

Delta Chief Executive Gerald Grinstein and other executives at the third-largest U.S. airline by traffic held a series of conference calls yesterday with creditors to sift through terms of US Airways' cash-and-stock offer, pressing creditors to back Delta's restructuring plan. The move could give Delta an early advantage in its fight to remain independent, since US Airways hasn't had any face-to-face meetings with Delta's official creditors committee.

US Airways officials were still trying to arrange a meeting with representatives of Delta's official creditors committee. People familiar with the situation said such a meeting could come as early as next week, with Delta officials expected to attend. "We're looking forward to meeting with them. We want to sit with them and show them the value of this deal," said US Airways spokeswoman Andrea Rader.

The Atlanta airline said the executives were reviewing the unsolicited proposal, which seeks to combine US Airways, based in Tempe, Ariz., with its much bigger rival under the Delta name and become the biggest US airline in terms of passenger traffic.

"As we are obligated to, we will continue to work, including with our creditors, to examine the unsolicited proposal from US Airways," said Marshall S. Huebner, of Davis Polk & Wardwell, who has led Delta's restructuring.

Delta faces the burden of proving to creditors that the airline would be more valuable by itself after restructuring than US Airways' bid. US Airways said its offer of $4 billion in cash and 78.5 million of its shares was at least a 25% premium based on where unsecured Delta bonds were trading. Delta's 8.300% coupon bonds maturing Dec. 15, 2029, are up nearly $236 per $1,000 of face value since Tuesday according to data from bond-tracking company MarketAxess. Doug Parker, US Airways CEO, has pointed to the rise in Delta's unsecured bonds as a sign that at least unsecured bondholders thought US Airways offered a better deal.

However, antitrust concerns could squelch a deal or make it less attractive. Also, Delta management has the exclusive right to present restructuring plans through Feb. 15 and could stymie US Airways' efforts to gain financial data necessary to put together a detailed offer to creditors. Delta officials are aiming to exit bankruptcy as early as April, which puts pressure on Mr. Parker to act fast.

US Airways stock continued its post-proposal rally, rising $1.11 to $60.61 as of 4 p.m. in New York Stock Exchange composite trading; the shares are up 19% since Tuesday, the day before the bid was announced.

Meanwhile, Mr. Grinstein continued his defense to employees and creditors of his plan to emerge from bankruptcy as a stand-alone carrier. Mr. Grinstein learned of the proposal from a radio report as he was getting ready for work. He rushed to his Blackberry to find a letter and a voicemail from Mr. Parker.

People familiar with the matter said Mr. Grinstein was steaming from being blindsided. In a message to employees he said "we had no advance warning of any kind." He said his intent was that Delta remain a "standalone company."

One of the biggest hurdles for a successful US Airways-Delta merger will be resistance from US Airways' labor union leaders, who voiced opposition to a proposed deal yesterday. Management must still combine the work forces of its two predecessor airlines, US Airways and America West, and negotiate new pay and benefit contracts.

"If this airline can't successfully put two airlines together, we're very skeptical about their chances of putting three together," said Jack Stephan, chairman of the unit of the Air Line Pilots Association union at US Airways.

Even before the Delta bid surfaced, pilots at US Airways had planned to picket this week at airports in Phoenix and Charlotte. Yesterday nearly 600 of them showed up to protest what they say are substandard contracts with little-to-no improvement in pay or benefits and unreasonable work rules.

Ms. Rader, the US Airways spokeswoman, said the negotiations have had some progress, though it has been on low-hanging issues so far. She disagreed with the union's assertion that the current merger is not working well. "There are a lot of milestones that we are hitting and that we're on track to meet and when we make mistakes we get them fixed," she said.

If Delta Merges: Fares Up, Fewer Seats (CSM)

DOJ_NMG_0095613

By Alexandra Marks

The Christian Science Monitor, November 17, 2006

Whenever a big airline deal is proposed, the first question that arises usually is: What will it mean for the flying public?

In the case of US Airways' announcement this week that it hopes to acquire bankrupt Delta Air Lines for $8 billion, the simple answer is: higher prices.

That's because the merger would cut capacity by about 10 percent - in other words, passengers would have 10 percent fewer seats to choose from when they fly, which usually drives up prices. That would be good for the overall industry's bottom line.

But the dynamics behind this proposed merger, and the still precarious state of the nation's recovering aviation industry in the post-9/11 world, make the ramifications for the public far less clear. Add to that, it's far from a done deal: It still needs approval from the bankruptcy courts and the Justice Department. As a result, analysts have starkly different assessments of "just what this will mean."

One camp thinks it's the best thing to happen to the industry bottom line since jet fuel prices dropped below $70 a barrel. That's because it will cut capacity. "Anytime you take capacity out of the industry, I would view it favorably," says Helane Becker, an analyst at the Benchmark Company in New York.

But a different school of thought says that with planes already flying 80-to-90 percent full, overcapacity in the industry is no longer a major issue. After all, the traditional, so-called legacy carriers are making money even with oil at $60 a barrel.

"Forget the capacity canard: Everything is already full. There's already a resurgence in the industry," says Michael Boyd, president of the Boyd Group, an aviation consulting company in Evergreen, Colo. "If we take another 10 percent capacity out, that means airlines will carry fewer people and charge them more. Congress will just love that."

Then, of course, there's the question of what it will mean for competition. US Airways contends the combined company, which would become the "New Delta," would be more efficient and thus a better competitor in the recovering marketplace. The combined operations would save $1.65 billion a year by doing away with duplication, consolidating information systems, and reducing overhead, it says. And all those efficiencies can be achieved without cutting a single destination that's currently served by either airline, according to Doug Parker, US Airways chairman and chief executive.

"Even with a 10 percent reduction in capacity, all existing U.S. destinations served today by US Airways and Delta will remain part of the new, improved network," Mr. Parker wrote to Delta's chairman in an open letter released Wednesday morning. "Consumers will have the advantages of a larger, full-service airline with the cost structure of a low-fare carrier, and the communities we serve, as well as those Delta serves, will have access to a wider range of network options."

Some analysts like Mr. Boyd doubt those touted savings can be achieved. He also thinks the airlines' route structures - which are similar, particularly in the South and East, where they own the competing Northeast corridor shuttles - could cause problems at the Department of Justice.

"It doesn't make any sense at all. The synergies aren't there like they're claiming," says Boyd. "And the DOJ might turn this down in a heartbeat, because it just decimates competition, particularly in the Deep South."

Other analysts also question whether the cut in capacity brought about by the merger would result in anything but a short-term gain for the industry as a whole, particularly if there's a recession next year. In that case, the majors might start increasing capacity to fend off competition from low-cost carriers, which have continued to expand their market share, says Kevin Mitchell of the Business Travel Coalition in Radnor, Pa.

And then, the industry could find itself right back where it is today: charging prices that are so low it is just barely able to make a profit.

Another question is how easy it will be to make one company from two that have very different corporate cultures. There are seniority lists to merge and very different unionized workforces to integrate. The companies even fly different planes.

"This is not an industry where mergers often go smoothly, even when both parties are willing participants," says Clint Oster, an aviation expert at Indiana University in Bloomington. "It's hard to believe that it's not going to be very difficult to do in this case, particularly because it appears to be more of an equivalent to a hostile takeover."

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But other analysts, who believe next year will be a good one for the industry, say the merger will help consolidate what is still a fairly fragmented industry. They also believe that higher prices brought about by a merger not only are necessary, but could be here to stay.

"If you compare by historical standards, we're still flying very cheap," says Ray Neidl of Calyon Securities in New York. "Longer term, if you can continue to get some of the peripheral capacity out of the system, it will give [the majors] even stronger pricing power."

In the end, all the analysis could be academic. US Airways still has to convince Delta's creditors and a bankruptcy judge that a merged company could do better than Delta alone. It also has to win approval from the Department of Justice, which frowned on a merger between US Airways and United just a few years ago.

US Airways, Delta Deal Would Cut Options (USAT)

By Dan Reed And Barbara Hansen

USA Today, November 17, 2006

Travelers in at least two dozen Eastern and Southeastern cities would see their air travel options significantly reduced by a merger between US Airways and Delta Air Lines.

According to a USA TODAY analysis of airline data from Back Aviation Solutions, a merged carrier would have 50% or more of the scheduled capacity in 111 markets in the USA. That's up from 55 markets for US Airways and 31 markets for Delta. Both carriers are strong in the East and South, so not surprisingly, many of the communities that would see the biggest loss of choice are there, too.

The analysis follows a bid Wednesday by US Airways to acquire Delta Air Lines for $4 billion in cash and for stock valued at about $4.7 billion. US Airways is seeking to acquire its bigger rival out of Chapter 11 bankruptcy. If successful, the merged airline would eclipse American as the world's largest.

Delta management has been resistant to any takeover bid, and says it prefers to emerge from bankruptcy reorganization next year as an independent carrier. Delta CEO Gerald Grinstein had previously rejected two private approaches from his counterpart at US Airways, Doug Parker.

The proposed deal would require approval from the bankruptcy court, federal antitrust officials and US Airways shareholders.

The USA TODAY analysis combines the number of seats currently offered by both carriers at airports across the country to identify areas of greatest impact. US Airways officials have said that the “New Delta” would trim current capacity by about 10%. It also plans to divest one of two Boston-New York-Washington, D.C., shuttles operated by US Airways and Delta.

According to the analysis:

•Six Eastern airports that now have competition would be served exclusively by the combined airline: Wilmington and Fayetteville, N.C.; Florence, S.C.; Huntington, W.Va.; Lynchburg, Va.; and Augusta, Ga.

•In 25 Eastern and Southern airports, where neither carrier now provides more than 50% of the service, the combined carrier would become dominant by providing more than half of the capacity. Among them: Asheville and Greensboro, N.C., and Charleston, S.C., Mobile, Ala., and Richmond, Va.

•Travelers in the carriers' respective hub markets in the East wouldn't see their choices diminish much. Delta already has 73% at Atlanta. A merger would nudge up that share by a percentage point. At Charlotte, where US Airways' capacity share is now 88%, the combined carrier would have 90%.

Additionally, US Airways says that “New Delta” would rank as the No. 2 carrier in the Pacific Northwest, No. 3 in the Southwest and California, and No. 4 in the central USA.

It's not clear that the proposed merger would reduce competition enough for the U.S. Justice Department to oppose it on antitrust grounds. In fact, it's not certain that US Airways' bid to buy Delta will even get that far.

If it does, says Mark Schechter, an antitrust attorney at the Howrey firm in Washington, D.C., “I would see a pretty extensive investigation.”

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The last two big reviews of proposed airline combinations were challenged by the Justice Department because of its concerns about market concentration, says Schechter, a top attorney in the antitrust division in the 1980s.

A separate analysis Thursday by JPMorgan analysts Jamie Baker and Mark Streeter identifies six big markets where the merged airline would move from “moderate” to “high” in market concentration under a measure used by antitrust regulators. They are New York/Newark; San Francisco; Washington; Las Vegas; Seattle; and Boston.

US Airways officials began addressing potential concerns about market concentrations right out of the box on Wednesday. CEO Parker, in a conference call with analysts, stressed that last year's acquisition by America West, his old company, of then-bankrupt US Airways led to an average 24% drop in fares.

Chief Executive Of Would-be Delta Buyer No Stranger To Bold Moves (AP)

By HARRY R. WEBER

AP, November 17, 2006

ATLANTA - When JetBlue announced in April it was launching flights to Charlotte, N.C., a major hub city for US Airways, JetBlue's CEO belittled the service passengers in that city had been getting as "substandard."

US Airways' chief executive, Doug Parker, shot back in a letter to his own employees: "US Airways is going to be here long after JetBlue."

Analysts, industry experts and those familiar with Parker's reputation said Thursday the 45-year-old's hostile bid to acquire a bigger rival in Delta Air Lines was not surprising, given bold statements like that one.

"I think anybody has to be feisty to do what he's doing," said Boston University School of Management Professor Allen Michel, referring to the unsolicited offer for Delta launched Wednesday by US Airways. The cash and stock bid to buy Delta once it emerges from bankruptcy is currently valued at $8.8 billion.

Parker's also been described as genial and approachable. Observers say those qualities could help him and his Tempe, Ariz.-based airline win over Delta employees.

"He looks like a guy who runs an airline and works at it very hard," said Fruman Jacobson, a bankruptcy attorney at Sonnenschein Nath and Rosenthal in Chicago. "If you go out for beers, Doug Parker is a guy you'd like to have with you."

Parker, who has held management positions at Northwest Airlines and American Airlines, led America West when it bought US Airways last year and adopted the US Airways name. While he's still integrating the two carriers, he says he's ready to tackle an even bigger challenge in acquiring Delta. This time, the company would keep the Delta name, becoming the nation's largest carrier in terms of revenue.

Delta's chief executive, Gerald Grinstein, said in a memo to employees late Wednesday that the Atlanta-based airline is committed to its plan to emerge from bankruptcy as a standalone carrier.

He also said "the history of mergers in the airline industry is almost always one of failure, with over-promise of synergies and under-delivery of results."

Parker clearly has a different view, that consolidation is the wave of the future in the airline industry. He also knows that the bankruptcy process gives him an opportunity to pitch an alternative plan to Delta's creditors. Whether his bid for Delta works or not, analysts tend to agree with Parker that major carriers need to combine to reduce capacity in the industry.

"I think he's gotten a little bit emboldened by the merger with US Airways," said Jacobson.

Parker, with bankers, investors, creditors, politicians and consultants biding for his time Thursday, did not immediately return calls seeking comment. He said in an interview Wednesday he believes the Delta bid is a fair one. Efforts to reach Delta executives Thursday were not successful. One senior executive, Glen Hauenstein, canceled a lecture at Georgia's Kennesaw State University, according to a school spokesperson.

In an audio message to employees Thursday, Grinstein answered concern from some Delta employees that they learned of US Airways' offer from the media rather than Delta. "We had no advance warning of any kind," Grinstein said.

Michael E. Levine, who was an executive at Eagan, Minn.-based Northwest Airlines Corp. during the same period as Parker, said Parker is aggressive and driven.

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"He takes risks," said Levine, now a senior lecturer at the New York University School of Law. "He ran with the bulls at Pamplona - I wouldn't do a thing like that. He can certainly count. He would like to run a big airline, and apparently this one isn't big enough."

Levine said the only question one might ask about Parker is whether at some point he might bite off more than he could chew.

"I'm not claiming this is that case," Levine said. "Doug is a guy who pushes ahead, and is unlikely to hesitate in the face of obstacles that might daunt other people."

Bernie Han, who has worked with Parker at three different airlines over the past 18 years, said the bold move to buy up Delta doesn't surprise him.

"I've seen him move up about every step of the way in his career," said Han, a former chief financial officer at Northwest and now the CFO at EchoStar Communications Corp. "Every time he gets the bigger job it seems effortless. I think it's clear he's always had the capacity to do more than his current role."

Even so, the bid for Delta poses several challenges. Those include proving to creditors that the offer is superior to what they'd get from the solo bankruptcy reorganization plan Delta plans to file, or a potential rival bid prompted by the US Airways offer. Parker also needs to nail down an agreement soon, as Delta has said it plans to emerge from Chapter 11 in the first half of next year.

US Airways also still has the America West integration to deal with. Its pilots pressed their case for a consolidated contract by taking to the picket line at the company's Phoenix and Charlotte hubs on Thursday.

"It's a question of, do you think an independent restructuring can create that kind of value or is the roll-up a more compelling structure because you can get revenue synergies and force out additional costs," aviation consultant Robert Mann said about how creditors would view the Delta deal.

News of the proposed US Airways buyout has also caught the attention of the Justice Department' top antitrust official. At a conference on antitrust law Thursday, Assistant Attorney General Thomas O. Barnett discussed his agency's priorities, then added: "I strongly suspect we may be spending some time in the airline industry as well."

After a big run-up in its stock Wednesday that added to the initial $8 billion value of its bid for Delta, shares of US Airways Group Inc. rose another $1.11, or 1.9 percent, to $60.61 in trading Thursday on the New York Stock Exchange. Delta Air Lines Inc. shares are traded over the counter.

AP Business Writers Joshua Freed in Minneapolis, Vinnee Tong in New York and Matt Apuzzo in Washington contributed to this report.

Flying High In The Busy Skies (NYT)

The New York Times, November 17, 2006

US Airways' $8 billion offer for Delta Air Lines could kick off a wave of consolidation in the airline industry. The question for regulators is whether the result is a leaner, meaner industry with lower costs or just a case of less competition driving prices higher. Without allowing a free-for-all to break out, there is clearly some room for combining operations in this changing industry.

Even with high fuel prices and strong demand for tickets, the fierce competition between airlines has helped hold prices down on many routes, keeping consumers happy. Low-cost carriers like JetBlue Airways and Southwest Airlines have put particular pressure on older full-service carriers like Delta. US Airways went through bankruptcy twice in the last four years, before merging with the discount carrier America West Airlines.

According to US Airways, if it succeeds in its bid for Delta the combined company would save $1.65 billion a year by eliminating redundancies. The fact that the two airlines offer competing shuttle service between Boston, New York and Washington raises a big concern: that all these savings could come about as a result of dampened competition and thus at the expense of consumers.

But the carriers clearly aren't just crying wolf. No one could have missed the fact that oil prices have been sky high. The low-cost airlines are a high-profile presence, all over the airwaves touting their competitive advantages. If the Justice Department

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is aggressive about keeping competition by demanding that airlines divest part of their business on individual routes like the shuttle, some sensible consolidation could take place.

Domestic carriers should take care when it comes to raising fares. There are plenty of foreign carriers that would love to gain access to the United States domestic market. If the locals get lazy and expensive, they could compel Congress to open the door to outside competition. It wouldn't be a bad idea to re-examine the idea now, before the merger wave has crested.

Grupo Mexico To Fight Antitrust Ruling (AP)

AP, November 17, 2006

MEXICO CITY --Mexican mining and railroad company Grupo Mexico said Thursday it will fight the federal antitrust commission's decision to uphold a previous ruling that blocked the company's plans to merge two railways.

The company "will take all legal means at its disposal" to fight the ruling, Grupo Mexico said in a filing with the Mexican stock exchange.

In November 2005, Grupo Mexico said it would merge its Ferromex unit with Ferrosur, controlled by multibillionaire Carlos Slim. The antitrust commission rejected the proposed merger in June, and Grupo Mexico appealed.

The commission rejected the appeal on Wednesday, arguing that a merger would have led to excessive concentration in the railroad industry to the detriment of consumers and competitors.

Grupo Mexico has argued it must expand in order to compete with U.S.-based railroad Kansas City Southern.

Kansas City Southern last year gained full control of local railway TFM, which runs through the heart of Mexico's industrial region to the border town of Nuevo Laredo from the Pacific port of Lazaro Cardenas.

ENVIRONMENT/INDIAN AFFAIRS:

Natural Political Gas (WSJ)

The Wall Street Journal, November 17, 2006

Congress will return for one more lame-duck go-round after Thanksgiving, and if it wants an easy victory for the U.S. economy it'll whip through the offshore drilling bill that has passed the Senate and awaits action in conference.

The Gulf of Mexico Energy Security Act, crafted by New Mexico's Pete Domenici, would open 8.3 million acres of the Outer Continental Shelf to oil and natural gas drilling. The bill doesn't go nearly as far as we or many in the House would like, but it's the best opportunity for new U.S. energy exploration in years.

While this Gulf acreage is known to hold oil reserves, the real significance is its bonanza of natural gas. Unlike the global oil market, most natural gas is produced regionally. Short supplies and high prices are punishing American industry, causing plant closures and job flight overseas. It is one of the larger economic messes in recent history, yet the political class barely mentions it -- perhaps because the politicians have done more than anyone to cause it.

As recently as 1995, the average cost for natural gas in the U.S. was about $1.70 per million British Thermal Units; by 2002 it was $3.54. It had climbed by 400% by last year, when it ranged from $11 to $14.50 per million BTUs. Japan, China, India and most of the rest of the world pay far less, putting U.S.-based companies at a huge global disadvantage.

Hardest hit has been chemical manufacturing, which in 2004 shuttered more than 70 U.S. facilities and marked an additional 40 for closure, resulting in a loss of 100,000 jobs. Did someone say "outsourcing"? Of the 120 chemical plants with $1 billion price tags being built around the world, only one is in the U.S. Dow Chemical CEO Andrew Liveris says his firm has shut down more than 30 factories in North America in the past several years, and he blames it on energy.

Natural gas is also a component of many everyday consumer goods, from plastic cups to carpets to semiconductors. Many of these manufacturers have faced shortages or steep price hikes, including Simmons (bedding), Goodyear (tires) and Newell Rubbermaid (packaging/containers). Massachusetts-based Union Products, originator of the famous pink plastic flamingos, recently closed its doors because of rising costs for plastic resin (made from natural gas) and electricity. The company's workers should thank Senator John Kerry and other Democrats who have blocked offshore drilling for gas and liquified natural gas imports.

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The fertilizer industry, which relies heavily on natural gas, has lost more than 36% of its domestic capacity since 2002. The U.S. forest products industry has seen energy costs rise 50% for pulp and paper mills in three years; it has closed 232 mills and lost 182,000 jobs since 2000. The National Association of Manufacturers estimates that 3.1 million high-wage manufacturing jobs have been lost since 2000 largely due to inadequate supplies of natural gas. The next time Democrats wail over lost manufacturing jobs and try to blame it on "free trade," tell them to start drilling for the truth.

All of this is reason for Congress to act now. Gulf Coast Democrats are supporting this Senate bill, largely because it offers their states a cut of the royalties. The House has passed a much stronger bill, and in a better world would prevail. But with coastal, anti-drilling Democrats set to run Congress next year, now is the time for the House to swallow its pride, pass the Senate version without amendment to avoid a conference, and send it to President Bush.

The 8.3 million acres to be opened in the Senate bill would conservatively yield 5.8 trillion cubic feet of natural gas -- a significant amount under any measure. Moreover, drilling in the Gulf has typically yielded three to five times more oil and gas than originally estimated. With any luck, the money that would start flowing to the Gulf states under revenue-sharing with the feds might also encourage other states to demand their own coastal exploration.

That should continue to be the long-term policy goal, as the outer shelf is estimated to hold an extraordinary 420 trillion cubic feet of natural gas, enough to keep the U.S. in affordable energy for decades. It's a disgrace that Congress has locked up that supply and driven high-paying jobs overseas. Passing this drilling bill would make a lame-duck Congress a little less lame.

Congress Seen Passing Price-gouging Law (AP)

By Matt Apuzzo

AP, November 16, 2006

WASHINGTON — The head of the Federal Trade Commission predicted Thursday that Congress would pass a gasoline price-gouging law despite her warnings that the country doesn't need one and it might cause fuel shortages.

FTC Chairwoman Deborah Platt Majoras said she has warned Congress publicly and privately about the dangers of such a law.

"We looked vary carefully but didn't see any new legislation needed to protect consumers," Majoras said at an antitrust conference Thursday. "Will new legislation be passed? I think we will see a price-gouging statute pass, perhaps at the end of this (incoming) Congress."

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"There is a distinction between a market determination you don't like and a market failure," she said.

Testifying in May before the Senate Commerce Committee, Majoras said retailers might let the gas run out rather than raise prices and risk facing prosecution. She noted the price spikes after Hurricane Katrina last year resulted in more fuel getting to market.

Majoras, who has previously questioned whether a price-gouging law could easily be enforced, said Thursday that despite her concerns, the agency would enforce the law if it passed.

The Justice Department's top antitrust official, Assistant Attorney General Thomas O. Barnett, attended Thursday's conference and said addressing fuel prices was a tricky issue for his agency.

He said that like all cartels, the Organization of Petroleum Exporting Countries is bad for consumers. But he said any effort to hold OPEC to U.S. competition laws would have to be balanced with national security and diplomatic interests.

California Plots Greenhouse-Gas Strategy (WSJ)

By John J. Fialka

The Wall Street Journal, November 17, 2006

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SACRAMENTO, Calif. -- On a smog-free day, from his office on the 25th floor of California's Environmental Protection Agency, Robert Sawyer can see his problem: cars moving in slow procession on distant freeways, emitting carbon dioxide that is believed to be warming the atmosphere -- hastening the melting of the snow that caps the mountains to the east.

The soft-spoken mechanical and aeronautical engineer is chairman of California's Air Resources Board, a semi-independent agency that has been given the job of drawing up the nation's first regulatory program intended to reduce greenhouse-gas emissions by all sectors of the economy.

To accomplish this, Dr. Sawyer and his agency, which is known outside California as CARB, will likely face fierce lobbying by industries and consumer groups, and difficult political questions that haven't yet been answered in the U.S. But California regulations have shaped national legislation in the past, and CARB's efforts will be closely watched by other states and by the new Democratic Congress in Washington, where emissions reduction is likely to get increased traction.

The change will be most dramatic in the Senate, where Barbara Boxer, a California Democrat, will succeed James Inhofe, an Oklahoma Republican, as chairman of the Committee on Environment and Public Works. Mr. Inhofe refused to consider regulations on carbon dioxide, calling global warming "the most media-hyped environmental issue of all time." Ms. Boxer, who believes "global warming could reshape the world as we know it," says she will introduce federal legislation that is similar to California's.

CARB, the nation's largest and most influential state environmental regulatory agency, has about 1,000 employees, including scientists and engineers who, working there in the 1960s, helped design the nation's pioneering antismog program. The agency enjoys enough bipartisan political support that when Gov. Arnold Schwarzenegger announced in August that California would impose the nation's first broad cap on greenhouse-gas emissions, the state Legislature simply set deadlines for reducing emissions and left it mostly up to CARB to figure out how to do it, telling the agency to prepare regulations by 2012. California's goal is to cut emissions by about 25% by 2020.

To flesh out California's law, Dr. Sawyer, who was appointed by Mr. Schwarzenegger in December, says he will push every approach that is cost-effective. He plans to send staff members to the United Kingdom and Japan to see how their pioneering regulatory programs work. He plans to hire 100 experts, including economists who will develop computer models of the state's past and future emissions. He is also looking for specialists who can design an emissions-trading program tailored to California's economy.

The U.S. Environmental Protection Agency has successfully used emissions trading to get coal-fired utilities to curb sulfur-dioxide emissions, which cause acid rain. The government puts a cap on allowable sulfur-dioxide emissions, issuing credits needed for each ton of pollutants. In emissions trading, a company that reduces emissions below its assigned cap can finance its efforts by selling excess credits to companies that may need them to cover their own emissions.

California's legislature has left it up to CARB to determine whether and how to use emissions trading; Dr. Sawyer says it is a tool he wants to use, designed in a way that makes trading possible beyond the state's borders. "It is essential that what we do will be compatible with other states, nationally and internationally," he explains. "We definitely anticipate trading across boundaries. California can't solve this alone."

Making reductions in California won't come cheaply or easily, says Andrew Ertel, president of Evolution Markets Inc., a White Plains, N.Y., brokerage firm that specializes in emissions trading. The state's tough air-pollution laws have already driven out coal-fired utilities and other dirty industries where big cuts could be made. To meet California's target in reducing emissions, Mr. Ertel says CARB will have to focus on the transportation sector, which has roughly double the traffic of most states and produces 41% of the state's total emissions.

Among other approaches, CARB could recommend taxes or other incentives to reduce gasoline consumption. On this subject, Mr. Ertel predicts, the agency will experience "some heavy-duty lobbying" before its program emerges.

Jason Grumet, staff director of the bipartisan National Commission on Energy Policy in Washington, says CARB's struggles will be closely watched by national industrial groups. He believes industries opposed to federal regulations may soon swing around to support them -- as they did with the Clean Air Act of 1970, which had its seeds in California -- to get Congress to pre-empt a "patchwork" of conflicting state regulations from evolving.

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Mr. Grumet notes that the political forces that shape California's climate-change regulations will be somewhat different from those that will emerge when the issue comes before the Democratic-controlled Congress. The influence of coal-fired utilities, the coal-mining industry and car makers, he explains, is much stronger in Washington than in Sacramento, where the biggest players will include oil companies, the state Chamber of Commerce and agricultural interests.

Environmental groups are also stronger in California and have used successful state programs in the past to sell environmental proposals to Congress. As a result, California's antismog regulations and appliance-efficiency standards made it into national law.

But some of CARB's most ambitious regulations haven't worked as advertised. On many fall days, when Dr. Sawyer gazes out of his office windows, he sees a dirty brown haze, and the distant mountains aren't visible. That is because California, while it has the nation's most stringent air-pollution regulations, hasn't even met weaker federal standards.

Write to John J. Fialka at john.fialka@wsj.com1

New Game A Pheasant Boom Lifts Farm Fortunes On Great Plains (WSJ)

By Joseph T. Hallinan

The Wall Street Journal, November 17, 2006

VIVIAN, S.D. -- For nearly 100 years, LeRoy "Frenchy" Authier's family has ranched and farmed along the banks of a slender stream known as Medicine Creek.

They grew wheat and raised cattle. But farms got bigger and prices got lower and after a while, the money didn't add up the way it used to. So nine years ago Mr. Authier's 46-year-old son, Mike, and his wife, Katherine, sold off the last of the cattle and turned to a new crop: pheasants.

Today, they have four separate lodges on their land, including a converted barn and granary, that can accommodate up to 35 guests a day. Called the Medicine Creek Pheasant Ranch, about 30 miles south of the state capital of Pierre, it draws hunters from across the country.

Thanks to a federal program that pays farmers to idle millions of acres, the once-decimated pheasant is making a comeback. Many states in the nation's midsection are reporting their biggest populations of the game bird in nearly a half century. Hunters are also turning out in force, willing to pay people like the Authiers thousands of dollars a week to shoot the birds.

One result is an unexpected boom that is raising land values, propping up farms and generating new businesses in many parts of the Great Plains. In a good year the Authiers' pheasant operation will gross six times what the farm did, allowing them to raise their children in the house where Frenchy was born.

"Pheasant hunting is a good way to keep the farm in the family and the family on the farm," says Katherine Authier, who helps cook the meals for Medicine Creek's hunters.

The pheasant phenomenon has created an unusual alliance of farmers, hunters and environmentalists bent on preserving the program that pays farmers to leave some lands idle. For them, the biggest threat to the bird's well-being today isn't coyotes. It's corn, which is used to make ethanol -- the other big growth industry on the Plains. High oil prices have created intense interest in ethanol, an alternative fuel usually mixed with gasoline. As Congress prepares to write next year's farm bill, some want to see a portion of idled cropland planted with corn for ethanol production.

"There are other ways to conserve land," says Kendell Keith, president of the National Grain and Feed Association, whose members include ethanol producers. The outcome of the land debate could help shape the economy of the Great Plains, a dry spine of land that flanks the Rocky Mountains from North Dakota to Texas. Pheasant hunting, soaring land values and tourism have helped prop up local coffers here. Although the past two years have seen "unprecedented income creation," according to the Department of Agriculture, a drought this year has taken its toll on many farms and ranches. As a result, many welcome the new revenue from pheasant hunters.

In Iowa, for example, officials estimate that pheasant hunting brings between $170 million and $250 million to the state. That's a small part of the state's $113.6 billion economy, but a big number in a state of three million people. In South Dakota, pheasant hunters spent an estimated $153 million, according to the state Department of Game, Fish and Parks. And Minnesota,

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which last year recorded its highest pheasant harvest in 40 years, is developing a long-range plan to increase bird numbers. It pegs annual pheasant-hunter spending at about $63 million.

"This is just great," says Larry Spiegel, moments after a pheasant he shot from high overhead tumbles into a field of milo. He sells financial products to retirees in Las Vegas and is affectionately known around the Authiers' place as Las Vegas Larry. He's been coming to Medicine Creek since it opened. Each year he spends about a month hunting its hills and sloughs behind his dogs, G.G. and Bliss. He is such a regular that Mike Authier even named one of the ranch's buildings "Larry's Lodge."

The pheasant has long been the iconic game bird of the Midwest, featured on collector plates and tavern signs. In the postwar years, pheasants were everywhere, and returning GIs hunted the tasty bird in record numbers. A male, or cock, pheasant weighs about three pounds and can fly at speeds exceeding 45 miles an hour, making it a challenge to shoot. Hunting them often turned into a social occasion, drawing in friends and family from far away.

In the '50s and '60s, hyper-efficient farming practices, and the sacrificing of trees and grasses for cropland, destroyed much of the pheasant's habitat. The birds nearly vanished. According to state records, hunters in North Dakota bagged nearly 500,000 pheasants in 1963. By 1965, the number plunged to just 58,000. The following year, the state closed the season.

The U.S. government reignited the pheasant boom two decades ago with a new land-idling program intended to rein in American farmers' tendency to generate price-depressing gluts of subsidized grain. Under the Conservation Reserve Program, or CRP, Uncle Sam enters into long-term contracts that pay farmers nearly $49 an acre on average not to grow crops on roughly 36 million acres -- an area larger than New York and New Jersey combined. This year, CRP payments equal $4,143 per participating farm, or $1.76 billion altogether. Freed from the plow, these lands are reverting to grasslands and once again generating armies of wildlife.

South Dakota Gov. Mike Rounds says he strongly supports continued CRP funding as part of the farm bill. "I'm just convinced that the more CRP we can get in, the better off we're going to be," he says.

Some groups, like the National Grain and Feed Association, want the program to allow more acres to be farmed. Such a change would benefit many of its members, which range from ethanol producers to operators of grain elevators. With the recent shift in control of both congressional houses, it remains unclear which side will prevail.

The ethanol boom is already transforming much of the Plains, where steam-belching new plants are replacing grain elevators as the tallest structures on this flat expanse. The plants have sucked in not only natural resources, like water and grain, but a vast pool of investors' money as well. Ethanol is the hottest investment play across the Farm Belt, attracting billions of dollars from everyone from Main Street merchants to Wall Street financiers.

Ethanol boosters say their product is helping reduce America's dependence on foreign oil and sparking the rural economy. As idled land is pulled back into production, they say, sales are likely to grow for companies that make everything from tractors and combines to fertilizer and seeds. The ethanol industry's enormous appetite for corn has already raised the price of the nation's largest crop to its highest price in a decade, brightening prospects for thousands of growers, potentially reducing the cost of government subsidies.

Land is the single largest asset and source of collateral for farmers on the Plains. Increasing land values are making the farmers wealthier at the same time that they are making the region's banks more financially solid. Last year, according to the U.S. Department of Agriculture, the value of farm real estate, which accounts for 86% of farm-sector assets, gained 16.3%. Farm bank profits before taxes and extraordinary items jumped 8.2% last year, according to the American Bankers Association, boosted by strong farm incomes and appreciating farmland values.

Investors are snapping up land for pheasant hunting in places like South Dakota's McPherson County. Ten years ago, land around here sold for between $350 and $400 an acre. Now, the going rate is $1,000 or more. The real-estate boom even extends to the cheapest grade of land, which usually is too hilly or wooded for grain production, because birds thrive there.

Merchants in South Dakota have come to count on the 11-week hunting season, which brings in visitors to a part of the country that typically doesn't see many strangers.

At Tubby's Kwik Stop, a convenience store in Bowdle, where shotgun shells and hunting licenses can be bought with a morning coffee, "our sales probably double for the first two weeks of the season," says Lanny Stiklestad, the owner.

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A few blocks away, at the Triple C Steakhouse bed-and-breakfast, the basement dining room was packed on opening weekend last month . Burly men in blaze orange, the traditional hunting-safety color, sat elbow to elbow, joking and watching a ballgame on TV.

Candice Williamson and her sister Cindy Lowens bought the town's long-abandoned hospital to open the place about 10 years ago. Now, it is typically booked solid months before the start of the season. On busy nights, says Ms. Lowens, the dining room will serve 120 people, a big crowd for a town whose population is just over 500.

In 2002, out-of-state pheasant hunters in South Dakota outnumbered residents for the first time since the state began keeping statistics in 1919. The gap is only widening. Nonresident pheasant hunters now provide more than $108 million a year to the state, according to South Dakota Game, Fish and Parks Department. That's about $140 for every man, woman and child in South Dakota.

In 2003, North Dakota hunters persuaded their state officials to give them exclusive shooting rights on certain lands during the first week of the bird season. The Minnesota Attorney General sued the state of North Dakota in federal court, alleging the plan infringed on interstate commerce. In August, a federal appeals court sided with North Dakota.

Last year, South Dakota alone counted nearly 10 million of the birds, its highest pheasant population since 1963. It also licensed a record 95,000 out-of-state hunters.

The Friday before the opening day of pheasant season is the busiest day of the year at the Sioux Falls Airport, says airport manager Mike Marnach, surpassing even Christmas and Thanksgiving. About 2,000 people will arrive, twice the normal daily total. Disembarking hunters are greeted by local merchants in booths bearing cookies and coffee.

"We used to have the Hooters gals," says Mr. Marnach, and they would hand out free beer to the arriving hunters. "But that didn't work out so good," he says, noting the line of hunters trying to rent cars with beer on their breath. One local pheasant operation, he says, now sends stretch Hummers to pick up its guests, who come from across the country.

Pheasant money goes a long way in small towns on the Plains, where there are few extra ways to pick up spare income. Curt Honeyman's family has farmed in this area for years. But come pheasant season, he works for Cannonball Co., in Regent, N.D., one of the largest commercial pheasant-hunting outfits in the state. He guides 55 days a year, the first 40 without a day off.

"That brings in, oh, six, seven grand that I wouldn't normally have," he says. "For that short a time, that's not bad."

Making a living out here has never been easy. "'33 was dry. '34, the grasshoppers ate everything," says Frenchy Authier. He is 83 now and widowed, but still gets around the place, pointing out fence lines still buried from the Dust Bowl. For reasons lost to history, the opening days of pheasant hunting in South Dakota generally don't begin until noon. That is just fine with Frenchy because it gives him time to watch his favorite TV show, "The Price is Right." Then he fires up a Ford pickup and trundles hunters out into the fields of his youth.

--Scott Kilman contributed to this article.

Write to Joseph T. Hallinan at joe.hallinan@wsj.com1

Gun Lake Land To Be Taken Into Trust (ICT)

By Gale Courey Toensing, Indian Country Today

Indian Country Today, November 17, 2006

BRADLEY, Mich. - The Match-E-Be-Nash-She-Wish Band of Pottawatomi's planned casino and entertainment center took a great leap forward recently when the federal government announced it would take land into trust for the project early next year.

The Interior Department will take 146 acres in Allegan County into trust for the tribe, which is known as the Gun Lake Tribe, on Jan. 5, 2007, according to an Oct. 27 Justice Department filing in the U.S. District Court in Washington, D.C., and with Michigan Gambling Opposition (MichGO), an anti-Indian casino group.

"This is another very significant step forward for our tribe. We applaud the actions of the federal government in their efforts to provide relief to the tribe and the local communities that are eager for the thousands of jobs and economic growth the casino will provide," Chairman D.K. Sprague said.

The tribe expects to begin construction next spring, Sprague said.

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MichGO has until Jan. 5 to file an injunction against Interior, a legal step the group will take, spokesman John Helmholdt said.

"MichGO will be filing the preliminary motion for injunction and we're going to continue to cooperate and work with the court in a timely manner and leave it up to the court to decide," Helmholdt said.

The 300-member Gun Lake Tribe was federally acknowledged in 1999, but its effort to take land into trust have been snarled in court and at Interior since then.

Interior granted final approval to the tribe's land into trust application in May 2005. MichGO immediately challenged Interior in a lawsuit that is pending in the Washington federal court.

Last January, the tribe and the Justice Department filed for a summary judgment of MichGO's lawsuit, but the court has not acted since then. Around the same time, a federal appeals court dismissed an identical lawsuit that sought to delay the Pokagon Band of Potawatomi from developing Four Winds Casino Resort in southwestern Michigan. The dismissal set a precedent for MichGo's action against Gun Lake.

Helmholdt said the latest decision "is a very heavy-handed legal maneuver by the federal government and tribe in an attempt to force the court to take action. We believe due process should be allowed and we should be given a fair hearing in court before the tribe is allowed to take any action."

But Justice reminded MichGO that it already had turned down an offer to expedite matters.

"The Gun Lake Tribe has demonstrated to the Department that it may suffer irreparable harm should the trust acquisition be delayed any further. In light of this, the United States requested that MichGO join the United States in requesting expedited hearing on the summary judgment motions before the District Court. MichGO rejected this request and proposed instead that the United States prepare an Environmental Impact Statement. The United States does not believe an EIS is warranted in this case," Gina Allery, a trial attorney for the Justice Department, said in an Oct. 27 letter to MichGO.

Interior's final land into trust approval last May followed an unexplained 14-month delay after it had issued a preliminary approval with a "Finding of No Significant Impact" document in February 2004.

Helmholdt said MichGO's continuing request for an EIS - a more rigorous analysis than an Environmental Assessment - is "a central part of our legal argument."

But Justice may see the request as a replay of a tactic used by former lobbyist Jack Abramoff, who was indicted on corruption and fraud charges earlier this year. During its investigation, Justice found that Abramoff tried to get Interior to require an EIS in order to block the Gun Lake casino, because he believed it would threaten the market share of a nearby casino operated by one of his clients.

"MichGO's irresponsible decision to continue to pursue its flawed lawsuit to block our casino has wasted millions of taxpayer dollars and caused irreparable damage to the tribe and West Michigan's economy," Sprague said.

Sprague said the tribe continues to seek a gaming compact with the state and is pursuing an agreement, similar to others in the state, that would provide 8 percent of slot machine revenues to the state and two percent to local governments.

But Gun Lake plans to go forward with a Class III gaming facility with or without a compact, Sprague said. He cited a recent Interior decision to authorize Class III gaming for the Seminole Tribe in Florida without a tribal/state compact unless the two sovereigns negotiate a compact within 60 days. Without a compact, the state does not receive any gaming revenues and has no regulatory oversight role.

"A Class III compact would be best for the tribe, the state and surrounding communities. We are hopeful the Michigan Legislature and governor understand that for the benefit of Michigan and its residents, the time has come to sign the Gun Lake Casino compact," Sprague said.

Liz Boyd, spokesman for Michigan Gov. Jennifer Granholm, acknowledged the argument for a compact that would provide revenues for the state and municipal governments.

"We are having discussions with the tribe. Our former govenor, John Engler, perhaps said it best when he said, 'One way or another that tribe will have gaming, so the question is with or without a compact.' So the governor is really weighing the question very carefully and no decisions have been made yet," Boyd said.

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FBI/DEA/ATF/USMS:

American Trrack Coach Graham Pleads Innocent In BALCO Probe (FINDLAW/AP)

By David Kravets, Associated Press Writer

AP, November 17, 2006

(AP) - SAN FRANCISCO-Elite track coach Trevor Graham pleaded not guilty Thursday to accusations he hindered a continuing government steroids probe targeting high-profile athletes.

Graham, who has trained Justin Gatlin, Marion Jones and Tim Montgomery, is charged with three counts of making false statements to federal agents in an indictment issued Nov. 1 by the grand jury investigating performance-enhancing drugs in professional sports.

Graham was freed on US$25,000 bond after appearing before U.S. Magistrate Edwin Chen.

His attorney entered the plea on Graham's behalf.

Graham operates Raleigh, North Carolina-based Sprint Capitol USA, a team of about 10 athletes that includes Gatlin, the 100-meter co-world record holder who tested positive for testosterone and other steroids in April.

Graham also coached Jones, a sprinter who won five medals at the 2000 Sydney Games, and her former boyfriend Montgomery, formerly the world's fastest man who was suspended from competition for two years for doping.

Track Coach Pleads Not Guilty To Hindering BALCO Probe (WP)

The Washington Post, November 17, 2006

Track coach Trevor Graham pleaded not guilty yesterday to federal charges of lying to investigators and hindering the very steroids probe he ignited three years ago when he turned in a syringe full of steroids to investigators.

Graham, who faces three counts of making false statements about his relationship with an admitted steroid dealer, appeared in front of U.S. Magistrate Edwin Chen in San Francisco with his attorney, Gail Shifman, who entered the plea on his behalf. Graham was released on $25,000 unsecured bond.

Graham, who has coached track stars Marion Jones, Tim Montgomery and Justin Gatlin at his Raleigh, N.C.-based camp, faces as much as 15 years in prison and $750,000 in fines. He began the massive steroids probe now known as BALCO (Bay Area Laboratory Co-Operative) , which has resulted in four criminal convictions but combined sentences of less than a year in prison.

Shifman said the lack of substantive results in the probe have led U.S. Attorney Kevin V. Ryan to target Graham.

"It's an unfortunate manipulation of the criminal justice system that an embattled U.S. attorney would turn on the person who brought the whole Balco investigation to the forefront," Shifman said by phone from San Francisco. "Trevor Graham is looking forward to the trial in this case. When the full story comes out, he will be vindicated."

A trial date could be set today during Graham's first appearance before Susan Illston, the federal judge who has presided over the BALCO probe.

-- Amy Shipley

Track Coach Trevor Graham Pleads Innocent In Steroid Probe (BLOOM)

By Karen Gullo

Bloomberg, November 16, 2006

Nov. 16 (Bloomberg) -- Track coach Trevor Graham, who helped spark a U.S. government inquiry into steroid use by athletes, pleaded innocent to charges he lied to federal agents in the probe.

Graham, coach to Olympic sprinters Marion Jones and Justin Gatlin, was released today on a $25,000 bond by U.S. Magistrate Edward Chen in San Francisco. He was charged Nov. 2 with three counts of making false statements.

``He'll be vindicated," Gail Shifman, Graham's attorney, said after today's hearing.

Graham was a witness in a federal investigation into Bay Area Laboratory Co-Operative, a Burlingame, California, lab known as Balco, the U.S. Attorney said. The lab's founder and four others, including Greg Anderson, trainer to baseball player Barry Bonds, have pleaded guilty to distributing steroids. No athletes have been charged and Bonds has denied using steroids.

Graham obtained illegal performance-enhancing drugs from an unidentified source and lied about it to U.S. Internal Revenue Service agents who interviewed him in June 2004, according to the U.S. Attorney's office in San Francisco. Graham also lied about his contacts with the supplier, the statement said.

The charges each carry a maximum penalty of five years in prison and a $250,000 fine. Graham, who is based in North Carolina, wasn't charged with distributing steroids.

Olympic Ban

The U.S. Olympic Committee banned Graham from its training centers Aug. 3, the first time the organization has levied such a penalty, after Olympic 100-meters champion Gatlin tested positive for testosterone at a meet in April.

Gatlin faces an eight-year ban after failing a second drug test in August. Jones was cleared of using banned substances. Graham also is being investigated by the International Association of Athletics Federations. Graham is fighting the Olympic ban and Gatlin has denied wrongdoing.

Graham has also trained twins Alvin and Calvin Harrison, Jerome Young, Michelle Collins and Tim Montgomery, who all received doping suspensions.

The San Francisco U.S. Attorney's Office launched an investigation three years ago into steroid use by athletes. The probe was sparked in part by Graham, who anonymously mailed a syringe containing a sample of tetrahydrogestrinone, known as THG or the Clear, a synthetic ``designer steroid'' that was once undetectable and is banned in baseball.

``I was just a coach doing the right thing at the time,'' Graham said in a 2004 interview with the Associated Press.

Graham had been granted immunity from prosecution before his interviews with the IRS. The agreement didn't include immunity from prosecutor for making false statements, prosecutors said.

The case is U.S. v Trevor Graham, 06-0725, U.S. District Court, San Francisco.

Anderson Still Won't Discuss Bonds, Heads Back To Jail (WP)

The Washington Post, November 17, 2006

A federal appeals court in San Francisco ruled yesterday that Barry Bonds's personal trainer must return to prison for refusing to testify before a grand jury investigating performance-enhancing drugs in professional sports.

Greg Anderson, 40, already has served two other brief prison stints for refusing to testify whether his boyhood friend lied when he said he never knowingly used steroids. Both times, Anderson, held in contempt of court, was released on procedural grounds.

Anderson could serve more than a year behind bars unless he agrees to tell the grand jury what he knows about Bonds's alleged steroids use.

The Giants slugger told a 2003 grand jury that he believed Anderson had provided him flaxseed oil and arthritic balm, not steroids.

Appeals Court Orders Bonds' Trainer To Jail (LAT)

By Lance Pugmire, Times Staff Writer

The Los Angeles Times, November 17, 2006

Anderson is told to return to prison in contempt case involving BALCO. Also, track coach Graham pleads not guilty to lying.

Barry Bonds' personal trainer was ordered Thursday to report back to federal prison by noon Monday, after a federal appeals court affirmed a prior federal court ruling that prosecutors did not taint a grand jury with information gathered from a disputed tape recording.

In another BALCO-related court event, track coach Trevor Graham pleaded not guilty to charges he lied to federal investigators.

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Bonds' trainer, Greg Anderson, 40, has been imprisoned twice previously for contempt of court for refusing to fully testify about whether the free-agent San Francisco Giants slugger lied when he told a prior federal grand jury that he never knowingly used steroids.

"Greg is as strong and resolute as I've ever heard him," said Anderson's attorney, Mark Geragos, who said he would continue appealing for Anderson's release, possibly to the U.S. Supreme Court.

Anderson has served more than 50 days in prison in the contempt case. He served 15 days in July before an earlier grand jury's term expired. He was sent back to prison for 37 more days but ordered released in October by the U.S. 9th Circuit Court of Appeals.

Geragos argued that Anderson shouldn't testify because prosecutors are relying on information that they gained in an illegally obtained recording of Anderson discussing steroids in 2004.

Prosecutors counter that their questions to Anderson are based on a search they conducted of Anderson's home, along with other athletes' secret testimony.

The 9th Circuit ruled Thursday that "the government's questions were not tainted by the … recording. … The material was not provided to [the] grand jury, in either recorded or transcript form."

Anderson is subject to spending more than 13 months in prison as the current grand jury term continues, his attorney said.

"But we have many other options," Geragos said.

Meanwhile, track coach Graham pleaded not guilty to three counts of making false statements to federal agents. He was indicted Nov. 1.

Graham helped start the ongoing federal investigation of the Bay Area Laboratory Co-Operative in Burlingame, Calif., by anonymously mailing a vial of the then-undetectable steroid "the clear" to the U.S. Anti-Doping Agency.

Graham, who has trained U.S. sprinters Justin Gatlin, Marion Jones and Tim Montgomery, allegedly lied to federal agents when he said he didn't supply athletes with performance-enhancing drugs or tell them where to purchase the drugs.

Graham would face a maximum 15 years in prison if he is convicted.

The Associated Press contributed to this report.

Track Coach Enters Plea; Trainer Sent To Prison (AP)

AP, November 16, 2006

SAN FRANCISCO, (AP) — Olympic track coach Trevor Graham pleaded not guilty to hindering a grand jury's probe of performance-enhancing drugs in sports on Thursday, the same day Barry Bonds's personal trainer was ordered back to prison for refusing to cooperate with the investigation.

Graham remained free on a $25,000 bond, but a three-judge panel of the United States Court of Appeals for the Ninth Circuit ordered Bonds's trainer, Greg Anderson, back to federal prison. He was directed to report by noon Monday.

Anderson's lawyer, Mark Geragos, said he was considering asking a 15-judge panel of the San Francisco-based appeals court, or even the Supreme Court, to consider Anderson's plight.

Outside his arraignment in federal district court, Graham, who trained the track stars Justin Gatlin, Marion Jones and Tim Montgomery, did not comment after his lawyer, Gail Shifman, entered the plea on his behalf.

"He'll be vindicated," Shifman said.

Anderson, 40, has already been behind bars twice after being held in contempt of court for his refusal to testify to a grand jury investigating Bonds on allegations of perjury and tax evasion. Both times, the prison stints were cut short because of legal technicalities.

Now, he could serve more than a year in prison unless he agrees to tell the grand jury what he knows about alleged steroids use by Bonds.

On Nov. 1, the same grand jury indicted Graham on three counts of making false statements to federal agents investigating the use of steroids in professional sports. If convicted, Graham faces a maximum 15 years in prison and $750,000 fine.

Graham's lawyer declined to answer a reporter's questions about whether Graham supplied athletes with performance-enhancing drugs or told athletes where to get them, as the indictment alleged.

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Drug Dealer Pleads Guilty In Fentanyl Case (DN)

Detroit News, November 16, 2006

A Detroit drug dealer faces more than 24 years in prison after he admitted today to distributing heroin laced with the painkiller fentanyl that killed two people.

U.S. District Judge Lawrence P. Zatkoff will sentence James Edgar Coleman, 36, on Feb. 6 on two counts of distributing a controlled substance causing death.

Coleman admitted to selling the fentanyl-laced heroin that killed Lauren Jolly, a 17-year-old Bloomfield Township high school student, and Daniel McElmurry, 30, of Madison Heights, earlier this year.

Coleman told Zatkoff he sold about 50 small packets of heroin to a drug house on Keating Street in Detroit, some of which was later purchased by Jolly and McElmurry, killing them in separate incidents. He said he did not know the heroin contained fentanyl.

"If you're in the business, you don't want to kill your customers," Coleman's lawyer Warren Harris of Southfield said outside court.

Assistant U.S. Attorney Kathryn McCarthy told Zatkoff Coleman did not have to know exactly what was inside the fatal mixture for him to be guilty of the crimes, which each carry a minimum 20-year prison sentence.

Under a deal reached with prosecutors, Coleman is expected to be sentenced to between 24 and 30 years in prison and will lose his right to appeal.

Harris said outside court that because Coleman has previous drug offences on his record, he would have faced life in prison if found guilty of selling heroin. That's why the plea deal made sense, he said.

It's the first charge related to deaths caused by fentanyl-laced heroin and cocaine that killed an estimated 133 people in Metro Detroit in 2005-06.

Detroit Man Pleads Guilty In Fentanyl Deaths (FREEP)

By Jim Schaefer, Free Press Staff Writer

Detroit Free Press, November 16, 2006

A 36-year-old Detroit man pleaded guilty today to providing the fentanyl-laced heroin that killed Birmingham high school junior Lauren Jolly and another man last spring.

James Edgar Coleman told Judge Lawrence Zatkoff in U.S. District Court that he was unaware that the heroin he supplied to a drug house on Detroit's east side also contained fentanyl, a drug that is 50 to 100 times more powerful. Fentanyl was blamed for dozens of deaths in the tri-county area from late 2005 through May 2006.

Jolly, 17, a student at Birmingham Groves, and Daniel McElmurry, 30, of Madison Heights, both purchased the drugs that killed them from a house on Keating that Coleman said he supplied with narcotics.

As part of a plea deal, Coleman would be sentenced to 24 1/3 years to nearly 30 ½ years. Coleman's lawyer, Warren Harris, said his client was sorry and took the deal because he could have gotten life in prison on other charges the government issued.

Zatkoff set a sentencing date of Feb. 6.

Detroit Man Pleads Guilty In Fentanyl-Laced Heroin Deaths (DFP/AP)

Detroit Free Press/AP, November 16, 2006

A Detroit man has pleaded guilty in the deaths of two people for giving them heroin laced with the painkiller fentanyl.

That combination is blamed in the deaths of more than 100 drug users in southeast Michigan over the past year.

Thirty-six-year-old James E. Coleman entered the plea to two counts of delivery of a controlled substance resulting in death.

Sentencing was set for February.

Coleman was charged in the deaths of 17-year-old Lauren Jolly of Oakland County's Bloomfield Township and 30-year-old Daniel McElmurry of Madison Heights.

Judge Rejects County Challenge To Medical Marijuana Laws (SDUT)

DOJ_NMG_0095628

By Jeff Mcdonald, Union-tribune Staff Writer

The San Diego Union-Tribune, November 16, 2006

SAN DIEGO – A Superior Court judge rejected an argument Thursday from San Diego County that the state medical marijuana laws are illegal because they conflict with federal drug prohibitions.

In a tentative ruling, Judge William R. Nevitt Jr., said California laws permitting chronically ill patients to grow and smoke marijuana are voluntary, and as such do not automatically conflict with federals laws banning pot.

Attorneys for both sides are scheduled to make oral arguments in the case later Thursday afternoon. It is unclear whether Nevitt will issue a formal ruling from the bench or take the case under submission.

San Diego County sued the state of California earlier this year to try to overturn Proposition 215, which allowed for the medical use of marijuana. The issue has been hotly debated in the ten years since voters approved that initiative.

Many California counties have been slow to implement the law. San Bernardino and Merced counties joined the San Diego case earlier this year.

Judge Rejects San Diego County Medical Marijuana Challenge (NCT)

North County Times, November 16, 2006

SAN DIEGO ---- A Superior Court judge issued a tentative ruling today rejecting the County of San Diego's argument that California's medical marijuana law should be overturned.

Judge William R. Nevitt, who is scheduled to hear arguments in the controversial case at 1:30 p.m. today, issued a tentative ruling at 11 a.m.

Nevitt's ruling rejected the county's argument that California's decade-old, voter-approved law should be overturned because it conflicted with federal law.

San Diego County supervisors filed a lawsuit in state court in December 2005 after refusing to comply with state orders to create an identification card and registration program for medical marijuana users.

California is one of 11 states where voters have said seriously-ill people should be allowed to legally use marijuana to ease their suffering if they have a doctor's recommendation.

Federal law says marijuana has no medicinal value and is illegal for anyone to use.

The county argued that the California law should be "pre-empted" by federal law, which says all marijuana use is illegal, under the U.S. Constitution's "Supremacy Clause," which says federal laws should be "supreme" over state laws.

Nevitt, however, said in his tentative ruling that the county's argument ignored the corollary to the Supremacy Clause that held in matters where states traditionally legislate, state law is considered pre-eminent.

Nevitt also ruled out the county's argument that the state's order for counties to issue identification cards for medical marijuana users should be overturned.

Judge Rejects San Diego Challenge To Medical Marijuana Law (AP)

AP, November 17, 2006

SAN DIEGO A state court judge has rejected a San Diego County lawsuit challenging the decade-old California law that legalizes marijuana for medical purposes.Superior Court Judge William Nevitt, Junior, said in a tentative ruling issued this morning that the state can decriminalize the drug even though it is illegal under federal law.Voters approved a ballot measure legalizing marijuana use for people suffering from chronic illness in 1996.San Diego County sued the state of California in February after the Board of Supervisors refused to follow state rules requiring them to issue identification cards to medical marijuana users.Two other California counties, San Bernardino and Merced, joined San Diego as plaintiffs in the suit.Lawyers for the three counties will have one more chance to change the judge's mind when they appear in Superior Court for oral arguments this afternoon.

Counties Take On State On Medical Pot (AP)

AP, November 16, 2006

SAN DIEGO - Attorneys for San Diego County argued Thursday before a state court judge that the federal ban on marijuana use precludes states from exempting people who use the drug for medical purposes.

San Diego County sued California and its health services director in February over the state's decade-old law permitting use of the drug with a physician's approval. The county says it should not be bound to act to uphold state laws that conflict with federal statutes.

"California has authorized the exact same conduct that federal law has prohibited," argued Thomas Bunton, a senior deputy county counsel. "That's clearly an obstacle to the objective of Congress to prevent drug abuse."

Two other California counties, San Bernardino and Merced, joined San Diego as plaintiffs. All three counties have refused to comply with a state requirement that counties issue identification cards for medical marijuana users and maintain a registry of people who apply for the cards.

Earlier Thursday, Superior Court Judge William R. Nevitt, Jr., issued a tentative ruling rejecting the county's suit.

Nevitt did not indicate when a final ruling would be issued but set a Dec. 1 deadline for additional briefs on

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issues related to the case.

In his tentative ruling, Nevitt agreed with attorneys for the state, who argued that California is entitled to pass its own drug laws and legislate programs that allow marijuana use for medical purposes.

"The counties are not being forced to do anything that would be in violation of federal law," said Leslie Lopez, a deputy state attorney general. "They're simply being asked to carry out state law."

Five California patients and caregivers, represented by the American Civil Liberties Union, Americans for Safe Access and other advocacy groups, joined the case on the side of the state. A sixth patient, Pamela Sakuda, who suffered from rectal cancer, died last Friday, said William Dolphin, a spokesman for ASA.

About 30 medical marijuana users gathered in the courtroom to hear the arguments, many loudly tut-tutting as Bunton and other county attorneys argued that making marijuana available to the ill can enable recreational drug abuse.

County officials said they have not decided whether they will appeal if Nevitt stands by his initial ruling.

"All we wanted was guidance telling us where we're at so we don't break any rules and lose any funding," said San Diego County Supervisor Bill Horn.

Supporters of the law said they were prepared for a fight.

"It will go as far as the counties want to take it," said Adam Wolf, an attorney for the ACLU Drug Law Reform Project who argued part of the case.

California's law allows people suffering AIDS, cancer, anorexia, chronic pain, arthritis and migraine and "any other illness for which marijuana provides relief" to grow or possess small amounts of marijuana with a doctor's recommendation.

Judge Issues Ruling Upholding Medical Marijuana Law (KGTV)

KGTV-TV, November 16, 2006

SAN DIEGO -- A San Diego judge Thursday issued a tentative ruling upholding California's medical marijuana law, finding against San Diego and two other counties that challenged voter-passed Proposition 215.

However, after hearing oral arguments, Superior Court Judge William Nevitt declined to issue a final decision in the lawsuit brought by San Diego, San Bernardino and Merced counties.

Passed by California voters in 1996, the so-called Compassionate Use Act allows the use of marijuana for pain treatment and other medical reasons.

The counties' lawsuit, filed in February, claims federal law banning marijuana use and possession supercedes state law that allows the medical use of marijuana.

The suit was filed against the local chapter of the National Organization for the Reform of Marijuana Laws, or NORML, after the San Diego County Board of Supervisors refused to implement part of the state law requiring officials to issue identification cards to medical marijuana users to protect them from prosecution.

The American Civil Liberties Union, Americans for Safe Access and Drug Policy Alliance joined San Diego NORML in fighting the suit.

Thomas Bunton, the chief deputy counsel for San Diego County, told the judge that the federal Controlled Substances Act of 1970 contains a provision that overrides state drug laws.

"Authorizing anyone to use marijuana undercuts the objective of federal laws," Bunton said.

Federal law does not recognize the medical use of marijuana, the lawyer contended.

The ACLU's lawyer, Adam Wolf, said the medical marijuana law only bars state police from enforcing federal drug statutes.

"We're not saying federal law can't be enforced," Wolf said. "All we're saying is the state doesn't have to be an active partner with federal law enforcement."

Joseph Elford, an attorney for Americans for Safe Access, told the judge that there is no conflict between Proposition 215 and federal law.

Even with marijuana use allowed for medical purposes, California is "90 percent of the way" toward compliance with federal anti-drug statutes, Elford said.

The judge did not indicate when he would release his final ruling. He did ask lawyers to file briefs by Dec. 1.

Wolf said he would try to reach out-of-court agreements with the counties so that the judge would not have to issue an injunction.

Top Supplier Of West Pot Pleads Guilty; Terms Sealed (KNOXNS)

By Jamie Satterfield

Knoxville News Sentinel (TN), November 17, 2006

Arizona defendant gets cap placed on amount of drugs he will be responsible for

He's just pleaded guilty in open court to being the chief supplier in one of Knoxville's most high-profile drug conspiracy cases, but could you keep that under wraps?

Assistant U.S. Attorney Hugh Ward on Thursday laid bare in U.S. District Court the details of Arizona drug supplier Phillip Arthur Apodaca's role in the marijuana-peddling conspiracy case involving Market Square businessman Scott West and his brother.

Apodaca, 36, admitted those details as he pleaded guilty to charges of conspiring to push more than a ton of marijuana and plotting to launder at least $2.5 million in drug money.

Despite his very public confession, Apodaca's Arizona-based attorney, Rudy Valenzuela, asked U.S. District Judge Thomas Phillips to place under seal the terms of Apodaca's plea deal and a document that outlines his crimes.

It's still not clear why, but it's not an entirely uncommon move. Most defendants who take a plea deal in federal court will wind up working as snitches in hopes of earning sentencing breaks, and that's not exactly something one wants to advertise.

Since Apodaca's plea agreement is now shrouded in secrecy, whether he has garnered a promise of a break for telling tales on others is unknown. His opportunities would seem, at least on the surface, to be limited.

After all, the man Apodaca has been selling thousands of pounds of marijuana to since 2001 - Mike West - already has struck his own deal with prosecutors Ward and David Jennings. Scott West also has pleaded guilty.

Charges are still pending, however, against Mark Anthony Cort, who was the alleged go-between for Mike West and Apodaca as well as a father and son accused of serving as couriers for Mike West.

Ward told Phillips at Thursday's hearing that Apodaca was living in Arizona when he took over as Mike West's "primary source" of marijuana. Mike West, records show, has been dealing drugs for more than a decade.

Apodaca routinely lined up 1,000-pound shipments of marijuana for Mike West, who rented at least two houses in Arizona to serve as "stash houses" for drugs and money, Ward said.

Although court records suggest that the West pot pipeline has funneled tons upon tons of marijuana into states including Georgia, North Carolina and Tennessee, Apodaca has locked into place as part of his plea deal a cap on how much of those drugs he will be held responsible for when sentenced.

"The defendant will be responsible for at least 1,000 kilograms but less than 3,000 kilograms" of marijuana, Ward said.

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Those figures are key, because penalty ranges in federal cases are determined, in part, by how much dope a dealer peddled. Apodaca already faces a boost in his basic penalty range because the U.S. Drug Enforcement Administration, which toppled the West conspiracy, found guns in the supplier's possession when he was nabbed, Ward said.

Phillips set a March 5 sentencing hearing for Apodaca. Scott West is expected to be the first of his conspirators to face sentencing, with a hearing currently scheduled for December. Hearings for his brother and sister-in-law were recently bumped to January.

Detroit Police Search For Suspects; 5 People Are Shot, 2 Fatally (AP)

By Ron Vample

AP, November 17, 2006

DETROIT - Police arrested a man suspected in a series of shootings Thursday that left two people dead and three others wounded within a span of 10 minutes.

The shootings took place shortly after 6 a.m. in a three- to four-block area on the city's west side, Detroit police spokesman James Tate said.

Killed were Arthur James Smith, 49, and Othelia Fry, 58, both of Detroit, said Yvette Walker, a Detroit police spokeswoman. The wounded men - Elton Ash, 51, Dennis Anderson, 49, and James L. Brown, 50 - were treated at Henry Ford Hospital and released, hospital spokeswoman Synthia Bryant said.

Police arrested the suspect Thursday afternoon at a house about a half-mile from where the shootings occurred, The Detroit News reported on its Web site.

Investigators received a tip from a woman who told them the suspect told her he had shot five people in the morning. The woman led police to the man, the newspaper said.

A search of the house did not find a weapon or the clothes the suspect was believed to have been wearing during the shootings. But the man fit the descriptions given by witnesses, police said.

Tate said earlier that investigators believed there were two gunmen, but police told the Detroit Free Press late Thursday that witness accounts may have been wrong and one man may have been responsible.

Messages left for police by The Associated Press on Thursday night were not immediately returned.

Police said the victims apparently were chosen at random.

One gunman said something to the victims, Tate told The News without giving details. "Right now we have not established a motive," he said.

Fry was shot inside a vehicle in front of the Angel Land Child & Parent Center, a day care facility on Linwood Street, Tate said. There were no children at the day care at the time, and the shooting didn't appear to be related to the facility, he said.

Smith and Ash were shot minutes later about a block away. Shortly afterward, Anderson was wounded in his backyard and Brown also was shot, the Free Press reported on its Web site.

Police recovered shell casings from a handgun.

Linwood is a busy, four-lane street that runs through blocks of old homes. The area around the shooting scene is lined with liquor stores, empty lots, a church, gas stations and abandoned buildings.

Fry had been a cook at the child care center for five years and "really loved that job," said her husband, Bauford Carmichael, 65. She also was president of her block club and active with her neighborhood watch, he told the Free Press.

The U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives was offering a $10,000 reward for information leading to the arrest and conviction of those responsible for the shootings.

"The magnitude of the violence, coupled with a gunman - or gunmen - at large precipitated our offer of assistance to the Detroit Police Department and our involvement in the manhunt," said Valerie J. Goddard, the agent in charge of the ATF's Detroit office.

Associated Press Writer Jim Irwin contributed to this report.

IMMIGRATION:

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Feds: Border Security Costs Could Soar (AP)

The AP, November 16, 2006

Electronic monitoring and other steps for enhancing surveillance along the southwestern border could cost 15 times the initial $2 billion estimate, the Homeland Security Department's inspector general says.

"Early forecasts and estimates of the program's value range from $8 billion to $30 billion," Richard L. Skinner said in an audit report.

The estimate raised new questions about the viability of efforts by President Bush and Congress to revamp immigration policies. The Republican-led Congress demanded that a first step include efforts to improve security along the U.S. borders.

The contract for a "virtual fence" of new cameras, surveillance technology and revamped procedures for border agents was awarded in September to the Boeing Co. The first phase of the program is planned for a 28-mile stretch along the Arizona border near Tucson and is due to be completed in June.

The figures exclude the costs of about 700 miles of additional physical border fencing that Bush signed into law in September.

Homeland Security Department spokesman Russ Knocke said only the money for the Tucson-area phase of the project, $67 million, has been set aside from agency funds so far.

"I'm not sure where his numbers are coming from," Knocke said of Skinner's estimate. He said the agency was open to listening to Skinner's ideas on how to strengthen oversight of the program.

"We've been very clear from the very beginning," Knocke said. "We were going to build a little and prove it before we build more."

"The bottom line is there isn't a number," said Rep. Mark Souder, R-Ind. He was critical of how the contract was awarded and the program is being managed. He noted that estimates can change, but that Boeing must have had a cost estimate when it bid on the contract.

Souder said the plan to go ahead with just the 28-mile stretch near Tucson without a clearer overall plan was like building a house without a plan or cost estimate while saying, "we're getting along really well with the downstairs bathroom."

A Boeing spokeswoman noted that the company is "on a contract for $67 million at this time," with three one-year options. She declined to answer other questions.

Rep. Bennie Thompson, D-Miss., in line to become chairman of the House Homeland Security Committee next year, said he is "troubled that we have not seen a detailed rendering of the department's strategy."

Bush and Congress have approved $1.2 billion for the border security program, but $950 million of that cannot be tapped until the department provides Congress with a report on how it will spend the money, Knocke said.

On Wednesday, Skinner told the House Homeland Security Committee's management subcommittee that the type of contract awarded to Boeing for the border program creates additional risks that, "unless properly managed, threaten achievement of cost, schedule, performance, and, ultimately, mission objectives."

TAX:

Minuteman Spending Outstrips Donations, Fees (WT)

By Jerry Seper

The Washington Times, November 17, 2006

The Minuteman Civil Defense Corps, under fire for a lack of financial accountability, spent nearly $450,000 last year for volunteers to patrol the U.S.-Mexico border -- about $31,000 more than it collected in donations and registration fees -- according to a report released yesterday.

The organization's first Internal Revenue Service Form 990 filing as a 501(c)4 tax-exempt charitable trust showed nearly $285,000 in MCDC contributions, or roughly 63 percent, were used to pay for program management and operating expenses, such as travel expenditures, salaries, educational materials and office expenses.

Another $145,000, about 32 percent, went for MCDC's fundraising programs.

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According to the report, about $20,000, or 5 percent, was spent on field supplies, meals, fuel and background checks for the claimed 8,500 Minuteman volunteers, who last year staffed observation posts at selected points along the Mexican border from California to Texas in April and October.

While the IRS papers document MCDC collections and expenditures through Dec. 31, a reported donation total of $418,493 is significantly less than the $1.6 million MCDC President Chris Simcox told The Washington Times in July that the group had collected in donations since its April 2005 creation. That figure was said to include $1 million in direct MCDC contributions and $600,000 toward the construction of a $55 million border fence.

At the time, Mr. Simcox said MCDC had spent $160,000 for two border vigils in April 2005 and October 2005, supplying volunteers with equipment, including computers, satellite phones, food and trailers.

He also said the organization spent another $36,000 for monthly, three-day musters by MCDC in the four border states.

MCDC officials declined to discuss the Form 990 report with The Washington Times, but Mr. Simcox said in a statement posted on the organization's Web site, "We are releasing our organizational IRS Form 990 and the additional audited financial statements on deadline, as promised, when promised."

He also said that the group's board of directors, which he heads, had decided that "this year and this year only" it would make public the organization's financial statements -- citing what he called "outright malicious lies about the status of MCDC finances."

In July, several MCDC leaders and volunteers questioned the whereabouts of hundreds of thousands, perhaps millions, of dollars in donations the organization had collected.

Several of the group's top lieutenants either quit or threatened to quit, saying requests to Mr. Simcox for a financial accounting have been ignored. Others said money promised for supplies never reached volunteers at the border.

Mr. Simcox, during the July interview, denied the accusations, describing his critics as "known racialists, anti-Semites and a small handful of disgruntled people who have been terminated from staff or from leadership involvement with the Minuteman Civil Defense Corps over a year ago because they could not meet MCDC standards or adhere to our strict field standard operational procedures."

CONGRESS-ADMINISTRATION:

Bush Sends Congress A Partisan Agenda (MCT)

By Steven Thomma

McClatchy Newspapers, November 17, 2006

WASHINGTON - President Bush made nice with the Democrats for the television cameras after they won control of Congress, complete with pictures filled with handshakes, smiles and vows of working together. He even tossed Secretary of Defense Donald H. Rumsfeld over the side, making many people think that maybe he was going to move more toward the center and reach out for bipartisan openings.

But the agenda he's sent to Congress since then is full of Republican proposals that have no chance of winning bipartisan approval, enrage Democrats, rally his conservative base and appear to be intended to paint Democrats as obstructionist.

Bush has resubmitted several judicial nominations that had been blocked even before last week's elections. He's asked again that the Senate confirm John Bolton as ambassador to the United Nations. And he's urged approval of warrantless eavesdropping on suspected terrorists without any accommodation to Democrats' demands that a court sign off on the spying.

None of these proposals is expected to win approval in the lame-duck session of the Republican Congress, and all are assured of defeat when the Democrats take over in January.

Bush's proposals could be simply his opening bid in what would be a tough round of negotiations with the Democrats. Or they could be a political gambit designed to frame the Democrats early on as obstructionists while rallying a conservative base dispirited by last week's election losses.

Either way, they contradict the initial post-election image that indicated that Bush was ready to reach out to Democrats.

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"I intend to work with the new Congress in a bipartisan way," he said the day after the election. "The message yesterday was clear: The American people want their leaders in Washington to set aside partisan differences, conduct ourselves in an ethical manner and work together to address the challenges facing our nation."

Then this week Bush sent to the Senate four appellate-court nominations that waved a red flag before Democratic bulls. They included:

-U.S. District Judge Terrence Boyle of North Carolina, who's been blocked for years by Democrats who accuse him of being hostile to civil rights and often overruled by higher courts.

-William G. Haynes, a former Pentagon general counsel to Rumsfeld, who's been assailed by Democrats for his role in crafting Bush administration policies on detentions and treatment of suspected enemy combatants.

-Michael B. Wallace, a private-practice attorney from Mississippi who was rated unqualified by the American Bar Association and who's been criticized by Democrats as being hostile to civil rights and to the poor.

-William G. Myers, a mining lobbyist from Idaho who's opposed by environmentalists.

"Barely a week after the president promised to change course by working in a bipartisan and cooperative way with Congress, it is disappointing that he has decided to stay the course on judicial nominees," said Sen. Patrick Leahy, D-Vt., who'll chair the Senate Judiciary Committee when the Democrats take over in January.

If Democrats think Bush's in-your-face moves will anger voters, at least one Republican strategist countered that they'll be applauded as overdue by conservatives.

"To the party's detriment, we did not run on the issue of judges as much as we should have. It's a winning issue for us," said strategist Keith Appell, who added that Bolton also is popular with conservatives.

"There is a real question as to how enthusiastic the Republican leadership was last year on these nominations. Now there is an opportunity for the Republican leadership in the Senate to re-establish itself with the conservative grassroots by fighting for these nominees."

Even if Bush loses, he wouldn't only rally the party base, Appell said, but a loss would also allow him to argue that Democrats were obstructionists.

"It forces the Democrats to violate their promise of bipartisanship," he said.

Bush also is pushing Congress to ratify his warrantless eavesdropping without any hint of accommodation to Democrats, who want the spying to continue but with court oversight.

White House spokesman Tony Snow defined bipartisanship in that case as the Democrats supporting the president's plan because both parties now share power - and the responsibility to protect the country against terrorists. On Bush's terms.

Bruce Buchanan, a political scientist at the University of Texas, said he doubts that either side would be successfully or permanently scarred as obstructionist or face a backlash from voters at this early stage, still two years from the next election. Thus, he said, "Bush probably thinks it's too soon to sing Kumbaya with the Democrats."

MORE ON THE JUDICIAL NOMINEES:

-William G. Haynes, nominated to the 4th U.S. Circuit Court of Appeals in Richmond, Va., was assailed by Democrats during his hearings for his role in crafting Bush administration policies on enemy detentions and treatment. He served as general counsel for Secretary of Defense Donald H. Rumsfeld.

-Michael B. Wallace is an accomplished private-practice attorney from Mississippi and a nominee to the 5th U.S. Circuit Court of Appeals in New Orleans. He was rated unqualified, though, by the American Bar Association - in part because the organization found that he lacked a "commitment to equal justice." Democrats seized on the report as proof that Wallace would be hostile to civil rights and to the poor.

-Federal District Judge Terrence Boyle of North Carolina technically has been waiting more than 15 years to get a seat on the 4th Circuit bench in Richmond. He was nominated by the first President Bush, but never got a hearing. He was re-nominated by the current President Bush in 2001 but was initially blocked by North Carolina Sen. John Edwards, who thought the bench needed more African-Americans.

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Boyle has been accused of being hostile to civil rights, and Democrats have vowed to filibuster him. The closest he's come to confirmation was a committee vote a year ago. His nomination expired before a floor vote, so he'd need another nod from the committee before a confirmation vote could take place.

-William G. Myers is a mining lobbyist from Idaho, nominated to the 9th U.S. Circuit Court of Appeals in San Francisco. Democrats have portrayed him as hostile to environmental interests, a key issue in the Western states covered by the court to which he's nominated. He hasn't gotten a committee vote yet.

-Norman Randy Smith, nominated to the 9th Circuit, and Peter D. Keisler, nominated to the U.S. Court of Appeals for the District of Columbia, have been opposed for less partisan reasons, but they'll still likely face opposition.

Smith, a federal district judge from Idaho, was nominated to a seat on the appeals court that Californians traditionally have held. Democrats have opposed him for that reason.

Keisler, a former clerk for Judge Robert Bork and Supreme Court Justice Anthony Kennedy, is opposed by Democrats who complain that his resume offers few clues as to what kind of judge he'd be. Some activist groups also criticize his nomination to the D.C. Circuit because he'd occupy a controversial new seat - one that Senate Republicans denied to Harvard Law School Dean Elena Kagan during the Clinton years.

McClatchy correspondent Stephen Henderson contributed to this report.

Bush Choice For Family-Planning Post Criticized (WP)

By Christopher Lee

The Washington Post, November 17, 2006

The Bush administration has appointed a new chief of family-planning programs at the Department of Health and Human Services who worked at a Christian pregnancy-counseling organization that regards the distribution of contraceptives as "demeaning to women."

Eric Keroack, medical director for A Woman's Concern, a nonprofit group based in Dorchester, Mass., will become deputy assistant secretary for population affairs in the next two weeks, department spokeswoman Christina Pearson said yesterday.

Keroack, an obstetrician-gynecologist, will advise Secretary Mike Leavitt on matters such as reproductive health and adolescent pregnancy. He will oversee $283 million in annual family-planning grants that, according to HHS, are "designed to provide access to contraceptive supplies and information to all who want and need them with priority given to low-income persons."

The appointment, which does not require Senate confirmation, was the latest provocative personnel move by the White House since Democrats won control of Congress in this month's midterm elections. President Bush last week pushed the Senate to confirm John R. Bolton as ambassador to the United Nations and this week renominated six candidates for appellate court judgeships who have previously been blocked by lawmakers. Democrats said the moves belie Bush's post-election promises of bipartisanship.

The Keroack appointment angered many family-planning advocates, who noted that A Woman's Concern supports sexual abstinence until marriage, opposes contraception and does not distribute information promoting birth control at its six centers in eastern Massachusetts.

"A Woman's Concern is persuaded that the crass commercialization and distribution of birth control is demeaning to women, degrading of human sexuality and adverse to human health and happiness," the group's Web site says.

Keroack was traveling and could not be reached for comment. John O. Agwunobi, assistant secretary for health, said Keroack "is highly qualified and a well-respected physician . . . working primarily with women and girls in crisis."

Mark Conrad, president of A Woman's Concern, said Keroack would be able to make the transition to leading a federal program in which provision of birth control is an integral part. "I don't think it's going to be an issue for him," he said.

The group helps women in unplanned pregnancies but discourages abortions, Conrad said. He said the decision is the woman's but "we do want to give her the opportunity to have all the information and the support necessary to choose life."

Marilyn Keefe, interim president of the National Family Planning and Reproductive Health Association, which represents 4,000 family-planning clinics, said Keroack's work "seems to really be geared toward furthering anti-choice, anti-contraception

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policies." She added that despite the congressional election results, the appointment "goes to show you the importance of controlling the White House and how important federal agencies are in the delivery of health services."

The federal family-planning program, created in 1970, supports a network of 4,600 family-planning clinics that provide information and counseling to 5 million people each year. Services include patient education and counseling, breast and pelvic exams, pregnancy diagnosis and counseling, and screenings for cervical cancer, sexually transmitted diseases and HIV.

Cecile Richards, president of the Planned Parenthood Federation of America, called Keroack's appointment "striking proof that the Bush administration remains dramatically out of step with the nation's priorities."

Taken together, Keroack's appointment, the Bolton push and the judicial renominations suggest that although Bush may work for consensus with Democrats on selected issues, he does not plan to avoid decisions simply because lawmakers will disagree, and he may in fact seek fights in some instances when he feels they may be useful politically.

Confirmation of Bolton and the judicial nominees are popular causes with Bush's conservative base, and a family-planning chief from an organization that opposes contraceptives may appeal to disaffected social conservatives.

White House spokeswoman Dana M. Perino cautioned against reading a larger pattern into the recent moves, saying, "You have to look at these things in isolation."

She added: "The president has said we will look to reach common ground where we can find it. However, he's not going to compromise on his principles."

Family-planning Head Leads Anti-contraceptive Group (LAT)

By Christopher Lee

The Los Angeles Times, November 17, 2006

WASHINGTON — The Bush administration has appointed a new chief of family-planning programs at the Department of Health and Human Services who helps lead a Christian pregnancy counseling organization that regards the distribution of contraceptives as "demeaning to women."

Dr. Eric Keroack, medical director for A Woman's Concern, a nonprofit group based in Dorchester, Mass., will become deputy assistant secretary for population affairs in the next two weeks, department spokeswoman Christina Pearson said Thursday.

Keroack, an obstetrician-gynecologist, will advise Secretary Mike Leavitt on matters such as reproductive health and adolescent pregnancy. He will oversee $283 million in annual family-planning grants that, according to the department, are "designed to provide access to contraceptive supplies and information to all who want and need them with priority given to low-income persons."

The appointment does not require Senate confirmation.

The Keroack appointment has angered many family-planning advocates, who note that A Woman's Concern supports sexual abstinence until marriage, opposes contraception and does not distribute information promoting birth control at its six pregnancy service centers in eastern Massachusetts.

"A Woman's Concern is persuaded that the crass commercialization and distribution of birth control is demeaning to women, degrading of human sexuality and adverse to human health and happiness," the group's policy statement on contraception says.

Keroack could not be reached for comment.

John O. Agwunobi, assistant secretary for health, said Keroack was "highly qualified and a well-respected physician … working primarily with women and girls in crisis."

A Woman's Concern President Mark Conrad said Keroack would be able to make the transition to leading a federal program in which the provision of birth control is an integral part. "I don't think it's going to be an issue for him," Conrad said.

The group helps women in unplanned pregnancies but discourages abortions, Conrad said. He said the decision was a woman's but "we do want to give her the opportunity to have all the information and the support necessary to choose life."

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Marilyn Keefe, interim president of the National Family Planning and Reproductive Health Assn., which represents 4,000 family-planning clinics, said Keroack's work seemed "to really be geared toward furthering anti-choice, anti-contraception policies."

The federal family-planning program, created in 1970, supports a network of 4,600 family-planning clinics that provide information and counseling to 5 million people a year. Services include patient education and counseling, breast and pelvic exams, pregnancy diagnosis and counseling, and screenings for cervical cancer, sexually transmitted diseases and HIV.

Cecile Richards, president of Planned Parenthood Federation of America, said in a statement that Keroack's appointment was "striking proof that the Bush administration remains dramatically out of step with the nation's priorities."

Still Waiting For Bipartisanship (NYT)

The New York Times, November 17, 2006

The voters sent a clear message last week that they do not want the far right of the Republican Party calling the shots in Washington. But President Bush has ignored the message, resubmitting a group of archconservative, underqualified judicial nominees that Senate Democrats have already said are unacceptable. With the Democrats about to take control of the Senate, it is highly unlikely that these men will be confirmed. But the renominations suggest that when it comes to filling judgeships, Mr. Bush is still not looking for either excellence or common ground.

The four most controversial nominees that President Bush resubmitted are ideological in the extreme. William Myers III, a longtime lobbyist for mining and timber interests, would no doubt use his position on the San Francisco-based United States Court of Appeals for the Ninth Circuit to gut environmental laws. William Haynes II, who helped develop the administration's torture and "enemy combatant" policies as the top lawyer for the Pentagon, could be counted on to undermine both civil liberties and reasonable limits on executive power.

Terrence Boyle, a district court judge in North Carolina and a former aide to Senator Jesse Helms, has a long record of insensitivity to victims of race and disability discrimination. He would be able to pull the law in the wrong direction in these areas if he became an appeals court judge. Michael Wallace, a former lawyer for Senator Trent Lott, Republican of Mississippi, has a bad civil rights record, including arguing in favor of letting Bob Jones University, which discriminated on the basis of race, keep its tax-exempt status.

Beyond their ideology, these nominees embody values that the American people rejected in the midterm elections. The voters were angry about the influence of lobbyists and special interests. But Mr. Myers would bring that influence onto a powerful appeals court. The voters were upset about the incompetence this administration has shown on everything from Iraq to Hurricane Katrina. But Mr. Wallace is the very rare appeals court nominee to receive a unanimous "not qualified" rating from the American Bar Association.

A fifth appeals court nominee, Peter Keisler, is likely to face stiff opposition for well-founded procedural reasons. When President Clinton tried to fill this seat on the United States Court of Appeals for the District of Columbia Circuit, Republican senators blocked him, saying the court needed only 10 judges. Since then, the court's caseload has decreased. It is unlikely that Democratic senators will allow the Republicans to fill the seat now.

President Bush's decision to resubmit these names could be a final sop to his far-right base. Perhaps, once this slate fails one more time, he will make more reasonable choices. Mr. Bush may have no other choice, if he wants to get any nominees confirmed in the next two years. Senator Charles Schumer, Democrat of New York, has said that "the days of hard-right judges" are over, and when Democrats take over in the Senate, he will be in a position to see that they are.

A Symbolic Step On Judges (WP)

The Washington Post, November 17, 2006

GIVEN HIS PLEDGES of bipartisanship after this month's elections, President Bush's decision to resubmit a crop of his most controversial judicial nominations strikes a discordant note. Democrats have opposed most of these nominees for good reasons. Mr. Bush has next to no chance of getting them confirmed in the lame-duck session, still less of one when Democrats take over in January. Renominating them now, therefore, smacks of GOP chest-thumping and a gratuitous thumbing of the nose at bipartisanship. To be sure, Mr. Bush, like his predecessor, has a legitimate gripe about the manner in which the Senate has

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treated his judicial nominees, some of whom have had to wait unduly long periods without receiving the courtesy of a vote. Mr. Bush is clearly trying to emphasize that the Senate owes the presidency and its nominees timely and reasonable consideration. But insisting on nominations that the other side regards as unsuitable when they have no prospect of success is hardly the way to make this point.

The real test of Mr. Bush's commitment to a more bipartisan approach to nominations will come in January, when he confronts the new Congress and its Democratic-led Senate Judiciary Committee. At that point, he should decline to renominate four of the current group of nominees. Democrats have valid objections on the merits to William J. Haynes II, William G. Myers III, Terrence W. Boyle Jr. and Michael B. Wallace -- all nominees to federal appeals courts. Mr. Haynes, the Pentagon's general counsel, has been a key player in the military's policies on detentions and interrogations in the war on terrorism. Mr. Myers has a dreadful record of anti-environmental activism. Judge Boyle, who serves on the U.S. District Court in North Carolina, has a troubling history in civil rights cases. And the American Bar Association unanimously rated Mr. Wallace "unqualified" for service on the bench.

With these four nominees, Mr. Bush has a simple choice: He can subject them, and himself, to likely defeat by votes in the committee or on the Senate floor, or he can work to find nominees for these seats who satisfy his criteria and can win broad support on both sides of the aisle. Failure to do the latter will provoke needless confrontation even while perpetuating vacancies on the bench.

The harder question is what to do about Peter D. Keisler, Mr. Bush's highly qualified nominee to the U.S. Court of Appeals for the D.C. Circuit. Mr. Keisler certainly warrants confirmation. Yet like a string of qualified nominees to the same court before him, he is caught up in a dispute over how many seats the court should have. It has 10 sitting judges; many people believe its two empty seats are unnecessary given its workload, and Republican senators blocked President Bill Clinton's nominees to the seats on that basis. More recently, Democrats have turned the tables. On the merits, the complaint may be right. But it has been grossly unfair to nominees of both parties to decide this policy dispute in the context of evaluating their confirmations. The number ought to be decided before Mr. Bush subjects Mr. Keisler or anyone else to a tempestuous fight having little to do with their qualifications.

Democrats Prepare To Raise Minimum Wage (AP-Y)

By Kevin Freking, Associated Press Writer

AP, November 17, 2006

It looks like full steam ahead for a significant boost to the federal minimum wage when Democrats assume control of Congress in January.

Sen. Edward Kennedy of Massachusetts said Thursday that increasing the federal minimum wage from $5.15 to $7.25 would be his top priority as chairman of the Senate Committee on Health, Education, Labor and Pensions.

On the House side, incoming Speaker Nancy Pelosi, D-Calif., already has listed an increase in the minimum wage as one of the issues that would be taken up during the first 100 hours of the next Congress.

"Americans are working harder than ever, but millions of hardworking men and women across the country aren't getting their fair share," Kennedy said during a speech outlining his legislative agenda for next year. "We're not rewarding work fairly anymore, and working families are falling behind."

President Bush signaled readiness last week to consider some Democratic priorities such as a minimum-wage increase, overhauling immigration policy and finding compromise on renewing the No Child Left Behind education law.

Critics of boosting the minimum wage say it kills job creation as employers hire fewer entry-level workers to compensate for the higher wage expenses. Kennedy said the minimum wage has remained at $5.15 an hour for nearly 10 years.

Most states have their own minimum wages laws, with some states having rates the same as the federal minimum wage and some with rates higher than the federal minimum.

Kennedy noted that ballot initiatives establishing or raising the minimum wage in six states all passed in this month's election.

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"If there is one message from this election that emerged loud and clear, it's that no one who works for a living should have to live in poverty," Kennedy said.

Kennedy also said he would seek to expand federal support for research on stem cells coming from embryos, which Congress approved last year, but Bush vetoed. The issue won't go away, he promised.

On education, Kennedy said he would seek to make college more affordable by increasing the size of Pell Grants from $4,050 to $5,100, and by cutting interest rates on student loans.

"It is more important than ever for our citizens to have a college education so they can compete in the global economy and have a fair chance at the American dream," he said.

On health care, Kennedy said the Senate's HELP committee would expand a health insurance program that now provides health coverage for about 4 million children. He also would look for ways to expand coverage to other populations too, he said, but he did not provide specifics, such as how to pay for that coverage.

Kennedy Sets Sights On Child Health Care (WT)

By Amy Fagan

The Washington Times, November 17, 2006

The soon-to-be chairman of the Senate health panel said yesterday his ultimate goal is to have the government provide health care coverage for all Americans.

Sen. Edward M. Kennedy, Massachusetts Democrat, said he knows it will take awhile to gain support for the idea, so he will focus in the meantime on extending coverage to different groups, starting with covering more children under the existing Children's Health Insurance Program (CHIP) -- something he thinks there is "a lot of sentiment for."

But Mr. Kennedy, who yesterday laid out his agenda for the Health Education Labor and Workforce Committee, said universal health care is the goal.

"We want to continue the progress in terms of coverage," he said. "We will have to take a longer period of time ... developing the support for that."

Mr. Kennedy argued that covering everyone is possible because his home state did it.

"We proved that people from all parts of the political spectrum can come together to provide health care for all," he said. "So this, too, is one of our top goals for the coming year."

Also, at the top of the "to-do" list provided by his staff is an initiative titled "Medicare for All," which would expand federal Medicare coverage to Americans younger than 65 years old. The expansion would be done in phases -- first to the 55- to 65-year-old age group and then to children younger than 20. The proposal is designed to be the starting point for discussions on universal coverage.

The rest of Mr. Kennedy's agenda for the committee includes increasing the minimum wage, allowing Medicare to negotiate directly with drug companies for lower drug prices, expanding federal support for embryonic-stem-cell research, helping college students by increasing Pell Grants, capping college loan payments and cutting student-loan interest rates -- goals that Rep. Nancy Pelosi, California Democrat, has said she, too, will tackle soon after she takes the reins as House speaker in January.

Mr. Kennedy's Medicare-for-all proposal is co-sponsored by Rep. John D. Dingell, Michigan Democrat, and would provide comprehensive coverage, including prescription drugs. According to a summary from Mr. Kennedy's office, initial estimates put the proposal in the neighborhood of $600 billion per year in terms of cost, but it would generate $380 billion a year in savings, and costs would be covered by payroll taxes and general revenues.

Mr. Kennedy and others say it's past time for such a change because skyrocketing health care costs burden society and business.

Democrats also will focus on improving CHIP, which covers 4 million low-income children and is administered by the states. Many states are facing steep funding shortfalls for the program, and incoming Senate Majority Leader Harry Reid, Nevada Democrat, said recently "the first thing we must do is address these shortfalls so these children do not lose their existing coverage, and work to improve this vitally successful program as we reauthorize it next year."

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Ending Hunger (WP)

The Washington Post, November 17, 2006

THE AGRICULTURE Department has taken what you might call the Scarlett O'Hara approach to Americans without enough to eat: It will never call them hungry again. Rumbling stomachs? Malnourishment? That's not hunger, the department says. It's experiencing "very low food security."

Maybe there's some scientific basis for this Orwellian recasting. The lead author of the annual report on Americans' access to food told The Post's Elizabeth Williamson that "hungry" is "not a scientifically accurate term for the specific phenomenon being measured." The bland phrase "food insecurity" has been used for years to describe households that have problems putting enough food on the table -- though until this year they were divided into two groups: "food insecurity without hunger" and, for those in the most desperate straits, "food insecurity with hunger." This latter group is being renamed "very low food security," meaning those in it show "multiple indications of disrupted eating patterns and reduced food intake." In other words, they're hungry.

Whatever the intention, this linguistic airbrushing diminishes the shame of the problem, its persistence and its scope. That 11 million Americans reported going hun -- sorry, reported disrupted eating patterns -- is a national embarrassment. In this group, 96 percent said they cut the size of meals or skipped meals because they didn't have enough money. The same percentage said their food did not last and they did not have enough money to get more.

At least the USDA doesn't have jurisdiction over national monuments. Otherwise, just imagine it going after the inscription on the Statue of Liberty next: "Give me your energy-deficient, your financially challenged, your space-impaired masses yearning to breathe free."

Pelosi Makes History As Female Speaker (AP-Y)

By David Espo, Ap Special Correspondent

AP, November 17, 2006

Democrats embraced Rep. Nancy Pelosi as the first woman House speaker in history on Thursday, then quickly snubbed her, selecting Steny Hoyer of Maryland as majority leader against her wishes.

"Let the healing begin," Pelosi, D-Calif., said after Hoyer had eased past her preferred candidate, Rep. John Murtha, a prominent opponent of the war in Iraq. The secret-ballot vote for Hoyer was 149-86. She was chosen by acclamation.

Added Hoyer, a 25-year veteran of Congress: "The Republicans need to know, the president needs to know and the country needs to know our caucus is unified today."

Hoyer, Murtha and several other Democrats predicted there would be no lingering effects from the bruising leadership campaign as the party looks ahead to taking control of the House in January after a dozen years in the minority.

Not everyone sounded convinced, though. "It created these tensions that we now have to work on," said Rep. Jose Serrano of New York, a Hoyer supporter.

Rep. Jim Moran, D-Va., who backed Murtha, said some members of the rank-and-file had told both rival camps to count them as supporters. "We know who they are," he said, although he later added that many of them were lawmakers whose victories on Nov. 7 gave Democrats their majority.

"If they're freshmen, they get a pass on this one," he said.

Democrats chose their leaders for the next two years as lawmakers in both houses labored to wrap up work for the expiring 109th Congress and look ahead to the 110th, which convenes on Jan. 4.

House Republicans hold elections on Friday, with a two-way race for minority leader.

Rep. John Boehner of Ohio, the current majority leader, faces a challenge from Rep. Mike Pence of Indiana. A third contender, Rep. Joe Barton of Texas, dropped out of the race and endorsed Boehner.

Missouri Rep. Roy Blunt, the incumbent GOP whip, also drew an opponent, Rep. John Shadegg of Arizona.

Speaker Dennis Hastert, R-Ill., has decided to step down from leadership in the wake of his party's election defeat.

Pelosi, 66, faced neither challenger nor controversy in her own race to become the Democrats' choice for speaker — and the first woman in history — after four years as party leader.

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Her ascension awaits a vote by the full House on Jan. 4, the opening day of the new Congress.

"We made history and now we will make progress for the American people," the Californian told fellow Democrats moments after her selection in the closed meeting, according to officials familiar with her remarks.

She pledged that after 12 years in the minority, "we will not be dazzled by money and special interests."

A veteran of nearly two decades in Congress, Pelosi raised more than $50 million for the party's candidates and committees over the past two years. In her time as minority leader, she was credited with molding an often-fractious rank-and-file into a unified force opposing the conservative agenda advanced by President Bush and congressional Republicans.

The race between Hoyer and Murtha was tinged with the residue of a leadership election five years ago. Pelosi defeated Hoyer then to become the party's whip, with Murtha as her campaign manager.

Hoyer, 67, was the front-runner from the start in the current race for majority leader after having served as second-ranking in the leadership for four years. Like Pelosi, he campaigned widely and raised millions for fellow Democrats in the run-up to the congressional elections.

On Sunday Pelosi stepped forcefully into the race — out of loyalty to Murtha, her allies said. She issued a letter of support for him, praising him for having called a year ago for an end to the U.S. military presence in Iraq.

"I salute your courageous leadership that changed the national debate and helped make Iraq the central issue of this historic election," she wrote.

Four days later, behind closed doors, she lauded Murtha for having altered the course of the campaign debate on the war and said it was in part responsible for the Democrats' electoral victories. She urged fellow Democrats to elect him majority leader to help her change the course of the war.

Hoyer countered with nominating speeches from three lawmakers from Pelosi's state of California, Reps. Henry Waxman, Lucille Roybal-Allard and Dennis Cardoza.

Cardoza, who earlier had made a nominating speech for Pelosi, then urged fellow Democrats to pick Hoyer despite her wishes to the contrary. He said the two had been a team and would continue to be a team, and he added, "Have the courage to do what you know is right."

Murtha is a former Marine, widely respected for his knowledge of defense issues and now in line to become chairman of the subcommittee with control over the Pentagon budget. His bid for the leadership led critics to recall the Abscam bribery scandal of 1980, an FBI sting operation that sent some lawmakers to jail. Murtha was never charged in the case, despite a videotape that showed him being offered $50,000. "I'm not interested ... at this point," he said.

On Thursday, Rep. Jerrold Nadler of New York said Hoyer's victory was due in part to gratitude lawmakers felt at his campaign efforts. "Along with Nancy and Rahm, Steny deserves a lot of credit for getting us here." Rep. Rahm Emanuel of Illinois served as chairman of the party's House campaign committee and was rewarded Thursday with the caucus chair post, the No. 4 position.

The Democrats also selected James Clyburn of South Carolina as majority whip, their No. 3 post. He is the second black lawmaker in history to reach as high as a party whip. William Gray of Pennsylvania held the same title 1989-91.

Other Democrats evaluated Pelosi's decision to take sides.

"She's a very smart woman who made an error in judgment," said Rep. Barney Frank, D-Mass.

Rep. David Obey of Wisconsin added, "She's gutsy as hell and she's willing to take a chance."

Democrats Pick Hoyer Over Murtha (WP)

By Jonathan Weisman And Lois Romano

The Washington Post, November 17, 2006

House Democrats elected Rep. Steny H. Hoyer (Md.) the new majority leader yesterday over strong opposition from Speaker-elect Nancy Pelosi (Calif.), exposing a deep political divide even before the party takes control.

The 149 to 86 vote for Hoyer over Rep. John P. Murtha (Pa.) was viewed by many in the party as a repudiation of Pelosi's strong-arm tactics and a recognition of Hoyer's tireless work to elect a Democratic majority for the first time in 12 years. If the

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Hoyer camp's head count was correct going into yesterday's secret balloting, Pelosi and her allies may not have swayed a single vote for Murtha, a close associate.

Pelosi, 66, was formally chosen by the Democratic caucus as the first female House speaker in history. In a show of unity after the closed-door meeting in a House office building, she and Hoyer smiled and embraced. But the two longtime rivals must now try to pick up the pieces after a bitter intraparty fight and prepare for a new Congress in January, when the Democrats must be ready to pass a new domestic agenda and challenge President Bush on the Iraq war and foreign policy.

A buoyant Hoyer vowed to work closely with Pelosi and Murtha to force Bush to change his Iraq policy and begin withdrawing troops. Pelosi had strongly backed Murtha, 74, for majority leader largely because of his early call for a troop withdrawal, which she said helped galvanize the party and win the Nov. 7 midterm elections.

The Murtha camp accused Hoyer, 67, a moderate, of a "stay the course" mentality on Iraq. Hoyer said that charge did not accurately reflect his call for a phased redeployment of U.S. troops. Yesterday, Hoyer pledged to work for the adoption of a new agenda that "is going to reach across to the president of the United States and say, 'Mr. President, we need to make a transition in Iraq; it is not working; we need to change the policy, not stay the course.' "

Both Hoyer and Murtha claimed to have a majority of votes going into yesterday's showdown, but even Pelosi had to concede that Hoyer's final margin was "a stunning victory."

Pelosi had made it clear for months that she favored Murtha over Hoyer. But on Sunday, she shocked even her staff by directly intervening in the contest by issuing a letter throwing her support to Murtha, a former Marine and the ranking Democrat on the House Appropriations subcommittee on defense.

Pelosi's aggressive, last-minute campaign for Murtha in the face of overwhelming support for Hoyer left many Democrats worried that she has become too reliant on a tight inner circle, too reluctant to listen to the broader Democratic caucus and mistakenly convinced that she can dictate the direction the caucus must take.

"Basically, she got spanked," said a House Democrat close to both Pelosi and Hoyer, who spoke on the condition of anonymity for fear of repercussions. "She got taken to the woodshed. If she doesn't get it, this is going to be a big problem over the long run."

"Maybe it will help Nancy understand the use of power, the time and place for it," said a senior Democrat with close ties to Capitol Hill.

But others think the dust-up may have been useful in clearing the air between Pelosi and Hoyer. "Here's the deal -- she's apparently been irritated by a perception that Steny has been undermining her, and it's an incorrect perception," said Rep. Barney Frank (D-Mass.). "Look, someone told me she hasn't liked him since 1963, and it has had zero effect on how well they have worked together. We don't have to guess at this. We have seen it. They can and will work well together as we move forward."

After the party elections yesterday, Pelosi and Hoyer emerged from the caucus room beaming and grabbed each other's hands. Behind them was a grim-looking Murtha, with his hands in his pockets and his eyes cast down.

"We've had our debates. We've had our disagreements in that room, and now that is over. As I said to my colleagues . . . let there be peace on Earth, and let it begin with us. Let the healing begin," Pelosi said.

Later, Hoyer held private conversations with Murtha and Rep. George Miller (D-Calif.), a Pelosi confidant who led the charge for Murtha's election. All the players pledged to unify behind the new Democratic team, which will include House Majority Whip-elect James E. Clyburn (D-S.C.), House Democratic Caucus Chairman Rahm Emanuel (D-Ill.) and House Democratic Caucus Vice Chairman John B. Larson (D-Conn.).

"We may have . . . differences from time to time," Hoyer said. "But the Republicans need to know, the president needs to know and the country needs to know our caucus is unified today."

But the top of the ticket has considerable mending to do. Pelosi expressed no regrets for her efforts on Murtha's behalf. On the contrary, she stood by her choice for majority leader, despite the avalanche of negative reactions that raised questions about Murtha's ethics and commitment to changing the role of lobbying and money in the House.

"I stand very, very proudly behind my endorsement of Mr. Murtha," she told reporters after the vote.

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Emanuel said the Democratic caucus will come together as members sit down to flesh out their legislative agenda. The outlines of that agenda were put together this year through painstaking consultation with the liberal, moderate and conservative wings of the party. That process will continue to unify Democrats as the details are worked out, Emanuel said.

But yesterday, Murtha's supporters were still smarting. Miller, who angered many Democrats with his aggressive tactics on Murtha's behalf, blamed "Swift-boating" for Murtha's defeat and the resurgence of stories questioning Murtha's ethics. He said Democrats missed an opportunity to elevate a stronger, unimpeachable voice on Iraq -- the issue that brought them to power.

Hoyer, like Murtha, has signed Democratic letters calling for a phased troop withdrawal from Iraq. But last year, just after both Murtha and Pelosi said U.S. troops should be withdrawn in six months, Hoyer suggested that "a precipitous withdrawal of American forces in Iraq could lead to disaster."

Murtha allies conceded that he managed to undermine his own campaign, particularly when he told a gathering of conservative Democrats on Tuesday night that Pelosi's ethics package was "total crap."

The "Blue Dog" Democrats at that gathering said Murtha also made a critical mistake that night when he put himself forward as Pelosi's loyal lieutenant, ready to do whatever she asked of him even if he personally disagreed. Many of them had been savaged in their campaigns by Republicans who predicted that they would be rubber stamps for Pelosi, a "San Francisco liberal," and they had vowed to be independent voices in conservative-leaning districts.

Ultimately, it was Hoyer who secured his own victory, by working in the trenches for years to raise money for Democratic candidates, recruit reluctant combatants and offer advice to those just wading into the political arena.

"He had been doing the tough work," said Rep. Stephen Lynch (D-Mass.). "It's just mind-numbing -- all those fundraisers, the travel, sleeping in hotel rooms. It needs to be rewarded."

In contrast to Murtha, with his gruff demeanor and straight talk, Hoyer is a well-practiced politician with a breadth of policy knowledge who plays to the news media. Yesterday, after Pelosi gave reporters a cursory statement of support for D.C. voting rights, Hoyer jumped in with a more voluble response.

"We who live in the Washington metropolitan area believe that the country ought to take it as a moral cause to ensure the fact that every citizen of the District of Columbia has a vote in the Congress of the United States," Hoyer said. "It is the only capital in the free world that I know of whose citizens are disenfranchised."

Pelosi's Early Setback Has Her Party On Alert (LAT)

By Janet Hook And Richard Simon

The Los Angeles Times, November 17, 2006

WASHINGTON — Rep. Nancy Pelosi (D-San Francisco) was elevated to the pinnacle of congressional power Thursday as fellow Democrats formally made her their choice as the next House speaker. But the same colleagues gave Pelosi a brusque lesson in the limits of her power when they rejected her choice for second in command.

In a battle that many felt Pelosi made unnecessarily bitter, House Democrats turned aside her personal pleas and arm-twisting and elected a Pelosi rival, Rep. Steny H. Hoyer (D-Md.), to be House majority leader over Rep. John P. Murtha (D-Pa.).

Hoyer didn't merely defeat Murtha, Pelosi's strong preference, but trounced him in a 149-86 vote as House Democrats met to choose leaders in the wake of a midterm election that gave their party control of the House and Senate for the first time since 1994.

Democrats selected her as their choice for speaker, but she will not assume the post until the new Congress convenes in January and takes a formal vote.

Pelosi's failed effort to anoint her own chief lieutenant fueled doubts among critics about the political skills she brings to leading her fractious party. It also sent a clear signal of what kind of leader she is: an old-style politician who puts a premium on personal loyalty, even at the risk of high-profile defeat.

Still buoyed by their election day victories, some Democrats were left wondering why Pelosi had injected herself into a bitter leadership battle with her last-minute support of Murtha over Hoyer, who had long been on track to claim the No. 2 job.

Rep. Barney Frank (D-Mass.) said a lot of members are wondering, "How did someone as good and as smart as she make this one mistake?"

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Though Frank said he thought the episode would blow over, others saw it as a blunder that called for some serious fence-mending.

"The caucus is fractured in a way because of her involvement" in the leadership race, said Rep. Allen Boyd (D-Fla.). "Her big challenge, starting from this moment, is to figure out how to wrap her arms around the caucus. It was a mistake for her to get involved."

A big factor in Murtha's loss was the concern about ethics problems in his past and his reputation as a backroom dealer who is cozy with lobbyists — a profile that critics said would undercut the anti-corruption message that Pelosi broadcast in the midterm campaign.

Some fear that Pelosi's handling of the situation is a warning sign that her reliance on a close-knit circle of advisors sometimes blinds her to potential problems, such as the backlash against Murtha for his perceived ethics problems. Murtha was named an unindicted co-conspirator in the 1980 Abscam bribery scandal.

"It raises questions about her judgment," said Thomas Mann, a Brookings Institution expert on Congress. "She did a good job helping Democrats back into the majority, then takes a stand that seems to weaken those very members who got elected by campaigning against corruption."

Another challenge faces Pelosi in the coming weeks, when she is to choose a new intelligence committee chair. Rep. Alcee L. Hastings (D-Fla.) is in line, but some Democrats fear that he, like Murtha, will come under fire for past ethics lapses. Hastings was impeached as a federal judge in the 1980s.

People close to Pelosi say there is a one-word explanation for why she took the unusual step of weighing in on Murtha's behalf: loyalty.

The daughter of a Baltimore mayor who practiced old-school machine politics, Pelosi is a strong believer in rewarding those who are loyal to her, through thick and thin. Five years ago, for example, she stood by then-Rep. Gary Condit (D-Ceres) when he was fighting for reelection amid allegations that he had had an affair with an intern who had mysteriously disappeared and was eventually found slain.

Though other Democratic leaders endorsed Condit's primary opponent, Pelosi endorsed Condit, who had backed her in a hard-fought 2001 campaign against Hoyer to become minority whip.

That bitter leadership battle was also the root of the tensions between Pelosi and Hoyer — and of her lasting alliance with Murtha, who managed her campaign for whip and helped her, a liberal, overcome the suspicions of more conservative Democrats.

When Murtha announced this year that he would challenge Hoyer for majority leader if Democrats won control of the House, Pelosi did not stop him.

Last November, Pelosi followed Murtha's lead after the longtime hawk dropped his support for the war in Iraq and called for a U.S. withdrawal, a position that put both of them at odds with Hoyer. Pelosi believed Murtha's leadership on Iraq helped change the national debate and contributed mightily to the Democrats' victory on election day.

As Murtha campaigned for the majority leader post, hardly anyone doubted that Pelosi would back him. But it was not clear how far she would go with her support, or how publicly. Hoyer had been gathering chits for years. When Murtha's vote count last week showed him far behind, he asked Pelosi to go public with her support, according to an aide close to the Murtha campaign.

Pelosi wrote a letter of support last weekend while she was in New York with her daughter, who was about to have a baby. Hoyer supporters were hoping the letter would just be a proforma endorsement for an old friend, but it turned out to be the beginning of much more.

Pelosi provided a powerful voice for Murtha in a group that was crucial to the outcome of the election: the 40-odd newly elected Democratic freshmen.

Hoyer was thought to have a leg up with that group, because he had been active in recruiting many as candidates. But Pelosi had another claim on their loyalty, as she had campaigned for many of them.

When those new members came to her to discuss their committee assignments, over which she will have control, she made a point of telling them she wanted Murtha to be majority leader. Some interpreted that as a threat of second-rate assignments if they voted for Hoyer. Pelosi aides said no threats were intended.

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Pelosi understood that it was risky to stick her neck out, aides said: Win or lose, she would probably leave Hoyer and his allies embittered.

"She always says, 'I'm a risk taker. I'm loyal to my friends, and I stick with them in difficult times,' " said a Pelosi aide, who, like other staff members, asked to remain unnamed in order to discuss the internal workings of the Democratic caucus.

The incoming House speaker apparently did not anticipate that Murtha's past ethics problems would become an issue, assuming that it was ancient history.

But the past was resurrected by Murtha's critics, and cable networks began to play decades-old Abscam videotapes that showed Murtha rejecting a bribe in a way that seemed less than definite.

Pelosi said after the vote that she had no regrets.

"I stand very, very proudly behind my endorsement of Mr. Murtha," she said. "As I said in my letter to members on Sunday, I believe the biggest ethical challenge facing our country is the war in Iraq."

Some Democrats said that the setback could send a message to Pelosi that rank-and-file members want her to reach beyond her inner circle and not try to run the party with top-down leadership.

"Loyalty can be blinding," said a former House Democratic leader who did not want to be named for fear of offending Pelosi. "You can't force somebody on people if they don't want them."

Others said the episode showed a side of Pelosi's leadership that might be welcome when it came to battling the Bush administration.

"She's gutsy as hell, and she's willing to take chances," said Rep. David R. Obey (D-Wis.). "She will push the envelope."

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Party Gets A Rocky Start (LAT)

By Richard Simon

The Los Angeles Times, November 17, 2006

WASHINGTON— The Democrats put on their best faces after Thursday's testy leadership fight.

"As we say in church, let there be peace on Earth, and let it begin with us," Speaker-designate Nancy Pelosi said after her choice for the No. 2 job in the House was soundly defeated. "Let the healing begin."

But several admitted that the episode — which saw Rep. Steny H. Hoyer of Maryland defeat Rep. John P. Murtha of Pennsylvania for House majority leader — was a poor way to kick off their tenure as the party in control of the new Congress.

"These aren't the headlines we wanted to generate," said a Democratic lawmaker who spoke on condition that he not be named for fear of retribution from the leadership.

Pelosi's backing of Murtha rankled many of her colleagues. It also ensured that as the party takes control of the House in January for the first time in 12 years, all eyes will be on any sign of friction between her and Hoyer.

Their ability to work together is critical. As second in command to the speaker, the majority leader "keeps the legislative trains running on time and the workers toiling at their posts," as former Speaker Newt Gingrich put it.

The speaker — second in line to the presidency — is responsible for the workings of the entire chamber and plays the lead role in shaping the ruling party's legislative agenda and political strategy.

Pelosi was unchallenged for the job.

Also elected to the leadership team Thursday was Rep. James E. Clyburn (D-S.C.), a former head of the Congressional Black Caucus, who will become majority whip.

Rep. Rahm Emanuel (D-Ill.), architect of the House Democratic election victory, will chair the Democratic caucus.

Hoyer, 67, whose first name was his parents' adaptation of the Danish name Steen, won his House seat in a special election in 1981. He worked his way up the Democratic leadership ranks, but lost the whip job in 2001 to Pelosi. Many Democrats believe Hoyer's decision to wage that race was the genesis of her opposition to him now.

Hoyer became minority whip in 2002, after Pelosi succeeded Richard A. Gephardt of Missouri as minority leader; the two have held those posts since then.

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In Thursday's contest, Hoyer enjoyed the backing of a diverse group, from liberals to members of the Blue Dogs, a coalition of moderate and conservative Democrats.

Several Democrats said they voted for Hoyer because he already held the No. 2 job among them.

"I saw it as Steny's turn," said Rep. Mike Ross (D-Ark.).

House Republicans choose their leaders today. The key race pits Reps. John A. Boehner (R-Ohio), the current majority leader, against Mike Pence (R-Ind.), a leader of House conservatives, for minority leader.

At least one Republican couldn't resist weighing in on the Democrats' selections.

"Hoyer winning is a slap in Pelosi's face — and I must confess, it makes me smile," said Rep. Patrick T. McHenry (R-N.C.).

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House Democrats Choose Hoyer As Majority Leader (MCT)

By Margaret Talev

McClatchy Newspapers, November 17, 2006

WASHINGTON - In an early check on the power of incoming House Speaker Nancy Pelosi of California, her own Democratic caucus on Thursday rejected the anti-war leader she wanted as her top deputy and instead chose a Maryland moderate considered less polarizing.

Rep. Steny Hoyer defeated Rep. Jack Murtha of Pennsylvania in a lopsided 149-86 secret-ballot vote to become House majority leader. It was a show of loyalty to Hoyer, who's spent years recruiting Democratic candidates and building bridges across the ideological spectrum. Hoyer also has worked cooperatively with Pelosi as her second-in-command since he lost a leadership challenge to her five years ago, something she's never forgotten.

Thursday's vote also reflected a widespread concern among House Democrats that Murtha's ethical baggage and reputation for bullying outweighed his claim to a reward for helping Democrats win back Congress this year through his outspoken advocacy of withdrawing U.S. troops from Iraq. Murtha, a Pennsylvania steel-country conservative and ex-Marine, is a longtime Pelosi loyalist, but that wasn't enough.

In the end, most political analysts said, the dust-up came early enough in Pelosi's leadership that she can afford to lose the battle, mend fences and secure her position.

But one moderate Democratic congressman, who spoke on condition of anonymity for fear of retribution, said Pelosi's backing of Murtha made her look petty and shook some members' faith in her leadership.

"She owes Murtha a lot; she owes the caucus more," he said. "A good leader knows when she has to tell a member no, even when it's your friend.

"She'll either get it and lead differently," the congressman said, "or she won't lead long."

Speaking after the vote, Pelosi, Hoyer and Murtha all pledged to drop their rivalries and unite to pass legislation and pressure President Bush to change course in Iraq.

Pelosi, smiling tensely, insisted that she had no regrets about intervening on Murtha's behalf. "I thought that would be the best way to bring an end to the war in Iraq," she said.

She called Hoyer's victory "stunning" and said, "we've had our debates, we've had our disagreements in that room, and now that is over. . . let the healing begin."

Hoyer congratulated Pelosi on her pending January election as the first female Speaker of the House of Representatives. He called her "a person of deep values, keen intellect and extraordinary political ability." As for Murtha, Hoyer said: "In my opinion, it was not that somebody was rejected today. It was that a team that had been successful was asked to continue to do that job on behalf of the American people."

Murtha, fighting a grimace, congratulated Hoyer and said he'll return to the House subcommittee on defense appropriations, where he'll become chairman.

Pelosi has pledged to wipe out corruption and curb special-interest spending after a string of Republican scandals. But Murtha is a master of pork-barrel spending who was caught on video in the 1980 Abscam corruption probe rejecting a bribe but suggesting that he might consider a future deal if there was a benefit to his district.

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"I don't know how we move forward on ethical reform in Congress, which is desperately needed, when you've got this cloud hanging over Jack," said Rep.-elect Baron Hill, D-Ind., before the secret-ballot voting.

Paul Herrnson, the director of the Center for American Politics and Citizenship at the University of Maryland, said that Pelosi would've faced criticism if she'd abandoned her longtime ally.

"Politicians take loyalty very seriously, and if she had not displayed it, people would have seen that as a sign as well," he said. "Now that it's done I think (Pelosi and Hoyer) will find a way to work together. If they don't, there will be hell to pay. The congressional Democrats will have a very hard time."

Pelosi Rebuffed Over Her Choice For House Post (NYT)

By Carl Hulse

The New York Times, November 17, 2006

WASHINGTON, Nov. 16 — House Democrats chose Representative Steny H. Hoyer of Maryland as their new majority leader on Thursday, rejecting the choice of the incoming speaker, Nancy Pelosi, and straining the unity of the new majority party.

In an indication that rank-and-file members would be willing to break from Ms. Pelosi, Democrats chose Mr. Hoyer over Representative John P. Murtha of Pennsylvania by a decisive vote of 149 to 86. Mr. Hoyer overcame a concerted push by Ms. Pelosi on behalf of Mr. Murtha, a combat veteran who became an influential spokesman against the Iraq war.

Despite the internal acrimony that has clouded the Democratic victory celebration of last week, the leadership team that will take control of the House in January left their closed meeting in the Cannon House Office Building, joined hands and pledged to work together in the months ahead.

“Let the healing begin,” said Ms. Pelosi, whom Democrats chose unanimously to be their candidate for speaker and who would be the first woman to hold that office. The speaker is elected by the full House.

Crediting Mr. Murtha with changing the political dynamic on the war, Ms. Pelosi sought to oust Mr. Hoyer from his position as the No. 2 Democrat. Mr. Hoyer lost a 2001 leadership battle to Ms. Pelosi. Mr. Murtha managed that 2001 fight on Ms. Pelosi’s behalf, and in backing him for majority leader, Ms. Pelosi signaled that she put a premium on loyalty.

But Democrat after Democrat said the outcome of the leadership fight was a reflection that a clear majority of the party believed that Ms. Pelosi and Mr. Hoyer had been a winning combination, despite the strains between them, and that there was no reason to make an abrupt change. In the view of many Democrats, Ms. Pelosi’s liberal reputation is offset by Mr. Hoyer’s moderate image, and she is freed to concentrate on the party’s broader message because of his floor management and vote-counting abilities, which were sharply illustrated by his victory on Thursday. [Man in the News, Page A26.]

“It is a great leadership team,” Representative Henry A. Waxman of California said in nominating Mr. Hoyer, according to notes taken by aides. “Let’s keep it in place.”

Ms. Pelosi’s push on behalf of Mr. Murtha was cheered by some liberal Democratic activists who saw it is a recognition of the war’s importance in the past election. In that sense, her support of him, even if unsuccessful, could be seen as an effort on Ms. Pelosi’s part to acknowledge the political clout of her party’s antiwar wing.

Other Democrats portrayed her decision to inject herself into the race as a miscalculation that elevated the battle into an unnecessary early test of her power and ended up giving more influence to Mr. Hoyer. But they said they did not expect hard feelings to linger.

“She is a very smart woman who made a mistake in judgment,” said Representative Barney Frank, Democrat of Massachusetts and the likely chairman of the Financial Services Committee. “I honestly don’t believe you are going to see any problems.”

Not everyone was willing to put aside the fight so quickly. Some supporters of Mr. Murtha, a longtime member of the Appropriations Committee whose candidacy was dogged by questions about his ethics record, were disgruntled and said they were trying to identify lawmakers who had broken pledges to support him.

“We won’t trust them on issues like this the next time,” said Representative James P. Moran, a Murtha ally from Virginia who said Mr. Murtha had been betrayed.

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Mr. Hoyer, on the other hand, appeared to hold all the pledges he had from members, which is not always the case in volatile secret-ballot leadership elections, and he promised to work in concert with Ms. Pelosi.

"In my opinion, it was not that somebody was rejected today," he said after the vote. "It was that a team that had been successful was asked to continue to do that job on behalf of the American people."

The House majority leader typically sets the floor schedule and decides what legislation will be brought up for a vote while also overseeing the party's strategy in advancing its agenda. The speaker is the party's top figure in the House, but that position also carries a broader role as a constitutional officer charged with representing the interests of the full chamber.

Some Democrats said that the distracting turmoil and an uneven performance by Mr. Murtha in recent days had cemented support for Mr. Hoyer. They said many lawmakers had concluded that the best chance of limiting any bitterness was to install Mr. Hoyer and, in effect, save Ms. Pelosi from what they characterized as a flawed decision.

In addition to the top two leaders, Democrats selected Representative James E. Clyburn of South Carolina as the majority whip and Representative Rahm Emanuel of Illinois, who directed the party's campaign operation, as chairman of the party caucus. A potentially wrenching fight between those two was averted when Mr. Emanuel took the chairman's post with the expectation that he would be given greater responsibilities in that role.

Until last June, Mr. Hoyer seemed to be on an easy path to majority leader if Democrats won control of the House. But Mr. Murtha, a longtime behind-the-scenes power, surprised his colleagues by announcing that he would seek the post as well. In seeking support, he emphasized his opposition to the war in Iraq and his military credentials.

Mr. Hoyer, a liberal to moderate lawmaker with close ties to the business community and a history of strong support for the federal installations in suburban Washington, had political credentials of his own. Since joining the leadership in 2002, he had been devoted to recapturing the majority, tirelessly raising money and traveling to assist fledgling Democratic candidates who were appreciative of any attention from Washington.

Mr. Murtha was also hampered by ethical questions that date back to the 1980 Abscam scandal. And he has resisted new ethics rules even though Democrats hammered Republicans on corruption in the midterms.

Mr. Murtha was visibly disappointed after the vote and said he intended to "go back to my small subcommittee that I have on appropriations," eliciting laughter since the panel handles billions of dollars in military spending.

And he once again pointed to his outspokenness on Iraq, saying, "Nancy asked me to set a policy for the Democratic Party, most of the Democrats signed on to it, and I think the Bush administration is beginning to get the word."

Allies of Ms. Pelosi said she had been drawn into the fight at Mr. Murtha's request and probably started her public campaign on his behalf too late. She began her effort with a letter on Sunday, with many members already committed to Mr. Hoyer and reluctant to reverse course. Ms. Pelosi's allies rejected the contention that she had been seriously weakened by the loss even before she took over the House.

"It does not diminish her as leader," said Representative Jan Schakowsky, Democrat of Illinois. "A vote for Steny Hoyer is not a vote against Nancy Pelosi."

Others agreed. "I thought what she did was pretty gutsy," said Representative James P. McGovern, Democrat of Massachusetts. "I think a lot of people in the room respect what she did."

Mr. Emanuel and others said the vote was also a vivid display of the independence of Democrats, which he contrasted with the tight control the Republican leadership has exerted over its membership for much of the past six years. "This is the strength of diversity and people speaking their minds," he said.

Ms. Pelosi's party problems are not all behind her, as she faces a tough decision on selecting a chairman of the Intelligence Committee.

On the one hand, she is under pressure from black lawmakers to promote a committee veteran, Alcee L. Hastings of Florida, a federal judge who was removed from the bench by Congress after a bribery charge in 1989, though he was acquitted in a criminal case.

At the same time, some more conservative Democrats who supported Mr. Hoyer have been stepping up their campaign for Representative Jane Harman of California, who is the senior Democrat on the panel but has clashed with Ms. Pelosi.

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Crowning Majority Leader, Democrats Are All Smiles And Bile (WP)

By Dana Milbank

The Washington Post, November 17, 2006

At 10:30 yesterday morning, Nancy Pelosi was chosen by acclamation to become speaker of the House. Ninety minutes later, she experienced her first smackdown.

Pelosi had only herself to blame for this briefest of honeymoons. Just five days after the Democrats' election victory, she shattered party unity Sunday by urging House Democrats to reject her longtime deputy, Rep. Steny Hoyer (D-Md.), in favor of antiwar firebrand Rep. Jack Murtha (D-Abscam), who proceeded to brand House ethics reforms "total crap."

Yesterday, rank-and-file Democrats told Pelosi her endorsement was total crap: They overwhelmingly chose Hoyer to be majority leader.

"We've had our debates. We've had our disagreements in that room," Pelosi acknowledged as she left the Cannon caucus room to face more than 200 reporters and cameras. "And now," she added hopefully, "that is over. . . . Let there be peace on Earth, and let it begin with us. Let the healing begin."

But over Pelosi's shoulder stood the hulking Murtha, hands in pockets, his face in a perma-frown. He offered perfunctory applause for his colleagues. When they joined hands overhead in the unity photo op, he turned and lumbered away.

One of his chief supporters, James Moran (Va.), stayed behind to give voice to Murtha's frustrations. "There are a number of members who can't be trusted," Moran said of Murtha's 149 to 86 defeat, minutes after a Murtha aide claimed he had the votes to win. Moran threatened that Murtha foes "will be damaged by this."

But how, if it was a secret ballot? "Oh, we have a pretty good idea," Moran said.

Nearby, Hoyer supporter Maxine Waters (Calif.) was holding forth on the impact of Pelosi's letter Sunday endorsing Murtha. "People just said 'I wonder why' and kept on moving and voted for Mr. Hoyer." It's true: Hoyer wound up with about as many votes as he forecast before Pelosi's endorsement of Murtha.

Walking through the tunnel back to the Capitol, Hoyer savored the lopsided vote that made him majority leader. "We were pretty close to being on the nose," the majority leader said, already shifting to the first-person plural.

For Pelosi, who led Democrats back to a majority in the House after 12 years, yesterday should have been a coronation for the first woman to be speaker. Instead, her party had plunged into fratricide, and cable news was running nonstop clips of Murtha talking with FBI agents posing as sheiks in the Abscam sting.

Was this a great moment for Democrats, or "total crap"? "The latter," Pelosi spokeswoman Jennifer Crider had to admit as she surveyed the melee outside the caucus room.

Before the vote, dueling staffers, wearing buttons proclaiming "Majority Leader Steny Hoyer" or "Jack," kept tabs on attendance. Capitol police struggled to keep a path clear through the media throng. Aides came out to calibrate expectations.

"We've got the votes, and we are going to win it," announced Andrew Koneschusky, a press guy Murtha borrowed for the occasion. Protesting that some outlets had reported that Murtha had conceded, he said, "Any reports of concession are false." Would he say the reports are total you-know-what?

"These rumors are total crap," Koneschusky affirmed.

Outside, a tornado watch was in effect, and reporters were plotting ways to work the cheap metaphor into their stories. Pelosi aides, seeking to reduce the vortex, decided to put out more flags. There were already seven outside the caucus room, but staffers brought in two more and arranged a star-spangled gantlet for the leaders.

Pelosi and Hoyer emerged together and clasped hands in an exaggerated show of camaraderie. Behind them, Murtha wore a miserable expression, even when Pelosi hailed his "magnificent contribution." She continued: "I was proud to support him for majority leader, because I thought that would be the best way to bring an end to the war in Iraq." Now it was Hoyer's turn for discomfort; he listened slightly agape.

The gracious Hoyer spoke fondly of Pelosi and the "good team" they make; they indulged in another showy handshake, albeit with minimal eye contact. Murtha, granted a turn at the microphone, offered a pithy postmortem: "I didn't have enough votes." Frowning, he returned to his place in the back and stuffed his hands back in his pockets.

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The awkwardness continued. Pelosi described Rahm Emanuel (Ill.), the incoming caucus chairman, as "coldblooded." Emanuel promised the "strongest ethical package," prompting Murtha to stare at his shoes. At another point, Pelosi appeared to undermine her rank and file, noting that she had promised to "do everything possible" to end the Iraq war. "The caucus thought differently," she added.

The first questioner, Fox News's Major Garrett, took the opportunity to remind Pelosi that "nearly 60 percent of House Democrats defied your call to vote for John Murtha" and asked: "In retrospect, what does that say about the wisdom of that endorsement and your clout within the Democratic Party?"

Actually, Garrett understated the rejection -- 63 percent of Democrats defied her. "I stand very, very proudly behind my endorsement of Mr. Murtha," she maintained, even if the caucus "thought otherwise."

"Any regrets?" Garrett pressed. "No," Pelosi answered. "I'm not a person that has regrets."

Hoyer's Selection To Lead Majority Will Test Pelosi (WSJ)

By David Rogers And Sarah Lueck

The Wall Street Journal, November 17, 2006

WASHINGTON -- Maryland Rep. Steny Hoyer emerged as the new House Majority Leader but not before a Democratic fight that showed the political dangers of Rep. Nancy Pelosi's risk-taking leadership style as the incoming speaker.

Defying the odds, the California Democrat interceded personally on behalf of Pennsylvania Rep. John Murtha, Mr. Hoyer's challenger, who had helped galvanize public support for his party in the midterm elections by speaking out against the Iraq war.

Mr. Hoyer was always the safer choice for the caucus as the current No. 2 in the Democratic leadership. But the size of his 149-86 victory yesterday is a blow to Mrs. Pelosi, who must redouble her efforts to prepare the party to take over House control in January.

As speaker, Mrs. Pelosi will have enormous influence over the assignment of members to committees, what amendments are permitted and the timing of when bills are called to the floor. But as majority leader, Mr. Hoyer will be the party's public face and floor manager, and the two leaders must overcome their personal differences to succeed with the Democratic agenda after 12 years of Republican control. "We've got to put things together," said Michigan Rep. John Dingell, the House's senior Democrat.

"I think the caucus is fractured because of this majority-leader race and her involvement in the race," said Rep. Allen Boyd (D., Fla.), a Hoyer supporter. "And I believe her biggest challenge from this moment on is to figure out how to wrap her arms around all of the caucus, bring them in, make sure they feel included."

Mrs. Pelosi expressed no regrets for taking such an active role on behalf of Mr. Murtha. After Hoyer supporters had spent days questioning Mr. Murtha's ethics, she said pointedly that the "biggest ethical challenge facing our country is the war in Iraq ...It must be stopped. And I thought that Mr. Murtha's elevation to a leadership position would serve that purpose."

The episode reflects the risk-taking approach of a politician who isn't only the first woman to rise so high in the House, but who joined the leadership only five years ago. By siding with Mr. Murtha, who is a veteran backroom deal maker but also outside the leadership, Mrs. Pelosi went against the natural inertia of her caucus.

"Incumbents don't like challengers to incumbents...Steny was the incumbent," said Rep. Barney Frank (D., Mass.).

Yesterday's caucus vote followed a pattern this week in Congress as both parties embraced familiar faces after an election in which voters called for change. In the Senate, Sen. Trent Lott (R., Miss.) returned to the No. 2 spot in the Republican leadership. Even after losing control, House Republicans are expected to re-elect Rep. John Boehner (R., Ohio) as their leader this morning.

"In January at her swearing in, what happened today will be a distant memory," predicted Rep. Ed Markey (D. Mass.). "Look up the word 'resilient' in the dictionary and her picture is next to it."

But Mrs. Pelosi is dogged by criticism that she is too sensitive to dissent, and at one level, the Murtha candidacy was seen as a power play to oust an old rival, Mr. Hoyer, and replace him with a strong ally and friend. Hoyer allies complained that Mrs. Pelosi was pressing freshmen to side with Mr. Murtha if they wanted to get good committee assignments.

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Since the ballots were secret, Mr. Frank, a Pelosi ally who backed Mr. Hoyer, dismissed such suggestions as more a "videogame" than anything real. But he said Mrs. Pelosi's involvement was clearly "an exception" and an error for her as a leader. "The general sense is, how did someone as smart as she make this one mistake?" he said.

Mr. Hoyer was gracious in victory. He and Mrs. Pelosi embraced after the meeting, and she later attended his victory party. "The Republicans need to know, the president needs to know, our caucus is unified today," Mr. Hoyer said.

He signaled his commitment to pressing hard for a change in the Bush administration's war strategy in Iraq, an issue where Mr. Murtha, a Vietnam veteran with close ties to the Pentagon, and Mrs. Pelosi have been more aggressive than he in pressing for troop withdrawals. Even in defeat, Mr. Murtha will have a powerful post as chairman of the House defense-appropriations panel that oversees war spending.

"Everybody in this leadership is a pro," said Rep. George Miller (D., Calif.), who was part of a cadre of Pelosi lieutenants who sought to help Mr. Murtha.

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Murtha Loses Bid For Majority Leader (USAT)

By Andrea Stone And Bill Nichols

USA Today, November 17, 2006

WASHINGTON — The next speaker of the House lost her first test Thursday even before she takes office.

The decision by House Democrats to choose Maryland Rep. Steny Hoyer to be majority leader over Pennsylvania Rep. John Murtha, despite Speaker-elect Nancy Pelosi's decision to back Murtha, dampened what until now had been a jubilant time for their party.

Hoyer's victory, in a 149-86 secret vote, came moments after Pelosi was unanimously backed by her caucus to become the first female House speaker. The full House will formally vote on Pelosi in January.

“We've had our differences; … and now that is over,” said Pelosi, of California, after Hoyer's election. “As we say in church, let there be peace on Earth and let it begin with us. Let the healing begin.”

In their first news conference together, the new Democratic leaders vowed, as Pelosi said, to work together “in a very unified way.” But their body language was telling. Pelosi smiled awkwardly as Hoyer threw his arm around her shoulder while Murtha scowled behind them.

Many, though not all, observers viewed the defeat of Pelosi's handpicked candidate as a blow to her credibility.

“She's a very smart woman who made an error in judgment,” said Rep. Barney Frank, D-Mass., a Hoyer supporter.

“This puts her on notice that she is not solely in charge, that there are different factions within her caucus that are willing to be independent of her,” said Mike Franc, a congressional expert at the Heritage Foundation, a Washington think tank.

University of South Florida political scientist Susan MacManus said Pelosi's support of Murtha, a leading critic of the Iraq war, demonstrated her loyalty to allies and was designed “to show she is responsive to the loud message that was sent on Iraq. She can't just ignore those people and be effective as a leader.”

Hoyer, 67, is a 25-year House veteran who had lined up support from most of the incoming committee chairmen as well as a majority of new members. One freshman, Nancy Boyda of Kansas, said she supported Hoyer out of “loyalty” after he stumped for her campaign.

Hoyer had been favored to win the leadership slot until Pelosi openly voiced her support for Murtha on Sunday, prompting days of intraparty tension. Pelosi and Hoyer ran against each other in 2001 in a battle to be House minority whip that Pelosi won. Despite reports of tension since then, Hoyer said Thursday the two have “worked hand in glove” to keep Democrats unified.

“My pledge to my caucus and my pledge to the country is that I will work as hard as I can,” Hoyer said.

Murtha, 74, was one of the first members of Congress to call for U.S. troops to begin leaving Iraq — a policy change that resonated with voters during the recent midterm elections. Pelosi said she supported Murtha “because I thought that would be the best way to bring an end to the war in Iraq.”

Yet Murtha's decision to run also revived questions about his ties to the 1980 Abscam bribery sting at a time of voter disgust over a recent spate of congressional scandals.

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In Abscam, FBI agents pretending to represent an Arab sheik offered bribes to several lawmakers. When offered $50,000, Murtha was recorded as saying, "I'm not interested … at this point." A grand jury declined to indict Murtha, and the House ethics committee issued no findings against him.

Murtha, who will chair the powerful panel that oversees defense spending, said of his defeat, "I didn't have enough votes so I'll go back to my small subcommittee."

Hoyer is not free of ethics questions, either. The watchdog group Taxpayers for Common Sense has questioned his use of "earmarks" — language in a bill that directs funds or tax benefits to a business, project or institution — for contractors that have contributed to his political action committee.

In Rebuff To Pelosi, Democrats Elect Hoyer As Majority Leader (CQ)

By Susan Ferrechio

Congressional Quarterly, November 17, 2006

In a stunning push back against incoming House Speaker Nancy Pelosi, D-Calif., House Democrats on Thursday elected Steny H. Hoyer of Maryland as majority leader for the 110th Congress.

By a vote of 149-86, Hoyer defeated John P. Murtha of Pennsylvania, whom Pelosi had endorsed Nov. 12 and lobbied for vigorously.

That leaves Pelosi locked in an uneasy partnership with her leading rival, a man she considers disloyal. Hoyer, a 25-year House veteran, has served as minority whip for the past four years, and Pelosi has resented his occasional departures from the party line she was attempting to lay down.

The unexpectedly bruising contest could leave deep scars. It fractured the caucus just as Democrats prepare to take control of the House for the first time in a dozen years. Many members were unhappy at being strong-armed by Pelosi and her lieutenants, and she may find it harder to go to them for favors in the future.

Some Democrats sought to play down that possibility.

"This is not going to be a problem. We're going to pick a majority leader, and then it's going to melt away," said Barney Frank, D-Mass.

Murtha had startled his colleagues in June when he first announced he would seek the No. 2 leadership post if Democrats managed to capture control of the House Nov. 7. Pelosi did not endorse him at the time, but on Nov. 12 she publicly threw her support behind Murtha.

She and her supporters spent all week ferociously lobbying other Democrats to back the 74-year-old decorated Marine Corps veteran who transformed the political debate over Iraq last year when he called for a speedy withdrawal of U.S. troops.

But Hoyer had worked for months to solidify his support within the caucus. He also had campaigned tirelessly for Democratic candidates, contributing more than $1 million through his political action committee during the 2006 election cycle, according to CQ's Political MoneyLine. That was substantially more than Murtha distributed.

Both Murtha and Hoyer voted for the 2002 resolution authorizing President Bush to go to war in Iraq, while Pelosi voted against it. But Murtha's call for a troop withdrawal carried special weight because of his reputation as a defense hawk. He has served as his party's top-ranking member on the Defense Appropriations Subcommittee and will become its chairman in the 110th Congress.

Pelosi delivered the first nominating speech for Murtha, followed by Kendrick B. Meeks of Florida and Dennis J. Kucinich of Ohio.

Henry A. Waxman of California spoke for Hoyer, along with fellow Democrats Lucille Roybal-Allard of California, Elijah E. Cummings of Maryland and Rep.-elect Brad Ellsworth of Indiana . Other Leaders

Before Democrats voted on the hotly contested majority leader's race, they unanimously nominated Pelosi to serve as Speaker in the new Congress. Her selection will not become official until the full House votes Jan. 4, the opening day of the 110th Congress. With Democrats in firm control of the chamber, that vote is a formality.

The caucus also unanimously elected James E. Clyburn of South Carolina as majority whip and Rahm Emanuel of Illinois as chairman of the Democratic Caucus. John B. Larson of Connecticut was re-elected as caucus vice chairman.

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Clyburn, currently chairman of the Democratic Caucus, has served as Pelosi's bridge to several party factions, among them evangelical Christians and the Congressional Black Caucus, which he once led. He will be the second African American to serve as Democratic whip, after William H. Gray III of Pennsylvania, who left Congress in 1991.

Emanuel, who succeeds Clyburn as caucus chairman, initially considered opposing him for the whip's job. But he pulled back after Pelosi promised to enlarge his role as caucus chairman. As chairman of the Democratic Congressional Campaign Committee during the 2006 election cycle, Emanuel was given much of the credit for the party's House takeover.

Hoyer Elected Majority Leader (WT)

By Charles Hurt

The Washington Times, November 17, 2006

House Democrats yesterday overwhelmingly rejected Speaker-elect Nancy Pelosi's choice for majority leader.

Rep. John P. Murtha, Pennsylvania Democrat and Pelosi ally, lost a lopsided 149-86 vote to Rep. Steny H. Hoyer, the Maryland Democrat who has been a longtime political rival of Mrs. Pelosi's.

Mrs. Pelosi, who campaigned openly and aggressively for Mr. Murtha, tried patching up differences immediately after the secret vote held behind closed doors.

"We've had our differences in our party," she said, with a grinning Mr. Hoyer beside her and a glum-looking Mr. Murtha behind her. "We have come together."

But before turning the microphone over to Mr. Hoyer, Mrs. Pelosi once again talked about why she strongly backed Mr. Murtha for the No. 2 post.

"I thank him for his courage in stepping forward one year ago to speak truth to power, to change the debate in this country in a way that I think gave us this majority in this November," she said in reference to Mr. Murtha's early calls for withdrawing the troops from Iraq.

"I was proud to support him for majority leader because I thought that would be the best way to bring an end to the war in Iraq," she said. "I know that he will continue to take the lead on that issue for our caucus, for this Congress, for our country."

Mr. Hoyer, who never went negative in the leadership race even as Mr. Murtha publicly accused him of supporting President Bush's war policy, was gracious in victory, saluting Mrs. Pelosi for being elected the first female House speaker in U.S. history.

"She is not the first speaker because she's a woman," he said. "She is the first woman speaker because she is a person of deep values, keen intellect and extraordinary political ability."

Despite the show of unity before the cameras, yesterday's vote showed that nearly two-thirds of the new Democratic majority in the House was willing to defy Mrs. Pelosi's demand that they vote for Mr. Murtha.

Since gaining 29 seats in the Nov. 7 election, House Democrats have privately expressed deep concern over Mr. Murtha and say Mrs. Pelosi blundered by backing him so forcefully.

Some Democrats said that an ally like Mr. Murtha in the No. 2 spot would give Mrs. Pelosi unchecked power.

But most Democrats said they opposed Mr. Murtha because they had run campaigns on a promise to clean up corruption in Washington, and Mr. Murtha is one of the most scandal-tainted members of Congress. He was implicated a quarter-century ago in the so-called Abscam bribery scandal.

Some wondered why Mrs. Pelosi stuck her neck out so far so early on Mr. Murtha's behalf.

But Rep. James P. Moran, Virginia Democrat, said that in the aftermath, "No one would question her loyalty."

Others speculated that Mrs. Pelosi urged Mr. Murtha to run for Mr. Hoyer's No. 2 position in order to focus attention on a Hoyer-Murtha showdown -- thus preventing a possible challenge by Mr. Hoyer against Mrs. Pelosi for the speaker's job.

Mr. Murtha said yesterday he would return to the "small subcommittee that I have on Appropriations," a joking reference to the powerful Defense Appropriations subcommittee.

Mr. Murtha himself may not have been entirely surprised by the loss of his bid for a leadership spot. A video recording that showed him negotiating for 54 minutes with undercover FBI agents more than two decades ago included Mr. Murtha's explanation of why one of his fellow congressmen was accepting a $50,000 bribe but Mr. Murtha was declining it.

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"He doesn't expect to be in leadership," Mr. Murtha told the disguised FBI agents. "I have to be more careful. That's what it amounts to. I expect to be in the ... leadership of the House, and you have anything said against you, then you've got a problem."

Democrats Split Over Pelosi's Deputy Pick (FT)

By Holly Yeager

Financial Times, November 17, 2006

Nancy Pelosi, incoming speaker of the House, suffered an early defeat on Thursday when Democrats rejected her candidate for the number two job in the party leadership.

The unexpectedly bruising battle just days after Democrats took control of the House raised questions about party unity and Mrs Pelosi's commitment to ethics re-form and dampened celebrations of their new majority.

After a three-hour closed-door meeting, Democrats voted 149-to-86 to name Steny Hoyer, a long-time rival of Mrs Pelosi, to be majority leader when the new Congress convenes in January. He defeated John Murtha, the outspoken critic of the war in Iraq, whom she had backed in the race.

Throughout the mid-term election campaign, Mrs Pelosi pledged that the first act of a Democratic-controlled Congress would be a tough package of rules and ethics reform, following a series of mostly Republican scandals. But she raised eyebrows this week with her endorsement of Mr Murtha, who has been called "ethically challenged" by government watchdogs.

Mr Murtha has faced allegations that he abused his position as a member of the defence appropriations sub-committee by favouring a lobbying company of a former long-term staffer and clients of Robert "Kit" Murtha, his brother.

He has also been criticised for taking advantage of earmarking, the practice of appropriating funds for specific government projects that benefit individual lawmakers' constituents. Mr Murtha was also named as a co-conspirator in the 1980 Abscam bribery probe but not indicted in the case.

But Mr Murtha and Mrs Pelosi have long been allies in the Capitol and veteran lawmakers said her support for him was a sign of her loyalty. Others saw a vote for him as a way to thank him for his leadership on the war, a stance that played a large part in their victory.

The result will force Mrs Pelosi and Mr Hoyer, her current deputy, to continue to work together. Both natives of Maryland, they have known each other for 40 years and have sparred frequently.

Republicans in the House are set to choose their new leadership team today. Dennis Hastert, the outgoing speaker, will not be a candidate for a top party post.

John Boehner, who became Republican majority leader after Tom DeLay resigned his leadership job amid allegations of campaign finance violations, is the front- running candidate to be minority leader.

Political Pragmatism Carried Hoyer To The Top (WP)

By Shailagh Murray

The Washington Post, November 17, 2006

Steny H. Hoyer is a practical moderate and Nancy Pelosi is a liberal idealist, and for more than 40 years they have competed like siblings, all the way to the pinnacle of politics.

Hoyer's rout yesterday of Rep. John P. Murtha (Pa.), Pelosi's handpicked candidate for majority leader, validated the methodical, no-frills approach that the congressman from Maryland has taken throughout his long career, from his rapid ascent in state politics to his somewhat bumpier climb through the House.

As a number of Hoyer supporters put it, there was simply no good reason to deny him the job. Even Pelosi had to concede that the result was convincing. "Steny came out a big winner today," she declared after the 149 to 86 vote. "It was a stunning victory for him."

Congenial and diligent, Hoyer scored big points with his colleagues by laboring in the trenches throughout the 2006 campaign season. He raised money, helped recruit candidates and appeared at events across the country. When Congress was in session, he was a fixture on the House floor as the Democratic whip, cajoling colleagues to stick together on tough votes. And when Democrats won a House majority last week, Hoyer received a large share of the credit.

"He's worked hard for a very long time," said Rep. Mike Ross (Ark.).

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"He's very, very effective," said Rep. Jerrold Nadler (N.Y.).

"We've never had a whip operation like this one," said Rep. David E. Price (N.C.). "He's just been a model leader, and people appreciate that."

One of Hoyer's assets is that he has worked successfully alongside Pelosi. "There was a consensus in the caucus that the team is working, and they wanted to keep it, by a very large margin," Hoyer explained. Given the duo's strong record, many House Democrats questioned why Pelosi would turn to Murtha, a veteran Appropriations Committee member who had not shown much interest in House leadership before he emerged as a prominent Democratic war critic a year ago.

By rejecting Hoyer, Pelosi may unwittingly have elevated him, particularly among moderate members who are nervous about her liberal views, particularly on social issues. Now, even before the Democrats take over in January, they can claim to have bucked the boss, by voting against Pelosi's candidate for her second-in-command. That may prove particularly useful for freshman Democrats who won in conservative districts and will presumably have to fend off tough challenges in two short years.

"They campaigned on a theme of independence," said Rep. Allen Boyd Jr. (Fla.). A vote for Hoyer, he said, "will help them to demonstrate it."

Hoyer, 67, was elected to the Maryland Senate 40 years ago, becoming the youngest Senate president in state history during the mid-1970s. In 1981, when Rep. Gladys Noon Spellman (D), who represented Maryland's 5th District, fell into a coma, Hoyer battled through a primary against her husband and then beat a better-financed Republican opponent in the general election. He was called the "boy wonder" of Maryland politics.

The congressman won a coveted seat on the Appropriations Committee and became a champion purveyor of funding for his Prince George's County-based district.

Just this August, Hoyer appeared at a celebration marking the completion of a jetty project in Deale. "This is pork," Hoyer told the crowd. "But there is good pork and bad pork. Good investment and bad investment. This is a good investment."

Known as a business-friendly Democrat, Hoyer is a free-trader and a balanced-budget proponent, with strong ties to lobbyists. He champions many liberal causes and was a leading sponsor of the Americans With Disabilities Act. Hoyer is widely liked around Washington, regarded as funny and considerate.

For years he served as a senior member of the Administration Committee, a little-known favor bank that oversees the day-to-day operations of the House. Hoyer also has good relations with some senior Republicans. When Congress is in session, he has a monthly lunch with GOP Whip Roy Blunt (Mo.), another pragmatic insider.

Why exactly Pelosi sought to oust Hoyer remains something of a mystery, even to the congressman. The two Maryland natives first met in the 1960s, while serving as interns in the office of Sen. Daniel B. Brewster (D-Md.). Pelosi helped Hoyer in his race for majority whip against David E. Bonior (Mich.) in 1991. Ten years later, Bonior gave up his post, and Hoyer's competition was Pelosi.

The race was long and bitter. Hoyer ran as the more moderate and experienced candidate, while Pelosi portrayed herself as forward-thinking and progressive.

Hoyer saw the race as an election for a leadership job, not a blood feud. "I ran for whip, she ran for whip," as he describes it. He calls her support for Murtha a show of loyalty toward an old friend. "Mr. Murtha asked her to do this, and because she's loyal, she did," Hoyer said. "And we've got to move on."

Steny H. Hoyer, A Cultivator Of Loyalties (NYT)

By Kate Zernike

The New York Times, November 17, 2006

WASHINGTON, Nov. 16 — If you placed an order for a congressman, chances are you would get Steny Hoyer. There is the immovable silver hair and the gleaming smile, the assiduous courting of colleagues, supporters and lobbyists, even the requisite life-changing encounter with John F. Kennedy.

In his early political career in Maryland, Mr. Hoyer was known as a machine politician. Here, he is “the members’ member.” It is a label applied by his champions, who admire him as an institutionalist, as well as his detractors, who sneer at him as a pol.

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But both agreed Thursday that this quality allowed him to become majority leader of the new Democratic-led House of Representatives.

The biggest test of Mr. Hoyer's political skills comes now, as he tries to lead a caucus under a new speaker, Nancy Pelosi of California, who has long been his rival in leadership and who strongly supported his opponent for the majority leader's job.

Mr. Hoyer, 67, has been running for some sort of political office since his 20's, when he worked alongside a young Nancy D'Alesandro — later Nancy Pelosi — for a Maryland senator, then entered the State Senate, becoming at 35 the youngest Senate president in Maryland history.

During the past several election cycles, he campaigned early for Democratic challengers, earning loyalty that ultimately paid off in the leadership election. Many freshman lawmakers said they respected the stand his rival, Representative John P. Murtha of Pennsylvania, had taken opposing the Iraq war, but that they had committed to Mr. Hoyer early, as he had to them.

"He was out for me before anyone thought I had a race," said Chris Murphy, a Democrat who won a tough campaign in Connecticut.

Asked about him, Mr. Hoyer's friends return repeatedly to the themes of hard work and a methodical nature.

"He looks the part, he speaks well, he's got good presence, and obviously all of that helps, but in the end, it's about whether people trust your judgment," said Leon Panetta, who became friends with Mr. Hoyer while both served in Congress. "It's not something you earn over a short period of time. He's been around, and he's earned a reputation."

Steny Hamilton Hoyer was born on June 14, 1939, in New York to a family of Danish origin — his name is the diminutive of his father's, Steen.

He once told a reporter that he and his wife, Judith, now deceased, became sweethearts when he asked her to join his slate of class officers in high school.

He became serious about politics at the University of Maryland after hearing Kennedy, a Massachusetts senator then campaigning for president, speak on campus. He went to Georgetown Law School and began working for Senator Daniel B. Brewster, alongside the future Ms. Pelosi, the daughter of a Baltimore congressman and mayor. He graduated from law school in 1966 and won his State Senate seat that same year, at age 27.

He gave up his seat to run for lieutenant governor, and after he lost, he worked as a lawyer while looking for ways to get back into politics. He found his race when Representative Gladys Spellman fell into a coma in 1980. With his ties to local politics, he won in a crowded field of candidates, beating even Ms. Spellman's husband for the nomination.

The race cemented one of his most important friendships, with Tony Coelho, then a California congressman and chairman of the Democrats' campaign efforts in the House. The special election was Mr. Coelho's first race, and one the Reagan White House hoped would go to a Republican. When Mr. Hoyer won, Mr. Coelho helped ensure that he was the only freshman included in the Democratic response to the State of the Union. Mr. Hoyer was given a seat on the Appropriations Committee, a rare plum for a young lawmaker.

By the early 1990s, Mr. Hoyer had become his party's caucus chairman. But when he ran for whip in 1991, he lost. Supporters of his opponent, David E. Bonior, said that Mr. Hoyer was too much an upstart.

Mr. Hoyer's wife died of cancer in 1997, which friends say was extremely difficult for him. He continued to press for a position in the leadership, competing against Ms. Pelosi for whip in 2001. He lost, again. Mr. Hoyer says that he has moved on, but the campaign has left lingering tensions in their relationship.

"I'm not sure Steny knew what to do when that happened," said Benjamin L. Cardin, the Maryland representative recently elected to the Senate, and a close friend who plays hearts with Mr. Hoyer. ("He's extremely competitive," Mr. Cardin says of their games.) "He didn't know whether he had a future in the Congress or not."

Mr. Coelho said that Mr. Hoyer had counted his votes too loosely in that contest. This time, he was more hard-nosed, pressing colleagues for commitments. He went in with 149 promises, Mr. Coelho said, and emerged with that many votes.

"He has been out there working these freshmen for the last three elections," he said. "Some of these people ran twice. He gave them money, he gave them advice. He became a loyal friend to these people. Nancy thought she could put these people away because of pressure. But these people that got elected understand relationships, and they're not going to flip away because of pressure. He has a tremendous capacity for friendship, and when you have that, people don't flake off on you."

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Representative Elijah E. Cummings of Maryland, among those who nominated Mr. Hoyer on Thursday, said he got the most applause when he talked about what Mr. Hoyer had done for freshmen. “They believed he had been there over and over again,” Mr. Cummings said.

Friends say he has been frustrated by his inability to get past the tension with Ms. Pelosi. Associates have tried to reach out and patch the relationship between the two.

On Thursday, even after Ms. Pelosi supported Mr. Murtha, Mr. Hoyer spoke of his three daughters, his granddaughters and a new great-granddaughter, and how proud they would be to have Ms. Pelosi as the first female speaker.

He and Ms. Pelosi smiled and grasped hands, then lifted their arms over their heads triumphantly.

Speaker Pelosi Tempts Disaster (NYT)

The New York Times, November 17, 2006

Nancy Pelosi has managed to severely scar her leadership even before taking up the gavel as the new speaker of the House. First, she played politics with the leadership of the House Intelligence Committee to settle an old score and a new debt. And then she put herself in a lose-lose position by trying to force a badly tarnished ally, Representative John Murtha, on the incoming Democratic Congress as majority leader. The party caucus put a decisive end to that gambit yesterday, giving the No. 2 job to Steny Hoyer, a longtime Pelosi rival.

But Ms. Pelosi’s damage to herself was already done. The well-known shortcomings of Mr. Murtha were broadcast for all to see — from his quid-pro-quo addiction to moneyed lobbyists to the grainy government tape of his involvement in the Abscam scandal a generation ago. The resurrected tape — feasted upon by Pelosi enemies — shows how Mr. Murtha narrowly survived as an unindicted co-conspirator, admittedly tempted but finally rebuffing a bribe offer: “I’m not interested — at this point.”

Mr. Murtha would have been a farcical presence in a leadership promising the cleanest Congress in history. Ms. Pelosi should have been first to realize this, having made such a fiery campaign sword of her vows to end Capitol corruption. Instead, she acted like some old-time precinct boss and lost the first test before her peers.

As incoming speaker, Ms. Pelosi will be dogged by skepticism — from within the party and without — about her political smarts and her ability to deliver a galvanized agenda.

It was a no-brainer for the caucus to end the misguided fight for Mr. Murtha, who belittled the need for reform. Now the pressure is even greater for Speaker-elect Pelosi to recover by leading the House to something actually worth fighting for — starting with credible anticorruption strictures. For this she needs gaffe-wary advisers, among them Mr. Hoyer, who has his own questionable record of flourishing in big-money politics. The new majority — led by a presumably wiser speaker — must realize by now that intramural vendetta is hardly a substitute for productive government.

Remember Who Sent You (WP)

By E. J. Dionne

The Washington Post, November 17, 2006

Democrats might usefully take a break from their inane round of back-stabbing and score-settling to focus, for a few moments, on why voters gave them their congressional majorities. A lot of Americans are hurting in the pocketbook, and if Democrats don't use the next two years to help them, the party will squander the trust it has temporarily earned.

To prepare for next year, the Democrats (and those Republicans who want to revive their party) should read a truly remarkable speech that Janet Yellen, the president and chief executive of the Federal Reserve Bank of San Francisco, gave the day before voters went to the polls.

In plain language backed by sophisticated analysis, Yellen makes clear that voters who feel severe economic pressures are not deluded, despite the economy's strong performance in keeping down unemployment and inflation.

The reason: new forms of inequality that don't fit into our conventional understanding of how the economy works. She argues that "much of the gain from excellent macroeconomic performance has gone to just a small segment of the population -- those already in the upper part of the distribution."

Yellen tells unfashionable truths. She does not claim, as many conservatives and free traders do, that globalization and the decline in union membership are innocent in the inequality saga. "Globalization and skill-biased technological change may have

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been working in combination to particularly depress the wage gains of those in the middle of the U.S. wage distribution," she says.

Note the word middle. That's where the biggest negative impact of globalization is being felt. At the top, Yellen says, globalization has been helpful to "highly able workers performing non-routine work requiring problem-solving skills." In the middle, "technology and globalization had the opposite effect -- substituting for workers performing routine or repetitive tasks and depressing their wages."

By the time we reached this decade, "many low-wage jobs that could be eliminated by technology had already vanished." That means the remaining jobs "involve manual and service work that cannot easily be automated."

As a result, "wages in the middle not only rose far more slowly than those at the top, they also rose more slowly than those at the bottom of the distribution."

Yes, there is a middle-class squeeze.

People at the bottom of the economy need help, which could come from an increase in the minimum wage, guaranteed health insurance, expanded wage subsidies through the earned-income tax credit and unionization.

But for the left-out middle, which rebelled in large numbers last week, the answers are more complicated, though no less urgent.

Job training and education are always touted as the answer. Yellen is all for them. But they are no cure-all, because Yellen notices something else that many others have ignored: Even the better educated are now being hit by globalization and technological change.

She says that "the distribution of [job] displacement has shifted towards the highly educated: workers holding a college degree saw nearly a 50 percent increase in their displacement rates between the early 1980s recession and the most recent one in 2001."

Americans are also suffering from much larger fluctuations in their incomes than in the past. In the 1970s, she says, "a typical family might have seen its income vary from a high of $60,000 to a low of $30,000 over the decade." In the most recent decade, the same family might see its income drop to as low as $15,000. Is it any wonder so many working Americans are mad?

Yellen draws on the essential policy book of the year, Jacob S. Hacker's "The Great Risk Shift." Again, if Democrats get tired of recrimination over an election they won -- imagine if they had lost! -- they might spend time with Hacker, who shows how more and more risk is being offloaded from government and private corporations onto individuals. He makes a powerful case for remodeling our social insurance systems to provide genuine economic security for all working Americans.

Hacker makes the paradoxical and insightful point that "we are most capable of fully participating in our economy and our society, most capable of taking risks and looking toward our future, when we have a basic foundation of financial security." It's common sense: Secure people are more likely to be risk-takers.

The task of creating an economy that is more just and more dynamic will not be completed within the life of the new Congress. It will take a decade of reform, experimentation and innovation. Now that House Democrats have settled on a majority leader, you can only hope they move away from self-involvement and start thinking about the people who sent them to Washington.

Federal Diary: New Subcommittees To Focus On Workforce Management (WP)

By Stephen Barr

Washington Post, November 17, 2006

In an effort to take a more strategic approach to federal workforce management, an interagency group has reorganized with an eye to how best to help Uncle Sam recruit and train a new generation of public servants.

The group, the Chief Human Capital Officers Council, was created in 2002 to advise agencies on how to improve federal personnel systems. Yesterday, Linda M. Springer, director of the Office of Personnel Management and the council's chair, announced the creation of six council subcommittees, replacing five panels, and their priorities for the next year.

Projections show that 40 percent of the federal workforce will retire by 2015, casting agencies into a war for talent with corporations, consulting firms and other employers. If the government falters in recruiting engineers, scientists, linguists and

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other specialized skills, the Government Accountability Office has warned, agencies might not be able to effectively deliver services to the public.

Some of the subcommittees will study workforce planning for the retirement wave, look at how to ramp up training for a possible "knowledge drain," and study how performance-based pay can help the government compete for critical skills.

The subcommittees also will work with agencies on improving marketing strategies and examining whether OPM-sponsored job fairs, which seek to find applicants for hard-to-fill jobs, are worthwhile efforts.

One of the subcommittees focuses on emergency preparedness and in its previous incarnation, helped lay plans for how the government will manage its workforce during a pandemic flu outbreak. The panel, for example, has urged agencies to adopt a Navy system designed to track the whereabouts of employees during emergencies.

Springer also has asked the subcommittee chairmen to work with Sen. Daniel K. Akaka (D-Hawaii) and Rep. Henry A. Waxman (D-Calif.), who will oversee federal workforce issues in the next Congress, on legislation that supports the goals of the interagency group, an OPM official said.

The subcommittees are Emergency Preparedness, chaired by David S.C. Chu of the Defense Department; Hiring and Succession Planning, also chaired by Chu; Human Capital Workforce, led by Jeff T. H. Pon of the Energy Department; Human Resources Line of Business, led by Gail T. Lovelace of the General Services Administration; Learning and Development, chaired by Keith A. Nelson of the Housing and Urban Development Department; and Performance Management, chaired by Ronald P. Sanders from the Office of the Director of National Intelligence.Elsewhere . . .

Federal employee groups yesterday welcomed the election of Rep. Steny H. Hoyer (D-Md.) as the next House majority leader. Hoyer has championed federal pay raises and benefits for more than two decades. "We have never before had such a good friend so high in the congressional leadership," said Margaret Baptiste, president of the National Active and Retired Federal Employees Association.

Colleen M. Kelley, president of the National Treasury Employees Union, said the union will file a grievance against the Energy Department for delaying employee bonuses and promotions until Congress resolves a fiscal 2007 budget shortfall. She called the decision to delay bonuses "an example of management incompetence."

Office of Management and Budget controller Linda Combs announced yesterday that 18 of 24 federal agencies have received clean financial audits, the same as last year. Agencies that fell short on their fiscal 2006 financial statements included the departments of Defense, Energy and Homeland Security.Talk Shows

Art Gordon, president of the Federal Law Enforcement Officers Association, and Jon Adler, the association's executive vice president, will be the guests on "FEDtalk" at 11 a.m. today on federalnewsradio.com and WFED radio (1050 AM).

Ellen P. Embrey, Defense Department deputy assistant secretary for force health protection and readiness, will be the guest on "The IBM Business of Government Hour" at 9 a.m. Saturday on WJFK radio (106.7 FM).

Don't Snub Harman (LAT)

The Los Angeles Times, November 17, 2006

NEWLY MINTED House Speaker Nancy Pelosi is off to a rocky start. On the same day she was formally elected to lead the new Democratic majority, party colleagues refused to endorse her bizarre choice of Rep. John P. Murtha (D-Pa.), who was investigated but not charged in the Abscam scandal more than two decades ago, as her second-in-command.

That embarrassing experience should induce Pelosi (D-San Francisco) — who appeared chastened before reporters Thursday — to reconsider another ill-advised promotion: Her apparent intention to bestow the chairmanship of the House Intelligence Committee not on the panel's ranking Democrat, Rep. Jane Harman (D-Venice), but on Rep. Alcee L. Hastings (D-Fla.).

Hastings, like Murtha, seems an unlikely choice for a leadership role in what Pelosi has been advertising as "the most honest, the most open and the most ethical Congress in history." Hastings was impeached as a federal judge and removed from office in the late 1980s (although he was acquitted of bribery in a criminal trial in 1983).

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A litany of explanations have been adduced to explain why Pelosi would bypass Harman, an expert on intelligence matters who has won the respect of both parties while criticizing some of the Bush administration's excesses in the war on terror. None of them is persuasive. Harman has earned this chairmanship.

The argument most often cited for bypassing Harman is that under House rules, her rotating membership on the Intelligence Committee is about to expire. But Harman's supporters note that since 2003, term limits on the committee (which in any case can be waived) don't apply to the chairman and ranking member. They also point out that the independent 9/11 commission called in its recommendations for longer tenures on congressional intelligence panels as a way of fostering continuity and institutional memory.

Then there is the claim that awarding the chairmanship to Harman rather than Hastings would offend the sacred principle of seniority, as well as the sensibilities of the Congressional Black Caucus (Hastings is African American).

Seniority has never been the only criterion for the awarding of committee chairmanships in either party. As for black representation in the leadership, two other African Americans, Reps. Charles B. Rangel (D-N.Y.) and John Conyers Jr. (D-Mich.) are slated to head the Ways and Means and Judiciary committees, respectively.

The most substantial — and alarming — speculation regarding the Harman-Pelosi rift is that the speaker may consider Harman too moderate. If one of the reasons Pelosi backed Murtha was because he took it to Republicans on the war in Iraq, Harman — who initially supported the war — may be insufficiently partisan in Pelosi's eyes.

Pelosi, who has vowed to lead the House from the center, should think twice before indulging in a witch hunt of colleagues who can work well with Republicans.

And it isn't as if Harman is an administration lackey. She has called for the National Security Agency's warrantless eavesdropping program to be subject to the safeguards contained in the Foreign Intelligence Surveillance Act, and she voted against a bill to legalize the program without such safeguards. She also opposed legislation to create military commissions to try suspected foreign terrorists that did not afford detainees access to the writ of habeas corpus.

Especially at this juncture, the Intelligence Committee deserves a chairman who is respected by Democrats and Republicans in Congress and by the White House, and who is free of distracting questions about past personal conduct. Harman fits that description far more than Hastings.

Bush Nominee Gates To Court Lawmakers (AP)

By Anne Plummer Flaherty

AP, November 16, 2006

Robert Gates is making his first round of visits on Capitol Hill since being named by President Bush to replace Defense Secretary Donald H. Rumsfeld.

The one-on-one meetings Friday with lawmakers are in anticipation of Gates' confirmation hearing next month. The Senate Armed Services Committee plans to hold the hearing the week of Dec. 4.

The war in Iraq is expected to be a dominant issue for lawmakers in their discussions with Gates. One day after the Nov. 7 elections, Bush said he acknowledged the lack of progress in Iraq cost Republicans votes and handed majority control to Democrats. In a bid to salvage U.S. support, Bush said he would consider a change in course and asked Rumsfeld to step down.

Gates planned to meet with Senate Majority Leader Bill Frist, R-Tenn.; Majority Whip Mitch McConnell, R-Ky.; Senate Democratic leader Harry Reid, D-Nev.; Sen. John Warner, R-Va., chairman of the Armed Services Committee; and Sen. John McCain, R-Ariz.

Sen. Carl Levin, D-Mich., in line to takeover Warner's position as chairman next year, is expected to meet with Gates on Monday.

Members of Congress often meet privately with high-profile nominees before confirmation hearings so they can speak more candidly and get a sense of where the nominee stands on critical issues.

Gates's Opportunity At Defense (WP)

By Gregory F. Treverton

WashingtonPost.com, November 17, 2006

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Robert Gates, nominated by President Bush to succeed Donald Rumsfeld as secretary of defense, will not have much time in office but he will have opportunity.

Gates comes to the job without much baggage, either of ideology or policy. He didn't campaign for the job -- indeed, he turned down the position of director of national intelligence when it was offered -- so he has some independence. And he comes to office when desperation might make for a serious debate about policy toward Iraq.

Gates was the committed Cold Warrior who also helped manage the end of the Cold War (disclosure: We have been colleagues and friends since working together on the Carter White House staff). His approach to the world is more the practical realpolitik of the first President Bush than the neo-conservatism that has held sway under the current president.

In a 26-year career as an intelligence professional, Gates spent almost nine years on the National Security Council, serving four presidents of both major political parties. He has not managed anything on the scale of the Pentagon, but then neither has anyone else.

As deputy CIA director for intelligence, Gates engineered what still is sometimes called the "Gatesian revolution,"drawing on his White House experience to induce intelligence analysts to be more aggressive in marketing their wares to policy officials. This earned him criticism, unfair in my view, for "politicizing" intelligence. As deputy and as director of central intelligence, he was the professional's professional, strategic in view and careful in detail.

Iraq will surely define Gates's tenure. There, the tempting analogy is to Clark Clifford's role as secretary of defense in persuading another Texan, Lyndon Johnson, that winding down the war in Vietnam was not a breach of Texas honor. Clifford described his task as that of the Scarlet Pimpernel, organizing a quiet conspiracy in the national interest.

This time around, the choices are at least as unappealing as they were during the war in Vietnam, but Gates will not lack for co-conspirators. James Baker and the Iraq Study Group provide one kind of cover for a change in policy. And while many prominent Democrats have argued for a timetable for Americas withdrawal, they will not want to look soft on national security.

In these circumstances, there ought to be room for a package -- a timetable but perhaps one with some flexibility -- and perhaps one more push for more stability, including even some short-term increase in U.S. forces.

Beyond Iraq, Gates's time will be short. Rumsfeld should be remembered, but will not be, for aiming at a real transformation of U.S. military capability, against the opposition of almost all of the Pentagon (and much of Capitol Hill to boot). His vision -- a smaller, quicker and more lethal military -- produced quick victory in the conventional phase of the Iraq war but left the United States with too few troops poorly suited to the task of occupation, let alone nation-building.

GatesÂ¿ opportunity will be to redirect the transformation, not for major conventional conflicts but for the shadow wars America is likely to face. He could build on the words of recent Pentagon statements to strengthen AmericaÂ¿s counterinsurgency forces, its special operators, its advisors and policing capacity. All those capacities that have been in short supply in Iraq. A first test will come as the Army brass argues for a larger Army.

With a civilian, Gates, running the Pentagon and a military man, Gen. Michael Hayden, running the CIA, there ought to be an opportunity to bring together the parallel universes of civilian and defense intelligence.

As the capabilities of "national" intelligence collection systems, like the National Security Agency, have improved they have become increasingly important to warfighters for tactical purposes, and thus the distinction between "strategic"and "tactical" intelligence has blurred. Consequently, intelligence agencies and the Pentagon share assets and compete over whose needs are more important.

The competition risks duplication, as the military seeks intelligence systems it can count on that are integral to operational units. Here, too, Gates will not have much time, but he will have the opportunity to lay the cornerstone for the major element of reshaping American intelligence.

Gregory F. Treverton is a senior analyst at the RAND Corporation, a nonprofit research organization. He was vice chairman of the National Intelligence Council in the first Clinton administration, and his Reshaping National Intelligence for an Age of Information was published in 2001 by Cambridge University Press.

Senators Urged To Add Teeth To FDA Bill (AP-Y)

By Andrew Bridges, Associated Press Writer

DOJ_NMG_0095662

AP, November 17, 2006

A bipartisan bill represents the best shot in years to improve the safety of drugs the Food and Drug Administration regulates, but needs bolstering to heal the ailing regulatory agency, witnesses told lawmakers Thursday.

The bill, introduced in August by Sens. Mike Enzi, R-Wyo., and Ted Kennedy, D-Mass., comes on the heels of a string of high-profile drug recalls and safety warnings. Among them was the 2004 withdrawal of the popular painkiller Vioxx after long-term use was linked to an increased risk of heart attack and stroke.

"Millions of Americans rely on the drugs that FDA approves. They take them for sickness. And now the FDA urgently needs treatment," Kennedy said.

Two panels of witnesses, including representatives from industry, consumer and patient groups, praised the bill's timeliness, saying it would improve safety — and the public's confidence.

"The initiative now before you represents the best opportunity in many years to fix these chronic problems," said Dr. Steve Nissen, a Cleveland Clinic cardiologist who served on an FDA advisory panel that in 2001 recommended new warnings on Vioxx.

Some of the bill's provisions, including a temporary ban on consumer advertising of newly approved drugs, echo proposals made in a September report on drug safety commissioned by the FDA. The report found that the FDA cannot track the safety of new drugs, nor respond quickly to problems, for want of money, people and power.

"If there ever was a time that it was critical to address these issues, it is now," said Sheila Burke, chairwoman of the Institute of Medicine panel that produced the report.

Jim Guest, president and chief executive of Consumers Union, called the bill "a good first step," but said its provisions, including the power to assess civil penalties, should be strengthened. Nissen, too, said there was a need for further legislative action, including increased taxpayer funding of an agency that relies heavily on user fees paid by industry.

The Kennedy-Enzi bill calls for increasing those industry fees. Because of that, many FDA watchers believe next year the bill will be folded into legislation to reauthorize the fees.

Dr. Adrian Thomas, of Johnson & Johnson, said increased public funding of the FDA would address the perception that the agency is overly reliant on industry fees in a way that compromises its integrity.

The bill would require pharmaceutical companies to devise safety plans for new drugs. It calls for more disclosure of the results of drug trials in human subjects. It also would give the FDA the authority to require companies to carry out safety studies of drugs once they are on the market.

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On the Net:

Text of Senate bill S.3807 available at: http://thomas.loc.gov/

Senate Weighs Bill To Improve Drug Safety (USAT)

USA Today, November 17, 2006

Representatives from the pharmaceutical industry and consumer and patient groups agreed Thursday that a bipartisan bill working its way through the Senate would improve drug safety and public confidence. The bill by Sens. Mike Enzi, R-Wyo., and Edward Kennedy, D-Mass., would temporarily ban consumer advertising of newly approved drugs, require more disclosure of drug trials in humans and give the Food and Drug Administration (FDA) the authority to require companies to conduct safety studies once drugs are on the market.

Cleveland cardiologist Steven Nissen told the Senate Committee on Health, Education, Labor and Pensions that the bill “represents the best opportunity in many years” to fix chronic problems in the way drugs are approved and marketed. Jim Guest of Consumers Union called the bill “a good first step,” but said it needs to be stronger. Witnesses also called for a boost to the FDA budget.

Meanwhile, the breast cancer drug Herceptin, made by Genentech, received expanded FDA approval to include treatment of women with early-stage cancer who have undergone surgery. Herceptin has been on the market since 1998.

Senate OKs sending nuclear fuel to India

DOJ_NMG_0095663

The Senate overwhelmingly endorsed a plan allowing the United States to ship civilian nuclear fuel and technology to India, handing President Bush a victory on one of his top foreign policy initiatives. Senior lawmakers from both political parties championed the proposal, which reverses decades of U.S. anti-proliferation policy, saying it strengthens a key relationship with a friendly Asian power that has long maintained what the United States considers a responsible nuclear program. The vote was 85-12. Sen. Richard Lugar, R-Ind., called the plan "a lasting incentive" for India to shun future nuclear weapons tests. Sen. Joseph Biden, D-Del., said the endorsement pushes America "a giant step closer" to a "major shift in U.S.-Indian relations."

Panel: China not responsible global player

A congressional advisory panel questioned China's willingness to be a more responsible international player and said the world's most populous nation must abandon a single-minded pursuit of its "own narrow national interests." Among the 44 recommendations the U.S.-China Economic and Security Review Commission made to Congress are "a more effective program" for gathering information about China's military buildup and the need to combat Chinese attempts to isolate Taiwan by supporting the island's membership in world bodies.

"While China is a global actor, its sense of responsibility has not kept up with its expanding power," said Larry Wortzel, chairman of the commission that Congress created in 2000 to investigate U.S.-China issues.

In Beijing, Chinese Foreign Ministry spokeswoman Jiang Yu said she had not seen the report, but "we are against the attempt by any country or any organization to interfere with China's internal affairs."

Criminal investigation opens against Foley

Florida authorities have opened a criminal investigation into the sexually explicit computer messages that former representative Mark Foley sent to former male congressional pages. "We found the basis to open up a criminal investigation," said Kristen Perezluha, a spokeswoman for the Florida Department of Law Enforcement. She would not elaborate. Foley resigned Sept. 29 after being confronted with the lurid communications. His attorney, David Roth, declined to comment on the criminal investigation.

Cheney Is Toast, So New Veep In Works? (USAT)

By Al Neuharth

USA Today, November 17, 2006

Now it's all about the White House in 2008. With midterm ballots barely counted, they started lining up on both sides of the aisle this week. Before it's over, expect 10 or 12 Democrats and four or five Republicans to make a serious run for the Oval Office.

In modern politics, the party in power with a two-term president has had a vice president waiting to move up. Those nominations have been almost automatic. History over the past half century:

Bill Clinton's VP Al Gore in 2000. Ronald Reagan's George H.W. Bush 18 years ago. Lyndon Johnson's Hubert Humphrey in 1968. Dwight Eisenhower's Richard Nixon 46 years ago.

Dick Cheney unequivocally has taken himself out of the running. So he's toast.

It's hard to think of a good reason he should remain in office and logical to assume that some Republicans are pushing him to leave. It could be on "doctor's orders." He's 65 with serious heart problems.

Bush then could name a vice presidential successor who they hope might be nominated and win in '08. But the appointment would need approval of both houses of Congress. With control shifting to the Democrats in January, time may be of the essence.

Likely on the short might-be list (alphabetically):

•Bill Frist, 54, Senate majority leader from Tennessee.

•Rudy Giuliani, 62, former mayor of New York City.

•John McCain, 70, U.S. senator from Arizona.

•Condoleezza Rice, 52, secretary of State.

If Cheney goes, Bush could make political history by naming the first woman and first black as veep. When presidents are lame ducks, they sometimes think more about what historians will say than about current events.

25 Years Later Reagan's Tax Cuts Are A Global Tide (WSJ)

DOJ_NMG_0095664

The Wall Street Journal, November 17, 2006

It was entirely appropriate that as its keynote speaker to celebrate the 25th anniversary of the 1981 Reagan tax cut, the Heritage Foundation in Washington this week should assign the job to Art Laffer. Mr. Laffer is surely the most irrepressibly ebullient practitioner of the dismal science of economics alive today, maybe ever. It is no surprise that more than a quarter century ago, then California Gov. Ronald Reagan, another genuinely cheerful soul in a dismal profession, would have found common cause with the young economist's view that cutting taxes would produce a wealth of benefits for the American people.

Now, 25 years later and with the post-Reagan Republican Party in tatters over a confused political agenda, Mr. Laffer stood beaming at the Heritage podium to inform its audience that "illegal immigrants are the lifeblood of our society." This produced a boo-burst from a distant corner, which Mr. Laffer seemed not to notice. When so informed over a nightcap at the Willard Hotel, he said with the famous smile, "What do I care? I've been booed at all my life."

As, indeed, has Reaganomics over its 25-year life. On this night Mr. Laffer, famous in part for cutting down economists' pretenses to ideas anyone can understand, had an answer for the boo-birds of Reaganomics: Almost alone, the United States since those tax cuts has managed to remain both a growth country and a developed nation.

Economic growth was always the sine qua non of supply-side tax theory, the belief that lower marginal rates would incentivize people to work, save and invest. Bob Bartley, the late editor of The Wall Street Journal editorial page, wanted nothing more than to focus this debate back then on the particulars of achieving growth in the economy. But for many garden-variety politicians and professional economists, the economy is an abstraction. Yes, they know something is going on out there in the workaday world, but it's all a second-order effect of their policies and theories. So at its creation the supply-side idea instantly bogged down into an argument, alive to this day, over whether the tax cuts would "pay for themselves." You know, the deficit, the budget, the "nonpartisan" economic models at the Congressional Budget Office, blah, blah, blah.

It was back about the time these arguments over fiscal policy were erupting in the late 1970s that this page began to propagate the phrase, "inside the Beltway." This of course refers to Interstate 495, which rings Washington like the bright outline that surrounds protoplasm under a microscope. The unicellular protozoa inside the Beltway live life swimming from this side to that, bumping each other. They enjoy it. And so even today the debate over tax cuts "paying for themselves" lives on, reincarnated as a proposal called "paygo" which decrees that no tax cut may pass into law unless an "offset" is laid upon the altar of the budget gods.

But let's return to the real world, where the object is growing an economy, not fertilizing Uncle Sam's giant budget beanstalk. In the final months of Ronald Reagan's presidency, something else happened that forced even Beltway accountants to look up from their ledgers: The Berlin Wall fell in 1989. Five years later this brought forth the second great wave of supply-side tax policy.

Communism had been running what might be called a 40-year demonstration study in life at one end of the Laffer Curve -- what happens to economies when you tax away pretty much everything. Freed of this utopia, the peoples of Eastern Europe now had to devise new tax regimes appropriate to nations eager -- for want of a better phase -- to work, save and invest.

The first former Iron Curtain country to cut its taxes was Estonia in 1994, led by Prime Minister Mart Laar, who claimed then the only economics book he'd ever read was Milton Friedman's "Free to Choose." Estonia established a flat rate on personal incomes of 26%; two years earlier it had abolished all import tariffs. Estonia grew.

After Estonia, flat-tax regimes coursed across Eastern Europe, as listed below (bear in mind that the top rate in the U.S. is 35%): Lithuania, 33%; Latvia, 25%; Slovakia, 19% (the former sad sack of the region, Slovakia's growing economy has become its envy); Romania, 16%; Ukraine, 13%; Russia, 13%; and Georgia, 12%.

Yes, payroll taxes are often high, but unlike here, the political impulse is to reduce the tax burden; Estonia hopes to get its flat rate down to 20% by decade's end. Even the World Bank has noticed. In a September report on business reforms, it noted that the second most popular global reform the past few years, after easing regulations on new businesses, was "reducing tax rates and the administrative hassle of paying taxes." Bosnia-Herzegovina, emerging from the Balkan wars, has cut property taxes.

The accounting firm KPMG's annual corporate-tax survey, released this month, took special note of the history of corporate tax rates. The downward trend here was begun in 1985 with a corporate-rate cut in the U.K. by Reagan admirer Margaret Thatcher. "In the past 14 years," the report says, "the average corporate tax rate of countries surveyed by KPMG declined nearly

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29%, dropping from an average of 38% to 27.1%." When Austria cuts its corporate rate to 25% from 34% and German companies started rolling across the border, German Finance Minister Peer Steinbruck accused the Austrians -- I love this phrase -- of "fiscal dumping."

During Ronald Reagan's presidency, the top marginal rate on personal incomes dropped to 28% from 70%. In 1993 Bill Clinton raised the top tax rate to 39.6%. In 2001 George Bush pushed the top rate back down to 35% and cut the rate on capital gains and dividends to 15%. Last week former Clinton Treasury Secretary Robert Rubin exhorted the Democrats to raise taxes "to solve the nation's fiscal problems."

The Rubin Solution may not be easy. Even a Democratic Congress might realize that raising taxes today is swimming against the global tides. In reversing the Clinton tax increases, passed in another age 13 years ago, and spreading tax cuts to the financial sector, George Bush has driven the roots of the Reagan tax philosophy deeper. If he resists a grand compromise on entitlements that raises taxes, it may prove to be his most enduring legacy.

Issues Front And Center (WP)

By David Ignatius

The Washington Post, November 17, 2006

The Democrats now have the opportunity the Republicans spurned, which is to build a broad coalition in the center and become once again the nation's governing party. But to achieve that, the Democrats must stand for values that connect with those of most Americans. The center is meaningless, after all, except as a platform for enacting legislation the public wants.

Some Democratic initiatives are obvious after the November election: The public wants changes in Iraq policy that reduce the costs and dangers for America; reform of an arrogant and corrupt congressional leadership; and an end to partisan political bickering. The new House speaker, Rep. Nancy Pelosi, had a disastrous post-election week in which her first priority seemed to be settling scores rather than solving these big problems. Shame on her! But let's assume for the moment that the new Democratic majority won't commit instant suicide with a continuation of Pelosi's payback politics, and that it will get serious about governing.

What are the issues where the Democrats should plant their flag and try to create a new majority? Two are no-brainers that should have broad bipartisan support next year: reviving the Clinton administration's push for national health-care policies that can save costs and improve care, and getting serious about alternative energy policies that can reduce demand for foreign oil. Sen. Hillary Clinton has already staked out these issues, which will enhance her stature as a 2008 presidential candidate.

A third big Democratic idea was advanced this week by Jim Webb, the senator-elect from Virginia, who promises to be one of the most interesting voices in the new Congress. He argued in the Wall Street Journal that the Democrats should focus on economic justice. "America's top tier has grown infinitely richer and more removed over the past 25 years," he wrote. "It should be the first order of business for the new Congress to begin addressing these divisions, and to work to bring true fairness back to economic life." Former senator John Edwards, another leading Democratic contender for 2008, has put his stamp on this same issue through his new Center on Poverty, Work and Opportunity at the University of North Carolina.

Webb and Edwards are right about the dangers of rising inequality in America. Studies by the Census Bureau, the National Bureau of Economic Research and other organizations all report growing inequality in income distribution over the past 35 years. According to a June 2000 study by the Census Bureau, the gap between rich and poor began widening sharply in the early 1980s. From 1980 to 1992, the share of national income going to the top fifth rose by nearly 18 percent.

The income gap continued during the technology boom and the stock-option frenzy of the Clinton years, according to studies by a leading analyst of inequality, James K. Galbraith of the University of Texas. He notes that the collapse of the tech bubble and the surge of military spending under President Bush shifted the pattern of winners -- but from blue-state counties to other blue-state counties. In a recent paper, Galbraith found that the big gainers of the 1990s -- Santa Clara, San Mateo and San Francisco counties in California and New York City -- were the top four losers from 2000 to 2004, while the four big winners after 2000 were the District of Columbia and Fairfax, Los Angeles and San Diego counties.

The Democrats' challenge is to fuse populist anger with the party's other dynamic movement -- the call for fiscal reforms made by former Treasury secretary Robert Rubin and other members of the Hamilton Project, which seeks budget-balancing

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changes in entitlement spending. The goal should be to articulate policies that are at once pro-equality and pro-growth. That's a tall order, especially at a time when the U.S. economy appears to be slowing.

Lawrence Summers, a former Treasury secretary and Harvard economist, suggested the right balance in a column in the Financial Times last month: "The best parts of the progressive tradition do not oppose the market system; they improve on the outcomes it naturally produces. That is what we need today."

If the Democrats hope to re-create the "big tent" of a true governing coalition, they have to find policies that bring together the wings of their own party. Successful economic policies will be those that advance the interests of Main Street without destroying those of Wall Street, and vice versa. Solving that puzzle is a big intellectual challenge. It should motivate and unite the Democrats -- from Webb and Edwards to Clinton and Rubin -- as they move toward 2008.

The writer co-hosts, with Newsweek's Fareed Zakaria, PostGlobal, an online discussion of international issues athttp://blog.washingtonpost.com/postglobal. His e-mail address isdavidignatius@washpost.com.

The Big Three's Diminished Pull (LAT)

The Los Angeles Times, November 17, 2006

ONCE UPON A TIME, if the chief executives of the Big Three U.S. automakers wanted a meeting with the president, he would rearrange a few summits or travel to Detroit to accommodate their schedules. Not anymore.

After months of lobbying for some face time with President Bush, the heads of General Motors, Ford and DaimlerChrysler's Chrysler Group finally got their wish Tuesday — after the election, at a time when the president's political power is at a low point. Bush met with the CEOs for about an hour in the Oval Office. The president smiled, said a few nice things to the cameras about the importance of the U.S. auto industry and sent them on their way. Very little, if anything, is expected to come of the meeting.

It was a reflection not only of the newfound weakness of the industry but of a change in global circumstances. The lines separating U.S. from foreign automakers are a lot blurrier than they used to be. DaimlerChrysler, still considered one of the giants of Detroit, is headquartered in Germany. Toyota and Honda might be based in Japan, but they own numerous U.S. factories and employ thousands of American workers.

The executives weren't looking for a bailout, but they were hoping for some assistance from Washington. At the top of their agenda was healthcare. If they want help on that, they'll have to get in line. It is inarguable that the automakers face crushing healthcare costs, but it is the entire U.S. healthcare system that is in desperate need of an overhaul. The auto industry's problems differ only in scale.

Also up for discussion Tuesday was the Japanese yen, which Detroit has long complained is undervalued, and alternative fuels — the CEOs were apparently seeking more subsidies to build flex-fuel cars that can burn either gasoline or an ethanol blend. Bush wisely failed to take the bait on the yen, whose value is determined by market forces and not by the machinations of the Japanese government or its automakers. And although Washington should be encouraging more flex-fuel cars, Detroit could also focus on improving the gas mileage of conventional vehicles.

The U.S. auto industry is an important part of the nation's economy. But this is one road the Big Three are going to have to steer on their own. The days of massive federal bailouts for the likes of Chrysler are over — and would be even if it were still an American company.

OTHER NEWS:

Low Oil Prices, Modest Inflation Fuel Dow Record (WSJ)

By Peter A. Mckay

The Wall Street Journal, November 17, 2006

Moderate inflation and a plunge in oil prices to a one-year low pushed the Dow Jones Industrial Average to another record.

The blue-chip average climbed 54.11 points, or 0.4%, to 12305.82, up 15% year to date. The Standard & Poor's 500-stock index rose 0.2%, or 3.19 points, to 1399.76, shy of its first close above 1400 since November 2000. The broad-based index is up 12% this year.

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The Nasdaq Composite Index rose 0.3%, or 6.31 points, to 2449.06, up 11% year to date.

In the session's most anticipated piece of economic news, the Labor Department reported that its consumer-price index, excluding volatile food and energy prices, rose 0.1% in October, shy of Wall Street's consensus expectation for an increase of 0.2%.

Compared with the year-earlier period, the so-called core inflation rate is 2.7%, above the 2% level that the Federal Reserve considers the upper limit of acceptable annual growth in prices throughout the economy. October's reading was shy of the 3% level some analysts believe would trigger widespread worries that an interest-rate increase by the Fed is imminent.

"The readings are still too high for the Fed to ease rates, but at least for the day, the market is less worried about the worst-case scenario," said Jim Paulsen, chief investment strategist at Wells Capital Management. He cautioned that he still believes economic growth will push inflation readings higher in the months ahead, eventually prompting the Fed to tighten.

Energy traders bid the expiring December futures contracts for crude oil sharply lower, off $2.50, or 4.3%, to $56.26 a barrel, down 7.8% year to date at the New York Mercantile Exchange.

Warmer weather and mixed reports about the Organization of Petroleum Exporting Countries' output helped to nudge prices lower. To avoid taking delivery of actual oil, many traders had to sell December futures to move their purely financial bets into January futures, said Alaron Trading analyst Phil Flynn.

He said such selloffs have become more common in the past 18 months or so -- a period in which contracts for long-term crude delivery have usually traded at a premium to contracts for immediate delivery. "This is getting to be a common theme in the oil market," said Mr. Flynn. "I call it expiration ugly, or expiration madness."

Outside the U.S., stocks fell in dollar terms. The Dow Jones World Stock Index, excluding U.S. shares, fell 0.02%, or 0.05 point, to 231.54.

In major U.S. market action:

Stocks rose, and bond prices fell. The 10-year note fell 10/32 point, or $3.125 for each $1,000 invested, pushing the yield up to 4.659%. The 30-year bond fell 20/32 to yield 4.737%.

The dollar strengthened. Against the Japanese currency, the dollar rose to 118.22 yen, compared with 118.04. The euro fell to $1.2796, compared with $1.2826.

Write to Peter A. McKay at peter.mckay@wsj.com1

Inflation Drops Again As Gasoline Prices Fall (WP)

By Howard Schneider And Nell Henderson

The Washington Post, November 17, 2006

Inflation continued to moderate in October as falling oil prices, a slack housing market and a decline in clothing costs reinforced the sense of a gradually slowing economy.

Labor Department statistics released yesterday indicated that overall prices declined 0.5 percent in October on a seasonally adjusted basis, following a similar decline in the previous month.

Excluding volatile fuel and food costs, prices rose 0.1 percent, the smallest increase since December and a sign that core inflation is declining.

Overall, prices rose at a 2.4 percent annual rate for the first 10 months of the year, the Labor Department reported, much less than the 3.4 percent price increase recorded for all of 2005, when fuel prices spiked.

Wall Street greeted the data with restrained enthusiasm yesterday, concluding the Federal Reserve probably will not need to raise interest rates any time soon to battle inflation. The Dow Jones industrial average rose 54.11, or 0.4 percent, to close at 12,305.82, the latest in a string of all-time highs for the Dow. The Standard & Poor's 500-stock index rose 3.19, or 0.2 percent, to close at 1399.76.

The data released yesterday added to evidence that economic growth has slowed under the influence of recent Fed rate increases. The most recent report of the value of all goods and services produced, known as gross domestic product, indicated the economy was expanding at a sluggish 1.6 percent annual rate, down sharply from earlier in the year.

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Federal Reserve policymakers agreed at their meeting last month that "inflation risks remained the dominant concern" and that more interest rate increases were possible if price pressures did not ebb, according to minutes of the session released on Wednesday.

The central bank has left its benchmark rate unchanged since June, after increasing it 17 times over two years to restrain inflation. Some analysts warned that it may be too soon to conclude the rate increases are over, with unemployment at a low 4 .4 percent, wages rising and consumers spending the extra cash they've gained from lower gasoline prices.

"There might be a little more work to do," said Drew Matus, senior economist at Lehman Brothers Inc., which predicts the Fed will raise its benchmark rate to 5.5 percent from 5.25 percent early next year. "We don't think the inflation problem has gone away."

The milder inflation report will allow the Fed more time to watch how the slumping housing market affects the economy in coming months, he said. "This gives the Fed more breathing room, but it doesn't mean we're out of the woods" on inflation, Matus said.

For now, the news is positive, particularly last month's mild 0.1 percent increase in the core CPI. The core index rose 2.7 percent in the 12 months that ended in October, after rising 2.9 percent in the year ended in September, the highest 12-month figure reported this year.

"One soft core is not a trend, but it still looks great," said Ian Shepherdson, chief U.S. economist for the High Frequency Economics consulting firm.

Fuel prices figured significantly in the October price decline, as they did in September, falling 7.2 percent last month on top of a 7 percent decline the month before.

Gasoline fell 11.1 percent in October. The national average was $2.23 per gallon, down from more than $3 a gallon for much of the summer, according to the AAA automobile club. Oil is trading at about $59 a barrel, down from a peak of more than $78 a barrel in July.

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Inflationary Signs Weaken Broadly (WSJ)

By Rafael Gerena-morales

The Wall Street Journal, November 17, 2006

Inflationary pressures eased broadly last month, reinforcing the Federal Reserve's view that consumer-price increases will subside as the U.S. economy cools.

The Labor Department reported that consumer prices nationwide fell a seasonally adjusted 0.5% last month -- matching September's decline -- and were up 1.3% from a year earlier, the smallest year-to-year increase since June 2002.

Core consumer prices, which exclude food and energy, rose a less-than-expected 0.1% in October, compared with a 0.2% increase in each of the three preceding months. Core prices were up 2.7% from a year earlier, short of the 2.9% year-to-year rise in September.

The inflation reading "is unmitigated good news," said Nariman Behravesh, chief economist at consulting firm Global Insight. "It will provide great comfort to the Fed because they've been saying that inflation is going to come down -- and it has. People who were worried about [high] core inflation can breathe a little easier."

The favorable inflation data, along with a plunge in oil prices to a one-year low, sent the Dow Jones Industrial Average climbing 54.11 points to a record close of 12305.82. (See related article1.)

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Energy prices recorded some of the steepest of October's price declines. Gasoline prices fell 11.1% from September and were down 18.3% from a year earlier. Natural-gas prices declined 7.7% and were 24% below a year ago.

Prices for many other products and services also declined last month. Prices fell 3.3% on information-technology hardware and services, 1.2% on both used cars and trucks and women's apparel and 1% on personal computers and peripheral equipment.

Meanwhile, some housing-related costs, which pushed core inflation higher this summer, continued climbing. Rents paid by tenants, as well as owner's equivalent rent -- what a homeowner would have to pay to rent comparable living space -- each rose 0.4% from September.

Even so, the broad-based price declines suggest that "the inflation scare is over," said Mark Vitner, a senior economist at Wachovia Corp. in Charlotte, N.C. If current trends continue, Mr. Vitner believes that the Fed's next move will likely be to cut interest rates in the first half of 2007. Immediately after the report, futures markets raised the odds of a quarter-point rate cut by April to about one in four, from about one in seven.

Other economists were more cautious. They noted that while inflation is easing, the core level remains above the Fed's perceived "comfort zone" of 1% to 2%, and that the nation's tight labor market, which is helping to lift wages and other business costs, could stoke inflation next year. Average hourly earnings in October were up 3.9% from a year earlier. That compares with an average increase of 2.8% in 2005.

"It's not fair to say that the inflation genie is in the bottle," said Haseeb Ahmed, an economist at J.P. Morgan Chase & Co. "There is still work to do on inflation."

The Fed has kept its target for short-term interest rates at 5.25% since late June as the economy has slowed and appears to be heading toward moderate growth. The economy expanded by 1.6% in the third quarter, compared with an average of 4.1% in the first half of 2006.

The consensus among 56 economists surveyed last month by WSJ.com was that the economy would expand by an average of 2.5% in the fourth quarter, which would be below its long-term trend growth rate of about 3%.

A separate economic report released yesterday by the Federal Reserve seemed to confirm that some sectors of the economy are continuing to cool. The Fed reported that production at the nation's factories, mines and utilities increased a seasonally adjusted 0.2% in October, boosted by a 4.1% increase in utilities' output amid "colder-than-normal" weather in the Midwestern and Rocky Mountain states. The nation's capacity utilization rate, a measure of how fast the industry is running, rose slightly to 82.2% in October.

Manufacturing output, however, fell 0.2% for the second straight month, dragged down by production cuts in the auto and housing-related sectors.

"Manufacturing will not have a merry holiday season this year," said Daniel J. Meckstroth, chief economist for the Manufacturers Alliance/MAPI in Arlington, Va. Mr. Meckstroth projects that manufacturing output will remain flat in the fourth quarter, down from 4.5% growth in the third quarter.

The housing market did offer one bright spot yesterday: The National Association of Home Builders/Wells Fargo Housing Market Index, which tracks builder sentiment about homes sales, for November rose slightly from the previous month, gaining two points to 33.

NAHB chief economist David Seiders said the increase was a sign that the leveling off of home prices has improved housing affordability. Several large home builders, however, have said recently that they expect slow sales to continue into next year and that they haven't seen many signs of improvement.

Also yesterday, the Labor Department said that initial claims for unemployment benefits fell 2,000 to a seasonally adjusted 308,000 in the week ended Nov. 11, suggesting that the labor market remains healthy.

Inflation Slowdown Raises Rate Cut Hope (FT)

By Eoin Callan And Krishna Guha

Financial Times, November 17, 2006

DOJ_NMG_0095670

Inflation slowed sharply in the US last month, new figures showed on Thursday, easing the pressure on the Federal Reserve and raising expectations of an interest rate cut next year.

The core consumer price index rose 0.1 per cent in October, its lowest monthly increase since inflation began to accelerate in the spring.

The October report is a clear break with a run of stubbornly high inflation figures. Core inflation rose 0.2 per cent in each of the three preceding months, and faster in the previous quarter.

The three-month annualised rate of core inflation often cited by Ben Bernanke, the Fed chairman – which peaked at 3.8 per cent in May – fell for the fifth consecutive month to 2.3 per cent from 2.7 per cent.

"I view this as the first sign, the first proof, that the outlook for inflation is improving," said Bob DiClemente, chief US economist at Citigroup.

However, Michael Moskow, president of the Chicago Fed, warned investors against assuming that the Fed would think the fight against inflation is now over. "It's one month, and I think it's a bit premature for anyone to say that we have broken the back of inflation," he said.

"It is moving in the right direction; the key is whether that can be sustained and how quickly we can move to rates that are in a range that is commensurate with price stability. We're certainly not there now."

He added: "My current assessment is that the risk of inflation remaining too high is greater than the risk of growth being too low."

Lower energy prices have given central banks around the world greater flexibility in tackling inflation.

The Bank of Japan also kept its options open on Thursday, keeping interest rates at 0.25 per cent, after a low headline inflation rate of 0.2 per cent in September. But the central bank has made it clear that it is prepared to move pre-emptively against inflation.

Equity markets were buoyant in the wake of the US inflation report, while futures markets priced in about a 50 per cent chance of a US rate cut early next year. The dollar held its ground, while US Treasuries reversed early modest gains.

Meanwhile, figures on Thursday showed inflation pressures remain moderate in the eurozone, with headline and core both at 1.6 per cent.

The softer inflation figures in the US will reduce the pressure on the Fed to consider raising rates and will be viewed by Mr Bernanke as helping support the decision to keep rates on hold at the past three policy meetings.

Prices Fall, US Inflation Worries Ease (CSM)

By Ron Scherer

The Christian Science Monitor, November 17, 2006

The price of a ton of steel is falling - something that helps to ease prices on everything from automobiles to rebar used to buttress concrete. Dresses and trousers are already on sale in department stores. And gasoline prices, after their recent spike, are back down to where they were about a year ago.

Falling prices on many goods are reining in the nation's inflation rate. Thursday, in an economic report that cheered just about everyone, the government reported that the Consumer Price Index (CPI) in October fell 0.5 percent. Even taking out volatile energy and food prices, inflation barely registered, rising only 0.1 percent.

The improving inflation news should help relieve the concerns of the Federal Reserve, the nation's central bank, that inflationary expectations are rising. The Fed meets in the middle of next month to set interest-rate policy. Economists expect the latest report to be one of the factors that keep the bank from taking any action on interest rates.

"I don't think we're going to see a change," says Ann Owen, a former Fed economist now at Hamilton College in Clinton, N.Y. "In the past couple of meetings, even though the Fed has not made any changes, we've seen a dissenting vote in favor of raising interest rates and what we might see now is no dissenting vote."

The inflation numbers are also improving on a year-over-year basis. Compared with last October, prices are up 2.7 percent, a rate that is still higher than the Fed would like to see but a decline from prior months. "The numbers are [going] in the right direction," says Professor Owen.

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The improvement in the CPI follows a similar report on Tuesday for the Producer Price Index, a measure of inflation for businesses, which fell 1.6 percent. Taking out food and energy, prices dropped 0.9 percent.

The falling prices reflect the competitive business environment, says Daniel Meckstroth, chief economist for the Manufacturers Alliance/MAPI in Arlington, Va. "Business just can't raise prices."

In an important trend, some commodity prices other than energy are also starting to retreat, he says. Copper, aluminum, and steel are all selling for less than they were this summer. "We're getting a pause in demand, which is giving supply a chance to catch up," says Mr. Meckstroth.

An easing of the inflation rate might also start to relieve what the Fed calls "inflationary expectations" - the public's anticipation that prices will keep going up. However, prices will have to remain down for a longer time to change perceptions, says Dennis Jacobe, chief economist at the Gallup Organization in Washington.

"A considerable number of Americans think the drop in gasoline prices is temporary and prices will go back up, if not this year than next year," he says.

It's not just gasoline prices, Mr. Jacobe adds. Over the last several years, prices have risen for healthcare and education. In Thursday's report, healthcare rose 0.3 percent in October and education 0.2 percent. "People perceive a sizable increase in these areas," he says.

The Fed is also watching the housing sector carefully for signs that the slowdown there will have an adverse impact on future CPI numbers. Housing is weighted to represent 25 percent of the index. To calculate housing costs, the government looks at rents.

"When there is a big drop in housing, everyone who was going to buy stops and starts renting because they think they should wait to see how low prices drop," says Owen. "This increases the demand for rental housing, which is ironic for the Fed because it could raise the CPI, causing them to raise rates. And housing will decline more, so the CPI gets worse, not better. So, the Fed is watching the housing market carefully because they don't want to accelerate the decline in prices."

This week, DataQuick reported that the number of new and existing homes sold in southern California last month was the lowest in 10 years. And prices have leveled off. The median price was $484,000, the same as September, but up 2.3 percent from October a year ago. DataQuick reports that year-over-year increases have been in the single-digit range for the past seven months and are expected to be slightly negative by the end of this year or early next year.

One of the largest factors in the falling CPI last month was the drop in gasoline prices. Energy prices in October were down 7.0 percent from September, which was down 7.2 percent from August.

The falling prices at the pump could augur well for upcoming holiday sales, says Scott Brown, chief economist at Raymond James & Associates in St. Petersburg, Fla. When gasoline prices move up or down, "there is a lag effect ... on consumer spending," he explains. "People are still working off the $3 a gallon they paid this summer, but once they work through those credit-card bills, they will feel better about the outlook."

As a result, Mr. Brown, says he is "cautiously optimistic" about the prospects for the holiday retail sales.

Halliburton Begins A New Era (WSJ)

By Worth Civils

The Wall Street Journal, November 17, 2006

Halliburton Co. has shed a big part of its business, for better or worse. KBR, the engineering and construction unit with a huge presence in Iraq, was successfully offered to the public Thursday after a slight delay1. Halliburton's stock, which has rallied in anticipation of the spinoff, has done well since the Iraq war began, rising from around $10 to an all-time high of $42 earlier this year. Shares closed Thursday at $32.51, down $1.04 on the New York Stock Exchange. And while its third-quarter performance and plans for more capital spending have drawn approval from some analysts, suspicions surrounding its dealings in Iraq and worries about a slowdown in its oilfield-services business have others concerned. (Ratings and disclosures follow) The Bull Case

Active Oilfields: Halliburton posted strong third-quarter earnings as demand for oilfield services surged. The second-largest industry player behind Schlumberger Ltd. saw its oilfield division hit record revenue of $3.4 billion in the quarter, and it beat

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analysts' average earnings estimates by twice as much as its larger rival did. The success came across a wide geographic swath, with international growth equaling growth in North America year over year. "This has not been the case in past quarters and bodes well for Halliburton's ability to grow," wrote UBS analyst James Stone, who said the results prove the company is "much more than a one trick pony." Mr. Stone raised his fourth-quarter earnings-per-share estimate to 63 cents from 58 cents. Halliburton "remains one of the most undervalued stocks in the oilfield service sector…despite consistently strong performance," he wrote.

Dollar Signs: Halliburton plans to increase capital spending to $1.2 billion in 2007, up 40% from this year, something analysts see as a good sign for business. Most of the new spending will be used to grow markets in the Eastern Hemisphere, where Halliburton has won several big contracts recently in such countries as Australia, Indonesia and Russia. In June, the company was awarded a three-year contract for the oilfield-services component of a large oil development project in the Arabian Gulf -- the Saudi Aramco Khurais project. Citigroup's Geoff Kieburtz calls the East the "future growth engine" for Halliburton. The company also plans to boost research-and-development spending by as much as 30% next year, which Mr. Kieburtz said shows its "conviction about the positive long-term outlook" in the oilfield business.

Public Appearance: Halliburton took 17% of its KBR unit public yesterday in a move welcomed by analysts. The initial public offering of 27.8 million shares priced at $17, the upper end of its range, and is expected to bring Halliburton $441 million after fees. KBR popped in its debut Thursday, rising 22% to $20.75 a share. "We believe the KBR IPO process should be a catalyst to Halliburton shares…and broaden the company's investor base," Bear Stearns' Robin Shoemaker wrote. Halliburton plans to shed the remainder of the firm by April 2007. While some uncertainty will likely remain until it is fully separated from Halliburton, "the IPO is a critical first step to unlocking the value we see in Halliburton's oilfield business," wrote Mike Urban at Deutsche Bank. "A new era begins for Halliburton," wrote Daniel Henriques at Goldman Sachs in a note after the KBR IPO, which he says will "bridge the valuation gap between Halliburton and its peers," namely Schlumberger and Baker Hughes Inc. The Bear Case

Oilfield Aches: Falling commodity prices could spell trouble for Halliburton's North American business, which accounts for more than 60% of the operating income in its energy-services division. The unit's operating margin -- a measure of revenue left after paying for production costs -- could be pinched, notes J.P. Morgan's Michael LaMotte, who said "the potential threat … is significant." He predicts the margin could fall more than four percentage points next year, shaving 43 cents a share from annual earnings. Also, much of Halliburton's business depends on how many oil and gas pumping rigs come to market, and the overall rate of rig growth is expected to decline, analysts predict. What's more, James Wicklund at Banc of America Securities sees a "great deal of difficulty" in Halliburton signing contracts at higher prices. "Every exploration and production company we talk to is trying to reduce oilfield-services pricing…so any weakness in the market is seen and spreads quickly."

Close Scrutiny: Halliburton could come under more fire amid a new political landscape -- a risk even more bullish analysts acknowledge. "With a Democratic led House and Senate, there is a more than reasonable chance that the company may come under more scrutiny," wrote Conley Turner at Wall Street Strategies. Since the war started in Iraq, Halliburton's KBR unit has received more than $16 billion for projects there. Rep. Henry Waxman, a California Democrat and vocal Halliburton critic, is set to become chairman of the House Government Reform Committee, where he will have subpoena power and could hold hearings examining Halliburton, a prospect that could prove distracting2 for both the company and its shareholders.

Artificial Prop: Anticipation of the KBR spinoff has been the primary force driving up the price Halliburton shares in recent weeks, some analysts say, but the move also has the potential to cut annual revenue by nearly half as it loses business in Iraq and other parts of the world. And some analysts say the KBR spinoff news has made Halliburton seem overpriced. "At this point, we would not recommend chasing the stock," wrote Mr. LaMotte at J.P. Morgan, who thinks the rally in Halliburton shares "probably has more to do with the potential acceleration of the KBR IPO than anything else." In other words, he said, "We do not believe that the rally in the stock indicates that investors believe the North American…business has dodged a bullet and will be fine next year." Mr. LaMotte favors Baker Hughes over Halliburton, saying it has more earnings potential and less exposure to the uncertain North American market.

KBR Shares Up 22% On 1st Day Of Trading (WP)

DOJ_NMG_0095673

The Washington Post, November 17, 2006

KBR Inc., the Halliburton Co. subsidiary that made its parent company famous -- and infamous -- with its huge contracts in Iraq, took a major step toward independence yesterday with an initial public offering in which share prices rose 22 percent on their first day of trading.

Newly issued KBR stock had been priced at $17 a share Wednesday night, but was trading for $21 by the time the New York Stock Exchange opened yesterday. It closed at $20.75. The IPO was projected to net KBR about $441 million, which will be used to pay off debt.

For oil-field-services company Halliburton, the IPO was a milestone in its more than two-year-old effort to spin off KBR. While Halliburton still owns a little more than 80 percent of the subsidiary once known as Kellogg Brown & Root, Halliburton executives have said they plan to sell the rest of the company to shareholders by April. That means Halliburton, where Vice President Cheney once was chief executive, will be separate from the company that has done billions of dollars worth of work in Iraq for the Defense Department over the past 3 1/2 years.

Analysts said Halliburton's main reason for making the move was that KBR had become a drain on the company's share price. While KBR takes in huge revenues through its government contracting and engineering work, its profit margins are considerably thinner than those of the rest of Halliburton, which focuses on exploration and drilling for energy supplies.

"KBR didn't fit with what the rest of the business was," said Poe Fratt, oil sector analyst with A.G. Edwards & Sons Inc.

But Fratt and other analysts said another factor was likely at work. Halliburton may be trying to insulate itself from the bad publicity it received because of allegations that KBR has overcharged the government and shortchanged soldiers.

"The levels of scrutiny have been high for a while, but you're likely to see them escalate now that you have Democrats taking over committee chairmanships," Fratt said. "Halliburton is closely associated with Dick Cheney. But beyond the Beltway, KBR is not."

KBR, which like Halliburton has its headquarters in Houston, has about 400 employees in the Washington area. The company is split between its energy and chemicals division and its government and infrastructure division. Its work includes building offshore oil platforms, converting natural gas to liquid fuels and constructing military bases. KBR recorded $10 billion in revenue last year, about half of which came from Iraq.

KBR has defended its Iraq work and resolved many of the claims about overcharges. But questions linger. The Justice Department and a U.S. attorney in Illinois have open investigations into KBR's Iraq work, and the special inspector general for Iraq reconstruction has been looking into whether the government is getting its money's worth on a KBR contract to provide meals, laundry service and other logistical support to soldiers.

The Army announced over the summer that it would put that contract back out for bid. KBR is trying to keep the contract and is considered a favorite to win the bidding, but it will probably have to share the deal with other companies if it does.

KBR, with a corporate history that goes back more than a hundred years, has been the Pentagon's single largest contractor in Iraq. But as the U.S.-led portion of the reconstruction winds down, the company will face pressure to find business elsewhere. "KBR has been tied to a lot of activity in Iraq, and they have benefited from that. But Wall Street is always looking down the road," said Peter Arment, vice president of JSA Research Inc., which focuses on the defense industry.

Arment said, however, that the quick rise in KBR's share price yesterday was "a very positive sign" that the company will be well received by investors.

KBR's IPO is the latest in a string of successful public offerings by government contractors this fall. Science Applications International Corp. of San Diego raised more than $1 billion with an IPO last month. Shares were initially priced at $15 and closed at $20.08 yesterday. Also in October, Stanley Inc. of Arlington raised $81.9 million in an IPO that was initially priced at $13. Stanley closed at $16.58 yesterday.

KBR Shares Soar After UK Plea Rebuffed (FT)

By Anuj Gangahar

Financial Times, November 17, 2006

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Shares of KBR, the engineering and military services unit of Halliburton that ignored calls from the UK's Ministry of Defence to postpone its float, soared as much as 25 per cent on their debut on the New York Stock Exchange on Thursday after pricing at the top of their forecast range.

The MoD wanted the float delayed to give it time to determine the financial viability of KBR, which owns 51 per cent of the Devonport naval shipyard in Plymouth, western Europe's largest naval dockyard.

In the first nine months of the year, KBR made almost half of its operating profits from Devonport, where Britain's nuclear submarine fleet is refitted and refuelled.

Halliburton was eager to launch its offering at an advantageous moment in the market, but the MoD said it needed until the end of the month before it would conclude its assessment of KBR.

Shares in the company, formerly known as Kellogg Brown & Root, closed at $20.75, up 22 per cent to $3.75 on Wednesday's offering price of $17. They reached $21.31 earlier in the day.

The company raised $473m by selling 27.8m shares at $17 compared with a forecast range of $15 to $17, giving an initial market capitalisation of about $2.8bn.

Halliburton has been trying to split off the KBR unit, which has faced investigations into alleged overbilling concerning its contracts in Iraq, for some years to concentrate on its more lucrative oil services business.

KBR has often been viewed as a political liability for Halliburton, which was led from 1995 to 2000 by Dick Cheney, US vice-president.

In an emergency filing to the Securities and Exchange Commission, Halliburton said the MoD had asked on November 13 for the KBR offering to be withdrawn.

KBR's NYSE Debut (HC)

Houston Chronicle, November 17, 2006

Investors on Thursday looked past the controversy that has dogged KBR, lifting Halliburton Co.'s engineering and government-contracting arm to a strong start in its first day of trading on the New York Stock Exchange.

But KBR's decision to proceed with an initial public stock offering over the objections of the British government might still come back to bite it.

A top official with the United Kingdom's Ministry of Defense is scheduled to meet Monday with William Utt, KBR's chief executive, to discuss the impact of the move on a strategically important naval dockyard, which is majority-owned by KBR.

The British government has threatened to reject the lucrative contract if both sides cannot come to terms and was "concerned" about KBR's decision to proceed with the IPO this week before allowing the ministry office to perform a financial review of KBR, said Mitch Jeffrey, spokesman for the British consul general in Houston.

The British government office said it needs until the end of November to complete the review.

Even with that unresolved issue, KBR's stock price shot up to close at $20.75 per share Thursday. When trading opened it quickly zoomed past the $17 per share price that was set in an initial public stock offering Wednesday night. The largest military contractor in Iraq has faced investigations into overbilling there.

But Thursday's returns suggest investors are looking past negative headlines about KBR and seeing promise in its experience in building refineries, chemical plants and other large-scale energy projects, demand for which is expected to grow to meet rising global energy demands.

Halliburton, which sold 27.8 million shares, or 17 percent of KBR's stock, to underwriters Wednesday, plans to spin off the entire unit by April 2007. The $17 per share price was at the upper end of the estimated price range previously forecast by Halliburton.

The Houston-based oil-field-services giant is cutting ties with KBR, which it acknow- ledged has been a drag on earnings. Officials with Halliburton did not respond to requests for comment.

Jim Wicklund, industry analyst with Bank of America, said based on KBR's first day of trading, Halliburton's decision to part ways was a good one.

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"We believe the separation of the two businesses will unlock the value of both, and they will begin trading more in line with their respective peer groups," he wrote in a note to investors.

KBR raised $445 million in the offering — a bit higher that its original estimate — after underwriting fees and other expenses, the company said Thursday in a filing with the U.S. Securities and Exchange Committee. It will use the proceeds to pay debts to Halliburton subsidiaries that in October were roughly $450 million.

The underwriters, led by Credit Suisse, Goldman Sachs and UBS Investment Bank, have the option to buy an additional 4.18 million shares of KBR stock, which could add to KBR's take.

Candidates, Voters Still Await Results In Some Races (USAT)

By Andrea Stone

USA Today, November 17, 2006

WASHINGTON — Recounts, runoffs and Saturday's Ohio State-Michigan football game stand in the way of deciding House races that remain too close to call 10 days after the election.

Nearly a dozen races were unsettled at the start of the week.

Four races have been called since Tuesday, all but one in favor of the incumbent. Connecticut Republican Rep. Rob Simmons lost to Democrat Joe Courtney by 91 of nearly 250,000 votes cast.

However the remaining contests are decided, they won't prevent Democratic control of the incoming Congress.

Republicans lead in all five races in which absentee and provisional ballots are still being counted.

One of the closest contests is being waged in North Carolina, where GOP Rep. Robin Hayes leads Democrat Larry Kissell by about 450 votes. Poll workers are hand-tallying nearly 1,500 provisional ballots.

In Ohio, two races remain:

•Rep. Deborah Pryce, who has said she'll step down from her GOP leadership position, leads Democrat Mary Jo Kilroy by 3,536 votes. Election officials won't count provisional ballots until Sunday, so workers can watch the Ohio State-Michigan game Saturday.

•Freshman Republican Rep. Jean Schmidt leads Democrat Victoria Wulsin by about 2,800 votes. Provisional and absentee ballots could be counted by Tuesday.

The most contentious standoff is in Florida in the district that Republican Katherine Harris — a central figure in the disputed 2000 presidential election recount — gave up for her failed run for senator.

Just 401 votes separate the leader, Republican Vern Buchanan, from Democrat Christine Jennings. Both showed up in Washington this week for new member orientation.

Jennings has refused to concede, even though the Associated Press has declared Buchanan the winner.

A recount is underway, but that's not likely to explain why more than 18,000 voters in heavily Democratic Sarasota County left the House race blank on their electronic touch-screen ballots.

“Many voters have said they did not see the congressional race option on the ballot they were given,” said Sarah Feinberg of the Democratic Congressional Campaign Committee. “This is likely to be in court for some time.”

Ed Patru of the National Republican Congressional Committee, who is in Florida monitoring the recount, said Buchanan will keep his lead.

“It's only a matter of time before Jennings concedes. Short of calling for and being granted a new election, nothing will change here,” he said.

Susan MacManus, a political scientist at the University of South Florida, disagrees.

“I don't see either side backing down,” she said.

Though it's unclear whether state officials will heed Democratic calls for a new election, MacManus said that “at least in Florida,” efforts to require paper trails for electronic voting machines “have been fast-forwarded.”

Two other races will be decided in runoffs next month.

In Louisiana, state Rep. Karen Carter is challenging fellow Democrat Rep. William Jefferson, who is under investigation for alleged bribery.

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In Texas, GOP Rep. Henry Bonilla faces Democratic former congressman Ciro Rodriguez.

Democrat Won't Seek Recount In Wyoming (AP-Y)

By Bob Moen, Associated Press Writer

AP, November 17, 2006

A Democratic challenger said Thursday he would not seek a recount in his narrow loss to Republican Rep. Barbara Cubin in Wyoming's closest House race in 36 years.

"It is time to put this election to rest and look to the future," Gary Trauner said in a statement. "Wyoming is counting on Mrs. Cubin to provide first-rate representation for all the people of the state, and I trust she will do so."

Cubin beat Trauner by 1,012 votes out of 193,369 cast. The State Canvassing Board certified the election results Wednesday.

The margin was too great to mandate an automatic recount. Trauner had until Friday to request a recount, but he would have had to pay for it.

Because state law does not allow for hand counting of ballots, Trauner said he didn't think a recount would change the result.

The election was Wyoming's closest U.S. House election since 1970, when Democrat Teno Roncalio beat Republican Harry Roberts by 608 votes.

100 Block Of D Street SE Embodies The Story Of The GOP's Undoing (MCT)

By Matt Stearns

McClatchy Newspapers, November 17, 2006

WASHINGTON - A requiem for the nearly departed Republican Congress: A stroll down the 100 block of D Street, Southeast in the nation's capital.

Inside the elegant painted-brick rowhouses that line the quiet street within sight of the U.S. Capitol are the stories of a revolution gone wildly wrong.

Overlooked oversight, tawdry tales of money and sex, increasingly strident conservatism that left moderates feeling isolated and disaffected: It's all here, a one-block catalogue of self-inflicted wounds.

With many of the block's congressional homeowners now facing either lucrative lobbying jobs or unemployment, maybe they could make it a show; open their doors and sell tickets: How We Lost Congress Without Really Trying. A bit of high drama, a dollop of tragedy, a lot of low comedy.

It's not so far-fetched.

For the last couple of years, several of the neighbors hosted a progressive cocktail party/fundraiser, according to the Capitol Hill newspaper Roll Call. Admission: $1,000 per house.

Those were the days, my friend. Who thought they'd ever end? As one homeowner, Mark Foley of Florida - yep, that Mark Foley - might muse in a late-night instant message: LOL!

The neighbors, the drinks, the problems, the consequences:

No. 129 D St., SE: Nancy Johnson of Connecticut, elected 1982. She served martinis - so moderate, so Connecticut, like a John Cheever story - at the progressive cocktail party.

Speaking of moderate: Last summer, the lead picture on Johnson's Web site was one of her with Bill Clinton. A good sign that being a Republican in an increasingly Democratic region was a not-so-good career move. Sure enough, Johnson lost her seat on Nov. 7 to Democrat Chris Murphy.

Northeast Republicans aren't just endangered. They're virtually extinct: The new House will have one Republican from New England. Lamented Sarah Chamberlain Resnick, the executive director of the moderate Republican Main Street Partnership: "If you drive all the moderates out, you're left with a Southern, minority party."

131 D St., SE: Clay Shaw of Florida, elected 1980. Served bourbon. A good Southern drink. He still lost.

Shaw came to Congress with the first Republican revolution, the one that put Ronald Reagan in the White House. He expected to chair the powerful Ways and Means Committee after this election. But Shaw got caught in the anti-Republican, anti-

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Bush, anti-Iraq war riptide. He later said that if Defense Secretary Donald H. Rumsfeld had been fired before the election, he could have beat Democrat Ron Klein. But Shaw himself spoke of "progress being made in Iraq" in the weeks before the election.

132 D St., SE: Jim Ryun of Kansas, elected 1996. Served dessert and coffee at the progressive. Not the usual diet of Olympic runners.

Like Shaw, GOP loyalist Ryun tripped up unexpectedly and lost to Democrat Nancy Boyda in a heavily Republican district.

Ryun's house was linked to the scandal that brought down former House Majority Leader Tom DeLay of Texas. Ryun bought the place for $410,000 in 2000 from the U.S. Family Network, a group associated with DeLay (whose political action committee had its office in the house) and lobbyist-felon-inmate Jack Abramoff.

The liberal Web site TPMmuckraker.com reported last spring that Ryun paid below market value; in fact, the seller lost money on the deal, an unheard-of occurrence in Capitol Hill real estate. Ryun said the low price was because of structural deficiencies he had to fix. Bright side: Those repairs should help the resale value.

135 D St., SE: Chris Chocola of Indiana, elected 2002. Served margaritas. No agave growing in Indiana; perhaps part of GOP outreach to Hispanics?

Chocola won office four years ago in a close race, taking an open seat long held by a Democrat in a year the president's party confounded history by winning seats in a midterm. Biggest help: President Bush visited twice to sprinkle Chocola with his post-Sept. 11 political magic dust, as Bush did for many others that year.

George Bush giveth and George Bush taketh away: Chocola was loyal to the administration for four years. And like many other loyal Republicans, he paid the price, losing his seat to Democrat Joe Donnelly in a race that turned on Bush's unpopularity and the war in Iraq.

137 D St., SE: Mark Foley, elected 1994. Served wine.

You know the story: Sexually-charged instant messages to underage male congressional pages. Resignation and rehab. A scandal that reached the highest levels of Congress. An ethics committee investigation into whether Republican leaders had covered up Foley's behavior.

All one month before an already tough election for Republicans. Foley's name appeared on the ballot, with another Republican tapped to fill the seat should Foley win.

He didn't. Democrat Tim Mahoney did.

Good news for the D Street denizens: Washington's sizzling real estate market has cooled, but most of them bought at low enough prices - cough, Jim Ryun, cough - that they'll still do quite well when they sell. The houses likely will fetch north of $850,000. Chocola, the newest homeowner, paid $640,000 in 2002.

Even in Washington, a house with the cachet of a former member of Congress or a scandal - or both - has little impact on price. It's mostly good for cocktail party chatter, said Phil Guire, a Capitol Hill real estate agent.

But "good houses are good houses," Guire said. "That's a block people will want to live on because of its proximity."

One house on the block already is on the market. No. 123, which belongs to Porter Goss. Sound familiar?

Goss, from Florida, chaired the House Intelligence Committee before he was named CIA director in 2004. In about 18 months at the CIA, Goss and his aides (Gosslings, they were called) alienated much of the career staff. Goss quit the CIA a week before federal agents searched the home and office of his confidante, the agency's No. 3 man, Kyle Foggo, as part of the corruption probe that sent former Republican Rep. Randy "Duke" Cunningham of California to prison.

Goss's house - two bedrooms, two-and-a-half baths - is on the market, too. $985,000.

McCain Calls For Common Sense In GOP (AP-Y)

By Liz Sidoti, Associated Press Writer

AP, November 17, 2006

On the heels of devastating GOP losses, Sen. John McCain called on the Republican Party to return to its common-sense conservatism — and implicitly cast himself as the one who can lead the party's rebirth.

"We lost our principles and our majority. And there is no way to recover our majority without recovering our principles first," the Arizona Republican said Thursday in the first of two speeches that could set the tone for a potential presidential campaign.

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On the same day he launched a presidential exploratory committee, McCain said voters felt that Republicans valued their incumbency over their beliefs on such conservative standards as limited and efficient government — and he urged a return to those tenets.

"Americans had elected us to change government, and they rejected us because they believed government had changed us," the four-term senator said. "We must spend the next two years reacquainting the public and ourselves with the reason we came to office in the first place: to serve a cause greater than our self-interest."

He spoke before members of the Federalist Society, the organization of more than 25,000 conservatives and libertarians including high-profile members of the Bush administration, the federal judiciary and Congress. Later Thursday, he was delivering a broader speech about the future of the Republican Party to another conservative pillar, GOPAC.

"Hypocrisy, my friends, is the most obvious of political sins. And the people will punish it," McCain said, explaining that while Republicans were elected to reduce the size of government, they ended up increasing it "in the false hope that we could bribe the public into keeping us in office."

Fifteen months before the first 2008 presidential nominating contests, McCain is positioning himself as the Republican standard-bearer while President Bush takes on lame-duck status and dispirited party faithful search for a road to recovery. The election cycle was sobering, with GOP candidates losing at all levels of government.

McCain is taking advantage of the postelection period to outline a vision for the party much like Ronald Reagan did after the Republican defeat in the 1976 presidential election.

"Republicans got their teeth kicked in all over the country," said Katon Dawson, South Carolina's party chairman. "Now, there's a window for all people with presidential aspirations to, in political terms, catch the high ground."

As expected, McCain also filed paperwork with the Federal Election Commission that will allow him to raise money and travel the country while weighing a bid. The committee's Web site — http://www.exploremccain.com — went online a day earlier, and McCain's GOPAC speech will be broadcast on the site.

Despite all the action, McCain says he will wait until after the Christmas holiday to decide whether to make a second bid for the White House. He lost to Bush in a contentious race in 2000, when the senator was the underdog and bypassed the revered Iowa caucuses to focus on independent-friendly New Hampshire.

Former New York City Mayor Rudy Giuliani has filed paperwork to test the waters for the GOP nomination, and Rep. Duncan Hunter of California also has announced his intention to run. On Wednesday, former Wisconsin Gov. Tommy Thompson said he intends to explore a possible candidacy.

McCain's other would-be 2008 Republican rivals include Massachusetts Gov. Mitt Romney, Arkansas Gov. Mike Huckabee, Senate Majority Leader Bill Frist of Tennessee, Sens. Sam Brownback of Kansas and Chuck Hagel of Nebraska, and former House Speaker Newt Gingrich.

Over the past year, McCain has repeatedly demurred on questions about his political future and said he was focused entirely on helping Republicans get elected across the country.

He spent 2006 sowing goodwill within the GOP ranks, making 346 campaign appearances, raising $10.5 million for candidates and donating another nearly $1.5 million to their races. He directed most of his donations in the final month of the campaign to races in Iowa and New Hampshire.

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On the Net:

McCain: http://www.exploremccain.com/

McCain Tells Conservatives G.O.P.'s Defeat Was Payback For Losing 'Our Principles' (NYT)

By Adam Nagourney

The New York Times, November 17, 2006

WASHINGTON, Nov. 17 — Senator John McCain said Thursday that Republicans had lost the midterm elections because "we abandoned our principles" on fiscal policy and government restraint, inviting a backlash from Americans over what they saw as widespread hypocrisy.

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Mr. McCain — in back-to-back speeches delivered on the day he formally created his presidential exploratory committee — portrayed the election result as deserved punishment of Republicans for their performance in office, rather than an affirmation of the Democratic Party. Speaking to two conservative audiences still reeling from the Republicans' losses of the House and Senate, he said Republicans could recover from the election but only if they took lessons from the results.

"Hypocrisy, my friends, is the most obvious of political sins — and the people will punish it," said Mr. McCain, Republican of Arizona. "We were elected to reduce the size of government and enlarge the sphere of free and private initiative. We increased the size of government in the false hope that we could bribe the public into keeping us in office.

"We lost our principles and our majority," he said. "And there is no way to recover our majority without recovering our principles first."

The speeches were what aides described as the start of a new phase in Mr. McCain's likely try for the presidency, though he will make a formal decision on whether to run next year. The addresses, amounting to a sharp repudiation of his own party as well as an unambiguous embrace of conservative ideology, come as Republicans debate what lessons should be drawn from the defeat.

Mr. McCain, speaking here to the Federalist Society, a conservative legal group, said the outcome did not represent a rejection of "our values and governing philosophy."

"On the contrary, I think they rejected us because they felt we had come to value our incumbency over our principle," he said. "And partisanship, from both parties, was no longer a contest of ideas, but an ever cruder and uncivil brawl over the spoils of power.

"Americans had elected us to change government, and they rejected us because they believed government had changed us," he said. "We must spend the next two years reacquainting the public and ourselves with the reason we came to office in the first place: to serve a cause greater than our self-interest."

One of Mr. McCain's political tasks as he considers a presidential campaign has been to reinforce his standing with conservatives. Mr. McCain has found himself at odds with conservative leaders in opposing the call for immigration measures to prevent illegal immigrants from attaining citizenship.

In his talks, to the Federalist Society and to Gopac, a conservative political action committee, Mr. McCain addressed a subject that has distressed many conservatives about Republicans — the galloping deficit and increases in spending.

"Last year, a Republican Congress passed a highway bill with 6,371 special projects costing the taxpayers 24 billion dollars," he said at Gopac, drawing light applause. "Those and other earmarks passed by a Republican Congress included $50 million for an indoor rainforest, $500,000 for a teapot museum; $350,000 for an Inner Harmony Foundation and Wellness Center; and of course, as you all know, $223 million for a bridge to nowhere. I didn't see these projects in the fine print of the Contract with America, and neither did the voters."

But Mr. McCain also used the talks to reiterate his position on Iraq, urging Washington not to take the wrong lesson from the election, and arguing that the way to success was through increased troop strength.

"In no other time are we more morally obliged to speak the truth to our country, as we best see it, than in a time of war," he said. "So let me say this, without additional combat forces we will not win this war."

"As troubling as it is, I can ask a young marine to go back to Iraq," he said. "What I cannot do is ask him to return to Iraq, to risk life and limb, so that we might delay our defeat for a few months or a year. That is more to ask than patriotism requires."

Mr. McCain was not without humor on Thursday. "In the words of Chairman Mao," he said, "it's always darkest before it's totally black." His audience laughed.

McCain Prepares For '08 Bid With Appeal To Right (WP)

By Dan Balz

The Washington Post, November 17, 2006

Sen. John McCain (R-Ariz.) took the first formal steps toward a 2008 presidential campaign yesterday and used a pair of speeches before Republican audiences to argue that his brand of conservative, reform-minded politics and hawkish foreign policy can restore the GOP to power.

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On the day when he filed papers to set up a 2008 presidential exploratory committee, McCain served notice to rivals for the GOP nomination that he intends to move aggressively to put his stamp on a party that is rebuilding after losing the House and the Senate in last week's midterm elections.

The former Vietnam prisoner of war, 70, said voters punished Republicans last week for having become intoxicated with power. He urged a return to what he called the common-sense conservative principles espoused by President Ronald Reagan. "Americans had elected us to change government, and they rejected us because they believed government had changed us," he said.

McCain also defended his call for sending more troops to Iraq, a position that puts him at odds with the public and, so far, with President Bush and Army Gen. John P. Abizaid, the head of the U.S. Central Command and the overall commander of U.S. forces in Iraq. "Without additional combat forces, we will not win this war," McCain said.

McCain cited Reagan frequently as the guidepost for the future of the party. In contrast, he never mentioned Bush by name, although he was implicitly critical of the administration's conduct of the war in Iraq. By choosing two conservative audiences for his first major post-election speeches, McCain demonstrated his desire to mend relations with the right, which helped deny him the nomination in 2000.

McCain's moves yesterday were the latest evidence suggesting that the 2008 presidential campaign will accelerate to warp speed earlier than in any other period in recent history. Last week, former New York mayor Rudolph W. Giuliani formed a presidential exploratory committee, and Iowa Gov. Tom Vilsack (D) filed a statement of candidacy. Vilsack said he will formally launch his campaign later this month.

Other prospective candidates are moving quickly. Sen. Hillary Rodham Clinton (N.Y.), identified by polls as the early leader for the Democratic nomination, said publicly this week she will begin to weigh a run for the White House. Last month, Sen. Barack Obama (D-Ill.) said for the first time that he will consider running, and has been calling into New Hampshire and casting about for possible staff members in the event that he decides to run.

Many other Democrats are close to a decision, among them the party's 2004 presidential and vice presidential nominees, Sen. John F. Kerry (Mass.) and former senator John Edwards (N.C.). The others include Sens. Joseph R. Biden Jr. (Del.), Evan Bayh (Ind.) and Christopher J. Dodd (Conn.), as well as New Mexico Gov. Bill Richardson.

On the Republican side, outgoing Massachusetts Gov. Mitt Romney has been nearly as systematic as McCain in beginning to organize support in states -- such as Iowa, New Hampshire, South Carolina and Michigan -- that will hold early primaries or caucuses in 2008. The McCain and Romney camps have been watching one another's moves closely, but the decision by Giuliani to set up an exploratory committee has complicated the strategies of both.

Other Republicans, including former House speaker Newt Gingrich (Ga.), outgoing Arkansas Gov. Mike Huckabee, outgoing New York Gov. George E. Pataki and retiring Senate Majority Leader Bill Frist (Tenn.) have signaled that they, too, are weighing candidacies.

All are driven to move quickly in part by the formidable fundraising requirements of the coming campaign, which advisers to several prospective candidates said will mean raising $1 million a week during the next year for the most ambitious.

The demands of the primary and caucus calendar and the relatively crowded fields in both parties have also forced nearly all prospective candidates to start building staffs and engaging in the debate over the future of their party. Many spent much of the past year laying their campaigns' foundation.

McCain advisers likened yesterday's speeches -- to the GOPAC political action committee and the Federalist Society -- to an address Reagan delivered in 1977 after the Democrats won the White House and GOP fortunes appeared to ebb.

Asked why McCain has joined the debate now, one of his top advisers, Rick Davis, said: "It didn't take a rocket scientist a month ago to say there's going to be a problem on Election Day, and we need to act quickly on that. Politics abhors a vacuum, and so do we. . . . Why not try to focus the party back on its core principles?"

McCain asserted before both conservative audiences that last week's elections were neither a setback for conservatism nor an affirmation of the Democratic Party's philosophy.

"I think they rejected us because they felt we had come to value our incumbency over our principles, and partisanship, from both parties, was no longer a contest of ideas but an even cruder and uncivil brawl over the spoils of power," he said. "I am

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convinced that a majority of Americans still consider themselves conservatives or right of center. They still prefer common-sense conservatism to the alternative."

McCain invoked President Theodore Roosevelt in calling on Republicans to take the lead in reforming the capital's spending and lobbying practices.

On lobbying, he said: "Let's ban all gifts from lobbyists to lawmakers and keep lobbyists off the floors of the House and Senate."

McCain said public frustration with the war contributed to the GOP's losses. "We're in one heck of a mess in Iraq," he said, "and the American people told us loud and clear last week that they are not happy with the course of this war. Neither am I. But let's be clear: That's the limit of what they told us about Iraq and the war on terrorism."

He said the United States has made "a great many mistakes in this war, and history will hold us to account for them just as the voters did last week." Defeat would be "a catastrophe," he said.

McCain has spent much of the year courting many of Bush's fundraisers and supporters and trying to reassure conservatives he is one of them, even if he has been at odds with them on some issues. He defended his participation in the bipartisan "Gang of 14" compromise in the Senate, saying that compromise helped ensure the confirmation of many of Bush's judicial nominees.

McCain Says GOP Needs To Recover 'Lost' Principles (WT)

By Stephen Dinan

The Washington Times, November 17, 2006

Sen. John McCain yesterday said a majority of voters are still conservative and added the Republican Party must return to basic principles of limited government in order to recapture their support.

"We increased the size of government in the false hope that we could bribe the public into keeping us in office. And the people punished us," the Arizona Republican said. "We lost our principles and our majority, and there is no way to recover our majority without recovering our principles first."

He also said last week's elections, in which Republicans lost control of the House and Senate, were not an endorsement of Democratic ideas, nor of an isolationist approach to foreign policy.

He called the war in Iraq "one heck of a mess," and said voters showed they were unhappy with the way it was being fought, "but let's be clear. That's the limit of what they told us about Iraq and the war on terrorism."

"They didn't tell us to forget the sacrifices of our soldiers in Iraq and Afghanistan or to choose a course that would imperil their mission," he said.

Mr. McCain took the first step this week toward a 2008 presidential run by establishing an exploratory committee, and delivered two major speeches yesterday -- one to GOPAC, a Republican political action committee, and the other to the Federalist Society, a group of conservative lawyers.

Speaking to the Federalist Society, which has been active in the battles over President Bush's judicial nominees, Mr. McCain praised Mr. Bush's picks for federal judgeships.

He also said the standard for evaluating judges is that their decisions "must rest on more than his subjective conviction that he is right or his eagerness to address a perceived social ill."

He praised former Chief Justice William H. Rehnquist and both of Mr. Bush's picks for the Supreme Court: Chief Justice John G. Roberts Jr. and Associate Justice Samuel A. Alito Jr.

The senator said he was "proud of my role" in the "Gang of 14," the group of seven Republican senators and seven Democrats that banded together to head off a final showdown over judges on the Senate floor.

The seven Republicans agreed to oppose the "nuclear option" on judges, which Republican leaders had sought as a way to end filibusters on judicial nominees, in exchange for the seven Democrats pledging to forgo filibusters on all but the most extreme judges.

Mr. McCain said he wanted to preserve the filibuster option for future times, but also said the deal struck by the 14 senators has helped to push through some of Mr. Bush's more contentious nominees.

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"President Bush now has a higher percentage of his nominations confirmed to both the district courts and the circuit courts than did President Clinton during his presidency," the senator said.

Mr. McCain was introduced at the Federalist Society by Theodore B. Olson, the former solicitor general and a leading conservative lawyer, who gave a seven-minute testimonial to Mr. McCain's "patriotism, character and integrity."

The senator drew a standing ovation at the beginning and at the end of his remarks.

RNC Denies Offering Chairmanship To Steele (WT)

By Ralph Z. Hallow

The Washington Times, November 17, 2006

The Republican National Committee this week said it never offered Maryland Lt. Gov. Michael S. Steele "a specific role" at the committee after his unsuccessful campaign for the U.S. Senate.

Many conservatives were surprised this week when, after reports that some leading Republicans favored Mr. Steele to succeed Ken Mehlman as chairman of the RNC, the White House leaked word to news agencies that President Bush would back Florida Sen. Mel Martinez for the top post at the committee.

The Washington Times reported Nov. 10 that Mr. Mehlman would not seek a second two-year term as RNC chairman in January and that Mr. Steele had been offered a Cabinet or top RNC post in recognition of his hard-fought Senate campaign that ended in defeat on Nov. 7.

The Times on Wednesday asked the White House, the RNC and Mr. Steele whether, as the paper also had reported, anyone from the administration or RNC had told Mr. Steele or any of his aides that he was not a "team player" because he had talked to The Times about the jobs in question and that those jobs could be withheld in retaliation.

RNC spokeswoman Tracy Schmidt on Wednesday declined to respond to the questions.

But an RNC official who insisted on anonymity said, "Ken Mehlman is a big fan and believer in Michael Steele, but at no point did he approach him about the specific role of RNC chairman."

Mr. Steele told The Times on Wednesday that neither White House adviser Karl Rove nor Mr. Mehlman "offered me formally" any job.

"I got calls from various state party chairmen and national committee members to take the chairman's post on Thursday and Friday of last week," Mr. Steele said. "I told them, 'This is clearly a White House decision. We'll just have to wait to see what the White House decides.' This isn't something I actively pursued. It grew up out of the grass roots."

Mr. Steele said he was "surprised after the election when I ... saw this blog about me succeeding Ken Mehlman, that I was being considered for the job."

"I said, 'Wow, I didn't know that,' " Mr. Steele said.

In any case, he said, "all this is moot now. The president has made his decision, and I am a team player."

The Times reported Tuesday that four potential 2008 Republican presidential contenders -- including Arizona Sen. John McCain and Massachusetts Gov. Mitt Romney -- had called Mr. Steele to urge him to take the RNC post, but only if he won an ironclad agreement to be free to run the RNC so as to further the party's interests rather than take orders from Mr. Rove.

Former Virginia Gov. James S. Gilmore III thought he had such an agreement with the White House but was ousted as Republican national chairman after a short time in office during Mr. Bush's first term because Mr. Gilmore had failed to staff the RNC with operatives from the Bush-Cheney 2000 presidential campaign.

The RNC, which meets in January, is expected to rubber-stamp the White House's choice of Mr. Martinez to become general chairman of the RNC while retaining his Senate seat. The RNC's general counsel, Mike Duncan, would handle day-to-day operations.

"I support the president's decision, and in January the party will vote on it," Mr. Steele told The Times on Wednesday. "I'm fine with Mel Martinez. I called him ... and congratulated him and offered to help in any way I can."

The choice of Mr. Martinez was widely interpreted as a signal of a renewed White House push to promote passage of its plan to offer amnesty to illegal aliens, which Mr. Martinez sponsored in the Senate, but which was blocked by conservative Republicans in the House. During his Senate race, Mr. Steele had campaigned against such an amnesty.

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Mr. Steele, who would have become the first black RNC chairman, denied that he or anyone on his campaign or lieutenant governor's staff had been scolded by anyone from the White House or the committee as "not being a team player" because he had allowed himself to be interviewed by The Times. However, a senior Steele aide had confided the contrary to The Times.

Mr. Rove did not respond on the record to questions from The Times about Mr. Steele or about any discussions with him about posts at the RNC or in the Cabinet or whether he thought Mr. Steele was competent to run an agency or department in the federal government.

"We never speculate about personnel matters," White House spokeswoman Dana Perino told The Times.

Aides To DeLay Replacement Clean Files And Quit (NYT/AP)

The New York Times, November 17, 2006

HOUSTON, Nov. 16 (AP) — Representative Shelley Sekula-Gibbs, who was elected to finish the term of Tom DeLay, the former House majority leader, has asked Congress to investigate the destruction of files in her office by former staff members of Mr. DeLay.

Ms. Sekula-Gibbs, a Republican like Mr. DeLay, said the employees walked out on Tuesday, resigning en masse. The Capitol Hill newspaper Roll Call reported that they did not like the way she was treating them.

Ms. Sekula-Gibbs said Thursday, just three days after being sworn in, that seven employees in her Washington office and the district office in Stafford, Tex., outside Houston, “deleted records and files without my knowledge or permission” before quitting.

A spokeswoman, Lisa Dimond, told The Associated Press that the congresswoman had not yet gotten a response to her request for an investigation.

David James, former deputy chief of staff for Mr. DeLay, released a statement Thursday saying that the computers in the office were “scrubbed and reconfigured” according to House rules on transition between members.

“The staff members have a combined thirty-plus years of experience working on the Hill,” Mr. James wrote. “Never has any member of Congress treated us with as much disrespect and unprofessionalism as we witnessed during those five days.”

Ms. Sekula-Gibbs has raised eyebrows on Capitol Hill, largely because of the resignations. Earlier, she told reporters she planned to resolve such thorny issues as tax cuts, immigration reform and the Iraq war — all in less than two weeks of a lame-duck Congress.

DeLay Successor Seeks Inquiry Into Missing Computer Files (WP)

By Charles Babington

The Washington Post, November 17, 2006

Just when it seemed things could get no stranger regarding the House seat once held by Texas Republican Tom DeLay, his successor called for an investigation into missing computer records last night, and an aide accused her of "disrespect and unprofessionalism."

Rep. Shelley Sekula-Gibbs (R-Tex.), who is warming the 22nd District seat for only a few weeks, said that former DeLay employees apparently deleted the office's computer files shortly before they walked out, en masse, on Tuesday.

The records dated from her assumption of the office Nov. 8 and did not involve matters related to the former majority leader, Sekula-Gibbs said in an interview in her unadorned office in the Cannon Building. Those who erased the records, she said in a statement, "have harmed the 22nd congressional district" and "brought shame to this office." She has asked for an investigation.

David James, DeLay's former chief of staff, who stayed to work for Sekula-Gibbs -- until Tuesday's walkout -- said last night that the office computers "were scrubbed and reconfigured by an outside vendor in the days immediately prior to her assuming office," as House policies require. The new congresswoman was given a copy of everything "electronically or in hard copy, or both," James said in a statement.

DeLay, facing indictment in Texas, resigned from his House seat in June, triggering two elections on Nov. 7 in his Houston area district. The first, won by Sekula-Gibbs, was a special election to complete his term in the 109th Congress, which will adjourn next month. The other, won by Democrat Nick Lampson, is for the full two-year term of the 110th Congress, which convenes in January.

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Sekula-Gibbs, a dermatologist, arrived for Congress's lame-duck session with ambitions for funding a fence along the Mexican border, making a number of tax cuts permanent and achieving other goals that may or may not be possible in the handful of appropriations bills on Congress's plate.

She also invited President Bush and Vice President Cheney to her swearing-in, prompting titters among some GOP staffers. Yesterday she said the invitations were a courtesy and "it's absurd to think that I thought they would come."

James and half a dozen other former DeLay staffers were on board to help Sekula-Gibbs finish the 109th Congress's business. But they abruptly left their posts Tuesday, during her open house celebration. Sekula-Gibbs said she has no idea why they left. But James said in his statement: "Never has any member of Congress treated us with as much disrespect and unprofessionalism as we witnessed during those five days."

Earlier in the day, James had briefly returned to the office to turn in his House identification badge, a key and his laptop computer, along with a sergeant-at-arms receipt acknowledging their return. Sekula-Gibbs was out of the office, and James quickly left.

GOP Can't Lose Latinos (LAT)

By Tamar Jacoby

The Los Angeles Times, November 17, 2006

ACROSS THE NATION, Republicans are asking what they did wrong in the 2006 midterms. This is a question with many answers. But few missteps were more foolish — and few will be harder to correct — than those made with Latino voters. The appointment this week of Cuban-born Sen. Mel Martinez of Florida to chair the Republican National Committee is a good way to make a new start. But the damage done in the last year goes deeper than symbolism, and it will take more than one appointment to undo it.

Republicans have, of course, long been divided about Latinos — split between those who "get it" and those who don't. President Bush was the most prominent Republican who got it, though he was hardly alone. Arnold Schwarzenegger, Rudy Giuliani, George Pataki and others have long understood the GOP's inherent appeal for the fastest-growing voting bloc in the country. In a national poll last month, 34% of Latinos called themselves conservative, 29% moderate and only 24% liberal.

Diverse as they can be in origin and outlook, on many issues — abortion, homosexuality, education, homeownership, small-business concerns and Iraq — Latinos tend to line up with Republicans. And though Democrats have been wooing these voters longer and have won the lifetime loyalties of many in the second and third generations, immigrants have been up for grabs — and for more than 10 years now Republicans have been making a hard run at them.

That effort was working pretty well. Between 1996 and 2004, Bush and Karl Rove managed to double the percentage of Latinos voting Republican in presidential elections: up from 21% for Bob Dole to a whopping 44% for Bush two years ago. Other Republicans across the country were making similar inroads. In 2004, Bush advisor Matthew Dowd said that in the years ahead, the GOP would have to keep its share above 40% if it wanted to remain the majority party.

But that scenario failed to account for the Republicans who didn't get it — and in the last year or so these naysayers have destroyed everything Bush built. Republican hard-liners in the House refused to enact the president's immigration reform. They passed a bill making felons of illegal immigrants, not because it was good law but merely to make a political point. They spent recent months demagoguing the immigration issue, first at a series of "field hearings" in their districts and then on the campaign trail, casting newcomers as terrorists and criminals and anyone who seemed to side with them as un-American.

The problem was as much about tone as substance — many Latinos are also worried about illegal immigration. But the hard-liners' grandstanding added up, and there was no mistaking the message: Not only illegal immigrants but 30 million Latino voters heard Republicans saying, "We don't like you." The results were hardly surprising. Last week, Latinos voted 70% to 29% in favor of Democrats. And it could be argued that this shift is what decided the election. According to exit polls, white voters were split more or less evenly between the two parties, with Latinos, Asians and blacks making the difference on election night.

The question is what happens now. Does the wing of the GOP that made the mistake see it? Conservative bloggers are urging Republicans in exactly the wrong direction, arguing against all evidence that the midterms were a vote against

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immigration and that any compromise with Democrats on this issue would be a betrayal of the party. But even if the GOP ignores this bad advice, the party has plenty of damage to repair.

The issue isn't just immigration but the way the hard-liners' stance has been so offensive, even to Latinos who agree with them about the need for a secure border. It's about whether you see Latinos as "us" or "them." It's about what kinds of innuendo you use in making your case. It's about whether or not you're imagining a shared future, and how constructively you're planning for it. Republican naysayers fail on all counts. Latinos sense it. And as a consequence, most can no longer hear the GOP even on issues on which they agree with the party.

Even without further immigration, Latino political muscle is expected to explode in coming years as newcomers become citizens and their children come of age. Already in 2008, four of the most heavily Latino states — Florida, New Mexico, Arizona and Nevada — are expected to be critical battlegrounds. And what Latino voters ultimately need — what would serve them and serve the nation — is competition between the two parties to make policy that helps them succeed as Americans: economic policy, education policy, assimilation policy and policy to ensure opportunity. But that competition can't even take place — Latinos can't be expected to give the Republican case a hearing — until the party digs itself out of the hole it has dug itself into.

Immigration is the place to start undoing the damage. But it's going to be a long, uphill walk.

Michael Moore's Pledge (LAT)

By Michael Moore

The Los Angeles Times, November 17, 2006

I WOULD LIKE TO extend an olive branch. Those of you who consider yourselves conservative and usually vote Republican have not had a very good couple of weeks. Trust me, I know how this feels.

In fact, those of us on the other side of the fence don't really know what it's like to win, so if we seem a bit awkward right now (were we supposed to vote for the majority leader the speaker said to vote for, or stick to our promise to the other guy?), forgive us.

I know you are dismayed at the results of last week's election. You've got to be freaking out about what this bunch of tree-hugging, latte-sipping, men-kissing-men advocates will do now that the country is in our hands. I don't blame you. We'd never admit it, but we secretly admire you because you know how to chop down a tree, take your coffee black and enjoy watching women kissing women. Good on you!

What I don't want is for you to drop into the deep funk we liberals have been in for two-plus decades. Yes, your Republican revolution is over, but hang in there. And do not despair. I, and the millions who voted for Democrats, have no interest in revenge for the last 12 years. In fact, let me make 12 promises as to how we will treat you, the minority, in the coming years.

Thus, here is "A Liberal's Pledge to Disheartened Conservatives":

1) We will always respect you. We will never, ever, call you "unpatriotic" simply because you disagree with us. In fact, we encourage you to dissent and disagree with us.

2) We will let you marry whomever you want (even though some among us consider your Republican behavior to be "different" or "immoral"). Who you marry is none of our business. Love, and be in love — it's a wonderful gift.

3) We will not spend your grandchildren's money on our personal whims or to enrich our friends. It's your checkbook too, and we will balance it for you.

4) When we soon bring our sons and daughters home from Iraq, we will bring your sons and daughters home too. We promise never to send your kids off to war based on some amateur Power Point presentation cooked up by men who have never been to war.

5) When we make America the last Western democracy to have universal health coverage, and all Americans are able to get help when they fall ill, we promise that you too will be able to see a doctor, regardless of your ability to pay. And when stem cell research delivers treatments and cures for diseases that afflict you and your loved ones, we'll make sure those advances are available to you and your family too.

6) When we clean up our air and water, you too will be able to breathe the cleaner air and drink the purer water. When we put an end to global warming, you will no longer have to think about buying oceanfront property in Yuma.

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7) Should a mass murderer ever kill 3,000 people on our soil, we will devote every single resource to tracking him down and bringing him to justice. Immediately. We will protect you.

8) We will never stick our nose in your bedroom or your womb. What you do there as consenting adults is your business. We will continue to count your age from the moment you were born, not the moment you were conceived.

9) We will not take away your hunting guns. If you need an automatic weapon or a handgun to kill a bird or a deer, then you really aren't much of a hunter and you should, perhaps, take up another sport. In the meantime, we will arm the deer to make it a fairer fight.

10) When we raise the minimum wage, we will raise it for your employees too. They will use that money to buy more things, which means you will get the money back! And when women are finally paid what men make, we will pay conservative women that wage too.

11) We will respect your religious beliefs, even when you don't practice those beliefs. In fact, we will actively seek to promote your most radical religious beliefs ("Blessed are the peacemakers," "Love your enemies," "It is easier for a camel to go through the eye of a needle than for a rich man to enter the kingdom of God" and "Whatever you did for one of the least of these brothers of mine, you did for me"). We will let people in other countries know that God doesn't just bless America, he blesses everyone. We will discourage religious intolerance and fanaticism — starting here at home.

12) We will not tolerate politicians who are corrupt and break the law. And we promise you we will go after the corrupt politicians on our side first. If we fail to do this, we need you to call us on it. Simply because we are in power does not give us the right to turn our heads the other way when our party goes astray. Please perform this important duty as the loyal opposition.

I promise all of the above to you because this is your country too. You are every bit as American as we are. We are all in this together. We sink or swim as one. Thank you for your years of service to this country and for giving us the opportunity to see if we can make things a bit better for our 300 million fellow Americans — and for the rest of the world.

Now pull yourself together and let's go have a Frappuccino.

Justice Recalls Treats Laced With Poison (NYT)

By Linda Greenhouse

The New York Times, November 17, 2006

WASHINGTON, Nov. 16 — A discussion of recent threats to judges' safety, at a bar association conference in suburban Dallas last week, became startlingly specific when Sandra Day O'Connor, the retired Supreme Court justice, recounted that each justice had received in the mail "a wonderful package of home-baked cookies" that contained "enough poison to kill the entire membership of the court."

Justice O'Connor's remarks were reported on Thursday in The Star-Telegram in Fort Worth.

Although the episode was not publicly disclosed when it occurred in April 2005, it had a public, although little-noticed, denouement last month when the sender of the poisoned cookies was sentenced in federal court here to 15 years in prison.

The sender, Barbara Joan March of Bridgeport, Conn., pleaded guilty to 14 counts of "mailing injurious articles." The 14 recipients included the nine justices; the chiefs of staff of the Army, Navy, and Air Force; and the director and deputy director of the Federal Bureau of Investigation. The packages, containing either candy or baked goods, were laced with rat poison.

All mail received at the Supreme Court is screened, and the tainted packages never reached the justices, said Kathleen Arberg, the court's public information officer. The danger posed by the packages was immediately apparent. Each contained a typewritten letter stating either, "I am going to kill you," or, "We are going to kill you," and adding, "This is poisoned."

The letters carried various return addresses of people who had earlier connections with Ms. March, including seven who attended college with her. The F.B.I. determined that Ms. March wrote and sent the letters, typing a number of them on a typewriter at a public library near her home.

Preaching The Gospel Of Small Government (NYT)

By Jason Deparle

The New York Times, November 17, 2006

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BOWLING GREEN, Ky. — Lawrence W. Reed is one of those people with so much passion for an unusual line of work that he invented a new occupation, and it has helped shape the conservative movement from here to the Himalayas.

Mr. Reed runs a conservative think tank school. Twice a year, ideological allies from across the globe travel to his program at the Mackinac Center for Public Policy in Midland, Mich., to study the tricks of the idea-peddling trade. Policy institutes have been central to a national organizing strategy that has long won the right a reputation for savvy, and state-level versions are growing in number and clout.

Pushing causes like lower taxes, less spending and school choice plans, they have offered conservatives a base of influence independent of electoral politics. Indeed, after the Republican losses in the midterm elections, many conservatives said this carefully tended world — of research organizations, single-interest groups, foundations and publications — was vital to the movement's revival.

Mr. Reed has nurtured so many state policy groups that he has been called the movement's Johnny Appleseed. But a competing metaphor is sometimes invoked, that of a restaurant chain. His school is part of an extensive system of support, a national back office of sorts, that allows even policy novices to produce abundant, salable fare.

Consider the experience here in Kentucky, where the Bluegrass Institute for Public Policy Solutions has made enough noise for the state's largest newspaper to call it a "conservative propaganda mill." Its founder, Christopher J. Derry, was a sales executive with no public-policy background when he attended Mr. Reed's school three years ago. He left with access to everything from off-the-shelf speeches and papers to management software.

"This is like a franchise," Mr. Derry said. "I saw that I could recreate what the other state groups are doing."

No one is more central to this replicating effort than Mr. Reed, who combines libertarian ardor with a demeanor so earnest it approaches guilelessness. He said he first felt called to "the liberty movement" as a 12-year-old watching the "The Sound of Music," and was a high school sophomore when he burned his first Soviet flag.

He attributes the Republican losses in last week's election to party's failure to cling to its small-government philosophy and argues the drift shows the need for groups like his. "This underscores the importance of investing in ideas first and foremost, because politicians will almost always disappoint," Mr. Reed said.

From Michigan to Mongolia

As a full-throated advocate of capitalism — the jagged, creative-destructive kind — Mr. Reed says he is used to being called a corporate apologist who would despoil the environment and afflict the poor. But he sees himself as a defender of free markets and free men, claiming among his major role models Thomas Clarkson, a 19th-century British abolitionist whom Mr. Reed regards as the world's first think-tank entrepreneur. "Clarkson championed our movement's overarching principle: If there's anything certain in human affairs, it's that liberty will prevail," he said.

From Midland, Mr. Reed runs Mackinac (pronounced MAK-in-aw), the largest of the right's state-level policy institutes. The center started its training program eight years ago, and it has alumni in nearly every state and 37 countries, from Uruguay to Nepal. Among them was a Mongolian who went on to become prime minister, putting his free-market training to work by privatizing the national herd of yaks.

When the Mackinac Center was founded in 1987, there were just three other conservative state-level policy institutes. Now there are 48, in 42 states, joined in an association called the State Policy Network. At least three former Mackinac presidents are now in the House, Representatives Mike Pence of Indiana, Jeff Flake of Arizona, and Tom Tancredo of Colorado, all Republicans.

Collectively, the groups have pushed for cuts in health and welfare programs, constitutional limits on state spending, and expanded school choice programs. They have opposed what they call burdensome health, safety, and environmental regulations and increases in the minimum wage.

In labeling the institutes (and himself), Mr. Reed prefers the term "free market" over "conservative," since most of the groups stress economics over social issues.

In Colorado, the Independence Institute has been a leading force behind a constitutional spending cap called the Taxpayer Bill of Rights. In Arizona, the Goldwater Institute has championed a school-choice law that sends 22,500 children a

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year to private schools. The Texas Public Policy Foundation helped pass a law to end what the group said were excessive lawsuits.

"In terms of generating and popularizing ideas, I think they've been very effective," said Carl Helstrom, executive director of the JM Foundation, one of the movement's major donors.

Some critics say the groups' support for unfettered markets promotes a form of social Darwinism.

"Their philosophy encourages selfishness and greed," said Iris J. Lav, who runs the State Fiscal Analysis Initiative, a network of 29 liberal state-level groups organized in part as a countervailing force. "If you have problems, they don't care — just too bad."

Greed is the rare accusation that rankles Mr. Reed.

"They think if you're pushing free markets there must be something in it for you," he said. "It speaks to their ignorance."

Mr. Reed was raised in western Pennsylvania, where his father ran a plumbing-supply store and both parents ignored politics. The persecution of the von Trapp family in "The Sound of Music" grabbed his attention; the Soviet invasion of Czechoslovakia, in 1968, sent him running to his first protest. He was 14.

Academia to Politics

After earning a master's degree at Slippery Rock University of Pennsylvania, he taught economics at Northwood University in Midland, but academia left him restless. In 1982, Mr. Reed, then 29, unsuccessfully ran for Congress and got to know an ambitious state senator named John Engler.

Both were Republicans who thought Michigan needed its own version of the Heritage Foundation, a Washington policy institute that was influencing the Reagan presidency. A few years later, when such a group formed, Mr. Engler helped recruit Mr. Reed to run it.

With $20,000 in seed money, the Mackinac Center was started in 1987 as a bare-bones affair, but quickly proved troublesome to Gov. James J. Blanchard, a Democrat. The Mackinac Center warned that one of Mr. Blanchard's signature programs, the nation's first prepaid college tuition plan, would need a state bailout. Amid fears about its financial health, the program soon suspended enrollment.

After Mr. Engler unseated Mr. Blanchard in 1990, Mackinac had a friend at the top. Acting on the center's advice, Mr. Engler sold a state-owned insurance company for $250 million. But when Mr. Engler created tax breaks to lure businesses to Michigan, Mr. Reed, clinging to his free-market views, attacked them as "corporate welfare."

The Mackinac Center has often battled the Michigan Education Association, a teachers' union. When the union opposed privatizing support services, like school meals and security, a Mackinac employee monitored the union parking lot and discovered that it used private contractors like the ones it was opposing.

"We don't just write papers, we do stakeouts," Mr. Reed said.

Many of the state-level groups were inspired by larger Washington counterparts, like the Cato Institute and the Heritage Foundation. While there are no formal ties, many informal bonds have been formed through overlapping donors, revolving employees and occasional joint projects.

A key supporter of the state-level movement was Thomas A. Roe, a South Carolina industrialist and Heritage Foundation donor who founded the South Carolina Policy Council, and helped finance the other state-level groups. Mr. Roe died in 2000, but the Roe Foundation gives each of the 48 groups annual grants of $15,000 to $30,000.

With a budget of more than $4 million and a staff of 32, the Mackinac Center is more than five times larger than the average state-level institute, some of which consist of little more than a person and a fax machine. Most groups do not disclose donations they receive.

A Culture of Mutual Aid

To maximize the groups' clout, Mr. Roe encouraged them to share their work, and a culture of mutual aid has taken hold. "There's a joke that you don't have to reinvent the wheel, you can steal somebody else's wheel and use it," said Mr. Helstrom, the JM Foundation executive.

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Mr. Derry of the Bluegrass Institute has taken that advice to heart. He was working at an asset management firm in 2003 when a Bowling Green tax increase got under his skin. A few months later, he was sitting in Mr. Reed's school, wondering whether to quit his $400,000 job to start a shoestring policy group.

"You're going to have to decide what's more important," Mr. Reed said as the course wound down. "Making a lot of money or championing liberty."

"I was hooked," Mr. Derry said.

He said part of the appeal was the network of groups ready to help. Three conservative foundations offered grants totaling $80,000, but most of what Mr. Derry calls "franchise" help came in other ways.

Mr. Reed has a standard speech he calls the "Seven Principles of Sound Public Policy." Mr. Derry added the words "for Kentucky" and took it on the fund-raising trail. The Evergreen Freedom Foundation, in Olympia, Wash., is known for its guide to paring state budgets. Mr. Derry distributed it under the Bluegrass name. A Maryland paper on excessive lawsuits, republished in North Carolina, gained a third life as "Preparing for Tort Reform in Kentucky."

"People were so helpful, I couldn't believe it," Mr. Derry said. "It jump-started me by a couple of years."

The Bluegrass Institute quickly made a mark by fighting with the state's governor, Ernie Fletcher, a Republican, over a tax plan he called revenue-neutral and Mr. Derry called a tax increase. To make a point about pork-barrel spending, his group sent an intern into the Capitol dressed like a pig.

Depending on one's perspective, the Bluegrass Institute view of liberty can seem either steadfast or extreme. Walking to his car after a recent event, Jim Waters, the policy director at the institute, mentioned how he had recently survived a head-on collision thanks to his car's airbags. A few moments later, describing the institute's priorities, he said the Bluegrass Institute was fighting tougher seat-belt laws, which he called an intrusion on liberty. Car safety laws "did save my life," he conceded when asked about the apparent contradiction.

At an institute event in Bowling Green, an audience member chided the group for opposing efforts to ban smoking in restaurants. "I watched my mother die of cancer," the person said.

"We hate smoking as much as you do," Mr. Derry replied. "But we hate government even more."

The Bluegrass Institute has a budget of about $400,000, but recently laid off a policy analyst, leaving a staff of five. Still, even critics say the group has leveraged modest resources into a growing presence.

"They get airplay," said Susan Weston, a longtime advocate for Kentucky public schools. "They get their op-eds published. They've built an e-mail list."

True to his promise of continuing help, Mr. Reed made a two-day visit to Kentucky last year. Speaking to potential donors in Louisville, he likened Mr. Derry to Benjamin Franklin.

After the event, Mr. Derry marveled once more at all the support he had received.

Mr. Reed said, "You're our comrade in arms."

Mr. Derry, replied, "It's about liberty."

Mr. Reed said, "This is a missionary movement."

How Milton Friedman Changed Economics, Policy And Markets (WSJ)

By Greg Ip And Mark Whitehouse

The Wall Street Journal, November 17, 2006

A half century ago, Milton Friedman's advocacy of free markets over government intervention and his prescription for inflation-fighting by central banks were treated as fringe notions by many economists. By the time the Nobel Prize-winning economist died yesterday at the age of 94, his views had helped to reshape modern capitalism.

A diminutive man known for his strong-willed and combative style, Mr. Friedman provided the intellectual foundations for the anti-inflation, tax-cutting and antigovernment policies of President Ronald Reagan and British Prime Minister Margaret Thatcher and an era of more-disciplined central banking. His ideas helped to end the military draft in the 1970s, gave birth to staple conservative causes such as school vouchers and created the groundwork for new economic views about the Great Depression, unemployment, inflation and exchange rates.

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Many of his ideas remain controversial to this day, or carry less weight. Central bankers don't follow his prescriptions for how to implement monetary policy, considering them impractical. And despite his strong advocacy, publicly funded vouchers for students to attend private schools are still rare and researchers struggle to prove their effectiveness. His advocacy of the decriminalization of drugs hasn't been heeded.

But few would argue against the notion that Mr. Friedman -- with highly technical academic papers, popular books and columns, and the ear of powerful politicians -- helped to shift the center of debate in the U.S. and abroad about the proper role of government in managing a nation's economy. His influence spread far afield, from Hong Kong to Chile to Russia and Eastern Europe, and his ideas took root with reformers pushing for privatization and open markets.

"Among economic scholars, Milton Friedman had no peer," Federal Reserve Chairman Ben Bernanke said yesterday. "The direct and indirect influences of his thinking on contemporary monetary economics would be difficult to overstate. Just as important, in his humane and engaging way, Milton conveyed to millions an understanding of the economic benefits of free, competitive markets, as well as the close connection that economic freedoms bear to other types of liberty."

President Bush said, "His work demonstrated that free markets are the great engines of economic development."

Critics said he inspired policies that put millions of people out of work in pursuit of low inflation and demonized almost everything the government did, no matter how beneficial or democratically chosen. "Milton Friedman didn't make a distinction between the big government of the People's Republic of China and the big government of the United States," said James Galbraith, professor of government at the University of Texas and son of the late, liberal economist John Kenneth Galbraith, who often sparred with Mr. Friedman.

"Most Americans have no idea what the science of economics is about. Milton Friedman made economic thought more accessible to more people, and he did it in a simple, straight-forward way that avoided politics and cut to the heart of free market capitalism."

Share your thoughts2 about Mr. Friedman's contributions to American society.

Mr. Friedman, who died of heart failure at home, is survived by his wife, Rose -- whom he met in graduate school and who co-authored many of his books -- his son and daughter.

Mr. Friedman exercised extraordinary influence through his academic work, which is viewed as among the most authoritative in the economics field in the 20th century. He went beyond the role of academic by advising politicians such as Mr. Reagan and Ms. Thatcher and by writing popular books, such as "Capitalism and Freedom" in 1962 and, with his wife, "Free to Choose" in 1979. The latter book was adapted as a television series.

Mr. Friedman was awarded the Nobel Prize for Economic Science in 1976. He was best known for explaining the role of money supply in economic and inflation fluctuations. By managing the amount of money sloshing through a financial system, Mr. Friedman theorized, central banks could control inflation without making costly mistakes.

As with many of his ideas, his prescriptions weren't immediately accepted by central bankers when he advanced them in the 1950s and 1960s. Many economists believed inflation could arise from other factors, such as the influence of unions, corporations or oil-producing countries.

These views were advanced by Mr. Friedman's early mentor and friend, Arthur Burns, Federal Reserve chairman from 1970 to 1978. Mr. Friedman was harshly critical of Mr. Burns's monetary policy, and as inflation rose and unemployment took hold, his own views grew in prominence. By the time he won his Nobel, the unemployment rate had climbed to more than 7% and was on its way to surpassing 10%. The inflation rate, too, had flirted with double-digit levels.

Along with economist Edmund Phelps, this year's Nobel Prize winner, Mr. Friedman in the 1960s also developed the theory that policy makers couldn't maintain low unemployment by permitting higher inflation. The view holds sway at major central banks today, including the Fed, and helped to defeat the inflation of the 1970s and set the stage for the low inflation and low unemployment of the 1990s and today.

It took Paul Volcker, who became Fed chairman in 1979, to put the monetarist theory into practice, adopting money-supply targets that drove interest rates to double digit levels, sent the economy into a deep recession, and ultimately brought inflation down drastically. But unemployment eventually fell as well, proving that Mr. Friedman and Mr. Phelps were right about the absence of a rigid tradeoff between unemployment and inflation.

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"That was a victory among many victories," Mr. Phelps said.

While central bankers still accept that inflation is largely a result of money-supply growth, few target the money supply in practice because it is difficult to measure and its relationship to overall spending often shifts.

The Fed stopped setting target ranges for monetary-supply growth in 2000 and has stopped publishing some long-followed data series on money growth. Still, Mr. Bernanke noted in 2003 at a conference on the legacy of Milton and Rose Friedman that the professor's ideas held enormous sway in the field.

"Friedman's monetary framework has been so influential that, in its broad outlines at least, it has nearly become identical with modern monetary theory and practice," Mr. Bernanke said.

His intellectual rigor was matched by a demanding persona. When Mr. Friedman returned reporters' calls, for example, he often called collect. He was also tough on students. Gary Becker, one former student, remembers Mr. Friedman ripped into his dissertation proposal in the early 1950s. Mr. Becker, a University of Chicago professor, went on to win the Nobel himself.

Ultimately, even ideological opponents changed their views about him. "He was the devil figure in my youth," Lawrence Summers, the former Treasury Secretary and nephew of two left-leaning Nobel winners, is quoted saying about Mr. Friedman in the book "Commanding Heights." "Only with time have I come to have large amounts of grudging respect. And with time, increasingly ungrudging respect."

Mr. Friedman was born in Brooklyn, N.Y., in 1912, the fourth child of European immigrants. His mother ran a small retail store and his father "engaged in a succession of mostly unsuccessful 'jobbing' ventures," he wrote in an autobiography on the Web site for the Nobel Prize. "The family income was small and highly uncertain; financial crisis was a constant companion."

Early in his life, he planned to become an actuary. But he emerged after World War II as a strong-viewed young professor at the University of Chicago. At the time, economic thought was dominated by the theories of John Maynard Keynes, who advocated activist government spending to stimulate demand and fix the economy during troubled times, such as the Great Depression of the 1930s. (When asked in 2004 by The Wall Street Journal to name the most important economist of the 20th century besides himself, Mr. Friedman named Mr. Keynes. Read the full Q&A3.)

Mr. Friedman, who had started his studies at Chicago during the Depression, challenged the Keynesian approach, espousing the idea that the government should stay out of individuals' affairs whenever possible, and that markets can solve economic problems much more efficiently than government officials can. His ideas formed the basis for what become known as the "Chicago School" of economics, a concept of free-market capitalism.

Influenced by such earlier free-market thinkers as Friedrich von Hayek, Mr. Friedman -- some of whose relatives died during the Nazi occupation of Eastern Europe -- saw economic and political freedom as inextricably linked. As he wrote in the 1962 text "Capitalism and Freedom," "a society which is socialist cannot be democratic, in the sense of guaranteeing individual freedom."

"No one in the 20th century has had the ideological influence that Milton Friedman has had in moving the economic profession from Great Depression-era do-goodism towards a friendliness toward, and appreciation of, the free market," said Paul Samuelson, a fellow Nobel laureate and frequent ideological opponent of Mr. Friedman. "We've lost a giant in economics."

Mr. Friedman's ideas weren't all laissez-faire. His concept of a "negative income tax" to eliminate poverty, for example, laid the foundation for today's Earned Income Tax Credit.

Mr. Friedman considered his best purely scientific contribution to economics to be his work on how people make spending decisions -- which was based on data he collected while working with future Nobel laureate Simon Kuznets at the National Bureau of Economic Research. Under his "permanent income" theory, people smooth their spending based on what they expect their incomes to be in the long term -- meaning that things such as unexpected tax breaks or other windfalls will have only a limited effect on spending.

He also attacked the system of fixed currency-exchange rates that emerged after World War II with encouragement from Mr. Keynes. George Shultz, a longtime friend of Mr. Friedman who served in both the Nixon and Reagan administrations, says that after Mr. Nixon was elected in 1968 but before he took office, Mr. Friedman wrote to him saying that "pressures on the tie of the dollar to gold are relentless" and that Mr. Nixon would be wise to sever the link immediately as an affirmative action, rather than be forced to. Mr. Friedman "turned out to be right," but Nixon didn't listen "until he was forced to," Mr. Schultz says.

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Mr. Nixon abandoned the gold standard in 1971.

By the 1970s, his influence had become substantial. He was a member of the Commission on an All-Volunteer Armed Force, appointed by Mr. Nixon in 1969. Former Fed Chairman Alan Greenspan, who was also a member, says that at the outset, panel Chairman Thomas Gates "was very clearly unconvinced that a volunteer army would work. At the end of the commission hearings he was strongly in favor of it, and the main reason was Friedman kept dissuading him on all the concerns he had." Mr. Nixon ended the draft in 1973.

In the 1970s, Mr. Friedman courted controversy for his association with Chile's military government which, after toppling a civilian government in 1973, implemented many free-market and monetarist ideas learned by its advisers who had studied at the University of Chicago. He was widely criticized for meeting with Chilean dictator Augusto Pinochet, whose government was eventually blamed for murdering and torturing thousands. Mr. Friedman's Nobel Prize ceremony was disrupted by demonstrators.

That same year Mr. Reagan, who had just made an unsuccessful bid for the presidency, noted the demonstrations in a radio address and said, "It seems when Milton Friedman talked, someone in Chile listened. Wouldn't it be nice if just once someone in Washington would ask: 'What did he say?'" In another address, he quoted Mr. Friedman, saying, "When you start paying people to be poor, you wind up with an awful lot of poor people."

One of the paradoxes of Mr. Friedman's immense influence on policy was his low regard for policy making. He often advocated abolition of the Fed for its failures during the Great Depression and the 1970s, though he later relented and admitted Mr. Greenspan had done a remarkable job from 1987-2006. After two years in the Treasury Department during World War II, he never served in government, aside from advisory roles.

Lawrence Lindsey, who served in both Bush presidencies and on the Fed board, recalls telling Mr. Friedman in the early 1990s, "Why don't you come to Washington, we could use you here." Mr. Friedman replied, "I detest that town."

Mr. Friedman once described his refusal to leave academia as necessary to his larger mission: "For society to be at once humane and to give opportunity for great human achievements, it is necessary that a small minority of people who do not have materialistic objectives have the greatest degree of freedom."

Milton Friedman, Free-Market Theorist, Dies At 94 (NYT)

By Holcomb B. Noble

The New York Times, November 17, 2006

Milton Friedman, the grandmaster of free-market economic theory in the postwar era and a prime force in the movement of nations toward less government and greater reliance on individual responsibility, died yesterday. He was 94 and lived in San Francisco.

His death was confirmed by Robert Fanger, a spokesman for the Milton and Rose D. Friedman Foundation in Indianapolis.

Conservative and liberal colleagues alike viewed Mr. Friedman, a Nobel laureate, as one of the 20th century's leading economic scholars, on a par with giants like John Maynard Keynes and Paul Samuelson.

Flying the flag of economic conservatism, Mr. Friedman led the postwar challenge to the hallowed theories of Lord Keynes, the British economist who maintained that governments had a duty to help capitalistic economies through periods of recession and to prevent boom times from exploding into high inflation.

In Mr. Friedman's view, government had the opposite obligation: to keep its hands off the economy, to let the free market do its work. He was a spiritual heir to Adam Smith, the 18th-century founder of the science of economics and proponent of laissez-faire: that government governs best which governs least.

The only economic lever that Mr. Friedman would allow government to use was the one that controlled the supply of money — a monetarist view that had gone out of favor when he embraced it in the 1950s. He went on to record a signal achievement, predicting the unprecedented combination of rising unemployment and rising inflation that came to be called stagflation. His work earned him the Nobel Memorial Prize in Economic Science in 1976.

Rarely, colleagues said, did anyone have such impact on his own profession and on government. Though he never served officially in the halls of power, he was around them, as an adviser and theorist.

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"Among economic scholars, Milton Friedman had no peer," Ben S. Bernanke, the Federal Reserve chairman, said yesterday. "The direct and indirect influences of his thinking on contemporary monetary economics would be difficult to overstate."

Professor Friedman also fueled the rise of the Chicago School of economics, a conservative group within the department of economics at the University of Chicago. He and his colleagues became a counterforce to their liberal peers at the Massachusetts Institute of Technology and Harvard, influencing close to a dozen American winners of the Nobel in economics.

It was not only Mr. Friedman's antistatist and free-market views that held sway over his colleagues. There was also his willingness to create a place where independent thinkers could be encouraged to take unconventional stands as long as they were prepared to do battle to support them.

"Most economics departments are like country clubs," said James J. Heckman, a Chicago faculty member and Nobel laureate. "But at Chicago you are only as good as your last paper."

Alan Greenspan, the former Federal Reserve chairman, said of Mr. Friedman in an interview Tuesday: "From a longer-term point of view, it's his academic achievements which will have lasting import. But I would not dismiss the profound impact he has already had on the American public's view."

To Mr. Greenspan, Mr. Friedman came along at an opportune time. The Keynesian consensus among economists, he said — one that had worked well from the 1930s — could not explain the stagflation of the 1970s.

But he also said that Mr. Friedman had made a broader political argument: that you have to have economic freedom to have political freedom.

Mr. Friedman had a gift for communicating complicated ideas in simple and lucid ways, and it served him well as the author or co-author of more than a dozen books, as a columnist for Newsweek from 1966 to 1983 and even as the star of a public television series. He was a bridge between the academic and popular worlds, and his broader impact stemmed in large part from the fact that he was preaching a gospel of capitalism that fit neatly into American self-perceptions. He was pushing on an open door.

A Staunch Libertarian

As a libertarian, Mr. Friedman advocated legalizing drugs and generally opposed public education and the state's power to license doctors, car drivers and others. He was criticized for those views, but he stood by them, arguing that prohibiting, regulating or licensing human behavior either does not work or creates inefficient bureaucracies.

Mr. Friedman insisted that unimpeded private competition produced better results than government systems. "Try talking French with someone who studied it in public school," he argued, "then with a Berlitz graduate."

Once, when accused of going overboard in his antistatism, he said, "In every generation, there's got to be somebody who goes the whole way, and that's why I believe as I do."

In the long period of prosperity after World War II, when Keynesian economics was riding high in the West, Mr. Friedman alone warned of trouble ahead, asserting that policies based on Keynesian theory were part of the problem.

Even as he was being dismissed as an economic "flat-earther," he predicted in the 1960s that the end of the boom was at hand. Expect unemployment to grow, he said, and inflation to rise, at the same time. The prediction was borne out in the 1970s. It was Paul Samuelson who labeled the phenomenon stagflation.

Mr. Friedman's analysis and prediction were regarded as a stunning intellectual accomplishment and contributed to his earning the Nobel for his monetary theories. He was also cited for his analyses of consumer savings and of the causes of the Great Depression: he blamed the Federal Reserve, accusing it of bad monetary policy and saying it had bungled early chances for recovery. His prestige and that of the Chicago school soared, and his analysis of the Depression changed the way that the Fed thought about monetary policy.

Government leaders like President Ronald Reagan and Prime Minister Margaret Thatcher of Britain were heavily influenced by his views. So was the quietly building opposition to communism within the East bloc.

As the end of the century approached, Professor Friedman said events had made his views seem only more valid than when he had first formed them. One event was the fall of communism. In an introduction to the 50th-anniversary edition of Friedrich A. Hayek's book predicting totalitarian consequences from collectivist planning, "The Road to Serfdom," Mr. Friedman

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wrote it was clear that "progress could be achieved only in an order in which government activity is limited primarily to establishing the framework with which individuals are free to pursue their own objectives."

"The free market is the only mechanism that has ever been discovered for achieving participatory democracy," he said.

Professor Friedman was acknowledged to be a brilliant statistician and logician. To his critics, however, he sometimes pushed his data too far. To them, the debate over the advantages or disadvantages of an unregulated free market was far from over.

Milton Friedman was born in Brooklyn on July 31, 1912, the last of four children and only son of Jeno S. Friedman and Sarah Landau Friedman. His parents worked briefly in New York sweatshops, then moved their family to Rahway, N.J., where they opened a clothing store.

Mr. Friedman's father died in his son's senior year at Rahway High School. Young Milton later waited on tables and clerked in stores to supplement a scholarship he had earned at Rutgers University. He entered Rutgers in 1929, the year the stock market crashed and the Depression began.

Mr. Friedman attributed his success to "accidents": the immigration of his teen-age parents from Czechoslovakia, enabling him to be an American and not the citizen of a Soviet-bloc state; the skill of a high-school geometry teacher who showed him a connection between Keats's "Ode to a Grecian Urn" and the Pythagorean theorem, allowing him to see mathematical beauty; the receipt of a scholarship that enabled him to attend Rutgers and there have Arthur F. Burns and Homer Jones as teachers.

He said Mr. Burns, who later became chairman of the Federal Reserve, instilled in him a passion for scientific integrity and accuracy in economics; Mr. Jones interested him in monetary policy and a graduate school career at Chicago.

In his first economic-theory class at Chicago, he was the beneficiary of another accident — the fact that his last name began with an "F." The class was seated alphabetically, and he was placed next to Rose Director, a master's-degree candidate from Portland, Ore. That seating arrangement shaped his whole life, he said. He married Ms. Director six years later. And she, after becoming an important economist in her own right, helped Mr. Friedman form his ideas and maintain his intellectual rigor.

After he became something of a celebrity, Mr. Friedman said, many people became reluctant to challenge him directly. "They can't come right out and say something stinks," he said. "Rose can."

In 1998, he and his wife published a memoir, "Two Lucky People" (University of Chicago Press), in which they reveled in "having intellectual children throughout the world."

His wife is among his survivors. They also include a son, David, and a daughter, Janet Martel, four grandchildren and three great-grandchildren.

A Fateful Class

That fateful class at the University of Chicago also introduced him to Jacob Viner, regarded as a great theorist and historian of economic thought. Professor Viner convinced Mr. Friedman that economic theory need not be a mere set of disjointed propositions but rather could be developed into a logical and coherent prescription for action.

Mr. Friedman won a fellowship to do his doctoral work at Columbia, where the emphasis was on statistics and empirical evidence. He studied there with Simon Kuznets, another American Nobel laureate. The two turned Mr. Friedman's thesis into a book, "Income From Independent Professional Practice." It was the first of more than a dozen books that Mr. Friedman wrote alone or with others.

It was also the first of many "Friedman controversies." One finding of the book was that the American Medical Association exerted monopolistic pressure on the incomes of doctors; as a result, the authors said, patients were unable to reap the benefits of lower fees from any real price competition among doctors. The A.M.A., after obtaining a galley copy of the book, challenged that conclusion and forced the publisher to delay publication. But the authors did not budge. The book was eventually published, unchanged.

During the first two years of World War II, Mr. Friedman was an economist in the Treasury Department's division of taxation. "Rose has never forgiven me for the part I played in devising and developing withholding for the income tax," he said. "There is no doubt that it would not have been possible to collect the amount of taxes imposed during World War II without withholding taxes at the source.

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"But it is also true," he went on, "that the existence of withholding has made it possible for taxes to be higher after the war than they otherwise could have been. So I have a good deal of sympathy for the view that, however necessary withholding may have been for wartime purposes, its existence has had some negative effects in the postwar period."

After the war, he returned to the University of Chicago, becoming a full professor in 1948 and commencing his campaign against Keynesian economics. Robert M. Solow of M.I.T., a Nobel laureate who often disagreed with Mr. Friedman, called him one of "the greatest debaters of all time." But his wisecracking style could infuriate opponents.

Mr. Samuelson, also of M.I.T., who was not above wisecracking himself, had a standard line in his economics classes that always brought down the house: "Just because Milton Friedman says it doesn't mean that it's necessarily untrue."

But Professor Samuelson said he never joked in class unless he was serious — that his friend and opponent was, in fact, often right when at first he sounded wrong.

Mr. Friedman's opposition to rent control after World War II, for example, incurred the wrath of many colleagues. They took it as an unpatriotic criticism of economic policies that had been successful in helping the nation mobilize for war. Later, Mr. Samuelson said, "probably 98 percent of them would agree that he was right."

In the early 1950s, Mr. Friedman started flogging a "decomposing horse," as Mrs. Thatcher's chief economic adviser, Alan Waters, later put it. The horse that most economists thought long dead was the monetarist theory that the supply of money in circulation and readily accessible in banks was the dominant force — or in Mr. Friedman's view, the only force — that should be used in shaping the economy.

In the 1963 book "A Monetary History of the United States, 1867-1960," which he wrote with Anna Jacobson Schwartz, Mr. Friedman compiled statistics to buttress his theory that recessions, as well as the Great Depression, had been preceded by declines in the money supply. And it was an oversupply, he argued, that caused inflation.

In the late 1960s, Mr. Friedman used his knowledge of empirical evidence and statistics to calculate that Keynesian government programs had the effect of constantly increasing the money supply, a practice that over time was seriously inflationary.

Paul Krugman, a Princeton University economist and Op-Ed columnist for The New York Times, said Mr. Friedman then managed "one of the decisive intellectual achievements of postwar economics," predicting the combination of rising unemployment and rising inflation that came to be called stagflation.

In this regard, his Nobel award cited his contribution to the now famous concept "the natural rate of unemployment." Under this thesis, the unemployment rate cannot be driven below a certain level without provoking an acceleration in the inflation rate. Price inflation was linked to wage inflation, and wage inflation depended on the inflationary expectations of employers and workers in their bargaining.

A spiral developed. Wages and prices rose until expectations came into line with reality, usually at the natural rate of unemployment. Once that rate is achieved, any attempt to drive down unemployment through expansionary government policies is inflationary, according to Mr. Friedman's thesis, which he unveiled in 1968.

For years economists have tried to pinpoint the elusive natural rate, without much success, particularly in recent years.

Mr. Friedman was right on the big economic issue of that time — inflation. And his prescription — to have the governors of the Federal Reserve System keep the money supply growing steadily without big fluctuations — figured in the thinking of policy makers around the world in the 1980s.

A Retort to Kennedy

Mr. Friedman also pursued his attack on Keynesianism in a more general way. He warned that a government allowed to regulate the economy could not be trusted to keep its hands off individual liberties.

He had first been exposed to this line of attack through his association with Mr. Hayek, who was predicting in the early 1940s that communism would lead inevitably to totalitarianism and the crushing of individual rights. In an introduction to a 1971 German edition, Professor Friedman called Mr. Hayek's book "a revelation particularly to the young men and women who had been in the armed forces during the war."

"Their recent experience had enhanced their appreciation of the value and meaning of individual freedom," he wrote.

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In 1962, Mr. Friedman took on President John F. Kennedy's popular inaugural exhortation: "Ask not what your country can do for you. Ask what you can do for your country." In an introduction to his classic book "Capitalism and Freedom," a collection of his writings and lectures, he said President Kennedy had got it wrong: You should ask neither.

"What your country can do for you," Mr. Friedman said, implies that the government is the patron, the citizen the ward; and "what you can do for your country" assumes that the government is the master, the citizen the servant. Rather, he said, you should ask, "What I and my compatriots can do through government to help discharge our individual responsibilities, to achieve our several goals and purposes, and above all protect our freedom."

It was not that Mr. Friedman believed in no government. He is credited with devising the negative income tax, which in a modern variant — the earned-income tax credit — increases the incomes of the working poor. He also argued that government should give the poor vouchers to attend the private schools he thought superior to public ones.

In forums he would spar over the role of government with his more liberal adversaries, including John Kenneth Galbraith, who was also a longtime friend (and who died in April 2006). The two would often share a stage, presenting a study in contrasts as much visual as intellectual: Mr. Friedman stood 5 feet 3; Mr. Galbraith, 6 feet 8.

Though he had helped ignite the conservative rebellion after World War II, together with intellectuals like Russell Kirk, William F. Buckley Jr. and Ayn Rand, Mr. Friedman had little or no influence on the administrations of Presidents Dwight D. Eisenhower, Kennedy, Lyndon B. Johnson and Richard M. Nixon. President Nixon, in fact, once described himself as a Keynesian.

It was frustrating period for Mr. Friedman. He said that during the Nixon years the talk was still of urban crises solvable only by government programs that he was convinced would make things worse, or of environmental problems produced by "rapacious businessmen who were expected to discharge their social responsibility instead of simply operating their enterprises to make the most profit."

Rising With Reagan

But then, after the 1970s stagflation, with Keynesian tools seemingly broken or outmoded, and with Ronald Reagan headed for the White House, Mr. Friedman's hour arrived. His power and influence were acknowledged and celebrated in Washington.

With his wife, in 1978 he brought out a best-selling general-interest book, "Free to Choose," and went on an 18-month tour, from Hong Kong to Ottumwa, Iowa, preaching that government regulation and interference in the free market was the stifling bane of modern society. The tour became the subject and Mr. Friedman the star of a 10-part PBS series, "Free to Choose," in 1980.

In 1983, having retired from teaching, he became a fellow at the Hoover Institution at Stanford University. Five years later he was awarded the Presidential Medal of Freedom and the National Medal of Science.

The economic expansion in the 1980s resulted from the Reagan administration's lowered tax rates and deregulation, Professor Friedman said. But then the tide turned again. The expansion, he argued, was halted when President George H. W. Bush imposed a "reverse-Reaganomics" tax increase.

What was worse, by the mid-1980s, as the finance and banking industries began undergoing upheavals and money began shifting unpredictably, Mr. Friedman's own monetarist predictions — of what would happen to the economy and inflation as a result of specific increases in the money supply — failed to hold up. Confidence in his monetarism theory waned.

Prof. Robert Solow of M.I.T., a Nobel laureate himself, and other liberal economists continued to raise questions about Mr. Friedman's theories: Did not President Reagan, and by extension Professor Friedman, they asked, revert to Keynesianism once in power?

"The boom that lasted from 1982 to 1990 was engineered by the Reagan administration in a straightforward Keynesian way by rising spending and lowered taxes, a classic case of an expansionary budget deficit," Mr. Solow said. "In fairness to Milton, however, it should be said that one of the reasons for his wanting a tax reduction was to force the spending cuts that he presumed would follow." Professor Samuelson said that "Milton Friedman thought of himself as a man of science but was in fact more full of passion than he knew."

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Mr. Friedman remained the guiding light to American conservatives. It was he, for example, who provided the economic theory behind “prescriptions for action,” as his onetime professor, Jacob Viner, put it, like the landslide Republican victory in the off-year Congressional elections of 1994.

By then Professor Friedman had grown into a giant of economics abroad as well. He was sharply criticized for his role in providing intellectual guidance on economic matters to the military regime in Chile that engineered a coup in the early 1970s against the democratically elected president, Salvador Allende. But for Mr. Friedman that was just a bump in the road.

In Vietnam, where the Constitution was amended in 1986 to guarantee the rights of private property, the writings of Mr. Friedman were circulated at the highest levels of government. “Privatize,” he told Chinese scholars at a meeting at Fudan University in Shanghai; and he told those in Moscow and elsewhere in Eastern Europe: “Speed the conversion of state-run enterprises to private ownership.” They did.

Mr. Friedman had long since ceased to be called a flat-earther by anyone. “What was really so important about him,” said W. Allen Wallis, a former classmate and later faculty colleague at the University of Chicago, “was his tremendous basic intelligence, his ingenuity, perseverance — his way of getting to the bottom of things, of looking at them in a new way.”

Nobel Winner Milton Friedman Dies At 94 (LAT)

By Jonathan Peterson

The Los Angeles Times, November 17, 2006

SAN FRANCISCO — Milton Friedman, a brilliant champion of free-market economics and individual freedom who almost single-handedly altered the boundaries of public debate on an array of national issues, died today in San Francisco. He was 94.

The circumstances of his death were not immediately available.

"America has lost a true visionary and advocate for human freedom," said Gordon St. Angelo, president and CEO of the Milton and Rose D. Friedman Foundation.

"Milton's passion for freedom and liberty has influenced more lives than he ever could possibly know. His writings and ideas have transformed the minds of U.S. presidents, world leaders, entrepreneurs and freshmen economic majors alike."

Friedman was considered a leading economic thinker of the 20th century. His many prescriptions for policy, notably on managing the nation's money supply and curbing the welfare state, influenced presidents and presidential candidates dating back to the 1960s. His sweeping, pro-capitalist ideas earned him legions of followers domestically and overseas, while also sparking dissent and controversy.

Friedman was awarded the Nobel Prize in economics in 1976 for a body of "original and weighty work," including his money supply research, which jurors said had influenced fellow scholars as well as the U.S. Federal Reserve and the central banks of other nations.

Friedman's influence extended far beyond the ivory tower. He became an economist-celebrity, promoting his passionate beliefs in books, magazines and television appearances. With confidence and a professor's logic, he sought to demolish the conventional wisdom after World War II that government must play a sweeping role in people's lives.

Taxes, he said, should be cut and simplified. Society benefits when personal choice reigns supreme.

"My world will not be the same," said former Federal Reserve Chairman Alan Greenspan in a statement today. "He had been a fixture in my life both professionally and personally for half a century."

Ed Crane, president of the Cato Institute, commented today on Friedman's life and legacy: "Here's a guy who won the Nobel Prize in economics for his work in monetary theory and he was a great Chicagoan, a great empiricist and theoretician of economics. But ultimately, what Milton believed in was human liberty and he took great joy in trying to promote that concept.... Milton would say, 'Maybe I did well and maybe I led the battle, but nobody ever said we were going to win this thing at any point in time. Eternal vigilance is required and there have to be people who step up to the plate, who believe in liberty and who are willing to fight for it.' "

Friedman had an uncanny ability to discern issues before most others, framing political battles decades before they flared publicly.

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In the 1960s, he argued that personal retirement accounts made more sense than a mandatory system of Social Security, helping set the stage for the recent national debate. Similarly, he contended that parents should be allowed to choose what schools their children attend, laying the foundation for ongoing arguments about school choice.

"Why do America's universities have a greater reputation around the world than its public schools?" he once asked aloud. "You have choice. That makes all the difference in the world."

He emerged as a leading voice in the Vietnam-era movement to end the draft, a position ultimately endorsed by President Richard Nixon.

Friedman offered blunt advice on subjects as personal as laws against prostitution — he saw them as incursions into individual choice — and as sweeping as the international system of relatively fixed exchange rates, which he sought to overturn and which did collapse in the early 1970s.

He became the human face of the influential "Chicago school" of economics, emphasizing the role of monetary policy, which affects interest rates, and the benefits of laissez-faire or free-market approaches to the economy.

Political leaders listened, granting almost unparalleled influence to a capitalist icon whose free-market emphasis had once seemed out of step with his times. The rise of Ronald Reagan and British Prime Minister Margaret Thatcher brought Friedman fans to seats of national power.

Later, some would see the inspiration of Friedman behind moves of former Soviet governments, the People's Republic of China and other nations to stake more of their future on a private sector.

"At the Harvard University I knew as a graduate student in the late 1960s, Milton Friedman was treated as a right-wing Midwestern crank," said Robert J. Barro, a noted economist, during a 1998 tribute to Friedman at Stanford University. "It is notable that Milton Friedman's transition from pariah to priest was achieved mainly through the force of ideas."

Not all of the ideas found lasting acceptance. The U.S. Federal Reserve, the Bank of England and other central banks abandoned much of his monetary prescription, after brief and unhappy experiments.

After a series of corporate and financial scandals, the Friedman-style mantra for deregulation lost its allure for much of the public. Some of Friedman's social priorities, notably for the legalization of drugs, never caught on.

Friedman acknowledged in a 2003 interview that in hindsight he might not have pushed the technical aspects of his money supply theories so aggressively. Yet he never wavered from the essence of his world view.

"You form a philosophy at a certain stage and for the rest of your life it dominates," he told the Financial Times in June 2003. "On the big issues of policy, I don't think there is anything I've changed my mind about."

To many of his admirers, Friedman will most be remembered for the sweep of a vision that encompassed economic and political freedom and he viewed each as a complement to the other.

"He has used a brilliant mind to advance a moral vision: the vision of a society where men and women are free, free to choose," President Bush said in a May 2002 White House tribute to Friedman. "That vision has changed America and it is changing the world."

Friedman was born in Brooklyn on July 31, 1912, the fourth child in a family of struggling Jewish immigrants from a region that is now part of Ukraine. When he was 13 months old, the family moved to the northern New Jersey town of Rahway.

The household was warm and supportive and childhood was generally happy, Friedman would recall. But money was tight. Friedman's parents engaged in various enterprises with limited success, including a small shop and an ill-fated ice cream parlor. The family lived over the shop.

"Among my most vivid memories are heated discussions between my parents at night about where the money was to come from to pay incoming bills," Friedman recalled in his 1998 memoir, "Two Lucky People," written with wife, Rose.

The youthful Friedman made heavy use of Rahway's small local library -- "almost exhausting the contents" -- and was an enthusiastic Boy Scout. He shined in the classroom, winning an unexpected promotion to seventh grade midway through sixth. Slight of stature — Friedman was about 5"2' as an adult — he played on the chess team and volunteered to do chores for the baseball team.

After graduating, he moved 12 miles away to New Brunswick and entered Rutgers University on a scholarship. Always enterprising, he supplemented the aid by waiting on tables, hustling fireworks, tutoring high school students and clerking in a

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retail store. Friedman also began fruitful intellectual relationships with two professors: Arthur F. Burns, later to become chairman of the Federal Reserve, and Homer Jones, who lectured students on the importance of individual freedom.

The profession of economics did not beckon at first. Friedman planned to become an actuary, hoping he could use his math skills to earn a decent living. He would later joke that he changed his mind after flunking some difficult actuarial exams. But in an October 2000 PBS interview, Friedman offered a deeper insight into his motives, recalling that he faced a career decision during the depths of the Great Depression.

"If you're a 19-year-old college senior, which is going to be more important to you: figuring out what the right prices ought to be for life insurance or trying to understand how the world got into that kind of a mess?"

Friedman chose to pursue the latter question as a University of Chicago graduate student in 1932.

To a kid who lived over a store in Rahway, the university atmosphere was electrifying, an entree to whole new worlds. Chicago "exposed me to a cosmopolitan and vibrant intellectual atmosphere of a kind that I had never dreamed existed. I have never recovered," Friedman later said.

At Chicago, Friedman also met his future wife, Rose Director, a quiet economics student and European immigrant who had grown up in Portland. They married in 1938.

New worlds continued to open. Over the next several years, Friedman studied economics at Chicago and Columbia University, did a stint on a New Deal economics project in Washington, the National Resources Committee, and went to work for the nonprofit National Bureau of Economic Research in New York.

He would discover that scholarly conclusions can lead to controversy. At the bureau, Friedman worked with an economist, Simon Kuznets, on a study of professional income. Based on their research, Friedman wrote in his doctoral thesis that physicians gained extra income through the powers of the American Medical Assn. to restrict entry into the profession. These same powers, Friedman reported, reduced the availability of medical care for the public.

Columbia University held up accepting Friedman's thesis for five years. "I was young and innocent at the time and did not realize that a storm of protest would develop," Friedman wrote in "Two Lucky People. "I soon learned better."

Meanwhile, Friedman and his future wife corresponded several times a week. Rose had gone to work for the New Deal economics panel in Washington.

A 1938 letter to Rose, then his fiancee, reveals Friedman's frustration that his work seemed removed from the more urgent problems of a world headed for war: "I must say this damn European situation certainly is lousy. Here the world is going to pieces over our heads and we sit worrying about means and standard deviations and professional incomes. But what the hell else can we do?"

After a fierce inner struggle, Friedman agreed on a Jewish wedding in deference to his relatives. The two were married that year in a small ceremony in New York City.

Friedman had not yet arrived at a vehement rejection of tax-and-spending policies as a way to steer the national economy. During World War II, he even went to work for the federal government, advising the Treasury on wartime tax policy and other matters.

There followed a brief stint at the University of Minnesota. Then in 1946 Friedman joined the faculty of the University of Chicago, which would serve as home base for the next 30 years.

Inside the classroom, Friedman gained a reputation as a strict but inspiring teacher who brought principles of economics to life.

"Being a student of Milton's was magic indeed," Gary S. Becker, a 1951 graduate student of Friedman who later would win his own Nobel Prize, recalled years later. "People would always ask me, 'Why are you so excited? Are you going out on a date with a beautiful woman?' I said, 'No, I'm going to a class in economics.'"

Early on, Friedman arrived at one of his famous findings: The Federal Reserve had blundered terribly in the late 1920s and early 1930s, triggering the 1929 stock market crash and deepening the Great Depression through excessive tightness in the money supply. That knowledge, he believed, should protect America from a recurrence.

"In 1953 I gave a talk in Stockholm under the title of 'Why the American Economy is Depression-Proof.' I've been right for 45 years," he told Forbes magazine in 1997. "Why should I change my story now?

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"And the reason I said it then is the same reason I say it now: The Great Depression need not have occurred if the monetary authorities had behaved differently."

Other core beliefs that he would forever retain were now taking shape. These included his faith in the efficiency of free markets and an emphasis on the role of the Federal Reserve as the key to economic stability.

Friedman's lifelong views on freedom and personal choice were also emerging in the 1940s and 1950s.

In particular, he was moved by an economics professor named Friedrich Hayek, whose intellectual attacks on socialism galvanized a small group of true-believers under the banner of "liberalism."

At the time, mainstream Democrats and Republicans assumed the federal government would retain a huge, ambitious role throughout society, serving as an equalizer for the disadvantaged and softening the sharp edges of a Darwinian marketplace. John Maynard Keynes, an eminent British economist, emerged as the intellectual symbol of the prevailing view.

Friedman set out to provide an alternative. In 1962, Friedman published "Capitalism and Freedom," a widely read primer on his anti-government convictions, containing thoughts on monetary policy, public education, welfare and poverty. He blasted the Social Security program for restricting people's options in saving for retirement, pushed for a single-rate, "flat" tax to replace the more complex system of multiple brackets, and called for an end to professional licensing boards.

The following year he published what many consider his scholarly masterpiece, an 800-page "Monetary History of the United States," written with economist Anna Schwartz. It provided detailed evidence for his monetarist view that careful growth of the money supply was the paramount factor in sustaining economic growth.

In the 1964 presidential campaign, Friedman stepped directly into the political battlefield.

Lyndon Johnson, the Democratic incumbent, advocated a Keynes-style Great Society of ambitious federal programs. Sen. Barry Goldwater, the conservative Republican nominee, was drawn to Friedman's policies and picked the economist as an advisor.

Johnson won in a landslide. But Friedman stayed at the forefront of the policy struggle, soon beginning a Newsweek column that provided him a forum for his ideas on taxes, red tape, import restrictions, the Federal Reserve and many other matters.

Although many took offense at Friedman's anti-government views, his ideas did not fall into a tidy framework.

His push to decriminalize drug use found little support among many conservatives. His advocacy of school vouchers, which he viewed as essential to giving poor children a better chance to attend quality schools, was greeted with disdain by many liberals. His opposition to most of government beyond matters of security made him a hero to libertarians.

Friedman's wariness of government fit with the libertarian ideology, at times making it impossible to label him in simplistic liberal-conservative terms.

When Nixon appointed Friedman to a panel examining whether to abolish the draft, Friedman found himself at odds with Gen. William Westmoreland, the Army chief of staff and former Vietnam commander.

At one point, Westmoreland declared that he did not want to command an army of "mercenaries."

"I stopped him and said, "General, would you rather command an army of slaves?" Friedman later recalled. "He drew himself up and said, 'I don't like to hear our patriotic draftees referred to as slaves.' I replied, 'I don't like to hear our patriotic volunteers referred to as mercenaries.'"

U.S. officials ended the draft in 1973. Friedman also offered a range of economic advice to the Nixon White House, including a plan for a negative income tax that would provide new aid to the poor.

But the economist was horrified when Nixon imposed wage and price controls and Friedman blasted the plan as "pure window dressing which will do harm rather than good." He also was disappointed at Nixon's willingness to accept a batch of new regulatory agencies, including the Environmental Protection Agency, Occupational Safety and Health Administration and Consumer Product Safety Commission.

Soon after, the novel problem of stagflation — inflation amid sluggish growth — created a new opening for Friedman's strategies.

Contrary to the long-held view, he argued that inflation did not help ease unemployment by heating up the economy. The answer to slumps, he maintained, was carefully controlled growth of the money supply.

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On Oct. 14, 1976 reporters swarmed Friedman as he entered a Detroit news conference about a proposed state spending limit. To Friedman's surprise, they informed him he had won the Nobel Prize in economics.

The Swedish academy credited Friedman with insights into managing the nation's money supply — it should grow gradually and steadily, he believed — and how households decide what they can afford to spend, based on expected lifetime earnings. They also cited Friedman for exploding the old fallacy that inflation could reduce unemployment.

"It is very rare for an economist to wield such influence, directly and indirectly, not only on the direction of scientific research but also on actual policies," the judges said.

It was an award that Friedman's loyalists thought he should have gotten earlier. Caught off guard, the economist responded archly: "It is not the pinnacle of my career. I would not want a professional judgment of my scientific work to be those seven people who selected me for the award."

But for Friedman, the Nobel Prize also brought controversy.

He had enraged human rights activists the prior year by giving a series of lectures in Chile, which was controlled by the military dictatorship of Augusto Pinochet. Critics accused the economist of bolstering Pinochet, whose government included Friedman disciples, dubbed "the Chicago boys."

When the Friedmans traveled to Stockholm for the Nobel award, protesters were waiting. The furor annoyed the economist, who believed that economic freedom was a force for political freedom.

"I gave exactly the same lectures in China that I gave in Chile," Friedman said years later. "I have had many demonstrations against me for what I said in Chile. Nobody has made any objections to what I said in China. How come?"

Friedman's involvement in policy deepened. In 1980 he served as an advisor to the presidential campaign of Ronald Reagan and continued to offer some advice after Reagan was in the Oval Office. The two shared an admiration of Hayek and a distrust of government.

Reagan soon supported a politically costly effort by the Federal Reserve to clamp down on the money supply and combat inflation, adhering to Friedman's principles. The effort conquered inflation, but at the cost of a steep recession.

Friedman always looked back kindly on Reagan's economic stewardship: "You know, there is a myth that Reagan was somehow simple-minded and didn't understand these things," Friedman said in the 2000 PBS interview. "That's a bunch of nonsense. He understood this issue very well.... He knew very well that he was risking his political standing in order to achieve a basic economic objective."

The Fed stayed on the Friedman bandwagon in the early 1980s, focusing on the money supply with careful attention to technical measures known as M1 and M2. The investment world took notice and Friedman's influence reached dizzying heights.

"Every Friday afternoon, a kind of an eerie silence settled over the normally boisterous trading rooms on Wall Street," recalled Walter Wriston, former chairman of Citibank, at the 1998 tribute. "The computer screens started going blank at about 4:20 as traders waited for the 4:30 announcement by the Federal Reserve of the M1 and M2 figures."

It was a "truly extraordinary demonstration of how the power of an idea advanced by a private citizen can affect the way the world works," Wriston added.

Throughout his career, Friedman would tell people that he considered his public activities something of a diversion from his real work as a "scientist." Yet there is little doubt that he felt some lure of the limelight.

His public celebrity skyrocketed in 1980 with the 10-part PBS series "Free to Choose," a compilation of Milton and Rose Friedman's shared philosophy about personal, political and economic freedom. A book based on the project became the year's top seller in nonfiction. Friedman later described the effort as "the most exciting experience of our lives."

Friedman continued his research at Stanford's Hoover Institution, which he had joined in 1977 after three decades at Chicago. More honors were to come, including a presidential Medal of Freedom in 1988 and the National Medal of Science that same year.

But if he remained a hero to many, Friedman's influence in some circles declined in later years. The Fed and other central banks had long ago concluded that his monetary strategies should not be taken literally, although Fed vigilance against inflation continued under Greenspan.

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Similarly, his appeals to abandon the war on drugs and other government programs remain outside the mainstream of political debate.

"Human life requires the balancing of freedom with other goals, including security and equality," said Richard Parker, a senior fellow at Harvard's Kennedy School of Government. "Friedman's repeated neglect of these other values has been the repeated source of error in his policy advice."

But to legions of admirers, Friedman remains a towering figure, unparalleled in the breadth of his insights about freedom and the economy.

Said Allan H. Meltzer, professor of political economy at Carnegie Mellon University in Pittsburgh and a scholar at the American Enterprise Institute for Public Policy Research: "He's a giant."

He is survived by his wife Rose; daughter Jane, an attorney; and son, David, a professor of law and economics at Santa Clara University.

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Economist Touted Laissez-Faire Policy (WP)

By Patricia Sullivan And Carlos Lozada

The Washington Post, November 17, 2006

Milton Friedman, 94, the Nobel Prize-winning economist whose tireless advocacy of unfettered free markets reshaped the nation's economic policies, died Nov. 16 of a heart ailment at St. Francis Memorial Hospital in San Francisco.

One of the most influential economists of the 20th century, Friedman championed individual choice on topics ranging from Social Security to the military draft. He revived conservative economic theory after the big-government era of the 1940s, 1950s and 1960s, leading the movement that says government's proper role in the market is to stabilize the growth of the money supply -- and stay out of the way.

His views gained traction in the 1970s when a combination of high unemployment and inflation, known as "stagflation," sharply ended the long post-World War II boom.

"Inflation is always and everywhere a monetary phenomenon," he often said.

"Friedman's monetary framework has been so influential that, in its broad outlines at least, it has nearly become identical with modern monetary theory," Ben S. Bernanke, now chairman of the Federal Reserve, said in a 2003 speech at the Federal Reserve Bank of Dallas.

A 5-foot, 2-inch scholar with a dry wit, the bald, bespectacled Friedman joked that he'd lost an inch because of the weight of the world on his shoulders. He was widely respected as an academic who also expressed himself in ways that could be understood by those who were interested, but unschooled, in economic theory. He took his theories to television, starring in a 10-week series on economics that aired on public television in the 1980s, and he wrote a column for Newsweek from 1966 to 1983. He published nearly two dozen books.

Friedman, an economic adviser to presidents Richard M. Nixon and Ronald Reagan, was awarded the Presidential Medal of Freedom and the National Medal of Science in 1988. He won the Nobel Prize in economics in 1976.

His laissez-faire ideas went from maverick to mainstream during his lifetime. He began graduate studies in economics during the Great Depression as the theories of British economist John Maynard Keynes were revolutionizing his profession. Keynes believed that government intervention was necessary to help smooth out the boom-bust cycles in the economy. That theory became the rock against which Friedman pushed for decades until it moved.

One of his most famous arguments dealt with the causes of the Depression. It was prompted not by changes in tariff laws or by the stock market crash, he said, but by the Federal Reserve Board's decisions to shrink the money supply for fear of inflation in 1929 and again in 1936. Those choices choked the life out of the economy and exacerbated a bad situation, he stated in "A Monetary History of the United States, 1867-1960," (1963) co-written with Anna J. Schwartz. The book is considered the definitive history of the nation's money supply.

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Friedman's ideas were not initially hailed, and they remain controversial, especially among those who believe government should be a more active player in the economy, a position epitomized by the late Harvard University economist John Kenneth Galbraith.

Richard Parker, a Galbraith biographer, wrote last year in the Boston Globe that Friedman's "passionate calls for financial and securities market deregulation played no small role in ushering in the half-trillion dollar S&L fiasco of the 1980s and the deeply corrupt Wall Street stock market boom of the 1990s. His tax-reduction-at-all-costs policies helped lead to the nation's yawning budget deficits."

But the core of Friedman's work -- that controlling the money supply is a major key to economic health -- was embraced widely across the political spectrum.

His landmark 1962 work, "Capitalism and Freedom," listed common governmental activities in the United States and other Western societies that he considered unjustifiable under his economic principles. These included price supports for agriculture; restrictions on international trade; rent controls; legal minimum wage rates; detailed regulation of industries such as banking or transportation; control of radio and television by the Federal Communications Commission; Social Security (which he called a Ponzi scheme); licensing restrictions on any enterprise, occupation or profession; public housing programs; the military draft; the legal prohibition against carrying mail for profit; and publicly owned and operated toll roads.

"This list is far from comprehensive," Friedman added.

He was a hero to libertarians for advocating the legalization of drugs and prostitution and for promoting the idea of school choice. He also served on a presidential commission that urged Nixon in 1970 to end the military draft.

"No public-policy activity that I have ever engaged in has given me as much satisfaction," he wrote in "Two Lucky People," the 1998 memoir he wrote with his wife. The most dramatic moment, he wrote, was when Gen. William Westmoreland testified that he did not want to command an army of mercenaries. "I stopped him and said, 'General, would you rather command an army of slaves. . . . If they are mercenaries, then I, sir, am a mercenary professor, and you, sir, are a mercenary general, and we are served by mercenary physicians, we use a mercenary lawyer and we get our meat from a mercenary butcher.' "

Milton Friedman was born in Brooklyn, N.Y., on July 31, 1912, the son of Jewish Austro-Hungarian immigrants. He grew up in nearby Rahway, N.J., where his parents ran a garment shop, a dry goods store and an ice cream parlor.

Friedman enrolled in Rutgers University and worked as a waiter, department store clerk and tutor. He started small businesses selling clothes and secondhand books.

After graduating in 1932, he moved to the University of Chicago, where he earned a master's degree in economics in 1933. That's also where he met and later married Rose Director Friedman, his wife of 68 years, who is also an economist and with whom he wrote many books. They had two children, who survive him.

Later, Friedman became a federal employee with the National Resources Committee, a New Deal agency of the kind that he would later criticize so fervently. Part of his work there and at other agencies involved designing the federal withholding tax system.

He received a doctoral degree in economics from Columbia University in 1946 and joined the University of Chicago, where he became known as the leader of the Chicago School of free-market economists. As a believer in the principles espoused by 18th-century economist Adam Smith, Friedman argued vigorously that economic freedom was necessary for political freedom.

Upon retiring in 1977, he became a senior research fellow at Stanford University's Hoover Institution.

The idea of the world's foremost laissez-faire economist living in one of the nation's most liberal cities struck many as unlikely. Asked why he chose San Francisco, he responded with his trademark wit, "Not much competition here."

Influential Economist Milton Friedman Dies At Age 94 (USAT)

By Sue Kirchhoff

USA Today, November 17, 2006

WASHINGTON — Nobel Memorial Prize-winning economist Milton Friedman, an outspoken advocate of free markets and free choice, adviser to presidents and best-selling author, died Thursday at 94.

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Often described as one of the most influential economists of the last century, Friedman died of heart failure in San Francisco.

"He had been a fixture in my life both professionally and personally for a half century. My world will not be the same," said former Federal Reserve chairman Alan Greenspan.

Fed Chairman Ben Bernanke called him an economic scholar without peer.

Friedman was a leader of a school of thought that became known as the Chicago school of economics, named after the University of Chicago, where he was a professor. Friedman's work emphasized free markets and monetarism, which stresses the importance of the money supply in inflation and business cycles. He famously noted "inflation is always and everywhere a monetary phenomenon." His work contrasted with John Maynard Keynes' advocacy of government intervention to manage the economy.

Friedman was instrumental, with 2006 Nobel Memorial winner Edmund Phelps, in promoting the view that there is not a sustainable long-run trade-off between inflation and unemployment.

Nariman Behravesh of Global Insight notes Friedman correctly predicted the rise of inflation in the 1960s and 1970s, which many others missed. His theories explained stagflation — high inflation and unemployment.

Friedman and co-author Anna Schwartz reshaped understanding of the Great Depression, illuminating the role played by misguided central bank policy.

Friedman wrote extensively on public policy, including a column in Newsweek magazine. Among his best-known popular works is Free to Choose, which became a best-selling non-fiction book in 1980. It was written with his wife, Rose Friedman, to accompany a 10-part public television series.

Friedman advocated greater school choice via vouchers. He was an opponent of the military draft and a force in ending conscription in 1973.

Friedman was a senior research fellow at Stanford University's Hoover Institution since 1977. He was a professor at the University of Chicago from 1946 to 1976, when he won the Nobel Memorial Prize in Economics.

Born in 1912, Friedman grew up the son of Eastern European immigrants in a working-class family in Rahway, N.J. Friedman paid his way through Rutgers University with a scholarship and a series of odd jobs. He considered majoring in math and becoming an actuary but turned to economics.

Friedman worked on tax policy in World War II, helping develop tax withholding (which he later wanted to abolish). He was briefly posted in Paris helping administer the Marshall Plan for rebuilding Europe, where he became interested in floating exchange rates.

Friedman advised conservative Arizona Sen. Barry Goldwater in his 1964 presidential run and later Presidents Nixon and Reagan and foreign leaders. In a 2002 tribute, President Bush noted that Friedman's free-market ideas have been adopted in many countries: "The rest of the world is finally catching up with Milton Friedman."

Friedman received a bachelor of arts from Rutgers in 1932, a master's from the University of Chicago in 1933 and a Ph.D. from Columbia University in 1946.

In an autobiography, Friedman talked of meeting his wife, who survives him, while she was a "shy, withdrawn, lovely, and extremely bright fellow economics student" doing graduate work at the University of Chicago. They were married in 1938.

Friedman Debunked The Gospel Of Keynes (WP)

By Steven Pearlstein

The Washington Post, November 17, 2006

One thing that baffles those of us with no training in economics is that two people who hold diametrically opposite views can both be held out as giants of their profession.

After all, if the great British economist John Maynard Keynes was right that government can smooth out the business cycle by stimulating and managing demand for goods and services through such mechanisms as public-works programs, deposit insurance and deficit spending, then how could Milton Friedman be right that the better approach is for government to cut taxes, curb regulation and focus on the supply of money in circulation?

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Or how do we square Keynes's prescription that global finance can be stabilized through fixed exchange rates with Friedman's formula of floating exchange rates?

There is, of course, a political analogy to this conundrum. The same country reveres the memory of Franklin Roosevelt for pulling us out of the Great Depression while crediting Ronald Reagan with restoring the competitiveness of the American economy.

The dirty little secret is that there are few scientific truths in economics analogous to the laws of thermodynamics or genetics. Economics is a social science, not a physical one, in which people and systems are constantly adapting to changing conditions. The policies that may be good for one era may not be right for the next. And it is the truly great economists who spot the changing dynamics, acknowledge the inadequacy of the old prescriptions and are clever enough to come up with something better.

In this respect you can say that Milton Friedman, who died yesterday, was the greatest economist of our time. He was not simply the most influential economist since Keynes, but a worthy successor, building on Keynes's insights even as he discredited key aspects of Keynesian economic management.

In the 1950s, as socialism was gaining credence around the world and Keynesian thinking dominated economics textbooks, Friedman's skepticism about government management of the economy was viewed as nothing short of heresy. But by the mid-1970s, as the country was beset by stagnant growth and high inflation, it became clear the Keynesian model had played itself out. Suddenly, Friedman's ideas didn't look so kooky.

"I grew up in a Keynesian household," recalls Larry Summers, the former Treasury secretary and Harvard president whose mother and two uncles were respected economists. "And as an undergraduate, I was taught an economics that had demand but no supply." But in time, says Summers, it dawned on him and most others in the profession that Keynesian theory was not so much wrong as incomplete.

With his focus on the overall demand for goods and services in the economy, Keynes overlooked the importance of the supply of money in circulation. Friedman argued that controlling that supply was a better tool for managing the economy than taxation and spending policies.

Inflation, it turned out, wasn't as benign an antidote to unemployment as Keynes had thought, nor was there necessarily a trade-off between the two, as he presumed.

And many Keynesian policies meant to correct for very real imperfections in the marketplace turned out to have big imperfections of their own.

The intellectual roots of Friedman's "economic liberalism" run back to Adam Smith and Alfred Marshall, and were spun out at the University of Chicago with his pal George Stigler and intellectual superstars including Ronald Coase, Zvi Griliches, Gary Becker, Robert Lucas and Kevin Murphy. But even as the profession moved toward fancy mathematics and modeling, Friedman went the other way, constantly striving to connect theory with people and policy.

With his wife, Rose, he wrote a regular column for Newsweek, churned out books in simple English and produced a television series for PBS. And over the years, he provided a steady stream of influential advice to politicians and policymakers, beginning with Barry Goldwater and Richard Nixon, and extending through Ronald Reagan, Margaret Thatcher and Alan Greenspan.

Friedman wasn't always right. His dogmatic monetarism clouded his economic predictions during the 1980s and '90s, in part because of globalization and new financial instruments that made it difficult to measure the money supply, let alone control it. And after the success of the Greenspan era at the Federal Reserve, Friedman was forced to acknowledge that maybe humans could do a better job managing monetary policy than the computer he once recommended.

Friedman's abiding distrust of government action also blinded him to its successes. But it would be wrong to confuse his libertarian instincts with lack of human sympathy. He was an early proponent of the negative income tax, now known as the earned income tax credit -- which supplements the wages of millions of low-income workers. And while he opposed rent control, public education and Social Security, he promoted government vouchers to help people buy housing, education and medical care.

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Whether he was right or wrong, whether you agreed with him or not, it is certainly true, as Summers noted yesterday, that Friedman improved the quality of thinking in every debate he entered. The same might be said of his friend John Kenneth Galbraith, who was as energetic in defending the Keynesian view as Friedman was in discarding it -- and who also died this year.

Many of Friedman's ideas have become so fundamental to modern economic thinking, it's easy to forget how unconventional they once were. Federal Reserve Chairman Ben S. Bernanke put it nicely in 2003, at a conference organized by the Dallas Fed to celebrate Friedman's life and work.

"I am reminded," Bernanke said, "of the student first exposed to Shakespeare, who complained to the professor: 'I don't see what's so great about him. He was hardly original at all. All he did was string together a bunch of well-known quotations.'"

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Capitalism And Friedman (WSJ)

The Wall Street Journal, November 17, 2006

There are some public figures whose obituaries can be written years in advance. Milton Friedman was not one of them.

Arguably the greatest economist of the 20th century, he won his Nobel Prize 30 years ago. His classic "Capitalism and Freedom" was published 44 years ago. He died yesterday at the age of 94, but as the op-ed running nearby attests, he was active in writing about, thinking about and explaining how economics affects our world until the end.

In today's feature, he updates and re-examines conclusions he reached about the Great Depression in "A Monetary History of the United States, 1867-1960," a book published with Anna Schwartz 43 years ago. His thesis was that the Great Depression was not, as was once commonly presumed, a "market failure," but a failure of government policy. Contraction of the money supply in the wake of the stock-market crash of 1929 was what turned a financial event into an economic catastrophe.

This insight flowed from Professor Friedman's conviction that "money matters." As the Royal Academy of Sweden noted in announcing his 1976 Nobel, Friedman's was a lonely voice in arguing for the importance of the money supply in economics when he began writing about it in the 1950s.

By the late 1970s, stagflation -- the combination of high inflation and high unemployment -- had made it obvious that the then-dominant Keynesian model had some large holes. These included the effect of the money supply on inflation and the fact that inflation and employment did not move in lockstep as some of Keynes's disciples asserted. It was a seminal insight, creating what became known at the University of Chicago and elsewhere as the "monetarist school" and laying the intellectual basis for central bankers to break the great inflation of the 1970s.

In awarding its Nobel in 1976, the Royal Swedish Academy of Sciences cited his "achievements in the fields of consumption analysis, monetary history and theory, and for his demonstration of the complexity of stabilization policy." The citation covers a huge swath of economic thinking, and suggests both the range and the consistency of Professor Friedman's thought. In layman's terms, the Swedish Academy credited him with nothing less than shredding the Keynesian consensus.

First, he had shown that men are no fools. People spend money in accordance with their income expectations over the long-term, not in response to one-time "stimuli" from the government. This is known as the "permanent income" hypothesis, and it called into question Keynesian notions of how short-term stimulus affects the economy. In addition to his monetary insights, Mr. Friedman questioned the degree to which fiscal policy could be used to "fine-tune" the economy by adjusting spending, tax or monetary policy. Today we take for granted that all of these operate with a lag, but it was Milton Friedman who first highlighted the problem.

For all of his academic accomplishments, Professor Friedman's role as a popularizer of free-market principles was arguably more important. He wrote a column in Newsweek for 18 years starting in 1966, preaching the importance of economic freedom to a generation that had never heard such things in school. His 1980 book, "Free to Choose," was a best seller, and the videos that accompanied it were smuggled behind the Iron Curtain like seeds of revolution.

He was among the first to point to Hong Kong as a model of free-market success, a lesson that even today is remaking Communist China. And he first suggested educational vouchers to rescue failing public schools as long ago as 1955; in recent years, he established a foundation to support this idea that continues to advance despite ferocious opposition from unions and other entrenched interests.

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This newspaper had the privilege of publishing Milton Friedman's articles on numerous occasions over the years. We've also disagreed with him from time to time, notably on exchange rates and drug legalization. These disputes always gave us cause to reflect, and 20 years ago amid one debate on the benefits of fixed exchange rates we noted that "being spanked by Milton Friedman is one of life's most humiliating experiences."

In truth, Professor Friedman always argued with civility and a bracing wit. One of his best barbs on the size of government: "Given our monstrous, overgrown government structure, any three letters chosen at random would probably designate an agency or part of a department that could be profitably abolished." And he popularized "There is no such thing as a free lunch."

In "Two Lucky People," written with his wife, Rose Friedman, who survives him as a distinguished economist in her own right, Mr. Friedman well described the role of a public intellectual: "We do not influence the course of events by persuading people that we are right when we make what they regard as radical proposals. Rather, we exert influence by keeping options available when something has to be done at a time of crisis."

On the death of Ronald Reagan, whom he advised, Mr. Friedman wrote on these pages that "few people in human history have contributed more to the achievement of human freedom." The same can and long will be said of Milton Friedman.

Why Money Matters (WSJ)

By Milton Friedman

The Wall Street Journal, November 17, 2006

The third of three episodes in a major natural experiment in monetary policy that started more than 80 years ago is just now coming to an end. The experiment consists in observing the effect on the economy and the stock market of the monetary policies followed during, and after, three very similar periods of rapid economic growth in response to rapid technological change: to wit, the booms of the 1920s in the U.S., the '80s in Japan, and the '90s in the U.S.

The prosperous '20s in the U.S. were followed by the most severe economic contraction in its history. In our "Monetary History" (1963), Anna Schwartz and I attributed the severity of the contraction to a monetary policy that permitted the quantity of money to decline by one-third from 1929 to 1933. Since 1963, two episodes have occurred that are almost mirror images of the U.S. economy in the '20s: the '80s in Japan, and the '90s in the U.S. All three episodes were marked by a long period of rapid economic growth, sparked by rapid technological change and the emergence of new industries, and accompanied by a stock market boom that terminated in a crash. Monetary policy played a role in these booms, but only a supporting role. Technological change appears to have been the major player.

These three episodes provide the equivalent of a controlled experiment to test our hypothesis about what we termed the Great Contraction. In this experiment, the quantity of money is the counterpart of the experimenter's input. The performance of the economy and the level of the stock market are the counterpart of the experimenter's output, i.e., the variables whose relation to input the experimenter is seeking to determine. The three boom episodes all occurred in developed private enterprise market economies, involved in international finance and trade, and with similar monetary systems, including a central bank with power to control the quantity of money. This is the counterpart of the controlled conditions of the experimenter's laboratory.

The Money Supply: In addition, history has provided a close counterpart to the kind of variation in input that our hypothetical experimenter might have deliberately chosen. As Fig. 1 shows, monetary policy, as measured by the behavior of the quantity of money, was very similar in the three boom periods, and very different in the three post boom periods, with settings that might be described as low, medium, high.

To measure the quantity of money, I use M2 in the U.S. and the conceptually equivalent M2 plus certificates of deposit in Japan. To express the data for the two countries and the widely separated periods in comparable units, I use as an index of the money stock the ratio of the quantity of money to its average value for the six years prior to the cycle peak. The peak quarter of the relevant business cycle is the third quarter of 1929 (29.3) for the earlier U.S. episode; the first quarter of 1992 (92.1) for Japan; and the first quarter of 2001 (01.1) for the second U.S. episode (see Table 1). Finally, the data are plotted to align the dates at the cycle peak.

Fig. 1 shows a striking contrast between the period before the cycle peak and the period after the cycle peak. There are some differences before the peak -- money growth is slowest on the average for the earlier U.S. episode, fastest for Japan -- but

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the differences are small and there is reasonably steady money growth in all three episodes. The contrast with the period after the cycle peak could hardly be greater. Money supply declines sharply after the cycle peak in the first episode, goes from stable to rising mildly in the second, and rises steadily and sharply in the third. Our hypothetical experimenter planned his experiment well.

The GDP: The results of the third episode of this natural experiment are now all in. Fig. 2 shows how GDP in nominal terms (dollars or yen in current prices) behaved during the boom and post boom periods. I use nominal GDP rather than real GDP because M2 is also a nominal magnitude. How changes in nominal GDP are divided between prices and output is an important question but one that is not directly relevant to this experiment. One further preliminary comment: I believe the erratic behavior of nominal GNP during the '20s and '30s is largely a statistical artifact. The data for that period are scarce and of poor quality.

As in Fig. 1, there is a striking contrast between the boom and the post-boom periods: roughly similar growth during the booms, widely variable growth during the post-boom. Both before and after the cycle peak, nominal GDP growth paralleled monetary growth. During the boom, money and nominal GDP grew most rapidly in Japan, most slowly in the first U.S. episode, and at an intermediate rate in the second U.S. episode. Table 2 shows the ratio of the money stock at the cycle peak to its value six years earlier (the initial date in the figures) and the corresponding ratio for GDP. In the first two rows of the table, the ratios are highest for Japan, lowest for the U.S. 1920s.

After the cycle peak, money fell sharply in the first episode and so did nominal GDP; money growth stagnated in the second episode and so did GDP; money grew at a rapid rate in the third episode and, after a brief lag (corresponding to the mild 2001 recession) so did GDP. Table 3 shows the ratio of the money stock at the terminal date plotted to its value at the cyclical peak and the corresponding ratio for GDP. Both ratios are decidedly lowest for the U.S. 1920s, and decidedly highest for the U.S. 1990s.

The Stock Market: The peak of the stock market, as measured by S&P's index, coincided with the cycle peak in the first episode, both occurring in the third quarter of 1929 (29.3). However, that was not the case in the later episodes. In Japan, stock prices as measured by the Nikkei peaked in the fourth quarter of 1989 (89.4), nine quarters before the cycle peak. In the second U.S. episode, stock prices as measured by S&P 500 peaked in the third quarter of 2000 (00.3), two quarters prior to the cycle peak. Accordingly, Fig. 3 plots the data to align the series at the stock market peak.

The near identity of the three stock market series during the boom is truly remarkable. Yet even the minor deviations that exist reflect to some extent the differences in monetary growth, as Table 2 makes clear. Money growth was highest in Japan, and the Nikkei shows the largest rise in the stock market. The other two do not conform: Money rose more in the '90s than in the '20s, while stock prices rose slightly less, as shown by the ratio of peak to initial value in Table 2.

Of more interest for our purpose is what happened after the peak. For a year after, the three stock-price series fell in tandem, responding to the inner dynamics of a collapsing bubble. Then, the differences in monetary policy began to have an effect. Beginning in late 1930, the S&P index started falling away from the others under the influence of a collapsing money stock. For another year and a half, the other two indexes move in tandem. Then the much more expansive policy of the Fed in the '90s than of the Bank of Japan in the '80s takes effect and pulls the S&P 500 away from the Nikkei, which stabilizes in response to the passive monetary policy of the Bank of Japan (as shown by Table 3).

The results of this natural experiment are clear, at least for major ups and downs: What happens to the quantity of money has a determinative effect on what happens to national income and to stock prices. The results strongly support Anna Schwartz's and my 1963 conjecture about the role of monetary policy in the Great Contraction. They also support the view that monetary policy deserves much credit for the mildness of the recession that followed the collapse of the U.S. boom in late 2000.

Mr. Friedman, who died yesterday, was the 1976 Nobel Laureate in economics. He was a senior research fellow at the Hoover Institution and professor emeritus at the University of Chicago.

On To Vietnam, Bush Hears Echoes Of 1968 In Iraq 2006 (NYT)

By David E. Sanger

The New York Times, November 17, 2006

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ABOARD AIR FORCE ONE, Friday, Nov. 17 — During the presidential campaign in 2000, George W. Bush, who served out the Vietnam War in the Texas Air National Guard, was asked whether he ever considered volunteering to fight when he graduated from Yale in 1968.

"Did I think about going to the Army post and saying 'Send me to Vietnam?' " Mr. Bush asked, describing his own outlook in 1968. "Not really. I wanted to fly, and that was the adventure I was seeking."

Thirty-eight years later, at age 60, Mr. Bush is finally arriving in Vietnam. On Friday he starts a 72-hour visit, linked to an annual Asian summit meeting that the Communist government in Vietnam is playing host to for the first time and that some White House officials concede is spectacularly poorly timed. Just as Lyndon B. Johnson did in 1968, Mr. Bush has ousted his longtime defense secretary and nominated a realist with "fresh eyes" to replace him. Just like President Johnson in 1968, he is conducting a broad rethinking of strategy, and is hearing options he does not like.

The White House insists that the comparisons stop there. His aides argue that the analogies between these two wars, conducted in different parts of the world, facing very different enemies, are mostly false ones.

The comparisons will nonetheless be the unavoidable subtext of Mr. Bush's every move as he travels in Hanoi and then stops in the city that in his youth was known as Saigon, and that became the scene of an American military debacle. And he will have to convince his allies, ordinary Americans, and perhaps himself, that Iraq will end differently.

Until now, when asked what he had learned from Vietnam, Mr. Bush has almost reflexively reached for the same line: That he does not micromanage his generals, the way Mr. Johnson did. It is a response drawn from conservative orthodoxy about what went wrong in Vietnam, underlying an argument that had the generals been allowed to fight their way, the United States might have won.

But he may feel compelled to say more after he lands in Hanoi. Mr. Bush will find himself inside government halls adorned with paintings of Ho Chi Minh. He will be talking about the future of Asia with Ho's Communist successors who, Washington once warned, could not be allowed to win under any circumstances.

He will be sleeping just a mile or so from the open-air equivalent to the Situation Room where Ho Chi Minh managed his generals, from a single telephone at the end of a conference table. (It is now part of a museum, but Mr. Bush's schedule reveals no plans to visit.) His motorcade will zip past the lake where John McCain was pulled to shore after bailing out, and Mr. Bush will have his picture taken with foreign leaders under the same skies where Operation Rolling Thunder, the bombing attack on North Vietnam's capital, tried to break the enemy's will.

With such emotional imagery to deal with, it is no surprise that Mr. Bush's national security team has spent an enormous amount of time drawing distinctions between the war that their generation grew up with, and the one that they ordered.

"Historical parallels of that kind are not very helpful, and I don't think they happen to be right," Secretary of State Condoleezza Rice told reporters the other day, in a tone she might have used for a Stanford graduate student whose thesis was not holding together. "This is a different set of circumstances, with different stakes for the United States."

Stephen J. Hadley, the president's national security adviser, struck a similar note last week when he suggested that the "domino effect" that Americans worried about in the 1960s and 70s — the fear that neighboring countries would fall to Communism's lures — was nothing compared with the problems today.

"There were discussions about dominoes, some which fell, some which didn't fall," he said, recalling the Vietnam debate that raged when he was a student at Cornell. But, he added, "Most men and women in America believe that it is important that we not fail in Iraq; that the consequences of an Iraq that descended into chaos would be an Iraq that would be a safe haven for terrorists."

Ultimately, he said, that "could result in 9/11-type attacks against the United States," a reach across the ocean that no one really harbored three decades ago.

In private, Mr. Bush says there is another big difference between then and now — the draft. There is little question that by signing up to be a pilot in the Texas Air National Guard, the risk was low that he would end up in Vietnam as a 23-year-old. But according to an academic called into the White House recently, Mr. Bush said, "We could never have sustained this effort in Iraq, politically," if there was not an all-volunteer force. He declined to be named because he was relaying a private conversation.

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The argument that Vietnam is very different gets some backing from Stanley Karnow, the Vietnam historian. “There are differences and similarities, of course,” he said. “We got lied into both wars.”

But, he added, “The easy summation is that Vietnam began as a guerrilla war and escalated into an orthodox war — by the end we were fighting in big units. Iraq starts as a conventional war, and has degenerated into a guerrilla war. It has gone in an opposite direction. And it’s much more difficult to deal with.”

U.S. Seeks Korea Nuclear Step

HANOI, Nov. 16—The United States is working with China and other Asian nations to pressure North Korea to take a visible step toward dismantling its nuclear program before starting a new round of nuclear disarmament talks, American officials said Thursday.

Secretary of State Condoleezza Rice said that while she was hopeful that the talks — begun in 2003 — would restart in December, it was pointless to return to the bargaining table without a show of good faith from both sides. Speaking to reporters in Hanoi after meeting with some of her counterparts for the Asia Pacific Economic Cooperation meeting, Ms. Rice refused to expand on what those steps would be. But American officials, who spoke on the condition of anonymity because they were not authorized to speak publicly, said an acceptable move might be for North Korea to dismantle one of its nuclear facilities and readmit inspectors.

Comparisons With Vietnam Shadow Bush Trip (WT)

By Joseph Curl

The Washington Times, November 17, 2006

HANOI -- President Bush will focus on trade and worldwide crises like AIDS and bird flu during his eight-day trip to Southeast Asia, but the specter of the Vietnam War 30 years ago and comparisons to the U.S.-led war in Iraq have followed him to the Pacific Rim.

The president has repeatedly rejected comparisons between the two wars, even as Democratic critics complain that Iraq has become a "quagmire" like Vietnam, which U.S. forces abandoned in 1973 after the deaths of 58,000 American troops.

"I see differences, I really do," Mr. Bush insisted last week in a press conference. "I don't think it is a parallel."

Other top administration officials also say there is no likeness between the two conflicts.

"This was a different set of circumstances with different stakes for the United States and a different kind of war," Secretary of State Condoleezza Rice said this week in Germany. And National Security Adviser Stephen J. Hadley said before the president departed this week on his trip that the two wars are different.

"I remember a debate about what would happen if the United States left Vietnam, and there were discussions about dominoes, some which fell, some of which didn't fall," he said. "But nobody, I think, felt that it would result in a clear and present danger to the territory of the United States."

Still, Democrats charge that the Bush administration has not learned the lessons from the Vietnam War, and some party leaders have directly compared the two wars. Sen. Edward M. Kennedy, Massachusetts Democrat, has called the Iraq war a "seemingly intractable quagmire ... with no end in sight," and others complain that there has never been an exit strategy -- a lesson that should have been learned from Vietnam.

There are, in some ways, comparisons worth noting. In nearly every speech he gives, the president insists that the war in Iraq is the central front in the war against terror and has warned that if the United States fails there, other nations in the Middle East could fall like dominoes.

"The enemy understands the stakes of what a free society will mean to their ambitions to spread their dark vision throughout the Middle East and then the world," he said during a campaign event before the Nov. 7 elections.

The construction mirrors the premise that led the United States into Vietnam in the 1960s: that Southeast nations near Vietnam would fall into communist hands if the United States failed in its effort to help South Vietnam fight the North.

Critics say, however, that the "domino theory" proved false.

"We thought the sky would fall in the '70s, too, and it didn't," said Michael O'Hanlon, a foreign-policy scholar at the Brookings Institution who is part of the independent, bipartisan Iraq Study Group. He also said there are several other parallels

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between the two wars, including an insurgency that has established "a self-sustaining momentum that is very hard to overcome" and a weak allied government.

Vietnam scholar Robert K. Brigham, a Vassar College history professor, asserts that the parallels between the two wars are unmistakable. In both wars, superior U.S. firepower did not translate into victory, nation-building became ever more difficult with the passage of time, and public support waned after years of war.

"In going to war in Iraq, the George W. Bush administration has purposefully turned its back on the lessons of Vietnam," Mr. Brigham writes in his new book, "Is Iraq Another Vietnam?" "That the United States is not omnipotent is an important lesson Americans learned in the mangrove swamps and highlands of Vietnam. It is one the United States is (re)learning in Iraq as well."

But Pham Viet. Anh does not agree that the Iraq war is like the Vietnam War.

"I think it is different. The Vietnam War was between South Vietnam and North Vietnam, not a war between Vietnam and the United States," the 24-year-old magazine reporter said outside Hanoi's grand Temple of Literature.

But the reminders are everywhere. Near the center of the city is Truc Bach lake, where then-Lt. Cmdr. John McCain, now a Republican senator from Arizona and a likely presidential candidate in 2008, was captured after parachuting out of his damaged warplane to spend more than five years as a prisoner of war. Statues of Ho Chi Minh, the victorious North's revolutionary communist leader, are everywhere, and thousands flock to his mausoleum each year to see his body. One of the capital's trendiest nightspots is the disco Apocalypse Now, named after one of the most famous movies made about the war.

The president will add to the reminders this weekend when he tours the Joint POW-MIA Accounting Command, where he will be briefed on efforts to locate or account for all of the nearly 1,800 service members still missing from the Vietnam War.

• This article was based in part on wire service reports.

Bush Arrives In Vietnam For Trade Talks (LAT)

By James Gerstenzang

The Los Angeles Times, November 17, 2006

HANOI — Six years ago today, Bill Clinton became the first U.S. president to visit Hanoi and the first in more than three decades to visit Vietnam, closing a painful chapter in American diplomatic and military history.

When President Bush arrived today, he was shadowed by an issue that was politically difficult for him when he first ran for president, just as it was for Clinton: the question of military service during the Vietnam War. And there was new attention to an issue that is politically painful for him in 2006: whether the Iraq war is turning into a new generation's equivalent of the torturous Vietnam conflict.

Bush flew here this morning after a one-day stop in Singapore, where he warned North Korea not to spread its nuclear technology to nations or terrorist groups, and said the United States' partners in the region needed to recognize the threat that Pyongyang posed.

The president, speaking to government leaders and students at the National University of Singapore, said, "America's position is clear: The transfer of nuclear weapons or materiel by North Korea to states or non-state entities would be considered a grave threat to the United States, and we would hold North Korea fully accountable for the consequences of such action.

"For the sake of peace, it is vital that the nations of this region send a message to North Korea that the proliferation of nuclear technology to hostile regimes or terrorist networks will not be tolerated."

The audience was silent during his address and applauded politely when he was done.

Bush said he was committed to liberalized trade rules, despite what he noted were "the old temptations of isolationism and protectionism" in the United States.

He said the creation of a free-trade agreement among the 21 nations of the Asia-Pacific Economic Cooperation forum, whose summit this weekend has brought Bush to Vietnam, "deserves serious consideration."

Bush's less-than-enthusiastic endorsement suggested he might be backing off a goal to which the Clinton administration had committed the United States.

Trade liberalization has met a resurgent skepticism in the United States and drew criticism in several congressional campaigns this fall.

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In 1994, the economic forum, of which the U.S. is a member, called for "free and open trade and investment in the Asia-Pacific" by 2010 among developed nations, with developing nations following suit 10 years later.

A White House official said Bush still backed meeting the two deadlines, even though he used what the aide acknowledged was "softer" language to express the objective.

The summit is seen as Vietnam's debut on the world stage — as an economic engine in Southeast Asia and as a nation that has moved beyond the war. The communist government, however, still maintains strict one-party control, and dissidents say political freedom has yet to match the nation's economic progress.

Bush had hoped to win Congress' authorization normalizing trade relations with Vietnam before he arrived. But there were not enough votes this week to move the legislation through Congress.

Republican congressional leaders, who remain in charge during the lame-duck session, said they hoped to revisit the issue next month.

The question of whether Bush is leading the United States into a Vietnam-like quagmire in Iraq, which his critics increasingly argue is the case, has drawn sharp challenges from the president and his senior aides.

At a news conference the day after U.S. voters delivered what was largely interpreted as a rebuke to the president's Iraq policies, Bush said such an interpretation of the war was wrong.

He said that Iraq, "after the overthrow of the tyrant" Saddam Hussein, established a constitution and elected a unity government, "which is different from Vietnam" during and after the war. He said that the U.S. military was a volunteer force, not a draft-fed military, and that unlike in the Vietnam era, "the support for our troops is strong here in the United States."

"I don't think it is a parallel," he said.

Nevertheless, in the Iraq war, as was true in the Vietnam conflict, the population is divided, experts and politicians are split over whether the Pentagon should deploy more troops or be given a deadline to start pulling them out, and the mounting death toll of U.S. troops has brought a political backlash against the administration.

In Vietnam, Bush plans to focus more on current problems and not on the past, including the politically fraught question from his first presidential campaign that resurfaced in 2004: whether he used his father's clout to gain a coveted spot in the Texas Air National Guard to avoid being drafted at the height of the war.

On Saturday, Bush is scheduled to visit the U.S. military office in Hanoi, which is responsible for finding the remains of U.S. troops. It also investigates information about prisoners of war.

The United States has found no evidence that Americans are still being held as prisoners of war in Vietnam.

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Bush's Trade Talk Diverges From Dems' (USAT)

By David Jackson

USA Today, November 17, 2006

SINGAPORE — President Bush pressed familiar points in Asia on Thursday on trade and anti-terrorism policies, but Democrats are making it clear the political environment has changed back home.

A week after his Republican Party lost control of Congress, Bush told an audience here that the United States wants to expand trade in Asia and work to restrict the spread of nuclear weapons, particularly from North Korea.

“We must seize on our common opportunities,” Bush said at the National University of Singapore. “We must be willing to confront our common threats.”

Bush noted that trade and nuclear proliferation are linked because technological advances that have helped expand trade also increase global threats. He warned that “irresponsible behavior by a few can have catastrophic consequences for the entire world.”

The president was to echo these themes today in Hanoi, Vietnam, where he is attending an economic summit of Asia-Pacific leaders. Bush, the fourth U.S. president to visit Vietnam, also will visit Communist Party headquarters for meetings with party leaders.

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This weekend, Bush will meet with leaders from Russia, China, Japan and South Korea — all key to helping curb North Korea's nuclear hopes.

In Washington, Democrats preparing to take charge of Congress next year challenged Bush over his approaches to free trade and North Korea, as well as the war in Iraq.

"The next few months will be a time of great transition here in Congress and hopefully in American foreign policy," Rep. Tom Lantos, D-Calif., said. Lantos will be the next chairman of the House International Relations Committee.

Lantos called for sending an American envoy directly to North Korea to negotiate a halt to its nuclear weapons program.

In his remarks, Bush again endorsed six-party talks that include China, Russia, Japan and South Korea, saying the region must send North Korea the message that "proliferation of nuclear technology to hostile regimes or terrorist networks will not be tolerated."

House Democrats dealt a blow to Bush's trade agenda Monday by blocking approval of normalized trade relations with Vietnam. Bush wanted the bill passed before today's trip to Hanoi, site of the annual Asia-Pacific Economic Cooperation (APEC) forum.

Expanded trade is the linchpin of Bush's Asia policy. He noted in his speech Thursday that the United States does more business across the Pacific than the Atlantic.

"We hear voices calling for us to retreat from the world and close our doors," Bush said. "These are the old temptations of isolationism and protectionism, and America must reject them."

Bush called for U.S.-Asian cooperation on the environment, alternative energy sources and infectious diseases such as HIV, AIDS and avian flu.

Elizabeth Economy, director for Asia studies at the Council on Foreign Relations, said Bush's hopes for Asia are threatened by other problems such as Iraq.

"Even without the congressional defeat, U.S. influence and prestige have been seriously diminished by concern over Iraq and the state of the U.S. economy," she said.

Differing views could be found in Singapore, where international trade is reflected in miles of upscale shopping malls along the commercial strip on Orchard Road and food carts along the river.

Liu Chong Sin lamented Bush's "aggressiveness" while browsing in one of the many symbols of American capitalism, a Borders bookstore.

"He's caused a lot of trouble for the whole world, I believe," he said, citing the Iraq war and tensions with North Korea. Liu hopes pressure from the new Democratic Congress will "change" Bush.

Shi Yin, after shopping in one of the high-end boutiques on Orchard Road, said terrorists threaten prosperity everywhere, and Bush is right to confront them in Iraq and elsewhere because "there are times you need to be tough."

Bush Pushes Free Trade During Asia Trip (WSJ)

By Yochi J. Dreazen

The Wall Street Journal, November 17, 2006

SINGAPORE -- Kicking off an Asia swing overshadowed by political troubles at home and diplomatic disputes abroad, U.S. President George W. Bush fired back at newly empowered Democrats challenging his free-trade push.

North Korea's nuclear program also hangs over Mr. Bush's trip, his first since voters rebuked his Republican party at the polls last week. The president in his speech issued a stern warning to Pyongyang, vowing to hold it "fully accountable" for any transfer of nuclear-weapon technology to terrorist organizations.

On trade, the president urged Asian countries to work with the U.S. to rejuvenate a long-stalled round of global trade talks and endorsed the idea of a free-trade agreement with all 21 Pacific Rim members -- even as he felt compelled to rally support anew in his own government for such efforts.

"We hear voices calling for us to retreat from the world and close our doors to its opportunities," he told an audience at the National University of Singapore in his first major speech of the trip. "These are the old temptations of isolationism and protectionism, and America must reject them."

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Mr. Bush is bringing a range of objectives to his weeklong Asia trip, which will take him to Singapore, Vietnam and Indonesia. The centerpiece is a three-day stop in Hanoi for the Asia Pacific Economic Cooperation forum, where Mr. Bush is scheduled to sit down with a number of regional leaders, including Chinese President Hu Jintao on Sunday, to talk about trade, regional security and issues such as North Korea's nuclear program.

The trip comes at a sensitive moment for Mr. Bush, who has been weakened significantly by the Democrats' sweep of Congress. Russia and China have rebuffed White House efforts to pass a hard-hitting United Nations Security Council resolution designed to force Iran to rein in its nuclear program. The administration's handling of Iraq has also come under mounting criticism in the U.S., where members of both major political parties are hoping that a bipartisan Iraq panel headed by former Secretary of State James Baker can find a way out of the seemingly intractable mess there.

Lawmakers sent Mr. Bush off to Asia on a sour note by failing to pass legislation lifting Cold War-era economic restrictions on Vietnam and granting the country the same benefits as other U.S. trading partners in the World Trade Organization. Mr. Bush had hoped to arrive in Vietnam with the measure in place, but the administration now acknowledges that the measure won't come to another vote until December at the earliest.

More broadly, the Democratic takeovers of the House and Senate seem likely to force Mr. Bush to significantly curtail, if not abandon, his global free-trade ambitions. Many of the newly elected Democratic lawmakers campaigned on protectionist platforms, and their criticism of Mr. Bush's free-trade agenda is certain to imperil a raft of impending trade deals. Democrats are already gearing up to prevent the administration from keeping its authority to negotiate trade deals with other countries without congressional input. That issue will come to a vote next year.

Mr. Bush seemed tired during his speech, which contained no new policy proposals and none of the soaring rhetoric that has often been a hallmark of his public remarks. The auditorium where he delivered the speech was far from full, and several of the waiters who had set up food and drinks outside the hall said they were drafted at the last minute to help fill in several of the back rows of the room.

The president reserved his harshest language for North Korea, which sparked global outrage by successfully detonating a nuclear bomb last month. Mr. Bush said that the potential spread of weapons of mass destruction to terrorist groups was "the greatest danger in our world today." He added: "America's position is clear: The transfer of nuclear weapons or material by North Korea to states or nonstate entities would be considered a grave threat to the United States, and we would hold North Korea fully accountable for the consequences of such action."

Mr. Bush alternated the tough talk with conciliatory language, praising North Korea for agreeing to return to the so-called six-party talks that also include Japan, China, South Korea and Russia. The president said the U.S. would be willing to give North Korea security assurances and economic aid if it abandoned its nuclear program.

Write to Yochi J. Dreazen at yochi.dreazen@wsj.com2

Bush Cautiously Backs Pacific Rim Free Trade (WP)

By Michael A. Fletcher

The Washington Post, November 17, 2006

SINGAPORE, Nov. 16 -- President Bush reassured Pacific Rim leaders Thursday that the United States stands squarely behind efforts to liberalize trade with the region, and he promised to continue pressuring North Korea to abandon its nuclear weapons program.

On the eve of an economic summit in Vietnam, Bush voiced tentative support for a free-trade agreement covering all 21 member states of the Asia-Pacific Economic Cooperation forum, saying during a speech here that the idea deserves "serious consideration."

In addition, the president again warned North Korea that the United States would consider it a "grave threat" and would hold North Korea responsible if it transfers nuclear bomb technology to another country or to a terrorist organization. He said North Korea should take "concrete steps" to end its nuclear program, and he called on other Asian countries to send the same message to Pyongyang.

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North Korea agreed last month to resume talks with five other nations on ending its nuclear weapons program, just three weeks after conducting its first nuclear weapons test. Diplomats hope talks among the two Koreas, China, Japan, Russia and the United States will take place by the end of the year, but no date has been fixed.

In comments to reporters at the APEC meeting in Hanoi, Secretary of State Condoleezza Rice said there was deep skepticism among the group's members that North Korea actually intended to abandon its nuclear weapons. [Bush landed in Hanoi on Friday morning, the Associated Press reported.]

Asked if she would favor delaying talks until she was certain North Korea would take steps to show its commitment, Rice said: "I don't think it makes sense for us to have talks unless we think that it's going to be fruitful. It certainly doesn't make sense just to go back to talk."

In his speech at the National University of Singapore, Bush also called on North Korea to take demonstrable action to show it is willing to end its weapons program. "Pyongyang must show it's serious . . . by taking concrete steps to implement its agreement to give up its nuclear weapons and weapons program," he said.

Bush added that if North Korea did so, the United States and other nations involved in the six-party talks would provide it with economic help, security assurances and other benefits.

Bush's visit to Southeast Asia comes on the heels of elections in which Democrats won majorities in both chambers of Congress, an outcome widely seen as a repudiation of the president's leadership.

Some analysts have said many nations in Southeast Asia, which have a generally warm view of Bush, see the United States as a pillar of stability in a region where Communist-run China is the dominant force.

With Bush weakened politically, they say, many leaders in this economically booming region doubt his power to deliver on his trade liberalization and other promises.

Bush suffered a disappointment this week when the House of Representatives failed to approve a measure to establish permanent normal trade relations with Vietnam. Bush had expressed hope that Congress would approve the measure before his trip to Hanoi, but House leaders now say they will not try again to pass the bill until next month.

Passage of the bill is needed for U.S. firms to take advantage of the low tariffs Vietnam will enact as a result of its recent membership in the World Trade Organization, and its failure to pass was viewed as a disappointment by the Vietnamese government.

In his address previewing issues he plans to emphasize during his week-long trip, Bush said the United States is serious about helping the region meet the challenges that could undermine its recent record of explosive economic growth. He cited efforts to develop alternative energy sources, fight pandemic diseases such as AIDS and avian flu, and combat terrorism.

Pointing out that the United States does more trade across the Pacific Ocean than across the Atlantic, Bush said he wants his administration to remain deeply involved in the region.

Before his speech, the president met with Singapore's prime minister, Lee Hsien Loong. Accompanied by his wife, Laura, he also visited the Asian Civilizations Museum, where the two listened to a performance of Asian fusion music.

Bush briefly tried his hand at the saron, an instrument similar to a xylophone, tapping out a passable rhythm with a rubber mallet.

The president is scheduled to stay three nights in Vietnam, then visit Indonesia and Honolulu before returning to Washington on Tuesday.

Bush Warns N. Korea On Nuclear Transfers (AP-Y)

By Terence Hunt, Ap White House Correspondent

AP, November 17, 2006

Hurt by election losses back home, President Bush tried to exert his authority on the world stage Thursday by warning a nuclear-armed North Korea against peddling its weapons and vowing the United States would not retreat into isolationism.

Bush's declaration came on the eve of his arrival in Vietnam for a summit of Asia-Pacific leaders and individual meetings with a handful of them — all curious about whether election setbacks had unsettled him. Striking moments for Bush in Hanoi will include a visit Friday to Communist Party headquarters for talks with the party's general secretary.

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Bush directly challenged newly empowered Democrats in the U.S. who are demanding a fresh course in Iraq and are fearful that free-trade agreements could cost American jobs.

"We hear voices calling for us to retreat from the world and close our doors to these opportunities," the president said in a speech at the National University of Singapore. "These are the old temptations of isolationism and protectionism, and America must reject them."

Bush will turn to personal diplomacy in meetings Saturday and Sunday with Russia's Vladimir Putin, China's Hu Jintao, Japan's Shinzo Abe and South Korea's Roh Moo-hyun. All are partners with the United States in talks aimed at persuading a defiant North Korea to abandon its nuclear weapons.

While North Korea's recent nuclear test has been widely condemned, the 21 members of the Asia-Pacific Economic Cooperation forum appeared divided over what to say publicly.

Meanwhile, Secretary of State Condoleezza Rice, who went to Hanoi a day ahead of the president seeking a consensus, said Thursday that North Korea must come to new disarmament talks ready to deal — or there is no point in holding such a session.

"I do think that after having set off a nuclear test that the North Koreans need to do something to demonstrate that they actually are committed to denuclearization that goes beyond words," Rice said. "Because after having set off a nuclear test, there's some skepticism about that."

Bush said the transfer of nuclear weapons or material by North Korea to others would be "a grave threat to the United States and we would hold North Korea fully accountable for the consequences of such action."

"For the sake of peace," he said, "it is vital that the nations of this region send a message to North Korea that the proliferation of nuclear technology to hostile regimes or terrorist networks will not be tolerated."

Bush's visit to the one-time wartime capital of Hanoi brought inevitable comparisons between Iraq and the divisive war fought and lost in Vietnam more than three decades ago. Like Vietnam, the United States faces a determined insurgency in Iraq; both wars have demonstrated the limits of U.S. power.

"Historic parallels of that kind are, I think, not very helpful and I don't think they happen to be right," Rice told reporters on the way to Vietnam. "This is a different set of circumstances with different stakes for the United States in a different kind of war."

Bush is the fourth U.S. president to visit Vietnam, where communist forces prevailed over the United States in a conflict that claimed more than 58,000 American lives. The others were Lyndon Johnson, Richard Nixon and Bill Clinton.

Bush's message in Asia was clear: The United States has been influential there for more than six decades and isn't about to pull back now. Many nations in the region are nervous about the rise of China and how Washington will react.

Despite Bush's tough talk, he was unable to deliver a promised agreement to normalize trade with Vietnam. The accord was held up by a House still in Republican hands, sending a bad signal across Asia about Bush's clout and the future of trade-liberalizing bills in the Democratic Congress taking power in January.

"In this new century," Bush said, "America will remain engaged in Asia, because our interests depend on the expansion of freedom and opportunity in this region."

He said the United States sees its role in Asia, a region with a history of colonialism, as one of "partnership, not paternalism."

In Singapore, the president met with Prime Minister Lee Hsien Loong. He paid a courtesy call on acting President J.Y. Pillay and lauded Singapore's success at integrating its many ethnicities and religions by visiting its Asian Civilisations Museum.

Lee, who often has advised Bush on how to improve the U.S. image, particularly in the Muslim world, seemed pleased with the president's focus. "Singapore is very happy that America has a stake in the region, and is growing the stake in the region," Lee said.

With another foreign-policy priority pending on Capitol Hill — a civilian nuclear pact with India — Bush spoke by telephone from Singapore with Indian Prime Minister Manmohan Singh. The agreement has been approved by the House, and Bush told Singh that Republican Senate leaders have assured him they will act soon.

Bush, In Asia, Makes Appeal On North Korea (NYT)

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By David E. Sanger And Helene Cooper

The New York Times, November 17, 2006

SINGAPORE, Nov. 16 — President Bush opened a five-day tour of Asia today with a warning that North Korea poses a significant risk of selling its nuclear technology or bomb-grade nuclear fuel to other nations or to terror groups. Mr. Bush urged Asian nations to enforce United Nations sanctions against North Korea.

Meanwhile, American officials in Hanoi, where foreign ministers gathered today before the opening of the Asia-Pacific Economic Cooperation meeting on Friday, said that the United States is working with China and other Asian allies to press North Korea to take a visible step towards dismantling its nuclear program.

Secretary of State Condoleezza Rice, speaking with reporters in Hanoi, said that the coming resumption of long-running six-way talks with North Korea over its nuclear program would be pointless without shows of good faith from both sides.

Together, the statements by Mr. Bush and Ms. Rice suggest how much the issue of North Korea's newly acquired nuclear-power status is likely to dominate the APEC meeting, which usually focuses on trade issues.

Speaking at the National University of Singapore, Mr. Bush warned the North Korean government against aiding other nations, particularly in the Middle East, in their pursuit of nuclear weapons. He said there would be unspecified "grave consequences" if North Korea was ever caught shipping nuclear technology or weaponry abroad.

"The transfer of nuclear weapons or material by North Korea to states or non-state entities would be considered a grave threat to the United States, and we would hold North Korea fully accountable for the consequences of such action," Mr. Bush said. "For the sake of peace, it is vital that the nations of this region send a message to North Korea that the proliferation of nuclear technology to hostile regimes or terrorist networks will not be tolerated."

Mr. Bush did not directly mention Iran, but that was clearly the potential customer he had in mind.

Other senior administration officials have said in recent months that they are looking for evidence that North Korea is seeking to expand its dealings with Iran beyond the sale of missile technology. In a recent interview, Ms. Rice said that she had seen no such evidence that the two countries have cooperated in the nuclear arena.

Mr. Bush also sought to reassure American allies and trading partners that the United States was not on the retreat in the Pacific, just as China is rapidly expanding its influence throughout the region.

"In this new century, America will remain engaged in Asia, because our interests depend on the expansion of freedom and opportunity in this region," Mr. Bush said. "We hear voices calling for us to retreat from the world and close our doors to these opportunities. These are the old temptations of isolationism and protectionism, and America must reject them."

In these comments Mr. Bush appeared to be addressing members of his own Republican party who helped kill a deal that would have given control over several American seaport terminal operations to DP World, a company based in Dubai.

Many Republicans have also expressed reservations about free-trade agreements, even as the Bush administration has been pushing to revive stalled global trade talks.

In Hanoi, speaking after a breakfast meeting with some of her counterparts, Ms. Rice refused to say specifically what steps the United States and China are urging North Korea to take before the six-nation talks on its nuclear program resume, saying she did not want to negotiate in the press.

But other American officials said that the steps she had in mind could include the dismantling of one of the North's many nuclear facilities and the readmission of international inspectors.

The officials said they would like to see the dismantling begin with a facility like North Korea's five-megawatt reactor, which is continuing to produce nuclear fuel, or its plutonium reprocessing center, where spent reactor fuel can be turned into material for weapons.

"I do think that after setting off a nuclear test, the North Koreans need to do something to show they're committed to denuclearization that goes beyond words and just saying that they're committed to denuclearization," Ms. Rice said, "because after having set off a nuclear test, I think there's some skepticism about that."

Ms. Rice acknowledged that the United States will have to give a little to get a little. "There are principles on both sides, on denuclearization, and on movement toward the easing of tensions in economic and other relations" she said. "So I think, obviously, people will want to look at both."

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But the main topic on the minds of American officials was on how to put enough pressure on the regime in Pyongyang to get real results out of the next round of negotiations.

That has been the rub in the disarmament talks, which have dragged on fitfully and inconclusively for several years before North Korea started boycotting them more than a year ago, angry over newly imposed American financial sanctions. Two weeks ago, China announced that the six-nation talks, which als include Russia, Japan and South Korea, would reconvene soon; American officials said at the time that the next meeting was likely in November or December.

But Kim Jong-il, the North Korean leader, is now known to have accelerated his pursuit of nuclear weapons even while his envoys participated in earlier rounds of talks. .Some analysts suspect that he has agreed to resume the talks now simply to forestall tough enforcement of the international sanctions prompted by Pyongyang's nuclear test and recent missile tests, and to persuade China and South Korea to ease his government's growing economic woes.

In fact, earlier this week, South Korea said it would not join a United States-led effort to intercept North Korean ships suspected of carrying unconventional weapons or related cargo. Even after the nuclear test, the government in Seoul has continued to hew to its policy of avoiding confrontation with the North.

Asked about that policy in Hanoi, Ms. Rice refused to publicly criticize South Korea. "Their context is different," she said, later adding that she did not have "any doubt that they are committed, and know they have to stay committed."

Privately, though, American officials have expressed frustration with South Korea, and say they are well aware of growing skepticism about whether the talks will succeed.

"The issue is, we really need this next round to be successful" and yield concrete results, one senior United States official said. "We can't emerge saying we set up a working group."

Given that friction, a face-to-face encounter between Mr. Bush and President Roh Moo-hyun of South Korea at the APEC meeting may well turn testy. Mr. Roh has been vocal in criticizing what he has called a one-sided American approach to North Korea.

American officials say that Mr. Roh told them in Washington before the nuclear test that a detonation by the North would "change everything" in inter-Korean relations. But now that it has happened, one of Mr. Bush's senior national security aides said in Washington before the president left, "It seems to have changed almost nothing."

Mr. Bush arrived this morning here in Singapore, one of Asia's most prosperous corners, and spent the day sightseeing and meeting with local leaders, including Singapore's prime minister, Lee Hsien Loong. The president's visit is seen as a gauge of whether his influence has been diminished by his party's sweeping defeat in the midterm elections last week.

Stopping over in Moscow Wednesday while his aircraft refueled, Mr. Bush and his wife, Laura, had a 90-minute visit with President Vladimir V. Putin, which the White House described as largely social.

But it included some exchanges about whether Russia would support a United Nations Security Council draft resolution imposing sanctions on Iran for its continued defiance regarding its nuclear program.

On the way here, Mr. Bush's national security adviser, Stephen Hadley, acknowledged that the two countries were still far apart on such sanctions.

"The issue is just what should be in the resolution," Mr. Hadley said after talking to his counterpart, Igor Ivanoff, in Moscow. "It's a little bit like sausage making — it's not pretty, and a lot of it spills out into the public. But I think the international community has held together on this issue, and I think we will again."

Russia has deep economic ties to Iran's nuclear power program: it is the supplier of nuclear reactors that are now under construction there. And Russia has expressed reluctance to impose sanctions, saying they would undercut efforts to reach a negotiated settlement. Bush administration officials make little secret of their frustration that Iran is still enriching uranium as the year draws to a close.

Asked about seeking Iran's help with ending violence in Iraq while pressing it at the same time on the nuclear issue, Mr. Hadley said the administration had no intention of easing up on one to win Iran's help on the other. "There's not a tradeoff between the two," he said. "Iran ought to have an interest in having a unified and stable Iraq."

In Moscow, the Kremlin's spokesman, Dmitry Peskov, described the meeting of the presidents and their wives as brief but "very positive." He said that among the subjects they took up was an agreement, already announced, for Russia to enter the World

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Trade Organization. When Mr. Bush travels to Hanoi on Friday, he will face a more difficult trade issue: Congress balked at final passage of a bill that would normalize trade relations with Vietnam.

Mr. Bush had hoped to have that bill approved and ready to bring with him; instead, Mr Hadley said, he will tell the Vietnamese that he believed the problems in Congress over the matter — some with Bush's own Republican allies — will soon be resolved.

Vietnam Rolls Out Red Carpet For Bush (FT)

By Amy Kazmin And Caroline Daniel

Financial Times, November 17, 2006

Vietnam's communist rulers will on Friday suppress their irritation at the US rejection of a trade bill and roll out a red carpet for President George W. Bush. They are keen to deepen a relationship crucial to their country's future prosperity.

But the second US presidential visit since the end of the Vietnam war has spawned little of the public enthusiasm generated by Bill Clinton's ground-breaking trip six years ago.

As a Hanoi National University student at the time, Huy, now a 28-year-old IT professional, was thrilled to be among several hundred students invited to hear the then US president speak.

But as he sipped espresso and surfed the internet at a Hanoi café on Thursday night, Mr Huy expressed indifference towards Friday's arrival of Mr Bush. Initially describing his opinions as "too sensitive" to share, Mr Huy, who asked that his full name not be used, admitted he was unhappy with Mr Bush's decision to go to war in Iraq. "He is fighting so many countries," he said. "In the past, we were fighting so much, so we like peace. We hate war."

Such lukewarm sentiment towards the White House's current occupant seems widely shared on the streets of Hanoi, where questions about Mr Bush's visit are met with platitudes, rather than genuine enthusiasm. "We welcome Mr Bush as our visitor," said a young employee of a securities company, before acknowledging, "I liked Mr Clinton so much more."

The apathy over the visit does stem in part from a visceral antipathy towards the US military intervention in Iraq. Yet the striking change in attitude also reflects Vietnam's economic progress – and rising self-confidence – since euphoric Vietnamese lined the roads to welcome Mr Clinton, a gesture of an overwhelming desire to bury past enmity once and for all.

"It's comparing apples and oranges," said Adam Sitkoff, a former Clinton staffer, now executive director of the American Chambers of Commerce in Hanoi. "The Clinton visit was the first post-war visit by a US president, and it was back at a time when Vietnam hadn't integrated into the world economy as much.

"George Bush is coming here to see a Vietnam that is now a friendly country of the US, and that has normalised relations with the US," he said. "The types of discussions he is going to have here are very different than the types of discussions Mr Clinton had here."

Mr Bush's schedule – devoted primarily to meeting other leaders attending the Asia-Pacific Economic Co-operation forum summit – also suggests the administration sees little symbolism in the visit.

While a US administration official said Mr Bush did hope to "open a new chapter in US-Vietnam relations", the failure of the US House of Representatives to approve a bill to normalise trade relations with Vietnam permanently has cast a symbolic shadow over the visit, and raised the prospect that Hanoi will join the World Trade Organisation with US companies unable to take full advantage of its market opening.

Still, Hanoi is keen to strengthen further its relationship with Washington, which is better than ever before. Although two-way trade is now at $9bn (€7bn, £4.8bn) – making the US Vietnam's largest trading partner – "the potential re-mains huge between the two countries," Nguyen Tang Dung, the Vietnamese premier, said. "It is the consistent policy of the government of Vietnam to move forward, and push relations with the Americans."

Washington, too, is also keen to explore how to further links with a country strategically located on China's southern border, despite its concerns about the communist-ruled country's lack of political freedom and human rights violations.

Hanoi has sought to address some of Washington's preoccupations, particularly on religious freedom, leading to its removal this week from Washington's list of countries that repress religious worship.

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Hanoi and Washington have also recently begun tentative military-to-military co-operation – with US warships docking at Vietnamese ports and senior Vietnamese military officers going to the US for study and training. "There is, I think, overall a very good sense that Vietnam is moving on the right path, that we ought to be engaged on it," said Derek Mitchell, a senior fellow in international security at the Center for Strategic and International Studies.

Yet the administration is torn over how far to pursue the ties, given what Washington sees as a clash over some key values. As Mr Mitchell puts it: "There is a debate within the administration, of course, of how strategic can Vietnam be, given it is 'communist Vietnam'."

Seoul Backs UN Vote Attacking N Korea (FT)

By Anna Fifield

Financial Times, November 17, 2006

South Korea on Thursday said it would vote in favour of a United Nations resolution condemning North Korea for its human rights record, an about-face from its traditional practice of avoiding antagonising its neighbour.

The shift comes as Ban Ki-moon, the former foreign minister, prepares to take over the running of the UN, a move that has contributed to Seoul's realisation that it cannot stay silent about what it sees as one of the world's worst human rights situations.

The General Assembly was expected to vote late on Thursday on the resolution drafted by the European Union, the US, and Japan that urges Pyongyang to "fully respect all human rights and fundamental freedoms, and expend its full co-operation to the [UN's] special rapporteur" on North Korean human rights.

South Korea's foreign ministry said: "The government has decided to approve the resolution, and expects the decision to make contributions to the improvement of human rights as a universal value and serve as a stepping stone to facilitate concrete dialogue and co-operation between North Korea and the international community in the field of human rights, which is needed more urgently after the nuclear test."

Song Min-soon, the incoming foreign minister, said on Thursday that the nuclear test and missile launches contributed to the change in position. Meanwhile, Kim Jang-soo, the incoming defence minister, said that "North Korea is a direct threat", according to the Associated Press.

Seoul abstained from three previous UN votes on North Korean human rights to avoid jeopardising its attempts to foster closer economic and political ties with its neighbour, a pattern that irked many in the EU and the US who have been pushing for international condemnation of Pyongyang's rights record.

The development comes amid public dissatisfaction with the government's "sunshine policy" of engagement after last month's nuclear test and increasing divisions among policymakers over how to respond.

Officials in the foreign ministry are understood to be promoting taking a tougher line on human rights but to be encouraging the resumption of humanitarian aid suspended after the July missile launches.

US Panel Seeks Broader Sanctions Against China (AFP)

By P. Parameswaran

AFP, November 17, 2006

A US Congress-appointed panel sought broader sanctions against Chinese firms proliferating unconventional weapons and wanted Beijing to inspect ships plying to or from nuclear-armed North Korea's ports.

The United States-China Economic and Security Review Commission said in its annual report that current sanctions against Chinese companies that proliferate equipment and technology related to weapons of mass destruction should be "broadened and harmonized for increased effectiveness."

The 12-member bipartisan panel wanted Congress to urge the government "to seek agreement with China to carry out inspections at sea of ships bound to or from North Korean ports, and establish a US-China joint operation to inspect for contraband shipping containers" to or from the Stalinist state.

They were among 44 recommendations in the commission's 234-page report to Congress. It was written after eight hearings this year and a flurry of meetings, including with US defense and Chinese government and Communist Party officials and scholars.

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Noting that China had contributed at least indirectly to North Korea's nuclear weapons program and aided Iran's atomic activities, the commission warned that "Chinese proliferation threatens US security and potentially could place at risk US troops" operating in East Asia and the Middle East.

In June, the United States imposed sanctions on four Chinese companies linked to providing support for Iran's Aerospace Industries Organization, a key actor in developing Iran's missile program.

All of the firms had been sanctioned previously under US laws.

"Chinese companies and government organizations continue to proliferate weapons, weapons components and weapons technology," the report said.

"Some of these transfers violate China's international nonproliferation agreements, harm regional security in East Asia and the Middle East, and are a measure of China's failure to meet the threshold test of international responsibility in the area of nonproliferation," it said.

Following UN Security Council sanctions in October against North Korea for a nuclear weapons test, China said it would not be involved in interdicting North Korean ships on the open seas, but did agree to inspect cargo passing through its territory.

Washington has acknowledged that China has begun inspecting trucks traveling across China's border to North Korea.

The commission's chairman, Larry Wortzel, in releasing its report Thursday, said that "while China is a global actor, its sense of responsibility has not kept up with its expanding power."

As the world moved to address problems such as proliferation of ballistic missile technology and weapons of mass destruction, "the Chinese government has, at the least, stood in the way, and in some cases actively contributed to the underlying problems," said commission vice chairman Carolyn Bartholomew.

The commission urged Congress to instruct the US government to insist that China take "more significant measures" to denuclearize the Korean peninsula and counter North Korean proliferation activities.

China is the major source of aid and trade for impoverished North Korea.

The commission also asked the US director of national intelligence to establish a more effective program for assessing the implications of China's military modernization and development.

The report said that notwithstanding China's "commendable efforts" to persuade North Korea to remain involved in multilateral talks aimed at ending Pyongyang's nuclear weapons program, Beijing has "refused to use its leverage effectively."

It said that China also had refused to cooperate in efforts by a number of nations to persuade or force Iran to halt its military nuclear program.

Attach Conditions To U.S.-Vietnam Trade (USAT)

By Aimee Phan

USA Today, November 17, 2006

For many Vietnamese-Americans, a trial last week in Vietnam was their worst nightmare realized.

Three Vietnamese-Americans were convicted on terrorism charges last Friday. Along with four Vietnamese nationals, they were found guilty of plotting to use radio equipment to call for a public insurgency against the Communist regime. The defendants were accused of having ties with the Government of Free Vietnam, which Hanoi regards as a terrorist organization. According to its website, the California-based pro-democracy group claims to advocate peaceful protest against the current regime.

What does the verdict say to other Vietnamese-Americans, many of whom have returned on occasion to visit their homeland? It says that should they return again to Vietnam, even for a visit, that they remain vulnerable to the whims of the Communist regime.

The defendants were sentenced to 15 months with 14 months time served. One of the American citizens has already been deported to the USA; the nationals will remain under house arrest.

The trial's timing has drawn global attention, especially because President Bush is scheduled to visit Hanoi today for the Asia-Pacific Economic Cooperation Summit. On Monday, the House defeated a bill that would have permanently eased U.S.

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trade restrictions against Vietnam. While Republicans plan to revive the bill, several members of Congress have cited concerns about Vietnam's record on human rights.

The case gives the Bush administration an opportunity to leverage trade relations with Vietnam in exchange for improved human rights policies. The fact that these defendants were held for more than a year before being charged, without chance of bail or access to the evidence used against them, only validates fears among Vietnamese-Americans that Vietnam is still a hostile environment and doesn't yet deserve normalized relations with the United States. The case also raises the question of what constitutes an act of terrorism. In Vietnam today, terrorism apparently includes merely voicing a view critical of the government.

In its eagerness to join the World Trade Organization and strengthen U.S. ties, Vietnam claims to have moved past the war. But such rhetoric rings painfully insincere in light of this case. Views of dissent are apparently still seen as dangerous.

Vietnamese refugees made the USA their home to escape the political persecution that still occurs in Vietnam. Now they'd like to see the United States use its diplomatic influence to press Vietnam to reconsider these detrimental policies.

Aimee Phan is author of We Should Never Meet and an assistant English professor at Washington State University in Pullman, Wash.

U.S. Economic Leadership (WP)

The Washington Post, November 17, 2006

THE ANNUAL summits of the Asia-Pacific Economic Cooperation forum became a fixture in the 1990s partly because the United States hoped to use them to open Asian markets. But President Bush's presence in Vietnam for this year's APEC gathering highlights faltering U.S. economic leadership. Mr. Bush hoped to arrive bearing Congress's blessing for Vietnam's accession to the World Trade Organization. But this prize has eluded him. Meanwhile, the APEC summit has rekindled hopes of progress on the Doha round of international trade talks. But the U.S. ability to participate constructively in those talks will soon expire, because Mr. Bush's trade-promotion authority runs out next summer. A Democratic Congress seems unlikely to renew it.

The Vietnam deal in particular demonstrates the perversity of congressional obstructionism on trade. U.S. negotiators have helped to secure access to Vietnam's markets as a condition for its joining the World Trade Organization. The negotiation is complete, and Vietnam will join the WTO irrespective of what Congress says. But Congress does have the power to shoot itself in the foot: If it refuses to ratify the deal, other WTO members will enjoy the market access that Vietnam has promised while the United States is denied it. An attempt to pass enabling legislation failed in the House this week, and a second attempt was pushed into December.

Congress is also sending confused signals on a trio of trade preferences due for renewal. One preference bill would extend trade concessions to four Andean countries -- Colombia, Peru, Bolivia and Ecuador -- that will otherwise expire at the end of this year. Another would help textile producers in Africa and Haiti. Yet a third would extend the Generalized System of Preferences, which helps more than 100 countries. Colombia's president, Alvaro Uribe, said last week that the risk of nonrenewal has already caused U.S. apparel companies to switch orders away from his country. Colombia is a pro-American democracy struggling against drug lords. This is not the way to treat it.

The preference bills are threatened by a minority in Congress who represent vulnerable textile regions and a majority that is supportive but lethargic. But even if Congress eventually bestirs itself to pass these measures, a fiercer battle will be joined on free-trade pacts that Mr. Bush has negotiated with Peru and Colombia. Both deals build on the market access granted by the preferences and end the periodic scramble for renewal; both would offer the United States new export opportunities. But the Democrats want to use their new majority status to write in tougher labor and environmental provisions. Reopening these deals will delay and possibly kill them, and the premise for doing so is wrong: The elected leaders of Peru and Colombia don't need the threat of trade sanctions to care about environmental damage or harsh labor practices that affect their citizens. By holding up trade deals that could raise living standards and provide alternatives to slash-and-burn agriculture, the Democrats will help neither workers nor the environment.

The world's trading system has been progressively opened since 1945, largely thanks to U.S. leadership. This has been one of the great achievements of the American era; denying the economic evidence that trade boosts growth is like denying the

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scientific evidence for climate change. Because the expansion of trade has coincided with a rise in inequality, many American voters are understandably skeptical of its benefits. But the Democrats must respond to that concern by implementing tax and spending policies that distribute prosperity more evenly, not by abandoning the nation's role as the chief driver of trade liberalization.

Russia's Role In Asia (WT)

By Vladimir Putin

The Washington Times, November 17, 2006

Since 1998, Russia has been a full-fledged member of the Asia-Pacific Economic Cooperation (APEC). In the run-up to the APEC summit in Vietnam, I would like to share my views about the road traveled by this multilateral association and, naturally, about the prospects for our cooperation.

In the 17 years since the creation of the forum, it has grown into one of the most representative and established organizations to promote integration in Asia and the Pacific. Today, APEC member nations comprise the world's most dynamically developing economic zone, and our experts predict that the forum's leading positions will become even stronger.

As a Eurasian power, Russia's plans for social and economic development (particularly in Siberia and the Far East) are closely linked with active participation in regional integration. For us this is a natural and strategically necessary approach.

First of all, we appreciate APEC's expertise in working out rules for trade, economic and investment cooperation. Needless to say, cooperation in this sphere is largely guided by World Trade Organization criteria. Russia has not yet joined the WTO, but we closely watch its activities and take part in them whenever possible, specifically by joining in efforts to reduce transaction costs and excessive state regulation of the economy, and to improve national economic legislation.

We understand APEC's goals of consolidating the fundamentals of the market economy and invigorating public-private partnership with a view to encouraging medium-sized and small businesses and promoting social development. We are very interested in the formation and proper functioning of various free trade zones within APEC. We are thoroughly studying APEC countries as models for improving our domestic investment environment, as well as their experience in fighting corruption. They are of practical importance for our reforms, which are aimed at building up and diversifying Russia's foreign economic contacts.

We fully share the economic and social aspirations of APEC's members. In this respect, we value the forum's assessment of Russia's individual action plan in APEC.

At the upcoming summit in Hanoi, we are going to discuss a plan of action to implement the already approved "roadmap" for achieving the Bogor goals. We have high expectations for this project, and we hope that it will become a major step towards building a system of free and open trade and investment in the region.

At the same time, it is obvious that the road to achieving these goals is not as easy as it might have seemed during the adoption of the Bogor Declaration and the Osaka Action Plan. We are well aware of changes in the world's political and economic situation and of new challenges. The latter, by threatening international security and stability, hinder normal economic development both worldwide and in individual regions. The APEC forum and its members should take into account these ongoing changes. I believe it is necessary to avoid a situation in which the rigid formulas set for the Bogor Declaration contradict the logic of global development and the real potentialities of the APEC economies.

APEC was formed primarily as an economy-focused multilateral mechanism, but real life is continuously placing issues of international and regional politics on its agenda.

One of its key goals is countering international terrorism. The APEC members and other countries of Asia and the Pacific are at different levels of development. It is no secret that terrorists are actively seeking a "temporary shelter" in some of the less prosperous regions. Therefore, along with measures to eliminate hotbeds of terrorism, it is essential to completely eradicate the social roots of terrorism — poverty, hunger and chronic unemployment. In general, it is important to bridge the gap in the social and economic development of nations.

I am convinced that APEC will provide us with quite a few opportunities to achieve this goal. We must help the poorest countries in their efforts to encourage public-private partnership, investment and other economic activities. To this end, APEC

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should primarily use its own funds, as well as money provided by international organizations and financial institutions for specific projects.

The humanitarian and ideological aspects of the struggle against terrorism are no less important. APEC's initiative to promote dialogue between cultures and religions is especially significant in this respect. Asia and the Pacific is a region of unique cultural and ethnic diversity, and it should develop immunity to the ideology of confrontation between civilizations, as well as to nationalism and extremism. I am certain that APEC's spirit of trust, tolerance and partnership will help fulfill this task. I believe it is highly symbolic that Indonesia and Russia, with their unique multi-ethnic populations professing different religions, have played a major role in drafting this initiative.

It is necessary to continue efforts to eliminate funding for terrorism. APEC has been clear enough in setting this goal, which is further evidence of its ability to adapt itself to the realities of today. I would like to emphasize Russia's preparedness to take an active part in working with its partners to reach this goal.

We are also open to cooperation with APEC in the fight against organized crime, drug trafficking and arms smuggling. I am sure that our countries' law-enforcement bodies can do more than simply exchange relevant information. We should plan and implement coordinated actions against criminals.

It is extremely important to ensure the security of transportation and information. This is one of the major conditions for trade and telecommunications, which are vital for the vast Asia-Pacific region. Governments and the business community are equally interested in ensuring their normal functioning and dependable protection against criminals.

Russia recently made a specific contribution to cooperation in this sphere by putting forward an initiative in the framework of APEC's counterterrorism task force. This proposal calls for creating a system to protect key energy facilities that would allow for a prompt response to emerging threats.

International energy security plays a key role in economic development. We acknowledge that this is an urgent matter for many APEC members due to rising global oil prices.

As a major supplier of energy to world markets, Russia is open to cooperation in this sphere. We are convinced that the terms should be beneficial for all partners. They should rest on the mutual responsibility of energy producers and consumers, a fair distribution of risks between them and an exchange of assets in the energy sector. I'd like to mention that the plan of action approved at the Group of Eight (G-8) summit in St. Petersburg provides for measures to enhance the transparency, predictability, and stability of energy markets, and to improve the investment climate as a whole. Along with these measures, it is important to develop energy-saving technologies, and to diversify types of energy sources and their transportation routes. It is also necessary to take practical steps to ensure the safety of the energy infrastructure, help energy-starved countries and tackle environmental problems.

All these issues are particularly important now that APEC is increasingly interested in having a new, more reliable energy system. Russia is prepared to take an active part in implementing this large-scale initiative. Moreover, we are going to propose and implement a number of specific infrastructure projects, specifically, the construction of oil and gas pipelines to supply Asia and the Pacific with hydrocarbons from eastern Russia. I believe that APEC has the capability to guarantee continuous delivery of energy to the region.

In addition, cooperation in APEC opens up new possibilities in the fight against infectious diseases. It is in our common interest to establish an effective system for exchanging information and making coordinated decisions in order to combat epidemics and pandemics. We fully support the development of an APEC partnership to create an early-warning system for emergencies in the region and jointly deal with their aftermath.

We are extremely interested in APEC's interaction experience in innovation, especially in developing nanotechnologies and exchanging information in such high-tech areas as IT and biotechnologies. Russia is committed to invigorating cooperation in these and other spheres, which will determine scientific and technical progress in the near future. It goes without saying that the APEC nations should pay greater attention to the development of cooperation in education.

In conclusion, I'd like to emphasize that we are optimistic about APEC's future. We are capable of meeting new challenges and steadily moving towards our common development goals. The main topic of the forthcoming summit in Vietnam — "building a dynamic community for sustainable development and prosperity" — clearly shows the direction of this movement.

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Russia, having made the important decision to work with APEC, intends to take a vigorous part in addressing future challenges together with other members.

I am convinced that APEC, which has already achieved impressive results, is capable of accomplishing much more for the benefit of our nations and for the promotion of peace, stability and progress in our shared region.

Vladimir Putin is president of Russia.

Don't Give Up On Russia (WP)

By Jim Hoagland

The Washington Post, November 17, 2006

For George W. Bush, meeting Vladimir Putin is no longer an uplifting opportunity to look into the Russian leader's eyes and glimpse a kindred soul. Their encounters have become exercises in damage limitation or unavoidable bits of scheduling during international conferences.

In private talks with aides and foreign leaders in recent months, Bush has voiced profound disillusionment with Putin, according to a half-dozen foreign and U.S. officials aware of the details of such conversations.

"We have lost Putin," Bush is reported to have said in several conversations. "Putin fears democracy more than anything else," the president added sadly in one comment describing the Russian, whom Bush had praised enthusiastically after their first summit in June 2001 as "straightforward and trustworthy" and a partner for "a new approach for a new era."

Bush and his aides work hard to observe diplomatic formalities and to keep signs of this disillusionment out of public view. So the two leaders exchanged smiles and a hug when Bush briefly stopped over in Moscow this week on his way to the Asia-Pacific Economic Cooperation summit in Hanoi, where Bush and Putin are due to meet again on Sunday.

But the thrill is gone -- just as earlier attempts by Bush's father and Mikhail Gorbachev, and by Bill Clinton and Boris Yeltsin, to base White House-Kremlin ties on personal relations ended in disappointment and frustration on both sides. American and Russian presidents seem condemned to challenge and then confirm the maxim that nations have interests, not friends.

As recently as May -- when Vice President Cheney delivered a forceful but seemingly personal denunciation of Russia's backsliding on democratic freedoms -- Bush was still emphasizing the need to work with Putin. But by the time of the Group of Eight summit hosted by Putin in July, Bush had begun to echo in private Cheney's darker public vision, and he amplified on it later in closed-door sessions held in September at the opening session of the U.N. General Assembly and elsewhere.

And when Putin cavalierly dismissed the assassination of Russian dissident journalist Anna Politkovskaya last month, Bush made his own statement of concern about the killing rather than let an earlier, weaker State Department reaction stand as the U.S. response.

The turn by Bush has been cumulative rather than sudden, as I understand it, and is fueled primarily by the president's reluctant but hardening conviction that Putin has no desire or intention to make Russia's society more democratic. Russian equivocation on the joint U.S.-European effort to prevent Iran from developing nuclear weapons is another important factor in the downturn.

It is easy to understand why Bush has dropped his earlier enthusiasm for Putin. But Washington and Moscow have two looming opportunities to put political and trade relations on a sounder footing and make their relationship less vulnerable to personal ups and downs.

At the NATO summit in Riga, Latvia, at the end of this month, Bush may be tempted to go back on a tentative compromise that Washington has struck with its European and Canadian allies concerning future alliance membership for Georgia and Ukraine. The United States has agreed not to push for the meeting to adopt a clear membership plan for the two former Soviet republics and to settle instead for a more cosmetic "intensified dialogue" with Georgia and silence on Ukraine.

The compromise still makes sense. Cooling the escalating tensions between Russia and Georgia should be the urgent priority, especially after Georgia's unsteady handling of recent border incidents and the publicizing of the discovery of a bumbling Russian spy ring in Tbilisi. The collapse of Ukraine's reform government robs that country of any national consensus on NATO membership.

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The second opportunity will provide an early test in foreign policy for the new Democratic majorities in the U.S. House and Senate. The administration has reached a bilateral agreement with Russia on the latter's application to join the World Trade Organization. But Congress must drop the symbolic Cold War restrictions on trade contained in the 1974 Jackson-Vanik law for the new accord to come into effect.

Jackson-Vanik, which attempted to exert pressure on the Soviet Union to permit Jewish emigration to Israel, is a carryover from a time gone by. Its sentimental value is far less than the irritation it creates in a relationship that needs more ballast, not more burrs.

Bush's clearing vision of Putin's flaws and the American leader's candor with his peers are welcome developments. But they make it even more important for the United States and Russia to seize opportunities that reinforce a relationship that cannot for long be dominated by personal ties. Just ask George H.W. and Gorby, or Bill and Boris.

Nuclear Deal With India Wins Senate Backing (NYT)

By Thom Shanker

The New York Times, November 17, 2006

WASHINGTON, Nov. 16 — The Senate gave overwhelming approval late Thursday to President Bush's deal for nuclear cooperation with India, a vote expressing that a goal of nurturing India as an ally outweighed concerns over the risks of spreading nuclear skills and bomb-making materials.

By a vote of 85 to 12, senators agreed to a program that would allow the United States to send nuclear fuel and technology to India, which has refused to sign the Nuclear Nonproliferation Treaty.

The agreement, negotiated by President Bush and Prime Minister Manmohan Singh of India in March, calls for the United States to end a long moratorium on sales of nuclear fuel and reactor components. For its part, India would divide its reactor facilities into civilian and military nuclear programs, with civilian facilities open to international inspections.

Critics have been unwavering in arguing that the pact would rally nations like North Korea and Iran to press ahead with nuclear weapons programs despite international complaints and threats. Opponents of the measure also warned that the deal would allow India to build more bombs with its limited stockpile of radioactive material, and could spur a regional nuclear arms race with Pakistan and China.

Senator Richard G. Lugar, the Indiana Republican who is chairman of the Foreign Relations Committee, hailed the measure's passage as "one more important step toward a vibrant and exciting relationship between our two great democracies."

His endorsement was significant, coming from a senator respected for efforts in nonproliferation and whose name is part of a sweeping program to secure nuclear bomb-making materials in the former Soviet Union. He also expressed "thanks for a truly bipartisan effort" to Senator Joseph R. Biden Jr., the Delaware Democrat set to become Foreign Relations chairman in the new Congress.

While advocates of the measure said it would be an incentive for India to refrain from nuclear tests, denunciations came quickly from a minority of senators who opposed it, as well as from critics in the House.

"It is a sad day for U.S. national security when the Senate passes a sweeping exemption to our nonproliferation laws that will allow India to increase its annual bomb-production capacity from 7 to over 40 bombs a year," said Representative Edward J. Markey, co-chairman of the House Bipartisan Taskforce on Nonproliferation. He said the measure "sends the wrong signal at a time when the world is trying to prevent Iran from getting the bomb."

After the vote, the White House issued a statement from President Bush praising passage of the bill.

"The United States and India enjoy a strategic partnership based upon common values," the statement said. "The U.S.-India Civil Nuclear Cooperation agreement will bring India into the international nuclear nonproliferation mainstream and will increase the transparency of India's entire civilian nuclear program."

The Senate rejected several amendments that sponsors said would clarify or narrow the deal, including one that would have required India to halt all military relations with Iran. The legislation, as passed, does contain a new provision that requires the president to declare that India has joined multinational efforts to contain Iran's nuclear program before the United States-India nuclear deal moves forward.

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The Senate legislation now must be matched to the House version, which passed in July by a vote of 359 to 68; both chambers then must approve the final language. Even with Senate approval, the package will not move forward until both houses agree to specifics of a nuclear-cooperation accord with India. A complementary deal between India and the International Atomic Energy Agency also must be reached.

When the plan was announced, India pledged to classify 14 of its 22 nuclear reactors as civilian facilities. That would put those reactors under international inspections for the first time. But other reactors would remain under Indian military jurisdiction, and not open to inspectors.

After India and Pakistan conducted surprise nuclear tests about eight years ago, the Clinton administration imposed economic sanctions on both countries. But the Bush administration's effort to enlist allies for its global antiterrorism campaign brought an end to those sanctions.

Senate Endorses U.S.-India Nuclear Deal (AP-Y)

By Foster Klug, Associated Press Writer

AP, November 17, 2006

The Senate on Thursday overwhelmingly endorsed a plan allowing the United States to ship civilian nuclear fuel and technology to India, handing President Bush an important victory on one of his top foreign policy initiatives.

Senior lawmakers from both political parties championed the proposal, which reverses decades of U.S. anti-proliferation policy, saying it strengthens a key relationship with a friendly Asian power that has long maintained what the United States considers a responsible nuclear program. The vote was 85-12.

Sen. Richard Lugar, R-Ind., called the plan "a lasting incentive" for India to shun future nuclear weapons tests and "to cooperate closely with the United States in stopping proliferation."

Bush, in a statement issued during a trip to Asia, praised the Senate for endorsing his plan, saying it will "bring India into the international nuclear nonproliferation mainstream and will increase the transparency of India's entire civilian nuclear program."

His remarks were echoed by Secretary of State Condoleezza Rice, in Vietnam with the president for a meeting of Asia-Pacific leaders. "This really does open up an extraordinary new era, both in U.S.-Indian relations, but also I think for the many interests that will served, from the economic point of view, from an energy point of view and from a nonproliferation point of view," she said.

Democratic Sen. Joseph Biden of Delaware said the endorsement pushes America "a giant step closer" to a "major shift in U.S.-Indian relations. "If we are right, this shift will increase the prospect for stability and progress in South Asia and in the world at large," he said.

Even with the strong approval by the Senate, however, several hurdles loom before India and the United States could begin civil nuclear trade.

First on that list, lawmakers in the House, which overwhelmingly endorsed the plan in July, and the Senate must now reconcile their versions into a single bill before the next congressional session begins in January. That bill would then be sent to Bush for his signature.

Critics argued that the plan would ruin the world's nonproliferation regime and boost India's nuclear arsenal. The extra civilian nuclear fuel that the deal would provide, they say, could free India's domestic uranium for use in its weapons program. Pakistan and China could respond by increasing their nuclear stockpiles, sparking a regional arms race.

Sen. Byron Dorgan, D-N.D., called the agreement "a horrible mistake" that "provides a green light" for India to produce more nuclear weapons. "I believe one day we will look back at this with great regret," he said.

During debate Thursday, supporters beat back changes they said would have killed the proposal by making it unacceptable to India. Critics said the changes were necessary to guard against nuclear proliferation.

Sen. Barbara Boxer, D-Calif., unsuccessfully proposed a condition that would have required India to cut off military-to-military ties with Iran before allowing civil nuclear cooperation.

Rep. Ed Markey of Massachusetts, a Democratic critic in the House, said the Senate's endorsement of the proposal "sends the wrong signal at a time when the world is trying to prevent Iran from getting" a nuclear bomb. The plan, he said, would set "a

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precedent that other nations can invoke when they seek nuclear cooperation with countries that also refuse to abide by nonproliferation rules."

The bill carves out an exemption in American law to allow U.S. civilian nuclear trade with India in exchange for Indian safeguards and inspections at its 14 civilian nuclear plants; eight military plants would be off-limits.

Congressional action is necessary because U.S. law bars nuclear trade with countries that have not submitted to full international inspections. India built its nuclear weapons program outside the Nuclear Non-Proliferation Treaty, which provides civil nuclear trade in exchange for a pledge from nations not to pursue nuclear weapons.

There are other necessary steps before U.S.-Indian nuclear cooperation could begin. An exception for India must be made by the Nuclear Suppliers Group, an assembly of nations that export nuclear material. Indian officials also must negotiate a safeguard agreement with the U.N. nuclear watchdog.

And once technical negotiations on an overall cooperation agreement are settled between India and the United States, the U.S. Congress would then hold another vote on the overall deal.

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On the Net:

Roll call votes: http://thomas.loc.gov/home/rollcallvotes.html

US Senate Approves India Nuclear Deal (FT)

By Jo Johnson And Farhan Bokhari And Edward Luce

Financial Times, November 17, 2006

The US Senate on Thursday night approved the Bush administration's historic deal to legalise nuclear trade with India, an important step in the ending of a 30-year-old technology denial regime.

The deal was approved in a 85-12 vote after the Republican-led Senate defeated several amendments that India had said would kill the deal, including a requirement that New Delhi end military cooperation with Iran.

Several more critical approvals - by Congress, the International Atomic Energy Agency and the 45-nation Nuclear Suppliers Group - are needed before the agreement can take effect. But the Senate vote means India is getting closer to being able to purchase US nuclear fuel, reactors and related technology.

The approval came despite concerns that the deal would encourage India to expand its nuclear weapons arsenal and spur a regional arms race with nuclear rivals Pakistan and China.

Washington is especially concerned that China's President Hu Jintao will give the green light to an ambitious expansion of Beijing's controversial nuclear co-operation with Pakistan during his visit to Islamabad next week.

The delicacy of south Asia's nuclear balance was underscored on Thursday as Pakistan test-fired a nuclear capable medium-range missile, a day after peace talks with New Delhi.

The medium-range missile, which can hit targets at a distance of 1,300km, was launched to mark the end of military exercises being held at an undisclosed location, an army statement said. Pakistani army chiefs described the test as routine.

Under the US-India accord, reached during President George W. Bush's visit to India this year, New Delhi would be allowed access to US civilian nuclear technology in return for a pledge to open its non-military nuclear facilities to international inspections.

However, Manmohan Singh, India's prime minister, on Thursday reiterated New Delhi's concern that elements of the bill would be unacceptable to New Delhi. The bill would allow members of the Nuclear Suppliers Group to provide nuclear fuel to India in exchange for India agreeing to submit most of its civil nuclear plants to international safeguards.

Washington has rejected Pakistan's requests for similar treatment to India, with Mr Bush describing the two rivals as "different countries with different needs and different histories".

Islamabad has been pushing for a similar deal from China for well over a year, but there remain doubts as to whether Beijing will risk international goodwill by supplying fresh technology to a country with the weakest of proliferation records.

China has helped Pakistan build two nuclear energy reactors at Chashma in the Punjab province, while an older Canadian-supplied nuclear energy reactor exists in Karachi, the southern port city. Western officials say Pakistan has

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successfully built up other nuclear facilities near Islamabad, the capital and at locations in the Punjab, where it produces fissile material for use in nuclear warheads.

A Pakistani official said future supplies of nuclear reactors from China would come with safeguards according to international standards applied by the Vienna based International Atomic Energy Agency.

"If the US can supply nuclear energy reactors to India under what it says are adequate safeguards, why can't that logic apply to Chinese reactors for Pakistan," the official said, on condition of anonymity.

When Pakistani president Pervez Musharraf visited Beijing in February, both sides announced they would "continue strengthening co-operation in the peaceful use of nuclear energy".

India Nuclear Deal Advances (LAT)

By Henry Chu

The Los Angeles Times, November 17, 2006

NEW DELHI — The U.S. Senate on Thursday overwhelmingly approved a civil nuclear cooperation deal with India aimed at improving ties between the world's two largest democracies.

Officials in both nations hailed the 85-12 vote on the controversial accord, which would give India access to American nuclear fuel and technology.

In return, India would allow United Nations inspections of its civilian reactors, though not its military facilities.

"We welcome the passage of the bill on Indo-U.S. civil nuclear cooperation in the U.S. Senate by an overwhelming majority. This, undoubtedly, reflects the very broad bipartisan support which this initiative enjoys," Indian Foreign Minister Pranab Mukherjee said in a statement this morning.

But mindful that House and Senate versions of the legislation must be reconciled, he added: "We must await the final version before drawing any conclusions on the legislation."

In Washington, Sen. Joseph R. Biden Jr. (D-Del.) said Thursday the historic deal would "increase the prospect for stability and progress in South Asia and in the world at large."

The Indian government had watched the bill's progress for months. Indian Prime Minister Manmohan Singh has staked much of his foreign policy on strengthening ties with the U.S., and the nuclear deal forms the cornerstone of that effort.

But the legislative process is not over. After the Senate and House versions of the bill are reconciled, the final bill would need the signature of President Bush, who has lobbied intensely on its behalf. Finally, Congress would be asked to approve a treaty formalizing the pact.

If turned into law, the agreement would overturn decades of U.S. policy on curbing nuclear proliferation.

India has refused to sign the worldwide Nuclear Nonproliferation Treaty, leading to the nation's isolation on the nuclear issue for 40 years. In 1998, India and archrival Pakistan shocked the world by conducting dueling nuclear test explosions.

Critics say that lifting long-established nuclear sanctions against India would reward New Delhi's noncompliance with international norms at a time when Washington is trying to rein in nuclear activity in Iran and North Korea.

Detractors also contend that India could buy nuclear fuel from the U.S., then divert some of its domestic uranium to weapons. An arms race in South Asia could ensue.

"I believe one day we will look back at this with great regret," said Sen. Byron L. Dorgan (D-N.D.).

Supporters say India has proved itself a responsible nuclear power. Some U.S. officials have also pushed the deal as a way to counter China, a historical rival of India.

There are already signs that Beijing may retaliate: On a visit to the subcontinent next week, Chinese President Hu Jintao is expected to announce a similar civil nuclear cooperation accord with Pakistan.

India was concerned this year as U.S. lawmakers began proposing restrictive amendments to the nuclear deal that New Delhi considered unacceptable.

The Democratic sweep in the U.S. midterm election also raised concerns that the bill would fail to get passed before the year was out, which would send it back to the drawing board.

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But Bush telephoned Singh earlier Thursday to assure the Indian leader of his continued support for the deal. And in the Senate vote, all of what Indians termed the "killer amendments" were defeated, including one that would have required India to stop producing weapons-grade nuclear material.

California's Democratic senators split on the deal, with Dianne Feinstein voting for the bill and Barbara Boxer opposed.

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Senate Approves Deal With India Over Nuclear Fuel (WSJ)

By Jay Solomon

The Wall Street Journal, November 17, 2006

WASHINGTON -- In a major foreign policy and commercial diplomacy victory for the Bush administration, the Senate overwhelmingly passed a resolution that will allow the U.S. to begin sharing nuclear fuels and technologies with India.

President Bush has made the establishment of a strategic partnership with New Delhi a cornerstone foreign policy objective for his administration, while American businesses have seen the deal as a gateway to improved trade and investment relations with the world's second-most populous country. U.S. government officials believe assisting India in its economic and military development will allow the South Asian nation to combat Islamic extremism and serve as a major counterweight to China's growing power across Asia.

Mr. Bush hailed the bill's 85-12 passage during his trip to Vietnam yesterday, announcing in a statement that it will "bring India into the international nuclear nonproliferation mainstream and will increase the transparency of India's entire civilian nuclear program."

The Senate move, which comes as Mr. Bush heads into a meeting with Asian leaders, offsets somewhat the setback he suffered earlier this week, when the House blocked quick passage of a free-trade agreement with Vietnam.

Despite the deal's easy passage through the Senate, congressional officials said a number of roadblocks still need to be cleared before the U.S. can begin shipping nuclear fuels to the subcontinent. The House passed a different version of the pact, and the two chambers need to try and reconcile the versions before they adjourn in December.

And Washington still needs the Nuclear Suppliers Group, an international body that regulates the trade in nuclear fuels, to provide New Delhi with clearance. After that, the Bush administration and the International Atomic Energy Association still must reach an agreement with New Delhi over the inspection regime that's required in order for the transfer of nuclear fuels.

Still, U.S. industry is already reacting positively to the Senate's move. A number of U.S. corporations, such as General Electric Co. and Boeing Co., are expected to benefit from the new initiative in India.

"India's nuclear energy market -- estimated to require $100 billion in foreign direct investment -- will open for U.S. companies," said Ron Somers, president of the U.S.-India Business Council.

Write to Jay Solomon at jay.solomon@wsj.com1

Senate Backs White House Plan For India Nuclear Deal (WP)

By Dafna Linzer

The Washington Post, November 17, 2006

The Bush administration won overwhelming Senate support yesterday for its plan to create a broad strategic partnership with India that reverses decades of U.S. nonproliferation policies and requires changes in laws aimed at limiting the spread of nuclear weapons.

The Senate voted 85 to 12 in favor of legislation that would carve out an India-specific exception to laws that forbid transfers of nuclear technology to countries such as India that have not signed the nuclear Non-Proliferation Treaty. Senate passage brings the administration a step closer to completing its deal with India.

Advocates of the plan, including many Democrats with close ties to the India lobby, see it as a way to cement ties with a rapidly modernizing, friendly democracy whose economic and military strength could one day rival China's.

Although the effort has garnered little attention outside Washington, it has the potential to radically alter U.S. foreign policy for decades. Bush administration officials say they believe it will accelerate India's rise as a regional counterweight to China and provide the United States with a new foothold in Asia.

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R. Nicholas Burns, the administration's top negotiator on the India deal, welcomed the bipartisan support late yesterday and called the agreement "one of the most important foreign policy initiatives of the last several years."

But the plan, still being negotiated by U.S. and Indian officials, has fierce opponents among arms control experts, some of whom argue that it will weaken efforts to rein in countries such as Iran and North Korea while potentially triggering an Asian arms race.

"The benefits of the deal have been overstated, while the downsides are significant," said Daryl Kimball, director of the Arms Control Association. "The administration and Congress are gambling that the downsides will not occur."

Under the deal, India would receive badly needed nuclear fuel and technology to meet the energy needs of its 1.1 billion citizens. But that arrangement would also allow the New Delhi government to divert its existing nuclear infrastructure to produce additional weapons.

Rep. Edward J. Markey (D-Mass.), who had fought passage of a similar bill in the House in July, lamented that the deal "will allow India to increase its annual bomb-production capacity from seven to over 40 bombs a year."

But Sen. Richard G. Lugar (R-Ind.) called the plan "a lasting incentive" for India not to test nuclear weapons and "to cooperate closely with the United States in stopping proliferation." The deal does not prevent India from testing, however, and nowhere does it obligate India to adopt U.S. nonproliferation goals.

India's close relationship with Iran, meanwhile, has irked some on Capitol Hill. Iran's foreign minister met yesterday in New Delhi with India's prime minister. The countries have close military, economic and political ties and are in discussions over a proposed gas pipeline from Iran to India.

In January, congressional leaders requested a secret intelligence assessment of India's nuclear program, the potential effects of the deal and New Delhi's ties to Tehran. Intelligence officials said they provided a paper in April, but staff members on Capitol Hill said it did not address Iran or any aspect of the deal.

Two senators, Barbara Boxer (D-Calif.) and Russell Feingold (D-Wis.), offered amendments to the bill yesterday that would have forced India to choose between the United States and Iran when it comes to military cooperation, terrorism and nuclear issues. Both were defeated after India said it would consider them deal-breakers.

The House and Senate will sort out minor differences in their bills before bringing legislation to the full Congress for a vote. The deal with India, however, is far from complete.

Negotiators need to finish talks that have been mired in disagreement. India must separate its military and civilian nuclear infrastructure and reach a separate agreement with U.N. inspectors. The deal also needs approval from an international consortium that controls nuclear exports. Officials say it could be a year before the deal is brought back to Congress for a final vote.

Zapatero Unveils New Middle East Initiative (FT)

By Victoria Burnett

Financial Times, November 17, 2006

Spain, France and Italy plan are to present a new Middle East peace initiative to their European partners at an EU summit in December, José Luis Rodríguez Zapatero, Spanish prime minister, said on Thursday.

Spain hopes to gain the backing of Germany and Britain for the initiative, calling for an immediate ceasefire, the formation of an internationally recognised Palestinian unity government and a peace conference.

“We cannot remain impassive in the face of the horror that continues to unfold before our eyes,” Mr Zapatero told reporters during a summit of Spanish and French leaders in Girona, Spain.

“Peace between Israel and the Palestinians means, to a great extent, peace at an international level,” he said.

Mr Zapatero’s government has struggled to carve out a role on the international stage, following the withdrawal of troops from Iraq after his election in 2003, despite the presence of Spanish troops in Afghanistan and Lebanon. His most high–profile international initiative, reviving the “alliance of civilisations” to foster better relations between Western and muslim countries, has been dismissed by critics at home as wishy-washy.

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Jacques Chirac, French president, said Mr Zapatero had proposed the joint initiative when they met at the beginning of the summit, according to [a news service]. The two had arranged to call Roman Prodi, the Italian prime minister, to discuss the initiative.

Mr Chirac said France would "act jointly" with Spain, Italy and other European countries to "try to initiate indispensable moral and political reforms in the Middle East."

The peace initiative would include an exchange of prisoners, talks between the Israeli and Palestinian leaders and an international mission to monitor the proposed ceasefire.

Blair Sees Chance For Progress On Middle East Conflict (WP)

By Kevin Sullivan And Mary Jordan

The Washington Post, November 17, 2006

LONDON, Nov. 16 -- Prime Minister Tony Blair on Thursday offered hope for progress on the Israeli-Palestinian conflict, saying that "sensible Arab and Muslim countries" now see "strategic reasons" for finding a solution and that new initiatives could come within weeks.

"This is an opportunity for us if we are prepared to seize it now," said Blair, citing leaders of Saudi Arabia, Egypt and Jordan as among those who "want to make progress" on an issue he called the "crux" of problems in the Middle East.

Blair, in an interview with The Washington Post at his 10 Downing Street office, declined to provide specifics but said British officials were holding private talks with Middle Eastern governments as well as the Bush administration about measures "to move this forward."

The prime minister is also planning a trip in the next few weeks to the Middle East, which he said was facing a "critical moment."

Blair, who has been President Bush's chief foreign ally on Iraq, said he had no regrets about the 2003 invasion that toppled the government of Saddam Hussein, even though the continuing war has cost him dearly in British public opinion.

"If you left Saddam there, you would have had a whole stack of different problems, and in the end you'd have had to have dealt with Iraq at some point," said Blair, who spoke with passion and certainty about his policies despite growing demand in Britain and the United States for a reassessment of Iraq strategy.

Discussing remarks he made Tuesday during a closed-door video conference with the Iraq Study Group, the bipartisan panel in Washington reviewing Iraq policy, Blair said that any solution to Iraq must begin with progress on the Israeli-Palestinian conflict.

"Israel-Palestine is the one issue that, unresolved, allows extremists to gain purchase on the more moderate elements of the Muslim and Arab world," he said, sipping coffee next to the marble mantelpiece in his office.

Blair, who has said he will step down before next September after serving since 1997, said Islamic extremists are using the Israeli-Palestinian conflict as a propaganda tool, "so there is a huge additional dimension to its importance."

He said the "next few months are critical" on the Israeli-Palestinian issue: "My worry is there is increasing not just poverty and despair on the Palestinian side but also disintegration, and that is very dangerous."

"So we either decide that we are going to take this moment and use it to drive forward, or obviously there's a danger that the whole region takes a wrong turn," he said.

Blair brushed aside a question about whether he was being unrealistic to think significant progress was possible toward a solution that has eluded a long succession of world leaders. He said focusing on the Israeli-Palestinian problem was "the only realistic thing to do."

Blair said that critics complained for years that sectarian violence in Northern Ireland was too intractable to be solved but that peace accords have ended most violence there.

He said that on the Israeli-Palestinian problem, people generally agree on the long-term solution -- two independent states -- but the difficulty is in hammering out the details.

"Everybody accepts that there's got to be two states," Blair said. "Now, there are issues like Jerusalem, refugees . . . which are very difficult." But "it's not beyond the wit of man" to devise a territorial solution, he said.

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"I believe totally in supporting Israel's security," Blair said. "But the truth is the ultimate security lies in a viable and democratic Palestinian state and in resolving the issues with Israel's neighbors."

Blair said Iran has been a divisive force in the Middle East, backing radical elements of Hamas in the Israeli-Palestinian conflict and the Hezbollah militia in last summer's war with Israel. He has also said Iran's backing of Shiite militias in Iraq has been destabilizing there.

Blair said moderate leaders in the region now "can see that the way that Iran has been manipulating these disputes in the region changes the dynamics of power." He said that beyond the fact that many neighbors in the region have sympathy with the Palestinian cause, they now also believe it is in their strategic interest to counter what he called a "cocktail of elements of extremism and fanaticism."

Despite the Iraq war and the other conflicts, Blair said he saw reasons for optimism in the Middle East.

"You go to these Gulf states and you see the changes they're making in their democracy, the changes in their economy," the prime minister said, citing the United Arab Emirates as an example. "There is a way of moving forward in the Middle East that is about step-by-step greater democracy, opening up their economy and presenting themselves to the world in a modern and moderate light."

As the Middle East "is in the process of decision about its future," Blair said, "we have got to be in there, since we've got the right policy. I mean, what do people choose when they're given the chance? They choose to live in free, democratic societies. So we've got the best case."

Asked if he thought the Democratic Party's victory in last week's U.S. congressional elections signaled growing momentum for a reduction in U.S. troops in Iraq, Blair said he was sure Bush "will see this through."

"I don't think you will see the administration backing away from fulfilling what it said it would do," Blair said. "There should never be any doubt, whether it's in terms of myself or the president. We have said that we will stay as long as the Iraqi government needs us to do so."

Blair also said that a key goal in Iraq was to continue to "plug any gaps in the armed forces and their training," because "the Iraqis want to take greater responsibility, and we have got to empower them to do so."

Blair said a friend who recently traveled to Iraq told him that with all the obvious problems, there was a "danger that you move from having been unduly optimistic to unduly pessimistic."

He said it was understandable that as Iraq makes the difficult transition from decades of "brutal repression" under a dictator to democratic rule, "you will have all sorts of poison that then flows out."

But people in Iraq, he said, are committed to creating a "nonsectarian future" because "the alternative is no future."

Blair also made an impassioned plea for the United States to lead the world on climate change, an issue that Blair has championed despite reluctance from the Bush White House.

"There's a big opportunity for the administration and for America on climate change," he said. "What you guys should do is come up with a sensible plan and framework" that encourages business to invest in environmental technology innovations and wins support from emerging powers such as China and India.

"No country is going to mess up its economy to meet some agreed target," Blair said. But private industry will "quickly spot an opportunity" if new markets are created for environmentally friendly technologies, he said.

Blair noted that Bush made a "pretty bold" statement about America's "addiction to oil" in his last State of the Union address.

Now, he said, Bush should follow up with "a framework that can help cure that addiction," then pitch it to the rest of the world, saying, "Come on, everybody has got to do this."

Israeli Response To Gaza Rockets: Official Restraint, Civilian Flight (NYT)

By Ian Fisher

The New York Times, November 17, 2006

SDEROT, Israel, Nov. 16 — The biggest reaction on Thursday to the death of an Israeli woman killed by a rocket shot from Gaza did not come from the military, as it usually does. Instead, this desert town that has been hit the hardest by the recent rocket fire packed up en masse to take advantage of an offer from one of Israel's richest men for a free week at the beach.

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"The children are frightened — very frightened," said Galit Abduraam, 38, curbside with her three children waiting for a bus out of town.

"It's not just now," she said. "It's four or five years. The children have nightmares. They don't sleep. They get aggressive. They don't study."

Despite calls from some Israelis for an invasion of Gaza after the woman's death on Wednesday, Prime Minister Ehud Olmert signaled that he would respond with restraint. He told reporters on his flight home from the United States that while Israel would continue targeted attacks, a large-scale assault would not necessarily solve the problem of the crude homemade Qassam rockets fired by Palestinian militants into Israel nearly every day.

"There are many opinions on how to deal with the Qassam fire," he said. "We have to remember that this war will not be over in one blow."

This is a delicate time in negotiations among Palestinian leaders who are trying to form a unity government of professionals and technocrats. Mr. Olmert's remarks seemed to indicate that a new Israeli offensive would not add to the already-deep difficulties of striking a deal.

Just back from visits to Egypt and Jordan, the Palestinian Authority president, Mahmoud Abbas, arrived in Gaza on Thursday for another round of talks. He spoke with Prime Minister Ismail Haniya, who is a member of Hamas, the militant group that controls the government.

The intention in forming a new government that would not be beholden directly to any faction is to try to restart the flow of millions of dollars in badly needed foreign assistance that was cut off after Hamas took power in March.

The new government could also benefit Israel. The talks include discussion of the status of Cpl. Gilad Shalit, the Israeli soldier captured in June near Gaza, and the international pressure for the Palestinians to renounce violence, including halting the rocket fire.

Since the beginning of the year, the Israeli military says, 1,000 Qassams have landed in Israel. Palestinians call the rocket attacks legitimate resistance to Israeli military actions. Israeli military efforts to stop the rocket fire have killed about 300 Palestinians, many of them civilians, since Corporal Shalit's capture.

The death on Wednesday of the Israeli woman, a 57-year-old émigré from Russia, was the first from the rockets here in 16 months. But that comes as no comfort to residents of this poor town of 20,000, many of them Moroccan and Russian immigrants, near the border with Gaza.

School is canceled frequently, and residents complain of constant fear.

"Even when the toilet lid falls, it makes us jumpy," said Ariel Cohen, 44, who was waiting for a bus with his wife and their daughter, May, 7, who had been in the same nursery class as a 4-year-old boy killed by a Qassam in 2004.

After the death on Wednesday, hundreds of families decided to take up an offer made Thursday by Arkady Gaydamak, a Russian businessman known for his charitable works here but wanted in France for arms dealing and tax evasion, for an all-expenses-paid vacation in the southern beach city of Eilat. During the war with Lebanon this summer, Mr. Gaydamak paid to relocate thousands of people out of range of rocket fire in Israel's north.

By early evening, 17 buses had taken away more than 800 people. An organizer working for Mr. Gaydamak said that buses would continue to arrive for everyone who wanted to go.

The military said three Qassams fell near Sderot on Thursday, injuring no one but damaging a kibbutz.

Palestinian Rivalry Rings Up Cost Of Guns (WT)

By Joshua Mitnick

The Washington Times, November 17, 2006

NABLUS, West Bank -- An arms race by rival Palestinian militants has nearly doubled the price of guns in anticipation that fighting in the Gaza Strip between Hamas and Fatah militias will spread to the West Bank.

In recent months, the cost of an M-16 short-barrel rifle has surged to 9,000 Jordanian dinar, or about $13,000, from 5,000 dinar. Bullets cost a little more than a dollar, about twice the price in Israel, said Abu Ali, who claims to be the No. 1 arms dealer in the West Bank.

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Mr. Ali, who uses a pseudonym for fear of arrest by the Israeli army, is a member of the Fatah-linked Al Aqsa Martyrs Brigade. He said he gives discounts to fellow Aqsa members and that he refuses to sell to rivals from Hamas, who buy their guns elsewhere.

"Hamas is buying a lot of weapons and they will pay anything for them," said Mr. Ali, 27. "People don't want money and they don't want food. They want to prove their existence on the street."

Mr. Ali declined to talk about his work at a public cafe.

So instead, the Palestinian militant hopped into a stolen sedan and drove a reporter to an empty industrial area on the outskirts of the city, where he pulled out a military-issue pistol with "Israel Military Industries" engraved on the barrel.

"Whatever you want I can get," he said.

Since Hamas took over the Palestinian Authority in March, tension between Hamas- and Fatah-affiliated militias has frequently exploded into street warfare.

The crisis has been sharpened by the strain of an international aid boycott of the Hamas government.

Government salaries of more than 140,000 public-sector employees, most of them linked to Fatah, have gone unpaid. While teachers and bureaucrats walked off the job, security officers have staged violent protests, and the government has ceased to function.

As the vacuum of lawlessness that has existed in the Palestinian territories for years grows even wider, rival security outfits as well as gunmen from mafialike clans are moving to fill the gap.

As the inscription on Mr. Ali's pistol indicates, the source of most of the weapons is Israel. The dealer says he acquires guns from Arab Israelis as well as dealers from Israel's criminal underworld.

Just after dusk at the city municipality, the echo of gunfire mingled with normal din of car horns. It's a sound that's become part of Nablus' background noise, explained Mayor Adly Yaish.

"When we are happy we shoot. When we are angry we shoot" he sighed. "At funerals we shoot, and at weddings we shoot. It's not good, of course."

Of all the West Bank cities, Nablus and its refugee camps are known as the most resilient stronghold of Palestinian militancy. Israel's army has forbidden Palestinian police from carrying guns in the city for fear they might be used against Israeli soldiers during the frequent raids in the city.

And so, militants are left free to openly brandish their weapons in carjackings and robberies. Nablus residents insist there are two types of weapons in the city: Those used in "national" attacks against Israel and those used in criminal activity.

Mr. Yaish, the mayor, said he is worried that the guns will be used in a new way. Speculation that Hamas wants to establish its own security force in the West Bank is fueling concern that internecine fighting of recent months in Gaza may spread to the West Bank, where Fatah is dominant.

"I am working very hard to prevent this from happening," said the mayor, who explains he speaks to both Hamas and Fatah. "In Nablus we can solve our problems without force."

But that principle might be difficult to explain to militants in their teens and twenties for whom guns have become a sort of youth culture. In the warrens of the Balata refugee district, Ibrahim Muroufi takes his prized possession, an M-16 rifle with a sniper scope, and lays it across his lap.

Opposite the 22-year-old Aqsa Brigades member, a computer monitor flashes a slide show of young men in a variety of poses with guns: Reclining on a bed, peering down from a balcony in ambush, and against a picture studio's illustrated backdrop of a mansion foyer.

"This is part of my hobby and identity," said Mr. Muroufi. "If I were to get a million dollars, I would spend it entirely on weapons."

Mr. Muroufi's mother explained why Nablus parents can't stand in the way of children who take up arms: "My children carry arms because there is no security. If I could carry a weapon, I would, too."

U.S. Aid Ship Cures Public Opinion (WT)

By Anju S. Bawa

DOJ_NMG_0095736

The Washington Times, November 17, 2006

Public opinion polls conducted in two of the more populous Muslim countries showed that humanitarian aid from a U.S. Navy hospital ship had healed more than health problems. When people were made aware of the mission, it left a positive perception of the United States. These findings will encourage more such missions, officials said.

The polls, by the Washington group Terror Free Tomorrow, showed that 87 percent of Indonesians and 53 percent of Bangladeshis who had heard of the hospital ship USNS Mercy's mission to provide medical aid had a better opinion of the United States. The results were announced yesterday at the National Press Club.

Kenneth Ballen, president of Terror Free Tomorrow, which promotes fighting terrorism by winning popular support, said there was a need to hear the voice of the people.

"We hear the voice of radicals and extremists because they are the loudest. ... We need to get in there and see what people really think," he said.

The polls surveyed 1,209 persons in Indonesia and 1,010 in Bangladesh, both with a margin of error of plus or minus three percentage points. People from a variety of economic and social dispositions were surveyed in various parts of the countries, Mr. Ballen said. The Indonesian poll was conducted by the agency Lembaga Survei Indonesia.

Humanitarian efforts "undermine ideological support for terror," said Karen Hughes, undersecretary of state for public diplomacy.

"There is a misunderstanding about America," she said. "People don't realize that the United States is the No. 1 donor of medicine and food to the Palestinian people."

The USNS Mercy finished a five-month mission in September to Indonesia, Bangladesh, Philippines and East Timor. Navy personnel and volunteers from Project Hope, a health care aid organization, were among the medical providers that cared for 61,000 patients, performed 1,000 surgeries and gave 10,500 immunizations.

Some of the crew and volunteers visited the same areas they served after the December 2004 tsunami and the March 2005 earthquakes in Southeast Asia.

The polls also showed that American aid after the natural disasters led to a more favorable opinion of the United States. Adm. Michael G. Mullen, chief of naval operations, said he was committed to continuing missions with civilian volunteer organizations.

The Navy employs two hospital ships, the USNS Mercy and Comfort. The USNS Mercy has 1,000 beds, 85 intensive care units and 12 operating rooms.

Adm. Mullen said he would explore ways to deploy one ship in the Pacific and one in the Atlantic. "Latin America and Africa are in the next round."

Rice Praises Peacekeeping Efforts (NYT)

By Helene Cooper

The New York Times, November 17, 2006

HANOI, Vietnam, Nov. 17 — By agreeing in principle to allow a joint United Nations-African Union peacekeeping force into the war-stricken Darfur region, Sudanese President Omar Hassan al-Bashir has a chance to rehabilitate its image in the rest of the world, Secretary of State Condoleezza Rice said.

Speaking to reporters here at the annual meeting of the Asia Pacific Economic Cooperation, Ms. Rice hailed the deal struck in Addis Ababa by U.N. Secretary-General Kofi Annan and Mr. Bashir, which reversed the Sudanese government's longstanding refusal to let United Nations troops into Darfur. A small African Union peacekeeping force has been unable to quell the violence in Darfur, where more than 200,000 people have been killed in brutal ethnic and tribal warfare since 2003.

For months, the Bush administration has been leaning on Sudanese officials to accept a U.N. force, but to no avail.

"I think it certainly is a real opportunity to resolve what is an extremely difficult problem," Ms. Rice said, "and to get back on a road where innocent people can be protected and the Sudanese government has a chance to make right with the international system."

Sudan Says It Will Accept U.N.-African Peace Force In Darfur (NYT)

DOJ_NMG_0095737

By Robert F. Worth

The New York Times, November 17, 2006

UNITED NATIONS, Nov. 16 — The Sudanese government on Thursday agreed in principle to allow a joint United Nations-African Union peacekeeping force into the war-stricken Darfur region, reversing its longstanding refusal to let United Nations troops in.

The agreement, reached after a day of talks with United Nations officials in Addis Ababa, the Ethiopian capital, raised hopes for a more effective peacekeeping effort in Darfur, where more than 200,000 people have been killed in brutal ethnic and tribal warfare since 2003. A small African Union peacekeeping force has been unable to quell the violence.

It is not clear how soon the new force can enter Darfur. Two major issues must still be worked out before the agreement becomes final: the number of troops, and how the commander will be selected.

A document issued by the parties in the talks — members of the Security Council, the Arab League, the African Union and a number of African leaders — specified a force of 17,000 soldiers and 3,000 police officers. The issues will be taken up at a meeting scheduled for next Friday in Brazzaville, Congo Republic.

"This is welcome news, after working tirelessly to find a solution for Sudan," said Richard A. Grenell, a spokesman for John R. Bolton, the American ambassador to the United Nations.

Andrew S. Natsios, the American special envoy for Sudan, was at the meeting in Addis Ababa.

The agreement was a breakthrough. Sudan's president, Omar Hassan al-Bashir, had repeatedly rejected requests by Western leaders for a United Nations force in Darfur, a vast arid region in western Sudan. Fighting has grown worse in recent weeks, despite a peace accord signed in May by Sudan and the main Darfur rebel group.

It was not clear what made the Sudanese leaders change their minds. But a United Nations official who was present said the Chinese ambassador to the United Nations, Wang Guangya, had played a role in persuading Sudan's foreign minister, Lam Akol, that there was no hidden agenda in the effort to introduce a stronger peacekeeping force. The official spoke on condition of anonymity, citing diplomatic protocol.

The agreement is something of a personal triumph for Kofi Annan, the departing United Nations secretary general. He introduced the idea of a hybrid force and lobbied African leaders for days before convening the meeting.

Sudanese rebels said Thursday that government troops and militias had killed more than 50 people in an attack in northern Darfur, [a news service] reported. Sudanese officials told Jan Egeland, the United Nations under secretary for humanitarian affairs, that all of his proposed destinations for a three-day tour of Darfur were too dangerous to visit.

The agreement calls for more money, troops and equipment to be given to the African Union force, whose mandate expires on Dec. 31, to supplement a $21 million package that is already being delivered with the permission of the Sudanese government. But the core proposal is the new joint force, which is to be "predominantly African in character" while including "command and control structures" provided by the United Nations.

The agreement notes that all parties agreed to take into account "the security situation along the Chad-Sudan and Central African Republic borders," where violence has spilled over from Darfur.

The conflict in Darfur pits non-Arab tribes against the Arab-dominated government of Sudan, which has armed deadly militias that have massacred civilians. The government says the violence has been exaggerated for political reasons.

Agreement Reached On Darfur Peacekeepers (AP)

By Les Neuhaus

AP, November 17, 2006

African, Arab, European and U.N. leaders agreed in principle Thursday to a joint African Union-United Nations peacekeeping force for Sudan's Darfur region.

Sudan, which has strongly opposed allowing U.N. troops in the country, did not give the plan its unreserved approval because officials needed to consult with their superiors, said the country's U.N. ambassador, Abdul Mahmoud Abdelhaleem.

The force could be as large as 27,000, including the existing 7,000-member AU peacekeeping force in Darfur, but the leaders did not lay out a timetable for the force to begin work partly because Sudan had some reservations.

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U.N. Secretary-General Kofi Annan said the additional personnel could include as many as 17,000 soldiers and 3,000 police officers.

A timetable for the expanded force to begin work was not announced partly because Sudan retained some reservations, including the question of who would be in charge.

"The next step is for the U.N. and AU to call a meeting of the non-signatories (of the Darfur Peace Agreement) ... and the government of Sudan. It should take place in the next couple of weeks to resolve outstanding issues by the end of the year," Annan told reporters.

The U.N. Security Council voted in August to replace the African Union's 7,000 troops, an underpowered force, with 20,000 U.N. peacekeepers. But Sudanese President Omar al-Bashir has so far refused to allow their deployment, saying they would be "neocolonialists."

The agreement was announced at a meeting in Ethiopia that brought together senior officials from the AU, the Arab League, the European Union, Sudan, the United States, China, Russia, Egypt, France and a half-dozen African countries.

"The United States welcomes the successful outcome of this historic meeting," Andrew Natsios, the U.S. special envoy to Sudan, said in a statement.

The expansion of the existing AU force will take place in three phases, said Annan, who had wanted to try to stop the bloodshed in Darfur before he leaves office on Jan. 1.

An African Union Peace and Security Council meeting will be held in the Republic of Congo on Nov. 24 during which Sudan is expected to present its final views, Annan said.

The senior British government representative at the meeting, International Development Secretary Hilary Benn, called on the Sudanese government to "accept the clear view of all the others present."

Benn called the joint U.N.-AU focus on Sudan "the best opportunity we have to bring this crisis to an end. In the mean time, we need an effective cease-fire, with all the parties committing to stop the fighting."

In recent days, pro-government militia forces known as janjaweed have stepped up attacks on villages in Darfur, killing dozens of people, international observers said Wednesday. In one raid, janjaweed militiamen — backed by government troops — forced children into a thatched hut, then set it ablaze, killing parents who tried to rescue the children, rebels said.

After years of low-level clashes over water and land in the vast, arid Darfur region, rebels from ethnic African tribes took up arms against Sudan's Arab-dominated central government in 2003. Khartoum is accused of unleashing the janjaweed. The militiamen are accused of many of the atrocities in a conflict that has killed some 200,000 people and chased 2.5 million from their homes.

The conflict has destabilized a wide region that includes parts of neighboring Chad and the Central African Republic. The chaos has been exploited by rebels from Sudan, Chad and the Central African Republic, and ethnic violence mirroring attacks in Darfur has been seen in Chad in recent weeks.

The Sudanese army has denied any connection to janjaweed attacks, saying the claims were politically motivated.

The U.N. humanitarian chief, who was visiting Darfur, said he had been told by people made homeless by the conflict that the withdrawal of non-governmental organizations from some areas had left them with fewer services and more exposure to violence.

"This is my fourth visit to Darfur, and I have never before seen such a bad security situation," Jan Egeland said from El Geneina, capital of West Darfur, according to a statement. "There are too many armed elements in and around the camps threatening the inhabitants and preventing us from going in."

"Aid workers in West Darfur cannot move on the roads because they are being attacked and their vehicles are being stolen," Egeland said.

Human Rights Watch has called for a major increase in the Darfur peacekeeping force to stop the growing number of attacks on civilians.

The New York-based advocacy group said it has documented renewed aerial bombing of civilians both in Darfur and inside neighboring Chad since late October.

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The aid agency Doctors Without Borders, or Medecins Sans Frontieres, also reported that thousands of people have fled their homes and refugee camps in Darfur. The agency said it was increasingly difficult to provide aid to the victims because of the violence.

Sudan Closing Off Darfur To Outside World (CSM)

By Katharine Houreld

The Christian Science Monitor, November 17, 2006

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The African Union patrol was only seven miles from Sirba, the site of one of the latest Darfur massacres, when they were forced to turn back. Nearly 400 Arab militiamen in Sudanese government uniforms, with new Land Cruisers and weapons, blocked the dusty track.

Tuesday's incident was only the latest in a crackdown on access for international observers, journalists, and humanitarian organizations - a pattern that is becoming wearily familiar to those working in Darfur.

"The timing is no coincidence," says Leslie Lefkow of Human Rights Watch. "[Sudan is] stemming the flow of information from Darfur while it continues to commit massive crimes and run a military campaign."

As outgoing UN chief Kofi Annan began a major push to stem the escalating crisis during high-level meetings in Addis Ababa, Ethiopia, Thursday, the Sudanese government told top UN humanitarian official Jan Egeland that all his proposed destinations on a three-day trip to Darfur are too insecure to visit this weekend.

Last week, the Norwegian Refugee Council announced it was being forced out of Darfur after its permit to operate had been indefinitely suspended for the fifth time, making working conditions "impossible." Other foreign aid workers say they have been denied permission to reenter the country after leaving to attend a family emergency or to seek medical treatment. Killings mount

Thirty villagers were reported killed this week in Sirba, but no outside investigators have been able to enter the town to confirm the reports.

Sudanese rebels accused government troops and militias Thursday of killing more than 50 people in another attack. Two weeks ago, 63 people were reported killed in Jebel Moon, and their bodies buried in the desert.

In that case, investigators were able to access the massacre site, and found that more than 20 of the victims were children. Some of them had been shot through the head. Survivors described Arab men in uniforms, with Thuraya satellite phones, new vehicles, and animals, similar to the group seen only a few miles away barring the road to Sirba.

The government-backed militias have been blamed for hundreds of atrocities since local, non-Arab tribes first took up arms to protest government neglect and the arming of Arab tribes three years ago. Since then, an estimated 200,000 people have died and 2.5 million have fled their homes.

After the government signed a peace deal with one of the three rebel factions last May, the militias, known as the janjaweed, were supposed to be disarmed. Instead, the government appears to be using them as a proxy force to avoid accusations of cease-fire violations. But accurate reporting of militia movements, and alleged massacres, is becoming increasingly difficult. Crackdown on journalists, aid workers

Journalists able to secure a visa face a bewildering array of permits and paperwork; the Sudanese government must be informed in advance of any travel in Darfur. Officials insist on listening to interviews; they intimidate interviewees, and have attempted to confiscate notebooks.

"I can take any of [your permits] I want ... you're going to hell," one official hissed at this reporter. "Do you think this is a free country?" Last week, all permits for journalists to travel to the region were being denied.

The African Union (AU) monitoring force of nearly 7,000 soldiers is also frequently stymied in its investigative attempts. Officials say fuel is stolen, government permission for them to leave their bases is refused, and their soldiers have been killed when convoys were attacked.

During the one-day talks in Ethiopia with UN, EU, and Arab League officials Thursday, Mr. Annan pushed for a "hybrid" force of AU and UN peacekeepers to be allowed into Darfur. But early indications were that Sudan would reject this.

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Even humanitarian organizations, charged with delivering food, water, and medicine to destitute Sudanese, are under attack. When Doctors Without Borders spoke out about rape cases last year, its two most senior staff were arrested. Since then, aid agencies say the situation has worsened.

"It's disgusting. They are holding their own people hostage to shut us up," complained one aid worker bitterly. "If we speak out, we get thrown out. Then who will help these people?"

Tens of millions dollars and a Herculean effort have managed to stabilize key humanitarian indicators like the infant mortality and malnutrition rates, and aid agencies are reluctant to risk their hard-won gains by criticizing the government for atrocities.

All aid workers interviewed for this article agreed to speak only on condition of anonymity.

But it's not only the government that is piling on the pressure. Thirteen humanitarian workers have been killed since last May's peace deal, which pitted signatory and non-signatory rebel groups against each other. As the fighting intensifies along the Chadian border and in the north, all sides in this conflict want vehicles and the shiny white 4x4s used by aid groups are a tempting target.

Carjackings of both aid vehicles and commercial trucks are rampant. In a single day last month, nine vehicles were snatched. Convoys have also been attacked and employees beaten up or sexually harassed, say aid workers here.

The breakdown in security means vast swaths of northern Darfur are no-go areas for groups providing food, medicine, and clean water for tens of thousands of displaced villagers. "It's become very dangerous to work here," says another aid worker, whose organization has suffered repeated attacks. "Before, we could negotiate with the rebels for safe access, but now we don't know who controls what territory any more."

Pinned on the wall behind her was a series of maps showing humanitarian access for Darfur month by month. The inaccessible areas, colored orange, are spreading like spilled ink.

Misery Spirals In Burma As Junta Targets Minorities (WP)

By Anthony Faiola

The Washington Post, November 17, 2006

CAMP EITUTA, Burma -- In a burgeoning encampment here on Burma's eastern frontier, Hay Nay Tha, a 30-year-old mother of three, awakens in the darkness most nights to the sound of her children's screams.

"They keep having nightmares about our journey here," she said.

That journey, Hay recalled, began when she was four months pregnant and government soldiers torched her village and forced local farmers off their land. It ended four weeks later, after her husband died of malaria en route to this camp. She and her children arrived here this summer dehydrated and exhausted. Hay soon went into early labor with a stillborn son.

"To be honest," the copper-skinned woman said, shyly gazing down at her hands, "I am having nightmares, too."

Nightmares of all kinds are rife in this camp, where new clusters of villagers arrive almost daily, a consequence of Burma's largest military offensive against its own people in more than a decade, according to aid groups and Western diplomats. The offensive has targeted minorities such as Hay, a member of the restive Karen ethnic group, which has long maintained a measure of autonomy.

According to estimates by relief groups, Burmese forces have burned down more than 200 civilian villages here in Karen state, destroyed crops and placed land mines along key jungle passages to prevent refugees from returning to their home villages. Dozens of people have died, and at least 20,000 civilians have been displaced over the past eight to 10 months.

"What is now going on in Burma are crimes against humanity," said Sunai Phasuk, head Burma consultant for New York-based Human Rights Watch. "The military government has significantly stepped up their systemic policy of violence against the ethnic Karen with this offensive. We're talking about a mounting disaster."

Burma's military leaders have historically been secretive about their actions. But observers say they are attempting to build a broad security cordon around their new capital near the inland city of Pyinmana, located only a few miles from the border of Karen state. The result has been an extraordinary use of force to clear out existing villages in the area.

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Since seizing control of the country in 1988, Burma's military junta has taken a series of harsh measures to secure its grip on power, and over the past several months, it has appeared to step up its arrests of opposition figures. Win Ko, a leading member of the National League for Democracy, was arrested last month and sentenced to three years in prison after staging a petition drive to free political prisoners. The party's leader, Aung San Suu Kyi, winner of the 1991 Nobel Peace Prize, remains under house arrest.

Observers say the junta has reserved its most brutal treatment for Burma's eastern ethnic groups, including the Karenni, the Shan and the Mon, as well as the Karen, the largest minority in the region.

A fiercely independent group of approximately 3 million people, the Karen speak a separate language from most Burmese, use their own ancient writing system and have traditionally opposed the military junta. Two decades of sporadic government campaigns have already driven hundreds of thousands of Karen and other refugees into neighboring Thailand, where at least 150,000 now live in official camps and an estimated 1.5 million dwell illegally.

Although the military has long fought the Karen National Liberation Army -- a seasoned militia of about 10,000, armed with aging assault rifles -- it has mostly seemed content to stage small, periodic sieges against mountain strongholds in Karen state's northwest. These sieges have typically taken place only during Southeast Asia's dry seasons.

But this year, the government's campaign has extended through the rainy season and assumed far larger dimensions, appearing to be a final assault aimed at smashing the resistance. Over the past 10 months, sources familiar with Burmese military actions say, its forces have pushed into major Karen strongholds, building 12 new permanent army bases.

Burmese government officials did not return phone calls seeking comment from their embassy in Washington. But observers say the campaign is almost certainly tied to a desire to extend security around the new capital, which is meant to serve as a protective jungle fortress for the junta. The Burmese have already begun moving government offices there from Rangoon, the old capital, and are finishing work on a sprawling military bunker.

Economic development appears to be another motivation for the offensive, according to observers. Burma, a country that was once one of Southeast Asia's richest nations and is now among its poorest, has sought to create revenue by signing a deal with Thailand to build multiple dams on the picturesque Salween River, which runs through Karen state. As the Burmese military attempts to exert its control over the river, it has moved into other Karen strongholds.

"The new capital and the dam projects have become an incredibly destructive pretext for the Burmese military to take control of Karen state using indiscriminate force," said Jack Dunford, executive director of the Thailand Burma Border Consortium (TBBC), a U.S.-funded relief group based in Bangkok. "I fear this may be the beginning of the end there."

An increasing number of Karen civilians fleeing the violence have made their way here to Eituta, an emergency camp perched on a muddy hilltop overlooking Burma's border with Thailand. The rows of primitive bamboo huts are protected by a battalion of armed Karen soldiers.

With Eituta's population topping 1,500, and growing at a rate of about 10 percent a month, Karen authorities here are making plans for a second camp nearby.

Although the Thai government has adopted a more lenient policy on Burmese refugees in recent years, aid groups say the bureaucratic process of admitting new arrivals has been slowed by the sudden uptick in the number of Karen seeking asylum. With the new military offensive, the number of arrivals at the already over-crowded official Karen refugee camps in Thailand has jumped 60 percent, to almost 900 a month, according to the TBBC.

The situation has effectively created a precarious limbo for the displaced people at Eituta, located only two hours by foot from the nearest Burmese military outpost. Almost two-thirds of the refugees here are children younger than 12, many of whom are sick with malaria and dysentery.

Relief organizations have cut out a section of the dense jungle canopy to build a small medical clinic. But the wounds of many children here run deeper than any medicine can cure.

On a recent day at the camp, a foreign journalist with a video camera approached an ethnic Karen man and a smiling 2-year-old girl sitting on straw mats in their hut. Suddenly, the girl began screaming uncontrollably. "She thinks it's a gun," said her father, Saw Say Nay, pointing to the video camera.

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Saw, a farmer, fled here with his family of four last month. Like many displaced Karen, they had been living in hiding in the jungle since the summer, when Burmese troops began constructing a base near their village of Sayztaing Gyi, about 40 miles from the new capital.

"They were going village by village, forcing men and women into labor," he said. "Then they started burning villages, so we packed what we could and escaped into the jungle. From the trees, we saw them set our homes on fire. They burned our crops. They left us with nothing."

Thin and languid from malaria, Saw said he found out there was no going back after one villager tried to return, only to lose his leg when he stepped on a freshly laid land mine.

"We don't know what to do," he said. "My heart wants to go back, but I know it is not safe for my family. I don't know if we can go to Thailand. I don't know if they will accept us. So we are here. We have nowhere else to go."

Royal Wins French Socialists' Nomination (AP)

By Angela Charlton

AP, November 17, 2006

Segolene Royal got a running start Thursday to her campaign to become France's first female president, decisively beating two rivals to wrap up the nomination for the main opposition Socialist Party in a single round of voting.

The win, which party officials announced with about 40 percent of votes counted, spared Royal a second round against her two rivals from the party's old guard — Former Prime Minister Laurent Fabius and former Finance Minister Dominique Strauss-Kahn.

It also meant she can head into the April vote claiming the oft-divided opposition party is fully behind her.

"The results show rather clearly the fact that there will only be one round, and we can say that Segolene Royal is already the candidate for the Socialist Party," said Stephane Le Foll, chief of staff to the party's general secretary.

By the final tally, Royal had collected 60.62 percent of votes, while Strauss-Kahn won 20.83 percent and Fabius gained 18.54 percent, Le Foll said. About 82 percent of the 219,000 party members eligible to vote cast ballots.

Strauss-Kahn and Fabius conceded defeat, their spokesmen said.

Royal, 53, has sought to tap into broader voter disillusionment with politics after two terms under conservative President Jacques Chirac marred by corruption scandals and stagnation.

However, her unorthodox views have also alienated many people within her party, and her opponents say she won't be able to unite the divided French left.

"Tomorrow, I'll have the job of bringing them all together — including those who didn't vote for me," Royal said in the victory speech. "I am counting on them."

The Socialists, who dominated the French political scene a generation ago, have been searching for direction since former Prime Minister Lionel Jospin's embarrassing third-place finish in the last presidential vote, in 2002.

The party also has been licking its wounds since the national referendum on the European Union Constitution last year, which caused a massive rift in the party — and French voters overall rejected it.

Though a spectrum of candidates from far left to far right are gearing up to run in the presidential election, the centerpiece of the race is likely to be a battle between Royal and the front-runner on the mainstream right — Interior Minister Nicolas Sarkozy.

A poll published Thursday showed respondents equally split between the two. In a first round of voting, Sarkozy would edge out Royal by 34 percent to 30 percent, the poll said — but in a runoff, they would be at 50-50. The IFOP agency conducted the poll Nov. 9-11 by telephone among 948 respondents. No margin of error was given.

The Socialists, who ran the government under Jospin from 1997 to 2002, made one of their biggest marks with passage of the so-called 35-hour workweek law, which conservatives say has hurt the economy.

Critics say the Socialists have no feasible recipes for facing a globalizing economy or revitalizing growth. The party manifesto calls for expanding use of the much-maligned workweek law, re-nationalizing utility Electricite de France, and punishing companies that move jobs abroad.

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But Royal's supporters say she is of a different breed — a sleek lawmaker who has shaken up the political scene in a nation disenchanted and in need of change. Many say a female president is the tonic needed.

"That would do us some good," said Socialist party member Philippe Chleq, 72, one of the 68,000 party members who joined since June, after voting. "There is so much machismo in politics, it's disgusting. She'll help change that."

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Associated Press writers Nathalie Schuck, Christine Ollivier and Angela Charlton contributed to this report.

Socialists Back Woman In Race To Lead France (NYT)

By Elaine Sciolino

The New York Times, November 17, 2006

PARIS, Friday, Nov. 17 — Ségolène Royal moved a step closer to becoming the first female president of France early Friday, crushing her two male rivals for the Socialist Party nomination in next April's election.

With most of the vote in, Ms. Royal, 53, a regional president and former minister, won 60.6 percent of the vote of the party's nearly 219,000 members in an unusual primary.

Her closest rival, Dominique Strauss-Kahn, 57, a former finance minister, received 20.8 percent of the vote, and Laurent Fabius, 60, a former prime minister, 18.5 percent.

The tally in France ended around 1:30 a.m. and will be complete after overseas territories finish voting.

"I am living intensely this moment of happiness," Ms. Royal said after the preliminary results were announced. Thanking the party's "grass roots" members, she added, "The fact of receiving this momentum, of being chosen in this way, this is something extraordinary. I think that the French people have written this story."

The victory helped validate Ms. Royal's standing as the only candidate capable of beating the right's frontrunner, Nicolas Sarkozy, the Interior Minister who is seeking his UMP party's nomination for the 2007 presidential election.

An Ipsos opinion poll released on Thursday found Ms. Royal and Mr. Sarkozy statistically tied if they were to face off in a second round of voting, after other candidates had been eliminated.

Ms. Royal's victory followed months of mudslinging and maneuvering in a campaign that pitted her against the party's older, more established — and male — "elephants," whom she had dared to challenge.

Campaigning on a platform of "rupture" with the status quo, she has also capitalized on her femininity while accusing her competitors of chauvinism.

"Gazelles," she said last May, "run faster than elephants."

Responding to voters' disillusionment with traditional elitist politics, she is promising more power to the people, giving local governments more authority, subsidizing small businesses, creating affordable housing and encouraging citizens to submit their ideas online, for example.

Even her opponents agree that her looks help. Published photos of her in a turquoise bikini while on vacation last summer underscored her youthfulness and glamour, while in poll after poll, her telegenic smile and elegant profile have appealed to a French public yearning for a new style of leadership.

Ms. Royal, president of the Poitou-Charentes region in the west, has also cultivated an image as a grass-roots nurturer, taking her campaign to the countryside to listen to concerns about social issues such as educational reform and youth crime.

With a portfolio that includes stops at three second-tier ministries — Environment, School Education and Family and Childhood — Ms. Royal has been criticized as lacking the experience and gravitas to lead a country that is a nuclear power and has the world's sixth-largest economy.

Her inexperience in foreign policy issues surfaced last week when she said during the last campaign debate that Iran should never be allowed to have a civilian nuclear energy program. As her opponents quickly pointed out, Iran enjoys that right as a signatory to the Nuclear Nonproliferation Treaty.

But the party members' enthusiasm for Ms. Royal seemed to trump any slips on policy issues.

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"Her victory means that the Socialist Party is still under the shock of April 2002 and is looking above all for a candidate who can win," said Dominique Reynié, a professor of political science at the Institut d'Études Politiques in Paris. "Much more important than a doctrine or a program is the look of a champion."

In the April 2002 presidential election, the Socialist candidate, Prime Minister Lionel Jospin, was eliminated in the first round, trailing even the far-right National Front candidate, Jean-Marie Le Pen.

Going into the primary, Ms. Royal enjoyed a strong lead in the polls, although she had lost ground steadily in recent weeks to Mr. Strauss-Kahn, largely because of his performance in their six policy debates, three of which were televised.

Ms. Royal was helped by the withdrawal from the race in September of Mr. Jospin, a fixture in French politics for nearly three decades.

The three candidates, all deputies in the National Assembly, voted in their home districts on Thursday. Mr. Strauss-Kahn continued to campaign on Wednesday, even though his 86-year-old mother had died the day before.

The fourth of eight children, Ms. Royal was born in Dakar, Senegal, where her father was an army colonel, and earned admission to the elite École Nationale d'Administration.

It was there that she met François Hollande, her partner of 25 years and the father of her four children. The head of the Socialist Party who is believed to have harbored presidential aspirations of his own, Mr. Hollande has remained neutral.

Ms. Royal was repeatedly attacked in the campaign as naïve and inexperienced. In addition to questioning her foreign policy background, her opponents and other critics mocked her proposal to create "citizens" juries to pass judgment on the work of elected officials, calling it dangerously populist, costly and irrelevant. At one rally in Paris last month when she discussed the issue, she was booed repeatedly.

During one debate, she defended her call for a less centralized, more representative form of government, saying: "Democracy is like love. The more there is of it, the more it grows."

She has also been criticized by her rivals for playing the woman card. At a rally in Paris last Monday, she quoted Mr. Strauss-Kahn as having said after their final debate that "she would have done better to stay at home instead of reading from her recipe cards."

Asked by Europe 1 radio Wednesday whether she was a liar, Mr. Strauss-Kahn replied, "That, or she is ill informed."

While opinion polls put her far ahead as the vote approached, it had been impossible to say whether those projections would be borne out in Thursday's primary. Only party members who pay about $25 a year to register officially were allowed to vote in the primary. Their views had never been polled because the Socialist Party refused to give its membership list to polling institutes. In addition, a full third of the party's members joined this year after a campaign to register new and younger members, using the Internet as a recruiting tool.

There have been two Socialist primaries before, but they were low-key affairs and they did not follow a campaign to enroll new members or televised debates similar to those in the United States.

In January, the UMP party will choose its candidate in a primary for the first time.

Despite Mr. Sarkozy's overwhelming lead in the polls, there are signs that 12 years might not be enough for President Jacques Chirac. In an interview in the magazine Le Nouvel Observateur, his wife, Bernadette, suggested that he might seek an unprecedented third term.

As a former president, the 73-year-old head of state has the right to sit on the country's Constitutional Council once he is no longer president.

"Yes, he'll take it up," Mrs. Chirac said of the council. "In five years' time."

Mr. Chirac himself has said he will not make his intentions known before next March.

France's Segolene Royal Wins Socialist Party's Nomination (WSJ)

By David Gauthier-villars

The Wall Street Journal, November 17, 2006

PARIS -- Segolene Royal won the French Socialist Party's nomination to run in next year's presidential elections.

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After a day of voting by French Socialist party card-carrying members, "it's now certain" that Ms. Royal will win the nomination without a further run-off vote, Stephane Le Foll, chief of staff for the Socialist Party's head secretary, told reporters. Mr. Le Foll declined to give a percentage by which Ms. Royal was expected to win, but said some 75,300 votes had been counted out of a total 180,000 ballots cast.

Ms. Royal's victory takes her one step further to her ambitions of becoming France's first woman president. The 53-year-old mother of four has transformed herself from a junior politician into a serious contender for the president's job over the past year. Her nomination highlights France's deep desire for change after nearly twelve years of economic stagnation and sagging morale under the rule of current President Jacques Chirac.

"It shows Socialist militants are also ready for change," said Jean-Louis Bianco, a Socialist lawmaker as the votes were being counted at the party's headquarters in Paris. Mr. Bianco added that he expects Ms. Royals' rivals in the primaries -- Dominique Strauss-Kahn and Laurent Fabius -- to now rally behind Ms. Royal.

The center-right, ruling UMP party, led by current Interior Minister Nicolas Sarkozy, is expected to choose its candidate early next year. Recent polls have suggested that Ms. Royal and Mr. Sarkozy would tie if the first round of the presidential election was held today, collecting between 30% and 35% of the votes each.

Socialists Pick New Face For French Presidency (WP)

By John Ward Anderson

The Washington Post, November 17, 2006

PARIS, Nov. 17 -- Riding a wave of popular disgust with France's political status quo, SÃ©golÃ¨ne Royal on Thursday used an Internet-fueled, personality-driven campaign to capture the Socialist Party's nomination for president and boost her bid to become France's first female head of state.

Royal, 53, an unmarried mother of four and glamorous protege of French presidential icon Francois Mitterrand, capitalized on her image as a fresh-faced cyber-candidate, running an insurgent's campaign to shake up the stodgy, male-dominated world of French politics. Party officials declared her the winner as vote-counting continued early Friday.

Le Monde newspaper estimated that she captured about 61 percent of the vote in turning back challenges from two party stalwarts -- former finance minister Dominique Strauss-Kahn and ex-prime minister Laurent Fabius, who both garnered about 19 percent, Le Monde projected.

Royal will carry the Socialist banner in the crowded first round of France's presidential race on April 22, when more than a dozen contenders are likely to vie for the Elysee Palace. The top two vote-getters will run against each other in the final ballot on May 6.

Political analysts expect the final matchup to pit Royal against the current interior minister, Nicolas Sarkozy, 51, the presumptive candidate of the center-right Popular Movement party, or UMP, which has not decided how it will choose its nominee. Polls show the pair -- who are transforming French politics by borrowing U.S.-style tactics -- statistically tied in a second-round face-off.

"Voters want to go to a new generation of politicians and forget all the past," said Pierre Giacometti, the head of Ipsos polling company. "The impression is that Sarkozy and Royal are a new frontier and represent a new vision and a new political epoch in the Fifth Republic."

About 219,000 registered Socialist Party members were allowed to vote in Thursday's election, and roughly 80 percent cast ballots, the party reported. Royal's victory -- she needed more than 50 percent to win -- was a clear signal that members wanted to rally behind a single candidate and avoid a potentially divisive second round.

Even so, political analysts and opinion surveys suggest that Royal will face a tough challenge uniting the left for the first round of the general election so that it does not splinter its vote and hand a victory to the hard right. That happened to the Socialists in the last presidential contest, in 2002, when the left's vote was so divided that it suffered a humiliating first-round defeat to anti-immigration candidate Jean-Marie Le Pen and his National Front party. Le Pen, who is gearing up to run again, was crushed in the second round by the current president, the UMP's Jacques Chirac.

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Chirac has not declared whether he will run, but it seems unlikely. His lackluster stewardship of France in recent years coincided with a sense of political and economic decline, a loss of international stature and a deep national malaise. In a recent poll, only 2 percent of those surveyed wanted him to run for a third term.

French disenchantment with politics-as-usual opened the door for Royal, whose primary campaign avoided deep policy debates and focused instead on her main selling points, which she referred to again and again on the campaign trail: the fact that she is a woman and polls that show she is the only candidate able to beat Sarkozy.

"I am the only one who can win against the right. I embody the profound change that people are crying out for," she declared at a campaign stop last weekend. "For the symbolic father of the nation to be a woman -- now that's a revolution."

France has never had a female president, and only one woman has served as prime minister -- Edith Cresson, whose 11-month term in the early 1990s was widely considered a disaster.

"She is, in a way, a symbol of hope, she's modern -- not the same old politicians everyone grew up with since they were babies -- and she's a woman and a mother and unapologetic about it," said Nicole Bacharan, an analyst at the Institute for Political Studies in Paris. "The discontent in the U.S. with the White House and Congress and Republicans and Democrats -- it's exactly the same here."

Although Royal has written four books and held three cabinet posts -- education, environment, and family and children -- critics disparage her credentials, and many on the left question her adherence to Socialist doctrine, calling her a populist whose candidacy represents a victory of style over substance. She was accused of cynically overplaying the gender card -- using her femininity to attract voters on the one hand, attacking her critics as chauvinists on the other. She recently began reminding audiences that when she announced her candidacy, one of her opponents, Fabius, sneered: "Who will look after the children?"

She has offered a series of headline-grabbing proposals, such as boot camp for juvenile delinquents and "citizen juries" to monitor French politicians. She has criticized one of the Socialist Party's sacred cows -- the 35-hour workweek approved when the party controlled Parliament in 1998. But she has offered few ideas for tackling France's most pressing problems -- particularly immigration, crime and unemployment.

But after she had spent months on the campaign trail, sporting bright, well-tailored suits and colorful blouses, Royal's sharp contrast with the country's traditionally dour politicians won over much of the French public. She achieved rock-star status and typically is referred to by her first name only, or its shortened form, SÃ©go. Supporters said they made a personal connection with her.

"I don't care if SÃ©golÃ¨ne has experience or not, she's the only one I can trust," said Adrien Blanc, 40, a restaurant waiter in Paris who joined the party this year.

"I've had enough of the old party elephants," said Damien Beacco, 25, employing the term commonly used to describe longtime party power brokers. "SÃ©golÃ¨ne is different. Whenever she speaks, it creates momentum and entails change, no matter how shocking her proposals may be."

In what was considered a breach of journalistic decorum and a violation of the privacy rules surrounding politicians, two glossy magazines in August ran pictures of Royal at a beach in a turquoise bikini with her partner and father of her children, Socialist Party leader Francois Hollande. The celebrity magazine VSD ran her photo alongside a JFK-like picture of Sarkozy running bare-chested on a beach, with the headline "Duel in the sun."

Analysts said the willingness of candidates to tolerate and at times court such media coverage is a sign that French politicians are increasingly reaching out to the public.

Both Royal and Sarkozy have sophisticated Internet campaigns. Royal's candidate blog and Web site are credited with attracting many of the estimated 80,000 new members who joined the Socialist Party this year.

Royal also was stung by the new campaign tactics. In an incident remarkably similar to one that dogged the failed reelection effort of Sen. George Allen (R-Va.), Royal was captured on video criticizing French schoolteachers -- a key Socialist constituency -- for not working hard enough. The video was posted on the Internet, where it was reportedly viewed thousands of times. Tape recordings also circulated of Socialists booing and heckling her at closed party meetings.

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Ireland Sees Spike In Foreign Workers (WT)

By Anthony Healy

The Washington Times, November 17, 2006

DUBLIN -- First-time visitors to Ireland may be surprised to find that the comely colleen serving Guinness in the local pub is, in fact, Polish.

After several centuries of a hardscrabble life that has seen Irish men and women emigrating around the world, taking their culture and legends with them, a decade of rapid economic growth has made the land of shamrocks a primary destination for hordes of immigrants, mainly from Eastern Europe.

Foreign nationals now account for 10 percent of the population, twice as many as just two years ago, forcing the government for the first time to begin drafting a formal immigration policy to deal with the influx.

"Make no mistake, we are in competition with other economies for go-ahead people with experience or qualifications that are in short supply at home," said Michael McDowell, the minister for justice, who must find a way to balance the nation's deep-seated traditions with the "Celtic Tiger's" growing demand for skilled labor.

"Immigration policies are first and foremost about what is best for Irish society."

But recognition of the economic need for foreign workers has done nothing to ease the shock experienced by one woman on a visit to Dublin from rural Ireland. "I asked three people for directions, and not one of them spoke English," she complained.

Similar anecdotes about pubs where all the staff speak Polish are borne out by recent figures from the Central Office of Statistics.

More than 80 percent of the new immigrants are under age 44, and almost half come from states that joined the European Union in 2004. Large numbers are employed in the retail, agriculture and construction sectors, helping to fuel one of the fastest-growing economies in Europe.

The ethnic and linguistic mixing, confined a few years ago to the capital, now reaches into even the smallest and most remote towns and villages. Amid the wild scenery of Connemara in the far west of Ireland -- where John Ford filmed "The Quiet Man" -- is the Killary Adventure Center. All the bar staff and kitchen staff are Polish.

"It's good to be able to talk to each other in Polish," said Anna, who has been in Ireland for two years and intends to return to Poland "when I've saved some money." She asked that her last name not be used.

In the southeast of Ireland in Dungarvan, population 15,000, there is now a Polish Advisory Center, located just down the road from the Polskie Sklepy -- the Polish Grocer. The local movie theater recently hosted a Polish film festival.

The nation's main Internet service provider, Eircom, now provides its services in Polish, as do many large companies.

By far the largest bloc of new immigrants come from Poland and Lithuania, having received an automatic right to work in Ireland when their countries joined the European Union in 2004.

Stunned by the unexpected influx, Ireland has followed Britain in imposing tougher restrictions on citizens of Romania and Bulgaria when their nations join the EU in January.

Michael Martin, the minister for enterprise, trade and employment, has said it is time "to take stock, be cautious and concentrate on addressing the integration needs of those who have already come to live and work in Ireland."

It is not clear how the new legislation will affect the handful of Bulgarians and Romanians already living in Ireland -- people like Chris, a Bulgarian who overstayed a student visa, works in a supermarket while studying accounting, and has married an Irishman.

"It is very strange, is it not?" said Chris, who spoke only on the condition that her real name not be used. "In most countries in the world, the men chase the women, but in Ireland it is the women who chase the men."

Myanmar Is Left In Dark, An Energy-Rich Orphan (NYT)

By Jane Perlez

The New York Times, November 17, 2006

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SITTWE, Myanmar — In the balmy waters of the Bay of Bengal, just off the coast, an Asian energy rush is on. Huge pockets of natural gas have been found. China and India are jostling to sign deals. Plans are afoot to spend billions on new ports and pipelines.

Yet onshore, in towns like this one, not a light is to be seen — not a street lamp, not a glow in a window — as women crouch by the roadside at dawn, sorting by candlelight the vegetables they will sell for two cents a bunch at the morning market.

Paraffin and wood are major sources of light and heat. People receive two hours of electricity a day from a military government that is among the world's most repressive.

But attempts at outside pressure to prod the government to address its people's needs and curb abuses have faltered, in large part because China's thirst for resources has undermined nearly a decade of American economic sanctions. Critics say that Washington's policy has handed Myanmar, formerly Burma, to China. Still, as President Bush prepares to meet with leaders at the Asia-Pacific Economic Cooperation summit meeting in Vietnam on Nov. 17, one topic on his agenda will be how to keep up the pressure. He is not likely to find cooperation, not from rivals like China and Russia, or even countries like Singapore and Indonesia, which trade freely with Myanmar.

The Asian energy rush is the latest demonstration of how the hunt for oil and gas, and China's economic leverage, are reshaping international politics, often in ways that run counter to American preferences.

In many respects, with the rise of China's economic power and its unflagging support, the government here has become more entrenched than ever, people inside and outside the country say.

"What can we do about it?" said a well educated man here, when asked about the plans to sell the gas abroad in the face of the deprivation at home. "What good would it do to protest, what would we get?" People were too afraid of the 400,000-member strong army supplied by China, Russia and Ukraine to complain, he said.

In numerous encounters in Myanmar, where most speak with extreme caution to foreigners and almost always anonymously for fear of jail, people joked sardonically that China was the "big daddy" and that soon it would "own" Myanmar. "China is a good friend of the government, not of the people," one woman said. "They are like brother and brother-in-law."

The Bush administration has pledged that it will not let up on its sanctions against the government until it releases the opposition leader, Daw Aung San Suu Kyi, who has been under house arrest for 11 of the past 17 years.

Mrs. Aung San Suu Kyi's political party won an overwhelming victory in elections in 1990, and Washington insists that the government recognize those results, and release an estimated 1,100 political prisoners.

The Bush administration says it plans to file a Security Council resolution at the United Nations in coming weeks condemning the government for its human rights abuses, and tightening sanctions further.

The United Nations under secretary general, Ibrahim Gambari, met with the junta leader, Gen. Than Shwe, on Nov. 11 in Myanmar and urged the government to mend its ways on forced labor and political prisoners. The meeting ended inconclusively, United Nations officials said.

With so much energy and other resources at stake, and given its preference to shun outside interference in internal politics, China's leaders are seemingly unbothered by what is happening inside Myanmar.

China's National Development Reform Commission approved plans in April to build a pipeline that would carry China's Middle East oil from a deep water port off Sittwe across Myanmar to Yunnan, China's southern province. This would provide China with an alternative to the Strait of Malacca, which it now depends on for delivering its oil from the Middle East.

Though no date has been announced for work on the new pipeline across Myanmar, the military appeared to be getting ready to build the deep sea port on the island of Ramree, to the south of here, local people said.

In another sign of the importance of Myanmar to China, the chairman of the China National Offshore Oil Corporation, Fu Chengyu, said in a speech this year that the company would focus its investment in the medium term on two countries: Myanmar and Nigeria. Cnooc engineers are currently exploring for oil on Ramree, and the company has rights to other oil deposits in central Myanmar, according to Myanmar government reports.

India, thirsty for energy to fuel its own fast-growing economy, sees Myanmar as a place where it needs to contain China. In the late 1990s, democratic India switched its policy toward Myanmar from antagonism to friendship.

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And Thailand, Southeast Asia's largest economy, spends about $1.2 billion a year for Myanmar's natural gas, giving the military government badly needed hard currency.

In conversations with people in a number of towns, a portrait emerged of a universally unpopular, deeply corrupt government. People told of worsening poverty, a collapsed education system and a health care system that could deal only with those who paid. Tuberculosis, malaria and AIDS were rampant, they said.

The government's budget for its AIDS program in 2004 was $22,000, according to a recent health survey by John Hopkins University Medical School.

The junta leader, Gen. Than Shwe, 73, whose early military training was in psychological warfare, was described by many here as a master manipulator of his minions. He insisted, apparently out of fear of a coup, that the capital be moved this year from Yangon, formerly Rangoon, to a new site in the jungle, Naypyidaw.

The move, costing millions of scarce dollars, was in step with the general's belief that he marched in the footsteps of the old Burmese kings — the name of the new capital means "Royal City." Then, as now, there was a fierce line between the rulers and the ruled.

For the first time, health workers said they were discovering severe malnutrition among children in urban centers, a true anomaly in a lush country that was once the world's biggest exporter of rice.

In Mandalay, the second-biggest city, almost naked children with distended stomachs scrounged on the riverfront. In one village on the Thwande River on the west coast, nomadic families were too strapped for food to offer any to visitors, a traditional courtesy in Myanmar.

"Why is there severe malnutrition in this Garden of Eden? Because people are poor," said Frank Smithuis, a physician who has worked in Myanmar since 1994 and heads the Doctors Without Borders, Holland, medical programs. "People are going from three meals to two meals to one meal. One meal a day just isn't enough."

In the village of Leat Pan Gyunt, south of Sittwe, villagers said they could afford to send their girls to school for only three years. The local school consisted of one dirt-floored room for all grades from first to eighth. The desks were planks of wood supported on two bricks.

Afraid of protests by students, the government dispersed the University of Yangon to sites outside the capital.

At the new Magway University, the medical students were learning surgery from books and videos, without working on human corpses because the government refused to pay for formaldehyde, two people familiar with the situation said.

In contrast to the deepening poverty — Myanmar's per capita income is calculated at $175 a year, far below neighboring Bangladesh — the military leaders were amassing fortunes, people said.

The latest evidence was a video leaked to a Web site, www.irrawaddy.org, based in Thailand, of the recent opulent wedding of General Than Shwe's daughter, Thandar Shwe. The video showed the bride, with her father alongside her, decked out in a necklace of six ropes of large diamonds, her hair looped with diamonds as well.

For those educated people who want change, the path is treacherous.

"I don't want to waste myself in jail," said one woman, who had two relatives imprisoned. "They were not the same when they came out."

In a similar vein to the dissidents in Eastern Europe in the 1980s, the woman said she believed change had to come from inside the country. But unlike Poland under Soviet rule, no unions are allowed in Myanmar, and most kinds of formal associations are considered suspect.

She said she held classes at her home on how to be more confident, how to strategize. She was trying to spread her classes to Buddhist monasteries and Christian churches, she said.

"Only education can change people because people don't know anything," she said. "Only about 10 percent of the people know what is going on." Sometimes she was in such despair, she said, that she believed that the only way to win against the government was "to think like them."

"But we can't think like them," she added, "nobody thinks like them."

Not all opposition groups that work outside the country believe that Washington's hard line is serving the best interests of Myanmar or the United States.

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With its policy of isolation, the Bush administration was allowing China, and to a lesser extent, India, to have a free hand in Myanmar to the exclusion of the United States, said Aung Naing Oo, who spent a year at the John F. Kennedy School of Government at Harvard University and who is the author of several books on Myanmar.

"The geopolitical situation favors the Burmese military," he said. "China and India both want to support it, and the Asian nations have no teeth."

Still, on a recent trip to Vietnam, a delegation of Myanmar officials heard something that astounded them, he said. They went to find out why Vietnam had become so suddenly prosperous.

"The Vietnamese said one word: 'The Americans.' The Burmese could not believe that after fighting a war Vietnam was friendly with the United States."

The Green Leap Forward (NYT)

By Thomas L. Friedman

The New York Times, November 17, 2006

A friend of mine here wakes up every morning and does his own air quality test — as many Beijing residents do: He looks out his 24th-story window and checks how far he can see. On a rare pristine day, when the wind has swept Beijing, he can see the Fragrant Mountain rising to the northwest. On a "good" pollution day, he can see the China World building four blocks away. On a bad day, he can't see the building next door.

Shortly before I arrived in Beijing, China had been host of a summit meeting of 42 African leaders. Time magazine reported that Beijing officials had "ordered half a million official cars off the roads and said 400,000 more drivers had 'volunteered' to refrain from using their vehicles" in order to clean up the air for their African guests. No sooner were they gone, however, than all the cars returned and Beijing's air went back to "unhealthy." China's Environmental Protection Administration, Time noted, recently estimated the annual number of premature deaths in China caused by air pollution at 358,000.

No, China's officials are not in denial about their environment. But they also have not fully come to grips with how big a project it will be to take this incredible locomotive of an economy and clean up the engine without stopping the train.

I would argue that the same kind of bruising effort it took for Deng Xiaoping to move China from communism to capitalism will be required to move China from its polluting model of capitalism to a sustainable one. Mao almost destroyed China with his Cultural Revolution to make it more red, more communist. Without a new cultural revolution to make China more green, more sustainable, the Chinese growth juggernaut will destroy itself.

"To reverse this kind of situation we can't just make speeches," Pan Yue, China's vice minister for environmental protection, told me. "It will only come from a shift of attitudes from the very top to the very bottom. My job is to educate and encourage this shift, so that officials don't just think about economic growth as G.D.P. growth, but also factor in environmental health."

Three big shifts will be needed. The first is addition by subtraction. China can't go on trying to solve its energy problem by building the equivalent of two 600-megawatt coal-fired power plants a week. China needs California-style virtual efficiency "power plants" — E.P.P.s. These E.P.P.s are companies formed to identify and implement ways to save energy — from better lights to better designs to more efficient appliances — in a particular region. E.P.P.s sell the kilowatt-hours they save to the power grid at a fraction of the cost the grid would have had to invest to generate that same power with a coal-fired plant. The idea is to have profit-driven companies focused on adding power — by saving it where it is not needed so there will be more capacity where it is needed — without having to build more smokestacks. China is exploring E.P.P.s.

Second, China has set ambitious environmental targets. But it has to better persuade officials at every level that meeting not only their growth targets but also their "green" targets will determine if they advance or not.

China's 10th five-year plan, which began in 2000, called for a 10 percent reduction in the sulfur dioxide that produces acid rain. When that plan concluded in 2005, air pollution in China had increased by 27 percent. The 11th five-year plan calls for a 20 percent improvement in energy consumption for every percent of G.D.P. growth and a 10 percent reduction in pollution, now from a higher base.

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This time, Beijing is stipulating exactly how much each province and locality and the top 1,000 factories have to improve. So far, though, the first year has seen another increase in air pollution. Until local officials start getting fired en masse for missing their green targets, you won't see big change.

Finally, China's leaders are going to have to allow more press freedom and public participation, because the best environmental watchdogs are local newspapers and farmers. Beijing, to its credit, has begun to allow citizens to take part in environmental impact assessments and to bring environmental lawsuits. But this needs to go further.

I repeat: China's leaders do get it. But moving this place to a new sustainable model will take more than ordinary leadership. It will take a giant leader who by sheer force of will moves the whole system against all the entrenched habits and interests. It will take a green Deng Xiaoping. Nothing else will suffice. Otherwise, every day here will feel like midnight at noon.

Don't Close The Door On Free Trade In The Andes (WSJ)

By Mary Anastasia O'Grady

The Wall Street Journal, November 17, 2006

Sometimes it seems that our elected representatives in Washington are not all that bright. Either that or they don't always act with the best interests of the American people in mind.

Take the opposition on Capitol Hill to the pending free trade agreements between the U.S. and Peru and Colombia. The Bush administration has already signed the FTA with Peru and is expected to sign the Colombia FTA by the end of next week. But to be implemented, both pacts need to be ratified by the U.S. Congress. Right now, with the Democratic leadership opposed and some Republicans unwilling to back the president, that looks doubtful.

Just how the defeat of these two trade pacts is supposed to benefit American democracy, security or living standards is a riddle. The opposite is true: If a U.S. goal is to increase stability and prosperity abroad and to make the homefront safer and living standards higher for Americans, killing the U.S.-Peru deal is dumb. Knocking off the agreement with Colombia is even dumber.

Consider U.S. economic interests alone. Forget the fact that these two countries, with a combined population of more than 72 million people and per capita gross domestic products in 2003 of less than $2,200, would greatly benefit from more liberalized trade. Assume for a moment that Washington doesn't give a hoot about Third World hardship. Even if all this is true, and American politicians are only interested in serving Americans, ratifying these two trade agreements is still the only rational thing to do.

The U.S. economy is already relatively open to both Peruvian and Colombian imports under the Andean Trade Preferences Act. Since 1991 both countries have enjoyed duty-free access to the U.S. market for the vast majority of their products.

Since 2002 the ATP has been tied to "cooperation" in the U.S. war on drugs, which has meant an increase in violence and instability in the region in a senseless effort to end the supply of coca coming from the Andes. So our Andean friends have certainly "paid" for their preferential access to the U.S. Yet under the ATP there is no quid pro quo for trade liberalization on the part of Peru or Colombia. If the two free trade agreements are not ratified, it is likely the ATP will be renewed in the interest of the drug war.

A better U.S. policy, for all sides, would be to keep the U.S. market open to Peruvian and Colombian goods but also to open those domestic markets to American goods. That's what would happen under the FTAs. Under the U.S.-Peru agreement, 80% of U.S. exports of consumer and industrial products to Peru will be immediately duty-free once the deal is sealed and another 7% will become duty-free after five years. Nearly the entire economy will be open after 15 years. In the case of Colombia, 80% of U.S. exports of consumer and industrial products will be duty-free immediately and the rest of the duties will phase out over 10 years.

As it stands now, Peruvian and Colombian trade policies incorporate a "high level of protectionism," according to the 2006 Heritage-The Wall Street Journal Index of Economic Freedom. But both countries are already demonstrating an appetite for U.S. goods. U.S. exports to Peru, despite protectionism, are now more than $2 billion annually. In 2005, U.S. goods exports to Colombia were $5.4 billion. Inflation is low and the currencies stable in both countries and both boast young populations eager to become consumers in a globalized market. Access to this demographic is a U.S. exporter's dream.

Retail consumers are not the only market for U.S. businesses. Thomas Gales, Caterpillar Tractor's vice president for Latin America, has testified that Colombia and Peru are important destinations for his company's heavy equipment. With the

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elimination of import tariffs on machinery made in Caterpillar's East Peoria and Decatur, Illinois plants, he says Cat's competitiveness in the region will be further enhanced.

The American Farm Bureau Federation estimates that when the deal is fully implemented, exports to Peru (a market half the size of Colombia) could grow by $700 million annually. Both agreements also liberalize the service sectors.

If these export opportunities are not convincing enough, consider the risks to U.S. competitiveness of nixing the deals. If the U.S. doesn't negotiate free trade in these markets, the European Union, Japan and the rest of Latin America probably will.

For those who care about Latin American poverty, there are even better reasons to ratify the free-trade pacts. The most immediate beneficiaries of more trade with the U.S. will be the consumers in Peru and Colombia who will have more choice and better prices. Countries that open experience improvement in their export accounts, as access to inputs helps local producers improve competitiveness.

None of this matters to Big Labor, of course, which is out to kill both deals. Democrats on the hook to unions for the party's Election Day victory have already memorized Labor's script: Trade with Peru and Colombia cannot be allowed because those countries don't protect worker rights. Never mind that both have signed on to all International Labor Organization conventions.

Andrés Mejía-Vergnaud, of the Freedom and Progress Institute in Bogotá, points out that in the case of Colombia, opponents to the FTA are arguing against ratification because union leaders have been murdered. "But it's hard to see the connection between the killing of union leaders and the trade agreement," he says. "Remember that not only union leaders have been killed in Colombia: journalists, judges, business leaders, politicians, etc., all of us have been in danger here. It has to do with a generalized state of violence that the country has been going through, and has nothing to do with free trade. The crisis of unions in Colombia is also related to corruption and rapacity in public unionism. No wonder union leaders were once known here as the 'blue-collar oligarchy.'"

Colombia is not the only place where a Big Labor oligarchy has been known to call the shots for the rest of us. The Democratic-led Congress taking over in January is likely to experience a similar tyranny. That means that the only hope now for a step forward in U.S.-Latin American trade relations lies with Republicans, who would be wise to pass these FTAs before they leave the majority in December.

No More Delays For Kosovo (NYT)

The New York Times, November 17, 2006

For the past seven years, the tiny Balkan region of Kosovo has been in limbo. Administered by the United Nations, it is not an independent state. But it is no longer a province of Serbia. That ended after Serbia's rulers tried to kill or drive out Kosovo's ethnic Albanians — and NATO went to war to save them.

Limbos are not stable. And the U.N. mediator in talks on the region, Martti Ahtisaari, was expected to announce by the end of this year that it was time to start Kosovo on the path to closely monitored independence. Instead, he put off the decision until after Serbia's parliamentary elections — scheduled for January — for fear of bolstering Serbian ultranationalists. This postponement, only the most recent of many, should be the last.

After the 1999 war there has never been a realistic possibility of rejoining Kosovo and Serbia. Kosovo was supposed to earn independence by proving its willingness to govern responsibly and to protect its ethnic Serb minority. A lot more needs to be done on both those fronts.

But the United Nations has limited patience to keep administering Kosovo, and without the stability of statehood there will be no foreign investment and the beleaguered economy will not improve. Lack of economic prospects is feeding Albanian nationalism, and until Kosovo's status is settled, anger will remain close to the surface.

Even as it moves Kosovo toward statehood, the U.N. should keep a substantial military and advisory presence there, both to ensure the rights of the Serb minority and to encourage democratic development.

Belgrade will always object to Kosovo's independence. The best chance of moderating its reaction is the promise of eventual membership in the European Union and a clear warning that Europe will be watching how it treats its new neighbor. The Kosovars should be clear that donors and everyone else will be watching just as closely to see how they treat their own Kosovar Serbs.

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TERRORISM NEWS:

Jurors Begin Weighing Perjury Case Against Man Who Knew Two Sept. 11 Hijackers (NYT)

By Ray Rivera

The New York Times, November 17, 2006

Lawyers gave closing arguments yesterday in the latest phase of a drawn-out legal battle involving a Jordanian immigrant accused of trying to mislead a grand jury investigating the Sept. 11 attacks.

Prosecutors say the immigrant, Osama Awadallah, who is on trial for the second time in Federal District Court in Manhattan, lied repeatedly when he told a grand jury in October 2001 that he did not know Khalid al-Midhar, who took part in the attacks, and when he denied writing Mr. Midhar's name in a school notebook.

"Mr. Awadallah didn't tell the truth over and over and over," said Karl Metzner, an assistant United States attorney. Mr. Awadallah's lawyer, Jesse Berman, countered by saying that his client never meant to give the grand jury wrong information, and did so only after enduring 20 days of incarceration that left him confused, frightened and paranoid.

The case began when perjury charges were filed against Mr. Awadallah five years ago. The charges were thrown out by one judge and reinstated by an appeals court. Mr. Awadallah's first trial, in the spring, ended in a hung jury.

Mr. Berman said that before his grand jury testimony, his client was a model of cooperation. He readily told investigators that he knew another of the hijackers, Nawaf al-Hazmi, and consented to searches of his apartment, car and computer, even supplying the password: Islam.

"He went above and beyond the call," Mr. Berman said. "Is this someone that's trying to mislead a grand jury?"

The jury, made up of nine women and three men, deliberated for about an hour late yesterday before breaking for the evening. They will resume deliberations this morning.

Mr. Awadallah, 26, is charged with two counts of perjury and faces a maximum of 10 years in prison and then deportation if convicted.

The five-day trial was held in the same dark-paneled courtroom where, in May, a jury became hopelessly deadlocked over Mr. Awadallah's fate, with all but one juror favoring conviction.

Mr. Awadallah, who has been free on bail in San Diego, sat quietly throughout yesterday's proceedings. Behind him in the sparsely filled gallery sat his older brother, Jamal, a San Diego businessman, and their father, Ismail, a retired halal butcher who had arrived the night before from Jordan.

As in the earlier trial, prosecutors did their best to close the distance between ground zero, which sits just blocks from the courthouse, and the five years since the attacks.

"He didn't just lie to a grand jury," Mr. Metzner said. "He lied just a month after the attacks, when so much was still unknown."

Mr. Awadallah has never been accused of plotting with the terrorists or having advance knowledge of the attacks. But Mr. Metzner told jurors that Mr. Awadallah's lies to the grand jury, coming in the days after the attacks with fear of more attacks permeating the air, could have sent investigators meandering down wrong and time-consuming paths.

The government's interest in Mr. Awadallah began after investigators discovered a scrap of paper with the name "Osama" and Mr. Awadallah's former telephone number in the glove compartment of a car that Mr. Hazmi had left at Dulles International Airport, near Washington.

At the time, Mr. Awadallah was a 21-year-old college student in San Diego, where Mr. Hazmi and Mr. Midhar had lived until about a year before they boarded American Airlines Flight 77, which crashed into the Pentagon.

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Under questioning by the F.B.I., Mr. Awadallah said he knew Mr. Hazmi, who worked at the same gas station and worshiped at the same mosque. He also said he remembered an acquaintance of Mr. Hazmi and described him physically but said he had never learned his name. When shown a picture of Khalid al-Midhar, Mr. Awadallah claimed not to recognize him.

After two days of interviews, Mr. Awadallah was detained as a material witness on Sept. 21, 2001, and was held in isolation at several jails.

In his first grand jury appearance nearly three weeks later, Mr. Awadallah again denied knowing anyone named Khalid. But after a long day of testimony, prosecutors showed him an essay booklet given to them by Mr. Awadallah's teacher of English as a Second Language. In it, written just four days after the terrorist attacks, was the passage: "One of the quietest people I have met is Nawaf. Another one, his name is Khalid."

Mr. Awadallah at first said the booklet appeared altered, because he would not have spelled "Khalid" that way. Mr. Berman said that his client realized his mistake shortly after testifying and alerted his lawyers to it, but that prosecutors chose not to call the grand jurors back into the room.

When Mr. Awadallah appeared again before the grand jury five days later, he acknowledged that the handwriting was his and that he now remembered meeting Mr. Midhar.

During the trial, Mr. Berman showed a chart of bruises on Mr. Awadallah's upper arms and the back of his neck, which he said his client had sustained at the hands of guards. The government has denied any mistreatment.

By the time Mr. Awadallah appeared before the grand jury, he was disoriented, exhausted and "freaked out," which is why he initially believed that the booklet had been doctored, Mr. Berman said.

His comments underscored the notion that, though Judge Shira Scheindlin of Federal District Court warned jurors otherwise, the government was on trial for its treatment of Mr. Awadallah.

In 2002, Judge Scheindlin threw out the perjury charges against Mr. Awadallah, calling them the fruit of an illegal detention and saying that the government used duress and coercion to get him to agree to interviews.

The charges were reinstated more than a year later after a federal appeals court overturned Judge Scheindlin's ruling.

Jury Weighs Fate Of Man Accused Of Lying About Sept. 11 Hijacker (FINDLAW/AP)

By David B. Caruso, Associated Press Writer

AP, November 17, 2006

(AP) - NEW YORK-For the second time, a jury is considering whether a foreign college student involuntarily sucked into the Sept. 11 terror probe tried to distance himself from the case by lying to a grand jury about how well he knew one of the hijackers.

Osama Awadallah was arrested in San Diego 10 days after the 2001 terror attacks when a slip of paper with his phone number on it was found in a hijacker's car. He spent the next 20 days jailed as a material witness while authorities tried to figure out what he knew.

Agents finally concluded that Awadallah was no terrorist and had only known hijackers Nawaf al-Hazmi and Khalid al-Mihdhar briefly, but he was charged with perjury over a contentious grand jury session in which he claimed he didn't remember al-Mihdhar's name.

The first trial on the perjury charge ended in a hung jury last spring.

In his closing argument at the retrial on Thursday, defense attorney Jesse Berman said Awadallah, who was 20 when he was arrested, was simply exhausted, confused and frightened during his grand jury testimony and didn't intend to mislead anyone.

"He was sincerely trying to be helpful," Berman said.

He accused FBI agents and prosecutors of deliberately provoking and upsetting Awadallah, who was handcuffed to his chair. In the weeks leading up to his testimony, Awadallah was kept in solitary confinement and was subjected to strip searches. He also claimed to have been beaten by his jailers.

"All the importance of the 9/11 investigation doesn't justify treating this man like a dog," Berman said.

Assistant U.S. Attorney Karl Metzner told jurors there was no evidence Awadallah was confused, forgetful or disoriented by mistreatment.

"He didn't make a mistake. He lied deliberately," Metzner said.

The smoking gun, he said, was an examination booklet that Awadallah had filled out for an English class a few days before his arrest.

In it, he had written, "One of the quietest people I have met is Nawaf. Another one, his name is Khalid." Metzner said that proved that Awadallah knew the hijackers better than he had let on.

"He decided he was only going to tell the grand jury as much as he thought he had to, and no more," Metzner said.

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Jurors began their deliberations Thursday evening. They went home for the night without having reached a verdict and were to continue their work Friday.

Awadallah, who was born in Venezuela and raised in Jordan, could face up to five years in prison if convicted, although U.S. District Judge Shira Scheindlin said during the case that she would be unlikely to sentence him to significant jail time. He also could be deported.

The trial focused on a strained exchange between Awadallah and his interrogators during his grand jury testimony of Oct. 10, 2001.

During the session, Awadallah acknowledged repeatedly that he knew al-Hazmi. The two had attended the same mosque and worked at the same gas station in San Diego.

He also described a second man who was often in al-Hazmi's company but said he couldn't remember his name. Asked if he knew anyone named Khalid, Awadallah said no.

A skeptical prosecutor then confronted Awadallah with the examination booklet.

Caught off guard, Awadallah initially claimed someone else had doctored the document. Five days later, he appeared before the grand jury a second time and acknowledged that the sentence was his. He said his earlier testimony had been confused.

Pentagon Wants War-crimes Compound At Guantanamo (MH)

By Carol Rosenberg

The Miami Herald, November 17, 2006

The Pentagon plans a Military Commissions compound at Guantánamo Bay, Cuba, costing up to $125 million, a major undertaking meant to accommodate up to 1,200 people at the Navy base for the first U.S. war crimes trials since World War II, The Miami Herald learned Thursday.

If funded by Congress, it would be the largest single construction expenditure at Guantánamo since the Bush administration set up the offshore detention and interrogation center in January 2002.

No Defense Department official would speak about the project with his or her name attached.

But one Pentagon insider with knowledge of the plan said officials envision the fast-track construction of a major compound at an abandoned airfield that in the 1990s housed a tent camp for Cuban rafters. Years before it had been a dirigible hangar for U.S. military blimps.

Some of the details are specified in a "pre-solicitation notice," which has been posted on the Web for potential government contractors.

The proposed complex would have housing, dining and work space for anyone involved in the trials. The project seeks to have two courtrooms completed by July, and an option to build two more before 2008, said the Pentagon official, who requested he not be identified because he wasn't authorized to speak for the department.

The official did not know whether the Pentagon would seek authorization and funding from the so-called lame-duck Congress controlled by the Republicans, or wait until the Democrats take control of Congress in January.

"They're going to have to go to Congress," the official said, adding that the Navy posted the notice for would-be contractors Nov. 3, ahead of the general elections, ``really to give folks out there interested in that kind of work a heads up that something is coming."

Bill Sutey, military advisor on the staff of Florida Democratic Sen. Bill Nelson, a member of the Senate Armed Services Committee, said, ``As a matter of law, it would require an appropriation. It's not even authorized yet."

"To anybody it would beg questions about, What are we doing here? Why are we doing it this way? What is the requirement? Why is it going to cost that much? These are routine oversight questions and we will do this," Sutey said.

The U.S. Supreme Court in June shut down the administration's first effort to stage the commissions, declaring the formula unconstitutional.

Now, armed with a new Military Commissions Act approved by Congress, administration officials are rewriting rules for the trials. They could resume in early 2007 with suspected terrorists being charged, according to the chief prosecutor, Air Force Col. Morris Davis.

The Pentagon proposal estimates the cost of the project to be from $75 million to $125 million. It would include a courthouse with two courtrooms, a communications and closed-circuit center, a motorpool facility for up to 100 cars, housing for 800-1,200 personnel and a dining facility for up to 800 people.

To put the project in perspective, the annual operating costs at the detention center some miles away are about $100 million, according to Rear Adm. Harry Harris, the center's commander.

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Once the Pentagon makes a formal request, the first opportunity to fund the new complex would be to include in supplemental spending packages being prepared by Congress for votes after a Thanksgiving recess.

The Navy would administer the building contract for what the pre-solicitation notice calls a ``Legal Compound at U.S. Guantánamo Bay, Cuba."

It lists the site as McCalla Field, an area overlooking the bay itself -- a considerable distance from the bluff overlooking the Caribbean where the 430 or so "enemy combatants" are housed and interrogated in a facility called Camp Delta and ringed by barbed-wire.

A Camp Delta spokesman, Navy Cmdr. Robert Durand, said by e-mail Thursday that the Office of the Secretary of Defense is responsible for any Military Commissions activity, but he believed ``a supplemental budget appropriation request is going out soon."

Navy Lt. Cmdr. Chito Peppler, a Pentagon spokesman for Guantánamo, said he had no information to release on the proposed court complex.

Other spokesmen at Secretary of Defense Donald Rumsfeld's Public Affairs division did not respond to inquiries about the proposed project.

Earlier efforts to stage the trials focused on alleged al Qaeda conspirators, among them Yemeni captive Salim Ahmed Hamdan, whose defense attorney, a Navy officer, challenged the formula in the civilian courts.

Since then, the CIA has sent to Guantánamo 14 suspected al Qaeda ringleaders -- among them alleged 9/11 mastermind Khalid Sheik Mohammed. Their presence at Guantánamo has heightened international interest in any prospective future war crimes trials.

Mohammed and the 13 other men had been interrogated and held in secret for three or more years, out of reach of the International Red Cross, and never charged with any crimes.

Report: Gitmo Detainees Denied Witnesses (AP-Y)

By Ben Fox, Associated Press Writer

AP, November 17, 2006

The U.S. military called no witnesses, withheld evidence from detainees and usually reached a decision within a day as it determined that hundreds of men detained at Guantanamo Bay were "enemy combatants," according to a new report.

The analysis of transcripts and records by two lawyers for Guantanamo detainees, aided by more than two dozen law students, found that hearings that determined whether a prisoner should remain in custody gave the accused little opportunity to contest allegations against him.

"These were not hearings. These were shams," said Mark Denbeaux, an attorney and Seton Hall University law professor who along with his son, Joshua, is the author of the report. They provided an advance copy of the report to The Associated Press late Thursday and planned to release it Friday on the Internet.

Their report, based on an analysis of records of military hearings of 393 detainees, comes as the U.S. government seeks to severely restrict detainee access to civilian courts, arguing that the Combatant Status Review Tribunals should be their main legal recourse.

Navy Cmdr. Jeffrey Gordon, a Pentagon spokesman, dismissed the findings as "recycled allegations," and noted the tribunals gave each detainee an opportunity to contest their designation as an enemy combatant.

"It is not a criminal trial and is not intended to determine guilt or innocence," Gordon said. "Rather, it is an administrative process ... to confirm the status of enemy combatants detained at Guantanamo as part of the Global War on Terrorism."

The military held Combatant Status Review Tribunals for 558 detainees at the U.S. Naval Base at Guantanamo Bay in southeast Cuba between July 2004 and January 2005 and found all but 38 were enemy combatants. Handcuffed detainees appeared before a panel of three officers with no defense attorney, only a military "personal representative."

According to the report, the representatives said nothing in the hearings 14 percent of the time and made no "substantive" comments in 30 percent. In some cases, the representative even appeared to advocate the government's position, the report said.

The report is based on transcripts of tribunals that the government first released earlier this year in response to a Freedom of Information Act lawsuit filed by The Associated Press as well additional records provided by lawyers for 102 Guantanamo detainees.

Twenty-one first-year law students at Seton Hall University in Newark, N.J., analyzed the documents to create a database analyzed by eight second- and third-year students.

Among their findings:

· The government did not produce any witnesses in any hearing.

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· The military denied all detainee requests to inspect the classified evidence against them.

· The military refused all requests for defense witnesses who were not detained at Guantanamo.

· In 74 percent of the cases, the government denied requests to call witnesses who were detained at the prison.

· In 91 percent of the hearings, the detainees did not present any evidence.

· In three cases, the panel found that the detainee was "no longer an enemy combatant," but the military convened new tribunals that later found them to be enemy combatants.

"No American would ever consider this to be hearing," Denbeaux said. "This is a show trial."

The U.S. military now holds about 430 men at Guantanamo on suspicion of links to al-Qaida or the Taliban and holds Administrative Review Boards for them once a year to determine whether they should still be held, released or transferred to another country.

The Military Commissions Act, which President Bush signed on Oct. 17, strips all non-U.S. citizens held under suspicion of being an enemy combatant of their right to challenge their detention in civilian courts with petitions of habeas corpus.

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On the Net:

Seton Hall University Law School: http://law.shu.edu

Friend Of 9/11 Hijackers Convicted As An Accessory To Murder (WP)

The Washington Post, November 17, 2006

KARLSRUHE, Germany, Nov. 16 -- A Moroccan man was convicted of being an accessory to murder in the Sept. 11, 2001, attacks on the World Trade Center and the Pentagon, as a German appeals court ruled Thursday that evidence showed he knew that the plotters planned to hijack and crash planes.

The Federal Court of Justice found that a Hamburg court decided wrongly last year to acquit Mounir Motassadeq of direct involvement in the attacks, even as it convicted him of membership in a terrorist organization and sentenced him to seven years in prison.

Motassadeq, 32, was a close friend of hijackers Mohamed Atta, Marwan al-Shehhi and Ziad Samir Jarrah when they lived and studied in Hamburg. He has acknowledged training at an al-Qaeda camp in Afghanistan but has insisted he knew nothing of their plans.

"The defendant is guilty not only of membership in a terrorist organization, but also as an accessory to murder of the 246 passengers and crew members of the crashed aircraft," the federal court said.

It ordered the Hamburg court to reconsider his sentence. Motassadeq, who was not present for the ruling, now could face a maximum of 15 years in prison.

That could end a five-year saga that started with his arrest in Hamburg in November 2001 and has featured two trials -- although defense lawyers held out hope of taking his case to Germany's highest court.

Motassadeq, who already has spent a total of about three years in prison, has been free pending appeals since February, although he has had to hand in his passport to authorities and report regularly to police. An Associated Press reporter saw him leaving his Hamburg home in a car on Thursday.

No date was set for sentencing, and federal prosecutors said a Hamburg court later Thursday rejected their plea to return him to prison immediately. Prosecutors said they would appeal that decision.

HOMELAND RESPONSE:

Man With Nuclear Data, Cash Arrested At Detroit Airport (USAT)

By Donna Leinwand

USA Today, November 17, 2006

Federal agents continue to investigate a Dallas man arrested at a Detroit airport Tuesday after arriving on a flight from Amsterdam with nearly $79,000 in cash and a laptop computer that, according to court papers, contained information about nuclear materials and cyanide.

Sisayehiticha Dinssa will appear for a detention hearing before U.S. Magistrate Judge R. Steven Whalen at 1 p.m. Monday. He is charged with illegally concealing more than $10,000 in his luggage and with smuggling bulk cash into the USA. If convicted, Dinssa could be sentenced to five years in prison on each charge.

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Agents said Thursday they had no evidence to suggest Dinssa was involved in a terrorism plot, Immigration and Customs Enforcement (ICE) spokesman Greg Palmore said. "The initial findings definitely are making us want to find out more about this," Palmore added. "We need to get clear about what this guy was up to."

Dinssa, a naturalized U.S. citizen originally from Ethiopia, arrived at Detroit Metro Airport's McNamara Terminal on Tuesday on a Northwest Airlines flight from Amsterdam, according to a sworn statement by ICE Special Agent Zachary Keen.

Dinssa, described in court papers as unemployed, told agents he had spent the previous months in Nairobi and had tried to start a taxi business, Palmore said. Dinssa was traveling through Amsterdam and Detroit on his way to Phoenix, Palmore said. "He wasn't very forthcoming."

Dinssa had been flagged by Customs and Border Protection inspectors for further screening after agents received information from authorities abroad that Dinssa had been "acting very strangely," Palmore said.

Inspectors found $78,883 on Dinssa and in his luggage — $60,000 more than Dinssa reported carrying when questioned by Customs agents, Keen wrote. A drug-sniffing dog smelled narcotics on the money, Keen added. No drugs were found, Palmore said.

Inspectors examined Dinssa's computer after they noticed he did not have a power cord for it, which they considered unusual, Keen wrote. Inspectors found downloaded files about cyanide and nuclear materials, Keen wrote.

"When questioned about the materials on his laptop, Dinssa stated that he was interested in learning about cyanide and nuclear materials," Keen wrote.

"There are a lot of missing pieces to the puzzle," Palmore said.

Dinssa's court-appointed public defender, Leroy Soles, could not be reached for comment at his office Thursday.

Airport Arrest Turns Up Nuclear Info (AP)

The AP, November 16, 2006

A man was arrested at Detroit Metropolitan Airport after officials say they found him carrying nearly $79,000 in cash and a laptop computer containing information about nuclear materials and cyanide.

Sisayehiticha Dinssa, an unemployed U.S. citizen, was arrested Tuesday after a dog caught the scent of narcotics on cash he was carrying, according to an affidavit filed in court.

When agents asked him if he had any cash to declare, he said he had $18,000, authorities said. But when agents checked his luggage, they found an additional amount of about $60,900. When they scrolled through his laptop, they said they found the mysterious files.

At a court hearing Wednesday, Dinssa was ordered held in custody until at least until Monday at the request of prosecutors.

Assistant U.S. Attorney Leonid Feller argued Dinssa was a potential risk to the community and federal agents want to get a warrant to search his computer more thoroughly, The Detroit News reported Thursday. U.S. Magistrate Donald Scheer approved Feller's request to detain him.

Dinssa, who is from Dallas, arrived in Detroit from Nigeria by way of Amsterdam and was headed for Phoenix, Feller said. He is charged with concealing more than $10,000 in his luggage, which carries a maximum penalty of five years in prison, the Detroit Free Press reported.

A message seeking comment was left Thursday with his lawyer, Leroy Soles.

Man Stopped At Port Of Entry With Large Cash Sums And Laptop With Nuclear Information (ABC)

By Pierre Thomas And Jason Ryan

ABC News, November 17, 2006

A U.S. citizen of Ethiopian descent was arrested as he came into the U.S. on a flight from Amsterdam on Tuesday.

Sisayehiticha Dinssa was arrested by Immigration and Customs Enforcement agents after he was flagged for secondary inspection on entry to the U.S. at the Detroit Airport and was found to be carrying more than $78,000 in cash. Customs officials became suspicious of Dinssa when a narcotics dog signaled the scent of drugs on the money in his possession.

Customs officers also discovered that Dinssa was in possession of a laptop computer for which he had no power source. During an initial look at the computer, "Inspectors discovered some files that had been downloaded with information about cyanide and nuclear materials," an affidavit from an ICE agent filed in the U.S. District Court in Detroit noted.

According to two senior U.S. government officials briefed on the matter, the files appear to be beyond what someone would normally download from the Internet. According to U.S. officials, Dinssa may have been researching the materials extensively.

Dinssa had claimed he was only carrying $18,000. It is undetermined if this is an alleged smuggling case or potentially something more sinister.

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According to federal law enforcement sources, U.S. intelligence agencies and counterterrorism officials have been tasked to run down any leads on Dinssa in their databases. According to the court records, when questioned about the information on his laptop, Dinssa said that he was "interested in learning about cyanide and nuclear materials."

FBI agents and investigators from the U.S. Attorney's Office are expected to obtain a search warrant and examine the hard drive of the computer to determine the nature of the computer files. The Justice Department has asked that Dinssa be held in custody until he makes an appearance Monday in federal court for a detention hearing.

Calls by ABC News to a lawyer representing Dinssa have not been returned.

Muslim Detained By CIA Granted U.S. Visa (WT)

By Shaun Waterman

The Washington Times, November 17, 2006

A German Muslim whose detention and torture by the CIA prompted an apology from Secretary of State Condoleezza Rice will be granted a visa to come to the United States, although he might still be refused entry.

"Khaled el-Masri was found inadmissible to the United States on the basis of ... terrorist activities, and issued a visa on the basis of a waiver from the Department of Homeland Security," a State Department official told United Press International.

The official declined to comment further, saying that the details of visa decisions were confidential.

Department of Homeland Security spokesman Russ Knocke also declined to comment on the case.

Under U.S. law, a visa does not give a foreigner the right to enter the United States -- something that is granted at the port of entry by inspectors working for the Department of Homeland Security.

"He could still be turned away" if he was on the U.S. watch list of known or suspected terrorists, said one official.

Mr. el-Masri, a German citizen of Egyptian origin, said in a lawsuit last year that he was stopped at the Macedonian border in December 2003 while on vacation, and handed over to U.S. officials, who beat and drugged him, and took him to a secret prison in Afghanistan, where he was detained without charge and subjected to "coercive interrogation" for five months.

His case has become a lightning rod for European criticism of the United States over secret CIA prisons and other practices, including secret imprisonment of terror suspects without trial.

Mr. el-Masri has always denied any link to terrorism, and German Chancellor Angela Merkel said last year that Miss Rice had apologized for what she called "a mistake."

The American Civil Liberties Union (ACLU), which is representing Mr. el-Masri in his lawsuit, welcomed the news that he would be granted a visa.

"You would hope that after wrongfully detaining this man, torturing him, and then dumping him in Albania, they would have decency to let him come into the country to meet his lawyers," said ACLU attorney Anne Beeson.

But when Mr. el-Masri sought to enter the United States last December under the visa waiver available for German visitors, he was denied entry.

His lawyers said that he was met by homeland security officials and taken to an interview room for what is called secondary immigration screening.

After explaining the purpose of his trip, Mr. el-Masri "quite rightly refused to cooperate with authorities ... until his U.S. lawyer was present," ACLU lawyer Steven Watt told UPI.

He was told he was inadmissible under the visa waiver program, but could apply for a visa.

Two federal officials confirmed at the time that Mr. el-Masri's name was on the secret U.S. watch list of known or suspected terrorists, the Terrorist Screening Database.

One of them told UPI that there was a high-level dispute last year between the State Department and another agency, which had originally "nominated" Mr. el-Masri to the list.

"State wanted him taken off," said the official, adding that the dispute had risen to what he called "a high level" within the agencies involved.

Group Will Sort Terrorism Alerts For Local Governments (WP)

By Karen DeYoung

The Washington Post, November 17, 2006

A new plan to improve information-sharing about terrorism, signed by President Bush this week and delivered to Congress yesterday, establishes a Washington-based "threat assessment group" that includes federal, state and local officials. It also aims to reduce more than 100 restrictive and confusing categories of "sensitive" federal information to a half-dozen or fewer so local-level officials can better understand what they are told.

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State and local governments and law enforcement officials have long complained of a lack of coordination among the federal agencies that send terrorism-related alerts, analysis and instructions. The new plan allows state and local officials to participate in deciding what players outside the federal government need to know and designates an online channel to distribute the information.

The 165-page plan complies with part of the intelligence reorganization mandated by Congress in 2004. Designed to avoid a repeat of failures that preceded the September 2001 al-Qaeda attacks, the legislation created the Office of the Director of National Intelligence and the National Counterterrorism Center to facilitate coordination within the federal intelligence community. The legislation also ordered creation of new systems to ensure that terrorism information was adequately shared among federal, state and local entities, resulting in the plan released yesterday.

The newly released plan "restructures the way we handle intelligence and other information so that state and local customers get products that they can use," said Thomas E. McNamara, whose office, under Director of National Intelligence John D. Negroponte, wrote it with input from across the government. A career diplomat with extensive national security and counterterrorism experience, McNamara was appointed by Bush early this year to fulfill the legislation's vague instruction to establish an "information sharing environment."

The intelligence community has long acknowledged that cooperation throughout government is crucial to catching potential terrorists in this country and preventing another attack. But a level of "cultural inertia" still exists at the federal level, McNamara said.

"A lot of people think that information-sharing . . . means that security and control of the information being shared will be diminished, and if security diminishes, that's a negative," McNamara said. "I'm trying to convince them that if this is done right, security will be at least as good and possibly better."

McNamara expects the new Interagency Threat Assessment Coordination Group, based at the National Counterterrorism Center and headed by the Department of Homeland Security, to be operating by year's end. It will include officials from Justice, Defense, Transportation and Energy, and from state government and local law enforcement.

Operating 24 hours a day, seven days a week, the group will receive real-time intelligence information and determine what needs to be distributed around the country. That is designed to avoid confusion that has resulted in the past when one agency, for example, distributed a nationwide threat assessment that contradicted another agency.

The plan sets a 120-day deadline for coming up with a streamlined list of "sensitive but unclassified" security classifications used by the federal government. Federal agencies have independently established more than 100 such categories of restricted information, many of them overlapping and most of them confusing to police and sheriffs departments that are expected to comply with them. McNamara said he was aiming for "six or fewer" categories.

Army Urged On Chemical Weapon Disposal (AP)

AP, November 16, 2006

Technologies used to destroy chemical weapons in Europe and Japan are faster than one in the U.S. and should be considered, the National Research Council said Thursday.

In a study requested by the Army, the council said the foreign systems are as safe and sometimes more environmentally friendly that those in use here.

Destruction of chemical weapons recovered from burial sites has been under way since the early 1990s. An international convention calls for them to be destroyed by next April.

"If the U.S. Department of Defense decides to expedite the destruction of the large amounts of chemical weapons still buried in many parts of the country, using one of these technologies will be essential," said Richard Ayen, chairman of the committee that prepared the report. He is retired director of technology at Waste Management Inc. of Houston.

The study suggested three technologies for use:

_The Controlled Detonation Chamber, developed by DeMil International Inc. of Alabama and used in Europe. It places explosives around the munitions and then detonates them in a tightly sealed chamber.

_The Detonation of Ammunition in a Vacuum-Integrated Chamber technology, developed by Kobe Steel in Japan. It works in a similar way.

_A system developed by Swedish company Dynasafe. It detonates munitions in a kiln heated to temperatures between 720 degrees and 1,080 degrees Fahrenheit.

The council is an arm of the National Academy of Sciences, an independent organization chartered by Congress to advise the government on scientific issues.

U.S. Citizenship Of Former Graduate Student Born In West Bank Revoked (AP)

DOJ_NMG_0095765

AP, November 17, 2006

FAYETTEVILLE, Arkansas: A former University of Arkansas graduate student from the Middle East lost his U.S. citizenship Thursday and was sentenced to 15 months in federal prison.

Arwah Jaber, who was born in the West Bank, was previously acquitted of an aiding-terrorism charge but convicted of lesser offenses, including obtaining his citizenship fraudulently. He also was sentenced to three years supervised probation upon completion of his prison term.

Jaber was arrested at the Northwest Regional Airport on June 14, 2005, as he prepared to leave on a trip to the Middle East. Prosecutors said he planned to join Palestinian Islamic Jihad, labeled by U.S. authorities as a terrorist organization.

Jaber obtained a doctoral degree in chemistry from the university while he awaited trial.

He was acquitted June 20 of attempting to provide material support to a terrorist organization. But the jury convicted Jaber of five lesser charges: obtaining his naturalization unlawfully, making false statements on passport and immigration applications, and two counts of making false statements on credit card applications.

Jaber said at his trial that he did not cite his Palestinian name, Orwah Houshia, in immigration papers — though he applied for credit cards using that name — because he had used Arwah Jaber on all his immigration papers up until then.

VaxGen Wins Extension On Anthrax Vaccine (WP)

By Renae Merle

The Washington Post, November 17, 2006

VaxGen Inc., a California biotechnology firm, said yesterday that the government had given it more time to conduct human testing of its anthrax vaccine, postponing a decision on whether the program should be canceled.

The Food and Drug Administration threw the effort into doubt earlier this month after calling a halt to testing in response to questions about the drug's reliability. The decision put the company in potential violation of its contract with the Department of Health and Human Services, which required testing to begin Nov. 13.

VaxGen said HHS has decided to extend the company's deadline for resolving the issue until Dec. 18. At stake is a contract potentially worth $1 billion.

Meeting that deadline will be difficult. The company has yet to hold a formal telephone or in-person meeting with the FDA.

Those meetings should occur no later than the middle of December, said Lance Ignon, VaxGen's vice president of corporate affairs. "HHS, it appears, has provided the necessary time for us to meet with FDA to try to discuss our data and try to find a pathway forward," he said.

VaxGen's anthrax vaccine effort, already years behind schedule, is the largest component of the Bush administration's Project BioShield, a $5.6 billion effort to counter bioterrorism threats. The firm has run into several technical problems, including a previous failed human test, and has struggled to fund its research. The contract calls for the company to be paid after it delivers the vaccine -- which is supposed to be enough for 25 million people, roughly the population in the New York and Washington metropolitan areas combined.

The latest problem centers on the vaccine's stability or the rate at which it would deteriorate while stockpiled. VaxGen has said it was encouraged by the improvements it made to the vaccine's stability, but that FDA still had concerns.

WAR NEWS:

Convoy Of Civilians Hijacked In Iraq (AP)

By Bassem Mroue

AP, November 17, 2006

The Pentagon said a convoy of civilians traveling near Nasiriyah was hijacked on Thursday, while earlier in the day the Shiite-led Interior Ministry issued an arrest warrant for the top leader of the country's Sunni minority. The move was certain to inflame already raging sectarian violence.

Pentagon spokesman Bryan Whitman said preliminary reports suggested there could be as many as 14 people captured and that the convoy included about 19 vehicles.

An official familiar with the incident said preliminary reports being checked by the military indicated that the attack occurred at a checkpoint near Nasiriyah and that four Americans were believed to have been taken captive.

The official, who requested anonymity because of the security situation in Iraq, said it appears that some of the convoy drivers had been released, and were being interviewed by the military. He said initial reports suggest that the attack occurred at a checkpoint in a location where normally there is no blockade.

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The convoy was being operated by the Crescent Security Group. The company works mostly in Iraq, and its operations are based in Kuwait.

Interior Minister Jawad al-Bolani, a Shiite, announced Thursday on state television that Harith al-Dhari was wanted for inciting terrorism and violence among the Iraqi people.

Al-Dhari, head of the influential Sunni Association of Muslim Scholars, is an extreme hard-liner who recently mocked a government offer of reconciliation in return for abandoning the insurgency. But the move against him threatens to drive many moderate Sunnis out of the political system.

Already, moderate Sunnis have been threatening for weeks to leave the government and take up arms. If that happens, it would likely lead to a full-fledged civil war and make it much harder for U.S. troops to withdraw from Iraq.

The warrant was issued on a day when at least 49 Iraqis died violently and the U.S. military announced the deaths of four more American soldiers. Sunnis and Shiites could not agree on whether all hostages had been released from a mass abduction in Baghdad two days earlier, and one man said he'd been beaten by the kidnappers.

Mohammed Bashar al-Faidi, spokesman for the Sunni association, condemned the warrant for al-Dhari's arrest.

"This government should resign before the Iraqi people force it to resign," al-Faidi told Al-Jazeera television from Jordan. "The association calls on its people to be calm."

Al-Faidi accused the interior minister "of supporting terrorism by covering for (Shiite) militias that are killing the Iraqi people."

Earlier this year, the Sunni association blamed the Interior Ministry for the killing of a nephew and cousin of al-Dhari. Their bodies were found in a bullet-riddled vehicle in Baghdad.

Al-Dhari regularly travels between Iraq and the Persian Gulf states, as well as Syria, Jordan and Egypt. He was believed to be in Jordan when the arrest warrant was issued Thursday night.

Al-Dhari, who is about 65, is an outspoken critic of Prime Minister Nouri al-Maliki's Shiite-dominated government and the U.S. occupation. On Tuesday, President Jalal Talabani, a Kurd, called him a hard-liner with "nothing to do but incite sectarian and ethnic sedition."

There is precedent for an arrest warrant leading to violence in Iraq.

In April 2004, a U.S. warrant against radical anti-American Shiite cleric Muqtada al-Sadr prompted a two-week uprising by his Mahdi Army militia. Hundreds were killed.

Al-Maliki, despite heavy pressure from the United States, has done nothing to wipe out the Mahdi Army. Its benefactor, al-Sadr, is a key backer of the prime minister.

The Mahdi Army was believed responsible for kidnapping scores of people from a Higher Education Ministry office building in Baghdad on Tuesday. The aftermath of that mass abduction has turned into a propaganda war.

On Thursday, the Sunni higher education minister called the Interior Ministry "a farce" for not preventing the crime and claimed more than half the 150 victims were still in the hands of Shiite abductors.

But National Security Adviser Mouwafak al-Rubaie, a Shiite, said everyone had been freed and accused Arab satellite broadcasters and Western media of hostile reporting to incite sectarian hatred in Iraq.

Within hours, however, Brig. Gen. Abdul-Karim Khalaf, spokesman for the Interior Ministry, was amending that account, saying all the Higher Education Ministry employees were free but that others taken from the building were still hostages. He gave no numbers.

A Sunni who said he was among those abducted and released claimed his arm was broken by the kidnappers. He said he saw them kill at least three hostages after taking them to empty houses in Baghdad's Sadr City Shiite slum, a stronghold of the Mahdi Army.

The man, who goes by the name Abu Kadhim, or father of Kadhim, would not allow use of his full name for fear of further trouble with the Mahdi Army, which he blamed for his torture and 2 1/2 days in captivity. He disputed Khalaf's claim that police had freed the kidnap victims.

"Thursday, they just opened the doors and dragged us into trucks. Then they dumped us on Canal Street," Abu Kadhim said. That street runs along the Army Canal just west of Sadr City.

"I was lucky," he said. "They only beat me with a wooden club. Others were handcuffed and hanged from the ceiling by their wrists. They were beaten with iron bars. Others, building guards, had cotton shoved in their mouths and tape wound around their heads. They suffocated. One was shot in the back. The managers in the building and people with higher degrees, masters and doctorates, were in a different room. I could hear them screaming like women. Then it was quiet. I think they died."

Abu Kadhim's story could not be independently confirmed. He was interviewed by telephone.

In Thursday's deadliest attack in the capital, gunmen fired on a bakery, killing nine people, police said. Such attacks are usually carried out by Sunni militants since most bakeries in the capital are run by Shiites.

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The U.S. military announced that three Task Force Lightning soldiers assigned to 3rd Brigade Combat Team, 1st Cavalry Division, were killed Wednesday in Diyala province northeast of Baghdad, one by small arms fire and two by a roadside bomb. A soldier from the Army's Multinational Corps-Iraq was killed Tuesday by small arms fire during an operation in Baghdad.

The deaths raised the number of American war dead to 2,862. So far this month in Iraq, 44 American service members have been killed or died.

Another Day Of Heavy Violence In Iraq (LAT)

By Louise Roug

The Los Angeles Times, November 17, 2006

BAGHDAD — Five more American soldiers have been killed in Iraq, the U.S. military said, and gunmen, rockets and roadside bombs killed at least 17 Iraqis and wounded 25 others Thursday.

For Iraqis in the capital, the violence began at 7 a.m., when a roadside bomb killed a policeman and injured three others in an eastern part of town. Twenty minutes later, armed men sprayed a bakery with gunfire, killing nine people and injuring two in central Baghdad.

A second bomb went off near a municipal court building on the eastern side of the city less than two hours later, killing one person and injuring eight others.

A third bomb injured four just before noon in the city center. Ten minutes later, a fourth bomb went off near a garbage collection point east of the Tigris River, killing one and injuring three others.

Later in the afternoon, explosives hidden in a motorcycle went off near a gas station in central Baghdad, killing one and injuring another. Four other bombs killed four people in separate attacks.

South of the capital, meanwhile, British forces were barraged by rockets and mortar fire; no one was killed in the attacks.

This morning, the U.S. military said a soldier was shot to death Thursday in the volatile Diyala province north of the capital. The other four Americans were killed in previous days.

In two separate attacks Wednesday in Diyala, one U.S. soldier was fatally shot and two others were killed by a roadside bomb. One more soldier was shot and killed in Baghdad on Tuesday, according to military statements.

At least 2,864 U.S. troops have died in Iraq since the 2003 American-led invasion, according to icasualties.org.+

The American military also announced the killing of nine suspected insurgents in Yousifiya, south of the capital. U.S.-led forces saw the suspected rebels hiding in nearby woods and called in air support. Several of the men killed in the aerial assault were wearing suicide vests, according to the U.S. military.

About 1,000 Iraqi soldiers searched villages south of the northern city of Kirkuk, where Iraqi and American troops have been targeted in the past.

Violence In Iraq Called Increasingly Complex (WP)

By Walter Pincus

The Washington Post, November 17, 2006

Attacks in Iraq reached a high of approximately 180 a day last month, reflecting an increasingly complicated conflict that includes sectarian clashes of Sunni and Shiite militias on top of continuing strikes by insurgents, criminal gangs and al-Qaeda terrorists, according to the directors of the CIA and the Defense Intelligence Agency.

"No single narrative is sufficient to explain all the violence we see in Iraq today," Gen. Michael V. Hayden, the CIA director, told the Senate Armed Services Committee on Wednesday.

Attempting to describe the enemy, Lt. Gen. Michael D. Maples, the DIA director, listed "Iraqi nationalists, ex-Baathists, former military, angry Sunni, Jihadists, foreign fighters and al-Qaeda," who create an "overlapping, complex and multi-polar Sunni insurgent and terrorist environment." He added that "Shia militias and Shia militants, some Kurdish pesh merga, and extensive criminal activity further contribute to violence, instability and insecurity."

In unusually harsh terms, the two intelligence directors spelled out how quickly the violence in Iraq has escalated this year, from about 70 attacks a day in January to about 100 a day in May and then to last month's figure. "Violence in Iraq continues to increase in scope, complexity, and lethality" despite operations by the Iraqi government and the U.S.-led coalition, Maples said. He described "an atmosphere of fear and hardening sectarianism which is empowering militias and vigilante groups, hastening middle-class exodus, and shaking confidence in government and security forces."

"The longer this goes on, the less controlled the violence is, the more the violence devolves down to the neighborhood level," Hayden added. "The center disappears, and normal people acting not irrationally end up acting like extremists."

Although the Bush administration continues to emphasize the role of al-Qaeda in Iraq, Maples described the current situation as "mostly an intra-Arab struggle to determine how power and authority will be distributed," with or without the U.S.

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presence. Al-Qaeda and foreign terrorist numbers were put at roughly 1,300, while Hayden, pressed by senators, estimated the number of insurgents in the "low tens of thousands." Maples estimated the number of Iraqi insurgents, including militias, at 20,000 to 30,000, and said there are many more who supply support.

Asked about the brazen kidnapping in Baghdad on Tuesday of some 100 employees in the Sunni-led Ministry of Education by an apparent Shiite group in commando uniforms using Interior Ministry vehicles, Hayden said the CIA station chief in Iraq said it showed that the battlefield "is descending into smaller and smaller groups fighting over smaller and smaller issues over smaller and smaller pieces of territory."

Hayden said he believes that the turning point in the fighting came in February with the bombing of the Askariya mosque in Samarra. The destruction of the revered Shiite site by Sunni-based al-Qaeda terrorists unleashed what Hayden described as "historic forces" that have created "the satanic level of violence" of today.

"Sectarian violence now presents the greatest immediate threat to Iraq's stability and future," he said.

Underlying the sectarian fighting are not only deep-rooted religious differences, but also the more recent political history of Shiite suffering under the iron rule of Saddam Hussein and his Sunni- and Baathist Party-dominated government.

The Shiites, who make up more than half of Iraq's population, now want to make certain they control the new Iraqi government and to assure themselves that the Hussein group never regains power. "This fear of a return to Baathism is almost palpable among Shia elites," Hayden said.

As a result, the Shiites have maintained control of the Interior Ministry and the police. "Militias often operate under protection or approval of Iraqi police [when they] attack suspected Sunni insurgents and Sunni civilians," Hayden said. In addition, "radical Shia militias and splinter groups stoke the violence."

At the same time, Hayden said, there are fissures within the Shiite groups, and their "power struggles . . . make it difficult for Shia leaders to take actions that might ease Sunni fears." Adding to the problem is Iran, which is supporting even competing Shiite factions. "Iranian involvement with the Shia militias of all stripes . . . has been quite a new development," Hayden said.

Iraq's Government Issues Warrant For Sunni Cleric (LAT)

By Louise Roug And Borzou Daragahi

The Los Angeles Times, November 17, 2006

Baghdad, Iraq — Iraq's Shiite-led government issued an arrest warrant Thursday for the country's leading Sunni Arab cleric, accusing him of colluding with insurgents, a potentially explosive charge that could exacerbate tensions between the country's warring sectarian groups and further divide a fragile national government.

The move against Harith Dhari, the head of the Muslim Scholars Association, comes two days after an audacious daytime kidnapping in Baghdad ruptured the government of Prime Minister Nouri al-Maliki, setting Sunni politicians against Shiites.

In an appearance on state-run TV late Thursday evening, Interior Minister Jawad Bolani, a Shiite, announced that Dhari was wanted for inciting violence. "The government's policy is that anyone who tries to spread division and strife among the Iraq people will be chased by our security agencies," Bolani said.

Dhari has been a vocal, sometimes sarcastic, critic of the government, questioning the legitimacy of Saddam Hussein's criminal trials, and ridiculing the government's reconciliation efforts.

"The political process that the security of Iraq is depending on is a failing process so that is why the security is failing and deteriorating," he said on al Arabiya television on Nov. 11.

The warrant against Dhari virtually is certain to rekindle threats of a boycott of the government by Sunni Arab politicians. Sunnis have warned that such a walkout would have dire consequences, further entrenching an already brutal cycle of civil war and pushing more ordinary Sunnis toward the insurgency. It would also be a lethal blow to a coalition government that U.S. policymakers had hoped would pacify Iraq's often hostile sects and ethnic groups.

U.S. Ambassador Zalmay Khalilzad spent months persuading mainstream parties representing the once-dominant Sunni Arab minority to join the Shiite-led government. But in recent months Shiite militiamen using the cover of the official security apparatus have waged a nightly subterranean war against Sunnis, whose bodies show up in drainage ditches with gunshot wounds, burn marks and other signs of torture every morning.

On Thursday, some Sunnis sounded like they already had passed their breaking point with the government.

"(The move) represents the bankruptcy of the sectarian government following one scandal after the other," association spokesman Mohammed Bashar Faidi told Al-Jazeera television. "The decisions of this government are worthless because it only rules the Green Zone."

Faidi charged Bolani with "supporting terrorism by covering for militias that are killing the Iraqi people," and told another regional channel that Dhari was in Jordan when the arrest warrant was issued.

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Although a ranking cleric, Dhari does not have the stature of Shiite Grand Ayatollah Ali al-Sistani. But among Sunnis, he has emerged as a vocal representative of Sunni defiance and anger, and has become a leader of the fractious community.

Earlier in the week, Iraq's Kurdish President Jalal Talabani described Dhari as a hard-liner with "nothing to do but incite sectarian and ethnic sedition."

Violence and crime on the streets of Baghdad Thursday did not help matters. At least 17 people were killed by bombs and gunmen in the capital. In addition, gunmen dressed as police commandos kidnapped 15 people from a tea shop in a mixed neighborhood in central Baghdad, according to authorities.

Earlier in the week, a similar mass kidnapping of academics from a Sunni-led education ministry office intensified a mounting political crisis. Witnesses said that gunmen dressed in government-issued uniforms carted away as many as 150 people. Sunni politicians charge that as many as 80 are still missing -- a claim denied by al-Maliki and the Interior Ministry, which said everyone had been released unharmed.

Al-Maliki has promised to disarm and disband the Shiite militias wreaking havoc on the street. But Sunnis say the government has not done enough, particularly in failing to pursue leads provided by those who had been released in this week's kidnapping.

"The government hasn't moved a finger to investigate," said Salim Abdullah Jabouri, a spokesman for Iraq's main Sunni Arab party, which is part of the ruling government coalition. "The government is either weak or in collusion with the kidnappers or has lost control of the militias."

Sunnis say the lack of concessions they've obtained for their followers has built up sentiment for a government pullout.

Sunnis have been frustrated in their attempts to reduce the influence of Shiite militias, win guarantees that Iraq won't be partitioned and reverse laws that discriminate against former members of Saddam's Baath Party, which was dominated by Sunnis.

They've also demanded a release of the many Sunnis held in prisons on vague charges of colluding with the insurgency. They angrily accuse the Shiite-dominated government of using the legal and security apparatus for sectarian ends.

The Sunni bloc "has never done anything good for us," said Sheik Mehdi Sumaydai, a prominent Sunni cleric who does not favor pulling out of the government but says he is under increasing pressure from his followers to adopt more radical anti-government views.

"We are receiving a big pressure from our followers, who are calling and contacting us every day to withdraw from the process," said Nourdin Hiyali, a Sunni lawmaker. "But the leaders have a different way of thinking, as this will drive the country into very bad civil war."

If Sunni political parties abandoned the government, it could unravel months of effort by U.S. diplomats and push ordinary Sunnis closer to the camp of the insurgent groups, lawmakers warn.

"When the people we represent see us leaving the political process, they will join the resistance," said Sheik Hareth Obeidi, a Sunni member of parliament. "And this will be a disaster for Iraq."

Iyad Samarai, the No. 2 person in the main Sunni political party, said no decisions had been made about bolting. "Some of the people say, 'Well, we don't have to anything to lose and we don't want to stay with the government,'" he said. "Others say, 'We should try to improve the situation.' Both views exist."

Al-Maliki will convene the Cabinet next week to resolve the deepening political divisions and the threatened Sunni walkout, a member of his coalition said Thursday.

Redha Jawad Taqi, head of the main Shiite party's political section, agreed this week's abductions had worsened the political crisis, but said al-Maliki had summoned political leaders to try and solve it.

"We need more discussions between Shias and Sunnis, Sunnis and Kurds," Taqi said. "Because if the ship sinks, we all sink."

Times staff writers Suhail Ahmad and Saif Rasheed contributed to this report.

Interior Ministry Issues Warrant For Sunni Leader (WT/AP)

By Bassem Mroue

The Washington Times, November 17, 2006

BAGHDAD -- The Shi'ite-led Interior Ministry issued an arrest warrant yesterday for the top leader of the country's Sunni minority -- a move certain to inflame already raging sectarian violence in Iraq.

Interior Minister Jawad al-Bolani, a Shi'ite, said Harith al-Dhari was wanted for inciting terrorism and violence among the Iraqi people. His message was carried on Al Iraqiya state television.

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Mr. al-Dhari, head of the influential Sunni Association of Muslim Scholars, is an extreme hard-liner who recently mocked a government offer of reconciliation in return for abandoning the insurgency. But the move against him threatens to drive many moderate Sunnis out of the political system.

The warrant was issued on a day when at least 49 Iraqis were killed and the U.S. military announced the deaths of four American soldiers. Sunnis and Shi'ites could not agree on whether all hostages had been released from a mass kidnapping in Baghdad on Tuesday, and one man said he'd been beaten by the kidnappers.

Mohammed Bashar al-Faidi, spokesman for the Sunni association, condemned the warrant for Mr. al-Dhari's arrest.

"This government should resign before the Iraqi people force it to resign," Mr. al-Faidi said from Jordan. "The association calls on its people to be calm."

Mr. al-Dhari regularly travels between Iraq and the Persian Gulf states, as well as Syria, Jordan and Egypt. He was thought to be in Jordan when the arrest warrant was issued last night.

Mr. al-Dhari is an outspoken critic of Prime Minister Nouri al-Maliki's Shi'ite-dominated government and the U.S. occupation. On Tuesday, President Jalal Talabani called him a hard-liner with "nothing to do but incite sectarian and ethnic sedition."

There is precedent for an arrest warrant leading to violence in Iraq.

In April 2004, a U.S. warrant against radical anti-American Shi'ite cleric Muqtada al-Sadr prompted a two-week uprising by his Mahdi Army militia. Hundreds were killed.

The Mahdi Army was thought to be responsible for kidnapping scores of people from a Higher Education Ministry office building in Baghdad on Tuesday. The aftermath of that mass abduction has turned into a propaganda war.

Yesterday, the Sunni higher education minister called the Interior Ministry "a farce" for not preventing the crime and claimed more than half the 150 victims were still in the hands of Shi'ite abductors.

But National Security Adviser Mouwafak al-Rubaie, a Shi'ite, said everyone had been freed and accused Arab satellite broadcasters and Western press of hostile reporting to incite sectarian hatred in Iraq.

Within hours, however, Brig. Gen. Abdul-Karim Khalaf, spokesman for the Interior Ministry, was amending that account, saying all the Higher Education Ministry employees were free but that others taken from the building were still hostages. He gave no numbers.

A Sunni who said he was among those abducted and released claimed the kidnappers broke his arm. He said he saw them kill at least three hostages after taking them to empty houses in Baghdad's Sadr City Shi'ite slum, a stronghold of the Mahdi Army.

The man, who goes by the name Abu Kadhim, or father of Kadhim, would not allow use of his full name for fear of further trouble with the Mahdi Army. His story could not be independently confirmed.

Shiite-Led Iraqi Ministry Seeks Arrest Of Top Sunni Cleric (WP)

By Sudarsan Raghavan

The Washington Post, November 17, 2006

BAGHDAD, Nov. 16 -- The Iraqi government on Thursday ordered the arrest of the country's most influential Sunni cleric for allegedly inciting violence and supporting terrorism, a move by the Shiite-led administration that could inflame the sectarian tensions already disfiguring the capital and other parts of Iraq.

Interior Minister Jawad al-Bolani declared on state television late Thursday that an arrest warrant had been issued for Harith al-Dhari, leader of the Association of Muslim Scholars, one of the most outspoken defenders of Iraq's minority Sunni Arabs after the U.S.-led invasion.

"We have proof that he is involved in terrorism," said Brig. Abdul Karim Khalaf, an Interior Ministry spokesman, without elaborating. "Wherever he is -- inside the country or outside the country -- the Iraqi courts will bring him to justice."

In recent weeks, Dhari had angered Shiite leaders by declaring on al-Arabiya television that the trial of ousted president Saddam Hussein was illegitimate, mocking efforts at national reconciliation and expressing support for al-Qaeda. He also said Shiite militias belonging to political parties had infiltrated "the majority of the security apparatuses at the Interior Ministry."

Dhari, a vocal critic of the Shiite-led government and its American backers, travels frequently outside Iraq and could not be reached for comment Thursday. He was believed to be in neighboring Jordan.

"The warrant that was issued is evidence that this government has lost its balance and that it is announcing its bankruptcy," Mohamad Bashar al-Faidy, a spokesman for the Association of Muslim Scholars, which represents Iraq's Sunni clergy, told al-Jazeera television Thursday night. He added that Dhari was not surprised by the warrant because he has been targeted before by the government.

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The move came as cracks emerged within Iraq's six-month-old unity government over the numbers of government employees taken in a mass kidnapping on Tuesday and whether some were tortured and killed. It also occurred on a day when the U.S. military announced that four soldiers were killed, bringing the total number of American deaths in the country to at least 45 this month.

Much of the day's other violence was directed at Shiite Muslims. Gunmen erected fake checkpoints in a Sunni neighborhood and seized Shiite passengers off minibuses, and nine Iraqis were gunned down in a bakery, a business typically run by Shiites.

In southern Iraq, a convoy of civilians traveling near Nasiriyah was hijacked Thursday, the Associated Press reported. Pentagon spokesman Bryan Whitman said preliminary reports suggested there could be as many as 14 people captured, and ABC News reported that four of those captured were believed to be Americans.

While Sunni Arabs revere Dhari, Shiite political leaders describe him as a hard-liner who is deepening sectarian divisions with his caustic rhetoric and vocal support for the Sunni insurgency.

Alaa Maki, a prominent Sunni political leader, said late Thursday that the arrest warrant suggested that the government was "ignorant politically" or had an agenda. "It's a politically weak decision coming from a weak government," said Maki, a senior official in the Iraqi Islamic Party, a leading Sunni Arab group. "It comes at a time when we need to calm down the situation, when we need to minimize tensions."

"Sheik Dhari is not calling for sectarianism and violence, and he's not calling for terrorism. The government has made a wrong judgment in this case," Adnan al-Dulaimi, a leader of the Iraqi Accordance Front, another Sunni coalition, told al-Jazeera on Thursday night. "We consider Dhari one of the best symbols of the Sunni leaders."

In explaining the arrest warrant, Bolani, the interior minister, said that "the government's policy is that anyone who tries to spread division and strife among the Iraqi people will be chased by our security agencies. . . . We have to prove for everyone that the government is national and it is going forward with major steps to achieve security and to achieve its political program."

In November 2004, U.S. troops raided the homes of Dhari and another senior official of the scholars association, triggering clashes in Baghdad near the association's headquarters and a mosque widely known for its militancy. Less than a year later, in June 2005, U.S. and Iraqi troops again raided Dhari's home.

A prominent Sunni member of Iraq's parliament, Saleh al-Mutlak, said he planned to ask parliament to shut down until the government revokes the warrant.

Several Sunni leaders called the order to arrest Dhari an attempt to deflect attention from the government, which is under enormous pressure to find the kidnappers of scores of Iraqis from a Higher Education Ministry building on Tuesday, one of the biggest mass abductions since the U.S.-led invasion. In the bold daylight raid, about 80 gunmen, dressed in police commando uniforms and driving police vehicles, abducted as many as 150 men.

On Thursday, Abed Thiyab, the minister of higher education, who is Sunni, said that some of the captives had been tortured and killed and that as many as 80 remained in the hands of their captors.

But Iraq's national security adviser issued a statement saying that only 50 Iraqis had been kidnapped and that all had been released. The Interior Ministry also declared all the captives were free, and the office of Prime Minister Nouri al-Maliki dismissed suggestions that any were tortured.

Military May Ask $127B For Wars (USAT)

By Richard Wolf

USA Today, November 17, 2006

WASHINGTON — The Bush administration is preparing its largest spending request yet for the wars in Iraq and Afghanistan, a proposal that could make the conflict the most expensive since World War II.

The Pentagon is considering $127 billion to $160 billion in requests from the armed services for the 2007 fiscal year, which began last month, several lawmakers and congressional staff members said. That's on top of $70 billion already approved for 2007.

Since 2001, Congress has approved $502 billion for the war on terror, roughly two-thirds for Iraq. The latest request, due to reach the incoming Democratic-controlled Congress next spring, would make the war on terror more expensive than the Vietnam War.

Sen. Kent Conrad, D-N.D., who will chair the Senate Budget Committee next year, said the amount under consideration is “$127 billion and rising.” He said the cost “is going to increasingly become an issue” because it could prevent Congress from addressing domestic priorities, such as expanding Medicare prescription drug coverage.

Rep. Jim Cooper, D-Tenn., who put the expected request at $160 billion, said such a sizable increase still “won't solve the problem” in Iraq.

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Bill Hoagland, a senior budget adviser to Senate Republicans, said: “At a minimum, they were looking at $130 (billion). If it goes higher than that, I'm not surprised.”

The new request being considered for the war on terror would be about one-fourth what the government spends annually on Social Security — and 10 times what it spends on its space program.

The White House called the figures premature. “They don't reflect a decision by the administration,” said budget office spokeswoman Christin Baker. “It is much too early in the process to make that determination.”

Before the Iraq war began in 2003, the Bush administration estimated its cost at $50 billion to $60 billion, though White House economic adviser Lawrence Lindsey had suggested in 2002 that it could cost as much as $200 billion.

Growing opposition to the war contributed to Democrats' takeover of the House and Senate in this month's elections. Pennsylvania Rep. John Murtha, an early critic of the war who lost his bid Thursday to be the House Democratic leader, vowed to use his clout as chairman of the House panel that reviews the Pentagon budget “to get these troops out of Iraq and get back on track and quit spending $8 billion a month.”

“The war's been an extraordinarily expensive undertaking, both in lives and in dollars,” said Senate Budget Committee Chairman Judd Gregg, R-N.H.

The new request is top-heavy with Army and Air Force costs to replace and repair equipment and redeploy troops, Hoagland said. That's why the 2007 cost is likely to top the war's average annual price tag.

Overall, he said, “we're easily headed toward $600 billion.” That would top the $536 billion cost of Vietnam in today's dollars. World War II cost an inflation-adjusted $3.6 trillion.

Leon Panetta, President Clinton's former chief of staff and a member of a bipartisan panel studying recommendations on Iraq for President Bush, said the Pentagon needs $50 billion to $60 billion to “restore the units that are being brought back here, to re-equip them and get them back to a combat-readiness status.”

Now, How To Put Iraqis In Charge (CSM)

By Peter Grier

The Christian Science Monitor, November 17, 2006

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WASHINGTON

On Capitol Hill, there is near agreement on at least one aspect of Iraq policy: the Iraqis themselves need to shoulder more of the burden of stabilizing their country. But this consensus breaks down over the obvious follow-up question. How?

Many Democrats, newly emboldened by their election victories, favor an approach that might be labeled "tough love." It goes something like this: If the US plans a phased pullout of troops within four to six months, the Iraqi government will face up to what has to be done.

"This is not precipitous; it is a responsible way to change the dynamic in Iraq," said Sen. Carl Levin (D) of Michigan, soon to be chairman of the Senate Armed Services Committee, at a Wednesday hearing.

But the White House - and the top generals of the US military - favor a strategy that they consider more nurturing. The US needs to intensify efforts to train the Iraqi armed forces to fight for themselves, according to Gen. John Abizaid, US commander in the Middle East. A scheduled US pullout might simply cause Iraq's sectarian factions to prepare for chaos to come.

The gap between these approaches suggests that despite the recent shift in US politics, in Washington there are heated debates over Iraq yet to come.

"I believe in my heart of hearts that the Iraqis must win this battle with our help," General Abizaid told the Senate Armed Services Committee. The Iraq debate, post-midterms

Democrats don't ascend to control of the House and Senate until next year. But the promise of future power can lead to assertiveness in the present, and this week, with Congress back in session, Democrats were not shy about pressing their case for a change in strategy in Iraq.

Both the Senate and House armed services panels held full-dress hearings on Iraq Wednesday, the first such inquiries in months. At both, the established fault lines between party members, and among them, were on full display.

Senator Levin for instance, a Democratic party elder on military policy, kept pressing the idea of a phased pull-out, despite General Abizaid's objections. On the opposite end of the spectrum, Sen. John McCain (R) of Arizona, a likely front-runner for the 2008 GOP presidential nomination, waved about his proposal: an increase in troops of at least 20,000 to help bring stability to Baghdad.

Not that General Abizaid liked Senator McCain's ideas any better than those of Senator Levin.

Such an increase in US strength would have a very negative effect on public opinion in Iraq, noted Abizaid. And he questioned whether the US military was large enough overall to commit to a larger force in Iraq.

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"When you look at the overall American force pool that's available out there, the ability to sustain that commitment is simply not something that we have right now with the size of the Army and the Marine Corps," said Abizaid.

And in a remarkably sharp comment about the political atmosphere in Washington, the top US military commander in the Middle East commented that some aspects of the search for alternative strategies seemed to him unseemly.

When I come to Washington, I feel despair [here]," Abizaid told the Senate panel. "When I'm in Iraq with my commanders, when I talk to our soldiers, when I talk to the Iraqi leadership, they are not despairing," General Abizaid insisted.

That said, comments this week from other US officials suggests that the intelligence community, at least, takes a dark view of the current Iraqi situation.

Iraqi insurgent attacks against US and coalition forces have increased from about 70 per month in January to 180 in October, according to the director of the Defense Intelligence Agency, Lt. Gen. Michael Maples. The rate of attacks on Iraqi civilians has increased fourfold over that same period of time.

"The perception of unchecked violence is creating an atmosphere of fear and hardening sectarianism, which is empowering militias and vigilante groups and reducing confidence in government and security forces," General Maples told the Senate Armed Services Committee.

Gen. Michael Hayden, director of the Central Intelligence Agency, was no more sunny.

"We're now face to face with whole societies that are in profound, and, frankly, volatile transitions, and whose fate will directly affect ... the security of the United States," said General Hayden. Political consequences for Democrats

Given this situation, the newly empowered Democrats face a difficult political and substantive situation, says Loren Thompson, a defense expert and chief operating officer at the Lexington Institute think tank in Washington.

If they force a redeployment of US troops, they may get blamed for any resulting violence in Iraq. Yet if they don't force a redeployment of US troops, when 2008 rolls around they and their candidates will have partial ownership of whatever the US situation in Iraq is at that time.

Sen. Levin and his cohorts are right in at least pressing the US military leadership for some sort of figures in regard to how long continued training of Iraq forces might take.

Otherwise the training mission "becomes an open-ended justification for sticking around," says Thompson.

Debate Grows Over Beefing Up U.S. Force In Iraq (WP)

By Josh White

The Washington Post, November 17, 2006

The debate about how to proceed in Iraq, which in the past few months has focused on withdrawing U.S. troops, now includes serious discussion about adding more forces to the fight.

Sen. John McCain (R-Ariz.) repeatedly suggested this week that the United States needs thousands more troops in Iraq, and members of the bipartisan Iraq Study Group have discussed similar ideas as they prepare a much-anticipated policy recommendation. Members of Congress raised the concept on Wednesday in hearings with the region's top U.S. military commander.

In a speech last night to Republicans, McCain, who is considering a presidential bid in 2008, reiterated his desire for more troops to solve a "dire" situation.

"Without additional combat forces, we will not win this war," McCain said, describing inadequate U.S. troop numbers to clear insurgent strongholds, stem sectarian violence and train Iraqi security forces. "We need to do all these things if we are to succeed. And we will need more troops to do them."

Military officials and defense experts, however, said yesterday that significantly escalating the number of U.S. combat troops in Iraq is largely implausible because it would severely strain the military, would be unsustainable for more than a few months and would offer no discernable long-term benefit.

On Wednesday, Gen. John P. Abizaid, who leads the U.S. Central Command, testified on Capitol Hill that he believes sending in a large contingent of infantry troops would be a mistake, in part because it could dissuade Iraqi troops from taking the lead in security operations. Abizaid said he plans over coming months to introduce a more robust training effort -- involving additional U.S. trainers and advisers to help boost the numbers and capabilities of Iraqi forces -- so Iraq can defend its homeland and thus transition toward a U.S. exit.

"It's easy for the Iraqis to rely upon us to do this work," Abizaid said. "I believe that more American forces prevent the Iraqis from doing more, from taking more responsibility for their own future."

About 140,000 U.S. troops are in Iraq, many stationed in the areas around Baghdad where violence has been most severe. Military officials said yesterday that a boost of 20,000 infantry troops -- five or six brigades -- would do little to change the nature of the insurgency or the sectarian strife and that commanders are not considering such a move.

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"If you put 20,000 soldiers in Baghdad, they can provide a modicum of security where they have a physical presence," said a military officer familiar with discussions on the matter. "We could flex and bend, and we could do a spike. But we can't do a steady state with that many more troops. Additional troops could do a particular job for a finite period of time, but that doesn't solve the long-term problem of holding those areas."

Military officials and experts said yesterday that they think such a plan could work only temporarily because the Army and Marine Corps are stretched thin by ongoing conflicts. They said a large number of troops sent into Iraq would be hard to sustain over time without dipping significantly into the National Guard and reserves.

The argument for increasing troop numbers is that it might stop the cycle of violence and thus halt Iraq's drift toward civil war. The problem is that military analysts say there are not enough forces available to do that.

Under the troop-to-population ratios used in historical counterinsurgency campaigns, some of which had aspects of civil wars, the United States and its allies in Iraq would need at least 500,000 and perhaps more than 1 million troops, military experts say. No one thinks those numbers will be available anytime soon, even if the training of Iraqis is greatly expanded and accelerated.

Michael Vickers, director of strategic studies at the Center for Strategic and Budgetary Assessments, said a surge could have enormous costs down the road, when U.S. officials would need to rotate fresh troops into Iraq. He also doubts the value of having more troops even temporarily.

"In the past year, we've had between 125,000 and 140,000 troops there, and the daily attacks have almost tripled," Vickers said.

Americans have soured on the war in part because U.S. casualties have continued to mount, particularly in October and the first half of this month. Simply having more troops on the ground, or repositioning troops already in Iraq to the Baghdad area, has proven deadly.

"One of the ironies, of course, is that the more soldiers you have there, the more soldiers you have in harm's way," said Edwin Dorn, a professor at the University of Texas and a former undersecretary of defense for personnel and readiness. He said a major surge would require shipping to Iraq soldiers who just recently returned. "Sending people back into the fight who were just there would seriously harm morale."

Some experts said a short-term surge could create a window for Iraqi forces to develop and take over, but they said it would have to be temporary. Retired Lt. Col. Conrad Crane, the lead author of the Army's soon-to-be-finished counterinsurgency manual, said it is unlikely a short-term surge in combat forces would be decisive.

Instead, Crane supports Abizaid's idea of increasing training efforts.

"If his goal is to increase capacity and capabilities, that's the right way to go," Crane said. "The long-term solution is to get the host nation to be able to secure their own freedom and their own liberty and future."

Time To Fix What Four Years Of War Has Broken (MCT)

By Joseph L. Galloway

McClatchy Newspapers, November 17, 2006

Former secretary of state James Baker and his independent commission are searching for a new strategy for Iraq, and legislators of both parties will soon begin looking for a compromise answer to the same knotty problem. But it's past time to start repairing the damage the Bush administration's way of war has done to our Army and our Marine Corps.

Secretary of Defense Donald H. Rumsfeld hasn't cleaned out his desk yet, and the colonels and generals are still mentally dancing in a joyous conga line through the corridors of the Pentagon's E-Ring, but there's work to be done, and none of it is more important than fixing what four years of war in Iraq and Afghanistan has broken.

The Senate has yet to confirm Robert Gates to replace Rumsfeld, but whatever his faults - and there are more than a few - he's likely to earn swift bipartisan approval, if only because Rumsfeld won't leave until he's on deck.

The fate and the future of the U.S. Army and Marine Corps desperately need to be addressed. Doing so will take many years and many billions of dollars.

Our nation, which is defended by about seven-tenths of 1 percent of its 300 million people, today devotes just about 5 percent of its gross domestic product to defense spending. When Jack Kennedy was president, military spending totaled almost 10 percent of GDP.

The Army, and its National Guard and Reserve, have been worn down - some would say worn out - by the endless deployments of troops on one-year combat tours to Iraq and Afghanistan. Many professional soldiers and their families are now enduring their second or third trips to Iraq, certain that a fourth or fifth awaits them if they continue to serve.

Their equipment, from Abrams tanks to Bradley fighting vehicles to Stryker armored cars to Humvees and helicopters, is wearing out even faster than the soldiers are. The money to repair and rebuild those vehicles - Army Chief Gen. Peter J.

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Schoomaker says he needs $17 billion for that right now - hasn't been forthcoming from this administration and the outgoing Congress.

Army officials say they're a total of some $25 billion short of what they need to sustain the current levels of operations. Because that's not available, they've been robbing Peter to pay Paul, then robbing Paul to pay Patrick. Money budgeted to repair family housing and mow the grass and open the recreation centers on our Army bases is going, instead, to pay for the wars.

It's also getting harder to fill the ranks of an Army that's dropped in total manpower from 1.2 million a decade or so ago to just 497,000 at present, even as the demands for its services have grown exponentially.

In a week when the San Francisco school board voted to bar junior reserve officer training from the high schools and to ban military recruiters from their campuses, the Army is scraping the bottom of the barrel trying find enough recruits to keep the all-volunteer Army afloat.

Only by lowering standards of mental acuity and ability, accepting recruits up to age 45, paying large cash bonuses to anyone who signs on the dotted line, taking in more high school dropouts and granting waivers to recruits with criminal records, bodies covered in tattoos or both can the Army fill the holes left by those who leave every year.

In this dangerous world, Americans must be willing to pay for an Army, and they must be willing to send their sons and daughters to serve in that Army. Nations that are unwilling to defend themselves and are governed by an elite that's unwilling to send its own children to be part of that defense, are doomed.

The Bush administration says we're embarked on what it defines as a long war - 40 or 50 or 60 years of struggle with the forces of Islamic fundamentalism - and if that's true, then it's long past time to begin making some sacrifices at home to prepare to fight and win that war.

Mr. Gates can begin his brief tour as secretary of defense by jacking up the most recent Quadrennial Defense Review, the Pentagon's 20-year look at the future and what will be funded in our defense budgets, and re-ordering its priorities. He must make the hard decisions that Mr. Rumsfeld promised to make but never did.

We cannot have business as usual in the Pentagon. We cannot continue to fund huge aircraft and ship purchases for the Air Force and Navy while starving the Army and Marines who are bearing the brunt of the fighting and dying in this brave new world of ours. Boots on the ground are not as glamorous - or as lucrative to defense contractors - as the high technology so beloved by Mr. Rumsfeld. But in places such as Iraq and Afghanistan, there is still no substitute for them.

My old friend Col. (ret.) T. R. Fehrenbach wrote in his landmark history of the Korean War that a nation that wants to hold the barbarians at bay must be willing to put its sons on the ground, in the mud and the blood. It also must be willing to pay the price for an Army and a Marine Corps that's fully manned, well trained, and equipped and supported with everything it needs.

Without that, this brave new century and millennium that were celebrated as America's will swiftly become someone's else's, and we will become no more than a footnote in history - a nation whose days of glory and power numbered only half a century or so.

ABOUT THE WRITER

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Coalition Forces Are Dwindling As U.S. Mulls Next Move In Iraq (WT)

By David R. Sands

The Washington Times, November 17, 2006

Iraq's coalition of the willing is becoming an increasingly exclusive club.

As U.S. generals and lawmakers debated this week whether to cut, raise or hold steady the 141,000-strong U.S. troop contingent in Iraq, the coalition of foreign countries willing to deploy their forces in Iraq has shrunk steadily -- and soon could shrink even more.

Twenty-three countries remain in the U.S.-led coalition and the United Nations' mission serving in and around Iraq, down from a high of 42 that joined the United States in the invasion or the postwar occupation of Iraq. More than half of those contributors have fewer than 150 troops, engineers or military trainers in the Iraq theater.

Like President Bush, many leaders of the contributing countries are resisting intense domestic political pressures to bring the troops home, especially as the casualty levels rise and the problems of the embattled Iraqi government mount.

"We need to remember what is at stake here, not only for Iraq and the Middle East, but also for American power and prestige around the world," Australian Prime Minister John Howard said this week. Mr. Howard, a staunch U.S. ally, is scheduled to meet with Mr. Bush on the sidelines of an Asia-Pacific summit today in Vietnam.

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Opposition leader Kim Beazley, citing opinion polls showing 60 percent disapproval of Australia's Iraq deployment, urged Mr. Howard to tell Mr. Bush that Australia's approximately 1,400 troops in Iraq would be leaving and that the United States should withdraw as well.

"When John Howard meets George Bush, he needs to be a statesman, not a sidekick," Mr. Beazley told reporters in Canberra.

Mr. Howard rejected that idea, but acknowledged in a speech this week that the Iraq mission was "the most poll-defiant thing I have done in the whole of my prime ministership."

Portugal, Hungary, the Netherlands and Ukraine were among the countries that pulled out of Iraq in 2005. This year, Japan announced it was withdrawing its noncombat troops from Iraq. Italy, one of the largest contributors to the multinational force, plans to have all its 1,785 soldiers home by the end of the year.

Poland, which was given overall command of Iraq's south-central region, has cut its forces from 2,400 to about 900.

Smaller parties in Poland's governing coalition are pressing for a quick withdrawal of the remaining troops. The government of President Lech Kaczynski has sent conflicting signals on how long the deployment will last.

Mr. Kaczynski and senior Polish generals have been quoted as saying that the country will remain in Iraq at least through mid-2007, but a government spokesman said this week that an earlier withdrawal -- perhaps by the end of this year -- hadn't been ruled out.

Like Mr. Howard and British Prime Minister Tony Blair, Mr. Kaczynski is confronting popular opinion polls that show more than three-fifths of his constituents support an immediate withdrawal.

Many foreign governments say they are closely following the U.S. troop debate and the recommendations to be put forward by the Iraq Study Group, a bipartisan commission led by former Secretary of State James A. Baker III. The panel's much-anticipated report, expected around the end of the year, could herald a course change in U.S. policy in the region and a shift in troop levels for the United States and its top allies.

Some countries in the Iraq coalition say they are holding firm, despite the political pressures.

Romanian President Traian Basescu told the Associated Press last week that his country's 600 noncombat troops will stay, despite pleas from the families with relatives serving there.

"Romania's honor is greater than its feelings," he said.

James Baker May Face His Toughest Challenge In Iraq (MCT)

By Warren P. Strobel

McClatchy Newspapers, November 17, 2006

WASHINGTON - When James Baker became President George H.W. Bush's secretary of state in 1989, one of the first things he did was cut a bipartisan deal to end years of poisonous wrangling over U.S. policy in Central America - an issue as divisive then as Iraq is today.

Seventeen years later, Baker faces a similar - but tougher - challenge as he and retired congressman Lee Hamilton co-chair a committee that's increasingly seen as the last, best hope for finding a respectable exit from Iraq.

Baker, now 76, is proceeding much as he did when he negotiated over Nicaragua and El Salvador in the `80s, according to individuals close to him and the panel, known as the Iraq Study Group.

Baker saw the disputes over Central America policy as "first and foremost a domestic political issue," he wrote in his 1995 memoir, "The Politics of Diplomacy." If the politics couldn't be defused, "any hopes for a diplomatic solution, much less achieving a bipartisan foreign policy, were doomed."

Today, the Iraq Study Group's five Republicans and five Democrats are widely portrayed as seeking new solutions to halt Iraq's slide into civil war and extricate the 141,000 U.S. troops there.

But there may not be any good solutions, and Baker's real goal is to forge a bipartisan consensus at all costs, the people close to him and the group say.

"It is not about new ideas. It is about ... ideas that can be supported across the political spectrum," said one person intimately involved with the group's work.

He and others spoke on condition of anonymity because Baker and Hamilton have demanded an end to media leaks about the group's deliberations. (Working in secrecy for as long as possible is another longtime Baker trait.)

Yet the hopes of finding a unified approach to the Iraq war appear to have faded since the midterm elections on Nov. 7.

Leading Democratic lawmakers, including incoming Senate Armed Services Committee chairman Sen. Carl Levin, D-Mich., have said they'll push for a withdrawal of U.S. troops beginning in the next four to six months.

President Bush and his top generals oppose timetables.

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The White House initiated its own review of Iraq policy. It's unclear whether it's meant to support the Baker-Hamilton effort or pre-empt it.

"There's plenty of partisan tensions, despite all of the talk about bipartisanship," said Jeremy Rosner, a Democratic pollster and authority on public opinion and U.S. foreign policy. Still, he said, Republicans, stung by the election and looking to 2008, also are eager to see a rapid solution in Iraq.

Bernard Aronson, a former assistant secretary of state who helped Baker negotiate the Central America accord, said that in many ways, "the politics of the challenges are quite similar."

The accord with Congress essentially ended U.S. policy of trying to overthrow Nicaragua's Sandinista government by force, replacing it with a focus on democratic elections, which were won by a pro-American candidate.

But, Aronson said, Iraq "is a much tougher situation because the options are much narrower."

In 1989, he noted, the United States benefited from a changing Soviet Union that was willing to cut off arms supplies to the Sandinistas. Today, the other major player in Iraq is Iran, which by all accounts is becoming more intractable, not less.

Exactly what course in Iraq the Baker-Hamilton commission will recommend has become the No. 1 guessing game in Washington, as well as in Middle East capitals.

It appears unlikely that the panel will recommend a summary withdrawal of U.S. troops, given the White House's flat opposition and predictions from the Pentagon and U.S. intelligence agencies that a rapid exit would fracture Iraq and possibly draw its neighbors into the war.

Nor does a "stay the course" prescription seem to be in the cards.

That leaves some version of the "old college try," a last-ditch effort to stabilize the government of Iraqi Prime Minister Nouri al Maliki and build up Iraqi security forces.

Opponents argue it won't work, even with more American troops, because Maliki has been unwilling to rein in militias of Shiite factions, which form the base of his support. Iraqi security services, particularly the police, are widely reported to be involved in sectarian violence themselves.

One proposal put to the commissioners warns that it would take 50,000 more U.S. troops, plus 10,000 to 15,000 more U.S. advisers to the Iraqi army, to have any chance of success.

That many troops may not be available from a strained U.S. Army and Marine Corps.

"We can put in 20,000 more Americans tomorrow and achieve a temporary effect. But when you look at the overall American force pool that's available out there, the ability to sustain that commitment is simply not something that we have right now," Gen. John Abizaid, the chief of U.S. Central Command, told the Armed Services Committee on Wednesday.

Baker has suggested that he favors U.S. engagement with Iran and Syria as part of a more energetic regional approach to dealing with Iraq.

One person close to him said the former secretary of state is determined to have the commission, whose work is being coordinated by the U.S. Institute of Peace, issue a single consensus report, without the dissents that sometimes accompany such documents.

Baker, a Republican and one-time political campaign manager who was chief of staff and treasury secretary under President Ronald Reagan, has long been identified with the pragmatic "realist" foreign policy of the first President Bush. That's anathema to conservatives who favor an idealistic foreign policy based on aggressively spreading democracy.

One of those conservatives, former Pentagon official Michael Rubin, writing in the Wall Street Journal, decried the proposals to engage Iran and Syria and what he called "the resurrection of realists" such as Baker and Defense Secretary-designate Robert Gates.

Aronson said the image of Baker as an amoral "pol" is unfair. "Foreign policy is politics on an international stage," he said. "You can't be effective in foreign policy unless you understand politics, broadly speaking."

Analysis: Few Military Options In Iraq (AP-Y)

By Anne Plummer Flaherty, Associated Press Writer

AP, November 17, 2006

Withdraw U.S. troops from Iraq? Won't work. Beef them up? We're stretched too thin.

As President Bush, Congress and a special commission seek new approaches for the unpopular war, warnings from the top American commander in the Middle East make clear there is no simple answer.

At the end of the day, military deployments will be up to President Bush, who has staunchly defended his handling of the war.

He said after last week's Democratic triumph in congressional elections that he is open to fresh approaches. With pressure on him to find a different path, the only thing most experts agree on is that each idea presents considerable risk.

"There's a big question right now on whether Iraq can be saved," Kenneth Pollack, who served on the National Security Council staff during the Clinton administration, said Thursday.

Gen. John Abizaid, who oversees military operations in Iraq and Afghanistan, told lawmakers this week that the best way out of the war would be to intensify efforts to train Iraqi security forces.

Abizaid said he planned to bolster U.S. advisers assigned to Iraqi units to train them on how to fight more effectively until they can take the lead in combat.

"Ultimately," Abizaid said, "capable, independent Iraqi forces, loyal to an equally capable, independent Iraqi government, will set the conditions for the withdrawal of our major combat forces

The problem, Abizaid conceded, is the Baghdad government, which he said is only beginning to understand that it must support the Iraqi Army and not the Shiite militias engaged in near civil war against Sunni fighters.

Abizaid told the House Armed Services Committee about putting his faith in the Iraqi government and its forces, "Well, maybe it's a dumb bet. But I don't think so."

If that seemed a halfhearted endorsement of his own strategy, his description of other alternatives was even more glum.

Abizaid swatted down a suggestion being pushed by many congressional Democrats, including Sen. Carl Levin, D-Mich., to begin decreasing U.S. troop levels because it could cause instability. Democrats are expected to support that plan when they take over control of Congress next year.

Abizaid also said a proposal by Sens. John McCain, R-Ariz., and Lindsey Graham, R-S.C., to bolster the 141,000 U.S. troops already there could not be sustained because the American military is stretched too thin already. He said troop increases would also erode the effort to force Iraqis to take on more responsibility.

"I believe that the troop levels need to stay where they are," he told the Senate Armed Services Committee. "We need to put more American capacity into Iraqi units to make them more capable in their ability to confront the sectarian problem."

On top of everything, the general predicted that if the insurgents and sectarian militias are not brought under control in four to six months, the violence would surge out of control. Coincidentally or not, that is the same time frame Levin — who is slated to become chairman of the Senate Armed Services Committee — has proposed for beginning a U.S. withdrawal.

Bush's top military and political advisers are scrubbing military and political options in Iraq. A bipartisan commission led by Bush family friend and Republican James A. Baker III and former Democratic Rep. Lee Hamilton are conducting an independent assessment expected to produce recommendations next month. Senators leading the Armed Services Committee — Levin and John Warner, R-Va. — say they too plan to recommend a new way ahead.

Baker's panel has attracted the most attention, but is widely expected to defer to military commanders the big question on Iraq: How many troops should stay and for how long?

Abizaid's testimony will go a long way in influencing the Iraq debate. Known as a straight shooter and one of the military's premier experts on the Middle East, his advice is well regarded in Congress and at the White House.

His answer disappointed many lawmakers who said his plan sounded too much like the status quo.

"We're in one heck of a mess in Iraq, and the American people told us loud and clear last week that they are not happy with the course of this war. Neither am I," said McCain, a presidential contender in 2008.

The war is a top issue for Democrats as well. An AP-Ipsos poll released Tuesday found that people consider Iraq the top priority for Congress over the next two years, although 57 percent say the Democrats in Congress have no plan for Iraq.

"There's no evidence that three or six or nine or 12 months of this will get us over the hump," said Richard Haass, a former adviser to Colin Powell at the State Department. Haass is now president of the Council on Foreign Relations in New York.

Pollack, now an analyst at the Brookings Institution in Washington, said he thinks more consideration should be given to boosting troop levels dramatically — even if it means hurting the readiness of units to fight the next fight.

"McCain is absolutely right we need more troops. But where would they come from?" asked retired Army Lt. Gen. Jay Garner, a critic of Bush's handling of the war. Garner said he thinks U.S. forces should act as a backup and logistics supplier, providing fire power when needed but focusing on advising the Iraqis.

Garner, who Bush appointed in 2003 to head reconstruction efforts in Iraq but swiftly replaced with Paul Bremer, also said the Bush administration should force CIA and State Department employees to "deploy" as troops do to hasten reconstruction, he said.

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EDITOR'S NOTE — Anne Plummer Flaherty covers military and foreign affairs issues for The Associated Press.

Why Iraq Is Crumbling (WP)

By Charles Krauthammer

The Washington Post, November 17, 2006

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"A republic, if you can keep it."

-- Benjamin Franklin, upon leaving the Constitutional Convention, in answer to "What have we got?"

We have given the Iraqis a republic, and they do not appear able to keep it.

Americans flatter themselves that they are the root of all planetary evil. Nukes in North Korea? Poverty in Bolivia? Sectarian violence in Iraq? Breasts are beaten and fingers pointed as we try to somehow locate the root cause in America.

Our discourse on Iraq has followed the same pattern. Where did we go wrong? Too few troops? Too arrogant an occupation? Or too soft? Take your pick.

I have my own theories. In retrospect, I think we made several serious mistakes -- not shooting looters, not installing an Iraqi exile government right away, and not taking out Moqtada al-Sadr and his Mahdi Army in its infancy in 2004 -- that greatly compromised the occupation. Nonetheless, the root problem lies with Iraqis and their political culture.

Our objectives in Iraq were twofold and always simple: Depose Saddam Hussein and replace his murderous regime with a self-sustaining, democratic government.

The first was relatively easy. But Iraq's first truly democratic government turned out to be hopelessly feeble and fractured, little more than a collection of ministries handed over to various parties, militias and strongmen.

The problem is not, as we endlessly argue about, the number of American troops. Or of Iraqi troops. The problem is the allegiance of the Iraqi troops. Some serve the abstraction called Iraq. But many swear fealty to political parties, religious sects or militia leaders.

Are the Arabs intrinsically incapable of democracy, as the "realists" imply? True, there are political, historical, even religious reasons why Arabs are less prepared for democracy than, say, East Asians and Latin Americans who successfully democratized over the past several decades. But the problem here is Iraq's particular political culture, raped and ruined by 30 years of Hussein's totalitarianism.

What was left in its wake was a social desert, a dearth of the trust and good will and sheer human capital required for democratic governance. All that was left for the individual Iraqi to attach himself to was the mosque or clan or militia. At this earliest stage of democratic development, Iraqi national consciousness is as yet too weak and the culture of compromise too undeveloped to produce an effective government enjoying broad allegiance.

Last month American soldiers captured a Mahdi Army death squad leader in Baghdad -- only to be forced to turn him loose on order of Prime Minister Nouri al-Maliki. Two weeks ago, we were ordered, again by Maliki, to take down the barricades we had established around Sadr City in search of another notorious death squad leader and a missing American soldier.

This is no way to conduct a war. The Maliki government is a failure. It is beholden to a coalition dominated by two Shiite religious parties, each armed and ambitious, at odds with each other and with the ultimate aim of a stable, modern, democratic regime.

Is this America's fault? No. It is a result of Iraq's first democratic election. The United States was not going to replace Saddam Hussein with another tyrant. We were trying to plant democracy in the heart of the Middle East as the one conceivable antidote to extremism and terror -- and, in a country that is nearly two-thirds Shiite, that inevitably meant Shiite domination. It was never certain whether the long-oppressed Shiites would have enough sense of nation and sense of compromise to govern rather than rule. The answer is now clear: United in a dominating coalition, they do not.

Fortunately, however, the ruling Shiites do not have much internal cohesion. Just last month two of the major Shiite religious parties that underpin the Maliki government engaged in savage combat against each other in Amarah.

There is a glimmer of hope in this breakdown of the Shiite front. The unitary Shiite government having been proved such a failure, we should be encouraging the full breakup of the Shiite front in pursuit of a new coalition based on cross-sectarian alliances: the more moderate Shiite elements (secular and religious but excluding the poisonous Sadr), the Kurds and those Sunnis who recognize their minority status but are willing to accept an important, generously offered place at the table.

Such a coalition was almost created after the latest Iraqi elections. It needs to be attempted again. One can tinker with American tactics or troop levels from today until doomsday. But unless the Iraqis can put together a government of unitary purpose and resolute action, the simple objective of this war -- to leave behind a self-sustaining democratic government -- is not attainable.

Inside The Beltway (WT)

By John McCaslin

The Washington Times, November 17, 2006

Luther lives

Letter dated Nov. 12, addressed to D.C. Mayor Anthony A. Williams, from resident Jesse H. Merrell of Garfield Street Northwest:

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"Dear Mayor Williams: I realize you are going out of office but ... I write in a final futile effort about your Department of Public Works notice of Nov. 6, 2006, to Luther L. Miller, with a $75 fine for his trash containers being 'out for collection at the wrong time or place.'

"As I've repeatedly told you, Luther L. Miller is dead — has been for nearly 30 years! On Nov. 1, 2001, after a similar notice, I told you Luther Miller has been dead since 1976. On Nov. 27, 2001 — after a second notice — I wrote that Mr. Miller was 'still dead,' and to direct all future correspondence to him at Old Stone Church Cemetery, Lewisburg, W.Va.

"On Dec. 14, 2001 — after a third letter — I wrote again, asking what part of 'dead' confused you, and sent you a certified copy of his death certificate. On Feb. 2, 2002 — after an unbelievable fourth letter — I wrote and asked if I took you to see his tombstone in Lewisburg, would that help? ...

"Now, undeterred, your unrelenting, unstoppable bureaucrats ... sent another notice to Luther L. Miller on Nov. 6, 2006."

Farewell, Rummy

The American Spectator's 2006 Robert L. Bartley dinner on Wednesday was "off-the-record," but we can tell you that outgoing Defense Secretary Donald H. Rumsfeld's keynote address made clear that the United States should not abandon Iraq anytime soon.

Subsequent remarks from Massachusetts Gov. Mitt Romney, which were filled with praise for Mr. Rumsfeld and the U.S. military (several injured Iraq war veterans were in the packed audience at the Mandarin Oriental hotel), echoed the secretary's sentiments.

Master of ceremonies Grover G. Norquist pointed out that Ronald Reagan's ultimate victory in the Cold War never came until 1991 — nearly three years after he left office. Patience, he said, being the key word.

One of our favorite lines of the evening was compliments of Michael Barone, senior writer for U.S. News & World Report, who was presented with the 2006 Barbara Olson Award. Without naming names, he touched on the probability of one potential 2008 presidential candidate "throwing her broom into the ring."

Standard role

"We didn't vote for him," write the editors of the conservative Weekly Standard magazine, but "would still like to congratulate James Webb on his victory in the Virginia Senate election."

By winning, they explain, the Democrat who defeated Republican Sen. George Allen "becomes the first-ever Weekly Standard contributor to leave private life for national political office. In fact we were more than a little amused when the National Republican Senatorial Committee ran television advertisements attacking Webb for statements he made in an essay 'The War on the Military Culture' from our Jan. 20, 1997 issue."

The essay highlighted the problems posed by the assimilation of women into the military, and on that front, at least, the editors and Mr. Webb, a former Navy secretary and Republican-turned-Democrat, remain in agreement.

Minor Bach

That would be a rare concert performance of Johann Sebastian Bach's towering Mass in B Minor, led by internationally acclaimed Bach authority J. Reilly Lewis, filling the afternoon air around the Washington National Cathedral on Sunday.

"It's a monumental work that is seldom done here in the States," Lawrence Patrick Reppert, director of administration for the Cathedral Choral Society, tells Inside the Beltway. "We're dealing with 160 to 180 voices, and a full Bach orchestra."

"Bach never intended the Mass to be performed in a place as large as this cathedral, so it will really be a treat to hear it performed in such a large space," Mr. Reppert adds.

The concert begins at 4 p.m. Tickets are required ($60 sections are sold out, but $25-to-$40 seats remain) and can be obtained in advance by calling 202/537-5527, or at the door starting at 3 p.m. Sunday.

·John McCaslin, whose column is nationally syndicated, can be reached at 202/636-3284 or jmccaslin @washingtontimes.com.

Rumsfeld's Additional Accomplishments (WP)

By Al Kamen

The Washington Post, November 17, 2006

Seemed Defense Secretary Donald Rumsfeld had barely left his Oval Office firing ceremony when the Pentagon Web site popped up with a new feature titled "Six Years of Accomplishments" with Rummy.

First and foremost were his accomplishments in the "war on terror," where overall, military efforts "liberated 50 million people in Afghanistan and Iraq." More specifically, they've "liberated 31 million Afghans from Taliban control and destroyed Al-Qaeda sanctuary." And they've "liberated 27 million Iraqis from a brutal dictatorship and turned over sovereignty of the country to an Iraqi government."

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Math, apparently, is not a strong point. Somewhere it seems they lost -- or gained -- 8 million people.Following Rumsfeld Out

Meanwhile, Rumsfeld's firing is sure to spark the departure of many of his top aides. One assistant secretary, Peter Rodman, has already moved back to the Brookings Institution -- but that was long planned, we're told.

Several others are on the endangered species list. Stephen Cambone, the undersecretary for intelligence, is surely gone. His deputy, Lt. Gen. Gerald Boykin-- famed for his memorable remark that "my God was bigger than his" and other sage observations -- won't be far behind.

Others on the various DOD departure lists include acquisitions chief Kenneth Krieg; comptroller Tina Jonas; assistant secretary Thomas W. O'Connell, who runs Special Operations and Low-Intensity Conflict; and top Rumsfeld aide Robert Rangel, though Rangel is highly regarded in the building and among some House folks.

Reporters will be watching to see if spokesman Dorrance Smith, who just beefed up his public affairs staff with a "rapid response" team to correct media lies, mischaracterizations and inaccuracies, hangs on.

When the media rebuffed press office demands for corrections or declined to publish editorials, Smith had them printed in the Pentagon's "Early Bird" compilation of important news. Not just printed, but put right at the very top.

The "war on media" produced as many as six letters or "corrections" demands in a single day on Oct. 30, five of them signed by Smith.

But in recent days, there haven't been any, which would indicate either that the media have become accurate -- a near impossibility -- or just that we've lightened up on the nearly departed.

As for Smith, oddsmakers are thinking he'll probably go after Robert Gates comes in. But we're told the White House is supportive of his efforts, and we recall that Smith worked closely with Gates on the latter's successful CIA confirmation hearings. Also, Smith is on the Bush Library board at Texas A&M, where Gates is university president; they see each other and enjoy "a more-than-cordial relationship."Financial Advice for War Zone

What Iraq really needs, World Bank President Paul Wolfowitz opined on Tuesday, is advice on rebuilding its institutions -- not just money from the international community.

"I am not saying they don't need money," Wolfowitz told the European Parliament's development committee, "but they have a lot of money on their own and it's not managed right."

"What they need is help in constructing better institutions, public financial management and advice on how to better manage the petroleum sector," he said. "Help, I believe, in how to manage social safety nets."

Of course, money management isn't easy in the middle of a war that has killed or made refugees of a huge chunk of the managerial class.

Wolfowitz said he didn't know if U.S. Mideast policy will change with the Democratic takeover of Congress. "I know that they are not going to come and ask me for my opinion," he said. That's a safe bet.

"I am not sufficiently well informed on political and security issues to give sensible advice," he added. Wolfowitz was much better informed when he predicted Iraqi oil revenue would pay for the war.

More Marines Headed To Anbar Province (AP)

By Robert Burns

AP, November 17, 2006

About 2,200 Marines are headed from their ships in the Persian Gulf to an undisclosed location in Iraq's western Anbar province to help shore up U.S. combat power in an area riddled with insurgent violence.

The move, intended as a short-term measure, is evidence of the severity of the conflict in Anbar. The insurgency is entrenched and well-organized in a province where U.S. soldiers and Marines are being killed almost daily.

Maj. Matt McLaughlin, a spokesman for U.S. Central Command, said Thursday that members of the 15th Marine Expeditionary Unit were "in the process of transitioning and moving" from their ships to a transit point for deployment to Anbar. He said he could not discuss specifics of their mission or exact destination.

It will be the unit's third tour in Iraq. It participated in the initial invasion in March 2003 and returned in March 2005.

A Marine expeditionary unit typically is organized as a combined arms team. That means it includes infantry, armor and artillery, as well as a helicopter squadron and a small number of AV-8B Harrier fighter jets.

The move was disclosed on Wednesday by Gen. John Abizaid during testimony to the Senate Armed Services Committee. He said he approved the deployment "to help address" concerns expressed by Maj. Gen. Richard Zilmer, who commands all U.S. forces in Anbar. Abizaid did not elaborate. Zilmer's staff has indicated in recent months that an increase in troop levels could help the fight against the insurgency in Anbar.

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Abizaid acknowledged, when pressed during questioning by senators, that Anbar is not under the control of U.S. or Iraqi forces. He said the security problem in Baghdad was even worse and that Anbar's problems therefore must be deemed secondary to suppressing the sectarian violence in the capital.

There already are about 30,000 U.S. troops in Anbar, which includes the trouble spots of Fallujah and Ramadi. The province stretches west from Baghdad to the borders with Syria, Jordan and Saudi Arabia.

In all of Iraq there are about 141,000 U.S. troops.

When U.S. commanders decided to step up security efforts in Baghdad last summer, they moved forces into the capital from elsewhere in Iraq; one combat unit was shifted from Rawah, a restive town in Anbar.

The 15th MEU was aboard ships in the Gulf as part of a normal deployment that included recently participating in exercises with the Indian navy.

It had been designated by Abizaid as a reserve force for Iraq, to be tapped in the event circumstances required a temporary boost in combat power. Until recently an Army combat brigade also had been held in reserve in Kuwait; it also was sent into Iraq to bolster security.

Contractor's Boss In Iraq Shot At Civilians, Workers' Suit Says (NYT)

By C. J. Chivers

The New York Times, November 17, 2006

CAMP FALLUJA, Iraq, Nov. 16 — Two former employees of an American private military contracting company have claimed in a Virginia court that they witnessed their supervisor deliberately shoot at Iraqi vehicles and civilians this summer, and that the company fired them for reporting the incidents.

The allegations, made in a lawsuit filed in Fairfax County Circuit Court, say Triple Canopy, one of the largest private military contractors to work with the United States in Iraq, retaliated against the men for reporting that the supervisor had committed violent felonies, and perhaps murder, on the job.

The lawsuit also claims that Triple Canopy's management blacklisted the men in the private military contracting industry, rendering them unemployable in the lucrative trade of providing private security in Iraq.

The suit was filed in late July. A motion by Triple Canopy to dismiss it in full was rejected by the judge last month. On Thursday, the court set a trial date for next summer.

In response to an inquiry, a spokesperson for Triple Canopy issued a statement on Thursday from the company's headquarters in Herndon, Va., outside Washington.

"Triple Canopy requires all employees to maintain the highest professional and ethical standards in every aspect of their work, including in high-threat environments such as Iraq," the statement said. "Out of respect for our judicial system and all those involved, Triple Canopy does not comment on ongoing litigation."

Triple Canopy, founded by former Delta Force commandos in 2003, is one of several young companies that support military operations in Iraq, Afghanistan and other countries.

In the suit, the former employees — Shane B. Schmidt, a former Marine Corps sniper, and Charles L. Sheppard III, a former Army Ranger — claim that on July 8 their shift leader fired deliberately and unnecessarily at Iraqi vehicles and civilians in two incidents while their team was driving in Baghdad.

Their job that day, the suit says, was to pick up an employee of KBR, a subsidiary of the Halliburton Company that is involved in construction in Iraq, at the Baghdad airport.

In the suit and in telephone interviews, however, the men said that their shift leader, who was scheduled to leave Iraq the next day, was determined to kill before he left Baghdad. (The shift leader, a former American serviceman from Oklahoma, was not named in the suit.) The first incident occurred about 2:15 p.m., the suit says, when their vehicle approached the airport entrance.

Their shift leader, the suit claims, announced that he was "going to kill someone today," stepped from his vehicle and fired several shots from his M4 assault rifle into the windshield of a stopped white truck.

The men claim that the truck was not an evident threat and that their team was not in danger. The men say in the suit that the shift leader then returned to their truck and said, "That didn't happen, understand."

Later that day, the suit says, the shift leader said, "I've never shot anyone with my pistol before," and then opened the vehicle door and fired seven or eight shots into the windshield of a taxi.

Neither of the plaintiffs, in telephone interviews, said he knew for certain what injuries had been suffered by civilians in the two vehicles that had been shot at by their shift leader. In each case, they said, their own vehicle drove away quickly after the shift leader fired.

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Both men said that the shift leader had told them that if they reported the shootings they would be fired, and that they feared that the shift leader, whom they regarded as unstable, was dangerous to them.

Nevertheless, on July 10, the day after the shift leader left Iraq, the two men reported the shootings to Triple Canopy's senior supervisors in the country, the lawsuit says, adding that retaliation was swift.

"Immediately after making the report, Plaintiff Sheppard was pulled from duty and suspended," the suit claims. "Plaintiff Schmidt was suspended the following day. Within a week the plaintiffs were terminated as a result of having reported the Shift Leader's unlawful conduct."

Both men had been paid $500 a day by Triple Canopy for their work in Iraq, the suit says. Since then, they claim to have been blacklisted.

Both men seek lost earnings and damages, said their lawyer, Patricia A. Smith.

U.S. Contractor Fired On Iraqi Vehicles For Sport, Suit Alleges (WP)

By Tom Jackman

The Washington Post, November 17, 2006

A man who worked in Iraq for a Herndon-based security company is accused in a lawsuit of firing twice into Iraqi civilian vehicles last summer without provocation, possibly killing at least one person.

Two co-workers who witnessed the shootings say in the suit that there has been no investigation, even though they reported the incidents.

All three men worked for Triple Canopy, a corporation formed in 2003 by former military men to provide security in the Middle East for the United States government and private companies. Triple Canopy was the ninth-largest contractor for the U.S. State Department in fiscal 2005, with payments totaling more than $90 million, government records show.

That sum does not include what Triple Canopy is paid by private firms such as KBR, formerly Kellogg, Brown & Root, a subsidiary of Halliburton Co. that is involved in rebuilding in Iraq. Former Army Ranger Shane Schmidt, former Marine Charles L. Sheppard III and their shift leader were all working on an assignment for KBR when the shootings occurred near Baghdad on July 8, alleges the suit, filed in Fairfax County Circuit Court.

Schmidt and Sheppard say they reported the shootings to Triple Canopy. Instead of investigating, the men allege, Triple Canopy fired them and prevented their being hired by other companies in the Middle East. The lawsuit alleges wrongful termination and wrongful interference with their professional future.

Triple Canopy and KBR declined comment on the suit. Defense Department officials did not respond to numerous inquiries, and State Department officials said they were unaware of the incidents that are being alleged.

Schmidt and Sheppard allege that Triple Canopy did not report the shootings to KBR or the government. They say that no one has ever contacted them about the shootings.

In court papers, Triple Canopy has not denied that the incidents occurred. The company has tried to have the case dismissed on the grounds that no violation of Virginia law occurred and that Schmidt and Sheppard were "at-will" employees and could be fired for any reason.

At a hearing last month, Fairfax Circuit Court Judge M. Langhorne Keith said the state's "at-will" legal doctrine has exceptions, including "when people allege that they reported a murder, two murders or maybe more than two murders, conducted by a fellow employee, and were fired for making that report."

The lawsuit does not name the person accused of the shootings, a shift leader. Schmidt and Sheppard's attorney, Patricia A. Smith of Alexandria, declined to name the man. The case is scheduled to go to trial July 30.

Smith said Schmidt and Sheppard were not available for interviews yesterday. Schmidt lives in Herndon, and Sheppard resides in Destin, Fla. Both have private security jobs in this country, far removed from the high-adrenaline, $500-a-day work they did for years in Iraq and Afghanistan, Smith said.

Schmidt was a Marine from 1995 to 2003 and was one of the first Marines deployed to Afghanistan, Smith said. He began working for Triple Canopy in Iraq in 2004.

Sheppard served in the Army from 1995 to 2002, including time as a Ranger, and was deployed in Albania and Kosovo. He worked in Iraq and Qatar for other private security companies and began working for Triple Canopy in April.

"These guys are tremendously experienced and well-respected in the field," Smith said. They assert that Triple Canopy has given other companies false reasons for firing them.

On July 8, according to their lawsuit, Schmidt and Sheppard were riding with their shift leader in a convoy to pick up a KBR employee at the Baghdad airport.

As their vehicle approached the airport, their shift leader declared that he was "going to kill someone today," the lawsuit states. The man then stepped out of the vehicle and fired several shots from his M4 rifle into the windshield of a stopped truck.

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Schmidt and Sheppard were horrified, Smith said. According to the lawsuit, the shift leader told them, "That didn't happen, understand?"

After their convoy picked up the KBR employee, the crew headed to its next destination. At this point, Schmidt and Sheppard allege, their shift leader declared, "I've never shot anyone with my pistol before." The man then opened his door and fired seven or eight rounds into the windshield of a nearby taxi. Schmidt and Sheppard later heard that a cabdriver was found shot to death in the area, according to the suit.

Schmidt and Sheppard initially hesitated to report the two seemingly unprovoked shootings, especially because their supervisor told them that they would be fired if they did, their lawsuit claims. The men also feared for their safety, they said.

But the next day, the shift leader was returned to the United States at the end of his three-month contract, Smith said. The two men reported the shootings, were suspended, then were fired. Smith said Triple Canopy told them they were fired for not reporting the shootings quickly enough. Schmidt asserts that when he asked who was investigating the incidents, Triple Canopy told him no one was investigating.

Smith said she does not know how many people might have been wounded or killed in the shootings. She said that Schmidt and Sheppard could not see into the truck that was fired on but that they did see a cabdriver in the second vehicle.

Attempts to oversee American contractors in Iraq, including the thousands who have been hired to provide security, have "gone from completely absent to spotty," said Peter W. Singer, a specialist in warfare and the Middle East at the Brookings Institution. Most oversight is focused on how U.S. money is spent, Singer said. But as to the regulating of contractors' conduct, "that part of the discussion is pretty much missing still."

Fallujah Now A Safe Haven For Sunnis (AP)

By Steven R. Hurst

AP, November 17, 2006

Some 30 Sunni refugees seeking a safe haven from Baghdad sit under the shade of a camouflage net on the outskirts of Fallujah, waiting at a makeshift U.S. facility for city IDs.

A skinny young man with a red and white scarf wound around his head pulls a reporter aside and lifts his right pant leg, exposing a shin with marks where Shiite militiamen had bored into the bone with an electric drill — the current tool of choice for Baghdad torture specialists.

Security is tight and snipers abound, but Fallujah — once an extremely violent Sunni insurgent bastion where the charred bodies of four Blackwater security men were hung on a bridge — has become a refuge from the death squads and mortar battles in Baghdad. U.S. Marines say about 150 Iraqis flee here each week from the capital, 40 miles to the east.

Unlike Baghdad, which houses large numbers of both Muslim sects, Fallujah's population is overwhelmingly Sunni Arab. As a result, Fallujah has not experienced the raging sectarian warfare that has the capital teetering on the brink of civil war. The migration is part of a larger exodus out of Baghdad, where entire neighborhoods have been uprooted.

Population figures in Iraq are little more than estimates, but Fallujah was said to have about 450,000 residents before U.S. forces stormed the city in November 2004 to drive out the insurgents. As the assault gained force nearly 400,000 of that number had fled, but the Americans say there are about 300,000 living in the city now.

Two years after the U.S. attack on Fallujah, Marine Col. Lawrence Nicholson takes rightful pride in what he and his men have done since taking over.

Nicholson strides the stony ground here in snappy camouflage fatigues, his dog tag secured under the laces of his left boot. He doesn't slip into his flak jacket but instead assaults the bulletproof vest, wrestles it on, then walks off with the slightly bowlegged gait of a man just off a horse.

"This is the club. Welcome to our country club, our gated community," the 51-year-old Toronto native said with a grin during a tour of the city Wednesday.

But if Fallujah were a hospital patient, it would still be in intensive care. Two city council members and the council president have been assassinated since February. At least 30 police officers were gunned down this summer. The mayor fled in July.

Reconstruction of the city, ruined in the Marine assault, is in progress but far from complete.

There's no bustle on the main street, and not much to bustle to. Unemployment is well above 50 percent. The cement factories are only now struggling back to life.

A reporter who tried to step outdoors during a city council meeting — part of the tour — was grabbed by the arm and pulled back inside by Marines who warned of snipers right in the center of the city.

Nicholson and his 5,000 Marines of Regimental Combat Team 5 have Fallujah sealed — the incoming roads at least — with what they call ECPs, or entry control points, manned by Americans, Iraqi army soldiers and Iraqi police. As a result, a long

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line of cars stretches at Fallujah's eastern reaches. The Americans said they have reduced the wait to drive into the city to about 40 minutes since the ECPs were put in place several months ago. It looked like a much longer wait.

In order to get in, everyone must carry a U.S.-issued ID card proving he or she is a resident and registered to live in the city. Weapons are banned in Fallujah, by law if not in fact.

At one point, Nicholson strode in to begin directing traffic himself, then pulled a local Iraqi policeman — a Sunni Muslim — together with an Iraqi soldier — a Shiite — and asked them if there were any problems between them. The men, from the rival sects whose religious-based conflict is tearing apart central Iraq, assured the colonel all was well.

Nicholson smiled and shook his head in a "Didn't I tell you so?" gesture.

He was seriously wounded the same day he took control of RCT 5 shortly before the Marine assault in November 2004. He missed the Fallujah operation but has returned and surrounded himself with an impressive team of junior officers to whip the place into shape.

His command comes across like a squad of corporate turnaround specialists sent to a troubled regional hub of some Fortune 500 company. They are smart, well-groomed rising stars of the Marine Corps — specialists in Sunni tribal affairs, linguists, organizational experts.

Nicholson — wiry and ruddy-faced with the look of a street brawler — keeps a tight rein on Fallujah and its townspeople. He understands their deep ambivalence about the U.S. forces that keep the peace.

"The average person here would tell us to 'Get the hell out of my city — but not just yet,' " the colonel said.

So while he's here, Nicholson is a nonstop dynamo — here, there, everywhere, or so he would have the Fallujans believe.

His men call him the mayor of the town. The real mayor is Jassim al-Bedawi, who took over from a predecessor who fled to Jordan this summer under threat of death.

Al-Bedawi, a lawyer, looks like a bit like Burt Reynolds in his younger days — the same white-toothed grin under a he-man mustache. He took Nicholson to task at the latest city council meeting for closing a bridge over the Euphrates River.

They call it the new bridge here. The old bridge, built in 1937, is now called the Blackwater Bridge. It's where insurgents hung the bodies of the four security men who were killed in the city in March 2004.

Al-Bedawi complained that the heavy security and closed new bridge were jamming traffic, blocking deliveries of necessary goods such as canisters of cooking gas.

Nicholson stood as if at attention in front of his chair along the wall of the City Council chamber, listening but shaking his head side to side. He said he would check but countered that there had been too many attacks on the Iraqi army at the new bridge.

He didn't say no, but he didn't offer much hope.

Only 12 of 20 council members showed up this week, obviously not keen to journey through town to a meeting that so closely associates them with the Americans.

The colonel calls the council "our dysfunctional family, but our family nevertheless."

"We preach Team Fallujah constantly ... that we're all in this together," the 26-year Marine veteran said. "But in the end we have to tell them it is their choice, what they want it to look like when we're gone."

Through the daylong tour a reporter observed, Nicholson shook as many Iraqi hands as he could, and introduced his visitors to both town dignitaries and men in the street — clearly unafraid of what the locals would say about his work.

And in short goodbye remarks, Nicholson smiled and said, "I hope you got a sense of what the average Omar is thinking."

Then he spun on his heel and barked out some orders.

Democrats See Improved Electoral Map (WSJ)

By John Harwood

The Wall Street Journal, November 17, 2006

See updates to Washington Wire each weekday at www.washwire.com1.

DEMOCRATS SEE improved electoral map as 2008 field expands.

House Democratic campaign chief Emanuel touts gains among suburbanites and higher-income voters -- Democrats won among those earning $50,000 to $100,000. Republican consultant Steve Lombardo, citing Democratic advances among Catholics, says "only another election or two" can prove staying power of such trends.

Sen. Dodd of Connecticut, who may join Democratic nomination race, calls for "New Age of Idealism." His annual Williamsburg retreat for supporters attracts greater interest given his 2008 aspirations and ascension to Senate Banking chairmanship.

Democrats hold most congressional seats in states with 303 electoral votes, strategist Mark Gersh says.

ENERGY INTERESTS SPLIT on lame-duck drilling legislation.

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Industry, agriculture and labor groups seek House passage of Senate's offshore drilling bill, which would send measure to Bush's desk. "We've got a bird in the hand," says Jack Gerard of American Chemistry Council.

Some companies hold out for more ambitious House bill, which would allow states such as Virginia to opt out of anti-drilling moratoria. Robert Slaughter of National Petrochemical and Refiners Association says "it will be difficult" to get Democratic majorities to revisit the issue later.

HEADHUNTING: Republicans confront loss of power -- and paychecks.

Defeated lawmakers search for new paths; some expect outgoing Indiana Rep. Hostettler to become a minister. Ousted Republicans should be "rich...or ready for retirement," one surviving lawmaker says, since "there are not going to be a lot of association head or lobbying jobs" in Washington.

Rumors swirl that outgoing Speaker Hastert may be Tokyo-bound, as Democratic predecessor Foley once was. Hastert, who speaks Japanese, isn't seeking a leadership post and may quit Congress altogether.

Nine of 24 Republicans on House Ways and Means Committee won't return in next Congress.

TURNABOUT: Moderate Democratic group Third Way touts increasing public receptivity toward gay rights, two years after Bush profited from anti-marriage stance. In post-election Zogby International poll, nearly two-thirds of voters support legal recognition for gay and lesbian couples. Although gay-marriage bans passed in seven states, they "have lost their impact as a wedge issue," argues Third Way's Rachel Laser. Arizonans defeated such a ban.

ADMINISTRATION DOWNPLAYS usefulness of talking to Iran and Syria about Iraq. Although Baker-Hamilton group, top Democrats and Britain's Blair recommend talks, Secretary of State Rice insists Iran or Syria would demand concessions and couldn't cure Iraq's rising sectarian violence.

INTRAMURAL FIGHT? Texas Democrat Jackson-Lee is in line to chair House immigration subcommittee, but draws criticism over her sometimes-combative style and may face competition for the post from California Rep. Lofgren. Immigration groups steer clear of debate. Iowa's Steve King, among the most vocal House opponents of immigration, is subcommittee's ranking Republican.

PARTY POOPER? Telecom bar association's annual holiday-season Chairman's dinner is nixed because FCC chief Martin won't show up; some lawyers fret he wants to kill it altogether. Last year's event attracted about 1,500 guests and raised $43,000 for scholarships. The bar association will try a springtime version next year.

VIETNAM TRADE STUMBLE catches White House by surprise.

Red-faced Trade Representative Schwab, in Hanoi, is forced to parse congressional procedures after trade pact wins majority but falls short of two-thirds required under special parliamentary rules. "Getting this through Congress was a huge deal" for Vietnam, an administration official says amid Bush's Asia trip.

Textile lobbyist Augustine Tantillo says misfire underscores spread of "cold feet" among lawmakers about free trade. North Carolina Republican Rep. Robin Hayes, whose dead-heat re-election race remains undecided, chides party leaders for bringing up the measure so soon after the election.

West Coast senators express reservations on concessions to textile-state lawmakers, fearing impact on U.S. exporters.

MINOR MEMOS: D.C. Delegate Eleanor Holmes Norton can't vote on House floor as representative of federal enclave, but may chair Transportation subcommittee in new Congress...Incoming Transportation Committee Chair Oberstar, facing uncharacteristically packed news conference, likens himself to the Bible's Joshua, "who did enter the Promised Land."

Soldier Gets 90 Years In Rape, Killing Of Iraqi Girl (WP)

By Josh White

The Washington Post, November 17, 2006

An Army specialist who admitted that he and a group of other U.S. soldiers raped a 14-year-old girl and killed her and her family in an Iraqi village was sentenced to 90 years in prison yesterday, by far the longest sentence for a U.S. soldier in connection with the death of an Iraqi civilian since the war began in 2003.

Spec. James P. Barker, 23, could be eligible for parole in 20 years, as part of a plea agreement with prosecutors that spares him the possibility of a death sentence. Barker has indicated he will testify against other soldiers in the case, some of whom face the death penalty.

Barker yesterday became one of 16 U.S. troops sentenced to prison time for the deaths of Iraqi civilians during the war, and he received a sentence of more than three times the length of the next-longest sentence in any case that has concluded. Two soldiers are serving 25-year sentences in unrelated homicide cases.

Also yesterday, Marine Lance Cpl. Tyler A. Jackson pleaded guilty to aggravated assault and conspiracy to obstruct justice in the death of an Iraqi man near Hamdaniyah. As part of a deal, he was sentenced to 21 months in prison.

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The slaying of the girl, Abier Kassim Hamzah Rashid al Janabi, on March 12 was particularly shocking because it had no connection to military combat operations and was carefully planned by soldiers who had spotted her while patrolling the Mahmudiyah area weeks before. The girl's father, mother and young sister were also killed, and soldiers set the teenager's body on fire to try to conceal the crime.

In a nine-page document that provides chilling details of the case, Barker confessed to plotting the attack on Abier with other soldiers as they played cards and drank whiskey mixed with a carbonated energy drink. The soldiers donned disguises, cut through chain-link fences and sneaked into the house, planning to kill everyone inside, according to the document.

The soldiers alternated holding Abier down on the floor while raping her, according to the document.

Another soldier, former Pfc. Steven D. Green, herded Abier's family members into a bedroom before shooting them, according to Barker's account. Green then raped and killed Abier, according to the document.

"I want the people of Iraq to know that I did not go there to do the terrible things that I did," Barker said in court, the Associated Press reported. "I do not ask anyone to forgive me today."

Barker said he became "angry and mean" as a way to survive in the austere and dangerous conditions where he served south of Baghdad, and as a result he began to hate everyone in Iraq.

Attorneys for Barker have argued that he was under extreme pressure and emotional distress while working in the Yusufiyah area, an insurgent stronghold where U.S. forces faced daily attacks and were severely understaffed. David Sheldon, Barker's civilian attorney, said he believes his client's sentence should make it difficult for prosecutors to get the death penalty against the other soldiers.

"Specialist Barker took responsibility for his actions and has expressed sincere remorse for his conduct," Sheldon said. "This sends a clear message to the government that it will be difficult to obtain a death sentence against any of the defendants, including Pfc. Green."

U.S. Airstrikes Climb Sharply In Afghanistan (NYT)

By David S. Cloud

The New York Times, November 17, 2006

The Air Force has conducted more than 2,000 airstrikes in Afghanistan over the past six months, a sharp increase in bombing that reflects the growing demand for American air cover since NATO has assumed a larger ground combat role, Air Force officials said.

The intensifying air campaign has focused on southern Afghanistan, where NATO units, primarily from Britain, Canada and the Netherlands, as well as American Special Forces have been engaging in the heaviest and most frequent ground combat with Taliban rebels since the invasion five years ago.

The NATO forces are mostly operating without heavy armor or artillery support, and as Taliban resistance has continued, more air support has been used to compensate for the lightness of the units, Air Force officials said. Most of the strikes have come during “close air support” missions, where the bombers patrol the area and respond to calls from ground units in combat rather than performing planned strikes.

On a recent 11-hour mission that included a reporter for The New York Times, a B-1 bomber orbited at 20,000 feet, responding to radio calls from American and Canadian troops who asked the plane to use its radar to watch for insurgent forces and to be prepared to drop bombs.

On a separate mission last week, a bomber dropped its entire payload of eight 2,000-pound bombs and six 500-pound bombs after ground units called for help, Air Force officials said.

One B-1 pilot, Lt. Col. Tim Schepper, said that when troops called for airstrikes, “There are times when you can hear the gunfire and R.P.G.’s over the radio in the background, and that’s when you know you have helped keep them alive.” An R.P.G. is a rocket-propelled grenade.

To carry out the heavier mission load, the Air Force’s entire complement of B-1 bombers was shifted over the summer from the British air base at Diego Garcia in the Indian Ocean to a Middle Eastern airfield closer to Afghanistan. The new basing arrangement shortens the flying time to Afghanistan by two hours, allowing bombers to remain overhead for longer periods between refueling by aerial tankers.

Air Force officials said they were prohibited from disclosing the location because of sensitivities by the host country about disclosing the extent of its cooperation with the American military.

Lt. Gen. David Richards, the British commander of NATO forces in Afghanistan, has promised to bring stability and win support among Afghan civilians by focusing primarily on economic development and avoiding combat. But the resurgence of the Taliban has made that difficult. NATO forces have established numerous small bases and sent out extended patrols in small

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formations and with little or no heavy armor and artillery. And NATO has also lacked a reserve force that can be shifted quickly to hot spots, though Poland has promised to send more troops to fulfill that role.

The 2,095 attacks by American aircraft since June is many times greater than the number of airstrikes in Iraq, where the terrain and nature of the conflict are less susceptible to bombing campaigns. There have been only 88 attacks by American aircraft in Iraq since June, according to Air Force figures. Unlike in Afghanistan, insurgents in Iraq are largely in urban areas and do not often mass in groups large enough to warrant use of airstrikes, Air Force commanders said.

The increase in total munitions dropped has also been substantial. This year in Afghanistan, American aircraft have dropped 987 bombs and fired more than 146,000 cannon rounds and bullets in strafing runs, more than was expended in both categories from the beginning of the American-led invasion in 2001 through 2004, the Air Force said. During those years, a total of 848 bombs and just over 119,000 bullets were used by aircraft, according to Air Force figures.

On the B-1 flight last week that included a reporter, Colonel Schepper and his two-man crew received a radio call from a Canadian soldier at an isolated base near the town of Tarin Kowt, who asked the aircraft to stand by for potential attacks on insurgent forces. A few hours later, the bomber crew received a similar radio message from an American Special Forces soldier, who warned that Taliban attacks on his position had been frequent. “We’ve had contact every day this week,” said the soldier, who could not be identified under military rules. “As sure as the day is long, we’ll have more.”

The surge in recent airstrikes coincided with NATO moving into the south over the summer, a period when Taliban attacks also increased. Much of the bombing in September was conducted during several major NATO ground operations against concentrations of Taliban fighters. But the number of air attacks has stayed high, reaching 397 in October, and is expected to remain at comparable levels this month, according to Air Force commanders.

In Afghanistan the increased use of air power has also come at a cost in casualties among allied forces and civilians. In September, an American A-10 attack jet mistakenly opened fire on Canadian troops southwest of Kandahar, killing one and wounding dozens more.

Later that month, a nighttime NATO air attack involving an AC-130 gunship killed 31 civilians, most of whom were shepherds, a joint NATO and Afghan investigation concluded recently. The civilians were killed as they fled their tents with their wives and children after a NATO bomb struck a nearby compound, killing 20 Taliban fighters. There have also been increased reports of damage or destruction to mosques and other civilian buildings and property.

In addition to dropping bombs, Air Force jets are increasingly being called on to provide ground forces with intelligence about possible insurgent forces in their vicinity, using infrared cameras, radar and other surveillance equipment.

While the B-1 has proven useful in Afghanistan because of its large fuel tanks and bomb-carrying capacity, the planes’ 30-year-old electronics have sometimes been a liability.

On the recent 11-hour mission, the B-1 crew had to inform ground troops several times that the plane’s radar could not deliver the detailed picture of ground activity they wanted and that many fighter jets and other aircraft equipped with more modern surveillance equipment could provide.

During the mission, one American soldier called up to say that his unit was holding a memorial ceremony for a soldier who had been killed several days earlier in combat. Trying to detect any possible ambushes of the service, he asked whether the plane could see whether there were any “military-age males” with weapons nearby — a request beyond the capabilities of the B-1’s electronics, the crew told him. So he requested that the B-1 perform a “show of force,” a low-level pass meant to frighten any fighters nearby.

Colonel Schepper dropped the jet steeply from 20,000 feet to around 8,000 feet and roared over the soldiers’ position, releasing flares to heighten the effect of the fly-by.

On the plane’s radio, the soldier voiced a simple response: “Beautiful, beautiful, beautiful.”

Army Retooling Itself To Fight Counterinsurgency Wars (MCT)

By Drew Brown

McClatchy Newspapers, November 17, 2006

FORT LEAVENWORTH, Kan. - At this historic Army post on a bluff overlooking the Missouri River, the Army has mounted an intense effort to train its soldiers how to fight insurgents more effectively in Iraq, Afghanistan and beyond.

Fort Leavenworth is where all-black regiments known as "buffalo soldiers" once galloped off to police the American frontier. Later generations here studied how to defeat Soviet tank divisions. Now the United States Army Combined Arms Center has retooled the Army's leadership and training programs to focus on what motivates insurgents, the strategies and tactics they use and the cultures in which they operate.

The shift away from major combat operations to irregular warfare is one of the most significant changes in doctrine and training the Army has undertaken since World War II.

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"It's a big change for our Army," said Lt. Gen. David H. Petraeus, the Iraq war veteran who commands the Combined Arms Center. "Although we have done lots of counterinsurgency operations over the years, historically we have, as an institution, tended to refocus on major combat operations, the big battles, after each of our counterinsurgency operations was over."

The last time the U.S. Army fought a major counterinsurgency war was 40 years ago in Vietnam. The Army fought a smaller counterinsurgency war in El Salvador in the 1980s and intervened in Somalia, Haiti and the Balkans in the 1990s. But the Army's primary focus remained winning an all-out conventional war in Europe against the Soviet Union and the Warsaw Pact.

Irregular war and stability operations were considered lesser tasks that required little preparation or practice.

Large-scale war remained the Army's focus even after the invasion of Iraq in 2003. Since then, however, that focus has changed as it's become clear that Iraq and Afghanistan are part of a long guerrilla struggle that could last decades.

"One of the light bulbs that's come on in the last year or so is to no longer accept the notion that ... if you can do high-end major combat operations and you've got a disciplined force, then you can do this other stuff," Petraeus said. "But that's not the case. If you want to do this other stuff, then you've got to train for it."

"The greater goal is to help our Army truly be a learning organization, one that is adapting in response to the challenges we face in the long war (and) one that strives to ensure basic combat competence, but also a degree of confidence in a number of the other tasks that our soldiers are asked to perform," Petraeus said.

That means preparing soldiers for everything from high-intensity combat to peacekeeping and reconstruction. Soldiers in Iraq and Afghanistan can be asked to hunt down insurgents one day, guard polling stations another and rebuild schools the next.

Waging a successful counterinsurgency war means that military commanders must be prepared to carry out all those missions at once, while taking into account what political and economic effects their actions will have, officials say.

"Sometimes the best action is inaction," said Clinton J. Ancker, III, the director of the Combined Arms Center Doctrine Directorate. "It's a very difficult job balancing the application of force."

Lessons such as that are at the heart of the changes the Combined Arms Center is helping to make across the Army and other services.

A team from the Army and the Marine Corps are writing the military's first counterinsurgency field manual in 20 years. A main theme is that military action is only a means to a political end.

"This manual is as much about the next fight in the GWOT (global war on terrorism)," said Ancker, who's overseeing the project. "It's not solely about the one we're in now."

At the Army's three large training centers - Fort Irwin, Calif., Fort Polk, La. and Hohenfels, Germany - soldiers now train in mock Iraqi and Afghan villages.

The exercises involve hundreds of Arab and Afghan American role players. Soldiers are given a number of missions to accomplish while fending off improvised explosive and sniper attacks. Whether they succeed depends on the relationships they establish with the villagers.

Basic trainees at Army bases in Georgia, South Carolina, Kentucky, Missouri and Oklahoma now learn how to spot and avoid roadside bombs, react to ambushes on their convoys and train with local security forces.

Hundreds of additional students enroll annually in Arabic, Pashtun and other languages at the Defense Language Institute in Monterey, Calif. And any soldier can download a course in Arabic from the Army's Web site for free.

Computer specialists at Fort Leavenworth's Battle Command Knowledge System run three dozen online forums where soldiers in the field can share information.

Books on al-Qaida, militant Islam, Iraqi and Afghan history and the Muslim world are now required reading for majors and lieutenant colonels at the Army Command and General Staff College at Fort Leavenworth. There also are courses on Middle East culture and on Islam. A week is devoted to the study of irregular warfare.

"We can't make them a cultural expert in every culture that exists over there," said Russ Crumrine, a Middle East specialist who teaches there. "But the key is to get them thinking about what they need to know and how they might apply it."

The odds are that every student at the college will be serving in combat within weeks of graduation. The faculty wants to ensure that these officers will think about the cultural effects of what they do in Iraq or Afghanistan.

"No officer would ever plan an operation without studying the terrain," said John Cary, who also teaches Middle East studies. "Now, no officer would ever plan an operation without studying the human terrain."

The Combined Arms Center at Fort Leavenworth has nine organizations involved in doctrine and leadership development, training and battle command. The center oversees field exercises at posts in California, Louisiana and Germany and training programs at another 11 schools, ranging from combat arms to military intelligence and foreign language study.

The Center also is home to the Army Command and General Staff College, a key school for mid-level officers, and the Center for Army Lessons Learned, which collects, analyzes and distributes the latest insights and observations from the battlefield. Officials describe the Center at as one of the Army's "engines of change."

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For additional information:
The Combined Arms Center: http://usacac.army.mil/CAC/index.asp
The Center for Army Lessons Learned: http://call.army.mil/
Fort Leavenworth: http://www.leavenworth.army.mil/
The Army Command and General Staff College: http://www.cgsc.army.mil/
The Battle Command Knowledge System: http://usacac.army.mil/CAC/functions/battlecommandsystem.asp
Defense Language Institute: http://www.dliflc.edu/

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AG Gonzales To Speak At Air Force Academy (RMN)

Rocky Mountain News, November 16, 2006
U.S. Attorney General Alberto Gonzales will speak to about 700 cadets at the Air Force Academy on Saturday.
His talk will include upholding civil liberties and the war on terrorism.

CORPORATE SCANDALS:

Bush Administration To Ease Corporate-Fraud Rules, People Say (BLOOM)

By Robert Schmidt
Bloomberg, November 17, 2006

Nov. 17 (Bloomberg) -- The U.S. Justice Department plans to make it harder for prosecutors to force companies to waive their legal rights in plea negotiations to avoid indictment, people familiar with the plan said.

The proposed changes address concerns that companies are being asked unfairly to reveal confidential talks with their lawyers and cut off legal support for employees under investigation, the people said. Businesses, lawmakers and federal judges have complained that the department rules adopted in the wake of corporate accounting scandals in 2001 and 2002 erode the rights of companies and employees.

``This is a policy issue that needs to be addressed and there has been a lot of criticism from a lot of different directions," said former Justice Department official George Terwilliger, a partner at the White & Case law firm in Washington. ``There is also a recognition that we need to be careful how we tinker with the engine of commerce."

Deputy Attorney General Paul McNulty is likely to announce the revised policy in a speech early next month, the people said. They stressed that the changes won't be dramatic and are still being debated within the department.

McNulty, who also heads President George W. Bush's corporate fraud task force, hasn't signed off on the proposed changes, the people said. He was traveling and unavailable for comment.

``We want to get it right," McNulty told a Senate Judiciary Committee hearing in September. ``We don't want to do something that is inappropriate or unreasonable."

Protecting the Public

Brian Roehrkasse, a Justice Department spokesman, said the rules are under review and any changes would be in accord with ``safeguarding the integrity of our financial institutions" and ``the public interest."

The policy in question -- originally outlined in a 2003 memo by then-Deputy Attorney General Larry Thompson -- offers leniency to companies that cooperate with prosecutors. It suggests that companies can benefit by waiving attorney-client privilege and by not paying the legal bills of ``culpable employees."

Because an indictment is often fatal for a company, corporate lawyers are under pressure to meet almost any government demand to avoid charges. That has made the memo a rallying point for companies who say the policy amounts to coercion to settle with the government.

Arthur Andersen LLP, one of the so-called Big Five accounting firms with 85,000 employees, collapsed after it was indicted for destroying documents related to its work for Enron. The U.S. Supreme Court in 2005 overturned the conviction, too late to save the firm.

Coalition of Critics

Senator Arlen Specter, a Pennsylvania Republican who will give up his Judiciary Committee chairmanship in January, plans to introduce legislation that would compel the Justice Department to overhaul the Thompson memo. A coalition that

includes the Washington-based U.S. Chamber of Commerce, the Chicago-based American Bar Association and the New York-based American Civil Liberties Union has spearheaded the attack on the memo.

The incoming chairman of the Judiciary Committee, Vermont Democrat Patrick Leahy, has also expressed support for changing the guidelines.

The Justice Department's proposed revisions to the Thompson memo are intended to address its critics, who include three former attorneys general, the people familiar with the matter said.

One of the changes, they said, would require prosecutors to get approval from the attorney general or his top deputy before seeking a waiver of attorney-client privilege.

Each of the 93 U.S. attorneys' offices across the country has its own policy now on asking for the waivers, leading companies to complain there is no uniformity and giving prosecutors a free hand in demanding confidential material.

`A Significant Step'

``Taking the step of requiring approval in Washington would be a significant step," said Michael Horowitz, a former chief of staff in the Justice Department's criminal division and now a partner with the Cadwalader, Wickersham & Taft law firm in Washington. It would force prosecutors to justify their actions to their superiors, he said.

Another proposed revision would say companies won't be penalized for refusing to reveal confidential talks with their attorneys, the people said. They could still waive the privilege and get credit for cooperation, the people said.

The Justice Department also is considering deleting the language referring to legal fees for ``culpable employees," they said. Several federal judges have questioned that provision, including one in New York who in June ruled that the practice violated the rights of former KPMG LLP executives being tried on charges of selling illegal tax shelters. The Justice Department has appealed.

Some Critics Want More

Some critics of the current guidelines want a more drastic overhaul.

``We've built a heck of a lot of momentum, and we don't want this problem to resurface," said Susan Hackett, senior vice president of the Association of Corporate Counsel, a Washington- based group. The Justice Department is ``trying to throw a train off the tracks" by proposing only minor changes, she said.

The Justice Department says the guidelines are vital to speed investigations and help protect investors. The agency also maintains that companies often take the initiative in waiving attorney-client privilege and cutting off support for employees.

``Most corporations want out from the dark clouds of criminal wrongdoing as quickly as possible," McNulty told the Senate Judiciary Committee in September.

Ken Lay's Death Spurs Senate Bill To Allow Convictions To Stand (WSJ)

By Judith Burns

The Wall Street Journal, November 17, 2006

WASHINGTON -- The death of former Enron Corp. chief executive Kenneth Lay prompted Senate lawmakers to introduce legislation Thursday that would end the practice of dismissing convictions of defendants who die before an appeal is final.

The bill by Senate Judiciary Committee members Dianne Feinstein, a Democrat from California, and Jeff Sessions, a Republican from Alabama, was written with help from the Justice Department, which had sought changes after Mr. Lay's death on July 5.

Mr. Lay died just weeks after being convicted on criminal charges including securities and bank fraud; a federal district court judge in Houston dismissed the convictions in October. Under current U.S. law, criminal convictions are tossed out when defendants such as Mr. Lay die before they exhaust their right to an appeal.

"We need to ensure that, in these types of cases, hard-won convictions are preserved and restitution remains available for the victims of crime," Ms. Feinstein said in a statement on the legislation.

Mr. Sessions noted that Mr. Lay's trial took months and cost taxpayers millions. In such cases, he said "it is wrong to force the victims or the government to start over from scratch."

Messrs. Feinstein and Sessions said the Justice Department supports the "principles" contained in the bill. A Justice Department spokesman wasn't immediately available to comment. Samuel Buffone, an attorney for Mr. Lay in Washington, D.C., declined to comment, saying he hadn't seen the legislation.

Mr. Lay's case not only inspired the bill but would be covered by it, as the legislation would apply to all cases or appeals pending as of July 1, 2006.

As written, the bill would end the practice of vacating convictions in such cases and establish new procedures that would allow some cases to continue. While it would forbid imposing further criminal punishment on deceased defendants, the bill would permit the government to continue to press for -- and collect -- other relief, such as restitution to victims of financial frauds. The

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bill sets a process to ensure that after a person convicted of a crime dies, a representative of his estate can stand in his place to challenge or appeal his conviction, and secure a lawyer. In cases where a criminal forfeiture action was filed in an effort to obtain assets linked to the defendant's crimes, the bill would give the government two years after a defendant's death to seek to recover the same assets by filing a parallel civil forfeiture lawsuit.

Lay's Death Leads Senators To Offer Restitution Measure (HC)

Houston Chronicle, November 17, 2006

WASHINGTON - In the wake of a federal judge's decision vacating the late Ken Lay's fraud and conspiracy convictions, two senators introduced a bill today to allow victims to seek restitution when a defendant convicted of a crime dies before his appeals have been completed.

The same day the Justice Department filed notice it will appeal U.S. District Judge Sim Lake's decision to clear Lay's name "in light of pending legislation."

Last month, Lake wiped out the one-time Enron Corp. chairman's convictions because Lay died before the appeals process had been completed.

In reaching that decision, Lake was following a precedent set in the New Orleans-based 5th U.S. Circuit Court of Appeals — the same court that will hear the government's challenge.

The 5th Circuit is unlikely to side with the Justice Department because that court set the precedent Lake followed, said Brian Wice, a Houston attorney who specializes in appeals issues. But the government needs to appeal to that court before it can appeal to the U.S. Supreme Court, he said.

Earlier this month, a three-judge 5th Circuit panel already refused to order Lake to reverse his decision. The panel reiterated Lake's position that legal precedent says that "when a defendant who has been found guilty of a federal crime dies before exhaustion of his appeal, his prosecution must be abated, his conviction vacated and his indictment dismissed."

The ruling responded to an appeal of Lake's decision by an Enron shareholder.

Representatives of the Lay family couldn't be reached for comment this evening.

Today, Sen. Dianne Feinstein, D-Calif., and Sen. Jeff Sessions, R-Ala., both members of the Senate Judiciary Committee, introduced legislation designed to clarify the legal procedures when a defendant dies in this way.

"We need to ensure that, in these types of cases, hard-won convictions are preserved and restitution remains available for the victims of crime," Feinstein said in a statement today.

When convicted, a criminal defendant can be ordered to pay restitution to his victims, to try to make them whole. But since Lay's conviction was vacated, his estate cannot be ordered to pay restitution.

Instead, the Justice Department was forced to file a civil suit seeking to wrest control of $12.7 million worth of assets. If the government is successful, it could then turn over some or all of those proceeds to victims of the Enron debacle.

The Justice Department proposed legislation last summer that sought to preserve such convictions after a defendant dies pending sentencing and appeal — and wanted it to be retroactive to July 1, four days before Lay died. That proposal never garnered a sponsor.

The Justice Department helped Feinstein and Sessions craft the legislation introduced Thursday.

"We share Sen. Feinstein and Sen. Sessions' commitment to do away with the harmful and unwarranted effects of the abatement doctrine on crime victims," Justice Department spokeswoman Jaclyn Lesch said.

Feinstein and Sessions' bill would stipulate that a defendant's conviction cannot be vacated just because the person has died.

That would allow for the defendant's estate to be ordered to pay direct restitution to victims. However, the proposal would allow a representative for the estate to appeal the conviction.

The bill also would give the federal government an additional two years to file a civil complaint to try to force an estate to forfeit assets.

Whether the senators can get the legislation through in the dwindling days of a lame duck session remains uncertain.

"The time is short," said Scott Gerber, a spokesman for Feinstein. "We'll do the best we can."

If they are unsuccessful, the lawmakers plan to reintroduce the bill in the new Congress.

Chronicle reporter Tom Fowler contributed to this report.

Sessions Moves To End Precedent That Cleared Enron Founder (AP)

By Ben Evans, Associated Press Writer

AP, November 17, 2006

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Republican Sen. Jeff Sessions is joining a California Democrat to try to scrap the legal precedent that allowed Enron founder Kenneth Lay's fraud conviction to be cleared from his record after he died in July.

The clearing of Lay's record has hurt prosecutors' efforts to extract $43.5 million in restitution from Lay's estate. Sessions' legislation is an attempt to address that.

Working with the Justice Department, which asked for similar legislation shortly after Lay died, Sessions of Mobile joined Democrat Dianne Feinstein of California to introduce a bill this week that would keep federal convictions in force when a defendant dies, while allowing victims to continue seeking restitution.

Courts traditionally have interpreted the law differently, erasing the convictions of defendants who die before having the chance to appeal.

The bill would make the changes retroactive to July 1 so that they would apply in the Lay case.

"When a criminal conviction involves financial restitution to the victims of the crime, or when the conviction could be used in a later civil lawsuit, those effects of the conviction should not be erased by the death of the defendant," Sessions, a former U.S. attorney, said in a release. "It is wrong to force the victims or the government to start over from scratch."

Sessions, who along with Feinstein sits on the Judiciary Committee, also cited the huge costs of lengthy criminal trials.

Lay's trial "took nearly four months and cost the taxpayers millions of dollars," he said.

Lay was convicted on May 25 on 10 counts of fraud, conspiracy and lying to banks in connection with the energy conglomerate's financial collapse, which wiped out billions of dollars in market value and pension plans. He faced the prospect of spending the rest of his life in prison but died of heart disease before being sentenced on July 5, while vacationing in Aspen, Colo.

At the request of Lay's attorneys, a federal judge erased his conviction Sept. 17, despite a request from the Justice Department to postpone the decision so Congress could consider a Justice proposal to change current law.

Legal experts said the decision to clear Lay's record was consistent with long-standing precedent because Lay had not had the opportunity to appeal.

Federal prosecutors could still win the $43.5 million they say Lay gained from Enron's fraud, but they have to do so through civil proceedings in competition with other litigants and without the benefit of a criminal conviction in hand.

Along with clarifying the law on maintaining convictions, the proposed bill would allow a representative of a deceased defendant to act on the defendant's behalf in an appeal, and it would give the government extra time to file parallel civil lawsuits to try to recover unlawfully obtained assets.

Skilling, Government Agree On $85 Million Enron Deal (HC)

Houston Chronicle, November 17, 2006

Former Enron CEO Jeff Skilling has settled the last dispute in litigation by former Enron employees seeking to recover at least some of their pensions that disappeared when the company crashed.

The ex-CEO, who is slated to begin serving more than 24 years in prison next month, has withdrawn his opposition to an $85 million settlement that plaintiffs reached with former company directors and other executives two years ago.

In exchange, plaintiffs resolved claims against Skilling — the last named defendant who hadn't settled — effectively bringing the litigation to a close.

"Yes, it's over. Our clients are thrilled," said Lynn Sarko, an attorney who represents ex-Enron employees, today. "While they are grateful that some of their retirement money was recovered, it will never make up for the destruction of their retirement nest egg."

The lawsuit, which recovered about $265 million in settlements — including the $85 million held up by a Skilling appeal — was filed on behalf of more than 20,000 employees after Enron went bankrupt in December 2001. The Labor Department later filed similar litigation, which was folded into the main lawsuit.

The Labor Department announced the agreement with Skilling today.

The $85 million settlement is derived from insurance money that covered Enron directors and other executives who served on the company's administrative committee. They, as well as Skilling, were named as defendants in the litigation.

Skilling argued that as an ex-Enron officer and director, he also was entitled to some of those insurance proceeds. He filed an appeal opposing any distribution of the funds until that question was resolved.

However, the Labor Department said today that Skilling had dropped his opposition to the settlement. Skilling also agreed to waive his right to benefits under Enron's pension plans and is permanently barred from overseeing any employee benefit plan governed by the Employee Retirement Income Security Act.

Skilling's lawyer, Daniel Petrocelli, didn't respond to a call for comment.

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If U.S. District Judge Melinda Harmon approves the agreement as expected, the $85 million can be distributed to ex-Enron employees along with the other $180 million recovered, Sarko said.

Harmon has yet to determine how or when the money will be distributed.

Harmon oversees litigation filed on behalf of employees as well as shareholders who lost retirement funds or investments when the company crashed into bankruptcy nearly five years ago. The shareholder litigation has recovered more than $7 billion, but several banks remain named defendants and aim to go to trial next year.

Skilling was convicted in May of 19 counts of fraud, conspiracy, insider trading and lying to auditors for his role in leading and perpetuating fraud at the company. Last month he was sentenced to 24 years and four months in prison, and aims to appeal.

Upon being sentenced, Skilling agreed to turn over $45 million to the Justice Department in conjunction with his conviction. The money is to be added to a restitution fund related to the civil litigation on behalf of employees and shareholders.

Skilling maintains his innocence and aims to appeal. If he loses, that $45 million will be distributed to shareholders. If he wins his appeal, Skilling will get the money back.

But his agreement settling his dispute in the employee lawsuit says that he will still pay $2.5 million to ex-employees if his conviction is overturned or erased and the restitution fund is dissolved.

Skilling has been ordered to surrender to a low-security federal prison in Waseca, Minn. on Dec. 12.

Study Charts Broad Manipulation Of Options (NYT)

By Eric Dash

The New York Times, November 17, 2006

Abuses of stock option grants are perceived to have spread like a virus among high-technology companies. But a new study suggests that hundreds of old-economy companies may also have caught the backdating bug.

In a paper to be released today, researchers estimate that 590 nontechnology companies appear to have manipulated options so their chief executives received them at the lowest price of the month. That compares with 130 technology companies that appear to have backdated their chief executives' options to a monthly low during a 10-year period to the end of 2005.

Traditional manufacturing and service firms make up the bulk of publicly traded companies, so it comes as no surprise that the sheer number of manipulated grants outside the technology sector is larger.

Yet old-economy companies also appear to have made improper grants somewhat less frequently than their new-economy peers, making patterns more difficult to find. That combination, the researchers suggest, has allowed old-line companies to escape much of the scrutiny.

The study is the latest in a series of papers by academic and governance research groups that attempt to measure the extent of the backdating scandal and to explain how it spread. More than 120 companies are under investigation by the Securities and Exchange Commission. The Justice Department and Internal Revenue Service are conducting separate reviews. More than 50 executives and directors have been forced out or fired as a result.

Even as companies like UnitedHealth Group and KB Home have reported options-related problems and ousted their top executives, many observers still consider backdating a hangover from the dot-com boom.

Most companies that have come forward so far appear to be concentrated around Silicon Valley and other technology hot spots. They include a large number of software and semiconductor companies, with a big portion of their executives' total pay apparently coming from equity grants.

But the study suggests that the problem was more widespread.

Of the roughly 1,150 options grants that the researchers believe were manipulated, an estimated 950, or 80 percent, were at nontechnology companies.

"It is not the case that people should concentrate on new-economy firms," said Lucian Bebchuk, a Harvard Law School professor and director of its corporate governance program. "That is the impression that one might get from the cases that have come under scrutiny thus far."

Professor Bebchuk co-wrote the study with Yaniv Grinstein, a Cornell University professor, and Urs Peyer of the French business school Insead. It is to be posted today on the Web site of the Harvard Law School corporate governance program.

The study also questions the notion that companies backdated stock options as a tax-efficient method of compensation. Backdated gains, in this view, were simply a substitute for offering executives more cash.

The analysis found that this was not the case. "C.E.O.'s who got lucky grants also received higher levels of other forms of compensation relative to peer companies," Professor Bebchuk said.

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The researchers said the study underscored the importance of having independent directors to counter the influence of the chief executive. A company that had a majority of independent directors on its board reduced the chances that it engaged in manipulation by more than a third, according to a statistical analysis in the report.

In their study, the researchers examined some 19,000 options grants at about 5,800 companies from 1996 to the end of 2005. They found evidence suggesting that nearly 12 percent, or about 720, of the companies appear to have made at least one options grant that occurred at the lowest price of the month because of manipulation. That number may expand by several hundred companies if the second- and third-lowest prices of the month are included.

Still, the new figure is significantly smaller than the estimate that more than 2,000 companies, or 29.2 percent of companies in the study, engaged in backdating to sweeten their executives' pay. That finding, based on a similar data analysis, was released this summer by Randall Herron, an Indiana University finance professor, and Erik Lie, a University of Iowa finance professor whose research is widely credited with provoking the inquiries into options grants.

The study by Professors Herron and Lie found that the abuse was more prevalent in high-technology firms, where an estimated 32 percent of unscheduled grants were backdated; at other firms, an estimated 20 percent were backdated.

Professor Bebchuk's group found a much lower level of manipulation and a narrower difference between old- and new-economy companies. In his study, the percentage of all grants that were in the month's lowest price because of manipulation was 5.7 percent for nontechnology firms, compared with 6.1 percent for the entire sample.

The discrepancy between the two studies probably results from their different starting points and approaches. Professors Herron and Lie searched for differences in backdating patterns between new- and old-economy companies by observing abnormal returns before and after an options grant date for corporate insiders. Professor Bebchuk's team focused on the grants awarded to chief executives at monthly lows, which were most likely to be manipulated, and then on the differences between technology companies and nontechnology companies.

Backdated Options Pad CEO Pay By Average Of 10% (WSJ)

By John Hechinger

The Wall Street Journal, November 17, 2006

About 850 U.S. chief executives received backdated or otherwise manipulated stock option grants that boosted their annual pay, on average, by at least 10%, according to a new study.

The study, released yesterday by professors at Harvard and Cornell universities and the French business school Insead, bolsters the view of federal prosecutors who have viewed stock-option backdating as means to steal money from shareholders. Defenders of the companies who engaged in the practice have said that backdating often involved minor sums and was merely an alternative way of providing market-based pay.

The study, a paper done for the Harvard Law School Program on Corporate Governance, didn't name executives or companies that may have backdated. It relied on broad statistical analyses that identified suspiciously "lucky" patterns of options granted at low prices.

The researchers also found that executives who reaped riches from backdating options started out with reported compensation that was richer than their peers at similar companies. On top of that above-average pay, executives received an average of an extra $1.3 million to $1.7 million through each manipulated grant, the academics found.

"It's not pocket change," said Lucian Bebchuk, a professor of law, economics and finance at Harvard and one of the study's authors.

More than 130 companies are under federal investigation in the stock option timing scandal, which has claimed the jobs of more than 50 executives and directors. Five former executives face criminal charges.

A stock option gives an employee the right to buy shares of a stock in the future -- generally at its current, or strike, price. The lower the strike price, the more potentially valuable the option. Backdating the option to when the stock was trading at an unusually low price can add millions of dollars to executives' pay.

Researchers examined the timing of stock option grants from 1996 through 2005, sifting through 19,036 grants made by about 6,000 companies led by a total of 8,800 chief executives.

The professors found that 2,329, or 12%, were granted at monthly low prices -- what the professor termed "lucky" grants. Only 4% were granted at monthly highs. If options were chosen randomly, roughly 5% should have been granted at monthly lows or highs, since there are about 20 trading days in a month.

The professors determined there were more than 1,100 "lucky" grants that didn't result from random selection, but were instead likely backdated or otherwise manipulated. In all, 12% of all U.S. public firms, or 720, awarded one or more manipulated grants, the study found. The study said 850 CEOs, or about 10%, received "lucky grants" based on manipulation.

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Study Hits Out At Options Practice (FT)

By Francesco Guerrera And Brooke Masters

Financial Times, November 17, 2006

The controversial practice of backdating stock options to boost executive pay went hand-in-hand with poor corporate governance practices and overbearing chief executives, according to a study published on Friday.

The research by three academics is the first to suggest a link between lax internal controls and stock options backdating. The scandal has so far engulfed more than 130 US companies in internal and regulatory probes but the study suggests that number could climb to 720.

The research also found that, contrary to a widespread perception, "old economy" companies used the practice almost as much as rivals in "new economy" sectors – a feature underlined by one of the most recent casualties of the scandal, Bruce Karatz, the ousted chief executive of the housebuilder KB Home.

The results of the study, which looked at options granted by 8,000 companies between 1996 and 2005, will undermine claims by some companies and lawyers that backdating was a widespread and legitimate way of rewarding chief executives.

"These findings are consistent with the view that grant date manipulation reflects governance problems rather than a compensation device used for valid business reasons," conclude the authors – Harvard Law School's Lucian Bebchuk, Yaniv Grinstein from Cornell University and Insead's Urs Peyer.

The research counters the view that gains from backdated options were not material, or simply a tax-efficient replacement for other pay, estimating that, on average, these grants increased executives' yearly compensation by more than 10 per cent.

By focusing on "lucky grants" – options priced at the lowest share price in a given month – the academics found that 12 per cent of companies had manipulated the timing of one or more grants.

The practice was more prevalent among companies whose boards did not have a majority of independent directors and whose chief executives had been at the helm for a long time – a sign of a link between poor corporate governance and backdating.

In total, an estimated 850 chief executives received grants that had been backdated to the lowest share price in the month to increase potential rewards, according to the study. And more than 600 chief executives were granted even more lucrative options – backdated to the lowest share price in a given quarter.

Executive Retreat Stock-Options Scandal Fugitive Puts Roots Down In Namibia (WSJ)

By Steve Stecklow

The Wall Street Journal, November 17, 2006

WINDHOEK, NAMIBIA -- Wolfgang Balzer, general manager of the Hotel Thule, now realizes there was something unusual about the Israeli family who checked in this summer for a month, identifying themselves as the Jacobs.

Saying they were planning on settling here, they didn't use credit cards and paid their bill in advance. The husband, who usually kept to himself, became extremely agitated when CNN wasn't available for a few days on their television.

"I personally thought he was a lawyer or something and he was going to work here," the hotel manager says. He learned otherwise in late September.

That's when it emerged that the husband was Jacob "Kobi" Alexander, a fugitive wanted in the U.S. on fraud charges related to stock-options backdating. The former chief executive of Comverse Technology Inc., a New York software company, had skipped out on the chance to begin talks with U.S. prosecutors that his own New York lawyers had initiated, according to a person familiar with the discussions.

He was arrested at U.S. prosecutors' request on Sept. 27 during lunch with his wife at a country club, even though Namibia has no extradition treaty with the U.S. A Namibian bank regulator had noticed large transfers to Mr. Alexander's local account and tipped off U.S. authorities. Mr. Alexander already had received a two-year work permit under his own name, even though he used an alias at the hotel. The Namibian government asked him to invest $43 million to help qualify for permanent residency.

Life on the lam has been full of bizarre twists for Mr. Alexander, a 54-year-old Israeli citizen and wealthy ex-CEO who abandoned his family's life in Manhattan for this remote, arid spot in southern Africa.

He was released from jail six days after his arrest on $1.4 million bail, a record amount in this country. Now he continues to live here, out in the open, sometimes buying ice cream in a local mall for his three children. If extradited and convicted in the U.S., he faces up to 25 years in prison. While his team of local lawyers has been fighting extradition, he appears to be trying to settle in Namibia for the long haul.

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He has bought a house that backs onto a golf course, put his children into private school here, and invested in local businesses including an auto-body repair shop called Monarch Panelbeaters. One of his new business partners is a former Namibian military official linked to a scandal involving a collapsed asset-management company.

Yesterday, Mr. Alexander won at least five more months in Namibia. In a closed-door meeting, a local magistrate scheduled a three-day hearing on the extradition request to begin next April 25. "Nothing will happen until April," Johnny Truter, the Namibian government's prosecutor, said afterward.

He added that even if the ex-CEO loses the case, the appeals process could allow him to stay here for years.

Mr. Alexander, dressed for court in an open-necked blue sport shirt and dark sports jacket, declined to comment for this story. One of his attorneys, Rudi Cohrssen, said, "Things will get clearer in April."

Mr. Alexander's new life in Namibia marks one of the most unusual chapters in the stock-options backdating scandal, which has embroiled more than 130 companies, cost the jobs of more than 50 top executives and directors and led to more than $5 billion in financial restatements. Mr. Alexander is accused in a 35-count criminal indictment of engaging in a fraudulent scheme to backdate Comverse options to days when the stock was trading at low points, generating millions of dollars in extra compensation for himself and other executives.

Prosecutors say that Mr. Alexander realized $138 million from options whose grant dates were backdated. They allege he misled auditors and shareholders and used fictitious names to generate thousands of backdated options that were parked in a secret slush fund, dubbed "I.M. Fanton" (an apparent reference to "Phantom of the Opera"), and awarded to favored employees. The indictment also charges him with witness tampering by allegedly offering millions of dollars to a Comverse executive, whom people familiar with the matter have identified as former chief financial officer David Kreinberg, "to falsely take sole responsibility for the fraud scheme."

Mr. Kreinberg and Comverse's former general counsel, William Sorin, recently pleaded guilty for their roles, naming Mr. Alexander as the scheme's mastermind. The timing of Mr. Alexander's option grants was first reported by The Wall Street Journal in March, sparking investigations by the Securities and Exchange Commission and the Justice Department. Comverse announced on May 2 that Mr. Alexander had resigned as CEO amid an internal probe of backdating.

Mr. Alexander visited Windhoek, Namibia's hilly, picturesque capital, alone in early July, Mr. Truter says. He began signing documents to invest in land here and then returned to Israel, where he was vacationing with his family. The initial trip "was obviously just preparations for coming with his family," Mr. Truter said.

But Mr. Alexander's lawyers in New York also were approaching federal prosecutors. In a July 21 phone conversation, prosecutors for the Eastern District of New York in Brooklyn suggested that Mr. Alexander return to the U.S. as a show of good faith. Federal authorities agreed to meet him at John F. Kennedy International Airport in New York but not to arrest him. They offered to begin negotiations on July 31.

Mr. Alexander appeared to agree. He provided evidence that he was booked on an El Al flight that would arrive in New York on July 28. But on July 27, he flew instead from Israel to Frankfurt, and disappeared. Prosecutors now believe Mr. Alexander was deceiving his own lawyers. He also attempted to wire $12 million out of the U.S. around July 31. He had already transferred $57 million to Israel, before the U.S. froze $48 million of his assets.

Robert Morvillo, a lawyer for Mr. Alexander in New York, said attorneys had approached prosecutors "to better understand what the allegations were, and to develop a presentation or arguments that this was not an appropriate criminal case." He declined to comment on other matters, saying they were already described in government papers.

After Mr. Alexander failed to return, prosecutors filed a criminal complaint under seal, charging him and the two other former Comverse executives with fraud. They unsealed it on Aug. 9.

By then, Mr. Alexander and his family were ensconced in two adjacent, ground-floor rooms at the Hotel Thule, which from its dining room offers a dramatic view of the dry, craggy hills that surround Windhoek. With the exception of a weekend journey to a famous Namibian safari park, hotel manager Mr. Balzer says the family spent most days in the city, traveling in a chauffeured van that picked them up each morning. Mr. Alexander's wife, Hana, sometimes would ask him questions about local schools upon their return. One of the two boys often kicked a soccer ball in the parking lot, he said, and the other son and the couple's daughter played hide-and-seek.

Mr. Alexander paid in advance for the family's two, $143-a-night rooms through a local travel agent, Namibia Travel Connection, which had booked them under the name Jacobs, Mr. Balzer says. The fact that Mr. Alexander avoided using a credit card caused some complications: At one point, Mr. Balzer says, the agency said Mr. Alexander would pay his own bills going forward. Then the hotel was told one of Mr. Alexander's lawyers, Richard Metcalfe, would cover any charges. Later, the travel agency called back and said it would take care of them after all, and did.

Mr. Metcalfe didn't return phone calls seeking comment. A man and woman at the travel agency, which operates out of a private house behind a gate, declined to comment.

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Mr. Balzer recalls that when CNN, the American news channel, stopped working on the hotel's television screens, "That stressed [Mr. Alexander] out completely. He was complaining about it badly." Because it was a weekend, it couldn't be fixed for a couple of days, frustrating Mr. Alexander further.

Mr. Balzer says he assumed that the hotel guest was monitoring developments of the Israeli war then being fought in Lebanon. But he now suspects Mr. Alexander had a different concern: whether U.S. authorities were closing in.

That wouldn't come for a few weeks. In the meantime, Mr. Alexander didn't waste any time establishing his family's new life in Namibia, a former German colony that later fell under the rule of South Africa. Previously known as South West Africa, it gained independence in 1990 after decades of armed struggle. A tourist destination for wildlife lovers, it recently generated headlines when actors Angelina Jolie and Brad Pitt came here for the birth of their daughter.

After visiting several private schools, the Alexanders enrolled their children in an international school. Mr. Alexander bought a 2006 Toyota Land Cruiser for $107,000, he said in a sworn affidavit filed in Namibian court. He said he paid $543,000 for a two-story, beige stucco house whose backyard faces Windhoek's only golf course and country club.

Mr. Alexander hired a full-time security guard to stand outside the front of the house, which is part of a small development of 57 homes behind a guarded, locked gate. A basketball hoop hangs over the garage, and a satellite dish sits on the roof.

On Aug. 29, court records show, the Namibian Ministry of Home Affairs and Immigration issued Mr. Alexander a two-year work permit, just a day after his lawyer, Mr. Metcalfe, filed an application. Mr. Alexander also applied for permanent residency. The ministry said in a letter it will consider the residency application provided he submits plans to transfer and invest $43 million in the country. The Namibian official who signed the letter couldn't be reached for comment.

Mr. Truter, the local prosecutor, said foreigners essentially can "buy" work permits in Namibia by promising to invest in the country. "If you have a lot of money to invest, they will give it to you," he said.

Mr. Alexander said in his affidavit last month that he already had transferred more than $17 million to banks in Namibia from Israel and had invested about $1.6 million in various land deals, including a low-income housing project on the coast.

He also has invested $843,000 in Monarch Panelbeaters, the local auto-body shop, which he said was owned by "previously disadvantaged Namibians" who were saddled with debt and cash-flow problems, according to the affidavit. He called it "an example of a successful locally owned and operated business."

Under Namibian law, foreign investors must find local partners to invest with. Mr. Alexander's partners include Brigadier Mathias Shiweda, whom he described as "a well known Namibian business personality." Mr. Shiweda, a former Namibia Defense Force official who remains in charge of a state-owned military hardware manufacturer, is well known here. He's also the subject of some controversy. Last year, he was linked to a scandal in which Namibia's Social Security Commission invested and lost $4.3 million in an asset-management company that collapsed.

According to local news accounts, at an inquiry, Lazarus Kandara, the head of the collapsed firm, named Mr. Shiweda among the shareholders, and as one of several recipients of a commission from the management company in connection with another deal. A few days later, Mr. Kandara died in what Namibian police ruled a suicide. Mr. Shiweda later testified that he received no money from the firm. He declined to comment for this story.

By late August, U.S. authorities had tracked down Mr. Alexander to Namibia. But they were in a legal bind because Namibia has no extradition treaty with the U.S. American authorities had to ask Namibia's president, Hifikepunye Pohamba, to issue a formal proclamation adding the U.S. to a list of countries that fall under the country's extradition act. Although the president issued the document on Aug. 31, it wasn't published until Sept. 27, when it took effect. "We had to lay low before they changed their law and we could arrest him," said one U.S. official.

At a bail hearing on Oct. 2., Mr. Alexander presented the sworn affidavit that challenged his arrest, saying he had acted above board, and discussed his investments in the country. "While in Namibia I have used my own name openly and publicly in all my encounters and ventures with government officials and private individuals alike," he said. "I entered Namibia openly and lawfully, and I have not in any manner tried to hide my whereabouts from anyone."

To the surprise of Namibian prosecutors, a local magistrate agreed to release Mr. Alexander on bail. The release was unusual. A German citizen living in Namibia has been fighting extradition here for four years, and has spent all of that time in jail.

Mr. Truter says Mr. Alexander offered to surrender his Israeli passport and post $700,000 bail if he was released. The government asked for double that amount, and he agreed, Mr. Truter said, adding it was a record amount for bail. Dennis Khama, a government attorney who handles extradition cases, said the government has appealed Mr. Alexander's release, although no date has been set for a hearing. "Litigation can go on and go on and go on," Mr. Khama said. "There's no way of stopping that."

Mr. Khama says the fact that Mr. Alexander isn't a U.S. citizen should have no effect on whether he ultimately is extradited, nor should his investments in Namibia. But one issue may be whether stock-option backdating is a crime in Namibia, he added,

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noting that hasn't yet been decided. Mr. Cohrssen, Mr. Alexander's attorney, said: "There are many arguments" Mr. Alexander's defense team can make.

The arrest of the Israeli citizen had reverberations in the country's tiny Jewish community, especially when his bail hearing was scheduled for Oct. 2 -- which happened to be Yom Kippur, the holiest day in the Jewish calendar. Zvi Gorelick, a retired Namibian-born entrepreneur who offers kosher safari tours and performs some rabbinical functions, said he received calls from Namibia and Israel asking him to help Mr. Alexander get out of jail.

Mr. Gorelick said he quickly began "thinking like a Jew: I must get him some kosher food." But he learned that Mrs. Alexander was bringing her husband food in jail.

He said the Jewish community was divided over the fate of Mr. Alexander, though most have never met him. "On one hand you feel, 'Let's give the guy a break. He's going to bring money into the economy.' But on the other hand, you say, 'We don't need another dishonest person. There's enough dishonest people in the country,'" he said. He added that Mr. Alexander must be presumed innocent.

At the Windhoek Country Club Resort, some guests have also gotten wrapped up in Mr. Alexander's case. Sam Shapiro, owner of a fish company called Mazel Dagim in Monsey, N.Y., shook his head over Mr. Alexander's bid to stay in Namibia. "If you're asking me, it's the wrong choice to come here," he said, adding, "It's not New York, where there are movies, you can go to concerts."

--James Bandler in Boston contributed to this article.

Write to Steve Stecklow at steve.stecklow@wsj.com3

Ex-Adelphia Officer Gets Lifetime Ban (WSJ/AP)

The Wall Street Journal, November 17, 2006

NEW YORK -- A federal judge barred a former Adelphia Communications Corp. executive from ever serving again as an officer or director of a publicly traded company.

Ruling in a case brought by the Securities and Exchange Commission, the judge said former Adelphia vice president Michael C. Mulcahey had helped the former cable-television giant's founding family engage in a fraud that contributed to the company's 2002 collapse.

Mr. Mulcahey was acquitted of criminal fraud charges in 2004, but the SEC sought regulatory sanctions for his conduct.

U.S. District Judge Kevin Castel conducted a trial in July and ruled yesterday that although Mr. Mulcahey wasn't an "architect" of fraud at Adelphia he had "egregiously" violated "numerous securities laws."

The judge also ruled, however, that Mr. Mulcahey hadn't been personally enriched by fraud at the company. He declined to order any fines against Mr. Mulcahey, who made $140,000 in his best year with Adelphia, but banned him from receiving "anything of value" in the future from the family of the company's founder, John Rigas, who was convicted along with a son on fraud charges.

Mr. Mulcahey's attorney, Mark J. Mahoney, said he was "grateful" the judge decided not to impose economic sanctions but intended to appeal the lifetime ban.

Adelphia was the country's fifth-largest cable television company before it disclosed that its executives had improperly concealed $2.3 billion in debt. Its remaining assets were bought last year by Comcast Corp. and Time Warner Cable.

As Scandal Unfolded, H.P.'s Profits Surged Ahead (NYT)

By Damon Darlin

The New York Times, November 17, 2006

SAN FRANCISCO, Nov. 16 — In a period punctuated by distracting revelations of company spying, Hewlett-Packard nevertheless sharply increased its revenue and made more profit from the revenue.

Net income for its fourth quarter, which ended Oct. 31, rose to $1.7 billion, or 60 cents a share, from $416 million, or 14 cents a share, a year ago, which included $1.57 billion in restructuring charges. After adjusting for the manner in which the charges are accounted for, net income increased 27 percent. Revenue increased 7 percent, to $24.6 billion.

With $91.7 billion in revenue for the year, a 6 percent increase over 2005, the company overtook I.B.M. as the world's largest technology company. (The consensus of analysts puts I.B.M.'s 2006 revenue at $90.72 billion.) H.P. has also overtaken Dell as the world's largest PC vendor mostly because sales of its notebook computers grew 24 percent.

"We certainly aren't taking any victory laps, but we are pleased with the progress," the chairman and chief executive, Mark V. Hurd, said.

Analysts were pleased with revenue growth in the quarter, but they were focused on how the company had made more money on each dollar of revenue across all but one line of business. For example, revenue from personal computers grew 10

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percent to $7.8 billion while operating profit grew 68 percent to $336 million, largely because of the strength in sales of notebook computers. While selling PCs remained a low margin business, operating profit margin increased to 4.3 percent of revenue from 2.8 percent a year earlier.

The story was similar in the company's printer business. Operating profit grew 22 percent to $1.1 billion as operating margins increased to 14.8 percent from 13.2 percent. In software, operating margins were 17.2 percent up from 9.2 percent a year ago. The company's $4.7 billion services business, which had been its weakest link, saw operating profit jump 56.8 percent as margins rose to 12.4 percent from 9 percent.

The company's top executives were distracted through much of the quarter by revelations of spying operations conducted against several directors and journalists. The imbroglio led to the resignation of Patricia C. Dunn, the company's chairwoman, who this week pleaded not guilty to four felony charges. A former company lawyer and its director of ethics, Kevin Hunsaker, also faces charges. He has pleaded not guilty. Three contractors were also charged and have also pleaded not guilty.

The fallout from the affair has not ended. The company disclosed that the Securities and Exchange Commission has opened an investigation of the handling of disclosures of board information. It also said the Federal Communications Commission has requested information on the company's spying, which included using false pretenses to obtain private phone records. The California attorney general is expected to sue Hewlett-Packard in civil court. In addition, the United States attorney in Northern California continues his investigation.

The strong profit is one reason that investors snoozed through a month of reports of the illegal and unethical behavior by company lawyers, investigators and private detectives.

H.P. shares rose as high as $40.51 in after-hours trading and closing at $40.13 in regular trading.

The company's executives said that the improvement in profit margins showed that Mr. Hurd's plan to cut costs and free up cash to invest in growth opportunities is starting to work. "Restructuring has done wonders for profitability and it will give them room to strengthen market share gains in key areas," said William C. Shope, a securities analyst with J. P. Morgan. "The challenge will be to sustain revenue growth."

CRIMINAL LAW:

U.S., Canada To Share Forensics Data (AP)

AP, November 17, 2006

ASHEVILLE, N.C. - U.S. and Canadian law enforcement officials agreed Thursday to begin sharing forensics data from crimes scenes in both countries.

A memorandum of understanding signed by Attorney General Alberto Gonzales and Canadian Minister of Public Safety Stockwell Day marks the first in which the United States has agreed to immediate sharing of crime-scene information with a foreign government.

"And while terrorism is a primary concern for all of us, it is not our only job," Gonzales said. "Criminals are constantly searching for new ways to prey upon our communities. To stop them, we must maintain the same vigilance we show against terrorists."

Before Thursday's action, the two countries exchanged only a limited amount of ballistics information.

Under the agreement, each country will be able to view real-time forensics data, allowing bullets and firearms to be linked across crime scenes in both countries, said Michael Sullivan, acting director of the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives.

Canada has strict laws governing handgun sales, with the result that the majority of handguns used to commit crimes in Canada are purchased in the United States, Sullivan said.

The signing took place as part of the ninth annual United States-Canada Cross-Border Crime Forum, which is held at the historic Biltmore Estate in western North Carolina. The two-day meeting brought together hundreds of law-enforcement officers from the two countries.

Also present for the signing was U.S. Homeland Security Secretary Michael Chertoff, who praised the agreement as an opportunity to stop crime at the border and improve systems that attempt to keep potential terrorists from entering both countries.

Attorney General, Other Officials Discuss U.S./Canada Border Issues Here (ASHCT)

By Mark Barrett, STAFF WRITER

Asheville (NC) Citizen-Times, November 17, 2006

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ASHEVILLE – U.S. Attorney General Alberto Gonzales, Secretary of Homeland Security Michael Chertoff and other government officials from the United States and Canada are on the Biltmore Estate today for a meeting on fighting crime along the two countries' border.

Canadian Minister of Justice Vic Toews and Stockwell Day, Canada's minister of public safety and emergency preparedness are also scheduled to attend.

Approximately 130 people are attending the forum, including Canadian and U.S. officials and the U.S. Attorneys General from all the border states with Canada.

Biltmore Estate spokesperson Elizabeth Sims said a past visit to the estate by Gonzales' wife inspired forum organizers to choose Biltmore for their meeting.

"Mrs. Gonzales visited the property a couple of years ago and stayed at the inn and she just really liked the Biltmore Estate," Sims said. "So when they began looking for a location for this meeting, they thought we were a great place."

Gun Data Pact With U.S. (CP)

Canadian Press, November 17, 2006

WASHINGTON -- Canada and the United States signed a deal yesterday to share more information quickly on guns, bullets and cartridges related to crime scenes.

The agreement will enable police on both sides of the border to compare evidence electronically and instantaneously instead of exchanging it manually on a case-by-case basis.

U.S. Attorney General Alberto Gonzales also emphasized co-operative steps to combat the illegal flow of U.S. firearms north of the border, including a focus on the rise of gun-related violence in the Toronto area.

Canada has long complained about the weapons, particularly handguns, smuggled in from the United States.

Abramoff Reports To Prison; Officials Focus On Reid, Others (ABC)

By

ABC News, November 17, 2006

As convicted lobbyist Jack Abramoff reported to federal prison today, a source close to the investigation surrounding his activities told ABC News that Sen. Harry Reid (D-Nev.) was one of the members of Congress Abramoff had allegedly implicated in his cooperation with federal prosecutors.

A spokesperson for Reid, elected yesterday as the Senate Majority Leader, said the senator had done nothing illegal or unethical.

"We have no idea what Abramoff is telling prosecutors to save his skin, but I do know that these kind of old allegations are completely ridiculous and untrue," Sen. Reid's spokesman Jim Manley told ABC News.

A source close to the investigation says Abramoff told prosecutors that more than $30,000 in campaign contributions to Reid from Abramoff's clients "were no accident and were in fact requested by Reid."

Abramoff has reportedly claimed the Nevada senator agreed to help him on matters related to Indian gambling.

The Associated Press reported earlier this year that Reid wrote at least four letters helpful to the tribes that had contributed money to his campaign.

Reid has denied there was any connection between the letters and the contributions and has said he is a longtime opponent of certain kinds of Indian reservation gambling.

The AP reported that Reid acknowledged "routine contacts" with Abramoff's lobbying partners and intervening to block rival tribal casinos.

The AP also reported that Abramoff's billing records showed extensive contact with Reid's office over a three-year period in which Reid collected more than $68,000 from Abramoff's firm, partners and clients.

Prosecutors have said that Abramoff's cooperation is essential to the corruption investigation, but, so far, they have brought only one prosecution against a member of Congress connected to Abramoff, Republican Bob Ney of Ohio, who resigned.

The source said prosecutors do not intend to rely solely on Abramoff's account of events, and his allegations against Reid and others will not necessarily result in criminal charges.

Sources close to the federal investigation say Abramoff has offered testimony about his contacts with "six to eight seriously corrupt Democratic senators" and an ever larger number of Republican members of Congress.

In addition to Reid, the sources say Abramoff has been most closely questioned about his contacts with Sen. Conrad Burns (R-Mont.), who was defeated in last week's election.

"Being defeated may have been one of the best things that ever happened to Burns," said a source close to the investigation. "There is much more interest in members of Congress who are still in office," the source said.

Burns, who received more than $150,000 in Abramoff-connected campaign contributions, has strongly denied any wrongdoing and returned the money.

Sen. Reid has been an outspoken critic of the connections between Abramoff and Republican legislators.

In a speech earlier this year, Sen. Reid described it as "a program where the lobbyists paid and the Republican members of Congress played."

The Justice Department said it would have no comment on the ongoing Abramoff investigation.

Texas Appeals Court Takes Bush To Task For Stepping In For Foreign-born Death Row Inmate (AP)

By Michael Graczyk, Associated Press

AP, November 17, 2006

HOUSTON – A state appeals court chastised President Bush for intervening in the case of a condemned killer born in Mexico, one of several dozen cases in which Bush ordered new hearings amid international complaints.

The Texas Court of Criminal Appeals on Wednesday rejected the argument from Jose Ernesto Medellin that he was denied legal help he should have received under international treaties.

Medellin, who spent most of his life in Texas, was sentenced in 1994 to die for the rapes and killings of two teenage girls.

"We hold that the President has exceeded his constitutional authority by intruding into the independent powers of the judiciary," the court said in a 64-page ruling.

Justice Department spokesman Brian Roehrkasse said the department was reviewing the ruling and considering its options.

Medellin was supported in his appeal by dozens of countries, legal groups and human rights organizations, as well as former American diplomats and the European Union. Much of the international community is opposed to capital punishment and the execution of Mexican nationals in Texas, the nation's most active death penalty state, is a particularly touchy point.

At issue overall was how much weight U.S. courts should give to decisions of the International Court of Justice in The Hague, which ruled the convictions of Medellin and 50 other Mexican-born prisoners violated the 1963 Vienna Convention. The pact requires consular access for Americans detained abroad and foreigners arrested in the United States.

In February 2005, Bush unexpectedly ordered new state court hearings for all 51 prisoners. The Texas court said Wednesday neither the Constitution nor any act of Congress gives the president the power to issue such an order.

The decision means Medellin, 31, is not entitled to additional review of his international rights claim.

Last year, the Supreme Court rejected Medellin's case and those of the 50 other Mexican nationals on death row in the United States, citing the presidential order, and sent them to their respective state courts for review. That ruling avoided the dispute over whether international law is binding on American courts.

In their arguments to the Supreme Court, Medellin's attorneys said his court-appointed trial lawyer was suspended from practicing law for ethics violations during the case, and he failed to call any witnesses during the guilt phase of the trial. Lawyers for Mexico said the country would have made sure Medellin had a competent lawyer had it known about the trial.

Medellin, 18 at the time, was one of six members of a fledgling Houston street gang convicted in the slayings of Jennifer Ertman, 14, and Elizabeth Pena, 16. The pair had been tortured, raped and strangled.

One of Medellin's companions, Derrick Sean O'Brien, also 18 at the time of the slayings, was executed earlier this year. In a confession, O'Brien said Medellin was at one end of a belt being pulled around Ertman's neck as he yanked on the other.

Two other gang members had their death sentences commuted to life in prison when the Supreme Court last year barred executions for those who were 17 at the time of their crimes. The man authorities call the gang's ringleader remains on death row without an execution date.

The sixth person convicted was Medellin's brother, Vernancio, who was 14 at the time and received a 40-year prison term.

Lawrence Death Sentence Set Aside (WBNS)

By Lindsey Seavert & Penny Moore

WBNS-TV, CBS 10, Columbus, OH, November 17, 2006

A jury found Daryl Lawrence guilty of murdering a Columbus police officer.

But Thursday, a judge put Lawrence's death sentence on hold, taking the convicted killer off Ohio's Death Row for now.

Lawrence shot Officer Brian Hurst during a bank robbery committed January 6, 2005. That conviction stands. The dispute is over the jury's sentence recommendations on two separate murder counts.

One called for giving Lawrence the death penalty. The other recommends a life sentence.

Lawrence's lawyers argued the decision was inconsistent. On Thursday, a federal judge announced he agreed. Friends of Hurst, like his best friend Donnie Oliveiro, see the development as a bump in the road on the way to attaining justice.

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"I've prepared myself for the last two years for this day to come," Oliveiro said.

Federal judge Gregory Frost issued a written decision reading the jury's sentencing on Lawrence's murder verdicts were inconsistent -- giving life on one charge and then death on another. The judge wrote: "The court has no choice but to set aside the death sentence and order a new sentencing hearing."

The judge added, "The discrepencies point to irrational arbitrary juror conduct."

That was the exact argument from Lawrence's legal team.

"What we were trying to achieve was to restore some logic to an illogical verdict," said defense attorney Kort Gatterdam.

Gatterdam argues the appropriate remedy for Lawrence is life sentences on both counts.

"There's no way for a jury to weigh the same mitigating factors and say he deserves life and go on and say he deserves death. It makes no sense," Gatterdam said.

But Oliveiro still believes in the system, and said the death penalty is appropriate punishment for the man who killed his closest friend.

"Unfortunately for us, Bryan wasn't given the opportunity to have rights and have decisions made and appeals on whether he should die that day," Oliveiro remarked.

Franklin County Prosecutor Ron O'Brien told 10TV Thursday that he will meet with Justice Department officials to decide the next step. O'Brien said they will likely appeal this decision to the Federal Appeals Court.

Another option O'Brien mentioned is to follow the judge's ruling and allow a new federal jury to re-sentence Lawrence.

FDLE Launches Criminal Investigation Into Foley's Communications With Boys (FLSUNSEN)

By By Nancy L. Othón, South Florida Sun-sentinel

South Florida Sun-Sentinel, November 17, 2006

WEST PALM BEACH -- Not seen publicly since resigning from Congress in a national scandal, Mark Foley emerged on Thursday in Palm Beach County after the death of his father.

The former Congressman, who left his post as a U.S. representative in September after the disclosure that he had sent sexually explicit emails to Congressional pages, is in town for Ed Foley's funeral. Ed Foley, 85, died Tuesday.

Foley's emergence comes as the Florida Department of Law Enforcement indicated it has shifted from a preliminary inquiry to a "full-fledged criminal investigation" regarding Foley.

As the scandal unfolded and more details were made public concerning Foley's communications with teenage boys, the U.S. Justice Department and FDLE indicated they were launching inquiries.

"We found that there might be criminal violations that would warrant a full investigation," said FDLE spokeswoman Kristen Perezluha, adding that the agency also is assisting the FBI. "We don't know, but that's what we're going to look into."

Wearing a red polo shirt, Foley was seen with his attorney David Roth at the Palm Beach home of his friend Layne Nisenbaum on Thursday and later spent time at Roth's office, according to WPTV-Ch. 5. Nisenbaum has a Palm Beach dermatology practice.

It's unclear whether Foley will be at today's visitation at Quattlebaum Funeral Home or Saturday's funeral Mass at Mary Immaculate Catholic Church.

His attorney, David Roth issued a brief statement Thursday on behalf of Foley and his family asking for privacy. Roth could not be reached for comment beyond the press release.

Scott Ondich, funeral director at Quattlebaum Funeral Home, acknowledged there may be speculation about Foley's presence during services.

"This is about Ed Foley, not Mark Foley, and hopefully that's how it stays," Ondich said.

Foley recently underwent treatment for alcohol addiction in an Arizona rehabilitation facility. He previously announced, through his attorneys, that he is gay and that a priest molested him when Foley was a teen.

WPTV-Ch. 5 and Amie Parnes of Scripps Treasure Coast Newspapers contributed to this report.

Nancy L. Othón can be reached at nothon@sun-sentinel.com or 561-228-5502.

Judge Stays Ex-procurement Chief's Sentence (GOVEXEC)

By Kimberly Palmer

Government Executive, November 17, 2006

In an unexpected move, a judge granted a request Thursday from David Safavian, the former head of the Office of Management and Budget's procurement policy shop, for a stay of his prison sentence, pending an appeal of his June conviction of obstructing justice and making false statements.

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Safavian filed an appeal in September challenging his conviction on four counts of making false statements to General Services Administration employees and obstructing an investigation by GSA's inspector general. The charges stem from Safavian's relationship with lobbyist Jack Abramoff while serving as chief of staff at GSA, and focused on a Scotland golf trip the men took together, along with other officials, in 2002.

Appeals can take several years, so Safavian's sentence of 18 months -- if upheld -- will not begin until after that ruling.

In his opinion granting the request, U.S. District Judge Paul Friedman cited the section of U.S. Code that says that if a person is not likely to flee, and the appeal raises a substantial question of law likely to result in a reversal, new trial or different sentence, then the judge can grant a request for release on bond.

Safavian's lawyer, Barbara "Biz" Van Gelder, raised numerous legal issues before, during and after the trial, including questions about the admission of controversial e-mails between Safavian and Abramoff as evidence.

Friedman noted in his opinion that if one or more of the legal questions raised are decided in Safavian's favor, then a new trial is likely.

Justice Department prosecutor Peter Zeidenberg declined to comment. In a filing, prosecutors agreed that Safavian was not at risk of fleeing.

Feds Looking At Cleveland Housing Agency's Land Purchase (AP)

AP, November 17, 2006

CLEVELAND - Federal prosecutors are investigating the $150,000-an-acre purchase of inner-city land by the city's public housing agency.

U.S. Attorney Greg White said Wednesday that his office and FBI agents had begun a preliminary investigation of the purchase by the Cuyahoga Metropolitan Housing Authority.

White confirmed the investigation one day after Todd Davis, a developer whose company sold the land to the agency, met with federal investigators. Davis' lawyer said he requested the meeting after recent stories in The Plain Dealer about the deal.

"Mr. Davis and his companies have been transparent about their efforts during the seven years they worked on the project and have nothing to hide about the work they did turning this toxic property into a neighborhood asset," attorney John McCaffrey told the paper in an e-mail.

The agency's executive director, George Phillips, said through a spokeswoman that the agency would cooperate with any investigation.

Last month, the newspaper reported that a Davis company worked with officials to land $4.7 million in public funds to clean up and redevelop roughly 25 acres of contaminated industrial land in Cleveland. Davis' original plan was for an industrial park.

But with the approval of the agency and Cleveland officials, Davis' company instead sold the site to the housing authority for its new offices.

Northwestern Pa. Couple Wants $350,000 Reward In Trooper Shooting (NSDY/AP)

By Dan Nephin, Associated Press Writer

Long Island Newsday, November 17, 2006

PITTSBURGH -- A couple filed a lawsuit to claim a $350,000 reward offered for Ralph "Bucky" Phillips, a former fugitive who is accused of shooting a New York state trooper and suspected of shooting two others.

Phillips was captured Sept. 8 in Akeley, Pa., just south of the New York state line.

Jack and Gloria Young, of Warren, filed a federal lawsuit in Erie on Wednesday. The couple called Warren city police shortly before midnight on Sept. 7 after seeing a suspicious person near their property, a tip they say led directly to the capture of Phillips.

"But for my clients' phone call, (police) still would not have found Bucky, or at least not found him that night," Robert C. Greene, an attorney for the Youngs, said Thursday.

"There's little if any question that it was Bucky Phillips" that the Youngs saw, said Elliot J. Segel, another attorney for the couple.

The couple is suing the Police Benevolent Association of the New York State Troopers Inc., which they say is wrongly withholding the reward.

Greene said he sent a letter by regular and certified mail to the union on Sept. 14, but has heard nothing.

Dan De Federicis, president of the union, said its attorneys talked with the Youngs before the suit was filed. "We haven't said no. We're going slow here," he said.

"There's not a clear line. They saw a prowler. It's just not crystal clear," he said.

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The union was working with the FBI on the reward, he said. The $350,000 includes $25,000 from the union, plus money from other groups.

The FBI put up an additional $100,000 reward. The lawsuit does not address that reward, but Greene said the couple is considering suing the FBI also.

Phillips is charged with attempted murder in the shooting of Trooper Sean Brown near Elmira, N.Y., in June, and authorities say he is suspected of shooting Troopers Donald Baker Jr. and Joseph Longobardo on Aug. 31 in western New York, near the Pennsylvania border. Longobardo died three days later. Baker is recovering.

Phillips surrendered five months and one week after escaping from a New York jail. The manhunt was one of the largest in New York state history.

Reputed Mob Figure Charged In Drug Case (PHI)

By George Anastasia

The Philadelphia Inquirer, November 17, 2006

Reputed mob associate Damion Canalichio was released on $75,000 bond yesterday after his arrest earlier this week on two-year-old drug-dealing charges.

Canalichio, 37, is the second high-profile mob figure to be arrested in the last month in what some law enforcement sources say is part of a concerted federal push against alleged South Philadelphia mob boss Joseph Ligambi.

Mob enforcer Vincent "Big Vince" Filipelli was jailed three weeks ago on gambling and extortion charges.

Canalichio, who was arrested at his South Jersey home Wednesday, was charged with cocaine trafficking. He pleaded not guilty yesterday during a brief hearing before U.S. Magistrate Judge Linda Caracappa in federal court in Philadelphia.

Caracappa ordered Canalichio released on a bond secured by the deed to his home on Ganttown Road in the Turnersville section of Washington Township. He was also ordered to wear an electronic monitor and was placed on limited house arrest.

Canalichio and Christopher Kerr were charged in a seven-count federal indictment unsealed Wednesday. Kerr is scheduled to appear at an arraignment and bail hearing today.

According to the indictment, Canalichio set up three drug deals in South Philadelphia in June 2004. In each, Kerr supplied about four ounces of cocaine to a buyer who was cooperating with federal investigators.

The fact that authorities waited more than two years to bring charges in the case has fueled speculation that Canalichio is a target in a broader probe.

His attorney, Joseph Santaguida, said yesterday that he originally thought his client was going to be arrested on illegal-gambling charges. In June, the FBI raided Canalichio's home and an apartment on Snyder Avenue out of which he and Kerr allegedly operated.

No drugs were found, but authorities reportedly seized records and documents tied to a gambling operation. According to two sources familiar with the case, one of the items seized at the Ganttown Road home was a book labeled "Daddy's book... do not open." Inside, authorities said, were names and dollar amounts that investigators believe was a list of gamblers and the amounts they owed or were owed.

Canalichio, a onetime close associate of jailed mob leader Steven Mazzone, has two prior convictions. He was sentenced to 27 months in prison after pleading guilty to a federal cocaine-distribution charge in 1998. Three years later, he pleaded guilty to receiving stolen property and was sentenced to three years' probation.

Since Mazzone's arrest in 2000, Canalichio has been identified by federal and local investigators as a key player in the Ligambi organization.

Law enforcement sources say Canalichio's arrest is one piece of a broader probe into the crime family. That investigation is focusing on gambling, extortion, loan-sharking and three unsolved murders: the November 2003 shooting of John "Johnny Gongs" Casasanto, the January 2002 ambush of Raymond "Long John" Martorano, and the October 1999 slaying of Ron Turchi.

Like the charges against Canalichio yesterday, the arrest of Filipelli last month raised more questions than it has answered. The bulky former professional body-builder was charged with using threats of violence to collect debts for a mob bookmaking operation.

The operation was reportedly run by a South Philadelphia gambler now living in the Cherry Hill area. No one else has been charged in the case, but the bookmaker is believed to have ties to the Ligambi organization.

Mob Killer Gets Parole For Christmas (BOSH)

By Michele McPhee, Boston Herald Police Bureau Chief

Boston Herald, November 17, 2006

DOJ_NMG_0095806

Vincent Federico - the convicted killer who became a made man in the Mafia while on a weekend prison furlough in a ceremony that was bugged by the FBI - will be paroled for Christmas after he disavowed any mob ties, the Herald has learned.

Federico, now 46, is a second-degree lifer at MCI-Norfolk in connection with the murder of a Cambridge man, Robert McFarlane, who was hit by five bullets as he helped a friend move out of a North End apartment above Federico's in 1977.

Federico had argued with the victim for no apparent reason before shooting him five times on Hanover Street, according to the parole decision. Federico is scheduled for release Dec. 15.

While imprisoned, Federico was granted a furlough, a weekend pass from prison that allowed him to become one of four men to be baptized into the Providence-based Patriarca crime family at a ceremony held in the basement of Federico's sister's Medford home on Oct. 29, 1989.

During the ceremony, which was overseen by reputed boss Raymond "Junior" Patriarca, the inductees pricked their trigger fingers, drew blood and burned a holy card of the crime family's patron saint while vowing: "As burns this saint so will burn my soul. I enter alive into this organization and leave it dead."

The baptism was secretly audiotaped by disgraced FBI head John Connolly, now facing the death penalty in Miami on murder conspiracy charges.

The FBI bug in the Medford basement was long considered the most important incursion ever by law enforcement into the innermost sanctums of organized crime, and the tapes helped bring down the Patriarca family.

Federico's pledge to protect mobsters was a major concern to the parole board, according to the decision.

"A focal point of deliberations during the past decade is Mr. Federicos much-publicized conduct in 1989, while incarcerated, with organized crime," the decision reads. "In a letter dated 2005, Mr. Federico expresses his regret and remorse of becoming involved with persons associated with organized crime."

When writing his letter, Federico apparently forgot the words of Biagio DiGiacomo, who baptized him and three other mobsters in 1989: "We get in alive in this organization and the only way we're going to get out is dead."

Authorities Confirm Investigation Into Dead Officer's Past (KTVU)

KTVU-TV, November 17, 2006

SAN FRANCISCO -- Federal authorities confirmed Thursday an investigation into the past actions of San Francisco police Officer Donald Ramirez, who died of an apparent suicide last month in a Cambodian jail cell where he was being held for sex crimes.

The death of Officer Donald Ramirez, 50, has some in and around the Police Department calling for a renewed investigation into whether he was traveling for years to Southeast Asia for sexual tourism -- a name given to the crime of traveling overseas to solicit children for sex.

On the evening of Oct. 31, police Sgt. Neville Gittens confirmed that Ramirez, a 25-year veteran of the force, had killed himself days earlier in a jail cell in Phnom Penh, Cambodia. Local authorities had apparently arrested Ramirez for sexual activity with a 14-year girl.

A spokeswoman for Immigration and Customs Enforcement said Thursday that Ramirez had been under investigation since 2001 when the San Francisco Police Department reported his suspicious travels.

According to Virginia Kice, immigration officials searched Ramirez as he came into the country several times but they never found any evidence of a crime.

"We have received several new leads and we will pursue those vigorously," Kice said.

Akha human rights activist Matthew McDaniel says he told an FBI agent that Ramirez "… had a real appetite for underage girls" when the agent contacted him a decade ago in Burma. McDaniel became aware of Ramirez and his habits when the officer frequented the village of Chiang Rei on the Thai-Burmese border when the activist lived there in the mid-1990s.

And McDaniel and sources in the police department told KTVU reporter Rita Williams that other officers sometimes accompanied Ramirez on his extended visits and returned to work to brag about it.

Thursday, the mayor reacted by saying that there will be an internal investigation in the police department to see who knew what and when.

"Look, we take this seriously. I take this seriously," said Mayor Newsom. "We're going to do what's appropriate."

Police Chief Heather Fong also addressed questions about the renewed investigation into Ramirez's past and whether anyone in the department knew whether or not he traveled to Southeast Asia for sexual tourism.

"As the federal investigation moves forward, and there's information, the department will take any necessary steps," Fong said. "If people had factual information then that is a problem. We are law enforcement officers who are sworn to protect the public and to enforce the law, so if someone is aware of criminal activity and they choose not to do anything about it, that is a problem."

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Police commissioner Joe Veronese said last week of the investigation that "there was no greater issue in the department than this." The police commission, however, has yet to announce if it will take up the issue.

Other police organizations are staying away from any involvement in the incident.

"Whatever he does in his off-duty time is his matter," Police Officers Association Vice President Kevin Martin said. "This is not a POA issue."

FEDERAL AUTHORITIES INVESTIGATE DEAD SF OFFICER'S PAST (BAYCNW)

Bay City News Wires, November 17, 2006

Federal authorities confirmed today an investigation into the actions of a San Francisco police officer who died of an apparent suicide in a Cambodian jail cell.

The death of Officer Donald Ramirez, 50, has some in and around the Police Department calling for a renewed investigation into whether he was traveling for years to Southeast Asia for sexual tourism -- a name given to the crime of traveling overseas to solicit children for sex.

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Fired Banker Held Without Bond In $29 Million Embezzlement (ABJ)

Akron Beacon Journal, November 17, 2006

CLEVELAND - A former KeyBank vice president accused of embezzling $29 million is a risk to flee and must be jailed to await his trial, a federal magistrate ruled Thursday in denying bond for the suspect.

Magistrate Judge Patricia A. Hemann said the overseas travels of David F. Verhotz, 56, of Cleveland, likely gave him contacts that would be useful if he fled. In addition, she noted that more than $8 million is still missing.

Verhotz was arrested Saturday at Cleveland Hopkins International Airport after getting off a flight from Dallas. He was a senior vice president and director of the international division of Cleveland-based KeyBank.

An affidavit filed by the FBI said Verhotz took out loans in the names of three European banks and put the money in his accounts.

The bank has fired Verhotz.

Comal Woman Admits Guilt In Bank Fraud (SAEN)

By Guillermo Contreras, Express-News Staff

San Antonio Express-News, November 17, 2006

Nancy Lynn Limmer has been a New Braunfels councilwoman and bank branch manager, but on Thursday she became a federal felon.

In a federal court hearing in San Antonio, Limmer, 44, admitted that she defrauded more than $161,000 from the First Commercial Bank in New Braunfels, where she'd worked for 17 years.

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Accompanied by her husband, Limmer quietly answered questions from U.S. Magistrate Judge Nancy Nowak and pleaded guilty to one count of bank fraud. She admitted misappropriating money from customers' accounts at the branch she headed in New Braunfels between April 2002 and August 2005.

Her crime was discovered last year after customers reported irregularities in their accounts to the Seguin-based bank, officials have said.

Limmer left the bank at the same time she quit the New Braunfels City Council, in July 2005, just two months after being elected.

"She obviously recognizes that she made a tremendous error," her lawyer, Van Hilley, said after the hearing. "She's done everything she can to rectify it."

That includes cooperating with the FBI and striking a plea deal before Assistant U.S. Attorney Tom McHugh presented the case to a grand jury.

Hilley told the judge Limmer's conduct has "weighed heavily on her" in the Comal County community, where her husband works as a deputy sheriff.

Hilley said Limmer acted alone, and her husband was unaware of her illegal acts.

"He was polygraphed and completely exonerated," Hilley said. "It was a unilateral action on her part."

The charge carries a maximum penalty of 30 years in prison, but because of Limmer's quick plea, she will win points toward her sentencing.

Hilley estimated she could face a sentence of about 30 months.

Sentencing was scheduled for Feb. 8 before U.S. District Judge Orlando Garcia. gcontreras@express-news.net

Adviser's Fraud Spree Ends With Guilty Pleas (HARTC)

By Kenneth R. Gosselin, Courant Staff Writer

The Hartford Courant, November 17, 2006

Avon investment adviser David M. Faubert lived the high life for five years, taking lavish vacations, buying expensive cars and developing a love for the Foxwoods and Mohegan Sun casinos.

But that lifestyle costs money. And as Faubert racked up $1 million in gambling losses and became a heavy cocaine user, he found a new source of financing: more than $4.5 million of his clients' money.

Faubert, 50, of Simsbury, pleaded guilty in U.S. District Court in New Haven to 10 counts of mail fraud, one count of embezzlement from an employee benefit plan and four counts of filing false tax returns, all between 2000 and 2005.

Tuesday's plea agreement in a criminal case against Faubert is the most recent development in a case that started 18 months ago. In early 2005, federal and state securities regulators filed lawsuits accusing Faubert of defrauding clients, some of them elderly and living in Greater Hartford.

It is unclear whether the 21 clients caught in the deception Faubert devised will recoup their money. Securities regulators in Connecticut said Tuesday they are pursuing that course, but declined to comment further.

Faubert's attorney, Hubert Santos, couldn't be reached for comment on Tuesday. Faubert is free on bail of $25,000.

According to court documents, Faubert persuaded his victims to transfer money from mutual funds and variable annuities. He told them he would invest their money in "fixed accounts" with a guaranteed return of 8 percent.

But those accounts did not exist, and Faubert diverted the money into business and personal accounts for his own use, the documents said.

Faubert, who owned Faubert Financial Group Inc., perpetrated the fraud by mailing false monthly financial statements with the "representation that certain monies were earning the promised return," according to the documents.

The documents paint a portrait of a life spinning out of control. In 2001, Faubert began to frequent Foxwoods, and then Mohegan Sun. He played the slot machines and traveled to the casino several times a week for "as much as three to four hours at a time,"the documents said. Faubert told law enforcement authorities that he lost more than $1 million between 2000 and April 2005.

Faubert told authorities that he began using cocaine in 2003 and became a "heavy user" a year later. He said he has been "addressing" his cocaine "problem" since March 2005.

Faubert also embezzled from his company's retirement plan and filed false income tax returns for 2000 through 2003, court documents said.

The Securities and Exchange Commission wrapped up its civil case last year. Faubert was ordered to pay $3.8 million to defrauded clients and $3.7 million in fines. But an SEC official in Boston said Tuesday that no payments have been made.

Faubert faces up to 20 years in prison and a fine of $250,000 on each of the mail fraud counts, five years and a $250,000 fine on the embezzlement count, and three years and a $100,000 fine on each charge of filing false tax returns.

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Sentencing guidelines in the plea agreement call for up to eight years in prison and as much as $125,000 in fines. The judge does not have to adhere to those guidelines. Sentencing is set for Jan. 31.

Contact Kenneth R. Gosselin at kgosselin@courant.com.

Avon Broker Admits Stealing More Than $4 Million From Investors (NSDY)

Long Island Newsday, November 17, 2006

NEW HAVEN, Conn. -- The owner of an Avon firm admitted Tuesday to using more than $4 million stolen from investors for gambling, lavish vacations and expensive cars, federal authorities said.

David M. Faubert, 50, of Simsbury, pleaded guilty in U.S. District Court in New Haven to 10 counts of mail fraud, one count of embezzlement from an employee benefit plan and four counts of filing false tax returns.

Faubert, owner of Faubert Investment Group, Inc., provided insurance and other financial services to about 225 clients. Faubert told clients that he would guarantee them an 8 percent rate of return if the clients invested money in a fixed investment account he controlled, authorities said.

As a result of Faubert's promises, 21 clients provided him with about $5.5 million. But authorities say the fixed investment account did not exist, and Faubert deposited the money into his business and personal accounts.

As part of the scheme, Faubert spent about $4.45 million on gambling, vacations and cars for his personal use and for business expenses, authorities said.

In order to lull the investors into believing that the investments were earning the promised rate of return, Faubert mailed false monthly financial statements to his clients.

"Crimes committed by registered investment advisers who victimize individuals hoping for a relatively modest return on their investments are particularly reprehensible," said U.S. Attorney Kevin O'Connor. "We will argue for a strict sentence for this defendant, and will vigorously prosecute any broker who robs from trusting investors."

Faubert also embezzled $27,079 from his company's retirement plan by falsely telling two employees that the money had been withheld from their paychecks and invested in the retirement plan.

Faubert filed false income tax returns for 2000 through 2003 because he failed to report the funds he embezzled from the investment clients, resulting in a tax loss to the government of nearly $1 million.

Faubert faces up to 20 years in prison and a fine of $250,000 on each of the mail fraud counts, five years and a $250,000 fine on the embezzlement count and three years and a $100,000 fine on each charge of filing false tax returns. He will be sentenced on Jan. 31.

Jail Worker Gets 15-Year Sentence For Child Porn (TAMPTRIB)

By Elaine Silvestrini, The Tampa Tribune

Tampa Tribune, November 17, 2006

TAMPA - A former Polk County sheriff's employee was sentenced Thursday morning to 15 years in federal prison after pleading guilty to child pornography charges.

After he is released, James Patrick Odle, 24, of Winter Haven, will be on probation indefinitely under the terms of his sentence.

Odle was a civilian detention technician at the South County Jail in Frostproof when investigators from the FBI's Innocent Images Task Force searched his room in his parents' home.

The search occurred after Odle transmitted 32 images of explicit child pornography during an Internet chat session, according to Odle's plea agreement.

A forensic examination of his computers and electronic storage devices revealed more than 5,000 images, including three video files, of children engaged in sexually explicit conduct, according to the U.S. attorney's office.

Specialists such as Odle work in the jail control room, monitoring video and opening electronic doors, Polk sheriff's office Chief of Staff Gary Hester said.

Odle had been suspended without pay since November 2005 and left in June, Hester said.

Former Dean Admits To Child Porn Charge (FINDLAW/AP)

AP, November 17, 2006

(AP) - SAN FRANCISCO-A former dean at University of San Francisco's School of Education has agreed to plead guilty to a child pornography charge and serve more than 5 years in prison, federal prosecutors said.

William T. Garner, 66, of San Francisco, acknowledged in the plea deal that he knowingly possessed more than 15,000 images of minors engaged in sexually explicit acts, U.S. Attorney Kevin Ryan said.

"The children depicted in these images are the victims of horrible abuse, and we will vigorously prosecute individuals possessing these materials," Ryan said in a statement.

Calls to Garner's lawyer were not immediately returned late Wednesday.

Garner and prosecutors agreed to recommend a 63-month prison sentence, a fine of $12,500 and $50,000 in restitution to be paid to the San Francisco Child Abuse Prevention Center, Ryan said. The penalties still must be approved by a judge.

The maximum penalty for the charge is a 10-year prison term and a $250,000 fine.

Garner was formerly the dean of the School of Education at USF. He retired from the university in July, said USF spokesman Gary McDonald.

Networking Exec Blasts Wiretapping Rules (CNET)

By Anne Broache, Staff Writer, CNET News.com

CNET News, November 17, 2006

Requirements for broader wiretapping on Net phone and broadband connections are too costly, unwieldy, says Global Crossing.

WASHINGTON--An executive from a company that manages a large portion of the Internet's infrastructure on Thursday slammed federal wiretapping rules expected to take effect next spring.

Paul Kouroupas, vice president of regulatory affairs for Global Crossing, strongly criticized the Federal Communications Commission's broadening of a 1994 law--originally intended to cover telephone providers--as disproportionately costly, complex, and riddled with privacy concerns. His company is one of the world's largest Internet backbone providers.

"Our customers are large Fortune 500 companies--not too many of those companies are conducting drug deals or terrorist activities out of Merrill Lynch's offices or using their phones in that way," Kouroupas said at an event here sponsored by the DC Bar Association. "By and large we don't get wiretap requests, yet we're faced with the costs to come into compliance," which he estimated at $1 million.

At issue is an order issued last fall by the Federal Communications Commission that set a deadline of May 14, 2007, by which most broadband and Internet phone providers are required to reengineer their networks for easier snooping by law enforcement. The move expanded the Communications Assistance for Law Enforcement Act, or CALEA, which Congress wrote to impose obligations on telephone companies, but not Internet providers.

Even without the new FCC rules, police have the legal authority to conduct Internet wiretaps, but they have claimed the need for a "standardized" system. The formal broadening of the rules followed lobbying from the FBI, the Drug Enforcement Administration and the Justice Department, which said they needed to be able to eavesdrop more readily on criminals who spurned traditional telephone lines.

Kouroupas questioned repeatedly whether the rules create an appropriate balance between law enforcement needs and communication provider obligations. After all, he said, federal and state courts only signed off on about 1,700 wiretaps last year. (The secret Foreign Intelligence Surveillance Court authorized about 2,000 more, some of which involved terrorism investigations.) If the government doesn't have the budget to finance its own tapping technology, then why, Kouroupas asked, should it have the right to "deputize the telecommunications industry" to do that work?

Tom Beers, an official in the FCC's Homeland Security Bureau, said companies can file for financial assistance in making their systems compliant--but only if they're able to successfully satisfy 11 criteria outlined by the law.

The agency also plans to stand firm with the May 2007 deadline, he said. In fact, the days of "endless" extensions for achieving CALEA compliance are effectively over for any broadband or voice-over Internet protocol company, he said, because most deployed their equipment after October 1998, thereby exempting them from relief.

Kouroupas and Global Crossing aren't alone in balking at the mandate. A group of organizations and companies that included Sun Microsystems, Pulver.com, the American Association of Community Colleges, the Association of American Universities and the American Library Association lodged an appeal against the rules last fall. But a divided appeals court panel upheld the FCC's rules, dismissing the group's argument that Congress never intended CALEA to force broadband providers--and networks at corporations and universities--to build in surveillance hubs for the police.

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Since then, confusion has continued to swirl around who must comply with the expanded rules. What if, for example, Global Crossing provided a virtual private network to a corporation, which then went on to install its own equipment that allows

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for voice-over Internet protocol traffic? If the cops approach Global Crossing for the voice data alone, the company doesn't have ready access to that isolated stream, Kouroupas said, so it would probably be forced to hand over all of the packets traveling over that company's network.

"Is that really allowed?" he asked. "Aren't these wiretaps supposed to be narrowly tailored?"

Maura Quinn, unit chief of the FBI's CALEA Implementation Unit, acknowledged that it's difficult for officials to say authoritatively who is covered and not covered by the law.

"If there's any question of whether you need to comply," Quinn added, "CALEA is the law of the land, and it's expected people will comply with that."

Man Arrested In Burglary At Site Of Slaying (WP)

By Allison Klein And Paul Schwartzman

The Washington Post, November 17, 2006

A burglary at a Northwest Washington townhouse has drawn the attention of D.C. homicide detectives investigating the unsolved slaying of a prominent lawyer three months ago at the same address.

Police have arrested a 36-year-old man in the burglary of the house, which was unoccupied during the break-in Oct. 30. Authorities quoted the man, Phelps Collins, as saying that he got inside with help from a friend -- the brother of the townhouse's owner.

Detectives have not drawn a connection between the break-in and the stabbing of Robert Wone on Aug. 2, but homicide detectives have been looking into the burglary in hopes of uncovering potential leads, authorities said. Wone, 32, was stabbed in the chest while visiting friends at the home in the 1500 block of Swann Street NW, on the edge of Dupont Circle.

New details about the burglary emerged through interviews, court papers and testimony at a hearing for Collins this week in D.C. Superior Court. Collins was arrested last Friday on a burglary charge.

Police said Collins told them that the friend, Michael Price, had a key to the house because it belonged to his brother, Joe Price. Police also quoted Collins as saying that Michael Price turned off the alarm once the two men entered the house. About $7,700 worth of electronics were stolen, police said.

Michael Price has not been charged in the burglary. He could not be located to comment.

After the break-in, detectives went to nearby pawnshops and found an audio system, two DVD players and other stolen goods, which led them to Collins, authorities said. Police also found a CD changer in a search of Collins's home on Calvert Street NW. Collins sold other stolen items on the street for money or drugs, they said.

Joe Price, a lawyer at a Washington firm, told police that he did not know Collins but that he had heard of him through his brother, according to an affidavit filed by police to get the search warrant for Collins's residence. Joe Price also told police that "his brother is known to use drugs and hang with subjects who use drugs on a regular basis," the affidavit said. Price told police that he did not give his brother or Collins permission to enter his house or remove and sell his property, the affidavit states.

Collins was jailed after his arrest and has been moved to a halfway house pending more hearings. His public defender declined to comment.

The Swann Street homeowners -- Joe Price and Victor Zaborsky -- were on vacation at the time of the break-in, police have said.

Joe Price, Zaborsky and another man, Dylan Ward, were in the home when Wone was killed there, police said. Wone, a lawyer for Radio Free Asia, worked late that night and was staying at the house instead of going to his home in Oakton. His body was found on a sofa bed in a guest room.

Police have offered no motive for the killing. Joe Price, Zaborsky and Ward have said they did not see what happened. They have said they believe Wone was killed by an intruder who slipped in and out of the back door without notice.

Until the break-in, police expressed doubt about the intruder theory. There was no sign of forced entry, the killer used a knife from the kitchen, and the crime scene appeared to have been cleaned before officers arrived, police said.

Investigators have convened a grand jury and enlisted the help of the FBI in the homicide. They kept control of the $1.2 million house for more than three weeks after the killing, removing flooring, pieces of walls, a chunk of staircase, the washing machine and sink traps in a search for blood and other evidence.

Although he is not charged in the burglary, Michael Price also faces legal trouble. He was arrested in Silver Spring hours after the break-in, accused of stealing a 1998 Mercury Sable belonging to his domestic partner, who had reported it stolen. During the arrest, Montgomery County police found a "broken glass pipe," the kind that often is used to smoke cocaine, in the pocket of his sweat pants, according to charging papers.

Collins, who is unemployed, has a criminal history that includes four drug convictions between 1998 and 2004 in the District and Montgomery, records show.

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Authorities said some items taken in the burglary turned up at Sam's Pawnbrokers on 14th Street NW, a few blocks away.

Sam Levy, a manager at the store, said in an interview that Collins had pawned goods at the shop in the past. Detectives visited the store last week to retrieve the items.

Levy said a detective whom he declined to identify told him that the burglary is "connected possibly to a homicide."

Stores Protect Turf From Gangs Of Thieves (USAT)

By Jayne O'Donnell

USA Today, November 17, 2006

SEMINOLE, Fla. — Justin Reed is scanning images from 18 cameras at a Beall's department store here when saleswoman Carissa Tunis calls from the juniors department to direct his attention to four young men behaving oddly.

Reed, sitting in the store's so-called loss-prevention room, zeros in on the men and sees one slip a wallet in his pocket. He goes back over the image a few times to be sure. When another camera shows the group leaving the store, Reed and Jim Stevenson, a Beall's loss-prevention senior manager, slip out the security door and nab a 17-year-old.

As the two beefy investigators hustle the teen back inside, he pleads that he's just off probation. They call the police anyway. Within minutes, he's the first of two shoplifters arrested during four hours that USA TODAY spent observing the store's crime-fighting efforts.

On this November day, the culprit is a fairly harmless high school dropout. But the retail industry spends billions on technology and investigators such as Reed to combat what they call “organized theft rings”: gangs of shoplifters who sweep through stores with military precision. The retailers are fighting back with a new national crime database, electronic receipts, digital video recording technology and their own brand of detective work.

Stymied by police and courts that are often unwilling or unable to tackle crimes they may see as petty theft, the retailers build their own cases against the gangs, connecting crimes that often cross county and state lines. To help document the scope of this organized thievery, investigators for Walgreens, Target, Safeway, Limited Brands and others even follow thieves from their stores to the “fences” where they sell the goods.

The FBI and retail groups expect that by the end of this year, every major retailer will be able to share crime data — including photos of suspects from their store cameras — in a computer database. Beall's, a Florida-based chain, and other retailers now track shoplifting gangs using the database, which has already helped link a suspect to thefts of $500,000 worth of goods from 12 retailers. The man is still a fugitive, but warrants for his arrest are out in three states.

“Retailers have now said, ‘Enough's enough,' ” says Joseph LaRocca, vice president of loss prevention at the National Retail Federation.

Retail theft cost the industry more than $37 billion last year, up from $31 billion in 2003, according to a University of Florida report. It is especially problematic during the holiday season when overcrowded stores make shoplifting more difficult to detect and fraudulent returns easier to conceal. The retail federation said this month that retailers expect to lose $3.5 billion due to just fraudulent returns this holiday season alone.

“Our retail loss numbers are below the industry average, but it is a tremendous amount of work to keep it that way,” says Daniel Doyle, Beall's vice president of loss prevention and chairman of an NRF loss-prevention committee. He wouldn't say how much the company spends on loss prevention.

Retailers are particularly concerned about gangs, which have established supply chains that make organized theft, known as “boosting,” too profitable to give up without a fight.

A single shoplifter operating as part of a gang can steal up to $200,000 worth of merchandise in a weekend, retail and police investigators say.

One night last August, Beall's cameras caught a gang of exotic dancers that stole about $170 worth of goods from the Bradenton store, police records show. Apparel from other retailers filled the women's rented SUV. Two of the three women, who worked for an exotic dancing and escort service called Black Xtasy, admitted that they were traveling the state to steal. The suspected ringleader had retail theft warrants against her in two other Florida counties.

Jerry Biggs, Walgreens' divisional coordinator for organized retail crime, says one group shoplifted from 24 of the drugstores in seven hours. In a videotaped interview with police and Biggs, admitted Walgreens shoplifter Jesus Hernandez said he could easily boost $10,000 worth of merchandise in four hours. Hernandez specialized in stealing diabetic test-strip packages, which sell for up to $100.

In one Walgreens investigation, a shoplifter's fence was caught with $35,000 worth of chewing gum 10-packs.

During a typical boosting, one or more gang members distract store clerks while one or two others lift merchandise. Some members stand outside the store doors, ready to signal if police or security officials are coming. Still others are in parking lots ready with getaway cars.

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The gangs often are armed. One Beall's investigator was hospitalized last year after being pummeled by a man wearing brass knuckles who was serving as a gang's lookout.

The thieves usually seem to be one step ahead of security devices. Even locked glass display cases can be cracked. Fourteen Target stores in California, Illinois and Colorado were hit by thieves who broke open locked cases, filled carts with iPods and pushed the carts out the doors.

Professional shoplifters usually carry shopping bags lined with foil and duct tape to block the electric current that detects security tags.

Some thieves remove security tags and hide things under larger packages.

Anti-theft systems "only work against people who don't know how to thwart them," says Tony Heredia, Target's director of investigations. "We call them organized thieves for a reason."

Retailers worry about frustrating paying customers while attempting to thwart thieves. "We want to keep customers happy," Biggs says. "But the things that keep them happy, like keeping large quantities of merchandise readily available, also keep thieves happy."

Doyle says his investigators are "200% sure" before they apprehend a likely shoplifter, so they don't cause a customer-relations nightmare.

Returns are one area where retailers have cracked down. While some will still give cash for a return without a receipt, many major retailers require receipts. And many are using electronic receipts that can track purchases made with a credit card or check. These receipts nearly eliminate the ability to use counterfeit receipts or to return stolen goods. They also use display devices that make it difficult to slide all the items on a hanging rack into a bag, but not too difficult for legitimate customers to use.

"The retail world is so competitive that they are deathly afraid of alienating any customer or raising a ruckus," says Peter Junger, president and founder of the electronic receipt company SiRAS.com, used by retailers including Wal-Mart.

Prosecuting retail crime is complicated in part because much of the merchandise stolen doesn't come with serial numbers. That makes it difficult to single it out as stolen.

Unless goods are made under a retailer's private label and the store has alerted police of a theft, police who stop the driver of a car full of stolen items are "probably not going to arrest them and, most likely, they're not even going to hold the merchandise," Biggs says. "Part of what we do is help police pursue criminal charges."

Eric Ives, unit chief for the FBI's major theft unit, which includes organized retail crime, says most of the FBI's retail crime cases come from retailers who have already done their own national surveillance and proved the interstate component the FBI needs.

Montgomery County, Md., Detective David Hill is one of the few detectives in the USA who specializes in retail crime full time. He arrested former Bush administration official Claude Allen earlier this year for felony theft after he repeatedly returned items he hadn't paid for. Allen pleaded guilty to misdemeanor theft. Hill says he got ribbed by colleagues who called him "mall man" when he took the post.

But that's quieted now that he's found connections to drug dealing and other crimes and has helped bust several organized theft rings, including a Peruvian and Colombian gang that was caught at a Maryland mall in February 2005 with $50,000 worth of apparel stolen in less than an hour.

"It definitely was a case that shows how much damage they can do in a short amount of time," Hill says.

"The criminal world has recognized this as a much more profitable crime than burglary with much less penalty," Biggs says.

Indeed, while larceny overall was down 4.5% from 2000 to 2004, shoplifting increased nearly 12%, according to the FBI's Uniform Crime Report.

In Florida, the arrest of the shoplifting strippers at Beall's Bradenton store led police to a warehouse in Ocala, Fla., that they suspect was being run by a fence serving multiple gangs.

"We certainly hate to hear about groups, because they are difficult to catch, particularly with all the aliases," says Tim Osborne, a Beall's loss-prevention director who was on the scene when the strippers were arrested. "We were fortunate that night."

Armed Robbers Hit String Of City Bars (BSUN)

By Annie Linskey

The Baltimore Sun, November 17, 2006

A masked man put a gun to the head of a bartender at Dizzy Issie's and demanded that she open the register while he counted to five. The man yelled, "Keep down don't move" to the 50 or so people at the hipster Remington bar. A second man, also masked, stood lookout at a side door.

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After prying the till free, the pair ran out with about $800 and hopped into a waiting car. Shaken customers picked themselves up. Several called police, and then everyone cleared out for the night.

Police say they believe the same men have held up eight bars in the past three weeks, usually the same way.

Either two or three men enter the tavern wearing gloves and masks or bandanas to cover their faces, according to police. One man, waving a gun, immediately jumps behind the bar and, in most cases, removes the entire cash drawer. Another man stands as a lookout and prevents people from leaving the bar.

"We're pursuing this very aggressively," said Matt Jablow, a police spokesman. "This is unusual for us. We're giving it a lot of attention."

In addition to the Tuesday night robbery at Dizzy Issie's, police believe the group is responsible for holding up three other bars this week -- one in Charles Village on Monday night, one in Upper Fells Point late Wednesday and another in Pigtown early Thursday morning. In recent weeks other bars have been held up in Remington, Mill Hill and Carroll-South Hilton in West Baltimore.

"It was really, really quick," said Gary Deane, the owner of I Bar, a cozy Charles Village watering hole that was robbed of about $350 Monday night. "I told the police it was almost military, the way he was in [and] out." Deane said he didn't know until after the robbery that a second man was standing at the door preventing people from leaving.

The tavern is a tiny room with exposed brick walls, a flat-screen television and a square bar. When one man flashed a gun, he said, most customers immediately crouched for cover.

"I was the only one left standing," Deane said. "It was a very frightening thing when it happened." Later, the police came and some customers trickled out. But others stuck around to exchange war stories. The next day, he said, 90 percent of his customers returned.

Police said the robbers want the cash register and don't ask customers for money. But at Molly's Public House, a Remington corner bar in a converted rowhouse that was robbed Nov. 1, one customer was apparently so flustered that he emptied the cash in pockets onto the bar without being instructed to do so.

The robbers scooped up the man's $8 as they fled with the till, according to the police report.

Getaway vehicles

Police believe the robbers have used three different escape cars: a red Dodge pickup, a black Volkswagen station wagon and a brown Mercedes. "We're cautiously optimistic that we'll make arrests in these cases," Jablow said.

In the Northern district, where three of the eight robberies have occurred, police have stepped up patrols and have additional plainclothes officers in the area.

"They are pretty brazen to do something like this," said Northern District Deputy Major Ross Buzzuro, "This is not the norm. We want this to stop. We don't want anybody to get hurt."

Buzzuro said he believes the bars are targets of opportunity: "It is a quick way for people to get money." But, he cautioned, "these are dangerous individuals."

Remington targeted

One community particularly hard-hit is Remington, an up-and-coming residential neighborhood with a strong community association. Situated several blocks south of the Johns Hopkins University and the Baltimore Museum of Art, it attracts a mix of students and artists but also has families who have lived there for decades.

"Something needs to be done," said Elaine Stevens, the owner of Dizzy Issie's, which counts filmmaker John Waters among its patrons. Stevens said she has been a bar owner in the city for 20 years and has never experienced anything like this.

Stevens, however, was gratified that nobody was shot. And, she said, the loyalty of her customers surprised her. When the robbers left, people hugged each other. Customers left $200 cash on a table for various bills -- even though with the register out of service they couldn't settle up.

And the next day many of those who had left the bar without paying came in with money:

"My customers said they weren't going to be scared away."

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District Slayings Usually With Gun (WT)

By Matthew Cella

The Washington Times, November 17, 2006

The District is among the major U.S. cities with the highest percentage of people being killed by firearms, despite having one of the strictest gun-control laws in the country.

A recent Metropolitan Police Department report on homicides from 2001 to 2005 states that 901 of 1,126 homicide victims, or about 80 percent, were fatally shot.

"It's a problem," Chief Charles H. Ramsey said. "It may be something that's with us for a while."

Firearms last year alone were used to commit 157 of the District's 196 homicides, or about 80 percent. That percentage has remained relatively consistent since 2001, when a five-year low of 78.4 percent of homicides were committed using guns.

FBI crime statistics for 2005 show 10,100 of the country's 14,860 homicide victims, or 68 percent, were killed by guns.

The District's percentage of gun homicides is comparable to those in other big cities, according to the U.S. Bureau of Justice Statistics.

In 2004, the last year for which comprehensive statistics were available, the 79.3 percent of homicides involving guns in the District was higher than the 61.1 percent in New York. Chicago reported 75.2 percent, and Baltimore had 77.5 percent.

Atlanta had a significantly lower percentage of gun homicides than the District, 73.2 percent, despite less-restrictive gun laws. In Georgia, gun owners are not required to obtain a license or a permit, there is no waiting period to buy a handgun and no background check for second-party sales.

The District did have a lower percentage of gun homicides than New Orleans at 92 percent, Los Angeles at 80.9 percent and Detroit at 80.5 percent.

D.C. law restricts ownership of most guns that were not registered before 1977. Privately owned rifles and shotguns must be kept at home and stored unloaded, disassembled, or bound by a trigger lock or a similar device.

Michael Campbell, a spokesman for the Washington field office of the Bureau of Alcohol, Tobacco, Firearms and Explosives, said that part of the problem is the District being surrounded by jurisdictions with less-restrictive regulations.

"You can't seal the borders," he said. "There's always going to be a market for guns."

Chief Ramsey agreed.

"We have tough gun laws, but most of our guns are coming from Virginia and Maryland," he said.

D.C. police have recovered nearly 2,400 guns thus far this year, the most during the past five years. Those figures do not include the 337 guns turned in as part of a gun buy-back program in September.

Chief Ramsey thinks most gun owners are responsible, thus is not in favor of eliminating gun ownership.

"Guns and our society go hand in hand," the chief said. But he favors "very, very stiff penalties" for people who violate the law.

The District's firearms restrictions, which were passed in 1976, include a maximum one-year penalty or $1,000 fine for first-time offenders and a maximum five-year penalty or $5,000 fine for second offenders.

"To me, that's not strong enough," the police chief said.

Carrying a pistol without a license in the District can be either a felony or a misdemeanor charge, depending on whether the offender was carrying the pistol someplace other than in his or her home or business.

Felons convicted of firearms possession can get up to 10 years in prison and a $10,000 fine. Felons who use a firearm during the commission of a violent crime can receive a maximum 15-year prison sentence. Possessing unregistered ammunition always is a misdemeanor.

Corruption Target Faces Sex Charges (LAT)

By Peter Y. Hong And Paul Pringle, Times Staff Writers

The Los Angeles Times, November 17, 2006

John Malburg, son of the Vernon mayor and a focus of a voter-fraud case, allegedly molested boys while dean at an L.A. Catholic school.

A political corruption scandal took a sordid turn Thursday when a defendant in the Vernon voter-fraud prosecution was charged with sexually molesting four boys while serving as dean of students at Daniel Murphy Catholic High School.

John Joseph Malburg, son of Vernon Mayor Leonis Malburg, who is also accused in the corruption case, pleaded not guilty to numerous counts of child sexual abuse, lewd acts and making a videotape for sale of a minor engaged in sex acts.

Authorities said one student appeared in a sexually explicit tape in exchange for a higher grade. In addition, Malburg, 37, is charged with possessing child pornography and secretly videotaping boys while they showered at his Hancock Park home.

As an offshoot of the 19-month corruption probe, investigators began to examine Malburg's contact with the boys over a period of 10 years, according to the Los Angeles County district attorney's office.

The Archdiocese of Los Angeles learned about the sex abuse inquiry sometime before Malburg was fired in July but did not notify parents at the Fairfax-area school, spokesman Tod M. Tamberg said.

Tamberg said the district attorney's office asked the archdiocese to keep the matter confidential. Jane Robison, a district attorney's spokeswoman, could not confirm that.

"The school has been cooperating fully," Tamberg said. He said there had been no earlier complaints against Malburg, who joined Daniel Murphy in 1997.

In the complaint, Malburg is accused of surreptitiously videotaping one of the students two months after the school fired him.

Outside the Detroit Street campus, several students and parents said they had not been told of the charges against Malburg and declined to discuss them.

One parent, who asked not to be named, said she was "shocked" at the news but didn't fault the school for not informing parents.

"There's no need to panic," she said.

The allegations come as the archdiocese struggles to settle more than 500 sexual abuse lawsuits. At least six of those named in the suits once worked at Daniel Murphy, although not in recent years.

Mary Grant, western director of the Survivors Network of Those Abused by Priests, a group that represents alleged victims of pedophile priests, said the Malburg case "shows that nothing has changed in the L.A. Archdiocese."

She also said it "seems odd" that the archdiocese did not alert parents.

Malburg also pleaded not guilty Thursday to charges of perjury and false voter registration in connection with an alleged family-run, decades-long corruption scheme in Vernon, a tiny industrial city a few miles south of downtown Los Angeles, where his father has held elective office for more than 50 years.

Leonis Malburg pleaded not guilty to seven felony counts alleging various forms of voter fraud. His wife, Dominica, who is the younger Malburg's mother, entered a not guilty plea to two counts of voter fraud.

The Malburgs are accused of living in Hancock Park while voting in Vernon, 20 miles away.

The district attorney's office said investigators looking for evidence of corruption allegedly found child pornography on a computer seized from John Malburg's home.

They also confiscated pornographic home videos, officials said.

The 12 counts against Malburg cover alleged incidents from 1996 through 2000 and from 2004 to September of this year. He is accused of molesting a boy whom he met while working as a psychologist — before he was hired at Daniel Murphy.

Malburg was released on $495,000 bail. Approached in court, he declined to comment.

Daniel Murphy, formerly called St. John Vianney, is named for a Los Angeles philanthropist. It has produced several prominent graduates, including Los Angeles City Councilman Bernard C. Parks and Fire Chief William Bamattre.

"It's disturbing," Parks, a 1961 graduate, said of the allegations. "It doesn't help the school and it doesn't help the church."

Parks said it was particularly troubling given the extensive publicity of the archdiocese's sexual abuse crisis. "With all the press coverage on this, you wonder why there are those who still think they can get away with it," he said.

Bamattre's office did not return calls.

In the Vernon case, longtime city administrator Bruce Malkenhorst Sr. pleaded not guilty to charges that he spent $60,000 in city money for personal use, including massages, golf outings, meals and political contributions.

Malkenhorst was the highest paid municipal official in the state before stepping down two years ago. He earned more than $600,000 a year for running a city with fewer than 100 residents. The city also provided him with a limousine.

Prosecutors allege that the Malburgs and their allies ran Vernon as a fiefdom.

Earlier this year, the city hired armed private investigators to shadow candidates running against Leonis Malburg and other City Council incumbents.

The city evicted the challengers from their residences and removed their names from the ballot, although a judge later ruled that the election, Vernon's first in 25 years, had to go forward.

Malburg was reelected, but the results were disputed and the case ended up in court.

Vernon was founded in 1905 by a charismatic Basque immigrant named John Baptiste Leonis, who over the next few decades built a political machine that chased dissenters out of town.

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CIVIL LAW:

Exonerated In Mob Killing, Men Seek Retribution From Government (AP)

By Jay Lindsay

AP, November 17, 2006

BOSTON - Two Boston men spent 30 years in prison for an underworld slaying they did not commit after a judge ruled that the FBI withheld evidence that would have cleared the pair to protect a mob hitman who was serving as an informant.

Now, in a trial that opened Thursday, those men and the families of two others who were wrongfully convicted are seeking damages from the government that could total more than $100 million.

Joseph "The Animal" Barboza was a known mob assassin responsible for numerous hits during Boston's gangland wars of the 1960s. He was also so vital to FBI efforts to crack the mob that the agency allowed him to wrongly implicate four men for murder, attorneys for the plaintiffs said in opening statements.

Joseph Salvati and Peter Limone and the families of two other men who died while behind bars accuse the federal government of malicious prosecution, conspiracy and depriving the men's family of companionship.

"It was a rigged game, a charade, a story concocted by Mr. Barboza and assented to by the FBI," said attorney Austin McGuigan, who represents Salvati. "There was no hope the real story in this case would be uncovered."

The case is the latest development in a scandal that unfolded in Boston about a decade ago, when it was learned that the FBI had a corrupt relationship with the mob, protecting killers who were informants and even tipping them off to pending indictments.

The lawsuit was filed after the Justice Department released documents in 2001 that showed the FBI withheld evidence from state prosecutors that could have cleared the men so the agency could protect an informant who actually committed the crime.

The lawsuit does not ask for a specific dollar award, but briefs filed in the case point to past decisions that have awarded $1 million for each year wrongly imprisoned, which would total more than $100 million in this case.

Justice Department attorney Bridget Lipscomb said federal authorities had no duty to share information with state prosecutors, and cannot be liable for the results of a separate state investigation. She also noted the four men had access to some FBI information, as well as top-notch attorneys who raised doubts about Barboza's testimony at their trial.

Limone, Louis Greco and Henry Tameleo were sentenced to death in 1968 for the murder of Edward "Teddy" Deegan, but were not executed before the death penalty was banned in 1975. Salvati was sentenced to life in prison.

Salvati, 72, and Limone, 74, were exonerated in 2001 after the Justice Department documents were released. Greco and Tameleo died behind bars before being exonerated.

The case is being tried without a jury before U.S. District Judge Nancy Gertner.

On Thursday, attorneys for the men and their families, said the problems were rooted in a 1960s FBI policy of protecting informants identities at all costs.

Days before Deegan was shot in the head in a Chelsea alley, FBI wiretaps caught Barboza and Vincent "Jimmy" Flemmi asking a Rhode Island mob boss for permission for the hit. Informants later told FBI agents that Barboza, Flemmi and three other men were responsible. FBI agent Paul Rico, who handled top echelon informants, listed Deegan as among seven people killed by Flemmi.

"The Deegan murder was literally surrounded by information that Jimmy Flemmi was one of the killers," said Michael Avery, who represents Limone and Tameleo.

But the FBI had recently recruited Flemmi as an informant and believed he would provide valuable information for years, McGuigan said. And when Barboza agreed to testify, he told the FBI he would never say anything to implicate his friend Flemmi, McGuigan said.

The FBI did not share any of this evidence with the state, Avery said, making the FBI "masters of this prosecution."

In his testimony in the Deegan case, Barboza implicated Limone, Salvati and Greco because of personal grudges, and Tameleo because an FBI agent wanted to arrest him, according to attorney Juliane Balirro, who represents Limone.

The FBI had at least 20 descriptions of the Deegan murder that conflicted with Barboza's testimony, but did not share them with prosecutors, she said.

Barboza was sentenced to a year and a day in prison after the Deegan trial, and later moved to California as the first participant of the federal witness-protection program. He was shot to death in San Francisco in 1976.

Lipscomb, the Justice Department attorney, said Barboza was subjected to more than six days of intense cross-examination during the trial, which included questions about Flemmi's possible involvement and accusations that he switched who was involved.

Trial Begins Over FBI Role In Wrongful Convictions (BOS)

By Shelley Murphy, Globe Staff

The Boston Globe, November 17, 2006

There's no question that the FBI recruited notorious hitman Joseph "The Animal" Barboza as a witness against local Mafia leaders, then turned him over to state prosecutors in a case that led to the wrongful conviction of four men for a 1965 gangland murder in Chelsea.

But Thursday, on the first day of a civil trial seeking more than $100 million in damages from the federal government, a Justice Department lawyer insisted the FBI can't be blamed because state prosecutors were responsible for investigating and trying the case.

"The FBI is not liable," said the government attorney, Bridget Bailey Lipscomb.

But lawyers for Peter Limone, Joseph Salvati, Henry Tameleo, and Louis Greco accused the FBI of making a "mockery" of justice by failing to tell state prosecutors or defense lawyers about evidence that suggested Barboza had framed the four men for the slaying of small-time hoodlum Edward "Teddy" Deegan.

Limone, 72, and Salvati, 74, spent more than 30 years in prison before they were exonerated five years ago, while Greco and Tameleo both died in prison.

"The FBI initiated the prosecution by delivering a perjurious witness to the state prosecutor, knowing his testimony was false," said Boston attorney Juliane Balliro, who represents Limone and Tameleo's family. "But for the deliberate misconduct of the FBI, these men would not even have been indicted, let alone convicted for the murder of Edward Deegan."

The lawsuit accuses the government of malicious prosecution, intentional infliction of emotional distress, negligent supervision of FBI agents, conspiracy, and loss of consortium by the men and their families.

Deegan was gunned down in a Chelsea alley in March 1965, but local police were unable to solve the slaying until the FBI struck a deal with Barboza. He was sentenced to a year in prison for his role in Deegan's murder and his testimony led to the 1968 conviction of the four men. Tameleo, Limone, and Greco were initially given the death penalty, then later sentence to life. Salvati was also sentenced to life in prison.

Feds Pay The Price For Botched Mob Job (BOSH)

By Peter Gelzinis, Boston Herald Columnist

Boston Herald, November 17, 2006

That the prospect of justice has arrived 40 years late for Joe Salvati and Peter Limone, along with two fellow defendants who died in prison, Louis Greco and Henry Tameleo . . . is shameful.

That the Department of Justice has seen fit to send Bridget Bailey Lipscomb back to Boston to defend the putrid reputation of the FBI . . . well, that could be called a blessing.

With Ms. Lipscomb at the government table, the only question may well be how much of a potential $100 million in civil damages will these men and their families see.

Five months ago, Lipscomb's attempt to convince U.S. District Court Judge Reginald C. Lindsay that the FBI could not be blamed for enabling their Teflon rat, Whitey Bulger, to slaughter John McIntyre, turned into graceless courtroom hash.

Though Lindsay was swayed by absolutely none of it, he tossed the government a considerable bone by confining the McIntyres' award to $3.5 million instead of a possible $50 million.

This time, however, the FBI's crime is even more egregious. And the case will be heard by a different federal judge, U.S. District Court Judge Nancy Gertner.

In a nutshell: H. Paul Rico - the Darth Vader of gangster G-men and mentor to fallen FBI agent and murder defendant John "Zip" Connolly - framed four men for a murder two of his informants committed.

From the first moment, more than 40 years ago, Rico knew that Salvati, Limone, Greco and Tameleo were innocent, yet watched them go off to prison, where three languished on death row.

During yesterday's opening arguments at the Moakley Courthouse, Lipsomb countered 40 years of government treachery with the Professor Irwin Corey defense, namely:

The feds were not obliged to share information with state prosecutors (who tried the original case) and can't be held liable for the results of a separate state investigation.

Makes perfect sense, doesn't it?

In the face of such circular reasoning, Peter Limone's defense lawyer, Juliane Balliro, was moved to note, "Despite all the exposure and attention this case has received, and the fact that these men were exonerated. Despite all that was revealed during the Wolf Hearings. Despite the condemnations of a congressional committee, the government does not change its stripes. They still remain in complete denial."

If "staying the course" in Iraq means holding the U.S. death count to, say, 10 soldiers a week, then perhaps staying the course when it comes to the rancid saga of Boston FBI criminals means holding the cash award to a small fraction of what is being asked.

Will Bridget Bailey Lipscomb get accolades from her DOJ bosses if the plaintiffs in this case came away with only $10 million or $20 million payout? Would that pass for a government victory?

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Because the sheer weight of the evidence suggests she cannot win on the merits. Because in this case, the feds have no merit.

Juiliane Balliro sees this moment as an opportunity "to finally connect all the many threads of this case into a rope." Too bad such a rope cannot be slipped around H. Paul Rico's neck, for the decrepit old son of Hoover expired in a Florida jail, awaiting his own murder trial. [continue]

CIVIL RIGHTS:

Democrats Pledge To Scrutinize Justice's Civil Rights Arm (BOS)

By Charlie Savage, Globe Staff

The Boston Globe, November 17, 2006

WASHINGTON -- Democrats on the Senate Judiciary Committee yesterday vowed to impose intense oversight on the Justice Department's Civil Rights Division next year, telling a Bush administration official in charge of the agency that the next Congress will scrutinize whether civil rights laws are being properly enforced.

Speaking at the first Civil Rights Division oversight hearing since May 2002, the Democrats cited several newspaper articles about the agency over the past year -- including a Globe analysis of changes in the hiring process for lawyers in the division -- and said they would investigate the administration's stewardship of the agency after they regain power in January.

"There are disturbing reports that career lawyers have been shut out of the division's decision-making process, that the division's civil rights enforcement on behalf of racial minorities has sharply declined, and that the department has packed the division with attorneys who have no background in civil rights litigation," said Senator Patrick J. Leahy, Democrat of Vermont, who will become committee chairman in January.

Senator Russell Feingold, Democrat of Wisconsin, said he wanted to know whether the Bush administration was exerting political interference on the division's decisions about when to file cases. The agency has long been a source of political tension because it is charged with enforcing antidiscrimination laws and reviewing changes to state voting rules.

"For the separation of powers designed by the Framers to work, we in the legislative branch need to take our oversight authority seriously," Feingold said. "While this hearing is the first good step, it is just a first step. It is clear that the Civil Rights Division of the Department of Justice requires our attention and that one hearing will not suffice."

Wan Kim , assistant attorney general for civil rights, said he welcomed congressional attention.

"I certainly share your . . . interest in oversight," Kim said, adding that he has "a deep and abiding respect for this committee and the work that it does in making sure that all branches of government are operating consistent with the law."

One major focus by the lawmakers was a change in hiring procedures. In July, the Globe reported that in late 2002, the Bush administration disbanded a longstanding hiring committee of veteran career lawyers. Political appointees took over screening résumés, interviewing applicants, and deciding who should fill vacancies in the permanent civil service ranks.

After the change, successful applicants were significantly less likely to have civil rights backgrounds, according to a Globe analysis of résumés obtained under the Freedom of Information Act. New hires were also more likely to have conservative credentials, such as membership in the Federalist Society, a group that takes a skeptical view of aggressive civil rights enforcement.

Arlen Specter, Republican of Pennsylvania and chairman of the Senate Judiciary Committee, and Senator Edward M. Kennedy, Democrat of Massachusetts, each raised the Globe article as an example of mounting "concerns" over the division's direction. Also, Leahy read a summary of the Globe's findings, then pressed Kim on whether ideology had become a factor in the hiring process.

Kim acknowledged that the hiring committees had been disbanded by then-Attorney General John D. Ashcroft. But he said "ideology is not a factor in my hiring process." He pledged that he would hire only "talented lawyers" who "share a commitment for the work that we do in the division."

Leahy accepted Kim's answer, but told the assistant attorney general that "I suspect during the coming year . . . we'll probably chat some more."

Specter then observed to laughter: "Sounds like a well-founded suspicion to me."

The senators also pressed Kim about several voting-rights decisions in which the division's leadership overruled career staff recommendations. In several cases, courts later rejected the division's conclusion that redistricting plans or laws were lawful.

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One case involved a Georgia law that required voters without driver's licenses to buy an ID card for $20. A federal judge later blocked the law, comparing it to a Jim Crow-era "poll tax." Kim defended the Justice Department's decision to sign off on the new requirement, saying it was consistent with all relevant statutes.

Lawmakers also raised concerns about the division's process of deciding whether to bring discrimination cases. The number of cases alleging systematic discrimination against blacks has declined from previous administrations.

OC Apartment Owners Accused Of Discriminating Against Hispanics (AP)

AP, November 17, 2006

The U.S. Justice Department sued two apartment building owners for housing discrimination Thursday, claiming they favored Vietnamese tenants over Hispanic tenants.

Gary Luke and Mary Ngo, owners of adjacent apartment complexes in Garden Grove in Orange County, violated the federal Fair Housing Act barring discrimination against people based on national origin, the government claims.

The lawsuit arose from a charge made recently by the U.S. Department of Housing and Urban Development. The suit seeks monetary damages, civil penalties and a court order prohibiting future discrimination.

Federal authorities say Luke and Ngo issued notices in the last year to Hispanic tenants telling them they had 60 days to leave so their units could be renovated.

When Hispanic tenants later tried to move back into the remodeled units, all were either told that they could not return or were promised rental applications that were never provided, authorities said.

Vacated units were later rented out to Vietnamese tenants, the government said.

In one case Luke refused to rent to a Hispanic woman, saying his "partner has in mind only to rent to Vietnamese families," the government claimed. Ngo, who co-owns one of the properties with Luke, is of Vietnamese heritage.

Luke and Ngo could not be reached for comment; their telephone numbers were unlisted.

A call after business hours to defense attorney Christine Baran, who authorities say represents Luke and Ngo in the case, was not immediately returned Thursday.

Justice Department Possibly Investigating Election Day Fliers (WP)

The Washington Post, November 17, 2006

A senior Justice Department official said yesterday that the misleading fliers distributed by Republicans in Maryland on Election Day may -- or may not -- be the subject of an investigation by the department's criminal division.

Wan Kim, assistant attorney general for the department's civil rights division, said during a Senate hearing that he believed the matter was under investigation but quickly added, "I'm not 100 percent sure about that."

Two public affairs officers at Justice Department headquarters in Washington said they could neither confirm nor deny that an investigation is underway.

The fliers -- authorized by the campaigns of Republicans Gov. Robert L. Ehrlich Jr., who lost his bid for a second term, and Michael S. Steele, who was defeated in his bid for a Senate seat -- have been widely denounced for implying, incorrectly, that the two candidates were endorsed by prominent black figures including former NAACP leader Kweisi Mfume and Prince George's County Executive Jack B. Johnson (D).

-- Eric Rich and Dan Eggen

Two Face More Charges In Sex Trafficking Case (ROBCT)

By Kate Howard, Staff Writer

Robertson County (TN) Times, November 17, 2006

Indictment says man, woman forced minor teen into sex ring

Two people are facing additional federal charges this week for allegedly forcing a Mexican teenager into prostitution as part of a sex trafficking ring that operated in Nashville and Memphis, federal officials said.

A federal grand jury in Memphis issued indictments Thursday charging Juan Mendez and Cristina Andres Perfecto with using fraud and coercion to force an adult woman and the teenager into a life of prostitution. They were charged in October with sex trafficking of children.

Federal investigators believe the teenager was smuggled into the country from Oaxaca, Mexico, and thought she was going to get a job as a waitress at a Nashville restaurant.

She was taken to a Harding Place-area apartment, where she was beaten, raped and forced to have sex with as many as 40 men per day, according to court documents.

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The girl, now 15, was taken into the custody of the state Department of Children's Services and placed with a Spanish-speaking foster family, DCS spokesman Rob Johnson said.

Raymundo Flores, Raul Santillan-Leon and Fernando Reyes-Santillan also were indicted on charges of conspiracy to launder money and harbor illegal immigrants at a brothel in Memphis, justice department officials said in a news release.

All five of those indicted were connected to the same sex-trafficking ring, according to federal officials.

Court documents said that some of the teenager's adult relatives were also lured to Tennessee with the promise of jobs and enough money to send back to their families in Mexico.

Leigh Anne Jordon, a spokeswoman for the U.S. Attorney's office in Memphis, said Thursday night that she couldn't release any additional details on the case.

Teel Defense Requests No Interference (BSH)

By Robin Fitzgerald

Biloxi Sun Herald, November 17, 2006

GULFPORT - Ryan Teel's attorney wants a judge to instruct the government not to interfere with the defendant's investigation in preparation of Teel's trial involving an inmate death.

The Harrison County Sheriff's Department has denied the defense a request to examine the county jail booking room and to question jail employees, according to a motion filed by Jim Davis, Teel's attorney.

Teel, a former corrections officer, is set to stand trial May 28 on criminal charges of civil rights violations in the fatal beating of Jessie Lee Williams Jr. The incident occurred in the jail booking room on Feb. 4. Regina Rhodes, also a former jailer, pleaded guilty to her role in the assault and to lying to cover it up.

Davis asked for an emergency telephone conference with a judge today to discuss his concerns.

Allowing the defense access to the booking room and jail employees is "necessary in order to properly prepare for trial," Davis wrote in his motion. He was not available for comment Thursday.

Teel is in custody at an undisclosed location.

Davis' latest motions claim Capt. Steve Campbell, who runs the sheriff's professional standards unit, agreed Nov. 7 to allow a booking room visit and witness interviews, but changed his mind the next day. Campbell said permission was needed from the U.S. Attorney's Office, an affidavit stated.

Sheriff George H. Payne Jr. declined comment and referred questions to his attorney, Cy Faneca, who said he advised the sheriff to let the U.S. Justice Department make that decision.

"We are not involved in the criminal case because the Justice Department is conducting that investigation," Faneca said. "Nobody has told us what the ground rules are, so it certainly would be prudent to let Justice make that decision."

"The sheriff and I don't want to do anything that might interfere with the investigation by the Department of Justice."

The U.S. Attorney's Office, which is prosecuting Teel in the criminal case, operates under the Justice Department.

U.S. Attorney Dunn Lampton said his office will file a response to Davis' complaint today.

"The judge has asked that we not talk about these matters so a court document is the appropriate response."

A two-count indictment was unsealed after Teel's arrest by the FBI on Aug. 28.

One count accuses Teel of depriving Williams of his civil rights under color of law by using excessive force in an attempt to kill Williams. That count carries a penalty of any number of years to life in prison.

Prosecutors could upgrade that count to seek the death penalty. They have until Feb. 16 to decide.

The second count accuses Teel of falsifying a report with the intention of impeding or obstructing justice. That count carries a penalty of up to 20 years.

Two other sealed documents were filed in court on Oct. 25. Public records show no details.

UCLA Police Stun Student In ID Dispute (FINDLAW/AP)

AP, November 17, 2006

(AP) - LOS ANGELES-A UCLA police officer shocked a student with a stun gun at a campus library after he refused repeated requests to show student identification and wouldn't leave, police said.

The student, Mostafa Tabatabainejad, was shocked Tuesday at about 11 p.m. as police did a routine check of student IDs at the University of California, Los Angeles Powell Library computer lab.

"This is a long-standing library policy to ensure the safety of students during the late-night hours," said UCLA Police Department spokeswoman Nancy Greenstein.

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She said police tried to escort Tabatabainejad, 23, out of the library after he refused to provide identification. Tabatabainejad instead encouraged others at the library to join his resistance, and when a crowd began to gather, police used the stun gun on him, Greenstein said.

Tabatabainejad was arrested for resisting and obstructing a police officer and later released on his own recognizance. He declined to comment Wednesday night.

New Focus On Affirmative Action (WP)

By Elizabeth Williamson And Valerie Strauss

The Washington Post, November 17, 2006

The number of minorities -- particularly black Americans -- winning government contracts and being admitted to public colleges and universities in California has dwindled since a ballot measure was passed 10 years ago outlawing preferential treatment for minorities in those areas, according to a study released yesterday.

The report comes as the longtime controversy over affirmative action is gaining new attention. Michigan voters last week adopted a constitutional amendment essentially taking the same action as California, and the American Bar Association is facing criticism from some groups for strengthening its diversity requirements for accreditation of law schools.

The study of California's Proposition 209 shows that it has had a major effect, according to Ellis Cose, who wrote the report for the Institute for Justice and Journalism at the University of Southern California's Annenberg School for Communication.

At the University of California's two flagships, the campuses in Berkeley and Los Angeles, the impact of Proposition 209 was immediate: The number of black and Hispanic freshmen admitted the year after the law took effect fell by half.

In California's transportation system, the report says, two-thirds of the minority contractors certified to do business with the state when the law went into effect have folded. "Once Proposition 209 passed, the contracts just dried up," Cose said.

The study comes after Michigan voters approved a ballot measure that aims, through a constitutional amendment, to bar public universities and state and local governments from discriminating or giving preferential treatment based on race, sex, color, ethnicity or national origin.

The vote shows that "there is a huge sense on the part of white voters that affirmative action needs to end," said Cose, an author and columnist for Newsweek. Although the national implication remains uncertain, "if this thing is put before states where there is a significant white majority, it's likely to pass," he said.

Michigan is a textbook example of what Cose calls the "chipping away of affirmative action," a process that began in the 1970s and gained political steam in the 1990s. In 1974, the Supreme Court rejected as a throwback to "separate but equal" a Detroit plan to bus city children to suburban schools. In 2003, the court ruled that a diverse student body was important enough to support race-conscious admissions at the University of Michigan's law school.

"The measure in Michigan, as did the measure in California, passed along very clearly racial lines," Cose said, showing that "even though jurists see a legitimate state interest in diversity voters, at least white voters don't."

Opponents to last week's ballot measure promise a legal battle, as do proponents. Although the Supreme Court has repeatedly ruled in favor of affirmative action programs, the court's written opinions have signaled for years that the programs' end may be near.

The question, the California report says, is whether Americans, decades after Jim Crow, still feel legally obligated to help boost people whose race puts them at an economic and educational disadvantage. Affirmative action opponents say special treatment based on race implies lesser treatment of others based on their majority status. So by addressing one injustice, they say, the programs commit another.

Because college admissions of minority students have slid nationwide in recent years, many admissions directors have changed their recruiting focus to identify not only minorities but low-income students, including whites.

"In the last couple of years, there has been a much more concerted effort to do this in a race-neutral way," said Lee Coffin, admissions dean at Tufts University in Massachusetts. "The poor white kid has a voice that needs to be heard, in addition to the kind of racial diversity we want to create."

University of Virginia Admissions Dean Jack Blackburn said his school has changed policies and part of its recruiting approach to find more needy applicants. "We realized that we are not providing access," he said. "We are not educating very many kids from low-income backgrounds. The numbers are shockingly low."

That, he said, was one key reason the university recently announced it was dropping its binding early-decision program.

Whether last week's elections -- which returned control of Congress to Democrats, who generally favor affirmative action -- will have an impact on such programs' future remains to be seen.

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An important test could come next month, when the American Bar Association undergoes review of its authority to accredit university law schools. A Department of Education hearing, aimed at recertifying the ABA's Council of the Section on Legal Education and Admissions to the Bar as the official accrediting agency for law schools, is expected to be a forum for complaints.

The ABA recently rewrote a diversity standard for law schools, requiring more concrete action to promote a diverse faculty, staff and student body. The new standard drew fire from both sides of the debate: The Congressional Black Caucus did not think it went far enough, and the Bush administration's Commission on Civil Rights said this past summer that it went too far.

The National Association of Scholars has asked the Education Department not to renew the ABA's accrediting power if it does not eliminate all requirements of racial, ethnic and gender diversity from its accreditation standards.

Sources familiar with the issue said the department is divided over the question, with some administration political appointees sympathetic to that request.

Even if affirmative action were to disappear, "the universities are going to try very hard to admit a reasonable number of minority candidates," Cose said. "But they are inevitably going to see the numbers go down."

English As Official Language Gains Support At Local Levels (USAT)

By Oren Dorell

USA Today, November 17, 2006

Voters and town boards in several states recently passed laws making English the official language, garnering Hispanic support in one case for what many say was a message to Washington.

Arizona voters last week approved Proposition 103, a constitutional amendment making English the official language of the state. Passing similar laws were the city councils of Taneytown, Md.; Farmers Branch, Texas, and the town board of Pahrump, Nev.

“The voters in Arizona are sick and tired of the federal government doing nothing on immigration,” said Arizona State Rep. Kyrsten Sinema of Phoenix, in explaining why she thought the measure passed in Arizona. She was an opponent of the proposition.

While English-only proposals in the U.S. Congress have gone nowhere, the Arizona measure passed by a 3-to-1 ratio, with 48% of Hispanics supporting it, according to an Associated Press exit poll.

Hispanic support is a sign that “the majority of Hispanics believe that the key to success in America is to learn the language of the land, learn English,” says Jose Esparza, vice chairman of the Arizona Latino Republican Association.

Lydia Guzman, chairwoman of the Coalition for Latino Political Action in Phoenix, opposed the bill. She said she is worried it will be misused by anti-immigrant extremists.

Guzman was not surprised that nearly half of Hispanic voters supported the measure. She says the Hispanic community includes people who have been here for generations, who don't speak Spanish and haven't experienced the “immigrant struggle.”

In Taneytown, where only 1.5% of the population is Hispanic according to the 2000 census, Councilman Paul Chamberlain says the official-English law will make “no practical change” because Taneytown does not provide services in Spanish.

“We will be helping immigrants learn the English language and not segregate into different communities,” he says.

Political scientist and pollster Fred Solop of Northern Arizona University says Arizona voters, including Hispanics, have made clear that the issue of illegal immigration is their number one concern.

“There were four immigration proposals on the ballot, if there were six, they would have all passed,” he says.

Among the ballot initiatives that accompanied the official-English proposition were three others that targeted illegal immigrants.

Arizona State Rep. Russell Pearce of Mesa calls official English “part of us doing our job to help (immigrants) learn to communicate.

“Government has an obligation to promote and enhance English,” he says, “to help people assimilate.”

Sinema derides that sentiment as “so cute,” pointing out that one of the propositions that passed denies illegal immigrants state benefits, including state-funded English classes.

“To punish people by taking away funding to learn English, and at the same time demand people learn English, makes no sense at all,” Sinema says.

Esparza, who supported the official-English ballot initiative, also sees “an irony” in the voters' decision to deny state funding for English education. He said conflicting measures passed “because the public, including Hispanics, is frustrated that illegal immigration continues to be a problem and they want the federal government to take action.”

A Chance To Get Into The Room (WP)

DOJ_NMG_0095824

The Washington Post, November 17, 2006

They didn't leave work until after 4 a.m. Four hours later, they were back in the office -- frazzled and on edge. Sitting around a conference table, eight employees of Enlightened Inc., a technology consulting firm, were struggling to polish a proposal that could well determine the firm's future. It was not going well.

Chief executive Antwanye Ford was rubbing his forehead in frustration. He was dressed meticulously, as always, in a pressed Donald Trump-brand suit and a French-cuff shirt. Not even a succession of 18-hour days could make this man look rumpled. But on this day, he was oozing tension. Enlightened's bid for a multimillion-dollar contract to update the computer system used by the District's probation and parole officers was simply not good enough, he told his staff. The proposal needed more graphics, more punch. As Ford saw it, this bid was his fledgling black firm's ticket to a new competitive league.

Suddenly, Ford's cellphone was vibrating. He excused himself and headed into his private office. It was Larry Daniels, one of the District's chief accountants who oversees city spending. Daniels had received complaints about Enlightened's work on another project, a $400,000 contract to do inventory of D.C. property: police cars, fire trucks, public school furniture.

It was too much. Frustrated and embarrassed, Ford heaved his bottle of water across the room. "You only get one opportunity, maybe two at the most, to prove yourself," he later fumed to a visitor. "As a minority, you have to work extra hard. . . . We're constantly being watched and judged."

As the day wore on, Ford felt that what he had spent years seeking -- acceptance, respect, an unchallenged level of achievement -- had been put at risk. In danger of losing one contract and not winning another he coveted, Ford wondered: Would his aspirations for Enlightened ever be realized? Would he feel this extra pull to prove himself if he were not black?

Ford's anxiety about image is common among black businessmen who are barreling into territory where relatively few of them have established ownership: information technology, construction, real estate, financial management. Many bring with them advanced degrees, years of corporate experience, and cultural and emotional complexities that can both enrich and burden their lives as business owners. Many struggle with whether they must sacrifice their identity to be successful. In Ford's case, that means questioning whether Enlightened should even promote that it is black-owned.

"The dilemma is you don't know whether doing this or not will help," says Barron H. Harvey, dean of Howard University's School of Business and a long-time consultant to minority businesses. "There are some firms that have decided they are going to be who they are and not downplay that they are black-owned. But then they question if they had done it differently, would they have been more successful? You never know."

Ford decided he would take no chances. Enlightened's Web site features stock photos of three young, white men in suits and a white woman gathered around a laptop computer. There are no obvious indications that the firm is run by black men. "We don't want people to shut the door on us before we show them what we can do," Ford says.

The population of black male entrepreneurs has grown dramatically in the past 15 years, as more black men have abandoned corporate jobs and converted their expertise into livelihoods that they control. According to a recent U.S. Census report, the number of black men who own businesses increased by nearly a third from 1997 to 2002, and now number more than 571,000 nationwide. In eight years, at the current growth rate, that number will top 1 million. Previous generations of black businessmen were concentrated in the service and retail fields: They owned restaurants, barbershops, small grocery stores. Most relied on a black customer base. They were people like Ford's parents, who opened an upholstery shop on H Street in Northeast during the 1970s.

But that business model has markedly changed, and black entrepreneurs such as Ford are grappling with a different set of challenges.

Ford is not aware of ever having lost a contract because of his race, but he is mindful of America's history of racial prejudice. If minority companies did not face discrimination, he said, there would not be federally funded set-aside programs. Enlightened participates in such a program administered by the Small Business Administration. The 8(a) program offers business-development assistance and the opportunity to compete for federal contracts that have been reserved for small firms owned by "socially and economically disadvantaged" people, those whose net worth is less than $250,000. Enlightened, which has been in the program since 2001, is certified to participate for four more years.

But even though the program has generated considerable business, Ford is conflicted. He does not want Enlightened to be known as "just" an 8(a) firm. The designation, he believes, whispers: inferior company in business because of government handouts.

Some business choices do not come easily. The decision about what would appear on the Web site was agonizing. Asked whether he is hiding his heritage or is ashamed of it, Ford's smile disappears and his eyes narrow. He wonders aloud if it's being suggested that he is a sellout, then abruptly leaves the office to lift weights.

The next day, he admits the questioning angered him. "I had to pray about that," he says. Ford then proceeds to defend his racial consciousness: He mentors black teenagers interested in becoming entrepreneurs. He makes a point of employing black

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interns at his firm. And he still lives in the 'hood (in the Brookland section of Northeast), near vacant lots where he played football as a boy and within walking distance of his elderly parents. "It's expected that when you obtain a certain level of success, you move out to the suburbs, but that's not me," he says. Not even after his house was mistakenly riddled with bullets five years ago in a drive-by shooting.

Do not mistake his business decisions for some lack of black pride, Ford insists. Like many black businessmen who have long felt like outsiders, Ford just wants "a chance to get into the room."

"If I get in the room," he says, "I'll show you what I can do. And I'm going to do whatever I can do to get in that room."

* * *

The 'Myth Men'

In a sense, Ford's quest to "get in the room" originated on George Washington University's campus in 1983. He, Andre Rogers and Thomas Spann -- classmates who became good friends -- would meet at the black student union and fantasize about owning a business together.

At the time, blacks made up about 2 percent of the student body. On the first day of a class on race relations, the men recall, some white and Asian students talked openly about their perceptions of black people: lazy, good only at sports, the biggest beneficiaries of affirmative action. It was the first time anyone had voiced such perceptions in their presence.

"We sat there with our mouths open," Ford, 41, recalled.

The trio, along with nine other black male students, decided to form a group called the "Myth Men," in part because no black fraternities existed on campus and they craved a social outlet. But the group's other mission was to try to dispel the negative stereotypes about black men.

After graduating, Ford, Rogers and Spann worked in various corporate jobs for 10 years before deciding to pursue their college fantasy. In 1998, they began meeting in Rogers's basement after work, throwing out questions and ideas about launching an information technology consulting firm. Where should they be based? What would attract clients? Where would funding come from? With his outgoing personality, Ford was chosen as chief executive. Rogers's fondness for spreadsheets and numbers made him a natural finance chief. And Spann, who had experience in management, would be the company's chief operating officer. Because they planned to illuminate clients' possibilities, they chose a name that suggested imparting knowledge and insight. Companies that worked with them, the partners figured, would be enlightened.

In 1999, the three men resigned from their corporate positions -- Ford as a manager at Intelsat; Rogers as a software developer for Fannie Mae; Spann as a senior analyst at NASD, a financial regulatory company. With their severance packages as seed money, plus $15,000 each in cash advances on credit cards, they rented a small, windowless space, just big enough for five desks, in an office building at 11th and G streets NW. (Enlightened still has that space but has since expanded to another floor.) The company's initial work came from small government jobs subcontracted to Enlightened by larger minority firms.

Enlightened now employs about 60 salaried and hourly workers who make as little as $9 an hour and as much as $110,000 a year. Expectations are high, and so is turnover: Since Jan. 1, 21 employees have either resigned or been dismissed. Last year, Spann left his executive's chair to become a consultant because he was away from his family too much.

Enlightened designs software programs, hosts Web sites and creates management systems for such clients as the departments of Labor, Housing and Urban Development and Veterans Affairs, as well as Fannie Mae and AOL. This year, Enlightened projects revenue of about $4 million. By the end of next year, Enlightened hopes to reach $8 million in sales and double its workforce, to 120.

The company has attracted notice. In 2003, Entrepreneur magazine named Enlightened one of the country's "best and brightest" companies. A year later, Inc. magazine ranked it among the 500 fastest-growing private companies in the country -- No. 264 -- based on its 550 percent revenue growth from 1999 to 2003. Enlightened also has one of the best credit rating and financial strength scores of small companies nationwide, according to Dun & Bradstreet, an independent financial analysis firm.

With such success, why so much fretting about image?

* * *

High Expectations

To Ford, perceptions are powerful.

Take what happened when former Enlightened accountant Frank Wentink was hired last year. His friends told him that working for a black firm would not be so hard. Set-aside programs, they said, would make his workload easier. But Wentink, who is white, soon found that he was working through the weekends and pulling all-nighters and that Ford and his senior managers were always in the office "working their tails off," he said.

Such false assumptions drive Ford, the firm's big thinker who is responsible for long-range planning. A muscular 5-foot-11 and 205 pounds, Ford thunders into a room like a politician, laughing, shaking hands, demanding eye contact. With employees,

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he is often like a jovial, joke-cracking big brother. But when problems surface or deadlines approach, employees say, the big brother turns into a stern, no-excuses businessman.

Ford doubts that executives at BearingPoint Inc. or Perot Systems Corp., much larger competitors, have his kind of anxiety. They never have to worry about race being a factor in winning major contracts, he says.

Some of Ford's worries about image can be traced to a 2003 meeting between Enlightened's partners and a black procurement officer for a federal agency whose contract the company had just won. [Ford declined to identify the woman or her employer because the agency remains a client.]

The procurement officer told Ford that she had noticed the startled reaction of her colleagues, most of whom were white, when Enlightened's all-black team had entered the conference room to pitch its proposal. She said Enlightened needed to "lighten up" -- hire some white staff members -- to succeed in this town. According to federal personnel statistics, nearly 70 percent of federal contracting officers are white.

Ford was offended, but he did not let it show. He told the procurement officer that he understood she was trying to be helpful. But her comments suggested that no one would take a black-owned firm seriously. And he didn't want to believe that. But her advice began to eat away at him. He started looking to hire white men, white women, anyone who would signal that his company was diverse -- and thereby more desirable to clients.

He kept thinking back to his early years in the business world, after he had attended night classes at GWU to get his master's degree in information systems, landed a job with MCI Inc.'s internal consulting division, did well and ran into what he thinks was a racial ceiling. His bosses said he simply needed more patience. They also suggested something else.

"I think he was overly conscious of race to the point where it didn't serve him well," said Lynn K. Hall, his former boss at MCI. "He focused on it. It was an internal motivator, but it also colored his perception." Hall, who is white, said that when clients questioned Ford's abilities as a consultant, Ford often attributed those assessments to racial prejudice. She remembers when Ford was tapped to implement a new finance system at MCI. During the initial meeting, employees, most of whom were white, grilled Ford with questions about his plan's practicality. Ford thought his ideas were challenged because he is black. Hall disagreed. "All consultants face those challenges," she said, adding that Ford was an "excellent" worker who "always delivered" and would have eventually moved into management.

But Ford thought the company was devaluing him. The final insult: when he learned he was being paid less than a white woman he had trained to take over one of his former jobs. The woman, he was told, had a year more experience than Ford, which is why she was paid more. "But she was doing my old job," Ford says, exasperated. "Every time I would jump a hurdle, they still wouldn't let me in the room."

So he left MCI, became a manager for Intelsat's consulting arm, and for six years prepared for the day when he could run his own business.

Among Ford's most critical hires at Enlightened: Anita Hinnerichs, 33, the company's No. 4 executive, who manages most of its day-to-day operations. In the office, Hinnerichs wears her shoulder-length brown hair in a ponytail. But when accompanying Ford or Rogers to client meetings, she lets her hair fall to her shoulders. "I realize being a white woman in this town is an advantage," she says matter-of-factly. "If I can help get them get in the door, the work will keep them there."

One of Hinnerichs's unofficial roles is to make male clients, particularly white men, feel at ease. Recently, Hinnerichs attended a meeting with a white male government official who would not return phone calls or e-mails from Rogers and a senior male employee. Now, the client responds promptly -- but only if the correspondence is from Hinnerichs.

"If we're selling to men, females are more of a plus," Ford said. "But being passionate and hungry are more important than anything."

This strategy may be good for business, but it has caused tension in the Enlightened offices, especially among black employees, who number seven of the 18 core staff members at headquarters. Some feel like systems analyst Akisha Campbell, who says that with seven years in business and a long list of satisfied clients, Ford has proven himself. "I don't see why race would still be a problem," Campbell said.

Managing black employees, Ford and Rogers say, can be challenging. Some work hard and want executives who look like them to succeed. Others are extremely talented and therefore difficult to keep because larger firms can offer them as much as $25,000 more in salary. And then there are those who expect special breaks, challenging their bosses to the point of insubordination.

"I have very high expectations, regardless of race," Ford said. "But when it is an African American person who disappoints me, I get hurt."

* * *

Work Ethics

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Working through the night is common at Enlightened, though it is not always pleasant. Gospel music, late-night inspiration for Ford and Rogers, blares through their computer speakers. If you hear Fred Hammond or Byron Cage singing, you know Antwanye Ford and Andre Rogers are around.

But not everyone can fight exhaustion with church music. During a recent all-nighter, six workers were collaborating on a proposal due at 9 a.m. By 3 a.m., weary senior manager Habib Nasibdar demanded to know why only half the staff was still working. Where were the other senior staffers, he asked Ford. "Don't raise your voice at me. This is my house," Ford snapped.

Days later, the two men joked that whenever they fight, they end up getting a contract. "We have to fight more often," Ford said.

Ford and his No. 2, Rogers, often handle confrontations differently. Rogers, 40, is more patient, more pragmatic than Ford. When he deals with employees, he gives them specific, detailed instructions so there is no confusion. More introverted than Ford, Rogers was teased for being a bookworm while growing up in New York. He is happy to let Ford take center stage.

Ford was meeting recently with one of his advisers, a George C. Scott look-alike named Joseph Libby, when Rogers walked in. Libby took one look at Rogers's black suit and joked that it matched his dark skin. Rogers just laughed. "You'll never change," he told Libby, who runs a Fairfax insurance firm. Ford dropped his head, clearly irritated. As much as he treasures Libby's counsel, his gruff jokes are difficult to accept.

Embracing diversity can be as tricky at black-owned companies as anywhere else. Ford and Rogers are vocal Christians in a workplace that includes Jews and Muslims. Ford says he tries to ensure that all employees' faiths are respected. During Ramadan, he joined his Muslim workers in a sunrise-to-sunset fast. More recently, Ford opened a senior staff meeting with a prayer, asking God to "give us the guidance and wisdom to make the right decisions," which was followed by Rogers's, "thanking you, Lord, for the opportunity to worship."

"One of the perks of owning your own business is you don't have to deny who you are," said Ford. Though some people see spirituality as a sign of weakness, he says, he believes the opposite.

"We will be humble before God but bold before man."

* * *

Source of the Drive

Ford is driving his 2005 Porsche Carrera toward Saratoga and Montana avenues in Northeast. Growing up, he spent many days in this neighborhood hanging out with friends. It's 2 p.m., and Ford notices a dozen black men his age and younger standing in front of an apartment building. Some are holding wads of cash, others are shooting dice. Cruising by, Ford feels uneasy. He jokes that in his designer suit, he is dressed like "a victim," an attractive robbery target.

His family had a house near Hechinger Mall when he was a child. After school, Ford and his sister spent evenings at the J&K Upholstery shop their parents owned on H Street NE. John and Katherine Ford put their children through Catholic schools by exchanging tuition for upholstering chairs and sofas. Ford grew up hearing Jim Crow stories from his parents, who migrated to Washington from the segregated rural areas of North Carolina and South Carolina in the 1950s. Katherine Ford taught her children that the best way to overcome racism was through hard work and professionalism. "I wanted them to be the best at what they do," she said. "No matter what it was, be the best. No one can stop you if you're the best at what you do."

But trying to be the best can exact a toll. Now four months into his second marriage, Ford admits that his first marriage fell victim to the 18 to 20 hours a day he routinely put in starting Enlightened. Time management still isn't easy. His first son, 8-year-old Antwanye Eric II, was diagnosed with leukemia when he was 3. The disease is in remission, but watching young Antwanye endure years of chemotherapy and steroid treatments inspired Ford to give more to social causes. Every Enlightened employee is required to participate in at least two volunteer efforts a year. Through his wife, Tanya, Ford is stepfather to Jahleel, 10, who talks of opening his own dog-walking business.

Driving past his old haunts, Ford reflects on the economic progress that has rejuvenated some District neighborhoods while skipping others. Most of his childhood buddies are either dead or in prison, he says, victims of the 1980s crack epidemic. Though his heart tells him he can still hang out here because he is a local homeboy, his mind whispers that he no longer belongs here.

"It's just something I think about at times," he says.

* * *

Resolution

Ford wasted no time dealing with the headache that caused him to hurl his water bottle across the room. If the District was dissatisfied with Enlightened's work on the $400,000 D.C. inventory project, so was Ford.

He discovered that most of his employees were having the same problem: They would show up to count copying machines or fire trucks and be told that the work had already been done. Unknown to Enlightened's employees, another contractor had a similar assignment. The employees never reported this to their supervisors, and the supervisors never asked.

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Immediately, Ford decided that more aggressive supervision was needed and moved one of his senior managers, Colleen Moses, off the project. He shifted two other managers from another assignment to take over. Moses was distraught. She had been in charge of the inventory project for nearly two years; Ford's quick decision stunned her. She sat alone in the conference room, tears streaming down her face. "I just hate that I disappointed him," she said. "I just wish I had the opportunity to fix it."

But her opportunity had passed. "The customer wanted it fixed now," Ford said. "Period."

Within days, Daniels, the D.C. official who hired Enlightened for the inventory project, called to say that everything was back on track. He had heard no further complaints. In appreciation, Ford gave his project workers $25 Chipotle restaurant gift cards.

Soon afterward, Ford received even better news: Enlightened was among four companies chosen for that multimillion-dollar contract updating the computer system used by the Court Services and Offender Supervision Agency. A guaranteed four-year stream of income. Ford gathered everyone for cake to celebrate.

Finally, Ford thought, he was in the room. The relentless hours and tough choices had paid off -- for now. Enlightened could indeed compete with the big boys. Not that Ford would stop worrying about the company's image -- or his own. Worrying, he says, keeps him hungry.

"We have to fight for every job we get," Ford says. "Once you start sitting back, relaxing, you lose the edge."

Staff researchers Meg Smith and Rena Kirsch contributed to this report.

Conservatives: Keep Gay Marriage Out Of The Courts (NYT)

By David B. Rivkin Jr. And Lee A. Casey

The New York Times, November 17, 2006

CONSERVATIVES have consoled themselves since Election Day with the knowledge that many “conservative” social issues did well — including (and especially) the eight state “marriage amendments” on the ballot — even if the Republican candidates faltered.

These marriage measures, of which only Arizona’s was defeated, generally prevent recognition of gay marriages by defining marriage as a “union between a man and a woman” in the state constitutions. More than half of the states now have such constitutional provisions (some of which would also forbid same-sex civil unions), and conservatives need to reconsider whether that’s really what we want. There are, in fact, some very good reasons conservatives should oppose this approach.

The definition of marriage is, of course, of critical importance to individuals on both sides of the issue and to society at large. But at least since independence, the question of who may marry and under what conditions has been the province of the state legislatures. And it should have remained that way.

The justifications for stripping the legislatures of authority in this area and settling the matter in a state’s constitution are wanting. It’s true that courts in certain states — for example, Massachusetts — have interposed themselves in this debate, misconstruing “equal protection” guarantees as requiring recognition of gay marriages. But errant or aggressive judges can be corrected by amendments that simply deny the state courts authority over this issue, reserving the definition and regulation of marriage to the legislatures alone.

Moreover, the meaning of marriage, as important as it is, is no more crucial than many other issues of individual autonomy and morality that have also historically been decided by the legislatures. These include adoption and child-welfare laws, as well as a host of criminal and other regulatory measures of the greatest moment.

Indeed, cluttering state constitutions with the disposition of many difficult social issues — and this process will probably go on, and even accelerate, especially if all of the states choose to define marriage in their constitutions — is likely to empower the judiciary more. This paradoxical and unwelcome result would arise because some of the newly enshrined constitutional definitions and guarantees are sure to conflict with one another, leaving the courts the only venue for resolving the tension. Conservatives should find this outcome highly unpalatable.

At the same time, leaving the marriage issue to the state legislatures has many benefits. As Edmund Burke taught, time-tested institutions and practices should be changed only upon the clearest need, and then only to the extent necessary. If the courts in some states have trespassed on the legislatures’ traditional and legitimate authority over marriage, they can be checked without altering the otherwise established norm of legislative power in this area.

Also, allowing the issue to be decided by state legislatures would be in the best tradition of American federalism: the states act as laboratories of political change, and remain free to give divergent answers to difficult social questions. Operating within the federalist context, state legislatures are likely to enact different definitions of marriage, some allowing same-sex unions, others banning them. Significantly, the federal Defense of Marriage Act, signed by President Bill Clinton in 1996, already ensures that the choices of one state cannot be imposed on others. If that statute is ultimately found to be ineffective or unconstitutional, additional steps can be considered at the federal level to ensure that individual state choices are respected.

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If state legislatures were free to define and re-define marriage, we would have genuinely political solutions to an especially difficult and incendiary issue. Very few people do not hold deep convictions regarding same-sex marriage. To enshrine the definition of marriage in a state's constitution removes the issue from the give-and-take of the normal political process. That process rarely produces an absolute victory for any side, but it also rarely results in absolute defeat. The outcome is never final; the defeated party can rally, regroup and try again.

By contrast, a constitutional amendment resolves a policy issue with a sufficient finality to prompt a more or less permanent sense of injustice and bitterness on the losing side. Conservatives, religious conservatives especially, should understand these dynamics. In Roe v. Wade, the Supreme Court granted victory on constitutional grounds to the abortion-rights position in the abortion debate, and that decision has polarized American politics for nearly two generations. America does not need another such issue. The wave of marriage amendments — at least those that go beyond removing the issue from judicial resolution — should stop.

Pentagon Alters Homosexuality Guidelines (AP)

By Lolita C. Baldor

AP, November 16, 2006

Pentagon guidelines that classified homosexuality as a mental disorder now put it among a list of conditions or "circumstances" that range from bed-wetting to fear of flying.

The new rules are related to the military's retirement practices. The change does not affect the "don't ask, don't tell" policy that prohibits officials from inquiring about the sex lives of service members and requires discharges of those who openly acknowledge being gay.

The revision came in response to criticism this year when it was discovered that the guidelines listed homosexuality alongside mental retardation and personality disorders.

Mental health professionals said Thursday they were not satisfied by the change.

"We appreciate your good-faith effort to address our concern that the document was not medically accurate," James H. Scully, head of the American Psychiatric Association, wrote David Chu, undersecretary of defense for personnel and readiness. "But we remain concerned because we believe that the revised document lacks the clarity necessary to resolve the issue."

The guidelines outline retirement or other discharge policies for service members with physical disabilities. The rules include sections that describes other specific conditions, circumstances and defects that also could lead to retirement, but are not physical disabilities.

Among the conditions are stammering or stuttering, dyslexia, sleepwalking, motion sickness, obesity, insect venom allergies and homosexuality.

"More than 30 years after the mental health community declassified homosexuality as a mental disorder, it is disappointing that the Pentagon still continues to mischaracterize it as a 'defect,' said Rep. Marty Meehan, D-Mass., a member of the House Armed Services Committee.

Pentagon spokeswoman Cynthia Smith said "homosexuality should not have been characterized as a mental disorder. A clarification has been issued."

The psychiatric association declassified homosexuality as a mental disorder in 1973. Questions about the Pentagon's guidelines were raised in June by a research institute at the University of California at Santa Barbara.

There were 726 military members discharged under the "don't ask, don't tell" policy during the budget year that ended Sept. 30.

Nursing Mom Files Complaint Against Airlines (USAT)

By Emily Bazar And Sam Hemingway

USA Today, November 17, 2006

A clash between a nursing mother and a flight attendant has sparked a discrimination complaint, an airline investigation and a grass-roots protest.

Emily Gillette, her husband, Brad; and their then 22-month-old daughter, River, were removed from an Oct. 13 flight from Burlington, Vt., to New York after a flight attendant asked Gillette to cover up while she was breast-feeding the girl.

Freedom Airlines operated the Delta Airlines flight.

Gillette, 27, filed a complaint against both airlines last week with the Vermont Human Rights Commission alleging that the airlines violated a state law that allows women to breast-feed "in any place of public accommodation." The airlines have until Nov. 27 to respond, Gillette's attorney, Elizabeth Boepple, says.

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In a show of support, about 30 mothers and fathers and dozens of children staged a “nurse-in” protest at Burlington International Airport on Wednesday.

“I've always nursed my children when I'm on a plane,” says Carolyn Beer, 34, of Burlington. “Their ears hurt with the altitude change, and it's a strange environment for them. The alternative is to let your kid scream.”

The Gillettes, of Espanola, N.M., boarded the flight shortly before 10 p.m. They had been in Vermont visiting friends and were headed to New York to see other friends and Emily Gillette's sister.

Gillette took the window seat in the second-to-last row, she says, and her husband took the aisle. She began nursing River, using one hand to hold her shirt closed. “I was not exposed,” she says.

The flight attendant approached, tried to hand her a blanket and asked her to cover herself, she recalls. “You're offending me,” Gillette quotes the woman as saying.

“I'm not doing anything wrong and I will not cover up,” Gillette says she said in response.

Spokesmen for the airlines declined to discuss specifics of the incident.

The flight attendant walked away, Gillette says, and a few minutes later, a ticket agent boarded and said the flight attendant had ordered them removed.

The airline arranged for a hotel for the family for the night and a flight with a different airline the next morning, but Gillette wasn't satisfied.

“No woman should ever be ashamed of breast-feeding,” she says. She wants “both airlines to create policies that protect a woman from being harassed for feeding her child on an airplane.”

Delta is working with Freedom on an investigation, Delta spokesman Anthony Black says. “Delta supports a mother's right to breast-feed-slash-bottle-feed her babies on our aircraft,” he says.

Freedom spokesman Paul Skellon says breast-feeding on a plane is OK if it's done in a “discreet way.”

Forty-three states have some form of legislation protecting a woman's right to breast-feed, according to Mary Lofton, spokeswoman for La Leche League International, a group that encourages breast-feeding.

Lofton says the league has had a growing number of contacts from women who say they were harassed for breast-feeding on planes.

Sharon Panitch, 37, a massage therapist who organized the Burlington nurse-in, says people who object are “hypocritical.”

“We just want to take care of our children,” Panitch says.

ANTITRUST:

Justice Department Supports AT&T Merger (AP)

By Matt Apuzzo, Associated Press Writer

AP, November 17, 2006

WASHINGTON (AP) - The Justice Department's top antitrust official on Thursday defended the agency's unconditional approval of AT&T's $82 billion buyout of BellSouth Corp. as "pretty straightforward" despite criticism from Democratic regulators and lawmakers.

The buyout would further reunite parts of the old Ma Bell phone monopoly, broken up by the government in 1984, and create the largest U.S. provider of telephone, wireless and broadband Internet services.

"We're living a very different world than we were in the 1980s," Assistant Attorney General Thomas O. Barnett said in an interview during an antitrust conference. "The mere size of a company in general doesn't tell you whether a merger is going to harm consumer welfare."

The Federal Communications Commission, the final regulatory hurdle for the deal to be approved, has delayed a final vote three times. Two Democrats on the FCC, Michael Copps and Jonathan Adelstein, have accused the Justice Department of falling down on the job.

Barnett said the agency spent months reviewing documents and interviewing customers and competitors before concluding that the deal probably would save customers money.

Once that conclusion was reached, "it's a pretty straightforward deal for us," he said.

If the deal wins final government approval, the merger would give San Antonio-based AT&T Inc. total control over the nation's largest cellular provider, Cingular Wireless, a joint venture of the two phone companies that serves 57.3 million customers.

Consumer rights groups have criticized the deal as putting too much of the telecommunications infrastructure under the control of one company.

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Rep. John Dingell, D-Mich., who is in line to become the next chairman of the House Energy and Commerce Committee, told reporters last week that the FCC should wait until after the first of the year before making a decision. Dingell later backpedaled, saying he was only suggesting the deal should be "looked at and looked into carefully."

Companies Investigated Over Bidding (BLOOM)

By Bloomberg News

Bloomberg, November 17, 2006

Law enforcement agents seized documents from three brokers and subpoenaed companies including at least two insurers and General Electric in a criminal investigation of whether banks and financial firms conspired to rig bids for investment deals with local governments.

The investigation by the Justice Department centers on guaranteed investment contracts, which municipalities buy to hold bond money until funds are needed to pay for projects.

F.B.I. agents searched CDR Financial Products, a financial adviser and broker in Beverly Hills, Calif., on Wednesday, said Laura Eimiller, a spokeswoman for the F.B.I. in Los Angeles, without providing further details.

Financial Security Assurance Holdings, a unit of the Brussels-based financial services company Dexia, said Wednesday that it was subpoenaed by the Justice Department.

The FGIC Corporation, a New York-based bond insurer, also received a Justice Department subpoena, Brian Moore, a company spokesman, said yesterday. Mr. Moore said FGIC, a former unit of General Electric, had exited the guaranteed investment contract business in 2003 when G.E. sold the company. The outstanding contracts remained with G.E.

G.E. also received a subpoena as part of the investigation, said a spokesman, Russell Wilkerson.

Federal investigators took documents Wednesday from the Investment Management Advisory Group, a broker of guaranteed investment contracts and municipal derivatives adviser based in Pottstown, Pa., said Gene Grabowski, a spokesman for the company.

Yesterday, a third guaranteed investment contract broker, Sound Capital Management, based in Eden Prairie, Minn., said federal investigators seized documents and served a subpoena for more documents.

FBI Seizes Montco Investment Broker's Records (PHI)

By Mark Fazlollah

The Philadelphia Inquirer, November 17, 2006

Federal agents have seized records from a Montgomery County investment broker and a California company in an investigation of whether banks and financial firms conspired to rig bids for investment deals with local governments.

The investigation centers on alleged bid-rigging in guaranteed investment contracts, which cities buy to hold bond money until funds are needed to pay for projects.

Federal agents took documents from Investment Management Advisory Group Inc., a Pottstown broker of guaranteed investment contracts, firm spokesman Gene Grabowski said. Besides seizing boxes of documents, FBI agents copied the hard drives of computers at the firm.

FBI spokeswoman Jerri Williams said agents from New York were assisted by the bureau's Philadelphia office.

"IMAGE received a subpoena from the Antitrust Division of the U.S. Department of Justice, and the company is cooperating fully with the authorities," the company said in a statement. "It is our understanding that subpoenas have been issued to numerous other firms and that the investigation is industry-wide. We are confident that our business practices and employees will be fully vindicated as this investigation continues."

IMAGE has been involved in at least two other recent federal corruption investigations.

Its top executives were among dozens of Philadelphia-area business officials listed on subpoenas issued last month by a federal grand jury in Puerto Rico looking into alleged improper campaign contributions.

A company spokesman said last week that IMAGE advised the Puerto Rican government on a bond deal in 2000.

IMAGE president David Eckhart and executive William Howell gave a total of $11,500 in 2002 to Anibal Acevedo Vila, the governor of Puerto Rico. Acevedo Vila's campaign returned part of the money because it exceeded contribution limits.

City Hall scandal

IMAGE also surfaced in the Philadelphia City Hall corruption investigation in 2004. According to testimony in the City Hall corruption trial, IMAGE provided former Philadelphia City Treasurer Corey Kemp with a $1,700 ticket to special events surrounding the 2002 NBA All-Star Game and a limousine ride to a concert in Scranton in 2003.

Kemp was sentenced to 10 years in prison. IMAGE was not charged with any crime.

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FBI agents also searched CDR Financial Products, of Beverly Hills, Calif., on Wednesday, said Laura Eimiller, a spokeswoman for the FBI in Los Angeles, without providing further details. Allan Ripp, a spokesman for CDR, declined to comment.

CDR - which also gave gifts to Kemp and the late power broker Ron White - had a secret agreement with the provider of a guaranteed investment contract for bonds issued in 1999 by an authority in Gulf Breeze, Fla., Bloomberg News reported on Oct. 4. Bloomberg said the deal allowed CDR to increase its fees if none of $220 million in bond proceeds was used for its intended purpose - affordable housing.

Belgium firm subpoenaed

Financial Security Assurance Holdings Ltd., a unit of Brussels, Belgium-based financial services company Dexia S.A., said Wednesday that it was subpoenaed by the Justice Department.

The actions by the Justice Department show that an investigation into how banks compete for the right to reinvest money raised in the $2 trillion market for tax-exempt bonds has expanded beyond the U.S. Internal Revenue Service. The IRS has been looking into whether brokers awarded the work to favored banks, potentially boosting the cost of the investment agreements and depriving the federal government of tax revenue.

"There's a lack of transparency in the whole market," Dan Veres, executive vice president of Grant Street Group, a Pittsburgh-based firm that conducts guaranteed investment contract auctions on its Web site, told Bloomberg News. "It is ripe for abuse, the whole process."

Justice Department spokeswoman Kathleen Blomquist said the agency was conducting an "investigation of anticompetitive practices in the municipal-bond industry."

The IRS's Office of Tax-Exempt Bonds said in January 2005 that it found pervasive bid-rigging for guaranteed investment contracts.

The IRS is looking into possible improper bidding that may have diverted money to banks and brokers that should have been paid in taxes.

Advisory Firms Raided In FBI Bid-rig Probe (LAT)

By E. Scott Reckard, Times Staff Writer

The Los Angeles Times, November 17, 2006

A Beverly Hills office is among those searched for evidence of possible collusion in investments sold to public agencies.

The FBI raided financial firms on both coasts, including Beverly Hills-based CDR Financial Products, as part of an investigation into possible bid rigging on investments sold to public agencies, federal authorities and the firms said Thursday.

Federal authorities also seized information from at least one municipal bond insurer in connection with the probe. Another of the companies raided, Investment Management Advisory Group of Pottstown, Pa., said the investigation was industrywide and had resulted in subpoenas to a number of other firms.

CDR Financial and the other companies help cities, counties and public agencies invest money generated by bond sales in guaranteed investment contracts. Such contracts are used to allow the proceeds of bond issues to earn interest until they are spent on public projects.

CDR said it was cooperating with the investigation and remained open for business.

"The firm believes it has acted appropriately in all of the financings under review," CDR said in a statement.

The 20-year-old company, which employs about 25 people nationwide, said it had provided advice on $158 billion in transactions, including deals to invest municipal-bond proceeds.

FBI agents and criminal investigators from the Internal Revenue Service served a search warrant on CDR about 6 a.m. on Wednesday and remained there all day, said Laura Eimiller, an FBI spokeswoman in Los Angeles.

She said details weren't available because a judge had sealed the search documents.

A U.S. Justice Department spokeswoman in Washington, Cynthia Magnuson, said the agency's antitrust department was investigating the possibility of anti-competitive practices in the municipal bond industry. She wouldn't elaborate.

Statements issued by CDR and several other firms said they had been searched as part of a 3-year-old investigation by federal agencies into suspected collusion in the market for guaranteed investment contracts.

Municipal bond issuers are required to select providers of such contracts through competitive bids, and generally hire brokers to determine which bid is best.

Bidding in any industry can be rigged if one provider submits a realistic offer and the others agree to propose terms so poor that they are certain to be passed over.

In such a scheme, participants typically divvy up the business by taking turns submitting the realistic offer.

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Subpoenas in the case have been issued by the Securities and Exchange Commission in addition to the Justice Department and the IRS, said Financial Security Assurance Holdings Ltd., a New York municipal bond insurer that also was searched.

Financial Security, a unit of European financial services group Dexia, said it "is not aware of any specific allegations concerning its own practices."

FBI investigators also seized files and copied computer hard drives at Investment Management Advisory Group. Like CDR, the Pennsylvania firm acts as a broker for municipal bond issuers. It said it was cooperating with the antitrust investigation.

"It is our understanding that subpoenas have been issued to numerous other firms and that the investigation is industrywide," Investment Management said in a statement. "We are confident that our business practices and employees will be fully vindicated as this investigation continues."

scott.reckard@latimes.com

2 Men Convicted In Scheme To Fix Concrete Prices (INDYSTAR)

By Kevin Corcoran

The Indianapolis Star, November 17, 2006

Noblesville cousins could face prison, fines; ready-mix company could owe $10 million

A two-year criminal investigation into price-fixing by ready-mix concrete companies in the Indianapolis area ended Thursday when a federal jury convicted two Noblesville men and their company of participating in the scheme.

After hearing 21/2 days of evidence in U.S. District Court, a jury of eight women and four men found cousins Chris A. Beaver, 42, and Ricky J. Beaver, 43, conspired with other ready-mix concrete companies to set prices from July 2000 through May 2004.

Frank J. Vondrak of the U.S. Department of Justice's Antitrust Division would not rule out further charges involving officials of companies serving Marion, Muncie and Bloomington, where trial testimony indicated price-fixing also took place.

Vondrak led a team of lawyers, including Jonathan A. Epstein and Eric L. Schleef, that won Thursday's guilty verdicts after a series of pleas by other participants. Most executives cooperated with the FBI and Justice Department in exchange for lighter sentences or immunity from prosecution.

During the trial, prosecutors repeatedly reminded jurors of guilty pleas made by concrete executives, including four officials of Greenfield-based Irving Materials Inc. That company agreed last year to pay a $29.2 million fine, the largest financial penalty ever in a domestic antitrust case.

"We are pleased that the jury decided to hold accountable these participants in a price-fixing scheme that deprived consumers in Indianapolis of the benefit of a competitive marketplace," Antitrust Division leader Thomas O. Barnett said in a statement.

As a result of the trial, the Beavers face maximum prison terms four times longer than those recommended for the ringleaders. The men face fines of up to $600,000 each. No sentencing date has been set.

Their company, MA-RI-AL Corp., which does business in Noblesville as Beaver Materials, faces a $10 million fine, or nearly as much as the company generated in average yearly sales during the scheme.

Chief Judge Larry J. McKinney will sentence the conspiracy's ringleaders, Gus "Butch" Nuckols III, 46, Fishers, and Scott D. Hughey, 51, Carmel, on Dec. 14.

Nuckols, president and owner of Builder's Concrete & Supply Co., testified under a plea agreement in which prosecutors agreed to recommend a 21-month sentence. Prosecutors have recommended a 24-month sentence for Hughey, who owns Hughey Inc., which does business as Carmel Concrete Products.

Hughey's testimony was critical to tying the Beavers to the conspiracy.

Testimony showed Nuckols and Hughey called a series of secret meetings with competitors to fix ready-mix concrete prices.

Much of the price-fixing involved setting a floor on discounts to already-uniform concrete prices, according to testimony from concrete executives who pleaded guilty or agreed to cooperate with officials.

Nuckols and Hughey also made repeated phone calls and held a series of smaller meetings with competitors to enforce compliance with price-fixing agreements. Testimony indicated the executives often violated these agreements, submitting bids for work that fell below the agreed-upon prices.

"I guess we all -- all the competitors -- were too selfish or too greedy to lose the accounts we had," testified Price C. Irving, 44, an Irving Materials executive who's already served his five-month sentence in a Terre Haute federal prison.

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The Beavers' attorney, Jeffrey Lockwood, Anderson, argued that neither man had authority within the company to set prices. Chris Beaver was in charge of operations and was in line to run the company one day. Ricky Beaver was commercial sales manager.

Vondrak told jurors the Beavers' intent was clear: They showed up at several price-fixing meetings and never once objected to discussions about capping discounts to boost profits. Price fixing carries a maximum three-year prison term.

The Beavers also were found guilty of lying to the FBI, which carries up to a five-year sentence.

Family members wept and hugged the defendants as government attorneys, deputy U.S. marshals and the FBI case agent, Steven Schlobohm, stood silently nearby.

Call Star reporter Kevin Corcoran at (317) 444-2750.

3rd Company Convicted Of Concrete Price Fixing (AP)

AP, November 17, 2006

INDIANAPOLIS - A federal jury convicted a Noblesville company and two of its executives on charges of conspiring with central Indiana competitors to fix the price for ready-mix concrete.

Jurors on Thursday found MA-RI-AL Corp., which does business as Beaver Materials, guilty of conspiracy. They also convicted cousins Chris Beaver, 42, and Ricky Beaver, 43, on charges of conspiracy and lying to FBI investigators.

Two other companies have been fined more than $30 million and several company executives have been sentenced to prison for their role in what prosecutors said was a scheme that lasted from January 2000 to May 2004 and resulted in millions of dollars in illegal profits.

Officials from the other companies testified during this week's trial that Chris Beaver, the operations manager for Beaver Materials, and Ricky Beaver, the commercial sales manager, attended meetings during which the firms agreed on prices and discounts and the timing of price increases.

The Beavers and the family owned company were the only ones whom prosecutors tied to the conspiracy that did not admit to their involvement.

Beaver Materials faces a potential fine of $10 million as a result of the verdict, but defense attorney Jeff Lockwood said he did not believe his clients regretted their decision to fight the allegations.

"When you're not guilty it is pretty difficult to make a deal," Lockwood said. "We didn't believe that there was ever any real evidence that they came to an agreement, joined a conspiracy, because no witness testified that they did anything except remain silent at these meetings."

Thomas Barnett, assistant attorney general in charge of the Justice Department's antitrust division, said he was pleased with the verdicts against the Beavers, calling them "participants in a price-fixing scheme that deprived consumers in Indianapolis of the benefit of a competitive marketplace."

Ready-mixed concrete is made on demand and often delivered to work sites by mixer trucks. Buyers include home owners, building contractors, schools and the government for projects such as sidewalks, patios, driveways, bridges and roads.

The scheme came to light last year when Irving Materials Inc. of Greenfield agreed to pay $29.2 million in fines, which prosecutors said was the largest ever assessed in a domestic antitrust investigation.

A judge in June ordered Builder's Concrete & Supply Co. of Fishers to pay a $4 million fine for its role.

Burlingame Exec To Plead Guilty In Chip Probe (AP)

AP, November 17, 2006

(AP) BURLINGAME A former executive at a computer chip maker is the latest person to agree to plead guilty in a global U.S. Justice Department price-fixing probe, the government said Thursday.

D. James Sogas of Burlingame, ex-vice president of sales for Elpida Memory, agreed to plead guilty to violating the Sherman Act. He agreed to serve a seven-month prison term and pay a $250,000 fine if the plea deal is approved by a federal judge.

To date, the Justice Department has charged four companies and 17 people, and has secured fines totaling more that $731 million in the probe.

Four executives each from Samsung Electronics Ltd., Hynix Semiconductor Inc. and Infineon have pleaded guilty or agreed to do so.

Court papers filed in San Francisco said Sogas conspired to fix the price of DRAM chips from April 2001 to June 2002.

The price of DRAM or dynamic random access memory soared 95 percent in less than two months in late 2001. The six largest DRAM manufacturers control 96 percent of the global market.

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DRAM is the most commonly used semiconductor memory product, generating some $25 billion in sales worldwide last year. It provides high-speed storage and retrieval of electronic information for personal computers, laptops, workstations, mobile phones, digital cameras, video recorders, TVs, game consoles and digital music players.

Sogas is charged with discussing with competitors the prices of DRAM to be sold to certain customers and agreeing with competitors to coordinate bids submitted to Sun Microsystems Inc.

The price-fixing scheme affected sales to U.S. computer makers Dell Inc., Hewlett-Packard Co., Compaq, IBM Corp., Apple Computer Inc., Gateway Inc. and Sun Microsystems Inc.

US Executive For Japan Firm Gets Prison In DRAM Probe (AFP-Y)

AFP, November 17, 2006

A former US executive for a Japanese chipmaker agreed to plead guilty and accept a seven-month prison term for participating in a global price-fixing conspiracy, officials said.

The Justice Department said D. James Sogas of Burlingame, California, former vice president for Japan-based Elpida Memory, also agreed to pay a 250,000 dollar criminal fine in the agreement filed in federal court in California.

Including Sogas, US prosecutors have charged four companies and 17 individuals, and have levied fines totaling more that 731 million dollars in the probe into price fixing of dynamic random access memory (DRAM), a widely used memory component in electronics.

"The (Justice Department) antitrust division remains steadfast in its commitment to deter illegal cartel activity and to hold accountable those who participate in price fixing conspiracies," said assistant attorney general for antitrust, Thomas Barnett.

According to the agency, DRAM is the most commonly used semiconductor memory product and is used in variety of computer, telecommunication, and consumer electronic products.

The chips are used in personal computers, mobile phones, digital cameras, video recorders, game consoles and digital music players. There were approximately 25 billion dollars in DRAM sales worldwide in 2005.

Last November, South Korea's Samsung pleaded guilty as a company to charges of price fixing in a deal that came with a fine of 300 million dollars.

US authorities have alleged a conspiracy with Samsung and other producers to fix DRAM computer chip prices between April 1, 1999 and June 15, 2002.

Former Elpida Executive Pleads Guilty To Price-Fixing (Update2) (BLOOM)

By Karen Gullo

Bloomberg, November 17, 2006

Nov. 16 (Bloomberg) -- A former executive at Elpida Memory Inc., Japan's biggest maker of computer memory chips, has agreed to plead guilty to participating in a scheme to fix chip prices, the Justice Department said.

D. James Sogas, a former vice president of sales at Tokyo- based Elpida, conspired with unnamed employees of other chipmakers to fix the prices of dynamic random access memory, or DRAM, chips from April 2001 to June 2002, federal prosecutors said in a statement.

The plea agreement stems from a four-year federal investigation into price fixing in the chip market that has led to claims against four companies and 16 individuals, and fines of $731 million, the U.S. said. Worldwide DRAM sales were $25 billion in 2005, the Justice Department said.

Sogas has agreed to serve a sentence of seven months in prison and pay a $250,000 fine, prosecutors said. He is also cooperating with the federal investigation. Elpida agreed in January to pay $84 million to settle price-fixing charges.

The agreement resolves allegations made against Sogas by federal prosecutors in San Francisco.

DRAM is the most commonly used semiconductor memory product. It's purchased by manufacturers such as Dell Inc. and Hewlett- Packard Co. for use in products including personal computers, laptops, printers, mobile phones, digital cameras and digital music players.

Sogas is the first Elpida Memory executive to agree to a prison sentence in the DRAM investigation, the Justice Department said. Lee Altschuler, Sogas's attorney declined to comment.

The case is U.S. v D. James Sogas, 06-0752, U.S. District Court, Northern District of California (San Francisco).

Banks Aid Buy-out Of Clear Channel (FT)

By James Politi

Financial Times, November 17, 2006

Two buy-out groups and five Wall Street banks on Thursday combined to buy Clear Channel Communications for $18.7bn, taking the largest US radio station chain private after a short but dramatic auction.

The deal, led by Bain Capital and Thomas H. Lee Partners, marks the latest and biggest effort by cash-rich private equity firms to refashion chunks of the traditional media industry challenged by the digital age.

The two firms will control a large outdoor advertising business and 1,200 radio stations accumulated in 30 years of deals by members of the Mays family, who founded Clear Channel in 1972 and will continue to run the company under its new owners.

JCDecaux, the French outdoor advertising company, said it was interested in buying Clear Channel Outdoor and the buyers "are aware of our interest". Analysts have speculated that any buyer of the radio group would sell the outdoor advertising business to help finance the transaction.

The offer by T.H. Lee and Bain, already joint owners of Warner Music, surprisingly edged out a competing bid by Providence Equity Partners, Blackstone and Kohlberg Kravis Roberts, which had been discussing a deal for months before the company was put up for sale in October.

The chances of Bain and T.H. Lee emerging with the winning bid appeared to be further reduced this week when Texas Pacific Group, a third member of their consortium, pulled out.

But in a sign of how some of the largest banks are aching to participate in the private equity boom, Morgan Stanley, Citigroup, Credit Suisse, Deutsche Bank and Royal Bank of Scotland agreed to contribute about a third of the equity cheque, estimated at more than $5bn, as well as to finance the debt package of more than $21bn.

The deal could attract regulatory scrutiny, given the rising presence of private equity groups in the media industry. The Federal Communications Commission is reviewing whether to loosen media ownership limits.

The Clear Channel auction was controversial because of its short time-frame, which critics saw as preventing the board from attracting the highest offer, and the large pay-out that the Mays family will receive in the deal.

The Texas-based company responded by allowing the board to solicit higher offers until December 7. In addition, the Mays family agreed to reduce the incentives it was entitled to in a "change of control".

Clear Channel shareholders will receive $37.60 per share, or $18.7bn, in the buy-out. This values the company at about 12 times next year's estimated ebitda. The buyers will be taking on about $8bn of its debt.

In A Big Bet On Radio,Private-Equity Group Buys Clear Channel (WSJ)

By Sarah Mcbride And Dennis K. Berman

The Wall Street Journal, November 17, 2006

In an age of intense competition from iPods, satellite radio and other glitzy new media, many investors have given up on the traditional radio industry. With an $18.7 billion buyout of radio giant Clear Channel Communications Inc., a group of private-equity investors is betting that the medium will be able to ride out the current storm much as it weathered past threats from television and other rivals.

A group led by Thomas H. Lee Partners LP and Bain Capital LLC has agreed to acquire Clear Channel for $37.60 a share, plus the assumption of about $8 billion in debt. Thomas Lee and Bain beat out a second group comprising Providence Equity Partners Inc., Kohlberg Kravis Roberts & Co. and Blackstone Group, which had bid $36.85 a share. Each firm will have about a one-third equity stake, leaving the remaining third divided among a consortium of banks and the Mays family, who will be eligible for an options pool representing 3% to 5% of the new company. Mark Mays, currently chief executive, and Randall Mays, currently president and chief financial officer, will continue in those roles. Founder Lowry Mays may stay on as chairman emeritus.

Separately, Clear Channel said it was selling its 42 television stations and 448 of its radio stations in smaller and medium-size markets. That would still leave the company a radio giant, with more than 700 stations around the country.

The deal is the latest in a string of private-equity transactions in the industry, underscoring the growing attraction of radio to private equity despite stagnant advertising revenue and other problems. The business's steady cash flow and what some see as an opportunity to increase revenue using new technologies such as digital radio have some investors saying the business has been undervalued by Wall Street.

The founding Mays family has a stake of only 7% in the company. Nonetheless, it has continued to be the dominant force even as the company's market value plummeted steeply in recent years because of lackluster ad revenue and the perception that the industry faced steep competition. Lately, advertising at Clear Channel's more than 1,150 radio stations has been trending upward, and its robust outdoor advertising business has been growing.

The Mayses are expected to cash out most of their stake through the transaction. The fact that the Mayses will stay on while also likely receiving a new chunk of equity from the firm's owners led to investor concern that the transaction might unfairly benefit the family more than other shareholders. The board's independent directors, led by Perry J. Lewis, moved to address

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such concerns by, for example, pressing the Mays family to give up a chunk of their change-of-control benefits as part of the transaction. Those benefits awarded the Mayses payments that are seven times their salaries and bonuses.

It was the willingness of the Mayses to waive more than half of those payments, according to a person familiar with the matter, that helped both the Lee/Bain group and the rival group move their bids higher. And it was additional equity funding from the winning group's banks that helped Bain and Thomas H. Lee pay up after one of their consortium members -- Texas Pacific Group -- dropped from the race.

Those equity backers include banks who don't usually put up their own capital in deals. Consortium lead adviser Morgan Stanley, for instance, is investing $500 million in the transaction, according to people familiar with the matter. Citigroup Inc., Deutsche Bank AG, Credit Suisse Group and Royal Bank of Scotland are also providing equity commitments. In addition, Wachovia Corp. is helping finance the transaction. Law firms Ropes & Gray and Dow Lohnes advised the buy-out consortium.

In an interview, Scott Sperling, co-president of Thomas Lee, and John Connaughton, a managing director at Bain, said they expect annual returns in the 20%-30% range for the company. The firms say they are largely behind the strategy that Mark and Randall Mays are already executing.

The firms plan to step up investments in areas such as cutting-edge radio technology, using the Internet as an extension of the main radio business, and digital billboards, for which advertisers pay higher rates. Clear Channel had already been investing fairly heavily in those areas.

Bain and Thomas Lee already have radio experience through their stakes in Cumulus Media Partners, a group that runs more than 30 stations in big markets like San Francisco and Houston. In addition, Thomas Lee is a member of a group that bought Univision, which has substantial Spanish-language radio assets.

The existing stakes in other media ventures create a potential conflict with the Federal Communications Commission, which imposes limits on the number of stations any one company can own in a market. Lawyers say the companies can get around this by cutting back their involvement in the smaller groups, such as Cumulus, so they no longer have active roles in running those companies. Alternatively, they could sell their stakes in the smaller ventures.

Goldman Sachs Group Inc. and attorneys at Akin Gump Strauss Hauer & Feld advised Clear Channel, with Lazard Ltd. and law firm Sidley Austin advising the company's "special advisory committee."

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Clear Channel Sale To End Era (WP)

By Frank Ahrens

The Washington Post, November 17, 2006

Clear Channel Communications Inc. has agreed to sell the company to a consortium of private-equity firms and plans to shear off more than one-third of its 1,150 radio stations, dismantling a giant that dominated the industry and became the bogyman of media consolidation for the past half-decade.

Clear Channel is hard to avoid in Washington. It owns eight local radio stations, including popular rocker DC101, top 40 station Hot 99.5 and sports-talk WTEM-AM. It sells ad space atop hundreds of taxis and on the sides of bus stops and provides traffic updates through its Total Traffic Network unit.

The buyers, led by Bain Capital Partners and Thomas H. Lee Partners, agreed to pay $26.7 billion for the company, which includes the assumption of $8 billion in debt.

In a separate transaction also announced yesterday, Clear Channel said it would seek buyers for all of its television stations and 448 of its smaller radio stations, presumably because the private-equity buyers are not interested in owning television or small-market radio. The stations marked for sale are all outside the nation's top 100 markets, which would exclude Washington, the eighth largest.

The sell-off will mark the end of the consolidation era for the radio industry and its largest player, Clear Channel, and an acknowledgment by the company that it no longer is interested in smaller radio markets.

The predecessor to Clear Channel was founded by L. Lowry Mays and Red McCombs, former owner of the Minnesota Vikings, with the purchase of one San Antonio radio station in 1972. The company went public in 1984 and grew remarkably in the 1990s as the result of favorable Federal Communications Commission rules allowing for radio consolidation. The company topped out at more than 1,200 stations in 2000, just before radio ratings and ad revenue began to flatten as listeners moved elsewhere.

As the company grew, it received unfavorable press for its size and influence on music playlists and artist development. Clear Channel was criticized for homogenizing the sound of FM radio and strong-arming acts into playing company venues in return for airplay. The criticism became so intense that the company posted a "myth vs. facts" section on its Web site to answer charges.

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Mays's sons, Randall and Mark, will continue to operate the stations under new ownership. As part of the sale, all three received substantial payouts, the value of which was not disclosed.

Bain and Lee also are bidding for Tribune Co., which owns several newspapers and television stations. That process is ongoing. But now that the two private-equity firms are set to own Clear Channel, an additional purchase of Tribune could force the private-equity firms to sell certain papers and television stations to comply with FCC regulations prohibiting one company from owning a newspaper and radio or television station in the same city.

Clear Channel stock closed up $1.24 yesterday to close at $35.36. The buyers paid $37.60 per share, the highest price the stock has seen since mid-2004, and a 25 percent premium on its average price in the month ending Oct. 24. Last year, Clear Channel radio reported more than $3.5 billion in revenue, tops among radio groups. CBS Radio was second at $2.1 billion.

It's been all downhill for Clear Channel stock since its high of nearly $100 per share in 2000, and a buyout likely represents the greatest value its owners felt they could get for their shareholders and themselves.

The buyout is a "significant milestone in radio industry history," said BIA Financial Network radio analyst Mark R. Fratrik, noting the move of traditional media from public to private ownership.

"By going private, these companies and their financial backers believe that they can grow in value over the long term without being concerned about investors' quarterly targets," Fratrik said.

Bennett Zier, who managed Washington's Clear Channel stations until January, when he left to launch Daniel M. Snyder's Triple X ESPN Radio venture, said: "We're private, and we love it."

Top Task At Reader's Digest: Revival (WSJ)

By Sarah Ellison And Dennis K. Berman

The Wall Street Journal, November 17, 2006

Private-equity firm Ripplewood Holdings LLC, leading a group that agreed to buy Reader's Digest Association Inc. for $1.6 billion, now faces the tough challenge of turning around the long-declining magazine publisher.

To help do so, Ripplewood plans to integrate its existing media businesses, which include Time Life Books and the Weekly Reader, with Reader's Digest direct-marketing machine. Aside from the pint-sized magazine, Reader's Digest publishes 26 other titles, including faster-growing names such as Every Day with Rachael Ray and Backyard Living.

The deal comes as private-equity firms are bidding on a growing number of media properties struggling to cope with shifts in consumer habits brought on by the Internet and other new media. Reader's Digest, well known to many older Americans and people overseas, has been losing circulation for many years.

Four years ago, under pressure from investors unhappy with the company's performance, the founding Wallace family agreed to eliminate a dual-share voting structure that had allowed them to retain control of the company.

But there's been no improvement in the performance of the business, based in a sprawling colonial complex in Pleasantville, N.Y. Revenue has been flat for the past three years. And the company, which has taken write-downs of book-fair business Books Are Fun, has posted operating losses for the past two years.

Still, the company has been steadily building up other parts of its business, launching 14 magazine titles in the past three years. By taking the company private, Ripplewood and the company's management see an opportunity to invest more heavily in faster-growing properties such as Every Day with Rachael Ray; Taste of Home, a cooking magazine that prints recipes from readers; and the Web site Allrecipes.com.

"One of the big advantages of being private is that you can tolerate failure and make experiments," said Tim Collins, Ripplewood's chief executive officer. Reader's Digest has put "very little money into [celebrity cooking host] Rachael Ray and it is going gangbusters. And we can do more of that by not worrying about next quarter's earnings."

Ripplewood also hopes to push the titles more heavily into the Web. Mr. Collins suggested that readers of Family Handyman magazine, for instance, could ask home-remodeling questions of an editor online, contribute to an online forum, and read electronic advertising related to the project.

Reader's Digest CEO Eric Schrier told employees in a memo yesterday morning that the sale was a "momentous step, but it does not fundamentally change what we are trying to accomplish together."

Ripplewood is paying $17 a share, a 9.6% premium on Reader's Digest's closing stock price Wednesday. Reader's Digest shares were up $1.19 to $16.70, below the offer price, in 4 p.m. New York Stock Exchange composite trading.

Coming after several years of stagnation in the company's stock, the deal pleased some shareholders. "We applaud Reader's Digest Board on the transaction announced today," said Clifton S. Robbins, CEO of Blue Harbour Group, which owned 6.9% of the company as of Sept. 30.

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Other shareholders are holding out hope that another bidder will emerge. "We're not hostile towards the announcement but it remains to be seen is if this is the best price available," said Leon Cooperman, chairman and CEO of investment firm Omega Advisors Inc., which owned about four million shares of Reader's Digest, or 4.2% of the company, as of Sept. 30.

Ripplewood has emerged as a somewhat different animal compared with the mass of large-scale buyout firms competing for the likes of Clear Channel Communications Inc. Preferring to work alone and in areas deeply out of favor with other investors, it has scored a number of large successes. The best was a deal shared with former banker J.C. Flowers, in which the two turned a $1 billion investment in a Japanese bank into a stake worth about seven times that amount back in 2004.

Aside from Ripplewood, J. Rothschild Group, GoldenTree Asset Management, GSO Capital Partners, Merrill Lynch Capital Corp. and Magnetar Capital are part of the group purchasing Reader's Digest.

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RTL Eyes £5bn Move For ITV Group (FT)

By Andrew Edgecliffe-johnson

Financial Times, November 17, 2006

RTL, Europe's largest broadcaster, is working with private equity backers on a possible £5bn-plus ($9.4bn) offer for ITV, the UK television company that is waiting for NTL, the US-listed cable company, to formalise the bid approach it made last week.

Its plan envisages private equity groups putting up most of the funds needed to acquire ITV, which has a market capitalisation of £4.5bn and almost £1bn in debt.

The structure would allow RTL to acquire a minority stake without calling on Bertelsmann, the German media group that owns 90 per cent of its shares, to fund the deal.

After Bertelsmann bought out its only outside shareholder in May for €4.5bn ($5.8bn), it said its debt load would preclude any large deals until the end of 2007.

RTL would not comment, but the group is understood to be concerned about overpaying, so a steep rise in ITV's share price could yet derail its plans. One media executive cautioned that the plan had just a 50 per cent chance of succeeding.

A formal offer by NTL for ITV could also deter RTL. The chairmen of ITV and NTL have yet to meet, but NTL has already begun lining up financing for the deal, which would greatly increase its debt load, and has approached Michael Jackson, the former Channel 4 chief executive, to run ITV if its offer succeeds.

RTL is thought to be examining alternative purchases in the European television industry at the same time, but its interest in ITV will heighten expectations that ITV's board could find it hard to remain independent.

Gerhard Zeiler, RTL's chief executive, said on Monday that it was not in talks with ITV "at the moment" but would not rule out a deal.

Private equity groups are rumoured to be struggling to value ITV at much above 125p, but valuations will depend on their estimates of when its declining advertising revenues turn round, something Mr Zeiler said on Monday he did not expect to see within a matter of months.

Buying the UK's largest commercial broadcaster would fill an important gap for the Luxembourg-listed group, which owns a smaller UK terrestrial channel, Five, but has market-leading positions in most other European markets.

RTL and Kohlberg Kravis Roberts are understood to have been looking at ITV since the spring, when a private equity team of Apax Partners and Goldman Sachs attempted to gain control of the company for 130p per share. However, KKR is not currently thought to be involved in RTL's pursuit of ITV.

It is expected that RTL would have to sell Five, where it acquired full control last year, for regulatory reasons and to help finance the deal.

J&J To Buy Conor Medsystems For $1.4B (AP)

AP, November 17, 2006

J&J to Acquire Conor Medsystems for About $1.4 Billion Cash, or $33.50 Per Conor Share

NEW BRUNSWICK, N.J. (AP) -- Johnson & Johnson said late Thursday it will buy cardiac stent maker Conor Medsystems Inc. for $33.50 per share in cash, for a total value of about $1.4 billion. The purchase price represents a 21 percent premium to Conor's Thursday closing stock price.

The company said the deal gives J&J's Cordis unit the controlled drug delivery technology currently used on the CoStar Stent System, a paclitaxel-eluting cobalt chromium stent with a bioabsorbable polymer.

The CoStar Stent is currently sold outside the United States, and enrollment in its U.S. pivotal clinical trial has been completed. The stent is used for the treatment of narrowing of the arteries and the company hopes it will be used as a treatment for heart attacks.

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Conor Medsystems' CoStar Stent uses reservoir drug-delivery technology that enables site-specific drug delivery as well as the potential for delivery of multiple drugs that may be useful in the treatment of cardiovascular, peripheral vascular and neurovascular diseases.

The boards of both J&J and Conor have approved the transaction, which is expected to close in the first quarter of 2007, subject to antitrust clearance, Conor stockholder approval and other customary closing conditions.

Menlo Park, Calif.-based Conor Medsystems will operate as part of the Cordis franchise. The company has about 200 employees and posted 2005 sales of $2.3 million.

Upon closing, Johnson & Johnson expects to record a one-time charge of about $600 million to write off in-process research and development costs. Excluding these items, the deal will modestly dilute J&J's earnings per share in 2007.

J&J shares closed earlier down a penny at $66.53 on the NYSE, and slid 13 cents after-hours. Conor shares rose 47 cents to close earlier at $27.52 on the Nasdaq.

FTC Chair: Gasoline Price-gouging Law Is Unneeded But Will Pass (AP)

By Matt Apuzzo, Associated Press

AP, November 17, 2006

WASHINGTON – The head of the Federal Trade Commission predicted Thursday that Congress would pass a gasoline price-gouging law despite her warnings that the country doesn't need one and it might cause fuel shortages.

FTC Chairwoman Deborah Platt Majoras said she has warned Congress publicly and privately about the dangers of such a law.

“We looked vary carefully but didn't see any new legislation needed to protect consumers,” Majoras said at an antitrust conference Thursday. “Will new legislation be passed? I think we will see a price-gouging statute pass, perhaps at the end of this (incoming) Congress.”

With gas prices rising to over $3 per gallon this spring, the House passed a bill permitting large fines and jail time for price gougers. The Senate has not acted on it and Sen. Max Baucus, D-Mont., the incoming Finance Committee chairman, said Thursday, “There's a lot more that has a higher priority.”

Majoras said she understood the public's frustration and concern but said an upcoming FTC report on the price spikes found that consumer demand was up at the time.

“There is a distinction between a market determination you don't like and a market failure,” she said.

Testifying in May before the Senate Commerce Committee, Majoras said retailers might let the gas run out rather than raise prices and risk facing prosecution. She noted the price spikes after Hurricane Katrina last year resulted in more fuel getting to market.

Majoras, who has previously questioned whether a price-gouging law could easily be enforced, said Thursday that despite her concerns, the agency would enforce the law if it passed.

The Justice Department's top antitrust official, Assistant Attorney General Thomas O. Barnett, attended Thursday's conference and said addressing fuel prices was a tricky issue for his agency.

He said that like all cartels, the Organization of Petroleum Exporting Countries is bad for consumers. But he said any effort to hold OPEC to U.S. competition laws would have to be balanced with national security and diplomatic interests.

Delta Seeks Creditor Help To Fend Off US Airways Bid (WSJ)

By Evan Perez And Melanie Trottman

The Wall Street Journal, November 17, 2006

Delta Air Lines began trying to rally support from creditors for its push to fend off an $8.76 billion hostile takeover bid by US Airways, with the Atlanta carrier firmly reiterating its determination to emerge from bankruptcy as a standalone company.

Delta Chief Executive Gerald Grinstein and other executives at the third-largest U.S. airline by traffic held a series of conference calls yesterday with creditors to sift through terms of US Airways' cash-and-stock offer, pressing creditors to back Delta's restructuring plan. The move could give Delta an early advantage in its fight to remain independent, since US Airways hasn't had any face-to-face meetings with Delta's official creditors committee.

US Airways officials were still trying to arrange a meeting with representatives of Delta's official creditors committee. People familiar with the situation said such a meeting could come as early as next week, with Delta officials expected to attend. "We're looking forward to meeting with them. We want to sit with them and show them the value of this deal," said US Airways spokeswoman Andrea Rader.

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The Atlanta airline said the executives were reviewing the unsolicited proposal, which seeks to combine US Airways, based in Tempe, Ariz., with its much bigger rival under the Delta name and become the biggest US airline in terms of passenger traffic.

"As we are obligated to, we will continue to work, including with our creditors, to examine the unsolicited proposal from US Airways," said Marshall S. Huebner, of Davis Polk & Wardwell, who has led Delta's restructuring.

Delta faces the burden of proving to creditors that the airline would be more valuable by itself after restructuring than US Airways' bid. US Airways said its offer of $4 billion in cash and 78.5 million of its shares was at least a 25% premium based on where unsecured Delta bonds were trading. Delta's 8.300% coupon bonds maturing Dec. 15, 2029, are up nearly $236 per $1,000 of face value since Tuesday according to data from bond-tracking company MarketAxess. Doug Parker, US Airways CEO, has pointed to the rise in Delta's unsecured bonds as a sign that at least unsecured bondholders thought US Airways offered a better deal.

However, antitrust concerns could squelch a deal or make it less attractive. Also, Delta management has the exclusive right to present restructuring plans through Feb. 15 and could stymie US Airways' efforts to gain financial data necessary to put together a detailed offer to creditors. Delta officials are aiming to exit bankruptcy as early as April, which puts pressure on Mr. Parker to act fast.

US Airways stock continued its post-proposal rally, rising $1.11 to $60.61 as of 4 p.m. in New York Stock Exchange composite trading; the shares are up 19% since Tuesday, the day before the bid was announced.

Meanwhile, Mr. Grinstein continued his defense to employees and creditors of his plan to emerge from bankruptcy as a stand-alone carrier. Mr. Grinstein learned of the proposal from a radio report as he was getting ready for work. He rushed to his Blackberry to find a letter and a voicemail from Mr. Parker.

People familiar with the matter said Mr. Grinstein was steaming from being blindsided. In a message to employees he said "we had no advance warning of any kind." He said his intent was that Delta remain a "standalone company."

One of the biggest hurdles for a successful US Airways-Delta merger will be resistance from US Airways' labor union leaders, who voiced opposition to a proposed deal yesterday. Management must still combine the work forces of its two predecessor airlines, US Airways and America West, and negotiate new pay and benefit contracts.

"If this airline can't successfully put two airlines together, we're very skeptical about their chances of putting three together," said Jack Stephan, chairman of the unit of the Air Line Pilots Association union at US Airways.

Even before the Delta bid surfaced, pilots at US Airways had planned to picket this week at airports in Phoenix and Charlotte. Yesterday nearly 600 of them showed up to protest what they say are substandard contracts with little-to-no improvement in pay or benefits and unreasonable work rules.

Ms. Rader, the US Airways spokeswoman, said the negotiations have had some progress, though it has been on low-hanging issues so far. She disagreed with the union's assertion that the current merger is not working well. "There are a lot of milestones that we are hitting and that we're on track to meet and when we make mistakes we get them fixed," she said.

If Delta Merges: Fares Up, Fewer Seats (CSM)

By Alexandra Marks

The Christian Science Monitor, November 17, 2006

Whenever a big airline deal is proposed, the first question that arises usually is: What will it mean for the flying public?

In the case of US Airways' announcement this week that it hopes to acquire bankrupt Delta Air Lines for $8 billion, the simple answer is: higher prices.

That's because the merger would cut capacity by about 10 percent - in other words, passengers would have 10 percent fewer seats to choose from when they fly, which usually drives up prices. That would be good for the overall industry's bottom line.

But the dynamics behind this proposed merger, and the still precarious state of the nation's recovering aviation industry in the post-9/11 world, make the ramifications for the public far less clear. Add to that, it's far from a done deal: It still needs approval from the bankruptcy courts and the Justice Department. As a result, analysts have starkly different assessments of "just what this will mean."

One camp thinks it's the best thing to happen to the industry bottom line since jet fuel prices dropped below $70 a barrel. That's because it will cut capacity. "Anytime you take capacity out of the industry, I would view it favorably," says Helane Becker, an analyst at the Benchmark Company in New York.

But a different school of thought says that with planes already flying 80-to-90 percent full, overcapacity in the industry is no longer a major issue. After all, the traditional, so-called legacy carriers are making money even with oil at $60 a barrel.

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"Forget the capacity canard: Everything is already full. There's already a resurgence in the industry," says Michael Boyd, president of the Boyd Group, an aviation consulting company in Evergreen, Colo. "If we take another 10 percent capacity out, that means airlines will carry fewer people and charge them more. Congress will just love that."

Then, of course, there's the question of what it will mean for competition. US Airways contends the combined company, which would become the "New Delta," would be more efficient and thus a better competitor in the recovering marketplace. The combined operations would save $1.65 billion a year by doing away with duplication, consolidating information systems, and reducing overhead, it says. And all those efficiencies can be achieved without cutting a single destination that's currently served by either airline, according to Doug Parker, US Airways chairman and chief executive.

"Even with a 10 percent reduction in capacity, all existing U.S. destinations served today by US Airways and Delta will remain part of the new, improved network," Mr. Parker wrote to Delta's chairman in an open letter released Wednesday morning. "Consumers will have the advantages of a larger, full-service airline with the cost structure of a low-fare carrier, and the communities we serve, as well as those Delta serves, will have access to a wider range of network options."

Some analysts like Mr. Boyd doubt those touted savings can be achieved. He also thinks the airlines' route structures - which are similar, particularly in the South and East, where they own the competing Northeast corridor shuttles - could cause problems at the Department of Justice.

"It doesn't make any sense at all. The synergies aren't there like they're claiming," says Boyd. "And the DOJ might turn this down in a heartbeat, because it just decimates competition, particularly in the Deep South."

Other analysts also question whether the cut in capacity brought about by the merger would result in anything but a short-term gain for the industry as a whole, particularly if there's a recession next year. In that case, the majors might start increasing capacity to fend off competition from low-cost carriers, which have continued to expand their market share, says Kevin Mitchell of the Business Travel Coalition in Radnor, Pa.

And then, the industry could find itself right back where it is today: charging prices that are so low it is just barely able to make a profit.

Another question is how easy it will be to make one company from two that have very different corporate cultures. There are seniority lists to merge and very different unionized workforces to integrate. The companies even fly different planes.

"This is not an industry where mergers often go smoothly, even when both parties are willing participants," says Clint Oster, an aviation expert at Indiana University in Bloomington. "It's hard to believe that it's not going to be very difficult to do in this case, particularly because it appears to be more of an equivalent to a hostile takeover."

But other analysts, who believe next year will be a good one for the industry, say the merger will help consolidate what is still a fairly fragmented industry. They also believe that higher prices brought about by a merger not only are necessary, but could be here to stay.

"If you compare by historical standards, we're still flying very cheap," says Ray Neidl of Calyon Securities in New York. "Longer term, if you can continue to get some of the peripheral capacity out of the system, it will give [the majors] even stronger pricing power."

In the end, all the analysis could be academic. US Airways still has to convince Delta's creditors and a bankruptcy judge that a merged company could do better than Delta alone. It also has to win approval from the Department of Justice, which frowned on a merger between US Airways and United just a few years ago.

US Airways, Delta Deal Would Cut Options (USAT)

By Dan Reed And Barbara Hansen

USA Today, November 17, 2006

Travelers in at least two dozen Eastern and Southeastern cities would see their air travel options significantly reduced by a merger between US Airways and Delta Air Lines.

According to a USA TODAY analysis of airline data from Back Aviation Solutions, a merged carrier would have 50% or more of the scheduled capacity in 111 markets in the USA. That's up from 55 markets for US Airways and 31 markets for Delta. Both carriers are strong in the East and South, so not surprisingly, many of the communities that would see the biggest loss of choice are there, too.

The analysis follows a bid Wednesday by US Airways to acquire Delta Air Lines for $4 billion in cash and for stock valued at about $4.7 billion. US Airways is seeking to acquire its bigger rival out of Chapter 11 bankruptcy. If successful, the merged airline would eclipse American as the world's largest.

Delta management has been resistant to any takeover bid, and says it prefers to emerge from bankruptcy reorganization next year as an independent carrier. Delta CEO Gerald Grinstein had previously rejected two private approaches from his counterpart at US Airways, Doug Parker.

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The proposed deal would require approval from the bankruptcy court, federal antitrust officials and US Airways shareholders.

The USA TODAY analysis combines the number of seats currently offered by both carriers at airports across the country to identify areas of greatest impact. US Airways officials have said that the “New Delta” would trim current capacity by about 10%. It also plans to divest one of two Boston-New York-Washington, D.C., shuttles operated by US Airways and Delta.

According to the analysis:

·Six Eastern airports that now have competition would be served exclusively by the combined airline: Wilmington and Fayetteville, N.C.; Florence, S.C.; Huntington, W.Va.; Lynchburg, Va.; and Augusta, Ga.

·In 25 Eastern and Southern airports, where neither carrier now provides more than 50% of the service, the combined carrier would become dominant by providing more than half of the capacity. Among them: Asheville and Greensboro, N.C., and Charleston, S.C., Mobile, Ala., and Richmond, Va.

·Travelers in the carriers' respective hub markets in the East wouldn't see their choices diminish much. Delta already has 73% at Atlanta. A merger would nudge up that share by a percentage point. At Charlotte, where US Airways' capacity share is now 88%, the combined carrier would have 90%.

Additionally, US Airways says that “New Delta” would rank as the No. 2 carrier in the Pacific Northwest, No. 3 in the Southwest and California, and No. 4 in the central USA.

It's not clear that the proposed merger would reduce competition enough for the U.S. Justice Department to oppose it on antitrust grounds. In fact, it's not certain that US Airways' bid to buy Delta will even get that far.

If it does, says Mark Schechter, an antitrust attorney at the Howrey firm in Washington, D.C., “I would see a pretty extensive investigation.”

The last two big reviews of proposed airline combinations were challenged by the Justice Department because of its concerns about market concentration, says Schechter, a top attorney in the antitrust division in the 1980s.

A separate analysis Thursday by JPMorgan analysts Jamie Baker and Mark Streeter identifies six big markets where the merged airline would move from “moderate” to “high” in market concentration under a measure used by antitrust regulators. They are New York/Newark; San Francisco; Washington; Las Vegas; Seattle; and Boston.

US Airways officials began addressing potential concerns about market concentrations right out of the box on Wednesday. CEO Parker, in a conference call with analysts, stressed that last year's acquisition by America West, his old company, of then-bankrupt US Airways led to an average 24% drop in fares.

Chief Executive Of Would-be Delta Buyer No Stranger To Bold Moves (AP)

By HARRY R. WEBER

AP, November 17, 2006

ATLANTA - When JetBlue announced in April it was launching flights to Charlotte, N.C., a major hub city for US Airways, JetBlue's CEO belittled the service passengers in that city had been getting as "substandard."

US Airways' chief executive, Doug Parker, shot back in a letter to his own employees: "US Airways is going to be here long after JetBlue."

Analysts, industry experts and those familiar with Parker's reputation said Thursday the 45-year-old's hostile bid to acquire a bigger rival in Delta Air Lines was not surprising, given bold statements like that one.

"I think anybody has to be feisty to do what he's doing," said Boston University School of Management Professor Allen Michel, referring to the unsolicited offer for Delta launched Wednesday by US Airways. The cash and stock bid to buy Delta once it emerges from bankruptcy is currently valued at $8.8 billion.

Parker's also been described as genial and approachable. Observers say those qualities could help him and his Tempe, Ariz.-based airline win over Delta employees.

"He looks like a guy who runs an airline and works at it very hard," said Fruman Jacobson, a bankruptcy attorney at Sonnenschein Nath and Rosenthal in Chicago. "If you go out for beers, Doug Parker is a guy you'd like to have with you."

Parker, who has held management positions at Northwest Airlines and American Airlines, led America West when it bought US Airways last year and adopted the US Airways name. While he's still integrating the two carriers, he says he's ready to tackle an even bigger challenge in acquiring Delta. This time, the company would keep the Delta name, becoming the nation's largest carrier in terms of revenue.

Delta's chief executive, Gerald Grinstein, said in a memo to employees late Wednesday that the Atlanta-based airline is committed to its plan to emerge from bankruptcy as a standalone carrier.

He also said "the history of mergers in the airline industry is almost always one of failure, with over-promise of synergies and under-delivery of results."

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Parker clearly has a different view, that consolidation is the wave of the future in the airline industry. He also knows that the bankruptcy process gives him an opportunity to pitch an alternative plan to Delta's creditors. Whether his bid for Delta works or not, analysts tend to agree with Parker that major carriers need to combine to reduce capacity in the industry.

"I think he's gotten a little bit emboldened by the merger with US Airways," said Jacobson.

Parker, with bankers, investors, creditors, politicians and consultants biding for his time Thursday, did not immediately return calls seeking comment. He said in an interview Wednesday he believes the Delta bid is a fair one. Efforts to reach Delta executives Thursday were not successful. One senior executive, Glen Hauenstein, canceled a lecture at Georgia's Kennesaw State University, according to a school spokesperson.

In an audio message to employees Thursday, Grinstein answered concern from some Delta employees that they learned of US Airways' offer from the media rather than Delta. "We had no advance warning of any kind," Grinstein said.

Michael E. Levine, who was an executive at Eagan, Minn.-based Northwest Airlines Corp. during the same period as Parker, said Parker is aggressive and driven.

"He takes risks," said Levine, now a senior lecturer at the New York University School of Law. "He ran with the bulls at Pamplona - I wouldn't do a thing like that. He can certainly count. He would like to run a big airline, and apparently this one isn't big enough."

Levine said the only question one might ask about Parker is whether at some point he might bite off more than he could chew.

"I'm not claiming this is that case," Levine said. "Doug is a guy who pushes ahead, and is unlikely to hesitate in the face of obstacles that might daunt other people."

Bernie Han, who has worked with Parker at three different airlines over the past 18 years, said the bold move to buy up Delta doesn't surprise him.

"I've seen him move up about every step of the way in his career," said Han, a former chief financial officer at Northwest and now the CFO at EchoStar Communications Corp. "Every time he gets the bigger job it seems effortless. I think it's clear he's always had the capacity to do more than his current role."

Even so, the bid for Delta poses several challenges. Those include proving to creditors that the offer is superior to what they'd get from the solo bankruptcy reorganization plan Delta plans to file, or a potential rival bid prompted by the US Airways offer. Parker also needs to nail down an agreement soon, as Delta has said it plans to emerge from Chapter 11 in the first half of next year.

US Airways also still has the America West integration to deal with. Its pilots pressed their case for a consolidated contract by taking to the picket line at the company's Phoenix and Charlotte hubs on Thursday.

"It's a question of, do you think an independent restructuring can create that kind of value or is the roll-up a more compelling structure because you can get revenue synergies and force out additional costs," aviation consultant Robert Mann said about how creditors would view the Delta deal.

News of the proposed US Airways buyout has also caught the attention of the Justice Department' top antitrust official. At a conference on antitrust law Thursday, Assistant Attorney General Thomas O. Barnett discussed his agency's priorities, then added: "I strongly suspect we may be spending some time in the airline industry as well."

After a big run-up in its stock Wednesday that added to the initial $8 billion value of its bid for Delta, shares of US Airways Group Inc. rose another $1.11, or 1.9 percent, to $60.61 in trading Thursday on the New York Stock Exchange. Delta Air Lines Inc. shares are traded over the counter.

AP Business Writers Joshua Freed in Minneapolis, Vinnee Tong in New York and Matt Apuzzo in Washington contributed to this report.

Flying High In The Busy Skies (NYT)

The New York Times, November 17, 2006

US Airways' $8 billion offer for Delta Air Lines could kick off a wave of consolidation in the airline industry. The question for regulators is whether the result is a leaner, meaner industry with lower costs or just a case of less competition driving prices higher. Without allowing a free-for-all to break out, there is clearly some room for combining operations in this changing industry.

Even with high fuel prices and strong demand for tickets, the fierce competition between airlines has helped hold prices down on many routes, keeping consumers happy. Low-cost carriers like JetBlue Airways and Southwest Airlines have put particular pressure on older full-service carriers like Delta. US Airways went through bankruptcy twice in the last four years, before merging with the discount carrier America West Airlines.

According to US Airways, if it succeeds in its bid for Delta the combined company would save $1.65 billion a year by eliminating redundancies. The fact that the two airlines offer competing shuttle service between Boston, New York and

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Washington raises a big concern: that all these savings could come about as a result of dampened competition and thus at the expense of consumers.

But the carriers clearly aren't just crying wolf. No one could have missed the fact that oil prices have been sky high. The low-cost airlines are a high-profile presence, all over the airwaves touting their competitive advantages. If the Justice Department is aggressive about keeping competition by demanding that airlines divest part of their business on individual routes like the shuttle, some sensible consolidation could take place.

Domestic carriers should take care when it comes to raising fares. There are plenty of foreign carriers that would love to gain access to the United States domestic market. If the locals get lazy and expensive, they could compel Congress to open the door to outside competition. It wouldn't be a bad idea to re-examine the idea now, before the merger wave has crested.

Grupo Mexico To Fight Antitrust Ruling (AP)

AP, November 17, 2006

MEXICO CITY --Mexican mining and railroad company Grupo Mexico said Thursday it will fight the federal antitrust commission's decision to uphold a previous ruling that blocked the company's plans to merge two railways.

The company "will take all legal means at its disposal" to fight the ruling, Grupo Mexico said in a filing with the Mexican stock exchange.

In November 2005, Grupo Mexico said it would merge its Ferromex unit with Ferrosur, controlled by multibillionaire Carlos Slim. The antitrust commission rejected the proposed merger in June, and Grupo Mexico appealed.

The commission rejected the appeal on Wednesday, arguing that a merger would have led to excessive concentration in the railroad industry to the detriment of consumers and competitors.

Grupo Mexico has argued it must expand in order to compete with U.S.-based railroad Kansas City Southern.

Kansas City Southern last year gained full control of local railway TFM, which runs through the heart of Mexico's industrial region to the border town of Nuevo Laredo from the Pacific port of Lazaro Cardenas.

ENVIRONMENT/INDIAN AFFAIRS:

Natural Political Gas (WSJ)

The Wall Street Journal, November 17, 2006

Congress will return for one more lame-duck go-round after Thanksgiving, and if it wants an easy victory for the U.S. economy it'll whip through the offshore drilling bill that has passed the Senate and awaits action in conference.

The Gulf of Mexico Energy Security Act, crafted by New Mexico's Pete Domenici, would open 8.3 million acres of the Outer Continental Shelf to oil and natural gas drilling. The bill doesn't go nearly as far as we or many in the House would like, but it's the best opportunity for new U.S. energy exploration in years.

While this Gulf acreage is known to hold oil reserves, the real significance is its bonanza of natural gas. Unlike the global oil market, most natural gas is produced regionally. Short supplies and high prices are punishing American industry, causing plant closures and job flight overseas. It is one of the larger economic messes in recent history, yet the political class barely mentions it -- perhaps because the politicians have done more than anyone to cause it.

As recently as 1995, the average cost for natural gas in the U.S. was about $1.70 per million British Thermal Units; by 2002 it was $3.54. It had climbed by 400% by last year, when it ranged from $11 to $14.50 per million BTUs. Japan, China, India and most of the rest of the world pay far less, putting U.S.-based companies at a huge global disadvantage.

Hardest hit has been chemical manufacturing, which in 2004 shuttered more than 70 U.S. facilities and marked an additional 40 for closure, resulting in a loss of 100,000 jobs. Did someone say "outsourcing"? Of the 120 chemical plants with $1 billion price tags being built around the world, only one is in the U.S. Dow Chemical CEO Andrew Liveris says his firm has shut down more than 30 factories in North America in the past several years, and he blames it on energy.

Natural gas is also a component of many everyday consumer goods, from plastic cups to carpets to semiconductors. Many of these manufacturers have faced shortages or steep price hikes, including Simmons (bedding), Goodyear (tires) and Newell Rubbermaid (packaging/containers). Massachusetts-based Union Products, originator of the famous pink plastic flamingos, recently closed its doors because of rising costs for plastic resin (made from natural gas) and electricity. The company's workers should thank Senator John Kerry and other Democrats who have blocked offshore drilling for gas and liquified natural gas imports.

The fertilizer industry, which relies heavily on natural gas, has lost more than 36% of its domestic capacity since 2002. The U.S. forest products industry has seen energy costs rise 50% for pulp and paper mills in three years; it has closed 232 mills and

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lost 182,000 jobs since 2000. The National Association of Manufacturers estimates that 3.1 million high-wage manufacturing jobs have been lost since 2000 largely due to inadequate supplies of natural gas. The next time Democrats wail over lost manufacturing jobs and try to blame it on "free trade," tell them to start drilling for the truth.

All of this is reason for Congress to act now. Gulf Coast Democrats are supporting this Senate bill, largely because it offers their states a cut of the royalties. The House has passed a much stronger bill, and in a better world would prevail. But with coastal, anti-drilling Democrats set to run Congress next year, now is the time for the House to swallow its pride, pass the Senate version without amendment to avoid a conference, and send it to President Bush.

The 8.3 million acres to be opened in the Senate bill would conservatively yield 5.8 trillion cubic feet of natural gas -- a significant amount under any measure. Moreover, drilling in the Gulf has typically yielded three to five times more oil and gas than originally estimated. With any luck, the money that would start flowing to the Gulf states under revenue-sharing with the feds might also encourage other states to demand their own coastal exploration.

That should continue to be the long-term policy goal, as the outer shelf is estimated to hold an extraordinary 420 trillion cubic feet of natural gas, enough to keep the U.S. in affordable energy for decades. It's a disgrace that Congress has locked up that supply and driven high-paying jobs overseas. Passing this drilling bill would make a lame-duck Congress a little less lame.

Congress Seen Passing Price-gouging Law (AP)

By Matt Apuzzo

AP, November 16, 2006

WASHINGTON — The head of the Federal Trade Commission predicted Thursday that Congress would pass a gasoline price-gouging law despite her warnings that the country doesn't need one and it might cause fuel shortages.

FTC Chairwoman Deborah Platt Majoras said she has warned Congress publicly and privately about the dangers of such a law.

"We looked vary carefully but didn't see any new legislation needed to protect consumers," Majoras said at an antitrust conference Thursday. "Will new legislation be passed? I think we will see a price-gouging statute pass, perhaps at the end of this (incoming) Congress."

With gas prices rising to over $3 per gallon this spring, the House passed a bill permitting large fines and jail time for price gougers. The Senate has not acted on it and Sen. Max Baucus, D-Mont., the incoming Finance Committee chairman, said Thursday, "There's a lot more that has a higher priority."

Majoras said she understood the public's frustration and concern but said an upcoming FTC report on the price spikes found that consumer demand was up at the time.

"There is a distinction between a market determination you don't like and a market failure," she said.

Testifying in May before the Senate Commerce Committee, Majoras said retailers might let the gas run out rather than raise prices and risk facing prosecution. She noted the price spikes after Hurricane Katrina last year resulted in more fuel getting to market.

Majoras, who has previously questioned whether a price-gouging law could easily be enforced, said Thursday that despite her concerns, the agency would enforce the law if it passed.

The Justice Department's top antitrust official, Assistant Attorney General Thomas O. Barnett, attended Thursday's conference and said addressing fuel prices was a tricky issue for his agency.

He said that like all cartels, the Organization of Petroleum Exporting Countries is bad for consumers. But he said any effort to hold OPEC to U.S. competition laws would have to be balanced with national security and diplomatic interests.

California Plots Greenhouse-Gas Strategy (WSJ)

By John J. Fialka

The Wall Street Journal, November 17, 2006

SACRAMENTO, Calif. -- On a smog-free day, from his office on the 25th floor of California's Environmental Protection Agency, Robert Sawyer can see his problem: cars moving in slow procession on distant freeways, emitting carbon dioxide that is believed to be warming the atmosphere -- hastening the melting of the snow that caps the mountains to the east.

The soft-spoken mechanical and aeronautical engineer is chairman of California's Air Resources Board, a semi-independent agency that has been given the job of drawing up the nation's first regulatory program intended to reduce greenhouse-gas emissions by all sectors of the economy.

To accomplish this, Dr. Sawyer and his agency, which is known outside California as CARB, will likely face fierce lobbying by industries and consumer groups, and difficult political questions that haven't yet been answered in the U.S. But California

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regulations have shaped national legislation in the past, and CARB's efforts will be closely watched by other states and by the new Democratic Congress in Washington, where emissions reduction is likely to get increased traction.

The change will be most dramatic in the Senate, where Barbara Boxer, a California Democrat, will succeed James Inhofe, an Oklahoma Republican, as chairman of the Committee on Environment and Public Works. Mr. Inhofe refused to consider regulations on carbon dioxide, calling global warming "the most media-hyped environmental issue of all time." Ms. Boxer, who believes "global warming could reshape the world as we know it," says she will introduce federal legislation that is similar to California's.

CARB, the nation's largest and most influential state environmental regulatory agency, has about 1,000 employees, including scientists and engineers who, working there in the 1960s, helped design the nation's pioneering antismog program. The agency enjoys enough bipartisan political support that when Gov. Arnold Schwarzenegger announced in August that California would impose the nation's first broad cap on greenhouse-gas emissions, the state Legislature simply set deadlines for reducing emissions and left it mostly up to CARB to figure out how to do it, telling the agency to prepare regulations by 2012. California's goal is to cut emissions by about 25% by 2020.

To flesh out California's law, Dr. Sawyer, who was appointed by Mr. Schwarzenegger in December, says he will push every approach that is cost-effective. He plans to send staff members to the United Kingdom and Japan to see how their pioneering regulatory programs work. He plans to hire 100 experts, including economists who will develop computer models of the state's past and future emissions. He is also looking for specialists who can design an emissions-trading program tailored to California's economy.

The U.S. Environmental Protection Agency has successfully used emissions trading to get coal-fired utilities to curb sulfur-dioxide emissions, which cause acid rain. The government puts a cap on allowable sulfur-dioxide emissions, issuing credits needed for each ton of pollutants. In emissions trading, a company that reduces emissions below its assigned cap can finance its efforts by selling excess credits to companies that may need them to cover their own emissions.

California's legislature has left it up to CARB to determine whether and how to use emissions trading; Dr. Sawyer says it is a tool he wants to use, designed in a way that makes trading possible beyond the state's borders. "It is essential that what we do will be compatible with other states, nationally and internationally," he explains. "We definitely anticipate trading across boundaries. California can't solve this alone."

Making reductions in California won't come cheaply or easily, says Andrew Ertel, president of Evolution Markets Inc., a White Plains, N.Y., brokerage firm that specializes in emissions trading. The state's tough air-pollution laws have already driven out coal-fired utilities and other dirty industries where big cuts could be made. To meet California's target in reducing emissions, Mr. Ertel says CARB will have to focus on the transportation sector, which has roughly double the traffic of most states and produces 41% of the state's total emissions.

Among other approaches, CARB could recommend taxes or other incentives to reduce gasoline consumption. On this subject, Mr. Ertel predicts, the agency will experience "some heavy-duty lobbying" before its program emerges.

Jason Grumet, staff director of the bipartisan National Commission on Energy Policy in Washington, says CARB's struggles will be closely watched by national industrial groups. He believes industries opposed to federal regulations may soon swing around to support them -- as they did with the Clean Air Act of 1970, which had its seeds in California -- to get Congress to pre-empt a "patchwork" of conflicting state regulations from evolving.

Mr. Grumet notes that the political forces that shape California's climate-change regulations will be somewhat different from those that will emerge when the issue comes before the Democratic-controlled Congress. The influence of coal-fired utilities, the coal-mining industry and car makers, he explains, is much stronger in Washington than in Sacramento, where the biggest players will include oil companies, the state Chamber of Commerce and agricultural interests.

Environmental groups are also stronger in California and have used successful state programs in the past to sell environmental proposals to Congress. As a result, California's antismog regulations and appliance-efficiency standards made it into national law.

But some of CARB's most ambitious regulations haven't worked as advertised. On many fall days, when Dr. Sawyer gazes out of his office windows, he sees a dirty brown haze, and the distant mountains aren't visible. That is because California, while it has the nation's most stringent air-pollution regulations, hasn't even met weaker federal standards.

Write to John J. Fialka at john.fialka@wsj.com1

New Game A Pheasant Boom Lifts Farm Fortunes On Great Plains (WSJ)

By Joseph T. Hallinan

The Wall Street Journal, November 17, 2006

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VIVIAN, S.D. -- For nearly 100 years, LeRoy "Frenchy" Authier's family has ranched and farmed along the banks of a slender stream known as Medicine Creek.

They grew wheat and raised cattle. But farms got bigger and prices got lower and after a while, the money didn't add up the way it used to. So nine years ago Mr. Authier's 46-year-old son, Mike, and his wife, Katherine, sold off the last of the cattle and turned to a new crop: pheasants.

Today, they have four separate lodges on their land, including a converted barn and granary, that can accommodate up to 35 guests a day. Called the Medicine Creek Pheasant Ranch, about 30 miles south of the state capital of Pierre, it draws hunters from across the country.

Thanks to a federal program that pays farmers to idle millions of acres, the once-decimated pheasant is making a comeback. Many states in the nation's midsection are reporting their biggest populations of the game bird in nearly a half century. Hunters are also turning out in force, willing to pay people like the Authiers thousands of dollars a week to shoot the birds.

One result is an unexpected boom that is raising land values, propping up farms and generating new businesses in many parts of the Great Plains. In a good year the Authiers' pheasant operation will gross six times what the farm did, allowing them to raise their children in the house where Frenchy was born.

"Pheasant hunting is a good way to keep the farm in the family and the family on the farm," says Katherine Authier, who helps cook the meals for Medicine Creek's hunters.

The pheasant phenomenon has created an unusual alliance of farmers, hunters and environmentalists bent on preserving the program that pays farmers to leave some lands idle. For them, the biggest threat to the bird's well-being today isn't coyotes. It's corn, which is used to make ethanol -- the other big growth industry on the Plains. High oil prices have created intense interest in ethanol, an alternative fuel usually mixed with gasoline. As Congress prepares to write next year's farm bill, some want to see a portion of idled cropland planted with corn for ethanol production.

"There are other ways to conserve land," says Kendell Keith, president of the National Grain and Feed Association, whose members include ethanol producers. The outcome of the land debate could help shape the economy of the Great Plains, a dry spine of land that flanks the Rocky Mountains from North Dakota to Texas. Pheasant hunting, soaring land values and tourism have helped prop up local coffers here. Although the past two years have seen "unprecedented income creation," according to the Department of Agriculture, a drought this year has taken its toll on many farms and ranches. As a result, many welcome the new revenue from pheasant hunters.

In Iowa, for example, officials estimate that pheasant hunting brings between $170 million and $250 million to the state. That's a small part of the state's $113.6 billion economy, but a big number in a state of three million people. In South Dakota, pheasant hunters spent an estimated $153 million, according to the state Department of Game, Fish and Parks. And Minnesota, which last year recorded its highest pheasant harvest in 40 years, is developing a long-range plan to increase bird numbers. It pegs annual pheasant-hunter spending at about $63 million.

"This is just great," says Larry Spiegel, moments after a pheasant he shot from high overhead tumbles into a field of milo. He sells financial products to retirees in Las Vegas and is affectionately known around the Authiers' place as Las Vegas Larry. He's been coming to Medicine Creek since it opened. Each year he spends about a month hunting its hills and sloughs behind his dogs, G.G. and Bliss. He is such a regular that Mike Authier even named one of the ranch's buildings "Larry's Lodge."

The pheasant has long been the iconic game bird of the Midwest, featured on collector plates and tavern signs. In the postwar years, pheasants were everywhere, and returning GIs hunted the tasty bird in record numbers. A male, or cock, pheasant weighs about three pounds and can fly at speeds exceeding 45 miles an hour, making it a challenge to shoot. Hunting them often turned into a social occasion, drawing in friends and family from far away.

In the '50s and '60s, hyper-efficient farming practices, and the sacrificing of trees and grasses for cropland, destroyed much of the pheasant's habitat. The birds nearly vanished. According to state records, hunters in North Dakota bagged nearly 500,000 pheasants in 1963. By 1965, the number plunged to just 58,000. The following year, the state closed the season.

The U.S. government reignited the pheasant boom two decades ago with a new land-idling program intended to rein in American farmers' tendency to generate price-depressing gluts of subsidized grain. Under the Conservation Reserve Program, or CRP, Uncle Sam enters into long-term contracts that pay farmers nearly $49 an acre on average not to grow crops on roughly 36 million acres -- an area larger than New York and New Jersey combined. This year, CRP payments equal $4,143 per participating farm, or $1.76 billion altogether. Freed from the plow, these lands are reverting to grasslands and once again generating armies of wildlife.

South Dakota Gov. Mike Rounds says he strongly supports continued CRP funding as part of the farm bill. "I'm just convinced that the more CRP we can get in, the better off we're going to be," he says.

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Some groups, like the National Grain and Feed Association, want the program to allow more acres to be farmed. Such a change would benefit many of its members, which range from ethanol producers to operators of grain elevators. With the recent shift in control of both congressional houses, it remains unclear which side will prevail.

The ethanol boom is already transforming much of the Plains, where steam-belching new plants are replacing grain elevators as the tallest structures on this flat expanse. The plants have sucked in not only natural resources, like water and grain, but a vast pool of investors' money as well. Ethanol is the hottest investment play across the Farm Belt, attracting billions of dollars from everyone from Main Street merchants to Wall Street financiers.

Ethanol boosters say their product is helping reduce America's dependence on foreign oil and sparking the rural economy. As idled land is pulled back into production, they say, sales are likely to grow for companies that make everything from tractors and combines to fertilizer and seeds. The ethanol industry's enormous appetite for corn has already raised the price of the nation's largest crop to its highest price in a decade, brightening prospects for thousands of growers, potentially reducing the cost of government subsidies.

Land is the single largest asset and source of collateral for farmers on the Plains. Increasing land values are making the farmers wealthier at the same time that they are making the region's banks more financially solid. Last year, according to the U.S. Department of Agriculture, the value of farm real estate, which accounts for 86% of farm-sector assets, gained 16.3%. Farm bank profits before taxes and extraordinary items jumped 8.2% last year, according to the American Bankers Association, boosted by strong farm incomes and appreciating farmland values.

Investors are snapping up land for pheasant hunting in places like South Dakota's McPherson County. Ten years ago, land around here sold for between $350 and $400 an acre. Now, the going rate is $1,000 or more. The real-estate boom even extends to the cheapest grade of land, which usually is too hilly or wooded for grain production, because birds thrive there.

Merchants in South Dakota have come to count on the 11-week hunting season, which brings in visitors to a part of the country that typically doesn't see many strangers.

At Tubby's Kwik Stop, a convenience store in Bowdle, where shotgun shells and hunting licenses can be bought with a morning coffee, "our sales probably double for the first two weeks of the season," says Lanny Stiklestad, the owner.

A few blocks away, at the Triple C Steakhouse bed-and-breakfast, the basement dining room was packed on opening weekend last month . Burly men in blaze orange, the traditional hunting-safety color, sat elbow to elbow, joking and watching a ballgame on TV.

Candice Williamson and her sister Cindy Lowens bought the town's long-abandoned hospital to open the place about 10 years ago. Now, it is typically booked solid months before the start of the season. On busy nights, says Ms. Lowens, the dining room will serve 120 people, a big crowd for a town whose population is just over 500.

In 2002, out-of-state pheasant hunters in South Dakota outnumbered residents for the first time since the state began keeping statistics in 1919. The gap is only widening. Nonresident pheasant hunters now provide more than $108 million a year to the state, according to South Dakota Game, Fish and Parks Department. That's about $140 for every man, woman and child in South Dakota.

In 2003, North Dakota hunters persuaded their state officials to give them exclusive shooting rights on certain lands during the first week of the bird season. The Minnesota Attorney General sued the state of North Dakota in federal court, alleging the plan infringed on interstate commerce. In August, a federal appeals court sided with North Dakota.

Last year, South Dakota alone counted nearly 10 million of the birds, its highest pheasant population since 1963. It also licensed a record 95,000 out-of-state hunters.

The Friday before the opening day of pheasant season is the busiest day of the year at the Sioux Falls Airport, says airport manager Mike Marnach, surpassing even Christmas and Thanksgiving. About 2,000 people will arrive, twice the normal daily total. Disembarking hunters are greeted by local merchants in booths bearing cookies and coffee.

"We used to have the Hooters gals," says Mr. Marnach, and they would hand out free beer to the arriving hunters. "But that didn't work out so good," he says, noting the line of hunters trying to rent cars with beer on their breath. One local pheasant operation, he says, now sends stretch Hummers to pick up its guests, who come from across the country.

Pheasant money goes a long way in small towns on the Plains, where there are few extra ways to pick up spare income. Curt Honeyman's family has farmed in this area for years. But come pheasant season, he works for Cannonball Co., in Regent, N.D., one of the largest commercial pheasant-hunting outfits in the state. He guides 55 days a year, the first 40 without a day off.

"That brings in, oh, six, seven grand that I wouldn't normally have," he says. "For that short a time, that's not bad."

Making a living out here has never been easy. "'33 was dry. '34, the grasshoppers ate everything," says Frenchy Authier. He is 83 now and widowed, but still gets around the place, pointing out fence lines still buried from the Dust Bowl. For reasons lost to history, the opening days of pheasant hunting in South Dakota generally don't begin until noon. That is just fine with

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Frenchy because it gives him time to watch his favorite TV show, "The Price is Right." Then he fires up a Ford pickup and trundles hunters out into the fields of his youth.

--Scott Kilman contributed to this article.

Write to Joseph T. Hallinan at joe.hallinan@wsj.com1

Gun Lake Land To Be Taken Into Trust (ICT)

By Gale Courey Toensing, Indian Country Today

Indian Country Today, November 17, 2006

BRADLEY, Mich. - The Match-E-Be-Nash-She-Wish Band of Pottawatomi's planned casino and entertainment center took a great leap forward recently when the federal government announced it would take land into trust for the project early next year.

The Interior Department will take 146 acres in Allegan County into trust for the tribe, which is known as the Gun Lake Tribe, on Jan. 5, 2007, according to an Oct. 27 Justice Department filing in the U.S. District Court in Washington, D.C., and with Michigan Gambling Opposition (MichGO), an anti-Indian casino group.

"This is another very significant step forward for our tribe. We applaud the actions of the federal government in their efforts to provide relief to the tribe and the local communities that are eager for the thousands of jobs and economic growth the casino will provide," Chairman D.K. Sprague said.

The tribe expects to begin construction next spring, Sprague said.

MichGO has until Jan. 5 to file an injunction against Interior, a legal step the group will take, spokesman John Helmholdt said.

"MichGO will be filing the preliminary motion for injunction and we're going to continue to cooperate and work with the court in a timely manner and leave it up to the court to decide," Helmholdt said.

The 300-member Gun Lake Tribe was federally acknowledged in 1999, but its effort to take land into trust have been snarled in court and at Interior since then.

Interior granted final approval to the tribe's land into trust application in May 2005. MichGO immediately challenged Interior in a lawsuit that is pending in the Washington federal court.

Last January, the tribe and the Justice Department filed for a summary judgment of MichGO's lawsuit, but the court has not acted since then. Around the same time, a federal appeals court dismissed an identical lawsuit that sought to delay the Pokagon Band of Potawatomi from developing Four Winds Casino Resort in southwestern Michigan. The dismissal set a precedent for MichGo's action against Gun Lake.

Helmholdt said the latest decision "is a very heavy-handed legal maneuver by the federal government and tribe in an attempt to force the court to take action. We believe due process should be allowed and we should be given a fair hearing in court before the tribe is allowed to take any action."

But Justice reminded MichGO that it already had turned down an offer to expedite matters.

"The Gun Lake Tribe has demonstrated to the Department that it may suffer irreparable harm should the trust acquisition be delayed any further. In light of this, the United States requested that MichGO join the United States in requesting expedited hearing on the summary judgment motions before the District Court. MichGO rejected this request and proposed instead that the United States prepare an Environmental Impact Statement. The United States does not believe an EIS is warranted in this case," Gina Allery, a trial attorney for the Justice Department, said in an Oct. 27 letter to MichGO.

Interior's final land into trust approval last May followed an unexplained 14-month delay after it had issued a preliminary approval with a "Finding of No Significant Impact" document in February 2004.

Helmholdt said MichGO's continuing request for an EIS - a more rigorous analysis than an Environmental Assessment - is "a central part of our legal argument."

But Justice may see the request as a replay of a tactic used by former lobbyist Jack Abramoff, who was indicted on corruption and fraud charges earlier this year. During its investigation, Justice found that Abramoff tried to get Interior to require an EIS in order to block the Gun Lake casino, because he believed it would threaten the market share of a nearby casino operated by one of his clients.

"MichGO's irresponsible decision to continue to pursue its flawed lawsuit to block our casino has wasted millions of taxpayer dollars and caused irreparable damage to the tribe and West Michigan's economy," Sprague said.

Sprague said the tribe continues to seek a gaming compact with the state and is pursuing an agreement, similar to others in the state, that would provide 8 percent of slot machine revenues to the state and two percent to local governments.

But Gun Lake plans to go forward with a Class III gaming facility with or without a compact, Sprague said. He cited a recent Interior decision to authorize Class III gaming for the Seminole Tribe in Florida without a tribal/state compact unless the two

sovereigns negotiate a compact within 60 days. Without a compact, the state does not receive any gaming revenues and has no regulatory oversight role.

"A Class III compact would be best for the tribe, the state and surrounding communities. We are hopeful the Michigan Legislature and governor understand that for the benefit of Michigan and its residents, the time has come to sign the Gun Lake Casino compact," Sprague said.

Liz Boyd, spokesman for Michigan Gov. Jennifer Granholm, acknowledged the argument for a compact that would provide revenues for the state and municipal governments.

"We are having discussions with the tribe. Our former govenor, John Engler, perhaps said it best when he said, 'One way or another that tribe will have gaming, so the question is with or without a compact.' So the governor is really weighing the question very carefully and no decisions have been made yet," Boyd said.

FBI/DEA/ATF/USMS:

American Trrack Coach Graham Pleads Innocent In BALCO Probe (FINDLAW/AP)

By David Kravets, Associated Press Writer

AP, November 17, 2006

(AP) - SAN FRANCISCO-Elite track coach Trevor Graham pleaded not guilty Thursday to accusations he hindered a continuing government steroids probe targeting high-profile athletes.

Graham, who has trained Justin Gatlin, Marion Jones and Tim Montgomery, is charged with three counts of making false statements to federal agents in an indictment issued Nov. 1 by the grand jury investigating performance-enhancing drugs in professional sports.

Graham was freed on US$25,000 bond after appearing before U.S. Magistrate Edwin Chen.

His attorney entered the plea on Graham's behalf.

Graham operates Raleigh, North Carolina-based Sprint Capitol USA, a team of about 10 athletes that includes Gatlin, the 100-meter co-world record holder who tested positive for testosterone and other steroids in April.

Graham also coached Jones, a sprinter who won five medals at the 2000 Sydney Games, and her former boyfriend Montgomery, formerly the world's fastest man who was suspended from competition for two years for doping.

Track Coach Pleads Not Guilty To Hindering BALCO Probe (WP)

The Washington Post, November 17, 2006

Track coach Trevor Graham pleaded not guilty yesterday to federal charges of lying to investigators and hindering the very steroids probe he ignited three years ago when he turned in a syringe full of steroids to investigators.

Graham, who faces three counts of making false statements about his relationship with an admitted steroid dealer, appeared in front of U.S. Magistrate Edwin Chen in San Francisco with his attorney, Gail Shifman, who entered the plea on his behalf. Graham was released on $25,000 unsecured bond.

Graham, who has coached track stars Marion Jones, Tim Montgomery and Justin Gatlin at his Raleigh, N.C.-based camp, faces as much as 15 years in prison and $750,000 in fines. He began the massive steroids probe now known as BALCO (Bay Area Laboratory Co-Operative) , which has resulted in four criminal convictions but combined sentences of less than a year in prison.

Shifman said the lack of substantive results in the probe have led U.S. Attorney Kevin V. Ryan to target Graham.

"It's an unfortunate manipulation of the criminal justice system that an embattled U.S. attorney would turn on the person who brought the whole Balco investigation to the forefront," Shifman said by phone from San Francisco. "Trevor Graham is looking forward to the trial in this case. When the full story comes out, he will be vindicated."

A trial date could be set today during Graham's first appearance before Susan Illston, the federal judge who has presided over the BALCO probe.

-- Amy Shipley

Track Coach Trevor Graham Pleads Innocent In Steroid Probe (BLOOM)

By Karen Gullo

Bloomberg, November 16, 2006

Nov. 16 (Bloomberg) -- Track coach Trevor Graham, who helped spark a U.S. government inquiry into steroid use by athletes, pleaded innocent to charges he lied to federal agents in the probe.

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Graham, coach to Olympic sprinters Marion Jones and Justin Gatlin, was released today on a $25,000 bond by U.S. Magistrate Edward Chen in San Francisco. He was charged Nov. 2 with three counts of making false statements.

``He'll be vindicated," Gail Shifman, Graham's attorney, said after today's hearing.

Graham was a witness in a federal investigation into Bay Area Laboratory Co-Operative, a Burlingame, California, lab known as Balco, the U.S. Attorney said. The lab's founder and four others, including Greg Anderson, trainer to baseball player Barry Bonds, have pleaded guilty to distributing steroids. No athletes have been charged and Bonds has denied using steroids.

Graham obtained illegal performance-enhancing drugs from an unidentified source and lied about it to U.S. Internal Revenue Service agents who interviewed him in June 2004, according to the U.S. Attorney's office in San Francisco. Graham also lied about his contacts with the supplier, the statement said.

The charges each carry a maximum penalty of five years in prison and a $250,000 fine. Graham, who is based in North Carolina, wasn't charged with distributing steroids.

Olympic Ban

The U.S. Olympic Committee banned Graham from its training centers Aug. 3, the first time the organization has levied such a penalty, after Olympic 100-meters champion Gatlin tested positive for testosterone at a meet in April.

Gatlin faces an eight-year ban after failing a second drug test in August. Jones was cleared of using banned substances. Graham also is being investigated by the International Association of Athletics Federations. Graham is fighting the Olympic ban and Gatlin has denied wrongdoing.

Graham has also trained twins Alvin and Calvin Harrison, Jerome Young, Michelle Collins and Tim Montgomery, who all received doping suspensions.

The San Francisco U.S. Attorney's Office launched an investigation three years ago into steroid use by athletes. The probe was sparked in part by Graham, who anonymously mailed a syringe containing a sample of tetrahydrogestrinone, known as THG or the Clear, a synthetic ``designer steroid" that was once undetectable and is banned in baseball.

``I was just a coach doing the right thing at the time," Graham said in a 2004 interview with the Associated Press.

Graham had been granted immunity from prosecution before his interviews with the IRS. The agreement didn't include immunity from prosecutor for making false statements, prosecutors said.

The case is U.S. v Trevor Graham, 06-0725, U.S. District Court, San Francisco.

Anderson Still Won't Discuss Bonds, Heads Back To Jail (WP)

The Washington Post, November 17, 2006

A federal appeals court in San Francisco ruled yesterday that Barry Bonds's personal trainer must return to prison for refusing to testify before a grand jury investigating performance-enhancing drugs in professional sports.

Greg Anderson, 40, already has served two other brief prison stints for refusing to testify whether his boyhood friend lied when he said he never knowingly used steroids. Both times, Anderson, held in contempt of court, was released on procedural grounds.

Anderson could serve more than a year behind bars unless he agrees to tell the grand jury what he knows about Bonds's alleged steroids use.

The Giants slugger told a 2003 grand jury that he believed Anderson had provided him flaxseed oil and arthritic balm, not steroids.

Appeals Court Orders Bonds' Trainer To Jail (LAT)

By Lance Pugmire, Times Staff Writer

The Los Angeles Times, November 17, 2006

Anderson is told to return to prison in contempt case involving BALCO. Also, track coach Graham pleads not guilty to lying.

Barry Bonds' personal trainer was ordered Thursday to report back to federal prison by noon Monday, after a federal appeals court affirmed a prior federal court ruling that prosecutors did not taint a grand jury with information gathered from a disputed tape recording.

In another BALCO-related court event, track coach Trevor Graham pleaded not guilty to charges he lied to federal investigators.

Bonds' trainer, Greg Anderson, 40, has been imprisoned twice previously for contempt of court for refusing to fully testify about whether the free-agent San Francisco Giants slugger lied when he told a prior federal grand jury that he never knowingly used steroids.

"Greg is as strong and resolute as I've ever heard him," said Anderson's attorney, Mark Geragos, who said he would continue appealing for Anderson's release, possibly to the U.S. Supreme Court.

Anderson has served more than 50 days in prison in the contempt case. He served 15 days in July before an earlier grand jury's term expired. He was sent back to prison for 37 more days but ordered released in October by the U.S. 9th Circuit Court of Appeals.

Geragos argued that Anderson shouldn't testify because prosecutors are relying on information that they gained in an illegally obtained recording of Anderson discussing steroids in 2004.

Prosecutors counter that their questions to Anderson are based on a search they conducted of Anderson's home, along with other athletes' secret testimony.

The 9th Circuit ruled Thursday that "the government's questions were not tainted by the … recording. … The material was not provided to [the] grand jury, in either recorded or transcript form."

Anderson is subject to spending more than 13 months in prison as the current grand jury term continues, his attorney said.

"But we have many other options," Geragos said.

Meanwhile, track coach Graham pleaded not guilty to three counts of making false statements to federal agents. He was indicted Nov. 1.

Graham helped start the ongoing federal investigation of the Bay Area Laboratory Co-Operative in Burlingame, Calif., by anonymously mailing a vial of the then-undetectable steroid "the clear" to the U.S. Anti-Doping Agency.

Graham, who has trained U.S. sprinters Justin Gatlin, Marion Jones and Tim Montgomery, allegedly lied to federal agents when he said he didn't supply athletes with performance-enhancing drugs or tell them where to purchase the drugs.

Graham would face a maximum 15 years in prison if he is convicted.

The Associated Press contributed to this report.

Track Coach Enters Plea; Trainer Sent To Prison (AP)

AP, November 16, 2006

SAN FRANCISCO, (AP) — Olympic track coach Trevor Graham pleaded not guilty to hindering a grand jury's probe of performance-enhancing drugs in sports on Thursday, the same day Barry Bonds's personal trainer was ordered back to prison for refusing to cooperate with the investigation.

Graham remained free on a $25,000 bond, but a three-judge panel of the United States Court of Appeals for the Ninth Circuit ordered Bonds's trainer, Greg Anderson, back to federal prison. He was directed to report by noon Monday.

Anderson's lawyer, Mark Geragos, said he was considering asking a 15-judge panel of the San Francisco-based appeals court, or even the Supreme Court, to consider Anderson's plight.

Outside his arraignment in federal district court, Graham, who trained the track stars Justin Gatlin, Marion Jones and Tim Montgomery, did not comment after his lawyer, Gail Shifman, entered the plea on his behalf.

"He'll be vindicated," Shifman said.

Anderson, 40, has already been behind bars twice after being held in contempt of court for his refusal to testify to a grand jury investigating Bonds on allegations of perjury and tax evasion. Both times, the prison stints were cut short because of legal technicalities.

Now, he could serve more than a year in prison unless he agrees to tell the grand jury what he knows about alleged steroids use by Bonds.

On Nov. 1, the same grand jury indicted Graham on three counts of making false statements to federal agents investigating the use of steroids in professional sports. If convicted, Graham faces a maximum 15 years in prison and $750,000 fine.

Graham's lawyer declined to answer a reporter's questions about whether Graham supplied athletes with performance-enhancing drugs or told athletes where to get them, as the indictment alleged.

Drug Dealer Pleads Guilty In Fentanyl Case (DN)

Detroit News, November 16, 2006

A Detroit drug dealer faces more than 24 years in prison after he admitted today to distributing heroin laced with the painkiller fentanyl that killed two people.

U.S. District Judge Lawrence P. Zatkoff will sentence James Edgar Coleman, 36, on Feb. 6 on two counts of distributing a controlled substance causing death.

Coleman admitted to selling the fentanyl-laced heroin that killed Lauren Jolly, a 17-year-old Bloomfield Township high school student, and Daniel McElmurry, 30, of Madison Heights, earlier this year.

Coleman told Zatkoff he sold about 50 small packets of heroin to a drug house on Keating Street in Detroit, some of which was later purchased by Jolly and McElmurry, killing them in separate incidents. He said he did not know the heroin contained fentanyl.

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"If you're in the business, you don't want to kill your customers," Coleman's lawyer Warren Harris of Southfield said outside court.

Assistant U.S. Attorney Kathryn McCarthy told Zatkoff Coleman did not have to know exactly what was inside the fatal mixture for him to be guilty of the crimes, which each carry a minimum 20-year prison sentence.

Under a deal reached with prosecutors, Coleman is expected to be sentenced to between 24 and 30 years in prison and will lose his right to appeal.

Harris said outside court that because Coleman has previous drug offences on his record, he would have faced life in prison if found guilty of selling heroin. That's why the plea deal made sense, he said.

It's the first charge related to deaths caused by fentanyl-laced heroin and cocaine that killed an estimated 133 people in Metro Detroit in 2005-06.

Detroit Man Pleads Guilty In Fentanyl Deaths (FREEP)

By Jim Schaefer, Free Press Staff Writer

Detroit Free Press, November 16, 2006

A 36-year-old Detroit man pleaded guilty today to providing the fentanyl-laced heroin that killed Birmingham high school junior Lauren Jolly and another man last spring.

James Edgar Coleman told Judge Lawrence Zatkoff in U.S. District Court that he was unaware that the heroin he supplied to a drug house on Detroit's east side also contained fentanyl, a drug that is 50 to 100 times more powerful. Fentanyl was blamed for dozens of deaths in the tri-county area from late 2005 through May 2006.

Jolly, 17, a student at Birmingham Groves, and Daniel McElmurry, 30, of Madison Heights, both purchased the drugs that killed them from a house on Keating that Coleman said he supplied with narcotics.

As part of a plea deal, Coleman would be sentenced to 24 1/3 years to nearly 30 ½ years. Coleman's lawyer, Warren Harris, said his client was sorry and took the deal because he could have gotten life in prison on other charges the government issued.

Zatkoff set a sentencing date of Feb. 6.

Detroit Man Pleads Guilty In Fentanyl-Laced Heroin Deaths (DFP/AP)

Detroit Free Press/AP, November 16, 2006

A Detroit man has pleaded guilty in the deaths of two people for giving them heroin laced with the painkiller fentanyl.

That combination is blamed in the deaths of more than 100 drug users in southeast Michigan over the past year.

Thirty-six-year-old James E. Coleman entered the plea to two counts of delivery of a controlled substance resulting in death.

Sentencing was set for February.

Coleman was charged in the deaths of 17-year-old Lauren Jolly of Oakland County's Bloomfield Township and 30-year-old Daniel McElmurry of Madison Heights.

Judge Rejects County Challenge To Medical Marijuana Laws (SDUT)

By Jeff Mcdonald, Union-tribune Staff Writer

The San Diego Union-Tribune, November 16, 2006

SAN DIEGO – A Superior Court judge rejected an argument Thursday from San Diego County that the state medical marijuana laws are illegal because they conflict with federal drug prohibitions.

In a tentative ruling, Judge William R. Nevitt Jr., said California laws permitting chronically ill patients to grow and smoke marijuana are voluntary, and as such do not automatically conflict with federals laws banning pot.

Attorneys for both sides are scheduled to make oral arguments in the case later Thursday afternoon. It is unclear whether Nevitt will issue a formal ruling from the bench or take the case under submission.

San Diego County sued the state of California earlier this year to try to overturn Proposition 215, which allowed for the medical use of marijuana. The issue has been hotly debated in the ten years since voters approved that initiative.

Many California counties have been slow to implement the law. San Bernardino and Merced counties joined the San Diego case earlier this year.

Judge Rejects San Diego County Medical Marijuana Challenge (NCT)

North County Times, November 16, 2006

DOJ_NMG_0095855

SAN DIEGO ---- A Superior Court judge issued a tentative ruling today rejecting the County of San Diego's argument that California's medical marijuana law should be overturned.

Judge William R. Nevitt, who is scheduled to hear arguments in the controversial case at 1:30 p.m. today, issued a tentative ruling at 11 a.m.

Nevitt's ruling rejected the county's argument that California's decade-old, voter-approved law should be overturned because it conflicted with federal law.

San Diego County supervisors filed a lawsuit in state court in December 2005 after refusing to comply with state orders to create an identification card and registration program for medical marijuana users.

California is one of 11 states where voters have said seriously-ill people should be allowed to legally use marijuana to ease their suffering if they have a doctor's recommendation.

Federal law says marijuana has no medicinal value and is illegal for anyone to use.

The county argued that the California law should be "pre-empted" by federal law, which says all marijuana use is illegal, under the U.S. Constitution's "Supremacy Clause," which says federal laws should be "supreme" over state laws.

Nevitt, however, said in his tentative ruling that the county's argument ignored the corollary to the Supremacy Clause that held in matters where states traditionally legislate, state law is considered pre-eminent.

Nevitt also ruled out the county's argument that the state's order for counties to issue identification cards for medical marijuana users should be overturned.

Judge Rejects San Diego Challenge To Medical Marijuana Law (AP)

AP, November 17, 2006

SAN DIEGO A state court judge has rejected a San Diego County lawsuit challenging the decade-old California law that legalizes marijuana for medical purposes.Superior Court Judge William Nevitt, Junior, said in a tentative ruling issued this morning that the state can decriminalize the drug even though it is illegal under federal law.Voters approved a ballot measure legalizing marijuana use for people suffering from chronic illness in 1996.San Diego County sued the state of California in February after the Board of Supervisors refused to follow state rules requiring them to issue identification cards to medical marijuana users.Two other California counties, San Bernardino and Merced, joined San Diego as plaintiffs in the suit.Lawyers for the three counties will have one more chance to change the judge's mind when they appear in Superior Court for oral arguments this afternoon.

Counties Take On State On Medical Pot (AP)

AP, November 16, 2006

SAN DIEGO - Attorneys for San Diego County argued Thursday before a state court judge that the federal ban on marijuana use precludes states from exempting people who use the drug for medical purposes.

San Diego County sued California and its health services director in February over the state's decade-old law permitting use of the drug with a physician's approval. The county says it should not be bound to act to uphold state laws that conflict with federal statutes.

"California has authorized the exact same conduct that federal law has prohibited," argued Thomas Bunton, a senior deputy county counsel. "That's clearly an obstacle to the objective of Congress to prevent drug abuse."

Two other California counties, San Bernardino and Merced, joined San Diego as plaintiffs. All three counties have refused to comply with a state requirement that counties issue identification cards for medical marijuana users and maintain a registry of people who apply for the cards.

Earlier Thursday, Superior Court Judge William R. Nevitt, Jr., issued a tentative ruling rejecting the county's suit.

Nevitt did not indicate when a final ruling would be issued but set a Dec. 1 deadline for additional briefs on

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issues related to the case.

In his tentative ruling, Nevitt agreed with attorneys for the state, who argued that California is entitled to pass its own drug laws and legislate programs that allow marijuana use for medical purposes.

"The counties are not being forced to do anything that would be in violation of federal law," said Leslie Lopez, a deputy state attorney general. "They're simply being asked to carry out state law."

Five California patients and caregivers, represented by the American Civil Liberties Union, Americans for Safe Access and other advocacy groups, joined the case on the side of the state. A sixth patient, Pamela Sakuda, who suffered from rectal cancer, died last Friday, said William Dolphin, a spokesman for ASA.

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About 30 medical marijuana users gathered in the courtroom to hear the arguments, many loudly tut-tutting as Bunton and other county attorneys argued that making marijuana available to the ill can enable recreational drug abuse.

County officials said they have not decided whether they will appeal if Nevitt stands by his initial ruling.

"All we wanted was guidance telling us where we're at so we don't break any rules and lose any funding," said San Diego County Supervisor Bill Horn.

Supporters of the law said they were prepared for a fight.

"It will go as far as the counties want to take it," said Adam Wolf, an attorney for the ACLU Drug Law Reform Project who argued part of the case.

California's law allows people suffering AIDS, cancer, anorexia, chronic pain, arthritis and migraine and "any other illness for which marijuana provides relief" to grow or possess small amounts of marijuana with a doctor's recommendation.

Judge Issues Ruling Upholding Medical Marijuana Law (KGTV)

KGTV-TV, November 16, 2006

SAN DIEGO -- A San Diego judge Thursday issued a tentative ruling upholding California's medical marijuana law, finding against San Diego and two other counties that challenged voter-passed Proposition 215.

However, after hearing oral arguments, Superior Court Judge William Nevitt declined to issue a final decision in the lawsuit brought by San Diego, San Bernardino and Merced counties.

Passed by California voters in 1996, the so-called Compassionate Use Act allows the use of marijuana for pain treatment and other medical reasons.

The counties' lawsuit, filed in February, claims federal law banning marijuana use and possession supercedes state law that allows the medical use of marijuana.

The suit was filed against the local chapter of the National Organization for the Reform of Marijuana Laws, or NORML, after the San Diego County Board of Supervisors refused to implement part of the state law requiring officials to issue identification cards to medical marijuana users to protect them from prosecution.

The American Civil Liberties Union, Americans for Safe Access and Drug Policy Alliance joined San Diego NORML in fighting the suit.

Thomas Bunton, the chief deputy counsel for San Diego County, told the judge that the federal Controlled Substances Act of 1970 contains a provision that overrides state drug laws.

"Authorizing anyone to use marijuana undercuts the objective of federal laws," Bunton said.

Federal law does not recognize the medical use of marijuana, the lawyer contended.

The ACLU's lawyer, Adam Wolf, said the medical marijuana law only bars state police from enforcing federal drug statutes.

"We're not saying federal law can't be enforced," Wolf said. "All we're saying is the state doesn't have to be an active partner with federal law enforcement."

Joseph Elford, an attorney for Americans for Safe Access, told the judge that there is no conflict between Proposition 215 and federal law.

Even with marijuana use allowed for medical purposes, California is "90 percent of the way" toward compliance with federal anti-drug statutes, Elford said.

The judge did not indicate when he would release his final ruling. He did ask lawyers to file briefs by Dec. 1.

Wolf said he would try to reach out-of-court agreements with the counties so that the judge would not have to issue an injunction.

Top Supplier Of West Pot Pleads Guilty; Terms Sealed (KNOXNS)

By Jamie Satterfield

Knoxville News Sentinel (TN), November 17, 2006

Arizona defendant gets cap placed on amount of drugs he will be responsible for

He's just pleaded guilty in open court to being the chief supplier in one of Knoxville's most high-profile drug conspiracy cases, but could you keep that under wraps?

Assistant U.S. Attorney Hugh Ward on Thursday laid bare in U.S. District Court the details of Arizona drug supplier Phillip Arthur Apodaca's role in the marijuana-peddling conspiracy case involving Market Square businessman Scott West and his brother.

Apodaca, 36, admitted those details as he pleaded guilty to charges of conspiring to push more than a ton of marijuana and plotting to launder at least $2.5 million in drug money.

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Despite his very public confession, Apodaca's Arizona-based attorney, Rudy Valenzuela, asked U.S. District Judge Thomas Phillips to place under seal the terms of Apodaca's plea deal and a document that outlines his crimes.

It's still not clear why, but it's not an entirely uncommon move. Most defendants who take a plea deal in federal court will wind up working as snitches in hopes of earning sentencing breaks, and that's not exactly something one wants to advertise.

Since Apodaca's plea agreement is now shrouded in secrecy, whether he has garnered a promise of a break for telling tales on others is unknown. His opportunities would seem, at least on the surface, to be limited.

After all, the man Apodaca has been selling thousands of pounds of marijuana to since 2001 - Mike West - already has struck his own deal with prosecutors Ward and David Jennings. Scott West also has pleaded guilty.

Charges are still pending, however, against Mark Anthony Cort, who was the alleged go-between for Mike West and Apodaca as well as a father and son accused of serving as couriers for Mike West.

Ward told Phillips at Thursday's hearing that Apodaca was living in Arizona when he took over as Mike West's "primary source" of marijuana. Mike West, records show, has been dealing drugs for more than a decade.

Apodaca routinely lined up 1,000-pound shipments of marijuana for Mike West, who rented at least two houses in Arizona to serve as "stash houses" for drugs and money, Ward said.

Although court records suggest that the West pot pipeline has funneled tons upon tons of marijuana into states including Georgia, North Carolina and Tennessee, Apodaca has locked into place as part of his plea deal a cap on how much of those drugs he will be held responsible for when sentenced.

"The defendant will be responsible for at least 1,000 kilograms but less than 3,000 kilograms" of marijuana, Ward said.

Those figures are key, because penalty ranges in federal cases are determined, in part, by how much dope a dealer peddled. Apodaca already faces a boost in his basic penalty range because the U.S. Drug Enforcement Administration, which toppled the West conspiracy, found guns in the supplier's possession when he was nabbed, Ward said.

Phillips set a March 5 sentencing hearing for Apodaca. Scott West is expected to be the first of his conspirators to face sentencing, with a hearing currently scheduled for December. Hearings for his brother and sister-in-law were recently bumped to January.

Detroit Police Search For Suspects; 5 People Are Shot, 2 Fatally (AP)

By Ron Vample

AP, November 17, 2006

DETROIT - Police arrested a man suspected in a series of shootings Thursday that left two people dead and three others wounded within a span of 10 minutes.

The shootings took place shortly after 6 a.m. in a three- to four-block area on the city's west side, Detroit police spokesman James Tate said.

Killed were Arthur James Smith, 49, and Othelia Fry, 58, both of Detroit, said Yvette Walker, a Detroit police spokeswoman. The wounded men - Elton Ash, 51, Dennis Anderson, 49, and James L. Brown, 50 - were treated at Henry Ford Hospital and released, hospital spokeswoman Synthia Bryant said.

Police arrested the suspect Thursday afternoon at a house about a half-mile from where the shootings occurred, The Detroit News reported on its Web site.

Investigators received a tip from a woman who told them the suspect told her he had shot five people in the morning. The woman led police to the man, the newspaper said.

A search of the house did not find a weapon or the clothes the suspect was believed to have been wearing during the shootings. But the man fit the descriptions given by witnesses, police said.

Tate said earlier that investigators believed there were two gunmen, but police told the Detroit Free Press late Thursday that witness accounts may have been wrong and one man may have been responsible.

Messages left for police by The Associated Press on Thursday night were not immediately returned.

Police said the victims apparently were chosen at random.

One gunman said something to the victims, Tate told The News without giving details. "Right now we have not established a motive," he said.

Fry was shot inside a vehicle in front of the Angel Land Child & Parent Center, a day care facility on Linwood Street, Tate said. There were no children at the day care at the time, and the shooting didn't appear to be related to the facility, he said.

Smith and Ash were shot minutes later about a block away. Shortly afterward, Anderson was wounded in his backyard and Brown also was shot, the Free Press reported on its Web site.

Police recovered shell casings from a handgun.

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Linwood is a busy, four-lane street that runs through blocks of old homes. The area around the shooting scene is lined with liquor stores, empty lots, a church, gas stations and abandoned buildings.

Fry had been a cook at the child care center for five years and "really loved that job," said her husband, Bauford Carmichael, 65. She also was president of her block club and active with her neighborhood watch, he told the Free Press.

The U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives was offering a $10,000 reward for information leading to the arrest and conviction of those responsible for the shootings.

"The magnitude of the violence, coupled with a gunman - or gunmen - at large precipitated our offer of assistance to the Detroit Police Department and our involvement in the manhunt," said Valerie J. Goddard, the agent in charge of the ATF's Detroit office.

Associated Press Writer Jim Irwin contributed to this report.

IMMIGRATION:

Feds: Border Security Costs Could Soar (AP)

The AP, November 16, 2006

Electronic monitoring and other steps for enhancing surveillance along the southwestern border could cost 15 times the initial $2 billion estimate, the Homeland Security Department's inspector general says.

"Early forecasts and estimates of the program's value range from $8 billion to $30 billion," Richard L. Skinner said in an audit report.

The estimate raised new questions about the viability of efforts by President Bush and Congress to revamp immigration policies. The Republican-led Congress demanded that a first step include efforts to improve security along the U.S. borders.

The contract for a "virtual fence" of new cameras, surveillance technology and revamped procedures for border agents was awarded in September to the Boeing Co. The first phase of the program is planned for a 28-mile stretch along the Arizona border near Tucson and is due to be completed in June.

The figures exclude the costs of about 700 miles of additional physical border fencing that Bush signed into law in September.

Homeland Security Department spokesman Russ Knocke said only the money for the Tucson-area phase of the project, $67 million, has been set aside from agency funds so far.

"I'm not sure where his numbers are coming from," Knocke said of Skinner's estimate. He said the agency was open to listening to Skinner's ideas on how to strengthen oversight of the program.

"We've been very clear from the very beginning," Knocke said. "We were going to build a little and prove it before we build more."

"The bottom line is there isn't a number," said Rep. Mark Souder, R-Ind. He was critical of how the contract was awarded and the program is being managed. He noted that estimates can change, but that Boeing must have had a cost estimate when it bid on the contract.

Souder said the plan to go ahead with just the 28-mile stretch near Tucson without a clearer overall plan was like building a house without a plan or cost estimate while saying, "we're getting along really well with the downstairs bathroom."

A Boeing spokeswoman noted that the company is "on a contract for $67 million at this time," with three one-year options. She declined to answer other questions.

Rep. Bennie Thompson, D-Miss., in line to become chairman of the House Homeland Security Committee next year, said he is "troubled that we have not seen a detailed rendering of the department's strategy."

Bush and Congress have approved $1.2 billion for the border security program, but $950 million of that cannot be tapped until the department provides Congress with a report on how it will spend the money, Knocke said.

On Wednesday, Skinner told the House Homeland Security Committee's management subcommittee that the type of contract awarded to Boeing for the border program creates additional risks that, "unless properly managed, threaten achievement of cost, schedule, performance, and, ultimately, mission objectives."

TAX:

Minuteman Spending Outstrips Donations, Fees (WT)

By Jerry Seper

DOJ_NMG_0095859

The Washington Times, November 17, 2006

The Minuteman Civil Defense Corps, under fire for a lack of financial accountability, spent nearly $450,000 last year for volunteers to patrol the U.S.-Mexico border -- about $31,000 more than it collected in donations and registration fees -- according to a report released yesterday.

The organization's first Internal Revenue Service Form 990 filing as a 501(c)4 tax-exempt charitable trust showed nearly $285,000 in MCDC contributions, or roughly 63 percent, were used to pay for program management and operating expenses, such as travel expenditures, salaries, educational materials and office expenses.

Another $145,000, about 32 percent, went for MCDC's fundraising programs.

According to the report, about $20,000, or 5 percent, was spent on field supplies, meals, fuel and background checks for the claimed 8,500 Minuteman volunteers, who last year staffed observation posts at selected points along the Mexican border from California to Texas in April and October.

While the IRS papers document MCDC collections and expenditures through Dec. 31, a reported donation total of $418,493 is significantly less than the $1.6 million MCDC President Chris Simcox told The Washington Times in July that the group had collected in donations since its April 2005 creation. That figure was said to include $1 million in direct MCDC contributions and $600,000 toward the construction of a $55 million border fence.

At the time, Mr. Simcox said MCDC had spent $160,000 for two border vigils in April 2005 and October 2005, supplying volunteers with equipment, including computers, satellite phones, food and trailers.

He also said the organization spent another $36,000 for monthly, three-day musters by MCDC in the four border states.

MCDC officials declined to discuss the Form 990 report with The Washington Times, but Mr. Simcox said in a statement posted on the organization's Web site, "We are releasing our organizational IRS Form 990 and the additional audited financial statements on deadline, as promised, when promised."

He also said that the group's board of directors, which he heads, had decided that "this year and this year only" it would make public the organization's financial statements -- citing what he called "outright malicious lies about the status of MCDC finances."

In July, several MCDC leaders and volunteers questioned the whereabouts of hundreds of thousands, perhaps millions, of dollars in donations the organization had collected.

Several of the group's top lieutenants either quit or threatened to quit, saying requests to Mr. Simcox for a financial accounting have been ignored. Others said money promised for supplies never reached volunteers at the border.

Mr. Simcox, during the July interview, denied the accusations, describing his critics as "known racialists, anti-Semites and a small handful of disgruntled people who have been terminated from staff or from leadership involvement with the Minuteman Civil Defense Corps over a year ago because they could not meet MCDC standards or adhere to our strict field standard operational procedures."

CONGRESS-ADMINISTRATION:

Bush Sends Congress A Partisan Agenda (MCT)

By Steven Thomma

McClatchy Newspapers, November 17, 2006

WASHINGTON - President Bush made nice with the Democrats for the television cameras after they won control of Congress, complete with pictures filled with handshakes, smiles and vows of working together. He even tossed Secretary of Defense Donald H. Rumsfeld over the side, making many people think that maybe he was going to move more toward the center and reach out for bipartisan openings.

But the agenda he's sent to Congress since then is full of Republican proposals that have no chance of winning bipartisan approval, enrage Democrats, rally his conservative base and appear to be intended to paint Democrats as obstructionist.

Bush has resubmitted several judicial nominations that had been blocked even before last week's elections. He's asked again that the Senate confirm John Bolton as ambassador to the United Nations. And he's urged approval of warrantless eavesdropping on suspected terrorists without any accommodation to Democrats' demands that a court sign off on the spying.

None of these proposals is expected to win approval in the lame-duck session of the Republican Congress, and all are assured of defeat when the Democrats take over in January.

Bush's proposals could be simply his opening bid in what would be a tough round of negotiations with the Democrats. Or they could be a political gambit designed to frame the Democrats early on as obstructionists while rallying a conservative base dispirited by last week's election losses.

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Either way, they contradict the initial post-election image that indicated that Bush was ready to reach out to Democrats.

"I intend to work with the new Congress in a bipartisan way," he said the day after the election. "The message yesterday was clear: The American people want their leaders in Washington to set aside partisan differences, conduct ourselves in an ethical manner and work together to address the challenges facing our nation."

Then this week Bush sent to the Senate four appellate-court nominations that waved a red flag before Democratic bulls. They included:

-U.S. District Judge Terrence Boyle of North Carolina, who's been blocked for years by Democrats who accuse him of being hostile to civil rights and often overruled by higher courts.

-William G. Haynes, a former Pentagon general counsel to Rumsfeld, who's been assailed by Democrats for his role in crafting Bush administration policies on detentions and treatment of suspected enemy combatants.

-Michael B. Wallace, a private-practice attorney from Mississippi who was rated unqualified by the American Bar Association and who's been criticized by Democrats as being hostile to civil rights and to the poor.

-William G. Myers, a mining lobbyist from Idaho who's opposed by environmentalists.

"Barely a week after the president promised to change course by working in a bipartisan and cooperative way with Congress, it is disappointing that he has decided to stay the course on judicial nominees," said Sen. Patrick Leahy, D-Vt., who'll chair the Senate Judiciary Committee when the Democrats take over in January.

If Democrats think Bush's in-your-face moves will anger voters, at least one Republican strategist countered that they'll be applauded as overdue by conservatives.

"To the party's detriment, we did not run on the issue of judges as much as we should have. It's a winning issue for us," said strategist Keith Appell, who added that Bolton also is popular with conservatives.

"There is a real question as to how enthusiastic the Republican leadership was last year on these nominations. Now there is an opportunity for the Republican leadership in the Senate to re-establish itself with the conservative grassroots by fighting for these nominees."

Even if Bush loses, he wouldn't only rally the party base, Appell said, but a loss would also allow him to argue that Democrats were obstructionists.

"It forces the Democrats to violate their promise of bipartisanship," he said.

Bush also is pushing Congress to ratify his warrantless eavesdropping without any hint of accommodation to Democrats, who want the spying to continue but with court oversight.

White House spokesman Tony Snow defined bipartisanship in that case as the Democrats supporting the president's plan because both parties now share power - and the responsibility to protect the country against terrorists. On Bush's terms.

Bruce Buchanan, a political scientist at the University of Texas, said he doubts that either side would be successfully or permanently scarred as obstructionist or face a backlash from voters at this early stage, still two years from the next election. Thus, he said, "Bush probably thinks it's too soon to sing Kumbaya with the Democrats."

MORE ON THE JUDICIAL NOMINEES:

-William G. Haynes, nominated to the 4th U.S. Circuit Court of Appeals in Richmond, Va., was assailed by Democrats during his hearings for his role in crafting Bush administration policies on enemy detentions and treatment. He served as general counsel for Secretary of Defense Donald H. Rumsfeld.

-Michael B. Wallace is an accomplished private-practice attorney from Mississippi and a nominee to the 5th U.S. Circuit Court of Appeals in New Orleans. He was rated unqualified, though, by the American Bar Association - in part because the organization found that he lacked a "commitment to equal justice." Democrats seized on the report as proof that Wallace would be hostile to civil rights and to the poor.

-Federal District Judge Terrence Boyle of North Carolina technically has been waiting more than 15 years to get a seat on the 4th Circuit bench in Richmond. He was nominated by the first President Bush, but never got a hearing. He was re-nominated by the current President Bush in 2001 but was initially blocked by North Carolina Sen. John Edwards, who thought the bench needed more African-Americans.

Boyle has been accused of being hostile to civil rights, and Democrats have vowed to filibuster him. The closest he's come to confirmation was a committee vote a year ago. His nomination expired before a floor vote, so he'd need another nod from the committee before a confirmation vote could take place.

-William G. Myers is a mining lobbyist from Idaho, nominated to the 9th U.S. Circuit Court of Appeals in San Francisco. Democrats have portrayed him as hostile to environmental interests, a key issue in the Western states covered by the court to which he's nominated. He hasn't gotten a committee vote yet.

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-Norman Randy Smith, nominated to the 9th Circuit, and Peter D. Keisler, nominated to the U.S. Court of Appeals for the District of Columbia, have been opposed for less partisan reasons, but they'll still likely face opposition.

Smith, a federal district judge from Idaho, was nominated to a seat on the appeals court that Californians traditionally have held. Democrats have opposed him for that reason.

Keisler, a former clerk for Judge Robert Bork and Supreme Court Justice Anthony Kennedy, is opposed by Democrats who complain that his resume offers few clues as to what kind of judge he'd be. Some activist groups also criticize his nomination to the D.C. Circuit because he'd occupy a controversial new seat - one that Senate Republicans denied to Harvard Law School Dean Elena Kagan during the Clinton years.

McClatchy correspondent Stephen Henderson contributed to this report.

Bush Choice For Family-Planning Post Criticized (WP)

By Christopher Lee

The Washington Post, November 17, 2006

The Bush administration has appointed a new chief of family-planning programs at the Department of Health and Human Services who worked at a Christian pregnancy-counseling organization that regards the distribution of contraceptives as "demeaning to women."

Eric Keroack, medical director for A Woman's Concern, a nonprofit group based in Dorchester, Mass., will become deputy assistant secretary for population affairs in the next two weeks, department spokeswoman Christina Pearson said yesterday.

Keroack, an obstetrician-gynecologist, will advise Secretary Mike Leavitt on matters such as reproductive health and adolescent pregnancy. He will oversee $283 million in annual family-planning grants that, according to HHS, are "designed to provide access to contraceptive supplies and information to all who want and need them with priority given to low-income persons."

The appointment, which does not require Senate confirmation, was the latest provocative personnel move by the White House since Democrats won control of Congress in this month's midterm elections. President Bush last week pushed the Senate to confirm John R. Bolton as ambassador to the United Nations and this week renominated six candidates for appellate court judgeships who have previously been blocked by lawmakers. Democrats said the moves belie Bush's post-election promises of bipartisanship.

The Keroack appointment angered many family-planning advocates, who noted that A Woman's Concern supports sexual abstinence until marriage, opposes contraception and does not distribute information promoting birth control at its six centers in eastern Massachusetts.

"A Woman's Concern is persuaded that the crass commercialization and distribution of birth control is demeaning to women, degrading of human sexuality and adverse to human health and happiness," the group's Web site says.

Keroack was traveling and could not be reached for comment. John O. Agwunobi, assistant secretary for health, said Keroack "is highly qualified and a well-respected physician . . . working primarily with women and girls in crisis."

Mark Conrad, president of A Woman's Concern, said Keroack would be able to make the transition to leading a federal program in which provision of birth control is an integral part. "I don't think it's going to be an issue for him," he said.

The group helps women in unplanned pregnancies but discourages abortions, Conrad said. He said the decision is the woman's but "we do want to give her the opportunity to have all the information and the support necessary to choose life."

Marilyn Keefe, interim president of the National Family Planning and Reproductive Health Association, which represents 4,000 family-planning clinics, said Keroack's work "seems to really be geared toward furthering anti-choice, anti-contraception policies." She added that despite the congressional election results, the appointment "goes to show you the importance of controlling the White House and how important federal agencies are in the delivery of health services."

The federal family-planning program, created in 1970, supports a network of 4,600 family-planning clinics that provide information and counseling to 5 million people each year. Services include patient education and counseling, breast and pelvic exams, pregnancy diagnosis and counseling, and screenings for cervical cancer, sexually transmitted diseases and HIV.

Cecile Richards, president of the Planned Parenthood Federation of America, called Keroack's appointment "striking proof that the Bush administration remains dramatically out of step with the nation's priorities."

Taken together, Keroack's appointment, the Bolton push and the judicial renominations suggest that although Bush may work for consensus with Democrats on selected issues, he does not plan to avoid decisions simply because lawmakers will disagree, and he may in fact seek fights in some instances when he feels they may be useful politically.

Confirmation of Bolton and the judicial nominees are popular causes with Bush's conservative base, and a family-planning chief from an organization that opposes contraceptives may appeal to disaffected social conservatives.

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White House spokeswoman Dana M. Perino cautioned against reading a larger pattern into the recent moves, saying, "You have to look at these things in isolation."

She added: "The president has said we will look to reach common ground where we can find it. However, he's not going to compromise on his principles."

Family-planning Head Leads Anti-contraceptive Group (LAT)

By Christopher Lee

The Los Angeles Times, November 17, 2006

WASHINGTON — The Bush administration has appointed a new chief of family-planning programs at the Department of Health and Human Services who helps lead a Christian pregnancy counseling organization that regards the distribution of contraceptives as "demeaning to women."

Dr. Eric Keroack, medical director for A Woman's Concern, a nonprofit group based in Dorchester, Mass., will become deputy assistant secretary for population affairs in the next two weeks, department spokeswoman Christina Pearson said Thursday.

Keroack, an obstetrician-gynecologist, will advise Secretary Mike Leavitt on matters such as reproductive health and adolescent pregnancy. He will oversee $283 million in annual family-planning grants that, according to the department, are "designed to provide access to contraceptive supplies and information to all who want and need them with priority given to low-income persons."

The appointment does not require Senate confirmation.

The Keroack appointment has angered many family-planning advocates, who note that A Woman's Concern supports sexual abstinence until marriage, opposes contraception and does not distribute information promoting birth control at its six pregnancy service centers in eastern Massachusetts.

"A Woman's Concern is persuaded that the crass commercialization and distribution of birth control is demeaning to women, degrading of human sexuality and adverse to human health and happiness," the group's policy statement on contraception says.

Keroack could not be reached for comment.

John O. Agwunobi, assistant secretary for health, said Keroack was "highly qualified and a well-respected physician … working primarily with women and girls in crisis."

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Cecile Richards, president of Planned Parenthood Federation of America, said in a statement that Keroack's appointment was "striking proof that the Bush administration remains dramatically out of step with the nation's priorities."

Still Waiting For Bipartisanship (NYT)

The New York Times, November 17, 2006

The voters sent a clear message last week that they do not want the far right of the Republican Party calling the shots in Washington. But President Bush has ignored the message, resubmitting a group of archconservative, underqualified judicial nominees that Senate Democrats have already said are unacceptable. With the Democrats about to take control of the Senate, it is highly unlikely that these men will be confirmed. But the renominations suggest that when it comes to filling judgeships, Mr. Bush is still not looking for either excellence or common ground.

The four most controversial nominees that President Bush resubmitted are ideological in the extreme. William Myers III, a longtime lobbyist for mining and timber interests, would no doubt use his position on the San Francisco-based United States Court of Appeals for the Ninth Circuit to gut environmental laws. William Haynes II, who helped develop the administration's torture and "enemy combatant" policies as the top lawyer for the Pentagon, could be counted on to undermine both civil liberties and reasonable limits on executive power.

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Terrence Boyle, a district court judge in North Carolina and a former aide to Senator Jesse Helms, has a long record of insensitivity to victims of race and disability discrimination. He would be able to pull the law in the wrong direction in these areas if he became an appeals court judge. Michael Wallace, a former lawyer for Senator Trent Lott, Republican of Mississippi, has a bad civil rights record, including arguing in favor of letting Bob Jones University, which discriminated on the basis of race, keep its tax-exempt status.

Beyond their ideology, these nominees embody values that the American people rejected in the midterm elections. The voters were angry about the influence of lobbyists and special interests. But Mr. Myers would bring that influence onto a powerful appeals court. The voters were upset about the incompetence this administration has shown on everything from Iraq to Hurricane Katrina. But Mr. Wallace is the very rare appeals court nominee to receive a unanimous “not qualified” rating from the American Bar Association.

A fifth appeals court nominee, Peter Keisler, is likely to face stiff opposition for well-founded procedural reasons. When President Clinton tried to fill this seat on the United States Court of Appeals for the District of Columbia Circuit, Republican senators blocked him, saying the court needed only 10 judges. Since then, the court’s caseload has decreased. It is unlikely that Democratic senators will allow the Republicans to fill the seat now.

President Bush’s decision to resubmit these names could be a final sop to his far-right base. Perhaps, once this slate fails one more time, he will make more reasonable choices. Mr. Bush may have no other choice, if he wants to get any nominees confirmed in the next two years. Senator Charles Schumer, Democrat of New York, has said that “the days of hard-right judges” are over, and when Democrats take over in the Senate, he will be in a position to see that they are.

A Symbolic Step On Judges (WP)

The Washington Post, November 17, 2006

GIVEN HIS PLEDGES of bipartisanship after this month's elections, President Bush's decision to resubmit a crop of his most controversial judicial nominations strikes a discordant note. Democrats have opposed most of these nominees for good reasons. Mr. Bush has next to no chance of getting them confirmed in the lame-duck session, still less of one when Democrats take over in January. Renominating them now, therefore, smacks of GOP chest-thumping and a gratuitous thumbing of the nose at bipartisanship. To be sure, Mr. Bush, like his predecessor, has a legitimate gripe about the manner in which the Senate has treated his judicial nominees, some of whom have had to wait unduly long periods without receiving the courtesy of a vote. Mr. Bush is clearly trying to emphasize that the Senate owes the presidency and its nominees timely and reasonable consideration. But insisting on nominations that the other side regards as unsuitable when they have no prospect of success is hardly the way to make this point.

The real test of Mr. Bush's commitment to a more bipartisan approach to nominations will come in January, when he confronts the new Congress and its Democratic-led Senate Judiciary Committee. At that point, he should decline to renominate four of the current group of nominees. Democrats have valid objections on the merits to William J. Haynes II, William G. Myers III, Terrence W. Boyle Jr. and Michael B. Wallace -- all nominees to federal appeals courts. Mr. Haynes, the Pentagon's general counsel, has been a key player in the military's policies on detentions and interrogations in the war on terrorism. Mr. Myers has a dreadful record of anti-environmental activism. Judge Boyle, who serves on the U.S. District Court in North Carolina, has a troubling history in civil rights cases. And the American Bar Association unanimously rated Mr. Wallace "unqualified" for service on the bench.

With these four nominees, Mr. Bush has a simple choice: He can subject them, and himself, to likely defeat by votes in the committee or on the Senate floor, or he can work to find nominees for these seats who satisfy his criteria and can win broad support on both sides of the aisle. Failure to do the latter will provoke needless confrontation even while perpetuating vacancies on the bench.

The harder question is what to do about Peter D. Keisler, Mr. Bush's highly qualified nominee to the U.S. Court of Appeals for the D.C. Circuit. Mr. Keisler certainly warrants confirmation. Yet like a string of qualified nominees to the same court before him, he is caught up in a dispute over how many seats the court should have. It has 10 sitting judges; many people believe its two empty seats are unnecessary given its workload, and Republican senators blocked President Bill Clinton's nominees to the seats on that basis. More recently, Democrats have turned the tables. On the merits, the complaint may be right. But it has been grossly unfair to nominees of both parties to decide this policy dispute in the context of evaluating their confirmations. The number ought to be decided before Mr. Bush subjects Mr. Keisler or anyone else to a tempestuous fight having little to do with their qualifications.

Democrats Prepare To Raise Minimum Wage (AP-Y)

By Kevin Freking, Associated Press Writer

DOJ_NMG_0095864

AP, November 17, 2006

It looks like full steam ahead for a significant boost to the federal minimum wage when Democrats assume control of Congress in January.

Sen. Edward Kennedy of Massachusetts said Thursday that increasing the federal minimum wage from $5.15 to $7.25 would be his top priority as chairman of the Senate Committee on Health, Education, Labor and Pensions.

On the House side, incoming Speaker Nancy Pelosi, D-Calif., already has listed an increase in the minimum wage as one of the issues that would be taken up during the first 100 hours of the next Congress.

"Americans are working harder than ever, but millions of hardworking men and women across the country aren't getting their fair share," Kennedy said during a speech outlining his legislative agenda for next year. "We're not rewarding work fairly anymore, and working families are falling behind."

President Bush signaled readiness last week to consider some Democratic priorities such as a minimum-wage increase, overhauling immigration policy and finding compromise on renewing the No Child Left Behind education law.

Critics of boosting the minimum wage say it kills job creation as employers hire fewer entry-level workers to compensate for the higher wage expenses. Kennedy said the minimum wage has remained at $5.15 an hour for nearly 10 years.

Most states have their own minimum wages laws, with some states having rates the same as the federal minimum wage and some with rates higher than the federal minimum.

Kennedy noted that ballot initiatives establishing or raising the minimum wage in six states all passed in this month's election.

"If there is one message from this election that emerged loud and clear, it's that no one who works for a living should have to live in poverty," Kennedy said.

Kennedy also said he would seek to expand federal support for research on stem cells coming from embryos, which Congress approved last year, but Bush vetoed. The issue won't go away, he promised.

On education, Kennedy said he would seek to make college more affordable by increasing the size of Pell Grants from $4,050 to $5,100, and by cutting interest rates on student loans.

"It is more important than ever for our citizens to have a college education so they can compete in the global economy and have a fair chance at the American dream," he said.

On health care, Kennedy said the Senate's HELP committee would expand a health insurance program that now provides health coverage for about 4 million children. He also would look for ways to expand coverage to other populations too, he said, but he did not provide specifics, such as how to pay for that coverage.

Kennedy Sets Sights On Child Health Care (WT)

By Amy Fagan

The Washington Times, November 17, 2006

The soon-to-be chairman of the Senate health panel said yesterday his ultimate goal is to have the government provide health care coverage for all Americans.

Sen. Edward M. Kennedy, Massachusetts Democrat, said he knows it will take awhile to gain support for the idea, so he will focus in the meantime on extending coverage to different groups, starting with covering more children under the existing Children's Health Insurance Program (CHIP) -- something he thinks there is "a lot of sentiment for."

But Mr. Kennedy, who yesterday laid out his agenda for the Health Education Labor and Workforce Committee, said universal health care is the goal.

"We want to continue the progress in terms of coverage," he said. "We will have to take a longer period of time ... developing the support for that."

Mr. Kennedy argued that covering everyone is possible because his home state did it.

"We proved that people from all parts of the political spectrum can come together to provide health care for all," he said. "So this, too, is one of our top goals for the coming year."

Also, at the top of the "to-do" list provided by his staff is an initiative titled "Medicare for All," which would expand federal Medicare coverage to Americans younger than 65 years old. The expansion would be done in phases -- first to the 55- to 65-year-old age group and then to children younger than 20. The proposal is designed to be the starting point for discussions on universal coverage.

The rest of Mr. Kennedy's agenda for the committee includes increasing the minimum wage, allowing Medicare to negotiate directly with drug companies for lower drug prices, expanding federal support for embryonic-stem-cell research, helping college students by increasing Pell Grants, capping college loan payments and cutting student-loan interest rates -- goals that

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Rep. Nancy Pelosi, California Democrat, has said she, too, will tackle soon after she takes the reins as House speaker in January.

Mr. Kennedy's Medicare-for-all proposal is co-sponsored by Rep. John D. Dingell, Michigan Democrat, and would provide comprehensive coverage, including prescription drugs. According to a summary from Mr. Kennedy's office, initial estimates put the proposal in the neighborhood of $600 billion per year in terms of cost, but it would generate $380 billion a year in savings, and costs would be covered by payroll taxes and general revenues.

Mr. Kennedy and others say it's past time for such a change because skyrocketing health care costs burden society and business.

Democrats also will focus on improving CHIP, which covers 4 million low-income children and is administered by the states. Many states are facing steep funding shortfalls for the program, and incoming Senate Majority Leader Harry Reid, Nevada Democrat, said recently "the first thing we must do is address these shortfalls so these children do not lose their existing coverage, and work to improve this vitally successful program as we reauthorize it next year."

Ending Hunger (WP)

The Washington Post, November 17, 2006

THE AGRICULTURE Department has taken what you might call the Scarlett O'Hara approach to Americans without enough to eat: It will never call them hungry again. Rumbling stomachs? Malnourishment? That's not hunger, the department says. It's experiencing "very low food security."

Maybe there's some scientific basis for this Orwellian recasting. The lead author of the annual report on Americans' access to food told The Post's Elizabeth Williamson that "hungry" is "not a scientifically accurate term for the specific phenomenon being measured." The bland phrase "food insecurity" has been used for years to describe households that have problems putting enough food on the table -- though until this year they were divided into two groups: "food insecurity without hunger" and, for those in the most desperate straits, "food insecurity with hunger." This latter group is being renamed "very low food security," meaning those in it show "multiple indications of disrupted eating patterns and reduced food intake." In other words, they're hungry.

Whatever the intention, this linguistic airbrushing diminishes the shame of the problem, its persistence and its scope. That 11 million Americans reported going hun -- sorry, reported disrupted eating patterns -- is a national embarrassment. In this group, 96 percent said they cut the size of meals or skipped meals because they didn't have enough money. The same percentage said their food did not last and they did not have enough money to get more.

At least the USDA doesn't have jurisdiction over national monuments. Otherwise, just imagine it going after the inscription on the Statue of Liberty next: "Give me your energy-deficient, your financially challenged, your space-impaired masses yearning to breathe free."

Pelosi Makes History As Female Speaker (AP-Y)

By David Espo, Ap Special Correspondent

AP, November 17, 2006

Democrats embraced Rep. Nancy Pelosi as the first woman House speaker in history on Thursday, then quickly snubbed her, selecting Steny Hoyer of Maryland as majority leader against her wishes.

"Let the healing begin," Pelosi, D-Calif., said after Hoyer had eased past her preferred candidate, Rep. John Murtha, a prominent opponent of the war in Iraq. The secret-ballot vote for Hoyer was 149-86. She was chosen by acclamation.

Added Hoyer, a 25-year veteran of Congress: "The Republicans need to know, the president needs to know and the country needs to know our caucus is unified today."

Hoyer, Murtha and several other Democrats predicted there would be no lingering effects from the bruising leadership campaign as the party looks ahead to taking control of the House in January after a dozen years in the minority.

Not everyone sounded convinced, though. "It created these tensions that we now have to work on," said Rep. Jose Serrano of New York, a Hoyer supporter.

Rep. Jim Moran, D-Va., who backed Murtha, said some members of the rank-and-file had told both rival camps to count them as supporters. "We know who they are," he said, although he later added that many of them were lawmakers whose victories on Nov. 7 gave Democrats their majority.

"If they're freshmen, they get a pass on this one," he said.

Democrats chose their leaders for the next two years as lawmakers in both houses labored to wrap up work for the expiring 109th Congress and look ahead to the 110th, which convenes on Jan. 4.

House Republicans hold elections on Friday, with a two-way race for minority leader.

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Rep. John Boehner of Ohio, the current majority leader, faces a challenge from Rep. Mike Pence of Indiana. A third contender, Rep. Joe Barton of Texas, dropped out of the race and endorsed Boehner.

Missouri Rep. Roy Blunt, the incumbent GOP whip, also drew an opponent, Rep. John Shadegg of Arizona.

Speaker Dennis Hastert, R-Ill., has decided to step down from leadership in the wake of his party's election defeat.

Pelosi, 66, faced neither challenger nor controversy in her own race to become the Democrats' choice for speaker — and the first woman in history — after four years as party leader.

Her ascension awaits a vote by the full House on Jan. 4, the opening day of the new Congress.

"We made history and now we will make progress for the American people," the Californian told fellow Democrats moments after her selection in the closed meeting, according to officials familiar with her remarks.

She pledged that after 12 years in the minority, "we will not be dazzled by money and special interests."

A veteran of nearly two decades in Congress, Pelosi raised more than $50 million for the party's candidates and committees over the past two years. In her time as minority leader, she was credited with molding an often-fractious rank-and-file into a unified force opposing the conservative agenda advanced by President Bush and congressional Republicans.

The race between Hoyer and Murtha was tinged with the residue of a leadership election five years ago. Pelosi defeated Hoyer then to become the party's whip, with Murtha as her campaign manager.

Hoyer, 67, was the front-runner from the start in the current race for majority leader after having served as second-ranking in the leadership for four years. Like Pelosi, he campaigned widely and raised millions for fellow Democrats in the run-up to the congressional elections.

On Sunday Pelosi stepped forcefully into the race — out of loyalty to Murtha, her allies said. She issued a letter of support for him, praising him for having called a year ago for an end to the U.S. military presence in Iraq.

"I salute your courageous leadership that changed the national debate and helped make Iraq the central issue of this historic election," she wrote.

Four days later, behind closed doors, she lauded Murtha for having altered the course of the campaign debate on the war and said it was in part responsible for the Democrats' electoral victories. She urged fellow Democrats to elect him majority leader to help her change the course of the war.

Hoyer countered with nominating speeches from three lawmakers from Pelosi's state of California, Reps. Henry Waxman, Lucille Roybal-Allard and Dennis Cardoza.

Cardoza, who earlier had made a nominating speech for Pelosi, then urged fellow Democrats to pick Hoyer despite her wishes to the contrary. He said the two had been a team and would continue to be a team, and he added, "Have the courage to do what you know is right."

Murtha is a former Marine, widely respected for his knowledge of defense issues and now in line to become chairman of the subcommittee with control over the Pentagon budget. His bid for the leadership led critics to recall the Abscam bribery scandal of 1980, an FBI sting operation that sent some lawmakers to jail. Murtha was never charged in the case, despite a videotape that showed him being offered $50,000. "I'm not interested ... at this point," he said.

On Thursday, Rep. Jerrold Nadler of New York said Hoyer's victory was due in part to gratitude lawmakers felt at his campaign efforts. "Along with Nancy and Rahm, Steny deserves a lot of credit for getting us here." Rep. Rahm Emanuel of Illinois served as chairman of the party's House campaign committee and was rewarded Thursday with the caucus chair post, the No. 4 position.

The Democrats also selected James Clyburn of South Carolina as majority whip, their No. 3 post. He is the second black lawmaker in history to reach as high as a party whip. William Gray of Pennsylvania held the same title 1989-91.

Other Democrats evaluated Pelosi's decision to take sides.

"She's a very smart woman who made an error in judgment," said Rep. Barney Frank, D-Mass.

Rep. David Obey of Wisconsin added, "She's gutsy as hell and she's willing to take a chance."

Democrats Pick Hoyer Over Murtha (WP)

By Jonathan Weisman And Lois Romano

The Washington Post, November 17, 2006

House Democrats elected Rep. Steny H. Hoyer (Md.) the new majority leader yesterday over strong opposition from Speaker-elect Nancy Pelosi (Calif.), exposing a deep political divide even before the party takes control.

The 149 to 86 vote for Hoyer over Rep. John P. Murtha (Pa.) was viewed by many in the party as a repudiation of Pelosi's strong-arm tactics and a recognition of Hoyer's tireless work to elect a Democratic majority for the first time in 12 years. If the Hoyer camp's head count was correct going into yesterday's secret balloting, Pelosi and her allies may not have swayed a single vote for Murtha, a close associate.

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Pelosi, 66, was formally chosen by the Democratic caucus as the first female House speaker in history. In a show of unity after the closed-door meeting in a House office building, she and Hoyer smiled and embraced. But the two longtime rivals must now try to pick up the pieces after a bitter intraparty fight and prepare for a new Congress in January, when the Democrats must be ready to pass a new domestic agenda and challenge President Bush on the Iraq war and foreign policy.

A buoyant Hoyer vowed to work closely with Pelosi and Murtha to force Bush to change his Iraq policy and begin withdrawing troops. Pelosi had strongly backed Murtha, 74, for majority leader largely because of his early call for a troop withdrawal, which she said helped galvanize the party and win the Nov. 7 midterm elections.

The Murtha camp accused Hoyer, 67, a moderate, of a "stay the course" mentality on Iraq. Hoyer said that charge did not accurately reflect his call for a phased redeployment of U.S. troops. Yesterday, Hoyer pledged to work for the adoption of a new agenda that "is going to reach across to the president of the United States and say, 'Mr. President, we need to make a transition in Iraq; it is not working; we need to change the policy, not stay the course.' "

Both Hoyer and Murtha claimed to have a majority of votes going into yesterday's showdown, but even Pelosi had to concede that Hoyer's final margin was "a stunning victory."

Pelosi had made it clear for months that she favored Murtha over Hoyer. But on Sunday, she shocked even her staff by directly intervening in the contest by issuing a letter throwing her support to Murtha, a former Marine and the ranking Democrat on the House Appropriations subcommittee on defense.

Pelosi's aggressive, last-minute campaign for Murtha in the face of overwhelming support for Hoyer left many Democrats worried that she has become too reliant on a tight inner circle, too reluctant to listen to the broader Democratic caucus and mistakenly convinced that she can dictate the direction the caucus must take.

"Basically, she got spanked," said a House Democrat close to both Pelosi and Hoyer, who spoke on the condition of anonymity for fear of repercussions. "She got taken to the woodshed. If she doesn't get it, this is going to be a big problem over the long run."

"Maybe it will help Nancy understand the use of power, the time and place for it," said a senior Democrat with close ties to Capitol Hill.

But others think the dust-up may have been useful in clearing the air between Pelosi and Hoyer. "Here's the deal -- she's apparently been irritated by a perception that Steny has been undermining her, and it's an incorrect perception," said Rep. Barney Frank (D-Mass.). "Look, someone told me she hasn't liked him since 1963, and it has had zero effect on how well they have worked together. We don't have to guess at this. We have seen it. They can and will work well together as we move forward."

After the party elections yesterday, Pelosi and Hoyer emerged from the caucus room beaming and grabbed each other's hands. Behind them was a grim-looking Murtha, with his hands in his pockets and his eyes cast down.

"We've had our debates. We've had our disagreements in that room, and now that is over. As I said to my colleagues . . . let there be peace on Earth, and let it begin with us. Let the healing begin," Pelosi said.

Later, Hoyer held private conversations with Murtha and Rep. George Miller (D-Calif.), a Pelosi confidant who led the charge for Murtha's election. All the players pledged to unify behind the new Democratic team, which will include House Majority Whip-elect James E. Clyburn (D-S.C.), House Democratic Caucus Chairman Rahm Emanuel (D-Ill.) and House Democratic Caucus Vice Chairman John B. Larson (D-Conn.).

"We may have . . . differences from time to time," Hoyer said. "But the Republicans need to know, the president needs to know and the country needs to know our caucus is unified today."

But the top of the ticket has considerable mending to do. Pelosi expressed no regrets for her efforts on Murtha's behalf. On the contrary, she stood by her choice for majority leader, despite the avalanche of negative reactions that raised questions about Murtha's ethics and commitment to changing the role of lobbying and money in the House.

"I stand very, very proudly behind my endorsement of Mr. Murtha," she told reporters after the vote.

Emanuel said the Democratic caucus will come together as members sit down to flesh out their legislative agenda. The outlines of that agenda were put together this year through painstaking consultation with the liberal, moderate and conservative wings of the party. That process will continue to unify Democrats as the details are worked out, Emanuel said.

But yesterday, Murtha's supporters were still smarting. Miller, who angered many Democrats with his aggressive tactics on Murtha's behalf, blamed "Swift-boating" for Murtha's defeat and the resurgence of stories questioning Murtha's ethics. He said Democrats missed an opportunity to elevate a stronger, unimpeachable voice on Iraq -- the issue that brought them to power.

Hoyer, like Murtha, has signed Democratic letters calling for a phased troop withdrawal from Iraq. But last year, just after both Murtha and Pelosi said U.S. troops should be withdrawn in six months, Hoyer suggested that "a precipitous withdrawal of American forces in Iraq could lead to disaster."

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Murtha allies conceded that he managed to undermine his own campaign, particularly when he told a gathering of conservative Democrats on Tuesday night that Pelosi's ethics package was "total crap."

The "Blue Dog" Democrats at that gathering said Murtha also made a critical mistake that night when he put himself forward as Pelosi's loyal lieutenant, ready to do whatever she asked of him even if he personally disagreed. Many of them had been savaged in their campaigns by Republicans who predicted that they would be rubber stamps for Pelosi, a "San Francisco liberal," and they had vowed to be independent voices in conservative-leaning districts.

Ultimately, it was Hoyer who secured his own victory, by working in the trenches for years to raise money for Democratic candidates, recruit reluctant combatants and offer advice to those just wading into the political arena.

"He had been doing the tough work," said Rep. Stephen Lynch (D-Mass.). "It's just mind-numbing -- all those fundraisers, the travel, sleeping in hotel rooms. It needs to be rewarded."

In contrast to Murtha, with his gruff demeanor and straight talk, Hoyer is a well-practiced politician with a breadth of policy knowledge who plays to the news media. Yesterday, after Pelosi gave reporters a cursory statement of support for D.C. voting rights, Hoyer jumped in with a more voluble response.

"We who live in the Washington metropolitan area believe that the country ought to take it as a moral cause to ensure the fact that every citizen of the District of Columbia has a vote in the Congress of the United States," Hoyer said. "It is the only capital in the free world that I know of whose citizens are disenfranchised."

Pelosi's Early Setback Has Her Party On Alert (LAT)

By Janet Hook And Richard Simon

The Los Angeles Times, November 17, 2006

WASHINGTON — Rep. Nancy Pelosi (D-San Francisco) was elevated to the pinnacle of congressional power Thursday as fellow Democrats formally made her their choice as the next House speaker. But the same colleagues gave Pelosi a brusque lesson in the limits of her power when they rejected her choice for second in command.

In a battle that many felt Pelosi made unnecessarily bitter, House Democrats turned aside her personal pleas and arm-twisting and elected a Pelosi rival, Rep. Steny H. Hoyer (D-Md.), to be House majority leader over Rep. John P. Murtha (D-Pa.).

Hoyer didn't merely defeat Murtha, Pelosi's strong preference, but trounced him in a 149-86 vote as House Democrats met to choose leaders in the wake of a midterm election that gave their party control of the House and Senate for the first time since 1994.

Democrats selected her as their choice for speaker, but she will not assume the post until the new Congress convenes in January and takes a formal vote.

Pelosi's failed effort to anoint her own chief lieutenant fueled doubts among critics about the political skills she brings to leading her fractious party. It also sent a clear signal of what kind of leader she is: an old-style politician who puts a premium on personal loyalty, even at the risk of high-profile defeat.

Still buoyed by their election day victories, some Democrats were left wondering why Pelosi had injected herself into a bitter leadership battle with her last-minute support of Murtha over Hoyer, who had long been on track to claim the No. 2 job.

Rep. Barney Frank (D-Mass.) said a lot of members are wondering, "How did someone as good and as smart as she make this one mistake?"

Though Frank said he thought the episode would blow over, others saw it as a blunder that called for some serious fence-mending.

"The caucus is fractured in a way because of her involvement" in the leadership race, said Rep. Allen Boyd (D-Fla.). "Her big challenge, starting from this moment, is to figure out how to wrap her arms around the caucus. It was a mistake for her to get involved."

A big factor in Murtha's loss was the concern about ethics problems in his past and his reputation as a backroom dealer who is cozy with lobbyists — a profile that critics said would undercut the anti-corruption message that Pelosi broadcast in the midterm campaign.

Some fear that Pelosi's handling of the situation is a warning sign that her reliance on a close-knit circle of advisors sometimes blinds her to potential problems, such as the backlash against Murtha for his perceived ethics problems. Murtha was named an unindicted co-conspirator in the 1980 Abscam bribery scandal.

"It raises questions about her judgment," said Thomas Mann, a Brookings Institution expert on Congress. "She did a good job helping Democrats back into the majority, then takes a stand that seems to weaken those very members who got elected by campaigning against corruption."

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Another challenge faces Pelosi in the coming weeks, when she is to choose a new intelligence committee chair. Rep. Alcee L. Hastings (D-Fla.) is in line, but some Democrats fear that he, like Murtha, will come under fire for past ethics lapses. Hastings was impeached as a federal judge in the 1980s.

People close to Pelosi say there is a one-word explanation for why she took the unusual step of weighing in on Murtha's behalf: loyalty.

The daughter of a Baltimore mayor who practiced old-school machine politics, Pelosi is a strong believer in rewarding those who are loyal to her, through thick and thin. Five years ago, for example, she stood by then-Rep. Gary Condit (D-Ceres) when he was fighting for reelection amid allegations that he had had an affair with an intern who had mysteriously disappeared and was eventually found slain.

Though other Democratic leaders endorsed Condit's primary opponent, Pelosi endorsed Condit, who had backed her in a hard-fought 2001 campaign against Hoyer to become minority whip.

That bitter leadership battle was also the root of the tensions between Pelosi and Hoyer — and of her lasting alliance with Murtha, who managed her campaign for whip and helped her, a liberal, overcome the suspicions of more conservative Democrats.

When Murtha announced this year that he would challenge Hoyer for majority leader if Democrats won control of the House, Pelosi did not stop him.

Last November, Pelosi followed Murtha's lead after the longtime hawk dropped his support for the war in Iraq and called for a U.S. withdrawal, a position that put both of them at odds with Hoyer. Pelosi believed Murtha's leadership on Iraq helped change the national debate and contributed mightily to the Democrats' victory on election day.

As Murtha campaigned for the majority leader post, hardly anyone doubted that Pelosi would back him. But it was not clear how far she would go with her support, or how publicly. Hoyer had been gathering chits for years. When Murtha's vote count last week showed him far behind, he asked Pelosi to go public with her support, according to an aide close to the Murtha campaign.

Pelosi wrote a letter of support last weekend while she was in New York with her daughter, who was about to have a baby. Hoyer supporters were hoping the letter would just be a proforma endorsement for an old friend, but it turned out to be the beginning of much more.

Pelosi provided a powerful voice for Murtha in a group that was crucial to the outcome of the election: the 40-odd newly elected Democratic freshmen.

Hoyer was thought to have a leg up with that group, because he had been active in recruiting many as candidates. But Pelosi had another claim on their loyalty, as she had campaigned for many of them.

When those new members came to her to discuss their committee assignments, over which she will have control, she made a point of telling them she wanted Murtha to be majority leader. Some interpreted that as a threat of second-rate assignments if they voted for Hoyer. Pelosi aides said no threats were intended.

Pelosi understood that it was risky to stick her neck out, aides said: Win or lose, she would probably leave Hoyer and his allies embittered.

"She always says, 'I'm a risk taker. I'm loyal to my friends, and I stick with them in difficult times,' " said a Pelosi aide, who, like other staff members, asked to remain unnamed in order to discuss the internal workings of the Democratic caucus.

The incoming House speaker apparently did not anticipate that Murtha's past ethics problems would become an issue, assuming that it was ancient history.

But the past was resurrected by Murtha's critics, and cable networks began to play decades-old Abscam videotapes that showed Murtha rejecting a bribe in a way that seemed less than definite.

Pelosi said after the vote that she had no regrets.

"I stand very, very proudly behind my endorsement of Mr. Murtha," she said. "As I said in my letter to members on Sunday, I believe the biggest ethical challenge facing our country is the war in Iraq."

Some Democrats said that the setback could send a message to Pelosi that rank-and-file members want her to reach beyond her inner circle and not try to run the party with top-down leadership.

"Loyalty can be blinding," said a former House Democratic leader who did not want to be named for fear of offending Pelosi. "You can't force somebody on people if they don't want them."

Others said the episode showed a side of Pelosi's leadership that might be welcome when it came to battling the Bush administration.

"She's gutsy as hell, and she's willing to take chances," said Rep. David R. Obey (D-Wis.). "She will push the envelope."

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Party Gets A Rocky Start (LAT)

By Richard Simon

The Los Angeles Times, November 17, 2006

WASHINGTON— The Democrats put on their best faces after Thursday's testy leadership fight.

"As we say in church, let there be peace on Earth, and let it begin with us," Speaker-designate Nancy Pelosi said after her choice for the No. 2 job in the House was soundly defeated. "Let the healing begin."

But several admitted that the episode — which saw Rep. Steny H. Hoyer of Maryland defeat Rep. John P. Murtha of Pennsylvania for House majority leader — was a poor way to kick off their tenure as the party in control of the new Congress.

"These aren't the headlines we wanted to generate," said a Democratic lawmaker who spoke on condition that he not be named for fear of retribution from the leadership.

Pelosi's backing of Murtha rankled many of her colleagues. It also ensured that as the party takes control of the House in January for the first time in 12 years, all eyes will be on any sign of friction between her and Hoyer.

Their ability to work together is critical. As second in command to the speaker, the majority leader "keeps the legislative trains running on time and the workers toiling at their posts," as former Speaker Newt Gingrich put it.

The speaker — second in line to the presidency — is responsible for the workings of the entire chamber and plays the lead role in shaping the ruling party's legislative agenda and political strategy.

Pelosi was unchallenged for the job.

Also elected to the leadership team Thursday was Rep. James E. Clyburn (D-S.C.), a former head of the Congressional Black Caucus, who will become majority whip.

Rep. Rahm Emanuel (D-Ill.), architect of the House Democratic election victory, will chair the Democratic caucus.

Hoyer, 67, whose first name was his parents' adaptation of the Danish name Steen, won his House seat in a special election in 1981. He worked his way up the Democratic leadership ranks, but lost the whip job in 2001 to Pelosi. Many Democrats believe Hoyer's decision to wage that race was the genesis of her opposition to him now.

Hoyer became minority whip in 2002, after Pelosi succeeded Richard A. Gephardt of Missouri as minority leader; the two have held those posts since then.

In Thursday's contest, Hoyer enjoyed the backing of a diverse group, from liberals to members of the Blue Dogs, a coalition of moderate and conservative Democrats.

Several Democrats said they voted for Hoyer because he already held the No. 2 job among them.

"I saw it as Steny's turn," said Rep. Mike Ross (D-Ark.).

House Republicans choose their leaders today. The key race pits Reps. John A. Boehner (R-Ohio), the current majority leader, against Mike Pence (R-Ind.), a leader of House conservatives, for minority leader.

At least one Republican couldn't resist weighing in on the Democrats' selections.

"Hoyer winning is a slap in Pelosi's face — and I must confess, it makes me smile," said Rep. Patrick T. McHenry (R-N.C.).

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House Democrats Choose Hoyer As Majority Leader (MCT)

By Margaret Talev

McClatchy Newspapers, November 17, 2006

WASHINGTON - In an early check on the power of incoming House Speaker Nancy Pelosi of California, her own Democratic caucus on Thursday rejected the anti-war leader she wanted as her top deputy and instead chose a Maryland moderate considered less polarizing.

Rep. Steny Hoyer defeated Rep. Jack Murtha of Pennsylvania in a lopsided 149-86 secret-ballot vote to become House majority leader. It was a show of loyalty to Hoyer, who's spent years recruiting Democratic candidates and building bridges across the ideological spectrum. Hoyer also has worked cooperatively with Pelosi as her second-in-command since he lost a leadership challenge to her five years ago, something she's never forgotten.

Thursday's vote also reflected a widespread concern among House Democrats that Murtha's ethical baggage and reputation for bullying outweighed his claim to a reward for helping Democrats win back Congress this year through his outspoken advocacy of withdrawing U.S. troops from Iraq. Murtha, a Pennsylvania steel-country conservative and ex-Marine, is a longtime Pelosi loyalist, but that wasn't enough.

In the end, most political analysts said, the dust-up came early enough in Pelosi's leadership that she can afford to lose the battle, mend fences and secure her position.

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But one moderate Democratic congressman, who spoke on condition of anonymity for fear of retribution, said Pelosi's backing of Murtha made her look petty and shook some members' faith in her leadership.

"She owes Murtha a lot; she owes the caucus more," he said. "A good leader knows when she has to tell a member no, even when it's your friend.

"She'll either get it and lead differently," the congressman said, "or she won't lead long."

Speaking after the vote, Pelosi, Hoyer and Murtha all pledged to drop their rivalries and unite to pass legislation and pressure President Bush to change course in Iraq.

Pelosi, smiling tensely, insisted that she had no regrets about intervening on Murtha's behalf. "I thought that would be the best way to bring an end to the war in Iraq," she said.

She called Hoyer's victory "stunning" and said, "we've had our debates, we've had our disagreements in that room, and now that is over. . . let the healing begin."

Hoyer congratulated Pelosi on her pending January election as the first female Speaker of the House of Representatives. He called her "a person of deep values, keen intellect and extraordinary political ability." As for Murtha, Hoyer said: "In my opinion, it was not that somebody was rejected today. It was that a team that had been successful was asked to continue to do that job on behalf of the American people."

Murtha, fighting a grimace, congratulated Hoyer and said he'll return to the House subcommittee on defense appropriations, where he'll become chairman.

Pelosi has pledged to wipe out corruption and curb special-interest spending after a string of Republican scandals. But Murtha is a master of pork-barrel spending who was caught on video in the 1980 Abscam corruption probe rejecting a bribe but suggesting that he might consider a future deal if there was a benefit to his district.

"I don't know how we move forward on ethical reform in Congress, which is desperately needed, when you've got this cloud hanging over Jack," said Rep.-elect Baron Hill, D-Ind., before the secret-ballot voting.

Paul Herrnson, the director of the Center for American Politics and Citizenship at the University of Maryland, said that Pelosi would've faced criticism if she'd abandoned her longtime ally.

"Politicians take loyalty very seriously, and if she had not displayed it, people would have seen that as a sign as well," he said. "Now that it's done I think (Pelosi and Hoyer) will find a way to work together. If they don't, there will be hell to pay. The congressional Democrats will have a very hard time."

Pelosi Rebuffed Over Her Choice For House Post (NYT)

By Carl Hulse

The New York Times, November 17, 2006

WASHINGTON, Nov. 16 — House Democrats chose Representative Steny H. Hoyer of Maryland as their new majority leader on Thursday, rejecting the choice of the incoming speaker, Nancy Pelosi, and straining the unity of the new majority party.

In an indication that rank-and-file members would be willing to break from Ms. Pelosi, Democrats chose Mr. Hoyer over Representative John P. Murtha of Pennsylvania by a decisive vote of 149 to 86. Mr. Hoyer overcame a concerted push by Ms. Pelosi on behalf of Mr. Murtha, a combat veteran who became an influential spokesman against the Iraq war.

Despite the internal acrimony that has clouded the Democratic victory celebration of last week, the leadership team that will take control of the House in January left their closed meeting in the Cannon House Office Building, joined hands and pledged to work together in the months ahead.

“Let the healing begin,” said Ms. Pelosi, whom Democrats chose unanimously to be their candidate for speaker and who would be the first woman to hold that office. The speaker is elected by the full House.

Crediting Mr. Murtha with changing the political dynamic on the war, Ms. Pelosi sought to oust Mr. Hoyer from his position as the No. 2 Democrat. Mr. Hoyer lost a 2001 leadership battle to Ms. Pelosi. Mr. Murtha managed that 2001 fight on Ms. Pelosi’s behalf, and in backing him for majority leader, Ms. Pelosi signaled that she put a premium on loyalty.

But Democrat after Democrat said the outcome of the leadership fight was a reflection that a clear majority of the party believed that Ms. Pelosi and Mr. Hoyer had been a winning combination, despite the strains between them, and that there was no reason to make an abrupt change. In the view of many Democrats, Ms. Pelosi’s liberal reputation is offset by Mr. Hoyer’s moderate image, and she is freed to concentrate on the party’s broader message because of his floor management and vote-counting abilities, which were sharply illustrated by his victory on Thursday. [Man in the News, Page A26.]

“It is a great leadership team,” Representative Henry A. Waxman of California said in nominating Mr. Hoyer, according to notes taken by aides. “Let’s keep it in place.”

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Ms. Pelosi's push on behalf of Mr. Murtha was cheered by some liberal Democratic activists who saw it is a recognition of the war's importance in the past election. In that sense, her support of him, even if unsuccessful, could be seen as an effort on Ms. Pelosi's part to acknowledge the political clout of her party's antiwar wing.

Other Democrats portrayed her decision to inject herself into the race as a miscalculation that elevated the battle into an unnecessary early test of her power and ended up giving more influence to Mr. Hoyer. But they said they did not expect hard feelings to linger.

"She is a very smart woman who made a mistake in judgment," said Representative Barney Frank, Democrat of Massachusetts and the likely chairman of the Financial Services Committee. "I honestly don't believe you are going to see any problems."

Not everyone was willing to put aside the fight so quickly. Some supporters of Mr. Murtha, a longtime member of the Appropriations Committee whose candidacy was dogged by questions about his ethics record, were disgruntled and said they were trying to identify lawmakers who had broken pledges to support him.

"We won't trust them on issues like this the next time," said Representative James P. Moran, a Murtha ally from Virginia who said Mr. Murtha had been betrayed.

Mr. Hoyer, on the other hand, appeared to hold all the pledges he had from members, which is not always the case in volatile secret-ballot leadership elections, and he promised to work in concert with Ms. Pelosi.

"In my opinion, it was not that somebody was rejected today," he said after the vote. "It was that a team that had been successful was asked to continue to do that job on behalf of the American people."

The House majority leader typically sets the floor schedule and decides what legislation will be brought up for a vote while also overseeing the party's strategy in advancing its agenda. The speaker is the party's top figure in the House, but that position also carries a broader role as a constitutional officer charged with representing the interests of the full chamber.

Some Democrats said that the distracting turmoil and an uneven performance by Mr. Murtha in recent days had cemented support for Mr. Hoyer. They said many lawmakers had concluded that the best chance of limiting any bitterness was to install Mr. Hoyer and, in effect, save Ms. Pelosi from what they characterized as a flawed decision.

In addition to the top two leaders, Democrats selected Representative James E. Clyburn of South Carolina as the majority whip and Representative Rahm Emanuel of Illinois, who directed the party's campaign operation, as chairman of the party caucus. A potentially wrenching fight between those two was averted when Mr. Emanuel took the chairman's post with the expectation that he would be given greater responsibilities in that role.

Until last June, Mr. Hoyer seemed to be on an easy path to majority leader if Democrats won control of the House. But Mr. Murtha, a longtime behind-the-scenes power, surprised his colleagues by announcing that he would seek the post as well. In seeking support, he emphasized his opposition to the war in Iraq and his military credentials.

Mr. Hoyer, a liberal to moderate lawmaker with close ties to the business community and a history of strong support for the federal installations in suburban Washington, had political credentials of his own. Since joining the leadership in 2002, he had been devoted to recapturing the majority, tirelessly raising money and traveling to assist fledgling Democratic candidates who were appreciative of any attention from Washington.

Mr. Murtha was also hampered by ethical questions that date back to the 1980 Abscam scandal. And he has resisted new ethics rules even though Democrats hammered Republicans on corruption in the midterms.

Mr. Murtha was visibly disappointed after the vote and said he intended to "go back to my small subcommittee that I have on appropriations," eliciting laughter since the panel handles billions of dollars in military spending.

And he once again pointed to his outspokenness on Iraq, saying, "Nancy asked me to set a policy for the Democratic Party, most of the Democrats signed on to it, and I think the Bush administration is beginning to get the word."

Allies of Ms. Pelosi said she had been drawn into the fight at Mr. Murtha's request and probably started her public campaign on his behalf too late. She began her effort with a letter on Sunday, with many members already committed to Mr. Hoyer and reluctant to reverse course. Ms. Pelosi's allies rejected the contention that she had been seriously weakened by the loss even before she took over the House.

"It does not diminish her as leader," said Representative Jan Schakowsky, Democrat of Illinois. "A vote for Steny Hoyer is not a vote against Nancy Pelosi."

Others agreed. "I thought what she did was pretty gutsy," said Representative James P. McGovern, Democrat of Massachusetts. "I think a lot of people in the room respect what she did."

Mr. Emanuel and others said the vote was also a vivid display of the independence of Democrats, which he contrasted with the tight control the Republican leadership has exerted over its membership for much of the past six years. "This is the strength of diversity and people speaking their minds," he said.

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Ms. Pelosi's party problems are not all behind her, as she faces a tough decision on selecting a chairman of the Intelligence Committee.

On the one hand, she is under pressure from black lawmakers to promote a committee veteran, Alcee L. Hastings of Florida, a federal judge who was removed from the bench by Congress after a bribery charge in 1989, though he was acquitted in a criminal case.

At the same time, some more conservative Democrats who supported Mr. Hoyer have been stepping up their campaign for Representative Jane Harman of California, who is the senior Democrat on the panel but has clashed with Ms. Pelosi.

Crowning Majority Leader, Democrats Are All Smiles And Bile (WP)

By Dana Milbank

The Washington Post, November 17, 2006

At 10:30 yesterday morning, Nancy Pelosi was chosen by acclamation to become speaker of the House. Ninety minutes later, she experienced her first smackdown.

Pelosi had only herself to blame for this briefest of honeymoons. Just five days after the Democrats' election victory, she shattered party unity Sunday by urging House Democrats to reject her longtime deputy, Rep. Steny Hoyer (D-Md.), in favor of antiwar firebrand Rep. Jack Murtha (D-Abscam), who proceeded to brand House ethics reforms "total crap."

Yesterday, rank-and-file Democrats told Pelosi her endorsement was total crap: They overwhelmingly chose Hoyer to be majority leader.

"We've had our debates. We've had our disagreements in that room," Pelosi acknowledged as she left the Cannon caucus room to face more than 200 reporters and cameras. "And now," she added hopefully, "that is over. . . . Let there be peace on Earth, and let it begin with us. Let the healing begin."

But over Pelosi's shoulder stood the hulking Murtha, hands in pockets, his face in a perma-frown. He offered perfunctory applause for his colleagues. When they joined hands overhead in the unity photo op, he turned and lumbered away.

One of his chief supporters, James Moran (Va.), stayed behind to give voice to Murtha's frustrations. "There are a number of members who can't be trusted," Moran said of Murtha's 149 to 86 defeat, minutes after a Murtha aide claimed he had the votes to win. Moran threatened that Murtha foes "will be damaged by this."

But how, if it was a secret ballot? "Oh, we have a pretty good idea," Moran said.

Nearby, Hoyer supporter Maxine Waters (Calif.) was holding forth on the impact of Pelosi's letter Sunday endorsing Murtha. "People just said 'I wonder why' and kept on moving and voted for Mr. Hoyer." It's true: Hoyer wound up with about as many votes as he forecast before Pelosi's endorsement of Murtha.

Walking through the tunnel back to the Capitol, Hoyer savored the lopsided vote that made him majority leader. "We were pretty close to being on the nose," the majority leader said, already shifting to the first-person plural.

For Pelosi, who led Democrats back to a majority in the House after 12 years, yesterday should have been a coronation for the first woman to be speaker. Instead, her party had plunged into fratricide, and cable news was running nonstop clips of Murtha talking with FBI agents posing as sheiks in the Abscam sting.

Was this a great moment for Democrats, or "total crap"? "The latter," Pelosi spokeswoman Jennifer Crider had to admit as she surveyed the melee outside the caucus room.

Before the vote, dueling staffers, wearing buttons proclaiming "Majority Leader Steny Hoyer" or "Jack," kept tabs on attendance. Capitol police struggled to keep a path clear through the media throng. Aides came out to calibrate expectations.

"We've got the votes, and we are going to win it," announced Andrew Koneschusky, a press guy Murtha borrowed for the occasion. Protesting that some outlets had reported that Murtha had conceded, he said, "Any reports of concession are false." Would he say the reports are total you-know-what?

"These rumors are total crap," Koneschusky affirmed.

Outside, a tornado watch was in effect, and reporters were plotting ways to work the cheap metaphor into their stories. Pelosi aides, seeking to reduce the vortex, decided to put out more flags. There were already seven outside the caucus room, but staffers brought in two more and arranged a star-spangled gantlet for the leaders.

Pelosi and Hoyer emerged together and clasped hands in an exaggerated show of camaraderie. Behind them, Murtha wore a miserable expression, even when Pelosi hailed his "magnificent contribution." She continued: "I was proud to support him for majority leader, because I thought that would be the best way to bring an end to the war in Iraq." Now it was Hoyer's turn for discomfort; he listened slightly agape.

The gracious Hoyer spoke fondly of Pelosi and the "good team" they make; they indulged in another showy handshake, albeit with minimal eye contact. Murtha, granted a turn at the microphone, offered a pithy postmortem: "I didn't have enough votes." Frowning, he returned to his place in the back and stuffed his hands back in his pockets.

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The awkwardness continued. Pelosi described Rahm Emanuel (Ill.), the incoming caucus chairman, as "coldblooded." Emanuel promised the "strongest ethical package," prompting Murtha to stare at his shoes. At another point, Pelosi appeared to undermine her rank and file, noting that she had promised to "do everything possible" to end the Iraq war. "The caucus thought differently," she added.

The first questioner, Fox News's Major Garrett, took the opportunity to remind Pelosi that "nearly 60 percent of House Democrats defied your call to vote for John Murtha" and asked: "In retrospect, what does that say about the wisdom of that endorsement and your clout within the Democratic Party?"

Actually, Garrett understated the rejection -- 63 percent of Democrats defied her. "I stand very, very proudly behind my endorsement of Mr. Murtha," she maintained, even if the caucus "thought otherwise."

"Any regrets?" Garrett pressed. "No," Pelosi answered. "I'm not a person that has regrets."

Hoyer's Selection To Lead Majority Will Test Pelosi (WSJ)

By David Rogers And Sarah Lueck

The Wall Street Journal, November 17, 2006

WASHINGTON -- Maryland Rep. Steny Hoyer emerged as the new House Majority Leader but not before a Democratic fight that showed the political dangers of Rep. Nancy Pelosi's risk-taking leadership style as the incoming speaker.

Defying the odds, the California Democrat interceded personally on behalf of Pennsylvania Rep. John Murtha, Mr. Hoyer's challenger, who had helped galvanize public support for his party in the midterm elections by speaking out against the Iraq war.

Mr. Hoyer was always the safer choice for the caucus as the current No. 2 in the Democratic leadership. But the size of his 149-86 victory yesterday is a blow to Mrs. Pelosi, who must redouble her efforts to prepare the party to take over House control in January.

As speaker, Mrs. Pelosi will have enormous influence over the assignment of members to committees, what amendments are permitted and the timing of when bills are called to the floor. But as majority leader, Mr. Hoyer will be the party's public face and floor manager, and the two leaders must overcome their personal differences to succeed with the Democratic agenda after 12 years of Republican control. "We've got to put things together," said Michigan Rep. John Dingell, the House's senior Democrat.

"I think the caucus is fractured because of this majority-leader race and her involvement in the race," said Rep. Allen Boyd (D., Fla.), a Hoyer supporter. "And I believe her biggest challenge from this moment on is to figure out how to wrap her arms around all of the caucus, bring them in, make sure they feel included."

Mrs. Pelosi expressed no regrets for taking such an active role on behalf of Mr. Murtha. After Hoyer supporters had spent days questioning Mr. Murtha's ethics, she said pointedly that the "biggest ethical challenge facing our country is the war in Iraq...It must be stopped. And I thought that Mr. Murtha's elevation to a leadership position would serve that purpose."

The episode reflects the risk-taking approach of a politician who isn't only the first woman to rise so high in the House, but who joined the leadership only five years ago. By siding with Mr. Murtha, who is a veteran backroom deal maker but also outside the leadership, Mrs. Pelosi went against the natural inertia of her caucus.

"Incumbents don't like challengers to incumbents...Steny was the incumbent," said Rep. Barney Frank (D., Mass.).

Yesterday's caucus vote followed a pattern this week in Congress as both parties embraced familiar faces after an election in which voters called for change. In the Senate, Sen. Trent Lott (R., Miss.) returned to the No. 2 spot in the Republican leadership. Even after losing control, House Republicans are expected to re-elect Rep. John Boehner (R., Ohio) as their leader this morning.

"In January at her swearing in, what happened today will be a distant memory," predicted Rep. Ed Markey (D. Mass.). "Look up the word 'resilient' in the dictionary and her picture is next to it."

But Mrs. Pelosi is dogged by criticism that she is too sensitive to dissent, and at one level, the Murtha candidacy was seen as a power play to oust an old rival, Mr. Hoyer, and replace him with a strong ally and friend. Hoyer allies complained that Mrs. Pelosi was pressing freshmen to side with Mr. Murtha if they wanted to get good committee assignments.

Since the ballots were secret, Mr. Frank, a Pelosi ally who backed Mr. Hoyer, dismissed such suggestions as more a "videogame" than anything real. But he said Mrs. Pelosi's involvement was clearly "an exception" and an error for her as a leader. "The general sense is, how did someone as smart as she make this one mistake?" he said.

Mr. Hoyer was gracious in victory. He and Mrs. Pelosi embraced after the meeting, and she later attended his victory party. "The Republicans need to know, the president needs to know, our caucus is unified today," Mr. Hoyer said.

He signaled his commitment to pressing hard for a change in the Bush administration's war strategy in Iraq, an issue where Mr. Murtha, a Vietnam veteran with close ties to the Pentagon, and Mrs. Pelosi have been more aggressive than he in pressing

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for troop withdrawals. Even in defeat, Mr. Murtha will have a powerful post as chairman of the House defense-appropriations panel that oversees war spending.

"Everybody in this leadership is a pro," said Rep. George Miller (D., Calif.), who was part of a cadre of Pelosi lieutenants who sought to help Mr. Murtha.

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Murtha Loses Bid For Majority Leader (USAT)

By Andrea Stone And Bill Nichols

USA Today, November 17, 2006

WASHINGTON — The next speaker of the House lost her first test Thursday even before she takes office.

The decision by House Democrats to choose Maryland Rep. Steny Hoyer to be majority leader over Pennsylvania Rep. John Murtha, despite Speaker-elect Nancy Pelosi's decision to back Murtha, dampened what until now had been a jubilant time for their party.

Hoyer's victory, in a 149-86 secret vote, came moments after Pelosi was unanimously backed by her caucus to become the first female House speaker. The full House will formally vote on Pelosi in January.

“We've had our differences; … and now that is over,” said Pelosi, of California, after Hoyer's election. “As we say in church, let there be peace on Earth and let it begin with us. Let the healing begin.”

In their first news conference together, the new Democratic leaders vowed, as Pelosi said, to work together “in a very unified way.” But their body language was telling. Pelosi smiled awkwardly as Hoyer threw his arm around her shoulder while Murtha scowled behind them.

Many, though not all, observers viewed the defeat of Pelosi's handpicked candidate as a blow to her credibility.

“She's a very smart woman who made an error in judgment,” said Rep. Barney Frank, D-Mass., a Hoyer supporter.

“This puts her on notice that she is not solely in charge, that there are different factions within her caucus that are willing to be independent of her,” said Mike Franc, a congressional expert at the Heritage Foundation, a Washington think tank.

University of South Florida political scientist Susan MacManus said Pelosi's support of Murtha, a leading critic of the Iraq war, demonstrated her loyalty to allies and was designed “to show she is responsive to the loud message that was sent on Iraq. She can't just ignore those people and be effective as a leader.”

Hoyer, 67, is a 25-year House veteran who had lined up support from most of the incoming committee chairmen as well as a majority of new members. One freshman, Nancy Boyda of Kansas, said she supported Hoyer out of “loyalty” after he stumped for her campaign.

Hoyer had been favored to win the leadership slot until Pelosi openly voiced her support for Murtha on Sunday, prompting days of intraparty tension. Pelosi and Hoyer ran against each other in 2001 in a battle to be House minority whip that Pelosi won. Despite reports of tension since then, Hoyer said Thursday the two have “worked hand in glove” to keep Democrats unified.

“My pledge to my caucus and my pledge to the country is that I will work as hard as I can,” Hoyer said.

Murtha, 74, was one of the first members of Congress to call for U.S. troops to begin leaving Iraq — a policy change that resonated with voters during the recent midterm elections. Pelosi said she supported Murtha “because I thought that would be the best way to bring an end to the war in Iraq.”

Yet Murtha's decision to run also revived questions about his ties to the 1980 Abscam bribery sting at a time of voter disgust over a recent spate of congressional scandals.

In Abscam, FBI agents pretending to represent an Arab sheik offered bribes to several lawmakers. When offered $50,000, Murtha was recorded as saying, “I'm not interested … at this point.” A grand jury declined to indict Murtha, and the House ethics committee issued no findings against him.

Murtha, who will chair the powerful panel that oversees defense spending, said of his defeat, “I didn't have enough votes so I'll go back to my small subcommittee.”

Hoyer is not free of ethics questions, either. The watchdog group Taxpayers for Common Sense has questioned his use of “earmarks” — language in a bill that directs funds or tax benefits to a business, project or institution — for contractors that have contributed to his political action committee.

In Rebuff To Pelosi, Democrats Elect Hoyer As Majority Leader (CQ)

By Susan Ferrechio

Congressional Quarterly, November 17, 2006

In a stunning push back against incoming House Speaker Nancy Pelosi, D-Calif., House Democrats on Thursday elected Steny H. Hoyer of Maryland as majority leader for the 110th Congress.

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By a vote of 149-86, Hoyer defeated John P. Murtha of Pennsylvania, whom Pelosi had endorsed Nov. 12 and lobbied for vigorously.

That leaves Pelosi locked in an uneasy partnership with her leading rival, a man she considers disloyal. Hoyer, a 25-year House veteran, has served as minority whip for the past four years, and Pelosi has resented his occasional departures from the party line she was attempting to lay down.

The unexpectedly bruising contest could leave deep scars. It fractured the caucus just as Democrats prepare to take control of the House for the first time in a dozen years. Many members were unhappy at being strong-armed by Pelosi and her lieutenants, and she may find it harder to go to them for favors in the future.

Some Democrats sought to play down that possibility.

"This is not going to be a problem. We're going to pick a majority leader, and then it's going to melt away," said Barney Frank, D-Mass.

Murtha had startled his colleagues in June when he first announced he would seek the No. 2 leadership post if Democrats managed to capture control of the House Nov. 7. Pelosi did not endorse him at the time, but on Nov. 12 she publicly threw her support behind Murtha.

She and her supporters spent all week ferociously lobbying other Democrats to back the 74-year-old decorated Marine Corps veteran who transformed the political debate over Iraq last year when he called for a speedy withdrawal of U.S. troops.

But Hoyer had worked for months to solidify his support within the caucus. He also had campaigned tirelessly for Democratic candidates, contributing more than $1 million through his political action committee during the 2006 election cycle, according to CQ's Political MoneyLine. That was substantially more than Murtha distributed.

Both Murtha and Hoyer voted for the 2002 resolution authorizing President Bush to go to war in Iraq, while Pelosi voted against it. But Murtha's call for a troop withdrawal carried special weight because of his reputation as a defense hawk. He has served as his party's top-ranking member on the Defense Appropriations Subcommittee and will become its chairman in the 110th Congress.

Pelosi delivered the first nominating speech for Murtha, followed by Kendrick B. Meeks of Florida and Dennis J. Kucinich of Ohio.

Henry A. Waxman of California spoke for Hoyer, along with fellow Democrats Lucille Roybal-Allard of California, Elijah E. Cummings of Maryland and Rep.-elect Brad Ellsworth of Indiana . Other Leaders

Before Democrats voted on the hotly contested majority leader's race, they unanimously nominated Pelosi to serve as Speaker in the new Congress. Her selection will not become official until the full House votes Jan. 4, the opening day of the 110th Congress. With Democrats in firm control of the chamber, that vote is a formality.

The caucus also unanimously elected James E. Clyburn of South Carolina as majority whip and Rahm Emanuel of Illinois as chairman of the Democratic Caucus. John B. Larson of Connecticut was re-elected as caucus vice chairman.

Clyburn, currently chairman of the Democratic Caucus, has served as Pelosi's bridge to several party factions, among them evangelical Christians and the Congressional Black Caucus, which he once led. He will be the second African American to serve as Democratic whip, after William H. Gray III of Pennsylvania, who left Congress in 1991.

Emanuel, who succeeds Clyburn as caucus chairman, initially considered opposing him for the whip's job. But he pulled back after Pelosi promised to enlarge his role as caucus chairman. As chairman of the Democratic Congressional Campaign Committee during the 2006 election cycle, Emanuel was given much of the credit for the party's House takeover.

Hoyer Elected Majority Leader (WT)

By Charles Hurt

The Washington Times, November 17, 2006

House Democrats yesterday overwhelmingly rejected Speaker-elect Nancy Pelosi's choice for majority leader.

Rep. John P. Murtha, Pennsylvania Democrat and Pelosi ally, lost a lopsided 149-86 vote to Rep. Steny H. Hoyer, the Maryland Democrat who has been a longtime political rival of Mrs. Pelosi's.

Mrs. Pelosi, who campaigned openly and aggressively for Mr. Murtha, tried patching up differences immediately after the secret vote held behind closed doors.

"We've had our differences in our party," she said, with a grinning Mr. Hoyer beside her and a glum-looking Mr. Murtha behind her. "We have come together."

But before turning the microphone over to Mr. Hoyer, Mrs. Pelosi once again talked about why she strongly backed Mr. Murtha for the No. 2 post.

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"I thank him for his courage in stepping forward one year ago to speak truth to power, to change the debate in this country in a way that I think gave us this majority in this November," she said in reference to Mr. Murtha's early calls for withdrawing the troops from Iraq.

"I was proud to support him for majority leader because I thought that would be the best way to bring an end to the war in Iraq," she said. "I know that he will continue to take the lead on that issue for our caucus, for this Congress, for our country."

Mr. Hoyer, who never went negative in the leadership race even as Mr. Murtha publicly accused him of supporting President Bush's war policy, was gracious in victory, saluting Mrs. Pelosi for being elected the first female House speaker in U.S. history.

"She is not the first speaker because she's a woman," he said. "She is the first woman speaker because she is a person of deep values, keen intellect and extraordinary political ability."

Despite the show of unity before the cameras, yesterday's vote showed that nearly two-thirds of the new Democratic majority in the House was willing to defy Mrs. Pelosi's demand that they vote for Mr. Murtha.

Since gaining 29 seats in the Nov. 7 election, House Democrats have privately expressed deep concern over Mr. Murtha and say Mrs. Pelosi blundered by backing him so forcefully.

Some Democrats said that an ally like Mr. Murtha in the No. 2 spot would give Mrs. Pelosi unchecked power.

But most Democrats said they opposed Mr. Murtha because they had run campaigns on a promise to clean up corruption in Washington, and Mr. Murtha is one of the most scandal-tainted members of Congress. He was implicated a quarter-century ago in the so-called Abscam bribery scandal.

Some wondered why Mrs. Pelosi stuck her neck out so far so early on Mr. Murtha's behalf.

But Rep. James P. Moran, Virginia Democrat, said that in the aftermath, "No one would question her loyalty."

Others speculated that Mrs. Pelosi urged Mr. Murtha to run for Mr. Hoyer's No. 2 position in order to focus attention on a Hoyer-Murtha showdown -- thus preventing a possible challenge by Mr. Hoyer against Mrs. Pelosi for the speaker's job.

Mr. Murtha said yesterday he would return to the "small subcommittee that I have on Appropriations," a joking reference to the powerful Defense Appropriations subcommittee.

Mr. Murtha himself may not have been entirely surprised by the loss of his bid for a leadership spot. A video recording that showed him negotiating for 54 minutes with undercover FBI agents more than two decades ago included Mr. Murtha's explanation of why one of his fellow congressmen was accepting a $50,000 bribe but Mr. Murtha was declining it.

"He doesn't expect to be in leadership," Mr. Murtha told the disguised FBI agents. "I have to be more careful. That's what it amounts to. I expect to be in the ... leadership of the House, and you have anything said against you, then you've got a problem."

Democrats Split Over Pelosi's Deputy Pick (FT)

By Holly Yeager

Financial Times, November 17, 2006

Nancy Pelosi, incoming speaker of the House, suffered an early defeat on Thursday when Democrats rejected her candidate for the number two job in the party leadership.

The unexpectedly bruising battle just days after Democrats took control of the House raised questions about party unity and Mrs Pelosi's commitment to ethics re-form and dampened celebrations of their new majority.

After a three-hour closed-door meeting, Democrats voted 149-to-86 to name Steny Hoyer, a long-time rival of Mrs Pelosi, to be majority leader when the new Congress convenes in January. He defeated John Murtha, the outspoken critic of the war in Iraq, whom she had backed in the race.

Throughout the mid-term election campaign, Mrs Pelosi pledged that the first act of a Democratic-controlled Congress would be a tough package of rules and ethics reform, following a series of mostly Republican scandals. But she raised eyebrows this week with her endorsement of Mr Murtha, who has been called "ethically challenged" by government watchdogs.

Mr Murtha has faced allegations that he abused his position as a member of the defence appropriations sub-committee by favouring a lobbying company of a former long-term staffer and clients of Robert "Kit" Murtha, his brother.

He has also been criticised for taking advantage of earmarking, the practice of appropriating funds for specific government projects that benefit individual lawmakers' constituents. Mr Murtha was also named as a co-conspirator in the 1980 Abscam bribery probe but not indicted in the case.

But Mr Murtha and Mrs Pelosi have long been allies in the Capitol and veteran lawmakers said her support for him was a sign of her loyalty. Others saw a vote for him as a way to thank him for his leadership on the war, a stance that played a large part in their victory.

The result will force Mrs Pelosi and Mr Hoyer, her current deputy, to continue to work together. Both natives of Maryland, they have known each other for 40 years and have sparred frequently.

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Republicans in the House are set to choose their new leadership team today. Dennis Hastert, the outgoing speaker, will not be a candidate for a top party post.

John Boehner, who became Republican majority leader after Tom DeLay resigned his leadership job amid allegations of campaign finance violations, is the front- running candidate to be minority leader.

Political Pragmatism Carried Hoyer To The Top (WP)

By Shailagh Murray

The Washington Post, November 17, 2006

Steny H. Hoyer is a practical moderate and Nancy Pelosi is a liberal idealist, and for more than 40 years they have competed like siblings, all the way to the pinnacle of politics.

Hoyer's rout yesterday of Rep. John P. Murtha (Pa.), Pelosi's handpicked candidate for majority leader, validated the methodical, no-frills approach that the congressman from Maryland has taken throughout his long career, from his rapid ascent in state politics to his somewhat bumpier climb through the House.

As a number of Hoyer supporters put it, there was simply no good reason to deny him the job. Even Pelosi had to concede that the result was convincing. "Steny came out a big winner today," she declared after the 149 to 86 vote. "It was a stunning victory for him."

Congenial and diligent, Hoyer scored big points with his colleagues by laboring in the trenches throughout the 2006 campaign season. He raised money, helped recruit candidates and appeared at events across the country. When Congress was in session, he was a fixture on the House floor as the Democratic whip, cajoling colleagues to stick together on tough votes. And when Democrats won a House majority last week, Hoyer received a large share of the credit.

"He's worked hard for a very long time," said Rep. Mike Ross (Ark.).

"He's very, very effective," said Rep. Jerrold Nadler (N.Y.).

"We've never had a whip operation like this one," said Rep. David E. Price (N.C.). "He's just been a model leader, and people appreciate that."

One of Hoyer's assets is that he has worked successfully alongside Pelosi. "There was a consensus in the caucus that the team is working, and they wanted to keep it, by a very large margin," Hoyer explained. Given the duo's strong record, many House Democrats questioned why Pelosi would turn to Murtha, a veteran Appropriations Committee member who had not shown much interest in House leadership before he emerged as a prominent Democratic war critic a year ago.

By rejecting Hoyer, Pelosi may unwittingly have elevated him, particularly among moderate members who are nervous about her liberal views, particularly on social issues. Now, even before the Democrats take over in January, they can claim to have bucked the boss, by voting against Pelosi's candidate for her second-in-command. That may prove particularly useful for freshman Democrats who won in conservative districts and will presumably have to fend off tough challenges in two short years.

"They campaigned on a theme of independence," said Rep. Allen Boyd Jr. (Fla.). A vote for Hoyer, he said, "will help them to demonstrate it."

Hoyer, 67, was elected to the Maryland Senate 40 years ago, becoming the youngest Senate president in state history during the mid-1970s. In 1981, when Rep. Gladys Noon Spellman (D), who represented Maryland's 5th District, fell into a coma, Hoyer battled through a primary against her husband and then beat a better-financed Republican opponent in the general election. He was called the "boy wonder" of Maryland politics.

The congressman won a coveted seat on the Appropriations Committee and became a champion purveyor of funding for his Prince George's County-based district.

Just this August, Hoyer appeared at a celebration marking the completion of a jetty project in Deale. "This is pork," Hoyer told the crowd. "But there is good pork and bad pork. Good investment and bad investment. This is a good investment."

Known as a business-friendly Democrat, Hoyer is a free-trader and a balanced-budget proponent, with strong ties to lobbyists. He champions many liberal causes and was a leading sponsor of the Americans With Disabilities Act. Hoyer is widely liked around Washington, regarded as funny and considerate.

For years he served as a senior member of the Administration Committee, a little-known favor bank that oversees the day-to-day operations of the House. Hoyer also has good relations with some senior Republicans. When Congress is in session, he has a monthly lunch with GOP Whip Roy Blunt (Mo.), another pragmatic insider.

Why exactly Pelosi sought to oust Hoyer remains something of a mystery, even to the congressman. The two Maryland natives first met in the 1960s, while serving as interns in the office of Sen. Daniel B. Brewster (D-Md.). Pelosi helped Hoyer in his race for majority whip against David E. Bonior (Mich.) in 1991. Ten years later, Bonior gave up his post, and Hoyer's competition was Pelosi.

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The race was long and bitter. Hoyer ran as the more moderate and experienced candidate, while Pelosi portrayed herself as forward-thinking and progressive.

Hoyer saw the race as an election for a leadership job, not a blood feud. "I ran for whip, she ran for whip," as he describes it. He calls her support for Murtha a show of loyalty toward an old friend. "Mr. Murtha asked her to do this, and because she's loyal, she did," Hoyer said. "And we've got to move on."

Steny H. Hoyer, A Cultivator Of Loyalties (NYT)

By Kate Zernike

The New York Times, November 17, 2006

WASHINGTON, Nov. 16 — If you placed an order for a congressman, chances are you would get Steny Hoyer. There is the immovable silver hair and the gleaming smile, the assiduous courting of colleagues, supporters and lobbyists, even the requisite life-changing encounter with John F. Kennedy.

In his early political career in Maryland, Mr. Hoyer was known as a machine politician. Here, he is "the members' member." It is a label applied by his champions, who admire him as an institutionalist, as well as his detractors, who sneer at him as a pol. But both agreed Thursday that this quality allowed him to become majority leader of the new Democratic-led House of Representatives.

The biggest test of Mr. Hoyer's political skills comes now, as he tries to lead a caucus under a new speaker, Nancy Pelosi of California, who has long been his rival in leadership and who strongly supported his opponent for the majority leader's job.

Mr. Hoyer, 67, has been running for some sort of political office since his 20's, when he worked alongside a young Nancy D'Alesandro — later Nancy Pelosi — for a Maryland senator, then entered the State Senate, becoming at 35 the youngest Senate president in Maryland history.

During the past several election cycles, he campaigned early for Democratic challengers, earning loyalty that ultimately paid off in the leadership election. Many freshman lawmakers said they respected the stand his rival, Representative John P. Murtha of Pennsylvania, had taken opposing the Iraq war, but that they had committed to Mr. Hoyer early, as he had to them.

"He was out for me before anyone thought I had a race," said Chris Murphy, a Democrat who won a tough campaign in Connecticut.

Asked about him, Mr. Hoyer's friends return repeatedly to the themes of hard work and a methodical nature.

"He looks the part, he speaks well, he's got good presence, and obviously all of that helps, but in the end, it's about whether people trust your judgment," said Leon Panetta, who became friends with Mr. Hoyer while both served in Congress. "It's not something you earn over a short period of time. He's been around, and he's earned a reputation."

Steny Hamilton Hoyer was born on June 14, 1939, in New York to a family of Danish origin — his name is the diminutive of his father's, Steen.

He once told a reporter that he and his wife, Judith, now deceased, became sweethearts when he asked her to join his slate of class officers in high school.

He became serious about politics at the University of Maryland after hearing Kennedy, a Massachusetts senator then campaigning for president, speak on campus. He went to Georgetown Law School and began working for Senator Daniel B. Brewster, alongside the future Ms. Pelosi, the daughter of a Baltimore congressman and mayor. He graduated from law school in 1966 and won his State Senate seat that same year, at age 27.

He gave up his seat to run for lieutenant governor, and after he lost, he worked as a lawyer while looking for ways to get back into politics. He found his race when Representative Gladys Spellman fell into a coma in 1980. With his ties to local politics, he won in a crowded field of candidates, beating even Ms. Spellman's husband for the nomination.

The race cemented one of his most important friendships, with Tony Coelho, then a California congressman and chairman of the Democrats' campaign efforts in the House. The special election was Mr. Coelho's first race, and one the Reagan White House hoped would go to a Republican. When Mr. Hoyer won, Mr. Coelho helped ensure that he was the only freshman included in the Democratic response to the State of the Union. Mr. Hoyer was given a seat on the Appropriations Committee, a rare plum for a young lawmaker.

By the early 1990s, Mr. Hoyer had become his party's caucus chairman. But when he ran for whip in 1991, he lost. Supporters of his opponent, David E. Bonior, said that Mr. Hoyer was too much an upstart.

Mr. Hoyer's wife died of cancer in 1997, which friends say was extremely difficult for him. He continued to press for a position in the leadership, competing against Ms. Pelosi for whip in 2001. He lost, again. Mr. Hoyer says that he has moved on, but the campaign has left lingering tensions in their relationship.

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"I'm not sure Steny knew what to do when that happened," said Benjamin L. Cardin, the Maryland representative recently elected to the Senate, and a close friend who plays hearts with Mr. Hoyer. ("He's extremely competitive," Mr. Cardin says of their games.) "He didn't know whether he had a future in the Congress or not."

Mr. Coelho said that Mr. Hoyer had counted his votes too loosely in that contest. This time, he was more hard-nosed, pressing colleagues for commitments. He went in with 149 promises, Mr. Coelho said, and emerged with that many votes.

"He has been out there working these freshmen for the last three elections," he said. "Some of these people ran twice. He gave them money, he gave them advice. He became a loyal friend to these people. Nancy thought she could put these people away because of pressure. But these people that got elected understand relationships, and they're not going to flip away because of pressure. He has a tremendous capacity for friendship, and when you have that, people don't flake off on you."

Representative Elijah E. Cummings of Maryland, among those who nominated Mr. Hoyer on Thursday, said he got the most applause when he talked about what Mr. Hoyer had done for freshmen. "They believed he had been there over and over again," Mr. Cummings said.

Friends say he has been frustrated by his inability to get past the tension with Ms. Pelosi. Associates have tried to reach out and patch the relationship between the two.

On Thursday, even after Ms. Pelosi supported Mr. Murtha, Mr. Hoyer spoke of his three daughters, his granddaughters and a new great-granddaughter, and how proud they would be to have Ms. Pelosi as the first female speaker.

He and Ms. Pelosi smiled and grasped hands, then lifted their arms over their heads triumphantly.

Speaker Pelosi Tempts Disaster (NYT)

The New York Times, November 17, 2006

Nancy Pelosi has managed to severely scar her leadership even before taking up the gavel as the new speaker of the House. First, she played politics with the leadership of the House Intelligence Committee to settle an old score and a new debt. And then she put herself in a lose-lose position by trying to force a badly tarnished ally, Representative John Murtha, on the incoming Democratic Congress as majority leader. The party caucus put a decisive end to that gambit yesterday, giving the No. 2 job to Steny Hoyer, a longtime Pelosi rival.

But Ms. Pelosi's damage to herself was already done. The well-known shortcomings of Mr. Murtha were broadcast for all to see — from his quid-pro-quo addiction to moneyed lobbyists to the grainy government tape of his involvement in the Abscam scandal a generation ago. The resurrected tape — feasted upon by Pelosi enemies — shows how Mr. Murtha narrowly survived as an unindicted co-conspirator, admittedly tempted but finally rebuffing a bribe offer: "I'm not interested — at this point."

Mr. Murtha would have been a farcical presence in a leadership promising the cleanest Congress in history. Ms. Pelosi should have been first to realize this, having made such a fiery campaign sword of her vows to end Capitol corruption. Instead, she acted like some old-time precinct boss and lost the first test before her peers.

As incoming speaker, Ms. Pelosi will be dogged by skepticism — from within the party and without — about her political smarts and her ability to deliver a galvanized agenda.

It was a no-brainer for the caucus to end the misguided fight for Mr. Murtha, who belittled the need for reform. Now the pressure is even greater for Speaker-elect Pelosi to recover by leading the House to something actually worth fighting for — starting with credible anticorruption strictures. For this she needs gaffe-wary advisers, among them Mr. Hoyer, who has his own questionable record of flourishing in big-money politics. The new majority — led by a presumably wiser speaker — must realize by now that intramural vendetta is hardly a substitute for productive government.

Remember Who Sent You (WP)

By E. J. Dionne

The Washington Post, November 17, 2006

Democrats might usefully take a break from their inane round of back-stabbing and score-settling to focus, for a few moments, on why voters gave them their congressional majorities. A lot of Americans are hurting in the pocketbook, and if Democrats don't use the next two years to help them, the party will squander the trust it has temporarily earned.

To prepare for next year, the Democrats (and those Republicans who want to revive their party) should read a truly remarkable speech that Janet Yellen, the president and chief executive of the Federal Reserve Bank of San Francisco, gave the day before voters went to the polls.

In plain language backed by sophisticated analysis, Yellen makes clear that voters who feel severe economic pressures are not deluded, despite the economy's strong performance in keeping down unemployment and inflation.

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The reason: new forms of inequality that don't fit into our conventional understanding of how the economy works. She argues that "much of the gain from excellent macroeconomic performance has gone to just a small segment of the population -- those already in the upper part of the distribution."

Yellen tells unfashionable truths. She does not claim, as many conservatives and free traders do, that globalization and the decline in union membership are innocent in the inequality saga. "Globalization and skill-biased technological change may have been working in combination to particularly depress the wage gains of those in the middle of the U.S. wage distribution," she says.

Note the word middle. That's where the biggest negative impact of globalization is being felt. At the top, Yellen says, globalization has been helpful to "highly able workers performing non-routine work requiring problem-solving skills." In the middle, "technology and globalization had the opposite effect -- substituting for workers performing routine or repetitive tasks and depressing their wages."

By the time we reached this decade, "many low-wage jobs that could be eliminated by technology had already vanished." That means the remaining jobs "involve manual and service work that cannot easily be automated."

As a result, "wages in the middle not only rose far more slowly than those at the top, they also rose more slowly than those at the bottom of the distribution."

Yes, there is a middle-class squeeze.

People at the bottom of the economy need help, which could come from an increase in the minimum wage, guaranteed health insurance, expanded wage subsidies through the earned-income tax credit and unionization.

But for the left-out middle, which rebelled in large numbers last week, the answers are more complicated, though no less urgent.

Job training and education are always touted as the answer. Yellen is all for them. But they are no cure-all, because Yellen notices something else that many others have ignored: Even the better educated are now being hit by globalization and technological change.

She says that "the distribution of [job] displacement has shifted towards the highly educated: workers holding a college degree saw nearly a 50 percent increase in their displacement rates between the early 1980s recession and the most recent one in 2001."

Americans are also suffering from much larger fluctuations in their incomes than in the past. In the 1970s, she says, "a typical family might have seen its income vary from a high of $60,000 to a low of $30,000 over the decade." In the most recent decade, the same family might see its income drop to as low as $15,000. Is it any wonder so many working Americans are mad?

Yellen draws on the essential policy book of the year, Jacob S. Hacker's "The Great Risk Shift." Again, if Democrats get tired of recrimination over an election they won -- imagine if they had lost! -- they might spend time with Hacker, who shows how more and more risk is being offloaded from government and private corporations onto individuals. He makes a powerful case for remodeling our social insurance systems to provide genuine economic security for all working Americans.

Hacker makes the paradoxical and insightful point that "we are most capable of fully participating in our economy and our society, most capable of taking risks and looking toward our future, when we have a basic foundation of financial security." It's common sense: Secure people are more likely to be risk-takers.

The task of creating an economy that is more just and more dynamic will not be completed within the life of the new Congress. It will take a decade of reform, experimentation and innovation. Now that House Democrats have settled on a majority leader, you can only hope they move away from self-involvement and start thinking about the people who sent them to Washington.

Federal Diary: New Subcommittees To Focus On Workforce Management (WP)

By Stephen Barr

Washington Post, November 17, 2006

In an effort to take a more strategic approach to federal workforce management, an interagency group has reorganized with an eye to how best to help Uncle Sam recruit and train a new generation of public servants.

The group, the Chief Human Capital Officers Council, was created in 2002 to advise agencies on how to improve federal personnel systems. Yesterday, Linda M. Springer, director of the Office of Personnel Management and the council's chair, announced the creation of six council subcommittees, replacing five panels, and their priorities for the next year.

Projections show that 40 percent of the federal workforce will retire by 2015, casting agencies into a war for talent with corporations, consulting firms and other employers. If the government falters in recruiting engineers, scientists, linguists and other specialized skills, the Government Accountability Office has warned, agencies might not be able to effectively deliver services to the public.

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Some of the subcommittees will study workforce planning for the retirement wave, look at how to ramp up training for a possible "knowledge drain," and study how performance-based pay can help the government compete for critical skills.

The subcommittees also will work with agencies on improving marketing strategies and examining whether OPM-sponsored job fairs, which seek to find applicants for hard-to-fill jobs, are worthwhile efforts.

One of the subcommittees focuses on emergency preparedness and in its previous incarnation, helped lay plans for how the government will manage its workforce during a pandemic flu outbreak. The panel, for example, has urged agencies to adopt a Navy system designed to track the whereabouts of employees during emergencies.

Springer also has asked the subcommittee chairmen to work with Sen. Daniel K. Akaka (D-Hawaii) and Rep. Henry A. Waxman (D-Calif.), who will oversee federal workforce issues in the next Congress, on legislation that supports the goals of the interagency group, an OPM official said.

The subcommittees are Emergency Preparedness, chaired by David S.C. Chu of the Defense Department; Hiring and Succession Planning, also chaired by Chu; Human Capital Workforce, led by Jeff T. H. Pon of the Energy Department; Human Resources Line of Business, led by Gail T. Lovelace of the General Services Administration; Learning and Development, chaired by Keith A. Nelson of the Housing and Urban Development Department; and Performance Management, chaired by Ronald P. Sanders from the Office of the Director of National Intelligence.Elsewhere . . .

Federal employee groups yesterday welcomed the election of Rep. Steny H. Hoyer (D-Md.) as the next House majority leader. Hoyer has championed federal pay raises and benefits for more than two decades. "We have never before had such a good friend so high in the congressional leadership," said Margaret Baptiste, president of the National Active and Retired Federal Employees Association.

Colleen M. Kelley, president of the National Treasury Employees Union, said the union will file a grievance against the Energy Department for delaying employee bonuses and promotions until Congress resolves a fiscal 2007 budget shortfall. She called the decision to delay bonuses "an example of management incompetence."

Office of Management and Budget controller Linda Combs announced yesterday that 18 of 24 federal agencies have received clean financial audits, the same as last year. Agencies that fell short on their fiscal 2006 financial statements included the departments of Defense, Energy and Homeland Security.Talk Shows

Art Gordon, president of the Federal Law Enforcement Officers Association, and Jon Adler, the association's executive vice president, will be the guests on "FEDtalk" at 11 a.m. today on federalnewsradio.com and WFED radio (1050 AM).

Ellen P. Embrey, Defense Department deputy assistant secretary for force health protection and readiness, will be the guest on "The IBM Business of Government Hour" at 9 a.m. Saturday on WJFK radio (106.7 FM).

Don't Snub Harman (LAT)

The Los Angeles Times, November 17, 2006

NEWLY MINTED House Speaker Nancy Pelosi is off to a rocky start. On the same day she was formally elected to lead the new Democratic majority, party colleagues refused to endorse her bizarre choice of Rep. John P. Murtha (D-Pa.), who was investigated but not charged in the Abscam scandal more than two decades ago, as her second-in-command.

That embarrassing experience should induce Pelosi (D-San Francisco) — who appeared chastened before reporters Thursday — to reconsider another ill-advised promotion: Her apparent intention to bestow the chairmanship of the House Intelligence Committee not on the panel's ranking Democrat, Rep. Jane Harman (D-Venice), but on Rep. Alcee L. Hastings (D-Fla.).

Hastings, like Murtha, seems an unlikely choice for a leadership role in what Pelosi has been advertising as "the most honest, the most open and the most ethical Congress in history." Hastings was impeached as a federal judge and removed from office in the late 1980s (although he was acquitted of bribery in a criminal trial in 1983).

A litany of explanations have been adduced to explain why Pelosi would bypass Harman, an expert on intelligence matters who has won the respect of both parties while criticizing some of the Bush administration's excesses in the war on terror. None of them is persuasive. Harman has earned this chairmanship.

The argument most often cited for bypassing Harman is that under House rules, her rotating membership on the Intelligence Committee is about to expire. But Harman's supporters note that since 2003, term limits on the committee (which in any case can be waived) don't apply to the chairman and ranking member. They also point out that the independent 9/11 commission called in its recommendations for longer tenures on congressional intelligence panels as a way of fostering continuity and institutional memory.

Then there is the claim that awarding the chairmanship to Harman rather than Hastings would offend the sacred principle of seniority, as well as the sensibilities of the Congressional Black Caucus (Hastings is African American).

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Seniority has never been the only criterion for the awarding of committee chairmanships in either party. As for black representation in the leadership, two other African Americans, Reps. Charles B. Rangel (D-N.Y.) and John Conyers Jr. (D-Mich.) are slated to head the Ways and Means and Judiciary committees, respectively.

The most substantial — and alarming — speculation regarding the Harman-Pelosi rift is that the speaker may consider Harman too moderate. If one of the reasons Pelosi backed Murtha was because he took it to Republicans on the war in Iraq, Harman — who initially supported the war — may be insufficiently partisan in Pelosi's eyes.

Pelosi, who has vowed to lead the House from the center, should think twice before indulging in a witch hunt of colleagues who can work well with Republicans.

And it isn't as if Harman is an administration lackey. She has called for the National Security Agency's warrantless eavesdropping program to be subject to the safeguards contained in the Foreign Intelligence Surveillance Act, and she voted against a bill to legalize the program without such safeguards. She also opposed legislation to create military commissions to try suspected foreign terrorists that did not afford detainees access to the writ of habeas corpus.

Especially at this juncture, the Intelligence Committee deserves a chairman who is respected by Democrats and Republicans in Congress and by the White House, and who is free of distracting questions about past personal conduct. Harman fits that description far more than Hastings.

Bush Nominee Gates To Court Lawmakers (AP)

By Anne Plummer Flaherty

AP, November 16, 2006

Robert Gates is making his first round of visits on Capitol Hill since being named by President Bush to replace Defense Secretary Donald H. Rumsfeld.

The one-on-one meetings Friday with lawmakers are in anticipation of Gates' confirmation hearing next month. The Senate Armed Services Committee plans to hold the hearing the week of Dec. 4.

The war in Iraq is expected to be a dominant issue for lawmakers in their discussions with Gates. One day after the Nov. 7 elections, Bush said he acknowledged the lack of progress in Iraq cost Republicans votes and handed majority control to Democrats. In a bid to salvage U.S. support, Bush said he would consider a change in course and asked Rumsfeld to step down.

Gates planned to meet with Senate Majority Leader Bill Frist, R-Tenn.; Majority Whip Mitch McConnell, R-Ky.; Senate Democratic leader Harry Reid, D-Nev.; Sen. John Warner, R-Va., chairman of the Armed Services Committee; and Sen. John McCain, R-Ariz.

Sen. Carl Levin, D-Mich., in line to takeover Warner's position as chairman next year, is expected to meet with Gates on Monday.

Members of Congress often meet privately with high-profile nominees before confirmation hearings so they can speak more candidly and get a sense of where the nominee stands on critical issues.

Gates's Opportunity At Defense (WP)

By Gregory F. Treverton

WashingtonPost.com, November 17, 2006

Robert Gates, nominated by President Bush to succeed Donald Rumsfeld as secretary of defense, will not have much time in office but he will have opportunity.

Gates comes to the job without much baggage, either of ideology or policy. He didn't campaign for the job -- indeed, he turned down the position of director of national intelligence when it was offered -- so he has some independence. And he comes to office when desperation might make for a serious debate about policy toward Iraq.

Gates was the committed Cold Warrior who also helped manage the end of the Cold War (disclosure: We have been colleagues and friends since working together on the Carter White House staff). His approach to the world is more the practical realpolitik of the first President Bush than the neo-conservatism that has held sway under the current president.

In a 26-year career as an intelligence professional, Gates spent almost nine years on the National Security Council, serving four presidents of both major political parties. He has not managed anything on the scale of the Pentagon, but then neither has anyone else.

As deputy CIA director for intelligence, Gates engineered what still is sometimes called the "Gatesian revolution,"drawing on his White House experience to induce intelligence analysts to be more aggressive in marketing their wares to policy officials. This earned him criticism, unfair in my view, for "politicizing" intelligence. As deputy and as director of central intelligence, he was the professional's professional, strategic in view and careful in detail.

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Iraq will surely define Gates's tenure. There, the tempting analogy is to Clark Clifford's role as secretary of defense in persuading another Texan, Lyndon Johnson, that winding down the war in Vietnam was not a breach of Texas honor. Clifford described his task as that of the Scarlet Pimpernel, organizing a quiet conspiracy in the national interest.

This time around, the choices are at least as unappealing as they were during the war in Vietnam, but Gates will not lack for co-conspirators. James Baker and the Iraq Study Group provide one kind of cover for a change in policy. And while many prominent Democrats have argued for a timetable for Americas withdrawal, they will not want to look soft on national security.

In these circumstances, there ought to be room for a package -- a timetable but perhaps one with some flexibility -- and perhaps one more push for more stability, including even some short-term increase in U.S. forces.

Beyond Iraq, Gates's time will be short. Rumsfeld should be remembered, but will not be, for aiming at a real transformation of U.S. military capability, against the opposition of almost all of the Pentagon (and much of Capitol Hill to boot). His vision -- a smaller, quicker and more lethal military -- produced quick victory in the conventional phase of the Iraq war but left the United States with too few troops poorly suited to the task of occupation, let alone nation-building.

GatesÂ¿ opportunity will be to redirect the transformation, not for major conventional conflicts but for the shadow wars America is likely to face. He could build on the words of recent Pentagon statements to strengthen AmericaÂ¿s counterinsurgency forces, its special operators, its advisors and policing capacity. All those capacities that have been in short supply in Iraq. A first test will come as the Army brass argues for a larger Army.

With a civilian, Gates, running the Pentagon and a military man, Gen. Michael Hayden, running the CIA, there ought to be an opportunity to bring together the parallel universes of civilian and defense intelligence.

As the capabilities of "national" intelligence collection systems, like the National Security Agency, have improved they have become increasingly important to warfighters for tactical purposes, and thus the distinction between "strategic"and "tactical" intelligence has blurred. Consequently, intelligence agencies and the Pentagon share assets and compete over whose needs are more important.

The competition risks duplication, as the military seeks intelligence systems it can count on that are integral to operational units. Here, too, Gates will not have much time, but he will have the opportunity to lay the cornerstone for the major element of reshaping American intelligence.

Gregory F. Treverton is a senior analyst at the RAND Corporation, a nonprofit research organization. He was vice chairman of the National Intelligence Council in the first Clinton administration, and his Reshaping National Intelligence for an Age of Information was published in 2001 by Cambridge University Press.

Senators Urged To Add Teeth To FDA Bill (AP-Y)

By Andrew Bridges, Associated Press Writer

AP, November 17, 2006

A bipartisan bill represents the best shot in years to improve the safety of drugs the Food and Drug Administration regulates, but needs bolstering to heal the ailing regulatory agency, witnesses told lawmakers Thursday.

The bill, introduced in August by Sens. Mike Enzi, R-Wyo., and Ted Kennedy, D-Mass., comes on the heels of a string of high-profile drug recalls and safety warnings. Among them was the 2004 withdrawal of the popular painkiller Vioxx after long-term use was linked to an increased risk of heart attack and stroke.

"Millions of Americans rely on the drugs that FDA approves. They take them for sickness. And now the FDA urgently needs treatment," Kennedy said.

Two panels of witnesses, including representatives from industry, consumer and patient groups, praised the bill's timeliness, saying it would improve safety — and the public's confidence.

"The initiative now before you represents the best opportunity in many years to fix these chronic problems," said Dr. Steve Nissen, a Cleveland Clinic cardiologist who served on an FDA advisory panel that in 2001 recommended new warnings on Vioxx.

Some of the bill's provisions, including a temporary ban on consumer advertising of newly approved drugs, echo proposals made in a September report on drug safety commissioned by the FDA. The report found that the FDA cannot track the safety of new drugs, nor respond quickly to problems, for want of money, people and power.

"If there ever was a time that it was critical to address these issues, it is now," said Sheila Burke, chairwoman of the Institute of Medicine panel that produced the report.

Jim Guest, president and chief executive of Consumers Union, called the bill "a good first step," but said its provisions, including the power to assess civil penalties, should be strengthened. Nissen, too, said there was a need for further legislative action, including increased taxpayer funding of an agency that relies heavily on user fees paid by industry.

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The Kennedy-Enzi bill calls for increasing those industry fees. Because of that, many FDA watchers believe next year the bill will be folded into legislation to reauthorize the fees.

Dr. Adrian Thomas, of Johnson & Johnson, said increased public funding of the FDA would address the perception that the agency is overly reliant on industry fees in a way that compromises its integrity.

The bill would require pharmaceutical companies to devise safety plans for new drugs. It calls for more disclosure of the results of drug trials in human subjects. It also would give the FDA the authority to require companies to carry out safety studies of drugs once they are on the market.

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On the Net:

Text of Senate bill S.3807 available at: http://thomas.loc.gov/

Senate Weighs Bill To Improve Drug Safety (USAT)

USA Today, November 17, 2006

Representatives from the pharmaceutical industry and consumer and patient groups agreed Thursday that a bipartisan bill working its way through the Senate would improve drug safety and public confidence. The bill by Sens. Mike Enzi, R-Wyo., and Edward Kennedy, D-Mass., would temporarily ban consumer advertising of newly approved drugs, require more disclosure of drug trials in humans and give the Food and Drug Administration (FDA) the authority to require companies to conduct safety studies once drugs are on the market.

Cleveland cardiologist Steven Nissen told the Senate Committee on Health, Education, Labor and Pensions that the bill "represents the best opportunity in many years" to fix chronic problems in the way drugs are approved and marketed. Jim Guest of Consumers Union called the bill "a good first step," but said it needs to be stronger. Witnesses also called for a boost to the FDA budget.

Meanwhile, the breast cancer drug Herceptin, made by Genentech, received expanded FDA approval to include treatment of women with early-stage cancer who have undergone surgery. Herceptin has been on the market since 1998.

Senate OKs sending nuclear fuel to India

The Senate overwhelmingly endorsed a plan allowing the United States to ship civilian nuclear fuel and technology to India, handing President Bush a victory on one of his top foreign policy initiatives. Senior lawmakers from both political parties championed the proposal, which reverses decades of U.S. anti-proliferation policy, saying it strengthens a key relationship with a friendly Asian power that has long maintained what the United States considers a responsible nuclear program. The vote was 85-12. Sen. Richard Lugar, R-Ind., called the plan "a lasting incentive" for India to shun future nuclear weapons tests. Sen. Joseph Biden, D-Del., said the endorsement pushes America "a giant step closer" to a "major shift in U.S.-Indian relations."

Panel: China not responsible global player

A congressional advisory panel questioned China's willingness to be a more responsible international player and said the world's most populous nation must abandon a single-minded pursuit of its "own narrow national interests." Among the 44 recommendations the U.S.-China Economic and Security Review Commission made to Congress are "a more effective program" for gathering information about China's military buildup and the need to combat Chinese attempts to isolate Taiwan by supporting the island's membership in world bodies.

"While China is a global actor, its sense of responsibility has not kept up with its expanding power," said Larry Wortzel, chairman of the commission that Congress created in 2000 to investigate U.S.-China issues.

In Beijing, Chinese Foreign Ministry spokeswoman Jiang Yu said she had not seen the report, but "we are against the attempt by any country or any organization to interfere with China's internal affairs."

Criminal investigation opens against Foley

Florida authorities have opened a criminal investigation into the sexually explicit computer messages that former representative Mark Foley sent to former male congressional pages. "We found the basis to open up a criminal investigation," said Kristen Perezluha, a spokeswoman for the Florida Department of Law Enforcement. She would not elaborate. Foley resigned Sept. 29 after being confronted with the lurid communications. His attorney, David Roth, declined to comment on the criminal investigation.

Cheney Is Toast, So New Veep In Works? (USAT)

By Al Neuharth

USA Today, November 17, 2006

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Now it's all about the White House in 2008. With midterm ballots barely counted, they started lining up on both sides of the aisle this week. Before it's over, expect 10 or 12 Democrats and four or five Republicans to make a serious run for the Oval Office.

In modern politics, the party in power with a two-term president has had a vice president waiting to move up. Those nominations have been almost automatic. History over the past half century:

Bill Clinton's VP Al Gore in 2000. Ronald Reagan's George H.W. Bush 18 years ago. Lyndon Johnson's Hubert Humphrey in 1968. Dwight Eisenhower's Richard Nixon 46 years ago.

Dick Cheney unequivocally has taken himself out of the running. So he's toast.

It's hard to think of a good reason he should remain in office and logical to assume that some Republicans are pushing him to leave. It could be on "doctor's orders." He's 65 with serious heart problems.

Bush then could name a vice presidential successor who they hope might be nominated and win in '08. But the appointment would need approval of both houses of Congress. With control shifting to the Democrats in January, time may be of the essence.

Likely on the short might-be list (alphabetically):

·Bill Frist, 54, Senate majority leader from Tennessee.

·Rudy Giuliani, 62, former mayor of New York City.

·John McCain, 70, U.S. senator from Arizona.

·Condoleezza Rice, 52, secretary of State.

If Cheney goes, Bush could make political history by naming the first woman and first black as veep. When presidents are lame ducks, they sometimes think more about what historians will say than about current events.

25 Years Later Reagan's Tax Cuts Are A Global Tide (WSJ)

The Wall Street Journal, November 17, 2006

It was entirely appropriate that as its keynote speaker to celebrate the 25th anniversary of the 1981 Reagan tax cut, the Heritage Foundation in Washington this week should assign the job to Art Laffer. Mr. Laffer is surely the most irrepressibly ebullient practitioner of the dismal science of economics alive today, maybe ever. It is no surprise that more than a quarter century ago, then California Gov. Ronald Reagan, another genuinely cheerful soul in a dismal profession, would have found common cause with the young economist's view that cutting taxes would produce a wealth of benefits for the American people.

Now, 25 years later and with the post-Reagan Republican Party in tatters over a confused political agenda, Mr. Laffer stood beaming at the Heritage podium to inform its audience that "illegal immigrants are the lifeblood of our society." This produced a boo-burst from a distant corner, which Mr. Laffer seemed not to notice. When so informed over a nightcap at the Willard Hotel, he said with the famous smile, "What do I care? I've been booed at all my life."

As, indeed, has Reaganomics over its 25-year life. On this night Mr. Laffer, famous in part for cutting down economists' pretenses to ideas anyone can understand, had an answer for the boo-birds of Reaganomics: Almost alone, the United States since those tax cuts has managed to remain both a growth country and a developed nation.

Economic growth was always the sine qua non of supply-side tax theory, the belief that lower marginal rates would incentivize people to work, save and invest. Bob Bartley, the late editor of The Wall Street Journal editorial page, wanted nothing more than to focus this debate back then on the particulars of achieving growth in the economy. But for many garden-variety politicians and professional economists, the economy is an abstraction. Yes, they know something is going on out there in the workaday world, but it's all a second-order effect of their policies and theories. So at its creation the supply-side idea instantly bogged down into an argument, alive to this day, over whether the tax cuts would "pay for themselves." You know, the deficit, the budget, the "nonpartisan" economic models at the Congressional Budget Office, blah, blah, blah.

It was back about the time these arguments over fiscal policy were erupting in the late 1970s that this page began to propagate the phrase, "inside the Beltway." This of course refers to Interstate 495, which rings Washington like the bright outline that surrounds protoplasm under a microscope. The unicellular protozoa inside the Beltway live life swimming from this side to that, bumping each other. They enjoy it. And so even today the debate over tax cuts "paying for themselves" lives on, reincarnated as a proposal called "paygo" which decrees that no tax cut may pass into law unless an "offset" is laid upon the altar of the budget gods.

But let's return to the real world, where the object is growing an economy, not fertilizing Uncle Sam's giant budget beanstalk. In the final months of Ronald Reagan's presidency, something else happened that forced even Beltway accountants to look up from their ledgers: The Berlin Wall fell in 1989. Five years later this brought forth the second great wave of supply-side tax policy.

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Communism had been running what might be called a 40-year demonstration study in life at one end of the Laffer Curve -- what happens to economies when you tax away pretty much everything. Freed of this utopia, the peoples of Eastern Europe now had to devise new tax regimes appropriate to nations eager -- for want of a better phase -- to work, save and invest.

The first former Iron Curtain country to cut its taxes was Estonia in 1994, led by Prime Minister Mart Laar, who claimed then the only economics book he'd ever read was Milton Friedman's "Free to Choose." Estonia established a flat rate on personal incomes of 26%; two years earlier it had abolished all import tariffs. Estonia grew.

After Estonia, flat-tax regimes coursed across Eastern Europe, as listed below (bear in mind that the top rate in the U.S. is 35%): Lithuania, 33%; Latvia, 25%; Slovakia, 19% (the former sad sack of the region, Slovakia's growing economy has become its envy); Romania, 16%; Ukraine, 13%; Russia, 13%; and Georgia, 12%.

Yes, payroll taxes are often high, but unlike here, the political impulse is to reduce the tax burden; Estonia hopes to get its flat rate down to 20% by decade's end. Even the World Bank has noticed. In a September report on business reforms, it noted that the second most popular global reform the past few years, after easing regulations on new businesses, was "reducing tax rates and the administrative hassle of paying taxes." Bosnia-Herzegovina, emerging from the Balkan wars, has cut property taxes.

The accounting firm KPMG's annual corporate-tax survey, released this month, took special note of the history of corporate tax rates. The downward trend here was begun in 1985 with a corporate-rate cut in the U.K. by Reagan admirer Margaret Thatcher. "In the past 14 years," the report says, "the average corporate tax rate of countries surveyed by KPMG declined nearly 29%, dropping from an average of 38% to 27.1%." When Austria cuts its corporate rate to 25% from 34% and German companies started rolling across the border, German Finance Minister Peer Steinbruck accused the Austrians -- I love this phrase -- of "fiscal dumping."

During Ronald Reagan's presidency, the top marginal rate on personal incomes dropped to 28% from 70%. In 1993 Bill Clinton raised the top tax rate to 39.6%. In 2001 George Bush pushed the top rate back down to 35% and cut the rate on capital gains and dividends to 15%. Last week former Clinton Treasury Secretary Robert Rubin exhorted the Democrats to raise taxes "to solve the nation's fiscal problems."

The Rubin Solution may not be easy. Even a Democratic Congress might realize that raising taxes today is swimming against the global tides. In reversing the Clinton tax increases, passed in another age 13 years ago, and spreading tax cuts to the financial sector, George Bush has driven the roots of the Reagan tax philosophy deeper. If he resists a grand compromise on entitlements that raises taxes, it may prove to be his most enduring legacy.

Issues Front And Center (WP)

By David Ignatius

The Washington Post, November 17, 2006

The Democrats now have the opportunity the Republicans spurned, which is to build a broad coalition in the center and become once again the nation's governing party. But to achieve that, the Democrats must stand for values that connect with those of most Americans. The center is meaningless, after all, except as a platform for enacting legislation the public wants.

Some Democratic initiatives are obvious after the November election: The public wants changes in Iraq policy that reduce the costs and dangers for America; reform of an arrogant and corrupt congressional leadership; and an end to partisan political bickering. The new House speaker, Rep. Nancy Pelosi, had a disastrous post-election week in which her first priority seemed to be settling scores rather than solving these big problems. Shame on her! But let's assume for the moment that the new Democratic majority won't commit instant suicide with a continuation of Pelosi's payback politics, and that it will get serious about governing.

What are the issues where the Democrats should plant their flag and try to create a new majority? Two are no-brainers that should have broad bipartisan support next year: reviving the Clinton administration's push for national health-care policies that can save costs and improve care, and getting serious about alternative energy policies that can reduce demand for foreign oil. Sen. Hillary Clinton has already staked out these issues, which will enhance her stature as a 2008 presidential candidate.

A third big Democratic idea was advanced this week by Jim Webb, the senator-elect from Virginia, who promises to be one of the most interesting voices in the new Congress. He argued in the Wall Street Journal that the Democrats should focus on economic justice. "America's top tier has grown infinitely richer and more removed over the past 25 years," he wrote. "It should be the first order of business for the new Congress to begin addressing these divisions, and to work to bring true fairness back to economic life." Former senator John Edwards, another leading Democratic contender for 2008, has put his stamp on this same issue through his new Center on Poverty, Work and Opportunity at the University of North Carolina.

Webb and Edwards are right about the dangers of rising inequality in America. Studies by the Census Bureau, the National Bureau of Economic Research and other organizations all report growing inequality in income distribution over the past 35 years.

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According to a June 2000 study by the Census Bureau, the gap between rich and poor began widening sharply in the early 1980s. From 1980 to 1992, the share of national income going to the top fifth rose by nearly 18 percent.

The income gap continued during the technology boom and the stock-option frenzy of the Clinton years, according to studies by a leading analyst of inequality, James K. Galbraith of the University of Texas. He notes that the collapse of the tech bubble and the surge of military spending under President Bush shifted the pattern of winners -- but from blue-state counties to other blue-state counties. In a recent paper, Galbraith found that the big gainers of the 1990s -- Santa Clara, San Mateo and San Francisco counties in California and New York City -- were the top four losers from 2000 to 2004, while the four big winners after 2000 were the District of Columbia and Fairfax, Los Angeles and San Diego counties.

The Democrats' challenge is to fuse populist anger with the party's other dynamic movement -- the call for fiscal reforms made by former Treasury secretary Robert Rubin and other members of the Hamilton Project, which seeks budget-balancing changes in entitlement spending. The goal should be to articulate policies that are at once pro-equality and pro-growth. That's a tall order, especially at a time when the U.S. economy appears to be slowing.

Lawrence Summers, a former Treasury secretary and Harvard economist, suggested the right balance in a column in the Financial Times last month: "The best parts of the progressive tradition do not oppose the market system; they improve on the outcomes it naturally produces. That is what we need today."

If the Democrats hope to re-create the "big tent" of a true governing coalition, they have to find policies that bring together the wings of their own party. Successful economic policies will be those that advance the interests of Main Street without destroying those of Wall Street, and vice versa. Solving that puzzle is a big intellectual challenge. It should motivate and unite the Democrats -- from Webb and Edwards to Clinton and Rubin -- as they move toward 2008.

The writer co-hosts, with Newsweek's Fareed Zakaria, PostGlobal, an online discussion of international issues athttp://blog.washingtonpost.com/postglobal. His e-mail address isdavidignatius@washpost.com.

The Big Three's Diminished Pull (LAT)

The Los Angeles Times, November 17, 2006

ONCE UPON A TIME, if the chief executives of the Big Three U.S. automakers wanted a meeting with the president, he would rearrange a few summits or travel to Detroit to accommodate their schedules. Not anymore.

After months of lobbying for some face time with President Bush, the heads of General Motors, Ford and DaimlerChrysler's Chrysler Group finally got their wish Tuesday — after the election, at a time when the president's political power is at a low point. Bush met with the CEOs for about an hour in the Oval Office. The president smiled, said a few nice things to the cameras about the importance of the U.S. auto industry and sent them on their way. Very little, if anything, is expected to come of the meeting.

It was a reflection not only of the newfound weakness of the industry but of a change in global circumstances. The lines separating U.S. from foreign automakers are a lot blurrier than they used to be. DaimlerChrysler, still considered one of the giants of Detroit, is headquartered in Germany. Toyota and Honda might be based in Japan, but they own numerous U.S. factories and employ thousands of American workers.

The executives weren't looking for a bailout, but they were hoping for some assistance from Washington. At the top of their agenda was healthcare. If they want help on that, they'll have to get in line. It is inarguable that the automakers face crushing healthcare costs, but it is the entire U.S. healthcare system that is in desperate need of an overhaul. The auto industry's problems differ only in scale.

Also up for discussion Tuesday was the Japanese yen, which Detroit has long complained is undervalued, and alternative fuels — the CEOs were apparently seeking more subsidies to build flex-fuel cars that can burn either gasoline or an ethanol blend. Bush wisely failed to take the bait on the yen, whose value is determined by market forces and not by the machinations of the Japanese government or its automakers. And although Washington should be encouraging more flex-fuel cars, Detroit could also focus on improving the gas mileage of conventional vehicles.

The U.S. auto industry is an important part of the nation's economy. But this is one road the Big Three are going to have to steer on their own. The days of massive federal bailouts for the likes of Chrysler are over — and would be even if it were still an American company.

OTHER NEWS:

Low Oil Prices, Modest Inflation Fuel Dow Record (WSJ)

By Peter A. Mckay

The Wall Street Journal, November 17, 2006

DOJ_NMG_0095889

Moderate inflation and a plunge in oil prices to a one-year low pushed the Dow Jones Industrial Average to another record.

The blue-chip average climbed 54.11 points, or 0.4%, to 12305.82, up 15% year to date. The Standard & Poor's 500-stock index rose 0.2%, or 3.19 points, to 1399.76, shy of its first close above 1400 since November 2000. The broad-based index is up 12% this year.

The Nasdaq Composite Index rose 0.3%, or 6.31 points, to 2449.06, up 11% year to date.

In the session's most anticipated piece of economic news, the Labor Department reported that its consumer-price index, excluding volatile food and energy prices, rose 0.1% in October, shy of Wall Street's consensus expectation for an increase of 0.2%.

Compared with the year-earlier period, the so-called core inflation rate is 2.7%, above the 2% level that the Federal Reserve considers the upper limit of acceptable annual growth in prices throughout the economy. October's reading was shy of the 3% level some analysts believe would trigger widespread worries that an interest-rate increase by the Fed is imminent.

"The readings are still too high for the Fed to ease rates, but at least for the day, the market is less worried about the worst-case scenario," said Jim Paulsen, chief investment strategist at Wells Capital Management. He cautioned that he still believes economic growth will push inflation readings higher in the months ahead, eventually prompting the Fed to tighten.

Energy traders bid the expiring December futures contracts for crude oil sharply lower, off $2.50, or 4.3%, to $56.26 a barrel, down 7.8% year to date at the New York Mercantile Exchange.

Warmer weather and mixed reports about the Organization of Petroleum Exporting Countries' output helped to nudge prices lower. To avoid taking delivery of actual oil, many traders had to sell December futures to move their purely financial bets into January futures, said Alaron Trading analyst Phil Flynn.

He said such selloffs have become more common in the past 18 months or so -- a period in which contracts for long-term crude delivery have usually traded at a premium to contracts for immediate delivery. "This is getting to be a common theme in the oil market," said Mr. Flynn. "I call it expiration ugly, or expiration madness."

Outside the U.S., stocks fell in dollar terms. The Dow Jones World Stock Index, excluding U.S. shares, fell 0.02%, or 0.05 point, to 231.54.

In major U.S. market action:

Stocks rose, and bond prices fell. The 10-year note fell 10/32 point, or $3.125 for each $1,000 invested, pushing the yield up to 4.659%. The 30-year bond fell 20/32 to yield 4.737%.

The dollar strengthened. Against the Japanese currency, the dollar rose to 118.22 yen, compared with 118.04. The euro fell to $1.2796, compared with $1.2826.

Write to Peter A. McKay at peter.mckay@wsj.com1

Inflation Drops Again As Gasoline Prices Fall (WP)

By Howard Schneider And Nell Henderson

The Washington Post, November 17, 2006

Inflation continued to moderate in October as falling oil prices, a slack housing market and a decline in clothing costs reinforced the sense of a gradually slowing economy.

Labor Department statistics released yesterday indicated that overall prices declined 0.5 percent in October on a seasonally adjusted basis, following a similar decline in the previous month.

Excluding volatile fuel and food costs, prices rose 0.1 percent, the smallest increase since December and a sign that core inflation is declining.

Overall, prices rose at a 2.4 percent annual rate for the first 10 months of the year, the Labor Department reported, much less than the 3.4 percent price increase recorded for all of 2005, when fuel prices spiked.

Wall Street greeted the data with restrained enthusiasm yesterday, concluding the Federal Reserve probably will not need to raise interest rates any time soon to battle inflation. The Dow Jones industrial average rose 54.11, or 0.4 percent, to close at 12,305.82, the latest in a string of all-time highs for the Dow. The Standard & Poor's 500-stock index rose 3.19, or 0.2 percent, to close at 1399.76.

The data released yesterday added to evidence that economic growth has slowed under the influence of recent Fed rate increases. The most recent report of the value of all goods and services produced, known as gross domestic product, indicated the economy was expanding at a sluggish 1.6 percent annual rate, down sharply from earlier in the year.

Federal Reserve policymakers agreed at their meeting last month that "inflation risks remained the dominant concern" and that more interest rate increases were possible if price pressures did not ebb, according to minutes of the session released on Wednesday.

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The central bank has left its benchmark rate unchanged since June, after increasing it 17 times over two years to restrain inflation. Some analysts warned that it may be too soon to conclude the rate increases are over, with unemployment at a low 4.4 percent, wages rising and consumers spending the extra cash they've gained from lower gasoline prices.

"There might be a little more work to do," said Drew Matus, senior economist at Lehman Brothers Inc., which predicts the Fed will raise its benchmark rate to 5.5 percent from 5.25 percent early next year. "We don't think the inflation problem has gone away."

The milder inflation report will allow the Fed more time to watch how the slumping housing market affects the economy in coming months, he said. "This gives the Fed more breathing room, but it doesn't mean we're out of the woods" on inflation, Matus said.

For now, the news is positive, particularly last month's mild 0.1 percent increase in the core CPI. The core index rose 2.7 percent in the 12 months that ended in October, after rising 2.9 percent in the year ended in September, the highest 12-month figure reported this year.

"One soft core is not a trend, but it still looks great," said Ian Shepherdson, chief U.S. economist for the High Frequency Economics consulting firm.

Fuel prices figured significantly in the October price decline, as they did in September, falling 7.2 percent last month on top of a 7 percent decline the month before.

Gasoline fell 11.1 percent in October. The national average was $2.23 per gallon, down from more than $3 a gallon for much of the summer, according to the AAA automobile club. Oil is trading at about $59 a barrel, down from a peak of more than $78 a barrel in July.

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Inflationary Signs Weaken Broadly (WSJ)

By Rafael Gerena-morales

The Wall Street Journal, November 17, 2006

Inflationary pressures eased broadly last month, reinforcing the Federal Reserve's view that consumer-price increases will subside as the U.S. economy cools.

The Labor Department reported that consumer prices nationwide fell a seasonally adjusted 0.5% last month -- matching September's decline -- and were up 1.3% from a year earlier, the smallest year-to-year increase since June 2002.

Core consumer prices, which exclude food and energy, rose a less-than-expected 0.1% in October, compared with a 0.2% increase in each of the three preceding months. Core prices were up 2.7% from a year earlier, short of the 2.9% year-to-year rise in September.

The inflation reading "is unmitigated good news," said Nariman Behravesh, chief economist at consulting firm Global Insight. "It will provide great comfort to the Fed because they've been saying that inflation is going to come down -- and it has. People who were worried about [high] core inflation can breathe a little easier."

The favorable inflation data, along with a plunge in oil prices to a one-year low, sent the Dow Jones Industrial Average climbing 54.11 points to a record close of 12305.82. (See related article1.)

Energy prices recorded some of the steepest of October's price declines. Gasoline prices fell 11.1% from September and were down 18.3% from a year earlier. Natural-gas prices declined 7.7% and were 24% below a year ago.

Prices for many other products and services also declined last month. Prices fell 3.3% on information-technology hardware and services, 1.2% on both used cars and trucks and women's apparel and 1% on personal computers and peripheral equipment.

Meanwhile, some housing-related costs, which pushed core inflation higher this summer, continued climbing. Rents paid by tenants, as well as owner's equivalent rent -- what a homeowner would have to pay to rent comparable living space -- each rose 0.4% from September.

Even so, the broad-based price declines suggest that "the inflation scare is over," said Mark Vitner, a senior economist at Wachovia Corp. in Charlotte, N.C. If current trends continue, Mr. Vitner believes that the Fed's next move will likely be to cut

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interest rates in the first half of 2007. Immediately after the report, futures markets raised the odds of a quarter-point rate cut by April to about one in four, from about one in seven.

Other economists were more cautious. They noted that while inflation is easing, the core level remains above the Fed's perceived "comfort zone" of 1% to 2%, and that the nation's tight labor market, which is helping to lift wages and other business costs, could stoke inflation next year. Average hourly earnings in October were up 3.9% from a year earlier. That compares with an average increase of 2.8% in 2005.

"It's not fair to say that the inflation genie is in the bottle," said Haseeb Ahmed, an economist at J.P. Morgan Chase & Co. "There is still work to do on inflation."

The Fed has kept its target for short-term interest rates at 5.25% since late June as the economy has slowed and appears to be heading toward moderate growth. The economy expanded by 1.6% in the third quarter, compared with an average of 4.1% in the first half of 2006.

The consensus among 56 economists surveyed last month by WSJ.com was that the economy would expand by an average of 2.5% in the fourth quarter, which would be below its long-term trend growth rate of about 3%.

A separate economic report released yesterday by the Federal Reserve seemed to confirm that some sectors of the economy are continuing to cool. The Fed reported that production at the nation's factories, mines and utilities increased a seasonally adjusted 0.2% in October, boosted by a 4.1% increase in utilities' output amid "colder-than-normal" weather in the Midwestern and Rocky Mountain states. The nation's capacity utilization rate, a measure of how fast the industry is running, rose slightly to 82.2% in October.

Manufacturing output, however, fell 0.2% for the second straight month, dragged down by production cuts in the auto and housing-related sectors.

"Manufacturing will not have a merry holiday season this year," said Daniel J. Meckstroth, chief economist for the Manufacturers Alliance/MAPI in Arlington, Va. Mr. Meckstroth projects that manufacturing output will remain flat in the fourth quarter, down from 4.5% growth in the third quarter.

The housing market did offer one bright spot yesterday: The National Association of Home Builders/Wells Fargo Housing Market Index, which tracks builder sentiment about homes sales, for November rose slightly from the previous month, gaining two points to 33.

NAHB chief economist David Seiders said the increase was a sign that the leveling off of home prices has improved housing affordability. Several large home builders, however, have said recently that they expect slow sales to continue into next year and that they haven't seen many signs of improvement.

Also yesterday, the Labor Department said that initial claims for unemployment benefits fell 2,000 to a seasonally adjusted 308,000 in the week ended Nov. 11, suggesting that the labor market remains healthy.

Inflation Slowdown Raises Rate Cut Hope (FT)

By Eoin Callan And Krishna Guha

Financial Times, November 17, 2006

Inflation slowed sharply in the US last month, new figures showed on Thursday, easing the pressure on the Federal Reserve and raising expectations of an interest rate cut next year.

The core consumer price index rose 0.1 per cent in October, its lowest monthly increase since inflation began to accelerate in the spring.

The October report is a clear break with a run of stubbornly high inflation figures. Core inflation rose 0.2 per cent in each of the three preceding months, and faster in the previous quarter.

The three-month annualised rate of core inflation often cited by Ben Bernanke, the Fed chairman – which peaked at 3.8 per cent in May – fell for the fifth consecutive month to 2.3 per cent from 2.7 per cent.

“I view this as the first sign, the first proof, that the outlook for inflation is improving,” said Bob DiClemente, chief US economist at Citigroup.

However, Michael Moskow, president of the Chicago Fed, warned investors against assuming that the Fed would think the fight against inflation is now over. “It’s one month, and I think it’s a bit premature for anyone to say that we have broken the back of inflation,” he said.

“It is moving in the right direction; the key is whether that can be sustained and how quickly we can move to rates that are in a range that is commensurate with price stability. We’re certainly not there now.”

He added: “My current assessment is that the risk of inflation remaining too high is greater than the risk of growth being too low.”

Lower energy prices have given central banks around the world greater flexibility in tackling inflation.

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The Bank of Japan also kept its options open on Thursday, keeping interest rates at 0.25 per cent, after a low headline inflation rate of 0.2 per cent in September. But the central bank has made it clear that it is prepared to move pre-emptively against inflation.

Equity markets were buoyant in the wake of the US inflation report, while futures markets priced in about a 50 per cent chance of a US rate cut early next year. The dollar held its ground, while US Treasuries reversed early modest gains.

Meanwhile, figures on Thursday showed inflation pressures remain moderate in the eurozone, with headline and core both at 1.6 per cent.

The softer inflation figures in the US will reduce the pressure on the Fed to consider raising rates and will be viewed by Mr Bernanke as helping support the decision to keep rates on hold at the past three policy meetings.

Prices Fall, US Inflation Worries Ease (CSM)

By Ron Scherer

The Christian Science Monitor, November 17, 2006

The price of a ton of steel is falling - something that helps to ease prices on everything from automobiles to rebar used to buttress concrete. Dresses and trousers are already on sale in department stores. And gasoline prices, after their recent spike, are back down to where they were about a year ago.

Falling prices on many goods are reining in the nation's inflation rate. Thursday, in an economic report that cheered just about everyone, the government reported that the Consumer Price Index (CPI) in October fell 0.5 percent. Even taking out volatile energy and food prices, inflation barely registered, rising only 0.1 percent.

The improving inflation news should help relieve the concerns of the Federal Reserve, the nation's central bank, that inflationary expectations are rising. The Fed meets in the middle of next month to set interest-rate policy. Economists expect the latest report to be one of the factors that keep the bank from taking any action on interest rates.

"I don't think we're going to see a change," says Ann Owen, a former Fed economist now at Hamilton College in Clinton, N.Y. "In the past couple of meetings, even though the Fed has not made any changes, we've seen a dissenting vote in favor of raising interest rates and what we might see now is no dissenting vote."

The inflation numbers are also improving on a year-over-year basis. Compared with last October, prices are up 2.7 percent, a rate that is still higher than the Fed would like to see but a decline from prior months. "The numbers are [going] in the right direction," says Professor Owen.

The improvement in the CPI follows a similar report on Tuesday for the Producer Price Index, a measure of inflation for businesses, which fell 1.6 percent. Taking out food and energy, prices dropped 0.9 percent.

The falling prices reflect the competitive business environment, says Daniel Meckstroth, chief economist for the Manufacturers Alliance/MAPI in Arlington, Va. "Business just can't raise prices."

In an important trend, some commodity prices other than energy are also starting to retreat, he says. Copper, aluminum, and steel are all selling for less than they were this summer. "We're getting a pause in demand, which is giving supply a chance to catch up," says Mr. Meckstroth.

An easing of the inflation rate might also start to relieve what the Fed calls "inflationary expectations" - the public's anticipation that prices will keep going up. However, prices will have to remain down for a longer time to change perceptions, says Dennis Jacobe, chief economist at the Gallup Organization in Washington.

"A considerable number of Americans think the drop in gasoline prices is temporary and prices will go back up, if not this year than next year," he says.

It's not just gasoline prices, Mr. Jacobe adds. Over the last several years, prices have risen for healthcare and education. In Thursday's report, healthcare rose 0.3 percent in October and education 0.2 percent. "People perceive a sizable increase in these areas," he says.

The Fed is also watching the housing sector carefully for signs that the slowdown there will have an adverse impact on future CPI numbers. Housing is weighted to represent 25 percent of the index. To calculate housing costs, the government looks at rents.

"When there is a big drop in housing, everyone who was going to buy stops and starts renting because they think they should wait to see how low prices drop," says Owen. "This increases the demand for rental housing, which is ironic for the Fed because it could raise the CPI, causing them to raise rates. And housing will decline more, so the CPI gets worse, not better. So, the Fed is watching the housing market carefully because they don't want to accelerate the decline in prices."

This week, DataQuick reported that the number of new and existing homes sold in southern California last month was the lowest in 10 years. And prices have leveled off. The median price was $484,000, the same as September, but up 2.3 percent

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from October a year ago. DataQuick reports that year-over-year increases have been in the single-digit range for the past seven months and are expected to be slightly negative by the end of this year or early next year.

One of the largest factors in the falling CPI last month was the drop in gasoline prices. Energy prices in October were down 7.0 percent from September, which was down 7.2 percent from August.

The falling prices at the pump could augur well for upcoming holiday sales, says Scott Brown, chief economist at Raymond James & Associates in St. Petersburg, Fla. When gasoline prices move up or down, "there is a lag effect ... on consumer spending," he explains. "People are still working off the $3 a gallon they paid this summer, but once they work through those credit-card bills, they will feel better about the outlook."

As a result, Mr. Brown, says he is "cautiously optimistic" about the prospects for the holiday retail sales.

Halliburton Begins A New Era (WSJ)

By Worth Civils

The Wall Street Journal, November 17, 2006

Halliburton Co. has shed a big part of its business, for better or worse. KBR, the engineering and construction unit with a huge presence in Iraq, was successfully offered to the public Thursday after a slight delay1. Halliburton's stock, which has rallied in anticipation of the spinoff, has done well since the Iraq war began, rising from around $10 to an all-time high of $42 earlier this year. Shares closed Thursday at $32.51, down $1.04 on the New York Stock Exchange. And while its third-quarter performance and plans for more capital spending have drawn approval from some analysts, suspicions surrounding its dealings in Iraq and worries about a slowdown in its oilfield-services business have others concerned. (Ratings and disclosures follow) The Bull Case

Active Oilfields: Halliburton posted strong third-quarter earnings as demand for oilfield services surged. The second-largest industry player behind Schlumberger Ltd. saw its oilfield division hit record revenue of $3.4 billion in the quarter, and it beat analysts' average earnings estimates by twice as much as its larger rival did. The success came across a wide geographic swath, with international growth equaling growth in North America year over year. "This has not been the case in past quarters and bodes well for Halliburton's ability to grow," wrote UBS analyst James Stone, who said the results prove the company is "much more than a one trick pony." Mr. Stone raised his fourth-quarter earnings-per-share estimate to 63 cents from 58 cents. Halliburton "remains one of the most undervalued stocks in the oilfield service sector…despite consistently strong performance," he wrote.

Dollar Signs: Halliburton plans to increase capital spending to $1.2 billion in 2007, up 40% from this year, something analysts see as a good sign for business. Most of the new spending will be used to grow markets in the Eastern Hemisphere, where Halliburton has won several big contracts recently in such countries as Australia, Indonesia and Russia. In June, the company was awarded a three-year contract for the oilfield-services component of a large oil development project in the Arabian Gulf -- the Saudi Aramco Khurais project. Citigroup's Geoff Kieburtz calls the East the "future growth engine" for Halliburton. The company also plans to boost research-and-development spending by as much as 30% next year, which Mr. Kieburtz said shows its "conviction about the positive long-term outlook" in the oilfield business.

Public Appearance: Halliburton took 17% of its KBR unit public yesterday in a move welcomed by analysts. The initial public offering of 27.8 million shares priced at $17, the upper end of its range, and is expected to bring Halliburton $441 million after fees. KBR popped in its debut Thursday, rising 22% to $20.75 a share. "We believe the KBR IPO process should be a catalyst to Halliburton shares…and broaden the company's investor base," Bear Stearns' Robin Shoemaker wrote. Halliburton plans to shed the remainder of the firm by April 2007. While some uncertainty will likely remain until it is fully separated from Halliburton, "the IPO is a critical first step to unlocking the value we see in Halliburton's oilfield business," wrote Mike Urban at Deutsche Bank. "A new era begins for Halliburton," wrote Daniel Henriques at Goldman Sachs in a note after the KBR IPO, which he says will "bridge the valuation gap between Halliburton and its peers," namely Schlumberger and Baker Hughes Inc. The Bear Case

Oilfield Aches: Falling commodity prices could spell trouble for Halliburton's North American business, which accounts for more than 60% of the operating income in its energy-services division. The unit's operating margin -- a measure of revenue left after paying for production costs -- could be pinched, notes J.P. Morgan's Michael LaMotte, who said "the potential threat … is significant." He predicts the margin could fall more than four percentage points next year, shaving 43 cents a share from annual earnings. Also, much of Halliburton's business depends on how many oil and gas pumping rigs come to market, and the overall rate of rig growth is expected to decline, analysts predict. What's more, James Wicklund at Banc of America Securities sees a "great deal of difficulty" in Halliburton signing contracts at higher prices. "Every exploration and production company we talk to is trying to reduce oilfield-services pricing…so any weakness in the market is seen and spreads quickly."

Close Scrutiny: Halliburton could come under more fire amid a new political landscape -- a risk even more bullish analysts acknowledge. "With a Democratic led House and Senate, there is a more than reasonable chance that the company may come

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under more scrutiny," wrote Conley Turner at Wall Street Strategies. Since the war started in Iraq, Halliburton's KBR unit has received more than $16 billion for projects there. Rep. Henry Waxman, a California Democrat and vocal Halliburton critic, is set to become chairman of the House Government Reform Committee, where he will have subpoena power and could hold hearings examining Halliburton, a prospect that could prove distracting2 for both the company and its shareholders.

Artificial Prop: Anticipation of the KBR spinoff has been the primary force driving up the price Halliburton shares in recent weeks, some analysts say, but the move also has the potential to cut annual revenue by nearly half as it loses business in Iraq and other parts of the world. And some analysts say the KBR spinoff news has made Halliburton seem overpriced. "At this point, we would not recommend chasing the stock," wrote Mr. LaMotte at J.P. Morgan, who thinks the rally in Halliburton shares "probably has more to do with the potential acceleration of the KBR IPO than anything else." In other words, he said, "We do not believe that the rally in the stock indicates that investors believe the North American…business has dodged a bullet and will be fine next year." Mr. LaMotte favors Baker Hughes over Halliburton, saying it has more earnings potential and less exposure to the uncertain North American market.

KBR Shares Up 22% On 1st Day Of Trading (WP)

The Washington Post, November 17, 2006

KBR Inc., the Halliburton Co. subsidiary that made its parent company famous -- and infamous -- with its huge contracts in Iraq, took a major step toward independence yesterday with an initial public offering in which share prices rose 22 percent on their first day of trading.

Newly issued KBR stock had been priced at $17 a share Wednesday night, but was trading for $21 by the time the New York Stock Exchange opened yesterday. It closed at $20.75. The IPO was projected to net KBR about $441 million, which will be used to pay off debt.

For oil-field-services company Halliburton, the IPO was a milestone in its more than two-year-old effort to spin off KBR. While Halliburton still owns a little more than 80 percent of the subsidiary once known as Kellogg Brown & Root, Halliburton executives have said they plan to sell the rest of the company to shareholders by April. That means Halliburton, where Vice President Cheney once was chief executive, will be separate from the company that has done billions of dollars worth of work in Iraq for the Defense Department over the past 3 1/2 years.

Analysts said Halliburton's main reason for making the move was that KBR had become a drain on the company's share price. While KBR takes in huge revenues through its government contracting and engineering work, its profit margins are considerably thinner than those of the rest of Halliburton, which focuses on exploration and drilling for energy supplies.

"KBR didn't fit with what the rest of the business was," said Poe Fratt, oil sector analyst with A.G. Edwards & Sons Inc.

But Fratt and other analysts said another factor was likely at work. Halliburton may be trying to insulate itself from the bad publicity it received because of allegations that KBR has overcharged the government and shortchanged soldiers.

"The levels of scrutiny have been high for a while, but you're likely to see them escalate now that you have Democrats taking over committee chairmanships," Fratt said. "Halliburton is closely associated with Dick Cheney. But beyond the Beltway, KBR is not."

KBR, which like Halliburton has its headquarters in Houston, has about 400 employees in the Washington area. The company is split between its energy and chemicals division and its government and infrastructure division. Its work includes building offshore oil platforms, converting natural gas to liquid fuels and constructing military bases. KBR recorded $10 billion in revenue last year, about half of which came from Iraq.

KBR has defended its Iraq work and resolved many of the claims about overcharges. But questions linger. The Justice Department and a U.S. attorney in Illinois have open investigations into KBR's Iraq work, and the special inspector general for Iraq reconstruction has been looking into whether the government is getting its money's worth on a KBR contract to provide meals, laundry service and other logistical support to soldiers.

The Army announced over the summer that it would put that contract back out for bid. KBR is trying to keep the contract and is considered a favorite to win the bidding, but it will probably have to share the deal with other companies if it does.

KBR, with a corporate history that goes back more than a hundred years, has been the Pentagon's single largest contractor in Iraq. But as the U.S.-led portion of the reconstruction winds down, the company will face pressure to find business elsewhere. "KBR has been tied to a lot of activity in Iraq, and they have benefited from that. But Wall Street is always looking down the road," said Peter Arment, vice president of JSA Research Inc., which focuses on the defense industry.

Arment said, however, that the quick rise in KBR's share price yesterday was "a very positive sign" that the company will be well received by investors.

KBR's IPO is the latest in a string of successful public offerings by government contractors this fall. Science Applications International Corp. of San Diego raised more than $1 billion with an IPO last month. Shares were initially priced at $15 and

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closed at $20.08 yesterday. Also in October, Stanley Inc. of Arlington raised $81.9 million in an IPO that was initially priced at $13. Stanley closed at $16.58 yesterday.

KBR Shares Soar After UK Plea Rebuffed (FT)

By Anuj Gangahar

Financial Times, November 17, 2006

Shares of KBR, the engineering and military services unit of Halliburton that ignored calls from the UK's Ministry of Defence to postpone its float, soared as much as 25 per cent on their debut on the New York Stock Exchange on Thursday after pricing at the top of their forecast range.

The MoD wanted the float delayed to give it time to determine the financial viability of KBR, which owns 51 per cent of the Devonport naval shipyard in Plymouth, western Europe's largest naval dockyard.

In the first nine months of the year, KBR made almost half of its operating profits from Devonport, where Britain's nuclear submarine fleet is refitted and refuelled.

Halliburton was eager to launch its offering at an advantageous moment in the market, but the MoD said it needed until the end of the month before it would conclude its assessment of KBR.

Shares in the company, formerly known as Kellogg Brown & Root, closed at $20.75, up 22 per cent to $3.75 on Wednesday's offering price of $17. They reached $21.31 earlier in the day.

The company raised $473m by selling 27.8m shares at $17 compared with a forecast range of $15 to $17, giving an initial market capitalisation of about $2.8bn.

Halliburton has been trying to split off the KBR unit, which has faced investigations into alleged overbilling concerning its contracts in Iraq, for some years to concentrate on its more lucrative oil services business.

KBR has often been viewed as a political liability for Halliburton, which was led from 1995 to 2000 by Dick Cheney, US vice-president.

In an emergency filing to the Securities and Exchange Commission, Halliburton said the MoD had asked on November 13 for the KBR offering to be withdrawn.

KBR's NYSE Debut (HC)

Houston Chronicle, November 17, 2006

Investors on Thursday looked past the controversy that has dogged KBR, lifting Halliburton Co.'s engineering and government-contracting arm to a strong start in its first day of trading on the New York Stock Exchange.

But KBR's decision to proceed with an initial public stock offering over the objections of the British government might still come back to bite it.

A top official with the United Kingdom's Ministry of Defense is scheduled to meet Monday with William Utt, KBR's chief executive, to discuss the impact of the move on a strategically important naval dockyard, which is majority-owned by KBR.

The British government has threatened to reject the lucrative contract if both sides cannot come to terms and was "concerned" about KBR's decision to proceed with the IPO this week before allowing the ministry office to perform a financial review of KBR, said Mitch Jeffrey, spokesman for the British consul general in Houston.

The British government office said it needs until the end of November to complete the review.

Even with that unresolved issue, KBR's stock price shot up to close at $20.75 per share Thursday. When trading opened it quickly zoomed past the $17 per share price that was set in an initial public stock offering Wednesday night. The largest military contractor in Iraq has faced investigations into overbilling there.

But Thursday's returns suggest investors are looking past negative headlines about KBR and seeing promise in its experience in building refineries, chemical plants and other large-scale energy projects, demand for which is expected to grow to meet rising global energy demands.

Halliburton, which sold 27.8 million shares, or 17 percent of KBR's stock, to underwriters Wednesday, plans to spin off the entire unit by April 2007. The $17 per share price was at the upper end of the estimated price range previously forecast by Halliburton.

The Houston-based oil-field-services giant is cutting ties with KBR, which it acknow- ledged has been a drag on earnings. Officials with Halliburton did not respond to requests for comment.

Jim Wicklund, industry analyst with Bank of America, said based on KBR's first day of trading, Halliburton's decision to part ways was a good one.

"We believe the separation of the two businesses will unlock the value of both, and they will begin trading more in line with their respective peer groups," he wrote in a note to investors.

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KBR raised $445 million in the offering — a bit higher that its original estimate — after underwriting fees and other expenses, the company said Thursday in a filing with the U.S. Securities and Exchange Committee. It will use the proceeds to pay debts to Halliburton subsidiaries that in October were roughly $450 million.

The underwriters, led by Credit Suisse, Goldman Sachs and UBS Investment Bank, have the option to buy an additional 4.18 million shares of KBR stock, which could add to KBR's take.

Candidates, Voters Still Await Results In Some Races (USAT)

By Andrea Stone

USA Today, November 17, 2006

WASHINGTON — Recounts, runoffs and Saturday's Ohio State-Michigan football game stand in the way of deciding House races that remain too close to call 10 days after the election.

Nearly a dozen races were unsettled at the start of the week.

Four races have been called since Tuesday, all but one in favor of the incumbent. Connecticut Republican Rep. Rob Simmons lost to Democrat Joe Courtney by 91 of nearly 250,000 votes cast.

However the remaining contests are decided, they won't prevent Democratic control of the incoming Congress.

Republicans lead in all five races in which absentee and provisional ballots are still being counted.

One of the closest contests is being waged in North Carolina, where GOP Rep. Robin Hayes leads Democrat Larry Kissell by about 450 votes. Poll workers are hand-tallying nearly 1,500 provisional ballots.

In Ohio, two races remain:

·Rep. Deborah Pryce, who has said she'll step down from her GOP leadership position, leads Democrat Mary Jo Kilroy by 3,536 votes. Election officials won't count provisional ballots until Sunday, so workers can watch the Ohio State-Michigan game Saturday.

·Freshman Republican Rep. Jean Schmidt leads Democrat Victoria Wulsin by about 2,800 votes. Provisional and absentee ballots could be counted by Tuesday.

The most contentious standoff is in Florida in the district that Republican Katherine Harris — a central figure in the disputed 2000 presidential election recount — gave up for her failed run for senator.

Just 401 votes separate the leader, Republican Vern Buchanan, from Democrat Christine Jennings. Both showed up in Washington this week for new member orientation.

Jennings has refused to concede, even though the Associated Press has declared Buchanan the winner.

A recount is underway, but that's not likely to explain why more than 18,000 voters in heavily Democratic Sarasota County left the House race blank on their electronic touch-screen ballots.

“Many voters have said they did not see the congressional race option on the ballot they were given,” said Sarah Feinberg of the Democratic Congressional Campaign Committee. “This is likely to be in court for some time.”

Ed Patru of the National Republican Congressional Committee, who is in Florida monitoring the recount, said Buchanan will keep his lead.

“It's only a matter of time before Jennings concedes. Short of calling for and being granted a new election, nothing will change here,” he said.

Susan MacManus, a political scientist at the University of South Florida, disagrees.

“I don't see either side backing down,” she said.

Though it's unclear whether state officials will heed Democratic calls for a new election, MacManus said that “at least in Florida,” efforts to require paper trails for electronic voting machines “have been fast-forwarded.”

Two other races will be decided in runoffs next month.

In Louisiana, state Rep. Karen Carter is challenging fellow Democrat Rep. William Jefferson, who is under investigation for alleged bribery.

In Texas, GOP Rep. Henry Bonilla faces Democratic former congressman Ciro Rodriguez.

Democrat Won't Seek Recount In Wyoming (AP-Y)

By Bob Moen, Associated Press Writer

AP, November 17, 2006

A Democratic challenger said Thursday he would not seek a recount in his narrow loss to Republican Rep. Barbara Cubin in Wyoming's closest House race in 36 years.

"It is time to put this election to rest and look to the future," Gary Trauner said in a statement. "Wyoming is counting on Mrs. Cubin to provide first-rate representation for all the people of the state, and I trust she will do so."

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Cubin beat Trauner by 1,012 votes out of 193,369 cast. The State Canvassing Board certified the election results Wednesday.

The margin was too great to mandate an automatic recount. Trauner had until Friday to request a recount, but he would have had to pay for it.

Because state law does not allow for hand counting of ballots, Trauner said he didn't think a recount would change the result.

The election was Wyoming's closest U.S. House election since 1970, when Democrat Teno Roncalio beat Republican Harry Roberts by 608 votes.

100 Block Of D Street SE Embodies The Story Of The GOP's Undoing (MCT)

By Matt Stearns

McClatchy Newspapers, November 17, 2006

WASHINGTON - A requiem for the nearly departed Republican Congress: A stroll down the 100 block of D Street, Southeast in the nation's capital.

Inside the elegant painted-brick rowhouses that line the quiet street within sight of the U.S. Capitol are the stories of a revolution gone wildly wrong.

Overlooked oversight, tawdry tales of money and sex, increasingly strident conservatism that left moderates feeling isolated and disaffected: It's all here, a one-block catalogue of self-inflicted wounds.

With many of the block's congressional homeowners now facing either lucrative lobbying jobs or unemployment, maybe they could make it a show; open their doors and sell tickets: How We Lost Congress Without Really Trying. A bit of high drama, a dollop of tragedy, a lot of low comedy.

It's not so far-fetched.

For the last couple of years, several of the neighbors hosted a progressive cocktail party/fundraiser, according to the Capitol Hill newspaper Roll Call. Admission: $1,000 per house.

Those were the days, my friend. Who thought they'd ever end? As one homeowner, Mark Foley of Florida - yep, that Mark Foley - might muse in a late-night instant message: LOL!

The neighbors, the drinks, the problems, the consequences:

No. 129 D St., SE: Nancy Johnson of Connecticut, elected 1982. She served martinis - so moderate, so Connecticut, like a John Cheever story - at the progressive cocktail party.

Speaking of moderate: Last summer, the lead picture on Johnson's Web site was one of her with Bill Clinton. A good sign that being a Republican in an increasingly Democratic region was a not-so-good career move. Sure enough, Johnson lost her seat on Nov. 7 to Democrat Chris Murphy.

Northeast Republicans aren't just endangered. They're virtually extinct: The new House will have one Republican from New England. Lamented Sarah Chamberlain Resnick, the executive director of the moderate Republican Main Street Partnership: "If you drive all the moderates out, you're left with a Southern, minority party."

131 D St., SE: Clay Shaw of Florida, elected 1980. Served bourbon. A good Southern drink. He still lost.

Shaw came to Congress with the first Republican revolution, the one that put Ronald Reagan in the White House. He expected to chair the powerful Ways and Means Committee after this election. But Shaw got caught in the anti-Republican, anti-Bush, anti-Iraq war riptide. He later said that if Defense Secretary Donald H. Rumsfeld had been fired before the election, he could have beat Democrat Ron Klein. But Shaw himself spoke of "progress being made in Iraq" in the weeks before the election.

132 D St., SE: Jim Ryun of Kansas, elected 1996. Served dessert and coffee at the progressive. Not the usual diet of Olympic runners.

Like Shaw, GOP loyalist Ryun tripped up unexpectedly and lost to Democrat Nancy Boyda in a heavily Republican district.

Ryun's house was linked to the scandal that brought down former House Majority Leader Tom DeLay of Texas. Ryun bought the place for $410,000 in 2000 from the U.S. Family Network, a group associated with DeLay (whose political action committee had its office in the house) and lobbyist-felon-inmate Jack Abramoff.

The liberal Web site TPMmuckraker.com reported last spring that Ryun paid below market value; in fact, the seller lost money on the deal, an unheard-of occurrence in Capitol Hill real estate. Ryun said the low price was because of structural deficiencies he had to fix. Bright side: Those repairs should help the resale value.

135 D St., SE: Chris Chocola of Indiana, elected 2002. Served margaritas. No agave growing in Indiana; perhaps part of GOP outreach to Hispanics?

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Chocola won office four years ago in a close race, taking an open seat long held by a Democrat in a year the president's party confounded history by winning seats in a midterm. Biggest help: President Bush visited twice to sprinkle Chocola with his post-Sept. 11 political magic dust, as Bush did for many others that year.

George Bush giveth and George Bush taketh away: Chocola was loyal to the administration for four years. And like many other loyal Republicans, he paid the price, losing his seat to Democrat Joe Donnelly in a race that turned on Bush's unpopularity and the war in Iraq.

137 D St., SE: Mark Foley, elected 1994. Served wine.

You know the story: Sexually-charged instant messages to underage male congressional pages. Resignation and rehab. A scandal that reached the highest levels of Congress. An ethics committee investigation into whether Republican leaders had covered up Foley's behavior.

All one month before an already tough election for Republicans. Foley's name appeared on the ballot, with another Republican tapped to fill the seat should Foley win.

He didn't. Democrat Tim Mahoney did.

Good news for the D Street denizens: Washington's sizzling real estate market has cooled, but most of them bought at low enough prices - cough, Jim Ryun, cough - that they'll still do quite well when they sell. The houses likely will fetch north of $850,000. Chocola, the newest homeowner, paid $640,000 in 2002.

Even in Washington, a house with the cachet of a former member of Congress or a scandal - or both - has little impact on price. It's mostly good for cocktail party chatter, said Phil Guire, a Capitol Hill real estate agent.

But "good houses are good houses," Guire said. "That's a block people will want to live on because of its proximity."

One house on the block already is on the market. No. 123, which belongs to Porter Goss. Sound familiar?

Goss, from Florida, chaired the House Intelligence Committee before he was named CIA director in 2004. In about 18 months at the CIA, Goss and his aides (Gosslings, they were called) alienated much of the career staff. Goss quit the CIA a week before federal agents searched the home and office of his confidante, the agency's No. 3 man, Kyle Foggo, as part of the corruption probe that sent former Republican Rep. Randy "Duke" Cunningham of California to prison.

Goss's house - two bedrooms, two-and-a-half baths - is on the market, too. $985,000.

McCain Calls For Common Sense In GOP (AP-Y)

By Liz Sidoti, Associated Press Writer

AP, November 17, 2006

On the heels of devastating GOP losses, Sen. John McCain called on the Republican Party to return to its common-sense conservatism — and implicitly cast himself as the one who can lead the party's rebirth.

"We lost our principles and our majority. And there is no way to recover our majority without recovering our principles first," the Arizona Republican said Thursday in the first of two speeches that could set the tone for a potential presidential campaign.

On the same day he launched a presidential exploratory committee, McCain said voters felt that Republicans valued their incumbency over their beliefs on such conservative standards as limited and efficient government — and he urged a return to those tenets.

"Americans had elected us to change government, and they rejected us because they believed government had changed us," the four-term senator said. "We must spend the next two years reacquainting the public and ourselves with the reason we came to office in the first place: to serve a cause greater than our self-interest."

He spoke before members of the Federalist Society, the organization of more than 25,000 conservatives and libertarians including high-profile members of the Bush administration, the federal judiciary and Congress. Later Thursday, he was delivering a broader speech about the future of the Republican Party to another conservative pillar, GOPAC.

"Hypocrisy, my friends, is the most obvious of political sins. And the people will punish it," McCain said, explaining that while Republicans were elected to reduce the size of government, they ended up increasing it "in the false hope that we could bribe the public into keeping us in office."

Fifteen months before the first 2008 presidential nominating contests, McCain is positioning himself as the Republican standard-bearer while President Bush takes on lame-duck status and dispirited party faithful search for a road to recovery. The election cycle was sobering, with GOP candidates losing at all levels of government.

McCain is taking advantage of the postelection period to outline a vision for the party much like Ronald Reagan did after the Republican defeat in the 1976 presidential election.

"Republicans got their teeth kicked in all over the country," said Katon Dawson, South Carolina's party chairman. "Now, there's a window for all people with presidential aspirations to, in political terms, catch the high ground."

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As expected, McCain also filed paperwork with the Federal Election Commission that will allow him to raise money and travel the country while weighing a bid. The committee's Web site — http://www.exploremccain.com — went online a day earlier, and McCain's GOPAC speech will be broadcast on the site.

Despite all the action, McCain says he will wait until after the Christmas holiday to decide whether to make a second bid for the White House. He lost to Bush in a contentious race in 2000, when the senator was the underdog and bypassed the revered Iowa caucuses to focus on independent-friendly New Hampshire.

Former New York City Mayor Rudy Giuliani has filed paperwork to test the waters for the GOP nomination, and Rep. Duncan Hunter of California also has announced his intention to run. On Wednesday, former Wisconsin Gov. Tommy Thompson said he intends to explore a possible candidacy.

McCain's other would-be 2008 Republican rivals include Massachusetts Gov. Mitt Romney, Arkansas Gov. Mike Huckabee, Senate Majority Leader Bill Frist of Tennessee, Sens. Sam Brownback of Kansas and Chuck Hagel of Nebraska, and former House Speaker Newt Gingrich.

Over the past year, McCain has repeatedly demurred on questions about his political future and said he was focused entirely on helping Republicans get elected across the country.

He spent 2006 sowing goodwill within the GOP ranks, making 346 campaign appearances, raising $10.5 million for candidates and donating another nearly $1.5 million to their races. He directed most of his donations in the final month of the campaign to races in Iowa and New Hampshire.

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On the Net:

McCain: http://www.exploremccain.com/

McCain Tells Conservatives G.O.P.'s Defeat Was Payback For Losing 'Our Principles' (NYT)

By Adam Nagourney

The New York Times, November 17, 2006

WASHINGTON, Nov. 17 — Senator John McCain said Thursday that Republicans had lost the midterm elections because "we abandoned our principles" on fiscal policy and government restraint, inviting a backlash from Americans over what they saw as widespread hypocrisy.

Mr. McCain — in back-to-back speeches delivered on the day he formally created his presidential exploratory committee — portrayed the election result as deserved punishment of Republicans for their performance in office, rather than an affirmation of the Democratic Party. Speaking to two conservative audiences still reeling from the Republicans' losses of the House and Senate, he said Republicans could recover from the election but only if they took lessons from the results.

"Hypocrisy, my friends, is the most obvious of political sins — and the people will punish it," said Mr. McCain, Republican of Arizona. "We were elected to reduce the size of government and enlarge the sphere of free and private initiative. We increased the size of government in the false hope that we could bribe the public into keeping us in office.

"We lost our principles and our majority," he said. "And there is no way to recover our majority without recovering our principles first."

The speeches were what aides described as the start of a new phase in Mr. McCain's likely try for the presidency, though he will make a formal decision on whether to run next year. The addresses, amounting to a sharp repudiation of his own party as well as an unambiguous embrace of conservative ideology, come as Republicans debate what lessons should be drawn from the defeat.

Mr. McCain, speaking here to the Federalist Society, a conservative legal group, said the outcome did not represent a rejection of "our values and governing philosophy."

"On the contrary, I think they rejected us because they felt we had come to value our incumbency over our principle," he said. "And partisanship, from both parties, was no longer a contest of ideas, but an ever cruder and uncivil brawl over the spoils of power.

"Americans had elected us to change government, and they rejected us because they believed government had changed us," he said. "We must spend the next two years reacquainting the public and ourselves with the reason we came to office in the first place: to serve a cause greater than our self-interest."

One of Mr. McCain's political tasks as he considers a presidential campaign has been to reinforce his standing with conservatives. Mr. McCain has found himself at odds with conservative leaders in opposing the call for immigration measures to prevent illegal immigrants from attaining citizenship.

In his talks, to the Federalist Society and to Gopac, a conservative political action committee, Mr. McCain addressed a subject that has distressed many conservatives about Republicans — the galloping deficit and increases in spending.

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"Last year, a Republican Congress passed a highway bill with 6,371 special projects costing the taxpayers 24 billion dollars," he said at Gopac, drawing light applause. "Those and other earmarks passed by a Republican Congress included $50 million for an indoor rainforest, $500,000 for a teapot museum; $350,000 for an Inner Harmony Foundation and Wellness Center; and of course, as you all know, $223 million for a bridge to nowhere. I didn't see these projects in the fine print of the Contract with America, and neither did the voters."

But Mr. McCain also used the talks to reiterate his position on Iraq, urging Washington not to take the wrong lesson from the election, and arguing that the way to success was through increased troop strength.

"In no other time are we more morally obliged to speak the truth to our country, as we best see it, than in a time of war," he said. "So let me say this, without additional combat forces we will not win this war."

"As troubling as it is, I can ask a young marine to go back to Iraq," he said. "What I cannot do is ask him to return to Iraq, to risk life and limb, so that we might delay our defeat for a few months or a year. That is more to ask than patriotism requires."

Mr. McCain was not without humor on Thursday. "In the words of Chairman Mao," he said, "it's always darkest before it's totally black." His audience laughed.

McCain Prepares For '08 Bid With Appeal To Right (WP)

By Dan Balz

The Washington Post, November 17, 2006

Sen. John McCain (R-Ariz.) took the first formal steps toward a 2008 presidential campaign yesterday and used a pair of speeches before Republican audiences to argue that his brand of conservative, reform-minded politics and hawkish foreign policy can restore the GOP to power.

On the day when he filed papers to set up a 2008 presidential exploratory committee, McCain served notice to rivals for the GOP nomination that he intends to move aggressively to put his stamp on a party that is rebuilding after losing the House and the Senate in last week's midterm elections.

The former Vietnam prisoner of war, 70, said voters punished Republicans last week for having become intoxicated with power. He urged a return to what he called the common-sense conservative principles espoused by President Ronald Reagan. "Americans had elected us to change government, and they rejected us because they believed government had changed us," he said.

McCain also defended his call for sending more troops to Iraq, a position that puts him at odds with the public and, so far, with President Bush and Army Gen. John P. Abizaid, the head of the U.S. Central Command and the overall commander of U.S. forces in Iraq. "Without additional combat forces, we will not win this war," McCain said.

McCain cited Reagan frequently as the guidepost for the future of the party. In contrast, he never mentioned Bush by name, although he was implicitly critical of the administration's conduct of the war in Iraq. By choosing two conservative audiences for his first major post-election speeches, McCain demonstrated his desire to mend relations with the right, which helped deny him the nomination in 2000.

McCain's moves yesterday were the latest evidence suggesting that the 2008 presidential campaign will accelerate to warp speed earlier than in any other period in recent history. Last week, former New York mayor Rudolph W. Giuliani formed a presidential exploratory committee, and Iowa Gov. Tom Vilsack (D) filed a statement of candidacy. Vilsack said he will formally launch his campaign later this month.

Other prospective candidates are moving quickly. Sen. Hillary Rodham Clinton (N.Y.), identified by polls as the early leader for the Democratic nomination, said publicly this week she will begin to weigh a run for the White House. Last month, Sen. Barack Obama (D-Ill.) said for the first time that he will consider running, and has been calling into New Hampshire and casting about for possible staff members in the event that he decides to run.

Many other Democrats are close to a decision, among them the party's 2004 presidential and vice presidential nominees, Sen. John F. Kerry (Mass.) and former senator John Edwards (N.C.). The others include Sens. Joseph R. Biden Jr. (Del.), Evan Bayh (Ind.) and Christopher J. Dodd (Conn.), as well as New Mexico Gov. Bill Richardson.

On the Republican side, outgoing Massachusetts Gov. Mitt Romney has been nearly as systematic as McCain in beginning to organize support in states -- such as Iowa, New Hampshire, South Carolina and Michigan -- that will hold early primaries or caucuses in 2008. The McCain and Romney camps have been watching one another's moves closely, but the decision by Giuliani to set up an exploratory committee has complicated the strategies of both.

Other Republicans, including former House speaker Newt Gingrich (Ga.), outgoing Arkansas Gov. Mike Huckabee, outgoing New York Gov. George E. Pataki and retiring Senate Majority Leader Bill Frist (Tenn.) have signaled that they, too, are weighing candidacies.

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All are driven to move quickly in part by the formidable fundraising requirements of the coming campaign, which advisers to several prospective candidates said will mean raising $1 million a week during the next year for the most ambitious.

The demands of the primary and caucus calendar and the relatively crowded fields in both parties have also forced nearly all prospective candidates to start building staffs and engaging in the debate over the future of their party. Many spent much of the past year laying their campaigns' foundation.

McCain advisers likened yesterday's speeches -- to the GOPAC political action committee and the Federalist Society -- to an address Reagan delivered in 1977 after the Democrats won the White House and GOP fortunes appeared to ebb.

Asked why McCain has joined the debate now, one of his top advisers, Rick Davis, said: "It didn't take a rocket scientist a month ago to say there's going to be a problem on Election Day, and we need to act quickly on that. Politics abhors a vacuum, and so do we. . . . Why not try to focus the party back on its core principles?"

McCain asserted before both conservative audiences that last week's elections were neither a setback for conservatism nor an affirmation of the Democratic Party's philosophy.

"I think they rejected us because they felt we had come to value our incumbency over our principles, and partisanship, from both parties, was no longer a contest of ideas but an even cruder and uncivil brawl over the spoils of power," he said. "I am convinced that a majority of Americans still consider themselves conservatives or right of center. They still prefer common-sense conservatism to the alternative."

McCain invoked President Theodore Roosevelt in calling on Republicans to take the lead in reforming the capital's spending and lobbying practices.

On lobbying, he said: "Let's ban all gifts from lobbyists to lawmakers and keep lobbyists off the floors of the House and Senate."

McCain said public frustration with the war contributed to the GOP's losses. "We're in one heck of a mess in Iraq," he said, "and the American people told us loud and clear last week that they are not happy with the course of this war. Neither am I. But let's be clear: That's the limit of what they told us about Iraq and the war on terrorism."

He said the United States has made "a great many mistakes in this war, and history will hold us to account for them just as the voters did last week." Defeat would be "a catastrophe," he said.

McCain has spent much of the year courting many of Bush's fundraisers and supporters and trying to reassure conservatives he is one of them, even if he has been at odds with them on some issues. He defended his participation in the bipartisan "Gang of 14" compromise in the Senate, saying that compromise helped ensure the confirmation of many of Bush's judicial nominees.

McCain Says GOP Needs To Recover 'Lost' Principles (WT)

By Stephen Dinan

The Washington Times, November 17, 2006

Sen. John McCain yesterday said a majority of voters are still conservative and added the Republican Party must return to basic principles of limited government in order to recapture their support.

"We increased the size of government in the false hope that we could bribe the public into keeping us in office. And the people punished us," the Arizona Republican said. "We lost our principles and our majority, and there is no way to recover our majority without recovering our principles first."

He also said last week's elections, in which Republicans lost control of the House and Senate, were not an endorsement of Democratic ideas, nor of an isolationist approach to foreign policy.

He called the war in Iraq "one heck of a mess," and said voters showed they were unhappy with the way it was being fought, "but let's be clear. That's the limit of what they told us about Iraq and the war on terrorism."

"They didn't tell us to forget the sacrifices of our soldiers in Iraq and Afghanistan or to choose a course that would imperil their mission," he said.

Mr. McCain took the first step this week toward a 2008 presidential run by establishing an exploratory committee, and delivered two major speeches yesterday -- one to GOPAC, a Republican political action committee, and the other to the Federalist Society, a group of conservative lawyers.

Speaking to the Federalist Society, which has been active in the battles over President Bush's judicial nominees, Mr. McCain praised Mr. Bush's picks for federal judgeships.

He also said the standard for evaluating judges is that their decisions "must rest on more than his subjective conviction that he is right or his eagerness to address a perceived social ill."

He praised former Chief Justice William H. Rehnquist and both of Mr. Bush's picks for the Supreme Court: Chief Justice John G. Roberts Jr. and Associate Justice Samuel A. Alito Jr.

The senator said he was "proud of my role" in the "Gang of 14," the group of seven Republican senators and seven Democrats that banded together to head off a final showdown over judges on the Senate floor.

The seven Republicans agreed to oppose the "nuclear option" on judges, which Republican leaders had sought as a way to end filibusters on judicial nominees, in exchange for the seven Democrats pledging to forgo filibusters on all but the most extreme judges.

Mr. McCain said he wanted to preserve the filibuster option for future times, but also said the deal struck by the 14 senators has helped to push through some of Mr. Bush's more contentious nominees.

"President Bush now has a higher percentage of his nominations confirmed to both the district courts and the circuit courts than did President Clinton during his presidency," the senator said.

Mr. McCain was introduced at the Federalist Society by Theodore B. Olson, the former solicitor general and a leading conservative lawyer, who gave a seven-minute testimonial to Mr. McCain's "patriotism, character and integrity."

The senator drew a standing ovation at the beginning and at the end of his remarks.

RNC Denies Offering Chairmanship To Steele (WT)

By Ralph Z. Hallow

The Washington Times, November 17, 2006

The Republican National Committee this week said it never offered Maryland Lt. Gov. Michael S. Steele "a specific role" at the committee after his unsuccessful campaign for the U.S. Senate.

Many conservatives were surprised this week when, after reports that some leading Republicans favored Mr. Steele to succeed Ken Mehlman as chairman of the RNC, the White House leaked word to news agencies that President Bush would back Florida Sen. Mel Martinez for the top post at the committee.

The Washington Times reported Nov. 10 that Mr. Mehlman would not seek a second two-year term as RNC chairman in January and that Mr. Steele had been offered a Cabinet or top RNC post in recognition of his hard-fought Senate campaign that ended in defeat on Nov. 7.

The Times on Wednesday asked the White House, the RNC and Mr. Steele whether, as the paper also had reported, anyone from the administration or RNC had told Mr. Steele or any of his aides that he was not a "team player" because he had talked to The Times about the jobs in question and that those jobs could be withheld in retaliation.

RNC spokeswoman Tracy Schmidt on Wednesday declined to respond to the questions.

But an RNC official who insisted on anonymity said, "Ken Mehlman is a big fan and believer in Michael Steele, but at no point did he approach him about the specific role of RNC chairman."

Mr. Steele told The Times on Wednesday that neither White House adviser Karl Rove nor Mr. Mehlman "offered me formally" any job.

"I got calls from various state party chairmen and national committee members to take the chairman's post on Thursday and Friday of last week," Mr. Steele said. "I told them, 'This is clearly a White House decision. We'll just have to wait to see what the White House decides.' This isn't something I actively pursued. It grew up out of the grass roots."

Mr. Steele said he was "surprised after the election when I ... saw this blog about me succeeding Ken Mehlman, that I was being considered for the job."

"I said, 'Wow, I didn't know that,' " Mr. Steele said.

In any case, he said, "all this is moot now. The president has made his decision, and I am a team player."

The Times reported Tuesday that four potential 2008 Republican presidential contenders -- including Arizona Sen. John McCain and Massachusetts Gov. Mitt Romney -- had called Mr. Steele to urge him to take the RNC post, but only if he won an ironclad agreement to be free to run the RNC so as to further the party's interests rather than take orders from Mr. Rove.

Former Virginia Gov. James S. Gilmore III thought he had such an agreement with the White House but was ousted as Republican national chairman after a short time in office during Mr. Bush's first term because Mr. Gilmore had failed to staff the RNC with operatives from the Bush-Cheney 2000 presidential campaign.

The RNC, which meets in January, is expected to rubber-stamp the White House's choice of Mr. Martinez to become general chairman of the RNC while retaining his Senate seat. The RNC's general counsel, Mike Duncan, would handle day-to-day operations.

"I support the president's decision, and in January the party will vote on it," Mr. Steele told The Times on Wednesday. "I'm fine with Mel Martinez. I called him ... and congratulated him and offered to help in any way I can."

The choice of Mr. Martinez was widely interpreted as a signal of a renewed White House push to promote passage of its plan to offer amnesty to illegal aliens, which Mr. Martinez sponsored in the Senate, but which was blocked by conservative Republicans in the House. During his Senate race, Mr. Steele had campaigned against such an amnesty.

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Mr. Steele, who would have become the first black RNC chairman, denied that he or anyone on his campaign or lieutenant governor's staff had been scolded by anyone from the White House or the committee as "not being a team player" because he had allowed himself to be interviewed by The Times. However, a senior Steele aide had confided the contrary to The Times.

Mr. Rove did not respond on the record to questions from The Times about Mr. Steele or about any discussions with him about posts at the RNC or in the Cabinet or whether he thought Mr. Steele was competent to run an agency or department in the federal government.

"We never speculate about personnel matters," White House spokeswoman Dana Perino told The Times.

Aides To DeLay Replacement Clean Files And Quit (NYT/AP)

The New York Times, November 17, 2006

HOUSTON, Nov. 16 (AP) — Representative Shelley Sekula-Gibbs, who was elected to finish the term of Tom DeLay, the former House majority leader, has asked Congress to investigate the destruction of files in her office by former staff members of Mr. DeLay.

Ms. Sekula-Gibbs, a Republican like Mr. DeLay, said the employees walked out on Tuesday, resigning en masse. The Capitol Hill newspaper Roll Call reported that they did not like the way she was treating them.

Ms. Sekula-Gibbs said Thursday, just three days after being sworn in, that seven employees in her Washington office and the district office in Stafford, Tex., outside Houston, “deleted records and files without my knowledge or permission” before quitting.

A spokeswoman, Lisa Dimond, told The Associated Press that the congresswoman had not yet gotten a response to her request for an investigation.

David James, former deputy chief of staff for Mr. DeLay, released a statement Thursday saying that the computers in the office were “scrubbed and reconfigured” according to House rules on transition between members.

“The staff members have a combined thirty-plus years of experience working on the Hill,” Mr. James wrote. “Never has any member of Congress treated us with as much disrespect and unprofessionalism as we witnessed during those five days.”

Ms. Sekula-Gibbs has raised eyebrows on Capitol Hill, largely because of the resignations. Earlier, she told reporters she planned to resolve such thorny issues as tax cuts, immigration reform and the Iraq war — all in less than two weeks of a lame-duck Congress.

DeLay Successor Seeks Inquiry Into Missing Computer Files (WP)

By Charles Babington

The Washington Post, November 17, 2006

Just when it seemed things could get no stranger regarding the House seat once held by Texas Republican Tom DeLay, his successor called for an investigation into missing computer records last night, and an aide accused her of "disrespect and unprofessionalism."

Rep. Shelley Sekula-Gibbs (R-Tex.), who is warming the 22nd District seat for only a few weeks, said that former DeLay employees apparently deleted the office's computer files shortly before they walked out, en masse, on Tuesday.

The records dated from her assumption of the office Nov. 8 and did not involve matters related to the former majority leader, Sekula-Gibbs said in an interview in her unadorned office in the Cannon Building. Those who erased the records, she said in a statement, "have harmed the 22nd congressional district" and "brought shame to this office." She has asked for an investigation.

David James, DeLay's former chief of staff, who stayed to work for Sekula-Gibbs -- until Tuesday's walkout -- said last night that the office computers "were scrubbed and reconfigured by an outside vendor in the days immediately prior to her assuming office," as House policies require. The new congresswoman was given a copy of everything "electronically or in hard copy, or both," James said in a statement.

DeLay, facing indictment in Texas, resigned from his House seat in June, triggering two elections on Nov. 7 in his Houston area district. The first, won by Sekula-Gibbs, was a special election to complete his term in the 109th Congress, which will adjourn next month. The other, won by Democrat Nick Lampson, is for the full two-year term of the 110th Congress, which convenes in January.

Sekula-Gibbs, a dermatologist, arrived for Congress's lame-duck session with ambitions for funding a fence along the Mexican border, making a number of tax cuts permanent and achieving other goals that may or may not be possible in the handful of appropriations bills on Congress's plate.

She also invited President Bush and Vice President Cheney to her swearing-in, prompting titters among some GOP staffers. Yesterday she said the invitations were a courtesy and "it's absurd to think that I thought they would come."

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James and half a dozen other former DeLay staffers were on board to help Sekula-Gibbs finish the 109th Congress's business. But they abruptly left their posts Tuesday, during her open house celebration. Sekula-Gibbs said she has no idea why they left. But James said in his statement: "Never has any member of Congress treated us with as much disrespect and unprofessionalism as we witnessed during those five days."

Earlier in the day, James had briefly returned to the office to turn in his House identification badge, a key and his laptop computer, along with a sergeant-at-arms receipt acknowledging their return. Sekula-Gibbs was out of the office, and James quickly left.

GOP Can't Lose Latinos (LAT)

By Tamar Jacoby

The Los Angeles Times, November 17, 2006

ACROSS THE NATION, Republicans are asking what they did wrong in the 2006 midterms. This is a question with many answers. But few missteps were more foolish — and few will be harder to correct — than those made with Latino voters. The appointment this week of Cuban-born Sen. Mel Martinez of Florida to chair the Republican National Committee is a good way to make a new start. But the damage done in the last year goes deeper than symbolism, and it will take more than one appointment to undo it.

Republicans have, of course, long been divided about Latinos — split between those who "get it" and those who don't. President Bush was the most prominent Republican who got it, though he was hardly alone. Arnold Schwarzenegger, Rudy Giuliani, George Pataki and others have long understood the GOP's inherent appeal for the fastest-growing voting bloc in the country. In a national poll last month, 34% of Latinos called themselves conservative, 29% moderate and only 24% liberal.

Diverse as they can be in origin and outlook, on many issues — abortion, homosexuality, education, homeownership, small-business concerns and Iraq — Latinos tend to line up with Republicans. And though Democrats have been wooing these voters longer and have won the lifetime loyalties of many in the second and third generations, immigrants have been up for grabs — and for more than 10 years now Republicans have been making a hard run at them.

That effort was working pretty well. Between 1996 and 2004, Bush and Karl Rove managed to double the percentage of Latinos voting Republican in presidential elections: up from 21% for Bob Dole to a whopping 44% for Bush two years ago. Other Republicans across the country were making similar inroads. In 2004, Bush advisor Matthew Dowd said that in the years ahead, the GOP would have to keep its share above 40% if it wanted to remain the majority party.

But that scenario failed to account for the Republicans who didn't get it — and in the last year or so these naysayers have destroyed everything Bush built. Republican hard-liners in the House refused to enact the president's immigration reform. They passed a bill making felons of illegal immigrants, not because it was good law but merely to make a political point. They spent recent months demagoguing the immigration issue, first at a series of "field hearings" in their districts and then on the campaign trail, casting newcomers as terrorists and criminals and anyone who seemed to side with them as un-American.

The problem was as much about tone as substance — many Latinos are also worried about illegal immigration. But the hard-liners' grandstanding added up, and there was no mistaking the message: Not only illegal immigrants but 30 million Latino voters heard Republicans saying, "We don't like you." The results were hardly surprising. Last week, Latinos voted 70% to 29% in favor of Democrats. And it could be argued that this shift is what decided the election. According to exit polls, white voters were split more or less evenly between the two parties, with Latinos, Asians and blacks making the difference on election night.

The question is what happens now. Does the wing of the GOP that made the mistake see it? Conservative bloggers are urging Republicans in exactly the wrong direction, arguing against all evidence that the midterms were a vote against immigration and that any compromise with Democrats on this issue would be a betrayal of the party. But even if the GOP ignores this bad advice, the party has plenty of damage to repair.

The issue isn't just immigration but the way the hard-liners' stance has been so offensive, even to Latinos who agree with them about the need for a secure border. It's about whether you see Latinos as "us" or "them." It's about what kinds of innuendo you use in making your case. It's about whether or not you're imagining a shared future, and how constructively you're planning for it. Republican naysayers fail on all counts. Latinos sense it. And as a consequence, most can no longer hear the GOP even on issues on which they agree with the party.

Even without further immigration, Latino political muscle is expected to explode in coming years as newcomers become citizens and their children come of age. Already in 2008, four of the most heavily Latino states — Florida, New Mexico, Arizona and Nevada — are expected to be critical battlegrounds. And what Latino voters ultimately need — what would serve them and serve the nation — is competition between the two parties to make policy that helps them succeed as Americans: economic policy, education policy, assimilation policy and policy to ensure opportunity. But that competition can't even take place — Latinos can't be expected to give the Republican case a hearing — until the party digs itself out of the hole it has dug itself into.

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Immigration is the place to start undoing the damage. But it's going to be a long, uphill walk.

Michael Moore's Pledge (LAT)

By Michael Moore

The Los Angeles Times, November 17, 2006

I WOULD LIKE TO extend an olive branch. Those of you who consider yourselves conservative and usually vote Republican have not had a very good couple of weeks. Trust me, I know how this feels.

In fact, those of us on the other side of the fence don't really know what it's like to win, so if we seem a bit awkward right now (were we supposed to vote for the majority leader the speaker said to vote for, or stick to our promise to the other guy?), forgive us.

I know you are dismayed at the results of last week's election. You've got to be freaking out about what this bunch of tree-hugging, latte-sipping, men-kissing-men advocates will do now that the country is in our hands. I don't blame you. We'd never admit it, but we secretly admire you because you know how to chop down a tree, take your coffee black and enjoy watching women kissing women. Good on you!

What I don't want is for you to drop into the deep funk we liberals have been in for two-plus decades. Yes, your Republican revolution is over, but hang in there. And do not despair. I, and the millions who voted for Democrats, have no interest in revenge for the last 12 years. In fact, let me make 12 promises as to how we will treat you, the minority, in the coming years.

Thus, here is "A Liberal's Pledge to Disheartened Conservatives":

1) We will always respect you. We will never, ever, call you "unpatriotic" simply because you disagree with us. In fact, we encourage you to dissent and disagree with us.

2) We will let you marry whomever you want (even though some among us consider your Republican behavior to be "different" or "immoral"). Who you marry is none of our business. Love, and be in love — it's a wonderful gift.

3) We will not spend your grandchildren's money on our personal whims or to enrich our friends. It's your checkbook too, and we will balance it for you.

4) When we soon bring our sons and daughters home from Iraq, we will bring your sons and daughters home too. We promise never to send your kids off to war based on some amateur Power Point presentation cooked up by men who have never been to war.

5) When we make America the last Western democracy to have universal health coverage, and all Americans are able to get help when they fall ill, we promise that you too will be able to see a doctor, regardless of your ability to pay. And when stem cell research delivers treatments and cures for diseases that afflict you and your loved ones, we'll make sure those advances are available to you and your family too.

6) When we clean up our air and water, you too will be able to breathe the cleaner air and drink the purer water. When we put an end to global warming, you will no longer have to think about buying oceanfront property in Yuma.

7) Should a mass murderer ever kill 3,000 people on our soil, we will devote every single resource to tracking him down and bringing him to justice. Immediately. We will protect you.

8) We will never stick our nose in your bedroom or your womb. What you do there as consenting adults is your business. We will continue to count your age from the moment you were born, not the moment you were conceived.

9) We will not take away your hunting guns. If you need an automatic weapon or a handgun to kill a bird or a deer, then you really aren't much of a hunter and you should, perhaps, take up another sport. In the meantime, we will arm the deer to make it a fairer fight.

10) When we raise the minimum wage, we will raise it for your employees too. They will use that money to buy more things, which means you will get the money back! And when women are finally paid what men make, we will pay conservative women that wage too.

11) We will respect your religious beliefs, even when you don't practice those beliefs. In fact, we will actively seek to promote your most radical religious beliefs ("Blessed are the peacemakers," "Love your enemies," "It is easier for a camel to go through the eye of a needle than for a rich man to enter the kingdom of God" and "Whatever you did for one of the least of these brothers of mine, you did for me"). We will let people in other countries know that God doesn't just bless America, he blesses everyone. We will discourage religious intolerance and fanaticism — starting here at home.

12) We will not tolerate politicians who are corrupt and break the law. And we promise you we will go after the corrupt politicians on our side first. If we fail to do this, we need you to call us on it. Simply because we are in power does not give us the right to turn our heads the other way when our party goes astray. Please perform this important duty as the loyal opposition.

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I promise all of the above to you because this is your country too. You are every bit as American as we are. We are all in this together. We sink or swim as one. Thank you for your years of service to this country and for giving us the opportunity to see if we can make things a bit better for our 300 million fellow Americans — and for the rest of the world.

Now pull yourself together and let's go have a Frappuccino.

Justice Recalls Treats Laced With Poison (NYT)

By Linda Greenhouse

The New York Times, November 17, 2006

WASHINGTON, Nov. 16 — A discussion of recent threats to judges' safety, at a bar association conference in suburban Dallas last week, became startlingly specific when Sandra Day O'Connor, the retired Supreme Court justice, recounted that each justice had received in the mail "a wonderful package of home-baked cookies" that contained "enough poison to kill the entire membership of the court."

Justice O'Connor's remarks were reported on Thursday in The Star-Telegram in Fort Worth.

Although the episode was not publicly disclosed when it occurred in April 2005, it had a public, although little-noticed, denouement last month when the sender of the poisoned cookies was sentenced in federal court here to 15 years in prison.

The sender, Barbara Joan March of Bridgeport, Conn., pleaded guilty to 14 counts of "mailing injurious articles." The 14 recipients included the nine justices; the chiefs of staff of the Army, Navy, and Air Force; and the director and deputy director of the Federal Bureau of Investigation. The packages, containing either candy or baked goods, were laced with rat poison.

All mail received at the Supreme Court is screened, and the tainted packages never reached the justices, said Kathleen Arberg, the court's public information officer. The danger posed by the packages was immediately apparent. Each contained a typewritten letter stating either, "I am going to kill you," or, "We are going to kill you," and adding, "This is poisoned."

The letters carried various return addresses of people who had earlier connections with Ms. March, including seven who attended college with her. The F.B.I. determined that Ms. March wrote and sent the letters, typing a number of them on a typewriter at a public library near her home.

Preaching The Gospel Of Small Government (NYT)

By Jason Deparle

The New York Times, November 17, 2006

BOWLING GREEN, Ky. — Lawrence W. Reed is one of those people with so much passion for an unusual line of work that he invented a new occupation, and it has helped shape the conservative movement from here to the Himalayas.

Mr. Reed runs a conservative think tank school. Twice a year, ideological allies from across the globe travel to his program at the Mackinac Center for Public Policy in Midland, Mich., to study the tricks of the idea-peddling trade. Policy institutes have been central to a national organizing strategy that has long won the right a reputation for savvy, and state-level versions are growing in number and clout.

Pushing causes like lower taxes, less spending and school choice plans, they have offered conservatives a base of influence independent of electoral politics. Indeed, after the Republican losses in the midterm elections, many conservatives said this carefully tended world — of research organizations, single-interest groups, foundations and publications — was vital to the movement's revival.

Mr. Reed has nurtured so many state policy groups that he has been called the movement's Johnny Appleseed. But a competing metaphor is sometimes invoked, that of a restaurant chain. His school is part of an extensive system of support, a national back office of sorts, that allows even policy novices to produce abundant, salable fare.

Consider the experience here in Kentucky, where the Bluegrass Institute for Public Policy Solutions has made enough noise for the state's largest newspaper to call it a "conservative propaganda mill." Its founder, Christopher J. Derry, was a sales executive with no public-policy background when he attended Mr. Reed's school three years ago. He left with access to everything from off-the-shelf speeches and papers to management software.

"This is like a franchise," Mr. Derry said. "I saw that I could recreate what the other state groups are doing."

No one is more central to this replicating effort than Mr. Reed, who combines libertarian ardor with a demeanor so earnest it approaches guilelessness. He said he first felt called to "the liberty movement" as a 12-year-old watching the "The Sound of Music," and was a high school sophomore when he burned his first Soviet flag.

He attributes the Republican losses in last week's election to party's failure to cling to its small-government philosophy and argues the drift shows the need for groups like his. "This underscores the importance of investing in ideas first and foremost, because politicians will almost always disappoint," Mr. Reed said.

From Michigan to Mongolia

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As a full-throated advocate of capitalism — the jagged, creative-destructive kind — Mr. Reed says he is used to being called a corporate apologist who would despoil the environment and afflict the poor. But he sees himself as a defender of free markets and free men, claiming among his major role models Thomas Clarkson, a 19th-century British abolitionist whom Mr. Reed regards as the world's first think-tank entrepreneur. "Clarkson championed our movement's overarching principle: If there's anything certain in human affairs, it's that liberty will prevail," he said.

From Midland, Mr. Reed runs Mackinac (pronounced MAK-in-aw), the largest of the right's state-level policy institutes. The center started its training program eight years ago, and it has alumni in nearly every state and 37 countries, from Uruguay to Nepal. Among them was a Mongolian who went on to become prime minister, putting his free-market training to work by privatizing the national herd of yaks.

When the Mackinac Center was founded in 1987, there were just three other conservative state-level policy institutes. Now there are 48, in 42 states, joined in an association called the State Policy Network. At least three former Mackinac presidents are now in the House, Representatives Mike Pence of Indiana, Jeff Flake of Arizona, and Tom Tancredo of Colorado, all Republicans.

Collectively, the groups have pushed for cuts in health and welfare programs, constitutional limits on state spending, and expanded school choice programs. They have opposed what they call burdensome health, safety, and environmental regulations and increases in the minimum wage.

In labeling the institutes (and himself), Mr. Reed prefers the term "free market" over "conservative," since most of the groups stress economics over social issues.

In Colorado, the Independence Institute has been a leading force behind a constitutional spending cap called the Taxpayer Bill of Rights. In Arizona, the Goldwater Institute has championed a school-choice law that sends 22,500 children a year to private schools. The Texas Public Policy Foundation helped pass a law to end what the group said were excessive lawsuits.

"In terms of generating and popularizing ideas, I think they've been very effective," said Carl Helstrom, executive director of the JM Foundation, one of the movement's major donors.

Some critics say the groups' support for unfettered markets promotes a form of social Darwinism.

"Their philosophy encourages selfishness and greed," said Iris J. Lav, who runs the State Fiscal Analysis Initiative, a network of 29 liberal state-level groups organized in part as a countervailing force. "If you have problems, they don't care — just too bad."

Greed is the rare accusation that rankles Mr. Reed.

"They think if you're pushing free markets there must be something in it for you," he said. "It speaks to their ignorance."

Mr. Reed was raised in western Pennsylvania, where his father ran a plumbing-supply store and both parents ignored politics. The persecution of the von Trapp family in "The Sound of Music" grabbed his attention; the Soviet invasion of Czechoslovakia, in 1968, sent him running to his first protest. He was 14.

Academia to Politics

After earning a master's degree at Slippery Rock University of Pennsylvania, he taught economics at Northwood University in Midland, but academia left him restless. In 1982, Mr. Reed, then 29, unsuccessfully ran for Congress and got to know an ambitious state senator named John Engler.

Both were Republicans who thought Michigan needed its own version of the Heritage Foundation, a Washington policy institute that was influencing the Reagan presidency. A few years later, when such a group formed, Mr. Engler helped recruit Mr. Reed to run it.

With $20,000 in seed money, the Mackinac Center was started in 1987 as a bare-bones affair, but quickly proved troublesome to Gov. James J. Blanchard, a Democrat. The Mackinac Center warned that one of Mr. Blanchard's signature programs, the nation's first prepaid college tuition plan, would need a state bailout. Amid fears about its financial health, the program soon suspended enrollment.

After Mr. Engler unseated Mr. Blanchard in 1990, Mackinac had a friend at the top. Acting on the center's advice, Mr. Engler sold a state-owned insurance company for $250 million. But when Mr. Engler created tax breaks to lure businesses to Michigan, Mr. Reed, clinging to his free-market views, attacked them as "corporate welfare."

The Mackinac Center has often battled the Michigan Education Association, a teachers' union. When the union opposed privatizing support services, like school meals and security, a Mackinac employee monitored the union parking lot and discovered that it used private contractors like the ones it was opposing.

"We don't just write papers, we do stakeouts," Mr. Reed said.

Many of the state-level groups were inspired by larger Washington counterparts, like the Cato Institute and the Heritage Foundation. While there are no formal ties, many informal bonds have been formed through overlapping donors, revolving employees and occasional joint projects.

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A key supporter of the state-level movement was Thomas A. Roe, a South Carolina industrialist and Heritage Foundation donor who founded the South Carolina Policy Council, and helped finance the other state-level groups. Mr. Roe died in 2000, but the Roe Foundation gives each of the 48 groups annual grants of $15,000 to $30,000.

With a budget of more than $4 million and a staff of 32, the Mackinac Center is more than five times larger than the average state-level institute, some of which consist of little more than a person and a fax machine. Most groups do not disclose donations they receive.

A Culture of Mutual Aid

To maximize the groups' clout, Mr. Roe encouraged them to share their work, and a culture of mutual aid has taken hold. "There's a joke that you don't have to reinvent the wheel, you can steal somebody else's wheel and use it," said Mr. Helstrom, the JM Foundation executive.

Mr. Derry of the Bluegrass Institute has taken that advice to heart. He was working at an asset management firm in 2003 when a Bowling Green tax increase got under his skin. A few months later, he was sitting in Mr. Reed's school, wondering whether to quit his $400,000 job to start a shoestring policy group.

"You're going to have to decide what's more important," Mr. Reed said as the course wound down. "Making a lot of money or championing liberty."

"I was hooked," Mr. Derry said.

He said part of the appeal was the network of groups ready to help. Three conservative foundations offered grants totaling $80,000, but most of what Mr. Derry calls "franchise" help came in other ways.

Mr. Reed has a standard speech he calls the "Seven Principles of Sound Public Policy." Mr. Derry added the words "for Kentucky" and took it on the fund-raising trail. The Evergreen Freedom Foundation, in Olympia, Wash., is known for its guide to paring state budgets. Mr. Derry distributed it under the Bluegrass name. A Maryland paper on excessive lawsuits, republished in North Carolina, gained a third life as "Preparing for Tort Reform in Kentucky."

"People were so helpful, I couldn't believe it," Mr. Derry said. "It jump-started me by a couple of years."

The Bluegrass Institute quickly made a mark by fighting with the state's governor, Ernie Fletcher, a Republican, over a tax plan he called revenue-neutral and Mr. Derry called a tax increase. To make a point about pork-barrel spending, his group sent an intern into the Capitol dressed like a pig.

Depending on one's perspective, the Bluegrass Institute view of liberty can seem either steadfast or extreme. Walking to his car after a recent event, Jim Waters, the policy director at the institute, mentioned how he had recently survived a head-on collision thanks to his car's airbags. A few moments later, describing the institute's priorities, he said the Bluegrass Institute was fighting tougher seat-belt laws, which he called an intrusion on liberty. Car safety laws "did save my life," he conceded when asked about the apparent contradiction.

At an institute event in Bowling Green, an audience member chided the group for opposing efforts to ban smoking in restaurants. "I watched my mother die of cancer," the person said.

"We hate smoking as much as you do," Mr. Derry replied. "But we hate government even more."

The Bluegrass Institute has a budget of about $400,000, but recently laid off a policy analyst, leaving a staff of five. Still, even critics say the group has leveraged modest resources into a growing presence.

"They get airplay," said Susan Weston, a longtime advocate for Kentucky public schools. "They get their op-eds published. They've built an e-mail list."

True to his promise of continuing help, Mr. Reed made a two-day visit to Kentucky last year. Speaking to potential donors in Louisville, he likened Mr. Derry to Benjamin Franklin.

After the event, Mr. Derry marveled once more at all the support he had received.

Mr. Reed said, "You're our comrade in arms."

Mr. Derry, replied, "It's about liberty."

Mr. Reed said, "This is a missionary movement."

How Milton Friedman Changed Economics, Policy And Markets (WSJ)

By Greg Ip And Mark Whitehouse

The Wall Street Journal, November 17, 2006

A half century ago, Milton Friedman's advocacy of free markets over government intervention and his prescription for inflation-fighting by central banks were treated as fringe notions by many economists. By the time the Nobel Prize-winning economist died yesterday at the age of 94, his views had helped to reshape modern capitalism.

A diminutive man known for his strong-willed and combative style, Mr. Friedman provided the intellectual foundations for the anti-inflation, tax-cutting and antigovernment policies of President Ronald Reagan and British Prime Minister Margaret

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Thatcher and an era of more-disciplined central banking. His ideas helped to end the military draft in the 1970s, gave birth to staple conservative causes such as school vouchers and created the groundwork for new economic views about the Great Depression, unemployment, inflation and exchange rates.

Many of his ideas remain controversial to this day, or carry less weight. Central bankers don't follow his prescriptions for how to implement monetary policy, considering them impractical. And despite his strong advocacy, publicly funded vouchers for students to attend private schools are still rare and researchers struggle to prove their effectiveness. His advocacy of the decriminalization of drugs hasn't been heeded.

But few would argue against the notion that Mr. Friedman -- with highly technical academic papers, popular books and columns, and the ear of powerful politicians -- helped to shift the center of debate in the U.S. and abroad about the proper role of government in managing a nation's economy. His influence spread far afield, from Hong Kong to Chile to Russia and Eastern Europe, and his ideas took root with reformers pushing for privatization and open markets.

"Among economic scholars, Milton Friedman had no peer," Federal Reserve Chairman Ben Bernanke said yesterday. "The direct and indirect influences of his thinking on contemporary monetary economics would be difficult to overstate. Just as important, in his humane and engaging way, Milton conveyed to millions an understanding of the economic benefits of free, competitive markets, as well as the close connection that economic freedoms bear to other types of liberty."

President Bush said, "His work demonstrated that free markets are the great engines of economic development."

Critics said he inspired policies that put millions of people out of work in pursuit of low inflation and demonized almost everything the government did, no matter how beneficial or democratically chosen. "Milton Friedman didn't make a distinction between the big government of the People's Republic of China and the big government of the United States," said James Galbraith, professor of government at the University of Texas and son of the late, liberal economist John Kenneth Galbraith, who often sparred with Mr. Friedman.

"Most Americans have no idea what the science of economics is about. Milton Friedman made economic thought more accessible to more people, and he did it in a simple, straight-forward way that avoided politics and cut to the heart of free market capitalism."

Share your thoughts2 about Mr. Friedman's contributions to American society.

Mr. Friedman, who died of heart failure at home, is survived by his wife, Rose -- whom he met in graduate school and who co-authored many of his books -- his son and daughter.

Mr. Friedman exercised extraordinary influence through his academic work, which is viewed as among the most authoritative in the economics field in the 20th century. He went beyond the role of academic by advising politicians such as Mr. Reagan and Ms. Thatcher and by writing popular books, such as "Capitalism and Freedom" in 1962 and, with his wife, "Free to Choose" in 1979. The latter book was adapted as a television series.

Mr. Friedman was awarded the Nobel Prize for Economic Science in 1976. He was best known for explaining the role of money supply in economic and inflation fluctuations. By managing the amount of money sloshing through a financial system, Mr. Friedman theorized, central banks could control inflation without making costly mistakes.

As with many of his ideas, his prescriptions weren't immediately accepted by central bankers when he advanced them in the 1950s and 1960s. Many economists believed inflation could arise from other factors, such as the influence of unions, corporations or oil-producing countries.

These views were advanced by Mr. Friedman's early mentor and friend, Arthur Burns, Federal Reserve chairman from 1970 to 1978. Mr. Friedman was harshly critical of Mr. Burns's monetary policy, and as inflation rose and unemployment took hold, his own views grew in prominence. By the time he won his Nobel, the unemployment rate had climbed to more than 7% and was on its way to surpassing 10%. The inflation rate, too, had flirted with double-digit levels.

Along with economist Edmund Phelps, this year's Nobel Prize winner, Mr. Friedman in the 1960s also developed the theory that policy makers couldn't maintain low unemployment by permitting higher inflation. The view holds sway at major central banks today, including the Fed, and helped to defeat the inflation of the 1970s and set the stage for the low inflation and low unemployment of the 1990s and today.

It took Paul Volcker, who became Fed chairman in 1979, to put the monetarist theory into practice, adopting money-supply targets that drove interest rates to double digit levels, sent the economy into a deep recession, and ultimately brought inflation down drastically. But unemployment eventually fell as well, proving that Mr. Friedman and Mr. Phelps were right about the absence of a rigid tradeoff between unemployment and inflation.

"That was a victory among many victories," Mr. Phelps said.

While central bankers still accept that inflation is largely a result of money-supply growth, few target the money supply in practice because it is difficult to measure and its relationship to overall spending often shifts.

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The Fed stopped setting target ranges for monetary-supply growth in 2000 and has stopped publishing some long-followed data series on money growth. Still, Mr. Bernanke noted in 2003 at a conference on the legacy of Milton and Rose Friedman that the professor's ideas held enormous sway in the field.

"Friedman's monetary framework has been so influential that, in its broad outlines at least, it has nearly become identical with modern monetary theory and practice," Mr. Bernanke said.

His intellectual rigor was matched by a demanding persona. When Mr. Friedman returned reporters' calls, for example, he often called collect. He was also tough on students. Gary Becker, one former student, remembers Mr. Friedman ripped into his dissertation proposal in the early 1950s. Mr. Becker, a University of Chicago professor, went on to win the Nobel himself.

Ultimately, even ideological opponents changed their views about him. "He was the devil figure in my youth," Lawrence Summers, the former Treasury Secretary and nephew of two left-leaning Nobel winners, is quoted saying about Mr. Friedman in the book "Commanding Heights." "Only with time have I come to have large amounts of grudging respect. And with time, increasingly ungrudging respect."

Mr. Friedman was born in Brooklyn, N.Y., in 1912, the fourth child of European immigrants. His mother ran a small retail store and his father "engaged in a succession of mostly unsuccessful 'jobbing' ventures," he wrote in an autobiography on the Web site for the Nobel Prize. "The family income was small and highly uncertain; financial crisis was a constant companion."

Early in his life, he planned to become an actuary. But he emerged after World War II as a strong-viewed young professor at the University of Chicago. At the time, economic thought was dominated by the theories of John Maynard Keynes, who advocated activist government spending to stimulate demand and fix the economy during troubled times, such as the Great Depression of the 1930s. (When asked in 2004 by The Wall Street Journal to name the most important economist of the 20th century besides himself, Mr. Friedman named Mr. Keynes. Read the full Q&A3.)

Mr. Friedman, who had started his studies at Chicago during the Depression, challenged the Keynesian approach, espousing the idea that the government should stay out of individuals' affairs whenever possible, and that markets can solve economic problems much more efficiently than government officials can. His ideas formed the basis for what become known as the "Chicago School" of economics, a concept of free-market capitalism.

Influenced by such earlier free-market thinkers as Friedrich von Hayek, Mr. Friedman -- some of whose relatives died during the Nazi occupation of Eastern Europe -- saw economic and political freedom as inextricably linked. As he wrote in the 1962 text "Capitalism and Freedom," "a society which is socialist cannot be democratic, in the sense of guaranteeing individual freedom."

"No one in the 20th century has had the ideological influence that Milton Friedman has had in moving the economic profession from Great Depression-era do-goodism towards a friendliness toward, and appreciation of, the free market," said Paul Samuelson, a fellow Nobel laureate and frequent ideological opponent of Mr. Friedman. "We've lost a giant in economics."

Mr. Friedman's ideas weren't all laissez-faire. His concept of a "negative income tax" to eliminate poverty, for example, laid the foundation for today's Earned Income Tax Credit.

Mr. Friedman considered his best purely scientific contribution to economics to be his work on how people make spending decisions -- which was based on data he collected while working with future Nobel laureate Simon Kuznets at the National Bureau of Economic Research. Under his "permanent income" theory, people smooth their spending based on what they expect their incomes to be in the long term -- meaning that things such as unexpected tax breaks or other windfalls will have only a limited effect on spending.

He also attacked the system of fixed currency-exchange rates that emerged after World War II with encouragement from Mr. Keynes. George Shultz, a longtime friend of Mr. Friedman who served in both the Nixon and Reagan administrations, says that after Mr. Nixon was elected in 1968 but before he took office, Mr. Friedman wrote to him saying that "pressures on the tie of the dollar to gold are relentless" and that Mr. Nixon would be wise to sever the link immediately as an affirmative action, rather than be forced to. Mr. Friedman "turned out to be right," but Nixon didn't listen "until he was forced to," Mr. Schultz says.

Mr. Nixon abandoned the gold standard in 1971.

By the 1970s, his influence had become substantial. He was a member of the Commission on an All-Volunteer Armed Force, appointed by Mr. Nixon in 1969. Former Fed Chairman Alan Greenspan, who was also a member, says that at the outset, panel Chairman Thomas Gates "was very clearly unconvinced that a volunteer army would work. At the end of the commission hearings he was strongly in favor of it, and the main reason was Friedman kept dissuading him on all the concerns he had." Mr. Nixon ended the draft in 1973.

In the 1970s, Mr. Friedman courted controversy for his association with Chile's military government which, after toppling a civilian government in 1973, implemented many free-market and monetarist ideas learned by its advisers who had studied at the University of Chicago. He was widely criticized for meeting with Chilean dictator Augusto Pinochet, whose government was

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eventually blamed for murdering and torturing thousands. Mr. Friedman's Nobel Prize ceremony was disrupted by demonstrators.

That same year Mr. Reagan, who had just made an unsuccessful bid for the presidency, noted the demonstrations in a radio address and said, "It seems when Milton Friedman talked, someone in Chile listened. Wouldn't it be nice if just once someone in Washington would ask: 'What did he say?'" In another address, he quoted Mr. Friedman, saying, "When you start paying people to be poor, you wind up with an awful lot of poor people."

One of the paradoxes of Mr. Friedman's immense influence on policy was his low regard for policy making. He often advocated abolition of the Fed for its failures during the Great Depression and the 1970s, though he later relented and admitted Mr. Greenspan had done a remarkable job from 1987-2006. After two years in the Treasury Department during World War II, he never served in government, aside from advisory roles.

Lawrence Lindsey, who served in both Bush presidencies and on the Fed board, recalls telling Mr. Friedman in the early 1990s, "Why don't you come to Washington, we could use you here." Mr. Friedman replied, "I detest that town."

Mr. Friedman once described his refusal to leave academia as necessary to his larger mission: "For society to be at once humane and to give opportunity for great human achievements, it is necessary that a small minority of people who do not have materialistic objectives have the greatest degree of freedom."

Milton Friedman, Free-Market Theorist, Dies At 94 (NYT)

By Holcomb B. Noble

The New York Times, November 17, 2006

Milton Friedman, the grandmaster of free-market economic theory in the postwar era and a prime force in the movement of nations toward less government and greater reliance on individual responsibility, died yesterday. He was 94 and lived in San Francisco.

His death was confirmed by Robert Fanger, a spokesman for the Milton and Rose D. Friedman Foundation in Indianapolis.

Conservative and liberal colleagues alike viewed Mr. Friedman, a Nobel laureate, as one of the 20th century's leading economic scholars, on a par with giants like John Maynard Keynes and Paul Samuelson.

Flying the flag of economic conservatism, Mr. Friedman led the postwar challenge to the hallowed theories of Lord Keynes, the British economist who maintained that governments had a duty to help capitalistic economies through periods of recession and to prevent boom times from exploding into high inflation.

In Mr. Friedman's view, government had the opposite obligation: to keep its hands off the economy, to let the free market do its work. He was a spiritual heir to Adam Smith, the 18th-century founder of the science of economics and proponent of laissez-faire: that government governs best which governs least.

The only economic lever that Mr. Friedman would allow government to use was the one that controlled the supply of money — a monetarist view that had gone out of favor when he embraced it in the 1950s. He went on to record a signal achievement, predicting the unprecedented combination of rising unemployment and rising inflation that came to be called stagflation. His work earned him the Nobel Memorial Prize in Economic Science in 1976.

Rarely, colleagues said, did anyone have such impact on his own profession and on government. Though he never served officially in the halls of power, he was around them, as an adviser and theorist.

"Among economic scholars, Milton Friedman had no peer," Ben S. Bernanke, the Federal Reserve chairman, said yesterday. "The direct and indirect influences of his thinking on contemporary monetary economics would be difficult to overstate."

Professor Friedman also fueled the rise of the Chicago School of economics, a conservative group within the department of economics at the University of Chicago. He and his colleagues became a counterforce to their liberal peers at the Massachusetts Institute of Technology and Harvard, influencing close to a dozen American winners of the Nobel in economics.

It was not only Mr. Friedman's antistatist and free-market views that held sway over his colleagues. There was also his willingness to create a place where independent thinkers could be encouraged to take unconventional stands as long as they were prepared to do battle to support them.

"Most economics departments are like country clubs," said James J. Heckman, a Chicago faculty member and Nobel laureate. "But at Chicago you are only as good as your last paper."

Alan Greenspan, the former Federal Reserve chairman, said of Mr. Friedman in an interview Tuesday: "From a longer-term point of view, it's his academic achievements which will have lasting import. But I would not dismiss the profound impact he has already had on the American public's view."

To Mr. Greenspan, Mr. Friedman came along at an opportune time. The Keynesian consensus among economists, he said — one that had worked well from the 1930s — could not explain the stagflation of the 1970s.

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But he also said that Mr. Friedman had made a broader political argument: that you have to have economic freedom to have political freedom.

Mr. Friedman had a gift for communicating complicated ideas in simple and lucid ways, and it served him well as the author or co-author of more than a dozen books, as a columnist for Newsweek from 1966 to 1983 and even as the star of a public television series. He was a bridge between the academic and popular worlds, and his broader impact stemmed in large part from the fact that he was preaching a gospel of capitalism that fit neatly into American self-perceptions. He was pushing on an open door.

A Staunch Libertarian

As a libertarian, Mr. Friedman advocated legalizing drugs and generally opposed public education and the state's power to license doctors, car drivers and others. He was criticized for those views, but he stood by them, arguing that prohibiting, regulating or licensing human behavior either does not work or creates inefficient bureaucracies.

Mr. Friedman insisted that unimpeded private competition produced better results than government systems. "Try talking French with someone who studied it in public school," he argued, "then with a Berlitz graduate."

Once, when accused of going overboard in his antistatism, he said, "In every generation, there's got to be somebody who goes the whole way, and that's why I believe as I do."

In the long period of prosperity after World War II, when Keynesian economics was riding high in the West, Mr. Friedman alone warned of trouble ahead, asserting that policies based on Keynesian theory were part of the problem.

Even as he was being dismissed as an economic "flat-earther," he predicted in the 1960s that the end of the boom was at hand. Expect unemployment to grow, he said, and inflation to rise, at the same time. The prediction was borne out in the 1970s. It was Paul Samuelson who labeled the phenomenon stagflation.

Mr. Friedman's analysis and prediction were regarded as a stunning intellectual accomplishment and contributed to his earning the Nobel for his monetary theories. He was also cited for his analyses of consumer savings and of the causes of the Great Depression: he blamed the Federal Reserve, accusing it of bad monetary policy and saying it had bungled early chances for recovery. His prestige and that of the Chicago school soared, and his analysis of the Depression changed the way that the Fed thought about monetary policy.

Government leaders like President Ronald Reagan and Prime Minister Margaret Thatcher of Britain were heavily influenced by his views. So was the quietly building opposition to communism within the East bloc.

As the end of the century approached, Professor Friedman said events had made his views seem only more valid than when he had first formed them. One event was the fall of communism. In an introduction to the 50th-anniversary edition of Friedrich A. Hayek's book predicting totalitarian consequences from collectivist planning, "The Road to Serfdom," Mr. Friedman wrote it was clear that "progress could be achieved only in an order in which government activity is limited primarily to establishing the framework with which individuals are free to pursue their own objectives."

"The free market is the only mechanism that has ever been discovered for achieving participatory democracy," he said.

Professor Friedman was acknowledged to be a brilliant statistician and logician. To his critics, however, he sometimes pushed his data too far. To them, the debate over the advantages or disadvantages of an unregulated free market was far from over.

Milton Friedman was born in Brooklyn on July 31, 1912, the last of four children and only son of Jeno S. Friedman and Sarah Landau Friedman. His parents worked briefly in New York sweatshops, then moved their family to Rahway, N.J., where they opened a clothing store.

Mr. Friedman's father died in his son's senior year at Rahway High School. Young Milton later waited on tables and clerked in stores to supplement a scholarship he had earned at Rutgers University. He entered Rutgers in 1929, the year the stock market crashed and the Depression began.

Mr. Friedman attributed his success to "accidents": the immigration of his teen-age parents from Czechoslovakia, enabling him to be an American and not the citizen of a Soviet-bloc state; the skill of a high-school geometry teacher who showed him a connection between Keats's "Ode to a Grecian Urn" and the Pythagorean theorem, allowing him to see mathematical beauty; the receipt of a scholarship that enabled him to attend Rutgers and there have Arthur F. Burns and Homer Jones as teachers.

He said Mr. Burns, who later became chairman of the Federal Reserve, instilled in him a passion for scientific integrity and accuracy in economics; Mr. Jones interested him in monetary policy and a graduate school career at Chicago.

In his first economic-theory class at Chicago, he was the beneficiary of another accident — the fact that his last name began with an "F." The class was seated alphabetically, and he was placed next to Rose Director, a master's-degree candidate from Portland, Ore. That seating arrangement shaped his whole life, he said. He married Ms. Director six years later. And she, after becoming an important economist in her own right, helped Mr. Friedman form his ideas and maintain his intellectual rigor.

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After he became something of a celebrity, Mr. Friedman said, many people became reluctant to challenge him directly. “They can’t come right out and say something stinks,” he said. “Rose can.”

In 1998, he and his wife published a memoir, “Two Lucky People” (University of Chicago Press), in which they reveled in “having intellectual children throughout the world.”

His wife is among his survivors. They also include a son, David, and a daughter, Janet Martel, four grandchildren and three great-grandchildren.

A Fateful Class

That fateful class at the University of Chicago also introduced him to Jacob Viner, regarded as a great theorist and historian of economic thought. Professor Viner convinced Mr. Friedman that economic theory need not be a mere set of disjointed propositions but rather could be developed into a logical and coherent prescription for action.

Mr. Friedman won a fellowship to do his doctoral work at Columbia, where the emphasis was on statistics and empirical evidence. He studied there with Simon Kuznets, another American Nobel laureate. The two turned Mr. Friedman’s thesis into a book, “Income From Independent Professional Practice.” It was the first of more than a dozen books that Mr. Friedman wrote alone or with others.

It was also the first of many “Friedman controversies.” One finding of the book was that the American Medical Association exerted monopolistic pressure on the incomes of doctors; as a result, the authors said, patients were unable to reap the benefits of lower fees from any real price competition among doctors. The A.M.A., after obtaining a galley copy of the book, challenged that conclusion and forced the publisher to delay publication. But the authors did not budge. The book was eventually published, unchanged.

During the first two years of World War II, Mr. Friedman was an economist in the Treasury Department’s division of taxation. “Rose has never forgiven me for the part I played in devising and developing withholding for the income tax,” he said. “There is no doubt that it would not have been possible to collect the amount of taxes imposed during World War II without withholding taxes at the source.

“But it is also true,” he went on, “that the existence of withholding has made it possible for taxes to be higher after the war than they otherwise could have been. So I have a good deal of sympathy for the view that, however necessary withholding may have been for wartime purposes, its existence has had some negative effects in the postwar period.”

After the war, he returned to the University of Chicago, becoming a full professor in 1948 and commencing his campaign against Keynesian economics. Robert M. Solow of M.I.T., a Nobel laureate who often disagreed with Mr. Friedman, called him one of “the greatest debaters of all time.” But his wisecracking style could infuriate opponents.

Mr. Samuelson, also of M.I.T., who was not above wisecracking himself, had a standard line in his economics classes that always brought down the house: “Just because Milton Friedman says it doesn’t mean that it’s necessarily untrue.”

But Professor Samuelson said he never joked in class unless he was serious — that his friend and opponent was, in fact, often right when at first he sounded wrong.

Mr. Friedman’s opposition to rent control after World War II, for example, incurred the wrath of many colleagues. They took it as an unpatriotic criticism of economic policies that had been successful in helping the nation mobilize for war. Later, Mr. Samuelson said, “probably 98 percent of them would agree that he was right.”

In the early 1950s, Mr. Friedman started flogging a “decomposing horse,” as Mrs. Thatcher’s chief economic adviser, Alan Waters, later put it. The horse that most economists thought long dead was the monetarist theory that the supply of money in circulation and readily accessible in banks was the dominant force — or in Mr. Friedman’s view, the only force — that should be used in shaping the economy.

In the 1963 book “A Monetary History of the United States, 1867-1960,” which he wrote with Anna Jacobson Schwartz, Mr. Friedman compiled statistics to buttress his theory that recessions, as well as the Great Depression, had been preceded by declines in the money supply. And it was an oversupply, he argued, that caused inflation.

In the late 1960s, Mr. Friedman used his knowledge of empirical evidence and statistics to calculate that Keynesian government programs had the effect of constantly increasing the money supply, a practice that over time was seriously inflationary.

Paul Krugman, a Princeton University economist and Op-Ed columnist for The New York Times, said Mr. Friedman then managed “one of the decisive intellectual achievements of postwar economics,” predicting the combination of rising unemployment and rising inflation that came to be called stagflation.

In this regard, his Nobel award cited his contribution to the now famous concept “the natural rate of unemployment.” Under this thesis, the unemployment rate cannot be driven below a certain level without provoking an acceleration in the inflation rate. Price inflation was linked to wage inflation, and wage inflation depended on the inflationary expectations of employers and workers in their bargaining.

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A spiral developed. Wages and prices rose until expectations came into line with reality, usually at the natural rate of unemployment. Once that rate is achieved, any attempt to drive down unemployment through expansionary government policies is inflationary, according to Mr. Friedman's thesis, which he unveiled in 1968.

For years economists have tried to pinpoint the elusive natural rate, without much success, particularly in recent years.

Mr. Friedman was right on the big economic issue of that time — inflation. And his prescription — to have the governors of the Federal Reserve System keep the money supply growing steadily without big fluctuations — figured in the thinking of policy makers around the world in the 1980s.

A Retort to Kennedy

Mr. Friedman also pursued his attack on Keynesianism in a more general way. He warned that a government allowed to regulate the economy could not be trusted to keep its hands off individual liberties.

He had first been exposed to this line of attack through his association with Mr. Hayek, who was predicting in the early 1940s that communism would lead inevitably to totalitarianism and the crushing of individual rights. In an introduction to a 1971 German edition, Professor Friedman called Mr. Hayek's book "a revelation particularly to the young men and women who had been in the armed forces during the war."

"Their recent experience had enhanced their appreciation of the value and meaning of individual freedom," he wrote.

In 1962, Mr. Friedman took on President John F. Kennedy's popular inaugural exhortation: "Ask not what your country can do for you. Ask what you can do for your country." In an introduction to his classic book "Capitalism and Freedom," a collection of his writings and lectures, he said President Kennedy had got it wrong: You should ask neither.

"What your country can do for you," Mr. Friedman said, implies that the government is the patron, the citizen the ward; and "what you can do for your country" assumes that the government is the master, the citizen the servant. Rather, he said, you should ask, "What I and my compatriots can do through government to help discharge our individual responsibilities, to achieve our several goals and purposes, and above all protect our freedom."

It was not that Mr. Friedman believed in no government. He is credited with devising the negative income tax, which in a modern variant — the earned-income tax credit — increases the incomes of the working poor. He also argued that government should give the poor vouchers to attend the private schools he thought superior to public ones.

In forums he would spar over the role of government with his more liberal adversaries, including John Kenneth Galbraith, who was also a longtime friend (and who died in April 2006). The two would often share a stage, presenting a study in contrasts as much visual as intellectual: Mr. Friedman stood 5 feet 3; Mr. Galbraith, 6 feet 8.

Though he had helped ignite the conservative rebellion after World War II, together with intellectuals like Russell Kirk, William F. Buckley Jr. and Ayn Rand, Mr. Friedman had little or no influence on the administrations of Presidents Dwight D. Eisenhower, Kennedy, Lyndon B. Johnson and Richard M. Nixon. President Nixon, in fact, once described himself as a Keynesian.

It was frustrating period for Mr. Friedman. He said that during the Nixon years the talk was still of urban crises solvable only by government programs that he was convinced would make things worse, or of environmental problems produced by "rapacious businessmen who were expected to discharge their social responsibility instead of simply operating their enterprises to make the most profit."

Rising With Reagan

But then, after the 1970s stagflation, with Keynesian tools seemingly broken or outmoded, and with Ronald Reagan headed for the White House, Mr. Friedman's hour arrived. His power and influence were acknowledged and celebrated in Washington.

With his wife, in 1978 he brought out a best-selling general-interest book, "Free to Choose," and went on an 18-month tour, from Hong Kong to Ottumwa, Iowa, preaching that government regulation and interference in the free market was the stifling bane of modern society. The tour became the subject and Mr. Friedman the star of a 10-part PBS series, "Free to Choose," in 1980.

In 1983, having retired from teaching, he became a fellow at the Hoover Institution at Stanford University. Five years later he was awarded the Presidential Medal of Freedom and the National Medal of Science.

The economic expansion in the 1980s resulted from the Reagan administration's lowered tax rates and deregulation, Professor Friedman said. But then the tide turned again. The expansion, he argued, was halted when President George H. W. Bush imposed a "reverse-Reaganomics" tax increase.

What was worse, by the mid-1980s, as the finance and banking industries began undergoing upheavals and money began shifting unpredictably, Mr. Friedman's own monetarist predictions — of what would happen to the economy and inflation as a result of specific increases in the money supply — failed to hold up. Confidence in his monetarism theory waned.

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Prof. Robert Solow of M.I.T., a Nobel laureate himself, and other liberal economists continued to raise questions about Mr. Friedman's theories: Did not President Reagan, and by extension Professor Friedman, they asked, revert to Keynesianism once in power?

"The boom that lasted from 1982 to 1990 was engineered by the Reagan administration in a straightforward Keynesian way by rising spending and lowered taxes, a classic case of an expansionary budget deficit," Mr. Solow said. "In fairness to Milton, however, it should be said that one of the reasons for his wanting a tax reduction was to force the spending cuts that he presumed would follow." Professor Samuelson said that "Milton Friedman thought of himself as a man of science but was in fact more full of passion than he knew."

Mr. Friedman remained the guiding light to American conservatives. It was he, for example, who provided the economic theory behind "prescriptions for action," as his onetime professor, Jacob Viner, put it, like the landslide Republican victory in the off-year Congressional elections of 1994.

By then Professor Friedman had grown into a giant of economics abroad as well. He was sharply criticized for his role in providing intellectual guidance on economic matters to the military regime in Chile that engineered a coup in the early 1970s against the democratically elected president, Salvador Allende. But for Mr. Friedman that was just a bump in the road.

In Vietnam, where the Constitution was amended in 1986 to guarantee the rights of private property, the writings of Mr. Friedman were circulated at the highest levels of government. "Privatize," he told Chinese scholars at a meeting at Fudan University in Shanghai; and he told those in Moscow and elsewhere in Eastern Europe: "Speed the conversion of state-run enterprises to private ownership." They did.

Mr. Friedman had long since ceased to be called a flat-earther by anyone. "What was really so important about him," said W. Allen Wallis, a former classmate and later faculty colleague at the University of Chicago, "was his tremendous basic intelligence, his ingenuity, perseverance — his way of getting to the bottom of things, of looking at them in a new way."

Nobel Winner Milton Friedman Dies At 94 (LAT)

By Jonathan Peterson

The Los Angeles Times, November 17, 2006

SAN FRANCISCO — Milton Friedman, a brilliant champion of free-market economics and individual freedom who almost single-handedly altered the boundaries of public debate on an array of national issues, died today in San Francisco. He was 94.

The circumstances of his death were not immediately available.

"America has lost a true visionary and advocate for human freedom," said Gordon St. Angelo, president and CEO of the Milton and Rose D. Friedman Foundation.

"Milton's passion for freedom and liberty has influenced more lives than he ever could possibly know. His writings and ideas have transformed the minds of U.S. presidents, world leaders, entrepreneurs and freshmen economic majors alike."

Friedman was considered a leading economic thinker of the 20th century. His many prescriptions for policy, notably on managing the nation's money supply and curbing the welfare state, influenced presidents and presidential candidates dating back to the 1960s. His sweeping, pro-capitalist ideas earned him legions of followers domestically and overseas, while also sparking dissent and controversy.

Friedman was awarded the Nobel Prize in economics in 1976 for a body of "original and weighty work," including his money supply research, which jurors said had influenced fellow scholars as well as the U.S. Federal Reserve and the central banks of other nations.

Friedman's influence extended far beyond the ivory tower. He became an economist-celebrity, promoting his passionate beliefs in books, magazines and television appearances. With confidence and a professor's logic, he sought to demolish the conventional wisdom after World War II that government must play a sweeping role in people's lives.

Taxes, he said, should be cut and simplified. Society benefits when personal choice reigns supreme.

"My world will not be the same," said former Federal Reserve Chairman Alan Greenspan in a statement today. "He had been a fixture in my life both professionally and personally for half a century."

Ed Crane, president of the Cato Institute, commented today on Friedman's life and legacy: "Here's a guy who won the Nobel Prize in economics for his work in monetary theory and he was a great Chicagoan, a great empiricist and theoretician of economics. But ultimately, what Milton believed in was human liberty and he took great joy in trying to promote that concept.... Milton would say, 'Maybe I did well and maybe I led the battle, but nobody ever said we were going to win this thing at any point in time. Eternal vigilance is required and there have to be people who step up to the plate, who believe in liberty and who are willing to fight for it.' "

Friedman had an uncanny ability to discern issues before most others, framing political battles decades before they flared publicly.

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In the 1960s, he argued that personal retirement accounts made more sense than a mandatory system of Social Security, helping set the stage for the recent national debate. Similarly, he contended that parents should be allowed to choose what schools their children attend, laying the foundation for ongoing arguments about school choice.

"Why do America's universities have a greater reputation around the world than its public schools?" he once asked aloud. "You have choice. That makes all the difference in the world."

He emerged as a leading voice in the Vietnam-era movement to end the draft, a position ultimately endorsed by President Richard Nixon.

Friedman offered blunt advice on subjects as personal as laws against prostitution — he saw them as incursions into individual choice — and as sweeping as the international system of relatively fixed exchange rates, which he sought to overturn and which did collapse in the early 1970s.

He became the human face of the influential "Chicago school" of economics, emphasizing the role of monetary policy, which affects interest rates, and the benefits of laissez-faire or free-market approaches to the economy.

Political leaders listened, granting almost unparalleled influence to a capitalist icon whose free-market emphasis had once seemed out of step with his times. The rise of Ronald Reagan and British Prime Minister Margaret Thatcher brought Friedman fans to seats of national power.

Later, some would see the inspiration of Friedman behind moves of former Soviet governments, the People's Republic of China and other nations to stake more of their future on a private sector.

"At the Harvard University I knew as a graduate student in the late 1960s, Milton Friedman was treated as a right-wing Midwestern crank," said Robert J. Barro, a noted economist, during a 1998 tribute to Friedman at Stanford University. "It is notable that Milton Friedman's transition from pariah to priest was achieved mainly through the force of ideas."

Not all of the ideas found lasting acceptance. The U.S. Federal Reserve, the Bank of England and other central banks abandoned much of his monetary prescription, after brief and unhappy experiments.

After a series of corporate and financial scandals, the Friedman-style mantra for deregulation lost its allure for much of the public. Some of Friedman's social priorities, notably for the legalization of drugs, never caught on.

Friedman acknowledged in a 2003 interview that in hindsight he might not have pushed the technical aspects of his money supply theories so aggressively. Yet he never wavered from the essence of his world view.

"You form a philosophy at a certain stage and for the rest of your life it dominates," he told the Financial Times in June 2003. "On the big issues of policy, I don't think there is anything I've changed my mind about."

To many of his admirers, Friedman will most be remembered for the sweep of a vision that encompassed economic and political freedom and he viewed each as a complement to the other.

"He has used a brilliant mind to advance a moral vision: the vision of a society where men and women are free, free to choose," President Bush said in a May 2002 White House tribute to Friedman. "That vision has changed America and it is changing the world."

Friedman was born in Brooklyn on July 31, 1912, the fourth child in a family of struggling Jewish immigrants from a region that is now part of Ukraine. When he was 13 months old, the family moved to the northern New Jersey town of Rahway.

The household was warm and supportive and childhood was generally happy, Friedman would recall. But money was tight. Friedman's parents engaged in various enterprises with limited success, including a small shop and an ill-fated ice cream parlor. The family lived over the shop.

"Among my most vivid memories are heated discussions between my parents at night about where the money was to come from to pay incoming bills," Friedman recalled in his 1998 memoir, "Two Lucky People," written with wife, Rose.

The youthful Friedman made heavy use of Rahway's small local library -- "almost exhausting the contents" -- and was an enthusiastic Boy Scout. He shined in the classroom, winning an unexpected promotion to seventh grade midway through sixth. Slight of stature — Friedman was about 5"2' as an adult — he played on the chess team and volunteered to do chores for the baseball team.

After graduating, he moved 12 miles away to New Brunswick and entered Rutgers University on a scholarship. Always enterprising, he supplemented the aid by waiting on tables, hustling fireworks, tutoring high school students and clerking in a retail store. Friedman also began fruitful intellectual relationships with two professors: Arthur F. Burns, later to become chairman of the Federal Reserve, and Homer Jones, who lectured students on the importance of individual freedom.

The profession of economics did not beckon at first. Friedman planned to become an actuary, hoping he could use his math skills to earn a decent living. He would later joke that he changed his mind after flunking some difficult actuarial exams. But in an October 2000 PBS interview, Friedman offered a deeper insight into his motives, recalling that he faced a career decision during the depths of the Great Depression.

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"If you're a 19-year-old college senior, which is going to be more important to you: figuring out what the right prices ought to be for life insurance or trying to understand how the world got into that kind of a mess?"

Friedman chose to pursue the latter question as a University of Chicago graduate student in 1932.

To a kid who lived over a store in Rahway, the university atmosphere was electrifying, an entree to whole new worlds. Chicago "exposed me to a cosmopolitan and vibrant intellectual atmosphere of a kind that I had never dreamed existed. I have never recovered," Friedman later said.

At Chicago, Friedman also met his future wife, Rose Director, a quiet economics student and European immigrant who had grown up in Portland. They married in 1938.

New worlds continued to open. Over the next several years, Friedman studied economics at Chicago and Columbia University, did a stint on a New Deal economics project in Washington, the National Resources Committee, and went to work for the nonprofit National Bureau of Economic Research in New York.

He would discover that scholarly conclusions can lead to controversy. At the bureau, Friedman worked with an economist, Simon Kuznets, on a study of professional income. Based on their research, Friedman wrote in his doctoral thesis that physicians gained extra income through the powers of the American Medical Assn. to restrict entry into the profession. These same powers, Friedman reported, reduced the availability of medical care for the public.

Columbia University held up accepting Friedman's thesis for five years. "I was young and innocent at the time and did not realize that a storm of protest would develop," Friedman wrote in "Two Lucky People. "I soon learned better."

Meanwhile, Friedman and his future wife corresponded several times a week. Rose had gone to work for the New Deal economics panel in Washington.

A 1938 letter to Rose, then his fiancee, reveals Friedman's frustration that his work seemed removed from the more urgent problems of a world headed for war: "I must say this damn European situation certainly is lousy. Here the world is going to pieces over our heads and we sit worrying about means and standard deviations and professional incomes. But what the hell else can we do?"

After a fierce inner struggle, Friedman agreed on a Jewish wedding in deference to his relatives. The two were married that year in a small ceremony in New York City.

Friedman had not yet arrived at a vehement rejection of tax-and-spending policies as a way to steer the national economy. During World War II, he even went to work for the federal government, advising the Treasury on wartime tax policy and other matters.

There followed a brief stint at the University of Minnesota. Then in 1946 Friedman joined the faculty of the University of Chicago, which would serve as home base for the next 30 years.

Inside the classroom, Friedman gained a reputation as a strict but inspiring teacher who brought principles of economics to life.

"Being a student of Milton's was magic indeed," Gary S. Becker, a 1951 graduate student of Friedman who later would win his own Nobel Prize, recalled years later. "People would always ask me, 'Why are you so excited? Are you going out on a date with a beautiful woman?' I said, 'No, I'm going to a class in economics.'"

Early on, Friedman arrived at one of his famous findings: The Federal Reserve had blundered terribly in the late 1920s and early 1930s, triggering the 1929 stock market crash and deepening the Great Depression through excessive tightness in the money supply. That knowledge, he believed, should protect America from a recurrence.

"In 1953 I gave a talk in Stockholm under the title of 'Why the American Economy is Depression-Proof.' I've been right for 45 years," he told Forbes magazine in 1997. "Why should I change my story now?

"And the reason I said it then is the same reason I say it now: The Great Depression need not have occurred if the monetary authorities had behaved differently."

Other core beliefs that he would forever retain were now taking shape. These included his faith in the efficiency of free markets and an emphasis on the role of the Federal Reserve as the key to economic stability.

Friedman's lifelong views on freedom and personal choice were also emerging in the 1940s and 1950s.

In particular, he was moved by an economics professor named Friedrich Hayek, whose intellectual attacks on socialism galvanized a small group of true-believers under the banner of "liberalism."

At the time, mainstream Democrats and Republicans assumed the federal government would retain a huge, ambitious role throughout society, serving as an equalizer for the disadvantaged and softening the sharp edges of a Darwinian marketplace. John Maynard Keynes, an eminent British economist, emerged as the intellectual symbol of the prevailing view.

Friedman set out to provide an alternative. In 1962, Friedman published "Capitalism and Freedom," a widely read primer on his anti-government convictions, containing thoughts on monetary policy, public education, welfare and poverty. He blasted

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the Social Security program for restricting people's options in saving for retirement, pushed for a single-rate, "flat" tax to replace the more complex system of multiple brackets, and called for an end to professional licensing boards.

The following year he published what many consider his scholarly masterpiece, an 800-page "Monetary History of the United States," written with economist Anna Schwartz. It provided detailed evidence for his monetarist view that careful growth of the money supply was the paramount factor in sustaining economic growth.

In the 1964 presidential campaign, Friedman stepped directly into the political battlefield.

Lyndon Johnson, the Democratic incumbent, advocated a Keynes-style Great Society of ambitious federal programs. Sen. Barry Goldwater, the conservative Republican nominee, was drawn to Friedman's policies and picked the economist as an advisor.

Johnson won in a landslide. But Friedman stayed at the forefront of the policy struggle, soon beginning a Newsweek column that provided him a forum for his ideas on taxes, red tape, import restrictions, the Federal Reserve and many other matters.

Although many took offense at Friedman's anti-government views, his ideas did not fall into a tidy framework.

His push to decriminalize drug use found little support among many conservatives. His advocacy of school vouchers, which he viewed as essential to giving poor children a better chance to attend quality schools, was greeted with disdain by many liberals. His opposition to most of government beyond matters of security made him a hero to libertarians.

Friedman's wariness of government fit with the libertarian ideology, at times making it impossible to label him in simplistic liberal-conservative terms.

When Nixon appointed Friedman to a panel examining whether to abolish the draft, Friedman found himself at odds with Gen. William Westmoreland, the Army chief of staff and former Vietnam commander.

At one point, Westmoreland declared that he did not want to command an army of "mercenaries."

"I stopped him and said, "General, would you rather command an army of slaves?" Friedman later recalled. "He drew himself up and said, 'I don't like to hear our patriotic draftees referred to as slaves.' I replied, 'I don't like to hear our patriotic volunteers referred to as mercenaries.'"

U.S. officials ended the draft in 1973. Friedman also offered a range of economic advice to the Nixon White House, including a plan for a negative income tax that would provide new aid to the poor.

But the economist was horrified when Nixon imposed wage and price controls and Friedman blasted the plan as "pure window dressing which will do harm rather than good." He also was disappointed at Nixon's willingness to accept a batch of new regulatory agencies, including the Environmental Protection Agency, Occupational Safety and Health Administration and Consumer Product Safety Commission.

Soon after, the novel problem of stagflation — inflation amid sluggish growth — created a new opening for Friedman's strategies.

Contrary to the long-held view, he argued that inflation did not help ease unemployment by heating up the economy. The answer to slumps, he maintained, was carefully controlled growth of the money supply.

On Oct. 14, 1976 reporters swarmed Friedman as he entered a Detroit news conference about a proposed state spending limit. To Friedman's surprise, they informed him he had won the Nobel Prize in economics.

The Swedish academy credited Friedman with insights into managing the nation's money supply — it should grow gradually and steadily, he believed — and how households decide what they can afford to spend, based on expected lifetime earnings. They also cited Friedman for exploding the old fallacy that inflation could reduce unemployment.

"It is very rare for an economist to wield such influence, directly and indirectly, not only on the direction of scientific research but also on actual policies," the judges said.

It was an award that Friedman's loyalists thought he should have gotten earlier. Caught off guard, the economist responded archly: "It is not the pinnacle of my career. I would not want a professional judgment of my scientific work to be those seven people who selected me for the award."

But for Friedman, the Nobel Prize also brought controversy.

He had enraged human rights activists the prior year by giving a series of lectures in Chile, which was controlled by the military dictatorship of Augusto Pinochet. Critics accused the economist of bolstering Pinochet, whose government included Friedman disciples, dubbed "the Chicago boys."

When the Friedmans traveled to Stockholm for the Nobel award, protesters were waiting. The furor annoyed the economist, who believed that economic freedom was a force for political freedom.

"I gave exactly the same lectures in China that I gave in Chile," Friedman said years later. "I have had many demonstrations against me for what I said in Chile. Nobody has made any objections to what I said in China. How come?"

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Friedman's involvement in policy deepened. In 1980 he served as an advisor to the presidential campaign of Ronald Reagan and continued to offer some advice after Reagan was in the Oval Office. The two shared an admiration of Hayek and a distrust of government.

Reagan soon supported a politically costly effort by the Federal Reserve to clamp down on the money supply and combat inflation, adhering to Friedman's principles. The effort conquered inflation, but at the cost of a steep recession.

Friedman always looked back kindly on Reagan's economic stewardship: "You know, there is a myth that Reagan was somehow simple-minded and didn't understand these things," Friedman said in the 2000 PBS interview. "That's a bunch of nonsense. He understood this issue very well.... He knew very well that he was risking his political standing in order to achieve a basic economic objective."

The Fed stayed on the Friedman bandwagon in the early 1980s, focusing on the money supply with careful attention to technical measures known as M1 and M2. The investment world took notice and Friedman's influence reached dizzying heights.

"Every Friday afternoon, a kind of an eerie silence settled over the normally boisterous trading rooms on Wall Street," recalled Walter Wriston, former chairman of Citibank, at the 1998 tribute. "The computer screens started going blank at about 4:20 as traders waited for the 4:30 announcement by the Federal Reserve of the M1 and M2 figures."

It was a "truly extraordinary demonstration of how the power of an idea advanced by a private citizen can affect the way the world works," Wriston added.

Throughout his career, Friedman would tell people that he considered his public activities something of a diversion from his real work as a "scientist." Yet there is little doubt that he felt some lure of the limelight.

His public celebrity skyrocketed in 1980 with the 10-part PBS series "Free to Choose," a compilation of Milton and Rose Friedman's shared philosophy about personal, political and economic freedom. A book based on the project became the year's top seller in nonfiction. Friedman later described the effort as "the most exciting experience of our lives."

Friedman continued his research at Stanford's Hoover Institution, which he had joined in 1977 after three decades at Chicago. More honors were to come, including a presidential Medal of Freedom in 1988 and the National Medal of Science that same year.

But if he remained a hero to many, Friedman's influence in some circles declined in later years. The Fed and other central banks had long ago concluded that his monetary strategies should not be taken literally, although Fed vigilance against inflation continued under Greenspan.

Similarly, his appeals to abandon the war on drugs and other government programs remain outside the mainstream of political debate.

"Human life requires the balancing of freedom with other goals, including security and equality," said Richard Parker, a senior fellow at Harvard's Kennedy School of Government. "Friedman's repeated neglect of these other values has been the repeated source of error in his policy advice."

But to legions of admirers, Friedman remains a towering figure, unparalleled in the breadth of his insights about freedom and the economy.

Said Allan H. Meltzer, professor of political economy at Carnegie Mellon University in Pittsburgh and a scholar at the American Enterprise Institute for Public Policy Research: "He's a giant."

He is survived by his wife Rose; daughter Jane, an attorney; and son, David, a professor of law and economics at Santa Clara University.

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Economist Touted Laissez-Faire Policy (WP)

By Patricia Sullivan And Carlos Lozada

The Washington Post, November 17, 2006

Milton Friedman, 94, the Nobel Prize-winning economist whose tireless advocacy of unfettered free markets reshaped the nation's economic policies, died Nov. 16 of a heart ailment at St. Francis Memorial Hospital in San Francisco.

One of the most influential economists of the 20th century, Friedman championed individual choice on topics ranging from Social Security to the military draft. He revived conservative economic theory after the big-government era of the 1940s, 1950s and 1960s, leading the movement that says government's proper role in the market is to stabilize the growth of the money supply -- and stay out of the way.

His views gained traction in the 1970s when a combination of high unemployment and inflation, known as "stagflation," sharply ended the long post-World War II boom.

"Inflation is always and everywhere a monetary phenomenon," he often said.

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"Friedman's monetary framework has been so influential that, in its broad outlines at least, it has nearly become identical with modern monetary theory," Ben S. Bernanke, now chairman of the Federal Reserve, said in a 2003 speech at the Federal Reserve Bank of Dallas.

A 5-foot, 2-inch scholar with a dry wit, the bald, bespectacled Friedman joked that he'd lost an inch because of the weight of the world on his shoulders. He was widely respected as an academic who also expressed himself in ways that could be understood by those who were interested, but unschooled, in economic theory. He took his theories to television, starring in a 10-week series on economics that aired on public television in the 1980s, and he wrote a column for Newsweek from 1966 to 1983. He published nearly two dozen books.

Friedman, an economic adviser to presidents Richard M. Nixon and Ronald Reagan, was awarded the Presidential Medal of Freedom and the National Medal of Science in 1988. He won the Nobel Prize in economics in 1976.

His laissez-faire ideas went from maverick to mainstream during his lifetime. He began graduate studies in economics during the Great Depression as the theories of British economist John Maynard Keynes were revolutionizing his profession. Keynes believed that government intervention was necessary to help smooth out the boom-bust cycles in the economy. That theory became the rock against which Friedman pushed for decades until it moved.

One of his most famous arguments dealt with the causes of the Depression. It was prompted not by changes in tariff laws or by the stock market crash, he said, but by the Federal Reserve Board's decisions to shrink the money supply for fear of inflation in 1929 and again in 1936. Those choices choked the life out of the economy and exacerbated a bad situation, he stated in "A Monetary History of the United States, 1867-1960," (1963) co-written with Anna J. Schwartz. The book is considered the definitive history of the nation's money supply.

Friedman's ideas were not initially hailed, and they remain controversial, especially among those who believe government should be a more active player in the economy, a position epitomized by the late Harvard University economist John Kenneth Galbraith.

Richard Parker, a Galbraith biographer, wrote last year in the Boston Globe that Friedman's "passionate calls for financial and securities market deregulation played no small role in ushering in the half-trillion dollar S&L fiasco of the 1980s and the deeply corrupt Wall Street stock market boom of the 1990s. His tax-reduction-at-all-costs policies helped lead to the nation's yawning budget deficits."

But the core of Friedman's work -- that controlling the money supply is a major key to economic health -- was embraced widely across the political spectrum.

His landmark 1962 work, "Capitalism and Freedom," listed common governmental activities in the United States and other Western societies that he considered unjustifiable under his economic principles. These included price supports for agriculture; restrictions on international trade; rent controls; legal minimum wage rates; detailed regulation of industries such as banking or transportation; control of radio and television by the Federal Communications Commission; Social Security (which he called a Ponzi scheme); licensing restrictions on any enterprise, occupation or profession; public housing programs; the military draft; the legal prohibition against carrying mail for profit; and publicly owned and operated toll roads.

"This list is far from comprehensive," Friedman added.

He was a hero to libertarians for advocating the legalization of drugs and prostitution and for promoting the idea of school choice. He also served on a presidential commission that urged Nixon in 1970 to end the military draft.

"No public-policy activity that I have ever engaged in has given me as much satisfaction," he wrote in "Two Lucky People," the 1998 memoir he wrote with his wife. The most dramatic moment, he wrote, was when Gen. William Westmoreland testified that he did not want to command an army of mercenaries. "I stopped him and said, 'General, would you rather command an army of slaves. . . . If they are mercenaries, then I, sir, am a mercenary professor, and you, sir, are a mercenary general, and we are served by mercenary physicians, we use a mercenary lawyer and we get our meat from a mercenary butcher.' "

Milton Friedman was born in Brooklyn, N.Y., on July 31, 1912, the son of Jewish Austro-Hungarian immigrants. He grew up in nearby Rahway, N.J., where his parents ran a garment shop, a dry goods store and an ice cream parlor.

Friedman enrolled in Rutgers University and worked as a waiter, department store clerk and tutor. He started small businesses selling clothes and secondhand books.

After graduating in 1932, he moved to the University of Chicago, where he earned a master's degree in economics in 1933. That's also where he met and later married Rose Director Friedman, his wife of 68 years, who is also an economist and with whom he wrote many books. They had two children, who survive him.

Later, Friedman became a federal employee with the National Resources Committee, a New Deal agency of the kind that he would later criticize so fervently. Part of his work there and at other agencies involved designing the federal withholding tax system.

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He received a doctoral degree in economics from Columbia University in 1946 and joined the University of Chicago, where he became known as the leader of the Chicago School of free-market economists. As a believer in the principles espoused by 18th-century economist Adam Smith, Friedman argued vigorously that economic freedom was necessary for political freedom.

Upon retiring in 1977, he became a senior research fellow at Stanford University's Hoover Institution.

The idea of the world's foremost laissez-faire economist living in one of the nation's most liberal cities struck many as unlikely. Asked why he chose San Francisco, he responded with his trademark wit, "Not much competition here."

Influential Economist Milton Friedman Dies At Age 94 (USAT)

By Sue Kirchhoff

USA Today, November 17, 2006

WASHINGTON — Nobel Memorial Prize-winning economist Milton Friedman, an outspoken advocate of free markets and free choice, adviser to presidents and best-selling author, died Thursday at 94.

Often described as one of the most influential economists of the last century, Friedman died of heart failure in San Francisco.

“He had been a fixture in my life both professionally and personally for a half century. My world will not be the same,” said former Federal Reserve chairman Alan Greenspan.

Fed Chairman Ben Bernanke called him an economic scholar without peer.

Friedman was a leader of a school of thought that became known as the Chicago school of economics, named after the University of Chicago, where he was a professor. Friedman's work emphasized free markets and monetarism, which stresses the importance of the money supply in inflation and business cycles. He famously noted “inflation is always and everywhere a monetary phenomenon.” His work contrasted with John Maynard Keynes' advocacy of government intervention to manage the economy.

Friedman was instrumental, with 2006 Nobel Memorial winner Edmund Phelps, in promoting the view that there is not a sustainable long-run trade-off between inflation and unemployment.

Nariman Behravesh of Global Insight notes Friedman correctly predicted the rise of inflation in the 1960s and 1970s, which many others missed. His theories explained stagflation — high inflation and unemployment.

Friedman and co-author Anna Schwartz reshaped understanding of the Great Depression, illuminating the role played by misguided central bank policy.

Friedman wrote extensively on public policy, including a column in Newsweek magazine. Among his best-known popular works is Free to Choose, which became a best-selling non-fiction book in 1980. It was written with his wife, Rose Friedman, to accompany a 10-part public television series.

Friedman advocated greater school choice via vouchers. He was an opponent of the military draft and a force in ending conscription in 1973.

Friedman was a senior research fellow at Stanford University's Hoover Institution since 1977. He was a professor at the University of Chicago from 1946 to 1976, when he won the Nobel Memorial Prize in Economics.

Born in 1912, Friedman grew up the son of Eastern European immigrants in a working-class family in Rahway, N.J. Friedman paid his way through Rutgers University with a scholarship and a series of odd jobs. He considered majoring in math and becoming an actuary but turned to economics.

Friedman worked on tax policy in World War II, helping develop tax withholding (which he later wanted to abolish). He was briefly posted in Paris helping administer the Marshall Plan for rebuilding Europe, where he became interested in floating exchange rates.

Friedman advised conservative Arizona Sen. Barry Goldwater in his 1964 presidential run and later Presidents Nixon and Reagan and foreign leaders. In a 2002 tribute, President Bush noted that Friedman's free-market ideas have been adopted in many countries: “The rest of the world is finally catching up with Milton Friedman.”

Friedman received a bachelor of arts from Rutgers in 1932, a master's from the University of Chicago in 1933 and a Ph.D. from Columbia University in 1946.

In an autobiography, Friedman talked of meeting his wife, who survives him, while she was a “shy, withdrawn, lovely, and extremely bright fellow economics student” doing graduate work at the University of Chicago. They were married in 1938.

Friedman Debunked The Gospel Of Keynes (WP)

By Steven Pearlstein

The Washington Post, November 17, 2006

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One thing that baffles those of us with no training in economics is that two people who hold diametrically opposite views can both be held out as giants of their profession.

After all, if the great British economist John Maynard Keynes was right that government can smooth out the business cycle by stimulating and managing demand for goods and services through such mechanisms as public-works programs, deposit insurance and deficit spending, then how could Milton Friedman be right that the better approach is for government to cut taxes, curb regulation and focus on the supply of money in circulation?

Or how do we square Keynes's prescription that global finance can be stabilized through fixed exchange rates with Friedman's formula of floating exchange rates?

There is, of course, a political analogy to this conundrum. The same country reveres the memory of Franklin Roosevelt for pulling us out of the Great Depression while crediting Ronald Reagan with restoring the competitiveness of the American economy.

The dirty little secret is that there are few scientific truths in economics analogous to the laws of thermodynamics or genetics. Economics is a social science, not a physical one, in which people and systems are constantly adapting to changing conditions. The policies that may be good for one era may not be right for the next. And it is the truly great economists who spot the changing dynamics, acknowledge the inadequacy of the old prescriptions and are clever enough to come up with something better.

In this respect you can say that Milton Friedman, who died yesterday, was the greatest economist of our time. He was not simply the most influential economist since Keynes, but a worthy successor, building on Keynes's insights even as he discredited key aspects of Keynesian economic management.

In the 1950s, as socialism was gaining credence around the world and Keynesian thinking dominated economics textbooks, Friedman's skepticism about government management of the economy was viewed as nothing short of heresy. But by the mid-1970s, as the country was beset by stagnant growth and high inflation, it became clear the Keynesian model had played itself out. Suddenly, Friedman's ideas didn't look so kooky.

"I grew up in a Keynesian household," recalls Larry Summers, the former Treasury secretary and Harvard president whose mother and two uncles were respected economists. "And as an undergraduate, I was taught an economics that had demand but no supply." But in time, says Summers, it dawned on him and most others in the profession that Keynesian theory was not so much wrong as incomplete.

With his focus on the overall demand for goods and services in the economy, Keynes overlooked the importance of the supply of money in circulation. Friedman argued that controlling that supply was a better tool for managing the economy than taxation and spending policies.

Inflation, it turned out, wasn't as benign an antidote to unemployment as Keynes had thought, nor was there necessarily a trade-off between the two, as he presumed.

And many Keynesian policies meant to correct for very real imperfections in the marketplace turned out to have big imperfections of their own.

The intellectual roots of Friedman's "economic liberalism" run back to Adam Smith and Alfred Marshall, and were spun out at the University of Chicago with his pal George Stigler and intellectual superstars including Ronald Coase, Zvi Griliches, Gary Becker, Robert Lucas and Kevin Murphy. But even as the profession moved toward fancy mathematics and modeling, Friedman went the other way, constantly striving to connect theory with people and policy.

With his wife, Rose, he wrote a regular column for Newsweek, churned out books in simple English and produced a television series for PBS. And over the years, he provided a steady stream of influential advice to politicians and policymakers, beginning with Barry Goldwater and Richard Nixon, and extending through Ronald Reagan, Margaret Thatcher and Alan Greenspan.

Friedman wasn't always right. His dogmatic monetarism clouded his economic predictions during the 1980s and '90s, in part because of globalization and new financial instruments that made it difficult to measure the money supply, let alone control it. And after the success of the Greenspan era at the Federal Reserve, Friedman was forced to acknowledge that maybe humans could do a better job managing monetary policy than the computer he once recommended.

Friedman's abiding distrust of government action also blinded him to its successes. But it would be wrong to confuse his libertarian instincts with lack of human sympathy. He was an early proponent of the negative income tax, now known as the earned income tax credit -- which supplements the wages of millions of low-income workers. And while he opposed rent control, public education and Social Security, he promoted government vouchers to help people buy housing, education and medical care.

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Whether he was right or wrong, whether you agreed with him or not, it is certainly true, as Summers noted yesterday, that Friedman improved the quality of thinking in every debate he entered. The same might be said of his friend John Kenneth Galbraith, who was as energetic in defending the Keynesian view as Friedman was in discarding it -- and who also died this year.

Many of Friedman's ideas have become so fundamental to modern economic thinking, it's easy to forget how unconventional they once were. Federal Reserve Chairman Ben S. Bernanke put it nicely in 2003, at a conference organized by the Dallas Fed to celebrate Friedman's life and work.

"I am reminded," Bernanke said, "of the student first exposed to Shakespeare, who complained to the professor: 'I don't see what's so great about him. He was hardly original at all. All he did was string together a bunch of well-known quotations.'"

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Capitalism And Friedman (WSJ)

The Wall Street Journal, November 17, 2006

There are some public figures whose obituaries can be written years in advance. Milton Friedman was not one of them.

Arguably the greatest economist of the 20th century, he won his Nobel Prize 30 years ago. His classic "Capitalism and Freedom" was published 44 years ago. He died yesterday at the age of 94, but as the op-ed running nearby attests, he was active in writing about, thinking about and explaining how economics affects our world until the end.

In today's feature, he updates and re-examines conclusions he reached about the Great Depression in "A Monetary History of the United States, 1867-1960," a book published with Anna Schwartz 43 years ago. His thesis was that the Great Depression was not, as was once commonly presumed, a "market failure," but a failure of government policy. Contraction of the money supply in the wake of the stock-market crash of 1929 was what turned a financial event into an economic catastrophe.

This insight flowed from Professor Friedman's conviction that "money matters." As the Royal Academy of Sweden noted in announcing his 1976 Nobel, Friedman's was a lonely voice in arguing for the importance of the money supply in economics when he began writing about it in the 1950s.

By the late 1970s, stagflation -- the combination of high inflation and high unemployment -- had made it obvious that the then-dominant Keynesian model had some large holes. These included the effect of the money supply on inflation and the fact that inflation and employment did not move in lockstep as some of Keynes's disciples asserted. It was a seminal insight, creating what became known at the University of Chicago and elsewhere as the "monetarist school" and laying the intellectual basis for central bankers to break the great inflation of the 1970s.

In awarding its Nobel in 1976, the Royal Swedish Academy of Sciences cited his "achievements in the fields of consumption analysis, monetary history and theory, and for his demonstration of the complexity of stabilization policy." The citation covers a huge swath of economic thinking, and suggests both the range and the consistency of Professor Friedman's thought. In layman's terms, the Swedish Academy credited him with nothing less than shredding the Keynesian consensus.

First, he had shown that men are no fools. People spend money in accordance with their income expectations over the long-term, not in response to one-time "stimuli" from the government. This is known as the "permanent income" hypothesis, and it called into question Keynesian notions of how short-term stimulus affects the economy. In addition to his monetary insights, Mr. Friedman questioned the degree to which fiscal policy could be used to "fine-tune" the economy by adjusting spending, tax or monetary policy. Today we take for granted that all of these operate with a lag, but it was Milton Friedman who first highlighted the problem.

For all of his academic accomplishments, Professor Friedman's role as a popularizer of free-market principles was arguably more important. He wrote a column in Newsweek for 18 years starting in 1966, preaching the importance of economic freedom to a generation that had never heard such things in school. His 1980 book, "Free to Choose," was a best seller, and the videos that accompanied it were smuggled behind the Iron Curtain like seeds of revolution.

He was among the first to point to Hong Kong as a model of free-market success, a lesson that even today is remaking Communist China. And he first suggested educational vouchers to rescue failing public schools as long ago as 1955; in recent years, he established a foundation to support this idea that continues to advance despite ferocious opposition from unions and other entrenched interests.

This newspaper had the privilege of publishing Milton Friedman's articles on numerous occasions over the years. We've also disagreed with him from time to time, notably on exchange rates and drug legalization. These disputes always gave us cause to reflect, and 20 years ago amid one debate on the benefits of fixed exchange rates we noted that "being spanked by Milton Friedman is one of life's most humiliating experiences."

In truth, Professor Friedman always argued with civility and a bracing wit. One of his best barbs on the size of government: "Given our monstrous, overgrown government structure, any three letters chosen at random would probably designate an agency or part of a department that could be profitably abolished." And he popularized "There is no such thing as a free lunch."

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In "Two Lucky People," written with his wife, Rose Friedman, who survives him as a distinguished economist in her own right, Mr. Friedman well described the role of a public intellectual: "We do not influence the course of events by persuading people that we are right when we make what they regard as radical proposals. Rather, we exert influence by keeping options available when something has to be done at a time of crisis."

On the death of Ronald Reagan, whom he advised, Mr. Friedman wrote on these pages that "few people in human history have contributed more to the achievement of human freedom." The same can and long will be said of Milton Friedman.

Why Money Matters (WSJ)

By Milton Friedman

The Wall Street Journal, November 17, 2006

The third of three episodes in a major natural experiment in monetary policy that started more than 80 years ago is just now coming to an end. The experiment consists in observing the effect on the economy and the stock market of the monetary policies followed during, and after, three very similar periods of rapid economic growth in response to rapid technological change: to wit, the booms of the 1920s in the U.S., the '80s in Japan, and the '90s in the U.S.

The prosperous '20s in the U.S. were followed by the most severe economic contraction in its history. In our "Monetary History" (1963), Anna Schwartz and I attributed the severity of the contraction to a monetary policy that permitted the quantity of money to decline by one-third from 1929 to 1933. Since 1963, two episodes have occurred that are almost mirror images of the U.S. economy in the '20s: the '80s in Japan, and the '90s in the U.S. All three episodes were marked by a long period of rapid economic growth, sparked by rapid technological change and the emergence of new industries, and accompanied by a stock market boom that terminated in a crash. Monetary policy played a role in these booms, but only a supporting role. Technological change appears to have been the major player.

These three episodes provide the equivalent of a controlled experiment to test our hypothesis about what we termed the Great Contraction. In this experiment, the quantity of money is the counterpart of the experimenter's input. The performance of the economy and the level of the stock market are the counterpart of the experimenter's output, i.e., the variables whose relation to input the experimenter is seeking to determine. The three boom episodes all occurred in developed private enterprise market economies, involved in international finance and trade, and with similar monetary systems, including a central bank with power to control the quantity of money. This is the counterpart of the controlled conditions of the experimenter's laboratory.

The Money Supply: In addition, history has provided a close counterpart to the kind of variation in input that our hypothetical experimenter might have deliberately chosen. As Fig. 1 shows, monetary policy, as measured by the behavior of the quantity of money, was very similar in the three boom periods, and very different in the three post boom periods, with settings that might be described as low, medium, high.

To measure the quantity of money, I use M2 in the U.S. and the conceptually equivalent M2 plus certificates of deposit in Japan. To express the data for the two countries and the widely separated periods in comparable units, I use as an index of the money stock the ratio of the quantity of money to its average value for the six years prior to the cycle peak. The peak quarter of the relevant business cycle is the third quarter of 1929 (29.3) for the earlier U.S. episode; the first quarter of 1992 (92.1) for Japan; and the first quarter of 2001 (01.1) for the second U.S. episode (see Table 1). Finally, the data are plotted to align the dates at the cycle peak.

Fig. 1 shows a striking contrast between the period before the cycle peak and the period after the cycle peak. There are some differences before the peak -- money growth is slowest on the average for the earlier U.S. episode, fastest for Japan -- but the differences are small and there is reasonably steady money growth in all three episodes. The contrast with the period after the cycle peak could hardly be greater. Money supply declines sharply after the cycle peak in the first episode, goes from stable to rising mildly in the second, and rises steadily and sharply in the third. Our hypothetical experimenter planned his experiment well.

The GDP: The results of the third episode of this natural experiment are now all in. Fig. 2 shows how GDP in nominal terms (dollars or yen in current prices) behaved during the boom and post boom periods. I use nominal GDP rather than real GDP because M2 is also a nominal magnitude. How changes in nominal GDP are divided between prices and output is an important question but one that is not directly relevant to this experiment. One further preliminary comment: I believe the erratic behavior of nominal GNP during the '20s and '30s is largely a statistical artifact. The data for that period are scarce and of poor quality.

As in Fig. 1, there is a striking contrast between the boom and the post-boom periods: roughly similar growth during the booms, widely variable growth during the post-boom. Both before and after the cycle peak, nominal GDP growth paralleled monetary growth. During the boom, money and nominal GDP grew most rapidly in Japan, most slowly in the first U.S. episode, and at an intermediate rate in the second U.S. episode. Table 2 shows the ratio of the money stock at the cycle peak to its value

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six years earlier (the initial date in the figures) and the corresponding ratio for GDP. In the first two rows of the table, the ratios are highest for Japan, lowest for the U.S. 1920s.

After the cycle peak, money fell sharply in the first episode and so did nominal GDP; money growth stagnated in the second episode and so did GDP; money grew at a rapid rate in the third episode and, after a brief lag (corresponding to the mild 2001 recession) so did GDP. Table 3 shows the ratio of the money stock at the terminal date plotted to its value at the cyclical peak and the corresponding ratio for GDP. Both ratios are decidedly lowest for the U.S. 1920s, and decidedly highest for the U.S. 1990s.

The Stock Market: The peak of the stock market, as measured by S&P's index, coincided with the cycle peak in the first episode, both occurring in the third quarter of 1929 (29.3). However, that was not the case in the later episodes. In Japan, stock prices as measured by the Nikkei peaked in the fourth quarter of 1989 (89.4), nine quarters before the cycle peak. In the second U.S. episode, stock prices as measured by S&P 500 peaked in the third quarter of 2000 (00.3), two quarters prior to the cycle peak. Accordingly, Fig. 3 plots the data to align the series at the stock market peak.

The near identity of the three stock market series during the boom is truly remarkable. Yet even the minor deviations that exist reflect to some extent the differences in monetary growth, as Table 2 makes clear. Money growth was highest in Japan, and the Nikkei shows the largest rise in the stock market. The other two do not conform: Money rose more in the '90s than in the '20s, while stock prices rose slightly less, as shown by the ratio of peak to initial value in Table 2.

Of more interest for our purpose is what happened after the peak. For a year after, the three stock-price series fell in tandem, responding to the inner dynamics of a collapsing bubble. Then, the differences in monetary policy began to have an effect. Beginning in late 1930, the S&P index started falling away from the others under the influence of a collapsing money stock. For another year and a half, the other two indexes move in tandem. Then the much more expansive policy of the Fed in the '90s than of the Bank of Japan in the '80s takes effect and pulls the S&P 500 away from the Nikkei, which stabilizes in response to the passive monetary policy of the Bank of Japan (as shown by Table 3).

The results of this natural experiment are clear, at least for major ups and downs: What happens to the quantity of money has a determinative effect on what happens to national income and to stock prices. The results strongly support Anna Schwartz's and my 1963 conjecture about the role of monetary policy in the Great Contraction. They also support the view that monetary policy deserves much credit for the mildness of the recession that followed the collapse of the U.S. boom in late 2000.

Mr. Friedman, who died yesterday, was the 1976 Nobel Laureate in economics. He was a senior research fellow at the Hoover Institution and professor emeritus at the University of Chicago.

On To Vietnam, Bush Hears Echoes Of 1968 In Iraq 2006 (NYT)

By David E. Sanger

The New York Times, November 17, 2006

ABOARD AIR FORCE ONE, Friday, Nov. 17 — During the presidential campaign in 2000, George W. Bush, who served out the Vietnam War in the Texas Air National Guard, was asked whether he ever considered volunteering to fight when he graduated from Yale in 1968.

“Did I think about going to the Army post and saying ‘Send me to Vietnam?’ ” Mr. Bush asked, describing his own outlook in 1968. “Not really. I wanted to fly, and that was the adventure I was seeking.”

Thirty-eight years later, at age 60, Mr. Bush is finally arriving in Vietnam. On Friday he starts a 72-hour visit, linked to an annual Asian summit meeting that the Communist government in Vietnam is playing host to for the first time and that some White House officials concede is spectacularly poorly timed. Just as Lyndon B. Johnson did in 1968, Mr. Bush has ousted his longtime defense secretary and nominated a realist with “fresh eyes” to replace him. Just like President Johnson in 1968, he is conducting a broad rethinking of strategy, and is hearing options he does not like.

The White House insists that the comparisons stop there. His aides argue that the analogies between these two wars, conducted in different parts of the world, facing very different enemies, are mostly false ones.

The comparisons will nonetheless be the unavoidable subtext of Mr. Bush’s every move as he travels in Hanoi and then stops in the city that in his youth was known as Saigon, and that became the scene of an American military debacle. And he will have to convince his allies, ordinary Americans, and perhaps himself, that Iraq will end differently.

Until now, when asked what he had learned from Vietnam, Mr. Bush has almost reflexively reached for the same line: That he does not micromanage his generals, the way Mr. Johnson did. It is a response drawn from conservative orthodoxy about what went wrong in Vietnam, underlying an argument that had the generals been allowed to fight their way, the United States might have won.

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But he may feel compelled to say more after he lands in Hanoi. Mr. Bush will find himself inside government halls adorned with paintings of Ho Chi Minh. He will be talking about the future of Asia with Ho's Communist successors who, Washington once warned, could not be allowed to win under any circumstances.

He will be sleeping just a mile or so from the open-air equivalent to the Situation Room where Ho Chi Minh managed his generals, from a single telephone at the end of a conference table. (It is now part of a museum, but Mr. Bush's schedule reveals no plans to visit.) His motorcade will zip past the lake where John McCain was pulled to shore after bailing out, and Mr. Bush will have his picture taken with foreign leaders under the same skies where Operation Rolling Thunder, the bombing attack on North Vietnam's capital, tried to break the enemy's will.

With such emotional imagery to deal with, it is no surprise that Mr. Bush's national security team has spent an enormous amount of time drawing distinctions between the war that their generation grew up with, and the one that they ordered.

"Historical parallels of that kind are not very helpful, and I don't think they happen to be right," Secretary of State Condoleezza Rice told reporters the other day, in a tone she might have used for a Stanford graduate student whose thesis was not holding together. "This is a different set of circumstances, with different stakes for the United States."

Stephen J. Hadley, the president's national security adviser, struck a similar note last week when he suggested that the "domino effect" that Americans worried about in the 1960s and 70s — the fear that neighboring countries would fall to Communism's lures — was nothing compared with the problems today.

"There were discussions about dominoes, some which fell, some which didn't fall," he said, recalling the Vietnam debate that raged when he was a student at Cornell. But, he added, "Most men and women in America believe that it is important that we not fail in Iraq; that the consequences of an Iraq that descended into chaos would be an Iraq that would be a safe haven for terrorists."

Ultimately, he said, that "could result in 9/11-type attacks against the United States," a reach across the ocean that no one really harbored three decades ago.

In private, Mr. Bush says there is another big difference between then and now — the draft. There is little question that by signing up to be a pilot in the Texas Air National Guard, the risk was low that he would end up in Vietnam as a 23-year-old. But according to an academic called into the White House recently, Mr. Bush said, "We could never have sustained this effort in Iraq, politically," if there was not an all-volunteer force. He declined to be named because he was relaying a private conversation.

The argument that Vietnam is very different gets some backing from Stanley Karnow, the Vietnam historian. "There are differences and similarities, of course," he said. "We got lied into both wars."

But, he added, "The easy summation is that Vietnam began as a guerrilla war and escalated into an orthodox war — by the end we were fighting in big units. Iraq starts as a conventional war, and has degenerated into a guerrilla war. It has gone in an opposite direction. And it's much more difficult to deal with."

U.S. Seeks Korea Nuclear Step

HANOI, Nov. 16—The United States is working with China and other Asian nations to pressure North Korea to take a visible step toward dismantling its nuclear program before starting a new round of nuclear disarmament talks, American officials said Thursday.

Secretary of State Condoleezza Rice said that while she was hopeful that the talks — begun in 2003 — would restart in December, it was pointless to return to the bargaining table without a show of good faith from both sides. Speaking to reporters in Hanoi after meeting with some of her counterparts for the Asia Pacific Economic Cooperation meeting, Ms. Rice refused to expand on what those steps would be. But American officials, who spoke on the condition of anonymity because they were not authorized to speak publicly, said an acceptable move might be for North Korea to dismantle one of its nuclear facilities and readmit inspectors.

Comparisons With Vietnam Shadow Bush Trip (WT)

By Joseph Curl

The Washington Times, November 17, 2006

HANOI -- President Bush will focus on trade and worldwide crises like AIDS and bird flu during his eight-day trip to Southeast Asia, but the specter of the Vietnam War 30 years ago and comparisons to the U.S.-led war in Iraq have followed him to the Pacific Rim.

The president has repeatedly rejected comparisons between the two wars, even as Democratic critics complain that Iraq has become a "quagmire" like Vietnam, which U.S. forces abandoned in 1973 after the deaths of 58,000 American troops.

"I see differences, I really do," Mr. Bush insisted last week in a press conference. "I don't think it is a parallel."

Other top administration officials also say there is no likeness between the two conflicts.

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"This was a different set of circumstances with different stakes for the United States and a different kind of war," Secretary of State Condoleezza Rice said this week in Germany. And National Security Adviser Stephen J. Hadley said before the president departed this week on his trip that the two wars are different.

"I remember a debate about what would happen if the United States left Vietnam, and there were discussions about dominoes, some which fell, some of which didn't fall," he said. "But nobody, I think, felt that it would result in a clear and present danger to the territory of the United States."

Still, Democrats charge that the Bush administration has not learned the lessons from the Vietnam War, and some party leaders have directly compared the two wars. Sen. Edward M. Kennedy, Massachusetts Democrat, has called the Iraq war a "seemingly intractable quagmire ... with no end in sight," and others complain that there has never been an exit strategy -- a lesson that should have been learned from Vietnam.

There are, in some ways, comparisons worth noting. In nearly every speech he gives, the president insists that the war in Iraq is the central front in the war against terror and has warned that if the United States fails there, other nations in the Middle East could fall like dominoes.

"The enemy understands the stakes of what a free society will mean to their ambitions to spread their dark vision throughout the Middle East and then the world," he said during a campaign event before the Nov. 7 elections.

The construction mirrors the premise that led the United States into Vietnam in the 1960s: that Southeast nations near Vietnam would fall into communist hands if the United States failed in its effort to help South Vietnam fight the North.

Critics say, however, that the "domino theory" proved false.

"We thought the sky would fall in the '70s, too, and it didn't," said Michael O'Hanlon, a foreign-policy scholar at the Brookings Institution who is part of the independent, bipartisan Iraq Study Group. He also said there are several other parallels between the two wars, including an insurgency that has established "a self-sustaining momentum that is very hard to overcome" and a weak allied government.

Vietnam scholar Robert K. Brigham, a Vassar College history professor, asserts that the parallels between the two wars are unmistakable. In both wars, superior U.S. firepower did not translate into victory, nation-building became ever more difficult with the passage of time, and public support waned after years of war.

"In going to war in Iraq, the George W. Bush administration has purposefully turned its back on the lessons of Vietnam," Mr. Brigham writes in his new book, "Is Iraq Another Vietnam?" "That the United States is not omnipotent is an important lesson Americans learned in the mangrove swamps and highlands of Vietnam. It is one the United States is (re)learning in Iraq as well."

But Pham Viet. Anh does not agree that the Iraq war is like the Vietnam War.

"I think it is different. The Vietnam War was between South Vietnam and North Vietnam, not a war between Vietnam and the United States," the 24-year-old magazine reporter said outside Hanoi's grand Temple of Literature.

But the reminders are everywhere. Near the center of the city is Truc Bach lake, where then-Lt. Cmdr. John McCain, now a Republican senator from Arizona and a likely presidential candidate in 2008, was captured after parachuting out of his damaged warplane to spend more than five years as a prisoner of war. Statues of Ho Chi Minh, the victorious North's revolutionary communist leader, are everywhere, and thousands flock to his mausoleum each year to see his body. One of the capital's trendiest nightspots is the disco Apocalypse Now, named after one of the most famous movies made about the war.

The president will add to the reminders this weekend when he tours the Joint POW-MIA Accounting Command, where he will be briefed on efforts to locate or account for all of the nearly 1,800 service members still missing from the Vietnam War.

· This article was based in part on wire service reports.

Bush Arrives In Vietnam For Trade Talks (LAT)

By James Gerstenzang

The Los Angeles Times, November 17, 2006

HANOI — Six years ago today, Bill Clinton became the first U.S. president to visit Hanoi and the first in more than three decades to visit Vietnam, closing a painful chapter in American diplomatic and military history.

When President Bush arrived today, he was shadowed by an issue that was politically difficult for him when he first ran for president, just as it was for Clinton: the question of military service during the Vietnam War. And there was new attention to an issue that is politically painful for him in 2006: whether the Iraq war is turning into a new generation's equivalent of the torturous Vietnam conflict.

Bush flew here this morning after a one-day stop in Singapore, where he warned North Korea not to spread its nuclear technology to nations or terrorist groups, and said the United States' partners in the region needed to recognize the threat that Pyongyang posed.

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The president, speaking to government leaders and students at the National University of Singapore, said, "America's position is clear: The transfer of nuclear weapons or materiel by North Korea to states or non-state entities would be considered a grave threat to the United States, and we would hold North Korea fully accountable for the consequences of such action.

"For the sake of peace, it is vital that the nations of this region send a message to North Korea that the proliferation of nuclear technology to hostile regimes or terrorist networks will not be tolerated."

The audience was silent during his address and applauded politely when he was done.

Bush said he was committed to liberalized trade rules, despite what he noted were "the old temptations of isolationism and protectionism" in the United States.

He said the creation of a free-trade agreement among the 21 nations of the Asia-Pacific Economic Cooperation forum, whose summit this weekend has brought Bush to Vietnam, "deserves serious consideration."

Bush's less-than-enthusiastic endorsement suggested he might be backing off a goal to which the Clinton administration had committed the United States.

Trade liberalization has met a resurgent skepticism in the United States and drew criticism in several congressional campaigns this fall.

In 1994, the economic forum, of which the U.S. is a member, called for "free and open trade and investment in the Asia-Pacific" by 2010 among developed nations, with developing nations following suit 10 years later.

A White House official said Bush still backed meeting the two deadlines, even though he used what the aide acknowledged was "softer" language to express the objective.

The summit is seen as Vietnam's debut on the world stage — as an economic engine in Southeast Asia and as a nation that has moved beyond the war. The communist government, however, still maintains strict one-party control, and dissidents say political freedom has yet to match the nation's economic progress.

Bush had hoped to win Congress' authorization normalizing trade relations with Vietnam before he arrived. But there were not enough votes this week to move the legislation through Congress.

Republican congressional leaders, who remain in charge during the lame-duck session, said they hoped to revisit the issue next month.

The question of whether Bush is leading the United States into a Vietnam-like quagmire in Iraq, which his critics increasingly argue is the case, has drawn sharp challenges from the president and his senior aides.

At a news conference the day after U.S. voters delivered what was largely interpreted as a rebuke to the president's Iraq policies, Bush said such an interpretation of the war was wrong.

He said that Iraq, "after the overthrow of the tyrant" Saddam Hussein, established a constitution and elected a unity government, "which is different from Vietnam" during and after the war. He said that the U.S. military was a volunteer force, not a draft-fed military, and that unlike in the Vietnam era, "the support for our troops is strong here in the United States."

"I don't think it is a parallel," he said.

Nevertheless, in the Iraq war, as was true in the Vietnam conflict, the population is divided, experts and politicians are split over whether the Pentagon should deploy more troops or be given a deadline to start pulling them out, and the mounting death toll of U.S. troops has brought a political backlash against the administration.

In Vietnam, Bush plans to focus more on current problems and not on the past, including the politically fraught question from his first presidential campaign that resurfaced in 2004: whether he used his father's clout to gain a coveted spot in the Texas Air National Guard to avoid being drafted at the height of the war.

On Saturday, Bush is scheduled to visit the U.S. military office in Hanoi, which is responsible for finding the remains of U.S. troops. It also investigates information about prisoners of war.

The United States has found no evidence that Americans are still being held as prisoners of war in Vietnam.

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Bush's Trade Talk Diverges From Dems' (USAT)

By David Jackson

USA Today, November 17, 2006

SINGAPORE — President Bush pressed familiar points in Asia on Thursday on trade and anti-terrorism policies, but Democrats are making it clear the political environment has changed back home.

A week after his Republican Party lost control of Congress, Bush told an audience here that the United States wants to expand trade in Asia and work to restrict the spread of nuclear weapons, particularly from North Korea.

“We must seize on our common opportunities,” Bush said at the National University of Singapore. “We must be willing to confront our common threats.”

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Bush noted that trade and nuclear proliferation are linked because technological advances that have helped expand trade also increase global threats. He warned that “irresponsible behavior by a few can have catastrophic consequences for the entire world.”

The president was to echo these themes today in Hanoi, Vietnam, where he is attending an economic summit of Asia-Pacific leaders. Bush, the fourth U.S. president to visit Vietnam, also will visit Communist Party headquarters for meetings with party leaders.

This weekend, Bush will meet with leaders from Russia, China, Japan and South Korea — all key to helping curb North Korea's nuclear hopes.

In Washington, Democrats preparing to take charge of Congress next year challenged Bush over his approaches to free trade and North Korea, as well as the war in Iraq.

“The next few months will be a time of great transition here in Congress and hopefully in American foreign policy,” Rep. Tom Lantos, D-Calif., said. Lantos will be the next chairman of the House International Relations Committee.

Lantos called for sending an American envoy directly to North Korea to negotiate a halt to its nuclear weapons program.

In his remarks, Bush again endorsed six-party talks that include China, Russia, Japan and South Korea, saying the region must send North Korea the message that “proliferation of nuclear technology to hostile regimes or terrorist networks will not be tolerated.”

House Democrats dealt a blow to Bush's trade agenda Monday by blocking approval of normalized trade relations with Vietnam. Bush wanted the bill passed before today's trip to Hanoi, site of the annual Asia-Pacific Economic Cooperation (APEC) forum.

Expanded trade is the linchpin of Bush's Asia policy. He noted in his speech Thursday that the United States does more business across the Pacific than the Atlantic.

“We hear voices calling for us to retreat from the world and close our doors,” Bush said. “These are the old temptations of isolationism and protectionism, and America must reject them.”

Bush called for U.S.-Asian cooperation on the environment, alternative energy sources and infectious diseases such as HIV, AIDS and avian flu.

Elizabeth Economy, director for Asia studies at the Council on Foreign Relations, said Bush's hopes for Asia are threatened by other problems such as Iraq.

“Even without the congressional defeat, U.S. influence and prestige have been seriously diminished by concern over Iraq and the state of the U.S. economy,” she said.

Differing views could be found in Singapore, where international trade is reflected in miles of upscale shopping malls along the commercial strip on Orchard Road and food carts along the river.

Liu Chong Sin lamented Bush's “aggressiveness” while browsing in one of the many symbols of American capitalism, a Borders bookstore.

“He's caused a lot of trouble for the whole world, I believe,” he said, citing the Iraq war and tensions with North Korea. Liu hopes pressure from the new Democratic Congress will “change” Bush.

Shi Yin, after shopping in one of the high-end boutiques on Orchard Road, said terrorists threaten prosperity everywhere, and Bush is right to confront them in Iraq and elsewhere because “there are times you need to be tough.”

Bush Pushes Free Trade During Asia Trip (WSJ)

By Yochi J. Dreazen

The Wall Street Journal, November 17, 2006

SINGAPORE -- Kicking off an Asia swing overshadowed by political troubles at home and diplomatic disputes abroad, U.S. President George W. Bush fired back at newly empowered Democrats challenging his free-trade push.

North Korea's nuclear program also hangs over Mr. Bush's trip, his first since voters rebuked his Republican party at the polls last week. The president in his speech issued a stern warning to Pyongyang, vowing to hold it "fully accountable" for any transfer of nuclear-weapon technology to terrorist organizations.

On trade, the president urged Asian countries to work with the U.S. to rejuvenate a long-stalled round of global trade talks and endorsed the idea of a free-trade agreement with all 21 Pacific Rim members -- even as he felt compelled to rally support anew in his own government for such efforts.

"We hear voices calling for us to retreat from the world and close our doors to its opportunities," he told an audience at the National University of Singapore in his first major speech of the trip. "These are the old temptations of isolationism and protectionism, and America must reject them."

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Mr. Bush is bringing a range of objectives to his weeklong Asia trip, which will take him to Singapore, Vietnam and Indonesia. The centerpiece is a three-day stop in Hanoi for the Asia Pacific Economic Cooperation forum, where Mr. Bush is scheduled to sit down with a number of regional leaders, including Chinese President Hu Jintao on Sunday, to talk about trade, regional security and issues such as North Korea's nuclear program.

The trip comes at a sensitive moment for Mr. Bush, who has been weakened significantly by the Democrats' sweep of Congress. Russia and China have rebuffed White House efforts to pass a hard-hitting United Nations Security Council resolution designed to force Iran to rein in its nuclear program. The administration's handling of Iraq has also come under mounting criticism in the U.S., where members of both major political parties are hoping that a bipartisan Iraq panel headed by former Secretary of State James Baker can find a way out of the seemingly intractable mess there.

Lawmakers sent Mr. Bush off to Asia on a sour note by failing to pass legislation lifting Cold War-era economic restrictions on Vietnam and granting the country the same benefits as other U.S. trading partners in the World Trade Organization. Mr. Bush had hoped to arrive in Vietnam with the measure in place, but the administration now acknowledges that the measure won't come to another vote until December at the earliest.

More broadly, the Democratic takeovers of the House and Senate seem likely to force Mr. Bush to significantly curtail, if not abandon, his global free-trade ambitions. Many of the newly elected Democratic lawmakers campaigned on protectionist platforms, and their criticism of Mr. Bush's free-trade agenda is certain to imperil a raft of impending trade deals. Democrats are already gearing up to prevent the administration from keeping its authority to negotiate trade deals with other countries without congressional input. That issue will come to a vote next year.

Mr. Bush seemed tired during his speech, which contained no new policy proposals and none of the soaring rhetoric that has often been a hallmark of his public remarks. The auditorium where he delivered the speech was far from full, and several of the waiters who had set up food and drinks outside the hall said they were drafted at the last minute to help fill in several of the back rows of the room.

The president reserved his harshest language for North Korea, which sparked global outrage by successfully detonating a nuclear bomb last month. Mr. Bush said that the potential spread of weapons of mass destruction to terrorist groups was "the greatest danger in our world today." He added: "America's position is clear: The transfer of nuclear weapons or material by North Korea to states or nonstate entities would be considered a grave threat to the United States, and we would hold North Korea fully accountable for the consequences of such action."

Mr. Bush alternated the tough talk with conciliatory language, praising North Korea for agreeing to return to the so-called six-party talks that also include Japan, China, South Korea and Russia. The president said the U.S. would be willing to give North Korea security assurances and economic aid if it abandoned its nuclear program.

Write to Yochi J. Dreazen at yochi.dreazen@wsj.com2

Bush Cautiously Backs Pacific Rim Free Trade (WP)

By Michael A. Fletcher

The Washington Post, November 17, 2006

SINGAPORE, Nov. 16 -- President Bush reassured Pacific Rim leaders Thursday that the United States stands squarely behind efforts to liberalize trade with the region, and he promised to continue pressuring North Korea to abandon its nuclear weapons program.

On the eve of an economic summit in Vietnam, Bush voiced tentative support for a free-trade agreement covering all 21 member states of the Asia-Pacific Economic Cooperation forum, saying during a speech here that the idea deserves "serious consideration."

In addition, the president again warned North Korea that the United States would consider it a "grave threat" and would hold North Korea responsible if it transfers nuclear bomb technology to another country or to a terrorist organization. He said North Korea should take "concrete steps" to end its nuclear program, and he called on other Asian countries to send the same message to Pyongyang.

North Korea agreed last month to resume talks with five other nations on ending its nuclear weapons program, just three weeks after conducting its first nuclear weapons test. Diplomats hope talks among the two Koreas, China, Japan, Russia and the United States will take place by the end of the year, but no date has been fixed.

In comments to reporters at the APEC meeting in Hanoi, Secretary of State Condoleezza Rice said there was deep skepticism among the group's members that North Korea actually intended to abandon its nuclear weapons. [Bush landed in Hanoi on Friday morning, the Associated Press reported.]

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Asked if she would favor delaying talks until she was certain North Korea would take steps to show its commitment, Rice said: "I don't think it makes sense for us to have talks unless we think that it's going to be fruitful. It certainly doesn't make sense just to go back to talk."

In his speech at the National University of Singapore, Bush also called on North Korea to take demonstrable action to show it is willing to end its weapons program. "Pyongyang must show it's serious . . . by taking concrete steps to implement its agreement to give up its nuclear weapons and weapons program," he said.

Bush added that if North Korea did so, the United States and other nations involved in the six-party talks would provide it with economic help, security assurances and other benefits.

Bush's visit to Southeast Asia comes on the heels of elections in which Democrats won majorities in both chambers of Congress, an outcome widely seen as a repudiation of the president's leadership.

Some analysts have said many nations in Southeast Asia, which have a generally warm view of Bush, see the United States as a pillar of stability in a region where Communist-run China is the dominant force.

With Bush weakened politically, they say, many leaders in this economically booming region doubt his power to deliver on his trade liberalization and other promises.

Bush suffered a disappointment this week when the House of Representatives failed to approve a measure to establish permanent normal trade relations with Vietnam. Bush had expressed hope that Congress would approve the measure before his trip to Hanoi, but House leaders now say they will not try again to pass the bill until next month.

Passage of the bill is needed for U.S. firms to take advantage of the low tariffs Vietnam will enact as a result of its recent membership in the World Trade Organization, and its failure to pass was viewed as a disappointment by the Vietnamese government.

In his address previewing issues he plans to emphasize during his week-long trip, Bush said the United States is serious about helping the region meet the challenges that could undermine its recent record of explosive economic growth. He cited efforts to develop alternative energy sources, fight pandemic diseases such as AIDS and avian flu, and combat terrorism.

Pointing out that the United States does more trade across the Pacific Ocean than across the Atlantic, Bush said he wants his administration to remain deeply involved in the region.

Before his speech, the president met with Singapore's prime minister, Lee Hsien Loong. Accompanied by his wife, Laura, he also visited the Asian Civilizations Museum, where the two listened to a performance of Asian fusion music.

Bush briefly tried his hand at the saron, an instrument similar to a xylophone, tapping out a passable rhythm with a rubber mallet.

The president is scheduled to stay three nights in Vietnam, then visit Indonesia and Honolulu before returning to Washington on Tuesday.

Bush Warns N. Korea On Nuclear Transfers (AP-Y)

By Terence Hunt, Ap White House Correspondent

AP, November 17, 2006

Hurt by election losses back home, President Bush tried to exert his authority on the world stage Thursday by warning a nuclear-armed North Korea against peddling its weapons and vowing the United States would not retreat into isolationism.

Bush's declaration came on the eve of his arrival in Vietnam for a summit of Asia-Pacific leaders and individual meetings with a handful of them — all curious about whether election setbacks had unsettled him. Striking moments for Bush in Hanoi will include a visit Friday to Communist Party headquarters for talks with the party's general secretary.

Bush directly challenged newly empowered Democrats in the U.S. who are demanding a fresh course in Iraq and are fearful that free-trade agreements could cost American jobs.

"We hear voices calling for us to retreat from the world and close our doors to these opportunities," the president said in a speech at the National University of Singapore. "These are the old temptations of isolationism and protectionism, and America must reject them."

Bush will turn to personal diplomacy in meetings Saturday and Sunday with Russia's Vladimir Putin, China's Hu Jintao, Japan's Shinzo Abe and South Korea's Roh Moo-hyun. All are partners with the United States in talks aimed at persuading a defiant North Korea to abandon its nuclear weapons.

While North Korea's recent nuclear test has been widely condemned, the 21 members of the Asia-Pacific Economic Cooperation forum appeared divided over what to say publicly.

Meanwhile, Secretary of State Condoleezza Rice, who went to Hanoi a day ahead of the president seeking a consensus, said Thursday that North Korea must come to new disarmament talks ready to deal — or there is no point in holding such a session.

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"I do think that after having set off a nuclear test that the North Koreans need to do something to demonstrate that they actually are committed to denuclearization that goes beyond words," Rice said. "Because after having set off a nuclear test, there's some skepticism about that."

Bush said the transfer of nuclear weapons or material by North Korea to others would be "a grave threat to the United States and we would hold North Korea fully accountable for the consequences of such action."

"For the sake of peace," he said, "it is vital that the nations of this region send a message to North Korea that the proliferation of nuclear technology to hostile regimes or terrorist networks will not be tolerated."

Bush's visit to the one-time wartime capital of Hanoi brought inevitable comparisons between Iraq and the divisive war fought and lost in Vietnam more than three decades ago. Like Vietnam, the United States faces a determined insurgency in Iraq; both wars have demonstrated the limits of U.S. power.

"Historic parallels of that kind are, I think, not very helpful and I don't think they happen to be right," Rice told reporters on the way to Vietnam. "This is a different set of circumstances with different stakes for the United States in a different kind of war."

Bush is the fourth U.S. president to visit Vietnam, where communist forces prevailed over the United States in a conflict that claimed more than 58,000 American lives. The others were Lyndon Johnson, Richard Nixon and Bill Clinton.

Bush's message in Asia was clear: The United States has been influential there for more than six decades and isn't about to pull back now. Many nations in the region are nervous about the rise of China and how Washington will react.

Despite Bush's tough talk, he was unable to deliver a promised agreement to normalize trade with Vietnam. The accord was held up by a House still in Republican hands, sending a bad signal across Asia about Bush's clout and the future of trade-liberalizing bills in the Democratic Congress taking power in January.

"In this new century," Bush said, "America will remain engaged in Asia, because our interests depend on the expansion of freedom and opportunity in this region."

He said the United States sees its role in Asia, a region with a history of colonialism, as one of "partnership, not paternalism."

In Singapore, the president met with Prime Minister Lee Hsien Loong. He paid a courtesy call on acting President J.Y. Pillay and lauded Singapore's success at integrating its many ethnicities and religions by visiting its Asian Civilisations Museum.

Lee, who often has advised Bush on how to improve the U.S. image, particularly in the Muslim world, seemed pleased with the president's focus. "Singapore is very happy that America has a stake in the region, and is growing the stake in the region," Lee said.

With another foreign-policy priority pending on Capitol Hill — a civilian nuclear pact with India — Bush spoke by telephone from Singapore with Indian Prime Minister Manmohan Singh. The agreement has been approved by the House, and Bush told Singh that Republican Senate leaders have assured him they will act soon.

Bush, In Asia, Makes Appeal On North Korea (NYT)

By David E. Sanger And Helene Cooper

The New York Times, November 17, 2006

SINGAPORE, Nov. 16 — President Bush opened a five-day tour of Asia today with a warning that North Korea poses a significant risk of selling its nuclear technology or bomb-grade nuclear fuel to other nations or to terror groups. Mr. Bush urged Asian nations to enforce United Nations sanctions against North Korea.

Meanwhile, American officials in Hanoi, where foreign ministers gathered today before the opening of the Asia-Pacific Economic Cooperation meeting on Friday, said that the United States is working with China and other Asian allies to press North Korea to take a visible step towards dismantling its nuclear program.

Secretary of State Condoleezza Rice, speaking with reporters in Hanoi, said that the coming resumption of long-running six-way talks with North Korea over its nuclear program would be pointless without shows of good faith from both sides.

Together, the statements by Mr. Bush and Ms. Rice suggest how much the issue of North Korea's newly acquired nuclear-power status is likely to dominate the APEC meeting, which usually focuses on trade issues.

Speaking at the National University of Singapore, Mr. Bush warned the North Korean government against aiding other nations, particularly in the Middle East, in their pursuit of nuclear weapons. He said there would be unspecified "grave consequences" if North Korea was ever caught shipping nuclear technology or weaponry abroad.

"The transfer of nuclear weapons or material by North Korea to states or non-state entities would be considered a grave threat to the United States, and we would hold North Korea fully accountable for the consequences of such action," Mr. Bush said. "For the sake of peace, it is vital that the nations of this region send a message to North Korea that the proliferation of nuclear technology to hostile regimes or terrorist networks will not be tolerated."

Mr. Bush did not directly mention Iran, but that was clearly the potential customer he had in mind.

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Other senior administration officials have said in recent months that they are looking for evidence that North Korea is seeking to expand its dealings with Iran beyond the sale of missile technology. In a recent interview, Ms. Rice said that she had seen no such evidence that the two countries have cooperated in the nuclear arena.

Mr. Bush also sought to reassure American allies and trading partners that the United States was not on the retreat in the Pacific, just as China is rapidly expanding its influence throughout the region.

"In this new century, America will remain engaged in Asia, because our interests depend on the expansion of freedom and opportunity in this region," Mr. Bush said. "We hear voices calling for us to retreat from the world and close our doors to these opportunities. These are the old temptations of isolationism and protectionism, and America must reject them."

In these comments Mr. Bush appeared to be addressing members of his own Republican party who helped kill a deal that would have given control over several American seaport terminal operations to DP World, a company based in Dubai.

Many Republicans have also expressed reservations about free-trade agreements, even as the Bush administration has been pushing to revive stalled global trade talks.

In Hanoi, speaking after a breakfast meeting with some of her counterparts, Ms. Rice refused to say specifically what steps the United States and China are urging North Korea to take before the six-nation talks on its nuclear program resume, saying she did not want to negotiate in the press.

But other American officials said that the steps she had in mind could include the dismantling of one of the North's many nuclear facilities and the readmission of international inspectors.

The officials said they would like to see the dismantling begin with a facility like North Korea's five-megawatt reactor, which is continuing to produce nuclear fuel, or its plutonium reprocessing center, where spent reactor fuel can be turned into material for weapons.

"I do think that after setting off a nuclear test, the North Koreans need to do something to show they're committed to denuclearization that goes beyond words and just saying that they're committed to denuclearization," Ms. Rice said, "because after having set off a nuclear test, I think there's some skepticism about that."

Ms. Rice acknowledged that the United States will have to give a little to get a little. "There are principles on both sides, on denuclearization, and on movement toward the easing of tensions in economic and other relations" she said. "So I think, obviously, people will want to look at both."

But the main topic on the minds of American officials was on how to put enough pressure on the regime in Pyongyang to get real results out of the next round of negotiations.

That has been the rub in the disarmament talks, which have dragged on fitfully and inconclusively for several years before North Korea started boycotting them more than a year ago, angry over newly imposed American financial sanctions. Two weeks ago, China announced that the six-nation talks, which als include Russia, Japan and South Korea, would reconvene soon; American officials said at the time that the next meeting was likely in November or December.

But Kim Jong-il, the North Korean leader, is now known to have accelerated his pursuit of nuclear weapons even while his envoys participated in earlier rounds of talks. .Some analysts suspect that he has agreed to resume the talks now simply to forestall tough enforcement of the international sanctions prompted by Pyongyang's nuclear test and recent missile tests, and to persuade China and South Korea to ease his government's growing economic woes.

In fact, earlier this week, South Korea said it would not join a United States-led effort to intercept North Korean ships suspected of carrying unconventional weapons or related cargo. Even after the nuclear test, the government in Seoul has continued to hew to its policy of avoiding confrontation with the North.

Asked about that policy in Hanoi, Ms. Rice refused to publicly criticize South Korea. "Their context is different," she said, later adding that she did not have "any doubt that they are committed, and know they have to stay committed."

Privately, though, American officials have expressed frustration with South Korea, and say they are well aware of growing skepticism about whether the talks will succeed.

"The issue is, we really need this next round to be successful" and yield concrete results, one senior United States official said. "We can't emerge saying we set up a working group."

Given that friction, a face-to-face encounter between Mr. Bush and President Roh Moo-hyun of South Korea at the APEC meeting may well turn testy. Mr. Roh has been vocal in criticizing what he has called a one-sided American approach to North Korea.

American officials say that Mr. Roh told them in Washington before the nuclear test that a detonation by the North would "change everything" in inter-Korean relations. But now that it has happened, one of Mr. Bush's senior national security aides said in Washington before the president left, "It seems to have changed almost nothing."

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Mr. Bush arrived this morning here in Singapore, one of Asia's most prosperous corners, and spent the day sightseeing and meeting with local leaders, including Singapore's prime minister, Lee Hsien Loong. The president's visit is seen as a gauge of whether his influence has been diminished by his party's sweeping defeat in the midterm elections last week.

Stopping over in Moscow Wednesday while his aircraft refueled, Mr. Bush and his wife, Laura, had a 90-minute visit with President Vladimir V. Putin, which the White House described as largely social.

But it included some exchanges about whether Russia would support a United Nations Security Council draft resolution imposing sanctions on Iran for its continued defiance regarding its nuclear program.

On the way here, Mr. Bush's national security adviser, Stephen Hadley, acknowledged that the two countries were still far apart on such sanctions.

"The issue is just what should be in the resolution," Mr. Hadley said after talking to his counterpart, Igor Ivanoff, in Moscow. "It's a little bit like sausage making — it's not pretty, and a lot of it spills out into the public. But I think the international community has held together on this issue, and I think we will again."

Russia has deep economic ties to Iran's nuclear power program: it is the supplier of nuclear reactors that are now under construction there. And Russia has expressed reluctance to impose sanctions, saying they would undercut efforts to reach a negotiated settlement. Bush administration officials make little secret of their frustration that Iran is still enriching uranium as the year draws to a close.

Asked about seeking Iran's help with ending violence in Iraq while pressing it at the same time on the nuclear issue, Mr. Hadley said the administration had no intention of easing up on one to win Iran's help on the other. "There's not a tradeoff between the two," he said. "Iran ought to have an interest in having a unified and stable Iraq."

In Moscow, the Kremlin's spokesman, Dmitry Peskov, described the meeting of the presidents and their wives as brief but "very positive." He said that among the subjects they took up was an agreement, already announced, for Russia to enter the World Trade Organization. When Mr. Bush travels to Hanoi on Friday, he will face a more difficult trade issue: Congress balked at final passage of a bill that would normalize trade relations with Vietnam.

Mr. Bush had hoped to have that bill approved and ready to bring with him; instead, Mr Hadley said, he will tell the Vietnamese that he believed the problems in Congress over the matter — some with Bush's own Republican allies — will soon be resolved.

Vietnam Rolls Out Red Carpet For Bush (FT)

By Amy Kazmin And Caroline Daniel

Financial Times, November 17, 2006

Vietnam's communist rulers will on Friday suppress their irritation at the US rejection of a trade bill and roll out a red carpet for President George W. Bush. They are keen to deepen a relationship crucial to their country's future prosperity.

But the second US presidential visit since the end of the Vietnam war has spawned little of the public enthusiasm generated by Bill Clinton's ground-breaking trip six years ago.

As a Hanoi National University student at the time, Huy, now a 28-year-old IT professional, was thrilled to be among several hundred students invited to hear the then US president speak.

But as he sipped espresso and surfed the internet at a Hanoi café on Thursday night, Mr Huy expressed indifference towards Friday's arrival of Mr Bush. Initially describing his opinions as "too sensitive" to share, Mr Huy, who asked that his full name not be used, admitted he was unhappy with Mr Bush's decision to go to war in Iraq. "He is fighting so many countries," he said. "In the past, we were fighting so much, so we like peace. We hate war."

Such lukewarm sentiment towards the White House's current occupant seems widely shared on the streets of Hanoi, where questions about Mr Bush's visit are met with platitudes, rather than genuine enthusiasm. "We welcome Mr Bush as our visitor," said a young employee of a securities company, before acknowledging, "I liked Mr Clinton so much more."

The apathy over the visit does stem in part from a visceral antipathy towards the US military intervention in Iraq. Yet the striking change in attitude also reflects Vietnam's economic progress – and rising self-confidence – since euphoric Vietnamese lined the roads to welcome Mr Clinton, a gesture of an overwhelming desire to bury past enmity once and for all.

"It's comparing apples and oranges," said Adam Sitkoff, a former Clinton staffer, now executive director of the American Chambers of Commerce in Hanoi. "The Clinton visit was the first post-war visit by a US president, and it was back at a time when Vietnam hadn't integrated into the world economy as much.

"George Bush is coming here to see a Vietnam that is now a friendly country of the US, and that has normalised relations with the US," he said. "The types of discussions he is going to have here are very different than the types of discussions Mr Clinton had here."

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Mr Bush's schedule – devoted primarily to meeting other leaders attending the Asia-Pacific Economic Co-operation forum summit – also suggests the administration sees little symbolism in the visit.

While a US administration official said Mr Bush did hope to "open a new chapter in US-Vietnam relations", the failure of the US House of Representatives to approve a bill to normalise trade relations with Vietnam permanently has cast a symbolic shadow over the visit, and raised the prospect that Hanoi will join the World Trade Organisation with US companies unable to take full advantage of its market opening.

Still, Hanoi is keen to strengthen further its relationship with Washington, which is better than ever before. Although two-way trade is now at $9bn (€7bn, £4.8bn) – making the US Vietnam's largest trading partner – "the potential re-mains huge between the two countries," Nguyen Tang Dung, the Vietnamese premier, said. "It is the consistent policy of the government of Vietnam to move forward, and push relations with the Americans."

Washington, too, is also keen to explore how to further links with a country strategically located on China's southern border, despite its concerns about the communist-ruled country's lack of political freedom and human rights violations.

Hanoi has sought to address some of Washington's preoccupations, particularly on religious freedom, leading to its removal this week from Washington's list of countries that repress religious worship.

Hanoi and Washington have also recently begun tentative military-to-military co-operation – with US warships docking at Vietnamese ports and senior Vietnamese military officers going to the US for study and training. "There is, I think, overall a very good sense that Vietnam is moving on the right path, that we ought to be engaged on it," said Derek Mitchell, a senior fellow in international security at the Center for Strategic and International Studies.

Yet the administration is torn over how far to pursue the ties, given what Washington sees as a clash over some key values. As Mr Mitchell puts it: "There is a debate within the administration, of course, of how strategic can Vietnam be, given it is 'communist Vietnam'."

Seoul Backs UN Vote Attacking N Korea (FT)

By Anna Fifield

Financial Times, November 17, 2006

South Korea on Thursday said it would vote in favour of a United Nations resolution condemning North Korea for its human rights record, an about-face from its traditional practice of avoiding antagonising its neighbour.

The shift comes as Ban Ki-moon, the former foreign minister, prepares to take over the running of the UN, a move that has contributed to Seoul's realisation that it cannot stay silent about what it sees as one of the world's worst human rights situations.

The General Assembly was expected to vote late on Thursday on the resolution drafted by the European Union, the US, and Japan that urges Pyongyang to "fully respect all human rights and fundamental freedoms, and expend its full co-operation to the [UN's] special rapporteur" on North Korean human rights.

South Korea's foreign ministry said: "The government has decided to approve the resolution, and expects the decision to make contributions to the improvement of human rights as a universal value and serve as a stepping stone to facilitate concrete dialogue and co-operation between North Korea and the international community in the field of human rights, which is needed more urgently after the nuclear test."

Song Min-soon, the incoming foreign minister, said on Thursday that the nuclear test and missile launches contributed to the change in position. Meanwhile, Kim Jang-soo, the incoming defence minister, said that "North Korea is a direct threat", according to the Associated Press.

Seoul abstained from three previous UN votes on North Korean human rights to avoid jeopardising its attempts to foster closer economic and political ties with its neighbour, a pattern that irked many in the EU and the US who have been pushing for international condemnation of Pyongyang's rights record.

The development comes amid public dissatisfaction with the government's "sunshine policy" of engagement after last month's nuclear test and increasing divisions among policymakers over how to respond.

Officials in the foreign ministry are understood to be promoting taking a tougher line on human rights but to be encouraging the resumption of humanitarian aid suspended after the July missile launches.

US Panel Seeks Broader Sanctions Against China (AFP)

By P. Parameswaran

AFP, November 17, 2006

A US Congress-appointed panel sought broader sanctions against Chinese firms proliferating unconventional weapons and wanted Beijing to inspect ships plying to or from nuclear-armed North Korea's ports.

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The United States-China Economic and Security Review Commission said in its annual report that current sanctions against Chinese companies that proliferate equipment and technology related to weapons of mass destruction should be "broadened and harmonized for increased effectiveness."

The 12-member bipartisan panel wanted Congress to urge the government "to seek agreement with China to carry out inspections at sea of ships bound to or from North Korean ports, and establish a US-China joint operation to inspect for contraband shipping containers" to or from the Stalinist state.

They were among 44 recommendations in the commission's 234-page report to Congress. It was written after eight hearings this year and a flurry of meetings, including with US defense and Chinese government and Communist Party officials and scholars.

Noting that China had contributed at least indirectly to North Korea's nuclear weapons program and aided Iran's atomic activities, the commission warned that "Chinese proliferation threatens US security and potentially could place at risk US troops" operating in East Asia and the Middle East.

In June, the United States imposed sanctions on four Chinese companies linked to providing support for Iran's Aerospace Industries Organization, a key actor in developing Iran's missile program.

All of the firms had been sanctioned previously under US laws.

"Chinese companies and government organizations continue to proliferate weapons, weapons components and weapons technology," the report said.

"Some of these transfers violate China's international nonproliferation agreements, harm regional security in East Asia and the Middle East, and are a measure of China's failure to meet the threshold test of international responsibility in the area of nonproliferation," it said.

Following UN Security Council sanctions in October against North Korea for a nuclear weapons test, China said it would not be involved in interdicting North Korean ships on the open seas, but did agree to inspect cargo passing through its territory.

Washington has acknowledged that China has begun inspecting trucks traveling across China's border to North Korea.

The commission's chairman, Larry Wortzel, in releasing its report Thursday, said that "while China is a global actor, its sense of responsibility has not kept up with its expanding power."

As the world moved to address problems such as proliferation of ballistic missile technology and weapons of mass destruction, "the Chinese government has, at the least, stood in the way, and in some cases actively contributed to the underlying problems," said commission vice chairman Carolyn Bartholomew.

The commission urged Congress to instruct the US government to insist that China take "more significant measures" to denuclearize the Korean peninsula and counter North Korean proliferation activities.

China is the major source of aid and trade for impoverished North Korea.

The commission also asked the US director of national intelligence to establish a more effective program for assessing the implications of China's military modernization and development.

The report said that notwithstanding China's "commendable efforts" to persuade North Korea to remain involved in multilateral talks aimed at ending Pyongyang's nuclear weapons program, Beijing has "refused to use its leverage effectively."

It said that China also had refused to cooperate in efforts by a number of nations to persuade or force Iran to halt its military nuclear program.

Attach Conditions To U.S.-Vietnam Trade (USAT)

By Aimee Phan

USA Today, November 17, 2006

For many Vietnamese-Americans, a trial last week in Vietnam was their worst nightmare realized.

Three Vietnamese-Americans were convicted on terrorism charges last Friday. Along with four Vietnamese nationals, they were found guilty of plotting to use radio equipment to call for a public insurgency against the Communist regime. The defendants were accused of having ties with the Government of Free Vietnam, which Hanoi regards as a terrorist organization. According to its website, the California-based pro-democracy group claims to advocate peaceful protest against the current regime.

What does the verdict say to other Vietnamese-Americans, many of whom have returned on occasion to visit their homeland? It says that should they return again to Vietnam, even for a visit, that they remain vulnerable to the whims of the Communist regime.

The defendants were sentenced to 15 months with 14 months time served. One of the American citizens has already been deported to the USA; the nationals will remain under house arrest.

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The trial's timing has drawn global attention, especially because President Bush is scheduled to visit Hanoi today for the Asia-Pacific Economic Cooperation Summit. On Monday, the House defeated a bill that would have permanently eased U.S. trade restrictions against Vietnam. While Republicans plan to revive the bill, several members of Congress have cited concerns about Vietnam's record on human rights.

The case gives the Bush administration an opportunity to leverage trade relations with Vietnam in exchange for improved human rights policies. The fact that these defendants were held for more than a year before being charged, without chance of bail or access to the evidence used against them, only validates fears among Vietnamese-Americans that Vietnam is still a hostile environment and doesn't yet deserve normalized relations with the United States. The case also raises the question of what constitutes an act of terrorism. In Vietnam today, terrorism apparently includes merely voicing a view critical of the government.

In its eagerness to join the World Trade Organization and strengthen U.S. ties, Vietnam claims to have moved past the war. But such rhetoric rings painfully insincere in light of this case. Views of dissent are apparently still seen as dangerous.

Vietnamese refugees made the USA their home to escape the political persecution that still occurs in Vietnam. Now they'd like to see the United States use its diplomatic influence to press Vietnam to reconsider these detrimental policies.

Aimee Phan is author of We Should Never Meet and an assistant English professor at Washington State University in Pullman, Wash.

U.S. Economic Leadership (WP)

The Washington Post, November 17, 2006

THE ANNUAL summits of the Asia-Pacific Economic Cooperation forum became a fixture in the 1990s partly because the United States hoped to use them to open Asian markets. But President Bush's presence in Vietnam for this year's APEC gathering highlights faltering U.S. economic leadership. Mr. Bush hoped to arrive bearing Congress's blessing for Vietnam's accession to the World Trade Organization. But this prize has eluded him. Meanwhile, the APEC summit has rekindled hopes of progress on the Doha round of international trade talks. But the U.S. ability to participate constructively in those talks will soon expire, because Mr. Bush's trade-promotion authority runs out next summer. A Democratic Congress seems unlikely to renew it.

The Vietnam deal in particular demonstrates the perversity of congressional obstructionism on trade. U.S. negotiators have helped to secure access to Vietnam's markets as a condition for its joining the World Trade Organization. The negotiation is complete, and Vietnam will join the WTO irrespective of what Congress says. But Congress does have the power to shoot itself in the foot: If it refuses to ratify the deal, other WTO members will enjoy the market access that Vietnam has promised while the United States is denied it. An attempt to pass enabling legislation failed in the House this week, and a second attempt was pushed into December.

Congress is also sending confused signals on a trio of trade preferences due for renewal. One preference bill would extend trade concessions to four Andean countries -- Colombia, Peru, Bolivia and Ecuador -- that will otherwise expire at the end of this year. Another would help textile producers in Africa and Haiti. Yet a third would extend the Generalized System of Preferences, which helps more than 100 countries. Colombia's president, Alvaro Uribe, said last week that the risk of nonrenewal has already caused U.S. apparel companies to switch orders away from his country. Colombia is a pro-American democracy struggling against drug lords. This is not the way to treat it.

The preference bills are threatened by a minority in Congress who represent vulnerable textile regions and a majority that is supportive but lethargic. But even if Congress eventually bestirs itself to pass these measures, a fiercer battle will be joined on free-trade pacts that Mr. Bush has negotiated with Peru and Colombia. Both deals build on the market access granted by the preferences and end the periodic scramble for renewal; both would offer the United States new export opportunities. But the Democrats want to use their new majority status to write in tougher labor and environmental provisions. Reopening these deals will delay and possibly kill them, and the premise for doing so is wrong: The elected leaders of Peru and Colombia don't need the threat of trade sanctions to care about environmental damage or harsh labor practices that affect their citizens. By holding up trade deals that could raise living standards and provide alternatives to slash-and-burn agriculture, the Democrats will help neither workers nor the environment.

The world's trading system has been progressively opened since 1945, largely thanks to U.S. leadership. This has been one of the great achievements of the American era; denying the economic evidence that trade boosts growth is like denying the scientific evidence for climate change. Because the expansion of trade has coincided with a rise in inequality, many American voters are understandably skeptical of its benefits. But the Democrats must respond to that concern by implementing tax and spending policies that distribute prosperity more evenly, not by abandoning the nation's role as the chief driver of trade liberalization.

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Russia's Role In Asia (WT)

By Vladimir Putin

The Washington Times, November 17, 2006

Since 1998, Russia has been a full-fledged member of the Asia-Pacific Economic Cooperation (APEC). In the run-up to the APEC summit in Vietnam, I would like to share my views about the road traveled by this multilateral association and, naturally, about the prospects for our cooperation.

In the 17 years since the creation of the forum, it has grown into one of the most representative and established organizations to promote integration in Asia and the Pacific. Today, APEC member nations comprise the world's most dynamically developing economic zone, and our experts predict that the forum's leading positions will become even stronger.

As a Eurasian power, Russia's plans for social and economic development (particularly in Siberia and the Far East) are closely linked with active participation in regional integration. For us this is a natural and strategically necessary approach.

First of all, we appreciate APEC's expertise in working out rules for trade, economic and investment cooperation. Needless to say, cooperation in this sphere is largely guided by World Trade Organization criteria. Russia has not yet joined the WTO, but we closely watch its activities and take part in them whenever possible, specifically by joining in efforts to reduce transaction costs and excessive state regulation of the economy, and to improve national economic legislation.

We understand APEC's goals of consolidating the fundamentals of the market economy and invigorating public-private partnership with a view to encouraging medium-sized and small businesses and promoting social development. We are very interested in the formation and proper functioning of various free trade zones within APEC. We are thoroughly studying APEC countries as models for improving our domestic investment environment, as well as their experience in fighting corruption. They are of practical importance for our reforms, which are aimed at building up and diversifying Russia's foreign economic contacts.

We fully share the economic and social aspirations of APEC's members. In this respect, we value the forum's assessment of Russia's individual action plan in APEC.

At the upcoming summit in Hanoi, we are going to discuss a plan of action to implement the already approved "roadmap" for achieving the Bogor goals. We have high expectations for this project, and we hope that it will become a major step towards building a system of free and open trade and investment in the region.

At the same time, it is obvious that the road to achieving these goals is not as easy as it might have seemed during the adoption of the Bogor Declaration and the Osaka Action Plan. We are well aware of changes in the world's political and economic situation and of new challenges. The latter, by threatening international security and stability, hinder normal economic development both worldwide and in individual regions. The APEC forum and its members should take into account these ongoing changes. I believe it is necessary to avoid a situation in which the rigid formulas set for the Bogor Declaration contradict the logic of global development and the real potentialities of the APEC economies.

APEC was formed primarily as an economy-focused multilateral mechanism, but real life is continuously placing issues of international and regional politics on its agenda.

One of its key goals is countering international terrorism. The APEC members and other countries of Asia and the Pacific are at different levels of development. It is no secret that terrorists are actively seeking a "temporary shelter" in some of the less prosperous regions. Therefore, along with measures to eliminate hotbeds of terrorism, it is essential to completely eradicate the social roots of terrorism — poverty, hunger and chronic unemployment. In general, it is important to bridge the gap in the social and economic development of nations.

I am convinced that APEC will provide us with quite a few opportunities to achieve this goal. We must help the poorest countries in their efforts to encourage public-private partnership, investment and other economic activities. To this end, APEC should primarily use its own funds, as well as money provided by international organizations and financial institutions for specific projects.

The humanitarian and ideological aspects of the struggle against terrorism are no less important. APEC's initiative to promote dialogue between cultures and religions is especially significant in this respect. Asia and the Pacific is a region of unique cultural and ethnic diversity, and it should develop immunity to the ideology of confrontation between civilizations, as well as to nationalism and extremism. I am certain that APEC's spirit of trust, tolerance and partnership will help fulfill this task. I believe it is highly symbolic that Indonesia and Russia, with their unique multi-ethnic populations professing different religions, have played a major role in drafting this initiative.

It is necessary to continue efforts to eliminate funding for terrorism. APEC has been clear enough in setting this goal, which is further evidence of its ability to adapt itself to the realities of today. I would like to emphasize Russia's preparedness to take an active part in working with its partners to reach this goal.

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We are also open to cooperation with APEC in the fight against organized crime, drug trafficking and arms smuggling. I am sure that our countries' law-enforcement bodies can do more than simply exchange relevant information. We should plan and implement coordinated actions against criminals.

It is extremely important to ensure the security of transportation and information. This is one of the major conditions for trade and telecommunications, which are vital for the vast Asia-Pacific region. Governments and the business community are equally interested in ensuring their normal functioning and dependable protection against criminals.

Russia recently made a specific contribution to cooperation in this sphere by putting forward an initiative in the framework of APEC's counterterrorism task force. This proposal calls for creating a system to protect key energy facilities that would allow for a prompt response to emerging threats.

International energy security plays a key role in economic development. We acknowledge that this is an urgent matter for many APEC members due to rising global oil prices.

As a major supplier of energy to world markets, Russia is open to cooperation in this sphere. We are convinced that the terms should be beneficial for all partners. They should rest on the mutual responsibility of energy producers and consumers, a fair distribution of risks between them and an exchange of assets in the energy sector. I'd like to mention that the plan of action approved at the Group of Eight (G-8) summit in St. Petersburg provides for measures to enhance the transparency, predictability, and stability of energy markets, and to improve the investment climate as a whole. Along with these measures, it is important to develop energy-saving technologies, and to diversify types of energy sources and their transportation routes. It is also necessary to take practical steps to ensure the safety of the energy infrastructure, help energy-starved countries and tackle environmental problems.

All these issues are particularly important now that APEC is increasingly interested in having a new, more reliable energy system. Russia is prepared to take an active part in implementing this large-scale initiative. Moreover, we are going to propose and implement a number of specific infrastructure projects, specifically, the construction of oil and gas pipelines to supply Asia and the Pacific with hydrocarbons from eastern Russia. I believe that APEC has the capability to guarantee continuous delivery of energy to the region.

In addition, cooperation in APEC opens up new possibilities in the fight against infectious diseases. It is in our common interest to establish an effective system for exchanging information and making coordinated decisions in order to combat epidemics and pandemics. We fully support the development of an APEC partnership to create an early-warning system for emergencies in the region and jointly deal with their aftermath.

We are extremely interested in APEC's interaction experience in innovation, especially in developing nanotechnologies and exchanging information in such high-tech areas as IT and biotechnologies. Russia is committed to invigorating cooperation in these and other spheres, which will determine scientific and technical progress in the near future. It goes without saying that the APEC nations should pay greater attention to the development of cooperation in education.

In conclusion, I'd like to emphasize that we are optimistic about APEC's future. We are capable of meeting new challenges and steadily moving towards our common development goals. The main topic of the forthcoming summit in Vietnam — "building a dynamic community for sustainable development and prosperity" — clearly shows the direction of this movement.

Russia, having made the important decision to work with APEC, intends to take a vigorous part in addressing future challenges together with other members.

I am convinced that APEC, which has already achieved impressive results, is capable of accomplishing much more for the benefit of our nations and for the promotion of peace, stability and progress in our shared region.

Vladimir Putin is president of Russia.

Don't Give Up On Russia (WP)

By Jim Hoagland

The Washington Post, November 17, 2006

For George W. Bush, meeting Vladimir Putin is no longer an uplifting opportunity to look into the Russian leader's eyes and glimpse a kindred soul. Their encounters have become exercises in damage limitation or unavoidable bits of scheduling during international conferences.

In private talks with aides and foreign leaders in recent months, Bush has voiced profound disillusionment with Putin, according to a half-dozen foreign and U.S. officials aware of the details of such conversations.

"We have lost Putin," Bush is reported to have said in several conversations. "Putin fears democracy more than anything else," the president added sadly in one comment describing the Russian, whom Bush had praised enthusiastically after their first summit in June 2001 as "straightforward and trustworthy" and a partner for "a new approach for a new era."

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Bush and his aides work hard to observe diplomatic formalities and to keep signs of this disillusionment out of public view. So the two leaders exchanged smiles and a hug when Bush briefly stopped over in Moscow this week on his way to the Asia-Pacific Economic Cooperation summit in Hanoi, where Bush and Putin are due to meet again on Sunday.

But the thrill is gone -- just as earlier attempts by Bush's father and Mikhail Gorbachev, and by Bill Clinton and Boris Yeltsin, to base White House-Kremlin ties on personal relations ended in disappointment and frustration on both sides. American and Russian presidents seem condemned to challenge and then confirm the maxim that nations have interests, not friends.

As recently as May -- when Vice President Cheney delivered a forceful but seemingly personal denunciation of Russia's backsliding on democratic freedoms -- Bush was still emphasizing the need to work with Putin. But by the time of the Group of Eight summit hosted by Putin in July, Bush had begun to echo in private Cheney's darker public vision, and he amplified on it later in closed-door sessions held in September at the opening session of the U.N. General Assembly and elsewhere.

And when Putin cavalierly dismissed the assassination of Russian dissident journalist Anna Politkovskaya last month, Bush made his own statement of concern about the killing rather than let an earlier, weaker State Department reaction stand as the U.S. response.

The turn by Bush has been cumulative rather than sudden, as I understand it, and is fueled primarily by the president's reluctant but hardening conviction that Putin has no desire or intention to make Russia's society more democratic. Russian equivocation on the joint U.S.-European effort to prevent Iran from developing nuclear weapons is another important factor in the downturn.

It is easy to understand why Bush has dropped his earlier enthusiasm for Putin. But Washington and Moscow have two looming opportunities to put political and trade relations on a sounder footing and make their relationship less vulnerable to personal ups and downs.

At the NATO summit in Riga, Latvia, at the end of this month, Bush may be tempted to go back on a tentative compromise that Washington has struck with its European and Canadian allies concerning future alliance membership for Georgia and Ukraine. The United States has agreed not to push for the meeting to adopt a clear membership plan for the two former Soviet republics and to settle instead for a more cosmetic "intensified dialogue" with Georgia and silence on Ukraine.

The compromise still makes sense. Cooling the escalating tensions between Russia and Georgia should be the urgent priority, especially after Georgia's unsteady handling of recent border incidents and the publicizing of the discovery of a bumbling Russian spy ring in Tbilisi. The collapse of Ukraine's reform government robs that country of any national consensus on NATO membership.

The second opportunity will provide an early test in foreign policy for the new Democratic majorities in the U.S. House and Senate. The administration has reached a bilateral agreement with Russia on the latter's application to join the World Trade Organization. But Congress must drop the symbolic Cold War restrictions on trade contained in the 1974 Jackson-Vanik law for the new accord to come into effect.

Jackson-Vanik, which attempted to exert pressure on the Soviet Union to permit Jewish emigration to Israel, is a carryover from a time gone by. Its sentimental value is far less than the irritation it creates in a relationship that needs more ballast, not more burrs.

Bush's clearing vision of Putin's flaws and the American leader's candor with his peers are welcome developments. But they make it even more important for the United States and Russia to seize opportunities that reinforce a relationship that cannot for long be dominated by personal ties. Just ask George H.W. and Gorby, or Bill and Boris.

Nuclear Deal With India Wins Senate Backing (NYT)

By Thom Shanker

The New York Times, November 17, 2006

WASHINGTON, Nov. 16 — The Senate gave overwhelming approval late Thursday to President Bush's deal for nuclear cooperation with India, a vote expressing that a goal of nurturing India as an ally outweighed concerns over the risks of spreading nuclear skills and bomb-making materials.

By a vote of 85 to 12, senators agreed to a program that would allow the United States to send nuclear fuel and technology to India, which has refused to sign the Nuclear Nonproliferation Treaty.

The agreement, negotiated by President Bush and Prime Minister Manmohan Singh of India in March, calls for the United States to end a long moratorium on sales of nuclear fuel and reactor components. For its part, India would divide its reactor facilities into civilian and military nuclear programs, with civilian facilities open to international inspections.

Critics have been unwavering in arguing that the pact would rally nations like North Korea and Iran to press ahead with nuclear weapons programs despite international complaints and threats. Opponents of the measure also warned that the deal

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would allow India to build more bombs with its limited stockpile of radioactive material, and could spur a regional nuclear arms race with Pakistan and China.

Senator Richard G. Lugar, the Indiana Republican who is chairman of the Foreign Relations Committee, hailed the measure's passage as "one more important step toward a vibrant and exciting relationship between our two great democracies."

His endorsement was significant, coming from a senator respected for efforts in nonproliferation and whose name is part of a sweeping program to secure nuclear bomb-making materials in the former Soviet Union. He also expressed "thanks for a truly bipartisan effort" to Senator Joseph R. Biden Jr., the Delaware Democrat set to become Foreign Relations chairman in the new Congress.

While advocates of the measure said it would be an incentive for India to refrain from nuclear tests, denunciations came quickly from a minority of senators who opposed it, as well as from critics in the House.

"It is a sad day for U.S. national security when the Senate passes a sweeping exemption to our nonproliferation laws that will allow India to increase its annual bomb-production capacity from 7 to over 40 bombs a year," said Representative Edward J. Markey, co-chairman of the House Bipartisan Taskforce on Nonproliferation. He said the measure "sends the wrong signal at a time when the world is trying to prevent Iran from getting the bomb."

After the vote, the White House issued a statement from President Bush praising passage of the bill.

"The United States and India enjoy a strategic partnership based upon common values," the statement said. "The U.S.-India Civil Nuclear Cooperation agreement will bring India into the international nuclear nonproliferation mainstream and will increase the transparency of India's entire civilian nuclear program."

The Senate rejected several amendments that sponsors said would clarify or narrow the deal, including one that would have required India to halt all military relations with Iran. The legislation, as passed, does contain a new provision that requires the president to declare that India has joined multinational efforts to contain Iran's nuclear program before the United States-India nuclear deal moves forward.

The Senate legislation now must be matched to the House version, which passed in July by a vote of 359 to 68; both chambers then must approve the final language. Even with Senate approval, the package will not move forward until both houses agree to specifics of a nuclear-cooperation accord with India. A complementary deal between India and the International Atomic Energy Agency also must be reached.

When the plan was announced, India pledged to classify 14 of its 22 nuclear reactors as civilian facilities. That would put those reactors under international inspections for the first time. But other reactors would remain under Indian military jurisdiction, and not open to inspectors.

After India and Pakistan conducted surprise nuclear tests about eight years ago, the Clinton administration imposed economic sanctions on both countries. But the Bush administration's effort to enlist allies for its global antiterrorism campaign brought an end to those sanctions.

Senate Endorses U.S.-India Nuclear Deal (AP-Y)

By Foster Klug, Associated Press Writer

AP, November 17, 2006

The Senate on Thursday overwhelmingly endorsed a plan allowing the United States to ship civilian nuclear fuel and technology to India, handing President Bush an important victory on one of his top foreign policy initiatives.

Senior lawmakers from both political parties championed the proposal, which reverses decades of U.S. anti-proliferation policy, saying it strengthens a key relationship with a friendly Asian power that has long maintained what the United States considers a responsible nuclear program. The vote was 85-12.

Sen. Richard Lugar, R-Ind., called the plan "a lasting incentive" for India to shun future nuclear weapons tests and "to cooperate closely with the United States in stopping proliferation."

Bush, in a statement issued during a trip to Asia, praised the Senate for endorsing his plan, saying it will "bring India into the international nuclear nonproliferation mainstream and will increase the transparency of India's entire civilian nuclear program."

His remarks were echoed by Secretary of State Condoleezza Rice, in Vietnam with the president for a meeting of Asia-Pacific leaders. "This really does open up an extraordinary new era, both in U.S.-Indian relations, but also I think for the many interests that will served, from the economic point of view, from an energy point of view and from a nonproliferation point of view," she said.

Democratic Sen. Joseph Biden of Delaware said the endorsement pushes America "a giant step closer" to a "major shift in U.S.-Indian relations. "If we are right, this shift will increase the prospect for stability and progress in South Asia and in the world at large," he said.

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Even with the strong approval by the Senate, however, several hurdles loom before India and the United States could begin civil nuclear trade.

First on that list, lawmakers in the House, which overwhelmingly endorsed the plan in July, and the Senate must now reconcile their versions into a single bill before the next congressional session begins in January. That bill would then be sent to Bush for his signature.

Critics argued that the plan would ruin the world's nonproliferation regime and boost India's nuclear arsenal. The extra civilian nuclear fuel that the deal would provide, they say, could free India's domestic uranium for use in its weapons program. Pakistan and China could respond by increasing their nuclear stockpiles, sparking a regional arms race.

Sen. Byron Dorgan, D-N.D., called the agreement "a horrible mistake" that "provides a green light" for India to produce more nuclear weapons. "I believe one day we will look back at this with great regret," he said.

During debate Thursday, supporters beat back changes they said would have killed the proposal by making it unacceptable to India. Critics said the changes were necessary to guard against nuclear proliferation.

Sen. Barbara Boxer, D-Calif., unsuccessfully proposed a condition that would have required India to cut off military-to-military ties with Iran before allowing civil nuclear cooperation.

Rep. Ed Markey of Massachusetts, a Democratic critic in the House, said the Senate's endorsement of the proposal "sends the wrong signal at a time when the world is trying to prevent Iran from getting" a nuclear bomb. The plan, he said, would set "a precedent that other nations can invoke when they seek nuclear cooperation with countries that also refuse to abide by nonproliferation rules."

The bill carves out an exemption in American law to allow U.S. civilian nuclear trade with India in exchange for Indian safeguards and inspections at its 14 civilian nuclear plants; eight military plants would be off-limits.

Congressional action is necessary because U.S. law bars nuclear trade with countries that have not submitted to full international inspections. India built its nuclear weapons program outside the Nuclear Non-Proliferation Treaty, which provides civil nuclear trade in exchange for a pledge from nations not to pursue nuclear weapons.

There are other necessary steps before U.S.-Indian nuclear cooperation could begin. An exception for India must be made by the Nuclear Suppliers Group, an assembly of nations that export nuclear material. Indian officials also must negotiate a safeguard agreement with the U.N. nuclear watchdog.

And once technical negotiations on an overall cooperation agreement are settled between India and the United States, the U.S. Congress would then hold another vote on the overall deal.

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On the Net:

Roll call votes: http://thomas.loc.gov/home/rollcallvotes.html

US Senate Approves India Nuclear Deal (FT)

By Jo Johnson And Farhan Bokhari And Edward Luce

Financial Times, November 17, 2006

The US Senate on Thursday night approved the Bush administration's historic deal to legalise nuclear trade with India, an important step in the ending of a 30-year-old technology denial regime.

The deal was approved in a 85-12 vote after the Republican-led Senate defeated several amendments that India had said would kill the deal, including a requirement that New Delhi end military cooperation with Iran.

Several more critical approvals - by Congress, the International Atomic Energy Agency and the 45-nation Nuclear Suppliers Group - are needed before the agreement can take effect. But the Senate vote means India is getting closer to being able to purchase US nuclear fuel, reactors and related technology.

The approval came despite concerns that the deal would encourage India to expand its nuclear weapons arsenal and spur a regional arms race with nuclear rivals Pakistan and China.

Washington is especially concerned that China's President Hu Jintao will give the green light to an ambitious expansion of Beijing's controversial nuclear co-operation with Pakistan during his visit to Islamabad next week.

The delicacy of south Asia's nuclear balance was underscored on Thursday as Pakistan test-fired a nuclear capable medium-range missile, a day after peace talks with New Delhi.

The medium-range missile, which can hit targets at a distance of 1,300km, was launched to mark the end of military exercises being held at an undisclosed location, an army statement said. Pakistani army chiefs described the test as routine.

Under the US-India accord, reached during President George W. Bush's visit to India this year, New Delhi would be allowed access to US civilian nuclear technology in return for a pledge to open its non-military nuclear facilities to international inspections.

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However, Manmohan Singh, India's prime minister, on Thursday reiterated New Delhi's concern that elements of the bill would be unacceptable to New Delhi. The bill would allow members of the Nuclear Suppliers Group to provide nuclear fuel to India in exchange for India agreeing to submit most of its civil nuclear plants to international safeguards.

Washington has rejected Pakistan's requests for similar treatment to India, with Mr Bush describing the two rivals as "different countries with different needs and different histories".

Islamabad has been pushing for a similar deal from China for well over a year, but there remain doubts as to whether Beijing will risk international goodwill by supplying fresh technology to a country with the weakest of proliferation records.

China has helped Pakistan build two nuclear energy reactors at Chashma in the Punjab province, while an older Canadian-supplied nuclear energy reactor exists in Karachi, the southern port city. Western officials say Pakistan has successfully built up other nuclear facilities near Islamabad, the capital and at locations in the Punjab, where it produces fissile material for use in nuclear warheads.

A Pakistani official said future supplies of nuclear reactors from China would come with safeguards according to international standards applied by the Vienna based International Atomic Energy Agency.

"If the US can supply nuclear energy reactors to India under what it says are adequate safeguards, why can't that logic apply to Chinese reactors for Pakistan," the official said, on condition of anonymity.

When Pakistani president Pervez Musharraf visited Beijing in February, both sides announced they would "continue strengthening co-operation in the peaceful use of nuclear energy".

India Nuclear Deal Advances (LAT)

By Henry Chu

The Los Angeles Times, November 17, 2006

NEW DELHI — The U.S. Senate on Thursday overwhelmingly approved a civil nuclear cooperation deal with India aimed at improving ties between the world's two largest democracies.

Officials in both nations hailed the 85-12 vote on the controversial accord, which would give India access to American nuclear fuel and technology.

In return, India would allow United Nations inspections of its civilian reactors, though not its military facilities.

"We welcome the passage of the bill on Indo-U.S. civil nuclear cooperation in the U.S. Senate by an overwhelming majority. This, undoubtedly, reflects the very broad bipartisan support which this initiative enjoys," Indian Foreign Minister Pranab Mukherjee said in a statement this morning.

But mindful that House and Senate versions of the legislation must be reconciled, he added: "We must await the final version before drawing any conclusions on the legislation."

In Washington, Sen. Joseph R. Biden Jr. (D-Del.) said Thursday the historic deal would "increase the prospect for stability and progress in South Asia and in the world at large."

The Indian government had watched the bill's progress for months. Indian Prime Minister Manmohan Singh has staked much of his foreign policy on strengthening ties with the U.S., and the nuclear deal forms the cornerstone of that effort.

But the legislative process is not over. After the Senate and House versions of the bill are reconciled, the final bill would need the signature of President Bush, who has lobbied intensely on its behalf. Finally, Congress would be asked to approve a treaty formalizing the pact.

If turned into law, the agreement would overturn decades of U.S. policy on curbing nuclear proliferation.

India has refused to sign the worldwide Nuclear Nonproliferation Treaty, leading to the nation's isolation on the nuclear issue for 40 years. In 1998, India and archrival Pakistan shocked the world by conducting dueling nuclear test explosions.

Critics say that lifting long-established nuclear sanctions against India would reward New Delhi's noncompliance with international norms at a time when Washington is trying to rein in nuclear activity in Iran and North Korea.

Detractors also contend that India could buy nuclear fuel from the U.S., then divert some of its domestic uranium to weapons. An arms race in South Asia could ensue.

"I believe one day we will look back at this with great regret," said Sen. Byron L. Dorgan (D-N.D.).

Supporters say India has proved itself a responsible nuclear power. Some U.S. officials have also pushed the deal as a way to counter China, a historical rival of India.

There are already signs that Beijing may retaliate: On a visit to the subcontinent next week, Chinese President Hu Jintao is expected to announce a similar civil nuclear cooperation accord with Pakistan.

India was concerned this year as U.S. lawmakers began proposing restrictive amendments to the nuclear deal that New Delhi considered unacceptable.

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The Democratic sweep in the U.S. midterm election also raised concerns that the bill would fail to get passed before the year was out, which would send it back to the drawing board.

But Bush telephoned Singh earlier Thursday to assure the Indian leader of his continued support for the deal. And in the Senate vote, all of what Indians termed the "killer amendments" were defeated, including one that would have required India to stop producing weapons-grade nuclear material.

California's Democratic senators split on the deal, with Dianne Feinstein voting for the bill and Barbara Boxer opposed.

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Senate Approves Deal With India Over Nuclear Fuel (WSJ)

By Jay Solomon

The Wall Street Journal, November 17, 2006

WASHINGTON -- In a major foreign policy and commercial diplomacy victory for the Bush administration, the Senate overwhelmingly passed a resolution that will allow the U.S. to begin sharing nuclear fuels and technologies with India.

President Bush has made the establishment of a strategic partnership with New Delhi a cornerstone foreign policy objective for his administration, while American businesses have seen the deal as a gateway to improved trade and investment relations with the world's second-most populous country. U.S. government officials believe assisting India in its economic and military development will allow the South Asian nation to combat Islamic extremism and serve as a major counterweight to China's growing power across Asia.

Mr. Bush hailed the bill's 85-12 passage during his trip to Vietnam yesterday, announcing in a statement that it will "bring India into the international nuclear nonproliferation mainstream and will increase the transparency of India's entire civilian nuclear program."

The Senate move, which comes as Mr. Bush heads into a meeting with Asian leaders, offsets somewhat the setback he suffered earlier this week, when the House blocked quick passage of a free-trade agreement with Vietnam.

Despite the deal's easy passage through the Senate, congressional officials said a number of roadblocks still need to be cleared before the U.S. can begin shipping nuclear fuels to the subcontinent. The House passed a different version of the pact, and the two chambers need to try and reconcile the versions before they adjourn in December.

And Washington still needs the Nuclear Suppliers Group, an international body that regulates the trade in nuclear fuels, to provide New Delhi with clearance. After that, the Bush administration and the International Atomic Energy Association still must reach an agreement with New Delhi over the inspection regime that's required in order for the transfer of nuclear fuels.

Still, U.S. industry is already reacting positively to the Senate's move. A number of U.S. corporations, such as General Electric Co. and Boeing Co., are expected to benefit from the new initiative in India.

"India's nuclear energy market -- estimated to require $100 billion in foreign direct investment -- will open for U.S. companies," said Ron Somers, president of the U.S.-India Business Council.

Write to Jay Solomon at jay.solomon@wsj.com1

Senate Backs White House Plan For India Nuclear Deal (WP)

By Dafna Linzer

The Washington Post, November 17, 2006

The Bush administration won overwhelming Senate support yesterday for its plan to create a broad strategic partnership with India that reverses decades of U.S. nonproliferation policies and requires changes in laws aimed at limiting the spread of nuclear weapons.

The Senate voted 85 to 12 in favor of legislation that would carve out an India-specific exception to laws that forbid transfers of nuclear technology to countries such as India that have not signed the nuclear Non-Proliferation Treaty. Senate passage brings the administration a step closer to completing its deal with India.

Advocates of the plan, including many Democrats with close ties to the India lobby, see it as a way to cement ties with a rapidly modernizing, friendly democracy whose economic and military strength could one day rival China's.

Although the effort has garnered little attention outside Washington, it has the potential to radically alter U.S. foreign policy for decades. Bush administration officials say they believe it will accelerate India's rise as a regional counterweight to China and provide the United States with a new foothold in Asia.

R. Nicholas Burns, the administration's top negotiator on the India deal, welcomed the bipartisan support late yesterday and called the agreement "one of the most important foreign policy initiatives of the last several years."

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But the plan, still being negotiated by U.S. and Indian officials, has fierce opponents among arms control experts, some of whom argue that it will weaken efforts to rein in countries such as Iran and North Korea while potentially triggering an Asian arms race.

"The benefits of the deal have been overstated, while the downsides are significant," said Daryl Kimball, director of the Arms Control Association. "The administration and Congress are gambling that the downsides will not occur."

Under the deal, India would receive badly needed nuclear fuel and technology to meet the energy needs of its 1.1 billion citizens. But that arrangement would also allow the New Delhi government to divert its existing nuclear infrastructure to produce additional weapons.

Rep. Edward J. Markey (D-Mass.), who had fought passage of a similar bill in the House in July, lamented that the deal "will allow India to increase its annual bomb-production capacity from seven to over 40 bombs a year."

But Sen. Richard G. Lugar (R-Ind.) called the plan "a lasting incentive" for India not to test nuclear weapons and "to cooperate closely with the United States in stopping proliferation." The deal does not prevent India from testing, however, and nowhere does it obligate India to adopt U.S. nonproliferation goals.

India's close relationship with Iran, meanwhile, has irked some on Capitol Hill. Iran's foreign minister met yesterday in New Delhi with India's prime minister. The countries have close military, economic and political ties and are in discussions over a proposed gas pipeline from Iran to India.

In January, congressional leaders requested a secret intelligence assessment of India's nuclear program, the potential effects of the deal and New Delhi's ties to Tehran. Intelligence officials said they provided a paper in April, but staff members on Capitol Hill said it did not address Iran or any aspect of the deal.

Two senators, Barbara Boxer (D-Calif.) and Russell Feingold (D-Wis.), offered amendments to the bill yesterday that would have forced India to choose between the United States and Iran when it comes to military cooperation, terrorism and nuclear issues. Both were defeated after India said it would consider them deal-breakers.

The House and Senate will sort out minor differences in their bills before bringing legislation to the full Congress for a vote. The deal with India, however, is far from complete.

Negotiators need to finish talks that have been mired in disagreement. India must separate its military and civilian nuclear infrastructure and reach a separate agreement with U.N. inspectors. The deal also needs approval from an international consortium that controls nuclear exports. Officials say it could be a year before the deal is brought back to Congress for a final vote.

Zapatero Unveils New Middle East Initiative (FT)

By Victoria Burnett

Financial Times, November 17, 2006

Spain, France and Italy plan are to present a new Middle East peace initiative to their European partners at an EU summit in December, José Luis Rodríguez Zapatero, Spanish prime minister, said on Thursday.

Spain hopes to gain the backing of Germany and Britain for the initiative, calling for an immediate ceasefire, the formation of an internationally recognised Palestinian unity government and a peace conference.

“We cannot remain impassive in the face of the horror that continues to unfold before our eyes,” Mr Zapatero told reporters during a summit of Spanish and French leaders in Girona, Spain.

“Peace between Israel and the Palestinians means, to a great extent, peace at an international level,” he said.

Mr Zapatero’s government has struggled to carve out a role on the international stage, following the withdrawal of troops from Iraq after his election in 2003, despite the presence of Spanish troops in Afghanistan and Lebanon. His most high–profile international initiative, reviving the “alliance of civilisations” to foster better relations between Western and muslim countries, has been dismissed by critics at home as wishy-washy.

Jacques Chirac, French president, said Mr Zapatero had proposed the joint initiative when they met at the beginning of the summit, according to [a news service]. The two had arranged to call Roman Prodi, the Italian prime minister, to discuss the initiative.

Mr Chirac said France would “act jointly” with Spain, Italy and other European countries to “try to initiate indispensable moral and political reforms in the Middle East.”

The peace initiative would include an exchange of prisoners, talks between the Israeli and Palestinian leaders and an international mission to monitor the proposed ceasefire.

Blair Sees Chance For Progress On Middle East Conflict (WP)

By Kevin Sullivan And Mary Jordan

DOJ_NMG_0095946

The Washington Post, November 17, 2006

LONDON, Nov. 16 -- Prime Minister Tony Blair on Thursday offered hope for progress on the Israeli-Palestinian conflict, saying that "sensible Arab and Muslim countries" now see "strategic reasons" for finding a solution and that new initiatives could come within weeks.

"This is an opportunity for us if we are prepared to seize it now," said Blair, citing leaders of Saudi Arabia, Egypt and Jordan as among those who "want to make progress" on an issue he called the "crux" of problems in the Middle East.

Blair, in an interview with The Washington Post at his 10 Downing Street office, declined to provide specifics but said British officials were holding private talks with Middle Eastern governments as well as the Bush administration about measures "to move this forward."

The prime minister is also planning a trip in the next few weeks to the Middle East, which he said was facing a "critical moment."

Blair, who has been President Bush's chief foreign ally on Iraq, said he had no regrets about the 2003 invasion that toppled the government of Saddam Hussein, even though the continuing war has cost him dearly in British public opinion.

"If you left Saddam there, you would have had a whole stack of different problems, and in the end you'd have had to have dealt with Iraq at some point," said Blair, who spoke with passion and certainty about his policies despite growing demand in Britain and the United States for a reassessment of Iraq strategy.

Discussing remarks he made Tuesday during a closed-door video conference with the Iraq Study Group, the bipartisan panel in Washington reviewing Iraq policy, Blair said that any solution to Iraq must begin with progress on the Israeli-Palestinian conflict.

"Israel-Palestine is the one issue that, unresolved, allows extremists to gain purchase on the more moderate elements of the Muslim and Arab world," he said, sipping coffee next to the marble mantelpiece in his office.

Blair, who has said he will step down before next September after serving since 1997, said Islamic extremists are using the Israeli-Palestinian conflict as a propaganda tool, "so there is a huge additional dimension to its importance."

He said the "next few months are critical" on the Israeli-Palestinian issue: "My worry is there is increasing not just poverty and despair on the Palestinian side but also disintegration, and that is very dangerous."

"So we either decide that we are going to take this moment and use it to drive forward, or obviously there's a danger that the whole region takes a wrong turn," he said.

Blair brushed aside a question about whether he was being unrealistic to think significant progress was possible toward a solution that has eluded a long succession of world leaders. He said focusing on the Israeli-Palestinian problem was "the only realistic thing to do."

Blair said that critics complained for years that sectarian violence in Northern Ireland was too intractable to be solved but that peace accords have ended most violence there.

He said that on the Israeli-Palestinian problem, people generally agree on the long-term solution -- two independent states -- but the difficulty is in hammering out the details.

"Everybody accepts that there's got to be two states," Blair said. "Now, there are issues like Jerusalem, refugees . . . which are very difficult." But "it's not beyond the wit of man" to devise a territorial solution, he said.

"I believe totally in supporting Israel's security," Blair said. "But the truth is the ultimate security lies in a viable and democratic Palestinian state and in resolving the issues with Israel's neighbors."

Blair said Iran has been a divisive force in the Middle East, backing radical elements of Hamas in the Israeli-Palestinian conflict and the Hezbollah militia in last summer's war with Israel. He has also said Iran's backing of Shiite militias in Iraq has been destabilizing there.

Blair said moderate leaders in the region now "can see that the way that Iran has been manipulating these disputes in the region changes the dynamics of power." He said that beyond the fact that many neighbors in the region have sympathy with the Palestinian cause, they now also believe it is in their strategic interest to counter what he called a "cocktail of elements of extremism and fanaticism."

Despite the Iraq war and the other conflicts, Blair said he saw reasons for optimism in the Middle East.

"You go to these Gulf states and you see the changes they're making in their democracy, the changes in their economy," the prime minister said, citing the United Arab Emirates as an example. "There is a way of moving forward in the Middle East that is about step-by-step greater democracy, opening up their economy and presenting themselves to the world in a modern and moderate light."

As the Middle East "is in the process of decision about its future," Blair said, "we have got to be in there, since we've got the right policy. I mean, what do people choose when they're given the chance? They choose to live in free, democratic societies. So we've got the best case."

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Asked if he thought the Democratic Party's victory in last week's U.S. congressional elections signaled growing momentum for a reduction in U.S. troops in Iraq, Blair said he was sure Bush "will see this through."

"I don't think you will see the administration backing away from fulfilling what it said it would do," Blair said. "There should never be any doubt, whether it's in terms of myself or the president. We have said that we will stay as long as the Iraqi government needs us to do so."

Blair also said that a key goal in Iraq was to continue to "plug any gaps in the armed forces and their training," because "the Iraqis want to take greater responsibility, and we have got to empower them to do so."

Blair said a friend who recently traveled to Iraq told him that with all the obvious problems, there was a "danger that you move from having been unduly optimistic to unduly pessimistic."

He said it was understandable that as Iraq makes the difficult transition from decades of "brutal repression" under a dictator to democratic rule, "you will have all sorts of poison that then flows out."

But people in Iraq, he said, are committed to creating a "nonsectarian future" because "the alternative is no future."

Blair also made an impassioned plea for the United States to lead the world on climate change, an issue that Blair has championed despite reluctance from the Bush White House.

"There's a big opportunity for the administration and for America on climate change," he said. "What you guys should do is come up with a sensible plan and framework" that encourages business to invest in environmental technology innovations and wins support from emerging powers such as China and India.

"No country is going to mess up its economy to meet some agreed target," Blair said. But private industry will "quickly spot an opportunity" if new markets are created for environmentally friendly technologies, he said.

Blair noted that Bush made a "pretty bold" statement about America's "addiction to oil" in his last State of the Union address.

Now, he said, Bush should follow up with "a framework that can help cure that addiction," then pitch it to the rest of the world, saying, "Come on, everybody has got to do this."

Israeli Response To Gaza Rockets: Official Restraint, Civilian Flight (NYT)

By Ian Fisher

The New York Times, November 17, 2006

SDEROT, Israel, Nov. 16 — The biggest reaction on Thursday to the death of an Israeli woman killed by a rocket shot from Gaza did not come from the military, as it usually does. Instead, this desert town that has been hit the hardest by the recent rocket fire packed up en masse to take advantage of an offer from one of Israel's richest men for a free week at the beach.

"The children are frightened — very frightened," said Galit Abduraam, 38, curbside with her three children waiting for a bus out of town.

"It's not just now," she said. "It's four or five years. The children have nightmares. They don't sleep. They get aggressive. They don't study."

Despite calls from some Israelis for an invasion of Gaza after the woman's death on Wednesday, Prime Minister Ehud Olmert signaled that he would respond with restraint. He told reporters on his flight home from the United States that while Israel would continue targeted attacks, a large-scale assault would not necessarily solve the problem of the crude homemade Qassam rockets fired by Palestinian militants into Israel nearly every day.

"There are many opinions on how to deal with the Qassam fire," he said. "We have to remember that this war will not be over in one blow."

This is a delicate time in negotiations among Palestinian leaders who are trying to form a unity government of professionals and technocrats. Mr. Olmert's remarks seemed to indicate that a new Israeli offensive would not add to the already-deep difficulties of striking a deal.

Just back from visits to Egypt and Jordan, the Palestinian Authority president, Mahmoud Abbas, arrived in Gaza on Thursday for another round of talks. He spoke with Prime Minister Ismail Haniya, who is a member of Hamas, the militant group that controls the government.

The intention in forming a new government that would not be beholden directly to any faction is to try to restart the flow of millions of dollars in badly needed foreign assistance that was cut off after Hamas took power in March.

The new government could also benefit Israel. The talks include discussion of the status of Cpl. Gilad Shalit, the Israeli soldier captured in June near Gaza, and the international pressure for the Palestinians to renounce violence, including halting the rocket fire.

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Since the beginning of the year, the Israeli military says, 1,000 Qassams have landed in Israel. Palestinians call the rocket attacks legitimate resistance to Israeli military actions. Israeli military efforts to stop the rocket fire have killed about 300 Palestinians, many of them civilians, since Corporal Shalit's capture.

The death on Wednesday of the Israeli woman, a 57-year-old émigré from Russia, was the first from the rockets here in 16 months. But that comes as no comfort to residents of this poor town of 20,000, many of them Moroccan and Russian immigrants, near the border with Gaza.

School is canceled frequently, and residents complain of constant fear.

"Even when the toilet lid falls, it makes us jumpy," said Ariel Cohen, 44, who was waiting for a bus with his wife and their daughter, May, 7, who had been in the same nursery class as a 4-year-old boy killed by a Qassam in 2004.

After the death on Wednesday, hundreds of families decided to take up an offer made Thursday by Arkady Gaydamak, a Russian businessman known for his charitable works here but wanted in France for arms dealing and tax evasion, for an all-expenses-paid vacation in the southern beach city of Eilat. During the war with Lebanon this summer, Mr. Gaydamak paid to relocate thousands of people out of range of rocket fire in Israel's north.

By early evening, 17 buses had taken away more than 800 people. An organizer working for Mr. Gaydamak said that buses would continue to arrive for everyone who wanted to go.

The military said three Qassams fell near Sderot on Thursday, injuring no one but damaging a kibbutz.

Palestinian Rivalry Rings Up Cost Of Guns (WT)

By Joshua Mitnick

The Washington Times, November 17, 2006

NABLUS, West Bank -- An arms race by rival Palestinian militants has nearly doubled the price of guns in anticipation that fighting in the Gaza Strip between Hamas and Fatah militias will spread to the West Bank.

In recent months, the cost of an M-16 short-barrel rifle has surged to 9,000 Jordanian dinar, or about $13,000, from 5,000 dinar. Bullets cost a little more than a dollar, about twice the price in Israel, said Abu Ali, who claims to be the No. 1 arms dealer in the West Bank.

Mr. Ali, who uses a pseudonym for fear of arrest by the Israeli army, is a member of the Fatah-linked Al Aqsa Martyrs Brigade. He said he gives discounts to fellow Aqsa members and that he refuses to sell to rivals from Hamas, who buy their guns elsewhere.

"Hamas is buying a lot of weapons and they will pay anything for them," said Mr. Ali, 27. "People don't want money and they don't want food. They want to prove their existence on the street."

Mr. Ali declined to talk about his work at a public cafe.

So instead, the Palestinian militant hopped into a stolen sedan and drove a reporter to an empty industrial area on the outskirts of the city, where he pulled out a military-issue pistol with "Israel Military Industries" engraved on the barrel.

"Whatever you want I can get," he said.

Since Hamas took over the Palestinian Authority in March, tension between Hamas- and Fatah-affiliated militias has frequently exploded into street warfare.

The crisis has been sharpened by the strain of an international aid boycott of the Hamas government.

Government salaries of more than 140,000 public-sector employees, most of them linked to Fatah, have gone unpaid. While teachers and bureaucrats walked off the job, security officers have staged violent protests, and the government has ceased to function.

As the vacuum of lawlessness that has existed in the Palestinian territories for years grows even wider, rival security outfits as well as gunmen from mafialike clans are moving to fill the gap.

As the inscription on Mr. Ali's pistol indicates, the source of most of the weapons is Israel. The dealer says he acquires guns from Arab Israelis as well as dealers from Israel's criminal underworld.

Just after dusk at the city municipality, the echo of gunfire mingled with normal din of car horns. It's a sound that's become part of Nablus' background noise, explained Mayor Adly Yaish.

"When we are happy we shoot. When we are angry we shoot" he sighed. "At funerals we shoot, and at weddings we shoot. It's not good, of course."

Of all the West Bank cities, Nablus and its refugee camps are known as the most resilient stronghold of Palestinian militancy. Israel's army has forbidden Palestinian police from carrying guns in the city for fear they might be used against Israeli soldiers during the frequent raids in the city.

And so, militants are left free to openly brandish their weapons in carjackings and robberies. Nablus residents insist there are two types of weapons in the city: Those used in "national" attacks against Israel and those used in criminal activity.

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Mr. Yaish, the mayor, said he is worried that the guns will be used in a new way. Speculation that Hamas wants to establish its own security force in the West Bank is fueling concern that internecine fighting of recent months in Gaza may spread to the West Bank, where Fatah is dominant.

"I am working very hard to prevent this from happening," said the mayor, who explains he speaks to both Hamas and Fatah. "In Nablus we can solve our problems without force."

But that principle might be difficult to explain to militants in their teens and twenties for whom guns have become a sort of youth culture. In the warrens of the Balata refugee district, Ibrahim Muroufi takes his prized possession, an M-16 rifle with a sniper scope, and lays it across his lap.

Opposite the 22-year-old Aqsa Brigades member, a computer monitor flashes a slide show of young men in a variety of poses with guns: Reclining on a bed, peering down from a balcony in ambush, and against a picture studio's illustrated backdrop of a mansion foyer.

"This is part of my hobby and identity," said Mr. Muroufi. "If I were to get a million dollars, I would spend it entirely on weapons."

Mr. Muroufi's mother explained why Nablus parents can't stand in the way of children who take up arms: "My children carry arms because there is no security. If I could carry a weapon, I would, too."

U.S. Aid Ship Cures Public Opinion (WT)

By Anju S. Bawa

The Washington Times, November 17, 2006

Public opinion polls conducted in two of the more populous Muslim countries showed that humanitarian aid from a U.S. Navy hospital ship had healed more than health problems. When people were made aware of the mission, it left a positive perception of the United States. These findings will encourage more such missions, officials said.

The polls, by the Washington group Terror Free Tomorrow, showed that 87 percent of Indonesians and 53 percent of Bangladeshis who had heard of the hospital ship USNS Mercy's mission to provide medical aid had a better opinion of the United States. The results were announced yesterday at the National Press Club.

Kenneth Ballen, president of Terror Free Tomorrow, which promotes fighting terrorism by winning popular support, said there was a need to hear the voice of the people.

"We hear the voice of radicals and extremists because they are the loudest. ... We need to get in there and see what people really think," he said.

The polls surveyed 1,209 persons in Indonesia and 1,010 in Bangladesh, both with a margin of error of plus or minus three percentage points. People from a variety of economic and social dispositions were surveyed in various parts of the countries, Mr. Ballen said. The Indonesian poll was conducted by the agency Lembaga Survei Indonesia.

Humanitarian efforts "undermine ideological support for terror," said Karen Hughes, undersecretary of state for public diplomacy.

"There is a misunderstanding about America," she said. "People don't realize that the United States is the No. 1 donor of medicine and food to the Palestinian people."

The USNS Mercy finished a five-month mission in September to Indonesia, Bangladesh, Philippines and East Timor. Navy personnel and volunteers from Project Hope, a health care aid organization, were among the medical providers that cared for 61,000 patients, performed 1,000 surgeries and gave 10,500 immunizations.

Some of the crew and volunteers visited the same areas they served after the December 2004 tsunami and the March 2005 earthquakes in Southeast Asia.

The polls also showed that American aid after the natural disasters led to a more favorable opinion of the United States. Adm. Michael G. Mullen, chief of naval operations, said he was committed to continuing missions with civilian volunteer organizations.

The Navy employs two hospital ships, the USNS Mercy and Comfort. The USNS Mercy has 1,000 beds, 85 intensive care units and 12 operating rooms.

Adm. Mullen said he would explore ways to deploy one ship in the Pacific and one in the Atlantic. "Latin America and Africa are in the next round."

Rice Praises Peacekeeping Efforts (NYT)

By Helene Cooper

The New York Times, November 17, 2006

DOJ_NMG_0095950

HANOI, Vietnam, Nov. 17 — By agreeing in principle to allow a joint United Nations-African Union peacekeeping force into the war-stricken Darfur region, Sudanese President Omar Hassan al-Bashir has a chance to rehabilitate its image in the rest of the world, Secretary of State Condoleezza Rice said.

Speaking to reporters here at the annual meeting of the Asia Pacific Economic Cooperation, Ms. Rice hailed the deal struck in Addis Ababa by U.N. Secretary-General Kofi Annan and Mr. Bashir, which reversed the Sudanese government's longstanding refusal to let United Nations troops into Darfur. A small African Union peacekeeping force has been unable to quell the violence in Darfur, where more than 200,000 people have been killed in brutal ethnic and tribal warfare since 2003.

For months, the Bush administration has been leaning on Sudanese officials to accept a U.N. force, but to no avail.

"I think it certainly is a real opportunity to resolve what is an extremely difficult problem," Ms. Rice said, "and to get back on a road where innocent people can be protected and the Sudanese government has a chance to make right with the international system."

Sudan Says It Will Accept U.N.-African Peace Force In Darfur (NYT)

By Robert F. Worth

The New York Times, November 17, 2006

UNITED NATIONS, Nov. 16 — The Sudanese government on Thursday agreed in principle to allow a joint United Nations-African Union peacekeeping force into the war-stricken Darfur region, reversing its longstanding refusal to let United Nations troops in.

The agreement, reached after a day of talks with United Nations officials in Addis Ababa, the Ethiopian capital, raised hopes for a more effective peacekeeping effort in Darfur, where more than 200,000 people have been killed in brutal ethnic and tribal warfare since 2003. A small African Union peacekeeping force has been unable to quell the violence.

It is not clear how soon the new force can enter Darfur. Two major issues must still be worked out before the agreement becomes final: the number of troops, and how the commander will be selected.

A document issued by the parties in the talks — members of the Security Council, the Arab League, the African Union and a number of African leaders — specified a force of 17,000 soldiers and 3,000 police officers. The issues will be taken up at a meeting scheduled for next Friday in Brazzaville, Congo Republic.

"This is welcome news, after working tirelessly to find a solution for Sudan," said Richard A. Grenell, a spokesman for John R. Bolton, the American ambassador to the United Nations.

Andrew S. Natsios, the American special envoy for Sudan, was at the meeting in Addis Ababa.

The agreement was a breakthrough. Sudan's president, Omar Hassan al-Bashir, had repeatedly rejected requests by Western leaders for a United Nations force in Darfur, a vast arid region in western Sudan. Fighting has grown worse in recent weeks, despite a peace accord signed in May by Sudan and the main Darfur rebel group.

It was not clear what made the Sudanese leaders change their minds. But a United Nations official who was present said the Chinese ambassador to the United Nations, Wang Guangya, had played a role in persuading Sudan's foreign minister, Lam Akol, that there was no hidden agenda in the effort to introduce a stronger peacekeeping force. The official spoke on condition of anonymity, citing diplomatic protocol.

The agreement is something of a personal triumph for Kofi Annan, the departing United Nations secretary general. He introduced the idea of a hybrid force and lobbied African leaders for days before convening the meeting.

Sudanese rebels said Thursday that government troops and militias had killed more than 50 people in an attack in northern Darfur, [a news service] reported. Sudanese officials told Jan Egeland, the United Nations under secretary for humanitarian affairs, that all of his proposed destinations for a three-day tour of Darfur were too dangerous to visit.

The agreement calls for more money, troops and equipment to be given to the African Union force, whose mandate expires on Dec. 31, to supplement a $21 million package that is already being delivered with the permission of the Sudanese government. But the core proposal is the new joint force, which is to be "predominantly African in character" while including "command and control structures" provided by the United Nations.

The agreement notes that all parties agreed to take into account "the security situation along the Chad-Sudan and Central African Republic borders," where violence has spilled over from Darfur.

The conflict in Darfur pits non-Arab tribes against the Arab-dominated government of Sudan, which has armed deadly militias that have massacred civilians. The government says the violence has been exaggerated for political reasons.

Agreement Reached On Darfur Peacekeepers (AP)

By Les Neuhaus

AP, November 17, 2006

DOJ_NMG_0095951

African, Arab, European and U.N. leaders agreed in principle Thursday to a joint African Union-United Nations peacekeeping force for Sudan's Darfur region.

Sudan, which has strongly opposed allowing U.N. troops in the country, did not give the plan its unreserved approval because officials needed to consult with their superiors, said the country's U.N. ambassador, Abdul Mahmoud Abdelhaleem.

The force could be as large as 27,000, including the existing 7,000-member AU peacekeeping force in Darfur, but the leaders did not lay out a timetable for the force to begin work partly because Sudan had some reservations.

U.N. Secretary-General Kofi Annan said the additional personnel could include as many as 17,000 soldiers and 3,000 police officers.

A timetable for the expanded force to begin work was not announced partly because Sudan retained some reservations, including the question of who would be in charge.

"The next step is for the U.N. and AU to call a meeting of the non-signatories (of the Darfur Peace Agreement) ... and the government of Sudan. It should take place in the next couple of weeks to resolve outstanding issues by the end of the year," Annan told reporters.

The U.N. Security Council voted in August to replace the African Union's 7,000 troops, an underpowered force, with 20,000 U.N. peacekeepers. But Sudanese President Omar al-Bashir has so far refused to allow their deployment, saying they would be "neocolonialists."

The agreement was announced at a meeting in Ethiopia that brought together senior officials from the AU, the Arab League, the European Union, Sudan, the United States, China, Russia, Egypt, France and a half-dozen African countries.

"The United States welcomes the successful outcome of this historic meeting," Andrew Natsios, the U.S. special envoy to Sudan, said in a statement.

The expansion of the existing AU force will take place in three phases, said Annan, who had wanted to try to stop the bloodshed in Darfur before he leaves office on Jan. 1.

An African Union Peace and Security Council meeting will be held in the Republic of Congo on Nov. 24 during which Sudan is expected to present its final views, Annan said.

The senior British government representative at the meeting, International Development Secretary Hilary Benn, called on the Sudanese government to "accept the clear view of all the others present."

Benn called the joint U.N.-AU focus on Sudan "the best opportunity we have to bring this crisis to an end. In the mean time, we need an effective cease-fire, with all the parties committing to stop the fighting."

In recent days, pro-government militia forces known as janjaweed have stepped up attacks on villages in Darfur, killing dozens of people, international observers said Wednesday. In one raid, janjaweed militiamen — backed by government troops — forced children into a thatched hut, then set it ablaze, killing parents who tried to rescue the children, rebels said.

After years of low-level clashes over water and land in the vast, arid Darfur region, rebels from ethnic African tribes took up arms against Sudan's Arab-dominated central government in 2003. Khartoum is accused of unleashing the janjaweed. The militiamen are accused of many of the atrocities in a conflict that has killed some 200,000 people and chased 2.5 million from their homes.

The conflict has destabilized a wide region that includes parts of neighboring Chad and the Central African Republic. The chaos has been exploited by rebels from Sudan, Chad and the Central African Republic, and ethnic violence mirroring attacks in Darfur has been seen in Chad in recent weeks.

The Sudanese army has denied any connection to janjaweed attacks, saying the claims were politically motivated.

The U.N. humanitarian chief, who was visiting Darfur, said he had been told by people made homeless by the conflict that the withdrawal of non-governmental organizations from some areas had left them with fewer services and more exposure to violence.

"This is my fourth visit to Darfur, and I have never before seen such a bad security situation," Jan Egeland said from El Geneina, capital of West Darfur, according to a statement. "There are too many armed elements in and around the camps threatening the inhabitants and preventing us from going in."

"Aid workers in West Darfur cannot move on the roads because they are being attacked and their vehicles are being stolen," Egeland said.

Human Rights Watch has called for a major increase in the Darfur peacekeeping force to stop the growing number of attacks on civilians.

The New York-based advocacy group said it has documented renewed aerial bombing of civilians both in Darfur and inside neighboring Chad since late October.

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The aid agency Doctors Without Borders, or Medecins Sans Frontieres, also reported that thousands of people have fled their homes and refugee camps in Darfur. The agency said it was increasingly difficult to provide aid to the victims because of the violence.

Sudan Closing Off Darfur To Outside World (CSM)

By Katharine Houreld

The Christian Science Monitor, November 17, 2006

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The African Union patrol was only seven miles from Sirba, the site of one of the latest Darfur massacres, when they were forced to turn back. Nearly 400 Arab militiamen in Sudanese government uniforms, with new Land Cruisers and weapons, blocked the dusty track.

Tuesday's incident was only the latest in a crackdown on access for international observers, journalists, and humanitarian organizations - a pattern that is becoming wearily familiar to those working in Darfur.

"The timing is no coincidence," says Leslie Lefkow of Human Rights Watch. "[Sudan is] stemming the flow of information from Darfur while it continues to commit massive crimes and run a military campaign."

As outgoing UN chief Kofi Annan began a major push to stem the escalating crisis during high-level meetings in Addis Ababa, Ethiopia, Thursday, the Sudanese government told top UN humanitarian official Jan Egeland that all his proposed destinations on a three-day trip to Darfur are too insecure to visit this weekend.

Last week, the Norwegian Refugee Council announced it was being forced out of Darfur after its permit to operate had been indefinitely suspended for the fifth time, making working conditions "impossible." Other foreign aid workers say they have been denied permission to reenter the country after leaving to attend a family emergency or to seek medical treatment. Killings mount

Thirty villagers were reported killed this week in Sirba, but no outside investigators have been able to enter the town to confirm the reports.

Sudanese rebels accused government troops and militias Thursday of killing more than 50 people in another attack. Two weeks ago, 63 people were reported killed in Jebel Moon, and their bodies buried in the desert.

In that case, investigators were able to access the massacre site, and found that more than 20 of the victims were children. Some of them had been shot through the head. Survivors described Arab men in uniforms, with Thuraya satellite phones, new vehicles, and animals, similar to the group seen only a few miles away barring the road to Sirba.

The government-backed militias have been blamed for hundreds of atrocities since local, non-Arab tribes first took up arms to protest government neglect and the arming of Arab tribes three years ago. Since then, an estimated 200,000 people have died and 2.5 million have fled their homes.

After the government signed a peace deal with one of the three rebel factions last May, the militias, known as the janjaweed, were supposed to be disarmed. Instead, the government appears to be using them as a proxy force to avoid accusations of cease-fire violations. But accurate reporting of militia movements, and alleged massacres, is becoming increasingly difficult. Crackdown on journalists, aid workers

Journalists able to secure a visa face a bewildering array of permits and paperwork; the Sudanese government must be informed in advance of any travel in Darfur. Officials insist on listening to interviews; they intimidate interviewees, and have attempted to confiscate notebooks.

"I can take any of [your permits] I want ... you're going to hell," one official hissed at this reporter. "Do you think this is a free country?" Last week, all permits for journalists to travel to the region were being denied.

The African Union (AU) monitoring force of nearly 7,000 soldiers is also frequently stymied in its investigative attempts. Officials say fuel is stolen, government permission for them to leave their bases is refused, and their soldiers have been killed when convoys were attacked.

During the one-day talks in Ethiopia with UN, EU, and Arab League officials Thursday, Mr. Annan pushed for a "hybrid" force of AU and UN peacekeepers to be allowed into Darfur. But early indications were that Sudan would reject this.

Even humanitarian organizations, charged with delivering food, water, and medicine to destitute Sudanese, are under attack. When Doctors Without Borders spoke out about rape cases last year, its two most senior staff were arrested. Since then, aid agencies say the situation has worsened.

"It's disgusting. They are holding their own people hostage to shut us up," complained one aid worker bitterly. "If we speak out, we get thrown out. Then who will help these people?"

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Tens of millions dollars and a Herculean effort have managed to stabilize key humanitarian indicators like the infant mortality and malnutrition rates, and aid agencies are reluctant to risk their hard-won gains by criticizing the government for atrocities.

All aid workers interviewed for this article agreed to speak only on condition of anonymity.

But it's not only the government that is piling on the pressure. Thirteen humanitarian workers have been killed since last May's peace deal, which pitted signatory and non-signatory rebel groups against each other. As the fighting intensifies along the Chadian border and in the north, all sides in this conflict want vehicles and the shiny white 4x4s used by aid groups are a tempting target.

Carjackings of both aid vehicles and commercial trucks are rampant. In a single day last month, nine vehicles were snatched. Convoys have also been attacked and employees beaten up or sexually harassed, say aid workers here.

The breakdown in security means vast swaths of northern Darfur are no-go areas for groups providing food, medicine, and clean water for tens of thousands of displaced villagers. "It's become very dangerous to work here," says another aid worker, whose organization has suffered repeated attacks. "Before, we could negotiate with the rebels for safe access, but now we don't know who controls what territory any more."

Pinned on the wall behind her was a series of maps showing humanitarian access for Darfur month by month. The inaccessible areas, colored orange, are spreading like spilled ink.

Misery Spirals In Burma As Junta Targets Minorities (WP)

By Anthony Faiola

The Washington Post, November 17, 2006

CAMP EITUTA, Burma -- In a burgeoning encampment here on Burma's eastern frontier, Hay Nay Tha, a 30-year-old mother of three, awakens in the darkness most nights to the sound of her children's screams.

"They keep having nightmares about our journey here," she said.

That journey, Hay recalled, began when she was four months pregnant and government soldiers torched her village and forced local farmers off their land. It ended four weeks later, after her husband died of malaria en route to this camp. She and her children arrived here this summer dehydrated and exhausted. Hay soon went into early labor with a stillborn son.

"To be honest," the copper-skinned woman said, shyly gazing down at her hands, "I am having nightmares, too."

Nightmares of all kinds are rife in this camp, where new clusters of villagers arrive almost daily, a consequence of Burma's largest military offensive against its own people in more than a decade, according to aid groups and Western diplomats. The offensive has targeted minorities such as Hay, a member of the restive Karen ethnic group, which has long maintained a measure of autonomy.

According to estimates by relief groups, Burmese forces have burned down more than 200 civilian villages here in Karen state, destroyed crops and placed land mines along key jungle passages to prevent refugees from returning to their home villages. Dozens of people have died, and at least 20,000 civilians have been displaced over the past eight to 10 months.

"What is now going on in Burma are crimes against humanity," said Sunai Phasuk, head Burma consultant for New York-based Human Rights Watch. "The military government has significantly stepped up their systemic policy of violence against the ethnic Karen with this offensive. We're talking about a mounting disaster."

Burma's military leaders have historically been secretive about their actions. But observers say they are attempting to build a broad security cordon around their new capital near the inland city of Pyinmana, located only a few miles from the border of Karen state. The result has been an extraordinary use of force to clear out existing villages in the area.

Since seizing control of the country in 1988, Burma's military junta has taken a series of harsh measures to secure its grip on power, and over the past several months, it has appeared to step up its arrests of opposition figures. Win Ko, a leading member of the National League for Democracy, was arrested last month and sentenced to three years in prison after staging a petition drive to free political prisoners. The party's leader, Aung San Suu Kyi, winner of the 1991 Nobel Peace Prize, remains under house arrest.

Observers say the junta has reserved its most brutal treatment for Burma's eastern ethnic groups, including the Karenni, the Shan and the Mon, as well as the Karen, the largest minority in the region.

A fiercely independent group of approximately 3 million people, the Karen speak a separate language from most Burmese, use their own ancient writing system and have traditionally opposed the military junta. Two decades of sporadic government campaigns have already driven hundreds of thousands of Karen and other refugees into neighboring Thailand, where at least 150,000 now live in official camps and an estimated 1.5 million dwell illegally.

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Although the military has long fought the Karen National Liberation Army -- a seasoned militia of about 10,000, armed with aging assault rifles -- it has mostly seemed content to stage small, periodic sieges against mountain strongholds in Karen state's northwest. These sieges have typically taken place only during Southeast Asia's dry seasons.

But this year, the government's campaign has extended through the rainy season and assumed far larger dimensions, appearing to be a final assault aimed at smashing the resistance. Over the past 10 months, sources familiar with Burmese military actions say, its forces have pushed into major Karen strongholds, building 12 new permanent army bases.

Burmese government officials did not return phone calls seeking comment from their embassy in Washington. But observers say the campaign is almost certainly tied to a desire to extend security around the new capital, which is meant to serve as a protective jungle fortress for the junta. The Burmese have already begun moving government offices there from Rangoon, the old capital, and are finishing work on a sprawling military bunker.

Economic development appears to be another motivation for the offensive, according to observers. Burma, a country that was once one of Southeast Asia's richest nations and is now among its poorest, has sought to create revenue by signing a deal with Thailand to build multiple dams on the picturesque Salween River, which runs through Karen state. As the Burmese military attempts to exert its control over the river, it has moved into other Karen strongholds.

"The new capital and the dam projects have become an incredibly destructive pretext for the Burmese military to take control of Karen state using indiscriminate force," said Jack Dunford, executive director of the Thailand Burma Border Consortium (TBBC), a U.S.-funded relief group based in Bangkok. "I fear this may be the beginning of the end there."

An increasing number of Karen civilians fleeing the violence have made their way here to Eituta, an emergency camp perched on a muddy hilltop overlooking Burma's border with Thailand. The rows of primitive bamboo huts are protected by a battalion of armed Karen soldiers.

With Eituta's population topping 1,500, and growing at a rate of about 10 percent a month, Karen authorities here are making plans for a second camp nearby.

Although the Thai government has adopted a more lenient policy on Burmese refugees in recent years, aid groups say the bureaucratic process of admitting new arrivals has been slowed by the sudden uptick in the number of Karen seeking asylum. With the new military offensive, the number of arrivals at the already over-crowded official Karen refugee camps in Thailand has jumped 60 percent, to almost 900 a month, according to the TBBC.

The situation has effectively created a precarious limbo for the displaced people at Eituta, located only two hours by foot from the nearest Burmese military outpost. Almost two-thirds of the refugees here are children younger than 12, many of whom are sick with malaria and dysentery.

Relief organizations have cut out a section of the dense jungle canopy to build a small medical clinic. But the wounds of many children here run deeper than any medicine can cure.

On a recent day at the camp, a foreign journalist with a video camera approached an ethnic Karen man and a smiling 2-year-old girl sitting on straw mats in their hut. Suddenly, the girl began screaming uncontrollably. "She thinks it's a gun," said her father, Saw Say Nay, pointing to the video camera.

Saw, a farmer, fled here with his family of four last month. Like many displaced Karen, they had been living in hiding in the jungle since the summer, when Burmese troops began constructing a base near their village of Sayztaing Gyi, about 40 miles from the new capital.

"They were going village by village, forcing men and women into labor," he said. "Then they started burning villages, so we packed what we could and escaped into the jungle. From the trees, we saw them set our homes on fire. They burned our crops. They left us with nothing."

Thin and languid from malaria, Saw said he found out there was no going back after one villager tried to return, only to lose his leg when he stepped on a freshly laid land mine.

"We don't know what to do," he said. "My heart wants to go back, but I know it is not safe for my family. I don't know if we can go to Thailand. I don't know if they will accept us. So we are here. We have nowhere else to go."

Royal Wins French Socialists' Nomination (AP)

By Angela Charlton

AP, November 17, 2006

Segolene Royal got a running start Thursday to her campaign to become France's first female president, decisively beating two rivals to wrap up the nomination for the main opposition Socialist Party in a single round of voting.

The win, which party officials announced with about 40 percent of votes counted, spared Royal a second round against her two rivals from the party's old guard — Former Prime Minister Laurent Fabius and former Finance Minister Dominique Strauss-Kahn.

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It also meant she can head into the April vote claiming the oft-divided opposition party is fully behind her.

"The results show rather clearly the fact that there will only be one round, and we can say that Segolene Royal is already the candidate for the Socialist Party," said Stephane Le Foll, chief of staff to the party's general secretary.

By the final tally, Royal had collected 60.62 percent of votes, while Strauss-Kahn won 20.83 percent and Fabius gained 18.54 percent, Le Foll said. About 82 percent of the 219,000 party members eligible to vote cast ballots.

Strauss-Kahn and Fabius conceded defeat, their spokesmen said.

Royal, 53, has sought to tap into broader voter disillusionment with politics after two terms under conservative President Jacques Chirac marred by corruption scandals and stagnation.

However, her unorthodox views have also alienated many people within her party, and her opponents say she won't be able to unite the divided French left.

"Tomorrow, I'll have the job of bringing them all together — including those who didn't vote for me," Royal said in the victory speech. "I am counting on them."

The Socialists, who dominated the French political scene a generation ago, have been searching for direction since former Prime Minister Lionel Jospin's embarrassing third-place finish in the last presidential vote, in 2002.

The party also has been licking its wounds since the national referendum on the European Union Constitution last year, which caused a massive rift in the party — and French voters overall rejected it.

Though a spectrum of candidates from far left to far right are gearing up to run in the presidential election, the centerpiece of the race is likely to be a battle between Royal and the front-runner on the mainstream right — Interior Minister Nicolas Sarkozy.

A poll published Thursday showed respondents equally split between the two. In a first round of voting, Sarkozy would edge out Royal by 34 percent to 30 percent, the poll said — but in a runoff, they would be at 50-50. The IFOP agency conducted the poll Nov. 9-11 by telephone among 948 respondents. No margin of error was given.

The Socialists, who ran the government under Jospin from 1997 to 2002, made one of their biggest marks with passage of the so-called 35-hour workweek law, which conservatives say has hurt the economy.

Critics say the Socialists have no feasible recipes for facing a globalizing economy or revitalizing growth. The party manifesto calls for expanding use of the much-maligned workweek law, re-nationalizing utility Electricite de France, and punishing companies that move jobs abroad.

But Royal's supporters say she is of a different breed — a sleek lawmaker who has shaken up the political scene in a nation disenchanted and in need of change. Many say a female president is the tonic needed.

"That would do us some good," said Socialist party member Philippe Chleq, 72, one of the 68,000 party members who joined since June, after voting. "There is so much machismo in politics, it's disgusting. She'll help change that."

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Associated Press writers Nathalie Schuck, Christine Ollivier and Angela Charlton contributed to this report.

Socialists Back Woman In Race To Lead France (NYT)

By Elaine Sciolino

The New York Times, November 17, 2006

PARIS, Friday, Nov. 17 — Ségolène Royal moved a step closer to becoming the first female president of France early Friday, crushing her two male rivals for the Socialist Party nomination in next April's election.

With most of the vote in, Ms. Royal, 53, a regional president and former minister, won 60.6 percent of the vote of the party's nearly 219,000 members in an unusual primary.

Her closest rival, Dominique Strauss-Kahn, 57, a former finance minister, received 20.8 percent of the vote, and Laurent Fabius, 60, a former prime minister, 18.5 percent.

The tally in France ended around 1:30 a.m. and will be complete after overseas territories finish voting.

"I am living intensely this moment of happiness," Ms. Royal said after the preliminary results were announced. Thanking the party's "grass roots" members, she added, "The fact of receiving this momentum, of being chosen in this way, this is something extraordinary. I think that the French people have written this story."

The victory helped validate Ms. Royal's standing as the only candidate capable of beating the right's frontrunner, Nicolas Sarkozy, the Interior Minister who is seeking his UMP party's nomination for the 2007 presidential election.

An Ipsos opinion poll released on Thursday found Ms. Royal and Mr. Sarkozy statistically tied if they were to face off in a second round of voting, after other candidates had been eliminated.

Ms. Royal's victory followed months of mudslinging and maneuvering in a campaign that pitted her against the party's older, more established — and male — "elephants," whom she had dared to challenge.

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Campaigning on a platform of "rupture" with the status quo, she has also capitalized on her femininity while accusing her competitors of chauvinism.

"Gazelles," she said last May, "run faster than elephants."

Responding to voters' disillusionment with traditional elitist politics, she is promising more power to the people, giving local governments more authority, subsidizing small businesses, creating affordable housing and encouraging citizens to submit their ideas online, for example.

Even her opponents agree that her looks help. Published photos of her in a turquoise bikini while on vacation last summer underscored her youthfulness and glamour, while in poll after poll, her telegenic smile and elegant profile have appealed to a French public yearning for a new style of leadership.

Ms. Royal, president of the Poitou-Charentes region in the west, has also cultivated an image as a grass-roots nurturer, taking her campaign to the countryside to listen to concerns about social issues such as educational reform and youth crime.

With a portfolio that includes stops at three second-tier ministries — Environment, School Education and Family and Childhood — Ms. Royal has been criticized as lacking the experience and gravitas to lead a country that is a nuclear power and has the world's sixth-largest economy.

Her inexperience in foreign policy issues surfaced last week when she said during the last campaign debate that Iran should never be allowed to have a civilian nuclear energy program. As her opponents quickly pointed out, Iran enjoys that right as a signatory to the Nuclear Nonproliferation Treaty.

But the party members' enthusiasm for Ms. Royal seemed to trump any slips on policy issues.

"Her victory means that the Socialist Party is still under the shock of April 2002 and is looking above all for a candidate who can win," said Dominique Reynié, a professor of political science at the Institut d'Études Politiques in Paris. "Much more important than a doctrine or a program is the look of a champion."

In the April 2002 presidential election, the Socialist candidate, Prime Minister Lionel Jospin, was eliminated in the first round, trailing even the far-right National Front candidate, Jean-Marie Le Pen.

Going into the primary, Ms. Royal enjoyed a strong lead in the polls, although she had lost ground steadily in recent weeks to Mr. Strauss-Kahn, largely because of his performance in their six policy debates, three of which were televised.

Ms. Royal was helped by the withdrawal from the race in September of Mr. Jospin, a fixture in French politics for nearly three decades.

The three candidates, all deputies in the National Assembly, voted in their home districts on Thursday. Mr. Strauss-Kahn continued to campaign on Wednesday, even though his 86-year-old mother had died the day before.

The fourth of eight children, Ms. Royal was born in Dakar, Senegal, where her father was an army colonel, and earned admission to the elite École Nationale d'Administration.

It was there that she met François Hollande, her partner of 25 years and the father of her four children. The head of the Socialist Party who is believed to have harbored presidential aspirations of his own, Mr. Hollande has remained neutral.

Ms. Royal was repeatedly attacked in the campaign as naïve and inexperienced. In addition to questioning her foreign policy background, her opponents and other critics mocked her proposal to create "citizens" juries to pass judgment on the work of elected officials, calling it dangerously populist, costly and irrelevant. At one rally in Paris last month when she discussed the issue, she was booed repeatedly.

During one debate, she defended her call for a less centralized, more representative form of government, saying: "Democracy is like love. The more there is of it, the more it grows."

She has also been criticized by her rivals for playing the woman card. At a rally in Paris last Monday, she quoted Mr. Strauss-Kahn as having said after their final debate that "she would have done better to stay at home instead of reading from her recipe cards."

Asked by Europe 1 radio Wednesday whether she was a liar, Mr. Strauss-Kahn replied, "That, or she is ill informed."

While opinion polls put her far ahead as the vote approached, it had been impossible to say whether those projections would be borne out in Thursday's primary. Only party members who pay about $25 a year to register officially were allowed to vote in the primary. Their views had never been polled because the Socialist Party refused to give its membership list to polling institutes. In addition, a full third of the party's members joined this year after a campaign to register new and younger members, using the Internet as a recruiting tool.

There have been two Socialist primaries before, but they were low-key affairs and they did not follow a campaign to enroll new members or televised debates similar to those in the United States.

In January, the UMP party will choose its candidate in a primary for the first time.

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Despite Mr. Sarkozy's overwhelming lead in the polls, there are signs that 12 years might not be enough for President Jacques Chirac. In an interview in the magazine Le Nouvel Observateur, his wife, Bernadette, suggested that he might seek an unprecedented third term.

As a former president, the 73-year-old head of state has the right to sit on the country's Constitutional Council once he is no longer president.

"Yes, he'll take it up," Mrs. Chirac said of the council. "In five years' time."

Mr. Chirac himself has said he will not make his intentions known before next March.

France's Segolene Royal Wins Socialist Party's Nomination (WSJ)

By David Gauthier-villars

The Wall Street Journal, November 17, 2006

PARIS -- Segolene Royal won the French Socialist Party's nomination to run in next year's presidential elections.

After a day of voting by French Socialist party card-carrying members, "it's now certain" that Ms. Royal will win the nomination without a further run-off vote, Stephane Le Foll, chief of staff for the Socialist Party's head secretary, told reporters. Mr. Le Foll declined to give a percentage by which Ms. Royal was expected to win, but said some 75,300 votes had been counted out of a total 180,000 ballots cast.

Ms. Royal's victory takes her one step further to her ambitions of becoming France's first woman president. The 53-year-old mother of four has transformed herself from a junior politician into a serious contender for the president's job over the past year. Her nomination highlights France's deep desire for change after nearly twelve years of economic stagnation and sagging morale under the rule of current President Jacques Chirac.

"It shows Socialist militants are also ready for change," said Jean-Louis Bianco, a Socialist lawmaker as the votes were being counted at the party's headquarters in Paris. Mr. Bianco added that he expects Ms. Royals' rivals in the primaries -- Dominique Strauss-Kahn and Laurent Fabius -- to now rally behind Ms. Royal.

The center-right, ruling UMP party, led by current Interior Minister Nicolas Sarkozy, is expected to choose its candidate early next year. Recent polls have suggested that Ms. Royal and Mr. Sarkozy would tie if the first round of the presidential election was held today, collecting between 30% and 35% of the votes each.

Socialists Pick New Face For French Presidency (WP)

By John Ward Anderson

The Washington Post, November 17, 2006

PARIS, Nov. 17 -- Riding a wave of popular disgust with France's political status quo, SÃ©golÃ¨ne Royal on Thursday used an Internet-fueled, personality-driven campaign to capture the Socialist Party's nomination for president and boost her bid to become France's first female head of state.

Royal, 53, an unmarried mother of four and glamorous protege of French presidential icon Francois Mitterrand, capitalized on her image as a fresh-faced cyber-candidate, running an insurgent's campaign to shake up the stodgy, male-dominated world of French politics. Party officials declared her the winner as vote-counting continued early Friday.

Le Monde newspaper estimated that she captured about 61 percent of the vote in turning back challenges from two party stalwarts -- former finance minister Dominique Strauss-Kahn and ex-prime minister Laurent Fabius, who both garnered about 19 percent, Le Monde projected.

Royal will carry the Socialist banner in the crowded first round of France's presidential race on April 22, when more than a dozen contenders are likely to vie for the Elysee Palace. The top two vote-getters will run against each other in the final ballot on May 6.

Political analysts expect the final matchup to pit Royal against the current interior minister, Nicolas Sarkozy, 51, the presumptive candidate of the center-right Popular Movement party, or UMP, which has not decided how it will choose its nominee. Polls show the pair -- who are transforming French politics by borrowing U.S.-style tactics -- statistically tied in a second-round face-off.

"Voters want to go to a new generation of politicians and forget all the past," said Pierre Giacometti, the head of Ipsos polling company. "The impression is that Sarkozy and Royal are a new frontier and represent a new vision and a new political epoch in the Fifth Republic."

About 219,000 registered Socialist Party members were allowed to vote in Thursday's election, and roughly 80 percent cast ballots, the party reported. Royal's victory -- she needed more than 50 percent to win -- was a clear signal that members wanted to rally behind a single candidate and avoid a potentially divisive second round.

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Even so, political analysts and opinion surveys suggest that Royal will face a tough challenge uniting the left for the first round of the general election so that it does not splinter its vote and hand a victory to the hard right. That happened to the Socialists in the last presidential contest, in 2002, when the left's vote was so divided that it suffered a humiliating first-round defeat to anti-immigration candidate Jean-Marie Le Pen and his National Front party. Le Pen, who is gearing up to run again, was crushed in the second round by the current president, the UMP's Jacques Chirac.

Chirac has not declared whether he will run, but it seems unlikely. His lackluster stewardship of France in recent years coincided with a sense of political and economic decline, a loss of international stature and a deep national malaise. In a recent poll, only 2 percent of those surveyed wanted him to run for a third term.

French disenchantment with politics-as-usual opened the door for Royal, whose primary campaign avoided deep policy debates and focused instead on her main selling points, which she referred to again and again on the campaign trail: the fact that she is a woman and polls that show she is the only candidate able to beat Sarkozy.

"I am the only one who can win against the right. I embody the profound change that people are crying out for," she declared at a campaign stop last weekend. "For the symbolic father of the nation to be a woman -- now that's a revolution."

France has never had a female president, and only one woman has served as prime minister -- Edith Cresson, whose 11-month term in the early 1990s was widely considered a disaster.

"She is, in a way, a symbol of hope, she's modern -- not the same old politicians everyone grew up with since they were babies -- and she's a woman and a mother and unapologetic about it," said Nicole Bacharan, an analyst at the Institute for Political Studies in Paris. "The discontent in the U.S. with the White House and Congress and Republicans and Democrats -- it's exactly the same here."

Although Royal has written four books and held three cabinet posts -- education, environment, and family and children -- critics disparage her credentials, and many on the left question her adherence to Socialist doctrine, calling her a populist whose candidacy represents a victory of style over substance. She was accused of cynically overplaying the gender card -- using her femininity to attract voters on the one hand, attacking her critics as chauvinists on the other. She recently began reminding audiences that when she announced her candidacy, one of her opponents, Fabius, sneered: "Who will look after the children?"

She has offered a series of headline-grabbing proposals, such as boot camp for juvenile delinquents and "citizen juries" to monitor French politicians. She has criticized one of the Socialist Party's sacred cows -- the 35-hour workweek approved when the party controlled Parliament in 1998. But she has offered few ideas for tackling France's most pressing problems -- particularly immigration, crime and unemployment.

But after she had spent months on the campaign trail, sporting bright, well-tailored suits and colorful blouses, Royal's sharp contrast with the country's traditionally dour politicians won over much of the French public. She achieved rock-star status and typically is referred to by her first name only, or its shortened form, SÃ©go. Supporters said they made a personal connection with her.

"I don't care if SÃ©golÃ¨ne has experience or not, she's the only one I can trust," said Adrien Blanc, 40, a restaurant waiter in Paris who joined the party this year.

"I've had enough of the old party elephants," said Damien Beacco, 25, employing the term commonly used to describe longtime party power brokers. "SÃ©golÃ¨ne is different. Whenever she speaks, it creates momentum and entails change, no matter how shocking her proposals may be."

In what was considered a breach of journalistic decorum and a violation of the privacy rules surrounding politicians, two glossy magazines in August ran pictures of Royal at a beach in a turquoise bikini with her partner and father of her children, Socialist Party leader Francois Hollande. The celebrity magazine VSD ran her photo alongside a JFK-like picture of Sarkozy running bare-chested on a beach, with the headline "Duel in the sun."

Analysts said the willingness of candidates to tolerate and at times court such media coverage is a sign that French politicians are increasingly reaching out to the public.

Both Royal and Sarkozy have sophisticated Internet campaigns. Royal's candidate blog and Web site are credited with attracting many of the estimated 80,000 new members who joined the Socialist Party this year.

Royal also was stung by the new campaign tactics. In an incident remarkably similar to one that dogged the failed reelection effort of Sen. George Allen (R-Va.), Royal was captured on video criticizing French schoolteachers -- a key Socialist constituency -- for not working hard enough. The video was posted on the Internet, where it was reportedly viewed thousands of times. Tape recordings also circulated of Socialists booing and heckling her at closed party meetings.

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Ireland Sees Spike In Foreign Workers (WT)

By Anthony Healy

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The Washington Times, November 17, 2006

DUBLIN -- First-time visitors to Ireland may be surprised to find that the comely colleen serving Guinness in the local pub is, in fact, Polish.

After several centuries of a hardscrabble life that has seen Irish men and women emigrating around the world, taking their culture and legends with them, a decade of rapid economic growth has made the land of shamrocks a primary destination for hordes of immigrants, mainly from Eastern Europe.

Foreign nationals now account for 10 percent of the population, twice as many as just two years ago, forcing the government for the first time to begin drafting a formal immigration policy to deal with the influx.

"Make no mistake, we are in competition with other economies for go-ahead people with experience or qualifications that are in short supply at home," said Michael McDowell, the minister for justice, who must find a way to balance the nation's deep-seated traditions with the "Celtic Tiger's" growing demand for skilled labor.

"Immigration policies are first and foremost about what is best for Irish society."

But recognition of the economic need for foreign workers has done nothing to ease the shock experienced by one woman on a visit to Dublin from rural Ireland. "I asked three people for directions, and not one of them spoke English," she complained.

Similar anecdotes about pubs where all the staff speak Polish are borne out by recent figures from the Central Office of Statistics.

More than 80 percent of the new immigrants are under age 44, and almost half come from states that joined the European Union in 2004. Large numbers are employed in the retail, agriculture and construction sectors, helping to fuel one of the fastest-growing economies in Europe.

The ethnic and linguistic mixing, confined a few years ago to the capital, now reaches into even the smallest and most remote towns and villages. Amid the wild scenery of Connemara in the far west of Ireland -- where John Ford filmed "The Quiet Man" -- is the Killary Adventure Center. All the bar staff and kitchen staff are Polish.

"It's good to be able to talk to each other in Polish," said Anna, who has been in Ireland for two years and intends to return to Poland "when I've saved some money." She asked that her last name not be used.

In the southeast of Ireland in Dungarvan, population 15,000, there is now a Polish Advisory Center, located just down the road from the Polskie Sklepy -- the Polish Grocer. The local movie theater recently hosted a Polish film festival.

The nation's main Internet service provider, Eircom, now provides its services in Polish, as do many large companies.

By far the largest bloc of new immigrants come from Poland and Lithuania, having received an automatic right to work in Ireland when their countries joined the European Union in 2004.

Stunned by the unexpected influx, Ireland has followed Britain in imposing tougher restrictions on citizens of Romania and Bulgaria when their nations join the EU in January.

Michael Martin, the minister for enterprise, trade and employment, has said it is time "to take stock, be cautious and concentrate on addressing the integration needs of those who have already come to live and work in Ireland."

It is not clear how the new legislation will affect the handful of Bulgarians and Romanians already living in Ireland -- people like Chris, a Bulgarian who overstayed a student visa, works in a supermarket while studying accounting, and has married an Irishman.

"It is very strange, is it not?" said Chris, who spoke only on the condition that her real name not be used. "In most countries in the world, the men chase the women, but in Ireland it is the women who chase the men."

Myanmar Is Left In Dark, An Energy-Rich Orphan (NYT)

By Jane Perlez

The New York Times, November 17, 2006

SITTWE, Myanmar — In the balmy waters of the Bay of Bengal, just off the coast, an Asian energy rush is on. Huge pockets of natural gas have been found. China and India are jostling to sign deals. Plans are afoot to spend billions on new ports and pipelines.

Yet onshore, in towns like this one, not a light is to be seen — not a street lamp, not a glow in a window — as women crouch by the roadside at dawn, sorting by candlelight the vegetables they will sell for two cents a bunch at the morning market.

Paraffin and wood are major sources of light and heat. People receive two hours of electricity a day from a military government that is among the world's most repressive.

But attempts at outside pressure to prod the government to address its people's needs and curb abuses have faltered, in large part because China's thirst for resources has undermined nearly a decade of American economic sanctions. Critics say that Washington's policy has handed Myanmar, formerly Burma, to China. Still, as President Bush prepares to meet with leaders at the Asia-Pacific Economic Cooperation summit meeting in Vietnam on Nov. 17, one topic on his agenda will be how to keep

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up the pressure. He is not likely to find cooperation, not from rivals like China and Russia, or even countries like Singapore and Indonesia, which trade freely with Myanmar.

The Asian energy rush is the latest demonstration of how the hunt for oil and gas, and China's economic leverage, are reshaping international politics, often in ways that run counter to American preferences.

In many respects, with the rise of China's economic power and its unflagging support, the government here has become more entrenched than ever, people inside and outside the country say.

"What can we do about it?" said a well educated man here, when asked about the plans to sell the gas abroad in the face of the deprivation at home. "What good would it do to protest, what would we get?" People were too afraid of the 400,000-member strong army supplied by China, Russia and Ukraine to complain, he said.

In numerous encounters in Myanmar, where most speak with extreme caution to foreigners and almost always anonymously for fear of jail, people joked sardonically that China was the "big daddy" and that soon it would "own" Myanmar. "China is a good friend of the government, not of the people," one woman said. "They are like brother and brother-in-law."

The Bush administration has pledged that it will not let up on its sanctions against the government until it releases the opposition leader, Daw Aung San Suu Kyi, who has been under house arrest for 11 of the past 17 years.

Mrs. Aung San Suu Kyi's political party won an overwhelming victory in elections in 1990, and Washington insists that the government recognize those results, and release an estimated 1,100 political prisoners.

The Bush administration says it plans to file a Security Council resolution at the United Nations in coming weeks condemning the government for its human rights abuses, and tightening sanctions further.

The United Nations under secretary general, Ibrahim Gambari, met with the junta leader, Gen. Than Shwe, on Nov. 11 in Myanmar and urged the government to mend its ways on forced labor and political prisoners. The meeting ended inconclusively, United Nations officials said.

With so much energy and other resources at stake, and given its preference to shun outside interference in internal politics, China's leaders are seemingly unbothered by what is happening inside Myanmar.

China's National Development Reform Commission approved plans in April to build a pipeline that would carry China's Middle East oil from a deep water port off Sittwe across Myanmar to Yunnan, China's southern province. This would provide China with an alternative to the Strait of Malacca, which it now depends on for delivering its oil from the Middle East.

Though no date has been announced for work on the new pipeline across Myanmar, the military appeared to be getting ready to build the deep sea port on the island of Ramree, to the south of here, local people said.

In another sign of the importance of Myanmar to China, the chairman of the China National Offshore Oil Corporation, Fu Chengyu, said in a speech this year that the company would focus its investment in the medium term on two countries: Myanmar and Nigeria. Cnooc engineers are currently exploring for oil on Ramree, and the company has rights to other oil deposits in central Myanmar, according to Myanmar government reports.

India, thirsty for energy to fuel its own fast-growing economy, sees Myanmar as a place where it needs to contain China. In the late 1990s, democratic India switched its policy toward Myanmar from antagonism to friendship.

And Thailand, Southeast Asia's largest economy, spends about $1.2 billion a year for Myanmar's natural gas, giving the military government badly needed hard currency.

In conversations with people in a number of towns, a portrait emerged of a universally unpopular, deeply corrupt government. People told of worsening poverty, a collapsed education system and a health care system that could deal only with those who paid. Tuberculosis, malaria and AIDS were rampant, they said.

The government's budget for its AIDS program in 2004 was $22,000, according to a recent health survey by John Hopkins University Medical School.

The junta leader, Gen. Than Shwe, 73, whose early military training was in psychological warfare, was described by many here as a master manipulator of his minions. He insisted, apparently out of fear of a coup, that the capital be moved this year from Yangon, formerly Rangoon, to a new site in the jungle, Naypyidaw.

The move, costing millions of scarce dollars, was in step with the general's belief that he marched in the footsteps of the old Burmese kings — the name of the new capital means "Royal City." Then, as now, there was a fierce line between the rulers and the ruled.

For the first time, health workers said they were discovering severe malnutrition among children in urban centers, a true anomaly in a lush country that was once the world's biggest exporter of rice.

In Mandalay, the second-biggest city, almost naked children with distended stomachs scrounged on the riverfront. In one village on the Thwande River on the west coast, nomadic families were too strapped for food to offer any to visitors, a traditional courtesy in Myanmar.

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"Why is there severe malnutrition in this Garden of Eden? Because people are poor," said Frank Smithuis, a physician who has worked in Myanmar since 1994 and heads the Doctors Without Borders, Holland, medical programs. "People are going from three meals to two meals to one meal. One meal a day just isn't enough."

In the village of Leat Pan Gyunt, south of Sittwe, villagers said they could afford to send their girls to school for only three years. The local school consisted of one dirt-floored room for all grades from first to eighth. The desks were planks of wood supported on two bricks.

Afraid of protests by students, the government dispersed the University of Yangon to sites outside the capital.

At the new Magway University, the medical students were learning surgery from books and videos, without working on human corpses because the government refused to pay for formaldehyde, two people familiar with the situation said.

In contrast to the deepening poverty — Myanmar's per capita income is calculated at $175 a year, far below neighboring Bangladesh — the military leaders were amassing fortunes, people said.

The latest evidence was a video leaked to a Web site, www.irrawaddy.org, based in Thailand, of the recent opulent wedding of General Than Shwe's daughter, Thandar Shwe. The video showed the bride, with her father alongside her, decked out in a necklace of six ropes of large diamonds, her hair looped with diamonds as well.

For those educated people who want change, the path is treacherous.

"I don't want to waste myself in jail," said one woman, who had two relatives imprisoned. "They were not the same when they came out."

In a similar vein to the dissidents in Eastern Europe in the 1980s, the woman said she believed change had to come from inside the country. But unlike Poland under Soviet rule, no unions are allowed in Myanmar, and most kinds of formal associations are considered suspect.

She said she held classes at her home on how to be more confident, how to strategize. She was trying to spread her classes to Buddhist monasteries and Christian churches, she said.

"Only education can change people because people don't know anything," she said. "Only about 10 percent of the people know what is going on." Sometimes she was in such despair, she said, that she believed that the only way to win against the government was "to think like them."

"But we can't think like them," she added, "nobody thinks like them."

Not all opposition groups that work outside the country believe that Washington's hard line is serving the best interests of Myanmar or the United States.

With its policy of isolation, the Bush administration was allowing China, and to a lesser extent, India, to have a free hand in Myanmar to the exclusion of the United States, said Aung Naing Oo, who spent a year at the John F. Kennedy School of Government at Harvard University and who is the author of several books on Myanmar.

"The geopolitical situation favors the Burmese military," he said. "China and India both want to support it, and the Asian nations have no teeth."

Still, on a recent trip to Vietnam, a delegation of Myanmar officials heard something that astounded them, he said. They went to find out why Vietnam had become so suddenly prosperous.

"The Vietnamese said one word: 'The Americans.' The Burmese could not believe that after fighting a war Vietnam was friendly with the United States."

The Green Leap Forward (NYT)

By Thomas L. Friedman

The New York Times, November 17, 2006

A friend of mine here wakes up every morning and does his own air quality test — as many Beijing residents do: He looks out his 24th-story window and checks how far he can see. On a rare pristine day, when the wind has swept Beijing, he can see the Fragrant Mountain rising to the northwest. On a "good" pollution day, he can see the China World building four blocks away. On a bad day, he can't see the building next door.

Shortly before I arrived in Beijing, China had been host of a summit meeting of 42 African leaders. Time magazine reported that Beijing officials had "ordered half a million official cars off the roads and said 400,000 more drivers had 'volunteered' to refrain from using their vehicles" in order to clean up the air for their African guests. No sooner were they gone, however, than all the cars returned and Beijing's air went back to "unhealthy." China's Environmental Protection Administration, Time noted, recently estimated the annual number of premature deaths in China caused by air pollution at 358,000.

No, China's officials are not in denial about their environment. But they also have not fully come to grips with how big a project it will be to take this incredible locomotive of an economy and clean up the engine without stopping the train.

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I would argue that the same kind of bruising effort it took for Deng Xiaoping to move China from communism to capitalism will be required to move China from its polluting model of capitalism to a sustainable one. Mao almost destroyed China with his Cultural Revolution to make it more red, more communist. Without a new cultural revolution to make China more green, more sustainable, the Chinese growth juggernaut will destroy itself.

"To reverse this kind of situation we can't just make speeches," Pan Yue, China's vice minister for environmental protection, told me. "It will only come from a shift of attitudes from the very top to the very bottom. My job is to educate and encourage this shift, so that officials don't just think about economic growth as G.D.P. growth, but also factor in environmental health."

Three big shifts will be needed. The first is addition by subtraction. China can't go on trying to solve its energy problem by building the equivalent of two 600-megawatt coal-fired power plants a week. China needs California-style virtual efficiency "power plants" — E.P.P.s. These E.P.P.s are companies formed to identify and implement ways to save energy — from better lights to better designs to more efficient appliances — in a particular region. E.P.P.s sell the kilowatt-hours they save to the power grid at a fraction of the cost the grid would have had to invest to generate that same power with a coal-fired plant. The idea is to have profit-driven companies focused on adding power — by saving it where it is not needed so there will be more capacity where it is needed — without having to build more smokestacks. China is exploring E.P.P.s.

Second, China has set ambitious environmental targets. But it has to better persuade officials at every level that meeting not only their growth targets but also their "green" targets will determine if they advance or not.

China's 10th five-year plan, which began in 2000, called for a 10 percent reduction in the sulfur dioxide that produces acid rain. When that plan concluded in 2005, air pollution in China had increased by 27 percent. The 11th five-year plan calls for a 20 percent improvement in energy consumption for every percent of G.D.P. growth and a 10 percent reduction in pollution, now from a higher base.

This time, Beijing is stipulating exactly how much each province and locality and the top 1,000 factories have to improve. So far, though, the first year has seen another increase in air pollution. Until local officials start getting fired en masse for missing their green targets, you won't see big change.

Finally, China's leaders are going to have to allow more press freedom and public participation, because the best environmental watchdogs are local newspapers and farmers. Beijing, to its credit, has begun to allow citizens to take part in environmental impact assessments and to bring environmental lawsuits. But this needs to go further.

I repeat: China's leaders do get it. But moving this place to a new sustainable model will take more than ordinary leadership. It will take a giant leader who by sheer force of will moves the whole system against all the entrenched habits and interests. It will take a green Deng Xiaoping. Nothing else will suffice. Otherwise, every day here will feel like midnight at noon.

Don't Close The Door On Free Trade In The Andes (WSJ)

By Mary Anastasia O'Grady

The Wall Street Journal, November 17, 2006

Sometimes it seems that our elected representatives in Washington are not all that bright. Either that or they don't always act with the best interests of the American people in mind.

Take the opposition on Capitol Hill to the pending free trade agreements between the U.S. and Peru and Colombia. The Bush administration has already signed the FTA with Peru and is expected to sign the Colombia FTA by the end of next week. But to be implemented, both pacts need to be ratified by the U.S. Congress. Right now, with the Democratic leadership opposed and some Republicans unwilling to back the president, that looks doubtful.

Just how the defeat of these two trade pacts is supposed to benefit American democracy, security or living standards is a riddle. The opposite is true: If a U.S. goal is to increase stability and prosperity abroad and to make the homefront safer and living standards higher for Americans, killing the U.S.-Peru deal is dumb. Knocking off the agreement with Colombia is even dumber.

Consider U.S. economic interests alone. Forget the fact that these two countries, with a combined population of more than 72 million people and per capita gross domestic products in 2003 of less than $2,200, would greatly benefit from more liberalized trade. Assume for a moment that Washington doesn't give a hoot about Third World hardship. Even if all this is true, and American politicians are only interested in serving Americans, ratifying these two trade agreements is still the only rational thing to do.

The U.S. economy is already relatively open to both Peruvian and Colombian imports under the Andean Trade Preferences Act. Since 1991 both countries have enjoyed duty-free access to the U.S. market for the vast majority of their products.

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Since 2002 the ATP has been tied to "cooperation" in the U.S. war on drugs, which has meant an increase in violence and instability in the region in a senseless effort to end the supply of coca coming from the Andes. So our Andean friends have certainly "paid" for their preferential access to the U.S. Yet under the ATP there is no quid pro quo for trade liberalization on the part of Peru or Colombia. If the two free trade agreements are not ratified, it is likely the ATP will be renewed in the interest of the drug war.

A better U.S. policy, for all sides, would be to keep the U.S. market open to Peruvian and Colombian goods but also to open those domestic markets to American goods. That's what would happen under the FTAs. Under the U.S.-Peru agreement, 80% of U.S. exports of consumer and industrial products to Peru will be immediately duty-free once the deal is sealed and another 7% will become duty-free after five years. Nearly the entire economy will be open after 15 years. In the case of Colombia, 80% of U.S. exports of consumer and industrial products will be duty-free immediately and the rest of the duties will phase out over 10 years.

As it stands now, Peruvian and Colombian trade policies incorporate a "high level of protectionism," according to the 2006 Heritage-The Wall Street Journal Index of Economic Freedom. But both countries are already demonstrating an appetite for U.S. goods. U.S. exports to Peru, despite protectionism, are now more than $2 billion annually. In 2005, U.S. goods exports to Colombia were $5.4 billion. Inflation is low and the currencies stable in both countries and both boast young populations eager to become consumers in a globalized market. Access to this demographic is a U.S. exporter's dream.

Retail consumers are not the only market for U.S. businesses. Thomas Gales, Caterpillar Tractor's vice president for Latin America, has testified that Colombia and Peru are important destinations for his company's heavy equipment. With the elimination of import tariffs on machinery made in Caterpillar's East Peoria and Decatur, Illinois plants, he says Cat's competitiveness in the region will be further enhanced.

The American Farm Bureau Federation estimates that when the deal is fully implemented, exports to Peru (a market half the size of Colombia) could grow by $700 million annually. Both agreements also liberalize the service sectors.

If these export opportunities are not convincing enough, consider the risks to U.S. competitiveness of nixing the deals. If the U.S. doesn't negotiate free trade in these markets, the European Union, Japan and the rest of Latin America probably will.

For those who care about Latin American poverty, there are even better reasons to ratify the free-trade pacts. The most immediate beneficiaries of more trade with the U.S. will be the consumers in Peru and Colombia who will have more choice and better prices. Countries that open experience improvement in their export accounts, as access to inputs helps local producers improve competitiveness.

None of this matters to Big Labor, of course, which is out to kill both deals. Democrats on the hook to unions for the party's Election Day victory have already memorized Labor's script: Trade with Peru and Colombia cannot be allowed because those countries don't protect worker rights. Never mind that both have signed on to all International Labor Organization conventions.

Andrés Mejía-Vergnaud, of the Freedom and Progress Institute in Bogotá, points out that in the case of Colombia, opponents to the FTA are arguing against ratification because union leaders have been murdered. "But it's hard to see the connection between the killing of union leaders and the trade agreement," he says. "Remember that not only union leaders have been killed in Colombia: journalists, judges, business leaders, politicians, etc., all of us have been in danger here. It has to do with a generalized state of violence that the country has been going through, and has nothing to do with free trade. The crisis of unions in Colombia is also related to corruption and rapacity in public unionism. No wonder union leaders were once known here as the 'blue-collar oligarchy.'"

Colombia is not the only place where a Big Labor oligarchy has been known to call the shots for the rest of us. The Democratic-led Congress taking over in January is likely to experience a similar tyranny. That means that the only hope now for a step forward in U.S.-Latin American trade relations lies with Republicans, who would be wise to pass these FTAs before they leave the majority in December.

No More Delays For Kosovo (NYT)

The New York Times, November 17, 2006

For the past seven years, the tiny Balkan region of Kosovo has been in limbo. Administered by the United Nations, it is not an independent state. But it is no longer a province of Serbia. That ended after Serbia's rulers tried to kill or drive out Kosovo's ethnic Albanians — and NATO went to war to save them.

Limbos are not stable. And the U.N. mediator in talks on the region, Martti Ahtisaari, was expected to announce by the end of this year that it was time to start Kosovo on the path to closely monitored independence. Instead, he put off the decision until after Serbia's parliamentary elections — scheduled for January — for fear of bolstering Serbian ultranationalists. This postponement, only the most recent of many, should be the last.

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After the 1999 war there has never been a realistic possibility of rejoining Kosovo and Serbia. Kosovo was supposed to earn independence by proving its willingness to govern responsibly and to protect its ethnic Serb minority. A lot more needs to be done on both those fronts.

But the United Nations has limited patience to keep administering Kosovo, and without the stability of statehood there will be no foreign investment and the beleaguered economy will not improve. Lack of economic prospects is feeding Albanian nationalism, and until Kosovo's status is settled, anger will remain close to the surface.

Even as it moves Kosovo toward statehood, the U.N. should keep a substantial military and advisory presence there, both to ensure the rights of the Serb minority and to encourage democratic development.

Belgrade will always object to Kosovo's independence. The best chance of moderating its reaction is the promise of eventual membership in the European Union and a clear warning that Europe will be watching how it treats its new neighbor. The Kosovars should be clear that donors and everyone else will be watching just as closely to see how they treat their own Kosovar Serbs.

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TERRORISM NEWS:

Bye-Bye To Secret Spy Program? (USNEWS)

By Liz Halloran

US News and World Report, November 27, 2006

Republicans who limped back to Washington for a lame duck congressional session last week found a host of marching orders from President Bush, but perhaps none more urgent than this: Before Democrats take control of Congress in January, they must pass legislation authorizing the National Security Agency's domestic eavesdropping program.

His plea for a legislative stamp of approval on the controversial spy effort is an "important priority in the war on terror," Bush said. The response: deafening silence. Senate Majority Leader Bill Frist quickly dispatched aides to put out the word on Bush's request: Not gonna happen.

Outgoing Senate Judiciary Committee Chairman Arlen Specter introduced yet another bill last week that he says would ease the concerns of privacy advocates while allowing the spying program to continue, but the odds of getting any last-ditch legislation through his committee, the House, and a Senate vote before Republicans cede control are formidable.

So after nearly a year of high-stakes wrangling on the Hill, heated debates over privacy and presidential authority, and a flurry of lawsuits against the administration and telecom companies for allegedly aiding the surveillance program, Congress appears to be back to square one. And with Democrats promising oversight hearings next year on how the program was hatched and whom it targets, it appears likely that the issue will be decided in court and, ultimately, the Supreme Court.

"No kings." The eavesdropping program, launched in secret after the 9/11 attacks, was revealed last December by the New York Times. The newspaper also reported that the government failed to get surveillance warrants from a secret court that monitors domestic spying. During the ensuing uproar, the president defended the program as targeting only domestic

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communications that originate overseas. His lawyers have argued that the president's executive wartime authority precludes his having to seek surveillance warrants. Says Todd Gaziano, director of the conservative Heritage Foundation's Center for Legal and Judicial Studies: "Every president has engaged in the equivalent of warrantless wiretapping and surveillance-the only difference is that this administration is being far more sensitive to civil liberties."

Nonetheless, some three dozen legal challenges have been filed questioning the program's legality and Bush's wartime powers claim. A slew of the cases also take aim at telecom companies for providing confidential customer data to the NSA. Under federal communications law, customer call records are protected from disclosure, though there is an effort by Bush and other conservatives to grant the companies retroactive legal immunity.

The most-watched court case is in Detroit, where U.S. District Judge Anna Diggs Taylor has ruled that the program violates U.S. citizens' privacy and free-speech rights and illegally skirts review by the special Foreign Intelligence Surveillance Act court. "There are no hereditary kings in America, and no powers not created by the Constitution," Taylor wrote. Administration lawyers won a stay to keep the program running and are appealing Taylor's ruling.

Oral arguments could be heard as soon as early next year. And Marc Rotenberg, executive director of the Electronic Privacy Information Center, which has sued to obtain information about the spy program, said the case will set a benchmark for how other cases may proceed.

Another closely watched case is being heard in San Francisco, where AT&T has been sued for allegedly providing customer call records to the NSA. A federal judge there rejected the government's request that the case be dismissed because it might reveal state secrets. That decision has also been appealed.

On Capitol Hill, some conservatives say they'd be happy if the eavesdropping bills remain dormant-that the issue can be left to the courts to resolve. They're also content, they say, to let the Democrats take the political risk of pursuing the president on a contentious national security issue while the 2008 presidential election gathers steam. But Caroline Fredrickson, the chief lobbyist for the American Civil Liberties Union, says that may be a miscalculation. "Members of Congress are probably paying pretty close attention to what the voters said last week," she said, "and I don't think voters said they want the president's illegal program authorized." What the courts say could be another thing entirely.

9/11 Prisoner Abuse Suit Could Be Landmark (LAT)

By Richard A. Serrano

The Los Angeles Times, November 20, 2006

NEW YORK — Five years after Muslim immigrants were abused in a federal jail here, the guards who beat them and the Washington policymakers who decided to hold them for months without charges are being called to account.

Some 1,200 Middle Eastern men were arrested on suspicion of terrorism after the attacks of Sept. 11, 2001. No holding place was so notorious as Brooklyn's nine-story Metropolitan Detention Center. In a special unit on the top floor, detainees were smashed into walls, repeatedly stripped and searched, and often denied basic legal rights and religious privileges, according to federal investigations.

Now the federal Bureau of Prisons, which runs the jail, has revealed for the first time that 13 staff members have been disciplined, two of them fired. The warden has retired and moved to the Midwest.

And in what could turn out to be a landmark case, a lawsuit filed by two Brooklyn detainees against top Bush administration officials is moving forward in the federal courts in New York.

A judge turned down a request by FBI Director Robert S. Mueller III and former Atty. Gen. John Ashcroft to dismiss the lawsuit against them. The case is before an appeals court, where a panel of three judges signaled last month that they too believed it should go forward.

The suit, which also names top federal prison officials and individual guards as defendants, seeks an unspecified amount of money from the government. More significant, it hopes to hold federal law enforcement authorities responsible for their open-ended, "hold-until-cleared" policy for detainees. After Sept. 11, the FBI was in no rush to investigate the detainees, and many men were held in limbo. If the lawsuit prevails, it will create precedents that will probably bar authorities from carrying out such sweeping roundups in the future.

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The case is proceeding with just one of the detainees who sued. The government settled with the other, former Manhattan deli operator Ehab Elmaghraby, who this year accepted a federal government payout of $300,000.

But Elmaghraby, who has returned to Egypt, said he could not forgive the guards who jammed a flashlight up his rectum.

"They destroyed me. They destroyed my family," he said in a recent telephone interview. "So I want the officers to stay one week inside those cells. They would kill themselves before the week was finished."

Ashcroft and others have defended the detentions. In a new book, Ashcroft wrote: "Was it worth it to detain and charge hundreds … in order to find one or more of the key men sent to America to facilitate a second wave of attacks on the United States? I thought so then, and I think so more today."

Five investigations by the Department of Justice inspector general's office, most of them never publicized, documented wholesale abuse of the Muslim detainees at the Brooklyn detention center. In the months after the Sept. 11 attacks, 84 men were held there. None was charged in the attacks. Most were deported on immigration infractions.

One disturbing incident, repeated over and over, is particularly haunting — inmates head-slammed into a wall where the staff had taped a T-shirt with an American flag printed on it. The motto on the shirt proclaimed: "These colors don't run." In time, that spot on the wall was covered with blood.

"They told me, 'Look at our flag. You see the blood that is coming down from our flag? We're going to make you bleed every day like this,' " Elmaghraby recalled.

He said they grabbed his back and sides and rushed him head-first into the wall. "Blood came out of my mouth," he said.

The inspector general determined that many guards were "emotionally charged" in the weeks after Sept. 11. A jail lieutenant told investigators that guards carried around "a great deal of anger." Another lieutenant said prisoners purposely were handed over to teams of up to seven guards, all of them "spiked with adrenaline." That lieutenant further described some of the guards as "talking crazy" and "getting ready for battle."

In legal briefs filed this year with the U.S. 2nd Circuit Court of Appeals in New York, attorneys for Ashcroft and Mueller defended their policy, saying that Washington after Sept. 11 was "confronted with unprecedented law enforcement and security challenges." They said Ashcroft and Mueller had been working with "no clear judicial precedents in this extraordinary context."

Ashcroft in his recent book, "Never Again: Securing America and Restoring Justice," wrote that the goal was to prevent another catastrophic attack. He was not bothered by holding detainees for long periods.

"If we can't bring them to trial," he wrote, "so be it."

Mueller also has defended the decision, but in a speech to the ACLU acknowledged that the inspector general did "a very good job of pointing out areas where we can do better." He said that clearer criteria were needed for deciding when to hold immigrants as terrorism suspects and that law enforcement should do more to speed up investigations.

Elmaghraby moved to the U.S. in 1990, married and operated a deli near Times Square in Manhattan. Nineteen days after Sept. 11, he was arrested, apparently because his landlord in Queens had applied for pilot training.

For the first three months in the jail, he said, he was denied a blanket, pillow, mattress and toilet paper. He was locked away in his bare feet.

"No shoes for a terrorist," he said he was told.

He said he was repeatedly strip-searched, dragged on the ground and punched until his teeth shattered. He said that he was displayed naked in front of a female staffer, and that guards violated him with a flashlight and pencil.

Elmaghraby, 39, broke down crying in a recent interview. "They don't treat you like a person," he said. "They treat you like an animal."

He was held for nearly a year — until August 2002. After pleading guilty to minor credit card fraud charges, he was deported to Alexandria, Egypt.

He has lost track of his wife in New York, he said, and his deli business went under. And he spent most of his $300,000 settlement to repair his stomach and esophagus, which he said were damaged because jail doctors did not properly treat him for severe indigestion and hypertension.

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The former detainee with whom the lawsuit is proceeding, Javaid Iqbal, is also 39. Iqbal, a Pakistani, came to America a dozen years ago. He married and he worked as a cable repairman on Long Island. He was arrested in November 2001, apparently after agents interviewed him in his apartment and spotted a magazine showing the twin towers collapsing.

He said he was mocked as a "Muslim terrorist and a killer." He was strip-searched, punched in the face and kicked in the back. He said guards urinated in his toilet, then turned off the water so it would not flush.

He was denied a copy of the Koran. "No prayer for terrorists," he said he was told.

Iqbal was released at the end of July 2002. He pleaded guilty to having false immigration papers and was deported to Faisalabad, Pakistan. His lawyers declined to let him be interviewed.

Guards at the detention center first denied there was any mistreatment, then slowly came forward. Finally videotapes were uncovered that showed abuse, including detainees head-butted into the T-shirt on the wall.

Traci Billingsley, a spokeswoman for the federal Bureau of Prisons, said 13 staff members have been disciplined. Two were fired, two received 30-day suspensions and one was suspended for 21 days. Two more were suspended for four days, three for two days, and three were demoted.

Warden Dennis Hasty retired in April 2002. He is named as a defendant in the lawsuit but his lawyer, Michael L. Martinez, said Hasty had not been aware of the abuse and had been "appalled and upset" to learn of the allegations.

The lawsuit was filed in Brooklyn in May 2004. Last year, U.S. District Judge John Gleeson ruled against a bid by Ashcroft and Mueller for a dismissal.

The judge said the furor over Sept. 11 did not warrant such drastic measures. He rejected, he wrote, "the argument that the post-Sept. 11 context wholly extinguished … a pretrial detainee's due process rights."

Some Believe 'Truth Serums' Will Come Back (WP)

By David Brown

The Washington Post, November 20, 2006

If there is a "truth serum" that works, it is a secret that nobody is giving up.

The debate earlier this year on interrogation techniques in the war on terrorism raised anew a question that goes back at least 2,000 years. Is there something you can give a person that will make him tell the truth?

The ancient Romans had an answer: Yes.

" In vino veritas"-- "in wine there is truth" -- is sometimes attributed to the natural philosopher Pliny the Elder. The observation made in the 1st century has been borne out over the millennia by many a remorseful inebriate. And, in truth, alcohol given as intravenous ethanol was an early form of truth serum.

In the 21st century, however, the answer appears to be: No. There is no pharmaceutical compound today whose proven effect is the consistent or predictable enhancement of truth-telling.

The modern fascination with truth-eliciting drugs began in 1916 when an obstetrician named Robert House, practicing in a town outside Dallas named Ferris, saw a strange event during a home delivery.

The woman in labor was in a state of "twilight sleep" induced by scopolamine, a compound derived from the henbane plant that blocks the action of the neurotransmitter acetylcholine. House had asked her husband for a scale to weigh the newborn. The man looked for it and returned to the bedroom saying he could not find it, whereupon his wife, still under the anesthetic, told him exactly where it was.

House became convinced that scopolamine could make anyone answer a question truthfully, and he went on to promote its forensic use.

Police departments used it -- and in a few cases judges permitted it -- throughout the 1920s and 1930s. Other drugs were also tried, most famously the barbiturates Pentothal and Amytal. But by the 1950s, most scientists had declared the very notion of truth serums invalid, and most courts had ruled testimony gained through their use inadmissible.

The emerging consensus did not stop the most notorious search for truth serum, the CIA's Project MK-ULTRA. Starting in 1953, the agency tested the behavioral effects of several drugs, including their effects on interrogation. Many people were given

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substances without their knowledge or consent. Frank Olson jumped from a hotel window to his death after taking the hallucinogen LSD.

The program ended in the late 1960s. Its abuses -- many revealed in congressional hearings in 1977 -- produced bad publicity for the spy agency.

Whether a search for truth serums has occurred in recent decades, and especially since the terrorist attacks of Sept. 11, 2001, is a matter of differing opinion.

Gordon H. Barland was a captain in the U.S. Army Combat Development Command's intelligence agency in the 1960s. Before leaving active duty in 1967 he was asked to write up "materiel objectives." He put on the wish list a drug that would aid interrogation.

He later became a research psychologist and spent 14 years working at the Department of Defense Polygraph Institute. While psychopharmacology was not his specialty, trying to catch liars was.

"I would have expected that if there was some sort of truth drug in general use I would have heard rumors of it. I never did," said Barland, who retired in 2000 and now lives in Utah. He further doubts that the government would again engage in such experiments, given the MK-ULTRA experience.

"It would be very difficult to get a project like that off the ground," he speculated.

Another psychologist who spent 20 years in military research said he also "never heard anything like that or knew of anyone who was doing that work." He spoke on the condition of anonymity because interrogation is not his specialty.

Some doubt the practicality of running, or keeping secret, such a research agenda.

"I can't imagine it," said Tara O'Toole, director of the Center for Biosecurity of the University of Pittsburgh Medical Center.

"We haven't been able as a government to create anthrax vaccine. The idea that we could develop a [truth] drug de novo strikes me as outlandish," she said. "That would be a really major research and development project that would be hard to hide."

For the record, spokesmen for the Army medical research command, the Defense Advanced Research Projects Agency (DARPA) and the CIA say there is no work underway on truth serums.

Whether such a substance could ever be used legally is a question some legal scholars believe is still open.

"In the United States, no law at either the state or national level makes the use of truth serum a crime per se," Jason R. Odeshoo wrote in the Stanford Law Review in 2004.

Information gotten through drug-aided interviews would not be allowed in a trial because of the Constitution's privilege against self-incrimination, but it might be legal to use truth serum "solely for intelligence-gathering purposes," he argued. Similarly, while the Geneva Conventions forbid its use against prisoners of war, if terrorism suspects aren't considered POWs the conventions wouldn't block it, he wrote.

Curiously, truth serum was once viewed as a way of preventing, not promoting, abusive interrogations.

The Prohibition era, which coincided with scopolamine's popularity, produced widespread graft in police departments and district attorneys' offices. Reports of "third-degree" interrogation and forced confessions were common.

"In this climate 'truth serum' was powerfully represented as a sophisticated, scientific, and non-violent alternative to unsavory police methods," wrote Alison Winter in a history of truth serum published in the Bulletin of the History of Medicine in 2005.

This ambiguous legal status, combined with advances in neuroscience, lead some to suspect there may be a second act for truth serum.

"There is a large number of neural circuits that we are on the verge of being able to manipulate -- things that govern states like fear, anxiety, terror and depression," said Mark Wheelis, a scientist at the University of California at Davis and a historian of chemical and biological warfare.

"We don't have recipes yet to control them, but the potential is clearly foreseeable," he said. "It would absolutely astonish me if we didn't identify a range of pharmaceuticals that would be of great utility to interrogators."

Recent research with the hormone oxytocin is especially provocative in this regard.

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Produced by the brain, oxytocin is best known for stimulating uterine contraction during labor (when it is sometimes given under the trade name Pitocin), and for promoting milk "letdown" during breast feeding. Animal studies have shown it is also important in mate bonding and social attachment.

In a study published last year, Michael Kosfeld and Markus Heinrichs of the University of Zurich set up an experiment examining oxytocin's effects on trust.

About 130 college students were randomly given a snort of oxytocin or placebo. Half were then designated "investors" and were given money. They could keep or transfer some or all of the money to a student "trustee," whom they did not know and could not see.

The act of transferring money tripled its value, creating a big payoff for the trustee receiving it. That person could then keep it all or acknowledge the investor's trust by returning some portion.

The investors getting oxytocin on average transferred more money than those getting placebos, and twice as many -- 45 percent vs. 21 percent -- showed maximal trust and transferred it all. Interestingly, oxytocin had no effect on how much money trustees shared back with their investors, suggesting that the hormone acted specifically to promote trust in situations where there was risk and uncertainty.

Paul J. Zak, a neuroscientist at Claremont Graduate University in California, helped supervise the Swiss experiment. He later went to a meeting called by DARPA and presented the findings. When he was finished, a military scientist asked him: "How do I use this stuff tomorrow?"

Zak said he dodged the question. He observed that classic interrogation techniques, in which one person acts as the "good cop" and creates a bond with the prisoner, probably already makes use of the brain's own oxytocin. He added that, "we are just showing you the neurophysiology behind it."

HOMELAND RESPONSE:

Marshals Kept Off Plane At Reagan (WT)

By Audrey Hudson

The Washington Times, November 20, 2006

A team of federal air marshals was prevented from protecting a recent flight from Ronald Reagan Washington National Airport because a gate agent erroneously said they did not have the correct paperwork, say marshals familiar with the incident.

Officials with Metropolitan Washington Airports Authority (MWAA) were called in to remove the marshals from US Airways Flight 3464 departing Nov. 8 for Bradley International Airport in Windsor Locks, Conn.

"Right now we know, obviously, that federal air marshals were denied boarding," said Federal Air Marshal Service (FAMS) spokesman Conan Bruce.

Marshals knowledgeable about this case and others told The Washington Times on the condition of anonymity that the gate agent demanded paperwork which is required of other law-enforcement officials, but not from federal air marshals who are on duty to protect the plane from a terrorist attack.

The flight arrived late, and passengers were immediately boarded while marshals showed their identification to the gate agent and head flight attendant. They asked to brief the captain then boarded the plane.

The marshals were first rousted from their seats to report to the jet bridge, where the gate agent demanded paperwork intended for off-duty law-enforcement officers carrying weapons. The marshals told the gate agent that they were on mission status and the paperwork was not required, and they returned to their seats.

The marshals were called to the jet bridge a second time to speak with the captain, and the marshals then returned to their seats.

Minutes later, the marshals were called again to the jet bridge a third time, where MWAA officers ordered the marshals to exit the plane.

Even the intervention of higher-ups in the Homeland Security Department could not persuade the airline to allow the armed law-enforcement agents aboard, and the plane departed unprotected an hour and a half late, the sources said.

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Calls for comment to Republic Airlines, which owns US Airways, were not returned.

Air Marshal Director Dana Brown has pledged to rewrite the boarding rules, which marshals say are defined differently by airlines and often exposes their undercover identities.

Mr. Bruce said the agency is working with the airline to review the incident, "get the facts and find out what happened."

Asked whether similar situations have occurred in which airlines barred marshals from boarding, Mr. Bruce said "I'm sure it has in the past five years; it isn't the first incident."

"I would not say it's a regular occurrence. After we expanded the program and added so many thousands of marshals, it was a learning process for the airlines and us. I would not say it was a regular occurrence, maybe early on, but not a regular occurrence now," Mr. Bruce said.

"It is important to point out we work hand in hand with the airlines. It's a cooperative effort; that's why we have a liaison division," Mr. Bruce said. "We'll figure it out, we'll review it, but I don't want to speculate until we have all the facts."

Marshals say this isn't the first time they have encountered animosity from airlines and the flight crews whom they protect.

"There were hundreds of incidents like this," one air marshal said of the period shortly after the September 11 terrorist attacks. "Air marshals finally stopped filing reports because the air marshal usually ends up being investigated for not being able to cooperate."

Union Wants To Organize Airport Screeners (USAT)

By Thomas Frank

USA Today, November 20, 2006

WASHINGTON — The nation's largest federal labor union will push to organize airport security screeners after a finding by a United Nations agency that the screeners should have union representation.

The 600,000-member American Federation of Government Employees says it could improve workplace conditions. The Transportation Security Administration has one of the highest attrition and injury rates in the federal government, which aggravates staffing shortages that make airport security lines longer. The AFGE plans to lobby Congress' new Democratic leaders to let TSA screeners unionize.

The TSA says unionization could hinder managers from quickly moving screeners to new assignments as security threats arise.

The nation's 45,000 screeners have been barred from collective bargaining since the TSA was formed after the 9/11 attacks to safeguard aviation.

The U.N. International Labor Organization's finding says that policy "may impede unduly upon the rights of these federal employees" and urges the TSA to "engage in collective bargaining" with screeners. The Geneva-based agency released its finding this month in response to a complaint filed in 2003 by the AFGE. The union lost a lawsuit seeking to represent TSA screeners.

The finding carries no legal obligation but reflects that the TSA is not following the United Nations' "core labor standards," says Hans von Rohland, an International Labor Organization spokesman.

"Now we have the rationale that this is not just a union whining," AFGE lawyer Mark Roth says. "This is a formal finding of a violation."

The finding will encourage Congress to let screeners unionize, he says.

When Democrats take control of the House of Representatives and Senate in January, "we certainly have a much more receptive Congress," union lobbyist Charity Wilson says.

Rep. Nita Lowey, D-N.Y., says union representation would provide "basic worker protections that will ensure screeners are treated like professionals." Lowey proposed in July to let screeners unionize, but her measure was defeated on a 14-15 vote in her House Homeland Security Committee.

Lowey hopes to add the measure to a broad legislative effort to strengthen domestic security that Democrats will push in January.

"I feel good about it for next year," Lowey says.

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TSA spokeswoman Ellen Howe says unionization "would limit our ability to make decisions rapidly in the interests of national security and in response to risk."

Most federal labor unions are barred from negotiating wages and benefits, which are set by Congress. They can help set workplace conditions and file grievances heard by neutral parties.

"We will bargain safety conditions, health conditions, fair rotations of work and assignments, so people have a job they want to stay in and are not treated arbitrarily," Roth says.

Travelers Say We're Bordering On Hostile (WP)

The Washington Post, November 20, 2006

Looking for reasons why America's popularity in the world has declined? The U.S. travel industry blames security.

A plurality of international travelers rated the U.S. visa and immigration entry system the "world's worst," according to data released today that was commissioned by a tourism business lobby.

Interviews with 2,011 non-U.S. residents who had traveled beyond their home continents in the past 18 months found that 39 percent rated the United States the least traveler-friendly, more than twice the percentage that gave bottom grades to the Middle East (16 percent), Asia (12 percent) or Africa (12 percent). The rating was based on the ease of obtaining travel documents and the respectfulness of immigration officials.

The questions were somewhat self-serving, and researchers drew more than a fifth of the participants from countries with mixed relations with the United States, such as China and Venezuela.

The findings come as the United States has stepped up requirements for foreign visitors, such as fingerprinting and tightened screening procedures at ports of entry. One-third of the travelers said they would not visit here again because of rude treatment at airports by security officials toward non-U.S. passport holders. Also cited was a fear of detention for simple mistakes or misstatements.

Discover America Partnership paid for the data. The group includes the Travel Industry Association and major lodging, theme park, restaurant and rental car companies, which want the government to promote travel and alter security programs in the name of "public diplomacy."

Visitors Decry U.S. Entry Process (WSJ)

By Neil King Jr.

The Wall Street Journal, November 20, 2006

Visa Rules, Other Mandates Remain Unpopular Abroad, Travel-Industry Poll Finds

WASHINGTON -- Secretary of State Condoleezza Rice promised nearly a year ago to put a friendlier face on the American travel experience to help improve the U.S. image overseas. So far, foreign travelers aren't getting that impression, according to a survey by a group that seeks to pressure the government to take steps to boost travel to the U.S.

Funded by a multimillion-dollar travel-industry campaign called the Discover America Partnership, the survey found that foreigners, by a 2-1 margin, view the U.S. as offering the world's worst experience when it comes to obtaining a visa and entering the country. The Middle East, Asia and Africa all scored far better than the U.S.

The survey results, which are being released today, underscore concerns within the U.S. travel industry that the Bush administration hasn't done enough since the 2001 terrorist attacks to speed up the visa process and to improve travelers' experience at entry stations upon their arrival. Travel to the U.S. from countries other than Mexico and Canada is still down about 17% from its high in 2000, the group said. A European study found that world-wide business travel to the U.S. fell 10% in 2005 over the previous year.

The partnership argues that traveling in the U.S. makes people feel more positive about the country, thus enhancing America's long-term security. But many parts of the U.S. government continue to view travelers largely as a potential menace, the group says. "Policy makers first need to decide that they actually want more travelers to come to the U.S.," said Geoffrey Freeman, who directs the partnership. "Once they decide that, policy changes to make it happen could flow rather easily. The question is whether we have the will."

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People's negative experiences appear to be heavily focused on obtaining a visa and then getting past immigration and customs' officials. Of those who had traveled in the U.S., the poll found, 63% said they had a more-favorable view of the place as a result, and 72% said that once they got past the airport, the travel experience was "great."

An array of large U.S. companies and groups, including Loews Corp., Marriott International Inc. and the Travel Industry Association, formed the partnership in September. About 50 million people came to the U.S. last year. The group wants to see that number increase to 60 million by 2010.

Ms. Rice in January announced an initiative to streamline the visa-issuing process and to turn two major airports, in Washington and Houston, into model welcoming centers with the help of the U.S. travel industry. The latter project has made almost no headway, but State Department officials say they have made substantial progress on the visa front.

The U.S. has hired 570 consular officials over the last five years and says it has substantially cut the wait time for visas in high-demand places like India and China. Visa wait times range from several days in Paris to nearly a month in Shanghai, according to the State Department's most recent figures. State Department officials also say they have made significant strides in the issuing of student visas, the number of which are up 17% in the year ending in September over the previous year.

Despite improvements, the survey found that significant numbers of those polled harbored low expectations of U.S. travel bureaucracy.

Of the 2,011 travelers interviewed overseas, 36% said they wouldn't come to the U.S. for fear of being detained by officials "for hours or worse" at the airport. Forty percent said they had tried to get a visa within the last two years but abandoned the effort. Just over half said the U.S. visa process in their country was "unreasonably inconvenient." Of those surveyed, 29% said they had been to the U.S. in the last 18 months, while over half had been to the U.S. at least once in the last five.

WAR NEWS:

Pentagon Review Sees Three Options In Iraq (WP)

By Thomas E. Ricks

The Washington Post, November 20, 2006

The Pentagon's closely guarded review of how to improve the situation in Iraq has outlined three basic options: Send in more troops, shrink the force but stay longer, or pull out, according to senior defense officials.

Insiders have dubbed the options "Go Big," "Go Long" and "Go Home." The group conducting the review is likely to recommend a combination of a small, short-term increase in U.S. troops and a long-term commitment to stepped-up training and advising of Iraqi forces, the officials said.

The military's study, commissioned by Joint Chiefs of Staff Chairman Gen. Peter Pace, comes at a time when escalating violence is causing Iraq policy to be reconsidered by both the White House and the congressionally chartered, bipartisan Iraq Study Group. Pace's effort will feed into the White House review, but military officials have made it clear they are operating independently.

The Pentagon group's proceedings are so secret that officials asked to help it have not even been told its title or mandate. But in recent days the circle of those with knowledge of its deliberations has widened beyond a narrow group working for the Joint Chiefs of Staff.

"Go Big," the first option, originally contemplated a large increase in U.S. troops in Iraq to try to break the cycle of sectarian and insurgent violence. A classic counterinsurgency campaign, though, would require several hundred thousand additional U.S. and Iraqi soldiers as well as heavily armed Iraqi police. That option has been all but rejected by the study group, which concluded that there are not enough troops in the U.S. military and not enough effective Iraqi forces, said sources who have been informally briefed on the review.

The sources insisted on anonymity because no one at the Pentagon has been permitted to discuss the review with outsiders. The review group is led by three high-profile colonels -- H.R. McMaster and Peter Mansoor of the Army, and Thomas C. Greenwood of the Marine Corps. None of them would comment for this article.

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Spokesmen for the chairman and vice chairman of the Joint Chiefs of Staff did not return calls or respond to e-mails seeking comment.

"Go Home," the third option, calls for a swift withdrawal of U.S. troops. It was rejected by the Pentagon group as likely to push Iraq directly into a full-blown and bloody civil war.

The group has devised a hybrid plan that combines part of the first option with the second one -- "Go Long" -- and calls for cutting the U.S. combat presence in favor of a long-term expansion of the training and advisory efforts. Under this mixture of options, which is gaining favor inside the military, the U.S. presence in Iraq, currently about 140,000 troops, would be boosted by 20,000 to 30,000 for a short period, the officials said.

The purpose of the temporary but notable increase, they said, would be twofold: To do as much as possible to curtail sectarian violence, and also to signal to the Iraqi government and public that the shift to a "Go Long" option that aims to eventually cut the U.S. presence is not a disguised form of withdrawal.

Even so, there is concern that such a radical shift in the U.S. posture in Iraq could further damage the standing of its government, which U.S. officials worry is already shaky. Under the hybrid plan, the short increase in U.S. troop levels would be followed by a long-term plan to radically cut the presence, perhaps to 60,000 troops.

That combination plan, which one defense official called "Go Big But Short While Transitioning to Go Long," could backfire if Iraqis suspect it is really a way for the United States to moonwalk out of Iraq -- that is, to imitate singer Michael Jackson's trademark move of appearing to move forward while actually sliding backward. "If we commit to that concept, we have to accept upfront that it might result in the opposite of what we want," the official said.

The Pentagon official said this short-term boost could be achieved through three steps: extending the tours of duty of some units already in Iraq, sending other units there earlier than planned and activating some Army Reserve units.

The group concluded that such a step might be necessary because it is concerned that the continuing violence is undercutting the Iraqi government's credibility. "Folks increasingly realize that if violence can't be contained, the spiral downward will continue, the national government will lose the effectiveness it has . . . . and then all bets will be off," the official said.

Also, it would take months to prepare and implement the expansion of the program to train and advise Iraqi forces, he noted. The military will have to find those additional advisers, prepare them for the deployment, get infrastructure in place to house and feed them, order and ship equipment for them to use, and recruit additional Iraqis for them to train.

"The 'Go Long' approach is one that can work if there is sufficient strategic patience, resources appropriated and [if] leadership executes effectively," a military intelligence official said.

Another potential obstacle to the "Go Long" option is that it runs counter to the impulse of many congressional Democrats to find a way to get out of Iraq quickly. Planners envision taking five to 10 more years to create a stable and competent Iraqi army. Because it doesn't lead to a swift exit, some Democrats could criticize this option as a disguised version of "staying the course."

On the other hand, the hybrid version of "Go Long" may be remarkably close to the recommendation that the Iraq Study Group, led by former secretary of state James A. Baker III and former representative Lee Hamilton (D-Ind.). That group's findings, expected to be issued next month, are said to focus on changing the emphasis of U.S. military operations from combating the insurgency to training Iraqis, and also to find ways to increase security in Baghdad and bring neighboring countries into talks about stabilizing Iraq.

The Pentagon group has given a thumbs-down to what it considered variants of withdrawal, such as pulling U.S. units out of the cities and keeping them in isolated enclaves, where they would not interact with the Iraqi population but would be available to combat major insurgent offensives and also to protect the government against coups.

Army Gen. John P. Abizaid, the top U.S. military commander for the Middle East, expressed a similar view last week when he told the Senate Armed Services Committee that he believes that immediate troop withdrawals would increase the violence in Iraq.

US Troop Levels In Iraq May Rise, Then Decline (CSM)

By Howard Lafranchi

The Christian Science Monitor, November 20, 2006

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WASHINGTON

It's being dubbed by some as the "last big push" option, and it appears increasingly to be what President Bush favors on Iraq.

Despite growing expectations of a troop withdrawal from Iraq in the wake of Democratic gains in Congress, the White House appears to be leaning in a different direction: at least a temporary rise in US troop levels.

The numbers would not be huge, perhaps 20,000 on top of the 144,000 US soldiers already fighting the war. But the idea would be to stabilize Baghdad - a priority that has proved dishearteningly elusive since September - and to allow for a major diplomatic push aimed at drawing Iraq's neighbors into resolving the spiraling violence.

Implicit in the perspective of the officials and experts who see this as a kind of military "Hail Mary" pass is the assumption that a phased reduction of US troops would begin next fall - whether or not Iraq had been brought back from the brink of all-out civil war.

Some experts who have favored increasing the number of US troops in the past say conditions have deteriorated to such a degree that before any steps are taken, the United States must first differentiate between a knee-jerk act of desperation and something that can really improve the situation in Iraq.

"Before we go to even 20,000 more troops, we'd better determine how we can sustain these numbers and whether or not it can make any difference in getting the Iraqi government to do what has to be done," says Harlan Ullman, a senior adviser at the Center for Strategic and International Studies (CSIS) in Washington.

Speculation over a temporary surge in troops has been fueled in part by sources close to administration deliberations on Iraq strategy. A troop increase has been one option on the table as the administration, faced with growing consensus that the current approach in Iraq is not working, has weighed new directions.

The Iraq Study Group - the congressionally appointed commission co-chaired by former secretary of State James Baker III and former Democratic congressional leader Lee Hamilton - looks favorably on the troop spike option, according to experts who have worked with the commission. This inclination is especially true, observers say, if a troop increase were carried out in tandem with a major diplomatic push to enlist Iraq's neighbors in helping to stabilize the country and assist in its reconstruction.

Statements from Bush and Cheney

But the most explicit evidence that the White House may be moving in this direction comes from Mr. Bush and Vice President Dick Cheney. Their recent rhetoric appears to rule out the idea of a rapid reduction in troop levels, while maintaining an insistence on achieving "victory" in Iraq.

In Vietnam for an Asian economic summit, Bush said Friday, "We'll succeed [in Iraq] unless we quit," adding that he was assuring regional leaders gathered with him that "we'll get the job done."

And speaking Friday in Washington, Mr. Cheney suggested the midterm election results would not sway administration policy. "To get out [of Iraq] before the job is done would convince the terrorists once again that free nations will change our policies, forsake our friends, and abandon our interests whenever we are confronted with violence and blackmail," he said in a speech to the Federalist Society.

At the same time, the Pentagon on Friday issued deployment orders to maintain the current level of troops in Iraq through 2007 - with the door left open to "surging" more troops into the country as conditions and strategy dictate.

An increase is logistically possible, though at a growing cost to the troops, military experts say. Some of the soldiers slated for deployment in 2007 will be undertaking a third tour to Iraq when the expectation had been for only one.

"Just to keep the level of 144,000, we're having to extend two brigades beyond a year. So we're already talking about major hardship for these soldiers," says Lawrence Korb, an Iraq policy expert at the Center for American Progress in Washington. "Any increase, even a relatively small one like what they're talking about, would compound that strain."

Supporters of a troop increase say it would allow for a serious push for security in Baghdad, giving the government of Prime Minister Nouri al-Maliki breathing room to make the political decisions necessary to relaunch a "national reconciliation" drive. More US troops and money would also be put into stepped-up training of Iraqi security forces.

But critics say an increase in US troops could reduce the pressure on the Maliki government for crucial political decisions, even while inflaming Iraqi public opinion that is increasingly hostile to the US presence.

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"We've already increased troop levels, and things haven't gotten any better," says Mr. Korb, who served in the Pentagon under the Reagan administration. He notes that US troop levels dipped to nearly 100,000 earlier this year before sectarian violence began ratcheting up. Too late?

Others who have supported sending in more troops in the past say the time when it could make a difference has probably passed. "I have made the argument for more troops for some time, but I no longer do because I think it's too late," says Mr. Ullman of CSIS.

The additional US troops with the right skills to potentially make a difference in Baghdad and with training Iraqi forces aren't simply sitting around somewhere at the ready, he says. Preparing them would take six months to a year, he adds.

But beyond that, Ullman says the Maliki government is beholden to political powers sustained by dozens of militias. "That's not something the US military is in a position to do anything about," he says.

Korb says sending in more troops risks signaling to the Iraqi army that it is under no increasing pressure to take on more of the burden - a point made in congressional testimony last week by Gen. John Abizaid, commander of US forces in the Middle East.

Some observers say any increase in troops would fly in the face of public opinion as expressed in the midterm elections. Polls released last week show support for Bush's handling of Iraq falling to new lows.

ARMY GIVES RUMSFELD DOCTRINE A REWRITE (LAT)

By Julian E. Barnes, Times Staff Writer

The Los Angeles Times, November 20, 2006

The '07 manual puts greater value on maintaining stability than on swift action.

FT. LEAVENWORTH, KAN. — Defense Secretary Donald H. Rumsfeld may be leaving under a cloud of criticism over his handling of the Iraq war, but his invasion plan — emphasizing speed over massive troop numbers — has consistently been held up as a resounding success.

Yet with Iraq near chaos 3 1/2 years later, a key Army manual now is being rewritten in a way that rejects the Rumsfeld doctrine and counsels against using it again.

The draft version of the Army's Full Spectrum Operations field manual argues that in addition to defeating the enemy, military units must focus on providing security for the population — even during major combat.

"The big idea here is that stability tasks have to be a consideration at every level and every operation," said Clinton J. Ancker III, head of the Army's Combined Arms Doctrine Directorate and an author of the guide.

Officers use the field manual, the authoritative guidebook on how to conduct ground operations, to develop tactics for military endeavors including war, counterinsurgency and peacekeeping. When completed, the manual will be taught to officers at all levels.

Before the war, Rumsfeld prodded Gen. Tommy Franks and other officers to design an invasion plan to fit his beliefs about how modern militaries should fight. When Saddam Hussein's regime collapsed and Baghdad seemed to fall in just 21 days, Rumsfeld and his emphasis on speed over mass got the credit.

But after the initial military success, the Pentagon was criticized for not doing enough to plan for postwar stability. And Rumsfeld drew objections for his dismissive attitude toward the disorder and looting in Iraq, particularly when he said, just days after the fall of Baghdad, that "stuff happens" in democracies.

The old manual emphasized that stability operations usually follow combat. The draft version of the 2007 ground operations manual instructs commanders that they cannot wait for offensive operations to end before providing security and services for the population, and stresses a combination of offense, defense and stability operations.

"Army forces must defeat enemies and simultaneously shape the civil situation through stability or civil support operations," says the manual, the contents of which were described to the Los Angeles Times by its authors. Scheduled to be completed and made public next year, the guidebook does not explicitly criticize the invasion, and in fact notes how the Iraqi military forces collapsed in the face of the swift American attack. Nevertheless, some of the ideas the guide embraces contrast sharply with Rumsfeld's invasion blueprint.

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"Iraq is the hardest test case you can dream up," said manual coauthor Michael D. Burke, who works at the doctrine directorate. "There is a lot of value in overwhelming your enemy and ending intensive combat."

But he added: "In Iraq, military operations were the catalyst for collapsing the Baathist regime and leaving a complete power vacuum."

Pentagon spokesman Bryan Whitman declined to comment on the new doctrine, citing the manual's draft status. But he pointed to a November 2005 directive that established "nation-building" as one of the military's core missions. Though it said that such efforts were best performed by civilians, the directive arguably set the stage for the Army's more thorough examination of its role in stability operations.

The new manual does not contradict Rumsfeld's belief that a smaller American force can defeat a larger enemy military, but it does say that dealing with the collapse of a government is likely to require more troops than the military action itself.

And when civil authority collapses in the face of an American assault, U.S. commanders must ensure the population is protected and fed, even if the offensive operations have not concluded, the manual says. That means, Ancker said, the Army can be fast or it can be small, but it cannot be both and also lay the groundwork for winning the peace.

Rumsfeld's critics generally have pointed to summer 2003 as the period when the most important misstep was made in Iraq. American forces were drawn down, and the military did not react quickly to confront a rising insurgency.

The draft manual says the seeds of an insurgency can be planted early on, even during initial military operations. And the guide's authors say the missteps that gave rise to the insurgency may have occurred during the march to Baghdad.

"There is a period of time in the immediate aftermath of any fight where the population will rely on the [American] military to keep them safe and provide essential services," Ancker said.

The concept, according to Ancker, is akin to what battlefield medics call the "golden hour" — the short period in which patients can be saved if their wounds are properly treated. During an offensive operation, if a military does not try to at least bandage the wounds of a society, the effort can suffer even if the battle is won. After an urban battle, commanders must try to provide basic services and security, the manual says.

"If we do not plan to account for those tasks in the immediate aftermath of a fight," Ancker said, "then there is a period of time somebody else can step in and use that failure as a lever to create disaffected parts of the population, and that can turn into … an insurgency."

Under the new guidebook, if a unit does not have the forces to conduct stability operations after an offensive mission, the commander must request more manpower.

"When possible, the commander should consider and attempt to relieve the suffering of the local population," the manual says.

"If his resources and mission dictates that he cannot do this then he is obligated, morally and legally, to inform his higher headquarters so they can provide resources to ensure civil security and minimal essential services."

Older doctrine divided the Army's duties into war and other missions, like peacekeeping. The old manual — completed in 2001 after the military's experience in Bosnia and Somalia — said the Army needed to be ready to conduct offensive operations even during stability missions. The 2007 manual, written during the Iraq experience, argues that even when on offense, the Army needs to be ready to conduct stability operations.

Previous manuals have argued that if a force is trained for major war, it also will be able to handle counterinsurgency or peacekeeping. The new guidebook will note that units must be ready to do both, but it also will say training for a primarily offensive force should differ from training for stability operations.

"Operational experience demonstrates that forces trained exclusively for offensive and defensive operations are not as proficient at stability operations as those units that train specifically for stability," the guide says, alluding to lessons learned in Iraq.

Lt. Gen. David Petraeus, who as commander of the Combined Arms Center at Ft. Leavenworth oversees the doctrine directorate, argued in a speech in September at the nonpartisan Brookings Institution think tank that the 2007 guide should have wide influence on Army doctrine.

"It will ripple throughout everything that we do, because this is the capstone manual from which all others take their lead," Petraeus said.

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Some think the manual focuses too much on major combat operations, like invasions, and not enough on counterinsurgency. Others think the emphasis on stability threatens to focus the Army too much on the "soft stuff."

Ft. Leavenworth will host a conference in January to discuss the manual, and to make sure the document strikes the right balance and embraces the lessons learned in Iraq.

"We cannot move away from fighting and winning wars," Ancker said. "But the combat side is not adequate to ensure the peace."

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Rebuilding In Iraq Tops 4,000 Projects (WT)

By Rowan Scarborough

The Washington Times, November 20, 2006

When and if the smoke ever clears in Iraq, Pentagon officials say the world finally will see a minor miracle.

"Most Americans don't understand something equivalent to the Marshall Plan has been accomplished in Iraq," said Dean G. Popps, principal assistant secretary of the Army for acquisitions, logistics and technology.

The Army is the program manager for $20 billion in U.S. taxpayer money that flowed to Iraq after the 2003 invasion to spur a building boom of more than 4,000 projects.

Amid constant deadly threats from bloodthirsty insurgents, and without a viable Iraqi private contracting sector, the Army Corps of Engineers has supervised the construction of electric grids, health care centers, schools, water and sewage treatment facilities, police stations, academies and border posts.

Not counting the deteriorating security situation, no facet of the Iraq war has received more negative press than the U.S.- and Iraqi-financed reconstruction. The Washington Times, along with other newspapers, has published a series of articles on setbacks and corruption. But, the Pentagon contends there is another storyline.

"It's quite a heroic story maligned often by the news media," Mr. Popps said during an interview in his E-Ring Pentagon office. A nearby multicolored map designates hundreds of projects started and completed, from Mosul to Basra.

Stuart Bowen, the special inspector general for Iraq reconstruction, has issued a steady stream of reports revealing fraud and mismanagement. Perhaps his most damaging finding was that nearly a quarter of $37 billion in United Nations-secured oil money -- not U.S. taxpayer funds -- shipped to Iraq cannot be traced and was likely stolen.

But Mr. Bowen has said fraud involving U.S. money, while serious, is not widespread and that the huge majority of projects proceeded as required. And, a Bowen report to Congress last summer seemed to back up Mr. Popps' message of progress.

"Although the story of Iraq reconstruction has been punctuated by shortfalls and deficiencies, the infrastructure overview provided [in] this quarterly report presents a picture of significant progress achieved through a substantial U.S. investment of time, talent and tax dollars in Iraq's relief and reconstruction."

Mr. Popps said it is first important to understand what the rebuilding team inherited. U.S. intelligence knew little about the actual state of Iraq's energy infrastructure and social service network. When the Army Corps of Engineers got on the ground, there was shock:

•The three regional sewage treatments plants in greater Baghdad did not work; raw waste poured into the Tigris River and downstream through villages. Sadr City, the impoverished Shi'ite slum repressed by the ruling Sunni Ba'ath Party, lacked any sewage system. "Some slam the Americans because there is sewage in Sadr City," said an incredulous Mr. Popps. "Please."

•Few towns had a central supply of clean water.

•The electrical grid suffered under 1950s technology and disrepair. Saddam Hussein starved the rest of the country of power to give the capital of 6 million about 20 hours a day.

•The country lacked any primary health care facilities; hospitals and schools were run down and lacked supplies. New hospitals had not been built in 20 years. More than half the public health centers remained closed. Of 13,000 schools, more than 10,000 needed significant renovations.

The Pentagon in 2003 summoned American firms to get reconstruction started in the absence of Iraqi ministries that could supervise and a private sector that was in shambles under Saddam's totalitarian rule.

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"The ministries were jammed with people who did nothing," Mr. Popps said. "They sat around and smoked and drank tea and held 'worry beads.' It was an economy based on incompetence and corruption."

Today, the Pentagon is handing out a score sheet:

•Six new primary care facilities, with 66 more under construction; 11 hospitals renovated; more than 800 schools fixed up; more than 300 police stations and facilities and 248 border control forts.

•Added 407,000 cubic meters per day of water treatment; a new sewage-treatment system for Basra; work on Baghdad's three plants continues; oil production exceeds the 2002 level of 2 million barrels a day by 500,000.

•The Ministry of Electricity now sends power to Baghdad for four to eight hours a day, and 10 to 12 for the rest of the country. Iraqis are now free to buy consumer items such as generators, which provide some homes with power around-the-clock.

Mr. Popps said all this was accomplished despite a concerted effort by terrorists to bomb construction sites and kill workers. Thursday's kidnapping of private contractors south of Baghdad illustrates the problem. The State Department was forced to increase spending on security, up to $5 billion of the $20 billion, or risk losing more projects to saboteurs.

The Army Corps has ferried reporters to what it considers successful sites in an effort to get a few positive stories on reconstruction. But rarely do any materialize, Mr. Popps said.

"What has hurt the public perception of reconstruction is incomplete leaks to the media that there is a problem with a particular project," he said. "What is sexy to reporters is a police station that has urine in the ceiling. That's what the press prefers to talk about rather than the great successes we have made."

The "urine" reference was contained in the latest bad news story about reconstruction in Iraq. Mr. Bowen reported in September he was reviewing all projects done by the California-based Parsons Corp. in the aftermath of finding serious plumbing problems at the $75 million Baghdad Police College. Mr. Bowen has criticized Parsons, which uses local Iraqi contractors, on other projects, including primary health care buildings.

The company has cited the violent environment as part of the problem. A Pentagon spokesman said the company made all repairs by an Oct. 6 target at no government cost.

There are two key money amounts devoted to reconstruction: One is $37 billion in cash the U.N. turned over to Iraq in 2003. The second is $36 billion appropriated by Congress, $20 billion of which was the Iraq Relief and Reconstruction Fund. The remaining $16 billion is evenly divided for building the Iraqi security forces and for various military projects, some controlled by U.S. commanders.

In late September, Iraq rebuilders received some praise from Mr. Bowen. He made one of his periodic appearances before the House Government Reform Committee, where Chairman Thomas M. Davis III, Virginia Republican, said there was some good news out of the war-wrecked country.

"You said accurately in your opening statement that not everything is wrong in Iraq, and that's true," Mr. Bowen responded. "A fair reading of our full report demonstrably underscores that fact. Indeed, 70 percent of the projects we've visited and 80 percent of the money allocated to them indicate that those projects, from a construction perspective, have met what the contract anticipated."

Victory In Iraq Impossible, Says Kissinger (FT)

By Steve Negus, Iraq Correspondent, And Stephanie Kirchgaessner In Washington

Financial Times, November 20, 2006

Henry Kissinger, the former US secretary of state who has advised the Bush administration on the war in Iraq, on Sunday said he no longer believed a military victory was possible in the conflict.

“If you mean by clear military victory an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control . . . I don’t believe that is possible,” Mr Kissinger told BBC television.

His dire assessment of the war, and view that the US should engage Iraq’s neighbours in seeking a diplomatic solution, reinforced calls by Democratic lawmakers in Washington for the White House to speak to Iran and Syria to help stem the tide of violence in Iraq.

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Mr Kissinger's remarks came as Walid Muallem, Syria's foreign minister, became the most senior Syrian politician to visit Baghdad since the US-led invasion.

Mr Muallem said violence in Iraq would be reduced if a timetable was set for the withdrawal of US forces.

But interviews with senior lawmakers on US talk shows on Sunday underscored the wide divide that exists not only on the question of whether engaging Syria and Iran would be fruitful, but whether the White House needed to boost US troop deployment in the short term or begin the process of bringing troops home.

Senator John McCain, the Arizona Republican, suggested on ABC's This Week that he would consider calling for American troops to leave Iraq if the White House did not agree to send additional forces to secure the country – a proposition President George W. Bush has previously rejected. Mr McCain said US troops were "fighting and dying for a failed policy", but added that he would "exhaust every possibility" to fix the situation before calling for troops to abandon Iraq, because the consequences of losing the war were "severe".

Another senator, Democrat Carl Levin, who will take on the chairmanship of the armed services committee, countered on CNN's Late Edition that he supported a phased withdrawal of troops to put a "pressure point on the neighbours who do not want Iraq to disintegrate".

The depth of the sectarian violence in Iraq was underscored by the news that Ammar al-Saffar, the deputy health minister, was kidnapped from his Baghdad home just one day after another Shia politician, Ali al-Adhadh, was killed. A Sunni insurgent group claimed responsibility for a suicide bombing that killed 22 people in Hilla, the mainly Shia neighbourhood south of Baghdad, in retaliation for a mass kidnapping from a Sunni-run education institute last week.

Separately, the New York-based Human Rights Watch said in a statement due to be released on Monday that the just-concluded trial of Saddam Hussein and members of his regime was marred by so many flaws that the verdict was unsound. "The court's conduct, as documented in this report, reflects a basic lack of understanding of fundamental fair trial principles, and how to uphold them in the conduct of a relatively complex trial. The result is a trial that did not meet key fair trial standards," the report concluded.

Mr Hussein and two other members of his regime were sentenced to death on November 5, following a year-long trial on charges related to a campaign of reprisals against the Shia village of Dujail.

Among the flaws listed in the 97-page report was the presentation of evidence that was not given in advance of the trial to the defence and testimony from absent witnesses that was read into the record without giving the defence a chance to challenge those witnesses. Administrative problems included lack of planning for the security of defence counsels, three of whom were assassinated.

In addition, the HRW report argued that the evidence had big gaps, in particular its failure to show Mr Hussein's regime worked.

Kissinger: Iraq Military Win Impossible (AP)

By Tariq Panja

AP, November 20, 2006

Military victory is no longer possible in Iraq, former Secretary of State Henry Kissinger said in a television interview broadcast Sunday.

Kissinger presented a bleak vision of Iraq, saying the U.S. government must enter into dialogue with Iraq's regional neighbors — including Iran — if progress is to be made in the region.

"If you mean by 'military victory' an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control in a time period that the political processes of the democracies will support, I don't believe that is possible," he told the British Broadcasting Corp.

But Kissinger, an architect of the Vietnam war who has advised President Bush about Iraq, warned against a rapid withdrawal of coalition troops, saying it could destabilize Iraq's neighbors and cause a long-lasting conflict.

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"A dramatic collapse of Iraq — whatever we think about how the situation was created — would have disastrous consequences for which we would pay for many years and which would bring us back, one way or another, into the region," he said.

Kissinger, whose views have been sought by the Iraqi Study Group, led by former Secretary of State James Baker III, called for an international conference bringing together the permanent members of the United Nations Security Council, Iraq's neighbors — including Iran — and regional powers like India and Pakistan to work out a way forward for the region.

"I think we have to redefine the course, but I don't think that the alternative is between military victory, as defined previously, or total withdrawal," he said.

Kissinger Foresees No Military Win In Iraq (WP)

The Washington Post, November 20, 2006

LONDON, Nov. 19 -- Military victory is no longer possible in Iraq, former secretary of state Henry A. Kissinger told the British Broadcasting Corp. on Sunday.

Kissinger presented a bleak vision, saying the U.S. government must enter into dialogue with Iraq's neighbors -- including Iran -- if progress is to be made.

"If you mean by 'military victory' an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control in a time period that the political processes of the democracies will support, I don't believe that is possible," he said.

But Kissinger, who has advised President Bush about Iraq, warned against a rapid withdrawal of U.S.-led troops, saying it could destabilize Iraq's neighbors and cause a long-lasting conflict.

Syrian Foreign Minister, In Baghdad, Calls For Timetable On U.S. Troop Withdrawal (NYT)

By Kirk Semple

The New York Times, November 20, 2006

BAGHDAD, Monday, Nov. 20 — Syria's foreign minister said Sunday during a visit here that his government was prepared to help stabilize Iraq, and he called for a timetable for the withdrawal of American troops, saying that it would help reduce the violence.

His trip, the first to Baghdad by a senior Syrian official since the ouster of Saddam Hussein, came on another day of widespread violence in Iraq. A suicide car bombing killed 17 people and wounded 49 in the southern Shiite city of Hilla, and the deputy health minister was kidnapped from his home in the capital.

In recent weeks, Iraqi and some Western officials have promoted the idea of actively involving Iraq's neighbors, especially Syria and Iran, in the search for a solution to the soaring sectarian violence in Iraq.

President Bush has refused to open high-level talks with Syria and Iran, countries he has accused of providing financing and weapons to militias in Iraq. But as his administration conducts a broad reassessment of its policy in Iraq, the president has come under increasing pressure to drop his opposition.

James A. Baker III, the Republican co-chairman of a bipartisan group studying policy options in Iraq, has met several times with Syrian officials to discuss how they might cooperate with the United States, according to the Syrian ambassador to Washington.

In an interview with the BBC broadcast Sunday, former Secretary of State Henry A. Kissinger endorsed the idea of involving Syria and Iran in the discussion of Iraq's future, suggesting that they be included in an international conference.

"At some early point, an international conference should be called that involves neighbors, perhaps the permanent members of the Security Council and countries that have a major interest in the outcome, like India and Pakistan," said Mr. Kissinger, who sometimes advises the Bush administration on Iraq policy, and who has been consulted by Mr. Baker's Iraq Study Group. "I believe America has to be in some dialogue with Iran."

Elaborating on his argument for a change in course, Mr. Kissinger said that a clear-cut military victory was no longer achievable. At the same time, he argued that withdrawing American forces might lead to a civil war more violent than the fighting that occurred in the former Yugoslavia.

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"If you mean by clear military victory an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control in a time period that the political processes of the democracies will support, I don't believe that is possible," Mr. Kissinger said.

"If we were to withdraw all the forces without any international understanding and without any even partial solution of some of the problems, the civil war in Iraq will take on even more violent forms," he said.

Syria's foreign minister, Walid al-Moallem, promised Sunday to cooperate with Iraqi officials in an effort to curb violence. Iraqi and American officials have accused Syria of not doing enough to prevent the flow of foreign fighters and munitions across the Syria-Iraq border.

At a brief news conference with Iraq's foreign minister, Hoshiyar Zebari, Mr. Moallem said he condemned "all the terrorism taking place in Iraq."

He added, "The security and stability of Iraq is vital for the security and stability of Syria."

But Mr. Moallem also urged a timetable for a pullout of American forces, saying it "would contribute to reducing the violence in Iraq." The Bush administration has steadfastly refused to put a timetable in place.

Mowaffak al-Rubaie, Iraq's national security adviser, said in an interview last week that Prime Minister Nuri Kamal al-Maliki had been "working hard" to bring Iraq's neighboring countries into the discussions on how to achieve stability in Iraq.

Mr. Rubaie said: "He's reaching out to them, sending envoys. He's sending a very clear message that unless Iraq is stable and secure, nobody's going to be secure."

Mr. Moallem said Sunday that his visit to Iraq was not related to any pressure by Western officials. "I came here to please the people of Iraq and the people of Syria," he said.

In the Hilla car bombing, the deadliest attack of the day in Iraq, a man driving a minibus loaded with explosives pulled alongside a group of day laborers who had gathered on a street corner to wait for employment offers.

As the men eagerly swarmed the van, the driver pushed a detonator and blew up the vehicle.

By nightfall, the police had captured three men suspected of involvement in the attack, including one Iraqi and two Egyptians, according to Maj. Gen. Qais al-Mamouri, the police chief in the town of Babil, near Hilla.

The men confessed and said the suicide bomber was Syrian, the general said.

The kidnapping of the deputy health minister, Ammar al-Saffar, occurred Sunday evening when heavily armed gunmen dressed in the uniforms of Iraqi security forces stormed his house in northern Baghdad and took him away in a convoy of vehicles, officials said.

A spokesman for the Defense Ministry, Mohammad al-Askari, said that the kidnappers had been wearing the uniforms of the national police and were not members of the armed forces, but a police official said that the gunmen had been wearing Iraqi Army uniforms.

Calls seeking comments from the spokesmen for the government and from the Interior Ministry, which oversees the police force, were not answered.

The kidnapping appeared to have sectarian overtones. Mr. Saffar is Shiite and a member of Mr. Maliki's Dawa Party. The Health Ministry has been widely accused by Sunni Arab leaders of favoring Shiites and even harboring Shiite death squads that single out Sunnis.

Five days ago gunmen wearing police uniforms and suspected of being members of a Shiite militia kidnapped dozens of people from the Ministry of Higher Education, which is overseen by a Sunni Arab minister and has long been viewed by Shiites as a Sunni-dominated institution.

The Iraqi police in the southern city of Basra said they had rounded up 200 suspected insurgents during a search for four American security contractors and an Austrian who were kidnapped Thursday when their truck convoy was ambushed near Safwan.

Maj. Gen. Ali al-Musawi, a police commander in Basra, said the search for the captives was continuing.

Three car bombs were detonated almost simultaneously in a bus depot in a predominantly Shiite neighborhood of eastern Baghdad, killing at least 10 people, wounding another 45 and destroying vehicles and shops in the area, witnesses and officials said.

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A group of witnesses and residents who gathered at the site soon afterward blamed Sunni Arab insurgents for the attacks. They directed their ire at the country's Sunni leaders. "Let them come here and see what their followers are doing," one of them shouted.

Other attacks reported by the police in Baghdad, Diyala Province, Kirkuk and the northern town of Hawija killed a total of at least 44 people and wounded at least 71. The police in Diyala also reported killing 14 insurgents.

The American command reported early Monday that a soldier from the 89th Military Police Brigade was killed when his vehicle struck a bomb in southeastern Baghdad on Saturday.

Syria Vows To Help Quell Violence In Iraq (WP)

By Nancy Trejos

The Washington Post, November 20, 2006

BAGHDAD, Nov. 19 -- Syria's foreign minister, in a rare visit to Baghdad by a Syrian official, on Sunday pledged cooperation in stemming the sectarian violence that threatens Iraq, even as scores of people were killed or found dead across the country.

One of the deadliest attacks occurred in the southern Shiite Muslim city of Hilla, where a suicide bomber killed 22 day laborers after luring them to his minivan with the promise of work. An attack near the northern city of Kirkuk killed three children who were lured to a booby-trapped doll.

The Iraqi and U.S. governments have accused Syria of contributing to the violence by allowing fighters to cross into Iraq to join the insurgency. Foreign Minister Waleed al-Muallem's visit, the first by such a high-ranking Syrian official since the U.S.-led invasion in 2003, was seen as a step toward smoothing those relations. But he also called on the Bush administration to set a timetable for withdrawing troops.

"Syria's intensions toward Iraq are good in all times, and on that principle we are looking forward to a good relationship between Iraq and Syria that takes history and common interests into consideration," Muallem said during a news conference with Iraqi Foreign Minister Hoshyar Zebari.

Syria and Iraq have been adversaries since the 1980s, when Syria sided with Iran in its war against Iraq.

"This visit will be the starting point to solve all of our problems," Zebari said.

Those problems were apparent Sunday.

At least 111 people were killed or found dead Sunday, the Associated Press reported. Fifty-six bodies, many of them showing signs of torture, were dumped in three cities.

In the southern Baghdad neighborhood of Dora, unknown gunmen shot and killed three members of a family. A roadside bomb and two car bombs exploded one after the other near a bus station in Mashtal, a mostly Shiite area of southeastern Baghdad, killing 11.

Gunmen kidnapped one of Iraq's deputy health ministers, Ammar al-Saffar, a Shiite, from his home in northern Baghdad, just a day after a prominent Shiite politician was gunned down. Iraqi army and police said the gunmen wore police uniforms. Last week, dozens of people were kidnapped at a Ministry of Higher Education office, also by men in police uniforms.

Some prominent U.S. officials say that engaging in talks with adversaries such as Syria and Iran is key to curbing the violence. The Iraq Study Group, co-chaired by former secretary of state James A. Baker III and former congressman Lee H. Hamilton, is expected to recommend such action in its report, set to come out next month.

U.S. officials have resisted talks with Iran because they believe the Tehran government has fomented tension in Iraq and because they are worried about its growing influence in the region.

U.S. officials also say Syria's borders have become an entry point into Iraq for Sunni Arab insurgents. Muallem denied that assertion.

"We are making all efforts to secure the borders, but that does not come from one side only," he said. "America has not been able to stamp out its borders with Mexico, so they started to build a wall between them, and that tells us how it is difficult to control the borders."

According to an Iraqi general in Hilla, an Iraqi and two Egyptians arrested in the suicide bombing told officials that the bomber was Syrian.

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Elsewhere, security forces detained 200 suspected insurgents in southern Iraq in their search for five private security contractors, including four Americans, who were kidnapped near the Kuwait border.

Officials announced Sunday that forces killed two suspected terrorists in airstrikes near Baghdad on Saturday and eight in a raid in Ramadi. In Tikrit, nearly 50 insurgents were killed and 20 captured during a five-day mission, officials said. Six Iraqi soldiers and two coalition forces soldiers were killed while clearing roads of improvised explosive devices.

Special correspondents Saad Sarhan and Waleed Saffar and other Washington Post staff in Iraq contributed to this report.

Syria Urges Timeline In Iraq (LAT)

By Solomon Moore

The Los Angeles Times, November 20, 2006

BAGHDAD — Syria's foreign minister called Sunday for a timetable for the withdrawal of American troops from Iraq, and his counterpart in Baghdad demanded that Damascus take action against insurgent financiers and organizers hiding there.

It was the highest-level meeting between the neighboring countries since the U.S.-led invasion of Iraq in 2003.

"We think that the presence of a timetable for withdrawal of foreign troops will assist in reducing the violence and creating security," said Walid Moallem, the most senior Syrian official to visit Iraq since the war started.

President Bush has rejected proposed timelines to leave Iraq.

In a news conference in Baghdad's fortified Green Zone, Moallem denied suggestions that Syria had been pressured by the U.S. to meet with Iraqi Foreign Minister Hoshyar Zebari.

The visit followed news reports that James A. Baker III, the co-chairman of the Iraq Study Group, a bipartisan U.S. panel, had contacted Syrian officials for help in stopping the violence in Iraq.

In Washington, Sen. John McCain (R-Ariz.) on Sunday reiterated his call for a short-term increase in troops for Iraq.

The Republican presidential hopeful told ABC's "This Week" that the move might cause a "terrible strain" on the U.S. military, but said "there's only one thing worse and that is defeat … and we've been losing."

McCain added that U.S. troops were "fighting and dying for a failed policy" and needed reinforcements to ensure victory.

"The consequences of failure are catastrophic," he said. "It will spread to the region. You will see Iran more emboldened. Eventually, you could see Iran pose a greater threat to the state of Israel."

The political developments came as violence continued across Iraq.

A Marine was killed in Al Anbar province Sunday, the U.S. military said. And Iraqi special forces today, aided by U.S. advisors, raided a Sadr City mosque compound thought to be harboring kidnappers, the military said. There were no casualties reported. Three people were arrested.

On Sunday, at least 45 bodies were discovered in various areas of Baghdad, and three explosions killed at least 11 people and injured 32 in the Baghdad neighborhood of Mashtal, where an Iraqi police colonel and his guard were slain earlier.

And in two separate kidnappings in the capital, Shiite Muslim Deputy Health Minister Ammar Safar and Sunni Arab criminal court Judge Mudhaffar Ubaidi disappeared Sunday.

Additional attacks occurred across Iraq.

In Hawija, 35 miles southwest of Kirkuk, insurgents put an explosive in a toy and left it near a house. The toy exploded when children approached, killing three and injuring at least one.

In the southern city of Hillah, at least 17 people were killed and 49 injured when a suicide bomber lured laborers into his minivan and detonated explosives.

Violence also hit Kirkuk, where a man set off his explosives belt during a funeral, killing three people and injuring at least 24.

"I was walking with my friends near the funeral and we felt a big explosion," said Mustafa Iden, 33. "We rushed to the explosion site and saw bodies of people torn apart. There were body parts all over."

There was still no word on the fate of five private security guards — four Americans and one Austrian — kidnapped Thursday in southern Iraq by gunmen in Iraqi police uniforms.

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In Washington, Rep. Charles B. Rangel (D-N.Y.), incoming chairman of the House Ways and Means Committee, said he planned to introduce legislation that would reinstate the military draft, which was eliminated in 1973 near the end of the Vietnam War.

And former Secretary of State Henry A. Kissinger, in a British Broadcasting Corp. television interview broadcast Sunday, said that "a clear military victory" was no longer possible in Iraq.

"If you mean by clear military victory an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control in a time period that the political processes of the democracies will support, I don't believe that is possible," Kissinger said.

With the ongoing violence in Iraq, Washington is considering a diplomatic push for greater cooperation with Iraq's neighbors, including Syria and Iran.

U.S. and Iraqi leaders say Syria and Iran have undermined security in Iraq by allowing the cross-border flow of weapons and militants.

"There is even money smuggled by the families of the former regime in Syria," said Ali Dabbagh, an Iraqi government spokesman. "These are unimaginable sums and they are being used to fund terrorism in Iraq. These activities are clear and evident in Syria, and they are countenanced by the government."

Zebari said that he discussed with Moallem the possibility of reestablishing full diplomatic relations and that he looked forward to meeting again.

Zebari also said that he hoped the meeting would create regional momentum to help Iraq establish greater security.

"We don't expect to solve all of our problems at one time or with one visit," he said. "We wanted to make a starting point to open the way in solving all our disputes in good faith.

"This visit will send a good message to all the regional players that they should seriously support Iraq's security and stability."

Syria Calls For U.S. Timetable In Iraq (AP)

By Steven R. Hurst

AP, November 20, 2006

Syria's foreign minister called Sunday for a timetable for the withdrawal of American forces to help end Iraq's sectarian bloodbath, in a groundbreaking diplomatic mission to Iraq that comes amid increasing calls for the U.S. to seek cooperation from Syria and Iran. At least 112 people were killed nationwide, following a week that had already seen hundreds of deaths.

Walid Moallem, the highest level Syrian official to visit since the 2003 ouster of Saddam Hussein, denounced terrorism in Iraq even as Washington mulled its own overture to Damascus for help in ending Iraq's violence.

Syria and Iraq share a long and porous desert border and both Baghdad and Washington have accused Damascus of not doing enough to stop the flow of foreign Arab fighters.

Moallem spoke at the end of a day that saw suspected Sunni Muslim bombers kill at least 33 Shiites and the kidnapping of a deputy health minister — believed the senior-most government official abducted in Iraq. Many Sunni attackers are believed to have infiltrated from Syria.

A suicide bomber in the predominantly Shiite city of Hillah south of Baghdad lured men to his KIA minivan with promises of a day's work as laborers, then blew it up, killing at least 22 and wounding 44, police said.

Babil province police Capt. Muthana Khalid said three suspected terrorists, two Egyptians and an Iraqi, were arrested on suspicion of planning the suicide attack with the bomber, a Syrian.

Within hours, a roadside bomb and two car bombs exploded one after another near a bus station in Mashtal, a mostly Shiite area of southeastern Baghdad, killing 11 and wounding 51, police said.

Besides the victims of the bombings in Hillah and Baghdad, at least 23 other people were killed nationwide. In addition, the bodies of 56 murder victims, many of them tortured, were dumped in three Iraqi cities, 45 of them in Baghdad alone.

Also Sunday, gunmen kidnapped Iraq's deputy health minister from his home in northern Baghdad, the Iraqi army and police reported. They said the gunmen wore police uniforms and arrived in seven vehicles to abduct Ammar al-Saffar, a Shiite.

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Al-Saffar was snatched nearly a week after dozens of suspected Shiite militia gunmen in police uniforms kidnapped scores of people from a Ministry of Higher Education office in Baghdad. That ministry is predominantly Sunni.

In the deep south of Iraq, security forces searching for five private security contractors, four Americans and an Austrian who were kidnapped near the Kuwait border, detained about 200 suspected insurgents, police said Sunday. Police Maj. Gen. Ali al-Moussawi said none of the hostages was found.

Family members identified one of the American captives as Jonathon Cote, 23, a native of Getzville, N.Y. He worked as a security guard for Crescent Security Group, his stepmother said. Family members spoke to The Associated Press anonymously out of fear for Cote's safety. A second captive was identified late last week as Paul Reuben, 39, a former police officer from a Minneapolis, Minn., suburb.

In one of the most significant diplomatic breakthrough since the ouster of Saddam, a restoration of contacts between Damascus and Baghdad was seen as a means of convincing Damascus to exert tighter control over its border.

The frontier has been a major crossing point for Sunni Arab fighters who infiltrated to join the insurgency that has been responsible for the deaths of most U.S. soldiers since the American led invasion in 2003.

Fighters for Al-Qaida in Iraqi and allied terror groups, who also have crossed from Syria, have killed hundreds of Americans as well as tens of thousands of Iraqis in bombings, drive-by shootings and mortar attacks.

Syria broke diplomatic ties with Iraq in 1982, accusing Iraq of inciting riots by the banned Muslim Brotherhood in Syria. Damascus also sided with Iran in the 1980-88 Iran-Iraq war. Trade ties were restored in 1997.

In addition to Baghdad and Washington's complaints about poor border control, the two countries have blasted Syria for supporting the insurgency by allowing Saddam loyalists to take refuge in Damascus to organize financing and arms shipments. Syria denies the charges.

A U.S. blue ribbon panel on Iraq, led by former Secretary of State James A. Baker III and former Democrat Rep. Lee Hamilton, will soon release recommendations on how to avoid the collapse of an increasingly violent and chaotic Iraq.

The proposals were expected to include openings to Syrian and Iran in a bid to internationalize efforts to clamp the sectarian conflict.

Iran is believed to be financing and arming Shiite militias in Iraq who have engaged insurgents and Sunni civilians in civil-war style conflict in Baghdad and surround cities and towns. Many of the Shiite militia fighters were trained by Iran's elite Revolutionary Guard.

Even as diplomacy gained some traction, former Secretary of State Henry Kissinger, who negotiated an end to the Vietnam War more than 30 years ago, said a conventional victory was no longer an option for Washington.

"If you mean, by 'military victory,' an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control in a time period that the political processes of the democracies will support, I don't believe that is possible," he told the BBC's Sunday AM program.

Kissinger has also said Iran and Syria need to be drawn into efforts to curb violence.

By luring workers to his bomb in Hillah, the suicide attacker used a technique has been employed repeatedly in poor Shiite regions throughout Iraq where unemployment is especially high and men often must hire themselves out daily to feed their families. Sunday is a working day in mostly Muslim Iraq.

"The sudden explosion shook the whole area and shattered the windows of a store where I was standing," said Muhsin Hadi Alwan, 33, one of the wounded jobseekers. "The ground was covered with the remains of people and blood, and survivors ran in all directions."

"How will I feed the six members of my family when I return home without work and without money?" Alwan asked.

The U.S. military announced that five-days of joint operations with Iraqi forces in the region between Tikrit and Kirkuk killed nearly 50 Sunni insurgent fighters and led to the capture of 20. The announcement detailed the discovery of huge arms caches, usable portions of which were turned over to the Iraqi army to equip its soldiers. The military did not say when the operation began or ended nor precisely where it took place.

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U.S. and Iraqi forces also killed 12 insurgents, detained 11 and freed eight Iraqi hostages during raids in Baqouba and two villages near Kirkuk, 180 miles north of Baghdad, police said. Iraqi forces also killed a local al-Qaida in Iraq leader and his son in a village 60 miles north of Baghdad.

Syrian Foreign Minister Visits Baghdad (USAT/AP)

USA Today, November 20, 2006

BAGHDAD — As kidnappings and suicide bombings continued in Iraq on Sunday, Syria's foreign minister made a groundbreaking visit to Baghdad.

Walid Moallem, the highest-level Syrian official to visit since the ouster of Saddam Hussein, denounced terrorism and called for a timetable for the withdrawal of U.S. forces.

His arrival was a significant breakthrough from a country that broke diplomatic ties with Iraq in 1982. It comes as a U.S. blue-ribbon panel studying Iraq, led by former secretary of State James Baker, is working on recommendations on avoiding the collapse of the country. Among the expected proposals is engaging in talks with Syria and Iran in a bid to internationalize efforts to clamp down on the sectarian conflict.

The U.S. and Iraqi governments have accused Syria of maintaining poor control of the border it shares with Iraq. The border has become a major crossing point for Sunni Arab fighters joining the insurgency that has been responsible for the most deaths of U.S. servicemembers since the 2003 U.S.-led invasion.

Elsewhere in Iraq, gunmen kidnapped Iraq's deputy health minister from his home in northern Baghdad, the Iraqi army and police reported Sunday.

They said the gunmen wore police uniforms and arrived in seven vehicles to abduct Ammar al-Saffar, a Shiite. He is one of the most senior government officials to be kidnapped.

Al-Saffar was snatched nearly a week after dozens of suspected Shiite militia gunmen in police uniforms kidnapped scores of people from the predominantly-Sunni Ministry of Higher Education office in Baghdad. In the deep south of Iraq, meanwhile, security forces searching for five private security contractors kidnapped near the Kuwait border detained about 200 suspected insurgents, police said Sunday. Police Maj. Gen. Ali al-Moussawi said none of the hostages — four Americans and an Austrian — was found.

U.S. Embassy spokesman Michael McClellan said Sunday that U.S. officials believe the five hostages are still being held by their captors.

In other developments:

•The Iraqi court that sentenced former Iraqi leader Saddam Hussein to hang this month was guilty of shortcomings so serious that a fair trial for the former president was all but impossible, according to a 97-page report on the trial released today by New York-based Human Rights Watch. The report is based on interviews with judges, prosecutors and defense lawyers.

Saddam and seven others went on trial a year ago for crimes against humanity over the killing of 148 people from Dujail following an attempt there on Saddam's life in 1982. The report said the judiciary lacked the expertise for such a complex trial and urged the government to let experienced international jurists take part in future trials.

•A suicide bomber in a minivan lured day laborers to his vehicle with promises of jobs Sunday morning, then blew it up, killing 22 people and wounding 44 in the mainly Shiite southern city of Hillah, Babil province police Capt. Muthanna Khalid said. He said three suspected terrorists — two Egyptians and an Iraqi — were arrested on suspicion of planning the suicide attack with the bomber, a Syrian.

•The U.S. military announced that five days of joint operations with Iraqi forces between Tikrit and Kirkuk killed nearly 50 Sunni insurgents and led to the capture of 20. The announcement detailed the discovery of large arms caches, usable portions of which were turned over to the Iraqi army.

McCain: Many More Troops Needed In Iraq (USAT/AP)

USA Today, November 20, 2006

DOJ_NMG_0095991

WASHINGTON — Sen. John McCain, a prominent Republican presidential contender for the 2008 elections, said Sunday that the United States must send an overwhelming number of troops to stabilize Iraq or face the possibility of more terrorist attacks — in the region and on American soil.

"I believe the consequences of failure are catastrophic. It will spread to the region. We left Vietnam. It was over. We just had to heal the wounds of war," said McCain, R-Ariz., who spent 5½ years in Vietnam as a prisoner of war. "We leave this place, (with) chaos in the region, and they'll follow us home. So there's a great deal more at stake here in this conflict."

McCain's comments on ABC's This Week came as former secretary of State Henry Kissinger told the British Broadcasting Corp. that military victory in Iraq is not possible, "if you mean by 'military victory' an Iraqi government that … gets the civil war and sectarian violence under control in a time period that the political processes of the democracies will support."

Kissinger, an architect of the Vietnam War who has advised President Bush on Iraq, also warned against a rapid withdrawal of coalition troops, saying it could cause a long-lasting conflict.

Meanwhile, Rep. Charles Rangel, D-N.Y., speaking on CBS' Face the Nation, said he will introduce a bill next year that would require men and woman to serve in the armed forces or in alternative service.

Rangel said as early as 2003 that a draft for those turning 18 is needed to meet military requirements and to eliminate what he said is a disproportionate role minorities and lower-income families shoulder in the military.

"There's no question in my mind that this president and this administration would never have invaded Iraq… (if) members of Congress and the administration thought that their kids from their communities would be placed in harm's way," said Rangel, in line to be the next chairman of the House Ways and Means Committee.

The U.S. military has strained to maintain a level of about 141,000 troops since the March 2003 invasion.

Democrats poised to take control of the House and Senate after this month's midterm congressional elections are pressing for a substantial reduction of U.S. troops in Iraq and a timetable for their withdrawal.

"We must tell the Iraqis that we would begin, starting in four to six months, a phased reduction" of troops, Sen. Carl Levin, D-Mich., the incoming chairman of the Senate Armed Services Committee, told CNN's Late Edition. "If you don't do that, they're going to continue to have the false assumption that we are there in some kind of an open-ended way."

Gen. John Abizaid, the top U.S. commander for the Middle East, has said it would be unrealistic to raise troop levels as proposed by McCain and Sen. Lindsey Graham, R-S.C.

McCain said it was time to use decisive force with a clear exit strategy: "You've got to ask yourself some questions. One, 'Are we winning?' And I think the answer is no. The other is, 'What are the consequences of defeat? Can we still win?' Yes, I believe we can. It'll be tough, but we need to do it."

McCain Says More Troops Needed In Iraq (AP-Y)

By John Heilprin

AP, November 20, 2006

Without additional troops to ensure victory in Iraq, the U.S. could find itself more vulnerable to terrorist attacks at home, Sen. John McCain said Sunday.

Taking the opposite tack, newly empowered Democrats pressed their case for a phased withdrawal of American forces. They hoped a blue-ribbon advisory panel would propose a way ahead for Iraq, while making clear the U.S. military mission shouldn't last indefinitely.

McCain, a front-running GOP presidential hopeful for 2008, said the U.S. must send an overwhelming number of troops to stabilize Iraq or face more attacks — in the region and possibly on American soil.

"I believe the consequences of failure are catastrophic," said McCain, R-Ariz. "It will spread to the region. You will see Iran more emboldened. Eventually, you could see Iran pose a greater threat to the state of Israel."

With about 141,000 U.S. troops in Iraq more than 3 1/2 years into the war, the American military has strained to provide enough forces while allowing for adequate rest and retraining between deployments.

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But McCain, who spent 5 1/2 years as a prisoner of war after his Navy plane was shot down in 1967, recalled the Vietnam War's lessons. "We left Vietnam. It was over. We just had to heal the wounds of war," he said. "We leave this place, chaos in the region, and they'll follow us home. So there's a great deal more at stake here in this conflict, in my view, a lot more."

McCain said he based his judgment partly on the writings of Abu Musab al-Zarqawi, the al-Qaida leader in Iraq who was killed in a U.S. air raid, and of Osama bin Laden.

"The consequences of failure are so severe that I will exhaust every possibility to try to fix this situation. Because it's not the end when American troops leave. The battleground shifts, and we'll be fighting them again," McCain said. "You read Zarqawi, and you read bin Laden. ... It's not just Iraq that they're interested in. It's the region, and then us."

Sen. Joseph Biden, the incoming chairman of the Senate Foreign Relations Committee, said he hoped a special commission considering options for the way ahead in Iraq would assert that U.S. troop commitments are not open-ended; propose a clear political road map for Iraq; and recommend engaging Iraq's neighbors in a political solution.

"We are past the point of adding more troops. We are past the point of vague policy prescriptions. It is not an answer just to stay. Nor is it an answer — though it may become a necessity — just to go with no concern for what follows," Biden, D-Del., wrote in Sunday's Washington Post.

"The fundamental question we must answer is whether, as we begin to leave Iraq, there are still concrete steps we can take to avoid leaving chaos behind," said Biden, who plans to run for president in 2008.

Democrats poised to take control of the House and Senate are pressing for a substantial reduction of U.S. troops in Iraq and a timetable for their withdrawal, as a way of forcing the Iraq government to rely more on itself.

"We must tell the Iraqis that we would begin, starting in four to six months, a phased reduction of our troops," said Sen. Carl Levin, D-Mich., the incoming chairman of the Senate Armed Services Committee. "Because if you don't do that, they're going to continue to have the false assumption that we are there in some kind of an open-ended way. And it is that assumption on their part that takes them off the hook."

Incoming House Majority Leader Steny Hoyer, D-Md., agreed. "As a practical matter, there are no troops to increase with," he said. "Our objective was to remove Saddam Hussein and create an environment in which a democracy could be established. That has been done."

But Hoyer said Democrats would continue funding the existing troop levels, for the time being.

"That's not an option, of not supporting our troops in the field and making sure they're as safe as we can make them," he said. "Very frankly, their lack of numbers exposes them on a daily basis to danger and death, unfortunately. But clearly, we're going to have discussions going forward as to how we change this policy and change it in the short term, not the long term."

Gen. John Abizaid, the top U.S. commander for the Middle East, told the Senate Armed Services Committee last week he believes troop levels should remain steady for now. He said it was possible to add 20,000 troops for a short time, but it would be unrealistic to raise troop levels as proposed by McCain and Sen. Lindsey Graham, R-S.C.

Abizaid said the American military in Iraq is stretched too thin already, and sending over a bigger, more permanent presence would undercut efforts to force Iraqis to take on more responsibility.

Sen. John Kerry, D-Mass., said he thinks U.S. generals have been put "in a a very, very difficult position."

"What I don't have confidence in is the policy. And General Abizaid is giving us a diagnosis that is based on the current policy. But that policy has to change, and it can change," said Kerry, who is considering a White House bid in 2008.

Kerry spoke on "Fox News Sunday," while McCain and Hoyer appeared on ABC's "This Week." Levin spoke on CNN's "Late Edition." Graham appeared on "Face the Nation" on CBS.

McCain Says Troops Dying For `Failed' Iraq Policy (Update1) (BLOOM)

By Judy Mathewson

Bloomberg, November 20, 2006

Nov. 19 (Bloomberg) -- Senator John McCain said U.S. troops are ``fighting and dying for a failed policy'' in Iraq and must get enough reinforcements to ensure a military victory.

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McCain said that while deploying more troops to Iraq would put a ``terrible strain" on the U.S. military, ``there's only one thing worse, and that is defeat."

``And we've been losing," the Arizona Republican said on ABC's ``This Week" program.

McCain, a 70-year-old Vietnam veteran who is exploring a bid for the presidency in 2008, said a U.S. failure in Iraq would have ``catastrophic" consequences, emboldening terrorists and spreading instability in the region. McCain didn't say how many more troops should be sent in. Previously he has called for an additional 20,000 personnel.

The U.S. has about 141,000 military personnel in Iraq and General John P. Abizaid, the top U.S. commander in the Middle East, told McCain at a Senate Armed Service Committee hearing last week that there is no immediate need for more troops even as violence -- and U.S. military deaths -- has been rising.

U.S. policy in Iraq may be at a crossroads with Democrats winning a majority in Congress Nov. 7 in part because of public dissatisfaction with President George W. Bush's management of the war and a bipartisan commission getting ready recommendations on a future course in the conflict. Bush has rejected setting any deadlines for the U.S. presence in Iraq.

Democratic Majority

While McCain has been urging deployment of more troops to stabilize Iraq, leaders of the new Democratic majority in Congress are calling for the U.S. to begin withdrawing at least some personnel over the next four to six months to pressure the Iraqi government into taking more responsibility for their country's security.

Senator Carl Levin, the Michigan Democrat who will become chairman of the Armed Services Committee, said McCain's approach would ``get us in deeper into Iraq."

``That sends exactly the wrong message to the Iraqis, that somehow or other, there's a military solution," Levin said on CNN's ``Late Edition," adding later: ``So no, not more troops; fewer troops."

Failed Government

Representative Steny Hoyer, the Maryland Democrat who was elected last week to the No. 2 House post in the next session of the Congress, said the situation in Iraq may be past the of point of resolution through more force.

The government of Prime Minister Nuri al-Maliki has failed to do what's needed to end sectarian violence, Hoyer said in a separate interview on ABC. ``If you have a failed government, our continuing to prop up that failed government will not ultimately succeed," he said.

In addition, ``there are no troops to increase with," he said.

Former Secretary of State Henry Kissinger, who negotiated the end to the Vietnam War, told the British Broadcasting Company that a decisive military victory in Iraq is unlikely and that the U.S. course must be redefined.

``If you mean by clear military victory an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control in a time period that the political processes of the democracies will support, I don't believe that is possible," Kissinger said in an interview broadcast today.

Alternatives

``But I don't believe that the alternative is between military victory as it had been defined previously, or total withdrawal," said Kissinger, who served in the administrations of Republican Presidents Richard Nixon and Gerald Ford.

McCain said he disagreed.

``You can't have a political solution unless you have a military solution," McCain said. ``There's never been one in history."

Republican Senator Lindsey Graham of South Carolina also disagreed with Kissinger, and backed McCain on the need for more troops.

``We've been playing whack-a-mole, as John McCain says it, where you clear one area but you can't hold it because you go to the next area to suppress a surge in violence," Graham said on CBS's ``Face the Nation" program. ``We need a larger troop presence in Iraq to bring about security."

Increased Violence

There were about 180 attacks a day against Iraqi government and U.S. targets during October, Lieutenant General Michael D. Maples, director of the Defense Intelligence Agency, told the Senate Armed Services Committee on Nov. 15. There

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were 99 U.S. military personnel killed in combat during the month, the highest monthly death toll in two years. More than 3,200 Americans have died in Iraq since the U.S. invasion, with 2,481 killed in action, according to Defense Department figures.

Bombings and sectarian battles have continued, with the latest coming this morning. At least 53 people were killed in bombings and shooting across Iraq and the country's deputy health minister was kidnapped from his home in Baghdad, Agence France- Presse reported.

Maliki on Nov. 17 asked the United Nations Security Council to extend the mandate of U.S.-led military forces in Iraq through 2007, citing a need for protection from terrorists.

Graham, who has been to Iraq four times, was asked on CBS if he believes the situation in Iraq has gotten worse. ``Absolutely," he replied.

``The first time I went there, I walked around town and bought rugs. The fourth time I went, about a year ago, I had to be in a tank," Graham said.

Rep. Rangel Will Seek To Reinstate Draft (AP-Y)

By John Heilprin

AP, November 20, 2006

Americans would have to sign up for a new military draft after turning 18 under a bill the incoming chairman of the House Ways and Means Committee says he will introduce next year.

Rep. Charles Rangel, D-N.Y., said Sunday he sees his idea as a way to deter politicians from launching wars.

"There's no question in my mind that this president and this administration would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if indeed we had a draft and members of Congress and the administration thought that their kids from their communities would be placed in harm's way," Rangel said.

Rangel, a veteran of the Korean War who has unsuccessfully sponsored legislation on conscription in the past, has said the all-volunteer military disproportionately puts the burden of war on minorities and lower-income families.

Rangel said he will propose a measure early next year. While he said he is serious about the proposal, there is little evident support among the public or lawmakers for it.

In 2003, Rangel proposed a measure covering people age 18 to 26. It was defeated 402-2 the following year. This year, he offered a plan to mandate military service for men and women between age 18 and 42; it went nowhere in the Republican-led Congress.

Democrats will control the House and Senate come January because of their victories in the Nov. 7 election.

At a time when some lawmakers are urging the military to send more troops to Iraq, "I don't see how anyone can support the war and not support the draft," said Rangel, who also proposed a draft in January 2003, before the U.S. invasion of Iraq. "I think to do so is hypocritical."

Sen. Lindsey Graham, a South Carolina Republican who is a colonel in the U.S. Air Force Standby Reserve, said he agreed that the U.S. does not have enough people in the military.

"I think we can do this with an all-voluntary service, all-voluntary Army, Air Force, Marine Corps and Navy. And if we can't, then we'll look for some other option," said Graham, who is assigned as a reserve judge to the Air Force Court of Criminal Appeals.

Rangel, the next chairman of the House tax-writing committee, said he worried the military was being strained by its overseas commitments.

"If we're going to challenge Iran and challenge North Korea and then, as some people have asked, to send more troops to Iraq, we can't do that without a draft," Rangel said.

He said having a draft would not necessarily mean everyone called to duty would have to serve. Instead, "young people (would) commit themselves to a couple of years in service to this great republic, whether it's our seaports, our airports, in schools, in hospitals," with a promise of educational benefits at the end of service.

Graham said he believes the all-voluntary military "represents the country pretty well in terms of ethnic makeup, economic background."

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Repeated polls have shown that about seven in 10 Americans oppose reinstatement of the draft and officials say they do not expect to restart conscription.

Outgoing Defense Secretary Donald H. Rumsfeld told Congress in June 2005 that "there isn't a chance in the world that the draft will be brought back."

Yet the prospect of the long global fight against terrorism and the continuing U.S. commitment to stabilizing Iraq have kept the idea in the public's mind.

The military drafted conscripts during the Civil War, both world wars and between 1948 and 1973. An agency independent of the Defense Department, the Selective Service System, keeps an updated registry of men age 18-25 — now about 16 million — from which to supply untrained draftees that would supplement the professional all-volunteer armed forces.

Rangel and Graham appeared on "Face the Nation" on CBS.

Amid Uproar Over War, Rangel Renews Call For Draft (WP)

By Charles Babington

The Washington Post, November 20, 2006

The incoming Democratic chairman of the House Ways and Means Committee said yesterday that he will push to renew the military draft, as lawmakers in both parties sharpened their criticisms of the situation in Iraq and struggled for consensus and solutions.

Sen. John McCain (R-Ariz.), a likely presidential contender, leveled one of his harshest assessments yet, saying U.S. troops are "fighting and dying for a failed policy." He renewed his call for more U.S. troops in Iraq and said it is immoral to keep them fighting at the current deployment levels.

And Sen. Carl M. Levin (D-Mich.), incoming chairman of the Armed Services Committee, repeated yesterday his view that troop withdrawals must begin within four to six months.

The varying proposals underscored the extent to which key policymakers remain at odds two weeks after voters registered deep discontent over the war and restored Democrats to power in Congress.

Rep. Charles B. Rangel (D-N.Y.) has long advocated returning to the draft, but his efforts drew little attention during the 12 years that House Democrats were in the minority. Starting in January, however, he will chair the tax-writing Ways and Means Committee. Yesterday he said "you bet your life" he will renew his drive for a draft.

"I will be introducing that bill as soon as we start the new session," Rangel said on CBS's "Face the Nation." He portrayed the draft, suspended since 1973, as a means of spreading military obligations more equitably and prompting political leaders to think twice before starting wars.

"There's no question in my mind that this president and this administration would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if indeed we had a draft and members of Congress and the administration thought that their kids from their communities would be placed in harm's way," said Rangel, a Korean War veteran. "If we're going to challenge Iran and challenge North Korea and then, as some people have asked, to send more troops to Iraq, we can't do that without a draft."

Rangel has drawn modest support for his draft proposal in recent years and it has been unclear whether its prospects might improve in the 110th Congress.

Harry M. Reid (D-Nev.), who will be the Senate majority leader, agrees that the U.S. military is stretched too thin and that "the burden of meeting the nation's security has not been shared equally by all segments of our society," said Reid spokesman Jim Manley. But Reid "believes that these problems are best addressed by making needed adjustments in the all-volunteer force," Manley said.

On ABC's "This Week," McCain reiterated his argument that the United States faces a catastrophic setback in Iraq unless it deploys more troops to reduce sectarian violence and stabilize the country. "We have to have additional forces, or we will be playing whack-a-mole," he said.

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McCain said in a speech Thursday that it is immoral to keep troops fighting merely to "delay our defeat for a few months or a year." Asked yesterday by ABC's George Stephanopoulos, "Isn't it currently immoral to keep Marines and soldiers, other service people, in Iraq?" McCain replied: "Yes, it is." But the war still can be won with renewed effort and resources, he said.

Lawmakers are anxiously awaiting recommendations next month from the Iraq Study Group, co-chaired by former secretary of state James A. Baker III and former representative Lee H. Hamilton (D-Ind.). If the group does not advocate sending more troops to Iraq, McCain said, he would support a troop withdrawal "if, at the point, I think that we have exhausted every option and that we are doomed to failure. I don't know if it'll be at that point [in December] or not."

Although not asked directly about the draft, McCain said, "We've got the best military we've ever had in our all-volunteer force."

Sen. Lindsey O. Graham (R-S.C.) agreed with McCain, saying on "Face the Nation" that more troops should be sent to Iraq and that a military draft is not necessary.

Levin, on CNN's "Late Edition," said the United States must start withdrawing from Iraq to pressure Iraqis to assume control of their nation.

"We must tell the Iraqis that we would begin, starting in four to six months, a phased reduction of our troops," Levin said. Otherwise, he said, "they're going to continue to have the false assumption that we are there in some kind of an open-ended way. . . which takes them off the hook."

On the presidential front, Sen. John F. Kerry (D-Mass.) said on "Fox News Sunday" that he is considering another presidential bid in 2008 despite widespread criticism of what he called "a botched joke" that some received as denigrating troops in Iraq.

And Rep. Steny H. Hoyer (D-Md.) -- who won a contest for House majority leader over a candidate backed by incoming Speaker Nancy Pelosi (D-Calif.) -- said he is confident there will not be retaliation against his supporters.

"We're going to talk about that," Hoyer said on "This Week." "But I'm sure that's not going to happen."

In a secret-ballot election by House Democrats on Thursday, Hoyer defeated Rep. John P. Murtha (Pa.), 149 to 86.

Bill On Draft To Resurface As Calls For Troops Rise (WT)

By Eric Pfeiffer

The Washington Times, November 20, 2006

The incoming Democratic chairman of the House Ways and Means panel says he will introduce a bill to reinstitute a military draft in order to provide the U.S. with more troops, while Sen. John McCain continued his call for increase of troop levels in Iraq.

Rep. Charles B. Rangel of New York first called for a draft in January 2003, when Democrats were the minority party in both houses of Congress. Now that his party controls Capitol Hill, he was asked yesterday on CBS' "Face the Nation" if he was still serious about the proposal.

"You bet your life. Underscore 'serious,' " he said.

"I don't see how anyone can support the [Iraq] war and not support the draft," said Mr. Rangel, alluding to Mr. McCain's call for increased troop levels in Iraq and to the need to combat threats elsewhere in the world. "If we're going to challenge Iran and challenge North Korea and then, as some people have asked, to send more troops to Iraq, we can't do that without a draft."

Mr. Rangel said his bill, which he will introduce again early next year, would allow Americans turning 18 to choose between several forms of national service, including airport security, or jobs in schools and hospitals.

Sen. Lindsey Graham, South Carolina Republican, said in his own "Face the Nation" appearance that military conscription was unnecessary.

"I think we can do this with an all-voluntary service, all-voluntary Army, Air Force, Marine Corps and Navy. And if we can't, then we'll look for some other option," said Mr. Graham, who also serves as a reserve judge to the Air Force Court of Criminal Appeals.

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Repeated polls have shown that about seven in 10 Americans oppose reinstatement of military conscription, and the Pentagon has long opposed any draft. Outgoing Defense Secretary Donald H. Rumsfeld told Congress in June 2005 that "there isn't a chance in the world that the draft will be brought back."

Meanwhile, Mr. McCain, Arizona Republican, continued to call for increased U.S. military presence in Iraq to stabilize the country and prevent what he described as a dire threat to U.S. national security.

"You've got to ask yourself some questions. One, are we winning? And I think the answer is no," he said during an appearance on ABC's "This Week." "The other is, what are the consequences of defeat?"

"I believe the consequences of failure are catastrophic. It will spread to the region. You will see Iran more emboldened," said Mr. McCain, who last week formed an exploratory committee in advance of a likely 2008 presidential campaign. "We leave this place, chaos in the region, and they'll follow us home. So there's a great deal more at stake here in this conflict. In my view, a lot more."

Mr. McCain said he based his judgment partly on the writings of Abu Musab Zarqawi, the al Qaeda in Iraq leader who was killed in a U.S. air raid in June, and of Osama bin Laden.

"The consequences of failure are so severe that I will exhaust every possibility to try to fix this situation. Because it's not the end when American troops leave. The battleground shifts, and we'll be fighting them again," Mr. McCain said. "You read Zarqawi, and you read bin Laden. ... It's not just Iraq that they're interested in. It's the region, and then us."

But Mr. Rangel, a Korean War veteran, said he hoped his military-draft bill would discourage lawmakers from voting to authorize future military conflicts.

"There's no question in my mind that this president and this administration would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if indeed we had a draft and members of Congress and the administration thought that their kids from their communities would be placed in harm's way," he said.

Mr. McCain, a Vietnam War veteran, also has two sons in military service. His son Jack is currently in the U.S. Naval Academy, while another son, James, enlisted in the Marine Corps this year.

Incoming House Majority Leader Steny H. Hoyer said there are insufficient troops available for Mr. McCain's suggestion.

"As a practical matter, there are no troops to increase with," the Maryland Democrat said during his appearance on "This Week." "Our objective was to remove Saddam Hussein and create an environment in which a democracy could be established. That has been done."

Mr. Hoyer added that Democrats will continue to fund the war despite their doubts.

"That's not an option, of not supporting our troops in the field and making sure they're as safe as we can make them," he said.

Who Lost Iraq? (USNEWS)

By Chitra Ragavan

US News and World Report, November 27, 2006

On April 9, 2003, the world watched as U.S. marines and Iraqi citizens toppled an imposing statue of Saddam Hussein in Baghdad's Firdos Square. Three and a half years later, the promise of democracy in Iraq seems a cruel joke, and the administration in Washington that launched the invasion seems utterly bereft of clues as to how to sort out the mess. "The fall of the statue," says a former White House National Security Council staff member, "is where the story diverges from the White House's expectations."

President Bush's acceptance of Defense Secretary Donald Rumsfeld's resignation was intended to signal a change in course on Iraq. But many national security experts say that Condoleezza Rice, Bush's national security adviser at the time of the invasion, and the National Security Council share much of the blame for the problems in Iraq. "She did not perceive, and the National Security Council did not assess, what is in the United States' interests and what is in the interests of our enemies," says retired Lt. Gen. William Odom, an outspoken critic of the war who served as military assistant to Zbigniew Brzezinski, President Jimmy Carter's national security adviser. "Once you make that basic mistake, there isn't any way to make the war come out good. It's all over."

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With her ardent support for the invasion, Odom and others say, Rice was unable to play the traditional role of national security adviser-impartial broker in the rough-and-tumble of interagency government. That was further complicated by the fact that Rumsfeld all but ignored the input of other agencies, then never took responsibility for postwar reconstruction, leaving Rice to try to manage the Iraq rebuilding effort from the White House. "The people who took responsibility for the rebuilding of Iraq-that is, the office of the secretary of defense-expressed no interest in solving problems as problems appeared," says Franklin Miller, one of Rice's principal aides handling the reconstruction effort. "They never brought any issues to the table, and they never took any taskings away."

The problems were compounded, former NSC staff members say, by conflicting information provided by virtually everyone involved in the Iraq effort, including military generals who often gave NSC staffers information at odds with what soldiers on the ground and lower-level military and civilian officials were reporting. "The internal whitewashing was as great as the external whitewashing," says a former senior NSC staff member. "We wasted two years, spinning the situation, using smoke and mirrors to say, 'Hey, it's not as it's being reported. Everything is OK.'"

"Knocking heads." This is the story of how Rice, a veteran White House insider with close personal ties to the president, failed to pull together the administration's fractious postwar efforts and why her successor, Stephen Hadley, has yet to navigate or even identify a way out of Iraq. "Hadley's NSC," says a former senior NSC staff member, "has become a rubber stamp for the Defense Department." Bush has tasked Hadley, Rice, now secretary of state, and other advisers to come up with a solution for Iraq, even as the congressionally directed Iraq Study Group, cochaired by James Baker, the former secretary of state, is racing to finish up its own report. Completing the trifecta is a report to be issued next month by the Pentagon on U.S. military strategy in Iraq.

Escaping Washington, But Not Escaping Iraq (TIME)

By Mike Allen

Time, November 27, 2006

In one of the last strongholds of communism, George W. Bush worshiped in a wooden pew at a hybrid Catholic-evangelical service--"a moment," he later called it, "to converse with God in a church here in Hanoi." Earlier, his presidential motorcade had sped beneath a hammer and sickle formed from red and yellow lightbulbs, a reminder that the world does not change as fast as he would like. The reluctant traveler dropped into the capital of his least favorite analogy as part of a sweep through Southeast Asia that allowed him to look commanding, even regal, at a time when postelection Washington is buzzing about the onrushing twilight of his presidency. "Happy to find a receptive audience," he slyly told fawning musicians in Singapore, an earlier stop, after he answered their entreaties to tap out a tune on their Asian xylophone, with surprisingly melodic results.

Bush had come to Hanoi, once the capital of godless North Vietnam, for an annual international forum, the Asia-Pacific Economic Cooperation meeting. Attendance at such summits is perhaps the part of the presidency he will miss least, press conferences excepted. And this time, he had more to fret about than staged intimacy and flabby bloviating. What about a nation that overwhelmingly backs its President when he sends troops into battle, then sours on the idea when swaths of society decide that intervention was a mistake? That was the U.S. in 1968, and it's the country Bush could wind up leading if the public decides that comparing Iraq with Vietnam is no longer so rash and ignorant a thing to do as Bush's aides have been insisting it is for the past three years.

Fifteen years ago, in the flush of his Gulf War triumph, President George H.W. Bush crowed to state legislators, "By God, we've kicked the Vietnam syndrome once and for all." But now, as Washington's wise men look for a way out of a situation in Iraq, the symptoms of that malady seem to be reappearing. Asked in the Rose Garden in June if he saw a parallel between Iraq and Vietnam, the President replied curtly, "No." But he is now embracing the inevitable, and he answered yes last week when asked roughly the same question at the Sheraton Hanoi. "One lesson is, is that we tend to want there to be instant success in the world," he said. "And the task in Iraq is going to take a while."

So is the modernization of Hanoi, where the streets are strung with drooping skeins of hundreds of electrical wires, some of them powering a single home that has run a line into the tangle. The streets are also clogged with schools of motor scooters,

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with most of the riders free of helmets but laden with comically massive loads--a quartet of big-screen TV sets, exquisitely balanced piles of lumber, pyramids of water bottles.

Although Bush plans to visit the thriving stock exchange in Ho Chi Minh City--formerly Saigon--this country is still officially the Socialist Republic of Vietnam. As protocol demanded, he met with the General Secretary of the Communist Party and was photographed with a massive bust of the revolutionary leader Ho Chi Minh. The President said one of the most poignant moments of the trip was passing the lake that Senator John McCain, as a Navy pilot, was pulled from after his plane was hit while on a bombing run. "He suffered a lot as a result of his imprisonment," Bush said, "and yet we passed the place where he was, literally, saved, in one way, by the people pulling him out." In fact, McCain was met onshore by a large, hostile crowd, which hit, kicked and even bayoneted him. Aides admitted later that the President's telling, although accurate, was incomplete.

Behind the scenes, Bush mused to aides that he loved what he was seeing and regretted he would never be able to come to a place like this as a normal tourist. Instead he pursued a fairly restricted itinerary, visiting the U.S. military's Joint POW/MIA Accounting Command and skipping the Turtle Temple and the stir-fried camel. Asked at a briefing why the President wasn't out more among the people, National Security Adviser Steve Hadley said the motorcade routes through the heart of the city meant that the President was "in the midst of the Vietnamese people all the time" and added that Bush "has been doing a lot of waving." His hosts seemed to want to reciprocate. When CNN International began airing a taped package using footage from the Vietnam War to suggest similarities between Iraq and Vietnam, the local feed was obscured by an overlay of music and a Vietnamese flag. For at least a few days, a graying President could enjoy Vietnam instead of wrestling its ghost.

The Fogginess Of War (USNEWS)

By Anna Mulrine

US News and World Report, November 27, 2006

When publicly assessing the Iraq war, U.S. military leaders are often at pains to point out that the enemy has a vote, by its actions, and that vote tends to change conditions on the ground. But last week, it was Republicans licking their wounds from an election trouncing and Democrats flush with a new mandate who repeatedly reminded the top military commander for the Middle East that the American people have voted and, by their actions, expect to see a new course in Iraq.

What course exactly? Washington is buzzing with possibilities-a number of which were swatted down by Gen. John Abizaid, head of Central Command, in testimony last week before the House and Senate Armed Services committees. The most popular option, a sizable troop withdrawal in the next six months, would inflame sectarian violence, he warned. Partitioning the country along ethnic-religious lines, he said, is "not viable" and would create a Sunni state that would be little more than an al Qaeda safe haven. And though Abizaid did not rule out temporary troop surges to reinforce efforts to tamp down the turmoil-even as 2,200 Marines were being dispatched to the volatile Anbar province from ships stationed offshore in the Persian Gulf-he added that more troops could ultimately undermine the credibility of the fledgling Iraqi government. Just how weak the government is was highlighted by last Tuesday's brazen mass kidnapping of dozens of employees from the Sunni-run Ministry of Higher Education by gunmen wearing old and new national police uniforms.

"Whole different mission." Such is the stark reality facing the 18,500 soldiers from the 1st Cavalry Division as they depart Fort Hood, Texas, to take over security responsibilities in Baghdad. Much has changed on the ground since many of his soldiers were there before, says Lt. Gen. Raymond Odierno, who commanded the 4th Infantry Division during a previous tour in Iraq from 2003-04-and who next month becomes the No. 2 commander of American forces there. "It's a whole different mission," he tells U.S. News from his Fort Hood headquarters chockablock with packing boxes. "As a division commander then, I was much more focused on toppling a regime. Now we know that it's about getting confidence in the Iraq government so that it becomes credible. It's much more complex and we've got to understand that."

Key to that credibility is security in Baghdad-the "No. 1" priority for U.S. troops, says Odierno. On that front, "there is progress," he says, "but it's baby steps." To get the city under control, he adds, the Iraqi government must stand up its security forces, "and we've got to help them." Abizaid's testimony emphasized the need for more U.S. military training teams to be embedded within the Iraqi security forces as a vital part of any American exit strategy. U.S. military officials estimate that they may boost numbers from a dozen per Iraqi battalion (which can range from 200 to 700 soldiers), to some 60 U.S. military trainers. In

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addition, says Odierno, "You might have a division where you have a very large [U.S. transition team] that travels around, spending a couple of days with different battalions." He adds, "We have to continue to analyze what are the real capabilities in these teams."

U.S. And Iran Haggle Over Iraq (NSWK)

By Michael Hirsh, John Barry

Newsweek, November 27, 2006

Over a dinner of savory kebab, they talked of the trips they've taken, and their favorite places. James Baker, the longtime confidant of the Bush family, spoke nostalgically of his visits to Iran before 1979, the year the Islamic revolution and hostage crisis put an end to diplomatic ties. Javad Zarif, Iran's ambassador to the United Nations, politely aired past grievances, complaining that U.S. administrations dating back to George H.W. Bush—when Baker was secretary of State—had failed to take Iran seriously. Zarif said the Americans never showed appreciation for Tehran's help in freeing U.S. hostages in Lebanon in the early '90s—and, more recently, for countering the Taliban in Afghanistan, according to two participants at the meeting who agreed to describe it on the condition of anonymity. Zarif's not-so-subtle message: Iran isn't giving anything for free anymore. Tehran is interested only in a broader deal that links the U.S. desire for help in Iraq with Iran's desire to be allowed to enrich uranium, among other issues.

Baker, known for his deft bargaining skills, refused to bite on that point even as he supped heartily. (The dinner took place Oct. 5 at the Iran envoy's Manhattan townhouse.) He said that the only issue he had come to talk about was Iraq. Baker argued that a failed state next door would hurt Iran more than America—which, after all, can always just leave the region. (Through a spokesperson, Baker declined to comment on this account.) Despite the friendly ambience, Zarif suspected in the end that Baker was "trying to buy Iran's cooperation on Iraq at a very cheap price."

Iran is now raising that price—dramatically. Tehran knows that George W. Bush faces new political pressure from an incoming Democratic Congress to withdraw from Iraq sooner rather than later. Tehran also hears, through the media, that the forthcoming report by the Iraq Study Group (co-chaired by Baker and Lee Hamilton) is expected to recommend fuller engagement with Iran and Syria. Even Tony Blair, Bush's most loyal ally, is urging the president to broaden the dialogue with these two countries and make the Israeli-Palestinian dispute part of it. A rough draft of the Baker report delivers a similar recommendation, according to a description of it given to NEWSWEEK by a group member.

Both the Iranians and Syrians are clearly feeling cocky. Negotiations to halt Iran's nuclear program remain stalemated, and Iranian President Mahmoud Ahmadinejad declared last week that "many countries have agreed to live with an Iran that has mastered enrichment." One key nation that Tehran thinks it can count on is Russia, which wants to protect its huge investments in Iran and is resisting tough sanctions in the U.N. Security Council. "The Iranians," says a European diplomat involved in the talks, "are behaving as if they are already a nuclear power." Syrian President Bashar al-Assad, meanwhile, is enjoying the resumption of what Syrian Embassy spokesman Ahmed Salkini calls "unofficial contacts" from Washington.

Some U.S. officials are now hinting that Washington may have to blink before Tehran does. All last week, following up on a two-day White House meeting over Veterans Day weekend, national-security adviser Stephen Hadley and key officials thrashed over new approaches to Iraq in anticipation of the Baker-Hamilton report and fresh Democratic initiatives. U.S. officials say the president is still intent on forcing Iran to back down on its nuclear program, using financial sanctions or even stronger means. But according to a senior U.S. official who would discuss such sensitive topics only if he was not identified, some inside the administration believe it may be too late to stop Tehran. Should diplomacy fail, Washington might have to accept Iran as a "virtual nuclear-weapons state" if Bush gets help on Iraq and other issues, this official says. That means Tehran might be permitted to develop the technology for making nuclear fuel—and potentially a bomb—as long as it holds to its pledge to limit its program to peaceful purposes. But this is still seen as a remote fallback position.

There are public signals that Washington is edging closer to Tehran's terms for talks. In congressional testimony last week, CIA Director Michael Hayden seemed to contradict the official Bush-administration line of refusing to link Iraq and the nuclear issue. "Talking to Iran about Iraq cannot be isolated, I believe, from the broader nuclear question," Hayden said. (CIA spokesman Mark Mansfield later contended that Hayden's statement "was totally consistent" with current administration policy; he said Hayden was referring to Iran's unwillingness to discuss Iraq without talking about the nuclear issue.) State Department

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spokesman Gonzalo Gallegas also said forthrightly last week that "the timing and conditions" for talks with Iran are "under review."

But even if Washington does cut a deal, can Tehran stop the sectarian killing? On Capitol Hill, Hayden said an "Iranian hand is stoking violence" in Iraq. But the private view of U.S. intelligence agencies is that Tehran is "torn" over how much it wants to stir up trouble, says an official familiar with classified intelligence briefings on Iran who would discuss the issue only anonymously. The Iranians, he says, "don't want complete chaos." If both sides share that fear, then perhaps James Baker can get help at the right price after all.

How Iraq Will Impact 2008 Race (NSWK)

By Jonathan Darman

Newsweek, November 27, 2006

For a moment, at least, John McCain and Hillary Clinton shared a common cause. It was one week after the midterm elections. They were back in the Senate, back in their seats on the Armed Services Committee, back to venting about Iraq. The target was Gen. John Abizaid, head of U.S. Central Command in the Mideast. McCain chafed at Abizaid's assertion that there were encouraging signs in the troubled conflict. Is "it encouraging," McCain wondered, "that people dressed in police uniforms are able to come in and kidnap 150 people and leave with them ... through checkpoints?" Clinton was also quick to pounce. "The situation in Iraq is not improving," she told Abizaid. "Hope is not a strategy."

Hope is no strategy: a lesson Clinton and other potential presidential candidates are quickly coming to learn. As the Bush presidency approaches its seventh year and the war continues, Iraq is no longer just George W. Bush's problem. Washington waits for a miracle pill from James Baker and Lee Hamilton's Iraq Study Group. But leaders in both parties know that a truly happy solution to the conflict is nowhere in sight—and may never be.

That could mean trouble for the 2008 front runners, Clinton and McCain. The Arizona senator stands apart from the political pack in calling for an increased U.S. presence in Iraq—arguing that the military should invest as many as 100,000 more troops on the ground to adequately secure the country. Clinton, meanwhile, has angered many in her party's antiwar wing by refusing to repudiate her initial vote to go to war—but has yet to fully articulate how exactly she would clean up the Iraq mess. Both senators were present at the conflict's creation and, if history is a guide, voters may well yearn for a fresh set of eyes to see it through to its conclusion. But, in the nascent presidential campaign, few would-be candidates have stepped forward with their own strategies for ending the war. Baker and Hamilton may offer contenders a road map to follow, but for now, candidates are still groping for a comfortable position on the way ahead in Iraq. A user's guide to the candidates' positions on the war, and who they talk to on the subject:

JOHN MCCAIN

McCain was an early administration ally on Iraq, arguing that removing Saddam Hussein was vital to the broader war on terror. But even as he advocated for intervention, he was kibitzing with Republican war critics like Bush 41 national-security adviser Brent Scowcroft, who worried that the Iraqi adventure would prove destabilizing. After the invasion, McCain began a relentless drumbeat for more U.S. troops.

McCain is that rare Republican with sympathy for both his party's realist and idealist wings. A child of the military establishment and a former prisoner of war, he is well-acquainted with the human costs of war and chats frequently with "realist" war critics like Scowcroft and Colin Powell. But he also consults with intellectuals like Bill Kristol, the influential neocon thinker, and continues to speak of Iraq's potential for transforming the Middle East. If McCain does make a White House run, his foreign policy would be coordinated by Randy Scheunemann, an analyst at the conservative think tank Project for the New American Century who founded the bipartisan Committee for the Liberation of Iraq, an independent group that advocated for regime change.

HILLARY CLINTON

From her first hours in the Senate, Clinton was careful to work on her national-security credentials, joining the Armed Services Committee and positioning herself as a strong friend of the military. She voted for the Iraq war and never expressed regret over doing so, even as the war became increasingly unpopular with her party's base. But by persistently criticizing the Bush

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administration's handling of the war, she has so far managed to avoid the wrath of the antiwar activists that dogged Joe Lieberman in 2006.

But now that she's in the majority, and seriously eying a run at the White House, what would she do about Iraq? She has so far advocated the creation of an oil trust—granting a share in oil profits to all Iraqis. She's backed a phased redeployment of troops—though she hasn't said how many troops would be redeployed or where they would go—and championed engagement with Syria and Iran. But she has yet to offer a comprehensive plan of her own. "It's for the president of the United States to present a plan to the American people," said her spokesman, Philippe Reines.

Clinton has developed a close working relationship with Rhode Island Sen. Jack Reed, a West Point graduate and the Senate Democrats' point man on Iraq. She also talks to veterans of her husband's foreign-policy team such as former U.N. ambassador Richard Holbrooke, a shortlist candidate for secretary of State in any Democratic administration. Indeed, some Democrats think the very vastness of Clinton's network has constrained her from articulating a clear plan for ending the conflict. "It's like the Kerry campaign," says a veteran of that presidential effort, who now works on foreign policy in the Senate and requested anonymity discussing the politics of national security. "It's hard to get anything past the bottleneck of has-beens and wanna-bes."

BARACK OBAMA

One of Obama's chief assets as a potential challenger to Clinton: consistency on Iraq. He's said that he and the former First Lady had "differing assessments" of the need to go to war in the first place—and, indeed, as a state senator in the fall of 2002, he spoke out passionately against the war while Clinton was voting for it. He has resisted taking a strong position on an exit strategy for Iraq, saying simply, "I'm not a military man." Obama has called on Senate foreign-policy aide Mark Lippert and human-rights expert Samantha Power in formulating positions on international affairs.

RUDY GIULIANI

Long mistrusted bythe right for his stands on abortion and gay rights, Giuliani has tried to shore up his conservative credentials with a vociferous defense of Bush's Iraq policy. He's said withdrawing troops would be akin to the Union pulling out halfway through the U.S. Civil War—and called on America to "do whatever it takes" to win. His staunch defense of the war has helped win brownie points with the White House. But aides say his commitment to the Iraq cause is genuine. He is influenced, friends say, by a crop of A-list advisers at Stanford's hawkish Hoover Institution—among them former secretary of State George P. Shultz, Reagan national-security adviser Richard Allen and Reagan policy adviser Martin Anderson.

MITT ROMNEY

More than any other top-tier candidate, Romney, the retiring governor of Massachusetts, can legitimately claim he's had nothing to do with the mess in Iraq. But as he travels the country selling himself as the strongest potential challenger to McCain, Romney has had to scramble to make up for his lack of foreign-policy bona fides. In May he traveled to Iraq and borrowed a White House talking point, warning that the U.S. couldn't "cut and run." In September, he conferred with L. Paul Bremer, the former U.S. viceroy in Iraq, about the war. Aides say Romney is still in the early stages of educating himself about the conflict and has no plans to offer concrete strategies soon.

JOHN EDWARDS

Support for the Iraq war caused Edwards trouble in the 2004 Democratic primary. So in the spring of 2005, the former North Carolina senator asked aides to begin rethinking his policy on the war. The result: a Washington Post op-ed saying "I was wrong" and calling for a drawdown in troops and increased engagement with Iraq's neighbors in the Middle East. At the time, some close to Edwards worried that the former vice presidential candidate was taking too firm a stance on a rapidly shifting war. But now, with many Democrats making the case for phased withdrawal, Team Edwards feels the rest of the party is coming around to his view. Edwards has focused on expanding his own foreign-policy credentials, but consults with such Clinton-era thinkers as Holbrooke and Strobe Talbott. Edwards's Iraq repudiation may help him emerge as the antiwar alternative to Clinton's stubborn hawk.

SAM BROWNBACK

A conservative Catholic, the Kansas senator's chief appeal will lie with religious Republicans who like his views on social issues. But Brownback has long been an Iraq hawk, cosponsoring the 1998 Senate bill that made "regime change" U.S. policy in

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dealing with Saddam Hussein. After Saddam was toppled, Brownback encouraged similar regime change in Iran, declaring, "We'll never have true stability in the region as long as Iran remains in power." Brownback's chief foreign-policy interest, however, is aiding Africa, a cause on which he's worked with other conservative Christians as well as liberals like Madeleine Albright and Columbia economist Jeffrey Sachs.

JOE BIDEN

The Democrats' biggest long shot happens to be the author of the party's most comprehensive Iraq plan. Earlier this year, he and former Council on Foreign Relations president Leslie Gelb produced a plan calling for the division of Iraq into three autonomous states. The incoming chairman of the Senate Foreign Relations Committee, Biden is plugged into the group of retired generals who voiced their opposition to Rumsfeld's management of the war earlier this year.

With Eleanor Clift, Susannah Meadows, Daren Briscoe and Lee Hudson Teslik

Democrats, Beware The Curse Of D Street (WP)

By Al Kamen

The Washington Post, November 20, 2006

Incoming Democrats: Alert! Do not, repeat, not, buy a home on the 100 block of D Street SE on Capitol Hill. It may be jinxed.

How else to explain how this solidly Republican enclave -- once home to as many as six GOP House members -- is no more? A few weeks ago, a "for sale" sign went up at the townhouse belonging to Porter Goss, a former House member from Florida who moved over to the CIA a couple of years ago. Then Rep. Mark Foley felt obliged to quit before the election and his district fell to the Democrats.

Rep. Nancy L. Johnson (Conn.) lost on Nov. 7. Ditto her next-door neighbor, Rep. E. Clay Shaw Jr. (Fla.). Two doors down, Rep. Chris Chocola (Ind.) met a similar fate. And across the street Rep. Jim Ryun (Kan.) lost his race.

Painters were spotted Friday touching up Chocola's place in preparation for an open house yesterday.

Democrats who insist on buying one of these fine homes -- even before local and federal health officials finish investigating whether these homes have "loser building" syndrome -- at least should lowball.

Talk about mean streets.Republicans Need Not Apply

Speaking of Democrats moving into town, job seekers' resumes are flooding Democratic offices, vying for hundreds and hundreds of Hill jobs opening up. On the House side alone, there are perhaps 400 committee jobs flipping to the Dems, plus 150 or so positions on the personal staffs of the new Democratic members.

The picture on the Senate side is murkier, but the committee switches could net the Democrats about 150 jobs, and the six new Democratic members are likely to employ perhaps a couple of hundred folks on their personal staffs. And there'll be other Senate and House jobs to be had.

Meanwhile, as the Washington door revolves, hundreds of GOP resumes are floating down to K Street.Invasion Critic May Head to Baghdad Post

Within the administration, career Foreign Service officer Ryan Crocker, an Arabist who is ambassador to Pakistan, is being talked about to head to beautiful downtown Baghdad if Zalmay Khalilzad goes to any of the jobs he's supposed to be offered.

Crocker, a former ambassador to Syria, Lebanon and Kuwait, was one of the few people at the legendary Coalition Provisional Authority who actually knew anything about Iraq. The State Department sent him over there as an aide to Presidential Medal of Freedom recipient L. Paul Bremer, though Crocker thought the invasion a truly bad idea for all the obvious regional and international reasons.

As noted in our colleague Karen DeYoung's book about Colin Powell, "Soldier," Crocker co-wrote a memo in December 2002 to then-Secretary of State Powell warning of disaster if the United States invaded Iraq. The memo, titled "The Perfect Storm," detailed all the things that were likely to explode if the United States took over Iraq -- sectarian violence, a power vacuum, and so on.

Set Out the Blue China

The Democratic wins will alter the social scene in many ways, from large to small to meaningless. Washington Life Magazine's September issue had a list of the "100 Most Invited" to various events.

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President Bush and Laura Bush topped the list, followed by Vice President Cheney and Lynne Cheney, though neither of them are big on the local scene, the magazine reported. Third on the list were Sen. George Allen and his wife, Susan Allen.

Something tells us that's likely to have changed already.Another Undecided Election Contest

Loop Fans have been asking when winners will be announced for the Loop Congressional Election Contest. Problem is that five of the House races are yet to be decided. So please be patient.

Cycle Of Revenge Fuels A Pattern Of Iraqi Killings (NYT)

By Sabrina Tavernise

The New York Times, November 20, 2006

BAGHDAD, Nov. 19 — As Iraq sinks deeper into war, a new pattern of revenge has become the driver of violence in the capital.

In a cycle that has been tracked by the American military since May and June, after months of apparently random sectarian violence the pattern has become one of attack and counterattack, with Sunni militants staging what commanders call "spectacular" strikes and Shiite militias retaliating with abductions and murders of Sunnis.

Militias come to funerals and offer to carry out revenge attacks. Gunmen execute blindfolded people in full public view. Mortars are lobbed between Sunni and Shiite neighborhoods. Sometimes the killers seem to be seeking specific people who were involved in earlier attacks, but many victims lose their lives simply to even out the sectarian toll.

"The problem is that every time there's a sensational event, that starts the whole sectarian cycle again," said Maj. Gen. William B. Caldwell IV, the chief spokesman for the American command in Iraq. "If we could stop the cyclical nature of this in Baghdad, we could really change the dynamics here."

General Caldwell said that a recent and intensive series of American raids against Al Qaeda cells, as well as against Shiite militias that have struck back at Sunnis, had seriously damaged some of their networks. But American commanders have made similar claims on several occasions in the course of the war only to have the killing resume later at a higher level.

Scores of survivors and witnesses have noted the emerging cycle of revenge in interviews, describing highly personal attacks that involve a bullet in the head far more often than a bomb. In the past eight days, at least 715 Iraqis have been killed or have been found dead, according to The Associated Press. The death toll has reached 1,320 already this month, higher than the 1,216 who died in October, according to The A.P.'s count.

The sectarian violence that exploded after the bombing of a major Shiite shrine in Samarra in February has firmly locked into this new cycle of revenge, in which Sunnis and Shiites in many Baghdad neighborhoods are now openly at war.

Iraqis are hardening against one another as the deaths chip away at any remaining trust between the sects and radicalize even larger portions of their fringes. The killings are sometimes as brutal as they were under Saddam Hussein's rule: bodies are found with drill holes, acid burns and broken bones. The bodies are dumped in sewage areas and trash pits.

The hatred evident on both sides presents new challenges to the American military, which must face this increasingly complex Iraqi landscape in which larger numbers of people are involved in killing.

"We shouldn't talk in a false way, that we are all brothers," said Faaz, a young Shiite graduate student, who follows Abu Dera, a militant leader, and who, like most people here, would not give his full name. "We have to admit there is a wound. It is a vicious, destructive war."

New words for the culture of killing have popped up. Sakaka: death squad member. Tali: lamb, or a Sunni victim. Batta: car used by Shiite militias.

In Naariya, a neighborhood in southeastern Baghdad, the pattern began in a flash of gunfire on a sunny September morning, when eight friends were killed while putting up a poster of a Shiite cleric. In the following days, Sunni men in the area began to disappear. The bodies of at least 20 were found in Shiite areas, three of their families said in interviews.

Some of the men were taken in front of their families, forced into cars with guns pointed at their heads. Others simply disappeared. Families counted 20 to 40 dead, including, in one family, a grandfather, his son and his 14-year-old grandson. Americans tracking the Sunni deaths verified 17, according to residents they questioned.

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An uneasy suspicion fell over the neighborhood. The police station, largely infiltrated by the Shiite militia called the Mahdi Army, did not even have a record of the disappearances. Muhammad Faisal, the brother of one of the slain Shiites, said he did not believe the reports of the Sunni deaths. The funerals for the eight Shiites drew large crowds. The Sunni ones did not.

"Where were their funerals?" he said, sitting in his tiny room in the neighborhood, holding his dead brother's 5-month-old baby. "We didn't see their numbers."

He was arrested by the Americans for questioning in connection with the killings and later released.

The kidnappings seemed calculated to wipe away any remaining trust. Sunnis started to leave the neighborhood — about 50 families, according to a rough count by Sunni residents and a police official. Some time later, the word spread through mosques that it was safe to return.

Hamid Salman al-Dulaimy, 65, was happy to go back after having to sleep on couches. But several hours after he reinstalled himself at home, gunmen arrived in four cars, pointed guns at the heads of two of his sons and asked for identification cards. They took Mr. Dulaimy and his brother. Their bodies were found in a Shiite area several days later.

"You said we could come back here," one of the sons, Zaid, recalled saying to the gunmen.

Zaid Dulaimy was taken several days after he was interviewed. He is still missing.

In some cases, the force behind the cycle of revenge has its roots in Iraq's tribes, the network of communities that form the fabric of society here. With the world around them turning increasingly chaotic and the government largely impotent, Iraqis are retreating to the safety of their tribes — and the militias to which their members belong.

"This fighting, killing Sunnis and Shias, this is deep in the history of these tribes," said Husham al-Madfai, an architect and history buff. "They call it revenge. This is in the history of the country, in the blood of the people."

The killing is an ugly thing, not something Iraqis speak about openly. But its traces are everywhere, even in public places. Arkan lives in Ur, a neighborhood in northeast Baghdad that borders the area where the Shiite militant Abu Dera lives. He has seen at least four killings of Sunnis, and one failed one, an Egyptian man who was left for dead.

In January, the authorities in Ur found 18 bodies; in June, 30; and in August, 90; according to the local police authorities.

The intensity of executions in Ur jumped several days after the shooting deaths of Shiite pilgrims in August. One man in the area where the Sunnis were killed, a construction materials market, said he saw 14 killings in the days that followed.

In Sugel Uleh, a market area in Sadr City where a Sunni bomb gouged out a large crater this summer, Shiite gunmen shot dead at least eight men in its center. The attacks were carried out during funerals for some of the Shiites killed in the bombing, a witness said.

It is a long way between the pain of loss and the cold steel of killing, but militias, which move freely through the country's lawlessness, shorten the path.

Two sedans of Mahdi militiamen arrived at a funeral this spring of a man who was killed along with five of his friends in a Sunni area, on their way back from a fish restaurant. According to an account by a relative, the militiamen called the mourning family out to the street and opened the sedans' trunks. People were inside, the relative said. The men offered to kill them. The family refused.

For those who do not agree to killings, militias offer other things. Arkan began receiving $50 a month from the Mahdi Army after his father, a truck driver, died from wounds suffered in a sectarian attack in September.

Arkan said his family advised him against trying to seek revenge; it is dangerous business and he is the only working member in the family. Still, he has known others who have.

"There are many people like this," he said. "They bring a normal Sunni and say, 'This is revenge for my brother.' Some say it's enough, killing two or three. Some continue."

An increasingly common tool for retaliatory attacks is the mortar. In the three days that followed the death sentence for Mr. Hussein, a source of bitterness for Sunni Arabs, 10 different strikes around the capital killed at least 15 Iraqis and wounded 87, including three Shiite boys who were watching a soccer game in Sadr City.

General Caldwell said the military's raids had reduced the mortar attacks and put pressure on the militias, because killings appear to be carried out more quickly now by the looks of the bodies.

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Jamal, a nephew of the Shiite killed with his five friends, said Shiites, long oppressed under Mr. Hussein, had simply had enough. "You can't expect people with all this tragedy in all these years not to have any reaction."

When Jamal first saw his uncle's broken body stuffed in the trunk of a car, he was overcome by anger.

"The feeling of revenge overwhelmed me," he said, in a house in Sadr City. "I said to myself, 'I will kill all the Sunnis.' "

He said he did not resort to the killing of strangers, as some Iraqis have begun to do, but reached out for tribal and militia connections to track down the killers.

"On the surface, people say they trust," said a policeman in Naariya, who asked that his name not be used because he could be killed. "Inside, they don't trust each other at all."

A Shiite government employee said: "My family, they are not aggressive, but it's the feeling inside, the hatred. They believe Sunnis are doing all of this."

As the capital becomes more violent, many of those who refuse to give in to it leave. Hassan Jabr, a Shiite whose 12-year-old son was kidnapped and murdered this spring, moved to Jordan in the fall with his wife and one remaining son. He said he was forever changed when he saw his son's body in the morgue.

Before he left, he was waiting to register the death certificate in a government ministry, when he struck up a conversation with a man in his 20s whose only brother had been killed. The man said he had killed three Sunnis to avenge the death, Mr. Jabr said.

The man was surprised at Mr. Jabr's restraint. "Are you a coward?" Mr. Jabr said the man asked. "Why don't you take revenge?"

Upstate N.Y. Man Kidnapped In Iraq (AP)

By Valerie Bauman

AP, November 20, 2006

A former soldier from western New York is among the four Americans and one Austrian who were kidnapped in southern Iraq last week, family members said Sunday.

Jonathon Cote, 23, a native of Getzville, N.Y., a suburb of Buffalo, was working as a guard for Crescent Security Group when he was captured Thursday, his stepmother said. Family members spoke to The Associated Press on condition of anonymity out of fear for Cote's safety.

"The waiting is very tiring, and stressful," his stepmother said. "Your mind goes from very optimistic, good thoughts to thoughts that maybe something good is not going to happen."

Before working for Crescent, Cote spent four years in the Army and served in Iraq and Afghanistan. He was stationed at Fort Bragg with the 82nd Airborne Division before receiving an honorable discharge, and has been in Iraq since June.

The five contract employees went missing when a truck convoy being escorted by Crescent was ambushed near Safwan, a largely Sunni Arab city of 200,000 people on the Kuwait border. Suspected militiamen dressed in Iraqi police uniforms seized 19 of the convoy's trucks, the five security guards and nine foreign drivers who were later released.

Another of the contractors is Paul Reuben, 39, a former police officer in the Minneapolis suburb of St. Louis Park, Minn., who is described by friends and family as an "easygoing, fun-loving type of guy" who was ready to come home.

His twin brother, Patrick Reuben, told the Star Tribune that Paul Reuben had been in Iraq for about two years working for Crescent and intended to come home after earning enough money to buy a house and a Hummer.

Suzanne Reuben said that her most recent contact with her brother was a few weeks ago, when they exchanged instant messages by computer. He told her he hope to be home by the day after Thanksgiving.

Islamic Companies, a previously unknown group, claimed responsibility for the kidnapping, according to an Iranian-run Arabic-language satellite news station, which said the group demanded the withdrawal of U.S. forces from Iraq and the release of all prisoners being held there.

U.S. Embassy spokesman Michael McClellan said on Sunday that U.S. officials believe the five hostages are still being held captive.

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On the Net:
Crescent: http://www.crescentsecuritygroup.com%emph_off
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Report: Flaws In Hussein Trial Impair Verdict (WP)

By Sudarsan Raghavan
The Washington Post, November 20, 2006

BAGHDAD, Nov. 19 -- The trial of former Iraqi president Saddam Hussein, in which he was sentenced this month to death by hanging, was marred by flaws so serious that they undermined the trial's fairness and called into question the verdict, an international human rights watchdog group said in a report to be released Monday.

From the outset, the Iraqi High Tribunal's independence and perceived impartiality was weakened by actions of the Iraqi government, Human Rights Watch said in the 97-page, 10-month-long analysis of the trial, which condemned Hussein and seven co-defendants for the torture and execution of 148 people in the hamlet of Dujail more than two decades ago.

The report, based on courtroom observations and dozens of interviews with judges, prosecutors and defense lawyers, is the first significant challenge to what the Iraqi government and its U.S. patrons assert was a fair, if messy, trial.

The report asserts that there was failure to disclose key evidence to Hussein's attorneys and that there were violations of basic rights of the defendants to confront witnesses. The chief judge's outbursts in court undermined his impartiality, it said. There were also gaps in the evidence that weakened the prosecution's case and "put in doubt whether all the elements of the crimes charged were established," the report said.

"The tribunal squandered an important opportunity to deliver credible justice to the people of Iraq," Nehal Bhuta, the report's author, said in a statement. "And its imposition of the death penalty after an unfair trial is indefensible."

On Sunday, two U.S. advisers to the tribunal denounced the report as "misguided" and said that the trial was conducted properly and that a credible justice was delivered. They said the report did not take into account the tribunal's written judgment on the trial, expected to be completed, they said, as early as Monday.

"To question the overall integrity of the justice without reading the judgment is premature, at best," said one of the advisers, who spoke on condition of anonymity.

Richard Dicker, director of the International Justice Program at Human Rights Watch, said such claims were "irrelevant" because the report does not speak to the quality of the judgment.

"What is done in a very careful, specific way underscores the major procedural flaws in the conduct of the proceedings that undermined the verdict of the trial," Dicker said in a telephone interview.

The Dujail trial was the first of its kind to be conducted against a former leader in his own country by his own people, and the first since the World War II Allies prosecuted the Nazi leadership at Nuremberg to try nearly an entire senior leadership for crimes against humanity.

Along with Hussein, two co-defendants were also sentenced to death by hanging, four received prison terms ranging from 15 years to life and one defendant was acquitted. The verdicts and sentences are under appeal. If Hussein's death sentence is upheld, Iraqi law requires him to be executed within 30 days.

But the trial's shortcomings, the report asserts, also "call into question subsequent proceedings at the tribunal."

The chief judge, Raouf Rasheed Abdel-Rahman, lost his temper many times during sessions and exchanged insults with the defendants, the report said. He also had made "erratic and often unexplained decisions limiting the rights of defense counsel to question witnesses."

The U.S. advisers said Abdel-Rahman was simply trying to take control of a court that Hussein and his defense team mocked. Hussein boycotted proceedings or often wagged his finger, shouting. His co-defendants appeared in their underwear.

The prosecution, the report asserted, engaged in "trial by ambush," in which important documents were not handed to the defense in advance. As an example, the report cited an instance when 23 prosecution witness statements were read into the court record without any of the witnesses being made available for questioning by defense counsel.

The U.S. advisers said the prosecution followed proper procedures.

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The former chief judge, Rizgar Mohammed Amin, resigned after members of Iraq's parliament denounced him as "weak" and too lenient toward the defendants, the report said. There was heavy pressure to side against Hussein, it said.

"The attitude of the cabinet towards the court and the trial is one of a consumer who pays money for a product," one judge said in the report. "They give money, and they demand results. The government treats the court like a factory."

The report added that the judges lacked the experience to conduct such a complex trial and urged Iraq's government to allow international judicial experts to take part in future proceedings.

"For justice to be done, the trial has to be fair. There were large, large shortfalls in the fairness," Dicker said. The trial, he said, "certainly fails as a reference point historically for what happened and who was responsible in the way the Nuremberg trials did."

General Discusses Goals Of His Return To Iraq (NYT)

By Thom Shanker

The New York Times, November 20, 2006

FORT HOOD, Tex., Nov. 13 — Lt. Gen. Raymond T. Odierno, who returns to Iraq next month to take charge of the day-to-day fight as commander of the Multinational Corps-Iraq, says he departs for Baghdad with a clearer, perhaps even diminished, set of expectations of what the military can be expected to accomplish now, more than three years after the invasion.

“You have to define win, and I think everybody has a different perspective on winning,” General Odierno said during an interview at the Army’s III Corps headquarters here.

“I would argue that with Saddam Hussein no longer in power in Iraq, that is a partial win,” he said. “I think what we need is an Iraqi government that is legitimate in the eyes of the Iraqi population, an Iraq that is able to protect itself and not be a safe haven for terror. That’s what I think winning is.”

As a bugle sounded across Fort Hood with the call to lower the flag at dusk, General Odierno paused, and added, “Notice I left out a few things, such as a democracy in the sense that we see a democracy in the United States. We have to allow them to shape their own democracy, the type of democracy that fits them and their country.”

It has become a truism of the war in Iraq that there can be no military victory without a political solution, which requires the coordinated efforts of the entire United States government and of the Iraqi one, as well.

“The longer we stay in Iraq, the less of a military fight it becomes,” the general said. “We have to understand that.”

General Odierno has spent the past several months preparing for his new command, assigning his staff several histories of counterinsurgency efforts in Malaya, Algeria and Vietnam; meeting with academic experts on the Middle East and Islamist terrorism; and holding sessions with officers from the other armed services and from the Iraqi ground forces, with whom he will be working.

He outwardly carries the lessons — and the private, internal scars — from his first tour, at both the professional and personal levels.

General Odierno commanded the Fourth Infantry Division as insurgents carried out three-quarters of their attacks nationwide in his area of north-central Iraq, which included Saddam Hussein’s volatile home region of Tikrit.

It also was on his watch that a Special Operations task force and conventional troops under his command captured Mr. Hussein, producing a briefly shining moment in which the counterinsurgency effort appeared to be gaining traction.

But insurgency, terrorism and factional violence verging on civil war have continued.

He has felt criticism from some officers, especially among marines, that made it into the public debate via op-ed columns and books by noted military affairs writers, including “Cobra II,” by Michael R. Gordon of The New York Times and Bernard E. Trainer; and “Fiasco,” by Thomas E. Ricks of The Washington Post.

The Fourth Infantry Division focused too much on traditional combat operations in 2003 and 2004, the critics argued, saying that those efforts, with an emphasis on capturing and killing adversary fighters rather than on rebuilding the country and winning the confidence of Iraqis, actually fueled the insurgency.

“It is too simplistic to say that all we were interested in was the hard-core task,” General Odierno said. “It simply is not true. We worked very hard to take the balanced approach.”

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He expressed satisfaction with his division in bringing down the number of attacks in the Tikrit area of operations, which once accounted for three-quarters of attacks in Iraq and accounted for one-third at the end of his tour. (The focus of the insurgency shifted to the Anbar region, west of Baghdad.) He also cites his division's efforts in creating three new provisional governments through the first democratic-style caucuses.

The war became unusually, and intensely, personal for General Odierno when his son, Capt. Anthony Odierno, lost much of his left arm during a counter-insurgency mission in Baghdad in the summer of 2004.

The general succeeds the current corps commander, Lt. Gen. Peter W. Chiarelli, the author of an influential essay warning that success in Iraq cannot be achieved solely by training local security forces or through combat operations. General Chiarelli wrote that the military must work to provide essential city services, create jobs and promote local governmental control. He also began the new operation this autumn to secure Baghdad.

After leaving Iraq in early 2004, General Odierno spent 18 months as an assistant to the chairman of the Joint Chiefs, most of that as an adviser to Secretary of State Condoleezza Rice. The experience, he said, gave him "a really good understanding of the interagency process.

"Maybe too good," he said. "I have a pretty clear understanding of what thought processes occur where and at what time, and how we get to certain decisions."

In what has become the overarching policy of the Bush administration, he also pledged to focus on increasing the capacity of Iraqi security forces, in particular the police, and on combating sectarian militias responsible for a growing percentage of attacks.

"A lot of the militias can be reconciled, and we have to figure out ways to reconcile with them," he said. "And there are splinter, radical groups that cannot be reconciled. They have other agendas, and they will have to be dealt with in a different way."

Decisions about how many troops that will require will be made by higher-ranking generals, and he did not hint what advice he might give them as their top field commander.

Asked to describe the Iraq he would like to see at the end of his 12-month tour, General Odierno said: "Bottom line? Full restoration of civil authority in Baghdad. Sectarian violence reduced. Extra-governmental armed groups diminished, and their influence diminished. And the government of Iraq viewed as a legitimate institution in the eyes of the Iraqi people.

"Those are the goals we have set for ourselves," he concluded. "Will we attain those? I don't know."

Lost After Translation (NYT)

By Basim Mardan

The New York Times, November 20, 2006

THE United States Marines entered Mosul from the north. I lived in the northern suburbs, so I saw the first American flag. When the Humvees stopped, I shook hands with the marines, and I told them: "You are mostly welcome here. Why don't you come to my house and drink some cold water?" They offered me a job.

I was the first or second translator to work with the coalition forces in my city, the first or second Iraqi to set foot on the American base in Mosul. The Marines paid me $150 a month, which was better than the $2 I was making as a librarian. So I didn't see weapons in their hands, I saw flowers, and I took them all as friends. I loved what I was doing because I thought it was a good thing for my country.

My family was nervous. They told me things would change. I needed the American money to get married, but my fiancée said, "We don't need to get married now — just quit." But I wanted to work with the military forever; I loved it.

The unit I worked with was training and equipping the Iraqi police, teaching them about human rights. I translated textbooks from an American police academy into Arabic. The Americans taught Iraqi officials to exercise their authority without taking bribes or humiliating employees.

Iraqis needed this education, and the unit I worked with was awesome. At one point, they did two or three patrols to clean up garbage from the streets. In our culture, cleaning garbage is a low-level job, but when we saw a captain and a general doing it, that gave us a very great feeling. I threw away my helmet, took a shovel and started working, cleaning up garbage.

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But even as we cleaned the city of garbage, we forgot another kind of garbage that was accumulating. The way the Army reacted to the insurgency was not perfect. The Americans did many foolish things. When I saw the pictures from Abu Ghraib, I thought, we are teaching Iraqi policemen not to do that — do the Americans really do that?

I grew sad, and I didn't know what to believe, because the people I worked with were great. I'd told the officers at our camp's detention center, "You are treating those prisoners better than their own mothers." It's not normal in our culture for a policeman to come and feed a sick prisoner who is so dangerous that you have to keep him chained.

But I did it myself. I was very kind to Iraqi people, to my own people, and I think Americans taught me that — the American Army that I was working with, not the American Army that was in Abu Ghraib.

In the second year, when we were processing the release of prisoners from Abu Ghraib, I read out a list of names of prisoners who needed to collect their documents. One of them said to me, "You are all going to be killed." I thought he was referring to the Americans, until he said, "No, I mean you."

I didn't translate this for the soldiers who were with me. I was thinking, "This person just got out of prison, and I don't want to be the reason that he goes back to prison."

About a month later, a message was fixed to my door, full of verses from the Koran and threats and curses. They gave me about one week to quit what I was doing.

A week later, a CD was fixed on my door, picturing one of my best friends, Nabi Abul-Ahad. It was a video of them beheading him, with the message that I would be next.

I was kicked out of the house. My family didn't want me there any more. They said, "You're going to get us all killed." I had to leave my wife, who was pregnant. Baghdad was a real hell, so I hid in Najjaf.

After my wife gave birth to our son, her father told her, "If your husband doesn't come to Mosul now, even if he's going to get killed, then you are not his wife anymore." This can happen in our society. I didn't want to lose my wife or my son, so I went back to Mosul.

In Mosul, I had to stay hidden. I walked for about three hours in the dark, after curfew, when anybody can shoot at you, including the Americans, just to see my wife and my newborn son. Then I went back to my family's house and hid for three months.

The American Army, or whoever's in charge, has badly disappointed the translators. When I told them I was under threat, they said I could come and live on the base. I told them I had just been married, and my wife was pregnant, and my family needed me. They said I could live on the base and they would drop me by my house to visit my family at night.

Imagine if somebody saw me dropped by an American convoy near my house. The house would be burning the second I was inside. These were not logical solutions.

They could have helped my family move to Kurdistan, helped find me a job with the government there. Or, if I'd escaped to Jordan, they could tell the American Embassy there: "This is a translator who has been working for the United States Army. He's just like an American soldier. Treat him well."

But I'm not going to be ungrateful to the people who were fighting and dying for my country. I have friends in the American Army who died in front of my eyes.

I remember one of them, a dear friend to me who died stopping a car bomb. He was a hero. He was guarding the police academy in Mosul, which was full of new recruits being trained by the Americans.

My heart broke when I saw this: an American, coming from another continent, who died to protect Iraqi policemen. This was a good message, and I would never say that those people exploited me or exploited my thinking.

The system did. Not them.

Fear Of Freedom (NYT)

By Waddah Ali

The New York Times, November 20, 2006

UNDER Saddam Hussein, if you were not a member of the Baath party, you wouldn't get rations, you'd be forbidden to carry on studying, you wouldn't be on the earth but in the sea.

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I was invited to join the party in 1976, when I was doing my compulsory military service after earning my first degree at Mosul University. The colonel in control of my camp wanted to sit for an examination, and he asked me to join the party and translate the Oxford Companion to Military History into Arabic for him.

I'm very ambitious. I wanted to carry on with my studies. And so I joined the party, and when I finished my military service I was appointed to the university. They never appoint anyone unless you're a party member, it doesn't matter if you're Plato or Aristotle.

In 1982, when Iraq and Iran were at war, they asked me if I wanted a promotion within the party. To get this, I would have to go with some other comrades and execute deserters from the war. I told them I was not an executioner.

They put me in prison. Through family contacts, I got out after one month. They expelled me from teaching and transferred me to clerical work.

I tried to escape Iraq for Turkey in 1995. But the Kurds in northern Iraq demanded money I didn't have, and I decided to go back to Mosul, where I had a 300-meter plot of land given to me by Saddam Hussein.

Saddam Hussein gave everybody a plot of land. He was the most generous president, but also the most severe. He was a god, and gods are arbitrary.

In Mosul, men in a black Cadillac stopped me, blindfolded me and drove me to Baghdad, to Hakmiya Prison. After three months of solitary confinement, torture and electric shocks, I was accused of spying for Turkey. When I went in, my weight was 242 pounds. I came out only 121 pounds. I was divided in half by the torture.

After a year in prison, I came home. We were impoverished. My wife and children were living with her father in Karbala — they are Shiites — and my salary wasn't even enough for transportation to visit them. After a long time, I was reappointed to a university near there. I had been there for three months when the Americans came.

Nobody in Karbala dared to work as a translator for the American soldiers, so I was pushed into the first ranks, translating between the military commanders and the governor every day on TV. I found myself riding a rocket of fame and prestige, but no money. Just $20 a week, and a stigma in the eyes of others.

I translated conferences and debates with the Karbala city council. I even translated for L. Paul Bremer, the American viceroy, when he came. Before he arrived, the colonel I worked for told me, "Waddah, don't tell anybody he's coming." They trusted me, and I was worthy of their trust.

I tried to solve problems. Once, when students had a sit-in demonstration against the Americans, I told them: "Be quiet, be careful in your way of dealing with them. If you're impolite, suppose they are impolite, too — you could be killed."

Many times when I went to my father-in-law's house I was shot at from afar. Among the Shiites there are many hard-liners who support Iran and hate America. They didn't know that by marriage, I'm a Shiite like them. They said, this guy's a Sunni, serving the Americans.

The Americans gave me a pistol to defend myself. It was a war spoil, an Iraqi intelligence-style pistol. But it created some troubles between me and the American in charge of intelligence. One day he told me, "Waddah, give me the card for the weapon," the identity card allowing me to carry the weapon. I told him I didn't have it. I didn't trust him very much. He was young, proud and haughty. He frisked me, searching for the card, right in front of the president of the university, and he found the card in my pocket. He said, "You lied to me?"

I decided to quit working for the Americans. Not long after this, a child relative of mine was kidnapped on her way home from school. I sold my wife's gold, and I sold the plot of land Saddam Hussein gave me, for the ransom. Every one of my friends was looking for her. Finally the kidnappers telephoned my brother, he gave them $50,000, and she was released. This is what the insurgents do to finance their terror.

HISTORY is an idea to you; to us it is our life. I'm a typical Iraqi. I love my country. I love my food, my way of life, I love the carpets, the mud of the Euphrates, Iraqi poetry, everything: this is my culture. If I feel proud, I recite my poets, and the rhythm comes back, and no other rhythm can supersede or remove it.

What made Saddam Hussein powerful? Information. Whenever a person checked into a hotel, a paper with his full name and a copy of his passport was given to the security quarters. Iraq was a castle; a bird could not go in without being checked. If

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you caused offense, you could be put in prison for good. If you were lucky you would be tried one day; if not, then we have a word in Arabic that means you rot, as food rots.

America did well to liberate Iraq. But Iraqis were used to tyranny and afraid of freedom. The Americans entered Iraq without a psychological program for dealing with this fact. Iraqis had been programmed according to another system of thought and feeling. America should have considered that.

Republic Of Dreams (NYT)

By Omar Ghanim Fathi

The New York Times, November 20, 2006

WHEN I was a student, we read many books about Western culture, democracy and the Greek philosophers. We saw movies set in America, where people were able to speak their minds, and we figured that democracy would be the salvation for us and our country.

Our dreams were romantic and rosy. The bitterness and ugliness of the reality we have faced since was nothing we could have imagined.

In Saddam Hussein's time, in order to be accepted you had to tell the government that you were a Baathist; you had to tell people in your social environment that you were religious; and in fact you had to be somewhere in the middle.

I was a moderate liberal. In my imaginary republic, there was space for everybody — Baathists, socialists, liberals — as long as you didn't hurt people or persecute them or impose your style of thinking or living on others.

When the Americans invaded, I was ready to shake hands with the devil himself to remove Saddam Hussein from power. I didn't think the Americans would be able to give us liberty or democracy, but I thought they would give us the space to build that imaginary republic. I didn't go to work for the Americans, but I published articles in a newspaper they established in Mosul. It was called New Hope. It told the people what the American forces were doing day by day in Mosul, and there was space where Iraqis could write opinions.

I wrote nine articles for that newspaper. One of them won a competition for the best essay on democracy and liberty in Iraq. It was a big competition, and I won. What I said, simply, was that liberty is just like your own spirit, your own soul: nobody can give it to you, but anybody can take it away from you. My photo appeared in the paper with the article.

I was a lecturer at an institute, and I started receiving threats from my students — directly, face to face: "You deserve to die." And my boss said, "You've been a traitor to your religion and your country." Insurgents slid threatening letters under my door. My mother was terrified. I'm her only son.

The terrorists do not necessarily attack you personally. They attack sisters, kidnap sons, mothers. We are in a war against dishonorable enemies. The only thing that I had, the only weapon to defend myself, was my pen and my words, but the solution for them was not discussion, not disagreeing with me, but shooting me.

They shot dead a salesman who came to our door, because they mistook him for me. We sold the house and went to live with my sister.

Some time later, a friend offered me a job with an Iraqi organization called Development and Democratic Dialogue. Three or four days after I started working there, my friend was kidnapped while giving a lecture at a university. Before he died I'd told him, "Don't give a lecture in the same place twice." But that's what he did. We were like soldiers without weapons: you go and give lectures, but you don't know what's going to happen to you when the lecture is finished.

I think the Americans, as we Iraqis understand them, are two entities. There's the Army in Iraq and the politicians in Washington. The American policy people wanted to give us democracy and liberty the same way you give me a shirt, so I can wear it right away. But the general opinion in my country, especially among extremists, is that America went into Iraq only for one reason: to terminate Islam and Muslims. Those who aren't so extreme say that America invaded Iraq only to steal the oil.

The American Army, on the other hand, we know for sure is not an abstract entity; it is a bunch of people, every one of them different from the others. They are under very, very intense pressure. People hate them, people are attacking them, and of course this pressure can lead to many mistakes. They destroyed everything and thought they could rebuild from scratch. Maybe this could have worked if people loved Americans or understood what they were doing. But people already hated America.

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America should have removed Saddam Hussein and the closest circle around him and appointed a strong government right away. It would have been another dictatorship, but a different kind. It could have imposed martial law, then done the job that the Americans were not able to do, which was to cut power away from the old system by removing those people who might become terrorists in the future.

After four to eight years, we could have had an election, and the new government could have started working on the basis of the new Constitution. Then Iraqi society could have taken baby steps down the long road to democracy and liberty. As it was, the Iraqi people, who had no experience with civilian government or democratic systems, misused these things.

Now the problems of Iraq will not be solved without a long and very bloody civil war. The fragments that will emerge should practice democracy by choosing their own leaders, away from the influence of the Americans — even if those leaders are terrorists. But the people will not enjoy the democracy and liberty that was already given to them, because they refused it.

Afghan Army To Strike Taliban In Winter (AP)

By Jim Krane

AP, November 20, 2006

The U.S.-backed Afghan army will step up counter-Taliban offensives this winter, which could see heavy fighting during a period traditionally used by Afghan fighters for rest and resupply, a U.S. general said here Sunday.

U.S. Army Brig. Gen. Douglas Pritt, who oversees the U.S.-led effort to train the Afghan military, said Afghan forces have tripled the number of forward bases to more than 60 and plan to spend the winter harassing Taliban and gathering intelligence from combat outposts deep inside rebel strongholds.

"They're much better equipped for winter operations than the Taliban. I'm hoping for a lot of snow this winter," Pritt said during a visit to The Associated Press bureau in Dubai.

Pritt said most Afghan troops that have emerged from training still cannot operate independently, but he noted that five battalions of Afghan National Army troops, numbering 300 to 600 soldiers each, were nearly ready to mount offensives on their own.

But even those top battalions will continue to operate in tandem with U.S. and NATO troops, he said.

Afghanistan's winters normally bring months of rain and snow, turning dusty roads into impassable muck and rendering most warfare impossible. The country has traditionally seen winter breaks in its decades of conflict, where fighters return home to families or hunker down on bases until fighting resumes in spring.

Snowfall is already hampering Taliban supply lines, making it tougher for the rebels to resupply, Pritt said. The Afghan National Army, backed by U.S. and NATO airlifts, are less restricted by cold and mud.

Afghan troops are being readied for "extended patrols" in the combat zones of the east and south that border Pakistan.

"We want to be in the right places," he said. "If the Taliban is trying to rearm, refit and wait out the winter, then we'll know they're there."

The Afghan National Army remains hamstrung by desertion rates of around 15 percent, Pritt said, little different from its rate in May. The previous year, the desertion rate peaked above 25 percent, according to U.S. military figures.

Afghan soldiers recently received a raise for their tiny salaries, from $70 to $100 a month, Pritt said, a decision that followed the revelation that AWOL soldiers could earn $70 a month as day laborers without facing combat.

The general said his goal was to bring the desertion rate below 10 percent, a figure that has already been reached in one Afghan corps.

U.S. and Afghan officials have said soldiers abscond for several reasons, including a reluctance to fight alongside foreigners against countrymen and a need to bring money to families in remote villages or help at harvest time.

The Afghan army's screening process has blocked the type of insurgent infiltrators that have hampered the Iraqi military. Pritt said only three Taliban have thus far been found in the ranks.

"They were trying to get information that was inappropriate for their job descriptions," he said.

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The American force training Afghan troops — chiefly made up of U.S. Army National Guardsmen — is expected to rise from 2,900 now to around 3,600 by April, to comply with an Afghan government directive to increase recruiting to 2,000 Afghan soldiers per month, Pritt said.

Overall, he said 5,200 foreign trainers would be working with the Afghan army, which the government wants to increase from its current 35,000 troops to 50,000 or perhaps 70,000.

"We believe this is the main effort in Afghanistan," Pritt said.

In Afghanistan's South, Mixed Signals For Help (WP)

By Pamela Constable

The Washington Post, November 20, 2006

KABUL -- Clutching scarves nervously around their faces, the women whispered details of Taliban atrocities taking place in their native Helmand province: A translator's body found in a sack, carved into pieces. A police officer taken hostage, blinded and garroted with wire. A woman shot and hanged by her thumbs.

"All of our lives are in danger now. Our schools are shut, and anyone who works for the government is branded as an infidel," said Ma Gul, 52, a teacher who traveled to the capital this week with 20 other women from Greshk, a town in Helmand 300 miles south, to demand better protection and the removal of weak regional officials.

Gul's woes echo across this country's four southern provinces, where the Taliban insurgency is on a fierce rebound five years after U.S. and Afghan forces toppled the Islamic militia from power in Kabul. Months of aggressive ground combat and NATO airstrikes have failed to halt continuous violence in the south, as well as some sporadic attacks in other parts of the country.

According to a new report by a commission of Afghan and foreign officials, insurgent and terrorist attacks nationwide have increased fourfold in the past year, reaching 600 incidents per month by September and causing 3,700 deaths since January.

The report was issued by a group called the Joint Coordination and Monitoring Board, set up in February under U.N. auspices to promote and measure Afghan government performance. It said the violence threatens to reverse recent economic and political gains across the nation, and has led to a partial or total withdrawal of foreign aid in some provinces.

In Helmand, a vast and arid region where much of the worst fighting has taken place and thousands of people have fled their homes, residents and elders have been sending urgent but contradictory signals about how to restore peace.

While the delegation of women recounted Taliban abuses, a group of visiting elders from another Helmand district described local Taliban fighters as "brothers" and said their worst problem was the devastation from months of bombing by foreign military forces. If the authorities would allow tribal leaders to administer their district, they said, they would guarantee no further Taliban attacks.

"This bombing has destroyed hundreds of shops and many vineyards, but it has not driven the Taliban away," said Mohammed Rahim, a bearded farmer from Helmand's Nau Zad district. "We know the local Taliban; they are fighting against corruption and abuses. Once we have our own administration and the bombing stops, we trust they will obey us and the central government."

As a result of the mixed messages from victims of the conflict, and the growing public resentment over civilian casualties from bombing, NATO and Afghan officials now confront a strategic question: whether to keep pressing to forcibly defeat the Taliban, or begin accepting its presence in areas where tribal elders promise to rein in the militia.

Much of the south is still at war, with attacks and armed clashes occurring daily in Kandahar, Zabol and Uruzgan provinces. But in Helmand's Musa Qala district, NATO has cautiously agreed to test the tribal approach. Under a deal brokered in September by the provincial governor, NATO agreed to pull back British forces from Musa Qala, and local elders pledged that Taliban attacks would cease.

So far, reports from the isolated region, which is also a major center of opium smuggling, are confusing and contradictory. Some residents and visitors say the district is effectively under Taliban control, and a recent BBC video report showed squads of armed insurgents patrolling Musa Qala in fast pickup trucks, much as they did during the era of repressive Taliban rule that ended in 2001.

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But both NATO and senior Afghan officials say they are largely satisfied with the arrangement, which they said has brought fighting to a halt and allowed foreign troops to focus on creating a central zone for security and development around Helmand's capital city, rather than manning scattered outposts and chasing after bands of insurgents.

"Musa Qala has proved to be a very good deal," said Maj. Luke Knittig, a U.S. Army officer and the chief NATO spokesman in Kabul. "After the agreement, there were 34 days of calm, which led us to believe the elders had made good on their word." However, he added: "We have our eyes closely on Musa Qala. If we see it being used as a launching pad for attacks, we will go back and address that."

President Hamid Karzai defended the pact last week against criticism that it has been a major concession to the Taliban. Speaking on Radio Free Europe, he said he had complete trust in the region's elders and in their promise not to allow any "saboteurs" in Musa Qala. However, Karzai also expressed concern about reports that a local Islamic cleric was humiliated by Taliban fighters and that a senior tribal leader had disappeared.

Karzai's embrace of the agreement stands in marked contrast to the skepticism he and other Afghan officials have shown toward two similar peace deals reached this fall between the government of Pakistan and tribal leaders in districts abutting the Afghan border. Those districts are widely believed to serve as havens for Islamic extremists and al-Qaeda fugitives who train insurgents and send them across the border to fight against Afghan and NATO forces.

Some observers here worry that the Musa Qala deal is not only setting a tone of conciliation toward the insurgency, but that it also means Karzai and his foreign defenders are falling back on Afghanistan's tribal system of jergas, or informal consensual agreements, at the expense of modern democratic institutions.

"This is the wrong way to solve things," said Noorulhaq Olemi, a member of parliament who chairs its security and defense committee. "Our problem is that we have a weak government. We need a better national army and police. We need reconciliation with the people, not with terrorists. If we go back to the tribal system and jergas, we could end up with the country divided into pieces."

Although Helmand residents disagree on the issue of negotiating with the Taliban, many express common anger and disillusionment with regional authorities. Both the Greshk women and the Nau Zad elders said that many police and civilian officials in Helmand are abusive and corrupt, and that this problem is creating local support for the Taliban.

The diplomats and academics on the Joint Coordination and Monitoring Board agreed, stating in their report that the factors driving the insurgency in the south include poor government services, corrupt officials and lack of law enforcement. In Helmand especially, they added, the "scourge of the narcotics industry" has significantly helped fuel the insurgency.

"When there is an absence in basic service delivery by the government, people inevitably look to alternative sources," the report said. "Only by eliminating corruption can the government diminish the freedom of operation that insurgents and drug traffickers now enjoy."

To the women from Greshk, who include government teachers and professionals, the Musa Qala agreement is a frightening example of authority caving in to powerful miscreants. One member of the delegation said the Taliban and its criminal allies had already built a plane runway and a heroin laboratory in Musa Qala.

But to the elders from Nau Zad, mostly poor farmers whose homes and livelihoods have been savaged by months of fighting, Musa Qala represents a model for peace that they desperately hope can be replicated in their district.

"Some people call it a Taliban agreement, but that is wrong," said Mohammed Anwar, a member of parliament from Nau Zad who hosted the visiting elders in Kabul. "The foreign Taliban are terrorists, but the local Taliban are the sons of Afghanistan. They will speak with us and live under the flag with us. If the government cannot bring security and stop this terrible bombing, they should let the elders try."

CORPORATE SCANDALS:

State Bars Push Back On Privilege Waivers (LAW)

By Sheri Qualters, The National Law Journal

National Law Journal, November 20, 2006

DOJ_NMG_0096016

State bar associations are jumping into the roiling debate over the attorney-client privilege-waiver issue triggered by the U.S. Department of Justice's Thompson Memorandum.

Several states have recently convened task forces to fight the 2003 directive penned by former Deputy Attorney General Larry Thompson, which, among other things, instructs prosecutors to trade leniency for waivers of the attorney-client privilege during corporate investigations.

The states are lobbying the federal government to change Justice Department policies and practices that give incentives to corporate defendants who waive attorney-client privilege and pressure companies not to pay the legal fees of current or former employees facing corporate criminal investigations. In some cases, states are mulling changes to their own rules of professional conduct to sidestep Thompson-style waivers.

New task forces in Florida, Illinois and Michigan join ongoing efforts in Arkansas, Maryland, New York and Boston.

'CULTURE OF WAIVER'

Samuel Damren, a litigator in the Detroit office of Dykema Gossett, heads Michigan's task force. He hopes that his group will recommend changing the state's rules of professional conduct to prohibit government attorneys practicing in Michigan from requesting that companies waive their attorney-client privilege to prove they are cooperating with the government probe.

Damren said his approach is part of the legal community's pushback against the perceived "culture of waiver" that many attorneys worry is eroding attorney-client privilege. "If the prosecutors and regulators aren't going to change the rules, it's not just in their hands, it's in the hands of the bar," Damren said.

An Arkansas Bar Association task force is recommending that its House of Delegates ask the Arkansas Supreme Court to adopt rule changes allowing for selective waiver, or disclosure of some information to a government agency without revoking the attorney-client privilege, and barring discovery of attorney communications with experts.

The 72,000-member New York State Bar Association is informally discussing whether to push for changes to the rules of professional conduct to curtail waivers. But state Bar President Mark H. Alcott said he's unsure if such a rule would work in practice, since the client ultimately has the right to waive and could succumb to pressure from the government.

The Bar's chief strategy is lobbying the federal government to change policies that pressure companies to waive attorney-client privilege, said Alcott, a senior litigation partner with New York's Paul, Weiss, Rifkind, Wharton & Garrison.

Florida Bar President Henry M. Coxe III of Bedell, Dittmar, DeVault, Pillans & Coxe in Jacksonville was inspired by hearing about the New York Bar efforts at an American Bar Association gathering. "It struck me that Florida wasn't in that mix and we should be," he said.

The Florida Bar task force, which was formed in September, is looking into the extent of compelled or coerced waivers in Florida, and the circumstances under which waivers were granted. But Coxe said it's too early to project what recommendations might emerge.

A special committee of the Illinois State Bar Association met for the first time on Oct. 30, in response to the American Bar Association's appeal to state bar groups to examine the issue, said Chairman J. Timothy Eaton of Chicago's Shefsky & Froelich.

The committee has yet to decide on its scope, but it will inspect the waiver-seeking activities of the state's attorney general and its impact on the local bar. Recommending that the Illinois Supreme Court change the rules of professional conduct is another possibility, Eaton said.

In June, the Boston Bar Association penned a letter to its local U.S. Attorney about the office's written waiver-review process. The bar association requested that a supervisor in the U.S. Attorney's Office approve all prosecutor requests for waiver of the corporate attorney-client privilege or work-product protection and that the office only grant limited waivers.

A company's willingness to cooperate in investigations is not a "litmus test" and is only one of several factors the Justice Department considers when charging a company, said DOJ spokesman Brian Roehrkasse. The DOJ is still "reviewing the specific concerns and suggestions" of bar associations and other groups, Roehrkasse said.

SEC Contacts Ford Over Disclosures (WSJ)

By Tony Cooke And John D. Stoll

The Wall Street Journal, November 20, 2006

DETROIT -- Ford Motor Co. said it has received an informal inquiry from the Securities and Exchange Commission related to disclosures detailing its recent restatements of earnings because of accounting errors.

The company also restated financial results for the first and second quarters of 2006, deepening its loss for the two periods and finalizing the financial corrections it has said it needed to make.

On Nov. 14, Ford restated the bulk of the affected earnings, which span from 2001 to the third quarter of 2006. The restatements are necessary because Ford failed to sufficiently comply with certain rules related to its accounting for transactions used to hedge against interest-rate risk.

Ford on Friday said it has been contacted by the SEC's divisions of corporation finance and enforcement regarding the amended restatements for the entirety of 2005, the third quarter of 2006 and another filing discussing the restatements. Ford said it is "voluntarily cooperating" with the "informal inquiries," which also relate to disclosures made by Ford Motor Credit Co.

It is unclear whether the SEC will also inquire into the first- and second-quarter restatements issued Friday. Ford spokeswoman Becky Sanch declined to comment further on Friday's SEC filing regarding the informal inquiry. When Ford first said it would restate earnings, company officials expressed disappointment over the restatements and said the issues were related to "a very complicated accounting standard."

SEC officials couldn't be reached. The SEC doesn't typically comment on inquiries that haven't been made public and has in the past declined to comment on inquiries that are ongoing.

Other companies, including auto supplier Delphi Corp., have had to delay earnings in an effort to evaluate how past earnings statements complied with the rules, known as SFAS 133 for accounting for derivative instruments and hedging activities.

In last month's statement announcing the company's need to restate earnings, Ford Chief Financial Officer Don Leclair said the company's "overall hedging strategy is sound."

Ford first said it needed to restate earnings on Oct. 23 when it released preliminary financial results for the third quarter. The company had said initially it lost $5.8 billion during that period, but later pared the loss to $5.2 billion because of inaccurate accounting.

Friday, Ford revised its first-quarter loss to $1.42 billion from the previously stated $1.19 billion and revised its second-quarter loss to $317 million from $254 million. The move widens the reported net loss to $1.74 billion from $1.44 billion for the first six months of the year. The company expects to post further losses in the fourth quarter.

The company's restatements aren't expected to affect cash flow.

The first and second quarter were revised for reasons similar to those in the previous restatements issued Tuesday, Ms. Sanch said. The company's restatements for previous years had changed a net loss to a net profit in 2002, but reduced the company's stated income during the next three years through 2005.

Ford shares closed Friday at $8.89 each, down 1.6%.

Outside Audit Restatement Blame: Basic Mistakes (WSJ)

By David Reilly

The Wall Street Journal, November 20, 2006

Public companies continue to restate financial results at a record pace. Ask executives why and they will likely cite complex accounting rules or hypersensitive auditors.

The Securities and Exchange Commission has come to a different conclusion: A majority of restatements are due to basic mistakes with nuts-and-bolts accounting.

Research by the SEC's Office of the Chief Accountant found about 55% of recent restatements were due to companies misapplying basic accounting rules or to problems with records that meant they didn't have the correct data to get the accounting right, said SEC Deputy Chief Accountant Scott Taub.

He expressed surprise so many restatements were "just from flat-out errors." Mr. Taub outlined the study's results during a presentation in New York on Friday at the annual conference of Financial Executives International, a professional group.

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"Internal-control structures are missing things, corporate-finance staffs are missing things and auditors are missing things," he said. "All of these things are not working as well as we'd like them to."

The findings come as the SEC, along with the Public Company Accounting Oversight Board, an accounting-firm regulator, have been working to ease internal-control rules designed to ensure companies avoid accounting mistakes or fraud. Companies, especially smaller firms, have bristled at the costs of rules imposed by the Sarbanes-Oxley corporate-reform legislation. Besides mandating that managers attest to having adequate controls, the rules require an auditor to sign off that the controls are sufficient.

Supporters of the internal-control rules have argued they are needed because companies still are having a tough time getting their accounting right. They point to the rise in restatements in recent years as evidence companies still have a lot of work to do.

In 2005, there were 1,195 restatements by U.S. companies compared with 270 in 2001, according to Glass Lewis & Co., a proxy-advisory and accounting-research firm. U.S. companies had issued 1,070 restatements this year as of Sept. 30, making it likely that total restatements for the year will hit 1,300, said Mark Grothe, an analyst at Glass Lewis.

Restatements are akin to a product recall of a company's financial statements. They mean investors can no longer rely on profit and other figures that may have formed the basis for an investment decision. The rise in restatements has been attributed to much tougher audits by accounting firms, which came under fire for their failure to catch blowups like Enron Corp. and the former WorldCom Inc. In addition, Sarbanes-Oxley brought accounting firms under formal regulation for the first time, giving them impetus to dig deeper into corporate books.

Mr. Taub said his office undertook its study to find the underlying problems causing the restatements. Besides basic errors, the SEC's research concluded that about a third of restatements in recent years were due to errors in judgment related to more-complex issues, industry practices that ran afoul of accounting rules, and lack of clarity in accounting standards. Only about 5% of restatements were due to deliberate errors or fraud, he said.

Among problem areas that go beyond basic errors, Mr. Taub said a large number of restatements were caused by problems applying accounting standards related to lease contracts, income taxes and revenue recognition.

To help stem the wave of restatements, Mr. Taub suggested that accounting-rule makers need to replace standards that are confusing to companies. The Financial Accounting Standards Board is making progress, he added, citing its work to revamp lease-accounting rules and a continuing project to overhaul pension accounting.

The SEC and other regulators need to accept that there can be "reasonable differences in judgment" on accounting issues that don't necessarily imply wrongdoing, Mr. Taub said, and impose regulation only when needed. Companies and auditors need to exercise "professional judgment" and help to stamp out transactions structured to achieve a particular accounting result, he said.

Mr. Taub also encouraged companies to increase disclosure that shows their reasoning on complex questions. He suggested companies forced to restate results disclose how they discovered the problem. That happened in only about half the restatements his staff examined. How an error is found is "something investors might be concerned about," he said.

EXITING UNDER A CLOUD, WITH $175 MILLION (LAT)

By Kathy M. Kristof, Times Staff Writer

The Los Angeles Times, November 20, 2006

KB Home's CEO left amid a stock option probe. He can cash in because he wasn't fired.

When KB Home Chief Executive Bruce Karatz retired last week amid a stock option controversy, he agreed to give up $13 million in disputed stock gains. But that doesn't mean he will leave the company empty-handed.

Karatz is walking away with as much as $175 million in severance pay, pension benefits and stock options, regulatory filings show.

The windfall is possible in part because Karatz was not fired for cause but simply retired, making him eligible for his severance pay and pension unless the company's board of directors blocks payment, compensation experts say.

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"It's like he hit the jackpot," said Patrick McGurn, general counsel of Institutional Shareholder Services, which advises large investors such as pension plans and mutual funds. "He might not like the hit to his reputation, but he's certainly not going to take one to his bank account."

Karatz, 61, stepped down as head of the Los Angeles home-building company Nov. 12, after an internal probe found that he had picked stock option grant dates that inflated the value of the options to himself and other executives.

Under his employment agreement, Karatz would get a severance payment equal to the sum of what he earned in salary and incentive pay over the last three years, according to KB Home's proxy statement. That adds up to nearly $80 million.

Karatz also has a special executive pension plan that guarantees him $1 million a year for up to 25 years in retirement, making it potentially worth $25 million.

And Karatz has vested stock options that aren't in dispute, which are worth about $70 million based on KB Home shares' closing price Friday of $49.07.

Add it all up, and it comes to $175 million.

"What's perverse about this is Karatz may actually do better by getting fired than he would have done if he had stayed with the company," McGurn said.

He noted that Karatz's compensation from 2002 to 2005 — on which his severance is based — was boosted by the strong housing market, because his pay was tied to KB's profit. In 2005, the company reported profit of $842 million.

Mark Fabiani, an attorney representing the KB Home board, declined to say whether directors would move to revoke Karatz's severance pay or retirement benefits.

"The employment agreement will be the subject of discussions with the board and Mr. Karatz's representatives," Fabiani said. "The board is going to enter into discussions with Mr. Karatz about that situation, and those discussions have not yet begun."

Lawyers for Karatz declined to comment.

By stepping down, Karatz joined more than 50 corporate officers who have been fired or resigned in the option backdating scandal. Nearly 200 companies have disclosed federal or internal inquiries into their option practices.

Options are the right to buy stock at a set price within a certain time period.

Government and internal investigations are focused on whether executives improperly looked back weeks or months to set grant dates to coincide with their stock's lowest recent price, which would boost the value of the options.

KB Home disclosed in August that the Securities and Exchange Commission was reviewing its option practices. Legal experts said last week that Karatz's resignation could also draw the attention of the Justice Department, which has filed criminal charges against former executives of two companies accused of backdating.

In a statement Nov. 12, KB Home's board said its internal probe concluded that Karatz and former human resources chief Gary A. Ray had set "incorrect" option grant dates, but the board did not directly accuse them of wrongdoing. The company said Karatz had retired, Ray's employment had been terminated and chief legal officer Richard B. Hirst had resigned.

Company representatives declined to elaborate on the statement, which also said that Karatz would surrender $13 million he had realized based on flawed option grant dates.

Karatz's contract guarantees him severance except under only a few circumstances, including being fired for a specific cause such as fraud or misappropriation of funds, said Paul Hodgson, a compensation expert with Corporate Library, a research firm.

"The problem is that these contracts are written so loosely that it's tough to terminate without paying," he said.

Hodgson also noted that by saying Karatz had retired, KB Home implied that the separation was voluntary, which could make it more difficult for the company to deny Karatz his severance pay or pension.

Hodgson and other experts said that lucrative severance agreements were common for top corporate executives, even those who leave under a cloud.

"No one should shed any tears for CEOs who are forced out because of their role in backdating scandals," said Amy Borrus, deputy director of the Council of Institutional Investors, which represents large shareholders.

"In most cases, they will walk away with lavish severance packages that will more than offset any ill-gotten gains that the board presses them to return."

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Check, Please Companies Discover It's Hard To Reclaim Pay From Executives (WSJ)

By Phred Dvorak And Serena Ng

The Wall Street Journal, November 20, 2006

In April 2001, directors of utility FPL Group Inc. faced a sticky problem. A few months earlier, they'd awarded top executives $62 million in bonuses linked to a merger that would have created the U.S.'s biggest electric company. Now the deal had fallen apart and shareholders were clamoring to get the money back.

FPL directors scrutinized payment plans. They clashed with executives. Shareholders sued. After three years and millions in legal bills, executives returned $9 million, based largely on a technicality. Insurers paid another $12.5 million.

The FPL saga is an object lesson in why companies rarely recoup money paid to executives for results they didn't actually achieve. Although the concept seems simple, at least from an ethical point of view, so-called "clawbacks" of executive pay are in practice disruptive, divisive and difficult to pull off. In addition to a murky legal environment, the process is complicated by compensation contracts and insurance provisions. Most boards don't try recovering the money. Those that do often get mired in years of litigation.

With beefed up scrutiny of corporate accounting, an increasing number of companies have been revising their numbers, making the clawback problem more acute. In the first nine months of this year, 1,070 companies restated previously reported results, up from 948 in the same period last year, according to shareholder adviser Glass, Lewis & Co. These revisions lowered revenue and profits totals that were the basis for millions of dollars in executive bonuses.

In the most egregious cases, executives who fudged numbers that boosted their pay have been pursued by prosecutors and the Securities and Exchange Commission. Former CA Inc. Chief Executive Sanjay Kumar pleaded guilty in April to manipulating the dates of sales contracts to artificially boost revenue by more than $2 billion in 1999 and 2000. That helped earn Mr. Kumar $5.6 million in performance-based bonuses and $331 million in restricted stock. In 2000, Mr. Kumar returned about a third of the restricted stock to settle a shareholder suit.

In addition to his 12-year prison sentence, Mr. Kumar has to pay an $8 million fine and restitution to investors; the amount hasn't been set. The SEC has claims pending for civil penalties and return of his "ill-gotten gains." CA, the software company formerly known as Computer Associates, has sued Mr. Kumar for repayment of his legal expenses.

A handful of executives quietly repay their companies. In 1998, then-CEO Lawrence Coss returned roughly a third of his $102 million 1996 bonus to Green Tree Financial Corp., now part of Conseco Inc., after a restatement wiped out $174 million of pretax profit on which the bonus was based. In August, the top 14 officers of electronic-component maker Molex Inc. said they'd return a total of $685,000 in gains on misdated stock options they'd received over the last 12 years.

Even voluntarily returning money can prove complicated. After a 2002 restatement shaved $100 million from Dollar General Corp.'s net income for 1998 to 2000, the discount retailer's then-CEO, Cal Turner Jr., decided to return all of his bonuses. But his awards also included the right to exercise stock options ahead of schedule -- and the value of the shares he bought had fallen below what he'd paid for them.

Mr. Turner says he told his lawyers he'd return whatever amount they chose, which turned out to be $6.8 million. "How on earth do you calculate that anyhow?" Mr. Turner says.

Some boards who pursue current or former executives find themselves bogged down in the courts. Canadian telecommunication-equipment maker Nortel Networks Corp. last year recovered $8.6 million in "return to profitability" bonuses paid to 12 executives. A restatement showed the company hadn't returned to profitability after all. It sued another 10 executives, including fired CEO Frank Dunn, who has counter-sued the company. All the suits are pending.

Symbol Technologies Inc., a maker of barcode scanners, sued four former executives in U.S. district court in Central Islip, N.Y. in 2004, to retrieve bonuses based on results the company now says were fraudulent. The suit is on hold while three of the executives contest criminal charges. A trial early this year in the same court of two of those individuals ended in a mistrial. A new one is scheduled for next year.

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The 2002 Sarbanes-Oxley law was supposed to ease the process of recovering undeserved bonuses. One provision requires CEOs and chief financial officers to return performance-based pay or profits from stock sales following restatements that involve misconduct. But when companies and shareholders have tried to use the law in civil courts, they've been rebuffed by judges and arbitrators who say the vaguely worded rule suggests only the SEC can enforce the provision. The agency, meanwhile, has never done so.

Directors of Gemstar-TV Guide International Inc. tried invoking the provision in their long-running battle against former CEO Henry Yuen. The SEC in its own case, brought in U.S. district court in Los Angeles, says Mr. Yuen helped inflate the company's revenue between 1999 and 2002, a charge he denies. Mr. Yuen's incentive-based pay was partly tied to revenue, and in those years, he earned $72 million from bonuses and stock sales, Gemstar says.

Arbitrators who heard the employment dispute agreed that the Sarbanes-Oxley rule could be enforceable only by regulators. "We were surprised that we couldn't use it," says Rick Stone, a lawyer who represents Gemstar.

An SEC spokesman says the commission prefers to use other laws to recoup money, in part because the Sarbanes-Oxley provision funnels money to companies instead of shareholders. Rep. Barney Frank, the Massachusetts Democrat who's in line to become chairman of the House Financial Services Committee, has proposed legislation that would strengthen the ability of shareholders to achieve clawbacks.

Some companies have tried amending their rules to forestall the problem. Directors of International Paper Co. last year revised their long-term executive bonus plan. Now the company can recover money if its results are revised significantly, regardless of who's to blame. International Paper pays bonuses in restricted stock that can't be sold for several years, providing time to catch mistakes.

In general, says Maura Abeln Smith, the company's general counsel, "if someone wrote you a check and paid you too much, it would only be fair to return the overpayment."

The biggest push to return unearned compensation comes from shareholders. Some are suing to recover bonuses when directors are slow to act. In the past three years, activist investors have asked 13 companies to adopt provisions like that of International Paper, according to proxy adviser Institutional Shareholder Services. Only one proposal has come close to winning 50% of the shares voted. But some targeted companies are adopting similar measures on their own.

Earlier this year, advertising giant Interpublic Group of Companies Inc., adopted a policy that allows it to seek repayment of bonuses if executive misconduct leads to a restatement. Interpublic had been under pressure since last year when it restated results for 2001 through 2004, reducing net income over the period by $514 million.

Interpublic says it has no plans to pursue $1.4 million in "performance bonuses" paid to former CEO David Bell over that period. In a written statement last year, Interpublic said Mr. Bell and other top executives were not involved in the "malfeasance" that led to the restatement. The company said misconduct by lower level employees overseas was partly responsible.

FPL's clawback tale began in December 2000 when shareholders approved the company's $8 billion merger with Entergy Corp. The approval triggered payment of $92 million in cash bonuses to nearly 700 managers. Like many companies, Juno Beach, Fla.-based FPL, the parent of Florida Power & Light Co., had a "change of control" provision in its compensation plan, designed to retain top talent during a merger or acquisition.

FPL's provision was unusually liberal. It took effect even if FPL shareholders ended up owning a significant majority of the merged company. FPL also required the payments to be made when shareholders approved a deal, rather than waiting for it to be completed.

Two-thirds of the money went to FPL's top eight officers. The chairman and CEO at the time, James L. Broadhead, received the biggest chunk -- $22.6 million.

The proposed merger quickly ran into trouble. Mr. Broadhead, a former telecommunications executive, found "discrepancies" in Entergy's financial projections, FPL says. Entergy says FPL demanded some of its executives step down after the merger. (FPL won't comment on that assertion.) In April 2001, the two companies called off the deal.

Former FPL director Marshall Criser says it was only after the deal collapsed that he realized the merger bonuses had already been paid. Mr. Criser, a lawyer, says he expected the board to ask Mr. Broadhead and others to return the money. Mr. Criser's term on the board ended soon after the deal fell through and he says he didn't have an opportunity to raise the issue.

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The board was in a quandary. Some directors upset about the payments felt they had no grounds to demand repayment, says Willard Dover, a lawyer and former FPL director. Mr. Dover says some directors also feared hurting relations with Mr. Broadhead and other officers, given the close ties between the executives and the board. Mr. Dover himself used to hunt with an FPL executive. At least three independent directors were friends of Mr. Broadhead, according to a report the company later prepared about the payments.

Mr. Broadhead and FPL's general counsel, who also received the bonus, asserted publicly and to directors that the payments were justified by language in the compensation plans. The board didn't challenge them, says Mr. Dover.

Mr. Broadhead says in an interview that he never considered returning the money. It would have been "really inappropriate" for the board to ask him to repay compensation guaranteed in a contract, he says.

The FPL board was already under fire from corporate-governance watchdogs for the size of Mr. Broadhead's pay. He received about $35 million from 1999 to 2001, not including the merger bonus. In May 2001, a month after the Entergy deal fell through, a shareholder asked the FPL board to sue Mr. Broadhead and seven other executives to recover $62 million of the merger bonuses. In January 2002, two other groups of shareholders sued FPL's directors and officers on the company's behalf, asking for similar repayments.

Roy Oorbeek, a former FPL engineer, was a plaintiff in one of the shareholder suits. He says he already was angry at FPL management for collecting big salaries while cutting worker pay and benefits such as discount coupons for Thanksgiving turkeys. Seeing them collect millions for a merger that never happened upset him more, Mr. Oorbeek says.

The discontent forced FPL directors to reconsider the issue. In May 2001, they formed a committee to review the payments. Directors relied heavily on advice from the company's management. To staff the committee, Mr. Broadhead recommended Mr. Dover and two other directors, and the board agreed. The committee also hired a law firm recommended by FPL's general counsel.

After eight months of work, the committee replaced the law firm, citing an appearance of a conflict of interest. In court documents, the directors said they were unaware that the firm, Steel Hector & Davis, had earlier had the job of reviewing and approving the controversial compensation plan.

After 16 months of study, the board decided in September 2002 not to pursue repayment of the bonuses. The board's new lawyers said directors would have trouble proving that the bonuses had been paid improperly. Directors worried about complex repayment calculations. They also feared antagonizing executives, Mr. Dover says. "Pretty soon, you lose the sense of cohesion you must have between the officers and the board," he says.

Mr. Dover's committee, however, had uncovered something else: a glitch in how the bonuses were calculated. According to one interpretation of FPL's compensation plan, the company overpaid the top eight executives by about $9 million, former FPL directors say. Directors seized the opening to ask executives for some money back. "It didn't make us very popular," recalls Mr. Dover.

By mid-2002, when the error was uncovered, Mr. Broadhead had retired and his successor Lewis Hay III -- who declined to comment for this article -- wanted to maintain good relations with the board, says a person familiar with the deliberations. FPL directors and executives agreed to let an arbitrator decide the fate of the $9 million.

Meanwhile, the judge hearing the shareholder suits ruled against the company in a key preliminary ruling. In January 2004, Florida District Judge Alan Gold decided that FPL's board didn't independently evaluate the original shareholder claims. Judge Gold noted that the board's committee had been hand-picked by Mr. Broadhead, and that two of the three members had initially approved the awards as part of the compensation committee. The judge also questioned the independence of FPL's first set of lawyers.

The ruling prompted FPL's board and executives to settle the shareholder suit in late 2004. Mr. Broadhead and other executives agreed to repay $22.25 million of their $62 million. Of that, the executives paid $9.75 million according to court documents; insurers covered the rest. According to Mr. Dover, the sum owed by executives was based on the amount of the original overpayment.

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Mr. Dover says the experience was painful and draining. Mr. Broadhead, 70 years old and now retired, says it was a waste of time and money. Mr. Oorbeek was unimpressed. "It was not a substantial amount of money that they recouped," he says. In the end, FPL didn't lose executives or suffer in recruiting, former directors say.

Still, the long drama prompted changes. In a series of amendments starting in 2001, FPL's board revised the change-of-control provision to take effect only after a merger is completed. It cut potential bonuses in half and made it harder to trigger such a payment.

Last December, FPL announced another merger, this time with Constellation Energy Group. FPL shareholders would have owned roughly 60% of the combined company, the new threshold for some change-of-control payments. This time, senior executives waived the payments as long as they stayed in comparable positions in the combined company. CEO Mr. Hay, who had received a payment in 2000, said he wouldn't take one at all.

Last month, FPL and Constellation abandoned their deal amid worries it wouldn't get regulator approval. No one at FPL had been paid bonuses.

CRIMINAL LAW:

NASA's Auditor Probed (ORS)

By Michael Cabbage

Orlando Sentinel, November 20, 2006

A federal probe of NASA Inspector General Robert Cobb outlines allegations that he stifled investigations, mistreated department employees and maintained a close personal relationship with top officials of the agency he was supposed to independently monitor.

Preliminary findings from a 10-month investigation into Cobb's conduct have been forwarded to an oversight group, the President's Council on Integrity and Efficiency. That group is expected to make a final decision before the end of the year on what, if any, action to take.

Cobb has denied any wrongdoing. However, he said during an interview with the Orlando Sentinel last week that it was inappropriate for him to publicly rebut many of the specific allegations until the process had run its course.

Investigators from the Department of Housing and Urban Development, the federal agency called in to conduct the inquiry, have examined 69 allegations against Cobb, a White House appointee. The allegations came primarily from career employees in his own office.

Not all substantiated

A confidential summary of the HUD probe detailing the investigative findings was obtained by the Sentinel.

Not all of the allegations against Cobb were substantiated. However, current and former employees in Cobb's office interviewed by HUD inspectors and the Sentinel described him as a partisan manager who often failed in his responsibility to independently investigate possible wrongdoing at NASA.

Cobb vehemently disagreed with that characterization.

"I look forward to the integrity committee's review of all of the evidence and the resolution of this matter," Cobb said. "It is appalling that persons entrusted with part of the process would try to subvert it by releasing information."

Cobb sent a letter to FBI Director Robert Mueller on Friday requesting an investigation to learn how the Sentinel obtained the document and "take such action as necessary to address an obvious breach of law and investigative ethics." Those receiving copies of Cobb's letter included U.S. Attorney General Alberto Gonzales and a dozen members of Congress.

Serious questions

Some of the allegations against Cobb appear to raise serious questions.

According to the probe, the number of audit reports issued by Cobb's office plummeted from 62 in 2000 to seven during the first half of the 2006 fiscal year. An audit safety team was abolished. Investigations were derailed, witnesses said, including some related to safety and national security.

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Investigators found that Cobb lunched, drank, played golf and traveled with former NASA Administrator Sean O'Keefe, another White House appointee. E-mails from Cobb showed he frequently consulted with top NASA officials on investigations, raising questions about his independence.

Witnesses told investigators Cobb also intimidated and berated some subordinates to the point of tears. During his tenure as NASA inspector general, the department's employee attrition rate has increased by more than 50 percent, according to figures in the report.

Cobb said in his letter to Mueller that the report was "replete with easily demonstrable factual errors and inaccuracies." He described the investigation as having "spun out of control."

Shoppers Back In Force After Shootout At Mall (WP)

By Eric Rich And Leef Smith

The Washington Post, November 20, 2006

Shoppers returned to Westfield Shoppingtown Annapolis in droves yesterday, undeterred by a gun battle that wounded three in the mall's food court the night before and sent scores of others racing for exits or diving under tables.

An 18-year-old Annapolis resident who was shot twice in the abdomen remained in a hospital under police guard, authorities said, and an off-duty U.S. Secret Service agent with whom he allegedly traded fire was recovering from a single gunshot wound.

The injuries to each man -- as well as to Tahzay L. Brown, a 16-year-old male struck in the crossfire -- were not considered life-threatening.

The violence began at 7:15 Saturday evening when the agent intervened after spotting as many as eight young men assaulting another young man, according to a preliminary police account.

The 18-year-old drew a handgun and fired, hitting the agent once in the leg, police said. The agent then drew his weapon, fired seven times and struck the 18-year-old twice in the abdomen, police said. The agent was with a family member, who was not injured.

Sara Schriver, an Anne Arundel County police spokeswoman, said it was unclear whether the bullet that hit Brown was fired by the agent or the 18-year-old.

Georgia Goslee, an attorney authorized to speak on behalf of Brown's family, described the Annapolis High School student as a victim drawn into the violence merely because the person who was being assaulted is his friend. She said the confrontation between the friend and the larger group was "spillover from an earlier incident that happened at the school . . . back in September."

Police said they are investigating whether the shooting was related to three fights at the high school Friday, during which seven students were arrested, or to fighting there in September, when nearly 20 students were arrested. Police have said those fights stemmed from "neighborhood rivalries," particularly between students from public housing complexes.

Goslee said she was unsure whether the September incident she referred to was, in fact, the fighting that led to so many arrests. Of Brown, who was treated at a hospital and released, she said: "Obviously, he's upset and shocked. He's disturbed by the entire occurrence."

In the bustling food court yesterday, shoppers and employees buzzed about the shooting. Tommy Yau said he was behind the counter at Panda Express, helping customers during a busy rush, when he spotted four or five men fighting.

Fistfights aren't uncommon in the food court, he said, but this one was close to his shop. Yau, the restaurant's manager, decided to call mall security. He had barely stepped toward the phone when shots rang out -- as many as seven within three or four seconds, he said.

"I got down," Yau recalled. "Then I heard another four or five shots."

Looking up moments later, he spotted two men on the floor, each just feet from his counter. One was sprawled near a trash can and bleeding, and the other was by a bank of pay phones near a mall exit.

Yau said the next voice he heard was that of the federal agent, who raised his badge and called out to bystanders: "I'm a police officer -- call 911!"

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Yau said mall security and law enforcement officers quickly swarmed the food court, and he later provided cups that were used to mark spent shell casings scattered on the floor.

Schriver would not identify the 18-year-old. She also would not identify the agent, referring questions to the Secret Service.

Federal authorities, who spoke on condition of anonymity, said the agent has been with the Secret Service for more than five years and is assigned to the Office of Protective Operations in Washington.

"It was your typical Saturday night at the mall," Schriver said. "You had families there, juveniles getting ready to go the movies. It was definitely a terrorizing event."

Despite the incident, many shoppers appeared unbowed yesterday. The food court was jammed, and many there said they'd heard about the shooting but felt secure.

"When you think of Annapolis, you think it's safe," said Baltimore resident Courtney Katunick, 23, who was eating with her sister just feet from where the shooting occurred. "It makes you feel safe that [the Secret Service officer] would step up" to break up the fight, Katunick said. "It could have escalated into something worse."

Many business managers said that although they had feared the violence might cause holiday shoppers to avoid the mall yesterday, business was as brisk as usual.

"I didn't know what to think," said Erin Gray, assistant manager at Trade Secret, which is just paces from the food court. "It doesn't look like it damaged business."

Nathanial Weiss, an employee at Fast-Fix Jewelry and Watch Repairs, agreed. "I'm surprised, but we're really busy today," he said. "And it looks like it's just going to get busier."

Bought And Sold (NYT)

By Bob Herbert

The New York Times, November 20, 2006

Atlanta

When Mayor Shirley Franklin recently announced that the city would be cracking down on the pimps and johns who prey on under-age prostitutes, she also disclosed publicly for the first time that she had been molested when she was a young girl.

Speaking at a gathering of reporters, local officials and civic leaders, the mayor spoke frankly about the incident, in which she was abused at the age of 10 by the father of a girlfriend. She then asked how many of the women in attendance had endured similar experiences. Several women in the room raised their hands.

One of the most tightly kept secrets in the U.S. is the extent to which children are sexually exploited, not just by child pornographers and compulsive pedophiles, but by men who are viewed by their relatives, friends and neighbors as quintessentially solid citizens.

In an interview on Friday, Ms. Franklin told me: “It seemed appropriate to reveal my story in that setting, because what we were trying to do is demonstrate that this can happen to anyone. Not only can it happen; it does happen to a lot of children.”

Atlanta has become a major hub of commercial sex in the U.S. It’s a full-fledged sex-tourism destination, with thousands of strippers, prostitutes and other sex workers accommodating an endless stream of johns from around the country. Under-age girls (some as young as 10 and 11) are a significant part of that trade. Many of them were already carrying the scars of sexual molestation when they got into prostitution.

A study of the commercial sexual exploitation of girls in Atlanta, released a year ago by the Atlanta Women’s Agenda, an advisory group formed at the mayor’s request, said:

“Atlanta, being a convention and sports event center, has a thriving ‘adult entertainment’ industry: strip clubs, lingerie and sex shops, escort services, massage parlors. At the same time, Atlanta generates its own lost battalions of emotionally and physically abandoned children and is a magnet for such children from outlying areas. These children are vulnerable to the pimps and their recruiters, but the pimp would have no interest in the children if there were no demand.”

Ms. Franklin, who is 61, is trying to jump-start a cultural change that will expand awareness of the widespread sexual exploitation of children in Atlanta and foster an attitude throughout the city that it is not to be tolerated.

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It is beyond unusual for a mayor, especially the mayor of a city that depends as heavily on tourism as Atlanta, to shine a spotlight on a problem as repellent as child prostitution. I asked the mayor why she went ahead with such a high-profile campaign, which includes a "Dear John" initiative that has flooded the city with posters and public service announcements declaring that the men who "buy sex from our kids" will no longer be tolerated.

"We take the position in my administration that the best way to solve a problem is to face the facts," she said, adding: "We know the problem is here. It's happening on our watch. It's unacceptable behavior, and we are not going to stand for it. So look for us to do everything in our power to change it."

It won't be easy. Law enforcement agencies have a notoriously poor record when it comes to prosecuting and putting away the pimps, traffickers and johns in the child sex trade. And there are very few resources, financial and otherwise, to help the kids once they are identified.

The mayor acknowledged the heavy lift that will be required: "Normally, by the time girls become prostitutes, there are a lot of other experiences that they've had, and you can't turn that around with a pat on the back and a new set of clothes. There's a great deal of psychological damage. They've lost trust in adults. They've lost self-confidence. Many of them have lost the will to do anything differently. They're demoralized.

"So we're just getting started. And we'll be asking for a lot of help."

The last time I was in Atlanta, about a month ago, I rode with the police as, among other things, they looked for a 15-year-old girl who had become a prostitute and was being used by her pimp to recruit other young girls. I remember looking at a circular with a picture of the child. She had the saddest expression on her face.

Over the weekend I checked with the cops to see if they had found her. "We never did," said Lt. Keith Meadows, who heads the city's vice unit. "We have reason to believe that she might have been trafficked out of the state."

CIVIL RIGHTS:

Years Later, Lessons From Newark Riots To Be Learned (USAT)

By Charisse Jones

USA Today, November 20, 2006

NEWARK — Moise Abraham heard the bullets before he saw what they had done. It was July 12, 1967, the first night of the deadly Newark riots that put a spotlight on racial unrest in the nation's decaying urban centers. His mother had walked down the block, promising she would soon be back.

"Then I heard something hit the parking sign. It said 'Bing,' " remembers Abraham, then two weeks shy of his 17th birthday. "A few seconds later, my mother is coming up the street, but I noticed she was walking with a limp, so I ran to her and I grabbed her. … When we got to the front porch, she collapsed."

The next day, Rosa Lee Abraham died from a gunshot wound her son believes was fired by a police officer, although no official determination was made.

Moise Abraham has struggled emotionally ever since. Almost as painful, Abraham says, is the lack of acknowledgment for what the riots wrought.

"It is personal, but it is a pain that we all felt," says Abraham, 56, who yearns for a citywide memorial service for the 26 who died in the riots. "Even if they had done it once every 20 years, I would have appreciated that. But it's just total silence. … It seems that for some reason, Newark has forgotten."

Now, there is an effort to remember. In the first major exhibit documenting the 1967 Newark riots, the New Jersey Historical Society is assembling a retrospective that is scheduled to open by next summer, the 40th anniversary of the unrest.

Tentatively titled "What's Going On," the exhibit will use oral histories, text and artifacts to examine the six days of rioting in Newark. It also will look at the violence that engulfed Detroit 11 days later and the 1965 riots in Los Angeles' Watts district.

These and other riots in scores of cities in the late 1960s — many triggered by incidents involving police — focused attention on the lack of economic opportunity in predominantly poor, black neighborhoods. A presidential commission studying the causes concluded in 1968 that the nation was moving toward "two societies, one black, one white, separate and unequal."

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"We want to move beyond Newark and show the parallels between what happened in those summers of the 1960s," says Max Herman, an assistant professor of sociology at Rutgers University in New Jersey who has conducted many of the interviews for the project. "The frustration was building for several decades."

The exhibit will stay in Newark for nearly a year. Organizers then plan to take it to Los Angeles and Detroit, where they will work with local museums. The University of Baltimore also is planning a 40th anniversary exhibit on the 1968 riots in that city that followed the assassination of Martin Luther King Jr. Sociologists say such exhibits are critical in helping the nation understand the legacy of that turbulent time.

"The late 1960s is a period we can't revisit enough," says Clement Price, director of the Rutgers Institute on Ethnicity, Culture and the Modern Experience. "The riots had an impact on what might be called the decline of our cities and the rise of suburbs, and in that transformation is a racial transformation. The riots impacted American politics. They pretty much ended the civil rights movement. They turned white ethnics against black ethnics."

Newark has gradually rebounded in the last decade, replacing high-rise housing projects with town homes, opening a renowned performing arts center, and this year electing a charismatic new mayor, Cory Booker.

Yet for many outsiders, the 1967 riots indelibly defined Newark.

They were sparked by the police arrest and beating of a black cab driver, stoking the anger many African-Americans felt about segregated housing, joblessness and alleged police harassment. While the middle class and businesses had been leaving the city for decades, the abandonment quickened after the riots, making Newark a symbol of urban decline and decay.

"It crippled the city," says Ann Marie Penn, 56, who has wrestled with depression since her 17-year-old brother was shot to death during the riots.

In Newark, as in many other riot-scarred cities, there has been a reluctance to remember.

"All American cities have had to struggle to regain their footing after that time, and people don't want to revisit that," says Linda Caldwell Epps, president of the New Jersey Historical Society. "It's an unhappy part of our history."

A marker resembling a headstone stands at the epicenter of the Newark riots along Springfield Avenue, naming the 26 who died. But it is easy to miss. A local group holds annual remembrances at the site, but the crowds number no more than a few dozen.

The historical society, whose exhibit will cost up to $250,000, has struggled to raise funding. Some law enforcement officers and activists from that era have been reluctant to give interviews.

"There was a lot of dissension at the time, and it was not difficult to stir up resentment against authority," says Kenneth Melchior, 90, the Newark police inspector sent to the 4th Precinct to quell tensions the first night of the riots.

Melchior made sure the injured cab driver was sent to the hospital, but he says he does not believe it was a case of police brutality. "The man was belligerent," he says. "If police officers arrive on a scene … and they're met with resistance, they have to overcome that resistance, and if somebody gets injured, then immediately somebody will declare police brutality."

Nearly 80 people have shared their stories of being caught in the violence of 1967. Among them are the now-grown children whose mother was shot as she moved them out of harm's way and the police detective's daughter whose father was killed and whose mother later committed suicide.

Craig Wilson remembers that his father's dry goods store on Springfield Avenue was spared during the riots. But in the end, neither the business nor his father survived.

"He died three months later," says Wilson, 62, who believes the difficulty his father had after the riots contributed to his fatal heart attack. "You went from having a business to you couldn't pay the rent."

Wilson, now a dentist in neighboring Irvington, was a 23-year-old social worker. He was on his way to see a client when rocks shattered the rear window of his 1962 Plymouth Valiant. "Nobody won, everybody lost," he says. "The people who lived in the neighborhood, the people who worked in the neighborhood. … It was sort of like dropping a bomb."

Lawrence Hamm has a different perspective.

Since the 1980s, Hamm's group, The People's Organization for Progress, has been the only group to hold an annual observance.

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"The rebellion gave rise to the political movement, gave rise to the first black mayor in Newark, the first majority black City Council," Hamm says. "The rebellion pushed forward people's social consciousness."

Detroit, whose 1967 riots were the worst in modern U.S. history until the 1992 Los Angeles riots left 58 people dead, has had few retrospectives on those events, says Mike Smith, director of the Walter Reuther Library at Wayne State University in Detroit.

"Would I love to see the public become more deeply aware of the factors causing the riot and the aftermath of it? Yes, indeed I would," Smith says. "I think if we could reach some people, we'd have better race relations in this city."

In Baltimore, 60 students are interviewing residents for an exhibit to be titled " '68, Riots and Rebirth." "The time is right to do it because there is enough historical distance between the events and the current day," says Jessica Elfenbein, associate professor of history and community studies at the University of Baltimore.

For Abraham, though, the calendar sometimes seems stuck on July 12, 1967.

"I have a house, I have a brand new car," says Abraham, who has been in and out of counseling since his mother's death. "On the outside it looks good, but I've been fighting this battle for almost 40 years."

He is happy about the exhibit that will tell his mother's story.

"It's a good thing," he says. "I think it should be remembered throughout the history books, in whatever ways are possible."

National 'nurse-in' Set To Protest Treatment Of Mom (USAT/AP)

USA Today, November 20, 2006

BURLINGTON, Vt. — A national "nurse-in" will be held Tuesday to protest the treatment of a passenger who was kicked off a plane for refusing to cover herself while breast-feeding her baby.

A similar protest, in which mothers sat on the floor near the Delta Airlines counter, breast-fed their babies and held signs, took place at the Burlington International Airport last week.

Chelsea Clark, 31, of Fairfax, said she is using Web message boards to organize a national protest at Delta counters across the country. What happened to Emily Gillette, 27, of Santa Fe, N.M., has prompted an "out-swell of outrage," Clark said.

"This is for all of the nursing mothers in the country who felt that way," Clark said. "This is our opportunity to make a statement."

Freedom Airlines, a regional airline for Delta, said it has disciplined the flight attendant who ordered Gillette off the plane when she declined to cover up with a blanket. Spokesman Paul Skellon said the attendant did not meet company expectations when Gillette was told to leave the plane.

A spokesman for the airline said the pilot apologized and asked Gillette and her family to get back on the plane, but Gillette said that never happened.

"I would have jumped at the opportunity," she said.

On Oct. 13 Gillette was sitting aboard a plane, which was three hours late in taking off, when she began to breast-feed her 22-month-old daughter. She says a flight attendant handed her a blanket and told her to cover up, which Gillette declined to do.

The attendant said Gillette was offending her and she was removed from the plane.

Delta did provide ground transportation and a hotel before rebooking the family on a flight with a different airline the following day.

Gillette filed a complaint with the Vermont Human Rights Commission because breast-feeding in a public place is protected under state law.

Kerry: 'Botched' War Joke Won't Hurt Me (AP-Y)

By Hope Yen

AP, November 20, 2006

Massachusetts Sen. John Kerry insisted on Sunday his "botched joke" about President Bush's Iraq policy would not undermine a possible White House campaign in 2008.

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"Not in the least," Kerry, the Democratic presidential nominee in 2004, said when asked if the furor over his comment had caused him to reconsider a 2008 race. "The parlor game of who's up, who's down, today or tomorrow, if I listened to that stuff, I would never have won the nomination."

One of the GOP politicians mentioned in a crowded field for the White House, former House Speaker Newt Gingrich, said he would not make a decision until September — a relatively late date in the campaign cycle — to focus in the private sector on trade policies.

"We have lots of time for personal ambition," the Georgia Republican said. "And I think an awful lot of this early energy is wasted, and we ought to be focusing on, you know, how are you going to compete with China and India, how are you going to solve the problem in Iraq?"

Gingrich said Arizona Sen. John McCain and former New York mayor Rudy Giuliani, both of whom have set up presidential exploratory committees, were the likely GOP front-runners. But Gingrich said voters are yearning for a clearer conservative voice.

"I think Mitt Romney has an opportunity to fill that," Gingrich said, referring to the outgoing Massachusetts governor.

McCain said Giuliani was an "American hero" for his leadership in New York following the Sept. 11, 2001, attacks. But McCain called himself the best presidential candidate based on a "record of being a conservative Republican, of knowledge on national security and defense issues."

McCain, who supports a ban on abortion except in cases of rape, incest and to save a mother's life, said he doubted a constitutional amendment could pass but that one would not be needed because "it's very likely or possible that the Supreme Court should — could — overturn Roe v. Wade."

The high court is deciding this term whether to uphold a 2003 federal law banning the procedure opponents call "partial-birth" abortion. It is a case that conservatives hope could be used to reverse the landmark 1973 decision that made abortion a constitutional right.

At least two conservatives, Justices Antonin Scalia and Clarence Thomas, have called on Roe to be overturned. Legal analysts have said if the court issues an anti-abortion ruling, justices would be more likely to impose restrictions rather than abolish the right.

"I'm a federalist," McCain said. "Just as I believe that the issue of gay marriage should be decided by the states, so do I believe that we would be better off by having Roe v. Wade return to the states. And I don't believe the Supreme Court should be legislating in the way that they did on Roe v. Wade."

McCain called the military's "don't ask, don't tell" policy toward gays "very effective." He said he opposed gay marriage, but as to civil unions, "people ought to be able to enter into contracts, exchange powers of attorney, other ways that people who have relationship can enter into."

Meanwhile, former North Carolina Sen. John Edwards, the 2004 Democratic nominee for vice president, said Illinois Sen. Barack Obama should get into the race.

"I hope he runs. I think he should run," Edwards told The Associated Press. "This is such an important job that I would urge anybody who can make a serious contribution to the campaign and the dialogue — either in our party or the other party — to run.

Edwards isn't yet willing to commit to another run for president. He said whether Obama — or any other candidate — enters the race will have no bearing on his decision to make a second run for president. Edwards sought his party's nomination for the White House in 2004.

Kerry said he would decide early next year whether to run for president.

Shortly before the Nov. 7 elections that brought Democrats back into power in the House and Senate, Kerry retreated from public view following his remark to a college audience that young people might get "stuck in Iraq" if they do not study hard and do their homework.

"This is over. This was a misstatement. All of us make them in life. You wish you could have it back, but you can't," the senator said Sunday.

Kerry said Sunday he had made the decision to keep a low profile after the White House attacked the joke as insulting to U.S. troops and several Democrats called the comment a needless distraction before the pivotal congressional elections.

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"Since we had very close races, I made the decision to make certain that I didn't distract. The results speak for themselves," he said.

On running in 2008, Kerry said he had not yet made a decision whether to set up an exploratory committee.

"Right now, my focus will be what happened on election day," he said, citing a need to work toward solutions on Iraq, energy independence and health care. "The American people are waiting for us to lift up an enormous challenge."

Both Kerry and Gingrich appeared on "Fox News Sunday." McCain was on "This Week" on ABC.

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Associated Press Writer Mike Baker in Columbia, S.C., contributed to this report.

Romney Pushes Vote On Same-Sex Marriage (NYT/AP)

By The Associated Press

The New York Times, November 20, 2006

BOSTON, Nov. 19 (AP) — Gov. Mitt Romney of Massachusetts said on Sunday that he would ask the state's highest court to order a question banning same-sex marriage onto the ballot if legislators did not address the issue.

Mr. Romney, a Republican, said he would file a request this week for a justice of the Supreme Judicial Court to direct the secretary of state to place the question on the ballot if lawmakers do not vote on the issue on Jan. 2, the final day of the session.

The governor, an opponent of same-sex marriage who decided not to seek re-election as he considers running for president, made his announcement to the cheers of same-sex-marriage opponents at a rally on the Statehouse steps. Supporters of same-sex marriage staged a protest across the street.

The Massachusetts Supreme Judicial Court ruled in November 2003 that same-sex marriages were legal. Since then, more than 8,000 same-sex couples have married in the state.

More than 170,000 people have signed a petition in support of the ballot question, which would define marriage as between a man and a woman. Mr. Romney has criticized lawmakers since they refused this month to take up the question during a joint session. They voted instead to recess until Jan. 2, all but killing the measure.

"A decision not to vote is a decision to usurp the Constitution, to abandon democracy and substitute a form of what this nation's founders called tyranny, that is, the imposition of the will of those in power, on the people," Mr. Romney said. "The issue now before us is not whether same-sex couples should marry. The issue before us today is whether 109 legislators will follow the Constitution."

Because the legislature did not adjourn but went into recess, Mr. Romney has no legal authority to call lawmakers back into session.

Supporters of same-sex marriage have defended the lawmakers' procedural move.

"One of the tenets of the Constitution is that you do not put the rights of a minority up for a popularity contest," said Mark Solomon, campaign director of Mass Equality, a group that supports same-sex marriage. "It is one of the very principles this country was founded upon."

Romney Wants Gay-Marriage Ban On Mass. Ballot (WP)

By David Weber

The Washington Post, November 20, 2006

BOSTON, Nov. 19 -- Massachusetts Gov. Mitt Romney (R) said Sunday that he will ask the state's highest court this week to order a ballot question on same-sex marriage if legislators fail to vote on the matter when they reconvene in January.

Romney said he will ask a justice of the state's Supreme Judicial Court to direct the secretary of state to place the question on the ballot if lawmakers do not vote directly on the question Jan. 2, the final day of the current session. Romney's term as governor expires Jan. 4.

The legislature is in recess and, because it did not adjourn, Romney has no legal authority to call legislators back into session.

Romney, an opponent of same-sex marriage, made his announcement to the cheers of hundreds of same-sex-marriage opponents at a rally on the Statehouse steps. A counter-protest was held across the street.

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The Massachusetts Supreme Judicial Court ruled in November 2003 that same-sex marriages are legal. Since then, more than 8,000 gay couples have tied the knot in the state.

More than 170,000 people had signed a petition in support of the ballot question, which would define marriage as between a man and a woman.

Romney has criticized lawmakers since they refused earlier this month to take up the question during a joint session, voting instead to recess, all but killing the measure.

"A decision not to vote is a decision to usurp the Constitution, to abandon democracy and substitute a form of what this nation's founders called tyranny, that is, the imposition of the will of those in power, on the people," Romney said earlier. "The issue now before us is not whether same-sex couples should marry. The issue before us today is whether 109 legislators will follow the Constitution."

Supporters of same-sex marriage defended lawmakers' procedural move.

"One of the tenets of the Constitution is that you do not put the rights of a minority up for a popularity contest," said Marc Solomon, campaign director for Mass Equality, which supports same-sex marriage. "It is one of the very principles this country was founded upon."

Messages seeking comment from legislative leaders were not immediately returned Sunday.

The legislature grappled with various efforts to ban same-sex marriages before the high court ruling in 2003. Lawmakers refused to vote on a citizens' initiative in 2002, and two years later they voted down their own proposed amendment that would have banned same-sex marriage and legalized civil unions.

Renewed War Over "Don't Ask, Don't Tell" (NSWK)

Newsweek, November 27, 2006

With the Democrats in control of Congress, some activists are hoping they'll add a controversial issue to their to-do list: revisiting the "don't ask, don't tell" policy on gays in the military. Gay servicemembers have sought a policy change for years. Now, says Steve Ralls, spokesman for the Servicemembers Legal Defense Network, gay vets hope they might make some progress at a time when the military can't afford to turn away the willing and able. Last year the Pentagon discharged 742 service members for homosexuality, according to SLDN.

But making a change won't be easy: gay-rights advocates have seen a troubling signal from the Pentagon. Massachusetts Rep. Martin Meehan and the American Psychiatric Association complained last June when they learned the military's disability policy classified homosexuality as a mental disorder—something the APA stopped doing in 1973. Then the Pentagon quietly reclassified it in July. Last week Meehan and the APA complained once more: homosexuality has now been grouped with other "conditions, circumstances and defects" like bed-wetting, repeated venereal-disease infections and obesity. The reclassification is "even worse," says Aaron Belkin, who studies gays in the military at the University of California, Santa Barbara. "Now [homosexuality] is explicitly deemed to be a defect." Pentagon spokeswoman Cynthia Smith says the Defense Department does "not think homosexuality is a mental illness" and says the classification could be re-examined.

The gay question has long been a political quagmire. Since Bill Clinton waded into the controversy in 1993, more than two dozen former senior military officers have denounced "don't ask," including Gen. Wesley Clark and Gen. Claudia Kennedy. "We have a much friendlier environment now," says Ralls, citing a more accepting attitude by the "Will & Grace" generation. Gay British soldiers serve alongside Americans in Iraq and Afghanistan, sharing quarters. In Congress, Meehan has already introduced the Military Readiness Enhancement Act to replace "don't ask" with a nondiscrimination policy. He has 122 bipartisan cosponsors and hopes for hearings on the topic. Though GOP Rep. Duncan Hunter—a backer of "don't ask"—is on his way out as House Armed Services chair, his Democratic replacement, Rep. Ike Skelton, supports the current policy, too. And as the Pentagon's recent reclassification showed, there is still a long war ahead.

ANTITRUST:

Freeport Buys Phelps For $26bn (FT)

DOJ_NMG_0096032

By James Politi In New York

Financial Times, November 20, 2006

Freeport-McMoRan on Sunday night agreed to buy Phelps Dodge for $25.9bn (£13.7bn) in cash and stock to become the world's largest publicly traded copper company with mines stretching from Indonesia to Chile.

The takeover is the latest in a wave of consolidation that has swept through the global mining industry as commodity prices soared because of high demand, particularly from China.

Amid the boom, both Freeport and Phelps were faced with key strategic challenges that they decided to address by combining the two companies. Freeport has been seeking ways to diversify away from its main Grasberg mine, which is based in a remote part of Indonesian Papua and has been criticised for containing too much political risk.

Phelps, on the other hand, has been a takeover target since its twin bid for Canadian mining groups Inco and Falconbridge fell apart in September.

Under the terms of the deal, Phelps shareholders will receive $126.46 per share – or a 33 per cent premium to the company's market value on Friday. About 70 per cent of the transaction value, or $18bn, will be in cash, with the rest in shares, meaning Phelps investors will end up owning 38 per cent of the combined group.

In an interview last night, Richard Adkerson, the chief executive of Freeport who will run the combined group, said the deal made sense in a wide range of scenarios for the copper price.

He added that the greater size would make his company much stronger: "Scale is important because it will allow us to have better access to resources, suppliers and project opportunities in a way that is limited for smaller companies."

Although the deal is structured as a takeover by Freeport, the company's headquarters will move from New Orleans to Phelps' home of Phoenix, Arizona. Steve Whisler, chief executive of Phelps, will retire.

The new Freeport will become one of the most powerful forces in global mining, generating cashflow of about $6.5bn from the production of about 3.1bn pounds of copper, 1.7m ounces of gold, and 69m pounds of molybdenum. As well as Freeport's Grasberg mine, the combined group will own Phelps operations in North and South America and control the Tenke Fungurume copper-cobalt project in the Democratic Republic of the Congo.

The deal is the latest in a wave of transactions in the global mining industry. In recent months, Brazil's Companhia Vale do Rio Doce agreed to take over Inco, while Falconbridge was acquired by Xstrata.

Freeport was advised by bankers at JPMorgan and Merrill Lynch and lawyers at Davis Polk and Jones Walker. Phelps was advised by Citigroup, Morgan Stanley and Debevoise.

Freeport Sets Big Bet On Metals With Phelps Deal (WSJ)

By Mark Heinzl And Russell Gold

The Wall Street Journal, November 20, 2006

Freeport-McMoRan Copper & Gold Inc.'s $25.9 billion cash-and-stock agreement to acquire rival copper producer Phelps Dodge Corp. marks a major long-term bet that metals prices will remain strong.

Freeport said it pursued the deal to gain the scale it needs to compete among other miners for equipment and prospects amid increased Chinese demand for commodities and high prices. But the deal comes after copper has fallen from loftier levels, leading to some industry concerns of a potential cyclical downturn.

The combination -- resulting in what would be North America's largest copper producer -- continues the recent streak of big-ticket mining deals, as the industry scrambles to secure new production and mine developments.

Freeport, of New Orleans, will offer $88 in cash and 0.67 share for each Phelps Dodge share. The offer is valued at $126.46 per share at Friday's closing prices, marking a sizable premium over Phelps Dodge's share price of $95.02 reached at 4 p.m. Friday in New York Stock Exchange composite trading. Freeport will finance the deal's cash portion, about $18 billion, with debt. Though Phelps Dodge is roughly twice the size of Freeport in terms of market value and sales, its shareholders will control 38% of the combined company.

Since reaching an all-time high in May, copper prices have dropped more than 20%, trading at about $3.08 a pound Friday on the New York Mercantile Exchange. Copper-market players have pointed to such factors as increasing Chinese production

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and slackening demand, and a slower U.S. economy and housing market. Concerns that copper supplies could fall short of demand have been offset by a growing sense that supplies appear sufficient. Costs, meanwhile, have climbed sharply in recent years amid high energy prices and tight equipment and labor markets.

Still, the current price remains high by historical standards and provides strong earnings and cash flows to many mining companies. Most copper mines in operation today were built with much lower prices in mind.

The Phelps Dodge acquisition will be immediately accretive to Freeport's earnings, the company said, and it will seek to pay down the incurred debt as quickly as possible from the cash flows of the combined company.

In an interview, Freeport President and Chief Executive Officer Richard Adkerson and Phelps Dodge Chairman and Chief Executive Steven Whisler said they have for years discussed the advantages of combining the companies.

Mr. Adkerson -- who would remain chief executive -- said the acquisition allows Freeport to branch out. It operates the highly profitable Grasberg copper and gold mine in Indonesia. Phelps Dodge, based in Phoenix, has geographically diverse mining operations in North America and South America and development projects such as a copper mine in Congo that stand to boost the combined companies' metal production by about 25% over the next three years.

The combination will help Freeport with the industry's labor and equipment problems, Mr. Adkerson said. "The larger and bigger players are in better position to have access to those resources," he said. "We will now be a global company in scale."

He argued copper prices are likely to remain strong because of economic development in China and other fast-growing countries and the lack of large new mines. Grades of existing mines, meanwhile, are dropping while some big mines are being quickly depleted, he said. Copper is used in industrial and construction applications from pipes to electronics and telecommunications.

Mining companies on the hunt for new deposits are being forced to do business in less politically stable nations. Indonesia has never received an investment grade from lenders. Freeport believes it can bring its Indonesia experience to bear in Congo, where Phelps Dodge has struggled to start its long-delayed Tenke Fungurume copper mine. "It looks to be a world-class development opportunity," Mr. Adkerson said. Freeport's role in Indonesia has been criticized by political activists and environmental groups; the company has defended its conduct.

Speculation that Phelps Dodge would become a takeover target has swirled since the company lost out on a bid to acquire Inco Ltd. in a protracted global battle for control of the big Canadian nickel and copper producer. Phelps Dodge's shares reached their 52-week high of $103.90 earlier this month. Mr. Whisler declined to comment on whether other companies sought to acquire Phelps Dodge. Some major shareholders have pushed for a sale or other measures to boost its stock.

For the first nine months of this year, Phelps Dodge reported net income of $1.69 billion on sales of $8.68 billion, while Freeport reported net income of $1.01 billion on sales of $4.15 billion.

James R. Moffett, chairman of Freeport, will be chairman. Mr. Whisler will retire when the deal is completed.

Freeport is being advised by J.P. Morgan Securities Inc. and Merrill Lynch & Co., with legal advice from Davis Polk & Wardwell and Jones, Walker, Waechter, Poitevent, Carrere & Denegre LLP. Phelps Dodge is being advised by Citigroup Inc. and Morgan Stanley & Co., with legal counsel from Debevoise & Plimpton LLP.

Smaller Rival In Agreement To Acquire Copper Giant (NYT)

By Andrew Ross Sorkin And Ian Austen

The New York Times, November 20, 2006

Phelps Dodge, the world's second-largest copper producer, will be acquired by Freeport-McMoRan Copper and Gold, a smaller rival that has been embroiled in environmental and human rights controversies, in a cash and stock deal worth $25.9 billion, the companies said yesterday.

The transaction, if approved by shareholders, would create the world's largest copper producer and the largest mining company based in North America. It is the latest move in a series of mining and metals mergers. Like companies involved in other mining mergers, Freeport-McMoRan promoted the idea that increased size has become an important competitive factor.

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"We have been watching the industry consolidation, fewer companies, larger companies, but we had not been playing a role in it," Freeport-McMoRan's president and chief executive, Richard C. Adkerson, said. "Now Freeport is a larger company that has a larger platform."

The chairman and chief executive of Phelps Dodge, J. Steven Whisler, said yesterday that the two companies have talked about a possible merger for about a decade. The premium of about 33 percent being offered by Freeport-McMoRan, Mr. Whisler said, was a decisive factor in Phelps Dodge's decision to end its 172-year history as an independent company.

The boards of both companies have approved the transaction. Under its terms, stockholders in Phelps Dodge will receive $88 a share in cash plus 0.67 of a Freeport-McMoRan share. Based on Friday's closing, the deal is offering Phelps Dodge shareholders a 33 percent premium.

Freeport-McMoRan, which has a market capitalization of $11.3 billion compared with Phelps Dodge's value of $19.4 billion, will finance the transactions by borrowing about $17.5 billion. Freeport said it expected the deal would be accretive to the combined company's earnings per share and cash flow immediately.

To a considerable extent, Phelps-Dodge now finds itself being acquired because of its failure earlier this year to bulk up with an acquisition of Inco, the large Toronto-based nickel miner.

Inco had approached Phelps Dodge in an attempt to help it with its bid for another Canadian nickel miner, Falconbridge. In exchange for financing for that transaction, Inco's board agreed to be acquired by Phelps Dodge in a deal cash and stock worth about $17 billion.

Ultimately, however, the three-way transaction fell apart. Phelps Dodge walked away from its Inco offer after Xstrata of Switzerland emerged as the winning bidder for Falconbridge. Companhia Vale do Rio Doce of Brazil acquired Inco after offering about $17 billion in cash.

Not only did the Phelps Dodge bid fail to impress Inco's shareholders, it was also criticized by some of the Phoenix-based company's own shareholders largely because it would have increased the company's debt levels from almost nothing to about $24 billion. Some critics said at the time that they would prefer Phelps Dodge to sell itself rather than become larger through acquisitions, a request that has now apparently been granted.

Mr. Whisler will retire when the Freeport-McMoRan takeover is completed. The resulting company, which will retain Freeport-McMoRan name but move its head office from New Orleans to Phoenix, will be led by Mr. Adkerson and retain James R. Moffett, of Freeport-McMoRan, as chairman.

While Phelps Dodge has large mines in United States, Central and South America as well as Africa, Freeport-McMoRan's only significant asset is a mine in Indonesia.

Earlier this year, riots in the Indonesian province of Papua were directed at Freeport-McMoRan. In December 2005, The New York Times reported that Freeport had given more financial support to the Indonesian Army and police in Papua than the company had publicly reported, in some cases individual commanders received tens of thousands of dollars from the company.

Mr. Adkerson said the company was still responding to requests from regulators about the timing and level of disclosure to shareholders about those payments.

The Indonesian mine's operations have also come under criticism for their environmental practices. Mr. Adkerson said that Freeport-McMoRan now had its environmental measures assessed and tracked by independent auditors.

"We operate in an unusual place," he said. "Our mine is in a remarkable physical setting."

Freeport-McMoRan was advised in the deal by J. P. Morgan Securities and Merrill Lynch while legal advisers were Davis Polk & Wardwell and Jones, Walker, Waechter, Poitevent, Carrère & Denègre. Citigroup Corporate and Investment Banking and Morgan Stanley & Company worked with Phelps Dodge, and its legal counsel was Debevoise & Plimpton.

Copper Firms To Merge In $26 Billion Takeover (BLOOM)

By Vivek Shankar And Tan Hwee Ann

Bloomberg News, November 20, 2006

Freeport-McMoRan Copper & Gold Inc. has agreed to buy Phelps Dodge Corp. for $25.9 billion in cash and stock to form the world's largest publicly traded copper company.

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Phelps Dodge stockholders will get $126.46 a share, or $88 in cash and 0.67 Freeport share, New Orleans-based Freeport-McMoRan said in a statement yesterday.

That is 33 percent more than Phoenix-based Phelps Dodge's closing price Friday.

Global mining takeovers, fueled by record profits and prices of metals such as copper and zinc, more than doubled this year, to $113.7 billion, according to data compiled by Bloomberg News.

The Freeport transaction will be the largest mining-industry takeover deal this year.

"With metal prices fueling strong cash flows, and the expectation by companies that prices will stay stronger for longer, more miners would want to shore up their backdoor or acquire to add value," said Tim Barker at BT Financial Group, which manages $54 billion of assets, including mining stocks. "It looks like a pretty strong price for the shareholders of Phelps Dodge."

Freeport has secured financing from J.P. Morgan Chase & Co. and Merrill Lynch & Co., and the cash portion of the bid is about 70 percent of the total bid, it said.

This year, Freeport has paid $500 million of debt early, spent $313 million on dividend payments and bought back $80 million in shares.

Freeport shareholders will "benefit from . . . lower cost of capital, and improved geographic and asset diversification," Freeport President and Chief Executive Officer Richard C. Adkerson said in the statement.

Blackstone In Talks To Buy Equity In $36bn Deal (FT)

By James Politi In New York

Financial Times, November 20, 2006

Blackstone was on Sunday night in advanced discussions to seal the biggest private equity deal on record as the board of Equity Office Properties, the US commercial real estate company founded by Sam Zell, met to vote on a takeover worth $36bn including debt.

Although the outcome of the meeting remained unclear, the talks will highlight the growing audacity of cash-rich, buy-out firms, which are taking over some of the biggest US companies in a range of industries.

Last week Thomas H. Lee Partners, Bain Capital and a group of banks agreed to buy Clear Channel Communications, the biggest chain of US radio stations. Harrah's Entertainment, the US casino giant, has for weeks been in talks to be taken over by Apollo Management and Texas Pacific, although it remained unclear on Sunday night if that would result in an agreement.

In July, HCA, the biggest US hospital chain, agreed to be taken private by a consortium including Bain Capital, Kohlberg Kravis Roberts, and Merrill Lynch for about $33bn. That agreement broke the record for the biggest private equity deal, sealed in 1989 when KKR bought RJR Nabisco, the food and tobacco conglomerate.

But the huge amounts of money flooding into private equity and the availability of cheap debt to finance acquisitions have led to expectations that the HCA deal size would soon be trumped.

According to people familiar with the matter, Blackstone, led by Steve Schwarzman, has offered to pay about $20bn in cash for Equity Office, which is based in Chicago and is the biggest publicly traded owner of office buildings in the US.

Blackstone would be taking on $16bn of the company's debt if a deal were signed. Blackstone and Equity Office declined to comment.

An acquisition of Equity Office by Blackstone would represent the private equity group's latest big bet on the health of the commercial property markets in the US, where prices have risen significantly in recent years, leading to fears of a bubble.

Blackstone already began targeting the commercial property this year when it agreed to take over CarrAmerica for $5.6bn and Trizec Properties for $8.9bn. Blackstone is also a big investor in hotels.

Shares in Equity Office, established three decades ago by Sam Zell, the current chairman and Chicago real estate magnate, were trading at $44.72 on Friday. The current stock price gives Equity Office a market capitalisation of $15.72bn and implies that Blackstone's offer is at a 27 per cent premium to its current market value.

Blackstone Is Set To Announce Takeover Plan For Equity Office (WSJ)

By Dennis K. Berman

The Wall Street Journal, November 20, 2006

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Joining an unprecedented rush to remove corporations from the public markets, the real estate arm of private-equity firm The Blackstone Group is set to announce a $20 billion takeover plan for Equity Office Properties Trust, the largest U.S. office-building owner and manager, people familiar with the matter said.

If completed, the deal would become the largest such "take private" deal in history -- and the largest real-estate deal in history -- when factoring in Equity Office's existing $16 billion in debt. It's a record that has already been broken this year, and could be broken again by year-end, as private-equity firms train hundreds of billions of dollars of capital on once untouchable names of the stock-market firmament.

If the deal is ratified later tonight, Blackstone is expected to pay about $48.50 for each share of Equity Office, say the people familiar with the matter, representing about a 10% premium to Chicago-based Equity Office's stock price on Friday, of $44.72. Equity Office's management, including its founder and public face, Sam Zell, are not expected to be a part of the buyout group, the people added.

Blackstone Acquiring Trust In Richest Buyout (NYT)

By Andrew Ross Sorkin And Terry Pristin

The New York Times, November 20, 2006

The Blackstone Group, a private investment firm, said yesterday that it had agreed to acquire Equity Office Properties Trust, the nation's largest office-building owner and manager, for about $36 billion.

The deal marks the largest leveraged buyout in history, eclipsing the $33 billion paid earlier this year for H.C.A., the hospital chain, and it illustrates how private equity firms continue to gobble up corporate America. Under the transaction, Equity Office will go from being a publicly held company to a private one. Blackstone will pay $20 billion and assume $16 billion in debt.

Equity Office, with some 590 buildings and over 105 million square feet of office space in major metropolitan markets, was created in 1976 by Sam Zell, a real estate tycoon who built the business through dozens of acquisitions that were worth, in aggregate, more than $17 billion. Last year, Equity Office acquired the Verizon Building on Sixth Avenue in Manhattan for $515 million.

Matthew L. Ostrower, an analyst at Morgan Stanley, called the proposed deal "a ground-breaking transaction for the real estate world in general and an earthquake for the REIT industry."

Mr. Ostrower said that if a company the size of Equity Office chose not to remain public, "now every public company out there is going to have to some degree examine their capitalization, whether being public makes sense."

The deal will make Blackstone, which was founded in 1985 by Peter G. Peterson and Stephen A. Schwarzman, one of the nation's largest owners of real estate.

"We believe that the skills and strengths of Equity Office will greatly enhance our existing office platform," Jonathan D. Gray, senior managing director of Blackstone, said in a statement.

For Mr. Zell, one of richest men in America and the owner of more real estate than Donald J. Trump, the sale is an opportunity to cash out of part of the empire he built while working from his office in the old Daily News Building in Chicago. But the sale by Mr. Zell, who made his first millions in the 1970's buying distressed real estate, may also signal that he believes the market may have peaked.

Just last month, Ross L. Smotrich, an analysts at Bear Stearns, wrote in a note to investors: "REIT's have outperformed the broader market in each of the past seven years, putting valuations at the high end of historical ranges."

But in an upbeat report issued last week, Green Street Advisors, a research company, said that office rents, which have increased 8 percent over the past year, are likely to continue to rise next year. REIT's usually own and operate income-producing real estate.

Private equity firms are vying to hold the crown of having led the biggest buyout in history, and, with this deal, Blackstone will be able to do so at least for now. Blackstone will move ahead of Kohlberg Kravis Roberts & Company, which led the H.C.A. sale. Kohlberg Kravis also held the prior record with its 1989 takeover of RJR Nabisco, a deal that came to define an era when it was chronicled in the book "Barbarians at the Gate."

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The transaction comes amid a private equity frenzy for the next big leveraged buyout. Last week, Clear Channel was acquired for about $26 billion by a team of private equity firms. Other deals, like the $22 billion purchase of the gas pipeline company Kinder Morgan or the sale of Freescale Semiconductor for $17.6 billion, have redefined the size and scope of leveraged buyouts. Harrah's, the big casino company, is currently in negotiations to be taken over by another group of private equity firms.

For many years, it was Equity Office that bought up other companies, but the company's performance in recent years has cast doubt on Mr. Zell's longtime credo that "bigger is better." In 2000, as the dot-com industry was about slide, Equity Office acquired a large portfolio of buildings in the Silicon Valley and was later forced to sell them at a loss.

In recent years, Equity Office has reduced its holdings in weaker markets like Dallas, Houston and New Orleans and has tried to establish a bigger presence in stronger markets like New York and Washington. In 2005, the company sold $2.7 billion in assets.

Blackstone, meanwhile, has been the biggest acquirer of large buildings over the last five years. It has bought interests in $32 billion worth of property, 50 percent more than next largest buyer, said Robert M. White Jr., president of Real Capital Analytics, a New York research company.

This year alone, Blackstone has bought $20 billion worth of real estate, or 7 percent of all acquisitions. It has been involved in more REIT buyouts and mergers than any other company.

Blackstone began buying office REIT's only this year, first by paying $5.6 billion for CarrAmerica Realty Corporation, which had interests in 285 buildings, mainly in California and Washington, D.C. In a deal that closed last month, Blackstone teamed with Brookfield Properties, a REIT, to buy Trizec Properties, the owner of 61 office buildings, including the W.R. Grace Building in Manhattan.

Under the latest deal, Blackstone would pay $48.50 a share for Equity Office, representing an 8.5 percent premium to its closing price on Friday of $44.72.

Real Estate Giant To Go Private In $36 Billion Deal (BLOOM)

By Dana Cimilluca And Brian Louis

Bloomberg News, November 20, 2006

Blackstone Group L.P., manager of the world's largest buyout fund, has agreed to purchase Equity Office Properties Trust, the largest U.S. office landlord, for about $36 billion in stock and debt, Equity Office said late last night.

The leveraged buyout of Equity Office would be the largest ever in the real estate industry. It comes amid a dealmaking bonanza for private equity firms, flush with cash from record fundraising, and office REITs, which are benefiting from surging demand in major markets such as New York.

Equity Office shareholders would receive $48.50 a share, an 8.5 percent premium to Friday's closing price of $44.72, the companies said in a statement. The Equity Office board unanimously approved the offer for the Chicago-based real estate investment trust last night. Including the assumption of Equity Office debt, the total value of the transaction is $36 billion, making it the biggest leveraged buyout in history. The deal still has to be approved by Equity Office shareholders.

"I think it's a deal that's pretty attractive to shareholders," said Srikanth Nagarajan, an analyst with RBC Capital Markets in New York. "Office properties are increasing in value in the eyes of private equity investors."

Blackstone had previously acquired 10 publicly traded real estate companies in the past two years, including CarrAmerica Realty Corp.

Buyout firms have raised a record $170 billion this year through mid-October, up from $134 billion in 2005, according to London-based consultant Private Equity Intelligence Ltd.

The buyout talks were reported earlier by the Wall Street Journal. Terry Holt, a spokeswoman for Equity Office, declined to comment late last night. John Ford, a spokesman for New York-based Blackstone, also declined to comment.

Blackstone in July raised a $15.6 billion fund, to which it is adding. In June, it raised $5.25 billion for the largest-ever fund for high-return real estate investments, the majority of which has been spent already.

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The company and other private equity firms, which finance the bulk of their takeovers using the target company's cash flow, have announced $600 billion of acquisitions so far this year, compared with $241 billion in 2005, according to data compiled by Bloomberg News.

Equity Office and Blackstone said in the statement that they expect the deal to close in the first quarter of 2007.

The biggest acquisition of a real estate investment trust to date is General Growth Properties Inc.'s purchase of Rouse Co. for $11.3 billion in 2004.

Equity Office shares have gained 47 percent this year. Over the past three years, the shares have increased 60 percent.

But Equity Office's share price hasn't appreciated as much as those of other REITs since it went public in July 1997 at $21 a share. Shares of New York-based SL Green Realty Corp., for example, closed Friday at $126.30 in New York Stock Exchange composite trading. Boston Properties Inc. went public at $25 a share in June 1997 and it closed Friday at $108.62 in New York Stock Exchange composite trading.

Bloomberg News staff writers Daniel Taub and Hui-yong Yu contributed to this report.

Managing Lessons Learned? How US Airways Would Navigate Merger (WSJ)

By Melanie Trottman

The Wall Street Journal, November 20, 2006

It's hard enough post-Sept. 11 to manage one airline. Now, US Airways Group Inc. Chief Executive Doug Parker wants to run three.

With his $8.67 billion hostile bid last week for Delta Air Lines, the CEO is proposing to add yet another company to the two he's already combining as a result of his America West Airlines acquiring US Airways late last year. He envisions that the new airline would fly under the Delta name.

The 45-year-old, known for his financial expertise, is rolling the dice again in what would become the greatest management challenge of his career if a deal goes through. By merging with the much-larger Atlanta carrier Delta as it emerges from bankruptcy court, US Airways, based in Tempe, Ariz., would become the largest U.S. airline in terms of passenger traffic , a huge leap from its No. 6 ranking right now.

It would add an exponential level of complexity to an already daunting task. Though the earlier merger is considered a financial success so far, some of its customer-service rankings have been among industry lows in recent months as the airline has had rising problems with baggage handling and overall service complaints. Management is still blending the cultures of the two airlines, which were in many ways steeped in vastly different processes and procedures.

Union groups have yet to be combined, and pilots are griping about how throwing a third airline into the mix would further complicate the task of reassigning seniority ratings. US Airways has yet to meld the reservation systems of its predecessor airlines, a huge and sensitive task set to occur early next year. The company had major glitches when it combined frequent-flier programs and launched a blended Web site in May, efforts that angered many customers who couldn't complete bookings or get access to frequent-flier-mileage information.

Mr. Parker, though, is talking up the savings. A US Airways-Delta merger would cut overlapping flights and reorganize ground facilities, among other things, to bring about some $1.65 billion in annual cost savings, he said.

Increased size would be an advantage, not a burden for the airline, Mr. Parker said: "Size helps. The ability to take more people to more places is a critical factor in running an airline, so it certainly matters." The airline would also have more purchasing power when it comes to buying things such as new seats for aircraft or cups and napkins for in-flight service.

Still, adding Delta would bring more than 400 additional planes to schedule and maintain, 51,000 more employees, more complex technology to integrate or overhaul, and throngs of new customers (in terms of "passenger enplanements" -- a person getting onto an airplane -- Delta has about 119 million a year, nearly four times that of US Airways). "Because of the immense complexity of all the moving parts, the amount of planning is the single most important factor involved" in pulling off any merger, said Peter Walsh, director of New York-based Mercer Management Consulting's aerospace group.

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Mr. Parker and his team say they are ahead of the game in planning if the Delta acquisition goes through. In the first merger they had to create an integration plan from scratch. But when they began contemplating a Delta combination months ago, they started going through each operating area to assess what would be different with Delta and what didn't work in the first merger.

"We've learned a lot of lessons. We'll do it better the second time around," said US Airways President Scott Kirby, who, like Mr. Parker, was an executive at America West before the merger.

One of the lessons, Mr. Parker said, comes from the airline's Philadelphia hub, acquired from the old US Airways. Baggage-handling problems and staffing shortages persisted even after Mr. Parker bought millions of dollars in ground equipment and increased staffing. He recently bought more equipment and boosted staffing again.

"It was a bigger problem than we thought," Mr. Parker said. "We've made huge progress over the last few months by focusing more on baggage, getting more people hired, putting more ground equipment in place. We apparently didn't go quite far enough. That is our No. 1 focus at US Airways, getting that done."

Management also learned it needed to listen more to employees. After the problem-ridden launch of the new US Airways Web site, Mr. Kirby started a weekly conference call with employees from reservations, airports, and other areas to discuss customer feedback. Once a month, a dozen vice presidents meet with line workers at various locations to do the same.

In a Delta merger, management would move more slowly on some of the technology integrations, Mr. Kirby said. The company was blindsided by higher customer call volumes after it moved more than 10 million frequent-flier records from one airline's technology platform to another. In a Delta merger they'd do more testing in advance and bring in customers to give feedback on the Web site and help identify glitches.

Executives concede that Atlanta's airport -- where Delta operates a huge hub -- would be a bear to manage. US Airways executives say that to more efficiently manage the sprawling, busy facility, they'll likely fly larger planes from that airport, while moving smaller planes to their nearby hub in Charlotte.

One key challenge for Mr. Parker would be putting together an expanded team of managers that would include those from an airline that is still loudly opposing his bid. "What we learned in the US Airways-America West merger is that it's extremely important to have people from both management teams working together," he said.

When Mr. Parker was first integrating the new US Airways, he and his team came up with a list of goals he planned to share with employees. Someone from the America West side of his team suggested creating a slogan for the campaign. But managers from the old US Airways advised Mr. Parker that workers would think that was disingenuous, given that the company had made two trips through bankruptcy court and a string of promises from former managers hadn't panned out. "There are histories in each company, and as I went out and talked to employees on the US Airways side, I had to spend a lot of time trying to understand what have they gone through, what have they heard, how am I going to sound saying that?" Mr. Parker said.

All this is likely dwarfed by the union issues posed by combining three airlines. US Airways is conducting talks with pilots groups from both its predecessor airlines, and those talks are unlikely to be completed before a merger with Delta could be consummated some time next year. That means the airline could end up conducting three-way union talks.

Mr. Parker said he plans to raise union pay scales for the combined labor groups to the highest scale paid by any of the three original airlines. Current US Airways pilots say it's not so simple, given all the seniority issues and their uncertainty whether the highest pay scales would be enough. They also want the company to complete negotiations with them before taking on another merger.

Mr. Parker said he was forced to make a move while Delta was still in bankruptcy proceedings and big cost savings could still be negotiated through the courts. "If we could, we would have liked for this opportunity to come along a little later, so we could fully integrate our merger now," he said.

Final Bids For Putnam Are Due Before Thanksgiving Holiday (WSJ)

By Ian Mcdonald And Dennis K. Berman

The Wall Street Journal, November 20, 2006

The auction of Boston money manager Putnam Investments will move into its latter stages this week with final offers due from three bidders before the Thanksgiving holiday, according to people familiar with the matter.

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Prior to the Thursday holiday, bids are expected from three suitors: Amvescap PLC of the United Kingdom, Unicredito Italiano SpA of Italy and Power Corp. of Canada, according to one of these people.

It could be weeks before any decision is made by Putnam's parent, Marsh & McLennan Cos., of New York. Marsh President and Chief Executive Michael Cherkasky has called the auction "a market check," and the company may decide to hang onto Putnam, which manages $187 billion of assets, if it can't get a price its board considers fair.

A Marsh spokesman declined to comment. Calls to Amvescap, Unicredito and Power Corp. weren't returned.

A final sale price could be affected by the inclusion of "earn out" clauses. These agreements might allow for a lower payment up front but also additional payments if Putnam meets specific financial goals.

The Putnam auction is seen as an important step in Marsh's recovery from a tangle with New York Attorney General Eliot Spitzer. Mr. Cherkasky took the company's reins in October 2004 when an industry-wide bid-rigging inquiry put the firm and its Marsh Inc. insurance brokerage in crisis. Marsh Inc. and other large insurance brokers reached civil settlements with state authorities.

But many, including Marsh, also gave up controversial and lucrative commissions they previously accepted from insurers. Replacing that revenue has been difficult. Marsh earned $404 million last year. That was up from 2004 but down from the more than $1.5 billion in 2003 when it still accepted so-called contingent commissions from insurance companies.

The company has reported $764 million in net income through the first nine months of this year, as Mr. Cherkasky has embarked on a cost-cutting campaign. He has told shareholders he aims to build the company into a premier risk consultant to corporate clients world-wide. Its Marsh insurance-brokerage unit as well as its Mercer and Kroll consulting units generally fit under that umbrella.

But Putnam could be seen as something of an outlier. The money manager is seen as an awkward fit at times. Having a money manager and Marsh's Mercer Investment Consulting under one roof, for instance, creates a potential conflict of interest.

Putnam historically has buttressed Marsh profits when the insurance brokerage and consulting units struggled, but the company has grappled with its own problems in recent years. Poor performance in the 2000-2002 bear market and inclusion in a share-trading scandal in 2003 hacked away at the company's assets and reputation. The company's current assets under management are less than half what they were at their peak in 2000.

That said, things have begun to look up for Putnam and Marsh lately. Putnam funds' performance and reputation have started to improve during the watch of President and Chief Executive Charles Haldeman, who took over amid the share-trading scandal in 2003. While Mr. Haldeman offered to step down if a buyer wanted to install its own managers, he appears to have the backing of the board of Putnam's mutual funds, according to a person familiar with the matter.

For its part, Marsh more than doubled its net income during the third quarter from the year-earlier period despite modest revenue growth. The company's shares, still below their level prior to the bid-rigging probe, are up more than 26% during the past three months.

Marsh's shares closed at $32.09 each on the New York Stock Exchange Friday, down 12 cents, for a $17.75 billion market value.

Bearish On Chicago (WSJ)

By Meyer S. Frucher

The Wall Street Journal, November 20, 2006

The announcement of the proposed merger between the Chicago Mercantile Exchange and the Chicago Board of Trade has sparked applause from the shareholders who will benefit. But for the marketplace, the growing derivatives trading community, and the American consumer, the merger of two already powerful monopolies into a single pre-eminent force in the risk markets may be the perfect illustration of why monopolies are a bad thing. For regulators, therefore, the proposed merger represents an urgent challenge and an opportunity to ensure the competitiveness of these essential markets.

Historically, both the CME and the CBOT have operated as effective monopolies as futures contracts were typically traded exclusively at a particular marketplace. Yet to the idea that there is a downside to two discrete but not overlapping monopolies merging into one, many in the financial markets have responded: So what? After all, contracts traded at both exchanges are

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cleared by a single entity today. So long as the products are distinct from one another and the transaction does not result in incremental concentration of the marketplace for futures clearing, then there is no incremental concentration of market share either.

The argument does not stand up. First, the commercial markets suggest that you look for evidence of monopoly powers in concentrated pricing that harms consumers, builds economic inefficiencies into the system, and stifles innovation. Yet the recent history of the futures markets has shown that the winds of change were brought by a failed competitor in the case of CBOT and by the scrutiny of public equity investors in the case of CME. In fact, CBOT's case demonstrated the impact of competition on pricing and the "stickiness" of incumbency. The merged entity will concentrate pricing and will thus wield monopoly powers.

Second, given the supposedly limited overlap between products in the merger, this monopoly will reside in the financial futures that comprise the interest rate risk products -- i.e., Eurodollar futures that trade on the CME and the Treasury futures that trade at the CBOT. If this merger is approved, 80% of exchange-traded interest rate derivatives will be concentrated in one marketplace. Some counter this by contending that Eurodollar and Treasury futures contracts do not compete with one another because they are used to manage risks at different ends of the yield curve. But this is not true; both provide products along the entire curve. Thus, they are competitive, and their concentration into one marketplace would clearly be anticompetitive.

Third, the fact that clearing is already concentrated into one entity is already anticompetitive. Clearing should be a commoditized, processing-oriented service essential to the credit intermediation role of exchanges and thereby to the proper functioning of exchanges. Given that both exchanges have raised prices for clearing services since the Common Clearing Link was established, their concentrated clearing is a red flag.

Well, argue naysayers, even if the monopoly begins to creep toward predatory pricing, what's to stop some other market from listing a competing product that slashes that cost? In many markets, such as the cash equity trading arena, that is exactly what takes place. But such a scenario is unlikely to happen in the unique arena of trading and clearing in the futures contracts. Firms will only trade where there is sufficient liquidity to unwind a position they are carrying. The liquidity at a merged CME/CBOT would be unassailable, making it impossible for an upstart market to get a "first adopter" to trade a competing product.

The concentrated clearing exacerbates the issue. The cross-margining benefits of clearing all financial futures contracts at a single clearinghouse reduces the amount of capital traders need to post in order to take potentially risk-offsetting positions in products traded on different exchanges. This provides a further incentive to trade only at CME. While the common clearing link may have made margining more efficient, it has left unaddressed the long-term pricing power in the clearing space. We are talking about structural advantages that already impede entry to compete head-to-head in a product with either of them. Taking on their combined might in a merged entity would be akin to a high school team taking on the Chicago Bears. Add to these concentrated powers the fact that a merged CME/CBOT would be a self-regulating organization. That would make the post-merger CME an effective monopoly in the regulation of the financial futures space, exacerbating the issues of bifurcated regulation at the federal level between the Commodity Futures Trading Commission and the SEC.

So how does this merger affect the average trader or public investor? As more and more people use derivatives to manage their own portfolio risk or speculate on the direction of interest rates or commodities, it is a certainty that their transaction costs will be higher if CME and CBOT merge. Since both went public, they have raised their transaction and clearing fees, and can certainly continue to do so unilaterally as a merged organization.

What can the CFTC and the Department of Justice do to ensure that a merger benefits the markets? First, the CTFC should insist on fungibility of products so that if another futures market offers a Eurodollar future, any firm can take or unwind a position on different marketplaces. That will encourage competition. Second, DOJ can insist that CME "universalize" its clearing services by separating the clearinghouse from its common ownership with the exchanges, or by allowing other clearinghouses the benefits of cross-margining.

Exchanges that have gone public -- especially futures exchanges -- have commanded the attention of the capital markets and enjoyed the benefits of investment. That is a good thing. A CME/CBOT merger, however, holds the potential to cast a disproportionate shadow over the risk markets -- with adverse impact on the markets themselves and certainly on the public.

Mr. Frucher is chairman and CEO of the Philadelphia Stock Exchange.

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ENVIRONMENT:

Reforestation And Deforestation (NYT)

The New York Times, November 20, 2006

Almost anyone who lives in the rural Northeast can attest that the forest has expanded its range in the past century. That is why all those stone walls — the edges of cleared fields once upon a time — are now orphaned deep in the woods. A new study published by the National Academy of Sciences and based on a recent international assessment of forests confirms that reforestation has become a widespread pattern in well-off countries and also in a few that are not so well off.

This is obviously good news. Forests provide critical wildlife habitat, and the study's authors say the forest "withholds carbon dioxide that would add to greenhouse gas in the atmosphere."

Forest transitions — the shift from net deforestation to reforestation — began long ago in Europe and more recently in the United States. What is surprising is that they are beginning to happen in parts of India and Asia as well. Reforestation is directly linked to prosperity, an indicator that a country has risen well above the level of mere subsistence and has an economy that no longer depends entirely on exploiting natural resources.

But there is also bad news mixed with the good news. In some parts of the world, deforestation is only expanding, with dire consequences for biodiversity and the climate.

And even where forests have recovered, there is the likelihood that they have passed through an ecological point of no return. Some of the most biologically diverse forests are being logged or burned without ceasing, destroying irreplaceable habitat and extinguishing species one by one.

Perhaps someday those tropical forests will come back. But there will be no bringing back all the creatures who lived among them.

No Fish Story (WP)

The Washington Post, November 20, 2006

FOR YEARS, scientists, environmentalists, responsible fishermen and others who care about the health of marine ecosystems have been warning about overfishing and other practices that destroy oceanic biodiversity. The message has been clear to anyone who cared to listen: Reform fishing rules or the oceans will die -- and sooner than you think. How soon? A new paper by a team of respected scientists estimates that unless policymakers take substantial steps to preserve marine biodiversity, the world will face "the global collapse of all taxa currently fished by the mid-21st century." Given how variably fisheries are managed, that may be too dire. Then again, it may not; in many countries, fisheries management is a disaster. And in many parts of this country, it's little better. A lot of fisheries have already collapsed. And destructive fishing practices continue as though the oceans represent a limitless supply, rather than a series of delicate ecosystems more easily destroyed than repaired.

The only good news in the new study, published in the journal Science, is that with most species, humans have not yet reached the point of no return and that sound fisheries management really does make a difference in preserving the sort of diversity that allows stocks to recover. There is no great mystery here. Fisheries managers who are disciplined about limiting the catch to what responsible science says an ecosystem can sustain marry environmentalism with the long-term economic health for fishing communities. It is no accident that Alaska's farsighted fisheries management council is both a leader in environmental stewardship and oversees the country's largest and most profitable fishing industry. These are ultimately the same thing, after all -- extinct fish being hard to catch. The challenge domestically is to get other regions to follow Alaska's lead and internationally to get countries bent on destructive fishing practices to adopt more sustainable models.

On the domestic front, Congress needs to reauthorize and improve the law that governs fisheries management. Both houses of Congress have bills that would do this; the Senate's is generally stronger. It is critical that the legislature quickly send a tough bill to President Bush that would bind fisheries managers to the best available science and provide strictly enforceable limits on the amount of fish taken from the seas. Internationally the Bush administration has been pushing for a ban on unregulated bottom trawling on the high seas. Bottom trawling, in which giant nets get raked along the sea floor, destroying ancient corals and other life forms in their paths, is one of the most ecologically destructive forms of fishing. Getting such a ban --

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as well as international limitations on other destructive fishing practices -- would be a significant coup environmentally and would burnish the record of oceanic protection Mr. Bush established this year with his creation of a mammoth marine protected area in the Northwestern Hawaiian Islands.

Responsible fisheries management is an issue that bends ideology. But it is one of the most pressing ecological concerns of our time. If policymakers fail to address it seriously, the oceans will become giant dead zones, and seafood will be a thing of the past.

Building Green (WP)

The Washington Post, November 20, 2006

IT'S A COMMON misconception that the noxious spew from an automobile's tailpipe is the predominant driver of global warming. But buildings are massive producers of the gases that contribute to climate change, too; they are responsible for at least 38 percent of greenhouse emissions in the United States, and the American Institute of Architects says that number is significantly higher. And, unlike the case with cars, cutting the contribution of buildings to the problem can be remarkably easy.

The environmental benefits of better building requirements remain an insight overripe for policymakers to exploit. That's why we welcome a bill the D.C. Council unanimously supported in its first reading last week. If the bill passes, government structures built three years after the legislation takes effect will have to meet a high standard of environmental friendliness. Five years on, private construction projects will also have to fulfill building requirements aimed at lessening environmental impact. This way, private developers would have a sense of how to easily bring their buildings into compliance and keep extra costs down before they have to begin meeting the new standards, a palliative that convinced the president of the D.C. Building Industry Association to support the bill.

The legislation is hardly perfect, however. The guidelines to which District developers must adhere place insufficient emphasis on energy efficiency. For example, builders can get away with doing special landscaping or making indoor conditions more pleasant instead of aggressively cutting electricity usage. Still, the legislation serves a useful purpose without imposing punishing costs on builders.

While there is some concern that the proposed law might cause developers to turn to other areas of the region that have looser building requirements, it's more likely that the District will become a regional leader in establishing environmentally sound building practices. The region's Council of Governments recently commissioned a task force to recommend area-wide "green" building standards. The District is showing the way.

After years of presidential neglect on global climate change, states and localities have had to pioneer their own approaches to reducing the atmospheric pollution they produce. Smart building requirements are a promising new tool for American cities to do just that. More jurisdictions should follow the District's example.

FBI/DEA/ATF/USMS:

Global Hunt Turns Pushers Into Prey (PHI)

By John Shiffman

The Philadelphia Inquirer, November 20, 2006

HENRY ON THE PARK APARTMENTS, ROXBOROUGH

Fighting a fever with pepper cardamom tea, the graduate student raced through his homework and e-mailed a PowerPoint presentation to classmates. American business school seemed so easy. Group homework assignments. Exam review sessions. Online classes. Open-book tests!

And now, on April 18, 2005, Akhil Bansal stood on the cusp of earning an MBA and a master's in health-care finance from Temple University, golden American degrees that would catapult his career back home in India.

He smirked at the irony of that evening's twin assignments, health-care marketing and generic-drug risk management, subjects in which he had more than a passing interest.

If they only knew...

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Since his arrival in Philadelphia in 2003, this studious foreigner, with his rumpled flannel shirts and cocksure demeanor, had at age 26 blossomed into a global businessman.

While classmates studied case histories and created mock businesses, Akhil made real money. He controlled offshore accounts worth $6 million. He bought four cars and a sleek five-bedroom condo in a swank suburb of New Delhi. He could fly his fiancée to London on a whim. The balance in his free student checking account stood at $401,881.

His family's business was simple. From its base in India, the company supplied Internet pharmacies on four continents. The Bansals were the guys who supplied the guys who sent that relentless spam, luring American consumers with cheap Viagra, no-prescription Ambien, next-day codeine.

Akhil oversaw the family's North American operations, shipping roughly 75,000 pills a day via UPS. In a little more than a year, the network had smuggled 11 million prescription tablets to more than 60,000 American addresses, an operation that grossed at least $8 million. These numbers did not include the steroids or the kilo shipments of the tranquilizer ketamine, a club drug called "Special K."

The family's Internet business represented a dark slice of the global economy so new, and so widespread, that national governments were still struggling to understand it, let alone police it.

Laws were vague, outdated, inconsistent. Technology - new medicines and ways to deliver them - was outpacing regulation.

Demand grew monthly. On this moonlit evening in April 2005, for example, the Bansal business had an additional six million tablets and 108 kilos of ketamine stockpiled in a cluttered garage and a warehouse in suburban Queens, N.Y.

There were risks, yes. Some clients paid slowly; some employees stole. More ominously, a valued client, one Web operator Akhil supplied, had been arrested on drug charges just days before.

Indeed, in an overseas phone call that very morning Akhil and his father, Brij Bansal, had discussed this arrest, spooked but reminding themselves again that what they were doing was legal: Both were doctors, after all, and in India most of the medicines they sold did not require a prescription.

Even so, the father sensed something wrong.

"Close all your bank accounts and transfer online," Brij told Akhil. "Keep an open ticket ready, and as soon as you smell trouble you can leave by the time they reach you."

"Yeah... . OK, Papaji."

ANJUMAN HOTEL, AGRA, INDIA

Seven thousand miles away, a thin Indian drug agent with a rust-colored goatee perched over a laptop in a sweaty hotel room not far from the Taj Mahal.

The room's thick walls and tiny windows shielded the wire man from the blare of National Highway 2, a road so frenetic even cows gave way to its traffic.

Through headphones, the Indian Narcotics Control Bureau agent listened to a replay of the Bansals' father-son call. Then the wire man listened again to confirm what he had heard: "Start taking precautions... keep an open ticket... as soon as you smell trouble..."

Across the room, his boss and his boss' boss stood next to an agent from America's DEA. The stakeout, two blocks from Brij Bansal's upscale home, was the culmination of a 13-month global dragnet. The wire man knew this bust represented his country's biggest Internet pharmacy crackdown, and its biggest case with the Americans.

With a series of synchronized sweeps coordinated from Philadelphia, Indian and U.S. agents hoped to arrest 17 people worldwide and seize bank accounts from 11 countries.

This was what the wire man had been waiting for.

Over six months on the wire, he had come to know the Bansals. Despite the time difference - when it was day here, it was night in Philadelphia - father and son spoke daily. True, they talked about the son's schooling and the father's bad heart. But mostly they talked business: supply, demand, stock, delivery, debt, profit.

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The wire man had also eavesdropped on the father's calls with his New Delhi courier. Again and again, Brij reminded the courier to use phony return addresses on the packages he shipped to the United States. Several times, Brij remarked that he was paying the courier six times the going rate, a fee for which he expected loyalty and secrecy.

In a way, the wire man felt sorry for the Bansals. Except for their crimes, they were educated, productive, respected members of society. It would be sad to see them yanked from their homes in handcuffs.

That inglorious end, he believed, lay hours away.

LANCASTER, PA.

Lynn, a 35-year-old mother who had not worked since a 2000 car accident, logged on to a familiar Web site, meds-warehouse.net.

Her doctor had prescribed Ambien in the past, but he was retired now, and insurance no longer covered the sleeping medication.

She ordered 30 tabs with her credit card.

The person at meds-warehouse.net did not require a prescription, nor did he have any medical training. He didn't even understand the purpose of half the drugs he sold.

After validating Lynn's credit card, the Web site operator entered the order onto an Excel spreadsheet, one of 24 Ambien orders this day - orders from Little Rock, Ark.; Hattiesburg, Miss.; Plano, Texas; Wichita, Kan.; and Philadelphia.

The operator forwarded the spreadsheet to his suppliers, Akhil and Brij Bansal, who fulfilled more than 1,000 orders each day from their Queens warehouse, shipping them by UPS across America.

DEA OFFICES, CENTER CITY

Whenever DEA supervisor Jeff Breeden grew nervous, he would rub his forehead with his left hand. Now, as the arrest briefing began, Breeden dug deep into his brow.

Tomorrow's worldwide takedown of the Bansal network was to be monitored from this drab conference room overlooking Independence Mall.

The network supplied a rainbow of pills - painkillers, sleep aids, sedatives, stimulants, steroids, psychotropics, erectile-dysfunction medication. Thousands of orders a day.

Who knew who made this stuff, where it came from, what was in it? The public health risk that Internet drugs posed, Breeden thought, was incalculable.

Yet no one in DEA had ever worked a major global online pharmacy investigation. He knew it was a career case, one colleagues would always link to his name. Breeden? Yeah, he's the guy who supervised the Internet pill case out of Philly.

To take down the network, agents were using a number of weapons - surveillance, undercover buys, cell-tower pings, trash pulls, e-mail wiretaps, bank subpoenas, immigration reports, even provisions of the Patriot Act. Agents here had flown to Australia, Costa Rica and India.

As Breeden listened to the arrest briefing, he thought about everything that could go wrong.

Would foreign banks and governments cooperate? Or would they protect the targets, allowing Akhil and others to flee with millions? Would magistrates in several states authorize search warrants in time? Would the bad guys be there when agents raided their homes at dawn? Had any of them gotten wind of the premature arrest in New York? Did Akhil, as he implied in e-mails, really have a mole inside U.S. Customs?

Had they overlooked anything?

James Kasson, the top DEA official in Philadelphia, a weightlifter with a New York accent, began with a pep talk. What they were doing, he reminded the agents, was important, cutting-edge.

"The administrator is personally watching," Kasson said, citing Karen Tandy, DEA's top official in Washington.

Congress was pressuring Tandy to do something about illegal online pharmacies. She recognized the emerging public health threat. After all, any kid with a credit card and Internet access could order highly addictive drugs from the safety of home. But so far, DEA had struggled to take down the rogue pharmacies.

Tandy was counting on the Bansal case to make a splash.

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In D.C., there was talk that the attorney general himself would announce the bust. In New York, DEA agents were going to let ABC News go along on the raids. In Philadelphia, U.S. Attorney Patrick Meehan prepped for his news conference.

As the briefing broke up, the FBI agent on the case, Jason Huff, a bright young techie, approached the lead DEA agent, Eric Russ, a no-nonsense former Marine. Huff proposed an overnight stakeout of Akhil's Roxborough apartment, in case he and his roommate tried to flee.

Russ liked Huff, but Russ had a lot to coordinate, too much to accomplish before morning, and a stakeout wasn't part of the plan. He doubted anyone would run. These targets were computer nerds, not street thugs. If they hadn't detected surveillance trailing them for the last nine months, they weren't likely to be spooked at the eleventh hour.

Huff offered to have his FBI squad sit on the Roxborough apartment. Russ wasn't in the mood to argue. He thought, Knock yourself out, bud. I'm going home. I've got to be back here at 5 a.m. to coordinate arrests in five countries.

In the meantime, Kasson walked over to chat with Breeden, the nervous supervisor.

Kasson could see Breeden was tense. He tried some DEA humor.

"All right, Breeden," he said. "It's all on your shoulders now."

Wonderful, Breeden thought, knowing the boss was half-joking. He rubbed his forehead.

NEW DELHI

The deputy director of investigations for India's Narcotics Control Bureau (NCB) was senior enough to rate an air-conditioner in his office. Yet Ahmad Payam Siddiqui was sweating anyway.

As the top official involved in the country's first Internet investigation, he knew the next 24 hours were vital.

For six months, Siddiqui had kept the Bansal case a closely guarded secret. Leaks and corruption were endemic in the Indian government, and Siddiqui feared someone would tip the targets in Agra or Delhi.

Akhil Bansal's father, Brij, was wealthy. If he knew what was coming, he might flee to nearby Nepal.

On the eve of the arrests, Siddiqui had had no choice but to let dozens of officials know about the case - agents, their superiors, local police. Who knew whom they might tell?

Siddiqui felt helpless. So much was at stake. The case. His reputation. The reputation of NCB. Of India.

If we screw this up, he thought, the Americans will think we are incompetent.

DUNKIN' DONUTS, NORTHEAST PHILA.

Prosecutor Barbara Cohan handed the search warrants to the magistrate judge on call.

It was well past 9 p.m.

Cohan ordered a large black coffee and an egg-and-bacon bagel, her first meal since breakfast, her first chance to exhale.

While the judge reviewed the paperwork, Cohan joined two cops at another table. They toasted her silently, clicking styrofoam. This was her last case as a federal prosecutor, probably the last time she would meet a magistrate after hours to get warrants approved. After 24 years - a career that included the successful prosecution of a KGB spy - Cohan was leaving the U.S. Attorney's Office.

That her last case was so important, so fascinating, so challenging, gave Cohan special satisfaction. Akhil's business acumen both impressed and repulsed her.

The prosecutor bit into the bagel, sipped some coffee. She looked up at Lower Merion Police Officer Christine Konieczny.

"Do you think he has any idea what's about to happen to him?"

"If he did -" Konieczny said.

"He'd run," Cohan said.

Everyone laughed.

They talked about that sweet moment - hours away - when agents would cuff Akhil.

Cohan said, "Wouldn't you just love to see the look on his face?"

ROXBOROUGH

About 10 p.m., Akhil received a call from India.

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It was his mom, worried about his dad. Brij had a serious heart ailment, and twice since January Akhil had flown home to take him to specialists. Now Brij's hands and feet were swelling, a sign his heart wasn't pumping properly. Though he was a doctor, Brij was a stubborn patient.

Akhil tried to calm his mother. He promised to see her soon.

He hung up and sat down.

The timing couldn't be worse: He was days away from buying a $400,000 medical transcription business; his best friend and his roommate were in South Carolina to close the deal. He was feuding with his sister over control of their father's business. And, in 12 days, he had final exams at Temple.

Then there was that odd New York situation. When his client, a New York Web site operator, had failed to respond for a few days, Akhil had Googled the man's name. The headlines shook him: "Internet Drug Ring Smashed," "Cyber Gangs Charged."

Akhil recalled his father's warning: Keep an open ticket... leave...

Akhil got online and checked his favorite airline, Virgin Atlantic. A flight was leaving Newark, N.J., for London in nine hours. He booked it and pulled out his Bank of America debit card.

The card was rejected.

Akhil tried again. Rejected again. He tried another card. It didn't work, either. He tried an Air Canada flight from Toronto, leaving in 19 hours. No luck.

How could the bank screw up this badly? He had $401,881 in that account!

He logged on to bankofamerica.com. The account showed a negative balance.

He dialed the bank's 800 number. A woman who answered told him to call a Philadelphia number in the morning. She said, "Legal restrictions have been placed on the accounts."

Legal restrictions?

Legal restrictions. An arrested customer. A warning from his father.

Akhil hunted through his wallet and found a credit card that worked. He bought two tickets home - one departing Toronto on Air Canada and one departing Newark on Virgin Atlantic. Booking two flights gave him a backup, and a decoy.

Then Akhil called a classmate. He needed a big favor; there was trouble. Could the friend come over?

Akhil explained that he needed to leave for Toronto right away but didn't want to use his own car. Akhil's friend could sleep in the passenger seat while Akhil drove all night. To cross the border, Akhil reserved a rental car in Detroit, a Ford Escape.

At 1:40 a.m., Akhil emerged from his apartment into the crisp night air. He rolled his canvas suitcase to his friend's SUV and put his laptop in the backseat. He pocketed a handful of the pick-me-up Provigil, his drug of choice.

Then Akhil got behind the wheel and headed west.

BREEDEN'S HOME, DOWNINGTOWN

The DEA supervisor's cell phone woke him from a deep sleep at 1:42 a.m. He groped for the phone, but the call slipped to voicemail.

As Breeden fumbled to retrieve the message, the phone rang again. It was a DEA agent on the other side of the world.

The guy in India got right to it: There was a new wiretap from Brij's phone. It looked like Akhil planned to flee his Philadelphia apartment and probably leave the country. In fact, he might already be gone.

"Jeff," the agent said, "we need to get out there." p>

For online extras throughout the series, including audio, video, photos and more, go to http://go.philly.com/drugnet

DEA Administrator Karen Tandy (PHI)

The Philadelphia Inquirer, November 20, 2006

Drug Enforcement Administration head Karen Tandy discusses why it is important for law enforcement agencies to focus on the distribution of prescription drugs over the Internet. Inquirer staff writer John Shiffman conducted the interview. First, Shiffman asked Tandy to discuss the overall threat of Internet pharmacies.

[...or click here to listen with your Windows Media / RealPlayer]

[Click here for an MP3 version of the interview.]

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The Bansal Pill Network (PHI)

The Philadelphia Inquirer, November 20, 2006

1. The Bansals smuggle pills into the U.S. To avoid U.S. Customs, which targets small pill packages from overseas Web sites, Dr. Brij Bansal in India and his son, Akhil Bansal in Philadelphia, ship millions of pills in bulk from Delhi to their Queens, N.Y., distribution center.

2. A customer orders pills American consumers, responding to spam or using Google to search for drugs, place a credit-card order with a Web site. Unregulated sites do not require a legal prescription and are not registered with DEA.

3. The Web site forwards the order The Web site charges the consuner's credit card, then forwrds the order to the Bansals' operations in Agra, India, and Queens. Immigrants at the Queens depot fulfill the order, stuffing pills inside envelopes for UPS pickup.

4. Pills arrive Within a day or two, UPS delivers the pills to the consumer's doorstep.

5. Bansals get paid Every few weeks, the Web-site operators wire payment to one of Akhil's bank accounts.

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Origins (PHI)

By John Shiffman

The Philadelphia Inquirer, November 20, 2006

THE STORY SO FARHours before DEA agents are to arrest Internet drug dealers

in a worldwide sweep, Temple grad student Akhil Bansal races from his Roxborough apartment to flee home to India. Today's installment takes us back to the day the case began. It is February 2004.

PHILA. INTERNATIONAL AIRPORT

It all began on a frigid February 2004 morning - back when Akhil Bansal still viewed shipping pills as a chore for his father, back when DEA agents didn't even have Internet access at their desks.

At the airport, a squat Airborne Express supervisor noticed three suspicious packages on the green conveyer belt and, because they lacked manifests, broke them open.

Inside the first, he found 120 tablets of generic Valium. Inside the others, he found more Valium and knockoff Viagra.

Anonymous packaging. No dosage directions. No evidence of a prescription.

The supervisor called police.

NEAR UPPER CHICHESTER

Carlos Aquino, tired from a three-day training session in Quantico, Va., pulled into the driveway of his canary-yellow suburban home. He planned to take the rest of the day off as comp time, maybe tinker with his fishing boat, an 18-foot Manatee.

The DEA investigator, his once-trim body softened by desk work and agency meetings, hauled his suitcase inside.

He had found the seminar interesting enough - DEA had established a new priority, targeting Internet pharmacies. But Carlos had left the session hoping he never got such a case. It looked complicated, a pain.

"Little cases, little headaches," he'd say. "Big cases, big headaches."

Carlos had had enough big cases. He'd spent 24 years as a Philly cop, nine of them assigned to a DEA task force, busting crackheads, kicking down doors, recovering kilos of dope, nearly getting himself killed working undercover against Jamaican thugs. He could be a hard-ass, but his warm smile revealed an empathetic nature.

Now, at 56, Carlos worked for the DEA division that regulated pharmaceuticals. He carried a clipboard instead of a gun, pursuing a softer kind of criminal, often doctors and pharmacists who violated prescription laws. As bad guys went, they made easy targets. He would say, "Doc, whatcha been doing, huh?" Usually, the doctor would confess on the spot, case closed.

Carlos found the work safe, satisfying, simple - a solid way, he thought, for a Puerto Rican raised in South Philadelphia to end a fine career as a narc.

After lunch on the day he returned from Quantico, his Nextel cell phone chirped. It was Bill Knightly, a state trooper Carlos knew from an old DEA task force. Salt-and-pepper crewcut, medium build. A good guy.

"Carlos, you know anything about Internet pharmacies?"

"Yeah, a little..."

Knightly briefed him: 119 packages seized at Airborne Express at the airport. Generic Valium and Viagra. In a month's time, the same shipping company, Abbas Enterprises in Chester, had sent 4,100 similar packages.

Here's the fun part, Knightly said: Two different men had delivered the Abbas packages, each signing "Leroy Jones."

Leroy Jones No. 1 was a hulking, bald African American.

Leroy Jones No. 2 was a flabby Indian fellow with a comb-over.

Carlos laughed.

Knightly continued: The latest shipment arrived without a manifest, giving Airborne the legal right to open the packages. The depot supervisor found scores of generic Valium and Viagra inside.

Knightly and local police planned to confront the shipper. Was DEA interested? Did Carlos want to go along?

Not really, Carlos thought. The case sounded complicated, probably insignificant.

On the other hand, Carlos valued the cop-to-cop network he had built over 30 years. He liked being a fed locals could work with. As a Philadelphia cop, he had hated it whenever the feds whizzed on stuff he brought them. When Carlos moved to DEA, he'd vowed never to be so rude, so turf-conscious.

"Dude," he told the trooper, "I'm in."

ROXBOROUGH

Akhil scanned an e-mail from his father and saved it.

Helping his father's business hadn't been part of his plan. Akhil had come to Philadelphia to earn an MBA and a master's in health-care finance. Classes kept him busy enough; his life in a dim Henry Avenue apartment - mattress on the floor, food stacked haphazardly in the kitchen - was a testament to that.

But as an only son, even at 25, Akhil had a duty to do whatever his father wished. Helping his dad ship Indian-made knockoff pills from inside the United States took only an hour or two a day.

Besides, when Akhil was young, Brij had given him whatever he desired - the latest computers, cell phones, stereo, CDs - things available to only 2 percent of Indians his age.

In return, Brij, a successful doctor, had demanded academic excellence in high school. "Get top marks and I will buy you a car," he used to say. "Get good marks and I will buy you a bicycle. Get low marks and I will buy you a taxi, and you will drive it for the rest of your life."

Late many nights, Akhil cloistered himself in his room with books, the air-conditioning and stereo turned up high. Outside, 10-foot walls separated him from Agra's poverty and chaos, a life he hoped to avoid.

"A very responsible boy," his high school report card said. "Artistic, capable."

Akhil excelled at St. Paul's Church School, where students wore stiff navy blazers and striped ties and could be caned for an incorrect answer. He scored best-in-class on a national standardized test, and when he turned 16, Brij bought him a new, Korean-made sedan.

Akhil entered medical college in Gwalior and took residence in a dorm, to his father's horror. No son of his would live among commoners. Brij got Akhil a proper apartment and installed a servant.

After graduation, Akhil worked for a few hospitals, an expected step before joining his father's clinics. He grooved in Delhi's party scene with fellow doctors, assumed comic postures in group pictures, and grew a goatee. He used "Dr." on credit cards and signed up for the e-mail address drakhil@hotmail.com.

Then he threw everyone a curveball: He was going to graduate school in America.

With his grades, he believed he could go anywhere. His research revealed that Temple University offered both the MBA and health-care diplomas he sought.

His parents were wary. Philadelphia was halfway around the world.

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"Just stay," Brij said. Akhil's mother, Kamlesh, laughed, "Who will cook for you?" The joke masked his parents' biggest fear - that some white American woman would fancy Akhil's piercing eyes and thick hair, and he would never return. Brij and Kamlesh devised plans to keep their son in India.

First, to renovate his room in Agra, they spent $16,000 - more money than most Indians spend for a house.

When that didn't work, they found him an attractive Indian woman to marry, of the same business-class caste, the Baniya. He rejected her, too.

"I'll not let you go away from me," Brij said. "How much can you earn if you go? $5,000 a month? I'll give you $6,000 a month to stay with me."

"Papaji," Akhil said. "Please understand. I want to get these degrees so someday I will be in a position to offer my son a job for $6,000 a month."

When Akhil left for Temple, Brij was so distraught he didn't go to the airport.

And yet, within six months, father and son found themselves working together again - Brij in India, Akhil in Philadelphia.

By February 2004, business had become so good, they had hired some help, a guy with an account at Airborne Express.

WASHINGTON

DEA Administrator Karen Tandy joined the nation's top narcotics officials inside the National Press Club, in a white banquet room overlooking the top of the East Wing of the White House. They were there to announce the government's first strategy to combat online pharmacies.

"What we have seen," Tandy told reporters, "is the incredible path of misery and wake of family destruction and addiction left by the illegal use of prescription drugs.

"Let me be clear: When Internet pharmacies serve legitimate patients receiving care under accepted medical standards, we welcome those Internet sales. When they are merely crime impersonating medicine, we will put them out of business."

A CNN reporter asked, "Why is it not a very simple matter for DEA to identify the individuals that are spamming offers for Vicodin, Xanax... and shut them down tomorrow?"

Because, Tandy said, "there are hundreds of thousands of sites" online, virtually all cloaking their identities.

"You don't know where to find them. They could shut down one day and pop up under a new name the next."

JAIPUR, INDIA

Akhil's sister, Julie, was in charge of marketing, or spam.

Sir,

We wish to introduce ourselves as wholesale distributor and supplier of generic and branded medicines manufactured by top multinational pharmaceuticals companies of India. We can drop ship to your customers in US 100% delivery without any customs problems.

We charge the following generic: Viagra $1; Valium, $60.00 per 100 tabs; codeine $50 per 100 tabs...

Let me know if you are interested. Thanks and regards, Julie.

A reply came the next day, from discountmedsonline.com:

Hi Julie,

What is the total delivery time frame? Will you be carrying Xanax, Ativan, Diazapam, Ambien, anytime soon? I may be very interested in your business.

Thank you.

CHESTER

To trace the suspicious Valium found at the airport, Carlos and two local officers, Chester Police Sgt. Joe Bail and Delaware County investigator Michael Boudwin, drove to a storefront at 214 Lamokin St., the return address on the package.

The storefront's owner met them there.

Richard Dabney was a bald, heavyset, 61-year-old ex-con with drug and bank robbery arrests dating back to 1969. Carlos expected Dabney to lie.

Indeed, he told them a story: A mysterious Indian he had met at a Radnor computer store had offered him $3 a package to use his Airborne account. The guy paid cash, and Dabney never asked what was inside.

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"Dude," Carlos said quietly, "you're BS-ing me."

Dabney tried again. He'd met the Indian driving a cab.

Carlos gave a cold stare. "Dude, don't lie to me."

Dabney insisted the story was true.

Fine, Carlos said. Help us catch this guy. Wear a wire.

Dabney agreed.

As Carlos drove back to his Chinatown office, he called a federal prosecutor.

"Hey, it's Carlos. I've got a new one, a quick-hit indictment. A no-brainer. Interested?"

ROXBOROUGH

Akhil confronted his roommate, fellow Temple student Atul Patil.

Where was Dabney? Patil was the one who had met him in the cab and had his cell-phone number.

Akhil didn't trust Dabney. He seemed like a hustler. And his English was terrible. Akhil liked to joke that Dabney, who was African American, spoke "Ebonics."

Still, mailing pills for Brij was beginning to interfere with Akhil's studies. He needed a shipper, one who did the job and didn't ask questions.

The Bansals did not operate Web sites. They were bigger than that. They were wholesalers who fulfilled the orders American consumers sent to online pharmacies.

To circumvent U.S. customs, Brij shipped large packages of generic pills from India to Akhil in Philadelphia. Here, Akhil and Patil took up the mindless task of reshipping; while listening to B-101's soft rock, they wrote labels and stuffed packages with generic Ambien, Xanax, Viagra, Valium, codeine, morphine, steroids.

Father and son told themselves what they were doing was legal because both were doctors in India and because Brij had an Indian license to ship pharmaceuticals.

Besides, they told associates, if the authorities concluded that shipping the medicines was illegal, someone would send a warning notice. Which the Bansals would, of course, honor.

In the beginning, two or three dozen packages from India were no trouble. But by exam time, Akhil and Patil were receiving 100 packages at once. A day's shipment could contain 5,000 or 10,000 pills.

So they had found Dabney and paid him $3 a package. For fun, they tipped him with surplus Viagra.

Now Dabney had vanished. Akhil pressed Patil. What had Dabney done with their drugs?

A month passed. Then in April, Dabney called. Could they meet in Chester?

Patil said, How about the Friendly's on Ridge Avenue? It was closer.

Sure, Dabney said.

NEAR FRIENDLY'S, ROXBOROUGH

Carlos stood by as a detective flipped on the recorder:

"Today's date is 4-7-04," the detective said. "Time now is approximately 4:30. This will be a consensual intercept by Richard Dabney and two Indian males."

The feds hoped Dabney could get the Indians to admit they were selling drugs - or, better still, provide details about a larger operation, anything that might lead to the smuggler behind it all.

But when Dabney met the Indians at Friendly's, his hostile, accusatory tone implied he'd had no idea the packages contained drugs. It caught the Indians off guard, as well as the agents listening in.

"If I get caught with drugs, I got a problem," Dabney told Akhil and Patil. "... Either you or the police set me up."

Patil was skeptical. "But you knew what we were doing. We were clear on that."

"You said Viagra and antibiotics... . You guys are playing games, man."

"If we were playing games with you, we wouldn't be here."

Dabney kept talking, but agents listening by wire already knew the whole thing was a disaster. Dabney dominated the session, in a clumsy attempt to exonerate himself. The Indians said little. They seemed unsophisticated, small-timers.

Besides, the agents already had another, promising lead.

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While searching Dabney's storefront in Chester, they found a letter from an angry woman in Olympia, Wash. She'd returned 50 tablets of Valium and a MasterCard receipt for $154. She'd ordered 1-milligram tabs, not 0.5-milligram.

The woman's letter was addressed to "Rx-mart.com." The FBI quickly traced the Web site. It was in Texas - and, ultimately, would lead them to Australia.

FRIENDLY'S, ROXBOROUGH

Akhil and Patil dismissed the Dabney encounter, too.

Dabney might be hoping to scam them out of more money. Well, Akhil and Patil were moving to a new system anyway.

Akhil's father had put them in touch with an Indian couple living in Queens, N.Y., David and Elizabeth Armstrong. From now on, the Armstrongs would handle the shipping.

Under the improved scheme, bulk quantities - pills by the tens of thousands - would be shipped from India to a Queens rowhouse. In the basement, newly arrived Indian immigrants would earn $6 an hour repackaging and labeling pills. Already, the Armstrongs were filling 400 orders a day.

From: Akhil Bansal

To: David Armstrong

Please send the following order and let me know the tracking number. Alprax, 2,000 tabs. Thanks. Success is a journey not a destination!

To further shield the operation, the Armstrongs had UPS pick up the packages from their home, a few miles away. The Armstrongs lived on a busy thoroughfare in Queens called Utopia Parkway.

PAGOSA SPRINGS, COLO.

On a lonely canyon road in southwestern Colorado, a deputy sheriff discovered a middle-age woman facedown outside her Chevy Tahoe, dead.

Inside her SUV, the deputy found packets of the blood-pressure medicine Catapres, pills often abused as a sedative.

The woman's husband knew she had been suicidal. But until he began to go through her things, he did not know that she had been ordering Catapres, Valium and other sedatives online.

The husband gave the receipts and envelopes to police. Some of them bore a return address in Queens - 5028 Utopia Parkway.

Missed yesterday's chapter? Catch up, and get extras including audio, video and more at http://go.philly.com/drugnet

HOW THIS SERIES WAS PRODUCED

This series is based on multiple interviews with more than 50 sources; U.S. and Indian judicial, e-mail and bank records; and secret U.S. grand jury transcripts, Indian wiretaps, and DEA and Homeland Security investigative reports obtained by The Inquirer.

Quotes, details, interpretations, thoughts, conversations, even facial expressions, have been substantiated by firsthand observation, documents or multiple sources.

Interviews were conducted in New Delhi and Agra, India; Washington; and Philadelphia. Those interviewed include Akhil Bansal, Foram Mankodi and Bansal relatives; six Indian drug agents; 22 American federal agents, including DEA's Carlos Aquino, Eric Russ and Gerard Gobin; and eight current and former prosecutors, including Barbara Cohan. People who bought drugs online are identified by first name only because they have not been charged with a crime.

For an exhaustive list of sources, go to http://go.philly.com/drugnet

27 Nabbed In Major Drug Ring (HA)

Hattiesburg American, November 18, 2006

The indictments of 27 people - including five Hattiesburg men - as well as the seizure of $15.7 million worth of drugs and $2.9 million in cash and property resulted from breaking up one of the largest and most sophisticated drug-trafficking operations in Mississippi history, officials said Friday.

The Hattiesburg men indicted include:

Ivory Charles Kindred, 41, owner of the now-closed Hi-Hat 2000 Club

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Ricky Wilson Barnes, 33

Johnny Grindle, 35

Lester Carpenter, 41

Brooks Stallings Jr., 33

Kindred, Barnes and Stallings have already entered guilty pleas and are awaiting sentencing.

Carpenter has been sentenced to 37 months in federal custody.

Grindle has only been indicted.

"This is really the big, top-tier guys," Stephen Luzinski, assistant special agent in charge of Mississippi Drug Enforcement Administration, said of the 27 suspects. "It was especially significant in that agents were able to successfully trace the movement of both drugs and money from the hands of high level Mississippi traffickers into the hands of some of Mexico's most powerful drug traffickers."

Operation Central Hub, which began in April 2005, targeted drug trafficking in the Jackson and Hattiesburg metro areas, but the 19-month Organized Crime Drug Enforcement Task Force investigation uncovered a link to Mexico and other cities in the U.S., including Dallas, Atlanta, Little Rock, Detroit and Laredo, Texas.

Large shipments of cocaine and marijuana were transported across the border from Mexico, authorities said. Once inside the U.S., drug shipments were shuttled from Texas to various cities, including Mississippi. Cocaine shipments destined for Mississippi were sent via commercial tractor-trailers operated by truck drivers employed by Mexican drug bosses.

The drug shipments were sometimes hidden in secret compartments within trucks or trailers or co-mingled with legitimate cargo.

A second transportation method was the use of large gooseback trailers pulled by dual wheel pickups. The trailers were outfitted with sophisticated hidden compartments accessible only through a hydraulic remote control system.

Marshall Fisher, director of Mississippi Bureau of Narcotics, said the drug trafficking operation is one of the top two or three in MBN's history since it was created in 1971.

An affidavit by a DEA agent said a confidential source provided information that suspect Michael Andre Travis had telephone contact with another suspect, Oscar Gomez, a known trafficker of cocaine residing in Texas, who had ties to cocaine traffickers in Mexico. The informant also provided information on others. Surveillance of Travis showed all his movement and meetings with others involved in the alleged drug operation.

The government is seeking forfeiture of all items they believed were purchased with illegal drug money, including a home in southwest Hinds County valued at more than $500,000.

The home belongs to Wilbert Newell and his wife, Audrina. Wilbert Newell has pleaded guilty to a drug charge and is awaiting sentencing.

He could not be reached Friday. His wife, who answered the phone at the Newells' home, told The Clarion-Ledger he wasn't there. She began to cry and said she didn't know anything about her husband's activity or if he was involved with drugs.

Audrina Newell said she is aware that the government is planning to try to seize the home.

"I wish they would just leave me alone," Audrina Newell said. She has not been implicated in any of her husband's activities.

The Hattiesburg American reported earlier this year that during a May 26 hearing for Kindred, Stallings and Barnes, prosecutors said the suspects are part of a drug network that allegedly brought almost 6,000 pounds of marijuana from Texas to Mississippi since August 2005.

According to an affidavit filed by DEA special agent J. Derryle Smith Jr., a confidential informant tipped agents that marijuana was to be delivered to the owner of the Hi Hat 2000 on May 3.

Agents from the DEA and the Mississippi Bureau of Narcotics observed Barnes unloading 1,500 pounds of marijuana from a tractor-trailer on May 3 near 309 Northgate Road, Hattiesburg, the affidavit said.

The maximum penalty for the drug trafficking charge on each defendant is up to 40 years in prison.

Post a Comment

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Originally published November 18, 2006 Print this article Email this to a friend Subscribe Now

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Indicted list

Names of some of those indicted who have not been arrested are sealed. Listed below are those indictments that have been made public. Unless noted, specific charges were not provided:

Michael Travis, 37, of Byram pleaded guilty to drug trafficking and is awaiting sentencing.

Wilbert Newell, 45, of Jackson pleaded guilty and is awaiting sentencing.

Lester Carpenter, 41, of Hattiesburg has been sentenced to 37 months in prison.

Charles Johnson, 34, of Jackson pleaded guilty and is awaiting sentencing.

Johnny Grindle, 35, of Hattiesburg.

Timothy Jackson, 35, of Jackson.

Alonzo Farmer, 30, of Ridgeland.

Brooks Stallings Jr., 33, of Hattiesburg. He pleaded guilty and is awaiting sentencing.

Ricky Wilson Barnes, 33, of Hattiesburg pleaded guilty and is awaiting sentencing.

Charles Ivory Kindred, 41, of Hattiesburg pleaded guilty and is awaiting sentencing.

Marvin McDonald, 38, of Atlanta.

Victor Thomas, 46, of Jackson. He was indicted on federal charges, but is incarcerated in Texas on state charges arising from the investigation.

Manuel Villarreal, 31, of Laredo, Texas.

Michael Martinez, 30, of San Antonio.

Oscar Fierro Cantu, 53, of Dallas.

Eloy Lira Jr., 33, of Laredo, Texas.

Tommy Gholar, 50, of Jackson.

NFL Testers Step Up Fight (NYDN)

By T.j. Quinn, Daily News Sports Writer

New York Daily News, November 20, 2006

As more of the NFL's Drug Program Agents join a potential lawsuit for tens of millions of dollars over back payroll tax and benefits, the league has changed its plan to replace them in midseason.

After the IRS ruled over the summer that the DPAs, the men who collect urine samples from players, were employees, not independent contractors, the NFL told the 80DPAs that they would be replaced by an outside company called Comprehensive Drug Testing (CDT) in mid-November. CDT handles collections for Major League Baseball and the NHL.

In a memo sent to DPAs last week, however, DPA supervisor Warren Welsh wrote, "It has become apparent that ongoing discussions between the Management Council and CDT make the original date unrealistic....it seems, more likely than not, that the change will not take place until the end of the season."

But the DPAs, most of whom are former FBI, IRS and DEA agents and police detectives, also want to know when the NFL is going to abide by the IRS' ruling. Attorney Robert Costello, whose client roster has gone from three to "many dozens" of current and former agents, said yesterday that he is giving the NFL less than a month to make a determination.

"Either we will settle or we will sue," said Costello, a partner with Levy, Tolman and Costello in Manhattan.

As Costello sees it, and as IRS documents seem to agree, the NFL has little choice other than to start writing checks to DPAs for the payroll tax they have been paying without help from the NFL since the program was created in 1988. Costello also has asked the NFL to say what benefit plans the DPAs should be entitled to join.

The NFL might have a much larger problem than a lawsuit if it doesn't come up with a solution. According to the IRS, if an employer is audited and found to be in violation of the agency's ruling, it could face "massive" penalties far in excess of the amount of money in dispute, one spokesman said. Many DPAs told the Daily News that they never complained because the job was well-paying with "no heavy lifting," as one put it. When anti-doping experts criticized the NFL before Congress last year, saying the league should turn to outside collectors, the NFL dismissed the suggestion.

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But after two DPAs asked the IRS to determine whether they truly were independent contractors, the arrangement started to fall apart.

The NFL, as has been the case since The News first reported the spat with the DPAs, refused to comment.

What Welsh's memo does not say, and what the DPAs do not know, is why the negotiations with CDT are taking longer than expected. Those talks come as the NFL is looking at other revisions to its drug-testing program.

League officials met with members of the House Government Reform Committee earlier this fall to discuss ways to improve their policy, and the NFL and the NFL Players Association have had ongoing discussions about adding more tests and closing potential loopholes.

Whatever the changes, many of the DPAs hoped to be hired by CDT, as the NFL originally suggested they might be. But according to last week's memo, the company has yet to contact any of the collectors, and one DPA said collectors who contacted CDT couldn't get information about the company's plans.

But several admit their chances of continuing with CDT may be slim, as the NFL has grown frustrated over stories about the standoff, and a story last week in which The News revealed that the league's testing program had large gaps during the season when players were not tested. The NFL denied there were gaps, but numerous DPAs and even some players disputed the league's claim.

Colombia Sends An Anti-drug Bouquet To U.S. (LAT)

By Chris Kraul

The Los Angeles Times, November 20, 2006

IPIALES, COLOMBIA — With the destruction of a 12-acre opium poppy crop in southern Narino state on Sunday, the Colombian government declared it had rid its territory of all "industrial" plantations of the flower used to make heroin.

Defense Minister Juan Manuel Santos made the declaration during a media trip to a mountainside poppy field 375 miles southwest of Bogota near the Ecuadorean border, minutes before dozens of troops destroyed the crop with machetes. It was perhaps no coincidence the assertion came as the U.S. Congress was considering extending Plan Colombia, the $600-million anti-drug and terrorism aid package whose effectiveness has been called into question.

Santos described the elimination of sizable poppy fields as a "great accomplishment in the struggle against narcotics. We're not saying some poppies won't reappear in six months, but for now they are gone."

Santos is the Cabinet member who oversees the national police and armed forces, which have carried the fight against Colombia's drug traffickers. Heroin production and trafficking continues — a 130-pound load of heroin was seized on the Colombian island of San Andres in the Caribbean last month.

But even critics of Plan Colombia say strides have been made. Poppy cultivation fell to less than 4,500 acres last year, or 10% of what was farmed in the early 1990s, according to Colombian statistics. Colombians also report that seizures of the gummy substance collected from poppies that is the basis of heroin are up a hundredfold since 2000. U.S. drug authorities report increases in street prices in cities such as Chicago and Boston, an indicator of diminishing supply from Colombia and elsewhere.

But the relative success of poppy eradication only puts in bolder relief the stubbornness of cocaine production in Colombia. After seven years and $4 billion in U.S. aid under Plan Colombia, cocaine continues to be nearly as plentiful as it was before 2000.

In response, there are growing calls for a change in tactics, toward more incentives and fewer punitive measures. On Sunday, Santos told reporters that the government would offer farmers more subsidies to grow crops other than coca and poppies.

"Crop substitution programs have been the missing link in the struggle against drugs," Santos said. "That's going to change."

About 300,000 acres of Colombian coca were fumigated with an industrial herbicide last year.

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A shift away from massive spraying would be in line with calls from the United Nations, several nongovernmental agencies and Democratic Party critics of Plan Colombia in Congress. All have long insisted that for drug eradication to work, more farming alternatives must be offered to peasants.

"People grow poppies because we are all poor and we have been forgotten by the government," said farmer Alirio Quitiyan, who happened upon the eradication scene. Quitiyan denied that he ever grew poppies.

Guerrillas in the leftist Revolutionary Armed Forces of Colombia, or FARC, offer peasants about $50 a year to use their land to grow poppies, Santos said.

A top United Nations official here said recently that for crop substitution programs to work in Colombia as they have in Southeast Asia, officials must offer farmers similar incentives.

Santos said eight possible crop substitutes had been identified for Narino state, including African palm and rubber.

Such incentives "would be the only way to make any crop reductions sustainable," said Adam Isacson, a researcher at the Center for International Policy in Washington, a watchdog group that monitors Plan Colombia spending.

IMMIGRATION:

Signs Of Hope On Immigration (NYT)

The New York Times, November 20, 2006

The political earthquake in Washington has knocked loose some of the big obstacles to fixing the immigration system. A decent solution is now there for the taking, if President Bush and the newly Democratic Congress are willing to grab it.

It won't be easy. Some of the debate's loudest shouters, liars and dead-horse beaters were ushered by voters from the room — people like J. D. Hayworth and Randy Graf in Arizona, John Hostettler in Indiana and Rick Santorum in Pennsylvania. But the public is still in a prickly mood. All those shrill Republican ads about Mexicans stealing your Social Security failed as an electoral strategy, but that doesn't mean politicians always lose by being immigration hawks. Voters approved tough ballot measures. In Arizona, they made English the official language and restricted illegal immigrants' ability to sue, receive bail and qualify for benefits.

And except for the losers on the border-fixated fringe, not many in the restrictionist camp seem particularly chastened by the election. Senator Jon Kyl of Arizona, an opponent of the comprehensive reform bill that passed the Senate this year, won his race, as did several new Democrats who ran as immigration hard-liners. Local lawmakers in Texas and other states are still going after illegal immigrants with fervor.

The roots of a divisive, grinding immigration debate have not gone away. But it is crucial that the Democrats find their voice. The effort to revive immigration reform should start in the Senate. There is a decent bill under the barnacled hulk of legislation that passed the Senate last May. It used to be called McCain-Kennedy, before other senators tacked on tough-posing amendments that made it fundamentally unworkable and unjust. The Senate should strip those away, like the ones that divide immigrants into three arbitrary tiers of worthiness and needlessly force those seeking legal status to trek to a border state to apply for it.

The principles that guided the original McCain-Kennedy bill are those that should guide the coming reform effort: laws should be enforced at the border and workplace, fairly and evenhandedly; temporary worker programs must not be used to create a permanent official underclass; and any reform must be designed to work and not just create another smothering bureaucracy.

Immigration remains a high-voltage issue that Congress may be too timid or distracted to touch. The new Democratic leaders, including Speaker-elect Nancy Pelosi, have conspicuously not listed immigration among their most urgent priorities. Even Senator John McCain, who is an architect of the most reasonable bill out there but also has presidential primaries on his mind, spent a lot of time this fall stumping for misguided restrictionists like Mr. Graf. We hope he and his moderate colleagues have the integrity to honor their sensible immigration views now that the dismal '06 campaign is done.

Many voters who scorned Republicans over immigration reacted as you would expect them to after being mocked and exploited by a party that elevated the issue into an urgent crisis and then offered nothing to solve it but faux hearings, strident

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campaign ads and a pretend fence. The same fate may await any Democrats who posture, deceive and dawdle over immigration reform in the next Congress.

TAX:

IRS Advisory Committee Wants Online Auctioneers To Have To Pay Taxes (USAT)

By Kevin Mccoy

USA Today, November 20, 2006

Attention online auction sellers: An IRS advisory committee wants you — to pay federal income taxes on your profits.

Anyone who sells goods online should first be required by law to submit a federal tax identification number, a change that would enable the IRS to track the transactions and seek any taxes owed, the committee recommended in a new report to the federal tax-collection agency. The recommendation is similar to an enforcement option raised in August by the staff of the congressional Joint Committee on Taxation.

The IRS advisory panel of tax specialists, citing the rapid growth of Americans selling via eBay, uBid and other online sites, said it's likely that "a significant number of those users either choose to ignore income reporting requirements or are unaware of their obligations."

"We're trying to help close the tax gap" between what Americans actually earn and what they report to the IRS, said committee member Rachel Paliotti, corporate tax manager for Blue Cross & Blue Shield of Rhode Island.

The non-government panel's report cited IRS data that estimated non-farm sole proprietors under-report 57% of their annual income. The committee also highlighted a 2005 eBay-commissioned report by ACNielsen International Research that said more than 724,000 Americans described the top online auction site as their primary or secondary source of income.

"These kinds of transactions probably contribute to the tax gap," Paliotti said.

Although the IRS has no estimate of under-reporting specifically by online sellers, the agency estimated that unreported capital gains by all businesses totaled $11 billion for the 2001 federal tax year.

The IRS could target suspected online under-reporting by requiring Internet business sites to get tax identification numbers from all sellers, the committee recommended. Sites like eBay and uBid would use the numbers to file duplicate reports of sales transactions with the IRS.

The IRS website already features a page designed to remind online sellers that they "may have tax responsibilities." Supplementing that effort with a new income-reporting requirement would require an amendment to the tax code, Kevin Brown, head of the IRS Small Business/Self-Employed Division, told the committee. He said the IRS would forward the recommendation to the Treasury Department.

Hani Durzy, an eBay spokesman, declined to say how the firm might respond if Washington enacted an income-reporting requirement aimed at online sellers. However, he said, "We've always encouraged our sellers to comply with the law, whatever the law might be."

Time For Tax Reform (LAT)

The Los Angeles Times, November 20, 2006

TWENTY YEARS have passed since President Reagan signed the landmark Tax Reform Act of 1986, a bipartisan effort to simplify the egregiously complex federal tax code. Since then, Washington has taken about 15,000 steps backward — enacting an average of 750 new or modified exemptions, deductions and other wrinkles to tax law every year. The code not only grew more burdensome, it became less efficient, more likely to distort markets and more prone to evasion. The latter is a huge problem, as seen in the estimated $350-billion tax gap — the difference between what taxpayers should be paying the feds each year and what the Internal Revenue Service collects.

In short, it's time for Congress to take another stab at a major rewrite of the tax code that eliminates most of the preferences and loopholes. By broadening the tax base — in other words, requiring more corporate and personal income to be taxed — lawmakers can lower rates without reducing the total amount collected by the IRS.

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A blue-ribbon advisory panel led by former Sens. Connie Mack (R-Fla.) and John Breaux (D-La.) last year called for this kind of approach, floating a proposal to reduce the number of individual tax breaks and to vastly simplify the recordkeeping done by businesses. Although there are some differences on the details, the concept's backers include both conservatives and liberals. Two Democrats — Sen. Ron Wyden of Oregon and Rep. Rahm Emanuel of Illinois — have introduced bills that would simplify and flatten federal taxes even more drastically.

In the coming year, the new Democratic majority will have an unusually strong incentive to work with Republicans on fundamental tax reform. More than five dozen tax breaks passed in President Bush's first term are set to expire over the next four years, while the number of filers subject to the dreaded alternative minimum tax will mushroom from 4 million in 2006 to 22 million in 2007. If Democrats don't act, they risk being pilloried for raising taxes. A revenue-neutral measure that dramatically simplified the tax code would effectively change the subject.

The tax code should be about raising money to finance the federal government's operations. Lawmakers should eliminate all but the most vital and effective tax breaks and tailor those as precisely as possible to the goal they want to achieve. For example, if the goal is to make homeownership affordable, why extend the break only to taxpayers who itemize their deductions, or to those buying mansions or a vacation home?

Bush's support would be critical to the effort, but he had little to say about the advisory panel's report. Treasury Secretary Henry M. Paulson, who is widely respected on Capitol Hill and Wall Street, needs to start championing the panel's cause while there's still time left in Bush's presidency. Tax simplification was one of the signal accomplishments of Reagan's second term; if Bush throws himself behind tax reform now, he may be able to say the same for himself.

CONGRESS-ADMINISTRATION:

Inside The Beltway (WT)

By John Mccaslin

The Washington Times, November 20, 2006

Rush hours

What was the huge attraction at a sold-out Warner Theatre on Thursday night that caused a double line of adoring fans to stretch all the way around the corner?

Rush Limbaugh, ladies and gentleman, or more specifically, as the bright lights of the marquee shone: "An Evening With Rush Limbaugh."

The nation's top radio broadcaster and commentator (heard locally Monday through Friday noon to 3 p.m. on WMAL-630 AM) didn't disappoint his Washington-area faithful, opening his two-hour act with a hilarious joke about an elevator encounter with a frustrated Sen. Hillary Rodham Clinton, New York Democrat. (Call us and we'll tell you the punch line.)

On Wednesday evening, Mr. Limbaugh was the dinner guest of Vice President Dick Cheney at the vice president's mansion in Northwest. The host shared a table with, among others, White House senior aide Karl Rove and Republican strategist and bookseller Mary Matalin.

And yes, that was soon-to-be-crowned House Majority Leader Nancy Pelosi that Mr. Limbaugh bumped into in the lobby of the Four Seasons Georgetown, where he stayed while in Washington. The broadcaster said it was difficult to gauge who was more horrified by the chance encounter, him or the nation's top Democrat.

In fact, Thursday's rare live appearance was bittersweet for Mr. Limbaugh, who earlier had endorsed the outspoken Rep. John P. Murtha of Pennsylvania to be Mrs. Pelosi's No. 2 man on Capitol Hill. Instead, the leadership position went to Rep. Steny H. Hoyer of Maryland.

"They don't want him in the leadership. We do," Mr. Limbaugh told his radio listeners. "We want him there, folks, we want him in the Democrat leadership because we want the Democrats to be who they are."

Thanks for my job

"To this day, I'm still impressed with his effective performance in a case called Bush v. Gore."

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Or so commented Vice President Dick Cheney, on hand for this past weekend's Federalist Society national convention at the Mayflower Hotel, heaping praise on Washington lawyer and former solicitor general Theodore B. "Ted" Olson, who represented then-Texas Gov. George W. Bush before the Supreme Court in his bid to become commander in chief during the hotly contested 2000 presidential election.

All's well within

Democrats and Republicans have chosen their respective party leaders for the upcoming 110th Congress, and for at least one congressman who was unsuccessful in his bid to become Republican Conference chairman, there are no hard feelings.

"While we came up short, 91-to-100 [votes], it was a close race, and I feel good about it," Georgia Rep. Jack Kingston told Inside the Beltway after his loss to Florida Rep. Adam H. Putnam, who will have the task of directing day-to-day operations of the conference office -- the organizational vehicle for all Republicans.

"I know many people were praying, especially me -- and at this moment of defeat, I'm comforted in a great peace," he said. "As the old hymn says, 'It is well with my soul.' "

And on your right

There's one group of tour guides in Washington that always looks forward to the next political scandal -- the more outrageous and disgusting the better.

We're referring to Scandal Tours, an Inside the Beltway mainstay for 17 years. Publicist Deb Fiscella of Center Stage Marketing calls it the "tour that highlights the lowlifes."

She forwards word to Inside the Beltway that the tour has been updated to include a new Mark Foley attraction on Capitol Hill, obviously honoring the former Florida Republican congressmen who couldn't keep his fingers off his keyboard.

Other new attractions include K Street, site of recent shady lobbying activity; a Donald H. Rumsfeld departure stop; and updates on the general lame-duck mayhem at the White House.

And if you think from those new attractions that the tour guides (all actors from Gross National Product) are picking on the Republicans, think again. The guides are proud to be "equal-opportunity offenders," confident "new majority rules scandals will be added as Washington moves into an era of Democratic control in Congress."

Scandal Tours is gearing up for the holidays, with tours taking place Saturdays at 1 p.m. starting Nov. 25, departing from the Warehouse Theater at 1021 Seventh Street NW. Reservations are required through the Gross National Product box office at 202/783-7212.

Hoyer Claims No 'Bad Blood' With Pelosi (AP-Y)

By Hope Yen

AP, November 20, 2006

Rep. Steny Hoyer acknowledged Sunday he was seeking assurances from incoming Speaker Nancy Pelosi that she would not retaliate against his supporters after he won the No. 2 House leadership post.

Hoyer, D-Md., insisted there was "no bad blood" with Pelosi after she publicly supported Rep. John Murtha of Pennsylvania for the job of majority leader. Hoyer said he was confident Pelosi would not punish House colleagues who voted 149-86 last week to make Hoyer the majority leader when Democrats take control in January.

"We're going to talk about that," said Hoyer, when asked whether Pelosi had made promises not to retaliate by denying choice committee assignments. "One of the reasons it's going to not happen is that there are a lot of them."

"It's one thing ... if you have a margin of one or two or five or even 10, but when you have a margin as decisively as the caucus made a decision, then it's time to move on," Hoyer said.

Last week, Democrats chose Hoyer — who has long had a difficult relationship with Pelosi, D-Calif., — after unanimously backing her as the first female speaker.

On Sunday, Hoyer sought to play down any personal differences or ill will, noting that the two have worked together in the House Democratic leadership for many years.

"The American public have just given us a big mandate for change and taken the country in a new direction," he said. "Nancy and I share that obligation together. That's our objective and we're going to work very closely to accomplish that."

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Former GOP Speaker Newt Gingrich called Pelosi's decision to support Murtha a "mistake" but said Republicans should not underestimate her.

"Republicans, instead of chortling about ... the fact that she backed Murtha rather than Hoyer ... need to start by saying, you know, if she has these weaknesses, how come she's going to be speaker? She won," Gingrich said.

"She did make a mistake with Murtha," he added. "I think if she appoints Alcee Hastings to be the head of intelligence, that will be a further mistake in the direction of making her far too left-wing and far too insensitive."

Pelosi has not said whom she would appoint to lead the House Intelligence Committee. Hastings, D-Fla., and Rep. Silvestre Reyes, D-Texas, are considered front-runners to take over in what has been considered a snub to the current senior Democrat on the panel, Rep. Jane Harman of California.

Pelosi has told Harman she will not be reappointed to the committee after her position expires at year's end. Hastings, the next senior Democrat on the committee, is a former federal judge who was charged in an FBI bribery sting but was acquitted by a federal jury. Later, he was impeached by the House and removed from the bench in 1989 by the Senate.

Rep. James Clyburn, D-S.C., who was elected to the No. 3 House post as majority whip, said, "I very well would support him if that's what Nancy would like to happen."

Gingrich said the main challenge for incoming House Minority Leader John Boehner of Ohio and other Republican leaders is to focus on regaining control of the House in 2008 rather than being the "White House's floor leader."

"They are very different jobs," Gingrich said, citing the danger for Bush in the final two years of his presidency to get caught up on "legacy concerns" rather than working for the broader interests of the Republican Party.

"The House Republicans have a different institutional challenge. How do they reach out in very closely contested districts, recruit the candidates, build the record, create the excitement and the energy to regain a majority?" Gingrich added.

Separately, Rep. Charles Rangel said tax increases are not on the Democratic agenda. But he said there are some taxes that "we Democrats and hopefully some of the new Republicans would like to see more targeted to the working class and to the middle-class people."

Rangel, incoming chairman of the tax-writing House Ways and Means Committee, declined to say whether he would support a 100 percent deduction for college tuition up to $3,000 a year.

"The problem is that, if you're talking about credits and you're talking about tax reform, it's inconsistent," said Rangel, D-N.Y.

Hoyer appeared on ABC's "This Week," Gingrich spoke on "Fox News Sunday," Rangel was on CBS' "Face the Nation," and Clyburn was on "Late Edition" on CNN.

Democrats Set Out To Heal Divisions (RC)

By Jennifer Yachnin, Roll Call Staff

Roll Call, November 20, 2006

Newly elected House Democratic leaders vowed to quickly reunify their Caucus in the wake of a bitter leadership contest last week, but offered few details and left some rank-and-file Members questioning how the party will mend its divisions as it prepares to take control of the chamber in the 110th Congress.

“We’ve had our debates. We’ve had our disagreements in that room, but now that is over,” Speaker-designate Nancy Pelosi (Calif.) said Thursday following a closed-door meeting at which Democrats elected Rep. Steny Hoyer (Md.) to be Majority Leader, defeating Pelosi’s close ally and preferred candidate, Rep. John Murtha (Pa.).

But at least a few Democratic lawmakers remained angry Thursday over allegedly heavy-handed tactics employed by Murtha supporters in the contest, and others publicly suggested that House leaders could have a difficult time alleviating any lingering bruises.

“I think the Caucus is fractured,” Rep. Allen Boyd (Fla.), who will be a co-chairman of the Democratic Blue Dog Coalition in the 110th Congress, said Thursday, adding, Pelosi’s “biggest challenge is figuring out how to wrap her arms around all the Caucus.”

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Several Members, however, asserted that with the election completed Democrats will focus on readying their legislative agenda, rather than dwell on differences. "We just want to move forward," said Rep. Elijah Cummings (Md.), who endorsed Hoyer in the race.

"The majority of us in the Caucus didn't see this as a battle between Steny and Nancy," said Rep. Mike Ross (Ark.), another incoming Blue Dog co-chairman. "By the time we get back on Dec. 4, you'll see a reunited Democratic Party."

One Democratic lawmaker, who requested not to be identified, evaluated the outcome of the election by stating that the Speaker-in-waiting "has more egg on her face than a broken arm." But the Democrat added that to return the Caucus to unity, Pelosi must exert as much effort privately as she has pledged in public.

"If people want to continue this, then we'll know. ... Nancy will set the tone," the lawmaker said.

At least one House Democrat who backed Murtha in the contest, Rep. Jim Moran (Va.), had alluded Thursday to the possibility that lawmakers who had pledged support to Murtha privately but cast their ballots otherwise could face retribution when committee assignments are distributed.

"It remains to be seen whether all their wishes for committee assignments will be fulfilled," Moran said, referring to the freshman Democratic lawmakers, nearly two-thirds of which are believed to have supported Hoyer in the race by some estimates.

But while top Democrats on nine House committees endorsed Hoyer's bid, Rep. Kendrick Meek (D-Fla.), who had endorsed Murtha, said he expects those Members will shore up Pelosi's leadership when they hold the gavels next year.

"Many of the ... to-be-chairpersons are going to make sure she's a strong Speaker," he said Thursday, adding of any lingering animosity: "It doesn't continue ... We continue to move forward."

The House Democratic Steering and Policy Committee, led by Rep. Rosa DeLauro (Conn.), is expected to establish its membership for the 110th Congress in coming weeks, and will begin work in December on the selection of committee chairmen, as well as panel assignments for rank-and-file Members.

After losing his bid for elected leadership, Murtha is expected to chair the Appropriations subcommittee on Defense, which controls a significant portion of federal spending, and perhaps more significantly will allow him to to continue in his role as the Democrats' point man in opposition to the Iraq War.

"I was proud to support him for Majority Leader because I thought that would be the best way to bring an end to the war in Iraq," Pelosi said Thursday. "I know that he will continue to take the lead on that issue for our Caucus, for this Congress, for our country."

In the aftermath of the election, Hoyer went on to offer his support to the California lawmaker.

"Our Caucus is unified today," Hoyer said. "I intend to do everything in my power to make Nancy Pelosi the most successful Speaker in the history of the House of Representatives."

A Pelosi spokesman said Friday that the Speaker-designate was not slated to formally meet with the new leadership team — also made up of Majority Whip James Clyburn (S.C.), Democratic Caucus Chairman Rahm Emanuel (Ill.) and Caucus Vice Chairman John Larson (Conn.) — before departing to her San Francisco district for the Thanksgiving holiday next week, although he added that Democrats would likely have casual discussions before returning for the Dec. 4 lame-duck session.

In addition, Pelosi is expected to appoint a new DCCC chairman in the near future, filling the remaining Democratic leadership position. There were no indications Friday when the Speaker-designate would make her selection, but previous chairmen have been tapped late in December or in early January.

Several current DCCC lieutenants are considered likely candidates for the post, including Reps. Chris Van Hollen (Md.), Debbie Wasserman Schultz (Fla.), Artur Davis (Ala.) and Mike Thompson (Calif.), who is a close Pelosi ally.

In the meantime, Clyburn said he plans to establish his Whip team for the new Congress, and said Thursday that he would consult with the new leadership team on potential deputies. While he said he will consider the seven current Chief Deputy Whips, the South Carolina lawmaker said he has decided on at least one new addition, Rep. G.K. Butterfield (N.C.).

Did Nancy Pelosi Get The Message? (TIME)

By Karen Tumulty, Perry Bacon Jr.

Time, November 27, 2006

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There's only one thing dumber in politics than picking a fight when you don't have to; it's picking one when you can't win. That's why pretty much everyone in Washington is mystified by Nancy Pelosi. Through a midterm-election campaign in which Republicans had tried to caricature her as a fuzzy-headed and dangerous San Francisco liberal, she succeeded in keeping the focus on them. And the first woman Speaker-to-be was pitch-perfect in the euphoric days that followed the Democrats' big win. She said the right things, and she did the right things, like quietly reshuffling her ranks to avoid a showdown between Rahm Emanuel, the campaign-committee chief who delivered her majority, and James Clyburn, a senior member of the black caucus. Even the arrival of her sixth grandchild seemed auspiciously timed to remind everyone of her motherly side. Yet before many Democrats across the country had even taken down their yard signs, Pelosi decided to step on her own coronation by turning what would otherwise have been an all-but-ignored secret ballot for majority leader into a gang war. Instead of quietly accepting that her rival Steny Hoyer would continue to be her second in command, she threw herself into a fierce and ultimately unsuccessful campaign for John Murtha, an old friend whose ethics didn't seem to match Pelosi's talk of a new day in Congress.

All that raised a lot of new questions about Pelosi herself--about her judgment, her political instincts and her real ideology. Was her endorsement of longtime ally John Murtha over Hoyer a testament to her loyalty or proof that she is incapable of letting go of old grudges? Was putting her muscle behind the hero of the party's antiwar wing a sign that she would steer her fractious and fragile coalition over the guardrails on the left? Did her support for a man who is notorious for slipping special-interest earmarks into spending bills prove that she didn't really mean all that talk about cleaning up Congress? In other words, was Nancy Pelosi really up to the job?

THE FALLOUT

Pelosi will have to answer those questions with her actions in the months ahead. "It was a serious misstep and inexplicable to me," former Republican leader Dick Armey chortled. "I just hope she does more of it." But the Murtha defeat will be largely forgotten if the Democrats under Pelosi's leadership rack up a series of victories on the agenda that she had laid out for her first 100 hours as Speaker, which includes raising the minimum wage, forcing Medicare to negotiate lower prescription-drug prices, cutting student-loan rates and making the national-security fixes recommended by the 9/11 commission. Then there is the biggest issue of all, now that the Democrats are partners in governing and not just critics: charting a course on Iraq. Hoyer insists the phased withdrawal he supports is not all that different from the exit strategy that Murtha and Pelosi are pushing, but his victory tells Pelosi her caucus members will not tolerate her getting too far ahead of them.

Pelosi may now have to reconsider how she plans to deal with another rival, fellow California Congresswoman Jane Harman. Pelosi has already made it clear that she does not want to give Harman the top job on the Intelligence Committee when the party formally takes over in January. Harman, whose qualifications no one doubts, says she was promised it by earlier Democratic leaders; Pelosi says her term is up. But by shutting out Harman, Pelosi would be setting another trap for herself. The next in line after Harman is Florida's Alcee Hastings, who in 1989 was impeached and removed from his federal judgeship by Congress over allegations that he had conspired to take a $150,000 bribe (charges of which he was acquitted in court). If Pelosi passes him over, she is certain to infuriate the Congressional Black Caucus, with whom her relations are already strained.

The new Speaker will also be under more pressure to push through lobbying and ethics reform but may find that harder to accomplish. After an election in which exit polls showed that voters are more concerned about corruption than the Iraq war, Pelosi needs to recover the high ground she lost with her endorsement of Murtha, who said he thought her reform measures were "total crap." It was bad enough that Murtha's candidacy turned the cable-news networks into a film festival of the grainy tapes from the Abscam sting in 1980, in which the Pennsylvania Congressman told an agent posing as an Arab sheik that he couldn't be bribed "at this point." But on ethics reforms or any other tough issues that lawmakers like to publicly support and privately fight, Pelosi might now lack the backroom clout needed to get results. "When key votes like the budget come around, this will make it a lot harder for her to pressure members," said a Democratic Congressman who backed Hoyer over Murtha. "It's going to be a lot harder for that pressure to be as meaningful."

THE FIGHT CLUB

Speaker of the House is one of the most treacherous jobs in Washington. Tip O'Neill was the last one to leave the big chair voluntarily, nearly 20 years ago. The four who have followed him have been ousted. Pelosi may have taken a different path to power than her predecessors--she was 47 and had raised five children before she ran for office the first time--but by rising rapidly

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in an institution where getting ahead has always meant waiting in line for your turn, she ensured that she would have a large target on her back. Now the qualities and impulses that fueled her rise--making bold moves, keeping and settling scores, trusting only a small circle of loyalists--could be disastrous in a new role that is all about building alliances that can get you to 218 votes.

To adapt, she will have to understand that today's opponent could be tomorrow's ally. Few in Congress have such a memory for slights and betrayals. She still bristles at the fact that when she first went to Washington, many in the Democratic establishment didn't take her seriously and opposed her march up the leadership. As she told TIME earlier this year, "They couldn't control me, so they tried to take me down." When her former House colleague Martin Frost was running to head the Democratic National Committee after the 2004 elections, she lobbied against him with a determination that all sides attributed to Frost's challenging her for Democratic leader two years before. Asked about those conflicts, Pelosi refused to discuss them specifically but said, "Anybody who's ever dealt with me knows not to mess with me."

And yet she is capable of bringing people back into her fold. When Frost's wife, a retired Army major general, was buried in September, he was touched that Pelosi interrupted her frantic campaign schedule to attend the service at Arlington National Cemetery and then walked more than a mile behind the caisson and riderless horse that took Kathryn Frost to her grave. Afterward, Pelosi asked Frost to visit her in her office. She appreciated the work he was doing to help Democratic candidates, she told him, and added that if the party won the House, she would be turning to him for more. "She could not have been more gracious," Frost says. "I was very appreciative. Whatever she needs me to do, I will do."

Still, pulling together is not something Democrats do well--even in victory. As the Pelosi-Hoyer-Murtha battle was heating up, Democratic consultant James Carville and pollster Stan Greenberg--both of whom are close to the Clintons--loudly called on Howard Dean to resign as Democratic chairman, saying the party could have won more House seats if he had spent its money more wisely. Liberal bloggers were slamming Emanuel, head of the Democratic Congressional Campaign Committee, saying he was taking credit for their victories. And the Blue Dog Coalition, a group of the most conservative House Democrats, was mounting a rear-guard campaign to save Harman's post at the Intelligence Committee. Savoring a team victory, it seems, is something the party has yet to get the hang of.

THE BALTIMORE EFFECT

Even as Democrats scratched their heads over Pelosi's judgment last week, they knew where it was coming from. "This isn't San Francisco," said a former Democratic-leadership aide. "This is Baltimore." The latter is where Pelosi grew up and where she got her first lessons in politics, from the best teacher anyone could want. When Nancy D'Alesandro was a child, her father used to collect yellow sheets of paper that were stacked and stapled together at the end of each week. They were called the "favor file." That was the way Baltimore's legendary Mayor Thomas D'Alesandro Jr.--later known as "Big Tommy," to distinguish him from his namesake son who also became mayor--kept track of who had been given a job or some other benevolence. The record always came in handy at election time. From the age of 13, his only daughter Nancy took charge of the desk in their home on Albemarle Street, where people came to tell their stories and ask for help.

Knowing that also explains why the lefty caricature that Republicans paint of Pelosi has never quite stuck. Hers is not the loopy liberalism of San Francisco, where you can be branded as a right-wing extremist if you vote, as Pelosi once did, for cracking down on rave parties. The politicians in her family were progressives of a rougher cut, rooted in the Depression and the New Deal and in doing things for desperate people who turned to the government when there was nothing else for them to do.

You also didn't last long in big-city machine politics if you buckled at the first sign of a fight. When Big Tommy once threatened to fire striking garbage workers, Jimmy Hoffa himself sent an emissary to tell the mayor he wasn't happy. As D'Alesandro's former press secretary Tom J. O'Donnell recounted the story to the Washington Post, "The mayor spoke up and said, 'You go back and tell Mr. Jimmy I'm very unhappy with the garbage piling up on the streets of Baltimore, and I'm not going to stand for it.'" The following Monday, most of the garbagemen were back at work.

That fighting philosophy has defined Pelosi's leadership style as well. Her predecessor Dick Gephardt was known as "Ironbutt" for the hours he spent sitting and wheedling his colleagues. "Gephardt would plead with people to do the right thing, and they would know that there was no penalty for it," recalls a veteran senior aide on Capitol Hill. Not Pelosi. "Once you cross her," he says, "your life is not going to be very pleasant."

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The Speaker-to-be puts it in more graphic terms. At lunch with a group of TIME correspondents a few months ago, she said Republican attacks on her would not work, because she wouldn't let them. "If people are ripping your face off," she said, picking at a chicken salad dressed only with lemon wedges, "you have to rip their face off."

THE ROAD AHEAD

It was not entirely clear that Pelosi would ever make the family business anything more than a hobby. After graduating from an all-girls Roman Catholic college in Washington, she married Paul Pelosi, whom she met at summer school at Georgetown University and who would eventually make a fortune in investment banking and real estate. They moved first to New York City and then to San Francisco. Pelosi had five children in six years. Between diapers and laundry, she raised money for Democrats and ultimately became the state-party chairwoman.

But it turns out she was compiling a favor file of her own. Not only was she a prodigious fund raiser in a state that functions as a political ATM for Democratic candidates across the country, but she also helped bring the national convention to her city in 1984. In 1987 she decided to run for the seat left vacant by the death of Sala Burton, the widow of Phillip Burton, who had run his own storied political machine. One of Sala's final acts was to give her endorsement to Nancy Pelosi.

In 2001 Pelosi made her first move toward the leadership with a bid for the No. 2 job, which pitted her against Hoyer. As it happens, the two had interned in the office of Senator Daniel Brewster of Maryland in 1963. That experience also introduced Pelosi to the different opportunities that Capitol Hill offered men and women. Hoyer "worked directly for me and helped me with a number of different projects," recalled Brewster, 83, in an interview last week with Capital News Service. Pelosi was a receptionist--or, as Brewster put it, "an excellent front person."

That first whip race intensified her rivalry with Hoyer and also cemented her bond with Murtha, who managed her campaign. Not only did he get her the votes to win that job but his support also made it possible for other old bulls in the House to begin to imagine a woman rising to the top. The former Marine had a reputation for male chauvinism that stood out even in an institution where the only private rest room adjacent to the chamber is for men. (Women members have to go around the corner and through a reception area to use a facility in Pelosi's office suite.) Murtha's backing "was the answer to sexism in the place," says an aide to Pelosi. "If he didn't have any problem with a woman in leadership, no one else would either."

But Pelosi has also found a way to make her gender a weapon in political combat. She was one of the loudest voices demanding an investigation into what G.O.P. leaders knew of the sexually explicit instant messages that Congressman Mark Foley, who has since resigned, was sending to congressional pages. While Republicans booed her on the House floor, Pelosi insisted "as a mother and a grandmother" on putting the question to a recorded vote.

She won that round over the Republicans, but that victory and all the others will be forgotten unless she can regain control over her own caucus. She didn't just politely suggest that people vote for Murtha; she fought hard. Her lieutenants plied the House with phone calls and none-too-subtle threats, including suggestions that anyone who bucked her might lose committee assignments. After Hoyer still drubbed Murtha by a vote of 149-86, Pelosi emerged from the ballot room and pronounced Hoyer's win "a stunning victory." By the look on her face, she meant it. Pelosi went to Hoyer's party that night but retreated afterward to the downtown- Washington restaurant Tosca with a dozen or so of her closest allies. They entertained one another with stories about an old rivalry between Phil Burton and Texas Congressman--ultimately Speaker-- Jim Wright that had divided the Democrats decades ago. Pelosi seemed cheerful and relaxed--anything but war weary. It was a reminder of something else that is true about Capitol Hill: what really matters in a fight is whether you're standing at the end of it.

Fineman: Can Speaker Pelosi Hold Dems Together? (NSWK)

By Howard Fineman

Newsweek, November 27, 2006

George Miller was reared in the liberal Democratic Party of Northern California—not the fancy Nob Hill kind, but the fiery kind bred in the docks, shipyards and canneries of the East Bay. His father was state party chairman and taught his son to distrust Big Money and to "go to work like you're killing snakes." Elected to Congress in 1974 at the age of 29—in the wave of Democrats sent to Washington by Watergate and Vietnam—Miller is now the Man of the House: the closest ally of and adviser to the already-

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embattled speaker, Rep. Nancy Pelosi of San Francisco. "It sounds corny," he told me, "but I was taught that you acquire power for one reason: to help the seriously disenfranchised."

Ellen Tauscher was reared in business. Her dad was a grocer in New Jersey, and after college she went to Wall Street, where she became one of the first women with a seat on the New York Stock Exchange. In 1989, she migrated to an upscale East Bay suburb. Elected to Congress in 1996—in a district next to Miller's—she now chairs the centrist New Democrat Coalition. Her politics lean toward tax cuts and free trade, but she has a productive working relationship with Pelosi, the proudly quintessential San Francisco liberal. "Nancy and I come from different places," Tauscher says. "But we put our big-girl pants on every day and go to work."

Two fault lines appear on Bay Area maps of Planet Pelosi: the geological San Andreas and the Democratic Miller-Tauscher. The Speaker's task (and, by extension, her party's) is to avoid an intramural earthquake. "This isn't just about the next two years," says Rep. Ed Markey of Massachusetts. "We have to show we are a governing majority."

First comes the relatively easy part, at least in the House. Republican-style "values" issues aren't a problem. While it is true that most of the new wave of "new" Democrats are from suburban or even rural districts, there is no new Democratic Bible Belt in Congress. Virtually all Democrats and Democratic candidates (including Miller and Tauscher) backed Pelosi's carefully drawn initial agenda: to raise the minimum wage, to trim interest on college loans, to use tax money for stem-cell research and to allow Medicare to negotiate bulk purchases of drugs.

But the tectonic plates move in dangerous ways when the topics are taxes, trade, torts and terrorism. Miller voted against reducing the federal tax code's "marriage penalty"; Tauscher was for it. He was against liberalizing trade with China; she was for it. He was against limiting awards in lawsuits; she was for it.

Then there is terrorism—and Iraq. Tauscher, with her lower Manhattan ties and her swing district (which includes two of the government's most important defense-research labs), voted to authorize the war in Iraq and is wary of the consequences of a too-hasty exit. To Miller, the war is an unsalvageable blunder. Coming of age in antiwar San Francisco, his view is framed by Vietnam. He voted against authorizing the invasion. He admires Rep. John Murtha of Pennsylvania for having come forward last year to denounce it. "Everyone discounted the criticisms of people like me because we were the 'antiwar crowd'," Miller says. "Jack gave the Democratic Party a place to stand."

Miller backed Pelosi's decision to try to reward Murtha by making him majority leader. Tauscher organized her coalition allies on behalf of the man who trounced Murtha, Rep. Steny Hoyer of Maryland. It was an embarrassing strategic debut for the Speaker-to-be. Not an earthquake, to be sure, but a tremor that may be worth remembering.

GOP Keeps Team, Promises Changes (RC)

By Susan Davis

Roll Call, November 20, 2006

Despite efforts by a small band of House Republicans last week to convince their colleagues that a change in leadership was important, if not critical, to winning back a majority in 2008, the House Republican Conference overwhelmingly sided with the status quo Friday and handed landslide victories to Minority Leader-elect John Boehner (Ohio) and Minority Whip-elect Roy Blunt (Mo.).

Both leaders recast themselves in their campaigns and argued they would be agents for change in the 110th Congress, committing to return the Republican Party to its roots of fiscal conservatism and reform and to battle the new Democratic majority tooth and nail.

“We are going to work as a team and we are going to earn our way back into our majority,” Boehner told reporters after his victory, stressing the need “to fight for a smaller, less costly and more accountable federal government.” Boehner defeated Rep. Mike Pence (Ind.), chairman of the conservative Republican Study Committee, in a landslide 168-27 vote. One

vote was cast for Energy and Commerce Chairman Joe Barton (Texas), who withdrew from the race Wednesday.

Similarly Blunt was candid about the need to shakeup the party agenda. “Frankly, [we need] to get rid of the bad habits that we may have developed in the 12 years in the majority,” he said. “It’s not our job to defend business as usual, it’s not our job to try

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to define the federal government in the biggest possible way, we need to do the right things. Our Conference is ready to do that." Blunt soundly defeated Rep. John Shadegg (R-Ariz.) 137-57, with one Member abstaining.

Speculation brewed all last week that some combination of Members would attempt to nominate Chief Deputy Majority Whip Eric Cantor (R-Va.) for the Whip job, or write in his name on the ballot, but there was no mischief during Friday's leadership elections. The Conference also ruled the day before elections that write-in ballots would not be tallied in final vote counts. Blunt will maintain Cantor as his Chief Deputy Whip.

While the top elected leaders invoked the 1994 spirit that swept in a Republican House majority that year, Friday's elections were a significant defeat for prominent conservatives Pence and Shadegg. Pence has been a darling of the outside conservative establishment — much of which endorsed his leadership candidacy — and Shadegg is also a former RSC chairman and a member of the 1994 class.

Rep. Jeff Flake (Ariz.) contended that his colleagues did not heed the call from voters on Election Day for reform within the party. "We haven't hit the first stage, we're still in denial," Flake, a Pence ally, told reporters. "When you're here you kind of drink your own bath water," he said, a reference to a supposed inside-the-Beltway mentality.

Flake's comments were seen as particularly critical of Blunt, who is the longest serving member of the current leadership team. Flake said it might be "doubly difficult" to convince voters the party got the message to change the way it does business.

There were few surprises in any of the downballot leadership races, with the exception of the four-way race for Republican Conference chairman. GOP Reps. Adam Putnam (Fla.) and Marsha Blackburn (Tenn.) were widely seen as the frontrunners against Reps. Dan Lungren (Calif.) and Jack Kingston (Ga.).

However, Blackburn secured an unimpressive 31 votes on the first ballot, with 29 votes for Lungren. Blackburn received 30 votes on the second ballot and was removed per Conference rules, leading to a showdown between Putnam and Kingston. Putnam bested Kingston, the current Conference vice chairman, in an unexpectedly close 100-91 vote. "I have no regrets, it was a good campaign," Kingston told supporters in an e-mail following his defeat.

Blackburn spent the better part of the year laying the groundwork for her campaign, including frequent radio and TV appearances. One Member contended that Blackburn's eagerness could have also led to her demise. "Marsha worked really hard, but there was just this perception that Marsha was in it for Marsha, and not for the team," said one Republican who asked not to be named.

"I will continue doing my best to support our leadership and support our Party's principles," Blackburn said in a statement following her defeat.

Texas is back at the leadership table as well, with the election of Texas GOP Reps. Kay Granger and John Carter to Conference vice chairwoman and Conference secretary, respectively. Granger beat Rep. Steve Pearce (R-N.M.) 124-63 and is the only woman on the leadership team. Carter was unopposed and was approved by voice vote.

Rep. Thaddeus McCotter (Mich.) soundly defeated Rep. Darrell Issa (Calif.), 132-63, for Republican Policy Committee chairman.

The first test of the new leadership team will be in the coming weeks as it transitions into the minority. The internal Conference rules and the makeup of the GOP Steering Committee, which determines committee ranking members and rank-and-file assignments, will have to be reconfigured as they are largely written for majority status.

For instance, the current 28-member Steering Committee provides for a weighted voting system, with five votes granted to the Speaker, two to the Majority Leader and one for the remaining 26 members.

Minus a Speaker, it remains to be seen how many votes the Minority Leader and Minority Whip will be granted. Regional representation on the Steering Committee may also be shifted to account for the geographic loss of Members.

Republicans also will have to clarify an internal Conference rule regarding how many years a Member can serve as chairman or ranking member of a committee to try to fend off potential turf wars.

Currently, chairmen are term-limited to six years, but some Members have made the argument that the rule is unclear and should allow for six years as chairman, and six years as ranking member.

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Transportation and Infrastructure Chairman Don Young (Alaska) and Judiciary Chairman Jim Sensenbrenner (Wis.) are term-limited, but both are expected to try to claim rights to the ranking memberships on their committees due to their interpretation of the rule.

Additionally, GOP leadership sources have suggested that Appropriations Chairman Jerry Lewis (Calif.), who is under federal investigation, may not be able to hold on to the ranking member slot when it comes before Steering. When asked Friday if he expected to serve as the ranking member in the 110th Congress, Lewis deferred. "That is a pay grade that's different than mine," he said.

Rep. Jim McCrery (R-La.) is expected to get the ranking slot on the House Ways and Means Committee. McCrery is a close Boehner ally and gave a nominating speech for Boehner during elections last Friday.

As leader, Boehner will have sole decision-making power over who will head up a handful of committees, including Rules, House Administration, Intelligence and ethics.

According to knowledgeable GOP sources, Rules Chairman David Dreier (Calif.) is expected to remain as ranking member as the exclusive committee is not subject to term limits.

Similarly, Intelligence Chairman Pete Hoekstra (Mich.), a public Boehner supporter, is also expected to remain. Ethics Chairman Doc Hastings (Wash.), who currently is investigating the scandal surrounding former Rep. Mark Foley (R-Fla.) and his interaction with underage male House pages, is expected to remain on the panel if asked.

Also Friday, the incoming Republican freshman Members held class elections. Rep.-elect Bill Sali (Idaho) is class president, Rep.-elect Doug Lamborn (Colo.) will serve as the representative to leadership, Rep.-elect Adrian Smith (Neb.) will serve as representative to the Policy Committee, and Rep.-elect Kevin McCarthy (Calif.) will serve as the freshman representative on the Steering Committee.

Leadership Lessons (WSJ)

The Wall Street Journal, November 20, 2006

November 20, 2006; Page A16

House Democrats and Republicans elected their leaders for the next Congress last week, and the results suggest there's a reason Democrats will have the majority. They seem to have absorbed the election's lessons better than the GOP.

Rank-and-file Democrats ignored Speaker-in-waiting Nancy Pelosi's endorsement of Pennsylvania's John Murtha as majority leader and instead voted to keep Maryland's Steny Hoyer as their second in command. The vote was a rout, 149 to 86, despite not-so-veiled leadership threats about committee assignments for those who favored Mr. Hoyer. In rejecting the ethically challenged Mr. Murtha, Democrats showed good judgment and a desire to set a higher ethical tone than have the Tom DeLay Republicans.

Despite their recent defeat, however, Republicans also easily re-elected their top two leaders in the face of challenges from younger conservatives. Ohio's John Boehner, the new minority leader, had only taken over from Mr. DeLay in January and so he could fairly dodge some responsibility for this month's debacle. On the other hand, Minority Whip Roy Blunt of Missouri was a key part of Team DeLay, in addition to being a vocal defender of spending earmarks and pork-barrel incumbent protection.

House Republicans are talking a good game of recovering their small-government principles, but their leadership choices suggest they think their defeat had little to do with their own image or performance. Instead -- and we also hear these whispers privately -- they blame everything on President Bush and Iraq. Mr. Blunt is said to have impressed the Members with a plan to defeat freshman Democrats in 2008; so much for self-reflection and new ideas.

The Revival Of Trent Lott (TIME)

By Massimo Calabresi

Time, November 27, 2006

Hello, Mr. President. This is Lazarus speaking." That is how Trent Lott answered a phone call last week from George W. Bush, the man who helped force him out of the Senate's top job in 2002 after Lott praised Strom Thurmond's 1948 segregationist presidential campaign. Maybe Lott is selling himself short. After all, Lazarus was in the tomb for only four days, but it took Lott, 65, four years to mount the improbable comeback that culminated in his election last Wednesday as minority whip, the second most

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powerful G.O.P. position in the Senate. But if Bush, who called from Air Force One en route to Singapore, was spooked by the Mississippi Senator's resurrection, he did his best to hide it. Lott says Bush laughed off the Lazarus analogy and said, "Well, we're looking forward to working with you."

Why would Senate Republicans choose the controversial Lott after an electoral drubbing that saw them lose, among other things, the hard-fought progress they had made with nonwhite voters, especially African Americans? And why pick someone who is known to have an ax to grind with the White House at a time when the party should regroup and unify?

The answer is that Lott won (by one vote over Tennessee's Lamar Alexander) because he spent the past four years quietly making himself as useful as possible to his colleagues. He lent his old strengths as a backroom dealmaker and a master of arcane Senate rules to sometimes thankless tasks. He not only won back allies that way, but he also sharpened the exact skills that his party will need for the next two years, when its main goal will be to stop Democratic bills from seeing the light of day, let alone the President's desk. As the whip--a position named after the switch-wielding valet at fox hunts who keeps the hounds in line--Lott will keep his party disciplined and frustrate the Democrats with amendments and filibusters. "He understands the rules. He's a strong negotiator," says New Hampshire's Senator John Sununu. Former House Speaker Newt Gingrich says he's "the smartest legislative politician I've ever met." Even Senator Ted Kennedy calls him a "worthy opponent."

And smooth relations with the Bush White House aren't the priority they used to be. In the upcoming Congress, with every Republican Senator seemingly running for re-election or for President, proof of one's independence from the White House will be an asset, not a liability, especially if Bush's approval ratings remain mired in the mid-30s. As he was campaigning for the whip job, Lott says, he told his colleagues that when it came to White House pressure, "there's nothing they can do to me or for me that they haven't already done. I'm not mad, but I am a little bit of a liberated guy these days."

The Democrats are the ones who should fear Lott the most: they are desperate to pass bills that will show voters they can govern. That might explain why some of them are already trying to reach across the aisle to him. While Mel Watt of the House Congressional Black Caucus released a statement after Lott's election saying, "The sting of Trent Lott's hurtful words are unlikely to expire anytime soon," Barack Obama, the freshman Senator from Illinois, seemed not to carry a grudge as he left the Senate floor the day after Lott's victory. "[Lott] obviously paid a price and comes back a little bit wiser, as all of us hopefully do after a mistake," Obama said.

The White House is doing its best to mend fences too. Vice President Dick Cheney, an old hunting buddy of Lott's from their days together in the House, called him soon after the Senate vote. And as I was interviewing Lott late last Thursday evening, Rob Portman, the White House director of Management and Budget, patiently waited until I finished so that he could tell me how great he thought Lott was. "He's very effective," Portman said. "He's a skilled tactician and strategist. A rare combination of unparalleled experience."

By then Lott had moved back to the floor of the Senate, where he was working the room, accepting one congratulatory handshake after another for his return to power. When one well wisher added his compliments to the chorus, Lott beamed at him and called out in his trademark baritone, "Hey, hey! I can still count votes!"

'Gang Of 14' Mulls Script For Next Act (RC)

By Emily Pierce And Erin P. Billings

Roll Call, November 20, 2006

Having successfully averted what could have been an explosive partisan showdown over judges in the Senate last year, Senators in the "Gang of 14" believe they have attained a relevancy that will allow them to play an even more prominent role in the 110th Congress — not just on judicial nominations but on other issues as well.

Though their original mission vanishes at the end of this year, Sen. Mary Landrieu (D-La.) said she expects that a broader role for the holdover gang members, and perhaps other like-minded Senators, likely will develop in the coming weeks.

It will be "somewhat formal, it will be regular and it will be real," she said.

"The 12 of us still remaining [in the Senate] will have that discussion sometime soon to see what the mood is. There have been many individual and group meetings about how to advance a civil and productive agenda."

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Landrieu said that while the details haven't been worked out, she expects that several of the gang's Democratic Senators, and perhaps more, will participate. On the Republican side, the Louisiana Democrat said, Sen. Susan Collins (Maine) is helping lead efforts to engage the gang's GOP Senators and other moderates.

Other Gang of 14 members, echoing Landrieu, said that now, more than ever, they have a part to play in helping negotiate agreements and advance legislation around which both parties can agree.

This possible re-emergence of the gang comes even though the group saw two key GOP players — Sens. Lincoln Chafee (R.I.) and Mike DeWine (Ohio) — go down in defeat on Nov. 7.

Sen. Ben Nelson (D-Neb.), who led the group along with Sen. John McCain (R-Ariz.), said the gang would be useful in instances "where the leadership can't get together," such as "issues that otherwise get snagged or require 60 votes" to overcome a filibuster.

It was the filibuster of 10 judges that prompted the gang's genesis. With a majority of Democrats blocking judges during the 108th Congress and again in the spring of 2005, Senate Majority Leader Bill Frist (R-Tenn.) came close to invoking the "nuclear" option, in which he would demand a ruling from the chairman that filibustering judges is unconstitutional.

Frist would have needed only 51 votes to ratify that ruling, rather than the 60 needed to break a filibuster, and such a maneuver would have eviscerated the ability of the Senate minority to block objectionable judicial nominees for years to come.

Then the Gang of 14 — seven Republicans and seven Democrats — emerged, pledging to oppose filibusters of judges except in "extraordinary circumstances," in exchange for all of them voting against the nuclear option — enough to rule out the maneuver.

Because of the bipartisan deal, Frist never brought up the nuclear option for a vote; several controversial judges were voted through, while Democrats could continue to block other nominees, the gang agreed.

Though he supported the nuclear option at the time, Sen. John Cornyn (R-Texas) said, "In retrospect, I have to admit they served a useful purpose in diffusing a stalemate. ... Looking back, the outcome was positive."

Cornyn said he could envision the remaining members — Nelson, McCain, Landrieu and Collins, plus Sens. Lindsey Graham (R-S.C.), Olympia Snowe (R-Maine), John Warner (R-Va.), Joe Lieberman (D-Conn.), Ken Salazar (D-Colo.), Mark Pryor (D-Ark.), Robert Byrd (D-W.Va.) and Daniel Inouye (D-Hawaii) — playing a similar role in upcoming judicial and policy battles.

"Those Senators could very well serve a useful function," Cornyn said.

Graham acknowledged that the most recent Senate fight over judicial nominations almost certainly is a chapter for the history books. But he said the group has not lost sight of its guiding philosophy, saying, "The idea of maintaining a functioning Senate and not destroying the judiciary will always have resonance and viability."

"It could spill into other areas after we've lived through that experience," he said. "We get along very well on a variety of issues, not just judges."

Salazar said that he, too, believes the original gang members can remain integral players going forward. He pointed to issues such as immigration reform, where a centrist-oriented group worked behind the scenes to try to broker a Senate deal earlier this year.

Salazar said he's hopeful that gang members "will have a reason to come up with an agenda" in the next Congress.

Nelson agreed, saying that one option may be for the gang to devise a compromise budget next year.

And even with pledges by President Bush and incoming Senate Majority Leader Harry Reid (D-Nev.) to renew efforts at bipartisanship, gang members suggested that there will be a need for them to step in. In fact, the future balance of power may make the gang even more essential than before to helping broker compromise, Senators said.

"With a Republican president and a Democratic Congress, there will have to be bridge builders," Landrieu said. "We're not about compromising our principles. We're just trying to find common ground."

Pryor agreed, but added that he believes the extreme partisanship that has characterized the past few years would be less common with Reid at the helm.

"I don't think you're going to see as many politically charged issues that come through" the Senate, he said.

On judicial nominations, Senators in the gang said they still could be relevant, but likely less so, given that the dynamics will be radically changed in the 110th Congress.

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Republicans won't have the 51 votes they'd need to institute the nuclear option and force votes on nominees. What's more, Reid will have the power to stop any nomination — not just judges — from coming to the Senate floor. Plus, incoming Senate Judiciary Chairman Patrick Leahy (D-Vt.) can simply refuse to schedule committee hearings and votes.

Cornyn acknowledged that his party would have a "tougher" time pushing judicial nominations this year.

"It's not like an amendment that we can offer to a bill," he said. "We've got to get them out of committee."

Nelson acknowledged that the gang would have less sway over judicial nominations, because "I don't see the Gang of 14 working to get a name brought up. By the same token, there are other steps that could be taken. Something could be done informally, rather than formally."

Sen. Trent Lott (R-Miss.), the newly elected Minority Whip for the next Congress, helped form the Gang of 14 before dropping out in deference to Frist. Lott said he foresees instances in which gang members could influence whether a judicial nomination is brought up, simply by stating whether they believe a nominee meets the filibuster test they agreed to.

In any case, he said, the spirit of the Gang of 14 most definitely will live on: "It's the kind of thinking and cooperation that we've got to do a little more of."

Compromised (WSJ)

By Lawrence B. Lindsey

The Wall Street Journal, November 20, 2006

During the recent off-year elections, the president repeatedly pointed to the booming economy and noted that his tax cuts were responsible. With growth strong and unemployment low despite the ending of the stock-market bubble, terrorist attacks and the war in Iraq, he had every reason to be proud. Moreover, both economic theory and the actual timing of the economic revival support his claims regarding the tax cuts.

That is why it is so odd that rumors swarm around Washington that the president may be willing to raise taxes as part of a "deal" on entitlement reform. In particular, the rumors suggest the president might be willing to get rid of the provision that caps the income level used to compute Social Security taxes and benefits. These rumors aren't without substance; last year the president would not rule out raising the cap when asked.

Doing so would raise the marginal tax rate on the entrepreneurs that Mr. Bush credits for having led the economic recovery by more than 10 percentage points. The new effective rate would be five percentage points above the level when he took office. Moreover, in 2011, the rate would go up a further 4.3 percentage points to an effective 53% marginal rate on entrepreneurial income. The president would thus be not just raising taxes on entrepreneurs to well above the levels that prevailed in the Clinton administration, but to a rate higher than that which prevailed in the Carter administration. Most of the improved incentives for entrepreneurship and work brought about under Reagan would be repealed.

Should the president do this, he doubtless would be thinking that saving Social Security would be worth the price. He would be wrong. In practice this idea would both destroy the basis on which Social Security was started and fail to produce the expected revenue that supposedly would save the system. Social Security was set up as a contributory pension plan, not a welfare scheme. Benefits are linked, by statutory formula, to contributions. Congress and the president could choose to maintain this relationship. Traditional supporters of Social Security like AARP have long insisted on this link and argued against turning the program into another welfare plan by ending the linkage between contributions and benefits.

There are two problems with that approach. First, an increase in the cap on taxes and benefits would produce very little net revenue for the system. Even if one assumed higher taxes did not hurt the economy, the increased benefits would consume much of any increased revenue. Second, the benefits that high income people would get would be politically unsustainable. A retiree who earned a million per year would receive a monthly Social Security benefit of $13,500. This is politically unimaginable. So, expect both the universality of Social Security and the link between taxes and benefits to go, and this most enduring element of the New Deal to become a welfare program.

But it is the damage to the economy and to the fiscal system that is more important. Economists differ on how much such a dramatic increase in tax rates on entrepreneurs would damage the economy. Certainly given the statements of the president earlier this year he believes it would be significant. Consider some figures.

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Published IRS data from 2004 show that taxpayers with incomes over $100,000 earned $1.9 trillion in wages, salaries, bonuses and self-employment income. Of that, roughly $800 billion was above the Social Security maximum tax threshold. Levying the 12.4% Social Security tax on that income would produce $99 billion in revenue. Of that, employers and the self-employed would be able to deduct half of that tax from their corporate or personal tax returns. Thus, $17.4 billion of the $99 billion would not be a net gain to the Treasury, but a transfer from the general fund to the Social Security trust fund. So the net gain to the government would have been about $82 billion in 2004.

That assumes that taxpayers would not have changed their behavior when their marginal tax rate rose to 48.6% from 38.4%. No one believes that, although economists do disagree on how much. These are a very sophisticated group of taxpayers with both the knowledge and the means to adjust to taxation by changing the form of business, converting income to capital gains, or other methods. A cautious estimate that enjoys wide acceptance in the tax community says that for every 1% reduction in the share of their income they take home, high income individuals cut their taxable earnings by four-tenths of a percent. My own research from the Reagan tax cuts indicates the response by this group is higher, roughly seven-tenths of 1%.

Although these numbers may seem small, when they are applied to a massive tax rate increase like this, they can have important ramifications. Remember, taxpayers will be seeing the share of income they keep dropping from roughly 61 cents on the dollar to just 51 cents -- and that is before state taxes are figured in. This implies a decline in the tax base of between 7% and 13%.

Under the lower assumption, total federal revenues would only increase by $27 billion, with the behavioral response of taxpayers offsetting 70% of the static revenue increase. True, Social Security tax revenues would still rise by $82 billion, but this would be offset by a net decline in personal income taxes of $55 billion. Under the higher assumption about a behavioral response, total federal revenues would decline. While Social Security taxes would rise by $69 billion, personal income taxes would drop by $95 billion.

Whatever one's assumption, lifting the Social Security tax cap would have to be viewed as an economically and fiscally risky proposition. I seriously doubt that the president would be interested in agreeing to a deal that purports to "save Social Security" when the reality is that it seriously undermines the economic and fiscal basis that underpins the system.

There is another argument that the president will have heard that might persuade him to do what the rumors say he is considering: fairness. It is true that high income earners do not pay Social Security taxes on all of their earnings. As already noted, it is also true that they do not receive benefits on those earnings. So, if you think that Social Security should be a welfare program with benefits unlinked to contributions, then in a sense this may be unfair.

But, consider the total tax system. An urban myth has arisen that the so-called "rich" do not pay their "fair share" of taxes despite the fact that the top 10% of taxpayers pay 68% of federal income taxes in the country. A comparison between a relatively high-income entrepreneur, of which I am one, and a "typical" worker might be illustrative.

Last year an entrepreneur similar to me would have paid federal taxes equal to 33.9% of total income. That is, income before any exemptions, exclusions, adjustments or deductions. By this measure all of the fringe benefits that an entrepreneur provides himself as a self-employed individual are included in income. His federal income taxes and the employer and employee shares of his Social Security taxes are all counted as "taxes."

For comparison, consider a married worker earning a salary of $75,000, who like our entrepreneur, has three children. To compute his total income on the same basis, I gave him the same level of benefits as an average worker and the same level of capital income as others making his income. I also followed convention to impute to him both his own Social Security taxes and all of those paid by his employer. On that basis, his average tax rate was 14.5%.

Based on a 40-hour week, while he finishes paying his Federal taxes on Monday afternoon at 2:48, our entrepreneur will work all day Monday until about the same time on Tuesday until he finishes, another full day. If the plan to eliminate the cap on Social Security earnings is adopted, he will work all day Monday, all day Tuesday, and then Wednesday morning until 10:26 to finish paying his federal taxes. Then he can start paying his state taxes.

That assumes he keeps working as hard as he is and doesn't rearrange his income to take more fringe benefits or shelter it in other ways. This suggests another way to think about just how risky this plan is. Using those 2004 figures cited above, all it would take would be for one of these workers in ten to decide it wasn't worth it to work until 10:30 Wednesday morning just to pay

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Uncle Sam and this plan the president is reportedly considering would actually cost government tax revenue. Don't make it too tough on him, or Atlas may actually decide to shrug.

Mr. Lindsey, president and CEO of the Lindsey Group, was President Bush's chief economic adviser from 2001 to 2002.

Washington Whispers (USNEWS)

By Paul Bedard

US News and World Report, November 27, 2006

Picking Up Where Ron Brown Left Off

One was a snazzy dresser, a major African-American force who thrived on the Washington social circuit. The other is a buttoneddown white Vermonter, an excitable but nerdy med school kind of guy. But there's something about the similarities between the late Democratic National Committee Chairman Ron Brown and current DNC boss, Howard Dean, that has folks talking--even Dean. "My model is Ron Brown," he says flatly. Don't laugh. Sure, their personalities and styles are radically different, but party insiders and friends of both say Dean has attacked his job of reforming the party just as Brown did--with similarly winning results.

Some examples: Both entered the job as outsiders under fire from moderates who worried that they were too liberal. Both surprised the establishment by raising tons of money. Both took a shattered party and built a national organization geared to winning a presidential election. "He was incredibly inclusive, and he was an outsider, of course," Dean says," so I identify with him that way." And both focused on the key Democratic demographic-- blacks. Brown brought African-Americans to the table. Dean, who's studied Tracey Brown's bio of her dad, wants more: putting more blacks on the ballot. "It's going to be about opportunities and a place on the ticket," says Dean. "Ron Brown was really the beginning of that."

Why Not Impeach Bush? Dick Cheney

The degree to which the new Democratic leadership on Capitol Hill despises Vice President Dick Cheney is a big plus for President Bush. Consider why incoming Senate Majority Leader Harry Reid scrapped an idea to impeach Bush: "Two words: Dick Cheney," he says, joking that it would vault the veep into the Oval Office.

Globe-trotting to Iraq Hot Spots

The troops in Iraq are about to get their hoops fix, thanks to the storied Harlem Globetrotters. The team of roundball magicians departs November 25, visiting Iraq as part of a 21-day trip to 12 bases in the Middle East. And, yes, owner Mannie Jackson and his 10 stars will return in time for the 193-city U.S.-Canada "Nothing Like It" tour opening December 26.

These Marines Forgive and Forget

It was party time for Sen. John Kerry's staff and alumni from his 2004 presidential campaign last week at the Democrat's favorite Capitol Hill hangout across from the U.S. Marine Corps Barracks and HQ when a group of marines approached him. But they didn't scold him for recently suggesting that the military attracts mediocre students. Instead, they yukked it up and even bought the vet a shot of tequila--which he downed.

Score One for the Airport Ziploc Rule

Kip Hawley is a rarity among federal execs: He relishes the chance to experience their own onerous security rules. While traveling, the head of the Transportation Security Administration has been looking to see if the new rule requiring that small amounts of liquids be put in zip-top bags is a good one. With stops in St. Louis, Orlando, and even Brussels, he finds it A-OK. "It's great to see [our screeners] doing such a top-notch job," says Hawley.

MSNBC, CNN Hop Democratic Wave

There's lots of buzz in the cable TV world that having Democrats running Congress will hurt Fox and help MSNBC and CNN. It certainly looked like that election night when CNN won the key viewership demographic of 25-to-54-year-olds. "We're clearly the place to go for information," CNN boss Jon Klein tells us. "Maybe the trick is that you have to actually cover politics. The public seems to be in the mood for facts and information-- not cheerleading." MSNBC, No. 3 but surging, also crowed: "MSNBC is the place for politics." So what about Fox? It simply turned to the numbers. And they show that Fox is still No. 1, with its audience growing. "We'll let the two cable news alsorans battle for second place, and we wish Jon and [MSNBC] well on their quest for relevancy," says an amused Foxie.

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From Red Meat to Haute Couture

The conservative American Enterprise Institute has scrapped its magazine and replaced it with a new glossy, The American. Unlike the think tank's old political rag, the jazzy new one is all business and economics, six times per year. "Our perspective," says editor James Glassman, "is not partisan, but it is rooted in liberal, free-market economics." There are no editorials and foreign-policy manifestos. Instead, Reaganite Michael Ledeen writes about why Naples became the center of men's high fashion. It's an old model: The lively conservative American Spectator tried the same thing before finally switching back to politics.

The Ragin' Cajun, Frothing Over '08

Worse Than the White House Press

Former President Clinton is probably rethinking just how tough his White House press corps actually was. His office tells us that after he spoke in Mexico last week, reporters blocked his motorcade, then kicked and punched his security agents, prompting one to draw his weapon and order them out of the way. Clinton was fine. So what was the problema? Clinton's Jay Carson says, "Who knows?"

With Bernadine Healy M.D., Silla Brush and Angie C. Marek

Paulson Set To Address US Market Rules (FT)

By Krishna Guha And Jeremy Grant In Washington

Financial Times, November 20, 2006

Hank Paulson, the US Treasury secretary, will on Monday say what the US needs to do to ensure that its markets remain globally competitive in a landmark speech on capital market regulation.

The move comes amid growing concern in the US that New York is losing out to emerging financial centres in Asia and to London, with its lighter-touch, principles-based regulatory regime.

It is also a sign that the concerns on Wall Street about the Sarbanes-Oxley corporate compliance and controls laws have moved higher up the agenda in Washington since the arrival at the Treasury three months ago of the former Goldman Sachs chief executive.

Senior figures, including Dick Cheney, the vice-president, have said that Sarbox may have gone too far.

But there is increasing recognition that the issue goes well beyond Sarbox, encompassing the entire US regulatory and legal landscape, particularly the proliferation of class-action lawsuits, liability issues and overlapping securities regulations.

Mr Paulson is understood to be aware of the need for a re-examination of US regulation in the light of international competition, cross-border merger of equity and derivatives exchanges and competition between public and private enforcement efforts, which have led to over-zealous corporate litigation.

One senior official said Mr Paulson's arrival at the Treasury had helped "tie a lot of these things together and helped structure a response" in Washington at the President's Working Group of Financial Markets, composed of the heads of the Federal Reserve, Treasury, Securities and Exchange Commission and Commodity Futures Trading Commission.

"I expect the secretary will address an array of issues that impact our capital markets – ranging from our corporate governance requirements to our legal system," said Rob Nichols, president of the Financial Services Forum, a lobby group that represents the chief executives of financial companies.

Policymakers see a need to update the regulatory architecture in the US in the light of rapid innovation, which is blurring the distinction between traditionally separate asset classes.

A growing number of executives think the US could learn some lessons from regulatory practice in the UK and elsewhere, where a "principles-based" regulation takes a more flexible approach to accounting and market oversight than a "rules-based" system in place since the 1930s in the US.

John Thain, New York Stock Exchange CEO, recently warned that the US needed to "rebalance" its regulatory framework.

Paulson's Stance: Review U.S. Rules Hindering Markets (WSJ)

By Deborah Solomon

The Wall Street Journal, November 20, 2006

DOJ_NMG_0096074

WASHINGTON -- Treasury Secretary Henry Paulson, in a speech scheduled for delivery to the Economic Club of New York today, will press the case for a re-examination of government rules and laws he believes are putting U.S. financial markets at a disadvantage amid competition from abroad.

Mr. Paulson, in his first major public comments since Democrats won control of Congress, is expected to stress the need for "regulatory balance" and to outline challenges regulators and policy makers face as they try to juggle the need for regulation with the imperative to make U.S. markets competitive.

He isn't expected to call for any new laws or for repeal of any rules, but Mr. Paulson will emphasize the impact of existing regulations, the legal environment, and the complexity of dealing with multiple, overlapping regulators. He likely will call on federal regulators to tweak a provision of the Sarbanes-Oxley law, known as Section 404, that requires companies to assess internal controls to ensure financial reporting is accurate and reliable. The Securities and Exchange Commission has said it plans to address that by the end of the year.

Mr. Paulson's speech comes amid a chorus of complaints by business that the regulatory and legal climate in the U.S. puts companies at a disadvantage, driving some firms overseas. Business leaders say the cost of doing business in the U.S. has increased, pointing to the Sarbanes-Oxley law passed in the wake of corporate scandals, class-action lawsuits, and a crackdown by state and federal law enforcement.

Many investor and consumer advocates argue that U.S. capital markets remain the most competitive in the world and regulation has helped attract capital by offering protections.

Since leaving Goldman Sachs Group Inc. to take the reins at Treasury, Mr. Paulson has identified market competitiveness as a domestic priority and backed a private-sector effort to recommend changes to laws and rules that critics say handicap U.S. companies.

The Match Maker How A U.S. Official Promotes Marriage To Help Poor Kids (WSJ)

By Laura Meckler

The Wall Street Journal, November 20, 2006

The notion that government can help children escape poverty by promoting marriage for their parents was once considered a fringe idea from right field. It is now federal policy.

In very large part, that's due to Wade Horn, a child psychologist turned bureaucrat who has put marriage atop the Bush administration's limited antipoverty agenda.

As head of the federal Administration for Children and Families, Dr. Horn has employed the zeal of an ideologue and the discipline of an academic to inject marriage promotion into a host of government programs under his purview, even before Congress authorized an official marriage program. Today, more than 200 programs are at work across the country, seeking to change public attitudes surrounding marriage, persuade teenagers to aspire to matrimony and teach relationship skills to young couples.

Along the way, Dr. Horn has co-opted critics, fine-tuned his rhetoric, and persuaded Congress to insert his marriage agenda into this year's welfare legislation, winning $500 million over five years. A host of grants were doled out last month, to organizations ranging from large coalitions of social-services groups to antiabortion pregnancy-counseling centers that plan relationship classes for teens.

"Wade Horn has shown the influence a bureaucrat can have," says Ronald Haskins, a welfare expert who has worked for Congress and the current President Bush's White House. "Anything that wasn't nailed down over there is now devoted to marriage."

Not everyone is persuaded. Women's groups say his emphasis on marriage unfairly demonizes unwed mothers, and pressures women to stay in sometimes unhealthy, violent relationships. Libertarians say government has no business using tax dollars to probe so deeply into people's personal lives. Some note that there's no proof yet that any of these efforts can work. Others say the money would be better spent elsewhere.

The idea that poverty is, in significant measure, the result of broken families and unwed mothers has been contentious since Daniel Patrick Moynihan's controversial 1965 warning that the disintegrating black family was an obstacle to black

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advancement. In that year, 8% of children were born to unmarried parents. Today, more than one-third of all children -- and nearly 70% of black children -- are.

Study after study show children are better off in two-parent homes. They are less likely to be poor, drop out of school, become teen parents or get arrested. The theory: Two parents bring stability and emotional support to children and one another, not to mention providing two incomes. But can government do anything to actually promote marriage? And should it? 3

Dr. Horn offers an emphatic yes, and saw proof on a recent evening in Baltimore where he observed six couples participating in a federally funded effort called Building Strong Families. The program, being tried in seven cities, hosts weekly discussions for unmarried couples who have recently had or are about to have a baby. It doesn't specifically push couples to marry, but the curriculum sets out marriage as the ideal. Group leaders regularly mention marriage. Posters on the wall proclaim "Marriage Works."

On that evening, Myckel Cobbs, age 24, talked about how trust and openness come hard to him. But since meeting his girlfriend, Tashanna Harvey, 21, and joining the Baltimore program, things seemed different. "I came up on the streets, no family," he explained, glancing at Ms. Harvey, nearly nine months pregnant with their child. Now, "this is my family, with her."

On the drive back to Washington, Dr. Horn was still thinking about Mr. Cobbs's fatherless childhood. "Here they are, this young couple, trying to break that cycle. It takes a lot of courage," he said. "If this works, the real impact will be on their kids."

Six years into the Bush administration, Dr. Horn is one of the few remaining political appointees interested in "compassionate conservatism," the slogan from the President's first campaign. Mr. Haskins, now with the Brookings Institution, advised the White House on welfare for only a year. Political-science professor John Dilulio launched the White House's faith-based initiative to direct federal dollars to religious charities, but left after less than a year.

Dr. Horn endured in the Department of Health and Human Services, using his position to push the theory that families with married parents can pave the path out of poverty.

Even before Congress authorized the marriage program in the welfare bill, Dr. Horn began using discretionary funds from his Administration for Children and Families to inject marriage promotion into the agency's programs -- ranging from refugee assistance to aid for Indian tribes to child-support enforcement. The efforts included marriage-awareness campaigns and couples classes. Over its first four years, his patchwork of spending added up to a $200 million program, which Dr. Horn dubbed the Healthy Marriage Initiative.

Dr. Horn didn't always succeed. He failed to get similar marriage-promotion efforts into Head Start, the preschool program, in the face of opposition. "We've never had parents request that," says Sarah Green, president of the National Head Start Association. "Most of them want help in how to get out of marriages that are not healthy." Dr. Horn says he dropped his marriage proposal in order to focus on other Head Start priorities.

Dr. Horn, 51, grew up in New Jersey, one of seven children of a liberal mother and conservative father. Over dinner, they would disagree about Vietnam, Watergate and abortion, he says, yet "no one remembers my parents leaving the table mad at each other."

He earned a doctorate in child psychology at Southern Illinois University and went into practice. He and his wife, Claudia, and their two daughters, moved to Washington in 1986 because Claudia, now a consultant, was promoted to be the associate rehabilitation director at the national headquarters of Goodwill Industries.

'OUR MOST VITAL SOCIAL INSTITUTION'

Read excerpts4 from Wade Horn's speeches, writings and statements to the press from over the past 10 years.

During his years as a therapist, he got interested in the importance of marriage. A divorcing couple asked if he would work with their child to "be sure the child was not impacted by divorce in any way," he recalls. "It was so cavalier. I won't go along with the idea that it is perfectly OK to assume divorce will have no impact on children."

He helped write policy papers for the first President Bush's 1988 presidential campaign and afterward landed the post of HHS commissioner for children, youth and families at age 34.

In 1989, the president appointed him to a commission on children, chaired by Sen. Jay Rockefeller (D., W.Va.). Dr. Horn successfully pushed to have the final report include rhetoric condemning divorce and out-of-wedlock childbearing as bad for children. The White House, fearing Sen. Rockefeller might challenge Mr. Bush for president in 1992, leaned heavily on Dr. Horn

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to vote against the final report. But Dr. Horn thought Sen. Rockefeller had accommodated his concerns and voted yes. The report was approved unanimously.

After President Bush's 1992 loss left him without a job, Dr. Horn joined the burgeoning fatherhood movement, launching the private National Fatherhood Initiative, which promotes the notion that fathers have a special role to play that isn't always appreciated.

During those years, Dr. Horn also began thinking about the incentives built into the welfare system that discouraged marriage, such as reducing government benefits for women who got married. Social workers were known to hunt through homes and cut women off welfare if there was a man present. It was no surprise that few single moms married, he says, because the message was, "Don't do it."

BUSH SPEAKS

"As we reduce welfare case loads, we must improve the lives of children. And the most effective, direct way to improve the lives of children is to encourage the stability of American families."

Read the full text5 of the February 2002 speech at the White House Web site.

Then in a 1997 paper published by the Hudson Institute, a conservative think tank, Dr. Horn proposed reversing these incentives for programs such as public housing. "Only after all income-eligible, married, two-parent families are offered the benefit should it become available for income-eligible, single-parent families," he wrote.

After President Bush took office in 2001, he nominated Dr. Horn for an assistant secretary's post at HHS, but 90 groups opposed his confirmation, citing the 1997 paper and complaining his policies would keep women trapped in violent, unhealthy relationships out of fear of losing benefits.

In the hearings, Dr. Horn renounced his earlier comments, saying he was now convinced that preference for married people in social services could translate into discrimination against single moms. Sen. Rockefeller vouched for him and he was easily confirmed.

A key assignment for Dr. Horn was to help develop the Bush administration's proposal for renewing the 1996 welfare law. He pushed to include funding for marriage promotion, despite some reluctance from his boss, HHS Secretary Tommy Thompson. "It wasn't my first priority," Mr. Thompson acknowledges, but says he came to see the political advantages. "The religious right certainly found this a plus and we could find more supporters" for the legislation.

As the job of hashing out welfare reauthorization shifted to Congress, Dr. Horn worked to mollify his critics. He directed that every program work with local domestic-violence experts. And he agreed to hire a domestic-violence expert as part of the national program team.

"One of the smartest things I did," Dr. Horn says, "was put the word 'healthy' in front of 'marriage.'" Every speech and handout on the initiative now uses that phrase.

He also was careful to steer clear of religious overtones. Dr. Horn is religious and active in his Presbyterian church. But he avoids using religious arguments to make the case for marriage.

Dr. Horn put Diann Dawson, a 27-year HHS veteran and an African-American, in charge of outreach to the black community. And, to woo welfare experts and academics eager to attack the program as ideological and unsupported by research, Dr. Horn incorporated evaluation requirements into many early programs and recruited prominent researchers in the field to study them. "He co-opted the whole damn academic world," Mr. Haskins, the onetime White House aide, says admiringly.

He still faced opponents. In Congress, the most vocal was Sen. Max Baucus, the top Democrat on the Senate Finance Committee, who reflected Montana's libertarian leanings. Marriage is a "personal and private choice, not something the government should interfere with," he told a Washington rally on the welfare bill in March 2002.

To help negotiate the welfare legislation, Sen. Baucus in 2004 hired Kate Kahan, now 32, a single mother and former welfare-rights organizer. Pregnant at 18, Ms. Kahan had married the father, then left him after a year and a half because she says he was violent. She and Sen. Baucus knew that the welfare bill inevitably was going to include a marriage program, but she fought for explicit protections: a promise that the domestic-violence experts hired would be experienced and qualified, and guarantees the programs would be voluntary. Dr. Horn, insulted that anyone would question his commitment to protecting women, pushed back.

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WHAT QUALIFIES

Eight types of activities may be funded under the Bush administration's "Healthy Marriage Initiative." • Public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health.

• Education in high schools on the value of marriage, relationship skills and budgeting.

• Marriage education, marriage skills and relationship skills programs that may include parenting skills, financial management, conflict resolution and job and career advancement for non-married pregnant women and non-married expectant fathers.

• Pre-marital education and marriage skills training for engaged couples and for couples or persons interested in marriage.

• Marriage enhancement and marriage skills training programs for married couples.

• Divorce reduction programs that teach relationship skills.

• Marriage mentoring programs, which use married couples as role models and mentors in at-risk communities.

• Programs to reduce the disincentives to marriage in means-tested aid programs if offered in conjunction with any of the other seven activities.

See a list of programs6 that were awarded money in the most recent round of funding.

Source: Department of Health and Human Services' Administration for Children and Families

The tension came to a head at a meeting during negotiations aimed at writing a bipartisan bill. Ms. Kahan was surprised to find Dr. Horn there. By her account, he began by asking what Sen. Baucus had against marriage. Ms. Kahan shot back that the senator is not against marriage but had more questions than answers about government promoting it. In any case, she said, poverty is complex and isn't going to be solved with marriage classes. Frustrated by her repeated insistence on that point, Dr. Horn threatened to walk out of the room, according to two people in the meeting.

After that, the two couldn't be in the same room, those involved in the talks say, and a Republican Senate staffer says she resorted to "shuttle diplomacy."

Dr. Horn says that characterization overstates the tension. But he allows that he sometimes aggravates his opponents. "There are times when I may push a little bit harder than other people may feel comfortable," Dr. Horn says, adding that he doesn't recall the specific debates with Ms. Kahan. A Republican staffer who participated in the talks confirmed Ms. Kahan's account.

When the welfare bill finally passed Congress early this year, there was $500 million for marriage promotion -- minus the specific guarantees Ms. Kahan had fought for.

Among the programs that received the recent round of grants from HHS last month, some are religious groups, though the recipients say they won't use the federal money to promote religion. For instance, the Meier Clinics Foundation of Wheaton, Ill., which won $2 million, is a Christian counseling group whose Web site gives marriage tips starting with: "Sincerely commit your life to Jesus Christ as Lord." The group plans to conduct relationship classes for teens.

Other recipients are secular organizations, such as the National Multiple Sclerosis Society, which plans to spend $531,000 on marriage education for couples where one spouse is struggling with MS.

Although the newly funded programs are just beginning, previously funded programs are being studied to see how well they work. Research suggests marriage education works for middle-class white families; the new studies will see if it works with poor, nonwhite couples.

In the Building Strong Families program in Baltimore, couples are randomly assigned either to join the program, or to receive no services but be contacted later for follow-up. Researchers will study the relationships -- including how many pairs marry -- and the couples' children.

On the night Dr. Horn visited Baltimore, he spoke to the young couples, without using the word marriage. "There's not a couple that doesn't have problems. It's work," he said. "But it's really worth it when you look at your kids."

Disputed Fla. Race Could Go To House (RC)

By John Mcardle And Matthew Murray

Roll Call, November 20, 2006

DOJ_NMG_0096078

With five House races around the country still unresolved as of Friday, election watchers on Capitol Hill believe it is increasingly likely that the contest for the open Florida 13th district seat could end up before the House Administration Committee, which has oversight over federal elections.

Florida's 13th district, where bank executive Christine Jennings (D) and auto dealer Vern Buchanan (R) are competing for the right to replace Rep. Katherine Harris (R) — who, as Florida secretary of state in 2000, was a major player in the disputed presidential election — remains the only district where both Democratic and Republican House Administration Committee staff continue to have observers on the ground. Those observers act as the committee's eyes and ears to monitor the recount and certification process if it appears there is a chance that the race might be contested.

But just as the election itself is under dispute — Buchanan was leading Jennings by 401 votes as of Friday at press time — the process for determining who decides on the winner also could be controversial, with the House about to switch hands from the Republicans to the Democrats.

Florida state election officials are slated to certify the election results Monday morning. But the contest has been marred by allegations of voting irregularities in Sarasota County.

Democrats claim electronic voting machines are to blame for almost 19,000 missing votes in the Jennings-Buchanan contest.

But while Ed Patru, a spokesman for the National Republican Congressional Committee, concedes that there was a high number of "undervotes" in the Jennings-Buchanan race, he said, "there is no evidence to suggest that anyone in district 13 who wanted to vote was unable to do so."

Patru added that all of the recounts in the race have produced the same result — Buchanan winning narrowly.

"The automated recount and subsequent manual recounts, it's like a skipping CD — you just keep hearing 'Vern Buchanan won,'" he said. "It's a matter of time before Christine Jennings concedes."

Nevertheless, Florida elections officials are about to proceed with an audit of the equipment used in the 13th district elections. By today, Buchanan's campaign must appoint a representative to the state panel that will be conducting the audit.

A source close to Buchanan said the campaign was in the process of "acquiring" an expert to represent the campaign in the audit. Barring any developments over the weekend, the audit could be the only recourse for Jennings. Then she'd have to decide whether to take her challenge of the election results to the House.

If the audit "is done in a fair way and it's an open process, that's where we might start to get some answers," said David Kochman, a Jennings campaign spokesman.

Candidates have 30 days after a race is certified by state officials to officially contest their race with the House Administration Committee. Once an election is contested, the committee appoints a panel of two majority members and one minority member to head up its investigation.

Along with a report on the investigation, the committee also is charged with coming up with a recommendation for what action should be taken. That recommendation is voted on by the full panel and sent to the House floor for consideration just like any other bill that is reported out of a committee.

Because the Democrats do not take control of the House until Jan. 3, it is likely that any investigation by House Administration would be launched while Republicans are still in charge — meaning the GOP will have the 2-1 majority on the investigating committee. But by the time the full House would be asked to seat the new Member, the Democrats would be in the majority.

Over the years, House Administration usually has recommended to dismiss contests after undertaking its reviews, but some elections have been closer than others.

In late November 1996 the Orange Country (Calif.) Registrar of Voters certified that Loretta Sanchez (D) had beaten the incumbent, Rep. Bob Dornan (R), by 984 votes. But Dornan filed a notice of contest in late December alleging voting irregularities such as noncitizens being allowed to cast ballots.

A task force under the Republican-led House reviewed the case and documented evidence that 748 votes were indeed invalid. But the total was not enough to give the seat to Dornan, and the committee recommended that the challenge be dismissed in February 1997.

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But while the House Administration Committee is charged with investigating any challenges, the House of Representatives as a whole is responsible for seating its own membership, and while Sanchez was allowed to take her seat despite the challenge of her election in 1996, it its not unprecedented for neither candidate to be seated until a contested election is resolved.

Perhaps the most notable example in recent years is the infamous 1984 race between the late Democratic Rep. Frank McCloskey and Republican Richard McIntyre in Indiana's 8th district where it took until the following May to swear in a Member for that seat.

In that race, McCloskey was declared the winner by a mere 72 votes, but a recount by the Republican secretary of state gave McIntyre the victory by 34 votes. In February of the following year, with the Democratic-led House unwilling to seat McIntyre, the House Administration Committee organized a task force to investigate the election — one of only four times in the past 60 years where the House initiated its own investigation without an official contest.

The task force found the state's recount procedure to be unreliable and, with the assistance of the General Accounting Office (which since has been renamed the Government Accountability Office), a recount was undertaken of the previous November's votes. In the end, McCloskey was granted a four-vote margin of victory and was seated on May 1.

Meanwhile, the races have not been called in North Carolina's 8th district, New Mexico's 1st district, and Ohio's 2nd and 15th districts. Republican incumbents are leading narrowly in all four races.

Two House races — one in Texas, the other in Louisiana — will be decided in December runoffs.

A Shutdown At The Favor Factory (WP)

By Robert D. Novak

The Washington Post, November 20, 2006

While House Republicans reacted to stinging rejection from America's voters by refusing to change leadership, their Senate counterparts have tried to use their closing weeks in power to enact a last burst of pork-barrel spending. But that effort was stalled last week by independent-minded Republican senators, spearheaded by two abrasive freshmen and one longtime hair shirt. Before Congress recessed Friday for Thanksgiving, the GOP leadership appeared to capitulate.

The freshmen, Tom Coburn and Jim DeMint, campaigning in 2004 in Oklahoma and South Carolina, promised not to fall in line with GOP leaders. Fulfilling that pledge allied them with the long-termer John McCain. They have been backed by Jeff Sessions of Alabama and another freshman, John E. Sununu of New Hampshire. In the lame-duck session's first week, they played Horatio at the Bridge by combining to block a pork-filled omnibus spending bill.

That would place responsibility for spending excesses on the new Democratic majority taking office next year. It is highly unlikely that Sen. Robert C. Byrd, a legendary king of pork returning as Appropriations Committee chairman, will reverse the habits of a lifetime and listen to ordinary voters' revulsion over excessive federal spending. "Voters want the earmark favor factory shut down, not turned over to new management," said Coburn. He estimates that Congress can save the taxpayers a cool $17.1 billion by passing a resolution that would continue spending at present levels rather than enacting an omnibus bill laden with earmarks.

The bipartisan dismay the dissenters have caused cannot be exaggerated. Hard-working staffers are beside themselves that their lame-duck feast of pork is being thwarted. K Street lobbyists are frustrated that they are being deprived of a vehicle for their special-interest amendments.

Senate Appropriations Committee Chairman Thad Cochran wanted President Bush, in Asia on a trade mission, to phone DeMint and ask him to stop blocking the agriculture appropriations bill. It did not happen, and the Republican leaders mournfully agreed to the cost-cutting resolution. An irate House Appropriations Chairman Jerry Lewis, who has taken pride in passing his committee's bills on schedule and filled with earmarks, called the outcome an "absolute disaster and catastrophe."

Among senators wailing that their pet projects are being derailed, none has been louder than Democrat Kent Conrad, who will be Budget Committee chairman in the new Congress. A self-described fiscal conservative (because he wants tax increases), Conrad submitted 41 proposals busting the Bush budget in 2005 alone. He was so distraught last week that the agriculture money bill blocked by DeMint contained $4.9 billion in additional emergency relief that he threatened to stop any money bills from passing in the lame-duck session. He did not follow through with this program of actually closing the government.

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The cornucopia that the senators want to sneak through is reflected in 40 pork-stripping amendments to the agriculture bill that Coburn was ready to introduce in the lame-duck session. His key amendments were aimed at $1.1 million for alternative salmon research in Alaska, $591,000 for the Montana Sheep Institute and $194,000 for goose control in the state of New York.

McCain has his own pork-busting list for agriculture appropriations headed by $1 million for the National Sheep Industry Improvement Center and $6 million for sugar-cane growers in Hawaii. McCain also wants to get rid of the earmarks hidden in the Appropriations Committee report on the bill. They include construction costs, not requested by the administration, of $3 million for the Animal Waste Management Research Laboratory in Bowling Green, Ky., and $2 million for the Grape Genetics Research Center in Geneva, N.Y.

The scope and irrelevancy of earmarks are reflected in another target on McCain's hit list: $200,000 for the Lincoln Park Zoo and the Davee Center for Epidemiology, both in Chicago. A stated purpose is "maintenance of health in zoo populations nationwide."

While the Senate's archaic rules can frustrate the will of the majority in passing legislation and confirming presidential nominations, they also can enable a few strong-minded senators to fight excess spending. These senators may well temporarily close what Tom Coburn calls the "favor factory" maintained by Republicans. Will the Democrats try to reopen it next year?

New Justices Take The Podium, Putting Personalities On Display (WP)

By Robert Barnes

The Washington Post, November 20, 2006

The two newest Supreme Court justices took off the robes and took to the stump last week, providing glimpses of the fresh personalities that will reshape a court that had remained constant for more than a decade.

The settings could not have been more different. Chief Justice John G. Roberts Jr. was interviewed before a crowd of 3,000 last Monday night at the University of Miami, and his telegenic message of moderation was then broadcast to the nation on ABC's "Nightline."

Justice Samuel A. Alito Jr. spoke to his fellow members of the Federalist Society, a coalition of conservative lawyers and legal scholars who have gone from rebel outsiders to Washington insiders -- the group drew 1,500 people to its annual banquet and warranted appearances by administration leaders from Vice President Cheney on down.

Roberts's turn on the stage was the most complete, and it showed that his sure-footed performance in his confirmation hearings, where he left even senators opposed to his conservative philosophy aglow, was no fluke.

He has a politician's gift for appearing open while answering only the questions he wants to answer, along with an almost over-the-top humility about being, at 51, the youngest chief justice since John Marshall, and he offers a reassuring middle ground between those worried about threats to judicial independence and those alarmed by activist judges.

He provided a little something for everyone. For the feature pages, he had a cute explanation of how his jiggling son Jack almost stole the show with his hammy performance before the cameras when President Bush introduced Roberts and his family to the nation last year: "People think Jack was dancing. He was not dancing. He was being Spiderman. He was shooting the webs off."

He gave the scholars caught up in the debate about his affection for legal minimalism a bit more to chew on: "If you're going up a list of what virtues are important when you're deciding a Supreme Court opinion, issuing an opinion, deciding a case, I have to say that I think boldness is going to be closer to the bottom and not the top."

And he showed deference to those he called the "people across the street" in Congress, who have been chosen by "hundreds of thousands of people, millions of people."

"Not a single person has voted for me, and if we don't like what the people in Congress do, we can get rid of them, and if you don't like what I do, it's kind of too bad," Roberts told ABC's Jan Crawford Greenburg, who conducted the interview at the Miami forum. "And that is, to me, an important constraint. It means that I'm not there to make a judgment based on my personal policy preferences or my political preferences."

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But as important as what Robert said was how he said it. He went a bit overboard in the humility department: Yes, the rest of the justices call one another by their first names, but they call him "chief." But, he quickly added, "I think it's more a tribute to the office."

And Roberts said he still finds it a little hard to believe that the office is his, for as long as he wants it. When he passes the formal entrance to his office, he said, there's "a little brass plaque on the door that says 'The Chief Justice,' and I still kind of feel that I have to be a little quiet so I don't disturb him."

Dahlia Lithwick, the sharp-eyed legal affairs columnist for the online magazine Slate, called it Roberts's "whole sweet/funny/smart/humble thing" and wrote that the chief justice "sees that the press can be gamed to disseminate a view of judging and the judiciary, and the clarity and effectiveness of his message is indisputable."

Alito, too, drew laughs with his speech Thursday night to the Federalist Society, but there was a scratchier tone to his address. He still seems a little sore about his confirmation hearings, which were tougher than what Roberts faced.

Or maybe Alito was just playing to his audience, which has become increasingly influential in nominations to the federal bench and cheers any reference to frustrated liberal Democrats. So they loved his comment that when he gets near the Hart Senate Office Building, where he spent days last November paying courtesy calls to senators, "invariably without thinking . . . I cross to the other side of the street."

He added: "My membership in the Federalist Society did not become a major factor in my confirmation hearings. Now, I think the reason for that probably was that some senators found so many other objectionable features about my record that they could attack that they had no need."

There's reason for Alito to be a little sensitive. Sen. Charles E. Schumer (D-N.Y.) last week told the New York Observer that his party's biggest failure during the last Congress was allowing Alito to take the bench.

On the Senate campaign trail this fall, the formula that many Democratic candidates used to show they would be judicious but not recalcitrant when it came to Supreme Court nominees was that they would have voted for Roberts but not for Alito.

Whether there will be that much difference between the two men in their judicial philosophies will be played out over the years.

Both, though, had similar messages last week. Alito said that "all public servants, not just judicial officers, play a role in shaping our law, interpreting our Constitution" and that it is wrong for "any public officials to ignore questions about the bounds of their authority in our constitutional system and simply say that the courts will sort that out for them."

Roberts said nearly the same thing. "The great gift of the founding generation was the right of self-government," he said. "We shouldn't give it up so easily to think that all the important issues are going to be decided by the Supreme Court."

High-Tech Defense Office Takes Lead On Telecommuting (WP)

By Stephen Barr

The Washington Post, November 20, 2006

The Defense Information Systems Agency describes itself as providing "global net-centric solutions" for the White House, the Pentagon and the armed forces.

In other words, it's the AOL, Google and OnStar for the Defense Department -- a crucial part of the government's national security operations.

Most of the engineers, computer scientists, telecommunication experts and technology wizards who work for DISA live in Northern Virginia and work in offices scattered through Arlington and Falls Church. Many are less than thrilled with the idea that by 2011 their jobs will be moved to Fort Meade, Md., as part of Defense Department base closures and realignments.

"A lot of those people want to stay with DISA but not uproot family because of schools and because of where their spouses work," said Jack Penkoske, DISA's director of manpower, personnel and security.

To keep from losing experienced employees, DISA has embraced telecommuting -- a way of working that the government has been slower to accept than the private sector.

Of the about 2,000 DISA jobs that have been identified as suitable for telecommuting, more than 500 employees have been cleared to work from home.

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"I think our numbers for telework will continue to grow, as we get more people comfortable with it," Penkoske said in an interview last week. "We've had a seven-fold increase in the last 10 months, probably a little more than that."

About 4,400 people -- military, civil service and contractors -- work for DISA in Northern Virginia, and more than half are civil service employees. DISA hopes that telecommuting will entice the civil service employees -- all have at least a secret clearance -- to stick with the agency.

Prior to the 2005 base-closing announcement, DISA employees could work from home one day per pay period, or every two weeks. Once it became clear that the agency would be relocated to Maryland, DISA's director, Air Force Lt. Gen. Charles E. Croom Jr., put together a new policy that permits employees to work from home two days a week.

Now, DISA employees who qualify to telework and are on a compressed work schedule (80 hours biweekly in less than 10 days) can be out of the office five of 10 work days.

"There are probably going to be more [telework] days being offered as we move down the line," Penkoske said.

DISA picks up half the cost of installing and subscribing to broadband Internet service. Employees are allowed to work on only nonclassified material while at home. The agency has ramped up purchases of laptop computers so that equipment shortages will not slow the telecommuting program.

Penkoske said officials will be paying special attention to network security and to productivity measures to ensure that employees keep up with their workloads.

Theresa Noll, a senior telework program analyst at the General Services Administration, said research has found that telecommuting programs help agencies retain workers and maintain or improve their productivity.

In contrast, she noted, "it's widely recognized in all managerial circles that when you lose employees or significant parts of your workforce, there is a break in productivity."

Although DISA anticipates that telecommuting will help it keep employees, Penkoske said that telework should also aid in recruiting the next generation of workers, who, by most accounts, are keen on employers that offer flexible work arrangements.

The agency hires about 100 recent college graduates as interns each year and spends $60,000 to $70,000 over three years to train them, an investment that the agency is not eager to lose, Penkoske said.

Terry Holzheimer, director of economic development for Arlington County, said officials are looking to partner with the federal or state government to set up a telework center for DISA employees in Crystal City as they near their 2011 deadline for moving to Fort Meade, where the military plans to build a 1 million-square-foot building for DISA.

"It is one thing to lose the jobs. We don't really want to lose the people," Holzheimer said. "Taking that many people off the Metro and disrupting their lives and commuting patterns is not good public policy."

Setting up a telework center in Crystal City would provide a workplace for DISA employees on those days they do not have to be at Fort Meade or for days when they have meetings at the Pentagon, he said.

Penkoske said DISA is looking into providing daily buses "from different places" in Northern Virginia to Fort Meade so that employees can have a mass transit option for getting to work. DISA also will help employees sell and buy homes if they decide to relocate to Maryland, he said.

Unknown, of course, is how many DISA employees will move, how many will try telecommuting, and how many will quit and take jobs with other government agencies and contractors.

What Ails The CDC (TIME)

By Christine Gorman

Time, November 27, 2006

Julie Gerberding was stillÂ a deputyÂ director of the Centers for Disease Control and Prevention (CDC) in 2001 when someone started mailing anthrax spores to newsrooms and politicians' offices around the country. A telegenic personality who connected easily with journalists, Gerberding quickly became the public face of the CDC--a rare cool head among a parade of increasingly confused health bureaucrats. The fumbling she witnessed behind the scenes convinced her that the CDC's troubles extended beyond the need for better communications. She made her case to Tommy Thompson, then Secretary of Health and

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Human Services (HHS), and within a year was appointed director of the agency--the first woman to hold that job--with a mandate to radically reshape the CDC.

Five years later, Gerberding finds herself in the public eye once again, but this time she's under attack. The massive reorganization she ordered--combined with painful budget cuts in key divisions--seems to be tearing the agency apart. Six directors of the CDC's eight primary scientific centers have left. Researchers are sniping at one another in public and on the Internet. The agency has been targeted by three different congressional probes. And a blistering report, leaked last week, by an outside consultant who studied the agency's response to Hurricane Katrina found chaos and mismanagement at the very top.

Nobody is claiming that the CDC has become another governmental basket case like FEMA--at least not yet. Indeed, the speed with which this past summer's outbreak of lethal food poisoning was traced to spinach tainted by runoff from a particular herd of cows in California is testimony to the CDC's continuing expertise. But the bad publicity comes at the worst possible time for the agency and its director. Congress is wrapping up its final budget for 2007, and the Administration is starting to draw up a preliminary budget for 2008. If lawmakers believe that Gerberding is floundering, her institution's budget will suffer.

That's the last thing the U.S. needs. As the nation's premier guardian of public health, the CDC is responsible for researching, tracking and counteracting newly emerging infectious diseases like West Nile and SARS. Doctors rely on it to develop unbiased recommendations on a wide range of medical issues from when to vaccinate children to how best to battle obesity. It also directs funds to individual state and local public agencies to shore up their own community health efforts.

Ironically, it is increased CDC funding mandated by Congress for high-profile threats like bioterrorism and flu pandemics that has drained money from areas of public health that may actually be more pressing. Among the hardest-hit programs: AIDS prevention (down 19%), tuberculosis control (down 16%) and preventive-health block grants for outbreaks of West Nile disease and other unexpected events (down 17%).

But what really troubles the most vocal critics is their sense that the CDC's devotion to pure science--a long-established mandate to follow the trail of medical evidence wherever it leads--has been sabotaged. AIDS specialists today feel that they are being constrained not to say anything positive about condoms, while others complain that more cash bonuses are being given to administrators than to researchers. "It's the policies and the direction of the institute I'm most concerned about," says Dr. Brad Woodruff, an epidemiologist in the organization's Maternal and Child Nutrition Branch. Woodruff is particularly incensed that the agency's new jet, which is supposed to be for medical emergencies, was used by HHS Secretary Mike Leavitt to make promotional appearances on behalf of President Bush's Medicare drug plan.

The centerpiece of Gerberding's reorganization was her decision to replace the agency's 11 often insular centers with four coordinating bodies that would, in theory, respond to emergencies with more agility. Closer contact between infectious-disease and environmental experts, Gerberding says, has already resulted in faster tests for detecting botulism.

But some within the agency complain that the main difference they have seen so far is that their work is more likely to be second-guessed. "Scientists feel less empowered to make decisions," says Dr. Stephen Cochi, who has worked at the CDC for 24 years, currently in the Global Immunization Division. "There's more bureaucratic filtering." Decisions that were routinely made in Atlanta, he and others say, must now be approved by higher-ups in Washington. Requests for anything but emergency travel have to be made 90 days in advance.

As in so many other internecine battles, it can be hard to tell where the whining stops and the real problems begin. The CDC was due for a major overhaul, and it's human nature--even among scientists--to resist change. What started off as hallway grumbling, however, has grown into an ugly public ruckus, thanks to an unofficial employee blog www.cdcchatter.net and a few well-directed Freedom of Information requests from the Atlanta Journal-Constitution.

Through it all, Gerberding has stood firm. "The CDC was not broken," she says. "The reason to undergo this [reorganization] is that the world was changing so dramatically." As for charges of political interference, she is unapologetic. "This is a public-health agency, and by its very nature, we're never going to satisfy every single constituency," she says candidly. "I tell [Administration officials] this is the science. This is the recommendation. What they do with it is beyond my control."

Not everybody blames Gerberding for the turmoil. "I don't think anyone denies that there's a morale problem at the CDC," says Dr. Georges Benjamin, executive director of the American Public Health Association. But he attributes much of the upheaval to government-wide belt tightening rather than to Gerberding's reorganization, noting that core programs at the CDC have been

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cut 4.5% in each of the past two fiscal years. He and other experts believe that the agency needs at least $15 billion a year to do all the jobs it has been assigned--nearly twice the current budget of $8.5 billion.

Perhaps the most immediate problem is the number of senior-level people who are leaving. Part of that is an unavoidable function of aging--40% of the CDC's 9,000 employees will be eligible to retire in 2008. But there's also speculation that older scientists are being pushed to leave early. Either way, "you don't replace the experts at CDC easily," says Robert Keegan, deputy director of the agency's Global Immunization Division. "Management has said they've enacted better emergency standards, but until there's an emergency, you don't know."

State and local public-health officials are keeping a close eye on all the drama. "The most difficult organization in the world to change is a successful organization [like the CDC]," says Paul Halverson of the Arkansas department of health and human services. "If you're a company that is losing money every month, then it's easy to see the need to make a change." Of course, in this case, it's not just money but lives that are at stake.

Coin Of The Commanders In Chief (USAT)

By Barbara Hagenbaugh

USA Today, November 20, 2006

WASHINGTON — Can George be successful where Sacagawea and Susan failed?

The U.S. Mint today is unveiling designs for its newest additions: dollar coins that will feature deceased presidents on a rotating basis, similar to the popular state quarters.

The coins will enter circulation with George Washington on Feb. 15, four days before President's Day, and will be gold in color like the Sacagawea to distinguish them from other coins. Like the Sacagawea, they will be slightly larger than the quarter.

While the presidential coins are expected to be popular with collectors, it's doubtful they will be used by consumers and businesses on a daily basis, some experts argue. Instead, with dollar bills still an easy alternative, they likely are doomed as a means of commerce, as Susan B. Anthony and Sacagawea before them, says David Sklow, a numismatic expert and former director of the library and research center at the American Numismatic Association.

“I hope it does get accepted, but I wouldn't hold my breath,” he says. “Americans do not like dollar coins, they just don't. You want to carry three or four of these around? If you are a man (and carry money in your pocket), I don't think so.”

A dollar coin hasn't widely circulated for more than 70 years, when the silver Peace Dollar was in use.

David Didriksen, owner of Willow Books & Cafe in Acton, Mass., says there's a reason for that. Dollar coins are often miscounted by customers, store clerks and banks, he says. He hopes people don't use them.

“As it is now, a typical trip to a bank involves carrying a bag of 20 or 30 pounds or more,” he says. “The last thing we need now is more coins.”

But many people, including Mint Director Edmund Moy and the lawmakers who sponsored the legislation to create the presidential dollar coins, beg to differ. They argue that the state quarter program has set the stage for acceptance and use of a dollar coin.

“We have an opportunity to build on the success of the state quarter program,” says Sen. John Sununu, R-N.H.

Greater use of dollar coins instead of bills would save the government hundreds of millions of dollars each year, even though the coins are more expensive to produce. That's mainly because coins last for about 30 years, more than 16 times longer than dollar bills.

The Federal Reserve estimated in 1995 that replacing dollar bills with coins would save $500 million a year. The savings would likely be much bigger today, because the number of $1 bills in circulation has risen 40% in the past decade. More than a third of U.S. circulating currency is dollar bills, according to the Fed.

Dollar coins “cost a lot less in the long haul,” says U.S. Treasurer Anna Escobedo Cabral, who oversees the nation's money production.

Studies, including those from the Government Accountability Office, the investigative arm of Congress, suggest consumers will embrace dollar coins only if dollar bills are pulled from circulation.

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But the idea of replacing the dollar bill with coins has met stiff resistance from lawmakers, printing unions and paper manufacturers.

The public has also opposed eliminating $1 bills. In a USA TODAY/Gallup survey of 1,002 adults conducted Oct. 20-22, more than half said it was a "good idea" that the Mint was introducing presidential dollar coins.

But when asked their opinions on replacing dollar bills entirely, 79% said they would oppose such a move. Even when told that replacing bills with coins would save the government $500 million a year, 69% said they still opposed making such a change.

"It's just easier to carry the bills," says retiree Ellen Barlow, 74, of Culbertson, Neb., who opposes replacing dollar bills with coins. "Five dollars of coins weighs a lot more than five dollars of bills."

Other countries have done away with their low-denomination bills. Canada has replaced its one-dollar and two-dollar notes with coins, while in Europe, some euro coins have replaced bills.

Machine repairman Patrick Lawson, 35, of Cold Brook, N.Y., says he liked using coins for lower denominations when he was stationed in Germany in the military. It makes sense for the USA to get rid of the dollar bill and use coins instead, he says.

"People are afraid of change," Lawson says. "If you get rid of the dollar bill and they actually start to use it, they will realize they are easy to use."

Says Francois Velde, co-author of The Big Problem of Small Change and senior economist at the Federal Reserve Bank of Chicago, "Americans are creatures of habit."

The last dollar coin to be introduced, featuring Sacagawea, a Native American interpreter and guide on the Lewis and Clark expedition, was largely a failure. Due to lack of demand, the Mint stopped making the Sacagaweas in 2002, a little more than two years after they were first introduced with much fanfare.

Demand has been so minimal that the Federal Reserve and the Mint as of June 30 had more than 200 million Sacagawea dollars in combined inventory, according to the Fed. That's enough to meet current demand for 31/2 years.

The Mint's Moy says that when he was nominated to be Mint director this summer, he went to five banks and asked for a Sacagawea. None had one.

The Mint spent more than $67 million to promote the Sacagawea coin from 1998 to 2001, according to the GAO. The money was used for marketing, advertising and partnerships with a variety of industries, including banking and retail. A float promoting the coins was in the Macy's Thanksgiving Day Parade in 1999, and they were featured on boxes of Cheerios cereal.

More than $40 million of the funds were used for a national advertising campaign starring George Washington.

The Sacagaweas are gold in color to distinguish them from other coins. That decision came after repeated complaints that the Susan B. Anthony was too similar in size and color to the quarter, creating confusion.

But despite the changes and promotions, the public did not embrace Sacagawea.

"The Mint's new dollar coin marketing program raised public awareness of the new coin but did not produce long-tem increases in circulation," a 2002 GAO report said.

Instead, people had trouble finding the coins after the initial flurry, when they were handed out as change at Wal-Mart. Banks stopped ordering them, and they largely faded from view.

But supporters of the new dollar coins say this time, it's different.

That's because the new coins will rotate, introducing four new presidential dollars each year, starting in 2007. Plus, for the first time in more than 70 years, the coins will feature writing on the edge of the coin rather than just on the fronts and backs. The writing will be engraved, but will be detectable by touch.

Those two features, particularly the rotation of the coins, will lead to excitement about the money in a way that wasn't generated before, Moy says.

"Casual collectors will focus their attention on the dollar, just as they have with the 50-state quarter program," Moy says.

"If they start collecting them and seeking them out, we hope that one positive benefit of that is that they'll start using them more and say, 'Hmmm, this isn't as bad as we thought.' "

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The Mint is also planning a different approach in promoting the new coins. The plan is for a more bottom-up program, in which the goal is to get consumers excited about the coins, leading them to demand the dollar coins from banks, retailers and others.

With Sacagawea, the Mint tried a more top-down approach, in which banks and retailers were encouraged to use the coins to try to create a buzz among consumers.

The Mint is planning to spend approximately $5 million for the initial marketing campaign, far less than it did with Sacagawea.

The presidential dollar coins come as the highly successful state quarter program nears completion in 2008. From 125 million to 130 million people in the USA — or close to half the U.S. population — are collecting the state quarters, according to the American Numismatic Association.

The Littleton Coin Company has already sold thousands of specially designed folders with slots for the new dollar coins to collectors. Part of the interest is coming from people who became collectors with the quarter program, says Jeffrey Marsh, head of marketing for the Littleton, N.H.-based company.

"I definitely could see it as being as popular as the state quarters," Marsh says. "It's just another one that ties in nicely with education and history."

But being collected and being used are two entirely different things, says Beth Deisher, editor of the publication Coin World.

"The Mint is really in an uphill battle," Deisher says "No other nation has successfully circulated a coin equivalent of the paper money. It doesn't happen. Human nature is such that you would take the paper money."

But Moy says comparing the presidential coins with previous dollar coins is not fair. He notes that unlike with the Sacagawea, the Mint will have 10 years to generate buzz about the new coins.

"The better analogy is the 50-state quarter program than prior dollar coin programs," Moy says.

"If we can build on that sort of momentum, the chances of a dollar being successful really increases," he says.

"We really need to make it big."

Presidents, Well Known Or Not, Will Have Their Day On A Dollar (NYT)

By Matthew Healey

The New York Times, November 20, 2006

The United States Mint is unveiling four designs for one-dollar coins today, featuring likenesses of the first four presidents. They begin a series that is to last a decade and portray every deceased president.

The first coin, displaying George Washington on one side and the Statue of Liberty on the other, will go into circulation in mid-February, in time for Presidents' Day. After that, coins with John Adams, Thomas Jefferson and James Madison will be issued at three-month intervals.

Four more will appear, in order of each president's service, every year until 2016. Designs are based on presidential medals made previously by the Mint and on portraits in the National Portrait Gallery at the Smithsonian Institution in Washington, where today's unveiling takes place.

The size, color and metal content of the $1 coins will be identical to those of the current Sacagawea dollars, but their luster should last longer because of a new anti-tarnishing compound that will be applied to blank coins between the time they are annealed, or softened by heating, and struck with the design.

The date and some inscriptions will be stamped into the edge, airing out the designs.

The director of the Mint, Edmund C. Moy, said the number of each presidential dollar coin issued would depend on circulation demands forecast by the Federal Reserve, regardless of how well known a president was. "This could be a renaissance for some of our lesser-known presidents," Mr. Moy said in an interview.

The coins were authorized last year by a law that also provides for a series of 24-karat $10 gold coins honoring all the presidents' wives, which will be sold to collectors and investors rather than released for general circulation. The first of those, showing Martha Washington, will be issued before the end of 2007.

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The law also calls for four new designs for the penny in 2009, to commemorate the bicentennial of Abraham Lincoln's birth.

Hopes are that the new dollars will be as popular as the state quarters, many of which have been taken out of circulation by collectors. The government has earned $4 billion to $5 billion on the state-quarter series since 1999.

The Mint made three billion state quarters in 2005 but only five million Sacagawea dollars. By law, it has to continue making the Sacagawea dollars, which will circulate along with the new presidential dollars and the Susan B. Anthony dollar.

Implants And Science (WSJ)

The Wall Street Journal, November 20, 2006

It took 14 years, but science finally trumped politics Friday, with the Food and Drug Administration's lifting of its longstanding ban on silicone-gel breast implants. Women will at last be allowed to make their own decisions about cosmetic surgery. This is especially welcome news for mastectomy patients.

The FDA removed them from the market in 1992 during the reign of Commissioner David Kessler, a politically ambitious bureaucrat who was courting support from the left. The agency cited health concerns that have long since been debunked, and silicone-gel breast implants have since been at the heart of one of the trial bar's biggest scams. Class-action lawsuits raked in billions of dollars and drove implant makers out of the business. Dow Corning went into bankruptcy. Throughout it all, the trial bar was abetted by a gullible press, only too happy to ignore the science and play up sensationalist stories of supposed "victims."

Meanwhile, as we reported in editorials at the time, study after study showed no linkage between silicone breast implants and cancer, lupus, the skin-hardening disease scleroderma or other serious illness. As far back as 1994, doctors at the Mayo Clinic found "no association between breast implants and the connective-tissue diseases and other disorders" that they studied. In 1999, the Institute of Medicine found no systemic health problems caused by implants. In 2003, an FDA advisory panel advised that the ban be removed.

Last week's FDA decision notes that women with implants still run the risk of complications from leakage -- a risk that the industry has never denied and that patients have always been informed of. In approving implants made by two companies, Allergan Inc. and Mentor Corp., the FDA urged patients to get regular MRI exams. That's surely wise, but in any case it's a risk that patients and their doctors are perfectly capable of weighing against the benefits of the procedure.

One of the ugliest aspects of the breast-implant controversy has been the irresponsibility of the feminist movement, whose championship of a woman's right to "choose" doesn't extend to breast implants. It's all the more outrageous given the tens of thousands of breast-cancer victims seeking reconstructive surgery each year. Silicone-gel implants tend to feel and look more natural than the saline alternative.

It would be nice to think that the FDA's move closes the chapter on this nasty episode, but given the anti-implant crowd's reaction to Friday's announcement, that's probably too much to hope for. Kim Gandy, president of the National Organization for Women, called it a "reckless decision" and promises to seek reversal "when the new Congress takes office." Sidney Wolfe, head of Public Citizen's Health Research Group -- the Naderite outlet that spearheaded the campaign against silicone in the 1980s and is a front for the trial bar -- called breast implants "the most defective medical device ever approved by the FDA." He also vowed to seek Congressional action.

While we're glad the FDA has overturned 14 years of politicized medicine by approving silicone breast implants, it's worth remembering the enormous price that has been paid: to the credibility of the legal system, in jobs lost, and in public health. And it's worth asking what is more toxic: the silicone implants preferred by thousands of women, or the trial bar that purports to "protect" them.

Hill Scrum Blues (USNEWS)

By Silla Brush

US News and World Report, November 27, 2006

Americans had ethics on their mind when they took control of Congress away from Republicans. In fact, 41 percent of voters in a post-election survey said corruption and scandals were "extremely important" factors in their vote. And both the winners and the losers promised to heed the message; Republicans said they'd learned their lessons, while Democrats pledged

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substantive reforms. Steny Hoyer, the current minority whip, followed that lead in a meeting with reporters, as he talked of the Democrats' legislative priorities come January. Yes, the party had called for upping the minimum wage and passing the 9/11 commission recommendations. But last week, Hoyer seemed to have those midterm voters on his mind. "Clearly Iraq was a major reason for their vote," he said. "Corruption was also a very important reason."

That was then. As the week wore on, and both parties turned to the business of electing new leaders, the lofty rhetoric seemed in the view of many to be giving way to the same old thing. In fact, the internal wrangling on Capitol Hill gave more credence to Washington's age-old pursuit of personal politics, strong-arm tactics, and backroom dealing. Congress is a club, after all, and in the light of day, it looked plenty clubby-even if all the members weren't getting along. By week's end, reform-substantive or otherwise-was looking like a mighty tall order.

Misstep. There was, however, enough drama to fill a play of several acts. Democratic Speaker-to-be Nancy Pelosi indelicately stepped into her own party's leadership elections, managing to turn their first week after 12 years out of power into a divisive intraparty brawl. Pelosi put her chips on an old friend, Rep. John Murtha of Pennsylvania. It was a matter of loyalty, she said, and an attempt to credit Murtha for pushing a new course in Iraq. But her bold initiative bombed, damaging not only her own leadership credentials but the unity of her caucus as well. Murtha lost in a landslide to Hoyer in the race for majority leader. Even Pelosi allowed afterward that it was a "stunning victory" for the 12-term congressman from Maryland.

Murtha, the Vietnam vet who ran Pelosi's own leadership campaign, had helped shift the Iraq debate when he called for troop redeployments this year. But the longtime power player on the Appropriations Committee, who has championed millions of dollars in earmarks, faced mounting questions about his murky ethics record. His leadership candidacy brought back stories of the 26-year-old Abscam bribery scandal, in which Murtha was implicated but never charged. He punctuated the doubts by telling a group of moderates that the lobbying reform bill pushed by Democrats this year was "total crap."

Hoyer has long-established roots within the party and had helped many of the freshman representatives raise money, but watchdog groups aren't wild about his independence, either. Public Citizen ranked Hoyer fifth in the House for receiving money from lobbyists, three spots behind Murtha. "I'm sure that many voters who voted on the issue of corruption were hugely disappointed by the Democrats this week," says Melanie Sloan of Citizens for Responsibility and Ethics in Washington. "That this was the first action out of the box-putting up a guy with serious ethics problems-if I was a voter who had crossed over or was independent and then they did this, I'd be thinking, 'What did I do?'"

OTHER NEWS:

A Brisk Rise In American Wages (CSM)

By Mark Trumbull

The Christian Science Monitor, November 20, 2006

American paychecks are rising again at a pace not seen since the 1990s.

The pay increase amounts to 4 percent on average over the past 12 months, and it comes at a very helpful time for millions of households.

For three years, pay increases haven't kept pace with the rising cost of living. Then came this year's housing slowdown, which has further squeezed family finances.

Those setbacks, however, are now being offset by rising income. Four percent may not sound like much, but you have to look back to 1997 to find a calendar year with a gain that big.

Equally significant, tamer energy prices mean that the "real" wage gains, after inflation, are above 3 percent for the past 12 months. That, too, hasn't happened since the 1990s, even though the economy has been expanding over the past five years.

"The striking feature of this expansion has been that ... real wages for the typical worker haven't risen that much," says Richard Berner, US economist at the investment bank Morgan Stanley in New York. But with real incomes rising, he says, "you get a picture of an economy that can weather this housing storm."

The risk of recession hasn't disappeared, he and other economists say. But with a fairly tight job market and low unemployment, many expect that paychecks will keep rising solidly in 2007.

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Sandy Nelson has seen the strength of rising incomes first hand this year.

She runs Mulberry Road, a children's store near Boston's trendy Newbury Street, and says traffic has been increasing.

More customers means more income for her - and more money to keep investing in her young business.

"I have more of what people are looking for," she says, pointing to racks of colorful clothing for toddlers.

In other words, Ms. Nelson is ready for the vital holiday season.

"I'm just hopeful that it will be as good as what they're saying," she says, citing retail forecasts that New Englanders will spend more than $700 on gifts this season, on average.

The average private-sector paycheck is now $573 per week, according to Labor Department figures that cover about 8 in 10 workers - those in production or nonsupervisory jobs.

As recently as this past October, weekly pay adjusted for inflation was below where it was when President Bush took office in 2001. In effect, rising prices for things like healthcare, college tuition, and especially for energy ate up all the wage gains of an expanding economy, and then some.

The spike in energy costs was extreme, but the pattern was a common one. Wages generally rise fastest when the economy is strong and inflation is low.

That's why this moderation in fuel prices is so important.

Dan Thompson, who drives a DHL delivery truck in Boston, can hardly remember the pay raise he thinks he got earlier this year. But lower gasoline prices lately have been like an instant addition to his income.

"Thank God for that," Mr. Thompson says. He fills his tank often, since he drives to work every day from Salem, N.H.

Although the wage trend nationally has been steadily upward this year, it's unclear how much the inflation side of the equation will continue to benefit workers. Last week, the Labor Department reported not just tame inflation but an outright drop in consumer prices. The more typical pattern - and the one expected in the months ahead - is modest inflation, not deflation.

Even so, many analysts see a climate that's promising for more growth in real income.

"Expect wages to maintain a decent clip at least through the first half" of 2007, says Jared Bernstein of the Economic Policy Institute, a liberal-leaning research group in Washington.

Those gains lately have been fairly broad-based across all pay levels, but they come at a time when wage growth seems to be harder to come by than in the past.

One key reason, Mr. Bernstein says, is an increasingly global market for labor.

"If your work can be routinized and digitized, you're in global competition in a way that you weren't a decade ago," he says.

The key questions for the economy - and for worker pocketbooks - are whether the job and wage growth continues, whether the housing slump deepens, and what happens to energy prices.

"With oil prices down, we're less worried" about a recession, says David Wyss, economist at Standard & Poor's in New York.

Another positive sign: Companies are laying off fewer people this year, says John Challenger, who heads the outplacement firm Challenger, Gray & Christmas in Chicago.

Big Pharma On A Mission To Woo Democrats (FT)

By Stephanie Kirchgaessner In Washington

Financial Times, November 20, 2006

The pharmaceutical industry was in the enviable position two years ago of having the right friends in the right places in Washington.

Billy Tauzin, the Republican lawmaker, and Thomas Scully, who ran Medicare during President George W. Bush's first term, were leaving their respective posts to lobby for the drugs industry after securing the addition of a pharma-friendly prescription drug subsidy in the federal healthcare programme for the elderly.

Another ally in the Senate, Rick Santorum of Pennsylvania, had emerged as a powerful player in Congress and was considered a presidential hopeful.

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The industry's mirrored that of other big companies and trade associations that had strengthened their ties with the Republican majority by hiring only Republican lobbyists for top positions – a practice championed by Mr Santorum that was known as the "K Street project".

Now the prospects of the industry's giants have taken a turn. After spending an estimated $10m (£5.3m, €7.8m) on Republican incumbent candidates ahead of this year's mid-term elections – Democrats received about $4.5m – no other sector is expected to face as hostile a reception on Capitol Hill after the Democrats take over in 2007.

Shares in US and European pharmaceutical companies tumbled in the days after the election, with Pfizer, Eli Lilly and Novartis each down 5 per cent or more. The New York Stock Exchange Healthcare Index recovered slightly last week after a sharp drop.

Nancy Pelosi, incoming Speaker of the House, who once accused Mr Tauzin of "selling seniors down the river" for $2m – the sum the Louisiana Republican was reportedly paid to join the association he now runs, PhRMA – says one of her priorities will be to give the government the power to negotiate Medicare drug prices.

Other lawmakers, including Henry Waxman, the representative, are expected to target the industry by calling hearings on issues ranging from marketing to drug safety. Congress is also expected to increase its scrutiny of the industry's chief regulator, the Food and Drug Administration. The industry will face this harsh new reality without the support of Mr Santorum, who lost his re-election bid.

"Clearly, it is a new day. After the election, we woke up to a new world and I think you will see industry-wide actions that will reflect that new world," says Ken Johnson, senior vice-president at PhRMA. "There will be a renewed emphasis on making new friends and reaching out to Democrats, and especially pro-business Democrats," he says.

The industry has already recruited at least one high-profile Democrat to help it make inroads with the incoming majority party. John Breaux, the former senator and Patton Boggs lobbyist who was also involved in the passage of the Medicare provision, told the Financial Times he was working with clients in the industry on strategies for the upcoming Congress, including spending a "great deal of time" with editorial boards explaining the positive attributes of the Medicare prescription drug benefit.

Steve Jenning, a Democratic drug lobbyist at Capitol Health Group, says the industry is seeking lobbyists who maintained "some semblance of a relationship with the minority" to gain influence, not only with rank-and-file Democrats on important congressional committees but also with the new leadership – Ms Pelosi and Harry Reid, incoming majority leader in the Senate.

Given the barbs the industry has traded with Ms Pelosi, in particular, Mr Johnson says it will "take some time to heal" the "old wounds".

But for all the emphasis some lobbyists pin on hopes of making new friends in the Democratic caucus, others privately admit that the Democrats' narrow victory in the Senate means the industry is not in dire straits. Instead of reaching out to Democrats, says one senior lobbyist, the drug industry will simply have to ensure it has 41 votes in the Senate to block harmful legislation, instead of the 60 votes they had been seeking in a friendly Senate.

"The Senate is a killing chamber, it always has been. The game you are going to play is, 'how do I stop that from happening?' " the lobbyist says.

But Mr Breaux disagrees with that strategy. "I would do more than that – not just play defence, play offence and send a positive message about what they [the pharmaceutical industry] do and why they do it. We have a good story to tell," he says.

Mr Breaux's task may be made easier by a recent changing of the guard at several big drugmakers, including Pfizer, the world's largest. Democrats may be more willing to lend an ear to chief executive Jeffrey Kindler than former chief executive Hank McKinnell, who was a large donor to the Republican party.

Records collected by the Center for Responsive Politics show that Mr Kindler donated $10,200 in this election cycle. The beneficiaries were all Democrats.

G.O.P. Explorers (TIME)

Time, November 27, 2006

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Potential presidential candidates used to take their time deciding whether to run; now, you can't be coy. Several Republicans are already forming exploratory committees. Betting site Tradesport.com gives the odds for each to win the nomination.

John McCain Odds: 10 to 11 He's John McCain! War hero, anticorruption crusader, George W. Bush's best frenemy in the world. And it doesn't hurt that the press loves him. The G.O.P. base doesn't trust anyone loved by the media, and his liberal fan base may offend a few conservatives. Plus, he wants to send more troops to Iraq.

Rudy Giuliani Odds: 47 to 1 America's Mayor led New York City through 9/11; he has a no-nonsense attitude toward crime, budgets and basically anything else that annoys him. He might lose the family-values vote with two divorces behind him. He has supported gays but not guns. Republicans don't know his blue side now, but they will.

Tommy Thompson Odds: 124 to 1 Former Wisconsin Governor and Secretary of Health and Human Services under Bush. He's the original welfare reformer and loves health care. Wisconsin. Campaigning on health care and welfare? Not very exciting. And his other talking points--energy conservation and the Iraq war--aren't exactly original.

Duncan Hunter Odds: 142 to 1 House Armed Services chair co-wrote a bill to put a fence along Mexico's border. Will protect the unborn and military contractors too. Lack of name recognition may end up hurting his chances, plus he's been tainted with connections to disgraced former Representative Randy (Duke) Cunningham.

Bill And Hillary Clinton's War Plan (NSWK)

By Jonathan Alter

Newsweek, November 27, 2006

For right-wing conspiracy theorists, this is the belly of the beast—a dinner at the Four Seasons in New York for the 20th anniversary of Harvard's Joan Shorenstein Center on the Press, Politics and Public Policy. Portentous Ivy League professors, Upper East Side gazillionaires, Precambrian media pooh-bahs; Dan Rather and Al Franken and Paul Pelosi, spouse of the Speaker-elect. Almost all in attendance cheer the results of the midterms while bemoaning the demise of old media. Suddenly, shimmering over the tabletops, comes a vision of what was and might yet be again: in full plumage, arriving and departing separately per their insane schedules, Bill and Hillary Clinton—"two for the price of one," as the Arkansas governor liked to say back in 1992, before Dogpatch went global.

This audience knows about the ex-president's ability to put other people's money where his mouth is. Big money. At the second annual Clinton Global Initiative in September, he extracted more than $7 billion in commitments to address world problems. Hosting a conference of the Slate 60 largest charitable givers in the United States last week at his presidential library in Little Rock, he joked to the assembled billionaires, "I looked in the mirror and realized I'd become an NGO."

But can a "nongovernmental organization" like Clinton Partners retake the U.S. government? On this evening, Hillary is in the audience, Bill the featured performer. Even for a crowd of old friends unimpressed by his celebrity, the former president's seemingly offhand stump speech does not disappoint. In the past year, he has taken his already-impressive rhetorical game to a new level, offering a thoughtful synthesis of the world's problems and opportunities.

He's a master of display. Statistics that would be deadly in other hands ("Denmark's had a 50 percent increase in its economy with a zero percent increase in energy consumption") come alive. Describing fluorescent lighting, new windows and other ways to go green and get rich at the same time, he deadpans, "Boring, right?" before answering his own question with patented casual intensity: "But it's important." Like a high-tech camera circumnavigating a subject, he clicks images from a dozen angles, then defends complexity, flexibility, uncertainty.

The beauty of the Democratic Party midterm victory, Clinton muses, is that voters said no to ideology. They wanted to move past fearmongering and demonizing toward true debate. "America rejected shorthand," he says. "People are thinking again." But they are not thinking of a set of liberal policy prescriptions. He argues that the election was about more than Iraq and corruption; it turned on the unmet needs of middle-class voters for whom the country "isn't working anymore." And yet no one is exactly sure how to make it work again. "The people didn't give Democrats a mandate," the former president cautions. "They gave us a chance."

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But a chance to do what? To compromise with the president to achieve something to show voters the next time? Or to lay out an agenda to run on in the 2008 campaign? (The first cattle-call primary debates, if you can believe it, are only six or seven months away.) The answer will be some of both, of course, with the calibration of the two approaches determined as much by Hillary Clinton and her husband as by Nancy Pelosi or Harry Reid. All that is clear so far is that "the chance" will inevitably take centrist form. Just as every Republican candidate has for decades been required to describe himself as a conservative, every Democratic candidate in 2008 will don the Clintonesque cloak of moderation. It's a vindication of Clinton's "Third Way" presidency, though ironic considering that the Democrats lost the Congress in the first place in 1994 in part because of the alleged excesses of "Hillarycare." Now the former First Lady, whose impressive 67 percent re-election to the Senate showed she could win the support of independent swing voters and even a quarter of Republicans, is betting that a moderate image will erase the phony national impression of her as a left-wing harridan.

Chance, as Louis Pasteur said, favors the prepared mind, and none is more prepared in the Democratic Party than that of HRC. Her orderly and substantive approach to issues has brought raves from colleagues in both parties. Her political orbit, dubbed "Hillaryland," is a frighteningly disciplined constellation of aides, none of whom (to the annoyance of the press) will talk out of school about a 2008 presidential race. While the campaign-in-waiting has not done as much recruitment of workers in Iowa as rivals assume, it would not take long to put the pieces in place. It's still possible that she'll forgo a 2008 campaign in order to stay in a job she loves in the Senate (and become majority leader within a few years). But unless personal concerns surface soon, the odds strongly favor her jumping in early next year.

If she does, it will not be because her party is clamoring for her to do so. While her celebrity and command of issues always draw friendly crowds, they cannot be fairly described as tumultuous. While Bill is a virtuoso at weaving together seemingly unrelated threads, Hillary is still too often what one of her biographers, Michael Tomasky, calls the "Laundry Lady," reciting a laundry list of worthy ideas that don't yet add up to a compelling vision.

One conventional take on Hillary is that while she is a prohibitive favorite to win the Democratic nomination, she cannot win the general election. But the reverse may be closer to the truth. With the map of the Electoral College shading blue, any Democrat strong enough to win the nomination can conceivably prevail in November. The last four Democratic nominees have all received more than 250 electoral votes (with 270 needed to elect). Bill Clinton used to tell friends that the first woman president of the United States would be like Margaret Thatcher in Great Britain—a conservative. He no longer makes that argument. The challenge in the 2008 general election might be less about Hillary's gender (or any collateral damage caused from a failure by Pelosi) than her core political skills. Could she avoid being Swift-Boated as a lefty? Probably so. Hillary has the thick skin and war-room experience to fend off the GOP demonizers, who are not quite so formidable after their 2006 wipeout.

The bigger problem for her would be getting past Barack Obama, who now seems poised to run. With much less name recognition than Clinton, he trails her by only 12 points in the latest Gallup poll (the rest of the Democrats are far back). And Obama won the first trial heat of '08: he was the biggest draw for other Democratic candidates this fall with a magnetism on the trail unmatched by anyone in politics. (HOT CHICKS DIG OBAMA read one button at a Nashville rally). His stump speech is rousing and redemptive and more compelling than, say, Bill Clinton's was in 1991.

Of course, Obama is inexperienced and untested: while he'd likely have enough Internet-generated money to be competitive, he could wilt under the relentless scrutiny of a presidential campaign. But the Illinois senator, who in 2008 will be three years older than JFK was when he was elected in 1960, brings two big advantages that have not been fully appreciated.

The first is on the war in Iraq. You know what's coming if he runs: "Obama is like a Grand Marnier soufflé still rising in the oven. It will taste delicious when it's finished, but it's not there yet. A trip to Israel and a trip to Africa are not going to give him foreign-policy credentials," says one Clinton backer unwilling to criticize Obama on the record. But should Hillary and other experienced candidates jab at Obama's lack of foreign-policy experience, he would quickly reply that he was right and they were wrong on the critical question of going to war in 2003. (Obama was an early and outspoken critic of the war before being elected to the Senate.)

More important, the primary schedule favors Obama. Hillary Clinton has no Rove-like master strategist yet (other than her husband), but the logic of her front-runner game plan suggests building a firewall in the South to recover if she's upset in Iowa or New Hampshire. Bill Clinton's popularity with blacks has been presumed to carry over to her and help her win the important

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South Carolina primary, where nearly 50 percent of Democratic voters are African-American, and other similar Southern primaries critical to the nomination. But that doesn't account for Obama, who would likely crush her among black voters.

The larger danger for Hillary is that for all the novelty of her gender, she becomes a variation on former vice president Walter Mondale in 1984—strong on organization but weak on passion, a candidate of the past instead of the future. And Clinton Fatigue may be lurking in the party's central nervous system. If Hillary were elected and re-elected president, it would mean the presence of a Bush or a Clinton on every ticket from 1980 to 2016—36 years.

The team that would try to make that happen is mostly from the East Wing of the Clinton White House (Patti Solis Doyle, Caprice Marshall), not the West Wing. "Some of us who were with him will be with her; a lot of others won't be," says one former White House aide unwilling to publicly identify which is which. Pollster Mark Penn, fund-raiser Terry McAuliffe and media adviser Mandy Grunwald are onboard, and James Carville and Paul Begala would help from the sidelines. The Clinton camp is not the monolith conservatives make it out to be. Carville's call last week for the ouster of Howard Dean as chairman of the Democratic National Committee was his initiative, and came without the approval of the Clintons, who aren't spoiling for a fight with Dean. "I'm 62 years old and my parents are gone. I don't ask permission," Carville says.

Of course, the Democratic nominee could easily be neither Hillary Clinton nor Barack Obama. Two years before the 1992 election, the presumed Democratic front runners were Mario Cuomo and Al Gore. Virginia Gov. Doug Wilder, an African-American candidate, was considered an intriguing choice. Far down the list of possibilities, languishing in polls as Evan Bayh and Chris Dodd are today, was an obscure governor named Bill Clinton.

Inside Politics (WT)

By Greg Pierce

The Washington Times, November 20, 2006

Kissinger's view

Military victory is no longer possible in Iraq, former Secretary of State Henry Kissinger said in a television interview yesterday.

Mr. Kissinger presented a bleak vision of Iraq, saying the U.S. government must enter into dialogue with Iraq's regional neighbors -- including Iran -- if progress is to be made in the region.

"If you mean by 'military victory' an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control in a time period that the political processes of the democracies will support, I don't believe that is possible," he told the British Broadcasting Corp.

But Mr. Kissinger, who has advised President Bush about Iraq, warned against a rapid withdrawal of coalition troops, saying it could destabilize Iraq's neighbors and cause a long-lasting conflict, the Associated Press reports.

"A dramatic collapse of Iraq -- whatever we think about how the situation was created -- would have disastrous consequences for which we would pay for many years, and which would bring us back, one way or another, into the region," he said.

Mr. Kissinger, whose views have been sought by the Iraqi Study Group, led by former Secretary of State James A. Baker III, called for an international conference bringing together the permanent members of the U.N. Security Council, Iraq's neighbors and regional powers such as India and Pakistan to work out a way forward for the region.

"I think we have to redefine the course, but I don't think that the alternative is between military victory, as defined previously, or total withdrawal," he said.

Dean's agenda

Howard Dean said the Democratic Party needs to look beyond getting homosexuals and minorities a place at the table and instead work toward getting them on the ballot.

"We've got to share power, not just responsibility, from now on," Mr. Dean told about 200 people in Houston on Saturday at the International Gay & Lesbian Leadership Conference, an annual gathering of homosexual public officials.

Mr. Dean, the chairman of the Democratic National Committee, said little about issues such as same-sex "marriage" or discrimination laws, and instead addressed broader Democratic agendas, such as raising the minimum wage.

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Flush from big Democratic gains in the Nov. 7 elections, Mr. Dean emphasized that the "new Democratic Party" reaches out to all citizens, even those less likely to vote for them. The downfall of the "old Democratic Party," he said, had been its acceptance to represent half the nation.

"We've got to take the attitude: Everyone's our boss," Mr. Dean said.

He then outlined the issues he thinks the party should focus on now that Democrats control Congress, including increasing college financial assistance and passing an energy independence bill, the Associated Press reports.

Unusual attitude

"A postelection stay in the cool, cloudy capital reveals a sober Republican Party attempting every day in conversations throughout Capitol Hill a rancor-free analysis of why the party lost, and in a way that was so killingly close and yet brutally decisive," Peggy Noonan writes at www.opinionjournal. com.

"There is a general sense the loss was not undeserved -- this is an unusual attitude for runners just back from the race -- and that it was not so much a vote for something as against something: them. And roiling, rudderless Iraq. And an unpopular president," Miss Noonan said.

"There is a sense the nation's culture and politics are and have been changing, shifting, and agreement that the election was not a realigning one, but could yet prove to be if, among other things, Republicans fail to step back, refind and rethink their philosophy, style, priorities and meaning. They must develop a conservatism that speaks for and to the times. And stop being pigs -- i.e., earmarking careerists who started with belief and wound up with hunger.

"As for Democrats, they have a unique opportunity, one they haven't had in 14 years, to redefine for the public what their party is. It is their chance to change their public label. Now, with the cameras of the country trained on Capitol Hill, they can throw off the old baggage of the 1960s and '70s and erase the cartoon version of their party, which is culturally radical, weak in its defense of America, profligate, McGovernite, bitterly devoted to the demands of its groups as opposed to the needs of America."

No chips at the table

Reuel Marc Gerecht of the Weekly Standard is hearing the calls for an international conference on Iraq, from such quarters as Capitol Hill Democrats and possibly the Iraq commission led by former Secretary of State James A. Baker III. He is skeptical.

"Let us set aside for the moment the virulently anti-American Islamist ideology of Iran's ruling clergy and their praetorians, starting with President Mahmoud Ahmadinejad. Let us also not inquire how much influence Iran's mullahs actually have over the Shia of Iraq ... . Let us put aside whether the Iraqis themselves would favor inviting foreigners to intrude further into their affairs; and, for those who care deeply about Sunni Arab participation in a new Iraq, whether legitimizing an Iranian role could possibly win Sunni friends.

"Let us also not ask how much pull Saudi Arabia and Jordan have with the Sunni rejectionist camp of Ba'athists, Sunni supremacists, Salafi and Wahhabi fundamentalists, and martyrdom-loving foreign holy warriors. None of these takes his orders from the royal families of Jordan and Arabia," he writes at the Weekly Standard's Web site.

"Instead, let us consider the question at the heart of any negotiation: What can be traded and bargained? What in the world can the United States give the Islamic Republic of Iran and the Alawite mafia of Bashar Assad in Damascus [Syria] that they do not have already?

"Or to put it in the vernacular of the region: Can the Americans actually hurt me, and will they refrain from doing so? What have Damascus and Tehran lost by the turmoil in Iraq? If the violence in Iraq diminished, would they lose or gain?

"For realists, the answers to all of these questions aren't good. When you're weak -- when you're seen to be weak and see yourself as weak -- you don't have much to offer."

By the numbers

"There's a lot of buzz in the cable TV world that having Democrats running Congress will hurt Fox and help MSNBC and CNN," Paul Bedard writes in the Washington Whispers column of U.S. News & World Report.

"It certainly looked like that election night when CNN won the key viewership demographic of 25-to-54-year-olds. 'We're clearly the place to go for information,' CNN boss Jon Klein tells us. 'Maybe the trick is that you have to actually cover politics. The public seems to be in the mood for facts and information -- not cheerleading.'

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"MSNBC, No. 3 but surging, also crowed: 'MSNBC is the place for politics.' So what about Fox? It simply turned to the numbers. And they show that Fox is still No. 1, with its audience growing. 'We'll let the two cable-news also-rans battle for second place, and we wish Jon and [MSNBC] well on their quest for relevancy,' say an amused Foxie."

When Religion Loses Its Credibility (USAT)

By Oliver "buzz" Thomas

USA Today, November 20, 2006

What if Christian leaders are wrong about homosexuality? I suppose, much as a newspaper maintains its credibility by setting the record straight, church leaders would need to do the same:

Correction: Despite what you might have read, heard or been taught throughout your churchgoing life, homosexuality is, in fact, determined at birth and is not to be condemned by God's followers.

Based on a few recent headlines, we won't be seeing that admission anytime soon. Last week, U.S. Roman Catholic bishops took the position that homosexual attractions are "disordered" and that gays should live closeted lives of chastity. At the same time, North Carolina's Baptist State Convention was preparing to investigate churches that are too gay-friendly. Even the more liberal Presbyterian Church (USA) had been planning to put a minister on trial for conducting a marriage ceremony for two women before the charges were dismissed on a technicality. All this brings me back to the question: What if we're wrong?

Religion's only real commodity, after all, is its moral authority. Lose that, and we lose our credibility. Lose credibility, and we might as well close up shop.

It's happened to Christianity before, most famously when we dug in our heels over Galileo's challenge to the biblical view that the Earth, rather than the sun, was at the center of our solar system. You know the story. Galileo was persecuted for what turned out to be incontrovertibly true. For many, especially in the scientific community, Christianity never recovered.

This time, Christianity is in danger of squandering its moral authority by continuing its pattern of discrimination against gays and lesbians in the face of mounting scientific evidence that sexual orientation has little or nothing to do with choice. To the contrary, whether sexual orientation arises as a result of the mother's hormones or the child's brain structure or DNA, it is almost certainly an accident of birth. The point is this: Without choice, there can be no moral culpability.

So, why are so many church leaders (not to mention Orthodox Jewish and Muslim leaders) persisting in their view that homosexuality is wrong despite a growing stream of scientific evidence that is likely to become a torrent in the coming years? The answer is found in Leviticus 18. "You shall not lie with a man as with a woman; it is an abomination."

As a former "the Bible says it, I believe it, that settles it" kind of guy, I am sympathetic with any Christian who accepts the Bible at face value. But here's the catch. Leviticus is filled with laws imposing the death penalty for everything from eating catfish to sassing your parents. If you accept one as the absolute, unequivocal word of God, you must accept them all.

For many of gay America's loudest critics, the results are unthinkable. First, no more football. At least not without gloves. Handling a pig skin is an abomination. Second, no more Saturday games even if you can get a new ball. Violating the Sabbath is a capital offense according to Leviticus. For the over-40 crowd, approaching the altar of God with a defect in your sight is taboo, but you'll have plenty of company because those menstruating or with disabilities are also barred.

The truth is that mainstream religion has moved beyond animal sacrifice, slavery and the host of primitive rituals described in Leviticus centuries ago. Selectively hanging onto these ancient proscriptions for gays and lesbians exclusively is unfair according to anybody's standard of ethics. We lawyers call it "selective enforcement," and in civil affairs it's illegal.

A better reading of Scripture starts with the book of Genesis and the grand pronouncement about the world God created and all those who dwelled in it. "And, the Lord saw that it was good." If God created us and if everything he created is good, how can a gay person be guilty of being anything more than what God created him or her to be?

Turning to the New Testament, the writings of the Apostle Paul at first lend credence to the notion that homosexuality is a sin, until you consider that Paul most likely is referring to the Roman practice of pederasty, a form of pedophilia common in the ancient world. Successful older men often took boys into their homes as concubines, lovers or sexual slaves. Today, such sexual exploitation of minors is no longer tolerated. The point is that the sort of long-term, committed, same-sex relationships that are being debated today are not addressed in the New Testament. It distorts the biblical witness to apply verses written in one

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historical context (i.e. sexual exploitation of children) to contemporary situations between two monogamous partners of the same sex. Sexual promiscuity is condemned by the Bible whether it's between gays or straights. Sexual fidelity is not.

For those who have lingering doubts, dust off your Bibles and take a few hours to reacquaint yourself with the teachings of Jesus. You won't find a single reference to homosexuality. There are teachings on money, lust, revenge, divorce, fasting and a thousand other subjects, but there is nothing on homosexuality. Strange, don't you think, if being gay were such a moral threat?

On the other hand, Jesus spent a lot of time talking about how we should treat others. First, he made clear it is not our role to judge. It is God's. ("Judge not lest you be judged." Matthew 7:1) And, second, he commanded us to love other people as we love ourselves.

So, I ask you. Would you want to be discriminated against? Would you want to lose your job, housing or benefits because of something over which you had no control? Better yet, would you like it if society told you that you couldn't visit your lifelong partner in the hospital or file a claim on his behalf if he were murdered?

The suffering that gay and lesbian people have endured at the hands of religion is incalculable, but they can look expectantly to the future for vindication. Scientific facts, after all, are a stubborn thing. Even our religious beliefs must finally yield to them as the church in its battle with Galileo ultimately realized. But for religion, the future might be ominous. Watching the growing conflict between medical science and religion over homosexuality is like watching a train wreck from a distance. You can see it coming for miles and sense the inevitable conclusion, but you're powerless to stop it. The more church leaders dig in their heels, the worse it's likely to be.

Oliver "Buzz" Thomas is a Baptist minister and author of an upcoming book, 10 Things Your Minister Wants to Tell You (But Can't Because He Needs the Job).

New Tactic In Fighting Marriage Initiatives (WP)

By Sonya Geis

The Washington Post, November 20, 2006

TUCSON -- A pair of retirees keeping house in a concrete bungalow, with snapshots of their 30 grandchildren and great-grandchildren in the living room and an American flag out front, may not look like the face of gay America.

But this month Al Breznay, 79, and Maxine Piatt, 75, were pivotal in defeating an Arizona initiative that defined marriage as the union of one man and one woman -- the only one of 28 such state measures ever to fail.

Breznay, a retired mechanic who still does odd jobs to bring in extra cash, and Piatt, a former bank teller, are at the forefront of a strategy to defeat a tide of same-sex marriage bans by talking about straight people.

Of those 28 state marriage initiatives, 17 have included language outlawing domestic partnerships. Gay rights advocates see this as an opening to highlight for heterosexual voters the impact such initiatives may have on them, and in Arizona, activists kept the spotlight on couples such as Breznay and Piatt, registered domestic partners whose faces appeared on fliers and television ads.

"The majority of people in Arizona don't support gay marriage. That's clear, they do not," said Marty Rouse, national field director of the Human Rights Campaign, a gay advocacy group. "Once you say gay and lesbian, people hone in on that. We have to focus on the majority of people that will be affected by this. And the majority of people are straight couples."

The campaign against the Arizona measure, Proposition 107, avoided almost any mention of gay marriage, except in small liberal pockets of the state. Instead, the message was about the section of the measure that would have banned government agencies from recognizing civil unions or domestic partnerships.

That apparently struck home in the state's sizable senior-citizen enclaves, where many older couples do not marry because their retirement income would be affected. The initiative was defeated, 52 percent to 48 percent.

"It's not a liberal-versus-conservative issue," said Steve May, a former Republican state representative who is gay and who served as treasurer of the campaign against Proposition 107. "It's about, 'I don't need to take away health care from Al and Maxine, this nice old couple in Tucson.' "

In fact, the couple's health coverage would not have been affected by the measure's passage, although their ability to pay for the coverage or to visit each other in intensive care would change, as they discovered when Piatt got sick two years ago.

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Such generalizing upsets supporters of the initiative, who accuse opponents of fear-mongering.

"They misled voters. They scared seniors into believing they would lose Social Security benefits," said Cathi Herrod, spokeswoman for the pro-107 campaign. "Our problem was we did not have funds to respond to the attacks."

Her campaign spent about $1 million, she said, compared with the $2.1 million spent by the measure's opponents.

Talking to straight couples does not always work; the strategy failed in Virginia this year, where a marriage law passed with 57 percent of the vote.

The differences in Arizona were a longer campaign and a relentless focus on benefits and health care, Rouse said.

In Virginia, "most of the media coverage talked about a gay marriage ban," he said, "whereas in Arizona, you did hear about a ban on same-sex marriage, but it was still focused on health care."

This month's results may prove instructive in setting the debate in the next state where same-sex marriage is likely to appear on the ballot: Florida, in 2008.

"Florida might be able to learn from Arizona," Rouse said. But "campaigns are campaigns. If you do your research and you find out what voters care about, then you know what to focus on."

For some gay activists, it was bittersweet to defeat a same-sex marriage ban by avoiding the subject of homosexuality.

"To truly win the freedom to marry and end discrimination, we can't just play defense," said Evan Wolfson, executive director of the gay rights group Freedom to Marry. He added that proponents of same-sex marriage must "avoid messaging that blocks further attacks and does not move us further ahead."

Wolfson says he takes heart in the reelection of legislators who support same-sex marriage and in the narrowing margins by which initiatives banning same-sex marriage have passed. In 2004, 71 percent of voters voted for such initiatives on average; that dropped to 56 percent this year.

"Even if, in the short-term battles, we may have to emphasize the overbreadth, the dangers to non-gay people and the general unfairness, the trend is in our favor," Wolfson said.

That is not how it looks to Bill Maier, vice president and psychologist in residence at Focus on the Family, a proponent of state same-sex marriage bans.

Voters in states with marriage initiatives this year tended to be more libertarian than those voting in 2004, so they shied away from constitutional changes, he said.

"When you see more of these amendments pop up in 'red states,' I think you're going to see more of those large percentages," Maier said.

Maier also sees a backlash on the horizon. He points to New Jersey, where civil unions or same-sex marriage could be legalized in the next six months after an order by the state Supreme Court.

"When people see gay people standing on the courthouse steps saying, 'I'm getting married come hell or high water,' among the general population there tends to be a recoil," Maier said.

For their part, Breznay and Piatt are pleased that Arizona's initiative lost, though same-sex marriage has never been their cause.

"We didn't care one way or the other. It didn't involve us," Piatt said. "That's what makes me so angry, is people linked this gay marriage to domestic partnerships."

Foley Ends Treatment (RC)

By Mary Ann Akers

Roll Call, November 20, 2006

Sources tell us disgraced ex-Rep. Mark Foley (R-Fla.) ended his stay at a rehab facility in Arizona that treats alcohol addiction as well as sexual addiction and compulsion before he headed back to Florida to attend the funeral of his father.

“It was more for that,” said one source, referring to sexual addiction.

We’re told that Foley’s sister, Donna Winterson, went to fetch her brother and check him out of the facility, called Sierra Tucson, in the final days of their father’s struggle with cancer. Their father, Edward Foley Jr., died Tuesday at a hospice center in Palm Beach County, Fla.

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Foley, who now faces a Florida criminal investigation into his sexually explicit Internet messages, declared that he was an alcoholic in the days after he resigned over the page scandal. Sierra Tucson treats alcohol and drug addiction, as well as eating disorders, sexual addiction/compulsivity, obsessive-compulsive disorder and depression, among other mental health problems.

The Florida Department of Law Enforcement reportedly has launched an active criminal investigation into Foley's instant message chit chats with male teenage pages, which cost Republicans that very safe GOP seat and may well have been the nail in the coffin for their majority.

Speaking of Which ... Kirk Fordham, who resigned as chief of staff to Rep. Tom Reynolds (R-N.Y.) amid the damning page scandal, was seen around Capitol Hill last week.

Fordham was spotted Thursday coming out of the National Republican Congressional Committee, chaired by Reynolds. On Friday, he was seen hanging around the Longworth House Office Building as House Republicans chose their new leaders.

Aides were surprised by Fordham's presence.

"What the hell is he doing here?" asked one, who requested anonymity. "He's one of the reasons we're in the minority."

Fordham was casually chatting up a reporter when approached by HOH. He said he had been "over at Reynolds' office" and wanted to come by Longworth to see what was happening.

Fordham was chief of staff in the New York Republican's personal office when the Foley scandal erupted. He served for several years as Foley's chief of staff.

"I've just been having some good downtime," he added.

Birthday for Old Blue Eyes. Winning his race for Minority Leader was the best birthday present Rep. John Boehner (R-Ohio) could get after losing the majority. Having his colleagues sing the famous "Boehner Birthday Song" that he wrote himself surely was second-best.

Boehner emerged victorious from the secret-ballot leadership elections on Friday, which coincided with his 57th birthday. The throng of reporters waiting for him outside demanded that he sing his famous birthday song.

"It's my birthday — I," Boehner said, pointing at himself indignantly, "shouldn't have to sing it!"

So the entire new leadership team sang it for him, perfectly off-key, with Boehner joining in to make sure they didn't screw up the lyrics: "This — is — your — birthday song, it doesn't last too long. Hey!" The second verse is the same as the first. "This — is — your —birthday song, it doesn't last too long. "Hey!"

The "Boehner Birthday Song" is so famous it's on YouTube, where you can see a video of Boehner singing the little ditty on the House floor to Rep. Ralph Hall on the Texas Republican's 83rd birthday in May. Everyone on the floor joined in, as poor Hall implored Boehner to stop.

Apparently the birthday song induces much cringing among Boehner's staff. Spokesman Kevin Madden said as soon as he walked back to the office after the little sing-a-long media availability, "Everyone was saying, 'Why did you let him sing the birthday song?'"

"Yeah right," Madden said. "Like I could have stopped him."

But they didn't mind singing along with the boss in the privacy of the office. "I'm shocked that some windows didn't crack," Madden said.

Kerry, Marines and Tequila. You might be able to accuse him of being the most boring guy IN the party, but ya can't really say he's the most boring guy AT the party. Not after Wednesday night.

Sen. John Kerry (D-Mass.) was hanging out with about 30 staffers and former '04 presidential campaign alumni at the Senator's favorite Capitol Hill hangout, Finn MacCool's, down on Barracks Row by the Marines' headquarters. A group of Marines started chatting with the Senator and invited him to belly up to the bar with them. Kerry eschewed his button-downed staff for a good 20 minutes while he chatted with his new Semper Fi pals. They bought the Senator a tequila shot, which our trusty sources say Kerry downed in a flat second.

Food Banks Have Less To Work With As They Try To Meet Holiday Demand (USAT)

By Wendy Koch

USA Today, November 20, 2006

DOJ_NMG_0096099

The nation's food banks are scrambling to serve a growing demand for help during the holidays at a time when government food donations and private cash contributions have fallen.

More people are asking for food even as the amount of government commodities available — milk, cheese, canned goods and other staples — is down 55% from 2005, according to the U.S. Department of Agriculture. A second USDA program of emergency food aid has stayed about the same. Together, they supply about one-fourth of what food banks give away.

USDA buys fewer commodities when it has less need to boost farm prices. It gives 80% of purchases to America's Second Harvest, a network of more than 200 food banks.

The loss of USDA commodities is "huge," says Paul Ash of the San Francisco Food Bank. He says his group is increasing visits to stores to pick up food with "sell by" dates about to expire.

Ash says the Bay Area's cost of living is forcing more low-income workers to seek help. He has managed to increase his holiday distribution 35% this year but says that remains "far short" of the need.

High rents have increased demand in Hawaii, doubling it in some areas, says Dick Grimm, president of Hawaii Foodbank.

Demand is up 34% from two years ago in the Dallas area, says Colleen Brinkmann of the North Texas Food Bank, and 39% from five years ago in Washington, D.C., and its suburbs, says Brian Smith of the Capital Area Food Bank.

"We have a lot of empty racks in our warehouse. That's unusual," says Carey Miller of the Food Bank of Iowa.

Despite reports of higher demand, a USDA report last week said the number of people who couldn't put food on the table at least part of the year fell in 2005 to 35 million, down from 38 million in 2004. It was the first decline in six years. But the report found the number of those worst off increased slightly.

High fuel prices this year have hurt many low-wage earners by forcing them to choose between heating their homes or buying food, says Maura Daly of America's Second Harvest.

Daly says the network is trying to expand programs, relying partly on a 3% rise this year in private food donations. She says financial donations this year are down 9% from 2005, not counting relief funds received after Hurricane Katrina.

"Every food bank will tell you," she says, "they need more food."

Brother, Can You Spare A Word? (NYT)

The New York Times, November 20, 2006

First the good news: the government's annual hunger report shows a slight decline last year in the number of citizens in need of food. Now the bad news: the annual hunger report has dropped the word "hunger."

Instead, there were 35 million Americans last year suffering from "low food security," meaning they chronically lacked the resources to be able to eat enough food. Of these, 10.8 million lived with "very low food security," meaning they were the hungriest among the hungry, so to speak.

Bureaucratic terminology about food security has always been a part of the hunger report, but so was the plain word "hunger." The Agriculture Department decided that variations of "hungry" are not scientifically accurate, following the advice of the Committee on National Statistics of the National Academies. The specialists advised that being hungry was too amorphous a way to refer to "a potential consequence of food insecurity that, because of prolonged, involuntary lack of food, results in discomfort, illness, weakness or pain that goes beyond the usual uneasy sensation."

The government insists that no Orwellian plot is in the works to mask a national blight. The goal has been to cut what we'll call the hungry households to no more than 6 percent of the population. But hungry people persist at nearly twice that rate, despite the slight drop last year. To the extent that more public empathy is needed to prod a stronger attack on low food security, we opt for "hunger" as a most stirring word.

Schools Slow In Closing Gaps Between Races (NYT)

By Sam Dillon

The New York Times, November 20, 2006

When President Bush signed his sweeping education law a year into his presidency, it set 2014 as the deadline by which schools were to close the test-score gaps between minority and white students that have persisted since standardized testing began.

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Now, as Congress prepares to consider reauthorizing the law next year, researchers and a half-dozen recent studies, including three issued last week, are reporting little progress toward that goal. Slight gains have been seen for some grade levels.

Despite concerted efforts by educators, the test-score gaps are so large that, on average, African-American and Hispanic students in high school can read and do arithmetic at only the average level of whites in junior high school.

"The gaps between African-Americans and whites are showing very few signs of closing," Michael T. Nettles, a senior vice president at the Educational Testing Service, said in a paper he presented recently at Columbia University. One ethnic minority, Asians, generally fares as well as or better than whites.

The reports and their authors, in interviews, portrayed an educational landscape in which test-score gaps between black or Hispanic students and whites appear in kindergarten and worsen through 12 years of public education.

Some researchers based their conclusions on federal test results, while others have cited state exams, the SATs and other widely administered standardized assessments. Still, the studies have all concurred: The achievement gaps remain, perplexing and persistent.

The findings pose a challenge not only for Mr. Bush but also for the Democratic lawmakers who joined him in negotiating the original law, known as No Child Left Behind, and who will control education policy in Congress next year.

Senator Edward M. Kennedy of Massachusetts and Representative George Miller of California, who are expected to be the chairmen of the Senate and House education committees, will promote giving more resources to schools and researching strategies to improve minority performance, according to aides.

"Closing the achievement gap is at the heart of No Child Left Behind and must continue to be our focus in renewing the act next year," Mr. Kennedy said in a statement.

Experts have suggested many possible changes, including improving the law's mechanisms for ensuring that teachers in poor schools are experienced and knowledgeable, and extending early-childhood education to more students.

Henry L. Johnson, an assistant secretary of education, said: "I don't dispute that looking at some comparisons we see that these gaps are not closing — or not as fast as they ought to. But it's also accurate to say that when taken as a whole, student performance is improving. The presumption that we won't get to 100 percent proficiency from here presumes that everything is static. To reach the 100 percent by 2014, we'll all have to work faster and smarter."

The law requires states, districts and schools to report annual test results for all racial and ethnic groups, and to show annual improvements for each. It imposes sanctions on schools that do not meet the rising targets.

Many experts and officials, including the president's brother, Gov. Jeb Bush of Florida, have supported the goal of raising all students to academic proficiency, but they have also called it unrealistic to accomplish in a decade.

But President Bush, who put education at the center of his 2000 campaign, has been insisting that it is not only feasible but that the gaps are already closing.

"There are good results of No Child Left Behind across the nation," Mr. Bush said last month at a school in North Carolina. "We have an achievement gap in America that is — that I don't like and you shouldn't like."

"The gap is closing," he said.

The researchers behind the reports issued last week in Washington, D.C., New York and California were far more pessimistic, though.

"The achievement gap is alive and well," said G. Gage Kingsbury, an author of the report issued in Washington by the Northwest Evaluation Association, a nonprofit group based in Oregon that administers tests.

Examining results from reading and math tests administered to 500,000 students in 24 states in the fall of 2004 and the spring of 2005, the study found: "For each score level at each grade in each subject, minority students grew less than European-Americans, and students from poor schools grew less than those from wealthier ones."

Minority and poor students also lost more academic ground each summer, the study said.

Ross Wiener, a principal partner at the Education Trust, a group that works to close achievement gaps and has consistently supported the federal law, called those findings "profoundly disturbing" and said it showed that schools continued to be a "significant source of disadvantage for minority students."

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"The Bush administration wants to hang a 'Mission Accomplished' banner over N.C.L.B., but a fair assessment is that progress thus far in closing achievement gaps is disappointing," Mr. Weiner said. He pointed to financing and teacher assignment systems that lead to schools with mostly poor and minority students getting less money, offering fewer advanced courses and having weaker teachers.

The 2005 National Assessment of Educational Progress, a battery of reading and math tests administered to thousands of students in every state, showed some rising scores for all ethnic groups, and the black-white score gap narrowed in a statistically significant way for fourth-grade math. But on fourth-grade reading, and on eighth-grade reading and math, the black-white and Hispanic-white gaps were statistically unchanged from the early 1990s.

Over the past three decades, the gaps narrowed steadily from the 1970s through the late 1980s but then leveled out through 1999. Since then, some have narrowed again, but at a rate that would allow them to persist for decades. That picture showed up in a separate National Assessment test devised to measure long-term trends, administered in late 2003 and early 2004.

That test showed that regardless of race, scores increased a bit over three decades for 9- and 13-year-old students, with the best gains coming between 1999 and 2004.

Test administrators warned against attributing those gains to the federal law, because it had been in effect for about only a year when the 2004 test was given. Prekindergarten programs, higher standards and increased testing carried out by many states during the 1990s also contributed, they said.

But Bush administration officials have routinely credited the law for the improved scores on that test.

A group that has supported the federal law, the Thomas B. Fordham Foundation, whose leaders include former officials from the Reagan and the current Bush administrations, conducted a review of state exams and other indicators and issued a report this month. It found that none of the 50 states had made widespread progress in narrowing the gaps, and that eight states, including New York and New Jersey, had made "moderate gains."

Chester E. Finn Jr., the foundation president, said, "Poor and minority students are doing very poorly, and in most states are not making significant gains — and this in spite of N.C.L.B. and all the other reforms of the last 15 years."

Suggestions abound for ways to narrow the score gaps faster. Since scholars have documented that minority children enter kindergarten with weaker reading skills than white children, some experts advocate increased public financing for early education programs.

No Child Left Behind provides money for tutoring in schools where students are not succeeding, but critics say it does not provide sufficient financing to help states and districts turn the schools themselves around.

Several of the new reports urged better provisions to ensure that poor and mostly minority schools have quality teachers, to reward teachers who help struggling students improve, and to keep good teachers from leaving city schools for higher-paying suburban ones.

"If I'm in a bad school and make serious progress, I need a reward," Dr. Nettles said. "If you perform on Wall Street, you get a bonus."

But the news is not all bad. Individual schools in some states have made progress in narrowing the gaps between black and white, Hispanic and white, and the poor and more affluent, according to a Standard & Poor's unit that analyzes school performance.

The unit credited Morgan County Elementary School in Madison, Ga., with significantly raising the scores of black fourth and fifth graders. The principal, Jean Triplett, attributed that success in part to after-school tutoring by volunteers in black churches.

Edwin E. Weeks Elementary School in Syracuse was singled out for narrowing the gap between black and white students. Dare Dutter, the principal, credited a prekindergarten program and a school health clinic that helped keep poor students from missing class.

Standard & Poor's has sifted test data from 16,000 schools in 18 states, identifying 718 schools making significant progress toward the national goal.

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"They are the classic diamonds in the rough," said Paul Gazzerro, director of analytics at Standard & Poor's School Evaluation Services. "But in general, schools are not closing achievement gaps."

One of the exceptions, the unit said, is Hoover Middle School in Lakewood, Calif., a community in Los Angeles County where the aircraft manufacturing industry has been hit by job losses. The school has raised Hispanic scores so much that in the spring of 2005 Hispanic students outperformed whites, said the principal, Michael L. Troyer. He said the progress resulted from focused instruction, frequent diagnostic testing and several tutoring programs.

"Some of it's after school, teachers do it at lunch, and we have people who tutor in the morning before school, too," Mr. Troyer said.

Across California, however, achievement gaps have not narrowed, and in some cases they have widened since 2001, according to a study of California test results released last week by Policy Analysis for California Education, a research center run jointly by the University of California and Stanford.

"Not only have all boats stopped rising, but the boats that are under water are sinking further down," said Bruce Fuller, an education professor at the University of California, Berkeley, who contributed to the study.

States Struggle To Pay For Roads (USAT)

By Larry Copeland

USA Today, November 20, 2006

ATLANTA — Traffic delays in the 18-county sprawl that makes up Atlanta are the fourth-worst in the nation. The state gasoline tax, the primary funding source for road and transit projects, is being eroded by inflation. Fifty-three percent of 512 transportation projects scheduled have been delayed, according to the Atlanta Regional Commission, the area's chief planning agency.

Now, an influential lobbying group is proposing that Georgia eliminate the state's share of the gas tax and replace it with a 1% statewide sales tax to fund transportation. Georgians now pay 7.5 cents per gallon in state gas taxes.

"The problem with a gasoline tax, when it's not associated with the Consumer Price Index, is it continues to lose value," says Mike Kenn, president of Georgians for Better Transportation. "Unless we find a new source of revenue, we in the state of Georgia … are not going to be able to meet our transportation needs."

His group's proposal, which he says would raise more money than the state gas tax, is one of many local efforts around the country to bridge the gap between the federal, state and local funds available for transportation and what's needed.

Nationwide, the gap tops $100 billion a year, says Gary Maring of the transportation consulting firm Cambridge Systematics, which studied the issue last year for the U.S. Chamber of Commerce.

The potentially most far-reaching financing initiative is a pilot program in Oregon that is testing the feasibility of a "virtual tollway" system that would replace the state gas tax with a road-user fee.

Volunteers driving vehicles equipped with state-installed Global Positioning System (GPS) devices pull into gas stations where a transmitter in their car "tells" the pump how many miles they have driven. They then pay for their gas and 1.2 cents for every mile they've driven since their last fill-up; they don't have to pay the 24-cent-per-gallon state gas tax.

The program is raising concerns that it's a way for the government to track motorists and that it penalizes drivers of fuel-efficient vehicles.

James Whitty, who's running the experiment for the Oregon Department of Transportation, says the GPS devices don't transmit or store location data. "This is a stripped-down receiving component that only collects and categorizes miles (driven) as in-state or out-of-state," he says.

If the state decides to adopt the system statewide, the Legislature could implement a lower rate-per-mile for fuel-efficient vehicles, Whitty says.

The year-long experiment began with 280 volunteer motorists who were divided into three groups. One group pays 1.2 cents for every in-state mile traveled. A second group pays 10 cents a mile during rush hour and 0.4 cents per mile during other times. A third group is paying the state's 24-cent-a-gallon gas tax.

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Alan Pisarski, author of an exhaustive study on commuting in the USA, expects other states eventually to duplicate the Oregon experiment.

"I think it's almost inevitable in 20 to 30, maybe 40 years," he says. "There will be an awful lot of public concern about vehicles being tracked. But in the long term, we're going to see more and more cars coming off the line with these tracking devices built in."

Public support for taxes targeted for road and transit projects generally did well in the Nov. 7 elections. Voters approved eight local initiatives to extend or renew an existing sales tax for transportation and approved eight of 12 new taxes for transportation, according to the American Road & Transportation Builders Association, a Washington, D.C.-based lobbying group for the transportation construction industry.

Gary Barnes, a transportation economist at the Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota, says voters often will approve a new tax when it's targeted for transportation.

"It doesn't have to do with the money," Barnes says. "It's that people don't feel the (state) Department of Transportation is going to do the right thing with the money if you just raise the gas tax. But in some cases, the referendum passes because it raises taxes to do some specific thing."

Sam Williams, president of the Metro Atlanta Chamber of Commerce, says he thinks voters won't approve the Georgia tax proposal.

"I don't think a 1% state sales tax exclusively for transportation is going to fly," he says. "Places where the congestion is an issue are where people will vote for it. If you're stuck in traffic all day, you would vote for it. But if you're in a sparsely populated area, you have no inclination to vote for it."

Williams says local-option sales taxes for transportation, paid only in congested areas where the money would be used, are more likely to be approved if they meet three criteria: "You've got to tell the voters exactly what you're going to do with the money; you've got to set a sunset so people know the tax is not forever; and you've got to appoint a group of responsible civic watchdogs to look over their shoulder."

Let The Awards Begin: The Worst Self-Inflicted Wound Of 2006 (RC)

By Stuart Rothenberg

Roll Call, November 20, 2006

After every election, I offer a list of the best and worst, the most and the least. I started doing that the other day, but I ended up filling an entire column with a single category: The Worst Self-Inflicted Wound of 2006.

I will get back to a more exhaustive list of the best and worst campaigns and candidates before the end of the year, but since there were so many self-inflicted wounds this election cycle, I figure I might as well devote an entire column to the nominees, as well as to my logic in picking a winner.

So, without further DeLay, uh, I mean delay, here are the nominees this year:

Don Sherwood (R-Pa.)

Bob Ney (R-Ohio)

George Allen (R-Va.)

John Kerry (D-Mass.)

John Sweeney (R-N.Y.)

Mark Foley (R-Fla.)

I know, I know. This is an impossible choice. How can anyone choose from among these all-time, self-inflicted screw-ups? All of the nominees would be worthwhile winners, and in any other year any of them could have taken home the award. But, alas, life isn't fair, and I have to choose a single winner for '06.

I'm eliminating Foley right away, since his self-inflicted wound actually occurred well before his abortive re-election bid and over an extensive period of time, though it came to light only during his campaign. His problem was a series of wounds, not a single one, and frankly, I don't even want to spend time thinking of the things that Foley wanted to do.

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Ney's problems also occurred over an extended period, though they obviously impacted his race for re-election. I guess we could call that golf trip to Scotland a decisive event, but it occurred in 2002. So, like Foley, he gets a pass.

That leaves four. The problem with Sherwood is that I'm not sure whether he had a self-inflicted wound or he inflicted a wound on his girlfriend. I am not sure whether we are talking about a single act or two, whether having a girlfriend (along with a wife) and allegedly (note my legal disclaimer) trying to choke her are two self-inflicted wounds or two parts of a single wound. Since Sherwood admits to one but not the other, he seems to come down on the side of the two separate incidents. Who am I to argue? He's off the hook.

Sweeney is in a bit of the same situation as Sherwood. Obviously, the suggestion that the New York Republican got into a physical scuffle with his wife damaged Sweeney's re-election prospects. But was that photograph of him drinking with college students necessary for the second alleged personal scandal to lead to his defeat? If so, then it was the two scandals together that cost Sweeney his seat, not a single self-inflicted wound. I'm afraid I have to drop him from contention.

That leaves us with Allen and Kerry, two Senators who did their best to destroy their reputations with stupid, ill-timed comments that meet the single "wound" criterion.

Somehow, it seems only right that two Senators are battling it out for the award.

On one level, the Kerry comment about getting good grades or you'll end up in Iraq was worse than Allen's "macaca" comment, since Kerry wasn't even on the ballot and, as my wife pointed out, he compounded his goof by insisting that he was trying to tell a joke when he almost certainly wasn't.

Moreover, Kerry's comment could have not only hurt his party's prospects in 2006, he could also have seriously derailed his own presidential hopes for '08. Impacting two election cycles, not just one, with a single comment is a stunning achievement, even for Kerry.

Having said that, even the Massachusetts Democrat couldn't keep his party from winning the House and the Senate. While some conservative talk radio windbags apparently got angry when I expressed doubt that Kerry's comment would have much of an effect on the midterm elections, most voters apparently shrugged off the Massachusetts Democrat's inept remark.

And if Kerry's comment undermined his potential presidential bid for 2008, I doubt it hurt him very much, since his chances weren't very good to begin with.

Allen's "macaca" comment, on the other hand, had a profound impact. It turned a laugher of a race into a close contest. And since Democrat Jim Webb eventually won the race — thereby giving Democrats control of the Senate and unified control of Congress — the Virginia Republican not only brought about his own defeat and destroyed his once considerable chances of winning the Republican presidential nomination in 2008 but he also realigned the nation's entire governing balance for the next two years.

Because of that jaw-dropping achievement, the award for worst self-inflicted wound must go to Allen. But it was a very close contest.

For MSNBC, Time To Get Political (WP)

By Howard Kurtz

The Washington Post, November 20, 2006

Preferably with lots of cameo appearances by big-name news stars from the mothership.

The perennial third-place cable news channel enjoyed a nice bump in the ratings during the midterm campaign, in part because the likes of Brian Williams, Tim Russert, David Gregory and Campbell Brown broke away from their NBC duties to help out.

"We've found a voice as of late, and a large part of that voice is politics," says MSNBC General Manager Dan Abrams. And although he doesn't plan to put on "all politics all the time until 2008," Abrams says he wants to continue "branding" MSNBC as a haven for political junkies.

Of course, MSNBC has done well in other campaigns, only to have the gains vanish after Election Day. All of cable news tends to get big spikes during major stories -- war, scandal, missing white women -- that fade when the news cycle moves on.

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"The chronic problem -- and it will likely happen again in the days ahead -- is a big drop-off back to unpleasant, distant-third reality," says Erik Sorenson, a former MSNBC president.

There's no plan to transform the channel into an extended version of Chris Matthews's "Hardball," but MSNBC covered the House leadership shootout between Jack Murtha and Steny Hoyer with presidential-campaign intensity.

During the midterm campaign's stretch run, Abrams devoted two full days to politics and persuaded some of NBC's heavyweights to anchor hour-long programs. In October, MSNBC's ratings were up 14 percent over a year earlier, while Fox News was down 17 percent and CNN was down 8 percent. Of course, the NBC channel started from a much lower base. Fox averaged 792,000 viewers for the month, CNN 491,000 and MSNBC 287,000. (CNN scored a rare ratings win between 7 p.m. and 2 a.m. on election night, drawing 2.54 million viewers to Fox's 2.39 million and MSNBC's 1.58 million.)

NBC hotshots once looked down their noses at their cable sibling. But Andrea Mitchell, the network's chief foreign affairs correspondent, who made frequent MSNBC appearances during the campaign, is now anchoring an hour most mornings at 11. Although the cable audience is far smaller, "you would not believe the kind of reaction I've had from people I really respect," Mitchell says. As for potential guests, "many people want to do live interviews as opposed to edited interviews where they'll be a 15-second sound bite."

Mitchell also sees a certain synergy, such as when she was interviewing an Iraq expert last week on MSNBC and gleaned information for a piece she was preparing on the subject for NBC's "Today" show.

The network feasted on last week's Democratic infighting, from Matthews's midday appearances to a steady stream of analysts, including Newsweek's Jonathan Alter and Howard Fineman and The Washington Post's Dana Milbank. (The two Post-owned publications share a news alliance with MSNBC.) By contrast with its rivals, MSNBC essentially ignored the controversy over O.J. Simpson's maybe-I-did-it television special and the search for a missing 2-year-old in Florida, and provided modest coverage of a deadly tornado in North Carolina.

The effort by Abrams, the former legal-affairs commentator who took over in June, to tap more NBC talent will be getting an unexpected boost from a painful round of budget cuts at the network. Over the next year, MSNBC will abandon its Secaucus, N.J., campus and move in with its corporate parent at Manhattan's 30 Rock. A number of producers, bookers and others will be let go as job functions are combined. Abrams insists that the impact will be modest because his network is already thinly staffed.

Some of the election coverage was anchored by Joe Scarborough, a former Republican congressman, and Keith Olbermann, whose show "Countdown" has become a nightly feast of Bush-bashing.

"His program could become a model for the newscast of the future," Abrams says. "It's a mix of straight news reporting with lighter fare and occasionally with some opinion."

Some opinion? Not only does Olbermann steer clear of conservative guests, he has added an occasional "special comment" segment in which he recently urged President Bush to apologize to American troops for starting and mishandling the war, going on to suggest that "you are not honest" and "you are far more stupid than the worst of your critics has suggested."

Olbermann said last spring that he is not ideological but that his growing conviction about the administration's failings puts him "in the same part of the ballpark as a lot of liberals."

Scarborough, for his part, says: "I see my job now as someone who holds both parties accountable, and I think I've proven that over the last year. Probably I've held my own party to a higher standard than Democrats. The burden is on me to prove I'm fair and down the middle." Both Olbermann and Scarborough did put aside their views while anchoring campaign news shows.

Abrams, who was no shrinking violet back when he hosted his own show, says CBS is edging in a similar direction in trying to make Katie Couric "accessible and personable. . . . In cable news, the most honest thing we can provide for our viewers is the sense that you know where the host is coming from."Holding Back

For 10 weeks, Denver television reporter Paula Woodward tried to break the story about the Rev. Ted Haggard carrying on a gay relationship. She had the firsthand account of a male prostitute, Mike Jones, and copies of voice mails that Haggard, the head of the National Association of Evangelicals, had left for Jones. But Woodward was so cautious that she lost the scoop when Jones, frustrated by the delays, made his allegations -- under a pseudonym -- on a local radio show.

"We're very comfortable with the way we handled it," Woodward, a KUSA reporter, says. "We knew that the story, if true, would have a very dramatic impact on his life, his family's life and the church."

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The station contacted voice experts, who said they could not verify the phone messages without a "first generation" recording of Haggard's voice. So, as Columbia Journalism Review reported, Woodward and her news director decided to use hidden cameras to tape Haggard entering and leaving Jones's apartment. That plan failed because Haggard, who always initiated the visits, stopped contacting Jones.

After Jones went on the radio show this month, KUSA got an interview with Haggard -- who denied any misconduct -- and was able to use that tape to confirm the authenticity of the voice-mail messages. When the station reported that information the following day, Haggard resigned from the evangelical group and later admitted to sexual "immorality."

Woodward and her news director, Patti Dennis, insist they're not disappointed. "In my mind, we broke the story," Dennis says.Parting Words

It was a routine memo from USA Today's management, telling the staff that reporter Elliot Blair Smith would be leaving the paper for Bloomberg News and thanking him "for his excellent work."

But accidentally attached to the mass e-mail last week was a note from Smith, griping about how his last story was being handled. Smith, whose last day will be Friday, called the piece "the most powerful, the most explosive report on the most important financial story of the year. It required intense dedication. . . . It would take one hour of everybody's time to sit down and iron out any wrinkles that remain. One hour, I have that, don't you?" Smith said they should "close out the relationship with really substantial and meaningful actions, instead of these nice words below."

Well, at least everybody got both sides.

Howard Kurtz hosts CNN's weekly media program, "Reliable Sources."

AHIP Hop (WSJ)

The Wall Street Journal, November 20, 2006

Rising costs, an aging population, and a Democratic Congress mean the coming years are sure to see pressure for a larger government role in health care. So it's encouraging that America's private health insurers are thinking about ways to preserve a competitive market for health services. We only wish the proposals they released this month under the banner of their lobby group -- America's Health Insurance Plans -- did more to promote a genuine free market in health care.

AHIP's one really good idea is the creation of something called a Universal Health Account, which would end the tax bias that lets employers deduct health care expenditures but doesn't let individuals do the same. The employer-based private health care system has contributed significantly to cost inflation, because individuals generally aren't sensitive to the price of their treatment decisions. It also contributes to the perceived problem of the "uninsured," because a very large number of the 40-some million Americans classed as such every year are merely between jobs.

Congress took an important step toward equalizing tax treatment and encouraging portable, individually owned polices by creating Health Savings Accounts in the 2003 Medicare bill. HSAs combine a tax-free, high-deductible insurance policy with a tax-free savings account to pay smaller expenses. But while their take-up rate has been impressive, HSAs still represent only a small portion of the market. A Democratic Congress also isn't likely to be friendly to further HSA expansion on the grounds that high-deductible plans are only for the "healthy and wealthy."

Studies of HSA purchasers provide little support for the "health and wealthy" charge. But AHIP's Universal Accounts proposal transcends that debate by suggesting that any type of insurance plan -- even first-dollar coverage, if an individual so chooses -- ought to qualify for HSA-type tax treatment. This is a genuinely innovative proposal.

It wouldn't merely go a long way toward making insurance more affordable for those who don't get it from their employers. It would provide incentives to move beyond the employer-based insurance system. Instead, companies would be free to fund portable insurance policies for their employees much like they fund portable 401(k) retirement accounts. Such a Universal Health Account system would provide more security than the current one, which often keeps sick people tied to jobs for fear of losing coverage. We hope the idea gets a fair hearing.

Now for the bad news. AHIP suggests that the federal government make substantial matching contributions to help lower- and middle-income people buy into the Universal Health Accounts. This isn't necessary to make them affordable, and it might contribute to general health care inflation, just as federal subsidies have done for higher education.

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For those at the very low end of the income scale, AHIP proposes bringing more people into Medicaid and the State Children's Health Insurance Program (S-CHIP). This strategy was already tried in the 1990s, without making any dent in the number of uninsured. Much of the money simply displaced private spending, and millions of people eligible for Medicaid simply don't bother to sign up.

The biggest disappointment is that the insurers aren't calling for a national market in health insurance -- which is essential if their Universal Health Accounts are to work as well as they should. In addition to the tax code, one of the biggest obstacles to portability and individual policy ownership is that insurance is governed by 50 different sets of state regulations. These rules can make insurance needlessly expensive (as in New York and Massachusetts), and the balkanized market curbs innovation and prevents the development of larger risk pools and economies of scale.

Congressman John Shadegg (R., Ariz.) has a bill that would let individuals in any state purchase insurance that's passed muster with regulators in any other state -- the same way they do with banking products such as credit cards right now. And if that's considered a non-starter for the next Congress, another alternative would be to create an optional federal insurance charter in addition to the 50 sets of state regulations. The current system is a special-interest anachronism in this age of the Internet and global commerce, and some of those special interests are members of AHIP. The Blue Cross/Blue Shield Association, for one, likes fragmentation because it has been able to dominate a number of local markets.

We understand the internal political limitations of a diverse organization like AHIP, and at least it has proposed an innovative idea in Universal Health Accounts. But if AHIP wants to be taken seriously as a proponent of market-oriented health care solutions, it's going to have to get consistent about letting markets work -- even if that would expose some of its own companies to more competition.

The Taxpayers' Chauffeurs (NYT)

The New York Times, November 20, 2006

The answer to one question raised by the scandal involving State Comptroller Alan Hevesi should be easy: public officials could take public transportation as a matter of public policy.

Instead, a lot of them manage to move from place to place, even from home to work, as comfortably as the very rich. They come and go courtesy of cars and chauffeurs (they like to call them drivers) paid for by taxpayers. And even though it is very hard to figure out how much these fleets actually cost, you can be sure it would be cheaper if these officials took a bus, subway or taxi or even drove and parked their own cars like the rest of us.

Nobody wants to deny a strong car and a beefy driver to an official who needs security, but now that Mr. Hevesi is facing investigations for using a state car and driver for his wife, there should be questions for everybody else in government enjoying those perks. Why, for example, should state agency heads have such unrestricted access to cars and drivers that at least one top official has been accused of using her car and driver to go shopping? Or, if security is the measure, why does a local prosecutor or judge who puts a violent gang member in jail have to drive home alone?

In some cases, chauffeur-driven officials quickly pay the state and the Internal Revenue Service for any personal use. Since he was caught, Mr. Hevesi has so far paid out more than $170,000 to cover the state-financed transport. Other public officials have hastened to repay even modest amounts. State politicians have repeatedly assured reporters in recent weeks that state cars or drivers are not allowed for personal use, but the questions clearly make them nervous. For example, Joseph Bruno, the Senate majority leader, was so irritated and flustered at the very question that he denied having a driver and then reassured everyone that the driver he did have had never done anything inappropriate.

Gov. George Pataki's use of airplanes and limousines has always been hard to track, since his schedule, like much of his administration, is top secret. But that picture is even murkier these days as administration staff members refuse to talk about the policy for car and driver use. They say we might draw a "moral equivalent" between Mr. Hevesi's car use and Governor Pataki's transportation use.

None of this would be a problem if the state would follow Mayor Michael Bloomberg's lead. Mr. Bloomberg, who is rich enough to commute by helicopter, prefers the subway. Early in his first term, he also took away the lights and sirens from New York City administrators accustomed to turning every routine trip across town into a mock emergency.

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There are no subways in Albany, and the bus and taxi services are meager. But there is something to be said for anything that reminds public officials that they are no different from other citizens who struggle with traffic jams and subway doors and the ordinary hazards of moving about.

Apec Closes Ranks On N Korea Threat (FT)

By Caroline Daniel, Alan Beattie And Amy Kazmin In Hanoi

Financial Times, November 20, 2006

The 21 members of the Asia-Pacific Economic Cooperation (Apec) forum on Sunday presented a united front to North Korea, urging it to start dismantling its nuclear weapons programme.

US officials had wanted a formal published statement to show the combined resolve of countries in the region surrounding North Korea.

But they could manage only an oral statement, which was read out at a private session of the Apec leaders by Nguyen Minh Triet, Vietnam's president. South Korea later issued a transcript.

"The statement was very firm in the need for full implementation of the Security Council Resolutions, 1695 and 1718. What was important was the leaders of Apec coming together in a common statement," said David McCormick, an official at the US National Security Council.

The pressing matter of North Korea overshadowed the supposed substance of the gathering: talks to encourage economic integration in the Asia-Pacific region.

However, the meeting agreed to commission a study on turning Apec, which stretches from Russia across Asia to the US, into a giant tariff-cutting "regional trade agreement", and gave rhetorical support for the resumption of the stalled Doha round of global trade talks.

But the Apec members made no new offers to reduce their own trade protection to get the Doha talks going again, and admitted that turning Apec into a so-called Free Trade Area of the Asia-Pacific was immensely complex and at best a long-term project.

The FTAAP plan evoked some opposition from business leaders, who said it was unworkable and had distracted attention from the Doha talks.

Apec, which contains a broad range of economies from poverty-stricken dictatorships through oil exporters to rich nations like the US and Singapore, has always taken a voluntary approach to liberalising trade.

Charles Morrison, international chair of the Pacific Economic Cooperation Council, a business grouping, said: "The trade-oriented Apec economies have no real alternative. Since Apec itself has no negotiating mechanism, it must depend on the WTO to achieve liberalisation."

Mr Morrison said that more concessions were needed from Apec members including Japan, Korea and the US in order to induce movement from the "laggards" outside the grouping, including India and the EU.

In bilateral meetings on Sunday, US President George W. Bush met Hu Jintao, China's president, and Vladimir Putin, president of Russia.

Mr McCormick said Mr Bush and Mr Hu had "a very lengthy and very positive discussion on North Korea" and had found "general agreement on the next steps".

Chinese officials ruled out any changes to the UN resolutions, which provide for sanctions against the reclusive communist state.

Liu Jianchao, foreign ministry spokesman, said the resolutions should not be "randomly interpreted" or expanded.

However, he added that the two leaders agreed that "North Korea should get the message that possessing a nuclear bomb will not have the support of the international community".

US officials have sought during the Apec talks to evoke the lessons of Vietnam, as an example to both North Korea and Burma, and to suggest a possible path to international approval.

Condoleezza Rice, US secretary of state, said the Vietnamese experience was instructive.

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"If the leaders of Burma and North Korea were to follow the example of Vietnam, if they made the strategic choice and took the necessary steps to join the international community, then it would open a new path to peace and prosperity," she said.

At Close Of Economic Summit, Participants Offer Support For U.S. Policy On North Korea (LAT)

By James Gerstenzang

The Los Angeles Times, November 20, 2006

HO CHI MINH CITY, Vietnam — — The United States and its partners in the campaign to force North Korea to end its nuclear weapons program won the support Sunday of a broad summit of Pacific Rim nations, the latest effort to step up pressure in slow-moving talks with the isolated Pyongyang government.

The declaration was issued as an informal statement delivered by the conference host, the president of Vietnam, rather than a as a formal paper — a distinction suggesting a less-authoritative step.

It was issued at the conclusion of the annual meeting of the Asia-Pacific Economic Cooperation group, shortly before President Bush, who spent the weekend in Hanoi, flew to Ho Chi Minh City.

Bush came to Asia to attend the Pacific Rim economic summit. But issues of nuclear proliferation and security have formed the backdrop each day of his visit, from a speech in Singapore on Thursday in which he called for broad cooperation throughout the region to corral North Korea's nuclear weapons program, to the likely focus on Islamic-based terrorism this afternoon in Indonesia. Security concerns in Indonesia, the world's most populous Muslim nation, were limiting his visit to barely six hours.

At the conclusion of the Hanoi meeting, President Nguyen Minh Triet of Vietnam read a statement saying that North Korea's test of a nuclear device on Oct. 9, and its missile launches three months earlier, posed "a nuclear threat" to peace and security and to the summit nations' goal of a nuclear-free Korean peninsula. He called for full implementation of U.N. Security Council resolutions, which include the threat of sanctions to pressure North Korea to renounce its nuclear weapons program.

The statement came a day after South Korean President Roh Moo-hyun told Bush that his government could not commit to boarding North Korean ships suspected of carrying nuclear-related cargo.

White House officials Sunday cited the statement as a sign that the United States and its allies remained on the same track regarding North Korea. And David McCormick, a deputy White House national security advisor, said the failure to present the declaration as a formal, written document was not a setback.

In a separate discussion, McCormick said, Bush and Chinese President Hu Jintao had agreed "on the path ahead" in dealing with North Korea. McCormick and White House Press Secretary Tony Snow said Bush and Hu had not set specific conditions to present to Pyongyang.

The Korean situation also formed a backdrop to a meeting between Bush and President Vladimir V. Putin of Russia.

China, Russia, Japan, the United States and South Korea, all members of the economic group, have been conducting on-again, off-again talks with North Korea over nuclear weapons. The North has only recently agreed to resume the six-party discussions intended to persuade it to end its weapons efforts, including such steps as the shutting down a five-megawatt nuclear reactor.

"The North Koreans have to demonstrate seriousness," Snow said to reporters aboard Air Force One as Bush flew south to Ho Chi Minh City. Bush has said that among the measures the United States would offer to entice North Korea to cooperate would be a formal declaration that the Korean War, fought more than 50 years ago between the North and South, was at an end. Such a statement has never been made in the past. The summit also produced what U.S. officials presented as a strong commitment to renewed global trade talks, which have broken down despite pledges to liberalize international trade practices through reduced tariffs and subsidies and greater market access.

Reflecting the political pressure that makes trade pacts increasingly difficult to achieve, the summit called for consideration of an already expressed goal of a free-trade zone encompassing the nations of the Pacific Rim in the Americas and Asia.

As expected, U.S. and Russian representatives signed an arduously negotiated trade agreement that is a key step in Russia's joining the World Trade Organization.

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The president plans to use his morning schedule today in this vibrant city, still remembered as Saigon — its name until the communists emerged victorious from the Vietnam War in 1975 — to draw attention to the Vietnamese government's program to modernize the economy through market reforms. The national economy grew 8.4% last year.

His planned stops included a visit to a capitalist institution with a decidedly communist name: The Ho Chi Minh City Securities Trading Center — the stock exchange, albeit a state-controlled agency, named after the revolutionary leader.

But while Bush's focus was on economic shifts, Vietnam's record on political and religious rights came into question.

Philosophy professor and political activist Nguyen Chinh Ket said in a conference call with reporters that police agencies prohibited him and several other dissidents from conducting a news conference at the Sheraton Hotel in the glitzy, but small, heart of Ho Chi Minh City. Ket said he was not allowed to leave his home, and another activist was detained by police. Police also interfered with plans of a Buddhist group to conduct a protest Sunday calling for greater freedom of religion in Vietnam, according to the activist.

Bush was to fly out of Ho Chi Minh City from Tan Son Nhat Airport, which was the main air operations center for the U.S. military during the Vietnam War.

Early Sunday morning in Hanoi, the president and Laura Bush attended an interdenominational worship service at the Cua Bac Cathedral that combined elements of the Roman Catholic liturgy and an evangelical service. It was conducted in Vietnamese and largely in song.

"A whole society is a society which welcomes basic freedoms, and there's no more basic freedom ... than the freedom to worship as you see fit," the president said, using his visit to the cathedral to signal continuing pressure on the communist government to allow unrestricted practice of religious beliefs.

His attendance, he said, was "our way of ... urging societies to feel comfortable with, and confident in saying to their people, if you feel like praising God you're allowed to do so in any way you see fit."

The church seats approximately 500 people in wooden pews; it was not full on Sunday.

Leaders Achieve Little On NKorea At Asia Pacific Summit: Analysts (AFP)

By Peter Harmsen

AFP, November 20, 2006

Closed-doors diplomacy at a regional summit in Vietnam came nowhere nearer to resolving the crisis over North Korea's nuclear dream, analysts say -- and may even have made matters worse.

The Asia Pacific Economic Cooperation (APEC) forum meeting in Hanoi voiced its "strong concern" over Pyongyang's shock October 9 nuclear test -- unlikely to please the North's easily offended leader Kim Jong-Il, they argued.

Leaders endorsed UN sanctions and called for an early restart to six-party talks on dismantling the North's weapons drive.

"This is most likely to stiffen Kim Jong-Il's resolve," said Ken Quinones, a professor of Korean Studies at Japan's Akita International University.

"He wishes to avoid any appearance of bowing to international pressure."

A succession of nations attending in Hanoi condemned the North's test, with even old ally China agreeing Pyongyang "should get the message" that the world community would not let it possess nuclear weapons.

But amid the tough talk, the meetings in the Vietnamese capital made little headway beyond a call for "concrete and effective steps" to implement a 2005 deal that would have North Korea renounce nuclear weapons in return for aid.

"Nothing that was achieved at APEC with regards to North Korea could not have been achieved by officials working on the phone," said Paul Harris, an expert on US foreign policy at Hong Kong's Lingnan University.

Expectations had been inflated by the fact APEC brought together leaders from five of the parties in on-off six-nation talks on North Korea's nuclear program -- the United States, China, Japan, South Korea and Russia.

They managed to meet in a criss-cross pattern of bilateral and trilateral forums, but never sat down together.

It partly reflected fears that North Korea -- the sixth party -- might feel the rest were ganging up on it and extend a boycott that has left the process in limbo for more than a year.

It also reflected frustration at US international diplomacy, according to observers.

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"The assumption was that the Americans would enter the room and try to get everyone to come around to their position. That's not a negotiation," Harris said.

With five nations present but communicating imperfectly, and one absent and communicating hardly at all, there was no easy answer to when a next round of six-nation talks would take place.

Instead, officials came out of meetings with slightly altered versions of the same basic message: Talks should resume as soon as possible, meaning early December, if everyone agreed.

That would seem to rule out November, which had otherwise been raised as a possibility a fortnight before when North Korea agreed to return to the table, possibly forced to do so by UN sanctions triggered by its test.

US officials said Christopher Hill, the chief US delegate to the six-party talks, was to go to Beijing to meet his Chinese counterpart Wu Dawei early this week.

Another much-repeated appeal was for the next round to produce "substantive results".

No one actually described in more specific terms what was meant by this -- probably for good reason, according to observers.

"All of the parties would rather wait and see, so they can define success as whatever happens in the future," said Harris.

Some analysts saw the general absence here of results on North Korea as a failure of US leadership, following the Republican Party's defeat in mid-term elections earlier this month.

"Bush came to Hanoi a lame, walking, quacking duck. The Asian leaders have begun the process of distancing themselves from him," Jeff Kingston, director of Asian studies at Temple University's Tokyo campus, told AFP.

"The brief unity that we saw right in the wake of the nuclear test has unravelled a bit," he said.

As unity seemed ever more elusive, the fate of the six-nation talks may be hanging in the balance, caught in a complex game of bluster and make-believe that was only getting more complicated as time passed, observers said.

"Just like Bush does not wish to reveal that the US election outcome has softened him, Pyongyang likewise wishes to avoid any appearance that UN sanctions has softened it," said Quinones.

"The impasse appears to endure."

APEC Leaders Speak Out On N. Korea Nukes (AP)

By Paul Alexander

AP, November 20, 2006

They would not put it in writing, but the Pacific Rim's often-divergent leaders joined together Sunday to say they worry about North Korea's nuclear weapons program and to urge the reclusive country to resume disarmament negotiations.

The verbal statement capped five days of diplomatic discussions in the aftermath of the North's first nuclear test on Oct. 9, which raised concerns about proliferation in the region. But the method of delivery provided a curious culmination to the issue that overshadowed the economic topics that are the core of the 21-member Asia-Pacific Economic Cooperation forum's mission.

Even some of the participants were unsure why the statement was not issued in written form, just orally at the end of the two-day leaders' summit and by Vietnam's president at a news conference after reporters asked him about it.

"We are seeking an explanation for that," Canadian Prime Minister Stephen Harper said. "We don't understand why it wasn't included since it was a joint statement and it was unanimous."

David McCormick, an official with the U.S. National Security Council, denied that getting only an oral statement from the summit represented a setback, and said the White House was pleased with the toughness of the wording.

"The statement was very firm in the need for full implementation" of U.N. resolutions on North Korea, McCormick said. "What was important was that the members of APEC came together on a common statement."

The statement urged North Korea to take concrete steps to live up to earlier commitments to stop developing atomic bombs.

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"We express our strong concern over the July 4-5 missile launches and Oct. 9 nuclear test conducted by (North Korea), which poses a clear threat to our shared interest of peace and security and our shared goal of achieving a nuclear weapons-free Korean peninsula," it said.

Meanwhile, North Korea's Minju Joson newspaper on Sunday accused South Korea of building up arms in order to attack the country.

"The South Korean military is openly clamoring that the development and introduction of new weapons are to target the North," the paper said, according to the country's official Korean Central News Agency. "Confrontation with fellow countrymen is a suicidal act of digging their own graves. War knows no mercy."

Pyongyang accused South Korea of conspiring with the United States to attack the isolated and impoverished state, an accusation made frequently by the North and routinely denied by the U.S.

It appeared that some APEC members, worried about how security and political issues have increasingly impinged on the group's economic focus, felt that the U.N. and other forums are more appropriate for a written statement.

And while North Korea is not an APEC member, some countries are sensitive to the issue of interfering in other nations' affairs.

APEC provided a chance for the U.S., China, Japan, Russia and South Korea to try to work out a unified strategy as they prepare to resume nuclear negotiations with the North a year after it walked out. The talks could resume as early as next month.

President Bush and Chinese President Hu Jintao met Sunday and agreed that "North Korea should get the message that possessing a nuclear bomb will not have the support of the international community, but rather will meet opposition," said Chinese Foreign Ministry spokesman Liu Jianchao.

While virtually everyone agrees that North Korea's nuclear weapon and missile tests could lead down a dangerous path to further proliferation, differences remain on the best strategy for dealing with the North, which has used brinksmanship to gain aid and security guarantees.

"I don't think North Korea would want to give up something they regard as something precious to them, something that gives them a certain pride and position," Malaysian Prime Minister Abdullah Ahmad Badawi said.

"These are realities that we cannot deny, but if we can give them hope of something else they can get ... maybe it could pave a way to come up with a solution, but it's going to be very difficult."

It appeared that the U.S. did manage to get one North Korea-related addition in the summit's final written declaration which appeared to endorse the financial sanctions that Washington imposed on the North over alleged currency counterfeiting and money laundering. The sanctions sparked North Korea's boycott of the six-party talks.

U.S. Stance On North Korea Hits Hurdles At Summit (WSJ)

By Yochi J. Dreazen And Evan Ramstad

The Wall Street Journal, November 20, 2006

HO CHI MINH CITY, Vietnam -- The Bush administration's efforts to raise international pressure on North Korea to abandon its nuclear program hit a series of roadblocks at a weekend Asian summit.

President Bush came to Vietnam for the Asia-Pacific Economic Cooperation summit in Hanoi hoping to bolster the coalition of neighboring nations arrayed against North Korea, which sparked global fears after successfully testing a nuclear warhead. The U.S., Russia, China, Japan and South Korea are set to resume negotiations with North Korea in coming weeks, and the White House wants to maintain a united front there.

During his private meetings, Mr. Bush repeated that the U.S. is committed to finding a diplomatic solution to the stand-off and was prepared to give Pyongyang significant political and economic concessions if it dismantled its nuclear program. The other nations, however, made clear that they were unwilling to fully embrace the U.S. strategy, and several suggested they preferred to take a more conciliatory approach.

The U.S. was unable to persuade the other 20 APEC member states to issue a written statement about North Korea's nuclear program. The Bush administration settled for Vietnamese President Nguyen Minh Triet taking the unusual step of delivering a statement to reporters in Hanoi expressing concern about North Korea.

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On Saturday, South Korean President Roh Moo Hyun told Mr. Bush that his country wouldn't be "taking part in the full scope" of a U.S.-led plan to interdict North Korean nuclear shipments, the latest sign of the ongoing dispute between Washington and Seoul over how hard a line to take with North Korea.

U.S. officials said they were satisfied with their diplomatic achievements on Mr. Bush's Asian swing, which continues today with a half-day visit to Indonesia. Administration officials noted Mr. Triet's statement was toughly worded and represented the unanimous view of the APEC countries.

White House officials said Mr. Bush used at least one of his private meetings with other leaders to detail the incentives the U.S. was prepared to give North Korea if it gave up its nuclear program. Administration spokesman Tony Snow said Mr. Bush told Mr. Hu that the U.S. would be willing to declare an official end to the 56-year-old Korean War, which is technically in a ceasefire, and provide economic aid to communist North Korea. Mr. Snow and other officials have said that the U.S. would be amenable to holding an armistice signing ceremony.

Declaring the conflict at an end could allow Pyongyang to trim its massive military spending and use the money for economic development, officials said. Pyongyang has long sought a peace treaty that formally ends the conflict. Analysts say the North's leader, Kim Jong Il, may be attracted to sharing a stage with leaders from the U.S. and other countries that treat him as an outcast.

The diplomatic efforts follow North Korea's Oct. 9 test of a nuclear device, which provoked widespread condemnation and led the United Nations Security Council to impose new sanctions on the country. Three weeks ago, North Korea said it would return to six-party talks with the U.S. and other countries, which are expected to resume next month in Beijing.

Pacific Rim Statement On N. Korea Falls Short Of What Bush Sought (WP)

By Michael A. Fletcher

The Washington Post, November 20, 2006

HO CHI MINH CITY, Vietnam, Nov. 19 -- President Bush arrived in this bustling financial center Sunday after achieving mixed results in his effort to persuade Pacific Rim countries to press North Korea to abandon its nuclear weapons.

The two-day Asia-Pacific Economic Cooperation forum in Hanoi concluded with its members agreeing to an oral statement urging North Korea to follow through on pledges to dismantle its nuclear weapons program.

Bush pressed the leaders at the summit, including Chinese President Hu Jintao in meetings Sunday, to implement a coordinated effort on North Korea. Bush has restated his willingness to offer North Korea incentives, including security guarantees and economic help, if it agrees to disarm, but has promised further isolation if the country refuses.

Bush had hoped for a formal, written declaration from APEC members on the issue but was forced to settle for the statement read aloud by Vietnamese President Nguyen Minh Triet at the summit's closing session.

The statement expressed "strong concern" about North Korea's first nuclear test, which took place in October, and missile launches in July, and called on the country to take "concrete and effective" steps toward abandoning its nuclear weapons as called for in a U.N. resolution.

David McCormick, a deputy national security adviser, called the statement a step forward and said it reflected a "common view on the importance of successful implementation of the resolution."

Weeks after the nuclear test, North Korea agreed to resume negotiations with the United States, Russia, China, Japan and South Korea on ending its program. No date has been set to restart the so-called six-party talks, but Bush administration officials say they want to be certain that North Korea will not use a continuation of the talks to ward off international pressure while it continues to develop weapons.

Bush also met with Russian President Vladimir Putin after the signing of an agreement between the two countries supporting Russia's entry into the World Trade Organization.

"This is a good agreement for the United States," Bush said. "And it's an equally important agreement for Russia."

Bush and Putin discussed the North Korean nuclear question and a proposal for U.N. sanctions against Iran for its nuclear program.

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Though the North Korea issue dominated Bush's agenda at the summit, APEC leaders agreed to explore several trade issues, including the possibility of establishing a free-trade zone that would span the Pacific Rim. The leaders also endorsed a plan aimed at preventing the spread of avian flu and AIDS.

APEC, which brings together the leaders of its 21 member nations, also serves as a meeting place for hundreds of leading business executives from around the globe who travel to its annual conferences in search of new opportunities and markets.

The event has served as an opportunity for Vietnam, a one-party Communist state, to showcase its dramatic economic growth and vast economic potential since embracing private enterprise over the past two decades.

During his brief visit to Ho Chi Minh City, Bush was scheduled to attend a meeting of business leaders and visit the stock market.

Three decades after this city, formerly known as Saigon, fell to Communist forces, ending the Vietnam War, its business center is bursting with activity. Gleaming hotels, chic coffee bars and neon-lit karaoke joints increasingly attract an international clientele to the high-paced hub of commerce.

Bush was set to travel next to Indonesia, the world's most populous Muslim nation. He is scheduled to meet with President Susilo Bambang Yudhoyono and attend a dinner, but not spend the night. Word of Bush's visit has sparked large protests in Indonesia, as well as threats against Bush from Islamic radicals.

After leaving Indonesia, Bush will fly to Honolulu, where he plans to have breakfast with U.S. troops and meet with military commanders before returning to Washington.

Trade Trumps Politics As U.S. Explores Vietnamese Markets (USAT)

By David Jackson

USA Today, November 20, 2006

HO CHI MINH CITY, Vietnam — America's consumer culture is well on its way to doing what the U.S. military could not: win in Vietnam.

From the alleys of Hanoi to the boulevards of Ho Chi Minh City, the ancient arts of silk- and ceramic-making are joined by multinational products from Levi's jeans to KFC chicken to Nike sneakers.

ConocoPhillips has more than $1 billion in oil projects and Ford has a $100 million assembly plant in Vietnam, according to the U.S. Embassy here. Silicon-chip-maker Intel plans to build a $1 billion test-and-manufacturing plant here. Vietnam has a 1,000-plus-member American Chamber of Commerce.

Vietnamese consumers care most about making a living and providing for their families, says Vo Thi Bich Lan, a youth development coordinator in Ho Chi Minh City. “We don't care about the politics.”

Global trade issues dominated the Asia-Pacific Economic Cooperation forum President Bush attended this weekend in Hanoi. He sought to expand the U.S. business presence in Vietnam and other parts of Asia.

Bush met with leaders from Vietnam, China, Russia, Japan, Australia and South Korea, urging an expansion of free trade.

However, Bush headed to Vietnam without congressional approval to widen Vietnam trade more quickly.

Today, Bush plans to underscore U.S. commercial ties by visiting Vietnam's stock market before he heads to Indonesia, where crowds Sunday protested Bush's visit.

Normalizing trade relations would ramp up growing investment in Vietnam, three decades after helicopters plucked Americans from Saigon roofs as the communist army closed in.

It's still the Socialist Republic of Vietnam, but “the Vietnamese people are just inherently entrepreneurial,” says Chuck Searcy, an American who lives in Hanoi. Searcy, a Georgia native who raises money to find and disarm unexploded ordnance dropped during the Vietnam War, says locals have a saying about trade: “Three women and a duck make a market.”

Economic expansion helps political freedom, Bush said last week, adding that “by opening up to trade, countries build wealth and empower their citizens.”

Democratic change depends on more than increased economic opportunities, says Diem Do, chairman of the opposition Vietnam Reform Party. The Vietnamese people and international community must also push for change, he says.

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Vietnam is still no capitalist paradise, according to a U.S. Embassy report. U.S. companies that want to invest there complain of corruption, the lack of intellectual property rights and too much government bureaucracy, the report said.

U.S. companies are among the top three investors in Vietnam, despite the problems, said Virginia Foote, president of the U.S.-Vietnam Trade Council.

American attempts to reach potential customers can be seen on the narrow streets of Hanoi's Old Quarter, where the streets are named after silk, paper and silversmith guilds that have practiced for six centuries. Battalions of honking motorbikes roar past tube-shaped buildings apt to sell Pampers, Batman dolls or Levi's.

Business seems to be thriving in Ho Chi Minh City. Aggressive young peddlers follow visitors for blocks, selling bike tours, shoe shines or postcards with the same pitch: "Why don't you buy from me? Real cheap. One dollar!"

Though Vietnam has no McDonald's, not far from the former U.S. Embassy compound in Ho Chi Minh City sits Ga Ran Kentucky, a fried-chicken restaurant complete with the smiling, white-goateed visage of Col. Harland Sanders.

In Ben Thanh Market, Kouo Kiev My sells souvenirs, ceramic Buddhas and wooden elephants, and makes $100 a month.

She says the experience should help her move up in the world as she tries to learn English and how to run a business.

"I can meet the customers," she says. "And I like the money."

Bush Visits Now Bustling Symbol Of U.S. Defeat (NYT)

By David E. Sanger And Helene Cooper

The New York Times, November 20, 2006

HO CHI MINH CITY, Vietnam, Monday, Nov. 20 — President Bush ventured into this booming, wildly capitalist commercial center of an ostensibly Communist Vietnam on Monday morning, speeding off to the stock exchange to talk with local business leaders before preparing for a quick visit to Indonesia.

His visit here, where he was also to tour the government-run Pasteur Institute to highlight work on avian flu and AIDS prevention and treatment, concludes three days in the country that have been dominated by his efforts to hold together reluctant partners — notably China, South Korea and Russia — to step up pressure to dismantle the nuclear programs of Iran and North Korea.

In both cases, he found progress agonizingly slow, though there was more evidence of unity in dealing with North Korea.

On Sunday, Mr. Bush formally signed an agreement that paves the way for Russia's entry into the World Trade Organization, a step that China took years ago and that Russia has long struggled to match.

As he has throughout his trip, Mr. Bush has avoided dwelling on America's past with Vietnam, though it is difficult in a city like this one, filled with so much potent symbolism of American defeat.

For many Americans, the imagery of this teeming, chaotic place is fixed in 1975, when the last Americans were evacuated by helicopter. Mr. Bush sped past the evacuation spot on his arrival here, but made no stops that would invite comparisons to the current debate over whether the United States should stay or retreat from Iraq.

He steered clear of the other sites that so dominated American politics in his youth, and spent the night at one of the gleaming new hotels that dot the skyline, rather than one of the old haunts, like the Continental, the Rex and the Caravelle, where official Washington once struggled to manage a losing effort.

Instead, he made an unannounced stop for dinner with Prime Minister John Howard of Australia at a trendy restaurant in a neighborhood that symbolizes the new Saigon — the name local people insist on using for a city that was renamed immediately after the Communist victory.

After dinner, Mr. Bush mounted the running board of his waiting limousine and waved to a crowd of curious, mostly younger Vietnamese who jammed the streets as news of his arrival spread. There were muted cheers.

In a trip that has focused relentlessly on the future, Mr. Bush urged China's leader, Hu Jintao, to create "a nation of consumers and not savers, which will inure to the benefit of our manufacturers, both large and small, and our farmers, as well." It was an echo of what Mr. Bush's father used to urge in his visits to Japan, in hopes of closing the trade gap.

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At the meetings of the Asia-Pacific Economic Cooperation forum in Hanoi over the weekend, Mr. Bush talked about exploring new free trade arrangements for Asia — a long-sought but still distant goal — and Secretary of State Condoleezza Rice used the case of Vietnam as an instructive example of economic reform.

In a speech in Hanoi, she said that "20 years ago the leaders of Vietnam took a hard look at their isolated economy, and they made a strategic choice to begin reforms." In fact, they have turned to serious reforms only in recent years.

Mr. Bush's spokesmen said that he and the leaders of Japan and China saw "eye to eye" on steps needed to press North Korea.

But the spokesmen did not use those words to describe talks with the South Koreans, who have been particularly reluctant to fully join efforts to intercept suspected illicit shipments of arms, or to cut off economic links after the North's nuclear test.

Christopher R. Hill, the chief American negotiator with North Korea, is to fly to Beijing this week to try to work out a mix of incentives for the North and to persuade the Chinese to push for a symbolically important dismantling of part of North Korea's weapons complex. That last step is one the North Koreans have not yet indicated they are ready to take before negotiations resume.

Russia has continued to balk about imposing major sanctions against Iran, which has continued to defy a United Nations Security Council call for full suspension of its enrichment of uranium.

Rather than dwell on those differences in public, Russian and American officials celebrated an agreement to allow Russia to enter the W.T.O. after 10 years of stop-and-go negotiations, and talks that began shortly after the collapse of the Soviet Union.

"We support Russia's accession into the W.T.O.," President Bush announced in Hanoi after a meeting with President Vladimir V. Putin on the outskirts of the Asia-Pacific meeting.

American officials said the agreement with Russia was reached in principle more than a week ago, after the two countries gradually worked out nagging disputes on issues like agriculture inspections, chicken exports to Russia and intellectual property protection.

Susan C. Schwab, the United States trade representative, said the pact should bring a significant increase to global trade.

Her Russian counterpart, Economy Minister German Gref, was equally effusive at the signing ceremony on Sunday. "Undoubtedly, this agreement is a very substantial milestone in the full integration of Russia into the global economy," he said.

Mr. Putin has repeatedly said that joining the W.T.O. is a major foreign policy goal, although Russia's oil-driven economy will get few direct gains from membership in the organization, which sets the ground rules for globalization. But joining would give Russia a voice in world trade talks, with the potential to help set future trade policy.

The agreement with the United States means that Russia has passed the last major barrier to its entry into the 149-member world trade entity.

But Russia still must win approval from Moldova and Georgia, countries with grievances over a Russian ban on importing wine. Those countries could further delay a final deal on W.T.O. membership, although trade officials have said they expect that Russia will manage to find a way to resolve the issue.

Forum Vows To Revive Trade Talks (WSJ)

By James Hookway

The Wall Street Journal, November 20, 2006

HANOI, Vietnam -- The U.S. and other Pacific Rim countries said they were prepared to cut farm subsidies and tariffs to revive stalled world trade talks, putting pressure on other economic powers such as the European Union, Brazil and India to follow suit.

Leaders at the summit of the 21-member Asia-Pacific Economic Cooperation forum also said they would consider a free-trade area of their own if the global talks fail.

The initiative may not break the deadlock over politically sensitive farm subsidies that stalled the so-called Doha Round of talks, which began in 2001 under the auspices of the World Trade Organization. Some trade officials attending the summit say global trade talks could remain on hold despite the offer.

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Without detailing specific measures, the Pacific Rim countries said they would be ready to cut subsidies, but added that "other [countries] must also signal their readiness and resolve" to do the same.

The EU's trade chief said APEC's offer could lead to a fresh round of Doha discussions next year. "If all negotiating partners live up to the terms of that statement, then we have a greater hope of a resumption of negotiations," EU Trade Commissioner Peter Mandelson told reporters in New Delhi.

In a closing statement of the APEC summit, the leaders warned that failing to secure a WTO trade deal could have "grave" economic consequences. In case global talks don't resume, APEC leaders agreed to study a possible backup plan: a free-trade area covering the Pacific Rim's largest economies and including countries that now account for about half the world's trade. APEC members include the U.S., Japan, South Korea, China, Russia, Australia, the 10 members of the Association of Southeast Asian Nations and several Latin American states.

Several leaders at the summit said the resumption of the WTO talks was the ideal way to push the free trade agenda, but they added they were willing to consider alternative options, such as a Pacific Rim free trade agreement, if necessary. "The key game has to be the WTO," said New Zealand Prime Minister Helen Clark. "But if Doha stumbles so badly that it went into suspension for years, then of course a [free trade] agreement which covers...60% of the world economy is very attractive for us."

The idea of an APEC free-trade area was introduced in 2004. It was quickly dropped, largely because hopes were still high the WTO negotiations could provide a more direct route to freer trade.

The U.S. revived the idea this year, in part, trade analysts say, to create momentum to nudge talks at the WTO back on track. President Bush pushed the plan during his meetings with several regional leaders, said the U.S. deputy national security adviser for foreign affairs, David McCormick.

The U.S. is also wary that China is pushing for its own free-trade pact with the dynamic economies of Southeast Asia, including Indonesia, Malaysia, Singapore, Thailand and Vietnam.

At the same time, Washington's own bilateral free-trade discussions with Malaysia, South Korea and Thailand have become bogged down.

The authority for American trade negotiators to seal deals without line-by-line scrutiny in Congress is also set to expire in the middle of next year. After the Democratic Party won control of Congress in the midterm elections this month, it is uncertain whether that authority -- which has already produced free-trade deals with Australia and Singapore -- will be extended.

Russia Signs Key Trade Deal With U.S. (AP-Y)

By Alex Nicholson

AP, November 20, 2006

Russia and the United States signed a key trade agreement Sunday, removing the last major obstacle in Moscow's 13-year journey to join the World Trade Organization.

The deal, inked on the sidelines of a gathering of Pacific Rim economies, is a powerful vote of confidence in Russia — the largest economy still outside the 149-member WTO — and signals its integration into the global trading system.

It also marks a bright spot in the two countries' relations that have been marred by disagreements over Iran's controversial nuclear program and Washington's fears of a roll back of democratic freedoms under Russian President Vladimir Putin.

"I am very pleased to be here today to have the opportunity to celebrate this very important milestone as Russia moves one important step closer to becoming a member of the WTO," said U.S. Trade Representative Susan Schwab.

"Russia belongs as a full-fledged member of the WTO," she said. "We look forward to continuing these efforts to improve the economic and commercial ties between our two nations."

Russia's Trade and Economic Development Minister German Gref called the deal a "historic step — the last step — that signifies the return of Russia to the market principles of the world economy."

As part of the deal, Gref said that Russia had pledged to cut import tariffs on a range of goods — including aircraft, computer technology, agriculture and machinery.

Speaking after the signing ceremony Gref defended those concessions. "I think we found the necessary balance. On all positions that were sensitive for us we found a compromise."

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The two countries also managed to overcome the high-profile question of Russia's shaky record on protecting intellectual property rights. Pirated films, music and software in Russia cost U.S. companies nearly $1.8 billion in 2005.

Schwab said that while talks with Russia on the piracy question would continue at the stage of multilateral negotiations, she expressed satisfaction with Russia's progress: "We believe that the bilateral agreement is very good."

Before it can join the WTO, Russia must consolidate the bilateral agreements it has forged with 57 countries. Gref said he expected that process to be completed by the middle of next year.

After that, the WTO needs to vote to approve its membership. But some questions remain.

Georgia and Moldova have threatened to block Russia's bid because Moscow has blocked key exports from those nations.

"Without Georgia's consent, Russia will not join this organization. And Georgia has not given its consent so far," Deputy Economic Development Minister Vakhtang Lezhava said on Georgian television.

Gref warned Georgia against "influencing trade issues through political means."

"Hopefully in the near future we will come to an agreement with Georgia," he was quoted as saying by the ITAR-Tass news agency.

Membership in the WTO would mean Russia, a big oil and gas exporter, would receive the same favorable tariff rates for its products as other members. Also, Russia and other member countries would have to follow WTO rules in trade disputes.

Freer trade would give Russian companies more opportunities to sell their goods on world markets. Joining the WTO also might make its sizable market of potential customers even more attractive to companies in the U.S. and elsewhere.

"This creates a favorable background for all our activities, including solving complicated international problems," Putin said after holding a bilateral meeting with President Bush after the conclusion of the Asia-Pacific Economic Cooperation summit.

The deal was widely anticipated. On Nov. 10, both sides announced that all the main questions had been settled and all that remained was for a few technical questions to be nailed down.

Before the U.S. can trade with Russia under a WTO agreement, Washington must establish normal trade relations with Moscow.

For that, Congress would still have to pass legislation removing Russia from the 1974 Jackson-Vanik amendment, which ties Russia's trade status to whether the country is allowing Jews to freely leave the country.

Though the amendment is widely considered an anachronism, the newly elected Congress, which convenes in January, will be controlled by Democrats, who are less receptive to free-trade agreements than Republicans.

About four months ago, U.S. and Russia had appeared on the verge of an agreement. But in a major embarrassment for Moscow, it failed to materialize — right before the summit of leaders of the world's wealthiest countries that Putin was hosting in St. Petersburg.

Observers have suggested that the deal with the U.S. may have been used as a political incentive to encourage Moscow to back a U.S. proposed sanctions package, punishing Iran for its controversial nuclear program.

Beijing, Seoul To Talk Trade (WSJ/AP)

The Wall Street Journal, November 20, 2006

BEIJING -- China and South Korea will start talks next year on the feasibility of a free-trade agreement, China's official Xinhua news agency reported.

Xinhua said an agreement on the talks was reached at a meeting late Friday between Chinese Commerce Minister Bo Xilai and South Korean Trade Minister Kim Hyun Chong.

The negotiations will be held at government and industry levels.

The exploratory talks "will look into the effect of the FTA on the macroeconomies of both countries, the effect of trade liberalization on industries, [and] the arrangements for sensitive products and industries," Xinhua said.

China replaced the U.S. as South Korea's largest trading partner in 2004, while South Korea is China's sixth-largest trading partner and its fourth-largest source of overseas investment, Xinhua said.

South Korea is also working on a free-trade agreement with the U.S. The two nations held a fourth round of talks last month but won't wrap up negotiations on an agreement this year as originally planned.

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Weakened Bush Must Wage Fight For Free Trade (RC)

By Morton M. Kondracke

Roll Call, November 20, 2006

Having failed to convince fellow Republicans of the merits of comprehensive immigration reform, President Bush now faces the even more difficult task of defending free trade against protectionist Democrats.

A tide of populism, protectionism, nationalism and xenophobia is washing over the country, fueled by right-wing radio talk show hosts, CNN firebrand Lou Dobbs — and legitimate concerns that U.S. workers are falling behind in the global struggle for jobs and good wages.

Anti-globalization is a worldwide phenomenon, in fact, that's being exploited by populist demagogues such as Venezuela's Hugo Chavez, whose influence is spreading in Latin America.

Even though his influence is at its all-time lowest ebb, Bush somehow needs to mount a campaign to convince Americans that their continued prosperity depends on an open world trading system.

Election exit polls confirmed that the country generally supports Bush on immigration — 57 percent of voters said illegal workers should have a chance to stay in the country — but other polls indicate Americans are fearful about trade.

A Gallup Poll in April showed that by a margin of 65 percent to 30 percent, Americans believe workers are "mostly hurt by increased trade between the United States and other countries."

Last July, the House passed the Central American Free Trade Agreement by a mere two votes, with only 15 Democrats in support. That history bodes ill for Bush's upcoming trade agenda, including renewal of "fast-track" negotiating authority and the already-negotiated agreements with Peru and Colombia.

The House last week even declined to pass an agreement with Vietnam that totally benefited the U.S. by opening Vietnam's markets to U.S. goods, in the process embarrassing Bush as he was headed to the Asian economic summit in Hanoi.

The rejection stemmed partly from other reasons, such as antipathy toward the high-handedness of outgoing House Ways and Means Chairman Bill Thomas (R-Calif.), and the bill is slated to pass eventually. But it was still a symbolic post-election bash to the idea of free trade.

By one estimate, 27 victorious Democratic House candidates campaigned at least partly against free trade. Ohio's winning Senate candidate, Rep. Sherrod Brown (D), is one of Congress' most vociferous opponents of trade agreements, including those promoted by the administration of former President Bill Clinton.

What's more, with the ascendancy of China critic Rep. Nancy Pelosi (D-Calif.) to Speaker, U.S. relations with that trading giant likely will come under pressure. Congress may well pass an across-the-board 27.5 percent tariff on Chinese imports as punishment for China's manipulation of its currency.

Bush almost certainly would veto the measure, which is sponsored by Sens. Charles Schumer (D-N.Y.) and Lindsey Graham (R-S.C.), but the exercise will put the administration on defense.

Moreover, a Democratic Congress is likely to increase farm subsidies, making it all the more difficult to win the market-opening concessions from Europe that are needed to revive the stagnant Doha round of world trade negotiations.

The administration needs to mount a four-part strategy: a vigorous public education process to change attitudes on the merits of trade, an aggressive effort to fight trade cheating by China and other rivals, a serious upgrade of programs to help workers cope with the effects of trade, and a change of policy on including labor and environmental standards in future trade agreements.

Bush, Treasury Secretary Henry Paulson and others have delivered their share of speeches on trade, but Bush needs to devote a substantial portion of his State of the Union address to the subject and motivate pro-trade forces in the country to educate the public.

The fact is, exports of goods and services accounted for 10.4 percent of U.S. gross domestic product in 2005 and 20 percent of GDP growth for the year.

Manufacturing exports have increased 82 percent over the past decade, and they provide more than 5.2 million jobs, one-sixth of all the manufacturing jobs in the country. One-third of all agricultural acreage in the U.S. is planted for export.

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Moreover, imports help control prices in the U.S. — a benefit that makes Wal-Mart a boon to the middle class, not a blight — and U.S. investments in the U.S. ("insourcing") are responsible for 6.4 million jobs.

If U.S. markets are closed to foreign products, other countries will close their markets to U.S. exports, costing jobs and economic growth both here and all over the world. Developing countries, especially, will be doomed to poverty — and discord — if they cannot sell their products in the developed world.

Bush administration officials insist they are doing all they can to combat unfair trade practices by China and other countries, but they will have to be more public — and, if needed, confrontational — as part of an effort to win public support for free trade.

As even Paulson acknowledged in his first public speech in August, "Many Americans aren't feeling the benefits" of the expanding U.S. economy. Productivity gains are benefiting upper-income and well-educated Americans, but not average workers.

Wage growth was stagnant for the first five years of the Bush administration. Real wage growth for the past year was 2.8 percent, but it has come late in the recovery, amid signs that the economy already is softening.

Administration officials say the productivity-wage lag for less-educated workers is a 25-year phenomenon and that the answer is improving worker skills. If that is the administration's only answer, it needs to be more aggressive in promoting it.

At the same time, it ought to work with Democrats to find other solutions, such as Brookings Institution scholar William Galston's idea for a wage-insurance program, akin to the unemployment insurance system, which would protect workers against income losses.

In the new Congress, incoming House Ways and Means Chairman Charlie Rangel (D-N.Y.) says he foresees cooperating with the administration on trade, but Democrats will demand more attention to trading partners' labor and environmental standards.

Administration officials say other nations aren't willing to have the U.S. dictate their wage rates or emissions levels — as the AFL-CIO seems to demand — but the U.S. will have to win some new concessions or risk having trade pacts rejected by Congress.

Expansions in free trade have caused the U.S. and the world to advance economically and politically since the end of World War II, but those gains are in danger of coming to a crashing halt unless there's a counter to ascendant protectionism.

Breaking The Trade Deadlock (WP)

By Sebastian Mallaby

The Washington Post, November 20, 2006

The trick in the new era of divided government is to find deadlock-breakers: issues that advance the agendas of both sides as well as the interests of the country.

In domestic economic policy, the best deadlock-breaker is tax reform. The existing tax deductions for health care, home mortgages and savings are outrageously skewed in favor of the rich, so Democrats should want to restrict them. Restrictions would save the Treasury billions, advancing the Republican goal of keeping marginal tax rates as low as possible.

In international economic policy, the right deadlock-breaker is less obvious. The two parties have opposing attitudes on the subject of trade: Republicans see it as a source of growth, Democrats as a source of inequality. This split is undermining the U.S. ability to play its traditional postwar role in driving global trade liberalization. And if anti-trade Democrats can win elections when unemployment stands at 4.4 percent, they may do even better next time.

To an extent that neither party acknowledges, the popular formula for bridging this divide is bankrupt. Ever since the passage of the North American Free Trade Agreement in 1993, this formula has consisted of jamming labor and environmental protection into trade pacts. But the real reason Democrats oppose trade has little to do with foreigners' stance on union rights or endangered species and a lot to do with the fact that trade harms some U.S. workers. Mexico could abide by every convention of the International Labor Organization and still undercut U.S. wages -- and Democrats who represent displaced American workers would still detest NAFTA.

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So labor and environmental clauses will never reconcile Democrats to trade. To forge a bipartisan consensus, we need a different approach. Here is a three-part formula.

First, Democrats need to be honest about development in the poor world. It's wrong to pretend that labor regulations, whether inserted in trade agreements or adopted by governments, are a powerful engine of rising living standards in developing countries: Weak governments have no means of enforcing them. Some of the greatest anti-poverty success stories -- South Korea in the 1970s, Indonesia in the 1980s, China over the past 15 years -- took place in authoritarian countries where labor regulations were puny.

The real key to raising living standards is economic growth. And growth, in turn, is highly correlated with trade openness. One World Bank study showed that poor countries whose trade grew as a share of the economy recorded gains in income of 5 percent per year in the 1990s; by contrast, poor countries whose trade did not expand had no income gains whatever. So Democrats need to accept that holding up trade agreements to insert labor protections is going to harm workers, not help them.

Instead, Democrats should be frank about their real reason for ambivalence on trade, which is that some Americans suffer from it. This gets to the second part of the formula: Republicans need to get serious about the fact that, since 1980 or so, real incomes for the majority of Americans have stagnated. Republicans cannot expect support for trade unless they do more to compensate workers who get hit by globalization. They should be working with Democrats to improve the social safety net, linking progress on that front to continued trade liberalization.

Finally, both parties should cooperate on overhauling the nation's farm program, which comes up for renewal next year. The existing subsidy regime lavishes more than $20 billion a year on farmers, almost twice what gets spent on subsidizing college for poor children. About 70 percent of the money goes to the richest 10 percent of farmers, so the rhetoric about supporting struggling family farms is hogwash. This is corporate welfare for agribusiness, and neither party should defend it.

But a burst of farm reform would not just be good in itself. It would unlock trade liberalization. The Doha round of global trade talks, which promises benefits far greater than the bilateral and regional deals now pending in Congress, has bogged down over agriculture: The Bush administration proposed some cuts in subsidies, but not enough to shame the Europeans into offering serious tariff reductions, and so the whole deal faltered. If the new era of divided government produced a bipartisan push for farm reform, Doha could be resuscitated.

Of course, it's a long shot. But the Bush administration now has a pragmatic deal maker at Treasury who is passionate about trade, and the Democratic leadership in Congress has no particular love for farm subsidies. Meanwhile, anti-poverty groups are planning a lobbying drive on farm reform. Bread for the World, a faith-based alliance that claims to generate half a million constituency contacts with Congress annually, aims to focus half of these on the farm bill next year.

Bush Spreads Gospel Of Religious Freedom (AP)

By Jennifer Loven

AP, November 20, 2006

Though no sermon was delivered Sunday in the church where President Bush took a "moment to converse with God," he offered his own precept outside.

"A whole society is a society which welcomes basic freedoms," Bush said, adding that there's none more basic than "the freedom to worship as you see fit."

Bush and his wife, Laura, visited Cua Bac Church, a Catholic basilica on a tree-lined street in the diplomatic district, to show support for Vietnam's faithful, who live under a government that tightly controls religious institutions.

"It's our way of expressing our personal faith and at the same time urging societies to feel comfortable with and confident in saying to their people, `If you feel like praising God, you're allowed to do so in any way you see fit,'" said Bush, on his first visit to communist Vietnam to attend the Asia-Pacific Economic Cooperation forum.

Music dominated the Vietnamese-language ecumenical service. English-speaking parishioners understood a few words, including "Amen" and "alleluia."

Just this month, the United States removed Vietnam from a list of the world's worst violators of religious freedom.

But human rights groups say restrictions remain.

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Nguyen Quoc Khanh, the priest at Cua Bac Church, reported that Bush said nothing during the service.

"We all had a silent dialogue with God," Khanh said.

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Bush beamed in baby blue. So did Chinese President Hu Jintao. Russian President Vladimir Putin, too.

Diplomacy over, world leaders faced one final, inescapable task at the end of their annual summit — donning the host country's costume.

Leaders at the APEC summit were invited to slip traditional Vietnamese "ao dai" silk tunics over their Western-style suits for the annual group photo — by far the most colorful ritual on their agenda.

The normally dour Hu was positively beaming. Putin joked cordially with Bush. The wide pink turbans worn by the three women leaders gave diminutive Philippine President Gloria Macapagal Arroyo a few extra inches of height.

The custom-tailored, ankle-length ao dai, pronounced "ow zai," usually has a snug fit that is said to "reveal everything but show nothing."

But those the leaders wore appeared designed not to reveal too much. Fashioned by famous Vietnamese designer Minh Hanh, they afforded the leaders — most of whom have ample girths — a fairly comfortable fit.

Sky blue was the most popular color among men, with a smattering of reds, greens and yellows for a diplomatic rainbow effect.

The traditional ao dai includes a long tunic with slits up the sides.

The custom of posing in clothing symbolic of the host country began when the leaders wore leather bomber jackets at the first APEC summit in Seattle in 1993.

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Buried in a White House list of accomplishments from the summit was cheery news for foreign travelers: A faster way to get through U.S. airports.

It's the APEC Business Travel Card. Don't leave home without it.

The U.S. plans to start recognizing the card, which has existed since 1997.

Business travelers carrying one can look forward to speedier processing in fast-track lanes at major U.S. airports.

Cardholders must have a passport from a participating country, travel regularly to conduct trade in the APEC region and have no criminal record.

They also don't have to apply individually for visas or entry permits every time they travel to a country in the program. The card becomes their visa.

Secretary of State Condoleezza Rice, speaking to world business leaders at the summit on Saturday, touted the card as a way to foster trade and travel.

"Everywhere I go, I hear about the visa issues," Rice said. "Let me assure you that the United States of America wants to be open — open and secure — but open to a free flow of people."

Indonesians Protest Ahead Of Bush Visit (AP-Y)

By Terence Hunt

AP, November 20, 2006

Warmly greeted by world leaders in Vietnam, President Bush drew a different reaction Sunday at his upcoming stop in Indonesia, where thousands angrily protested America's policy in the Middle East and wars in Iraq and Afghanistan.

The White House said it was confident about security precautions for Bush's visit Monday despite police warnings of an increased threat of attack by al-Qaida-linked groups.

The president was to spend just six hours in Indonesia, most of it at Bogor Palace, a presidential retreat outside the capital of Jakarta and far from the scene of protests Sunday where Bush was denounced as a "war criminal' and "terrorist."

While President Susilo Bambang Yudhoyono is a close U.S. ally in the war on terror, Bush is highly unpopular in Indonesia, the world's most populous Muslim nation.

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Wrapping up three days in Vietnam, Bush was taking a quick look around this city once known as Saigon. He planned to drop by the stock exchange, meet with business leaders and visit the Pasteur Institute for a briefing on its research on HIV/AIDs and other public health problems.

It was Bush's first appearance on the world stage since his Republican Party lost control of Congress and was rebuked for the unpopular war in Iraq.

The White House said Bush was pleased by the results of a 21-nation Asia-Pacific Economic Cooperation summit in Hanoi although the administration was left struggling to explain how it ended.

To Bush's dismay, he was unable to deliver a promised agreement on normal trade relations with Vietnam. It was snarled in Congress but the administration expressed confidence it eventually would be approved.

Vietnam's economy is booming, the fastest growing in Asia, and the country is the world's second-largest exporter of rice. But the benefits have not reached most people. The per capita income is less than $700 a year.

In a city usually teeming with motorcycle traffic, streets were cleared for Bush's motorcade. As he rode by, people waved, laughed and cheered. It was a contrast to the subdued reaction of residents in Hanoi, where Bush participated in the summit and conferred with the leaders of China, Russia, South Korea and Japan.

The White House pronounced itself satisfied with the summit statement prodding North Korea to return to nuclear disarmament talks and urging nations to keep the pressure on by enforcing U.N. Security Council sanctions.

But the administration was at a loss to explain why the statement was simply read as part of the chairman's wrap-up statement, and not issued as a written document. Another oddity was that the section about North Vietnam was not translated into English when the statement was read.

"He read it in Vietnamese, but for whatever reason the translation was not given in the consecutive English translation at the time," White House spokesman Tony Snow said. "We have double checked. The Vietnamese said `Yes, he did read it.'"

Bush met separately with Russian President Vladimir Putin and Chinese President Hu Jintao to discuss strategy for yet-to-be-scheduled talks with North Korea. The administration sent U.S. envoy Christopher Hill to Beijing for further consultations.

In their public remarks, Bush and Putin celebrated a U.S.-Russia agreement for Moscow's entry into the World Trade Organization. Bush said Russia's admission to the group was "good for the United States and good for Russia."

With Putin and Hu, Bush also pressed for a U.N. Security Council resolution to pressure Iran to abandon nuclear weapons. It was unclear whether Bush made any headway in persuading China and Russia to drop their reluctance to go along.

Describing Bush's discussions with Putin, Snow said the leaders did not discuss specifics "but they understand that you need a strong resolution that will send the Iranians the clear message that we're not only united, but serious, and at the same time are going to offer them the opportunity to have civil nuclear power, which is of some importance to the Iranian people."

Bush Protesters Gather In Jakarta (WT)

By Joseph Curl

The Washington Times, November 20, 2006

HO CHI MINH CITY, Vietnam -- Thousands of protesters took to the streets of Jakarta and hundreds of police erected a barbed-wire barricade around the presidential palace a day before President Bush visits Indonesia, the world's most populous Muslim country.

While Mr. Bush spent the day in Vietnam, more than 10,000 angry Muslims marched in Indonesia's capital, where one protester held a sign with a photo of the American president and the slogan, "Wanted: Dead or Alive." Another placard said in English, "Bush: Muslim's Enemy No. 1."

Dozens of trucks and buses full of police and military troops were dispatched to put up a makeshift barricade on the street at the front of the Bogor Palace, which is guarded by hundreds more police. Mr. Bush arrives in Indonesia today for a six-hour visit before flying on to Hawaii, the last stop on his Asian tour.

Despite the protests in Jakarta, the United States is viewed positively by many Indonesians for its swift response to the tsunami that struck the islands nearly two years ago, killing 100,000. Almost 60 percent of Indonesians surveyed nationwide said

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that American assistance made them favorable to the United States, according to Terror Free Tomorrow, a nonpartisan group that includes Sen. John McCain, Arizona Republican, as an adviser.

Meanwhile yesterday, the president urged Chinese President Hu Jintao to join forces with his neighbors to persuade North Korea to abandon its nuclear program.

Keeping up pressure on member countries of six-party talks that have fallen apart, the president urged Mr. Hu to use China's clout to persuade reclusive leader Kim Jong-il to stop North Korea's atomic expansion.

"China is a very important nation, and the United States believes strongly that by working together, we can help solve problems such as North Korea and Iran," Mr. Bush told Mr. Hu in a meeting on the margins of the 21-nation Asia Pacific Economic Cooperation (APEC) summit.

While Mr. Hu made no mention of North Korea in his remarks, Chinese Foreign Ministry spokesman Liu Jianchao said that the Chinese president had called for "wisdom and patience" in dealing with Pyongyang, whose Oct. 9 nuclear test and July missile launches shocked the world.

China is the second nation to pull back slightly from the goals of the six-party talks, in which China, Japan, South Korea, Russia and United States seek to force North Korea's hand. South Korea said on Saturday that it could not endorse a call to search ships coming and going from North Korea, the world's largest nuclear exporter.

After his bilateral talk with Mr. Hu, Mr. Bush stressed the need for U.N. member states to comply with a U.N. Security Council resolution that bans trade of goods and transfer of funds to the North that could aid its nuclear arms programs.

But again, China expressed reservations. "We don't really think that sanctions are the purpose, rather it is the means. The U.N. Security [Council] resolution should not be randomly interpreted and should not be expanded," Mr. Liu said.

In Hanoi, before departing the APEC meetings for Ho Chi Minh City, David McCormick, an official of the White House National Security Council, said that the two leaders had agreed "on direction and next steps" on North Korea, but he declined to be more specific. Another White House source said that loose agreements had been made, but that North Korea's neighbors do not want to roil the water by making demands on Mr. Kim.

Later yesterday, Mr. Bush met Russian President Vladimir Putin and again discussed both North Korea and Iran. At the conclusion of the APEC forum, the members issued only a verbal statement that said in part: "We express our strong concern over the July 4-5 missile launches and October 9 nuclear test conducted by [North Korea], that poses a nuclear threat to our shared interest of peace and security and our shared goal of achieving a nuclear weapons-free Korean Peninsula."

Mr. Bush, who will visit the stock exchange in Ho Chi Minh City before flying today to Indonesia, also gave Mr. Hu a gentle nudge on trade. The U.S. trade deficit with China so far this year is expected to exceed last year's record of $202 billion. Mr. Bush said that disputes between the two nations are inevitable but that they could be addressed in a "spirit of mutual respect and a desire to work through our problems."

A few hundred miles south, across the Java Sea, Indonesians clashed with police and planned to disrupt the president's visit. Indonesia is a key regional ally for the United States, but many Muslims there oppose the president's Middle East policies and the war in Iraq.

Aside from Jakarta, demonstrations were also reported in South Sulawesi province, Yogyakarta and Bogor, the site of Mr. Bush's visit. The short stop will be his last in Asia before returning home from a trip that also took him to Singapore and Vietnam.

The president has tried to mute criticism before going to Indonesia, securing $55 million in U.S. aid for anti-corruption and childhood immunization programs.

Indonesia has seen several deadly bomb attacks in recent years against Western targets and blamed on Islamic militants, including the 2002 Bali bombings that killed 202 persons, mostly foreign tourists.

Indonesia's Promise (WSJ)

By Sadanand Dhume

The Wall Street Journal, November 20, 2006

When President Bush arrives in Indonesia today, he'll find perhaps the most dramatic reversal of fortunes in recent times. Barely a decade ago, the country was a poster child of the East Asian miracle, lauded by the World Bank for having pulled tens of

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millions out of poverty and increasingly mentioned in the same breath as Korea and Taiwan. Today, to the extent that Indonesia occupies any space in the popular imagination, it is viewed as a sort of Southeast Asian Bangladesh: a cesspool of corruption, buffeted alternately by terrorist violence and natural disasters.

Yet, for all its exceptional problems, the world's most populous Muslim country also presents an exceptional opportunity. Apart from Turkey, it is the only major Muslim country where modernity stands a fighting chance, or to put it starkly, where the options are not between bad and worse, but between good and bad.

To be sure, as in other parts of the Muslim world, both orthodox practice and Islamist politics have metastasized over the past three decades. But Indonesia boasts advantages that others lack: an innate tolerance bequeathed to its people by nearly a millennium and a half of Hindu-Buddhism that predated Islam's arrival in the 1400s, and a non-sectarian national ideology, Pancasila, that departs from the Islamic norm of treating non-Muslims as second-class citizens. In practical terms this means that the cornerstones of modernity -- women's rights, respect for minorities, room for a skeptical view of faith -- have not been entirely eroded. Building upon these to create a beacon of moderation on Islam's eastern flank, a twin for Kemalist Turkey in the West, remains an achievable goal.

It won't be easy. Homegrown Islamists and their wealthy Arab patrons have invested decades of effort in triple-distilling the gentle folk Islam of Java into an approximation of its desert variant. The simple certitudes of Islamism, encapsulated in the slogan "Islam is the solution," deeply appeal to many who have found themselves propelled from the rice paddy to the office tower in the space of a generation. Add to this the peculiar subculture of Western academia and NGOs, whose efforts to inoculate themselves against that mysterious new ailment, Islamophobia, often lead to an embrace of the absurd, the irrelevant and the downright dangerous: headscarved feminists, Kant-spouting mullahs confined to the diplomatic cocktail circuit, and assorted "moderates" who mouth the occasional homily against terrorism while remaining wedded to an Islamist worldview.

It's little wonder then that Abu Bakar Bashir, the leader of al Qaeda's local franchise, Jemaah Islamiyah, and the alleged mastermind of the 2002 Bali bombings, is back on the streets preaching jihad after a slap-on-the-wrist 26-month jail term. Or that some regional and local governments have begun experimenting with shariah, complete with public floggings and Taliban-inspired vice squads. Or that physical intimidation and assaults on their churches and mosques have become facts of life for Christians and "heretical" Ahmadiyya Muslims.

But all is not lost. Miniskirts in the malls and booze on restaurant menus show that the Islamist dream is only partially fulfilled. They have yet to banish Jakarta's secular elites behind high bungalow walls so an alternative message, however muted, still lives. Amplifying it requires the help of the U.S., like-minded allies such as Australia and Singapore, the still largely non-sectarian Indonesian army and genuine Muslim moderates such as former president Abdurrahman Wahid. Their success or failure will determine whether Indonesians fulfill their East Asian promise or go down the path of political mayhem and economic stagnation of their co-religionists in Nigeria, Pakistan and the Palestinian territories.

Mr. Dhume, a Bernard Schwartz fellow at the Asia Society in Washington, has recently finished a book on radical Islam in Indonesia.

Nations Meet On Denying Iran Nuclear Aid (AP)

By George Jahn

AP, November 20, 2006

A Western push to deny Iran technical help in building a plutonium-producing reactor has gathered enough support to be approved by the 35-nation board of the U.N. nuclear watchdog agency, diplomats said Sunday.

Still, differences both within the Western camp and more broadly among different factions on the International Atomic Energy Agency on how harshly to punish Iran for its nuclear defiance persisted on the eve of the opening meeting Monday, said the diplomats.

Normally, the United States takes the lead in demanding tough action against Tehran for defying U.N. Security Council demands that it freeze uranium enrichment, a possible pathway to nuclear arms.

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But with council agreement on sanctions mired down because of Russian and Chinese efforts to block tough punishment, diplomats said the Americans have taken a back seat to the France at the upcoming Vienna meeting in calling for harsher penalties.

Like their European allies, the Americans were calling for Iran's request for help in building the Arak research reactor to be denied when the IAEA board meets in committee starting Monday — and later in the week in full conference to formally approve committee decisions.

But France was demanding even more, said the diplomats — all accredited to the IAEA, who demanded anonymity in exchange for discussing strategies ahead of the meeting. They told The Associated Press that Paris was asking the IAEA to probe the seven other projects Iran had submitted individually — and possibly reject any or all of them, if they were found to be risks to nuclear proliferation.

Even countries traditionally supportive of Iran were likely to want to deny some help to Iran — probably through a compromise that defers a decision on the issue. Both the Security Council and the IAEA board have issued resolutions urging Tehran to stop construction of the facility.

Arak produces plutonium waste, which, like enriched uranium, can be used for warheads, but the other seven projects that Iran has asked help with are less problematic.

One asks for help in developing nuclear capabilities for medical use. Another seeks legal help for the Russian-built Bushehr reactor which even the Americans have agreed does not pose a threat to nuclear proliferation. The five others ask for assistance in administrative or safety aspects of nuclear power, according to a list made available to the AP.

With most nations backing approval of all other projects except Arak, France would likely be forced to modify its position once the meeting opened, the diplomats said.

A diplomat familiar with the U.S. stance said the Americans were not backing the French because of recognition that the board would agree to nothing more than denying Iran help with Arak.

Others pointed to recent changes in the top echelons of the French government agencies dealing with Iran and proliferation threats, saying new, more hardline leadership could explain why Paris was out front in seeking tougher action.

Denying Iran help with Arak — where it is seeking agency assistance to make sure the reactor is environmentally safe — would do little to slow construction of that facility, which is expected to be completed within the next decade. And it would not affect Tehran's other potential avenue to weapons production — uranium enrichment.

Still, it would send a signal at a time that the Security Council is mired down in how harshly to penalize Tehran and allow the West to continue exerting some pressure during the council deadlock.

Once in full session Wednesday, the board also will hear a report from IAEA chief Mohamed Elbaradei that faults Tehran for continuing to deny full cooperation with agency inspectors probing suspect aspects of its nuclear program and outlines new finds of potentially worrying traces of plutonium at a waste facility.

As Iran Seeks Aid, Atom Agency Faces Quandary (NYT)

By William J. Broad

The New York Times, November 20, 2006

At a place called Arak in the desert southwest of Tehran, behind barbed wire and antiaircraft guns, Iran is building a heavy-water nuclear reactor. The government says it will produce radioactive isotopes for medical treatments. As an unavoidable byproduct, it will also make plutonium, one of the primary fuels for atom bombs.

At the International Atomic Energy Agency, inspectors are trying to make sure that Tehran never uses its nuclear infrastructure to make weapons. Indeed, for just that reason, the agency's board has repeatedly called on the Iranians to abandon the Arak reactor. Yet when the board meets this week in Vienna, it will consider an Iranian request for technical help in safely completing the reactor, which is to go online as soon as 2009.

Traditionally, technical aid has been routinely granted, part of the agency's efforts to nurture the peaceful uses of atomic energy. Now, though, amid growing international suspicion about Iran's real nuclear intentions — and especially about a far

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more publicized part of its nuclear program, the enrichment of uranium — the Arak proposal is provoking bitter and unusual debate.

Calling the reactor an arms threat, the United States and its allies say the agency should deny Iran's request. Helping make Arak's operations safe, they say, would only speed the reactor's completion — and Iran's emergence as a nuclear power.

But some developing nations say that a rebuff to the Iranians would set a bad precedent that could threaten their own peaceful atomic pursuits. Echoing an argument that Iran has often used in its recent nuclear diplomacy, they frame Arak as a new front in a war between the world's nuclear haves and have-nots.

In recent days, the dispute has produced a rush of speeches, lobbying and behind-the-scenes arm twisting among members of the agency's 35-nation board.

"It's a big deal," said Daryl G. Kimball, executive director of the Arms Control Association, a private group in Washington. "This is the first test of the I.A.E.A.'s resolve to pressure Iran to halt this project. If it moves forward, it could give Iran a second track to making nuclear material for bombs."

Agency officials say a rejection of technical assistance would be unprecedented, and some of them want to press ahead. Last week, the agency's secretariat said it had found no legal basis to deny the request, diplomats said.

Arak, in short, shows the increasingly delicate nature of the atomic energy agency's long-running balancing act — part nuclear policeman, part promoter of atomic science and safety. By its nature, the same nuclear technology that lights cities can, with a little extra effort, fuel bombs. A question Arak poses for the agency is whether it must adjust its dual role in a time of heightened concern about nuclear proliferation, not just in the Middle East, but worldwide.

Ali Asghar Soltanieh, Iran's ambassador to the agency, based in Vienna, denied that the Arak reactor had any use for weapons, saying it would aid hospitals, agriculture and industry.

"The world should know the other side of the coin, not just what the White House says," he said in an interview. "The international community has the right to see the reality of the exclusively peaceful nature of our activities and our full cooperation with the agency."

Mr. Soltanieh said Iran had won support for agency assistance to Arak from such international bodies as the group of developing states known as the G-77. "Technical cooperation should not be politicized," he said. "Iran should be encouraged to use the agency's technical expertise for nuclear safety."

But Robert J. Einhorn, who directed nonproliferation at the State Department from 1999 to 2001 and now works at the Center for Strategic and International Studies in Washington, said the agency's board should reject aid to "a project conceived long ago as providing Iran another route to a nuclear weapons capability." Arak, he added, "will be capable of producing enough plutonium for about two bombs a year."

Mr. Einhorn conceded that the reactor could have peaceful uses, though implausibly so. "A 12-inch hunting knife," he said, "also could be used to spread jam on your toast in the morning."

To opponents of the Arak project, it would be surprising were the board to approve the Arak proposal just days after the atomic energy agency reported that inspectors had found unexplained traces of plutonium in Iran, and that Tehran continued to withhold answers to important questions about its nuclear activities.

And it was the agency's board that, in February, after Iran defied agency demands to halt its uranium enrichment program, decided to report the case to the United Nations Security Council. That set in motion a search for sanctions that still divides the world's nuclear powers.

The agency's aid to Iran is part of a wide program of "technical cooperation" that is poorly known outside specialist circles. Still, it accounts for about one-third of the annual agency budget; the agency is spending roughly $100 million on such programs this year. In a way, the projects are a carrot the agency offers to offset its intrusive policing of civilian technologies to bar nations from the secret pursuit of atom bombs. But critics say the deal is intrinsically bad. "Atoms for peace," they insist, is an illusion that no amount of policing can make real, with dishonest states always able to turn civilian nuclear technologies to destructive ends.

Today, the technical aid program involves more than 100 nations. The agency assisted Iran's hunt for uranium in the 1980s and currently has 14 cooperative projects with Tehran, including helping it prepare to operate its Bushehr reactor, which is designed to make electricity.

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"We provide expert services, so they can learn to do things for themselves," said M. Peter Salema, an agency official who helps run the Iranian projects. The paramount aim, he added, is reactor safety. "If there is a bad incident, it affects the whole nuclear industry everywhere, like Chernobyl."

Iran's new request seeks agency aid not in designing or building the 40-megawatt Arak reactor, but in ensuring its safe operation. Western diplomats say that includes everything from helping Iran learn how to avoid catastrophic plant failure to minimizing radiation dangers in the handling of spent fuel rods, which would bear the plutonium.

That plutonium is the reason Arak has been a subject of concern since construction first came to light in 2002. Atom bombs use two main fuels — plutonium and uranium. In recent years, world attention has focused mainly on Tehran's efforts to enrich uranium. But weapons designers often prefer plutonium, because it takes less to produce a significant blast, making it ideal for compact missile warheads.

What's more, experts say heavy-water reactors like Arak are inherently dangerous for nuclear proliferation because they are better at producing weapons-grade plutonium than light-water reactors like Bushehr. Heavy water, so called because it contains a heavy form of hydrogen, slows down speeding neutrons so uranium fuel can absorb them. In some cases, this merging splits uranium atoms in two. In other cases, the uranium is transformed into plutonium. Engineers remove the plutonium from spent fuel in a step known as reprocessing.

The Arak reactor, experts say, is similar in design to heavy-water reactors that Israel, India and Pakistan use to make plutonium for nuclear arms.

The Arak complex holds both the half-built reactor and a sprawling plant for the production of heavy water that President Mahmoud Ahmadinejad formally inaugurated in August, saying, "The Iranian people are determined to take big steps."

The wrangling over aid to Arak began last week at preparatory meetings in Vienna. Egypt and some other developing nations argued for preserving the status quo and trusting the secretariat's judgment that there was no basis for denying the aid.

The American ambassador to the atomic agency, Gregory L. Schulte, said in an interview that objections had arisen because Arak made little sense from a civil perspective but great sense for making weapons. Moreover, he said, Iran had failed to explain inconsistencies that the agency uncovered in a clandestine Iranian program to separate plutonium from spent reactor fuel.

"The United States and other board members," he said, "cannot agree to have the I.A.E.A. assist the project."

Some Western diplomats suspect that Iran expected to have the reactor aid denied, and that its real goal was to show that the United States and its allies want to keep the developing world in a state of atomic backwardness.

In a speech last Thursday at the University of Vienna, Mr. Schulte predicted that the agency's board "will not fall for Iran's attempt to politicize and misuse the I.A.E.A.'s technical cooperation program." He stressed his country's longstanding financial support for technical aid, saying the United States had contributed more than $200 million since 2003. But he added, "Technical cooperation is meant for peaceful purposes, not to help countries build nuclear bombs."

At the meetings last week, Iran also warned against the politicization of technical aid. An Iranian representative said conservatives in Iran would use a decision to deny the aid as evidence of the West's malice. "Don't give fuel to the hard-liners, who are ready to put everything in jeopardy," he said, according to a diplomat present.

In the interview, Mr. Soltanieh said Washington was wrong to see Arak as a step to acquiring nuclear weapons, insisting that Iran had no plans to build a reprocessing plant that could extract plutonium from Arak's spent nuclear fuel. "Their calculations and physics are very weak," he said of American officials. "They make so many mistakes."

From Monday through Wednesday, a committee of the agency's board is to study hundreds of proposed aid projects, and the full board is to vote on them when it meets Thursday and Friday. The board, currently led by Slovenia, does not include Iran.

While the United States has lobbied hard on the Arak issue and says it expects to prevail, there are countries on the board that may back Iran, including Bolivia, Cuba and Syria, diplomats said. It takes a simple majority of the board to back or kill a measure.

A possible compromise, some said, would have the issue of Arak aid deferred rather than rejected outright.

Diplomats said that only twice before had technical aid projects drawn political fire. The United States questioned aid to Cuba around 1990 and to North Korea in 1991, but both projects moved ahead, the diplomats said.

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Nuclear experts doubt that an aid denial would do much to slow the eventual completion of Arak, given the growing skill of Iranian engineers and Iran's aggressive nuclear stance.

"No matter what, we are going to continue the construction," Mr. Soltanieh said. "There's no way to stop it."

U.S. Sets Up A Perch In Dubai To Keep An Eye On Iran (NYT)

By Hassan M. Fattah

The New York Times, November 20, 2006

DUBAI, United Arab Emirates, Nov. 19 — High atop a 1970s-style high-rise building in the heart of this desert city, a group of State Department officials has been setting up offices as part of an ambitious effort by the United States to better monitor Iran and encourage political change there.

The State Department announced early this year that it would open the office in Dubai and set up an Iran desk in Washington to make contact with Iranians and improve its institutional knowledge of the country at a time when tensions over Iran's nuclear ambitions are high.

American officials decided to locate an Iran office here because of the city's large community of Iranian businesspeople, many of whom maintain relationships in Iran and return there often. Dubai, which is about 100 miles from Iran, has also long been popular among Iranians seeking to shop, vacation or catch flights elsewhere.

The State Department's program is only the highest-profile effort here. The United Arab Emirates, the confederation that includes Dubai, has become a nexus of political activity concerning Iran, as numerous governments and groups have seized on the country's location and its longstanding ties with Tehran to get a better understanding of Iran and its people.

Dubai has become a main stop-off point for researchers and analysts seeking to meet Iranians, analysts here say, and regional research and advocacy groups have held numerous high-level conferences here in recent months focused on Persian Gulf security and Iran. At least one nongovernmental group run by Iranian-American opposition figures has also used this city to hold workshops to train Iranians in techniques of civil disobedience aimed at eventually forcing political change inside Iran.

"The problem with Iran is you cannot operate inside the country, so you have to operate in the neighboring countries," said Mustafa Alani, senior researcher at the Gulf Research Center, a Dubai research organization. "But a place as open as Dubai naturally attracts people and intelligence agencies from all over the world. Of course, they're not really visible so you cannot pinpoint them in any one location."

On Friday, R. Nicholas Burns, under secretary of state for political affairs, said the Dubai office was created in the spirit of the Riga station in Latvia, which became a critical source of knowledge about the Soviet Union at a time when the United States did not have diplomatic relations with Moscow.

"We sent a young kid from Milwaukee, Wisconsin, in 1926 out to Riga station: George Kennan," he said, referring to the man who would become one of the world's foremost Soviet experts. "We said: 'Go and learn Russian. Sit in Riga. You be our window into the Soviet Union.'

"That is what we are saying to these young kids today. 'You go to Dubai. We can't be in Iran. You interview every Iranian you can find, get to know them — all the Iranians who come out and do their banking there and do their weekends there — and you tell us how we should understand Iran.' "

The United States broke off diplomatic relations with Tehran after the takeover of the American Embassy there in 1979. When Secretary of State Condoleezza Rice joined the department last year, Mr. Burns said, it had only two people working on Iran issues.

Today eight are assigned to the Iran desk in Washington and six in the Dubai office, which is within the American consulate. In May, Mr. Burns said being in Dubai was "the next best thing" to being in Iran. About 200,000 Iranians live in Dubai, and contacts with them are considered especially useful because they are not political refugees, as in some other cities outside Iran with Iranian populations.

Iranians in Dubai have been attracted here in large part because of the city's openness and freewheeling business climate. The emirate is an important transshipment point for goods and products headed to Iran. And Iranians can use its banks and

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financial institutions to do business with other countries more easily than from home because of trade sanctions and United States pressure on banks to restrict business with Iran.

Among the nongovernmental groups seizing on those links is the Iranian Center for Applied Nonviolence, which invites Iranians to workshops here to teach them how peaceful revolts in Georgia, the Philippines and elsewhere were set off. The center, led by Ramin Ahmadi, an Iranian-American opposition figure, holds the training sessions on civil disobedience every three months or so, hoping to foment a nonviolent revolt in Iran. The International Center on Nonviolent Conflict, a separate organization based in Washington, helped organize one of the training sessions.

"We wanted to find a place where we were safe, where they can't send paramilitaries to gun you down, and where large numbers of Iranians go," said Dr. Ahmadi, who is a physician in the United States. "The last thing the Iranian regime will want to do is cause themselves trouble in Dubai. So it provides us with a degree of protection."

Critics of Dr. Ahmadi's work say it threatens to taint opposition figures inside Iran with appearing to cooperate with outside agitators. At least two people were imprisoned after attending one of his sessions last year.

So far, the State Department's work here remains low-level as officials try to build relationships. Much of it has been focused on easing the way for Iranians applying for visas to the United States and helping them arrange scholarships for study there, Iranians here say.

Abbas Bolurfrushan, president of the Iranian Business Council in Dubai, a nonpolitical group, said he had been in contact with some of the officials to help find ways of reducing the number of trips Iranians have to make to Dubai in order to obtain a visa to travel to the United States.

Beyond working to better monitor Iran and increase interactions with Iranians in Dubai, the Bush administration is also working to increase other forms of outreach. It requested tens of millions of dollars from Congress for outreach programs, and now has about $76 million for those programs, according to Mr. Burns.

The money is being used to increase the hours of Persian-language radio and television beamed into Iran; to support exchange programs of athletes, artists and professionals to the United States; and for other democratization programs.

Extremist Vying To Become Top Ayatollah (WT)

By Colin Freeman

The Washington Times, November 20, 2006

TEHRAN -- A hard-line cleric who opposes all dialogue with the West is a leading contender to become Iran's next supreme spiritual leader.

In a move that would push the country even further into the diplomatic wilderness, Ayatollah Mohammad Taghi Mesbah-Yazdi, 71, who publicly backs the use of suicide bombers against Israel, is campaigning to succeed Grand Ayatollah Ali Khameini, 67, as the head of the Islamic state.

Considered an extremist even by fellow mullahs, he was a fringe figure in Iran's theocracy until last year's election of President Mahmoud Ahmadinejad, a fellow fundamentalist who views him as his ideological mentor.

He is known to many Iranians as "Professor Crocodile" because of a notorious cartoon that depicted him weeping false tears over the imprisoning of a reformist journalist.

Ayatollah Mesbah-Yazdi and his supporters will attempt to tighten the fundamentalists' political stranglehold next month, by standing in elections for the Assembly of Experts, an 86-strong group of theologians that would be responsible for nominating a replacement for Ayatollah Khamenei, whose health is rumored to be failing.

Opposing them will be a coalition of moderate conservatives led by Hashemi Rafsanjani, a former president, and members of the increasingly marginalized reformist movement, who have formed an alliance to prevent what both groups fear is a drift toward political extremism.

Appointing Ayatollah Mesbah-Yazdi as supreme leader would be a massive blow to Western efforts to get Iran to cease its nuclear program and backing of militants in Lebanon and Iraq and among the Palestinians. Although he has never spoken publicly on the issue, Ayatollah Mesbah-Yazdi is thought to support the idea of an Iranian nuclear bomb.

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Ali Ansari, an Iran specialist at the Royal Institute of International Affairs in London, said: "Mesbah-Yazdi is on the hard right and very authoritarian. He doesn't even believe in democracy. Having him in power would lead to a much more hard-line, puritanical rule in Iran. It would not be good news for the West."

The Assembly of Experts is elected every eight years and has the power to appoint, supervise and impeach the supreme leader, who, in practice, wields ultimate power. Although Ayatollah Khameini, who has been in office since 1989, is expected to remain for the time being, the assembly elected next month is almost certain eventually to decide his successor.

The run-up to the vote has been marred by complaints of rigging in favor of hard-liners. The Guardian Council, a hard-line body that vets candidates, is accused of vetoing reform-minded clerics from taking part. Around half of nearly 500 applicants have been barred from standing.

In a letter to the council last week, Mehdi Karroubi, a reformist cleric, accused the council of "injustice" and misjudgment, saying that it would lead to "people's distrust in the authorities and the clergy."

The reformists' despair has been deepened by fears that few of their disillusioned supporters will vote, despite the possible consequences of a hard-liner victory. Constant political interference in the electoral process has persuaded many Iranians that it is not worth voting, an attitude that many reformists concede helped Mr. Ahmadinejad to win the presidency last year.

"Many reformists have lost faith, although the hard-liners will hope to organize a mass turnout among their own supporters," Mr. Ansari said.

Ayatollah Mesbah-Yazdi, who will be standing for election to the Assembly of Experts, regularly meets with Mr. Ahmadinejad, whose presidential bid he endorsed in a fatwa, or holy order.

The cartoonist whose drawing earned "Professor Crocodile" his nickname suffered the same fate as the journalists whose frequent imprisonment was depicted. He, too, was sent to prison.

Israel Holds Fire As Gazans Rally At House (NYT)

By Ian Fisher

The New York Times, November 20, 2006

JERUSALEM, Nov. 19 — Israel called off an airstrike against the house of a suspected Palestinian militant in Gaza late Saturday, after the inhabitants ignored a telephoned warning and neighbors flocked to the house to prevent the bombing, the military said.

On Sunday, hundreds of Palestinians, including the prime minister from the militant faction Hamas, stayed around the house and on its balconies and roof throughout the day. They declared a victory for “popular resistance,” but Israel, under criticism for killing civilians in such strikes, called it another example of Palestinians using civilians to shield military activity.

“We see it as a cynical exploitation of our attempt to avoid harm to civilians,” said a spokesman for the Israeli military, who, according to usual practice, spoke on condition of anonymity. “They are using them as human shields.”

But Palestinians celebrated it as a possibly potent new defense against air raids that Israel might find difficult to counter.

“We are so proud of this national stand,” Prime Minister Ismail Haniya said Sunday while visiting the house, in the town of Jabalya, in northern Gaza. “It’s the first step toward protecting our homes, the homes of our children.”

Israel said the house had been used by leaders of a militant group, the Popular Resistance Committees, which was active in firing Qassam rockets from Gaza into Israel. Last week, a 57-year-old Israeli woman from the nearby Israeli town of Sderot was killed by one of the rockets, and over the weekend, Israel carried out several small-scale operations against militants suspected of being involved in firing them.

The Israeli military spokesman said the attack on the house had been called off after a routine telephone warning from the military urging inhabitants to evacuate the house was ignored. “We didn’t want to harm civilians,” he said.

Israel has had an increasingly difficult time ending the rocket fire, the most contentious issue between Israel and Palestinian militants. Nearly two weeks ago, Israeli artillery fire killed 19 civilians in Beit Hanun, prompting a United Nations resolution to open a fact-finding mission into the episode.

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Prime Minister Ehud Olmert of Israel, during his weekly cabinet meeting on Sunday, attacked the resolution, saying it did not sufficiently condemn the Palestinians' rocket fire against Israeli civilians. He said Israel would not cooperate with any international inquiry.

On Sunday, reprisals continued. An 80-year-old Palestinian man was killed in Gaza City and a dozen others were wounded by an Israeli strike on a car carrying two Hamas militants. The Israeli spokesman said the militants had been involved in making rockets.

The office of the Israeli defense minister, Amir Peretz, said Sunday that he had called the Palestinian president, Mahmoud Abbas, to ask him to help end the rocket fire.

Mr. Peretz lives in Sderot, the town hit hardest by the rockets. A member of his security detail was hit and had both legs severed by the same rocket that killed the Israeli woman last week.

Palestinian Shields Foil Israeli Strikes (AP)

By Sarah El Deeb

AP, November 20, 2006

Hundreds of Palestinians serving as human shields guarded the homes of two top militants Sunday, a new tactic that forced Israel to call off missile strikes on the buildings and re-evaluate a mainstay of its aerial campaign in Gaza.

In recent months, the Israeli air force has repeatedly struck the homes of militants after warning residents by phone to clear out. Israeli security officials said they did not know how to respond to the human shield tactic, but pressed ahead with other airstrikes Sunday.

In Gaza City, an aircraft fired a missile at a car, killing one man and wounding nine, including two Hamas militants. Four of the wounded were children, ages 5 to 16, who suffered shrapnel injuries, hospital officials said.

The military said the target of the strike was a vehicle carrying senior members of the Hamas rocket launching operation.

The standoff over the homes of the militants began late Saturday when Mohammed Baroud, local leader of the Popular Resistance Committees, was informed by the army that his house would be hit. The three-story building is home to 17 people from Baroud's family. Another militant from Hamas also received a warning.

Instead of fleeing, though, the two decided to stay in their homes and called in reinforcements. They were quickly joined by crowds of supporters, including dozens of armed men, who gathered on balconies, rooftops and in the streets outside.

"Death to Israel. Death to America," the crowds chanted. Local mosques and Palestinian TV and radio stations also mobilized supporters.

Baroud, involved in rocket attacks on Israel, said he and his fellow militants had planned the response a few days earlier when another house was destroyed in a missile strike.

The army said it called off the nighttime airstrikes because of the crowds. It condemned what it said was a cynical exploitation "by the terrorists of uninvolved people as human shields."

Israeli military officials acknowledged they had no solution for the standoff. The officials spoke on condition of anonymity because they were not authorized to talk to the media.

By Sunday afternoon, about two dozen women were milling around on Baroud's roof, shielded from the sun by green tarp. One story below them, about a dozen men were resting on mattresses.

Baroud's mother, Umm Wael, said shifts had been organized in preparation for a long standoff. "Where should we go?" she said. "We will stay here or die in the house. Let them bring it down on our heads."

Prime Minister Ismail Haniyeh of Hamas stopped by to show support. "We are so proud of this national stand. It's the first step toward protecting our homes, the homes of our children," he said.

Also Sunday, Hamas militants in Gaza fired eight rockets at the Israeli town of Sderot, seriously wounding one person. Last week, a Sderot woman was killed in a rocket attack.

Israeli Defense Minister Amir Peretz called Palestinian President Mahmoud Abbas and demanded he invoke his authority to put an end to the rocket fire, the Defense Ministry said. Peretz told Abbas that Israel would not tolerate continued barrages.

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Abbas responded by telling Peretz to stop Israel's military escalation in the Palestinian territories, according to the Palestinian news agency, WAFA.

In Jerusalem, Israeli Prime Minister Ehud Olmert criticized a U.N. resolution that calls on Israel to pull its troops from Gaza and requests a fact-finding mission into the death of 19 members of an extended family killed in an Israeli artillery attack earlier this month.

The resolution — which passed the General Assembly on Friday — received support from all members of the European Union after last-minute changes were made to soften the tone. Israel, Australia and the United States voted against it.

Olmert said Israel will not halt its five-month offensive in Gaza, which he said is a response to rocket fire from Palestinian militants, even though civilians are frequently caught in the crossfire.

He lashed out at members of the international community "who on their moral high-horse and eye-rolling ways view it as correct to initiate a U.N. resolution condemning us."

Hamas and Abbas' more moderate Fatah have been at loggerheads since the Islamic group came to power after winning January parliamentary elections. In recent weeks, the sides have been trying to put aside their differences and form a unity government in the hopes of ending international sanctions imposed on the government.

Israel and Western donor nations have demanded that Hamas renounce violence, recognize Israel's right to exist and accept past peace deals. Hamas rejects the conditions, and the emerging coalition government is expected to take a vague position toward Israel.

Haniyeh acknowledged that despite progress in the talks, there were no guarantees the new government would persuade the international community to lift sanctions.

"We want to feel more secure, to be more comfortable that they are going to be committed to these guarantees and lift the siege," Haniyeh told reporters after visiting the Baroud home.

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Associated Press Writer Ibrahim Barzak contributed to this report.

Israel Calls Off Strike On Militant's Home After Palestinians Form Human Shield (LAT)

By Richard Boudreaux And Rushdi Abu Alouf

The Los Angeles Times, November 20, 2006

JABALYA, Gaza Strip — Israel said today that it had called off a planned aerial bombardment of a Palestinian militant's home after about 200 of his supporters, in a new defensive tactic, rushed to form a human shield around the residence.

The mass mobilization in the Gaza Strip is believed to be the first employed by Palestinians to prevent an Israeli air strike. It is part of a growing use of civilians, including women and children, against an Israeli offensive aimed at halting rocket fire into Israel from Gaza.

Israeli officials said the tactic spells a new difficulty for their 5-month-old offensive, which has been largely ineffective so far.

Saved by the action late Saturday night was the home of Mohammed Wael Baroud, identified by both sides as an operative of the Popular Resistance Committees who has overseen some of the ongoing rocket attacks. Israel considers him a wanted terrorist.

Capt. Noa Meir, a spokeswoman for the Israeli military, said it targeted the home as part of a "terrorist infrastructure," but canceled the planned air strike because of the large crowd.

She said the military would continue fighting to root out weapons caches and logistical centers of Baroud's organization, as well as those of Islamic Jihad and the armed wing of the Hamas movement that leads the Palestinian Authority.

All three groups are involved in launching crude Kassam rockets, nearly 1,000 of which have fallen in or near Israeli cities and towns this year. Today, one rocket wounded a taxi driver in Sderot, near the Gaza border. Another killed a 70-year-old woman there Wednesday.

At midday today, an Israeli aircraft attacked a car carrying two Hamas gunmen in Gaza City, killing an 80-year-old man and wounding six other passersby, hospital officials said. The Hamas members, identified by Israel as rocket makers, escaped unharmed, fleeing on foot into a nearby mosque after the first missile missed the car.

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The Israeli army often attacks the vehicles of Palestinian militants without warning, aiming to kill, but says it routinely orders occupants out of targeted buildings before striking, in case civilians are among them.

Such a warning came by telephone to Baroud's two-story home in the Jabalya refugee camp in northern Gaza, giving the 15 members of his and his brothers' families half an hour to get out.

Instead, Baroud holed up inside with relatives and informed his superiors and the local mosque. The Barouds were quickly joined by neighbors and supporters, responding to appeals from the mosque and from Palestinian radio and television.

"Death to Israel! Death to America!" the demonstrators shouted from the roof of the house and the streets outside.

Nizar Rayan, a Hamas leader in northern Gaza, said the demonstration was part of a new method of "popular action to protect the fighters and their homes" and said it would be repeated whenever a Palestinian home is threatened by Israeli bombardment.

Supportive crowds remained at the Baroud home today and formed pre-emptively around the residences of several other Gaza militants who had been targeted by Israel in the past.

On Nov. 3, Hamas orchestrated a similar rescue when about 200 unarmed women swarmed past an Israeli military cordon around a mosque in the Gaza town of Beit Hanoun and shielded the escape of 73 Palestinian gunmen who had been trapped inside. Two women were killed by Israeli gunfire that, the Israeli army said, was aimed at armed men in their midst.

Meir, the army spokeswoman, said the mosque incident and the demonstration at Baroud's home "are part of the same cynical use of Palestinian civilians as human shields."

"They're forcing us to face a very difficult dilemma," she said. "While they have no regard for their own civilians, we're the ones who have to make the choice of how to defend our civilians on the one hand and keep theirs out of harm's way on the other."

Palestinian Prime Minister Ismail Haniyeh, a senior Hamas leader, portrayed Saturday night's demonstration as an act of self preservation. "Those people intervened to protect their own houses as well," he told reporters outside the Baroud home.

Some of the demonstrators were members of armed Palestinian groups including Hamas, Fatah and other rivals of Baroud's organization.

Nassem abu Ajena, a 45-year-old local commander in Hamas' military wing, climbed to the roof of Baroud's home Saturday night with two of his sons, Khalil, 17, and Samer, 19.

"If I protect my neighbor's house today, he will protect my house tomorrow," Ajena explained.

Palestinian officials say Israeli warplanes have destroyed nine homes in Gaza in stepped-up strikes since Wednesday's fatal rocket attack on Sderot.

Israel has turned increasingly to its air force since a long-range artillery barrage killed 19 civilians in Beit Hanoun on Nov. 8. Israel said the shells went off course because of problems with the targeting system.

Israel unilaterally withdrew its army outposts and settlements from Gaza in September last year but has made frequent military incursions into the coastal territory since the capture of one of its soldiers along the border in late June. The soldier is still missing.

As the incursions have become longer and more frequent, Israeli officials have debated whether to intervene even more aggressively in Gaza. Prime Minister Ehud Olmert said last week that while Israel would continue targeted attacks, a large-scale assault would not necessarily stop the rockets.

Today, Olmert criticized a U.N. General Assembly resolution that calls on Israel to pull its troops from the Gaza Strip and requests a fact-finding mission into the Beit Hanoun deaths.

"The state of Israel is not the one that has to provide answers about hitting civilians," Olmert said. "We have expressed our deepest regret over this. But those who preach morality and roll their eyes have yet to condemn those [Palestinians] who are shooting with the goal of hitting civilians as a systematic policy."

Palestinian Shields Foil Israeli Strikes (AP-Y)

By Sarah El Deeb

AP, November 20, 2006

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Hundreds of Palestinians serving as human shields guarded the homes of two top militants Sunday, a new tactic that forced Israel to call off missile strikes on the buildings and re-evaluate a mainstay of its aerial campaign in Gaza.

In recent months, the Israeli air force has repeatedly struck the homes of militants after warning residents by phone to clear out. Israeli security officials said they did not know how to respond to the human shield tactic, but pressed ahead with other airstrikes Sunday.

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Instead of fleeing, though, the two decided to stay in their homes and called in reinforcements. They were quickly joined by crowds of supporters, including dozens of armed men, who gathered on balconies, rooftops and in the streets outside.

"Death to Israel. Death to America," the crowds chanted. Local mosques and Palestinian TV and radio stations also mobilized supporters.

Baroud, involved in rocket attacks on Israel, said he and his fellow militants had planned the response a few days earlier when another house was destroyed in a missile strike.

The army said it called off the nighttime airstrikes because of the crowds. It condemned what it said was a cynical exploitation "by the terrorists of uninvolved people as human shields."

Israeli military officials acknowledged they had no solution for the standoff. The officials spoke on condition of anonymity because they were not authorized to talk to the media.

By Sunday afternoon, about two dozen women were milling around on Baroud's roof, shielded from the sun by green tarp. One story below them, about a dozen men were resting on mattresses.

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Human Shields Foil Air Strikes (WT/AP)

By Sarah El Deeb

The Washington Times, November 20, 2006

BEIT LAHIYA, Gaza Strip -- Hundreds of Palestinians serving as human shields guarded the homes of two top militants yesterday, a new tactic that forced Israel to call off missile strikes on the buildings and reevaluate a mainstay of its aerial campaign in Gaza.

The Israeli air force repeatedly has struck the homes of militants after warning residents by phone to clear out. Israeli security officials said they did not know how to respond to the human-shield tactic, but pressed ahead with other air strikes yesterday.

In Gaza City, an aircraft fired a missile at a car, killing one man and wounding nine persons, including two Hamas militants. Four of the wounded were children, ages 5 to 16, who suffered shrapnel injuries, hospital officials said.

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Also yesterday, Hamas militants in Gaza fired eight rockets at the Israeli town of Sderot, seriously wounding one person. Last week, a Sderot woman was killed in a rocket attack.

Israel PM Lashes Out At UN Over Resolution (AFP)

AFP, November 20, 2006

Prime Minister Ehud Olmert has criticised a UN General Assembly resolution calling for a fact-finding mission to probe an Israeli artillery strike that killed 19 Palestinians this month.

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"I view it severely," Olmert told the weekly cabinet meeting in Jerusalem on Sunday, 11 days after shells slammed into private homes in Beit Hanun in northern Gaza, killing mostly women and children.

"We have no doubt that it is the State of Israel which must respond to attacks on civilians. We have expressed our deepest regret over this.

"But those who preach morality and roll their eyes have yet to see fit to initiate a resolution in condemnation of those who are shooting with the goal of hitting civilians as a long-range, systematic policy," Olmert added.

The UN General Assembly on Friday overwhelmingly passed a resolution urging an immediate end to all acts of Israeli and Palestinian violence, including an Israeli offensive in the Gaza Strip and Palestinians firing rockets into Israel.

In Gaza, the director of the United Nations refugee agency defended the resolution and accused Israel of using excessive force, a day after he said two children in a UN-run school in northern Gaza were wounded by stray bullets.

"The results of (Israel's) acts speak for themselves and the results are indicative of the fact that they are not taking care as they are bound to do," John Ging told reporters after touring the school in Beit Lahiya.

"There is disproportionate use of force and due care is not being taken for the civilian population," he added.

"That there isn't even safety in an UNRWA school sends a very clear message that ties in to what the UN General Assembly thankfully voted on, which is that there is a need to protect the civilians in Gaza."

Friday's resolution also urged the UN secretary general to set up a fact-finding mission to probe Israel's shelling of private homes in the Gaza town of Beit Hanun on November 8 which killed 19 Palestinians.

Israel has said a technical error was responsible for the artillery incident and expressed regret for the "tragedy".

Hezbollah's Leader Calls For Street Protests (NYT)

By Nada Bakri And Michael Slackman

The New York Times, November 20, 2006

BEIRUT, Lebanon, Nov. 19 — Hezbollah's leader, Sheik Hassan Nasrallah, pressed his case for bringing down Lebanon's government in a message broadcast Sunday, once again calling for peaceful demonstrations to topple what he described as an "illegitimate and unconstitutional" government controlled by Washington.

Sheik Nasrallah used his televised appearance to try to win political support by playing to the deep resentment many Lebanese harbor against the United States for having refused to press for an early end to Israel's war with Hezbollah. Sheik Nasrallah sought to characterize his goals in purely domestic terms, insisting that Hezbollah was not doing the bidding of Iran or Syria — as his opponents have charged.

In a taped speech broadcast on Al Manar television station run by Hezbollah, Sheik Nasrallah called on his supporters to be "psychologically" ready to protest for days, weeks or however long it would take to force the government to step down. But he also offered a prescription to avoid the protests.

"There are two solutions to resolve the crisis: either the formation of a government of national unity in which all political movements take part, or early parliamentary elections," he said to an audience of followers on the taped message. "Come and let us form a national unity government. Nobody is raising arms. Nobody is making a coup or popular revolution."

He also insisted that Hezbollah was not advocating violence or a power grab, adding, "Civil war is a red line. Clashes are a red line."

While Sheik Nasrallah has won widespread credibility for doing what he promises to do, it appeared he was mindful of the risks involved in taking to the streets and was looking to build so much pressure on the government that such a move would not become necessary.

The struggle for power in Lebanon took a new turn after the war with Israel ended in August, and Hezbollah emerged emboldened by its ability to survive the Israeli attack and bloody Israeli forces. Hezbollah, a militant Islamic organization with a powerful political and aid operation, has pressed its case for changing the makeup of the government to include more of its allies, including the party of Gen. Michel Aoun, a Christian.

But the governing March 14th coalition, a group of Sunni, Druse and Christian leaders that is allied with the West, has vowed not to give Hezbollah as much as it is asking for because that would put veto power for all government actions in the

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Hezbollah coalition's hands. Members of the governing coalition have said that would paralyze the government and give Syria and Iran undue influence in Lebanese affairs.

Though the conflict is a domestic battle for power, it also has an international component that could influence the future far beyond Lebanon's own borders. The governing coalition is allied with the United States and France, while Hezbollah is a close ally of Syria and Iran. Throughout the conflict, each side has accused the other of being a puppet of foreign interests, while denying such accusations against itself. The White House recently issued a statement charging that Syria, Iran and Hezbollah were planning to bring down the government together.

Sheik Nasrallah addressed those charges directly, using his speech to insist that his goal was unity, not the empowerment of Hezbollah, Syria or Iran. The governing coalition has repeatedly accused Hezbollah of wanting to block the creation of an international tribunal to hear evidence in the assassination of former Prime Minister Rafik Hariri. Sheik Nasrallah denied that was the case.

He also indicated that no matter what happened, even if security forces attacked the demonstrators, his militia would not be goaded into fighting a domestic battle.

"When we take to the streets we hope that they don't mobilize their forces in front of ours," he said. "If they insult us we will tell them, 'God forgive you.' If they beat us we will tell them, 'God forgive you.' "

His speech was punctuated by chants from the crowd: "Labbeik ya Nasrallah" or "We follow you, O Nasrallah."

A member of Parliament for the March 14th coalition, Akram Chehayeb, dismissed Sheik Nasrallah's statements as nothing more than propaganda, saying his was "a decision to fulfill Iran's wishes."

He showed no sign that the coalition would back down to the demands of Hezbollah and its alliance. He also said there would be counterdemonstrations, illustrating just how entrenched the sides are.

"The government will not prevent them from practicing their democratic right if their protests remain peaceful, but if they attack public or private property, the security forces will have to interfere to protect the country," Mr. Chehayeb said. "We will defend the government of independence and we will prevent any coup from toppling it."

The Druse leader, Walid Jumblatt, took a position exactly opposite of Sheik Nasrallah's. "The opposition groups are on the verge of announcing a coup in the country," Mr. Jumblatt said Sunday at a televised news conference. "They will start with gradual street protests, then mass demonstrations, then riots and resignation from Parliament. We are until this moment still calling for a compromise."

Hezbollah Urges Mass Protests In Lebanon (AP-Y)

By Hussein Dakroub

AP, November 20, 2006

Hezbollah's leader urged his followers to prepare for mass demonstrations to topple the government if it ignores the militant group's demand to form a national unity coalition.

In a speech broadcast Sunday, Sheik Hassan Nasrallah railed against President Bush's administration, calling Secretary of State Condoleezza Rice a "bloodsucker" and claiming the current Lebanese government is a puppet of Washington.

He did not set a date for the anti-government protests, which he said should be nonviolent. But he told supporters and political allies to get ready to take to Beirut's streets for days or even weeks to force the resignation of the government.

"We, all of us, must be psychologically and morally ready to take to the streets. It is one means for the required movement," Nasrallah said in a speech Saturday which was aired Sunday on Hezbollah's TV station Al-Manar.

"We do not want riots ... We must respect private and public property. We will not allow any clashes even if (anti-Syrian groups) stage a counter street demonstration," he said. "We are capable of taking to the street and staying there for a day, two, or three, or a week, or two or three weeks, or for more or less until we eventually impose by our peaceful, civilized and democratic means the toppling of an illegitimate and unconstitutional government."

Political and sectarian tensions have been mounting in Lebanon as a result of a power struggle between rival factions intensified by Hezbollah's 34-day war with Israel this summer.

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The Shiite guerrilla group, which is backed by Syria and Iran, has demanded the formation of a national unity government that would essentially give it and its allies veto power over major decisions. But negotiations among groups broke down last week, and six Cabinet ministers, including two from Hezbollah, resigned.

Shortly after Nasrallah's speech was broadcast, the sounds of gunfire and fireworks reverberated across Beirut's predominantly Shiite southern suburbs, a Hezbollah stronghold heavily bombarded by Israel during the fighting in July and August.

Nasrallah accused the government of Prime Minister Fuad Saniora, which is backed by the anti-Syrian parliamentary majority, of falling under the influence of the President Bush's administration. He said the government had become "illegitimate" and "unconstitutional" after the ministers resigned.

"This is the government of Feltman and not the government of Prime Minister Fuad Saniora," Nasrallah said, referring to the U.S. Ambassador to Lebanon Jeffrey Feltman who has repeatedly reaffirmed his country's support for the Saniora government. The remark drew applause and chants of "Death to America" from Nasrallah's audience made up of Hezbollah members charged with organizing the protests.

"We want to liberate our country from the hegemony of Ambassador Feltman and the bloodsucker Rice," he said.

Hezbollah has accused Rice and the Bush administration of foiling Arab efforts in the U.N. Security Council to arrange an early cease-fire in Israel-Hezbollah war, claiming Washington wanted to give Israel time to try to destroy Hezbollah's military infrastructure. The fighting ended with a U.N.-brokered cease-fire resolution on Aug. 14 and more than 1,000 people died on both sides of the border.

Lebanon's political crisis has deepened since late October when Nasrallah began threatening mass protests unless Hezbollah's demand for a national unity government was met.

Saniora, backed by the anti-Syrian coalition, has vowed to stay in power and refused to give veto power to Hezbollah and its allies.

Nasrallah repeated his demand for the unity government to include Christian leader Gen. Michel Aoun's faction, a Hezbollah ally, as a way out of the current political deadlock. The move would also reduce the sectarian appearance of the exclusively Shiite group's bid for greater political power.

"We have two options to break the political deadlock: formation of a national unity government in which the country's major political forces participate in an effective way, or early parliamentary elections," he said.

But Nasrallah insisted he was not trying to cause radical change.

"Come let's form a national unity government. ... Nobody is raising arms, nobody is making a coup or popular revolution," he said.

The demonstrations are not aimed at changing the ruling system or causing a "radical political coup" in Lebanon, he said. "All we want is to have a national government that will not make Lebanon an American or an Israeli tool."

Nasrallah ruled out civil war, undermining Lebanon's stability or Sunni-Shiite strife, all of which he said were "red lines" Hezbollah would not cross.

Washington has accused Hezbollah backers Iran and Syria of seeking to topple the Saniora government and attempting to block the formation of an international tribunal to prosecute the suspected killers of former Lebanese Prime Minister Rafik Hariri. Both Iran and Syria have denied the charges.

The Lebanese government last week approved the draft agreement for the tribunal's formation, and the U.N. Security Council was expected to discuss the draft on Monday. Lebanon's pro-Syrian President Emile Lahoud opposed the Cabinet's decision, saying it lacked legitimacy after the ministers resigned.

Hariri was killed with 22 others in a suicide truck bombing in February 2005. The assassination sparked huge protests against Syria, which was widely seen as culpable. Syria denies it was behind the killing.

India, Too, Tests A Medium-Range Missile (NYT/AP)

By The Associated Press

The New York Times, November 20, 2006

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BHUBANESHWAR, India, Nov. 19 (AP) — India on Sunday successfully test-fired a medium-range missile capable of carrying nuclear warheads days after its rival, Pakistan, had launched a similar missile.

The Indian missile, called the Prithvi, was fired into the Bay of Bengal from a test range in Chandipur in the eastern state of Orissa, a Defense Ministry official said, speaking on condition of anonymity under ministry rules. The test came three days after Pakistan carried out a similar test of its nuclear-capable Ghauri missile, also known as the Hatf-5.

The two countries recently concluded a crucial round of peace talks in New Delhi in an effort to resolve their differences, including the thorny issue of their territorial dispute over the Himalayan region of Kashmir. India and Pakistan have fought three wars, two over Kashmir, since 1947.

The missile test Sunday was "routine" and "part of the country's air defense exercises," an unidentified official said, according to the Press Trust of India news agency.

India routinely test-fires missiles it is developing for military use, as does Pakistan.

A Pakistan Foreign Ministry spokeswoman, Tasnim Aslam, said Sunday that India had informed Pakistan ahead of time, as is its standard procedure.

On Saturday, district authorities in Chandipur evacuated about 2,750 villagers living near the testing range to two large shelters about a mile away, the news agency said.

Britain And Pakistan To Work More Closely (NYT)

By Salman Masood

The New York Times, November 20, 2006

ISLAMABAD, Pakistan, Nov. 19 — Prime Minister Tony Blair of Britain and President Pervez Musharraf of Pakistan agreed Sunday to strengthen their nations' cooperation on counterterrorism and other fields, and they stressed the need for political and economic measures along with the use of military force to bring peace in Afghanistan.

The two leaders met in the eastern city of Lahore on the second day of Mr. Blair's visit to Pakistan. At a news conference, Mr. Blair said relations between Pakistan and Britain were at "their highest point."

"We also discussed the work that we are doing together in counterterrorism, which again is improving and strengthening," Mr. Blair said.

Afghanistan figured prominently in the talks held by Mr. Blair and General Musharraf. Pakistan's support and willingness to curb resurgent Taliban activity in Afghanistan is essential and often emblematic of what Mr. Blair called "the tremendous challenges" that confront other countries in stabilizing Afghanistan.

Mr. Blair also said that a lasting resolution of the Israeli-Palestinian conflict was essential to defeating extremism.

General Musharraf brushed off criticism from Afghanistan and the West that Pakistan was not doing enough to curb cross-border infiltration by fighters linked to the Taliban, Afghanistan's ousted rulers.

Saying that his country was doing more than was expected and "suffered 600 dead," General Musharraf said: "The Taliban problem is an Afghan problem. The solution lies in what you do in Afghanistan, not what you do in Pakistan. The battle has to be won on the Afghan side."

General Musharraf said millions of dollars should be poured in for development in the southeastern part of Afghanistan, "which is under turmoil at the moment."

He also defended his government's policy of entering peace agreements with local militants sympathetic to the Taliban, in the rugged semiautonomous tribal regions that straddle Afghanistan. He suggested that this model should be replicated in Afghanistan with "those elements who want peace."

Mr. Blair said more work needed to be done.

"In fairness, we should say that the cooperation with Pakistan in dealing over these issues has been transformed over these past few years," he said. "There is no doubt about that, at all. Of course, everyone always wants more to be done."

Britain has about 5,000 troops in Afghanistan, part of the 31,000 NATO-led forces. NATO officials have repeatedly complained that the Taliban find safe haven in Pakistan after mounting attacks against British and NATO troops inside Afghanistan.

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Mr. Blair's visit included an assistance package intended to revamp the country's religious schools, which are often criticized for fomenting militancy and intolerance.

Britain and Pakistan signed a long-term partnership arrangement to reduce poverty and help Pakistan achieve United Nations goals for development. Under the agreement, the British government will provide 480 million pounds, or about $900 million, in the next three years through Britain's Department for International Development.

The two countries agreed to increase cooperation between their intelligence services to combat terrorism, illegal immigration and transnational organized crime.

Britain has offered support in countering terrorism, including forensic training, investigating the financing of terrorism and sharing crisis management expertise, a joint statement released by the Pakistani Foreign Office said.

Britain plans to deliver two MI-17 helicopters in April to the Pakistani antinarcotics force for their antismuggling operation along the border between Pakistan and Afghanistan.

During his visit, Mr. Blair also met with Prime Minister Shaukat Aziz and with moderate Islamic religious leaders and went to the Faisal Mosque.

6 Ethiopians Are Killed In Somalia Ambush (NYT/AP)

By The Associated Press

The New York Times, November 20, 2006

MOGADISHU, Somalia, Nov. 19 (AP) — Islamic fighters ambushed an Ethiopian military convoy on Sunday, killing six Ethiopian soldiers and wounding 20 others, witnesses said, in the first known fight between the rival forces maneuvering for control in Somalia.

Two Ethiopian trucks were destroyed by land mines before Islamic fighters opened fire on the convoy, which witnesses said was made up of more than 80 vehicles and headed for Baidoa, the headquarters of the so-called transitional government. The attack occurred about 50 miles southwest of Baidoa.

Sheik Abdirahim Ali Mudey, a spokesman for the Islamic Courts Union, which controls the capital, Mogadishu, and much of southern Somalia, said four Ethiopian trucks were destroyed and some soldiers were killed, but he denied that his group was responsible. He described the fighting as "a popular uprising" by villagers opposed to Ethiopian troops in Somalia.

Somalia has not had an effective government since 1991, when warlords overthrew Mohamed Siad Barre, then turned on one another. The interim government, formed two years ago, controls just one town.

Terror's Playground (TIME)

By Sam Dealey

Time, November 27, 2006

On a dusty side street in Somalia's former capital, there's little that distinguishes Mohammed's stall from the others. A grenade rests against a box of ammunition next to a row of AK-47s, and still more rifles hang from nails beneath a patch of tin roofing. His booth occupies prime real estate in the center of Mogadishu's Bakaraaha Arms Market, and he obsessively polishes his guns with an oil-stained rag in a battle against sand and grit. But few passersby show interest. Once one of the most bustling, bristling arms bazaars in the world, the Mogadishu weapons market is weathering a down cycle, with business a mere fraction of what it was in the days when warlords settled internecine grudges in the city's streets. Mohammed's average daily sales have dropped from 15 AKs to just three--and prices have fallen by almost half, to $300. "The only good job was selling guns," says Mohammed, 24. "Now I don't know what I'll do."

In most strife-torn parts of the world, a bear market for weapons would be cause for relief. But tranquillity rarely lasts long in Somalia. Since the overthrow of dictator Mohammed Siad Barre in 1991, the country has been a byword for dysfunction, less a nation-state than a destitute, unremittingly violent land ruled by the barrel of a gun. Last June the warlords' grip on power was finally broken by a dedicated confederacy of fundamentalist Muslim militias that fought their way into the former capital and sent the warlords fleeing.

Since then, the Muslim militias, which call themselves the Islamic Courts Union (ICU), have consolidated their claim to Mogadishu and expanded their control to include most of Somalia, particularly the fertile lands and strategic ports in the country's

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south. Meanwhile, the U.N.-backed transitional government is unraveling. Confined to the squalid town of Baidoa near the Ethiopian border, the government is dependent on foreign money and security and crippled by internal dissent and mass resignations.

The fear is that Somalia, a country with nearly 9 million Muslims and one that the U.S. has long suspected is a haven for al-Qaeda, may fall further into the hands of Islamic fundamentalists sympathetic to terrorist organizations. A report by the U.N.-chartered watchdog group on Somalia, which was submitted to the U.N Security Council last week, says the ICU has developed extensive ties with groups and states steeped in terrorism.

The report states that the ICU sent "approximately a 720-person-strong military force to Lebanon to fight alongside Hizballah against the Israeli military" during this summer's monthlong war. In exchange, Hizballah's leadership "has made arrangements" for governments like Iran's and Syria's to contribute arms and supplies to the ICU. And senior leaders within the ICU, including co-leader Sheik Hassan Dahir Aweys, allegedly have direct ties to al-Itihaad al-Islamiya, a radical group suspected of links to al-Qaeda.

Leaders of the ICU deny such allegations, but it's telling that they don't seem particularly bothered by them. "We believe the war against terrorism is a war against Islam," says the hard-line ICU national security chairman, Sheik Yusuf Indahaadde. "Those who are making trouble are not based here." Then, in English, the sheik adds forcefully, "Bush is the mother and father of terrorism."

And yet, in spite of the Islamists' disreputable allies, many Somalis cannot remember a time when they felt safer. For Americans, the single, searing image of Somalia was formed in October 1993, after two U.S. Black Hawk helicopters--part of a U.S. mission to provide humanitarian relief and restore order--were felled by militias loyal to warlord Mohammed Farrah Aidid. Eighteen U.S. special forces were killed, and the world community's involvement in Somalia effectively ended. What followed was a decade and a half of intermittent war that reduced Mogadishu to rubble. Along the "green line," the architectural gem of the former Italian colony that bore the brunt of the warlords' reign, the once proud edifice of the National Bank is obliterated, and only a stone shard remains of the cathedral's twin bell towers.

But over the past few months, there have been glimpses of progress. In the clearings between bullet-pocked buildings and along the city's broad, leafy avenues, children play soccer and a decade's worth of trash is slowly being hauled away. Extortionate militia checkpoints and roving bands of technicals--pickups mounted with heavy artillery and carrying armed thugs--have been replaced by disciplined Islamic troops. The city's ports have reopened, buses travel the roads by day, and Somali families stroll the sidewalks by night. Barring the notable exceptions of a Swedish journalist and an Italian nun who were recently murdered, there's no denying Mogadishu's new semblance of order. "This is an area of the world that we would obviously like to see stable, and [the Islamists] are doing that to some extent," says a Western diplomat. "So if what you see is what you get, then maybe it isn't the worst thing in the world."

The Islamists who control the city occupy a whitewashed compound in Mogadishu. They are eager to present their domination as a fait accompli. "We are ready to be a nation," says Foreign Minister Ibrahim Hassan Addou. "We want Somalia to be peaceful, and we want to establish good relations with the rest of the world." With both hands, he beckons toward the open window in his office. "Feel free to look around," he says. "You can go where you want to go and see what you want to see."

Well, not quite. The Islamists have instituted Taliban-style rules banning drinking, cinemas, dancing and women swimming, as well as curbing the press. Sheik Sharif Sheik Ahmed, the ICU's co-leader, insists these restraints are the product of spontaneous acts of piety by the public. "We don't have any rules issuing from the Islamic Courts to stop any of this," he insists. "The people are doing this by themselves without intervention by us." That seems open to dispute. Just last week, after protests erupted over the shortage of khat, the seemingly ubiquitous narcotic chewed in Somalia, the Islamists ordered a ban on the drug. It's unlikely to go over well. "It's good to stop hashish and harder things," says a man at a khat stall in Mogadishu, "but cigarettes and beer? There will be a day when people say, Wait, they have gone too far. I am sure of it."

The Islamists' takeover is a parable of the unintended consequences of the U.S.'s war on terrorism. After Sept. 11, the U.S. intelligence community, acting on concerns that Somalia's lawlessness could be exploited by al-Qaeda, initiated the Alliance for the Restoration of Peace and Counterterrorism, a covert program that funneled aid to warlords in return for their assistance in capturing suspected terrorists. One of those warlords approached by U.S. operatives was Osman Hassan Ali Atto. Once a top

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financier of warlord Aidid--Atto was captured just a week before the downing of the Black Hawks in 1993--he is the last independent warlord in Mogadishu, a testament to his ability to play both sides of the net. Blunt-spoken and avuncular, Atto disparaged the U.S. cash-for-warlords program. "It was a waste of money," he says at his junkyard in Mogadishu, where the rusting hulks of dozers and pavers are still scarred by flak from U.S. missiles some 15 years ago. "I always told them that America's interests [should be] a government that is put in place without the pressure of money. They had their own ambitions to capture certain individuals. But I told them to f___ off. We are not for sale."

But other warlords were. Payments totaling several hundred thousand dollars were funneled to various militia groups, according to U.N. sources. The program was an open secret in Somalia and among the African diplomatic corps, but its only success was to bolster support for the Islamic Courts among a population weary of anarchy and opposed to foreign meddling. "It was a spectacular disaster," says John Prendergast of the International Crisis Group. "Not only were the militia leaders routed, but the U.S. and CIA support for these militias led to strengthened support for the Islamic Courts."

Poorly trained and addled by khat, Mogadishu's bands of thugs were no match for the highly regimented and dedicated Islamic soldiers. After just three months, the warlords were decisively routed this summer. "The warlords, they did not know how to fight," an ICU militia trainer says during a tour of his training camp just outside Mogadishu. "They had the guns and the money and the khat, but they did not have the heart. For many months we have not been paid to fight, whether in money or in khat. We fight with our hearts."

Those aren't their only weapons. The U.N. watchdog report circulated to the Security Council last week says Syria has equipped and trained the ICU military. On July 27, the report says, "200 fighters from the ICU were transported by aircraft to Syria to undergo military training in guerrilla warfare." The report also says a Syrian plane delivered a "large quantity" of arms, including surface-to-air missiles, to the ICU in early September. On at least two occasions, Iran supplied the ICU with arms, including a shipment on July 25 of 1,000 machine guns and grenade launchers, an unknown quantity of mines and ammunition, and 45 shoulder-fired surface-to-air missiles.

In mid-August, a large dhow originating in Iran and carrying arms, medical supplies and food arrived at a Mogadishu seaport. Included in the shipment were 80 man-portable surface-to-air missiles and launchers. The U.N. also charges that "at the time of writing of this report, there were two Iranians in Dhusa Mareb engaged on matters linked to the exploration of uranium in exchange for arms to the ICU." In separate letters written to the U.N., Syria and Iran denied having any involvement.

Foreign diplomats warn that the arms buildup may be a prelude to a wider war. Despite being sidelined by the Islamists, the transitional government still enjoys the full-throated backing of the international community and is being armed to the teeth by neighboring Ethiopia--a necessary violation of the country's arms embargo if the transitional government is to survive, but hardly endearing to most Somalis, for whom Ethiopia is a blood enemy. Meanwhile, Ethiopia's main rival in the region, Eritrea, has funneled arms and forces to the ICU. Peace talks between the Islamists and the transitional government have largely collapsed, and skirmishes are increasing.

The African Union plans to deploy some 7,000 African peacekeepers to keep the two sides at bay. But the Islamists have made clear they will consider this an act of war. "If they come, we will view them as invading troops," said Ahmed. "And we are ready to defend ourselves because we are not ready to be colonized again by any sort of troops in the world." Without those peacekeepers, however, the two sides seem destined to clash. A face-off would surely drag Ethiopia and Eritrea into a proxy--if not outright--war. The Islamists' stated aim to unite all of Somalia is believed to include the secular breakaway territories of Puntland and Somaliland, as well as portions of Kenya and Ethiopia. Once fighting has begun, there's little to prevent Somalia from becoming a conflict that could engulf the Horn of Africa, cause horrific loss of life and create the continent's next major humanitarian crisis.

With those storm clouds gathering, the Islamists in Mogadishu are intent on solidifying their hold on power, dispensing their harsh brand of justice and leaving no doubt about who's in control. A reminder of that came on a clear blue morning in mid-October, when thousands of Somalis gathered at the parade ground of the old police barracks on the city's battered coast. Guards led a tall, undernourished man, condemned to death for killing another man, to a clearing in the center. After a reading from the Koran, the man conducted his ablutions, said a prayer and was led to a post facing eight soldiers in balaclavas and armed with AKs. His hands and feet were tied and his eyes blindfolded. With the bright blue sea behind him and puffy white

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clouds above, and to the jubilant shouts of Allahu akbar (God is great) from the crowd, the man's head and stomach were ripped by bullets.

The Passion Of The Pope (TIME)

By David Van Biema, Jeff Israely

Time, November 27, 2006

For the traveling Pontiff, it was not a laid-back Turkish holiday. The citizens of the proud, predominantly Muslim nation had no love of Popes. To the East, the Iranian government was galvanizing anti-Western feeling. The news reported that an escaped killer was on the loose, threatening to assassinate the Pontiff when he arrived. Yet the Holy Father was undaunted. "Love is stronger than danger," he said. "I am in the hands of God." He fared forward--to Ankara, to Istanbul--and preached the commonality of the world's great faiths. He enjoined both Christians and Muslims to "seek ties of friendship with other believers who invoke the name of a single God." He did not leave covered with garlands, but he set a groundwork for what would be years of rapprochement between the Holy See and Islam. He was a uniter, not a divider.

That was 1979 and Pope John Paul II. But when Benedict XVI travels to Turkey next week on his first visit to a Muslim country since becoming Pope last year, he is unlikely to cloak himself in a downy banner of brotherhood, the way his predecessor did 27 years ago. Instead, Benedict, 79, will arrive carrying a different reputation: that of a hard-knuckle intellect with a taste for blunt talk and interreligious confrontation. Just 19 months into his tenure, the Pope has become as much a moral lightning rod as a theologian; suddenly, when he speaks, the whole world listens. And so what takes place over four days in three Turkish cities has the potential to define his papacy--and a good deal more.

Few people saw this coming. Nobody truly expected Benedict to be a mere caretaker Pope--his sometimes ferocious 24-year tenure as the Vatican's theological enforcer and John Paul's right hand suggested anything but passivity. But this same familiarity argued against surprises. The new Pontiff was expected to sustain John Paul's conservative line on morality and church discipline and focus most of his energies on trimming the Vatican bureaucracy and battling Western culture's "moral relativism." Although acknowledged as a brilliant conservative theologian, Benedict lacked the open-armed charisma of his predecessor. Moreover, what had initially propelled John Paul to the center of the world stage was his challenge to communism and its subsequent fall, a huge geopolitical event that the Pope helped precipitate with two exhilarating visits to his beloved Polish homeland. By contrast, what could Benedict do? Liberate Bavaria?

Well, not quite. But this year he has emerged as a far more compelling and complex figure than anyone had imagined. And much of that has to do with his willingness to confront what some people feel is today's equivalent of the communist scourge--the threat of Islamic violence. The topic is extraordinarily fraught. There are, after all, a billion or so nonviolent Muslims on the globe, the Roman Catholic Church's own record in the religious-mayhem department is hardly pristine, and even the most naive of observers understands that the Vicar of Christ might harbor an institutional prejudice against one of Christianity's main global competitors. But by speaking out last September in Regensburg, Germany, about the possible intrinsic connection between Islam and violence, the Pontiff suddenly became a lot more interesting. Even when Islamic extremists destroyed several churches and murdered a nun in Somalia, Benedict refused to retract the essence of his remarks. In one imperfect but powerful stroke, he departed from his predecessor's largely benign approach to Islam and discovered an issue that might attract even the most religiously jaded. In doing so, he managed (for better or worse) to reanimate the clash-of-civilizations discussion by focusing scrutiny on the core question of whether Islam, as a religion, sanctions violence. He was hailed by cultural conservatives worldwide. Says Helen Hull Hitchcock, a St. Louis, Mo., lay leader who heads the conservative Catholic organization Women for Faith and Family: "He has said what needed to be said."

But Benedict now finds himself in an unfamiliar position as he embarks on the most important mission of his papacy. Having thrust himself to the center of the global debate and earned the vilification of the Muslim street, he must weigh hard options. Does he seize his new platform, insisting that another great faith has potentially deadly flaws and daring it to discuss them, while exhorting Western audiences to be morally armed? Or does he back away from further confrontation in the hope of tamping down the rage his words have already provoked? Those who know him say he was clearly shocked and appalled by the violent reaction to the Germany speech. Yet it seems unlikely that he will completely drop the topic and the megaphone he has

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discovered he is holding. "The Pope has the intention to say what he thinks," says a high-ranking Vatican diplomat. "He may adjust his tone, but his direction won't change."

APPOINTMENT IN ANKARA

If the test of a new act is to see how well it plays in a tough room, Benedict has certainly booked himself into a doozy. In the racial memory of Western Europe, the Turks were the face of militant Islam, besieging Vienna in 1529 and 1683 and for centuries thereafter representing a kind of stock bogeyman. In 2002, after nearly a century of determinedly secularist rule, the country elected a moderate Islamist party. For many in the West, that makes Turkey simultaneously a symbol of hope (of moderation) and fear (of Islamism).

The Pope's original invitation came in 2005, from the Ecumenical Patriarch of the Eastern Orthodox Church, which represents a nervous 0.01% of the country's population. The Turkish government, miffed that as a Cardinal, Joseph Ratzinger had opposed Turkey's urgent bid to join the European Union, finally issued its own belated offer for 2006. But even now, Turkish Prime Minister Recep Tayyip Erdogan has discovered a previous engagement that will take him out of the country while Benedict is in it. Although modest, sales of a Turkish novel subtitled Who Will Kill the Pope in Istanbul? (the book fingers everyone but Islamists) have increased as his trip approaches. The country is expected to place about 22,000 policemen on the streets of Istanbul while he is there. "This is a very high-risk visit," says Cengiz Aktar, a Turkish political scientist. "There is a vocal nationalist movement here, and there is the Pope, a man who likes to play with fire."

Actually, Benedict will probably try to stay away from matches during his successive stops in Ankara, Ephesus and Istanbul. Speculation about what the Pope will say and do on this visit has consumed Rome for weeks. Papal watchers say Benedict cannot out-Regensburg himself, but gauzy talk about the compatibility of Christianity and Islam isn't likely either. Over the course of his career, Benedict has been averse to reciting multifaith platitudes, an aversion that has sharpened as he has focused on Islam. And that's what could make his coming encounter with the Muslim world, says David Gibson, author of The Rule of Benedict, either "a step toward religious harmony or toward holy war."

A BRIGHT-LINES KIND OF GUY

In 1986, Pope John Paul convened a remarkable multifaith summit in the medieval Italian town of Assisi. Muslims and Sikhs, Zoroastrians and the Archbishop of Canterbury, among others, convened to celebrate their (distinct) spiritualities and pray for peace. It was a signature John Paul moment, but not everybody caught the vibe. "It was a disaster," sniffs an observer. "People were praying together, and nobody had any idea what they were praying to." The witness, whose view undoubtedly reflected that of his boss, was an aide to Cardinal Ratzinger.

Unlike John Paul, who had a big-tent approach, Ratzinger has always favored bright theological lines and correspondingly high walls between creeds he regards as unequally meritorious. His long-standing habit is to correct any aide who calls a religion other than Christianity or Judaism a "faith." Prior to his papacy, the culmination of this philosophy was his office's 1999 Vatican document Dominus Jesus, which described non-Catholics as being in a "gravely deficient situation" regarding salvation. The fact that this offended some of the deficient parties did not particularly bother him. Notes the same assistant: "To understand each other ... you have to talk about what divides."

That approach includes Islam. In Ratzinger's 1996 interview book Salt of the Earth (with Peter Seewald), he noted that "we must recognize that Islam is not a uniform thing. No one can speak for [it] as a whole. There is a noble Islam, embodied, for example, by the King of Morocco, and there is also the extremist, terrorist Islam, which, again, one must not identify with Islam as a whole, which would do it an injustice." This sophisticated understanding, however, did not keep Ratzinger from slapping down a bishop who wanted to invite peaceable Muslims to a papal ceremony in Fatima, Portugal, or, in 2004, from objecting to Turkish E.U. entry on grounds that it has always been "in permanent contrast to Europe," a contrast his other writings made clear had much to do with religion.

Islam played a particular role--as both a threat and a model--in the drama that probably lies closest to Benedict's heart: the secularization of Christian Europe. In the same 1996 book, he wrote that "the Islamic soul reawakened" in reaction to the erosion of the West's moral stature during the 1960s. Ratzinger paraphrased that soul's new song: "We know who we are; our religion is holding its ground; you don't have one any longer. We have a moral message that has existed without interruption since the prophets, and we will tell the world how to live it, where the Christians certainly can't."

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After Sept. 11, Ratzinger's attitude toward Islam seems to have hardened. According to Gibson, the Cardinals in the conclave that elected Ratzinger made it clear that they expected a tougher dialogue with the other faith. After the London subway bombings in July 2005, the new Pope responded to the question of whether Islam was a "religion of peace"--as George W. Bush, among others, has always stressed-- by saying, "Certainly there are also elements that can favor peace." When he met with moderate German Muslims in the city of Cologne that August, Benedict delivered a fairly blunt warning that "those who instigate and plan these attacks evidently wish to poison our relations." In Rome, he removed Archbishop Michael Fitzgerald, a relatively dovish Islam expert, as head of the Vatican's office on interreligious dialogue and replaced an ongoing study of Christian violence during the Crusades with one on Islamic violence today. And he has stepped up the Vatican's insistence on reciprocity--demanding the same rights for Christians in Muslim-majority countries that Muslims enjoy in the West.

All of this led observers to expect him to eventually make a major statement about Islam, although most assumed that it wouldn't stray too far from John Paul's fraternal tone. Nobody anticipated what happened in southern Germany.

THE POINT OF NO RETURN

On Sept. 12, 2006, the day after the world had marked the fifth anniversary of the 9/11 attacks, Benedict threw himself into the maelstrom. The unlikely venue was his old teaching grounds, the University of Regensburg. His vehicle was a talk about reason as part of Christianity's very essence. His nominal target was his usual suspect, the secular West, which he said had committed the tragic error of discarding Christianity as reason-free. But this time he had an additional villain in his sights: Islam, which he said actually did undervalue rationality and which he strongly suggested was consequently more inclined to violence.

To show that Islam sees God as so transcendent that reason is extraneous, Benedict cited an 11th century Muslim sage named Ibn Hazm. To establish the connection between this position and violence, he quoted a 15th century Christian Byzantine Emperor (and head of the Byzantine, or Eastern, Church) named Manuel II Paleologus. Paleologus criticized Muslims for "spreading [their faith] by the sword," both because "God is not pleased by blood" and because true conversion depended on reason. "Show me just what the Muhammad brought that was new," Paleologus said, in a passage quoted by Benedict, "and there you will find things only evil and inhuman."

It remains unclear whether Benedict was deliberately trying to raise the temperature. Many analysts, especially in Rome, think he knew exactly what he was saying and regard the Islamic section of the 35-min. speech as a brave and eloquent warning of Islam's inherent violence and of a faithless West's inability to offer moral response. Yet Benedict's argument was slapdash and flawed. His sage, Ibn Hazm, turned out to have belonged to a school with no current adherents, and although reason's primacy is debated in Islam, it is very much part of the culture that developed algebra. Paleologus' forced-conversion accusation misrepresents the sweep of Muslim history, since more often than not, Islam has left religious groups in conquered territory intact, if hobbled. And assuming that a punctilious scholar like Benedict really wanted to engage on Islam and violence, why do it through the idiosyncratic lens of an embattled king in the 1400s who made his name partly for his efforts at drumming up enthusiasm for a new Crusade?

The reaction to the speech was intense. Small bands of Muslim thugs burned Benedict in effigy, attacked the churches in the Middle East and, on Sept. 17, murdered the nun in Somalia. Over the course of a month, Benedict issued a series of partial apologies and corrections unprecedented in the papacy. He expressed regret to those offended, summoned a group of Muslim notables to make the point personally and disowned the "evil and inhuman" slur on Muhammad as Manuel's sentiment but not his own. He even issued a second version of the speech to reflect those sentiments.

But he never retracted his more basic association of Islam with unreason and violence. Indeed, if he had, it would have caused considerable confusion--if only because the behavior of the extremists seemed, at least to some, to prove his point. No editorialist could express frustration with him for initiating the row without condemning the subsequent carnage--and a good many decided his only fault was in speaking truth. Says a high-ranking Western diplomat in Rome: "It was time to let the rabbit out of the can, and he did. I admire his courage. Part of the Koran lends itself to being shanghaied by terrorists, and he can do what politicians can't." In late October, Benedict received a different kind of validation in an open "Your Holiness" letter from 38 of the best-known names in Islamic theology. The missive politely eviscerated his Regensburg speech but went on to "applaud" the Pope's "efforts to oppose the dominance of positivism and materialism in human life" and expressed a desire for "frank and

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sincere dialogue." At a time when the credibility of Western political leaders in the Muslim world has sunk to new depths, the letter treated Benedict as a spokesman for the West.

Says a Vatican insider with a shrug: "Everyone's asking, Did the Pope make a mistake? Was it intentional? It doesn't really matter at this point." Whether Benedict had actually intended Regensburg to be the catalyst, he had become a player.

THE PAPAL MEGAPHONE

After Regensburg, the mainstream Italian daily La Stampa ran the headline THE POPE AND BUSH ALLIED AGAINST TERROR. The association with the Iraq war and U.S. interrogation methods must have horrified the Pontiff, if only because it could undermine the church's honest-broker role in regional conflicts. "It's easy to say, 'Go Benedict! Hit the Muslims!'" says Gibson. "But that's not who he is. He is not a Crusader." Shortly before Regensburg, Benedict had endured Western criticism for repeatedly demanding a cease-fire after Israel's invasion of Lebanon. Angelo Cardinal Scola, a protÃ©gÃ© of the Pope's who edits Oasis, a Church quarterly on dialogue with Islam, says the fact "that radical Islam can turn to violence does not mean we must respond with a crusade."

The Pope's pursuit of his newfound calling as Islamic interlocutor will be tricky, theologically and politically. Unlike the holy books of Judaism and Christianity, the Koran and Hadiths contain verses precisely regulating the conduct of war and exhorting Muslims to wage battle against various enemies. The bellicosity of some Koranic passages owes much to the fact that they were written at a time when Muslims were engaged in almost constant warfare to defend their religion. But when suicide bombers today go to their fates with the Koran's verses on their lips, it invites questions about Islam's credentials as a religion that is willing to police its own claims of peace and tolerance. As conservative Catholic scholar Michael Novak points out, the Vatican's pacifism gives Benedict unmatched moral standing to press this point. "Being against war, he can say tougher things ... than any President or Prime Minister can. His role is to represent Western civilization."

Perhaps so, but then he might have to represent its past as well, including all the historical violence done in Jesus' name (despite the Gospels' pacifism). Discussion of Christianity's dark hours has not been his penchant. Moreover, the position Benedict took in Regensburg--that Islam and violence are indeed essentially connected--worked as an opening gambit but doesn't leave much room for either side to maneuver. People asked to flatly renounce their Holy Writ generally don't. And Benedict has little give--because first, he seldom says anything he is not prepared to defend to the bitter end and second, if he retreats now, he risks being accused of the same moral relativism that he rails against.

Still, many Catholics are rooting for him to come up with a way to engage without enraging. The widely read Catholic blogger Amy Welborn says, "I think there's a pretty widespread fed-up-ness with Islamic sensitivity. I agree that elements of Islam that either explicitly espouse violence or are less than aggressive in combatting it need to be challenged and nudged, [just as] I would like to see the Pope continue to challenge and nudge people of all different religions--Christian and non-Christian--to look at the suffering of people." She thinks that, given the heat he's taking in parts of the Islamic world, his willingness to go through with his Turkish trip is "so brave."

But what should he do while he's there? John Esposito, a respected Islam scholar at Georgetown University, says the Pope can't confine himself to meetings with Christian leaders. "He must address the Muslim majority." Seyyed Hossein Nasr, a professor at George Washington University and one of the 38 signatories to the October letter to Benedict, says the Pope should deliver an "earnest expression of commonality"--even if it's only the widely accepted observation that Judaism, Christianity and Islam all claim descent from the biblical figure of Abraham. Father Richard McBrien, a theologian at Notre Dame, says that "if he doesn't bring up the issue of reciprocal respect for Christian minorities, he's not doing his job," but that he should avoid an absolutist, now-or-never stance.

High-ranking Vatican sources say Benedict will avoid repeating the Islam-and-violence trope in any form as blatant as Regensburg's. Instead, suggests Father Thomas Reese, a senior research fellow at the Woodstock Theological Center in Washington, an independent nonprofit institute at Georgetown, the Pope may take a less broad-brush approach to the issue by repeating his sentiment from Cologne: "He could say, 'You, like me, are concerned about terrorism' and he would like to see Islamic clerics be more up front condemning it." Once over the hump, happier topics should be easy to find. "Quite frankly," says Reese, "the Pope and the Muslims are on the same page on abortion. They [agree on] relativism and consumerism, hedonistic

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culture, sex and violence, Palestinian rights." Conceivably, like John Paul's first journey back to communist Poland, Benedict's simple presence in this Muslim land may speak louder than words.

Whether this is the way Benedict will choose to proceed remains to be seen. But whatever he does, bold or subtle, the explosiveness of the current relationship between Islam and the West will require him to become a diplomat as much as a scholar. As he strives to assume that role, holding out an olive branch to other religions while fiercely defending his own, the Pope may want to consider the story of a much earlier walker of the Catholic-Islamic tightrope. In the 13th century, during the middle of the Fifth Crusade, St. Francis of Assisi briefly departed Italy and journeyed to the Holy Land to evangelize to the Muslims. According to Christian traditions, he preached the gospel to the Sultan, only to be told that Muslims were as convinced of the truth of Islam as Francis was of Christianity. At that, Francis proposed that he and a Muslim walk through a fire to test whose faith was stronger. The Sultan said he didn't know whether he could locate a volunteer. Francis said he would walk through the fire by himself. Impressed with Francis' devotion, the Sultan, while maintaining his own faith, agreed to a truce between the two warring sides.

Francis' precise methods may be a bit outdated. But 800 years later, his mixture of flexibility and tenacity could be a useful paradigm for a frank and sincere dialogue in an ever turbulent religious world. With reporting by With reporting by Jeff Chu/ New York, Andrew Purvis/ Berlin, Pelin Turgut/ Ankara with other bureaus

What The Pope Gets Right ... (TIME)

By Richard John Neuhaus

Time, November 27, 2006

Benedict XVI's journey to Istanbul, formerly Constantinople, is laden with the wounds of history both ancient and painfully contemporary. The Pope's controversial Sept. 12 lecture in Regensburg, Germany, quoted a 14th century exchange between a Byzantine Christian Emperor and a Muslim intellectual in which the Emperor made some distinctly uncomplimentary observations about Islam. The Pope admitted that the Emperor's statement was brusque. But his point in reaching so far back into history was to demonstrate that problems between the Christian West and Islam long precede today's "war on terrorism."

Although the West, and most notably Europe, may be less Christian today, Muslims still view it as the Christian West. For a thousand years, from the days of Muhammad in the 7th century, Islam enjoyed a run of triumphant conquest, interrupted only momentarily by the Christian Crusades. The time of conquest lasted until the failed siege of Vienna in 1683. After Vienna, and most dramatically under 19th and 20th century Western colonialism, Islam was sidelined from history--one of the main sources of the rage and resentment of today's jihadists.

The jihadists believe their time of resumed conquest has come. Through terrorism and the mass immigration of Muslims in Europe, the jihadists are pressing for the reversal of the military outcome of 1683. This is the context in which Benedict attempted to make a larger point at Regensburg. He acknowledged that Christians have sometimes had a problem, and he suggested that Muslims still have a problem, in understanding the relationship between faith and coercion. Violence, said the Pope, is the enemy of reason. Violence has no place in the advancing of religion. To act against reason is to act against the nature of God.

The violent responses to the Pope's speech reflect the belief of jihadist groups, such as al-Qaeda, that their religion mandates the use of any means necessary, including suicide bombers and the mass killing of civilians, to bring about the world's submission to Islam. In an Oct. 12 "Open Letter to His Holiness Pope Benedict XVI," 38 distinguished Islamic religious authorities, including Grand Muftis in Turkey, Egypt, Russia, Syria, Kosovo, Bosnia and Uzbekistan, wrote that "jihad ... means struggle, and specifically struggle in the way of God. This struggle may take many forms, including the use of force." The signers delicately criticized some acts of Muslim terrorism, such as the killing of a nun in Somalia, but failed to address the relationship between religion and politics in Islam, or whether the "maintenance of sovereignty" includes, as radical jihadists claim, the violent reconquest of Western lands that were once Muslim. Whether out of conviction or fear of being targeted by terrorists, the 38 did not frontally reject the linkage between violence and the advance of Islam.

Nonetheless, the open letter was framed in respectful terms and was welcomed at the Vatican. It is noteworthy, however, that the Pope has not retreated from his challenge to Islam. Moreover, under his leadership, the Vatican has taken a much

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stronger line in insisting on "reciprocity" in relations with Islam. Mosques proliferate throughout cities in the West, while any expression of non-Islamic religion is strictly forbidden in many Muslim countries. In the Vatican and elsewhere, the feeling has been growing that the way of tolerance, dialogue and multicultural sensitivity can no longer be a one-way street. In fact, that shift predates Benedict's papacy. In his 1994 book, Crossing the Threshold of Hope, John Paul II said complimentary things about the piety of Muslims. But John Paul concluded his discussion of Islam with this: "For [these reasons] not only the theology but also the anthropology of Islam is very distant from Christianity."

The theology has to do with the relationship between faith and reason, the anthropology with the dignity of the human person that requires a free and uncoerced response to truth, including religious truth. God ("Allah" in Arabic), Benedict contends, should be viewed not as an arbitrary ruler who issues capricious commands but as the Divine Reason that human beings, through reason and freedom, are invited to share. Speaking for the Catholic Church, which includes over half of the more than 2 billion Christians in the world, Benedict says that, in matters of religion, violence is the enemy of reason, and to act against reason is to act against God. Challenging the leaders of the more than 1 billion Muslims in the world, he asks them to join in that affirmation.

Father Richard John Neuhaus is editor in chief of First Things, a monthly magazine on religion, culture and public life

... And Where He's Still In The Dark (TIME)

By Tariq Ramadan

Time, November 27, 2006

Since delivering the speech in which he quoted a 14th century Emperor who said the Prophet of Islam had given nothing positive to humanity and had commanded followers to use violence to spread their faith, Pope Benedict XVI has been subjected to bitter Muslim reaction around the world. Benedict has responded by saying he regretted the consequences of his misunderstood words, but he did not retract his statement--perhaps rightly so. After all, he had simply cited an ancient Emperor. It is Benedict's right to exercise his critical opinion without being expected to apologize for it--whether he's an ordinary Roman Catholic or the Pope.

But that doesn't mean he was right. Muslim attention has focused mainly on the lecture's association between violence and Islam, but the most important and disputable aspect of it was Benedict's reflection on what it means to be European. In his speech at Regensburg, the Pope attempted to set out a European identity that is Christian by faith and Greek by philosophical reason. But Benedict's speech implicitly suggested that he believes that Islam has no such relationship with reason--and thus is excluded from being European. Several years ago, the Pope, then Joseph Cardinal Ratzinger, set forth his opposition to the integration of Turkey into Europe in similar terms. Muslim Turkey has never been, and never will be, able to claim an authentically European culture, he contended. It is another thing; it is the Other.

As I have written before, this profoundly European Pope is inviting the people of his continent to become aware of the central, inescapable character of Christianity within their identity, or risk losing it. That may be a legitimate goal, but Benedict's narrow definition of European identity is deeply troubling and potentially dangerous. This is what Muslims must respond to: the tendency of Westerners to ignore the critical role that Muslims played in the development of Western thought. Those who "forget" the decisive contributions of rationalist Muslim thinkers like al-Farabi (10th century), Avicenna (11th century), Averroes (12th century), al-Ghazali (12th century), Ash-Shatibi (13th century) and Ibn Khaldun (14th century) are reconstructing a Europe that is not only an illusion but also self-deceptive about its past.

What the West needs most today is not so much a dialogue with other civilizations but an honest dialogue with itself--one that acknowledges those traditions within Western civilization that are almost never recognized. Europe, in particular, must learn to reconcile itself with the diversity of its past in order to master the coming pluralism of its future.

The Pope's visit to Turkey presents an opportunity to put forward the true terms of the debate over the relationship between Islam and the West. First, it is necessary to stop presenting this visit as if it were a trip to a country whose religion and culture are alien to Europe. Selective about its past, Europe is becoming blind to its present. The European continent has been home to a sizable population of Muslims for centuries. While visiting Turkey, the Pope must acknowledge that he is encountering not a potential threat but a mirror. Islam is already a European religion.

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Rather than focus on differences, the true dialogue between the Pope and Islam, and between secularized societies and Islamic ones, should emphasize our common, universal values: mutual respect of human rights, basic freedoms, rule of law and democracy. Though most of the media attention is directed at a marginal minority of radicals, millions of European Muslims are quietly proving every day that they can live perfectly well in secular societies and share a strong ethical pedestal with Jews, Christians and atheist humanists.

Let us hope that the Pope will be able to transform his former perception of the threat of "the Other," of Islam, into a more open approach--by strongly highlighting the ethical teachings the religions have in common and the ways they can contribute together to the future of a pluralistic Europe. Benedict XVI should be free to express his opinions without risk of impassioned denunciation. But the least one can expect from the Pope--especially in this difficult era of fear and suspicion--is that he help bridge the divide and create new spaces of confidence and trust.

Tariq Ramadan, a research fellow at Oxford, is the author of several books on Islam, including To Be a European Muslim

Observers: Sudan Gov't Strikes N. Darfur (AP)

By Alfred De Montesquiou

AP, November 20, 2006

A large force of Sudanese soldiers backed by allied janjaweed militiamen is sweeping through North Darfur, killing civilians and looting and burning villages in violation of a cease-fire agreement, international observers and rebels said Sunday.

At least four civilians were killed near the northern town of Birmaza on Sunday, said Youssouf Mussabal, a rebel leader in the area. Some 200 pro-government janjaweed fighters riding camels had moved into the zone, backed by mobile army units and the Sudanese air force, he added.

"The janjaweed are still in the town. We're worried for the population," Mussabal told The Associated Press by telephone from North Darfur.

Another rebel field commander from a separate faction said seven villages were looted and burned to the ground around Birmaza on Sunday. Jar al-Naby said the renewed government offensive began earlier this week, and that two civilians were killed in Friday raids.

Hundreds of heads of cattle have also been rounded and brought back to the Sudanese army headquarters in the North Darfur town of Mellit, he said by phone from Darfur.

A senior U.N. official in North Darfur said Sunday international observers were receiving daily reports of raids and casualties throughout this vast area of semi-desert pastureland north of the regional capital of El Fasher.

"The campaign is ongoing, and we are being given very limited access to investigate or treat casualties," the official said on the phone from North Darfur. The official spoke on condition of anonymity because of the sensitivity of the issue.

The African Union peacekeeping force in Darfur said in a statement Saturday it had received reports that the Sudanese air force twice bombed Birmaza this week. The attacks, conducted jointly with armed militia groups, took a "heavy toll on the civilian population," the AU said.

The statement said the attacks were a "flagrant violation" of the Darfur Peace Agreement, signed in May by the government and one rebel group.

The Sudanese military was not immediately available for comment Sunday. Earlier this week, however, the army denied it was conducting an offensive in North Darfur, and categorically denied it was using the janjaweed to attack civilians.

"We as army cannot engage in any such attacks or make use of militias to attack our own citizens," the office of the army spokesman said Wednesday.

More than 200,000 people have been killed and 2.5 million displaced since fighting began in Darfur three years ago, when rebels stemming from ethnic African tribes rose up against the Arab-led central government.

Al-Naby, the rebel field commander, said his faction had waged a large battle against combined army and janjaweed forces on Saturday near Saiyah, about 15 miles north of Mellit. He said six rebels had been killed, including a field commander, and that eight were seriously injured.

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Al-Naby said government forces suffered dozens of casualties, including a military commander, and that rebels destroyed nine pickups and captured another 21.

The rebels' battle claim could not be independently verified. In recent weeks, foreign journalists have been unable to obtain permits from the Sudanese government to enter Darfur.

On Saturday, U.N. chief of humanitarian affairs Jan Egeland said he had been barred by Sudanese authorities from visiting several of the areas where fighting is now reported.

"The government is arming Arab militias more than ever before," Egeland said in an AP interview. He warned that the crisis "still has the potential of becoming infinitely worse."

The Sudanese Ministry of Humanitarian Affairs said Sunday that Egeland was spreading "lies and false accusations against the Sudan."

Hassabu Mohammed Abdallah, the humanitarian aid commissioner at the ministry, said Egeland's remarks were "a pure political act" seeking to boost the U.N. Security Council resolution that calls for the world body to send more than 20,000 peacekeepers to Darfur to replace the 7,000-strong AU force that has had little success in stopping the bloodshed.

Sudan's government has rejected the resolution, but this week appeared to accept a compromise in which a mixed U.N.-AU force would take over. The exact nature of this hybrid mission and the timing of the deployment were still being debated Sunday.

Nicaragua Eliminates Last Exception To Strict Anti-Abortion Law (NYT)

By James C. Mckinley Jr.

The New York Times, November 20, 2006

MEXICO CITY, Nov. 19 — Hopes among women's groups in Nicaragua that President Enrique Bolaños would stop one of the most restrictive abortion laws in Latin America from taking effect have been dashed, as the president signed it into law late Friday.

Abortion has been illegal in Nicaragua for more than a century, and most women who decide to end unwanted pregnancies seek procedures at underground clinics. But the new law strikes out a clause that made it possible for a woman to obtain an abortion legally when three doctors certified that unless she did, her own life would be in danger.

For months, the proposed law has drawn fierce criticism from several local women's groups, the country's association of gynecologists, the United Nations, the World Health Organization and Human Rights Watch, among others.

"This is a throwback to the Middle Ages for women's rights," Juana Jiménez, the leader of the Women's Autonomous Movement in Nicaragua, said after the law was passed.

The law was the fruit of the recent presidential election, as conservatives saw a chance to gain its passage in Parliament during the election season.

The country is 85 percent Roman Catholic, with most other voters belonging to conservative evangelical churches. Four of the five presidential candidates supported it.

Daniel Ortega, the former Marxist who was president from 1985 to 1990 and the leader of the Sandinista Party, abandoned his ideological roots and supported passage of the law in an effort to gain support from the Roman Catholic Church in his campaign to regain the presidency. He narrowly won the election, on Nov. 5, with about 38 percent of the vote.

The support of the Sandinistas in the National Assembly was critical, because they had blocked similar measures in the past. The bill passed on Oct. 26.

Some opponents to the law had hoped Mr. Bolaños, a conservative, would not sign the bill because it did not include the stiffer sentences he had wanted for women who had had illegal abortions, or for those who had performed abortions. The six-year prison term remains unchanged under the law. The president had asked for a 30-year prison term.

Intrigue Swirls In Ex-K.G.B. Man's Illness (NYT)

By Alan Cowell

The New York Times, November 20, 2006

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LONDON, Nov. 19 — The British police said Sunday that they were investigating the suspected poisoning of Alexander V. Litvinenko, a Russian former K.G.B. operative living in exile in Britain who had been inquiring into the killing of a journalist in Moscow last month.

The Russian authorities had no immediate comment on suggestions in news reports that the Russian secret service had poisoned Mr. Litvinenko, who is hospitalized and seriously ill, because he had criticized former colleagues and President Vladimir V. Putin.

Mr. Litvinenko is depicted by fellow exiles as a prominent opponent of the Kremlin, and he had told them he was looking into the killing on Oct. 7 of Anna Politkovskaya, who had made her name as a critic of the government's policies in Chechnya and who was gunned down at her apartment building.

Details from the police and news reports had some of the hallmarks of a spy thriller in the cold war vein of John le Carré.

The Sunday Times of London said the former agent had met Nov. 1 with an Italian contact identified only as Mario in a central London sushi bar.

Last week, Mr. Litvinenko told reporters he began to feel sick within hours of the meeting with Mario.

"I ordered lunch, but he ate nothing," Mr. Litvinenko said, according to The Sunday Times, which apparently interviewed him after he began to feel ill but before his condition deteriorated. "He appeared to be very nervous. He handed me a four-page document which he said he wanted me to read right away."

"It contained a list of people, including an F.S.B. officer, who were purported to be connected with the journalist's murder," he said. The F.S.B., or Federal Security Service, is the successor to the K.G.B.

"I do feel very bad," Mr. Litvinenko told The Sunday Times. "I've never felt like this before — like my life is hanging on the ropes."

In a telephone interview, Boris Berezovsky, an exiled Russian tycoon who has had a long association with Mr. Litvinenko — dating from the late 1990s when, he and Mr. Litvinenko contended at the time, Mr. Litvinenko had balked at orders to assassinate Mr. Berezovsky — said he had visited Mr. Litvinenko in the hospital and found him "damaged terribly."

Mr. Berezovsky said Mr. Litvinenko had been granted British citizenship, so the poisoning was "a terror attack against a British citizen in Britain." The incident, he said, could create a problem for Prime Minister Tony Blair, who has sought to cultivate close ties with Mr. Putin.

A police spokeswoman, speaking on the condition of anonymity under police rules, said specialist police officers were "investigating a suspicious poisoning." She described Mr. Litvinenko's condition as "serious but stable."

John Henry, a clinical toxicologist who has been treating Mr. Litvinenko, told the BBC: "He's got a prospect of recovering. He's a got a prospect of dying."

Mr. Henry, who in 2004 treated President Viktor A. Yushchenko of Ukraine, who was poisoned with dioxin, identified the suspected poison in the Litvinenko case as thallium, a toxic metal used in rat poison and insecticides. "It is tasteless, colorless and odorless," he said. "It takes about a gram to kill you."

Andres Virchis, a physician at Barnet Hospital in north London where Mr. Litvinenko was first treated, said Sunday that Mr. Litvinenko's bone marrow had failed and that he was not producing any normal immune cells or white cells.

As Mr. Litvinenko's condition worsened, he began to lose his hair, Dr. Virchis said.

Mr. Litvinenko was granted asylum in Britain in 2001 after leaving Russia six years ago. In 2003 he published a book, "The F.S.B. Blows up Russia," accusing the Russian secret service of orchestrating a wave of explosions in apartment houses in 1999 that led to the second Chechen war.

He also claimed familiarity with the techniques of the Russian secret service. At the time of Mr. Yushchenko's poisoning, Mr. Litvinenko said that a secret K.G.B. laboratory in Moscow, still operated by the F.S.B., specialized in the study of poisons.

"The view inside our agency was that poison is just a weapon, like a pistol," said Mr. Litvinenko, who served in both agencies, from 1988 to 1999. "It's not seen that way in the West, but it was just viewed as an ordinary tool."

The accounts of intrigue could not be confirmed.

Alex Goldfarb, a friend who had visited Mr. Litvinenko in the hospital, told the BBC that doctors had told him that he had only a 50-50 chance of surviving. "He looks like a ghost," Mr. Goldfarb said.

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Speaking later to reporters outside London's University College Hospital, to which Mr. Litvinenko had been transferred, Mr. Goldfarb said the British police interviewed Mr. Litvinenko on Sunday.

"He is in a fighting mood," Mr. Goldfarb said. Asked why Mr. Litvinenko might have been the target of an attack, Mr. Goldfarb said, "He is one of the top public enemies of the Russian F.S.B. and of Putin, particularly because of his book."

He added that Mr. Litvinenko belonged to "the so-called London émigré circle, which was branded by Russia as a terrorist cell on British soil."

Mr. Goldfarb called the poisoning "very scary — it means there's no limit."

British Police Investigate Poisoning Of Putin Critic (WP)

By Mary Jordan

The Washington Post, November 20, 2006

LONDON, Nov. 19 -- British police are investigating the poisoning of a former Russian spy and outspoken critic of President Vladimir Putin and have placed him under protective guard at a London hospital, a Scotland Yard spokesman said Sunday.

Alexander Litvinenko, 43, began vomiting shortly after he had lunch on Nov. 1 with a man who gave him documents related to the recent killing of Anna Politkovskaya, a Russian journalist, according to Alex Goldfarb, a friend of Litvinenko's.

Police said they began a criminal investigation Friday after medical tests confirmed the presence of poison in Litvinenko's system.

John Henry, a British toxicologist who has examined Litvinenko, said in an interview that the former spy had been poisoned by thallium, a highly toxic substance used as rat poison in some parts of the world.

"It is absolutely clear" that he was poisoned, said Henry, who was involved in the investigation of the 2004 poisoning of Viktor Yushchenko, a Ukrainian presidential candidate who survived and won the race but was left disfigured.

Henry said Litvinenko had liver and neurological damage and a low white blood cell count. "He is very sick. . . . He may live, but he is at high risk of death."

Thallium is odorless, colorless and tasteless, Henry said. When ingested, he said, "as little as one-fifteenth of a level teaspoon is enough to kill."

Goldfarb, reached by telephone at Litvinenko's bedside, said Litvinenko's condition was "deteriorating dramatically."

"What happened here is an assassination attempt perpetuated by Russian agents," Goldfarb said. "I thought he would be safe here on British soil."

Goldfarb said that precious time was wasted because even though Litvinenko thought he had been poisoned immediately after the lunch meeting, doctors did not become alarmed until nearly two weeks later, when his hair started falling out as his condition worsened.

Litvinenko was a colonel in the Federal Security Service, or FSB, the successor to the KGB, but fell out with his superiors and spent months in jail awaiting trial on charges of abusing his position. He was acquitted and fled in 2000 to London, where he was granted asylum. Goldfarb said Litvinenko was granted British citizenship last month.

Litvinenko is well known in Russia for accusing FSB agents of involvement in apartment building bombings in 1999 that killed more than 300 people. Russian officials blamed the attacks on separatists from Chechnya and launched a new military offensive in the republic.

Litvinenko also accused his FSB superiors of ordering him to kill Boris Berezovsky, a Russian tycoon who now lives in London.

Berezovsky said in a telephone interview that he visited Litvinenko in the hospital Friday and that he looked as if he had aged 10 years. "For 17 days he hasn't been able to eat. It's very painful to eat," he said.

Berezovsky said Litvinenko told him he had "no doubt" that he had been poisoned on the "order from President Putin to kill him." He called the poisoning "a classic way" that Russian agents work.

Attempts to reach a spokesman at the Russian Embassy in London were unsuccessful Sunday. A person who answered the phone said to call back Monday.

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Goldfarb said Litvinenko had eaten lunch at a sushi restaurant with an Italian contact who he said gave him "a few pages of material" related to the killing of Politkovskaya, the journalist and critic of Putin and Russia's policy in Chechnya. Politkovskaya was shot last month in Moscow.

The case, which remains unsolved, caused an international outcry.

Politkovskaya was hospitalized in 2004 and believed she had been poisoned.

Goldfarb said that Scotland Yard officers have taken the papers given to Litvinenko on Nov. 1.

According to British media reports, police have visited the sushi restaurant in central London to look for clues and to see whether any closed-circuit camera surveillance of the incident exists.

This incident is reminiscent of the 1978 poisoning of Bulgarian dissident Georgi Markov, who was jabbed in the leg by a man with an umbrella while walking across Waterloo Bridge in London. The umbrella fired a pellet of ricin poison into Markov, who died an agonizing death days later.

G-20 Meeting Puts Energy Topics As Primary Focus (WSJ)

By Owen Brown

The Wall Street Journal, November 20, 2006

MELBOURNE, Australia -- Some of the world's most influential policy makers agreed yesterday on the immediate problems threatening the global economy but failed to reach a consensus on the best strategies to address them.

A two-day annual meeting of the Group of 20 finance ministers and central bankers accepted that rising global demand for energy and minerals will threaten to spark higher inflation. Underscoring the challenges faced by policy makers, an International Energy Agency paper presented to the meeting projected energy demand will grow 50% in the next 25 years. Areas of agreement outlined included the need to revise energy subsidies to "better target poverty, and ensure price signals work to expand supply and induce efficiency."

The issues of carbon taxes and greenhouse-gas emissions bedeviled attempts to reach a strategy for reining in demand and stabilizing prices. A push by some countries such as Russia, France and India to embrace nuclear power as a way to diversify energy consumption and reduce climate-changing emissions was another topic that split the G-20 membership.

The G-20 brings together the world's most developed countries such as the U.S., Japan and the European Union with emerging economic powerhouses including China and India. But the diversity of the group's membership also created a major stumbling block to reaching consensus on energy security, climate change and overhaul of the World Bank and the International Monetary Fund.

U.S. Deputy Treasury Secretary Robert Kimmitt said that in the wake of higher prices, oil-producing countries needed to avoid supply disruptions and adopt investment codes that reflect best practices around the world.

Germany's Finance Minister Peer Steinbrück said G-2O members agreed on the need to promote energy efficiency and expand use of renewable technology.

Australian Treasurer Peter Costello, who chaired the meeting, deflected criticism that the G-20's embrace of open energy markets is an empty gesture without the cooperation of the Organization of Petroleum Exporting Countries. The G-20 statement said the outlook for global growth remains positive even as growth is expected to slow slightly from the rapid pace of the past few years. But it warned that maintaining growth and containing inflation will require adjustments to monetary and fiscal policies.

Energy Output Short Of Demand (WT)

By Andrea R. Mihailescu

The Washington Times, November 20, 2006

Mexico, the No. 2 U.S. supplier of oil, is unable to produce enough to meet the demands of its customers, especially its neighbor to the north, because of outdated national economic policies that have hamstrung its oil and gas exploration and production, analysts say.

Mexican President-elect Felipe Calderon met with Canadian officials this month to discuss trade and explore further cooperation as Mexico's production capacity dives.

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Although Mexico has the potential to be an energy powerhouse, the country's national oil company, Pemex, lacks the investment funds to improve production in mature fields.

As oil prices rose and production increased in the past year, the government became addicted to Pemex's revenues, taking more than 60 percent of the company's earnings, which provide a third of the national budget, the Canadian newsmagazine Maclean's reported.

Mexico "should be an energy megastar and is performing way off Broadway in terms of production vitality, because Pemex is required to turn over the bulk of its revenues to the government. This prevents exploration, infrastructure investment, and creates debt," said Vincent DeVito, an international energy attorney with Pepper Hamilton LLP in New York and a former acting assistant secretary of energy.

Canada and Mexico are the top two suppliers of oil to the United States, with exports of 2.1 million and 1.8 million barrels per day respectively, but the two countries are worlds apart in the development of their energy resources.

"Oil and gas will continue to be a significant part of [the U.S.] energy supply and Pemex must devise a way to allow private investment into the Mexico market in order to remain a secure supplier," Mr. DeVito said. "If not, there will be a crisis in Mexico; and, a crisis in Mexico is a crisis in the United States and, conceivably, a crisis in Canada."

Pemex has accrued debt and recently posted a net loss of $7 billion for 2005, despite record-high oil prices. Production is expected to face a steep decline and, as things stand, Mexico has only 10 years of reserves left.

All hydrocarbon resources are nationalized under the country's constitution. In 1938, the industry was nationalized with the establishment of Pemex as the state oil company.

Although Canada plans to boost production, it cannot make up for the shortfall caused by Mexico's export decline. The shortfall will force the United States to seek alternative suppliers, which will likely increase prices, according to analysts.

U.N. Job Seekers Get Chance To Impress (WT)

By Betsy Pisik

The Washington Times, November 20, 2006

NEW YORK -- The jockeying for top jobs in a new U.N. administration has begun in earnest with the arrival in New York of incoming Secretary-General Ban Ki-moon, who will take over the organization in six weeks.

Senior management in some departments will be replaced for the first time in a decade or more, forcing longtime staffers out of their sinecures and giving Mr. Ban an opportunity to remake the organization to his liking.

Mr. Ban, who stepped down last week as South Korean foreign minister, arrived at the United Nations on Thursday to take part in a transition that has been gathering steam since his unanimous selection in mid-October.

He is expected to announce his senior staff appointments -- including a chief of staff and deputy secretary-general -- shortly after he is sworn in as the eighth U.N. secretary-general on Dec. 14. He takes full charge of the organization on Jan. 1.

Mr. Ban has begun a round of meetings with at least three dozen undersecretaries-general and assistant secretaries-general, as well as with key ambassadors, representatives of nongovernmental organizations and trusted advisers.

The Ban team is using the meetings mainly to gather information, but for many U.N. officials, the appointments serve as half-hour opportunities to impress the new boss and keep their jobs or trade up.

"He has a battery of appointments," said one person involved with the transition. "He wants to find out what is happening in [each] area and have a bit of look-see at these people: Can they walk and talk and shoot straight? The real emphasis is on sucking in as much info as possible."

Of course, the source added, "There are important personnel decisions looming."

Departing Secretary-General Kofi Annan has refused to approve long-term contracts for most senior management, leaving Mr. Ban a free hand to select his own heads of major departments. Most contracts will expire at the end of December or the end of February, according to current officials.

In the meantime, the 39-story glass-walled U.N. headquarters has been reverberating with gossip, whispering campaigns, rumors and outright disinformation.

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Will Mr. Ban favor Asians or bend against them in order to seem impartial? Will he keep some top managers or replace as many as three dozen officials over the next few months? Is it true that he will consider only women for the most prominent posts? Have major nations already locked down the departments they want to run? How much influence will Washington have?

"Those who talk don't know," said one knowledgeable adviser, pleading ignorance. "I don't think any decisions have been made yet."

Mr. Ban's advisers, most of them plucked from South Korea's Foreign Ministry, have been absorbing information from various sources inside and outside the United Nations. People who observed him last week said he was proceeding methodically, taking in information and "truth-testing" what he hears.

The Korean diplomat inherits an organization that has been allowed to grow haphazardly as its membership and responsibilities have expanded. Staff morale has sunk over recent years in the face of the Iraq oil-for-food investigation, sex scandals in peacekeeping, widespread perceptions of bad management, lax oversight and selective accountability.

The United Nations now costs some $2 billion to run each year, and the separate peacekeeping budget is expected to nearly double to $10 billion a year by 2008.

Many are hoping that Mr. Ban, 62, will work with almost surgical cleanliness and precision to slice away the nonperformers and the underqualified. Others are fearing drastic change.

Preparations for Mr. Ban's arrival have been under way throughout the U.N. system.

His transition team is temporarily based in a glass-walled office tower across the street from the Secretariat, a modern office space with work cubicles and constantly ringing phones.

Mr. Ban is expected to spend most of the next six weeks in New York, except for brief trips back to Seoul and at least one visit to Washington.

Independence For Kosovo (WSJ)

By Agim Ceku

The Wall Street Journal, November 20, 2006

PRISTINA -- Just as it seemed that the Balkans were finally turning the corner, we are instead entering another period of stagnation, delay and uncertainty. A United Nations decision on Kosovo's status, originally expected before the end of this year, has been postponed. The expectations in Kosovo are high. Kosovo is hungry for independence, Kosovo is ready for independence, and now is not the time to stop the clock.

We need to keep the process of statehood on track. Kosovo needs clarity to complete reforms and to attract vital international investments, but also so that our people -- and especially our Serb minority -- can escape the debilitating worries and uncertainty and start to build a future. Their home and future are in Kosovo.

There are two things we must do in Kosovo to succeed as a progressive and a modern independent state. First, we should further improve our institutions to achieve more transparency and a functioning legal system. Second, we need a broad political commitment to development and modernization.

Independence is only the first step and, in itself, is insufficient to provide for Kosovo's future. Kosovo needs a clear perspective for European Union membership. We can only succeed within this framework. This above all means prioritizing economic revitalization in the post-independence period. Nothing short of an economic boom will get us up to speed; the EU train will not wait for Kosovo, or the rest of the region for that matter. The biggest problem in the Western Balkans is economic malaise.

It is the Kosovars, not Belgrade, who have a real interest and stake in seeing Kosovo succeed. Moderate Serbs have long lost interest in Kosovo. Only those desperate for cheap, nationalist rhetorical points claim to care about it. Belgrade offers no vision, no economic or European agenda to the people of Kosovo. Increasing numbers of Serbs, especially those living in Kosovo, are beginning to see beyond this bankrupt world view.

I have no doubt that seeing Kosovo become independent will be a difficult new reality for Serbia. But it is the only way. Belgrade is not interested in investing in the development of Kosovo, and Kosovo is not interested in a political union with Serbia. But we are interested in developing a productive bilateral partnership with Serbia, just as we're doing with our other neighbors.

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Social and economic progress in the region will be the big losers if we don't make the bold step forward to independence. The entire Western Balkan region needs a kick start in order to catch the EU train and catch up with the awesome economic growth of our EU-bound neighbors Romania and Bulgaria. This is the only way forward and the only way into the EU. Globalization is a reality which won't pause so we can get ready. The pace is being set in Asia, but transition will have to happen here in the Western Balkans if we wish to compete.

Most of us in the Balkans share a common vision about our future -- we want to get into the EU as fast as possible. The way to do it is through reforms. This wasn't an easy process for the Baltic countries. It wasn't easy for Eastern and Central Europe. And it won't be easy for the Balkan states either. The region needs to find its comparative advantage in Europe and in the global market. It will do so as soon as we settle the final status of Kosovo.

Can Kosovo survive? Sure. If we reform, we'll do very well. My government has adopted a proactive "3E" plan for Kosovo based on energy, economy and education. With large deposits of coal, Kosovo can in a few years become a net electricity exporter. With the right technology we can even do this with an environmental face.

The economy is picking up. There is no currency risk in Kosovo now that we've adopted the euro. We have privatized around 90% of the asset value of all state-owned enterprises. The financial sector has already been privatized, and we are now attracting new investments into the telecom and energy sectors. Much remains to be done, including cleaning up corruption in the courts, but we're on the right track.

We have a young population and a positive birth rate. Given the shortages in the EU labor market due to negative demographic trends, Kosovo can help fill the void. To do so, we need to retrain our work force. Hence we're now investing in education.

The EU is facing a crisis, and it needs time to consolidate and reset its internal political balances. However, this is no reason to lose sight of its strategic goal: a Europe whole and free. Right now this is still not the reality, at least not in the Western Balkans.

Mr. Çeku is the prime minister of Kosovo.

Japan Shrinks (WP)

By Fred Hiatt

The Washington Post, November 20, 2006

TOKYO -- Japan has embarked on a path no developed nation has ever followed -- of sustained and inexorable population decline.

Japan won't be alone, of course. Italy, Russia, South Korea and many others also will get smaller. The United States is the exception among advanced nations, and not only thanks to immigration; its overall birth rate is higher, too.

But Japan, which shrank by about 21,000 last year, is in the forefront, and so everyone else will be watching. Does population decline inevitably sap vitality and doom a country to genteel poverty? Or is there some way out?

"Japan is the leader, so it's important for Japan to show success," says Hitoshi Suzuki, a cheerful senior researcher at Daiwa Institute of Research, who pronounces himself "not so worried" -- so not worried, in fact, that last year he wrote "Population Decline is Not Something We Need to Fear."

But why not? For a population to hold steady, every woman must give birth on average to 2.1 children. When the birthrate drops below 1.5 and stays there for any time, it's almost impossible to recover, given the momentum of demographics. Below 1.3 is considered "lowest-low." China is at 1.7 and dropping. Japan last year clocked in at 1.25.

As a result, Japan's population, now about 128 million, is expected to fall to about 100 million by mid-century. Big deal, you might say. Wasn't Japan happy enough 50 years ago, when it blew through the 100 million mark on the way up?

Yes, but it was a very different 100 million then. In 1965 there were 25 million children in Japan, 67 million people of working age and 6 million senior citizens. In 2050 there will be 11 million children, 54 million potential workers and 36 million people 65 and over. No one knows whether such a society can maintain a spirit of innovation, or how its capitalists will adapt to a shrinking market. There will potentially be a lot more dependents for every productive worker.

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Faced with this prospect, a country could choose to fight (raise the birthrate) or cope (prepare to manage the consequences). Japan gives lip service to the former. Since 1990 the government has sought to encourage more births, but the policy has had no impact. Today the portfolio of the minister in charge of spurring fertility seems to indicate a certain lack of governmental focus: She is minister of state for Okinawa and Northern Territories Affairs, science and technology, innovation, gender equality and social affairs, and food safety.

In truth, Japan doesn't seem to want to change as it would have to in order to increase the birthrate. Japanese women say in surveys that they want two children, but they delay or abstain from marriage and motherhood in astonishing numbers because fathers don't help around the house, because mothers feel isolated in tiny apartments and because it's so hard for a woman to combine career and motherhood.

In theory, the government is dedicated to reforming this. In practice, its philosophy seems aptly represented by Deputy Chief Cabinet Secretary Hakubun Shimomura, who said this month, when pressed about long waiting lists for public nursery schools, that the problem would be solved if mothers would only "stay at home and raise their children."

When I asked Prime Minister Shinzo Abe last week about this comment, he diplomatically avoided contradicting Shimomura but said his aim is to provide choices so mothers can work or stay home as they see fit. But he also made clear that he is focused on the coping rather than the preventing: "Even considering the decline in the population, I am convinced Japan will be able to continue on a path of growth," he said.

The trick will be "innovation," Abe said, and economic reform. In fact, robots and other ways to improve productivity are one of four possible routes to economic growth despite an aging population. The others would be making better use of women; immigration, which has increased slightly but remains unpopular in this ethnically cohesive country; and keeping the elderly working longer. According to Naohiro Ogawa, a population expert at Nihon University, if every healthy elderly person worked, Japan's total economy in 2025 would be worth 791 trillion yen instead of the currently projected 619 trillion yen, an increase of 28 percent. Just raising the retirement age from 60 to 65 would produce a 12 percent increase.

Not every old person is going to work. But, Ogawa said, "there will be some adjustment. Japan's not going to fall apart."

It could certainly decline, though. Toru Suzuki, a demographer at the National Institute of Population and Social Security Research, believes Japan will eventually accept more immigrants after it has tried everything else. But he's also less convinced than Hitoshi Suzuki that Japan will find a path to growth.

"It brings you to a very tough question," Toru Suzuki says. "What is happiness? Can we be happy without economic growth?"

At least Japan will find out from a starting position of wealth. China, which imposed a one-child policy before it had developed economically, may get old before it gets rich. That will be a first, too.

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TERRORISM NEWS:

Bye-Bye To Secret Spy Program? (USNEWS)

By Liz Halloran

US News and World Report, November 27, 2006

Republicans who limped back to Washington for a lame duck congressional session last week found a host of marching orders from President Bush, but perhaps none more urgent than this: Before Democrats take control of Congress in January, they must pass legislation authorizing the National Security Agency's domestic eavesdropping program.

His plea for a legislative stamp of approval on the controversial spy effort is an "important priority in the war on terror," Bush said. The response: deafening silence. Senate Majority Leader Bill Frist quickly dispatched aides to put out the word on Bush's request: Not gonna happen.

Outgoing Senate Judiciary Committee Chairman Arlen Specter introduced yet another bill last week that he says would ease the concerns of privacy advocates while allowing the spying program to continue, but the odds of getting any last-ditch legislation through his committee, the House, and a Senate vote before Republicans cede control are formidable.

So after nearly a year of high-stakes wrangling on the Hill, heated debates over privacy and presidential authority, and a flurry of lawsuits against the administration and telecom companies for allegedly aiding the surveillance program, Congress appears to be back to square one. And with Democrats promising oversight hearings next year on how the program was hatched and whom it targets, it appears likely that the issue will be decided in court and, ultimately, the Supreme Court.

"No kings." The eavesdropping program, launched in secret after the 9/11 attacks, was revealed last December by the New York Times. The newspaper also reported that the government failed to get surveillance warrants from a secret court that monitors domestic spying. During the ensuing uproar, the president defended the program as targeting only domestic communications that originate overseas. His lawyers have argued that the president's executive wartime authority precludes his having to seek surveillance warrants. Says Todd Gaziano, director of the conservative Heritage Foundation's Center for Legal and Judicial Studies: "Every president has engaged in the equivalent of warrantless wiretapping and surveillance-the only difference is that this administration is being far more sensitive to civil liberties."

Nonetheless, some three dozen legal challenges have been filed questioning the program's legality and Bush's wartime powers claim. A slew of the cases also take aim at telecom companies for providing confidential customer data to the NSA. Under federal communications law, customer call records are protected from disclosure, though there is an effort by Bush and other conservatives to grant the companies retroactive legal immunity.

The most-watched court case is in Detroit, where U.S. District Judge Anna Diggs Taylor has ruled that the program violates U.S. citizens' privacy and free-speech rights and illegally skirts review by the special Foreign Intelligence Surveillance Act court. "There are no hereditary kings in America, and no powers not created by the Constitution," Taylor wrote. Administration lawyers won a stay to keep the program running and are appealing Taylor's ruling.

Oral arguments could be heard as soon as early next year. And Marc Rotenberg, executive director of the Electronic Privacy Information Center, which has sued to obtain information about the spy program, said the case will set a benchmark for how other cases may proceed.

Another closely watched case is being heard in San Francisco, where AT&T has been sued for allegedly providing customer call records to the NSA. A federal judge there rejected the government's request that the case be dismissed because it might reveal state secrets. That decision has also been appealed.

On Capitol Hill, some conservatives say they'd be happy if the eavesdropping bills remain dormant-that the issue can be left to the courts to resolve. They're also content, they say, to let the Democrats take the political risk of pursuing the president on a contentious national security issue while the 2008 presidential election gathers steam. But Caroline Fredrickson, the chief lobbyist for the American Civil Liberties Union, says that may be a miscalculation. "Members of Congress are probably paying

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pretty close attention to what the voters said last week," she said, "and I don't think voters said they want the president's illegal program authorized." What the courts say could be another thing entirely.

9/11 Prisoner Abuse Suit Could Be Landmark (LAT)

By Richard A. Serrano

The Los Angeles Times, November 20, 2006

NEW YORK — Five years after Muslim immigrants were abused in a federal jail here, the guards who beat them and the Washington policymakers who decided to hold them for months without charges are being called to account.

Some 1,200 Middle Eastern men were arrested on suspicion of terrorism after the attacks of Sept. 11, 2001. No holding place was so notorious as Brooklyn's nine-story Metropolitan Detention Center. In a special unit on the top floor, detainees were smashed into walls, repeatedly stripped and searched, and often denied basic legal rights and religious privileges, according to federal investigations.

Now the federal Bureau of Prisons, which runs the jail, has revealed for the first time that 13 staff members have been disciplined, two of them fired. The warden has retired and moved to the Midwest.

And in what could turn out to be a landmark case, a lawsuit filed by two Brooklyn detainees against top Bush administration officials is moving forward in the federal courts in New York.

A judge turned down a request by FBI Director Robert S. Mueller III and former Atty. Gen. John Ashcroft to dismiss the lawsuit against them. The case is before an appeals court, where a panel of three judges signaled last month that they too believed it should go forward.

The suit, which also names top federal prison officials and individual guards as defendants, seeks an unspecified amount of money from the government. More significant, it hopes to hold federal law enforcement authorities responsible for their open-ended, "hold-until-cleared" policy for detainees. After Sept. 11, the FBI was in no rush to investigate the detainees, and many men were held in limbo. If the lawsuit prevails, it will create precedents that will probably bar authorities from carrying out such sweeping roundups in the future.

The case is proceeding with just one of the detainees who sued. The government settled with the other, former Manhattan deli operator Ehab Elmaghraby, who this year accepted a federal government payout of $300,000.

But Elmaghraby, who has returned to Egypt, said he could not forgive the guards who jammed a flashlight up his rectum.

"They destroyed me. They destroyed my family," he said in a recent telephone interview. "So I want the officers to stay one week inside those cells. They would kill themselves before the week was finished."

Ashcroft and others have defended the detentions. In a new book, Ashcroft wrote: "Was it worth it to detain and charge hundreds … in order to find one or more of the key men sent to America to facilitate a second wave of attacks on the United States? I thought so then, and I think so more today."

Five investigations by the Department of Justice inspector general's office, most of them never publicized, documented wholesale abuse of the Muslim detainees at the Brooklyn detention center. In the months after the Sept. 11 attacks, 84 men were held there. None was charged in the attacks. Most were deported on immigration infractions.

One disturbing incident, repeated over and over, is particularly haunting — inmates head-slammed into a wall where the staff had taped a T-shirt with an American flag printed on it. The motto on the shirt proclaimed: "These colors don't run." In time, that spot on the wall was covered with blood.

"They told me, 'Look at our flag. You see the blood that is coming down from our flag? We're going to make you bleed every day like this,' " Elmaghraby recalled.

He said they grabbed his back and sides and rushed him head-first into the wall. "Blood came out of my mouth," he said.

The inspector general determined that many guards were "emotionally charged" in the weeks after Sept. 11. A jail lieutenant told investigators that guards carried around "a great deal of anger." Another lieutenant said prisoners purposely were handed over to teams of up to seven guards, all of them "spiked with adrenaline." That lieutenant further described some of the guards as "talking crazy" and "getting ready for battle."

In legal briefs filed this year with the U.S. 2nd Circuit Court of Appeals in New York, attorneys for Ashcroft and Mueller defended their policy, saying that Washington after Sept. 11 was "confronted with unprecedented law enforcement and security challenges." They said Ashcroft and Mueller had been working with "no clear judicial precedents in this extraordinary context."

Ashcroft in his recent book, "Never Again: Securing America and Restoring Justice," wrote that the goal was to prevent another catastrophic attack. He was not bothered by holding detainees for long periods.

"If we can't bring them to trial," he wrote, "so be it."

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Mueller also has defended the decision, but in a speech to the ACLU acknowledged that the inspector general did "a very good job of pointing out areas where we can do better." He said that clearer criteria were needed for deciding when to hold immigrants as terrorism suspects and that law enforcement should do more to speed up investigations.

Elmaghraby moved to the U.S. in 1990, married and operated a deli near Times Square in Manhattan. Nineteen days after Sept. 11, he was arrested, apparently because his landlord in Queens had applied for pilot training.

For the first three months in the jail, he said, he was denied a blanket, pillow, mattress and toilet paper. He was locked away in his bare feet.

"No shoes for a terrorist," he said he was told.

He said he was repeatedly strip-searched, dragged on the ground and punched until his teeth shattered. He said that he was displayed naked in front of a female staffer, and that guards violated him with a flashlight and pencil.

Elmaghraby, 39, broke down crying in a recent interview. "They don't treat you like a person," he said. "They treat you like an animal."

He was held for nearly a year — until August 2002. After pleading guilty to minor credit card fraud charges, he was deported to Alexandria, Egypt.

He has lost track of his wife in New York, he said, and his deli business went under. And he spent most of his $300,000 settlement to repair his stomach and esophagus, which he said were damaged because jail doctors did not properly treat him for severe indigestion and hypertension.

The former detainee with whom the lawsuit is proceeding, Javaid Iqbal, is also 39. Iqbal, a Pakistani, came to America a dozen years ago. He married and he worked as a cable repairman on Long Island. He was arrested in November 2001, apparently after agents interviewed him in his apartment and spotted a magazine showing the twin towers collapsing.

He said he was mocked as a "Muslim terrorist and a killer." He was strip-searched, punched in the face and kicked in the back. He said guards urinated in his toilet, then turned off the water so it would not flush.

He was denied a copy of the Koran. "No prayer for terrorists," he said he was told.

Iqbal was released at the end of July 2002. He pleaded guilty to having false immigration papers and was deported to Faisalabad, Pakistan. His lawyers declined to let him be interviewed.

Guards at the detention center first denied there was any mistreatment, then slowly came forward. Finally videotapes were uncovered that showed abuse, including detainees head-butted into the T-shirt on the wall.

Traci Billingsley, a spokeswoman for the federal Bureau of Prisons, said 13 staff members have been disciplined. Two were fired, two received 30-day suspensions and one was suspended for 21 days. Two more were suspended for four days, three for two days, and three were demoted.

Warden Dennis Hasty retired in April 2002. He is named as a defendant in the lawsuit but his lawyer, Michael L. Martinez, said Hasty had not been aware of the abuse and had been "appalled and upset" to learn of the allegations.

The lawsuit was filed in Brooklyn in May 2004. Last year, U.S. District Judge John Gleeson ruled against a bid by Ashcroft and Mueller for a dismissal.

The judge said the furor over Sept. 11 did not warrant such drastic measures. He rejected, he wrote, "the argument that the post-Sept. 11 context wholly extinguished … a pretrial detainee's due process rights."

Some Believe 'Truth Serums' Will Come Back (WP)

By David Brown

The Washington Post, November 20, 2006

If there is a "truth serum" that works, it is a secret that nobody is giving up.

The debate earlier this year on interrogation techniques in the war on terrorism raised anew a question that goes back at least 2,000 years. Is there something you can give a person that will make him tell the truth?

The ancient Romans had an answer: Yes.

" In vino veritas"-- "in wine there is truth" -- is sometimes attributed to the natural philosopher Pliny the Elder. The observation made in the 1st century has been borne out over the millennia by many a remorseful inebriate. And, in truth, alcohol given as intravenous ethanol was an early form of truth serum.

In the 21st century, however, the answer appears to be: No. There is no pharmaceutical compound today whose proven effect is the consistent or predictable enhancement of truth-telling.

The modern fascination with truth-eliciting drugs began in 1916 when an obstetrician named Robert House, practicing in a town outside Dallas named Ferris, saw a strange event during a home delivery.

The woman in labor was in a state of "twilight sleep" induced by scopolamine, a compound derived from the henbane plant that blocks the action of the neurotransmitter acetylcholine. House had asked her husband for a scale to weigh the newborn. The

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man looked for it and returned to the bedroom saying he could not find it, whereupon his wife, still under the anesthetic, told him exactly where it was.

House became convinced that scopolamine could make anyone answer a question truthfully, and he went on to promote its forensic use.

Police departments used it -- and in a few cases judges permitted it -- throughout the 1920s and 1930s. Other drugs were also tried, most famously the barbiturates Pentothal and Amytal. But by the 1950s, most scientists had declared the very notion of truth serums invalid, and most courts had ruled testimony gained through their use inadmissible.

The emerging consensus did not stop the most notorious search for truth serum, the CIA's Project MK-ULTRA. Starting in 1953, the agency tested the behavioral effects of several drugs, including their effects on interrogation. Many people were given substances without their knowledge or consent. Frank Olson jumped from a hotel window to his death after taking the hallucinogen LSD.

The program ended in the late 1960s. Its abuses -- many revealed in congressional hearings in 1977 -- produced bad publicity for the spy agency.

Whether a search for truth serums has occurred in recent decades, and especially since the terrorist attacks of Sept. 11, 2001, is a matter of differing opinion.

Gordon H. Barland was a captain in the U.S. Army Combat Development Command's intelligence agency in the 1960s. Before leaving active duty in 1967 he was asked to write up "materiel objectives." He put on the wish list a drug that would aid interrogation.

He later became a research psychologist and spent 14 years working at the Department of Defense Polygraph Institute. While psychopharmacology was not his specialty, trying to catch liars was.

"I would have expected that if there was some sort of truth drug in general use I would have heard rumors of it. I never did," said Barland, who retired in 2000 and now lives in Utah. He further doubts that the government would again engage in such experiments, given the MK-ULTRA experience.

"It would be very difficult to get a project like that off the ground," he speculated.

Another psychologist who spent 20 years in military research said he also "never heard anything like that or knew of anyone who was doing that work." He spoke on the condition of anonymity because interrogation is not his specialty.

Some doubt the practicality of running, or keeping secret, such a research agenda.

"I can't imagine it," said Tara O'Toole, director of the Center for Biosecurity of the University of Pittsburgh Medical Center.

"We haven't been able as a government to create anthrax vaccine. The idea that we could develop a [truth] drug de novo strikes me as outlandish," she said. "That would be a really major research and development project that would be hard to hide."

For the record, spokesmen for the Army medical research command, the Defense Advanced Research Projects Agency (DARPA) and the CIA say there is no work underway on truth serums.

Whether such a substance could ever be used legally is a question some legal scholars believe is still open.

"In the United States, no law at either the state or national level makes the use of truth serum a crime per se," Jason R. Odeshoo wrote in the Stanford Law Review in 2004.

Information gotten through drug-aided interviews would not be allowed in a trial because of the Constitution's privilege against self-incrimination, but it might be legal to use truth serum "solely for intelligence-gathering purposes," he argued. Similarly, while the Geneva Conventions forbid its use against prisoners of war, if terrorism suspects aren't considered POWs the conventions wouldn't block it, he wrote.

Curiously, truth serum was once viewed as a way of preventing, not promoting, abusive interrogations.

The Prohibition era, which coincided with scopolamine's popularity, produced widespread graft in police departments and district attorneys' offices. Reports of "third-degree" interrogation and forced confessions were common.

"In this climate 'truth serum' was powerfully represented as a sophisticated, scientific, and non-violent alternative to unsavory police methods," wrote Alison Winter in a history of truth serum published in the Bulletin of the History of Medicine in 2005.

This ambiguous legal status, combined with advances in neuroscience, lead some to suspect there may be a second act for truth serum.

"There is a large number of neural circuits that we are on the verge of being able to manipulate -- things that govern states like fear, anxiety, terror and depression," said Mark Wheelis, a scientist at the University of California at Davis and a historian of chemical and biological warfare.

"We don't have recipes yet to control them, but the potential is clearly foreseeable," he said. "It would absolutely astonish me if we didn't identify a range of pharmaceuticals that would be of great utility to interrogators."

Recent research with the hormone oxytocin is especially provocative in this regard.

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Produced by the brain, oxytocin is best known for stimulating uterine contraction during labor (when it is sometimes given under the trade name Pitocin), and for promoting milk "letdown" during breast feeding. Animal studies have shown it is also important in mate bonding and social attachment.

In a study published last year, Michael Kosfeld and Markus Heinrichs of the University of Zurich set up an experiment examining oxytocin's effects on trust.

About 130 college students were randomly given a snort of oxytocin or placebo. Half were then designated "investors" and were given money. They could keep or transfer some or all of the money to a student "trustee," whom they did not know and could not see.

The act of transferring money tripled its value, creating a big payoff for the trustee receiving it. That person could then keep it all or acknowledge the investor's trust by returning some portion.

The investors getting oxytocin on average transferred more money than those getting placebos, and twice as many -- 45 percent vs. 21 percent -- showed maximal trust and transferred it all. Interestingly, oxytocin had no effect on how much money trustees shared back with their investors, suggesting that the hormone acted specifically to promote trust in situations where there was risk and uncertainty.

Paul J. Zak, a neuroscientist at Claremont Graduate University in California, helped supervise the Swiss experiment. He later went to a meeting called by DARPA and presented the findings. When he was finished, a military scientist asked him: "How do I use this stuff tomorrow?"

Zak said he dodged the question. He observed that classic interrogation techniques, in which one person acts as the "good cop" and creates a bond with the prisoner, probably already makes use of the brain's own oxytocin. He added that, "we are just showing you the neurophysiology behind it."

HOMELAND RESPONSE:

Marshals Kept Off Plane At Reagan (WT)

By Audrey Hudson

The Washington Times, November 20, 2006

A team of federal air marshals was prevented from protecting a recent flight from Ronald Reagan Washington National Airport because a gate agent erroneously said they did not have the correct paperwork, say marshals familiar with the incident.

Officials with Metropolitan Washington Airports Authority (MWAA) were called in to remove the marshals from US Airways Flight 3464 departing Nov. 8 for Bradley International Airport in Windsor Locks, Conn.

"Right now we know, obviously, that federal air marshals were denied boarding," said Federal Air Marshal Service (FAMS) spokesman Conan Bruce.

Marshals knowledgeable about this case and others told The Washington Times on the condition of anonymity that the gate agent demanded paperwork which is required of other law-enforcement officials, but not from federal air marshals who are on duty to protect the plane from a terrorist attack.

The flight arrived late, and passengers were immediately boarded while marshals showed their identification to the gate agent and head flight attendant. They asked to brief the captain then boarded the plane.

The marshals were first rousted from their seats to report to the jet bridge, where the gate agent demanded paperwork intended for off-duty law-enforcement officers carrying weapons. The marshals told the gate agent that they were on mission status and the paperwork was not required, and they returned to their seats.

The marshals were called to the jet bridge a second time to speak with the captain, and the marshals then returned to their seats.

Minutes later, the marshals were called again to the jet bridge a third time, where MWAA officers ordered the marshals to exit the plane.

Even the intervention of higher-ups in the Homeland Security Department could not persuade the airline to allow the armed law-enforcement agents aboard, and the plane departed unprotected an hour and a half late, the sources said.

Calls for comment to Republic Airlines, which owns US Airways, were not returned.

Air Marshal Director Dana Brown has pledged to rewrite the boarding rules, which marshals say are defined differently by airlines and often exposes their undercover identities.

Mr. Bruce said the agency is working with the airline to review the incident, "get the facts and find out what happened."

Asked whether similar situations have occurred in which airlines barred marshals from boarding, Mr. Bruce said "I'm sure it has in the past five years; it isn't the first incident."

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"I would not say it's a regular occurrence. After we expanded the program and added so many thousands of marshals, it was a learning process for the airlines and us. I would not say it was a regular occurrence, maybe early on, but not a regular occurrence now," Mr. Bruce said.

"It is important to point out we work hand in hand with the airlines. It's a cooperative effort; that's why we have a liaison division," Mr. Bruce said. "We'll figure it out, we'll review it, but I don't want to speculate until we have all the facts."

Marshals say this isn't the first time they have encountered animosity from airlines and the flight crews whom they protect.

"There were hundreds of incidents like this," one air marshal said of the period shortly after the September 11 terrorist attacks. "Air marshals finally stopped filing reports because the air marshal usually ends up being investigated for not being able to cooperate."

Union Wants To Organize Airport Screeners (USAT)

By Thomas Frank

USA Today, November 20, 2006

WASHINGTON — The nation's largest federal labor union will push to organize airport security screeners after a finding by a United Nations agency that the screeners should have union representation.

The 600,000-member American Federation of Government Employees says it could improve workplace conditions. The Transportation Security Administration has one of the highest attrition and injury rates in the federal government, which aggravates staffing shortages that make airport security lines longer. The AFGE plans to lobby Congress' new Democratic leaders to let TSA screeners unionize.

The TSA says unionization could hinder managers from quickly moving screeners to new assignments as security threats arise.

The nation's 45,000 screeners have been barred from collective bargaining since the TSA was formed after the 9/11 attacks to safeguard aviation.

The U.N. International Labor Organization's finding says that policy “may impede unduly upon the rights of these federal employees” and urges the TSA to “engage in collective bargaining” with screeners. The Geneva-based agency released its finding this month in response to a complaint filed in 2003 by the AFGE. The union lost a lawsuit seeking to represent TSA screeners.

The finding carries no legal obligation but reflects that the TSA is not following the United Nations' “core labor standards,” says Hans von Rohland, an International Labor Organization spokesman.

“Now we have the rationale that this is not just a union whining,” AFGE lawyer Mark Roth says. “This is a formal finding of a violation.”

The finding will encourage Congress to let screeners unionize, he says.

When Democrats take control of the House of Representatives and Senate in January, “we certainly have a much more receptive Congress,” union lobbyist Charity Wilson says.

Rep. Nita Lowey, D-N.Y., says union representation would provide “basic worker protections that will ensure screeners are treated like professionals.” Lowey proposed in July to let screeners unionize, but her measure was defeated on a 14-15 vote in her House Homeland Security Committee.

Lowey hopes to add the measure to a broad legislative effort to strengthen domestic security that Democrats will push in January.

“I feel good about it for next year,” Lowey says.

TSA spokeswoman Ellen Howe says unionization “would limit our ability to make decisions rapidly in the interests of national security and in response to risk.”

Most federal labor unions are barred from negotiating wages and benefits, which are set by Congress. They can help set workplace conditions and file grievances heard by neutral parties.

“We will bargain safety conditions, health conditions, fair rotations of work and assignments, so people have a job they want to stay in and are not treated arbitrarily,” Roth says.

Travelers Say We're Bordering On Hostile (WP)

The Washington Post, November 20, 2006

Looking for reasons why America's popularity in the world has declined? The U.S. travel industry blames security.

A plurality of international travelers rated the U.S. visa and immigration entry system the "world's worst," according to data released today that was commissioned by a tourism business lobby.

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Interviews with 2,011 non-U.S. residents who had traveled beyond their home continents in the past 18 months found that 39 percent rated the United States the least traveler-friendly, more than twice the percentage that gave bottom grades to the Middle East (16 percent), Asia (12 percent) or Africa (12 percent). The rating was based on the ease of obtaining travel documents and the respectfulness of immigration officials.

The questions were somewhat self-serving, and researchers drew more than a fifth of the participants from countries with mixed relations with the United States, such as China and Venezuela.

The findings come as the United States has stepped up requirements for foreign visitors, such as fingerprinting and tightened screening procedures at ports of entry. One-third of the travelers said they would not visit here again because of rude treatment at airports by security officials toward non-U.S. passport holders. Also cited was a fear of detention for simple mistakes or misstatements.

Discover America Partnership paid for the data. The group includes the Travel Industry Association and major lodging, theme park, restaurant and rental car companies, which want the government to promote travel and alter security programs in the name of "public diplomacy."

Visitors Decry U.S. Entry Process (WSJ)

By Neil King Jr.

The Wall Street Journal, November 20, 2006

Visa Rules, Other Mandates Remain Unpopular Abroad, Travel-Industry Poll Finds

WASHINGTON -- Secretary of State Condoleezza Rice promised nearly a year ago to put a friendlier face on the American travel experience to help improve the U.S. image overseas. So far, foreign travelers aren't getting that impression, according to a survey by a group that seeks to pressure the government to take steps to boost travel to the U.S.

Funded by a multimillion-dollar travel-industry campaign called the Discover America Partnership, the survey found that foreigners, by a 2-1 margin, view the U.S. as offering the world's worst experience when it comes to obtaining a visa and entering the country. The Middle East, Asia and Africa all scored far better than the U.S.

The survey results, which are being released today, underscore concerns within the U.S. travel industry that the Bush administration hasn't done enough since the 2001 terrorist attacks to speed up the visa process and to improve travelers' experience at entry stations upon their arrival. Travel to the U.S. from countries other than Mexico and Canada is still down about 17% from its high in 2000, the group said. A European study found that world-wide business travel to the U.S. fell 10% in 2005 over the previous year.

The partnership argues that traveling in the U.S. makes people feel more positive about the country, thus enhancing America's long-term security. But many parts of the U.S. government continue to view travelers largely as a potential menace, the group says. "Policy makers first need to decide that they actually want more travelers to come to the U.S.," said Geoffrey Freeman, who directs the partnership. "Once they decide that, policy changes to make it happen could flow rather easily. The question is whether we have the will."

People's negative experiences appear to be heavily focused on obtaining a visa and then getting past immigration and customs' officials. Of those who had traveled in the U.S., the poll found, 63% said they had a more-favorable view of the place as a result, and 72% said that once they got past the airport, the travel experience was "great."

An array of large U.S. companies and groups, including Loews Corp., Marriott International Inc. and the Travel Industry Association, formed the partnership in September. About 50 million people came to the U.S. last year. The group wants to see that number increase to 60 million by 2010.

Ms. Rice in January announced an initiative to streamline the visa-issuing process and to turn two major airports, in Washington and Houston, into model welcoming centers with the help of the U.S. travel industry. The latter project has made almost no headway, but State Department officials say they have made substantial progress on the visa front.

The U.S. has hired 570 consular officials over the last five years and says it has substantially cut the wait time for visas in high-demand places like India and China. Visa wait times range from several days in Paris to nearly a month in Shanghai, according to the State Department's most recent figures. State Department officials also say they have made significant strides in the issuing of student visas, the number of which are up 17% in the year ending in September over the previous year.

Despite improvements, the survey found that significant numbers of those polled harbored low expectations of U.S. travel bureaucracy.

Of the 2,011 travelers interviewed overseas, 36% said they wouldn't come to the U.S. for fear of being detained by officials "for hours or worse" at the airport. Forty percent said they had tried to get a visa within the last two years but abandoned the effort. Just over half said the U.S. visa process in their country was "unreasonably inconvenient." Of those surveyed, 29% said they had been to the U.S. in the last 18 months, while over half had been to the U.S. at least once in the last five.

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WAR NEWS:

Pentagon Review Sees Three Options In Iraq (WP)

By Thomas E. Ricks

The Washington Post, November 20, 2006

The Pentagon's closely guarded review of how to improve the situation in Iraq has outlined three basic options: Send in more troops, shrink the force but stay longer, or pull out, according to senior defense officials.

Insiders have dubbed the options "Go Big," "Go Long" and "Go Home." The group conducting the review is likely to recommend a combination of a small, short-term increase in U.S. troops and a long-term commitment to stepped-up training and advising of Iraqi forces, the officials said.

The military's study, commissioned by Joint Chiefs of Staff Chairman Gen. Peter Pace, comes at a time when escalating violence is causing Iraq policy to be reconsidered by both the White House and the congressionally chartered, bipartisan Iraq Study Group. Pace's effort will feed into the White House review, but military officials have made it clear they are operating independently.

The Pentagon group's proceedings are so secret that officials asked to help it have not even been told its title or mandate. But in recent days the circle of those with knowledge of its deliberations has widened beyond a narrow group working for the Joint Chiefs of Staff.

"Go Big," the first option, originally contemplated a large increase in U.S. troops in Iraq to try to break the cycle of sectarian and insurgent violence. A classic counterinsurgency campaign, though, would require several hundred thousand additional U.S. and Iraqi soldiers as well as heavily armed Iraqi police. That option has been all but rejected by the study group, which concluded that there are not enough troops in the U.S. military and not enough effective Iraqi forces, said sources who have been informally briefed on the review.

The sources insisted on anonymity because no one at the Pentagon has been permitted to discuss the review with outsiders. The review group is led by three high-profile colonels -- H.R. McMaster and Peter Mansoor of the Army, and Thomas C. Greenwood of the Marine Corps. None of them would comment for this article.

Spokesmen for the chairman and vice chairman of the Joint Chiefs of Staff did not return calls or respond to e-mails seeking comment.

"Go Home," the third option, calls for a swift withdrawal of U.S. troops. It was rejected by the Pentagon group as likely to push Iraq directly into a full-blown and bloody civil war.

The group has devised a hybrid plan that combines part of the first option with the second one -- "Go Long" -- and calls for cutting the U.S. combat presence in favor of a long-term expansion of the training and advisory efforts. Under this mixture of options, which is gaining favor inside the military, the U.S. presence in Iraq, currently about 140,000 troops, would be boosted by 20,000 to 30,000 for a short period, the officials said.

The purpose of the temporary but notable increase, they said, would be twofold: To do as much as possible to curtail sectarian violence, and also to signal to the Iraqi government and public that the shift to a "Go Long" option that aims to eventually cut the U.S. presence is not a disguised form of withdrawal.

Even so, there is concern that such a radical shift in the U.S. posture in Iraq could further damage the standing of its government, which U.S. officials worry is already shaky. Under the hybrid plan, the short increase in U.S. troop levels would be followed by a long-term plan to radically cut the presence, perhaps to 60,000 troops.

That combination plan, which one defense official called "Go Big But Short While Transitioning to Go Long," could backfire if Iraqis suspect it is really a way for the United States to moonwalk out of Iraq -- that is, to imitate singer Michael Jackson's trademark move of appearing to move forward while actually sliding backward. "If we commit to that concept, we have to accept upfront that it might result in the opposite of what we want," the official said.

The Pentagon official said this short-term boost could be achieved through three steps: extending the tours of duty of some units already in Iraq, sending other units there earlier than planned and activating some Army Reserve units.

The group concluded that such a step might be necessary because it is concerned that the continuing violence is undercutting the Iraqi government's credibility. "Folks increasingly realize that if violence can't be contained, the spiral downward will continue, the national government will lose the effectiveness it has . . . . and then all bets will be off," the official said.

Also, it would take months to prepare and implement the expansion of the program to train and advise Iraqi forces, he noted. The military will have to find those additional advisers, prepare them for the deployment, get infrastructure in place to house and feed them, order and ship equipment for them to use, and recruit additional Iraqis for them to train.

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"The 'Go Long' approach is one that can work if there is sufficient strategic patience, resources appropriated and [if] leadership executes effectively," a military intelligence official said.

Another potential obstacle to the "Go Long" option is that it runs counter to the impulse of many congressional Democrats to find a way to get out of Iraq quickly. Planners envision taking five to 10 more years to create a stable and competent Iraqi army. Because it doesn't lead to a swift exit, some Democrats could criticize this option as a disguised version of "staying the course."

On the other hand, the hybrid version of "Go Long" may be remarkably close to the recommendation that the Iraq Study Group, led by former secretary of state James A. Baker III and former representative Lee Hamilton (D-Ind.). That group's findings, expected to be issued next month, are said to focus on changing the emphasis of U.S. military operations from combating the insurgency to training Iraqis, and also to find ways to increase security in Baghdad and bring neighboring countries into talks about stabilizing Iraq.

The Pentagon group has given a thumbs-down to what it considered variants of withdrawal, such as pulling U.S. units out of the cities and keeping them in isolated enclaves, where they would not interact with the Iraqi population but would be available to combat major insurgent offensives and also to protect the government against coups.

Army Gen. John P. Abizaid, the top U.S. military commander for the Middle East, expressed a similar view last week when he told the Senate Armed Services Committee that he believes that immediate troop withdrawals would increase the violence in Iraq.

US Troop Levels In Iraq May Rise, Then Decline (CSM)

By Howard Lafranchi

The Christian Science Monitor, November 20, 2006

WASHINGTON

It's being dubbed by some as the "last big push" option, and it appears increasingly to be what President Bush favors on Iraq.

Despite growing expectations of a troop withdrawal from Iraq in the wake of Democratic gains in Congress, the White House appears to be leaning in a different direction: at least a temporary rise in US troop levels.

The numbers would not be huge, perhaps 20,000 on top of the 144,000 US soldiers already fighting the war. But the idea would be to stabilize Baghdad - a priority that has proved dishearteningly elusive since September - and to allow for a major diplomatic push aimed at drawing Iraq's neighbors into resolving the spiraling violence.

Implicit in the perspective of the officials and experts who see this as a kind of military "Hail Mary" pass is the assumption that a phased reduction of US troops would begin next fall - whether or not Iraq had been brought back from the brink of all-out civil war.

Some experts who have favored increasing the number of US troops in the past say conditions have deteriorated to such a degree that before any steps are taken, the United States must first differentiate between a knee-jerk act of desperation and something that can really improve the situation in Iraq.

"Before we go to even 20,000 more troops, we'd better determine how we can sustain these numbers and whether or not it can make any difference in getting the Iraqi government to do what has to be done," says Harlan Ullman, a senior adviser at the Center for Strategic and International Studies (CSIS) in Washington.

Speculation over a temporary surge in troops has been fueled in part by sources close to administration deliberations on Iraq strategy. A troop increase has been one option on the table as the administration, faced with growing consensus that the current approach in Iraq is not working, has weighed new directions.

The Iraq Study Group - the congressionally appointed commission co-chaired by former secretary of State James Baker III and former Democratic congressional leader Lee Hamilton - looks favorably on the troop spike option, according to experts who have worked with the commission. This inclination is especially true, observers say, if a troop increase were carried out in tandem with a major diplomatic push to enlist Iraq's neighbors in helping to stabilize the country and assist in its reconstruction.

Statements from Bush and Cheney

But the most explicit evidence that the White House may be moving in this direction comes from Mr. Bush and Vice President Dick Cheney. Their recent rhetoric appears to rule out the idea of a rapid reduction in troop levels, while maintaining an insistence on achieving "victory" in Iraq.

In Vietnam for an Asian economic summit, Bush said Friday, "We'll succeed [in Iraq] unless we quit," adding that he was assuring regional leaders gathered with him that "we'll get the job done."

And speaking Friday in Washington, Mr. Cheney suggested the midterm election results would not sway administration policy. "To get out [of Iraq] before the job is done would convince the terrorists once again that free nations will change our

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policies, forsake our friends, and abandon our interests whenever we are confronted with violence and blackmail," he said in a speech to the Federalist Society.

At the same time, the Pentagon on Friday issued deployment orders to maintain the current level of troops in Iraq through 2007 - with the door left open to "surging" more troops into the country as conditions and strategy dictate.

An increase is logistically possible, though at a growing cost to the troops, military experts say. Some of the soldiers slated for deployment in 2007 will be undertaking a third tour to Iraq when the expectation had been for only one.

"Just to keep the level of 144,000, we're having to extend two brigades beyond a year. So we're already talking about major hardship for these soldiers," says Lawrence Korb, an Iraq policy expert at the Center for American Progress in Washington. "Any increase, even a relatively small one like what they're talking about, would compound that strain."

Supporters of a troop increase say it would allow for a serious push for security in Baghdad, giving the government of Prime Minister Nouri al-Maliki breathing room to make the political decisions necessary to relaunch a "national reconciliation" drive. More US troops and money would also be put into stepped-up training of Iraqi security forces.

But critics say an increase in US troops could reduce the pressure on the Maliki government for crucial political decisions, even while inflaming Iraqi public opinion that is increasingly hostile to the US presence.

"We've already increased troop levels, and things haven't gotten any better," says Mr. Korb, who served in the Pentagon under the Reagan administration. He notes that US troop levels dipped to nearly 100,000 earlier this year before sectarian violence began ratcheting up. Too late?

Others who have supported sending in more troops in the past say the time when it could make a difference has probably passed. "I have made the argument for more troops for some time, but I no longer do because I think it's too late," says Mr. Ullman of CSIS.

The additional US troops with the right skills to potentially make a difference in Baghdad and with training Iraqi forces aren't simply sitting around somewhere at the ready, he says. Preparing them would take six months to a year, he adds.

But beyond that, Ullman says the Maliki government is beholden to political powers sustained by dozens of militias. "That's not something the US military is in a position to do anything about," he says.

Korb says sending in more troops risks signaling to the Iraqi army that it is under no increasing pressure to take on more of the burden - a point made in congressional testimony last week by Gen. John Abizaid, commander of US forces in the Middle East.

Some observers say any increase in troops would fly in the face of public opinion as expressed in the midterm elections. Polls released last week show support for Bush's handling of Iraq falling to new lows.

ARMY GIVES RUMSFELD DOCTRINE A REWRITE (LAT)

By Julian E. Barnes, Times Staff Writer

The Los Angeles Times, November 20, 2006

The '07 manual puts greater value on maintaining stability than on swift action.

FT. LEAVENWORTH, KAN. — Defense Secretary Donald H. Rumsfeld may be leaving under a cloud of criticism over his handling of the Iraq war, but his invasion plan — emphasizing speed over massive troop numbers — has consistently been held up as a resounding success.

Yet with Iraq near chaos 3 1/2 years later, a key Army manual now is being rewritten in a way that rejects the Rumsfeld doctrine and counsels against using it again.

The draft version of the Army's Full Spectrum Operations field manual argues that in addition to defeating the enemy, military units must focus on providing security for the population — even during major combat.

"The big idea here is that stability tasks have to be a consideration at every level and every operation," said Clinton J. Ancker III, head of the Army's Combined Arms Doctrine Directorate and an author of the guide.

Officers use the field manual, the authoritative guidebook on how to conduct ground operations, to develop tactics for military endeavors including war, counterinsurgency and peacekeeping. When completed, the manual will be taught to officers at all levels.

Before the war, Rumsfeld prodded Gen. Tommy Franks and other officers to design an invasion plan to fit his beliefs about how modern militaries should fight. When Saddam Hussein's regime collapsed and Baghdad seemed to fall in just 21 days, Rumsfeld and his emphasis on speed over mass got the credit.

But after the initial military success, the Pentagon was criticized for not doing enough to plan for postwar stability. And Rumsfeld drew objections for his dismissive attitude toward the disorder and looting in Iraq, particularly when he said, just days after the fall of Baghdad, that "stuff happens" in democracies.

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The old manual emphasized that stability operations usually follow combat. The draft version of the 2007 ground operations manual instructs commanders that they cannot wait for offensive operations to end before providing security and services for the population, and stresses a combination of offense, defense and stability operations.

"Army forces must defeat enemies and simultaneously shape the civil situation through stability or civil support operations," says the manual, the contents of which were described to the Los Angeles Times by its authors. Scheduled to be completed and made public next year, the guidebook does not explicitly criticize the invasion, and in fact notes how the Iraqi military forces collapsed in the face of the swift American attack. Nevertheless, some of the ideas the guide embraces contrast sharply with Rumsfeld's invasion blueprint.

"Iraq is the hardest test case you can dream up," said manual coauthor Michael D. Burke, who works at the doctrine directorate. "There is a lot of value in overwhelming your enemy and ending intensive combat."

But he added: "In Iraq, military operations were the catalyst for collapsing the Baathist regime and leaving a complete power vacuum."

Pentagon spokesman Bryan Whitman declined to comment on the new doctrine, citing the manual's draft status. But he pointed to a November 2005 directive that established "nation-building" as one of the military's core missions. Though it said that such efforts were best performed by civilians, the directive arguably set the stage for the Army's more thorough examination of its role in stability operations.

The new manual does not contradict Rumsfeld's belief that a smaller American force can defeat a larger enemy military, but it does say that dealing with the collapse of a government is likely to require more troops than the military action itself.

And when civil authority collapses in the face of an American assault, U.S. commanders must ensure the population is protected and fed, even if the offensive operations have not concluded, the manual says. That means, Ancker said, the Army can be fast or it can be small, but it cannot be both and also lay the groundwork for winning the peace.

Rumsfeld's critics generally have pointed to summer 2003 as the period when the most important misstep was made in Iraq. American forces were drawn down, and the military did not react quickly to confront a rising insurgency.

The draft manual says the seeds of an insurgency can be planted early on, even during initial military operations. And the guide's authors say the missteps that gave rise to the insurgency may have occurred during the march to Baghdad.

"There is a period of time in the immediate aftermath of any fight where the population will rely on the [American] military to keep them safe and provide essential services," Ancker said.

The concept, according to Ancker, is akin to what battlefield medics call the "golden hour" — the short period in which patients can be saved if their wounds are properly treated. During an offensive operation, if a military does not try to at least bandage the wounds of a society, the effort can suffer even if the battle is won. After an urban battle, commanders must try to provide basic services and security, the manual says.

"If we do not plan to account for those tasks in the immediate aftermath of a fight," Ancker said, "then there is a period of time somebody else can step in and use that failure as a lever to create disaffected parts of the population, and that can turn into … an insurgency."

Under the new guidebook, if a unit does not have the forces to conduct stability operations after an offensive mission, the commander must request more manpower.

"When possible, the commander should consider and attempt to relieve the suffering of the local population," the manual says.

"If his resources and mission dictates that he cannot do this then he is obligated, morally and legally, to inform his higher headquarters so they can provide resources to ensure civil security and minimal essential services."

Older doctrine divided the Army's duties into war and other missions, like peacekeeping. The old manual — completed in 2001 after the military's experience in Bosnia and Somalia — said the Army needed to be ready to conduct offensive operations even during stability missions. The 2007 manual, written during the Iraq experience, argues that even when on offense, the Army needs to be ready to conduct stability operations.

Previous manuals have argued that if a force is trained for major war, it also will be able to handle counterinsurgency or peacekeeping. The new guidebook will note that units must be ready to do both, but it also will say training for a primarily offensive force should differ from training for stability operations.

"Operational experience demonstrates that forces trained exclusively for offensive and defensive operations are not as proficient at stability operations as those units that train specifically for stability," the guide says, alluding to lessons learned in Iraq.

Lt. Gen. David Petraeus, who as commander of the Combined Arms Center at Ft. Leavenworth oversees the doctrine directorate, argued in a speech in September at the nonpartisan Brookings Institution think tank that the 2007 guide should have wide influence on Army doctrine.

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"It will ripple throughout everything that we do, because this is the capstone manual from which all others take their lead," Petraeus said.

Some think the manual focuses too much on major combat operations, like invasions, and not enough on counterinsurgency. Others think the emphasis on stability threatens to focus the Army too much on the "soft stuff."

Ft. Leavenworth will host a conference in January to discuss the manual, and to make sure the document strikes the right balance and embraces the lessons learned in Iraq.

"We cannot move away from fighting and winning wars," Ancker said. "But the combat side is not adequate to ensure the peace."

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Rebuilding In Iraq Tops 4,000 Projects (WT)

By Rowan Scarborough

The Washington Times, November 20, 2006

When and if the smoke ever clears in Iraq, Pentagon officials say the world finally will see a minor miracle.

"Most Americans don't understand something equivalent to the Marshall Plan has been accomplished in Iraq," said Dean G. Popps, principal assistant secretary of the Army for acquisitions, logistics and technology.

The Army is the program manager for $20 billion in U.S. taxpayer money that flowed to Iraq after the 2003 invasion to spur a building boom of more than 4,000 projects.

Amid constant deadly threats from bloodthirsty insurgents, and without a viable Iraqi private contracting sector, the Army Corps of Engineers has supervised the construction of electric grids, health care centers, schools, water and sewage treatment facilities, police stations, academies and border posts.

Not counting the deteriorating security situation, no facet of the Iraq war has received more negative press than the U.S.- and Iraqi-financed reconstruction. The Washington Times, along with other newspapers, has published a series of articles on setbacks and corruption. But, the Pentagon contends there is another storyline.

"It's quite a heroic story maligned often by the news media," Mr. Popps said during an interview in his E-Ring Pentagon office. A nearby multicolored map designates hundreds of projects started and completed, from Mosul to Basra.

Stuart Bowen, the special inspector general for Iraq reconstruction, has issued a steady stream of reports revealing fraud and mismanagement. Perhaps his most damaging finding was that nearly a quarter of $37 billion in United Nations-secured oil money -- not U.S. taxpayer funds -- shipped to Iraq cannot be traced and was likely stolen.

But Mr. Bowen has said fraud involving U.S. money, while serious, is not widespread and that the huge majority of projects proceeded as required. And, a Bowen report to Congress last summer seemed to back up Mr. Popps' message of progress.

"Although the story of Iraq reconstruction has been punctuated by shortfalls and deficiencies, the infrastructure overview provided [in] this quarterly report presents a picture of significant progress achieved through a substantial U.S. investment of time, talent and tax dollars in Iraq's relief and reconstruction."

Mr. Popps said it is first important to understand what the rebuilding team inherited. U.S. intelligence knew little about the actual state of Iraq's energy infrastructure and social service network. When the Army Corps of Engineers got on the ground, there was shock:

·The three regional sewage treatments plants in greater Baghdad did not work; raw waste poured into the Tigris River and downstream through villages. Sadr City, the impoverished Shi'ite slum repressed by the ruling Sunni Ba'ath Party, lacked any sewage system. "Some slam the Americans because there is sewage in Sadr City," said an incredulous Mr. Popps. "Please."

·Few towns had a central supply of clean water.

·The electrical grid suffered under 1950s technology and disrepair. Saddam Hussein starved the rest of the country of power to give the capital of 6 million about 20 hours a day.

·The country lacked any primary health care facilities; hospitals and schools were run down and lacked supplies. New hospitals had not been built in 20 years. More than half the public health centers remained closed. Of 13,000 schools, more than 10,000 needed significant renovations.

The Pentagon in 2003 summoned American firms to get reconstruction started in the absence of Iraqi ministries that could supervise and a private sector that was in shambles under Saddam's totalitarian rule.

"The ministries were jammed with people who did nothing," Mr. Popps said. "They sat around and smoked and drank tea and held 'worry beads.' It was an economy based on incompetence and corruption."

Today, the Pentagon is handing out a score sheet:

·Six new primary care facilities, with 66 more under construction; 11 hospitals renovated; more than 800 schools fixed up; more than 300 police stations and facilities and 248 border control forts.

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·Added 407,000 cubic meters per day of water treatment; a new sewage-treatment system for Basra; work on Baghdad's three plants continues; oil production exceeds the 2002 level of 2 million barrels a day by 500,000.

·The Ministry of Electricity now sends power to Baghdad for four to eight hours a day, and 10 to 12 for the rest of the country. Iraqis are now free to buy consumer items such as generators, which provide some homes with power around-the-clock.

Mr. Popps said all this was accomplished despite a concerted effort by terrorists to bomb construction sites and kill workers. Thursday's kidnapping of private contractors south of Baghdad illustrates the problem. The State Department was forced to increase spending on security, up to $5 billion of the $20 billion, or risk losing more projects to saboteurs.

The Army Corps has ferried reporters to what it considers successful sites in an effort to get a few positive stories on reconstruction. But rarely do any materialize, Mr. Popps said.

"What has hurt the public perception of reconstruction is incomplete leaks to the media that there is a problem with a particular project," he said. "What is sexy to reporters is a police station that has urine in the ceiling. That's what the press prefers to talk about rather than the great successes we have made."

The "urine" reference was contained in the latest bad news story about reconstruction in Iraq. Mr. Bowen reported in September he was reviewing all projects done by the California-based Parsons Corp. in the aftermath of finding serious plumbing problems at the $75 million Baghdad Police College. Mr. Bowen has criticized Parsons, which uses local Iraqi contractors, on other projects, including primary health care buildings.

The company has cited the violent environment as part of the problem. A Pentagon spokesman said the company made all repairs by an Oct. 6 target at no government cost.

There are two key money amounts devoted to reconstruction: One is $37 billion in cash the U.N. turned over to Iraq in 2003. The second is $36 billion appropriated by Congress, $20 billion of which was the Iraq Relief and Reconstruction Fund. The remaining $16 billion is evenly divided for building the Iraqi security forces and for various military projects, some controlled by U.S. commanders.

In late September, Iraq rebuilders received some praise from Mr. Bowen. He made one of his periodic appearances before the House Government Reform Committee, where Chairman Thomas M. Davis III, Virginia Republican, said there was some good news out of the war-wrecked country.

"You said accurately in your opening statement that not everything is wrong in Iraq, and that's true," Mr. Bowen responded. "A fair reading of our full report demonstrably underscores that fact. Indeed, 70 percent of the projects we've visited and 80 percent of the money allocated to them indicate that those projects, from a construction perspective, have met what the contract anticipated."

Victory In Iraq Impossible, Says Kissinger (FT)

By Steve Negus, Iraq Correspondent, And Stephanie Kirchgaessner In Washington

Financial Times, November 20, 2006

Henry Kissinger, the former US secretary of state who has advised the Bush administration on the war in Iraq, on Sunday said he no longer believed a military victory was possible in the conflict.

“If you mean by clear military victory an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control . . . I don’t believe that is possible,” Mr Kissinger told BBC television.

His dire assessment of the war, and view that the US should engage Iraq’s neighbours in seeking a diplomatic solution, reinforced calls by Democratic lawmakers in Washington for the White House to speak to Iran and Syria to help stem the tide of violence in Iraq.

Mr Kissinger’s remarks came as Walid Muallem, Syria’s foreign minister, became the most senior Syrian politician to visit Baghdad since the US-led invasion.

Mr Muallem said violence in Iraq would be reduced if a timetable was set for the withdrawal of US forces.

But interviews with senior lawmakers on US talk shows on Sunday underscored the wide divide that exists not only on the question of whether engaging Syria and Iran would be fruitful, but whether the White House needed to boost US troop deployment in the short term or begin the process of bringing troops home.

Senator John McCain, the Arizona Republican, suggested on ABC’s This Week that he would consider calling for American troops to leave Iraq if the White House did not agree to send additional forces to secure the country – a proposition President George W. Bush has previously rejected. Mr McCain said US troops were “fighting and dying for a failed policy”, but added that he would “exhaust every possibility” to fix the situation before calling for troops to abandon Iraq, because the consequences of losing the war were “severe”.

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Another senator, Democrat Carl Levin, who will take on the chairmanship of the armed services committee, countered on CNN's Late Edition that he supported a phased withdrawal of troops to put a "pressure point on the neighbours who do not want Iraq to disintegrate".

The depth of the sectarian violence in Iraq was underscored by the news that Ammar al-Saffar, the deputy health minister, was kidnapped from his Baghdad home just one day after another Shia politician, Ali al-Adhadh, was killed. A Sunni insurgent group claimed responsibility for a suicide bombing that killed 22 people in Hilla, the mainly Shia neighbourhood south of Baghdad, in retaliation for a mass kidnapping from a Sunni-run education institute last week.

Separately, the New York-based Human Rights Watch said in a statement due to be released on Monday that the just-concluded trial of Saddam Hussein and members of his regime was marred by so many flaws that the verdict was unsound. "The court's conduct, as documented in this report, reflects a basic lack of understanding of fundamental fair trial principles, and how to uphold them in the conduct of a relatively complex trial. The result is a trial that did not meet key fair trial standards," the report concluded.

Mr Hussein and two other members of his regime were sentenced to death on November 5, following a year-long trial on charges related to a campaign of reprisals against the Shia village of Dujail.

Among the flaws listed in the 97-page report was the presentation of evidence that was not given in advance of the trial to the defence and testimony from absent witnesses that was read into the record without giving the defence a chance to challenge those witnesses. Administrative problems included lack of planning for the security of defence counsels, three of whom were assassinated.

In addition, the HRW report argued that the evidence had big gaps, in particular its failure to show Mr Hussein's regime worked.

Kissinger: Iraq Military Win Impossible (AP)

By Tariq Panja

AP, November 20, 2006

Military victory is no longer possible in Iraq, former Secretary of State Henry Kissinger said in a television interview broadcast Sunday.

Kissinger presented a bleak vision of Iraq, saying the U.S. government must enter into dialogue with Iraq's regional neighbors — including Iran — if progress is to be made in the region.

"If you mean by 'military victory' an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control in a time period that the political processes of the democracies will support, I don't believe that is possible," he told the British Broadcasting Corp.

But Kissinger, an architect of the Vietnam war who has advised President Bush about Iraq, warned against a rapid withdrawal of coalition troops, saying it could destabilize Iraq's neighbors and cause a long-lasting conflict.

"A dramatic collapse of Iraq — whatever we think about how the situation was created — would have disastrous consequences for which we would pay for many years and which would bring us back, one way or another, into the region," he said.

Kissinger, whose views have been sought by the Iraqi Study Group, led by former Secretary of State James Baker III, called for an international conference bringing together the permanent members of the United Nations Security Council, Iraq's neighbors — including Iran — and regional powers like India and Pakistan to work out a way forward for the region.

"I think we have to redefine the course, but I don't think that the alternative is between military victory, as defined previously, or total withdrawal," he said.

Kissinger Foresees No Military Win In Iraq (WP)

The Washington Post, November 20, 2006

LONDON, Nov. 19 -- Military victory is no longer possible in Iraq, former secretary of state Henry A. Kissinger told the British Broadcasting Corp. on Sunday.

Kissinger presented a bleak vision, saying the U.S. government must enter into dialogue with Iraq's neighbors -- including Iran -- if progress is to be made.

"If you mean by 'military victory' an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control in a time period that the political processes of the democracies will support, I don't believe that is possible," he said.

But Kissinger, who has advised President Bush about Iraq, warned against a rapid withdrawal of U.S.-led troops, saying it could destabilize Iraq's neighbors and cause a long-lasting conflict.

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Syrian Foreign Minister, In Baghdad, Calls For Timetable On U.S. Troop Withdrawal (NYT)

By Kirk Semple

The New York Times, November 20, 2006

BAGHDAD, Monday, Nov. 20 — Syria's foreign minister said Sunday during a visit here that his government was prepared to help stabilize Iraq, and he called for a timetable for the withdrawal of American troops, saying that it would help reduce the violence.

His trip, the first to Baghdad by a senior Syrian official since the ouster of Saddam Hussein, came on another day of widespread violence in Iraq. A suicide car bombing killed 17 people and wounded 49 in the southern Shiite city of Hilla, and the deputy health minister was kidnapped from his home in the capital.

In recent weeks, Iraqi and some Western officials have promoted the idea of actively involving Iraq's neighbors, especially Syria and Iran, in the search for a solution to the soaring sectarian violence in Iraq.

President Bush has refused to open high-level talks with Syria and Iran, countries he has accused of providing financing and weapons to militias in Iraq. But as his administration conducts a broad reassessment of its policy in Iraq, the president has come under increasing pressure to drop his opposition.

James A. Baker III, the Republican co-chairman of a bipartisan group studying policy options in Iraq, has met several times with Syrian officials to discuss how they might cooperate with the United States, according to the Syrian ambassador to Washington.

In an interview with the BBC broadcast Sunday, former Secretary of State Henry A. Kissinger endorsed the idea of involving Syria and Iran in the discussion of Iraq's future, suggesting that they be included in an international conference.

"At some early point, an international conference should be called that involves neighbors, perhaps the permanent members of the Security Council and countries that have a major interest in the outcome, like India and Pakistan," said Mr. Kissinger, who sometimes advises the Bush administration on Iraq policy, and who has been consulted by Mr. Baker's Iraq Study Group. "I believe America has to be in some dialogue with Iran."

Elaborating on his argument for a change in course, Mr. Kissinger said that a clear-cut military victory was no longer achievable. At the same time, he argued that withdrawing American forces might lead to a civil war more violent than the fighting that occurred in the former Yugoslavia.

"If you mean by clear military victory an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control in a time period that the political processes of the democracies will support, I don't believe that is possible," Mr. Kissinger said.

"If we were to withdraw all the forces without any international understanding and without any even partial solution of some of the problems, the civil war in Iraq will take on even more violent forms," he said.

Syria's foreign minister, Walid al-Moallem, promised Sunday to cooperate with Iraqi officials in an effort to curb violence. Iraqi and American officials have accused Syria of not doing enough to prevent the flow of foreign fighters and munitions across the Syria-Iraq border.

At a brief news conference with Iraq's foreign minister, Hoshiyar Zebari, Mr. Moallem said he condemned "all the terrorism taking place in Iraq."

He added, "The security and stability of Iraq is vital for the security and stability of Syria."

But Mr. Moallem also urged a timetable for a pullout of American forces, saying it "would contribute to reducing the violence in Iraq." The Bush administration has steadfastly refused to put a timetable in place.

Mowaffak al-Rubaie, Iraq's national security adviser, said in an interview last week that Prime Minister Nuri Kamal al-Maliki had been "working hard" to bring Iraq's neighboring countries into the discussions on how to achieve stability in Iraq.

Mr. Rubaie said: "He's reaching out to them, sending envoys. He's sending a very clear message that unless Iraq is stable and secure, nobody's going to be secure."

Mr. Moallem said Sunday that his visit to Iraq was not related to any pressure by Western officials. "I came here to please the people of Iraq and the people of Syria," he said.

In the Hilla car bombing, the deadliest attack of the day in Iraq, a man driving a minibus loaded with explosives pulled alongside a group of day laborers who had gathered on a street corner to wait for employment offers.

As the men eagerly swarmed the van, the driver pushed a detonator and blew up the vehicle.

By nightfall, the police had captured three men suspected of involvement in the attack, including one Iraqi and two Egyptians, according to Maj. Gen. Qais al-Mamouri, the police chief in the town of Babil, near Hilla.

The men confessed and said the suicide bomber was Syrian, the general said.

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The kidnapping of the deputy health minister, Ammar al-Saffar, occurred Sunday evening when heavily armed gunmen dressed in the uniforms of Iraqi security forces stormed his house in northern Baghdad and took him away in a convoy of vehicles, officials said.

A spokesman for the Defense Ministry, Mohammad al-Askari, said that the kidnappers had been wearing the uniforms of the national police and were not members of the armed forces, but a police official said that the gunmen had been wearing Iraqi Army uniforms.

Calls seeking comments from the spokesmen for the government and from the Interior Ministry, which oversees the police force, were not answered.

The kidnapping appeared to have sectarian overtones. Mr. Saffar is Shiite and a member of Mr. Maliki's Dawa Party. The Health Ministry has been widely accused by Sunni Arab leaders of favoring Shiites and even harboring Shiite death squads that single out Sunnis.

Five days ago gunmen wearing police uniforms and suspected of being members of a Shiite militia kidnapped dozens of people from the Ministry of Higher Education, which is overseen by a Sunni Arab minister and has long been viewed by Shiites as a Sunni-dominated institution.

The Iraqi police in the southern city of Basra said they had rounded up 200 suspected insurgents during a search for four American security contractors and an Austrian who were kidnapped Thursday when their truck convoy was ambushed near Safwan.

Maj. Gen. Ali al-Musawi, a police commander in Basra, said the search for the captives was continuing.

Three car bombs were detonated almost simultaneously in a bus depot in a predominantly Shiite neighborhood of eastern Baghdad, killing at least 10 people, wounding another 45 and destroying vehicles and shops in the area, witnesses and officials said.

A group of witnesses and residents who gathered at the site soon afterward blamed Sunni Arab insurgents for the attacks. They directed their ire at the country's Sunni leaders. "Let them come here and see what their followers are doing," one of them shouted.

Other attacks reported by the police in Baghdad, Diyala Province, Kirkuk and the northern town of Hawija killed a total of at least 44 people and wounded at least 71. The police in Diyala also reported killing 14 insurgents.

The American command reported early Monday that a soldier from the 89th Military Police Brigade was killed when his vehicle struck a bomb in southeastern Baghdad on Saturday.

Syria Vows To Help Quell Violence In Iraq (WP)

By Nancy Trejos

The Washington Post, November 20, 2006

BAGHDAD, Nov. 19 -- Syria's foreign minister, in a rare visit to Baghdad by a Syrian official, on Sunday pledged cooperation in stemming the sectarian violence that threatens Iraq, even as scores of people were killed or found dead across the country.

One of the deadliest attacks occurred in the southern Shiite Muslim city of Hilla, where a suicide bomber killed 22 day laborers after luring them to his minivan with the promise of work. An attack near the northern city of Kirkuk killed three children who were lured to a booby-trapped doll.

The Iraqi and U.S. governments have accused Syria of contributing to the violence by allowing fighters to cross into Iraq to join the insurgency. Foreign Minister Waleed al-Muallem's visit, the first by such a high-ranking Syrian official since the U.S.-led invasion in 2003, was seen as a step toward smoothing those relations. But he also called on the Bush administration to set a timetable for withdrawing troops.

"Syria's intensions toward Iraq are good in all times, and on that principle we are looking forward to a good relationship between Iraq and Syria that takes history and common interests into consideration," Muallem said during a news conference with Iraqi Foreign Minister Hoshyar Zebari.

Syria and Iraq have been adversaries since the 1980s, when Syria sided with Iran in its war against Iraq.

"This visit will be the starting point to solve all of our problems," Zebari said.

Those problems were apparent Sunday.

At least 111 people were killed or found dead Sunday, the Associated Press reported. Fifty-six bodies, many of them showing signs of torture, were dumped in three cities.

In the southern Baghdad neighborhood of Dora, unknown gunmen shot and killed three members of a family. A roadside bomb and two car bombs exploded one after the other near a bus station in Mashtal, a mostly Shiite area of southeastern Baghdad, killing 11.

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Gunmen kidnapped one of Iraq's deputy health ministers, Ammar al-Saffar, a Shiite, from his home in northern Baghdad, just a day after a prominent Shiite politician was gunned down. Iraqi army and police said the gunmen wore police uniforms. Last week, dozens of people were kidnapped at a Ministry of Higher Education office, also by men in police uniforms.

Some prominent U.S. officials say that engaging in talks with adversaries such as Syria and Iran is key to curbing the violence. The Iraq Study Group, co-chaired by former secretary of state James A. Baker III and former congressman Lee H. Hamilton, is expected to recommend such action in its report, set to come out next month.

U.S. officials have resisted talks with Iran because they believe the Tehran government has fomented tension in Iraq and because they are worried about its growing influence in the region.

U.S. officials also say Syria's borders have become an entry point into Iraq for Sunni Arab insurgents. Muallem denied that assertion.

"We are making all efforts to secure the borders, but that does not come from one side only," he said. "America has not been able to stamp out its borders with Mexico, so they started to build a wall between them, and that tells us how it is difficult to control the borders."

According to an Iraqi general in Hilla, an Iraqi and two Egyptians arrested in the suicide bombing told officials that the bomber was Syrian.

Elsewhere, security forces detained 200 suspected insurgents in southern Iraq in their search for five private security contractors, including four Americans, who were kidnapped near the Kuwait border.

Officials announced Sunday that forces killed two suspected terrorists in airstrikes near Baghdad on Saturday and eight in a raid in Ramadi. In Tikrit, nearly 50 insurgents were killed and 20 captured during a five-day mission, officials said. Six Iraqi soldiers and two coalition forces soldiers were killed while clearing roads of improvised explosive devices.

Special correspondents Saad Sarhan and Waleed Saffar and other Washington Post staff in Iraq contributed to this report.

Syria Urges Timeline In Iraq (LAT)

By Solomon Moore

The Los Angeles Times, November 20, 2006

BAGHDAD — Syria's foreign minister called Sunday for a timetable for the withdrawal of American troops from Iraq, and his counterpart in Baghdad demanded that Damascus take action against insurgent financiers and organizers hiding there.

It was the highest-level meeting between the neighboring countries since the U.S.-led invasion of Iraq in 2003.

"We think that the presence of a timetable for withdrawal of foreign troops will assist in reducing the violence and creating security," said Walid Moallem, the most senior Syrian official to visit Iraq since the war started.

President Bush has rejected proposed timelines to leave Iraq.

In a news conference in Baghdad's fortified Green Zone, Moallem denied suggestions that Syria had been pressured by the U.S. to meet with Iraqi Foreign Minister Hoshyar Zebari.

The visit followed news reports that James A. Baker III, the co-chairman of the Iraq Study Group, a bipartisan U.S. panel, had contacted Syrian officials for help in stopping the violence in Iraq.

In Washington, Sen. John McCain (R-Ariz.) on Sunday reiterated his call for a short-term increase in troops for Iraq.

The Republican presidential hopeful told ABC's "This Week" that the move might cause a "terrible strain" on the U.S. military, but said "there's only one thing worse and that is defeat … and we've been losing."

McCain added that U.S. troops were "fighting and dying for a failed policy" and needed reinforcements to ensure victory.

"The consequences of failure are catastrophic," he said. "It will spread to the region. You will see Iran more emboldened. Eventually, you could see Iran pose a greater threat to the state of Israel."

The political developments came as violence continued across Iraq.

A Marine was killed in Al Anbar province Sunday, the U.S. military said. And Iraqi special forces today, aided by U.S. advisors, raided a Sadr City mosque compound thought to be harboring kidnappers, the military said. There were no casualties reported. Three people were arrested.

On Sunday, at least 45 bodies were discovered in various areas of Baghdad, and three explosions killed at least 11 people and injured 32 in the Baghdad neighborhood of Mashtal, where an Iraqi police colonel and his guard were slain earlier.

And in two separate kidnappings in the capital, Shiite Muslim Deputy Health Minister Ammar Safar and Sunni Arab criminal court Judge Mudhaffar Ubaidi disappeared Sunday.

Additional attacks occurred across Iraq.

In Hawija, 35 miles southwest of Kirkuk, insurgents put an explosive in a toy and left it near a house. The toy exploded when children approached, killing three and injuring at least one.

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In the southern city of Hillah, at least 17 people were killed and 49 injured when a suicide bomber lured laborers into his minivan and detonated explosives.

Violence also hit Kirkuk, where a man set off his explosives belt during a funeral, killing three people and injuring at least 24.

"I was walking with my friends near the funeral and we felt a big explosion," said Mustafa Iden, 33. "We rushed to the explosion site and saw bodies of people torn apart. There were body parts all over."

There was still no word on the fate of five private security guards — four Americans and one Austrian — kidnapped Thursday in southern Iraq by gunmen in Iraqi police uniforms.

In Washington, Rep. Charles B. Rangel (D-N.Y.), incoming chairman of the House Ways and Means Committee, said he planned to introduce legislation that would reinstate the military draft, which was eliminated in 1973 near the end of the Vietnam War.

And former Secretary of State Henry A. Kissinger, in a British Broadcasting Corp. television interview broadcast Sunday, said that "a clear military victory" was no longer possible in Iraq.

"If you mean by clear military victory an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control in a time period that the political processes of the democracies will support, I don't believe that is possible," Kissinger said.

With the ongoing violence in Iraq, Washington is considering a diplomatic push for greater cooperation with Iraq's neighbors, including Syria and Iran.

U.S. and Iraqi leaders say Syria and Iran have undermined security in Iraq by allowing the cross-border flow of weapons and militants.

"There is even money smuggled by the families of the former regime in Syria," said Ali Dabbagh, an Iraqi government spokesman. "These are unimaginable sums and they are being used to fund terrorism in Iraq. These activities are clear and evident in Syria, and they are countenanced by the government."

Zebari said that he discussed with Moallem the possibility of reestablishing full diplomatic relations and that he looked forward to meeting again.

Zebari also said that he hoped the meeting would create regional momentum to help Iraq establish greater security.

"We don't expect to solve all of our problems at one time or with one visit," he said. "We wanted to make a starting point to open the way in solving all our disputes in good faith.

"This visit will send a good message to all the regional players that they should seriously support Iraq's security and stability."

Syria Calls For U.S. Timetable In Iraq (AP)

By Steven R. Hurst

AP, November 20, 2006

Syria's foreign minister called Sunday for a timetable for the withdrawal of American forces to help end Iraq's sectarian bloodbath, in a groundbreaking diplomatic mission to Iraq that comes amid increasing calls for the U.S. to seek cooperation from Syria and Iran. At least 112 people were killed nationwide, following a week that had already seen hundreds of deaths.

Walid Moallem, the highest level Syrian official to visit since the 2003 ouster of Saddam Hussein, denounced terrorism in Iraq even as Washington mulled its own overture to Damascus for help in ending Iraq's violence.

Syria and Iraq share a long and porous desert border and both Baghdad and Washington have accused Damascus of not doing enough to stop the flow of foreign Arab fighters.

Moallem spoke at the end of a day that saw suspected Sunni Muslim bombers kill at least 33 Shiites and the kidnapping of a deputy health minister — believed the senior-most government official abducted in Iraq. Many Sunni attackers are believed to have infiltrated from Syria.

A suicide bomber in the predominantly Shiite city of Hillah south of Baghdad lured men to his KIA minivan with promises of a day's work as laborers, then blew it up, killing at least 22 and wounding 44, police said.

Babil province police Capt. Muthana Khalid said three suspected terrorists, two Egyptians and an Iraqi, were arrested on suspicion of planning the suicide attack with the bomber, a Syrian.

Within hours, a roadside bomb and two car bombs exploded one after another near a bus station in Mashtal, a mostly Shiite area of southeastern Baghdad, killing 11 and wounding 51, police said.

Besides the victims of the bombings in Hillah and Baghdad, at least 23 other people were killed nationwide. In addition, the bodies of 56 murder victims, many of them tortured, were dumped in three Iraqi cities, 45 of them in Baghdad alone.

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Also Sunday, gunmen kidnapped Iraq's deputy health minister from his home in northern Baghdad, the Iraqi army and police reported. They said the gunmen wore police uniforms and arrived in seven vehicles to abduct Ammar al-Saffar, a Shiite.

Al-Saffar was snatched nearly a week after dozens of suspected Shiite militia gunmen in police uniforms kidnapped scores of people from a Ministry of Higher Education office in Baghdad. That ministry is predominantly Sunni.

In the deep south of Iraq, security forces searching for five private security contractors, four Americans and an Austrian who were kidnapped near the Kuwait border, detained about 200 suspected insurgents, police said Sunday. Police Maj. Gen. Ali al-Moussawi said none of the hostages was found.

Family members identified one of the American captives as Jonathon Cote, 23, a native of Getzville, N.Y. He worked as a security guard for Crescent Security Group, his stepmother said. Family members spoke to The Associated Press anonymously out of fear for Cote's safety. A second captive was identified late last week as Paul Reuben, 39, a former police officer from a Minneapolis, Minn., suburb.

In one of the most significant diplomatic breakthrough since the ouster of Saddam, a restoration of contacts between Damascus and Baghdad was seen as a means of convincing Damascus to exert tighter control over its border.

The frontier has been a major crossing point for Sunni Arab fighters who infiltrated to join the insurgency that has been responsible for the deaths of most U.S. soldiers since the American led invasion in 2003.

Fighters for Al-Qaida in Iraqi and allied terror groups, who also have crossed from Syria, have killed hundreds of Americans as well as tens of thousands of Iraqis in bombings, drive-by shootings and mortar attacks.

Syria broke diplomatic ties with Iraq in 1982, accusing Iraq of inciting riots by the banned Muslim Brotherhood in Syria. Damascus also sided with Iran in the 1980-88 Iran-Iraq war. Trade ties were restored in 1997.

In addition to Baghdad and Washington's complaints about poor border control, the two countries have blasted Syria for supporting the insurgency by allowing Saddam loyalists to take refuge in Damascus to organize financing and arms shipments. Syria denies the charges.

A U.S. blue ribbon panel on Iraq, led by former Secretary of State James A. Baker III and former Democrat Rep. Lee Hamilton, will soon release recommendations on how to avoid the collapse of an increasingly violent and chaotic Iraq.

The proposals were expected to include openings to Syrian and Iran in a bid to internationalize efforts to clamp the sectarian conflict.

Iran is believed to be financing and arming Shiite militias in Iraq who have engaged insurgents and Sunni civilians in civil-war style conflict in Baghdad and surround cities and towns. Many of the Shiite militia fighters were trained by Iran's elite Revolutionary Guard.

Even as diplomacy gained some traction, former Secretary of State Henry Kissinger, who negotiated an end to the Vietnam War more than 30 years ago, said a conventional victory was no longer an option for Washington.

"If you mean, by 'military victory,' an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control in a time period that the political processes of the democracies will support, I don't believe that is possible," he told the BBC's Sunday AM program.

Kissinger has also said Iran and Syria need to be drawn into efforts to curb violence.

By luring workers to his bomb in Hillah, the suicide attacker used a technique has been employed repeatedly in poor Shiite regions throughout Iraq where unemployment is especially high and men often must hire themselves out daily to feed their families. Sunday is a working day in mostly Muslim Iraq.

"The sudden explosion shook the whole area and shattered the windows of a store where I was standing," said Muhsin Hadi Alwan, 33, one of the wounded jobseekers. "The ground was covered with the remains of people and blood, and survivors ran in all directions."

"How will I feed the six members of my family when I return home without work and without money?" Alwan asked.

The U.S. military announced that five-days of joint operations with Iraqi forces in the region between Tikrit and Kirkuk killed nearly 50 Sunni insurgent fighters and led to the capture of 20. The announcement detailed the discovery of huge arms caches, usable portions of which were turned over to the Iraqi army to equip its soldiers. The military did not say when the operation began or ended nor precisely where it took place.

U.S. and Iraqi forces also killed 12 insurgents, detained 11 and freed eight Iraqi hostages during raids in Baqouba and two villages near Kirkuk, 180 miles north of Baghdad, police said. Iraqi forces also killed a local al-Qaida in Iraq leader and his son in a village 60 miles north of Baghdad.

Syrian Foreign Minister Visits Baghdad (USAT/AP)

USA Today, November 20, 2006

DOJ_NMG_0096180

BAGHDAD — As kidnappings and suicide bombings continued in Iraq on Sunday, Syria's foreign minister made a groundbreaking visit to Baghdad.

Walid Moallem, the highest-level Syrian official to visit since the ouster of Saddam Hussein, denounced terrorism and called for a timetable for the withdrawal of U.S. forces.

His arrival was a significant breakthrough from a country that broke diplomatic ties with Iraq in 1982. It comes as a U.S. blue-ribbon panel studying Iraq, led by former secretary of State James Baker, is working on recommendations on avoiding the collapse of the country. Among the expected proposals is engaging in talks with Syria and Iran in a bid to internationalize efforts to clamp down on the sectarian conflict.

The U.S. and Iraqi governments have accused Syria of maintaining poor control of the border it shares with Iraq. The border has become a major crossing point for Sunni Arab fighters joining the insurgency that has been responsible for the most deaths of U.S. servicemembers since the 2003 U.S.-led invasion.

Elsewhere in Iraq, gunmen kidnapped Iraq's deputy health minister from his home in northern Baghdad, the Iraqi army and police reported Sunday.

They said the gunmen wore police uniforms and arrived in seven vehicles to abduct Ammar al-Saffar, a Shiite. He is one of the most senior government officials to be kidnapped.

Al-Saffar was snatched nearly a week after dozens of suspected Shiite militia gunmen in police uniforms kidnapped scores of people from the predominantly-Sunni Ministry of Higher Education office in Baghdad. In the deep south of Iraq, meanwhile, security forces searching for five private security contractors kidnapped near the Kuwait border detained about 200 suspected insurgents, police said Sunday. Police Maj. Gen. Ali al-Moussawi said none of the hostages — four Americans and an Austrian — was found.

U.S. Embassy spokesman Michael McClellan said Sunday that U.S. officials believe the five hostages are still being held by their captors.

In other developments:

·The Iraqi court that sentenced former Iraqi leader Saddam Hussein to hang this month was guilty of shortcomings so serious that a fair trial for the former president was all but impossible, according to a 97-page report on the trial released today by New York-based Human Rights Watch. The report is based on interviews with judges, prosecutors and defense lawyers.

Saddam and seven others went on trial a year ago for crimes against humanity over the killing of 148 people from Dujail following an attempt there on Saddam's life in 1982. The report said the judiciary lacked the expertise for such a complex trial and urged the government to let experienced international jurists take part in future trials.

·A suicide bomber in a minivan lured day laborers to his vehicle with promises of jobs Sunday morning, then blew it up, killing 22 people and wounding 44 in the mainly Shiite southern city of Hillah, Babil province police Capt. Muthanna Khalid said. He said three suspected terrorists — two Egyptians and an Iraqi — were arrested on suspicion of planning the suicide attack with the bomber, a Syrian.

·The U.S. military announced that five days of joint operations with Iraqi forces between Tikrit and Kirkuk killed nearly 50 Sunni insurgents and led to the capture of 20. The announcement detailed the discovery of large arms caches, usable portions of which were turned over to the Iraqi army.

McCain: Many More Troops Needed In Iraq (USAT/AP)

USA Today, November 20, 2006

WASHINGTON — Sen. John McCain, a prominent Republican presidential contender for the 2008 elections, said Sunday that the United States must send an overwhelming number of troops to stabilize Iraq or face the possibility of more terrorist attacks — in the region and on American soil.

"I believe the consequences of failure are catastrophic. It will spread to the region. We left Vietnam. It was over. We just had to heal the wounds of war," said McCain, R-Ariz., who spent 5½ years in Vietnam as a prisoner of war. "We leave this place, (with) chaos in the region, and they'll follow us home. So there's a great deal more at stake here in this conflict."

McCain's comments on ABC's This Week came as former secretary of State Henry Kissinger told the British Broadcasting Corp. that military victory in Iraq is not possible, "if you mean by 'military victory' an Iraqi government that … gets the civil war and sectarian violence under control in a time period that the political processes of the democracies will support."

Kissinger, an architect of the Vietnam War who has advised President Bush on Iraq, also warned against a rapid withdrawal of coalition troops, saying it could cause a long-lasting conflict.

Meanwhile, Rep. Charles Rangel, D-N.Y., speaking on CBS' Face the Nation, said he will introduce a bill next year that would require men and woman to serve in the armed forces or in alternative service.

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Rangel said as early as 2003 that a draft for those turning 18 is needed to meet military requirements and to eliminate what he said is a disproportionate role minorities and lower-income families shoulder in the military.

"There's no question in my mind that this president and this administration would never have invaded Iraq… (if) members of Congress and the administration thought that their kids from their communities would be placed in harm's way," said Rangel, in line to be the next chairman of the House Ways and Means Committee.

The U.S. military has strained to maintain a level of about 141,000 troops since the March 2003 invasion.

Democrats poised to take control of the House and Senate after this month's midterm congressional elections are pressing for a substantial reduction of U.S. troops in Iraq and a timetable for their withdrawal.

"We must tell the Iraqis that we would begin, starting in four to six months, a phased reduction" of troops, Sen. Carl Levin, D-Mich., the incoming chairman of the Senate Armed Services Committee, told CNN's Late Edition. "If you don't do that, they're going to continue to have the false assumption that we are there in some kind of an open-ended way."

Gen. John Abizaid, the top U.S. commander for the Middle East, has said it would be unrealistic to raise troop levels as proposed by McCain and Sen. Lindsey Graham, R-S.C.

McCain said it was time to use decisive force with a clear exit strategy: "You've got to ask yourself some questions. One, 'Are we winning?' And I think the answer is no. The other is, 'What are the consequences of defeat? Can we still win?' Yes, I believe we can. It'll be tough, but we need to do it."

McCain Says More Troops Needed In Iraq (AP-Y)

By John Heilprin

AP, November 20, 2006

Without additional troops to ensure victory in Iraq, the U.S. could find itself more vulnerable to terrorist attacks at home, Sen. John McCain said Sunday.

Taking the opposite tack, newly empowered Democrats pressed their case for a phased withdrawal of American forces. They hoped a blue-ribbon advisory panel would propose a way ahead for Iraq, while making clear the U.S. military mission shouldn't last indefinitely.

McCain, a front-running GOP presidential hopeful for 2008, said the U.S. must send an overwhelming number of troops to stabilize Iraq or face more attacks — in the region and possibly on American soil.

"I believe the consequences of failure are catastrophic," said McCain, R-Ariz. "It will spread to the region. You will see Iran more emboldened. Eventually, you could see Iran pose a greater threat to the state of Israel."

With about 141,000 U.S. troops in Iraq more than 3 1/2 years into the war, the American military has strained to provide enough forces while allowing for adequate rest and retraining between deployments.

But McCain, who spent 5 1/2 years as a prisoner of war after his Navy plane was shot down in 1967, recalled the Vietnam War's lessons. "We left Vietnam. It was over. We just had to heal the wounds of war," he said. "We leave this place, chaos in the region, and they'll follow us home. So there's a great deal more at stake here in this conflict, in my view, a lot more."

McCain said he based his judgment partly on the writings of Abu Musab al-Zarqawi, the al-Qaida leader in Iraq who was killed in a U.S. air raid, and of Osama bin Laden.

"The consequences of failure are so severe that I will exhaust every possibility to try to fix this situation. Because it's not the end when American troops leave. The battleground shifts, and we'll be fighting them again," McCain said. "You read Zarqawi, and you read bin Laden. ... It's not just Iraq that they're interested in. It's the region, and then us."

Sen. Joseph Biden, the incoming chairman of the Senate Foreign Relations Committee, said he hoped a special commission considering options for the way ahead in Iraq would assert that U.S. troop commitments are not open-ended; propose a clear political road map for Iraq; and recommend engaging Iraq's neighbors in a political solution.

"We are past the point of adding more troops. We are past the point of vague policy prescriptions. It is not an answer just to stay. Nor is it an answer — though it may become a necessity — just to go with no concern for what follows," Biden, D-Del., wrote in Sunday's Washington Post.

"The fundamental question we must answer is whether, as we begin to leave Iraq, there are still concrete steps we can take to avoid leaving chaos behind," said Biden, who plans to run for president in 2008.

Democrats poised to take control of the House and Senate are pressing for a substantial reduction of U.S. troops in Iraq and a timetable for their withdrawal, as a way of forcing the Iraq government to rely more on itself.

"We must tell the Iraqis that we would begin, starting in four to six months, a phased reduction of our troops," said Sen. Carl Levin, D-Mich., the incoming chairman of the Senate Armed Services Committee. "Because if you don't do that, they're going to continue to have the false assumption that we are there in some kind of an open-ended way. And it is that assumption on their part that takes them off the hook."

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Incoming House Majority Leader Steny Hoyer, D-Md., agreed. "As a practical matter, there are no troops to increase with," he said. "Our objective was to remove Saddam Hussein and create an environment in which a democracy could be established. That has been done."

But Hoyer said Democrats would continue funding the existing troop levels, for the time being.

"That's not an option, of not supporting our troops in the field and making sure they're as safe as we can make them," he said. "Very frankly, their lack of numbers exposes them on a daily basis to danger and death, unfortunately. But clearly, we're going to have discussions going forward as to how we change this policy and change it in the short term, not the long term."

Gen. John Abizaid, the top U.S. commander for the Middle East, told the Senate Armed Services Committee last week he believes troop levels should remain steady for now. He said it was possible to add 20,000 troops for a short time, but it would be unrealistic to raise troop levels as proposed by McCain and Sen. Lindsey Graham, R-S.C.

Abizaid said the American military in Iraq is stretched too thin already, and sending over a bigger, more permanent presence would undercut efforts to force Iraqis to take on more responsibility.

Sen. John Kerry, D-Mass., said he thinks U.S. generals have been put "in a a very, very difficult position."

"What I don't have confidence in is the policy. And General Abizaid is giving us a diagnosis that is based on the current policy. But that policy has to change, and it can change," said Kerry, who is considering a White House bid in 2008.

Kerry spoke on "Fox News Sunday," while McCain and Hoyer appeared on ABC's "This Week." Levin spoke on CNN's "Late Edition." Graham appeared on "Face the Nation" on CBS.

McCain Says Troops Dying For `Failed' Iraq Policy (Update1) (BLOOM)

By Judy Mathewson

Bloomberg, November 20, 2006

Nov. 19 (Bloomberg) -- Senator John McCain said U.S. troops are ``fighting and dying for a failed policy" in Iraq and must get enough reinforcements to ensure a military victory.

McCain said that while deploying more troops to Iraq would put a ``terrible strain" on the U.S. military, ``there's only one thing worse, and that is defeat."

``And we've been losing," the Arizona Republican said on ABC's ``This Week" program.

McCain, a 70-year-old Vietnam veteran who is exploring a bid for the presidency in 2008, said a U.S. failure in Iraq would have ``catastrophic" consequences, emboldening terrorists and spreading instability in the region. McCain didn't say how many more troops should be sent in. Previously he has called for an additional 20,000 personnel.

The U.S. has about 141,000 military personnel in Iraq and General John P. Abizaid, the top U.S. commander in the Middle East, told McCain at a Senate Armed Service Committee hearing last week that there is no immediate need for more troops even as violence -- and U.S. military deaths -- has been rising.

U.S. policy in Iraq may be at a crossroads with Democrats winning a majority in Congress Nov. 7 in part because of public dissatisfaction with President George W. Bush's management of the war and a bipartisan commission getting ready recommendations on a future course in the conflict. Bush has rejected setting any deadlines for the U.S. presence in Iraq.

Democratic Majority

While McCain has been urging deployment of more troops to stabilize Iraq, leaders of the new Democratic majority in Congress are calling for the U.S. to begin withdrawing at least some personnel over the next four to six months to pressure the Iraqi government into taking more responsibility for their country's security.

Senator Carl Levin, the Michigan Democrat who will become chairman of the Armed Services Committee, said McCain's approach would ``get us in deeper into Iraq."

``That sends exactly the wrong message to the Iraqis, that somehow or other, there's a military solution," Levin said on CNN's ``Late Edition," adding later: ``So no, not more troops; fewer troops."

Failed Government

Representative Steny Hoyer, the Maryland Democrat who was elected last week to the No. 2 House post in the next session of the Congress, said the situation in Iraq may be past the of point of resolution through more force.

The government of Prime Minister Nuri al-Maliki has failed to do what's needed to end sectarian violence, Hoyer said in a separate interview on ABC. ``If you have a failed government, our continuing to prop up that failed government will not ultimately succeed," he said.

In addition, ``there are no troops to increase with," he said.

Former Secretary of State Henry Kissinger, who negotiated the end to the Vietnam War, told the British Broadcasting Company that a decisive military victory in Iraq is unlikely and that the U.S. course must be redefined.

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``If you mean by clear military victory an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control in a time period that the political processes of the democracies will support, I don't believe that is possible," Kissinger said in an interview broadcast today.

Alternatives

``But I don't believe that the alternative is between military victory as it had been defined previously, or total withdrawal," said Kissinger, who served in the administrations of Republican Presidents Richard Nixon and Gerald Ford.

McCain said he disagreed.

``You can't have a political solution unless you have a military solution," McCain said. ``There's never been one in history."

Republican Senator Lindsey Graham of South Carolina also disagreed with Kissinger, and backed McCain on the need for more troops.

``We've been playing whack-a-mole, as John McCain says it, where you clear one area but you can't hold it because you go to the next area to suppress a surge in violence," Graham said on CBS's ``Face the Nation" program. ``We need a larger troop presence in Iraq to bring about security."

Increased Violence

There were about 180 attacks a day against Iraqi government and U.S. targets during October, Lieutenant General Michael D. Maples, director of the Defense Intelligence Agency, told the Senate Armed Services Committee on Nov. 15. There were 99 U.S. military personnel killed in combat during the month, the highest monthly death toll in two years. More than 3,200 Americans have died in Iraq since the U.S. invasion, with 2,481 killed in action, according to Defense Department figures.

Bombings and sectarian battles have continued, with the latest coming this morning. At least 53 people were killed in bombings and shooting across Iraq and the country's deputy health minister was kidnapped from his home in Baghdad, Agence France- Presse reported.

Maliki on Nov. 17 asked the United Nations Security Council to extend the mandate of U.S.-led military forces in Iraq through 2007, citing a need for protection from terrorists.

Graham, who has been to Iraq four times, was asked on CBS if he believes the situation in Iraq has gotten worse. ``Absolutely," he replied.

``The first time I went there, I walked around town and bought rugs. The fourth time I went, about a year ago, I had to be in a tank," Graham said.

Rep. Rangel Will Seek To Reinstate Draft (AP-Y)

By John Heilprin

AP, November 20, 2006

Americans would have to sign up for a new military draft after turning 18 under a bill the incoming chairman of the House Ways and Means Committee says he will introduce next year.

Rep. Charles Rangel, D-N.Y., said Sunday he sees his idea as a way to deter politicians from launching wars.

"There's no question in my mind that this president and this administration would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if indeed we had a draft and members of Congress and the administration thought that their kids from their communities would be placed in harm's way," Rangel said.

Rangel, a veteran of the Korean War who has unsuccessfully sponsored legislation on conscription in the past, has said the all-volunteer military disproportionately puts the burden of war on minorities and lower-income families.

Rangel said he will propose a measure early next year. While he said he is serious about the proposal, there is little evident support among the public or lawmakers for it.

In 2003, Rangel proposed a measure covering people age 18 to 26. It was defeated 402-2 the following year. This year, he offered a plan to mandate military service for men and women between age 18 and 42; it went nowhere in the Republican-led Congress.

Democrats will control the House and Senate come January because of their victories in the Nov. 7 election.

At a time when some lawmakers are urging the military to send more troops to Iraq, "I don't see how anyone can support the war and not support the draft," said Rangel, who also proposed a draft in January 2003, before the U.S. invasion of Iraq. "I think to do so is hypocritical."

Sen. Lindsey Graham, a South Carolina Republican who is a colonel in the U.S. Air Force Standby Reserve, said he agreed that the U.S. does not have enough people in the military.

"I think we can do this with an all-voluntary service, all-voluntary Army, Air Force, Marine Corps and Navy. And if we can't, then we'll look for some other option," said Graham, who is assigned as a reserve judge to the Air Force Court of Criminal Appeals.

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Rangel, the next chairman of the House tax-writing committee, said he worried the military was being strained by its overseas commitments.

"If we're going to challenge Iran and challenge North Korea and then, as some people have asked, to send more troops to Iraq, we can't do that without a draft," Rangel said.

He said having a draft would not necessarily mean everyone called to duty would have to serve. Instead, "young people (would) commit themselves to a couple of years in service to this great republic, whether it's our seaports, our airports, in schools, in hospitals," with a promise of educational benefits at the end of service.

Graham said he believes the all-voluntary military "represents the country pretty well in terms of ethnic makeup, economic background."

Repeated polls have shown that about seven in 10 Americans oppose reinstatement of the draft and officials say they do not expect to restart conscription.

Outgoing Defense Secretary Donald H. Rumsfeld told Congress in June 2005 that "there isn't a chance in the world that the draft will be brought back."

Yet the prospect of the long global fight against terrorism and the continuing U.S. commitment to stabilizing Iraq have kept the idea in the public's mind.

The military drafted conscripts during the Civil War, both world wars and between 1948 and 1973. An agency independent of the Defense Department, the Selective Service System, keeps an updated registry of men age 18-25 — now about 16 million — from which to supply untrained draftees that would supplement the professional all-volunteer armed forces.

Rangel and Graham appeared on "Face the Nation" on CBS.

Amid Uproar Over War, Rangel Renews Call For Draft (WP)

By Charles Babington

The Washington Post, November 20, 2006

The incoming Democratic chairman of the House Ways and Means Committee said yesterday that he will push to renew the military draft, as lawmakers in both parties sharpened their criticisms of the situation in Iraq and struggled for consensus and solutions.

Sen. John McCain (R-Ariz.), a likely presidential contender, leveled one of his harshest assessments yet, saying U.S. troops are "fighting and dying for a failed policy." He renewed his call for more U.S. troops in Iraq and said it is immoral to keep them fighting at the current deployment levels.

And Sen. Carl M. Levin (D-Mich.), incoming chairman of the Armed Services Committee, repeated yesterday his view that troop withdrawals must begin within four to six months.

The varying proposals underscored the extent to which key policymakers remain at odds two weeks after voters registered deep discontent over the war and restored Democrats to power in Congress.

Rep. Charles B. Rangel (D-N.Y.) has long advocated returning to the draft, but his efforts drew little attention during the 12 years that House Democrats were in the minority. Starting in January, however, he will chair the tax-writing Ways and Means Committee. Yesterday he said "you bet your life" he will renew his drive for a draft.

"I will be introducing that bill as soon as we start the new session," Rangel said on CBS's "Face the Nation." He portrayed the draft, suspended since 1973, as a means of spreading military obligations more equitably and prompting political leaders to think twice before starting wars.

"There's no question in my mind that this president and this administration would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if indeed we had a draft and members of Congress and the administration thought that their kids from their communities would be placed in harm's way," said Rangel, a Korean War veteran. "If we're going to challenge Iran and challenge North Korea and then, as some people have asked, to send more troops to Iraq, we can't do that without a draft."

Rangel has drawn modest support for his draft proposal in recent years and it has been unclear whether its prospects might improve in the 110th Congress.

Harry M. Reid (D-Nev.), who will be the Senate majority leader, agrees that the U.S. military is stretched too thin and that "the burden of meeting the nation's security has not been shared equally by all segments of our society," said Reid spokesman Jim Manley. But Reid "believes that these problems are best addressed by making needed adjustments in the all-volunteer force," Manley said.

On ABC's "This Week," McCain reiterated his argument that the United States faces a catastrophic setback in Iraq unless it deploys more troops to reduce sectarian violence and stabilize the country. "We have to have additional forces, or we will be playing whack-a-mole," he said.

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McCain said in a speech Thursday that it is immoral to keep troops fighting merely to "delay our defeat for a few months or a year." Asked yesterday by ABC's George Stephanopoulos, "Isn't it currently immoral to keep Marines and soldiers, other service people, in Iraq?" McCain replied: "Yes, it is." But the war still can be won with renewed effort and resources, he said.

Lawmakers are anxiously awaiting recommendations next month from the Iraq Study Group, co-chaired by former secretary of state James A. Baker III and former representative Lee H. Hamilton (D-Ind.). If the group does not advocate sending more troops to Iraq, McCain said, he would support a troop withdrawal "if, at the point, I think that we have exhausted every option and that we are doomed to failure. I don't know if it'll be at that point [in December] or not."

Although not asked directly about the draft, McCain said, "We've got the best military we've ever had in our all-volunteer force."

Sen. Lindsey O. Graham (R-S.C.) agreed with McCain, saying on "Face the Nation" that more troops should be sent to Iraq and that a military draft is not necessary.

Levin, on CNN's "Late Edition," said the United States must start withdrawing from Iraq to pressure Iraqis to assume control of their nation.

"We must tell the Iraqis that we would begin, starting in four to six months, a phased reduction of our troops," Levin said. Otherwise, he said, "they're going to continue to have the false assumption that we are there in some kind of an open-ended way . . . which takes them off the hook."

On the presidential front, Sen. John F. Kerry (D-Mass.) said on "Fox News Sunday" that he is considering another presidential bid in 2008 despite widespread criticism of what he called "a botched joke" that some received as denigrating troops in Iraq.

And Rep. Steny H. Hoyer (D-Md.) -- who won a contest for House majority leader over a candidate backed by incoming Speaker Nancy Pelosi (D-Calif.) -- said he is confident there will not be retaliation against his supporters.

"We're going to talk about that," Hoyer said on "This Week." "But I'm sure that's not going to happen."

In a secret-ballot election by House Democrats on Thursday, Hoyer defeated Rep. John P. Murtha (Pa.), 149 to 86.

Bill On Draft To Resurface As Calls For Troops Rise (WT)

By Eric Pfeiffer

The Washington Times, November 20, 2006

The incoming Democratic chairman of the House Ways and Means panel says he will introduce a bill to reinstitute a military draft in order to provide the U.S. with more troops, while Sen. John McCain continued his call for increase of troop levels in Iraq.

Rep. Charles B. Rangel of New York first called for a draft in January 2003, when Democrats were the minority party in both houses of Congress. Now that his party controls Capitol Hill, he was asked yesterday on CBS' "Face the Nation" if he was still serious about the proposal.

"You bet your life. Underscore 'serious,' " he said.

"I don't see how anyone can support the [Iraq] war and not support the draft," said Mr. Rangel, alluding to Mr. McCain's call for increased troop levels in Iraq and to the need to combat threats elsewhere in the world. "If we're going to challenge Iran and challenge North Korea and then, as some people have asked, to send more troops to Iraq, we can't do that without a draft."

Mr. Rangel said his bill, which he will introduce again early next year, would allow Americans turning 18 to choose between several forms of national service, including airport security, or jobs in schools and hospitals.

Sen. Lindsey Graham, South Carolina Republican, said in his own "Face the Nation" appearance that military conscription was unnecessary.

"I think we can do this with an all-voluntary service, all-voluntary Army, Air Force, Marine Corps and Navy. And if we can't, then we'll look for some other option," said Mr. Graham, who also serves as a reserve judge to the Air Force Court of Criminal Appeals.

Repeated polls have shown that about seven in 10 Americans oppose reinstatement of military conscription, and the Pentagon has long opposed any draft. Outgoing Defense Secretary Donald H. Rumsfeld told Congress in June 2005 that "there isn't a chance in the world that the draft will be brought back."

Meanwhile, Mr. McCain, Arizona Republican, continued to call for increased U.S. military presence in Iraq to stabilize the country and prevent what he described as a dire threat to U.S. national security.

"You've got to ask yourself some questions. One, are we winning? And I think the answer is no," he said during an appearance on ABC's "This Week." "The other is, what are the consequences of defeat?"

"I believe the consequences of failure are catastrophic. It will spread to the region. You will see Iran more emboldened," said Mr. McCain, who last week formed an exploratory committee in advance of a likely 2008 presidential campaign. "We leave

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this place, chaos in the region, and they'll follow us home. So there's a great deal more at stake here in this conflict. In my view, a lot more."

Mr. McCain said he based his judgment partly on the writings of Abu Musab Zarqawi, the al Qaeda in Iraq leader who was killed in a U.S. air raid in June, and of Osama bin Laden.

"The consequences of failure are so severe that I will exhaust every possibility to try to fix this situation. Because it's not the end when American troops leave. The battleground shifts, and we'll be fighting them again," Mr. McCain said. "You read Zarqawi, and you read bin Laden. ... It's not just Iraq that they're interested in. It's the region, and then us."

But Mr. Rangel, a Korean War veteran, said he hoped his military-draft bill would discourage lawmakers from voting to authorize future military conflicts.

"There's no question in my mind that this president and this administration would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if indeed we had a draft and members of Congress and the administration thought that their kids from their communities would be placed in harm's way," he said.

Mr. McCain, a Vietnam War veteran, also has two sons in military service. His son Jack is currently in the U.S. Naval Academy, while another son, James, enlisted in the Marine Corps this year.

Incoming House Majority Leader Steny H. Hoyer said there are insufficient troops available for Mr. McCain's suggestion.

"As a practical matter, there are no troops to increase with," the Maryland Democrat said during his appearance on "This Week." "Our objective was to remove Saddam Hussein and create an environment in which a democracy could be established. That has been done."

Mr. Hoyer added that Democrats will continue to fund the war despite their doubts.

"That's not an option, of not supporting our troops in the field and making sure they're as safe as we can make them," he said.

Who Lost Iraq? (USNEWS)

By Chitra Ragavan

US News and World Report, November 27, 2006

On April 9, 2003, the world watched as U.S. marines and Iraqi citizens toppled an imposing statue of Saddam Hussein in Baghdad's Firdos Square. Three and a half years later, the promise of democracy in Iraq seems a cruel joke, and the administration in Washington that launched the invasion seems utterly bereft of clues as to how to sort out the mess. "The fall of the statue," says a former White House National Security Council staff member, "is where the story diverges from the White House's expectations."

President Bush's acceptance of Defense Secretary Donald Rumsfeld's resignation was intended to signal a change in course on Iraq. But many national security experts say that Condoleezza Rice, Bush's national security adviser at the time of the invasion, and the National Security Council share much of the blame for the problems in Iraq. "She did not perceive, and the National Security Council did not assess, what is in the United States' interests and what is in the interests of our enemies," says retired Lt. Gen. William Odom, an outspoken critic of the war who served as military assistant to Zbigniew Brzezinski, President Jimmy Carter's national security adviser. "Once you make that basic mistake, there isn't any way to make the war come out good. It's all over."

With her ardent support for the invasion, Odom and others say, Rice was unable to play the traditional role of national security adviser-impartial broker in the rough-and-tumble of interagency government. That was further complicated by the fact that Rumsfeld all but ignored the input of other agencies, then never took responsibility for postwar reconstruction, leaving Rice to try to manage the Iraq rebuilding effort from the White House. "The people who took responsibility for the rebuilding of Iraq-that is, the office of the secretary of defense-expressed no interest in solving problems as problems appeared," says Franklin Miller, one of Rice's principal aides handling the reconstruction effort. "They never brought any issues to the table, and they never took any taskings away."

The problems were compounded, former NSC staff members say, by conflicting information provided by virtually everyone involved in the Iraq effort, including military generals who often gave NSC staffers information at odds with what soldiers on the ground and lower-level military and civilian officials were reporting. "The internal whitewashing was as great as the external whitewashing," says a former senior NSC staff member. "We wasted two years, spinning the situation, using smoke and mirrors to say, 'Hey, it's not as it's being reported. Everything is OK.'"

"Knocking heads." This is the story of how Rice, a veteran White House insider with close personal ties to the president, failed to pull together the administration's fractious postwar efforts and why her successor, Stephen Hadley, has yet to navigate or even identify a way out of Iraq. "Hadley's NSC," says a former senior NSC staff member, "has become a rubber stamp for the Defense Department." Bush has tasked Hadley, Rice, now secretary of state, and other advisers to come up with a solution for

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Iraq, even as the congressionally directed Iraq Study Group, cochaired by James Baker, the former secretary of state, is racing to finish up its own report. Completing the trifecta is a report to be issued next month by the Pentagon on U.S. military strategy in Iraq.

Escaping Washington, But Not Escaping Iraq (TIME)

By Mike Allen

Time, November 27, 2006

In one of the last strongholds of communism, George W. Bush worshiped in a wooden pew at a hybrid Catholic-evangelical service--"a moment," he later called it, "to converse with God in a church here in Hanoi." Earlier, his presidential motorcade had sped beneath a hammer and sickle formed from red and yellow lightbulbs, a reminder that the world does not change as fast as he would like. The reluctant traveler dropped into the capital of his least favorite analogy as part of a sweep through Southeast Asia that allowed him to look commanding, even regal, at a time when postelection Washington is buzzing about the onrushing twilight of his presidency. "Happy to find a receptive audience," he slyly told fawning musicians in Singapore, an earlier stop, after he answered their entreaties to tap out a tune on their Asian xylophone, with surprisingly melodic results.

Bush had come to Hanoi, once the capital of godless North Vietnam, for an annual international forum, the Asia-Pacific Economic Cooperation meeting. Attendance at such summits is perhaps the part of the presidency he will miss least, press conferences excepted. And this time, he had more to fret about than staged intimacy and flabby bloviating. What about a nation that overwhelmingly backs its President when he sends troops into battle, then sours on the idea when swaths of society decide that intervention was a mistake? That was the U.S. in 1968, and it's the country Bush could wind up leading if the public decides that comparing Iraq with Vietnam is no longer so rash and ignorant a thing to do as Bush's aides have been insisting it is for the past three years.

Fifteen years ago, in the flush of his Gulf War triumph, President George H.W. Bush crowed to state legislators, "By God, we've kicked the Vietnam syndrome once and for all." But now, as Washington's wise men look for a way out of a situation in Iraq , the symptoms of that malady seem to be reappearing. Asked in the Rose Garden in June if he saw a parallel between Iraq and Vietnam, the President replied curtly, "No." But he is now embracing the inevitable, and he answered yes last week when asked roughly the same question at the Sheraton Hanoi. "One lesson is, is that we tend to want there to be instant success in the world," he said. "And the task in Iraq is going to take a while."

So is the modernization of Hanoi, where the streets are strung with drooping skeins of hundreds of electrical wires, some of them powering a single home that has run a line into the tangle. The streets are also clogged with schools of motor scooters, with most of the riders free of helmets but laden with comically massive loads--a quartet of big-screen TV sets, exquisitely balanced piles of lumber, pyramids of water bottles.

Although Bush plans to visit the thriving stock exchange in Ho Chi Minh City--formerly Saigon--this country is still officially the Socialist Republic of Vietnam. As protocol demanded, he met with the General Secretary of the Communist Party and was photographed with a massive bust of the revolutionary leader Ho Chi Minh. The President said one of the most poignant moments of the trip was passing the lake that Senator John McCain, as a Navy pilot, was pulled from after his plane was hit while on a bombing run. "He suffered a lot as a result of his imprisonment," Bush said, "and yet we passed the place where he was, literally, saved, in one way, by the people pulling him out." In fact, McCain was met onshore by a large, hostile crowd, which hit, kicked and even bayoneted him. Aides admitted later that the President's telling, although accurate, was incomplete.

Behind the scenes, Bush mused to aides that he loved what he was seeing and regretted he would never be able to come to a place like this as a normal tourist. Instead he pursued a fairly restricted itinerary, visiting the U.S. military's Joint POW/MIA Accounting Command and skipping the Turtle Temple and the stir-fried camel. Asked at a briefing why the President wasn't out more among the people, National Security Adviser Steve Hadley said the motorcade routes through the heart of the city meant that the President was "in the midst of the Vietnamese people all the time" and added that Bush "has been doing a lot of waving." His hosts seemed to want to reciprocate. When CNN International began airing a taped package using footage from the Vietnam War to suggest similarities between Iraq and Vietnam, the local feed was obscured by an overlay of music and a Vietnamese flag. For at least a few days, a graying President could enjoy Vietnam instead of wrestling its ghost.

The Fogginess Of War (USNEWS)

By Anna Mulrine

US News and World Report, November 27, 2006

When publicly assessing the Iraq war, U.S. military leaders are often at pains to point out that the enemy has a vote, by its actions, and that vote tends to change conditions on the ground. But last week, it was Republicans licking their wounds from an

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election trouncing and Democrats flush with a new mandate who repeatedly reminded the top military commander for the Middle East that the American people have voted and, by their actions, expect to see a new course in Iraq.

What course exactly? Washington is buzzing with possibilities-a number of which were swatted down by Gen. John Abizaid, head of Central Command, in testimony last week before the House and Senate Armed Services committees. The most popular option, a sizable troop withdrawal in the next six months, would inflame sectarian violence, he warned. Partitioning the country along ethnic-religious lines, he said, is "not viable" and would create a Sunni state that would be little more than an al Qaeda safe haven. And though Abizaid did not rule out temporary troop surges to reinforce efforts to tamp down the turmoil-even as 2,200 Marines were being dispatched to the volatile Anbar province from ships stationed offshore in the Persian Gulf-he added that more troops could ultimately undermine the credibility of the fledgling Iraqi government. Just how weak the government is was highlighted by last Tuesday's brazen mass kidnapping of dozens of employees from the Sunni-run Ministry of Higher Education by gunmen wearing old and new national police uniforms.

"Whole different mission." Such is the stark reality facing the 18,500 soldiers from the 1st Cavalry Division as they depart Fort Hood, Texas, to take over security responsibilities in Baghdad. Much has changed on the ground since many of his soldiers were there before, says Lt. Gen. Raymond Odierno, who commanded the 4th Infantry Division during a previous tour in Iraq from 2003-04-and who next month becomes the No. 2 commander of American forces there. "It's a whole different mission," he tells U.S. News from his Fort Hood headquarters chockablock with packing boxes. "As a division commander then, I was much more focused on toppling a regime. Now we know that it's about getting confidence in the Iraq government so that it becomes credible. It's much more complex and we've got to understand that."

Key to that credibility is security in Baghdad-the "No. 1" priority for U.S. troops, says Odierno. On that front, "there is progress," he says, "but it's baby steps." To get the city under control, he adds, the Iraqi government must stand up its security forces, "and we've got to help them." Abizaid's testimony emphasized the need for more U.S. military training teams to be embedded within the Iraqi security forces as a vital part of any American exit strategy. U.S. military officials estimate that they may boost numbers from a dozen per Iraqi battalion (which can range from 200 to 700 soldiers), to some 60 U.S. military trainers. In addition, says Odierno, "You might have a division where you have a very large [U.S. transition team] that travels around, spending a couple of days with different battalions." He adds, "We have to continue to analyze what are the real capabilities in these teams."

U.S. And Iran Haggle Over Iraq (NSWK)

By Michael Hirsh, John Barry

Newsweek, November 27, 2006

Over a dinner of savory kebab, they talked of the trips they've taken, and their favorite places. James Baker, the longtime confidant of the Bush family, spoke nostalgically of his visits to Iran before 1979, the year the Islamic revolution and hostage crisis put an end to diplomatic ties. Javad Zarif, Iran's ambassador to the United Nations, politely aired past grievances, complaining that U.S. administrations dating back to George H.W. Bush—when Baker was secretary of State—had failed to take Iran seriously. Zarif said the Americans never showed appreciation for Tehran's help in freeing U.S. hostages in Lebanon in the early '90s—and, more recently, for countering the Taliban in Afghanistan, according to two participants at the meeting who agreed to describe it on the condition of anonymity. Zarif's not-so-subtle message: Iran isn't giving anything for free anymore. Tehran is interested only in a broader deal that links the U.S. desire for help in Iraq with Iran's desire to be allowed to enrich uranium, among other issues.

Baker, known for his deft bargaining skills, refused to bite on that point even as he supped heartily. (The dinner took place Oct. 5 at the Iran envoy's Manhattan townhouse.) He said that the only issue he had come to talk about was Iraq. Baker argued that a failed state next door would hurt Iran more than America—which, after all, can always just leave the region. (Through a spokesperson, Baker declined to comment on this account.) Despite the friendly ambience, Zarif suspected in the end that Baker was "trying to buy Iran's cooperation on Iraq at a very cheap price."

Iran is now raising that price—dramatically. Tehran knows that George W. Bush faces new political pressure from an incoming Democratic Congress to withdraw from Iraq sooner rather than later. Tehran also hears, through the media, that the forthcoming report by the Iraq Study Group (co-chaired by Baker and Lee Hamilton) is expected to recommend fuller engagement with Iran and Syria. Even Tony Blair, Bush's most loyal ally, is urging the president to broaden the dialogue with these two countries and make the Israeli-Palestinian dispute part of it. A rough draft of the Baker report delivers a similar recommendation, according to a description of it given to NEWSWEEK by a group member.

Both the Iranians and Syrians are clearly feeling cocky. Negotiations to halt Iran's nuclear program remain stalemated, and Iranian President Mahmoud Ahmadinejad declared last week that "many countries have agreed to live with an Iran that has mastered enrichment." One key nation that Tehran thinks it can count on is Russia, which wants to protect its huge investments

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in Iran and is resisting tough sanctions in the U.N. Security Council. "The Iranians," says a European diplomat involved in the talks, "are behaving as if they are already a nuclear power." Syrian President Bashar al-Assad, meanwhile, is enjoying the resumption of what Syrian Embassy spokesman Ahmed Salkini calls "unofficial contacts" from Washington.

Some U.S. officials are now hinting that Washington may have to blink before Tehran does. All last week, following up on a two-day White House meeting over Veterans Day weekend, national-security adviser Stephen Hadley and key officials thrashed over new approaches to Iraq in anticipation of the Baker-Hamilton report and fresh Democratic initiatives. U.S. officials say the president is still intent on forcing Iran to back down on its nuclear program, using financial sanctions or even stronger means. But according to a senior U.S. official who would discuss such sensitive topics only if he was not identified, some inside the administration believe it may be too late to stop Tehran. Should diplomacy fail, Washington might have to accept Iran as a "virtual nuclear-weapons state" if Bush gets help on Iraq and other issues, this official says. That means Tehran might be permitted to develop the technology for making nuclear fuel—and potentially a bomb—as long as it holds to its pledge to limit its program to peaceful purposes. But this is still seen as a remote fallback position.

There are public signals that Washington is edging closer to Tehran's terms for talks. In congressional testimony last week, CIA Director Michael Hayden seemed to contradict the official Bush-administration line of refusing to link Iraq and the nuclear issue. "Talking to Iran about Iraq cannot be isolated, I believe, from the broader nuclear question," Hayden said. (CIA spokesman Mark Mansfield later contended that Hayden's statement "was totally consistent" with current administration policy; he said Hayden was referring to Iran's unwillingness to discuss Iraq without talking about the nuclear issue.) State Department spokesman Gonzalo Gallegas also said forthrightly last week that "the timing and conditions" for talks with Iran are "under review."

But even if Washington does cut a deal, can Tehran stop the sectarian killing? On Capitol Hill, Hayden said an "Iranian hand is stoking violence" in Iraq. But the private view of U.S. intelligence agencies is that Tehran is "torn" over how much it wants to stir up trouble, says an official familiar with classified intelligence briefings on Iran who would discuss the issue only anonymously. The Iranians, he says, "don't want complete chaos." If both sides share that fear, then perhaps James Baker can get help at the right price after all.

How Iraq Will Impact 2008 Race (NSWK)

By Jonathan Darman

Newsweek, November 27, 2006

For a moment, at least, John McCain and Hillary Clinton shared a common cause. It was one week after the midterm elections. They were back in the Senate, back in their seats on the Armed Services Committee, back to venting about Iraq. The target was Gen. John Abizaid, head of U.S. Central Command in the Mideast. McCain chafed at Abizaid's assertion that there were encouraging signs in the troubled conflict. Is "it encouraging," McCain wondered, "that people dressed in police uniforms are able to come in and kidnap 150 people and leave with them ... through checkpoints?" Clinton was also quick to pounce. "The situation in Iraq is not improving," she told Abizaid. "Hope is not a strategy."

Hope is no strategy: a lesson Clinton and other potential presidential candidates are quickly coming to learn. As the Bush presidency approaches its seventh year and the war continues, Iraq is no longer just George W. Bush's problem. Washington waits for a miracle pill from James Baker and Lee Hamilton's Iraq Study Group. But leaders in both parties know that a truly happy solution to the conflict is nowhere in sight—and may never be.

That could mean trouble for the 2008 front runners, Clinton and McCain. The Arizona senator stands apart from the political pack in calling for an increased U.S. presence in Iraq—arguing that the military should invest as many as 100,000 more troops on the ground to adequately secure the country. Clinton, meanwhile, has angered many in her party's antiwar wing by refusing to repudiate her initial vote to go to war—but has yet to fully articulate how exactly she would clean up the Iraq mess. Both senators were present at the conflict's creation and, if history is a guide, voters may well yearn for a fresh set of eyes to see it through to its conclusion. But, in the nascent presidential campaign, few would-be candidates have stepped forward with their own strategies for ending the war. Baker and Hamilton may offer contenders a road map to follow, but for now, candidates are still groping for a comfortable position on the way ahead in Iraq. A user's guide to the candidates' positions on the war, and who they talk to on the subject:

JOHN MCCAIN

McCain was an early administration ally on Iraq, arguing that removing Saddam Hussein was vital to the broader war on terror. But even as he advocated for intervention, he was kibitzing with Republican war critics like Bush 41 national-security adviser Brent Scowcroft, who worried that the Iraqi adventure would prove destabilizing. After the invasion, McCain began a relentless drumbeat for more U.S. troops.

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McCain is that rare Republican with sympathy for both his party's realist and idealist wings. A child of the military establishment and a former prisoner of war, he is well-acquainted with the human costs of war and chats frequently with "realist" war critics like Scowcroft and Colin Powell. But he also consults with intellectuals like Bill Kristol, the influential neocon thinker, and continues to speak of Iraq's potential for transforming the Middle East. If McCain does make a White House run, his foreign policy would be coordinated by Randy Scheunemann, an analyst at the conservative think tank Project for the New American Century who founded the bipartisan Committee for the Liberation of Iraq, an independent group that advocated for regime change.

HILLARY CLINTON

From her first hours in the Senate, Clinton was careful to work on her national-security credentials, joining the Armed Services Committee and positioning herself as a strong friend of the military. She voted for the Iraq war and never expressed regret over doing so, even as the war became increasingly unpopular with her party's base. But by persistently criticizing the Bush administration's handling of the war, she has so far managed to avoid the wrath of the antiwar activists that dogged Joe Lieberman in 2006.

But now that she's in the majority, and seriously eying a run at the White House, what would she do about Iraq? She has so far advocated the creation of an oil trust—granting a share in oil profits to all Iraqis. She's backed a phased redeployment of troops—though she hasn't said how many troops would be redeployed or where they would go—and championed engagement with Syria and Iran. But she has yet to offer a comprehensive plan of her own. "It's for the president of the United States to present a plan to the American people," said her spokesman, Philippe Reines.

Clinton has developed a close working relationship with Rhode Island Sen. Jack Reed, a West Point graduate and the Senate Democrats' point man on Iraq. She also talks to veterans of her husband's foreign-policy team such as former U.N. ambassador Richard Holbrooke, a shortlist candidate for secretary of State in any Democratic administration. Indeed, some Democrats think the very vastness of Clinton's network has constrained her from articulating a clear plan for ending the conflict. "It's like the Kerry campaign," says a veteran of that presidential effort, who now works on foreign policy in the Senate and requested anonymity discussing the politics of national security. "It's hard to get anything past the bottleneck of has-beens and wanna-bes."

BARACK OBAMA

One of Obama's chief assets as a potential challenger to Clinton: consistency on Iraq. He's said that he and the former First Lady had "differing assessments" of the need to go to war in the first place—and, indeed, as a state senator in the fall of 2002, he spoke out passionately against the war while Clinton was voting for it. He has resisted taking a strong position on an exit strategy for Iraq, saying simply, "I'm not a military man." Obama has called on Senate foreign-policy aide Mark Lippert and human-rights expert Samantha Power in formulating positions on international affairs.

RUDY GIULIANI

Long mistrusted bythe right for his stands on abortion and gay rights, Giuliani has tried to shore up his conservative credentials with a vociferous defense of Bush's Iraq policy. He's said withdrawing troops would be akin to the Union pulling out halfway through the U.S. Civil War—and called on America to "do whatever it takes" to win. His staunch defense of the war has helped win brownie points with the White House. But aides say his commitment to the Iraq cause is genuine. He is influenced, friends say, by a crop of A-list advisers at Stanford's hawkish Hoover Institution—among them former secretary of State George P. Shultz, Reagan national-security adviser Richard Allen and Reagan policy adviser Martin Anderson.

MITT ROMNEY

More than any other top-tier candidate, Romney, the retiring governor of Massachusetts, can legitimately claim he's had nothing to do with the mess in Iraq. But as he travels the country selling himself as the strongest potential challenger to McCain, Romney has had to scramble to make up for his lack of foreign-policy bona fides. In May he traveled to Iraq and borrowed a White House talking point, warning that the U.S. couldn't "cut and run." In September, he conferred with L. Paul Bremer, the former U.S. viceroy in Iraq, about the war. Aides say Romney is still in the early stages of educating himself about the conflict and has no plans to offer concrete strategies soon.

JOHN EDWARDS

Support for the Iraq war caused Edwards trouble in the 2004 Democratic primary. So in the spring of 2005, the former North Carolina senator asked aides to begin rethinking his policy on the war. The result: a Washington Post op-ed saying "I was wrong" and calling for a drawdown in troops and increased engagement with Iraq's neighbors in the Middle East. At the time, some close to Edwards worried that the former vice presidential candidate was taking too firm a stance on a rapidly shifting war. But now, with many Democrats making the case for phased withdrawal, Team Edwards feels the rest of the party is coming around to his view. Edwards has focused on expanding his own foreign-policy credentials, but consults with such Clinton-era

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thinkers as Holbrooke and Strobe Talbott. Edwards's Iraq repudiation may help him emerge as the antiwar alternative to Clinton's stubborn hawk.

SAM BROWNBACK

A conservative Catholic, the Kansas senator's chief appeal will lie with religious Republicans who like his views on social issues. But Brownback has long been an Iraq hawk, cosponsoring the 1998 Senate bill that made "regime change" U.S. policy in dealing with Saddam Hussein. After Saddam was toppled, Brownback encouraged similar regime change in Iran, declaring, "We'll never have true stability in the region as long as Iran remains in power." Brownback's chief foreign-policy interest, however, is aiding Africa, a cause on which he's worked with other conservative Christians as well as liberals like Madeleine Albright and Columbia economist Jeffrey Sachs.

JOE BIDEN

The Democrats' biggest long shot happens to be the author of the party's most comprehensive Iraq plan. Earlier this year, he and former Council on Foreign Relations president Leslie Gelb produced a plan calling for the division of Iraq into three autonomous states. The incoming chairman of the Senate Foreign Relations Committee, Biden is plugged into the group of retired generals who voiced their opposition to Rumsfeld's management of the war earlier this year.

With Eleanor Clift, Susannah Meadows, Daren Briscoe and Lee Hudson Teslik

Democrats, Beware The Curse Of D Street (WP)

By Al Kamen

The Washington Post, November 20, 2006

Incoming Democrats: Alert! Do not, repeat, not, buy a home on the 100 block of D Street SE on Capitol Hill. It may be jinxed.

How else to explain how this solidly Republican enclave -- once home to as many as six GOP House members -- is no more? A few weeks ago, a "for sale" sign went up at the townhouse belonging to Porter Goss, a former House member from Florida who moved over to the CIA a couple of years ago. Then Rep. Mark Foley felt obliged to quit before the election and his district fell to the Democrats.

Rep. Nancy L. Johnson (Conn.) lost on Nov. 7. Ditto her next-door neighbor, Rep. E. Clay Shaw Jr. (Fla.). Two doors down, Rep. Chris Chocola (Ind.) met a similar fate. And across the street Rep. Jim Ryun (Kan.) lost his race.

Painters were spotted Friday touching up Chocola's place in preparation for an open house yesterday.

Democrats who insist on buying one of these fine homes -- even before local and federal health officials finish investigating whether these homes have "loser building" syndrome -- at least should lowball.

Talk about mean streets.Republicans Need Not Apply

Speaking of Democrats moving into town, job seekers' resumes are flooding Democratic offices, vying for hundreds and hundreds of Hill jobs opening up. On the House side alone, there are perhaps 400 committee jobs flipping to the Dems, plus 150 or so positions on the personal staffs of the new Democratic members.

The picture on the Senate side is murkier, but the committee switches could net the Democrats about 150 jobs, and the six new Democratic members are likely to employ perhaps a couple of hundred folks on their personal staffs. And there'll be other Senate and House jobs to be had.

Meanwhile, as the Washington door revolves, hundreds of GOP resumes are floating down to K Street.Invasion Critic May Head to Baghdad Post

Within the administration, career Foreign Service officer Ryan Crocker, an Arabist who is ambassador to Pakistan, is being talked about to head to beautiful downtown Baghdad if Zalmay Khalilzad goes to any of the jobs he's supposed to be offered.

Crocker, a former ambassador to Syria, Lebanon and Kuwait, was one of the few people at the legendary Coalition Provisional Authority who actually knew anything about Iraq. The State Department sent him over there as an aide to Presidential Medal of Freedom recipient L. Paul Bremer, though Crocker thought the invasion a truly bad idea for all the obvious regional and international reasons.

As noted in our colleague Karen DeYoung's book about Colin Powell, "Soldier," Crocker co-wrote a memo in December 2002 to then-Secretary of State Powell warning of disaster if the United States invaded Iraq. The memo, titled "The Perfect Storm," detailed all the things that were likely to explode if the United States took over Iraq -- sectarian violence, a power vacuum, and so on.

Set Out the Blue China

The Democratic wins will alter the social scene in many ways, from large to small to meaningless. Washington Life Magazine's September issue had a list of the "100 Most Invited" to various events.

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President Bush and Laura Bush topped the list, followed by Vice President Cheney and Lynne Cheney, though neither of them are big on the local scene, the magazine reported. Third on the list were Sen. George Allen and his wife, Susan Allen.

Something tells us that's likely to have changed already.Another Undecided Election Contest

Loop Fans have been asking when winners will be announced for the Loop Congressional Election Contest. Problem is that five of the House races are yet to be decided. So please be patient.

Cycle Of Revenge Fuels A Pattern Of Iraqi Killings (NYT)

By Sabrina Tavernise

The New York Times, November 20, 2006

BAGHDAD, Nov. 19 — As Iraq sinks deeper into war, a new pattern of revenge has become the driver of violence in the capital.

In a cycle that has been tracked by the American military since May and June, after months of apparently random sectarian violence the pattern has become one of attack and counterattack, with Sunni militants staging what commanders call "spectacular" strikes and Shiite militias retaliating with abductions and murders of Sunnis.

Militias come to funerals and offer to carry out revenge attacks. Gunmen execute blindfolded people in full public view. Mortars are lobbed between Sunni and Shiite neighborhoods. Sometimes the killers seem to be seeking specific people who were involved in earlier attacks, but many victims lose their lives simply to even out the sectarian toll.

"The problem is that every time there's a sensational event, that starts the whole sectarian cycle again," said Maj. Gen. William B. Caldwell IV, the chief spokesman for the American command in Iraq. "If we could stop the cyclical nature of this in Baghdad, we could really change the dynamics here."

General Caldwell said that a recent and intensive series of American raids against Al Qaeda cells, as well as against Shiite militias that have struck back at Sunnis, had seriously damaged some of their networks. But American commanders have made similar claims on several occasions in the course of the war only to have the killing resume later at a higher level.

Scores of survivors and witnesses have noted the emerging cycle of revenge in interviews, describing highly personal attacks that involve a bullet in the head far more often than a bomb. In the past eight days, at least 715 Iraqis have been killed or have been found dead, according to The Associated Press. The death toll has reached 1,320 already this month, higher than the 1,216 who died in October, according to The A.P.'s count.

The sectarian violence that exploded after the bombing of a major Shiite shrine in Samarra in February has firmly locked into this new cycle of revenge, in which Sunnis and Shiites in many Baghdad neighborhoods are now openly at war.

Iraqis are hardening against one another as the deaths chip away at any remaining trust between the sects and radicalize even larger portions of their fringes. The killings are sometimes as brutal as they were under Saddam Hussein's rule: bodies are found with drill holes, acid burns and broken bones. The bodies are dumped in sewage areas and trash pits.

The hatred evident on both sides presents new challenges to the American military, which must face this increasingly complex Iraqi landscape in which larger numbers of people are involved in killing.

"We shouldn't talk in a false way, that we are all brothers," said Faaz, a young Shiite graduate student, who follows Abu Dera, a militant leader, and who, like most people here, would not give his full name. "We have to admit there is a wound. It is a vicious, destructive war."

New words for the culture of killing have popped up. Sakaka: death squad member. Tali: lamb, or a Sunni victim. Batta: car used by Shiite militias.

In Naariya, a neighborhood in southeastern Baghdad, the pattern began in a flash of gunfire on a sunny September morning, when eight friends were killed while putting up a poster of a Shiite cleric. In the following days, Sunni men in the area began to disappear. The bodies of at least 20 were found in Shiite areas, three of their families said in interviews.

Some of the men were taken in front of their families, forced into cars with guns pointed at their heads. Others simply disappeared. Families counted 20 to 40 dead, including, in one family, a grandfather, his son and his 14-year-old grandson. Americans tracking the Sunni deaths verified 17, according to residents they questioned.

An uneasy suspicion fell over the neighborhood. The police station, largely infiltrated by the Shiite militia called the Mahdi Army, did not even have a record of the disappearances. Muhammad Faisal, the brother of one of the slain Shiites, said he did not believe the reports of the Sunni deaths. The funerals for the eight Shiites drew large crowds. The Sunni ones did not.

"Where were their funerals?" he said, sitting in his tiny room in the neighborhood, holding his dead brother's 5-month-old baby. "We didn't see their numbers."

He was arrested by the Americans for questioning in connection with the killings and later released.

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The kidnappings seemed calculated to wipe away any remaining trust. Sunnis started to leave the neighborhood — about 50 families, according to a rough count by Sunni residents and a police official. Some time later, the word spread through mosques that it was safe to return.

Hamid Salman al-Dulaimy, 65, was happy to go back after having to sleep on couches. But several hours after he reinstalled himself at home, gunmen arrived in four cars, pointed guns at the heads of two of his sons and asked for identification cards. They took Mr. Dulaimy and his brother. Their bodies were found in a Shiite area several days later.

"You said we could come back here," one of the sons, Zaid, recalled saying to the gunmen.

Zaid Dulaimy was taken several days after he was interviewed. He is still missing.

In some cases, the force behind the cycle of revenge has its roots in Iraq's tribes, the network of communities that form the fabric of society here. With the world around them turning increasingly chaotic and the government largely impotent, Iraqis are retreating to the safety of their tribes — and the militias to which their members belong.

"This fighting, killing Sunnis and Shias, this is deep in the history of these tribes," said Husham al-Madfai, an architect and history buff. "They call it revenge. This is in the history of the country, in the blood of the people."

The killing is an ugly thing, not something Iraqis speak about openly. But its traces are everywhere, even in public places. Arkan lives in Ur, a neighborhood in northeast Baghdad that borders the area where the Shiite militant Abu Dera lives. He has seen at least four killings of Sunnis, and one failed one, an Egyptian man who was left for dead.

In January, the authorities in Ur found 18 bodies; in June, 30; and in August, 90; according to the local police authorities.

The intensity of executions in Ur jumped several days after the shooting deaths of Shiite pilgrims in August. One man in the area where the Sunnis were killed, a construction materials market, said he saw 14 killings in the days that followed.

In Sugel Uleh, a market area in Sadr City where a Sunni bomb gouged out a large crater this summer, Shiite gunmen shot dead at least eight men in its center. The attacks were carried out during funerals for some of the Shiites killed in the bombing, a witness said.

It is a long way between the pain of loss and the cold steel of killing, but militias, which move freely through the country's lawlessness, shorten the path.

Two sedans of Mahdi militiamen arrived at a funeral this spring of a man who was killed along with five of his friends in a Sunni area, on their way back from a fish restaurant. According to an account by a relative, the militiamen called the mourning family out to the street and opened the sedans' trunks. People were inside, the relative said. The men offered to kill them. The family refused.

For those who do not agree to killings, militias offer other things. Arkan began receiving $50 a month from the Mahdi Army after his father, a truck driver, died from wounds suffered in a sectarian attack in September.

Arkan said his family advised him against trying to seek revenge; it is dangerous business and he is the only working member in the family. Still, he has known others who have.

"There are many people like this," he said. "They bring a normal Sunni and say, 'This is revenge for my brother.' Some say it's enough, killing two or three. Some continue."

An increasingly common tool for retaliatory attacks is the mortar. In the three days that followed the death sentence for Mr. Hussein, a source of bitterness for Sunni Arabs, 10 different strikes around the capital killed at least 15 Iraqis and wounded 87, including three Shiite boys who were watching a soccer game in Sadr City.

General Caldwell said the military's raids had reduced the mortar attacks and put pressure on the militias, because killings appear to be carried out more quickly now by the looks of the bodies.

Jamal, a nephew of the Shiite killed with his five friends, said Shiites, long oppressed under Mr. Hussein, had simply had enough. "You can't expect people with all this tragedy in all these years not to have any reaction."

When Jamal first saw his uncle's broken body stuffed in the trunk of a car, he was overcome by anger.

"The feeling of revenge overwhelmed me," he said, in a house in Sadr City. "I said to myself, 'I will kill all the Sunnis.' "

He said he did not resort to the killing of strangers, as some Iraqis have begun to do, but reached out for tribal and militia connections to track down the killers.

"On the surface, people say they trust," said a policeman in Naariya, who asked that his name not be used because he could be killed. "Inside, they don't trust each other at all."

A Shiite government employee said: "My family, they are not aggressive, but it's the feeling inside, the hatred. They believe Sunnis are doing all of this."

As the capital becomes more violent, many of those who refuse to give in to it leave. Hassan Jabr, a Shiite whose 12-year-old son was kidnapped and murdered this spring, moved to Jordan in the fall with his wife and one remaining son. He said he was forever changed when he saw his son's body in the morgue.

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Before he left, he was waiting to register the death certificate in a government ministry, when he struck up a conversation with a man in his 20s whose only brother had been killed. The man said he had killed three Sunnis to avenge the death, Mr. Jabr said.

The man was surprised at Mr. Jabr's restraint. "Are you a coward?" Mr. Jabr said the man asked. "Why don't you take revenge?"

Upstate N.Y. Man Kidnapped In Iraq (AP)

By Valerie Bauman

AP, November 20, 2006

A former soldier from western New York is among the four Americans and one Austrian who were kidnapped in southern Iraq last week, family members said Sunday.

Jonathon Cote, 23, a native of Getzville, N.Y., a suburb of Buffalo, was working as a guard for Crescent Security Group when he was captured Thursday, his stepmother said. Family members spoke to The Associated Press on condition of anonymity out of fear for Cote's safety.

"The waiting is very tiring, and stressful," his stepmother said. "Your mind goes from very optimistic, good thoughts to thoughts that maybe something good is not going to happen."

Before working for Crescent, Cote spent four years in the Army and served in Iraq and Afghanistan. He was stationed at Fort Bragg with the 82nd Airborne Division before receiving an honorable discharge, and has been in Iraq since June.

The five contract employees went missing when a truck convoy being escorted by Crescent was ambushed near Safwan, a largely Sunni Arab city of 200,000 people on the Kuwait border. Suspected militiamen dressed in Iraqi police uniforms seized 19 of the convoy's trucks, the five security guards and nine foreign drivers who were later released.

Another of the contractors is Paul Reuben, 39, a former police officer in the Minneapolis suburb of St. Louis Park, Minn., who is described by friends and family as an "easygoing, fun-loving type of guy" who was ready to come home.

His twin brother, Patrick Reuben, told the Star Tribune that Paul Reuben had been in Iraq for about two years working for Crescent and intended to come home after earning enough money to buy a house and a Hummer.

Suzanne Reuben said that her most recent contact with her brother was a few weeks ago, when they exchanged instant messages by computer. He told her he hope to be home by the day after Thanksgiving.

Islamic Companies, a previously unknown group, claimed responsibility for the kidnapping, according to an Iranian-run Arabic-language satellite news station, which said the group demanded the withdrawal of U.S. forces from Iraq and the release of all prisoners being held there.

U.S. Embassy spokesman Michael McClellan said on Sunday that U.S. officials believe the five hostages are still being held captive.

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On the Net:

Crescent: http://www.crescentsecuritygroup.com%emph_off

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Report: Flaws In Hussein Trial Impair Verdict (WP)

By Sudarsan Raghavan

The Washington Post, November 20, 2006

BAGHDAD, Nov. 19 -- The trial of former Iraqi president Saddam Hussein, in which he was sentenced this month to death by hanging, was marred by flaws so serious that they undermined the trial's fairness and called into question the verdict, an international human rights watchdog group said in a report to be released Monday.

From the outset, the Iraqi High Tribunal's independence and perceived impartiality was weakened by actions of the Iraqi government, Human Rights Watch said in the 97-page, 10-month-long analysis of the trial, which condemned Hussein and seven co-defendants for the torture and execution of 148 people in the hamlet of Dujail more than two decades ago.

The report, based on courtroom observations and dozens of interviews with judges, prosecutors and defense lawyers, is the first significant challenge to what the Iraqi government and its U.S. patrons assert was a fair, if messy, trial.

The report asserts that there was failure to disclose key evidence to Hussein's attorneys and that there were violations of basic rights of the defendants to confront witnesses. The chief judge's outbursts in court undermined his impartiality, it said. There were also gaps in the evidence that weakened the prosecution's case and "put in doubt whether all the elements of the crimes charged were established," the report said.

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"The tribunal squandered an important opportunity to deliver credible justice to the people of Iraq," Nehal Bhuta, the report's author, said in a statement. "And its imposition of the death penalty after an unfair trial is indefensible."

On Sunday, two U.S. advisers to the tribunal denounced the report as "misguided" and said that the trial was conducted properly and that a credible justice was delivered. They said the report did not take into account the tribunal's written judgment on the trial, expected to be completed, they said, as early as Monday.

"To question the overall integrity of the justice without reading the judgment is premature, at best," said one of the advisers, who spoke on condition of anonymity.

Richard Dicker, director of the International Justice Program at Human Rights Watch, said such claims were "irrelevant" because the report does not speak to the quality of the judgment.

"What is done in a very careful, specific way underscores the major procedural flaws in the conduct of the proceedings that undermined the verdict of the trial," Dicker said in a telephone interview.

The Dujail trial was the first of its kind to be conducted against a former leader in his own country by his own people, and the first since the World War II Allies prosecuted the Nazi leadership at Nuremberg to try nearly an entire senior leadership for crimes against humanity.

Along with Hussein, two co-defendants were also sentenced to death by hanging, four received prison terms ranging from 15 years to life and one defendant was acquitted. The verdicts and sentences are under appeal. If Hussein's death sentence is upheld, Iraqi law requires him to be executed within 30 days.

But the trial's shortcomings, the report asserts, also "call into question subsequent proceedings at the tribunal."

The chief judge, Raouf Rasheed Abdel-Rahman, lost his temper many times during sessions and exchanged insults with the defendants, the report said. He also had made "erratic and often unexplained decisions limiting the rights of defense counsel to question witnesses."

The U.S. advisers said Abdel-Rahman was simply trying to take control of a court that Hussein and his defense team mocked. Hussein boycotted proceedings or often wagged his finger, shouting. His co-defendants appeared in their underwear.

The prosecution, the report asserted, engaged in "trial by ambush," in which important documents were not handed to the defense in advance. As an example, the report cited an instance when 23 prosecution witness statements were read into the court record without any of the witnesses being made available for questioning by defense counsel.

The U.S. advisers said the prosecution followed proper procedures.

The former chief judge, Rizgar Mohammed Amin, resigned after members of Iraq's parliament denounced him as "weak" and too lenient toward the defendants, the report said. There was heavy pressure to side against Hussein, it said.

"The attitude of the cabinet towards the court and the trial is one of a consumer who pays money for a product," one judge said in the report. "They give money, and they demand results. The government treats the court like a factory."

The report added that the judges lacked the experience to conduct such a complex trial and urged Iraq's government to allow international judicial experts to take part in future proceedings.

"For justice to be done, the trial has to be fair. There were large, large shortfalls in the fairness," Dicker said. The trial, he said, "certainly fails as a reference point historically for what happened and who was responsible in the way the Nuremberg trials did."

General Discusses Goals Of His Return To Iraq (NYT)

By Thom Shanker

The New York Times, November 20, 2006

FORT HOOD, Tex., Nov. 13 — Lt. Gen. Raymond T. Odierno, who returns to Iraq next month to take charge of the day-to-day fight as commander of the Multinational Corps-Iraq, says he departs for Baghdad with a clearer, perhaps even diminished, set of expectations of what the military can be expected to accomplish now, more than three years after the invasion.

“You have to define win, and I think everybody has a different perspective on winning,” General Odierno said during an interview at the Army’s III Corps headquarters here.

“I would argue that with Saddam Hussein no longer in power in Iraq, that is a partial win,” he said. “I think what we need is an Iraqi government that is legitimate in the eyes of the Iraqi population, an Iraq that is able to protect itself and not be a safe haven for terror. That’s what I think winning is.”

As a bugle sounded across Fort Hood with the call to lower the flag at dusk, General Odierno paused, and added, “Notice I left out a few things, such as a democracy in the sense that we see a democracy in the United States. We have to allow them to shape their own democracy, the type of democracy that fits them and their country.”

It has become a truism of the war in Iraq that there can be no military victory without a political solution, which requires the coordinated efforts of the entire United States government and of the Iraqi one, as well.

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"The longer we stay in Iraq, the less of a military fight it becomes," the general said. "We have to understand that."

General Odierno has spent the past several months preparing for his new command, assigning his staff several histories of counterinsurgency efforts in Malaya, Algeria and Vietnam; meeting with academic experts on the Middle East and Islamist terrorism; and holding sessions with officers from the other armed services and from the Iraqi ground forces, with whom he will be working.

He outwardly carries the lessons — and the private, internal scars — from his first tour, at both the professional and personal levels.

General Odierno commanded the Fourth Infantry Division as insurgents carried out three-quarters of their attacks nationwide in his area of north-central Iraq, which included Saddam Hussein's volatile home region of Tikrit.

It also was on his watch that a Special Operations task force and conventional troops under his command captured Mr. Hussein, producing a briefly shining moment in which the counterinsurgency effort appeared to be gaining traction.

But insurgency, terrorism and factional violence verging on civil war have continued.

He has felt criticism from some officers, especially among marines, that made it into the public debate via op-ed columns and books by noted military affairs writers, including "Cobra II," by Michael R. Gordon of The New York Times and Bernard E. Trainer; and "Fiasco," by Thomas E. Ricks of The Washington Post.

The Fourth Infantry Division focused too much on traditional combat operations in 2003 and 2004, the critics argued, saying that those efforts, with an emphasis on capturing and killing adversary fighters rather than on rebuilding the country and winning the confidence of Iraqis, actually fueled the insurgency.

"It is too simplistic to say that all we were interested in was the hard-core task," General Odierno said. "It simply is not true. We worked very hard to take the balanced approach."

He expressed satisfaction with his division in bringing down the number of attacks in the Tikrit area of operations, which once accounted for three-quarters of attacks in Iraq and accounted for one-third at the end of his tour. (The focus of the insurgency shifted to the Anbar region, west of Baghdad.) He also cites his division's efforts in creating three new provisional governments through the first democratic-style caucuses.

The war became unusually, and intensely, personal for General Odierno when his son, Capt. Anthony Odierno, lost much of his left arm during a counter-insurgency mission in Baghdad in the summer of 2004.

The general succeeds the current corps commander, Lt. Gen. Peter W. Chiarelli, the author of an influential essay warning that success in Iraq cannot be achieved solely by training local security forces or through combat operations. General Chiarelli wrote that the military must work to provide essential city services, create jobs and promote local governmental control. He also began the new operation this autumn to secure Baghdad.

After leaving Iraq in early 2004, General Odierno spent 18 months as an assistant to the chairman of the Joint Chiefs, most of that as an adviser to Secretary of State Condoleezza Rice. The experience, he said, gave him "a really good understanding of the interagency process.

"Maybe too good," he said. "I have a pretty clear understanding of what thought processes occur where and at what time, and how we get to certain decisions."

In what has become the overarching policy of the Bush administration, he also pledged to focus on increasing the capacity of Iraqi security forces, in particular the police, and on combating sectarian militias responsible for a growing percentage of attacks.

"A lot of the militias can be reconciled, and we have to figure out ways to reconcile with them," he said. "And there are splinter, radical groups that cannot be reconciled. They have other agendas, and they will have to be dealt with in a different way."

Decisions about how many troops that will require will be made by higher-ranking generals, and he did not hint what advice he might give them as their top field commander.

Asked to describe the Iraq he would like to see at the end of his 12-month tour, General Odierno said: "Bottom line? Full restoration of civil authority in Baghdad. Sectarian violence reduced. Extra-governmental armed groups diminished, and their influence diminished. And the government of Iraq viewed as a legitimate institution in the eyes of the Iraqi people.

"Those are the goals we have set for ourselves," he concluded. "Will we attain those? I don't know."

Lost After Translation (NYT)

By Basim Mardan

The New York Times, November 20, 2006

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THE United States Marines entered Mosul from the north. I lived in the northern suburbs, so I saw the first American flag. When the Humvees stopped, I shook hands with the marines, and I told them: "You are mostly welcome here. Why don't you come to my house and drink some cold water?" They offered me a job.

I was the first or second translator to work with the coalition forces in my city, the first or second Iraqi to set foot on the American base in Mosul. The Marines paid me $150 a month, which was better than the $2 I was making as a librarian. So I didn't see weapons in their hands, I saw flowers, and I took them all as friends. I loved what I was doing because I thought it was a good thing for my country.

My family was nervous. They told me things would change. I needed the American money to get married, but my fiancée said, "We don't need to get married now — just quit." But I wanted to work with the military forever; I loved it.

The unit I worked with was training and equipping the Iraqi police, teaching them about human rights. I translated textbooks from an American police academy into Arabic. The Americans taught Iraqi officials to exercise their authority without taking bribes or humiliating employees.

Iraqis needed this education, and the unit I worked with was awesome. At one point, they did two or three patrols to clean up garbage from the streets. In our culture, cleaning garbage is a low-level job, but when we saw a captain and a general doing it, that gave us a very great feeling. I threw away my helmet, took a shovel and started working, cleaning up garbage.

But even as we cleaned the city of garbage, we forgot another kind of garbage that was accumulating. The way the Army reacted to the insurgency was not perfect. The Americans did many foolish things. When I saw the pictures from Abu Ghraib, I thought, we are teaching Iraqi policemen not to do that — do the Americans really do that?

I grew sad, and I didn't know what to believe, because the people I worked with were great. I'd told the officers at our camp's detention center, "You are treating those prisoners better than their own mothers." It's not normal in our culture for a policeman to come and feed a sick prisoner who is so dangerous that you have to keep him chained.

But I did it myself. I was very kind to Iraqi people, to my own people, and I think Americans taught me that — the American Army that I was working with, not the American Army that was in Abu Ghraib.

In the second year, when we were processing the release of prisoners from Abu Ghraib, I read out a list of names of prisoners who needed to collect their documents. One of them said to me, "You are all going to be killed." I thought he was referring to the Americans, until he said, "No, I mean you."

I didn't translate this for the soldiers who were with me. I was thinking, "This person just got out of prison, and I don't want to be the reason that he goes back to prison."

About a month later, a message was fixed to my door, full of verses from the Koran and threats and curses. They gave me about one week to quit what I was doing.

A week later, a CD was fixed on my door, picturing one of my best friends, Nabi Abul-Ahad. It was a video of them beheading him, with the message that I would be next.

I was kicked out of the house. My family didn't want me there any more. They said, "You're going to get us all killed." I had to leave my wife, who was pregnant. Baghdad was a real hell, so I hid in Najjaf.

After my wife gave birth to our son, her father told her, "If your husband doesn't come to Mosul now, even if he's going to get killed, then you are not his wife anymore." This can happen in our society. I didn't want to lose my wife or my son, so I went back to Mosul.

In Mosul, I had to stay hidden. I walked for about three hours in the dark, after curfew, when anybody can shoot at you, including the Americans, just to see my wife and my newborn son. Then I went back to my family's house and hid for three months.

The American Army, or whoever's in charge, has badly disappointed the translators. When I told them I was under threat, they said I could come and live on the base. I told them I had just been married, and my wife was pregnant, and my family needed me. They said I could live on the base and they would drop me by my house to visit my family at night.

Imagine if somebody saw me dropped by an American convoy near my house. The house would be burning the second I was inside. These were not logical solutions.

They could have helped my family move to Kurdistan, helped find me a job with the government there. Or, if I'd escaped to Jordan, they could tell the American Embassy there: "This is a translator who has been working for the United States Army. He's just like an American soldier. Treat him well."

But I'm not going to be ungrateful to the people who were fighting and dying for my country. I have friends in the American Army who died in front of my eyes.

I remember one of them, a dear friend to me who died stopping a car bomb. He was a hero. He was guarding the police academy in Mosul, which was full of new recruits being trained by the Americans.

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My heart broke when I saw this: an American, coming from another continent, who died to protect Iraqi policemen. This was a good message, and I would never say that those people exploited me or exploited my thinking.

The system did. Not them.

Fear Of Freedom (NYT)

By Waddah Ali

The New York Times, November 20, 2006

UNDER Saddam Hussein, if you were not a member of the Baath party, you wouldn't get rations, you'd be forbidden to carry on studying, you wouldn't be on the earth but in the sea.

I was invited to join the party in 1976, when I was doing my compulsory military service after earning my first degree at Mosul University. The colonel in control of my camp wanted to sit for an examination, and he asked me to join the party and translate the Oxford Companion to Military History into Arabic for him.

I'm very ambitious. I wanted to carry on with my studies. And so I joined the party, and when I finished my military service I was appointed to the university. They never appoint anyone unless you're a party member, it doesn't matter if you're Plato or Aristotle.

In 1982, when Iraq and Iran were at war, they asked me if I wanted a promotion within the party. To get this, I would have to go with some other comrades and execute deserters from the war. I told them I was not an executioner.

They put me in prison. Through family contacts, I got out after one month. They expelled me from teaching and transferred me to clerical work.

I tried to escape Iraq for Turkey in 1995. But the Kurds in northern Iraq demanded money I didn't have, and I decided to go back to Mosul, where I had a 300-meter plot of land given to me by Saddam Hussein.

Saddam Hussein gave everybody a plot of land. He was the most generous president, but also the most severe. He was a god, and gods are arbitrary.

In Mosul, men in a black Cadillac stopped me, blindfolded me and drove me to Baghdad, to Hakmiya Prison. After three months of solitary confinement, torture and electric shocks, I was accused of spying for Turkey. When I went in, my weight was 242 pounds. I came out only 121 pounds. I was divided in half by the torture.

After a year in prison, I came home. We were impoverished. My wife and children were living with her father in Karbala — they are Shiites — and my salary wasn't even enough for transportation to visit them. After a long time, I was reappointed to a university near there. I had been there for three months when the Americans came.

Nobody in Karbala dared to work as a translator for the American soldiers, so I was pushed into the first ranks, translating between the military commanders and the governor every day on TV. I found myself riding a rocket of fame and prestige, but no money. Just $20 a week, and a stigma in the eyes of others.

I translated conferences and debates with the Karbala city council. I even translated for L. Paul Bremer, the American viceroy, when he came. Before he arrived, the colonel I worked for told me, "Waddah, don't tell anybody he's coming." They trusted me, and I was worthy of their trust.

I tried to solve problems. Once, when students had a sit-in demonstration against the Americans, I told them: "Be quiet, be careful in your way of dealing with them. If you're impolite, suppose they are impolite, too — you could be killed."

Many times when I went to my father-in-law's house I was shot at from afar. Among the Shiites there are many hard-liners who support Iran and hate America. They didn't know that by marriage, I'm a Shiite like them. They said, this guy's a Sunni, serving the Americans.

The Americans gave me a pistol to defend myself. It was a war spoil, an Iraqi intelligence-style pistol. But it created some troubles between me and the American in charge of intelligence. One day he told me, "Waddah, give me the card for the weapon," the identity card allowing me to carry the weapon. I told him I didn't have it. I didn't trust him very much. He was young, proud and haughty. He frisked me, searching for the card, right in front of the president of the university, and he found the card in my pocket. He said, "You lied to me?"

I decided to quit working for the Americans. Not long after this, a child relative of mine was kidnapped on her way home from school. I sold my wife's gold, and I sold the plot of land Saddam Hussein gave me, for the ransom. Every one of my friends was looking for her. Finally the kidnappers telephoned my brother, he gave them $50,000, and she was released. This is what the insurgents do to finance their terror.

HISTORY is an idea to you; to us it is our life. I'm a typical Iraqi. I love my country. I love my food, my way of life, I love the carpets, the mud of the Euphrates, Iraqi poetry, everything: this is my culture. If I feel proud, I recite my poets, and the rhythm comes back, and no other rhythm can supersede or remove it.

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What made Saddam Hussein powerful? Information. Whenever a person checked into a hotel, a paper with his full name and a copy of his passport was given to the security quarters. Iraq was a castle; a bird could not go in without being checked. If you caused offense, you could be put in prison for good. If you were lucky you would be tried one day; if not, then we have a word in Arabic that means you rot, as food rots.

America did well to liberate Iraq. But Iraqis were used to tyranny and afraid of freedom. The Americans entered Iraq without a psychological program for dealing with this fact. Iraqis had been programmed according to another system of thought and feeling. America should have considered that.

Republic Of Dreams (NYT)

By Omar Ghanim Fathi

The New York Times, November 20, 2006

WHEN I was a student, we read many books about Western culture, democracy and the Greek philosophers. We saw movies set in America, where people were able to speak their minds, and we figured that democracy would be the salvation for us and our country.

Our dreams were romantic and rosy. The bitterness and ugliness of the reality we have faced since was nothing we could have imagined.

In Saddam Hussein's time, in order to be accepted you had to tell the government that you were a Baathist; you had to tell people in your social environment that you were religious; and in fact you had to be somewhere in the middle.

I was a moderate liberal. In my imaginary republic, there was space for everybody — Baathists, socialists, liberals — as long as you didn't hurt people or persecute them or impose your style of thinking or living on others.

When the Americans invaded, I was ready to shake hands with the devil himself to remove Saddam Hussein from power. I didn't think the Americans would be able to give us liberty or democracy, but I thought they would give us the space to build that imaginary republic. I didn't go to work for the Americans, but I published articles in a newspaper they established in Mosul. It was called New Hope. It told the people what the American forces were doing day by day in Mosul, and there was space where Iraqis could write opinions.

I wrote nine articles for that newspaper. One of them won a competition for the best essay on democracy and liberty in Iraq. It was a big competition, and I won. What I said, simply, was that liberty is just like your own spirit, your own soul: nobody can give it to you, but anybody can take it away from you. My photo appeared in the paper with the article.

I was a lecturer at an institute, and I started receiving threats from my students — directly, face to face: "You deserve to die." And my boss said, "You've been a traitor to your religion and your country." Insurgents slid threatening letters under my door. My mother was terrified. I'm her only son.

The terrorists do not necessarily attack you personally. They attack sisters, kidnap sons, mothers. We are in a war against dishonorable enemies. The only thing that I had, the only weapon to defend myself, was my pen and my words, but the solution for them was not discussion, not disagreeing with me, but shooting me.

They shot dead a salesman who came to our door, because they mistook him for me. We sold the house and went to live with my sister.

Some time later, a friend offered me a job with an Iraqi organization called Development and Democratic Dialogue. Three or four days after I started working there, my friend was kidnapped while giving a lecture at a university. Before he died I'd told him, "Don't give a lecture in the same place twice." But that's what he did. We were like soldiers without weapons: you go and give lectures, but you don't know what's going to happen to you when the lecture is finished.

I think the Americans, as we Iraqis understand them, are two entities. There's the Army in Iraq and the politicians in Washington. The American policy people wanted to give us democracy and liberty the same way you give me a shirt, so I can wear it right away. But the general opinion in my country, especially among extremists, is that America went into Iraq only for one reason: to terminate Islam and Muslims. Those who aren't so extreme say that America invaded Iraq only to steal the oil.

The American Army, on the other hand, we know for sure is not an abstract entity; it is a bunch of people, every one of them different from the others. They are under very, very intense pressure. People hate them, people are attacking them, and of course this pressure can lead to many mistakes. They destroyed everything and thought they could rebuild from scratch. Maybe this could have worked if people loved Americans or understood what they were doing. But people already hated America.

America should have removed Saddam Hussein and the closest circle around him and appointed a strong government right away. It would have been another dictatorship, but a different kind. It could have imposed martial law, then done the job that the Americans were not able to do, which was to cut power away from the old system by removing those people who might become terrorists in the future.

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After four to eight years, we could have had an election, and the new government could have started working on the basis of the new Constitution. Then Iraqi society could have taken baby steps down the long road to democracy and liberty. As it was, the Iraqi people, who had no experience with civilian government or democratic systems, misused these things.

Now the problems of Iraq will not be solved without a long and very bloody civil war. The fragments that will emerge should practice democracy by choosing their own leaders, away from the influence of the Americans — even if those leaders are terrorists. But the people will not enjoy the democracy and liberty that was already given to them, because they refused it.

Afghan Army To Strike Taliban In Winter (AP)

By Jim Krane

AP, November 20, 2006

The U.S.-backed Afghan army will step up counter-Taliban offensives this winter, which could see heavy fighting during a period traditionally used by Afghan fighters for rest and resupply, a U.S. general said here Sunday.

U.S. Army Brig. Gen. Douglas Pritt, who oversees the U.S.-led effort to train the Afghan military, said Afghan forces have tripled the number of forward bases to more than 60 and plan to spend the winter harassing Taliban and gathering intelligence from combat outposts deep inside rebel strongholds.

"They're much better equipped for winter operations than the Taliban. I'm hoping for a lot of snow this winter," Pritt said during a visit to The Associated Press bureau in Dubai.

Pritt said most Afghan troops that have emerged from training still cannot operate independently, but he noted that five battalions of Afghan National Army troops, numbering 300 to 600 soldiers each, were nearly ready to mount offensives on their own.

But even those top battalions will continue to operate in tandem with U.S. and NATO troops, he said.

Afghanistan's winters normally bring months of rain and snow, turning dusty roads into impassable muck and rendering most warfare impossible. The country has traditionally seen winter breaks in its decades of conflict, where fighters return home to families or hunker down on bases until fighting resumes in spring.

Snowfall is already hampering Taliban supply lines, making it tougher for the rebels to resupply, Pritt said. The Afghan National Army, backed by U.S. and NATO airlifts, are less restricted by cold and mud.

Afghan troops are being readied for "extended patrols" in the combat zones of the east and south that border Pakistan.

"We want to be in the right places," he said. "If the Taliban is trying to rearm, refit and wait out the winter, then we'll know they're there."

The Afghan National Army remains hamstrung by desertion rates of around 15 percent, Pritt said, little different from its rate in May. The previous year, the desertion rate peaked above 25 percent, according to U.S. military figures.

Afghan soldiers recently received a raise for their tiny salaries, from $70 to $100 a month, Pritt said, a decision that followed the revelation that AWOL soldiers could earn $70 a month as day laborers without facing combat.

The general said his goal was to bring the desertion rate below 10 percent, a figure that has already been reached in one Afghan corps.

U.S. and Afghan officials have said soldiers abscond for several reasons, including a reluctance to fight alongside foreigners against countrymen and a need to bring money to families in remote villages or help at harvest time.

The Afghan army's screening process has blocked the type of insurgent infiltrators that have hampered the Iraqi military. Pritt said only three Taliban have thus far been found in the ranks.

"They were trying to get information that was inappropriate for their job descriptions," he said.

The American force training Afghan troops — chiefly made up of U.S. Army National Guardsmen — is expected to rise from 2,900 now to around 3,600 by April, to comply with an Afghan government directive to increase recruiting to 2,000 Afghan soldiers per month, Pritt said.

Overall, he said 5,200 foreign trainers would be working with the Afghan army, which the government wants to increase from its current 35,000 troops to 50,000 or perhaps 70,000.

"We believe this is the main effort in Afghanistan," Pritt said.

In Afghanistan's South, Mixed Signals For Help (WP)

By Pamela Constable

The Washington Post, November 20, 2006

KABUL -- Clutching scarves nervously around their faces, the women whispered details of Taliban atrocities taking place in their native Helmand province: A translator's body found in a sack, carved into pieces. A police officer taken hostage, blinded and garroted with wire. A woman shot and hanged by her thumbs.

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"All of our lives are in danger now. Our schools are shut, and anyone who works for the government is branded as an infidel," said Ma Gul, 52, a teacher who traveled to the capital this week with 20 other women from Greshk, a town in Helmand 300 miles south, to demand better protection and the removal of weak regional officials.

Gul's woes echo across this country's four southern provinces, where the Taliban insurgency is on a fierce rebound five years after U.S. and Afghan forces toppled the Islamic militia from power in Kabul. Months of aggressive ground combat and NATO airstrikes have failed to halt continuous violence in the south, as well as some sporadic attacks in other parts of the country.

According to a new report by a commission of Afghan and foreign officials, insurgent and terrorist attacks nationwide have increased fourfold in the past year, reaching 600 incidents per month by September and causing 3,700 deaths since January.

The report was issued by a group called the Joint Coordination and Monitoring Board, set up in February under U.N. auspices to promote and measure Afghan government performance. It said the violence threatens to reverse recent economic and political gains across the nation, and has led to a partial or total withdrawal of foreign aid in some provinces.

In Helmand, a vast and arid region where much of the worst fighting has taken place and thousands of people have fled their homes, residents and elders have been sending urgent but contradictory signals about how to restore peace.

While the delegation of women recounted Taliban abuses, a group of visiting elders from another Helmand district described local Taliban fighters as "brothers" and said their worst problem was the devastation from months of bombing by foreign military forces. If the authorities would allow tribal leaders to administer their district, they said, they would guarantee no further Taliban attacks.

"This bombing has destroyed hundreds of shops and many vineyards, but it has not driven the Taliban away," said Mohammed Rahim, a bearded farmer from Helmand's Nau Zad district. "We know the local Taliban; they are fighting against corruption and abuses. Once we have our own administration and the bombing stops, we trust they will obey us and the central government."

As a result of the mixed messages from victims of the conflict, and the growing public resentment over civilian casualties from bombing, NATO and Afghan officials now confront a strategic question: whether to keep pressing to forcibly defeat the Taliban, or begin accepting its presence in areas where tribal elders promise to rein in the militia.

Much of the south is still at war, with attacks and armed clashes occurring daily in Kandahar, Zabol and Uruzgan provinces. But in Helmand's Musa Qala district, NATO has cautiously agreed to test the tribal approach. Under a deal brokered in September by the provincial governor, NATO agreed to pull back British forces from Musa Qala, and local elders pledged that Taliban attacks would cease.

So far, reports from the isolated region, which is also a major center of opium smuggling, are confusing and contradictory. Some residents and visitors say the district is effectively under Taliban control, and a recent BBC video report showed squads of armed insurgents patrolling Musa Qala in fast pickup trucks, much as they did during the era of repressive Taliban rule that ended in 2001.

But both NATO and senior Afghan officials say they are largely satisfied with the arrangement, which they said has brought fighting to a halt and allowed foreign troops to focus on creating a central zone for security and development around Helmand's capital city, rather than manning scattered outposts and chasing after bands of insurgents.

"Musa Qala has proved to be a very good deal," said Maj. Luke Knittig, a U.S. Army officer and the chief NATO spokesman in Kabul. "After the agreement, there were 34 days of calm, which led us to believe the elders had made good on their word." However, he added: "We have our eyes closely on Musa Qala. If we see it being used as a launching pad for attacks, we will go back and address that."

President Hamid Karzai defended the pact last week against criticism that it has been a major concession to the Taliban. Speaking on Radio Free Europe, he said he had complete trust in the region's elders and in their promise not to allow any "saboteurs" in Musa Qala. However, Karzai also expressed concern about reports that a local Islamic cleric was humiliated by Taliban fighters and that a senior tribal leader had disappeared.

Karzai's embrace of the agreement stands in marked contrast to the skepticism he and other Afghan officials have shown toward two similar peace deals reached this fall between the government of Pakistan and tribal leaders in districts abutting the Afghan border. Those districts are widely believed to serve as havens for Islamic extremists and al-Qaeda fugitives who train insurgents and send them across the border to fight against Afghan and NATO forces.

Some observers here worry that the Musa Qala deal is not only setting a tone of conciliation toward the insurgency, but that it also means Karzai and his foreign defenders are falling back on Afghanistan's tribal system of jergas, or informal consensual agreements, at the expense of modern democratic institutions.

"This is the wrong way to solve things," said Noorulhaq Olemi, a member of parliament who chairs its security and defense committee. "Our problem is that we have a weak government. We need a better national army and police. We need

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reconciliation with the people, not with terrorists. If we go back to the tribal system and jergas, we could end up with the country divided into pieces."

Although Helmand residents disagree on the issue of negotiating with the Taliban, many express common anger and disillusionment with regional authorities. Both the Greshk women and the Nau Zad elders said that many police and civilian officials in Helmand are abusive and corrupt, and that this problem is creating local support for the Taliban.

The diplomats and academics on the Joint Coordination and Monitoring Board agreed, stating in their report that the factors driving the insurgency in the south include poor government services, corrupt officials and lack of law enforcement. In Helmand especially, they added, the "scourge of the narcotics industry" has significantly helped fuel the insurgency.

"When there is an absence in basic service delivery by the government, people inevitably look to alternative sources," the report said. "Only by eliminating corruption can the government diminish the freedom of operation that insurgents and drug traffickers now enjoy."

To the women from Greshk, who include government teachers and professionals, the Musa Qala agreement is a frightening example of authority caving in to powerful miscreants. One member of the delegation said the Taliban and its criminal allies had already built a plane runway and a heroin laboratory in Musa Qala.

But to the elders from Nau Zad, mostly poor farmers whose homes and livelihoods have been savaged by months of fighting, Musa Qala represents a model for peace that they desperately hope can be replicated in their district.

"Some people call it a Taliban agreement, but that is wrong," said Mohammed Anwar, a member of parliament from Nau Zad who hosted the visiting elders in Kabul. "The foreign Taliban are terrorists, but the local Taliban are the sons of Afghanistan. They will speak with us and live under the flag with us. If the government cannot bring security and stop this terrible bombing, they should let the elders try."

CORPORATE SCANDALS:

State Bars Push Back On Privilege Waivers (LAW)

By Sheri Qualters, The National Law Journal

National Law Journal, November 20, 2006

State bar associations are jumping into the roiling debate over the attorney-client privilege-waiver issue triggered by the U.S. Department of Justice's Thompson Memorandum.

Several states have recently convened task forces to fight the 2003 directive penned by former Deputy Attorney General Larry Thompson, which, among other things, instructs prosecutors to trade leniency for waivers of the attorney-client privilege during corporate investigations.

The states are lobbying the federal government to change Justice Department policies and practices that give incentives to corporate defendants who waive attorney-client privilege and pressure companies not to pay the legal fees of current or former employees facing corporate criminal investigations. In some cases, states are mulling changes to their own rules of professional conduct to sidestep Thompson-style waivers.

New task forces in Florida, Illinois and Michigan join ongoing efforts in Arkansas, Maryland, New York and Boston.

'CULTURE OF WAIVER'

Samuel Damren, a litigator in the Detroit office of Dykema Gossett, heads Michigan's task force. He hopes that his group will recommend changing the state's rules of professional conduct to prohibit government attorneys practicing in Michigan from requesting that companies waive their attorney-client privilege to prove they are cooperating with the government probe.

Damren said his approach is part of the legal community's pushback against the perceived "culture of waiver" that many attorneys worry is eroding attorney-client privilege. "If the prosecutors and regulators aren't going to change the rules, it's not just in their hands, it's in the hands of the bar," Damren said.

An Arkansas Bar Association task force is recommending that its House of Delegates ask the Arkansas Supreme Court to adopt rule changes allowing for selective waiver, or disclosure of some information to a government agency without revoking the attorney-client privilege, and barring discovery of attorney communications with experts.

The 72,000-member New York State Bar Association is informally discussing whether to push for changes to the rules of professional conduct to curtail waivers. But state Bar President Mark H. Alcott said he's unsure if such a rule would work in practice, since the client ultimately has the right to waive and could succumb to pressure from the government.

The Bar's chief strategy is lobbying the federal government to change policies that pressure companies to waive attorney-client privilege, said Alcott, a senior litigation partner with New York's Paul, Weiss, Rifkind, Wharton & Garrison.

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Florida Bar President Henry M. Coxe III of Bedell, Dittmar, DeVault, Pillans & Coxe in Jacksonville was inspired by hearing about the New York Bar efforts at an American Bar Association gathering. "It struck me that Florida wasn't in that mix and we should be," he said.

The Florida Bar task force, which was formed in September, is looking into the extent of compelled or coerced waivers in Florida, and the circumstances under which waivers were granted. But Coxe said it's too early to project what recommendations might emerge.

A special committee of the Illinois State Bar Association met for the first time on Oct. 30, in response to the American Bar Association's appeal to state bar groups to examine the issue, said Chairman J. Timothy Eaton of Chicago's Shefsky & Froelich.

The committee has yet to decide on its scope, but it will inspect the waiver-seeking activities of the state's attorney general and its impact on the local bar. Recommending that the Illinois Supreme Court change the rules of professional conduct is another possibility, Eaton said.

In June, the Boston Bar Association penned a letter to its local U.S. Attorney about the office's written waiver-review process. The bar association requested that a supervisor in the U.S. Attorney's Office approve all prosecutor requests for waiver of the corporate attorney-client privilege or work-product protection and that the office only grant limited waivers.

A company's willingness to cooperate in investigations is not a "litmus test" and is only one of several factors the Justice Department considers when charging a company, said DOJ spokesman Brian Roehrkasse. The DOJ is still "reviewing the specific concerns and suggestions" of bar associations and other groups, Roehrkasse said.

SEC Contacts Ford Over Disclosures (WSJ)

By Tony Cooke And John D. Stoll

The Wall Street Journal, November 20, 2006

DETROIT -- Ford Motor Co. said it has received an informal inquiry from the Securities and Exchange Commission related to disclosures detailing its recent restatements of earnings because of accounting errors.

The company also restated financial results for the first and second quarters of 2006, deepening its loss for the two periods and finalizing the financial corrections it has said it needed to make.

On Nov. 14, Ford restated the bulk of the affected earnings, which span from 2001 to the third quarter of 2006. The restatements are necessary because Ford failed to sufficiently comply with certain rules related to its accounting for transactions used to hedge against interest-rate risk.

Ford on Friday said it has been contacted by the SEC's divisions of corporation finance and enforcement regarding the amended restatements for the entirety of 2005, the third quarter of 2006 and another filing discussing the restatements. Ford said it is "voluntarily cooperating" with the "informal inquiries," which also relate to disclosures made by Ford Motor Credit Co.

It is unclear whether the SEC will also inquire into the first- and second-quarter restatements issued Friday. Ford spokeswoman Becky Sanch declined to comment further on Friday's SEC filing regarding the informal inquiry. When Ford first said it would restate earnings, company officials expressed disappointment over the restatements and said the issues were related to "a very complicated accounting standard."

SEC officials couldn't be reached. The SEC doesn't typically comment on inquiries that haven't been made public and has in the past declined to comment on inquiries that are ongoing.

Other companies, including auto supplier Delphi Corp., have had to delay earnings in an effort to evaluate how past earnings statements complied with the rules, known as SFAS 133 for accounting for derivative instruments and hedging activities.

In last month's statement announcing the company's need to restate earnings, Ford Chief Financial Officer Don Leclair said the company's "overall hedging strategy is sound."

Ford first said it needed to restate earnings on Oct. 23 when it released preliminary financial results for the third quarter. The company had said initially it lost $5.8 billion during that period, but later pared the loss to $5.2 billion because of inaccurate accounting.

Friday, Ford revised its first-quarter loss to $1.42 billion from the previously stated $1.19 billion and revised its second-quarter loss to $317 million from $254 million. The move widens the reported net loss to $1.74 billion from $1.44 billion for the first six months of the year. The company expects to post further losses in the fourth quarter.

The company's restatements aren't expected to affect cash flow.

The first and second quarter were revised for reasons similar to those in the previous restatements issued Tuesday, Ms. Sanch said. The company's restatements for previous years had changed a net loss to a net profit in 2002, but reduced the company's stated income during the next three years through 2005.

Ford shares closed Friday at $8.89 each, down 1.6%.

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Outside Audit Restatement Blame: Basic Mistakes (WSJ)

By David Reilly

The Wall Street Journal, November 20, 2006

Public companies continue to restate financial results at a record pace. Ask executives why and they will likely cite complex accounting rules or hypersensitive auditors.

The Securities and Exchange Commission has come to a different conclusion: A majority of restatements are due to basic mistakes with nuts-and-bolts accounting.

Research by the SEC's Office of the Chief Accountant found about 55% of recent restatements were due to companies misapplying basic accounting rules or to problems with records that meant they didn't have the correct data to get the accounting right, said SEC Deputy Chief Accountant Scott Taub.

He expressed surprise so many restatements were "just from flat-out errors." Mr. Taub outlined the study's results during a presentation in New York on Friday at the annual conference of Financial Executives International, a professional group.

"Internal-control structures are missing things, corporate-finance staffs are missing things and auditors are missing things," he said. "All of these things are not working as well as we'd like them to."

The findings come as the SEC, along with the Public Company Accounting Oversight Board, an accounting-firm regulator, have been working to ease internal-control rules designed to ensure companies avoid accounting mistakes or fraud. Companies, especially smaller firms, have bristled at the costs of rules imposed by the Sarbanes-Oxley corporate-reform legislation. Besides mandating that managers attest to having adequate controls, the rules require an auditor to sign off that the controls are sufficient.

Supporters of the internal-control rules have argued they are needed because companies still are having a tough time getting their accounting right. They point to the rise in restatements in recent years as evidence companies still have a lot of work to do.

In 2005, there were 1,195 restatements by U.S. companies compared with 270 in 2001, according to Glass Lewis & Co., a proxy-advisory and accounting-research firm. U.S. companies had issued 1,070 restatements this year as of Sept. 30, making it likely that total restatements for the year will hit 1,300, said Mark Grothe, an analyst at Glass Lewis.

Restatements are akin to a product recall of a company's financial statements. They mean investors can no longer rely on profit and other figures that may have formed the basis for an investment decision. The rise in restatements has been attributed to much tougher audits by accounting firms, which came under fire for their failure to catch blowups like Enron Corp. and the former WorldCom Inc. In addition, Sarbanes-Oxley brought accounting firms under formal regulation for the first time, giving them impetus to dig deeper into corporate books.

Mr. Taub said his office undertook its study to find the underlying problems causing the restatements. Besides basic errors, the SEC's research concluded that about a third of restatements in recent years were due to errors in judgment related to more-complex issues, industry practices that ran afoul of accounting rules, and lack of clarity in accounting standards. Only about 5% of restatements were due to deliberate errors or fraud, he said.

Among problem areas that go beyond basic errors, Mr. Taub said a large number of restatements were caused by problems applying accounting standards related to lease contracts, income taxes and revenue recognition.

To help stem the wave of restatements, Mr. Taub suggested that accounting-rule makers need to replace standards that are confusing to companies. The Financial Accounting Standards Board is making progress, he added, citing its work to revamp lease-accounting rules and a continuing project to overhaul pension accounting.

The SEC and other regulators need to accept that there can be "reasonable differences in judgment" on accounting issues that don't necessarily imply wrongdoing, Mr. Taub said, and impose regulation only when needed. Companies and auditors need to exercise "professional judgment" and help to stamp out transactions structured to achieve a particular accounting result, he said.

Mr. Taub also encouraged companies to increase disclosure that shows their reasoning on complex questions. He suggested companies forced to restate results disclose how they discovered the problem. That happened in only about half the restatements his staff examined. How an error is found is "something investors might be concerned about," he said.

EXITING UNDER A CLOUD, WITH $175 MILLION (LAT)

By Kathy M. Kristof, Times Staff Writer

The Los Angeles Times, November 20, 2006

KB Home's CEO left amid a stock option probe. He can cash in because he wasn't fired.

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When KB Home Chief Executive Bruce Karatz retired last week amid a stock option controversy, he agreed to give up $13 million in disputed stock gains. But that doesn't mean he will leave the company empty-handed.

Karatz is walking away with as much as $175 million in severance pay, pension benefits and stock options, regulatory filings show.

The windfall is possible in part because Karatz was not fired for cause but simply retired, making him eligible for his severance pay and pension unless the company's board of directors blocks payment, compensation experts say.

"It's like he hit the jackpot," said Patrick McGurn, general counsel of Institutional Shareholder Services, which advises large investors such as pension plans and mutual funds. "He might not like the hit to his reputation, but he's certainly not going to take one to his bank account."

Karatz, 61, stepped down as head of the Los Angeles home-building company Nov. 12, after an internal probe found that he had picked stock option grant dates that inflated the value of the options to himself and other executives.

Under his employment agreement, Karatz would get a severance payment equal to the sum of what he earned in salary and incentive pay over the last three years, according to KB Home's proxy statement. That adds up to nearly $80 million.

Karatz also has a special executive pension plan that guarantees him $1 million a year for up to 25 years in retirement, making it potentially worth $25 million.

And Karatz has vested stock options that aren't in dispute, which are worth about $70 million based on KB Home shares' closing price Friday of $49.07.

Add it all up, and it comes to $175 million.

"What's perverse about this is Karatz may actually do better by getting fired than he would have done if he had stayed with the company," McGurn said.

He noted that Karatz's compensation from 2002 to 2005 — on which his severance is based — was boosted by the strong housing market, because his pay was tied to KB's profit. In 2005, the company reported profit of $842 million.

Mark Fabiani, an attorney representing the KB Home board, declined to say whether directors would move to revoke Karatz's severance pay or retirement benefits.

"The employment agreement will be the subject of discussions with the board and Mr. Karatz's representatives," Fabiani said. "The board is going to enter into discussions with Mr. Karatz about that situation, and those discussions have not yet begun."

Lawyers for Karatz declined to comment.

By stepping down, Karatz joined more than 50 corporate officers who have been fired or resigned in the option backdating scandal. Nearly 200 companies have disclosed federal or internal inquiries into their option practices.

Options are the right to buy stock at a set price within a certain time period.

Government and internal investigations are focused on whether executives improperly looked back weeks or months to set grant dates to coincide with their stock's lowest recent price, which would boost the value of the options.

KB Home disclosed in August that the Securities and Exchange Commission was reviewing its option practices. Legal experts said last week that Karatz's resignation could also draw the attention of the Justice Department, which has filed criminal charges against former executives of two companies accused of backdating.

In a statement Nov. 12, KB Home's board said its internal probe concluded that Karatz and former human resources chief Gary A. Ray had set "incorrect" option grant dates, but the board did not directly accuse them of wrongdoing. The company said Karatz had retired, Ray's employment had been terminated and chief legal officer Richard B. Hirst had resigned.

Company representatives declined to elaborate on the statement, which also said that Karatz would surrender $13 million he had realized based on flawed option grant dates.

Karatz's contract guarantees him severance except under only a few circumstances, including being fired for a specific cause such as fraud or misappropriation of funds, said Paul Hodgson, a compensation expert with Corporate Library, a research firm.

"The problem is that these contracts are written so loosely that it's tough to terminate without paying," he said.

Hodgson also noted that by saying Karatz had retired, KB Home implied that the separation was voluntary, which could make it more difficult for the company to deny Karatz his severance pay or pension.

Hodgson and other experts said that lucrative severance agreements were common for top corporate executives, even those who leave under a cloud.

"No one should shed any tears for CEOs who are forced out because of their role in backdating scandals," said Amy Borrus, deputy director of the Council of Institutional Investors, which represents large shareholders.

"In most cases, they will walk away with lavish severance packages that will more than offset any ill-gotten gains that the board presses them to return."

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Check, Please Companies Discover It's Hard To Reclaim Pay From Executives (WSJ)

By Phred Dvorak And Serena Ng

The Wall Street Journal, November 20, 2006

In April 2001, directors of utility FPL Group Inc. faced a sticky problem. A few months earlier, they'd awarded top executives $62 million in bonuses linked to a merger that would have created the U.S.'s biggest electric company. Now the deal had fallen apart and shareholders were clamoring to get the money back.

FPL directors scrutinized payment plans. They clashed with executives. Shareholders sued. After three years and millions in legal bills, executives returned $9 million, based largely on a technicality. Insurers paid another $12.5 million.

The FPL saga is an object lesson in why companies rarely recoup money paid to executives for results they didn't actually achieve. Although the concept seems simple, at least from an ethical point of view, so-called "clawbacks" of executive pay are in practice disruptive, divisive and difficult to pull off. In addition to a murky legal environment, the process is complicated by compensation contracts and insurance provisions. Most boards don't try recovering the money. Those that do often get mired in years of litigation.

With beefed up scrutiny of corporate accounting, an increasing number of companies have been revising their numbers, making the clawback problem more acute. In the first nine months of this year, 1,070 companies restated previously reported results, up from 948 in the same period last year, according to shareholder adviser Glass, Lewis & Co. These revisions lowered revenue and profits totals that were the basis for millions of dollars in executive bonuses.

In the most egregious cases, executives who fudged numbers that boosted their pay have been pursued by prosecutors and the Securities and Exchange Commission. Former CA Inc. Chief Executive Sanjay Kumar pleaded guilty in April to manipulating the dates of sales contracts to artificially boost revenue by more than $2 billion in 1999 and 2000. That helped earn Mr. Kumar $5.6 million in performance-based bonuses and $331 million in restricted stock. In 2000, Mr. Kumar returned about a third of the restricted stock to settle a shareholder suit.

In addition to his 12-year prison sentence, Mr. Kumar has to pay an $8 million fine and restitution to investors; the amount hasn't been set. The SEC has claims pending for civil penalties and return of his "ill-gotten gains." CA, the software company formerly known as Computer Associates, has sued Mr. Kumar for repayment of his legal expenses.

A handful of executives quietly repay their companies. In 1998, then-CEO Lawrence Coss returned roughly a third of his $102 million 1996 bonus to Green Tree Financial Corp., now part of Conseco Inc., after a restatement wiped out $174 million of pretax profit on which the bonus was based. In August, the top 14 officers of electronic-component maker Molex Inc. said they'd return a total of $685,000 in gains on misdated stock options they'd received over the last 12 years.

Even voluntarily returning money can prove complicated. After a 2002 restatement shaved $100 million from Dollar General Corp.'s net income for 1998 to 2000, the discount retailer's then-CEO, Cal Turner Jr., decided to return all of his bonuses. But his awards also included the right to exercise stock options ahead of schedule -- and the value of the shares he bought had fallen below what he'd paid for them.

Mr. Turner says he told his lawyers he'd return whatever amount they chose, which turned out to be $6.8 million. "How on earth do you calculate that anyhow?" Mr. Turner says.

Some boards who pursue current or former executives find themselves bogged down in the courts. Canadian telecommunication-equipment maker Nortel Networks Corp. last year recovered $8.6 million in "return to profitability" bonuses paid to 12 executives. A restatement showed the company hadn't returned to profitability after all. It sued another 10 executives, including fired CEO Frank Dunn, who has counter-sued the company. All the suits are pending.

Symbol Technologies Inc., a maker of barcode scanners, sued four former executives in U.S. district court in Central Islip, N.Y. in 2004, to retrieve bonuses based on results the company now says were fraudulent. The suit is on hold while three of the executives contest criminal charges. A trial early this year in the same court of two of those individuals ended in a mistrial. A new one is scheduled for next year.

The 2002 Sarbanes-Oxley law was supposed to ease the process of recovering undeserved bonuses. One provision requires CEOs and chief financial officers to return performance-based pay or profits from stock sales following restatements that involve misconduct. But when companies and shareholders have tried to use the law in civil courts, they've been rebuffed by judges and arbitrators who say the vaguely worded rule suggests only the SEC can enforce the provision. The agency, meanwhile, has never done so.

Directors of Gemstar-TV Guide International Inc. tried invoking the provision in their long-running battle against former CEO Henry Yuen. The SEC in its own case, brought in U.S. district court in Los Angeles, says Mr. Yuen helped inflate the company's

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revenue between 1999 and 2002, a charge he denies. Mr. Yuen's incentive-based pay was partly tied to revenue, and in those years, he earned $72 million from bonuses and stock sales, Gemstar says.

Arbitrators who heard the employment dispute agreed that the Sarbanes-Oxley rule could be enforceable only by regulators. "We were surprised that we couldn't use it," says Rick Stone, a lawyer who represents Gemstar.

An SEC spokesman says the commission prefers to use other laws to recoup money, in part because the Sarbanes-Oxley provision funnels money to companies instead of shareholders. Rep. Barney Frank, the Massachusetts Democrat who's in line to become chairman of the House Financial Services Committee, has proposed legislation that would strengthen the ability of shareholders to achieve clawbacks.

Some companies have tried amending their rules to forestall the problem. Directors of International Paper Co. last year revised their long-term executive bonus plan. Now the company can recover money if its results are revised significantly, regardless of who's to blame. International Paper pays bonuses in restricted stock that can't be sold for several years, providing time to catch mistakes.

In general, says Maura Abeln Smith, the company's general counsel, "if someone wrote you a check and paid you too much, it would only be fair to return the overpayment."

The biggest push to return unearned compensation comes from shareholders. Some are suing to recover bonuses when directors are slow to act. In the past three years, activist investors have asked 13 companies to adopt provisions like that of International Paper, according to proxy adviser Institutional Shareholder Services. Only one proposal has come close to winning 50% of the shares voted. But some targeted companies are adopting similar measures on their own.

Earlier this year, advertising giant Interpublic Group of Companies Inc., adopted a policy that allows it to seek repayment of bonuses if executive misconduct leads to a restatement. Interpublic had been under pressure since last year when it restated results for 2001 through 2004, reducing net income over the period by $514 million.

Interpublic says it has no plans to pursue $1.4 million in "performance bonuses" paid to former CEO David Bell over that period. In a written statement last year, Interpublic said Mr. Bell and other top executives were not involved in the "malfeasance" that led to the restatement. The company said misconduct by lower level employees overseas was partly responsible.

FPL's clawback tale began in December 2000 when shareholders approved the company's $8 billion merger with Entergy Corp. The approval triggered payment of $92 million in cash bonuses to nearly 700 managers. Like many companies, Juno Beach, Fla.-based FPL, the parent of Florida Power & Light Co., had a "change of control" provision in its compensation plan, designed to retain top talent during a merger or acquisition.

FPL's provision was unusually liberal. It took effect even if FPL shareholders ended up owning a significant majority of the merged company. FPL also required the payments to be made when shareholders approved a deal, rather than waiting for it to be completed.

Two-thirds of the money went to FPL's top eight officers. The chairman and CEO at the time, James L. Broadhead, received the biggest chunk -- $22.6 million.

The proposed merger quickly ran into trouble. Mr. Broadhead, a former telecommunications executive, found "discrepancies" in Entergy's financial projections, FPL says. Entergy says FPL demanded some of its executives step down after the merger. (FPL won't comment on that assertion.) In April 2001, the two companies called off the deal.

Former FPL director Marshall Criser says it was only after the deal collapsed that he realized the merger bonuses had already been paid. Mr. Criser, a lawyer, says he expected the board to ask Mr. Broadhead and others to return the money. Mr. Criser's term on the board ended soon after the deal fell through and he says he didn't have an opportunity to raise the issue.

The board was in a quandary. Some directors upset about the payments felt they had no grounds to demand repayment, says Willard Dover, a lawyer and former FPL director. Mr. Dover says some directors also feared hurting relations with Mr. Broadhead and other officers, given the close ties between the executives and the board. Mr. Dover himself used to hunt with an FPL executive. At least three independent directors were friends of Mr. Broadhead, according to a report the company later prepared about the payments.

Mr. Broadhead and FPL's general counsel, who also received the bonus, asserted publicly and to directors that the payments were justified by language in the compensation plans. The board didn't challenge them, says Mr. Dover.

Mr. Broadhead says in an interview that he never considered returning the money. It would have been "really inappropriate" for the board to ask him to repay compensation guaranteed in a contract, he says.

The FPL board was already under fire from corporate-governance watchdogs for the size of Mr. Broadhead's pay. He received about $35 million from 1999 to 2001, not including the merger bonus. In May 2001, a month after the Entergy deal fell through, a shareholder asked the FPL board to sue Mr. Broadhead and seven other executives to recover $62 million of the merger bonuses. In January 2002, two other groups of shareholders sued FPL's directors and officers on the company's behalf, asking for similar repayments.

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Roy Oorbeek, a former FPL engineer, was a plaintiff in one of the shareholder suits. He says he already was angry at FPL management for collecting big salaries while cutting worker pay and benefits such as discount coupons for Thanksgiving turkeys. Seeing them collect millions for a merger that never happened upset him more, Mr. Oorbeek says.

The discontent forced FPL directors to reconsider the issue. In May 2001, they formed a committee to review the payments. Directors relied heavily on advice from the company's management. To staff the committee, Mr. Broadhead recommended Mr. Dover and two other directors, and the board agreed. The committee also hired a law firm recommended by FPL's general counsel.

After eight months of work, the committee replaced the law firm, citing an appearance of a conflict of interest. In court documents, the directors said they were unaware that the firm, Steel Hector & Davis, had earlier had the job of reviewing and approving the controversial compensation plan.

After 16 months of study, the board decided in September 2002 not to pursue repayment of the bonuses. The board's new lawyers said directors would have trouble proving that the bonuses had been paid improperly. Directors worried about complex repayment calculations. They also feared antagonizing executives, Mr. Dover says. "Pretty soon, you lose the sense of cohesion you must have between the officers and the board," he says.

Mr. Dover's committee, however, had uncovered something else: a glitch in how the bonuses were calculated. According to one interpretation of FPL's compensation plan, the company overpaid the top eight executives by about $9 million, former FPL directors say. Directors seized the opening to ask executives for some money back. "It didn't make us very popular," recalls Mr. Dover.

By mid-2002, when the error was uncovered, Mr. Broadhead had retired and his successor Lewis Hay III -- who declined to comment for this article -- wanted to maintain good relations with the board, says a person familiar with the deliberations. FPL directors and executives agreed to let an arbitrator decide the fate of the $9 million.

Meanwhile, the judge hearing the shareholder suits ruled against the company in a key preliminary ruling. In January 2004, Florida District Judge Alan Gold decided that FPL's board didn't independently evaluate the original shareholder claims. Judge Gold noted that the board's committee had been hand-picked by Mr. Broadhead, and that two of the three members had initially approved the awards as part of the compensation committee. The judge also questioned the independence of FPL's first set of lawyers.

The ruling prompted FPL's board and executives to settle the shareholder suit in late 2004. Mr. Broadhead and other executives agreed to repay $22.25 million of their $62 million. Of that, the executives paid $9.75 million according to court documents; insurers covered the rest. According to Mr. Dover, the sum owed by executives was based on the amount of the original overpayment.

Mr. Dover says the experience was painful and draining. Mr. Broadhead, 70 years old and now retired, says it was a waste of time and money. Mr. Oorbeek was unimpressed. "It was not a substantial amount of money that they recouped," he says. In the end, FPL didn't lose executives or suffer in recruiting, former directors say.

Still, the long drama prompted changes. In a series of amendments starting in 2001, FPL's board revised the change-of-control provision to take effect only after a merger is completed. It cut potential bonuses in half and made it harder to trigger such a payment.

Last December, FPL announced another merger, this time with Constellation Energy Group. FPL shareholders would have owned roughly 60% of the combined company, the new threshold for some change-of-control payments. This time, senior executives waived the payments as long as they stayed in comparable positions in the combined company. CEO Mr. Hay, who had received a payment in 2000, said he wouldn't take one at all.

Last month, FPL and Constellation abandoned their deal amid worries it wouldn't get regulator approval. No one at FPL had been paid bonuses.

CRIMINAL LAW:

NASA's Auditor Probed (ORS)

By Michael Cabbage

Orlando Sentinel, November 20, 2006

A federal probe of NASA Inspector General Robert Cobb outlines allegations that he stifled investigations, mistreated department employees and maintained a close personal relationship with top officials of the agency he was supposed to independently monitor.

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Preliminary findings from a 10-month investigation into Cobb's conduct have been forwarded to an oversight group, the President's Council on Integrity and Efficiency. That group is expected to make a final decision before the end of the year on what, if any, action to take.

Cobb has denied any wrongdoing. However, he said during an interview with the Orlando Sentinel last week that it was inappropriate for him to publicly rebut many of the specific allegations until the process had run its course.

Investigators from the Department of Housing and Urban Development, the federal agency called in to conduct the inquiry, have examined 69 allegations against Cobb, a White House appointee. The allegations came primarily from career employees in his own office.

Not all substantiated

A confidential summary of the HUD probe detailing the investigative findings was obtained by the Sentinel.

Not all of the allegations against Cobb were substantiated. However, current and former employees in Cobb's office interviewed by HUD inspectors and the Sentinel described him as a partisan manager who often failed in his responsibility to independently investigate possible wrongdoing at NASA.

Cobb vehemently disagreed with that characterization.

"I look forward to the integrity committee's review of all of the evidence and the resolution of this matter," Cobb said. "It is appalling that persons entrusted with part of the process would try to subvert it by releasing information."

Cobb sent a letter to FBI Director Robert Mueller on Friday requesting an investigation to learn how the Sentinel obtained the document and "take such action as necessary to address an obvious breach of law and investigative ethics." Those receiving copies of Cobb's letter included U.S. Attorney General Alberto Gonzales and a dozen members of Congress.

Serious questions

Some of the allegations against Cobb appear to raise serious questions.

According to the probe, the number of audit reports issued by Cobb's office plummeted from 62 in 2000 to seven during the first half of the 2006 fiscal year. An audit safety team was abolished. Investigations were derailed, witnesses said, including some related to safety and national security.

Investigators found that Cobb lunched, drank, played golf and traveled with former NASA Administrator Sean O'Keefe, another White House appointee. E-mails from Cobb showed he frequently consulted with top NASA officials on investigations, raising questions about his independence.

Witnesses told investigators Cobb also intimidated and berated some subordinates to the point of tears. During his tenure as NASA inspector general, the department's employee attrition rate has increased by more than 50 percent, according to figures in the report.

Cobb said in his letter to Mueller that the report was "replete with easily demonstrable factual errors and inaccuracies." He described the investigation as having "spun out of control."

Shoppers Back In Force After Shootout At Mall (WP)

By Eric Rich And Leef Smith

The Washington Post, November 20, 2006

Shoppers returned to Westfield Shoppingtown Annapolis in droves yesterday, undeterred by a gun battle that wounded three in the mall's food court the night before and sent scores of others racing for exits or diving under tables.

An 18-year-old Annapolis resident who was shot twice in the abdomen remained in a hospital under police guard, authorities said, and an off-duty U.S. Secret Service agent with whom he allegedly traded fire was recovering from a single gunshot wound.

The injuries to each man -- as well as to Tahzay L. Brown, a 16-year-old male struck in the crossfire -- were not considered life-threatening.

The violence began at 7:15 Saturday evening when the agent intervened after spotting as many as eight young men assaulting another young man, according to a preliminary police account.

The 18-year-old drew a handgun and fired, hitting the agent once in the leg, police said. The agent then drew his weapon, fired seven times and struck the 18-year-old twice in the abdomen, police said. The agent was with a family member, who was not injured.

Sara Schriver, an Anne Arundel County police spokeswoman, said it was unclear whether the bullet that hit Brown was fired by the agent or the 18-year-old.

Georgia Goslee, an attorney authorized to speak on behalf of Brown's family, described the Annapolis High School student as a victim drawn into the violence merely because the person who was being assaulted is his friend. She said the confrontation

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between the friend and the larger group was "spillover from an earlier incident that happened at the school . . . back in September."

Police said they are investigating whether the shooting was related to three fights at the high school Friday, during which seven students were arrested, or to fighting there in September, when nearly 20 students were arrested. Police have said those fights stemmed from "neighborhood rivalries," particularly between students from public housing complexes.

Goslee said she was unsure whether the September incident she referred to was, in fact, the fighting that led to so many arrests. Of Brown, who was treated at a hospital and released, she said: "Obviously, he's upset and shocked. He's disturbed by the entire occurrence."

In the bustling food court yesterday, shoppers and employees buzzed about the shooting. Tommy Yau said he was behind the counter at Panda Express, helping customers during a busy rush, when he spotted four or five men fighting.

Fistfights aren't uncommon in the food court, he said, but this one was close to his shop. Yau, the restaurant's manager, decided to call mall security. He had barely stepped toward the phone when shots rang out -- as many as seven within three or four seconds, he said.

"I got down," Yau recalled. "Then I heard another four or five shots."

Looking up moments later, he spotted two men on the floor, each just feet from his counter. One was sprawled near a trash can and bleeding, and the other was by a bank of pay phones near a mall exit.

Yau said the next voice he heard was that of the federal agent, who raised his badge and called out to bystanders: "I'm a police officer -- call 911!"

Yau said mall security and law enforcement officers quickly swarmed the food court, and he later provided cups that were used to mark spent shell casings scattered on the floor.

Schriver would not identify the 18-year-old. She also would not identify the agent, referring questions to the Secret Service.

Federal authorities, who spoke on condition of anonymity, said the agent has been with the Secret Service for more than five years and is assigned to the Office of Protective Operations in Washington.

"It was your typical Saturday night at the mall," Schriver said. "You had families there, juveniles getting ready to go the movies. It was definitely a terrorizing event."

Despite the incident, many shoppers appeared unbowed yesterday. The food court was jammed, and many there said they'd heard about the shooting but felt secure.

"When you think of Annapolis, you think it's safe," said Baltimore resident Courtney Katunick, 23, who was eating with her sister just feet from where the shooting occurred. "It makes you feel safe that [the Secret Service officer] would step up" to break up the fight, Katunick said. "It could have escalated into something worse."

Many business managers said that although they had feared the violence might cause holiday shoppers to avoid the mall yesterday, business was as brisk as usual.

"I didn't know what to think," said Erin Gray, assistant manager at Trade Secret, which is just paces from the food court. "It doesn't look like it damaged business."

Nathanial Weiss, an employee at Fast-Fix Jewelry and Watch Repairs, agreed. "I'm surprised, but we're really busy today," he said. "And it looks like it's just going to get busier."

Bought And Sold (NYT)

By Bob Herbert

The New York Times, November 20, 2006

Atlanta

When Mayor Shirley Franklin recently announced that the city would be cracking down on the pimps and johns who prey on under-age prostitutes, she also disclosed publicly for the first time that she had been molested when she was a young girl.

Speaking at a gathering of reporters, local officials and civic leaders, the mayor spoke frankly about the incident, in which she was abused at the age of 10 by the father of a girlfriend. She then asked how many of the women in attendance had endured similar experiences. Several women in the room raised their hands.

One of the most tightly kept secrets in the U.S. is the extent to which children are sexually exploited, not just by child pornographers and compulsive pedophiles, but by men who are viewed by their relatives, friends and neighbors as quintessentially solid citizens.

In an interview on Friday, Ms. Franklin told me: “It seemed appropriate to reveal my story in that setting, because what we were trying to do is demonstrate that this can happen to anyone. Not only can it happen; it does happen to a lot of children.”

Atlanta has become a major hub of commercial sex in the U.S. It’s a full-fledged sex-tourism destination, with thousands of strippers, prostitutes and other sex workers accommodating an endless stream of johns from around the country. Under-age girls

(some as young as 10 and 11) are a significant part of that trade. Many of them were already carrying the scars of sexual molestation when they got into prostitution.

A study of the commercial sexual exploitation of girls in Atlanta, released a year ago by the Atlanta Women's Agenda, an advisory group formed at the mayor's request, said:

"Atlanta, being a convention and sports event center, has a thriving 'adult entertainment' industry: strip clubs, lingerie and sex shops, escort services, massage parlors. At the same time, Atlanta generates its own lost battalions of emotionally and physically abandoned children and is a magnet for such children from outlying areas. These children are vulnerable to the pimps and their recruiters, but the pimp would have no interest in the children if there were no demand."

Ms. Franklin, who is 61, is trying to jump-start a cultural change that will expand awareness of the widespread sexual exploitation of children in Atlanta and foster an attitude throughout the city that it is not to be tolerated.

It is beyond unusual for a mayor, especially the mayor of a city that depends as heavily on tourism as Atlanta, to shine a spotlight on a problem as repellent as child prostitution. I asked the mayor why she went ahead with such a high-profile campaign, which includes a "Dear John" initiative that has flooded the city with posters and public service announcements declaring that the men who "buy sex from our kids" will no longer be tolerated.

"We take the position in my administration that the best way to solve a problem is to face the facts," she said, adding: "We know the problem is here. It's happening on our watch. It's unacceptable behavior, and we are not going to stand for it. So look for us to do everything in our power to change it."

It won't be easy. Law enforcement agencies have a notoriously poor record when it comes to prosecuting and putting away the pimps, traffickers and johns in the child sex trade. And there are very few resources, financial and otherwise, to help the kids once they are identified.

The mayor acknowledged the heavy lift that will be required: "Normally, by the time girls become prostitutes, there are a lot of other experiences that they've had, and you can't turn that around with a pat on the back and a new set of clothes. There's a great deal of psychological damage. They've lost trust in adults. They've lost self-confidence. Many of them have lost the will to do anything differently. They're demoralized.

"So we're just getting started. And we'll be asking for a lot of help."

The last time I was in Atlanta, about a month ago, I rode with the police as, among other things, they looked for a 15-year-old girl who had become a prostitute and was being used by her pimp to recruit other young girls. I remember looking at a circular with a picture of the child. She had the saddest expression on her face.

Over the weekend I checked with the cops to see if they had found her. "We never did," said Lt. Keith Meadows, who heads the city's vice unit. "We have reason to believe that she might have been trafficked out of the state."

CIVIL RIGHTS:

Years Later, Lessons From Newark Riots To Be Learned (USAT)

By Charisse Jones

USA Today, November 20, 2006

NEWARK — Moise Abraham heard the bullets before he saw what they had done. It was July 12, 1967, the first night of the deadly Newark riots that put a spotlight on racial unrest in the nation's decaying urban centers. His mother had walked down the block, promising she would soon be back.

"Then I heard something hit the parking sign. It said 'Bing,' " remembers Abraham, then two weeks shy of his 17th birthday. "A few seconds later, my mother is coming up the street, but I noticed she was walking with a limp, so I ran to her and I grabbed her. … When we got to the front porch, she collapsed."

The next day, Rosa Lee Abraham died from a gunshot wound her son believes was fired by a police officer, although no official determination was made.

Moise Abraham has struggled emotionally ever since. Almost as painful, Abraham says, is the lack of acknowledgment for what the riots wrought.

"It is personal, but it is a pain that we all felt," says Abraham, 56, who yearns for a citywide memorial service for the 26 who died in the riots. "Even if they had done it once every 20 years, I would have appreciated that. But it's just total silence. … It seems that for some reason, Newark has forgotten."

Now, there is an effort to remember. In the first major exhibit documenting the 1967 Newark riots, the New Jersey Historical Society is assembling a retrospective that is scheduled to open by next summer, the 40th anniversary of the unrest.

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Tentatively titled “What's Going On,” the exhibit will use oral histories, text and artifacts to examine the six days of rioting in Newark. It also will look at the violence that engulfed Detroit 11 days later and the 1965 riots in Los Angeles' Watts district.

These and other riots in scores of cities in the late 1960s — many triggered by incidents involving police — focused attention on the lack of economic opportunity in predominantly poor, black neighborhoods. A presidential commission studying the causes concluded in 1968 that the nation was moving toward “two societies, one black, one white, separate and unequal.”

“We want to move beyond Newark and show the parallels between what happened in those summers of the 1960s,” says Max Herman, an assistant professor of sociology at Rutgers University in New Jersey who has conducted many of the interviews for the project. “The frustration was building for several decades.”

The exhibit will stay in Newark for nearly a year. Organizers then plan to take it to Los Angeles and Detroit, where they will work with local museums. The University of Baltimore also is planning a 40th anniversary exhibit on the 1968 riots in that city that followed the assassination of Martin Luther King Jr. Sociologists say such exhibits are critical in helping the nation understand the legacy of that turbulent time.

“The late 1960s is a period we can't revisit enough,” says Clement Price, director of the Rutgers Institute on Ethnicity, Culture and the Modern Experience. “The riots had an impact on what might be called the decline of our cities and the rise of suburbs, and in that transformation is a racial transformation. The riots impacted American politics. They pretty much ended the civil rights movement. They turned white ethnics against black ethnics.”

Newark has gradually rebounded in the last decade, replacing high-rise housing projects with town homes, opening a renowned performing arts center, and this year electing a charismatic new mayor, Cory Booker.

Yet for many outsiders, the 1967 riots indelibly defined Newark.

They were sparked by the police arrest and beating of a black cab driver, stoking the anger many African-Americans felt about segregated housing, joblessness and alleged police harassment. While the middle class and businesses had been leaving the city for decades, the abandonment quickened after the riots, making Newark a symbol of urban decline and decay.

“It crippled the city,” says Ann Marie Penn, 56, who has wrestled with depression since her 17-year-old brother was shot to death during the riots.

In Newark, as in many other riot-scarred cities, there has been a reluctance to remember.

“All American cities have had to struggle to regain their footing after that time, and people don't want to revisit that,” says Linda Caldwell Epps, president of the New Jersey Historical Society. “It's an unhappy part of our history.”

A marker resembling a headstone stands at the epicenter of the Newark riots along Springfield Avenue, naming the 26 who died. But it is easy to miss. A local group holds annual remembrances at the site, but the crowds number no more than a few dozen.

The historical society, whose exhibit will cost up to $250,000, has struggled to raise funding. Some law enforcement officers and activists from that era have been reluctant to give interviews.

“There was a lot of dissension at the time, and it was not difficult to stir up resentment against authority,” says Kenneth Melchior, 90, the Newark police inspector sent to the 4th Precinct to quell tensions the first night of the riots.

Melchior made sure the injured cab driver was sent to the hospital, but he says he does not believe it was a case of police brutality. “The man was belligerent,” he says. “If police officers arrive on a scene … and they're met with resistance, they have to overcome that resistance, and if somebody gets injured, then immediately somebody will declare police brutality.”

Nearly 80 people have shared their stories of being caught in the violence of 1967. Among them are the now-grown children whose mother was shot as she moved them out of harm's way and the police detective's daughter whose father was killed and whose mother later committed suicide.

Craig Wilson remembers that his father's dry goods store on Springfield Avenue was spared during the riots. But in the end, neither the business nor his father survived.

“He died three months later,” says Wilson, 62, who believes the difficulty his father had after the riots contributed to his fatal heart attack. “You went from having a business to you couldn't pay the rent.”

Wilson, now a dentist in neighboring Irvington, was a 23-year-old social worker. He was on his way to see a client when rocks shattered the rear window of his 1962 Plymouth Valiant. “Nobody won, everybody lost,” he says. “The people who lived in the neighborhood, the people who worked in the neighborhood. … It was sort of like dropping a bomb.”

Lawrence Hamm has a different perspective.

Since the 1980s, Hamm's group, The People's Organization for Progress, has been the only group to hold an annual observance.

“The rebellion gave rise to the political movement, gave rise to the first black mayor in Newark, the first majority black City Council,” Hamm says. “The rebellion pushed forward people's social consciousness.”

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Detroit, whose 1967 riots were the worst in modern U.S. history until the 1992 Los Angeles riots left 58 people dead, has had few retrospectives on those events, says Mike Smith, director of the Walter Reuther Library at Wayne State University in Detroit.

"Would I love to see the public become more deeply aware of the factors causing the riot and the aftermath of it? Yes, indeed I would," Smith says. "I think if we could reach some people, we'd have better race relations in this city."

In Baltimore, 60 students are interviewing residents for an exhibit to be titled " '68, Riots and Rebirth." "The time is right to do it because there is enough historical distance between the events and the current day," says Jessica Elfenbein, associate professor of history and community studies at the University of Baltimore.

For Abraham, though, the calendar sometimes seems stuck on July 12, 1967.

"I have a house, I have a brand new car," says Abraham, who has been in and out of counseling since his mother's death. "On the outside it looks good, but I've been fighting this battle for almost 40 years."

He is happy about the exhibit that will tell his mother's story.

"It's a good thing," he says. "I think it should be remembered throughout the history books, in whatever ways are possible."

National 'nurse-in' Set To Protest Treatment Of Mom (USAT/AP)

USA Today, November 20, 2006

BURLINGTON, Vt. — A national "nurse-in" will be held Tuesday to protest the treatment of a passenger who was kicked off a plane for refusing to cover herself while breast-feeding her baby.

A similar protest, in which mothers sat on the floor near the Delta Airlines counter, breast-fed their babies and held signs, took place at the Burlington International Airport last week.

Chelsea Clark, 31, of Fairfax, said she is using Web message boards to organize a national protest at Delta counters across the country. What happened to Emily Gillette, 27, of Santa Fe, N.M., has prompted an "out-swell of outrage," Clark said.

"This is for all of the nursing mothers in the country who felt that way," Clark said. "This is our opportunity to make a statement."

Freedom Airlines, a regional airline for Delta, said it has disciplined the flight attendant who ordered Gillette off the plane when she declined to cover up with a blanket. Spokesman Paul Skellon said the attendant did not meet company expectations when Gillette was told to leave the plane.

A spokesman for the airline said the pilot apologized and asked Gillette and her family to get back on the plane, but Gillette said that never happened.

"I would have jumped at the opportunity," she said.

On Oct. 13 Gillette was sitting aboard a plane, which was three hours late in taking off, when she began to breast-feed her 22-month-old daughter. She says a flight attendant handed her a blanket and told her to cover up, which Gillette declined to do.

The attendant said Gillette was offending her and she was removed from the plane.

Delta did provide ground transportation and a hotel before rebooking the family on a flight with a different airline the following day.

Gillette filed a complaint with the Vermont Human Rights Commission because breast-feeding in a public place is protected under state law.

Kerry: 'Botched' War Joke Won't Hurt Me (AP-Y)

By Hope Yen

AP, November 20, 2006

Massachusetts Sen. John Kerry insisted on Sunday his "botched joke" about President Bush's Iraq policy would not undermine a possible White House campaign in 2008.

"Not in the least," Kerry, the Democratic presidential nominee in 2004, said when asked if the furor over his comment had caused him to reconsider a 2008 race. "The parlor game of who's up, who's down, today or tomorrow, if I listened to that stuff, I would never have won the nomination."

One of the GOP politicians mentioned in a crowded field for the White House, former House Speaker Newt Gingrich, said he would not make a decision until September — a relatively late date in the campaign cycle — to focus in the private sector on trade policies.

"We have lots of time for personal ambition," the Georgia Republican said. "And I think an awful lot of this early energy is wasted, and we ought to be focusing on, you know, how are you going to compete with China and India, how are you going to solve the problem in Iraq?"

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Gingrich said Arizona Sen. John McCain and former New York mayor Rudy Giuliani, both of whom have set up presidential exploratory committees, were the likely GOP front-runners. But Gingrich said voters are yearning for a clearer conservative voice.

"I think Mitt Romney has an opportunity to fill that," Gingrich said, referring to the outgoing Massachusetts governor.

McCain said Giuliani was an "American hero" for his leadership in New York following the Sept. 11, 2001, attacks. But McCain called himself the best presidential candidate based on a "record of being a conservative Republican, of knowledge on national security and defense issues."

McCain, who supports a ban on abortion except in cases of rape, incest and to save a mother's life, said he doubted a constitutional amendment could pass but that one would not be needed because "it's very likely or possible that the Supreme Court should — could — overturn Roe v. Wade."

The high court is deciding this term whether to uphold a 2003 federal law banning the procedure opponents call "partial-birth" abortion. It is a case that conservatives hope could be used to reverse the landmark 1973 decision that made abortion a constitutional right.

At least two conservatives, Justices Antonin Scalia and Clarence Thomas, have called on Roe to be overturned. Legal analysts have said if the court issues an anti-abortion ruling, justices would be more likely to impose restrictions rather than abolish the right.

"I'm a federalist," McCain said. "Just as I believe that the issue of gay marriage should be decided by the states, so do I believe that we would be better off by having Roe v. Wade return to the states. And I don't believe the Supreme Court should be legislating in the way that they did on Roe v. Wade."

McCain called the military's "don't ask, don't tell" policy toward gays "very effective." He said he opposed gay marriage, but as to civil unions, "people ought to be able to enter into contracts, exchange powers of attorney, other ways that people who have relationship can enter into."

Meanwhile, former North Carolina Sen. John Edwards, the 2004 Democratic nominee for vice president, said Illinois Sen. Barack Obama should get into the race.

"I hope he runs. I think he should run," Edwards told The Associated Press. "This is such an important job that I would urge anybody who can make a serious contribution to the campaign and the dialogue — either in our party or the other party — to run.

Edwards isn't yet willing to commit to another run for president. He said whether Obama — or any other candidate — enters the race will have no bearing on his decision to make a second run for president. Edwards sought his party's nomination for the White House in 2004.

Kerry said he would decide early next year whether to run for president.

Shortly before the Nov. 7 elections that brought Democrats back into power in the House and Senate, Kerry retreated from public view following his remark to a college audience that young people might get "stuck in Iraq" if they do not study hard and do their homework.

"This is over. This was a misstatement. All of us make them in life. You wish you could have it back, but you can't," the senator said Sunday.

Kerry said Sunday he had made the decision to keep a low profile after the White House attacked the joke as insulting to U.S. troops and several Democrats called the comment a needless distraction before the pivotal congressional elections.

"Since we had very close races, I made the decision to make certain that I didn't distract. The results speak for themselves," he said.

On running in 2008, Kerry said he had not yet made a decision whether to set up an exploratory committee.

"Right now, my focus will be what happened on election day," he said, citing a need to work toward solutions on Iraq, energy independence and health care. "The American people are waiting for us to lift up an enormous challenge."

Both Kerry and Gingrich appeared on "Fox News Sunday." McCain was on "This Week" on ABC.

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Associated Press Writer Mike Baker in Columbia, S.C., contributed to this report.

Romney Pushes Vote On Same-Sex Marriage (NYT/AP)

By The Associated Press

The New York Times, November 20, 2006

BOSTON, Nov. 19 (AP) — Gov. Mitt Romney of Massachusetts said on Sunday that he would ask the state's highest court to order a question banning same-sex marriage onto the ballot if legislators did not address the issue.

Mr. Romney, a Republican, said he would file a request this week for a justice of the Supreme Judicial Court to direct the secretary of state to place the question on the ballot if lawmakers do not vote on the issue on Jan. 2, the final day of the session.

The governor, an opponent of same-sex marriage who decided not to seek re-election as he considers running for president, made his announcement to the cheers of same-sex-marriage opponents at a rally on the Statehouse steps. Supporters of same-sex marriage staged a protest across the street.

The Massachusetts Supreme Judicial Court ruled in November 2003 that same-sex marriages were legal. Since then, more than 8,000 same-sex couples have married in the state.

More than 170,000 people have signed a petition in support of the ballot question, which would define marriage as between a man and a woman. Mr. Romney has criticized lawmakers since they refused this month to take up the question during a joint session. They voted instead to recess until Jan. 2, all but killing the measure.

"A decision not to vote is a decision to usurp the Constitution, to abandon democracy and substitute a form of what this nation's founders called tyranny, that is, the imposition of the will of those in power, on the people," Mr. Romney said. "The issue now before us is not whether same-sex couples should marry. The issue before us today is whether 109 legislators will follow the Constitution."

Because the legislature did not adjourn but went into recess, Mr. Romney has no legal authority to call lawmakers back into session.

Supporters of same-sex marriage have defended the lawmakers' procedural move.

"One of the tenets of the Constitution is that you do not put the rights of a minority up for a popularity contest," said Mark Solomon, campaign director of Mass Equality, a group that supports same-sex marriage. "It is one of the very principles this country was founded upon."

Romney Wants Gay-Marriage Ban On Mass. Ballot (WP)

By David Weber

The Washington Post, November 20, 2006

BOSTON, Nov. 19 -- Massachusetts Gov. Mitt Romney (R) said Sunday that he will ask the state's highest court this week to order a ballot question on same-sex marriage if legislators fail to vote on the matter when they reconvene in January.

Romney said he will ask a justice of the state's Supreme Judicial Court to direct the secretary of state to place the question on the ballot if lawmakers do not vote directly on the question Jan. 2, the final day of the current session. Romney's term as governor expires Jan. 4.

The legislature is in recess and, because it did not adjourn, Romney has no legal authority to call legislators back into session.

Romney, an opponent of same-sex marriage, made his announcement to the cheers of hundreds of same-sex-marriage opponents at a rally on the Statehouse steps. A counter-protest was held across the street.

The Massachusetts Supreme Judicial Court ruled in November 2003 that same-sex marriages are legal. Since then, more than 8,000 gay couples have tied the knot in the state.

More than 170,000 people had signed a petition in support of the ballot question, which would define marriage as between a man and a woman.

Romney has criticized lawmakers since they refused earlier this month to take up the question during a joint session, voting instead to recess, all but killing the measure.

"A decision not to vote is a decision to usurp the Constitution, to abandon democracy and substitute a form of what this nation's founders called tyranny, that is, the imposition of the will of those in power, on the people," Romney said earlier. "The issue now before us is not whether same-sex couples should marry. The issue before us today is whether 109 legislators will follow the Constitution."

Supporters of same-sex marriage defended lawmakers' procedural move.

"One of the tenets of the Constitution is that you do not put the rights of a minority up for a popularity contest," said Marc Solomon, campaign director for Mass Equality, which supports same-sex marriage. "It is one of the very principles this country was founded upon."

Messages seeking comment from legislative leaders were not immediately returned Sunday.

The legislature grappled with various efforts to ban same-sex marriages before the high court ruling in 2003. Lawmakers refused to vote on a citizens' initiative in 2002, and two years later they voted down their own proposed amendment that would have banned same-sex marriage and legalized civil unions.

Renewed War Over "Don't Ask, Don't Tell" (NSWK)

Newsweek, November 27, 2006

DOJ_NMG_0096216

With the Democrats in control of Congress, some activists are hoping they'll add a controversial issue to their to-do list: revisiting the "don't ask, don't tell" policy on gays in the military. Gay servicemembers have sought a policy change for years. Now, says Steve Ralls, spokesman for the Servicemembers Legal Defense Network, gay vets hope they might make some progress at a time when the military can't afford to turn away the willing and able. Last year the Pentagon discharged 742 service members for homosexuality, according to SLDN.

But making a change won't be easy: gay-rights advocates have seen a troubling signal from the Pentagon. Massachusetts Rep. Martin Meehan and the American Psychiatric Association complained last June when they learned the military's disability policy classified homosexuality as a mental disorder—something the APA stopped doing in 1973. Then the Pentagon quietly reclassified it in July. Last week Meehan and the APA complained once more: homosexuality has now been grouped with other "conditions, circumstances and defects" like bed-wetting, repeated venereal-disease infections and obesity. The reclassification is "even worse," says Aaron Belkin, who studies gays in the military at the University of California, Santa Barbara. "Now [homosexuality] is explicitly deemed to be a defect." Pentagon spokeswoman Cynthia Smith says the Defense Department does "not think homosexuality is a mental illness" and says the classification could be re-examined.

The gay question has long been a political quagmire. Since Bill Clinton waded into the controversy in 1993, more than two dozen former senior military officers have denounced "don't ask," including Gen. Wesley Clark and Gen. Claudia Kennedy. "We have a much friendlier environment now," says Ralls, citing a more accepting attitude by the "Will & Grace" generation. Gay British soldiers serve alongside Americans in Iraq and Afghanistan, sharing quarters. In Congress, Meehan has already introduced the Military Readiness Enhancement Act to replace "don't ask" with a nondiscrimination policy. He has 122 bipartisan cosponsors and hopes for hearings on the topic. Though GOP Rep. Duncan Hunter—a backer of "don't ask"—is on his way out as House Armed Services chair, his Democratic replacement, Rep. Ike Skelton, supports the current policy, too. And as the Pentagon's recent reclassification showed, there is still a long war ahead.

ANTITRUST:

Freeport Buys Phelps For $26bn (FT)

By James Politi In New York

Financial Times, November 20, 2006

Freeport-McMoRan on Sunday night agreed to buy Phelps Dodge for $25.9bn (£13.7bn) in cash and stock to become the world's largest publicly traded copper company with mines stretching from Indonesia to Chile.

The takeover is the latest in a wave of consolidation that has swept through the global mining industry as commodity prices soared because of high demand, particularly from China.

Amid the boom, both Freeport and Phelps were faced with key strategic challenges that they decided to address by combining the two companies. Freeport has been seeking ways to diversify away from its main Grasberg mine, which is based in a remote part of Indonesian Papua and has been criticised for containing too much political risk.

Phelps, on the other hand, has been a takeover target since its twin bid for Canadian mining groups Inco and Falconbridge fell apart in September.

Under the terms of the deal, Phelps shareholders will receive $126.46 per share – or a 33 per cent premium to the company's market value on Friday. About 70 per cent of the transaction value, or $18bn, will be in cash, with the rest in shares, meaning Phelps investors will end up owning 38 per cent of the combined group.

In an interview last night, Richard Adkerson, the chief executive of Freeport who will run the combined group, said the deal made sense in a wide range of scenarios for the copper price.

He added that the greater size would make his company much stronger: "Scale is important because it will allow us to have better access to resources, suppliers and project opportunities in a way that is limited for smaller companies."

Although the deal is structured as a takeover by Freeport, the company's headquarters will move from New Orleans to Phelps' home of Phoenix, Arizona. Steve Whisler, chief executive of Phelps, will retire.

The new Freeport will become one of the most powerful forces in global mining, generating cashflow of about $6.5bn from the production of about 3.1bn pounds of copper, 1.7m ounces of gold, and 69m pounds of molybdenum. As well as Freeport's Grasberg mine, the combined group will own Phelps operations in North and South America and control the Tenke Fungurume copper-cobalt project in the Democratic Republic of the Congo.

The deal is the latest in a wave of transactions in the global mining industry. In recent months, Brazil's Companhia Vale do Rio Doce agreed to take over Inco, while Falconbridge was acquired by Xstrata.

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Freeport was advised by bankers at JPMorgan and Merrill Lynch and lawyers at Davis Polk and Jones Walker. Phelps was advised by Citigroup, Morgan Stanley and Debevoise.

Freeport Sets Big Bet On Metals With Phelps Deal (WSJ)

By Mark Heinzl And Russell Gold

The Wall Street Journal, November 20, 2006

Freeport-McMoRan Copper & Gold Inc.'s $25.9 billion cash-and-stock agreement to acquire rival copper producer Phelps Dodge Corp. marks a major long-term bet that metals prices will remain strong.

Freeport said it pursued the deal to gain the scale it needs to compete among other miners for equipment and prospects amid increased Chinese demand for commodities and high prices. But the deal comes after copper has fallen from loftier levels, leading to some industry concerns of a potential cyclical downturn.

The combination -- resulting in what would be North America's largest copper producer -- continues the recent streak of big-ticket mining deals, as the industry scrambles to secure new production and mine developments.

Freeport, of New Orleans, will offer $88 in cash and 0.67 share for each Phelps Dodge share. The offer is valued at $126.46 per share at Friday's closing prices, marking a sizable premium over Phelps Dodge's share price of $95.02 reached at 4 p.m. Friday in New York Stock Exchange composite trading. Freeport will finance the deal's cash portion, about $18 billion, with debt. Though Phelps Dodge is roughly twice the size of Freeport in terms of market value and sales, its shareholders will control 38% of the combined company.

Since reaching an all-time high in May, copper prices have dropped more than 20%, trading at about $3.08 a pound Friday on the New York Mercantile Exchange. Copper-market players have pointed to such factors as increasing Chinese production and slackening demand, and a slower U.S. economy and housing market. Concerns that copper supplies could fall short of demand have been offset by a growing sense that supplies appear sufficient. Costs, meanwhile, have climbed sharply in recent years amid high energy prices and tight equipment and labor markets.

Still, the current price remains high by historical standards and provides strong earnings and cash flows to many mining companies. Most copper mines in operation today were built with much lower prices in mind.

The Phelps Dodge acquisition will be immediately accretive to Freeport's earnings, the company said, and it will seek to pay down the incurred debt as quickly as possible from the cash flows of the combined company.

In an interview, Freeport President and Chief Executive Officer Richard Adkerson and Phelps Dodge Chairman and Chief Executive Steven Whisler said they have for years discussed the advantages of combining the companies.

Mr. Adkerson -- who would remain chief executive -- said the acquisition allows Freeport to branch out. It operates the highly profitable Grasberg copper and gold mine in Indonesia. Phelps Dodge, based in Phoenix, has geographically diverse mining operations in North America and South America and development projects such as a copper mine in Congo that stand to boost the combined companies' metal production by about 25% over the next three years.

The combination will help Freeport with the industry's labor and equipment problems, Mr. Adkerson said. "The larger and bigger players are in better position to have access to those resources," he said. "We will now be a global company in scale."

He argued copper prices are likely to remain strong because of economic development in China and other fast-growing countries and the lack of large new mines. Grades of existing mines, meanwhile, are dropping while some big mines are being quickly depleted, he said. Copper is used in industrial and construction applications from pipes to electronics and telecommunications.

Mining companies on the hunt for new deposits are being forced to do business in less politically stable nations. Indonesia has never received an investment grade from lenders. Freeport believes it can bring its Indonesia experience to bear in Congo, where Phelps Dodge has struggled to start its long-delayed Tenke Fungurume copper mine. "It looks to be a world-class development opportunity," Mr. Adkerson said. Freeport's role in Indonesia has been criticized by political activists and environmental groups; the company has defended its conduct.

Speculation that Phelps Dodge would become a takeover target has swirled since the company lost out on a bid to acquire Inco Ltd. in a protracted global battle for control of the big Canadian nickel and copper producer. Phelps Dodge's shares reached their 52-week high of $103.90 earlier this month. Mr. Whisler declined to comment on whether other companies sought to acquire Phelps Dodge. Some major shareholders have pushed for a sale or other measures to boost its stock.

For the first nine months of this year, Phelps Dodge reported net income of $1.69 billion on sales of $8.68 billion, while Freeport reported net income of $1.01 billion on sales of $4.15 billion.

James R. Moffett, chairman of Freeport, will be chairman. Mr. Whisler will retire when the deal is completed.

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Freeport is being advised by J.P. Morgan Securities Inc. and Merrill Lynch & Co., with legal advice from Davis Polk & Wardwell and Jones, Walker, Waechter, Poitevent, Carrere & Denegre LLP. Phelps Dodge is being advised by Citigroup Inc. and Morgan Stanley & Co., with legal counsel from Debevoise & Plimpton LLP.

Smaller Rival In Agreement To Acquire Copper Giant (NYT)

By Andrew Ross Sorkin And Ian Austen

The New York Times, November 20, 2006

Phelps Dodge, the world's second-largest copper producer, will be acquired by Freeport-McMoRan Copper and Gold, a smaller rival that has been embroiled in environmental and human rights controversies, in a cash and stock deal worth $25.9 billion, the companies said yesterday.

The transaction, if approved by shareholders, would create the world's largest copper producer and the largest mining company based in North America. It is the latest move in a series of mining and metals mergers. Like companies involved in other mining mergers, Freeport-McMoRan promoted the idea that increased size has become an important competitive factor.

"We have been watching the industry consolidation, fewer companies, larger companies, but we had not been playing a role in it," Freeport-McMoRan's president and chief executive, Richard C. Adkerson, said. "Now Freeport is a larger company that has a larger platform."

The chairman and chief executive of Phelps Dodge, J. Steven Whisler, said yesterday that the two companies have talked about a possible merger for about a decade. The premium of about 33 percent being offered by Freeport-McMoRan, Mr. Whisler said, was a decisive factor in Phelps Dodge's decision to end its 172-year history as an independent company.

The boards of both companies have approved the transaction. Under its terms, stockholders in Phelps Dodge will receive $88 a share in cash plus 0.67 of a Freeport-McMoRan share. Based on Friday's closing, the deal is offering Phelps Dodge shareholders a 33 percent premium.

Freeport-McMoRan, which has a market capitalization of $11.3 billion compared with Phelps Dodge's value of $19.4 billion, will finance the transactions by borrowing about $17.5 billion. Freeport said it expected the deal would be accretive to the combined company's earnings per share and cash flow immediately.

To a considerable extent, Phelps-Dodge now finds itself being acquired because of its failure earlier this year to bulk up with an acquisition of Inco, the large Toronto-based nickel miner.

Inco had approached Phelps Dodge in an attempt to help it with its bid for another Canadian nickel miner, Falconbridge. In exchange for financing for that transaction, Inco's board agreed to be acquired by Phelps Dodge in a deal cash and stock worth about $17 billion.

Ultimately, however, the three-way transaction fell apart. Phelps Dodge walked away from its Inco offer after Xstrata of Switzerland emerged as the winning bidder for Falconbridge. Companhia Vale do Rio Doce of Brazil acquired Inco after offering about $17 billion in cash.

Not only did the Phelps Dodge bid fail to impress Inco's shareholders, it was also criticized by some of the Phoenix-based company's own shareholders largely because it would have increased the company's debt levels from almost nothing to about $24 billion. Some critics said at the time that they would prefer Phelps Dodge to sell itself rather than become larger through acquisitions, a request that has now apparently been granted.

Mr. Whisler will retire when the Freeport-McMoRan takeover is completed. The resulting company, which will retain Freeport-McMoRan name but move its head office from New Orleans to Phoenix, will be led by Mr. Adkerson and retain James R. Moffett, of Freeport-McMoRan, as chairman.

While Phelps Dodge has large mines in United States, Central and South America as well as Africa, Freeport-McMoRan's only significant asset is a mine in Indonesia.

Earlier this year, riots in the Indonesian province of Papua were directed at Freeport-McMoRan. In December 2005, The New York Times reported that Freeport had given more financial support to the Indonesian Army and police in Papua than the company had publicly reported, in some cases individual commanders received tens of thousands of dollars from the company.

Mr. Adkerson said the company was still responding to requests from regulators about the timing and level of disclosure to shareholders about those payments.

The Indonesian mine's operations have also come under criticism for their environmental practices. Mr. Adkerson said that Freeport-McMoRan now had its environmental measures assessed and tracked by independent auditors.

"We operate in an unusual place," he said. "Our mine is in a remarkable physical setting."

Freeport-McMoRan was advised in the deal by J. P. Morgan Securities and Merrill Lynch while legal advisers were Davis Polk & Wardwell and Jones, Walker, Waechter, Poitevent, Carrère & Denègre. Citigroup Corporate and Investment Banking and Morgan Stanley & Company worked with Phelps Dodge, and its legal counsel was Debevoise & Plimpton.

DOJ_NMG_0096219

Copper Firms To Merge In $26 Billion Takeover (BLOOM)

By Vivek Shankar And Tan Hwee Ann

Bloomberg News, November 20, 2006

Freeport-McMoRan Copper & Gold Inc. has agreed to buy Phelps Dodge Corp. for $25.9 billion in cash and stock to form the world's largest publicly traded copper company.

Phelps Dodge stockholders will get $126.46 a share, or $88 in cash and 0.67 Freeport share, New Orleans-based Freeport-McMoRan said in a statement yesterday.

That is 33 percent more than Phoenix-based Phelps Dodge's closing price Friday.

Global mining takeovers, fueled by record profits and prices of metals such as copper and zinc, more than doubled this year, to $113.7 billion, according to data compiled by Bloomberg News.

The Freeport transaction will be the largest mining-industry takeover deal this year.

"With metal prices fueling strong cash flows, and the expectation by companies that prices will stay stronger for longer, more miners would want to shore up their backdoor or acquire to add value," said Tim Barker at BT Financial Group, which manages $54 billion of assets, including mining stocks. "It looks like a pretty strong price for the shareholders of Phelps Dodge."

Freeport has secured financing from J.P. Morgan Chase & Co. and Merrill Lynch & Co., and the cash portion of the bid is about 70 percent of the total bid, it said.

This year, Freeport has paid $500 million of debt early, spent $313 million on dividend payments and bought back $80 million in shares.

Freeport shareholders will "benefit from . . . lower cost of capital, and improved geographic and asset diversification," Freeport President and Chief Executive Officer Richard C. Adkerson said in the statement.

Blackstone In Talks To Buy Equity In $36bn Deal (FT)

By James Politi In New York

Financial Times, November 20, 2006

Blackstone was on Sunday night in advanced discussions to seal the biggest private equity deal on record as the board of Equity Office Properties, the US commercial real estate company founded by Sam Zell, met to vote on a takeover worth $36bn including debt.

Although the outcome of the meeting remained unclear, the talks will highlight the growing audacity of cash-rich, buy-out firms, which are taking over some of the biggest US companies in a range of industries.

Last week Thomas H. Lee Partners, Bain Capital and a group of banks agreed to buy Clear Channel Communications, the biggest chain of US radio stations. Harrah's Entertainment, the US casino giant, has for weeks been in talks to be taken over by Apollo Management and Texas Pacific, although it remained unclear on Sunday night if that would result in an agreement.

In July, HCA, the biggest US hospital chain, agreed to be taken private by a consortium including Bain Capital, Kohlberg Kravis Roberts, and Merrill Lynch for about $33bn. That agreement broke the record for the biggest private equity deal, sealed in 1989 when KKR bought RJR Nabisco, the food and tobacco conglomerate.

But the huge amounts of money flooding into private equity and the availability of cheap debt to finance acquisitions have led to expectations that the HCA deal size would soon be trumped.

According to people familiar with the matter, Blackstone, led by Steve Schwarzman, has offered to pay about $20bn in cash for Equity Office, which is based in Chicago and is the biggest publicly traded owner of office buildings in the US.

Blackstone would be taking on $16bn of the company's debt if a deal were signed. Blackstone and Equity Office declined to comment.

An acquisition of Equity Office by Blackstone would represent the private equity group's latest big bet on the health of the commercial property markets in the US, where prices have risen significantly in recent years, leading to fears of a bubble.

Blackstone already began targeting the commercial property this year when it agreed to take over CarrAmerica for $5.6bn and Trizec Properties for $8.9bn. Blackstone is also a big investor in hotels.

Shares in Equity Office, established three decades ago by Sam Zell, the current chairman and Chicago real estate magnate, were trading at $44.72 on Friday. The current stock price gives Equity Office a market capitalisation of $15.72bn and implies that Blackstone's offer is at a 27 per cent premium to its current market value.

Blackstone Is Set To Announce Takeover Plan For Equity Office (WSJ)

By Dennis K. Berman

The Wall Street Journal, November 20, 2006

DOJ_NMG_0096220

Joining an unprecedented rush to remove corporations from the public markets, the real estate arm of private-equity firm The Blackstone Group is set to announce a $20 billion takeover plan for Equity Office Properties Trust, the largest U.S. office-building owner and manager, people familiar with the matter said.

If completed, the deal would become the largest such "take private" deal in history -- and the largest real-estate deal in history -- when factoring in Equity Office's existing $16 billion in debt. It's a record that has already been broken this year, and could be broken again by year-end, as private-equity firms train hundreds of billions of dollars of capital on once untouchable names of the stock-market firmament.

If the deal is ratified later tonight, Blackstone is expected to pay about $48.50 for each share of Equity Office, say the people familiar with the matter, representing about a 10% premium to Chicago-based Equity Office's stock price on Friday, of $44.72. Equity Office's management, including its founder and public face, Sam Zell, are not expected to be a part of the buyout group, the people added.

Blackstone Acquiring Trust In Richest Buyout (NYT)

By Andrew Ross Sorkin And Terry Pristin

The New York Times, November 20, 2006

The Blackstone Group, a private investment firm, said yesterday that it had agreed to acquire Equity Office Properties Trust, the nation's largest office-building owner and manager, for about $36 billion.

The deal marks the largest leveraged buyout in history, eclipsing the $33 billion paid earlier this year for H.C.A., the hospital chain, and it illustrates how private equity firms continue to gobble up corporate America. Under the transaction, Equity Office will go from being a publicly held company to a private one. Blackstone will pay $20 billion and assume $16 billion in debt.

Equity Office, with some 590 buildings and over 105 million square feet of office space in major metropolitan markets, was created in 1976 by Sam Zell, a real estate tycoon who built the business through dozens of acquisitions that were worth, in aggregate, more than $17 billion. Last year, Equity Office acquired the Verizon Building on Sixth Avenue in Manhattan for $515 million.

Matthew L. Ostrower, an analyst at Morgan Stanley, called the proposed deal "a ground-breaking transaction for the real estate world in general and an earthquake for the REIT industry."

Mr. Ostrower said that if a company the size of Equity Office chose not to remain public, "now every public company out there is going to have to some degree examine their capitalization, whether being public makes sense."

The deal will make Blackstone, which was founded in 1985 by Peter G. Peterson and Stephen A. Schwarzman, one of the nation's largest owners of real estate.

"We believe that the skills and strengths of Equity Office will greatly enhance our existing office platform," Jonathan D. Gray, senior managing director of Blackstone, said in a statement.

For Mr. Zell, one of richest men in America and the owner of more real estate than Donald J. Trump, the sale is an opportunity to cash out of part of the empire he built while working from his office in the old Daily News Building in Chicago. But the sale by Mr. Zell, who made his first millions in the 1970's buying distressed real estate, may also signal that he believes the market may have peaked.

Just last month, Ross L. Smotrich, an analysts at Bear Stearns, wrote in a note to investors: "REIT's have outperformed the broader market in each of the past seven years, putting valuations at the high end of historical ranges."

But in an upbeat report issued last week, Green Street Advisors, a research company, said that office rents, which have increased 8 percent over the past year, are likely to continue to rise next year. REIT's usually own and operate income-producing real estate.

Private equity firms are vying to hold the crown of having led the biggest buyout in history, and, with this deal, Blackstone will be able to do so at least for now. Blackstone will move ahead of Kohlberg Kravis Roberts & Company, which led the H.C.A. sale. Kohlberg Kravis also held the prior record with its 1989 takeover of RJR Nabisco, a deal that came to define an era when it was chronicled in the book "Barbarians at the Gate."

The transaction comes amid a private equity frenzy for the next big leveraged buyout. Last week, Clear Channel was acquired for about $26 billion by a team of private equity firms. Other deals, like the $22 billion purchase of the gas pipeline company Kinder Morgan or the sale of Freescale Semiconductor for $17.6 billion, have redefined the size and scope of leveraged buyouts. Harrah's, the big casino company, is currently in negotiations to be taken over by another group of private equity firms.

For many years, it was Equity Office that bought up other companies, but the company's performance in recent years has cast doubt on Mr. Zell's longtime credo that "bigger is better." In 2000, as the dot-com industry was about slide, Equity Office acquired a large portfolio of buildings in the Silicon Valley and was later forced to sell them at a loss.

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In recent years, Equity Office has reduced its holdings in weaker markets like Dallas, Houston and New Orleans and has tried to establish a bigger presence in stronger markets like New York and Washington. In 2005, the company sold $2.7 billion in assets.

Blackstone, meanwhile, has been the biggest acquirer of large buildings over the last five years. It has bought interests in $32 billion worth of property, 50 percent more than next largest buyer, said Robert M. White Jr., president of Real Capital Analytics, a New York research company.

This year alone, Blackstone has bought $20 billion worth of real estate, or 7 percent of all acquisitions. It has been involved in more REIT buyouts and mergers than any other company.

Blackstone began buying office REIT's only this year, first by paying $5.6 billion for CarrAmerica Realty Corporation, which had interests in 285 buildings, mainly in California and Washington, D.C. In a deal that closed last month, Blackstone teamed with Brookfield Properties, a REIT, to buy Trizec Properties, the owner of 61 office buildings, including the W.R. Grace Building in Manhattan.

Under the latest deal, Blackstone would pay $48.50 a share for Equity Office, representing an 8.5 percent premium to its closing price on Friday of $44.72.

Real Estate Giant To Go Private In $36 Billion Deal (BLOOM)

By Dana Cimilluca And Brian Louis

Bloomberg News, November 20, 2006

Blackstone Group L.P., manager of the world's largest buyout fund, has agreed to purchase Equity Office Properties Trust, the largest U.S. office landlord, for about $36 billion in stock and debt, Equity Office said late last night.

The leveraged buyout of Equity Office would be the largest ever in the real estate industry. It comes amid a dealmaking bonanza for private equity firms, flush with cash from record fundraising, and office REITs, which are benefiting from surging demand in major markets such as New York.

Equity Office shareholders would receive $48.50 a share, an 8.5 percent premium to Friday's closing price of $44.72, the companies said in a statement. The Equity Office board unanimously approved the offer for the Chicago-based real estate investment trust last night. Including the assumption of Equity Office debt, the total value of the transaction is $36 billion, making it the biggest leveraged buyout in history. The deal still has to be approved by Equity Office shareholders.

"I think it's a deal that's pretty attractive to shareholders," said Srikanth Nagarajan, an analyst with RBC Capital Markets in New York. "Office properties are increasing in value in the eyes of private equity investors."

Blackstone had previously acquired 10 publicly traded real estate companies in the past two years, including CarrAmerica Realty Corp.

Buyout firms have raised a record $170 billion this year through mid-October, up from $134 billion in 2005, according to London-based consultant Private Equity Intelligence Ltd.

The buyout talks were reported earlier by the Wall Street Journal. Terry Holt, a spokeswoman for Equity Office, declined to comment late last night. John Ford, a spokesman for New York-based Blackstone, also declined to comment.

Blackstone in July raised a $15.6 billion fund, to which it is adding. In June, it raised $5.25 billion for the largest-ever fund for high-return real estate investments, the majority of which has been spent already.

The company and other private equity firms, which finance the bulk of their takeovers using the target company's cash flow, have announced $600 billion of acquisitions so far this year, compared with $241 billion in 2005, according to data compiled by Bloomberg News.

Equity Office and Blackstone said in the statement that they expect the deal to close in the first quarter of 2007.

The biggest acquisition of a real estate investment trust to date is General Growth Properties Inc.'s purchase of Rouse Co. for $11.3 billion in 2004.

Equity Office shares have gained 47 percent this year. Over the past three years, the shares have increased 60 percent.

But Equity Office's share price hasn't appreciated as much as those of other REITs since it went public in July 1997 at $21 a share. Shares of New York-based SL Green Realty Corp., for example, closed Friday at $126.30 in New York Stock Exchange composite trading. Boston Properties Inc. went public at $25 a share in June 1997 and it closed Friday at $108.62 in New York Stock Exchange composite trading.

Bloomberg News staff writers Daniel Taub and Hui-yong Yu contributed to this report.

Managing Lessons Learned? How US Airways Would Navigate Merger (WSJ)

By Melanie Trottman

The Wall Street Journal, November 20, 2006

DOJ_NMG_0096222

It's hard enough post-Sept. 11 to manage one airline. Now, US Airways Group Inc. Chief Executive Doug Parker wants to run three.

With his $8.67 billion hostile bid last week for Delta Air Lines, the CEO is proposing to add yet another company to the two he's already combining as a result of his America West Airlines acquiring US Airways late last year. He envisions that the new airline would fly under the Delta name.

The 45-year-old, known for his financial expertise, is rolling the dice again in what would become the greatest management challenge of his career if a deal goes through. By merging with the much-larger Atlanta carrier Delta as it emerges from bankruptcy court, US Airways, based in Tempe, Ariz., would become the largest U.S. airline in terms of passenger traffic, a huge leap from its No. 6 ranking right now.

It would add an exponential level of complexity to an already daunting task. Though the earlier merger is considered a financial success so far, some of its customer-service rankings have been among industry lows in recent months as the airline has had rising problems with baggage handling and overall service complaints. Management is still blending the cultures of the two airlines, which were in many ways steeped in vastly different processes and procedures.

Union groups have yet to be combined, and pilots are griping about how throwing a third airline into the mix would further complicate the task of reassigning seniority ratings. US Airways has yet to meld the reservation systems of its predecessor airlines, a huge and sensitive task set to occur early next year. The company had major glitches when it combined frequent-flier programs and launched a blended Web site in May, efforts that angered many customers who couldn't complete bookings or get access to frequent-flier-mileage information.

Mr. Parker, though, is talking up the savings. A US Airways-Delta merger would cut overlapping flights and reorganize ground facilities, among other things, to bring about some $1.65 billion in annual cost savings, he said.

Increased size would be an advantage, not a burden for the airline, Mr. Parker said: "Size helps. The ability to take more people to more places is a critical factor in running an airline, so it certainly matters." The airline would also have more purchasing power when it comes to buying things such as new seats for aircraft or cups and napkins for in-flight service.

Still, adding Delta would bring more than 400 additional planes to schedule and maintain, 51,000 more employees, more complex technology to integrate or overhaul, and throngs of new customers (in terms of "passenger enplanements" -- a person getting onto an airplane -- Delta has about 119 million a year, nearly four times that of US Airways). "Because of the immense complexity of all the moving parts, the amount of planning is the single most important factor involved" in pulling off any merger, said Peter Walsh, director of New York-based Mercer Management Consulting's aerospace group.

Mr. Parker and his team say they are ahead of the game in planning if the Delta acquisition goes through. In the first merger they had to create an integration plan from scratch. But when they began contemplating a Delta combination months ago, they started going through each operating area to assess what would be different with Delta and what didn't work in the first merger.

"We've learned a lot of lessons. We'll do it better the second time around," said US Airways President Scott Kirby, who, like Mr. Parker, was an executive at America West before the merger.

One of the lessons, Mr. Parker said, comes from the airline's Philadelphia hub, acquired from the old US Airways. Baggage-handling problems and staffing shortages persisted even after Mr. Parker bought millions of dollars in ground equipment and increased staffing. He recently bought more equipment and boosted staffing again.

"It was a bigger problem than we thought," Mr. Parker said. "We've made huge progress over the last few months by focusing more on baggage, getting more people hired, putting more ground equipment in place. We apparently didn't go quite far enough. That is our No. 1 focus at US Airways, getting that done."

Management also learned it needed to listen more to employees. After the problem-ridden launch of the new US Airways Web site, Mr. Kirby started a weekly conference call with employees from reservations, airports, and other areas to discuss customer feedback. Once a month, a dozen vice presidents meet with line workers at various locations to do the same.

In a Delta merger, management would move more slowly on some of the technology integrations, Mr. Kirby said. The company was blindsided by higher customer call volumes after it moved more than 10 million frequent-flier records from one airline's technology platform to another. In a Delta merger they'd do more testing in advance and bring in customers to give feedback on the Web site and help identify glitches.

Executives concede that Atlanta's airport -- where Delta operates a huge hub -- would be a bear to manage. US Airways executives say that to more efficiently manage the sprawling, busy facility, they'll likely fly larger planes from that airport, while moving smaller planes to their nearby hub in Charlotte.

One key challenge for Mr. Parker would be putting together an expanded team of managers that would include those from an airline that is still loudly opposing his bid. "What we learned in the US Airways-America West merger is that it's extremely important to have people from both management teams working together," he said.

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When Mr. Parker was first integrating the new US Airways, he and his team came up with a list of goals he planned to share with employees. Someone from the America West side of his team suggested creating a slogan for the campaign. But managers from the old US Airways advised Mr. Parker that workers would think that was disingenuous, given that the company had made two trips through bankruptcy court and a string of promises from former managers hadn't panned out. "There are histories in each company, and as I went out and talked to employees on the US Airways side, I had to spend a lot of time trying to understand what have they gone through, what have they heard, how am I going to sound saying that?" Mr. Parker said.

All this is likely dwarfed by the union issues posed by combining three airlines. US Airways is conducting talks with pilots groups from both its predecessor airlines, and those talks are unlikely to be completed before a merger with Delta could be consummated some time next year. That means the airline could end up conducting three-way union talks.

Mr. Parker said he plans to raise union pay scales for the combined labor groups to the highest scale paid by any of the three original airlines. Current US Airways pilots say it's not so simple, given all the seniority issues and their uncertainty whether the highest pay scales would be enough. They also want the company to complete negotiations with them before taking on another merger.

Mr. Parker said he was forced to make a move while Delta was still in bankruptcy proceedings and big cost savings could still be negotiated through the courts. "If we could, we would have liked for this opportunity to come along a little later, so we could fully integrate our merger now," he said.

Final Bids For Putnam Are Due Before Thanksgiving Holiday (WSJ)

By Ian Mcdonald And Dennis K. Berman

The Wall Street Journal, November 20, 2006

The auction of Boston money manager Putnam Investments will move into its latter stages this week with final offers due from three bidders before the Thanksgiving holiday, according to people familiar with the matter.

Prior to the Thursday holiday, bids are expected from three suitors: Amvescap PLC of the United Kingdom, Unicredito Italiano SpA of Italy and Power Corp. of Canada, according to one of these people.

It could be weeks before any decision is made by Putnam's parent, Marsh & McLennan Cos., of New York. Marsh President and Chief Executive Michael Cherkasky has called the auction "a market check," and the company may decide to hang onto Putnam, which manages $187 billion of assets, if it can't get a price its board considers fair.

A Marsh spokesman declined to comment. Calls to Amvescap, Unicredito and Power Corp. weren't returned.

A final sale price could be affected by the inclusion of "earn out" clauses. These agreements might allow for a lower payment up front but also additional payments if Putnam meets specific financial goals.

The Putnam auction is seen as an important step in Marsh's recovery from a tangle with New York Attorney General Eliot Spitzer. Mr. Cherkasky took the company's reins in October 2004 when an industry-wide bid-rigging inquiry put the firm and its Marsh Inc. insurance brokerage in crisis. Marsh Inc. and other large insurance brokers reached civil settlements with state authorities.

But many, including Marsh, also gave up controversial and lucrative commissions they previously accepted from insurers. Replacing that revenue has been difficult. Marsh earned $404 million last year. That was up from 2004 but down from the more than $1.5 billion in 2003 when it still accepted so-called contingent commissions from insurance companies.

The company has reported $764 million in net income through the first nine months of this year, as Mr. Cherkasky has embarked on a cost-cutting campaign. He has told shareholders he aims to build the company into a premier risk consultant to corporate clients world-wide. Its Marsh insurance-brokerage unit as well as its Mercer and Kroll consulting units generally fit under that umbrella.

But Putnam could be seen as something of an outlier. The money manager is seen as an awkward fit at times. Having a money manager and Marsh's Mercer Investment Consulting under one roof, for instance, creates a potential conflict of interest.

Putnam historically has buttressed Marsh profits when the insurance brokerage and consulting units struggled, but the company has grappled with its own problems in recent years. Poor performance in the 2000-2002 bear market and inclusion in a share-trading scandal in 2003 hacked away at the company's assets and reputation. The company's current assets under management are less than half what they were at their peak in 2000.

That said, things have begun to look up for Putnam and Marsh lately. Putnam funds' performance and reputation have started to improve during the watch of President and Chief Executive Charles Haldeman, who took over amid the share-trading scandal in 2003. While Mr. Haldeman offered to step down if a buyer wanted to install its own managers, he appears to have the backing of the board of Putnam's mutual funds, according to a person familiar with the matter.

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For its part, Marsh more than doubled its net income during the third quarter from the year-earlier period despite modest revenue growth. The company's shares, still below their level prior to the bid-rigging probe, are up more than 26% during the past three months.

Marsh's shares closed at $32.09 each on the New York Stock Exchange Friday, down 12 cents, for a $17.75 billion market value.

Bearish On Chicago (WSJ)

By Meyer S. Frucher

The Wall Street Journal, November 20, 2006

The announcement of the proposed merger between the Chicago Mercantile Exchange and the Chicago Board of Trade has sparked applause from the shareholders who will benefit. But for the marketplace, the growing derivatives trading community, and the American consumer, the merger of two already powerful monopolies into a single pre-eminent force in the risk markets may be the perfect illustration of why monopolies are a bad thing. For regulators, therefore, the proposed merger represents an urgent challenge and an opportunity to ensure the competitiveness of these essential markets.

Historically, both the CME and the CBOT have operated as effective monopolies as futures contracts were typically traded exclusively at a particular marketplace. Yet to the idea that there is a downside to two discrete but not overlapping monopolies merging into one, many in the financial markets have responded: So what? After all, contracts traded at both exchanges are cleared by a single entity today. So long as the products are distinct from one another and the transaction does not result in incremental concentration of the marketplace for futures clearing, then there is no incremental concentration of market share either.

The argument does not stand up. First, the commercial markets suggest that you look for evidence of monopoly powers in concentrated pricing that harms consumers, builds economic inefficiencies into the system, and stifles innovation. Yet the recent history of the futures markets has shown that the winds of change were brought by a failed competitor in the case of CBOT and by the scrutiny of public equity investors in the case of CME. In fact, CBOT's case demonstrated the impact of competition on pricing and the "stickiness" of incumbency. The merged entity will concentrate pricing and will thus wield monopoly powers.

Second, given the supposedly limited overlap between products in the merger, this monopoly will reside in the financial futures that comprise the interest rate risk products -- i.e., Eurodollar futures that trade on the CME and the Treasury futures that trade at the CBOT. If this merger is approved, 80% of exchange-traded interest rate derivatives will be concentrated in one marketplace. Some counter this by contending that Eurodollar and Treasury futures contracts do not compete with one another because they are used to manage risks at different ends of the yield curve. But this is not true; both provide products along the entire curve. Thus, they are competitive, and their concentration into one marketplace would clearly be anticompetitive.

Third, the fact that clearing is already concentrated into one entity is already anticompetitive. Clearing should be a commoditized, processing-oriented service essential to the credit intermediation role of exchanges and thereby to the proper functioning of exchanges. Given that both exchanges have raised prices for clearing services since the Common Clearing Link was established, their concentrated clearing is a red flag.

Well, argue naysayers, even if the monopoly begins to creep toward predatory pricing, what's to stop some other market from listing a competing product that slashes that cost? In many markets, such as the cash equity trading arena, that is exactly what takes place. But such a scenario is unlikely to happen in the unique arena of trading and clearing in the futures contracts. Firms will only trade where there is sufficient liquidity to unwind a position they are carrying. The liquidity at a merged CME/CBOT would be unassailable, making it impossible for an upstart market to get a "first adopter" to trade a competing product.

The concentrated clearing exacerbates the issue. The cross-margining benefits of clearing all financial futures contracts at a single clearinghouse reduces the amount of capital traders need to post in order to take potentially risk-offsetting positions in products traded on different exchanges. This provides a further incentive to trade only at CME. While the common clearing link may have made margining more efficient, it has left unaddressed the long-term pricing power in the clearing space. We are talking about structural advantages that already impede entry to compete head-to-head in a product with either of them. Taking on their combined might in a merged entity would be akin to a high school team taking on the Chicago Bears. Add to these concentrated powers the fact that a merged CME/CBOT would be a self-regulating organization. That would make the post-merger CME an effective monopoly in the regulation of the financial futures space, exacerbating the issues of bifurcated regulation at the federal level between the Commodity Futures Trading Commission and the SEC.

So how does this merger affect the average trader or public investor? As more and more people use derivatives to manage their own portfolio risk or speculate on the direction of interest rates or commodities, it is a certainty that their transaction costs

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will be higher if CME and CBOT merge. Since both went public, they have raised their transaction and clearing fees, and can certainly continue to do so unilaterally as a merged organization.

What can the CFTC and the Department of Justice do to ensure that a merger benefits the markets? First, the CTFC should insist on fungibility of products so that if another futures market offers a Eurodollar future, any firm can take or unwind a position on different marketplaces. That will encourage competition. Second, DOJ can insist that CME "universalize" its clearing services by separating the clearinghouse from its common ownership with the exchanges, or by allowing other clearinghouses the benefits of cross-margining.

Exchanges that have gone public -- especially futures exchanges -- have commanded the attention of the capital markets and enjoyed the benefits of investment. That is a good thing. A CME/CBOT merger, however, holds the potential to cast a disproportionate shadow over the risk markets -- with adverse impact on the markets themselves and certainly on the public.

Mr. Frucher is chairman and CEO of the Philadelphia Stock Exchange.

ENVIRONMENT:

Reforestation And Deforestation (NYT)

The New York Times, November 20, 2006

Almost anyone who lives in the rural Northeast can attest that the forest has expanded its range in the past century. That is why all those stone walls — the edges of cleared fields once upon a time — are now orphaned deep in the woods. A new study published by the National Academy of Sciences and based on a recent international assessment of forests confirms that reforestation has become a widespread pattern in well-off countries and also in a few that are not so well off.

This is obviously good news. Forests provide critical wildlife habitat, and the study's authors say the forest "withholds carbon dioxide that would add to greenhouse gas in the atmosphere."

Forest transitions — the shift from net deforestation to reforestation — began long ago in Europe and more recently in the United States. What is surprising is that they are beginning to happen in parts of India and Asia as well. Reforestation is directly linked to prosperity, an indicator that a country has risen well above the level of mere subsistence and has an economy that no longer depends entirely on exploiting natural resources.

But there is also bad news mixed with the good news. In some parts of the world, deforestation is only expanding, with dire consequences for biodiversity and the climate.

And even where forests have recovered, there is the likelihood that they have passed through an ecological point of no return. Some of the most biologically diverse forests are being logged or burned without ceasing, destroying irreplaceable habitat and extinguishing species one by one.

Perhaps someday those tropical forests will come back. But there will be no bringing back all the creatures who lived among them.

No Fish Story (WP)

The Washington Post, November 20, 2006

FOR YEARS, scientists, environmentalists, responsible fishermen and others who care about the health of marine ecosystems have been warning about overfishing and other practices that destroy oceanic biodiversity. The message has been clear to anyone who cared to listen: Reform fishing rules or the oceans will die -- and sooner than you think. How soon? A new paper by a team of respected scientists estimates that unless policymakers take substantial steps to preserve marine biodiversity, the world will face "the global collapse of all taxa currently fished by the mid-21st century." Given how variably fisheries are managed, that may be too dire. Then again, it may not; in many countries, fisheries management is a disaster. And in many parts of this country, it's little better. A lot of fisheries have already collapsed. And destructive fishing practices continue as though the oceans represent a limitless supply, rather than a series of delicate ecosystems more easily destroyed than repaired.

The only good news in the new study, published in the journal Science, is that with most species, humans have not yet reached the point of no return and that sound fisheries management really does make a difference in preserving the sort of diversity that allows stocks to recover. There is no great mystery here. Fisheries managers who are disciplined about limiting the catch to what responsible science says an ecosystem can sustain marry environmentalism with the long-term economic health for fishing communities. It is no accident that Alaska's farsighted fisheries management council is both a leader in environmental stewardship and oversees the country's largest and most profitable fishing industry. These are ultimately the same thing, after all

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-- extinct fish being hard to catch. The challenge domestically is to get other regions to follow Alaska's lead and internationally to get countries bent on destructive fishing practices to adopt more sustainable models.

On the domestic front, Congress needs to reauthorize and improve the law that governs fisheries management. Both houses of Congress have bills that would do this; the Senate's is generally stronger. It is critical that the legislature quickly send a tough bill to President Bush that would bind fisheries managers to the best available science and provide strictly enforceable limits on the amount of fish taken from the seas. Internationally the Bush administration has been pushing for a ban on unregulated bottom trawling on the high seas. Bottom trawling, in which giant nets get raked along the sea floor, destroying ancient corals and other life forms in their paths, is one of the most ecologically destructive forms of fishing. Getting such a ban -- as well as international limitations on other destructive fishing practices -- would be a significant coup environmentally and would burnish the record of oceanic protection Mr. Bush established this year with his creation of a mammoth marine protected area in the Northwestern Hawaiian Islands.

Responsible fisheries management is an issue that bends ideology. But it is one of the most pressing ecological concerns of our time. If policymakers fail to address it seriously, the oceans will become giant dead zones, and seafood will be a thing of the past.

Building Green (WP)

The Washington Post, November 20, 2006

IT'S A COMMON misconception that the noxious spew from an automobile's tailpipe is the predominant driver of global warming. But buildings are massive producers of the gases that contribute to climate change, too; they are responsible for at least 38 percent of greenhouse emissions in the United States, and the American Institute of Architects says that number is significantly higher. And, unlike the case with cars, cutting the contribution of buildings to the problem can be remarkably easy.

The environmental benefits of better building requirements remain an insight overripe for policymakers to exploit. That's why we welcome a bill the D.C. Council unanimously supported in its first reading last week. If the bill passes, government structures built three years after the legislation takes effect will have to meet a high standard of environmental friendliness. Five years on, private construction projects will also have to fulfill building requirements aimed at lessening environmental impact. This way, private developers would have a sense of how to easily bring their buildings into compliance and keep extra costs down before they have to begin meeting the new standards, a palliative that convinced the president of the D.C. Building Industry Association to support the bill.

The legislation is hardly perfect, however. The guidelines to which District developers must adhere place insufficient emphasis on energy efficiency. For example, builders can get away with doing special landscaping or making indoor conditions more pleasant instead of aggressively cutting electricity usage. Still, the legislation serves a useful purpose without imposing punishing costs on builders.

While there is some concern that the proposed law might cause developers to turn to other areas of the region that have looser building requirements, it's more likely that the District will become a regional leader in establishing environmentally sound building practices. The region's Council of Governments recently commissioned a task force to recommend area-wide "green" building standards. The District is showing the way.

After years of presidential neglect on global climate change, states and localities have had to pioneer their own approaches to reducing the atmospheric pollution they produce. Smart building requirements are a promising new tool for American cities to do just that. More jurisdictions should follow the District's example.

FBI/DEA/ATF/USMS:

Global Hunt Turns Pushers Into Prey (PHI)

By John Shiffman

The Philadelphia Inquirer, November 20, 2006

HENRY ON THE PARK APARTMENTS, ROXBOROUGH

Fighting a fever with pepper cardamom tea, the graduate student raced through his homework and e-mailed a PowerPoint presentation to classmates. American business school seemed so easy. Group homework assignments. Exam review sessions. Online classes. Open-book tests!

And now, on April 18, 2005, Akhil Bansal stood on the cusp of earning an MBA and a master's in health-care finance from Temple University, golden American degrees that would catapult his career back home in India.

He smirked at the irony of that evening's twin assignments, health-care marketing and generic-drug risk management, subjects in which he had more than a passing interest.

If they only knew...

Since his arrival in Philadelphia in 2003, this studious foreigner, with his rumpled flannel shirts and cocksure demeanor, had at age 26 blossomed into a global businessman.

While classmates studied case histories and created mock businesses, Akhil made real money. He controlled offshore accounts worth $6 million. He bought four cars and a sleek five-bedroom condo in a swank suburb of New Delhi. He could fly his fiancée to London on a whim. The balance in his free student checking account stood at $401,881.

His family's business was simple. From its base in India, the company supplied Internet pharmacies on four continents. The Bansals were the guys who supplied the guys who sent that relentless spam, luring American consumers with cheap Viagra, no-prescription Ambien, next-day codeine.

Akhil oversaw the family's North American operations, shipping roughly 75,000 pills a day via UPS. In a little more than a year, the network had smuggled 11 million prescription tablets to more than 60,000 American addresses, an operation that grossed at least $8 million. These numbers did not include the steroids or the kilo shipments of the tranquilizer ketamine, a club drug called "Special K."

The family's Internet business represented a dark slice of the global economy so new, and so widespread, that national governments were still struggling to understand it, let alone police it.

Laws were vague, outdated, inconsistent. Technology - new medicines and ways to deliver them - was outpacing regulation.

Demand grew monthly. On this moonlit evening in April 2005, for example, the Bansal business had an additional six million tablets and 108 kilos of ketamine stockpiled in a cluttered garage and a warehouse in suburban Queens, N.Y.

There were risks, yes. Some clients paid slowly; some employees stole. More ominously, a valued client, one Web operator Akhil supplied, had been arrested on drug charges just days before.

Indeed, in an overseas phone call that very morning Akhil and his father, Brij Bansal, had discussed this arrest, spooked but reminding themselves again that what they were doing was legal: Both were doctors, after all, and in India most of the medicines they sold did not require a prescription.

Even so, the father sensed something wrong.

"Close all your bank accounts and transfer online," Brij told Akhil. "Keep an open ticket ready, and as soon as you smell trouble you can leave by the time they reach you."

"Yeah... . OK, Papaji."

ANJUMAN HOTEL, AGRA, INDIA

Seven thousand miles away, a thin Indian drug agent with a rust-colored goatee perched over a laptop in a sweaty hotel room not far from the Taj Mahal.

The room's thick walls and tiny windows shielded the wire man from the blare of National Highway 2, a road so frenetic even cows gave way to its traffic.

Through headphones, the Indian Narcotics Control Bureau agent listened to a replay of the Bansals' father-son call. Then the wire man listened again to confirm what he had heard: "Start taking precautions... keep an open ticket... as soon as you smell trouble..."

Across the room, his boss and his boss' boss stood next to an agent from America's DEA. The stakeout, two blocks from Brij Bansal's upscale home, was the culmination of a 13-month global dragnet. The wire man knew this bust represented his country's biggest Internet pharmacy crackdown, and its biggest case with the Americans.

With a series of synchronized sweeps coordinated from Philadelphia, Indian and U.S. agents hoped to arrest 17 people worldwide and seize bank accounts from 11 countries.

This was what the wire man had been waiting for.

Over six months on the wire, he had come to know the Bansals. Despite the time difference - when it was day here, it was night in Philadelphia - father and son spoke daily. True, they talked about the son's schooling and the father's bad heart. But mostly they talked business: supply, demand, stock, delivery, debt, profit.

The wire man had also eavesdropped on the father's calls with his New Delhi courier. Again and again, Brij reminded the courier to use phony return addresses on the packages he shipped to the United States. Several times, Brij remarked that he was paying the courier six times the going rate, a fee for which he expected loyalty and secrecy.

In a way, the wire man felt sorry for the Bansals. Except for their crimes, they were educated, productive, respected members of society. It would be sad to see them yanked from their homes in handcuffs.

That inglorious end, he believed, lay hours away.

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LANCASTER, PA.

Lynn, a 35-year-old mother who had not worked since a 2000 car accident, logged on to a familiar Web site, meds-warehouse.net.

Her doctor had prescribed Ambien in the past, but he was retired now, and insurance no longer covered the sleeping medication.

She ordered 30 tabs with her credit card.

The person at meds-warehouse.net did not require a prescription, nor did he have any medical training. He didn't even understand the purpose of half the drugs he sold.

After validating Lynn's credit card, the Web site operator entered the order onto an Excel spreadsheet, one of 24 Ambien orders this day - orders from Little Rock, Ark.; Hattiesburg, Miss.; Plano, Texas; Wichita, Kan.; and Philadelphia.

The operator forwarded the spreadsheet to his suppliers, Akhil and Brij Bansal, who fulfilled more than 1,000 orders each day from their Queens warehouse, shipping them by UPS across America.

DEA OFFICES, CENTER CITY

Whenever DEA supervisor Jeff Breeden grew nervous, he would rub his forehead with his left hand. Now, as the arrest briefing began, Breeden dug deep into his brow.

Tomorrow's worldwide takedown of the Bansal network was to be monitored from this drab conference room overlooking Independence Mall.

The network supplied a rainbow of pills - painkillers, sleep aids, sedatives, stimulants, steroids, psychotropics, erectile-dysfunction medication. Thousands of orders a day.

Who knew who made this stuff, where it came from, what was in it? The public health risk that Internet drugs posed, Breeden thought, was incalculable.

Yet no one in DEA had ever worked a major global online pharmacy investigation. He knew it was a career case, one colleagues would always link to his name. Breeden? Yeah, he's the guy who supervised the Internet pill case out of Philly.

To take down the network, agents were using a number of weapons - surveillance, undercover buys, cell-tower pings, trash pulls, e-mail wiretaps, bank subpoenas, immigration reports, even provisions of the Patriot Act. Agents here had flown to Australia, Costa Rica and India.

As Breeden listened to the arrest briefing, he thought about everything that could go wrong.

Would foreign banks and governments cooperate? Or would they protect the targets, allowing Akhil and others to flee with millions? Would magistrates in several states authorize search warrants in time? Would the bad guys be there when agents raided their homes at dawn? Had any of them gotten wind of the premature arrest in New York? Did Akhil, as he implied in e-mails, really have a mole inside U.S. Customs?

Had they overlooked anything?

James Kasson, the top DEA official in Philadelphia, a weightlifter with a New York accent, began with a pep talk. What they were doing, he reminded the agents, was important, cutting-edge.

"The administrator is personally watching," Kasson said, citing Karen Tandy, DEA's top official in Washington.

Congress was pressuring Tandy to do something about illegal online pharmacies. She recognized the emerging public health threat. After all, any kid with a credit card and Internet access could order highly addictive drugs from the safety of home. But so far, DEA had struggled to take down the rogue pharmacies.

Tandy was counting on the Bansal case to make a splash.

In D.C., there was talk that the attorney general himself would announce the bust. In New York, DEA agents were going to let ABC News go along on the raids. In Philadelphia, U.S. Attorney Patrick Meehan prepped for his news conference.

As the briefing broke up, the FBI agent on the case, Jason Huff, a bright young techie, approached the lead DEA agent, Eric Russ, a no-nonsense former Marine. Huff proposed an overnight stakeout of Akhil's Roxborough apartment, in case he and his roommate tried to flee.

Russ liked Huff, but Russ had a lot to coordinate, too much to accomplish before morning, and a stakeout wasn't part of the plan. He doubted anyone would run. These targets were computer nerds, not street thugs. If they hadn't detected surveillance trailing them for the last nine months, they weren't likely to be spooked at the eleventh hour.

Huff offered to have his FBI squad sit on the Roxborough apartment. Russ wasn't in the mood to argue. He thought, Knock yourself out, bud. I'm going home. I've got to be back here at 5 a.m. to coordinate arrests in five countries.

In the meantime, Kasson walked over to chat with Breeden, the nervous supervisor.

Kasson could see Breeden was tense. He tried some DEA humor.

"All right, Breeden," he said. "It's all on your shoulders now."

Wonderful, Breeden thought, knowing the boss was half-joking. He rubbed his forehead.

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NEW DELHI

The deputy director of investigations for India's Narcotics Control Bureau (NCB) was senior enough to rate an air-conditioner in his office. Yet Ahmad Payam Siddiqui was sweating anyway.

As the top official involved in the country's first Internet investigation, he knew the next 24 hours were vital.

For six months, Siddiqui had kept the Bansal case a closely guarded secret. Leaks and corruption were endemic in the Indian government, and Siddiqui feared someone would tip the targets in Agra or Delhi.

Akhil Bansal's father, Brij, was wealthy. If he knew what was coming, he might flee to nearby Nepal.

On the eve of the arrests, Siddiqui had had no choice but to let dozens of officials know about the case - agents, their superiors, local police. Who knew whom they might tell?

Siddiqui felt helpless. So much was at stake. The case. His reputation. The reputation of NCB. Of India.

If we screw this up, he thought, the Americans will think we are incompetent.

DUNKIN' DONUTS, NORTHEAST PHILA.

Prosecutor Barbara Cohan handed the search warrants to the magistrate judge on call.

It was well past 9 p.m.

Cohan ordered a large black coffee and an egg-and-bacon bagel, her first meal since breakfast, her first chance to exhale.

While the judge reviewed the paperwork, Cohan joined two cops at another table. They toasted her silently, clicking styrofoam. This was her last case as a federal prosecutor, probably the last time she would meet a magistrate after hours to get warrants approved. After 24 years - a career that included the successful prosecution of a KGB spy - Cohan was leaving the U.S. Attorney's Office.

That her last case was so important, so fascinating, so challenging, gave Cohan special satisfaction. Akhil's business acumen both impressed and repulsed her.

The prosecutor bit into the bagel, sipped some coffee. She looked up at Lower Merion Police Officer Christine Konieczny.

"Do you think he has any idea what's about to happen to him?"

"If he did -" Konieczny said.

"He'd run," Cohan said.

Everyone laughed.

They talked about that sweet moment - hours away - when agents would cuff Akhil.

Cohan said, "Wouldn't you just love to see the look on his face?"

ROXBOROUGH

About 10 p.m., Akhil received a call from India.

It was his mom, worried about his dad. Brij had a serious heart ailment, and twice since January Akhil had flown home to take him to specialists. Now Brij's hands and feet were swelling, a sign his heart wasn't pumping properly. Though he was a doctor, Brij was a stubborn patient.

Akhil tried to calm his mother. He promised to see her soon.

He hung up and sat down.

The timing couldn't be worse: He was days away from buying a $400,000 medical transcription business; his best friend and his roommate were in South Carolina to close the deal. He was feuding with his sister over control of their father's business. And, in 12 days, he had final exams at Temple.

Then there was that odd New York situation. When his client, a New York Web site operator, had failed to respond for a few days, Akhil had Googled the man's name. The headlines shook him: "Internet Drug Ring Smashed," "Cyber Gangs Charged."

Akhil recalled his father's warning: Keep an open ticket... leave...

Akhil got online and checked his favorite airline, Virgin Atlantic. A flight was leaving Newark, N.J., for London in nine hours. He booked it and pulled out his Bank of America debit card.

The card was rejected.

Akhil tried again. Rejected again. He tried another card. It didn't work, either. He tried an Air Canada flight from Toronto, leaving in 19 hours. No luck.

How could the bank screw up this badly? He had $401,881 in that account!

He logged on to bankofamerica.com. The account showed a negative balance.

He dialed the bank's 800 number. A woman who answered told him to call a Philadelphia number in the morning. She said, "Legal restrictions have been placed on the accounts."

Legal restrictions?

Legal restrictions. An arrested customer. A warning from his father.

DOJ_NMG_0096230

Akhil hunted through his wallet and found a credit card that worked. He bought two tickets home - one departing Toronto on Air Canada and one departing Newark on Virgin Atlantic. Booking two flights gave him a backup, and a decoy.

Then Akhil called a classmate. He needed a big favor; there was trouble. Could the friend come over?

Akhil explained that he needed to leave for Toronto right away but didn't want to use his own car. Akhil's friend could sleep in the passenger seat while Akhil drove all night. To cross the border, Akhil reserved a rental car in Detroit, a Ford Escape.

At 1:40 a.m., Akhil emerged from his apartment into the crisp night air. He rolled his canvas suitcase to his friend's SUV and put his laptop in the backseat. He pocketed a handful of the pick-me-up Provigil, his drug of choice.

Then Akhil got behind the wheel and headed west.

BREEDEN'S HOME, DOWNINGTOWN

The DEA supervisor's cell phone woke him from a deep sleep at 1:42 a.m. He groped for the phone, but the call slipped to voicemail.

As Breeden fumbled to retrieve the message, the phone rang again. It was a DEA agent on the other side of the world.

The guy in India got right to it: There was a new wiretap from Brij's phone. It looked like Akhil planned to flee his Philadelphia apartment and probably leave the country. In fact, he might already be gone.

"Jeff," the agent said, "we need to get out there." p>

For online extras throughout the series, including audio, video, photos and more, go to http://go.philly.com/drugnet

DEA Administrator Karen Tandy (PHI)

The Philadelphia Inquirer, November 20, 2006

Drug Enforcement Administration head Karen Tandy discusses why it is important for law enforcement agencies to focus on the distribution of prescription drugs over the Internet. Inquirer staff writer John Shiffman conducted the interview. First, Shiffman asked Tandy to discuss the overall threat of Internet pharmacies.

[...or click here to listen with your Windows Media / RealPlayer]

[Click here for an MP3 version of the interview.]

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The Bansal Pill Network (PHI)

The Philadelphia Inquirer, November 20, 2006

1. The Bansals smuggle pills into the U.S. To avoid U.S. Customs, which targets small pill packages from overseas Web sites, Dr. Brij Bansal in India and his son, Akhil Bansal in Philadelphia, ship millions of pills in bulk from Delhi to their Queens, N.Y., distribution center.

2. A customer orders pills American consumers, responding to spam or using Google to search for drugs, place a credit-card order with a Web site. Unregulated sites do not require a legal prescription and are not registered with DEA.

3. The Web site forwards the order The Web site charges the consuner's credit card, then forwrds the order to the Bansals' operations in Agra, India, and Queens. Immigrants at the Queens depot fulfill the order, stuffing pills inside envelopes for UPS pickup.

4. Pills arrive Within a day or two, UPS delivers the pills to the consumer's doorstep.

5. Bansals get paid Every few weeks, the Web-site operators wire payment to one of Akhil's bank accounts.

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http://www.philly.com

Origins (PHI)

By John Shiffman

The Philadelphia Inquirer, November 20, 2006

THE STORY SO FARHours before DEA agents are to arrest Internet drug dealers

in a worldwide sweep, Temple grad student Akhil Bansal races from his Roxborough apartment to flee home to India. Today's installment takes us back to the day the case began. It is February 2004.

PHILA. INTERNATIONAL AIRPORT

It all began on a frigid February 2004 morning - back when Akhil Bansal still viewed shipping pills as a chore for his father, back when DEA agents didn't even have Internet access at their desks.

At the airport, a squat Airborne Express supervisor noticed three suspicious packages on the green conveyer belt and, because they lacked manifests, broke them open.

Inside the first, he found 120 tablets of generic Valium. Inside the others, he found more Valium and knockoff Viagra.

Anonymous packaging. No dosage directions. No evidence of a prescription.

The supervisor called police.

NEAR UPPER CHICHESTER

Carlos Aquino, tired from a three-day training session in Quantico, Va., pulled into the driveway of his canary-yellow suburban home. He planned to take the rest of the day off as comp time, maybe tinker with his fishing boat, an 18-foot Manatee.

The DEA investigator, his once-trim body softened by desk work and agency meetings, hauled his suitcase inside.

He had found the seminar interesting enough - DEA had established a new priority, targeting Internet pharmacies. But Carlos had left the session hoping he never got such a case. It looked complicated, a pain.

"Little cases, little headaches," he'd say. "Big cases, big headaches."

Carlos had had enough big cases. He'd spent 24 years as a Philly cop, nine of them assigned to a DEA task force, busting crackheads, kicking down doors, recovering kilos of dope, nearly getting himself killed working undercover against Jamaican thugs. He could be a hard-ass, but his warm smile revealed an empathetic nature.

Now, at 56, Carlos worked for the DEA division that regulated pharmaceuticals. He carried a clipboard instead of a gun, pursuing a softer kind of criminal, often doctors and pharmacists who violated prescription laws. As bad guys went, they made easy targets. He would say, "Doc, whatcha been doing, huh?" Usually, the doctor would confess on the spot, case closed.

Carlos found the work safe, satisfying, simple - a solid way, he thought, for a Puerto Rican raised in South Philadelphia to end a fine career as a narc.

After lunch on the day he returned from Quantico, his Nextel cell phone chirped. It was Bill Knightly, a state trooper Carlos knew from an old DEA task force. Salt-and-pepper crewcut, medium build. A good guy.

"Carlos, you know anything about Internet pharmacies?"

"Yeah, a little..."

Knightly briefed him: 119 packages seized at Airborne Express at the airport. Generic Valium and Viagra. In a month's time, the same shipping company, Abbas Enterprises in Chester, had sent 4,100 similar packages.

Here's the fun part, Knightly said: Two different men had delivered the Abbas packages, each signing "Leroy Jones."

Leroy Jones No. 1 was a hulking, bald African American.

Leroy Jones No. 2 was a flabby Indian fellow with a comb-over.

Carlos laughed.

Knightly continued: The latest shipment arrived without a manifest, giving Airborne the legal right to open the packages. The depot supervisor found scores of generic Valium and Viagra inside.

Knightly and local police planned to confront the shipper. Was DEA interested? Did Carlos want to go along?

Not really, Carlos thought. The case sounded complicated, probably insignificant.

On the other hand, Carlos valued the cop-to-cop network he had built over 30 years. He liked being a fed locals could work with. As a Philadelphia cop, he had hated it whenever the feds whizzed on stuff he brought them. When Carlos moved to DEA, he'd vowed never to be so rude, so turf-conscious.

"Dude," he told the trooper, "I'm in."

ROXBOROUGH

Akhil scanned an e-mail from his father and saved it.

Helping his father's business hadn't been part of his plan. Akhil had come to Philadelphia to earn an MBA and a master's in health-care finance. Classes kept him busy enough; his life in a dim Henry Avenue apartment - mattress on the floor, food stacked haphazardly in the kitchen - was a testament to that.

But as an only son, even at 25, Akhil had a duty to do whatever his father wished. Helping his dad ship Indian-made knockoff pills from inside the United States took only an hour or two a day.

Besides, when Akhil was young, Brij had given him whatever he desired - the latest computers, cell phones, stereo, CDs - things available to only 2 percent of Indians his age.

In return, Brij, a successful doctor, had demanded academic excellence in high school. "Get top marks and I will buy you a car," he used to say. "Get good marks and I will buy you a bicycle. Get low marks and I will buy you a taxi, and you will drive it for the rest of your life."

Late many nights, Akhil cloistered himself in his room with books, the air-conditioning and stereo turned up high. Outside, 10-foot walls separated him from Agra's poverty and chaos, a life he hoped to avoid.

"A very responsible boy," his high school report card said. "Artistic, capable."

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Akhil excelled at St. Paul's Church School, where students wore stiff navy blazers and striped ties and could be caned for an incorrect answer. He scored best-in-class on a national standardized test, and when he turned 16, Brij bought him a new, Korean-made sedan.

Akhil entered medical college in Gwalior and took residence in a dorm, to his father's horror. No son of his would live among commoners. Brij got Akhil a proper apartment and installed a servant.

After graduation, Akhil worked for a few hospitals, an expected step before joining his father's clinics. He grooved in Delhi's party scene with fellow doctors, assumed comic postures in group pictures, and grew a goatee. He used "Dr." on credit cards and signed up for the e-mail address drakhil@hotmail.com.

Then he threw everyone a curveball: He was going to graduate school in America.

With his grades, he believed he could go anywhere. His research revealed that Temple University offered both the MBA and health-care diplomas he sought.

His parents were wary. Philadelphia was halfway around the world.

"Just stay," Brij said. Akhil's mother, Kamlesh, laughed, "Who will cook for you?" The joke masked his parents' biggest fear - that some white American woman would fancy Akhil's piercing eyes and thick hair, and he would never return. Brij and Kamlesh devised plans to keep their son in India.

First, to renovate his room in Agra, they spent $16,000 - more money than most Indians spend for a house.

When that didn't work, they found him an attractive Indian woman to marry, of the same business-class caste, the Baniya. He rejected her, too.

"I'll not let you go away from me," Brij said. "How much can you earn if you go? $5,000 a month? I'll give you $6,000 a month to stay with me."

"Papaji," Akhil said. "Please understand. I want to get these degrees so someday I will be in a position to offer my son a job for $6,000 a month."

When Akhil left for Temple, Brij was so distraught he didn't go to the airport.

And yet, within six months, father and son found themselves working together again - Brij in India, Akhil in Philadelphia.

By February 2004, business had become so good, they had hired some help, a guy with an account at Airborne Express.

WASHINGTON

DEA Administrator Karen Tandy joined the nation's top narcotics officials inside the National Press Club, in a white banquet room overlooking the top of the East Wing of the White House. They were there to announce the government's first strategy to combat online pharmacies.

"What we have seen," Tandy told reporters, "is the incredible path of misery and wake of family destruction and addiction left by the illegal use of prescription drugs.

"Let me be clear: When Internet pharmacies serve legitimate patients receiving care under accepted medical standards, we welcome those Internet sales. When they are merely crime impersonating medicine, we will put them out of business."

A CNN reporter asked, "Why is it not a very simple matter for DEA to identify the individuals that are spamming offers for Vicodin, Xanax... and shut them down tomorrow?"

Because, Tandy said, "there are hundreds of thousands of sites" online, virtually all cloaking their identities.

"You don't know where to find them. They could shut down one day and pop up under a new name the next."

JAIPUR, INDIA

Akhil's sister, Julie, was in charge of marketing, or spam.

Sir,

We wish to introduce ourselves as wholesale distributor and supplier of generic and branded medicines manufactured by top multinational pharmaceuticals companies of India. We can drop ship to your customers in US 100% delivery without any customs problems.

We charge the following generic: Viagra $1; Valium, $60.00 per 100 tabs; codeine $50 per 100 tabs...

Let me know if you are interested. Thanks and regards, Julie.

A reply came the next day, from discountmedsonline.com:

Hi Julie,

What is the total delivery time frame? Will you be carrying Xanax, Ativan, Diazapam, Ambien, anytime soon? I may be very interested in your business.

Thank you.

CHESTER

To trace the suspicious Valium found at the airport, Carlos and two local officers, Chester Police Sgt. Joe Bail and Delaware County investigator Michael Boudwin, drove to a storefront at 214 Lamokin St., the return address on the package.

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The storefront's owner met them there.

Richard Dabney was a bald, heavyset, 61-year-old ex-con with drug and bank robbery arrests dating back to 1969. Carlos expected Dabney to lie.

Indeed, he told them a story: A mysterious Indian he had met at a Radnor computer store had offered him $3 a package to use his Airborne account. The guy paid cash, and Dabney never asked what was inside.

"Dude," Carlos said quietly, "you're BS-ing me."

Dabney tried again. He'd met the Indian driving a cab.

Carlos gave a cold stare. "Dude, don't lie to me."

Dabney insisted the story was true.

Fine, Carlos said. Help us catch this guy. Wear a wire.

Dabney agreed.

As Carlos drove back to his Chinatown office, he called a federal prosecutor.

"Hey, it's Carlos. I've got a new one, a quick-hit indictment. A no-brainer. Interested?"

ROXBOROUGH

Akhil confronted his roommate, fellow Temple student Atul Patil.

Where was Dabney? Patil was the one who had met him in the cab and had his cell-phone number.

Akhil didn't trust Dabney. He seemed like a hustler. And his English was terrible. Akhil liked to joke that Dabney, who was African American, spoke "Ebonics."

Still, mailing pills for Brij was beginning to interfere with Akhil's studies. He needed a shipper, one who did the job and didn't ask questions.

The Bansals did not operate Web sites. They were bigger than that. They were wholesalers who fulfilled the orders American consumers sent to online pharmacies.

To circumvent U.S. customs, Brij shipped large packages of generic pills from India to Akhil in Philadelphia. Here, Akhil and Patil took up the mindless task of reshipping; while listening to B-101's soft rock, they wrote labels and stuffed packages with generic Ambien, Xanax, Viagra, Valium, codeine, morphine, steroids.

Father and son told themselves what they were doing was legal because both were doctors in India and because Brij had an Indian license to ship pharmaceuticals.

Besides, they told associates, if the authorities concluded that shipping the medicines was illegal, someone would send a warning notice. Which the Bansals would, of course, honor.

In the beginning, two or three dozen packages from India were no trouble. But by exam time, Akhil and Patil were receiving 100 packages at once. A day's shipment could contain 5,000 or 10,000 pills.

So they had found Dabney and paid him $3 a package. For fun, they tipped him with surplus Viagra.

Now Dabney had vanished. Akhil pressed Patil. What had Dabney done with their drugs?

A month passed. Then in April, Dabney called. Could they meet in Chester?

Patil said, How about the Friendly's on Ridge Avenue? It was closer.

Sure, Dabney said.

NEAR FRIENDLY'S, ROXBOROUGH

Carlos stood by as a detective flipped on the recorder:

"Today's date is 4-7-04," the detective said. "Time now is approximately 4:30. This will be a consensual intercept by Richard Dabney and two Indian males."

The feds hoped Dabney could get the Indians to admit they were selling drugs - or, better still, provide details about a larger operation, anything that might lead to the smuggler behind it all.

But when Dabney met the Indians at Friendly's, his hostile, accusatory tone implied he'd had no idea the packages contained drugs. It caught the Indians off guard, as well as the agents listening in.

"If I get caught with drugs, I got a problem," Dabney told Akhil and Patil. "... Either you or the police set me up."

Patil was skeptical. "But you knew what we were doing. We were clear on that."

"You said Viagra and antibiotics... . You guys are playing games, man."

"If we were playing games with you, we wouldn't be here."

Dabney kept talking, but agents listening by wire already knew the whole thing was a disaster. Dabney dominated the session, in a clumsy attempt to exonerate himself. The Indians said little. They seemed unsophisticated, small-timers.

Besides, the agents already had another, promising lead.

While searching Dabney's storefront in Chester, they found a letter from an angry woman in Olympia, Wash. She'd returned 50 tablets of Valium and a MasterCard receipt for $154. She'd ordered 1-milligram tabs, not 0.5-milligram.

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The woman's letter was addressed to "Rx-mart.com." The FBI quickly traced the Web site. It was in Texas - and, ultimately, would lead them to Australia.

FRIENDLY'S, ROXBOROUGH

Akhil and Patil dismissed the Dabney encounter, too.

Dabney might be hoping to scam them out of more money. Well, Akhil and Patil were moving to a new system anyway.

Akhil's father had put them in touch with an Indian couple living in Queens, N.Y., David and Elizabeth Armstrong. From now on, the Armstrongs would handle the shipping.

Under the improved scheme, bulk quantities - pills by the tens of thousands - would be shipped from India to a Queens rowhouse. In the basement, newly arrived Indian immigrants would earn $6 an hour repackaging and labeling pills. Already, the Armstrongs were filling 400 orders a day.

From: Akhil Bansal

To: David Armstrong

Please send the following order and let me know the tracking number. Alprax, 2,000 tabs. Thanks. Success is a journey not a destination!

To further shield the operation, the Armstrongs had UPS pick up the packages from their home, a few miles away. The Armstrongs lived on a busy thoroughfare in Queens called Utopia Parkway.

PAGOSA SPRINGS, COLO.

On a lonely canyon road in southwestern Colorado, a deputy sheriff discovered a middle-age woman facedown outside her Chevy Tahoe, dead.

Inside her SUV, the deputy found packets of the blood-pressure medicine Catapres, pills often abused as a sedative.

The woman's husband knew she had been suicidal. But until he began to go through her things, he did not know that she had been ordering Catapres, Valium and other sedatives online.

The husband gave the receipts and envelopes to police. Some of them bore a return address in Queens - 5028 Utopia Parkway.

Missed yesterday's chapter? Catch up, and get extras including audio, video and more at http://go.philly.com/drugnet

HOW THIS SERIES WAS PRODUCED

This series is based on multiple interviews with more than 50 sources; U.S. and Indian judicial, e-mail and bank records; and secret U.S. grand jury transcripts, Indian wiretaps, and DEA and Homeland Security investigative reports obtained by The Inquirer.

Quotes, details, interpretations, thoughts, conversations, even facial expressions, have been substantiated by firsthand observation, documents or multiple sources.

Interviews were conducted in New Delhi and Agra, India; Washington; and Philadelphia. Those interviewed include Akhil Bansal, Foram Mankodi and Bansal relatives; six Indian drug agents; 22 American federal agents, including DEA's Carlos Aquino, Eric Russ and Gerard Gobin; and eight current and former prosecutors, including Barbara Cohan. People who bought drugs online are identified by first name only because they have not been charged with a crime.

For an exhaustive list of sources, go to http://go.philly.com/drugnet

27 Nabbed In Major Drug Ring (HA)

Hattiesburg American, November 18, 2006

The indictments of 27 people - including five Hattiesburg men - as well as the seizure of $15.7 million worth of drugs and $2.9 million in cash and property resulted from breaking up one of the largest and most sophisticated drug-trafficking operations in Mississippi history, officials said Friday.

The Hattiesburg men indicted include:

Ivory Charles Kindred, 41, owner of the now-closed Hi-Hat 2000 Club

Ricky Wilson Barnes, 33

Johnny Grindle, 35

Lester Carpenter, 41

Brooks Stallings Jr., 33

Kindred, Barnes and Stallings have already entered guilty pleas and are awaiting sentencing.

Carpenter has been sentenced to 37 months in federal custody.

Grindle has only been indicted.

"This is really the big, top-tier guys," Stephen Luzinski, assistant special agent in charge of Mississippi Drug Enforcement Administration, said of the 27 suspects. "It was especially significant in that agents were able to successfully trace the movement

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of both drugs and money from the hands of high level Mississippi traffickers into the hands of some of Mexico's most powerful drug traffickers."

Operation Central Hub, which began in April 2005, targeted drug trafficking in the Jackson and Hattiesburg metro areas, but the 19-month Organized Crime Drug Enforcement Task Force investigation uncovered a link to Mexico and other cities in the U.S., including Dallas, Atlanta, Little Rock, Detroit and Laredo, Texas.

Large shipments of cocaine and marijuana were transported across the border from Mexico, authorities said. Once inside the U.S., drug shipments were shuttled from Texas to various cities, including Mississippi. Cocaine shipments destined for Mississippi were sent via commercial tractor-trailers operated by truck drivers employed by Mexican drug bosses.

The drug shipments were sometimes hidden in secret compartments within trucks or trailers or co-mingled with legitimate cargo.

A second transportation method was the use of large gooseback trailers pulled by dual wheel pickups. The trailers were outfitted with sophisticated hidden compartments accessible only through a hydraulic remote control system.

Marshall Fisher, director of Mississippi Bureau of Narcotics, said the drug trafficking operation is one of the top two or three in MBN's history since it was created in 1971.

An affidavit by a DEA agent said a confidential source provided information that suspect Michael Andre Travis had telephone contact with another suspect, Oscar Gomez, a known trafficker of cocaine residing in Texas, who had ties to cocaine traffickers in Mexico. The informant also provided information on others. Surveillance of Travis showed all his movement and meetings with others involved in the alleged drug operation.

The government is seeking forfeiture of all items they believed were purchased with illegal drug money, including a home in southwest Hinds County valued at more than $500,000.

The home belongs to Wilbert Newell and his wife, Audrina. Wilbert Newell has pleaded guilty to a drug charge and is awaiting sentencing.

He could not be reached Friday. His wife, who answered the phone at the Newells' home, told The Clarion-Ledger he wasn't there. She began to cry and said she didn't know anything about her husband's activity or if he was involved with drugs.

Audrina Newell said she is aware that the government is planning to try to seize the home.

"I wish they would just leave me alone," Audrina Newell said. She has not been implicated in any of her husband's activities.

The Hattiesburg American reported earlier this year that during a May 26 hearing for Kindred, Stallings and Barnes, prosecutors said the suspects are part of a drug network that allegedly brought almost 6,000 pounds of marijuana from Texas to Mississippi since August 2005.

According to an affidavit filed by DEA special agent J. Derryle Smith Jr., a confidential informant tipped agents that marijuana was to be delivered to the owner of the Hi Hat 2000 on May 3.

Agents from the DEA and the Mississippi Bureau of Narcotics observed Barnes unloading 1,500 pounds of marijuana from a tractor-trailer on May 3 near 309 Northgate Road, Hattiesburg, the affidavit said.

The maximum penalty for the drug trafficking charge on each defendant is up to 40 years in prison.

Post a Comment

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Originally published November 18, 2006 Print this article Email this to a friend Subscribe Now

Indicted list

Names of some of those indicted who have not been arrested are sealed. Listed below are those indictments that have been made public. Unless noted, specific charges were not provided:

Michael Travis, 37, of Byram pleaded guilty to drug trafficking and is awaiting sentencing.

Wilbert Newell, 45, of Jackson pleaded guilty and is awaiting sentencing.

Lester Carpenter, 41, of Hattiesburg has been sentenced to 37 months in prison.

Charles Johnson, 34, of Jackson pleaded guilty and is awaiting sentencing.

Johnny Grindle, 35, of Hattiesburg.

Timothy Jackson, 35, of Jackson.

Alonzo Farmer, 30, of Ridgeland.

Brooks Stallings Jr., 33, of Hattiesburg. He pleaded guilty and is awaiting sentencing.

Ricky Wilson Barnes, 33, of Hattiesburg pleaded guilty and is awaiting sentencing.

Charles Ivory Kindred, 41, of Hattiesburg pleaded guilty and is awaiting sentencing.

Marvin McDonald, 38, of Atlanta.

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Victor Thomas, 46, of Jackson. He was indicted on federal charges, but is incarcerated in Texas on state charges arising from the investigation.

Manuel Villarreal, 31, of Laredo, Texas.

Michael Martinez, 30, of San Antonio.

Oscar Fierro Cantu, 53, of Dallas.

Eloy Lira Jr., 33, of Laredo, Texas.

Tommy Gholar, 50, of Jackson.

NFL Testers Step Up Fight (NYDN)

By T.j. Quinn, Daily News Sports Writer

New York Daily News, November 20, 2006

As more of the NFL's Drug Program Agents join a potential lawsuit for tens of millions of dollars over back payroll tax and benefits, the league has changed its plan to replace them in midseason.

After the IRS ruled over the summer that the DPAs, the men who collect urine samples from players, were employees, not independent contractors, the NFL told the 80DPAs that they would be replaced by an outside company called Comprehensive Drug Testing (CDT) in mid-November. CDT handles collections for Major League Baseball and the NHL.

In a memo sent to DPAs last week, however, DPA supervisor Warren Welsh wrote, "It has become apparent that ongoing discussions between the Management Council and CDT make the original date unrealistic....it seems, more likely than not, that the change will not take place until the end of the season."

But the DPAs, most of whom are former FBI, IRS and DEA agents and police detectives, also want to know when the NFL is going to abide by the IRS' ruling. Attorney Robert Costello, whose client roster has gone from three to "many dozens" of current and former agents, said yesterday that he is giving the NFL less than a month to make a determination.

"Either we will settle or we will sue," said Costello, a partner with Levy, Tolman and Costello in Manhattan.

As Costello sees it, and as IRS documents seem to agree, the NFL has little choice other than to start writing checks to DPAs for the payroll tax they have been paying without help from the NFL since the program was created in 1988. Costello also has asked the NFL to say what benefit plans the DPAs should be entitled to join.

The NFL might have a much larger problem than a lawsuit if it doesn't come up with a solution. According to the IRS, if an employer is audited and found to be in violation of the agency's ruling, it could face "massive" penalties far in excess of the amount of money in dispute, one spokesman said. Many DPAs told the Daily News that they never complained because the job was well-paying with "no heavy lifting," as one put it. When anti-doping experts criticized the NFL before Congress last year, saying the league should turn to outside collectors, the NFL dismissed the suggestion.

But after two DPAs asked the IRS to determine whether they truly were independent contractors, the arrangement started to fall apart.

The NFL, as has been the case since The News first reported the spat with the DPAs, refused to comment.

What Welsh's memo does not say, and what the DPAs do not know, is why the negotiations with CDT are taking longer than expected. Those talks come as the NFL is looking at other revisions to its drug-testing program.

League officials met with members of the House Government Reform Committee earlier this fall to discuss ways to improve their policy, and the NFL and the NFL Players Association have had ongoing discussions about adding more tests and closing potential loopholes.

Whatever the changes, many of the DPAs hoped to be hired by CDT, as the NFL originally suggested they might be. But according to last week's memo, the company has yet to contact any of the collectors, and one DPA said collectors who contacted CDT couldn't get information about the company's plans.

But several admit their chances of continuing with CDT may be slim, as the NFL has grown frustrated over stories about the standoff, and a story last week in which The News revealed that the league's testing program had large gaps during the season when players were not tested. The NFL denied there were gaps, but numerous DPAs and even some players disputed the league's claim.

Colombia Sends An Anti-drug Bouquet To U.S. (LAT)

By Chris Kraul

The Los Angeles Times, November 20, 2006

IPIALES, COLOMBIA — With the destruction of a 12-acre opium poppy crop in southern Narino state on Sunday, the Colombian government declared it had rid its territory of all "industrial" plantations of the flower used to make heroin.

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Defense Minister Juan Manuel Santos made the declaration during a media trip to a mountainside poppy field 375 miles southwest of Bogota near the Ecuadorean border, minutes before dozens of troops destroyed the crop with machetes. It was perhaps no coincidence the assertion came as the U.S. Congress was considering extending Plan Colombia, the $600-million anti-drug and terrorism aid package whose effectiveness has been called into question.

Santos described the elimination of sizable poppy fields as a "great accomplishment in the struggle against narcotics. We're not saying some poppies won't reappear in six months, but for now they are gone."

Santos is the Cabinet member who oversees the national police and armed forces, which have carried the fight against Colombia's drug traffickers. Heroin production and trafficking continues — a 130-pound load of heroin was seized on the Colombian island of San Andres in the Caribbean last month.

But even critics of Plan Colombia say strides have been made. Poppy cultivation fell to less than 4,500 acres last year, or 10% of what was farmed in the early 1990s, according to Colombian statistics. Colombians also report that seizures of the gummy substance collected from poppies that is the basis of heroin are up a hundredfold since 2000. U.S. drug authorities report increases in street prices in cities such as Chicago and Boston, an indicator of diminishing supply from Colombia and elsewhere.

But the relative success of poppy eradication only puts in bolder relief the stubbornness of cocaine production in Colombia. After seven years and $4 billion in U.S. aid under Plan Colombia, cocaine continues to be nearly as plentiful as it was before 2000.

In response, there are growing calls for a change in tactics, toward more incentives and fewer punitive measures. On Sunday, Santos told reporters that the government would offer farmers more subsidies to grow crops other than coca and poppies.

"Crop substitution programs have been the missing link in the struggle against drugs," Santos said. "That's going to change."

About 300,000 acres of Colombian coca were fumigated with an industrial herbicide last year.

A shift away from massive spraying would be in line with calls from the United Nations, several nongovernmental agencies and Democratic Party critics of Plan Colombia in Congress. All have long insisted that for drug eradication to work, more farming alternatives must be offered to peasants.

"People grow poppies because we are all poor and we have been forgotten by the government," said farmer Alirio Quitiyan, who happened upon the eradication scene. Quitiyan denied that he ever grew poppies.

Guerrillas in the leftist Revolutionary Armed Forces of Colombia, or FARC, offer peasants about $50 a year to use their land to grow poppies, Santos said.

A top United Nations official here said recently that for crop substitution programs to work in Colombia as they have in Southeast Asia, officials must offer farmers similar incentives.

Santos said eight possible crop substitutes had been identified for Narino state, including African palm and rubber.

Such incentives "would be the only way to make any crop reductions sustainable," said Adam Isacson, a researcher at the Center for International Policy in Washington, a watchdog group that monitors Plan Colombia spending.

IMMIGRATION:

Signs Of Hope On Immigration (NYT)

The New York Times, November 20, 2006

The political earthquake in Washington has knocked loose some of the big obstacles to fixing the immigration system. A decent solution is now there for the taking, if President Bush and the newly Democratic Congress are willing to grab it.

It won't be easy. Some of the debate's loudest shouters, liars and dead-horse beaters were ushered by voters from the room — people like J. D. Hayworth and Randy Graf in Arizona, John Hostettler in Indiana and Rick Santorum in Pennsylvania. But the public is still in a prickly mood. All those shrill Republican ads about Mexicans stealing your Social Security failed as an electoral strategy, but that doesn't mean politicians always lose by being immigration hawks. Voters approved tough ballot measures. In Arizona, they made English the official language and restricted illegal immigrants' ability to sue, receive bail and qualify for benefits.

And except for the losers on the border-fixated fringe, not many in the restrictionist camp seem particularly chastened by the election. Senator Jon Kyl of Arizona, an opponent of the comprehensive reform bill that passed the Senate this year, won his race, as did several new Democrats who ran as immigration hard-liners. Local lawmakers in Texas and other states are still going after illegal immigrants with fervor.

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The roots of a divisive, grinding immigration debate have not gone away. But it is crucial that the Democrats find their voice. The effort to revive immigration reform should start in the Senate. There is a decent bill under the barnacled hulk of legislation that passed the Senate last May. It used to be called McCain-Kennedy, before other senators tacked on tough-posing amendments that made it fundamentally unworkable and unjust. The Senate should strip those away, like the ones that divide immigrants into three arbitrary tiers of worthiness and needlessly force those seeking legal status to trek to a border state to apply for it.

The principles that guided the original McCain-Kennedy bill are those that should guide the coming reform effort: laws should be enforced at the border and workplace, fairly and evenhandedly; temporary worker programs must not be used to create a permanent official underclass; and any reform must be designed to work and not just create another smothering bureaucracy.

Immigration remains a high-voltage issue that Congress may be too timid or distracted to touch. The new Democratic leaders, including Speaker-elect Nancy Pelosi, have conspicuously not listed immigration among their most urgent priorities. Even Senator John McCain, who is an architect of the most reasonable bill out there but also has presidential primaries on his mind, spent a lot of time this fall stumping for misguided restrictionists like Mr. Graf. We hope he and his moderate colleagues have the integrity to honor their sensible immigration views now that the dismal '06 campaign is done.

Many voters who scorned Republicans over immigration reacted as you would expect them to after being mocked and exploited by a party that elevated the issue into an urgent crisis and then offered nothing to solve it but faux hearings, strident campaign ads and a pretend fence. The same fate may await any Democrats who posture, deceive and dawdle over immigration reform in the next Congress.

TAX:

IRS Advisory Committee Wants Online Auctioneers To Have To Pay Taxes (USAT)

By Kevin Mccoy

USA Today, November 20, 2006

Attention online auction sellers: An IRS advisory committee wants you — to pay federal income taxes on your profits.

Anyone who sells goods online should first be required by law to submit a federal tax identification number, a change that would enable the IRS to track the transactions and seek any taxes owed, the committee recommended in a new report to the federal tax-collection agency. The recommendation is similar to an enforcement option raised in August by the staff of the congressional Joint Committee on Taxation.

The IRS advisory panel of tax specialists, citing the rapid growth of Americans selling via eBay, uBid and other online sites, said it's likely that "a significant number of those users either choose to ignore income reporting requirements or are unaware of their obligations."

"We're trying to help close the tax gap" between what Americans actually earn and what they report to the IRS, said committee member Rachel Paliotti, corporate tax manager for Blue Cross & Blue Shield of Rhode Island.

The non-government panel's report cited IRS data that estimated non-farm sole proprietors under-report 57% of their annual income. The committee also highlighted a 2005 eBay-commissioned report by ACNielsen International Research that said more than 724,000 Americans described the top online auction site as their primary or secondary source of income.

"These kinds of transactions probably contribute to the tax gap," Paliotti said.

Although the IRS has no estimate of under-reporting specifically by online sellers, the agency estimated that unreported capital gains by all businesses totaled $11 billion for the 2001 federal tax year.

The IRS could target suspected online under-reporting by requiring Internet business sites to get tax identification numbers from all sellers, the committee recommended. Sites like eBay and uBid would use the numbers to file duplicate reports of sales transactions with the IRS.

The IRS website already features a page designed to remind online sellers that they "may have tax responsibilities." Supplementing that effort with a new income-reporting requirement would require an amendment to the tax code, Kevin Brown, head of the IRS Small Business/Self-Employed Division, told the committee. He said the IRS would forward the recommendation to the Treasury Department.

Hani Durzy, an eBay spokesman, declined to say how the firm might respond if Washington enacted an income-reporting requirement aimed at online sellers. However, he said, "We've always encouraged our sellers to comply with the law, whatever the law might be."

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Time For Tax Reform (LAT)

The Los Angeles Times, November 20, 2006

TWENTY YEARS have passed since President Reagan signed the landmark Tax Reform Act of 1986, a bipartisan effort to simplify the egregiously complex federal tax code. Since then, Washington has taken about 15,000 steps backward — enacting an average of 750 new or modified exemptions, deductions and other wrinkles to tax law every year. The code not only grew more burdensome, it became less efficient, more likely to distort markets and more prone to evasion. The latter is a huge problem, as seen in the estimated $350-billion tax gap — the difference between what taxpayers should be paying the feds each year and what the Internal Revenue Service collects.

In short, it's time for Congress to take another stab at a major rewrite of the tax code that eliminates most of the preferences and loopholes. By broadening the tax base — in other words, requiring more corporate and personal income to be taxed — lawmakers can lower rates without reducing the total amount collected by the IRS.

A blue-ribbon advisory panel led by former Sens. Connie Mack (R-Fla.) and John Breaux (D-La.) last year called for this kind of approach, floating a proposal to reduce the number of individual tax breaks and to vastly simplify the recordkeeping done by businesses. Although there are some differences on the details, the concept's backers include both conservatives and liberals. Two Democrats — Sen. Ron Wyden of Oregon and Rep. Rahm Emanuel of Illinois — have introduced bills that would simplify and flatten federal taxes even more drastically.

In the coming year, the new Democratic majority will have an unusually strong incentive to work with Republicans on fundamental tax reform. More than five dozen tax breaks passed in President Bush's first term are set to expire over the next four years, while the number of filers subject to the dreaded alternative minimum tax will mushroom from 4 million in 2006 to 22 million in 2007. If Democrats don't act, they risk being pilloried for raising taxes. A revenue-neutral measure that dramatically simplified the tax code would effectively change the subject.

The tax code should be about raising money to finance the federal government's operations. Lawmakers should eliminate all but the most vital and effective tax breaks and tailor those as precisely as possible to the goal they want to achieve. For example, if the goal is to make homeownership affordable, why extend the break only to taxpayers who itemize their deductions, or to those buying mansions or a vacation home?

Bush's support would be critical to the effort, but he had little to say about the advisory panel's report. Treasury Secretary Henry M. Paulson, who is widely respected on Capitol Hill and Wall Street, needs to start championing the panel's cause while there's still time left in Bush's presidency. Tax simplification was one of the signal accomplishments of Reagan's second term; if Bush throws himself behind tax reform now, he may be able to say the same for himself.

CONGRESS-ADMINISTRATION:

Inside The Beltway (WT)

By John Mccaslin

The Washington Times, November 20, 2006

Rush hours

What was the huge attraction at a sold-out Warner Theatre on Thursday night that caused a double line of adoring fans to stretch all the way around the corner?

Rush Limbaugh, ladies and gentleman, or more specifically, as the bright lights of the marquee shone: "An Evening With Rush Limbaugh."

The nation's top radio broadcaster and commentator (heard locally Monday through Friday noon to 3 p.m. on WMAL-630 AM) didn't disappoint his Washington-area faithful, opening his two-hour act with a hilarious joke about an elevator encounter with a frustrated Sen. Hillary Rodham Clinton, New York Democrat. (Call us and we'll tell you the punch line.)

On Wednesday evening, Mr. Limbaugh was the dinner guest of Vice President Dick Cheney at the vice president's mansion in Northwest. The host shared a table with, among others, White House senior aide Karl Rove and Republican strategist and bookseller Mary Matalin.

And yes, that was soon-to-be-crowned House Majority Leader Nancy Pelosi that Mr. Limbaugh bumped into in the lobby of the Four Seasons Georgetown, where he stayed while in Washington. The broadcaster said it was difficult to gauge who was more horrified by the chance encounter, him or the nation's top Democrat.

In fact, Thursday's rare live appearance was bittersweet for Mr. Limbaugh, who earlier had endorsed the outspoken Rep. John P. Murtha of Pennsylvania to be Mrs. Pelosi's No. 2 man on Capitol Hill. Instead, the leadership position went to Rep. Steny H. Hoyer of Maryland.

"They don't want him in the leadership. We do," Mr. Limbaugh told his radio listeners. "We want him there, folks, we want him in the Democrat leadership because we want the Democrats to be who they are."

Thanks for my job

"To this day, I'm still impressed with his effective performance in a case called Bush v. Gore."

Or so commented Vice President Dick Cheney, on hand for this past weekend's Federalist Society national convention at the Mayflower Hotel, heaping praise on Washington lawyer and former solicitor general Theodore B. "Ted" Olson, who represented then-Texas Gov. George W. Bush before the Supreme Court in his bid to become commander in chief during the hotly contested 2000 presidential election.

All's well within

Democrats and Republicans have chosen their respective party leaders for the upcoming 110th Congress, and for at least one congressman who was unsuccessful in his bid to become Republican Conference chairman, there are no hard feelings.

"While we came up short, 91-to-100 [votes], it was a close race, and I feel good about it," Georgia Rep. Jack Kingston told Inside the Beltway after his loss to Florida Rep. Adam H. Putnam, who will have the task of directing day-to-day operations of the conference office -- the organizational vehicle for all Republicans.

"I know many people were praying, especially me -- and at this moment of defeat, I'm comforted in a great peace," he said. "As the old hymn says, 'It is well with my soul.' "

And on your right

There's one group of tour guides in Washington that always looks forward to the next political scandal -- the more outrageous and disgusting the better.

We're referring to Scandal Tours, an Inside the Beltway mainstay for 17 years. Publicist Deb Fiscella of Center Stage Marketing calls it the "tour that highlights the lowlifes."

She forwards word to Inside the Beltway that the tour has been updated to include a new Mark Foley attraction on Capitol Hill, obviously honoring the former Florida Republican congressmen who couldn't keep his fingers off his keyboard.

Other new attractions include K Street, site of recent shady lobbying activity; a Donald H. Rumsfeld departure stop; and updates on the general lame-duck mayhem at the White House.

And if you think from those new attractions that the tour guides (all actors from Gross National Product) are picking on the Republicans, think again. The guides are proud to be "equal-opportunity offenders," confident "new majority rules scandals will be added as Washington moves into an era of Democratic control in Congress."

Scandal Tours is gearing up for the holidays, with tours taking place Saturdays at 1 p.m. starting Nov. 25, departing from the Warehouse Theater at 1021 Seventh Street NW. Reservations are required through the Gross National Product box office at 202/783-7212.

Hoyer Claims No 'Bad Blood' With Pelosi (AP-Y)

By Hope Yen

AP, November 20, 2006

Rep. Steny Hoyer acknowledged Sunday he was seeking assurances from incoming Speaker Nancy Pelosi that she would not retaliate against his supporters after he won the No. 2 House leadership post.

Hoyer, D-Md., insisted there was "no bad blood" with Pelosi after she publicly supported Rep. John Murtha of Pennsylvania for the job of majority leader. Hoyer said he was confident Pelosi would not punish House colleagues who voted 149-86 last week to make Hoyer the majority leader when Democrats take control in January.

"We're going to talk about that," said Hoyer, when asked whether Pelosi had made promises not to retaliate by denying choice committee assignments. "One of the reasons it's going to not happen is that there are a lot of them."

"It's one thing ... if you have a margin of one or two or five or even 10, but when you have a margin as decisively as the caucus made a decision, then it's time to move on," Hoyer said.

Last week, Democrats chose Hoyer — who has long had a difficult relationship with Pelosi, D-Calif., — after unanimously backing her as the first female speaker.

On Sunday, Hoyer sought to play down any personal differences or ill will, noting that the two have worked together in the House Democratic leadership for many years.

"The American public have just given us a big mandate for change and taken the country in a new direction," he said. "Nancy and I share that obligation together. That's our objective and we're going to work very closely to accomplish that."

Former GOP Speaker Newt Gingrich called Pelosi's decision to support Murtha a "mistake" but said Republicans should not underestimate her.

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"Republicans, instead of chortling about ... the fact that she backed Murtha rather than Hoyer ... need to start by saying, you know, if she has these weaknesses, how come she's going to be speaker? She won," Gingrich said.

"She did make a mistake with Murtha," he added. "I think if she appoints Alcee Hastings to be the head of intelligence, that will be a further mistake in the direction of making her far too left-wing and far too insensitive."

Pelosi has not said whom she would appoint to lead the House Intelligence Committee. Hastings, D-Fla., and Rep. Silvestre Reyes, D-Texas, are considered front-runners to take over in what has been considered a snub to the current senior Democrat on the panel, Rep. Jane Harman of California.

Pelosi has told Harman she will not be reappointed to the committee after her position expires at year's end. Hastings, the next senior Democrat on the committee, is a former federal judge who was charged in an FBI bribery sting but was acquitted by a federal jury. Later, he was impeached by the House and removed from the bench in 1989 by the Senate.

Rep. James Clyburn, D-S.C., who was elected to the No. 3 House post as majority whip, said, "I very well would support him if that's what Nancy would like to happen."

Gingrich said the main challenge for incoming House Minority Leader John Boehner of Ohio and other Republican leaders is to focus on regaining control of the House in 2008 rather than being the "White House's floor leader."

"They are very different jobs," Gingrich said, citing the danger for Bush in the final two years of his presidency to get caught up on "legacy concerns" rather than working for the broader interests of the Republican Party.

"The House Republicans have a different institutional challenge. How do they reach out in very closely contested districts, recruit the candidates, build the record, create the excitement and the energy to regain a majority?" Gingrich added.

Separately, Rep. Charles Rangel said tax increases are not on the Democratic agenda. But he said there are some taxes that "we Democrats and hopefully some of the new Republicans would like to see more targeted to the working class and to the middle-class people."

Rangel, incoming chairman of the tax-writing House Ways and Means Committee, declined to say whether he would support a 100 percent deduction for college tuition up to $3,000 a year.

"The problem is that, if you're talking about credits and you're talking about tax reform, it's inconsistent," said Rangel, D-N.Y.

Hoyer appeared on ABC's "This Week," Gingrich spoke on "Fox News Sunday," Rangel was on CBS' "Face the Nation," and Clyburn was on "Late Edition" on CNN.

Democrats Set Out To Heal Divisions (RC)

By Jennifer Yachnin, Roll Call Staff

Roll Call, November 20, 2006

Newly elected House Democratic leaders vowed to quickly reunify their Caucus in the wake of a bitter leadership contest last week, but offered few details and left some rank-and-file Members questioning how the party will mend its divisions as it prepares to take control of the chamber in the 110th Congress.

“We've had our debates. We've had our disagreements in that room, but now that is over,” Speaker-designate Nancy Pelosi (Calif.) said Thursday following a closed-door meeting at which Democrats elected Rep. Steny Hoyer (Md.) to be Majority Leader, defeating Pelosi’s close ally and preferred candidate, Rep. John Murtha (Pa.).

But at least a few Democratic lawmakers remained angry Thursday over allegedly heavy-handed tactics employed by Murtha supporters in the contest, and others publicly suggested that House leaders could have a difficult time alleviating any lingering bruises.

“I think the Caucus is fractured,” Rep. Allen Boyd (Fla.), who will be a co-chairman of the Democratic Blue Dog Coalition in the 110th Congress, said Thursday, adding, Pelosi’s “biggest challenge is figuring out how to wrap her arms around all the Caucus.”

Several Members, however, asserted that with the election completed Democrats will focus on readying their legislative agenda, rather than dwell on differences. “We just want to move forward,” said Rep. Elijah Cummings (Md.), who endorsed Hoyer in the race.

“The majority of us in the Caucus didn’t see this as a battle between Steny and Nancy,” said Rep. Mike Ross (Ark.), another incoming Blue Dog co-chairman. “By the time we get back on Dec. 4, you’ll see a reunited Democratic Party.”

One Democratic lawmaker, who requested not to be identified, evaluated the outcome of the election by stating that the Speaker-in-waiting “has more egg on her face than a broken arm.” But the Democrat added that to return the Caucus to unity, Pelosi must exert as much effort privately as she has pledged in public.

“If people want to continue this, then we’ll know. ... Nancy will set the tone,” the lawmaker said.

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At least one House Democrat who backed Murtha in the contest, Rep. Jim Moran (Va.), had alluded Thursday to the possibility that lawmakers who had pledged support to Murtha privately but cast their ballots otherwise could face retribution when committee assignments are distributed.

"It remains to be seen whether all their wishes for committee assignments will be fulfilled," Moran said, referring to the freshman Democratic lawmakers, nearly two-thirds of which are believed to have supported Hoyer in the race by some estimates.

But while top Democrats on nine House committees endorsed Hoyer's bid, Rep. Kendrick Meek (D-Fla.), who had endorsed Murtha, said he expects those Members will shore up Pelosi's leadership when they hold the gavels next year.

"Many of the ... to-be-chairpersons are going to make sure she's a strong Speaker," he said Thursday, adding of any lingering animosity: "It doesn't continue ... We continue to move forward."

The House Democratic Steering and Policy Committee, led by Rep. Rosa DeLauro (Conn.), is expected to establish its membership for the 110th Congress in coming weeks, and will begin work in December on the selection of committee chairmen, as well as panel assignments for rank-and-file Members.

After losing his bid for elected leadership, Murtha is expected to chair the Appropriations subcommittee on Defense, which controls a significant portion of federal spending, and perhaps more significantly will allow him to to continue in his role as the Democrats' point man in opposition to the Iraq War.

"I was proud to support him for Majority Leader because I thought that would be the best way to bring an end to the war in Iraq," Pelosi said Thursday. "I know that he will continue to take the lead on that issue for our Caucus, for this Congress, for our country."

In the aftermath of the election, Hoyer went on to offer his support to the California lawmaker.

"Our Caucus is unified today," Hoyer said. "I intend to do everything in my power to make Nancy Pelosi the most successful Speaker in the history of the House of Representatives."

A Pelosi spokesman said Friday that the Speaker-designate was not slated to formally meet with the new leadership team — also made up of Majority Whip James Clyburn (S.C.), Democratic Caucus Chairman Rahm Emanuel (Ill.) and Caucus Vice Chairman John Larson (Conn.) — before departing to her San Francisco district for the Thanksgiving holiday next week, although he added that Democrats would likely have casual discussions before returning for the Dec. 4 lame-duck session.

In addition, Pelosi is expected to appoint a new DCCC chairman in the near future, filling the remaining Democratic leadership position. There were no indications Friday when the Speaker-designate would make her selection, but previous chairmen have been tapped late in December or in early January.

Several current DCCC lieutenants are considered likely candidates for the post, including Reps. Chris Van Hollen (Md.), Debbie Wasserman Schultz (Fla.), Artur Davis (Ala.) and Mike Thompson (Calif.), who is a close Pelosi ally.

In the meantime, Clyburn said he plans to establish his Whip team for the new Congress, and said Thursday that he would consult with the new leadership team on potential deputies. While he said he will consider the seven current Chief Deputy Whips, the South Carolina lawmaker said he has decided on at least one new addition, Rep. G.K. Butterfield (N.C.).

Did Nancy Pelosi Get The Message? (TIME)

By Karen Tumulty, Perry Bacon Jr.

Time, November 27, 2006

There's only one thing dumber in politics than picking a fight when you don't have to; it's picking one when you can't win. That's why pretty much everyone in Washington is mystified by Nancy Pelosi. Through a midterm-election campaign in which Republicans had tried to caricature her as a fuzzy-headed and dangerous San Francisco liberal, she succeeded in keeping the focus on them. And the first woman Speaker-to-be was pitch-perfect in the euphoric days that followed the Democrats' big win. She said the right things, and she did the right things, like quietly reshuffling her ranks to avoid a showdown between Rahm Emanuel, the campaign-committee chief who delivered her majority, and James Clyburn, a senior member of the black caucus. Even the arrival of her sixth grandchild seemed auspiciously timed to remind everyone of her motherly side. Yet before many Democrats across the country had even taken down their yard signs, Pelosi decided to step on her own coronation by turning what would otherwise have been an all-but-ignored secret ballot for majority leader into a gang war. Instead of quietly accepting that her rival Steny Hoyer would continue to be her second in command, she threw herself into a fierce and ultimately unsuccessful campaign for John Murtha, an old friend whose ethics didn't seem to match Pelosi's talk of a new day in Congress.

All that raised a lot of new questions about Pelosi herself--about her judgment, her political instincts and her real ideology. Was her endorsement of longtime ally John Murtha over Hoyer a testament to her loyalty or proof that she is incapable of letting go of old grudges? Was putting her muscle behind the hero of the party's antiwar wing a sign that she would steer her fractious and fragile coalition over the guardrails on the left? Did her support for a man who is notorious for slipping special-interest

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earmarks into spending bills prove that she didn't really mean all that talk about cleaning up Congress? In other words, was Nancy Pelosi really up to the job?

THE FALLOUT

Pelosi will have to answer those questions with her actions in the months ahead. "It was a serious misstep and inexplicable to me," former Republican leader Dick Armey chortled. "I just hope she does more of it." But the Murtha defeat will be largely forgotten if the Democrats under Pelosi's leadership rack up a series of victories on the agenda that she had laid out for her first 100 hours as Speaker, which includes raising the minimum wage, forcing Medicare to negotiate lower prescription-drug prices, cutting student-loan rates and making the national-security fixes recommended by the 9/11 commission. Then there is the biggest issue of all, now that the Democrats are partners in governing and not just critics: charting a course on Iraq. Hoyer insists the phased withdrawal he supports is not all that different from the exit strategy that Murtha and Pelosi are pushing, but his victory tells Pelosi her caucus members will not tolerate her getting too far ahead of them.

Pelosi may now have to reconsider how she plans to deal with another rival, fellow California Congresswoman Jane Harman. Pelosi has already made it clear that she does not want to give Harman the top job on the Intelligence Committee when the party formally takes over in January. Harman, whose qualifications no one doubts, says she was promised it by earlier Democratic leaders; Pelosi says her term is up. But by shutting out Harman, Pelosi would be setting another trap for herself. The next in line after Harman is Florida's Alcee Hastings, who in 1989 was impeached and removed from his federal judgeship by Congress over allegations that he had conspired to take a $150,000 bribe (charges of which he was acquitted in court). If Pelosi passes him over, she is certain to infuriate the Congressional Black Caucus, with whom her relations are already strained.

The new Speaker will also be under more pressure to push through lobbying and ethics reform but may find that harder to accomplish. After an election in which exit polls showed that voters are more concerned about corruption than the Iraq war, Pelosi needs to recover the high ground she lost with her endorsement of Murtha, who said he thought her reform measures were "total crap." It was bad enough that Murtha's candidacy turned the cable-news networks into a film festival of the grainy tapes from the Abscam sting in 1980, in which the Pennsylvania Congressman told an agent posing as an Arab sheik that he couldn't be bribed "at this point." But on ethics reforms or any other tough issues that lawmakers like to publicly support and privately fight, Pelosi might now lack the backroom clout needed to get results. "When key votes like the budget come around, this will make it a lot harder for her to pressure members," said a Democratic Congressman who backed Hoyer over Murtha. "It's going to be a lot harder for that pressure to be as meaningful."

THE FIGHT CLUB

Speaker of the House is one of the most treacherous jobs in Washington. Tip O'Neill was the last one to leave the big chair voluntarily, nearly 20 years ago. The four who have followed him have been ousted. Pelosi may have taken a different path to power than her predecessors--she was 47 and had raised five children before she ran for office the first time--but by rising rapidly in an institution where getting ahead has always meant waiting in line for your turn, she ensured that she would have a large target on her back. Now the qualities and impulses that fueled her rise--making bold moves, keeping and settling scores, trusting only a small circle of loyalists--could be disastrous in a new role that is all about building alliances that can get you to 218 votes.

To adapt, she will have to understand that today's opponent could be tomorrow's ally. Few in Congress have such a memory for slights and betrayals. She still bristles at the fact that when she first went to Washington, many in the Democratic establishment didn't take her seriously and opposed her march up the leadership. As she told TIME earlier this year, "They couldn't control me, so they tried to take me down." When her former House colleague Martin Frost was running to head the Democratic National Committee after the 2004 elections, she lobbied against him with a determination that all sides attributed to Frost's challenging her for Democratic leader two years before. Asked about those conflicts, Pelosi refused to discuss them specifically but said, "Anybody who's ever dealt with me knows not to mess with me."

And yet she is capable of bringing people back into her fold. When Frost's wife, a retired Army major general, was buried in September, he was touched that Pelosi interrupted her frantic campaign schedule to attend the service at Arlington National Cemetery and then walked more than a mile behind the caisson and riderless horse that took Kathryn Frost to her grave. Afterward, Pelosi asked Frost to visit her in her office. She appreciated the work he was doing to help Democratic candidates, she told him, and added that if the party won the House, she would be turning to him for more. "She could not have been more gracious," Frost says. "I was very appreciative. Whatever she needs me to do, I will do."

Still, pulling together is not something Democrats do well--even in victory. As the Pelosi-Hoyer-Murtha battle was heating up, Democratic consultant James Carville and pollster Stan Greenberg--both of whom are close to the Clintons--loudly called on Howard Dean to resign as Democratic chairman, saying the party could have won more House seats if he had spent its money more wisely. Liberal bloggers were slamming Emanuel, head of the Democratic Congressional Campaign Committee, saying he was taking credit for their victories. And the Blue Dog Coalition, a group of the most conservative House Democrats, was

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mounting a rear-guard campaign to save Harman's post at the Intelligence Committee. Savoring a team victory, it seems, is something the party has yet to get the hang of.

THE BALTIMORE EFFECT

Even as Democrats scratched their heads over Pelosi's judgment last week, they knew where it was coming from. "This isn't San Francisco," said a former Democratic-leadership aide. "This is Baltimore." The latter is where Pelosi grew up and where she got her first lessons in politics, from the best teacher anyone could want. When Nancy D'Alesandro was a child, her father used to collect yellow sheets of paper that were stacked and stapled together at the end of each week. They were called the "favor file." That was the way Baltimore's legendary Mayor Thomas D'Alesandro Jr.--later known as "Big Tommy," to distinguish him from his namesake son who also became mayor--kept track of who had been given a job or some other benevolence. The record always came in handy at election time. From the age of 13, his only daughter Nancy took charge of the desk in their home on Albemarle Street, where people came to tell their stories and ask for help.

Knowing that also explains why the lefty caricature that Republicans paint of Pelosi has never quite stuck. Hers is not the loopy liberalism of San Francisco, where you can be branded as a right-wing extremist if you vote, as Pelosi once did, for cracking down on rave parties. The politicians in her family were progressives of a rougher cut, rooted in the Depression and the New Deal and in doing things for desperate people who turned to the government when there was nothing else for them to do.

You also didn't last long in big-city machine politics if you buckled at the first sign of a fight. When Big Tommy once threatened to fire striking garbage workers, Jimmy Hoffa himself sent an emissary to tell the mayor he wasn't happy. As D'Alesandro's former press secretary Tom J. O'Donnell recounted the story to the Washington Post, "The mayor spoke up and said, 'You go back and tell Mr. Jimmy I'm very unhappy with the garbage piling up on the streets of Baltimore, and I'm not going to stand for it.'" The following Monday, most of the garbagemen were back at work.

That fighting philosophy has defined Pelosi's leadership style as well. Her predecessor Dick Gephardt was known as "Ironbutt" for the hours he spent sitting and wheedling his colleagues. "Gephardt would plead with people to do the right thing, and they would know that there was no penalty for it," recalls a veteran senior aide on Capitol Hill. Not Pelosi. "Once you cross her," he says, "your life is not going to be very pleasant."

The Speaker-to-be puts it in more graphic terms. At lunch with a group of TIME correspondents a few months ago, she said Republican attacks on her would not work, because she wouldn't let them. "If people are ripping your face off," she said, picking at a chicken salad dressed only with lemon wedges, "you have to rip their face off."

THE ROAD AHEAD

It was not entirely clear that Pelosi would ever make the family business anything more than a hobby. After graduating from an all-girls Roman Catholic college in Washington, she married Paul Pelosi, whom she met at summer school at Georgetown University and who would eventually make a fortune in investment banking and real estate. They moved first to New York City and then to San Francisco. Pelosi had five children in six years. Between diapers and laundry, she raised money for Democrats and ultimately became the state-party chairwoman.

But it turns out she was compiling a favor file of her own. Not only was she a prodigious fund raiser in a state that functions as a political ATM for Democratic candidates across the country, but she also helped bring the national convention to her city in 1984. In 1987 she decided to run for the seat left vacant by the death of Sala Burton, the widow of Phillip Burton, who had run his own storied political machine. One of Sala's final acts was to give her endorsement to Nancy Pelosi.

In 2001 Pelosi made her first move toward the leadership with a bid for the No. 2 job, which pitted her against Hoyer. As it happens, the two had interned in the office of Senator Daniel Brewster of Maryland in 1963. That experience also introduced Pelosi to the different opportunities that Capitol Hill offered men and women. Hoyer "worked directly for me and helped me with a number of different projects," recalled Brewster, 83, in an interview last week with Capital News Service. Pelosi was a receptionist--or, as Brewster put it, "an excellent front person."

That first whip race intensified her rivalry with Hoyer and also cemented her bond with Murtha, who managed her campaign. Not only did he get her the votes to win that job but his support also made it possible for other old bulls in the House to begin to imagine a woman rising to the top. The former Marine had a reputation for male chauvinism that stood out even in an institution where the only private rest room adjacent to the chamber is for men. (Women members have to go around the corner and through a reception area to use a facility in Pelosi's office suite.) Murtha's backing "was the answer to sexism in the place," says an aide to Pelosi. "If he didn't have any problem with a woman in leadership, no one else would either."

But Pelosi has also found a way to make her gender a weapon in political combat. She was one of the loudest voices demanding an investigation into what G.O.P. leaders knew of the sexually explicit instant messages that Congressman Mark Foley, who has since resigned, was sending to congressional pages. While Republicans booed her on the House floor, Pelosi insisted "as a mother and a grandmother" on putting the question to a recorded vote.

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She won that round over the Republicans, but that victory and all the others will be forgotten unless she can regain control over her own caucus. She didn't just politely suggest that people vote for Murtha; she fought hard. Her lieutenants plied the House with phone calls and none-too-subtle threats, including suggestions that anyone who bucked her might lose committee assignments. After Hoyer still drubbed Murtha by a vote of 149-86, Pelosi emerged from the ballot room and pronounced Hoyer's win "a stunning victory." By the look on her face, she meant it. Pelosi went to Hoyer's party that night but retreated afterward to the downtown- Washington restaurant Tosca with a dozen or so of her closest allies. They entertained one another with stories about an old rivalry between Phil Burton and Texas Congressman--ultimately Speaker-- Jim Wright that had divided the Democrats decades ago. Pelosi seemed cheerful and relaxed--anything but war weary. It was a reminder of something else that is true about Capitol Hill: what really matters in a fight is whether you're standing at the end of it.

Fineman: Can Speaker Pelosi Hold Dems Together? (NSWK)

By Howard Fineman

Newsweek, November 27, 2006

George Miller was reared in the liberal Democratic Party of Northern California—not the fancy Nob Hill kind, but the fiery kind bred in the docks, shipyards and canneries of the East Bay. His father was state party chairman and taught his son to distrust Big Money and to "go to work like you're killing snakes." Elected to Congress in 1974 at the age of 29—in the wave of Democrats sent to Washington by Watergate and Vietnam—Miller is now the Man of the House: the closest ally of and adviser to the already-embattled speaker, Rep. Nancy Pelosi of San Francisco. "It sounds corny," he told me, "but I was taught that you acquire power for one reason: to help the seriously disenfranchised."

Ellen Tauscher was reared in business. Her dad was a grocer in New Jersey, and after college she went to Wall Street, where she became one of the first women with a seat on the New York Stock Exchange. In 1989, she migrated to an upscale East Bay suburb. Elected to Congress in 1996—in a district next to Miller's—she now chairs the centrist New Democrat Coalition. Her politics lean toward tax cuts and free trade, but she has a productive working relationship with Pelosi, the proudly quintessential San Francisco liberal. "Nancy and I come from different places," Tauscher says. "But we put our big-girl pants on every day and go to work."

Two fault lines appear on Bay Area maps of Planet Pelosi: the geological San Andreas and the Democratic Miller-Tauscher. The Speaker's task (and, by extension, her party's) is to avoid an intramural earthquake. "This isn't just about the next two years," says Rep. Ed Markey of Massachusetts. "We have to show we are a governing majority."

First comes the relatively easy part, at least in the House. Republican-style "values" issues aren't a problem. While it is true that most of the new wave of "new" Democrats are from suburban or even rural districts, there is no new Democratic Bible Belt in Congress. Virtually all Democrats and Democratic candidates (including Miller and Tauscher) backed Pelosi's carefully drawn initial agenda: to raise the minimum wage, to trim interest on college loans, to use tax money for stem-cell research and to allow Medicare to negotiate bulk purchases of drugs.

But the tectonic plates move in dangerous ways when the topics are taxes, trade, torts and terrorism. Miller voted against reducing the federal tax code's "marriage penalty"; Tauscher was for it. He was against liberalizing trade with China; she was for it. He was against limiting awards in lawsuits; she was for it.

Then there is terrorism—and Iraq. Tauscher, with her lower Manhattan ties and her swing district (which includes two of the government's most important defense-research labs), voted to authorize the war in Iraq and is wary of the consequences of a too-hasty exit. To Miller, the war is an unsalvageable blunder. Com-ing of age in antiwar San Francisco, his view is framed by Vietnam. He voted against authorizing the invasion. He admires Rep. John Murtha of Pennsylvania for having come forward last year to denounce it. "Everyone discounted the criticisms of people like me because we were the 'antiwar crowd'," Miller says. "Jack gave the Democratic Party a place to stand."

Miller backed Pelosi's decision to try to reward Murtha by making him majority leader. Tauscher organized her coalition allies on behalf of the man who trounced Murtha, Rep. Steny Hoyer of Maryland. It was an embarrassing strategic debut for the Speaker-to-be. Not an earthquake, to be sure, but a tremor that may be worth remembering.

GOP Keeps Team, Promises Changes (RC)

By Susan Davis

Roll Call, November 20, 2006

Despite efforts by a small band of House Republicans last week to convince their colleagues that a change in leadership was important, if not critical, to winning back a majority in 2008, the House Republican Conference overwhelmingly sided with the status quo Friday and handed landslide victories to Minority Leader-elect John Boehner (Ohio) and Minority Whip-elect Roy Blunt (Mo.).

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Both leaders recast themselves in their campaigns and argued they would be agents for change in the 110th Congress, committing to return the Republican Party to its roots of fiscal conservatism and reform and to battle the new Democratic majority tooth and nail.

"We are going to work as a team and we are going to earn our way back into our majority," Boehner told reporters after his victory, stressing the need "to fight for a smaller, less costly and more accountable federal government." Boehner defeated Rep. Mike Pence (Ind.), chairman of the conservative Republican Study Committee, in a landslide 168-27 vote. One

vote was cast for Energy and Commerce Chairman Joe Barton (Texas), who withdrew from the race Wednesday.

Similarly Blunt was candid about the need to shakeup the party agenda. "Frankly, [we need] to get rid of the bad habits that we may have developed in the 12 years in the majority," he said. "It's not our job to defend business as usual, it's not our job to try to define the federal government in the biggest possible way, we need to do the right things. Our Conference is ready to do that." Blunt soundly defeated Rep. John Shadegg (R-Ariz.) 137-57, with one Member abstaining.

Speculation brewed all last week that some combination of Members would attempt to nominate Chief Deputy Majority Whip Eric Cantor (R-Va.) for the Whip job, or write in his name on the ballot, but there was no mischief during Friday's leadership elections. The Conference also ruled the day before elections that write-in ballots would not be tallied in final vote counts. Blunt will maintain Cantor as his Chief Deputy Whip.

While the top elected leaders invoked the 1994 spirit that swept in a Republican House majority that year, Friday's elections were a significant defeat for prominent conservatives Pence and Shadegg. Pence has been a darling of the outside conservative establishment — much of which endorsed his leadership candidacy — and Shadegg is also a former RSC chairman and a member of the 1994 class.

Rep. Jeff Flake (Ariz.) contended that his colleagues did not heed the call from voters on Election Day for reform within the party. "We haven't hit the first stage, we're still in denial," Flake, a Pence ally, told reporters. "When you're here you kind of drink your own bath water," he said, a reference to a supposed inside-the-Beltway mentality.

Flake's comments were seen as particularly critical of Blunt, who is the longest serving member of the current leadership team. Flake said it might be "doubly difficult" to convince voters the party got the message to change the way it does business.

There were few surprises in any of the downballot leadership races, with the exception of the four-way race for Republican Conference chairman. GOP Reps. Adam Putnam (Fla.) and Marsha Blackburn (Tenn.) were widely seen as the frontrunners against Reps. Dan Lungren (Calif.) and Jack Kingston (Ga.).

However, Blackburn secured an unimpressive 31 votes on the first ballot, with 29 votes for Lungren. Blackburn received 30 votes on the second ballot and was removed per Conference rules, leading to a showdown between Putnam and Kingston. Putnam bested Kingston, the current Conference vice chairman, in an unexpectedly close 100-91 vote. "I have no regrets, it was a good campaign," Kingston told supporters in an e-mail following his defeat.

Blackburn spent the better part of the year laying the groundwork for her campaign, including frequent radio and TV appearances. One Member contended that Blackburn's eagerness could have also led to her demise. "Marsha worked really hard, but there was just this perception that Marsha was in it for Marsha, and not for the team," said one Republican who asked not to be named.

"I will continue doing my best to support our leadership and support our Party's principles," Blackburn said in a statement following her defeat.

Texas is back at the leadership table as well, with the election of Texas GOP Reps. Kay Granger and John Carter to Conference vice chairwoman and Conference secretary, respectively. Granger beat Rep. Steve Pearce (R-N.M.) 124-63 and is the only woman on the leadership team. Carter was unopposed and was approved by voice vote.

Rep. Thaddeus McCotter (Mich.) soundly defeated Rep. Darrell Issa (Calif.), 132-63, for Republican Policy Committee chairman.

The first test of the new leadership team will be in the coming weeks as it transitions into the minority. The internal Conference rules and the makeup of the GOP Steering Committee, which determines committee ranking members and rank-and-file assignments, will have to be reconfigured as they are largely written for majority status.

For instance, the current 28-member Steering Committee provides for a weighted voting system, with five votes granted to the Speaker, two to the Majority Leader and one for the remaining 26 members.

Minus a Speaker, it remains to be seen how many votes the Minority Leader and Minority Whip will be granted. Regional representation on the Steering Committee may also be shifted to account for the geographic loss of Members.

Republicans also will have to clarify an internal Conference rule regarding how many years a Member can serve as chairman or ranking member of a committee to try to fend off potential turf wars.

Currently, chairmen are term-limited to six years, but some Members have made the argument that the rule is unclear and should allow for six years as chairman, and six years as ranking member.

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Transportation and Infrastructure Chairman Don Young (Alaska) and Judiciary Chairman Jim Sensenbrenner (Wis.) are term-limited, but both are expected to try to claim rights to the ranking memberships on their committees due to their interpretation of the rule.

Additionally, GOP leadership sources have suggested that Appropriations Chairman Jerry Lewis (Calif.), who is under federal investigation, may not be able to hold on to the ranking member slot when it comes before Steering. When asked Friday if he expected to serve as the ranking member in the 110th Congress, Lewis deferred. “That is a pay grade that’s different than mine,” he said.

Rep. Jim McCrery (R-La.) is expected to get the ranking slot on the House Ways and Means Committee. McCrery is a close Boehner ally and gave a nominating speech for Boehner during elections last Friday.

As leader, Boehner will have sole decision-making power over who will head up a handful of committees, including Rules, House Administration, Intelligence and ethics.

According to knowledgeable GOP sources, Rules Chairman David Dreier (Calif.) is expected to remain as ranking member as the exclusive committee is not subject to term limits.

Similarly, Intelligence Chairman Pete Hoekstra (Mich.), a public Boehner supporter, is also expected to remain. Ethics Chairman Doc Hastings (Wash.), who currently is investigating the scandal surrounding former Rep. Mark Foley (R-Fla.) and his interaction with underage male House pages, is expected to remain on the panel if asked.

Also Friday, the incoming Republican freshman Members held class elections. Rep.-elect Bill Sali (Idaho) is class president, Rep.-elect Doug Lamborn (Colo.) will serve as the representative to leadership, Rep.-elect Adrian Smith (Neb.) will serve as representative to the Policy Committee, and Rep.-elect Kevin McCarthy (Calif.) will serve as the freshman representative on the Steering Committee.

Leadership Lessons (WSJ)

The Wall Street Journal, November 20, 2006

November 20, 2006; Page A16

House Democrats and Republicans elected their leaders for the next Congress last week, and the results suggest there's a reason Democrats will have the majority. They seem to have absorbed the election's lessons better than the GOP.

Rank-and-file Democrats ignored Speaker-in-waiting Nancy Pelosi's endorsement of Pennsylvania's John Murtha as majority leader and instead voted to keep Maryland's Steny Hoyer as their second in command. The vote was a rout, 149 to 86, despite not-so-veiled leadership threats about committee assignments for those who favored Mr. Hoyer. In rejecting the ethically challenged Mr. Murtha, Democrats showed good judgment and a desire to set a higher ethical tone than have the Tom DeLay Republicans.

Despite their recent defeat, however, Republicans also easily re-elected their top two leaders in the face of challenges from younger conservatives. Ohio's John Boehner, the new minority leader, had only taken over from Mr. DeLay in January and so he could fairly dodge some responsibility for this month's debacle. On the other hand, Minority Whip Roy Blunt of Missouri was a key part of Team DeLay, in addition to being a vocal defender of spending earmarks and pork-barrel incumbent protection.

House Republicans are talking a good game of recovering their small-government principles, but their leadership choices suggest they think their defeat had little to do with their own image or performance. Instead -- and we also hear these whispers privately -- they blame everything on President Bush and Iraq. Mr. Blunt is said to have impressed the Members with a plan to defeat freshman Democrats in 2008; so much for self-reflection and new ideas.

The Revival Of Trent Lott (TIME)

By Massimo Calabresi

Time, November 27, 2006

Hello, Mr. President. This is Lazarus speaking." That is how Trent Lott answered a phone call last week from George W. Bush, the man who helped force him out of the Senate's top job in 2002 after Lott praised Strom Thurmond's 1948 segregationist presidential campaign. Maybe Lott is selling himself short. After all, Lazarus was in the tomb for only four days, but it took Lott, 65, four years to mount the improbable comeback that culminated in his election last Wednesday as minority whip, the second most powerful G.O.P. position in the Senate. But if Bush, who called from Air Force One en route to Singapore, was spooked by the Mississippi Senator's resurrection, he did his best to hide it. Lott says Bush laughed off the Lazarus analogy and said, "Well, we're looking forward to working with you."

Why would Senate Republicans choose the controversial Lott after an electoral drubbing that saw them lose, among other things, the hard-fought progress they had made with nonwhite voters, especially African Americans? And why pick someone who is known to have an ax to grind with the White House at a time when the party should regroup and unify?

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The answer is that Lott won (by one vote over Tennessee's Lamar Alexander) because he spent the past four years quietly making himself as useful as possible to his colleagues. He lent his old strengths as a backroom dealmaker and a master of arcane Senate rules to sometimes thankless tasks. He not only won back allies that way, but he also sharpened the exact skills that his party will need for the next two years, when its main goal will be to stop Democratic bills from seeing the light of day, let alone the President's desk. As the whip--a position named after the switch-wielding valet at fox hunts who keeps the hounds in line--Lott will keep his party disciplined and frustrate the Democrats with amendments and filibusters. "He understands the rules. He's a strong negotiator," says New Hampshire's Senator John Sununu. Former House Speaker Newt Gingrich says he's "the smartest legislative politician I've ever met." Even Senator Ted Kennedy calls him a "worthy opponent."

And smooth relations with the Bush White House aren't the priority they used to be. In the upcoming Congress, with every Republican Senator seemingly running for re-election or for President, proof of one's independence from the White House will be an asset, not a liability, especially if Bush's approval ratings remain mired in the mid-30s. As he was campaigning for the whip job, Lott says, he told his colleagues that when it came to White House pressure, "there's nothing they can do to me or for me that they haven't already done. I'm not mad, but I am a little bit of a liberated guy these days."

The Democrats are the ones who should fear Lott the most: they are desperate to pass bills that will show voters they can govern. That might explain why some of them are already trying to reach across the aisle to him. While Mel Watt of the House Congressional Black Caucus released a statement after Lott's election saying, "The sting of Trent Lott's hurtful words are unlikely to expire anytime soon," Barack Obama, the freshman Senator from Illinois, seemed not to carry a grudge as he left the Senate floor the day after Lott's victory. "[Lott] obviously paid a price and comes back a little bit wiser, as all of us hopefully do after a mistake," Obama said.

The White House is doing its best to mend fences too. Vice President Dick Cheney, an old hunting buddy of Lott's from their days together in the House, called him soon after the Senate vote. And as I was interviewing Lott late last Thursday evening, Rob Portman, the White House director of Management and Budget, patiently waited until I finished so that he could tell me how great he thought Lott was. "He's very effective," Portman said. "He's a skilled tactician and strategist. A rare combination of unparalleled experience."

By then Lott had moved back to the floor of the Senate, where he was working the room, accepting one congratulatory handshake after another for his return to power. When one well wisher added his compliments to the chorus, Lott beamed at him and called out in his trademark baritone, "Hey, hey! I can still count votes!"

'Gang Of 14' Mulls Script For Next Act (RC)

By Emily Pierce And Erin P. Billings

Roll Call, November 20, 2006

Having successfully averted what could have been an explosive partisan showdown over judges in the Senate last year, Senators in the "Gang of 14" believe they have attained a relevancy that will allow them to play an even more prominent role in the 110th Congress — not just on judicial nominations but on other issues as well.

Though their original mission vanishes at the end of this year, Sen. Mary Landrieu (D-La.) said she expects that a broader role for the holdover gang members, and perhaps other like-minded Senators, likely will develop in the coming weeks.

It will be "somewhat formal, it will be regular and it will be real," she said.

"The 12 of us still remaining [in the Senate] will have that discussion sometime soon to see what the mood is. There have been many individual and group meetings about how to advance a civil and productive agenda."

Landrieu said that while the details haven't been worked out, she expects that several of the gang's Democratic Senators, and perhaps more, will participate. On the Republican side, the Louisiana Democrat said, Sen. Susan Collins (Maine) is helping lead efforts to engage the gang's GOP Senators and other moderates.

Other Gang of 14 members, echoing Landrieu, said that now, more than ever, they have a part to play in helping negotiate agreements and advance legislation around which both parties can agree.

This possible re-emergence of the gang comes even though the group saw two key GOP players — Sens. Lincoln Chafee (R.I.) and Mike DeWine (Ohio) — go down in defeat on Nov. 7.

Sen. Ben Nelson (D-Neb.), who led the group along with Sen. John McCain (R-Ariz.), said the gang would be useful in instances "where the leadership can't get together," such as "issues that otherwise get snagged or require 60 votes" to overcome a filibuster.

It was the filibuster of 10 judges that prompted the gang's genesis. With a majority of Democrats blocking judges during the 108th Congress and again in the spring of 2005, Senate Majority Leader Bill Frist (R-Tenn.) came close to invoking the "nuclear" option, in which he would demand a ruling from the chairman that filibustering judges is unconstitutional.

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Frist would have needed only 51 votes to ratify that ruling, rather than the 60 needed to break a filibuster, and such a maneuver would have eviscerated the ability of the Senate minority to block objectionable judicial nominees for years to come.

Then the Gang of 14 — seven Republicans and seven Democrats — emerged, pledging to oppose filibusters of judges except in "extraordinary circumstances," in exchange for all of them voting against the nuclear option — enough to rule out the maneuver.

Because of the bipartisan deal, Frist never brought up the nuclear option for a vote; several controversial judges were voted through, while Democrats could continue to block other nominees, the gang agreed.

Though he supported the nuclear option at the time, Sen. John Cornyn (R-Texas) said, "In retrospect, I have to admit they served a useful purpose in diffusing a stalemate. ... Looking back, the outcome was positive."

Cornyn said he could envision the remaining members — Nelson, McCain, Landrieu and Collins, plus Sens. Lindsey Graham (R-S.C.), Olympia Snowe (R-Maine), John Warner (R-Va.), Joe Lieberman (D-Conn.), Ken Salazar (D-Colo.), Mark Pryor (D-Ark.), Robert Byrd (D-W.Va.) and Daniel Inouye (D-Hawaii) — playing a similar role in upcoming judicial and policy battles.

"Those Senators could very well serve a useful function," Cornyn said.

Graham acknowledged that the most recent Senate fight over judicial nominations almost certainly is a chapter for the history books. But he said the group has not lost sight of its guiding philosophy, saying, "The idea of maintaining a functioning Senate and not destroying the judiciary will always have resonance and viability."

"It could spill into other areas after we've lived through that experience," he said. "We get along very well on a variety of issues, not just judges."

Salazar said that he, too, believes the original gang members can remain integral players going forward. He pointed to issues such as immigration reform, where a centrist-oriented group worked behind the scenes to try to broker a Senate deal earlier this year.

Salazar said he's hopeful that gang members "will have a reason to come up with an agenda" in the next Congress.

Nelson agreed, saying that one option may be for the gang to devise a compromise budget next year.

And even with pledges by President Bush and incoming Senate Majority Leader Harry Reid (D-Nev.) to renew efforts at bipartisanship, gang members suggested that there will be a need for them to step in. In fact, the future balance of power may make the gang even more essential than before to helping broker compromise, Senators said.

"With a Republican president and a Democratic Congress, there will have to be bridge builders," Landrieu said. "We're not about compromising our principles. We're just trying to find common ground."

Pryor agreed, but added that he believes the extreme partisanship that has characterized the past few years would be less common with Reid at the helm.

"I don't think you're going to see as many politically charged issues that come through" the Senate, he said.

On judicial nominations, Senators in the gang said they still could be relevant, but likely less so, given that the dynamics will be radically changed in the 110th Congress.

Republicans won't have the 51 votes they'd need to institute the nuclear option and force votes on nominees. What's more, Reid will have the power to stop any nomination — not just judges — from coming to the Senate floor. Plus, incoming Senate Judiciary Chairman Patrick Leahy (D-Vt.) can simply refuse to schedule committee hearings and votes.

Cornyn acknowledged that his party would have a "tougher" time pushing judicial nominations this year.

"It's not like an amendment that we can offer to a bill," he said. "We've got to get them out of committee."

Nelson acknowledged that the gang would have less sway over judicial nominations, because "I don't see the Gang of 14 working to get a name brought up. By the same token, there are other steps that could be taken. Something could be done informally, rather than formally."

Sen. Trent Lott (R-Miss.), the newly elected Minority Whip for the next Congress, helped form the Gang of 14 before dropping out in deference to Frist. Lott said he foresees instances in which gang members could influence whether a judicial nomination is brought up, simply by stating whether they believe a nominee meets the filibuster test they agreed to.

In any case, he said, the spirit of the Gang of 14 most definitely will live on: "It's the kind of thinking and cooperation that we've got to do a little more of."

Compromised (WSJ)

By Lawrence B. Lindsey

The Wall Street Journal, November 20, 2006

During the recent off-year elections, the president repeatedly pointed to the booming economy and noted that his tax cuts were responsible. With growth strong and unemployment low despite the ending of the stock-market bubble, terrorist attacks and

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the war in Iraq, he had every reason to be proud. Moreover, both economic theory and the actual timing of the economic revival support his claims regarding the tax cuts.

That is why it is so odd that rumors swarm around Washington that the president may be willing to raise taxes as part of a "deal" on entitlement reform. In particular, the rumors suggest the president might be willing to get rid of the provision that caps the income level used to compute Social Security taxes and benefits. These rumors aren't without substance; last year the president would not rule out raising the cap when asked.

Doing so would raise the marginal tax rate on the entrepreneurs that Mr. Bush credits for having led the economic recovery by more than 10 percentage points. The new effective rate would be five percentage points above the level when he took office. Moreover, in 2011, the rate would go up a further 4.3 percentage points to an effective 53% marginal rate on entrepreneurial income. The president would thus be not just raising taxes on entrepreneurs to well above the levels that prevailed in the Clinton administration, but to a rate higher than that which prevailed in the Carter administration. Most of the improved incentives for entrepreneurship and work brought about under Reagan would be repealed.

Should the president do this, he doubtless would be thinking that saving Social Security would be worth the price. He would be wrong. In practice this idea would both destroy the basis on which Social Security was started and fail to produce the expected revenue that supposedly would save the system. Social Security was set up as a contributory pension plan, not a welfare scheme. Benefits are linked, by statutory formula, to contributions. Congress and the president could choose to maintain this relationship. Traditional supporters of Social Security like AARP have long insisted on this link and argued against turning the program into another welfare plan by ending the linkage between contributions and benefits.

There are two problems with that approach. First, an increase in the cap on taxes and benefits would produce very little net revenue for the system. Even if one assumed higher taxes did not hurt the economy, the increased benefits would consume much of any increased revenue. Second, the benefits that high income people would get would be politically unsustainable. A retiree who earned a million per year would receive a monthly Social Security benefit of $13,500. This is politically unimaginable. So, expect both the universality of Social Security and the link between taxes and benefits to go, and this most enduring element of the New Deal to become a welfare program.

But it is the damage to the economy and to the fiscal system that is more important. Economists differ on how much such a dramatic increase in tax rates on entrepreneurs would damage the economy. Certainly given the statements of the president earlier this year he believes it would be significant. Consider some figures.

Published IRS data from 2004 show that taxpayers with incomes over $100,000 earned $1.9 trillion in wages, salaries, bonuses and self-employment income. Of that, roughly $800 billion was above the Social Security maximum tax threshold. Levying the 12.4% Social Security tax on that income would produce $99 billion in revenue. Of that, employers and the self-employed would be able to deduct half of that tax from their corporate or personal tax returns. Thus, $17.4 billion of the $99 billion would not be a net gain to the Treasury, but a transfer from the general fund to the Social Security trust fund. So the net gain to the government would have been about $82 billion in 2004.

That assumes that taxpayers would not have changed their behavior when their marginal tax rate rose to 48.6% from 38.4%. No one believes that, although economists do disagree on how much. These are a very sophisticated group of taxpayers with both the knowledge and the means to adjust to taxation by changing the form of business, converting income to capital gains, or other methods. A cautious estimate that enjoys wide acceptance in the tax community says that for every 1% reduction in the share of their income they take home, high income individuals cut their taxable earnings by four-tenths of a percent. My own research from the Reagan tax cuts indicates the response by this group is higher, roughly seven-tenths of 1%.

Although these numbers may seem small, when they are applied to a massive tax rate increase like this, they can have important ramifications. Remember, taxpayers will be seeing the share of income they keep dropping from roughly 61 cents on the dollar to just 51 cents -- and that is before state taxes are figured in. This implies a decline in the tax base of between 7% and 13%.

Under the lower assumption, total federal revenues would only increase by $27 billion, with the behavioral response of taxpayers offsetting 70% of the static revenue increase. True, Social Security tax revenues would still rise by $82 billion, but this would be offset by a net decline in personal income taxes of $55 billion. Under the higher assumption about a behavioral response, total federal revenues would decline. While Social Security taxes would rise by $69 billion, personal income taxes would drop by $95 billion.

Whatever one's assumption, lifting the Social Security tax cap would have to be viewed as an economically and fiscally risky proposition. I seriously doubt that the president would be interested in agreeing to a deal that purports to "save Social Security" when the reality is that it seriously undermines the economic and fiscal basis that underpins the system.

There is another argument that the president will have heard that might persuade him to do what the rumors say he is considering: fairness. It is true that high income earners do not pay Social Security taxes on all of their earnings. As already

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noted, it is also true that they do not receive benefits on those earnings. So, if you think that Social Security should be a welfare program with benefits unlinked to contributions, then in a sense this may be unfair.

But, consider the total tax system. An urban myth has arisen that the so-called "rich" do not pay their "fair share" of taxes despite the fact that the top 10% of taxpayers pay 68% of federal income taxes in the country. A comparison between a relatively high-income entrepreneur, of which I am one, and a "typical" worker might be illustrative.

Last year an entrepreneur similar to me would have paid federal taxes equal to 33.9% of total income. That is, income before any exemptions, exclusions, adjustments or deductions. By this measure all of the fringe benefits that an entrepreneur provides himself as a self-employed individual are included in income. His federal income taxes and the employer and employee shares of his Social Security taxes are all counted as "taxes."

For comparison, consider a married worker earning a salary of $75,000, who like our entrepreneur, has three children. To compute his total income on the same basis, I gave him the same level of benefits as an average worker and the same level of capital income as others making his income. I also followed convention to impute to him both his own Social Security taxes and all of those paid by his employer. On that basis, his average tax rate was 14.5%.

Based on a 40-hour week, while he finishes paying his Federal taxes on Monday afternoon at 2:48, our entrepreneur will work all day Monday until about the same time on Tuesday until he finishes, another full day. If the plan to eliminate the cap on Social Security earnings is adopted, he will work all day Monday, all day Tuesday, and then Wednesday morning until 10:26 to finish paying his federal taxes. Then he can start paying his state taxes.

That assumes he keeps working as hard as he is and doesn't rearrange his income to take more fringe benefits or shelter it in other ways. This suggests another way to think about just how risky this plan is. Using those 2004 figures cited above, all it would take would be for one of these workers in ten to decide it wasn't worth it to work until 10:30 Wednesday morning just to pay Uncle Sam and this plan the president is reportedly considering would actually cost government tax revenue. Don't make it too tough on him, or Atlas may actually decide to shrug.

Mr. Lindsey, president and CEO of the Lindsey Group, was President Bush's chief economic adviser from 2001 to 2002.

Washington Whispers (USNEWS)

By Paul Bedard

US News and World Report, November 27, 2006

Picking Up Where Ron Brown Left Off

One was a snazzy dresser, a major African-American force who thrived on the Washington social circuit. The other is a buttoneddown white Vermonter, an excitable but nerdy med school kind of guy. But there's something about the similarities between the late Democratic National Committee Chairman Ron Brown and current DNC boss, Howard Dean, that has folks talking--even Dean. "My model is Ron Brown," he says flatly. Don't laugh. Sure, their personalities and styles are radically different, but party insiders and friends of both say Dean has attacked his job of reforming the party just as Brown did--with similarly winning results.

Some examples: Both entered the job as outsiders under fire from moderates who worried that they were too liberal. Both surprised the establishment by raising tons of money. Both took a shattered party and built a national organization geared to winning a presidential election. "He was incredibly inclusive, and he was an outsider, of course," Dean says," so I identify with him that way." And both focused on the key Democratic demographic-- blacks. Brown brought African-Americans to the table. Dean, who's studied Tracey Brown's bio of her dad, wants more: putting more blacks on the ballot. "It's going to be about opportunities and a place on the ticket," says Dean. "Ron Brown was really the beginning of that."

Why Not Impeach Bush? Dick Cheney

The degree to which the new Democratic leadership on Capitol Hill despises Vice President Dick Cheney is a big plus for President Bush. Consider why incoming Senate Majority Leader Harry Reid scrapped an idea to impeach Bush: "Two words: Dick Cheney," he says, joking that it would vault the veep into the Oval Office.

Globe-trotting to Iraq Hot Spots

The troops in Iraq are about to get their hoops fix, thanks to the storied Harlem Globetrotters. The team of roundball magicians departs November 25, visiting Iraq as part of a 21-day trip to 12 bases in the Middle East. And, yes, owner Mannie Jackson and his 10 stars will return in time for the 193-city U.S.-Canada "Nothing Like It" tour opening December 26.

These Marines Forgive and Forget

It was party time for Sen. John Kerry's staff and alumni from his 2004 presidential campaign last week at the Democrat's favorite Capitol Hill hangout across from the U.S. Marine Corps Barracks and HQ when a group of marines approached him. But they didn't scold him for recently suggesting that the military attracts mediocre students. Instead, they yukked it up and even bought the vet a shot of tequila--which he downed.

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Score One for the Airport Ziploc Rule

Kip Hawley is a rarity among federal execs: He relishes the chance to experience their own onerous security rules. While traveling, the head of the Transportation Security Administration has been looking to see if the new rule requiring that small amounts of liquids be put in zip-top bags is a good one. With stops in St. Louis, Orlando, and even Brussels, he finds it A-OK. "It's great to see [our screeners] doing such a top-notch job," says Hawley.

MSNBC, CNN Hop Democratic Wave

There's lots of buzz in the cable TV world that having Democrats running Congress will hurt Fox and help MSNBC and CNN. It certainly looked like that election night when CNN won the key viewership demographic of 25-to-54-year-olds. "We're clearly the place to go for information," CNN boss Jon Klein tells us. "Maybe the trick is that you have to actually cover politics. The public seems to be in the mood for facts and information-- not cheerleading." MSNBC, No. 3 but surging, also crowed: "MSNBC is the place for politics." So what about Fox? It simply turned to the numbers. And they show that Fox is still No. 1, with its audience growing. "We'll let the two cable news alsorans battle for second place, and we wish Jon and [MSNBC] well on their quest for relevancy," says an amused Foxie.

From Red Meat to Haute Couture

The conservative American Enterprise Institute has scrapped its magazine and replaced it with a new glossy, The American. Unlike the think tank's old political rag, the jazzy new one is all business and economics, six times per year. "Our perspective," says editor James Glassman, "is not partisan, but it is rooted in liberal, free-market economics." There are no editorials and foreign-policy manifestos. Instead, Reaganite Michael Ledeen writes about why Naples became the center of men's high fashion. It's an old model: The lively conservative American Spectator tried the same thing before finally switching back to politics.

The Ragin' Cajun, Frothing Over '08

Worse Than the White House Press

Former President Clinton is probably rethinking just how tough his White House press corps actually was. His office tells us that after he spoke in Mexico last week, reporters blocked his motorcade, then kicked and punched his security agents, prompting one to draw his weapon and order them out of the way. Clinton was fine. So what was the problema? Clinton's Jay Carson says, "Who knows?"

With Bernadine Healy M.D., Silla Brush and Angie C. Marek

Paulson Set To Address US Market Rules (FT)

By Krishna Guha And Jeremy Grant In Washington

Financial Times, November 20, 2006

Hank Paulson, the US Treasury secretary, will on Monday say what the US needs to do to ensure that its markets remain globally competitive in a landmark speech on capital market regulation.

The move comes amid growing concern in the US that New York is losing out to emerging financial centres in Asia and to London, with its lighter-touch, principles-based regulatory regime.

It is also a sign that the concerns on Wall Street about the Sarbanes-Oxley corporate compliance and controls laws have moved higher up the agenda in Washington since the arrival at the Treasury three months ago of the former Goldman Sachs chief executive.

Senior figures, including Dick Cheney, the vice-president, have said that Sarbox may have gone too far.

But there is increasing recognition that the issue goes well beyond Sarbox, encompassing the entire US regulatory and legal landscape, particularly the proliferation of class-action lawsuits, liability issues and overlapping securities regulations.

Mr Paulson is understood to be aware of the need for a re-examination of US regulation in the light of international competition, cross-border merger of equity and derivatives exchanges and competition between public and private enforcement efforts, which have led to over-zealous corporate litigation.

One senior official said Mr Paulson's arrival at the Treasury had helped "tie a lot of these things together and helped structure a response" in Washington at the President's Working Group of Financial Markets, composed of the heads of the Federal Reserve, Treasury, Securities and Exchange Commission and Commodity Futures Trading Commission.

"I expect the secretary will address an array of issues that impact our capital markets – ranging from our corporate governance requirements to our legal system," said Rob Nichols, president of the Financial Services Forum, a lobby group that represents the chief executives of financial companies.

Policymakers see a need to update the regulatory architecture in the US in the light of rapid innovation, which is blurring the distinction between traditionally separate asset classes.

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A growing number of executives think the US could learn some lessons from regulatory practice in the UK and elsewhere, where a “principles-based” regulation takes a more flexible approach to accounting and market oversight than a “rules-based” system in place since the 1930s in the US.

John Thain, New York Stock Exchange CEO, recently warned that the US needed to “rebalance” its regulatory framework.

Paulson's Stance: Review U.S. Rules Hindering Markets (WSJ)

By Deborah Solomon

The Wall Street Journal, November 20, 2006

WASHINGTON -- Treasury Secretary Henry Paulson, in a speech scheduled for delivery to the Economic Club of New York today, will press the case for a re-examination of government rules and laws he believes are putting U.S. financial markets at a disadvantage amid competition from abroad.

Mr. Paulson, in his first major public comments since Democrats won control of Congress, is expected to stress the need for "regulatory balance" and to outline challenges regulators and policy makers face as they try to juggle the need for regulation with the imperative to make U.S. markets competitive.

He isn't expected to call for any new laws or for repeal of any rules, but Mr. Paulson will emphasize the impact of existing regulations, the legal environment, and the complexity of dealing with multiple, overlapping regulators. He likely will call on federal regulators to tweak a provision of the Sarbanes-Oxley law, known as Section 404, that requires companies to assess internal controls to ensure financial reporting is accurate and reliable. The Securities and Exchange Commission has said it plans to address that by the end of the year.

Mr. Paulson's speech comes amid a chorus of complaints by business that the regulatory and legal climate in the U.S. puts companies at a disadvantage, driving some firms overseas. Business leaders say the cost of doing business in the U.S. has increased, pointing to the Sarbanes-Oxley law passed in the wake of corporate scandals, class-action lawsuits, and a crackdown by state and federal law enforcement.

Many investor and consumer advocates argue that U.S. capital markets remain the most competitive in the world and regulation has helped attract capital by offering protections.

Since leaving Goldman Sachs Group Inc. to take the reins at Treasury, Mr. Paulson has identified market competitiveness as a domestic priority and backed a private-sector effort to recommend changes to laws and rules that critics say handicap U.S. companies.

The Match Maker How A U.S. Official Promotes Marriage To Help Poor Kids (WSJ)

By Laura Meckler

The Wall Street Journal, November 20, 2006

The notion that government can help children escape poverty by promoting marriage for their parents was once considered a fringe idea from right field. It is now federal policy.

In very large part, that's due to Wade Horn, a child psychologist turned bureaucrat who has put marriage atop the Bush administration's limited antipoverty agenda.

As head of the federal Administration for Children and Families, Dr. Horn has employed the zeal of an ideologue and the discipline of an academic to inject marriage promotion into a host of government programs under his purview, even before Congress authorized an official marriage program. Today, more than 200 programs are at work across the country, seeking to change public attitudes surrounding marriage, persuade teenagers to aspire to matrimony and teach relationship skills to young couples.

Along the way, Dr. Horn has co-opted critics, fine-tuned his rhetoric, and persuaded Congress to insert his marriage agenda into this year's welfare legislation, winning $500 million over five years. A host of grants were doled out last month, to organizations ranging from large coalitions of social-services groups to antiabortion pregnancy-counseling centers that plan relationship classes for teens.

"Wade Horn has shown the influence a bureaucrat can have," says Ronald Haskins, a welfare expert who has worked for Congress and the current President Bush's White House. "Anything that wasn't nailed down over there is now devoted to marriage."

Not everyone is persuaded. Women's groups say his emphasis on marriage unfairly demonizes unwed mothers, and pressures women to stay in sometimes unhealthy, violent relationships. Libertarians say government has no business using tax dollars to probe so deeply into people's personal lives. Some note that there's no proof yet that any of these efforts can work. Others say the money would be better spent elsewhere.

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The idea that poverty is, in significant measure, the result of broken families and unwed mothers has been contentious since Daniel Patrick Moynihan's controversial 1965 warning that the disintegrating black family was an obstacle to black advancement. In that year, 8% of children were born to unmarried parents. Today, more than one-third of all children -- and nearly 70% of black children -- are.

Study after study show children are better off in two-parent homes. They are less likely to be poor, drop out of school, become teen parents or get arrested. The theory: Two parents bring stability and emotional support to children and one another, not to mention providing two incomes. But can government do anything to actually promote marriage? And should it? 3

Dr. Horn offers an emphatic yes, and saw proof on a recent evening in Baltimore where he observed six couples participating in a federally funded effort called Building Strong Families. The program, being tried in seven cities, hosts weekly discussions for unmarried couples who have recently had or are about to have a baby. It doesn't specifically push couples to marry, but the curriculum sets out marriage as the ideal. Group leaders regularly mention marriage. Posters on the wall proclaim "Marriage Works."

On that evening, Myckel Cobbs, age 24, talked about how trust and openness come hard to him. But since meeting his girlfriend, Tashanna Harvey, 21, and joining the Baltimore program, things seemed different. "I came up on the streets, no family," he explained, glancing at Ms. Harvey, nearly nine months pregnant with their child. Now, "this is my family, with her."

On the drive back to Washington, Dr. Horn was still thinking about Mr. Cobbs's fatherless childhood. "Here they are, this young couple, trying to break that cycle. It takes a lot of courage," he said. "If this works, the real impact will be on their kids."

Six years into the Bush administration, Dr. Horn is one of the few remaining political appointees interested in "compassionate conservatism," the slogan from the President's first campaign. Mr. Haskins, now with the Brookings Institution, advised the White House on welfare for only a year. Political-science professor John DiIulio launched the White House's faith-based initiative to direct federal dollars to religious charities, but left after less than a year.

Dr. Horn endured in the Department of Health and Human Services, using his position to push the theory that families with married parents can pave the path out of poverty.

Even before Congress authorized the marriage program in the welfare bill, Dr. Horn began using discretionary funds from his Administration for Children and Families to inject marriage promotion into the agency's programs -- ranging from refugee assistance to aid for Indian tribes to child-support enforcement. The efforts included marriage-awareness campaigns and couples classes. Over its first four years, his patchwork of spending added up to a $200 million program, which Dr. Horn dubbed the Healthy Marriage Initiative.

Dr. Horn didn't always succeed. He failed to get similar marriage-promotion efforts into Head Start, the preschool program, in the face of opposition. "We've never had parents request that," says Sarah Green, president of the National Head Start Association. "Most of them want help in how to get out of marriages that are not healthy." Dr. Horn says he dropped his marriage proposal in order to focus on other Head Start priorities.

Dr. Horn, 51, grew up in New Jersey, one of seven children of a liberal mother and conservative father. Over dinner, they would disagree about Vietnam, Watergate and abortion, he says, yet "no one remembers my parents leaving the table mad at each other."

He earned a doctorate in child psychology at Southern Illinois University and went into practice. He and his wife, Claudia, and their two daughters, moved to Washington in 1986 because Claudia, now a consultant, was promoted to be the associate rehabilitation director at the national headquarters of Goodwill Industries.

'OUR MOST VITAL SOCIAL INSTITUTION'

Read excerpts4 from Wade Horn's speeches, writings and statements to the press from over the past 10 years.

During his years as a therapist, he got interested in the importance of marriage. A divorcing couple asked if he would work with their child to "be sure the child was not impacted by divorce in any way," he recalls. "It was so cavalier. I won't go along with the idea that it is perfectly OK to assume divorce will have no impact on children."

He helped write policy papers for the first President Bush's 1988 presidential campaign and afterward landed the post of HHS commissioner for children, youth and families at age 34.

In 1989, the president appointed him to a commission on children, chaired by Sen. Jay Rockefeller (D., W.Va.). Dr. Horn successfully pushed to have the final report include rhetoric condemning divorce and out-of-wedlock childbearing as bad for children. The White House, fearing Sen. Rockefeller might challenge Mr. Bush for president in 1992, leaned heavily on Dr. Horn to vote against the final report. But Dr. Horn thought Sen. Rockefeller had accommodated his concerns and voted yes. The report was approved unanimously.

After President Bush's 1992 loss left him without a job, Dr. Horn joined the burgeoning fatherhood movement, launching the private National Fatherhood Initiative, which promotes the notion that fathers have a special role to play that isn't always appreciated.

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During those years, Dr. Horn also began thinking about the incentives built into the welfare system that discouraged marriage, such as reducing government benefits for women who got married. Social workers were known to hunt through homes and cut women off welfare if there was a man present. It was no surprise that few single moms married, he says, because the message was, "Don't do it."

BUSH SPEAKS

"As we reduce welfare case loads, we must improve the lives of children. And the most effective, direct way to improve the lives of children is to encourage the stability of American families."

Read the full text5 of the February 2002 speech at the White House Web site.

Then in a 1997 paper published by the Hudson Institute, a conservative think tank, Dr. Horn proposed reversing these incentives for programs such as public housing. "Only after all income-eligible, married, two-parent families are offered the benefit should it become available for income-eligible, single-parent families," he wrote.

After President Bush took office in 2001, he nominated Dr. Horn for an assistant secretary's post at HHS, but 90 groups opposed his confirmation, citing the 1997 paper and complaining his policies would keep women trapped in violent, unhealthy relationships out of fear of losing benefits.

In the hearings, Dr. Horn renounced his earlier comments, saying he was now convinced that preference for married people in social services could translate into discrimination against single moms. Sen. Rockefeller vouched for him and he was easily confirmed.

A key assignment for Dr. Horn was to help develop the Bush administration's proposal for renewing the 1996 welfare law. He pushed to include funding for marriage promotion, despite some reluctance from his boss, HHS Secretary Tommy Thompson. "It wasn't my first priority," Mr. Thompson acknowledges, but says he came to see the political advantages. "The religious right certainly found this a plus and we could find more supporters" for the legislation.

As the job of hashing out welfare reauthorization shifted to Congress, Dr. Horn worked to mollify his critics. He directed that every program work with local domestic-violence experts. And he agreed to hire a domestic-violence expert as part of the national program team.

"One of the smartest things I did," Dr. Horn says, "was put the word 'healthy' in front of 'marriage.'" Every speech and handout on the initiative now uses that phrase.

He also was careful to steer clear of religious overtones. Dr. Horn is religious and active in his Presbyterian church. But he avoids using religious arguments to make the case for marriage.

Dr. Horn put Diann Dawson, a 27-year HHS veteran and an African-American, in charge of outreach to the black community. And, to woo welfare experts and academics eager to attack the program as ideological and unsupported by research, Dr. Horn incorporated evaluation requirements into many early programs and recruited prominent researchers in the field to study them. "He co-opted the whole damn academic world," Mr. Haskins, the onetime White House aide, says admiringly.

He still faced opponents. In Congress, the most vocal was Sen. Max Baucus, the top Democrat on the Senate Finance Committee, who reflected Montana's libertarian leanings. Marriage is a "personal and private choice, not something the government should interfere with," he told a Washington rally on the welfare bill in March 2002.

To help negotiate the welfare legislation, Sen. Baucus in 2004 hired Kate Kahan, now 32, a single mother and former welfare-rights organizer. Pregnant at 18, Ms. Kahan had married the father, then left him after a year and a half because she says he was violent. She and Sen. Baucus knew that the welfare bill inevitably was going to include a marriage program, but she fought for explicit protections: a promise that the domestic-violence experts hired would be experienced and qualified, and guarantees the programs would be voluntary. Dr. Horn, insulted that anyone would question his commitment to protecting women, pushed back.

WHAT QUALIFIES

Eight types of activities may be funded under the Bush administration's "Healthy Marriage Initiative." · Public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health.

· Education in high schools on the value of marriage, relationship skills and budgeting.

· Marriage education, marriage skills and relationship skills programs that may include parenting skills, financial management, conflict resolution and job and career advancement for non-married pregnant women and non-married expectant fathers.

· Pre-marital education and marriage skills training for engaged couples and for couples or persons interested in marriage.

· Marriage enhancement and marriage skills training programs for married couples.

· Divorce reduction programs that teach relationship skills.

· Marriage mentoring programs, which use married couples as role models and mentors in at-risk communities.

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· Programs to reduce the disincentives to marriage in means-tested aid programs if offered in conjunction with any of the other seven activities.

See a list of programs6 that were awarded money in the most recent round of funding.

Source: Department of Health and Human Services' Administration for Children and Families

The tension came to a head at a meeting during negotiations aimed at writing a bipartisan bill. Ms. Kahan was surprised to find Dr. Horn there. By her account, he began by asking what Sen. Baucus had against marriage. Ms. Kahan shot back that the senator is not against marriage but had more questions than answers about government promoting it. In any case, she said, poverty is complex and isn't going to be solved with marriage classes. Frustrated by her repeated insistence on that point, Dr. Horn threatened to walk out of the room, according to two people in the meeting.

After that, the two couldn't be in the same room, those involved in the talks say, and a Republican Senate staffer says she resorted to "shuttle diplomacy."

Dr. Horn says that characterization overstates the tension. But he allows that he sometimes aggravates his opponents. "There are times when I may push a little bit harder than other people may feel comfortable," Dr. Horn says, adding that he doesn't recall the specific debates with Ms. Kahan. A Republican staffer who participated in the talks confirmed Ms. Kahan's account.

When the welfare bill finally passed Congress early this year, there was $500 million for marriage promotion -- minus the specific guarantees Ms. Kahan had fought for.

Among the programs that received the recent round of grants from HHS last month, some are religious groups, though the recipients say they won't use the federal money to promote religion. For instance, the Meier Clinics Foundation of Wheaton, Ill., which won $2 million, is a Christian counseling group whose Web site gives marriage tips starting with: "Sincerely commit your life to Jesus Christ as Lord." The group plans to conduct relationship classes for teens.

Other recipients are secular organizations, such as the National Multiple Sclerosis Society, which plans to spend $531,000 on marriage education for couples where one spouse is struggling with MS.

Although the newly funded programs are just beginning, previously funded programs are being studied to see how well they work. Research suggests marriage education works for middle-class white families; the new studies will see if it works with poor, nonwhite couples.

In the Building Strong Families program in Baltimore, couples are randomly assigned either to join the program, or to receive no services but be contacted later for follow-up. Researchers will study the relationships -- including how many pairs marry -- and the couples' children.

On the night Dr. Horn visited Baltimore, he spoke to the young couples, without using the word marriage. "There's not a couple that doesn't have problems. It's work," he said. "But it's really worth it when you look at your kids."

Disputed Fla. Race Could Go To House (RC)

By John Mcardle And Matthew Murray

Roll Call, November 20, 2006

With five House races around the country still unresolved as of Friday, election watchers on Capitol Hill believe it is increasingly likely that the contest for the open Florida 13th district seat could end up before the House Administration Committee, which has oversight over federal elections.

Florida's 13th district, where bank executive Christine Jennings (D) and auto dealer Vern Buchanan (R) are competing for the right to replace Rep. Katherine Harris (R) — who, as Florida secretary of state in 2000, was a major player in the disputed presidential election — remains the only district where both Democratic and Republican House Administration Committee staff continue to have observers on the ground. Those observers act as the committee's eyes and ears to monitor the recount and certification process if it appears there is a chance that the race might be contested.

But just as the election itself is under dispute — Buchanan was leading Jennings by 401 votes as of Friday at press time — the process for determining who decides on the winner also could be controversial, with the House about to switch hands from the Republicans to the Democrats.

Florida state election officials are slated to certify the election results Monday morning. But the contest has been marred by allegations of voting irregularities in Sarasota County.

Democrats claim electronic voting machines are to blame for almost 19,000 missing votes in the Jennings-Buchanan contest.

But while Ed Patru, a spokesman for the National Republican Congressional Committee, concedes that there was a high number of "undervotes" in the Jennings-Buchanan race, he said, "there is no evidence to suggest that anyone in district 13 who wanted to vote was unable to do so."

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Patru added that all of the recounts in the race have produced the same result — Buchanan winning narrowly.

"The automated recount and subsequent manual recounts, it's like a skipping CD — you just keep hearing 'Vern Buchanan won,'" he said. "It's a matter of time before Christine Jennings concedes."

Nevertheless, Florida elections officials are about to proceed with an audit of the equipment used in the 13th district elections. By today, Buchanan's campaign must appoint a representative to the state panel that will be conducting the audit.

A source close to Buchanan said the campaign was in the process of "acquiring" an expert to represent the campaign in the audit. Barring any developments over the weekend, the audit could be the only recourse for Jennings. Then she'd have to decide whether to take her challenge of the election results to the House.

If the audit "is done in a fair way and it's an open process, that's where we might start to get some answers," said David Kochman, a Jennings campaign spokesman.

Candidates have 30 days after a race is certified by state officials to officially contest their race with the House Administration Committee. Once an election is contested, the committee appoints a panel of two majority members and one minority member to head up its investigation.

Along with a report on the investigation, the committee also is charged with coming up with a recommendation for what action should be taken. That recommendation is voted on by the full panel and sent to the House floor for consideration just like any other bill that is reported out of a committee.

Because the Democrats do not take control of the House until Jan. 3, it is likely that any investigation by House Administration would be launched while Republicans are still in charge — meaning the GOP will have the 2-1 majority on the investigating committee. But by the time the full House would be asked to seat the new Member, the Democrats would be in the majority.

Over the years, House Administration usually has recommended to dismiss contests after undertaking its reviews, but some elections have been closer than others.

In late November 1996 the Orange Country (Calif.) Registrar of Voters certified that Loretta Sanchez (D) had beaten the incumbent, Rep. Bob Dornan (R), by 984 votes. But Dornan filed a notice of contest in late December alleging voting irregularities such as noncitizens being allowed to cast ballots.

A task force under the Republican-led House reviewed the case and documented evidence that 748 votes were indeed invalid. But the total was not enough to give the seat to Dornan, and the committee recommended that the challenge be dismissed in February 1997.

But while the House Administration Committee is charged with investigating any challenges, the House of Representatives as a whole is responsible for seating its own membership, and while Sanchez was allowed to take her seat despite the challenge of her election in 1996, it its not unprecedented for neither candidate to be seated until a contested election is resolved.

Perhaps the most notable example in recent years is the infamous 1984 race between the late Democratic Rep. Frank McCloskey and Republican Richard McIntyre in Indiana's 8th district where it took until the following May to swear in a Member for that seat.

In that race, McCloskey was declared the winner by a mere 72 votes, but a recount by the Republican secretary of state gave McIntyre the victory by 34 votes. In February of the following year, with the Democratic-led House unwilling to seat McIntyre, the House Administration Committee organized a task force to investigate the election — one of only four times in the past 60 years where the House initiated its own investigation without an official contest.

The task force found the state's recount procedure to be unreliable and, with the assistance of the General Accounting Office (which since has been renamed the Government Accountability Office), a recount was undertaken of the previous November's votes. In the end, McCloskey was granted a four-vote margin of victory and was seated on May 1.

Meanwhile, the races have not been called in North Carolina's 8th district, New Mexico's 1st district, and Ohio's 2nd and 15th districts. Republican incumbents are leading narrowly in all four races.

Two House races — one in Texas, the other in Louisiana — will be decided in December runoffs.

A Shutdown At The Favor Factory (WP)

By Robert D. Novak

The Washington Post, November 20, 2006

While House Republicans reacted to stinging rejection from America's voters by refusing to change leadership, their Senate counterparts have tried to use their closing weeks in power to enact a last burst of pork-barrel spending. But that effort was stalled last week by independent-minded Republican senators, spearheaded by two abrasive freshmen and one longtime hair shirt. Before Congress recessed Friday for Thanksgiving, the GOP leadership appeared to capitulate.

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The freshmen, Tom Coburn and Jim DeMint, campaigning in 2004 in Oklahoma and South Carolina, promised not to fall in line with GOP leaders. Fulfilling that pledge allied them with the long-termer John McCain. They have been backed by Jeff Sessions of Alabama and another freshman, John E. Sununu of New Hampshire. In the lame-duck session's first week, they played Horatio at the Bridge by combining to block a pork-filled omnibus spending bill.

That would place responsibility for spending excesses on the new Democratic majority taking office next year. It is highly unlikely that Sen. Robert C. Byrd, a legendary king of pork returning as Appropriations Committee chairman, will reverse the habits of a lifetime and listen to ordinary voters' revulsion over excessive federal spending. "Voters want the earmark favor factory shut down, not turned over to new management," said Coburn. He estimates that Congress can save the taxpayers a cool $17.1 billion by passing a resolution that would continue spending at present levels rather than enacting an omnibus bill laden with earmarks.

The bipartisan dismay the dissenters have caused cannot be exaggerated. Hard-working staffers are beside themselves that their lame-duck feast of pork is being thwarted. K Street lobbyists are frustrated that they are being deprived of a vehicle for their special-interest amendments.

Senate Appropriations Committee Chairman Thad Cochran wanted President Bush, in Asia on a trade mission, to phone DeMint and ask him to stop blocking the agriculture appropriations bill. It did not happen, and the Republican leaders mournfully agreed to the cost-cutting resolution. An irate House Appropriations Chairman Jerry Lewis, who has taken pride in passing his committee's bills on schedule and filled with earmarks, called the outcome an "absolute disaster and catastrophe."

Among senators wailing that their pet projects are being derailed, none has been louder than Democrat Kent Conrad, who will be Budget Committee chairman in the new Congress. A self-described fiscal conservative (because he wants tax increases), Conrad submitted 41 proposals busting the Bush budget in 2005 alone. He was so distraught last week that the agriculture money bill blocked by DeMint contained $4.9 billion in additional emergency relief that he threatened to stop any money bills from passing in the lame-duck session. He did not follow through with this program of actually closing the government.

The cornucopia that the senators want to sneak through is reflected in 40 pork-stripping amendments to the agriculture bill that Coburn was ready to introduce in the lame-duck session. His key amendments were aimed at $1.1 million for alternative salmon research in Alaska, $591,000 for the Montana Sheep Institute and $194,000 for goose control in the state of New York.

McCain has his own pork-busting list for agriculture appropriations headed by $1 million for the National Sheep Industry Improvement Center and $6 million for sugar-cane growers in Hawaii. McCain also wants to get rid of the earmarks hidden in the Appropriations Committee report on the bill. They include construction costs, not requested by the administration, of $3 million for the Animal Waste Management Research Laboratory in Bowling Green, Ky., and $2 million for the Grape Genetics Research Center in Geneva, N.Y.

The scope and irrelevancy of earmarks are reflected in another target on McCain's hit list: $200,000 for the Lincoln Park Zoo and the Davee Center for Epidemiology, both in Chicago. A stated purpose is "maintenance of health in zoo populations nationwide."

While the Senate's archaic rules can frustrate the will of the majority in passing legislation and confirming presidential nominations, they also can enable a few strong-minded senators to fight excess spending. These senators may well temporarily close what Tom Coburn calls the "favor factory" maintained by Republicans. Will the Democrats try to reopen it next year?

New Justices Take The Podium, Putting Personalities On Display (WP)

By Robert Barnes

The Washington Post, November 20, 2006

The two newest Supreme Court justices took off the robes and took to the stump last week, providing glimpses of the fresh personalities that will reshape a court that had remained constant for more than a decade.

The settings could not have been more different. Chief Justice John G. Roberts Jr. was interviewed before a crowd of 3,000 last Monday night at the University of Miami, and his telegenic message of moderation was then broadcast to the nation on ABC's "Nightline."

Justice Samuel A. Alito Jr. spoke to his fellow members of the Federalist Society, a coalition of conservative lawyers and legal scholars who have gone from rebel outsiders to Washington insiders -- the group drew 1,500 people to its annual banquet and warranted appearances by administration leaders from Vice President Cheney on down.

Roberts's turn on the stage was the most complete, and it showed that his sure-footed performance in his confirmation hearings, where he left even senators opposed to his conservative philosophy aglow, was no fluke.

He has a politician's gift for appearing open while answering only the questions he wants to answer, along with an almost over-the-top humility about being, at 51, the youngest chief justice since John Marshall, and he offers a reassuring middle ground between those worried about threats to judicial independence and those alarmed by activist judges.

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He provided a little something for everyone. For the feature pages, he had a cute explanation of how his jiggling son Jack almost stole the show with his hammy performance before the cameras when President Bush introduced Roberts and his family to the nation last year: "People think Jack was dancing. He was not dancing. He was being Spiderman. He was shooting the webs off."

He gave the scholars caught up in the debate about his affection for legal minimalism a bit more to chew on: "If you're going up a list of what virtues are important when you're deciding a Supreme Court opinion, issuing an opinion, deciding a case, I have to say that I think boldness is going to be closer to the bottom and not the top."

And he showed deference to those he called the "people across the street" in Congress, who have been chosen by "hundreds of thousands of people, millions of people."

"Not a single person has voted for me, and if we don't like what the people in Congress do, we can get rid of them, and if you don't like what I do, it's kind of too bad," Roberts told ABC's Jan Crawford Greenburg, who conducted the interview at the Miami forum. "And that is, to me, an important constraint. It means that I'm not there to make a judgment based on my personal policy preferences or my political preferences."

But as important as what Robert said was how he said it. He went a bit overboard in the humility department: Yes, the rest of the justices call one another by their first names, but they call him "chief." But, he quickly added, "I think it's more a tribute to the office."

And Roberts said he still finds it a little hard to believe that the office is his, for as long as he wants it. When he passes the formal entrance to his office, he said, there's "a little brass plaque on the door that says 'The Chief Justice,' and I still kind of feel that I have to be a little quiet so I don't disturb him."

Dahlia Lithwick, the sharp-eyed legal affairs columnist for the online magazine Slate, called it Roberts's "whole sweet/funny/smart/humble thing" and wrote that the chief justice "sees that the press can be gamed to disseminate a view of judging and the judiciary, and the clarity and effectiveness of his message is indisputable."

Alito, too, drew laughs with his speech Thursday night to the Federalist Society, but there was a scratchier tone to his address. He still seems a little sore about his confirmation hearings, which were tougher than what Roberts faced.

Or maybe Alito was just playing to his audience, which has become increasingly influential in nominations to the federal bench and cheers any reference to frustrated liberal Democrats. So they loved his comment that when he gets near the Hart Senate Office Building, where he spent days last November paying courtesy calls to senators, "invariably without thinking . . . I cross to the other side of the street."

He added: "My membership in the Federalist Society did not become a major factor in my confirmation hearings. Now, I think the reason for that probably was that some senators found so many other objectionable features about my record that they could attack that they had no need."

There's reason for Alito to be a little sensitive. Sen. Charles E. Schumer (D-N.Y.) last week told the New York Observer that his party's biggest failure during the last Congress was allowing Alito to take the bench.

On the Senate campaign trail this fall, the formula that many Democratic candidates used to show they would be judicious but not recalcitrant when it came to Supreme Court nominees was that they would have voted for Roberts but not for Alito.

Whether there will be that much difference between the two men in their judicial philosophies will be played out over the years.

Both, though, had similar messages last week. Alito said that "all public servants, not just judicial officers, play a role in shaping our law, interpreting our Constitution" and that it is wrong for "any public officials to ignore questions about the bounds of their authority in our constitutional system and simply say that the courts will sort that out for them."

Roberts said nearly the same thing. "The great gift of the founding generation was the right of self-government," he said. "We shouldn't give it up so easily to think that all the important issues are going to be decided by the Supreme Court."

High-Tech Defense Office Takes Lead On Telecommuting (WP)

By Stephen Barr

The Washington Post, November 20, 2006

The Defense Information Systems Agency describes itself as providing "global net-centric solutions" for the White House, the Pentagon and the armed forces.

In other words, it's the AOL, Google and OnStar for the Defense Department -- a crucial part of the government's national security operations.

Most of the engineers, computer scientists, telecommunication experts and technology wizards who work for DISA live in Northern Virginia and work in offices scattered through Arlington and Falls Church. Many are less than thrilled with the idea that by 2011 their jobs will be moved to Fort Meade, Md., as part of Defense Department base closures and realignments.

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"A lot of those people want to stay with DISA but not uproot family because of schools and because of where their spouses work," said Jack Penkoske, DISA's director of manpower, personnel and security.

To keep from losing experienced employees, DISA has embraced telecommuting -- a way of working that the government has been slower to accept than the private sector.

Of the about 2,000 DISA jobs that have been identified as suitable for telecommuting, more than 500 employees have been cleared to work from home.

"I think our numbers for telework will continue to grow, as we get more people comfortable with it," Penkoske said in an interview last week. "We've had a seven-fold increase in the last 10 months, probably a little more than that."

About 4,400 people -- military, civil service and contractors -- work for DISA in Northern Virginia, and more than half are civil service employees. DISA hopes that telecommuting will entice the civil service employees -- all have at least a secret clearance -- to stick with the agency.

Prior to the 2005 base-closing announcement, DISA employees could work from home one day per pay period, or every two weeks. Once it became clear that the agency would be relocated to Maryland, DISA's director, Air Force Lt. Gen. Charles E. Croom Jr., put together a new policy that permits employees to work from home two days a week.

Now, DISA employees who qualify to telework and are on a compressed work schedule (80 hours biweekly in less than 10 days) can be out of the office five of 10 work days.

"There are probably going to be more [telework] days being offered as we move down the line," Penkoske said.

DISA picks up half the cost of installing and subscribing to broadband Internet service. Employees are allowed to work on only nonclassified material while at home. The agency has ramped up purchases of laptop computers so that equipment shortages will not slow the telecommuting program.

Penkoske said officials will be paying special attention to network security and to productivity measures to ensure that employees keep up with their workloads.

Theresa Noll, a senior telework program analyst at the General Services Administration, said research has found that telecommuting programs help agencies retain workers and maintain or improve their productivity.

In contrast, she noted, "it's widely recognized in all managerial circles that when you lose employees or significant parts of your workforce, there is a break in productivity."

Although DISA anticipates that telecommuting will help it keep employees, Penkoske said that telework should also aid in recruiting the next generation of workers, who, by most accounts, are keen on employers that offer flexible work arrangements.

The agency hires about 100 recent college graduates as interns each year and spends $60,000 to $70,000 over three years to train them, an investment that the agency is not eager to lose, Penkoske said.

Terry Holzheimer, director of economic development for Arlington County, said officials are looking to partner with the federal or state government to set up a telework center for DISA employees in Crystal City as they near their 2011 deadline for moving to Fort Meade, where the military plans to build a 1 million-square-foot building for DISA.

"It is one thing to lose the jobs. We don't really want to lose the people," Holzheimer said. "Taking that many people off the Metro and disrupting their lives and commuting patterns is not good public policy."

Setting up a telework center in Crystal City would provide a workplace for DISA employees on those days they do not have to be at Fort Meade or for days when they have meetings at the Pentagon, he said.

Penkoske said DISA is looking into providing daily buses "from different places" in Northern Virginia to Fort Meade so that employees can have a mass transit option for getting to work. DISA also will help employees sell and buy homes if they decide to relocate to Maryland, he said.

Unknown, of course, is how many DISA employees will move, how many will try telecommuting, and how many will quit and take jobs with other government agencies and contractors.

What Ails The CDC (TIME)

By Christine Gorman

Time, November 27, 2006

Julie Gerberding was stillÂ a deputyÂ director of the Centers for Disease Control and Prevention (CDC) in 2001 when someone started mailing anthrax spores to newsrooms and politicians' offices around the country. A telegenic personality who connected easily with journalists, Gerberding quickly became the public face of the CDC--a rare cool head among a parade of increasingly confused health bureaucrats. The fumbling she witnessed behind the scenes convinced her that the CDC's troubles extended beyond the need for better communications. She made her case to Tommy Thompson, then Secretary of Health and Human Services (HHS), and within a year was appointed director of the agency--the first woman to hold that job--with a mandate to radically reshape the CDC.

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Five years later, Gerberding finds herself in the public eye once again, but this time she's under attack. The massive reorganization she ordered--combined with painful budget cuts in key divisions--seems to be tearing the agency apart. Six directors of the CDC's eight primary scientific centers have left. Researchers are sniping at one another in public and on the Internet. The agency has been targeted by three different congressional probes. And a blistering report, leaked last week, by an outside consultant who studied the agency's response to Hurricane Katrina found chaos and mismanagement at the very top.

Nobody is claiming that the CDC has become another governmental basket case like FEMA--at least not yet. Indeed, the speed with which this past summer's outbreak of lethal food poisoning was traced to spinach tainted by runoff from a particular herd of cows in California is testimony to the CDC's continuing expertise. But the bad publicity comes at the worst possible time for the agency and its director. Congress is wrapping up its final budget for 2007, and the Administration is starting to draw up a preliminary budget for 2008. If lawmakers believe that Gerberding is floundering, her institution's budget will suffer.

That's the last thing the U.S. needs. As the nation's premier guardian of public health, the CDC is responsible for researching, tracking and counteracting newly emerging infectious diseases like West Nile and SARS. Doctors rely on it to develop unbiased recommendations on a wide range of medical issues from when to vaccinate children to how best to battle obesity. It also directs funds to individual state and local public agencies to shore up their own community health efforts.

Ironically, it is increased CDC funding mandated by Congress for high-profile threats like bioterrorism and flu pandemics that has drained money from areas of public health that may actually be more pressing. Among the hardest-hit programs: AIDS prevention (down 19%), tuberculosis control (down 16%) and preventive-health block grants for outbreaks of West Nile disease and other unexpected events (down 17%).

But what really troubles the most vocal critics is their sense that the CDC's devotion to pure science--a long-established mandate to follow the trail of medical evidence wherever it leads--has been sabotaged. AIDS specialists today feel that they are being constrained not to say anything positive about condoms, while others complain that more cash bonuses are being given to administrators than to researchers. "It's the policies and the direction of the institute I'm most concerned about," says Dr. Brad Woodruff, an epidemiologist in the organization's Maternal and Child Nutrition Branch. Woodruff is particularly incensed that the agency's new jet, which is supposed to be for medical emergencies, was used by HHS Secretary Mike Leavitt to make promotional appearances on behalf of President Bush's Medicare drug plan.

The centerpiece of Gerberding's reorganization was her decision to replace the agency's 11 often insular centers with four coordinating bodies that would, in theory, respond to emergencies with more agility. Closer contact between infectious-disease and environmental experts, Gerberding says, has already resulted in faster tests for detecting botulism.

But some within the agency complain that the main difference they have seen so far is that their work is more likely to be second-guessed. "Scientists feel less empowered to make decisions," says Dr. Stephen Cochi, who has worked at the CDC for 24 years, currently in the Global Immunization Division. "There's more bureaucratic filtering." Decisions that were routinely made in Atlanta, he and others say, must now be approved by higher-ups in Washington. Requests for anything but emergency travel have to be made 90 days in advance.

As in so many other internecine battles, it can be hard to tell where the whining stops and the real problems begin. The CDC was due for a major overhaul, and it's human nature--even among scientists--to resist change. What started off as hallway grumbling, however, has grown into an ugly public ruckus, thanks to an unofficial employee blog www.cdcchatter.net and a few well-directed Freedom of Information requests from the Atlanta Journal-Constitution.

Through it all, Gerberding has stood firm. "The CDC was not broken," she says. "The reason to undergo this [reorganization] is that the world was changing so dramatically." As for charges of political interference, she is unapologetic. "This is a public-health agency, and by its very nature, we're never going to satisfy every single constituency," she says candidly. "I tell [Administration officials] this is the science. This is the recommendation. What they do with it is beyond my control."

Not everybody blames Gerberding for the turmoil. "I don't think anyone denies that there's a morale problem at the CDC," says Dr. Georges Benjamin, executive director of the American Public Health Association. But he attributes much of the upheaval to government-wide belt tightening rather than to Gerberding's reorganization, noting that core programs at the CDC have been cut 4.5% in each of the past two fiscal years. He and other experts believe that the agency needs at least $15 billion a year to do all the jobs it has been assigned--nearly twice the current budget of $8.5 billion.

Perhaps the most immediate problem is the number of senior-level people who are leaving. Part of that is an unavoidable function of aging--40% of the CDC's 9,000 employees will be eligible to retire in 2008. But there's also speculation that older scientists are being pushed to leave early. Either way, "you don't replace the experts at CDC easily," says Robert Keegan, deputy director of the agency's Global Immunization Division. "Management has said they've enacted better emergency standards, but until there's an emergency, you don't know."

State and local public-health officials are keeping a close eye on all the drama. "The most difficult organization in the world to change is a successful organization [like the CDC]," says Paul Halverson of the Arkansas department of health and human

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services. "If you're a company that is losing money every month, then it's easy to see the need to make a change." Of course, in this case, it's not just money but lives that are at stake.

Coin Of The Commanders In Chief (USAT)

By Barbara Hagenbaugh

USA Today, November 20, 2006

WASHINGTON — Can George be successful where Sacagawea and Susan failed?

The U.S. Mint today is unveiling designs for its newest additions: dollar coins that will feature deceased presidents on a rotating basis, similar to the popular state quarters.

The coins will enter circulation with George Washington on Feb. 15, four days before President's Day, and will be gold in color like the Sacagawea to distinguish them from other coins. Like the Sacagawea, they will be slightly larger than the quarter.

While the presidential coins are expected to be popular with collectors, it's doubtful they will be used by consumers and businesses on a daily basis, some experts argue. Instead, with dollar bills still an easy alternative, they likely are doomed as a means of commerce, as Susan B. Anthony and Sacagawea before them, says David Sklow, a numismatic expert and former director of the library and research center at the American Numismatic Association.

“I hope it does get accepted, but I wouldn't hold my breath,” he says. “Americans do not like dollar coins, they just don't. You want to carry three or four of these around? If you are a man (and carry money in your pocket), I don't think so.”

A dollar coin hasn't widely circulated for more than 70 years, when the silver Peace Dollar was in use.

David Didriksen, owner of Willow Books & Cafe in Acton, Mass., says there's a reason for that. Dollar coins are often miscounted by customers, store clerks and banks, he says. He hopes people don't use them.

“As it is now, a typical trip to a bank involves carrying a bag of 20 or 30 pounds or more,” he says. “The last thing we need now is more coins.”

But many people, including Mint Director Edmund Moy and the lawmakers who sponsored the legislation to create the presidential dollar coins, beg to differ. They argue that the state quarter program has set the stage for acceptance and use of a dollar coin.

“We have an opportunity to build on the success of the state quarter program,” says Sen. John Sununu, R-N.H.

Greater use of dollar coins instead of bills would save the government hundreds of millions of dollars each year, even though the coins are more expensive to produce. That's mainly because coins last for about 30 years, more than 16 times longer than dollar bills.

The Federal Reserve estimated in 1995 that replacing dollar bills with coins would save $500 million a year. The savings would likely be much bigger today, because the number of $1 bills in circulation has risen 40% in the past decade. More than a third of U.S. circulating currency is dollar bills, according to the Fed.

Dollar coins “cost a lot less in the long haul,” says U.S. Treasurer Anna Escobedo Cabral, who oversees the nation's money production.

Studies, including those from the Government Accountability Office, the investigative arm of Congress, suggest consumers will embrace dollar coins only if dollar bills are pulled from circulation.

But the idea of replacing the dollar bill with coins has met stiff resistance from lawmakers, printing unions and paper manufacturers.

The public has also opposed eliminating $1 bills. In a USA TODAY/Gallup survey of 1,002 adults conducted Oct. 20-22, more than half said it was a “good idea” that the Mint was introducing presidential dollar coins.

But when asked their opinions on replacing dollar bills entirely, 79% said they would oppose such a move. Even when told that replacing bills with coins would save the government $500 million a year, 69% said they still opposed making such a change.

“It's just easier to carry the bills,” says retiree Ellen Barlow, 74, of Culbertson, Neb., who opposes replacing dollar bills with coins. “Five dollars of coins weighs a lot more than five dollars of bills.”

Other countries have done away with their low-denomination bills. Canada has replaced its one-dollar and two-dollar notes with coins, while in Europe, some euro coins have replaced bills.

Machine repairman Patrick Lawson, 35, of Cold Brook, N.Y., says he liked using coins for lower denominations when he was stationed in Germany in the military. It makes sense for the USA to get rid of the dollar bill and use coins instead, he says.

“People are afraid of change,” Lawson says. “If you get rid of the dollar bill and they actually start to use it, they will realize they are easy to use.”

Says Francois Velde, co-author of The Big Problem of Small Change and senior economist at the Federal Reserve Bank of Chicago, “Americans are creatures of habit.”

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The last dollar coin to be introduced, featuring Sacagawea, a Native American interpreter and guide on the Lewis and Clark expedition, was largely a failure. Due to lack of demand, the Mint stopped making the Sacagaweas in 2002, a little more than two years after they were first introduced with much fanfare.

Demand has been so minimal that the Federal Reserve and the Mint as of June 30 had more than 200 million Sacagawea dollars in combined inventory, according to the Fed. That's enough to meet current demand for 31/2 years.

The Mint's Moy says that when he was nominated to be Mint director this summer, he went to five banks and asked for a Sacagawea. None had one.

The Mint spent more than $67 million to promote the Sacagawea coin from 1998 to 2001, according to the GAO. The money was used for marketing, advertising and partnerships with a variety of industries, including banking and retail. A float promoting the coins was in the Macy's Thanksgiving Day Parade in 1999, and they were featured on boxes of Cheerios cereal.

More than $40 million of the funds were used for a national advertising campaign starring George Washington.

The Sacagaweas are gold in color to distinguish them from other coins. That decision came after repeated complaints that the Susan B. Anthony was too similar in size and color to the quarter, creating confusion.

But despite the changes and promotions, the public did not embrace Sacagawea.

“The Mint's new dollar coin marketing program raised public awareness of the new coin but did not produce long-tem increases in circulation,” a 2002 GAO report said.

Instead, people had trouble finding the coins after the initial flurry, when they were handed out as change at Wal-Mart. Banks stopped ordering them, and they largely faded from view.

But supporters of the new dollar coins say this time, it's different.

That's because the new coins will rotate, introducing four new presidential dollars each year, starting in 2007. Plus, for the first time in more than 70 years, the coins will feature writing on the edge of the coin rather than just on the fronts and backs. The writing will be engraved, but will be detectable by touch.

Those two features, particularly the rotation of the coins, will lead to excitement about the money in a way that wasn't generated before, Moy says.

“Casual collectors will focus their attention on the dollar, just as they have with the 50-state quarter program,” Moy says.

“If they start collecting them and seeking them out, we hope that one positive benefit of that is that they'll start using them more and say, ‘Hmmm, this isn't as bad as we thought.' ”

The Mint is also planning a different approach in promoting the new coins. The plan is for a more bottom-up program, in which the goal is to get consumers excited about the coins, leading them to demand the dollar coins from banks, retailers and others.

With Sacagawea, the Mint tried a more top-down approach, in which banks and retailers were encouraged to use the coins to try to create a buzz among consumers.

The Mint is planning to spend approximately $5 million for the initial marketing campaign, far less than it did with Sacagawea.

The presidential dollar coins come as the highly successful state quarter program nears completion in 2008. From 125 million to 130 million people in the USA — or close to half the U.S. population — are collecting the state quarters, according to the American Numismatic Association.

The Littleton Coin Company has already sold thousands of specially designed folders with slots for the new dollar coins to collectors. Part of the interest is coming from people who became collectors with the quarter program, says Jeffrey Marsh, head of marketing for the Littleton, N.H.-based company.

“I definitely could see it as being as popular as the state quarters,” Marsh says. “It's just another one that ties in nicely with education and history.”

But being collected and being used are two entirely different things, says Beth Deisher, editor of the publication Coin World.

“The Mint is really in an uphill battle,” Deisher says “No other nation has successfully circulated a coin equivalent of the paper money. It doesn't happen. Human nature is such that you would take the paper money.”

But Moy says comparing the presidential coins with previous dollar coins is not fair. He notes that unlike with the Sacagawea, the Mint will have 10 years to generate buzz about the new coins.

“The better analogy is the 50-state quarter program than prior dollar coin programs,” Moy says.

“If we can build on that sort of momentum, the chances of a dollar being successful really increases,” he says.

“We really need to make it big.”

Presidents, Well Known Or Not, Will Have Their Day On A Dollar (NYT)

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By Matthew Healey

The New York Times, November 20, 2006

The United States Mint is unveiling four designs for one-dollar coins today, featuring likenesses of the first four presidents. They begin a series that is to last a decade and portray every deceased president.

The first coin, displaying George Washington on one side and the Statue of Liberty on the other, will go into circulation in mid-February, in time for Presidents' Day. After that, coins with John Adams, Thomas Jefferson and James Madison will be issued at three-month intervals.

Four more will appear, in order of each president's service, every year until 2016. Designs are based on presidential medals made previously by the Mint and on portraits in the National Portrait Gallery at the Smithsonian Institution in Washington, where today's unveiling takes place.

The size, color and metal content of the $1 coins will be identical to those of the current Sacagawea dollars, but their luster should last longer because of a new anti-tarnishing compound that will be applied to blank coins between the time they are annealed, or softened by heating, and struck with the design.

The date and some inscriptions will be stamped into the edge, airing out the designs.

The director of the Mint, Edmund C. Moy, said the number of each presidential dollar coin issued would depend on circulation demands forecast by the Federal Reserve, regardless of how well known a president was. "This could be a renaissance for some of our lesser-known presidents," Mr. Moy said in an interview.

The coins were authorized last year by a law that also provides for a series of 24-karat $10 gold coins honoring all the presidents' wives, which will be sold to collectors and investors rather than released for general circulation. The first of those, showing Martha Washington, will be issued before the end of 2007.

The law also calls for four new designs for the penny in 2009, to commemorate the bicentennial of Abraham Lincoln's birth.

Hopes are that the new dollars will be as popular as the state quarters, many of which have been taken out of circulation by collectors. The government has earned $4 billion to $5 billion on the state-quarter series since 1999.

The Mint made three billion state quarters in 2005 but only five million Sacagawea dollars. By law, it has to continue making the Sacagawea dollars, which will circulate along with the new presidential dollars and the Susan B. Anthony dollar.

Implants And Science (WSJ)

The Wall Street Journal, November 20, 2006

It took 14 years, but science finally trumped politics Friday, with the Food and Drug Administration's lifting of its longstanding ban on silicone-gel breast implants. Women will at last be allowed to make their own decisions about cosmetic surgery. This is especially welcome news for mastectomy patients.

The FDA removed them from the market in 1992 during the reign of Commissioner David Kessler, a politically ambitious bureaucrat who was courting support from the left. The agency cited health concerns that have long since been debunked, and silicone-gel breast implants have since been at the heart of one of the trial bar's biggest scams. Class-action lawsuits raked in billions of dollars and drove implant makers out of the business. Dow Corning went into bankruptcy. Throughout it all, the trial bar was abetted by a gullible press, only too happy to ignore the science and play up sensationalist stories of supposed "victims."

Meanwhile, as we reported in editorials at the time, study after study showed no linkage between silicone breast implants and cancer, lupus, the skin-hardening disease scleroderma or other serious illness. As far back as 1994, doctors at the Mayo Clinic found "no association between breast implants and the connective-tissue diseases and other disorders" that they studied. In 1999, the Institute of Medicine found no systemic health problems caused by implants. In 2003, an FDA advisory panel advised that the ban be removed.

Last week's FDA decision notes that women with implants still run the risk of complications from leakage -- a risk that the industry has never denied and that patients have always been informed of. In approving implants made by two companies, Allergan Inc. and Mentor Corp., the FDA urged patients to get regular MRI exams. That's surely wise, but in any case it's a risk that patients and their doctors are perfectly capable of weighing against the benefits of the procedure.

One of the ugliest aspects of the breast-implant controversy has been the irresponsibility of the feminist movement, whose championship of a woman's right to "choose" doesn't extend to breast implants. It's all the more outrageous given the tens of thousands of breast-cancer victims seeking reconstructive surgery each year. Silicone-gel implants tend to feel and look more natural than the saline alternative.

It would be nice to think that the FDA's move closes the chapter on this nasty episode, but given the anti-implant crowd's reaction to Friday's announcement, that's probably too much to hope for. Kim Gandy, president of the National Organization for Women, called it a "reckless decision" and promises to seek reversal "when the new Congress takes office." Sidney Wolfe, head of Public Citizen's Health Research Group -- the Naderite outlet that spearheaded the campaign against silicone in the 1980s

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and is a front for the trial bar -- called breast implants "the most defective medical device ever approved by the FDA." He also vowed to seek Congressional action.

While we're glad the FDA has overturned 14 years of politicized medicine by approving silicone breast implants, it's worth remembering the enormous price that has been paid: to the credibility of the legal system, in jobs lost, and in public health. And it's worth asking what is more toxic: the silicone implants preferred by thousands of women, or the trial bar that purports to "protect" them.

Hill Scrum Blues (USNEWS)

By Silla Brush

US News and World Report, November 27, 2006

Americans had ethics on their mind when they took control of Congress away from Republicans. In fact, 41 percent of voters in a post-election survey said corruption and scandals were "extremely important" factors in their vote. And both the winners and the losers promised to heed the message; Republicans said they'd learned their lessons, while Democrats pledged substantive reforms. Steny Hoyer, the current minority whip, followed that lead in a meeting with reporters, as he talked of the Democrats' legislative priorities come January. Yes, the party had called for upping the minimum wage and passing the 9/11 commission recommendations. But last week, Hoyer seemed to have those midterm voters on his mind. "Clearly Iraq was a major reason for their vote," he said. "Corruption was also a very important reason."

That was then. As the week wore on, and both parties turned to the business of electing new leaders, the lofty rhetoric seemed in the view of many to be giving way to the same old thing. In fact, the internal wrangling on Capitol Hill gave more credence to Washington's age-old pursuit of personal politics, strong-arm tactics, and backroom dealing. Congress is a club, after all, and in the light of day, it looked plenty clubby-even if all the members weren't getting along. By week's end, reform-substantive or otherwise-was looking like a mighty tall order.

Misstep. There was, however, enough drama to fill a play of several acts. Democratic Speaker-to-be Nancy Pelosi indelicately stepped into her own party's leadership elections, managing to turn their first week after 12 years out of power into a divisive intraparty brawl. Pelosi put her chips on an old friend, Rep. John Murtha of Pennsylvania. It was a matter of loyalty, she said, and an attempt to credit Murtha for pushing a new course in Iraq. But her bold initiative bombed, damaging not only her own leadership credentials but the unity of her caucus as well. Murtha lost in a landslide to Hoyer in the race for majority leader. Even Pelosi allowed afterward that it was a "stunning victory" for the 12-term congressman from Maryland.

Murtha, the Vietnam vet who ran Pelosi's own leadership campaign, had helped shift the Iraq debate when he called for troop redeployments this year. But the longtime power player on the Appropriations Committee, who has championed millions of dollars in earmarks, faced mounting questions about his murky ethics record. His leadership candidacy brought back stories of the 26-year-old Abscam bribery scandal, in which Murtha was implicated but never charged. He punctuated the doubts by telling a group of moderates that the lobbying reform bill pushed by Democrats this year was "total crap."

Hoyer has long-established roots within the party and had helped many of the freshman representatives raise money, but watchdog groups aren't wild about his independence, either. Public Citizen ranked Hoyer fifth in the House for receiving money from lobbyists, three spots behind Murtha. "I'm sure that many voters who voted on the issue of corruption were hugely disappointed by the Democrats this week," says Melanie Sloan of Citizens for Responsibility and Ethics in Washington. "That this was the first action out of the box-putting up a guy with serious ethics problems-if I was a voter who had crossed over or was independent and then they did this, I'd be thinking, 'What did I do?'"

OTHER NEWS:

A Brisk Rise In American Wages (CSM)

By Mark Trumbull

The Christian Science Monitor, November 20, 2006

American paychecks are rising again at a pace not seen since the 1990s.

The pay increase amounts to 4 percent on average over the past 12 months, and it comes at a very helpful time for millions of households.

For three years, pay increases haven't kept pace with the rising cost of living. Then came this year's housing slowdown, which has further squeezed family finances.

Those setbacks, however, are now being offset by rising income. Four percent may not sound like much, but you have to look back to 1997 to find a calendar year with a gain that big.

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Equally significant, tamer energy prices mean that the "real" wage gains, after inflation, are above 3 percent for the past 12 months. That, too, hasn't happened since the 1990s, even though the economy has been expanding over the past five years.

"The striking feature of this expansion has been that ... real wages for the typical worker haven't risen that much," says Richard Berner, US economist at the investment bank Morgan Stanley in New York. But with real incomes rising, he says, "you get a picture of an economy that can weather this housing storm."

The risk of recession hasn't disappeared, he and other economists say. But with a fairly tight job market and low unemployment, many expect that paychecks will keep rising solidly in 2007.

Sandy Nelson has seen the strength of rising incomes first hand this year.

She runs Mulberry Road, a children's store near Boston's trendy Newbury Street, and says traffic has been increasing.

More customers means more income for her - and more money to keep investing in her young business.

"I have more of what people are looking for," she says, pointing to racks of colorful clothing for toddlers.

In other words, Ms. Nelson is ready for the vital holiday season.

"I'm just hopeful that it will be as good as what they're saying," she says, citing retail forecasts that New Englanders will spend more than $700 on gifts this season, on average.

The average private-sector paycheck is now $573 per week, according to Labor Department figures that cover about 8 in 10 workers - those in production or nonsupervisory jobs.

As recently as this past October, weekly pay adjusted for inflation was below where it was when President Bush took office in 2001. In effect, rising prices for things like healthcare, college tuition, and especially for energy ate up all the wage gains of an expanding economy, and then some.

The spike in energy costs was extreme, but the pattern was a common one. Wages generally rise fastest when the economy is strong and inflation is low.

That's why this moderation in fuel prices is so important.

Dan Thompson, who drives a DHL delivery truck in Boston, can hardly remember the pay raise he thinks he got earlier this year. But lower gasoline prices lately have been like an instant addition to his income.

"Thank God for that," Mr. Thompson says. He fills his tank often, since he drives to work every day from Salem, N.H.

Although the wage trend nationally has been steadily upward this year, it's unclear how much the inflation side of the equation will continue to benefit workers. Last week, the Labor Department reported not just tame inflation but an outright drop in consumer prices. The more typical pattern - and the one expected in the months ahead - is modest inflation, not deflation.

Even so, many analysts see a climate that's promising for more growth in real income.

"Expect wages to maintain a decent clip at least through the first half" of 2007, says Jared Bernstein of the Economic Policy Institute, a liberal-leaning research group in Washington.

Those gains lately have been fairly broad-based across all pay levels, but they come at a time when wage growth seems to be harder to come by than in the past.

One key reason, Mr. Bernstein says, is an increasingly global market for labor.

"If your work can be routinized and digitized, you're in global competition in a way that you weren't a decade ago," he says.

The key questions for the economy - and for worker pocketbooks - are whether the job and wage growth continues, whether the housing slump deepens, and what happens to energy prices.

"With oil prices down, we're less worried" about a recession, says David Wyss, economist at Standard & Poor's in New York.

Another positive sign: Companies are laying off fewer people this year, says John Challenger, who heads the outplacement firm Challenger, Gray & Christmas in Chicago.

Big Pharma On A Mission To Woo Democrats (FT)

By Stephanie Kirchgaessner In Washington

Financial Times, November 20, 2006

The pharmaceutical industry was in the enviable position two years ago of having the right friends in the right places in Washington.

Billy Tauzin, the Republican lawmaker, and Thomas Scully, who ran Medicare during President George W. Bush's first term, were leaving their respective posts to lobby for the drugs industry after securing the addition of a pharma-friendly prescription drug subsidy in the federal healthcare programme for the elderly.

Another ally in the Senate, Rick Santorum of Pennsylvania, had emerged as a powerful player in Congress and was considered a presidential hopeful.

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The industry's mirrored that of other big companies and trade associations that had strengthened their ties with the Republican majority by hiring only Republican lobbyists for top positions – a practice championed by Mr Santorum that was known as the "K Street project".

Now the prospects of the industry's giants have taken a turn. After spending an estimated $10m (£5.3m, €7.8m) on Republican incumbent candidates ahead of this year's mid-term elections – Democrats received about $4.5m – no other sector is expected to face as hostile a reception on Capitol Hill after the Democrats take over in 2007.

Shares in US and European pharmaceutical companies tumbled in the days after the election, with Pfizer, Eli Lilly and Novartis each down 5 per cent or more. The New York Stock Exchange Healthcare Index recovered slightly last week after a sharp drop.

Nancy Pelosi, incoming Speaker of the House, who once accused Mr Tauzin of "selling seniors down the river" for $2m – the sum the Louisiana Republican was reportedly paid to join the association he now runs, PhRMA – says one of her priorities will be to give the government the power to negotiate Medicare drug prices.

Other lawmakers, including Henry Waxman, the representative, are expected to target the industry by calling hearings on issues ranging from marketing to drug safety. Congress is also expected to increase its scrutiny of the industry's chief regulator, the Food and Drug Administration. The industry will face this harsh new reality without the support of Mr Santorum, who lost his re-election bid.

"Clearly, it is a new day. After the election, we woke up to a new world and I think you will see industry-wide actions that will reflect that new world," says Ken Johnson, senior vice-president at PhRMA. "There will be a renewed emphasis on making new friends and reaching out to Democrats, and especially pro-business Democrats," he says.

The industry has already recruited at least one high-profile Democrat to help it make inroads with the incoming majority party. John Breaux, the former senator and Patton Boggs lobbyist who was also involved in the passage of the Medicare provision, told the Financial Times he was working with clients in the industry on strategies for the upcoming Congress, including spending a "great deal of time" with editorial boards explaining the positive attributes of the Medicare prescription drug benefit.

Steve Jenning, a Democratic drug lobbyist at Capitol Health Group, says the industry is seeking lobbyists who maintained "some semblance of a relationship with the minority" to gain influence, not only with rank-and-file Democrats on important congressional committees but also with the new leadership – Ms Pelosi and Harry Reid, incoming majority leader in the Senate.

Given the barbs the industry has traded with Ms Pelosi, in particular, Mr Johnson says it will "take some time to heal" the "old wounds".

But for all the emphasis some lobbyists pin on hopes of making new friends in the Democratic caucus, others privately admit that the Democrats' narrow victory in the Senate means the industry is not in dire straits. Instead of reaching out to Democrats, says one senior lobbyist, the drug industry will simply have to ensure it has 41 votes in the Senate to block harmful legislation, instead of the 60 votes they had been seeking in a friendly Senate.

"The Senate is a killing chamber, it always has been. The game you are going to play is, 'how do I stop that from happening?' " the lobbyist says.

But Mr Breaux disagrees with that strategy. "I would do more than that – not just play defence, play offence and send a positive message about what they [the pharmaceutical industry] do and why they do it. We have a good story to tell," he says.

Mr Breaux's task may be made easier by a recent changing of the guard at several big drugmakers, including Pfizer, the world's largest. Democrats may be more willing to lend an ear to chief executive Jeffrey Kindler than former chief executive Hank McKinnell, who was a large donor to the Republican party.

Records collected by the Center for Responsive Politics show that Mr Kindler donated $10,200 in this election cycle. The beneficiaries were all Democrats.

G.O.P. Explorers (TIME)

Time, November 27, 2006

Potential presidential candidates used to take their time deciding whether to run; now, you can't be coy. Several Republicans are already forming exploratory committees. Betting site Tradesport.com gives the odds for each to win the nomination.

John McCain Odds: 10 to 11 He's John McCain! War hero, anticorruption crusader, George W. Bush's best frenemy in the world. And it doesn't hurt that the press loves him. The G.O.P. base doesn't trust anyone loved by the media, and his liberal fan base may offend a few conservatives. Plus, he wants to send more troops to Iraq.

Rudy Giuliani Odds: 47 to 1 America's Mayor led New York City through 9/11; he has a no-nonsense attitude toward crime, budgets and basically anything else that annoys him. He might lose the family-values vote with two divorces behind him. He has supported gays but not guns. Republicans don't know his blue side now, but they will.

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Tommy Thompson Odds: 124 to 1 Former Wisconsin Governor and Secretary of Health and Human Services under Bush. He's the original welfare reformer and loves health care. Wisconsin. Campaigning on health care and welfare? Not very exciting. And his other talking points--energy conservation and the Iraq war--aren't exactly original.

Duncan Hunter Odds: 142 to 1 House Armed Services chair co-wrote a bill to put a fence along Mexico's border. Will protect the unborn and military contractors too. Lack of name recognition may end up hurting his chances, plus he's been tainted with connections to disgraced former Representative Randy (Duke) Cunningham.

Bill And Hillary Clinton's War Plan (NSWK)

By Jonathan Alter

Newsweek, November 27, 2006

For right-wing conspiracy theorists, this is the belly of the beast—a dinner at the Four Seasons in New York for the 20th anniversary of Harvard's Joan Shorenstein Center on the Press, Politics and Public Policy. Portentous Ivy League professors, Upper East Side gazillionaires, Precambrian media pooh-bahs; Dan Rather and Al Franken and Paul Pelosi, spouse of the Speaker-elect. Almost all in attendance cheer the results of the midterms while bemoaning the demise of old media. Suddenly, shimmering over the tabletops, comes a vision of what was and might yet be again: in full plumage, arriving and departing separately per their insane schedules, Bill and Hillary Clinton—"two for the price of one," as the Arkansas governor liked to say back in 1992, before Dogpatch went global.

This audience knows about the ex-president's ability to put other people's money where his mouth is. Big money. At the second annual Clinton Global Initiative in September, he extracted more than $7 billion in commitments to address world problems. Hosting a conference of the Slate 60 largest charitable givers in the United States last week at his presidential library in Little Rock, he joked to the assembled billionaires, "I looked in the mirror and realized I'd become an NGO."

But can a "nongovernmental organization" like Clinton Partners retake the U.S. government? On this evening, Hillary is in the audience, Bill the featured performer. Even for a crowd of old friends unimpressed by his celebrity, the former president's seemingly offhand stump speech does not disappoint. In the past year, he has taken his already-impressive rhetorical game to a new level, offering a thoughtful synthesis of the world's problems and opportunities.

He's a master of display. Statistics that would be deadly in other hands ("Denmark's had a 50 percent increase in its economy with a zero percent increase in energy consumption") come alive. Describing fluorescent lighting, new windows and other ways to go green and get rich at the same time, he deadpans, "Boring, right?" before answering his own question with patented casual intensity: "But it's important." Like a high-tech camera circumnavigating a subject, he clicks images from a dozen angles, then defends complexity, flexibility, uncertainty.

The beauty of the Democratic Party midterm victory, Clinton muses, is that voters said no to ideology. They wanted to move past fearmongering and demonizing toward true debate. "America rejected shorthand," he says. "People are thinking again." But they are not thinking of a set of liberal policy prescriptions. He argues that the election was about more than Iraq and corruption; it turned on the unmet needs of middle-class voters for whom the country "isn't working anymore." And yet no one is exactly sure how to make it work again. "The people didn't give Democrats a mandate," the former president cautions. "They gave us a chance."

But a chance to do what? To compromise with the president to achieve something to show voters the next time? Or to lay out an agenda to run on in the 2008 campaign? (The first cattle-call primary debates, if you can believe it, are only six or seven months away.) The answer will be some of both, of course, with the calibration of the two approaches determined as much by Hillary Clinton and her husband as by Nancy Pelosi or Harry Reid. All that is clear so far is that "the chance" will inevitably take centrist form. Just as every Republican candidate has for decades been required to describe himself as a conservative, every Democratic candidate in 2008 will don the Clintonesque cloak of moderation. It's a vindication of Clinton's "Third Way" presidency, though ironic considering that the Democrats lost the Congress in the first place in 1994 in part because of the alleged excesses of "Hillarycare." Now the former First Lady, whose impressive 67 percent re-election to the Senate showed she could win the support of independent swing voters and even a quarter of Republicans, is betting that a moderate image will erase the phony national impression of her as a left-wing harridan.

Chance, as Louis Pasteur said, favors the prepared mind, and none is more prepared in the Democratic Party than that of HRC. Her orderly and substantive approach to issues has brought raves from colleagues in both parties. Her political orbit, dubbed "Hillaryland," is a frighteningly disciplined constellation of aides, none of whom (to the annoyance of the press) will talk out of school about a 2008 presidential race. While the campaign-in-waiting has not done as much recruitment of workers in Iowa as rivals assume, it would not take long to put the pieces in place. It's still possible that she'll forgo a 2008 campaign in order to stay in a job she loves in the Senate (and become majority leader within a few years). But unless personal concerns surface soon, the odds strongly favor her jumping in early next year.

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If she does, it will not be because her party is clamoring for her to do so. While her celebrity and command of issues always draw friendly crowds, they cannot be fairly described as tumultuous. While Bill is a virtuoso at weaving together seemingly unrelated threads, Hillary is still too often what one of her biographers, Michael Tomasky, calls the "Laundry Lady," reciting a laundry list of worthy ideas that don't yet add up to a compelling vision.

One conventional take on Hillary is that while she is a prohibitive favorite to win the Democratic nomination, she cannot win the general election. But the reverse may be closer to the truth. With the map of the Electoral College shading blue, any Democrat strong enough to win the nomination can conceivably prevail in November. The last four Democratic nominees have all received more than 250 electoral votes (with 270 needed to elect). Bill Clinton used to tell friends that the first woman president of the United States would be like Margaret Thatcher in Great Britain—a conservative. He no longer makes that argument. The challenge in the 2008 general election might be less about Hillary's gender (or any collateral damage caused from a failure by Pelosi) than her core political skills. Could she avoid being Swift-Boated as a lefty? Probably so. Hillary has the thick skin and war-room experience to fend off the GOP demonizers, who are not quite so formidable after their 2006 wipeout.

The bigger problem for her would be getting past Barack Obama, who now seems poised to run. With much less name recognition than Clinton, he trails her by only 12 points in the latest Gallup poll (the rest of the Democrats are far back). And Obama won the first trial heat of '08: he was the biggest draw for other Democratic candidates this fall with a magnetism on the trail unmatched by anyone in politics. (HOT CHICKS DIG OBAMA read one button at a Nashville rally). His stump speech is rousing and redemptive and more compelling than, say, Bill Clinton's was in 1991.

Of course, Obama is inexperienced and untested: while he'd likely have enough Internet-generated money to be competitive, he could wilt under the relentless scrutiny of a presidential campaign. But the Illinois senator, who in 2008 will be three years older than JFK was when he was elected in 1960, brings two big advantages that have not been fully appreciated.

The first is on the war in Iraq. You know what's coming if he runs: "Obama is like a Grand Marnier soufflé still rising in the oven. It will taste delicious when it's finished, but it's not there yet. A trip to Israel and a trip to Africa are not going to give him foreign-policy credentials," says one Clinton backer unwilling to criticize Obama on the record. But should Hillary and other experienced candidates jab at Obama's lack of foreign-policy experience, he would quickly reply that he was right and they were wrong on the critical question of going to war in 2003. (Obama was an early and outspoken critic of the war before being elected to the Senate.)

More important, the primary schedule favors Obama. Hillary Clinton has no Rove-like master strategist yet (other than her husband), but the logic of her front-runner game plan suggests building a firewall in the South to recover if she's upset in Iowa or New Hampshire. Bill Clinton's popularity with blacks has been presumed to carry over to her and help her win the important South Carolina primary, where nearly 50 percent of Democratic voters are African-American, and other similar Southern primaries critical to the nomination. But that doesn't account for Obama, who would likely crush her among black voters.

The larger danger for Hillary is that for all the novelty of her gender, she becomes a variation on former vice president Walter Mondale in 1984—strong on organization but weak on passion, a candidate of the past instead of the future. And Clinton Fatigue may be lurking in the party's central nervous system. If Hillary were elected and re-elected president, it would mean the presence of a Bush or a Clinton on every ticket from 1980 to 2016—36 years.

The team that would try to make that happen is mostly from the East Wing of the Clinton White House (Patti Solis Doyle, Caprice Marshall), not the West Wing. "Some of us who were with him will be with her; a lot of others won't be," says one former White House aide unwilling to publicly identify which is which. Pollster Mark Penn, fund-raiser Terry McAuliffe and media adviser Mandy Grunwald are onboard, and James Carville and Paul Begala would help from the sidelines. The Clinton camp is not the monolith conservatives make it out to be. Carville's call last week for the ouster of Howard Dean as chairman of the Democratic National Committee was his initiative, and came without the approval of the Clintons, who aren't spoiling for a fight with Dean. "I'm 62 years old and my parents are gone. I don't ask permission," Carville says.

Of course, the Democratic nominee could easily be neither Hillary Clinton nor Barack Obama. Two years before the 1992 election, the presumed Democratic front runners were Mario Cuomo and Al Gore. Virginia Gov. Doug Wilder, an African-American candidate, was considered an intriguing choice. Far down the list of possibilities, languishing in polls as Evan Bayh and Chris Dodd are today, was an obscure governor named Bill Clinton.

Inside Politics (WT)

By Greg Pierce

The Washington Times, November 20, 2006

Kissinger's view

Military victory is no longer possible in Iraq, former Secretary of State Henry Kissinger said in a television interview yesterday.

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Mr. Kissinger presented a bleak vision of Iraq, saying the U.S. government must enter into dialogue with Iraq's regional neighbors -- including Iran -- if progress is to be made in the region.

"If you mean by 'military victory' an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control in a time period that the political processes of the democracies will support, I don't believe that is possible," he told the British Broadcasting Corp.

But Mr. Kissinger, who has advised President Bush about Iraq, warned against a rapid withdrawal of coalition troops, saying it could destabilize Iraq's neighbors and cause a long-lasting conflict, the Associated Press reports.

"A dramatic collapse of Iraq -- whatever we think about how the situation was created -- would have disastrous consequences for which we would pay for many years, and which would bring us back, one way or another, into the region," he said.

Mr. Kissinger, whose views have been sought by the Iraqi Study Group, led by former Secretary of State James A. Baker III, called for an international conference bringing together the permanent members of the U.N. Security Council, Iraq's neighbors and regional powers such as India and Pakistan to work out a way forward for the region.

"I think we have to redefine the course, but I don't think that the alternative is between military victory, as defined previously, or total withdrawal," he said.

Dean's agenda

Howard Dean said the Democratic Party needs to look beyond getting homosexuals and minorities a place at the table and instead work toward getting them on the ballot.

"We've got to share power, not just responsibility, from now on," Mr. Dean told about 200 people in Houston on Saturday at the International Gay & Lesbian Leadership Conference, an annual gathering of homosexual public officials.

Mr. Dean, the chairman of the Democratic National Committee, said little about issues such as same-sex "marriage" or discrimination laws, and instead addressed broader Democratic agendas, such as raising the minimum wage.

Flush from big Democratic gains in the Nov. 7 elections, Mr. Dean emphasized that the "new Democratic Party" reaches out to all citizens, even those less likely to vote for them. The downfall of the "old Democratic Party," he said, had been its acceptance to represent half the nation.

"We've got to take the attitude: Everyone's our boss," Mr. Dean said.

He then outlined the issues he thinks the party should focus on now that Democrats control Congress, including increasing college financial assistance and passing an energy independence bill, the Associated Press reports.

Unusual attitude

"A postelection stay in the cool, cloudy capital reveals a sober Republican Party attempting every day in conversations throughout Capitol Hill a rancor-free analysis of why the party lost, and in a way that was so killingly close and yet brutally decisive," Peggy Noonan writes at www.opinionjournal. com.

"There is a general sense the loss was not undeserved -- this is an unusual attitude for runners just back from the race -- and that it was not so much a vote for something as against something: them. And roiling, rudderless Iraq. And an unpopular president," Miss Noonan said.

"There is a sense the nation's culture and politics are and have been changing, shifting, and agreement that the election was not a realigning one, but could yet prove to be if, among other things, Republicans fail to step back, refind and rethink their philosophy, style, priorities and meaning. They must develop a conservatism that speaks for and to the times. And stop being pigs -- i.e., earmarking careerists who started with belief and wound up with hunger.

"As for Democrats, they have a unique opportunity, one they haven't had in 14 years, to redefine for the public what their party is. It is their chance to change their public label. Now, with the cameras of the country trained on Capitol Hill, they can throw off the old baggage of the 1960s and '70s and erase the cartoon version of their party, which is culturally radical, weak in its defense of America, profligate, McGovernite, bitterly devoted to the demands of its groups as opposed to the needs of America."

No chips at the table

Reuel Marc Gerecht of the Weekly Standard is hearing the calls for an international conference on Iraq, from such quarters as Capitol Hill Democrats and possibly the Iraq commission led by former Secretary of State James A. Baker III. He is skeptical.

"Let us set aside for the moment the virulently anti-American Islamist ideology of Iran's ruling clergy and their praetorians, starting with President Mahmoud Ahmadinejad. Let us also not inquire how much influence Iran's mullahs actually have over the Shia of Iraq ... . Let us put aside whether the Iraqis themselves would favor inviting foreigners to intrude further into their affairs; and, for those who care deeply about Sunni Arab participation in a new Iraq, whether legitimizing an Iranian role could possibly win Sunni friends.

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"Let us also not ask how much pull Saudi Arabia and Jordan have with the Sunni rejectionist camp of Ba'athists, Sunni supremacists, Salafi and Wahhabi fundamentalists, and martyrdom-loving foreign holy warriors. None of these takes his orders from the royal families of Jordan and Arabia," he writes at the Weekly Standard's Web site.

"Instead, let us consider the question at the heart of any negotiation: What can be traded and bargained? What in the world can the United States give the Islamic Republic of Iran and the Alawite mafia of Bashar Assad in Damascus [Syria] that they do not have already?

"Or to put it in the vernacular of the region: Can the Americans actually hurt me, and will they refrain from doing so? What have Damascus and Tehran lost by the turmoil in Iraq? If the violence in Iraq diminished, would they lose or gain?

"For realists, the answers to all of these questions aren't good. When you're weak -- when you're seen to be weak and see yourself as weak -- you don't have much to offer."

By the numbers

"There's a lot of buzz in the cable TV world that having Democrats running Congress will hurt Fox and help MSNBC and CNN," Paul Bedard writes in the Washington Whispers column of U.S. News & World Report.

"It certainly looked like that election night when CNN won the key viewership demographic of 25-to-54-year-olds. 'We're clearly the place to go for information,' CNN boss Jon Klein tells us. 'Maybe the trick is that you have to actually cover politics. The public seems to be in the mood for facts and information -- not cheerleading.'

"MSNBC, No. 3 but surging, also crowed: 'MSNBC is the place for politics.' So what about Fox? It simply turned to the numbers. And they show that Fox is still No. 1, with its audience growing. 'We'll let the two cable-news also-rans battle for second place, and we wish Jon and [MSNBC] well on their quest for relevancy,' say an amused Foxie."

When Religion Loses Its Credibility (USAT)

By Oliver "buzz" Thomas

USA Today, November 20, 2006

What if Christian leaders are wrong about homosexuality? I suppose, much as a newspaper maintains its credibility by setting the record straight, church leaders would need to do the same:

Correction: Despite what you might have read, heard or been taught throughout your churchgoing life, homosexuality is, in fact, determined at birth and is not to be condemned by God's followers.

Based on a few recent headlines, we won't be seeing that admission anytime soon. Last week, U.S. Roman Catholic bishops took the position that homosexual attractions are "disordered" and that gays should live closeted lives of chastity. At the same time, North Carolina's Baptist State Convention was preparing to investigate churches that are too gay-friendly. Even the more liberal Presbyterian Church (USA) had been planning to put a minister on trial for conducting a marriage ceremony for two women before the charges were dismissed on a technicality. All this brings me back to the question: What if we're wrong?

Religion's only real commodity, after all, is its moral authority. Lose that, and we lose our credibility. Lose credibility, and we might as well close up shop.

It's happened to Christianity before, most famously when we dug in our heels over Galileo's challenge to the biblical view that the Earth, rather than the sun, was at the center of our solar system. You know the story. Galileo was persecuted for what turned out to be incontrovertibly true. For many, especially in the scientific community, Christianity never recovered.

This time, Christianity is in danger of squandering its moral authority by continuing its pattern of discrimination against gays and lesbians in the face of mounting scientific evidence that sexual orientation has little or nothing to do with choice. To the contrary, whether sexual orientation arises as a result of the mother's hormones or the child's brain structure or DNA, it is almost certainly an accident of birth. The point is this: Without choice, there can be no moral culpability.

So, why are so many church leaders (not to mention Orthodox Jewish and Muslim leaders) persisting in their view that homosexuality is wrong despite a growing stream of scientific evidence that is likely to become a torrent in the coming years? The answer is found in Leviticus 18. "You shall not lie with a man as with a woman; it is an abomination."

As a former "the Bible says it, I believe it, that settles it" kind of guy, I am sympathetic with any Christian who accepts the Bible at face value. But here's the catch. Leviticus is filled with laws imposing the death penalty for everything from eating catfish to sassing your parents. If you accept one as the absolute, unequivocal word of God, you must accept them all.

For many of gay America's loudest critics, the results are unthinkable. First, no more football. At least not without gloves. Handling a pig skin is an abomination. Second, no more Saturday games even if you can get a new ball. Violating the Sabbath is a capital offense according to Leviticus. For the over-40 crowd, approaching the altar of God with a defect in your sight is taboo, but you'll have plenty of company because those menstruating or with disabilities are also barred.

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The truth is that mainstream religion has moved beyond animal sacrifice, slavery and the host of primitive rituals described in Leviticus centuries ago. Selectively hanging onto these ancient proscriptions for gays and lesbians exclusively is unfair according to anybody's standard of ethics. We lawyers call it “selective enforcement,” and in civil affairs it's illegal.

A better reading of Scripture starts with the book of Genesis and the grand pronouncement about the world God created and all those who dwelled in it. “And, the Lord saw that it was good.” If God created us and if everything he created is good, how can a gay person be guilty of being anything more than what God created him or her to be?

Turning to the New Testament, the writings of the Apostle Paul at first lend credence to the notion that homosexuality is a sin, until you consider that Paul most likely is referring to the Roman practice of pederasty, a form of pedophilia common in the ancient world. Successful older men often took boys into their homes as concubines, lovers or sexual slaves. Today, such sexual exploitation of minors is no longer tolerated. The point is that the sort of long-term, committed, same-sex relationships that are being debated today are not addressed in the New Testament. It distorts the biblical witness to apply verses written in one historical context (i.e. sexual exploitation of children) to contemporary situations between two monogamous partners of the same sex. Sexual promiscuity is condemned by the Bible whether it's between gays or straights. Sexual fidelity is not.

For those who have lingering doubts, dust off your Bibles and take a few hours to reacquaint yourself with the teachings of Jesus. You won't find a single reference to homosexuality. There are teachings on money, lust, revenge, divorce, fasting and a thousand other subjects, but there is nothing on homosexuality. Strange, don't you think, if being gay were such a moral threat?

On the other hand, Jesus spent a lot of time talking about how we should treat others. First, he made clear it is not our role to judge. It is God's. (“Judge not lest you be judged.” Matthew 7:1) And, second, he commanded us to love other people as we love ourselves.

So, I ask you. Would you want to be discriminated against? Would you want to lose your job, housing or benefits because of something over which you had no control? Better yet, would you like it if society told you that you couldn't visit your lifelong partner in the hospital or file a claim on his behalf if he were murdered?

The suffering that gay and lesbian people have endured at the hands of religion is incalculable, but they can look expectantly to the future for vindication. Scientific facts, after all, are a stubborn thing. Even our religious beliefs must finally yield to them as the church in its battle with Galileo ultimately realized. But for religion, the future might be ominous. Watching the growing conflict between medical science and religion over homosexuality is like watching a train wreck from a distance. You can see it coming for miles and sense the inevitable conclusion, but you're powerless to stop it. The more church leaders dig in their heels, the worse it's likely to be.

Oliver “Buzz” Thomas is a Baptist minister and author of an upcoming book, 10 Things Your Minister Wants to Tell You (But Can't Because He Needs the Job).

New Tactic In Fighting Marriage Initiatives (WP)

By Sonya Geis

The Washington Post, November 20, 2006

TUCSON -- A pair of retirees keeping house in a concrete bungalow, with snapshots of their 30 grandchildren and great-grandchildren in the living room and an American flag out front, may not look like the face of gay America.

But this month Al Breznay, 79, and Maxine Piatt, 75, were pivotal in defeating an Arizona initiative that defined marriage as the union of one man and one woman -- the only one of 28 such state measures ever to fail.

Breznay, a retired mechanic who still does odd jobs to bring in extra cash, and Piatt, a former bank teller, are at the forefront of a strategy to defeat a tide of same-sex marriage bans by talking about straight people.

Of those 28 state marriage initiatives, 17 have included language outlawing domestic partnerships. Gay rights advocates see this as an opening to highlight for heterosexual voters the impact such initiatives may have on them, and in Arizona, activists kept the spotlight on couples such as Breznay and Piatt, registered domestic partners whose faces appeared on fliers and television ads.

"The majority of people in Arizona don't support gay marriage. That's clear, they do not," said Marty Rouse, national field director of the Human Rights Campaign, a gay advocacy group. "Once you say gay and lesbian, people hone in on that. We have to focus on the majority of people that will be affected by this. And the majority of people are straight couples."

The campaign against the Arizona measure, Proposition 107, avoided almost any mention of gay marriage, except in small liberal pockets of the state. Instead, the message was about the section of the measure that would have banned government agencies from recognizing civil unions or domestic partnerships.

That apparently struck home in the state's sizable senior-citizen enclaves, where many older couples do not marry because their retirement income would be affected. The initiative was defeated, 52 percent to 48 percent.

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"It's not a liberal-versus-conservative issue," said Steve May, a former Republican state representative who is gay and who served as treasurer of the campaign against Proposition 107. "It's about, 'I don't need to take away health care from Al and Maxine, this nice old couple in Tucson.' "

In fact, the couple's health coverage would not have been affected by the measure's passage, although their ability to pay for the coverage or to visit each other in intensive care would change, as they discovered when Piatt got sick two years ago.

Such generalizing upsets supporters of the initiative, who accuse opponents of fear-mongering.

"They misled voters. They scared seniors into believing they would lose Social Security benefits," said Cathi Herrod, spokeswoman for the pro-107 campaign. "Our problem was we did not have funds to respond to the attacks."

Her campaign spent about $1 million, she said, compared with the $2.1 million spent by the measure's opponents.

Talking to straight couples does not always work; the strategy failed in Virginia this year, where a marriage law passed with 57 percent of the vote.

The differences in Arizona were a longer campaign and a relentless focus on benefits and health care, Rouse said.

In Virginia, "most of the media coverage talked about a gay marriage ban," he said, "whereas in Arizona, you did hear about a ban on same-sex marriage, but it was still focused on health care."

This month's results may prove instructive in setting the debate in the next state where same-sex marriage is likely to appear on the ballot: Florida, in 2008.

"Florida might be able to learn from Arizona," Rouse said. But "campaigns are campaigns. If you do your research and you find out what voters care about, then you know what to focus on."

For some gay activists, it was bittersweet to defeat a same-sex marriage ban by avoiding the subject of homosexuality.

"To truly win the freedom to marry and end discrimination, we can't just play defense," said Evan Wolfson, executive director of the gay rights group Freedom to Marry. He added that proponents of same-sex marriage must "avoid messaging that blocks further attacks and does not move us further ahead."

Wolfson says he takes heart in the reelection of legislators who support same-sex marriage and in the narrowing margins by which initiatives banning same-sex marriage have passed. In 2004, 71 percent of voters voted for such initiatives on average; that dropped to 56 percent this year.

"Even if, in the short-term battles, we may have to emphasize the overbreadth, the dangers to non-gay people and the general unfairness, the trend is in our favor," Wolfson said.

That is not how it looks to Bill Maier, vice president and psychologist in residence at Focus on the Family, a proponent of state same-sex marriage bans.

Voters in states with marriage initiatives this year tended to be more libertarian than those voting in 2004, so they shied away from constitutional changes, he said.

"When you see more of these amendments pop up in 'red states,' I think you're going to see more of those large percentages," Maier said.

Maier also sees a backlash on the horizon. He points to New Jersey, where civil unions or same-sex marriage could be legalized in the next six months after an order by the state Supreme Court.

"When people see gay people standing on the courthouse steps saying, 'I'm getting married come hell or high water,' among the general population there tends to be a recoil," Maier said.

For their part, Breznay and Piatt are pleased that Arizona's initiative lost, though same-sex marriage has never been their cause.

"We didn't care one way or the other. It didn't involve us," Piatt said. "That's what makes me so angry, is people linked this gay marriage to domestic partnerships."

Foley Ends Treatment (RC)

By Mary Ann Akers

Roll Call, November 20, 2006

Sources tell us disgraced ex-Rep. Mark Foley (R-Fla.) ended his stay at a rehab facility in Arizona that treats alcohol addiction as well as sexual addiction and compulsion before he headed back to Florida to attend the funeral of his father.

“It was more for that,” said one source, referring to sexual addiction.

We’re told that Foley’s sister, Donna Winterson, went to fetch her brother and check him out of the facility, called Sierra Tucson, in the final days of their father’s struggle with cancer. Their father, Edward Foley Jr., died Tuesday at a hospice center in Palm Beach County, Fla.

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Foley, who now faces a Florida criminal investigation into his sexually explicit Internet messages, declared that he was an alcoholic in the days after he resigned over the page scandal. Sierra Tucson treats alcohol and drug addiction, as well as eating disorders, sexual addiction/compulsivity, obsessive-compulsive disorder and depression, among other mental health problems.

The Florida Department of Law Enforcement reportedly has launched an active criminal investigation into Foley's instant message chit chats with male teenage pages, which cost Republicans that very safe GOP seat and may well have been the nail in the coffin for their majority.

Speaking of Which ... Kirk Fordham, who resigned as chief of staff to Rep. Tom Reynolds (R-N.Y.) amid the damning page scandal, was seen around Capitol Hill last week.

Fordham was spotted Thursday coming out of the National Republican Congressional Committee, chaired by Reynolds. On Friday, he was seen hanging around the Longworth House Office Building as House Republicans chose their new leaders.

Aides were surprised by Fordham's presence.

"What the hell is he doing here?" asked one, who requested anonymity. "He's one of the reasons we're in the minority."

Fordham was casually chatting up a reporter when approached by HOH. He said he had been "over at Reynolds' office" and wanted to come by Longworth to see what was happening.

Fordham was chief of staff in the New York Republican's personal office when the Foley scandal erupted. He served for several years as Foley's chief of staff.

"I've just been having some good downtime," he added.

Birthday for Old Blue Eyes. Winning his race for Minority Leader was the best birthday present Rep. John Boehner (R-Ohio) could get after losing the majority. Having his colleagues sing the famous "Boehner Birthday Song" that he wrote himself surely was second-best.

Boehner emerged victorious from the secret-ballot leadership elections on Friday, which coincided with his 57th birthday. The throng of reporters waiting for him outside demanded that he sing his famous birthday song.

"It's my birthday — I," Boehner said, pointing at himself indignantly, "shouldn't have to sing it!"

So the entire new leadership team sang it for him, perfectly off-key, with Boehner joining in to make sure they didn't screw up the lyrics: "This — is — your — birthday song, it doesn't last too long. Hey!" The second verse is the same as the first. "This — is — your —birthday song, it doesn't last too long. "Hey!"

The "Boehner Birthday Song" is so famous it's on YouTube, where you can see a video of Boehner singing the little ditty on the House floor to Rep. Ralph Hall on the Texas Republican's 83rd birthday in May. Everyone on the floor joined in, as poor Hall implored Boehner to stop.

Apparently the birthday song induces much cringing among Boehner's staff. Spokesman Kevin Madden said as soon as he walked back to the office after the little sing-a-long media availability, "Everyone was saying, 'Why did you let him sing the birthday song?'"

"Yeah right," Madden said. "Like I could have stopped him."

But they didn't mind singing along with the boss in the privacy of the office. "I'm shocked that some windows didn't crack," Madden said.

Kerry, Marines and Tequila. You might be able to accuse him of being the most boring guy IN the party, but ya can't really say he's the most boring guy AT the party. Not after Wednesday night.

Sen. John Kerry (D-Mass.) was hanging out with about 30 staffers and former '04 presidential campaign alumni at the Senator's favorite Capitol Hill hangout, Finn MacCool's, down on Barracks Row by the Marines' headquarters. A group of Marines started chatting with the Senator and invited him to belly up to the bar with them. Kerry eschewed his button-downed staff for a good 20 minutes while he chatted with his new Semper Fi pals. They bought the Senator a tequila shot, which our trusty sources say Kerry downed in a flat second.

Food Banks Have Less To Work With As They Try To Meet Holiday Demand (USAT)

By Wendy Koch

USA Today, November 20, 2006

The nation's food banks are scrambling to serve a growing demand for help during the holidays at a time when government food donations and private cash contributions have fallen.

More people are asking for food even as the amount of government commodities available — milk, cheese, canned goods and other staples — is down 55% from 2005, according to the U.S. Department of Agriculture. A second USDA program of emergency food aid has stayed about the same. Together, they supply about one-fourth of what food banks give away.

USDA buys fewer commodities when it has less need to boost farm prices. It gives 80% of purchases to America's Second Harvest, a network of more than 200 food banks.

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The loss of USDA commodities is "huge," says Paul Ash of the San Francisco Food Bank. He says his group is increasing visits to stores to pick up food with "sell by" dates about to expire.

Ash says the Bay Area's cost of living is forcing more low-income workers to seek help. He has managed to increase his holiday distribution 35% this year but says that remains "far short" of the need.

High rents have increased demand in Hawaii, doubling it in some areas, says Dick Grimm, president of Hawaii Foodbank.

Demand is up 34% from two years ago in the Dallas area, says Colleen Brinkmann of the North Texas Food Bank, and 39% from five years ago in Washington, D.C., and its suburbs, says Brian Smith of the Capital Area Food Bank.

"We have a lot of empty racks in our warehouse. That's unusual," says Carey Miller of the Food Bank of Iowa.

Despite reports of higher demand, a USDA report last week said the number of people who couldn't put food on the table at least part of the year fell in 2005 to 35 million, down from 38 million in 2004. It was the first decline in six years. But the report found the number of those worst off increased slightly.

High fuel prices this year have hurt many low-wage earners by forcing them to choose between heating their homes or buying food, says Maura Daly of America's Second Harvest.

Daly says the network is trying to expand programs, relying partly on a 3% rise this year in private food donations. She says financial donations this year are down 9% from 2005, not counting relief funds received after Hurricane Katrina.

"Every food bank will tell you," she says, "they need more food."

Brother, Can You Spare A Word? (NYT)

The New York Times, November 20, 2006

First the good news: the government's annual hunger report shows a slight decline last year in the number of citizens in need of food. Now the bad news: the annual hunger report has dropped the word "hunger."

Instead, there were 35 million Americans last year suffering from "low food security," meaning they chronically lacked the resources to be able to eat enough food. Of these, 10.8 million lived with "very low food security," meaning they were the hungriest among the hungry, so to speak.

Bureaucratic terminology about food security has always been a part of the hunger report, but so was the plain word "hunger." The Agriculture Department decided that variations of "hungry" are not scientifically accurate, following the advice of the Committee on National Statistics of the National Academies. The specialists advised that being hungry was too amorphous a way to refer to "a potential consequence of food insecurity that, because of prolonged, involuntary lack of food, results in discomfort, illness, weakness or pain that goes beyond the usual uneasy sensation."

The government insists that no Orwellian plot is in the works to mask a national blight. The goal has been to cut what we'll call the hungry households to no more than 6 percent of the population. But hungry people persist at nearly twice that rate, despite the slight drop last year. To the extent that more public empathy is needed to prod a stronger attack on low food security, we opt for "hunger" as a most stirring word.

Schools Slow In Closing Gaps Between Races (NYT)

By Sam Dillon

The New York Times, November 20, 2006

When President Bush signed his sweeping education law a year into his presidency, it set 2014 as the deadline by which schools were to close the test-score gaps between minority and white students that have persisted since standardized testing began.

Now, as Congress prepares to consider reauthorizing the law next year, researchers and a half-dozen recent studies, including three issued last week, are reporting little progress toward that goal. Slight gains have been seen for some grade levels.

Despite concerted efforts by educators, the test-score gaps are so large that, on average, African-American and Hispanic students in high school can read and do arithmetic at only the average level of whites in junior high school.

"The gaps between African-Americans and whites are showing very few signs of closing," Michael T. Nettles, a senior vice president at the Educational Testing Service, said in a paper he presented recently at Columbia University. One ethnic minority, Asians, generally fares as well as or better than whites.

The reports and their authors, in interviews, portrayed an educational landscape in which test-score gaps between black or Hispanic students and whites appear in kindergarten and worsen through 12 years of public education.

Some researchers based their conclusions on federal test results, while others have cited state exams, the SATs and other widely administered standardized assessments. Still, the studies have all concurred: The achievement gaps remain, perplexing and persistent.

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The findings pose a challenge not only for Mr. Bush but also for the Democratic lawmakers who joined him in negotiating the original law, known as No Child Left Behind, and who will control education policy in Congress next year.

Senator Edward M. Kennedy of Massachusetts and Representative George Miller of California, who are expected to be the chairmen of the Senate and House education committees, will promote giving more resources to schools and researching strategies to improve minority performance, according to aides.

"Closing the achievement gap is at the heart of No Child Left Behind and must continue to be our focus in renewing the act next year," Mr. Kennedy said in a statement.

Experts have suggested many possible changes, including improving the law's mechanisms for ensuring that teachers in poor schools are experienced and knowledgeable, and extending early-childhood education to more students.

Henry L. Johnson, an assistant secretary of education, said: "I don't dispute that looking at some comparisons we see that these gaps are not closing — or not as fast as they ought to. But it's also accurate to say that when taken as a whole, student performance is improving. The presumption that we won't get to 100 percent proficiency from here presumes that everything is static. To reach the 100 percent by 2014, we'll all have to work faster and smarter."

The law requires states, districts and schools to report annual test results for all racial and ethnic groups, and to show annual improvements for each. It imposes sanctions on schools that do not meet the rising targets.

Many experts and officials, including the president's brother, Gov. Jeb Bush of Florida, have supported the goal of raising all students to academic proficiency, but they have also called it unrealistic to accomplish in a decade.

But President Bush, who put education at the center of his 2000 campaign, has been insisting that it is not only feasible but that the gaps are already closing.

"There are good results of No Child Left Behind across the nation," Mr. Bush said last month at a school in North Carolina. "We have an achievement gap in America that is — that I don't like and you shouldn't like."

"The gap is closing," he said.

The researchers behind the reports issued last week in Washington, D.C., New York and California were far more pessimistic, though.

"The achievement gap is alive and well," said G. Gage Kingsbury, an author of the report issued in Washington by the Northwest Evaluation Association, a nonprofit group based in Oregon that administers tests.

Examining results from reading and math tests administered to 500,000 students in 24 states in the fall of 2004 and the spring of 2005, the study found: "For each score level at each grade in each subject, minority students grew less than European-Americans, and students from poor schools grew less than those from wealthier ones."

Minority and poor students also lost more academic ground each summer, the study said.

Ross Wiener, a principal partner at the Education Trust, a group that works to close achievement gaps and has consistently supported the federal law, called those findings "profoundly disturbing" and said it showed that schools continued to be a "significant source of disadvantage for minority students."

"The Bush administration wants to hang a 'Mission Accomplished' banner over N.C.L.B., but a fair assessment is that progress thus far in closing achievement gaps is disappointing," Mr. Weiner said. He pointed to financing and teacher assignment systems that lead to schools with mostly poor and minority students getting less money, offering fewer advanced courses and having weaker teachers.

The 2005 National Assessment of Educational Progress, a battery of reading and math tests administered to thousands of students in every state, showed some rising scores for all ethnic groups, and the black-white score gap narrowed in a statistically significant way for fourth-grade math. But on fourth-grade reading, and on eighth-grade reading and math, the black-white and Hispanic-white gaps were statistically unchanged from the early 1990s.

Over the past three decades, the gaps narrowed steadily from the 1970s through the late 1980s but then leveled out through 1999. Since then, some have narrowed again, but at a rate that would allow them to persist for decades. That picture showed up in a separate National Assessment test devised to measure long-term trends, administered in late 2003 and early 2004.

That test showed that regardless of race, scores increased a bit over three decades for 9- and 13-year-old students, with the best gains coming between 1999 and 2004.

Test administrators warned against attributing those gains to the federal law, because it had been in effect for about only a year when the 2004 test was given. Prekindergarten programs, higher standards and increased testing carried out by many states during the 1990s also contributed, they said.

But Bush administration officials have routinely credited the law for the improved scores on that test.

A group that has supported the federal law, the Thomas B. Fordham Foundation, whose leaders include former officials from the Reagan and the current Bush administrations, conducted a review of state exams and other indicators and issued a

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report this month. It found that none of the 50 states had made widespread progress in narrowing the gaps, and that eight states, including New York and New Jersey, had made "moderate gains."

Chester E. Finn Jr., the foundation president, said, "Poor and minority students are doing very poorly, and in most states are not making significant gains — and this in spite of N.C.L.B. and all the other reforms of the last 15 years."

Suggestions abound for ways to narrow the score gaps faster. Since scholars have documented that minority children enter kindergarten with weaker reading skills than white children, some experts advocate increased public financing for early education programs.

No Child Left Behind provides money for tutoring in schools where students are not succeeding, but critics say it does not provide sufficient financing to help states and districts turn the schools themselves around.

Several of the new reports urged better provisions to ensure that poor and mostly minority schools have quality teachers, to reward teachers who help struggling students improve, and to keep good teachers from leaving city schools for higher-paying suburban ones.

"If I'm in a bad school and make serious progress, I need a reward," Dr. Nettles said. "If you perform on Wall Street, you get a bonus."

But the news is not all bad. Individual schools in some states have made progress in narrowing the gaps between black and white, Hispanic and white, and the poor and more affluent, according to a Standard & Poor's unit that analyzes school performance.

The unit credited Morgan County Elementary School in Madison, Ga., with significantly raising the scores of black fourth and fifth graders. The principal, Jean Triplett, attributed that success in part to after-school tutoring by volunteers in black churches.

Edwin E. Weeks Elementary School in Syracuse was singled out for narrowing the gap between black and white students. Dare Dutter, the principal, credited a prekindergarten program and a school health clinic that helped keep poor students from missing class.

Standard & Poor's has sifted test data from 16,000 schools in 18 states, identifying 718 schools making significant progress toward the national goal.

"They are the classic diamonds in the rough," said Paul Gazzerro, director of analytics at Standard & Poor's School Evaluation Services. "But in general, schools are not closing achievement gaps."

One of the exceptions, the unit said, is Hoover Middle School in Lakewood, Calif., a community in Los Angeles County where the aircraft manufacturing industry has been hit by job losses. The school has raised Hispanic scores so much that in the spring of 2005 Hispanic students outperformed whites, said the principal, Michael L. Troyer. He said the progress resulted from focused instruction, frequent diagnostic testing and several tutoring programs.

"Some of it's after school, teachers do it at lunch, and we have people who tutor in the morning before school, too," Mr. Troyer said.

Across California, however, achievement gaps have not narrowed, and in some cases they have widened since 2001, according to a study of California test results released last week by Policy Analysis for California Education, a research center run jointly by the University of California and Stanford.

"Not only have all boats stopped rising, but the boats that are under water are sinking further down," said Bruce Fuller, an education professor at the University of California, Berkeley, who contributed to the study.

States Struggle To Pay For Roads (USAT)

By Larry Copeland

USA Today, November 20, 2006

ATLANTA — Traffic delays in the 18-county sprawl that makes up Atlanta are the fourth-worst in the nation. The state gasoline tax, the primary funding source for road and transit projects, is being eroded by inflation. Fifty-three percent of 512 transportation projects scheduled have been delayed, according to the Atlanta Regional Commission, the area's chief planning agency.

Now, an influential lobbying group is proposing that Georgia eliminate the state's share of the gas tax and replace it with a 1% statewide sales tax to fund transportation. Georgians now pay 7.5 cents per gallon in state gas taxes.

"The problem with a gasoline tax, when it's not associated with the Consumer Price Index, is it continues to lose value," says Mike Kenn, president of Georgians for Better Transportation. "Unless we find a new source of revenue, we in the state of Georgia … are not going to be able to meet our transportation needs."

His group's proposal, which he says would raise more money than the state gas tax, is one of many local efforts around the country to bridge the gap between the federal, state and local funds available for transportation and what's needed.

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Nationwide, the gap tops $100 billion a year, says Gary Maring of the transportation consulting firm Cambridge Systematics, which studied the issue last year for the U.S. Chamber of Commerce.

The potentially most far-reaching financing initiative is a pilot program in Oregon that is testing the feasibility of a "virtual tollway" system that would replace the state gas tax with a road-user fee.

Volunteers driving vehicles equipped with state-installed Global Positioning System (GPS) devices pull into gas stations where a transmitter in their car "tells" the pump how many miles they have driven. They then pay for their gas and 1.2 cents for every mile they've driven since their last fill-up; they don't have to pay the 24-cent-per-gallon state gas tax.

The program is raising concerns that it's a way for the government to track motorists and that it penalizes drivers of fuel-efficient vehicles.

James Whitty, who's running the experiment for the Oregon Department of Transportation, says the GPS devices don't transmit or store location data. "This is a stripped-down receiving component that only collects and categorizes miles (driven) as in-state or out-of-state," he says.

If the state decides to adopt the system statewide, the Legislature could implement a lower rate-per-mile for fuel-efficient vehicles, Whitty says.

The year-long experiment began with 280 volunteer motorists who were divided into three groups. One group pays 1.2 cents for every in-state mile traveled. A second group pays 10 cents a mile during rush hour and 0.4 cents per mile during other times. A third group is paying the state's 24-cent-a-gallon gas tax.

Alan Pisarski, author of an exhaustive study on commuting in the USA, expects other states eventually to duplicate the Oregon experiment.

"I think it's almost inevitable in 20 to 30, maybe 40 years," he says. "There will be an awful lot of public concern about vehicles being tracked. But in the long term, we're going to see more and more cars coming off the line with these tracking devices built in."

Public support for taxes targeted for road and transit projects generally did well in the Nov. 7 elections. Voters approved eight local initiatives to extend or renew an existing sales tax for transportation and approved eight of 12 new taxes for transportation, according to the American Road & Transportation Builders Association, a Washington, D.C.-based lobbying group for the transportation construction industry.

Gary Barnes, a transportation economist at the Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota, says voters often will approve a new tax when it's targeted for transportation.

"It doesn't have to do with the money," Barnes says. "It's that people don't feel the (state) Department of Transportation is going to do the right thing with the money if you just raise the gas tax. But in some cases, the referendum passes because it raises taxes to do some specific thing."

Sam Williams, president of the Metro Atlanta Chamber of Commerce, says he thinks voters won't approve the Georgia tax proposal.

"I don't think a 1% state sales tax exclusively for transportation is going to fly," he says. "Places where the congestion is an issue are where people will vote for it. If you're stuck in traffic all day, you would vote for it. But if you're in a sparsely populated area, you have no inclination to vote for it."

Williams says local-option sales taxes for transportation, paid only in congested areas where the money would be used, are more likely to be approved if they meet three criteria: "You've got to tell the voters exactly what you're going to do with the money; you've got to set a sunset so people know the tax is not forever; and you've got to appoint a group of responsible civic watchdogs to look over their shoulder."

Let The Awards Begin: The Worst Self-Inflicted Wound Of 2006 (RC)

By Stuart Rothenberg

Roll Call, November 20, 2006

After every election, I offer a list of the best and worst, the most and the least. I started doing that the other day, but I ended up filling an entire column with a single category: The Worst Self-Inflicted Wound of 2006.

I will get back to a more exhaustive list of the best and worst campaigns and candidates before the end of the year, but since there were so many self-inflicted wounds this election cycle, I figure I might as well devote an entire column to the nominees, as well as to my logic in picking a winner.

So, without further DeLay, uh, I mean delay, here are the nominees this year:

Don Sherwood (R-Pa.)

Bob Ney (R-Ohio)

George Allen (R-Va.)

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John Kerry (D-Mass.)
John Sweeney (R-N.Y.)
Mark Foley (R-Fla.)

I know, I know. This is an impossible choice. How can anyone choose from among these all-time, self-inflicted screw-ups? All of the nominees would be worthwhile winners, and in any other year any of them could have taken home the award. But, alas, life isn't fair, and I have to choose a single winner for '06.

I'm eliminating Foley right away, since his self-inflicted wound actually occurred well before his abortive re-election bid and over an extensive period of time, though it came to light only during his campaign. His problem was a series of wounds, not a single one, and frankly, I don't even want to spend time thinking of the things that Foley wanted to do.

Ney's problems also occurred over an extended period, though they obviously impacted his race for re-election. I guess we could call that golf trip to Scotland a decisive event, but it occurred in 2002. So, like Foley, he gets a pass.

That leaves four. The problem with Sherwood is that I'm not sure whether he had a self-inflicted wound or he inflicted a wound on his girlfriend. I am not sure whether we are talking about a single act or two, whether having a girlfriend (along with a wife) and allegedly (note my legal disclaimer) trying to choke her are two self-inflicted wounds or two parts of a single wound. Since Sherwood admits to one but not the other, he seems to come down on the side of the two separate incidents. Who am I to argue? He's off the hook.

Sweeney is in a bit of the same situation as Sherwood. Obviously, the suggestion that the New York Republican got into a physical scuffle with his wife damaged Sweeney's re-election prospects. But was that photograph of him drinking with college students necessary for the second alleged personal scandal to lead to his defeat? If so, then it was the two scandals together that cost Sweeney his seat, not a single self-inflicted wound. I'm afraid I have to drop him from contention.

That leaves us with Allen and Kerry, two Senators who did their best to destroy their reputations with stupid, ill-timed comments that meet the single "wound" criterion.

Somehow, it seems only right that two Senators are battling it out for the award.

On one level, the Kerry comment about getting good grades or you'll end up in Iraq was worse than Allen's "macaca" comment, since Kerry wasn't even on the ballot and, as my wife pointed out, he compounded his goof by insisting that he was trying to tell a joke when he almost certainly wasn't.

Moreover, Kerry's comment could have not only hurt his party's prospects in 2006, he could also have seriously derailed his own presidential hopes for '08. Impacting two election cycles, not just one, with a single comment is a stunning achievement, even for Kerry.

Having said that, even the Massachusetts Democrat couldn't keep his party from winning the House and the Senate. While some conservative talk radio windbags apparently got angry when I expressed doubt that Kerry's comment would have much of an effect on the midterm elections, most voters apparently shrugged off the Massachusetts Democrat's inept remark.

And if Kerry's comment undermined his potential presidential bid for 2008, I doubt it hurt him very much, since his chances weren't very good to begin with.

Allen's "macaca" comment, on the other hand, had a profound impact. It turned a laugher of a race into a close contest. And since Democrat Jim Webb eventually won the race — thereby giving Democrats control of the Senate and unified control of Congress — the Virginia Republican not only brought about his own defeat and destroyed his once considerable chances of winning the Republican presidential nomination in 2008 but he also realigned the nation's entire governing balance for the next two years.

Because of that jaw-dropping achievement, the award for worst self-inflicted wound must go to Allen. But it was a very close contest.

For MSNBC, Time To Get Political (WP)

By Howard Kurtz
The Washington Post, November 20, 2006

Preferably with lots of cameo appearances by big-name news stars from the mothership.

The perennial third-place cable news channel enjoyed a nice bump in the ratings during the midterm campaign, in part because the likes of Brian Williams, Tim Russert, David Gregory and Campbell Brown broke away from their NBC duties to help out.

"We've found a voice as of late, and a large part of that voice is politics," says MSNBC General Manager Dan Abrams. And although he doesn't plan to put on "all politics all the time until 2008," Abrams says he wants to continue "branding" MSNBC as a haven for political junkies.

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Of course, MSNBC has done well in other campaigns, only to have the gains vanish after Election Day. All of cable news tends to get big spikes during major stories -- war, scandal, missing white women -- that fade when the news cycle moves on.

"The chronic problem -- and it will likely happen again in the days ahead -- is a big drop-off back to unpleasant, distant-third reality," says Erik Sorenson, a former MSNBC president.

There's no plan to transform the channel into an extended version of Chris Matthews's "Hardball," but MSNBC covered the House leadership shootout between Jack Murtha and Steny Hoyer with presidential-campaign intensity.

During the midterm campaign's stretch run, Abrams devoted two full days to politics and persuaded some of NBC's heavyweights to anchor hour-long programs. In October, MSNBC's ratings were up 14 percent over a year earlier, while Fox News was down 17 percent and CNN was down 8 percent. Of course, the NBC channel started from a much lower base. Fox averaged 792,000 viewers for the month, CNN 491,000 and MSNBC 287,000. (CNN scored a rare ratings win between 7 p.m. and 2 a.m. on election night, drawing 2.54 million viewers to Fox's 2.39 million and MSNBC's 1.58 million.)

NBC hotshots once looked down their noses at their cable sibling. But Andrea Mitchell, the network's chief foreign affairs correspondent, who made frequent MSNBC appearances during the campaign, is now anchoring an hour most mornings at 11. Although the cable audience is far smaller, "you would not believe the kind of reaction I've had from people I really respect," Mitchell says. As for potential guests, "many people want to do live interviews as opposed to edited interviews where they'll be a 15-second sound bite."

Mitchell also sees a certain synergy, such as when she was interviewing an Iraq expert last week on MSNBC and gleaned information for a piece she was preparing on the subject for NBC's "Today" show.

The network feasted on last week's Democratic infighting, from Matthews's midday appearances to a steady stream of analysts, including Newsweek's Jonathan Alter and Howard Fineman and The Washington Post's Dana Milbank. (The two Post-owned publications share a news alliance with MSNBC.) By contrast with its rivals, MSNBC essentially ignored the controversy over O.J. Simpson's maybe-I-did-it television special and the search for a missing 2-year-old in Florida, and provided modest coverage of a deadly tornado in North Carolina.

The effort by Abrams, the former legal-affairs commentator who took over in June, to tap more NBC talent will be getting an unexpected boost from a painful round of budget cuts at the network. Over the next year, MSNBC will abandon its Secaucus, N.J., campus and move in with its corporate parent at Manhattan's 30 Rock. A number of producers, bookers and others will be let go as job functions are combined. Abrams insists that the impact will be modest because his network is already thinly staffed.

Some of the election coverage was anchored by Joe Scarborough, a former Republican congressman, and Keith Olbermann, whose show "Countdown" has become a nightly feast of Bush-bashing.

"His program could become a model for the newscast of the future," Abrams says. "It's a mix of straight news reporting with lighter fare and occasionally with some opinion."

Some opinion? Not only does Olbermann steer clear of conservative guests, he has added an occasional "special comment" segment in which he recently urged President Bush to apologize to American troops for starting and mishandling the war, going on to suggest that "you are not honest" and "you are far more stupid than the worst of your critics has suggested."

Olbermann said last spring that he is not ideological but that his growing conviction about the administration's failings puts him "in the same part of the ballpark as a lot of liberals."

Scarborough, for his part, says: "I see my job now as someone who holds both parties accountable, and I think I've proven that over the last year. Probably I've held my own party to a higher standard than Democrats. The burden is on me to prove I'm fair and down the middle." Both Olbermann and Scarborough did put aside their views while anchoring campaign news shows.

Abrams, who was no shrinking violet back when he hosted his own show, says CBS is edging in a similar direction in trying to make Katie Couric "accessible and personable. . . . In cable news, the most honest thing we can provide for our viewers is the sense that you know where the host is coming from."Holding Back

For 10 weeks, Denver television reporter Paula Woodward tried to break the story about the Rev. Ted Haggard carrying on a gay relationship. She had the firsthand account of a male prostitute, Mike Jones, and copies of voice mails that Haggard, the head of the National Association of Evangelicals, had left for Jones. But Woodward was so cautious that she lost the scoop when Jones, frustrated by the delays, made his allegations -- under a pseudonym -- on a local radio show.

"We're very comfortable with the way we handled it," Woodward, a KUSA reporter, says. "We knew that the story, if true, would have a very dramatic impact on his life, his family's life and the church."

The station contacted voice experts, who said they could not verify the phone messages without a "first generation" recording of Haggard's voice. So, as Columbia Journalism Review reported, Woodward and her news director decided to use hidden cameras to tape Haggard entering and leaving Jones's apartment. That plan failed because Haggard, who always initiated the visits, stopped contacting Jones.

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After Jones went on the radio show this month, KUSA got an interview with Haggard -- who denied any misconduct -- and was able to use that tape to confirm the authenticity of the voice-mail messages. When the station reported that information the following day, Haggard resigned from the evangelical group and later admitted to sexual "immorality."

Woodward and her news director, Patti Dennis, insist they're not disappointed. "In my mind, we broke the story," Dennis says.Parting Words

It was a routine memo from USA Today's management, telling the staff that reporter Elliot Blair Smith would be leaving the paper for Bloomberg News and thanking him "for his excellent work."

But accidentally attached to the mass e-mail last week was a note from Smith, griping about how his last story was being handled. Smith, whose last day will be Friday, called the piece "the most powerful, the most explosive report on the most important financial story of the year. It required intense dedication. . . . It would take one hour of everybody's time to sit down and iron out any wrinkles that remain. One hour, I have that, don't you?" Smith said they should "close out the relationship with really substantial and meaningful actions, instead of these nice words below."

Well, at least everybody got both sides.

Howard Kurtz hosts CNN's weekly media program, "Reliable Sources."

AHIP Hop (WSJ)

The Wall Street Journal, November 20, 2006

Rising costs, an aging population, and a Democratic Congress mean the coming years are sure to see pressure for a larger government role in health care. So it's encouraging that America's private health insurers are thinking about ways to preserve a competitive market for health services. We only wish the proposals they released this month under the banner of their lobby group -- America's Health Insurance Plans -- did more to promote a genuine free market in health care.

AHIP's one really good idea is the creation of something called a Universal Health Account, which would end the tax bias that lets employers deduct health care expenditures but doesn't let individuals do the same. The employer-based private health care system has contributed significantly to cost inflation, because individuals generally aren't sensitive to the price of their treatment decisions. It also contributes to the perceived problem of the "uninsured," because a very large number of the 40-some million Americans classed as such every year are merely between jobs.

Congress took an important step toward equalizing tax treatment and encouraging portable, individually owned polices by creating Health Savings Accounts in the 2003 Medicare bill. HSAs combine a tax-free, high-deductible insurance policy with a tax-free savings account to pay smaller expenses. But while their take-up rate has been impressive, HSAs still represent only a small portion of the market. A Democratic Congress also isn't likely to be friendly to further HSA expansion on the grounds that high-deductible plans are only for the "healthy and wealthy."

Studies of HSA purchasers provide little support for the "health and wealthy" charge. But AHIP's Universal Accounts proposal transcends that debate by suggesting that any type of insurance plan -- even first-dollar coverage, if an individual so chooses -- ought to qualify for HSA-type tax treatment. This is a genuinely innovative proposal.

It wouldn't merely go a long way toward making insurance more affordable for those who don't get it from their employers. It would provide incentives to move beyond the employer-based insurance system. Instead, companies would be free to fund portable insurance policies for their employees much like they fund portable 401(k) retirement accounts. Such a Universal Health Account system would provide more security than the current one, which often keeps sick people tied to jobs for fear of losing coverage. We hope the idea gets a fair hearing.

Now for the bad news. AHIP suggests that the federal government make substantial matching contributions to help lower- and middle-income people buy into the Universal Health Accounts. This isn't necessary to make them affordable, and it might contribute to general health care inflation, just as federal subsidies have done for higher education.

For those at the very low end of the income scale, AHIP proposes bringing more people into Medicaid and the State Children's Health Insurance Program (S-CHIP). This strategy was already tried in the 1990s, without making any dent in the number of uninsured. Much of the money simply displaced private spending, and millions of people eligible for Medicaid simply don't bother to sign up.

The biggest disappointment is that the insurers aren't calling for a national market in health insurance -- which is essential if their Universal Health Accounts are to work as well as they should. In addition to the tax code, one of the biggest obstacles to portability and individual policy ownership is that insurance is governed by 50 different sets of state regulations. These rules can make insurance needlessly expensive (as in New York and Massachusetts), and the balkanized market curbs innovation and prevents the development of larger risk pools and economies of scale.

Congressman John Shadegg (R., Ariz.) has a bill that would let individuals in any state purchase insurance that's passed muster with regulators in any other state -- the same way they do with banking products such as credit cards right now. And if

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that's considered a non-starter for the next Congress, another alternative would be to create an optional federal insurance charter in addition to the 50 sets of state regulations. The current system is a special-interest anachronism in this age of the Internet and global commerce, and some of those special interests are members of AHIP. The Blue Cross/Blue Shield Association, for one, likes fragmentation because it has been able to dominate a number of local markets.

We understand the internal political limitations of a diverse organization like AHIP, and at least it has proposed an innovative idea in Universal Health Accounts. But if AHIP wants to be taken seriously as a proponent of market-oriented health care solutions, it's going to have to get consistent about letting markets work -- even if that would expose some of its own companies to more competition.

The Taxpayers' Chauffeurs (NYT)

The New York Times, November 20, 2006

The answer to one question raised by the scandal involving State Comptroller Alan Hevesi should be easy: public officials could take public transportation as a matter of public policy.

Instead, a lot of them manage to move from place to place, even from home to work, as comfortably as the very rich. They come and go courtesy of cars and chauffeurs (they like to call them drivers) paid for by taxpayers. And even though it is very hard to figure out how much these fleets actually cost, you can be sure it would be cheaper if these officials took a bus, subway or taxi or even drove and parked their own cars like the rest of us.

Nobody wants to deny a strong car and a beefy driver to an official who needs security, but now that Mr. Hevesi is facing investigations for using a state car and driver for his wife, there should be questions for everybody else in government enjoying those perks. Why, for example, should state agency heads have such unrestricted access to cars and drivers that at least one top official has been accused of using her car and driver to go shopping? Or, if security is the measure, why does a local prosecutor or judge who puts a violent gang member in jail have to drive home alone?

In some cases, chauffeur-driven officials quickly pay the state and the Internal Revenue Service for any personal use. Since he was caught, Mr. Hevesi has so far paid out more than $170,000 to cover the state-financed transport. Other public officials have hastened to repay even modest amounts. State politicians have repeatedly assured reporters in recent weeks that state cars or drivers are not allowed for personal use, but the questions clearly make them nervous. For example, Joseph Bruno, the Senate majority leader, was so irritated and flustered at the very question that he denied having a driver and then reassured everyone that the driver he did have had never done anything inappropriate.

Gov. George Pataki's use of airplanes and limousines has always been hard to track, since his schedule, like much of his administration, is top secret. But that picture is even murkier these days as administration staff members refuse to talk about the policy for car and driver use. They say we might draw a "moral equivalent" between Mr. Hevesi's car use and Governor Pataki's transportation use.

None of this would be a problem if the state would follow Mayor Michael Bloomberg's lead. Mr. Bloomberg, who is rich enough to commute by helicopter, prefers the subway. Early in his first term, he also took away the lights and sirens from New York City administrators accustomed to turning every routine trip across town into a mock emergency.

There are no subways in Albany, and the bus and taxi services are meager. But there is something to be said for anything that reminds public officials that they are no different from other citizens who struggle with traffic jams and subway doors and the ordinary hazards of moving about.

Apec Closes Ranks On N Korea Threat (FT)

By Caroline Daniel, Alan Beattie And Amy Kazmin In Hanoi

Financial Times, November 20, 2006

The 21 members of the Asia-Pacific Economic Cooperation (Apec) forum on Sunday presented a united front to North Korea, urging it to start dismantling its nuclear weapons programme.

US officials had wanted a formal published statement to show the combined resolve of countries in the region surrounding North Korea.

But they could manage only an oral statement, which was read out at a private session of the Apec leaders by Nguyen Minh Triet, Vietnam's president. South Korea later issued a transcript.

"The statement was very firm in the need for full implementation of the Security Council Resolutions, 1695 and 1718. What was important was the leaders of Apec coming together in a common statement," said David McCormick, an official at the US National Security Council.

The pressing matter of North Korea overshadowed the supposed substance of the gathering: talks to encourage economic integration in the Asia-Pacific region.

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However, the meeting agreed to commission a study on turning Apec, which stretches from Russia across Asia to the US, into a giant tariff-cutting "regional trade agreement", and gave rhetorical support for the resumption of the stalled Doha round of global trade talks.

But the Apec members made no new offers to reduce their own trade protection to get the Doha talks going again, and admitted that turning Apec into a so-called Free Trade Area of the Asia-Pacific was immensely complex and at best a long-term project.

The FTAAP plan evoked some opposition from business leaders, who said it was unworkable and had distracted attention from the Doha talks.

Apec, which contains a broad range of economies from poverty-stricken dictatorships through oil exporters to rich nations like the US and Singapore, has always taken a voluntary approach to liberalising trade.

Charles Morrison, international chair of the Pacific Economic Cooperation Council, a business grouping, said: "The trade-oriented Apec economies have no real alternative. Since Apec itself has no negotiating mechanism, it must depend on the WTO to achieve liberalisation."

Mr Morrison said that more concessions were needed from Apec members including Japan, Korea and the US in order to induce movement from the "laggards" outside the grouping, including India and the EU.

In bilateral meetings on Sunday, US President George W. Bush met Hu Jintao, China's president, and Vladimir Putin, president of Russia.

Mr McCormick said Mr Bush and Mr Hu had "a very lengthy and very positive discussion on North Korea" and had found "general agreement on the next steps".

Chinese officials ruled out any changes to the UN resolutions, which provide for sanctions against the reclusive communist state.

Liu Jianchao, foreign ministry spokesman, said the resolutions should not be "randomly interpreted" or expanded.

However, he added that the two leaders agreed that "North Korea should get the message that possessing a nuclear bomb will not have the support of the international community".

US officials have sought during the Apec talks to evoke the lessons of Vietnam, as an example to both North Korea and Burma, and to suggest a possible path to international approval.

Condoleezza Rice, US secretary of state, said the Vietnamese experience was instructive.

"If the leaders of Burma and North Korea were to follow the example of Vietnam, if they made the strategic choice and took the necessary steps to join the international community, then it would open a new path to peace and prosperity," she said.

At Close Of Economic Summit, Participants Offer Support For U.S. Policy On North Korea (LAT)

By James Gerstenzang

The Los Angeles Times, November 20, 2006

HO CHI MINH CITY, Vietnam — — The United States and its partners in the campaign to force North Korea to end its nuclear weapons program won the support Sunday of a broad summit of Pacific Rim nations, the latest effort to step up pressure in slow-moving talks with the isolated Pyongyang government.

The declaration was issued as an informal statement delivered by the conference host, the president of Vietnam, rather than a as a formal paper — a distinction suggesting a less-authoritative step.

It was issued at the conclusion of the annual meeting of the Asia-Pacific Economic Cooperation group, shortly before President Bush, who spent the weekend in Hanoi, flew to Ho Chi Minh City.

Bush came to Asia to attend the Pacific Rim economic summit. But issues of nuclear proliferation and security have formed the backdrop each day of his visit, from a speech in Singapore on Thursday in which he called for broad cooperation throughout the region to corral North Korea's nuclear weapons program, to the likely focus on Islamic-based terrorism this afternoon in Indonesia. Security concerns in Indonesia, the world's most populous Muslim nation, were limiting his visit to barely six hours.

At the conclusion of the Hanoi meeting, President Nguyen Minh Triet of Vietnam read a statement saying that North Korea's test of a nuclear device on Oct. 9, and its missile launches three months earlier, posed "a nuclear threat" to peace and security and to the summit nations' goal of a nuclear-free Korean peninsula. He called for full implementation of U.N. Security Council resolutions, which include the threat of sanctions to pressure North Korea to renounce its nuclear weapons program.

The statement came a day after South Korean President Roh Moo-hyun told Bush that his government could not commit to boarding North Korean ships suspected of carrying nuclear-related cargo.

White House officials Sunday cited the statement as a sign that the United States and its allies remained on the same track regarding North Korea. And David McCormick, a deputy White House national security advisor, said the failure to present the declaration as a formal, written document was not a setback.

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In a separate discussion, McCormick said, Bush and Chinese President Hu Jintao had agreed "on the path ahead" in dealing with North Korea. McCormick and White House Press Secretary Tony Snow said Bush and Hu had not set specific conditions to present to Pyongyang.

The Korean situation also formed a backdrop to a meeting between Bush and President Vladimir V. Putin of Russia.

China, Russia, Japan, the United States and South Korea, all members of the economic group, have been conducting on-again, off-again talks with North Korea over nuclear weapons. The North has only recently agreed to resume the six-party discussions intended to persuade it to end its weapons efforts, including such steps as the shutting down a five-megawatt nuclear reactor.

"The North Koreans have to demonstrate seriousness," Snow said to reporters aboard Air Force One as Bush flew south to Ho Chi Minh City. Bush has said that among the measures the United States would offer to entice North Korea to cooperate would be a formal declaration that the Korean War, fought more than 50 years ago between the North and South, was at an end. Such a statement has never been made in the past. The summit also produced what U.S. officials presented as a strong commitment to renewed global trade talks, which have broken down despite pledges to liberalize international trade practices through reduced tariffs and subsidies and greater market access.

Reflecting the political pressure that makes trade pacts increasingly difficult to achieve, the summit called for consideration of an already expressed goal of a free-trade zone encompassing the nations of the Pacific Rim in the Americas and Asia.

As expected, U.S. and Russian representatives signed an arduously negotiated trade agreement that is a key step in Russia's joining the World Trade Organization.

The president plans to use his morning schedule today in this vibrant city, still remembered as Saigon — its name until the communists emerged victorious from the Vietnam War in 1975 — to draw attention to the Vietnamese government's program to modernize the economy through market reforms. The national economy grew 8.4% last year.

His planned stops included a visit to a capitalist institution with a decidedly communist name: The Ho Chi Minh City Securities Trading Center — the stock exchange, albeit a state-controlled agency, named after the revolutionary leader.

But while Bush's focus was on economic shifts, Vietnam's record on political and religious rights came into question.

Philosophy professor and political activist Nguyen Chinh Ket said in a conference call with reporters that police agencies prohibited him and several other dissidents from conducting a news conference at the Sheraton Hotel in the glitzy, but small, heart of Ho Chi Minh City. Ket said he was not allowed to leave his home, and another activist was detained by police. Police also interfered with plans of a Buddhist group to conduct a protest Sunday calling for greater freedom of religion in Vietnam, according to the activist.

Bush was to fly out of Ho Chi Minh City from Tan Son Nhat Airport, which was the main air operations center for the U.S. military during the Vietnam War.

Early Sunday morning in Hanoi, the president and Laura Bush attended an interdenominational worship service at the Cua Bac Cathedral that combined elements of the Roman Catholic liturgy and an evangelical service. It was conducted in Vietnamese and largely in song.

"A whole society is a society which welcomes basic freedoms, and there's no more basic freedom ... than the freedom to worship as you see fit," the president said, using his visit to the cathedral to signal continuing pressure on the communist government to allow unrestricted practice of religious beliefs.

His attendance, he said, was "our way of ... urging societies to feel comfortable with, and confident in saying to their people, if you feel like praising God you're allowed to do so in any way you see fit."

The church seats approximately 500 people in wooden pews; it was not full on Sunday.

Leaders Achieve Little On NKorea At Asia Pacific Summit: Analysts (AFP)

By Peter Harmsen

AFP, November 20, 2006

Closed-doors diplomacy at a regional summit in Vietnam came nowhere nearer to resolving the crisis over North Korea's nuclear dream, analysts say -- and may even have made matters worse.

The Asia Pacific Economic Cooperation (APEC) forum meeting in Hanoi voiced its "strong concern" over Pyongyang's shock October 9 nuclear test -- unlikely to please the North's easily offended leader Kim Jong-Il, they argued.

Leaders endorsed UN sanctions and called for an early restart to six-party talks on dismantling the North's weapons drive.

"This is most likely to stiffen Kim Jong-Il's resolve," said Ken Quinones, a professor of Korean Studies at Japan's Akita International University.

"He wishes to avoid any appearance of bowing to international pressure."

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A succession of nations attending in Hanoi condemned the North's test, with even old ally China agreeing Pyongyang "should get the message" that the world community would not let it possess nuclear weapons.

But amid the tough talk, the meetings in the Vietnamese capital made little headway beyond a call for "concrete and effective steps" to implement a 2005 deal that would have North Korea renounce nuclear weapons in return for aid.

"Nothing that was achieved at APEC with regards to North Korea could not have been achieved by officials working on the phone," said Paul Harris, an expert on US foreign policy at Hong Kong's Lingnan University.

Expectations had been inflated by the fact APEC brought together leaders from five of the parties in on-off six-nation talks on North Korea's nuclear program -- the United States, China, Japan, South Korea and Russia.

They managed to meet in a criss-cross pattern of bilateral and trilateral forums, but never sat down together.

It partly reflected fears that North Korea -- the sixth party -- might feel the rest were ganging up on it and extend a boycott that has left the process in limbo for more than a year.

It also reflected frustration at US international diplomacy, according to observers.

"The assumption was that the Americans would enter the room and try to get everyone to come around to their position. That's not a negotiation," Harris said.

With five nations present but communicating imperfectly, and one absent and communicating hardly at all, there was no easy answer to when a next round of six-nation talks would take place.

Instead, officials came out of meetings with slightly altered versions of the same basic message: Talks should resume as soon as possible, meaning early December, if everyone agreed.

That would seem to rule out November, which had otherwise been raised as a possibility a fortnight before when North Korea agreed to return to the table, possibly forced to do so by UN sanctions triggered by its test.

US officials said Christopher Hill, the chief US delegate to the six-party talks, was to go to Beijing to meet his Chinese counterpart Wu Dawei early this week.

Another much-repeated appeal was for the next round to produce "substantive results".

No one actually described in more specific terms what was meant by this -- probably for good reason, according to observers.

"All of the parties would rather wait and see, so they can define success as whatever happens in the future," said Harris.

Some analysts saw the general absence here of results on North Korea as a failure of US leadership, following the Republican Party's defeat in mid-term elections earlier this month.

"Bush came to Hanoi a lame, walking, quacking duck. The Asian leaders have begun the process of distancing themselves from him," Jeff Kingston, director of Asian studies at Temple University's Tokyo campus, told AFP.

"The brief unity that we saw right in the wake of the nuclear test has unravelled a bit," he said.

As unity seemed ever more elusive, the fate of the six-nation talks may be hanging in the balance, caught in a complex game of bluster and make-believe that was only getting more complicated as time passed, observers said.

"Just like Bush does not wish to reveal that the US election outcome has softened him, Pyongyang likewise wishes to avoid any appearance that UN sanctions has softened it," said Quinones.

"The impasse appears to endure."

APEC Leaders Speak Out On N. Korea Nukes (AP)

By Paul Alexander

AP, November 20, 2006

They would not put it in writing, but the Pacific Rim's often-divergent leaders joined together Sunday to say they worry about North Korea's nuclear weapons program and to urge the reclusive country to resume disarmament negotiations.

The verbal statement capped five days of diplomatic discussions in the aftermath of the North's first nuclear test on Oct. 9, which raised concerns about proliferation in the region. But the method of delivery provided a curious culmination to the issue that overshadowed the economic topics that are the core of the 21-member Asia-Pacific Economic Cooperation forum's mission.

Even some of the participants were unsure why the statement was not issued in written form, just orally at the end of the two-day leaders' summit and by Vietnam's president at a news conference after reporters asked him about it.

"We are seeking an explanation for that," Canadian Prime Minister Stephen Harper said. "We don't understand why it wasn't included since it was a joint statement and it was unanimous."

David McCormick, an official with the U.S. National Security Council, denied that getting only an oral statement from the summit represented a setback, and said the White House was pleased with the toughness of the wording.

"The statement was very firm in the need for full implementation" of U.N. resolutions on North Korea, McCormick said. "What was important was that the members of APEC came together on a common statement."

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The statement urged North Korea to take concrete steps to live up to earlier commitments to stop developing atomic bombs.

"We express our strong concern over the July 4-5 missile launches and Oct. 9 nuclear test conducted by (North Korea), which poses a clear threat to our shared interest of peace and security and our shared goal of achieving a nuclear weapons-free Korean peninsula," it said.

Meanwhile, North Korea's Minju Joson newspaper on Sunday accused South Korea of building up arms in order to attack the country.

"The South Korean military is openly clamoring that the development and introduction of new weapons are to target the North," the paper said, according to the country's official Korean Central News Agency. "Confrontation with fellow countrymen is a suicidal act of digging their own graves. War knows no mercy."

Pyongyang accused South Korea of conspiring with the United States to attack the isolated and impoverished state, an accusation made frequently by the North and routinely denied by the U.S.

It appeared that some APEC members, worried about how security and political issues have increasingly impinged on the group's economic focus, felt that the U.N. and other forums are more appropriate for a written statement.

And while North Korea is not an APEC member, some countries are sensitive to the issue of interfering in other nations' affairs.

APEC provided a chance for the U.S., China, Japan, Russia and South Korea to try to work out a unified strategy as they prepare to resume nuclear negotiations with the North a year after it walked out. The talks could resume as early as next month.

President Bush and Chinese President Hu Jintao met Sunday and agreed that "North Korea should get the message that possessing a nuclear bomb will not have the support of the international community, but rather will meet opposition," said Chinese Foreign Ministry spokesman Liu Jianchao.

While virtually everyone agrees that North Korea's nuclear weapon and missile tests could lead down a dangerous path to further proliferation, differences remain on the best strategy for dealing with the North, which has used brinksmanship to gain aid and security guarantees.

"I don't think North Korea would want to give up something they regard as something precious to them, something that gives them a certain pride and position," Malaysian Prime Minister Abdullah Ahmad Badawi said.

"These are realities that we cannot deny, but if we can give them hope of something else they can get ... maybe it could pave a way to come up with a solution, but it's going to be very difficult."

It appeared that the U.S. did manage to get one North Korea-related addition in the summit's final written declaration which appeared to endorse the financial sanctions that Washington imposed on the North over alleged currency counterfeiting and money laundering. The sanctions sparked North Korea's boycott of the six-party talks.

U.S. Stance On North Korea Hits Hurdles At Summit (WSJ)

By Yochi J. Dreazen And Evan Ramstad

The Wall Street Journal, November 20, 2006

HO CHI MINH CITY, Vietnam -- The Bush administration's efforts to raise international pressure on North Korea to abandon its nuclear program hit a series of roadblocks at a weekend Asian summit.

President Bush came to Vietnam for the Asia-Pacific Economic Cooperation summit in Hanoi hoping to bolster the coalition of neighboring nations arrayed against North Korea, which sparked global fears after successfully testing a nuclear warhead. The U.S., Russia, China, Japan and South Korea are set to resume negotiations with North Korea in coming weeks, and the White House wants to maintain a united front there.

During his private meetings, Mr. Bush repeated that the U.S. is committed to finding a diplomatic solution to the stand-off and was prepared to give Pyongyang significant political and economic concessions if it dismantled its nuclear program. The other nations, however, made clear that they were unwilling to fully embrace the U.S. strategy, and several suggested they preferred to take a more conciliatory approach.

The U.S. was unable to persuade the other 20 APEC member states to issue a written statement about North Korea's nuclear program. The Bush administration settled for Vietnamese President Nguyen Minh Triet taking the unusual step of delivering a statement to reporters in Hanoi expressing concern about North Korea.

On Saturday, South Korean President Roh Moo Hyun told Mr. Bush that his country wouldn't be "taking part in the full scope" of a U.S.-led plan to interdict North Korean nuclear shipments, the latest sign of the ongoing dispute between Washington and Seoul over how hard a line to take with North Korea.

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U.S. officials said they were satisfied with their diplomatic achievements on Mr. Bush's Asian swing, which continues today with a half-day visit to Indonesia. Administration officials noted Mr. Triet's statement was toughly worded and represented the unanimous view of the APEC countries.

White House officials said Mr. Bush used at least one of his private meetings with other leaders to detail the incentives the U.S. was prepared to give North Korea if it gave up its nuclear program. Administration spokesman Tony Snow said Mr. Bush told Mr. Hu that the U.S. would be willing to declare an official end to the 56-year-old Korean War, which is technically in a ceasefire, and provide economic aid to communist North Korea. Mr. Snow and other officials have said that the U.S. would be amenable to holding an armistice signing ceremony.

Declaring the conflict at an end could allow Pyongyang to trim its massive military spending and use the money for economic development, officials said. Pyongyang has long sought a peace treaty that formally ends the conflict. Analysts say the North's leader, Kim Jong Il, may be attracted to sharing a stage with leaders from the U.S. and other countries that treat him as an outcast.

The diplomatic efforts follow North Korea's Oct. 9 test of a nuclear device, which provoked widespread condemnation and led the United Nations Security Council to impose new sanctions on the country. Three weeks ago, North Korea said it would return to six-party talks with the U.S. and other countries, which are expected to resume next month in Beijing.

Pacific Rim Statement On N. Korea Falls Short Of What Bush Sought (WP)

By Michael A. Fletcher

The Washington Post, November 20, 2006

HO CHI MINH CITY, Vietnam, Nov. 19 -- President Bush arrived in this bustling financial center Sunday after achieving mixed results in his effort to persuade Pacific Rim countries to press North Korea to abandon its nuclear weapons.

The two-day Asia-Pacific Economic Cooperation forum in Hanoi concluded with its members agreeing to an oral statement urging North Korea to follow through on pledges to dismantle its nuclear weapons program.

Bush pressed the leaders at the summit, including Chinese President Hu Jintao in meetings Sunday, to implement a coordinated effort on North Korea. Bush has restated his willingness to offer North Korea incentives, including security guarantees and economic help, if it agrees to disarm, but has promised further isolation if the country refuses.

Bush had hoped for a formal, written declaration from APEC members on the issue but was forced to settle for the statement read aloud by Vietnamese President Nguyen Minh Triet at the summit's closing session.

The statement expressed "strong concern" about North Korea's first nuclear test, which took place in October, and missile launches in July, and called on the country to take "concrete and effective" steps toward abandoning its nuclear weapons as called for in a U.N. resolution.

David McCormick, a deputy national security adviser, called the statement a step forward and said it reflected a "common view on the importance of successful implementation of the resolution."

Weeks after the nuclear test, North Korea agreed to resume negotiations with the United States, Russia, China, Japan and South Korea on ending its program. No date has been set to restart the so-called six-party talks, but Bush administration officials say they want to be certain that North Korea will not use a continuation of the talks to ward off international pressure while it continues to develop weapons.

Bush also met with Russian President Vladimir Putin after the signing of an agreement between the two countries supporting Russia's entry into the World Trade Organization.

"This is a good agreement for the United States," Bush said. "And it's an equally important agreement for Russia."

Bush and Putin discussed the North Korean nuclear question and a proposal for U.N. sanctions against Iran for its nuclear program.

Though the North Korea issue dominated Bush's agenda at the summit, APEC leaders agreed to explore several trade issues, including the possibility of establishing a free-trade zone that would span the Pacific Rim. The leaders also endorsed a plan aimed at preventing the spread of avian flu and AIDS.

APEC, which brings together the leaders of its 21 member nations, also serves as a meeting place for hundreds of leading business executives from around the globe who travel to its annual conferences in search of new opportunities and markets.

The event has served as an opportunity for Vietnam, a one-party Communist state, to showcase its dramatic economic growth and vast economic potential since embracing private enterprise over the past two decades.

During his brief visit to Ho Chi Minh City, Bush was scheduled to attend a meeting of business leaders and visit the stock market.

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Three decades after this city, formerly known as Saigon, fell to Communist forces, ending the Vietnam War, its business center is bursting with activity. Gleaming hotels, chic coffee bars and neon-lit karaoke joints increasingly attract an international clientele to the high-paced hub of commerce.

Bush was set to travel next to Indonesia, the world's most populous Muslim nation. He is scheduled to meet with President Susilo Bambang Yudhoyono and attend a dinner, but not spend the night. Word of Bush's visit has sparked large protests in Indonesia, as well as threats against Bush from Islamic radicals.

After leaving Indonesia, Bush will fly to Honolulu, where he plans to have breakfast with U.S. troops and meet with military commanders before returning to Washington.

Trade Trumps Politics As U.S. Explores Vietnamese Markets (USAT)

By David Jackson

USA Today, November 20, 2006

HO CHI MINH CITY, Vietnam — America's consumer culture is well on its way to doing what the U.S. military could not: win in Vietnam.

From the alleys of Hanoi to the boulevards of Ho Chi Minh City, the ancient arts of silk- and ceramic-making are joined by multinational products from Levi's jeans to KFC chicken to Nike sneakers.

ConocoPhillips has more than $1 billion in oil projects and Ford has a $100 million assembly plant in Vietnam, according to the U.S. Embassy here. Silicon-chip-maker Intel plans to build a $1 billion test-and-manufacturing plant here. Vietnam has a 1,000-plus-member American Chamber of Commerce.

Vietnamese consumers care most about making a living and providing for their families, says Vo Thi Bich Lan, a youth development coordinator in Ho Chi Minh City. “We don't care about the politics.”

Global trade issues dominated the Asia-Pacific Economic Cooperation forum President Bush attended this weekend in Hanoi. He sought to expand the U.S. business presence in Vietnam and other parts of Asia.

Bush met with leaders from Vietnam, China, Russia, Japan, Australia and South Korea, urging an expansion of free trade.

However, Bush headed to Vietnam without congressional approval to widen Vietnam trade more quickly.

Today, Bush plans to underscore U.S. commercial ties by visiting Vietnam's stock market before he heads to Indonesia, where crowds Sunday protested Bush's visit.

Normalizing trade relations would ramp up growing investment in Vietnam, three decades after helicopters plucked Americans from Saigon roofs as the communist army closed in.

It's still the Socialist Republic of Vietnam, but “the Vietnamese people are just inherently entrepreneurial,” says Chuck Searcy, an American who lives in Hanoi. Searcy, a Georgia native who raises money to find and disarm unexploded ordnance dropped during the Vietnam War, says locals have a saying about trade: “Three women and a duck make a market.”

Economic expansion helps political freedom, Bush said last week, adding that “by opening up to trade, countries build wealth and empower their citizens.”

Democratic change depends on more than increased economic opportunities, says Diem Do, chairman of the opposition Vietnam Reform Party. The Vietnamese people and international community must also push for change, he says.

Vietnam is still no capitalist paradise, according to a U.S. Embassy report. U.S. companies that want to invest there complain of corruption, the lack of intellectual property rights and too much government bureaucracy, the report said.

U.S. companies are among the top three investors in Vietnam, despite the problems, said Virginia Foote, president of the U.S.-Vietnam Trade Council.

American attempts to reach potential customers can be seen on the narrow streets of Hanoi's Old Quarter, where the streets are named after silk, paper and silversmith guilds that have practiced for six centuries. Battalions of honking motorbikes roar past tube-shaped buildings apt to sell Pampers, Batman dolls or Levi's.

Business seems to be thriving in Ho Chi Minh City. Aggressive young peddlers follow visitors for blocks, selling bike tours, shoe shines or postcards with the same pitch: “Why don't you buy from me? Real cheap. One dollar!”

Though Vietnam has no McDonald's, not far from the former U.S. Embassy compound in Ho Chi Minh City sits Ga Ran Kentucky, a fried-chicken restaurant complete with the smiling, white-goateed visage of Col. Harland Sanders.

In Ben Thanh Market, Kouo Kiev My sells souvenirs, ceramic Buddhas and wooden elephants, and makes $100 a month.

She says the experience should help her move up in the world as she tries to learn English and how to run a business.

“I can meet the customers,” she says. “And I like the money.”

Bush Visits Now Bustling Symbol Of U.S. Defeat (NYT)

By David E. Sanger And Helene Cooper

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The New York Times, November 20, 2006

HO CHI MINH CITY, Vietnam, Monday, Nov. 20 — President Bush ventured into this booming, wildly capitalist commercial center of an ostensibly Communist Vietnam on Monday morning, speeding off to the stock exchange to talk with local business leaders before preparing for a quick visit to Indonesia.

His visit here, where he was also to tour the government-run Pasteur Institute to highlight work on avian flu and AIDS prevention and treatment, concludes three days in the country that have been dominated by his efforts to hold together reluctant partners — notably China, South Korea and Russia — to step up pressure to dismantle the nuclear programs of Iran and North Korea.

In both cases, he found progress agonizingly slow, though there was more evidence of unity in dealing with North Korea.

On Sunday, Mr. Bush formally signed an agreement that paves the way for Russia's entry into the World Trade Organization, a step that China took years ago and that Russia has long struggled to match.

As he has throughout his trip, Mr. Bush has avoided dwelling on America's past with Vietnam, though it is difficult in a city like this one, filled with so much potent symbolism of American defeat.

For many Americans, the imagery of this teeming, chaotic place is fixed in 1975, when the last Americans were evacuated by helicopter. Mr. Bush sped past the evacuation spot on his arrival here, but made no stops that would invite comparisons to the current debate over whether the United States should stay or retreat from Iraq.

He steered clear of the other sites that so dominated American politics in his youth, and spent the night at one of the gleaming new hotels that dot the skyline, rather than one of the old haunts, like the Continental, the Rex and the Caravelle, where official Washington once struggled to manage a losing effort.

Instead, he made an unannounced stop for dinner with Prime Minister John Howard of Australia at a trendy restaurant in a neighborhood that symbolizes the new Saigon — the name local people insist on using for a city that was renamed immediately after the Communist victory.

After dinner, Mr. Bush mounted the running board of his waiting limousine and waved to a crowd of curious, mostly younger Vietnamese who jammed the streets as news of his arrival spread. There were muted cheers.

In a trip that has focused relentlessly on the future, Mr. Bush urged China's leader, Hu Jintao, to create "a nation of consumers and not savers, which will inure to the benefit of our manufacturers, both large and small, and our farmers, as well." It was an echo of what Mr. Bush's father used to urge in his visits to Japan, in hopes of closing the trade gap.

At the meetings of the Asia-Pacific Economic Cooperation forum in Hanoi over the weekend, Mr. Bush talked about exploring new free trade arrangements for Asia — a long-sought but still distant goal — and Secretary of State Condoleezza Rice used the case of Vietnam as an instructive example of economic reform.

In a speech in Hanoi, she said that "20 years ago the leaders of Vietnam took a hard look at their isolated economy, and they made a strategic choice to begin reforms." In fact, they have turned to serious reforms only in recent years.

Mr. Bush's spokesmen said that he and the leaders of Japan and China saw "eye to eye" on steps needed to press North Korea.

But the spokesmen did not use those words to describe talks with the South Koreans, who have been particularly reluctant to fully join efforts to intercept suspected illicit shipments of arms, or to cut off economic links after the North's nuclear test.

Christopher R. Hill, the chief American negotiator with North Korea, is to fly to Beijing this week to try to work out a mix of incentives for the North and to persuade the Chinese to push for a symbolically important dismantling of part of North Korea's weapons complex. That last step is one the North Koreans have not yet indicated they are ready to take before negotiations resume.

Russia has continued to balk about imposing major sanctions against Iran, which has continued to defy a United Nations Security Council call for full suspension of its enrichment of uranium.

Rather than dwell on those differences in public, Russian and American officials celebrated an agreement to allow Russia to enter the W.T.O. after 10 years of stop-and-go negotiations, and talks that began shortly after the collapse of the Soviet Union.

"We support Russia's accession into the W.T.O.," President Bush announced in Hanoi after a meeting with President Vladimir V. Putin on the outskirts of the Asia-Pacific meeting.

American officials said the agreement with Russia was reached in principle more than a week ago, after the two countries gradually worked out nagging disputes on issues like agriculture inspections, chicken exports to Russia and intellectual property protection.

Susan C. Schwab, the United States trade representative, said the pact should bring a significant increase to global trade.

Her Russian counterpart, Economy Minister German Gref, was equally effusive at the signing ceremony on Sunday. "Undoubtedly, this agreement is a very substantial milestone in the full integration of Russia into the global economy," he said.

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Mr. Putin has repeatedly said that joining the W.T.O. is a major foreign policy goal, although Russia's oil-driven economy will get few direct gains from membership in the organization, which sets the ground rules for globalization. But joining would give Russia a voice in world trade talks, with the potential to help set future trade policy.

The agreement with the United States means that Russia has passed the last major barrier to its entry into the 149-member world trade entity.

But Russia still must win approval from Moldova and Georgia, countries with grievances over a Russian ban on importing wine. Those countries could further delay a final deal on W.T.O. membership, although trade officials have said they expect that Russia will manage to find a way to resolve the issue.

Forum Vows To Revive Trade Talks (WSJ)

By James Hookway

The Wall Street Journal, November 20, 2006

HANOI, Vietnam -- The U.S. and other Pacific Rim countries said they were prepared to cut farm subsidies and tariffs to revive stalled world trade talks, putting pressure on other economic powers such as the European Union, Brazil and India to follow suit.

Leaders at the summit of the 21-member Asia-Pacific Economic Cooperation forum also said they would consider a free-trade area of their own if the global talks fail.

The initiative may not break the deadlock over politically sensitive farm subsidies that stalled the so-called Doha Round of talks, which began in 2001 under the auspices of the World Trade Organization. Some trade officials attending the summit say global trade talks could remain on hold despite the offer.

Without detailing specific measures, the Pacific Rim countries said they would be ready to cut subsidies, but added that "other [countries] must also signal their readiness and resolve" to do the same.

The EU's trade chief said APEC's offer could lead to a fresh round of Doha discussions next year. "If all negotiating partners live up to the terms of that statement, then we have a greater hope of a resumption of negotiations," EU Trade Commissioner Peter Mandelson told reporters in New Delhi.

In a closing statement of the APEC summit, the leaders warned that failing to secure a WTO trade deal could have "grave" economic consequences. In case global talks don't resume, APEC leaders agreed to study a possible backup plan: a free-trade area covering the Pacific Rim's largest economies and including countries that now account for about half the world's trade. APEC members include the U.S., Japan, South Korea, China, Russia, Australia, the 10 members of the Association of Southeast Asian Nations and several Latin American states.

Several leaders at the summit said the resumption of the WTO talks was the ideal way to push the free trade agenda, but they added they were willing to consider alternative options, such as a Pacific Rim free trade agreement, if necessary. "The key game has to be the WTO," said New Zealand Prime Minister Helen Clark. "But if Doha stumbles so badly that it went into suspension for years, then of course a [free trade] agreement which covers...60% of the world economy is very attractive for us."

The idea of an APEC free-trade area was introduced in 2004. It was quickly dropped, largely because hopes were still high the WTO negotiations could provide a more direct route to freer trade.

The U.S. revived the idea this year, in part, trade analysts say, to create momentum to nudge talks at the WTO back on track. President Bush pushed the plan during his meetings with several regional leaders, said the U.S. deputy national security adviser for foreign affairs, David McCormick.

The U.S. is also wary that China is pushing for its own free-trade pact with the dynamic economies of Southeast Asia, including Indonesia, Malaysia, Singapore, Thailand and Vietnam.

At the same time, Washington's own bilateral free-trade discussions with Malaysia, South Korea and Thailand have become bogged down.

The authority for American trade negotiators to seal deals without line-by-line scrutiny in Congress is also set to expire in the middle of next year. After the Democratic Party won control of Congress in the midterm elections this month, it is uncertain whether that authority -- which has already produced free-trade deals with Australia and Singapore -- will be extended.

Russia Signs Key Trade Deal With U.S. (AP-Y)

By Alex Nicholson

AP, November 20, 2006

Russia and the United States signed a key trade agreement Sunday, removing the last major obstacle in Moscow's 13-year journey to join the World Trade Organization.

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The deal, inked on the sidelines of a gathering of Pacific Rim economies, is a powerful vote of confidence in Russia — the largest economy still outside the 149-member WTO — and signals its integration into the global trading system.

It also marks a bright spot in the two countries' relations that have been marred by disagreements over Iran's controversial nuclear program and Washington's fears of a roll back of democratic freedoms under Russian President Vladimir Putin.

"I am very pleased to be here today to have the opportunity to celebrate this very important milestone as Russia moves one important step closer to becoming a member of the WTO," said U.S. Trade Representative Susan Schwab.

"Russia belongs as a full-fledged member of the WTO," she said. "We look forward to continuing these efforts to improve the economic and commercial ties between our two nations."

Russia's Trade and Economic Development Minister German Gref called the deal a "historic step — the last step — that signifies the return of Russia to the market principles of the world economy."

As part of the deal, Gref said that Russia had pledged to cut import tariffs on a range of goods — including aircraft, computer technology, agriculture and machinery.

Speaking after the signing ceremony Gref defended those concessions. "I think we found the necessary balance. On all positions that were sensitive for us we found a compromise."

The two countries also managed to overcome the high-profile question of Russia's shaky record on protecting intellectual property rights. Pirated films, music and software in Russia cost U.S. companies nearly $1.8 billion in 2005.

Schwab said that while talks with Russia on the piracy question would continue at the stage of multilateral negotiations, she expressed satisfaction with Russia's progress: "We believe that the bilateral agreement is very good."

Before it can join the WTO, Russia must consolidate the bilateral agreements it has forged with 57 countries. Gref said he expected that process to be completed by the middle of next year.

After that, the WTO needs to vote to approve its membership. But some questions remain.

Georgia and Moldova have threatened to block Russia's bid because Moscow has blocked key exports from those nations.

"Without Georgia's consent, Russia will not join this organization. And Georgia has not given its consent so far," Deputy Economic Development Minister Vakhtang Lezhava said on Georgian television.

Gref warned Georgia against "influencing trade issues through political means."

"Hopefully in the near future we will come to an agreement with Georgia," he was quoted as saying by the ITAR-Tass news agency.

Membership in the WTO would mean Russia, a big oil and gas exporter, would receive the same favorable tariff rates for its products as other members. Also, Russia and other member countries would have to follow WTO rules in trade disputes.

Freer trade would give Russian companies more opportunities to sell their goods on world markets. Joining the WTO also might make its sizable market of potential customers even more attractive to companies in the U.S. and elsewhere.

"This creates a favorable background for all our activities, including solving complicated international problems," Putin said after holding a bilateral meeting with President Bush after the conclusion of the Asia-Pacific Economic Cooperation summit.

The deal was widely anticipated. On Nov. 10, both sides announced that all the main questions had been settled and all that remained was for a few technical questions to be nailed down.

Before the U.S. can trade with Russia under a WTO agreement, Washington must establish normal trade relations with Moscow.

For that, Congress would still have to pass legislation removing Russia from the 1974 Jackson-Vanik amendment, which ties Russia's trade status to whether the country is allowing Jews to freely leave the country.

Though the amendment is widely considered an anachronism, the newly elected Congress, which convenes in January, will be controlled by Democrats, who are less receptive to free-trade agreements than Republicans.

About four months ago, U.S. and Russia had appeared on the verge of an agreement. But in a major embarrassment for Moscow, it failed to materialize — right before the summit of leaders of the world's wealthiest countries that Putin was hosting in St. Petersburg.

Observers have suggested that the deal with the U.S. may have been used as a political incentive to encourage Moscow to back a U.S. proposed sanctions package, punishing Iran for its controversial nuclear program.

Beijing, Seoul To Talk Trade (WSJ/AP)

The Wall Street Journal, November 20, 2006

BEIJING -- China and South Korea will start talks next year on the feasibility of a free-trade agreement, China's official Xinhua news agency reported.

Xinhua said an agreement on the talks was reached at a meeting late Friday between Chinese Commerce Minister Bo Xilai and South Korean Trade Minister Kim Hyun Chong.

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The negotiations will be held at government and industry levels.

The exploratory talks "will look into the effect of the FTA on the macroeconomies of both countries, the effect of trade liberalization on industries, [and] the arrangements for sensitive products and industries," Xinhua said.

China replaced the U.S. as South Korea's largest trading partner in 2004, while South Korea is China's sixth-largest trading partner and its fourth-largest source of overseas investment, Xinhua said.

South Korea is also working on a free-trade agreement with the U.S. The two nations held a fourth round of talks last month but won't wrap up negotiations on an agreement this year as originally planned.

Weakened Bush Must Wage Fight For Free Trade (RC)

By Morton M. Kondracke

Roll Call, November 20, 2006

Having failed to convince fellow Republicans of the merits of comprehensive immigration reform, President Bush now faces the even more difficult task of defending free trade against protectionist Democrats.

A tide of populism, protectionism, nationalism and xenophobia is washing over the country, fueled by right-wing radio talk show hosts, CNN firebrand Lou Dobbs — and legitimate concerns that U.S. workers are falling behind in the global struggle for jobs and good wages.

Anti-globalization is a worldwide phenomenon, in fact, that's being exploited by populist demagogues such as Venezuela's Hugo Chavez, whose influence is spreading in Latin America.

Even though his influence is at its all-time lowest ebb, Bush somehow needs to mount a campaign to convince Americans that their continued prosperity depends on an open world trading system.

Election exit polls confirmed that the country generally supports Bush on immigration — 57 percent of voters said illegal workers should have a chance to stay in the country — but other polls indicate Americans are fearful about trade.

A Gallup Poll in April showed that by a margin of 65 percent to 30 percent, Americans believe workers are "mostly hurt by increased trade between the United States and other countries."

Last July, the House passed the Central American Free Trade Agreement by a mere two votes, with only 15 Democrats in support. That history bodes ill for Bush's upcoming trade agenda, including renewal of "fast-track" negotiating authority and the already-negotiated agreements with Peru and Colombia.

The House last week even declined to pass an agreement with Vietnam that totally benefited the U.S. by opening Vietnam's markets to U.S. goods, in the process embarrassing Bush as he was headed to the Asian economic summit in Hanoi.

The rejection stemmed partly from other reasons, such as antipathy toward the high-handedness of outgoing House Ways and Means Chairman Bill Thomas (R-Calif.), and the bill is slated to pass eventually. But it was still a symbolic post-election bash to the idea of free trade.

By one estimate, 27 victorious Democratic House candidates campaigned at least partly against free trade. Ohio's winning Senate candidate, Rep. Sherrod Brown (D), is one of Congress' most vociferous opponents of trade agreements, including those promoted by the administration of former President Bill Clinton.

What's more, with the ascendancy of China critic Rep. Nancy Pelosi (D-Calif.) to Speaker, U.S. relations with that trading giant likely will come under pressure. Congress may well pass an across-the-board 27.5 percent tariff on Chinese imports as punishment for China's manipulation of its currency.

Bush almost certainly would veto the measure, which is sponsored by Sens. Charles Schumer (D-N.Y.) and Lindsey Graham (R-S.C.), but the exercise will put the administration on defense.

Moreover, a Democratic Congress is likely to increase farm subsidies, making it all the more difficult to win the market-opening concessions from Europe that are needed to revive the stagnant Doha round of world trade negotiations.

The administration needs to mount a four-part strategy: a vigorous public education process to change attitudes on the merits of trade, an aggressive effort to fight trade cheating by China and other rivals, a serious upgrade of programs to help workers cope with the effects of trade, and a change of policy on including labor and environmental standards in future trade agreements.

Bush, Treasury Secretary Henry Paulson and others have delivered their share of speeches on trade, but Bush needs to devote a substantial portion of his State of the Union address to the subject and motivate pro-trade forces in the country to educate the public.

The fact is, exports of goods and services accounted for 10.4 percent of U.S. gross domestic product in 2005 and 20 percent of GDP growth for the year.

Manufacturing exports have increased 82 percent over the past decade, and they provide more than 5.2 million jobs, one-sixth of all the manufacturing jobs in the country. One-third of all agricultural acreage in the U.S. is planted for export.

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Moreover, imports help control prices in the U.S. — a benefit that makes Wal-Mart a boon to the middle class, not a blight — and U.S. investments in the U.S. ("insourcing") are responsible for 6.4 million jobs.

If U.S. markets are closed to foreign products, other countries will close their markets to U.S. exports, costing jobs and economic growth both here and all over the world. Developing countries, especially, will be doomed to poverty — and discord — if they cannot sell their products in the developed world.

Bush administration officials insist they are doing all they can to combat unfair trade practices by China and other countries, but they will have to be more public — and, if needed, confrontational — as part of an effort to win public support for free trade.

As even Paulson acknowledged in his first public speech in August, "Many Americans aren't feeling the benefits" of the expanding U.S. economy. Productivity gains are benefiting upper-income and well-educated Americans, but not average workers.

Wage growth was stagnant for the first five years of the Bush administration. Real wage growth for the past year was 2.8 percent, but it has come late in the recovery, amid signs that the economy already is softening.

Administration officials say the productivity-wage lag for less-educated workers is a 25-year phenomenon and that the answer is improving worker skills. If that is the administration's only answer, it needs to be more aggressive in promoting it.

At the same time, it ought to work with Democrats to find other solutions, such as Brookings Institution scholar William Galston's idea for a wage-insurance program, akin to the unemployment insurance system, which would protect workers against income losses.

In the new Congress, incoming House Ways and Means Chairman Charlie Rangel (D-N.Y.) says he foresees cooperating with the administration on trade, but Democrats will demand more attention to trading partners' labor and environmental standards.

Administration officials say other nations aren't willing to have the U.S. dictate their wage rates or emissions levels — as the AFL-CIO seems to demand — but the U.S. will have to win some new concessions or risk having trade pacts rejected by Congress.

Expansions in free trade have caused the U.S. and the world to advance economically and politically since the end of World War II, but those gains are in danger of coming to a crashing halt unless there's a counter to ascendant protectionism.

Breaking The Trade Deadlock (WP)

By Sebastian Mallaby

The Washington Post, November 20, 2006

The trick in the new era of divided government is to find deadlock-breakers: issues that advance the agendas of both sides as well as the interests of the country.

In domestic economic policy, the best deadlock-breaker is tax reform. The existing tax deductions for health care, home mortgages and savings are outrageously skewed in favor of the rich, so Democrats should want to restrict them. Restrictions would save the Treasury billions, advancing the Republican goal of keeping marginal tax rates as low as possible.

In international economic policy, the right deadlock-breaker is less obvious. The two parties have opposing attitudes on the subject of trade: Republicans see it as a source of growth, Democrats as a source of inequality. This split is undermining the U.S. ability to play its traditional postwar role in driving global trade liberalization. And if anti-trade Democrats can win elections when unemployment stands at 4.4 percent, they may do even better next time.

To an extent that neither party acknowledges, the popular formula for bridging this divide is bankrupt. Ever since the passage of the North American Free Trade Agreement in 1993, this formula has consisted of jamming labor and environmental protection into trade pacts. But the real reason Democrats oppose trade has little to do with foreigners' stance on union rights or endangered species and a lot to do with the fact that trade harms some U.S. workers. Mexico could abide by every convention of the International Labor Organization and still undercut U.S. wages -- and Democrats who represent displaced American workers would still detest NAFTA.

So labor and environmental clauses will never reconcile Democrats to trade. To forge a bipartisan consensus, we need a different approach. Here is a three-part formula.

First, Democrats need to be honest about development in the poor world. It's wrong to pretend that labor regulations, whether inserted in trade agreements or adopted by governments, are a powerful engine of rising living standards in developing countries: Weak governments have no means of enforcing them. Some of the greatest anti-poverty success stories -- South Korea in the 1970s, Indonesia in the 1980s, China over the past 15 years -- took place in authoritarian countries where labor regulations were puny.

The real key to raising living standards is economic growth. And growth, in turn, is highly correlated with trade openness. One World Bank study showed that poor countries whose trade grew as a share of the economy recorded gains in income of 5

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percent per year in the 1990s; by contrast, poor countries whose trade did not expand had no income gains whatever. So Democrats need to accept that holding up trade agreements to insert labor protections is going to harm workers, not help them.

Instead, Democrats should be frank about their real reason for ambivalence on trade, which is that some Americans suffer from it. This gets to the second part of the formula: Republicans need to get serious about the fact that, since 1980 or so, real incomes for the majority of Americans have stagnated. Republicans cannot expect support for trade unless they do more to compensate workers who get hit by globalization. They should be working with Democrats to improve the social safety net, linking progress on that front to continued trade liberalization.

Finally, both parties should cooperate on overhauling the nation's farm program, which comes up for renewal next year. The existing subsidy regime lavishes more than $20 billion a year on farmers, almost twice what gets spent on subsidizing college for poor children. About 70 percent of the money goes to the richest 10 percent of farmers, so the rhetoric about supporting struggling family farms is hogwash. This is corporate welfare for agribusiness, and neither party should defend it.

But a burst of farm reform would not just be good in itself. It would unlock trade liberalization. The Doha round of global trade talks, which promises benefits far greater than the bilateral and regional deals now pending in Congress, has bogged down over agriculture: The Bush administration proposed some cuts in subsidies, but not enough to shame the Europeans into offering serious tariff reductions, and so the whole deal faltered. If the new era of divided government produced a bipartisan push for farm reform, Doha could be resuscitated.

Of course, it's a long shot. But the Bush administration now has a pragmatic deal maker at Treasury who is passionate about trade, and the Democratic leadership in Congress has no particular love for farm subsidies. Meanwhile, anti-poverty groups are planning a lobbying drive on farm reform. Bread for the World, a faith-based alliance that claims to generate half a million constituency contacts with Congress annually, aims to focus half of these on the farm bill next year.

Bush Spreads Gospel Of Religious Freedom (AP)

By Jennifer Loven

AP, November 20, 2006

Though no sermon was delivered Sunday in the church where President Bush took a "moment to converse with God," he offered his own precept outside.

"A whole society is a society which welcomes basic freedoms," Bush said, adding that there's none more basic than "the freedom to worship as you see fit."

Bush and his wife, Laura, visited Cua Bac Church, a Catholic basilica on a tree-lined street in the diplomatic district, to show support for Vietnam's faithful, who live under a government that tightly controls religious institutions.

"It's our way of expressing our personal faith and at the same time urging societies to feel comfortable with and confident in saying to their people, `If you feel like praising God, you're allowed to do so in any way you see fit,'" said Bush, on his first visit to communist Vietnam to attend the Asia-Pacific Economic Cooperation forum.

Music dominated the Vietnamese-language ecumenical service. English-speaking parishioners understood a few words, including "Amen" and "alleluia."

Just this month, the United States removed Vietnam from a list of the world's worst violators of religious freedom.

But human rights groups say restrictions remain.

Nguyen Quoc Khanh, the priest at Cua Bac Church, reported that Bush said nothing during the service.

"We all had a silent dialogue with God," Khanh said.

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Bush beamed in baby blue. So did Chinese President Hu Jintao. Russian President Vladimir Putin, too.

Diplomacy over, world leaders faced one final, inescapable task at the end of their annual summit — donning the host country's costume.

Leaders at the APEC summit were invited to slip traditional Vietnamese "ao dai" silk tunics over their Western-style suits for the annual group photo — by far the most colorful ritual on their agenda.

The normally dour Hu was positively beaming. Putin joked cordially with Bush. The wide pink turbans worn by the three women leaders gave diminutive Philippine President Gloria Macapagal Arroyo a few extra inches of height.

The custom-tailored, ankle-length ao dai, pronounced "ow zai," usually has a snug fit that is said to "reveal everything but show nothing."

But those the leaders wore appeared designed not to reveal too much. Fashioned by famous Vietnamese designer Minh Hanh, they afforded the leaders — most of whom have ample girths — a fairly comfortable fit.

Sky blue was the most popular color among men, with a smattering of reds, greens and yellows for a diplomatic rainbow effect.

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The traditional ao dai includes a long tunic with slits up the sides.

The custom of posing in clothing symbolic of the host country began when the leaders wore leather bomber jackets at the first APEC summit in Seattle in 1993.

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Buried in a White House list of accomplishments from the summit was cheery news for foreign travelers: A faster way to get through U.S. airports.

It's the APEC Business Travel Card. Don't leave home without it.

The U.S. plans to start recognizing the card, which has existed since 1997.

Business travelers carrying one can look forward to speedier processing in fast-track lanes at major U.S. airports.

Cardholders must have a passport from a participating country, travel regularly to conduct trade in the APEC region and have no criminal record.

They also don't have to apply individually for visas or entry permits every time they travel to a country in the program. The card becomes their visa.

Secretary of State Condoleezza Rice, speaking to world business leaders at the summit on Saturday, touted the card as a way to foster trade and travel.

"Everywhere I go, I hear about the visa issues," Rice said. "Let me assure you that the United States of America wants to be open — open and secure — but open to a free flow of people."

Indonesians Protest Ahead Of Bush Visit (AP-Y)

By Terence Hunt

AP, November 20, 2006

Warmly greeted by world leaders in Vietnam, President Bush drew a different reaction Sunday at his upcoming stop in Indonesia, where thousands angrily protested America's policy in the Middle East and wars in Iraq and Afghanistan.

The White House said it was confident about security precautions for Bush's visit Monday despite police warnings of an increased threat of attack by al-Qaida-linked groups.

The president was to spend just six hours in Indonesia, most of it at Bogor Palace, a presidential retreat outside the capital of Jakarta and far from the scene of protests Sunday where Bush was denounced as a "war criminal' and "terrorist."

While President Susilo Bambang Yudhoyono is a close U.S. ally in the war on terror, Bush is highly unpopular in Indonesia, the world's most populous Muslim nation.

Wrapping up three days in Vietnam, Bush was taking a quick look around this city once known as Saigon. He planned to drop by the stock exchange, meet with business leaders and visit the Pasteur Institute for a briefing on its research on HIV/AIDs and other public health problems.

It was Bush's first appearance on the world stage since his Republican Party lost control of Congress and was rebuked for the unpopular war in Iraq.

The White House said Bush was pleased by the results of a 21-nation Asia-Pacific Economic Cooperation summit in Hanoi although the administration was left struggling to explain how it ended.

To Bush's dismay, he was unable to deliver a promised agreement on normal trade relations with Vietnam. It was snarled in Congress but the administration expressed confidence it eventually would be approved.

Vietnam's economy is booming, the fastest growing in Asia, and the country is the world's second-largest exporter of rice. But the benefits have not reached most people. The per capita income is less than $700 a year.

In a city usually teeming with motorcycle traffic, streets were cleared for Bush's motorcade. As he rode by, people waved, laughed and cheered. It was a contrast to the subdued reaction of residents in Hanoi, where Bush participated in the summit and conferred with the leaders of China, Russia, South Korea and Japan.

The White House pronounced itself satisfied with the summit statement prodding North Korea to return to nuclear disarmament talks and urging nations to keep the pressure on by enforcing U.N. Security Council sanctions.

But the administration was at a loss to explain why the statement was simply read as part of the chairman's wrap-up statement, and not issued as a written document. Another oddity was that the section about North Vietnam was not translated into English when the statement was read.

"He read it in Vietnamese, but for whatever reason the translation was not given in the consecutive English translation at the time," White House spokesman Tony Snow said. "We have double checked. The Vietnamese said `Yes, he did read it.'"

Bush met separately with Russian President Vladimir Putin and Chinese President Hu Jintao to discuss strategy for yet-to-be-scheduled talks with North Korea. The administration sent U.S. envoy Christopher Hill to Beijing for further consultations.

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In their public remarks, Bush and Putin celebrated a U.S.-Russia agreement for Moscow's entry into the World Trade Organization. Bush said Russia's admission to the group was "good for the United States and good for Russia."

With Putin and Hu, Bush also pressed for a U.N. Security Council resolution to pressure Iran to abandon nuclear weapons. It was unclear whether Bush made any headway in persuading China and Russia to drop their reluctance to go along.

Describing Bush's discussions with Putin, Snow said the leaders did not discuss specifics "but they understand that you need a strong resolution that will send the Iranians the clear message that we're not only united, but serious, and at the same time are going to offer them the opportunity to have civil nuclear power, which is of some importance to the Iranian people."

Bush Protesters Gather In Jakarta (WT)

By Joseph Curl

The Washington Times, November 20, 2006

HO CHI MINH CITY, Vietnam -- Thousands of protesters took to the streets of Jakarta and hundreds of police erected a barbed-wire barricade around the presidential palace a day before President Bush visits Indonesia, the world's most populous Muslim country.

While Mr. Bush spent the day in Vietnam, more than 10,000 angry Muslims marched in Indonesia's capital, where one protester held a sign with a photo of the American president and the slogan, "Wanted: Dead or Alive." Another placard said in English, "Bush: Muslim's Enemy No. 1."

Dozens of trucks and buses full of police and military troops were dispatched to put up a makeshift barricade on the street at the front of the Bogor Palace, which is guarded by hundreds more police. Mr. Bush arrives in Indonesia today for a six-hour visit before flying on to Hawaii, the last stop on his Asian tour.

Despite the protests in Jakarta, the United States is viewed positively by many Indonesians for its swift response to the tsunami that struck the islands nearly two years ago, killing 100,000. Almost 60 percent of Indonesians surveyed nationwide said that American assistance made them favorable to the United States, according to Terror Free Tomorrow, a nonpartisan group that includes Sen. John McCain, Arizona Republican, as an adviser.

Meanwhile yesterday, the president urged Chinese President Hu Jintao to join forces with his neighbors to persuade North Korea to abandon its nuclear program.

Keeping up pressure on member countries of six-party talks that have fallen apart, the president urged Mr. Hu to use China's clout to persuade reclusive leader Kim Jong-il to stop North Korea's atomic expansion.

"China is a very important nation, and the United States believes strongly that by working together, we can help solve problems such as North Korea and Iran," Mr. Bush told Mr. Hu in a meeting on the margins of the 21-nation Asia Pacific Economic Cooperation (APEC) summit.

While Mr. Hu made no mention of North Korea in his remarks, Chinese Foreign Ministry spokesman Liu Jianchao said that the Chinese president had called for "wisdom and patience" in dealing with Pyongyang, whose Oct. 9 nuclear test and July missile launches shocked the world.

China is the second nation to pull back slightly from the goals of the six-party talks, in which China, Japan, South Korea, Russia and United States seek to force North Korea's hand. South Korea said on Saturday that it could not endorse a call to search ships coming and going from North Korea, the world's largest nuclear exporter.

After his bilateral talk with Mr. Hu, Mr. Bush stressed the need for U.N. member states to comply with a U.N. Security Council resolution that bans trade of goods and transfer of funds to the North that could aid its nuclear arms programs.

But again, China expressed reservations. "We don't really think that sanctions are the purpose, rather it is the means. The U.N. Security [Council] resolution should not be randomly interpreted and should not be expanded," Mr. Liu said.

In Hanoi, before departing the APEC meetings for Ho Chi Minh City, David McCormick, an official of the White House National Security Council, said that the two leaders had agreed "on direction and next steps" on North Korea, but he declined to be more specific. Another White House source said that loose agreements had been made, but that North Korea's neighbors do not want to roil the water by making demands on Mr. Kim.

Later yesterday, Mr. Bush met Russian President Vladimir Putin and again discussed both North Korea and Iran. At the conclusion of the APEC forum, the members issued only a verbal statement that said in part: "We express our strong concern over the July 4-5 missile launches and October 9 nuclear test conducted by [North Korea], that poses a nuclear threat to our shared interest of peace and security and our shared goal of achieving a nuclear weapons-free Korean Peninsula."

Mr. Bush, who will visit the stock exchange in Ho Chi Minh City before flying today to Indonesia, also gave Mr. Hu a gentle nudge on trade. The U.S. trade deficit with China so far this year is expected to exceed last year's record of $202 billion. Mr. Bush said that disputes between the two nations are inevitable but that they could be addressed in a "spirit of mutual respect and a desire to work through our problems."

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A few hundred miles south, across the Java Sea, Indonesians clashed with police and planned to disrupt the president's visit. Indonesia is a key regional ally for the United States, but many Muslims there oppose the president's Middle East policies and the war in Iraq.

Aside from Jakarta, demonstrations were also reported in South Sulawesi province, Yogyakarta and Bogor, the site of Mr. Bush's visit. The short stop will be his last in Asia before returning home from a trip that also took him to Singapore and Vietnam.

The president has tried to mute criticism before going to Indonesia, securing $55 million in U.S. aid for anti-corruption and childhood immunization programs.

Indonesia has seen several deadly bomb attacks in recent years against Western targets and blamed on Islamic militants, including the 2002 Bali bombings that killed 202 persons, mostly foreign tourists.

Indonesia's Promise (WSJ)

By Sadanand Dhume

The Wall Street Journal, November 20, 2006

When President Bush arrives in Indonesia today, he'll find perhaps the most dramatic reversal of fortunes in recent times. Barely a decade ago, the country was a poster child of the East Asian miracle, lauded by the World Bank for having pulled tens of millions out of poverty and increasingly mentioned in the same breath as Korea and Taiwan. Today, to the extent that Indonesia occupies any space in the popular imagination, it is viewed as a sort of Southeast Asian Bangladesh: a cesspool of corruption, buffeted alternately by terrorist violence and natural disasters.

Yet, for all its exceptional problems, the world's most populous Muslim country also presents an exceptional opportunity. Apart from Turkey, it is the only major Muslim country where modernity stands a fighting chance, or to put it starkly, where the options are not between bad and worse, but between good and bad.

To be sure, as in other parts of the Muslim world, both orthodox practice and Islamist politics have metastasized over the past three decades. But Indonesia boasts advantages that others lack: an innate tolerance bequeathed to its people by nearly a millennium and a half of Hindu-Buddhism that predated Islam's arrival in the 1400s, and a non-sectarian national ideology, Pancasila, that departs from the Islamic norm of treating non-Muslims as second-class citizens. In practical terms this means that the cornerstones of modernity -- women's rights, respect for minorities, room for a skeptical view of faith -- have not been entirely eroded. Building upon these to create a beacon of moderation on Islam's eastern flank, a twin for Kemalist Turkey in the West, remains an achievable goal.

It won't be easy. Homegrown Islamists and their wealthy Arab patrons have invested decades of effort in triple-distilling the gentle folk Islam of Java into an approximation of its desert variant. The simple certitudes of Islamism, encapsulated in the slogan "Islam is the solution," deeply appeal to many who have found themselves propelled from the rice paddy to the office tower in the space of a generation. Add to this the peculiar subculture of Western academia and NGOs, whose efforts to inoculate themselves against that mysterious new ailment, Islamophobia, often lead to an embrace of the absurd, the irrelevant and the downright dangerous: headscarved feminists, Kant-spouting mullahs confined to the diplomatic cocktail circuit, and assorted "moderates" who mouth the occasional homily against terrorism while remaining wedded to an Islamist worldview.

It's little wonder then that Abu Bakar Bashir, the leader of al Qaeda's local franchise, Jemaah Islamiyah, and the alleged mastermind of the 2002 Bali bombings, is back on the streets preaching jihad after a slap-on-the-wrist 26-month jail term. Or that some regional and local governments have begun experimenting with shariah, complete with public floggings and Taliban-inspired vice squads. Or that physical intimidation and assaults on their churches and mosques have become facts of life for Christians and "heretical" Ahmadiyya Muslims.

But all is not lost. Miniskirts in the malls and booze on restaurant menus show that the Islamist dream is only partially fulfilled. They have yet to banish Jakarta's secular elites behind high bungalow walls so an alternative message, however muted, still lives. Amplifying it requires the help of the U.S., like-minded allies such as Australia and Singapore, the still largely non-sectarian Indonesian army and genuine Muslim moderates such as former president Abdurrahman Wahid. Their success or failure will determine whether Indonesians fulfill their East Asian promise or go down the path of political mayhem and economic stagnation of their co-religionists in Nigeria, Pakistan and the Palestinian territories.

Mr. Dhume, a Bernard Schwartz fellow at the Asia Society in Washington, has recently finished a book on radical Islam in Indonesia.

Nations Meet On Denying Iran Nuclear Aid (AP)

By George Jahn

AP, November 20, 2006

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A Western push to deny Iran technical help in building a plutonium-producing reactor has gathered enough support to be approved by the 35-nation board of the U.N. nuclear watchdog agency, diplomats said Sunday.

Still, differences both within the Western camp and more broadly among different factions on the International Atomic Energy Agency on how harshly to punish Iran for its nuclear defiance persisted on the eve of the opening meeting Monday, said the diplomats.

Normally, the United States takes the lead in demanding tough action against Tehran for defying U.N. Security Council demands that it freeze uranium enrichment, a possible pathway to nuclear arms.

But with council agreement on sanctions mired down because of Russian and Chinese efforts to block tough punishment, diplomats said the Americans have taken a back seat to the France at the upcoming Vienna meeting in calling for harsher penalties.

Like their European allies, the Americans were calling for Iran's request for help in building the Arak research reactor to be denied when the IAEA board meets in committee starting Monday — and later in the week in full conference to formally approve committee decisions.

But France was demanding even more, said the diplomats — all accredited to the IAEA, who demanded anonymity in exchange for discussing strategies ahead of the meeting. They told The Associated Press that Paris was asking the IAEA to probe the seven other projects Iran had submitted individually — and possibly reject any or all of them, if they were found to be risks to nuclear proliferation.

Even countries traditionally supportive of Iran were likely to want to deny some help to Iran — probably through a compromise that defers a decision on the issue. Both the Security Council and the IAEA board have issued resolutions urging Tehran to stop construction of the facility.

Arak produces plutonium waste, which, like enriched uranium, can be used for warheads, but the other seven projects that Iran has asked help with are less problematic.

One asks for help in developing nuclear capabilities for medical use. Another seeks legal help for the Russian-built Bushehr reactor which even the Americans have agreed does not pose a threat to nuclear proliferation. The five others ask for assistance in administrative or safety aspects of nuclear power, according to a list made available to the AP.

With most nations backing approval of all other projects except Arak, France would likely be forced to modify its position once the meeting opened, the diplomats said.

A diplomat familiar with the U.S. stance said the Americans were not backing the French because of recognition that the board would agree to nothing more than denying Iran help with Arak.

Others pointed to recent changes in the top echelons of the French government agencies dealing with Iran and proliferation threats, saying new, more hardline leadership could explain why Paris was out front in seeking tougher action.

Denying Iran help with Arak — where it is seeking agency assistance to make sure the reactor is environmentally safe — would do little to slow construction of that facility, which is expected to be completed within the next decade. And it would not affect Tehran's other potential avenue to weapons production — uranium enrichment.

Still, it would send a signal at a time that the Security Council is mired down in how harshly to penalize Tehran and allow the West to continue exerting some pressure during the council deadlock.

Once in full session Wednesday, the board also will hear a report from IAEA chief Mohamed Elbaradei that faults Tehran for continuing to deny full cooperation with agency inspectors probing suspect aspects of its nuclear program and outlines new finds of potentially worrying traces of plutonium at a waste facility.

As Iran Seeks Aid, Atom Agency Faces Quandary (NYT)

By William J. Broad

The New York Times, November 20, 2006

At a place called Arak in the desert southwest of Tehran, behind barbed wire and antiaircraft guns, Iran is building a heavy-water nuclear reactor. The government says it will produce radioactive isotopes for medical treatments. As an unavoidable byproduct, it will also make plutonium, one of the primary fuels for atom bombs.

At the International Atomic Energy Agency, inspectors are trying to make sure that Tehran never uses its nuclear infrastructure to make weapons. Indeed, for just that reason, the agency's board has repeatedly called on the Iranians to abandon the Arak reactor. Yet when the board meets this week in Vienna, it will consider an Iranian request for technical help in safely completing the reactor, which is to go online as soon as 2009.

Traditionally, technical aid has been routinely granted, part of the agency's efforts to nurture the peaceful uses of atomic energy. Now, though, amid growing international suspicion about Iran's real nuclear intentions — and especially about a far more publicized part of its nuclear program, the enrichment of uranium — the Arak proposal is provoking bitter and unusual debate.

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Calling the reactor an arms threat, the United States and its allies say the agency should deny Iran's request. Helping make Arak's operations safe, they say, would only speed the reactor's completion — and Iran's emergence as a nuclear power.

But some developing nations say that a rebuff to the Iranians would set a bad precedent that could threaten their own peaceful atomic pursuits. Echoing an argument that Iran has often used in its recent nuclear diplomacy, they frame Arak as a new front in a war between the world's nuclear haves and have-nots.

In recent days, the dispute has produced a rush of speeches, lobbying and behind-the-scenes arm twisting among members of the agency's 35-nation board.

"It's a big deal," said Daryl G. Kimball, executive director of the Arms Control Association, a private group in Washington. "This is the first test of the I.A.E.A.'s resolve to pressure Iran to halt this project. If it moves forward, it could give Iran a second track to making nuclear material for bombs."

Agency officials say a rejection of technical assistance would be unprecedented, and some of them want to press ahead. Last week, the agency's secretariat said it had found no legal basis to deny the request, diplomats said.

Arak, in short, shows the increasingly delicate nature of the atomic energy agency's long-running balancing act — part nuclear policeman, part promoter of atomic science and safety. By its nature, the same nuclear technology that lights cities can, with a little extra effort, fuel bombs. A question Arak poses for the agency is whether it must adjust its dual role in a time of heightened concern about nuclear proliferation, not just in the Middle East, but worldwide.

Ali Asghar Soltanieh, Iran's ambassador to the agency, based in Vienna, denied that the Arak reactor had any use for weapons, saying it would aid hospitals, agriculture and industry.

"The world should know the other side of the coin, not just what the White House says," he said in an interview. "The international community has the right to see the reality of the exclusively peaceful nature of our activities and our full cooperation with the agency."

Mr. Soltanieh said Iran had won support for agency assistance to Arak from such international bodies as the group of developing states known as the G-77. "Technical cooperation should not be politicized," he said. "Iran should be encouraged to use the agency's technical expertise for nuclear safety."

But Robert J. Einhorn, who directed nonproliferation at the State Department from 1999 to 2001 and now works at the Center for Strategic and International Studies in Washington, said the agency's board should reject aid to "a project conceived long ago as providing Iran another route to a nuclear weapons capability." Arak, he added, "will be capable of producing enough plutonium for about two bombs a year."

Mr. Einhorn conceded that the reactor could have peaceful uses, though implausibly so. "A 12-inch hunting knife," he said, "also could be used to spread jam on your toast in the morning."

To opponents of the Arak project, it would be surprising were the board to approve the Arak proposal just days after the atomic energy agency reported that inspectors had found unexplained traces of plutonium in Iran, and that Tehran continued to withhold answers to important questions about its nuclear activities.

And it was the agency's board that, in February, after Iran defied agency demands to halt its uranium enrichment program, decided to report the case to the United Nations Security Council. That set in motion a search for sanctions that still divides the world's nuclear powers.

The agency's aid to Iran is part of a wide program of "technical cooperation" that is poorly known outside specialist circles. Still, it accounts for about one-third of the annual agency budget; the agency is spending roughly $100 million on such programs this year. In a way, the projects are a carrot the agency offers to offset its intrusive policing of civilian technologies to bar nations from the secret pursuit of atom bombs. But critics say the deal is intrinsically bad. "Atoms for peace," they insist, is an illusion that no amount of policing can make real, with dishonest states always able to turn civilian nuclear technologies to destructive ends.

Today, the technical aid program involves more than 100 nations. The agency assisted Iran's hunt for uranium in the 1980s and currently has 14 cooperative projects with Tehran, including helping it prepare to operate its Bushehr reactor, which is designed to make electricity.

"We provide expert services, so they can learn to do things for themselves," said M. Peter Salema, an agency official who helps run the Iranian projects. The paramount aim, he added, is reactor safety. "If there is a bad incident, it affects the whole nuclear industry everywhere, like Chernobyl."

Iran's new request seeks agency aid not in designing or building the 40-megawatt Arak reactor, but in ensuring its safe operation. Western diplomats say that includes everything from helping Iran learn how to avoid catastrophic plant failure to minimizing radiation dangers in the handling of spent fuel rods, which would bear the plutonium.

That plutonium is the reason Arak has been a subject of concern since construction first came to light in 2002. Atom bombs use two main fuels — plutonium and uranium. In recent years, world attention has focused mainly on Tehran's efforts to enrich

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uranium. But weapons designers often prefer plutonium, because it takes less to produce a significant blast, making it ideal for compact missile warheads.

What's more, experts say heavy-water reactors like Arak are inherently dangerous for nuclear proliferation because they are better at producing weapons-grade plutonium than light-water reactors like Bushehr. Heavy water, so called because it contains a heavy form of hydrogen, slows down speeding neutrons so uranium fuel can absorb them. In some cases, this merging splits uranium atoms in two. In other cases, the uranium is transformed into plutonium. Engineers remove the plutonium from spent fuel in a step known as reprocessing.

The Arak reactor, experts say, is similar in design to heavy-water reactors that Israel, India and Pakistan use to make plutonium for nuclear arms.

The Arak complex holds both the half-built reactor and a sprawling plant for the production of heavy water that President Mahmoud Ahmadinejad formally inaugurated in August, saying, "The Iranian people are determined to take big steps."

The wrangling over aid to Arak began last week at preparatory meetings in Vienna. Egypt and some other developing nations argued for preserving the status quo and trusting the secretariat's judgment that there was no basis for denying the aid.

The American ambassador to the atomic agency, Gregory L. Schulte, said in an interview that objections had arisen because Arak made little sense from a civil perspective but great sense for making weapons. Moreover, he said, Iran had failed to explain inconsistencies that the agency uncovered in a clandestine Iranian program to separate plutonium from spent reactor fuel.

"The United States and other board members," he said, "cannot agree to have the I.A.E.A. assist the project."

Some Western diplomats suspect that Iran expected to have the reactor aid denied, and that its real goal was to show that the United States and its allies want to keep the developing world in a state of atomic backwardness.

In a speech last Thursday at the University of Vienna, Mr. Schulte predicted that the agency's board "will not fall for Iran's attempt to politicize and misuse the I.A.E.A.'s technical cooperation program." He stressed his country's longstanding financial support for technical aid, saying the United States had contributed more than $200 million since 2003. But he added, "Technical cooperation is meant for peaceful purposes, not to help countries build nuclear bombs."

At the meetings last week, Iran also warned against the politicization of technical aid. An Iranian representative said conservatives in Iran would use a decision to deny the aid as evidence of the West's malice. "Don't give fuel to the hard-liners, who are ready to put everything in jeopardy," he said, according to a diplomat present.

In the interview, Mr. Soltanieh said Washington was wrong to see Arak as a step to acquiring nuclear weapons, insisting that Iran had no plans to build a reprocessing plant that could extract plutonium from Arak's spent nuclear fuel. "Their calculations and physics are very weak," he said of American officials. "They make so many mistakes."

From Monday through Wednesday, a committee of the agency's board is to study hundreds of proposed aid projects, and the full board is to vote on them when it meets Thursday and Friday. The board, currently led by Slovenia, does not include Iran.

While the United States has lobbied hard on the Arak issue and says it expects to prevail, there are countries on the board that may back Iran, including Bolivia, Cuba and Syria, diplomats said. It takes a simple majority of the board to back or kill a measure.

A possible compromise, some said, would have the issue of Arak aid deferred rather than rejected outright.

Diplomats said that only twice before had technical aid projects drawn political fire. The United States questioned aid to Cuba around 1990 and to North Korea in 1991, but both projects moved ahead, the diplomats said.

Nuclear experts doubt that an aid denial would do much to slow the eventual completion of Arak, given the growing skill of Iranian engineers and Iran's aggressive nuclear stance.

"No matter what, we are going to continue the construction," Mr. Soltanieh said. "There's no way to stop it."

U.S. Sets Up A Perch In Dubai To Keep An Eye On Iran (NYT)

By Hassan M. Fattah

The New York Times, November 20, 2006

DUBAI, United Arab Emirates, Nov. 19 — High atop a 1970s-style high-rise building in the heart of this desert city, a group of State Department officials has been setting up offices as part of an ambitious effort by the United States to better monitor Iran and encourage political change there.

The State Department announced early this year that it would open the office in Dubai and set up an Iran desk in Washington to make contact with Iranians and improve its institutional knowledge of the country at a time when tensions over Iran's nuclear ambitions are high.

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American officials decided to locate an Iran office here because of the city's large community of Iranian businesspeople, many of whom maintain relationships in Iran and return there often. Dubai, which is about 100 miles from Iran, has also long been popular among Iranians seeking to shop, vacation or catch flights elsewhere.

The State Department's program is only the highest-profile effort here. The United Arab Emirates, the confederation that includes Dubai, has become a nexus of political activity concerning Iran, as numerous governments and groups have seized on the country's location and its longstanding ties with Tehran to get a better understanding of Iran and its people.

Dubai has become a main stop-off point for researchers and analysts seeking to meet Iranians, analysts here say, and regional research and advocacy groups have held numerous high-level conferences here in recent months focused on Persian Gulf security and Iran. At least one nongovernmental group run by Iranian-American opposition figures has also used this city to hold workshops to train Iranians in techniques of civil disobedience aimed at eventually forcing political change inside Iran.

"The problem with Iran is you cannot operate inside the country, so you have to operate in the neighboring countries," said Mustafa Alani, senior researcher at the Gulf Research Center, a Dubai research organization. "But a place as open as Dubai naturally attracts people and intelligence agencies from all over the world. Of course, they're not really visible so you cannot pinpoint them in any one location."

On Friday, R. Nicholas Burns, under secretary of state for political affairs, said the Dubai office was created in the spirit of the Riga station in Latvia, which became a critical source of knowledge about the Soviet Union at a time when the United States did not have diplomatic relations with Moscow.

"We sent a young kid from Milwaukee, Wisconsin, in 1926 out to Riga station: George Kennan," he said, referring to the man who would become one of the world's foremost Soviet experts. "We said: 'Go and learn Russian. Sit in Riga. You be our window into the Soviet Union.'

"That is what we are saying to these young kids today. 'You go to Dubai. We can't be in Iran. You interview every Iranian you can find, get to know them — all the Iranians who come out and do their banking there and do their weekends there — and you tell us how we should understand Iran.' "

The United States broke off diplomatic relations with Tehran after the takeover of the American Embassy there in 1979. When Secretary of State Condoleezza Rice joined the department last year, Mr. Burns said, it had only two people working on Iran issues.

Today eight are assigned to the Iran desk in Washington and six in the Dubai office, which is within the American consulate. In May, Mr. Burns said being in Dubai was "the next best thing" to being in Iran. About 200,000 Iranians live in Dubai, and contacts with them are considered especially useful because they are not political refugees, as in some other cities outside Iran with Iranian populations.

Iranians in Dubai have been attracted here in large part because of the city's openness and freewheeling business climate. The emirate is an important transshipment point for goods and products headed to Iran. And Iranians can use its banks and financial institutions to do business with other countries more easily than from home because of trade sanctions and United States pressure on banks to restrict business with Iran.

Among the nongovernmental groups seizing on those links is the Iranian Center for Applied Nonviolence, which invites Iranians to workshops here to teach them how peaceful revolts in Georgia, the Philippines and elsewhere were set off. The center, led by Ramin Ahmadi, an Iranian-American opposition figure, holds the training sessions on civil disobedience every three months or so, hoping to foment a nonviolent revolt in Iran. The International Center on Nonviolent Conflict, a separate organization based in Washington, helped organize one of the training sessions.

"We wanted to find a place where we were safe, where they can't send paramilitaries to gun you down, and where large numbers of Iranians go," said Dr. Ahmadi, who is a physician in the United States. "The last thing the Iranian regime will want to do is cause themselves trouble in Dubai. So it provides us with a degree of protection."

Critics of Dr. Ahmadi's work say it threatens to taint opposition figures inside Iran with appearing to cooperate with outside agitators. At least two people were imprisoned after attending one of his sessions last year.

So far, the State Department's work here remains low-level as officials try to build relationships. Much of it has been focused on easing the way for Iranians applying for visas to the United States and helping them arrange scholarships for study there, Iranians here say.

Abbas Bolurfrushan, president of the Iranian Business Council in Dubai, a nonpolitical group, said he had been in contact with some of the officials to help find ways of reducing the number of trips Iranians have to make to Dubai in order to obtain a visa to travel to the United States.

Beyond working to better monitor Iran and increase interactions with Iranians in Dubai, the Bush administration is also working to increase other forms of outreach. It requested tens of millions of dollars from Congress for outreach programs, and now has about $76 million for those programs, according to Mr. Burns.

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The money is being used to increase the hours of Persian-language radio and television beamed into Iran; to support exchange programs of athletes, artists and professionals to the United States; and for other democratization programs.

Extremist Vying To Become Top Ayatollah (WT)

By Colin Freeman

The Washington Times, November 20, 2006

TEHRAN -- A hard-line cleric who opposes all dialogue with the West is a leading contender to become Iran's next supreme spiritual leader.

In a move that would push the country even further into the diplomatic wilderness, Ayatollah Mohammad Taghi Mesbah-Yazdi, 71, who publicly backs the use of suicide bombers against Israel, is campaigning to succeed Grand Ayatollah Ali Khameini, 67, as the head of the Islamic state.

Considered an extremist even by fellow mullahs, he was a fringe figure in Iran's theocracy until last year's election of President Mahmoud Ahmadinejad, a fellow fundamentalist who views him as his ideological mentor.

He is known to many Iranians as "Professor Crocodile" because of a notorious cartoon that depicted him weeping false tears over the imprisoning of a reformist journalist.

Ayatollah Mesbah-Yazdi and his supporters will attempt to tighten the fundamentalists' political stranglehold next month, by standing in elections for the Assembly of Experts, an 86-strong group of theologians that would be responsible for nominating a replacement for Ayatollah Khamenei, whose health is rumored to be failing.

Opposing them will be a coalition of moderate conservatives led by Hashemi Rafsanjani, a former president, and members of the increasingly marginalized reformist movement, who have formed an alliance to prevent what both groups fear is a drift toward political extremism.

Appointing Ayatollah Mesbah-Yazdi as supreme leader would be a massive blow to Western efforts to get Iran to cease its nuclear program and backing of militants in Lebanon and Iraq and among the Palestinians. Although he has never spoken publicly on the issue, Ayatollah Mesbah-Yazdi is thought to support the idea of an Iranian nuclear bomb.

Ali Ansari, an Iran specialist at the Royal Institute of International Affairs in London, said: "Mesbah-Yazdi is on the hard right and very authoritarian. He doesn't even believe in democracy. Having him in power would lead to a much more hard-line, puritanical rule in Iran. It would not be good news for the West."

The Assembly of Experts is elected every eight years and has the power to appoint, supervise and impeach the supreme leader, who, in practice, wields ultimate power. Although Ayatollah Khameini, who has been in office since 1989, is expected to remain for the time being, the assembly elected next month is almost certain eventually to decide his successor.

The run-up to the vote has been marred by complaints of rigging in favor of hard-liners. The Guardian Council, a hard-line body that vets candidates, is accused of vetoing reform-minded clerics from taking part. Around half of nearly 500 applicants have been barred from standing.

In a letter to the council last week, Mehdi Karroubi, a reformist cleric, accused the council of "injustice" and misjudgment, saying that it would lead to "people's distrust in the authorities and the clergy."

The reformists' despair has been deepened by fears that few of their disillusioned supporters will vote, despite the possible consequences of a hard-liner victory. Constant political interference in the electoral process has persuaded many Iranians that it is not worth voting, an attitude that many reformists concede helped Mr. Ahmadinejad to win the presidency last year.

"Many reformists have lost faith, although the hard-liners will hope to organize a mass turnout among their own supporters," Mr. Ansari said.

Ayatollah Mesbah-Yazdi, who will be standing for election to the Assembly of Experts, regularly meets with Mr. Ahmadinejad, whose presidential bid he endorsed in a fatwa, or holy order.

The cartoonist whose drawing earned "Professor Crocodile" his nickname suffered the same fate as the journalists whose frequent imprisonment was depicted. He, too, was sent to prison.

Israel Holds Fire As Gazans Rally At House (NYT)

By Ian Fisher

The New York Times, November 20, 2006

JERUSALEM, Nov. 19 — Israel called off an airstrike against the house of a suspected Palestinian militant in Gaza late Saturday, after the inhabitants ignored a telephoned warning and neighbors flocked to the house to prevent the bombing, the military said.

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On Sunday, hundreds of Palestinians, including the prime minister from the militant faction Hamas, stayed around the house and on its balconies and roof throughout the day. They declared a victory for "popular resistance," but Israel, under criticism for killing civilians in such strikes, called it another example of Palestinians using civilians to shield military activity.

"We see it as a cynical exploitation of our attempt to avoid harm to civilians," said a spokesman for the Israeli military, who, according to usual practice, spoke on condition of anonymity. "They are using them as human shields."

But Palestinians celebrated it as a possibly potent new defense against air raids that Israel might find difficult to counter.

"We are so proud of this national stand," Prime Minister Ismail Haniya said Sunday while visiting the house, in the town of Jabalya, in northern Gaza. "It's the first step toward protecting our homes, the homes of our children."

Israel said the house had been used by leaders of a militant group, the Popular Resistance Committees, which was active in firing Qassam rockets from Gaza into Israel. Last week, a 57-year-old Israeli woman from the nearby Israeli town of Sderot was killed by one of the rockets, and over the weekend, Israel carried out several small-scale operations against militants suspected of being involved in firing them.

The Israeli military spokesman said the attack on the house had been called off after a routine telephone warning from the military urging inhabitants to evacuate the house was ignored. "We didn't want to harm civilians," he said.

Israel has had an increasingly difficult time ending the rocket fire, the most contentious issue between Israel and Palestinian militants. Nearly two weeks ago, Israeli artillery fire killed 19 civilians in Beit Hanun, prompting a United Nations resolution to open a fact-finding mission into the episode.

Prime Minister Ehud Olmert of Israel, during his weekly cabinet meeting on Sunday, attacked the resolution, saying it did not sufficiently condemn the Palestinians' rocket fire against Israeli civilians. He said Israel would not cooperate with any international inquiry.

On Sunday, reprisals continued. An 80-year-old Palestinian man was killed in Gaza City and a dozen others were wounded by an Israeli strike on a car carrying two Hamas militants. The Israeli spokesman said the militants had been involved in making rockets.

The office of the Israeli defense minister, Amir Peretz, said Sunday that he had called the Palestinian president, Mahmoud Abbas, to ask him to help end the rocket fire.

Mr. Peretz lives in Sderot, the town hit hardest by the rockets. A member of his security detail was hit and had both legs severed by the same rocket that killed the Israeli woman last week.

Palestinian Shields Foil Israeli Strikes (AP)

By Sarah El Deeb

AP, November 20, 2006

Hundreds of Palestinians serving as human shields guarded the homes of two top militants Sunday, a new tactic that forced Israel to call off missile strikes on the buildings and re-evaluate a mainstay of its aerial campaign in Gaza.

In recent months, the Israeli air force has repeatedly struck the homes of militants after warning residents by phone to clear out. Israeli security officials said they did not know how to respond to the human shield tactic, but pressed ahead with other airstrikes Sunday.

In Gaza City, an aircraft fired a missile at a car, killing one man and wounding nine, including two Hamas militants. Four of the wounded were children, ages 5 to 16, who suffered shrapnel injuries, hospital officials said.

The military said the target of the strike was a vehicle carrying senior members of the Hamas rocket launching operation.

The standoff over the homes of the militants began late Saturday when Mohammed Baroud, local leader of the Popular Resistance Committees, was informed by the army that his house would be hit. The three-story building is home to 17 people from Baroud's family. Another militant from Hamas also received a warning.

Instead of fleeing, though, the two decided to stay in their homes and called in reinforcements. They were quickly joined by crowds of supporters, including dozens of armed men, who gathered on balconies, rooftops and in the streets outside.

"Death to Israel. Death to America," the crowds chanted. Local mosques and Palestinian TV and radio stations also mobilized supporters.

Baroud, involved in rocket attacks on Israel, said he and his fellow militants had planned the response a few days earlier when another house was destroyed in a missile strike.

The army said it called off the nighttime airstrikes because of the crowds. It condemned what it said was a cynical exploitation "by the terrorists of uninvolved people as human shields."

Israeli military officials acknowledged they had no solution for the standoff. The officials spoke on condition of anonymity because they were not authorized to talk to the media.

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By Sunday afternoon, about two dozen women were milling around on Baroud's roof, shielded from the sun by green tarp. One story below them, about a dozen men were resting on mattresses.

Baroud's mother, Umm Wael, said shifts had been organized in preparation for a long standoff. "Where should we go?" she said. "We will stay here or die in the house. Let them bring it down on our heads."

Prime Minister Ismail Haniyeh of Hamas stopped by to show support. "We are so proud of this national stand. It's the first step toward protecting our homes, the homes of our children," he said.

Also Sunday, Hamas militants in Gaza fired eight rockets at the Israeli town of Sderot, seriously wounding one person. Last week, a Sderot woman was killed in a rocket attack.

Israeli Defense Minister Amir Peretz called Palestinian President Mahmoud Abbas and demanded he invoke his authority to put an end to the rocket fire, the Defense Ministry said. Peretz told Abbas that Israel would not tolerate continued barrages.

Abbas responded by telling Peretz to stop Israel's military escalation in the Palestinian territories, according to the Palestinian news agency, WAFA.

In Jerusalem, Israeli Prime Minister Ehud Olmert criticized a U.N. resolution that calls on Israel to pull its troops from Gaza and requests a fact-finding mission into the death of 19 members of an extended family killed in an Israeli artillery attack earlier this month.

The resolution — which passed the General Assembly on Friday — received support from all members of the European Union after last-minute changes were made to soften the tone. Israel, Australia and the United States voted against it.

Olmert said Israel will not halt its five-month offensive in Gaza, which he said is a response to rocket fire from Palestinian militants, even though civilians are frequently caught in the crossfire.

He lashed out at members of the international community "who on their moral high-horse and eye-rolling ways view it as correct to initiate a U.N. resolution condemning us."

Hamas and Abbas' more moderate Fatah have been at loggerheads since the Islamic group came to power after winning January parliamentary elections. In recent weeks, the sides have been trying to put aside their differences and form a unity government in the hopes of ending international sanctions imposed on the government.

Israel and Western donor nations have demanded that Hamas renounce violence, recognize Israel's right to exist and accept past peace deals. Hamas rejects the conditions, and the emerging coalition government is expected to take a vague position toward Israel.

Haniyeh acknowledged that despite progress in the talks, there were no guarantees the new government would persuade the international community to lift sanctions.

"We want to feel more secure, to be more comfortable that they are going to be committed to these guarantees and lift the siege," Haniyeh told reporters after visiting the Baroud home.

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Associated Press Writer Ibrahim Barzak contributed to this report.

Israel Calls Off Strike On Militant's Home After Palestinians Form Human Shield (LAT)

By Richard Boudreaux And Rushdi Abu Alouf

The Los Angeles Times, November 20, 2006

JABALYA, Gaza Strip — Israel said today that it had called off a planned aerial bombardment of a Palestinian militant's home after about 200 of his supporters, in a new defensive tactic, rushed to form a human shield around the residence.

The mass mobilization in the Gaza Strip is believed to be the first employed by Palestinians to prevent an Israeli air strike. It is part of a growing use of civilians, including women and children, against an Israeli offensive aimed at halting rocket fire into Israel from Gaza.

Israeli officials said the tactic spells a new difficulty for their 5-month-old offensive, which has been largely ineffective so far.

Saved by the action late Saturday night was the home of Mohammed Wael Baroud, identified by both sides as an operative of the Popular Resistance Committees who has overseen some of the ongoing rocket attacks. Israel considers him a wanted terrorist.

Capt. Noa Meir, a spokeswoman for the Israeli military, said it targeted the home as part of a "terrorist infrastructure," but canceled the planned air strike because of the large crowd.

She said the military would continue fighting to root out weapons caches and logistical centers of Baroud's organization, as well as those of Islamic Jihad and the armed wing of the Hamas movement that leads the Palestinian Authority.

All three groups are involved in launching crude Kassam rockets, nearly 1,000 of which have fallen in or near Israeli cities and towns this year. Today, one rocket wounded a taxi driver in Sderot, near the Gaza border. Another killed a 70-year-old woman there Wednesday.

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At midday today, an Israeli aircraft attacked a car carrying two Hamas gunmen in Gaza City, killing an 80-year-old man and wounding six other passersby, hospital officials said. The Hamas members, identified by Israel as rocket makers, escaped unharmed, fleeing on foot into a nearby mosque after the first missile missed the car.

The Israeli army often attacks the vehicles of Palestinian militants without warning, aiming to kill, but says it routinely orders occupants out of targeted buildings before striking, in case civilians are among them.

Such a warning came by telephone to Baroud's two-story home in the Jabalya refugee camp in northern Gaza, giving the 15 members of his and his brothers' families half an hour to get out.

Instead, Baroud holed up inside with relatives and informed his superiors and the local mosque. The Barouds were quickly joined by neighbors and supporters, responding to appeals from the mosque and from Palestinian radio and television.

"Death to Israel! Death to America!" the demonstrators shouted from the roof of the house and the streets outside.

Nizar Rayan, a Hamas leader in northern Gaza, said the demonstration was part of a new method of "popular action to protect the fighters and their homes" and said it would be repeated whenever a Palestinian home is threatened by Israeli bombardment.

Supportive crowds remained at the Baroud home today and formed pre-emptively around the residences of several other Gaza militants who had been targeted by Israel in the past.

On Nov. 3, Hamas orchestrated a similar rescue when about 200 unarmed women swarmed past an Israeli military cordon around a mosque in the Gaza town of Beit Hanoun and shielded the escape of 73 Palestinian gunmen who had been trapped inside. Two women were killed by Israeli gunfire that, the Israeli army said, was aimed at armed men in their midst.

Meir, the army spokeswoman, said the mosque incident and the demonstration at Baroud's home "are part of the same cynical use of Palestinian civilians as human shields."

"They're forcing us to face a very difficult dilemma," she said. "While they have no regard for their own civilians, we're the ones who have to make the choice of how to defend our civilians on the one hand and keep theirs out of harm's way on the other."

Palestinian Prime Minister Ismail Haniyeh, a senior Hamas leader, portrayed Saturday night's demonstration as an act of self preservation. "Those people intervened to protect their own houses as well," he told reporters outside the Baroud home.

Some of the demonstrators were members of armed Palestinian groups including Hamas, Fatah and other rivals of Baroud's organization.

Nassem abu Ajena, a 45-year-old local commander in Hamas' military wing, climbed to the roof of Baroud's home Saturday night with two of his sons, Khalil, 17, and Samer, 19.

"If I protect my neighbor's house today, he will protect my house tomorrow," Ajena explained.

Palestinian officials say Israeli warplanes have destroyed nine homes in Gaza in stepped-up strikes since Wednesday's fatal rocket attack on Sderot.

Israel has turned increasingly to its air force since a long-range artillery barrage killed 19 civilians in Beit Hanoun on Nov. 8. Israel said the shells went off course because of problems with the targeting system.

Israel unilaterally withdrew its army outposts and settlements from Gaza in September last year but has made frequent military incursions into the coastal territory since the capture of one of its soldiers along the border in late June. The soldier is still missing.

As the incursions have become longer and more frequent, Israeli officials have debated whether to intervene even more aggressively in Gaza. Prime Minister Ehud Olmert said last week that while Israel would continue targeted attacks, a large-scale assault would not necessarily stop the rockets.

Today, Olmert criticized a U.N. General Assembly resolution that calls on Israel to pull its troops from the Gaza Strip and requests a fact-finding mission into the Beit Hanoun deaths.

"The state of Israel is not the one that has to provide answers about hitting civilians," Olmert said. "We have expressed our deepest regret over this. But those who preach morality and roll their eyes have yet to condemn those [Palestinians] who are shooting with the goal of hitting civilians as a systematic policy."

Palestinian Shields Foil Israeli Strikes (AP-Y)

By Sarah El Deeb

AP, November 20, 2006

Hundreds of Palestinians serving as human shields guarded the homes of two top militants Sunday, a new tactic that forced Israel to call off missile strikes on the buildings and re-evaluate a mainstay of its aerial campaign in Gaza.

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In recent months, the Israeli air force has repeatedly struck the homes of militants after warning residents by phone to clear out. Israeli security officials said they did not know how to respond to the human shield tactic, but pressed ahead with other airstrikes Sunday.

In Gaza City, an aircraft fired a missile at a car, killing one man and wounding nine, including two Hamas militants. Four of the wounded were children, ages 5 to 16, who suffered shrapnel injuries, hospital officials said.

The military said the target of the strike was a vehicle carrying senior members of the Hamas rocket launching operation.

The standoff over the homes of the militants began late Saturday when Mohammed Baroud, local leader of the Popular Resistance Committees, was informed by the army that his house would be hit. The three-story building is home to 17 people from Baroud's family. Another militant from Hamas also received a warning.

Instead of fleeing, though, the two decided to stay in their homes and called in reinforcements. They were quickly joined by crowds of supporters, including dozens of armed men, who gathered on balconies, rooftops and in the streets outside.

"Death to Israel. Death to America," the crowds chanted. Local mosques and Palestinian TV and radio stations also mobilized supporters.

Baroud, involved in rocket attacks on Israel, said he and his fellow militants had planned the response a few days earlier when another house was destroyed in a missile strike.

The army said it called off the nighttime airstrikes because of the crowds. It condemned what it said was a cynical exploitation "by the terrorists of uninvolved people as human shields."

Israeli military officials acknowledged they had no solution for the standoff. The officials spoke on condition of anonymity because they were not authorized to talk to the media.

By Sunday afternoon, about two dozen women were milling around on Baroud's roof, shielded from the sun by green tarp. One story below them, about a dozen men were resting on mattresses.

Baroud's mother, Umm Wael, said shifts had been organized in preparation for a long standoff. "Where should we go?" she said. "We will stay here or die in the house. Let them bring it down on our heads."

Prime Minister Ismail Haniyeh of Hamas stopped by to show support. "We are so proud of this national stand. It's the first step toward protecting our homes, the homes of our children," he said.

Also Sunday, Hamas militants in Gaza fired eight rockets at the Israeli town of Sderot, seriously wounding one person. Last week, a Sderot woman was killed in a rocket attack.

Israeli Defense Minister Amir Peretz called Palestinian President Mahmoud Abbas and demanded he invoke his authority to put an end to the rocket fire, the Defense Ministry said. Peretz told Abbas that Israel would not tolerate continued barrages.

Abbas responded by telling Peretz to stop Israel's military escalation in the Palestinian territories, according to the Palestinian news agency, WAFA.

In Jerusalem, Israeli Prime Minister Ehud Olmert criticized a U.N. resolution that calls on Israel to pull its troops from Gaza and requests a fact-finding mission into the death of 19 members of an extended family killed in an Israeli artillery attack earlier this month.

The resolution — which passed the General Assembly on Friday — received support from all members of the European Union after last-minute changes were made to soften the tone. Israel, Australia and the United States voted against it.

Olmert said Israel will not halt its five-month offensive in Gaza, which he said is a response to rocket fire from Palestinian militants, even though civilians are frequently caught in the crossfire.

He lashed out at members of the international community "who on their moral high-horse and eye-rolling ways view it as correct to initiate a U.N. resolution condemning us."

Hamas and Abbas' more moderate Fatah have been at loggerheads since the Islamic group came to power after winning January parliamentary elections. In recent weeks, the sides have been trying to put aside their differences and form a unity government in the hopes of ending international sanctions imposed on the government.

Israel and Western donor nations have demanded that Hamas renounce violence, recognize Israel's right to exist and accept past peace deals. Hamas rejects the conditions, and the emerging coalition government is expected to take a vague position toward Israel.

Haniyeh acknowledged that despite progress in the talks, there were no guarantees the new government would persuade the international community to lift sanctions.

"We want to feel more secure, to be more comfortable that they are going to be committed to these guarantees and lift the siege," Haniyeh told reporters after visiting the Baroud home.

Human Shields Foil Air Strikes (WT/AP)

By Sarah El Deeb

DOJ_NMG_0096307

The Washington Times, November 20, 2006

BEIT LAHIYA, Gaza Strip -- Hundreds of Palestinians serving as human shields guarded the homes of two top militants yesterday, a new tactic that forced Israel to call off missile strikes on the buildings and reevaluate a mainstay of its aerial campaign in Gaza.

The Israeli air force repeatedly has struck the homes of militants after warning residents by phone to clear out. Israeli security officials said they did not know how to respond to the human-shield tactic, but pressed ahead with other air strikes yesterday.

In Gaza City, an aircraft fired a missile at a car, killing one man and wounding nine persons, including two Hamas militants. Four of the wounded were children, ages 5 to 16, who suffered shrapnel injuries, hospital officials said.

The military said the target of the strike was a vehicle carrying senior members of the Hamas rocket-launching operation.

The standoff over the homes of the militants began late Saturday when Mohammed Baroud, local leader of the Popular Resistance Committees, was informed by the army that his house would be hit. The three-story building is home to 17 persons from Mr. Baroud's family. Another militant from Hamas also received a warning.

Instead of fleeing, though, the two decided to stay in their homes and called in reinforcements. They quickly were joined by crowds of supporters, including dozens of armed men, who gathered on balconies, rooftops and in the streets outside.

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Mr. Baroud, involved in rocket attacks on Israel, said he and his fellow militants had planned the response a few days earlier when another house was destroyed in a missile strike.

The army said it called off the nighttime air strikes because of the crowds. It condemned what it said was a cynical exploitation "by the terrorists of uninvolved people as human shields."

Israeli military officials acknowledged they had no solution to the standoff. The officials spoke on the condition of anonymity because they were not authorized to talk to the press.

By yesterday afternoon, about two dozen women were milling around on Mr. Baroud's roof, shielded from the sun by green tarp. One story below them, about a dozen men were resting on mattresses.

Mr. Baroud's mother, Umm Wael, said shifts had been organized in preparation for a long standoff. "Where should we go?" she said. "We will stay here or die in the house. Let them bring it down on our heads."

Prime Minister Ismail Haniyeh of Hamas stopped by to show support. "We are so proud of this national stand. It's the first step toward protecting our homes, the homes of our children," he said.

Also yesterday, Hamas militants in Gaza fired eight rockets at the Israeli town of Sderot, seriously wounding one person. Last week, a Sderot woman was killed in a rocket attack.

Israel PM Lashes Out At UN Over Resolution (AFP)

AFP, November 20, 2006

Prime Minister Ehud Olmert has criticised a UN General Assembly resolution calling for a fact-finding mission to probe an Israeli artillery strike that killed 19 Palestinians this month.

"I view it severely," Olmert told the weekly cabinet meeting in Jerusalem on Sunday, 11 days after shells slammed into private homes in Beit Hanun in northern Gaza, killing mostly women and children.

"We have no doubt that it is the State of Israel which must respond to attacks on civilians. We have expressed our deepest regret over this.

"But those who preach morality and roll their eyes have yet to see fit to initiate a resolution in condemnation of those who are shooting with the goal of hitting civilians as a long-range, systematic policy," Olmert added.

The UN General Assembly on Friday overwhelmingly passed a resolution urging an immediate end to all acts of Israeli and Palestinian violence, including an Israeli offensive in the Gaza Strip and Palestinians firing rockets into Israel.

In Gaza, the director of the United Nations refugee agency defended the resolution and accused Israel of using excessive force, a day after he said two children in a UN-run school in northern Gaza were wounded by stray bullets.

"The results of (Israel's) acts speak for themselves and the results are indicative of the fact that they are not taking care as they are bound to do," John Ging told reporters after touring the school in Beit Lahiya.

"There is disproportionate use of force and due care is not being taken for the civilian population," he added.

"That there isn't even safety in an UNRWA school sends a very clear message that ties in to what the UN General Assembly thankfully voted on, which is that there is a need to protect the civilians in Gaza."

Friday's resolution also urged the UN secretary general to set up a fact-finding mission to probe Israel's shelling of private homes in the Gaza town of Beit Hanun on November 8 which killed 19 Palestinians.

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Israel has said a technical error was responsible for the artillery incident and expressed regret for the "tragedy".

Hezbollah's Leader Calls For Street Protests (NYT)

By Nada Bakri And Michael Slackman

The New York Times, November 20, 2006

BEIRUT, Lebanon, Nov. 19 — Hezbollah's leader, Sheik Hassan Nasrallah, pressed his case for bringing down Lebanon's government in a message broadcast Sunday, once again calling for peaceful demonstrations to topple what he described as an "illegitimate and unconstitutional" government controlled by Washington.

Sheik Nasrallah used his televised appearance to try to win political support by playing to the deep resentment many Lebanese harbor against the United States for having refused to press for an early end to Israel's war with Hezbollah. Sheik Nasrallah sought to characterize his goals in purely domestic terms, insisting that Hezbollah was not doing the bidding of Iran or Syria — as his opponents have charged.

In a taped speech broadcast on Al Manar television station run by Hezbollah, Sheik Nasrallah called on his supporters to be "psychologically" ready to protest for days, weeks or however long it would take to force the government to step down. But he also offered a prescription to avoid the protests.

"There are two solutions to resolve the crisis: either the formation of a government of national unity in which all political movements take part, or early parliamentary elections," he said to an audience of followers on the taped message. "Come and let us form a national unity government. Nobody is raising arms. Nobody is making a coup or popular revolution."

He also insisted that Hezbollah was not advocating violence or a power grab, adding, "Civil war is a red line. Clashes are a red line."

While Sheik Nasrallah has won widespread credibility for doing what he promises to do, it appeared he was mindful of the risks involved in taking to the streets and was looking to build so much pressure on the government that such a move would not become necessary.

The struggle for power in Lebanon took a new turn after the war with Israel ended in August, and Hezbollah emerged emboldened by its ability to survive the Israeli attack and bloody Israeli forces. Hezbollah, a militant Islamic organization with a powerful political and aid operation, has pressed its case for changing the makeup of the government to include more of its allies, including the party of Gen. Michel Aoun, a Christian.

But the governing March 14th coalition, a group of Sunni, Druse and Christian leaders that is allied with the West, has vowed not to give Hezbollah as much as it is asking for because that would put veto power for all government actions in the Hezbollah coalition's hands. Members of the governing coalition have said that would paralyze the government and give Syria and Iran undue influence in Lebanese affairs.

Though the conflict is a domestic battle for power, it also has an international component that could influence the future far beyond Lebanon's own borders. The governing coalition is allied with the United States and France, while Hezbollah is a close ally of Syria and Iran. Throughout the conflict, each side has accused the other of being a puppet of foreign interests, while denying such accusations against itself. The White House recently issued a statement charging that Syria, Iran and Hezbollah were planning to bring down the government together.

Sheik Nasrallah addressed those charges directly, using his speech to insist that his goal was unity, not the empowerment of Hezbollah, Syria or Iran. The governing coalition has repeatedly accused Hezbollah of wanting to block the creation of an international tribunal to hear evidence in the assassination of former Prime Minister Rafik Hariri. Sheik Nasrallah denied that was the case.

He also indicated that no matter what happened, even if security forces attacked the demonstrators, his militia would not be goaded into fighting a domestic battle.

"When we take to the streets we hope that they don't mobilize their forces in front of ours," he said. "If they insult us we will tell them, 'God forgive you.' If they beat us we will tell them, 'God forgive you.' "

His speech was punctuated by chants from the crowd: "Labbeik ya Nasrallah" or "We follow you, O Nasrallah."

A member of Parliament for the March 14th coalition, Akram Chehayeb, dismissed Sheik Nasrallah's statements as nothing more than propaganda, saying his was "a decision to fulfill Iran's wishes."

He showed no sign that the coalition would back down to the demands of Hezbollah and its alliance. He also said there would be counterdemonstrations, illustrating just how entrenched the sides are.

"The government will not prevent them from practicing their democratic right if their protests remain peaceful, but if they attack public or private property, the security forces will have to interfere to protect the country," Mr. Chehayeb said. "We will defend the government of independence and we will prevent any coup from toppling it."

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The Druse leader, Walid Jumblatt, took a position exactly opposite of Sheik Nasrallah's. "The opposition groups are on the verge of announcing a coup in the country," Mr. Jumblatt said Sunday at a televised news conference. "They will start with gradual street protests, then mass demonstrations, then riots and resignation from Parliament. We are until this moment still calling for a compromise."

Hezbollah Urges Mass Protests In Lebanon (AP-Y)

By Hussein Dakroub

AP, November 20, 2006

Hezbollah's leader urged his followers to prepare for mass demonstrations to topple the government if it ignores the militant group's demand to form a national unity coalition.

In a speech broadcast Sunday, Sheik Hassan Nasrallah railed against President Bush's administration, calling Secretary of State Condoleezza Rice a "bloodsucker" and claiming the current Lebanese government is a puppet of Washington.

He did not set a date for the anti-government protests, which he said should be nonviolent. But he told supporters and political allies to get ready to take to Beirut's streets for days or even weeks to force the resignation of the government.

"We, all of us, must be psychologically and morally ready to take to the streets. It is one means for the required movement," Nasrallah said in a speech Saturday which was aired Sunday on Hezbollah's TV station Al-Manar.

"We do not want riots ... We must respect private and public property. We will not allow any clashes even if (anti-Syrian groups) stage a counter street demonstration," he said. "We are capable of taking to the street and staying there for a day, two, or three, or a week, or two or three weeks, or for more or less until we eventually impose by our peaceful, civilized and democratic means the toppling of an illegitimate and unconstitutional government."

Political and sectarian tensions have been mounting in Lebanon as a result of a power struggle between rival factions intensified by Hezbollah's 34-day war with Israel this summer.

The Shiite guerrilla group, which is backed by Syria and Iran, has demanded the formation of a national unity government that would essentially give it and its allies veto power over major decisions. But negotiations among groups broke down last week, and six Cabinet ministers, including two from Hezbollah, resigned.

Shortly after Nasrallah's speech was broadcast, the sounds of gunfire and fireworks reverberated across Beirut's predominantly Shiite southern suburbs, a Hezbollah stronghold heavily bombarded by Israel during the fighting in July and August.

Nasrallah accused the government of Prime Minister Fuad Saniora, which is backed by the anti-Syrian parliamentary majority, of falling under the influence of the President Bush's administration. He said the government had become "illegitimate" and "unconstitutional" after the ministers resigned.

"This is the government of Feltman and not the government of Prime Minister Fuad Saniora," Nasrallah said, referring to the U.S. Ambassador to Lebanon Jeffrey Feltman who has repeatedly reaffirmed his country's support for the Saniora government. The remark drew applause and chants of "Death to America" from Nasrallah's audience made up of Hezbollah members charged with organizing the protests.

"We want to liberate our country from the hegemony of Ambassador Feltman and the bloodsucker Rice," he said.

Hezbollah has accused Rice and the Bush administration of foiling Arab efforts in the U.N. Security Council to arrange an early cease-fire in Israel-Hezbollah war, claiming Washington wanted to give Israel time to try to destroy Hezbollah's military infrastructure. The fighting ended with a U.N.-brokered cease-fire resolution on Aug. 14 and more than 1,000 people died on both sides of the border.

Lebanon's political crisis has deepened since late October when Nasrallah began threatening mass protests unless Hezbollah's demand for a national unity government was met.

Saniora, backed by the anti-Syrian coalition, has vowed to stay in power and refused to give veto power to Hezbollah and its allies.

Nasrallah repeated his demand for the unity government to include Christian leader Gen. Michel Aoun's faction, a Hezbollah ally, as a way out of the current political deadlock. The move would also reduce the sectarian appearance of the exclusively Shiite group's bid for greater political power.

"We have two options to break the political deadlock: formation of a national unity government in which the country's major political forces participate in an effective way, or early parliamentary elections," he said.

But Nasrallah insisted he was not trying to cause radical change.

"Come let's form a national unity government. ... Nobody is raising arms, nobody is making a coup or popular revolution," he said.

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The demonstrations are not aimed at changing the ruling system or causing a "radical political coup" in Lebanon, he said. "All we want is to have a national government that will not make Lebanon an American or an Israeli tool."

Nasrallah ruled out civil war, undermining Lebanon's stability or Sunni-Shiite strife, all of which he said were "red lines" Hezbollah would not cross.

Washington has accused Hezbollah backers Iran and Syria of seeking to topple the Saniora government and attempting to block the formation of an international tribunal to prosecute the suspected killers of former Lebanese Prime Minister Rafik Hariri. Both Iran and Syria have denied the charges.

The Lebanese government last week approved the draft agreement for the tribunal's formation, and the U.N. Security Council was expected to discuss the draft on Monday. Lebanon's pro-Syrian President Emile Lahoud opposed the Cabinet's decision, saying it lacked legitimacy after the ministers resigned.

Hariri was killed with 22 others in a suicide truck bombing in February 2005. The assassination sparked huge protests against Syria, which was widely seen as culpable. Syria denies it was behind the killing.

India, Too, Tests A Medium-Range Missile (NYT/AP)

By The Associated Press

The New York Times, November 20, 2006

BHUBANESHWAR, India, Nov. 19 (AP) — India on Sunday successfully test-fired a medium-range missile capable of carrying nuclear warheads days after its rival, Pakistan, had launched a similar missile.

The Indian missile, called the Prithvi, was fired into the Bay of Bengal from a test range in Chandipur in the eastern state of Orissa, a Defense Ministry official said, speaking on condition of anonymity under ministry rules. The test came three days after Pakistan carried out a similar test of its nuclear-capable Ghauri missile, also known as the Hatf-5.

The two countries recently concluded a crucial round of peace talks in New Delhi in an effort to resolve their differences, including the thorny issue of their territorial dispute over the Himalayan region of Kashmir. India and Pakistan have fought three wars, two over Kashmir, since 1947.

The missile test Sunday was “routine” and “part of the country’s air defense exercises,” an unidentified official said, according to the Press Trust of India news agency.

India routinely test-fires missiles it is developing for military use, as does Pakistan.

A Pakistan Foreign Ministry spokeswoman, Tasnim Aslam, said Sunday that India had informed Pakistan ahead of time, as is its standard procedure.

On Saturday, district authorities in Chandipur evacuated about 2,750 villagers living near the testing range to two large shelters about a mile away, the news agency said.

Britain And Pakistan To Work More Closely (NYT)

By Salman Masood

The New York Times, November 20, 2006

ISLAMABAD, Pakistan, Nov. 19 — Prime Minister Tony Blair of Britain and President Pervez Musharraf of Pakistan agreed Sunday to strengthen their nations’ cooperation on counterterrorism and other fields, and they stressed the need for political and economic measures along with the use of military force to bring peace in Afghanistan.

The two leaders met in the eastern city of Lahore on the second day of Mr. Blair’s visit to Pakistan. At a news conference, Mr. Blair said relations between Pakistan and Britain were at “their highest point.”

“We also discussed the work that we are doing together in counterterrorism, which again is improving and strengthening,” Mr. Blair said.

Afghanistan figured prominently in the talks held by Mr. Blair and General Musharraf. Pakistan’s support and willingness to curb resurgent Taliban activity in Afghanistan is essential and often emblematic of what Mr. Blair called “the tremendous challenges” that confront other countries in stabilizing Afghanistan.

Mr. Blair also said that a lasting resolution of the Israeli-Palestinian conflict was essential to defeating extremism.

General Musharraf brushed off criticism from Afghanistan and the West that Pakistan was not doing enough to curb cross-border infiltration by fighters linked to the Taliban, Afghanistan’s ousted rulers.

Saying that his country was doing more than was expected and “suffered 600 dead,” General Musharraf said: “The Taliban problem is an Afghan problem. The solution lies in what you do in Afghanistan, not what you do in Pakistan. The battle has to be won on the Afghan side.”

General Musharraf said millions of dollars should be poured in for development in the southeastern part of Afghanistan, “which is under turmoil at the moment.”

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He also defended his government's policy of entering peace agreements with local militants sympathetic to the Taliban, in the rugged semiautonomous tribal regions that straddle Afghanistan. He suggested that this model should be replicated in Afghanistan with "those elements who want peace."

Mr. Blair said more work needed to be done.

"In fairness, we should say that the cooperation with Pakistan in dealing over these issues has been transformed over these past few years," he said. "There is no doubt about that, at all. Of course, everyone always wants more to be done."

Britain has about 5,000 troops in Afghanistan, part of the 31,000 NATO-led forces. NATO officials have repeatedly complained that the Taliban find safe haven in Pakistan after mounting attacks against British and NATO troops inside Afghanistan.

Mr. Blair's visit included an assistance package intended to revamp the country's religious schools, which are often criticized for fomenting militancy and intolerance.

Britain and Pakistan signed a long-term partnership arrangement to reduce poverty and help Pakistan achieve United Nations goals for development. Under the agreement, the British government will provide 480 million pounds, or about $900 million, in the next three years through Britain's Department for International Development.

The two countries agreed to increase cooperation between their intelligence services to combat terrorism, illegal immigration and transnational organized crime.

Britain has offered support in countering terrorism, including forensic training, investigating the financing of terrorism and sharing crisis management expertise, a joint statement released by the Pakistani Foreign Office said.

Britain plans to deliver two MI-17 helicopters in April to the Pakistani antinarcotics force for their antismuggling operation along the border between Pakistan and Afghanistan.

During his visit, Mr. Blair also met with Prime Minister Shaukat Aziz and with moderate Islamic religious leaders and went to the Faisal Mosque.

6 Ethiopians Are Killed In Somalia Ambush (NYT/AP)

By The Associated Press

The New York Times, November 20, 2006

MOGADISHU, Somalia, Nov. 19 (AP) — Islamic fighters ambushed an Ethiopian military convoy on Sunday, killing six Ethiopian soldiers and wounding 20 others, witnesses said, in the first known fight between the rival forces maneuvering for control in Somalia.

Two Ethiopian trucks were destroyed by land mines before Islamic fighters opened fire on the convoy, which witnesses said was made up of more than 80 vehicles and headed for Baidoa, the headquarters of the so-called transitional government. The attack occurred about 50 miles southwest of Baidoa.

Sheik Abdirahim Ali Mudey, a spokesman for the Islamic Courts Union, which controls the capital, Mogadishu, and much of southern Somalia, said four Ethiopian trucks were destroyed and some soldiers were killed, but he denied that his group was responsible. He described the fighting as "a popular uprising" by villagers opposed to Ethiopian troops in Somalia.

Somalia has not had an effective government since 1991, when warlords overthrew Mohamed Siad Barre, then turned on one another. The interim government, formed two years ago, controls just one town.

Terror's Playground (TIME)

By Sam Dealey

Time, November 27, 2006

On a dusty side street in Somalia's former capital, there's little that distinguishes Mohammed's stall from the others. A grenade rests against a box of ammunition next to a row of AK-47s, and still more rifles hang from nails beneath a patch of tin roofing. His booth occupies prime real estate in the center of Mogadishu's Bakaraaha Arms Market, and he obsessively polishes his guns with an oil-stained rag in a battle against sand and grit. But few passersby show interest. Once one of the most bustling, bristling arms bazaars in the world, the Mogadishu weapons market is weathering a down cycle, with business a mere fraction of what it was in the days when warlords settled internecine grudges in the city's streets. Mohammed's average daily sales have dropped from 15 AKs to just three--and prices have fallen by almost half, to $300. "The only good job was selling guns," says Mohammed, 24. "Now I don't know what I'll do."

In most strife-torn parts of the world, a bear market for weapons would be cause for relief. But tranquillity rarely lasts long in Somalia. Since the overthrow of dictator Mohammed Siad Barre in 1991, the country has been a byword for dysfunction, less a nation-state than a destitute, unremittingly violent land ruled by the barrel of a gun. Last June the warlords' grip on power was

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finally broken by a dedicated confederacy of fundamentalist Muslim militias that fought their way into the former capital and sent the warlords fleeing.

Since then, the Muslim militias, which call themselves the Islamic Courts Union (ICU), have consolidated their claim to Mogadishu and expanded their control to include most of Somalia, particularly the fertile lands and strategic ports in the country's south. Meanwhile, the U.N.-backed transitional government is unraveling. Confined to the squalid town of Baidoa near the Ethiopian border, the government is dependent on foreign money and security and crippled by internal dissent and mass resignations.

The fear is that Somalia, a country with nearly 9 million Muslims and one that the U.S. has long suspected is a haven for al-Qaeda, may fall further into the hands of Islamic fundamentalists sympathetic to terrorist organizations. A report by the U.N.-chartered watchdog group on Somalia, which was submitted to the U.N Security Council last week, says the ICU has developed extensive ties with groups and states steeped in terrorism.

The report states that the ICU sent "approximately a 720-person-strong military force to Lebanon to fight alongside Hizballah against the Israeli military" during this summer's monthlong war. In exchange, Hizballah's leadership "has made arrangements" for governments like Iran's and Syria's to contribute arms and supplies to the ICU. And senior leaders within the ICU, including co-leader Sheik Hassan Dahir Aweys, allegedly have direct ties to al-Itihaad al-Islamiya, a radical group suspected of links to al-Qaeda.

Leaders of the ICU deny such allegations, but it's telling that they don't seem particularly bothered by them. "We believe the war against terrorism is a war against Islam," says the hard-line ICU national security chairman, Sheik Yusuf Indahaadde. "Those who are making trouble are not based here." Then, in English, the sheik adds forcefully, "Bush is the mother and father of terrorism."

And yet, in spite of the Islamists' disreputable allies, many Somalis cannot remember a time when they felt safer. For Americans, the single, searing image of Somalia was formed in October 1993, after two U.S. Black Hawk helicopters--part of a U.S. mission to provide humanitarian relief and restore order--were felled by militias loyal to warlord Mohammed Farrah Aidid. Eighteen U.S. special forces were killed, and the world community's involvement in Somalia effectively ended. What followed was a decade and a half of intermittent war that reduced Mogadishu to rubble. Along the "green line," the architectural gem of the former Italian colony that bore the brunt of the warlords' reign, the once proud edifice of the National Bank is obliterated, and only a stone shard remains of the cathedral's twin bell towers.

But over the past few months, there have been glimpses of progress. In the clearings between bullet-pocked buildings and along the city's broad, leafy avenues, children play soccer and a decade's worth of trash is slowly being hauled away. Extortionate militia checkpoints and roving bands of technicals--pickups mounted with heavy artillery and carrying armed thugs--have been replaced by disciplined Islamic troops. The city's ports have reopened, buses travel the roads by day, and Somali families stroll the sidewalks by night. Barring the notable exceptions of a Swedish journalist and an Italian nun who were recently murdered, there's no denying Mogadishu's new semblance of order. "This is an area of the world that we would obviously like to see stable, and [the Islamists] are doing that to some extent," says a Western diplomat. "So if what you see is what you get, then maybe it isn't the worst thing in the world."

The Islamists who control the city occupy a whitewashed compound in Mogadishu. They are eager to present their domination as a fait accompli. "We are ready to be a nation," says Foreign Minister Ibrahim Hassan Addou. "We want Somalia to be peaceful, and we want to establish good relations with the rest of the world." With both hands, he beckons toward the open window in his office. "Feel free to look around," he says. "You can go where you want to go and see what you want to see."

Well, not quite. The Islamists have instituted Taliban-style rules banning drinking, cinemas, dancing and women swimming, as well as curbing the press. Sheik Sharif Sheik Ahmed, the ICU's co-leader, insists these restraints are the product of spontaneous acts of piety by the public. "We don't have any rules issuing from the Islamic Courts to stop any of this," he insists. "The people are doing this by themselves without intervention by us." That seems open to dispute. Just last week, after protests erupted over the shortage of khat, the seemingly ubiquitous narcotic chewed in Somalia, the Islamists ordered a ban on the drug. It's unlikely to go over well. "It's good to stop hashish and harder things," says a man at a khat stall in Mogadishu, "but cigarettes and beer? There will be a day when people say, Wait, they have gone too far. I am sure of it."

The Islamists' takeover is a parable of the unintended consequences of the U.S.'s war on terrorism. After Sept. 11, the U.S. intelligence community, acting on concerns that Somalia's lawlessness could be exploited by al-Qaeda, initiated the Alliance for the Restoration of Peace and Counterterrorism, a covert program that funneled aid to warlords in return for their assistance in capturing suspected terrorists. One of those warlords approached by U.S. operatives was Osman Hassan Ali Atto. Once a top financier of warlord Aidid--Atto was captured just a week before the downing of the Black Hawks in 1993--he is the last independent warlord in Mogadishu, a testament to his ability to play both sides of the net. Blunt-spoken and avuncular, Atto disparaged the U.S. cash-for-warlords program. "It was a waste of money," he says at his junkyard in Mogadishu, where the

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rusting hulks of dozers and pavers are still scarred by flak from U.S. missiles some 15 years ago. "I always told them that America's interests [should be] a government that is put in place without the pressure of money. They had their own ambitions to capture certain individuals. But I told them to f___ off. We are not for sale."

But other warlords were. Payments totaling several hundred thousand dollars were funneled to various militia groups, according to U.N. sources. The program was an open secret in Somalia and among the African diplomatic corps, but its only success was to bolster support for the Islamic Courts among a population weary of anarchy and opposed to foreign meddling. "It was a spectacular disaster," says John Prendergast of the International Crisis Group. "Not only were the militia leaders routed, but the U.S. and CIA support for these militias led to strengthened support for the Islamic Courts."

Poorly trained and addled by khat, Mogadishu's bands of thugs were no match for the highly regimented and dedicated Islamic soldiers. After just three months, the warlords were decisively routed this summer. "The warlords, they did not know how to fight," an ICU militia trainer says during a tour of his training camp just outside Mogadishu. "They had the guns and the money and the khat, but they did not have the heart. For many months we have not been paid to fight, whether in money or in khat. We fight with our hearts."

Those aren't their only weapons. The U.N. watchdog report circulated to the Security Council last week says Syria has equipped and trained the ICU military. On July 27, the report says, "200 fighters from the ICU were transported by aircraft to Syria to undergo military training in guerrilla warfare." The report also says a Syrian plane delivered a "large quantity" of arms, including surface-to-air missiles, to the ICU in early September. On at least two occasions, Iran supplied the ICU with arms, including a shipment on July 25 of 1,000 machine guns and grenade launchers, an unknown quantity of mines and ammunition, and 45 shoulder-fired surface-to-air missiles.

In mid-August, a large dhow originating in Iran and carrying arms, medical supplies and food arrived at a Mogadishu seaport. Included in the shipment were 80 man-portable surface-to-air missiles and launchers. The U.N. also charges that "at the time of writing of this report, there were two Iranians in Dhusa Mareb engaged on matters linked to the exploration of uranium in exchange for arms to the ICU." In separate letters written to the U.N., Syria and Iran denied having any involvement.

Foreign diplomats warn that the arms buildup may be a prelude to a wider war. Despite being sidelined by the Islamists, the transitional government still enjoys the full-throated backing of the international community and is being armed to the teeth by neighboring Ethiopia--a necessary violation of the country's arms embargo if the transitional government is to survive, but hardly endearing to most Somalis, for whom Ethiopia is a blood enemy. Meanwhile, Ethiopia's main rival in the region, Eritrea, has funneled arms and forces to the ICU. Peace talks between the Islamists and the transitional government have largely collapsed, and skirmishes are increasing.

The African Union plans to deploy some 7,000 African peacekeepers to keep the two sides at bay. But the Islamists have made clear they will consider this an act of war. "If they come, we will view them as invading troops," said Ahmed. "And we are ready to defend ourselves because we are not ready to be colonized again by any sort of troops in the world." Without those peacekeepers, however, the two sides seem destined to clash. A face-off would surely drag Ethiopia and Eritrea into a proxy--if not outright--war. The Islamists' stated aim to unite all of Somalia is believed to include the secular breakaway territories of Puntland and Somaliland, as well as portions of Kenya and Ethiopia. Once fighting has begun, there's little to prevent Somalia from becoming a conflict that could engulf the Horn of Africa, cause horrific loss of life and create the continent's next major humanitarian crisis.

With those storm clouds gathering, the Islamists in Mogadishu are intent on solidifying their hold on power, dispensing their harsh brand of justice and leaving no doubt about who's in control. A reminder of that came on a clear blue morning in mid-October, when thousands of Somalis gathered at the parade ground of the old police barracks on the city's battered coast. Guards led a tall, undernourished man, condemned to death for killing another man, to a clearing in the center. After a reading from the Koran, the man conducted his ablutions, said a prayer and was led to a post facing eight soldiers in balaclavas and armed with AKs. His hands and feet were tied and his eyes blindfolded. With the bright blue sea behind him and puffy white clouds above, and to the jubilant shouts of Allahu akbar (God is great) from the crowd, the man's head and stomach were ripped by bullets.

The Passion Of The Pope (TIME)

By David Van Biema, Jeff Israely

Time, November 27, 2006

For the traveling Pontiff, it was not a laid-back Turkish holiday. The citizens of the proud, predominantly Muslim nation had no love of Popes. To the East, the Iranian government was galvanizing anti-Western feeling. The news reported that an escaped killer was on the loose, threatening to assassinate the Pontiff when he arrived. Yet the Holy Father was undaunted. "Love is stronger than danger," he said. "I am in the hands of God." He fared forward--to Ankara, to Istanbul--and preached the

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commonality of the world's great faiths. He enjoined both Christians and Muslims to "seek ties of friendship with other believers who invoke the name of a single God." He did not leave covered with garlands, but he set a groundwork for what would be years of rapprochement between the Holy See and Islam. He was a uniter, not a divider.

That was 1979 and Pope John Paul II. But when Benedict XVI travels to Turkey next week on his first visit to a Muslim country since becoming Pope last year, he is unlikely to cloak himself in a downy banner of brotherhood, the way his predecessor did 27 years ago. Instead, Benedict, 79, will arrive carrying a different reputation: that of a hard-knuckle intellect with a taste for blunt talk and interreligious confrontation. Just 19 months into his tenure, the Pope has become as much a moral lightning rod as a theologian; suddenly, when he speaks, the whole world listens. And so what takes place over four days in three Turkish cities has the potential to define his papacy--and a good deal more.

Few people saw this coming. Nobody truly expected Benedict to be a mere caretaker Pope--his sometimes ferocious 24-year tenure as the Vatican's theological enforcer and John Paul's right hand suggested anything but passivity. But this same familiarity argued against surprises. The new Pontiff was expected to sustain John Paul's conservative line on morality and church discipline and focus most of his energies on trimming the Vatican bureaucracy and battling Western culture's "moral relativism." Although acknowledged as a brilliant conservative theologian, Benedict lacked the open-armed charisma of his predecessor. Moreover, what had initially propelled John Paul to the center of the world stage was his challenge to communism and its subsequent fall, a huge geopolitical event that the Pope helped precipitate with two exhilarating visits to his beloved Polish homeland. By contrast, what could Benedict do? Liberate Bavaria?

Well, not quite. But this year he has emerged as a far more compelling and complex figure than anyone had imagined. And much of that has to do with his willingness to confront what some people feel is today's equivalent of the communist scourge--the threat of Islamic violence. The topic is extraordinarily fraught. There are, after all, a billion or so nonviolent Muslims on the globe, the Roman Catholic Church's own record in the religious-mayhem department is hardly pristine, and even the most naive of observers understands that the Vicar of Christ might harbor an institutional prejudice against one of Christianity's main global competitors. But by speaking out last September in Regensburg, Germany, about the possible intrinsic connection between Islam and violence, the Pontiff suddenly became a lot more interesting. Even when Islamic extremists destroyed several churches and murdered a nun in Somalia, Benedict refused to retract the essence of his remarks. In one imperfect but powerful stroke, he departed from his predecessor's largely benign approach to Islam and discovered an issue that might attract even the most religiously jaded. In doing so, he managed (for better or worse) to reanimate the clash-of-civilizations discussion by focusing scrutiny on the core question of whether Islam, as a religion, sanctions violence. He was hailed by cultural conservatives worldwide. Says Helen Hull Hitchcock, a St. Louis, Mo., lay leader who heads the conservative Catholic organization Women for Faith and Family: "He has said what needed to be said."

But Benedict now finds himself in an unfamiliar position as he embarks on the most important mission of his papacy. Having thrust himself to the center of the global debate and earned the vilification of the Muslim street, he must weigh hard options. Does he seize his new platform, insisting that another great faith has potentially deadly flaws and daring it to discuss them, while exhorting Western audiences to be morally armed? Or does he back away from further confrontation in the hope of tamping down the rage his words have already provoked? Those who know him say he was clearly shocked and appalled by the violent reaction to the Germany speech. Yet it seems unlikely that he will completely drop the topic and the megaphone he has discovered he is holding. "The Pope has the intention to say what he thinks," says a high-ranking Vatican diplomat. "He may adjust his tone, but his direction won't change."

APPOINTMENT IN ANKARA

If the test of a new act is to see how well it plays in a tough room, Benedict has certainly booked himself into a doozy. In the racial memory of Western Europe, the Turks were the face of militant Islam, besieging Vienna in 1529 and 1683 and for centuries thereafter representing a kind of stock bogeyman. In 2002, after nearly a century of determinedly secularist rule, the country elected a moderate Islamist party. For many in the West, that makes Turkey simultaneously a symbol of hope (of moderation) and fear (of Islamism).

The Pope's original invitation came in 2005, from the Ecumenical Patriarch of the Eastern Orthodox Church, which represents a nervous 0.01% of the country's population. The Turkish government, miffed that as a Cardinal, Joseph Ratzinger had opposed Turkey's urgent bid to join the European Union, finally issued its own belated offer for 2006. But even now, Turkish Prime Minister Recep Tayyip Erdogan has discovered a previous engagement that will take him out of the country while Benedict is in it. Although modest, sales of a Turkish novel subtitled Who Will Kill the Pope in Istanbul? (the book fingers everyone but Islamists) have increased as his trip approaches. The country is expected to place about 22,000 policemen on the streets of Istanbul while he is there. "This is a very high-risk visit," says Cengiz Aktar, a Turkish political scientist. "There is a vocal nationalist movement here, and there is the Pope, a man who likes to play with fire."

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Actually, Benedict will probably try to stay away from matches during his successive stops in Ankara, Ephesus and Istanbul. Speculation about what the Pope will say and do on this visit has consumed Rome for weeks. Papal watchers say Benedict cannot out-Regensburg himself, but gauzy talk about the compatibility of Christianity and Islam isn't likely either. Over the course of his career, Benedict has been averse to reciting multifaith platitudes, an aversion that has sharpened as he has focused on Islam. And that's what could make his coming encounter with the Muslim world, says David Gibson, author of The Rule of Benedict, either "a step toward religious harmony or toward holy war."

A BRIGHT-LINES KIND OF GUY

In 1986, Pope John Paul convened a remarkable multifaith summit in the medieval Italian town of Assisi. Muslims and Sikhs, Zoroastrians and the Archbishop of Canterbury, among others, convened to celebrate their (distinct) spiritualities and pray for peace. It was a signature John Paul moment, but not everybody caught the vibe. "It was a disaster," sniffs an observer. "People were praying together, and nobody had any idea what they were praying to." The witness, whose view undoubtedly reflected that of his boss, was an aide to Cardinal Ratzinger.

Unlike John Paul, who had a big-tent approach, Ratzinger has always favored bright theological lines and correspondingly high walls between creeds he regards as unequally meritorious. His long-standing habit is to correct any aide who calls a religion other than Christianity or Judaism a "faith." Prior to his papacy, the culmination of this philosophy was his office's 1999 Vatican document Dominus Jesus, which described non-Catholics as being in a "gravely deficient situation" regarding salvation. The fact that this offended some of the deficient parties did not particularly bother him. Notes the same assistant: "To understand each other ... you have to talk about what divides."

That approach includes Islam. In Ratzinger's 1996 interview book Salt of the Earth (with Peter Seewald), he noted that "we must recognize that Islam is not a uniform thing. No one can speak for [it] as a whole. There is a noble Islam, embodied, for example, by the King of Morocco, and there is also the extremist, terrorist Islam, which, again, one must not identify with Islam as a whole, which would do it an injustice." This sophisticated understanding, however, did not keep Ratzinger from slapping down a bishop who wanted to invite peaceable Muslims to a papal ceremony in Fatima, Portugal, or, in 2004, from objecting to Turkish E.U. entry on grounds that it has always been "in permanent contrast to Europe," a contrast his other writings made clear had much to do with religion.

Islam played a particular role--as both a threat and a model--in the drama that probably lies closest to Benedict's heart: the secularization of Christian Europe. In the same 1996 book, he wrote that "the Islamic soul reawakened" in reaction to the erosion of the West's moral stature during the 1960s. Ratzinger paraphrased that soul's new song: "We know who we are; our religion is holding its ground; you don't have one any longer. We have a moral message that has existed without interruption since the prophets, and we will tell the world how to live it, where the Christians certainly can't."

After Sept. 11, Ratzinger's attitude toward Islam seems to have hardened. According to Gibson, the Cardinals in the conclave that elected Ratzinger made it clear that they expected a tougher dialogue with the other faith. After the London subway bombings in July 2005, the new Pope responded to the question of whether Islam was a "religion of peace"--as George W. Bush, among others, has always stressed-- by saying, "Certainly there are also elements that can favor peace." When he met with moderate German Muslims in the city of Cologne that August, Benedict delivered a fairly blunt warning that "those who instigate and plan these attacks evidently wish to poison our relations." In Rome, he removed Archbishop Michael Fitzgerald, a relatively dovish Islam expert, as head of the Vatican's office on interreligious dialogue and replaced an ongoing study of Christian violence during the Crusades with one on Islamic violence today. And he has stepped up the Vatican's insistence on reciprocity--demanding the same rights for Christians in Muslim-majority countries that Muslims enjoy in the West.

All of this led observers to expect him to eventually make a major statement about Islam, although most assumed that it wouldn't stray too far from John Paul's fraternal tone. Nobody anticipated what happened in southern Germany.

THE POINT OF NO RETURN

On Sept. 12, 2006, the day after the world had marked the fifth anniversary of the 9/11 attacks, Benedict threw himself into the maelstrom. The unlikely venue was his old teaching grounds, the University of Regensburg. His vehicle was a talk about reason as part of Christianity's very essence. His nominal target was his usual suspect, the secular West, which he said had committed the tragic error of discarding Christianity as reason-free. But this time he had an additional villain in his sights: Islam, which he said actually did undervalue rationality and which he strongly suggested was consequently more inclined to violence.

To show that Islam sees God as so transcendent that reason is extraneous, Benedict cited an 11th century Muslim sage named Ibn Hazm. To establish the connection between this position and violence, he quoted a 15th century Christian Byzantine Emperor (and head of the Byzantine, or Eastern, Church) named Manuel II Paleologus. Paleologus criticized Muslims for "spreading [their faith] by the sword," both because "God is not pleased by blood" and because true conversion depended on reason. "Show me just what the Muhammad brought that was new," Paleologus said, in a passage quoted by Benedict, "and there you will find things only evil and inhuman."

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It remains unclear whether Benedict was deliberately trying to raise the temperature. Many analysts, especially in Rome, think he knew exactly what he was saying and regard the Islamic section of the 35-min. speech as a brave and eloquent warning of Islam's inherent violence and of a faithless West's inability to offer moral response. Yet Benedict's argument was slapdash and flawed. His sage, Ibn Hazm, turned out to have belonged to a school with no current adherents, and although reason's primacy is debated in Islam, it is very much part of the culture that developed algebra. Paleologus' forced-conversion accusation misrepresents the sweep of Muslim history, since more often than not, Islam has left religious groups in conquered territory intact, if hobbled. And assuming that a punctilious scholar like Benedict really wanted to engage on Islam and violence, why do it through the idiosyncratic lens of an embattled king in the 1400s who made his name partly for his efforts at drumming up enthusiasm for a new Crusade?

The reaction to the speech was intense. Small bands of Muslim thugs burned Benedict in effigy, attacked the churches in the Middle East and, on Sept. 17, murdered the nun in Somalia. Over the course of a month, Benedict issued a series of partial apologies and corrections unprecedented in the papacy. He expressed regret to those offended, summoned a group of Muslim notables to make the point personally and disowned the "evil and inhuman" slur on Muhammad as Manuel's sentiment but not his own. He even issued a second version of the speech to reflect those sentiments.

But he never retracted his more basic association of Islam with unreason and violence. Indeed, if he had, it would have caused considerable confusion--if only because the behavior of the extremists seemed, at least to some, to prove his point. No editorialist could express frustration with him for initiating the row without condemning the subsequent carnage--and a good many decided his only fault was in speaking truth. Says a high-ranking Western diplomat in Rome: "It was time to let the rabbit out of the can, and he did. I admire his courage. Part of the Koran lends itself to being shanghaied by terrorists, and he can do what politicians can't." In late October, Benedict received a different kind of validation in an open "Your Holiness" letter from 38 of the best-known names in Islamic theology. The missive politely eviscerated his Regensburg speech but went on to "applaud" the Pope's "efforts to oppose the dominance of positivism and materialism in human life" and expressed a desire for "frank and sincere dialogue." At a time when the credibility of Western political leaders in the Muslim world has sunk to new depths, the letter treated Benedict as a spokesman for the West.

Says a Vatican insider with a shrug: "Everyone's asking, Did the Pope make a mistake? Was it intentional? It doesn't really matter at this point." Whether Benedict had actually intended Regensburg to be the catalyst, he had become a player.

THE PAPAL MEGAPHONE

After Regensburg, the mainstream Italian daily La Stampa ran the headline THE POPE AND BUSH ALLIED AGAINST TERROR. The association with the Iraq war and U.S. interrogation methods must have horrified the Pontiff, if only because it could undermine the church's honest-broker role in regional conflicts. "It's easy to say, 'Go Benedict! Hit the Muslims!'" says Gibson. "But that's not who he is. He is not a Crusader." Shortly before Regensburg, Benedict had endured Western criticism for repeatedly demanding a cease-fire after Israel's invasion of Lebanon. Angelo Cardinal Scola, a protÃ©gÃ© of the Pope's who edits Oasis, a Church quarterly on dialogue with Islam, says the fact "that radical Islam can turn to violence does not mean we must respond with a crusade."

The Pope's pursuit of his newfound calling as Islamic interlocutor will be tricky, theologically and politically. Unlike the holy books of Judaism and Christianity, the Koran and Hadiths contain verses precisely regulating the conduct of war and exhorting Muslims to wage battle against various enemies. The bellicosity of some Koranic passages owes much to the fact that they were written at a time when Muslims were engaged in almost constant warfare to defend their religion. But when suicide bombers today go to their fates with the Koran's verses on their lips, it invites questions about Islam's credentials as a religion that is willing to police its own claims of peace and tolerance. As conservative Catholic scholar Michael Novak points out, the Vatican's pacifism gives Benedict unmatched moral standing to press this point. "Being against war, he can say tougher things ... than any President or Prime Minister can. His role is to represent Western civilization."

Perhaps so, but then he might have to represent its past as well, including all the historical violence done in Jesus' name (despite the Gospels' pacifism). Discussion of Christianity's dark hours has not been his penchant. Moreover, the position Benedict took in Regensburg--that Islam and violence are indeed essentially connected--worked as an opening gambit but doesn't leave much room for either side to maneuver. People asked to flatly renounce their Holy Writ generally don't. And Benedict has little give--because first, he seldom says anything he is not prepared to defend to the bitter end and second, if he retreats now, he risks being accused of the same moral relativism that he rails against.

Still, many Catholics are rooting for him to come up with a way to engage without enraging. The widely read Catholic blogger Amy Welborn says, "I think there's a pretty widespread fed-up-ness with Islamic sensitivity. I agree that elements of Islam that either explicitly espouse violence or are less than aggressive in combatting it need to be challenged and nudged, [just as] I would like to see the Pope continue to challenge and nudge people of all different religions--Christian and non-Christian--to

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look at the suffering of people." She thinks that, given the heat he's taking in parts of the Islamic world, his willingness to go through with his Turkish trip is "so brave."

But what should he do while he's there? John Esposito, a respected Islam scholar at Georgetown University, says the Pope can't confine himself to meetings with Christian leaders. "He must address the Muslim majority." Seyyed Hossein Nasr, a professor at George Washington University and one of the 38 signatories to the October letter to Benedict, says the Pope should deliver an "earnest expression of commonality"--even if it's only the widely accepted observation that Judaism, Christianity and Islam all claim descent from the biblical figure of Abraham. Father Richard McBrien, a theologian at Notre Dame, says that "if he doesn't bring up the issue of reciprocal respect for Christian minorities, he's not doing his job," but that he should avoid an absolutist, now-or-never stance.

High-ranking Vatican sources say Benedict will avoid repeating the Islam-and-violence trope in any form as blatant as Regensburg's. Instead, suggests Father Thomas Reese, a senior research fellow at the Woodstock Theological Center in Washington, an independent nonprofit institute at Georgetown, the Pope may take a less broad-brush approach to the issue by repeating his sentiment from Cologne: "He could say, 'You, like me, are concerned about terrorism' and he would like to see Islamic clerics be more up front condemning it." Once over the hump, happier topics should be easy to find. "Quite frankly," says Reese, "the Pope and the Muslims are on the same page on abortion. They [agree on] relativism and consumerism, hedonistic culture, sex and violence, Palestinian rights." Conceivably, like John Paul's first journey back to communist Poland, Benedict's simple presence in this Muslim land may speak louder than words.

Whether this is the way Benedict will choose to proceed remains to be seen. But whatever he does, bold or subtle, the explosiveness of the current relationship between Islam and the West will require him to become a diplomat as much as a scholar. As he strives to assume that role, holding out an olive branch to other religions while fiercely defending his own, the Pope may want to consider the story of a much earlier walker of the Catholic-Islamic tightrope. In the 13th century, during the middle of the Fifth Crusade, St. Francis of Assisi briefly departed Italy and journeyed to the Holy Land to evangelize to the Muslims. According to Christian traditions, he preached the gospel to the Sultan, only to be told that Muslims were as convinced of the truth of Islam as Francis was of Christianity. At that, Francis proposed that he and a Muslim walk through a fire to test whose faith was stronger. The Sultan said he didn't know whether he could locate a volunteer. Francis said he would walk through the fire by himself. Impressed with Francis' devotion, the Sultan, while maintaining his own faith, agreed to a truce between the two warring sides.

Francis' precise methods may be a bit outdated. But 800 years later, his mixture of flexibility and tenacity could be a useful paradigm for a frank and sincere dialogue in an ever turbulent religious world. With reporting by With reporting by Jeff Chu/ New York, Andrew Purvis/ Berlin, Pelin Turgut/ Ankara with other bureaus

What The Pope Gets Right ... (TIME)

By Richard John Neuhaus

Time, November 27, 2006

Benedict XVI's journey to Istanbul, formerly Constantinople, is laden with the wounds of history both ancient and painfully contemporary. The Pope's controversial Sept. 12 lecture in Regensburg, Germany, quoted a 14th century exchange between a Byzantine Christian Emperor and a Muslim intellectual in which the Emperor made some distinctly uncomplimentary observations about Islam. The Pope admitted that the Emperor's statement was brusque. But his point in reaching so far back into history was to demonstrate that problems between the Christian West and Islam long precede today's "war on terrorism."

Although the West, and most notably Europe, may be less Christian today, Muslims still view it as the Christian West. For a thousand years, from the days of Muhammad in the 7th century, Islam enjoyed a run of triumphant conquest, interrupted only momentarily by the Christian Crusades. The time of conquest lasted until the failed siege of Vienna in 1683. After Vienna, and most dramatically under 19th and 20th century Western colonialism, Islam was sidelined from history--one of the main sources of the rage and resentment of today's jihadists.

The jihadists believe their time of resumed conquest has come. Through terrorism and the mass immigration of Muslims in Europe, the jihadists are pressing for the reversal of the military outcome of 1683. This is the context in which Benedict attempted to make a larger point at Regensburg. He acknowledged that Christians have sometimes had a problem, and he suggested that Muslims still have a problem, in understanding the relationship between faith and coercion. Violence, said the Pope, is the enemy of reason. Violence has no place in the advancing of religion. To act against reason is to act against the nature of God.

The violent responses to the Pope's speech reflect the belief of jihadist groups, such as al-Qaeda, that their religion mandates the use of any means necessary, including suicide bombers and the mass killing of civilians, to bring about the world's submission to Islam. In an Oct. 12 "Open Letter to His Holiness Pope Benedict XVI," 38 distinguished Islamic religious

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authorities, including Grand Muftis in Turkey, Egypt, Russia, Syria, Kosovo, Bosnia and Uzbekistan, wrote that "jihad ... means struggle, and specifically struggle in the way of God. This struggle may take many forms, including the use of force." The signers delicately criticized some acts of Muslim terrorism, such as the killing of a nun in Somalia, but failed to address the relationship between religion and politics in Islam, or whether the "maintenance of sovereignty" includes, as radical jihadists claim, the violent reconquest of Western lands that were once Muslim. Whether out of conviction or fear of being targeted by terrorists, the 38 did not frontally reject the linkage between violence and the advance of Islam.

Nonetheless, the open letter was framed in respectful terms and was welcomed at the Vatican. It is noteworthy, however, that the Pope has not retreated from his challenge to Islam. Moreover, under his leadership, the Vatican has taken a much stronger line in insisting on "reciprocity" in relations with Islam. Mosques proliferate throughout cities in the West, while any expression of non-Islamic religion is strictly forbidden in many Muslim countries. In the Vatican and elsewhere, the feeling has been growing that the way of tolerance, dialogue and multicultural sensitivity can no longer be a one-way street. In fact, that shift predates Benedict's papacy. In his 1994 book, Crossing the Threshold of Hope, John Paul II said complimentary things about the piety of Muslims. But John Paul concluded his discussion of Islam with this: "For [these reasons] not only the theology but also the anthropology of Islam is very distant from Christianity."

The theology has to do with the relationship between faith and reason, the anthropology with the dignity of the human person that requires a free and uncoerced response to truth, including religious truth. God ("Allah" in Arabic), Benedict contends, should be viewed not as an arbitrary ruler who issues capricious commands but as the Divine Reason that human beings, through reason and freedom, are invited to share. Speaking for the Catholic Church, which includes over half of the more than 2 billion Christians in the world, Benedict says that, in matters of religion, violence is the enemy of reason, and to act against reason is to act against God. Challenging the leaders of the more than 1 billion Muslims in the world, he asks them to join in that affirmation.

Father Richard John Neuhaus is editor in chief of First Things, a monthly magazine on religion, culture and public life

... And Where He's Still In The Dark (TIME)

By Tariq Ramadan

Time, November 27, 2006

Since delivering the speech in which he quoted a 14th century Emperor who said the Prophet of Islam had given nothing positive to humanity and had commanded followers to use violence to spread their faith, Pope Benedict XVI has been subjected to bitter Muslim reaction around the world. Benedict has responded by saying he regretted the consequences of his misunderstood words, but he did not retract his statement--perhaps rightly so. After all, he had simply cited an ancient Emperor. It is Benedict's right to exercise his critical opinion without being expected to apologize for it--whether he's an ordinary Roman Catholic or the Pope.

But that doesn't mean he was right. Muslim attention has focused mainly on the lecture's association between violence and Islam, but the most important and disputable aspect of it was Benedict's reflection on what it means to be European. In his speech at Regensburg, the Pope attempted to set out a European identity that is Christian by faith and Greek by philosophical reason. But Benedict's speech implicitly suggested that he believes that Islam has no such relationship with reason--and thus is excluded from being European. Several years ago, the Pope, then Joseph Cardinal Ratzinger, set forth his opposition to the integration of Turkey into Europe in similar terms. Muslim Turkey has never been, and never will be, able to claim an authentically European culture, he contended. It is another thing; it is the Other.

As I have written before, this profoundly European Pope is inviting the people of his continent to become aware of the central, inescapable character of Christianity within their identity, or risk losing it. That may be a legitimate goal, but Benedict's narrow definition of European identity is deeply troubling and potentially dangerous. This is what Muslims must respond to: the tendency of Westerners to ignore the critical role that Muslims played in the development of Western thought. Those who "forget" the decisive contributions of rationalist Muslim thinkers like al-Farabi (10th century), Avicenna (11th century), Averroes (12th century), al-Ghazali (12th century), Ash-Shatibi (13th century) and Ibn Khaldun (14th century) are reconstructing a Europe that is not only an illusion but also self-deceptive about its past.

What the West needs most today is not so much a dialogue with other civilizations but an honest dialogue with itself--one that acknowledges those traditions within Western civilization that are almost never recognized. Europe, in particular, must learn to reconcile itself with the diversity of its past in order to master the coming pluralism of its future.

The Pope's visit to Turkey presents an opportunity to put forward the true terms of the debate over the relationship between Islam and the West. First, it is necessary to stop presenting this visit as if it were a trip to a country whose religion and culture are alien to Europe. Selective about its past, Europe is becoming blind to its present. The European continent has been

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home to a sizable population of Muslims for centuries. While visiting Turkey, the Pope must acknowledge that he is encountering not a potential threat but a mirror. Islam is already a European religion.

Rather than focus on differences, the true dialogue between the Pope and Islam, and between secularized societies and Islamic ones, should emphasize our common, universal values: mutual respect of human rights, basic freedoms, rule of law and democracy. Though most of the media attention is directed at a marginal minority of radicals, millions of European Muslims are quietly proving every day that they can live perfectly well in secular societies and share a strong ethical pedestal with Jews, Christians and atheist humanists.

Let us hope that the Pope will be able to transform his former perception of the threat of "the Other," of Islam, into a more open approach--by strongly highlighting the ethical teachings the religions have in common and the ways they can contribute together to the future of a pluralistic Europe. Benedict XVI should be free to express his opinions without risk of impassioned denunciation. But the least one can expect from the Pope--especially in this difficult era of fear and suspicion--is that he help bridge the divide and create new spaces of confidence and trust.

Tariq Ramadan, a research fellow at Oxford, is the author of several books on Islam, including To Be a European Muslim

Observers: Sudan Gov't Strikes N. Darfur (AP)

By Alfred De Montesquiou

AP, November 20, 2006

A large force of Sudanese soldiers backed by allied janjaweed militiamen is sweeping through North Darfur, killing civilians and looting and burning villages in violation of a cease-fire agreement, international observers and rebels said Sunday.

At least four civilians were killed near the northern town of Birmaza on Sunday, said Youssouf Mussabal, a rebel leader in the area. Some 200 pro-government janjaweed fighters riding camels had moved into the zone, backed by mobile army units and the Sudanese air force, he added.

"The janjaweed are still in the town. We're worried for the population," Mussabal told The Associated Press by telephone from North Darfur.

Another rebel field commander from a separate faction said seven villages were looted and burned to the ground around Birmaza on Sunday. Jar al-Naby said the renewed government offensive began earlier this week, and that two civilians were killed in Friday raids.

Hundreds of heads of cattle have also been rounded and brought back to the Sudanese army headquarters in the North Darfur town of Mellit, he said by phone from Darfur.

A senior U.N. official in North Darfur said Sunday international observers were receiving daily reports of raids and casualties throughout this vast area of semi-desert pastureland north of the regional capital of El Fasher.

"The campaign is ongoing, and we are being given very limited access to investigate or treat casualties," the official said on the phone from North Darfur. The official spoke on condition of anonymity because of the sensitivity of the issue.

The African Union peacekeeping force in Darfur said in a statement Saturday it had received reports that the Sudanese air force twice bombed Birmaza this week. The attacks, conducted jointly with armed militia groups, took a "heavy toll on the civilian population," the AU said.

The statement said the attacks were a "flagrant violation" of the Darfur Peace Agreement, signed in May by the government and one rebel group.

The Sudanese military was not immediately available for comment Sunday. Earlier this week, however, the army denied it was conducting an offensive in North Darfur, and categorically denied it was using the janjaweed to attack civilians.

"We as army cannot engage in any such attacks or make use of militias to attack our own citizens," the office of the army spokesman said Wednesday.

More than 200,000 people have been killed and 2.5 million displaced since fighting began in Darfur three years ago, when rebels stemming from ethnic African tribes rose up against the Arab-led central government.

Al-Naby, the rebel field commander, said his faction had waged a large battle against combined army and janjaweed forces on Saturday near Saiyah, about 15 miles north of Mellit. He said six rebels had been killed, including a field commander, and that eight were seriously injured.

Al-Naby said government forces suffered dozens of casualties, including a military commander, and that rebels destroyed nine pickups and captured another 21.

The rebels' battle claim could not be independently verified. In recent weeks, foreign journalists have been unable to obtain permits from the Sudanese government to enter Darfur.

On Saturday, U.N. chief of humanitarian affairs Jan Egeland said he had been barred by Sudanese authorities from visiting several of the areas where fighting is now reported.

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"The government is arming Arab militias more than ever before," Egeland said in an AP interview. He warned that the crisis "still has the potential of becoming infinitely worse."

The Sudanese Ministry of Humanitarian Affairs said Sunday that Egeland was spreading "lies and false accusations against the Sudan."

Hassabu Mohammed Abdallah, the humanitarian aid commissioner at the ministry, said Egeland's remarks were "a pure political act" seeking to boost the U.N. Security Council resolution that calls for the world body to send more than 20,000 peacekeepers to Darfur to replace the 7,000-strong AU force that has had little success in stopping the bloodshed.

Sudan's government has rejected the resolution, but this week appeared to accept a compromise in which a mixed U.N.-AU force would take over. The exact nature of this hybrid mission and the timing of the deployment were still being debated Sunday.

Nicaragua Eliminates Last Exception To Strict Anti-Abortion Law (NYT)

By James C. Mckinley Jr.

The New York Times, November 20, 2006

MEXICO CITY, Nov. 19 — Hopes among women's groups in Nicaragua that President Enrique Bolaños would stop one of the most restrictive abortion laws in Latin America from taking effect have been dashed, as the president signed it into law late Friday.

Abortion has been illegal in Nicaragua for more than a century, and most women who decide to end unwanted pregnancies seek procedures at underground clinics. But the new law strikes out a clause that made it possible for a woman to obtain an abortion legally when three doctors certified that unless she did, her own life would be in danger.

For months, the proposed law has drawn fierce criticism from several local women's groups, the country's association of gynecologists, the United Nations, the World Health Organization and Human Rights Watch, among others.

"This is a throwback to the Middle Ages for women's rights," Juana Jiménez, the leader of the Women's Autonomous Movement in Nicaragua, said after the law was passed.

The law was the fruit of the recent presidential election, as conservatives saw a chance to gain its passage in Parliament during the election season.

The country is 85 percent Roman Catholic, with most other voters belonging to conservative evangelical churches. Four of the five presidential candidates supported it.

Daniel Ortega, the former Marxist who was president from 1985 to 1990 and the leader of the Sandinista Party, abandoned his ideological roots and supported passage of the law in an effort to gain support from the Roman Catholic Church in his campaign to regain the presidency. He narrowly won the election, on Nov. 5, with about 38 percent of the vote.

The support of the Sandinistas in the National Assembly was critical, because they had blocked similar measures in the past. The bill passed on Oct. 26.

Some opponents to the law had hoped Mr. Bolaños, a conservative, would not sign the bill because it did not include the stiffer sentences he had wanted for women who had had illegal abortions, or for those who had performed abortions. The six-year prison term remains unchanged under the law. The president had asked for a 30-year prison term.

Intrigue Swirls In Ex-K.G.B. Man's Illness (NYT)

By Alan Cowell

The New York Times, November 20, 2006

LONDON, Nov. 19 — The British police said Sunday that they were investigating the suspected poisoning of Alexander V. Litvinenko, a Russian former K.G.B. operative living in exile in Britain who had been inquiring into the killing of a journalist in Moscow last month.

The Russian authorities had no immediate comment on suggestions in news reports that the Russian secret service had poisoned Mr. Litvinenko, who is hospitalized and seriously ill, because he had criticized former colleagues and President Vladimir V. Putin.

Mr. Litvinenko is depicted by fellow exiles as a prominent opponent of the Kremlin, and he had told them he was looking into the killing on Oct. 7 of Anna Politkovskaya, who had made her name as a critic of the government's policies in Chechnya and who was gunned down at her apartment building.

Details from the police and news reports had some of the hallmarks of a spy thriller in the cold war vein of John le Carré.

The Sunday Times of London said the former agent had met Nov. 1 with an Italian contact identified only as Mario in a central London sushi bar.

Last week, Mr. Litvinenko told reporters he began to feel sick within hours of the meeting with Mario.

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"I ordered lunch, but he ate nothing," Mr. Litvinenko said, according to The Sunday Times, which apparently interviewed him after he began to feel ill but before his condition deteriorated. "He appeared to be very nervous. He handed me a four-page document which he said he wanted me to read right away."

"It contained a list of people, including an F.S.B. officer, who were purported to be connected with the journalist's murder," he said. The F.S.B., or Federal Security Service, is the successor to the K.G.B.

"I do feel very bad," Mr. Litvinenko told The Sunday Times. "I've never felt like this before — like my life is hanging on the ropes."

In a telephone interview, Boris Berezovsky, an exiled Russian tycoon who has had a long association with Mr. Litvinenko — dating from the late 1990s when, he and Mr. Litvinenko contended at the time, Mr. Litvinenko had balked at orders to assassinate Mr. Berezovsky — said he had visited Mr. Litvinenko in the hospital and found him "damaged terribly."

Mr. Berezovsky said Mr. Litvinenko had been granted British citizenship, so the poisoning was "a terror attack against a British citizen in Britain." The incident, he said, could create a problem for Prime Minister Tony Blair, who has sought to cultivate close ties with Mr. Putin.

A police spokeswoman, speaking on the condition of anonymity under police rules, said specialist police officers were "investigating a suspicious poisoning." She described Mr. Litvinenko's condition as "serious but stable."

John Henry, a clinical toxicologist who has been treating Mr. Litvinenko, told the BBC: "He's got a prospect of recovering. He's a got a prospect of dying."

Mr. Henry, who in 2004 treated President Viktor A. Yushchenko of Ukraine, who was poisoned with dioxin, identified the suspected poison in the Litvinenko case as thallium, a toxic metal used in rat poison and insecticides. "It is tasteless, colorless and odorless," he said. "It takes about a gram to kill you."

Andres Virchis, a physician at Barnet Hospital in north London where Mr. Litvinenko was first treated, said Sunday that Mr. Litvinenko's bone marrow had failed and that he was not producing any normal immune cells or white cells.

As Mr. Litvinenko's condition worsened, he began to lose his hair, Dr. Virchis said.

Mr. Litvinenko was granted asylum in Britain in 2001 after leaving Russia six years ago. In 2003 he published a book, "The F.S.B. Blows up Russia," accusing the Russian secret service of orchestrating a wave of explosions in apartment houses in 1999 that led to the second Chechen war.

He also claimed familiarity with the techniques of the Russian secret service. At the time of Mr. Yushchenko's poisoning, Mr. Litvinenko said that a secret K.G.B. laboratory in Moscow, still operated by the F.S.B., specialized in the study of poisons.

"The view inside our agency was that poison is just a weapon, like a pistol," said Mr. Litvinenko, who served in both agencies, from 1988 to 1999. "It's not seen that way in the West, but it was just viewed as an ordinary tool."

The accounts of intrigue could not be confirmed.

Alex Goldfarb, a friend who had visited Mr. Litvinenko in the hospital, told the BBC that doctors had told him that he had only a 50-50 chance of surviving. "He looks like a ghost," Mr. Goldfarb said.

Speaking later to reporters outside London's University College Hospital, to which Mr. Litvinenko had been transferred, Mr. Goldfarb said the British police interviewed Mr. Litvinenko on Sunday.

"He is in a fighting mood," Mr. Goldfarb said. Asked why Mr. Litvinenko might have been the target of an attack, Mr. Goldfarb said, "He is one of the top public enemies of the Russian F.S.B. and of Putin, particularly because of his book."

He added that Mr. Litvinenko belonged to "the so-called London émigré circle, which was branded by Russia as a terrorist cell on British soil."

Mr. Goldfarb called the poisoning "very scary — it means there's no limit."

British Police Investigate Poisoning Of Putin Critic (WP)

By Mary Jordan

The Washington Post, November 20, 2006

LONDON, Nov. 19 -- British police are investigating the poisoning of a former Russian spy and outspoken critic of President Vladimir Putin and have placed him under protective guard at a London hospital, a Scotland Yard spokesman said Sunday.

Alexander Litvinenko, 43, began vomiting shortly after he had lunch on Nov. 1 with a man who gave him documents related to the recent killing of Anna Politkovskaya, a Russian journalist, according to Alex Goldfarb, a friend of Litvinenko's.

Police said they began a criminal investigation Friday after medical tests confirmed the presence of poison in Litvinenko's system.

John Henry, a British toxicologist who has examined Litvinenko, said in an interview that the former spy had been poisoned by thallium, a highly toxic substance used as rat poison in some parts of the world.

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"It is absolutely clear" that he was poisoned, said Henry, who was involved in the investigation of the 2004 poisoning of Viktor Yushchenko, a Ukrainian presidential candidate who survived and won the race but was left disfigured.

Henry said Litvinenko had liver and neurological damage and a low white blood cell count. "He is very sick. . . . He may live, but he is at high risk of death."

Thallium is odorless, colorless and tasteless, Henry said. When ingested, he said, "as little as one-fifteenth of a level teaspoon is enough to kill."

Goldfarb, reached by telephone at Litvinenko's bedside, said Litvinenko's condition was "deteriorating dramatically."

"What happened here is an assassination attempt perpetuated by Russian agents," Goldfarb said. "I thought he would be safe here on British soil."

Goldfarb said that precious time was wasted because even though Litvinenko thought he had been poisoned immediately after the lunch meeting, doctors did not become alarmed until nearly two weeks later, when his hair started falling out as his condition worsened.

Litvinenko was a colonel in the Federal Security Service, or FSB, the successor to the KGB, but fell out with his superiors and spent months in jail awaiting trial on charges of abusing his position. He was acquitted and fled in 2000 to London, where he was granted asylum. Goldfarb said Litvinenko was granted British citizenship last month.

Litvinenko is well known in Russia for accusing FSB agents of involvement in apartment building bombings in 1999 that killed more than 300 people. Russian officials blamed the attacks on separatists from Chechnya and launched a new military offensive in the republic.

Litvinenko also accused his FSB superiors of ordering him to kill Boris Berezovsky, a Russian tycoon who now lives in London.

Berezovsky said in a telephone interview that he visited Litvinenko in the hospital Friday and that he looked as if he had aged 10 years. "For 17 days he hasn't been able to eat. It's very painful to eat," he said.

Berezovsky said Litvinenko told him he had "no doubt" that he had been poisoned on the "order from President Putin to kill him." He called the poisoning "a classic way" that Russian agents work.

Attempts to reach a spokesman at the Russian Embassy in London were unsuccessful Sunday. A person who answered the phone said to call back Monday.

Goldfarb said Litvinenko had eaten lunch at a sushi restaurant with an Italian contact who he said gave him "a few pages of material" related to the killing of Politkovskaya, the journalist and critic of Putin and Russia's policy in Chechnya. Politkovskaya was shot last month in Moscow.

The case, which remains unsolved, caused an international outcry.

Politkovskaya was hospitalized in 2004 and believed she had been poisoned.

Goldfarb said that Scotland Yard officers have taken the papers given to Litvinenko on Nov. 1.

According to British media reports, police have visited the sushi restaurant in central London to look for clues and to see whether any closed-circuit camera surveillance of the incident exists.

This incident is reminiscent of the 1978 poisoning of Bulgarian dissident Georgi Markov, who was jabbed in the leg by a man with an umbrella while walking across Waterloo Bridge in London. The umbrella fired a pellet of ricin poison into Markov, who died an agonizing death days later.

G-20 Meeting Puts Energy Topics As Primary Focus (WSJ)

By Owen Brown

The Wall Street Journal, November 20, 2006

MELBOURNE, Australia -- Some of the world's most influential policy makers agreed yesterday on the immediate problems threatening the global economy but failed to reach a consensus on the best strategies to address them.

A two-day annual meeting of the Group of 20 finance ministers and central bankers accepted that rising global demand for energy and minerals will threaten to spark higher inflation. Underscoring the challenges faced by policy makers, an International Energy Agency paper presented to the meeting projected energy demand will grow 50% in the next 25 years. Areas of agreement outlined included the need to revise energy subsidies to "better target poverty, and ensure price signals work to expand supply and induce efficiency."

The issues of carbon taxes and greenhouse-gas emissions bedeviled attempts to reach a strategy for reining in demand and stabilizing prices. A push by some countries such as Russia, France and India to embrace nuclear power as a way to diversify energy consumption and reduce climate-changing emissions was another topic that split the G-20 membership.

The G-20 brings together the world's most developed countries such as the U.S., Japan and the European Union with emerging economic powerhouses including China and India. But the diversity of the group's membership also created a major

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stumbling block to reaching consensus on energy security, climate change and overhaul of the World Bank and the International Monetary Fund.

U.S. Deputy Treasury Secretary Robert Kimmitt said that in the wake of higher prices, oil-producing countries needed to avoid supply disruptions and adopt investment codes that reflect best practices around the world.

Germany's Finance Minister Peer Steinbrück said G-2O members agreed on the need to promote energy efficiency and expand use of renewable technology.

Australian Treasurer Peter Costello, who chaired the meeting, deflected criticism that the G-20's embrace of open energy markets is an empty gesture without the cooperation of the Organization of Petroleum Exporting Countries. The G-20 statement said the outlook for global growth remains positive even as growth is expected to slow slightly from the rapid pace of the past few years. But it warned that maintaining growth and containing inflation will require adjustments to monetary and fiscal policies.

Energy Output Short Of Demand (WT)

By Andrea R. Mihailescu

The Washington Times, November 20, 2006

Mexico, the No. 2 U.S. supplier of oil, is unable to produce enough to meet the demands of its customers, especially its neighbor to the north, because of outdated national economic policies that have hamstrung its oil and gas exploration and production, analysts say.

Mexican President-elect Felipe Calderon met with Canadian officials this month to discuss trade and explore further cooperation as Mexico's production capacity dives.

Although Mexico has the potential to be an energy powerhouse, the country's national oil company, Pemex, lacks the investment funds to improve production in mature fields.

As oil prices rose and production increased in the past year, the government became addicted to Pemex's revenues, taking more than 60 percent of the company's earnings, which provide a third of the national budget, the Canadian newsmagazine Maclean's reported.

Mexico "should be an energy megastar and is performing way off Broadway in terms of production vitality, because Pemex is required to turn over the bulk of its revenues to the government. This prevents exploration, infrastructure investment, and creates debt," said Vincent DeVito, an international energy attorney with Pepper Hamilton LLP in New York and a former acting assistant secretary of energy.

Canada and Mexico are the top two suppliers of oil to the United States, with exports of 2.1 million and 1.8 million barrels per day respectively, but the two countries are worlds apart in the development of their energy resources.

"Oil and gas will continue to be a significant part of [the U.S.] energy supply and Pemex must devise a way to allow private investment into the Mexico market in order to remain a secure supplier," Mr. DeVito said. "If not, there will be a crisis in Mexico; and, a crisis in Mexico is a crisis in the United States and, conceivably, a crisis in Canada."

Pemex has accrued debt and recently posted a net loss of $7 billion for 2005, despite record-high oil prices. Production is expected to face a steep decline and, as things stand, Mexico has only 10 years of reserves left.

All hydrocarbon resources are nationalized under the country's constitution. In 1938, the industry was nationalized with the establishment of Pemex as the state oil company.

Although Canada plans to boost production, it cannot make up for the shortfall caused by Mexico's export decline. The shortfall will force the United States to seek alternative suppliers, which will likely increase prices, according to analysts.

U.N. Job Seekers Get Chance To Impress (WT)

By Betsy Pisik

The Washington Times, November 20, 2006

NEW YORK -- The jockeying for top jobs in a new U.N. administration has begun in earnest with the arrival in New York of incoming Secretary-General Ban Ki-moon, who will take over the organization in six weeks.

Senior management in some departments will be replaced for the first time in a decade or more, forcing longtime staffers out of their sinecures and giving Mr. Ban an opportunity to remake the organization to his liking.

Mr. Ban, who stepped down last week as South Korean foreign minister, arrived at the United Nations on Thursday to take part in a transition that has been gathering steam since his unanimous selection in mid-October.

He is expected to announce his senior staff appointments -- including a chief of staff and deputy secretary-general -- shortly after he is sworn in as the eighth U.N. secretary-general on Dec. 14. He takes full charge of the organization on Jan. 1.

Mr. Ban has begun a round of meetings with at least three dozen undersecretaries-general and assistant secretaries-general, as well as with key ambassadors, representatives of nongovernmental organizations and trusted advisers.

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The Ban team is using the meetings mainly to gather information, but for many U.N. officials, the appointments serve as half-hour opportunities to impress the new boss and keep their jobs or trade up.

"He has a battery of appointments," said one person involved with the transition. "He wants to find out what is happening in [each] area and have a bit of look-see at these people: Can they walk and talk and shoot straight? The real emphasis is on sucking in as much info as possible."

Of course, the source added, "There are important personnel decisions looming."

Departing Secretary-General Kofi Annan has refused to approve long-term contracts for most senior management, leaving Mr. Ban a free hand to select his own heads of major departments. Most contracts will expire at the end of December or the end of February, according to current officials.

In the meantime, the 39-story glass-walled U.N. headquarters has been reverberating with gossip, whispering campaigns, rumors and outright disinformation.

Will Mr. Ban favor Asians or bend against them in order to seem impartial? Will he keep some top managers or replace as many as three dozen officials over the next few months? Is it true that he will consider only women for the most prominent posts? Have major nations already locked down the departments they want to run? How much influence will Washington have?

"Those who talk don't know," said one knowledgeable adviser, pleading ignorance. "I don't think any decisions have been made yet."

Mr. Ban's advisers, most of them plucked from South Korea's Foreign Ministry, have been absorbing information from various sources inside and outside the United Nations. People who observed him last week said he was proceeding methodically, taking in information and "truth-testing" what he hears.

The Korean diplomat inherits an organization that has been allowed to grow haphazardly as its membership and responsibilities have expanded. Staff morale has sunk over recent years in the face of the Iraq oil-for-food investigation, sex scandals in peacekeeping, widespread perceptions of bad management, lax oversight and selective accountability.

The United Nations now costs some $2 billion to run each year, and the separate peacekeeping budget is expected to nearly double to $10 billion a year by 2008.

Many are hoping that Mr. Ban, 62, will work with almost surgical cleanliness and precision to slice away the nonperformers and the underqualified. Others are fearing drastic change.

Preparations for Mr. Ban's arrival have been under way throughout the U.N. system.

His transition team is temporarily based in a glass-walled office tower across the street from the Secretariat, a modern office space with work cubicles and constantly ringing phones.

Mr. Ban is expected to spend most of the next six weeks in New York, except for brief trips back to Seoul and at least one visit to Washington.

Independence For Kosovo (WSJ)

By Agim Ceku

The Wall Street Journal, November 20, 2006

PRISTINA -- Just as it seemed that the Balkans were finally turning the corner, we are instead entering another period of stagnation, delay and uncertainty. A United Nations decision on Kosovo's status, originally expected before the end of this year, has been postponed. The expectations in Kosovo are high. Kosovo is hungry for independence, Kosovo is ready for independence, and now is not the time to stop the clock.

We need to keep the process of statehood on track. Kosovo needs clarity to complete reforms and to attract vital international investments, but also so that our people -- and especially our Serb minority -- can escape the debilitating worries and uncertainty and start to build a future. Their home and future are in Kosovo.

There are two things we must do in Kosovo to succeed as a progressive and a modern independent state. First, we should further improve our institutions to achieve more transparency and a functioning legal system. Second, we need a broad political commitment to development and modernization.

Independence is only the first step and, in itself, is insufficient to provide for Kosovo's future. Kosovo needs a clear perspective for European Union membership. We can only succeed within this framework. This above all means prioritizing economic revitalization in the post-independence period. Nothing short of an economic boom will get us up to speed; the EU train will not wait for Kosovo, or the rest of the region for that matter. The biggest problem in the Western Balkans is economic malaise.

It is the Kosovars, not Belgrade, who have a real interest and stake in seeing Kosovo succeed. Moderate Serbs have long lost interest in Kosovo. Only those desperate for cheap, nationalist rhetorical points claim to care about it. Belgrade offers no

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vision, no economic or European agenda to the people of Kosovo. Increasing numbers of Serbs, especially those living in Kosovo, are beginning to see beyond this bankrupt world view.

I have no doubt that seeing Kosovo become independent will be a difficult new reality for Serbia. But it is the only way. Belgrade is not interested in investing in the development of Kosovo, and Kosovo is not interested in a political union with Serbia. But we are interested in developing a productive bilateral partnership with Serbia, just as we're doing with our other neighbors.

Social and economic progress in the region will be the big losers if we don't make the bold step forward to independence. The entire Western Balkan region needs a kick start in order to catch the EU train and catch up with the awesome economic growth of our EU-bound neighbors Romania and Bulgaria. This is the only way forward and the only way into the EU. Globalization is a reality which won't pause so we can get ready. The pace is being set in Asia, but transition will have to happen here in the Western Balkans if we wish to compete.

Most of us in the Balkans share a common vision about our future -- we want to get into the EU as fast as possible. The way to do it is through reforms. This wasn't an easy process for the Baltic countries. It wasn't easy for Eastern and Central Europe. And it won't be easy for the Balkan states either. The region needs to find its comparative advantage in Europe and in the global market. It will do so as soon as we settle the final status of Kosovo.

Can Kosovo survive? Sure. If we reform, we'll do very well. My government has adopted a proactive "3E" plan for Kosovo based on energy, economy and education. With large deposits of coal, Kosovo can in a few years become a net electricity exporter. With the right technology we can even do this with an environmental face.

The economy is picking up. There is no currency risk in Kosovo now that we've adopted the euro. We have privatized around 90% of the asset value of all state-owned enterprises. The financial sector has already been privatized, and we are now attracting new investments into the telecom and energy sectors. Much remains to be done, including cleaning up corruption in the courts, but we're on the right track.

We have a young population and a positive birth rate. Given the shortages in the EU labor market due to negative demographic trends, Kosovo can help fill the void. To do so, we need to retrain our work force. Hence we're now investing in education.

The EU is facing a crisis, and it needs time to consolidate and reset its internal political balances. However, this is no reason to lose sight of its strategic goal: a Europe whole and free. Right now this is still not the reality, at least not in the Western Balkans.

Mr. Çeku is the prime minister of Kosovo.

Japan Shrinks (WP)

By Fred Hiatt

The Washington Post, November 20, 2006

TOKYO -- Japan has embarked on a path no developed nation has ever followed -- of sustained and inexorable population decline.

Japan won't be alone, of course. Italy, Russia, South Korea and many others also will get smaller. The United States is the exception among advanced nations, and not only thanks to immigration; its overall birth rate is higher, too.

But Japan, which shrank by about 21,000 last year, is in the forefront, and so everyone else will be watching. Does population decline inevitably sap vitality and doom a country to genteel poverty? Or is there some way out?

"Japan is the leader, so it's important for Japan to show success," says Hitoshi Suzuki, a cheerful senior researcher at Daiwa Institute of Research, who pronounces himself "not so worried" -- so not worried, in fact, that last year he wrote "Population Decline is Not Something We Need to Fear."

But why not? For a population to hold steady, every woman must give birth on average to 2.1 children. When the birthrate drops below 1.5 and stays there for any time, it's almost impossible to recover, given the momentum of demographics. Below 1.3 is considered "lowest-low." China is at 1.7 and dropping. Japan last year clocked in at 1.25.

As a result, Japan's population, now about 128 million, is expected to fall to about 100 million by mid-century. Big deal, you might say. Wasn't Japan happy enough 50 years ago, when it blew through the 100 million mark on the way up?

Yes, but it was a very different 100 million then. In 1965 there were 25 million children in Japan, 67 million people of working age and 6 million senior citizens. In 2050 there will be 11 million children, 54 million potential workers and 36 million people 65 and over. No one knows whether such a society can maintain a spirit of innovation, or how its capitalists will adapt to a shrinking market. There will potentially be a lot more dependents for every productive worker.

Faced with this prospect, a country could choose to fight (raise the birthrate) or cope (prepare to manage the consequences). Japan gives lip service to the former. Since 1990 the government has sought to encourage more births, but the policy has had no impact. Today the portfolio of the minister in charge of spurring fertility seems to indicate a certain lack of

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governmental focus: She is minister of state for Okinawa and Northern Territories Affairs, science and technology, innovation, gender equality and social affairs, and food safety.

In truth, Japan doesn't seem to want to change as it would have to in order to increase the birthrate. Japanese women say in surveys that they want two children, but they delay or abstain from marriage and motherhood in astonishing numbers because fathers don't help around the house, because mothers feel isolated in tiny apartments and because it's so hard for a woman to combine career and motherhood.

In theory, the government is dedicated to reforming this. In practice, its philosophy seems aptly represented by Deputy Chief Cabinet Secretary Hakubun Shimomura, who said this month, when pressed about long waiting lists for public nursery schools, that the problem would be solved if mothers would only "stay at home and raise their children."

When I asked Prime Minister Shinzo Abe last week about this comment, he diplomatically avoided contradicting Shimomura but said his aim is to provide choices so mothers can work or stay home as they see fit. But he also made clear that he is focused on the coping rather than the preventing: "Even considering the decline in the population, I am convinced Japan will be able to continue on a path of growth," he said.

The trick will be "innovation," Abe said, and economic reform. In fact, robots and other ways to improve productivity are one of four possible routes to economic growth despite an aging population. The others would be making better use of women; immigration, which has increased slightly but remains unpopular in this ethnically cohesive country; and keeping the elderly working longer. According to Naohiro Ogawa, a population expert at Nihon University, if every healthy elderly person worked, Japan's total economy in 2025 would be worth 791 trillion yen instead of the currently projected 619 trillion yen, an increase of 28 percent. Just raising the retirement age from 60 to 65 would produce a 12 percent increase.

Not every old person is going to work. But, Ogawa said, "there will be some adjustment. Japan's not going to fall apart."

It could certainly decline, though. Toru Suzuki, a demographer at the National Institute of Population and Social Security Research, believes Japan will eventually accept more immigrants after it has tried everything else. But he's also less convinced than Hitoshi Suzuki that Japan will find a path to growth.

"It brings you to a very tough question," Toru Suzuki says. "What is happiness? Can we be happy without economic growth?"

At least Japan will find out from a starting position of wealth. China, which imposed a one-child policy before it had developed economically, may get old before it gets rich. That will be a first, too.

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Attachments:	agnb061120.pdf; agnb061120.doc

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Lame Duck Session Will Not Act On Domestic Surveillance Program. US News and World Report (11/27, Halloran) reports, "Republicans who limped back to Washington for a lame duck congressional session last week found a host of marching orders from President Bush, but perhaps none more urgent than this: Before Democrats take control of Congress in January, they must pass legislation authorizing the National Security Agency's domestic eavesdropping program. … The response: deafening silence. Senate Majority Leader Bill Frist quickly dispatched aides to put out the word on Bush's request: Not gonna happen." With Democrats "promising oversight hearings next year on how the program was hatched and whom it targets, it appears likely that the issue will be decided in court and, ultimately, the Supreme Court."

Open-Ended Detentions Could Be Barred. The Los Angeles Times (11/20, Serrano, 850K) reports, "Five years after Muslim immigrants were abused in a federal jail here, the guards who beat them and the Washington policymakers who decided to hold them for months without charges are being called to account. Some 1,200 Middle Eastern men were arrested on suspicion of terrorism after the attacks of Sept. 11, 2001. No holding place was so notorious as Brooklyn's nine-story Metropolitan Detention Center. In a special unit on the top floor, detainees were smashed into walls, repeatedly stripped and searched, and often denied basic legal rights and religious privileges, according to federal investigations." The Bureau of Prisons "disciplined" 13 staffers, firing two of them. The warden retired. In addition, "in what could turn out to be a landmark case, a lawsuit filed by two Brooklyn detainees against top Bush administration officials is moving forward in the federal courts in New York." FBI Director Robert Mueller and former Attorney Gen. John Ashcroft are named in the suit. The Times describes the alleged abuses suffered by the two plaintiffs.

Legal Ambiguity Seen As Inducement To Develop "Truth Serum." The Washington Post (11/20, Brown, 690K) reports, "The debate earlier this year on interrogation techniques in the war on terrorism raised anew a question that goes back at least 2,000 years. Is there something you can give a person that will make him tell the truth? … In the 21st century, however, the answer appears to be: No." The Post notes, "For the record, spokesmen for the Army medical research command, the Defense Advanced Research Projects Agency (DARPA) and the CIA say there is no work underway on truth serums. Whether such a substance could ever be used legally is a question some legal scholars believe is still open," and "this ambiguous legal status, combined with advances in neuroscience, lead some to suspect there may be a second act for truth serum."

HOMELAND RESPONSE:

Federal Air Marshals Kept Off Flight At National Airport. The Washington Times (11/20, Hudson, 88K) reports federal air marshals were "prevented from protecting" a Nov. 8 flight departing from Ronald Reagan Washington National Airport "because a gate agent erroneously said they did not have the correct paperwork, say marshals familiar with the incident." Federal Air Marshal Service (FAMS) spokesman Conan Bruce confirmed that "federal air marshals were denied boarding." Sources "told The Washington Times on the condition of anonymity that the gate agent demanded paperwork which is required of other law-enforcement officials, but not from federal air marshals who are on duty to protect the plane from a terrorist attack. … Even the intervention of higher-ups in the Homeland Security Department could not persuade the airline to allow the armed law-enforcement agents aboard, and the plane departed unprotected an hour and a half late, the sources said."

AFGE Will Lobby Congress To Unionize Airport Screeners. USA Today (11/20, 3A, Frank, 2.27M) reports the UN International Labor Organization's recent finding that airport security screeners should have union representation has prompted a plan by the American Federation of Government "to lobby Congress' new Democratic leaders to let TSA screeners unionize. The TSA says unionization could hinder managers from quickly moving screeners to new assignments as security threats arise." International Labor Organization spokesman Hans von Rohland says the finding "reflects that the TSA is not following

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the United Nations' 'core labor standards,'" and "will encourage Congress to let screeners unionize."

International Travelers Rate US Entry System "World's Worst." The Washington Post (11/20, A15, Hsu, 690K) reports the US travel industry "blames security" for the nation's decline in world popularity. "A plurality of international travelers rated the US visa and immigration entry system the 'world's worst,' according to data released today that was commissioned by a tourism business lobby. Interviews with 2,011 non-U.S. residents who had traveled beyond their home continents in the past 18 months found that 39 percent rated the United States the least traveler-friendly, more than twice the percentage that gave bottom grades to the Middle East (16 percent), Asia (12 percent) or Africa (12 percent)." The Post adds, 'The questions were somewhat self-serving, and researchers drew more than a fifth of the participants from countries with mixed relations with the United States, such as China and Venezuela."

Noting the survey's findings, the Wall Street Journal (11/20, A4, King, 2.04M) reports that though Secretary of State Condoleezza Rice "promised "nearly a year ago to put a friendlier face on the American travel experience," foreign travelers are not "getting that impression." Traveler's "negative experiences appear to be heavily focused on obtaining a visa and then getting past immigration and customs' officials."

WAR NEWS:

Pentagon Group Outlines Three Options For Iraq. The Washington Post (11/20, Ricks, 690K) reports, "The Pentagon's closely guarded review of how to improve the situation in Iraq has outlined three basic options: Send in more troops, shrink the force but stay longer, or pull out, according to senior defense officials. Insiders have dubbed the options 'Go Big,' 'Go Long' and 'Go Home.' The group conducting the review is likely to recommend a combination of a small, short-term increase in US troops and a long-term commitment to stepped-up training and advising of Iraqi forces, the officials said." The military's study, commissioned by Joint Chiefs of Staff Chairman Gen. Peter Pace, "comes at a time when escalating violence is causing Iraq policy to be reconsidered by both the White House and the congressionally chartered, bipartisan Iraq Study Group. Pace's effort will feed into the White House review, but military officials have made it clear they are operating independently." The Pentagon group "has given a thumbs-down to what it considered variants of withdrawal, such as pulling US units out of the cities and keeping them in isolated enclaves, where they would not interact with the Iraqi population but would be available to combat major insurgent offensives and also to protect the government against coups."

Bush Appears To Lean Toward "Last Big Push" Option. The Christian Science Monitor (11/20, LaFranchi, 59K) reports, "It's being dubbed by some as the 'last big push' option, and it appears increasingly to be what President Bush favors on Iraq. Despite growing expectations of a troop withdrawal from Iraq in the wake of Democratic gains in Congress, the White House appears to be leaning in a different direction: at least a temporary rise in US troop levels." The numbers "would not be huge, perhaps 20,000 on top of the 144,000 US soldiers already fighting the war." But "the idea would be to stabilize Baghdad -- a priority that has proved dishearteningly elusive since September - and to allow for a major diplomatic push aimed at drawing Iraq's neighbors into resolving the spiraling violence."

Army Rewrites Rumsfeld Doctrine. The Los Angeles Times (11/20, Barnes, 850K) reports, "Defense Secretary Donald H. Rumsfeld may be leaving under a cloud of criticism over his handling of the Iraq war, but his invasion plan -- emphasizing speed over massive troop numbers -- has consistently been held up as a resounding success. Yet with Iraq near chaos 3 1/2 years later, a key Army manual now is being rewritten in a way that rejects the Rumsfeld doctrine and counsels against using it again. The draft version of the Army's Full Spectrum Operations field manual argues that in addition to defeating the enemy, military units must focus on providing security for the population — even during major combat." Rumsfeld and the Pentagon drew criticism, respectively, for dismissing postwar looting and not doing enough postwar planning; "the old manual emphasized that stability operations usually follow combat. The draft version of the 2007 ground operations manual instructs commanders that they cannot wait for offensive operations to end before providing security and services for the population, and stresses a combination of offense, defense and stability operations."

Pentagon Says "Minor Miracle" Of Reconstruction Under Way In Iraq. The

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Washington Times (11/20, Scarborough, 88K) reports, "When and if the smoke ever clears in Iraq, Pentagon officials say the world finally will see a minor miracle. 'Most Americans don't understand something equivalent to the Marshall Plan has been accomplished in Iraq,' said Dean G. Popps, principal assistant secretary of the Army for acquisitions, logistics and technology. ... Amid constant deadly threats from bloodthirsty insurgents, and without a viable Iraqi private contracting sector, the Army Corps of Engineers has supervised the construction of electric grids, health care centers, schools, water and sewage treatment facilities, police stations, academies and border posts." The positively oriented article notes that inspector general Stuart Bowen "has said fraud involving U.S. money, while serious, is not widespread and that the huge majority of projects proceeded as required."

Kissinger Says Military Victory In Iraq Not Possible. ABC World News (11/19, story 2, 2:00, Morrell, 8.78M) reported, "Henry Kissinger, who helped negotiate the end of the Vietnam war and who more recently had been advising President Bush on Iraq, today said a clear military victory is not possible there." Henry Kissinger, former Secretary of State: "I think we have to redefine the course. But I don't believe that the alternative is between military victory, as it had been defined previously, or total withdrawal." ABC added, "Sen. John McCain, who spent more than five years as a prisoner of the North Vietnamese, disagrees. But says we are repeating mistakes made in Vietnam." Sen. John McCain: "The lesson I learned from Vietnam is applicable today. If you're going to do what's necessary to succeed, i.e. the Powell Doctrine, then go ahead and do it. If you're not going to, then don't."

The Financial Times (11/20, Negus, Kirchgaessner) says Kissinger offered a "dire" assessment of the situation in Iraq. Asked if the US-led coalition could win the war, he said, "If you mean by clear military victory an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control...I don't believe that is possible." Kissinger also endorsed the "view that the US should engage Iraq's neighbours in seeking a diplomatic solution," and "reinforced calls by Democratic lawmakers in Washington for the White House to speak to Iran and Syria to help stem the tide of violence in Iraq."

The AP (11/20) also reports Kissinger "presented a bleak vision of Iraq, saying the US government must enter into dialogue with Iraq's regional neighbors -- including Iran -- if progress is to be made in the region." The Washington Post (11/20, 690K) runs a brief report on Kissinger's comments, noting he also "warned against a rapid withdrawal of US-led troops, saying it could destabilize Iraq's neighbors and cause a long-lasting conflict."

Syria Pledges To Help End Iraq Violence, Calls For Timetable On US Withdrawal. The New York Times (11/20, A14, Semple, 1.16M) reports Syria's foreign minister said Sunday during a visit to Baghdad "that his government was prepared to help stabilize Iraq, and he called for a timetable for the withdrawal of American troops, saying that it would help reduce the violence." During the first trip to Baghdad by a senior Syrian official since the ouster of Saddam Hussein, Foreign Minister Walid al-Moallem "promised Sunday to cooperate with Iraqi officials in an effort to curb violence." Meanwhile, the Times notes that the Syrian ambassador in Washington said co-chairman of the Iraq Study Group, James Baker, "has met several times with Syrian officials to discuss how they might cooperate with the United States."

The Washington Post (11/20, Trejos, 690K) also reports the Syrian official "pledged cooperation in stemming the sectarian violence." Syria and Iraq "have been adversaries since the 1980s, when Syria sided with Iran in its war against Iraq." The Los Angeles Times (11/20, Moore, 850K) quotes Moallem saying, "We think that the presence of a timetable for withdrawal of foreign troops will assist in reducing the violence and creating security." In a news conference, Moallem "denied suggestions that Syria had been pressured by the United States to meet with Iraqi Foreign Minister Hoshyar Zebari." The AP (11/20, Hurst) and USA Today (11/20, 2.27M) run similar reports.

Lawmakers Endorse Talks With Iran And Syria Regarding Iraq. A number of lawmakers from both parties yesterday urged a change in US policy regarding Iraq. Specifically, they urged the Administration to engage Iran and Syria. Democratic Sen. Carl Levin, asked if on CNN's Late Edition (11/19, Blitzer) if Iran and Syria "should be part of this international conference that you want to see convene to deal with Iraq," said, "Yes, I think so. And not only do I think so; 40 senators thought so when we voted for that about six, seven months ago, that there should be an international conference. I'll predict the Baker-Hamilton commission will propose an international conference. It has to include those countries, whether we like them or not. And we don't."

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Sen. John McCain was asked on ABC's This Week (11/19, Stephanopoulos) if he could support "the possibility of engaging Syria and Iran in [a] diplomatic process," McCain responded, "I don't mind engaging them at all. I think we have to understand that we not only have the Iranian nuclear problem, but the Iranians are on the ascendancy if we fail. So it's going to be very difficult to find common interests. Now, maybe long-term, it's in Iran's interests not to see chaos in the region. I don't know. But in the short term, both Iran and Syria do not share the same goals that the United States of America does. And we have to take that in consideration when we have discussions with them."

Asked on NBC's Meet the Press (11/19, Russert) to describe "a real way forward in Iraq," Senator-elect James Webb said, "I was saying, even before we went in, that there were three major issues in the Middle East that had to be addressed. One was the Israeli-Arab situation, the other was terrorism, and the third was Iraq, and that if we lumped them together that we risked having a problem with all three of them. That has happened. … What we need…is a diplomatic approach that will bring the countries in the region to the table so that we can have…diplomatic ownership from the countries that have long-term cultural and historical ties with Iraq. … We need to talk to Iran and Syria. I think it was a great mistake not to, as this moves forward. And that's one thing that I've been encouraged to hear from former Secretary of State Baker that, you know, you need to talk to your enemies as well as your friends. You don't have to give up anything in terms of national concerns, to be talking to them, but it's impossible to resolve the situation now without talking to them."

Sen. Kay Bailey Hutchison, on CNN's Late Edition (11/19, Blitzer), said, "I, too, have called for a region-wide conference. I think we should bring other countries in that region into this mix because it's not good for any of them to have an eruption or a terrorist haven in Iraq." Asked if the conference should include Iran and Syria, Hutchison responded, "I think that depends on Iran and Syria. I think that, of course, Iran would have to agree to immediately stop making a nuclear weapon because that is a destabilizing force in the region. And certainly, Syria would have to agree to stop aiding and abetting the insurgents and the terrorists that have showed up around the Middle East. So I think it depends on their behavior. If they would be a positive force, I think, of course. But it does take prerequisites."

Sen. Jon Tester, also on NBC's Meet the Press (11/19, Russert), remarked, "We need to work with our allies within the region. We also need to talk to our enemies and put diplomatic pressure on them. But we also need to visit with our allies around the world to develop a plan to make, to make this war come to some sort of conclusion and get our troops home."

Rep. Steny Hoyer, on ABC's This Week (11/19, Stephanopoulos), said, "We need to reach out to the surrounding states. We need to have bilateral talks with the Syrians and the Iranians. … As Jim Baker has said, if you don't sit down and talk, there's not going to be progress."

Rep. Roy Blunt, on CNN's Late Edition (11/19, Blitzer), said, "I think we ought to have the right kind of discussions with Iran and Syria. But the worst thing that can happen in Iraq is if we let the future of Iraq be determined by the Syrians, by the Iranians or by the Saudis. They may be very well in a conflict, internally, that they're going to have to solve themselves. But one of the things that we can do is insist that that happen. Maybe that involves discussions with the Syrians and the Iranians. Maybe it doesn't. But what would be a big mistake is to let those neighboring countries come in and have undue influence on what happens for the people of Iraq."

McCain, Graham Call For Additional US Troops In Iraq. During his appearance on ABC's This Week (11/19, Stephanopoulos), Sen. John McCain was asked if it is "currently immoral to keep" US soldiers in Iraq because he believes more troops are necessary to win the war. McCain replied, "Yes, it is. And we've got to ask ourselves some questions. One, are we winning? And I think the answer is no. … Can we still win? Yes, I believe we can. It'll be tough, but we need to do it. And what we need to do is we've got to control the strongholds in Anbar. We've got to hold them with Iraqi and US forces and provide sufficient security. We've got to arrest the momentum of the death squads. We've got to continue training the Iraqi army and American presence in Iraqi units, and put Americans into the police force. Do we have enough troops to do all that? No, we do not." Later in the interview McCain said US soldiers are "fighting and dying for a failed policy."

USA Today (11/20, 2.27M) briefly notes McCain's call for "an overwhelming number of troops to stabilize Iraq or face the possibility of more terrorist attacks -- in the region and on American soil." The AP (11/20, Heilprin) reports McCain,

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"who spent 5 1/2 years as a prisoner of war after his Navy plane was shot down in 1967, recalled the Vietnam War's lessons. 'We left Vietnam. It was over. We just had to heal the wounds of war,' he said. '"We leave this place, chaos in the region, and they'll follow us home. So there's a great deal more at stake here in this conflict, in my view, a lot more.'" Bloomberg (11/20, Mathewson) also runs an account of McCain's remarks.

Sen. Lindsey Graham, on CBS's Face the Nation (11/19, Schieffer), made a similar point. He said, "It is obvious to me we don't have enough troops in Iraq to provide the security necessary to create a democracy from the ashes of a dictatorship. … I disagree with the idea of keeping the troop levels where they're at now. I think we need an overwhelming presence in Iraq for the short term. You cannot have a democracy where people are getting killed and kidnapped and murdered at the level they are now. So we need more Iraqi troops; we need more American troops. We need to increase the Army and Marine Corps by at least 50,000. … We do not have security in Iraq. The only way you'll ever get a political solution to the differences that exist among the Iraqi people is to control the violence. I am willing to send more American troops to make that happen."

Levin Calls For "Phased Reduction" Of US Troops In Iraq In Four To Six Months. Sen. Carl Levin, on CNN's Late Edition (11/19, Blitzer), said, "We must tell the Iraqis that we would begin, starting in four to six months, a phased reduction of our troops. Because if you don't do that, they're going to continue to have the false assumption that we are there in some kind of an open-ended way. … Four to six months gives them an opportunity to do that if there is an international conference. And one other thing, General Abizaid said that if in the next four to six months, the violence is not put -- if there's not an end put to the violence and if the militias are not put under control, then it is going to be irretrievable. So he himself used a four- to six-months timeframe."

Kristol Predicts Congress May "Pull The Plug" On Iraq In Coming Months. The Weekly Standard's Bill Kristol, on Fox News Sunday (11/19, Wallace), said, "What's striking about Pelosi's endorsement of Murtha is she believes that the duty of the Democratic Congress is to get us out of Iraq. I think that's an honest belief of hers, and of Jack Murtha's. … The conventional wisdom in Washington right now is 'but of course they'll never cut off funds -- that would be politically suicidal, and that's not going to happen.' I don't believe that. Four months from now, if things continue to slide downhill, if the president hasn't adjusted course, if hawks like Senator McCain haven't been satisfied that there's been an increase in troops or that we have a real strategy for victory, I think Nancy Pelosi and the Democratic House will move at some point to enforce timetables and to enforce a funds cutoff. … And if things aren't better four or six months from now, I think we could be looking at a Democratic House and some Republicans who are willing to just pull the plug on Iraq. … If by the State of the Union, things aren't getting better on the ground or there's not a really plausible change of tactics here at home, I am very worried that political support will crumble; not among Democrats, but among Republicans."

Rangel Proposes Bringing Back The Draft.

ABC World News (11/19, story 2, 2:00, Morrell, 8.78M) reported that in an "echo of the Vietnam War," Democratic Rep. Charlie Rangle, "said he would soon introduce legislation that would bring back the draft." Rep. Charlie Rangel: "This President and this Administration, would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if, indeed, we had a draft. And members of the Administration thought their kids from their communities would be placed in harm's way." Morrell: "Draft legislation would seem to be dead on arrival on Capitol Hill. The fact that a prominent Democrat such as Charlie Rangel is raising this issue is certain to conjure up a lot of debate on Capitol Hill. Especially if consideration is given to Senator McCain's recommendation, that America increase its troop presence in Iraq."

The AP (11/20, Heilprin) reports Rangel, the incoming House Ways and Means Chairman, says a bill he will propose will mean "Americans would have to sign up for a new military draft after turning 18." Rangel said he "sees his idea as a way to deter politicians from launching wars." Rangel said, "There's no question in my mind that this president and this administration would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if indeed we had a draft and members of Congress and the Administration thought that their kids from their communities would be placed in harm's way." Rangel "has said the all-volunteer military disproportionately puts the burden of war on minorities and lower-income families."

Rep. Rangel was asked on CBS's Face the Nation (11/19, Schieffer) if he would "still seriously favor a draft," Rangel replied, "You bet your life. Underscore serious.

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There's no question in my mind that this President and this Administration would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if indeed we had a draft and members of Congress and the administration thought that their kids from their communities would be placed in harm's way. … I will be introducing that bill as soon as we start the new session. … I don't see how anyone can support the war and not support the draft. I think to do so is hypocritical."

The Washington Post (11/20, A4, Babington, 690K) reports Rangel "said yesterday that he will push to renew the military draft, as lawmakers in both parties sharpened their criticisms of the situation in Iraq and struggled for consensus and solutions." Sen. John McCain "leveled one of his harshest assessments yet, saying U.S. troops are 'fighting and dying for a failed policy.' He renewed his call for more U.S. troops in Iraq and said it is immoral to keep them fighting at the current deployment levels." Sen. Carl Levin "repeated yesterday his view that troop withdrawals must begin within four to six months." The "varying proposals underscored the extent to which key policymakers remain at odds two weeks after voters registered deep discontent over the war and restored Democrats to power in Congress." Rangel "portrayed the draft, suspended since 1973, as a means of spreading military obligations more equitably and prompting political leaders to think twice before starting wars."

The Washington Times (11/20, Pfeiffer, 88K) reports Rangel said, "If we're going to challenge Iran and challenge North Korea and then, as some people have asked, to send more troops to Iraq, we can't do that without a draft." Rangel said "his bill, which he will introduce again early next year, would allow Americans turning 18 to choose between several forms of national service, including airport security, or jobs in schools and hospitals." But Sen. Lindsey Graham "said in his own 'Face the Nation' appearance that military conscription was unnecessary."

Critics Say Rice Bears Much Responsibility For Iraq "Mess." US News and World Report (11/27, Ragavan) writes that "three and a half years" after the fall of Baghdad, "the promise of democracy in Iraq seems a cruel joke, and the administration in Washington that launched the invasion seems utterly bereft of clues as to how to sort out the mess." Defense Secretary Donald Rumsfeld's resignation "was intended to signal a change in course on Iraq. But many national security experts say that Condoleezza Rice, Bush's national security adviser at the time of the invasion, and the National Security Council share much of the blame for the problems in Iraq." These critics say Rice, with her "ardent support for the invasion," was "unable to play the traditional role of national security adviser-impartial broker in the rough-and-tumble of interagency government. That was further complicated by the fact that Rumsfeld all but ignored the input of other agencies, then never took responsibility for postwar reconstruction, leaving Rice to try to manage the Iraq rebuilding effort from the White House."

"Vietnam Syndrome" Recurring As Iraq War Drags On. Time (11/27, Allen, 4.03M) writes, "Fifteen years ago, in the flush of his Gulf War triumph, President George H.W. Bush crowed to state legislators, 'By God, we've kicked the Vietnam syndrome once and for all.' But now, as Washington's wise men look for a way out of a situation in Iraq, the symptoms of that malady seem to be reappearing." In June, asked if he "saw a parallel between Iraq and Vietnam," the current President Bush "replied curtly, 'No.' But he is now embracing the inevitable, and he answered yes last week when asked roughly the same question at the Sheraton Hanoi. 'One lesson is, is that we tend to want there to be instant success in the world,' he said. 'And the task in Iraq is going to take a while.'"

"New Course" For Iraq Hard To Pinpoint. US News and World Report (11/27, Mulrine) writes that the midterm elections indicate voters "expect to see a new course in Iraq." But "what course exactly? Washington is buzzing with possibilities-a number of which were swatted down by Gen. John Abizaid, head of Central Command, in testimony last week before the House and Senate Armed Services committees. The most popular option, a sizable troop withdrawal in the next six months, would inflame sectarian violence, he warned," while "partitioning the country along ethnic-religious lines, he said, is 'not viable' and would create a Sunni state that would be little more than an al Qaeda safe haven."

"Cocky" Iran, Syria Anticipate Larger Say Over Iraq. Newsweek (11/27, Hirsh, Barry, 3.12M) reports that Iran "knows" President Bush is facing "new political pressure from an incoming Democratic Congress to withdraw from Iraq sooner rather than later. Tehran also hears, through the media, that the forthcoming report by the Iraq Study Group…is expected to recommend fuller engagement with Iran and Syria." Newsweek says both Iran and Syria "are clearly feeling cocky. Negotiations to halt Iran's nuclear program remain

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stalemated, and Iranian President Mahmoud Ahmadinejad declared last week that 'many countries have agreed to live with an Iran that has mastered enrichment.' One key nation that Tehran thinks it can count on is Russia, which wants to protect its huge investments in Iran and is resisting tough sanctions in the U.N. Security Council." As for Syrian President Bashar al-Assad, he is "enjoying the resumption of what Syrian Embassy spokesman Ahmed Salkini calls 'unofficial contacts' from Washington."

Iraq's Impact On 2008 Presidential Hopefuls Considered. Newsweek (11/27, Darman, 3.12M) examines how the Iraq war may impact various potential 2008 presidential candidates. Sen. John McCain "was an early administration ally on Iraq" even while "kibitzing with Republican war critics like Bush 41 national-security adviser Brent Scowcroft." McCain "is that rare Republican with sympathy for both his party's realist and idealist wings." Sen. Hillary Clinton, "from her first hours in the Senate," was "careful to work on her national-security credentials." She has "backed a phased redeployment of troops…and championed engagement with Syria and Iran. But she has yet to offer a comprehensive plan of her own." Sen. Barack Obama's "chief assets as a potential challenger to Clinton: consistency on Iraq." Obama has "resisted taking a strong position on an exit strategy for Iraq." Rudy Giuliani "has tried to shore up his conservative credentials with a vociferous defense" of President Bush's Iraq policy. Gov. Mitt Romney, "more than any other top-tier candidate," can "legitimately claim he's had nothing to do with the mess in Iraq. But as he travels the country selling himself as the strongest potential challenger to McCain, Romney has had to scramble to make up for his lack of foreign-policy bona fides." John Edwards wrote a 2005 op-ed "saying 'I was wrong' and calling for a drawdown in troops and increased engagement with Iraq's neighbors in the Middle East." Edwards now "feels the rest of the party is coming around to his view." Sen. Sam Brownback "has long been an Iraq hawk." And Sen. Joe Biden, the "Democrats' biggest long shot," also "happens to be the author of the party's most comprehensive Iraq plan."

Critic Of Invasion Could Be Next US Ambassador To Iraq. In his Washington Post (11/20, A15, 690K) "Inside The Loop" column, Al Kamen writes that US Ambassador to Pakistan Ryan Crocker, who has also held that post in Kuwait, Lebanon, and Syria, and who was "one of the few people at the legendary Coalition Provisional Authority who actually knew anything about Iraq," could succeed Zalmay Khalilzad as US ambassador in Baghdad. In 2002, Crocker co-wrote to then-Secretary of State Colin Powell "warning of disaster if the United States invaded Iraq. The memo, titled 'The Perfect Storm,' detailed all the things that were likely to explode if the United States took over Iraq -- sectarian violence, a power vacuum, and so on."

Cycles Of Revenge Seen As Fueling Violence In Iraq. The New York Times (11/20, Tavernise, 1.16M) reports, "In a cycle that has been tracked by the American military since May and June, after months of apparently random sectarian violence the pattern has become one of attack and counterattack, with Sunni militants staging what commanders call 'spectacular' strikes and Shiite militias retaliating with abductions and murders of Sunnis. ... General Caldwell said that a recent and intensive series of American raids against Al Qaeda cells, as well as against Shiite militias that have struck back at Sunnis, had seriously damaged some of their networks. But American commanders have made similar claims on several occasions in the course of the war only to have the killing resume later at a higher level. Scores of survivors and witnesses have noted the emerging cycle of revenge in interviews, describing highly personal attacks that involve a bullet in the head far more often than a bomb. In the past eight days, at least 715 Iraqis have been killed or have been found dead, according to The Associated Press." The Times adds, "Iraqis are hardening against one another as the deaths chip away at any remaining trust between the sects and radicalize even larger portions of their fringes."

Hostage Search Continues. ABC World News (11/19, story 3, 1:45, Harris, 8.78M) reported, "Now, the latest on a hostage crisis involving four American contractors in Iraq. Today, we learn more about these men who were snatched on Thursday. We have two reports tonight." ABC (Brown) added, "Masked Iraqi police rounded up about 200 men in southern Iraq, today, in a fruitless search for the hostages. But the dragnet was more media circus than anything else. One of their suspects, a double amputee in a wheelchair. Two of the four kidnapped American security guards have now been identified. Jonathan Cote, from Buffalo. And Paul Reuben, from Minnesota. ... The prime suspects are the Shiite militias who have infiltrated the police and the army. As many as 150 people were kidnapped from

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the Ministry of Higher Education by suspected Shia militiamen in police commando uniform, earlier this week. Today, in retaliation, a suicide bomber in a minibus offered Shiite laborers casual work. When they rushed forward, he blew himself up, killing 22."

ABC World News (11/19, story 4, 1:50, Harris, 8.78M) reported, "These latest contractors to be kidnapped are among thousands of civilians working in Iraq, doing extremely dangerous jobs for what can be very large paychecks." ABC (Yang) added, "Twenty-three-year-old Jonathan Cote spent four years in the 82nd Airborne Division. He survived mortar attacks and other dangers in Afghanistan and Iraq. Back home, Cote joined a private security company and went back to Iraq. Tonight, he's a hostage. One of the approximately 80,000 civilian contractors working in Iraq. It's a dangerous job. There are concerns that private companies aren't doing enough to protect their employees in the war zone." Jeff Beatty, President, www.totalsecurity.us: "More of that has to be done. More of it will be done. But we're not there yet." ... Roger Smith, truck driver: "It's a lot of sheer terror moments. ... it sounds real good before you go start doing it. And then, after you're doing it, it ain't quite as good as you thought it was." Yang: "Especially when friends and colleagues start paying for that extra money with their lives."

Upstate New Yorker Identified As Abductee. The AP (11/19, Bauman) reports, "A former soldier from western New York is among the four Americans and one Austrian who were kidnapped in southern Iraq last week, family members said Sunday. Jonathon Cote, 23, a native of Getzville, N.Y., a suburb of Buffalo, was working as a guard for Crescent Security Group when he was captured Thursday, his stepmother said. ... Cote spent four years in the Army and served in Iraq and Afghanistan. He was stationed at Fort Bragg with the 82nd Airborne Division before receiving an honorable discharge, and has been in Iraq since June."

Human Rights Watch Says Saddam's Trial Was Flawed. The Washington Post (11/20, A14, Raghavan, 690K) reports, "The trial of former Iraqi president Saddam Hussein "was marred by flaws so serious that they undermined the trial's fairness and called into question the verdict, an international human rights watchdog group said in a report to be released Monday." In a 97-page report by the Human Rights Watch, an analysis "based on courtroom observations and dozens of interviews with judges, prosecutors and defense lawyers," is the "first significant challenge to what the Iraqi government and its U.S. patrons assert was a fair, if messy, trial." The report "asserts that there was failure to disclose key evidence to Hussein's attorneys and that there were violations of basic rights of the defendants to confront witnesses." On Sunday, "two US. advisers to the tribunal denounced the report as 'misguided' and said that the trial was conducted properly and that a credible justice was delivered." One adviser said, "To question the overall integrity of the justice without reading the judgment is premature, at best."

General Odierno Discusses Return To Iraq. The New York Times (11/20, Shanker, 1.16M) reports, "Lt. Gen. Raymond T. Odierno, who returns to Iraq next month to take charge of the day-to-day fight as commander of the Multinational Corps-Iraq, says he departs for Baghdad with a clearer, perhaps even diminished, set of expectations of what the military can be expected to accomplish now, more than three years after the invasion." After discussing some accomplishments, "General Odierno paused, and added, 'Notice I left out a few things, such as a democracy in the sense that we see a democracy in the United States. We have to allow them to shape their own democracy, the type of democracy that fits them and their country.'" Odierno "has felt criticism from some officers, especially among marines, that made it into the public debate via op-ed columns and books by noted military affairs writers, including 'Cobra II,' by Michael R. Gordon of The New York Times and Bernard E. Trainer; and 'Fiasco,' by Thomas E. Ricks of The Washington Post. The Fourth Infantry Division focused too much on traditional combat operations in 2003 and 2004, the critics argued, saying that those efforts, with an emphasis on capturing and killing adversary fighters rather than on rebuilding the country and winning the confidence of Iraqis, actually fueled the insurgency." He replies, "We worked very hard to take the balanced approach." Odierno replaces "the current corps commander, Lt. Gen. Peter W. Chiarelli, the author of an influential essay warning that success in Iraq cannot be achieved solely by training local security forces or through combat operations. General Chiarelli wrote that the military must work to provide essential city services, create jobs and promote local governmental control. He also began the new operation this autumn to secure Baghdad."

Iraqis Describe Mixed Feelings About US. Three Iraqis who fled death squads and now live abroad write about their impressions of the US occupation. In an op-ed for

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the New York Times (11/20, 1.16M), poet Basim Mardan writes about his service as a translator for US forces in Iraq, "I was the first or second translator to work with the coalition forces in my city, the first or second Iraqi to set foot on the American base in Mosul. The Marines paid me $150 a month, which was better than the $2 I was making as a librarian." However, Mardan was upset by Abu Ghraib, "I grew sad, and I didn't know what to believe, because the people I worked with were great," and by her perception of lack of support from the US after he began receiving death threats: "The American Army, or whoever's in charge, has badly disappointed the translators. ... They could have helped my family move to Kurdistan, helped find me a job with the government there. ... But I'm not going to be ungrateful to the people who were fighting and dying for my country. ... I would never say that those people exploited me or exploited my thinking. The system did. Not them."

In another op-ed for the New York Times (11/20, 1.16M), poet Waddah Ali writes that the US failed to account for the Iraqi mentality after occupying Iraq: "America did well to liberate Iraq. But Iraqis were used to tyranny and afraid of freedom. The Americans entered Iraq without a psychological program for dealing with this fact."

In an op-ed for the New York Times (11/20, 1.16M), essayist Omar Fathi writes that the US should have imposed a strongman: "America should have removed Saddam Hussein and the closest circle around him and appointed a strong government right away. It would have been another dictatorship, but a different kind. It could have imposed martial law, then done the job that the Americans were not able to do, which was to cut power away from the old system by removing those people who might become terrorists in the future. After four to eight years, we could have had an election, and the new government could have started working on the basis of the new Constitution. ... Now the problems of Iraq will not be solved without a long and very bloody civil war."

Afghan Army Will Attack Taliban In Winter. The AP (11/20, Krane) reports, "The U.S.-backed Afghan army will step up counter-Taliban offensives this winter, which could see heavy fighting during a period traditionally used by Afghan fighters for rest and resupply, a U.S. general said here Sunday. U.S. Army Brig. Gen. Douglas Pritt, who oversees the U.S.-led effort to train the Afghan military, said Afghan forces have tripled the number of forward bases to more than 60 and plan to spend the winter harassing Taliban and gathering intelligence from combat outposts deep inside rebel strongholds." The AP adds, "The Afghan National Army remains hamstrung by desertion rates of around 15 percent, Pritt said, little different from its rate in May. The previous year, the desertion rate peaked above 25 percent, according to U.S. military figures. Afghan soldiers recently received a raise for their tiny salaries, from $70 to $100 a month, Pritt said, a decision that followed the revelation that AWOL soldiers could earn $70 a month as day laborers without facing combat."

Southern Afghans Send Mixed Signals About Insurgency. In a front page article, the Washington Post (11/20, A1, Constable, 690K) reports that in Afghanistan's four southern provinces, "the Taliban insurgency is on a fierce rebound five years after U.S. and Afghan forces toppled the Islamic militia from power in Kabul. Months of aggressive ground combat and NATO airstrikes have failed to halt continuous violence in the south, as well as some sporadic attacks in other parts of the country. ... In Helmand, a vast and arid region where much of the worst fighting has taken place and thousands of people have fled their homes, residents and elders have been sending urgent but contradictory signals about how to restore peace," with some saying "their worst problem was the devastation from months of bombing by foreign military forces. If the authorities would allow tribal leaders to administer their district, they said, they would guarantee no further Taliban attacks." The Post adds, "In Helmand's Musa Qala district, NATO has cautiously agreed to test the tribal approach. Under a deal brokered in September by the provincial governor, NATO agreed to pull back British forces from Musa Qala, and local elders pledged that Taliban attacks would cease. ... both NATO and senior Afghan officials say they are largely satisfied with the arrangement, which they said has brought fighting to a halt and allowed foreign troops to focus on creating a central zone for security and development around Helmand's capital city, rather than manning scattered outposts and chasing after bands of insurgents."

CORPORATE SCANDALS:

State Bar Associations Fighting Back Against Privilege Waivers. The National Law Journal (11/20, Qualters) reports, "State bar associations are jumping into the roiling debate over the attorney-client privilege-waiver issue triggered by the U.S. Department of

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Justice's Thompson Memorandum." The Journal continues, "Several states have recently convened task forces to fight the 2003 directive penned by former Deputy Attorney General Larry Thompson, which, among other things, instructs prosecutors to trade leniency for waivers of the attorney-client privilege during corporate investigations." The Journal adds, "The states are lobbying the federal government to change Justice Department policies and practices that give incentives to corporate defendants who waive attorney-client privilege and pressure companies not to pay the legal fees of current or former employees facing corporate criminal investigations. In some cases, states are mulling changes to their own rules of professional conduct to sidestep Thompson-style waivers. .. .New task forces in Florida, Illinois and Michigan join ongoing efforts in Arkansas, Maryland, New York and Boston." The Journal notes, "Samuel Damren, a litigator in the Detroit office of Dykema Gossett, heads Michigan's task force. He hopes that his group will recommend changing the state's rules of professional conduct to prohibit government attorneys practicing in Michigan from requesting that companies waive their attorney-client privilege to prove they are cooperating with the government probe. … An Arkansas Bar Association task force is recommending that its House of Delegates ask the Arkansas Supreme Court to adopt rule changes allowing for selective waiver, or disclosure of some information to a government agency without revoking the attorney-client privilege, and barring discovery of attorney communications with experts. … The 72,000-member New York State Bar Association is informally discussing whether to push for changes to the rules of professional conduct to curtail waivers. But state Bar President Mark H. Alcott said he's unsure if such a rule would work in practice, since the client ultimately has the right to waive and could succumb to pressure from the government." The Journal notes, "A company's willingness to cooperate in investigations is not a 'litmus test' and is only one of several factors the Justice Department considers when charging a company, said DOJ spokesman Brian Roehrkasse. The DOJ is still 'reviewing the specific concerns and suggestions' of bar associations and other groups, Roehrkasse said."

SEC Formally Inquires About Ford Earnings Disclosures. The Wall Street Journal (11/20, A7, Cooke, Stoll) reports, "Ford Motor Co. said it has received an informal inquiry from the Securities and Exchange Commission related to disclosures detailing its recent restatements of earnings because of accounting errors." The Journal continues, "The company also restated financial results for the first and second quarters of 2006, deepening its loss for the two periods and finalizing the financial corrections it has said it needed to make." The Journal adds, "On Nov. 14, Ford restated the bulk of the affected earnings, which span from 2001 to the third quarter of 2006. The restatements are necessary because Ford failed to sufficiently comply with certain rules related to its accounting for transactions used to hedge against interest-rate risk. … Ford on Friday said it has been contacted by the SEC's divisions of corporation finance and enforcement regarding the amended restatements for the entirety of 2005, the third quarter of 2006 and another filing discussing the restatements. Ford said it is 'voluntarily cooperating' with the 'informal inquiries,' which also relate to disclosures made by Ford Motor Credit Co. … It is unclear whether the SEC will also inquire into the first- and second-quarter restatements issued Friday."

SEC Says Most Restatements Due To Accounting Mistakes. The Wall Street Journal (11/20, C4, Reilly) reports, "Public companies continue to restate financial results at a record pace. Ask executives why and they will likely cite complex accounting rules or hypersensitive auditors." The Journal continues, "The Securities and Exchange Commission has come to a different conclusion: A majority of restatements are due to basic mistakes with nuts-and-bolts accounting. .. .Research by the SEC's Office of the Chief Accountant found about 55% of recent restatements were due to companies misapplying basic accounting rules or to problems with records that meant they didn't have the correct data to get the accounting right, said SEC Deputy Chief Accountant Scott Taub." The Journal adds, "He expressed surprise so many restatements were 'just from flat-out errors.' Mr. Taub outlined the study's results during a presentation in New York on Friday at the annual conference of Financial Executives International, a professional group. … 'Internal-control structures are missing things, corporate-finance staffs are missing things and auditors are missing things,' he said. 'All of these things are not working as well as we'd like them to.' .. .The findings come as the SEC, along with the Public Company Accounting Oversight Board, an accounting-firm regulator, have been working to ease internal-control rules designed to ensure companies avoid accounting mistakes or fraud.

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Companies, especially smaller firms, have bristled at the costs of rules imposed by the Sarbanes-Oxley corporate-reform legislation. Besides mandating that managers attest to having adequate controls, the rules require an auditor to sign off that the controls are sufficient."

KB Home's CEO Leaves Amid Options Probe With $175 Million Compensation Package. The Los Angeles Times (11/20, Kristof) reports, "When KB Home Chief Executive Bruce Karatz retired last week amid a stock option controversy, he agreed to give up $13 million in disputed stock gains. But that doesn't mean he will leave the company empty-handed. … Karatz is walking away with as much as $175 million in severance pay, pension benefits and stock options, regulatory filings show." The Times continues, "The windfall is possible in part because Karatz was not fired for cause but simply retired, making him eligible for his severance pay and pension unless the company's board of directors blocks payment, compensation experts say. … 'It's like he hit the jackpot,' said Patrick McGurn, general counsel of Institutional Shareholder Services, which advises large investors such as pension plans and mutual funds. 'He might not like the hit to his reputation, but he's certainly not going to take one to his bank account.'" The Times adds, "Karatz, 61, stepped down as head of the Los Angeles home-building company Nov. 12, after an internal probe found that he had picked stock option grant dates that inflated the value of the options to himself and other executives. … Under his employment agreement, Karatz would get a severance payment equal to the sum of what he earned in salary and incentive pay over the last three years, according to KB Home's proxy statement. That adds up to nearly $80 million. .. .Karatz also has a special executive pension plan that guarantees him $1 million a year for up to 25 years in retirement, making it potentially worth $25 million. … And Karatz has vested stock options that aren't in dispute, which are worth about $70 million based on KB Home shares' closing price Friday of $49.07. … Add it all up, and it comes to $175 million."

Firms Find It Hard To Reclaim Executive Pay. The Wall Street Journal (11/20, A1, Dvorak, Ng) reports, "In April 2001, directors of utility FPL Group Inc. faced a sticky problem. A few months earlier, they'd awarded top executives $62 million in bonuses linked to a merger that would have created the U.S.'s biggest electric company. Now the deal had fallen apart and shareholders were clamoring to get the money back." The Journal continues, "FPL directors scrutinized payment plans. They clashed with executives. Shareholders sued. After three years and millions in legal bills, executives returned $9 million, based largely on a technicality. Insurers paid another $12.5 million." The Journal adds, "The FPL saga is an object lesson in why companies rarely recoup money paid to executives for results they didn't actually achieve. Although the concept seems simple, at least from an ethical point of view, so-called 'clawbacks' of executive pay are in practice disruptive, divisive and difficult to pull off. In addition to a murky legal environment, the process is complicated by compensation contracts and insurance provisions. Most boards don't try recovering the money. Those that do often get mired in years of litigation."

CRIMINAL LAW:

HUD Probes Allegations Against NASA Official. The Orlando Sentinel (11/20, Cabbage, 230K) reports, "A federal probe of NASA Inspector General Robert Cobb outlines allegations that he stifled investigations, mistreated department employees and maintained a close personal relationship with top officials of the agency he was supposed to independently monitor. Preliminary findings from a 10-month investigation into Cobb's conduct have been forwarded to an oversight group, the President's Council on Integrity and Efficiency. That group is expected to make a final decision before the end of the year on what, if any, action to take. Cobb has denied any wrongdoing. However, he said during an interview with the Orlando Sentinel last week that it was inappropriate for him to publicly rebut many of the specific allegations until the process had run its course." The probe was conducted by investigators from the Department of Housing and Urban Development. HUD "called in to conduct the inquiry, have examined 69 allegations against Cobb, a White House appointee. The allegations came primarily from career employees in his own office. A confidential summary of the HUD probe detailing the investigative findings was obtained by the Sentinel. Not all of the allegations against Cobb were substantiated. However, current and former employees in Cobb's office interviewed by HUD inspectors and the Sentinel described him as a partisan manager who often failed in his responsibility to independently investigate possible wrongdoing at NASA. Cobb vehemently disagreed with that characterization."

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Maryland Mall Shooting Under Investigation. The Washington Post (11/20, B01, Rich, Smith) reports, "Shoppers returned to Westfield Shoppingtown Annapolis in droves yesterday, undeterred by a gun battle that wounded three in the mall's food court the night before and sent scores of others racing for exits or diving under tables." The Post continues, "An 18-year-old Annapolis resident who was shot twice in the abdomen remained in a hospital under police guard, authorities said, and an off-duty U.S. Secret Service agent with whom he allegedly traded fire was recovering from a single gunshot wound. .. .The injuries to each man -- as well as to Tahzay L. Brown, a 16-year-old male struck in the crossfire -- were not considered life-threatening." The Post adds, "The violence began at 7:15 Saturday evening when the agent intervened after spotting as many as eight young men assaulting another young man, according to a preliminary police account. .. .The 18-year-old drew a handgun and fired, hitting the agent once in the leg, police said. The agent then drew his weapon, fired seven times and struck the 18-year-old twice in the abdomen, police said. The agent was with a family member, who was not injured. … Georgia Goslee, an attorney authorized to speak on behalf of Brown's family, described the Annapolis High School student as a victim drawn into the violence merely because the person who was being assaulted is his friend. She said the confrontation between the friend and the larger group was 'spillover from an earlier incident that happened at the school . . . back in September.'"

NYTimes Columnist Decries Sexual Abuse Of Children. In a column for the New York Times (11/20), Bob Herbert writes, "When (Atlanta) Mayor Shirley Franklin recently announced that the city would be cracking down on the pimps and johns who prey on under-age prostitutes, she also disclosed publicly for the first time that she had been molested when she was a young girl. … Speaking at a gathering of reporters, local officials and civic leaders, the mayor spoke frankly about the incident, in which she was abused at the age of 10 by the father of a girlfriend. She then asked how many of the women in attendance had endured similar experiences. Several women in the room raised their hands." Herbert continues, "One of the most tightly kept secrets in the U.S. is the extent to which children are sexually exploited, not just by child pornographers and compulsive pedophiles, but by men who are viewed by their relatives, friends and neighbors as quintessentially solid citizens. … In an interview on Friday, Ms. Franklin told me: 'It seemed appropriate to reveal my story in that setting, because what we were trying to do is demonstrate that this can happen to anyone. Not only can it happen; it does happen to a lot of children.'" Herbert adds, "Atlanta has become a major hub of commercial sex in the U.S. It's a full-fledged sex-tourism destination, with thousands of strippers, prostitutes and other sex workers accommodating an endless stream of johns from around the country. Under-age girls (some as young as 10 and 11) are a significant part of that trade. Many of them were already carrying the scars of sexual molestation when they got into prostitution."

CIVIL RIGHTS:

Riot Retrospective Seeks To Increase Understanding Of Civil Rights Struggle. USA Today (11/20, Jones) reports from Newark, NJ, "In the first major exhibit documenting the 1967 Newark riots, the New Jersey Historical Society is assembling a retrospective that is scheduled to open by next summer, the 40th anniversary of the unrest. … Tentatively titled 'What's Going On,' the exhibit will use oral histories, text and artifacts to examine the six days of rioting in Newark. It also will look at the violence that engulfed Detroit 11 days later and the 1965 riots in Los Angeles' Watts district." USA adds, "These and other riots in scores of cities in the late 1960s — many triggered by incidents involving police — focused attention on the lack of economic opportunity in predominantly poor, black neighborhoods. A presidential commission studying the causes concluded in 1968 that the nation was moving toward 'two societies, one black, one white, separate and unequal.' … 'We want to move beyond Newark and show the parallels between what happened in those summers of the 1960s,' says Max Herman, an assistant professor of sociology at Rutgers University in New Jersey who has conducted many of the interviews for the project. 'The frustration was building for several decades." … The exhibit will stay in Newark for nearly a year. Organizers then plan to take it to Los Angeles and Detroit, where they will work with local museums. The University of Baltimore also is planning a 40th anniversary exhibit on the 1968 riots in that city that followed the assassination of Martin Luther King Jr. Sociologists say such exhibits are critical in helping the nation understand the legacy of that turbulent time."

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Airline Employee's Treatment Of Nursing Mother Sparks National Protest. The USA Today/AP (11/20) reports, "A national 'nurse-in' will be held Tuesday to protest the treatment of a passenger who was kicked off a plane for refusing to cover herself while breast-feeding her baby." The AP continues, "A similar protest, in which mothers sat on the floor near the Delta Airlines counter, breast-fed their babies and held signs, took place at the Burlington International Airport last week." The AP adds, "Chelsea Clark, 31, of Fairfax, said she is using Web message boards to organize a national protest at Delta counters across the country. What happened to Emily Gillette, 27, of Santa Fe, N.M., has prompted an 'out-swell of outrage,' Clark said. … 'This is for all of the nursing mothers in the country who felt that way,' Clark said. 'This is our opportunity to make a statement.' … Freedom Airlines, a regional airline for Delta, said it has disciplined the flight attendant who ordered Gillette off the plane when she declined to cover up with a blanket. Spokesman Paul Skellon said the attendant did not meet company expectations when Gillette was told to leave the plane. … A spokesman for the airline said the pilot apologized and asked Gillette and her family to get back on the plane, but Gillette said that never happened. … On Oct. 13 Gillette was sitting aboard a plane, which was three hours late in taking off, when she began to breast-feed her 22-month-old daughter. She says a flight attendant handed her a blanket and told her to cover up, which Gillette declined to do. … The attendant said Gillette was offending her and she was removed from the plane. … Gillette filed a complaint with the Vermont Human Rights Commission because breast-feeding in a public place is protected under state law."

McCain Says Supreme Court Should Overturn Roe. The AP (11/20, Yen) reports Sen. John McCain, "who supports a ban on abortion except in cases of rape, incest and to save a mother's life, said he doubted a constitutional amendment could pass but that one would not be needed because 'it's very likely or possible that the Supreme Court should — could — overturn Roe v. Wade.'" McCain said, "I'm a federalist. Just as I believe that the issue of gay marriage should be decided by the states, so do I believe that we would be better off by having Roe v. Wade return to the states. And I don't believe the Supreme Court should be legislating in the way that they did on Roe v. Wade."

McCain Not Opposed To Civil Unions For Gay Couples. Asked on ABC's This Week (11/19, Stephanopoulos) if he would describe himself as "pro-gay rights," McCain responded, "In the respect that I believe that the don't ask, don't tell policy is working in the military. … I believe in the sanctity and unique role of marriage between man and woman, but I certainly don't believe in discriminating against any American." Asked if he is "against civil unions for gay couples," McCain said, "No, I am not. … I do not believe gay marriage should be legal, but I do believe that people ought to be able to enter into contracts, exchange powers of attorney…"

Romney Makes Effort To Place Gay Marriage Ban Onto Ballot. The New York Times/AP (11/20) reports Gov. Mitt Romney of Massachusetts "said on Sunday that he would ask the state's highest court to order a question banning same-sex marriage onto the ballot if legislators did not address the issue." Romney said he "would file a request this week for a justice of the Supreme Judicial Court to direct the secretary of state to place the question on the ballot if lawmakers do not vote on the issue on Jan. 2, the final day of the session." Romney "made his announcement to the cheers of same-sex-marriage opponents at a rally on the Statehouse steps. Supporters of same-sex marriage staged a protest across the street." The Washington Post (11/20, 690K) also ran the AP story.

Advocates See Chance For Revival Of Gays In Military Debate. Newsweek (11/27, 3.12M) reports, "With the Democrats in control of Congress, some activists are hoping they'll add a controversial issue to their to-do list: revisiting the 'don't ask, don't tell' policy on gays in the military." Supporters "hope they might make some progress at a time when the military can't afford to turn away the willing and able."

ANTITRUST:

Freeport To Buy Phelps In Copper Merger. The Financial Times (11/20, Politi) reports, "Freeport-McMoRan on Sunday night agreed to buy Phelps Dodge for $25.9bn (£13.7bn) in cash and stock to become the world's largest publicly traded copper company with mines stretching from Indonesia to Chile." The Times continues, "The takeover is the latest in a wave of consolidation that has swept through the global mining industry as commodity prices soared because of high demand, particularly from China."

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The Times adds, "Amid the boom, both Freeport and Phelps were faced with key strategic challenges that they decided to address by combining the two companies. Freeport has been seeking ways to diversify away from its main Grasberg mine, which is based in a remote part of Indonesian Papua and has been criticised for containing too much political risk. … Phelps, on the other hand, has been a takeover target since its twin bid for Canadian mining groups Inco and Falconbridge fell apart in September. .. .Under the terms of the deal, Phelps shareholders will receive $126.46 per share – or a 33 per cent premium to the company's market value on Friday. About 70 per cent of the transaction value, or $18bn, will be in cash, with the rest in shares, meaning Phelps investors will end up owning 38 per cent of the combined group."

The Wall Street Journal (11/20, A3, Heinzl, Gold) reports, "reeport said it pursued the deal to gain the scale it needs to compete among other miners for equipment and prospects amid increased Chinese demand for commodities and high prices. But the deal comes after copper has fallen from loftier levels, leading to some industry concerns of a potential cyclical downturn." The Journal adds, "The combination -- resulting in what would be North America's largest copper producer -- continues the recent streak of big-ticket mining deals, as the industry scrambles to secure new production and mine developments."

The New York Times (11/20, Sorkin, Austen) reports, "The transaction, if approved by shareholders, would create the world's largest copper producer and the largest mining company based in North America. It is the latest move in a series of mining and metals mergers. Like companies involved in other mining mergers, Freeport-McMoRan promoted the idea that increased size has become an important competitive factor." The Times adds, "Freeport-McMoRan, which has a market capitalization of $11.3 billion compared with Phelps Dodge's value of $19.4 billion, will finance the transactions by borrowing about $17.5 billion. Freeport said it expected the deal would be accretive to the combined company's earnings per share and cash flow immediately. … To a considerable extent, Phelps-Dodge now finds itself being acquired because of its failure earlier this year to bulk up with an acquisition of Inco, the large Toronto-based nickel miner. … Inco had approached Phelps Dodge in an attempt to help it with its bid for another Canadian nickel miner, Falconbridge. In exchange for financing for that transaction, Inco's board agreed to be acquired by Phelps Dodge in a deal cash and stock worth about $17 billion."

Bloomberg (11/20, Shankar, Ann) also reports on the proposed merger.

Blackstone Near Deal To Buy Equity Officer Properties. The Financial Times (11/20, Politi) reports, "Blackstone was on Sunday night in advanced discussions to seal the biggest private equity deal on record as the board of Equity Office Properties, the US commercial real estate company founded by Sam Zell, met to vote on a takeover worth $36bn including debt." The Times continues, "Although the outcome of the meeting remained unclear, the talks will highlight the growing audacity of cash-rich, buy-out firms, which are taking over some of the biggest US companies in a range of industries." The Times adds, "Last week Thomas H. Lee Partners, Bain Capital and a group of banks agreed to buy Clear Channel Communications, the biggest chain of US radio stations. Harrah's Entertainment, the US casino giant, has for weeks been in talks to be taken over by Apollo Management and Texas Pacific, although it remained unclear on Sunday night if that would result in an agreement. … In July, HCA, the biggest US hospital chain, agreed to be taken private by a consortium including Bain Capital, Kohlberg Kravis Roberts, and Merrill Lynch for about $33bn. That agreement broke the record for the biggest private equity deal, sealed in 1989 when KKR bought RJR Nabisco, the food and tobacco conglomerate. … But the huge amounts of money flooding into private equity and the availability of cheap debt to finance acquisitions have led to expectations that the HCA deal size would soon be trumped."

The Wall Street Journal (11/20, Berman) reports, "Joining an unprecedented rush to remove corporations from the public markets, the real estate arm of private-equity firm The Blackstone Group is set to announce a $20 billion takeover plan for Equity Office Properties Trust, the largest U.S. office-building owner and manager, people familiar with the matter said." The Journal adds, "If completed, the deal would become the largest such 'take private' deal in history -- and the largest real-estate deal in history -- when factoring in Equity Office's existing $16 billion in debt. It's a record that has already been broken this year, and could be broken again by year-end, as private-equity firms train hundreds of billions of dollars of capital on once untouchable names of the stock-market firmament."

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The New York Times (11/20, Sorkin, Pristin) reports, "The deal marks the largest leveraged buyout in history, eclipsing the $33 billion paid earlier this year for H.C.A., the hospital chain, and it illustrates how private equity firms continue to gobble up corporate America. Under the transaction, Equity Office will go from being a publicly held company to a private one. Blackstone will pay $20 billion and assume $16 billion in debt." The Times adds, "Matthew L. Ostrower, an analyst at Morgan Stanley, called the proposed deal 'a ground-breaking transaction for the real estate world in general and an earthquake for the REIT industry.' … Mr. Ostrower said that if a company the size of Equity Office chose not to remain public, 'now every public company out there is going to have to some degree examine their capitalization, whether being public makes sense.'"

Bloomberg (11/20, Cimilluca, Louis) reports, "Blackstone in July raised a $15.6 billion fund, to which it is adding. In June, it raised $5.25 billion for the largest-ever fund for high-return real estate investments, the majority of which has been spent already. … The company and other private equity firms, which finance the bulk of their takeovers using the target company's cash flow, have announced $600 billion of acquisitions so far this year, compared with $241 billion in 2005, according to data compiled by Bloomberg News."

US Airways Head Faces Daunting Management Challenge. The Wall Street Journal (11/20, B1, Trottman) reports, "It's hard enough post-Sept. 11 to manage one airline. Now, US Airways Group Inc. Chief Executive Doug Parker wants to run three." The Journal continues, "With his $8.67 billion hostile bid last week for Delta Air Lines, the CEO is proposing to add yet another company to the two he's already combining as a result of his America West Airlines acquiring US Airways late last year. He envisions that the new airline would fly under the Delta name." The Journal adds, "The 45-year-old, known for his financial expertise, is rolling the dice again in what would become the greatest management challenge of his career if a deal goes through. By merging with the much-larger Atlanta carrier Delta as it emerges from bankruptcy court, US Airways, based in Tempe, Ariz., would become the largest U.S. airline in terms of passenger traffic, a huge leap from its No. 6 ranking right now. … It would add an exponential level of complexity to an already daunting task. Though the earlier merger is considered a financial success so far, some of its customer-service rankings have been among industry lows in recent months as the airline has had rising problems with baggage handling and overall service complaints. Management is still blending the cultures of the two airlines, which were in many ways steeped in vastly different processes and procedures."

Final Putnam Bids Due Before Thanksgiving. The Wall Street Journal (11/20, C5, Mcdonald, Berman) reports, "The auction of Boston money manager Putnam Investments will move into its latter stages this week with final offers due from three bidders before the Thanksgiving holiday, according to people familiar with the matter." The Journal continues, "Prior to the Thursday holiday, bids are expected from three suitors: Amvescap PLC of the United Kingdom, Unicredito Italiano SpA of Italy and Power Corp. of Canada, according to one of these people." The Journal adds, "It could be weeks before any decision is made by Putnam's parent, Marsh & McLennan Cos., of New York. Marsh President and Chief Executive Michael Cherkasky has called the auction 'a market check,' and the company may decide to hang onto Putnam, which manages $187 billion of assets, if it can't get a price its board considers fair. .. . A final sale price could be affected by the inclusion of 'earn out' clauses. These agreements might allow for a lower payment up front but also additional payments if Putnam meets specific financial goals. … The Putnam auction is seen as an important step in Marsh's recovery from a tangle with New York Attorney General Eliot Spitzer. Mr. Cherkasky took the company's reins in October 2004 when an industry-wide bid-rigging inquiry put the firm and its Marsh Inc. insurance brokerage in crisis. Marsh Inc. and other large insurance brokers reached civil settlements with state authorities."

Philadelphia Exchange Chief Urges Close Scrutiny Of CME-CBOT Merger. In an op-ed in the Wall Street Journal (11/20, A17), Meyer S. Frucher, chairman and CEO of the Philadelphia Stock Exchange, writes, "The announcement of the proposed merger between the Chicago Mercantile Exchange and the Chicago Board of Trade has sparked applause from the shareholders who will benefit. But for the marketplace, the growing derivatives trading community, and the American consumer, the merger of two already powerful monopolies into a single pre-eminent force in the risk markets may be the perfect illustration of why monopolies are a bad thing. For regulators, therefore, the proposed merger represents an urgent challenge and an

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opportunity to ensure the competitiveness of these essential markets." Frucher continues, "Historically, both the CME and the CBOT have operated as effective monopolies as futures contracts were typically traded exclusively at a particular marketplace. Yet to the idea that there is a downside to two discrete but not overlapping monopolies merging into one, many in the financial markets have responded: So what? After all, contracts traded at both exchanges are cleared by a single entity today. So long as the products are distinct from one another and the transaction does not result in incremental concentration of the marketplace for futures clearing, then there is no incremental concentration of market share either." Frucher adds, "So how does this merger affect the average trader or public investor? As more and more people use derivatives to manage their own portfolio risk or speculate on the direction of interest rates or commodities, it is a certainty that their transaction costs will be higher if CME and CBOT merge. Since both went public, they have raised their transaction and clearing fees, and can certainly continue to do so unilaterally as a merged organization. … What can the CFTC and the Department of Justice do to ensure that a merger benefits the markets? First, the CTFC should insist on fungibility of products so that if another futures market offers a Eurodollar future, any firm can take or unwind a position on different marketplaces. That will encourage competition. Second, DOJ can insist that CME 'universalize' its clearing services by separating the clearinghouse from its common ownership with the exchanges, or by allowing other clearinghouses the benefits of cross-margining." Frucher concludes, "Exchanges that have gone public -- especially futures exchanges -- have commanded the attention of the capital markets and enjoyed the benefits of investment. That is a good thing. A CME/CBOT merger, however, holds the potential to cast a disproportionate shadow over the risk markets -- with adverse impact on the markets themselves and certainly on the public."

ENVIRONMENT:

NYTimes Warns Deforestation Will Cause Climate Problems. The New York Times (11/20, 1.16M) editorializes, "A new study published by the National Academy of Sciences and based on a recent international assessment of forests confirms that reforestation has become a widespread pattern in well-off countries and also in a few that are not so well off." Reforestation is "obviously good news," but in "some parts of the world, deforestation is only expanding, with dire consequences for biodiversity and the climate." Even if forests will be recovered," some of the "most biologically diverse forests are being logged or burned without ceasing," therefore "destroying irreplaceable habitat and extinguishing species one by one."

WPost Calls Responsible Fisheries Management Crucial. The Washington Post (11/20, 690K) editorializes, "A new paper by a team of respected scientists estimates that unless policymakers take substantial steps to preserve marine biodiversity, the world will face 'the global collapse of all taxa currently fished by the mid-21st century.'" The challenge domestically is to "get other regions to follow Alaska's lead and internationally to get countries bent on destructive fishing practices to adopt more sustainable models," and Congress "needs to reauthorize and improve the law that governs fisheries management." The ban on "unregulated bottom trawling on the high seas" that the Bush Administration is pushing, would "be a significant coup environmentally and would burnish the record of oceanic protection" that Bush "established this year with his creation of a mammoth marine protected area in the Northwestern Hawaiian Islands." Responsible fisheries management is "one of the most pressing ecological concerns of our time." If policymakers "fail to address it seriously," the oceans will become "giant dead zones, and seafood will be a thing of the past."

WPost Praises DC Bill Establishing "Green" Building Requirements. In an editorial, the Washington Post (11/20, A16, 690K) writes, "The environmental benefits of better building requirements remain an insight overripe for policymakers to exploit. That's why we welcome a bill the D.C. Council unanimously supported in its first reading last week." If the legislation "passes, government structures built three years after the legislation takes effect will have to meet a high standard of environmental friendliness. Five years on, private construction projects will also have to fulfill building requirements aimed at lessening environmental impact." The Post concludes, "After years of presidential neglect on global climate change, states and localities have had to pioneer their own approaches to reducing the atmospheric pollution they produce. Smart building requirements are a promising new tool for American cities to

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do just that. More jurisdictions should follow the District's example."

FBI/DEA/ATF/USMS:

Philadelphia Inquirer Highlights DEA Investigation Of Online Prescription Drug Operation. In the first part of a series on a DEA investigation of online prescription drug sales, the Philadelphia Inquirer (11/19, Shiffman) highlights Akhil Bansal's "family business" and writes, "The Bansals were the guys who supplied the guys who sent that relentless spam, luring American consumers with cheap Viagra, no-prescription Ambien, next-day codeine. Akhil oversaw the family's North American operations, shipping roughly 75,000 pills a day via UPS." According to the Inquirer, since his arrival in Philadelphia in 2003, Akhil "had at age 26 blossomed into a global businessman. … To take down the network, agents were using a number of weapons - surveillance, undercover buys, cell-tower pings, trash pulls, e-mail wiretaps, bank subpoenas, immigration reports, even provisions of the Patriot Act." According to the Inquirer, Congress "was pressuring [Karen] Tandy to do something about illegal online pharmacies. She recognized the emerging public health threat. After all, any kid with a credit card and Internet access could order highly addictive drugs from the safety of home. … Tandy was counting on the Bansal case to make a splash." However, the Inquirer notes that at the time, laws were "vague, outdated, inconsistent. Technology - new medicines and ways to deliver them - was outpacing regulation."

In "online extras" the Philadelphia Inquirer (11/19) has posted on its Web site a recorded interview with Karen Tandy in which she "discusses why it is important for law enforcement agencies to focus on the distribution of prescription drugs over the Internet."

In a sidebar titled, "The Bansal Pill Network," the Philadelphia Inquirer (11/19) outlines the operation.

In today's story titled "Origins," the Philadelphia Inquirer (11/20) writes, "Hours before DEA agents are to arrest Internet drug dealers in a worldwide sweep, Temple grad student Akhil Bansal races from his Roxborough apartment to flee home to India. Today's installment takes us back to the day the case began. It is February 2004." The Inquirer continues, "Akhil's father had put [people] in touch with an Indian couple living in Queens, N.Y., David and Elizabeth Armstrong. From now on, the Armstrongs would handle the shipping. Under the improved scheme, bulk quantities - pills by the tens of thousands - would be shipped from India to a Queens rowhouse. In the basement, newly arrived Indian immigrants would earn $6 an hour repackaging and labeling pills."

27 Indicted, $15.7 Million Worth Of Drugs Seized In Mississippi Investigation. The Hattiesburg (MS) American (11/18) reports, "The indictments of 27 people - including five Hattiesburg men - as well as the seizure of $15.7 million worth of drugs and $2.9 million in cash and property resulted from breaking up one of the largest and most sophisticated drug-trafficking operations in Mississippi history, officials said Friday. … 'This is really the big, top-tier guys,' Stephen Luzinski, assistant special agent in charge of Mississippi Drug Enforcement Administration, said of the 27 suspects. 'It was especially significant in that agents were able to successfully trace the movement of both drugs and money from the hands of high-level Mississippi traffickers into the hands of some of Mexico's most powerful drug traffickers.'" Mississippi's Jackson Clarion Ledger also published this story.

NFL To Keep Drug Program Agents Until End Of Season. The New York Daily News (11/19, Quinn) reports, "As more of the NFL's Drug Program Agents join a potential lawsuit for tens of millions of dollars over back payroll tax and benefits, the league has changed its plan to replace them in midseason. After the IRS ruled over the summer that the DPAs, the men who collect urine samples from players, were employees, not independent contractors, the NFL told the 80DPAs that they would be replaced by an outside company called Comprehensive Drug Testing (CDT) in mid-November. … In a memo sent to DPAs last week, however, DPA supervisor Warren Welsh wrote, 'It has become apparent that ongoing discussions between the Management Council and CDT make the original date unrealistic....it seems, more likely than not, that the change will not take place until the end of the season.'"

Opium Poppy Crop Destroyed In Colombia, Elimination Of Industrial Plantations Declared. The Los Angeles Times (11/20) reports, "With the destruction of a 12-acre opium poppy crop in southern Narino state on Sunday, the Colombian government declared

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it had rid its territory of all 'industrial' plantations of the flower used to make heroin. Defense Minister Juan Manuel Santos made the declaration during a media trip to a mountainside poppy field 375 miles southwest of Bogota near the Ecuadorean border, minutes before dozens of troops destroyed the crop with machetes. It was perhaps no coincidence the assertion came as the U.S. Congress was considering extending Plan Colombia, the $600-million anti-drug and terrorism aid package whose effectiveness has been called into question." However, even critics of Plan Colombia "say strides have been made. Poppy cultivation fell to less than 4,500 acres last year, or 10% of what was farmed in the early 1990s, according to Colombian statistics."

IMMIGRATION:

NYTimes Says Urges Attention To Immigration Reform. The New York Times (11/20, 1.16M) editorializes that immigration "remains a high-voltage issue that Congress may be too timid or distracted to touch," but it is "crucial" that Democrats "find their voice," and attempt to "revive immigration reform in the Senate." The McCain-Kennedy bill is a "decent bill" except for the other "tough-posing amendments" added by other senators that made it "fundamentally unworkable and unjust." The Senate should "strip those away."

TAX:

IRS Advisory Committee Seeks Tax Payments From Online Auctioneers. USA Today (11/20, McCoy) reports, "Attention online auction sellers: An IRS advisory committee wants you — to pay federal income taxes on your profits." USA continues, "Anyone who sells goods online should first be required by law to submit a federal tax identification number, a change that would enable the IRS to track the transactions and seek any taxes owed, the committee recommended in a new report to the federal tax-collection agency. The recommendation is similar to an enforcement option raised in August by the staff of the congressional Joint Committee on Taxation." USA adds, "The IRS advisory panel of tax specialists, citing the rapid growth of Americans selling via eBay, uBid and other online sites, said it's likely that 'a significant number of those users either choose to ignore income reporting requirements or are unaware of their obligations.' … 'We're trying to help close the tax gap' between what Americans actually earn and what they report to the IRS, said committee member Rachel Paliotti, corporate tax manager for Blue Cross & Blue Shield of Rhode Island." USA notes, "The non-government panel's report cited IRS data that estimated non-farm sole proprietors under-report 57% of their annual income. The committee also highlighted a 2005 eBay-commissioned report by ACNielsen International Research that said more than 724,000 Americans described the top online auction site as their primary or secondary source of income. … Although the IRS has no estimate of under-reporting specifically by online sellers, the agency estimated that unreported capital gains by all businesses totaled $11 billion for the 2001 federal tax year."

LATimes Calls For Overhaul Of Federal Tax Code. The Los Angeles Times (11/20, 850K) says in an editorial, "Twenty years have passed since President Reagan signed the landmark Tax Reform Act of 1986, a bipartisan effort to simplify the egregiously complex federal tax code. Since then, Washington has taken about 15,000 steps backward — enacting an average of 750 new or modified exemptions, deductions and other wrinkles to tax law every year. The code not only grew more burdensome, it became less efficient, more likely to distort markets and more prone to evasion. The latter is a huge problem, as seen in the estimated $350-billion tax gap — the difference between what taxpayers should be paying the feds each year and what the Internal Revenue Service collects." It is "time for Congress to take another stab at a major rewrite of the tax code that eliminates most of the preferences and loopholes. By broadening the tax base — in other words, requiring more corporate and personal income to be taxed — lawmakers can lower rates without reducing the total amount collected by the IRS."

CONGRESS-ADMINISTRATION:

Levin Undecided On Gates Confirmation. Sen. Carl Levin was asked on CNN's Late Edition (11/19, Blitzer) if he plans to vote to confirm Robert Gates as the next defense secretary. Levin answered, "Depends on…how he answers questions, whether he's forthright or not at hearings. And those hopefully can take place this year so we can vote on his confirmation. I voted against him last time because I

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didn't think he was forthright relative to his role in Iran-Contra. I hope he is forthright. I hope he's independent and objective relative to Iraq. I hope he'll speak truth to power unlike too many other people in this Administration. So it all depends on how he does at the hearings."

Webb Wants Gates Confirmation Delayed Until Next Congress. Senator-elect James Webb, appearing on NBC's Meet the Press (11/19, Russert), was asked if he would like Defense Secretary nominee Robert Gates' confirmation hearings to be held next year when the Democrats take control of the Senate, Webb answered, "I would, and that has been misinterpreted by some. I heard there was a column by Robert Novak saying that I have some personal animus toward Mr. Gates. I don't even know Mr. Gates. But if this is an individual that I'm going to be working with for the next two years, I would like to be able to ask my own questions and to examine…his qualifications."

Cheney Praises Olson For Bush v. Gore Performance. The Washington Times (11/20, McCaslin, 88K) "Inside The Beltway" column reports under the sub-headline "Thanks For My Job" that Vice President Cheney, "heaping praise" on ex-Solicitor General Ted Olson at the Federalist Society national convention, said, "To this day, I'm still impressed with his effective performance in a case called Bush v. Gore."

Hoyer Seeks Assurance From Pelosi That Backers Won't Face Retaliation. The AP (11/20, Yen) reports Rep. Steny Hoyer "acknowledged Sunday he was seeking assurances from incoming Speaker Nancy Pelosi that she would not retaliate against his supporters after he won the No. 2 House leadership post." Hoyer "insisted there was 'no bad blood' with Pelosi after she publicly supported Rep. John Murtha of Pennsylvania for the job of majority leader. Hoyer said he was confident Pelosi would not punish House colleagues who voted 149-86 last week to make Hoyer the majority leader." Hoyer said, "One of the reasons it's going to not happen is that there are a lot of them. It's one thing ... if you have a margin of one or two or five or even 10, but when you have a margin as decisively as the caucus made a decision, then it's time to move on." The AP adds former GOP Speaker Newt Gingrich "called Pelosi's decision to support Murtha a 'mistake' but said Republicans should not underestimate her."

Roll Call (11/20, Yachnin) reports the "newly elected House Democratic leaders vowed to quickly reunify their Caucus in the wake of a bitter leadership contest last week, but offered few details and left some rank-and-file Members questioning how the party will mend its divisions as it prepares to take control of the chamber in the 110th Congress." But at least "a few Democratic lawmakers remained angry Thursday over allegedly heavy-handed tactics employed by Murtha supporters in the contest, and others publicly suggested that House leaders could have a difficult time alleviating any lingering bruises." Rep. Allen Boyd (Fla.), "who will be a co-chairman of the Democratic Blue Dog Coalition in the 110th Congress," said, "I think the Caucus is fractured." Boyd added Pelosi's "biggest challenge is figuring out how to wrap her arms around all the Caucus." Roll Call adds, "Several Members, however, asserted that with the election completed Democrats will focus on readying their legislative agenda, rather than dwell on differences."

Majority Leader "Gang War" Raises Doubts About Pelosi. Time (11/27, Tumulty, Bacon, 4.03M) writes, "There's only one thing dumber in politics than picking a fight when you don't have to; it's picking one when you can't win. That's why pretty much everyone in Washington is mystified by Nancy Pelosi," who "decided to step on her own coronation by turning what would otherwise have been an all-but-ignored secret ballot for majority leader into a gang war. … All that raised a lot of new questions about Pelosi herself--about her judgment, her political instincts and her real ideology," and whether she is "really up to the job" of leading House Democrats.

In his Newsweek (11/27, 3.12M) column, Howard Fineman writes that as Pelosi tries to bring her caucus together, the "tectonic plates move in dangerous ways when the topics are taxes, trade, torts and terrorism," and some of the effects were seen in the majority leader vote, an "embarrassing strategic debut for the Speaker-to-be. Not an earthquake, to be sure, but a tremor that may be worth remembering."

House GOP Sticks With Leadership Team Of Boehner, Blunt. Roll Call (11/20, Davis) reports that despite "efforts by a small band of House Republicans last week to convince their colleagues that a change in leadership was important, if not critical, to winning back a majority in 2008, the House Republican Conference overwhelmingly sided with the status quo Friday and handed

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landslide victories to Minority Leader-elect John Boehner (Ohio) and Minority Whip-elect Roy Blunt (Mo.)." Both leaders "recast themselves in their campaigns and argued they would be agents for change in the 110th Congress, committing to return the Republican Party to its roots of fiscal conservatism and reform and to battle the new Democratic majority tooth and nail." Boehner said, "We are going to work as a team and we are going to earn our way back into our majority." Boehner "defeated Rep. Mike Pence (Ind.), chairman of the conservative Republican Study Committee, in a landslide 168-27 vote." Roll Call adds Friday's elections "were a significant defeat for prominent conservatives Pence and Shadegg."

Gingrich Encourages House GOP To Operate Independently Of The White House. Former House Speaker Newt Gingrich, on Fox News Sunday (11/19, Wallace), said House Majority Leader John Boehner has "got to decide, is he going to focus on regaining control of the House, or is he going to focus on being the White House's floor leader? They are very different jobs. And my hope is that Boehner is going to decide that he wants to be the leader who helps the party get back into majority status." Asked if he thinks "the White House and President Bush have gone off-track," Gingrich replied, "The president…has a legacy concern. 'What do I do in the next two years?' I hope he'll decide that that legacy is in a bipartisan coalition that helps also, by the way, elect a Republican president in '08. The House Republicans have a different institutional challenge. How do they reach out in very closely contested districts, recruit the candidates, build the record, create the excitement and the energy to regain a majority? They're not automatically identical."

House GOP Said To Be Ignoring Lessons Of Midterm Elections. The Wall Street Journal (11/20, 2.04M) says in an editorial, "House Democrats and Republicans elected their leaders for the next Congress last week, and the results suggest there's a reason Democrats will have the majority. They seem to have absorbed the election's lessons better than the GOP." Republicans "easily re-elected their top two leaders in the face of challenges from younger conservatives." House Republicans are "talking a good game of recovering their small-government principles, but their leadership choices suggest they think their defeat had little to do with their own image or performance. Instead -- and we also hear these whispers privately -- they blame everything on President Bush and Iraq. Mr. Blunt is said to have impressed the Members with a plan to defeat freshman Democrats in 2008; so much for self-reflection and new ideas."

"Liberated" Lott Makes Return To Senate Leadership. A Time (11/27, Calabresi, 4.03M) piece called "The Revival Of Trent Lott" begins, "'Hello, Mr. President. This is Lazarus speaking.' That is how Trent Lott answered a phone call last week" from President Bush, "the man who helped force him out of the Senate's top job in 2002." Lott won the Senate minority whip race "because he spent the past four years quietly making himself as useful as possible to his colleagues. He lent his old strengths as a backroom dealmaker and a master of arcane Senate rules to sometimes thankless tasks. He not only won back allies that way, but he also sharpened the exact skills that his party will need for the next two years." And "smooth relations with the Bush White House aren't the priority they used to be. … As he was campaigning for the whip job, Lott says, he told his colleagues that when it came to White House pressure, 'there's nothing they can do to me or for me that they haven't already done. I'm not mad, but I am a little bit of a liberated guy these days.'"

Remains Of "Gang Of 14" May Play Role In 110th Congress. Roll Call (11/20, Pierce, Billings) reports, "Having successfully averted what could have been an explosive partisan showdown over judges in the Senate last year, Senators in the 'Gang of 14' believe they have attained a relevancy that will allow them to play an even more prominent role in the 110th Congress — not just on judicial nominations but on other issues as well." Though their "original mission vanishes at the end of this year," Sen. Mary Landrieu said she "expects that a broader role for the holdover gang members, and perhaps other like-minded Senators, likely will develop in the coming weeks." Landrieu said, "The 12 of us still remaining [in the Senate] will have that discussion sometime soon to see what the mood is. There have been many individual and group meetings about how to advance a civil and productive agenda." Roll Call adds that on the Republican side, "the Louisiana Democrat said, Sen. Susan Collins (Maine) is helping lead efforts to engage the gang's GOP Senators and other moderates." This "possible re-emergence of the gang comes even though the group saw two key GOP players -- Sens. Lincoln Chafee (R.I.) and Mike DeWine (Ohio) -- go down in defeat on Nov. 7."

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In Face Of "Rumors," Lindsey Warns Bush Against Tax Increase Deal. In a Wall Street Journal op-ed (11/20, A16), Lawrence B. Lindsey, president and CEO of the Lindsey Group and formerly President Bush's chief economic adviser from 2001 to 2002, says, "During the recent off-year elections, the president repeatedly pointed to the booming economy and noted that his tax cuts were responsible. With growth strong and unemployment low despite the ending of the stock-market bubble, terrorist attacks and the war in Iraq, he had every reason to be proud. Moreover, both economic theory and the actual timing of the economic revival support his claims regarding the tax cuts." That is why "it is so odd that rumors swarm around Washington that the president may be willing to raise taxes as part of a 'deal' on entitlement reform. In particular, the rumors suggest the president might be willing to get rid of the provision that caps the income level used to compute Social Security taxes and benefits. These rumors aren't without substance; last year the president would not rule out raising the cap when asked." Should the President "do this, he doubtless would be thinking that saving Social Security would be worth the price. He would be wrong. In practice this idea would both destroy the basis on which Social Security was started and fail to produce the expected revenue that supposedly would save the system."

Rangel Denies Democrats Intend To Raise Taxes. Rep. Charles Rangel, on CBS's Face the Nation (11/19, Schieffer), said, "The truth of the matter is that raising taxes that have already been put into effect is poor tax policy and bad politics. … Nobody talking about an increase in taxes. … I'm assuming that the President and the Vice President will put an end to the rhetoric that Democrats just want to raise your taxes and they just want to raise spending."

Reid Says Prospect Of Cheney Presidency Means No Bush Impeachment. US News and World Report (11/27, Bedard) reports in "Washington Whispers" that the "degree to which the new Democratic leadership on Capitol Hill despises Vice President Dick Cheney is a big plus for President Bush. Consider why incoming Senate Majority Leader Harry Reid scrapped an idea to impeach Bush: 'Two words: Dick Cheney,' he says."

Paulson To Deliver Address On US Capital Market Competitiveness. The Financial Times (11/20, Guha, Grant) reports US Treasury Secretary Hank Paulson today will "say what the US needs to do to ensure that its markets remain globally competitive in a landmark speech on capital market regulation." The "move comes amid growing concern in the US that New York is losing out to emerging financial centres in Asia and to London, with its lighter-touch, principles-based regulatory regime." It is "also a sign that the concerns on Wall Street about the Sarbanes-Oxley corporate compliance and controls laws have moved higher up the agenda in Washington since the arrival at the Treasury three months ago of the former Goldman Sachs chief executive. Senior figures, including Dick Cheney, the vice-president, have said that Sarbox may have gone too far."

The Wall Street Journal (11/20, Solomon, 2.04M) reports Paulson, "in a speech scheduled for delivery to the Economic Club of New York today, will press the case for a re-examination of government rules and laws he believes are putting US financial markets at a disadvantage amid competition from abroad." Paulson, "in his first major public comments since Democrats won control of Congress, is expected to stress the need for 'regulatory balance' and to outline challenges regulators and policy makers face as they try to juggle the need for regulation with the imperative to make U.S. markets competitive." Paulson is not "expected to call for any new laws or for repeal of any rules" but will "emphasize the impact of existing regulations, the legal environment, and the complexity of dealing with multiple, overlapping regulators. He likely will call on federal regulators to tweak a provision of the Sarbanes-Oxley law, known as Section 404, that requires companies to assess internal controls to ensure financial reporting is accurate and reliable."

Official's Role In Bush Effort To Promote Marriage Examined. The Wall Street Journal (11/20, A1, Meckler, 2.04M) reports in a front page story about the "notion that government can help children escape poverty by promoting marriage for their parents was once considered a fringe idea from right field. It is now federal policy." The Journal adds that in "very large part, that's due to Wade Horn, a child psychologist turned bureaucrat who has put marriage atop the Bush administration's limited antipoverty agenda." As "head of the federal Administration for Children and Families, Dr. Horn has employed the zeal of an ideologue and the discipline of an academic to inject marriage promotion into a host of government programs under his purview, even before Congress authorized an official marriage program. Today,

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more than 200 programs are at work across the country, seeking to change public attitudes surrounding marriage, persuade teenagers to aspire to matrimony and teach relationship skills to young couples." Horn has "co-opted critics, fine-tuned his rhetoric, and persuaded Congress to insert his marriage agenda into this year's welfare legislation, winning $500 million over five years." Six years "into the Bush administration, Dr. Horn is one of the few remaining political appointees interested in 'compassionate conservatism,' the slogan from the President's first campaign."

Florida 13th CD Race Could End Up Before House Administration Committee. Roll Call (11/20, McArdle, Murray) reports with "five House races around the country still unresolved as of Friday, election watchers on Capitol Hill believe it is increasingly likely that the contest for the open Florida 13th district seat could end up before the House Administration Committee, which has oversight over federal elections." In the race to fill the seat of outgoing Rep. Katherine Harris, Democrat Christine Jennings faced Republican Vern Buchanan, and it "remains the only district where both Democratic and Republican House Administration Committee staff continue to have observers on the ground." But "just as the election itself is under dispute — Buchanan was leading Jennings by 401 votes as of Friday at press time — the process for determining who decides on the winner also could be controversial, with the House about to switch hands from the Republicans to the Democrats." Florida state election officials "are slated to certify the election results Monday morning. But the contest has been marred by allegations of voting irregularities in Sarasota County." Democrats "claim electronic voting machines are to blame for almost 19,000 missing votes in the Jennings-Buchanan contest." Ed Patru, a "spokesman for the National Republican Congressional Committee, concedes that there was a high number of 'undervotes' in the Jennings-Buchanan race," but he added "there is no evidence to suggest that anyone in district 13 who wanted to vote was unable to do so." Because the Democrats "do not take control of the House until Jan. 3, it is likely that any investigation by House Administration would be launched while Republicans are still in charge -- meaning the GOP will have the 2-1 majority on the investigating committee. But by the time the full House would be asked to seat the new Member, the Democrats would be in the majority." Meanwhile, the races "have not been called in North Carolina's 8th district, New Mexico's 1st district, and Ohio's 2nd and 15th districts. Republican incumbents are leading narrowly in all four races. Two House races -- one in Texas, the other in Louisiana -- will be decided in December runoffs."

Novak Says Senate Dissenters Block Pork. In his column in the Washington Post (11/20, 690K), Robert Novak says, "While House Republicans reacted to stinging rejection from America's voters by refusing to change leadership, their Senate counterparts have tried to use their closing weeks in power to enact a last burst of pork-barrel spending. But that effort was stalled last week by independent-minded Republican senators, spearheaded by two abrasive freshmen and one longtime hair shirt. Before Congress recessed Friday for Thanksgiving, the GOP leadership appeared to capitulate." The freshmen, "Tom Coburn and Jim DeMint, campaigning in 2004 in Oklahoma and South Carolina, promised not to fall in line with GOP leaders. Fulfilling that pledge allied them with the long-termer John McCain. They have been backed by Jeff Sessions of Alabama and another freshman, John E. Sununu of New Hampshire. In the lame-duck session's first week, they played Horatio at the Bridge by combining to block a pork-filled omnibus spending bill." That would "place responsibility for spending excesses on the new Democratic majority taking office next year. It is highly unlikely that Sen. Robert C. Byrd, a legendary king of pork returning as Appropriations Committee chairman, will reverse the habits of a lifetime and listen to ordinary voters' revulsion over excessive federal spending."

Public Gets First Glimpses Of New Justices. The Washington Post (11/20, A15, Barnes, 690K) reports the "two newest Supreme Court justices took off the robes and took to the stump last week, providing glimpses of the fresh personalities that will reshape a court that had remained constant for more than a decade." The settings "could not have been more different. Chief Justice John G. Roberts Jr. was interviewed before a crowd of 3,000 last Monday night at the University of Miami, and his telegenic message of moderation was then broadcast to the nation on ABC's 'Nightline.'" Meanwhile, Justice Samuel A. Alito Jr. "spoke to his fellow members of the Federalist Society, a coalition of conservative lawyers and legal scholars who have gone from rebel outsiders to Washington insiders -- the group drew 1,500 people to its annual banquet and warranted appearances by administration leaders from Vice President

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Cheney on down." Roberts "provided a little something for everyone. For the feature pages, he had a cute explanation of how his jiggling son Jack almost stole the show with his hammy performance before the cameras when President Bush introduced Roberts and his family to the nation last year: 'People think Jack was dancing. He was not dancing. He was being Spiderman. He was shooting the webs off.'" Alito, "too, drew laughs with his speech Thursday night to the Federalist Society, but there was a scratchier tone to his address. He still seems a little sore about his confirmation hearings, which were tougher than what Roberts faced." Members "loved his comment that when he gets near the Hart Senate Office Building, where he spent days last November paying courtesy calls to senators, 'invariably without thinking . . . I cross to the other side of the street.'"

DISA Leads Federal Government In Embracing Telecommuting. The Washington Post (11/20, D1, Barr, 690K) reports the Defense Information Systems Agency "describes itself as providing 'global net-centric solutions' for the White House, the Pentagon and the armed forces." Most of the "engineers, computer scientists, telecommunication experts and technology wizards who work for DISA live in Northern Virginia and work in offices scattered through Arlington and Falls Church. Many are less than thrilled with the idea that by 2011 their jobs will be moved to Fort Meade, Md., as part of Defense Department base closures and realignments." To "keep from losing experienced employees, DISA has embraced telecommuting -- a way of working that the government has been slower to accept than the private sector. Of the about 2,000 DISA jobs that have been identified as suitable for telecommuting, more than 500 employees have been cleared to work from home."

Gerberding "Under Attack" Over CDC's Difficulties. Time (11/27, Gorman, 4.03M) reports Centers for Disease Control and Prevention Director Julie Gerberding is "under attack. The massive reorganization she ordered -- combined with painful budget cuts in key divisions -- seems to be tearing" the CDC apart, and "the agency has been targeted by three different congressional probes. … Nobody is claiming that the CDC has become another governmental basket case like FEMA -- at least not yet." But the "bad publicity" comes as 2007 and 2008 budgets are being drawn up, and "if lawmakers believe that Gerberding is floundering, her institution's budget will suffer."

Mint To Unveil Presidential Dollar Coin Series. USA Today (11/20, 1B, Hagenbaugh, 2.27M) reports, "The US Mint today is unveiling designs for its newest additions: dollar coins that will feature deceased presidents on a rotating basis, similar to the popular state quarters." More "use of dollar coins instead of bills would save the government hundreds of millions of dollars each year, even though the coins are more expensive to produce, because coins last for about 30 years, more than 16 times longer than dollar bills." In 1995, the Federal Reserve estimated that "replacing dollar bills with coins would save $500 million a year," and the savings would "likely be much bigger today, because the number of $1 bills in circulation has risen 40% in the past decade." In a USA TODAY/Gallup survey conducted Oct. 20-22, "more than half" said the presidential dollar coins was a "good idea." However, on replacing dollar bills entirely, "79% said they would oppose such a move. Even when told that replacing bills with coins would save the government $500 million a year, 69% said they still opposed making such a change." The New York Times (11/20, Healey, 1.16M) also reports the story.

WSJournal Says FDA's Approval Of Breast Implants Is Good News. The Wall Street Journal (11/20, 2.04M) editorializes, "It took 14 years, but science finally trumped politics Friday, with the Food and Drug Administration's lifting of its longstanding ban on silicone-gel breast implants," which is "especially welcome news for mastectomy patients." One of the "ugliest aspects of the breast-implant controversy" has been "the irresponsibility of the feminist movement, whose championship of a woman's right to "choose" doesn't extend to breast implants." However, it is unlikely that the FDA's moves "closes the chapter on this nasty episode," because Kim Gandy, president of the National Organization for Women, called Friday's announcement a "'reckless decision' and promises to seek reversal 'when the new Congress takes office.'" It's "worth remembering the enormous price that has been paid: to the credibility of the legal system, in jobs lost, and in public health," and it's worth asking "what is more toxic: the silicone implants preferred by thousands of women, or the trial bar that purports to 'protect' them."

Chances Of Congressional Reform Already Said To Be Fading. US News and World Report (11/27, Brush) writes, "Americans had ethics on their mind

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when they took control of Congress away from Republicans," and "both the winners and the losers promised to heed the message." But as the post-election week "wore on, and both parties turned to the business of electing new leaders, the lofty rhetoric seemed in the view of many to be giving way to the same old thing. … By week's end, reform -- substantive or otherwise -- was looking like a mighty tall order."

OTHER NEWS:

Incomes Rising At Highest Pace Since 1990s. The Christian Science Monitor (11/20, Trumbull, 59K) reports American workers' paychecks "are rising again at a pace not seen since the 1990s. The pay increase amounts to 4 percent on average over the past 12 months, and it comes at a very helpful time for millions of households." While 4 percent "may not sound like much, but you have to look back to 1997 to find a calendar year with a gain that big. Equally significant, tamer energy prices mean that the 'real' wage gains, after inflation, are above 3 percent for the past 12 months. That, too, hasn't happened since the 1990s, even though the economy has been expanding over the past five years."

Drug Industry Begins Courting Democrats. The Financial Times (11/19, Kirchgaessner) reports, "The pharmaceutical industry was in the enviable position two years ago of having the right friends in the right places in Washington." The "industry's mirrored that of other big companies and trade associations that had strengthened their ties with the Republican majority by hiring only Republican lobbyists for top positions – a practice championed by" Senator Rick Santorum (R) "that was known as the 'K Street project'." Now, "the prospects of the industry's giants have taken a turn." The industry, however, "has already" began recruiting "high-profile Democrat[s] to help it make inroads with the incoming majority party." But "for all the emphasis some lobbyists pin on hopes of making new friends in the Democratic caucus, others privately admit that the Democrats' narrow victory in the Senate means the industry is not in dire straits."

McCain Leads Early Odds For 2008 GOP Nomination. Time (11/27, 4.03M) notes the early line on the 2008 GOP nomination from betting site Tradesport.com. Sen. John McCain is at 10 to 11 (52% chance of being the nominee), followed by Rudy Giuliani at 47 to 1, Tommy Thompson at 124 to 1, and Duncan Hunter at 142 to 1.

Kerry Says "Botched" Iraq Joke Won't Affect Presidential Run. The AP (11/20, Yen) reports Sen. John Kerry "insisted on Sunday his 'botched joke' about President Bush's Iraq policy would not undermine a possible White House campaign in 2008." Asked if the "furor over his comment had caused him to reconsider a 2008 race," Kerry said, "Not in the least. The parlor game of who's up, who's down, today or tomorrow, if I listened to that stuff, I would never have won the nomination."

Kerry Claims GOP Response To His "Botched Joke" Boosted Democrats. Kerry was asked on Fox News Sunday (11/19, Wallace) if his Democratic colleagues asked him to remain out of the spotlight after the uproar over his "botched joke" regarding US troops in Iraq, Kerry answered, "First of all, obviously, it was a bad joke, and I apologized for it. And we moved on, and we should move on. You know, we had an historic election, absolutely historic. The American people spoke. And I worked very, very hard for those two years to help us elect a Democratic majority. It was clear to me that if people wanted to make that joke a distraction, I didn't want it to be. I wanted to win. … I had a discussion with a number of leaders, including my colleague Ted Kennedy and others, in order to make a judgment about what was best to accomplish the goal that I had been working for. And since you had some very close races, I thought it was important. I made the decision. It was my decision to make certain that I didn't distract. And the results are what speak for themselves. In fact, the Republicans made a terrible mistake, because they shifted the topic back to Iraq. The polls showed that we went up. They didn't want to talk about Iraq, and within two days, they tried to shift back to taxes."

Gingrich Won't Make Decision On 2008 Until September. The AP (11/20, Yen) reports, "One of the GOP politicians mentioned in a crowded field for the White House, former House Speaker Newt Gingrich, said he would not make a decision until September — a relatively late date in the campaign cycle — to focus in the private sector on trade policies." Gingrich said, "We have lots of time for personal ambition. And I think an awful lot of this early energy is wasted, and we ought to be focusing on, you know, how are you going to compete with China and India, how are you going to solve the problem in Iraq?"

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Obama Seen As Main Impediment To Clinton Presidential Nomination. Newsweek (11/27, Alter, 3.12M) examines "Bill And Hillary Clinton's War Plan," saying that "unless personal concerns surface soon, the odds strongly favor" Sen. Hillary Clinton entering the presidential race "early next year. If she does, it will not be because her party is clamoring for her to do so. While her celebrity and command of issues always draw friendly crowds, they cannot be fairly described as tumultuous. While Bill is a virtuoso at weaving together seemingly unrelated threads, Hillary is still too often what one of her biographers, Michael Tomasky, calls the 'Laundry Lady,' reciting a laundry list of worthy ideas that don't yet add up to a compelling vision." While "one conventional take" says she could easily win the Democratic nomination but not a general election, "the reverse may be closer to the truth. … The last four Democratic nominees have all received more than 250 electoral votes." The "bigger problem for her would be getting past Barack Obama, who now seems poised to run." And the "primary schedule favors Obama. Hillary Clinton has no Rove-like master strategist yet (other than her husband), but the logic of her front-runner game plan suggests building a firewall in the South to recover if she's upset in Iowa or New Hampshire." But that plan "doesn't account for Obama, who would likely crush her among black voters."

Edwards Says Obama Should Run In 2008. The AP (11/20, Yen) reports former North Carolina Sen. John Edwards, "the 2004 Democratic nominee for vice president, said Illinois Sen. Barack Obama should get into the race." Edwards said, "I hope he runs. I think he should run. This is such an important job that I would urge anybody who can make a serious contribution to the campaign and the dialogue — either in our party or the other party — to run." The AP adds Edwards "isn't yet willing to commit to another run for president."

Dean Addresses Gay Leadership Conference. The Washington Times (11/20, Pierce, 88K) "Inside Politics" column reports DNC Chairman Howard Dean said his party "needs to look beyond getting homosexuals and minorities a place at the table and instead work toward getting them on the ballot." Addressing the International Gay & Lesbian Leadership Conference in Houston this weekend, Dean said, "We've got to share power, not just responsibility, from now on." Dean "said little about issues such as same-sex 'marriage' or discrimination laws, and instead addressed broader Democratic agendas, such as raising the minimum wage."

Dean Models DNC Leadership On Ron Brown. US News and World Report (11/27, Bedard) reports in "Washington Whispers" that DNC Chairman Howard Dean has taken to saying his model for the job is late ex-chairman Ron Brown. Both "entered the job as outsiders under fire from moderates who worried that they were too liberal. Both surprised the establishment by raising tons of money. Both took a shattered party and built a national organization geared to winning a presidential election." And both "focused on the key Democratic demographic -- blacks. Brown brought African-Americans to the table," and Dean wants to put "more blacks on the ballot. 'It's going to be about opportunities and a place on the ticket,' says Dean. 'Ron Brown was really the beginning of that.'"

Christian Leaders Said To Risk Losing Credibility Over Homosexuality. In a USA Today op-ed (11/20), Baptist minister Oliver "Buzz" Thomas says, "What if Christian leaders are wrong about homosexuality? I suppose, much as a newspaper maintains its credibility by setting the record straight, church leaders would need to do the same: Correction: Despite what you might have read, heard or been taught throughout your churchgoing life, homosexuality is, in fact, determined at birth and is not to be condemned by God's followers." Religion's "only real commodity, after all, is its moral authority. Lose that, and we lose our credibility. Lose credibility, and we might as well close up shop." Christianity "is in danger of squandering its moral authority by continuing its pattern of discrimination against gays and lesbians in the face of mounting scientific evidence that sexual orientation has little or nothing to do with choice. To the contrary, whether sexual orientation arises as a result of the mother's hormones or the child's brain structure or DNA, it is almost certainly an accident of birth. The point is this: Without choice, there can be no moral culpability."

Defeat Of Arizona Gay Marriage Ban Examined. The Washington Post (11/20, A3, Geis, 690K) reports retirees Al Breznay, 79, and Maxine Piatt, 75, "were pivotal in defeating an Arizona initiative that defined marriage as the union of one man and one woman -- the only one of 28 such state measures ever to fail." Breznay, "a retired mechanic who still does odd jobs to bring in extra cash, and Piatt, a former bank teller, are at the forefront of a strategy to defeat a tide of same-sex marriage bans by talking about straight people." Of those "28 state marriage initiatives, 17 have included language

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outlawing domestic partnerships. Gay rights advocates see this as an opening to highlight for heterosexual voters the impact such initiatives may have on them, and in Arizona, activists kept the spotlight on couples such as Breznay and Piatt, registered domestic partners whose faces appeared on fliers and television ads." The campaign "against the Arizona measure, Proposition 107, avoided almost any mention of gay marriage, except in small liberal pockets of the state. Instead, the message was about the section of the measure that would have banned government agencies from recognizing civil unions or domestic partnerships." That "apparently struck home in the state's sizable senior-citizen enclaves, where many older couples do not marry because their retirement income would be affected. The initiative was defeated, 52 percent to 48 percent."

Foley Ends Stay At Rehabilitation Facility. Roll Call (11/20, Akers) reports ex-Rep. Mark Foley "ended his stay at a rehab facility in Arizona that treats alcohol addiction as well as sexual addiction and compulsion before he headed back to Florida to attend the funeral of his father." Foley "faces a Florida criminal investigation into his sexually explicit Internet messages."

Four Defeated GOP Lawmakers Live On Same D Street Block. In his Washington Post (11/20, A15, 690K) "Inside The Loop" column, Al Kamen writes, "Incoming Democrats: Alert! Do not, repeat, not, buy a home on the 100 block of D Street SE on Capitol Hill. It may be jinxed." The block is home to GOP Reps. Chris Chocola, Clay Shaw, Jim Ryun, and Nancy Johnson, who all lost their seats this month. Another resident: ex-Rep. Mark Foley.

Food Banks Falling Behind Demand For Holiday Assistance. USA Today (11/20, Koch, 2.27M) reports the nation's "food banks are scrambling to serve a growing demand for help during the holidays at a time when government food donations and private cash contributions have fallen." More people are "asking for food even as the amount of government commodities available — milk, cheese, canned goods and other staples — is down 55% from 2005, according to the U.S. Department of Agriculture. A second USDA program of emergency food aid has stayed about the same. Together, they supply about one-fourth of what food banks give away." USDA "buys fewer commodities when it has less need to boost farm prices. It gives 80% of purchases to America's Second Harvest, a network of more than 200 food banks."

NYTimes Criticizes Government Decision To Not Use Word "Hunger." The New York Times (11/20, 1.16M) says in an editorial, "First the good news: the government's annual hunger report shows a slight decline last year in the number of citizens in need of food. Now the bad news: the annual hunger report has dropped the word 'hunger.' Instead, there were 35 million Americans last year suffering from 'low food security,' meaning they chronically lacked the resources to be able to eat enough food." To the "extent that more public empathy is needed to prod a stronger attack on low food security, we opt for 'hunger' as a most stirring word."

Studies Find Minority Test Performance Gap Persists. The New York Times (11/20, Dillon, 1.16M) reports that when President Bush "signed his sweeping education law a year into his presidency, it set 2014 as the deadline by which schools were to close the test-score gaps between minority and white students that have persisted since standardized testing began." Now, as Congress "prepares to consider reauthorizing the law next year, researchers and a half-dozen recent studies, including three issued last week, are reporting little progress toward that goal. Slight gains have been seen for some grade levels." Despite "concerted efforts by educators, the test-score gaps are so large that, on average, African-American and Hispanic students in high school can read and do arithmetic at only the average level of whites in junior high school."

States Struggle To Fund Transportation Needs. USA Today (11/20, Copeland, 2.27M) reports on the "many local efforts around the country to bridge the gap between the federal, state and local funds available for transportation and what's needed." Nationwide, the "gap tops $100 billion a year, says Gary Maring of the transportation consulting firm Cambridge Systematics, which studied the issue last year for the U.S. Chamber of Commerce." The "potentially most far-reaching financing initiative is a pilot program in Oregon that is testing the feasibility of a 'virtual tollway' system that would replace the state gas tax with a road-user fee." Volunteers "driving vehicles equipped with state-installed Global Positioning System (GPS) devices pull into gas stations where a transmitter in their car 'tells' the pump how many miles they have driven. They then pay for their gas and 1.2 cents for every mile they've driven since their

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last fill-up; they don't have to pay the 24-cent-per-gallon state gas tax."

Allen's "Macaca" Gaffe Seen As Worst Self-Inflicted Wound Of 2006. In his Roll Call column (11/20), Stuart Rothenberg discusses the "Worst Self-Inflicted Wound Of 2006." The "nominees" are Reps. Don Sherwood (R-Pa.), Bob Ney (R-Ohio), Sens. George Allen (R-Va.) and John Kerry (D-Mass.), and Reps. John Sweeney (R-N.Y.) and Mark Foley (R-Fla.). Rothenberg picks Allen for his "'macaca' comment," which "not only brought about his own defeat and destroyed his once considerable chances of winning the Republican presidential nomination in 2008 but he also realigned the nation's entire governing balance for the next two years. Because of that jaw-dropping achievement, the award for worst self-inflicted wound must go to Allen. But it was a very close contest."

MSNBC Gives Greater Emphasis To Politics, Opinion. In the Washington Post's "Media Notes" column (11/20, C1), Howard Kurtz says, "MSNBC has seen the future, and it is politics. Delivered with plenty of opinion. Preferably with lots of cameo appearances by big-name news stars from the mothership." The "perennial third-place cable news channel enjoyed a nice bump in the ratings during the midterm campaign, in part because the likes of Brian Williams, Tim Russert, David Gregory and Campbell Brown broke away from their NBC duties to help out." MSNBC General Manager Dan Abrams "doesn't plan to put on 'all politics all the time until 2008,' Abrams says he wants to continue 'branding' MSNBC as a haven for political junkies." Kurtz adds MSNBC "has done well in other campaigns, only to have the gains vanish after Election Day. All of cable news tends to get big spikes during major stories -- war, scandal, missing white women -- that fade when the news cycle moves on."

WSJournal Says AHI Can Improve. The Wall Street Journal (11/20, A16, 2.04M) editorializes that it's "encouraging that America's private health insurers are thinking about ways to preserve a competitive market for health services," but America's Health Insurance Plans (AHI)" should do "more to promote a genuine free market in health care." It's "one really good idea is the creation of something called a Universal Health Account, which would end the tax bias that lets employers deduct health care expenditures but doesn't let individuals do the same." The 2003 Medicare bill's Health Savings Accounts (HAS) would not just "go a long way toward making insurance more affordable for those who don't get it from their employers," but would also "provide incentives to move beyond the employer-based insurance system." The "biggest disappointment" is that the insurers "aren't calling for a national market in health insurance -- which is essential if their Universal Health Accounts are to work as well as they should."

NYTimes Urges New York Officials To Use Public Transportation. The New York Times (11/20, 1.16M) editorializes, "The answer to one question raised by the scandal involving State Comptroller Alan Hevesi should be easy: public officials could take public transportation as a matter of public policy." The issue of public officials unrestricted access to cars and drivers would not be a problem if the state "would follow Mayor Michael Bloomberg's lead," but using the subway. Even though there are "no subways in Albany, and the bus and taxi services are meager, there is "something to be said for anything that reminds public officials that they are no different from other citizens who struggle with traffic jams and subway doors and the ordinary hazards of moving about."

APEC Statement On North Korea Seen As Falling Short Of US Goal. The Financial Times (11/20, Daniel, Beattie, Kazmin) reports that APEC members Sunday "presented a united front to North Korea, urging it to start dismantling its nuclear weapons program." However, the Times says US officials "had wanted a formal published statement to show the combined resolve of countries in the region surrounding North Korea. But they could manage only an oral statement." NSC spokesman David McCormick said the statement was "very firm in the need for full implementation" of the UNSCR 1695 and 1718" and stressed that "what was important was the leaders of APEC coming together in a common statement." Meanwhile, Secretary Rice cited Vietnam as an example, saying, "If the leaders of Burma and North Korea were to follow the example of Vietnam, if they made the strategic choice and took the necessary steps to join the international community, then it would open a new path to peace and prosperity."

The Los Angeles Times (11/20, Gerstenzang, 850K) reports that "un a separate discussion, McCormick said, Bush and Chinese President Hu Jintao had agreed 'on the path ahead' in dealing with North Korea. McCormick and White

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House Press Secretary Tony Snow said Bush and Hu had not set specific conditions to present to Pyongyang." The Korean situation also "formed a backdrop to a meeting between Bush and President Vladimir V. Putin of Russia."

ABC World News (11/19, lead story, 2:50, Raddatz, 8.78M) reported Bush "pushed leaders to push North Korea to give up its nuclear weapons program. The results were not as tough as the US had hoped." Similarly, in an analysis of this weekend's summit, AFP (11/20, Harmsen) says the "closed-doors diplomacy…came nowhere nearer to resolving the crisis over North Korea's nuclear dream, analysts say -- and may even have made matters worse." According to AFP, "Some analysts saw the general absence here of results on North Korea as a failure of US leadership, following the Republican Party's defeat in mid-term elections earlier this month."

The AP (11/20, Alexander) notes that although "they would not put it in writing," the APEC members "joined together Sunday to say they worry about North Korea's nuclear weapons program and to urge the reclusive country to resume disarmament negotiations." The AP says the "method of delivery provided a curious culmination to the issue that overshadowed" the summit.

Under the headline "US Stance On North Korea Hits Hurdles At Summit," the Wall Street Journal (11/20, A5, Dreazen, Ramstad, 2.04M) says the Bush administration's "efforts to raise international pressure on North Korea to abandon its nuclear program hit a series of roadblocks" at the summit. Among them, the US was "unable to persuade the other 20 APEC member states to issue a written statement about North Korea's nuclear program." Instead, the administration "settled for Vietnamese President Nguyen Minh Triet taking the unusual step of delivering a statement to reporters in Hanoi expressing concern about North Korea." Meanwhile, White House officials said Bush "used at least one of his private meetings with other leaders to detail the incentives the US was prepared to give North Korea if it gave up its nuclear program." The Washington Post (11/20, Fletcher, 690K) runs a similar report, titled "Pacific Rim Statement On N. Korea Falls Short Of What Bush Sought,"

Bush Touts Trade As Conducive To Political Freedom. USA Today (11/20, Jackson, 2.27M) reports "global trade issues dominated the Asia-Pacific Economic Cooperation forum President Bush attended this weekend in Hanoi. He sought to expand the US business presence in Vietnam and other parts of Asia." The President "met with leaders from Vietnam, China, Russia, Japan, Australia and South Korea, urging an expansion of free trade. However, Bush headed to Vietnam without congressional approval to widen Vietnam trade more quickly." Today, Bush "plans to underscore US commercial ties by visiting Vietnam's stock market before he heads to Indonesia, where crowds Sunday protested Bush's visit. … Economic expansion helps political freedom, Bush said last week, adding that 'by opening up to trade, countries build wealth and empower their citizens.'"

The New York Times (11/20, Sanger, Cooper, 1.16M) reports on Bush's visit to Ho Chi Minh City, a "booming, wildly capitalist commercial center of an ostensibly Communist Vietnam," where he stopped by "the stock exchange to talk with local business leaders before preparing for a quick visit to Indonesia. … As he has throughout his trip, Mr. Bush has avoided dwelling on America's past with Vietnam, though it is difficult in a city like this one, filled with so much potent symbolism of American defeat."

The Wall Street Journal (11/20, A5, Hookway, 2.04M) reports "the US and other Pacific Rim countries said they were prepared to cut farm subsidies and tariffs to revive stalled world trade talks, putting pressure on other economic powers such as the European Union, Brazil and India to follow suit. Leaders at the summit of the 21-member Asia-Pacific Economic Cooperation forum also said they would consider a free-trade area of their own if the global talks fail." The Journal adds, "The initiative may not break the deadlock over politically sensitive farm subsidies that stalled the so-called Doha Round of talks, which began in 2001 under the auspices of the World Trade Organization. Some trade officials attending the summit say global trade talks could remain on hold despite the offer. … The idea of an APEC free-trade area was introduced in 2004. It was quickly dropped, largely because hopes were still high the WTO negotiations could provide a more direct route to freer trade."

Russia, US Sign Trade Pact. The AP (11/20, Nicholson) reports, "Russia and the United States signed a key trade agreement Sunday, removing the last major obstacle in Moscow's 13-year journey to join the World Trade Organization. The deal, inked on the sidelines of a gathering of Pacific Rim economies, is a powerful vote of confidence in Russia -- the largest economy still outside the 149-member WTO -- and signals its integration into the global trading system." It also "marks a bright spot in the two countries' relations that have been marred by disagreements over Iran's

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controversial nuclear program and Washington's fears of a roll back of democratic freedoms under Russian President Vladimir Putin."

China, South Korea To Discuss Trade Agreement. The Wall Street Journal (11/20, 2.04M) reports, "China and South Korea will start talks next year on the feasibility of a free-trade agreement, China's official Xinhua news agency reported." Xinhua "said an agreement on the talks was reached at a meeting late Friday between Chinese Commerce Minister Bo Xilai and South Korean Trade Minister Kim Hyun Chong."

Bush Urged To Mount Domestic Campaign In Support Of Free Trade. Morton Kondracke writes in Roll Call (11/20), "Having failed to convince fellow Republicans of the merits of comprehensive immigration reform…Bush now faces the even more difficult task of defending free trade against protectionist Democrats. A tide of populism, protectionism, nationalism and xenophobia is washing over the country, fueled by right-wing radio talk show hosts, CNN firebrand Lou Dobbs -- and legitimate concerns that US workers are falling behind in the global struggle for jobs and good wages. … Even though his influence is at its all-time lowest ebb, Bush somehow needs to mount a campaign to convince Americans that their continued prosperity depends on an open world trading system."

In his Washington Post column (11/20), Sebastian Mallaby says the partisan split on trade is "is undermining the U.S. ability to play its traditional postwar role in driving global trade liberalization. And if anti-trade Democrats can win elections when unemployment stands at 4.4 percent, they may do even better next time." To "forge a bipartisan consensus, we need a different approach. Here is a three-part formula." Democrats "need to be honest about development in the poor world," because "the real key to raising living standards is economic growth. And growth, in turn, is highly correlated with trade openness." Instead, Democrats "should be frank about their real reason for ambivalence on trade, which is that some Americans suffer from it." Republicans "need to get serious about the fact that, since 1980 or so, real incomes for the majority of Americans have stagnated." And "both parties should cooperate on overhauling the nation's farm program, which comes up for renewal next year."

Bush Defends Religious Freedom In Visit To Vietnamese Church. The AP (11/20, Loven) reports, "Though no sermon was delivered Sunday in the church where President Bush took a 'moment to converse with God,' he offered his own precept outside. 'A whole society is a society which welcomes basic freedoms,' Bush said, adding that there's none more basic than 'the freedom to worship as you see fit.'" The President and First Lady Laura Bush "visited Cua Bac Church, a Catholic basilica on a tree-lined street in the diplomatic district, to show support for Vietnam's faithful, who live under a government that tightly controls religious institutions." Said Bush, "It's our way of expressing our personal faith and at the same time urging societies to feel comfortable with and confident in saying to their people, 'If you feel like praising God, you're allowed to do so in any way you see fit.'" The AP adds "just this month, the United States removed Vietnam from a list of the world's worst violators of religious freedom."

Massive Protests Await Bush In Indonesia. The AP (11/20, Hunt) reports, "Warmly greeted by world leaders in Vietnam, President Bush drew a different reaction Sunday at his upcoming stop in Indonesia, where thousands angrily protested America's policy in the Middle East and wars in Iraq and Afghanistan. The White House said it was confident about security precautions for Bush's visit Monday despite police warnings of an increased threat of attack by al-Qaida-linked groups." Bush "was to spend just six hours in Indonesia, most of it at Bogor Palace, a presidential retreat outside the capital of Jakarta and far from the scene of protests Sunday where Bush was denounced as a 'war criminal' and 'terrorist.'"

ABC World News (11/19, lead story, 2:50, Harris, 8.78M) reported on the "massive street protest and mounting terror threats that await…Bush as he heads to Indonesia, the world's most populous Muslim country. It's the next stop on his week-long Asia trip, a visit deemed so dangerous, the President won't even spend the night." ABC (Raddatz) added, "The demonstrations have been widespread and personal. Wanted, George Bush, dead or alive, for crimes against humanity and the planet. With tens of thousands more protesters chanting 'America, America, terrorist, terrorist.' … In recent days, warnings for an Al Qaeda-linked attack have increased dramatically, which security officials are taking deadly seriously, given the hundreds who have already been killed in attacks there."

The Washington Times (11/20, Curl, 88K) reports, "Despite the protests in Jakarta, the United States is viewed

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positively by many Indonesians for its swift response to the tsunami that struck the islands nearly two years ago, killing 100,000. Almost 60 percent of Indonesians surveyed nationwide said that American assistance made them favorable to the United States, according to Terror Free Tomorrow, a nonpartisan group that includes Sen. John McCain, Arizona Republican, as an adviser."

More Commentary. Author Sadanand Dhurme writes in the Wall Street Journal (11/20, A16, 2.04M) that when Bush "arrives in Indonesia today, he'll find perhaps the most dramatic reversal of fortunes in recent times," because today, Indonesia "is viewed as a sort of Southeast Asian Bangladesh: a cesspool of corruption, buffeted alternately by terrorist violence and natural disasters." Yet Indonesia "also presents an exceptional opportunity," as it is the "only major Muslim country where modernity stands a fighting chance, or to put it starkly, where the options are not between bad and worse, but between good and bad." Indonesia "boasts advantages that others lack: an innate tolerance bequeathed to its people by nearly a millennium and a half of Hindu-Buddhism." It "won't be easy," with "homegrown Islamists and their wealthy Arab patrons," but "simple certitudes of Islamism…deeply appeal to many," and add to "this the peculiar subculture of Western academia and NGOs, whose efforts to inoculate themselves against that mysterious new ailment, Islamophobia."

IAEA Meets To Considers Iran Request For Nuclear Aid. As the IAEA prepares to meet Monday in Vienna, the AP (11/20, Jahn) reports that a "Western push to deny Iran technical help in building a plutonium-producing reactor has gathered enough support to be approved," diplomats said Sunday. However, "differences both within the Western camp and more broadly among different factions…on how harshly to punish Iran for its nuclear defiance persisted on the eve of the opening meeting Monday, said the diplomats." The AP notes that "normally, the United States takes the lead in demanding tough action against Tehran…But with council agreement on sanctions mired down because of Russian and Chinese efforts to block tough punishment, diplomats said the Americans have taken a back seat to France."

In a front page article, the New York Times (11/20, A1, Broad, 1.16M) reports that Iran is seeking "technical aid" to assist with its building of "a heavy-water nuclear reactor" in Arak that Tehran says will produce "radioactive isotopes for medical treatments. As an unavoidable byproduct, it will also make plutonium." The Times notes that although assistance is "routinely granted," the US and its allies "say the agency should deny Iran's request. Helping make Arak's operations safe, they say, would only speed the reactor's completion -- and Iran's emergence as a nuclear power. But some developing nations say that a rebuff to the Iranians would set a bad precedent that could threaten their own peaceful atomic pursuits."

State Department Opens Office In Dubai To Monitor Iran. Under the headline "US Sets Up A Perch In Dubai To Keep An Eye On Iran," the New York Times (11/20, A3, Fattah, 1.16M) reports that "a group of State Department officials has been setting up offices" in Dubai "as part of an ambitious effort by the United States to better monitor Iran and encourage political change there." The Times notes that the State Dept. announced early this year that it would open the office in Dubai and set up an Iran desk in Washington "to make contact with Iranians and improve its institutional knowledge of the country at a time when tensions over Iran's nuclear ambitions are high." Dubai was selected due to its "large community of Iranian businesspeople" and because the UAE has "become a nexus of political activity concerning Iran, as numerous governments and groups have seized on the country's location and its longstanding ties with Tehran to get a better understanding of Iran and its people." On Friday, Undersecretary Burns "said the Dubai office was created in the spirit of the Riga station in Latvia, which became a critical source of knowledge about the Soviet Union at a time when the United States did not have diplomatic relations with Moscow." Burns noted that when Secretary Rice joined the department last year "it had only two people working on Iran issues," and "today eight are assigned to the Iran desk in Washington and six in the Dubai office, which is within the American consulate."

"Hard-Line Cleric" Leading Candidate To Become Top Ayatollah. The Washington Times (11/20, Freeman, 88K) reports, "A hard-line cleric who opposes all dialogue with the West is a leading contender to become Iran's next supreme spiritual leader." In "a move that would push the country even further into the diplomatic wilderness," Ayatollah Mohammad Taghi Mesbah-Yazdi," who publicly backs the use of suicide bombers against Israel, is campaigning to succeed Grand Ayatollah Ali Khameini, 67, as the head of the Islamic state." The Times adds, "Considered an extremist even by fellow mullahs, he was a fringe figure in Iran's theocracy until last year's election of President Mahmoud

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Ahmadinejad, a fellow fundamentalist who views him as his ideological mentor. He is known to many Iranians as 'Professor Crocodile' because of a notorious cartoon that depicted him weeping false tears over the imprisoning of a reformist journalist."

Palestinians Form Human Shields To Prevent Israeli Air Strikes. ABC World News (11/19, story 5, 2:00, Harris, 8.78M) reported, "Hundreds of civilians risk their lives today in the Palestinian territories. They were trying out a new tactic, acting as human shields in the face of threatened Israeli air strikes. Israeli warplanes have destroyed 15 homes of suspected militants in the Gaza Strip over the last 3 days. But as ABC's Wilf Dinnick reports, today, they were forced to hold off." ABC (Dinnick) added, "They came to the house by the dozens, filling the rooms and crowing the roof. Creating a human shield to protect the home of this man, Mahmoud Baroud, who is part of a militant group known to fire rockets at Israel. Last night Baroud got a call from the Israeli army, a 30-minute warning before an air strike would destroy his home. He ran to his roof, called for help and hundreds came." Although "Israeli army officials will not say whether" the shields "have forced them to change their tactics," they do "admit it is a worrisome development."

The New York Times (11/20, A8, Fisher, 1.16M) reports "Palestinians celebrated" the tactic "as a possibly potent new defense against air raids that Israel might find difficult to counter." Prime Minister Ismail Haniya said Sunday, "We are so proud of this national stand. It's the first step toward protecting our homes, the homes of our children." The AP (11/20, El Deeb) says the shields also "forced Israel to…re-evaluate a mainstay of its aerial campaign in Gaza." The Los Angeles Times (11/20, Boudreaux, Alouf, 850K) reports Israel said that "it had called off a planned aerial bombardment of a Palestinian militant's home after about 200 of his supporters, in a new defensive tactic, rushed to form a human shield around the residence. The mass mobilization in the Gaza Strip is believed to be the first employed by Palestinians to prevent an Israeli air strike." The AP (11/20, El Deeb) and Washington Times (11/20, El Deeb, 88K) also report the story.

Olmert Criticizes UN Resolution On Gaza Air Strike. AFP (11/20) reports Israeli Prime Minister Ehud Olmert Sunday criticized a UN General Assembly resolution passed Friday calling for a fact-finding mission to probe an Israeli artillery strike that killed 19 Palestinians this month. During his weekly cabinet meeting, Olmert said, "We have no doubt that it is the State of Israel which must respond to attacks on civilians. We have expressed our deepest regret over this. But those who preach morality and roll their eyes have yet to see fit to initiate a resolution in condemnation of those who are shooting with the goal of hitting civilians as a long-range, systematic policy."

Nasrallah Calls For Protests Against Beirut. The New York Times (11/20, A8, Bakri, Slackman, 1.16M) reports Hezbollah leader, Sheik Hassan Nasrallah, "pressed his case for bringing down Lebanon's government in a message broadcast Sunday, once again calling for peaceful demonstrations to topple what he described as an 'illegitimate and unconstitutional' government controlled by Washington." According to the Times, Nasrallah used his appearance on Al Manar television "to try to win political support by playing to the deep resentment many Lebanese harbor against the United States for having refused to press for an early end to Israel's war with Hezbollah." Sheik Nasrallah sought to characterize his goals in purely domestic terms, insisting that Hezbollah was not doing the bidding of Iran or Syria — as his opponents have charged." The AP (11/20, Dakroub) also reports the story.

India Test-Fires Missile. The New York Times/AP (11/20, Press) reports that on Sunday, India "successfully test-fired a medium-range missile capable of carrying nuclear warheads days after its rival, Pakistan, had launched a similar missile." The Indian missile, "called the Prithvi," was "fired into the Bay of Bengal from a test range in Chandipur in the eastern state of Orissa." The missile test Sunday was "routine" and "part of the country's air defense exercises," and a Pakistan Foreign Ministry spokeswoman, Tasnim Aslam, said Sunday that India "had informed Pakistan ahead of time, as is its standard procedure."

Blair, Musharraf Meet, Strengthen Ties. The New York Times (11/20, Masood, 1.16M) reports, "Prime Minister Tony Blair of Britain and President Pervez Musharraf of Pakistan agreed Sunday to strengthen their nations' cooperation on counterterrorism and other fields, and they stressed the need for political and economic measures along with the use of military force to bring peace in Afghanistan." Blair said relations between Pakistan and Britain were at "their highest point." General Musharraf "brushed off criticism from Afghanistan and the West that Pakistan was not doing enough to curb cross-border infiltration by fighters linked to

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the Taliban, Afghanistan's ousted rulers," while Blair said "more work needed to be done." Blair's visit included an "assistance package intended to revamp the country's religious schools," a "long-term partnership arrangement to reduce poverty and help Pakistan achieve United Nations goals for development, and both "agreed to increase cooperation between their intelligence services to combat terrorism, illegal immigration and transnational organized crime." Britain also "plans to deliver two MI-17 helicopters in April to the Pakistani antinarcotics force for their antismuggling operation along the border between Pakistan and Afghanistan." During his visit, Blair also "met with Prime Minister Shaukat Aziz and with moderate Islamic religious leaders and went to the Faisal Mosque."

Somali Ambush Kills Six Ethiopians. The New York Times/AP (11/20, Press) reports, "Islamic fighters ambushed an Ethiopian military convoy on Sunday, killing six Ethiopian soldiers and wounding 20 others, witnesses said, in the first known fight between the rival forces maneuvering for control in Somalia." Land mines destroyed two Ethiopian trucks before Islamic fighters "opened fire on the convoy…made up of more than 80 vehicles and headed for Baidoa," which is the headquarters of the so-called transitional government. Sheik Abdirahim Ali Mudey, a spokesman for the Islamic Courts Union, which controls Mogadishu, and most of southern Somalia, said "four Ethiopian trucks were destroyed and some soldiers were killed, but he denied that his group was responsible," and said the fighting was "'a popular uprising' by villagers opposed to Ethiopian troops in Somalia."

Somalia A Rising Hotbed Of Islamic Extremism. Time (11/27, Dealey, 4.03M) runs a story on Somalia called "Terror's Playground," saying that now that the Islamic Courts Union militias "have consolidated their claim to Mogadishu and expanded their control to include most of Somalia," the fear is that the country, "with nearly 9 million Muslims and one that the U.S. has long suspected is a haven for al-Qaeda, may fall further into the hands of Islamic fundamentalists sympathetic to terrorist organizations."

Pope Has Become Unexpected Critic Of Islamic Violence. Time (11/27, Van Biema, Israely, 4.03M) runs a 3,500-word cover story on Pope Benedict XVI and Islam, saying that when the Pope travels to Turkey next week, he will arrive carrying the reputation "of a hard-knuckle intellect with a taste for blunt talk and interreligious confrontation. Just 19 months into his tenure, the Pope has become as much a moral lightning rod as a theologian; suddenly, when he speaks, the whole world listens. And so what takes place over four days in three Turkish cities has the potential to define his papacy -- and a good deal more. Few people saw this coming." He "was expected to sustain John Paul's conservative line," but "this year he has emerged as a far more compelling and complex figure than anyone had imagined. And much of that has to do with his willingness to confront what some people feel is today's equivalent of the communist scourge -- the threat of Islamic violence." Also in Time, First Things editor Father Richard John Neuhaus writes about "What The Pope Gets Right" on Islam, while Oxford's Tariq Ramadan considers "Where He's Still In The Dark."

Sudanese Military Attacks North Darfur. The AP (11/20, De Montesquiou) reports, "A large force of Sudanese soldiers backed by allied janjaweed militiamen is sweeping through North Darfur, killing civilians and looting and burning villages in violation of a cease-fire agreement, international observers and rebels said Sunday." At least four civilians "were killed near the northern town of Birmaza on Sunday," and "200 pro-government janjaweed fighters riding camels had moved into the zone, backed by mobile army units and the Sudanese air force." The African Union peacekeeping force in Darfur said "it had received reports that the Sudanese air force twice bombed Birmaza this week," and the attacks were a "flagrant violation" of the Darfur Peace Agreement. Earlier this week, the army "denied it was conducting an offensive in North Darfur, and categorically denied it was using the janjaweed to attack civilians." On Saturday, UN chief of humanitarian affairs Jan Egeland said "he had been barred by Sudanese authorities from visiting several of the areas where fighting is now reported." Sudan's government has rejected the UN Security Council resolution, but this week "appeared to accept a compromise in which a mixed U.N.-AU force would take over."

Nicaragua's Anti-Abortion Law Becomes Stricter. The New York Times (11/20, McKinley, 1.16M) reports, "Hopes among women's groups in Nicaragua that President Enrique Bolaños would stop one of the most restrictive abortion laws in Latin America from taking effect have been dashed, as the president signed it into law late

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Friday." The new law "strikes out a clause that made it possible for a woman to obtain an abortion legally when three doctors certified that unless she did, her own life would be in danger." It was the "the fruit of the recent presidential election, as conservatives saw a chance to gain its passage in Parliament during the election season." For months, the proposed law "has drawn fierce criticism from several local women's groups, the country's association of gynecologists, the United Nations, the World Health Organization and Human Rights Watch, among others."

Exiled KGB Operative Poisoned In Britain.

The New York Times (11/20, Cowell, 1.16M) reports that on Sunday, the British police said "they were investigating the suspected poisoning of Alexander V. Litvinenko, a Russian former K.G.B. operative living in exile in Britain who had been inquiring into the killing of a journalist in Moscow last month." The Sunday Times of London said "the former agent had met Nov. 1 with an Italian contact identified only as Mario in a central London sushi bar," and last week, Litvinenko "told reporters he began to feel sick within hours of the meeting with Mario." John Henry, a clinical toxicologist who has been treating Litvinenko, told the BBC, "He's got a prospect of recovering. He's a got a prospect of dying." He also identified the poison as "thallium, a toxic metal used in rat poison and insecticides." Friend Alex Goldfarb, said Litvinenko is "one of the top public enemies of the Russian F.S.B. and of Putin, particularly because of his book," and that he belonged to "the so-called London émigré circle, which was branded by Russia as a terrorist cell on British soil." Russian authorities had "no immediate comment on suggestions in news reports that the Russian secret service had poisoned Mr. Litvinenko, who is hospitalized and seriously ill, because he had criticized former colleagues and President Vladimir V. Putin."

The Washington Post (11/20, Jordan, 690K) reports that British police "have placed him under protective guard at a London hospital." Goldfarb said that "precious time was wasted because even though Litvinenko thought he had been poisoned immediately after the lunch meeting, doctors did not become alarmed until nearly two weeks later, when his hair started falling out as his condition worsened." He added, "What happened here is an assassination attempt perpetuated by Russian agents. I thought he would be safe here on British soil."

ABC World News (11/19, story 6, 2:15, Harris, 8.78M) reported, "ABC correspondent Mike Lee added that Goldfarb said, "He looks terrible. He looks like a ghost, actually. He lost all his hair. He hasn't eaten for 18 days." Lee: "He has accused his former bosses in Russia's intelligence service of murder. His friends say this is payback. One question leads to another. Why use a slow-acting poison that would give your target time to get medical help? Why not just stab him with your umbrella and dump him in the river like proper spies used to do? And who might have approved of his death? That's where it gets really intriguing."

G-20 Membership Divided On Energy Policy.

The Wall Street Journal (11/20, A6, Brown, 2.04M) reports, "A two-day annual meeting of the Group of 20 finance ministers and central bankers accepted that rising global demand for energy and minerals will threaten to spark higher inflation. Underscoring the challenges faced by policy makers, an International Energy Agency paper presented to the meeting projected energy demand will grow 50% in the next 25 years." But "[t]he issues of carbon taxes and greenhouse-gas emissions bedeviled attempts to reach a strategy for reining in demand and stabilizing prices. A push by some countries such as Russia, France and India to embrace nuclear power as a way to diversify energy consumption and reduce climate-changing emissions was another topic that split the G-20 membership." The Journal adds, "U.S. Deputy Treasury Secretary Robert Kimmitt said that in the wake of higher prices, oil-producing countries needed to avoid supply disruptions and adopt investment codes that reflect best practices around the world."

Mexican Economic Policies Said To Cripple Energy Industry.

The Washington Times (11/20, Mihailescu, 88K) reports, "Mexico, the No. 2 U.S. supplier of oil, is unable to produce enough to meet the demands of its customers, especially its neighbor to the north, because of outdated national economic policies that have hamstrung its oil and gas exploration and production, analysts say. ... Although Mexico has the potential to be an energy powerhouse, the country's national oil company, Pemex, lacks the investment funds to improve production in mature fields." The Times adds, "Although Canada plans to boost production, it cannot make up for the shortfall caused by Mexico's export decline. The shortfall will force the United States to seek alternative suppliers, which will likely increase prices, according to analysts."

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Ban Starts UN Administration Hiring Process. The Washington Times (11/20, Pisik, 88K) reports, "The jockeying for top jobs in a new U.N. administration has begun in earnest with the arrival in New York of incoming Secretary-General Ban Ki-moon," as "senior management in some departments will be replaced for the first time in a decade or more, forcing longtime staffers out of their sinecures" and giving Ban "an opportunity to remake the organization to his liking." Ban arrived at the United Nations on Thursday, and is "is expected to spend most of the next six weeks in New York, except for brief trips back to Seoul and at least one visit to Washington." He is also "expected to announce his senior staff appointments -- including a chief of staff and deputy secretary-general -- shortly after he is sworn in as the eighth U.N. secretary-general on Dec. 14. He takes full charge of the organization on Jan. 1." Departing Secretary-General Kofi Annan has "refused to approve long-term contracts for most senior management," leaving Ban "a free hand to select his own heads of major departments."

Prime Minister Calls For Kosovar Independence. In the Wall Street Journal (11/20, 2.04M) Kosovo's Prime Minister Agim Ceku writes in an op-ed that Kosovo is "ready for independence, and now is not the time to stop the clock." There are "two things we must do in Kosovo to succeed as a progressive and a modern independent state. First, we should further improve our institutions to achieve more transparency and a functioning legal system. Second, we need a broad political commitment to development and modernization." Independence "is only the first step and, in itself, is insufficient to provide for Kosovo's future." Kosovo could survive as Ceku's government "has adopted a proactive '3E' plan for Kosovo based on energy, economy and education." Kosovo "can in a few years become a net electricity exporter, with large deposits of coal." Also, "with the right technology we can even do this with an environmental face." Now is not the time to "lose sight" of the EU's "strategic goal" which is "a Europe whole and free."

WPost Says Japan Should Worry About Decreasing Population. The Washington Post (11/20, A17, Fred Hiatt, 690K) writes in an op-ed column, "Japan has embarked on a path no developed nation has ever followed -- of sustained and inexorable population decline." Japan "shrank by about 21,000 last year, and "is in the forefront, and so everyone else will be watching." Hitoshi Suzuki, "a cheerful senior researcher" at Daiwa Institute of Research, "pronounces himself 'not so worried' and last year, he wrote "Population Decline is Not Something We Need to Fear." For a population "to hold steady, every woman must give birth on average to 2.1 children," and Japan clocked in at 1.25 last year. As a result, Japan's population, "now about 128 million, is expected to fall to about 100 million by mid-century," but "in truth," Japan "doesn't seem to want to change as it would have to in order to increase the birthrate."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Army Gives Rumsfeld Doctrine A Rewrite."
"Oases In Navajo Desert Contained 'A Witch's brew'."
"Single-Sex Classes On A Forward Course."
"9/11 Prisoner Abuse Suit Could Be Landmark."
"Tension Among South Korea's Masseurs."
"Exiting Under A Cloud, With $175 Million."

USA Today:

"Food Banks Have Less To Work With As They Try To Meet Holiday Demand."
"Young People Struggle To Deal With Kiss Of Debt."
"Motorists Face New Costs For Highways."

New York Times:

"Schools Slow In Closing Gaps Between Races."
"Cycle Of Revenge Fuels A Pattern Of Iraqi Killings."
"As Iran Seeks Aid, Atom Agency Faces Quandary."
"A New Strategy To Discourage Driving Drunk."
"Evicted From A Blighted Street, Newark's Mayor Finds Another."
"The Kid With All The News About The TV News."

Washington Post:

"The Meaning Of Work."
"Democrats To Push Pocketbook Issues."
"Embittered Insiders Turn Against Bush."
"Kremlin Inc. Widening Control Over Industry."
"In Competitive Marketplace, Asian Egg Donors in Demand."
"Padilla Case Raises Questions About Tactics."
"For McLean Chamber Group, Tysons Tunnel Dream Endures."

Washington Times:

"Marshals Kept Off Plane At Reagan."

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"Rebuilding in Iraq Tops 4,000 Projects."
"U.N. Job Seekers get Chance To Impress."
"Bush Protesters Gather In Jakarta."
"For Web Sites, A Reason To give Thanks."

Detroit Free Press:
"Fans Flock To Church To Bid U-M's Bo Farewell."
"Ex-Convict Is Charged In 5 Shootings."
"Aggressive Cuts Take Fight To Big Rivals Wal-Mart Swings Low."
"Strapped Schools Give Proposal 5 Wistful Look."

Atlanta Journal-Constitution:
"Aquarium Pumps Up Bottom Lines."
"Scores On Test A Bonus For Hall."
"Their Siblings' Keepers."
"Syria Offers To Help Build Stability In Iraq."

Houston Chronicle:
"Leftist Makes High-Stakes Bet In Mexico."
"Sectarian Violence Kills 715 In 8 Days."
"Newspaper Operators To Team Up With Yahoo."
"Foiling The Copper Crooks."

Story Lineup From Last Night's Network News:
ABC: Bush Protest-Indonesia; Iraq War-Analysis; Hostage Situation-Iraq; The Contractor-Iraq; Human Shields-Gaza Strip; Former Russian Spy Poisoned-London; Young People's Debt; Millionaire Secret Santa.
CBS: Preempted By Football.
NBC: Preempted By Football.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Indonesia-Bush Protestors; Air Force One-Tire Problem; Iraq-Troop Levels Debate; College Presidents-Salaries; Romney-Gay Marriage; German Chancellor-Meeting With Silent German Intelligence Agents; Weekend Box Office.
CBS: Indonesia-Bush Protestors; Air Force One-Tire Problem; Iraq- Kissinger; Syria's Foreign Minister-Iraq; Iraq-McCain; Iraq-Webb; Rangel-Draft Renewal; Congress-Democratic Agenda; London-Former KGB Operative Poisoned; Weekend Box Office.
NPR: Indonesia-Bush Protestors; Bush-APEC Summit; Meeting Of Canada's South Korean Ambassador With North Koreans; Iraq-Kissinger; Iraq-McCain; Iraq-Levin; Blair-Afghanistan, Pakistan Visits; Rangel-Draft Renewal; Colon Cancer-Initiating Cell Discovery; Merger-Copper Companies.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — Tours the Ho Chi Minh City Securities Trading Center; participates in a roundtable discussion with business leaders, Ho Chi Minh City Trading Center; tours the Pasteur Institute and briefing on HIV-AIDS and Avian flu, Pasteur Institute, Ho Chi Minh City; visits the Ho Chi Minh City History Museum; meets with the President of Indonesia. Bogor, Indonesia; participates in an education event, Bogor Palace; holds joint media availability with the President of Indonesia, Bogor Palace; participates in roundtable with civic leaders, Bogor Palace; attends dinner with the President of Indonesia. Bogor Palace.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: AMERICAN ACADEMY OF RELIGION _ The American Academy of Religion holds its 2006 annual meeting. Highlights: 11:30 a.m. Plenary Address, ``An Interview with Madeleine Albright," former Secretary of State. Location: Washington Convention Center.

HOLOCAUST MUSEUM-DARFUR _ The United States Holocaust Memorial Museum will project building-sized images of the genocide in Darfur onto the Museums exterior walls to make a dramatic statement about the need for action in Darfur. Highlights: 6:30 a.m. U.S. Special Envoy to Sudan, Andrew Natsios, will speak about the crisis. Other speakers include a Darfurian refugee, a survivor of the Rwandan genocide and a Holocaust survivor. Location: United States Holocaust Memorial Museum, 100 Raoul Wallenberg Place SW.

DARFUR _ 10 a.m. - 12 p.m. The Brookings-Bern Project on Internal Displacement hosts two senior officials, Jean-Marie Guehenno, under secretary-general for Peacekeeping at the United Nations; and Andrew Natsios, U.S. presidential special envoy for Sudan, for a discussion on new initiatives being pursued to address the deteriorating situation in Darfur. Carlos Pascual, vice president and director of Foreign Policy Studies, will moderate the discussion, and Roberta Cohen, senior fellow and adviser to the Brookings-Bern Project on Internal Displacement, will give introductory remarks. Location: Brookings Institution, Falk Auditorium, 1775 Massachusetts Ave. NW.

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POST-ELECTION POLICIES _ 10 a.m. - 12:30 p.m. The American Enterprise Institute hosts a panel of AEI experts, who will discuss, ``What Lies Beneath? U.S. Foreign and Domestic Policy after the 2006 Elections." Location: Wohlstetter Conference Center, 12t Floor, AEI 1150 17th St, NW.

MILITARY TRAINING _ 11 a.m. Dr. Paul Mayberry, Deputy Under Secretary of Defense for Readiness will brief on Department of Defense training transformation. He will be joined via DVIDS by MG Jason Kamiya and BG Joe Votel from Ft Bragg, N.C. They will provide information on a Mission Readiness Exercise to train U.S., Afghan and International Security Assistance Forces (ISAF) rotating into Afghanistan in January 2007. MG Kamiya was the former commander of coalition forces in Afghanistan until spring 2006 and is currently the Director, Joint Training and commander of the Joint Warfighting Center. BG Votel is the Deputy Commanding General 82nd Airborne Division. Location: DOD Breifing Studio, Pentagon 2E579.

RUSSIA-ENERGY _ 12 p.m. The Cato Institutes Center for Global Liberty and Prosperity hosts a policy forum, ``Russian Energy Policy and the New Russian State." Participants are: Robert Amsterdam, attorney for Mikhail Khodorkovsky, and Andrei Illarionov, former economic adviser to President Putin and Senior Fellow, Center for Global Liberty and Prosperity, Cato Institute. Location: Cato Institute, 1000 Massachusetts Ave. NW.

MIDEAST-DEMOCRACY? _ 12 p.m. - 2 p.m. The Hudson Institute hosts a panel of Middle-East experts who will discuss whether conditions in the contemporary Middle East are suitable for establishing Western-style political democracies. They also will assess whether the United States should make democracy promotion a core goal of its policy in the region or instead pursue more modest reforms to expand peoples' civil rights even under largely authoritarian governments. Location: Hudson Institute, Betsy and Walter Stern Conference Center, 1015 15th St. NW, sixth floor.

HEALTH REFORM _ 12:15 p.m. - 2 p.m. The Commonwealth Fund and the Alliance for Health Reform sponsor a luncheon briefing to discuss how many states have moved forward to reduce the rising number of uninsured. This briefing will focus particularly on such efforts in three states Massachusetts, Vermont and Utah. Panelists are: Amy Lischko from the Massachusetts Executive Office of Health and Human Services; Jim Leddy, a Vermont state senator; Norm Thurston, policy analyst with the Utah Department of Public Health; and Alice Burton of AcademyHealths State Coverage Initiatives. Ed Howard of the Alliance and Anne Gauthier of Commonwealth will moderate. Location: Columbus Club, Union Station.

BOLIVIA _ 12:30 p.m. George Washington University sponsors a lecture with Bolivian Ambassador Gustavo Guzman on his nation's cultural and democratic revolution. Location: Room 602, 1957 E. St. NW.

ARMSTRONG-ISLAM _ 12:30 p.m. - 2 p.m. Karen Armstrong, author, speaker, teacher and media commentator on religious affairs in the U.S. and England, will launch the Mosaic Foundation's new lecture series ``Re- Discovering the Arab World." Her lecture is titled ``Islam: The Misunderstood Religion." Location: National Press Club, Ballroom.

GOVERNANCE INDICATORS _ 12:30 p.m. - 2:30 p.m. The Center for International Private Enterprise sponsors a roundtable discussion on ``Uses and Abuses of Governance Indicators," with Dr. Charles Oman, senior economist, OECD Development Centre. Location: Center for International Private Enterprise, Suite 700, Madison Building, 1155 15th St. NW.

SMITH-ABORTION _ 2 p.m. Congressman Chris Smith, R-NJ, holds a news conference to call on Amnesty International to resist pressure to support the pro-abortion position. With Deidre McQuade, director, Planning and Information, Pro-Life Secretariat of the U.S. Conference of Catholic Bishops; and Kristen Day, executive director, Democrats for Life. Location: Room 2216, Rayburn.

COMMERCE-PRATT & WHITNEY _ 4 p.m. The Secretary of Commerce delivers brief remarks at the Pratt Whitney Engines signing ceremony. Location: Department of Commerce.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: MONDAY, NOVEMBER 20, 2006 7:45 AM EST

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TERRORISM NEWS:

Lame Duck Session Will Not Act On Domestic Surveillance Program. US News and World Report (11/27, Halloran) reports, "Republicans who limped back to Washington for a lame duck congressional session last week found a host of marching orders from President Bush, but perhaps none more urgent than this: Before Democrats take control of Congress in January, they must pass legislation authorizing the National Security Agency's domestic eavesdropping program. … The response: deafening silence. Senate Majority Leader Bill Frist quickly dispatched aides to put out the word on Bush's request: Not gonna happen." With Democrats "promising oversight hearings next year on how the program was hatched and whom it targets, it appears likely that the issue will be decided in court and, ultimately, the Supreme Court."

Open-Ended Detentions Could Be Barred. The Los Angeles Times (11/20, Serrano, 850K) reports, "Five years after Muslim immigrants were abused in a federal jail here, the guards who beat them and the Washington policymakers who decided to hold them for months without charges are being called to account. Some 1,200 Middle Eastern men were arrested on suspicion of terrorism after the attacks of Sept. 11, 2001. No holding place was so notorious as Brooklyn's nine-story Metropolitan Detention Center. In a special unit on the top floor, detainees were smashed into walls, repeatedly stripped and searched, and often denied basic legal rights and religious privileges, according to federal investigations." The Bureau of Prisons "disciplined" 13 staffers, firing two of them. The warden retired. In addition, "in what could turn out to be a landmark case, a lawsuit filed by two Brooklyn detainees against top Bush administration officials is moving forward in the federal courts in New York." FBI Director Robert Mueller and former Attorney Gen. John Ashcroft are named in the suit. The Times describes the alleged abuses suffered by the two plaintiffs.

Legal Ambiguity Seen As Inducement To Develop "Truth Serum." The Washington Post (11/20, Brown, 690K) reports, "The debate earlier this year on interrogation techniques in the war on terrorism raised anew a question that goes back at least 2,000 years. Is there something you can give a person that will make him tell the truth? … In the 21st century, however, the answer appears to be: No." The Post notes, "For the record, spokesmen for the Army medical research command, the Defense Advanced Research Projects Agency (DARPA) and the CIA say there is no work underway on truth serums. Whether such a substance could ever be used legally is a question some legal scholars believe is still open," and "this ambiguous legal status, combined with advances in neuroscience, lead some to suspect there may be a second act for truth serum."

HOMELAND RESPONSE:

Federal Air Marshals Kept Off Flight At National Airport. The Washington Times (11/20, Hudson, 88K) reports federal air marshals were "prevented from protecting" a Nov. 8 flight departing from Ronald Reagan Washington National Airport "because a gate agent erroneously said they did not have the correct paperwork, say marshals familiar with the incident." Federal Air Marshal Service (FAMS) spokesman Conan Bruce confirmed that "federal air marshals were denied boarding." Sources "told The Washington Times on the condition of anonymity that the gate agent demanded paperwork which is required of other law-enforcement officials, but not from federal air marshals who are on duty to protect the plane from a terrorist attack. … Even the intervention of higher-ups in the Homeland Security Department could not persuade the airline to allow the armed law-enforcement agents aboard, and the plane departed unprotected an hour and a half late, the sources said."

AFGE Will Lobby Congress To Unionize Airport Screeners. USA Today (11/20, 3A, Frank, 2.27M) reports the UN International Labor Organization's recent finding that airport security screeners should have union representation has prompted a plan by the American Federation of Government "to lobby Congress' new Democratic leaders to let TSA screeners unionize. The TSA says unionization could hinder managers from quickly moving screeners to new assignments as security threats arise." International Labor Organization spokesman Hans von Rohland says the finding "reflects that the TSA is not following the United Nations' 'core labor standards,'" and "will encourage Congress to let screeners unionize."

International Travelers Rate US Entry System "World's Worst." The Washington Post (11/20, A15, Hsu, 690K) reports the US travel industry "blames security" for the nation's decline in world popularity. "A plurality of international travelers rated the US visa and immigration entry system the 'world's worst,' according to data released today that was commissioned by a tourism business lobby. Interviews with 2,011 non-U.S. residents who had traveled beyond their home continents in the past 18 months found that 39 percent rated the United States the least traveler-

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friendly, more than twice the percentage that gave bottom grades to the Middle East (16 percent), Asia (12 percent) or Africa (12 percent)." The Post adds, 'The questions were somewhat self-serving, and researchers drew more than a fifth of the participants from countries with mixed relations with the United States, such as China and Venezuela."

Noting the survey's findings, the Wall Street Journal (11/20, A4, King, 2.04M) reports that though Secretary of State Condoleezza Rice "promised "nearly a year ago to put a friendlier face on the American travel experience," foreign travelers are not "getting that impression." Traveler's "negative experiences appear to be heavily focused on obtaining a visa and then getting past immigration and customs' officials."

WAR NEWS:

Pentagon Group Outlines Three Options For Iraq. The Washington Post (11/20, Ricks, 690K) reports, "The Pentagon's closely guarded review of how to improve the situation in Iraq has outlined three basic options: Send in more troops, shrink the force but stay longer, or pull out, according to senior defense officials. Insiders have dubbed the options 'Go Big,' 'Go Long' and 'Go Home.' The group conducting the review is likely to recommend a combination of a small, short-term increase in US troops and a long-term commitment to stepped-up training and advising of Iraqi forces, the officials said." The military's study, commissioned by Joint Chiefs of Staff Chairman Gen. Peter Pace, "comes at a time when escalating violence is causing Iraq policy to be reconsidered by both the White House and the congressionally chartered, bipartisan Iraq Study Group. Pace's effort will feed into the White House review, but military officials have made it clear they are operating independently." The Pentagon group "has given a thumbs-down to what it considered variants of withdrawal, such as pulling US units out of the cities and keeping them in isolated enclaves, where they would not interact with the Iraqi population but would be available to combat major insurgent offensives and also to protect the government against coups."

Bush Appears To Lean Toward "Last Big Push" Option. The Christian Science Monitor (11/20, LaFranchi, 59K) reports, "It's being dubbed by some as the 'last big push' option, and it appears increasingly to be what President Bush favors on Iraq. Despite growing expectations of a troop withdrawal from Iraq in the wake of Democratic gains in Congress, the White House appears to be leaning in a different direction: at least a temporary rise in US troop levels." The numbers "would not be huge, perhaps 20,000 on top of the 144,000 US soldiers already fighting the war." But "the idea would be to stabilize Baghdad -- a priority that has proved dishearteningly elusive since September - and to allow for a major diplomatic push aimed at drawing Iraq's neighbors into resolving the spiraling violence."

Army Rewrites Rumsfeld Doctrine. The Los Angeles Times (11/20, Barnes, 850K) reports, "Defense Secretary Donald H. Rumsfeld may be leaving under a cloud of criticism over his handling of the Iraq war, but his invasion plan -- emphasizing speed over massive troop numbers -- has consistently been held up as a resounding success. Yet with Iraq near chaos 3 1/2 years later, a key Army manual now is being rewritten in a way that rejects the Rumsfeld doctrine and counsels against using it again. The draft version of the Army's Full Spectrum Operations field manual argues that in addition to defeating the enemy, military units must focus on providing security for the population — even during major combat." Rumsfeld and the Pentagon drew criticism, respectively, for dismissing postwar looting and not doing enough postwar planning; "the old manual emphasized that stability operations usually follow combat. The draft version of the 2007 ground operations manual instructs commanders that they cannot wait for offensive operations to end before providing security and services for the population, and stresses a combination of offense, defense and stability operations."

Pentagon Says "Minor Miracle" Of Reconstruction Under Way In Iraq. The Washington Times (11/20, Scarborough, 88K) reports, "When and if the smoke ever clears in Iraq, Pentagon officials say the world finally will see a minor miracle. 'Most Americans don't understand something equivalent to the Marshall Plan has been accomplished in Iraq,' said Dean G. Popps, principal assistant secretary of the Army for acquisitions, logistics and technology. ... Amid constant deadly threats from bloodthirsty insurgents, and without a viable Iraqi private contracting sector, the Army Corps of Engineers has supervised the construction of electric grids, health care centers, schools, water and sewage treatment facilities, police stations, academies and border posts." The positively oriented article notes that inspector general Stuart Bowen "has said fraud involving U.S. money, while serious, is not widespread and that the huge majority of projects proceeded as required."

Kissinger Says Military Victory In Iraq Not Possible. ABC World News (11/19, story 2, 2:00, Morrell, 8.78M) reported, "Henry Kissinger, who helped negotiate the end of the Vietnam war and who more recently had been advising President Bush on Iraq, today said a clear military victory is not possible there." Henry Kissinger, former Secretary of State: "I think we have to redefine the course. But I don't believe that the alternative is between military victory, as it had been defined previously, or total withdrawal."

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ABC added, "Sen. John McCain, who spent more than five years as a prisoner of the North Vietnamese, disagrees. But says we are repeating mistakes made in Vietnam." Sen. John McCain: "The lesson I learned from Vietnam is applicable today. If you're going to do what's necessary to succeed, i.e. the Powell Doctrine, then go ahead and do it. If you're not going to, then don't."

The Financial Times (11/20, Negus, Kirchgaessner) says Kissinger offered a "dire" assessment of the situation in Iraq. Asked if the US-led coalition could win the war, he said, "If you mean by clear military victory an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control...I don't believe that is possible." Kissinger also endorsed the "view that the US should engage Iraq's neighbours in seeking a diplomatic solution," and "reinforced calls by Democratic lawmakers in Washington for the White House to speak to Iran and Syria to help stem the tide of violence in Iraq."

The AP (11/20) also reports Kissinger "presented a bleak vision of Iraq, saying the US government must enter into dialogue with Iraq's regional neighbors -- including Iran -- if progress is to be made in the region." The Washington Post (11/20, 690K) runs a brief report on Kissinger's comments, noting he also "warned against a rapid withdrawal of US-led troops, saying it could destabilize Iraq's neighbors and cause a long-lasting conflict."

Syria Pledges To Help End Iraq Violence, Calls For Timetable On US Withdrawal. The New York Times (11/20, A14, Semple, 1.16M) reports Syria's foreign minister said Sunday during a visit to Baghdad "that his government was prepared to help stabilize Iraq, and he called for a timetable for the withdrawal of American troops, saying that it would help reduce the violence." During the first trip to Baghdad by a senior Syrian official since the ouster of Saddam Hussein, Foreign Minister Walid al-Moallem "promised Sunday to cooperate with Iraqi officials in an effort to curb violence." Meanwhile, the Times notes that the Syrian ambassador in Washington said co-chairman of the Iraq Study Group, James Baker, "has met several times with Syrian officials to discuss how they might cooperate with the United States."

The Washington Post (11/20, Trejos, 690K) also reports the Syrian official "pledged cooperation in stemming the sectarian violence." Syria and Iraq "have been adversaries since the 1980s, when Syria sided with Iran in its war against Iraq." The Los Angeles Times (11/20, Moore, 850K) quotes Moallem saying, "We think that the presence of a timetable for withdrawal of foreign troops will assist in reducing the violence and creating security." In a news conference, Moallem "denied suggestions that Syria had been pressured by the United States to meet with Iraqi Foreign Minister Hoshyar Zebari." The AP (11/20, Hurst) and USA Today (11/20, 2.27M) run similar reports.

Lawmakers Endorse Talks With Iran And Syria Regarding Iraq. A number of lawmakers from both parties yesterday urged a change in US policy regarding Iraq. Specifically, they urged the Administration to engage Iran and Syria. Democratic Sen. Carl Levin, asked if on CNN's Late Edition (11/19, Blitzer) if Iran and Syria "should be part of this international conference that you want to see convene to deal with Iraq," said, "Yes, I think so. And not only do I think so; 40 senators thought so when we voted for that about six, seven months ago, that there should be an international conference. I'll predict the Baker-Hamilton commission will propose an international conference. It has to include those countries, whether we like them or not. And we don't."

Sen. John McCain was asked on ABC's This Week (11/19, Stephanopoulos) if he could support "the possibility of engaging Syria and Iran in [a] diplomatic process," McCain responded, "I don't mind engaging them at all. I think we have to understand that we not only have the Iranian nuclear problem, but the Iranians are on the ascendancy if we fail. So it's going to be very difficult to find common interests. Now, maybe long-term, it's in Iran's interests not to see chaos in the region. I don't know. But in the short term, both Iran and Syria do not share the same goals that the United States of America does. And we have to take that in consideration when we have discussions with them."

Asked on NBC's Meet the Press (11/19, Russert) to describe "a real way forward in Iraq," Senator-elect James Webb said, "I was saying, even before we went in, that there were three major issues in the Middle East that had to be addressed. One was the Israeli-Arab situation, the other was terrorism, and the third was Iraq, and that if we lumped them together that we risked having a problem with all three of them. That has happened. … What we need…is a diplomatic approach that will bring the countries in the region to the table so that we can have…diplomatic ownership from the countries that have long-term cultural and historical ties with Iraq. … We need to talk to Iran and Syria. I think it was a great mistake not to, as this moves forward. And that's one thing that I've been encouraged to hear from former Secretary of State Baker that, you know, you need to talk to your enemies as well as your friends. You don't have to give up anything in terms of national concerns, to be talking to them, but it's impossible to resolve the situation now without talking to them."

Sen. Kay Bailey Hutchison, on CNN's Late Edition (11/19, Blitzer), said, "I, too, have called for a region-wide conference. I think we should bring other countries in that region into this mix because it's not good for any of them to have an eruption or a terrorist haven in Iraq." Asked if the conference should include Iran and Syria, Hutchison responded, "I think that depends on Iran and Syria. I think that, of course, Iran would have to agree to immediately stop making a nuclear weapon because that is a destabilizing

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force in the region. And certainly, Syria would have to agree to stop aiding and abetting the insurgents and the terrorists that have showed up around the Middle East. So I think it depends on their behavior. If they would be a positive force, I think, of course. But it does take prerequisites."

Sen. Jon Tester, also on NBC's Meet the Press (11/19, Russert), remarked, "We need to work with our allies within the region. We also need to talk to our enemies and put diplomatic pressure on them. But we also need to visit with our allies around the world to develop a plan to make, to make this war come to some sort of conclusion and get our troops home."

Rep. Steny Hoyer, on ABC's This Week (11/19, Stephanopoulos), said, "We need to reach out to the surrounding states. We need to have bilateral talks with the Syrians and the Iranians. … As Jim Baker has said, if you don't sit down and talk, there's not going to be progress."

Rep. Roy Blunt, on CNN's Late Edition (11/19, Blitzer), said, "I think we ought to have the right kind of discussions with Iran and Syria. But the worst thing that can happen in Iraq is if we let the future of Iraq be determined by the Syrians, by the Iranians or by the Saudis. They may be very well in a conflict, internally, that they're going to have to solve themselves. But one of the things that we can do is insist that that happen. Maybe that involves discussions with the Syrians and the Iranians. Maybe it doesn't. But what would be a big mistake is to let those neighboring countries come in and have undue influence on what happens for the people of Iraq."

McCain, Graham Call For Additional US Troops In Iraq. During his appearance on ABC's This Week (11/19, Stephanopoulos), Sen. John McCain was asked if it is "currently immoral to keep" US soldiers in Iraq because he believes more troops are necessary to win the war. McCain replied, "Yes, it is. And we've got to ask ourselves some questions. One, are we winning? And I think the answer is no. … Can we still win? Yes, I believe we can. It'll be tough, but we need to do it. And what we need to do is we've got to control the strongholds in Anbar. We've got to hold them with Iraqi and US forces and provide sufficient security. We've got to arrest the momentum of the death squads. We've got to continue training the Iraqi army and American presence in Iraqi units, and put Americans into the police force. Do we have enough troops to do all that? No, we do not." Later in the interview McCain said US soldiers are "fighting and dying for a failed policy."

USA Today (11/20, 2.27M) briefly notes McCain's call for "an overwhelming number of troops to stabilize Iraq or face the possibility of more terrorist attacks -- in the region and on American soil." The AP (11/20, Heilprin) reports McCain, "who spent 5 1/2 years as a prisoner of war after his Navy plane was shot down in 1967, recalled the Vietnam War's lessons. 'We left Vietnam. It was over. We just had to heal the wounds of war,' he said. '"We leave this place, chaos in the region, and they'll follow us home. So there's a great deal more at stake here in this conflict, in my view, a lot more.'" Bloomberg (11/20, Mathewson) also runs an account of McCain's remarks.

Sen. Lindsey Graham, on CBS's Face the Nation (11/19, Schieffer), made a similar point. He said, "It is obvious to me we don't have enough troops in Iraq to provide the security necessary to create a democracy from the ashes of a dictatorship. … I disagree with the idea of keeping the troop levels where they're at now. I think we need an overwhelming presence in Iraq for the short term. You cannot have a democracy where people are getting killed and kidnapped and murdered at the level they are now. So we need more Iraqi troops; we need more American troops. We need to increase the Army and Marine Corps by at least 50,000. … We do not have security in Iraq. The only way you'll ever get a political solution to the differences that exist among the Iraqi people is to control the violence. I am willing to send more American troops to make that happen."

Levin Calls For "Phased Reduction" Of US Troops In Iraq In Four To Six Months. Sen. Carl Levin, on CNN's Late Edition (11/19, Blitzer), said, "We must tell the Iraqis that we would begin, starting in four to six months, a phased reduction of our troops. Because if you don't do that, they're going to continue to have the false assumption that we are there in some kind of an open-ended way. … Four to six months gives them an opportunity to do that if there is an international conference. And one other thing, General Abizaid said that if in the next four to six months, the violence is not put -- if there's not an end put to the violence and if the militias are not put under control, then it is going to be irretrievable. So he himself used a four- to six-months timeframe."

Kristol Predicts Congress May "Pull The Plug" On Iraq In Coming Months. The Weekly Standard's Bill Kristol, on Fox News Sunday (11/19, Wallace), said, "What's striking about Pelosi's endorsement of Murtha is she believes that the duty of the Democratic Congress is to get us out of Iraq. I think that's an honest belief of hers, and of Jack Murtha's. … The conventional wisdom in Washington right now is 'but of course they'll never cut off funds -- that would be politically suicidal, and that's not going to happen.' I don't believe that. Four months from now, if things continue to slide downhill, if the president hasn't adjusted course, if hawks like Senator McCain haven't been satisfied that there's been an increase in troops or that we have a real strategy for victory, I think Nancy Pelosi and the Democratic House will move at some point to enforce timetables and to enforce a funds cutoff. … And if things aren't better four or six months from now, I think we could be looking at a Democratic House and some

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Republicans who are willing to just pull the plug on Iraq. … If by the State of the Union, things aren't getting better on the ground or there's not a really plausible change of tactics here at home, I am very worried that political support will crumble; not among Democrats, but among Republicans."

Rangel Proposes Bringing Back The Draft. ABC World News (11/19, story 2, 2:00, Morrell, 8.78M) reported that in an "echo of the Vietnam War," Democratic Rep. Charlie Rangle, "said he would soon introduce legislation that would bring back the draft." Rep. Charlie Rangel: "This President and this Administration, would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if, indeed, we had a draft. And members of the Administration thought their kids from their communities would be placed in harm's way." Morrell: "Draft legislation would seem to be dead on arrival on Capitol Hill. The fact that a prominent Democrat such as Charlie Rangel is raising this issue is certain to conjure up a lot of debate on Capitol Hill. Especially if consideration is given to Senator McCain's recommendation, that America increase its troop presence in Iraq."

The AP (11/20, Heilprin) reports Rangel, the incoming House Ways and Means Chairman, says a bill he will propose will mean "Americans would have to sign up for a new military draft after turning 18." Rangel said he "sees his idea as a way to deter politicians from launching wars." Rangel said, "There's no question in my mind that this president and this administration would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if indeed we had a draft and members of Congress and the Administration thought that their kids from their communities would be placed in harm's way." Rangel "has said the all-volunteer military disproportionately puts the burden of war on minorities and lower-income families."

Rep. Rangel was asked on CBS's Face the Nation (11/19, Schieffer) if he would "still seriously favor a draft," Rangel replied, "You bet your life. Underscore serious. There's no question in my mind that this President and this Administration would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if indeed we had a draft and members of Congress and the administration thought that their kids from their communities would be placed in harm's way. … I will be introducing that bill as soon as we start the new session. … I don't see how anyone can support the war and not support the draft. I think to do so is hypocritical."

The Washington Post (11/20, A4, Babington, 690K) reports Rangel "said yesterday that he will push to renew the military draft, as lawmakers in both parties sharpened their criticisms of the situation in Iraq and struggled for consensus and solutions." Sen. John McCain "leveled one of his harshest assessments yet, saying U.S. troops are 'fighting and dying for a failed policy.' He renewed his call for more U.S. troops in Iraq and said it is immoral to keep them fighting at the current deployment levels." Sen. Carl Levin "repeated yesterday his view that troop withdrawals must begin within four to six months." The "varying proposals underscored the extent to which key policymakers remain at odds two weeks after voters registered deep discontent over the war and restored Democrats to power in Congress." Rangel "portrayed the draft, suspended since 1973, as a means of spreading military obligations more equitably and prompting political leaders to think twice before starting wars."

The Washington Times (11/20, Pfeiffer, 88K) reports Rangel said, "If we're going to challenge Iran and challenge North Korea and then, as some people have asked, to send more troops to Iraq, we can't do that without a draft." Rangel said "his bill, which he will introduce again early next year, would allow Americans turning 18 to choose between several forms of national service, including airport security, or jobs in schools and hospitals." But Sen. Lindsey Graham "said in his own 'Face the Nation' appearance that military conscription was unnecessary."

Critics Say Rice Bears Much Responsibility For Iraq "Mess." US News and World Report (11/27, Ragavan) writes that "three and a half years" after the fall of Baghdad, "the promise of democracy in Iraq seems a cruel joke, and the administration in Washington that launched the invasion seems utterly bereft of clues as to how to sort out the mess." Defense Secretary Donald Rumsfeld's resignation "was intended to signal a change in course on Iraq. But many national security experts say that Condoleezza Rice, Bush's national security adviser at the time of the invasion, and the National Security Council share much of the blame for the problems in Iraq." These critics say Rice, with her "ardent support for the invasion," was "unable to play the traditional role of national security adviser-impartial broker in the rough-and-tumble of interagency government. That was further complicated by the fact that Rumsfeld all but ignored the input of other agencies, then never took responsibility for postwar reconstruction, leaving Rice to try to manage the Iraq rebuilding effort from the White House."

"Vietnam Syndrome" Recurring As Iraq War Drags On. Time (11/27, Allen, 4.03M) writes, "Fifteen years ago, in the flush of his Gulf War triumph, President George H.W. Bush crowed to state legislators, 'By God, we've kicked the Vietnam syndrome once and for all.' But now, as Washington's wise men look for a way out of a situation in Iraq, the symptoms of that malady seem to be reappearing." In June, asked if he "saw a parallel between Iraq and Vietnam," the current President Bush "replied curtly, 'No.' But he is now embracing the inevitable, and he answered yes last

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week when asked roughly the same question at the Sheraton Hanoi. 'One lesson is, is that we tend to want there to be instant success in the world,' he said. 'And the task in Iraq is going to take a while.'"

"New Course" For Iraq Hard To Pinpoint. US News and World Report (11/27, Mulrine) writes that the midterm elections indicate voters "expect to see a new course in Iraq." But "what course exactly? Washington is buzzing with possibilities-a number of which were swatted down by Gen. John Abizaid, head of Central Command, in testimony last week before the House and Senate Armed Services committees. The most popular option, a sizable troop withdrawal in the next six months, would inflame sectarian violence, he warned," while "partitioning the country along ethnic-religious lines, he said, is 'not viable' and would create a Sunni state that would be little more than an al Qaeda safe haven."

"Cocky" Iran, Syria Anticipate Larger Say Over Iraq. Newsweek (11/27, Hirsh, Barry, 3.12M) reports that Iran "knows" President Bush is facing "new political pressure from an incoming Democratic Congress to withdraw from Iraq sooner rather than later. Tehran also hears, through the media, that the forthcoming report by the Iraq Study Group…is expected to recommend fuller engagement with Iran and Syria." Newsweek says both Iran and Syria "are clearly feeling cocky. Negotiations to halt Iran's nuclear program remain stalemated, and Iranian President Mahmoud Ahmadinejad declared last week that 'many countries have agreed to live with an Iran that has mastered enrichment.' One key nation that Tehran thinks it can count on is Russia, which wants to protect its huge investments in Iran and is resisting tough sanctions in the U.N. Security Council." As for Syrian President Bashar al-Assad, he is "enjoying the resumption of what Syrian Embassy spokesman Ahmed Salkini calls 'unofficial contacts' from Washington."

Iraq's Impact On 2008 Presidential Hopefuls Considered. Newsweek (11/27, Darman, 3.12M) examines how the Iraq war may impact various potential 2008 presidential candidates. Sen. John McCain "was an early administration ally on Iraq" even while "kibitzing with Republican war critics like Bush 41 national-security adviser Brent Scowcroft." McCain "is that rare Republican with sympathy for both his party's realist and idealist wings." Sen. Hillary Clinton, "from her first hours in the Senate," was "careful to work on her national-security credentials." She has "backed a phased redeployment of troops…and championed engagement with Syria and Iran. But she has yet to offer a comprehensive plan of her own." Sen. Barack Obama's "chief assets as a potential challenger to Clinton: consistency on Iraq." Obama has "resisted taking a strong position on an exit strategy for Iraq." Rudy Giuliani "has tried to shore up his conservative credentials with a vociferous defense" of President Bush's Iraq policy. Gov. Mitt Romney, "more than any other top-tier candidate," can "legitimately claim he's had nothing to do with the mess in Iraq. But as he travels the country selling himself as the strongest potential challenger to McCain, Romney has had to scramble to make up for his lack of foreign-policy bona fides." John Edwards wrote a 2005 op-ed "saying 'I was wrong' and calling for a drawdown in troops and increased engagement with Iraq's neighbors in the Middle East." Edwards now "feels the rest of the party is coming around to his view." Sen. Sam Brownback "has long been an Iraq hawk." And Sen. Joe Biden, the "Democrats' biggest long shot," also "happens to be the author of the party's most comprehensive Iraq plan."

Critic Of Invasion Could Be Next US Ambassador To Iraq. In his Washington Post (11/20, A15, 690K) "Inside The Loop" column, Al Kamen writes that US Ambassador to Pakistan Ryan Crocker, who has also held that post in Kuwait, Lebanon, and Syria, and who was "one of the few people at the legendary Coalition Provisional Authority who actually knew anything about Iraq," could succeed Zalmay Khalilzad as US ambassador in Baghdad. In 2002, Crocker co-wrote to then-Secretary of State Colin Powell "warning of disaster if the United States invaded Iraq. The memo, titled 'The Perfect Storm,' detailed all the things that were likely to explode if the United States took over Iraq -- sectarian violence, a power vacuum, and so on."

Cycles Of Revenge Seen As Fueling Violence In Iraq. The New York Times (11/20, Tavernise, 1.16M) reports, "In a cycle that has been tracked by the American military since May and June, after months of apparently random sectarian violence the pattern has become one of attack and counterattack, with Sunni militants staging what commanders call 'spectacular' strikes and Shiite militias retaliating with abductions and murders of Sunnis. ... General Caldwell said that a recent and intensive series of American raids against Al Qaeda cells, as well as against Shiite militias that have struck back at Sunnis, had seriously damaged some of their networks. But American commanders have made similar claims on several occasions in the course of the war only to have the killing resume later at a higher level. Scores of survivors and witnesses have noted the emerging cycle of revenge in interviews, describing highly personal attacks that involve a bullet in the head far more often than a bomb. In the past eight days, at least 715 Iraqis have been killed or have been found dead, according to The Associated Press." The Times adds, "Iraqis are hardening against one another as the deaths chip away at any remaining trust between the sects and radicalize even larger portions of their fringes."

Hostage Search Continues. ABC World News (11/19, story 3, 1:45, Harris, 8.78M) reported, "Now, the latest on a

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hostage crisis involving four American contractors in Iraq. Today, we learn more about these men who were snatched on Thursday. We have two reports tonight." ABC (Brown) added, "Masked Iraqi police rounded up about 200 men in southern Iraq, today, in a fruitless search for the hostages. But the dragnet was more media circus than anything else. One of their suspects, a double amputee in a wheelchair. Two of the four kidnapped American security guards have now been identified. Jonathan Cote, from Buffalo. And Paul Reuben, from Minnesota. ... The prime suspects are the Shiite militias who have infiltrated the police and the army. As many as 150 people were kidnapped from the Ministry of Higher Education by suspected Shia militiamen in police commando uniform, earlier this week. Today, in retaliation, a suicide bomber in a minibus offered Shiite laborers casual work. When they rushed forward, he blew himself up, killing 22."

ABC World News (11/19, story 4, 1:50, Harris, 8.78M) reported, "These latest contractors to be kidnapped are among thousands of civilians working in Iraq, doing extremely dangerous jobs for what can be very large paychecks." ABC (Yang) added, "Twenty-three-year-old Jonathan Cote spent four years in the 82nd Airborne Division. He survived mortar attacks and other dangers in Afghanistan and Iraq. Back home, Cote joined a private security company and went back to Iraq. Tonight, he's a hostage. One of the approximately 80,000 civilian contractors working in Iraq. It's a dangerous job. There are concerns that private companies aren't doing enough to protect their employees in the war zone." Jeff Beatty, President, www.totalsecurity.us: "More of that has to be done. More of it will be done. But we're not there yet." ... Roger Smith, truck driver: "It's a lot of sheer terror moments. ... it sounds real good before you go start doing it. And then, after you're doing it, it ain't quite as good as you thought it was." Yang: "Especially when friends and colleagues start paying for that extra money with their lives."

Upstate New Yorker Identified As Abductee. The AP (11/19, Bauman) reports, "A former soldier from western New York is among the four Americans and one Austrian who were kidnapped in southern Iraq last week, family members said Sunday. Jonathon Cote, 23, a native of Getzville, N.Y., a suburb of Buffalo, was working as a guard for Crescent Security Group when he was captured Thursday, his stepmother said. ... Cote spent four years in the Army and served in Iraq and Afghanistan. He was stationed at Fort Bragg with the 82nd Airborne Division before receiving an honorable discharge, and has been in Iraq since June."

Human Rights Watch Says Saddam's Trial Was Flawed. The Washington Post (11/20, A14, Raghavan, 690K) reports, "The trial of former Iraqi president Saddam Hussein "was marred by flaws so serious that they undermined the trial's fairness and called into question the verdict, an international human rights watchdog group said in a report to be released Monday." In a 97-page report by the Human Rights Watch, an analysis "based on courtroom observations and dozens of interviews with judges, prosecutors and defense lawyers," is the "first significant challenge to what the Iraqi government and its U.S. patrons assert was a fair, if messy, trial." The report "asserts that there was failure to disclose key evidence to Hussein's attorneys and that there were violations of basic rights of the defendants to confront witnesses." On Sunday, "two US. advisers to the tribunal denounced the report as 'misguided' and said that the trial was conducted properly and that a credible justice was delivered." One adviser said, "To question the overall integrity of the justice without reading the judgment is premature, at best."

General Odierno Discusses Return To Iraq. The New York Times (11/20, Shanker, 1.16M) reports, "Lt. Gen. Raymond T. Odierno, who returns to Iraq next month to take charge of the day-to-day fight as commander of the Multinational Corps-Iraq, says he departs for Baghdad with a clearer, perhaps even diminished, set of expectations of what the military can be expected to accomplish now, more than three years after the invasion." After discussing some accomplishments, "General Odierno paused, and added, 'Notice I left out a few things, such as a democracy in the sense that we see a democracy in the United States. We have to allow them to shape their own democracy, the type of democracy that fits them and their country.'" Odierno "has felt criticism from some officers, especially among marines, that made it into the public debate via op-ed columns and books by noted military affairs writers, including 'Cobra II,' by Michael R. Gordon of The New York Times and Bernard E. Trainer; and 'Fiasco,' by Thomas E. Ricks of The Washington Post. The Fourth Infantry Division focused too much on traditional combat operations in 2003 and 2004, the critics argued, saying that those efforts, with an emphasis on capturing and killing adversary fighters rather than on rebuilding the country and winning the confidence of Iraqis, actually fueled the insurgency." He replies, "We worked very hard to take the balanced approach." Odierno replaces "the current corps commander, Lt. Gen. Peter W. Chiarelli, the author of an influential essay warning that success in Iraq cannot be achieved solely by training local security forces or through combat operations. General Chiarelli wrote that the military must work to provide essential city services, create jobs and promote local governmental control. He also began the new operation this autumn to secure Baghdad."

Iraqis Describe Mixed Feelings About US. Three Iraqis who fled death squads and now live abroad write about their impressions of the US occupation. In an op-ed for the

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New York Times (11/20, 1.16M), poet Basim Mardan writes about his service as a translator for US forces in Iraq, "I was the first or second translator to work with the coalition forces in my city, the first or second Iraqi to set foot on the American base in Mosul. The Marines paid me $150 a month, which was better than the $2 I was making as a librarian." However, Mardan was upset by Abu Ghraib, "I grew sad, and I didn't know what to believe, because the people I worked with were great," and by her perception of lack of support from the US after he began receiving death threats: "The American Army, or whoever's in charge, has badly disappointed the translators. ... They could have helped my family move to Kurdistan, helped find me a job with the government there. ... But I'm not going to be ungrateful to the people who were fighting and dying for my country. ... I would never say that those people exploited me or exploited my thinking. The system did. Not them."

In another op-ed for the New York Times (11/20, 1.16M), poet Waddah Ali writes that the US failed to account for the Iraqi mentality after occupying Iraq: "America did well to liberate Iraq. But Iraqis were used to tyranny and afraid of freedom. The Americans entered Iraq without a psychological program for dealing with this fact."

In an op-ed for the New York Times (11/20, 1.16M), essayist Omar Fathi writes that the US should have imposed a strongman: "America should have removed Saddam Hussein and the closest circle around him and appointed a strong government right away. It would have been another dictatorship, but a different kind. It could have imposed martial law, then done the job that the Americans were not able to do, which was to cut power away from the old system by removing those people who might become terrorists in the future. After four to eight years, we could have had an election, and the new government could have started working on the basis of the new Constitution. ... Now the problems of Iraq will not be solved without a long and very bloody civil war."

Afghan Army Will Attack Taliban In Winter. The AP (11/20, Krane) reports, "The U.S.-backed Afghan army will step up counter-Taliban offensives this winter, which could see heavy fighting during a period traditionally used by Afghan fighters for rest and resupply, a U.S. general said here Sunday. U.S. Army Brig. Gen. Douglas Pritt, who oversees the U.S.-led effort to train the Afghan military, said Afghan forces have tripled the number of forward bases to more than 60 and plan to spend the winter harassing Taliban and gathering intelligence from combat outposts deep inside rebel strongholds." The AP adds, "The Afghan National Army remains hamstrung by desertion rates of around 15 percent, Pritt said, little different from its rate in May. The previous year, the desertion rate peaked above 25 percent, according to U.S. military figures. Afghan soldiers recently received a raise for their tiny salaries, from $70 to $100 a month, Pritt said, a decision that followed the revelation that AWOL soldiers could earn $70 a month as day laborers without facing combat."

Southern Afghans Send Mixed Signals About Insurgency. In a front page article, the Washington Post (11/20, A1, Constable, 690K) reports that in Afghanistan's four southern provinces, "the Taliban insurgency is on a fierce rebound five years after U.S. and Afghan forces toppled the Islamic militia from power in Kabul. Months of aggressive ground combat and NATO airstrikes have failed to halt continuous violence in the south, as well as some sporadic attacks in other parts of the country. ... In Helmand, a vast and arid region where much of the worst fighting has taken place and thousands of people have fled their homes, residents and elders have been sending urgent but contradictory signals about how to restore peace," with some saying "their worst problem was the devastation from months of bombing by foreign military forces. If the authorities would allow tribal leaders to administer their district, they said, they would guarantee no further Taliban attacks." The Post adds, "In Helmand's Musa Qala district, NATO has cautiously agreed to test the tribal approach. Under a deal brokered in September by the provincial governor, NATO agreed to pull back British forces from Musa Qala, and local elders pledged that Taliban attacks would cease. ... both NATO and senior Afghan officials say they are largely satisfied with the arrangement, which they said has brought fighting to a halt and allowed foreign troops to focus on creating a central zone for security and development around Helmand's capital city, rather than manning scattered outposts and chasing after bands of insurgents."

CORPORATE SCANDALS:

State Bar Associations Fighting Back Against Privilege Waivers. The National Law Journal (11/20, Qualters) reports, "State bar associations are jumping into the roiling debate over the attorney-client privilege-waiver issue triggered by the U.S. Department of Justice's Thompson Memorandum." The Journal continues, "Several states have recently convened task forces to fight the 2003 directive penned by former Deputy Attorney General Larry Thompson, which, among other things, instructs prosecutors to trade leniency for waivers of the attorney-client privilege during corporate investigations." The Journal adds, "The states are lobbying the federal government to change Justice Department policies and practices that give incentives to corporate defendants who waive attorney-client privilege and pressure companies not to pay the legal fees of current or former employees facing corporate criminal investigations. In some cases, states are mulling changes to their own rules of

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professional conduct to sidestep Thompson-style waivers. .. .New task forces in Florida, Illinois and Michigan join ongoing efforts in Arkansas, Maryland, New York and Boston." The Journal notes, "Samuel Damren, a litigator in the Detroit office of Dykema Gossett, heads Michigan's task force. He hopes that his group will recommend changing the state's rules of professional conduct to prohibit government attorneys practicing in Michigan from requesting that companies waive their attorney-client privilege to prove they are cooperating with the government probe. … An Arkansas Bar Association task force is recommending that its House of Delegates ask the Arkansas Supreme Court to adopt rule changes allowing for selective waiver, or disclosure of some information to a government agency without revoking the attorney-client privilege, and barring discovery of attorney communications with experts. … The 72,000-member New York State Bar Association is informally discussing whether to push for changes to the rules of professional conduct to curtail waivers. But state Bar President Mark H. Alcott said he's unsure if such a rule would work in practice, since the client ultimately has the right to waive and could succumb to pressure from the government." The Journal notes, "A company's willingness to cooperate in investigations is not a 'litmus test' and is only one of several factors the Justice Department considers when charging a company, said DOJ spokesman Brian Roehrkasse. The DOJ is still 'reviewing the specific concerns and suggestions' of bar associations and other groups, Roehrkasse said."

SEC Formally Inquires About Ford Earnings Disclosures. The Wall Street Journal (11/20, A7, Cooke, Stoll) reports, "Ford Motor Co. said it has received an informal inquiry from the Securities and Exchange Commission related to disclosures detailing its recent restatements of earnings because of accounting errors." The Journal continues, "The company also restated financial results for the first and second quarters of 2006, deepening its loss for the two periods and finalizing the financial corrections it has said it needed to make." The Journal adds, "On Nov. 14, Ford restated the bulk of the affected earnings, which span from 2001 to the third quarter of 2006. The restatements are necessary because Ford failed to sufficiently comply with certain rules related to its accounting for transactions used to hedge against interest-rate risk. … Ford on Friday said it has been contacted by the SEC's divisions of corporation finance and enforcement regarding the amended restatements for the entirety of 2005, the third quarter of 2006 and another filing discussing the restatements. Ford said it is 'voluntarily cooperating' with the 'informal inquiries,' which also relate to disclosures made by Ford Motor Credit Co. … It is unclear whether the SEC will also inquire into the first- and second-quarter restatements issued Friday."

SEC Says Most Restatements Due To Accounting Mistakes. The Wall Street Journal (11/20, C4, Reilly) reports, "Public companies continue to restate financial results at a record pace. Ask executives why and they will likely cite complex accounting rules or hypersensitive auditors." The Journal continues, "The Securities and Exchange Commission has come to a different conclusion: A majority of restatements are due to basic mistakes with nuts-and-bolts accounting. .. .Research by the SEC's Office of the Chief Accountant found about 55% of recent restatements were due to companies misapplying basic accounting rules or to problems with records that meant they didn't have the correct data to get the accounting right, said SEC Deputy Chief Accountant Scott Taub." The Journal adds, "He expressed surprise so many restatements were 'just from flat-out errors.' Mr. Taub outlined the study's results during a presentation in New York on Friday at the annual conference of Financial Executives International, a professional group. … 'Internal-control structures are missing things, corporate-finance staffs are missing things and auditors are missing things,' he said. 'All of these things are not working as well as we'd like them to.' .. .The findings come as the SEC, along with the Public Company Accounting Oversight Board, an accounting-firm regulator, have been working to ease internal-control rules designed to ensure companies avoid accounting mistakes or fraud. Companies, especially smaller firms, have bristled at the costs of rules imposed by the Sarbanes-Oxley corporate-reform legislation. Besides mandating that managers attest to having adequate controls, the rules require an auditor to sign off that the controls are sufficient."

KB Home's CEO Leaves Amid Options Probe With $175 Million Compensation Package. The Los Angeles Times (11/20, Kristof) reports, "When KB Home Chief Executive Bruce Karatz retired last week amid a stock option controversy, he agreed to give up $13 million in disputed stock gains. But that doesn't mean he will leave the company empty-handed. … Karatz is walking away with as much as $175 million in severance pay, pension benefits and stock options, regulatory filings show." The Times continues, "The windfall is possible in part because Karatz was not fired for cause but simply retired, making him eligible for his severance pay and pension unless the company's board of directors blocks payment, compensation experts say. … 'It's like he hit the jackpot,' said Patrick McGurn, general counsel of Institutional Shareholder Services, which advises large investors such as pension plans and mutual funds. 'He might not like the hit to his reputation, but he's certainly not going to take one to his bank account.'" The Times adds, "Karatz, 61, stepped down as head of the Los Angeles home-building company Nov. 12, after an internal probe found that he had

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picked stock option grant dates that inflated the value of the options to himself and other executives. … Under his employment agreement, Karatz would get a severance payment equal to the sum of what he earned in salary and incentive pay over the last three years, according to KB Home's proxy statement. That adds up to nearly $80 million. .. .Karatz also has a special executive pension plan that guarantees him $1 million a year for up to 25 years in retirement, making it potentially worth $25 million. … And Karatz has vested stock options that aren't in dispute, which are worth about $70 million based on KB Home shares' closing price Friday of $49.07. … Add it all up, and it comes to $175 million."

Firms Find It Hard To Reclaim Executive Pay. The Wall Street Journal (11/20, A1, Dvorak, Ng) reports, "In April 2001, directors of utility FPL Group Inc. faced a sticky problem. A few months earlier, they'd awarded top executives $62 million in bonuses linked to a merger that would have created the U.S.'s biggest electric company. Now the deal had fallen apart and shareholders were clamoring to get the money back." The Journal continues, "FPL directors scrutinized payment plans. They clashed with executives. Shareholders sued. After three years and millions in legal bills, executives returned $9 million, based largely on a technicality. Insurers paid another $12.5 million." The Journal adds, "The FPL saga is an object lesson in why companies rarely recoup money paid to executives for results they didn't actually achieve. Although the concept seems simple, at least from an ethical point of view, so-called 'clawbacks' of executive pay are in practice disruptive, divisive and difficult to pull off. In addition to a murky legal environment, the process is complicated by compensation contracts and insurance provisions. Most boards don't try recovering the money. Those that do often get mired in years of litigation."

CRIMINAL LAW:

HUD Probes Allegations Against NASA Official. The Orlando Sentinel (11/20, Cabbage, 230K) reports, "A federal probe of NASA Inspector General Robert Cobb outlines allegations that he stifled investigations, mistreated department employees and maintained a close personal relationship with top officials of the agency he was supposed to independently monitor. Preliminary findings from a 10-month investigation into Cobb's conduct have been forwarded to an oversight group, the President's Council on Integrity and Efficiency. That group is expected to make a final decision before the end of the year on what, if any, action to take. Cobb has denied any wrongdoing. However, he said during an interview with the Orlando Sentinel last week that it was inappropriate for him to publicly rebut many of the specific allegations until the process had run its course." The probe was conducted by investigators from the Department of Housing and Urban Development. HUD "called in to conduct the inquiry, have examined 69 allegations against Cobb, a White House appointee. The allegations came primarily from career employees in his own office. A confidential summary of the HUD probe detailing the investigative findings was obtained by the Sentinel. Not all of the allegations against Cobb were substantiated. However, current and former employees in Cobb's office interviewed by HUD inspectors and the Sentinel described him as a partisan manager who often failed in his responsibility to independently investigate possible wrongdoing at NASA. Cobb vehemently disagreed with that characterization."

Maryland Mall Shooting Under Investigation. The Washington Post (11/20, B01, Rich, Smith) reports, "Shoppers returned to Westfield Shoppingtown Annapolis in droves yesterday, undeterred by a gun battle that wounded three in the mall's food court the night before and sent scores of others racing for exits or diving under tables." The Post continues, "An 18-year-old Annapolis resident who was shot twice in the abdomen remained in a hospital under police guard, authorities said, and an off-duty U.S. Secret Service agent with whom he allegedly traded fire was recovering from a single gunshot wound. .. .The injuries to each man -- as well as to Tahzay L. Brown, a 16-year-old male struck in the crossfire -- were not considered life-threatening." The Post adds, "The violence began at 7:15 Saturday evening when the agent intervened after spotting as many as eight young men assaulting another young man, according to a preliminary police account. .. .The 18-year-old drew a handgun and fired, hitting the agent once in the leg, police said. The agent then drew his weapon, fired seven times and struck the 18-year-old twice in the abdomen, police said. The agent was with a family member, who was not injured. … Georgia Goslee, an attorney authorized to speak on behalf of Brown's family, described the Annapolis High School student as a victim drawn into the violence merely because the person who was being assaulted is his friend. She said the confrontation between the friend and the larger group was 'spillover from an earlier incident that happened at the school . . . back in September.'"

NYTimes Columnist Decries Sexual Abuse Of Children. In a column for the New York Times (11/20), Bob Herbert writes, "When (Atlanta) Mayor Shirley Franklin recently announced that the city would be cracking down on the pimps and johns who prey on under-age prostitutes, she also disclosed publicly for the first time that she had been molested when she was a young girl. … Speaking at a gathering of reporters, local officials and civic leaders, the mayor spoke frankly about the incident, in which she was abused at the age of 10 by the father of a girlfriend. She then

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asked how many of the women in attendance had endured similar experiences. Several women in the room raised their hands." Herbert continues, "One of the most tightly kept secrets in the U.S. is the extent to which children are sexually exploited, not just by child pornographers and compulsive pedophiles, but by men who are viewed by their relatives, friends and neighbors as quintessentially solid citizens. … In an interview on Friday, Ms. Franklin told me: 'It seemed appropriate to reveal my story in that setting, because what we were trying to do is demonstrate that this can happen to anyone. Not only can it happen; it does happen to a lot of children.'" Herbert adds, "Atlanta has become a major hub of commercial sex in the U.S. It's a full-fledged sex-tourism destination, with thousands of strippers, prostitutes and other sex workers accommodating an endless stream of johns from around the country. Under-age girls (some as young as 10 and 11) are a significant part of that trade. Many of them were already carrying the scars of sexual molestation when they got into prostitution."

CIVIL RIGHTS:

Riot Retrospective Seeks To Increase Understanding Of Civil Rights Struggle. USA Today (11/20, Jones) reports from Newark, NJ, "In the first major exhibit documenting the 1967 Newark riots, the New Jersey Historical Society is assembling a retrospective that is scheduled to open by next summer, the 40th anniversary of the unrest. … Tentatively titled 'What's Going On,' the exhibit will use oral histories, text and artifacts to examine the six days of rioting in Newark. It also will look at the violence that engulfed Detroit 11 days later and the 1965 riots in Los Angeles' Watts district." USA adds, "These and other riots in scores of cities in the late 1960s — many triggered by incidents involving police — focused attention on the lack of economic opportunity in predominantly poor, black neighborhoods. A presidential commission studying the causes concluded in 1968 that the nation was moving toward 'two societies, one black, one white, separate and unequal.' … 'We want to move beyond Newark and show the parallels between what happened in those summers of the 1960s,' says Max Herman, an assistant professor of sociology at Rutgers University in New Jersey who has conducted many of the interviews for the project. 'The frustration was building for several decades." … The exhibit will stay in Newark for nearly a year. Organizers then plan to take it to Los Angeles and Detroit, where they will work with local museums. The University of Baltimore also is planning a 40th anniversary exhibit on the 1968 riots in that city that followed the assassination of Martin Luther King Jr. Sociologists say such exhibits are critical in helping the nation understand the legacy of that turbulent time."

Airline Employee's Treatment Of Nursing Mother Sparks National Protest. The USA Today/AP (11/20) reports, "A national 'nurse-in' will be held Tuesday to protest the treatment of a passenger who was kicked off a plane for refusing to cover herself while breast-feeding her baby." The AP continues, "A similar protest, in which mothers sat on the floor near the Delta Airlines counter, breast-fed their babies and held signs, took place at the Burlington International Airport last week." The AP adds, "Chelsea Clark, 31, of Fairfax, said she is using Web message boards to organize a national protest at Delta counters across the country. What happened to Emily Gillette, 27, of Santa Fe, N.M., has prompted an 'out-swell of outrage,' Clark said. … 'This is for all of the nursing mothers in the country who felt that way,' Clark said. 'This is our opportunity to make a statement.' … Freedom Airlines, a regional airline for Delta, said it has disciplined the flight attendant who ordered Gillette off the plane when she declined to cover up with a blanket. Spokesman Paul Skellon said the attendant did not meet company expectations when Gillette was told to leave the plane. … A spokesman for the airline said the pilot apologized and asked Gillette and her family to get back on the plane, but Gillette said that never happened. … On Oct. 13 Gillette was sitting aboard a plane, which was three hours late in taking off, when she began to breast-feed her 22-month-old daughter. She says a flight attendant handed her a blanket and told her to cover up, which Gillette declined to do. … The attendant said Gillette was offending her and she was removed from the plane. … Gillette filed a complaint with the Vermont Human Rights Commission because breast-feeding in a public place is protected under state law."

McCain Says Supreme Court Should Overturn Roe. The AP (11/20, Yen) reports Sen. John McCain, "who supports a ban on abortion except in cases of rape, incest and to save a mother's life, said he doubted a constitutional amendment could pass but that one would not be needed because 'it's very likely or possible that the Supreme Court should — could — overturn Roe v. Wade.'" McCain said, "I'm a federalist. Just as I believe that the issue of gay marriage should be decided by the states, so do I believe that we would be better off by having Roe v. Wade return to the states. And I don't believe the Supreme Court should be legislating in the way that they did on Roe v. Wade."

McCain Not Opposed To Civil Unions For Gay Couples. Asked on ABC's This Week (11/19, Stephanopoulos) if he would describe himself as "pro-gay rights," McCain responded, "In the respect that I believe that the don't ask, don't tell policy is working in the military. … I believe in the sanctity and unique role of marriage between man and woman, but I certainly don't believe in discriminating

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against any American." Asked if he is "against civil unions for gay couples," McCain said, "No, I am not. … I do not believe gay marriage should be legal, but I do believe that people ought to be able to enter into contracts, exchange powers of attorney…"

Romney Makes Effort To Place Gay Marriage Ban Onto Ballot. The New York Times/AP (11/20) reports Gov. Mitt Romney of Massachusetts "said on Sunday that he would ask the state's highest court to order a question banning same-sex marriage onto the ballot if legislators did not address the issue." Romney said he "would file a request this week for a justice of the Supreme Judicial Court to direct the secretary of state to place the question on the ballot if lawmakers do not vote on the issue on Jan. 2, the final day of the session." Romney "made his announcement to the cheers of same-sex-marriage opponents at a rally on the Statehouse steps. Supporters of same-sex marriage staged a protest across the street." The Washington Post (11/20, 690K) also ran the AP story.

Advocates See Chance For Revival Of Gays In Military Debate. Newsweek (11/27, 3.12M) reports, "With the Democrats in control of Congress, some activists are hoping they'll add a controversial issue to their to-do list: revisiting the 'don't ask, don't tell' policy on gays in the military." Supporters "hope they might make some progress at a time when the military can't afford to turn away the willing and able."

ANTITRUST:

Freeport To Buy Phelps In Copper Merger. The Financial Times (11/20, Politi) reports, "Freeport-McMoRan on Sunday night agreed to buy Phelps Dodge for $25.9bn (£13.7bn) in cash and stock to become the world's largest publicly traded copper company with mines stretching from Indonesia to Chile." The Times continues, "The takeover is the latest in a wave of consolidation that has swept through the global mining industry as commodity prices soared because of high demand, particularly from China." The Times adds, "Amid the boom, both Freeport and Phelps were faced with key strategic challenges that they decided to address by combining the two companies. Freeport has been seeking ways to diversify away from its main Grasberg mine, which is based in a remote part of Indonesian Papua and has been criticised for containing too much political risk. … Phelps, on the other hand, has been a takeover target since its twin bid for Canadian mining groups Inco and Falconbridge fell apart in September. .. .Under the terms of the deal, Phelps shareholders will receive $126.46 per share – or a 33 per cent premium to the company's market value on Friday. About 70 per cent of the transaction value, or $18bn, will be in cash, with the rest in shares, meaning Phelps investors will end up owning 38 per cent of the combined group."

The Wall Street Journal (11/20, A3, Heinzl, Gold) reports, "reeport said it pursued the deal to gain the scale it needs to compete among other miners for equipment and prospects amid increased Chinese demand for commodities and high prices. But the deal comes after copper has fallen from loftier levels, leading to some industry concerns of a potential cyclical downturn." The Journal adds, "The combination -- resulting in what would be North America's largest copper producer -- continues the recent streak of big-ticket mining deals, as the industry scrambles to secure new production and mine developments."

The New York Times (11/20, Sorkin, Austen) reports, "The transaction, if approved by shareholders, would create the world's largest copper producer and the largest mining company based in North America. It is the latest move in a series of mining and metals mergers. Like companies involved in other mining mergers, Freeport-McMoRan promoted the idea that increased size has become an important competitive factor." The Times adds, "Freeport-McMoRan, which has a market capitalization of $11.3 billion compared with Phelps Dodge's value of $19.4 billion, will finance the transactions by borrowing about $17.5 billion. Freeport said it expected the deal would be accretive to the combined company's earnings per share and cash flow immediately. … To a considerable extent, Phelps-Dodge now finds itself being acquired because of its failure earlier this year to bulk up with an acquisition of Inco, the large Toronto-based nickel miner. … Inco had approached Phelps Dodge in an attempt to help it with its bid for another Canadian nickel miner, Falconbridge. In exchange for financing for that transaction, Inco's board agreed to be acquired by Phelps Dodge in a deal cash and stock worth about $17 billion."

Bloomberg (11/20, Shankar, Ann) also reports on the proposed merger.

Blackstone Near Deal To Buy Equity Officer Properties. The Financial Times (11/20, Politi) reports, "Blackstone was on Sunday night in advanced discussions to seal the biggest private equity deal on record as the board of Equity Office Properties, the US commercial real estate company founded by Sam Zell, met to vote on a takeover worth $36bn including debt." The Times continues, "Although the outcome of the meeting remained unclear, the talks will highlight the growing audacity of cash-rich, buy-out firms, which are taking over some of the biggest US companies in a range of industries." The Times adds, "Last week Thomas H. Lee Partners, Bain Capital and a group of banks agreed to buy Clear Channel Communications, the biggest chain of US radio stations. Harrah's Entertainment, the US casino giant,

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has for weeks been in talks to be taken over by Apollo Management and Texas Pacific, although it remained unclear on Sunday night if that would result in an agreement. … In July, HCA, the biggest US hospital chain, agreed to be taken private by a consortium including Bain Capital, Kohlberg Kravis Roberts, and Merrill Lynch for about $33bn. That agreement broke the record for the biggest private equity deal, sealed in 1989 when KKR bought RJR Nabisco, the food and tobacco conglomerate. … But the huge amounts of money flooding into private equity and the availability of cheap debt to finance acquisitions have led to expectations that the HCA deal size would soon be trumped."

The Wall Street Journal (11/20, Berman) reports, "Joining an unprecedented rush to remove corporations from the public markets, the real estate arm of private-equity firm The Blackstone Group is set to announce a $20 billion takeover plan for Equity Office Properties Trust, the largest U.S. office-building owner and manager, people familiar with the matter said." The Journal adds, "If completed, the deal would become the largest such 'take private' deal in history -- and the largest real-estate deal in history -- when factoring in Equity Office's existing $16 billion in debt. It's a record that has already been broken this year, and could be broken again by year-end, as private-equity firms train hundreds of billions of dollars of capital on once untouchable names of the stock-market firmament."

The New York Times (11/20, Sorkin, Pristin) reports, "The deal marks the largest leveraged buyout in history, eclipsing the $33 billion paid earlier this year for H.C.A., the hospital chain, and it illustrates how private equity firms continue to gobble up corporate America. Under the transaction, Equity Office will go from being a publicly held company to a private one. Blackstone will pay $20 billion and assume $16 billion in debt." The Times adds, "Matthew L. Ostrower, an analyst at Morgan Stanley, called the proposed deal 'a ground-breaking transaction for the real estate world in general and an earthquake for the REIT industry.' … Mr. Ostrower said that if a company the size of Equity Office chose not to remain public, 'now every public company out there is going to have to some degree examine their capitalization, whether being public makes sense.'"

Bloomberg (11/20, Cimilluca, Louis) reports, "Blackstone in July raised a $15.6 billion fund, to which it is adding. In June, it raised $5.25 billion for the largest-ever fund for high-return real estate investments, the majority of which has been spent already. … The company and other private equity firms, which finance the bulk of their takeovers using the target company's cash flow, have announced $600 billion of acquisitions so far this year, compared with $241 billion in 2005, according to data compiled by Bloomberg News."

US Airways Head Faces Daunting Management Challenge. The Wall Street Journal (11/20, B1, Trottman) reports, "It's hard enough post-Sept. 11 to manage one airline. Now, US Airways Group Inc. Chief Executive Doug Parker wants to run three." The Journal continues, "With his $8.67 billion hostile bid last week for Delta Air Lines, the CEO is proposing to add yet another company to the two he's already combining as a result of his America West Airlines acquiring US Airways late last year. He envisions that the new airline would fly under the Delta name." The Journal adds, "The 45-year-old, known for his financial expertise, is rolling the dice again in what would become the greatest management challenge of his career if a deal goes through. By merging with the much-larger Atlanta carrier Delta as it emerges from bankruptcy court, US Airways, based in Tempe, Ariz., would become the largest U.S. airline in terms of passenger traffic, a huge leap from its No. 6 ranking right now. … It would add an exponential level of complexity to an already daunting task. Though the earlier merger is considered a financial success so far, some of its customer-service rankings have been among industry lows in recent months as the airline has had rising problems with baggage handling and overall service complaints. Management is still blending the cultures of the two airlines, which were in many ways steeped in vastly different processes and procedures."

Final Putnam Bids Due Before Thanksgiving. The Wall Street Journal (11/20, C5, Mcdonald, Berman) reports, "The auction of Boston money manager Putnam Investments will move into its latter stages this week with final offers due from three bidders before the Thanksgiving holiday, according to people familiar with the matter." The Journal continues, "Prior to the Thursday holiday, bids are expected from three suitors: Amvescap PLC of the United Kingdom, Unicredito Italiano SpA of Italy and Power Corp. of Canada, according to one of these people." The Journal adds, "It could be weeks before any decision is made by Putnam's parent, Marsh & McLennan Cos., of New York. Marsh President and Chief Executive Michael Cherkasky has called the auction 'a market check,' and the company may decide to hang onto Putnam, which manages $187 billion of assets, if it can't get a price its board considers fair. .. . A final sale price could be affected by the inclusion of 'earn out' clauses. These agreements might allow for a lower payment up front but also additional payments if Putnam meets specific financial goals. … The Putnam auction is seen as an important step in Marsh's recovery from a tangle with New York Attorney General Eliot Spitzer. Mr. Cherkasky took the company's reins in October 2004 when an industry-wide bid-rigging inquiry put the firm and its Marsh Inc. insurance brokerage in crisis. Marsh Inc. and other large insurance brokers reached civil settlements with state authorities."

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Philadelphia Exchange Chief Urges Close Scrutiny Of CME-CBOT Merger. In an op-ed in the Wall Street Journal (11/20, A17), Meyer S. Frucher, chairman and CEO of the Philadelphia Stock Exchange, writes, "The announcement of the proposed merger between the Chicago Mercantile Exchange and the Chicago Board of Trade has sparked applause from the shareholders who will benefit. But for the marketplace, the growing derivatives trading community, and the American consumer, the merger of two already powerful monopolies into a single pre-eminent force in the risk markets may be the perfect illustration of why monopolies are a bad thing. For regulators, therefore, the proposed merger represents an urgent challenge and an opportunity to ensure the competitiveness of these essential markets." Frucher continues, "Historically, both the CME and the CBOT have operated as effective monopolies as futures contracts were typically traded exclusively at a particular marketplace. Yet to the idea that there is a downside to two discrete but not overlapping monopolies merging into one, many in the financial markets have responded: So what? After all, contracts traded at both exchanges are cleared by a single entity today. So long as the products are distinct from one another and the transaction does not result in incremental concentration of the marketplace for futures clearing, then there is no incremental concentration of market share either." Frucher adds, "So how does this merger affect the average trader or public investor? As more and more people use derivatives to manage their own portfolio risk or speculate on the direction of interest rates or commodities, it is a certainty that their transaction costs will be higher if CME and CBOT merge. Since both went public, they have raised their transaction and clearing fees, and can certainly continue to do so unilaterally as a merged organization. … What can the CFTC and the Department of Justice do to ensure that a merger benefits the markets? First, the CTFC should insist on fungibility of products so that if another futures market offers a Eurodollar future, any firm can take or unwind a position on different marketplaces. That will encourage competition. Second, DOJ can insist that CME 'universalize' its clearing services by separating the clearinghouse from its common ownership with the exchanges, or by allowing other clearinghouses the benefits of cross-margining." Frucher concludes, "Exchanges that have gone public -- especially futures exchanges -- have commanded the attention of the capital markets and enjoyed the benefits of investment. That is a good thing. A CME/CBOT merger, however, holds the potential to cast a disproportionate shadow over the risk markets -- with adverse impact on the markets themselves and certainly on the public."

ENVIRONMENT:

NYTimes Warns Deforestation Will Cause Climate Problems. The New York Times (11/20, 1.16M) editorializes, "A new study published by the National Academy of Sciences and based on a recent international assessment of forests confirms that reforestation has become a widespread pattern in well-off countries and also in a few that are not so well off." Reforestation is "obviously good news," but in "some parts of the world, deforestation is only expanding, with dire consequences for biodiversity and the climate." Even if forests will be recovered," some of the "most biologically diverse forests are being logged or burned without ceasing," therefore "destroying irreplaceable habitat and extinguishing species one by one."

WPost Calls Responsible Fisheries Management Crucial. The Washington Post (11/20, 690K) editorializes, "A new paper by a team of respected scientists estimates that unless policymakers take substantial steps to preserve marine biodiversity, the world will face 'the global collapse of all taxa currently fished by the mid-21st century.'" The challenge domestically is to "get other regions to follow Alaska's lead and internationally to get countries bent on destructive fishing practices to adopt more sustainable models," and Congress "needs to reauthorize and improve the law that governs fisheries management." The ban on "unregulated bottom trawling on the high seas" that the Bush Administration is pushing, would "be a significant coup environmentally and would burnish the record of oceanic protection" that Bush "established this year with his creation of a mammoth marine protected area in the Northwestern Hawaiian Islands." Responsible fisheries management is "one of the most pressing ecological concerns of our time." If policymakers "fail to address it seriously," the oceans will become "giant dead zones, and seafood will be a thing of the past."

WPost Praises DC Bill Establishing "Green" Building Requirements. In an editorial, the Washington Post (11/20, A16, 690K) writes, "The environmental benefits of better building requirements remain an insight overripe for policymakers to exploit. That's why we welcome a bill the D.C. Council unanimously supported in its first reading last week." If the legislation "passes, government structures built three years after the legislation takes effect will have to meet a high standard of environmental friendliness. Five years on, private construction projects will also have to fulfill building requirements aimed at lessening environmental impact." The Post concludes, "After years of presidential neglect on global

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climate change, states and localities have had to pioneer their own approaches to reducing the atmospheric pollution they produce. Smart building requirements are a promising new tool for American cities to do just that. More jurisdictions should follow the District's example."

FBI/DEA/ATF/USMS:

Philadelphia Inquirer Highlights DEA Investigation Of Online Prescription Drug Operation. In the first part of a series on a DEA investigation of online prescription drug sales, the Philadelphia Inquirer (11/19, Shiffman) highlights Akhil Bansal's "family business" and writes, "The Bansals were the guys who supplied the guys who sent that relentless spam, luring American consumers with cheap Viagra, no-prescription Ambien, next-day codeine. Akhil oversaw the family's North American operations, shipping roughly 75,000 pills a day via UPS." According to the Inquirer, since his arrival in Philadelphia in 2003, Akhil "had at age 26 blossomed into a global businessman. … To take down the network, agents were using a number of weapons - surveillance, undercover buys, cell-tower pings, trash pulls, e-mail wiretaps, bank subpoenas, immigration reports, even provisions of the Patriot Act." According to the Inquirer, Congress "was pressuring [Karen] Tandy to do something about illegal online pharmacies. She recognized the emerging public health threat. After all, any kid with a credit card and Internet access could order highly addictive drugs from the safety of home. … Tandy was counting on the Bansal case to make a splash." However, the Inquirer notes that at the time, laws were "vague, outdated, inconsistent. Technology - new medicines and ways to deliver them - was outpacing regulation."

In "online extras" the Philadelphia Inquirer (11/19) has posted on its Web site a recorded interview with Karen Tandy in which she "discusses why it is important for law enforcement agencies to focus on the distribution of prescription drugs over the Internet."

In a sidebar titled, "The Bansal Pill Network," the Philadelphia Inquirer (11/19) outlines the operation.

In today's story titled "Origins," the Philadelphia Inquirer (11/20) writes, "Hours before DEA agents are to arrest Internet drug dealers in a worldwide sweep, Temple grad student Akhil Bansal races from his Roxborough apartment to flee home to India. Today's installment takes us back to the day the case began. It is February 2004." The Inquirer continues, "Akhil's father had put [people] in touch with an Indian couple living in Queens, N.Y., David and Elizabeth Armstrong. From now on, the Armstrongs would handle the shipping. Under the improved scheme, bulk quantities - pills by the tens of thousands - would be shipped from India to a Queens rowhouse. In the basement, newly arrived Indian immigrants would earn $6 an hour repackaging and labeling pills."

27 Indicted, $15.7 Million Worth Of Drugs Seized In Mississippi Investigation. The Hattiesburg (MS) American (11/18) reports, "The indictments of 27 people - including five Hattiesburg men - as well as the seizure of $15.7 million worth of drugs and $2.9 million in cash and property resulted from breaking up one of the largest and most sophisticated drug-trafficking operations in Mississippi history, officials said Friday. … 'This is really the big, top-tier guys,' Stephen Luzinski, assistant special agent in charge of Mississippi Drug Enforcement Administration, said of the 27 suspects. 'It was especially significant in that agents were able to successfully trace the movement of both drugs and money from the hands of high-level Mississippi traffickers into the hands of some of Mexico's most powerful drug traffickers.'" Mississippi's Jackson Clarion Ledger also published this story.

NFL To Keep Drug Program Agents Until End Of Season. The New York Daily News (11/19, Quinn) reports, "As more of the NFL's Drug Program Agents join a potential lawsuit for tens of millions of dollars over back payroll tax and benefits, the league has changed its plan to replace them in midseason. After the IRS ruled over the summer that the DPAs, the men who collect urine samples from players, were employees, not independent contractors, the NFL told the 80DPAs that they would be replaced by an outside company called Comprehensive Drug Testing (CDT) in mid-November. … In a memo sent to DPAs last week, however, DPA supervisor Warren Welsh wrote, 'It has become apparent that ongoing discussions between the Management Council and CDT make the original date unrealistic....it seems, more likely than not, that the change will not take place until the end of the season.'"

Opium Poppy Crop Destroyed In Colombia, Elimination Of Industrial Plantations Declared. The Los Angeles Times (11/20) reports, "With the destruction of a 12-acre opium poppy crop in southern Narino state on Sunday, the Colombian government declared it had rid its territory of all 'industrial' plantations of the flower used to make heroin. Defense Minister Juan Manuel Santos made the declaration during a media trip to a mountainside poppy field 375 miles southwest of Bogota near the Ecuadorean border, minutes before dozens of troops destroyed the crop with machetes. It was perhaps no coincidence the assertion came as the U.S. Congress was considering extending Plan Colombia, the $600-million anti-drug and terrorism aid

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package whose effectiveness has been called into question." However, even critics of Plan Colombia "say strides have been made. Poppy cultivation fell to less than 4,500 acres last year, or 10% of what was farmed in the early 1990s, according to Colombian statistics."

IMMIGRATION:

NYTimes Says Urges Attention To Immigration Reform. The New York Times (11/20, 1.16M) editorializes that immigration "remains a high-voltage issue that Congress may be too timid or distracted to touch," but it is "crucial" that Democrats "find their voice," and attempt to "revive immigration reform in the Senate." The McCain-Kennedy bill is a "decent bill" except for the other "tough-posing amendments" added by other senators that made it "fundamentally unworkable and unjust." The Senate should "strip those away."

TAX:

IRS Advisory Committee Seeks Tax Payments From Online Auctioneers. USA Today (11/20, McCoy) reports, "Attention online auction sellers: An IRS advisory committee wants you — to pay federal income taxes on your profits." USA continues, "Anyone who sells goods online should first be required by law to submit a federal tax identification number, a change that would enable the IRS to track the transactions and seek any taxes owed, the committee recommended in a new report to the federal tax-collection agency. The recommendation is similar to an enforcement option raised in August by the staff of the congressional Joint Committee on Taxation." USA adds, "The IRS advisory panel of tax specialists, citing the rapid growth of Americans selling via eBay, uBid and other online sites, said it's likely that 'a significant number of those users either choose to ignore income reporting requirements or are unaware of their obligations.' … 'We're trying to help close the tax gap' between what Americans actually earn and what they report to the IRS, said committee member Rachel Paliotti, corporate tax manager for Blue Cross & Blue Shield of Rhode Island." USA notes, "The non-government panel's report cited IRS data that estimated non-farm sole proprietors under-report 57% of their annual income. The committee also highlighted a 2005 eBay-commissioned report by ACNielsen International Research that said more than 724,000 Americans described the top online auction site as their primary or secondary source of income. … Although the IRS has no estimate of under-reporting specifically by online sellers, the agency estimated that unreported capital gains by all businesses totaled $11 billion for the 2001 federal tax year."

LATimes Calls For Overhaul Of Federal Tax Code. The Los Angeles Times (11/20, 850K) says in an editorial, "Twenty years have passed since President Reagan signed the landmark Tax Reform Act of 1986, a bipartisan effort to simplify the egregiously complex federal tax code. Since then, Washington has taken about 15,000 steps backward — enacting an average of 750 new or modified exemptions, deductions and other wrinkles to tax law every year. The code not only grew more burdensome, it became less efficient, more likely to distort markets and more prone to evasion. The latter is a huge problem, as seen in the estimated $350-billion tax gap — the difference between what taxpayers should be paying the feds each year and what the Internal Revenue Service collects." It is "time for Congress to take another stab at a major rewrite of the tax code that eliminates most of the preferences and loopholes. By broadening the tax base — in other words, requiring more corporate and personal income to be taxed — lawmakers can lower rates without reducing the total amount collected by the IRS."

CONGRESS-ADMINISTRATION:

Levin Undecided On Gates Confirmation. Sen. Carl Levin was asked on CNN's Late Edition (11/19, Blitzer) if he plans to vote to confirm Robert Gates as the next defense secretary. Levin answered, "Depends on…how he answers questions, whether he's forthright or not at hearings. And those hopefully can take place this year so we can vote on his confirmation. I voted against him last time because I didn't think he was forthright relative to his role in Iran-Contra. I hope he is forthright. I hope he's independent and objective relative to Iraq. I hope he'll speak truth to power unlike too many other people in this Administration. So it all depends on how he does at the hearings."

Webb Wants Gates Confirmation Delayed Until Next Congress. Senator-elect James Webb, appearing on NBC's Meet the Press (11/19, Russert), was asked if he would like Defense Secretary nominee Robert Gates' confirmation hearings to be held next year when the Democrats take control of the Senate, Webb answered, "I would, and that has been misinterpreted by some. I heard there was a column by Robert Novak saying that I have some personal animus toward Mr. Gates. I don't even know Mr. Gates. But if this is an individual that I'm going to be working with for the next two years, I would like to be able to ask my own questions and to examine…his qualifications."

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Cheney Praises Olson For Bush v. Gore Performance. The Washington Times (11/20, McCaslin, 88K) "Inside The Beltway" column reports under the sub-headline "Thanks For My Job" that Vice President Cheney, "heaping praise" on ex-Solicitor General Ted Olson at the Federalist Society national convention, said, "To this day, I'm still impressed with his effective performance in a case called Bush v. Gore."

Hoyer Seeks Assurance From Pelosi That Backers Won't Face Retaliation. The AP (11/20, Yen) reports Rep. Steny Hoyer "acknowledged Sunday he was seeking assurances from incoming Speaker Nancy Pelosi that she would not retaliate against his supporters after he won the No. 2 House leadership post." Hoyer "insisted there was 'no bad blood' with Pelosi after she publicly supported Rep. John Murtha of Pennsylvania for the job of majority leader. Hoyer said he was confident Pelosi would not punish House colleagues who voted 149-86 last week to make Hoyer the majority leader." Hoyer said, "One of the reasons it's going to not happen is that there are a lot of them. It's one thing ... if you have a margin of one or two or five or even 10, but when you have a margin as decisively as the caucus made a decision, then it's time to move on." The AP adds former GOP Speaker Newt Gingrich "called Pelosi's decision to support Murtha a 'mistake' but said Republicans should not underestimate her."

Roll Call (11/20, Yachnin) reports the "newly elected House Democratic leaders vowed to quickly reunify their Caucus in the wake of a bitter leadership contest last week, but offered few details and left some rank-and-file Members questioning how the party will mend its divisions as it prepares to take control of the chamber in the 110th Congress." But at least "a few Democratic lawmakers remained angry Thursday over allegedly heavy-handed tactics employed by Murtha supporters in the contest, and others publicly suggested that House leaders could have a difficult time alleviating any lingering bruises." Rep. Allen Boyd (Fla.), "who will be a co-chairman of the Democratic Blue Dog Coalition in the 110th Congress," said, "I think the Caucus is fractured." Boyd added Pelosi's "biggest challenge is figuring out how to wrap her arms around all the Caucus." Roll Call adds, "Several Members, however, asserted that with the election completed Democrats will focus on readying their legislative agenda, rather than dwell on differences."

Majority Leader "Gang War" Raises Doubts About Pelosi. Time (11/27, Tumulty, Bacon, 4.03M) writes, "There's only one thing dumber in politics than picking a fight when you don't have to; it's picking one when you can't win. That's why pretty much everyone in Washington is mystified by Nancy Pelosi," who "decided to step on her own coronation by turning what would otherwise have been an all-but-ignored secret ballot for majority leader into a gang war. … All that raised a lot of new questions about Pelosi herself--about her judgment, her political instincts and her real ideology," and whether she is "really up to the job" of leading House Democrats.

In his Newsweek (11/27, 3.12M) column, Howard Fineman writes that as Pelosi tries to bring her caucus together, the "tectonic plates move in dangerous ways when the topics are taxes, trade, torts and terrorism," and some of the effects were seen in the majority leader vote, an "embarrassing strategic debut for the Speaker-to-be. Not an earthquake, to be sure, but a tremor that may be worth remembering."

House GOP Sticks With Leadership Team Of Boehner, Blunt. Roll Call (11/20, Davis) reports that despite "efforts by a small band of House Republicans last week to convince their colleagues that a change in leadership was important, if not critical, to winning back a majority in 2008, the House Republican Conference overwhelmingly sided with the status quo Friday and handed landslide victories to Minority Leader-elect John Boehner (Ohio) and Minority Whip-elect Roy Blunt (Mo.)." Both leaders "recast themselves in their campaigns and argued they would be agents for change in the 110th Congress, committing to return the Republican Party to its roots of fiscal conservatism and reform and to battle the new Democratic majority tooth and nail." Boehner said, "We are going to work as a team and we are going to earn our way back into our majority." Boehner "defeated Rep. Mike Pence (Ind.), chairman of the conservative Republican Study Committee, in a landslide 168-27 vote." Roll Call adds Friday's elections "were a significant defeat for prominent conservatives Pence and Shadegg."

Gingrich Encourages House GOP To Operate Independently Of The White House. Former House Speaker Newt Gingrich, on Fox News Sunday (11/19, Wallace), said House Majority Leader John Boehner has "got to decide, is he going to focus on regaining control of the House, or is he going to focus on being the White House's floor leader? They are very different jobs. And my hope is that Boehner is going to decide that he wants to be the leader who helps the party get back into majority status." Asked if he thinks "the White House and President Bush have gone off-track," Gingrich replied, "The president…has a legacy concern. 'What do I do in the next two years?' I hope he'll decide that that legacy is in a bipartisan coalition that helps also, by the way, elect a Republican president in '08. The House Republicans have a different institutional challenge. How do they reach out in very closely contested districts, recruit the candidates, build the record, create the excitement

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and the energy to regain a majority? They're not automatically identical."

House GOP Said To Be Ignoring Lessons Of Midterm Elections. The Wall Street Journal (11/20, 2.04M) says in an editorial, "House Democrats and Republicans elected their leaders for the next Congress last week, and the results suggest there's a reason Democrats will have the majority. They seem to have absorbed the election's lessons better than the GOP." Republicans "easily re-elected their top two leaders in the face of challenges from younger conservatives." House Republicans are "talking a good game of recovering their small-government principles, but their leadership choices suggest they think their defeat had little to do with their own image or performance. Instead -- and we also hear these whispers privately -- they blame everything on President Bush and Iraq. Mr. Blunt is said to have impressed the Members with a plan to defeat freshman Democrats in 2008; so much for self-reflection and new ideas."

"Liberated" Lott Makes Return To Senate Leadership. A Time (11/27, Calabresi, 4.03M) piece called "The Revival Of Trent Lott" begins, "'Hello, Mr. President. This is Lazarus speaking.' That is how Trent Lott answered a phone call last week" from President Bush, "the man who helped force him out of the Senate's top job in 2002." Lott won the Senate minority whip race "because he spent the past four years quietly making himself as useful as possible to his colleagues. He lent his old strengths as a backroom dealmaker and a master of arcane Senate rules to sometimes thankless tasks. He not only won back allies that way, but he also sharpened the exact skills that his party will need for the next two years." And "smooth relations with the Bush White House aren't the priority they used to be. … As he was campaigning for the whip job, Lott says, he told his colleagues that when it came to White House pressure, 'there's nothing they can do to me or for me that they haven't already done. I'm not mad, but I am a little bit of a liberated guy these days.'"

Remains Of "Gang Of 14" May Play Role In 110th Congress. Roll Call (11/20, Pierce, Billings) reports, "Having successfully averted what could have been an explosive partisan showdown over judges in the Senate last year, Senators in the 'Gang of 14' believe they have attained a relevancy that will allow them to play an even more prominent role in the 110th Congress — not just on judicial nominations but on other issues as well." Though their "original mission vanishes at the end of this year," Sen. Mary Landrieu said she "expects that a broader role for the holdover gang members, and perhaps other like-minded Senators, likely will develop in the coming weeks." Landrieu said, "The 12 of us still remaining [in the Senate] will have that discussion sometime soon to see what the mood is. There have been many individual and group meetings about how to advance a civil and productive agenda." Roll Call adds that on the Republican side, "the Louisiana Democrat said, Sen. Susan Collins (Maine) is helping lead efforts to engage the gang's GOP Senators and other moderates." This "possible re-emergence of the gang comes even though the group saw two key GOP players -- Sens. Lincoln Chafee (R.I.) and Mike DeWine (Ohio) -- go down in defeat on Nov. 7."

In Face Of "Rumors," Lindsey Warns Bush Against Tax Increase Deal. In a Wall Street Journal op-ed (11/20, A16), Lawrence B. Lindsey, president and CEO of the Lindsey Group and formerly President Bush's chief economic adviser from 2001 to 2002, says, "During the recent off-year elections, the president repeatedly pointed to the booming economy and noted that his tax cuts were responsible. With growth strong and unemployment low despite the ending of the stock-market bubble, terrorist attacks and the war in Iraq, he had every reason to be proud. Moreover, both economic theory and the actual timing of the economic revival support his claims regarding the tax cuts." That is why "it is so odd that rumors swarm around Washington that the president may be willing to raise taxes as part of a 'deal' on entitlement reform. In particular, the rumors suggest the president might be willing to get rid of the provision that caps the income level used to compute Social Security taxes and benefits. These rumors aren't without substance; last year the president would not rule out raising the cap when asked." Should the President "do this, he doubtless would be thinking that saving Social Security would be worth the price. He would be wrong. In practice this idea would both destroy the basis on which Social Security was started and fail to produce the expected revenue that supposedly would save the system."

Rangel Denies Democrats Intend To Raise Taxes. Rep. Charles Rangel, on CBS's Face the Nation (11/19, Schieffer), said, "The truth of the matter is that raising taxes that have already been put into effect is poor tax policy and bad politics. … Nobody talking about an increase in taxes. … I'm assuming that the President and the Vice President will put an end to the rhetoric that Democrats just want to raise your taxes and they just want to raise spending."

Reid Says Prospect Of Cheney Presidency Means No Bush Impeachment. US News and World Report (11/27, Bedard) reports in "Washington Whispers" that the "degree to which the new Democratic leadership on Capitol Hill despises Vice President Dick Cheney is a big plus for President Bush. Consider why incoming Senate Majority Leader Harry Reid scrapped an idea to impeach Bush: 'Two words: Dick Cheney,' he says."

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Paulson To Deliver Address On US Capital Market Competitiveness. The Financial Times (11/20, Guha, Grant) reports US Treasury Secretary Hank Paulson today will "say what the US needs to do to ensure that its markets remain globally competitive in a landmark speech on capital market regulation." The "move comes amid growing concern in the US that New York is losing out to emerging financial centres in Asia and to London, with its lighter-touch, principles-based regulatory regime." It is "also a sign that the concerns on Wall Street about the Sarbanes-Oxley corporate compliance and controls laws have moved higher up the agenda in Washington since the arrival at the Treasury three months ago of the former Goldman Sachs chief executive. Senior figures, including Dick Cheney, the vice-president, have said that Sarbox may have gone too far."

The Wall Street Journal (11/20, Solomon, 2.04M) reports Paulson, "in a speech scheduled for delivery to the Economic Club of New York today, will press the case for a re-examination of government rules and laws he believes are putting US financial markets at a disadvantage amid competition from abroad." Paulson, "in his first major public comments since Democrats won control of Congress, is expected to stress the need for 'regulatory balance' and to outline challenges regulators and policy makers face as they try to juggle the need for regulation with the imperative to make U.S. markets competitive." Paulson is not "expected to call for any new laws or for repeal of any rules" but will "emphasize the impact of existing regulations, the legal environment, and the complexity of dealing with multiple, overlapping regulators. He likely will call on federal regulators to tweak a provision of the Sarbanes-Oxley law, known as Section 404, that requires companies to assess internal controls to ensure financial reporting is accurate and reliable."

Official's Role In Bush Effort To Promote Marriage Examined. The Wall Street Journal (11/20, A1, Meckler, 2.04M) reports in a front page story about the "notion that government can help children escape poverty by promoting marriage for their parents was once considered a fringe idea from right field. It is now federal policy." The Journal adds that in "very large part, that's due to Wade Horn, a child psychologist turned bureaucrat who has put marriage atop the Bush administration's limited antipoverty agenda." As "head of the federal Administration for Children and Families, Dr. Horn has employed the zeal of an ideologue and the discipline of an academic to inject marriage promotion into a host of government programs under his purview, even before Congress authorized an official marriage program. Today, more than 200 programs are at work across the country, seeking to change public attitudes surrounding marriage, persuade teenagers to aspire to matrimony and teach relationship skills to young couples." Horn has "co-opted critics, fine-tuned his rhetoric, and persuaded Congress to insert his marriage agenda into this year's welfare legislation, winning $500 million over five years." Six years "into the Bush administration, Dr. Horn is one of the few remaining political appointees interested in 'compassionate conservatism,' the slogan from the President's first campaign."

Florida 13th CD Race Could End Up Before House Administration Committee. Roll Call (11/20, McArdle, Murray) reports with "five House races around the country still unresolved as of Friday, election watchers on Capitol Hill believe it is increasingly likely that the contest for the open Florida 13th district seat could end up before the House Administration Committee, which has oversight over federal elections." In the race to fill the seat of outgoing Rep. Katherine Harris, Democrat Christine Jennings faced Republican Vern Buchanan, and it "remains the only district where both Democratic and Republican House Administration Committee staff continue to have observers on the ground." But "just as the election itself is under dispute — Buchanan was leading Jennings by 401 votes as of Friday at press time — the process for determining who decides on the winner also could be controversial, with the House about to switch hands from the Republicans to the Democrats." Florida state election officials "are slated to certify the election results Monday morning. But the contest has been marred by allegations of voting irregularities in Sarasota County." Democrats "claim electronic voting machines are to blame for almost 19,000 missing votes in the Jennings-Buchanan contest." Ed Patru, a "spokesman for the National Republican Congressional Committee, concedes that there was a high number of 'undervotes' in the Jennings-Buchanan race," but he added "there is no evidence to suggest that anyone in district 13 who wanted to vote was unable to do so." Because the Democrats "do not take control of the House until Jan. 3, it is likely that any investigation by House Administration would be launched while Republicans are still in charge -- meaning the GOP will have the 2-1 majority on the investigating committee. But by the time the full House would be asked to seat the new Member, the Democrats would be in the majority." Meanwhile, the races "have not been called in North Carolina's 8th district, New Mexico's 1st district, and Ohio's 2nd and 15th districts. Republican incumbents are leading narrowly in all four races. Two House races -- one in Texas, the other in Louisiana -- will be decided in December runoffs."

Novak Says Senate Dissenters Block Pork. In his column in the Washington Post (11/20, 690K), Robert Novak says, "While House Republicans reacted to stinging rejection from America's voters by refusing to change leadership, their Senate counterparts have tried to use their

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closing weeks in power to enact a last burst of pork-barrel spending. But that effort was stalled last week by independent-minded Republican senators, spearheaded by two abrasive freshmen and one longtime hair shirt. Before Congress recessed Friday for Thanksgiving, the GOP leadership appeared to capitulate." The freshmen, "Tom Coburn and Jim DeMint, campaigning in 2004 in Oklahoma and South Carolina, promised not to fall in line with GOP leaders. Fulfilling that pledge allied them with the long-termer John McCain. They have been backed by Jeff Sessions of Alabama and another freshman, John E. Sununu of New Hampshire. In the lame-duck session's first week, they played Horatio at the Bridge by combining to block a pork-filled omnibus spending bill." That would "place responsibility for spending excesses on the new Democratic majority taking office next year. It is highly unlikely that Sen. Robert C. Byrd, a legendary king of pork returning as Appropriations Committee chairman, will reverse the habits of a lifetime and listen to ordinary voters' revulsion over excessive federal spending."

Public Gets First Glimpses Of New Justices. The Washington Post (11/20, A15, Barnes, 690K) reports the "two newest Supreme Court justices took off the robes and took to the stump last week, providing glimpses of the fresh personalities that will reshape a court that had remained constant for more than a decade." The settings "could not have been more different. Chief Justice John G. Roberts Jr. was interviewed before a crowd of 3,000 last Monday night at the University of Miami, and his telegenic message of moderation was then broadcast to the nation on ABC's 'Nightline.'" Meanwhile, Justice Samuel A. Alito Jr. "spoke to his fellow members of the Federalist Society, a coalition of conservative lawyers and legal scholars who have gone from rebel outsiders to Washington insiders -- the group drew 1,500 people to its annual banquet and warranted appearances by administration leaders from Vice President Cheney on down." Roberts "provided a little something for everyone. For the feature pages, he had a cute explanation of how his jiggling son Jack almost stole the show with his hammy performance before the cameras when President Bush introduced Roberts and his family to the nation last year: 'People think Jack was dancing. He was not dancing. He was being Spiderman. He was shooting the webs off.'" Alito, "too, drew laughs with his speech Thursday night to the Federalist Society, but there was a scratchier tone to his address. He still seems a little sore about his confirmation hearings, which were tougher than what Roberts faced." Members "loved his comment that when he gets near the Hart Senate Office Building, where he spent days last November paying courtesy calls to senators, 'invariably without thinking . . . I cross to the other side of the street.'"

DISA Leads Federal Government In Embracing Telecommuting. The Washington Post (11/20, D1, Barr, 690K) reports the Defense Information Systems Agency "describes itself as providing 'global net-centric solutions' for the White House, the Pentagon and the armed forces." Most of the "engineers, computer scientists, telecommunication experts and technology wizards who work for DISA live in Northern Virginia and work in offices scattered through Arlington and Falls Church. Many are less than thrilled with the idea that by 2011 their jobs will be moved to Fort Meade, Md., as part of Defense Department base closures and realignments." To "keep from losing experienced employees, DISA has embraced telecommuting -- a way of working that the government has been slower to accept than the private sector. Of the about 2,000 DISA jobs that have been identified as suitable for telecommuting, more than 500 employees have been cleared to work from home."

Gerberding "Under Attack" Over CDC's Difficulties. Time (11/27, Gorman, 4.03M) reports Centers for Disease Control and Prevention Director Julie Gerberding is "under attack. The massive reorganization she ordered -- combined with painful budget cuts in key divisions -- seems to be tearing" the CDC apart, and "the agency has been targeted by three different congressional probes. … Nobody is claiming that the CDC has become another governmental basket case like FEMA -- at least not yet." But the "bad publicity" comes as 2007 and 2008 budgets are being drawn up, and "if lawmakers believe that Gerberding is floundering, her institution's budget will suffer."

Mint To Unveil Presidential Dollar Coin Series. USA Today (11/20, 1B, Hagenbaugh, 2.27M) reports, "The US Mint today is unveiling designs for its newest additions: dollar coins that will feature deceased presidents on a rotating basis, similar to the popular state quarters." More "use of dollar coins instead of bills would save the government hundreds of millions of dollars each year, even though the coins are more expensive to produce, because coins last for about 30 years, more than 16 times longer than dollar bills." In 1995, the Federal Reserve estimated that "replacing dollar bills with coins would save $500 million a year," and the savings would "likely be much bigger today, because the number of $1 bills in circulation has risen 40% in the past decade." In a USA TODAY/Gallup survey conducted Oct. 20-22, "more than half" said the presidential dollar coins was a "good idea." However, on replacing dollar bills entirely, "79% said they would oppose such a move. Even when told that replacing bills with coins would save the government $500 million a year, 69% said they still opposed making such a change." The New York Times (11/20, Healey, 1.16M) also reports the story.

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WSJournal Says FDA's Approval Of Breast Implants Is Good News. The Wall Street Journal (11/20, 2.04M) editorializes, "It took 14 years, but science finally trumped politics Friday, with the Food and Drug Administration's lifting of its longstanding ban on silicone-gel breast implants," which is "especially welcome news for mastectomy patients." One of the "ugliest aspects of the breast-implant controversy" has been "the irresponsibility of the feminist movement, whose championship of a woman's right to "choose" doesn't extend to breast implants." However, it is unlikely that the FDA's moves "closes the chapter on this nasty episode," because Kim Gandy, president of the National Organization for Women, called Friday's announcement a "'reckless decision' and promises to seek reversal 'when the new Congress takes office.'" It's "worth remembering the enormous price that has been paid: to the credibility of the legal system, in jobs lost, and in public health," and it's worth asking "what is more toxic: the silicone implants preferred by thousands of women, or the trial bar that purports to 'protect' them."

Chances Of Congressional Reform Already Said To Be Fading. US News and World Report (11/27, Brush) writes, "Americans had ethics on their mind when they took control of Congress away from Republicans," and "both the winners and the losers promised to heed the message." But as the post-election week "wore on, and both parties turned to the business of electing new leaders, the lofty rhetoric seemed in the view of many to be giving way to the same old thing. … By week's end, reform -- substantive or otherwise -- was looking like a mighty tall order."

OTHER NEWS:

Incomes Rising At Highest Pace Since 1990s. The Christian Science Monitor (11/20, Trumbull, 59K) reports American workers' paychecks "are rising again at a pace not seen since the 1990s. The pay increase amounts to 4 percent on average over the past 12 months, and it comes at a very helpful time for millions of households." While 4 percent "may not sound like much, but you have to look back to 1997 to find a calendar year with a gain that big. Equally significant, tamer energy prices mean that the 'real' wage gains, after inflation, are above 3 percent for the past 12 months. That, too, hasn't happened since the 1990s, even though the economy has been expanding over the past five years."

Drug Industry Begins Courting Democrats. The Financial Times (11/19, Kirchgaessner) reports, "The pharmaceutical industry was in the enviable position two years ago of having the right friends in the right places in Washington." The "industry's mirrored that of other big companies and trade associations that had strengthened their ties with the Republican majority by hiring only Republican lobbyists for top positions – a practice championed by" Senator Rick Santorum (R) "that was known as the 'K Street project'." Now, "the prospects of the industry's giants have taken a turn." The industry, however, "has already" began recruiting "high-profile Democrat[s] to help it make inroads with the incoming majority party." But "for all the emphasis some lobbyists pin on hopes of making new friends in the Democratic caucus, others privately admit that the Democrats' narrow victory in the Senate means the industry is not in dire straits."

McCain Leads Early Odds For 2008 GOP Nomination. Time (11/27, 4.03M) notes the early line on the 2008 GOP nomination from betting site Tradesport.com. Sen. John McCain is at 10 to 11 (52% chance of being the nominee), followed by Rudy Giuliani at 47 to 1, Tommy Thompson at 124 to 1, and Duncan Hunter at 142 to 1.

Kerry Says "Botched" Iraq Joke Won't Affect Presidential Run. The AP (11/20, Yen) reports Sen. John Kerry "insisted on Sunday his 'botched joke' about President Bush's Iraq policy would not undermine a possible White House campaign in 2008." Asked if the "furor over his comment had caused him to reconsider a 2008 race," Kerry said, "Not in the least. The parlor game of who's up, who's down, today or tomorrow, if I listened to that stuff, I would never have won the nomination."

Kerry Claims GOP Response To His "Botched Joke" Boosted Democrats. Kerry was asked on Fox News Sunday (11/19, Wallace) if his Democratic colleagues asked him to remain out of the spotlight after the uproar over his "botched joke" regarding US troops in Iraq, Kerry answered, "First of all, obviously, it was a bad joke, and I apologized for it. And we moved on, and we should move on. You know, we had an historic election, absolutely historic. The American people spoke. And I worked very, very hard for those two years to help us elect a Democratic majority. It was clear to me that if people wanted to make that joke a distraction, I didn't want it to be. I wanted to win. … I had a discussion with a number of leaders, including my colleague Ted Kennedy and others, in order to make a judgment about what was best to accomplish the goal that I had been working for. And since you had some very close races, I thought it was important. I made the decision. It was my decision to make certain that I didn't distract. And the results are what speak for themselves. In fact, the Republicans made a terrible mistake, because they shifted the topic back to Iraq. The

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polls showed that we went up. They didn't want to talk about Iraq, and within two days, they tried to shift back to taxes."

Gingrich Won't Make Decision On 2008 Until September. The AP (11/20, Yen) reports, "One of the GOP politicians mentioned in a crowded field for the White House, former House Speaker Newt Gingrich, said he would not make a decision until September — a relatively late date in the campaign cycle — to focus in the private sector on trade policies." Gingrich said, "We have lots of time for personal ambition. And I think an awful lot of this early energy is wasted, and we ought to be focusing on, you know, how are you going to compete with China and India, how are you going to solve the problem in Iraq?"

Obama Seen As Main Impediment To Clinton Presidential Nomination. Newsweek (11/27, Alter, 3.12M) examines "Bill And Hillary Clinton's War Plan," saying that "unless personal concerns surface soon, the odds strongly favor" Sen. Hillary Clinton entering the presidential race "early next year. If she does, it will not be because her party is clamoring for her to do so. While her celebrity and command of issues always draw friendly crowds, they cannot be fairly described as tumultuous. While Bill is a virtuoso at weaving together seemingly unrelated threads, Hillary is still too often what one of her biographers, Michael Tomasky, calls the 'Laundry Lady,' reciting a laundry list of worthy ideas that don't yet add up to a compelling vision." While "one conventional take" says she could easily win the Democratic nomination but not a general election, "the reverse may be closer to the truth. … The last four Democratic nominees have all received more than 250 electoral votes." The "bigger problem for her would be getting past Barack Obama, who now seems poised to run." And the "primary schedule favors Obama. Hillary Clinton has no Rove-like master strategist yet (other than her husband), but the logic of her front-runner game plan suggests building a firewall in the South to recover if she's upset in Iowa or New Hampshire." But that plan "doesn't account for Obama, who would likely crush her among black voters."

Edwards Says Obama Should Run In 2008. The AP (11/20, Yen) reports former North Carolina Sen. John Edwards, "the 2004 Democratic nominee for vice president, said Illinois Sen. Barack Obama should get into the race." Edwards said, "I hope he runs. I think he should run. This is such an important job that I would urge anybody who can make a serious contribution to the campaign and the dialogue — either in our party or the other party — to run." The AP adds Edwards "isn't yet willing to commit to another run for president."

Dean Addresses Gay Leadership Conference. The Washington Times (11/20, Pierce, 88K) "Inside Politics" column reports DNC Chairman Howard Dean said his party "needs to look beyond getting homosexuals and minorities a place at the table and instead work toward getting them on the ballot." Addressing the International Gay & Lesbian Leadership Conference in Houston this weekend, Dean said, "We've got to share power, not just responsibility, from now on." Dean "said little about issues such as same-sex 'marriage' or discrimination laws, and instead addressed broader Democratic agendas, such as raising the minimum wage."

Dean Models DNC Leadership On Ron Brown. US News and World Report (11/27, Bedard) reports in "Washington Whispers" that DNC Chairman Howard Dean has taken to saying his model for the job is late ex-chairman Ron Brown. Both "entered the job as outsiders under fire from moderates who worried that they were too liberal. Both surprised the establishment by raising tons of money. Both took a shattered party and built a national organization geared to winning a presidential election." And both "focused on the key Democratic demographic -- blacks. Brown brought African-Americans to the table," and Dean wants to put "more blacks on the ballot. 'It's going to be about opportunities and a place on the ticket,' says Dean. 'Ron Brown was really the beginning of that.'"

Christian Leaders Said To Risk Losing Credibility Over Homosexuality. In a USA Today op-ed (11/20), Baptist minister Oliver "Buzz" Thomas says, "What if Christian leaders are wrong about homosexuality? I suppose, much as a newspaper maintains its credibility by setting the record straight, church leaders would need to do the same: Correction: Despite what you might have read, heard or been taught throughout your churchgoing life, homosexuality is, in fact, determined at birth and is not to be condemned by God's followers." Religion's "only real commodity, after all, is its moral authority. Lose that, and we lose our credibility. Lose credibility, and we might as well close up shop." Christianity "is in danger of squandering its moral authority by continuing its pattern of discrimination against gays and lesbians in the face of mounting scientific evidence that sexual orientation has little or nothing to do with choice. To the contrary, whether sexual orientation arises as a result of the mother's hormones or the child's brain structure or DNA, it is almost certainly an accident of birth. The point is this: Without choice, there can be no moral culpability."

Defeat Of Arizona Gay Marriage Ban Examined. The Washington Post (11/20, A3, Geis, 690K) reports retirees Al Breznay, 79, and Maxine Piatt, 75, "were pivotal in defeating an Arizona initiative that defined marriage as the union of one man and one woman -- the only one of 28 such state measures ever to fail." Breznay, "a retired mechanic who still does odd jobs to bring in extra cash, and Piatt, a former bank teller, are at the forefront of a strategy to defeat a tide of same-sex marriage bans by talking about straight people." Of

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those "28 state marriage initiatives, 17 have included language outlawing domestic partnerships. Gay rights advocates see this as an opening to highlight for heterosexual voters the impact such initiatives may have on them, and in Arizona, activists kept the spotlight on couples such as Breznay and Piatt, registered domestic partners whose faces appeared on fliers and television ads." The campaign "against the Arizona measure, Proposition 107, avoided almost any mention of gay marriage, except in small liberal pockets of the state. Instead, the message was about the section of the measure that would have banned government agencies from recognizing civil unions or domestic partnerships." That "apparently struck home in the state's sizable senior-citizen enclaves, where many older couples do not marry because their retirement income would be affected. The initiative was defeated, 52 percent to 48 percent."

Foley Ends Stay At Rehabilitation Facility. Roll Call (11/20, Akers) reports ex-Rep. Mark Foley "ended his stay at a rehab facility in Arizona that treats alcohol addiction as well as sexual addiction and compulsion before he headed back to Florida to attend the funeral of his father." Foley "faces a Florida criminal investigation into his sexually explicit Internet messages."

Four Defeated GOP Lawmakers Live On Same D Street Block. In his Washington Post (11/20, A15, 690K) "Inside The Loop" column, Al Kamen writes, "Incoming Democrats: Alert! Do not, repeat, not, buy a home on the 100 block of D Street SE on Capitol Hill. It may be jinxed." The block is home to GOP Reps. Chris Chocola, Clay Shaw, Jim Ryun, and Nancy Johnson, who all lost their seats this month. Another resident: ex-Rep. Mark Foley.

Food Banks Falling Behind Demand For Holiday Assistance. USA Today (11/20, Koch, 2.27M) reports the nation's "food banks are scrambling to serve a growing demand for help during the holidays at a time when government food donations and private cash contributions have fallen." More people are "asking for food even as the amount of government commodities available — milk, cheese, canned goods and other staples — is down 55% from 2005, according to the U.S. Department of Agriculture. A second USDA program of emergency food aid has stayed about the same. Together, they supply about one-fourth of what food banks give away." USDA "buys fewer commodities when it has less need to boost farm prices. It gives 80% of purchases to America's Second Harvest, a network of more than 200 food banks."

NYTimes Criticizes Government Decision To Not Use Word "Hunger." The New York Times (11/20, 1.16M) says in an editorial, "First the good news: the government's annual hunger report shows a slight decline last year in the number of citizens in need of food. Now the bad news: the annual hunger report has dropped the word 'hunger.' Instead, there were 35 million Americans last year suffering from 'low food security,' meaning they chronically lacked the resources to be able to eat enough food." To the "extent that more public empathy is needed to prod a stronger attack on low food security, we opt for 'hunger' as a most stirring word."

Studies Find Minority Test Performance Gap Persists. The New York Times (11/20, Dillon, 1.16M) reports that when President Bush "signed his sweeping education law a year into his presidency, it set 2014 as the deadline by which schools were to close the test-score gaps between minority and white students that have persisted since standardized testing began." Now, as Congress "prepares to consider reauthorizing the law next year, researchers and a half-dozen recent studies, including three issued last week, are reporting little progress toward that goal. Slight gains have been seen for some grade levels." Despite "concerted efforts by educators, the test-score gaps are so large that, on average, African-American and Hispanic students in high school can read and do arithmetic at only the average level of whites in junior high school."

States Struggle To Fund Transportation Needs. USA Today (11/20, Copeland, 2.27M) reports on the "many local efforts around the country to bridge the gap between the federal, state and local funds available for transportation and what's needed." Nationwide, the "gap tops $100 billion a year, says Gary Maring of the transportation consulting firm Cambridge Systematics, which studied the issue last year for the U.S. Chamber of Commerce." The "potentially most far-reaching financing initiative is a pilot program in Oregon that is testing the feasibility of a 'virtual tollway' system that would replace the state gas tax with a road-user fee." Volunteers "driving vehicles equipped with state-installed Global Positioning System (GPS) devices pull into gas stations where a transmitter in their car 'tells' the pump how many miles they have driven. They then pay for their gas and 1.2 cents for every mile they've driven since their last fill-up; they don't have to pay the 24-cent-per-gallon state gas tax."

Allen's "Macaca" Gaffe Seen As Worst Self-Inflicted Wound Of 2006. In his Roll Call column (11/20), Stuart Rothenberg discusses the "Worst Self-Inflicted Wound Of 2006." The "nominees" are Reps. Don Sherwood (R-Pa.), Bob Ney (R-Ohio), Sens. George Allen (R-Va.) and John Kerry (D-Mass.), and Reps. John Sweeney (R-N.Y.) and Mark Foley (R-Fla.). Rothenberg picks Allen for his "'macaca' comment," which "not only brought about his own defeat and destroyed his once considerable chances of winning the Republican presidential nomination in 2008 but

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he also realigned the nation's entire governing balance for the next two years. Because of that jaw-dropping achievement, the award for worst self-inflicted wound must go to Allen. But it was a very close contest."

MSNBC Gives Greater Emphasis To Politics, Opinion. In the Washington Post's "Media Notes" column (11/20, C1), Howard Kurtz says, "MSNBC has seen the future, and it is politics. Delivered with plenty of opinion. Preferably with lots of cameo appearances by big-name news stars from the mothership." The "perennial third-place cable news channel enjoyed a nice bump in the ratings during the midterm campaign, in part because the likes of Brian Williams, Tim Russert, David Gregory and Campbell Brown broke away from their NBC duties to help out." MSNBC General Manager Dan Abrams "doesn't plan to put on 'all politics all the time until 2008,' Abrams says he wants to continue 'branding' MSNBC as a haven for political junkies." Kurtz adds MSNBC "has done well in other campaigns, only to have the gains vanish after Election Day. All of cable news tends to get big spikes during major stories -- war, scandal, missing white women -- that fade when the news cycle moves on."

WSJournal Says AHI Can Improve. The Wall Street Journal (11/20, A16, 2.04M) editorializes that it's "encouraging that America's private health insurers are thinking about ways to preserve a competitive market for health services," but America's Health Insurance Plans (AHI)" should do "more to promote a genuine free market in health care." It's "one really good idea is the creation of something called a Universal Health Account, which would end the tax bias that lets employers deduct health care expenditures but doesn't let individuals do the same." The 2003 Medicare bill's Health Savings Accounts (HAS) would not just "go a long way toward making insurance more affordable for those who don't get it from their employers," but would also "provide incentives to move beyond the employer-based insurance system." The "biggest disappointment" is that the insurers "aren't calling for a national market in health insurance -- which is essential if their Universal Health Accounts are to work as well as they should."

NYTimes Urges New York Officials To Use Public Transportation. The New York Times (11/20, 1.16M) editorializes, "The answer to one question raised by the scandal involving State Comptroller Alan Hevesi should be easy: public officials could take public transportation as a matter of public policy." The issue of public officials unrestricted access to cars and drivers would not be a problem if the state "would follow Mayor Michael Bloomberg's lead," but using the subway. Even though there are "no subways in Albany, and the bus and taxi services are meager, there is "something to be said for anything that reminds public officials that they are no different from other citizens who struggle with traffic jams and subway doors and the ordinary hazards of moving about."

APEC Statement On North Korea Seen As Falling Short Of US Goal. The Financial Times (11/20, Daniel, Beattie, Kazmin) reports that APEC members Sunday "presented a united front to North Korea, urging it to start dismantling its nuclear weapons program." However, the Times says US officials "had wanted a formal published statement to show the combined resolve of countries in the region surrounding North Korea. But they could manage only an oral statement." NSC spokesman David McCormick said the statement was "very firm in the need for full implementation" of the UNSCR 1695 and 1718" and stressed that "what was important was the leaders of APEC coming together in a common statement." Meanwhile, Secretary Rice cited Vietnam as an example, saying, "If the leaders of Burma and North Korea were to follow the example of Vietnam, if they made the strategic choice and took the necessary steps to join the international community, then it would open a new path to peace and prosperity."

The Los Angeles Times (11/20, Gerstenzang, 850K) reports that "un a separate discussion, McCormick said, Bush and Chinese President Hu Jintao had agreed 'on the path ahead' in dealing with North Korea. McCormick and White House Press Secretary Tony Snow said Bush and Hu had not set specific conditions to present to Pyongyang." The Korean situation also "formed a backdrop to a meeting between Bush and President Vladimir V. Putin of Russia."

ABC World News (11/19, lead story, 2:50, Raddatz, 8.78M) reported Bush "pushed leaders to push North Korea to give up its nuclear weapons program. The results were not as tough as the US had hoped." Similarly, in an analysis of this weekend's summit, AFP (11/20, Harmsen) says the "closed-doors diplomacy…came nowhere nearer to resolving the crisis over North Korea's nuclear dream, analysts say -- and may even have made matters worse." According to AFP, "Some analysts saw the general absence here of results on North Korea as a failure of US leadership, following the Republican Party's defeat in mid-term elections earlier this month."

The AP (11/20, Alexander) notes that although "they would not put it in writing," the APEC members "joined together Sunday to say they worry about North Korea's nuclear weapons program and to urge the reclusive country to resume disarmament negotiations." The AP says the "method of delivery provided a curious culmination to the issue that overshadowed" the summit.

Under the headline "US Stance On North Korea Hits Hurdles At Summit," the Wall Street Journal (11/20, A5,

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Dreazen, Ramstad, 2.04M) says the Bush administration's "efforts to raise international pressure on North Korea to abandon its nuclear program hit a series of roadblocks" at the summit. Among them, the US was "unable to persuade the other 20 APEC member states to issue a written statement about North Korea's nuclear program." Instead, the administration "settled for Vietnamese President Nguyen Minh Triet taking the unusual step of delivering a statement to reporters in Hanoi expressing concern about North Korea." Meanwhile, White House officials said Bush "used at least one of his private meetings with other leaders to detail the incentives the US was prepared to give North Korea if it gave up its nuclear program." The Washington Post (11/20, Fletcher, 690K) runs a similar report, titled "Pacific Rim Statement On N. Korea Falls Short Of What Bush Sought,"

Bush Touts Trade As Conducive To Political Freedom. USA Today (11/20, Jackson, 2.27M) reports "global trade issues dominated the Asia-Pacific Economic Cooperation forum President Bush attended this weekend in Hanoi. He sought to expand the US business presence in Vietnam and other parts of Asia." The President "met with leaders from Vietnam, China, Russia, Japan, Australia and South Korea, urging an expansion of free trade. However, Bush headed to Vietnam without congressional approval to widen Vietnam trade more quickly." Today, Bush "plans to underscore US commercial ties by visiting Vietnam's stock market before he heads to Indonesia, where crowds Sunday protested Bush's visit. … Economic expansion helps political freedom, Bush said last week, adding that 'by opening up to trade, countries build wealth and empower their citizens.'"

The New York Times (11/20, Sanger, Cooper, 1.16M) reports on Bush's visit to Ho Chi Minh City, a "booming, wildly capitalist commercial center of an ostensibly Communist Vietnam," where he stopped by "the stock exchange to talk with local business leaders before preparing for a quick visit to Indonesia. … As he has throughout his trip, Mr. Bush has avoided dwelling on America's past with Vietnam, though it is difficult in a city like this one, filled with so much potent symbolism of American defeat."

The Wall Street Journal (11/20, A5, Hookway, 2.04M) reports "the US and other Pacific Rim countries said they were prepared to cut farm subsidies and tariffs to revive stalled world trade talks, putting pressure on other economic powers such as the European Union, Brazil and India to follow suit. Leaders at the summit of the 21-member Asia-Pacific Economic Cooperation forum also said they would consider a free-trade area of their own if the global talks fail." The Journal adds, "The initiative may not break the deadlock over politically sensitive farm subsidies that stalled the so-called Doha Round of talks, which began in 2001 under the auspices of the World Trade Organization. Some trade officials attending the summit say global trade talks could remain on hold despite the offer. … The idea of an APEC free-trade area was introduced in 2004. It was quickly dropped, largely because hopes were still high the WTO negotiations could provide a more direct route to freer trade."

Russia, US Sign Trade Pact. The AP (11/20, Nicholson) reports, "Russia and the United States signed a key trade agreement Sunday, removing the last major obstacle in Moscow's 13-year journey to join the World Trade Organization. The deal, inked on the sidelines of a gathering of Pacific Rim economies, is a powerful vote of confidence in Russia -- the largest economy still outside the 149-member WTO -- and signals its integration into the global trading system." It also "marks a bright spot in the two countries' relations that have been marred by disagreements over Iran's controversial nuclear program and Washington's fears of a roll back of democratic freedoms under Russian President Vladimir Putin."

China, South Korea To Discuss Trade Agreement. The Wall Street Journal (11/20, 2.04M) reports, "China and South Korea will start talks next year on the feasibility of a free-trade agreement, China's official Xinhua news agency reported." Xinhua "said an agreement on the talks was reached at a meeting late Friday between Chinese Commerce Minister Bo Xilai and South Korean Trade Minister Kim Hyun Chong."

Bush Urged To Mount Domestic Campaign In Support Of Free Trade. Morton Kondracke writes in Roll Call (11/20), "Having failed to convince fellow Republicans of the merits of comprehensive immigration reform…Bush now faces the even more difficult task of defending free trade against protectionist Democrats. A tide of populism, protectionism, nationalism and xenophobia is washing over the country, fueled by right-wing radio talk show hosts, CNN firebrand Lou Dobbs -- and legitimate concerns that US workers are falling behind in the global struggle for jobs and good wages. … Even though his influence is at its all-time lowest ebb, Bush somehow needs to mount a campaign to convince Americans that their continued prosperity depends on an open world trading system."

In his Washington Post column (11/20), Sebastian Mallaby says the partisan split on trade is "is undermining the U.S. ability to play its traditional postwar role in driving global trade liberalization. And if anti-trade Democrats can win elections when unemployment stands at 4.4 percent, they may do even better next time." To "forge a bipartisan consensus, we need a different approach. Here is a three-part formula." Democrats "need to be honest about development in the poor world," because "the real key to raising living standards is economic growth. And growth, in turn, is highly correlated with trade openness." Instead, Democrats "should be frank about their real reason for ambivalence on trade, which is that some Americans suffer

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from it." Republicans "need to get serious about the fact that, since 1980 or so, real incomes for the majority of Americans have stagnated." And "both parties should cooperate on overhauling the nation's farm program, which comes up for renewal next year."

Bush Defends Religious Freedom In Visit To Vietnamese Church. The AP (11/20, Loven) reports, "Though no sermon was delivered Sunday in the church where President Bush took a 'moment to converse with God,' he offered his own precept outside. 'A whole society is a society which welcomes basic freedoms,' Bush said, adding that there's none more basic than 'the freedom to worship as you see fit.'" The President and First Lady Laura Bush "visited Cua Bac Church, a Catholic basilica on a tree-lined street in the diplomatic district, to show support for Vietnam's faithful, who live under a government that tightly controls religious institutions." Said Bush, "It's our way of expressing our personal faith and at the same time urging societies to feel comfortable with and confident in saying to their people, 'If you feel like praising God, you're allowed to do so in any way you see fit.'" The AP adds "just this month, the United States removed Vietnam from a list of the world's worst violators of religious freedom."

Massive Protests Await Bush In Indonesia. The AP (11/20, Hunt) reports, "Warmly greeted by world leaders in Vietnam, President Bush drew a different reaction Sunday at his upcoming stop in Indonesia, where thousands angrily protested America's policy in the Middle East and wars in Iraq and Afghanistan. The White House said it was confident about security precautions for Bush's visit Monday despite police warnings of an increased threat of attack by al-Qaida-linked groups." Bush "was to spend just six hours in Indonesia, most of it at Bogor Palace, a presidential retreat outside the capital of Jakarta and far from the scene of protests Sunday where Bush was denounced as a 'war criminal' and 'terrorist.'"

ABC World News (11/19, lead story, 2:50, Harris, 8.78M) reported on the "massive street protest and mounting terror threats that await…Bush as he heads to Indonesia, the world's most populous Muslim country. It's the next stop on his week-long Asia trip, a visit deemed so dangerous, the President won't even spend the night." ABC (Raddatz) added, "The demonstrations have been widespread and personal. Wanted, George Bush, dead or alive, for crimes against humanity and the planet. With tens of thousands more protesters chanting 'America, America, terrorist, terrorist.' … In recent days, warnings for an Al Qaeda-linked attack have increased dramatically, which security officials are taking deadly seriously, given the hundreds who have already been killed in attacks there."

The Washington Times (11/20, Curl, 88K) reports, "Despite the protests in Jakarta, the United States is viewed positively by many Indonesians for its swift response to the tsunami that struck the islands nearly two years ago, killing 100,000. Almost 60 percent of Indonesians surveyed nationwide said that American assistance made them favorable to the United States, according to Terror Free Tomorrow, a nonpartisan group that includes Sen. John McCain, Arizona Republican, as an adviser."

More Commentary. Author Sadanand Dhurme writes in the Wall Street Journal (11/20, A16, 2.04M) that when Bush "arrives in Indonesia today, he'll find perhaps the most dramatic reversal of fortunes in recent times," because today, Indonesia "is viewed as a sort of Southeast Asian Bangladesh: a cesspool of corruption, buffeted alternately by terrorist violence and natural disasters." Yet Indonesia "also presents an exceptional opportunity," as it is the "only major Muslim country where modernity stands a fighting chance, or to put it starkly, where the options are not between bad and worse, but between good and bad." Indonesia "boasts advantages that others lack: an innate tolerance bequeathed to its people by nearly a millennium and a half of Hindu-Buddhism." It "won't be easy," with "homegrown Islamists and their wealthy Arab patrons," but "simple certitudes of Islamism…deeply appeal to many," and add to "this the peculiar subculture of Western academia and NGOs, whose efforts to inoculate themselves against that mysterious new ailment, Islamophobia."

IAEA Meets To Considers Iran Request For Nuclear Aid. As the IAEA prepares to meet Monday in Vienna, the AP (11/20, Jahn) reports that a "Western push to deny Iran technical help in building a plutonium-producing reactor has gathered enough support to be approved," diplomats said Sunday. However, "differences both within the Western camp and more broadly among different factions…on how harshly to punish Iran for its nuclear defiance persisted on the eve of the opening meeting Monday, said the diplomats." The AP notes that "normally, the United States takes the lead in demanding tough action against Tehran…But with council agreement on sanctions mired down because of Russian and Chinese efforts to block tough punishment, diplomats said the Americans have taken a back seat to France."

In a front page article, the New York Times (11/20, A1, Broad, 1.16M) reports that Iran is seeking "technical aid" to assist with its building of "a heavy-water nuclear reactor" in Arak that Tehran says will produce "radioactive isotopes for medical treatments. As an unavoidable byproduct, it will also make plutonium." The Times notes that although assistance is "routinely granted," the US and its allies "say the agency should deny Iran's request. Helping make Arak's operations

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safe, they say, would only speed the reactor's completion -- and Iran's emergence as a nuclear power. But some developing nations say that a rebuff to the Iranians would set a bad precedent that could threaten their own peaceful atomic pursuits."

State Department Opens Office In Dubai To Monitor Iran. Under the headline "US Sets Up A Perch In Dubai To Keep An Eye On Iran," the New York Times (11/20, A3, Fattah, 1.16M) reports that "a group of State Department officials has been setting up offices" in Dubai "as part of an ambitious effort by the United States to better monitor Iran and encourage political change there." The Times notes that the State Dept. announced early this year that it would open the office in Dubai and set up an Iran desk in Washington "to make contact with Iranians and improve its institutional knowledge of the country at a time when tensions over Iran's nuclear ambitions are high." Dubai was selected due to its "large community of Iranian businesspeople" and because the UAE has "become a nexus of political activity concerning Iran, as numerous governments and groups have seized on the country's location and its longstanding ties with Tehran to get a better understanding of Iran and its people." On Friday, Undersecretary Burns "said the Dubai office was created in the spirit of the Riga station in Latvia, which became a critical source of knowledge about the Soviet Union at a time when the United States did not have diplomatic relations with Moscow." Burns noted that when Secretary Rice joined the department last year "it had only two people working on Iran issues," and "today eight are assigned to the Iran desk in Washington and six in the Dubai office, which is within the American consulate."

"Hard-Line Cleric" Leading Candidate To Become Top Ayatollah. The Washington Times (11/20, Freeman, 88K) reports, "A hard-line cleric who opposes all dialogue with the West is a leading contender to become Iran's next supreme spiritual leader." In "a move that would push the country even further into the diplomatic wilderness," Ayatollah Mohammad Taghi Mesbah-Yazdi," who publicly backs the use of suicide bombers against Israel, is campaigning to succeed Grand Ayatollah Ali Khameini, 67, as the head of the Islamic state." The Times adds, "Considered an extremist even by fellow mullahs, he was a fringe figure in Iran's theocracy until last year's election of President Mahmoud Ahmadinejad, a fellow fundamentalist who views him as his ideological mentor. He is known to many Iranians as 'Professor Crocodile' because of a notorious cartoon that depicted him weeping false tears over the imprisoning of a reformist journalist."

Palestinians Form Human Shields To Prevent Israeli Air Strikes. ABC World News (11/19, story 5, 2:00, Harris, 8.78M) reported, "Hundreds of civilians risk their lives today in the Palestinian territories. They were trying out a new tactic, acting as human shields in the face of threatened Israeli air strikes. Israeli warplanes have destroyed 15 homes of suspected militants in the Gaza Strip over the last 3 days. But as ABC's Wilf Dinnick reports, today, they were forced to hold off." ABC (Dinnick) added, "They came to the house by the dozens, filling the rooms and crowing the roof. Creating a human shield to protect the home of this man, Mahmoud Baroud, who is part of a militant group known to fire rockets at Israel. Last night Baroud got a call from the Israeli army, a 30-minute warning before an air strike would destroy his home. He ran to his roof, called for help and hundreds came." Although "Israeli army officials will not say whether" the shields "have forced them to change their tactics," they do "admit it is a worrisome development."

The New York Times (11/20, A8, Fisher, 1.16M) reports "Palestinians celebrated" the tactic "as a possibly potent new defense against air raids that Israel might find difficult to counter." Prime Minister Ismail Haniya said Sunday, "We are so proud of this national stand. It's the first step toward protecting our homes, the homes of our children." The AP (11/20, El Deeb) says the shields also "forced Israel to…re-evaluate a mainstay of its aerial campaign in Gaza." The Los Angeles Times (11/20, Boudreaux, Alouf, 850K) reports Israel said that "it had called off a planned aerial bombardment of a Palestinian militant's home after about 200 of his supporters, in a new defensive tactic, rushed to form a human shield around the residence. The mass mobilization in the Gaza Strip is believed to be the first employed by Palestinians to prevent an Israeli air strike." The AP (11/20, El Deeb) and Washington Times (11/20, El Deeb, 88K) also report the story.

Olmert Criticizes UN Resolution On Gaza Air Strike. AFP (11/20) reports Israeli Prime Minister Ehud Olmert Sunday criticized a UN General Assembly resolution passed Friday calling for a fact-finding mission to probe an Israeli artillery strike that killed 19 Palestinians this month. During his weekly cabinet meeting, Olmert said, "We have no doubt that it is the State of Israel which must respond to attacks on civilians. We have expressed our deepest regret over this. But those who preach morality and roll their eyes have yet to see fit to initiate a resolution in condemnation of those who are shooting with the goal of hitting civilians as a long-range, systematic policy."

Nasrallah Calls For Protests Against Beirut. The New York Times (11/20, A8, Bakri, Slackman, 1.16M) reports Hezbollah leader, Sheik Hassan Nasrallah, "pressed his case for bringing down Lebanon's government in a message broadcast Sunday, once again calling for peaceful demonstrations to topple what he described as an 'illegitimate and unconstitutional' government controlled by Washington." According to the Times, Nasrallah used his appearance on Al Manar television "to try to win political support by playing to

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the deep resentment many Lebanese harbor against the United States for having refused to press for an early end to Israel's war with Hezbollah." Sheik Nasrallah sought to characterize his goals in purely domestic terms, insisting that Hezbollah was not doing the bidding of Iran or Syria — as his opponents have charged." The AP (11/20, Dakroub) also reports the story.

India Test-Fires Missile. The New York Times/AP (11/20, Press) reports that on Sunday, India "successfully test-fired a medium-range missile capable of carrying nuclear warheads days after its rival, Pakistan, had launched a similar missile." The Indian missile, "called the Prithvi," was "fired into the Bay of Bengal from a test range in Chandipur in the eastern state of Orissa." The missile test Sunday was "routine" and "part of the country's air defense exercises," and a Pakistan Foreign Ministry spokeswoman, Tasnim Aslam, said Sunday that India "had informed Pakistan ahead of time, as is its standard procedure."

Blair, Musharraf Meet, Strengthen Ties. The New York Times (11/20, Masood, 1.16M) reports, "Prime Minister Tony Blair of Britain and President Pervez Musharraf of Pakistan agreed Sunday to strengthen their nations' cooperation on counterterrorism and other fields, and they stressed the need for political and economic measures along with the use of military force to bring peace in Afghanistan." Blair said relations between Pakistan and Britain were at "their highest point." General Musharraf "brushed off criticism from Afghanistan and the West that Pakistan was not doing enough to curb cross-border infiltration by fighters linked to the Taliban, Afghanistan's ousted rulers," while Blair said "more work needed to be done." Blair's visit included an "assistance package intended to revamp the country's religious schools," a "long-term partnership arrangement to reduce poverty and help Pakistan achieve United Nations goals for development, and both "agreed to increase cooperation between their intelligence services to combat terrorism, illegal immigration and transnational organized crime." Britain also "plans to deliver two MI-17 helicopters in April to the Pakistani antinarcotics force for their antismuggling operation along the border between Pakistan and Afghanistan." During his visit, Blair also "met with Prime Minister Shaukat Aziz and with moderate Islamic religious leaders and went to the Faisal Mosque."

Somali Ambush Kills Six Ethiopians. The New York Times/AP (11/20, Press) reports, "Islamic fighters ambushed an Ethiopian military convoy on Sunday, killing six Ethiopian soldiers and wounding 20 others, witnesses said, in the first known fight between the rival forces maneuvering for control in Somalia." Land mines destroyed two Ethiopian trucks before Islamic fighters "opened fire on the convoy…made up of more than 80 vehicles and headed for Baidoa," which is the headquarters of the so-called transitional government. Sheik Abdirahim Ali Mudey, a spokesman for the Islamic Courts Union, which controls Mogadishu, and most of southern Somalia, said "four Ethiopian trucks were destroyed and some soldiers were killed, but he denied that his group was responsible," and said the fighting was "'a popular uprising' by villagers opposed to Ethiopian troops in Somalia."

Somalia A Rising Hotbed Of Islamic Extremism. Time (11/27, Dealey, 4.03M) runs a story on Somalia called "Terror's Playground," saying that now that the Islamic Courts Union militias "have consolidated their claim to Mogadishu and expanded their control to include most of Somalia," the fear is that the country, "with nearly 9 million Muslims and one that the U.S. has long suspected is a haven for al-Qaeda, may fall further into the hands of Islamic fundamentalists sympathetic to terrorist organizations."

Pope Has Become Unexpected Critic Of Islamic Violence. Time (11/27, Van Biema, Israely, 4.03M) runs a 3,500-word cover story on Pope Benedict XVI and Islam, saying that when the Pope travels to Turkey next week, he will arrive carrying the reputation "of a hard-knuckle intellect with a taste for blunt talk and interreligious confrontation. Just 19 months into his tenure, the Pope has become as much a moral lightning rod as a theologian; suddenly, when he speaks, the whole world listens. And so what takes place over four days in three Turkish cities has the potential to define his papacy -- and a good deal more. Few people saw this coming." He "was expected to sustain John Paul's conservative line," but "this year he has emerged as a far more compelling and complex figure than anyone had imagined. And much of that has to do with his willingness to confront what some people feel is today's equivalent of the communist scourge -- the threat of Islamic violence." Also in Time, First Things editor Father Richard John Neuhaus writes about "What The Pope Gets Right" on Islam, while Oxford's Tariq Ramadan considers "Where He's Still In The Dark."

Sudanese Military Attacks North Darfur. The AP (11/20, De Montesquiou) reports, "A large force of Sudanese soldiers backed by allied janjaweed militiamen is sweeping through North Darfur, killing civilians and looting and burning villages in violation of a cease-fire agreement, international observers and rebels said Sunday." At least four civilians "were killed near the northern town of Birmaza on Sunday," and "200 pro-government janjaweed fighters riding camels had moved into the zone, backed by mobile army units and the Sudanese air force." The African Union peacekeeping force in Darfur said "it had received reports that the Sudanese air force twice bombed Birmaza this week," and the attacks were a "flagrant violation" of the Darfur Peace Agreement.

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Earlier this week, the army "denied it was conducting an offensive in North Darfur, and categorically denied it was using the janjaweed to attack civilians." On Saturday, UN chief of humanitarian affairs Jan Egeland said "he had been barred by Sudanese authorities from visiting several of the areas where fighting is now reported." Sudan's government has rejected the UN Security Council resolution, but this week "appeared to accept a compromise in which a mixed U.N.-AU force would take over."

Nicaragua's Anti-Abortion Law Becomes Stricter. The New York Times (11/20, McKinley, 1.16M) reports, "Hopes among women's groups in Nicaragua that President Enrique Bolaños would stop one of the most restrictive abortion laws in Latin America from taking effect have been dashed, as the president signed it into law late Friday." The new law "strikes out a clause that made it possible for a woman to obtain an abortion legally when three doctors certified that unless she did, her own life would be in danger." It was the "the fruit of the recent presidential election, as conservatives saw a chance to gain its passage in Parliament during the election season." For months, the proposed law "has drawn fierce criticism from several local women's groups, the country's association of gynecologists, the United Nations, the World Health Organization and Human Rights Watch, among others."

Exiled KGB Operative Poisoned In Britain. The New York Times (11/20, Cowell, 1.16M) reports that on Sunday, the British police said "they were investigating the suspected poisoning of Alexander V. Litvinenko, a Russian former K.G.B. operative living in exile in Britain who had been inquiring into the killing of a journalist in Moscow last month." The Sunday Times of London said "the former agent had met Nov. 1 with an Italian contact identified only as Mario in a central London sushi bar," and last week, Litvinenko "told reporters he began to feel sick within hours of the meeting with Mario." John Henry, a clinical toxicologist who has been treating Litvinenko, told the BBC, "He's got a prospect of recovering. He's a got a prospect of dying." He also identified the poison as "thallium, a toxic metal used in rat poison and insecticides." Friend Alex Goldfarb, said Litvinenko is "one of the top public enemies of the Russian F.S.B. and of Putin, particularly because of his book," and that he belonged to "the so-called London émigré circle, which was branded by Russia as a terrorist cell on British soil." Russian authorities had "no immediate comment on suggestions in news reports that the Russian secret service had poisoned Mr. Litvinenko, who is hospitalized and seriously ill, because he had criticized former colleagues and President Vladimir V. Putin."

The Washington Post (11/20, Jordan, 690K) reports that British police "have placed him under protective guard at a London hospital." Goldfarb said that "precious time was wasted because even though Litvinenko thought he had been poisoned immediately after the lunch meeting, doctors did not become alarmed until nearly two weeks later, when his hair started falling out as his condition worsened." He added, "What happened here is an assassination attempt perpetuated by Russian agents. I thought he would be safe here on British soil."

ABC World News (11/19, story 6, 2:15, Harris, 8.78M) reported, "ABC correspondent Mike Lee added that Goldfarb said, "He looks terrible. He looks like a ghost, actually. He lost all his hair. He hasn't eaten for 18 days." Lee: "He has accused his former bosses in Russia's intelligence service of murder. His friends say this is payback. One question leads to another. Why use a slow-acting poison that would give your target time to get medical help? Why not just stab him with your umbrella and dump him in the river like proper spies used to do? And who might have approved of his death? That's where it gets really intriguing."

G-20 Membership Divided On Energy Policy. The Wall Street Journal (11/20, A6, Brown, 2.04M) reports, "A two-day annual meeting of the Group of 20 finance ministers and central bankers accepted that rising global demand for energy and minerals will threaten to spark higher inflation. Underscoring the challenges faced by policy makers, an International Energy Agency paper presented to the meeting projected energy demand will grow 50% in the next 25 years." But "[t]he issues of carbon taxes and greenhouse-gas emissions bedeviled attempts to reach a strategy for reining in demand and stabilizing prices. A push by some countries such as Russia, France and India to embrace nuclear power as a way to diversify energy consumption and reduce climate-changing emissions was another topic that split the G-20 membership." The Journal adds, "U.S. Deputy Treasury Secretary Robert Kimmitt said that in the wake of higher prices, oil-producing countries needed to avoid supply disruptions and adopt investment codes that reflect best practices around the world."

Mexican Economic Policies Said To Cripple Energy Industry. The Washington Times (11/20, Mihailescu, 88K) reports, "Mexico, the No. 2 U.S. supplier of oil, is unable to produce enough to meet the demands of its customers, especially its neighbor to the north, because of outdated national economic policies that have hamstrung its oil and gas exploration and production, analysts say. ... Although Mexico has the potential to be an energy powerhouse, the country's national oil company, Pemex, lacks the investment funds to improve production in mature fields." The Times adds, "Although Canada plans to boost production, it cannot make up for the shortfall caused by Mexico's export decline. The shortfall will force the United

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States to seek alternative suppliers, which will likely increase prices, according to analysts."

Ban Starts UN Administration Hiring Process. The Washington Times (11/20, Pisik, 88K) reports, "The jockeying for top jobs in a new U.N. administration has begun in earnest with the arrival in New York of incoming Secretary-General Ban Ki-moon," as "senior management in some departments will be replaced for the first time in a decade or more, forcing longtime staffers out of their sinecures" and giving Ban "an opportunity to remake the organization to his liking." Ban arrived at the United Nations on Thursday, and is "is expected to spend most of the next six weeks in New York, except for brief trips back to Seoul and at least one visit to Washington." He is also "expected to announce his senior staff appointments -- including a chief of staff and deputy secretary-general -- shortly after he is sworn in as the eighth U.N. secretary-general on Dec. 14. He takes full charge of the organization on Jan. 1." Departing Secretary-General Kofi Annan has "refused to approve long-term contracts for most senior management," leaving Ban "a free hand to select his own heads of major departments."

Prime Minister Calls For Kosovar Independence. In the Wall Street Journal (11/20, 2.04M) Kosovo's Prime Minister Agim Ceku writes in an op-ed that Kosovo is "ready for independence, and now is not the time to stop the clock." There are "two things we must do in Kosovo to succeed as a progressive and a modern independent state. First, we should further improve our institutions to achieve more transparency and a functioning legal system. Second, we need a broad political commitment to development and modernization." Independence "is only the first step and, in itself, is insufficient to provide for Kosovo's future." Kosovo could survive as Ceku's government "has adopted a proactive '3E' plan for Kosovo based on energy, economy and education." Kosovo "can in a few years become a net electricity exporter, with large deposits of coal." Also, "with the right technology we can even do this with an environmental face." Now is not the time to "lose sight" of the EU's "strategic goal" which is "a Europe whole and free."

WPost Says Japan Should Worry About Decreasing Population. The Washington Post (11/20, A17, Fred Hiatt, 690K) writes in an op-ed column, "Japan has embarked on a path no developed nation has ever followed -- of sustained and inexorable population decline." Japan "shrank by about 21,000 last year, and "is in the forefront, and so everyone else will be watching." Hitoshi Suzuki, "a cheerful senior researcher" at Daiwa Institute of Research, "pronounces himself 'not so worried' and last year, he wrote "Population Decline is Not Something We Need to Fear." For a population "to hold steady, every woman must give birth on average to 2.1 children," and Japan clocked in at 1.25 last year. As a result, Japan's population, "now about 128 million, is expected to fall to about 100 million by mid-century," but "in truth," Japan "doesn't seem to want to change as it would have to in order to increase the birthrate."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Army Gives Rumsfeld Doctrine A Rewrite."
"Oases In Navajo Desert Contained 'A Witch's brew'."
"Single-Sex Classes On A Forward Course."
"9/11 Prisoner Abuse Suit Could Be Landmark."
"Tension Among South Korea's Masseurs."
"Exiting Under A Cloud, With $175 Million."

USA Today:
"Food Banks Have Less To Work With As They Try To Meet Holiday Demand."
"Young People Struggle To Deal With Kiss Of Debt."
"Motorists Face New Costs For Highways."

New York Times:
"Schools Slow In Closing Gaps Between Races."
"Cycle Of Revenge Fuels A Pattern Of Iraqi Killings."
"As Iran Seeks Aid, Atom Agency Faces Quandary."
"A New Strategy To Discourage Driving Drunk."
"Evicted From A Blighted Street, Newark's Mayor Finds Another."
"The Kid With All The News About The TV News."

Washington Post:
"The Meaning Of Work."
"Democrats To Push Pocketbook Issues."
"Embittered Insiders Turn Against Bush."
"Kremlin Inc. Widening Control Over Industry."
"In Competitive Marketplace, Asian Egg Donors in Demand."
"Padilla Case Raises Questions About Tactics."
"For McLean Chamber Group, Tysons Tunnel Dream Endures."

Washington Times:
"Marshals Kept Off Plane At Reagan."
"Rebuilding in Iraq Tops 4,000 Projects."
"U.N. Job Seekers get Chance To Impress."
"Bush Protesters Gather In Jakarta."
"For Web Sites, A Reason To give Thanks."

Detroit Free Press:
"Fans Flock To Church To Bid U-M's Bo Farewell."
"Ex-Convict Is Charged In 5 Shootings."
"Aggressive Cuts Take Fight To Big Rivals Wal-Mart Swings Low."

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"Strapped Schools Give Proposal 5 Wistful Look."

Atlanta Journal-Constitution:
"Aquarium Pumps Up Bottom Lines."
"Scores On Test A Bonus For Hall."
"Their Siblings' Keepers."
"Syria Offers To Help Build Stability In Iraq."

Houston Chronicle:
"Leftist Makes High-Stakes Bet In Mexico."
"Sectarian Violence Kills 715 In 8 Days."
"Newspaper Operators To Team Up With Yahoo."
"Foiling The Copper Crooks."

Story Lineup From Last Night's Network News:
ABC: Bush Protest-Indonesia; Iraq War-Analysis; Hostage Situation-Iraq; The Contractor-Iraq; Human Shields-Gaza Strip; Former Russian Spy Poisoned-London; Young People's Debt; Millionaire Secret Santa.
CBS: Preempted By Football.
NBC: Preempted By Football.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Indonesia-Bush Protestors; Air Force One-Tire Problem; Iraq-Troop Levels Debate; College Presidents-Salaries; Romney-Gay Marriage; German Chancellor-Meeting With Silent German Intelligence Agents; Weekend Box Office.
CBS: Indonesia-Bush Protestors; Air Force One-Tire Problem; Iraq- Kissinger; Syria's Foreign Minister-Iraq; Iraq-McCain; Iraq-Webb; Rangel-Draft Renewal; Congress-Democratic Agenda; London-Former KGB Operative Poisoned; Weekend Box Office.
NPR: Indonesia-Bush Protestors; Bush-APEC Summit; Meeting Of Canada's South Korean Ambassador With North Koreans; Iraq-Kissinger; Iraq-McCain; Iraq-Levin; Blair-Afghanistan, Pakistan Visits; Rangel-Draft Renewal; Colon Cancer-Initiating Cell Discovery; Merger-Copper Companies.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Tours the Ho Chi Minh City Securities Trading Center; participates in a roundtable discussion with business leaders, Ho Chi Minh City Trading Center; tours the Pasteur Institute and briefing on HIV-AIDS and Avian flu, Pasteur Institute, Ho Chi Minh City; visits the Ho Chi Minh City History Museum; meets with the President of Indonesia. Bogor, Indonesia; participates in an education event, Bogor Palace; holds joint media availability with the President of Indonesia, Bogor Palace; participates in roundtable with civic leaders, Bogor Palace; attends dinner with the President of Indonesia. Bogor Palace.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: AMERICAN ACADEMY OF RELIGION _ The American Academy of Religion holds its 2006 annual meeting. Highlights: 11:30 a.m. Plenary Address, ``An Interview with Madeleine Albright," former Secretary of State. Location: Washington Convention Center.

HOLOCAUST MUSEUM-DARFUR _ The United States Holocaust Memorial Museum will project building-sized images of the genocide in Darfur onto the Museums exterior walls to make a dramatic statement about the need for action in Darfur. Highlights: 6:30 a.m. U.S. Special Envoy to Sudan, Andrew Natsios, will speak about the crisis. Other speakers include a Darfurian refugee, a survivor of the Rwandan genocide and a Holocaust survivor. Location: United States Holocaust Memorial Museum, 100 Raoul Wallenberg Place SW.

DARFUR _ 10 a.m. - 12 p.m. The Brookings-Bern Project on Internal Displacement hosts two senior officials, Jean-Marie Guehenno, under secretary-general for Peacekeeping at the United Nations; and Andrew Natsios, U.S. presidential special envoy for Sudan, for a discussion on new initiatives being pursued to address the deteriorating situation in Darfur. Carlos Pascual, vice president and director of Foreign Policy Studies, will moderate the discussion, and Roberta Cohen, senior fellow and adviser to the Brookings-Bern Project on Internal Displacement, will give introductory remarks. Location: Brookings Institution, Falk Auditorium, 1775 Massachusetts Ave. NW.

POST-ELECTION POLICIES _ 10 a.m. - 12:30 p.m. The American Enterprise Institute hosts a panel of AEI experts, who will discuss, ``What Lies Beneath? U.S. Foreign and Domestic Policy after the 2006 Elections." Location: Wohlstetter Conference Center, 12t Floor, AEI 1150 17th St, NW.

MILITARY TRAINING _ 11 a.m. Dr. Paul Mayberry, Deputy Under Secretary of Defense for Readiness will brief on Department of Defense training transformation. He will be joined via DVIDS by MG Jason Kamiya and BG Joe Votel from Ft Bragg, N.C. They will provide information on a Mission Readiness Exercise to train U.S., Afghan and International Security Assistance Forces (ISAF) rotating into Afghanistan in January 2007. MG Kamiya was the former commander of coalition forces in Afghanistan until spring 2006 and is currently the Director, Joint Training and commander of the Joint Warfighting Center. BG Votel is the Deputy Commanding General 82nd Airborne Division. Location: DOD Breifing Studio, Pentagon 2E579.

DOJ_NMG_0096399

RUSSIA-ENERGY _ 12 p.m. The Cato Institutes Center for Global Liberty and Prosperity hosts a policy forum, ``Russian Energy Policy and the New Russian State.'' Participants are: Robert Amsterdam, attorney for Mikhail Khodorkovsky, and Andrei Illarionov, former economic adviser to President Putin and Senior Fellow, Center for Global Liberty and Prosperity, Cato Institute. Location: Cato Institute, 1000 Massachusetts Ave. NW.

MIDEAST-DEMOCRACY? _ 12 p.m. - 2 p.m. The Hudson Institute hosts a panel of Middle-East experts who will discuss whether conditions in the contemporary Middle East are suitable for establishing Western-style political democracies. They also will assess whether the United States should make democracy promotion a core goal of its policy in the region or instead pursue more modest reforms to expand peoples' civil rights even under largely authoritarian governments. Location: Hudson Institute, Betsy and Walter Stern Conference Center, 1015 15th St. NW, sixth floor.

HEALTH REFORM _ 12:15 p.m. - 2 p.m. The Commonwealth Fund and the Alliance for Health Reform sponsor a luncheon briefing to discuss how many states have moved forward to reduce the rising number of uninsured. This briefing will focus particularly on such efforts in three states Massachusetts, Vermont and Utah. Panelists are: Amy Lischko from the Massachusetts Executive Office of Health and Human Services; Jim Leddy, a Vermont state senator; Norm Thurston, policy analyst with the Utah Department of Public Health; and Alice Burton of AcademyHealths State Coverage Initiatives. Ed Howard of the Alliance and Anne Gauthier of Commonwealth will moderate. Location: Columbus Club, Union Station.

BOLIVIA _ 12:30 p.m. George Washington University sponsors a lecture with Bolivian Ambassador Gustavo Guzman on his nation's cultural and democratic revolution. Location: Room 602, 1957 E. St. NW.

ARMSTRONG-ISLAM _ 12:30 p.m. - 2 p.m. Karen Armstrong, author, speaker, teacher and media commentator on religious affairs in the U.S. and England, will launch the Mosaic Foundation's new lecture series ``Re- Discovering the Arab World.'' Her lecture is titled ``Islam: The Misunderstood Religion.'' Location: National Press Club, Ballroom.

GOVERNANCE INDICATORS _ 12:30 p.m. - 2:30 p.m. The Center for International Private Enterprise sponsors a roundtable discussion on ``Uses and Abuses of Governance Indicators,'' with Dr. Charles Oman, senior economist, OECD Development Centre. Location: Center for International Private Enterprise, Suite 700, Madison Building, 1155 15th St. NW.

SMITH-ABORTION _ 2 p.m. Congressman Chris Smith, R-NJ, holds a news conference to call on Amnesty International to resist pressure to support the pro-abortion position. With Deidre McQuade, director, Planning and Information, Pro-Life Secretariat of the U.S. Conference of Catholic Bishops; and Kristen Day, executive director, Democrats for Life. Location: Room 2216, Rayburn.

COMMERCE-PRATT & WHITNEY _ 4 p.m. The Secretary of Commerce delivers brief remarks at the Pratt Whitney Engines signing ceremony. Location: Department of Commerce.

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Block, Jonathan

From: Block, Jonathan
Sent: Monday, November 20, 2006 8:45 AM
To: Block, Jonathan; 'Ed.Cogswell@ic.fbi.gov'; 'William.Carter@ic.fbi.gov'; Sampson, Kyle; Elwood, Courtney; McNulty, Paul J; Goodling, Monica; Moschella, William; Brand, Rachel; Courtney, Garrison K.; Jezierski, Crystal; Gorsuch, Neil M; 'Michael.Kortan@ic.fbi.gov'; 'Richard.Kolko@ic.fbi.gov'; 'John.Miller@ic.fbi.gov'; 'K.Hoffman@ic.fbi.gov'; Macklin, Kristi R; Mercer, William W; Knocke, William (DHS); Bergman, Cynthia (DHS); DeZulovich, Mavis (USMS); Hines, Don (USMS); Marianos, Richard W.; Mixell, Sheree L.; Payne, Lawrence R.; Truman, Michael; Billingsley, Traci L; Cooper, Mary Irene; Seidel, Rebecca; Hertling, Richard; Clinger, James H; Beck, Michael (OAG); 'Paul.Bresson@ic.fbi.gov'
Subject: Sunday Show Transcripts 11/19/06
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Importance: Low

Attached, please find the Sunday Show Transcripts from November 19, 2006.

SUNDAY SHOW TRANSCRIPTS
11/19/06

NBC – MEET THE PRESS

MR. TIM RUSSERT: Our issues this Sunday: on election night, there were two Senate races too close to call. The next day, Democrats Jim Webb of Virginia and Jon Tester of Montana were declared winners, giving Democrats control of the U.S. Senate. How will these two independent-minded and outspoken senators shape the debate on Iraq, the economy, and congressional prerogative? With us, Senator-elect Jim Webb and Senator-elect Jon Tester, together only on MEET THE PRESS.

Then...

(Videotape):

PRES. GEORGE W. BUSH: If Iran has a nuclear weapon, it'll be incredibly destabilizing.

(End videotape)

MR. RUSSERT: Iran continues its nuclear ambition. Can there be a diplomatic solution? Our guests: Ted Koppel of the Discovery Channel, whose two-hour documentary, "Iran-The Most Dangerous Nation," debuts tonight; and Robin Wright, author and diplomatic correspondent for The Washington Post.

And in our MEET THE PRESS MINUTE, Nobel Prize-winning economist Milton Friedman died this week at the age of 94. He appeared here almost 25 years ago, and was asked to forecast our economic future.

But first, two of the newest Democratic members of the U.S. Senate: Jon Tester of Montana, Jim Webb of Virginia.

Gentlemen, welcome both.

SEN.-ELECT JIM WEBB (D-VA): Good to be here. Thank you.

MR. RUSSERT: Senator Webb, let me start with you. The election, held 12 days ago. Looking back now, what were the voters saying?

SEN.-ELECT WEBB: Well, I think—you know, I can't, I can't comment for the whole country. I think that there's a lot of concern everywhere I went about Iraq, and a lot of concern about the, the issues of economic fairness in this country, and thirdly, accountability. Those were the third theme—the three themes that I ran on during the campaign, and that's what we were hearing.

MR. RUSSERT: Senator-Elect Tester, what did the voters say 12 days ago in Montana?

SEN.-ELECT JON TESTER (D-MT): Well, I think it revolves around many of the same issues that Jim talked about. I think fiscal responsibility I'd also add to that mix. But health care, energy, what's going on in foreign policy, and, and what's going on ethically back in Washington, D.C., were definitely issues that I heard about.

MR. RUSSERT: Jim Webb, let me show you and our viewers what you said during the campaign about Iraq. "If we want a new direction in Iraq, we need a new team in Congress. A Democratic Congress will demand from day one that the President find a real way forward in Iraq." What's "a real way forward"?

SEN.-ELECT WEBB: Well, first of all, I, I was saying even before we went in that there were three major issues in the Middle East that had to be addressed. One was the Israeli/Arab situation, the other was terrorism, and the third was, was Iraq, and that if we lumped them together that we risked in—having a problem with all three of them. That has happened.

So in the—in looking at Iraq, you need a larger scope than simply what's going on with—with the government, with the troops inside, which people keep talking about. And I'm looking forward to hearing what the Baker commission comes forward with, the Iraq Study Group. But what we need—and I've been saying this for more than two years—is a diplomatic approach that will bring the countries in the region to the table so that we can have ownership, some ownership, diplomatic ownership from the countries that have long-term cultural and historical ties with Iraq. And from that umbrella, then we can address the issue of moving our combat troops out and still affecting the war against international terrorism. I think that's doable. It's a leadership question rather than simply an issues question, and that's what I'm looking forward to trying to bring to the table.

MR. RUSSERT: You're talking about Iran and Syria.

SEN.-ELECT WEBB: We need to talk to Iran and Syria. I think it was a great mistake not to as this moves forward, and that's one thing that I've been encouraged to hear from former Secretary of State Baker that, you know, you need to talk to your, your enemies as well as your friends. You don't have to give up anything in terms of, you know, national concerns to be talking to them, but it's impossible to resolve the situation now without talking to them.

MR. RUSSERT: Jon Tester, during the campaign this is what your Web site said: "An open-ended occupation is not in the best interest of the United States, the Iraqi people, or the Middle East. The time has come to support our troops by laying out a plan to bring them home." Realistically, what kind of plan would you lay out to bring the troops home?

SEN.-ELECT TESTER: Well, I think many of the things that, that Senator-elect Webb talked about would be part of the plan. But I will tell you, we, we need to work with our allies within—in the region. We also need to talk to our enemies and put diplomatic pressure on them. But we also need to visit with our allies around the world to, to develop a plan to, to make, to make this war come to some sort of conclusion and get our troops home. Right now, as it was—been for, you know, since I got into this race in May of '05, there is no plan, and, and there's no end in

sight to this. And, and we really need to focus on, on the war on terror and national security issues. And I think that this war has taken our focus off of that.

That being said, we're there. And as some folks told me on the campaign route, there's really no easy solution here. Getting out tomorrow isn't, isn't probably the right thing to do; staying and getting out later's probably not the right thing to do, and that's why we do need to have a plan. The president as commander in chief needs to provide leadership in this, and in the process we all need to work together and get something that really works for this country and works for the Middle East also.

MR. RUSSERT: Jon Tester, is it fair to say that neither the Democrats nor President Bush at this time really have a plan?

SEN.-ELECT TESTER: Well, I mean, possibly. I mean, I think, I think ultimately what, what's really fair to say is that what's been going on there hasn't been working. And, and we need to come up with, with some, with some focus on, on the war in Iraq. And we need to all understand that, you know, what's going on there hasn't been successful. We're losing lives, it's costing money, I think we're losing stature in the world. And so it's important that we, we, we broaden the scope of, of who we're working with, and, and, and come up to some sort of solution that works for this country, and really focus on Osama bin Laden and al-Qaeda and those kind of things that, that we were focused on, you know, four years ago.

MR. RUSSERT: Jim Webb, John Abizaid, the military commander for the Middle East, came to Congress, and this is what he testified to on Wednesday, "that to begin a significant troop withdrawal from Iraq over the next six months would lead to an increase in sectarian killings and hamper efforts to persuade the Iraqi government to make the difficult decisions needed to secure the country." Your reaction?

SEN.-ELECT WEBB: Well, I can, I can understand why the military people would have concerns about the notion of beginning this process with the announcement of troop withdrawals. It's, it's almost backwards from the way that we should be solving it. There's a tremendous amount of sectarian violence either way and there's, and there's going to be. There are limits to what our military can do. And what I've been proposing and which—something I think that General Abizaid might, might have a different feeling about if he were testifying, I would think, is that we need a diplomatic approach that creates some stability, some agreement among the players in the region. They all have long-term interests, obviously, in, in the stability of, of Iraq, and from that approach then you begin troop withdrawals and—of combat troops, and still be able to affect the issue of international terrorism. That is a workable formula, I think, and it goes a long way toward addressing the situation that he was talking about.

MR. RUSSERT: What happens if the situation deteriorates and it becomes a whole widespread civil war, total chaos? What do we do then?

SEN.-ELECT WEBB: Well, again, there are limits to what the United States military can do in that region. And, in fact, when the United States is operating unilaterally, it creates further

potential for the kind of thing that you're talking about because of the resentments of having the, the, the United States there alone.

So the, the key, to me, for years has been getting these countries that are tangential and other countries that have long-term interests in the stability of Iraq to take some diplomatic ownership. And we did this in, in '01 after we went into Afghanistan when, when we were putting the formula together that resulted in the Karzai government, we got the countries tangential to Afghanistan and others, including Iran, by the way, Iran, India, Pakistan, to become a part of the, the process that created the, the, the solution, the governmental solution. And that's what you need in Iraq, in, in my view. You need these countries to have—to—with, with—some of them with compatible ethnic populations and this sort of thing to, to be participating so that there is some accountability in the region other than the United States for a solution.

MR. RUSSERT: You are a highly-decorated veteran; back in 1985, you were on MEET THE PRESS as second—assistant secretary of defense, reflecting on Vietnam. And let me show you what you said then and come back and talk about it.

SEN.-ELECT WEBB: OK.

(Videotape, April 28, 1985):

SEN.-ELECT WEBB: If I had one lesson that stands out in my mind, it is that you cannot fight a war and debate it at the same time.

(End videotape)

MR. RUSSERT: That's what we're doing right now, aren't we?

SEN.-ELECT WEBB: In a, in a way. I mean, any time you have these, these situations that go on for a long period of time, you have to be able to, to answer questions now. And I, you know, I'm one of these people who—there, there aren't many of us—who can still justify for you the reasons that we went into Vietnam, however screwed up the strategy got, whereas I don't think there were legitimate reasons for us to have taken this move into Iraq, again, with the situations that come—the other situations in the region that were a lot more...

MR. RUSSERT: You opposed it publicly two years before we went in.

SEN.-ELECT WEBB: I did. And, and on strategic grounds that the—if, if you're going to work in this region, the Arab-Israeli situation should be first order priority. We need to find Dennis Ross or, or someone of, of, of that stature to come in and, and really aggressively attempt to bring a resolution to that situation. We need to address international terrorism. We created what I was calling at the time a strategic mouse trap by going into Iraq when we did. We have to fix that, that's the reality that we're dealing with. But, again, the way to fix it is to work from the diplomatic into the military rather than the other way around.

MR. RUSSERT: Your son, Jimmy, 24, is a Marine in Iraq, you wore his combat boots throughout the entire campaign. Is it hard talking about this war knowing that your own son is over there?

SEN.-ELECT WEBB: I have, you know, feelings as a father that I have, you know, I have to separate from the policy issues, because there are a lot of people who have loved ones there and, you know, so I, I think in terms of policy issues I can separate that. Very difficult personally, I have to admit.

MR. RUSSERT: Jon Tester, let me show you what Major General J.D. Thurman, the senior commander of American forces in Baghdad, said. "Part of our problem is that we want this more than they do," talking about the Iraqis. That's a very powerful statement.

SEN.-ELECT TESTER: Well, I mean, I—the—you know, if you go back to what, what Senator-Elect Webb said about diplomatic pressures, you know, I think that is, is just so right on the mark. It, it really is critically important that we visit with our allies to develop, to develop a plan for the region, and also keep our enemies close on this thing. Because I think it's in everybody's best interests to try to find some sort of resolution here. And I don't know if it's wanting it more than they. I think it's, it's knowing what we accomplish when we're done. That, that's part, that's part of what is, is mysterious to me when I look at what's going on in Iraq right now.

MR. RUSSERT: One of the things that happened the day after the election, Jim Webb, was that President Bush announced the Donald Rumsfeld was leaving; that Robert Gates was going to replace him as secretary of defense. And there's a photograph of Mr. Gates meeting with John Warner, the chairman of the Armed Services Committee. Would you like to be able to vote on Mr. Gates' confirmation, rather than have him confirmed before you're sworn in?

SEN.-ELECT WEBB: I would, and that has been misinterpreted by, by some. I heard there was a column by Robert Novak saying that I have some personal animus toward Mr. Gates. I don't even know Mr. Gates. But if this is an individual that I'm going to be working with for the next two years, I would like to be able to ask my own questions, and to examine, you know, his, his qualifications. And I, I think that's sort of logical. If it doesn't happen, it doesn't happen, but certainly I would like to be able to, to sit down in his confirmation hearing and take a vote.

MR. RUSSERT: Let me turn to the issue of congressional corruption. Jon Tester, here's a campaign ad that ran all across the state of Montana. Let's watch, and come back and talk about it.

(Videotape, Jon Tester campaign ad):

AD ANNOUNCER: Look around Montana, and you'll see, Jon Tester is catching on. (Several people shown getting haircuts similar to Jon Tester) He'll put an end to Senator Burns' kind of corruption and make the U.S. Senate look a little more like Montana.

SEN.-ELECT TESTER: I'm Jon Tester, and I approved this message. I approve the haircut, too.

(End videotape)

MR. RUSSERT: Take away the haircut, let's talk about corruption. You talked about Senator Burns' kind of corruption. Right now there are proposals before the incoming U.S. Senate, senator-elect, which will talk about free meals and airplane rides, and so forth. Two of the areas that some in the Senate, some Democrats, don't want to go near are establishing an Office of Public Integrity, and also full disclosure for the so-called "earmarks," money that Senators target for their home states. Are you in favor of a comprehensive reform package that would include the creation of an Office of Public Integrity, and deal with earmarks?

SEN.-ELECT TESTER: I, I, I'm, I'm not—I will tell you that, that building a bureaucracy in Washington, D.C., is not something that I'm crazy about, so developing another office is something I'd take a hard look at before we did it. I do think that we need to get a hold of the earmark situation, and make sure that they're, they're transparent, make sure that the people who are offering the earmarks, we know who they are.

But, but really transparency in government is the key here, Tim. When you talk about influence that the K Street lobbyists have on the process, I think we can limit that. But ultimately, in the end, we—you need to have people in Washington, D.C., who are honest, who, who can't be bought. And, and we will come up with an ethics plan, we talked to Senator Reid about that, that, that will take care of some of the, the free meals and travel and all that stuff. I also hope that we, we get something as far as, as posting who the senators meet with, to the best of their ability. And I know that's, that's tough when it comes to staff in offices this size, but, but the fact is, is the people back home need to know who we're meeting with, so that they have the opportunity to put their two bits in, in, too.

When you talk about a representative government, it should be for everybody not just the moneyed interests. And, and when we have a situation like's been back there the last couple of years with, with—and you know the names, I don't have to bring them up again—that, that have had the dealings with, with, with lobbyists and, and, and money transactions. I just don't, don't think it speaks well for public service at the local level, state level, and especially at the federal level. And we've got a lot of good people back there that do a lot of work, sacrificing family and a lot of other things, and we need to make sure that, that ethics and honesty is a, is a foundation quality for our government.

MR. RUSSERT: One of the issues in your campaign was Senator Burns saying, "I may have said some outrageous things, but I bring home the goods, I bring home the pork for Montana." And Senator Harry Reid, the Democrat, said, "If you vote for Jon Tester, we're going to put him on the Appropriations Committee as soon as possible." That's where the pork is, that's where the earmarks are, but you didn't get on that committee. What happened?

SEN.-ELECT TESTER: Well, I think that Senator Reid did the best he could do, and, and I think that—I don't think any of the freshmen got on that committee. I hope that I will get on it as soon as possible. I've talked to Senator Reid about that, and I think it will happen. I'm very happy with the committees I got—I've, I've received in the Senate. And, and, you know, I've, I've been

in the process in state government for eight years. I can, I can deal with, with issues of importance to Montanans through the amendment process on the floor and, and will do that.

But I think part of what will enable me to do exactly what I talked about with amendments is transparency in government. You can't affect the process unless you know what's transpiring on the floor at the time. So there has to be transparency and opportunity for debate.

MR. RUSSERT: So if you got on the Appropriations Committee, you would want complete transparency for that committee?

SEN.-ELECT TESTER: Absolutely. I think, I think it's very important to be able to offer a debate. What happens—offer to—be able to debate the issue. What happens when earmarks are done until late at night and there's not opportunity for total transparency is you get a lot of projects funded that are truly pork projects that shouldn't be funded, taking money away from good projects that should be.

MR. RUSSERT: I want to ask you both about the economy. Jim Webb, when you were running, you said, "I'm not just running about Iraq, I'm running about what I see happening to the economy in this country, the divisions between rich and poor, as a Jacksonian Democrat." And let me show you an op-ed piece that you wrote on Wednesday for The Wall Street Journal, and have both you and Jon Tester talk about it.

"The most important ... issue in politics today is our society's steady drift toward a class-based system, the likes of which we have not seen since the 19th century. America's top tier has grown infinitely richer and more removed over the past 25 years. It is not unfair to say that they are literally living in a different country. Few among them send their children to public schools; fewer still send their loved ones to fight our wars. They own most of our stocks. ... The top 1 percent now takes in an astounding 16 percent of national income. ...

"This ever-widening divide is too often ignored or downplayed by its beneficiaries. A sense of entitlement has set in among elites, bordering on hubris. When I raised this issue with corporate leaders during the recent political campaign, I was met repeatedly with denials and, from some, an overt lack of concern for those who are falling behind. A troubling arrogance is in the air among the nation's most fortunate. ...

"With this new Congress ... American workers have a chance to be heard in ways that have eluded them for more than a decade. Nothing is more important for the health of our society than to grant them the validity of their concerns. And our government leaders have no greater duty than to confront the growing unfairness in this age of globalization."

Very strong words. What do we do? Roll back tax cuts? Roll back trade agreements? What do we do?

SEN.-ELECT WEBB: No, and I, I strongly believe that, that it's the most important country—issue facing our country. We have corporate profits at an all-time high, wages salary—and

salaries at an all-time low as a percentage of our national wealth. And it's sort of a three-tiered problem, a very difficult problem; it's going to take years, years to break it down.

The first is, what is fair trade in the, in the age of globalization? We can talk about free trade agreements, but when are, when are they not fair? China's the best example of that, where we have a situation now rather similar to what we were seeing with Japan 20 years ago, but much more dangerous in terms of its size and our—and the issues of national security, where you have a devalued currency that is enabling them to bring goods into this country at a very low price. And at the same time, they're using that money to help finance our national debt. We're becoming dependent on them.

The second is, what has happened to the American workers in, in this environment. Because when you look at the movement from GATT toward the WTO, the American workers, the workers around the world, were not addressed as an, as an issue in terms of fairness. So we have situations here, a different type of, of economic and governmental system, where does—where do you pay health benefits? Where do you pay retirement benefits in the different countries? What's equality of condition on a workplace that all goes to the worker?

And then the third is, who is benefitting from the bene—you know, from the, from the larger benefits of globalization? It's not getting down to, to the workers. And that can be addressed, in my view, as a—at a starting point through corporate tax loopholes, there're many of them; through how the tax code is structured that—in a, in a way that benefits the, the, the top 1 percent.

But this is an issue, it's not just rich and poor anymore. It's an issue of what is happening to workers worldwide and how the American worker fits into it. And that is my number one priority as a senator.

MR. RUSSERT: Jon Tester, do you share that concern? And would you be willing to roll back the 1--tax cut of the Bush administration on the top 1 percent and look at trade agreements?

SEN.-ELECT TESTER: Well, I, I think we do need to look at trade agreements for some of the reasons that Jim Webb just talked about. You know, as I go around the state of Montana, you see more and more people working more and more jobs, trying to make ends meet, and I've got story after story about folks who are really having trouble making their, their, their budget balance. And, and it ends up, you know, where we have a society where there's no middle class, and, and the working poor aren't being addressed.

And I think we do need to address, I think we do need to address it in the tax code, make sure we have a tax code that works for the middle class, small business, working families, family farms and ranches, and make sure that those people are empowered to move our economy forward. Those are the folks, really, that, that brought us here, was a vibrant middle class, and they've been forgotten about over the last many years, and it's time to show them some attention.

And when you look at, look at the tax cuts from the Bush administration, let's look at it from the middle class. Let's look at those tax cuts that empower the middle class and move forward. And

I can't agree more with what Jim said about the, the trade, free trade vs. fair trade, devalued dollars and workers' rights in other countries. We've got to make sure these trade agreements work for us and other countries so we're not continually pushing jobs out of this country.

MR. RUSSERT: It's been quite interesting watching both your campaigns and reading about your backgrounds. Here's the cover of The Weekly Standard magazine, Jon Tester, where you're in front of a truck with a shovel and considerable girth, which doesn't make you a bad guy, I know the feeling. Are you a new kind of Democrat? Are you different than some of the national Democrats the country's heard from over the last decade?

SEN.-ELECT TESTER: Well, I don't—you know, I don't know. My, my focus really is on what I talked about, the middle class, and, and, and the people who have really built this country. I think Democrats have been focused on that in the past, but it really is a priority of, of mine. You know, as I look out my window here in Big Sandy, I see more farms than aren't lived in than what are lived in. We really need to have some policies that, that, that move forward, that work for production agriculture. We've got to have some policies that work for the middle class. One of the reasons I am a Democrat is because I think the Democrats have focused on the middle class, and I hope they put more of a priority on it into the future, and, and it's one of the things that I feel very, very strongly about. It's, it's where I come from.

MR. RUSSERT: You said when you walked into the Senate—in the Senate chamber for the first time, it was like walking into your barn. There was no other place in the world quite like it.

SEN.-ELECT TESTER: Well, it's—I mean that from a very positive standpoint. The barn was built by my grandad nearly a hundred years ago and it's a very, it's a very special place for me, as was the Capitol, very, very impressive, and it's a place where I hope to be able to do some really good work, working on both sides of the aisle, finding the common ground to help move this country forward and the state of Montana forward, both domestically and in a, in a—from a foreign affairs standpoint. So, it's, it's a marvelous place, you know that, Tim, and I really look forward to the challenges that are presented to me over the next six years.

MR. RUSSERT: Jim Webb, you had this comment in The Washington Post which caught my attention. "Webb said he will model himself after former New York senator Daniel Patrick Moynihan (D), whom he described as someone 'who had government experience that was shaped by the intellectual world.'" A man I knew well, described as independent, maverick, iconoclastic. Do you see yourself along those lines?

SEN.-ELECT WEBB: You know, when this campaign started and people were saying I didn't know how to do soundbites and debates and this sort of thing. And I sat down one day and I said, "Well, who is my prototype here?" And it would be Daniel Patrick Moynihan. Someone who had government experience, but who was shaped through the intellectual world and who cared about where you measure society, which is at the base, rather than at the top. Where is the health of society. And yeah, very much look forward to, in many ways, following in his footsteps.

MR. RUSSERT: And sometimes got in trouble for his writings.

SEN.-ELECT WEBB: And I, you know, it's—I—I'm really looking forward to, to trying to do the—some of the same things that he did in terms of putting, putting my experience in the intellectual world onto the problems, the practical problems of today.

MR. RUSSERT: Jim Webb and Jon Tester, congratulations to both and we look forward to covering your tenures in the Senate.

SEN.-ELECT WEBB: Thank you. Appreciate being here.

SEN.-ELECT TESTER: Thank you. Thank you, Tim.

MR. RUSSERT: Coming next, insights and analysis on the war in Iraq and the relationship with Iran from Ted Koppel, who just spent three weeks reporting from the region. His new Discovery Channel documentary airs tonight. And author and Washington Post columnist Robin Wright will be here as well, coming up right here on MEET THE PRESS.

(Announcements)

MR. RUSSERT: Iraq and Iran. Insights and analysis from Robin Wright and Ted Koppel after this station break.

(Announcements)

MR. RUSSERT: And we are back. Robin Wright, Ted Koppel, welcome both.

Ted Koppel, tonight, Discovery Channel, 9 p.m. to 11, two-hour documentary on Iran. You just got back. Let me show you as you visited the former U.S. Embassy in Iraq—in Iran. Let's watch.

(Videotape, "Koppel On Discovery: Iran-The Most Dangerous Nation"):

MR. TED KOPPEL: This, of course, is what used to be the U.S. Embassy, until a bunch of radical students back in November of 1979 seized it, and took all the Americans inside hostage. There are other reasons why the U.S. government considers Iran to be dangerous these days, but if you want to talk about the roots of American resentment toward this country, what happened inside the U.S. Embassy here is a pretty good starting point.

But raise that with almost any Iranian, and he or she will respond by saying "Ah, yes, but look at what you guys did back in 1953, when the CIA conspired with British intelligence to overthrow the freely-elected prime minister Mohammed Mossadeq, replacing him with the shah."

And that's essentially the way you can define U.S./Iranian relations these days. Tit-for-tat, grievance for grievance. When a group of Iranian journalists were denied entry to the United States, trying to accompany President Ahmadinejad to the general assembly at the United

Nations, the Iranians immediately responded by saying, "Well, when Koppel and that Discovery group leave, that's it, we will be issuing visas to no more American journalists."

(End videotape)

MR. RUSSERT: That's incredible. Here we are, concerned about Iran becoming a nuclear power, with the war in bordering Iraq, and we're still dealing with tit-for-tat on journalist visas.

MR. KOPPEL: I'll give you another example. When I arrived in Tehran, I was taken in to be fingerprinted. It took about an hour, because they don't fingerprint anybody else. They only fingerprint Americans. And the only reason they fingerprint Americans is because we do retinal scans on people who come from the Middle East, and they don't have a retinal scan machine. I asked someone later, "What do they do with the fingerprints?" Because the guy who fingerprinted me had never done it before, and he got so much ink on that you couldn't even read the fingerprint. He said, "They, they just throw it away. They're just doing it to be"...

MR. RUSSERT: Harassment.

MR. KOPPEL: Yeah. Well, it's tit-for-tat.

MR. RUSSERT: What's the sense of the country? What did you find there, Ted?

MR. KOPPEL: It's not—look, all of us have been to totalitarian countries, and, in its own way, Iran is a totalitarian country. But there is a different feel. In some countries, you sort of feel as though all the air has been sucked out of the atmosphere as soon as you walk in. That's not the way it is with Iranians. Iranians are eager to talk, they will criticize their president, some of them just as savagely and with the same kind of sarcasm that people at—in Georgetown salons in this town criticize President Bush. In fact, frequently they will draw that kind of analogy between their own president and President Bush. That surprised me a little bit.

Having said that, if you cross some of these invisible red lines that they have, you can be jailed for the most innocuous things. And you can be brutalized for the most innocuous things. It's not an easy place to live.

MR. RUSSERT: Robin Wright, 27 years ago, when the embassy was taken over, it's an eternity, when you think of the population of Iran, a country of 69 million people. Seventy percent are under the age of 30. They don't remember that event from their own memories.

MS. ROBIN WRIGHT: No. And, in fact, they are, in many ways, the most dynamic force for change in the region. We focus so much on the ayatollahs and hard-line president, when in fact, the real future of the country is likely to be decided by this enormous body of people who really do understand a global era. They are connected through the Internet. There are, as Ted's documentary points out, tens of thousands of blogs. Everyone's connected. There is a real engagement. They will—many of the people I know in Iran have seen American movies before I see them. They are, they are very savvy about us, just as savvy about us as we are ignorant about them. And that's what, in many ways, is the fe—the hope for us. I've often argued that the

solution to U.S./Iran relations is really in bridging the gap, particularly with that age group, rather than dealing with, you know, bombs or a military solution.

MR. RUSSERT: And yet, Ted Koppel, you captured what many young people in Iran are exposed to at an very early age. Let's just watch more from your documentary.

(Videotape, "Koppel On Discovery: Iran-The Most Dangerous Nation"):

MR. KOPPEL: Still, Khomeini, the religious leader, the revolutionary, the severe, forbidding anti-Western, anti-American presence, remains a force. And the displays of public anger against America that he first inspired more than 25 years ago echo to this day during Friday prayers at the University of Tehran...

(Man shown leading prayer service, congregation shouts in response)

MR. KOPPEL: ...in the streets after prayers...

(Men shown walking through street, shouting in Arabic)

MR. KOPPEL: ...and in the indoctrination of the very youngest. The newest generation of Iranians on their first day of school:

(Children shown standing in formation. Man addresses children over public address system, children shout in response)

MR. KOPPEL: "Death to America! Death to America!" Without much passion, without much emphasis, without any real understanding, they carry the flowers given to them on this, their very first day of school, and they begin their indoctrination against what their leaders tell them is the most dangerous nation: America.

(End videotape)

MR. RUSSERT: One universal truth of all school kids in the morning: they yawn.

MR. KOPPEL: They yawn.

MR. RUSSERT: Thank God.

MR. KOPPEL: And don't know what they—and, and really—but it's not just the kids, Tim. The amazing thing to me was that, for the most part, and we were witness to, and sometimes sort of involved in some of these demonstrations, surrounded by them, there's no passion to it whatsoever.

MR. RUSSERT: It was robotic.

MR. KOPPEL: It's robotic. People are going through it. In fact, people were coming out of Friday prayers when we were there in Isfahan. And, you know, sort of giving us the 'V for victory sign,' and all of a sudden somebody there spotted the camera and realized that here was an opportunity, and all of a sudden he started whipping out the "Death to America" slogans. And people go through the motions, but you didn't get the feeling, certainly with the people, that there was any real enthusiasm.

MR. RUSSERT: Because here's the other side of Iran. And here we have people who are enjoying life in a very Western way. Rock music, videos, cafes, Internet cafes, pool tables. I mean, Robin Wright, how do we tap into the fact that young Iranians love Western culture, and yet, those same young Iranians, even if they are "reformers," also think that their country should have a nuclear bomb as a, as a sign of stature in the world?

MS. WRIGHT: Ah, let's be very careful about that. They all believe they should have nuclear energy because that is the key to development and being a modern country. When it comes to a bomb, that's a very different issue and I'm not sure that—no—there are no public opinion polls in Iran, so we don't know—but there's a very strong feeling that the outside world is trying to block them from having energy because they want to keep it as a kind of third world country that is submissive and dependent.

You know, Iran also has gone through this long war with, with Iraq itself. It was isolated by the outside world. The United States actually provided, again, as Ted's documentary points out, provided intelligence to the Iraqis. Much—some of which was used in—using chemical weapons against Iranian troops. There is a paranoia. So there are those, obviously, who feel very vulnerable, and there are strong indications that they are looking at developing a bomb. But when it comes to the average Iranian, it's the nuclear energy issue that's important to them.

MR. RUSSERT: You encountered a farmer, in terms of...

MR. KOPPEL: It blew, it blew me away. We went for a drive outside Isfahan and I was so tired of being manipulated that I said, "OK, we're going to drive out of town." When I say manipulated, you've got government minders with you most of the time and they let you do this and don't let you do that. I said, "Let's go for a drive." And they said, "OK." I said, "All right. Go straight here and make a right here and make a left there."

We'd gone about 20 miles outside Isfahan and I see a bunch of guys spreading fertilizer in the field. I say, "OK, stop there. I want to talk to these guys." No way they could've set it up. Talking to the guys in the field, all of a sudden this tall dude comes along, he's the owner, 10 acres. Right? Small land owner. We start talking about the bomb, and even in Farsi I can hear he's saying, "NPT," non-proliferation treaty. He's invoking the non-proliferation treaty and saying, "We have a right. Why can't we, you know, the Pakistanis have it, and the Israelis have it and the Indians have it. Why shouldn't we have it?"

And Robin's exactly right, he was talking about nuclear energy, not the bomb. But I would go a step further than, than Robin. I think Iranians are sort of secretly and sometimes not so secretly pleased that Ahmadinejad is tweaking the United States and making us so upset about this.

MR. RUSSERT: Is there any realistic way we can stop Iran from getting a nuclear bomb?

MR. KOPPEL: Boy, I don't think so. I don't think so. I mean, if they want it, the only thing we have to hope is that their, their, their technology is not all that advanced. And unless they buy the technology somewhere else, I'm not at all sure they would get it for at least a few more years.

But having said that, can we stop it? We had no—I had a senior U.S. State Department official tell me we've had more diplomatic contact with North Korea than we have had with Iran. No diplomatic contact. The economic and trade sanctions have been in place for over a quarter of a century, really aren't working. And the military option? Boy, I don't think that's—I don't think that's an option.

MS. WRIGHT: Well, I will add one thing to that. There is this illusion that we can go in and strike a few targets and eliminate their program. But the reality is with all the troops we have on the ground, any military operation against Iran would end up having to strike at their defensive positions. Whether it's along borders, their tank corps, their artillery corps. It would be far more—to be effective, would be far more extensive than anyone envisions at this stage. At least in terms of the public debate about a military option. Much more complicated and costly.

MR. RUSSERT: On the—Thursday in the Financial Times, there was in interesting article written which I'd like to read to you and for our viewers and come back and talk about it because it brings into the equation Iraq.

"Analysts say that as the U.S. scrambles to find an honorable exit from Iraq, opening a new channel to Iran is very much under consideration. Bringing Iran and Syria into the equation is expected to form one of the main proposals of the Iraq Study Group led by former secretary of state James Baker and former Democratic congressman Lee Hamilton. ...

"Trita Parsi, an analyst who advocates engagement, says the U.S. cannot conceal its weakness but has limited alternatives. He says that for Iran to be drawn into a dialogue it needs a clear indication that the U.S. is looking to discuss all issues and address a strategic transformation of the relationship, not just a tactical quick fix of the Iraq crisis. ...

"[At] a three-hour meeting last month between Mr. Baker and Javad Zarif, Iranian envoy to the U.N., ... Mr. Baker was told that Iran would consider helping the U.S. in Iraq if 'Washington first changed its attitude toward Iran.' ...

"Iran is wary of its last experience of cooperating with the U.S., when it helped oust the Taliban from Afghanistan in 2001 ... only to be denounced by Mr. Bush weeks later as a member of the 'axis of evil.'"

The grand compromise.

MR. KOPPEL: Well, focus on that last line. Because I think most Americans are not aware of the fact that Iran really was extremely helpful in getting rid of the Taliban in Afghanistan. And I had one political scientist, who's a childhood friend of Ahmadinejad, tell me, "You know, we're not without resources. We helped you guys in Afghanistan, but we can also hurt you guys in Afghanistan."

I had several people make the point to me that Iran today is more influential inside Iraq than the United States, for all that we have 130,000 troops in there. And that if they wanted to make life even more difficult for us in Iraq, boy, could they do it.

MR. RUSSERT: Richard Engel, our correspondent from NBC News in Iraq, says if you want a hotel reservation in southern Iraq, you order the room in Farsi, the Iranian language. The Iranians have built an airport and a train station in Iraq for their pilgrims to come over to. In order to deal with our crisis in Iraq, must we bring in the Iranians, and have a grand compromise on nuclear power and Iraq?

MS. WRIGHT: Clearly we need to deal, and include in some way, the Iranians and the Syrians. But I think we have to also understand, not have any illusions about what they can accomplish. Remember, Iran is a Shiite country, predominantly Shiite, led by Shiites. Syria is led by a Shiite offshoot minority. They can have influence when it comes to the Shiite militias in, in Iraq. But the insurgency is predominantly Sunni, and the foreign fighters are predominantly Sunni. What influence they can have is still in question. They can certainly, when it comes to the issue of civil war, perhaps, whether it comes to the issue of arms, intelligence, funds, it can try to hold them back.

MR. RUSSERT: But Iran could probably help with the militias and the death gangs.

MS. WRIGHT: The militias and the death squads, yes. But the big question, of course, is are we about to see a full-scale civil war? And on that front, the Iranians may be less of an influence. Syria could help to a certain extent, because the insurgents often go through Syria. But reining them in, that's a different issue as well.

MR. KOPPEL: Robin makes a really important point, that there's another half to that equation. As she correctly points out, who's going to help with the Sunnis? And the Saudis, for example, could be of enormous assistance with the Sunnis, and to date have not been. So it's not just a function of bringing the Iranians into the equation, and bringing the Syrians into the equation, you really have to bring everyone in the region into the equation. And let me say that one dirty word that no one in politics says these days: oil. It's about oil. Not about the Iraqi oil, but about Persian Gulf oil that supplies 25 percent of all the oil that is consumed every day in the entire world. And if Iraq blows up, and if that spills over into the region, you could have an economic instability throughout the world that we haven't even begun to consider.

MR. RUSSERT: Less than a year ago, last December, you were on this program, and we talked about Iraq. And you were rather prescient, talking about the elections, and the tone of the debate, and what would happen after that as Democrats would have to deal with real power. Let's listen.

(Videotape, December 15, 2005):

MR. KOPPEL: The mousetrap that is waiting for the Democrats is if they do not publicly acknowledge that U.S. national interest is, is just fundamentally involved in a stable Iraq and a stable Persian Gulf; if they simply come after the Republicans and take the cheap shots on the war and say you got to bring the troops home at all costs, they might even win the election. But if they win the election, they're going to find themselves confronting the same issues of national interest that the Republicans are facing right now. The simple fact of the matter is, it is in America's national interest that there be stability in the Persian Gulf. And if we precipitously pull the troops out of that area now, there'll be hell to pay.

(End videotape)

MR. RUSSERT: That's the debate.

MR. KOPPEL: That's the debate. And, you know, the problem now is, now the Democrats have influence, and they're going to have to deal with it. And I was at least reassured to hear the two senators-elect this morning in effect make that—especially Senator-Elect Webb, who obviously has had more opportunity, I think, to deal with foreign policy issues than Senator-Elect Tester. But the fact of the matter is, you can't just pull the U.S. troops out of there in the next four to six months. Could you, for the sake of symbolism, begin to, to draw a few of them out? Yes. But that symbolism is going to have effect not only here in the United States, it's also going to have effect over there in the Persian Gulf.

MR. RUSSERT: Robin Wright, you cover this government, the State Department. You're watching very closely Jim Baker, Lee Hamilton, the study group. Robert Gates replacing Donald Rumsfeld. Back in Bush 41, who reported to Robert Gates in the National Security Council? Condoleezza Rice, the current secretary of state. Do you believe that what the Baker group recommends will be adopted by this administration, and what do you think they might recommend?

MS. WRIGHT: Oh, I don't think necessarily they will be adopted. I think one of the most interesting things to happen over the past week is that the Bush administration on Tuesday launched its own debate—own review. It pulled together the secretary of state, the Defense Department, the CIA, and under Stephen Hadley are organizing a very fast review, trying to come out at the same time that the Iraq Study Group comes out with its recommendations for the very reason that it doesn't want to feel that this is the only plan on the table. It wants to be able to say—to pick and choose, basically, to say, "Well, there's some good ideas here; we'd like to blend it with our own thinking," because, because of the very discussion we've had: What do you do about Iran and Syria? The administration argues they've tried that route. They've been open to discussions, and that they haven't found either the Iranians or the Syrians willing to

come to the table on reasonable terms, as they see it. And so this is a way of skirting that issue and, and taking a much more narrow focus.

I think the Iraq Study Group is looking at, as you called it, the bigger game, whether it includes the Arab/Israeli conflict, is uncertain, but it clearly is looking at the neighbors and the regional component of it, whereas the Bush administration's really trying to fine-tune its program.

MR. RUSSERT: The candidates for president in '08, Democrat and Republican, overseeing an exit strategy from Iraq?

MR. KOPPEL: Clearly going to be trying to do that. Whether in fact we will have withdrawn most or all of our troops from Iraq by the time 2008 rolls around, I don't know.

One quick point I do want to make, and that is very few people seem to recall that Bush 41, the elder President Bush, and Colin Powell, who was then chairman of the Joint Chiefs of Staff, kept U.S. troops from going all the way up to Baghdad, kept U.S. forces from overthrowing Saddam Hussein, during Operation: Desert Storm for one principal reason: to keep Iran in check. We've done the Iranians a huge favor.

MR. RUSSERT: And the secretary of defense back then was Dick Cheney.

MR. KOPPEL: Yeah.

MR. RUSSERT: Robin Wright, thank you. We'll keep reading you in The Washington Post. Ted Koppel, tonight, Discovery Channel, 9 to 11. Thank you for this good work, and come back whenever you have something like this. It makes us all proud.

MR. KOPPEL: Thank you. Thanks very much.

MR. RUSSERT: Coming next, our MEET THE PRESS MINUTE with noted economist Dr.Milton Friedman. Is it possible to forecast an economic turnaround? Right after this.

(Announcements)

MR. RUSSERT: Deficits, tax cuts, inflation, interest rates, unemployment—all on the minds of Americans in the midst of a recession in the spring of 1982.

(Videotape, March 21, 1982):

MR. BILL MONROE: Our guest today on MEET THE PRESS is economist Milton Friedman, Nobel Prize winner, senior research fellow at the Hoover Institution, Stanford University, and a member of President Reagan's Economic Policy Advisory Board.

MR. MARVIN KALB: Dr. Friedman, you are speaking with a great deal of confidence and you are clearly a world-renowned economist. With that in mind, could you please tell us when there will be a turnaround in the economy in this country?

DR. MILTON FRIEDMAN: If you were—if I were to say to you, "You are a world-renowned meteorologist. Would you tell me when there's going to be a rain in the next two days," would you think that that was a contradiction to the statement? The forecasting of short-run changes in economic activity is by no means a science. It's not something in which we are a really able to make very good predictions. I think there's a fair chance that when the historians of business cycles come to look at this period, they will say that the bottom was already reached in January. But that may be wrong. It's not the kind of statement in which I would want to have a great deal of confidence.

MR. KALB: So what you're really telling us is that, deep down, you don't know right now when this is going to turn around?

DR. FRIEDMAN: Nobody knows. Nobody knows. knows.

MR. KALB: Nobody knows.

DR. FRIEDMAN: Nobody knows.

MR. KALB: Not even the president and his people when they say...

DR. FRIEDMAN: Nobody knows exactly when it's going to turn around.

(End videotape)

MR. RUSSERT: Economists, meteorologists, political pundits, do they ever get it right? The economy did slowly start to turn around at the end of that year, and for the next 92 months, the U.S. enjoyed one of the longest sustained peace-time economic growth periods in history. Milton Friedman, one of our most well-known economists of all time, died this week at the age of 94.

And we'll be right back.

TEXT: Milton Friedman 1912-2006

(Announcements)

MR. RUSSERT: Check out the MEET THE PRESS Web site where you can now download both audio and video of the entire program to your computer or MP3 player. The MEET THE PRESS netcast and new video podcast all at mtp.msnbc.com.

That's all for today. We'll be back next week. Have a great Thanksgiving.

If it's Sunday, it's MEET THE PRESS.

ABC – THIS WEEK

STEPHANOPOULOS: Thanks for joining us.

This week, it's official. John McCain files the papers for his presidential bid with a challenge to his party.

(BEGIN VIDEO CLIP)

MCCAIN: We lost our principles and our majority. And there is no way to recover our majority without recovering our principles first.

(END VIDEO CLIP)

STEPHANOPOULOS: And defying their new speaker, House Democrats pick a leader.

(BEGIN VIDEO CLIP)

HOYER: I am proud to have been selected by my colleagues as the majority leader.

(END VIDEO CLIP)

STEPHANOPOULOS: Our exclusive headliners this morning, Senator John McCain and Congressman Steny Hoyer.

Then, what's next for Iraq?

(BEGIN VIDEO CLIP)

SEN. HILLARY CLINTON (D), NEW YORK: Hope is not a strategy.

GEN. JOHN ABIZAID, CENTCOM COMMANDER: Senator, I agree with you, and I would also say that despair is not a method.

(END VIDEO CLIP)

STEPHANOPOULOS: George Will, Fareed Zakaria and Robert Reich debate that and the rest of the week's politics on our roundtable. Plus, NASCAR's Jimmie Johnson.

(BEGIN VIDEO CLIP)

JOHNSON: Giving blood can save someone's life. It opens up the world of possibilities for these people in need.

(END VIDEO CLIP)

STEPHANOPOULOS: And as always, the Sunday Funnies.

(BEGIN VIDEO CLIP)

JAY LENO, HOST, THE TONIGHT SHOW : Last night, President Bush landed in Vietnam, but he's running a little bit behind. As you know, he was supposed to be there in 1968.

(LAUGHTER) (END VIDEO CLIP)

STEPHANOPOULOS: Good morning, everyone. Proving that it's never too early for presidential politics, both Rudy Giuliani and John McCain set up exploratory campaigns this week. And we're joined this morning here in the studio by Senator McCain. Welcome back.

MCCAIN: Thanks, George.

STEPHANOPOULOS: So, you're in South Carolina or Michigan talking to a county chairman. When he asks, why should I support you over Rudy Giuliani, what do you say?

MCCAIN: My record. My record of being a conservative Republican, of knowledge on national security and defense issues. My advocacy for less government is the best government, and I think people should be judged on their record, but also their vision for the future of the country.

STEPHANOPOULOS: Mayor Giuliani describes himself as both pro- choice and pro-gay rights. Do you think someone with those positions can get the Republican nomination and effectively lead the Republican Party?

MCCAIN: I don't know. I know that he's an American hero. I know that Americans will never forget the magnificent job he did following 9/11, and I think he would be very favorably looked on by a lot of Americans.

STEPHANOPOULOS: I know you're not pro-choice. You're pro-life. Are you pro-gay rights?

MCCAIN: In the respect that I believe that the don't ask, don't tell policy is working in the military. I don't know how you view that. I do not believe that marriage between -- I believe in the sanctity and unique role of marriage between man and woman, but I certainly don't believe in discriminating against any American.

STEPHANOPOULOS: But on that don't ask, don't tell policy, the military now classifies homosexuals -- they classify homosexuality as a defect. Do you agree with that?

MCCAIN: No, I don't think they do that. I'd have to...

STEPHANOPOULOS: It actually is. Yes, they do right now.

MCCAIN: I don't think it's a, quote, defect, but I do believe the don't ask, don't tell policy has been very effective. We've got the best military we've ever had in our all-volunteer force, so I think the policy is working.

STEPHANOPOULOS: You say you believe marriage should be reserved for between a man and woman. You voted for an initiative in Arizona that went beyond that and actually denied any government benefits to civil unions or domestic partnerships. Are you against civil unions for gay couples? MCCAIN: No, I am not. But that initiative, I think, was misinterpreted. I think that initiative did allow for people to join in legal agreements such as power of attorney and others. I think that there was a difference of opinion on the interpretation of that constitutional amendment in Arizona.

STEPHANOPOULOS: So you're for civil unions?

MCCAIN: No, I am for ability of two people -- I do not believe gay marriage should be legal. I do not believe gay marriage should be legal, but I do believe that people ought to be able to enter into contracts, exchange powers of attorney, other ways that people who have relationship can enter into.

STEPHANOPOULOS: You threw your support behind Trent Lott to be Republican whip. He has said that homosexuality is a sin. Is that what you think?

MCCAIN: I've never heard Trent Lott state that, but, no, that's not what I...

STEPHANOPOULOS: That's not your position?

MCCAIN: No.

STEPHANOPOULOS: One final question on abortion. You're for...

MCCAIN: I just want to point out again, I believe that gay marriage should not be legal, OK, but I don't believe that we should discriminate against any American, because that's not the nature of America, OK?

STEPHANOPOULOS: Does that extend then that you should -- do you believe then that there should be a law that bans discrimination against gays and lesbians in the workplace?

MCCAIN: I don't believe we should discriminate against anyone in the workplace, but I don't think we need specific laws that would apply necessarily to people who are gay.

STEPHANOPOULOS: Let me ask one question about abortion. Then I want to turn to Iraq. You're for a constitutional amendment banning abortion, with some exceptions for life and rape and incest.

MCCAIN: Rape, incest and the life of the mother. Yes.

STEPHANOPOULOS: So is President Bush, yet that hasn't advanced in the six years he's been in office. What are you going to do to advance a constitutional amendment that President Bush hasn't done?

MCCAIN: I don't think a constitutional amendment is probably going to take place, but I do believe that it's very likely or possible that the Supreme Court should -- could overturn Roe v. Wade, which would then return these decisions to the states, which I support.

STEPHANOPOULOS: And you'd be for that?

MCCAIN: Yes, because I'm a federalist. Just as I believe that the issue of gay marriage should be decided by the states, so do I believe that we would be better off by having Roe v. Wade return to the states. And I don't believe the Supreme Court should be legislating in the way that they did on Roe v. Wade.

STEPHANOPOULOS: Let me ask you about Iraq. President Bush is in Vietnam this week, and he says the lesson for Iraq from Vietnam is we'll succeed unless we quit. Is that the lesson you draw from Vietnam?

MCCAIN: The lesson I learned from Vietnam is applicable today. If you're going to do what's necessary to succeed, i.e., the Powell doctrine, then go ahead and do it. But if you're not willing to, then don't.

And right now, from the beginning, as was acknowledged by General Abizaid last week, we didn't have enough troops on the ground at the beginning. Things continued to deteriorate, and we're faced with very, very tough decisions in Iraq today.

And I believe the consequences of failure are catastrophic. It will spread to the region. You will see Iran more emboldened. Eventually, you could see Iran pose a greater threat to the state of Israel.

STEPHANOPOULOS: You said very clearly in your speech at GOPAC this week that unless we increase the number of troops, we will not win.

MCCAIN: Yes.

STEPHANOPOULOS: And you went farther than that, though...

MCCAIN: But I've been saying that for three and a half years.

STEPHANOPOULOS: You have. You also said that you could send soldiers and Marines back to battle if we were willing to make that commitment. But you went on to say this. Let me show our viewers.

(BEGIN VIDEO CLIP)

MCCAIN: What I cannot do is ask him to return to Iraq to risk life and limb so that we might delay our defeat for a few months or a year. It would not be in the interests of the country, and it

surely would be an intolerable sacrifice for so poor an accomplishment. It would be immoral, and I could not do it.

(END VIDEO CLIP)

STEPHANOPOULOS: General Abizaid told you in the Senate Armed Services Committee this week that he does not believe more troops are necessary. President Bush has said he doesn't want to send more troops now.

So by your own standards, isn't it currently immoral to keep Marines and soldiers, other service people, in Iraq?

MCCAIN: Yes, it is. And we've got to ask yourself some questions. One, are we winning? And I think the answer is no. The other is, what are the consequences of defeat? I just pointed out -- a widening war, greater chaos in the region, other countries drawn in, emboldening and strengthening of Iraq.

Can we still win? Yes, I believe we can. It'll be tough, but we need to do it. And what we need to do is we've got to control the strongholds in Anbar. We've got to hold them with Iraqi and U.S. forces and provide sufficient security. We've got to arrest the momentum of the death squads. We've got to continue training the Iraqi army and American presence in Iraqi units, and put Americans into the police force.

Do we have enough troops to do all that? No, we do not.

STEPHANOPOULOS: And, sir...

MCCAIN: And so -- so we have to have additional forces, or we will be playing whack-a-mole, as I've described earlier.

STEPHANOPOULOS: You have been calling for this, as you said, for an awful long time. The president and the generals have been resisting it for an awful long time.

MCCAIN: Yes.

STEPHANOPOULOS: At what point do you say, I'm not going to be complicit with an immoral policy?

MCCAIN: I think we've exhausted every possibility to do what is necessary to exceed, and not until then, because the consequences of failure are catastrophic.

You referred earlier to Vietnam. We left Vietnam. It was over. We just had to heal the wounds of war. We leave this place, chaos in the region, and they'll follow us home. So there's a great deal more at stake here in this conflict, in my view, a lot more.

STEPHANOPOULOS: We've got the Pentagon review coming up in the next couple of weeks, the White House review. You've got Secretary Baker's commission likely to report in the month of December. If those reviews do not call for an increase in troops, as you've advocated, will you call for American troops to come home?

MCCAIN: I will if at the point I think that we have exhausted every option and that we are doomed to failure. I don't know if it'll be at that point or not.

I notice that several retired generals, General Zinni recently, General Batiste, many others have said the same thing that I've said. Many other observers are in agreement with me. Would it put a terrible strain on the Army and Marine Corps? Absolutely, it would be terrible. We're going to be asking people to go back again and again, maybe even extend their tours.

But there's only one thing worse, and that is defeat. I saw a broken army in 1973, and I don't want to see this Army and military...

STEPHANOPOULOS: Henry Kissinger said today he no longer thinks a military solution is possible in Iraq. As I said, you've been calling for this for a long time, but it seems like you continually move the goal posts as well.

STEPHANOPOULOS: You say, boy, if we don't increase the troops, then we're going to lose. Man, if we don't increase the troops, we're going to lose, yet you've...

MCCAIN: And we've been losing.

STEPHANOPOULOS: And we've been losing. But that's my point. I mean, you keep saying at some point, you're going to reach the determination that the policy has failed. It seems like you've reached that determination, but you're not willing to declare it.

MCCAIN: Well, I haven't reached that determination. As you said, there's the Baker commission. There's going to be other studies, internal Pentagon study, et cetera. And other things are happening.

Many Americans believe that we need to do what's necessary to win, or not. And Dr. Henry Kissinger and I are dear friends. I talk to him all the time. But in all due respect, you can't have a political solution unless you have a military solution. There's never been one in history.

STEPHANOPOULOS: The Baker commission is also looking at the possibility of engaging Syria and Iran in this diplomatic process. Would you be for that?

MCCAIN: I don't mind engaging them at all. I think we have to understand that we not only have the Iranian nuclear problem, but the Iranians are on the ascendancy if we fail. So it's going to be very difficult to find common interests.

Now, maybe long-term, it's in Iran's interests not to see chaos in the region. I don't know. But in the short term, both Iran and Syria do not share the same goals that the United States of America does. And we have to take that in consideration when we have discussions with them.

STEPHANOPOULOS: But to be clear, if the Baker commission does not call for more troops, if President Bush does not call for more troops by the State of the Union, will you be calling for American troops to come home?

MCCAIN: I don't know. I don't know the situation at the time. The consequences of failure are so severe that I will exhaust every possibility to try to fix this situation. Because it's not the end when American troops leave. The battleground shifts, and we'll be fighting them again.

You read Zarqawi, and you read bin Laden, you read them. It's not just Iraq that they're interested in. It's the region, and then us.

STEPHANOPOULOS: Until then, by your own admission, American men and women are dying for an immoral policy.

MCCAIN: Well, they're fighting and dying for a failed policy. I respect the views that others have, but I think the record is very clear that all these other options, for example, withdraw to enclaves and continue the training. What, while Al Jazeera broadcasts people being beheaded who were supporters of ours?

Go over the horizon. And how do you get back in? A military operation to get back in. Do you fly helicopters in? There's no good options here. There's no good options. But the consequences of failure are severe, and I believe that we must do what's necessary to prevail.

And I understand how terrible this is. The young men and women who are in the military today, and God bless them, they'll respond if called upon to.

STEPHANOPOULOS: Let me turn to the issue of taxes. I was talking to Vice President Cheney a couple of weeks ago. He had this to say about the Bush tax cuts.

(BEGIN VIDEO CLIP)

DICK CHENEY, VICE PRESIDENT OF THE UNITED STATES: The economy is going gangbusters. It's doing very, very well, primarily because of the tax cuts we put in place in 2001 and 2003. Democrats overwhelmingly opposed those.

(END VIDEO CLIP)

STEPHANOPOULOS: You opposed those, as well. Do you now believe the vice president is right when he says the economy is going gangbusters primarily because of the Bush tax cuts?

MCCAIN: I think we have a very strong economy, and the Bush administration and the Republican Congress deserves great credit for it. I was worried about two things when I voted

against the tax cuts the first time. One, there was no restraint on spending, and that had to be. And the second time around, we were in a war. We've never cut taxes in time of war.

Do I think that they need to be extended? Absolutely, because if you don't, then it's a tax increase.

STEPHANOPOULOS: How is that consistent? If the tax cuts were the wrong idea, and right now, the debt is much higher than it was when you voted against them, why is it right to extend them now?

MCCAIN: Because you would then be increasing taxes on the American people, who have made their family planning based on the tax cuts today.

STEPHANOPOULOS: Do you now believe that the tax cuts did in fact fuel this economic growth?

MCCAIN: I think they helped fuel the economic growth. But I also think that it was vital that we increase -- that we put in spending restraints so that we didn't increase the debt as the way we have this time. We've laid a terrible burden on future generations of Americans in this huge debt, and also Social Security and Medicare. Huge debt.

And they're going to have to pay it. And that's a terrible thing to do to future generations.

STEPHANOPOULOS: As you look to a presidential campaign, you've been a great advocate for campaign finance reform. If you choose to run, will you stay inside the public financing system or go around it?

MCCAIN: I don't think -- it depends, one, on what other candidates might do. But the problem is that we haven't updated the public financing on presidential campaigns -- you can go back to '74 laws, and that puts one at a very significant disadvantage. What we need to do is update the presidential financing system so that it's more in keeping with today's reality, where people raise $50, $100, $150 million.

STEPHANOPOULOS: Finally, sir, you turned 70 in August. You'll be 72 on Election Day. What do you say to voters who are worried about your age?

MCCAIN: I say that I'm older than dirt and I have more scars than Frankenstein, but I've learned a few things on the way. And I'd like them to meet my 94-year-old mother who just returned from traveling in France.

STEPHANOPOULOS: You were ready with that answer.

Senator McCain, thank you very much.

MCCAIN: Thanks, George.

STEPHANOPOULOS: Up next, we have the first Sunday interview with the new House majority leader, Steny Hoyer.

And later, Jimmie Johnson's blood drive.

(BEGIN VIDEO CLIP)

JOHNSON: For just a little pin prick -- you know, 12 minutes of your time, you can really impact someone's life and make a difference.

(END VIDEO CLIP)

(COMMERCIAL BREAK)

(BEGIN VIDEO CLIP)

REP. NANCY PELOSI (D-CA), HOUSE SPEAKER-ELECT: Steny came out a big winner today. It was a stunning victory for him. We've had our debates. We've had our disagreements in that room, and now that is over. As I said to my colleagues, let -- as we say in church, let there be peace on earth and let it begin with us. Let the healing begin.

(END VIDEO CLIP)

STEPHANOPOULOS: That is the incoming speaker of the House, Nancy Pelosi, talking about the new Democratic leader of the House, Steny Hoyer who joins us right now. Welcome.

HOYER: Glad to be with you, George. Thanks a lot. STEPHANOPOULOS: You heard Speaker-to-be Pelosi, there, saying, Let the healing begin. I talked to a lot of your supporters this week who said the ball's in her court.

For the healing to begin, she has to reach out to you and make you a full partner. Have she done that?

HOYER: I think -- yes, we're had a good talk, and I look forward to working with her closely, as we have over the last four years.

George, as you know, Nancy and I are working together. After we ran against one another for whip, or at least we both ran for whip -- I prefer to say it that way -- we've worked very closely together, created a very unified caucus, the most unified we've had in a half a century.

And I am convinced that Nancy and I, who have been friends for over 40 years, are going to be able to do that.

After all, the American public have just given us a big mandate for change and taken the country in a new direction. Nancy and I share that obligation together. We understand that. That's our objective and we're going to work very closely to accomplish that.

STEPHANOPOULOS: I was told that every single one of your nominators actually made the point that we've had a winning team; why break it up?

But after the vote, a lot of supporters of Congressman Murtha, of the speaker are saying they're going to retaliate against your supporters, deny them choice committee assignments.

Has the speaker-to-be promised you that that won't happen?

HOYER: Well, we're going to talk about that. But I'm sure that's not going to happen. One of the reasons it going to not happen is that there are a lot of them.

And it's one thing, as you well know because you've been through this, if you have a margin of one or two or five or even ten, that's one thing but when you have a margin as decisively as the caucus made a decision, then it's time to move on. I don't think there's going to be recrimination or retaliation.

How did Speaker Pelosi get the vote count so wrong? As you say, this wasn't even close.

HOYER: Well, I don't know that she was counting. Nancy Pelosi is a very loyal individual. I respect that quality in her. Jack Murtha had been her campaign chairman. He's her friend, and she supported him, and I understand that and respect her loyalty and even in the face of what she knew was going to be criticism about getting into it.

But because she's so loyal, she decided to do that, and the caucus made a determination. As you said, I really think the bottom- line determination was, they unanimously elected Nancy Pelosi as our nominee for speaker. They're enthusiastic about Nancy, who has set forth an agenda, worked extraordinarily hard to get us where we are. And she's going to be a great speaker, but they said we want to keep the team intact because you've done the job for us.

STEPHANOPOULOS: You said you all have been friends for 40 years, even though you ran against each other. But there seems to be something personal going on here. And some say it goes back to 1963 when you both interned for the same Maryland senator.

HOYER: Well, whoever says that has no idea of what they're talking about. Nancy and I had a great relationship then. I first met her husband then. They weren't married then. She was just a graduate of Trinity. I was at Georgetown law school.

And Nancy and I have had a very good relationship. In fact, George, you may recall, when I first ran for whip back in the early '90s, Nancy was one of my principal supporters.

STEPHANOPOULOS: So no bad blood?

HOYER: No bad blood.

STEPHANOPOULOS: Let's turn to Iraq. Speaker Pelosi has said that ending the war is her top priority. You just heard Senator McCain. He says unless we increase troops, we're going to lose. Do you agree?

HOYER: As a practical matter, there are no troops to increase with. I have been a severe critic since even before the war began, but since its inception in 2003, that we sent a vastly undermanned force to accomplish the objectives, not of beating the Republican Army, Saddam Hussein's army, but to stabilize the country in the short term. The failure to do that has led to the failed performance now. So our mission has not been accomplished.

STEPHANOPOULOS: But more troops now wouldn't help?

HOYER: I think it's -- I heard your earlier interview. I think Kissinger may well be right that we've passed the point now because of our failed implementation of this policy. It's been one of the worst implementations of a foreign policy I have seen in my lifetime.

As a result of failing to stabilize the country in the very short term, 30-, 60-day period after Saddam Hussein fell, the failure to get the economy moving, infrastructure up, electricity being delivered, public works online, the insurgency had an environment in which it could grow and recruit people. I think that what we have said as a united party in three letters to the president of the United States over the last three months, which were signed by Nancy, myself, Ike Skelton and Jack Murtha as well as John Larson and Jim Clyburn, members of the Democratic leadership on the House side, and the Senate leadership is, this is a failed policy, staying the course, Mr. President.

You need to change it. We need to have a transition. We need to reach out to the surrounding states. We need to have bilateral talks with the Syrians and the Iranians. I understand what John McCain just said, that their interests are not necessarily ours. But as Jim Baker has said, if you don't sit down and talk, there's not going to be progress.

STEPHANOPOULOS: Secretary Baker is also considering the option of temporarily increasing the number of troops as part of his plan. Could you go along with that?

HOYER: Well, we'll have to see what that plan is, but if that temporary increase is consistent with a plan to transition and to redeploy and to make it clear that the responsibility for Iraqi security and defense is the Iraqis. After all, our objective was to remove Saddam Hussein and create an environment in which a democracy could be established.

That has been done. Now, unfortunately, in my opinion the Maliki government is not doing what is necessary to remove the militias from the environment and to tamp -- to stop the sectarian violence and killing that's going on. In that context, we will not be able to obtain stability, but if you have a failed government, our continuing to prop up that failed government will not ultimately succeed.

STEPHANOPOULOS: You've got a restive minority in the Democratic caucus in the House who say the only way to stop this war is to cut off funding. I think about 22 House Democrats have signed a letter endorsing that policy. Are you for that? Would you schedule a vote on that?

HOYER: George, that's way premature to consider that, in my opinion. We met with the president. Nancy and I, as you know, were invited down to the White House, and we talked to the president. Nancy and I both made it very clear that we believe that he needed to leave the stay the course policy and get a policy for transition. I think in the next...

STEPHANOPOULOS: So it's premature but not off the table?

HOYER: I think we're not going to defund the troops in the field, period. We're going to support the troops in the field.

That's not an option, of not supporting our troops in the field and making sure they're as safe as we can make them.

Very frankly, their lack of numbers exposes them on a daily basis to danger and death, unfortunately. But clearly, we're going to have discussions going forward as to how we change this policy and change it in the short term, not the long term.

STEPHANOPOULOS: Speaker-to-be Pelosi has another big decision she's going to face, on who's going to be the chairman of the Intelligence Committee.

The Blue Dog conservative-moderate coalition has written her a letter supporting Jane Harman for the chair. The Black Caucus has written her a letter supporting Alcee Hastings for the chair of the Intelligence Committee.

Who's your candidate?

HOYER: I don't have a candidate. Nancy Pelosi is going to make that appointment. Nancy, as you know, served on the Intelligence Committee. She's very knowledgeable of the needs of the Intelligence Committee. It's a tough decision for her to make.

Those are two alternatives you talk about. Jane Harman, I think, has done an excellent job. I've served with Alcee Hastings. Those who have served with him think he's a very able, credible candidate.

She's going to have to make that determination. I'm convinced that Nancy Pelosi will make that decision in a timely fashion, consistent with the interests of the United States and the intelligence community.

STEPHANOPOULOS: Some have said, I think, in the New York Times, and other papers have editorialized, saying it's inappropriate for Congressman Hastings to be made the chairman because he was impeached, when he was a federal judge, by the Senate.

Is that disqualifying to you?

HOYER: I think Nancy's going to make that decision. And she'll have to determine that. And I'll discuss it with her.

STEPHANOPOULOS: What do you think?

HOYER: Well, I'll discuss it with her and I want to give her my advice in private.

STEPHANOPOULOS: Then I'm going to ask you one more question about it Jane Harman.

(LAUGHTER)

Members of the 9/11 families, of the 9/11 commission -- I want to show you what one of them wrote in the Baltimore Sun.

Ms. Harman's ouster goes against a key 9/11 Commission recommendation that advocates for allowing long-term membership and leadership of a committee that requires expertise and experience. Removing Ms. Harman, when we need strong intelligence supervision, is a slap in the face to the 9/11 Commission recommendations.

Does Carrie Lemack have a point?

HOYER: Let me say that I think that the recommendations of the commission are good. I think their focus on creating a long-term service on the Intelligence Committee so that people acquire the expertise and the experience and the knowledge of what has happened in the past makes them more effective in overseeing the intelligence community and making intelligence policy.

So I think that's a good recommendation. I think that, clearly, Nancy Pelosi will take that into consideration.

STEPHANOPOULOS: So you're not going to make a public endorsement, but you are going to give her a private choice?

HOYER: I will certainly talk to Nancy about this choice.

STEPHANOPOULOS: Let me ask one more question. Speaker-to-be Pelosi has said that she wants this to be the most honest and ethical House in history. Democratic sources tell me that you all are considering a total ban on gifts from lobbyists, meals from lobbyists...

HOYER: Travel.

STEPHANOPOULOS: ... travel from lobbyists.

Will you be putting that front and center in January?

HOYER: Yes. I'm a co-sponsor of that legislation.

The American public were very concerned about the culture of corruption. We talked a lot about it. We had Duke Cunningham convicted for taking the biggest bribes in our history; $2.4 million, I think, was the total. He's now serving time in jail.

We need to give the American public the confidence that the business of the American people are being done in an honest, open, transparent fashion.

We need to make sure that they understand that we're not doing business because of the special interests, that our focus is on the general interests of the American public, American families. And we're going to do that. And we're going to adopt legislation that will make it very clear that the expectations of members' conduct is very, very high.

STEPHANOPOULOS: Congressman Hoyer, thanks very much.

HOYER: Terrific.

STEPHANOPOULOS: The roundtable is next with George Will, Fareed Zakaria and Robert Reich.

.(COMMERCIAL BREAK)

(ROUNDTABLE)

(COMMERCIAL BREAK)

STEPHANOPOULOS: Our Voice this week, Jimmie Johnson. Later today, he'll race for the NASCAR championship, and he's also leading NASCAR's drive to help Americans suffering from leukemia and other blood diseases. For Johnson, it's personal.

(BEGIN VIDEOTAPE)

JOHNSON: Giving blood can save someone's life. It opens up the world of possibilities for these -- for people in need. That's why this cause is so important to motorsports and so important to myself. It has saved my team owner's life, and beyond being a team owner he's been a father figure and mentor to me.

Professionally and personally he's always been there for me, and I try to get involved and stay involved in things that are important to him. It's an important cause to myself, as well. There's -- if I'm not mistaken, an infinite type of marrow types, so it takes -- it's a long process, and it takes many, many potential donors to find a match for a recipient. So it's a complicated thing. It's not an easy thing to do.

NASCAR fan catches a caution at the right time, one of the long ones, they can be typed and donate the blood and be back on the couch and not miss any of the action. It's really just about

getting it in front of the fans. This is a great start to that. You know, I think we had a very, very successful first year of blood drives. We did it at the different racetracks, and it's only going to get bigger and better.

(END VIDEOTAPE)

STEPHANOPOULOS: For more information on how you can donate blood and join the national bone marrow registry, go to This Week's website at abcnews.com.

And now, the Sunday Funnies.

(SUNDAY FUNNIES)

STEPHANOPOULOS: That's our show for today. Thanks for sharing part of your Sunday with us and have a blessed and safe Thanksgiving. We'll see you next week.

FOX – NEWS SUNDAY

WALLACE: I'm Chris Wallace. President Bush keeps up the pressure on North Korea, next on Fox News Sunday.

It was the joke that almost derailed the Democrats' march to their majority...

(BEGIN VIDEO CLIP)

KERRY: ... make an effort to be smart, you can do well. If you don't, you get stuck in Iraq.

(END VIDEO CLIP)

WALLACE: ... and led his party to ask him to sit out the rest of the campaign. Today, for the first time since the botched joke controversy, an exclusive interview with Senator John Kerry. We'll ask him why he didn't apologize right away and whether he's still a viable candidate for 2008.

Reigniting the Republican revolution: What will it take for the GOP to take back control of Congress? We'll talk with the architect of the sweeping Republican victory of 1994, former House Speaker Newt Gingrich.

Plus, why is this woman laughing? The Democrats' new leader in the House suffers her first defeat. We'll hear from our Sunday regulars: Brit Hume, Mara Liasson, Bill Kristol and Juan Williams.

And our power player of the week, cooking at the White House for 10,000.

All right now on Fox News Sunday.

And good morning again from Fox News in Washington. Here's a quick check of the latest headlines.

Wrapping up his visit to Vietnam, President Bush pressed the issue of ending North Korea's nuclear program, especially in a meeting with the president of China. A statement from Asian and Pacific nations calls for North Korea to return to talks and stop developing nuclear weapons.

The president travels next to Indonesia, and even before he arrives, thousands of protesters marched the streets of Jakarta, some calling Mr. Bush a war criminal.

And in Iraq, at least 22 people are dead after a suicide bombing in the southern city of Hillah. According to police, a man drove his minivan into a crowd, promising work, then blew up the truck. While the last few weeks have been a time of triumph for most Democrats, it's been a time of trial for Senator John Kerry, who disappeared from the campaign trail in the post-election victory lap after making a joke that went bad. Today, Senator Kerry is sitting down for his first interview since the controversy.

And, Senator, welcome back to Fox News Sunday.

KERRY: Glad to be with you. Thank you for having me.

WALLACE: Speaking to a former hockey player, have you been in the penalty box the last few weeks? Did Democratic leaders say to you that you were becoming a distraction in the final week before the election and that you should sit down?

KERRY: You know, I would differ a little with the characterization you gave. Look, first of all, obviously, it was a bad joke, and I apologized for it. And we moved on, and we should move on.

You know, we had an historic election, absolutely historic. The American people spoke. And I worked very, very hard for those two years to help us elect a Democratic majority.

It was clear to me that if people wanted to make that joke a distraction, I didn't want it to be. I wanted to win -- results. You know, campaigns are about winning and losing. We won.

Now we move on. You just had the news a moment ago, people are dead in Iraq. We have a terrible, unbelievable morass over there that's going to require enormous leadership. We Democrats are excited about what we've won, which is an opportunity to govern and help lead the country in the right direction. That's what I'm looking at.

WALLACE: Well, I must say -- and we told you before you came on that we were going to talk some about the joke. I agree there's things to talk about after, but there are questions people have, and I'm going to ask you about them, sir.

Didn't two senators, didn't Democratic leader Harry Reid and also the Democratic campaign chair, Chuck Schumer, didn't they call you up after the joke and say to you, This has become a distraction; sit down; get off the campaign trail ?

KERRY: Chris, let me again say to you -- I mean, let's be serious about this. This was a bad joke. And I own it. And I apologized for it.

But the full measure of the Republican attack machine knew exactly what I had said, and they set out to make it a distraction.

I had a discussion with a number of leaders, including my colleague Ted Kennedy and others, in order to make a judgment about what was best to accomplish the goal that I had been working for.

And since you had some very close races, I thought it was important. I made the decision. It was my decision to make certain that I didn't distract.

And the results are what speak for themselves. In fact, the Republicans made a terrible mistake, because they shifted the topic back to Iraq. The polls showed that we went up. They didn't want to talk about Iraq, and within two days, they tried to shift back to taxes.

This is over. This was a misstatement. All of us make them in life. You wish you could have it back, but you can't.

But what really is the measure is, what are you fighting for? This election was a moment of history where the people of our country said, We're tired of a corrupt Congress. We're tired of a Congress that's dysfunctional. We're tired of seeing the main issues that affect our lives not be attended to.

And we Democrats -- and I'm proud that I contributed to that. You know, last summer people didn't want to talk about Iraq. I brought that to the floor of the United States Senate, and I helped force that discussion with Russ Feingold, Ted Kennedy and others.

So I believe I offered leadership. And leadership is the real test. Do you lead? I believe I've laid out an agenda on energy independence. I think I've laid out an agenda on health care, an agenda on how we get out of Iraq, how we rebuild America's moral authority. And that's what I'm going to continue to do.

And I've offered -- you know, I called Condoleezza Rice, and I said, Look, let's find a way to work together, because the country needs us to move on. They don't want to talk about a joke that's old news.

WALLACE: But, Senator, in fairness...

KERRY: Only you do.

WALLACE: No, it's not just me. I've got to tell you, there are a lot of people who want to, because they think that it raises questions. Both Republicans and Democrats have said it raises questions about your political judgment.

I want to put up on the screen what it is that your office, your staff said was the joke that you meant to say.

Please put it up on the screen, if you will.

That you said, Do you know where you end up if you don't study, if you aren't smart, if you're intellectually lazy? You end up getting us stuck in a war in Iraq. Just ask President Bush.

Question: Do you think that -- that was the real joke; that's not the botched joke. Do you think that that's funny, to call the president of the United States dumb and lazy?

KERRY: I think they didn't do their homework, and I think Americans know they didn't do their homework. It was not a good joke. It was not well-stated. I own it; I apologized for it. And it's time to move on.

Let's look at this question of homework. Let's look at the question of the troops. Who really was insulted?

I'm a veteran. I have fought all my life to help take care of veterans and to honor what service means. Just this past week, in the United States Senate, I added $18 million in order to help for mental health problems that a lot of veterans are having because they come back with post-traumatic stress syndrome, and there are waiting lines, and we're not taking care of them.

You want to know what the insult to the troops is? The insult to the troops is sending them to war for false reasons. The insult to the troops is sending them to war without the equipment that they need, without the armor, without the armed Humvees. The insult was having the secretary of defense who, for month after month after month, refused to listen to the Congress and listen to his own advisers. The insult is having troops who have a strategy that has them mired without the diplomacy necessary to resolve what everyone has said cannot be resolved militarily.

Now, I'm going to continue to fight for that. That's what the American people voted for the other day, Chris. And, you know, this parlor game of who's up, who's down, today or tomorrow, if I listened to that stuff, I never would've won the nomination, I never would've gotten up in the morning. And I'm not going to be sidetracked by it now, and nor should you.

WALLACE: But, Senator, people are trying to take a measure, as they look ahead to 2008, of the various candidates, and are they...

KERRY: Well, then, you know what I say to them? Take a measure of the guy who mortgaged his house when I was at 30 points below and nobody said I could win. Take a measure of a guy who got up every morning and went to Iowa and said, I know how to win this. Take a measure of

a guy who was 10 points down and won three debates against a sitting president of the United States and put on a convention that had a great message to America about where we're going.

I believe I learned a lot of lessons in that race. And one of the lessons is, when the full attack machine of the Republican Party is leveled at you, fight back. I fought back, for my honor, my integrity and for the rectitude of what I said.

WALLACE: But, Senator...

KERRY: And now we go forward. That's behind us.

WALLACE: But, Senator, wait, wait. The point that a lot of Democrats, not Republicans, Democrats are making at this point is, they're saying you learned the wrong lesson from 2004, that the lesson you -- and you were on the show about a month ago...

KERRY: Right.

WALLACE: ... and you said, I'm not going to get swiftboated again.

KERRY: Correct.

WALLACE: Some people say that's the wrong lesson; that the right lesson is to be politically agile, to be deft in handling whatever the situation is. Sometimes when it's fighting back and that's appropriate, fight back. When it's apologizing, that's appropriate.

I want to take you, if I may, sir, I want to take you back, because some people say what may have gotten you in as much as trouble as the joke is the way you responded to it. Both...

KERRY: But, Chris...

WALLACE: If I may, sir, both Republicans and Democrats were demanding an apology, but here is you at the news conference the next day. Let's take a look.

(BEGIN VIDEO CLIP)

KERRY: Let me make it crystal-clear, as crystal-clear as I know how: I apologize to no one for my criticism of the president and of his broken policy.

(END VIDEO CLIP)

WALLACE: Senator...

KERRY: Yes, but why didn't you play the part where I said, It was a botched joke, and I never intended to insult anybody, especially not the troops ?

WALLACE: But why didn't...

KERRY: Because that was part of what I just said.

WALLACE: ... apologize. The question is...

KERRY: I apologized...

WALLACE: The question is, why not just stop the bleeding right away...

KERRY: Sure, Chris, I've apologized. And this is now clear to everybody, that it was a botched joke; I own it.

But I think the measure of an individual in public life and the measure of what I have done is much bigger than missing one word in a bad joke.

And, you know, that's a game everybody plays here in Washington. What people want to know is, what are we going to do about these major issues? America has lost its moral authority in the world. Does that matter, as we sit here today? Does that matter to people who play this parlor game in Washington? I've been leading the effort to try to restore how we have a foreign policy that makes us stronger. We need to have the ability to be able to talk directly to North Korea. We need to deal with Iran and Syria. I promise you the Baker Commission will come out and say that we should be doing things that some of us have been saying we should be doing for three years. That's leadership.

Energy independence: The United States of America could have jobs, better health, better environment, better security if we move toward real energy independence.

What the American people voted for the other day is to stop having an oil industry that writes an oil bill, a drug industry that writes the drug bill, a bank industry and credit card industry that writes a bankruptcy bill, and takes away from the American people their right to be in the people's house. The people's house once again belongs to the people.

Now, I think what's important for us to talk about is, how do we build a bipartisanship that lifts our government and seizes this moment of optimism and hope that's been expressed by the American people?

WALLACE: Well, Senator...

KERRY: That's what's important.

WALLACE: ... we keep talking past each other. I'm going to...

KERRY: Well, no, that's only because you want to focus on the picayune, not on the real issues that face the country.

WALLACE: I don't think this is picayune, sir. I mean, one of the points is that, on November 1st, when you finally issued your apology, you didn't even come out and say it yourself. You issued a statement. You issued a written piece of paper.

KERRY: I...

WALLACE: If I may, sir, just finish.

KERRY: Sure.

WALLACE: That same day, November 1st, a woman named Danna Swain Palmer sent you and every other senator a letter. Her son, Cory, left the computer engineering program at West Virginia University -- here he is up on the screen -- to join the Marines, sign up for the Marines. And this May, he and three of his comrades were killed by a roadside bomb in Iraq.

And here's what she wrote to you, Senator: These men, along with their peers, are superior in intellect. How dare you dishonor them by your careless words.

Mrs. Palmer, Senator, has yet to hear -- this was three weeks ago -- has yet to hear from your office. Here is your opportunity, on camera, in front of the country. What do you say to her and everyone else about those comments you made?

KERRY: I'm sorry. I apologize. Profusely, profoundly. And I have said that on any number of occasions, and I can't make it more clear.

But at the same time, Chris, let's be honest about this. I mean, let's be honest about it. The White House knew that I didn't set out to or intend to insult anybody. And people who read the full context of my remarks knew that I didn't set out to do it. And what those troops heard they heard because the White House attack machine took those comments and took them into what they want.

And what I learned in '04 is, if people are going to try to make you something that you're not, if people are going to try to manufacture who you are, you have to fight back for that.

Now, I am deeply sorry for that woman, for her. And I have asked my staff to find anybody that I can contact -- I've contacted people in the military, because I feel this so profoundly.

Even the joke itself wouldn't make sense for the simple reason that we do have a volunteer army and you have to be smart to get into it. So, even that runs counter to what they did.

Now, I've apologized, and we have to move on to the real issues that face this country. And those are the issues of, how are we going to govern? How are we going to lift this place up? People didn't vote -- you know, nothing that I said affected this race. We won all our races. That's what I wanted to do.

And I think I showed political acumen, in fact, to understand that. My instinct would've been, if I'd been on the ballot, to go out. My name wasn't on the ballot. So I went out and fought and did what I thought was right in order to help elect a majority.

You know, winning -- you know, Newt Gingrich is coming on. You know, campaigns are about winning and losing. We won. We won a majority in the Congress. We won the right to go forward. That's what I've been working for.

And now I'm excited, as Americans are. They don't want to sit here and rehash the past. That's a Washington game, that's an inside- politics game.

WALLACE: How much damage...

KERRY: The real test is whether or not we're going to do what they've elected us to do. Are they going to accept responsibility? Are we going to do health care for all Americans? Are we going to reform the ethics of the United States Congress so we can open it up and be accountable and transparent?

WALLACE: Senator, how much damage has this done to your possibly seeking the presidency in 2008?

KERRY: The voters will decide that in the future. I believe the voters want to see leadership. And I'm proud of the leadership that I've offered. As I said, I was the first person to run for president who actually advertised publicly about energy independence and dealt with climate change in a real way.

We are the only nation in the world that is the denier of the facts and science of climate change. That has to change. I've been leading on that. Leading on health care -- I have a health-care plan that I laid out that I think is still one that would make our businesses more competitive, one that would help our country to reduce the cost of doing business and provide health care that's affordable to all Americans. And I know that we can fight a more effective war on terror and make our country more secure.

That's the crux of...

WALLACE: I want to ask you about the war on terror in a second, but I just want to make clear on 2008: You have not given up the thought of running for president in 2008?

KERRY: Not in the least. I'm looking at it in the same way. The people that I have talked to across the country are -- my team is confident and strong. I don't know what I'll do.

WALLACE: Are you thinking of setting up -- because that seems to be the thing to do now -- are you thinking of setting up an exploratory committee?

KERRY: You know what we need to do right now? And I've said this all along. My decision would be somewhere around the turn of the year, beginning of the year. Right now our focus, all of us, ought to be to respect what happened on Election Day.

The American people want us to make the Congress function in their interests. The American people are waiting for us to lift up an enormous challenge.

And what's interesting to me is, you know, my colleagues in the Senate and the House are not going to do unto others as they've done unto us. We're not going to be seeking retribution. We're all reaching out to our ranking members as future chairmen. We're going to try to work across the aisle. We're going to try to build the consensus necessary.

And I'm prepared -- as I say, I called Condoleezza Rice. Nothing is more important than resolving Iraq, Afghanistan, North Korea. And I will do everything in my power there.

WALLACE: Let me ask you about Iraq, if I can. We've got about a minute left.

General John Abizaid, the commander of all U.S. forces in the Middle East, spoke to the Senate Armed Services Committee this week. He said to start pulling troops out of Iraq now would only increase the sectarian violence and weaken the government.

One, how do you respond? And, two, do you still have confidence in the generals in charge of the war in Iraq? KERRY: I have confidence in the generals. I think they've been put in a very, very difficult position.

What I don't have confidence in is the policy. And General Abizaid is giving us a diagnosis that is based on the current policy. But that policy has to change, and it can change.

I believe that if you pursue -- I know that if you pursue legitimate diplomacy, the way Henry Kissinger did when he made multiple trips, night after night, day after day, twisting arms, working; if you make the effort that Jim Baker did to build a legitimate coalition, I'm confident we can do what's necessary to get the neighborhood -- and I include in that Iran and Syria -- to take greater stakes in what they realize they have a stake in.

And, frankly, it's very incumbent on us Democrats -- and this is why I called Condoleezza Rice. We have a significant role to play, because we have credibility, because we need to represent a united government. This is in America's interest. This is not Democrat or Republican.

And, frankly, that's how you protect and honor the troops. You give the troops the civilian leadership and the policy that backs them up. We owe them that, and that's what I'm going to work on.

WALLACE: Senator Kerry, we're going to have to leave it there.

KERRY: Thank you.

WALLACE: I want to thank you so much for coming in today...

KERRY: Proud to be here.

WALLACE: ... and dealing with all of this. Please come back, sir.

KERRY: I will.

WALLACE: Up next, the Republicans pick a team to try to lead them back to the promise land. We'll ask former House Speaker Newt Gingrich what the GOP needs to do. Back in a moment.

WALLACE: In 12 years, the Republicans went from seizing control of both houses of Congress to once again watching from the sidelines, leaving many GOP leaders wondering where they went wrong. For answers, we turn to former House Speaker Newt Gingrich.

And welcome back to Fox News Sunday.

GINGRICH: It's good to be with you.

WALLACE: So what do congressional Republicans need to do between now and 2008?

GINGRICH: Well, I think they have to recognize that the country sent them a message. I mean, the first thing Republicans have to do is realize they lost the election. I actually agree with John Kerry about this. Elections matter. The country sent a signal that, on performance, they were unhappy; that there were some scandals that made them even more unhappy; that the conservatives felt the Republicans were not controlling spending the way they wanted to.

And I think that there's got to be some fairly serious soul- searching, not just on Capitol Hill, but in the White House, as Republicans try to understand, you know, where do we go wrong and starting with the State of the Union and the budget and the things that will come up in January, how does the Republican Party get back on message in what had been a growing center-right majority over a 20- year period, starting with Ronald Reagan in 1980.

WALLACE: You call for bipartisanship, but you say that there are two very different choices: that there's one bipartisanship where you try to work with the congressional leaders, with Nancy Pelosi and Harry Reid. The other way is what you call conservative bipartisanship, which is to try to peel off some of those conservative so-called 54 Blue Dog Democrats, in effect the way that Ronald Reagan did it in the early '80s.

GINGRICH: Yes, I was a sophomore, a very back-bench, junior congressman when President Reagan reached out and, for example, on his tax cuts, we got 49 Democrats who bolted from Tip O'Neill and the liberals and gave the Republicans a majority on the House floor.

Now, the Republicans in the Senate, of course, are right at the edge of a majority, with 49 votes. The Republicans in the House will be over 200, so they're stronger than they ever were under Ronald Reagan.

When you look at the number of Democrats who won in places like North Carolina, Indiana, Arizona, campaigning as centrist or Blue Dog or conservative, depending on where they were, Democrats, there's the potential that, with the right policies and right choices, that you could consistently have floor control for the conservatives in a bipartisan coalition even though you have a very liberal Democrat speaker.

WALLACE: You wrote an open memo this week in which you said the following, and let's put it up: Are House Republicans electing a leadership team to be an effective minority or a leadership team to regain the majority?

Well, on Friday, they chose to keep John Boehner and Roy Blunt as their leaders, both men with strong ties to lobbyists and special interests. And I don't have to tell you, some of your fellow conservatives weren't happy about that. Dick Viguerie said that we've decided to reward failure. Jeff Flake, congressman from Arizona, said, We're still in denial.

Does that same team of Boehner and Blunt, do they send the message of change that you say voters want to hear?

GINGRICH: Look, let me start with John Boehner. John Boehner was part of the original reform gang of seven that worked with me when I was the minority whip. John Boehner organized the Contract with America event on the Capitol steps. He was a very visionary leader of the House Republican Conference when I was speaker. And Boehner has only been the majority leader for the last seven or eight months and was not part of how we got in trouble.

Now, he's going to have to decide -- and I know John pretty well, and I think he desperately wants to be speaker and not minority leader. He's got to decide, is he going to focus on regaining control of the House, or is he going to focus on being the White House's floor leader? They are very different jobs. And my hope is that Boehner is going to decide that he wants to be the leader who helps the party get back into majority status.

WALLACE: Well, it's interesting you say that, because you seem to indicate that working for House interests is different from working for the White House.

I mean, there's a thing that's run through a number of statements you've said recently: Do you think the White House and President Bush have gone off-track?

GINGRICH: Look, I think every White House is its own world. I mean, President Eisenhower, President Nixon, President Reagan in his last two years. You know, it is inevitable.

The president gets up, and he has a legacy concern. What do I do in the next two years? I hope he'll decide that that legacy is in a bipartisan coalition that helps also, by the way, elect a Republican president in '08. The House Republicans have a different institutional challenge. How do they reach out in very closely contested districts, recruit the candidates, build the record, create the excitement and the energy to regain a majority?

They're not automatically identical. They can be identical. And I think if they work together and they're serious about it, they can make it identical. But they shouldn't start out every morning assuming that they're the same interests.

WALLACE: I want to press the point about the White House, because you blistered President Bush recently for getting rid of Defense Secretary Don Rumsfeld on the day after the election...

GINGRICH: Yes.

WALLACE: ... rather than making this announcement a couple of weeks before. You say if he had done that, that the Republicans would still control the Senate and they might have a lot more seats in the House.

How do you explain the president's actions?

GINGRICH: I don't. I mean, I look at three things we've heard in the last week: dismissing Rumsfeld; General Abizaid saying we needed to change tactics in Iraq; and reports that the Baker-Hamilton Commission has been talking with Syria. And I look at a level of flexibility, which apparently was going on before the election, which is the opposite of what the American people were being told.

And I believe a large part of this election was an effort to send a signal that said you can't just stay the course in Iraq. You have to have flexibility. You have to find a way to get to a solution.

So I look at that, and I don't understand why, in mid-October, the president didn't publicly say, you know, We're going to go through changes. I hear you. We're going to do things differently.

And I think, had he done that -- and I've talked to a lot of candidates, including several defeated incumbents, who absolutely believe that, had that been the case by October 15, that you would still have a Republican Senate and you might well have a Republican House.

WALLACE: We asked presidential counselor Dan Bartlett about your criticism last week. He said if the president had made this announcement about Rumsfeld two weeks before the election, it would've looked, one, desperate and, two, political.

GINGRICH: Well, first of all, it's inherently political. I mean, deciding whether to keep the secretary of defense is always inherently political.

But in an election campaign, why wouldn't -- this goes back to my point about how White Houses think. Why wouldn't a White House, two weeks before an election in which the largest single issue is Iraq, try to answer the country -- not be political in some narrow, cheap, consultant sense, but answer the country, say to the country, You're right; I hear you ?

And I think it's a huge mistake for White Houses to think that somehow they can ignore the American people. And they usually get punished by the American people deciding to send a stronger and stronger signal until, finally, they get the message.

WALLACE: What do you think of Nancy Pelosi? And as a former speaker, how serious is her having this early defeat?

GINGRICH: Well, she's going to be the first woman speaker in American history. She is going to be a very left-wing San Francisco- values speaker. And she should be; she represents San Francisco, and that's honestly her background.

She has to learn to manage the House. I made a number of mistakes when I was speaker. She will make a number of mistakes when she's speaker.

But Republicans, instead of chortling about, you know, the fact that she backed Murtha rather than Hoyer, Republicans need to start by saying, you know, if she has these weaknesses, how come she's going to be speaker? She won.

She and Rahm Emanuel put together a very intelligent campaign. People like Steny Hoyer went out and raised a lot of money. The Democrats took control of the House for the first time in 12 years.

She did make a mistake with Murtha. I think, frankly, backing Jack Murtha and then losing, I think if she appoints Alcee Hastings to be the head of intelligence, that will be a further mistake in the direction of making her far too left-wing and far too insensitive.

But I would say no one should render judgment on her until she's had six months to learn this new job.

WALLACE: Finally -- we have a couple of minutes left -- let's look ahead to the 2008 presidential race, because once an election's over, we've got to look at the next election.

GINGRICH: That's right. It never ends.

(LAUGHTER)

WALLACE: With George Allen and Rick Santorum now apparently out, is there a vacuum on the right for a candidate appealing to true conservatives?

GINGRICH: Well, there's probably a vacuum, but you have to be fair. Governor Mitt Romney is working very hard to fill that vacuum, and may well succeed. Senator McCain would like to find a way to fill that vacuum and is working very hard at it.

WALLACE: Why do conservatives have doubts about John McCain? And are they legitimate?
GINGRICH: Well, I mean, look, I have a fundamental difference with Senator McCain on amnesty for illegal immigrants; on the tax policy, where he was very much against tax cuts; on the question of McCain-Feingold, which I think is the first censorship...

WALLACE: Campaign finance reform.

GINGRICH: ... which I think is the first censorship bill since the Alien and Sedition Acts in the 1790s and I think is a profoundly bad bill and is part of why these last elections were so unendingly negative.

So there are serious principle discussions, but Senator McCain is a relatively solid conservative. He's a very honest, hard-working man. He has a very patriotic record, both in the military and in the Congress. I served with him in the House.

And you'd have to say, you know, either he or Giuliani is the frontrunner right now. And then McCain, in organizational terms, is the frontrunner. So he's a serious man.

I do think on the movement right, in the areas that produced Ronald Reagan and produced Barry Goldwater, there's a yearning for a clearer voice of conservatism. And I think that Mitt Romney has an opportunity to fill that.

WALLACE: You say Mitt Romney. McCain started an exploratory committee this week. Thirty seconds: Are you going to do the same?

GINGRICH: No. We have a program called American Solutions we're working on. And in September of next year, I'll be glad to come back and talk with you about running for president, but not until...

WALLACE: Not until that late?

GINGRICH: Not until September.

WALLACE: Why so late?

GINGRICH: I think it's important for us to focus on solving very big, very real problems. We have lots of time for personal ambition. And I think an awful lot of this early energy is wasted, and we ought to be focusing on, you know, how are you going to compete with China and India, how are you going to solve the problem in Iraq? I mean, real issues that need real solutions.

WALLACE: Mr. Speaker, thank you. Thanks for joining us today. Appreciate it.

GINGRICH: You bet.

WALLACE: Coming up, we'll talk with our Sunday regulars about the choice of leaders for the new Congress. Nancy Pelosi suffers an early setback. And Republicans go for continuity over change. Stay tuned.

NANCY PELOSI (D-CA), SPEAKER-ELECT: As we say in church, let there be peace on Earth, and let it begin with us. Let the healing begin.

(END VIDEO CLIP)

WALLACE: That was speaker of the House-to-be Nancy Pelosi, trying to put the best face on a stinging defeat as Democrats rejected her choice for majority leader.

And it's time now for our Sunday gang. Brit Hume, Washington managing editor of Fox News, and Fox News contributors Mara Liasson of National Public Radio, Bill Kristol of The Weekly Standard and Juan Williams also from National Public Radio.

So, Nancy Pelosi tried to get rid of her number two, Steny Hoyer, because of longtime personal and professional differences, political differences. But her choice, anti-war advocate John Murtha, in the immortal words of George W. Bush, got a thumpin'.

Brit, what does this tell us about Pelosi and what does it tell us about her strength in the new Congress?

HUME: Well, it's a little early to tell from this, but it looks on the surface like kind of an unforced error. At first it was thought that she had sort of such a relationship with Jack Murtha that she was going to personally back him, but that would be all there was to it. It would just be an expression of a view and that she would recognize that Hoyer was going to win and she wasn't going to go all out.

Well, it's not true that she went all out, but an awful lot of work was done in her direction to try to swing this for Murtha, and it failed utterly. He was beaten, what, 149-86 or something like that, was Murtha. That's a major defeat.

The other thing about it is that she has expressed a view on the war which is identical to Murtha's. And basically, she wants to get out and she doesn't seem to care particularly about what the consequences are in Iraq and the aftermath. I'm not sure that's a position that a lot of Americans would support, but I think that's where she is. And if that's the case, of course, we're likely to see more such actions on her part that will put her perhaps even at odds with her own majority.

LIASSON: Yes, look, I think the decision that Nancy Pelosi made left a lot of people scratching their heads and kind of baffled. And I think the outcome is also unclear. Now, if she knew all along that Murtha wasn't going to win, but did it to show loyalty to someone who had been loyal to her? And to also send a signal to the liberal base of the party that they were hurt in this election, but that now she and Steny Hoyer will work just as well as they've worked together, regardless of personal feelings about each other, as they've worked together for the last number of years?

Or does it signal something that the Republicans were saying. Look, 149 of her caucus is willing to buck her and we're going to try to peel them off on other issues. I don't know if that can actually happen, but I do think that the big next test for her -- and it's almost more important than the majority leader race -- is who she's going to put in as the intelligence committee chairman. Whether she's going to put -- she seems to have all but decided Jane Harman will not get it again, but I think that's a very big test for her.

WALLACE: And the reason that's a big test, Bill, is because if she takes Alcee Hastings, who would the senior person, I guess, if Jane Harman isn't, this is a fellow who was removed as a federal judge on corruption charges. He was acquitted of them in a criminal court, but the U.S. Senate saw fit in its wisdom to remove him from office. The idea of making him house intelligence chair is questionable, no?

KRISTOL: I think -- and the U.S. House voted to impeach him when the Senate convicted him. I think Nancy Pelosi...

(CROSSTALK)

KRISTOL: So there's redemption in American politics. I mean, it will be a good talking point for Republicans and I think it will not be an effective committee for the next two years. I don't suppose it will make a fundamental difference.

You know, what's striking about Pelosi's endorsement of Murtha is she believes that the duty of the Democratic Congress is to get us out of Iraq. I think that's an honest belief of hers, and of Jack Murtha's. I don't think that's political. And everyone -- the conventional wisdom in Washington right now is but of course they'll never cut off funds. That would be politically suicidal, and that's not going to happen.

I don't believe that. Four months from now, if things continue to slide downhill, if the president hasn't adjusted course, if hawks like Senator McCain haven't been satisfied that there's been an increase in troops or that we have a real strategy for victory, I think Nancy Pelosi and the Democratic House will move at some point to enforce timetables and to enforce a funds cutoff.

And frankly, if things don't get better four or six months from now -- that was the window that Abizaid gave, remember, in his testimony? He said he had -- we think we have four to six months to prevent it from really sliding over to the edge to really just sectarian civil war. And if things aren't better four or six months from now, I think we could be looking at a Democratic House and some Republicans who are willing to just pull the plug on Iraq.

WILLIAMS: I don't know about pull the plug, but I think you're looking at an American nation that is totally discontent with the way things have been going in Iraq, and I think that's why she felt comfortable in making clear her support for Murtha as the hero, the anti-war hero, the guy who would, you know, put his credentials as a Vietnam veteran...

(CROSSTALK)

WALLACE: ... that that was completely rejected.

WILLIAMS: It wasn't completely rejected.

WALLACE: It was rejected by the majority of the House...

WILLIAMS: No.

WALLACE: ... of the Democratic caucus.

WILLIAMS: No, there was a decision made, Chris, a decision made that the leadership team that had Pelosi and Hoyer is a better team and that Hoyer is clearly a better inside player in terms of...

HUME: That wasn't what Pelosi wanted, though, was it?

WILLIAMS: No, but I'm telling you, I think Pelosi may have been wise. I think the media may have misplayed this, Brit. I think, in fact, it may be that she is sending a statement to the -- to her base that the Democrats understand the war was a defining issue of the midterm elections, that this Democratic party's not going to run away from the war, not going to try to play moderate and somehow play ball with the White House in a way that will allow the war just to continue ad infinitum.

And that what you've got here is Steny Hoyer, who is much more moderate, much more of the blue dog type Democrat. He gets in. But now what's he going to have to do? He's going to have to kiss up to Pelosi. She's not going to kiss down to him.

WALLACE: All right, before we end this discussion, I want to turn to the Republicans if we can. Because they also made an interesting choice. There were two young conservative -- and there you see them up on the screen, House members Mike Pence and John Shadegg -- who wanted to jump the line and take over the leadership. In fact, Republicans decided to stand, as we mentioned, with Newt Gingrich, with the current team of John Boehner and Roy Blunt. Brit, what do you make of that?

HUME: Well, Boehner is an old face going back, as you heard Newt Gingrich describe, to that era. But he's associated with the reform element in the Republican caucus in the House. He's just really taken over as majority leader. So -- or was majority leader. He'll be minority leader, of course, in the next House. So it's not as if he was necessarily someone who could be identified as part of the problem.

Roy Blunt, of course, goes back to the DeLay era and is a technician and a vote counter and a good one from all accounts. It's very like the Republicans not to throw over their next in line people. They don't -- they tend not to do that. Democrats are more inclined to do that. And in this case, Republicans decided not to. And I suppose it's -- in Boehner's defense, you could say he hasn't been around very long. The guy deserves a chance.

LIASSON: Yes, I think that the Republicans decided that you need real tactical skills to be in the minority. The same thing happened in the Senate when they returned Trent Lott to a position in the leadership that was...

WALLACE: Talk about political resurrection, huh?

LIASSON: Talk about redemption. That was really something. But Trent Lott is very able. And I think that the Republicans on the Hill decided that they want people who know how to use the rules, in the case of the Senate, the rules of the Senate, who know how to use whatever small clout the minority party has in the House, to their advantage and to set themselves up for 2008 rather than making some kind of a symbolic gesture or showing a fresh face. Because, let's face it, the minority is some of the less visible faces on Capitol Hill.

KRISTOL: I'm afraid Republicans in Washington are in a state of denial. This was the worst Republican election since 1974. The worst showing across the board for the Republican party since 1974, since the beginning of the Republican realignment. To send the same leadership team back, for the White House to say so far no big changes except throwing Rumsfeld out the day after, I'm worried that they think this is just a tactical defeat, a short-term problem. And I think they need to be more radical in thinking about changes in personnel and changes of policy.

WILLIAMS: I wonder if it's not a -- it's bad news for the White House, I tell you that. I think that not only to have the established leadership in the House reaffirmed, as opposed to going towards new, more conservative people, but then also to see that Trent Lott comes back. Trent Lott has a grudge, I mean like a personal grudge, not only against Bill Frist, but against President Bush, given the way he was treated before.

WALLACE: Oh, it's going to be interesting.

All right, we have to take a break here. But when we return, the top U.S. commander in the Middle East delivers a message that not every senator wants to hear. That's next.

(COMMERCIAL BREAK)

(BEGIN VIDEO CLIP)

SEN. HILLARY CLINTON (D), NEW YORK: Hope is not a strategy. GEN. JOHN ABIZAID, U.S. CENTRAL COMMAND: With regard to hope not being a method, Senator, I agree with you. And I would also say that despair is not a method. And when I come to Washington, I feel despair.

(END VIDEO CLIP)

WALLACE: Senator Hillary Clinton and General John Abizaid sparring this week about the way forward in Iraq. And we're back now with Brit, Mara, Bill and Juan.

Well, General Abizaid, it was very interesting, took fire from both the right and the left when he appeared before the Senate Armed Services Committee. He rejected calls from Democrats to start pulling troops out, but he also rejected calls, especially from Senator John McCain, to send in more troops.

Brit, how long can he continue to sell the steady as she goes idea?

HUME: Well, it's not going to hold up much longer if the situation doesn't improve. And if it deteriorates further, there will be a cry to do something different, anything different, because, you know, continuing to do the same thing over and over again and expecting the same result is said to be a definition of insanity.

However, it's very interesting to listen to Abizaid on this. Rumsfeld is not gone yet, but he's on his way. If Abizaid had a different view of how this war ought to be fought, one would think we might have gotten an inkling of it.

The truth of the matter is that the way that is being waged in Iraq, it's Abizaid and Casey's war. This is the way they think it ought to be done, and they're worried about two things at all times when it comes to troop levels. They're worried about whether the force is big enough to do the American end of the job. And they're also worried about it being so big that it furthers the sense of occupation and heightens the problems that grow from that, as well as making it easier for the Iraqis to do less.

The policy is the Iraqification of the war. That is what is being sought here, and that's why the steady as you go approach may work if indeed the Iraqis can step up. That's the big question. The Iraqi military and police.

LIASSON: Look, I think that that whole notion that if only we would draw down a little bit and really make the Iraqis understand that we're not going to be around there forever, all of a sudden they'd suddenly be up to the task and do all the things they wanted them to do, make some kind of national reconciliation political deal, get rid of the sectarian militias that have completely insinuated themselves into the security forces, everything would be fine.

What if that's just not the case? In other words, what if they have no willingness or ability to do those things? And I think that's potentially what we're facing. But the other question that was raised this week is, if the number of troops now are clearly not succeeding, the two choices are either, as many Democrats have concluded, cut your losses and get out, it will never work, or as John McCain is suggesting, put in more troops. The generals are all saying there are no more troops to be put in.

WALLACE: Yes, let's talk about that, Bill, because you have been nothing if not consistent for a long period of time in saying send in more troops. General Abizaid was asked about that repeatedly by John McCain and Lindsey Graham. He said two things. One, if we sends in more troops, it sends the wrong signal to the Maliki government that they don't have to get Iraq together. And the other thing he said is, we could send in 20,000 more troops for a brief time, but as it's currently configured, the military can't sustain that.

KRISTOL: Well, on the first point, this has been Abizaid and Casey and Rumsfeld's consistent theory, that Iraqification comes ahead of victory, is the way I would put it. Or the only way to win, to be fair to put it, is Iraqification. I think that's been now -- that's false. We're failing at Iraqification because there's no confidence that we'll be there to help the Iraqis who are with us. So I think that theory was not crazy. It's been discredited. It's time for more troops.

Are there more troops? There are. It would be a strain on the army. You could do 20,000 in the short-term. You could do up to 50,000 over six to eight months. It would require a lot of strain and a lot of extending deployments and taking people out of Okinawa and other places and bringing them into Iraq and stressing our commitments elsewhere. And we need to rebuild the military at the same time.

But, look, Abizaid's job -- he's not chief of staff of the army. He is a combatant commander. He is commander of CentCom. Casey is the field commander. Their responsibility is to win the war. And in my view, they have talked themselves into this notion that their responsibility is to Iraqify the war instead of to win the war.

We can afford to win this war. If we choose not to -- and I think Abizaid said something very important when he said I come back to Washington and I feel despair. That's a big problem. I think Bush has two or three months. If by the state of the union -- I agree with Brit on this -- if by the state of the union, things aren't getting better on the ground or there's not a really plausible change of tactics here at home, I am very worried that political support will crumble; not among Democrats, but among Republicans.

WILLIAMS: But I think political support is gone. I think that's why increasing the size of the force is really not an option politically. I don't think there's support for it. And I think that, on the contrary, there's concern about the sense of the U.S. being an occupying force. And that's why the Baker commission I don't think is even looking at that as an option. What they're talking about is stability, maybe containing Iraq so that you don't have the insurgents there festering and growing in number.

And maybe you also have a possibility of redeploying on a more gradual rate and pulling in people like the European allies, Syria, Iran. Maybe even extending it in terms of bringing back negotiations over the Arabs and the Israelis and saying, you know what, this is a regional issue.

KRISTOL: Oh, my God.

WILLIAMS: I don't think, though, that there's any realistic and -- you know, you and Brit agree on this. The Iraqification hasn't worked, isn't working.

HUME: Well, here's the problem of arguing against Iraqification as a strategy. At some point, in order for this whole enterprise to be a success, the Iraqis have to take charge. We're not going to appoint a viceroy and have a permanent occupation of the country and have it defended and policed by the American military in perpetuity. At some point, the Iraqis have to step up and take over.

The sense, obviously, is that if you don't make them do it now and it's really urgent, it's not going to be easier to make them do it later, and an insurgency can revive. So that this policy of trying to help and protect where needed while building them up may be the only policy that makes sense.

(CROSSTALK)

WILLIAMS: ... a democracy.

HUME: Juan...

WILLIAMS: Remember, we went in there, we were going to promote democracy.

HUME: I'm making the point that -- no, exactly the opposite point.

WILLIAMS: What's the point?

HUME: Listen to me. Which is that a democratic Iraq has to be able to defend itself. It cannot be a successful, people-driven democracy while it's depending on an external force to protect it. And this is what -- this is what the whole idea is, is to get Iraq into a position where it can police itself, defend itself and have confidence in its own...

WILLIAMS: I think our interests as Americans is to simply say, listen, you may not be able to defend yourself, but we'll defend you to the extent that we don't want terrorists using you as a training ground and we'll stop that. That's the American interest. What you want to do in terms of sectarian violence, democracy, that's up to you.

WALLACE: Well, we'll have to get Brit's response next Sunday. Thank you, panel. We'll all continue the discussion in a week.

Up next, our Power Player of the Week.

(COMMERCIAL BREAK) WALLACE: The holiday season is the time for plenty of parties, but if you think you've got a lot of entertaining to do, don't complain to our Power Player of the Week.

(BEGIN VIDEOTAPE)

CRIS COMERFORD, WHITE HOUSE CHEF: It's logistics. It's space. It's the food itself. You know, we have to make sure we have enough supplies of whatever we need.

WALLACE (voice-over): Cris Comerford is the White House chef. Between now and Christmas, she and her staff will cook for more than 10,000 people, attending 26 receptions with the president.

(on camera): You make it sound almost like a military operation. I mean, you talk about logistics and planning and supplies.

COMERFORD: Definitely. Because we have to make sure that everything we do are done in waves.

WALLACE (voice-over): Which is why, the week before Thanksgiving, Comerford and her team had already been on the job for a month...

COMERFORD: Do we have enough room in this freezer?

WALLACE: ... preparing sauces. And on this day...

COMERFORD: They are portioning out about 2,000 pounds of beef. These are Angus tenderloin beef. This is going to be turned into a chicken fried steak for Christmas.

WALLACE: Of course, nothing is cooked until the day of each reception, when the small White House kitchen will be bustling with more than 20 people.

(on camera): How do you entertain a thousand people in this -- in a kitchen this size?

COMERFORD: It's very orderly chaos. They know their dance steps. They know where to go.

WALLACE (voice-over): This is Comerford's second Christmas as White House chef. Last December, Laura Bush introduced her to the public.

LAURA BUSH, FIRST LADY OF THE UNITED STATES: Cris Comerford. Cris is our new White House chef.

WALLACE: Of course, Comerford's main job is feeding the first family. They eat fruit and yogurt for breakfast. He'll have a grilled cheese or peanut butter sandwich for lunch. And while dinner may be steak and vegetables, they literally count the calories of every portion.

COMERFORD: In terms of the meat, I mean, two ounces of meat is really good enough for you.

WALLACE (on camera): Two ounces?

COMERFORD: Two ounces of beef.

WALLACE: Does the president ever complain and say, hey, I want a meal here?

COMERFORD: No, he does not. He's very good.

WALLACE (voice-over): Comerford grew up in the Philippines, getting a degree in food technology. But her first job in the U.S. was running a salad bar in a Chicago hotel.

COMERFORD: My first year was just really like kind of horrifying, because I'm like, I went to college, I don't want to be a salad girl.

WALLACE: After years cooking around the world, in 2005, the salad girl became the first woman to be White House chef.

COMERFORD: So when we developed our Christmas menu, we made sure...

At first, I was like, whoa. And the more I thought about it, I got so scared. But then you're like, no, God put me in here, I'm going to make sure that I'm going to do it well.

WALLACE: Since then, Comerford has cooked a state dinner for Prince Charles and almost every night for the president.

COMERFORD: It's exhausting, but it's a rewarding exhausting type of thing.

WALLACE (on camera): Do you cook when you go home?

COMERFORD: I cook once in a while, but my husband does the most cooking. He's also a chef.

(END VIDEOTAPE)

WALLACE: Cris Comerford told us she spent three months planning that state dinner for Prince Charles, even serving the first family various menus until they agreed on buffalo with mushrooms.

And that's it for today. Have a great week and a happy Thanksgiving. And we'll see you next FOX NEWS SUNDAY.

CBS – FACE THE NATION

SCHIEFFER: Today on Face the Nation, guns and butter. Your taxes and America at war. Republicans repeated it like a mantra during the campaign this fall: Democrats will raise your taxes if they control Congress. Well now they do. So is it true? We'll ask the new chairman of the powerful House Ways and Means Committee, Charles Rangel, Democrat of New York.

And this week, the head of American forces in Iraq said the United States should not withdraw or send more troops there. We'll talk about that with one of the senators who questioned General John Abizaid on the hill, Lindsey Graham, Republican of South Carolina.

Then I'll have a final word on O.J. Simpson and the land of opportunity. But first, raising taxes or not on Face the Nation.

Good morning again. And joining us from New York, the incoming chairman of the House Ways and Means Committee, Charlie Rangel. Mr. Rangel, of course, will now have the title of the powerful chairman of the House Ways and Means Committee because that's what the chairman of this committee is always called. And that is because the House Ways and Means Committee is where all tax bills originate.

Thank you for coming this morning, Congressman. Let me just start off by playing a tape for you of what Republicans were saying throughout this campaign. What you're going to hear is Bill Frist, the outgoing majority leader in the Senate, and the head of the Republican Party, Ken Mehlman. Just listen.

(BEGIN VIDEO CLIP)

U.S. SENATOR BILL FRIST, R-TENNESSEE: Charlie Rangel said it upfront that there's not a Bush tax cut that he won't try to get rid of.

(END VIDEO CLIP)

(BEGIN VIDEO CLIP)

KEN MEHLMAN, REPUBLICAN NATIONAL COMMITTEE CHAIRMAN: Mr. Rangel, who would be responsible for writing tax policy, were Democrats to take control of Congress, he stated in his last week in session that there would be across-the-board tax increases affecting millions of Americans.

(END VIDEO CLIP)

SCHIEFFER: So, what's your version, Mr. Chairman?

RANGEL: I assume that was just campaign rhetoric, and I think Democrats probably said enough themselves. The truth of the matter is that raising taxes that have already been put into effect is poor tax policy and bad politics. As a matter of fact, one of the things that Republicans failed to respond to is, when are we going to tackle the alternative minimum tax which is a tax that we had placed on wealthy people to make certain that they paid some minimum tax?

Now we find that 23 million people have this tax on them. It costs a lot of money to remove it. But I only mention that, Bob, to indicate that that's nobody talking about an increase in taxes. There are lots of taxes that we Democrats and hopefully some of the new Republicans would like to see more targeted to the working class and to the middle class people.

But having said that, tax increases is certainly not on the agenda. The Republicans knew it. It's campaign rhetoric. But we only get two years to prove who we really are, and that's what we're concerned about.

SCHIEFFER: All right. Well, let me just talk a little bit about this alternative minimum tax. As you well know, but let's review for our viewers, I guess it was in 1969 that they put this tax in. And the idea was to make sure that rich people who were taking a lot of deductions by giving things to charity, by getting into tax shelters were winding up not paying any income taxes. And so the alternative minimum tax was put in to make sure that everybody would pay something.

But now, because it was not indices for inflation, a lot of people who consider themselves very middle class are being caught up in this. And we're told if it is allowed to stand as it is maybe as many as 30 million Americans will come under this tax over the next couple of years. What do you want to do about the alternative minimum tax?

RANGEL: Well, it's one provision that neither Republicans nor Democrats can argue that it was put in there and intended to target these people. Because it was not indexed for inflation, a lot of middle-income people had -- was pushed into this category. The first thing I think that I have to do though, even though you can describe the office as the powerful chairman, when you've got a president with a veto, I don't know how powerful it's going to be.

But one of the major things that we have to do in the Congress is to get to know each other and agree to work with each other. Certainly we have to do that on the Ways and Means Committee. I'm meeting with the administration. I met with Secretary of Treasury Paulson. And I'm hoping that we can create some atmosphere of legislating before we go to big-ticket items like the AMT or Social Security or tax reform or even Medicare.

And so, initially, I hope that we can find some low- hanging fruit to show that Republicans and Democrats, at least on the Ways and Means Committee, trust each other, are anxious to work with each other.

We haven't done it in the last decade.

But once we agree that this is something that is not a reform, because it never should have happened in the first place, I would think that this would be a piece of legislation that the whole nation will look forward to in saying, hey, they can work together; this is something that should have been done a decade ago. And we'll be proud of our work.

SCHIEFFER: Well, could you, in fact, do anything meaningful about the alternative minimum tax without the help or the cooperation of the White House?

RANGEL: Of course not. As a matter of fact, that is going to be key. We know, as Democrats, that we only have two years to prove that we deserve the vote that we got to lead.

And to do this, we're not only are going to have to work with the Republicans but we may have to work with a lot of new Democrats that were elected in so-called Republican districts.

On top of this, I'm assuming that the president and the vice president will put an end to the rhetoric that Democrats just want to raise your taxes and they just want to raise spending.

Because if they go into this rigid policy and not change the course on domestic policy, such as Social Security and tax reform, then it means that the president has selected becoming a lame duck. And I don't think the Congress or the country would want that.

SCHIEFFER: All right. Well, let's talk about this because it brings me to the second question. And that is the deficit.

If you eliminated the alternative minimum tax, I'm told that that might, what, cost the government as much as a trillion dollars over ten years.

RANGEL: Exactly.

SCHIEFFER: How do you pay for that, Mr. Chairman? RANGEL: With great difficulty, Mr. Schieffer. The truth of the matter is one of the things, if we can find the political courage to handle it, is that the IRS, Internal Revenue Service said that there's $350 billion in a tax cut where people have not paid their proper share of taxes.

If we went back to the pre-campaign rhetoric, they would say collecting this money means that you're raising taxes. But I think any responsible legislator would know that this is money due and owing the government.

The other big ticket item, if we can find the bipartisanship even to talk about it, is simplifying the tax code. True, it would be difficult to think about a flat tax, but there are trillions of dollars of waste in that code.

It's complicated. It violates the rules of a voluntary system. And many of those provisions were put in because one member of Congress or one member of the Senate needed that provision in order to vote for some other unrelated piece of legislation.

If we were able to simplify that tax code, I submit that there's trillions of dollars to be found and saved in that bill.

SCHIEFFER: All right. Let me ask you about a couple of other things that people have talked about. And that is some sort of deduction better than what you have now for college tuition.

Would you in fact favor 100 percent deduction for college tuition, up to $3,000 a year?

That's one figure that's being kicked about.

And how would you pay for that?

RANGEL: First of all, as soon as we organize -- as you know, we don't organize until January. I don't know what new members are going to be on the committee. I have to get them together, see what their priorities are. It's not going to be a question of just Rangel deciding what he wants. I have to work with the Republicans.

And just as I told the secretary of treasury that I would like to find out what things is it that the administration would like to get done so that, collectively, we could work. The problem, now, in talking about credits and deductions -- and certainly I would want to support anything that would encourage our young people to be able to get training, to be able to get a better education.

And the same thing would go for health care because I think an educated and a healthier work force is important for our national security.

But the problem is that, if you're talking about credits and you're talking about tax reform, it's inconsistent. So you can't put more stuff into the code while you're trying to squeeze it and make

the code more effective. SCHIEFFER: Let me just ask you one thing. What do you think ought to be done about cheaper drugs for senior citizens?

Some people say that the administration, the government, ought to negotiate drug prices.

Do you favor taking that approach, Mr. Rangel?

I know -- I take what you said; I take your point you don't even know who is going to be on your committee yet.

But how do you generally feel about that?

RANGEL: I don't need anyone on the committee to answer that question. There is no question that we should be able to bargain for our senior citizens with the pharmaceutical companies to get the best price and the lowest price possible. It works for the Veterans Administration. There's no reason why it shouldn't work for the United States government.

SCHIEFFER: Let me just switch to the war in Iraq. You have been one of those who have called for a draft. Were you really serious about that? Or did you think that was just a way to bring this war to a close by pointing out, you know, that we don't have a draft and that the sacrifice is not being spread across the country.

Because now, we heard General Abizaid say this week that we really can't put all that many troops more into Iraq than we have there now on a long-term basis because the Army is really not large enough. Would you favor, still seriously favor a draft in this country?

RANGEL: You bet your life. Underscore serious. There's no question in my mind that this president and this administration would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if indeed we had a draft and members of Congress and the administration thought that their kids from their communities would be placed in harm's way.

The second thing, as you pointed out, if we're going to challenge Iran and challenge North Korea and then, as some people have asked, to send more troops to Iraq, we can't do that without a draft. Lastly, a draft doesn't necessarily mean that everyone drafted will have to serve in the military. I think at a time where national security is so important, having our young people commit themselves to a couple of years in service to this great republic, whether it's our seaports, our airports, in schools, in hospitals.

And at the end of that to provide some educational benefits, it's the best thing for our young people and the best thing for our country. I will be introducing that bill as soon as we start the new session.

SCHIEFFER: You will? You will introduce that bill again?

RANGEL: You can depend on that.

SCHIEFFER: I just...

RANGEL: I don't see how anyone can support the war and not support the draft. I think to do so is hypocritical.

SCHIEFFER: Mr. Chairman I want to thank you very much for being with us this morning. We hope to have you again as we go down the road. And we'll be back in just a second with Senator Lindsey Graham of South Carolina.

RANGEL: Thank you, Bob.

SCHIEFFER: Thank you.

(COMMERCIAL BREAK)

SCHIEFFER: And with us now from Kiawah Island in South Carolina, Republican Senator Lindsey Graham. Well, Senator Graham, you just heard what Congressman Rangel said. He says, and he has been saying it for a while, but he underlined that he is very serious about it. He says we need to put a draft back in. Without a draft we simply don't have enough people to do what we may call on the military services to do. What's your response to that?

GRAHAM: Well, I agree with him we don't have enough people. But I think we can get enough people through a voluntary force. The good news for America is that enlistment and retention among those who have served in Iraq and Afghanistan is sky high.

The people in the military have a sense of purpose of why they're there.

We just need to get more people to join, better benefits, better pay. I think we can do this with an all-voluntary service, all-voluntary Army, Air Force, Marine Corps and Navy. And if we can't, then we'll look for some other option.

SCHIEFFER: Well, one of the points that Congressman Rangel was making, that when the sacrifice is not spread among all segments of society, it gives people a different attitude. He says there's no way we would have gotten involved in Iraq if you'd have had a draft, because every senator and every congressman would have to be answering back to his constituents on the kind of situation, the number of casualties that we're now having.

How do you feel about that?

GRAHAM: Well, it assumes that the people that are serving now we don't care much about. I can assure you, I care very much about everybody who voluntarily joins. Senator McCain has got a son at the Naval Academy. He's got a son who's in basic training in the Marine Corps. Kit Bond has got a son who has been over there. Several members of Congress have had their family members serve.

I care very deeply about those who volunteers. So the suggestion that we are just sending people over we don't care about I reject.

We can win this war with an all-voluntary service, but we've got to increase dramatically the Army and Marine Corps, because we don't have enough people to defend America right now.

SCHIEFFER: Well, I take part of your point, but it seems to me what Congressman Rangel was saying, that the sacrifice is not spread across the whole spectrum of American life. He didn't suggest that people don't care about the people who are there now in the all- volunteer Army, Senator.

GRAHAM: Well, the voluntary service represents the country pretty well in terms of ethnic make-up, economic background. I just think the all-volunteer service, if properly paid, properly benefited, can win this war. They're reenlisting in droves. They're committed to what they're doing.

Abizaid told the Congress, the Senate, that if we wanted 20,000 more troops to go to Iraq, Bob, the Army couldn't sustain that, because the Army is too small and too worn out. So we've got to -- one thing I agree with Charlie Rangel about, we need a bigger Army and Marine Corps. And I'm willing to try the voluntary route. I think that it will meet our needs. But if it fails to meet our needs, then we'll do what we have to, to win this war and defend this nation.

SCHIEFFER: Well, let's just listen to what General Abizaid said when he was before the Armed Serves Committee, of which you are a member.

(BEGIN VIDEO CLIP)

GEN. JOHN ABIZAID, CENTCOM COMMANDER: We can put in 20,000 more Americans tomorrow and achieve a temporary effect. But when you look at the overall American force pool that's available out there, the ability to sustain that commitment is simply not something that we have right now with the size of the Army and the Marine Corps.

(END VIDEO CLIP)

SCHIEFFER: And when you hear that, Senator Graham, I mean, whether you're for a draft or not, that is rather chilling, it seems to me.

GRAHAM: It's the most chilling testimony I've heard since the war began. It should be a wake-up call to the Congress. It would be political malpractice for the Congress to allow that situation to sustain itself.

It is obvious to me we don't have enough troops in Iraq to provide the security necessary to create a democracy from the ashes of a dictatorship. There's not enough troops in the beginning, according to General Shinseki. He had 200,000. Abizaid said at the hearing Shinseki was right.

Well, what's happened from then to now to justify less troops? I disagree with the idea of keeping the troop levels where they're at now. I think we need an overwhelming presence in Iraq for the short term. You cannot have a democracy where people are getting killed and kidnapped and murdered at the level they are now. So we need more Iraqi troops; we need more American troops. We need to increase the Army and Marine Corps by at least 50,000. That's going to cost money. That's going to cost sacrifice. But we need to push to have it done now, because we're going to lose this war if we don't adjust quickly.

SCHIEFFER: So you're saying send more troops, more American troops to Iraq, along with Iraqi troops, but I think what our viewers...

GRAHAM: Yes.

SCHIEFFER: ... want to know -- you want to increase the troop levels. By how much, Senator?

GRAHAM: Enough to win the war. The Powell doctrine is that you go to war with an overwhelming force. The Anbar province -- there are four provinces that are out of control. The big battle's in Baghdad. The Marine general in Anbar province, where the Sunni insurgents are thriving right now, says he has enough troops to train the Iraqi army but not to defeat the insurgency. We've been playing whack-a-mole, as John McCain says it, where you clear one area but you can't hold it because you go to the next area to suppress a surge in violence.

We need a larger troop presence in Iraq to bring about security.

The police force in Iraq needs to be rebuilt, Bob. It is just a mess over there. You don't have a functioning police force. They're not loyal to the people at large. They're loyal to sectarian groups. So we need to have a security presence over there with more American troops in the short term, so the Iraqi people can solve their problems through the political process, not through violence.

The hearts of the Iraqi people are hardening against each other. It's hard for a politic ian to go to Baghdad and do a deal with somebody on the opposite side when 50 of your constituents were shot in the head the day before.

SCHIEFFER: Do you believe, Senator Graham, that things are worse, right now, in Iraq, than, say, they were six months ago?

GRAHAM: Absolutely, they're worse. I've been there four times. The first time I went there, I walked around town and bought rugs. The fourth time I went, about a year ago, I had to be in a tank.

The political progress in Iraq is real. But it's being eroded because of the level of violence.

The insurgency is a lot more robust now than it was before. And it goes back to letting the country get out of control. The Iraqi politicians have to disarm the militia.

You can't have a democracy where you've got political parties with armies and sectarian or religious groups with their own armies stronger than the police or the national army.

So we've got a lot to do. And we don't have enough troops to get it done with. But if we put a presence in there -- a robust military presence, I think, can bring about security, push the Iraqi politicians to disarm the militia.

They're dying for their own freedom in droves in Iraq, Bob. I think they can still do this if they get a little breathing room from the balance.

SCHIEFFER: Let me just ask you. Here's, kind of, the story of the morning. On the A.P. -- I'm just going to read it you -- dateline, London: Military victory is no longer possible in Iraq, former secretary of state Henry Kissinger said in a television interview broadcast on Sunday.

Kissinger is quoted as saying, If you mean, by military victory, an Iraqi government that can be established and whose rift runs across the whole country, that gets the civil war under control and sectarian violence under control, then the political process of democracy will emerge, I don't believe that is possible.

GRAHAM: Well, I disagree.

SCHIEFFER: Do you have a comment?

GRAHAM: Yes, I disagree with the secretary. He's a very bright man. He's done a lot more in the world than I have. But I do believe this. The people who are fighting and dying for their freedom in Iraq want it enough to fight and die. If you want to be a judge in Iraq, not only do they come after you. They try to come after your family.

So the Iraqi people are sacrificing. But we do not have control. We do not have security in Iraq. The only way you'll ever get a political solution to the differences that exist among the Iraqi people is to control the violence.

I am willing to send more American troops to make that happen. I believe in the Iraqi people. But they can't get it done at this level of violence.

SCHIEFFER: All right. And that's where we have to end it.

Thank you so much, Senator.

GRAHAM: Thank you.

SCHIEFFER: Back with a final word in just a moment.

(COMMERCIAL BREAK)

SCHIEFFER: And finally today, I thought the congressional page scandal would surely win the most disgusting story of the year award.

But who knew that O.J. Simpson would write a how-to manual describing the way he would have killed his wife, had he chosen to commit the crime, or so he says. Or that he would get two prime- time hours on Fox Television to promote his book.

In our country, the law says a citizen who is found not guilty can't be tried again for the same crime. So along came a publisher named Judith Regan, who found a way to funnel millions of dollars to O.J. to write this trash. And get this. She says one reason she did it was because she was once an abused wife.

I'm just guessing here, but I'll bet another reason, maybe she gets a cut of the profits. She will personally conduct the two one-hour interviews that will air later this month on Fox Television, which, like Ms. Regan's company, is owned by Rupert Murdoch.

I've never been one to criticize competitors. It always sounds cheesy to me. But may I congratulate the Fox affiliate station owners and managers who have not decided -- or who have decided not to broadcast this dreadful thing being sent out by their network.

Someone -- I think it was William F. Buckley -- once said, something doesn't have to be against the law to be wrong. This one is more than wrong. It is just awful.

That's it for us. We'll see you next week, right here on Face the Nation.

CNN – LATE EDITION

WOLF BLITZER, HOST: It's 11 a.m. in Washington, 8 a.m. in Los Angeles, 7 p.m. in Baghdad, and 11 p.m. in Ho Chi Minh City, Vietnam. Wherever you're watching from around the world, thanks very much for joining us for "Late Edition." We'll speak with senators Carl Levin and Kay Bailey Hutchison in just a moment. First, though, here's Fredricka Whitfield with a quick check of what's in the news right now. Hi, Fred.

(NEWS BREAK)

BLITZER: Thanks very much, Fred. President bush is calling for patience when it comes to the war in Iraq. But Democrats soon to be in control of the House and Senate are promising to push him hard for a plan to begin withdrawing or redeploying troops in a matter of months.

Among those leading the call for a phased withdrawal, the incoming chairman of the Senate Armed Services Committee, Carl Levin of Michigan. He's joining us from Detroit. Also joining us from Dallas is Republican Senator Kay Bailey Hutchison of Texas. Senators, welcome back to "Late Edition."

And Senator Levin, I'll start with you. You're suggesting, and several of your Democratic colleagues, that the United States should start pulling troops out of Iraq within the next four to six months. The U.S. military commander for the Middle East, General John Abizaid, was before your committee this week and said that's not necessarily a good idea. Listen to what he said.

(BEGIN VIDEO CLIP)

GENERAL JOHN ABIZAID, COMMANDER, U.S. CENTRAL COMMAND: At this stage in the campaign, we'll need flexibility to manage our force and to help manage the Iraqi force. Force caps and specific timetables limit that flexibility.

(END VIDEO CLIP)

BLITZER: Senator Levin, why is he wrong and you're right?

SEN. CARL LEVIN (D), MICHIGAN: Well, he doesn't say that we're wrong, as a matter of fact. He talks about force caps and specific timetables. But we don't have a specific timetable for departure of all or even most of our troops. What we are saying is that to force the Iraqis to come to reality to take really what is going on in Iraq into consideration and to reach a political settlement, which is the only way to solve the problem in Iraq.

We must tell the Iraqis that we would begin, starting in four to six months, a phased reduction of our troops. Because if you don't do that, they're going to continue to have the false assumption that we are there in some kind of an open-ended way. And it is that assumption on their part which takes them off the hook.

We've got to put pressure on them. I hope the Baker commission puts pressure on them. And listen to one other thing that General Abizaid said in front of us. It is a short quote, but it has not been widely circulated, and it should be. He said, in opposition to more troops going into Iraq, he said that "I believe that more American forces prevent the Iraqis from doing more, from taking more responsibility for their own future."

That is the logic behind our proposal that they be told that starting in four to six months, we begin a phased redeployment with a limited presence beyond that.

BLITZER: I'm going to get to that other side of the equation, bringing in more troops, which Senator John McCain, among others, Senator Lindsey Graham supports. But when you say four to six months, your critics are saying you are coming up with a specific timetable to begin phasing out the U.S. deployment. And they're saying this is an artificial timetable that's going to be counterproductive.

LEVIN: Well, the reason that it's essential we do that is to give the Iraqis the message that the open-ended commitment is over. It's not a precipitous plan. It gives the Iraqis an opportunity during the next four is six months to reach a political settlement.

It also is essential that if we're going to have an international conference, which I think many people want, including us, that was part of our Democratic proposal to include the regional countries, that that Democratic conference be given an opportunity to put some kind of political pieces together to help the Iraqis reach a political settlement to support the sovereignty of Iraq.

Four to six months gives them an opportunity to do that if there is an international conference. And one other thing, General Abizaid said that if in the next four to six months, the violence is not put -- if there's not an end put to the violence and if the militias are not put under control, then it is going to be irretrievable. So he himself used a four- to six-months timeframe.

BLITZER: Let me just bring in Senator Kay Bailey Hutchison in a second. But before I do, one quick follow-up, Senator Levin. If you start the withdrawal in four to six months, how long does it take to complete the withdrawal?

LEVIN: We don't have a complete withdrawal in any event. We have a limited presence at the end of whatever the withdrawal amount is because you're going to need people there for force protection. You're going to need people there to support the logistics of an Iraqi army. You may need people to stay on for training. You need a counter-terrorist small unit. So there's going to be some limited presence. But you don't want to be specific on that. You don't want to get lost in the minutiae here. You want to make the point to the Iraqis that, folks, you've got to take responsibility for your own country. We cannot do it for you. We've given you an opportunity.

BLITZER: Senator Kay Bailey Hutchison, is there anything you just heard from Senator Levin with which you disagree?

SEN. KAY BAILEY HUTCHISON (R), TEXAS: Well, yes. I think he is making some good points, and everyone wants to push the Iraqis into finding a solution that is right for them. But I think the setting of the deadline is the problem. General Abizaid said that setting a deadline is not the right approach, and many other experts, including many Democratic senators, have said that is not the right approach, that it would encourage more insurgency. It would even put our troops in harm's way if we set a deadline.

BLITZER: Excuse me for interrupting, Senator. But he's saying start the withdrawal. Don't set a deadline for the completion of withdrawal but just start phasing out the troops in four to six months. Is that a deadline?

HUTCHISON: Yes, it is. It is saying that we are going to start bringing our troops out at a certain time, which tells the insurgents that we're on our way out. So you just have at it, and you go forward because America is going to leave, no matter what the circumstances are.

I think you have to put the solution first. You have to put the plan first before you start talking about our withdrawing troops. Even General Abizaid said, where we need our troops is in training the security forces, and it may even take more to do that.

But I think you have to put the cart before the horse. You've got to say, here is the solution that the Iraqis have agreed to. I, too, have called for a regionwide conference. I think we should bring other countries in that region into this mix because it's not good for any of them to have an eruption or a terrorist haven in Iraq.

BLITZER: Senator Hutchison, I know Senator's Levin, his argument, though, is -- and I'll repeat it, and then I'll let him respond -- his argument is that unless you put that kind of pressure on the government in Baghdad of Nouri al Maliki, they're not going to step up to the plate.

That's why he says, go ahead and start this withdrawal in four to six months. What do you say?

HUTCHISON: I think that's the wrong pressure point. I think putting pressure on them is to bring the other countries in, have a solution, put the pressure from other countries in the region on them to come up with a solution. Then you talk about the aftermath.

BLITZER: Senator Levin, you want to respond?

LEVIN: Sure. Unless you put pressure on those other countries as well, by their finally recognizing that the stability of Iraq is in their interest and we do not have an open-ended commitment anymore.

We've got to end that open-ended commitment and we've got to let those other countries know, at that international conference, that it's up to them to take on some responsibility here, too.

So the pressure of ending this open-ended commitment of American troops, which is what is currently the program of this administration: we're there as long as they need us; we're there as long as they want us -- that is what's got to end.

And it's the other countries in the region and the world that have got to be told that, as well as the Iraqi government.

BLITZER: On the other side, Senator Hutchison, as senator John McCain, Senator Lindsey Graham, both Republicans, who make it clear the United States has to deploy more, thousands of additional troops to Iraq; Senator McCain saying on Thursday -- well, let's play it.

Here it is, right now: "Without additional combat forces, we will not win this war."

Do you agree with Senators McCain and Graham, Senator Hutchison?

HUTCHISON: Yes. They asked General Abizaid that question. And General Abizaid said, we probably need more troops for training of the Iraqi security forces.

I have been one, in the past, who has said that I thought the troop protection issue would call for more troops, but I think, if we have a solution and the solution is agreed to by all the parties and we can go forward, then I think we have to let the generals decide where should the troops be and what is the number. I think the point is that we do need to put pressure on the countries

surrounding this region. I have been saying that for a year. They have pretty much sat back. Some of them are friendly. Some of them are helpful with advice.

But I think it is time for the others in the region to start taking some responsibility for Iraq. I think we can have a good solution there, but it is in no one's interest, no one's interest, to have upheaval.

BLITZER: We're going to take a break. But I want Senator Levin to respond, first to Senators McCain and Graham, who say send in thousands of additional troops.

LEVIN: No. That gets us in deeper into Iraqi. That sends exactly the wrong message to the Iraqis, that somehow or other, there's a military solution.

Our military leaders say there is no military solution in Iraq. There's only a political solution in Iraq. We've got to force the Iraqis to reach that political solution. And as long as they think that we're there as long as they want us, it takes them off the hook in reaching it. So, no, not more troops; fewer troops, beginning in four to six months, to get an international conference, a time to reach some conclusions, to give the Iraqis an opportunity for four more months or six more months, to reach a political settlement.

But for heaven's sake, don't get deeper into Iraq. Start getting us out of Iraq.

BLITZER: We're going to continue this. Senators, stand by. I'm going to ask both of them if that international conference should include Syria and Iran.

Also, they'll weigh in on whether President Bush will be in for a rocky relationship with Capitol Hill once the Democrats assume control.

Then, the hunt for hostages in Iraq. We'll talk about that with the Iraqi ambassador to the United States, Samir Sumaidaie: the killings, the kidnappings plaguing his country.

Also this: Is the United States preparing for a military strike against Iran?

The New Yorker Magazine's Seymour Hersh, standing by live to talk about his brand-new article and what he's learned.

And Coming up at 1:00 p.m. Eastern, for our North American viewers, right after "Late Edition," please be sure to catch "This Week at War" with John Roberts. We'll be right back.

(BEGIN VIDEO CLIP)

RICHARD B. CHENEY, VICE PRESIDENT OF THE UNITED STATES: Some in our country may believe, in good faith, that retreating from Iraq would make America safer. Recent experience teaches the opposite lesson.

To get out before the job is done would convince the terrorists, once again, that free nations will change our policies, forsake our friends and abandon our interests whenever we are confronted with violence and blackmail.

(END VIDEO CLIP)

BLITZER: Vice President Dick Cheney, speaking here in Washington on Friday.

Welcome back to "Late Edition." I'm Wolf Blitzer in Washington.

We're talking with the incoming Democratic chairman of the Senate Armed Services Committee, Carl Levin in Michigan, and Republican Senator Kay Bailey Hutchison of Texas.

Senator Hutchison, should this international conference on Iraq that you and Senator Levin support include Iran and Syria?

HUTCHISON: I think that depends on Iran and Syria. I think that, of course, Iran would have to agree to immediately stop making a nuclear weapon because that is a destabilizing force in the region.

And certainly, Syria would have to agree to stop aiding and abetting the insurgents and the terrorists that have showed up around the Middle East.

So I think it depends on their behavior. If they would be a positive force, I think, of course. But it does take prerequisites.

And Wolf, I want to also say, on Senator Levin's point, you can't set the deadline first. You have to have the plan first. The worst signal would be for troops to leave when you don't have the security forces trained and ready to take over for the troops that are there. That's the point that just has to be made.

BLITZER: All right, Senator Levin, I want to play for you an excerpt of what General Michael Hayden, the CIA director, told the Armed Services Committee this week on Iran. And then we'll pick up the conversation.

(BEGIN VIDEO CLIP)

GEN. MICHAEL HAYDEN, CIA DIRECTOR: The Iranian hand appears to be powerful. And I would offer the view it appears to be growing. And Iranian ambitions in Iraq seem to be expanding.

(END VIDEO CLIP)

BLITZER: Question: Do you think Iran and Syria should be part of this international conference that you want to see convene to deal with Iraq?

LEVIN: Yes, I think so. And not only do I think so; 40 senators thought so when we voted for that about six, seven months ago, that there should be an international conference.

I'll predict the Baker-Hamilton commission will propose an international conference. It has to include those countries, whether we like them or not. And we don't.

We're not going to be able to get the preconditions agreed to before the conference. I'd love to get those same preconditions that Senator Hutchison suggested agreed to before the conferences, but that's what these conferences are all about.

I think they want stability, probably, in Iraq. But the only way you're going to force action relative to Iraq is if those countries understand that we're not there for an unlimited purpose.

We've got to put the same kind of pressure on those countries, the international community, as we do on the Iraqi government, that our responsibility there is not open-ended. One other quick thing, though. When Senator Hutchison talks about you have to have a plan before you talk about troop reductions. They haven't been implemented. Remember the plan that as the Iraqis stand up, we'll stand down? Remember that plan of two years ago?

We have not stood down as they have stood up. And the reason is that the Iraqis have not reached that political settlement. So the plans have been there. They've been violated. They haven't been complied with. The Iraqis had a plan a year ago that they were going to have a constitutional convention to consider changes in the constitution. That was supposed to have taken place six months ago. It never has taken place. We've got to act now in our own interest. We've got to force some decisions on the part of the Iraqis and on the part of the international community.

BLITZER: Senator Hutchison, do you wish that the president would have asked Donald Rumsfeld to resign before the election as opposed to the day after election? You might still be in the majority, some believe, if he had done so.

HUTCHISON: Well, I think the president didn't want to make it look political. Certainly he had been talking to Secretary Rumsfeld for a while, but he did not want it to be a disruption or look political in the arena.

But I would just go back to what Senator Levin just said, Wolf, and say the last thing that Iran and Syria are going to try to object to is our leaving. That plays right into their hands that we would tell them, hey, we're going to leave if you don't step up to the plate and start becoming a positive influence here. I would think you would have to have prerequisites to bring them in. If they did come in with the prerequisites met, then I think you would have a very good chance. But the pressure has to be put on them by their neighbors, not us.

BLITZER: Senator Levin, go ahead.

LEVIN: I would not put our planned phased reduction into their hands at all. I would notify the Iraqis and the neighbors that we're going to begin that phased reduction because I believe that is

the pressure point on the Iraqis. That is the pressure point on the neighbors who do not want Iraq to disintegrate. They don't want instability in Iraq.

If they do want instability, then a conference isn't going to do any good. It's only if they do not see a disintegrated Iraq in their interest that an international conference does good.

BLITZER: Senator Levin, will you vote to confirm Robert Gates as the next defense secretary?

LEVIN: Depends on what his, how he answers questions, whether he's forthright or not at hearings. And those hopefully can take place this year so we can vote on his confirmation. I voted against him last time because I didn't think he was forthright relative to his role in Iran-Contra. I hope he is forthright. I hope he's independent and objective relative to Iraq. I hope he'll speak truth to power unlike too many other people in this administration. So it all depends on how he does at the hearings.

BLITZER: You voted against him when he was up for confirmation as the CIA director. He was confirmed.

LEVIN: But that was 15 years ago.

BLITZER: That was a long time ago.

LEVIN: A long time ago, and I want to take a fresh look and a fair look at it now.

BLITZER: All right, we've got to leave it right there. Senator Levin, congratulations to you. Good luck when you become the chairman of this powerful committee in the U.S. Senate. Senator Hutchison, thanks to you as well.

HUTCHISON: You're welcome.

BLITZER: And still ahead, Seymour Hersh on his new article in The New Yorker magazine on Iran's nuclear program. Standing by to speak with him live.

Also, what's a greater threat to Iraq, the insurgents and the terrorists, or the sectarian violence between Iraqis, Sunnis and Shia? We'll talk to the country's ambassador to the United States, Samir Sumaidaie. That's coming up next.

But what's also coming up, a quick check of what's in the news right now, including the latest information we're getting on the violence and the kidnappings in Iraq. Stay with "Late Edition." We'll be right back.

BLITZER: Welcome back to "Late Edition."

In Iraq, we're following disturbing reports of an additional kidnapping, this one of a high-ranking government official by masked gunmen.

Let's get right to the latest. Arwa Damon, standing by live in Baghdad. What do we know, Arwa?

ARWA DAMON, CNN CORRESPONDENT: Well, Wolf, Ammar al-Saffar, who is the deputy health minister here, was kidnapped by gunman. He is a Shia, part of the prime minister's Dawa party, living on the outskirts of a predominantly Sunni area.

What we do know from the Iraqi police is that at least six vehicles, carrying 24 gunmen who were masquerading as Iraqi police and government officials, arrived at his home, stormed it, and kidnapped him.

Now, this is not the first time that an attempt has been made on his life. On June 9, 2004, a gunman opened fire on him. He did escape that attempt unharmed. Now, the violence here has taken quite a toll on Iraq's health care system. Officials estimate that some 800 employees and doctors have been killed in the violence.

And right now, the ministry has 31 of its employees still missing, believed to have been kidnapped.

BLITZER: Arwa Damon, reporting for us. Arwa, thanks very much for that.

Joining us now, here in Washington, Iraq's ambassador to the United States, Samir Sumaidaie. Mr. Ambassador, thanks very much for coming in.

SAMIR SUMAIDAIE, IRAQI AMBASSADOR TO UNITED STATES: Thank you.

BLITZER: First of all, your reaction to what Arwa just reported, on the kidnapping of this high-ranking Iraqi cabinet minister.

SUMAIDAIE: Well, that underscores the challenges that each and every official of the Iraqi government is facing. Every day is a day of risk-taking, a day of danger. Yet the government goes on, and people go to their work. And it underscores the necessity to bring some control over the security situation.

BLITZER: As you know, five Western contractors were kidnapped the other day, four of them Americans, one Austrian.

What's the latest information that you're getting?

Do you know who holds these Western contractors right now?

SUMAIDAIE: I don't have any detailed information on individual cases, Wolf. I try to keep track of the general political situation. So I'm not the right person to ask.

BLITZER: But in terms of the general situation, is it fair to conclude that the escalating violence, whether from the insurgents and the terrorists or what seems to be an even greater threat to Iraq's

stability, the sectarian violence, the civil war, as some are already calling it, that that is getting worse?

SUMAIDAIE: Well, things are not good. Let's take a good look at the situation. This is, and has always been, the aim of the insurgents, the aim of the Al Qaida people and the Saddamists who wanted to destabilize Iraq and wanted to start a civil war.

BLITZER: And they have. They succeeded in it.

SUMAIDAIE: I would not say they've succeeded. They're coming close to it. They have pushed the system to the limit. And a lot of people are intimidated. A lot of people are threatened. A lot of people are losing their lives.

We have to be clear. The enemy, the prime enemy, is these types, Al Qaida and the Saddamists, who want to turn... BLITZER: Well, what about the death squads, the Shiite death squads, the Sunni death squads, the militias that seem to be bringing this country to a boiling point?

SUMAIDAIE: That's correct. But they -- I believe the prime enemy, the primary cause, the prime mover is the Al Qaida and the Saddamists.

The death squads, the militias have to be dissolved in order to defeat the prime enemy. The prime enemy still is the Baathists, Saddamists, and the Al Qaida.

But in order to defeat that enemy, we have to get control of our security forces. We have to disband the militias and we have to restore calm to the relationship between people.

BLITZER: But what we heard from the leaders of the CIA and the DIA, the Central Intelligence Agency, the Defense Intelligence Agency, during their testimony before the Senate Armed Services committee this week, that this threat of this sectarian violence spilling over into an all-out civil war seems to be a much greater threat to Iraq than the insurgents, the foreign fighters or the Saddam loyalists.

SUMAIDAIE: Right now it looks like that. And I agree that we have to get that under control.

There are political as well as security means to do that. But, again, in order to do that, we need to get control of our security forces. We've got to make sure that police masquerading -- criminals masquerading as policemen -- that has to be stopped.

Without doing that -- all these kidnappings are done by people dressed up as police. We have to stop that. Once we stop that; we stop these activities by people masquerading as policemen, then we are beginning to get to grips with the situation.

BLITZER: Let me play a sound bite from the director of the Defense Intelligence Agency, General Michael Maples, speaking before the Senate Armed Services Committee this week to back up what we've just been talking about. Listen to this.

(BEGIN VIDEO CLIP)

LT. GEN. MICHAEL MAPLES, DIA DIRECTOR: Shia militias are a growing impediment to stability. The Ministry of Interior and the police are heavily infiltrated and militias often operate under the protection or approval of Iraqi police to attack suspected Sunni insurgents and Sunni civilians.

(END VIDEO CLIP)

BLITZER: Can you disagree with him on that?

SUMAIDAIE: I don't disagree. And that's why I believe that the key to solving the security problem, the key, is to make sure that the police forces are reformed and cleaned up. BLITZER: Here's the problem that a lot of Americans see, that your prime minister, Nouri al-Maliki, while his heart may be in the right place, he doesn't have the guts to stand up to some of those Shiite militia, the Mahdi militia, specifically, and those who he relies on to a certain degree for his political base in the Iraqi parliament.

SUMAIDAIE: I think Mr. Maliki is a very brave man. Not only his heart is in the right place, but he's also got the right ideas. And he's got to be supported in implementing them.

He wants to do a two-track approach to the militia problem: one on the political and economic side and one on the security side.

He's got to be supported. People here talk, always, about numbers of policemen trained, how much money is being spent on training. It's not so much training. It's the screening. It's the motivation. It is the vetting that we have to do.

BLITZER: Here's what a lot of Americans would like to see...

SUMAIDAIE: The government needs help with that.

BLITZER: U.S. officials would like to see him arrest Muqtada al- Sadr, the radical Shiite cleric. They say he's the source of so much problem in Iraq, right now, and he's not part of the solution.

SUMAIDAIE: Well, before you come to the point where you arrest a person with a bloc in parliament of 30 members of parliament, you've got to deal with the situation in a different way.

You've got, first, to get control of your own police forces. And that is the key to solving the other problems.

BLITZER: Here's what Henry Kissinger said, this morning, on the BBC: "If you mean by "military victory" an Iraqi government that can be established and whose writ runs across the whole country, that gets the civil war under control and sectarian violence under control in a time period that the political processes of the democracies will support, I don't believe that is possible."

SUMAIDAIE: I still believe that is possible. And I think a lot of people in Iraq, the members of the government and the members of the policy council for national security all believe that the situation is retrievable. It's doable.

But we need to have support of the right kind. And now we have a lot of pressure on us not only from our regional neighbors who are interfering but pressures from our own friends.

BLITZER: Should the U.S. start withdrawing its troops from Iraq in the next four to six months, as Senator Carl Levin is proposing?

SUMAIDAIE: I think that sends the wrong signal. I think what the right signal is that we will never allow an Al Qaida state to be established in Iraq or a state that is Taliban-like or a base for terrorism.

That is bad for Iraq. That's bad for the United States. Everything has to be done in order to prevent that.

BLITZER: We have to leave it there, Ambassador. Thanks very much for coming in.

SUMAIDAIE: Thank you.

BLITZER: You have your hands full in Iraq.

Still to come, here on "Late Edition," the neocons. We'll speak with three prominent neoconservatives who pushed hard for the war in Iraq and may now be having some second thoughts about how it has been waged.

But just ahead: Is President Bush preparing for military action against Iran before he leaves office in two years?

Investigative journalist Seymour Hersh talks about his new article in the New Yorker Magazine, entitled "The Next Act." And don't forget, coming up for our North American viewers, right after "Late Edition," 1:00 p.m. Eastern, it's "This Week at War" with John Roberts. We'll be right back.

BLITZER: Welcome back to "Late Edition." The Bush administration maintains it's focusing on diplomacy to try to resolve its differences with Iran, but will the power shift on Capitol Hill effectively kill any plans the White House might have for possible military action against Iran?

Joining us now, investigative journalist Seymour Hersh of The New Yorker magazine tells what he's learned in a new article. Sy Hersh, thanks very much for coming in.

SEYMOUR HERSH, "THE NEW YORKER": Glad to be here.

BLITZER: The article is entitled "The Next Act." The subtitle: "Is a damaged administration less likely to attack Iran or more?" Here's the question. What's the answer?

HERSH: Oh, well, nobody can predict the future, but the idea that somehow there's going to be comity and everything is going to be wonderful because Democrats have control of the Congress, tenuous as it may be, is just not what I'm finding. What I'm finding is that the guys who want to be very tough towards Iran, led by Mr. Cheney, the vice president, are still going to be very tough. That doesn't mean it will happen, but it does mean that there's not going to be much give, certainly in the negotiations as they now exist.

BLITZER: So, basically, your bottom line is that you think a U.S. military strike against Iran is now more likely or less likely?

HERSH: No. It's always not been a question of what I think. It's a question of what the facts are. Right now...

BLITZER: Based on the reporting that you've done, what do you think?

HERSH: I don't think it's changed that much. I think it's always been a strong possibility.

BLITZER: So the election really hasn't had an impact on military options over the next two years as far as dealing with Iran's nuclear threat?

HERSH: In terms of what the vice is president and some of the people in his office think, no. But of course, there's other bigger pictures. I would certainly say that because there's a Democratic Congress and because of problems with Iraq are so immense, the argument is whether or not you can go to Iran and talk to Iran and get them to help you in Iraq. If you do that with negotiation or whether you by being tough can you improve the situation. There's sort of a different argument now.

BLITZER: But don't you agree -- I mean, a lot of people have suggested that the vice president's influence has certainly been curtailed as a result of the political setback that Republicans and the president suffered, that others in the administration may have a different point of view, including the incoming, if he's confirmed, Defense Secretary Robert Gates, a former CIA director, that their influence might be more significant.

HERSH: I would never underestimate Mr. Cheney. I think he's very, very bright, very competent. And I think he's got very strong opinions that so far prevailed. You saw the clip earlier you produced that you ran about what he's saying about Iraq. There's not much of a second thought being given to the White House.

BLITZER: How close, based on your reporting, is Iran to actually building a -- having a nuclear weapon?

HERSH: Far away.

BLITZER: When you say far away, be precise.

HERSH: There's a new report that's the CIA, new assessment. And the CIA, by the way, has really become, under Mr. Hayden, it's getting much more vital. They've done a very good analysis of the Israeli war in Lebanon that hasn't been made public yet. They've done a new analysis that may be part of a national intelligence estimate soon.

BLITZER: You're talking about General Michael Hayden, the new CIA director.

HERSH: Yeah. Well, the stuff coming out of there, from what I gather, is really much more to the point.

BLITZER: So what's the conclusion as far as how much time the world has before Iran actually has a bomb? HERSH: The new study didn't say that. What it said is that we do a lot of very good things. We have tremendous people in the field, tremendous capability. We can do things that I don't write about and nobody should write about. We do very good technical things, and we can't find, the new assessment says we could not find, the CIA says there's no evidence that Iran is doing anything that puts them close to a bomb. There's no secret program of significant bomb making.

BLITZER: The Israelis have a different assessment.

HERSH: Absolutely.

BLITZER: They think the Iranians may be within a year of getting to the threshold of having a point of no return, if you will, from having a bomb. When I was there in July, I had briefings. That's what they suggested.

HERSH: They've been saying that, as you know, for five or ten years, one year. The fact is, the Israelis have come up with new human intelligence. I write about this in the article. Sort of the counter-CIA assessment. They've come up with an agent inside Iran. They have more than one.

And this agent is, who's been reliable, so the Israelis claim in the past, who now says the Iranians are secretly working on making an actual trigger for a bomb. Even though they may not have any specific -- we don't have any specific evidence of a facility where they're doing this work, the Israelis say, yes, they are. They're getting ready to start detonating a weapon.

And once they get the fissile material, the enriched material. Now, that information is being handled pretty much by the White House and various offices in the Pentagon. And the CIA isn't getting a good look at the Israeli intelligence. It's the old word, stovepiping. It's the president and the vice president. It's pretty much being kept in the White House.

BLITZER: They'd like to get more access to this Israeli agent, is that what you're saying?

HERSH: Well, of course the people in the CIA want to know who he is. They want to know, obviously. But they certainly want to know what other evidence does he have of actual making a

warhead. This is the internecine war, fight that's going on, the same fight, by the way, we had before Iraq.

BLITZER: In the new article, which I read last night, "The Next Act," there's a paragraph that jumped out at me, and I'll read it to you: "In the past six months, Israel and the United States have also been working together in support of a Kurdish resistance group known as the Party for Free Life in Kurdistan. The group has been conducting cross-border forays into Iran, I was told by a government consultant with close ties to the Pentagon civilian leadership, as part of an effort to explore alternative means of applying pressure on Iran."

Tell our viewers what this means.

HERSH: Well, we've been running covert -- we're involved with the Israelis. They're the main point men for this particular -- it's called the PJACK (ph). And they've been going across the border, whacking away, fighting. There's been a lot of cross-border stuff. I think the idea is -- one idea we'd like to do is get regime change. We still would like that idea. That's getting less and less possible.

But we're putting a lot of pressure along the whole northern front, Baluchistan, the Azeri border. We're doing a lot of pressure to try and destabilize the regime. At least let the regime know we're there. And these operations are continuing to go on. Congress has not been briefed about it. I write about that too. It's all being done under the guise of military activity.

BLITZER: So if it's a military action as opposed to a CIA covert intelligence operation, you're saying the leaders of the intelligence committees or members of Congress, the leadership don't have to be briefed.

HERSH: This is going to be one of Gates' new issues. Thank God Gates, he has a lot of expertise...

BLITZER: Robert Gates, the incoming Defense Secretary, if he's approved.

HERSH: If he's approved, he'll have to look at what Rumsfeld has done in terms of covert operations.

BLITZER: In your article, you note that the Israelis are denying the suggestion they're working with Kurds in Iran.

HERSH: Absolutely.

BLITZER: All right. The White House is also issuing a tough statement on you. We got it even before your article came out: "Seymour Hersh is unfortunately continuing his series of inaccuracy- riddled articles about the Bush administration with another error- filled piece about the administration's policy toward Iran. The White House is not going to dignify the work of an author who has viciously degraded our troops, and whose articles consistently rely on outright falsehoods to justify his own radical views."

First of all, you want to respond to that White House...

HERSH: They've been saying that for years, even after the Abu Ghraib story and all those other stories. They've been saying it story after story. It's the same: We don't dignify this. That's just part of the game.

BLITZER: They're referring to a speech that you gave at McGill University October 30, which was widely reported on the Internet. Among other things -- and we'll get a chance -- the McGill Daily, the student newspaper there, had some quotes from you. I'll read a couple, and you tell me if they're accurate: " 'In Vietnam, our soldiers came back, and they were reviled as baby killers, in shame and humiliation,' he said. "It isn't happening now, but I will tell you, there has never been an American army as violent and murderous as our army has been in Iraq.' "

HERSH: You know, I've always done one thing. In my career, I've always said responsibility must go to the top. I've always written that. I've always been writing, from the days I did My Lai, saying the kids who do the shooting are as much victims as the people they have to kill.

We're in a very, very violent war now. The number of casualties are enormous. There's no question about it. But the idea that I would say, suggest that our soldiers are murders is ridiculous. I didn't say that. And if you're going to rely on a college version, the editor of the paper has also called me to apologize, because it was...

BLITZER: So that's a distortion.

HERSH: Well, it's just inevitable in a college newspaper report, but the point is that there is a serious point. This is say very violent war. But to blame the soldiers is ridiculous. You've got to put blame where it belongs. You've got to hold the highest people to the highest possible standards. That's what I've always done as a journalist.

BLITZER: I'll read two other quotes, and you tell me if these are accurate or not accurate: "The bad news is that there are 816 days left in the reign of King George II of America. The good news? When we wake up tomorrow morning, there will be one less day."

And then this: "In Washington, you can't expect any rationality. I don't know if he's in Iraq because God told him to, because his father didn't do it, or because it's the next step in his 12-step Alcoholics Anonymous program."

HERSH: Alas, I did say that. I do sometimes get funny. And maybe it's inappropriate, but the bottom line is that I think George Bush as a lame-duck president next year is going to have an opportunity to do some of those things, whether there are Democrats there or not that he's always wanted to do.

Whether that's going to get tough in Iraq -- Iran, rather, or not, we have to see. Nobody can predict the future. But being tough and taking a military step is still very much on the table in this government.

BLITZER: We'll leave it right there. Seymour Hersh. He's got a new article in The New Yorker magazine, "The Next Act." We'll have you back.

HERSH: Sure.

BLITZER: Thanks for coming in.

HERSH: Bye-bye. BLITZER: And still ahead, is Iran helping a deteriorating atmosphere in Iraq? We'll assess where things stand with both countries, what the United States should do, with three prominent neoconservatives. They're standing by. You're watching "Late Edition," the last word in Sunday talk.

BLITZER: Let's get some of your e-mail that you send in. Ed in Virginia writes, "If we want to win in Iraq, the U.S. needs to negotiate with Iraq's neighbors. That way, our troops can keep the militias in check while still going after the dangerous insurgents left in the country."

And Walter in Washington State writes, "I think imposing a deadline for our troops to withdraw is easier and more practical than expecting the Iraqis to suit our deadline. It's about time for the Bush administration to withdraw our troops before the violence gets worse."

We always welcome your comments. Our e-mail address, lateedition@ cnn.com.

And there's much more ahead on "Late Edition," including the potential impact of the midterm election results on the U.S. mission in Iraq. We'll discuss that and more with three prominent neoconservatives who may be having some second thoughts about the way the war in Iraq has been waged.

And we'll discuss Iraq as well as look ahead to the next moves in the new U.S. Congress with the incoming House Majority Whip James Clyburn and the incoming House Minority Whip Roy Blunt. We'll be right back.

BLITZER: This is "Late Edition," the last word in Sunday talk.

(BEGIN VIDEO CLIP)

REP. JOHN BOEHNER (R-OH), MAJORITY LEADER: Republicans in the Congress want to win in Iraq.

(END VIDEO CLIP)

REP. NANCY PELOSI (D-CA), SPEAKER-ELECT: I am a person who is committed to ending this war.

(END VIDEO CLIP)

BLITZER (voice over): Iraq dominates the debate in Congress, as new leadership takes over in the House and Senate. But will a Democratic majority mean a shift in foreign and domestic policy for the American people?

We'll ask two leaders of the new Congress. The whips: Democrat James Clyburn and Republican Roy Blunt.

(BEGIN VIDEO CLIP)

RICHARD B. CHENEY, VICE PRESIDENT OF THE UNITED STATES: America is going to complete our mission. We're going to get it done right and then we'll bring our troops home with victory.

(END VIDEO CLIP)

BLITZER (voice over): And 3 1/2 years after the war in Iraq began, we'll take a look back at the mistakes made by the Bush administration and a look ahead to the prospects for victory with three influential neoconservative advocates of the initial invasion: former assistant defense secretary Kenneth Adelman; former Bush speechwriter, David Frum and Michael Rubin of the American Enterprise Institute.

ANNOUNCER: Live from CNN in Washington, this is "Late Edition: with Wolf Blitzer.

BLITZER: Welcome back. We'll talk about what's ahead for the U.S. Congress with the incoming House majority whip, James Clyburn, and the incoming minority whip, Roy Blunt, in just a moment. First, here is Fredricka Whitfield with a quick check of what's in the news right now. Fred?

(NEWSBREAK)

BLITZER: All right, Fred, thanks very much.

Political drama in the U.S. Congress this week: the handover of power to Democrats; the blame game for their defeat among Republicans; a power struggle inside the Democratic leadership; and continuing upheaval over Iraq.

Joining us now, two men with front row seats in these history- making events. Congressman James Clyburn, Democrat of South Carolina, is the majority whip-elect, the third most powerful post in the Democratic leadership in the new House of Representatives. He joins us from Jackson, Mississippi.

And with us here in Washington, Congressman Roy Blunt, Republican of Missouri. He is the current majority whip in the Congress. He'll be the minority whip when the new Congress convenes in January.

To the whips, thanks to both of you for joining us. Good to have you.

And Congressman Clyburn, let me start with you. Nancy Pelosi -- a lot of Democrats are really irritated. They think she made a major blunder by getting involved in this battle for the new House majority leader, the battle between John Murtha and Steny Hoyer.

Steny Hoyer, the man she opposed, was easily elected. The New York Times writing this: "Nancy Pelosi has managed to severely scar her leadership even before taking up the gavel as the new speaker of the House.. she put herself in a lose-lose position by trying to force a badly tarnished ally, Representative John Murtha, on the incoming Democratic Congress as the majority leader."

This was a huge blunder on her part. I assume you'll acknowledge that.

REP. JAMES CLYBURN (D), SOUTH CAROLINA: Well, I don't know if I'd call it a blunder in her part. The fact of the matter is, I think all of us know that these inside -- the party's fights, you have them all the time.

If I remember correctly, right after Newt Gingrich took over, back in 1994, I think he favored Bob Walker to be whip, who lost out to Tom DeLay. And it was all over and then people move on.

So these things happened when you have this kind of change to take place. But Nancy Pelosi is very loyal to her friends. And that is a positive, it seems to me, in this business.

BLITZER: But don't you think...

(CROSSTALK)

BLITZER: If she was going to support Congressman Murtha and make a big fight out of this, instead of quietly asking him to step aside, she should have had a better count and know that she was going to win. Because by losing, and losing decisively, it, sort of, underscored her inability to get the job done, as one of her first major missions.

CLYBURN: I don't think so. Once again, this is intra-party stuff. When we start acting as Democrats, trying to push our agenda, come January, I think that that's when Nancy Pelosi will demonstrate her real mettle. And I look forward to being very successful with her.

So I would not put too much into what may happen inside the party. These are personal relationships that people have, for whatever reason. Some, they go become a long way. Some develop out on the campaign trail. And that makes it a little bit different. And so I would not put too much in this if I were people looking in.

BLITZER: All right, Congressman Blunt, here's how Nancy Pelosi explained, in part, her decision. Listen to this.

(BEGIN VIDEO CLIP)

PELOSI: I believe the biggest ethical challenge facing our country is the war in Iraq. For all the reasons that you know, that you don't need me to go into, it must be stopped. And I thought that Mr. Murtha's elevation to a leadership position would serve that purpose.

(END VIDEO CLIP)

BLITZER: The war in Iraq is a huge issue. And it certainly dominated the elections and was, at least in large part, with the result you're going to be the minority whip as opposed to the majority whip.

REP. ROY BLUNT (R), MISSOURI: I like the majority whip a lot better. And of course, we're going to do everything we can to see if we can make the case to the country, in the next two years, that, in the competition of ideas, our ideas are better.

And one of these ideas is going to be how we deal with this war on Islamic totalitarianism in Iraq and Afghanistan, wherever it is. And there are no easy solutions.

I think the upcoming speaker wants to have an easy solution here. I don't believe there is one. I don't think that Jack Murtha's solution...

BLITZER: Well, do you have a solution?

BLUNT: As a matter of fact, I just said there are no easy solutions.

BLITZER: But you don't have a specific plan yourself?

BLUNT: Well, actually the Congress ought to be looking carefully to do everything we can to help the administration implement a plan. The Congress is not going to have a plan that effectively works, that solves this problem. We need to be a partner in that plan.

BLITZER: But what a lot of voters were complaining is that the Republican majority in the Senate and the House, they didn't do much in terms of oversight and serve as a check and balance, if you will, on what administration was doing.

Looking back over the past six years, when you report in majority, should you have done more, especially in the aftermath of 9/11, into looking into the U.S. going to war in Iraq?

BLUNT: Well, I think our response to 9/11, nobody faults much of that. Nobody faults the early entry into Afghanistan.

How we got into Iraq, there is a debate about that, but I don't think there's the same level of debate about the reality that we are there now.

We have to be very realistic about our foreign policy goals, whether we can achieve them or not, how we set them, how we're moving along the way.

When Jim Clyburn and I were in Iraq together on Memorial Day, we saw a lot of troublesome things. And one for, I think, both of us, certainly for me, is the Iraqis themselves ultimately have to want Iraq to be an independent Democratic country.

We need to see more of that from them every day. And our military men and women there are working hard to try to help make that happen.

BLITZER: Congressman Clyburn, are you among those Democrats who want the U.S. to start pulling out of Iraq within four to six months?

CLYBURN: I'm one of those Democrats. I agree with Nancy Pelosi that the Iraqi war is something that we have got to focus on very, very keenly.

But I also believe that we ought not get out in front of this Iraqi Study Group. James Baker and Lee Hamilton, I think, are coming forward in a matter of days with some ideas, some of which, I think, ought to be codified.

And I believe that we ought to make sure that we don't have the administration off doing one thing with the study group and Congress off doing something else. We ought to wait and see what's in that report. And then we ought to act in concert to get it done.

That's the way I think we ought to move forward. Because that study group is a very extensive, bipartisan study group that all of us have got faith and confidence in.

BLITZER: Congressman Blunt, these leaders of this study group that Congress Clyburn is talking about, the former secretary of state James Baker, the former congressman Lee Hamilton, a man you know quite well, A Democrat. There are five Democrats on this panel, five Republicans on this panel.

They've already done what the Bush administration is refusing to do. They've started talking directly with high-ranking Iranian and Syrian leaders in order to prepare their report.

Is this a good idea?

Should the U.S. be bringing Iran and Syria into this process to try to find a solution in Iraq?

BLUNT: Well, I think we ought to have the right kind of discussions with Iran and Syria. But the worst thing that can happen in Iraq is if we let the future of Iraq be determined by the Syrians, by the Iranians or by the Saudis.

They may be very well in a conflict, internally, that they're going to have to solve themselves. But one of the things that we can do is insist that that happen.

Maybe that involves discussions with the Syrians and the Iranians. Maybe it doesn't. But what would be a big mistake is to let those neighboring countries come in and have undue influence on what happens for the people of Iraq.

BLITZER: Another challenge, Congressman Clyburn, that the new speaker is going to be facing, who's going to be the chairman of the House Intelligence Committee? I'll read to you from an editorial in Friday's Los Angeles Times: "The Intelligence Committee deserves a chairman who is respected by Democrats and Republicans in Congress and by the White House, and who is free of distracting questions about past personal conduct. Jane Harman fits that description far more than Alcee Hastings." Who apparently is the choice of Nancy Pelosi. Jane Harman's the ranking member right now. What do you think? Who should be the chairman of the House Intelligence Committee?

CLYBURN: The chairman the House Intelligence Committee should be whoever the new speaker, Nancy Pelosi, would like for it to be. I don't know why anybody is saying that, you know, that Alcee Hastings is the choice. I don't know what her choice is.

But I do know this. I know what the rules are regarding this committee. I know that time has expired for the current ranking member. And for her to stay would require a waiver of the rules. And I do believe that we ought to be very careful how we start out our new administration or new power with granting a whole lot of waivers.

There are a lot of people on that committee. We don't even know what the composition of the committee is going to be. Because the committee starts out brand new in every Congress. So Nancy Pelosi will be naming the members of that committee, and then she will be making the determination as to who should chair it.

Now, for us to say now, we know exactly who that's going to be, there are other members on that committee that's got a lot of ability. I know that Sylvestre Reyes is on there. I know that Anna Eshoo is on there. Personally, I like and respect Alcee Hastings. And I do not agree with the fact that just because he would move to chair, would be something different from being a member of the committee. I don't think the chair's got any more -- I'm sorry?

BLITZER: I was going to let Congressman Blunt -- I'm going to take a break, but I just want him to respond. Do you have a problem with Alcee Hastings being chairman of the House Intelligence Committee? He was a federal judge who was impeached, as you well know.

BLUNT: I think he was impeached for bribery or influence- peddling or something that would, as nice a man as he is, you would think would be a disqualifying factor. That's really a decision that Nancy Pelosi's going to have to make. Jack Murtha, now potentially Alcee Hastings. I think a tough way to start out if you are trying to establish the kind of standards that Americans want to see coming from the Congress and from Washington.

BLITZER: Congressman Clyburn, do you have a problem with Alcee Hastings having been an impeached federal judge?

CLYBURN: I just said, remember, he was impeached for something that he was found not guilty for in a court of law. And so a lot of times, we have to look at the court of law being much less political than what was going on in the Congress. We are a political body. So the question is, whether or not there are facts or whether or not there are politics involved in all of this.

So I do have respect for him. I like him very much. He's been a personal friend since my college days, and I very well would support him if that's what Nancy would like to happen. BLITZER: All right, gentlemen, stand by. We're going to take a quick break. We'll have much more with the incoming Congressional whips later.

I'll talk to some of the original architects of the U.S. war in Iraq, the so-called neocons. Ken Adelman, David Frum, Michael Rubin. Has their support for the war wavered? And what's down the road for Iraq and Iran?

Plus our highlights from the other Sunday morning talk shows here in the United States, including Senator John McCain on what to do next in Iraq.

And for our North American viewers, at the top of the hour, right after "Late Edition," the only comprehensive look at events in Iraq and updates from our correspondents in Baghdad and Tehran, "This Week at War" with John Roberts. That's coming up right after "Late Edition."

BLITZER: Welcome back to "Late Edition." Our two guests will have the job of counting the votes and whipping up support when the new Congress convenes. The House Majority Whip-Elect James Clyburn, Democrat of South Carolina, and the House Minority Whip-Elect Roy Blunt, Republican of Missouri. He's the current majority whip. But not much longer.

Congressman Blunt, let me read to you what a columnist in The Washington Post, Eugene Robinson, wrote the other day: "The Republican party put up three high-profile black candidates to try to weaken the bond between the Democratic Party and African Americans, and all three got slammed by the voters, big-time. After a week of reflection, maybe Ken Blackwell, Lynn Swann and Michael Steele have come to understand that they were never intended to be viable candidates. From the start, they were more like cannon fodder."

What do you say to Eugene Robinson?

BLUNT: Well, I just don't think that's right at all. I think they were three great candidates. I think all of them had their own set of circumstances in their own race. All running in challenging states. You know, Ohio this year. Maryland, always.

BLITZER: Pennsylvania.

BLUNT: Pennsylvania, a big challenge with an incumbent governor. You could find all kind of candidates that had similar problems. We need to continue to reach out to all Americans to try to make them an inclusive part of our discussion in our party, and we're doing that.

I'm glad we had those candidates. They were all good candidates. Right here, we got to watch the Maryland Senate race, and Michael Steele was out there, talking about ideas, providing a real alternative in a state where no Republicans won, not just him. BLITZER: By all account, Congressman Clyburn, Michael Steele in Maryland came out a winner even though he lost this race. Are you worried that the Republican Party's making inroads and reaching out to African Americans?

CLYBURN: No, I'm not worried about that at all. I think that Roy is exactly right. This is all about ideas and ideals. And I think that you have to look at a Republican Party that can't quite make up his mind as to what he wants to do. They reach out or put up candidates in three states. And then they allow the kind of TV ads to run against Harold Ford that ran down there. Those were the most despicable ads that I have seen since I have been in public life.

And then they ran, a lot of the debates, especially in the House races, oh, if you elect the Democrats, you're going to have John Conyers chairing Judiciary. You're going to have Nancy Pelosi, a San Francisco liberal, as speaker of the House. And you're going to have Charlie Rangel chairing Ways and Means. They don't share our values.

What is it about Charlie Rangel and John Conyers' values that are different from American values? Both these men served in our military. Charlie Rangel wounded in the Korean war. Come back and served their state. I think those kind of things ought not be in politics anymore.

But what I am happy about...

BLITZER: All right, hold on one second, Congressman Clyburn. I want Congressman Blunt to respond, because that's a serious charge, this notion that the ads Republicans ran against Harold Ford, Jr., in Tennessee and the suggestion that these incoming potential chairmen who are African American, the charge that there was an element of racism here is a serious accusation against Republicans.

BLUNT: Well, it might have been, except my friend Jim mentioned in the middle of that list, he gave Nancy Pelosi, who is not an African American. That was a discussion about ideas. Regarding the Tennessee...

BLITZER: Do you repudiate the ads that were run in Tennessee to Harold Ford, Jr.?

BLUNT: You know, if they were offensive to Harold, if they were offensive to African Americans, I do.

BLITZER: Were they offensive to you?

BLUNT: I didn't see them. But Harold Ford and I...

BLITZER: You didn't see the one about the Playboy party?

BLUNT: I never saw the ad. I heard about it. Never saw it. I don't know whether it was -- what it was intended to do, but I don't know that it did anything that was helpful in either campaign. Harold Ford and I cosponsored the Charitable Giving Act together. People are going to be able to give to charities easier this year and in the future because he and I work together. We came to Congress the same time.

He's an incredibly bright, incredibly talented, capable guy. I do think that the new Senator from Tennessee was more reflective of where the voters have been for several years now in Tennessee elections.

BLITZER: Even though Harold Ford Jr. lost, like Michael Steele in Maryland, I think he also, and a lot of people think he came out a winner. Listen to how Senator John McCain, Congressman Clyburn, summarized what he thought was the result of this election. Listen to this.

(BEGIN VIDEO CLIP)

U.S. SENATOR JOHN MCCAIN, R-ARIZONA: The election was not an affirmation of the other party's program. Try as hard as I could, I couldn't find much evidence that my Democratic friends were offering anything that resembled a coherent platform or principle leadership on the critical issues that confront us today.

(END VIDEO CLIP)

BLITZER: All right, you want to respond to someone who is -- clearly wants to be president of the United States in two years?

CLYBURN: Well, let me say this. First of all, we laid out a plan that we call Six for '06. We talked about electing Democrats and getting for the first time in ten years an increase in the minimum wage. That was a substantive plan, and that's what we're going to do.

We talked about making college education or any post-secondary education more affordable for all American children. We talk cutting interest rates on student loans from 8.4 percent down to 4.2, making college tuition tax-deductible. That's the way you grow the middle class. That was a proposal.

We talked about energy, a new energy policy in this country that would make us energy-independent within ten years. And we're -- talked about homegrown and American-owned alternatives to oil. Ethanol, butanol, other biodiesel stuff (ph), hydrogen cells, increasing our expenditures in research. Now that was a program. So I don't know where Mr. McCain was while all of this was going on, but the American people got turned on to it and voted for it.

BLITZER: We've got to leave it right there, unfortunately, because we're out time. The two whips, Congressman Clyburn, thanks very much for coming in. Congressman Blunt, thanks to you as well. Let me congratulate both of you on being elected this week.

Coming up, how early supporters of the war in Iraq are questioning how it's been waged and what to do now. I'll talk to some of the president's early neoconservative allies: Ken Adelman, David Frum and Michael Rubin. they're standing by live.

But up next, a quick check of what's in the news right now, including today's abduction of Iraq's deputy health minister. Stay with us. We'll be right back.

(NEWS BREAK)

(BEGIN VIDEO CLIP)

GEORGE W. BUSH, PRESIDENT OF THE UNITED STATES: We'll succeed unless we quit.

BUSH: The Maliki government's going to make it unless the coalition leaves before they have a chance to make it.

(END VIDEO CLIP)

BLITZER: President Bush in Vietnam this weekend, reassuring Australian Prime Minister John Howard that the United States and its allies will get the job done in Iraq.

Joining us now, some of the Washington insiders, the so-called neoconservatives who supported the president early on in his Iraq policy.

In Richmond, Virginia, Ken Adelman, former assistant secretary of defense; here in Washington, David Frum, former speechwriter to the president; and Michael Rubin of the American Enterprise Institute. He spent nearly two years in Iraq as a senior political adviser to the Coalition Provisional Authority.

Gentlemen, thanks very much for coming in. And I want to set up this discussion with all three of you by going back, first of all, to what you were all saying before the war in Iraq got started.

Ken Adelman, I'll start with you. I remember very vividly, when you were interviewed by me here on CNN in December of 2001, December 10, 2001, shortly after 9/11, you said, "I don't believe that we need the kind of tremendous coalition that we had before... the Iraqi army is way lower -- one-third of what it was before, and I think it would be a cakewalk."

And then you amplified that, two months later, February 13, 2002, in an op-ed in The Washington Post: "I believe demolishing Hussein's military power and liberating Iraq would be cakewalk."

You remember that, I'm sure, very vividly as well. The toppling of Saddam Hussein did turn out to be, relatively speaking, a cakewalk. But everything that's happened ever since certainly did not.

KEN ADELMAN, FORMER ASSISTANT SECRETARY OF DEFENSE: That is right. And it was probably an ill-advised phrase, to tell you the truth, Wolf. But it was a lot easier than any of us expected. And a lot of the disastrous things that we anticipated in the war to topple Saddam Hussein, did not result, because our military was so much better and the Iraqi military was so much worse than we ever expected. So that was not the problem.

The problem arose, obviously, after the fall of the statue on April 9, 2003. And it is a big question and a legitimate question, Wolf, whether the problem had to arise or whether a series of mistakes -- allowing the looting, dismissing the top echelon of the Iraqi army, dismissing the top echelon of the civil service, on and on and on -- whether all of that resulted in the insurgency that actually didn't start until the end -- or toward the end, the third quarter of the end of 2003.

So that is a legitimate question to ask, whether all of this would have happened had we done it right.

BLITZER: All right. We're going to get to that in a second.

David Frum, you were the speechwriter, among those contributing to the president's State of the Union address on January 29, 2002, when he said these words.

(BEGIN VIDEO CLIP)

BUSH: States like these and their terrorist allies constitute an axis of evil, arming to threaten the peace of the world by seeking weapons of mass destruction. These regimes pose a grave and growing danger.

(END VIDEO CLIP)

BLITZER: Do you regret contributing to that "axis of evil" phrase?

DAVID FRUM, FORMER BUSH SPEECHWRITER: I think everything the president said there was perfectly true. Unfortunately, it remains true in 2006. And if I have regrets, I think the only regret I would say is, when the president said he would not allow the world's most dangerous regimes to require the world's most deadliest weapons, I anticipated -- I think a lot of people anticipated a swifter and more decisive response to prevent it.

Four years later, North Korea and Iran continue, remain very dangerous regimes.

BLITZER: Two of the three axis of evil.

FRUM: And they continue to advance toward these terribly deadly weapons. At least Americans don't have to worry about deadly weapons in the hands of Iraq, which is something that the United States did have to worry about from 1980 until 2003.

BLITZER: But when you were drafting that speech, in your wildest imagination, did you ever imagine that, four years later -- it's almost four years since he delivered that State of the Union address -- the United States would be bogged down in Iraq the way it is today?

FRUM: I didn't imagine that. But I also would have not imagined that, even with Iraq being as difficult as it has been, that there would have been so little action on these other threats that the president mentioned.

BLITZER: North Korea and...

FRUM: North Korea and Iran.

BLITZER: Is that in part because the United States has been preoccupied with Iraq?

FRUM: I don't think it had to be true.

BLITZER: But it's a matter of fact.

FRUM: I think that, when people say that, they say, well, look, there are only so many resources that the U.S. government has got. I don't think that the resources that are being used in Iraq are the same resources you would need to prevent the nuclearization of...

BLITZER; But if the U.S. is going to go to war, militarily, against Iran and North Korea, you've got to have troops from some place.

FRUM: But I don't think anyone ever anticipated a ground invasion of either Iran or North Korea or any...

BLITZER: People envisioned air strikes.

FRUM: As a last resort. But what they imagined a long time before that was a serious attempt to weaken the power of the Iranian regime, through all kind of techniques that remain available to the United States.

BLITZER: Here's what you wrote on September 9, Michael Rubin, in the Weekly Standard Magazine -- September 9, 2002, before the war.

"The United States can't bog down in protracted warfare in Baghdad unless a significant number of Iraqi troops are willing to fight us there... they may not be. In 1991, it's worth remembering, the Iraqi military collapsed and fled a mere 100 hours into the ground war... there's good reason to believe that the risk of taking on Saddam Hussein is -- thankfully -- far lower than the skeptics would have us believe."

MICHAEL RUBIN, AMERICAN ENTERPRISE INSTITUTE: And I still stand by that. What we're looking at is not the Iraqi army. A lot of people were talking -- I remember Time Magazine

spoke about how the invasion of Iraq would become -- the actual invasion of Iraq would become another Nasiriyah.

People, at the same time, said that Afghanistan would become "Vietnam with snow." The fact of the matter is, we got to Baghdad in three weeks and Saddam's statue came tumbling down.

We then fumbled the honeymoon period. We were greeted with flowers and chocolates. We bungled it.

BLITZER: And a lot of people were saying, getting rid of Saddam was the easy part. What happens afterwards is going to be a nightmare.

And a lot of the Bush administration officials seem to have neglected that advice that they were getting from some of the early -- from the first Bush administration, the president's father's administration, the Brent Scowcroft, the James Bakers.

They were suggesting, you know what, this is not going to be simply a matter of getting rid of Saddam. Then you've got to figure out what to do next.

RUBIN: Well, actually, I just looked up an interview with Ed Djerejian, who's the director of the James Baker Center. And what he said is he believed it would take two to three months to put Iraq back on its feet. That was the advice which many of the so-called State Department Arabists were giving us as well.

What we most estimated is the goodwill of the Iranians. When we struck a deal -- when Zalmay Khalilzad struck a deal with the Iranians for non-interference before the war, we trusted them. That was our mistake. And it would be a mistake to, again, put our national security in the trust of Iran's words.

BLITZER: So you're blaming Iran for a lot of the current instability in Iraq?

RUBIN: I most certainly am. And frankly, a lot of Iranian journalists do that as well, when they highlight the broken deals which the Revolutionary Guard has made.

And a lot of people forget, we have an ambassador in Iraq; Iran has an ambassador in Iraq, but Iran's ambassador isn't from the diplomatic corps; he's from the Revolutionary Guard corps' elite unit, charged with export of revolution.

BLITZER: Ken Adelman, you caused a stir, on the Vanity Fair Web site, on November 3, just before the election, when these words were printed: "I just presumed that what I considered to be the most competent national-security team since Truman was indeed going to be competent. They turned out to be among the most incompetent teams in the post-war era. Not only did each of them, individually, have enormous flaws, but together they were deadly, dysfunctional."

You're referring, specifically, to the president, the vice president, the national security adviser, the secretary of defense, the top leaders of the Bush administration.

ADELMAN: Well, I think, when you look at the record, Wolf, it's a record that has a lot of mistakes. You can't read a book without, you know, realizing that.

George Packer's book, "The Assassin's Gate," Michael Gordon and Bernie Trainor's book on "Cobra II," Bob Woodward's book on "State of Denial," Tom Ricks's book, "Fiasco" -- they all have different episodes but the same sad, story.

And you have to ask yourself, how did this happen? And all them attempt, and all of them are serious works and all of them full of facts and figures and episodes. And to tell you the truth, it just breaks your heart.

BLITZER: Does it break your heart, David Frum, to see how this situation unfolded?

Because in the Vanity Fair quotes that were released -- the whole article has not yet been published, but in the quotes -- I'll read one of them from you, and you'll tell me if this is accurate: "I always believed, as a speechwriter that if you could persuade the president to commit himself to certain words, he would feel himself committed to the idea that underlay those words."

And the big shock to me has been that, although the president said the words, he just did not absorb the ideas. And that is the root of, maybe, everything.

FRUM: Yes, that is an accurate quote.

BLITZER: It is accurate?

FRUM: Yes. And it reflects a lot of what I've been saying for the past year and a half.

When the president gives these speeches, every speech is the result of a battle for the president's heart and mind, as has famously been said about the speech-making process.

So different people try to persuade the president to say different kinds of things. And he considers and deliberates. And George Bush committed himself to a series of propositions.

One, he was going to stop Iran and North Korea from acquiring these terrible weapons. And two, that in Iraq, he was going to put his trust in the future of Iraq in a democratic process.

Instead, what happened in Iraq, for example, was the United States became an occupying power almost immediately.

That even before the invasion of Iraq, the decision was made not to have any kind of an Iraqi face on the future government, on the next government of Iraq, because...

BLITZER: Was that Paul Bremer who made that decision, who was the provisional authority representative, the proconsul, as some people say he was? Or was that a decision made by Rumsfeld or Cheney?

FRUM: Paul Bremer was the result of it. But the reason there was a proconsul was because a decision was made not to have an Iraqi provisional government. And that came about because the administration fought itself to a standstill. I mean, there were people who -- there were a number of Iraqis, each of whom had patrons in the administration.

BLITZER: A lot of people would say, that was, Michael Rubin, a huge blunder. You were there. You worked for Paul Bremer. Who came up with that idea of a U.S. military occupation as opposed to trying to let the Iraqis take charge?

RUBIN: Well, I'd second what David said, that that decision, Paul Bremer was the result of that decision. What there was was a debate within the administration about, you have the Iraqi opposition. You had, I believe it was seven key figures. And the question was whether to allow them to become a provisional government. They had already been self-selected through a number of conferences. Or whether there would be some sort of American presence first.

The real debate in Washington was whether we would have more influence before liberation or after liberation. And ultimately, it was the National Security Council, the national security adviser which made the decision to go with an American occupation presence.

BLITZER: That was Condoleezza Rice?

RUBIN: That was Condoleezza Rice and Stephen Hadley.

BLITZER: The deputy national security adviser...

RUBIN: At the time, yes.

BLITZER: ... who's now the national security adviser. And Condoleezza Rice, of course, is the secretary of state now.

RUBIN: That was the compromise that came out of interagency debate, when again, as David said, the State Department, the Pentagon and the others fought themselves to a standstill.

BLITZER: And you think that was a blunder?

RUBIN: I do believe it is one the greatest blunders we have made. The Coalition Provisional Authority and Paul Bremer did a lot of good, but nothing they accomplished which was good couldn't have been accomplished without an immediate transfer of sovereignty. And the fact that we labelled ourselves an occupying power, unlike in Bosnia, unlike in Kosovo and elsewhere, really put -- it justified all the insurgent rhetoric against us. And it turned our allies from those creating a democracy into collaborators.

BLITZER: All right. We're going to take a quick break. A lot more to talk about. The neoconservatives, we're going to ask them some more questions. What went wrong? What went right? What did go right? And what should the U.S. be doing next?

And this note for our North American viewers, right at the top of the hour, John Roberts looks at the war, the impact on the whole region, talks to analysts and our correspondents. "This Week at War" coming up right after "Late Edition."

BLITZER: Welcome back to "Late Edition." I'm Wolf Blitzer in Washington. We're talking about the way ahead in Iraq with three prominent neoconservatives who are not necessarily all that happy with the way the Bush administration has waged the war in Iraq: former Assistant Defense Secretary Ken Adelman, former Bush speechwriter David Frum and Michael Rubin of the American Enterprise Institute.

Ken, I'll start with you. The Iraq Study Group. Ten members of this group, which has been meeting since last April, their mission is designed to come up with a new strategy, some new ideas. Supposedly going to release their plan next month.

Let's take a look at who these ten members are. On the Republican side, five Republicans, James Baker, Lawrence Eagleburger, Edwin Meese, Sandra Day O'Connor and former Senator Alan Simpson. On the Democratic side, five members. Former Congressman Lee Hamilton, the co-chairman, Vernon Jordan, Leon Panetta, William Perry and Chuck Robb, the former U.S. Senator. I see ten very influential, prominent guys, but I don't see one conservative, neoconservative, Ken Adelman. What do you make of that?

ADELMAN: Nothing, to tell you the truth. I'm not a neoconservative. I was always a conservative. While the neoconservatives, I guess, were Trotskyites in campaigning in some nefarious manner in 1964, I was campaigning for Barry Goldwater. So I think it doesn't matter all that much. It's an academic exercise. Because I am conservative and all that. But I think it's a very good group, and I'm interested in what they have to say.

BLITZER: Are you concerned, though, about the membership of this Iraq study group, David Frum, given their histories, the so-called realist as opposed to the neoconservative, the idealist school of thought?

FRUM: I think it is -- I'm with Ken. I'm not sure how helpful any of those terms are. And what I'm more concerned about with the Iraq study group is the answers are already baked. That they're not studying at all.

That there is a decision been made to try to negotiate a grand deal with the Iranians and the Syrians by which they would help the United States exit from Iraq in return for the United States overlooking their activities. And if that's the plan, that's not a good plan.

BLITZER: Is that a good idea?

RUBIN: I don't believe it's a good idea. First of all, it's not a new idea.

BLITZER: To bring in the regional powers, including Iran and Syria and to start a dialogue. The Iraq study group of James Baker and Lee Hamilton, they're already doing what Bush

administration refuses to do. They've been meeting with high-ranking Iranian and Syrian officials.

RUBIN: Actually, the Bush administration doesn't refuse to do it. On May 31st, Condoleezza Rice offered to have direct talks with Iran in the context... BLITZER: But they laid out certain conditions?

RUBIN: The only condition was that Iran suspend uranium enrichment during the duration of the talks.

BLITZER: But Baker-Hamilton didn't ask for that suspension.

RUBIN: But you know what? Four days later, Ayatollah Khamenei, the supreme leader of Iran, got up in response to Condoleezza Rice's offer and said, why don't you just admit that you've lost? Why don't you just admit that you are weak and your razor is blunt?

That was Iran's response. Now, we trusted Iran in 2003, when Zalmay Khalilzad met with the Iranian ambassador, and the revolutionary guard didn't keep the word. The problem with negotiating with Iran is that the question of which Iran you are negotiating with? The diplomats or the people that actually hold power, which are the revolutionary guard?

BLITZER: Ken Adelman, we're almost out of time, but I want your quick thoughts, all three of you before we go. Iran, should the U.S. bomb Iran's nuclear facilities anytime soon?

ADELMAN: No.

BLITZER: That's a pretty quick thought. What do you think, David?

FRUM: The United States does not have to do it soon. But the United States -- because there are a lot of intermediary steps. What is worrying is that the United States seems to have moved away even from the very idea of a coercive diplomacy of any kind. And that what United States, I think, is in most serious danger of doing is overlooking the fact that, right now, there are American troops who are under attack from Iranian weapons and from troop, guerrillas trained by Iranian trainers, and that is an outrage, and the United States ought to be taking a hard line on that.

BLITZER: Here's what Joshua, your colleague at the American Enterprise Institute, writes in the Los Angeles Times today: "We must bomb Iran. It has been four years since that country's secret nuclear program was brought to light. And the path of diplomacy and sanctions has led nowhere. It is now clear that neither Moscow nor Beijing will ever agree to tough sanctions. What's more, even if they were to do so, it would not stop Iran, which is a country on a mission."

Very quickly, what do you think?

RUBIN: I disagree. It's a last resort. What we should be doing is making the Iranian government more accountable to the people, trying to replicate what we did in Poland in 1981 with the

Gdansk labor movement. We have the opportunity to do that in Iran, but the more as we debate as if it's only a dichotomy between engagement and military action, the more we squander our opportunity to take advantage of other opportunities. BLITZER: I want to thank all of you for joining us. Ken Adelman, David Frum, Michael Rubin, an excellent discussion. We'll continue this down the road.

And coming up, our "in case you missed it" feature brings you highlights of the other Sunday morning talk shows here in the United States. "Late Edition" will be right back.

BLITZER: Let's take a look at what's on the cover of this week's major newsmagazines here in the United States. Time magazine has "The Pope Confronts Islam." Newsweek explores growing up with autism. And U.S. News & World Report looks at "Taking Care of Mom and Dad."

Up next, "Late Edition's" Sunday morning talk show roundup. And for our North American viewers, at the top of the hour, "This Week at War." We'll be right back.

BLITZER: And now, in case you missed it, let's check some of the highlights from the other Sunday morning talk shows here in the United States. Discussion focused on the new Congress and the way forward in Iraq.

(BEGIN VIDEO CLIP)

U.S. SENATOR JOHN MCCAIN, R-ARIZONA: You've got to ask yourself some questions. One, are we winning? And I think the answer is no. The other is, what are the consequences of defeat? I just pointed out the widening war, greater chaos in the region, other countries drawn in, emboldening and strengthening of Iraq.

Can we still win? Yes, I believe we can. It'll be tough, but we need to do it.

(END VIDEO CLIP)

(BEGIN VIDEO CLIP)

JAMES WEBB, U.S. SENATOR-ELECT, D-VIRGINIA: We need to talk to Iran and Syria. I think it was a great mistake not to as this moves forward, and that's one thing I've been encouraged to hear from former Secretary of State Baker, that you need to talk to your enemies as well as your friends. You don't have to give up anything in terms of, you know, national concerns to be talking to them. But it's impossible to resolve the situation now without talking to them.

(END VIDEO CLIP)

(BEGIN VIDEO CLIP)

U.S. REP. CHARLES RANGEL, D-NEW YORK: A draft doesn't necessarily mean that everyone drafted will have to serve in the military. I think at a time when national security is so

important, having our young people commit themselves to a couple of years in service to this great republic, whether it's our seaports, our airports, in schools, in hospitals and at the end of that, to provide some educational benefits, it's the best thing for our young people and the best thing for our country. I will be introducing that bill as soon as we start the new session.

(END VIDEO CLIP)

(BEGIN VIDEO CLIP)

NEWT GINGRICH, R-GA, FORMER U.S. HOUSE SPEAKER: When you look at number of Democrats who won in place like North Carolina, Indiana, Arizona, campaigning as centrist or blue dog or conservative depending on where they were Democrats, there's the potential that with the right policies and the right choices, that you could consistently have floor control for the conservatives in a bipartisan coalition, even though you have a very liberal Democrat as speaker.

(END VIDEO CLIP)

BLITZER: Highlights from the other Sunday morning talk shows here on "Late Edition," the last word in Sunday talk. And that's your "Late Edition" for this Sunday, November 19. Please be sure to join us next Sunday and every Sunday for two hours, at 11 a.m. Eastern, for the last word in Sunday talk.

Remember, we're in the "Situation Room" Monday through Friday from 4 to 6 p.m. Eastern, another hour at 7 p.m. Eastern. Until then, thanks very much for watching. I'm Wolf Blitzer in Washington. "This Week at War" with John Roberts starts right now.

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Subject:	Attorney General's News Briefing for Tuesday, November 21, 2006
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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: TUESDAY, NOVEMBER 21, 2006EST

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TERRORISM NEWS:

Gonzales Defends Domestic Wiretapping. The Denver Post (11/21, Cardona) reports, "U.S. Attorney General Alberto Gonzales reiterated his support for a domestic wiretapping program to fight terrorism during a visit Monday with The Denver Post editorial board. … 'We've done a lot to make America safer, but it's not safe,' Gonzales said when asked about the need for warrantless eavesdropping. 'Fundamentally, the world is different today. My 14-year-old son will grow up in a different world than I grew up in. It's much more likely there will be a terrorist attack in this country. I never worried about a terrorist attack as a boy.'" The Post continues, "Gonzales said the Bush administration would not be deterred by the Democratic takeover in Congress but that he hoped new congressional leaders would be as willing to avoid a confrontation on national security as he is. … 'I'm not going to prejudge,' Gonzales said of the possibility of trying to convince the new Congress. 'We are going to work as hard as we can to avoid the kind of crisis you referred to.'" The Post adds, "Gonzales said the Bush administration's anti-terrorism efforts since the Sept. 11, 2001, attacks have improved intelligence gathering, especially between nations. … 'The unsung story of this is our relationships with our foreign partners,' Gonzales said. 'The level of cooperation is outstanding, and it's made a big difference now that we are able to analyze plots. We have to be right 100 percent of the time; they (terrorists) only have to be right one time.' … Gonzales also spoke about the issues with security at the Supermax prison in Florence and said he considered the problems 'a priority.'"

Gonzales Says Supermax Prison Is Safe. The Rocky Mountain News (11/21, Burnett) reports, "U.S. Attorney General Alberto Gonzales acknowledged today there have been problems at Supermax prison in Florence but said steps have been taken to improve security and make sure the community is safe. … 'I think it's a safe facility,' Gonzales said during a meeting with the Rocky Mountain News editorial board. 'Have mistakes been made? Have there been some problems there? No question about it, like there are at every facility. But we've taken steps to address them.'" The News continues, "Gonzales said the Department of Justice has added 11 new employees at Supermax, and that seven more positions will be filled 'as soon as we can.' The 18 new employees would bring the facility to 208 — still short of the 240 employees it had when the prison opened in 2004." The News adds, "Supermax, the nation's highest-security prison and home to inmates such as 9/11 conspirator Zacarias Moussaoui, also has addressed problems with inmate mail and phone calls not being monitored, Gonzales said. … He said a 'large portion' of phone calls are being monitored as they occur, and others are recorded and later reviewed by translators. All mail is being viewed, he said. … In September, a Justice Department inspector general's report criticized the prison for not properly screening terrorists' mail and other communications. Gonzales today called that situation 'intolerable' and said steps were taken to correct it."

More Commentary. The Rocky Mountain News (11/21) editorializes, "In a meeting with News editors and writers on Monday, U.S. Attorney General Alberto Gonzales delivered both good news and bad news about the security of communications flowing to and from inmates at the Supermax lockup in Florence." The News continues, "On the plus side, Gonzales said that every communication with prisoners, by mail or telephone, is now reviewed. Mail is read and telephone messages are either monitored on the spot or recorded and eventually translated. … That's a dramatic improvement. A report by the department's inspector general published earlier this fall found that less than half of inmate phone calls at Supermax were monitored, and during a test period a mere 1.8 percent of mail to and from the prisoners was checked by law enforcement officials." The News adds, "The 'eventually translated' part, however, is the bad news. While the AG asserted that the goal was to monitor all communications in 'real time,' it's not happening now. The Bureau of Prisons lacks enough translators to interpret messages as they come and go. Which means that instructions to terror networks or outside criminal enterprises could be flowing freely for days, weeks or months (more like months, as we'll explain below) before potentially lethal plans

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are derailed. … Until recently, however, deciphering those messages was a low priority for the feds. The IG report said the FBI attempted to produce translations from intercepted letters within 60 days, which is already far too long. In actuality, it could take between six and 18 months to get a useful translation, the report added. … Given the wide latitude Congress has granted the administration to wage the war on terror, not to mention the expansive surveillance powers the White House has asserted on its own, such delays are indefensible. … In our conversation Monday, Gonzales agreed. But he still needs to push his department to finish the job of ending the security risk at SuperMax."

Judge Rejects PAWF Request For NSA Documents. The AP (11/21) reports, "The National Security Agency is not required to release details about its secret wiretapping program, a federal judge said Monday." The AP continues, "The People for the American Way Foundation, a liberal advocacy group, sued to obtain records under the Freedom of Information Act. The group sought to find out how many wiretaps were approved and who reviewed the program. … President Bush has acknowledged the existence of the program, which he calls the Terrorist Surveillance Program. The National Security Agency monitors phone calls and e-mails between people in the U.S. and people in other countries when a link to terrorism is suspected." The AP notes, "Civil liberties group criticize it as an expansion of presidential power, and a federal judge has said it is unconstitutional. The Justice Department says it is a necessary tool to fight terrorism. … The NSA denied the request for documents, saying the records would jeopardize national security. The advocacy group argued that the law can't be used to protect the government from disclosing details about illegal programs. … U.S. Judge Ellen Segal Huvelle disagreed, saying that even if the program is ultimately determined to be illegal, it doesn't change the fact that the materials are classified and are not covered by the Freedom of Information Act."

Human Rights Groups Back Democrats On Detainee Law Overhaul. The Hill (11/21, Tiron) reports, "Some human-rights groups are hoping that the Democrats' takeover of Congress will provide the necessary momentum to overhaul the controversial new legislation governing military tribunals. One of the groups' main goals is to restore habeas corpus rights to military detainees held at Guantanamo Bay, Cuba." However, "Senate Democrats could have a tough time gathering enough support to stave off a White House veto. The Senate passed the military commissions bill by a vote of 65 to 34. ... House Democrats may face larger hurdles than their Senate colleagues in trying to change the tribunal legislation. The House passed the Military Commissions Act by a vote of 253 to 168."

WPost Blasts "Alternative" Interrogation Tactics. The Washington Post (11/21, 690K) editorializes, "Magid Khan was one of the al-Qaeda suspects who was detained in a secret prison of the CIA and subjected to 'alternative' interrogation tactics -- the administration's chilling phrase for methods most people regard as torture. Now the government is arguing that by subjecting detainees to such treatment, the CIA gives them 'top secret' classified information -- and the government can then take extraordinary measures to keep them quiet about it. If this argument carries the day, it will make virtually impossible any accountability for the administration's treatment of top al-Qaeda detainees. And it will also ensure that key parts of any military trials get litigated in secrecy."

Reno Joins Other Former DOJ Officials In Challenging Terror Law. The AP (11/21, Apuzzo) reports, "Former Attorney General Janet Reno and seven other former Justice Department officials filed court papers Monday arguing that the Bush administration is setting a dangerous precedent by trying a suspected terrorist outside the court system." The AP continues, It was the first time that Reno, attorney general in the Clinton administration, has spoken out against the administration's policies on terrorism detainees, underscoring how contentious the court fight over the nation's new military commissions law has become. Former attorneys general rarely file court papers challenging administration policy." The AP adds, "Suspected al-Qaida sleeper agent Ali Saleh Kahlah al-Marri is the only detainee being held in the United States. … The former prosecutors challenged the Justice Department's right to bring al-Marri before a military commission. … A citizen of Qatar, he was arrested in 2001 while studying in the United States. He had faced criminal charges until authorities designated him an enemy combatant and ordered him held at a naval base in South Carolina." The AP notes, "The Justice Department said in court papers last week that a new anti-terrorism law strips detainees such as al-Marri of the right to challenge their imprisonment in court. … 'The government is essentially

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asserting the right to hold putative enemy combatants arrested in the United States indefinitely whenever it decides not to prosecute those people criminally — perhaps because it would be too difficult to obtain a conviction, perhaps because a motion to suppress evidence would raise embarrassing facts about the government's conduct, or perhaps for other reasons,' the former Justice Department officials said."

Islamic Charity Distances Itself From Sudanese Group With al-Qaida Links. The AP (11/21, Apuzzo) reports, "A Missouri-based Islamic charity accused of being part of an international terrorist organization tried to distance itself in federal court Monday from a Sudanese group suspected of financing al-Qaida." The AP continues, "The Treasury Department considers the Islamic American Relief Agency, of Columbia, Mo., to be an arm of the Islamic African Relief Agency, a Sudanese group accused of providing financial support to Osama bin Laden, al-Qaida and Hamas." The AP adds, "The FBI raided the charity's office in Missouri and the homes of people affiliated with the group nationwide. Since then, the 20-year-old charity has been unable to raise money. … Attorney Shereef Hadi Akeel told the U.S. Court of Appeals for the District of Columbia Circuit that the charity was not part of the Sudanese group. The organizations have independent leaders and separate bank accounts, he said. … If the two groups were the same, Akeel said, when the Missouri group wanted to move money into Sudan, it would have simply transferred it. Instead, he said the charity sought U.S. permission." The AP notes, "A federal judge rejected the group's lawsuit in 2005, finding enough evidence to support the Treasury Department's decision. The three-judge appeals panel seemed hesitant to reject that finding Monday, asking few questions and noting that it would need to see clear evidence to overturn the agency's decision. … The Justice Department pointed to the Missouri charity's own tax and corporate documents, which list the charity as a chapter or affiliate of the Sudanese group."

Judge Rules US Not Required To Transfer Detainee For Medical Treatment. The AP (11/20, Apuzzo) reports, "The U.S. military is not required to send a Guantánamo Bay detainee to a civilian hospital for medical treatment, a federal judge said Monday, leaving the prisoner to choose between having a heart procedure performed at the military base or not at all." The AP continues, "Saifullah A. Paracha, a 59-year-old multimillionaire Pakistani businessman and television producer, argued that the procedure was too risky to be handled anywhere but in a cardiac unit. He asked to be transferred to a hospital in the United States or Pakistan. .. .The procedure, called cardiac catheterization, is used to detect heart problems such as blockages. A doctor inserts a plastic tube into a vein and slides it into the heart or nearby coronary arteries to measure blood pressure or oxygen levels. … If something goes wrong, Paracha's attorney said, doctors could need to perform emergency heart surgery." The AP adds, "Doctors successfully completed an identical procedure at Guantánamo Bay in 2003, the Justice Department said. Special medical equipment and personnel were available, attorneys said, making transferring Paracha an unnecessary security risk. … U.S. District Judge Paul L. Friedman agreed, saying the government regularly decides how best to treat civilian prisoners inside the United States and judges rarely intervene."

Second Man Charged In Hezbollah TV Station Access Case. In a widely-distributed story, the AP (11/21, Neumeister) reports Saleh Elahwal of Matawan, N.J., "was charged Monday with supporting terrorists by enabling customers to obtain satellite broadcasts of a Hezbollah television station, the second person accused in a case that has drawn scrutiny over how far the government can go in claiming someone is aiding terrorist groups." Elahwal and Javed Iqbal of Staten Island "could each face up to 110 years in prison if they are convicted of all 11 counts in a rewritten indictment unsealed Monday in U.S. District Court in Manhattan. They pleaded not guilty." The AP notes, "As part of their probe, FBI agents searched two storefronts in Brooklyn where Iqbal worked and at his residence, where multiple satellite dishes helped him distribute the broadcasts to New York-area customers through a Brooklyn company called HDTV Limited, prosecutors said."

Prodi Sacks Intelligence Chiefs Over Suspected CIA Kidnapping. The Financial Times (11/21, Barber) reports, "Three top intelligence officials were removed on Monday in the most abrupt shake-up of Italy's espionage community since the current structures were established almost 30 years ago. The government of Romano Prodi removed the chief of the national military

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intelligence agency, whom prosecutors want to put on trial for involvement in the suspected kidnapping by CIA agents of an Egyptian imam in February 2003. It also replaced the head of the domestic secret service and the chief of an intelligence co-ordinating committee that reports to the political authorities. ... Since the creation of Italy's democratic political system in the late 1940s, the intelligence services have played a prominent and often bitterly criticised role in battling home-grown terrorism, of the extreme-left and extreme-right varieties."

FT Inveighs Against Rendition. The Financial Times (11/21) editorializes about rendition, "a capitulation by liberal societies to their enemies, a surrender of the rule of law to jihadi totalitarianism, to sink into such practices - whatever semantic evasions are used to describe them. As the Financial Times has persistently argued: we should not need to make the case against torture. It is morally depraved. It corrodes the society that condones it. It elicits largely worthless information. ... A start might be made if those high up the chain of command - such as Donald Rumsfeld, the now defenestrated US defence secretary - were called to account for their actions. Italy may have started this process."

Germany Detains Six, Releases Five In Suspected El Al Bomb Plot. The New York Times (11/21, Landler, 1.16M) reports, "German authorities, investigating an alleged plot to hide an explosive device aboard a passenger jet" in Frankfurt "last summer, detained six men on Friday on suspicion of belonging to a terrorist group. All but one of the men was released the following day, the federal prosecutor in Karlsruhe said on Monday. But German authorities said they are investigating additional people whom they believe sought to bribe an employee at Frankfurt Airport to place a bomb aboard the plane in luggage. The plot was in its very early stages, the prosecutor said." The Times notes, "German news organizations…reported that the men were from the Middle East, possibly from Jordan. The newspaper, Die Welt, said on its Web site that the target was the Israeli state airline El Al."

HOMELAND RESPONSE:

ACLU To Release Documents Detailing Pentagon Records On Antiwar Groups. The New York Times (11/21, Lichtblau, Mazzetti, 1.16M) reports, "An antiterrorist database used by the Defense Department in an effort to prevent attacks against military installations included intelligence tips about antiwar planning meetings held at churches, libraries, college campuses and other locations, newly disclosed documents show." Pentagon Counterintelligence Field Activity Unit Acting Director Daniel J. Baur "said that those operating the database had misinterpreted their mandate and that what was intended as an antiterrorist database became, in some respects, a catch-all for leads on possible disruptions and threats against military installations in the United States, including protests against the military presence in Iraq. … Once the problem was discovered, he said, 'we fixed it,' and more than 180 entries in the database related to war protests were deleted from the system last year." However, the ACLU plans to release documents today which detail the data that was collected, "and officials with the group said they would push for Democrats, newly empowered in Congress, to hold formal hearings about the Talon database."

Six Imams Removed From US Flight. The AP (11/21, Karnowski) reports, "Six Muslim imams were removed from a US Airways flight at Minneapolis-St. Paul International Airport on Monday and questioned by police for several hours before being released, a leader of the group said. … A passenger initially raised concerns about the group through a note passed to a flight attendant, according to Andrea Rader, a spokeswoman for US Airways. She said police were called after the captain and airport security workers asked the men to leave the plane and the men refused. 'They took us off the plane, humiliated us in a very disrespectful way,' said Omar Shahin, of Phoenix." The imams "were returning from a conference in Minneapolis of the North American Imams Federation, said Shahin, president of the group." Shahin said that "three of them stood and said their normal evening prayers together on the plane," and "he attributed any concerns by passengers or crew to ignorance about Islam." The AP notes, "Shahin said they went as far as notifying police and the FBI about their meeting in advance."

Hawley Urges Travelers To Learn Rules Before Going To The Airport. TSA chief Kip Hawley, in an op-ed in USA Today (11/21, 21A, 2.27M) writes that the TSA's "primary mission is to ensure the security of air travel. … TSA and our partners in law enforcement, airlines and airports handle the security work, but we also depend on travelers to be active participants by being prepared when

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they arrive at the airport." Hawley continues that air travelers "can have a huge impact in making the process go smoothly and quickly for everyone" if they spend a minute learning "the rules before going to the airport (www.TSA.gov)." Meanwhile, security officers are doing "a demanding job," and checkpoints are "not the place to debate the merits of various security measures."

Meanwhile, in an editorial under the headline "Fliers Aren't Giving Thanks For Fickle TSA Rules, Screeners," USA Today (11/21, 21A, 2.27M) offers a warning for those planning to fly this Thanksgiving week: "Be prepared. Since a plot to bomb jetliners with liquid explosives was broken up in London last August, flying has proved a little less convenient and a lot more confusing." USA Today says the rules, which were relaxed in September, have become "so complicated that they aren't applied consistently." After providing examples of inconsistent carry-on rules, USA Today writes, "While TSA screeners must make judgment calls — and fliers must comply — screeners should be reading from the same playbook, and that playbook needs to be simple enough that it's easily understood. It isn't." USA Today states that "whether everyone is ready for the busiest travel weekend of the year is very much in doubt. Passengers and screeners alike will have to give a little."

Poster Advises Screeners On Dealing With Daggers Worn By Sikhs. The Washington Post (11/21, A6, Boorstein, 690K) reports a "centuries-old requirement" that Sikhs "always wear a dagger" has "collided with beefed-up, post-Sept. 11 rules that no longer allow people to leave legal weapons and other banned items with security guards working in such buildings as courthouses and federal offices. … In an effort to bridge the culture-security gap, the Homeland Security Department and the Sikh legal group yesterday unveiled a poster meant to help screeners through these interactions." The poster advises screeners to be respectful when asking "if a Sikh is carrying a kirpan" and to "handle the kirpan with respect and care" if it must be confiscated.

Pentagon Delays Chemical Weapons Destruction. The USA Today (11/21, Eisler, 2.27M) reports, "The Pentagon has extended its timeline to destroy its aging chemical weapons arsenal until 2023, despite concerns by Congress and watchdog groups that the stockpiles raise the risk of an accident or theft by terrorists." The new schedule "means the military won't eliminate its stocks of deadly nerve gases and skin-blistering agents until 11 years after the 2012 deadline set by the international Chemical Weapons Convention." Pentagon spokesman Chris Isleib said the delay "is the result of several factors, including technological challenges in developing and building disposal plants, regulatory delays, and safety and security issues." Critics said "the plan to slow spending and stretch construction at the remaining disposal plants will raise costs and create needless risks of an accidental chemical release or terrorist attack."

WAR NEWS:

Bush Says He Hasn't Decided On Changes To Iraq Strategy. The Financial Times (11/21, Sevastopulo) reports, "George W. Bush said he had made no decisions on altering troop numbers in Iraq on Monday following reports that the Pentagon was considering a temporary boost to curb sectarian violence in Baghdad. … 'I haven't made any decisions about troop increases or troop decreases,' Mr Bush said in Indonesia." The AP (11/21, Hunt) notes that "asked specifically whether there were any risks in increasing US troops," Bush said, "There's no need to comment on something that may not happen. But if it were to happen, I will tell you the upsides and downside."

Bush's comments in Indonesia are being reported in the context of a story in yesterday's Washington Post. That story, which outlined three possible Pentagon strategies for Iraq, sparked extensive media commentary last night and this morning – much of it highly negative. NBC Nightly News (11/20, lead story, 3;10, Williams, 9.87M) also reported on the "apparent leak from inside the Pentagon has revealed what appear to be the three possible options for the US in Iraq." NBC (Miklaszewski) added, "As outlined first by the Washington Post, the options reportedly include go big: A large increase in US forces to try to bring down the level of violence, rejected by senior military officials who say that could take several hundred thousand more troops and the military's already stretched too thin. Go home: The rapid withdrawal of American forces, rejected because it could ignite a full-blown civil war. The most viable option: Go long a compromise that would temporarily increase the US force by 20,000 to 30,000 troops to try to quell the violence, then gradually reduce the total force from 140,000 troops now to 60,000 who could remain in Iraq for five to 10 years." But "military experts contend even a temporary increase in troops

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will not change the course of the war." General Barry McCaffrey (ret): "I think the notion of bubbling up 20,000 to 40,000 US forces to demonstrate our political will before we do the drawdown is nonsense." NBC added "senior Pentagon and military officials aren't putting much stock in these specific three options laid out publicly, saying that if that's the best we can do, we're in brig trouble."

The CBS Evening News (11/20, story 5, 2:10, Martin, 7.66M) reported, "A team of military advisors has developed one option which includes a temporary troop buildup as prelude to the start of a withdrawal. A measure of the quandary the Bush Administration faces, that was rejected just last week by the top military commander for Iraq." General John Abizaid, Commander US forces: "I do not believe that more American troops right now is the solution to the problem." CBS (Couric) continued, "Meanwhile…I know Henry Kissinger weighed in on the BBC today and he wasn't very optimistic, either."

Fox News' Special Report (11/20, Hume) noted "the option the Pentagon is calling 'go big,' a short-term increase in troops, is favored by Sen. John McCain among others." Sen. McCain: "No, we're not winning in Iraq. That's why we have to have more troops there and we have to do it quickly."

The New York Times (11/21, Cloud, 1.16M) says "Pentagon officials conducting a review of Iraq strategy are considering a substantial but temporary increase in American troop levels and the addition of several thousand more trainers to work with Iraqi forces, a senior Defense Department official said Monday. The idea, dubbed the 'surge option' by some officials, would involve increasing American forces by 20,000 troops or more for several months in the hope of improving security, especially in Baghdad." That "would mark a sharp rise over the current baseline of 144,000 troops." But "some officials and senior military officers are arguing against the idea, saying that it could undercut a sense of urgency for Iraqi units to take on a greater role in fighting the insurgency and preventing sectarian attacks."

The Washington Post (11/21, A23, Fletcher, 690K) reports, "Even with the endorsement of a Pentagon panel, or that of the bipartisan Iraq Study Group, headed by former secretary of state James A. Baker III and former representative Lee H. Hamilton (D-Ind.), any increase in troops would be controversial, particularly because Democrats in recent months campaigned on the need for a plan to decrease US exposure in the country."

McClatchy (11/21, Hutcheson) reports, "Of the three obvious options -- sending significantly more US troops to Iraq, staying the course or withdrawing immediately - only one has much support, however." The US "doesn't have enough troops to increase its presence significantly, and there's wide agreement that a hasty retreat would only leave a bigger mess. So support is coalescing around alterations to the current strategy, perhaps adding 20,000 to 50,000 more troops for a limited time, then beginning a drawdown."

The Wall Street Journal (11/21, A6, Dreazen, 2.04M) reports, "Both supporters and opponents of the war agree there are few easy -- or bloodless -- ways of winding down the troubled US effort. Leading Democrats have rallied around a proposal from Michigan Sen. Carl Levin that calls for beginning troop withdrawal within four to six months. A rising number of Republicans also have begun arguing US forces should start returning home next year."

USA Today (11/21, Kelley, Slavin, 2.27M), under the headline "Bush Pressured To Come Up With New Iraq Strategy," says "increased pressure from Congress and high level studies commissioned by the Pentagon and the White House are prodding President Bush to significantly change strategy in Iraq for the first time since the war began in March 2003."

Obama Calls For Regional Dialogue, Troop Reduction. The Chicago Tribune (11/21, Parsons, Mendell, 617K) reports, "Amid intense speculation about whether he will run for president, Sen. Barack Obama on Monday used the spotlight to showcase his strategy for the war in Iraq, excoriating the Bush administration for its 'misguided' war and describing a solution that includes dialogue with hostile nations in the region." In his speech to the Chicago Council on Global Affairs, Obama "said the US should end its 'coddling' of the Iraqi government by beginning a reduction of troops in the next four to six months and pressuring Iraqis to work out agreements among their warring factions." The senator offered "few new specifics." The AP (11/21, Bellandi) also says Obama "was careful not to set a specific timetable for withdrawal of troops or suggest troop levels."

The Los Angeles Times (11/21, Huffstutter, 850K) notes Obama also "criticized President Bush for pushing forward with a war that 'would require an occupation of undetermined length, at undetermined cost, with undetermined consequences.'"

More Commentary. On the CBS Evening News (11/20, story 6, 2:00, Couric, 7.66M), NYTimes columnist

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Thomas Friedman said, "I'm rather despondent that anything can really solve the situation in Iraq right now." Iraq "is so broken…that it can't even have a proper civil war. It's so broken. You know, to have a proper civil war, you need two sides, basically. There are now 15 sides there." He added, "Our choice in Iraq is…ten weeks or ten years. That is, either we're going to conclude this thing is so broken and therefore we're just going to have to get out -- or we're going to say this thing is so broken we basically have to start over. And that is a ten-year project. Because the idea that there's some kind of middle ground where we kind of stand up the Iraqi army and then we kind of quietly leave, I think that's an illusion."

In his Washington Post (11/21, 690K) column, Eugene Robinson writes, "Defections, recrimination and finger-pointing among the people who got us into this mess provide an amusing sideshow. But the main event is the mandate that midterm voters imposed this month, in no uncertain terms: Find a way out. ... If American troops begin pulling out tomorrow, Iraq surely will suffer a terrible spasm of bloody violence. But if we wait a year and then pull out, there is no reason to expect any different outcome."

In his Washington Post (11/21, 690K) column, Richard Cohen writes, "As with Vietnam, we are fighting now merely not to lose -- to avoid a full-fledged civil war (it's coming anyway) or to keep the country together, something like that. But not for victory. Not for democracy. ... This, above all, is how Iraq is like Vietnam: older men asking younger men to die while they try to figure something out."

Wolf, Rice Were Early Supporters Of Iraq Study Group Proposal. The Washington Post 911/21, A25, Layton) reports, "On his third trip to Iraq, in September 2005, Rep. Frank R. Wolf (R-Va.) knew the American mission was imperiled. … That's when" Wolf "first began to think about the need for 'fresh eyes' to scrutinize U.S. policy regarding Iraq. Quietly, he went to the White House and presented his plan: a bipartisan commission of well-respected policymakers to bore deeply into the Iraq dilemma and recommend solutions." According to the Post, "The result is the Iraq Study Group, though "initially, the White House was cool to the idea, Wolf said. But he was able to win over Secretary of State Condoleezza Rice. Defense Secretary Donald H. Rumsfeld followed, as did national security adviser Stephen J. Hadley. 'Rice's support was key,' Wolf said. 'But I had to have the support of everybody or there would be no way to do this.'

Cost Of Wars In Iraq And Afghanistan Nears $500 Billion. The Christian Science Monitor (11/21, Grier, 59K) reports, "The cost of combat in Iraq has now surpassed $300 billion, according to government estimates. Add in activities in Afghanistan, and the total price of the global war on terror is about $500 billion, making it one of the most monetarily costly conflicts in which the nation has ever engaged. Now the Department of Defense is in the process of drawing up its follow-on request for the remainder of FY 2007. Reports indicate that the Pentagon could ask for $120 billion to $160 billion, which would be its largest funding request yet for the global war on terror." The Monitor notes, "Before the invasion of Iraq, the White House estimated that combat operations there would cost about $50 billion. … Three years later, Iraq alone is costing the US some $8 billion a month."

UK Think Tank Predicts War On Terror Will Continue For Thirty More Years. AFP (11/21) reports, "The fight against terrorism could last 30 years or more, according to a report published by a British think tank that specialises in international security. 'There is every prospect of the 'war on terror' extending for 30 years or more,' said the report by the Oxford Research Group. … 'Most people believe that the recent elections mark the beginning of the end of the Bush era but that does not apply to the war on terror,' said Professor Paul Rogers, who wrote the report, in a statement. 'In reality there will be little change until the United States faces up to the need for a fundamental re-think of its policies'."

Iraqi President To Hold Talks With Iranian, Syrian Leaders. USA Today/AP (11/21) reports, "Iranian President Mahmoud Ahmadinejad invited his Iraqi and Syrian counterparts to a weekend summit in Tehran to tackle the chaos in Iraq, Iraqi lawmakers said Monday." Iraqi President Jalal Talabani's spokesman Kamaran Qaradaghi "said in a statement late Monday that the Tehran meeting will include Talabani and Ahmadinejad. He said Syrian President Bashar Assad would not attend, but that Talabani had accepted an invitation to meet with Assad in Damascus. No date was set." The AP adds, "A close parliamentary associate of Talabani told the Associated Press that the summit represents an attempt by Tehran to strengthen its position in the region and prevent the United States from dividing Syria, a predominantly Sunni Arab country, from its ally of convenience, Shiite Iran. The associate spoke on condition of anonymity because he was not authorized to discuss the matter with the media."

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The State Department "reacted with skepticism about Iran's intentions in Iraq, but said it was up to Iraq. 'It's their call,' spokesman Tom Casey said in Washington. 'We have seen statements like this many times,' and there have been several high-level contacts between Iran and Iraq, Casey said. But Iran's statements of a desire to reduce violence in Iraq "have not been backed up by facts," he said."

The New York Times (11/21, Tavernise, 1.16M) notes Baghdad "re-established diplomatic relations with Syria on Monday, agreeing to restore an embassy in Baghdad after more than 20 years with no formal avenues of communication." The Times adds, "As the United States undertakes a broad review of its role in Iraq, the neighboring countries of Iran, Turkey and Syria have stepped forward to try to position themselves in case of a major change in policy, leading to a recent flurry of diplomatic efforts. The countries are also concerned about the possibility of a political collapse as the Iraqi government sinks into paralysis with its two main sects stuck in a deadlock."

ABC World News (11/20, lead story, 3:10, Gibson, 8.78M) refers to "a move with potentially stunning implications." Fareed Zakaria, ABC News consultant, said, "What Iran is saying to Iraq is, "Look, if you want stability in your country, you think we can help you. Don't go through Washington, come directly to us.'" ABC (Karl) said, "It's a move designed to limit US influence in the region." Zakaria: "It's a very clever move on Iran's part."

NBC Nightly News (11/20, story 2, 2:10, Engel, 9.87M) reported, "It's clear that Iran and Syria are already adjusting to the new reality in the Middle East: That Iraq has collapsed, that there is potential for oil development, there's a potential to contain the situation within Iraq. The US helped create this situation by launching the war and now has backed away and is not really engaged in any kind of diplomatic process at all. The US must get engaged very quickly, it seems, or Iran and Syria are simply going to redefine the region according to their own terms."

The CBS Evening News (11/20, story 4, 1:00, Palmer, 7.66M) said "a pledge of help has come to the increasingly desperate Iraqi government directly from the Syrians and it's considered a diplomatic breakthrough."

The Washington Post (11/21, A23, Trejos, 690K) says Damascus and Tehran "have offered to help bring stability to Iraq's fractured government, but the Bush administration has long-standing concerns about Iran's support for Shiite Muslim militias and Syria's failure to stop foreign fighters from joining the Iraqi insurgency."

The Financial Times (11/21, Negus, Smyth, Dombey) reports UK sources indicate "Iran was keen to host three-way talks, but Iraqi sources said there were no plans for such a meeting." Some analysts believe Tehran "is trying to ensure that it has the capacity to cause severe problems for US forces in Iraq as a possible deterrent to US-led military efforts against its own territory."

The Los Angeles Times (11/21, Moore, 850K) reports Syria "has served as an entry point and refuge for Sunni Arab insurgents who have waged a steady stream of attacks on US forces and the fledgling Iraqi government since the American-led invasion of Iraq in 2003. Iran, a Shiite Muslim nation, holds strong sway over the Shiite militias that have increasingly attacked Iraq's minority Sunnis in retaliation." However, says the Washington Times (11/21, Sands, 88K), "there has been intense speculation about a change of course in Washington since the midterm elections and about the pending report from an independent panel looking into US alternatives in Iraq." The State Department "said yesterday the United States did not feel 'snubbed' in being excluded from the Tehran gathering, and that it was up to Iraq to determine its relations with its neighbors."

More Commentary. The Los Angeles Times (11/21, 850K) editorializes, "Iran has invited top Iraqi and Syrian leaders to Tehran this weekend, but there are no Americans on the guest list. The omission is hardly a snub -- US diplomats probably wouldn't have much fun there anyway --- but the talks underline the absurdity of the White House position, which is essentially to wait for a bipartisan commission to give it permission to sit down with some friends and enemies. Regional discussions about the future of Iraq are already happening. The US should send out some invitations of its own." President Bush "need not wait for the release of a commission report to convene a conference and invite all of the key players in Iraq's future: Iraq, Iran, Syria, Turkey, Jordan, Saudi Arabia, as well as representatives of the Gulf Coordination Council, the European Union and the UN Agreeing on a mutual duty to respect and uphold Iraq's territorial integrity would be the first goal."

In an op-ed for USA Today (11/21, 2.27M) Wesley Clark, former Supreme Commander of NATO, writes, "Instead of cutting and running or staying the course, it is time for us to begin to redeploy. The right approach is a coordinated diplomatic, legal, economic and security campaign drawing

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upon broader dialogue in the region and intensified political work inside Iraq. Here is how to do this…begin talks within Iraq, and with all its neighbors, based on a clear set of principles outlined by the team. The goal would be to seek the commitments necessary to achieve our aims inside Iraq and also advance U.S. interests in the region. … A permanent Gulf regional security dialogue could emerge that includes Syria and Iran, and the United States could undertake a role as regional security guarantor. Preliminary discussions should lead to a more intensive dialogue with Iran in which security assurances and nuclear programs are discussed."

In a column titled "Syria Lends A Hand," Bret Stephens writes in the Wall Street Journal (11/21, A17, 2.04M), "At a simplistic level, the argument is: Where's the harm in talking? Oddly, the people who say this about Syria rarely make it in connection to, say, al Qaeda. A more sophisticated view is that the administration is anyway not seriously interested in overthrowing Mr. Assad -- the Muslim Brotherhood might well end up taking over -- so it will need carrots as well as sticks to improve his behavior. The largest of those carrots, supposedly, is a promise not to seek regime change; another is to abandon the cause of a truly independent Lebanon; a third is to lean on Israel to abandon the Golan Heights in return for a peace treaty. In exchange, it is hoped, Damascus will start playing a constructive role in Lebanon, abandon its support for terrorist groups in Iraq and Palestine, and begin to step away from its alliance with Iran." Stephens adds, "In the summer of 2005, a senior administration official smugly noted that the Syrian regime was sinking on its own weight, as if on quicksand. Now the countries have traded places, and some would urge the administration to grasp the offered hand of the likes of Mr. Moallem. They should consider what that hand has done, and whether it will pull us up -- or sink us."

Dick Morris writes in The Hill (11/21), "A consensus seems to be developing that only a 'regional solution' embracing Iran and Syria can extract the United States from Iraq without jeopardy to those who have stood with us and without damage to both our reputation and Bush's place in history. But at what price? Nobody seems willing to say what 'engagement' with Iran for a regional solution would entail. We cannot ask Iran's help while we bomb its nuclear reactors or impose tough sanctions on the country." Morris adds, "The price of Iranian cooperation will be complicity in Tehran's nuclear ambitions. Iran will gladly assure Bush it does not intend to develop an atomic weapon. But we shouldn't believe it." Israel "will have only one course -- to bomb Iran in hope of delaying its acquisition of nuclear weapons. … An Israeli strike would produce waves of nationalist sentiment in Iran and inflame Arab hatred of the Jewish state. It is precisely what we don't need now in the Middle East."

In an op-ed for the New York Times (11/21, 1.16M) Mark Moyar, an associate professor at the United States Marine Corps University, writes, "Iraq's prime minister, Nuri al-Maliki, is now saying that he wants the United States to stand back and let him use Iraqi forces to restore order. Within six months, he asserts, the bloodletting will cease. The United States must give this proposal very serious consideration. Critics of America's current Iraq policy, particularly among the Congressional Democrats, have tended to concentrate on international diplomatic remedies. Experience, however, suggest that only the Iraqis themselves can end the chaos and violence." Moyar goes on to draw parallels between present-day Iraq and Vietnam in the mid fifties. According to Moyar, "South Vietnam's history recommends the pursuit of two objectives that American officials are now urging upon Prime Minister Maliki: subduing the Shiite militias and transferring control of the police from Shiite partisans to Iraqi nationalists."

Army's Effort To Train Iraqi Forces Reportedly Beset By Setbacks. The Washington Post (11/21, A1, Ricks, 690K) reports, "The U.S. military's effort to train Iraqi forces has been rife with problems, from officers being sent in with poor preparation to a lack of basic necessities such as interpreters and office materials, according to internal Army documents. … A Pentagon effort to rethink policies in Iraq is likely to suggest placing less emphasis on combat and more on training and advising, sources say. In dozens of official interviews compiled by the Army for its oral history archives, officers who had been involved in training and advising Iraqis bluntly criticized almost every aspect of the effort. Some officers thought that team members were often selected poorly. Others fretted that the soldiers who prepared them had never served in Iraq and lacked understanding of the tasks of training and advising. Many said they felt insufficiently supported by the Army while in Iraq, with intermittent shipments of supplies and interpreters who often did not seem to understand English. The Iraqi officers interviewed by an Army team also had complaints; the top one was that they were being advised by officers far junior to them who had never seen combat." The

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Post adds, "Despite its central role in Iraq, the training and advisory program is not well understood outside narrow military circles. Congress has hardly examined it. … The Army has done some studies but has not released them. Even basic information, such as how many of the 5,000 U.S. military personnel involved are from the National Guard and Reserves, is unusually difficult to obtain."

US Advised To Embed More Combat Advisors Into Iraqi Battalions. In an op-ed for the Wall Street Journal (11/21, A16, 2.04M) Hans Binnendijk, a professor at National Defense University, and author Bing West write, "The reassessment of U.S. strategy in Iraq should radically alter the combat mission of the American troops serving there. The key policy change is to embed five times as many U.S. combat advisers into Iraqi battalions. This will, on the one hand, reduce the size and casualties of U.S. forces, and on the other, strengthen the Iraqi army -- the only institution that can stop the creeping civil war. … Currently the U.S. has about a dozen military advisers working in each Iraqi battalion. These advisers spend their time as managers. They are too few to give combat advice and moral reassurance out on the streets during daily operations."

More Than 1200 Iraqi Civilians Have Been Killed This Month. The AP (11/21, Wagner) reports, "In all, 25 Iraqis were killed Monday in a series of attacks in Baghdad, Ramadi and Baqouba, police said. The bodies of 75 Iraqis who had been kidnapped and tortured also were found on the streets of the capital, in Dujail to the north of Baghdad and in the Tigris River in southern Iraq. The Iraqi death toll this month is already well above the 1,216 who died in all of October, which had been the deadliest month in Iraq since the AP began its count. The actual totals are likely considerably higher because many deaths are not reported. Victims in those cases are quickly buried according to Muslim custom and never reach morgues or hospitals to be counted."

Prominent Iraqi Television Personality Killed. The Washington Post (11/21, A1, Raghavan, 690K) reports, "For the last three years, Walid Hassan had an impossible task. He had to make war-weary Iraqis laugh. Week after week, the comedian and broadcaster found inspiration in the turmoil and bloodletting. On his weekend television show, 'Caricature,' he poked fun at the poor security, the long gas lines, the electricity blackouts and the ineffective politicians. … On Monday, Hassan, 47, a father of five children, became a victim of the war and chaos from which he drew his inspiration. A Shiite Muslim, he was found in the majority-Sunni neighborhood of Yarmouk in west Baghdad with multiple bullet wounds to his back and head, according to police." The Post notes that Hassan, "who also produced a political show, was the latest casualty in the Iraqi media world. … So far, 133 reporters, cameramen and other media workers have been killed in Iraq, the vast majority of them Iraqi, according to Reporters Without Borders."

Pro-Saddam TV Station Reemerges After Being Banned. McClatchy (11/21, Allam) report, "When Iraqi government officials pulled the plug on al Zawraa TV earlier this month, they thought they'd finally stamped out a channel known for reporting live from 'occupied Baghdad' and declaring Saddam Hussein's death sentence 'a sad day for Iraq.' Two weeks later, however, the Sunni-owned station is back, and bloodier than ever. … Saddam-era martial music boomed as an insurgent video montage began: a sniper hitting an American soldier snacking on a sandwich, a U.S. Humvee bursting into flames as it hit a roadside bomb, Sunni Muslim militants vowing to overthrow Shiite leaders who are portrayed as agents of Iran." Al Zawraa "is the station of choice for nostalgic Baathists, militant Islamists, Iran-hating Sunnis and anti-American Arab nationalists. Driven underground by a court order on Nov. 5, the day Saddam was sentenced to death, the satellite news channel has re-emerged in recent days, broadcasting from an unknown location and devoid of any pretense of neutrality." Al Zawraa "was launched in November 2005, the brainchild of Mishaan al Jubouri, a Sunni member of the Iraqi parliament who fled to Syria recently amid allegations of corruption." Jubouri "said the new pro-resistance format has increased the number of viewers '100 times over.'"

Blair Meets With Karzai In Kabul, Visits British Troops. The AP (11/21, Stringer) reports British Prime Minister Tony Blair visited Afghanistan and met with President Hamid Karzai "following a visit to meet hundreds of troops in the country's restive southern Helmand province — a former Taliban stronghold and hub of Afghanistan's heroin trade. Blair paid tribute to the troops at Camp Bastion — Britain's main southern base." The AP notes, "The visit was the British leader's first to Afghanistan since 2002. Britain has around 6,000 soldiers deployed in Afghanistan." The AP adds, "A total of 41 British soldiers have died in Afghanistan

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since the U.S.-led invasion in 2001 — including 36 killed since Britain's deployment to Helmand province in July, Blair's office said." The Washington Times/AP (11/21, Stringer) reports Blair "pledged his nation's commitment in Afghanistan 'for as long as it takes,' telling British soldiers fighting the resurgent Taliban that success would help establish global security."

Taliban Reportedly Reliant On Profits From Opium Production. The Christian Science Monitor (11/21, Peters, 59K) reports, "As Afghanistan's narcotics trade explodes past $3 billion a year, there is concern that the Taliban is becoming another FARC, Colombia's notorious leftist insurgent group that draws much of its funding from the drug trade. The Taliban and FARC - the Revolutionary Armed Forces of Colombia - both got their start protecting peasants from corrupt governments. There's evidence both initially fought narcotics traffic but then levied taxes on the trade for much-needed cash. … Evidence is growing that the Taliban and their allies are moving beyond taxing the trade to protecting opium shipments, running heroin labs, and even organizing farm output in areas they control. 'It's reached the point where about half of the opium we seize in the provinces has some link to the Taliban,' says Gen. Ali Shah Paktiawal, director of the anticriminal branch of the Kabul police." The Monitor notes, "Many experts believe the Taliban has always been dependent on the poppy trade. Declassified US State Department records show that two major narcotraffickers now in US custody, Baz Mohammed and Bashir Noorzai, sat on the original five-member Taliban shura, or leadership council.

DOJ:

GAO Finds DOJ Making Progress On Information Classification. Federal Computer Week (11/21) reports, "A report from the Government Accountability Office says the Justice Department has significantly improved the way it handles classified information, but the agency has not corrected one of the most glaring problems: staff shortages." FCW continues, "Increased staffing was one of the recommendations made by the National Archives' Information Security Oversight Office, which reviewed security procedures at DOJ in July 2004 and April 2005. GAO was brought in this year to assess how well DOJ and its FBI component were following the recommendations. … The agencies have made a lot of progress in a lot of areas, according to GAO's report. 'DOJ, however, has taken no action on the most important recommendation, addressing staff shortages, which continue to place its program at risk,' the document states." FCW adds, "Justice said it does not have the resources to address the staff shortages, according to the report. The department said it 'is trying to address its resources constraints, a longstanding problem that GAO identified as early as 1993, by requesting additional funds from an administrative account in fiscal year 2007.' … But Justice officials acknowledged they do not know precisely how many new employees they would need because they have not fully assessed those needs, the report said. 'It also does not have a strategy that identifies how it will use additional resources to address remaining deficiencies,' the report added. … Justice had taken action on five of 10 recommendations, 'including fixing problems with outdated and insufficient training and insufficient monitoring of components' programs,' GAO said. … The report found that five department components — the Bureau of Alcohol, Tobacco, Firearms and Explosives; the Criminal Division; the Drug Enforcement Administration; the FBI; and the U.S. Marshals Service — were experiencing problems designating sensitive but unclassified information."

CORPORATE SCANDALS:

DOJ Drops Appeal Of Lay Ruling. The Houston Chronicle (11/21, Hays) reports, "Federal prosecutors on Monday had this to say about their intent to challenge a judge's decision to wipe out former Enron Chairman Ken Lay's convictions: Never mind." The Chronicle continues, "Last week the Justice Department filed notice it would appeal U.S. District Judge Sim Lake's October decision to clear Lay's name. That filing came the same day two senators introduced a bill to allow crime victims to seek restitution when a convicted defendant dies before exhausting appeals. … Lake had based his ruling on precedent set by the 5th U.S. Circuit Court of Appeals — the same court that would have heard a challenge. But prosecutors filed court papers Monday that said the government would withdraw its appeal notice." The Chronicle adds, "Monday's filing explained that last week's action came as the deadline for filing notice of appeal was about to expire. … Even though the Justice Department acknowledged helping draft the proposed legislation, prosecutors said in

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Monday's filing that last week's move was "protective" to ensure they met the deadline and could then review the bill to determine if it could help support an appeal. … 'Having concluded that review, the government now moves to withdraw its notice of appeal,' the filing said."

Cyberonics Head Resigns Amid Expanding Options Probe. The New York Times (11/21, Feder) reports, "The tumultuous tenure of Robert P. Cummins as chairman, president and chief executive of the medical device maker Cyberonics has ended, the company disclosed yesterday." The Times continues, "Mr. Cummins, 52, who is known as Skip, is a former venture capitalist who joined the board of Cyberonics in 1988 and became chief executive in 1995. He gained a reputation as one of nation's most passionate and intimidating business leaders in dealing with critics, regulators and investors." The Times adds, "Mr. Cummins had been under growing pressure since questions arose in June about the timing of stock options for 100,000 shares that were granted to him in 2004 just hours after a regulatory panel recommended approval of a Cyberonics implant to treat depression. Although none of the options vested immediately, their potential value soared when trading in the stock resumed the next day. … Scrutiny of the timing of the 2004 options grant expanded into internal and government investigations of whether Cyberonics was among the scores of technology companies that improperly manipulated options grants to ensure that executives would profit from them. … Cyberonics stock, which has been battered by the accounting questions and by the company's problems getting insurance coverage for its depression implant, soared yesterday after the company disclosed before trading began that Mr. Cummins resigned on Friday. The shares climbed as high as $26.45 before retreating to close at $24.17, up 12 percent for the day."

USA Today (11/21, Smith, 2.27M) reports, "A USA TODAY investigation reveals that Cyberonics' board has engaged in a series of questionable practices to reward Cummins, certain directors and some executives with stock and options almost from its inception as a public company in February 1993. Among its practices, the company frequently issued stock options just before market-moving events that insiders participated in, including merger talks, regulatory milestones and earnings advisories. It also repeatedly issued options at the lowest or second-lowest monthly trading price, SEC filings show. On one occasion, management, including Cummins, and a director who serves on the compensation committee, bought company stock at a discounted price in which Cummins represented himself both as the CEO selling the shares and as an individual buying them."

Former Capital One CFO Settles Insider Trading Charges For $1.8 Million. The Washington Post (11/21, D01, Hilzenrath) reports, "A former chief financial officer of credit card issuer Capital One Financial Corp. agreed to pay more than $1.8 million to settle insider trading charges, the Securities and Exchange Commission said yesterday." The Post continues, "David M. Willey was accused of exercising Capital One stock options and cashing in shares after learning in 2002 that a regulatory examination of the company was likely to end unfavorably. After the results of the examination were made public, Capital One's stock price plunged by about 40 percent." The Post adds, "Without admitting or denying wrongdoing, Willey agreed to give up $801,434 in alleged ill-gotten gains, plus $218,180 in interest and a penalty of $801,434. The SEC dismissed a related claim against Willey's wife, Joy S. Willey, a former Capital One vice president. The agency had previously named her as a defendant alleging that some of the proceeds of the insider trading were in her possession. … Willey, who joined McLean-based Capital One in 1989, earned more than $1.2 million in salary and bonus in 2001, according to a company report. … The following year, Federal Reserve examiners found serious management problems in areas under his authority, the SEC alleged in a 2004 complaint. The lead examiner told Willey of the Fed's concerns in a private meeting and warned that they could lead to formal supervisory action, the complaint said."

South Korean Prosecutors Indict Lone Star, KEB On Stock-Manipulation Charges. The Wall Street Journal (11/21, A3, Santini, Yoon) reports, "South Korean prosecutors indicted Dallas private-equity firm Lone Star Funds and Korea Exchange Bank on stock-manipulation charges related to the bank's credit-card unit, part of a nine-month investigation that the U.S. firm has blamed on antiforeign sentiment in Korea." The Journal continues, "The chief prosecutor in the case, Chae Dong Wook, vowed to continue a separate probe into whether Lone Star illegally purchased the bank in 2003. Prosecutors have been examining whether government and bank officials conspired to understate KEB's financial health when Lone Star acquired

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control of the bank. Lone Star's role in that transaction is also under scrutiny." The Journal adds, "Korean lawmakers have threatened to nullify Lone Star's original purchase of KEB if wrongdoing is discovered, jeopardizing a $7 billion sale of the firm's controlling stake to Korea's Kookmin Bank that would secure a $4.5 billion profit for Lone Star. … In recent months, prosecutors have turned their focus to KEB's credit-card unit, leading some foreign investors watching the investigation to speculate that the prosecution had reached an impasse with the broader probe into the KEB purchase. Regarding KEB itself, prosecutors still haven't provided any evidence of wrongdoing by Lone Star in the transaction. … Last week, the Korean court issued arrest warrants for Lone Star's vice chairman, Ellis Short, and Michael Thomson, the firm's general counsel. Both men have refused to travel to Korea."

Coehlo's Stock Options Draw SEC Scrutiny. USA Today (11/21, Smith, 2.27M) reports, "Former U.S. congressman Tony Coelho received below-market stock options from Cyberonics in early 1994, three years before he joined the board, at a much deeper discount to the market price than the company's stock-option plan provided for at the time, according to Securities and Exchange Commission filings. On Monday, Coelho was named chairman of the medical device maker after its former chairman and CEO, Robert Cummins, resigned under pressure." USA Today notes Coelho "resigned from Congress in June 1989 after failing to disclose on his congressional financial statement a 'junk' bond investment he had obtained on favorable terms. In recent years, Coelho and Appel cashed out their below-market options from Cyberonics at different times, reaping nearly $1.1 million in combined profits, SEC filings show. … Cyberonics is now under investigation by the SEC and the U.S. Attorney's office in Manhattan, which are looking into the company's history of awarding lucrative stock options to company officers and directors."

Redstone's Nephew Sues Over Family Trust Management. The Wall Street Journal (11/21, B5, Angwin) reports, "Viacom Inc. Chairman Sumner Redstone, already facing a lawsuit from his son, now faces a suit from his nephew who claims he and other family heirs were bilked out of an approximately $4 billion stake in the Redstone family's business empire." The Journal continues, "The suit, coming nine months after Mr. Redstone's son Brent filed suit against his father seeking to gain direct control of the son's personal stake in the empire, is likely to add to questions about the strength of Sumner Redstone's hold on Viacom and CBS Corp., both of which are controlled by the Redstone family." The Journal adds, "In a lawsuit filed in a Massachusetts court this month, Michael Redstone alleges his father Edward Redstone and his uncle Sumner Redstone engaged in 'self-dealing,' 'breaches of fiduciary duty' and 'unjust enrichment as trustees of certain Redstone family trusts' when they bought his stake and that of other heirs in the family company, National Amusements Inc., in a series of transactions in 1972 and 1984. … Michael Redstone's suit against his father, uncle and the family company is joined by the trustees for trusts representing his late sister Ruth Ann and a trust set up for the four children of Edward Redstone and Sumner Redstone -- Michael, Ruth Ann, Brent and Shari. Michael Redstone and the trustees are asking for the 1972 and 1984 transactions to be rescinded or for damages 'in an amount equal to the present value of those shares.' … In a statement, National Amusements called the allegations 'baseless' and said it would defend itself vigorously."

Insiders Made Millions Trading In Money-Losing Firm's Stock. USA Today (11/21, Smith) reports, "Cyberonics said Monday that its chief executive and chief financial officer had resigned after an internal investigation found that unnamed insiders had incorrectly reported the dates of company stock options for years." USA continues, "Cyberonics general counsel David Wise said in a filing to the Securities and Exchange Commission that the company had under-reported its executive compensation expense by about $10 million and would have to restate its financial statements going back to 1999. … The company's disclosures came at a time when one of the biggest financial scandals in years is sweeping U.S. corporate boardrooms. Federal authorities are examining at least 130 companies to determine whether insiders manipulated options-award dates to illegally profit from market gains, principally by backdating the options to an earlier date than issued to give themselves a head start on rising prices. To date, dozens of companies have announced executive departures or restatements after internal investigations. Two criminal cases are pending." USA notes, "A USA TODAY investigation reveals that Cyberonics' board has engaged in a series of questionable practices to reward Cummins, certain directors and some executives with stock and options almost from its inception as a public company in February 1993. Among its practices, the

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company frequently issued stock options just before market-moving events that insiders participated in, including merger talks, regulatory milestones and earnings advisories. It also repeatedly issued options at the lowest or second-lowest monthly trading price, SEC filings show. On one occasion, management, including Cummins, and a director who serves on the compensation committee, bought company stock at a discounted price in which Cummins represented himself both as the CEO selling the shares and as an individual buying them."

Paulson Criticizes Sarbanes-Oxley Law. USA Today (11/21, Shell, 2.27M) reports, "US Treasury Secretary Henry Paulson said Monday that the tough, costly rules put in place to combat corporate frauds such as Enron need to be enforced in a more flexible manner if U.S. financial markets are to retain their competitive edge around the globe." In "his first major speech on market regulation," Paulson "said regulators' decision to 'impose rule upon rule upon rule' was making it more difficult for US markets to attract business from abroad. … 'When it comes to regulation, balance is key,' Paulson said. 'The right regulatory balance should marry high standards of integrity and accountability with a strong foundation for innovation, growth and competitiveness.'" The speech "comes amid increasing criticism from businesses that the Sarbanes-Oxley Act of 2002, designed to reduce accounting fraud and make corporate CEOs more accountable, is too costly and time consuming to implement."

The Financial Times (11/21, Grant, Guha) notes that "turning to enforcement, Mr Paulson said that a combination of enforcement and guidance was likely to be more effective and more efficient than relying on enforcement alone." The Washington Post (11/21, D1, Johnson, 690K) reports Paulson "rejected wholesale revisions to a corporate accountability law under attack from business groups. … 'I don't think there is a single principle in [Sarbanes-Oxley] that is ill-founded,' Paulson said after the speech." Paulson also "sought to take the debate beyond recent corporate reforms and into broader terrain. He singled out class-action lawsuits as an Achilles' heel in the legal system, which he contended have "gone beyond protection" of investors and now hamper business competition."

More Commentary On Sarbanes-Oxley. Former Labor Secretary Robert Reich, on CNBC's Kudlow & Company (11/20, Caruso-Cabrera), commented, "The question is, are the benefits to the public, to investors outweighing the costs and I think that any fair assessment of Sarbanes-Oxley would say that, it probably does have to be reformed," Sarbanes-Oxley "probably imposes greater costs than benefits" on small businesses.

Stephen Moore of the Wall Street Journal editorial board, on CNBC's Kudlow & Company (11/20, Carusi-Cabrera), said, "We are losing…our competitiveness in the financial markets which has to be one of the hallmarks of America's progress in the twenty-first century. We need to be the world's leader here and Secretary Paulson talked about the overregulation and many of the other problems imposed on small businesses, but…we have got to do something fundamentally in my opinion about Sarbanes-Oxley. We have CEOs of major companies, almost every week come to our editorial board at the Wall Street Journal and this first two words out of their mouth are Sarbanes-Oxley."

Senate Hearing To Examine SEC's Effectiveness. The Wall Street Journal (11/21, C5, Scannell, 2.04M) reports the Securities and Exchange Commission, "already under fire for its handling of a suspected insider-trading case, will receive more congressional scrutiny next month when the Senate Judiciary Committee holds a hearing on the agency's effectiveness." Current Chairman Sen. Arlen Specter "has scheduled an oversight hearing on the SEC for Dec. 5." The hearing "comes as the SEC has been on the defensive since Sen. Specter and Sen. Charles Grassley (R., Iowa) said they were investigating the agency's handling of an insider-trading investigation involving hedge fund Pequot Capital Management and John Mack, the chief executive of Morgan Stanley. The matter, which was brought to their attention by a former SEC attorney, was referred to the Government Accountability Office for a thorough review of the SEC's enforcement division."

CRIMINAL LAW:

FBI Expanding Global Presence To Fight Cyber Crime. Under the headline "To Catch Crooks In Cyberspace, FBI Goes Global," the Wall Street Journal (11/21, Bryan-Low, 2.04M) reports in a front-page story, "The 98-year-old FBI, which has traditionally focused on domestic crime, is extending its reach beyond U.S. borders and boosting cooperation with other law-enforcement agencies in

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pursuit of cybercriminals, much as the agency has done in tracking down terrorists overseas. … The FBI now ranks cybercrime as its third priority behind terrorism and espionage," and "building relationships with police in other countries is 'the only way we are going to effectively get a handle on the problem,' says Christopher Painter, deputy chief of the Justice Department's Computer Crime Section." Although "the FBI is running into limits fighting international computer crime," it "is making some headway, thanks partly to a diplomatic offensive to enlist help from foreign agencies. It now has about 150 agents deployed in some 56 offices around the world, including in Iraq and China," and "during the past two years or so, the FBI has also built up Cyber Action Teams, or CATs -- a group of about 25 people that includes agents, computer forensic experts and specialists in computer code, according to David Thomas, the deputy assistant director of the FBI's science and technology branch." The Journal goes on to report in detail on the 2005 Zotob attack and the bureau investigation that led to the apprehension and prosecution of the hackers who unleashed it.

Three Gang Members Sentenced To Life For Targeting Black Victims. The AP (11/21) reports, "Three members of a Hispanic gang were sentenced Monday to life in prison without the possibility of parole for using murder and other violent acts to intimidate blacks in their neighborhood." The AP continues, "Federal prosecutors had accused Gilbert Saldana, Alejandro Martinez and Fernando Cazares of targeting blacks in the largely Hispanic community of Highland Park, east of downtown Los Angeles. They were found guilty of conspiring to use violence, including the shooting deaths of two black men in 1999 and 2000." The AP adds, "Authorities said it was one of the first prominent cases in which the U.S. Justice Department targeted a street gang with laws normally used to prosecute white supremacist groups. … 'These were horrific offenses that have had far-reaching consequences,' U.S. District Judge Percy Anderson said during sentencing. … Each defendant received two consecutive life sentences. They were convicted in August."

US Backs Off Prison Restrictions For Aryan Brotherhood Members. The AP (11/21, Flaccus) reports, "Prosecutors have dropped plans to ask a federal judge to prevent leaders of the Aryan Brotherhood prison gang from communicating with anyone but their attorneys, officials said Monday, but they may ask U.S. Attorney General Alberto Gonzales to do so instead." The AP continues, "Prosecutors will probably ask the Bureau of Prisons to impose the bans on Barry 'The Baron' Mills, T.D. 'The Hulk' Bingham, Edgar 'The Snail' Hevle and Christopher Overton Gibson, said U.S. attorney's office spokesman Thom Mrozek. … The change means defense attorneys wouldn't be able to fight the restrictions until after they have been imposed, which would delay the appeals process, said Mark Fleming, an attorney representing Mills." The AP adds, "Assistant U.S. Attorney Stephen Wolfe filed papers Friday in federal court withdrawing a request for a federal judge to impose the restrictions. … An order would also keep writing implements, paper and previously viewed reading material out of the inmates' cells." The AP notes, "Mills, Bingham and Hevle are to be sentenced Tuesday for murder, conspiracy and racketeering. Gibson, who recently had back surgery, won't be sentenced Tuesday because he can't be present. .. Similar bans have been imposed only 11 times in the history of the federal prison system. Inmates Zacarias Moussaoui, the suspected '20th hijacker' in the Sept. 11, 2001, World Trade Center attack, and convicted Unabomber Ted Kaczynski are among those with restrictions on their prison contacts."

Ohio Republican Fundraiser Sentenced For Embezzlement . The AP (11/20) reports from Toledo, "A Republican fund-raiser who embezzled from a state investment in rare coins was sentenced Monday to 18 years in prison for his role in a scandal that helped bring down Ohio's ruling Republican Party. … The fund-raiser, Tom Noe, 52, was also fined $139,000." The AP continues, "Mr. Noe spent money as if he had 'a bottomless cup of wealth and luxury' at his disposal, 'when in fact it was at the state's expense,' Judge Thomas Osowik of Common Pleas Court said Monday. .. .The sentence is on top of the more than two years Mr. Noe was ordered to serve after pleading guilty earlier this year to illegally funneling $45,000 to President Bush's re-election campaign." The AP adds, "Mr. Noe was the central figure in a scandal that dogged the Ohio Republican Party for more than a year. On Election Day, the Democrats won the governor's office, a Senate seat and other major offices after 12 years of Republican rule. … Until Monday, prosecutors did not say whether Mr. Noe had used any of the money to make campaign contributions, but after

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the sentencing, the prosecutor, Ron O'Brien, said, 'You can make those inferences.' … Also for the first time, prosecutors on Monday calculated that Mr. Noe had stolen a total of $13.7 million. … Mr. Noe was hired by the state workers' compensation agency and given $50 million to invest in an unorthodox and risky effort by a state government to make money buying and selling rare coins. A furor erupted when the investment in rare coins became public and when it was learned that millions of dollars were missing."

Pennsylvania Man Charged In West Virginia Death Could Face Death Penalty. The Pittsburgh Post-Gazette (11/21, Simonich) reports, "Eugene Talik Jr., a married man accused of killing his girlfriend to hide their illicit affair, yesterday abandoned any hope of getting out of jail before he stands trial. … He waived his right to a bail hearing and to a second proceeding that would have forced federal prosecutors to reveal some of their evidence." The Post-Gazette continues, "Less than a minute after his court session began, Mr. Talik ended it by saying he did not want to go through either hearing. … U.S. marshals took him back to jail, where he will await his indictment in the death of 28-year-old Kelly Jo Elliott." The Post-Gazette adds, "Prosecutors say the victim and Mr. Talik, 38, were having an affair that soured after she learned he was married. … The government alleges that Mr. Talik and an accomplice killed Ms. Elliott to stop her from telling his wife. … Grand jurors will consider a murder-for-hire charge against Mr. Talik when they hear the case against him, Assistant U.S. Attorney Robert McWilliams said in a motion opposing bail." The Post-Gazette notes, "After the indictment, Mr. Talik could face the death penalty, Mr. McWilliams said. … U.S. Attorney General Alberto Gonzales has the final decision on whether the government will pursue a capital case or try to imprison Mr. Talik for the rest of his life."

FBI Recovers Stolen Goya. In a widely-distributed story, the AP (11/21, Parry) reports, "The FBI said Monday that it has recovered a 1778 painting by the Spanish artist Francisco de Goya that was stolen as it was being taken to an exhibition earlier this month. … Steven Siegel, a spokesman for the FBI, said the bureau recovered the painting Saturday in New Jersey, but would not be more specific about where or how it was located. No arrests were made, but the case remains under investigation, he said. The FBI said extensive news coverage of the theft led to tips that enabled the agency to recover the painting." The AP adds, "Siegel said the thieves apparently did not know what was inside the truck when they broke into it. 'It was a target of opportunity. They probably thought it was a truck full of PlayStations,' he said." The Philadelphia Inquirer (11/21, Boyer, 385K) notes, "The FBI turned to the public for help after the insurer of the painting offered a reward of up to $50,000 for information leading to its recovery. The FBI said the media attention led to tips and recovery of the painting, which appeared to be in good condition and not damaged."

The New York Times (11/21, Kennedy, 1.16M) reports, "Officials said the painting was recovered unharmed Saturday in central New Jersey after a lawyer called the F.B.I. and told investigators where they could find it while saying that he could not tell them anything else about the theft. … Contrary to earlier law enforcement theories that the theft was carried out by insiders, they did say it appeared that the thieves probably had no idea what kind of art-historical loot they had stumbled upon." Siegel noted, "There are literally predators — for lack of a better word — who when they see a tractor-trailer or a cargo vehicle parked for any length of time start snooping around." The Times adds, "One law enforcement official, speaking on the condition of anonymity, said charges in the case could be filed as early as next week in United States District Court in Newark." The New York Sun (11/21, Hope) notes, "A spokeswoman for the FBI's Philadelphia office, Jerri Williams, said no arrests had been made and no one is in custody for the theft. 'A tip came in that allowed us to recover the painting,' she said."

The New York Daily News (11/21, Moritz, 729K) also reports on the FBI recovery of the painting, as did ABC News' The Blotter (11/20, Walter, Kjellman, 4:06 p.m.) and CNN.com (11/20, Brunswick, 8:22 p.m.).

Judge Rules Accused Cuban Spy's Alleged Confession Admissible At Trial. The Miami Herald (11/21, Weaver, 286K) reports, "A professor who acknowledged he was a Cuban government agent to the FBI has incurred a huge blow to his upcoming trial with a federal judge's ruling that his 'confession' to agents was not obtained illegally. U.S. Magistrate Judge Barry Garber rejected…Carlos Alvarez's bid to throw out his statements on grounds that he only spoke with the FBI because of alleged promises not to prosecute if he cooperated as a 'double agent.' Garber said two FBI agents made no such promises during three days of interviews in a hotel last year, nor did they

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have that authority. The judge also found that the agents did not place him in custody, nor did Alvarez make his statements involuntarily." The Herald notes, "Either side has 10 days to object to the judge's ruling, issued last Wednesday."

Former Daley Patronage Chief Sentenced To Four Years In Prison. The Chicago Tribune (11/21, Mihalopoulos, Bush, 617K) reports, "Mayor Richard Daley's former patronage chief stood defiant Monday as he was sentenced to almost 4 years behind bars for his central role in a political hiring scheme at City Hall." Robert Sorich "pointedly refused to apologize for his crimes before the judge slapped him with a 3-year, 10-month sentence. … 'I tried to do my best, and I tried to be fair,' Sorich said of his 12 years as a top aide in Daley's Office of Intergovernmental Affairs. U.S. District Judge David Coar rejected that, saying Sorich sat near the top of a hiring system that amounted to 'corruption with a capital "c."'" The Tribune notes, "Monday's sentencing almost certainly is not the final chapter of an investigation that has reached into the mayor's office. … On Monday, prosecutors again suggested that they have developed evidence against higher-ranking former city officials in Daley's administration." In a widely-distributed story, the AP (11/21, Robinson) adds Coar "said that 'for people to owe their jobs to political advancement rather than performance on the job stinks.' 'I don't give a hoot whether this has been going on for 200 years - it still stinks,' Coar said."

The Chicago Sun-Times (11/21, Korecki, O'Donnell) also notes Coar's harsh criticism of Sorich and reports, "Sorich lawyer Tom Durkin argued for no prison time, saying his client didn't take bribes or otherwise gain anything personally. Durkin criticized a legal system in which another corrupt former city official, former water czar Donald Tomczak, got a prison sentence just one month longer than what Sorich got, though Tomczak admitted taking $400,000 in bribes. Durkin criticized the U.S. Attorney's Office for its role in a system he said punishes those who fight charges and take their case to trial and rewards those who cooperate, even if they're more corrupt. … But prosecutors said they wouldn't apologize for a system that allows wrongdoers to make amends and help fix a criminal system."

NYC Bus Driver's Union President Charged With Racketeering, Extortion. The New York Times (11/21, Rashbaum, 1.16M) reports, "Federal prosecutors announced racketeering, extortion and bribery charges yesterday against the president of the 15,000-member city school bus drivers' union, who is already facing trial on charges that he tried to hide Mafia involvement in the union." The indictment against Salvatore Battaglia also "says he is a member of the Genovese crime family. The new charges came just weeks after the union's longtime secretary-treasurer, Julius Bernstein, pleaded guilty to federal racketeering charges and began cooperating with prosecutors and the F.B.I., law enforcement officials said. The new charges said that over at least two years, Mr. Battaglia and others agreed with the owners of a number of school bus companies not to organize their workers, in exchange for tens of thousands of dollars in payoffs from the owners."

Under the headline "FBI Busts Union's Boss On School Bus Shakedown Rap," the New York Daily News (11/21, Smith, 729K) reports, "Battaglia was arrested at dawn by the FBI at his Staten Island home, officials said. … The arrest comes two months after Matthew (Matty the Horse) Ianiello, a Genovese captain, pleaded guilty to charges of shaking down Local 1181. During his plea, Ianiello contended he'd arranged payments to the union from several city school bus companies.

Jeffs Evidence Hearing Begins Today. The Salt Lake Tribune (11/21, Adams) reports, "Word by word, every lesson, sermon and pronouncement polygamous sect leader Warren S. Jeffs ever made is likely to be dissected and offered as evidence -- both against him and in his favor -- as his prosecution begins today." Jeffs "is to appear for a preliminary hearing in 5th District Court as the state of Utah makes its case that he should stand trial on two first-degree felony counts of being an accomplice to rape." The Tribune notes, "Of particular interest will be the FLDS version of premarital advice Jeffs gave in home economics classes for junior-high age girls and in priesthood history classes for boys. The teachings draw on the Bible and standard works of the mainstream Church of Jesus Christ of Latter-day Saints, which publicly disavowed plural marriage in 1890."

The Deseret Morning News (11/21, Winslow) reports, "A judge is expected to decide today whether there is enough evidence to make…Jeffs stand trial on charges he forced a 14-year-old girl into a marriage with a 19-year-old man who is also her first cousin. The young woman is expected to be the prosecution's star witness when she testifies against the Fundamentalist LDS Church leader today." The Morning

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News notes, "Washington County Attorney Brock Belnap said he intends to prove that Jeffs 'enticed (the victim) into submitting to sexual intercourse' with the man she had just married." However, "Defense attorney Walter Bugden Jr. says the state is confusing the culpability of the alleged rapist and Jeffs."

Meanwhile, under the headline "Polygamists Fight To Be Seen As Part Of Mainstream Society," the Washington Post (11/21, A1, Pomfret, 690K) notes the Jeffs hearing and reports that "among the estimated 40,000 men, women and children in polygamous communities are part of a new movement to decriminalize bigamy. Consciously taking tactics from the gay-rights movement, polygamists have reframed their struggle, choosing in interviews to de-emphasize their religious beliefs and focus on their desire to live 'in freedom,' according to Anne Wilde, director of community relations for Principle Voices, a pro-polygamy group based in Salt Lake." The Post adds that their "efforts… are paying off. Utah's attorney general, Mark L. Shurtleff, no longer prosecutes bigamy between consenting adults, though it is a felony."

FLDS Insiders Say Nevada Hotel Room Often Served As Wedding Chapel. The AP (11/21, Dobner) reports, "Room 15 at the Caliente Hot Springs Motel seems like an unlikely place for a wedding. … But it was in Room 15 that dozens of weddings took place between underage girls and men" from Jeffs' FLDS, "church insiders say. … Carolyn Jessop, a former sect member who used to run the motel, said that once or twice a month, beginning in the spring of 1999, she would get a telephone call telling her to plan for a weekend of weddings. Some insiders say as many as 10 such weddings were held in a single day." The AP notes that "sect leaders believed Caliente was a safe place — 'a way to go under the radar screen' — because Utah and Arizona were passing legislation to address underage marriage and threatening prosecution, Jessop said."

USA Today Finds Inaction On Many DNA Matches. USA Today (11/21, Willing) reports, "In a March 2003 speech arguing for $1 billion in new spending on DNA-based crime fighting, then-attorney general John Ashcroft singled out the FBI's DNA database for its many successes. … In Virginia, for example, he said authorities 'have been able to solve 90 homicides and 196 non-homicide sexual assaults' by matching the DNA left at crime scenes to the DNA of prior offenders." USA continues, "What Ashcroft didn't explain was that a DNA match — a crime 'solved' by the FBI's database — does not mean that an arrest was made, that a criminal was prosecuted or even that detectives considered a case closed. Just how many DNA matches lead to an arrest isn't known; no government agency keeps track. … But a USA TODAY investigation found almost three dozen cases during the past five years — including a rape in Virginia — in which investigators failed to pursue potential suspects whose DNA matched evidence found at crime scenes." USA adds, "DNA matches that could have closed cases weren't pursued because of basic police foul-ups, such as overlooking a telephone message reporting the match. Backlogs of unsolved "cold cases" that threaten to overwhelm some big-city police departments caused matches to be ignored, the newspaper found. In some jurisdictions — Richmond, Va., Cincinnati, and DeKalb County, Ga. — police offered no explanations for why matches were not pursued. … The suspects in two such cases, one a rape and the other the attempted sexual assault of a child, were later charged with committing subsequent sex crimes that might have been prevented had the first DNA match been pursued." USA notes, "USA TODAY reviewed hundreds of pages of court documents and local media reports and interviewed police, prosecutors, defense attorneys and lab officials to look for cases in which matches were made but police departments were slow to react."

New Orleans Defendants Freed Because Of Evidence Problems After Katrina. The New York Times (11/21, Drew, 1.16M) reports that as New Orleans' "criminal justice system slowly gears back up after Hurricane Katrina, as many as 500 defendants, mostly in drug, theft and assault cases, have been freed because of problems with evidence, including difficulty in finding the witnesses who have moved away. Law-enforcement officials say a few of those who were freed could potentially be violent, a cause for concern in a city battling a surge in drug-related killings." After the storm, "the evidence rooms at the Orleans Parish Criminal District Court sat in chest-high water for two and a half weeks. Only recently have court officials begun to realize the extent of the evidence problems within the old Beaux-Arts courthouse, which was closed for nine months and is still not quite back to full operations."

WPost Praises Outgoing Police Chief Ramsey. The Washington Post (11/21, A26) reports,

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"News that Mayor-elect Adrian M. Fenty has decided to turn to someone else to head the D.C. police department comes as no surprise. For some time, Mr. Fenty and D.C. Police Chief Charles H. Ramsey have not seen eye to eye on the department's performance, a fact that Mr. Fenty never kept secret. Under the circumstances, and given the incoming mayor's determination to be hands-on with the police force and other city agencies, it probably is best that he have a person of his choice leading the department when the Fenty administration gets started on Jan. 2. … The departure of Chief Ramsey is, however, a development that many District residents and this page receive with regret. The D.C. police force that the chief bequeaths to his successor is in far better shape than the one Mr. Ramsey inherited upon his arrival in Washington eight years ago. The credit goes to him. As the longest-serving police chief since the start of home rule three decades ago, Chief Ramsey, the record will show, made the best use of his time. In every major category of offense -- homicides, rapes, robberies, aggravated assaults, burglaries, larcenies and vehicle thefts -- rates are down. He took a department that was loosely run and staffed with poorly trained, quick-triggered officers and converted it into a better managed and more disciplined force. From scout cars to technology, police officers now do their jobs with 21st-century resources. … Mr. Fenty, in deciding to appoint police Cmdr. Cathy L. Lanier as the next chief, has drawn from within the ranks of the department. It is reassuring that Chief Ramsey spoke well of Ms. Lanier's appointment and that she also has the background and qualifications that Mr. Fenty seeks in a chief. They apparently agree on community policing, and she appears to be in sync with his leadership style. It will soon fall to the new leadership in the John A. Wilson Building and in police headquarters to maintain and expand on the advances achieved by Chief Ramsey. As for the departing chief, any police jurisdiction in the country would be fortunate to have him."

CIVIL LAW:

Attorneys Argue Validity Of 1998 Law Aimed At Curbing Online Pornography. The AP (11/21, Dale) reports, :Justice Department attorneys, defending a law aimed at keeping online pornography from minors, argued that software filters often block valid sites — on gay rights or sexual health, for example — that teens might seek out. … 'Filters are hindering minors from learning about the world around them. That's a huge problem,' government lawyer Joel McElvain said Monday. 'There may be reasons the teenagers have problems speaking to their parents about these (issues).'" The AP continues, "Under the 1998 Child Online Protection Act, commercial Web publishers who fail to keep material 'harmful to minors' away from children could face fines and even prison time. The law has never taken effect, because of a long-running legal challenge filed by Salon.com, the Philadelphia Gay News and other groups represented by the American Civil Liberties Union. … Closing arguments concluded Monday before Senior U.S. District Judge Lowell Reed Jr., ending four weeks of testimony." The AP adds, "Justice attorneys evoked problems with the software filters even as they had defended their use in a 2000 law requiring schools and libraries to block porn if they receive certain federal funds. The high court upheld that law in 2003. … Opponents say the 1998 law is overly vague and would have a chilling effect on their work. They also say it would not apply to foreign Web operators or streaming video and audio. The ACLU argues that filters are more effective than legislation, because they let parents set limits based on their own values and their children's ages. … 'If you're a parent who doesn't want sexually explicit material slipping through, then set it (the filter) strictly,' ACLU lawyer Chris Hansen told the judge Monday. … The U.S. Supreme Court, indicating the government was unlikely to prevail, granted the ACLU a temporary injunction in 2004."

The Philadelphia Inquirer (11/21, Gambardello) reports, "A never enforced federal law aimed at protecting children from Internet porn is vague, threatens free speech, and will not achieve its intended goal, opponents of the measure argued today. … But the federal government countered that the Children's Online Protection Act, known as COPA, is needed because Internet filters are not foolproof and parents cannot be expected to supervise their children's Web surfing at all times." The Inquirer continues, "U.S. District Judge Lowell A. Reed Jr. heard those opposing positions as both sides made closing arguments at the end of a four-week trial in Philadelphia that had been ordered by the U.S. Supreme Court to determine whether technology developed since Congress passed COPA in 1998, such as commercially available filtering, offered effective ways to protect children. … The law would authorize jail time and heavy fines for online porn merchants who do not require adult-access codes, personal identification, or credit cards to access their Web sites." The Inquirer adds, "Plaintiffs,

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including the American Civil Liberties Union and a group of Internet artists, merchants and magazines, maintain that having parents use Internet filters and personal control and educate children on Internet usage is the least restrictive way to protect youngsters from porn and ensure the free flow of speech online. … The government pointed to credit cards and emerging online identification services as ways to ensure that only adults - those 17 or older - are accessing Internet porn."

Smokers Sue Phillip Morris For Lung Scans. The National Law Journal (11/21, Geier) reports, "A group of long-term Marlboro smokers has filed an action in federal court in New York to force Marlboro maker Philip Morris USA Inc. to give them regular low-dose CT scans to catch possible early signs of lung cancer." The Journal continues, "The action is unusual because it seeks only medical screenings for people whose smoking habit has put them at increased risk of lung cancer, said plaintiffs attorney Jerome H. Block of Levy Phillips & Konigsberg in New York. … 'The sole relief we are seeking is that Philip Morris pay for a program of CT scans,' Block said. The scans should be annual, or 'more frequent if something looks suspicious.' He noted that a recent article in the New England Journal of Medicine suggests that such a program would increase dramatically one's chances of surviving lung cancer." The Journal adds, "Block represents Marcia L. Caronia and four other named plaintiffs on behalf of a class of New York residents 50 years of age or older who have smoked Marlboro-brand cigarettes for at least 20 'pack years' -- an average of a pack a day for 20 years. Caronia v. Philip Morris USA Inc., No. 06-224 (E.D.N.Y.). … Generally speaking, early diagnoses of lung cancer now occur by happenstance, when doctors administering CT scans to patients with pneumonia or a broken rib, for instance, discover lesions and nodules that could be lung cancer, he said."

Judge Strikes Down Bank Of America Ruling. The California Recorder (11/21, Scheck) reports, "Earlier this year, talk about the big class action against Bank of America was all about money -- the billion dollars or so in statutory damages, the $284 million in compensatory damages, and of course the correspondingly large contingency fee due the plaintiffs lawyers. … That all changed Monday when California's 1st District Court of Appeal struck down a trial court's ruling that the bank may not withdraw Social Security funds from customer accounts to pay for overdrafts and overdraft penalties." The Recorder continues, "In a trial presided over by San Francisco Superior Court Judge Anne Bouliane, plaintiffs lawyers James Sturdevant and Thomas Brandi had successfully argued that Bank of America's practice of debiting government benefit fees was illegal. … Central to their arguments -- and to Bouliane's jury instructions -- was a 1974 case that said a bank couldn't take public benefit money out of an account to cover a credit card debt. They said the case, Kruger v. Wells Fargo Bank, 11 Cal 3d 352, presented an analogous situation to that of lead plaintiff Paul Miller." The Recorder adds, "In 1998, after Miller had spent money that Bank of America mistakenly credited to his account, the bank withdrew money from Social Security benefits to cover the overdraft. … While the bank eventually returned the money, it repeated the pattern on two other occasions. Miller eventually sued, arguing that government-directed deposits shouldn't be subject to such seizures. … In a unanimous, 14-page opinion Monday, Justice Peter Siggins disagreed with verve."

Court Rules Internet Users, Providers Not Liable For Posted Defamatory Material. The Los Angeles Times (11/21, Dolan) reports, "Internet users and providers cannot be held liable for posting defamatory material written by someone else, the California Supreme Court ruled unanimously Monday. … 'The prospect of blanket immunity for those who intentionally redistribute defamatory statements on the Internet has disturbing implications,' Justice Carol Corrigan wrote for the court. Immunity 'serves to protect online freedom of expression and to encourage self-regulation.'" The Times continues, "Monday's decision was consistent with holdings by many federal appeals courts and one other state supreme court. … 'The courts are now uniform,' said Ann Brick, who represented the American Civil Liberties Union of Northern California in the case. … But attorneys on both sides of the case said the California Supreme Court went further than other courts by giving immunity to all Internet users except the original author. … 'What you couldn't put in your print newspaper, you can put in your Internet newspaper,' said Christopher E. Grell, who represented two doctors who said they were defamed. 'The notion of fact checking and verifying things doesn't apply to the Internet.'" The Times notes, "Mark Goldowitz, the lawyer for the defendant, cited a line in the ruling that the decision brought 'the law of libel from the Gutenberg era to the

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cyberspace era.' … Unlike hard-copy publications, the Internet allows users to 'immediately respond and correct any harm,' Goldowitz said. 'Not everyone has a printing press, but everyone can start a blog or post on a news group.'"

The Wall Street Journal (11/21, B5, Delaney) reports, "Legal experts say the decision1 is in line with prior court rulings on immunity for transmitting content online originating from someone else, who themselves may still be held liable for defamation or other claims." The Journal adds, "The California court ruling came in the case of Stephen J. Barrett et al. v. Ilena Rosenthal. The case concerned an article Ms. Rosenthal received via email and posted on two Web newsgroups that the plaintiffs argued was defamatory. … 'This opinion reinforces the broad reach of federal statutory immunization for content published by third-parties online,' said Eric Goldman, Assistant Professor at Santa Clara University School of Law and Director of the school's High Technology Law Institute. 'This case is significant because it shuts down all of the workarounds people have been trying to find.'"

CIVIL RIGHTS:

Democrats Will Target Election "Robo Calls." USA Today (11/21) reports, "Senate Democratic leaders say they'll push legislation next year to make it a federal crime, punishable by fines and jail time, to use automated 'robo calls' and other tactics to mislead and discourage voters. … 'We're going to find some way to stop this,' says Sen. Harry Reid, D-Nev., the incoming majority leader." USA continues, "Civil rights and watchdog groups say some voters complained this year of being barraged by automated recorded campaign calls. Though many were only annoying, some gave misleading information, directing voters to the wrong polling site or raising questions about whether a voter was registered. … 'We definitely think it's a good idea for Congress to investigate and hold hearings on these issues and to consider carefully targeted legislation focused on outright deception,' said Elliot Mincberg of the liberal People for the American Way, which helped operate a national hotline for voter complaints." USA adds, "Tova Wang of the Century Foundation says misinformation in flyers and calls, practices employed by Democrats and Republicans, aim to suppress voter turnout. … New York Sen. Charles Schumer, who is helping to draft Democratic legislation, plans to call for a separate division within the Justice Department to deal with such problems. Penalties could include up to 10 years in jail. … In a letter to Justice officials Thursday, Schumer said he was disappointed with the department's response to voter complaints. … Justice officials defended their record in a letter responding to Schumer, noting that investigations recently have been launched into alleged voter deception and intimidation in Arizona, Maryland, Virginia and elsewhere."

Georgia Prosecutors Launch Review Of Excessive Force Cases. In a widely-distributed story, the AP (11/21, Weber) reports suburban Atlanta prosecutors "will extensively review at the police chief's request 14 shootings by police, including eight that were fatal, this year following concern about the high number of killings compared to the nation's two largest cities. Prosecutors also have received a request to investigate the death of another person who died in police custody but was not shot, and they expect to be asked later to look into four other fatal shootings by police in September and since then, Adora Andy, a spokeswoman for the DeKalb County District Attorney's Office, said Monday. The review request comes as police released details of an internal probe into the shootings in which a police review board has found that an officer in one fatal shooting was unjustified in using deadly force. Officers involved in three nonfatal shootings were found to be unjustified."

UCLA Officer In Taser Video Has Been Subject Of Two Other Use-Of-Force Complaints. The Los Angeles Times (11/21, Proctor, Winton) reports, "The UCLA police officer videotaped last week using a Taser gun on a student also shot a homeless man at a campus study hall room three years ago and was earlier recommended for dismissal in connection with an alleged assault on fraternity row, authorities said." The Times continues, "UCLA police confirmed late Monday that the officer who fired the Taser gun was Terrence Duren, who has served in the university's Police Department for 18 years. … Duren, who was named officer of the year in 2001, also has been involved in several controversial incidents on campus." The Times adds, "In an interview with The Times on Monday night, Duren, 43, defended his record as a campus police officer and urged people to withhold judgment until the review of his Taser use is completed. … 'I patrol this area the same way I would want someone to patrol the neighborhoods

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where I live,' he said. 'People make allegations against cops all the time. Saying one thing and proving it are two different things.' … While he would not directly talk about why he used the Taser on the student, he said a videotape of any arrest doesn't necessarily tell the whole story. … 'If someone is resisting, sometimes it's not going to look pretty taking someone into custody,' he said. 'If you have to use some force, it's not going to look pretty. That's the nature of this job.' … A student's cellphone video of the incident has been broadcast around the world and focused much criticism on the officer."

Judge Strikes Las Vegas Ban On Feeding Homeless In Parks. The AP (11/21, Ritter) reports, "A federal judge ruled Monday that the city cannot make it illegal to feed poor people in city parks." The AP continues, "U.S. District Court Judge Robert Jones issued an injunction prohibiting enforcement of a City Council ordinance passed in July that prohibits "providing food or meals to the indigent for free or for a nominal fee" in a city park and defines indigent as a person whom a reasonable ordinary person would believe to be entitled to public assistance." The AP adds, "Las Vegas Mayor Oscar Goodman said handouts discourage homeless people from seeking help from social service providers set up to handle mental health and substance abuse problems. Neighbors had complained of large numbers of homeless people congregating at downtown parks, drawn by groups providing meals. … Jones told lawyers for the city and the American Civil Liberties Union of Nevada that he intends to issue an order killing the measure. No date was set for final action."

WPost Says Both Parties Should Embrace Ryan Abortion Bill. Columnist E.J. Dionne, Jr. from The Washington Post (11/21, A27, 690K) writes that "the politics of abortion began to change," when in September, "a group of 23 pro-choice and pro-life Democratic House members introduced what they called the Reducing the Need for Abortion and Supporting Parents Act." The Ryan bill, one of several congressional initiatives to reduce the abortion rate," both "favors programs that encourage effective contraception," and "emphasizes helping women who want to carry their children to term." It includes "a remarkably broad set of programs aimed at reducing teen pregnancy, promoting contraception and encouraging parental responsibility. But it also includes strong measures to offer new mothers full access to health coverage, child care and nutrition assistance," and both parties should "embrace this approach."

ANTITRUST:

Suspected Municipal Bond Abuses Raise Tax Questions. The Wall Street Journal (11/21, D5, Connor) reports, "The latest outcropping of suspected U.S. municipal-bond-related abuses, including bid-rigging on guaranteed investment contracts used in some muni transactions, has cast a cloud of potential taxability on billions of dollars of bonds sold to investors as tax-exempt securities." The Journal continues, "One federal official familiar with the situation said the amount of bonds in question remains to be determined but that a conservative estimate could be between $10 billion to $15 billion. He added that the final tally likely will be far larger than that." The Journal adds, "Wide-ranging criminal and civil probes of suspected muni-related illegality are now under way, with the U.S. Justice Department's Antitrust Division and the Securities and Exchange Commission investigating suspected violations unearthed initially by the Internal Revenue Service. A number of firms, including leading providers of guaranteed investment contracts, or GICs, have received federal subpoenas recently. .. .The IRS's probe of bid-rigging on GICs -- which are insurance contracts that pay a fixed interest rate over a set period of time, and are often used in retirement plans and in connection with certain muni deals -- has been under way for some time. In early 2005, Mark Scott, then head of the IRS's muni enforcement program, said that "we have a lot of evidence pointing to bid-rigging for GICs in municipal-bond transactions.""

Private Equity Firms Fuel Takeover Boom. The Los Angeles Times (11/21, Petruno, Friedman) reports, "Elite private investors are buying up major companies at a record pace, in a wave of deals that is raining riches on Wall Street but also may be raising the risk of a financial bust." The Times continues, "Investors led by Blackstone Group announced late Sunday the biggest takeover ever by a so-called private equity fund, a $36-billion deal to buy Equity Office Properties Trust, the largest U.S. owner of office buildings. … The proposed purchase follows announcements in recent months of buyouts that would put firms including radio giant Clear Channel Communications

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Inc., casino titan Harrah's Entertainment Inc. and food-service company Aramark Corp. in private hands, taking their shares off the stock market." The Times adds, "Takeovers are nothing new in American business, but historically the largest deals have involved companies whose shares are publicly traded buying other companies. … This year, the buyers behind the biggest deals are private equity funds — run by generally secretive investment firms that raise money from pension funds, wealthy individuals and other investors who are hungry for double-digit returns on their capital."

Debt Is Common Element In Recent Spate Of Mega-mergers. The Wall Street Journal (11/21, C1, Ng, Zuckerman, Hudson) reports, "Wall Street's cash spigots are turned wide open. … That means the recent deluge of merger and buyout deals could keep rising even though signs are emerging that some target companies are being loaded with increasingly risky levels of debt in the process." The Journal continues, "More than $60 billion in deals were consummated in the past 48 hours of frantic merger and buyout activity, not including the debt assumed from target companies in these transactions, according to Dealogic, a research firm. The deals included a $20 billion private-equity bid for real-estate giant Equity Office Properties Trust and stretched from Europe to Canada to the U.S. More than 35 deals were announced globally, leaving bankers looking broadly to other sectors -- including health care, technology, gambling and home building -- for the next megatransactions." The Journal adds, "One important factor behind the year's takeover boom is a well-oiled financial machine: buyout firms searching out prey and raising cash with bonds and loans that are then sold off to investors around the world. Leveraged buyouts account for some 17% of the $3.4 trillion in transactions announced globally so far this year. … The overall pace of deal making already surpasses the $3.3 trillion record set in 2000. Almost $1.3 trillion of mergers have been announced in the U.S. alone, though that is still off from the 2000 pace, which was driven by the tech boom and included many transactions in which companies were acquired in stock swaps." The Journal notes, "The common denominator now is debt. In the U.S., corporations have sold $109 billion in 'high yield,' or junk, bonds and raised an additional $593 billion in junk-rated bank loans so far this year, according to Dealogic. Last year they raised $707 billion in bonds and loans in the U.S."

Freeport To Acquire Phelps Dodge In Copper Merger. The New York Times (11/20, Sorkin, Austen) reports, "Phelps Dodge, the world's second-largest copper producer, will be acquired by Freeport-McMoRan Copper and Gold, a smaller rival that has been embroiled in environmental and human rights controversies, in a cash and stock deal worth $25.9 billion, the companies said yesterday." The Times continues, "The transaction, if approved by shareholders, would create the world's largest copper producer and the largest mining company based in North America. It is the latest move in a series of mining and metals mergers. Like companies involved in other mining mergers, Freeport-McMoRan promoted the idea that increased size has become an important competitive factor." The Times adds, "The chairman and chief executive of Phelps Dodge, J. Steven Whisler, said yesterday that the two companies have talked about a possible merger for about a decade. The premium of about 33 percent being offered by Freeport-McMoRan, Mr. Whisler said, was a decisive factor in Phelps Dodge's decision to end its 172-year history as an independent company. … The boards of both companies have approved the transaction. Under its terms, stockholders in Phelps Dodge will receive $88 a share in cash plus 0.67 of a Freeport-McMoRan share. Based on Friday's closing, the deal is offering Phelps Dodge shareholders a 33 percent premium."

Mattel Lays Claim To MGA Entertainment's Bratz Line. The Wall Street Journal (11/21, B1, Binkley) reports, "Barbie has a new tactic in her battle against the rival Bratz doll clan: If you can't beat 'em, own 'em." The Journal continues, "Mattel Inc., maker of Barbie, is attempting to lay legal claim to the Bratz fashion-doll empire created by its rival MGA Entertainment Inc. The El Segundo, Calif., toy maker yesterday filed documents with U.S. District Court in California arguing that the Bratz dolls rightfully belong to Mattel, whose Barbie franchise has been dented by competition from the saucy, big-headed dolls that appeared on the market in 2001." The Journal adds, "The argument is based in part on Mattel's claim that the designer of Bratz was employed by Mattel when he did initial drawings for the dolls several years ago. Recently, Mattel's lawyers quietly applied for copyright protection on a number of early Bratz drawings, according to the documents. … Moreover, the documents claim that closely held MGA Entertainment hired away a number of key Mattel employees in Mexico, the U.S. and Canada. Mattel

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says those employees 'stole' confidential sales information, documents, plans, and other Mattel secrets -- copying the information onto hard drives or using other means to transfer the intelligence to MGA over the past six years or so. … Among other sources of information, including depositions of witnesses, the documents cite emails that appear to have been recovered from the personal computers of several former employees."

Probe Finds Cephalon Used Questionable Tactics To Sell Actiq. The Wall Street Journal (11/21, B1, Carreyrou) reports, "From setting unrealistically high sales quotas to pushing larger prescriptions at higher doses, drug maker Cephalon Inc. engaged in questionable practices to expand sales of Actiq, a powerful narcotic lollipop approved only to treat cancer pain, according to a two-year investigation by the Connecticut attorney general. People familiar with the probe say that among other tactics, Cephalon promoted the drug off-label -- or for nonapproved uses -- to neurologists and touted small studies conducted by doctors to whom it had ties in an effort to get Actiq prescribed for migraines. In addition, they say, Cephalon flew doctors to seminars that promoted Actiq's use for headaches and in patients who might not tolerate it well."

LSE Rejects Nasdaq's Offer. The Financial Times (11/21, Cohen) reports, "London Stock Exchange on Monday batted away a £2.7bn ($5.1bn, €4bn) 'final' offer to be acquired by US-based Nasdaq, saying the bid so undervalued the company its board was not even willing to meet for further discussions." The Times continues, "Posturing by both parties is likely to be played out in coming weeks." Under the UK takeover code, "Nasdaq cannot raise its offer unless either its board recommends a bid or a competing bidder emerges. If it fails to acquire the company, it cannot bid for another 12 months." Nasdaq's latest offer is the second it has made for LSE "and the fifth approach LSE has received in the past two years."

Offer Price An Issue. The Wall Street Journal (11/21, Lucchetti, MacDonald) reports that early on Monday, "Nasdaq took another run at the London Stock Exchange, proposing to buy the approximately 71% of the company it doesn't own for £12.43 a share, or $23.55, valuing the LSE at £2.7 billion, or $5.1 billion." Nasdaq "will likely have to increase its offer price if it wants a chance of taking over" LSE. The Journal adds, "Nasdaq has a 60-day period under British takeover rules in which to convince LSE shareholders and its board to negotiate. Nasdaq billed its latest approach as its 'final offer.'" A "combined company would be home to Britain's giants such as Vodafone Group PLC and BP PLC, and Nasdaq's technology-oriented giants such as Cisco Systems Inc. and Intel Corp. but also thousands of smaller companies that have chosen Nasdaq in the U.S. and LSE's AIM exchange to list." The Washington Post (11/21) also publishes this story this morning.

Nasdaq Planning To Make Another Run. The New York Times (11/21, Timmons, Kanter) reports, "Nasdaq officials said that while they still hoped to reach a friendly deal" with the LSE, "they planned to go ahead with their offer." Nasdaq's chief executive, Robert Greifeld, said during a call with investors that he would like to reach a deal to take over LSE with the approval of the London exchange's board. Nasdaq "expects to post an official offer this week, at which time London Stock Exchange holders have 28 days to tender their shares. That period can be extended to 60 days. In addition, 30 days after posting a formal offer, Nasdaq can buy more shares of the London exchange on the market." The Times adds, "On Monday, the British government said it was open to foreign ownership in London but stressed that any takeover must not threaten the current regulatory framework."

More Commentary. In an editorial, the Financial Times (11/21) discusses recent attempts by various entities to take over the LSE, the latest one being the US exchange Nasdaq. The Times says Nasdaq "should not be turned down because it is American. The LSE is a profitable, private business and there is no public interest in protecting it from foreign ownership. It is important to ask, however, if the US authorities would allow a deal if the LSE were trying to buy Nasdaq." The Times adds that for users, the "real prizes would be mergers among Europe's national exchanges and the merger of Deutsche Börse's clearing and settlement arm with LCH.Clearnet, which performs that function for the LSE and Euronext. A Nasdaq deal with the LSE brings such outcomes no closer. Shareholders in the LSE are likely to accept an offer at the right price," but "stock exchange users will still sigh about the handsome Europeans the LSE turned away" before Nasdaq came along.

ENVIRONMENT/INDIAN AFFAIRS:

National Park Service Proposes Snowmobile Plan For Yellowstone. The AP (11/21, Jalonick)

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reports, "The National Park Service wants to maintain snowmobile regulations allowing 720 snowmobiles per day to enter Yellowstone National Park." The plan "would limit snowcoaches in Yellowstone to 78 per day and require those vehicles to meet sound and emissions requirements." The drafted plan would also "allow 140 snowmobiles a day to enter Grand Teton National Park and the John D. Rockefeller Jr. Parkway, which connects the two parks." The plan "was issued to other government agencies," and park officials "stressed that the report is only a draft and that the plan is the agency's preferred alternative out of several proposals." A final plan "is expected to be issued in time for the 2007-2008 winter season."

The New York Times (11/21, Robbins, 1.16M) reports, "Officials are seeking comments from the states and counties that border the park and will release another draft document for public comment early next year," and "the new plan will go into effect for the winter of 2009." Snowmobile in Yellowstone has been "hugely controversial and political." The Clinton administration proposed "banning snowmobiles; the Bush administration proposed a limit of 1,000 a day."

Marine Protection Sought For Northwest Atlantic. The AP (11/21) reports, "Parts of the northwest Atlantic Ocean stretching from Cape Cod in Massachusetts to the northeastern tip of Nova Scotia in Canada should be declared off-limits to fishing and other human activities in order to protect threatened marine species, two environmental groups said Monday." The AP continues, "The Boston-based Conservation Law Foundation and the World Wildlife Fund-Canada recommended creating 30 marine reserves extending 10 miles to 200 miles from shore. … The proposed zones include productive fishing areas, however, and creating the reserves in U.S. waters would require federal authorization." The AP adds, "A fishing industry official worried that closing large areas permanently could make it harder for fishermen to earn a living. … 'They have to be very careful not to close an area that is producing a lot of net benefit to the nation,' Vito Giacalone of the Northeast Seafood Coalition told The Boston Globe newspaper. … The groups said they used computer technology to identify offshore areas where a large number of species could be protected while imposing the fewest restrictions."

Conrad Defends Agricultural Disaster Assistance Funding. In a Wall Street Journal letter to the editor (11/21), Sen. Kent Conrad responds to a November 15 Journal editorial that criticized the North Dakota Senator for seeking funding for agriculture assistance. Conrad said the Journal "editorial 'Fargonomics' misrepresents the facts on agriculture disaster assistance. My bipartisan legislation would bring badly needed federal aid to the thousands of farm and ranch families whose livelihoods were destroyed by natural disasters including drought, flood, frost and disease." To "represent the deepening drought of the Great Plains as anything but a national disaster is an affront to every farm family in the Midwest. This is the third worst drought in U.S. history, searing millions of acres of crops and livestock forage, and driving producers and the small town businesses that rely on them to the brink of foreclosure. If we do not respond, the drought will be followed by economic disaster across the plains."

Navajo Tribe's Efforts At Desert Radiation Cleanup Thwarted By Delays, Disputes. The Los Angeles Times (11/21, Pasternak) reports from Church Rock Mine, NM, "Most of the mining companies that drilled, dug and blasted for uranium on the Navajo reservation during the Cold War did nothing to repair the environmental damage they left behind. For a time, tribal leaders staked their hopes for a cleanup on Superfund, the landmark legislation that forces polluters to pay for remediation of toxic sites." The Times continues, "More than 1,000 abandoned mines are scattered across the Navajo homeland, which covers 27,000 square miles in Arizona, Utah and New Mexico. … Such a comprehensive cleanup is 'exactly what Superfund was designed for,' said Paul Connor, a lawyer who once directed Superfund enforcement policy for the Environmental Protection Agency." The Times adds, "It hasn't happened. Bureaucratic delays and misunderstandings between the tribe and the EPA have prevented the Navajos from tapping Superfund's deep pockets and broad legal authority. … Instead, the tribe reluctantly settled for a partial cleanup under a separate program. That effort left many hazards untouched. … One of them is in Church Rock Mine, a Navajo community named for an abandoned uranium site. A 30-foot-high heap of grit and dynamited stone from the mine looms over a cluster of 15 homes. The wind roars for hours at a time, scattering radioactive dust throughout the settlement. … For years, residents appealed to tribal leaders and the U.S. government for help. In 2003, tired of waiting, they joined forces with Navajo activists who were using a foundation grant to conduct

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radiation testing. … In a dry wash where generations of children had played catch and tag, they discovered elevated radiation levels. .. As word spread of the citizen effort, authorities stirred at last. Under pressure from the tribe, the EPA opened negotiations with the mine's operator, United Nuclear Corp., and its parent, General Electric Co., to clean up the mess."

FBI/DEA/ATF/USMS:

Senate Appropriations Bill Might Order FBI To Recover VCF Funds From SAIC. Government Computer News (11/20, Dizard) reported, "The Senate's draft of the appropriations bill for the Justice Department and the FBI would order the bureau to use 'all means necessary' to try to recover funds from the vendor of its failed Virtual Case File project. In an unusual action, according to several sources, the draft legislation…directs the bureau to retrieve as much as $104 million from the defaulted VCF contract. … The Senate's reference to 'the VCF contractor' especially singles out SAIC." GCN noted, "If the FBI were to try to take legal action to recover the VCF funds, it would be stepping into a legal and political minefield," and "sources close to the project said that some of the senior officials in place during the VCF fiasco — including director Robert Mueller — still hold powerful jobs in the bureau, and their reputations could suffer if a public lawsuit or civil trial unveiled the details of their roles." A "federal official involved in the VCF incident said, "The world's greatest investigative body slowed this down. The answer is culpability of the FBI officials who are still there. Mueller says he takes the responsibility. I still think there is accountability and culpability."

Philadelphia Inquirer Highlights DEA Internet Pharmacy Investigation. In a continuing report on the DEA's "first global Internet pharmacy case," the Philadelphia Inquirer (11/21) today reports Akhil Bansal, "smuggling a half-million pills a month from India, prepares for the biggest business meeting of his young life. It is July 2004." The Manhattan meeting Bansal's father, Brij Bansal, "had set up from India was too important to ignore any detail. A Costa Rican client sought an exclusive deal to buy 500,000 generic pills a month. Millions of dollars were at stake." The Inquirer continues, "Like most law enforcement agencies in Philadelphia, DEA liked to keep cases in the family. When other agencies got involved, DEA worried about losing control. Or sharing the credit - what feds called 'the stat' - or sharing cash, cars and property seized in the arrests. … This case was different. DEA had never conducted an Internet pharmacy case on such a scale. It needed help." So far, DEA "had identified suspect Web pharmacies in Australia, India, Germany, New York, Virginia and Philadelphia. The pharmacies bought generic drugs for pennies a pill, then sold them online, without requiring a prescription, for a dollar apiece."

Texas Man Caught With 1,700 Pounds Of Marijuana Pleads Guilty. In Louisville, Kentucky, the AP (11/20) reports a Texas man "pleaded guilty Monday to conspiracy to distribute marijuana after he was caught driving a semi-trailer truck loaded with about 1,700 pounds of pot hidden among broccoli, authorities said. Erasmo Castillo, 27, of Starr County, Texas, pleaded guilty to one count of conspiracy to distribute marijuana and one count of possession of marijuana with intent to distribute. … Castillo was arrested by DEA agents on June 27, 2005."

More Than 100 Charged In Kentucky Prescription-Drug Investigation. The Louisville (KY) Courier-Journal (11/20) reports more than 100 people "have been charged in connection with a joint federal and state investigation into illegal prescription-drug trafficking in Eastern Kentucky. State arrest warrants were issued Monday for 103 people in Eastern and Southeastern Kentucky, people that authorities described as street-level dealers. … The drugs in most of the cases involved prescription painkillers such as OxyContin, authorities said."

Pharmacists Arrested. The Lexington (KY) Herald Leader (11/21) reports, "Two licensed Kentucky pharmacists were among nearly 70 people arrested yesterday afternoon in a huge crackdown on prescription drug abuse in Eastern Kentucky. David Gregory Jones, who owns RX Express in Ashland, and Dan Daffron, owner of Quick Script in Monticello, face federal indictments charging them with unlawful distribution of controlled narcotics. … U.S. Attorney Amul Thapar said law enforcement officials were still searching for more than 30 others suspected of trafficking prescription drugs."

The AP (11/21) reports police "are still looking for about 50 more alleged street-level drug dealers named in

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indictments. They also are looking for black market distributors from Georgia, Indiana, Ohio and Tennessee."

Trainer Returns To Prison For Refusing To Testify Against Barry Bonds. The AP (11/21) reports Barry Bonds' personal trainer "returned to prison Monday afternoon for refusing to testify before a federal grand jury investigating Bonds' steroid use. Greg Anderson has twice been freed on technicalities. He was ordered to report after an appeals court last week upheld the entirety of his contempt-of-court citation. … The Bay Area Laboratory Co-Operative scandal has netted five convictions, including Anderson's, and one pending indictment."

"Operation Central Hub" Reveals Links To Drug Organizations In 5 States, Mexico. The Washington Times (11/21) reports DEA agents in Mississippi "assisted by local law-enforcement authorities, have arrested 27 persons, confiscated more than $15 million in cocaine and marijuana and seized cash and property worth $3 million as part of a lengthy undercover investigation. 'Operation Central Hub targeted and successfully dismantled one of the largest drug-trafficking operations ever known to operate in the state of Mississippi,' said DEA Assistant Special Agent Stephen Luzinski in the agency's Jackson, Miss., field office." Rusty Payne "said yesterday that the investigation also yielded criminal links to drug organizations in Dallas; Atlanta; Little Rock, Ark.; Detroit; and Laredo, Texas." Payne "said Operation Central Hub also produced important connections to Mexico, revealing direct criminal links and associations between select Mississippi organization heads and Mexican drug sources of supply."

The Biloxi (MS) Sun Herald (11/21) reports federal authorities "credit Gulfport-area narcotics agents with starting an investigation that has dismantled one of the largest drug-trafficking operations in Mississippi. The investigation has resulted in 27 arrests and the seizure of $15 million in drugs and $2.9 million in cash and other assets, said Stephen Luzinski, assistant special agent in charge of the DEA in Jackson. … Once the drug shipments crossed the U.S. borders, they were shuttled to various cities, primarily in 18-wheelers driven by employees of Mexican drug bosses. The drugs often were hidden in compartments or commingled with legitimate cargo loads."

ATF Finds Bomb, Components In Texas. The Nacogdoches (TX) Daily Sentinel (11/21, Taravella) reports, "The components of an explosive device and a psilocybin mushroom/marijuana-growing operation were discovered early Monday in a unit at Lakewood Village Apartments, by Nacogdoches police officers investigating an assault." The Sentinel continues, "One resident of the apartment unit was undergoing psychiatric evaluation Monday. At press time, no arrests had been made." The Sentinel adds, "Nacogdoches police and fire, along with University police officials and ATF agents cordon off a section of apartments where they say they found 'components' that could be used to craft an explosive device. … A joint investigation is being conducted by the Nacogdoches Police Department and the Bureau of Alcohol, Tobacco and Firearms, according to Sgt. Greg Sowell, NPD community relations officer. … Although Sowell did not release the nature of the components seized by the ATF, he said the ATF is describing them as 'components that could be assembled as an improvised explosive device.'"

IMMIGRATION:

Texas Legislators Propose Stripping Benefits From Children Of Illegals. CNN's Lou Dobbs Tonight (11/20) reported, "Children of illegal aliens who are awarded American citizenship because they were born in this country -- there is a rising movement to change that practice." CNN continued, "The Texas state legislature is considering a law to deny welfare and other benefits to the American citizen children of illegal aliens. … Sponsors hope it leads to a review of the 14th amendment to ensure citizenship to former slaves. Today it's widely interpreted as a guarantee of citizenship to virtually anyone born in this country." CNN adds, "Some lawmakers are trying to change the 14th amendment by granting automatic citizenship only to children with at least one parent who's a U.S. citizen or legal permanent resident. 88 lawmakers co-sponsored a Bill in the US House last year that would have made that change but it stalled in committee. The proposed Texas law is another example of local governments trying to crack down on illegal immigration because the federal government has failed to do it."

Immigration Enforcement May Be Causing Shortage Of Harvest Laborers. USA Today/Arizona Republic (11/21, Gonzalez) reports on C.R. Waters, "farm manager for a major vegetable distributor" who "is worried that when the vegetables are ready, there won't be enough laborers to get crops out of the fields to market." Waters,

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president of the Yuma Fresh Vegetable Association, says that "if growers can't find enough workers, some crops may go unpicked. That could increase prices at the supermarket, and create substantial financial losses for farmers." The shortages "are not limited to the Yuma region. Vegetable growers in Colorado, pear growers in northern California, and apple growers in Washington, all have lacked workers." Immigrants "have served as the backbone of the labor force in Yuma. Many farmworkers, however, have been drawn by steady jobs at housing developments and construction sites sprouting up around Yuma that pay better. The increased presence of Border Patrol agents also has scared some illegal workers already in the USA away from Arizona. In the past year, the Border Patrol also doubled the number of agents assigned to the Yuma sector to 551. Another 200 are on the way. T he buildup is having an effect, the Border Patrol reports. Arrests for the 2006 fiscal year that ended Sept. 30 declined 14%, to 118,549 from 138,438 the year before."

TAX:

IRS Says More Audits Lead To Increased Tax Revenue. The AP (11/21, Abrams) reports, "A taxpayer who made more than $1 million had a one-in-16 chance of being audited by the IRS in the fiscal year just ended, up slightly from the year before." The AP continues, "Commissioner Mark W. Everson said in a telephone news conference Monday that the Internal Revenue Service also paid more attention to the filings of small businesses that tend to underreport incomes and to the records of tax-exempt organizations." The AP adds, "Overall, enforcement revenues for fiscal 2006 were $48.7 billion, up from $47.3 billion. Revenues in fiscal 2005 had jumped 10 percent because of collections from a crackdown on improper tax shelters. … The 'tax gap,' the difference between what taxpayers owe and what is collected, has been estimated as $345 billion annually, and congressional Democrats coming to power see closing this gap as an important way to raise revenue without raising taxes. … Everson said that audits of individuals making $1 million or more increased to 17,015 from 12,835. That was an increase only from 6.1 percent to 6.3 percent because of the growing number of millionaires. About 1 percent of all taxpayers face audits.'"

CONGRESS-ADMINISTRATION:

GOP Leadership Plans To "Punt" Spending Bills Until Next Congress. The AP (11/21, Taylor) reports, "Republicans vacating the Capitol are dumping a big spring cleaning job on Democrats moving in. GOP leaders have opted to leave behind almost a half-trillion-dollar clutter of unfinished spending bills. … The bulging workload that a Republican-led Congress was supposed to complete this year but is instead punting to 2007 promises to consume time and energy that Democrats had hoped to devote to their own agenda upon taking control of Congress in January for the first time in a dozen years. The decision to drop so much unfinished work in Democrats' laps demonstrates both division within Republicans ranks and the difficulty in resolving so many knotty questions in so short a time." According to the AP, "Driving the decision to quit and go home rather than finish the remaining budget work is a determined effort by a group of conservative Republicans to prevent putting a GOP stamp on spending bills covering 13 Cabinet Departments — and loaded with thousands of homestate projects derided as 'pork' by critics."

GOP To Challenge Application Of Pay-Go Rules. The Hill (11/21, Schor) reports, "Democratic leaders vowed even before their decisive Election Day victories to demonstrate their commitment to fiscal responsibility by restoring the pay-as-you-go statute, also known as pay-go, should they win back the majority. Pay-go under law, which expired in 2002, required any new mandatory spending or tax breaks to be offset or risk automatic across-the-board spending cuts. While budget analysts often point out that the hefty Democratic agenda for the 110th Congress would present an immediate challenge to pay-go, Republicans blast pay-go as a tax hike in budget-cutting clothing. … Though they have little hope of defeating a Democratic pay-go plan next year — the vice president cast a tiebreaking vote to stave one off in March — Republicans are poised to put up a fight for a pay-go rule that treats taxes and entitlements equally." The Hill notes, "The Congressional Budget Office treats reauthorized entitlements as pre-existing programs, relieving lawmakers of the need to find offsets under pay-go, but Democrats could tweak their new pay-go rule to apply to more entitlement spending."

Meanwhile, in an op-ed for the Wall Street Journal (11/21, 2.04M) Roger C. Altman, deputy secretary of the

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Treasury in the first Clinton administration, and Alan S. Blinder, former vice chairman of the Federal Reserve Board, write, "Speaker-elect Nancy Pelosi has promised to restore pay-as-you-go financing -- a bipartisan set of budget rules that were originally adopted under the first President Bush, but then brushed aside under his son. Unfortunately, when paygo went, so did any pretense of fiscal discipline. A coincidence? We think not. The new Congress should bring back paygo immediately."

Pelosi Stresses "Pocketbook" Issues, Pledges To Work With GOP. The AP (11/21, Abrams) reports House Speaker-elect Nancy Pelosi "said Monday her new Democratic majority will extend a hand to Republicans in moving the agenda of relieving the 'middle-class squeeze.'" Pelosi, "following a strategy meeting with the next House majority leader, Steny Hoyer…said she will meet with incoming House Minority Leader John Boehner and 'we'll find our common ground for the American people.'" Pelosi and Hoyer "repeated that in the first 100 legislative hours of the new Congress that convenes in January, they will try to pass bills that directly affect the pocketbooks of working-class and middle-class people, including raising the minimum wage, cutting interest rates for student loans and allowing the Medicare program to negotiate lower drug prices. Other top priorities for January are lobbying reform, implementing the recommendations of the 9/11 Commission and rolling back subsidies to the oil industry."

The Washington Times (11/21, Fagan, 88K) reports Pelosi and Hoyer "said they expected bipartisan backing for their efforts to lessen the 'squeeze' on the middle class, specifically increasing the minimum wage, lowering Medicare prices and cutting interest rates on student loans. But Mrs. Pelosi said Democrats can pass those measures on the strength of their new majority alone, if need be."

The Wall Street Journal (11/21, A1, Wessel, 2.04M) reports, "By almost every measure, the gap between winners and losers in the American economy has widened over the past 20 years. In this month's election, anxiety about that gap was not far behind voter anger over Iraq and congressional corruption in driving Democrats to victory. 'We will make our economy fairer' vowed House Democrats, in a campaign manifesto. Now they're in a position to try, raising a big question: What can Democrats do to resist inequality in a way that doesn't choke off economic growth? Can government slice the economic apple more evenly without shrinking it?" The Journal add, "High on Democrats' to-do list is lifting the federal minimum wage. … But its potential to shrink the gap between the wealthiest and poorest wage-earners is limited, especially when wages at the top are soaring far away from the middle and bottom. Limiting pay at the top has proven tough." Rep. Barney Frank, in line to chair the House Financial Services Committee, "vows to push legislation that would force companies to provide more and clearer details of CEO pay, devise policies to recapture incentive pay if earnings are later restated, and require shareholder approval of 'golden parachute' payments to dismissed executives.'

Economists Predict "Gridlock" In New Congress. The Wall Street Journal's web-only "Washington Wire" column (11/21) reports, "Forty-six of 48 economists in the latest WSJ.com economic forecasting survey said they believe an increase in the federal minimum wage is very or somewhat likely to be passed in Congress and signed by the President. As for the raft of other economic issues at hand — tackling the finances of entitlement programs, dealing with foreign trade, addressing the tax code — the economists expect gridlock. Entitlement programs, such as Social Security and Medicare, should be the top priority for Congress when Democrats take control next year, the economists said. But 44 of the 48 economists believe it is somewhat or very unlikely any reform will be signed into law. The story is little different on other fronts: On ensuring that trade negotiations move forward, 31 say unlikley. On revising the Medicare drug benefit, 30 say unlikely. On extending tax breaks for the wealthiest: 37 say unlikely. Rescinding the breaks? Thirty-six."

Pelosi's Handling Of Intelligence Committee Could Undermine Her Leadership. The Los Angeles Times (11/21, Neuman, Finnegan, 850K) reports that the "relationship" between Reps. Nancy Pelosi and Jane Harman "has been deteriorating since Harman returned to the House in 2001, according to those who know them, and the tension now threatens to complicate Pelosi's role as House speaker when the 110th Congress convenes in January. Pelosi indicated as early as last year that she intended to oust Harman from the Intelligence Committee — where Harman expected to become chairwoman once the Democrats won control of the House -- in favor of someone more to Pelosi's liking. The move has created dissension within the party. Some Democrats and foreign policy experts argued that Harman, a centrist on national security, is the most credible person for the job. … The coming battle over the Intelligence Committee leadership is turning into a showdown where the

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political has turned personal. And it could undermine the unity that the Democratic Party had hoped to show as it prepares to take the reins of power."

House Democrats Putting Together Multifaceted Ethics Reform Package. The Washington Post (11/21, A4, Weisman, 690K) reports, "Despite divisions among Democrats over how far to go in revising ethics rules, House leaders plan a major rollout of an ethics reform bill early next year to demonstrate concern about an issue that helped defeat the Republicans in the midterm elections. But they will do it with a twist: Instead of forwarding one big bill, Democrats will put together an ethics package on the House floor piece by piece, allowing incoming freshmen to take charge of high-profile issues and lengthening the time spent on the debate. The approach will ensure that each proposal -- including banning gifts, meals and travel from lobbyists as well as imposing new controls on the budget deficit -- is debated on its own and receives its own vote. That should garner far more media attention for the bill's components before a final vote on the entire package. … Under that plan, freshmen would offer, over as many as five days in January, separate amendments to ban gifts, meals and travel financed by lobbyists, said Rep. Rahm Emanuel (Ill.), incoming chairman of the House Democratic Caucus. New rules mandating the disclosure of all contacts with lobbyists would be another vote, as would a rule requiring that the sponsors of funding for home-state pet projects be identified."

Gates Meets With Levin. CNN's Lou Dobbs Tonight (11/20) reported, "Robert Gates, named to replace Donald Rumsfeld as Secretary of Defense, went back to Capitol Hill today to seek support from both parties. Gates met with democratic Senator Carl Levin, the ranking Democrat and soon to be chairman of the Senate Armed Services Committee. He met with other Senators last week. He's expected to testify to the Armed Services Committee early in December. Democrats, as of now, are not opposing his nomination."

Gates Critic Accuses Him Of Being Blinded By Ideology. In an op-ed for the Los Angeles Times (11/21, 850K) Jennifer Glaudemans, a former CIA analyst, writes, "fifteen years ago, the Senate Select Committee on Intelligence asked me to testify at the confirmation hearings for Robert M. Gates, who had been nominated to be director of Central Intelligence. … I was asked to testify because of my knowledge about the creation of a May 1985 special National Intelligence Estimate on Iran that had been used to justify the ill-fated deals known as Iran-Contra." According to Glaudemans, "It was well known among analysts at the time that we would have a hard time getting Gates to sign off on analyses that did not fit his ideological preconceptions. All one had to do was look at his margin comments on controversial papers to know what was going on. Fortunately for him, classification and layers of bureaucracy kept those comments from public view. Today, however, many cases of politicized intelligence are a matter of public record. The National Security Archive, a not-for-profit organization, has posted many documents on its website that tell the story. … The nomination of Robert Gates to become secretary of Defense is an opportunity for him to demonstrate that he has learned from his mistakes and for Congress to reassert its constitutional authority."

Democrats Distance Themselves From Rangel's Support For Draft. NBC Nightly News (11/20, story 4, 2;05, Williams, 9.87M) reported, "Veteran New York Democratic Congressman Charlie Rangel says if the United States reinstated the draft, the American people would demand a swift end to the Iraq war. Rangel is himself a decorated veteran of the Korean War and is a critic of the Iraq war. His comments were meant to attract attention and today they did." NBC added Rangel "argues that today's all-volunteer military, with all its economic incentives, draws too heavily from low-income communities. A point the Pentagon disputes." NBC noted, "every key Democrat who has weighed in is opposed. … Rangel concedes there's no chance his proposal for a draft will become law. He's pushing it, he say, to make a point about a war he opposes."

The Washington Post (11/21, A4, Babington, White, 690K) reports, "The new Democratic-controlled Congress will not seriously consider reinstating the draft, even if concerns about the military's strength and resiliency grow, party leaders said yesterday. Key Democrats, including the incoming House speaker, House majority leader and chairmen of the House and Senate armed services committees, said they do not support a resumption of the draft. They predicted that the idea will gather little momentum in the 110th Congress. … Pentagon officials also restated their opposition to a draft." The Washington Times (11/21, Scarborough, Fagan, 88K) reports Rangel "periodically has urged a draft revival as a mechanism to criticize President Bush's handling of military deployments in

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the war on terrorism. He renewed his call again on Sunday, saying on CBS' 'Face the Nation' that 'if we're going to challenge Iran and challenge North Korea and then, as some people have asked, send more troops to Iraq, we can't do that without the draft. ... I will be introducing that bill as soon as we start the new session.'"

NYTimes Criticizes Rangel's Proposal. The New York Times (11/21, 1.16M), in an editorial, writes, "There are many reasons why we are distressed to hear that Representative Charles Rangel of New York plans to reintroduce his annual measure aimed at resurrecting the draft when the Democrats take control of the House in January. We don't favor military conscription in general. And in this particular case, compelling military service won't achieve the things Mr. Rangel says he wants, either."

Democrats Expected To Boost Generic Drugs. The Wall Street Journal (11/21, A4, Mathews, 2.04M) reports congressional Democrats' "vow to cut health-care costs might spell bad news for the brand-name pharmaceutical industry, but their efforts could provide new momentum for the generic-drug rivals' agenda." Boosting the "generics industry may prove to be a politically palatable way to follow up on the party's campaign promises. That's because making more room for generics is meant to cut prices through increased competition -- a solution that is easier to sell as pro-market than other proposals Republicans will portray as precursors to federal price controls." Laws "providing vital funding to the Food and Drug Administration and encouraging studies of drugs' use in children," which are up for renewal in 2007, "could provide gridlock-proof vehicles for generics provisions." The "most important question will likely be how and whether to create a legal pathway for the FDA to approve generic versions of biotechnology drugs." An "array of other measures aimed at smoothing the way for traditional generic drugs will also get attention, and could well be tucked into broader bills next year. Among them are proposals to limit branded-drug company tactics that thwart generic competitors, such as licensing additional companies to sell their drugs and thus diluting the profits to be made from copying them."

House Intelligence Panel Reinstates Clearances For Democratic Aide. The Washington Post (11/21, A3, Pincus, 690K) reports Larry Hanauer, a Democratic staff member of the House Permanent Select Committee on Intelligence, "has had his security clearances reinstated and yesterday resumed work for the panel, ending a pre-election drama during which senior House Republicans alleged he may have leaked an intelligence report that was politically embarrassing to the Bush administration." Hanauer had "signed an affidavit that he did not 'discuss, disclose or cause to be discussed or disclosed' a National Intelligence Estimate (NIE) on Iraq to any person 'affiliated with the press.'" Committee Chairman Peter Hoekstra (R-Mich.) "wrote on Friday to ranking Democrat Jane Harman (Calif.) that the affidavit and the results of the committee staff director's interview of Hanauer were enough for him to rescind the punishment."

GOP Said To Ignore Election Results In Retaining Blunt. In a New York Times op-ed (11/21), Thomas Edsall says, "Last Friday, the Republicans gave the Democrats a gift that will keep on giving: Roy Blunt of Missouri. After an election repudiating the politics of Jack Abramoff and Tom DeLay, Republicans elevated Blunt from the number three spot in the leadership to number two." But Blunt "embodies the insidious, half-legal corruption that has permeated the G.O.P. majority since 1995. Blunt's election as minority whip, by a 137-to-57 margin, was a defiant Republican rejection of calls to clean up their act. Warnings by Blunt's challenger, John Shadegg of Arizona — 'We ceded our reform-minded principles in exchange for a ...tighter grip on power' — went unheeded."

Democrats' House Majority Equals GOP's High Water Mark. The New York Times (11/21, Toner, 1.16M) reports the new House of Representatives "looks increasingly like a mirror image of the old: the Democrats are likely to have a majority close to 232, which was the Republicans' majority in the departing Congress." Though that "may seem small compared with the Democrats' glory days," the "new Democratic majority is comparatively comfortable; 232 was the high-water mark for the Republicans in the 12 years they held power." The "strength of the Democratic showing in the elections this month was underscored by one statistic: they did not lose a single seat. They have gained 29 and, in New England, left the Republicans with just one House seat — that of Representative Christopher Shays of Connecticut — out of 22 in the region."

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Gains In Mountain West Could Show Long Term Competitiveness. USA Today (11/21, Kasindorf, Kenworthy, 2.27M) reports a "wave of Democratic blue is splashing the fast-growing Rocky Mountain West, which until recently was so Republican that all eight states in the region went red for President Bush in 2004." Democrats are "celebrating their Election Day seizure of a U.S. Senate seat, a governorship, three U.S. House seats and other major offices in Rocky Mountain states. That extends a trend started in 2002 with winning three governor seats. Now, Democrats are hoping to break the Republican lock on the inland West in the 2008 presidential race." But the "question is whether the Western shifts indicate a fluke, the normal turn of a cycle or a permanent realignment." Some Republicans "say their party should gird for long-term trouble." GOP strategist Eddie Mahe said, "The West is not going to be as definitively conservative and Republican as it has been. The Rocky Mountain West is probably trending to look more like a lot of the remainder of the country, not quite as unique as it once was." USA adds Randy Pullen, "a Republican National Committee member from Arizona, says the election was a one-shot loss." Pullen said, "This election was a referendum on the president. We'll fare better in two years."

McClatchy (11/21, Thomma) reports a "lot of states that were dependably Republican Red are now some other hue. Call them purple, striped or polka-dotted - the fact is they're now open to Democrats." Though they "haven't gone completely over. But they did elect some Democrats, signaling that they're in play. And that means a new center of gravity for the Democrats as they struggle to define themselves by governing in Congress the next two years and setting the table for 2008, hoping to consolidate this year's gains and win back the White House." Democrats "gained in states such as Colorado, where they picked up the governor's office," and "also picked up Senate seats in once-solid red states, such as Ohio and Virginia. And they gained U.S. House of Representatives seats in such red states as Arizona, Colorado, Georgia, Indiana, Kansas, Kentucky, North Carolina, Ohio, Tennessee and Texas." In part that "reflects changes within those states. Migration of Democrats from the North to the Sun Belt continues to dilute the Republican red zone. Immigration brings new voters from Mexico and farther south, the majority of them Democrats once they vote." It also "reflects changes in the Democrats, who this year recruited centrists and moderates to compete in culturally conservative areas."

Democrats' Failure To Win Southern Seats Analyzed. The New York Times (11/21, Nossiter, 1.16M) reports the South "largely sat out the drama of the recent election, apparently confirming its reputation as the Democrats' graveyard. An influential book published in October predicted as much, saying the party could safely avert its gaze from a region that could not be of help." Thomas F. Schaller of the University of Maryland, Baltimore County, author of "Whistling Past Dixie: How the Democrats Can Win Without the South," said, "They don't need the South to win. Why would Democrats go after the most rural, least unionized, most racially polarized, most evangelized region in the country?" The Times adds, "But not so fast. The thundering silence from the South may prove nothing more than what should be obvious: when Democrats do not compete, or compete unequally, they lose." Democratic Party officials in Tennessee "acknowledged that Mr. Ford was not an ideal candidate for the state, and not just because he was a black politician trying to climb the steep mountain of a white electorate. His own political baggage added significantly to his burden."

Democrats' Control Of Senate Said To Be Precarious. USA Today (11/21, Kiely, 2.27M) reports that when Democrats "take over the Senate in January, the party's bare two-vote majority will include three senators whose history shows they heed their own views more than those of any political leader." Just how "precarious is the Democrats' grip on power? The 51 senators who will make up the party's Senate caucus beginning in January include two who aren't officially Democrats — independents Joe Lieberman of Connecticut and Bernie Sanders of Vermont — and Jim Webb of Virginia, who used to be a Republican." The 110th Congress "will be the first since 1976 to have two people who don't belong to the two major parties serving in the Senate at the same time. Republicans will occupy 49 of the chamber's 100 seats." In the "new Senate, where every roll call could be a squeaker, political hybrids Lieberman, Sanders and Webb stand to be key players. No wonder incoming Senate Majority Leader Harry Reid lavished plum committee assignments on the trio last week."

Democrats Have Expensive List Of Priorities. USA Today (11/21, Wolf, 2.27M) reports Democrats "will return to power in Congress with a lengthy list of expensive priorities and a pledge to pay for them. Some budget experts

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say the dual goals don't add up." Democratic leaders have "endorsed an ambitious agenda that includes fortifying the military, improving homeland security, helping veterans, making college more affordable, establishing energy independence and boosting private savings rates. Annual tab: at least $79 billion, according to the National Taxpayers Union, a group opposed to higher taxes." The Democrats also "want to protect 20 million upper middle-income taxpayers from the alternative minimum tax. It was originally designed to ensure the rich didn't avoid paying taxes, but it threatens to raise taxes on the less affluent unless it's indexed for inflation. Cost: $50 billion a year, according to the Joint Committee on Taxation." And they want to eliminate the coverage gap in Medicare's prescription-drug program, which forces those with big drug bills to pay at least $3,600 out of pocket. Price tag: about $30 billion a year and rising, according to the Congressional Budget Office." Democratic leaders also say "they will reinstate budget rules that expired in 2002. They want statutory caps on most domestic and defense spending. They also want new tax cuts or benefit increases offset by other tax increases or spending cuts to keep the deficit from growing." Former Clinton White House chief of staff Leon Panetta said, "They can't basically have all of those priorities … without deciding who's going to pay the bill, and that means either cuts in spending or increases in revenue. There's going to be a huge temptation here to borrow the Republicans' example of borrow and spend."

Study Recommends TSP Not Include REITs. The Washington Post's Stephen Barr, in his "Federal Diary" column (11/21) writes, "Don't bet the mortgage that the Thrift Savings Plan will add a real estate investment fund, or any other option, soon. A consultant hired by the TSP said yesterday that the retirement savings program for government employees is generally comparable to 401(k) and similar plans offered in the private sector and did not recommend any changes. … About 200 House members are co-sponsoring a bill that would add a real estate investment fund to the TSP, which prompted the Federal Retirement Thrift Investment Board to order the $140,000 study. After the board signaled opposition to adding a real estate option and sought the study, the chief sponsors of the bill put it on hold."

WSJournal Accuses White House Of "Pandering" To Textile Industry. The Wall Street Journal (11/21, A16, 2.04M) editorializes, "Congress's failure to pass Permanent Normal Trade Relations with Vietnam embarrassed President Bush on his visit to Hanoi last week," but "this failure is an even bigger fiasco than it appears because of the White House's pandering to the U.S. textile industry." The Administration "chose to make one more protectionist concession," and "is promising to protect the US yarn industry against a surge in imports of other textile products." The "trade precedent here is dangerous, and probably violates World Trade Organization rules." This "fiasco is another illustration that tactical protectionist concessions rarely yield the strategic free-trade gains that supporters claim."

OTHER NEWS:

Leading Indicators Up In October; Existing Home Sales Down. The Wall Street Journal (11/21, Derby, 2.04M) reports, "An indicator of future economic activity inched higher in October, a private research group said Monday, suggesting that recent weakness in the housing market hasn't been severe enough to offset lower gas prices and a rising stock market. Separately, the National Association of Realtors reported that existing home sales in the third quarter dipped to a seasonally adjusted annual rate of 6.27 million units nationwide, down 12.7% from the same period a year ago." The Conference Board "said its composite index of leading economic indicators for October rose by 0.2% to 138.3, after a revised 0.4% advance the month before. The index was equal to 100 in 1996. October's rise matched forecasters' expectation."

Economists Believe "Worst Of The Housing Bust Is Over." The Wall Street Journal (11/21, A2, Izzo, 2.04M) reports, "The worst of the housing bust is over, economists said by nearly 2-to-1 in the latest WSJ.com economic forecasting survey. But they still predict that the average selling price of a house will fall next year. … The 49 economists responding to the WSJ.com forecasting survey expect home prices, measured by the government's Office of Federal Housing Enterprise Oversight index, to rise 2.8% this year and to fall by 0.5% next year. That contrasts with a 13.4% increase in 2005." USA Today (11/21, Knox, 2.27M), meanwhile runs a story titled "Homes' Losing Streak To Continue," citing the National Association of Realtors' numbers.

Stocks Mixed Yesterday. NBC Nightly News (11/20, story 6, 0:10, Williams, 9.87M) reported, "On Wall Street today

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a mixed finish. The Dow was down 26 points [to close at 12,316.54]. NASDAQ gained almost 7 points [to close at 2,452.72] on the day." The Financial Times (11/21, Mackenzie) notes "the S&P 500 slid 0.70 points, or 0.05 per cent to 1,400.50, having reversed an early fall below the 1,400 threshold it closed above on Friday." The Wall Street Journal (11/21, C1, McKay, 2.04M) also reports the stock numbers.

WSJournal Says Mergers Show Economy Is In Good Shape. The Wall Street Journal (11/21, A16, 2.04M) editorializes, "Yesterday's tally was at least $52 billion in M&A activity before the market opened for the normally slow Thanksgiving week." This "is a sign that the animal spirits that give the U.S. economy its dynamism are alive and well." As an economic matter, "it is largely irrelevant whether the shares are publicly traded or not," and "we doubt the employees of such profitable closely held concerns as Cargill or Koch Industries fret much that their shares aren't listed on any public exchange. What they care about is that their companies are successful." Meanwhile, "a vibrant market for corporate control keeps managers alert and hunting for new opportunities," and "whatever the bad individual bets, the current merger wave is a sign of continuing economic vitality."

Utility Industry Markets Seen As Flawed. The New York Times (11/21, Johnston, 1.16M) reports, "A growing chorus of large industrial power users, municipal utilities and consumer groups say there is a reason the price of electricity has not fallen since the federal government opened the heavily regulated utility industry to competition a decade ago. The new markets, they argue, do not work right." They identify "a variety of reasons. For one thing, when electricity producers offer to supply power for use the next day, utilities pay everyone the highest price accepted." Critics "also contend that producers can withhold power or limit production, with little risk of penalty, even when demand is at its highest, meaning prices soar." The Times adds, "A coalition of large industrial companies filed a complaint in September, arguing that [FERC] had failed to ensure proper competition and that it had stymied efforts by others to investigate allegations of improper conduct by withholding some of the data it collects." FERC "dismisses the critics, saying that where it has determined that a market for electricity exists, the prices in that market are assumed to be 'just and reasonable,' the standard set in federal law."

Venezuelan Discounted Heating Oil Program Comes To Washington DC. The Washington Post (11/21, D1, Mufson, 690K) reports that today, "Minnie Davis, a 65-year-old widow who lives with three of her grandchildren on North Capitol Street, is scheduled to get some unusual visitors -- the Venezuelan ambassador, the chief executive of Citgo Petroleum and former congressman Joseph P. Kennedy II. The occasion: The arrival of a Venezuelan-backed program to bring 7.5 million gallons of deeply discounted heating oil to as many as 37,000 low-income households in Maryland, Virginia and the District and free heating oil to some homeless shelters." The Post adds, "The program has the blessings of Venezuela's populist President Hugo Chavez, who has used it to demonstrate that he cares about the poor in the United States as well as Venezuela -- while tweaking President Bush."

Family Of Slain Journalist Sues DC For $20 Million. The Washington Post (11/21, B1, Cauvin) reports, "The children of slain New York Times reporter David E. Rosenbaum filed a $20 million lawsuit yesterday against the District and Howard University Hospital, claiming that their father was a victim of official negligence and medical malpractice." The Post continues, "Filed in D.C. Superior Court, the lawsuit comes less than a month after a jury convicted a 42-year-old man of murdering Rosenbaum during a robbery. The other suspect in the case had pleaded guilty shortly before the two were to go on trial." The Post adds, "The crime occurred on a quiet Northwest Washington street in a usually safe part of the city, stunning the neighborhood and many people who had known Rosenbaum. He was 63 and had just retired after three decades at the Times. Days later, questions surfaced about the emergency care he received at the scene on Gramercy Street and at Howard University Hospital, where he died Jan. 8, two days after the attack. … Those questions led to one damning revelation after another. Rosenbaum was misdiagnosed as a drunk. The ambulance bypassed the closest hospital because one of the emergency medical technicians had personal business to attend to near Howard. At Howard, Rosenbaum was not seen by a physician for more than 90 minutes and was not given a neurological evaluation until he had been there almost four hours, the lawsuit says. Daniel and Dorothy Rosenbaum say in their suit that these actions contributed to their father's death."

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The Washington Times (11/21, Cella) reports, "The first hearing in the case is scheduled for February before Superior Court Judge Robert Morin. … The lawsuit follows closely the findings of the city's inspector general, who issued a report in June citing an 'unacceptable chain of failure' in the response." The Times adds, "According to the report, responding D.C. police officers failed to recognize that a crime had occurred, did not search the victim for identification and did not write an incident report. … The report said firefighters who responded to the scene did not assess or treat Mr. Rosenbaum correctly. They detected the odor of alcohol and discounted other potential causes of Mr. Rosenbaum's symptoms because of it. … In addition, the ambulance was delayed when the crew got lost on the way to the scene from Providence Hospital in Northeast, and the ambulance driver decided to take Mr. Rosenbaum to Howard University Hospital instead of the closer Sibley Memorial Hospital because Howard was nearer to her home."

The New York Times (11/21) also reports on the suit.

Typos In Bills Can Invalidate Laws, Redirect Funding. USA Today (11/21, Heath) reports, "If you're reading this in New York, you're probably too drunk to drive. … That's because lawmakers accidentally got too tough with a get-tough drunken-driving law, inserting an error that set the standard for 'aggravated driving while intoxicated' below the amount of alcohol that can occur naturally." USA continues, "The one-word mistake makes the new law unenforceable, says Lt. Glenn Miner, a New York State Police spokesman. However, drivers with a blood-alcohol content of 0.08% or higher can still be prosecuted under other state laws." USA adds, "In the legislative world, such small errors, while uncommon, can carry expensive consequences. In a few cases around the nation this year, typos and other blunders have redirected millions of tax dollars or threatened to invalidate new laws. … In Hawaii, for instance, lawmakers approved a cigarette-tax increase to raise money for medical care and research. Cancer researchers, however, will get only an extra 1.5 cents next year — instead of the more than $8 million lawmakers intended. That's because legislators failed to specify that they should get 1.5 cents from each cigarette sold, says Linda Smith, an adviser to Gov. Linda Lingle. … When such mistakes happen, they often come during the last-minute rush of legislative sessions, says Bruce Feustel, a senior fellow at the National Conference of State Legislatures. What's important, he says, is that lawmakers can fix them before they cause any harm." USA notes, "Courts generally intercede only in the most obvious cases, says University of Notre Dame law professor John Nagle. If judges tried to change every legislative error, Nagle says, 'you get the courts trying to figure out what they think is a mistake that might not be a mistake at all.'"

Buchanan Named Winner Of Disputed Florida House Seat. The New York Times (11/21, Aguayo, 1.16M) reports Republican Vern Buchanan was "named the winner on Monday in a disputed race in Sarasota where thousands of votes may have been lost by electronic machines," and Democrat Christine Jennings "immediately sued for a new election." Buchanan "won by 369 votes in the Nov. 7 election, according to results confirmed by the Florida Elections Canvassing Commission, which is made up of Gov. Jeb Bush; Tom Gallagher, the state chief financial officer; and Senator Daniel Webster of Winter Garden, all Republicans." The results "were confirmed in a machine recount and a manual one." Jennings "argued in documents filed in Leon County Circuit Court in Tallahassee that touch-screen voting machines had malfunctioned and not registered votes for her."

The Washington Post/AP (11/21, A5, Kaczor) reports Jennings asked "a judge to order a new election because of problems in Sarasota County, where more than 17,000 voters who cast ballots in other races Nov. 7 failed to vote in the congressional contest. That rate is nearly six times higher than in the other counties in the congressional district or on Sarasota's paper absentee ballots, Jennings alleges in her legal challenge. Though she lost in the other four counties in the district, Jennings did well in Sarasota County, winning there by a 6 percentage point margin." The lawsuit is "not Jennings' final option. She also could appeal the results to the House, which will be under Democratic control next year." The AP adds three other House races remain in limbo – Ohio's 2nd and 15th CDs and North Carolina's 8th CD. The AP adds, "Late Friday, elections officials in New Mexico's 1st District released an unofficial tally showing that Republican Rep. Heather Wilson won her race against Democrat Patricia Madrid by a margin of 879 votes out of more than 210,000 cast."

Congressional Quarterly (11/21, Benenson) reports Jennings "defeated Buchanan in Sarasota County, 53 percent to 47 percent. Democrats argue that if the undervote rate in Sarasota County was comparable to the undervote rate in the

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other counties, Jennings surely would have beaten Buchanan." Kathy Dent, "the Republican supervisor of elections in Sarasota County, and others have suggested that the campaign's negative tone may have turned people away from participating in this race. Other analysts say that voters might have overlooked the 13th District contest because of where the candidates' names were placed on Sarasota County ballots." But Jennings' attorney Kendall Coffey "said Monday that the machines were at fault and needed to be examined. 'This is clearly a case of machine error — not ballot design error and not voter error,' Coffey said."

USA Today (11/21, 2.27M) reports the story in a brief section.

Extent Of Clinton's Campaign Spending Concerns Some Democrats. The New York Times (11/20, Kornblut, Zeleny, 1.16M) reports Sen. Hillary Rodham Clinton "had only token opposition," but she "still spent more on her re-election — upward of $30 million — than any other candidate for Senate this year. So where did all the money go?" The campaign expenditures helped Clinton "win a margin of victory of more than 30 points. It helped her build a new set of campaign contributors. And it allowed her to begin assembling the nuts and bolts needed to run a presidential campaign." But Sen. Clinton "also bought more than $13,000 worth of flowers, mostly for fund-raising events and as thank-yous for donors. She laid out $27,000 for valet parking, paid as much as $800 in a single month in credit card interest and — above all — paid tens of thousands of dollars a month to an assortment of consultants and aides. Throw in $17 million in advertising and fund-raising mailings, and what had been one of the most formidable war chests in politics was depleted to a level that leaves Mrs. Clinton with little financial advantage over her potential rivals for the 2008 Democratic presidential nomination — and perhaps even trailing some of them." The campaign's "financial record has fueled some criticism among Democratic activists and prompted concern among Mrs. Clinton's supporters, including complaints from some of her fund-raisers that her top aides exercised a lack of discipline." Beyond the "level of spending, there is also some concern within the Clinton camp about the adequacy of the controls on what is being spent." A "close friend of Mrs. Clinton, Maggie Williams, received a $37,500 consulting fee, paid to her firm, Griffin Williams Critical Point Management, at the end of July." When asked what the "payment was for, Mrs. Clinton's campaign aides checked and subsequently responded that the payment had been a mistake. They said it should have been for less than $5,000 to reimburse Ms. Williams, who served as chief of staff to Mrs. Clinton in the White House, for travel costs. They said Ms. Williams would return the extra money."

Women Made Historic Gains In This Year's Elections. The Christian Science Monitor (11/21, Feldmann, 59K) reports that when the "winners of the Nov. 7 elections are sworn in in January, Democratic women - and some Republicans - will have cause to cheer: The House will have its first female speaker, Nancy Pelosi (D) of California. Congress will have its largest corps of women ever - 16 in the Senate and at least 71 in the House, from both parties." Women will also "hold nine governorships, tied with the record set in 2004, and other elective statewide jobs that could position them for higher office." For the "first time, the chair of the National Governors Association will be a woman, Gov. Janet Napolitano (D) of Arizona." In state legislatures, "a record 2,426 women were general-election candidates, and unofficial results show 1,735 winning, which would be a record. In addition, women appear set to build on their record number of top leadership spots in state legislatures." But "ultimately, women remain far from achieving equality. In the next Congress, the record 87 women members will represent 16 percent of the 535 seats.'

Brownback To Announce Decision On Presidential Run Next Month. The AP (11/21, Hananel) reports Sen. Sam Brownback, "who is considering a White House bid in 2008, said Monday the Republican field has room for a 'full-scale Ronald Reagan conservative' and pledged to make a final decision next month." Brownback said he "was not discouraged from running by the Democrats' strong gains in this month's midterm elections, including majority control of the House and Senate." Brownback, "who was elected in 1996, is a forceful foe of abortion and embryonic stem-cell research. He also has taken a prominent role in the fight against genocide in Sudan's Darfur region."

McCain, Romney Seek To Bolster Support On Right. The New York Times (11/21, Nagourney, 1.16M) reports Sen. John McCain "seemed to struggle yet again to firm up his position with the right on Sunday, as he faces the prospect of a primary fight with, among others, Gov.

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Mitt Romney of Massachusetts." McCain, appearing on "This Week" on ABC, "said he thought Roe v. Wade, the Supreme Court decision that established a constitutional right to abortion, should be overturned. But he sometimes strayed from the orthodoxy of social conservatism," presenting himself "as a supporter of the 'don't ask, don't tell' policy imposed by President Bill Clinton in 1993 to allow gay men and lesbians to serve in the military." While he "said he opposed same-sex marriage, he seemed to countenance civil unions." The Times adds, "And how did Mr. Romney spend his Sunday? He announced that he would ask his state's highest court to order a question banning same-sex marriage onto the ballot if legislators failed to do so."

Romney's Opposition To Gay Marriage Emerges As His Signature Issue. Fox News' Special Report (11/20, Hume) reports, "Massachusetts republican Governor Mitt Romney has let it be known he will make a decision next year about whether he will run for president in 2008. He appears to be developing his domestic platform with a strong position on gay marriage." Fox's Carl Cameron went on to report, "For Romney, a Mormon hoping to launch his presidential bid in January, undoing the Massachusetts Supreme Court's 2004 decision legalizing gay marriage is becoming a signature issue for 2008." Romney "wants voters to decide state policy with a ballot question defining marriage as between a man and woman. 10 days ago lawmakers refused to approve the referendum. Romney is suing. … Romney's rally" opposing the court's ruling "capped a weekend strategy meeting of more than 150 backers for his 2008 White House bid including an impressive array of the GOP's top operatives and fundraisers."

The Financial Times (11/21, Knight) reports Gov. Romney "appears to be on the verge of confirming what many political observers have long speculated: he intends to seek the Republican party's presidential nomination in 2008." Romney "convened a meeting of his top advisers and leading supporters at the weekend to discuss the potential launch of his White House bid. According to an aide to his Commonwealth Political Action Committee, the gathering was 'to thank those who have been supporters' over the past year." An aide to the committee said that Romney "planned over the coming holidays to discuss a possible presidential run with his family and will 'make a decision one way or another after the first of the year.'" Romney "has recently added several influential political consultants to his roster."

Hunter Seen As Having Potential In GOP Presidential Primary. In a Washington Times op-ed (11/21), talk radio host Rick Amato says, "As the line of Republican candidates running for the White House in 2008 begins to form, there is one candidate making preparations to run whose name voters outside of San Diego and Washington will be hard-pressed to recognize, but that could change in time. I'm speaking of the outgoing chairman of the House Armed Services Committee, California Rep. Duncan Hunter." Hunter "should not be overlooked. He is a social conservative in what is expected to shape up as a socially moderate Republican field. Historically, social conservatives have done very well with voters in early primary states such as Iowa and South Carolina." Hunter is "further to the right on social issues than either John McCain, Rudy Giuliani or Mitt Romney."

Doro Bush Koch Seen As Contrasting Bush 41 And 43. The Los Angeles Times (11/21, Wallsten, 850K) reports, "Dorothy Bush Koch is only now stepping into the spotlight with a new book about the first President Bush and about her family. And she has a few gently pointed words to say about life as the lone daughter in the country's most powerful political family. … One intriguing element of Koch's presentation Sunday" at the Miami Book Fair International," was what she implied but did not directly state about the contrasting images of the family's two presidents, one of whom is known as the consummate diplomat and the other who has labeled himself the 'war president.' Twice on Sunday, she noted that among the accomplishments she most admired about her father was his ability to manage the end of the Cold War 'without a shot being fired.'" The Times adds, "The title of Koch's book, 'My Father, My President: A Personal Account of the Life of George H. W. Bush,' suggests that Koch does have her favorite between the family's two presidents."

Hatch Aide Is New CEO Of Liquor Lobby. The Washington Times' "Inside the Beltway" (11/21, McCaslin) reports, "Craig Wolf, who served as counsel to the Senate Judiciary Committee and specifically its chairman, Sen. Orrin G. Hatch, Utah Republican, has become the new president and CEO of the Wine & Spirits Wholesalers of America."

Thousands Protest Bush's Visit To Indonesia. NBC Nightly News (11/20, story 3, 0:40,

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Williams, 9.87M) reported President Bush "is on his way back to the United States now at this hour after the last stop in his Asia trip. A short visit to Indonesia, the most populous Muslim nation in the world where thousands of angry protesters filled the streets to denounce him during the visit and the invasion of Iraq. … There was a brief flurry of excitement on the way to Vietnam. Air Force One was grounded with a tire problem. An alternative aircraft was mustered for the President's use. But just then, a spare tire was found at Ho Chi Minh airport in Vietnam." ABC World News (11/20, story 2, 0:20, Gibson, 8.78M) said Bush "shrugged off protests that greeted him in Indonesia as sign of a healthy democracy."

Fox News' Special Report (11/20, Hume) reported the Indonesian president "was clearly taking a risk domestically by welcoming…Bush. About a mile from the presidential retreat, thousands of anti-American protesters took to the streets, calling President Bush a terrorist, while thousands more protested the visit 30 miles north in Jakarta. In Indonesia the negative view of the U.S. can be traced to one thing -- the Iraq War. In 2002, 61% of Indonesians had a favorable view of the US One year later, after the war started, that percentage was 15%." Bush was shown saying, "It's to Indonesia's credit that it's a society where people are able to protest and say what they think. It's not the first time, by the way, where people have showed up and expressed their opinion about my policies, but that's what happens when you make hard decisions." CNN's Lou Dobbs Tonight (11/20) said Indonesia is "seething over Bush's invasion's of Iraq and Afghanistan."

The Los Angeles Times (11/21, Gerstenzang, 850K) reports, "About 2,000 protesters from Muslim, student, and labor groups showed up to protest U.S. policies in Iraq and Afghanistan, saying it was Bush who was spreading terror. In Surabaya, East Java, about 100 students were reported to have clashed with police at a McDonald's after staging a protest at the US Consulate. No arrests were reported."

The New York Times (11/21, Sanger, 1.16M) says Bush, "whose visit to Indonesia three years ago was consumed with talk of counterterrorism, this time appeared focused on fighting bird flu, bolstering a small program to aid Indonesian schools and promoting growth." Also, "in an afternoon of meetings at an ornate presidential palace that is a legacy of Dutch colonial rule, Mr. Bush held a closed-door session with what the White House called 'civic leaders' of Indonesia."

The Financial Times (11/21, Aglionby) headlines its report "Bush Brushes Off Protests Over Middle East," while USA Today (11/21, Jackson, 2.27M) titles its story "Bush Calls Indonesian Protests A Good Thing." Bush is quoted saying, "Indonesia is an example of how democracy and modernization can present an alternative to extremism."

Bush Tells Indonesian Boy About His Childhood Hobbies. The Washington Times' "Inside the Beltway" (11/21, McCaslin) reports, "We couldn't help but be amused yesterday when President Bush, visiting a pair of faux Indonesian classrooms in Jakarta, was asked by a small boy what his hobbies had been when he was growing up. Observed the White House pool report: 'Bush didn't miss a beat: 'Baseball. I liked baseball. That was my hobby. Sports.' Then, perhaps realizing that sports was the wrong thing to push in a classroom, even a fake one, the president added: 'The best thing that I did was to learn how to read.' Continuing in that vein, the last thing we heard before being pushed out was Bush cautioning the kids that 'there are people who watch TV too much.'"

US Approves Most IAEA Aid For Iran Nuclear Sites. The AP (11/21, Jahn) reports Washington "said Monday it would accept Iran's request for U.N. aid on seven nuclear projects but urged the [IAEA] to deny assistance for a plutonium-producing reactor that can be used to make a bomb." Those decisions "reflected U.S. recognition that it was futile to try to block IAEA help to Iran on all eight projects because of opposition by most of the agency's 35-nation board. It also appeared prompted by an IAEA ruling that neither the reactor nor the other projects posed a proliferation threat." The AP says diplomats "suggested it could reflect a U.S. decision to tread relatively lightly while Washington weighs the possibility of direct dialogue with Iran on reducing violence in Iraq."

Israeli Intelligence Reports Progress On Iran's Nuclear Testing. The Jerusalem Post (11/21) reports, "Iran has developed and tested a trigger device for a nuclear bomb, Israeli agents stationed there have told the White House, according to a report published in The New Yorker Monday morning." According to the report, "the White House received the information but did not pass it on to the CIA," and "in the past six months, Israel and the United States had been working together to support a Kurdish resistance group known as the Party for Free Life in Kurdistan." The Israeli intelligence "presented a stark contrast to recent CIA

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estimates on Iran's nuclear program, which claimed that Teheran was far from attaining a nuclear bomb." The New Yorker article "seemed to suggest that there was a difference of opinion between the CIA, the White House and the Pentagon regarding the progress of Iran's nuclear weapons program." The White House "reportedly was refusing to reveal to the CIA the source of the Israeli information, the location of the site of the experiments, or the number of tests that had been carried out."

Gideon Rachman Blasts "Folly" Of Preventive War In Mideast. In his Financial Times (11/21) column, Gideon Rachman writes about thoughts of bombing Iran, "Military experts talk of the need for hundreds or thousands of bombing raids, stretched over many days – and even that might merely set back Iran's nuclear programme a few years. Iran would also certainly retaliate. It could unleash Shia militias on allied troops in Iraq, encourage Hizbollah and Hamas to stage new attacks on Israel and block the Strait of Hormuz, through which 40 per cent of the world's oil flows. ... If Iraq has taught America and its allies anything, it is that it is much easier to start a war in the Middle East than to finish one."

Israeli Military Chief Starts Investigation Of Cluster Bomb Use. The New York Times (11/21, Myre, 1.16M) reports, "The Israeli military chief of staff, Lt. Gen. Dan Halutz, ordered an inquiry on Monday to determine whether the armed forces had followed his orders when it used large numbers of cluster bombs during the month long war with Hezbollah in Lebanon this summer." Many human rights groups "have criticized Israel's use of cluster bombs in the fighting, saying they were dropped in or near populated areas." The general "did not specify what orders he gave regarding cluster munitions, and it was not clear whether he prohibited them, or placed certain restrictions on their use." Israel "has received cluster munitions from the United States for many years," and also makes its own," and in August, the State Department "began investigating whether Israel used cluster bombs in Lebanon in violation of secret agreements that restrict their use." In "a separate development, an aide to the Palestinian Authority president, Mahmoud Abbas, said the president's Fatah movement had suspended talks with the militant faction Hamas on a national unity government. "

Hariri Probe Said To Have Caused Rift In Lebanese Government. In an op-ed for the Wall Street Journal (11/21, A16, 2.04M) Michael Young, opinion editor at the Daily Star newspaper in Beirut and a contributing editor at Reason magazine, writes, "The Syrian regime is discovering what a nuisance Rafik Hariri, the late Lebanese prime minister, can be. Last Friday, the U.N. Security Council approved a draft plan for a mixed Lebanese-international court to try those responsible for Hariri's assassination on Feb. 14, 2005. Damascus, the main suspect in the crime, is palpably anxious. That anxiety played out in Lebanon 10 days ago, when six ministers named by pro-Syrian politicians resigned rather than take part in Beirut's formal endorsement of the tribunal proposal. … Five of the six ministers who resigned were appointed by or affiliated with the two main Shiite parties, Hezbollah and the Amal movement, while the sixth is Lebanese President Emile Lahoud's man. Their resignations came amid a struggle for power between pro-Syrian groups and the anti-Syrian parliamentary and cabinet majority -- dating back to the summer war between Israel and Hezbollah."

Postwar Lebanon Cynical About Future. The Washington Post (11/21, A22, Shadid, 690K) reports that in Beirut, "Lebanon has emerged from the 33-day war with Israel only to find itself lately in one of the most pronounced political crises it has experienced in a generation." On Sunday, Hezbollah's leader, Hasan Nasrallah, said "the government now faced a choice: either resign in favor of what he called a national unity government or hold early parliamentary elections," an "if neither demand is met, he said, his followers have planned days, even weeks, of protests to topple a government he said was beholden to the United States." Still "reeling from this summer's war and mired in economic troubles," Beirut shows "little sign of enthusiasm" for demonstrations and revival.

Palestinian Unity Government Talks Suspended. In a lengthy piece, the AP (11/21, Daraghmeh) reports Hamas and Fatah "froze talks Monday on forming a Palestinian unity government, Fatah officials said, a new setback in efforts to form a more moderate coalition acceptable to the West. The deep differences raised questions about the ability of the sides to reach a deal that could end months of painful economic sanctions." The AP notes the "sudden announcement of [the] breakdown," saying the two parties "appeared to be heading toward formation of a Cabinet of independent experts to replace the Hamas-led body." However, it was not "clear whether the

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suspension was the sign of a real crisis or simply a negotiating tactic by Abbas' weakened Fatah Party." The AP adds, "Even if the sides reach agreement, it remains unclear whether the 'division of labor' formula, with the moderate Abbas handling diplomacy while Hamas sticks to its hard line, would be acceptable to the West." Israeli Foreign Minister Tzipi Livni "said Monday that Syria was the reason talks between the Palestinian factions have been troubled."

Israeli Maps Show Settlements In Land Owned By Palestinians. The New York Times (11/21, Erlanger, 1.16M) reports that yesterday in Jerusalem, "an Israeli advocacy group, using maps and figures leaked from inside the government, says that 39 percent of the land held by Israeli settlements in the occupied West Bank is privately owned by Palestinians." The data "indicate that 40 percent of the land that Israel plans to keep in any future deal with the Palestinians is private," and the new claims regarding Palestinian property are said to "come from the 2004 database of the Civil Administration, which controls the civilian aspects of Israel's presence in the West Bank." Peace Now, an Israeli group that advocates Palestinian self-determination in the West Bank and Gaza Strip, "plans to publish the information on Tuesday." Miri Eisin, a spokesperson for Prime Minister Ehud Olmert, said that "Israeli officials would have to see the data and the maps and added that ownership is complicated and delicate."

Train Bombing In India Kill 8, Wound 60. The AP (11/21, Banerjee) reports, "A bomb exploded and tore through two cars of a passenger train Monday in a remote area of eastern India, killing at least eight people and wounding about 60 others, officials and Indian media said." The bomb "had been planted in one of train's cars and exploded about 6:20 p.m. near the Belacoba station, about 345 miles north of Calcutta." PTI, citing railway police official Tushar Bhattacharya, reported that "the death toll had climbed to eight with about 60 wounded." Prasad Ranjan Roy, Home Secretary of West Bengal state, said "initial suspicion pointed to either Maoist rebels or Assamese militants," and "he suggested the blast could be the work of the relatively small Kamtapur Liberation Organization, an Assamese group tied to the larger United Liberation Front of Asom." However, he "cautioned," and said, "We are trying to get details."

Natsios Says US Could Opt For "Plan B" To End Darfur Violence Next Year. The Washington Post (11/21, A24, Kessler, Boustany, 690K) reports President Bush's Darfur representative, Andrew Natsios, "said yesterday that the Bush administration will resort to an unspecified 'Plan B' if the Sudanese government does not agree by Jan. 1 to complete negotiations on an expanded international peacekeeping force for its troubled Darfur region." He "declined several times to explain what he meant by 'Plan B,' saying he was not trying to make a threat." The US and the UN recently "backtracked" on the concept of a UN-led force "and instead sought to win the government's agreement for a hybrid force of African Union and U.N. troops." Yesterday, Natsios "rejected Khartoum's claims that a U.N.-led international force would mean a return to colonialism."

AFP (11/21) says Natsios "warned Khartoum to meet a January 1 deadline for full acceptance of a UN plan to deploy international peacekeepers to Darfur or face tougher action." He also "said the Khartoum government had yet to give its approval for the timing, size and command structure of the peacekeeping operation." Natsios "refused to elaborate on what Plan B would entail if no response was forthcoming by January 1 beyond saying it's 'a different approach' to the negotiated deployment of peacekeepers."

The AP (11/21, Montesquiou) notes the Sudanese government "hailed a new agreement with the United Nations over peacekeepers in Darfur as a diplomatic breakthrough for Sudan, but said serious differences remain over the force's makeup and command." Despite the announcement, "there were signs the government might still resist hopes for a robust U.N. deployment to bring an end to the continuing bloodshed." Khartoum's "comments could signal that Sudan will try to reduce the U.N. role in the peacekeeping force. But they could also be part of an effort by the government to save face, after abandoning its earlier position that U.N. troops were unacceptable."

NYTimes Suggests Taking More Action For Darfur, Chad Genocide. In the New York Times (11/21, 1.16M), columnist Nicholas Kristof writes that the spread of genocide into Chad was not or is not "inevitable." There was no response "partly because of reluctance from the White House and Pentagon, and partly because of resistance from France and other countries," so the "genocide in Darfur has steadily expanded." Kristof suggests writing to "embassies of countries like France and Egypt that could play especially crucial roles," and also to China, "which provides Sudan the

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guns." In the news industry, "including Arab and European television networks, could use a few pokes to appreciate that genocide is newsworthy." The "heroic efforts of aid groups in Darfur and Chad — 13 aid workers have been killed in Darfur since May — deserve support as well," and "they can use our backup."

LATimes Says Libyan Dictator's Statements Of Darfur Are "Absurd." The Los Angeles Times (11/21, 850K) editorializes that Libyan dictator Moammar Kadafi's statement that "Western countries and America are not busying themselves out of sympathy for the Sudanese people or for Africa but for oil and the return of colonialism to the African continent," is "absurd." Not only that, but the UN "already has 10,000 peacekeepers in southern Sudan sent in 2005 to stabilize a separate conflict there, and to date they haven't seized any Sudanese oilfields or founded any colonies," and it's "reckless." A "deal to finally end the atrocities in Darfur is teetering on a knife's edge," and before "an international force can be mobilized, there are still delicate political decisions to be made, such as whether it would be empowered to protect villagers or simply monitor the carnage." Resolving them will "require an unusual degree of unity among players as diverse as the Arab League and the UN Security Council."

Darfur Said To Highlight West's Inconsistency In Tackling "Totalitarianism." In her column in the Washington Post (11/21, 690K), Anne Applebaum says groups working to end the genocide in Darfur "have "made an impact. Indeed, it is fair to say that were it not for the Christian, Jewish, human rights, genocide-prevention groups and others that have been talking about Sudan with such dedication, the massacres of Darfur might not be on the international agenda at all." She says she "can offer no scientific explanation as to why the tragedy of Darfur conjures up the specter of history's judgment and why other tragedies do not." Applebaum posits that, "because it seems to be in no one's 'interest' to do so, a call for U.N. intervention in Darfur surely feels … like an act of real charity, and not more evidence of the West pursuing its interests." She continues, "Taking a stand against genocide in Sudan does not require anyone to take a parallel stand on communism, the war on terrorism or the war in Iraq." In short, "it is still possible to think of Darfur as an appropriate target for neutral humanitarianism." Applebaum says historians "will also judge us by the consistency with which Western and international institutions battled sophisticated totalitarianism in all its forms," and she concludes, "The creation of an international coalition to end genocide is a stunning achievement, but its goals are still not deep or broad enough."

Muslim Population Increases In Russia. The Washington Times (11/21, Mainville, 88K) reports, "Low domestic birthrates and rising immigration from the former Soviet republics are producing explosive growth in Russia's Muslim community, which is on a track to account for more than half the population by midcentury." Russia's overall population is "dropping at a rate of 700,000 people a year," but "Russia's Muslims, however, are bucking that trend." By 2015, Muslims "will make up a majority of Russia's conscript army and by 2020 one-fifth of the population." Four mosques in Moscow serve "a Muslim population of about 2.5 million," but "as in many countries with growing Islamic populations, tensions are also on the rise." "Most Muslims living in Russia are not immigrants, but natives of lands seized by the expanding Russian empire."

Muslim Women Gather In New York To Issue Fatwas. The Christian Science Monitor (11/21, Ben Arnoldy, 59K) reports that in a meeting in New York, "Muslim women from 25 countries began laying groundwork for the first international all-female council formed to issue fatwas," and their idea is "to ensure that women's perspectives on Islamic law become part of religious deliberation in the Muslim world - particularly on issues such as domestic violence, divorce, and inheritance." The New York gathering, "called the Women's Islamic Initiative in Spirituality and Equity, plans to seat the new council - perhaps seven members - within a year." The group "also plans to give scholarships for more women to pursue advanced training - open to women in places like Morocco, Egypt, and Iran - in an effort to broaden the qualified pool." Conference attendees say "a muftia council could prompt wider support for women's struggles" The meeting "used money from nongovernmental foundations, some based in the US."

Losing Candidate Declares Himself President Of Mexico. The AP (11/21, Stevenson) reports, "Andres Manuel Lopez Obrador launched a parallel government Monday and prepared to swear himself in as Mexico's 'legitimate' president, a ceremony the leftist hopes will keep alive protests to undermine the man who officials say defeated him at the polls." The "inauguration ceremony is the latest chapter in Lopez Obrador's unsuccessful battle

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for the presidency. He claims fraud and dirty campaign tactics were responsible for President-elect Felipe Calderon's narrow victory in the July 2 vote, and his parallel government could spend the next six years calling for street protests that have already dented the economy and prompted travel warnings from the U.S. Embassy." The New York Times (11/21, McKinley, 1.16M) headlines its story "Yes, He Lost Mexico's Vote, So He's Swearing Himself In," and begins its story saying, "Don Quixote, move over." The Los Angeles Times (11/21, Tobar, 850K) runs a similar report.

In an editorial, the Wall Street Journal (11/21, A16, 2.04M) says, "The next test of Mexico's rule of law will come December 1 when president-elect Felipe Calderón is supposed to be sworn in. Hard liners are already pledging to crash the event. Perhaps this time Mexico's elected leadership will draw a line in the sand."

Researchers Find Unconventional Transmissions Of AIDS In Africa. The New York Times (11/21, Rosenthal, 1.16M) reports, "As researchers spend more time studying Africa's overwhelming pediatric AIDS problem, they are finding that the routes of transmission may be different than in the industrialized countries, and that strategies for preventing the disease's spread must be adapted to local realities." Researchers have agreed that "a host of traditional ceremonies and practices are creating transmission routes unique to Africa — dangers that have, up to now, been ignored." There are naming ceremonies "that require nursing," and also "a host of potentially even more hazardous moments, such as when body fluids of different people are mixed." Researchers "are just beginning to study the role of these common traditional practices of rural Africa, to determine if they account for a small or large portion of H.I.V. transmission."

Commission Blames Nepali King For Bloody Violence On Demonstrators. The Washington Times/AP (11/21, Gurubacharya) reports, "A government commission investigating Nepal's bloody crackdown on pro-democracy demonstrators blamed the violence on King Gyanendra and recommended punishing him, officials said yesterday." The commission "also found 201 officials in the king's administration responsible for the bloody crackdown," including "the chiefs of police and the armed forces." After receiving the commission's report, Prime Minister Girija Prasad Koirala "vowed to punish those held culpable for the crackdown, in which hundreds were injured and hundreds detained, with some claiming torture." The commission "did not recommend a punishment, and Nepal has no laws addressing crimes committed by a king." A yet-to-be elected constituent assembly "is expected to decide the monarchy's fate," and Gyanendra "has already been stripped of his powers, command over the army and his immunity from prosecution."

NYTimes Says UN Human Rights Council Needs Improvement. The New York Times (11/21, 1.16M) editorializes, "The new Human Rights Council now seems headed for a failing midterm grade." For the "world's worst and most consistent human rights violators, like China, Iran, North Korea, Myanmar and Sudan, there has been a tendency to muffle words and conclusions and shift the focus," but the council seems to "change personality turning harshly critical and uninterested in broader contexts." The UN should be "more than a self-protective club of sovereign states."

WPost Suspects Putin Is Behind Poisoning. The Washington Post (11/21, 690K) editorializes, "There's no concrete evidence as yet that the FSB" or Russian President Vladimir Putin "is behind the poison attacks -- but there is plenty of reason for suspicion." The Post adds, "Does Mr. Bush regret having given so much support to a leader who has dismantled his country's nascent democracy and whose opponents keep turning up in hospitals and morgues?"

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Iraq Considers Three-Way Talks With Iran And Syria."
"Navajos' Desert Cleanup No More Than A Mirage."
"Pelosi-Harman Friction Strains Democrats' Unity."
"No Prison For Weller, No Closure For Others."
"King Of The College Cowboys."
"Simpson Book, TV Plan Dropped."
"Private Cash Fuels Boom In Takeovers."

USA Today:

"Examples."
"Small Mistakes Cause Big Problems."
"Many DNA Matches Aren't Acted On."

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"Chemical Weapons' Disposal Delayed."
"Status Of Stockpiles."

New York Times:

"Israeli Map Says West Bank Posts Sit On Arab Land."
"New York Court Cuts Aid Sought By City Schools."
"In New Orleans, Rust In The Wheels Of Justice."
"In Web World, Rich Now Envy The Superrich."
"Clinton Won Easily, But Bankroll Shows The Toll."
"Under Pressure, News Corp. Pulls Simpson Project."

Washington Post:

"Ramsey Ally Named Chief."
"Flaws Cited In Effort To Train Iraqi Forces."
"News Corp. Pulls Plug On O.J. Book, Fox Special."
"Spoofer O Iraq's Chaos Becomes A Victim."
"Polygamists Out Of The Closet."
"Passing The Class But Failing The Test."

Washington Times:

"Fenty Taps Ramsey Replacement."
"Muslim Birthrate Worries Russia."
"Rangel's Call For New Military Draft Rebuffed."
"Iraq, Iran And Syria Set 3-Way Talks."
"Holiday Travelers Brace For Onslaught."
"Partisan Agony, Ecstasy Reflected In Hill Mood Swings."
"Simpson Book, TV Special Canceled."

Detroit Free Press:

"Bo's Spirit Lives At Big House."
"Suspect In 2 Homicides Was Let Go In '98 Killings."
"Expert A Magic Ride, Warn Temps On Route."
"Fox Chase Case On Simpson Plans."

Atlanta Journal-Constitution:

"DA To Re-Examine Police Shootings."
"OJ Book, TV Show Called Off After Furor."
"Delta Recalls 700 Mechanics."
"Few In Congress Served In Military."

Houston Chronicle:

"Striking Janitors Ok Deal."
"Continental Keeps Wary Eye On Merger Bids."
"The Last Stand."
"After 20 Years, local Cold Case Gets Warm."
Street-Racing Danger Flares Up In Fatal Crash."

Story Lineup From Last Night's Network News:

ABC: Iraq Summit-Iran; Bush In Indonesia; Former Russian Spy Poisoned; FOX Cancels OJ's Project; Michael Richards Yells Racial Slurs; Dropping Out Of High School; Deadly School Bus Accident; Ending Drinking & Driving; Kidney Transplant Triangle.

CBS: Deadly School Bus Accident; School Buses & Safety Belts; FOX Cancels OJ's Project; Iraq Summit-Iran; New Iraq Strategy; Iraq's Future; Kidney Transplant Triangle; Michael Richards Yells Racial Slurs; Giving Back.

NBC: New Iraq Strategy; Iraq Summit-Iran; Bush Returns Home; Rangel's Call For The Draft; Former Russian Spy Poisoned; Stock Market; Chinese Steeling Defense Secrets; Deadly School Bus Accident; FOX Cancels OJ's Project; Ambassador Hotel; The Emergency Room Wait.

Story Lineup From This Morning's Radio News Broadcasts:

ABC: Syria And Iraq-Diplomatic Ties; Duncan Hunter-Troop Redeployment; Barack Obama-Troop Redeployment; Bush-Iraq Troop Levels; Six-Party Talks With North Korea; Michael Richards Apologizes For Racial Slurs; Highway Safety-Car Rankings.

NPR: Pelosi-No Plan To Pursue Draft Proposal; Duncan Hunter-Troop Redeployment; Bush-Hawaii; Bush-Iraq Troop Levels; Bush-Indonesia; Houston-Janitor Strike Ends; Annan-Biological Weapons; Barry Bonds' Personal Trainer Refuses To Testify; Jennings-Disputing Election Loss in Florida; FL NAACP-Silent Protest Of Governor-Elect.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Attends breakfast with troops, Officers Club, Honolulu; attends briefing at the US Pacific Command, Honolulu.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: HOMELAND SECURITY _ 9 a.m. The Heritage Foundation holds a briefing on homeland security and improving state, local and federal coordination, with Susan Reingold of the Office of the Director of National Intelligence. Location: 214 Massachusetts Ave. NE.

IRAQ-OFFICER _ 9 a.m. Telephone news conference with Lt. Ehren Watada, the first Army commissioned officer to refuse to go to Iraq. Contacts: Trevor Fitzgibbon, 202-246-5303. Notes: Callin number: 877-7079628; passcode: Iraq.

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HOLIDAY SPENDING _ 10 a.m. The Consumer Federation of America and the Credit Union National Association release their annual consumer survey on holiday spending plans and concerns about debt levels. Location: National Press Club.

SAVINGS-PENSIONS _ 10 a.m. - 11:30 a.m. The joint Brookings Institution-Georgetown Public Policy Institute Retirement Security Project (RSP) host a panel discussion of economic analysts who will address the next steps for Congress. Participants will consider the impact of the new pension law, the mechanics of the Automatic 401(k), and discuss a new paper from RSP that estimates that these and related proposals that would increase net national savings by around $75 billion. Location: Brookings Institution, Falk Auditorium, 1775 Massachusetts Ave. NW.

PORT-BORDER SECURITY _ 12 p.m. Equity International holds a briefing on border and port security. Location: National Press Club.

BIOFUEL-FARMERS _ 12:30 p.m. The Biotechnology Industry Organization holds a news conference to release a report outlining current and future feedstock supply challenges for the biofuel industry. Location: National Press Club.

LAZEAR-ECONOMIC FORECAST _ 1 p.m. CEA Chairman Ed Lazear will hold a conference call to discuss the Administration's economic forecast Notes: to participate, please call 866-207-9086. Chair is White House.

VEHICLES-FUEL EFFICIENCY _ 1:30 p.m. The Civil Society Institute holds a telephone news conference on a new poll showing that nearly all US consumers expect a sharp increase in gasoline prices in the near future and that, despite lower pump prices in recent months, there has been no slump in demand for hybrids and other fuel-efficient vehicles. Notes: To participate, dial 800-860-2442. Ask for ``The Washington Big 3 Survey'' news event.

MASSACHUSETTS V. EPA _ 2 p.m. - 4 p.m. The American Enterprise Institute Federalism Project hosts a panel disussion on the upcoming U.S. Supreme Court's hearing of an oral argument in Massachusetts v. Environmental Protection Agency (EPA). In this case, part of a broader campaign for the regulation of carbon dioxide, several states and environmental organizations have argued that the EPA must regulate CO2 under the Clean Air Act. Panelists: Joathan H. Adler, Case Western Reserve Law School; Lisa Heinzerling, Gorgetown University Law Center; Barry Rabe, University of Michigan; and Edward W. Warren, Kirkland & Ellis. Moderator: Michael S. Greve, AEI. Location: Wohlstetter Conference Center, 12th floor, AEI 1150 17th St. NW.

RUSSIA-WTO _ 3 p.m. The Carnegie Endowment for International Peace holds a seminar on Russia's accession to the WTP, with Assistant USTR Dorothy Swoskin, Nick Giordano of the National Pork Producers Council, Randi Levinas of the U.S.-Russia Business Council, others. Location: 1779 Massachusetts Ave. NW.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: TUESDAY, NOVEMBER 21, 2006EST

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TERRORISM NEWS:

Gonzales Defends Domestic Wiretapping. The Denver Post (11/21, Cardona) reports, "U.S. Attorney General Alberto Gonzales reiterated his support for a domestic wiretapping program to fight terrorism during a visit Monday with The Denver Post editorial board. … 'We've done a lot to make America safer, but it's not safe,' Gonzales said when asked about the need for warrantless eavesdropping. 'Fundamentally, the world is different today. My 14-year-old son will grow up in a different world than I grew up in. It's much more likely there will be a terrorist attack in this country. I never worried about a terrorist attack as a boy.'" The Post continues, "Gonzales said the Bush administration would not be deterred by the Democratic takeover in Congress but that he hoped new congressional leaders would be as willing to avoid a confrontation on national security as he is. … 'I'm not going to prejudge,' Gonzales said of the possibility of trying to convince the new Congress. 'We are going to work as hard as we can to avoid the kind of crisis you referred to.'" The Post adds, "Gonzales said the Bush administration's anti-terrorism efforts since the Sept. 11, 2001, attacks have improved intelligence gathering, especially between nations. … 'The unsung story of this is our relationships with our foreign partners,' Gonzales said. 'The level of cooperation is outstanding, and it's made a big difference now that we are able to analyze plots. We have to be right 100 percent of the time; they (terrorists) only have to be right one time.' … Gonzales also spoke about the issues with security at the Supermax prison in Florence and said he considered the problems 'a priority.'"

Gonzales Says Supermax Prison Is Safe. The Rocky Mountain News (11/21, Burnett) reports, "U.S. Attorney General Alberto Gonzales acknowledged today there have been problems at Supermax prison in Florence but said steps have been taken to improve security and make sure the community is safe. … 'I think it's a safe facility,' Gonzales said during a meeting with the Rocky Mountain News editorial board. 'Have mistakes been made? Have there been some problems there? No question about it, like there are at every facility. But we've taken steps to address them.'" The News continues, "Gonzales said the Department of Justice has added 11 new employees at Supermax, and that seven more positions will be filled 'as soon as we can.' The 18 new employees would bring the facility to 208 — still short of the 240 employees it had when the prison opened in 2004." The News adds, "Supermax, the nation's highest-security prison and home to inmates such as 9/11 conspirator Zacarias Moussaoui, also has addressed problems with inmate mail and phone calls not being monitored, Gonzales said. … He said a 'large portion' of phone calls are being monitored as they occur, and others are recorded and later reviewed by translators. All mail is being viewed, he said. … In September, a Justice Department inspector general's report criticized the prison for not properly screening terrorists' mail and other communications. Gonzales today called that situation 'intolerable' and said steps were taken to correct it."

More Commentary. The Rocky Mountain News (11/21) editorializes, "In a meeting with News editors and writers on Monday, U.S. Attorney General Alberto Gonzales delivered both good news and bad news about the security of communications flowing to and from inmates at the Supermax lockup in Florence." The News continues, "On the plus side, Gonzales said that every communication with prisoners, by mail or telephone, is now reviewed. Mail is read and telephone messages are either monitored on the spot or recorded and eventually translated. … That's a dramatic improvement. A report by the department's inspector general published earlier this fall found that less than half of inmate phone calls at Supermax were monitored, and during a test period a mere 1.8 percent of mail to and from the prisoners was checked by law enforcement officials." The News adds, "The 'eventually translated' part, however, is the bad news. While the AG asserted that the goal was to monitor all communications in 'real time,' it's not happening now. The Bureau of Prisons lacks enough translators to interpret messages as they come and go. Which means that instructions to terror networks or outside criminal enterprises could be flowing freely for days, weeks or months (more like months, as we'll explain below) before potentially lethal plans are derailed. … Until recently, however, deciphering those messages was a low priority for the feds. The IG report said the FBI attempted to produce translations from intercepted letters within 60 days, which is already far too long. In actuality, it could take between six and 18 months to get a useful translation, the report added. … Given the wide latitude Congress has granted the administration to wage the war on terror, not to mention the expansive surveillance powers the White House has asserted on its own, such delays are indefensible. … In our conversation Monday, Gonzales agreed. But he still needs to push his department to finish the job of ending the security risk at SuperMax."

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Judge Rejects PAWF Request For NSA Documents. The AP (11/21) reports, "The National Security Agency is not required to release details about its secret wiretapping program, a federal judge said Monday." The AP continues, "The People for the American Way Foundation, a liberal advocacy group, sued to obtain records under the Freedom of Information Act. The group sought to find out how many wiretaps were approved and who reviewed the program. … President Bush has acknowledged the existence of the program, which he calls the Terrorist Surveillance Program. The National Security Agency monitors phone calls and e-mails between people in the U.S. and people in other countries when a link to terrorism is suspected." The AP notes, "Civil liberties group criticize it as an expansion of presidential power, and a federal judge has said it is unconstitutional. The Justice Department says it is a necessary tool to fight terrorism. … The NSA denied the request for documents, saying the records would jeopardize national security. The advocacy group argued that the law can't be used to protect the government from disclosing details about illegal programs. … U.S. Judge Ellen Segal Huvelle disagreed, saying that even if the program is ultimately determined to be illegal, it doesn't change the fact that the materials are classified and are not covered by the Freedom of Information Act."

Human Rights Groups Back Democrats On Detainee Law Overhaul. The Hill (11/21, Tiron) reports, "Some human-rights groups are hoping that the Democrats' takeover of Congress will provide the necessary momentum to overhaul the controversial new legislation governing military tribunals. One of the groups' main goals is to restore habeas corpus rights to military detainees held at Guantanamo Bay, Cuba." However, "Senate Democrats could have a tough time gathering enough support to stave off a White House veto. The Senate passed the military commissions bill by a vote of 65 to 34. ... House Democrats may face larger hurdles than their Senate colleagues in trying to change the tribunal legislation. The House passed the Military Commissions Act by a vote of 253 to 168."

WPost Blasts "Alternative" Interrogation Tactics. The Washington Post (11/21, 690K) editorializes, "Magid Khan was one of the al-Qaeda suspects who was detained in a secret prison of the CIA and subjected to 'alternative' interrogation tactics -- the administration's chilling phrase for methods most people regard as torture. Now the government is arguing that by subjecting detainees to such treatment, the CIA gives them 'top secret' classified information -- and the government can then take extraordinary measures to keep them quiet about it. If this argument carries the day, it will make virtually impossible any accountability for the administration's treatment of top al-Qaeda detainees. And it will also ensure that key parts of any military trials get litigated in secrecy."

Reno Joins Other Former DOJ Officials In Challenging Terror Law. The AP (11/21, Apuzzo) reports, "Former Attorney General Janet Reno and seven other former Justice Department officials filed court papers Monday arguing that the Bush administration is setting a dangerous precedent by trying a suspected terrorist outside the court system." The AP continues, It was the first time that Reno, attorney general in the Clinton administration, has spoken out against the administration's policies on terrorism detainees, underscoring how contentious the court fight over the nation's new military commissions law has become. Former attorneys general rarely file court papers challenging administration policy." The AP adds, "Suspected al-Qaida sleeper agent Ali Saleh Kahlah al-Marri is the only detainee being held in the United States. … The former prosecutors challenged the Justice Department's right to bring al-Marri before a military commission. … A citizen of Qatar, he was arrested in 2001 while studying in the United States. He had faced criminal charges until authorities designated him an enemy combatant and ordered him held at a naval base in South Carolina." The AP notes, "The Justice Department said in court papers last week that a new anti-terrorism law strips detainees such as al-Marri of the right to challenge their imprisonment in court. … 'The government is essentially asserting the right to hold putative enemy combatants arrested in the United States indefinitely whenever it decides not to prosecute those people criminally — perhaps because it would be too difficult to obtain a conviction, perhaps because a motion to suppress evidence would raise embarrassing facts about the government's conduct, or perhaps for other reasons,' the former Justice Department officials said."

Islamic Charity Distances Itself From Sudanese Group With al-Qaida Links. The AP (11/21, Apuzzo) reports, "A Missouri-based Islamic charity accused of being part of an international terrorist organization tried to distance itself in federal court Monday from a Sudanese group suspected of financing al-Qaida." The AP continues, "The Treasury Department considers the Islamic American Relief Agency, of Columbia, Mo., to be an arm of the Islamic African Relief Agency, a Sudanese group accused of providing financial support to Osama bin Laden, al-Qaida and Hamas." The AP adds, "The FBI raided the charity's office in Missouri and the homes of people affiliated with the group nationwide. Since then, the 20-year-old charity has been unable to raise money. … Attorney Shereef Hadi Akeel told the U.S. Court of Appeals for the District of Columbia Circuit that the charity was not part of the Sudanese group. The organizations have

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independent leaders and separate bank accounts, he said. … If the two groups were the same, Akeel said, when the Missouri group wanted to move money into Sudan, it would have simply transferred it. Instead, he said the charity sought U.S. permission." The AP notes, "A federal judge rejected the group's lawsuit in 2005, finding enough evidence to support the Treasury Department's decision. The three-judge appeals panel seemed hesitant to reject that finding Monday, asking few questions and noting that it would need to see clear evidence to overturn the agency's decision. … The Justice Department pointed to the Missouri charity's own tax and corporate documents, which list the charity as a chapter or affiliate of the Sudanese group."

Judge Rules US Not Required To Transfer Detainee For Medical Treatment. The AP (11/20, Apuzzo) reports, "The U.S. military is not required to send a Guantánamo Bay detainee to a civilian hospital for medical treatment, a federal judge said Monday, leaving the prisoner to choose between having a heart procedure performed at the military base or not at all." The AP continues, "Saifullah A. Paracha, a 59-year-old multimillionaire Pakistani businessman and television producer, argued that the procedure was too risky to be handled anywhere but in a cardiac unit. He asked to be transferred to a hospital in the United States or Pakistan. .. .The procedure, called cardiac catheterization, is used to detect heart problems such as blockages. A doctor inserts a plastic tube into a vein and slides it into the heart or nearby coronary arteries to measure blood pressure or oxygen levels. … If something goes wrong, Paracha's attorney said, doctors could need to perform emergency heart surgery." The AP adds, "Doctors successfully completed an identical procedure at Guantánamo Bay in 2003, the Justice Department said. Special medical equipment and personnel were available, attorneys said, making transferring Paracha an unnecessary security risk. … U.S. District Judge Paul L. Friedman agreed, saying the government regularly decides how best to treat civilian prisoners inside the United States and judges rarely intervene."

Second Man Charged In Hezbollah TV Station Access Case. In a widely-distributed story, the AP (11/21, Neumeister) reports Saleh Elahwal of Matawan, N.J., "was charged Monday with supporting terrorists by enabling customers to obtain satellite broadcasts of a Hezbollah television station, the second person accused in a case that has drawn scrutiny over how far the government can go in claiming someone is aiding terrorist groups." Elahwal and Javed Iqbal of Staten Island "could each face up to 110 years in prison if they are convicted of all 11 counts in a rewritten indictment unsealed Monday in U.S. District Court in Manhattan. They pleaded not guilty." The AP notes, "As part of their probe, FBI agents searched two storefronts in Brooklyn where Iqbal worked and at his residence, where multiple satellite dishes helped him distribute the broadcasts to New York-area customers through a Brooklyn company called HDTV Limited, prosecutors said."

Prodi Sacks Intelligence Chiefs Over Suspected CIA Kidnapping. The Financial Times (11/21, Barber) reports, "Three top intelligence officials were removed on Monday in the most abrupt shake-up of Italy's espionage community since the current structures were established almost 30 years ago. The government of Romano Prodi removed the chief of the national military intelligence agency, whom prosecutors want to put on trial for involvement in the suspected kidnapping by CIA agents of an Egyptian imam in February 2003. It also replaced the head of the domestic secret service and the chief of an intelligence co-ordinating committee that reports to the political authorities. ... Since the creation of Italy's democratic political system in the late 1940s, the intelligence services have played a prominent and often bitterly criticised role in battling home-grown terrorism, of the extreme-left and extreme-right varieties."

FT Inveighs Against Rendition. The Financial Times (11/21) editorializes about rendition, "a capitulation by liberal societies to their enemies, a surrender of the rule of law to jihadi totalitarianism, to sink into such practices - whatever semantic evasions are used to describe them. As the Financial Times has persistently argued: we should not need to make the case against torture. It is morally depraved. It corrodes the society that condones it. It elicits largely worthless information. ... A start might be made if those high up the chain of command - such as Donald Rumsfeld, the now defenestrated US defence secretary - were called to account for their actions. Italy may have started this process."

Germany Detains Six, Releases Five In Suspected El Al Bomb Plot. The New York Times (11/21, Landler, 1.16M) reports, "German authorities, investigating an alleged plot to hide an explosive device aboard a passenger jet" in Frankfurt "last summer, detained six men on Friday on suspicion of belonging to a terrorist group. All but one of the men was released the following day, the federal prosecutor in Karlsruhe said on Monday. But German authorities said they are investigating additional people whom they believe sought to bribe an employee at Frankfurt Airport to place a bomb aboard the plane in luggage. The plot was in its very early stages, the prosecutor said." The Times notes, "German news organizations…reported that the men were from the Middle

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East, possibly from Jordan. The newspaper, Die Welt, said on its Web site that the target was the Israeli state airline El Al."

HOMELAND RESPONSE:

ACLU To Release Documents Detailing Pentagon Records On Antiwar Groups. The New York Times (11/21, Lichtblau, Mazzetti, 1.16M) reports, "An antiterrorist database used by the Defense Department in an effort to prevent attacks against military installations included intelligence tips about antiwar planning meetings held at churches, libraries, college campuses and other locations, newly disclosed documents show." Pentagon Counterintelligence Field Activity Unit Acting Director Daniel J. Baur "said that those operating the database had misinterpreted their mandate and that what was intended as an antiterrorist database became, in some respects, a catch-all for leads on possible disruptions and threats against military installations in the United States, including protests against the military presence in Iraq. … Once the problem was discovered, he said, 'we fixed it,' and more than 180 entries in the database related to war protests were deleted from the system last year." However, the ACLU plans to release documents today which detail the data that was collected, "and officials with the group said they would push for Democrats, newly empowered in Congress, to hold formal hearings about the Talon database."

Six Imams Removed From US Flight. The AP (11/21, Karnowski) reports, "Six Muslim imams were removed from a US Airways flight at Minneapolis-St. Paul International Airport on Monday and questioned by police for several hours before being released, a leader of the group said. … A passenger initially raised concerns about the group through a note passed to a flight attendant, according to Andrea Rader, a spokeswoman for US Airways. She said police were called after the captain and airport security workers asked the men to leave the plane and the men refused. 'They took us off the plane, humiliated us in a very disrespectful way,' said Omar Shahin, of Phoenix." The imams "were returning from a conference in Minneapolis of the North American Imams Federation, said Shahin, president of the group." Shahin said that "three of them stood and said their normal evening prayers together on the plane," and "he attributed any concerns by passengers or crew to ignorance about Islam." The AP notes, "Shahin said they went as far as notifying police and the FBI about their meeting in advance."

Hawley Urges Travelers To Learn Rules Before Going To The Airport. TSA chief Kip Hawley, in an op-ed in USA Today (11/21, 21A, 2.27M) writes that the TSA's "primary mission is to ensure the security of air travel. … TSA and our partners in law enforcement, airlines and airports handle the security work, but we also depend on travelers to be active participants by being prepared when they arrive at the airport." Hawley continues that air travelers "can have a huge impact in making the process go smoothly and quickly for everyone" if they spend a minute learning "the rules before going to the airport (www.TSA.gov)." Meanwhile, security officers are doing "a demanding job," and checkpoints are "not the place to debate the merits of various security measures."

Meanwhile, in an editorial under the headline "Fliers Aren't Giving Thanks For Fickle TSA Rules, Screeners," USA Today (11/21, 21A, 2.27M) offers a warning for those planning to fly this Thanksgiving week: "Be prepared. Since a plot to bomb jetliners with liquid explosives was broken up in London last August, flying has proved a little less convenient and a lot more confusing." USA Today says the rules, which were relaxed in September, have become "so complicated that they aren't applied consistently." After providing examples of inconsistent carry-on rules, USA Today writes, "While TSA screeners must make judgment calls — and fliers must comply — screeners should be reading from the same playbook, and that playbook needs to be simple enough that it's easily understood. It isn't." USA Today states that "whether everyone is ready for the busiest travel weekend of the year is very much in doubt. Passengers and screeners alike will have to give a little."

Poster Advises Screeners On Dealing With Daggers Worn By Sikhs. The Washington Post (11/21, A6, Boorstein, 690K) reports a "centuries-old requirement" that Sikhs "always wear a dagger" has "collided with beefed-up, post-Sept. 11 rules that no longer allow people to leave legal weapons and other banned items with security guards working in such buildings as courthouses and federal offices. … In an effort to bridge the culture-security gap, the Homeland Security Department and the Sikh legal group yesterday unveiled a poster meant to help screeners through these interactions." The poster advises screeners to be respectful when asking "if a Sikh is carrying a kirpan" and to "handle the kirpan with respect and care" if it must be confiscated.

Pentagon Delays Chemical Weapons Destruction. The USA Today (11/21, Eisler, 2.27M) reports, "The Pentagon has extended its timeline to destroy its aging chemical weapons arsenal until 2023, despite concerns by Congress and watchdog groups that the stockpiles raise the risk of an accident or theft by terrorists." The new schedule "means the military won't eliminate its stocks of deadly nerve gases and skin-blistering agents until 11 years after the 2012 deadline set by the international

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Chemical Weapons Convention." Pentagon spokesman Chris Isleib said the delay "is the result of several factors, including technological challenges in developing and building disposal plants, regulatory delays, and safety and security issues." Critics said "the plan to slow spending and stretch construction at the remaining disposal plants will raise costs and create needless risks of an accidental chemical release or terrorist attack."

WAR NEWS:

Bush Says He Hasn't Decided On Changes To Iraq Strategy. The Financial Times (11/21, Sevastopulo) reports, "George W. Bush said he had made no decisions on altering troop numbers in Iraq on Monday following reports that the Pentagon was considering a temporary boost to curb sectarian violence in Baghdad. … 'I haven't made any decisions about troop increases or troop decreases,' Mr Bush said in Indonesia." The AP (11/21, Hunt) notes that "asked specifically whether there were any risks in increasing US troops," Bush said, "There's no need to comment on something that may not happen. But if it were to happen, I will tell you the upsides and downside."

Bush's comments in Indonesia are being reported in the context of a story in yesterday's Washington Post. That story, which outlined three possible Pentagon strategies for Iraq, sparked extensive media commentary last night and this morning – much of it highly negative. NBC Nightly News (11/20, lead story, 3;10, Williams, 9.87M) also reported on the "apparent leak from inside the Pentagon has revealed what appear to be the three possible options for the US in Iraq." NBC (Miklaszewski) added, "As outlined first by the Washington Post, the options reportedly include go big: A large increase in US forces to try to bring down the level of violence, rejected by senior military officials who say that could take several hundred thousand more troops and the military's already stretched too thin. Go home: The rapid withdrawal of American forces, rejected because it could ignite a full-blown civil war. The most viable option: Go long a compromise that would temporarily increase the US force by 20,000 to 30,000 troops to try to quell the violence, then gradually reduce the total force from 140,000 troops now to 60,000 who could remain in Iraq for five to 10 years." But "military experts contend even a temporary increase in troops will not change the course of the war." General Barry McCaffrey (ret): "I think the notion of bubbling up 20,000 to 40,000 US forces to demonstrate our political will before we do the drawdown is nonsense." NBC added "senior Pentagon and military officials aren't putting much stock in these specific three options laid out publicly, saying that if that's the best we can do, we're in brig trouble."

The CBS Evening News (11/20, story 5, 2:10, Martin, 7.66M) reported, "A team of military advisors has developed one option which includes a temporary troop buildup as prelude to the start of a withdrawal. A measure of the quandary the Bush Administration faces, that was rejected just last week by the top military commander for Iraq." General John Abizaid, Commander US forces: "I do not believe that more American troops right now is the solution to the problem." CBS (Couric) continued, "Meanwhile…I know Henry Kissinger weighed in on the BBC today and he wasn't very optimistic, either."

Fox News' Special Report (11/20, Hume) noted "the option the Pentagon is calling 'go big,' a short-term increase in troops, is favored by Sen. John McCain among others." Sen. McCain: "No, we're not winning in Iraq. That's why we have to have more troops there and we have to do it quickly."

The New York Times (11/21, Cloud, 1.16M) says "Pentagon officials conducting a review of Iraq strategy are considering a substantial but temporary increase in American troop levels and the addition of several thousand more trainers to work with Iraqi forces, a senior Defense Department official said Monday. The idea, dubbed the 'surge option' by some officials, would involve increasing American forces by 20,000 troops or more for several months in the hope of improving security, especially in Baghdad." That "would mark a sharp rise over the current baseline of 144,000 troops." But "some officials and senior military officers are arguing against the idea, saying that it could undercut a sense of urgency for Iraqi units to take on a greater role in fighting the insurgency and preventing sectarian attacks."

The Washington Post (11/21, A23, Fletcher, 690K) reports, "Even with the endorsement of a Pentagon panel, or that of the bipartisan Iraq Study Group, headed by former secretary of state James A. Baker III and former representative Lee H. Hamilton (D-Ind.), any increase in troops would be controversial, particularly because Democrats in recent months campaigned on the need for a plan to decrease US exposure in the country."

McClatchy (11/21, Hutcheson) reports, "Of the three obvious options -- sending significantly more US troops to Iraq, staying the course or withdrawing immediately - only one has much support, however." The US "doesn't have enough troops to increase its presence significantly, and there's wide agreement that a hasty retreat would only leave a bigger mess. So support is coalescing around alterations to the current strategy, perhaps adding 20,000 to 50,000 more troops for a limited time, then beginning a drawdown."

The Wall Street Journal (11/21, A6, Dreazen, 2.04M) reports, "Both supporters and opponents of the war agree there are few easy -- or bloodless -- ways of winding down the troubled US effort. Leading Democrats have rallied around a proposal from Michigan Sen. Carl Levin that calls

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for beginning troop withdrawal within four to six months. A rising number of Republicans also have begun arguing US forces should start returning home next year."

USA Today (11/21, Kelley, Slavin, 2.27M), under the headline "Bush Pressured To Come Up With New Iraq Strategy," says "increased pressure from Congress and high level studies commissioned by the Pentagon and the White House are prodding President Bush to significantly change strategy in Iraq for the first time since the war began in March 2003."

Obama Calls For Regional Dialogue, Troop Reduction. The Chicago Tribune (11/21, Parsons, Mendell, 617K) reports, "Amid intense speculation about whether he will run for president, Sen. Barack Obama on Monday used the spotlight to showcase his strategy for the war in Iraq, excoriating the Bush administration for its 'misguided' war and describing a solution that includes dialogue with hostile nations in the region." In his speech to the Chicago Council on Global Affairs, Obama "said the US should end its 'coddling' of the Iraqi government by beginning a reduction of troops in the next four to six months and pressuring Iraqis to work out agreements among their warring factions." The senator offered "few new specifics." The AP (11/21, Bellandi) also says Obama "was careful not to set a specific timetable for withdrawal of troops or suggest troop levels."

The Los Angeles Times (11/21, Huffstutter, 850K) notes Obama also "criticized President Bush for pushing forward with a war that 'would require an occupation of undetermined length, at undetermined cost, with undetermined consequences.'"

More Commentary. On the CBS Evening News (11/20, story 6, 2:00, Couric, 7.66M), NYTimes columnist Thomas Friedman said, "I'm rather despondent that anything can really solve the situation in Iraq right now." Iraq "is so broken…that it can't even have a proper civil war. It's so broken. You know, to have a proper civil war, you need two sides, basically. There are now 15 sides there." He added, "Our choice in Iraq is…ten weeks or ten years. That is, either we're going to conclude this thing is so broken and therefore we're just going to have to get out -- or we're going to say this thing is so broken we basically have to start over. And that is a ten-year project. Because the idea that there's some kind of middle ground where we kind of stand up the Iraqi army and then we kind of quietly leave, I think that's an illusion."

In his Washington Post (11/21, 690K) column, Eugene Robinson writes, "Defections, recrimination and finger-pointing among the people who got us into this mess provide an amusing sideshow. But the main event is the mandate that midterm voters imposed this month, in no uncertain terms: Find a way out. ... If American troops begin pulling out tomorrow, Iraq surely will suffer a terrible spasm of bloody violence. But if we wait a year and then pull out, there is no reason to expect any different outcome."

In his Washington Post (11/21, 690K) column, Richard Cohen writes, "As with Vietnam, we are fighting now merely not to lose -- to avoid a full-fledged civil war (it's coming anyway) or to keep the country together, something like that. But not for victory. Not for democracy. ... This, above all, is how Iraq is like Vietnam: older men asking younger men to die while they try to figure something out."

Wolf, Rice Were Early Supporters Of Iraq Study Group Proposal. The Washington Post 911/21, A25, Layton) reports, "On his third trip to Iraq, in September 2005, Rep. Frank R. Wolf (R-Va.) knew the American mission was imperiled. … That's when" Wolf "first began to think about the need for 'fresh eyes' to scrutinize U.S. policy regarding Iraq. Quietly, he went to the White House and presented his plan: a bipartisan commission of well-respected policymakers to bore deeply into the Iraq dilemma and recommend solutions." According to the Post, "The result is the Iraq Study Group, though "initially, the White House was cool to the idea, Wolf said. But he was able to win over Secretary of State Condoleezza Rice. Defense Secretary Donald H. Rumsfeld followed, as did national security adviser Stephen J. Hadley. 'Rice's support was key,' Wolf said. 'But I had to have the support of everybody or there would be no way to do this.'

Cost Of Wars In Iraq And Afghanistan Nears $500 Billion. The Christian Science Monitor (11/21, Grier, 59K) reports, "The cost of combat in Iraq has now surpassed $300 billion, according to government estimates. Add in activities in Afghanistan, and the total price of the global war on terror is about $500 billion, making it one of the most monetarily costly conflicts in which the nation has ever engaged. Now the Department of Defense is in the process of drawing up its follow-on request for the remainder of FY 2007. Reports indicate that the Pentagon could ask for $120 billion to $160 billion, which would be its largest funding request yet for the global war on terror." The Monitor notes, "Before the invasion of Iraq, the White House estimated that combat operations there would cost about $50 billion. … Three years later, Iraq alone is costing the US some $8 billion a month."

UK Think Tank Predicts War On Terror Will Continue For Thirty More Years. AFP (11/21) reports, "The fight against terrorism could last 30 years or more, according to a report published by a British think tank that specialises in international security. 'There is every prospect of the 'war on terror' extending for 30 years or more,' said the report by the Oxford Research Group. … 'Most people believe that the recent elections mark the beginning of the end of the Bush era but that does not apply to the war on terror,' said Professor Paul Rogers, who wrote the report, in a statement. 'In reality there will be little change until the United States

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faces up to the need for a fundamental re-think of its policies'."

Iraqi President To Hold Talks With Iranian, Syrian Leaders. USA Today/AP (11/21) reports, "Iranian President Mahmoud Ahmadinejad invited his Iraqi and Syrian counterparts to a weekend summit in Tehran to tackle the chaos in Iraq, Iraqi lawmakers said Monday." Iraqi President Jalal Talabani's spokesman Kamaran Qaradaghi "said in a statement late Monday that the Tehran meeting will include Talabani and Ahmadinejad. He said Syrian President Bashar Assad would not attend, but that Talabani had accepted an invitation to meet with Assad in Damascus. No date was set." The AP adds, "A close parliamentary associate of Talabani told the Associated Press that the summit represents an attempt by Tehran to strengthen its position in the region and prevent the United States from dividing Syria, a predominantly Sunni Arab country, from its ally of convenience, Shiite Iran. The associate spoke on condition of anonymity because he was not authorized to discuss the matter with the media." The State Department "reacted with skepticism about Iran's intentions in Iraq, but said it was up to Iraq. 'It's their call,' spokesman Tom Casey said in Washington. 'We have seen statements like this many times,' and there have been several high-level contacts between Iran and Iraq, Casey said. But Iran's statements of a desire to reduce violence in Iraq "have not been backed up by facts," he said."

The New York Times (11/21, Tavernise, 1.16M) notes Baghdad "re-established diplomatic relations with Syria on Monday, agreeing to restore an embassy in Baghdad after more than 20 years with no formal avenues of communication." The Times adds, "As the United States undertakes a broad review of its role in Iraq, the neighboring countries of Iran, Turkey and Syria have stepped forward to try to position themselves in case of a major change in policy, leading to a recent flurry of diplomatic efforts. The countries are also concerned about the possibility of a political collapse as the Iraqi government sinks into paralysis with its two main sects stuck in a deadlock."

ABC World News (11/20, lead story, 3:10, Gibson, 8.78M) refers to "a move with potentially stunning implications." Fareed Zakaria, ABC News consultant, said, "What Iran is saying to Iraq is, "Look, if you want stability in your country, you think we can help you. Don't go through Washington, come directly to us.'" ABC (Karl) said, "It's a move designed to limit US influence in the region." Zakaria: "It's a very clever move on Iran's part."

NBC Nightly News (11/20, story 2, 2:10, Engel, 9.87M) reported, "It's clear that Iran and Syria are already adjusting to the new reality in the Middle East: That Iraq has collapsed, that there is potential for oil development, there's a potential to contain the situation within Iraq. The US helped create this situation by launching the war and now has backed away and is not really engaged in any kind of diplomatic process at all. The US must get engaged very quickly, it seems, or Iran and Syria are simply going to redefine the region according to their own terms."

The CBS Evening News (11/20, story 4, 1:00, Palmer, 7.66M) said "a pledge of help has come to the increasingly desperate Iraqi government directly from the Syrians and it's considered a diplomatic breakthrough."

The Washington Post (11/21, A23, Trejos, 690K) says Damascus and Tehran "have offered to help bring stability to Iraq's fractured government, but the Bush administration has long-standing concerns about Iran's support for Shiite Muslim militias and Syria's failure to stop foreign fighters from joining the Iraqi insurgency."

The Financial Times (11/21, Negus, Smyth, Dombey) reports UK sources indicate "Iran was keen to host three-way talks, but Iraqi sources said there were no plans for such a meeting." Some analysts believe Tehran "is trying to ensure that it has the capacity to cause severe problems for US forces in Iraq as a possible deterrent to US-led military efforts against its own territory."

The Los Angeles Times (11/21, Moore, 850K) reports Syria "has served as an entry point and refuge for Sunni Arab insurgents who have waged a steady stream of attacks on US forces and the fledgling Iraqi government since the American-led invasion of Iraq in 2003. Iran, a Shiite Muslim nation, holds strong sway over the Shiite militias that have increasingly attacked Iraq's minority Sunnis in retaliation." However, says the Washington Times (11/21, Sands, 88K), "there has been intense speculation about a change of course in Washington since the midterm elections and about the pending report from an independent panel looking into US alternatives in Iraq." The State Department "said yesterday the United States did not feel 'snubbed' in being excluded from the Tehran gathering, and that it was up to Iraq to determine its relations with its neighbors."

More Commentary. The Los Angeles Times (11/21, 850K) editorializes, "Iran has invited top Iraqi and Syrian leaders to Tehran this weekend, but there are no Americans on the guest list. The omission is hardly a snub -- US diplomats probably wouldn't have much fun there anyway --- but the talks underline the absurdity of the White House position, which is essentially to wait for a bipartisan commission to give it permission to sit down with some friends and enemies. Regional discussions about the future of Iraq are already happening. The US should send out some invitations of its own." President Bush "need not wait for the release of a commission report to convene a conference and invite all of the key players in Iraq's future: Iraq, Iran, Syria, Turkey, Jordan, Saudi Arabia, as well as representatives of the Gulf Coordination Council, the

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European Union and the UN Agreeing on a mutual duty to respect and uphold Iraq's territorial integrity would be the first goal."

In an op-ed for USA Today (11/21, 2.27M) Wesley Clark, former Supreme Commander of NATO, writes, "Instead of cutting and running or staying the course, it is time for us to begin to redeploy. The right approach is a coordinated diplomatic, legal, economic and security campaign drawing upon broader dialogue in the region and intensified political work inside Iraq. Here is how to do this…begin talks within Iraq, and with all its neighbors, based on a clear set of principles outlined by the team. The goal would be to seek the commitments necessary to achieve our aims inside Iraq and also advance U.S. interests in the region. … A permanent Gulf regional security dialogue could emerge that includes Syria and Iran, and the United States could undertake a role as regional security guarantor. Preliminary discussions should lead to a more intensive dialogue with Iran in which security assurances and nuclear programs are discussed."

In a column titled "Syria Lends A Hand," Bret Stephens writes in the Wall Street Journal (11/21, A17, 2.04M), "At a simplistic level, the argument is: Where's the harm in talking? Oddly, the people who say this about Syria rarely make it in connection to, say, al Qaeda. A more sophisticated view is that the administration is anyway not seriously interested in overthrowing Mr. Assad -- the Muslim Brotherhood might well end up taking over -- so it will need carrots as well as sticks to improve his behavior. The largest of those carrots, supposedly, is a promise not to seek regime change; another is to abandon the cause of a truly independent Lebanon; a third is to lean on Israel to abandon the Golan Heights in return for a peace treaty. In exchange, it is hoped, Damascus will start playing a constructive role in Lebanon, abandon its support for terrorist groups in Iraq and Palestine, and begin to step away from its alliance with Iran." Stephens adds, "In the summer of 2005, a senior administration official smugly noted that the Syrian regime was sinking on its own weight, as if on quicksand. Now the countries have traded places, and some would urge the administration to grasp the offered hand of the likes of Mr. Moallem. They should consider what that hand has done, and whether it will pull us up -- or sink us."

Dick Morris writes in The Hill (11/21), "A consensus seems to be developing that only a 'regional solution' embracing Iran and Syria can extract the United States from Iraq without jeopardy to those who have stood with us and without damage to both our reputation and Bush's place in history. But at what price? Nobody seems willing to say what 'engagement' with Iran for a regional solution would entail. We cannot ask Iran's help while we bomb its nuclear reactors or impose tough sanctions on the country." Morris adds, "The price of Iranian cooperation will be complicity in Tehran's nuclear ambitions. Iran will gladly assure Bush it does not intend to develop an atomic weapon. But we shouldn't believe it." Israel "will have only one course -- to bomb Iran in hope of delaying its acquisition of nuclear weapons. … An Israeli strike would produce waves of nationalist sentiment in Iran and inflame Arab hatred of the Jewish state. It is precisely what we don't need now in the Middle East."

In an op-ed for the New York Times (11/21, 1.16M) Mark Moyar, an associate professor at the United States Marine Corps University, writes, "Iraq's prime minister, Nuri al-Maliki, is now saying that he wants the United States to stand back and let him use Iraqi forces to restore order. Within six months, he asserts, the bloodletting will cease. The United States must give this proposal very serious consideration. Critics of America's current Iraq policy, particularly among the Congressional Democrats, have tended to concentrate on international diplomatic remedies. Experience, however, suggest that only the Iraqis themselves can end the chaos and violence." Moyar goes on to draw parallels between present-day Iraq and Vietnam in the mid fifties. According to Moyar, "South Vietnam's history recommends the pursuit of two objectives that American officials are now urging upon Prime Minister Maliki: subduing the Shiite militias and transferring control of the police from Shiite partisans to Iraqi nationalists."

Army's Effort To Train Iraqi Forces Reportedly Beset By Setbacks. The Washington Post (11/21, A1, Ricks, 690K) reports, "The U.S. military's effort to train Iraqi forces has been rife with problems, from officers being sent in with poor preparation to a lack of basic necessities such as interpreters and office materials, according to internal Army documents. … A Pentagon effort to rethink policies in Iraq is likely to suggest placing less emphasis on combat and more on training and advising, sources say. In dozens of official interviews compiled by the Army for its oral history archives, officers who had been involved in training and advising Iraqis bluntly criticized almost every aspect of the effort. Some officers thought that team members were often selected poorly. Others fretted that the soldiers who prepared them had never served in Iraq and lacked understanding of the tasks of training and advising. Many said they felt insufficiently supported by the Army while in Iraq, with intermittent shipments of supplies and interpreters who often did not seem to understand English. The Iraqi officers interviewed by an Army team also had complaints; the top one was that they were being advised by officers far junior to them who had never seen combat." The Post adds, "Despite its central role in Iraq, the training and advisory program is not well understood outside narrow military circles. Congress has hardly examined it. … The Army has done some studies but has not released them. Even basic information, such as how many of the 5,000 U.S. military personnel involved are

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from the National Guard and Reserves, is unusually difficult to obtain."

US Advised To Embed More Combat Advisors Into Iraqi Battalions. In an op-ed for the Wall Street Journal (11/21, A16, 2.04M) Hans Binnendijk, a professor at National Defense University, and author Bing West write, "The reassessment of U.S. strategy in Iraq should radically alter the combat mission of the American troops serving there. The key policy change is to embed five times as many U.S. combat advisers into Iraqi battalions. This will, on the one hand, reduce the size and casualties of U.S. forces, and on the other, strengthen the Iraqi army -- the only institution that can stop the creeping civil war. … Currently the U.S. has about a dozen military advisers working in each Iraqi battalion. These advisers spend their time as managers. They are too few to give combat advice and moral reassurance out on the streets during daily operations."

More Than 1200 Iraqi Civilians Have Been Killed This Month. The AP (11/21, Wagner) reports, "In all, 25 Iraqis were killed Monday in a series of attacks in Baghdad, Ramadi and Baqouba, police said. The bodies of 75 Iraqis who had been kidnapped and tortured also were found on the streets of the capital, in Dujail to the north of Baghdad and in the Tigris River in southern Iraq. The Iraqi death toll this month is already well above the 1,216 who died in all of October, which had been the deadliest month in Iraq since the AP began its count. The actual totals are likely considerably higher because many deaths are not reported. Victims in those cases are quickly buried according to Muslim custom and never reach morgues or hospitals to be counted."

Prominent Iraqi Television Personality Killed. The Washington Post (11/21, A1, Raghavan, 690K) reports, "For the last three years, Walid Hassan had an impossible task. He had to make war-weary Iraqis laugh. Week after week, the comedian and broadcaster found inspiration in the turmoil and bloodletting. On his weekend television show, 'Caricature,' he poked fun at the poor security, the long gas lines, the electricity blackouts and the ineffective politicians. … On Monday, Hassan, 47, a father of five children, became a victim of the war and chaos from which he drew his inspiration. A Shiite Muslim, he was found in the majority-Sunni neighborhood of Yarmouk in west Baghdad with multiple bullet wounds to his back and head, according to police." The Post notes that Hassan, "who also produced a political show, was the latest casualty in the Iraqi media world. … So far, 133 reporters, cameramen and other media workers have been killed in Iraq, the vast majority of them Iraqi, according to Reporters Without Borders."

Pro-Saddam TV Station Reemerges After Being Banned. McClatchy (11/21, Allam) report, "When Iraqi government officials pulled the plug on al Zawraa TV earlier this month, they thought they'd finally stamped out a channel known for reporting live from 'occupied Baghdad' and declaring Saddam Hussein's death sentence 'a sad day for Iraq.' Two weeks later, however, the Sunni-owned station is back, and bloodier than ever. … Saddam-era martial music boomed as an insurgent video montage began: a sniper hitting an American soldier snacking on a sandwich, a U.S. Humvee bursting into flames as it hit a roadside bomb, Sunni Muslim militants vowing to overthrow Shiite leaders who are portrayed as agents of Iran." Al Zawraa "is the station of choice for nostalgic Baathists, militant Islamists, Iran-hating Sunnis and anti-American Arab nationalists. Driven underground by a court order on Nov. 5, the day Saddam was sentenced to death, the satellite news channel has re-emerged in recent days, broadcasting from an unknown location and devoid of any pretense of neutrality." Al Zawraa "was launched in November 2005, the brainchild of Mishaan al Jubouri, a Sunni member of the Iraqi parliament who fled to Syria recently amid allegations of corruption." Jubouri "said the new pro-resistance format has increased the number of viewers '100 times over.'"

Blair Meets With Karzai In Kabul, Visits British Troops. The AP (11/21, Stringer) reports British Prime Minister Tony Blair visited Afghanistan and met with President Hamid Karzai "following a visit to meet hundreds of troops in the country's restive southern Helmand province — a former Taliban stronghold and hub of Afghanistan's heroin trade. Blair paid tribute to the troops at Camp Bastion — Britain's main southern base." The AP notes, "The visit was the British leader's first to Afghanistan since 2002. Britain has around 6,000 soldiers deployed in Afghanistan." The AP adds, "A total of 41 British soldiers have died in Afghanistan since the U.S.-led invasion in 2001 — including 36 killed since Britain's deployment to Helmand province in July, Blair's office said." The Washington Times/AP (11/21, Stringer) reports Blair "pledged his nation's commitment in Afghanistan 'for as long as it takes,' telling British soldiers fighting the resurgent Taliban that success would help establish global security."

Taliban Reportedly Reliant On Profits From Opium Production. The Christian Science Monitor (11/21, Peters, 59K) reports, "As Afghanistan's narcotics trade explodes past $3 billion a year, there is concern that the Taliban is becoming another FARC, Colombia's notorious leftist insurgent group that draws much of its funding from the drug trade. The Taliban and FARC - the Revolutionary Armed Forces of Colombia - both got their start protecting peasants from corrupt governments. There's evidence both initially fought narcotics traffic but then levied taxes on the

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trade for much-needed cash. … Evidence is growing that the Taliban and their allies are moving beyond taxing the trade to protecting opium shipments, running heroin labs, and even organizing farm output in areas they control. 'It's reached the point where about half of the opium we seize in the provinces has some link to the Taliban,' says Gen. Ali Shah Paktiawal, director of the anticriminal branch of the Kabul police." The Monitor notes, "Many experts believe the Taliban has always been dependent on the poppy trade. Declassified US State Department records show that two major narcotraffickers now in US custody, Baz Mohammed and Bashir Noorzai, sat on the original five-member Taliban shura, or leadership council.

DOJ:

GAO Finds DOJ Making Progress On Information Classification. Federal Computer Week (11/21) reports, "A report from the Government Accountability Office says the Justice Department has significantly improved the way it handles classified information, but the agency has not corrected one of the most glaring problems: staff shortages." FCW continues, "Increased staffing was one of the recommendations made by the National Archives' Information Security Oversight Office, which reviewed security procedures at DOJ in July 2004 and April 2005. GAO was brought in this year to assess how well DOJ and its FBI component were following the recommendations. … The agencies have made a lot of progress in a lot of areas, according to GAO's report. 'DOJ, however, has taken no action on the most important recommendation, addressing staff shortages, which continue to place its program at risk,' the document states." FCW adds, "Justice said it does not have the resources to address the staff shortages, according to the report. The department said it 'is trying to address its resources constraints, a longstanding problem that GAO identified as early as 1993, by requesting additional funds from an administrative account in fiscal year 2007.' … But Justice officials acknowledged they do not know precisely how many new employees they would need because they have not fully assessed those needs, the report said. 'It also does not have a strategy that identifies how it will use additional resources to address remaining deficiencies,' the report added. … Justice had taken action on five of 10 recommendations, 'including fixing problems with outdated and insufficient training and insufficient monitoring of components' programs,' GAO said. … The report found that five department components — the Bureau of Alcohol, Tobacco, Firearms and Explosives; the Criminal Division; the Drug Enforcement Administration; the FBI; and the U.S. Marshals Service — were experiencing problems designating sensitive but unclassified information."

CORPORATE SCANDALS:

DOJ Drops Appeal Of Lay Ruling. The Houston Chronicle (11/21, Hays) reports, "Federal prosecutors on Monday had this to say about their intent to challenge a judge's decision to wipe out former Enron Chairman Ken Lay's convictions: Never mind." The Chronicle continues, "Last week the Justice Department filed notice it would appeal U.S. District Judge Sim Lake's October decision to clear Lay's name. That filing came the same day two senators introduced a bill to allow crime victims to seek restitution when a convicted defendant dies before exhausting appeals. … Lake had based his ruling on precedent set by the 5th U.S. Circuit Court of Appeals — the same court that would have heard a challenge. But prosecutors filed court papers Monday that said the government would withdraw its appeal notice." The Chronicle adds, "Monday's filing explained that last week's action came as the deadline for filing notice of appeal was about to expire. … Even though the Justice Department acknowledged helping draft the proposed legislation, prosecutors said in Monday's filing that last week's move was "protective" to ensure they met the deadline and could then review the bill to determine if it could help support an appeal. … 'Having concluded that review, the government now moves to withdraw its notice of appeal,' the filing said."

Cyberonics Head Resigns Amid Expanding Options Probe. The New York Times (11/21, Feder) reports, "The tumultuous tenure of Robert P. Cummins as chairman, president and chief executive of the medical device maker Cyberonics has ended, the company disclosed yesterday." The Times continues, "Mr. Cummins, 52, who is known as Skip, is a former venture capitalist who joined the board of Cyberonics in 1988 and became chief executive in 1995. He gained a reputation as one of nation's most passionate and intimidating business leaders in dealing with critics, regulators and investors." The Times adds, "Mr. Cummins had been under growing pressure since questions arose in June about the timing of stock options for 100,000 shares that were granted to him in 2004 just hours after a regulatory panel recommended approval of a Cyberonics implant to treat depression. Although none of the options vested immediately, their potential value soared when trading in the stock resumed the next day. … Scrutiny of the timing of the 2004 options grant expanded into internal and government investigations of whether Cyberonics was among the scores of technology companies that improperly manipulated options grants to ensure that executives would profit from them. … Cyberonics stock, which has been battered by the accounting questions and by the company's

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problems getting insurance coverage for its depression implant, soared yesterday after the company disclosed before trading began that Mr. Cummins resigned on Friday. The shares climbed as high as $26.45 before retreating to close at $24.17, up 12 percent for the day."

USA Today (11/21, Smith, 2.27M) reports, "A USA TODAY investigation reveals that Cyberonics' board has engaged in a series of questionable practices to reward Cummins, certain directors and some executives with stock and options almost from its inception as a public company in February 1993. Among its practices, the company frequently issued stock options just before market-moving events that insiders participated in, including merger talks, regulatory milestones and earnings advisories. It also repeatedly issued options at the lowest or second-lowest monthly trading price, SEC filings show. On one occasion, management, including Cummins, and a director who serves on the compensation committee, bought company stock at a discounted price in which Cummins represented himself both as the CEO selling the shares and as an individual buying them."

Former Capital One CFO Settles Insider Trading Charges For $1.8 Million. The Washington Post (11/21, D01, Hilzenrath) reports, "A former chief financial officer of credit card issuer Capital One Financial Corp. agreed to pay more than $1.8 million to settle insider trading charges, the Securities and Exchange Commission said yesterday." The Post continues, "David M. Willey was accused of exercising Capital One stock options and cashing in shares after learning in 2002 that a regulatory examination of the company was likely to end unfavorably. After the results of the examination were made public, Capital One's stock price plunged by about 40 percent." The Post adds, "Without admitting or denying wrongdoing, Willey agreed to give up $801,434 in alleged ill-gotten gains, plus $218,180 in interest and a penalty of $801,434. The SEC dismissed a related claim against Willey's wife, Joy S. Willey, a former Capital One vice president. The agency had previously named her as a defendant alleging that some of the proceeds of the insider trading were in her possession. … Willey, who joined McLean-based Capital One in 1989, earned more than $1.2 million in salary and bonus in 2001, according to a company report. … The following year, Federal Reserve examiners found serious management problems in areas under his authority, the SEC alleged in a 2004 complaint. The lead examiner told Willey of the Fed's concerns in a private meeting and warned that they could lead to formal supervisory action, the complaint said."

South Korean Prosecutors Indict Lone Star, KEB On Stock-Manipulation Charges. The Wall Street Journal (11/21, A3, Santini, Yoon) reports, "South Korean prosecutors indicted Dallas private-equity firm Lone Star Funds and Korea Exchange Bank on stock-manipulation charges related to the bank's credit-card unit, part of a nine-month investigation that the U.S. firm has blamed on antiforeign sentiment in Korea." The Journal continues, "The chief prosecutor in the case, Chae Dong Wook, vowed to continue a separate probe into whether Lone Star illegally purchased the bank in 2003. Prosecutors have been examining whether government and bank officials conspired to understate KEB's financial health when Lone Star acquired control of the bank. Lone Star's role in that transaction is also under scrutiny." The Journal adds, "Korean lawmakers have threatened to nullify Lone Star's original purchase of KEB if wrongdoing is discovered, jeopardizing a $7 billion sale of the firm's controlling stake to Korea's Kookmin Bank that would secure a $4.5 billion profit for Lone Star. … In recent months, prosecutors have turned their focus to KEB's credit-card unit, leading some foreign investors watching the investigation to speculate that the prosecution had reached an impasse with the broader probe into the KEB purchase. Regarding KEB itself, prosecutors still haven't provided any evidence of wrongdoing by Lone Star in the transaction. … Last week, the Korean court issued arrest warrants for Lone Star's vice chairman, Ellis Short, and Michael Thomson, the firm's general counsel. Both men have refused to travel to Korea."

Coehlo's Stock Options Draw SEC Scrutiny. USA Today (11/21, Smith, 2.27M) reports, "Former U.S. congressman Tony Coelho received below-market stock options from Cyberonics in early 1994, three years before he joined the board, at a much deeper discount to the market price than the company's stock-option plan provided for at the time, according to Securities and Exchange Commission filings. On Monday, Coelho was named chairman of the medical device maker after its former chairman and CEO, Robert Cummins, resigned under pressure." USA Today notes Coelho "resigned from Congress in June 1989 after failing to disclose on his congressional financial statement a 'junk' bond investment he had obtained on favorable terms. In recent years, Coelho and Appel cashed out their below-market options from Cyberonics at different times, reaping nearly $1.1 million in combined profits, SEC filings show. … Cyberonics is now under investigation by the SEC and the U.S. Attorney's office in Manhattan, which are looking into the company's history of awarding lucrative stock options to company officers and directors."

Redstone's Nephew Sues Over Family Trust Management. The Wall Street Journal (11/21, B5, Angwin) reports, "Viacom Inc. Chairman Sumner Redstone, already facing a lawsuit from his son, now faces a suit from his nephew who claims he and other family heirs were bilked out of an approximately $4 billion stake in the Redstone

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family's business empire." The Journal continues, "The suit, coming nine months after Mr. Redstone's son Brent filed suit against his father seeking to gain direct control of the son's personal stake in the empire, is likely to add to questions about the strength of Sumner Redstone's hold on Viacom and CBS Corp., both of which are controlled by the Redstone family." The Journal adds, "In a lawsuit filed in a Massachusetts court this month, Michael Redstone alleges his father Edward Redstone and his uncle Sumner Redstone engaged in 'self-dealing,' 'breaches of fiduciary duty' and 'unjust enrichment as trustees of certain Redstone family trusts' when they bought his stake and that of other heirs in the family company, National Amusements Inc., in a series of transactions in 1972 and 1984. … Michael Redstone's suit against his father, uncle and the family company is joined by the trustees for trusts representing his late sister Ruth Ann and a trust set up for the four children of Edward Redstone and Sumner Redstone -- Michael, Ruth Ann, Brent and Shari. Michael Redstone and the trustees are asking for the 1972 and 1984 transactions to be rescinded or for damages 'in an amount equal to the present value of those shares.' … In a statement, National Amusements called the allegations 'baseless' and said it would defend itself vigorously."

Insiders Made Millions Trading In Money-Losing Firm's Stock. USA Today (11/21, Smith) reports, "Cyberonics said Monday that its chief executive and chief financial officer had resigned after an internal investigation found that unnamed insiders had incorrectly reported the dates of company stock options for years." USA continues, "Cyberonics general counsel David Wise said in a filing to the Securities and Exchange Commission that the company had under-reported its executive compensation expense by about $10 million and would have to restate its financial statements going back to 1999. … The company's disclosures came at a time when one of the biggest financial scandals in years is sweeping U.S. corporate boardrooms. Federal authorities are examining at least 130 companies to determine whether insiders manipulated options-award dates to illegally profit from market gains, principally by backdating the options to an earlier date than issued to give themselves a head start on rising prices. To date, dozens of companies have announced executive departures or restatements after internal investigations. Two criminal cases are pending." USA notes, "A USA TODAY investigation reveals that Cyberonics' board has engaged in a series of questionable practices to reward Cummins, certain directors and some executives with stock and options almost from its inception as a public company in February 1993. Among its practices, the company frequently issued stock options just before market-moving events that insiders participated in, including merger talks, regulatory milestones and earnings advisories. It also repeatedly issued options at the lowest or second-lowest monthly trading price, SEC filings show. On one occasion, management, including Cummins, and a director who serves on the compensation committee, bought company stock at a discounted price in which Cummins represented himself both as the CEO selling the shares and as an individual buying them."

Paulson Criticizes Sarbanes-Oxley Law. USA Today (11/21, Shell, 2.27M) reports, "US Treasury Secretary Henry Paulson said Monday that the tough, costly rules put in place to combat corporate frauds such as Enron need to be enforced in a more flexible manner if U.S. financial markets are to retain their competitive edge around the globe." In "his first major speech on market regulation," Paulson "said regulators' decision to 'impose rule upon rule upon rule' was making it more difficult for US markets to attract business from abroad. … 'When it comes to regulation, balance is key,' Paulson said. 'The right regulatory balance should marry high standards of integrity and accountability with a strong foundation for innovation, growth and competitiveness.'" The speech "comes amid increasing criticism from businesses that the Sarbanes-Oxley Act of 2002, designed to reduce accounting fraud and make corporate CEOs more accountable, is too costly and time consuming to implement."

The Financial Times (11/21, Grant, Guha) notes that "turning to enforcement, Mr Paulson said that a combination of enforcement and guidance was likely to be more effective and more efficient than relying on enforcement alone." The Washington Post (11/21, D1, Johnson, 690K) reports Paulson "rejected wholesale revisions to a corporate accountability law under attack from business groups. … 'I don't think there is a single principle in [Sarbanes-Oxley] that is ill-founded,' Paulson said after the speech." Paulson also "sought to take the debate beyond recent corporate reforms and into broader terrain. He singled out class-action lawsuits as an Achilles' heel in the legal system, which he contended have "gone beyond protection" of investors and now hamper business competition."

More Commentary On Sarbanes-Oxley. Former Labor Secretary Robert Reich, on CNBC's Kudlow & Company (11/20, Caruso-Cabrera), commented, "The question is, are the benefits to the public, to investors outweighing the costs and I think that any fair assessment of Sarbanes-Oxley would say that, it probably does have to be reformed," Sarbanes-Oxley "probably imposes greater costs than benefits" on small businesses.

Stephen Moore of the Wall Street Journal editorial board, on CNBC's Kudlow & Company (11/20, Carusi-Cabrera), said, "We are losing…our competitiveness in the financial markets which has to be one of the hallmarks of America's progress in the twenty-first century. We need to be

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the world's leader here and Secretary Paulson talked about the overregulation and many of the other problems imposed on small businesses, but…we have got to do something fundamentally in my opinion about Sarbanes-Oxley. We have CEOs of major companies, almost every week come to our editorial board at the Wall Street Journal and this first two words out of their mouth are Sarbanes-Oxley."

Senate Hearing To Examine SEC's Effectiveness. The Wall Street Journal (11/21, C5, Scannell, 2.04M) reports the Securities and Exchange Commission, "already under fire for its handling of a suspected insider-trading case, will receive more congressional scrutiny next month when the Senate Judiciary Committee holds a hearing on the agency's effectiveness." Current Chairman Sen. Arlen Specter "has scheduled an oversight hearing on the SEC for Dec. 5." The hearing "comes as the SEC has been on the defensive since Sen. Specter and Sen. Charles Grassley (R., Iowa) said they were investigating the agency's handling of an insider-trading investigation involving hedge fund Pequot Capital Management and John Mack, the chief executive of Morgan Stanley. The matter, which was brought to their attention by a former SEC attorney, was referred to the Government Accountability Office for a thorough review of the SEC's enforcement division."

CRIMINAL LAW:

FBI Expanding Global Presence To Fight Cyber Crime. Under the headline "To Catch Crooks In Cyberspace, FBI Goes Global," the Wall Street Journal (11/21, Bryan-Low, 2.04M) reports in a front-page story, "The 98-year-old FBI, which has traditionally focused on domestic crime, is extending its reach beyond U.S. borders and boosting cooperation with other law-enforcement agencies in pursuit of cybercriminals, much as the agency has done in tracking down terrorists overseas. … The FBI now ranks cybercrime as its third priority behind terrorism and espionage," and "building relationships with police in other countries is 'the only way we are going to effectively get a handle on the problem,' says Christopher Painter, deputy chief of the Justice Department's Computer Crime Section." Although "the FBI is running into limits fighting international computer crime," it "is making some headway, thanks partly to a diplomatic offensive to enlist help from foreign agencies. It now has about 150 agents deployed in some 56 offices around the world, including in Iraq and China," and "during the past two years or so, the FBI has also built up Cyber Action Teams, or CATs -- a group of about 25 people that includes agents, computer forensic experts and specialists in computer code, according to David Thomas, the deputy assistant director of the FBI's science and technology branch." The Journal goes on to report in detail on the 2005 Zotob attack and the bureau investigation that led to the apprehension and prosecution of the hackers who unleashed it.

Three Gang Members Sentenced To Life For Targeting Black Victims. The AP (11/21) reports, "Three members of a Hispanic gang were sentenced Monday to life in prison without the possibility of parole for using murder and other violent acts to intimidate blacks in their neighborhood." The AP continues, "Federal prosecutors had accused Gilbert Saldana, Alejandro Martinez and Fernando Cazares of targeting blacks in the largely Hispanic community of Highland Park, east of downtown Los Angeles. They were found guilty of conspiring to use violence, including the shooting deaths of two black men in 1999 and 2000." The AP adds, "Authorities said it was one of the first prominent cases in which the U.S. Justice Department targeted a street gang with laws normally used to prosecute white supremacist groups. … 'These were horrific offenses that have had far-reaching consequences,' U.S. District Judge Percy Anderson said during sentencing. … Each defendant received two consecutive life sentences. They were convicted in August."

US Backs Off Prison Restrictions For Aryan Brotherhood Members. The AP (11/21, Flaccus) reports, "Prosecutors have dropped plans to ask a federal judge to prevent leaders of the Aryan Brotherhood prison gang from communicating with anyone but their attorneys, officials said Monday, but they may ask U.S. Attorney General Alberto Gonzales to do so instead." The AP continues, "Prosecutors will probably ask the Bureau of Prisons to impose the bans on Barry 'The Baron' Mills, T.D. 'The Hulk' Bingham, Edgar 'The Snail' Hevle and Christopher Overton Gibson, said U.S. attorney's office spokesman Thom Mrozek. … The change means defense attorneys wouldn't be able to fight the restrictions until after they have been imposed, which would delay the appeals process, said Mark Fleming, an attorney representing Mills." The AP adds, "Assistant U.S. Attorney Stephen Wolfe filed papers Friday in federal court withdrawing a request for a federal judge to impose the restrictions. … An order would also keep writing implements, paper and previously viewed reading material out of the inmates' cells." The AP notes, "Mills, Bingham and Hevle are to be sentenced Tuesday for murder, conspiracy and racketeering. Gibson, who recently had back surgery, won't be sentenced Tuesday because he can't be present. .. Similar bans have been imposed only 11 times in the history of the federal prison system. Inmates Zacarias Moussaoui, the suspected '20th hijacker' in the Sept. 11, 2001, World Trade Center attack, and convicted Unabomber Ted

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Kaczynski are among those with restrictions on their prison contacts."

Ohio Republican Fundraiser Sentenced For Embezzlement . The AP (11/20) reports from Toledo, "A Republican fund-raiser who embezzled from a state investment in rare coins was sentenced Monday to 18 years in prison for his role in a scandal that helped bring down Ohio's ruling Republican Party. … The fund-raiser, Tom Noe, 52, was also fined $139,000." The AP continues, "Mr. Noe spent money as if he had 'a bottomless cup of wealth and luxury' at his disposal, 'when in fact it was at the state's expense,' Judge Thomas Osowik of Common Pleas Court said Monday. .. .The sentence is on top of the more than two years Mr. Noe was ordered to serve after pleading guilty earlier this year to illegally funneling $45,000 to President Bush's re-election campaign." The AP adds, "Mr. Noe was the central figure in a scandal that dogged the Ohio Republican Party for more than a year. On Election Day, the Democrats won the governor's office, a Senate seat and other major offices after 12 years of Republican rule. … Until Monday, prosecutors did not say whether Mr. Noe had used any of the money to make campaign contributions, but after the sentencing, the prosecutor, Ron O'Brien, said, 'You can make those inferences.' … Also for the first time, prosecutors on Monday calculated that Mr. Noe had stolen a total of $13.7 million. … Mr. Noe was hired by the state workers' compensation agency and given $50 million to invest in an unorthodox and risky effort by a state government to make money buying and selling rare coins. A furor erupted when the investment in rare coins became public and when it was learned that millions of dollars were missing."

Pennsylvania Man Charged In West Virginia Death Could Face Death Penalty. The Pittsburgh Post-Gazette (11/21, Simonich) reports, "Eugene Talik Jr., a married man accused of killing his girlfriend to hide their illicit affair, yesterday abandoned any hope of getting out of jail before he stands trial. … He waived his right to a bail hearing and to a second proceeding that would have forced federal prosecutors to reveal some of their evidence." The Post-Gazette continues, "Less than a minute after his court session began, Mr. Talik ended it by saying he did not want to go through either hearing. … U.S. marshals took him back to jail, where he will await his indictment in the death of 28-year-old Kelly Jo Elliott." The Post-Gazette adds, "Prosecutors say the victim and Mr. Talik, 38, were having an affair that soured after she learned he was married. … The government alleges that Mr. Talik and an accomplice killed Ms. Elliott to stop her from telling his wife. … Grand jurors will consider a murder-for-hire charge against Mr. Talik when they hear the case against him, Assistant U.S. Attorney Robert McWilliams said in a motion opposing bail." The Post-Gazette notes, "After the indictment, Mr. Talik could face the death penalty, Mr. McWilliams said. … U.S. Attorney General Alberto Gonzales has the final decision on whether the government will pursue a capital case or try to imprison Mr. Talik for the rest of his life."

FBI Recovers Stolen Goya. In a widely-distributed story, the AP (11/21, Parry) reports, "The FBI said Monday that it has recovered a 1778 painting by the Spanish artist Francisco de Goya that was stolen as it was being taken to an exhibition earlier this month. … Steven Siegel, a spokesman for the FBI, said the bureau recovered the painting Saturday in New Jersey, but would not be more specific about where or how it was located. No arrests were made, but the case remains under investigation, he said. The FBI said extensive news coverage of the theft led to tips that enabled the agency to recover the painting." The AP adds, "Siegel said the thieves apparently did not know what was inside the truck when they broke into it. 'It was a target of opportunity. They probably thought it was a truck full of PlayStations,' he said." The Philadelphia Inquirer (11/21, Boyer, 385K) notes, "The FBI turned to the public for help after the insurer of the painting offered a reward of up to $50,000 for information leading to its recovery. The FBI said the media attention led to tips and recovery of the painting, which appeared to be in good condition and not damaged."

The New York Times (11/21, Kennedy, 1.16M) reports, "Officials said the painting was recovered unharmed Saturday in central New Jersey after a lawyer called the F.B.I. and told investigators where they could find it while saying that he could not tell them anything else about the theft. … Contrary to earlier law enforcement theories that the theft was carried out by insiders, they did say it appeared that the thieves probably had no idea what kind of art-historical loot they had stumbled upon." Siegel noted, "There are literally predators — for lack of a better word — who when they see a tractor-trailer or a cargo vehicle parked for any length of time start snooping around." The Times adds, "One law enforcement official, speaking on the condition of anonymity, said charges in the case could be filed as early as next week in United States District Court in Newark." The New York Sun (11/21, Hope) notes, "A spokeswoman for the FBI's Philadelphia office, Jerri Williams, said no arrests had been made and no one is in custody for the theft. 'A tip came in that allowed us to recover the painting,' she said."

The New York Daily News (11/21, Moritz, 729K) also reports on the FBI recovery of the painting, as did ABC News' The Blotter (11/20, Walter, Kjellman, 4:06 p.m.) and CNN.com (11/20, Brunswick, 8:22 p.m.).

Judge Rules Accused Cuban Spy's Alleged Confession Admissible At Trial. The Miami Herald

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(11/21, Weaver, 286K) reports, "A professor who acknowledged he was a Cuban government agent to the FBI has incurred a huge blow to his upcoming trial with a federal judge's ruling that his 'confession' to agents was not obtained illegally. U.S. Magistrate Judge Barry Garber rejected…Carlos Alvarez's bid to throw out his statements on grounds that he only spoke with the FBI because of alleged promises not to prosecute if he cooperated as a 'double agent.' Garber said two FBI agents made no such promises during three days of interviews in a hotel last year, nor did they have that authority. The judge also found that the agents did not place him in custody, nor did Alvarez make his statements involuntarily." The Herald notes, "Either side has 10 days to object to the judge's ruling, issued last Wednesday."

Former Daley Patronage Chief Sentenced To Four Years In Prison. The Chicago Tribune (11/21, Mihalopoulos, Bush, 617K) reports, "Mayor Richard Daley's former patronage chief stood defiant Monday as he was sentenced to almost 4 years behind bars for his central role in a political hiring scheme at City Hall." Robert Sorich "pointedly refused to apologize for his crimes before the judge slapped him with a 3-year, 10-month sentence. … 'I tried to do my best, and I tried to be fair,' Sorich said of his 12 years as a top aide in Daley's Office of Intergovernmental Affairs. U.S. District Judge David Coar rejected that, saying Sorich sat near the top of a hiring system that amounted to 'corruption with a capital "c."'" The Tribune notes, "Monday's sentencing almost certainly is not the final chapter of an investigation that has reached into the mayor's office. … On Monday, prosecutors again suggested that they have developed evidence against higher-ranking former city officials in Daley's administration." In a widely-distributed story, the AP (11/21, Robinson) adds Coar "said that 'for people to owe their jobs to political advancement rather than performance on the job stinks.' 'I don't give a hoot whether this has been going on for 200 years - it still stinks,' Coar said."

The Chicago Sun-Times (11/21, Korecki, O'Donnell) also notes Coar's harsh criticism of Sorich and reports, "Sorich lawyer Tom Durkin argued for no prison time, saying his client didn't take bribes or otherwise gain anything personally. Durkin criticized a legal system in which another corrupt former city official, former water czar Donald Tomczak, got a prison sentence just one month longer than what Sorich got, though Tomczak admitted taking $400,000 in bribes. Durkin criticized the U.S. Attorney's Office for its role in a system he said punishes those who fight charges and take their case to trial and rewards those who cooperate, even if they're more corrupt. … But prosecutors said they wouldn't apologize for a system that allows wrongdoers to make amends and help fix a criminal system."

NYC Bus Driver's Union President Charged With Racketeering, Extortion. The New York Times (11/21, Rashbaum, 1.16M) reports, "Federal prosecutors announced racketeering, extortion and bribery charges yesterday against the president of the 15,000-member city school bus drivers' union, who is already facing trial on charges that he tried to hide Mafia involvement in the union." The indictment against Salvatore Battaglia also "says he is a member of the Genovese crime family. The new charges came just weeks after the union's longtime secretary-treasurer, Julius Bernstein, pleaded guilty to federal racketeering charges and began cooperating with prosecutors and the F.B.I., law enforcement officials said. The new charges said that over at least two years, Mr. Battaglia and others agreed with the owners of a number of school bus companies not to organize their workers, in exchange for tens of thousands of dollars in payoffs from the owners."

Under the headline "FBI Busts Union's Boss On School Bus Shakedown Rap," the New York Daily News (11/21, Smith, 729K) reports, "Battaglia was arrested at dawn by the FBI at his Staten Island home, officials said. … The arrest comes two months after Matthew (Matty the Horse) Ianiello, a Genovese captain, pleaded guilty to charges of shaking down Local 1181. During his plea, Ianiello contended he'd arranged payments to the union from several city school bus companies.

Jeffs Evidence Hearing Begins Today. The Salt Lake Tribune (11/21, Adams) reports, "Word by word, every lesson, sermon and pronouncement polygamous sect leader Warren S. Jeffs ever made is likely to be dissected and offered as evidence -- both against him and in his favor -- as his prosecution begins today." Jeffs "is to appear for a preliminary hearing in 5th District Court as the state of Utah makes its case that he should stand trial on two first-degree felony counts of being an accomplice to rape." The Tribune notes, "Of particular interest will be the FLDS version of premarital advice Jeffs gave in home economics classes for junior-high age girls and in priesthood history classes for boys. The teachings draw on the Bible and standard works of the mainstream Church of Jesus Christ of Latter-day Saints, which publicly disavowed plural marriage in 1890."

The Deseret Morning News (11/21, Winslow) reports, "A judge is expected to decide today whether there is enough evidence to make…Jeffs stand trial on charges he forced a 14-year-old girl into a marriage with a 19-year-old man who is also her first cousin. The young woman is expected to be the prosecution's star witness when she testifies against the Fundamentalist LDS Church leader today." The Morning

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News notes, "Washington County Attorney Brock Belnap said he intends to prove that Jeffs 'enticed (the victim) into submitting to sexual intercourse' with the man she had just married." However, "Defense attorney Walter Bugden Jr. says the state is confusing the culpability of the alleged rapist and Jeffs."

Meanwhile, under the headline "Polygamists Fight To Be Seen As Part Of Mainstream Society," the Washington Post (11/21, A1, Pomfret, 690K) notes the Jeffs hearing and reports that "among the estimated 40,000 men, women and children in polygamous communities are part of a new movement to decriminalize bigamy. Consciously taking tactics from the gay-rights movement, polygamists have reframed their struggle, choosing in interviews to de-emphasize their religious beliefs and focus on their desire to live 'in freedom,' according to Anne Wilde, director of community relations for Principle Voices, a pro-polygamy group based in Salt Lake." The Post adds that their "efforts… are paying off. Utah's attorney general, Mark L. Shurtleff, no longer prosecutes bigamy between consenting adults, though it is a felony."

FLDS Insiders Say Nevada Hotel Room Often Served As Wedding Chapel. The AP (11/21, Dobner) reports, "Room 15 at the Caliente Hot Springs Motel seems like an unlikely place for a wedding. … But it was in Room 15 that dozens of weddings took place between underage girls and men" from Jeffs' FLDS, "church insiders say. … Carolyn Jessop, a former sect member who used to run the motel, said that once or twice a month, beginning in the spring of 1999, she would get a telephone call telling her to plan for a weekend of weddings. Some insiders say as many as 10 such weddings were held in a single day." The AP notes that "sect leaders believed Caliente was a safe place — 'a way to go under the radar screen' — because Utah and Arizona were passing legislation to address underage marriage and threatening prosecution, Jessop said."

USA Today Finds Inaction On Many DNA Matches. USA Today (11/21, Willing) reports, "In a March 2003 speech arguing for $1 billion in new spending on DNA-based crime fighting, then-attorney general John Ashcroft singled out the FBI's DNA database for its many successes. … In Virginia, for example, he said authorities 'have been able to solve 90 homicides and 196 non-homicide sexual assaults' by matching the DNA left at crime scenes to the DNA of prior offenders." USA continues, "What Ashcroft didn't explain was that a DNA match — a crime 'solved' by the FBI's database — does not mean that an arrest was made, that a criminal was prosecuted or even that detectives considered a case closed. Just how many DNA matches lead to an arrest isn't known; no government agency keeps track. … But a USA TODAY investigation found almost three dozen cases during the past five years — including a rape in Virginia — in which investigators failed to pursue potential suspects whose DNA matched evidence found at crime scenes." USA adds, "DNA matches that could have closed cases weren't pursued because of basic police foul-ups, such as overlooking a telephone message reporting the match. Backlogs of unsolved "cold cases" that threaten to overwhelm some big-city police departments caused matches to be ignored, the newspaper found. In some jurisdictions — Richmond, Va., Cincinnati, and DeKalb County, Ga. — police offered no explanations for why matches were not pursued. … The suspects in two such cases, one a rape and the other the attempted sexual assault of a child, were later charged with committing subsequent sex crimes that might have been prevented had the first DNA match been pursued." USA notes, "USA TODAY reviewed hundreds of pages of court documents and local media reports and interviewed police, prosecutors, defense attorneys and lab officials to look for cases in which matches were made but police departments were slow to react."

New Orleans Defendants Freed Because Of Evidence Problems After Katrina. The New York Times (11/21, Drew, 1.16M) reports that as New Orleans' "criminal justice system slowly gears back up after Hurricane Katrina, as many as 500 defendants, mostly in drug, theft and assault cases, have been freed because of problems with evidence, including difficulty in finding the witnesses who have moved away. Law-enforcement officials say a few of those who were freed could potentially be violent, a cause for concern in a city battling a surge in drug-related killings." After the storm, "the evidence rooms at the Orleans Parish Criminal District Court sat in chest-high water for two and a half weeks. Only recently have court officials begun to realize the extent of the evidence problems within the old Beaux-Arts courthouse, which was closed for nine months and is still not quite back to full operations."

WPost Praises Outgoing Police Chief Ramsey. The Washington Post (11/21, A26) reports, "News that Mayor-elect Adrian M. Fenty has decided to turn to someone else to head the D.C. police department comes as no surprise. For some time, Mr. Fenty and D.C. Police Chief Charles H. Ramsey have not seen eye to eye on the department's performance, a fact that Mr. Fenty never kept secret. Under the circumstances, and given the incoming mayor's determination to be hands-on with the police force and other city agencies, it probably is best that he have a person of his choice leading the department when the Fenty administration gets started on Jan. 2. … The departure of Chief Ramsey is, however, a development that many District residents and this page receive with regret. The D.C. police force that the chief bequeaths to his successor is in far better

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shape than the one Mr. Ramsey inherited upon his arrival in Washington eight years ago. The credit goes to him. As the longest-serving police chief since the start of home rule three decades ago, Chief Ramsey, the record will show, made the best use of his time. In every major category of offense -- homicides, rapes, robberies, aggravated assaults, burglaries, larcenies and vehicle thefts -- rates are down. He took a department that was loosely run and staffed with poorly trained, quick-triggered officers and converted it into a better managed and more disciplined force. From scout cars to technology, police officers now do their jobs with 21st-century resources. … Mr. Fenty, in deciding to appoint police Cmdr. Cathy L. Lanier as the next chief, has drawn from within the ranks of the department. It is reassuring that Chief Ramsey spoke well of Ms. Lanier's appointment and that she also has the background and qualifications that Mr. Fenty seeks in a chief. They apparently agree on community policing, and she appears to be in sync with his leadership style. It will soon fall to the new leadership in the John A. Wilson Building and in police headquarters to maintain and expand on the advances achieved by Chief Ramsey. As for the departing chief, any police jurisdiction in the country would be fortunate to have him."

CIVIL LAW:

Attorneys Argue Validity Of 1998 Law Aimed At Curbing Online Pornography. The AP (11/21, Dale) reports, :Justice Department attorneys, defending a law aimed at keeping online pornography from minors, argued that software filters often block valid sites — on gay rights or sexual health, for example — that teens might seek out. … 'Filters are hindering minors from learning about the world around them. That's a huge problem,' government lawyer Joel McElvain said Monday. 'There may be reasons the teenagers have problems speaking to their parents about these (issues).'" The AP continues, "Under the 1998 Child Online Protection Act, commercial Web publishers who fail to keep material 'harmful to minors' away from children could face fines and even prison time. The law has never taken effect, because of a long-running legal challenge filed by Salon.com, the Philadelphia Gay News and other groups represented by the American Civil Liberties Union. … Closing arguments concluded Monday before Senior U.S. District Judge Lowell Reed Jr., ending four weeks of testimony." The AP adds, "Justice attorneys evoked problems with the software filters even as they had defended their use in a 2000 law requiring schools and libraries to block porn if they receive certain federal funds. The high court upheld that law in 2003. … Opponents say the 1998 law is overly vague and would have a chilling effect on their work. They also say it would not apply to foreign Web operators or streaming video and audio. The ACLU argues that filters are more effective than legislation, because they let parents set limits based on their own values and their children's ages. … 'If you're a parent who doesn't want sexually explicit material slipping through, then set it (the filter) strictly,' ACLU lawyer Chris Hansen told the judge Monday. … The U.S. Supreme Court, indicating the government was unlikely to prevail, granted the ACLU a temporary injunction in 2004."

The Philadelphia Inquirer (11/21, Gambardello) reports, "A never enforced federal law aimed at protecting children from Internet porn is vague, threatens free speech, and will not achieve its intended goal, opponents of the measure argued today. … But the federal government countered that the Children's Online Protection Act, known as COPA, is needed because Internet filters are not foolproof and parents cannot be expected to supervise their children's Web surfing at all times." The Inquirer continues, "U.S. District Judge Lowell A. Reed Jr. heard those opposing positions as both sides made closing arguments at the end of a four-week trial in Philadelphia that had been ordered by the U.S. Supreme Court to determine whether technology developed since Congress passed COPA in 1998, such as commercially available filtering, offered effective ways to protect children. … The law would authorize jail time and heavy fines for online porn merchants who do not require adult-access codes, personal identification, or credit cards to access their Web sites." The Inquirer adds, "Plaintiffs, including the American Civil Liberties Union and a group of Internet artists, merchants and magazines, maintain that having parents use Internet filters and personal control and educate children on Internet usage is the least restrictive way to protect youngsters from porn and ensure the free flow of speech online. … The government pointed to credit cards and emerging online identification services as ways to ensure that only adults - those 17 or older - are accessing Internet porn."

Smokers Sue Phillip Morris For Lung Scans. The National Law Journal (11/21, Geier) reports, "A group of long-term Marlboro smokers has filed an action in federal court in New York to force Marlboro maker Philip Morris USA Inc. to give them regular low-dose CT scans to catch possible early signs of lung cancer." The Journal continues, "The action is unusual because it seeks only medical screenings for people whose smoking habit has put them at increased risk of lung cancer, said plaintiffs attorney Jerome H. Block of Levy Phillips & Konigsberg in New York. … 'The sole relief we are seeking is that Philip Morris pay for a program of CT scans,' Block said. The scans should be annual, or 'more frequent if something looks suspicious.' He noted that a recent article in the New England Journal of Medicine suggests that such a program would increase dramatically one's chances of surviving lung cancer." The Journal adds, "Block represents Marcia L. Caronia and four other named

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plaintiffs on behalf of a class of New York residents 50 years of age or older who have smoked Marlboro-brand cigarettes for at least 20 'pack years' -- an average of a pack a day for 20 years. Caronia v. Philip Morris USA Inc., No. 06-224 (E.D.N.Y.). … Generally speaking, early diagnoses of lung cancer now occur by happenstance, when doctors administering CT scans to patients with pneumonia or a broken rib, for instance, discover lesions and nodules that could be lung cancer, he said."

Judge Strikes Down Bank Of America Ruling. The California Recorder (11/21, Scheck) reports, "Earlier this year, talk about the big class action against Bank of America was all about money -- the billion dollars or so in statutory damages, the $284 million in compensatory damages, and of course the correspondingly large contingency fee due the plaintiffs lawyers. … That all changed Monday when California's 1st District Court of Appeal struck down a trial court's ruling that the bank may not withdraw Social Security funds from customer accounts to pay for overdrafts and overdraft penalties." The Recorder continues, "In a trial presided over by San Francisco Superior Court Judge Anne Bouliane, plaintiffs lawyers James Sturdevant and Thomas Brandi had successfully argued that Bank of America's practice of debiting government benefit fees was illegal. … Central to their arguments -- and to Bouliane's jury instructions -- was a 1974 case that said a bank couldn't take public benefit money out of an account to cover a credit card debt. They said the case, Kruger v. Wells Fargo Bank, 11 Cal 3d 352, presented an analogous situation to that of lead plaintiff Paul Miller." The Recorder adds, "In 1998, after Miller had spent money that Bank of America mistakenly credited to his account, the bank withdrew money from Social Security benefits to cover the overdraft. … While the bank eventually returned the money, it repeated the pattern on two other occasions. Miller eventually sued, arguing that government-directed deposits shouldn't be subject to such seizures. … In a unanimous, 14-page opinion Monday, Justice Peter Siggins disagreed with verve."

Court Rules Internet Users, Providers Not Liable For Posted Defamatory Material. The Los Angeles Times (11/21, Dolan) reports, "Internet users and providers cannot be held liable for posting defamatory material written by someone else, the California Supreme Court ruled unanimously Monday. … 'The prospect of blanket immunity for those who intentionally redistribute defamatory statements on the Internet has disturbing implications,' Justice Carol Corrigan wrote for the court. Immunity 'serves to protect online freedom of expression and to encourage self-regulation.'" The Times continues, "Monday's decision was consistent with holdings by many federal appeals courts and one other state supreme court. … 'The courts are now uniform,' said Ann Brick, who represented the American Civil Liberties Union of Northern California in the case. … But attorneys on both sides of the case said the California Supreme Court went further than other courts by giving immunity to all Internet users except the original author. … 'What you couldn't put in your print newspaper, you can put in your Internet newspaper,' said Christopher E. Grell, who represented two doctors who said they were defamed. 'The notion of fact checking and verifying things doesn't apply to the Internet./" The Times notes, "Mark Goldowitz, the lawyer for the defendant, cited a line in the ruling that the decision brought 'the law of libel from the Gutenberg era to the cyberspace era.' … Unlike hard-copy publications, the Internet allows users to 'immediately respond and correct any harm,' Goldowitz said. 'Not everyone has a printing press, but everyone can start a blog or post on a news group.'"

The Wall Street Journal (11/21, B5, Delaney) reports, "Legal experts say the decision1 is in line with prior court rulings on immunity for transmitting content online originating from someone else, who themselves may still be held liable for defamation or other claims." The Journal adds, "The California court ruling came in the case of Stephen J. Barrett et al. v. Ilena Rosenthal. The case concerned an article Ms. Rosenthal received via email and posted on two Web newsgroups that the plaintiffs argued was defamatory. … 'This opinion reinforces the broad reach of federal statutory immunization for content published by third-parties online,' said Eric Goldman, Assistant Professor at Santa Clara University School of Law and Director of the school's High Technology Law Institute. 'This case is significant because it shuts down all of the workarounds people have been trying to find.'"

CIVIL RIGHTS:

Democrats Will Target Election "Robo Calls." USA Today (11/21) reports, "Senate Democratic leaders say they'll push legislation next year to make it a federal crime, punishable by fines and jail time, to use automated 'robo calls' and other tactics to mislead and discourage voters. … 'We're going to find some way to stop this,' says Sen. Harry Reid, D-Nev., the incoming majority leader." USA continues, "Civil rights and watchdog groups say some voters complained this year of being barraged by automated recorded campaign calls. Though many were only annoying, some gave misleading information, directing voters to the wrong polling site or raising questions about whether a voter was registered. … 'We definitely think it's a good idea for Congress to investigate and hold hearings on these issues and to consider carefully targeted legislation focused on outright deception,' said Elliot Mincberg of the liberal People for the American Way, which helped operate a national

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hotline for voter complaints." USA adds, "Tova Wang of the Century Foundation says misinformation in flyers and calls, practices employed by Democrats and Republicans, aim to suppress voter turnout. … New York Sen. Charles Schumer, who is helping to draft Democratic legislation, plans to call for a separate division within the Justice Department to deal with such problems. Penalties could include up to 10 years in jail. … In a letter to Justice officials Thursday, Schumer said he was disappointed with the department's response to voter complaints. … Justice officials defended their record in a letter responding to Schumer, noting that investigations recently have been launched into alleged voter deception and intimidation in Arizona, Maryland, Virginia and elsewhere."

Georgia Prosecutors Launch Review Of Excessive Force Cases. In a widely-distributed story, the AP (11/21, Weber) reports suburban Atlanta prosecutors "will extensively review at the police chief's request 14 shootings by police, including eight that were fatal, this year following concern about the high number of killings compared to the nation's two largest cities. Prosecutors also have received a request to investigate the death of another person who died in police custody but was not shot, and they expect to be asked later to look into four other fatal shootings by police in September and since then, Adora Andy, a spokeswoman for the DeKalb County District Attorney's Office, said Monday. The review request comes as police released details of an internal probe into the shootings in which a police review board has found that an officer in one fatal shooting was unjustified in using deadly force. Officers involved in three nonfatal shootings were found to be unjustified."

UCLA Officer In Taser Video Has Been Subject Of Two Other Use-Of-Force Complaints. The Los Angeles Times (11/21, Proctor, Winton) reports, "The UCLA police officer videotaped last week using a Taser gun on a student also shot a homeless man at a campus study hall room three years ago and was earlier recommended for dismissal in connection with an alleged assault on fraternity row, authorities said." The Times continues, "UCLA police confirmed late Monday that the officer who fired the Taser gun was Terrence Duren, who has served in the university's Police Department for 18 years. … Duren, who was named officer of the year in 2001, also has been involved in several controversial incidents on campus." The Times adds, "In an interview with The Times on Monday night, Duren, 43, defended his record as a campus police officer and urged people to withhold judgment until the review of his Taser use is completed. … 'I patrol this area the same way I would want someone to patrol the neighborhoods where I live,' he said. 'People make allegations against cops all the time. Saying one thing and proving it are two different things.' … While he would not directly talk about why he used the Taser on the student, he said a videotape of any arrest doesn't necessarily tell the whole story. … 'If someone is resisting, sometimes it's not going to look pretty taking someone into custody,' he said. 'If you have to use some force, it's not going to look pretty. That's the nature of this job.' … A student's cellphone video of the incident has been broadcast around the world and focused much criticism on the officer."

Judge Strikes Las Vegas Ban On Feeding Homeless In Parks. The AP (11/21, Ritter) reports, "A federal judge ruled Monday that the city cannot make it illegal to feed poor people in city parks." The AP continues, "U.S. District Court Judge Robert Jones issued an injunction prohibiting enforcement of a City Council ordinance passed in July that prohibits "providing food or meals to the indigent for free or for a nominal fee" in a city park and defines indigent as a person whom a reasonable ordinary person would believe to be entitled to public assistance." The AP adds, "Las Vegas Mayor Oscar Goodman said handouts discourage homeless people from seeking help from social service providers set up to handle mental health and substance abuse problems. Neighbors had complained of large numbers of homeless people congregating at downtown parks, drawn by groups providing meals. … Jones told lawyers for the city and the American Civil Liberties Union of Nevada that he intends to issue an order killing the measure. No date was set for final action."

WPost Says Both Parties Should Embrace Ryan Abortion Bill. Columnist E.J. Dionne, Jr. from The Washington Post (11/21, A27, 690K) writes that "the politics of abortion began to change," when in September, "a group of 23 pro-choice and pro-life Democratic House members introduced what they called the Reducing the Need for Abortion and Supporting Parents Act." The Ryan bill, one of several congressional initiatives to reduce the abortion rate," both "favors programs that encourage effective contraception," and "emphasizes helping women who want to carry their children to term." It includes "a remarkably broad set of programs aimed at reducing teen pregnancy, promoting contraception and encouraging parental responsibility. But it also includes strong measures to offer new mothers full access to health coverage, child care and nutrition assistance," and both parties should "embrace this approach."

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ANTITRUST:

Suspected Municipal Bond Abuses Raise Tax Questions. The Wall Street Journal (11/21, D5, Connor) reports, "The latest outcropping of suspected U.S. municipal-bond-related abuses, including bid-rigging on guaranteed investment contracts used in some muni transactions, has cast a cloud of potential taxability on billions of dollars of bonds sold to investors as tax-exempt securities." The Journal continues, "One federal official familiar with the situation said the amount of bonds in question remains to be determined but that a conservative estimate could be between $10 billion to $15 billion. He added that the final tally likely will be far larger than that." The Journal adds, "Wide-ranging criminal and civil probes of suspected muni-related illegality are now under way, with the U.S. Justice Department's Antitrust Division and the Securities and Exchange Commission investigating suspected violations unearthed initially by the Internal Revenue Service. A number of firms, including leading providers of guaranteed investment contracts, or GICs, have received federal subpoenas recently. .. .The IRS's probe of bid-rigging on GICs -- which are insurance contracts that pay a fixed interest rate over a set period of time, and are often used in retirement plans and in connection with certain muni deals -- has been under way for some time. In early 2005, Mark Scott, then head of the IRS's muni enforcement program, said that "we have a lot of evidence pointing to bid-rigging for GICs in municipal-bond transactions.""

Private Equity Firms Fuel Takeover Boom. The Los Angeles Times (11/21, Petruno, Friedman) reports, "Elite private investors are buying up major companies at a record pace, in a wave of deals that is raining riches on Wall Street but also may be raising the risk of a financial bust." The Times continues, "Investors led by Blackstone Group announced late Sunday the biggest takeover ever by a so-called private equity fund, a $36-billion deal to buy Equity Office Properties Trust, the largest U.S. owner of office buildings. … The proposed purchase follows announcements in recent months of buyouts that would put firms including radio giant Clear Channel Communications Inc., casino titan Harrah's Entertainment Inc. and food-service company Aramark Corp. in private hands, taking their shares off the stock market." The Times adds, "Takeovers are nothing new in American business, but historically the largest deals have involved companies whose shares are publicly traded buying other companies. … This year, the buyers behind the biggest deals are private equity funds — run by generally secretive investment firms that raise money from pension funds, wealthy individuals and other investors who are hungry for double-digit returns on their capital."

Debt Is Common Element In Recent Spate Of Mega-mergers. The Wall Street Journal (11/21, C1, Ng, Zuckerman, Hudson) reports, "Wall Street's cash spigots are turned wide open. … That means the recent deluge of merger and buyout deals could keep rising even though signs are emerging that some target companies are being loaded with increasingly risky levels of debt in the process." The Journal continues, "More than $60 billion in deals were consummated in the past 48 hours of frantic merger and buyout activity, not including the debt assumed from target companies in these transactions, according to Dealogic, a research firm. The deals included a $20 billion private-equity bid for real-estate giant Equity Office Properties Trust and stretched from Europe to Canada to the U.S. More than 35 deals were announced globally, leaving bankers looking broadly to other sectors -- including health care, technology, gambling and home building -- for the next megatransactions." The Journal adds, "One important factor behind the year's takeover boom is a well-oiled financial machine: buyout firms searching out prey and raising cash with bonds and loans that are then sold off to investors around the world. Leveraged buyouts account for some 17% of the $3.4 trillion in transactions announced globally so far this year. … The overall pace of deal making already surpasses the $3.3 trillion record set in 2000. Almost $1.3 trillion of mergers have been announced in the U.S. alone, though that is still off from the 2000 pace, which was driven by the tech boom and included many transactions in which companies were acquired in stock swaps." The Journal notes, "The common denominator now is debt. In the U.S., corporations have sold $109 billion in 'high yield,' or junk, bonds and raised an additional $593 billion in junk-rated bank loans so far this year, according to Dealogic. Last year they raised $707 billion in bonds and loans in the U.S."

Freeport To Acquire Phelps Dodge In Copper Merger. The New York Times (11/20, Sorkin, Austen) reports, "Phelps Dodge, the world's second-largest copper producer, will be acquired by Freeport-McMoRan Copper and Gold, a smaller rival that has been embroiled in environmental and human rights controversies, in a cash and stock deal worth $25.9 billion, the companies said yesterday." The Times continues, "The transaction, if approved by shareholders, would create the world's largest copper producer and the largest mining company based in North America. It is the latest move in a series of mining and metals mergers. Like companies involved in other mining mergers, Freeport-McMoRan promoted the idea that increased size has become an important competitive factor." The Times adds, "The chairman and chief executive of Phelps Dodge, J.

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Steven Whisler, said yesterday that the two companies have talked about a possible merger for about a decade. The premium of about 33 percent being offered by Freeport-McMoRan, Mr. Whisler said, was a decisive factor in Phelps Dodge's decision to end its 172-year history as an independent company. … The boards of both companies have approved the transaction. Under its terms, stockholders in Phelps Dodge will receive $88 a share in cash plus 0.67 of a Freeport-McMoRan share. Based on Friday's closing, the deal is offering Phelps Dodge shareholders a 33 percent premium."

Mattel Lays Claim To MGA Entertainment's Bratz Line. The Wall Street Journal (11/21, B1, Binkley) reports, "Barbie has a new tactic in her battle against the rival Bratz doll clan: If you can't beat 'em, own 'em." The Journal continues, "Mattel Inc., maker of Barbie, is attempting to lay legal claim to the Bratz fashion-doll empire created by its rival MGA Entertainment Inc. The El Segundo, Calif., toy maker yesterday filed documents with U.S. District Court in California arguing that the Bratz dolls rightfully belong to Mattel, whose Barbie franchise has been dented by competition from the saucy, big-headed dolls that appeared on the market in 2001." The Journal adds, "The argument is based in part on Mattel's claim that the designer of Bratz was employed by Mattel when he did initial drawings for the dolls several years ago. Recently, Mattel's lawyers quietly applied for copyright protection on a number of early Bratz drawings, according to the documents. … Moreover, the documents claim that closely held MGA Entertainment hired away a number of key Mattel employees in Mexico, the U.S. and Canada. Mattel says those employees 'stole' confidential sales information, documents, plans, and other Mattel secrets -- copying the information onto hard drives or using other means to transfer the intelligence to MGA over the past six years or so. … Among other sources of information, including depositions of witnesses, the documents cite emails that appear to have been recovered from the personal computers of several former employees."

Probe Finds Cephalon Used Questionable Tactics To Sell Actiq. The Wall Street Journal (11/21, B1, Carreyrou) reports, "From setting unrealistically high sales quotas to pushing larger prescriptions at higher doses, drug maker Cephalon Inc. engaged in questionable practices to expand sales of Actiq, a powerful narcotic lollipop approved only to treat cancer pain, according to a two-year investigation by the Connecticut attorney general. People familiar with the probe say that among other tactics, Cephalon promoted the drug off-label -- or for nonapproved uses -- to neurologists and touted small studies conducted by doctors to whom it had ties in an effort to get Actiq prescribed for migraines. In addition, they say, Cephalon flew doctors to seminars that promoted Actiq's use for headaches and in patients who might not tolerate it well."

LSE Rejects Nasdaq's Offer. The Financial Times (11/21, Cohen) reports, "London Stock Exchange on Monday batted away a £2.7bn ($5.1bn, €4bn) 'final' offer to be acquired by US-based Nasdaq, saying the bid so undervalued the company its board was not even willing to meet for further discussions." The Times continues, "Posturing by both parties is likely to be played out in coming weeks." Under the UK takeover code, "Nasdaq cannot raise its offer unless either its board recommends a bid or a competing bidder emerges. If it fails to acquire the company, it cannot bid for another 12 months." Nasdaq's latest offer is the second it has made for LSE "and the fifth approach LSE has received in the past two years."

Offer Price An Issue. The Wall Street Journal (11/21, Lucchetti, MacDonald) reports that early on Monday, "Nasdaq took another run at the London Stock Exchange, proposing to buy the approximately 71% of the company it doesn't own for £12.43 a share, or $23.55, valuing the LSE at £2.7 billion, or $5.1 billion." Nasdaq "will likely have to increase its offer price if it wants a chance of taking over" LSE. The Journal adds, "Nasdaq has a 60-day period under British takeover rules in which to convince LSE shareholders and its board to negotiate. Nasdaq billed its latest approach as its 'final offer.'" A "combined company would be home to Britain's giants such as Vodafone Group PLC and BP PLC, and Nasdaq's technology-oriented giants such as Cisco Systems Inc. and Intel Corp. but also thousands of smaller companies that have chosen Nasdaq in the U.S. and LSE's AIM exchange to list." The Washington Post (11/21) also publishes this story this morning.

Nasdaq Planning To Make Another Run. The New York Times (11/21, Timmons, Kanter) reports, "Nasdaq officials said that while they still hoped to reach a friendly deal" with the LSE, "they planned to go ahead with their offer." Nasdaq's chief executive, Robert Greifeld, said during a call with investors that he would like to reach a deal to take over LSE with the approval of the London exchange's board. Nasdaq "expects to post an official offer this week, at which time London Stock Exchange holders have 28 days to tender their shares. That period can be extended to 60 days. In addition, 30 days after posting a formal offer, Nasdaq can buy more shares of the London exchange on the market." The Times adds, "On Monday, the British government said it was open to foreign ownership in London but stressed that any takeover must not threaten the current regulatory framework."

More Commentary. In an editorial, the Financial Times (11/21) discusses recent attempts by various entities to take over the LSE, the latest one being the US exchange Nasdaq. The Times says Nasdaq "should not be turned

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down because it is American. The LSE is a profitable, private business and there is no public interest in protecting it from foreign ownership. It is important to ask, however, if the US authorities would allow a deal if the LSE were trying to buy Nasdaq." The Times adds that for users, the "real prizes would be mergers among Europe's national exchanges and the merger of Deutsche Börse's clearing and settlement arm with LCH.Clearnet, which performs that function for the LSE and Euronext. A Nasdaq deal with the LSE brings such outcomes no closer. Shareholders in the LSE are likely to accept an offer at the right price," but "stock exchange users will still sigh about the handsome Europeans the LSE turned away" before Nasdaq came along.

ENVIRONMENT/INDIAN AFFAIRS:

National Park Service Proposes Snowmobile Plan For Yellowstone. The AP (11/21, Jalonick) reports, "The National Park Service wants to maintain snowmobile regulations allowing 720 snowmobiles per day to enter Yellowstone National Park." The plan "would limit snowcoaches in Yellowstone to 78 per day and require those vehicles to meet sound and emissions requirements." The drafted plan would also "allow 140 snowmobiles a day to enter Grand Teton National Park and the John D. Rockefeller Jr. Parkway, which connects the two parks." The plan "was issued to other government agencies," and park officials "stressed that the report is only a draft and that the plan is the agency's preferred alternative out of several proposals." A final plan "is expected to be issued in time for the 2007-2008 winter season."

The New York Times (11/21, Robbins, 1.16M) reports, "Officials are seeking comments from the states and counties that border the park and will release another draft document for public comment early next year," and "the new plan will go into effect for the winter of 2009." Snowmobile in Yellowstone has been "hugely controversial and political." The Clinton administration proposed "banning snowmobiles; the Bush administration proposed a limit of 1,000 a day."

Marine Protection Sought For Northwest Atlantic. The AP (11/21) reports, "Parts of the northwest Atlantic Ocean stretching from Cape Cod in Massachusetts to the northeastern tip of Nova Scotia in Canada should be declared off-limits to fishing and other human activities in order to protect threatened marine species, two environmental groups said Monday." The AP continues, "The Boston-based Conservation Law Foundation and the World Wildlife Fund-Canada recommended creating 30 marine reserves extending 10 miles to 200 miles from shore. … The proposed zones include productive fishing areas, however, and creating the reserves in U.S. waters would require federal authorization." The AP adds, "A fishing industry official worried that closing large areas permanently could make it harder for fishermen to earn a living. … 'They have to be very careful not to close an area that is producing a lot of net benefit to the nation,' Vito Giacalone of the Northeast Seafood Coalition told The Boston Globe newspaper. … The groups said they used computer technology to identify offshore areas where a large number of species could be protected while imposing the fewest restrictions."

Conrad Defends Agricultural Disaster Assistance Funding. In a Wall Street Journal letter to the editor (11/21), Sen. Kent Conrad responds to a November 15 Journal editorial that criticized the North Dakota Senator for seeking funding for agriculture assistance. Conrad said the Journal "editorial 'Fargonomics' misrepresents the facts on agriculture disaster assistance. My bipartisan legislation would bring badly needed federal aid to the thousands of farm and ranch families whose livelihoods were destroyed by natural disasters including drought, flood, frost and disease." To "represent the deepening drought of the Great Plains as anything but a national disaster is an affront to every farm family in the Midwest. This is the third worst drought in U.S. history, searing millions of acres of crops and livestock forage, and driving producers and the small town businesses that rely on them to the brink of foreclosure. If we do not respond, the drought will be followed by economic disaster across the plains."

Navajo Tribe's Efforts At Desert Radiation Cleanup Thwarted By Delays, Disputes. The Los Angeles Times (11/21, Pasternak) reports from Church Rock Mine, NM, "Most of the mining companies that drilled, dug and blasted for uranium on the Navajo reservation during the Cold War did nothing to repair the environmental damage they left behind. For a time, tribal leaders staked their hopes for a cleanup on Superfund, the landmark legislation that forces polluters to pay for remediation of toxic sites." The Times continues, "More than 1,000 abandoned mines are scattered across the Navajo homeland, which covers 27,000 square miles in Arizona, Utah and New Mexico. … Such a comprehensive cleanup is 'exactly what Superfund was designed for,' said Paul Connor, a lawyer who once directed Superfund enforcement policy for the Environmental Protection Agency." The Times adds, "It hasn't happened. Bureaucratic delays and misunderstandings between the tribe and the EPA have prevented the Navajos from tapping Superfund's deep pockets and broad legal authority. … Instead, the tribe reluctantly settled for a partial cleanup under a separate program. That effort left many hazards untouched. … One of them is in Church Rock Mine, a Navajo community named for an abandoned uranium site. A 30-foot-high heap

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of grit and dynamited stone from the mine looms over a cluster of 15 homes. The wind roars for hours at a time, scattering radioactive dust throughout the settlement. … For years, residents appealed to tribal leaders and the U.S. government for help. In 2003, tired of waiting, they joined forces with Navajo activists who were using a foundation grant to conduct radiation testing. … In a dry wash where generations of children had played catch and tag, they discovered elevated radiation levels. .. As word spread of the citizen effort, authorities stirred at last. Under pressure from the tribe, the EPA opened negotiations with the mine's operator, United Nuclear Corp., and its parent, General Electric Co., to clean up the mess."

FBI/DEA/ATF/USMS:

Senate Appropriations Bill Might Order FBI To Recover VCF Funds From SAIC. Government Computer News (11/20, Dizard) reported, "The Senate's draft of the appropriations bill for the Justice Department and the FBI would order the bureau to use 'all means necessary' to try to recover funds from the vendor of its failed Virtual Case File project. In an unusual action, according to several sources, the draft legislation…directs the bureau to retrieve as much as $104 million from the defaulted VCF contract. … The Senate's reference to 'the VCF contractor' especially singles out SAIC." GCN noted, "If the FBI were to try to take legal action to recover the VCF funds, it would be stepping into a legal and political minefield," and "sources close to the project said that some of the senior officials in place during the VCF fiasco — including director Robert Mueller — still hold powerful jobs in the bureau, and their reputations could suffer if a public lawsuit or civil trial unveiled the details of their roles." A "federal official involved in the VCF incident said, "The world's greatest investigative body slowed this down. The answer is culpability of the FBI officials who are still there. Mueller says he takes the responsibility. I still think there is accountability and culpability."

Philadelphia Inquirer Highlights DEA Internet Pharmacy Investigation. In a continuing report on the DEA's "first global Internet pharmacy case," the Philadelphia Inquirer (11/21) today reports Akhil Bansal, "smuggling a half-million pills a month from India, prepares for the biggest business meeting of his young life. It is July 2004." The Manhattan meeting Bansal's father, Brij Bansal, "had set up from India was too important to ignore any detail. A Costa Rican client sought an exclusive deal to buy 500,000 generic pills a month. Millions of dollars were at stake." The Inquirer continues, "Like most law enforcement agencies in Philadelphia, DEA liked to keep cases in the family. When other agencies got involved, DEA worried about losing control. Or sharing the credit - what feds called 'the stat' - or sharing cash, cars and property seized in the arrests. … This case was different. DEA had never conducted an Internet pharmacy case on such a scale. It needed help." So far, DEA "had identified suspect Web pharmacies in Australia, India, Germany, New York, Virginia and Philadelphia. The pharmacies bought generic drugs for pennies a pill, then sold them online, without requiring a prescription, for a dollar apiece."

Texas Man Caught With 1,700 Pounds Of Marijuana Pleads Guilty. In Louisville, Kentucky, the AP (11/20) reports a Texas man "pleaded guilty Monday to conspiracy to distribute marijuana after he was caught driving a semi-trailer truck loaded with about 1,700 pounds of pot hidden among broccoli, authorities said. Erasmo Castillo, 27, of Starr County, Texas, pleaded guilty to one count of conspiracy to distribute marijuana and one count of possession of marijuana with intent to distribute. … Castillo was arrested by DEA agents on June 27, 2005."

More Than 100 Charged In Kentucky Prescription-Drug Investigation. The Louisville (KY) Courier-Journal (11/20) reports more than 100 people "have been charged in connection with a joint federal and state investigation into illegal prescription-drug trafficking in Eastern Kentucky. State arrest warrants were issued Monday for 103 people in Eastern and Southeastern Kentucky, people that authorities described as street-level dealers. … The drugs in most of the cases involved prescription painkillers such as OxyContin, authorities said."

Pharmacists Arrested. The Lexington (KY) Herald Leader (11/21) reports, "Two licensed Kentucky pharmacists were among nearly 70 people arrested yesterday afternoon in a huge crackdown on prescription drug abuse in Eastern Kentucky. David Gregory Jones, who owns RX Express in Ashland, and Dan Daffron, owner of Quick Script in Monticello, face federal indictments charging them with unlawful distribution of controlled narcotics. … U.S. Attorney Amul Thapar said law enforcement officials were still searching for more than 30 others suspected of trafficking prescription drugs."

The AP (11/21) reports police "are still looking for about 50 more alleged street-level drug dealers named in indictments. They also are looking for black market distributors from Georgia, Indiana, Ohio and Tennessee."

Trainer Returns To Prison For Refusing To Testify Against Barry Bonds. The AP (11/21) reports Barry Bonds' personal trainer "returned to prison Monday afternoon for refusing to testify before a federal grand jury investigating Bonds' steroid use. Greg Anderson has twice

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been freed on technicalities. He was ordered to report after an appeals court last week upheld the entirety of his contempt-of-court citation. … The Bay Area Laboratory Co-Operative scandal has netted five convictions, including Anderson's, and one pending indictment."

"Operation Central Hub" Reveals Links To Drug Organizations In 5 States, Mexico. The Washington Times (11/21) reports DEA agents in Mississippi "assisted by local law-enforcement authorities, have arrested 27 persons, confiscated more than $15 million in cocaine and marijuana and seized cash and property worth $3 million as part of a lengthy undercover investigation. 'Operation Central Hub targeted and successfully dismantled one of the largest drug-trafficking operations ever known to operate in the state of Mississippi,' said DEA Assistant Special Agent Stephen Luzinski in the agency's Jackson, Miss., field office." Rusty Payne "said yesterday that the investigation also yielded criminal links to drug organizations in Dallas; Atlanta; Little Rock, Ark.; Detroit; and Laredo, Texas." Payne "said Operation Central Hub also produced important connections to Mexico, revealing direct criminal links and associations between select Mississippi organization heads and Mexican drug sources of supply."

The Biloxi (MS) Sun Herald (11/21) reports federal authorities "credit Gulfport-area narcotics agents with starting an investigation that has dismantled one of the largest drug-trafficking operations in Mississippi. The investigation has resulted in 27 arrests and the seizure of $15 million in drugs and $2.9 million in cash and other assets, said Stephen Luzinski, assistant special agent in charge of the DEA in Jackson. … Once the drug shipments crossed the U.S. borders, they were shuttled to various cities, primarily in 18-wheelers driven by employees of Mexican drug bosses. The drugs often were hidden in compartments or commingled with legitimate cargo loads."

ATF Finds Bomb, Components In Texas. The Nacogdoches (TX) Daily Sentinel (11/21, Taravella) reports, "The components of an explosive device and a psilocybin mushroom/marijuana-growing operation were discovered early Monday in a unit at Lakewood Village Apartments, by Nacogdoches police officers investigating an assault." The Sentinel continues, "One resident of the apartment unit was undergoing psychiatric evaluation Monday. At press time, no arrests had been made." The Sentinel adds, "Nacogdoches police and fire, along with University police officials and ATF agents cordon off a section of apartments where they say they found 'components' that could be used to craft an explosive device. … A joint investigation is being conducted by the Nacogdoches Police Department and the Bureau of Alcohol, Tobacco and Firearms, according to Sgt. Greg Sowell, NPD community relations officer. … Although Sowell did not release the nature of the components seized by the ATF, he said the ATF is describing them as 'components that could be assembled as an improvised explosive device.'"

IMMIGRATION:

Texas Legislators Propose Stripping Benefits From Children Of Illegals. CNN's Lou Dobbs Tonight (11/20) reported, "Children of illegal aliens who are awarded American citizenship because they were born in this country -- there is a rising movement to change that practice." CNN continued, "The Texas state legislature is considering a law to deny welfare and other benefits to the American citizen children of illegal aliens. … Sponsors hope it leads to a review of the 14th amendment to ensure citizenship to former slaves. Today it's widely interpreted as a guarantee of citizenship to virtually anyone born in this country." CNN adds, "Some lawmakers are trying to change the 14th amendment by granting automatic citizenship only to children with at least one parent who's a U.S. citizen or legal permanent resident. 88 lawmakers co-sponsored a Bill in the US House last year that would have made that change but it stalled in committee. The proposed Texas law is another example of local governments trying to crack down on illegal immigration because the federal government has failed to do it."

Immigration Enforcement May Be Causing Shortage Of Harvest Laborers. USA Today/Arizona Republic (11/21, Gonzalez) reports on C.R. Waters, "farm manager for a major vegetable distributor" who "is worried that when the vegetables are ready, there won't be enough laborers to get crops out of the fields to market." Waters, president of the Yuma Fresh Vegetable Association, says that "if growers can't find enough workers, some crops may go unpicked. That could increase prices at the supermarket, and create substantial financial losses for farmers." The shortages "are not limited to the Yuma region. Vegetable growers in Colorado, pear growers in northern California, and apple growers in Washington, all have lacked workers." Immigrants "have served as the backbone of the labor force in Yuma. Many farmworkers, however, have been drawn by steady jobs at housing developments and construction sites sprouting up around Yuma that pay better. The increased presence of Border Patrol agents also has scared some illegal workers already in the USA away from Arizona. In the past year, the Border Patrol also doubled the number of agents assigned to the Yuma sector to 551. Another 200 are on the way. T he buildup is having an effect, the Border Patrol reports. Arrests for the 2006 fiscal year that ended Sept. 30 declined 14%, to 118,549 from 138,438 the year before."

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TAX:

IRS Says More Audits Lead To Increased Tax Revenue. The AP (11/21, Abrams) reports, "A taxpayer who made more than $1 million had a one-in-16 chance of being audited by the IRS in the fiscal year just ended, up slightly from the year before." The AP continues, "Commissioner Mark W. Everson said in a telephone news conference Monday that the Internal Revenue Service also paid more attention to the filings of small businesses that tend to underreport incomes and to the records of tax-exempt organizations." The AP adds, "Overall, enforcement revenues for fiscal 2006 were $48.7 billion, up from $47.3 billion. Revenues in fiscal 2005 had jumped 10 percent because of collections from a crackdown on improper tax shelters. … The 'tax gap,' the difference between what taxpayers owe and what is collected, has been estimated as $345 billion annually, and congressional Democrats coming to power see closing this gap as an important way to raise revenue without raising taxes. … Everson said that audits of individuals making $1 million or more increased to 17,015 from 12,835. That was an increase only from 6.1 percent to 6.3 percent because of the growing number of millionaires. About 1 percent of all taxpayers face audits.'"

CONGRESS-ADMINISTRATION:

GOP Leadership Plans To "Punt" Spending Bills Until Next Congress. The AP (11/21, Taylor) reports, "Republicans vacating the Capitol are dumping a big spring cleaning job on Democrats moving in. GOP leaders have opted to leave behind almost a half-trillion-dollar clutter of unfinished spending bills. … The bulging workload that a Republican-led Congress was supposed to complete this year but is instead punting to 2007 promises to consume time and energy that Democrats had hoped to devote to their own agenda upon taking control of Congress in January for the first time in a dozen years. The decision to drop so much unfinished work in Democrats' laps demonstrates both division within Republicans ranks and the difficulty in resolving so many knotty questions in so short a time." According to the AP, "Driving the decision to quit and go home rather than finish the remaining budget work is a determined effort by a group of conservative Republicans to prevent putting a GOP stamp on spending bills covering 13 Cabinet Departments — and loaded with thousands of homestate projects derided as 'pork' by critics."

GOP To Challenge Application Of Pay-Go Rules. The Hill (11/21, Schor) reports, "Democratic leaders vowed even before their decisive Election Day victories to demonstrate their commitment to fiscal responsibility by restoring the pay-as-you-go statute, also known as pay-go, should they win back the majority. Pay-go under law, which expired in 2002, required any new mandatory spending or tax breaks to be offset or risk automatic across-the-board spending cuts. While budget analysts often point out that the hefty Democratic agenda for the 110th Congress would present an immediate challenge to pay-go, Republicans blast pay-go as a tax hike in budget-cutting clothing. … Though they have little hope of defeating a Democratic pay-go plan next year — the vice president cast a tiebreaking vote to stave one off in March — Republicans are poised to put up a fight for a pay-go rule that treats taxes and entitlements equally." The Hill notes, "The Congressional Budget Office treats reauthorized entitlements as pre-existing programs, relieving lawmakers of the need to find offsets under pay-go, but Democrats could tweak their new pay-go rule to apply to more entitlement spending."

Meanwhile, in an op-ed for the Wall Street Journal (11/21, 2.04M) Roger C. Altman, deputy secretary of the Treasury in the first Clinton administration, and Alan S. Blinder, former vice chairman of the Federal Reserve Board, write, "Speaker-elect Nancy Pelosi has promised to restore pay-as-you-go financing -- a bipartisan set of budget rules that were originally adopted under the first President Bush, but then brushed aside under his son. Unfortunately, when paygo went, so did any pretense of fiscal discipline. A coincidence? We think not. The new Congress should bring back paygo immediately."

Pelosi Stresses "Pocketbook" Issues, Pledges To Work With GOP. The AP (11/21, Abrams) reports House Speaker-elect Nancy Pelosi "said Monday her new Democratic majority will extend a hand to Republicans in moving the agenda of relieving the 'middle-class squeeze.'" Pelosi, "following a strategy meeting with the next House majority leader, Steny Hoyer…said she will meet with incoming House Minority Leader John Boehner and 'we'll find our common ground for the American people.'" Pelosi and Hoyer "repeated that in the first 100 legislative hours of the new Congress that convenes in January, they will try to pass bills that directly affect the pocketbooks of working-class and middle-class people, including raising the minimum wage, cutting interest rates for student loans and allowing the Medicare program to negotiate lower drug prices. Other top priorities for January are lobbying reform, implementing the recommendations of the 9/11 Commission and rolling back subsidies to the oil industry."

The Washington Times (11/21, Fagan, 88K) reports Pelosi and Hoyer "said they expected bipartisan backing for their efforts to lessen the 'squeeze' on the middle class, specifically increasing the minimum wage, lowering Medicare

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prices and cutting interest rates on student loans. But Mrs. Pelosi said Democrats can pass those measures on the strength of their new majority alone, if need be."

The Wall Street Journal (11/21, A1, Wessel, 2.04M) reports, "By almost every measure, the gap between winners and losers in the American economy has widened over the past 20 years. In this month's election, anxiety about that gap was not far behind voter anger over Iraq and congressional corruption in driving Democrats to victory. 'We will make our economy fairer' vowed House Democrats, in a campaign manifesto. Now they're in a position to try, raising a big question: What can Democrats do to resist inequality in a way that doesn't choke off economic growth? Can government slice the economic apple more evenly without shrinking it?" The Journal add, "High on Democrats' to-do list is lifting the federal minimum wage. … But its potential to shrink the gap between the wealthiest and poorest wage-earners is limited, especially when wages at the top are soaring far away from the middle and bottom. Limiting pay at the top has proven tough." Rep. Barney Frank, in line to chair the House Financial Services Committee, "vows to push legislation that would force companies to provide more and clearer details of CEO pay, devise policies to recapture incentive pay if earnings are later restated, and require shareholder approval of 'golden parachute' payments to dismissed executives.'

Economists Predict "Gridlock" In New Congress. The Wall Street Journal's web-only "Washington Wire" column (11/21) reports, "Forty-six of 48 economists in the latest WSJ.com economic forecasting survey said they believe an increase in the federal minimum wage is very or somewhat likely to be passed in Congress and signed by the President. As for the raft of other economic issues at hand — tackling the finances of entitlement programs, dealing with foreign trade, addressing the tax code — the economists expect gridlock. Entitlement programs, such as Social Security and Medicare, should be the top priority for Congress when Democrats take control next year, the economists said. But 44 of the 48 economists believe it is somewhat or very unlikely any reform will be signed into law. The story is little different on other fronts: On ensuring that trade negotiations move forward, 31 say unlikley. On revising the Medicare drug benefit, 30 say unlikely. On extending tax breaks for the wealthiest: 37 say unlikely. Rescinding the breaks? Thirty-six."

Pelosi's Handling Of Intelligence Committee Could Undermine Her Leadership. The Los Angeles Times (11/21, Neuman, Finnegan, 850K) reports that the "relationship" between Reps. Nancy Pelosi and Jane Harman "has been deteriorating since Harman returned to the House in 2001, according to those who know them, and the tension now threatens to complicate Pelosi's role as House speaker when the 110th Congress convenes in January. Pelosi indicated as early as last year that she intended to oust Harman from the Intelligence Committee — where Harman expected to become chairwoman once the Democrats won control of the House -- in favor of someone more to Pelosi's liking. The move has created dissension within the party. Some Democrats and foreign policy experts argued that Harman, a centrist on national security, is the most credible person for the job. … The coming battle over the Intelligence Committee leadership is turning into a showdown where the political has turned personal. And it could undermine the unity that the Democratic Party had hoped to show as it prepares to take the reins of power."

House Democrats Putting Together Multifaceted Ethics Reform Package. The Washington Post (11/21, A4, Weisman, 690K) reports, "Despite divisions among Democrats over how far to go in revising ethics rules, House leaders plan a major rollout of an ethics reform bill early next year to demonstrate concern about an issue that helped defeat the Republicans in the midterm elections. But they will do it with a twist: Instead of forwarding one big bill, Democrats will put together an ethics package on the House floor piece by piece, allowing incoming freshmen to take charge of high-profile issues and lengthening the time spent on the debate. The approach will ensure that each proposal -- including banning gifts, meals and travel from lobbyists as well as imposing new controls on the budget deficit -- is debated on its own and receives its own vote. That should garner far more media attention for the bill's components before a final vote on the entire package. … Under that plan, freshmen would offer, over as many as five days in January, separate amendments to ban gifts, meals and travel financed by lobbyists, said Rep. Rahm Emanuel (Ill.), incoming chairman of the House Democratic Caucus. New rules mandating the disclosure of all contacts with lobbyists would be another vote, as would a rule requiring that the sponsors of funding for home-state pet projects be identified."

Gates Meets With Levin. CNN's Lou Dobbs Tonight (11/20) reported, "Robert Gates, named to replace Donald Rumsfeld as Secretary of Defense, went back to Capitol Hill today to seek support from both parties. Gates met with democratic Senator Carl Levin, the ranking Democrat and soon to be chairman of the Senate Armed Services Committee. He met with other Senators last week. He's expected to testify to the Armed Services Committee early in December. Democrats, as of now, are not opposing his nomination."

Gates Critic Accuses Him Of Being Blinded By Ideology. In an op-ed for the Los Angeles Times (11/21, 850K) Jennifer Glaudemans, a former CIA analyst, writes, "fifteen years ago, the Senate Select Committee on Intelligence asked me to testify at the confirmation hearings for Robert M. Gates, who had been nominated to be director of Central Intelligence. … I was asked to testify because of

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my knowledge about the creation of a May 1985 special National Intelligence Estimate on Iran that had been used to justify the ill-fated deals known as Iran-Contra." According to Glaudemans, "It was well known among analysts at the time that we would have a hard time getting Gates to sign off on analyses that did not fit his ideological preconceptions. All one had to do was look at his margin comments on controversial papers to know what was going on. Fortunately for him, classification and layers of bureaucracy kept those comments from public view. Today, however, many cases of politicized intelligence are a matter of public record. The National Security Archive, a not-for-profit organization, has posted many documents on its website that tell the story. … The nomination of Robert Gates to become secretary of Defense is an opportunity for him to demonstrate that he has learned from his mistakes and for Congress to reassert its constitutional authority."

Democrats Distance Themselves From Rangel's Support For Draft. NBC Nightly News (11/20, story 4, 2;05, Williams, 9.87M) reported, "Veteran New York Democratic Congressman Charlie Rangel says if the United States reinstated the draft, the American people would demand a swift end to the Iraq war. Rangel is himself a decorated veteran of the Korean War and is a critic of the Iraq war. His comments were meant to attract attention and today they did." NBC added Rangel "argues that today's all-volunteer military, with all its economic incentives, draws too heavily from low-income communities. A point the Pentagon disputes." NBC noted, "every key Democrat who has weighed in is opposed. … Rangel concedes there's no chance his proposal for a draft will become law. He's pushing it, he say, to make a point about a war he opposes."

The Washington Post (11/21, A4, Babington, White, 690K) reports, "The new Democratic-controlled Congress will not seriously consider reinstating the draft, even if concerns about the military's strength and resiliency grow, party leaders said yesterday. Key Democrats, including the incoming House speaker, House majority leader and chairmen of the House and Senate armed services committees, said they do not support a resumption of the draft. They predicted that the idea will gather little momentum in the 110th Congress. … Pentagon officials also restated their opposition to a draft." The Washington Times (11/21, Scarborough, Fagan, 88K) reports Rangel "periodically has urged a draft revival as a mechanism to criticize President Bush's handling of military deployments in the war on terrorism. He renewed his call again on Sunday, saying on CBS' 'Face the Nation' that 'if we're going to challenge Iran and challenge North Korea and then, as some people have asked, send more troops to Iraq, we can't do that without the draft. ... I will be introducing that bill as soon as we start the new session.'"

NYTimes Criticizes Rangel's Proposal. The New York Times (11/21, 1.16M), in an editorial, writes, "There are many reasons why we are distressed to hear that Representative Charles Rangel of New York plans to reintroduce his annual measure aimed at resurrecting the draft when the Democrats take control of the House in January. We don't favor military conscription in general. And in this particular case, compelling military service won't achieve the things Mr. Rangel says he wants, either."

Democrats Expected To Boost Generic Drugs. The Wall Street Journal (11/21, A4, Mathews, 2.04M) reports congressional Democrats' "vow to cut health-care costs might spell bad news for the brand-name pharmaceutical industry, but their efforts could provide new momentum for the generic-drug rivals' agenda." Boosting the "generics industry may prove to be a politically palatable way to follow up on the party's campaign promises. That's because making more room for generics is meant to cut prices through increased competition -- a solution that is easier to sell as pro-market than other proposals Republicans will portray as precursors to federal price controls." Laws "providing vital funding to the Food and Drug Administration and encouraging studies of drugs' use in children," which are up for renewal in 2007, "could provide gridlock-proof vehicles for generics provisions." The "most important question will likely be how and whether to create a legal pathway for the FDA to approve generic versions of biotechnology drugs." An "array of other measures aimed at smoothing the way for traditional generic drugs will also get attention, and could well be tucked into broader bills next year. Among them are proposals to limit branded-drug company tactics that thwart generic competitors, such as licensing additional companies to sell their drugs and thus diluting the profits to be made from copying them."

House Intelligence Panel Reinstates Clearances For Democratic Aide. The Washington Post (11/21, A3, Pincus, 690K) reports Larry Hanauer, a Democratic staff member of the House Permanent Select Committee on Intelligence, "has had his security clearances reinstated and yesterday resumed work for the panel, ending a pre-election drama during which senior House Republicans alleged he may have leaked an intelligence report that was politically embarrassing to the Bush administration." Hanauer had "signed an affidavit that he did not 'discuss, disclose or cause to be discussed or disclosed' a National Intelligence Estimate (NIE) on Iraq to any person 'affiliated with the press.'" Committee Chairman Peter Hoekstra (R-Mich.) "wrote on Friday to ranking Democrat Jane Harman (Calif.) that the affidavit and the results of the committee staff director's interview of Hanauer were enough for him to rescind the punishment."

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GOP Said To Ignore Election Results In Retaining Blunt. In a New York Times op-ed (11/21), Thomas Edsall says, "Last Friday, the Republicans gave the Democrats a gift that will keep on giving: Roy Blunt of Missouri. After an election repudiating the politics of Jack Abramoff and Tom DeLay, Republicans elevated Blunt from the number three spot in the leadership to number two." But Blunt "embodies the insidious, half-legal corruption that has permeated the G.O.P. majority since 1995. Blunt's election as minority whip, by a 137-to-57 margin, was a defiant Republican rejection of calls to clean up their act. Warnings by Blunt's challenger, John Shadegg of Arizona — 'We ceded our reform-minded principles in exchange for a ...tighter grip on power' — went unheeded."

Democrats' House Majority Equals GOP's High Water Mark. The New York Times (11/21, Toner, 1.16M) reports the new House of Representatives "looks increasingly like a mirror image of the old: the Democrats are likely to have a majority close to 232, which was the Republicans' majority in the departing Congress." Though that "may seem small compared with the Democrats' glory days," the "new Democratic majority is comparatively comfortable; 232 was the high-water mark for the Republicans in the 12 years they held power." The "strength of the Democratic showing in the elections this month was underscored by one statistic: they did not lose a single seat. They have gained 29 and, in New England, left the Republicans with just one House seat — that of Representative Christopher Shays of Connecticut — out of 22 in the region."

Gains In Mountain West Could Show Long Term Competitiveness. USA Today (11/21, Kasindorf, Kenworthy, 2.27M) reports a "wave of Democratic blue is splashing the fast-growing Rocky Mountain West, which until recently was so Republican that all eight states in the region went red for President Bush in 2004." Democrats are "celebrating their Election Day seizure of a U.S. Senate seat, a governorship, three U.S. House seats and other major offices in Rocky Mountain states. That extends a trend started in 2002 with winning three governor seats. Now, Democrats are hoping to break the Republican lock on the inland West in the 2008 presidential race." But the "question is whether the Western shifts indicate a fluke, the normal turn of a cycle or a permanent realignment." Some Republicans "say their party should gird for long-term trouble." GOP strategist Eddie Mahe said, "The West is not going to be as definitively conservative and Republican as it has been. The Rocky Mountain West is probably trending to look more like a lot of the remainder of the country, not quite as unique as it once was." USA adds Randy Pullen, "a Republican National Committee member from Arizona, says the election was a one-shot loss." Pullen said, "This election was a referendum on the president. We'll fare better in two years."

McClatchy (11/21, Thomma) reports a "lot of states that were dependably Republican Red are now some other hue. Call them purple, striped or polka-dotted - the fact is they're now open to Democrats." Though they "haven't gone completely over. But they did elect some Democrats, signaling that they're in play. And that means a new center of gravity for the Democrats as they struggle to define themselves by governing in Congress the next two years and setting the table for 2008, hoping to consolidate this year's gains and win back the White House." Democrats "gained in states such as Colorado, where they picked up the governor's office," and "also picked up Senate seats in once-solid red states, such as Ohio and Virginia. And they gained U.S. House of Representatives seats in such red states as Arizona, Colorado, Georgia, Indiana, Kansas, Kentucky, North Carolina, Ohio, Tennessee and Texas." In part that "reflects changes within those states. Migration of Democrats from the North to the Sun Belt continues to dilute the Republican red zone. Immigration brings new voters from Mexico and farther south, the majority of them Democrats once they vote." It also "reflects changes in the Democrats, who this year recruited centrists and moderates to compete in culturally conservative areas."

Democrats' Failure To Win Southern Seats Analyzed. The New York Times (11/21, Nossiter, 1.16M) reports the South "largely sat out the drama of the recent election, apparently confirming its reputation as the Democrats' graveyard. An influential book published in October predicted as much, saying the party could safely avert its gaze from a region that could not be of help." Thomas F. Schaller of the University of Maryland, Baltimore County, author of "Whistling Past Dixie: How the Democrats Can Win Without the South," said, "They don't need the South to win. Why would Democrats go after the most rural, least unionized, most racially polarized, most evangelized region in the country?" The Times adds, "But not so fast. The thundering silence from the South may prove nothing more than what should be obvious: when Democrats do not compete, or compete unequally, they lose." Democratic Party officials in Tennessee "acknowledged that Mr. Ford was not an ideal candidate for the state, and not just because he was a black politician trying to climb the steep mountain of a white electorate. His own political baggage added significantly to his burden."

Democrats' Control Of Senate Said To Be Precarious. USA Today (11/21, Kiely, 2.27M) reports that when Democrats "take over the Senate in January, the party's bare two-vote majority will include three senators whose history shows they heed their own views more than

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those of any political leader." Just how "precarious is the Democrats' grip on power? The 51 senators who will make up the party's Senate caucus beginning in January include two who aren't officially Democrats — independents Joe Lieberman of Connecticut and Bernie Sanders of Vermont — and Jim Webb of Virginia, who used to be a Republican." The 110th Congress "will be the first since 1976 to have two people who don't belong to the two major parties serving in the Senate at the same time. Republicans will occupy 49 of the chamber's 100 seats." In the "new Senate, where every roll call could be a squeaker, political hybrids Lieberman, Sanders and Webb stand to be key players. No wonder incoming Senate Majority Leader Harry Reid lavished plum committee assignments on the trio last week."

Democrats Have Expensive List Of Priorities. USA Today (11/21, Wolf, 2.27M) reports Democrats "will return to power in Congress with a lengthy list of expensive priorities and a pledge to pay for them. Some budget experts say the dual goals don't add up." Democratic leaders have "endorsed an ambitious agenda that includes fortifying the military, improving homeland security, helping veterans, making college more affordable, establishing energy independence and boosting private savings rates. Annual tab: at least $79 billion, according to the National Taxpayers Union, a group opposed to higher taxes." The Democrats also "want to protect 20 million upper middle-income taxpayers from the alternative minimum tax. It was originally designed to ensure the rich didn't avoid paying taxes, but it threatens to raise taxes on the less affluent unless it's indexed for inflation. Cost: $50 billion a year, according to the Joint Committee on Taxation." And they want to eliminate the coverage gap in Medicare's prescription-drug program, which forces those with big drug bills to pay at least $3,600 out of pocket. Price tag: about $30 billion a year and rising, according to the Congressional Budget Office." Democratic leaders also say "they will reinstate budget rules that expired in 2002. They want statutory caps on most domestic and defense spending. They also want new tax cuts or benefit increases offset by other tax increases or spending cuts to keep the deficit from growing." Former Clinton White House chief of staff Leon Panetta said, "They can't basically have all of those priorities … without deciding who's going to pay the bill, and that means either cuts in spending or increases in revenue. There's going to be a huge temptation here to borrow the Republicans' example of borrow and spend."

Study Recommends TSP Not Include REITs. The Washington Post's Stephen Barr, in his "Federal Diary" column (11/21) writes, "Don't bet the mortgage that the Thrift Savings Plan will add a real estate investment fund, or any other option, soon. A consultant hired by the TSP said yesterday that the retirement savings program for government employees is generally comparable to 401(k) and similar plans offered in the private sector and did not recommend any changes. … About 200 House members are co-sponsoring a bill that would add a real estate investment fund to the TSP, which prompted the Federal Retirement Thrift Investment Board to order the $140,000 study. After the board signaled opposition to adding a real estate option and sought the study, the chief sponsors of the bill put it on hold."

WSJournal Accuses White House Of "Pandering" To Textile Industry. The Wall Street Journal (11/21, A16, 2.04M) editorializes, "Congress's failure to pass Permanent Normal Trade Relations with Vietnam embarrassed President Bush on his visit to Hanoi last week," but "this failure is an even bigger fiasco than it appears because of the White House's pandering to the U.S. textile industry." The Administration "chose to make one more protectionist concession," and "is promising to protect the US yarn industry against a surge in imports of other textile products." The "trade precedent here is dangerous, and probably violates World Trade Organization rules." This "fiasco is another illustration that tactical protectionist concessions rarely yield the strategic free-trade gains that supporters claim."

OTHER NEWS:

Leading Indicators Up In October; Existing Home Sales Down. The Wall Street Journal (11/21, Derby, 2.04M) reports, "An indicator of future economic activity inched higher in October, a private research group said Monday, suggesting that recent weakness in the housing market hasn't been severe enough to offset lower gas prices and a rising stock market. Separately, the National Association of Realtors reported that existing home sales in the third quarter dipped to a seasonally adjusted annual rate of 6.27 million units nationwide, down 12.7% from the same period a year ago." The Conference Board "said its composite index of leading economic indicators for October rose by 0.2% to 138.3, after a revised 0.4% advance the month before. The index was equal to 100 in 1996. October's rise matched forecasters' expectation."

Economists Believe "Worst Of The Housing Bust Is Over." The Wall Street Journal (11/21, A2, Izzo, 2.04M) reports, "The worst of the housing bust is over, economists said by nearly 2-to-1 in the latest WSJ.com economic forecasting survey. But they still predict that the average selling price of a house will fall next year. … The 49 economists responding to the WSJ.com forecasting survey expect home prices, measured by the government's Office of Federal Housing Enterprise Oversight index, to rise 2.8% this

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year and to fall by 0.5% next year. That contrasts with a 13.4% increase in 2005." USA Today (11/21, Knox, 2.27M), meanwhile runs a story titled "Homes' Losing Streak To Continue," citing the National Association of Realtors' numbers.

Stocks Mixed Yesterday. NBC Nightly News (11/20, story 6, 0:10, Williams, 9.87M) reported, "On Wall Street today a mixed finish. The Dow was down 26 points [to close at 12,316.54]. NASDAQ gained almost 7 points [to close at 2,452.72] on the day." The Financial Times (11/21, Mackenzie) notes "the S&P 500 slid 0.70 points, or 0.05 per cent to 1,400.50, having reversed an early fall below the 1,400 threshold it closed above on Friday." The Wall Street Journal (11/21, C1, McKay, 2.04M) also reports the stock numbers.

WSJournal Says Mergers Show Economy Is In Good Shape. The Wall Street Journal (11/21, A16, 2.04M) editorializes, "Yesterday's tally was at least $52 billion in M&A activity before the market opened for the normally slow Thanksgiving week." This "is a sign that the animal spirits that give the U.S. economy its dynamism are alive and well." As an economic matter, "it is largely irrelevant whether the shares are publicly traded or not," and "we doubt the employees of such profitable closely held concerns as Cargill or Koch Industries fret much that their shares aren't listed on any public exchange. What they care about is that their companies are successful." Meanwhile, "a vibrant market for corporate control keeps managers alert and hunting for new opportunities," and "whatever the bad individual bets, the current merger wave is a sign of continuing economic vitality."

Utility Industry Markets Seen As Flawed. The New York Times (11/21, Johnston, 1.16M) reports, "A growing chorus of large industrial power users, municipal utilities and consumer groups say there is a reason the price of electricity has not fallen since the federal government opened the heavily regulated utility industry to competition a decade ago. The new markets, they argue, do not work right." They identify "a variety of reasons. For one thing, when electricity producers offer to supply power for use the next day, utilities pay everyone the highest price accepted." Critics "also contend that producers can withhold power or limit production, with little risk of penalty, even when demand is at its highest, meaning prices soar." The Times adds, "A coalition of large industrial companies filed a complaint in September, arguing that [FERC] had failed to ensure proper competition and that it had stymied efforts by others to investigate allegations of improper conduct by withholding some of the data it collects." FERC "dismisses the critics, saying that where it has determined that a market for electricity exists, the prices in that market are assumed to be 'just and reasonable,' the standard set in federal law."

Venezuelan Discounted Heating Oil Program Comes To Washington DC. The Washington Post (11/21, D1, Mufson, 690K) reports that today, "Minnie Davis, a 65-year-old widow who lives with three of her grandchildren on North Capitol Street, is scheduled to get some unusual visitors -- the Venezuelan ambassador, the chief executive of Citgo Petroleum and former congressman Joseph P. Kennedy II. The occasion: The arrival of a Venezuelan-backed program to bring 7.5 million gallons of deeply discounted heating oil to as many as 37,000 low-income households in Maryland, Virginia and the District and free heating oil to some homeless shelters." The Post adds, "The program has the blessings of Venezuela's populist President Hugo Chavez, who has used it to demonstrate that he cares about the poor in the United States as well as Venezuela -- while tweaking President Bush."

Family Of Slain Journalist Sues DC For $20 Million. The Washington Post (11/21, B1, Cauvin) reports, "The children of slain New York Times reporter David E. Rosenbaum filed a $20 million lawsuit yesterday against the District and Howard University Hospital, claiming that their father was a victim of official negligence and medical malpractice." The Post continues, "Filed in D.C. Superior Court, the lawsuit comes less than a month after a jury convicted a 42-year-old man of murdering Rosenbaum during a robbery. The other suspect in the case had pleaded guilty shortly before the two were to go on trial." The Post adds, "The crime occurred on a quiet Northwest Washington street in a usually safe part of the city, stunning the neighborhood and many people who had known Rosenbaum. He was 63 and had just retired after three decades at the Times. Days later, questions surfaced about the emergency care he received at the scene on Gramercy Street and at Howard University Hospital, where he died Jan. 8, two days after the attack. … Those questions led to one damning revelation after another. Rosenbaum was misdiagnosed as a drunk. The ambulance bypassed the closest hospital because one of the emergency medical technicians had personal business to attend to near Howard. At Howard, Rosenbaum was not seen by a physician for more than 90 minutes and was not given a neurological evaluation until he had been there almost four hours, the lawsuit says. Daniel and Dorothy Rosenbaum say in their suit that these actions contributed to their father's death."

The Washington Times (11/21, Cella) reports, "The first hearing in the case is scheduled for February before Superior Court Judge Robert Morin. … The lawsuit follows closely the findings of the city's inspector general, who issued a report in June citing an 'unacceptable chain of failure' in the response." The Times adds, "According to the report, responding D.C. police officers failed to recognize that a crime had occurred,

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did not search the victim for identification and did not write an incident report. … The report said firefighters who responded to the scene did not assess or treat Mr. Rosenbaum correctly. They detected the odor of alcohol and discounted other potential causes of Mr. Rosenbaum's symptoms because of it. … In addition, the ambulance was delayed when the crew got lost on the way to the scene from Providence Hospital in Northeast, and the ambulance driver decided to take Mr. Rosenbaum to Howard University Hospital instead of the closer Sibley Memorial Hospital because Howard was nearer to her home."

The New York Times (11/21) also reports on the suit.

Typos In Bills Can Invalidate Laws, Redirect Funding. USA Today (11/21, Heath) reports, "If you're reading this in New York, you're probably too drunk to drive. … That's because lawmakers accidentally got too tough with a get-tough drunken-driving law, inserting an error that set the standard for 'aggravated driving while intoxicated' below the amount of alcohol that can occur naturally." USA continues, "The one-word mistake makes the new law unenforceable, says Lt. Glenn Miner, a New York State Police spokesman. However, drivers with a blood-alcohol content of 0.08% or higher can still be prosecuted under other state laws." USA adds, "In the legislative world, such small errors, while uncommon, can carry expensive consequences. In a few cases around the nation this year, typos and other blunders have redirected millions of tax dollars or threatened to invalidate new laws. … In Hawaii, for instance, lawmakers approved a cigarette-tax increase to raise money for medical care and research. Cancer researchers, however, will get only an extra 1.5 cents next year — instead of the more than $8 million lawmakers intended. That's because legislators failed to specify that they should get 1.5 cents from each cigarette sold, says Linda Smith, an adviser to Gov. Linda Lingle. … When such mistakes happen, they often come during the last-minute rush of legislative sessions, says Bruce Feustel, a senior fellow at the National Conference of State Legislatures. What's important, he says, is that lawmakers can fix them before they cause any harm." USA notes, "Courts generally intercede only in the most obvious cases, says University of Notre Dame law professor John Nagle. If judges tried to change every legislative error, Nagle says, 'you get the courts trying to figure out what they think is a mistake that might not be a mistake at all.'"

Buchanan Named Winner Of Disputed Florida House Seat. The New York Times (11/21, Aguayo, 1.16M) reports Republican Vern Buchanan was "named the winner on Monday in a disputed race in Sarasota where thousands of votes may have been lost by electronic machines," and Democrat Christine Jennings "immediately sued for a new election." Buchanan "won by 369 votes in the Nov. 7 election, according to results confirmed by the Florida Elections Canvassing Commission, which is made up of Gov. Jeb Bush; Tom Gallagher, the state chief financial officer; and Senator Daniel Webster of Winter Garden, all Republicans." The results "were confirmed in a machine recount and a manual one." Jennings "argued in documents filed in Leon County Circuit Court in Tallahassee that touch-screen voting machines had malfunctioned and not registered votes for her."

The Washington Post/AP (11/21, A5, Kaczor) reports Jennings asked "a judge to order a new election because of problems in Sarasota County, where more than 17,000 voters who cast ballots in other races Nov. 7 failed to vote in the congressional contest. That rate is nearly six times higher than in the other counties in the congressional district or on Sarasota's paper absentee ballots, Jennings alleges in her legal challenge. Though she lost in the other four counties in the district, Jennings did well in Sarasota County, winning there by a 6 percentage point margin." The lawsuit is "not Jennings' final option. She also could appeal the results to the House, which will be under Democratic control next year." The AP adds three other House races remain in limbo – Ohio's 2nd and 15th CDs and North Carolina's 8th CD. The AP adds, "Late Friday, elections officials in New Mexico's 1st District released an unofficial tally showing that Republican Rep. Heather Wilson won her race against Democrat Patricia Madrid by a margin of 879 votes out of more than 210,000 cast."

Congressional Quarterly (11/21, Benenson) reports Jennings "defeated Buchanan in Sarasota County, 53 percent to 47 percent. Democrats argue that if the undervote rate in Sarasota County was comparable to the undervote rate in the other counties, Jennings surely would have beaten Buchanan." Kathy Dent, "the Republican supervisor of elections in Sarasota County, and others have suggested that the campaign's negative tone may have turned people away from participating in this race. Other analysts say that voters might have overlooked the 13th District contest because of where the candidates' names were placed on Sarasota County ballots." But Jennings' attorney Kendall Coffey "said Monday that the machines were at fault and needed to be examined. 'This is clearly a case of machine error — not ballot design error and not voter error,' Coffey said."

USA Today (11/21, 2.27M) reports the story in a brief section.

Extent Of Clinton's Campaign Spending Concerns Some Democrats. The New York Times (11/20, Kornblut, Zeleny, 1.16M) reports Sen. Hillary Rodham Clinton "had only token opposition," but she "still spent more on her re-election — upward of $30 million — than any other

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candidate for Senate this year. So where did all the money go?" The campaign expenditures helped Clinton "win a margin of victory of more than 30 points. It helped her build a new set of campaign contributors. And it allowed her to begin assembling the nuts and bolts needed to run a presidential campaign." But Sen. Clinton "also bought more than $13,000 worth of flowers, mostly for fund-raising events and as thank-yous for donors. She laid out $27,000 for valet parking, paid as much as $800 in a single month in credit card interest and — above all — paid tens of thousands of dollars a month to an assortment of consultants and aides. Throw in $17 million in advertising and fund-raising mailings, and what had been one of the most formidable war chests in politics was depleted to a level that leaves Mrs. Clinton with little financial advantage over her potential rivals for the 2008 Democratic presidential nomination — and perhaps even trailing some of them." The campaign's "financial record has fueled some criticism among Democratic activists and prompted concern among Mrs. Clinton's supporters, including complaints from some of her fund-raisers that her top aides exercised a lack of discipline." Beyond the "level of spending, there is also some concern within the Clinton camp about the adequacy of the controls on what is being spent." A "close friend of Mrs. Clinton, Maggie Williams, received a $37,500 consulting fee, paid to her firm, Griffin Williams Critical Point Management, at the end of July." When asked what the "payment was for, Mrs. Clinton's campaign aides checked and subsequently responded that the payment had been a mistake. They said it should have been for less than $5,000 to reimburse Ms. Williams, who served as chief of staff to Mrs. Clinton in the White House, for travel costs. They said Ms. Williams would return the extra money."

Women Made Historic Gains In This Year's Elections. The Christian Science Monitor (11/21, Feldmann, 59K) reports that when the "winners of the Nov. 7 elections are sworn in in January, Democratic women - and some Republicans - will have cause to cheer: The House will have its first female speaker, Nancy Pelosi (D) of California. Congress will have its largest corps of women ever - 16 in the Senate and at least 71 in the House, from both parties." Women will also "hold nine governorships, tied with the record set in 2004, and other elective statewide jobs that could position them for higher office." For the "first time, the chair of the National Governors Association will be a woman, Gov. Janet Napolitano (D) of Arizona." In state legislatures, "a record 2,426 women were general-election candidates, and unofficial results show 1,735 winning, which would be a record. In addition, women appear set to build on their record number of top leadership spots in state legislatures." But "ultimately, women remain far from achieving equality. In the next Congress, the record 87 women members will represent 16 percent of the 535 seats.'

Brownback To Announce Decision On Presidential Run Next Month. The AP (11/21, Hananel) reports Sen. Sam Brownback, "who is considering a White House bid in 2008, said Monday the Republican field has room for a 'full-scale Ronald Reagan conservative' and pledged to make a final decision next month." Brownback said he "was not discouraged from running by the Democrats' strong gains in this month's midterm elections, including majority control of the House and Senate." Brownback, "who was elected in 1996, is a forceful foe of abortion and embryonic stem-cell research. He also has taken a prominent role in the fight against genocide in Sudan's Darfur region."

McCain, Romney Seek To Bolster Support On Right. The New York Times (11/21, Nagourney, 1.16M) reports Sen. John McCain "seemed to struggle yet again to firm up his position with the right on Sunday, as he faces the prospect of a primary fight with, among others, Gov. Mitt Romney of Massachusetts." McCain, appearing on "This Week" on ABC, "said he thought Roe v. Wade, the Supreme Court decision that established a constitutional right to abortion, should be overturned. But he sometimes strayed from the orthodoxy of social conservatism," presenting himself "as a supporter of the 'don't ask, don't tell' policy imposed by President Bill Clinton in 1993 to allow gay men and lesbians to serve in the military." While he "said he opposed same-sex marriage, he seemed to countenance civil unions." The Times adds, "And how did Mr. Romney spend his Sunday? He announced that he would ask his state's highest court to order a question banning same-sex marriage onto the ballot if legislators failed to do so."

Romney's Opposition To Gay Marriage Emerges As His Signature Issue. Fox News' Special Report (11/20, Hume) reports, "Massachusetts republican Governor Mitt Romney has let it be known he will make a decision next year about whether he will run for president in 2008. He appears to be developing his domestic platform with a strong position on gay marriage." Fox's Carl Cameron went on to report, "For Romney, a Mormon hoping to launch his presidential bid in January, undoing the Massachusetts Supreme Court's 2004 decision legalizing gay marriage is becoming a signature issue for 2008." Romney "wants voters to decide state policy with a ballot question defining marriage as between a man and woman. 10 days ago lawmakers refused to approve the referendum. Romney is suing. … Romney's rally" opposing the court's ruling "capped a weekend strategy meeting of more than 150 backers for his 2008 White House bid including an impressive array of the GOP's top operatives and fundraisers."

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The Financial Times (11/21, Knight) reports Gov. Romney "appears to be on the verge of confirming what many political observers have long speculated: he intends to seek the Republican party's presidential nomination in 2008." Romney "convened a meeting of his top advisers and leading supporters at the weekend to discuss the potential launch of his White House bid. According to an aide to his Commonwealth Political Action Committee, the gathering was 'to thank those who have been supporters' over the past year." An aide to the committee said that Romney "planned over the coming holidays to discuss a possible presidential run with his family and will 'make a decision one way or another after the first of the year.'" Romney "has recently added several influential political consultants to his roster."

Hunter Seen As Having Potential In GOP Presidential Primary. In a Washington Times op-ed (11/21), talk radio host Rick Amato says, "As the line of Republican candidates running for the White House in 2008 begins to form, there is one candidate making preparations to run whose name voters outside of San Diego and Washington will be hard-pressed to recognize, but that could change in time. I'm speaking of the outgoing chairman of the House Armed Services Committee, California Rep. Duncan Hunter." Hunter "should not be overlooked. He is a social conservative in what is expected to shape up as a socially moderate Republican field. Historically, social conservatives have done very well with voters in early primary states such as Iowa and South Carolina." Hunter is "further to the right on social issues than either John McCain, Rudy Giuliani or Mitt Romney."

Doro Bush Koch Seen As Contrasting Bush 41 And 43. The Los Angeles Times (11/21, Wallsten, 850K) reports, "Dorothy Bush Koch is only now stepping into the spotlight with a new book about the first President Bush and about her family. And she has a few gently pointed words to say about life as the lone daughter in the country's most powerful political family. … One intriguing element of Koch's presentation Sunday" at the Miami Book Fair International," was what she implied but did not directly state about the contrasting images of the family's two presidents, one of whom is known as the consummate diplomat and the other who has labeled himself the 'war president.' Twice on Sunday, she noted that among the accomplishments she most admired about her father was his ability to manage the end of the Cold War 'without a shot being fired.'" The Times adds, "The title of Koch's book, 'My Father, My President: A Personal Account of the Life of George H. W. Bush,' suggests that Koch does have her favorite between the family's two presidents."

Hatch Aide Is New CEO Of Liquor Lobby. The Washington Times' "Inside the Beltway" (11/21, McCaslin) reports, "Craig Wolf, who served as counsel to the Senate Judiciary Committee and specifically its chairman, Sen. Orrin G. Hatch, Utah Republican, has become the new president and CEO of the Wine & Spirits Wholesalers of America."

Thousands Protest Bush's Visit To Indonesia. NBC Nightly News (11/20, story 3, 0:40, Williams, 9.87M) reported President Bush "is on his way back to the United States now at this hour after the last stop in his Asia trip. A short visit to Indonesia, the most populous Muslim nation in the world where thousands of angry protesters filled the streets to denounce him during the visit and the invasion of Iraq. … There was a brief flurry of excitement on the way to Vietnam. Air Force One was grounded with a tire problem. An alternative aircraft was mustered for the President's use. But just then, a spare tire was found at Ho Chi Minh airport in Vietnam." ABC World News (11/20, story 2, 0:20, Gibson, 8.78M) said Bush "shrugged off protests that greeted him in Indonesia as sign of a healthy democracy."

Fox News' Special Report (11/20, Hume) reported the Indonesian president "was clearly taking a risk domestically by welcoming…Bush. About a mile from the presidential retreat, thousands of anti-American protesters took to the streets, calling President Bush a terrorist, while thousands more protested the visit 30 miles north in Jakarta. In Indonesia the negative view of the U.S. can be traced to one thing -- the Iraq War. In 2002, 61% of Indonesians had a favorable view of the US One year later, after the war started, that percentage was 15%." Bush was shown saying, "It's to Indonesia's credit that it's a society where people are able to protest and say what they think. It's not the first time, by the way, where people have showed up and expressed their opinion about my policies, but that's what happens when you make hard decisions." CNN's Lou Dobbs Tonight (11/20) said Indonesia is "seething over Bush's invasion's of Iraq and Afghanistan."

The Los Angeles Times (11/21, Gerstenzang, 850K) reports, "About 2,000 protesters from Muslim, student, and labor groups showed up to protest U.S. policies in Iraq and Afghanistan, saying it was Bush who was spreading terror. In Surabaya, East Java, about 100 students were reported to have clashed with police at a McDonald's after staging a protest at the US Consulate. No arrests were reported."

The New York Times (11/21, Sanger, 1.16M) says Bush, "whose visit to Indonesia three years ago was consumed with talk of counterterrorism, this time appeared focused on fighting bird flu, bolstering a small program to aid Indonesian schools and promoting growth." Also, "in an afternoon of meetings at an ornate presidential palace that is a legacy of Dutch colonial rule, Mr. Bush held a closed-door

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session with what the White House called 'civic leaders' of Indonesia."

The Financial Times (11/21, Aglionby) headlines its report "Bush Brushes Off Protests Over Middle East," while USA Today (11/21, Jackson, 2.27M) titles its story "Bush Calls Indonesian Protests A Good Thing." Bush is quoted saying, "Indonesia is an example of how democracy and modernization can present an alternative to extremism."

Bush Tells Indonesian Boy About His Childhood Hobbies. The Washington Times' "Inside the Beltway" (11/21, McCaslin) reports, "We couldn't help but be amused yesterday when President Bush, visiting a pair of faux Indonesian classrooms in Jakarta, was asked by a small boy what his hobbies had been when he was growing up. Observed the White House pool report: 'Bush didn't miss a beat: 'Baseball. I liked baseball. That was my hobby. Sports.' Then, perhaps realizing that sports was the wrong thing to push in a classroom, even a fake one, the president added: 'The best thing that I did was to learn how to read.' Continuing in that vein, the last thing we heard before being pushed out was Bush cautioning the kids that 'there are people who watch TV too much.'"

US Approves Most IAEA Aid For Iran Nuclear Sites. The AP (11/21, Jahn) reports Washington "said Monday it would accept Iran's request for U.N. aid on seven nuclear projects but urged the [IAEA] to deny assistance for a plutonium-producing reactor that can be used to make a bomb." Those decisions "reflected U.S. recognition that it was futile to try to block IAEA help to Iran on all eight projects because of opposition by most of the agency's 35-nation board. It also appeared prompted by an IAEA ruling that neither the reactor nor the other projects posed a proliferation threat." The AP says diplomats "suggested it could reflect a U.S. decision to tread relatively lightly while Washington weighs the possibility of direct dialogue with Iran on reducing violence in Iraq."

Israeli Intelligence Reports Progress On Iran's Nuclear Testing. The Jerusalem Post (11/21) reports, "Iran has developed and tested a trigger device for a nuclear bomb, Israeli agents stationed there have told the White House, according to a report published in The New Yorker Monday morning." According to the report, "the White House received the information but did not pass it on to the CIA," and "in the past six months, Israel and the United States had been working together to support a Kurdish resistance group known as the Party for Free Life in Kurdistan." The Israeli intelligence "presented a stark contrast to recent CIA estimates on Iran's nuclear program, which claimed that Teheran was far from attaining a nuclear bomb." The New Yorker article "seemed to suggest that there was a difference of opinion between the CIA, the White House and the Pentagon regarding the progress of Iran's nuclear weapons program." The White House "reportedly was refusing to reveal to the CIA the source of the Israeli information, the location of the site of the experiments, or the number of tests that had been carried out."

Gideon Rachman Blasts "Folly" Of Preventive War In Mideast. In his Financial Times (11/21) column, Gideon Rachman writes about thoughts of bombing Iran, "Military experts talk of the need for hundreds or thousands of bombing raids, stretched over many days – and even that might merely set back Iran's nuclear programme a few years. Iran would also certainly retaliate. It could unleash Shia militias on allied troops in Iraq, encourage Hizbollah and Hamas to stage new attacks on Israel and block the Strait of Hormuz, through which 40 per cent of the world's oil flows. ... If Iraq has taught America and its allies anything, it is that it is much easier to start a war in the Middle East than to finish one."

Israeli Military Chief Starts Investigation Of Cluster Bomb Use. The New York Times (11/21, Myre, 1.16M) reports, "The Israeli military chief of staff, Lt. Gen. Dan Halutz, ordered an inquiry on Monday to determine whether the armed forces had followed his orders when it used large numbers of cluster bombs during the month long war with Hezbollah in Lebanon this summer." Many human rights groups "have criticized Israel's use of cluster bombs in the fighting, saying they were dropped in or near populated areas." The general "did not specify what orders he gave regarding cluster munitions, and it was not clear whether he prohibited them, or placed certain restrictions on their use." Israel "has received cluster munitions from the United States for many years," and also makes its own," and in August, the State Department "began investigating whether Israel used cluster bombs in Lebanon in violation of secret agreements that restrict their use." In "a separate development, an aide to the Palestinian Authority president, Mahmoud Abbas, said the president's Fatah movement had suspended talks with the militant faction Hamas on a national unity government. "

Hariri Probe Said To Have Caused Rift In Lebanese Government. In an op-ed for the Wall Street Journal (11/21, A16, 2.04M) Michael Young, opinion editor at the Daily Star newspaper in Beirut and a contributing editor at Reason magazine, writes, "The Syrian regime is discovering what a nuisance Rafik Hariri, the late Lebanese prime minister, can be. Last Friday, the U.N. Security Council approved a draft plan for a mixed Lebanese-international court to try those responsible for Hariri's assassination on Feb. 14, 2005. Damascus, the main suspect in the crime, is palpably anxious. That anxiety played out in Lebanon 10 days ago, when six ministers named by pro-Syrian politicians resigned rather than take part in Beirut's formal endorsement

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of the tribunal proposal. … Five of the six ministers who resigned were appointed by or affiliated with the two main Shiite parties, Hezbollah and the Amal movement, while the sixth is Lebanese President Emile Lahoud's man. Their resignations came amid a struggle for power between pro-Syrian groups and the anti-Syrian parliamentary and cabinet majority -- dating back to the summer war between Israel and Hezbollah."

Postwar Lebanon Cynical About Future. The Washington Post (11/21, A22, Shadid, 690K) reports that in Beirut, "Lebanon has emerged from the 33-day war with Israel only to find itself lately in one of the most pronounced political crises it has experienced in a generation." On Sunday, Hezbollah's leader, Hasan Nasrallah, said "the government now faced a choice: either resign in favor of what he called a national unity government or hold early parliamentary elections," an "if neither demand is met, he said, his followers have planned days, even weeks, of protests to topple a government he said was beholden to the United States." Still "reeling from this summer's war and mired in economic troubles," Beirut shows "little sign of enthusiasm" for demonstrations and revival.

Palestinian Unity Government Talks Suspended. In a lengthy piece, the AP (11/21, Daraghmeh) reports Hamas and Fatah "froze talks Monday on forming a Palestinian unity government, Fatah officials said, a new setback in efforts to form a more moderate coalition acceptable to the West. The deep differences raised questions about the ability of the sides to reach a deal that could end months of painful economic sanctions." The AP notes the "sudden announcement of [the] breakdown," saying the two parties "appeared to be heading toward formation of a Cabinet of independent experts to replace the Hamas-led body." However, it was not "clear whether the suspension was the sign of a real crisis or simply a negotiating tactic by Abbas' weakened Fatah Party." The AP adds, "Even if the sides reach agreement, it remains unclear whether the 'division of labor' formula, with the moderate Abbas handling diplomacy while Hamas sticks to its hard line, would be acceptable to the West." Israeli Foreign Minister Tzipi Livni "said Monday that Syria was the reason talks between the Palestinian factions have been troubled."

Israeli Maps Show Settlements In Land Owned By Palestinians. The New York Times (11/21, Erlanger, 1.16M) reports that yesterday in Jerusalem, "an Israeli advocacy group, using maps and figures leaked from inside the government, says that 39 percent of the land held by Israeli settlements in the occupied West Bank is privately owned by Palestinians." The data "indicate that 40 percent of the land that Israel plans to keep in any future deal with the Palestinians is private," and the new claims regarding Palestinian property are said to "come from the 2004 database of the Civil Administration, which controls the civilian aspects of Israel's presence in the West Bank." Peace Now, an Israeli group that advocates Palestinian self-determination in the West Bank and Gaza Strip, "plans to publish the information on Tuesday." Miri Eisin, a spokesperson for Prime Minister Ehud Olmert, said that "Israeli officials would have to see the data and the maps and added that ownership is complicated and delicate."

Train Bombing In India Kill 8, Wound 60. The AP (11/21, Banerjee) reports, "A bomb exploded and tore through two cars of a passenger train Monday in a remote area of eastern India, killing at least eight people and wounding about 60 others, officials and Indian media said." The bomb "had been planted in one of train's cars and exploded about 6:20 p.m. near the Belacoba station, about 345 miles north of Calcutta." PTI, citing railway police official Tushar Bhattacharya, reported that "the death toll had climbed to eight with about 60 wounded." Prasad Ranjan Roy, Home Secretary of West Bengal state, said "initial suspicion pointed to either Maoist rebels or Assamese militants," and "he suggested the blast could be the work of the relatively small Kamtapur Liberation Organization, an Assamese group tied to the larger United Liberation Front of Asom." However, he "cautioned," and said, "We are trying to get details."

Natsios Says US Could Opt For "Plan B" To End Darfur Violence Next Year. The Washington Post (11/21, A24, Kessler, Boustany, 690K) reports President Bush's Darfur representative, Andrew Natsios, "said yesterday that the Bush administration will resort to an unspecified 'Plan B' if the Sudanese government does not agree by Jan. 1 to complete negotiations on an expanded international peacekeeping force for its troubled Darfur region." He "declined several times to explain what he meant by 'Plan B,' saying he was not trying to make a threat." The US and the UN recently "backtracked" on the concept of a UN-led force "and instead sought to win the government's agreement for a hybrid force of African Union and U.N. troops." Yesterday, Natsios "rejected Khartoum's claims that a U.N.-led international force would mean a return to colonialism."

AFP (11/21) says Natsios "warned Khartoum to meet a January 1 deadline for full acceptance of a UN plan to deploy international peacekeepers to Darfur or face tougher action." He also "said the Khartoum government had yet to give its approval for the timing, size and command structure of the peacekeeping operation." Natsios "refused to elaborate on what Plan B would entail if no response was forthcoming by January 1 beyond saying it's 'a different approach' to the negotiated deployment of peacekeepers."

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The AP (11/21, Montesquiou) notes the Sudanese government "hailed a new agreement with the United Nations over peacekeepers in Darfur as a diplomatic breakthrough for Sudan, but said serious differences remain over the force's makeup and command." Despite the announcement, "there were signs the government might still resist hopes for a robust U.N. deployment to bring an end to the continuing bloodshed." Khartoum's "comments could signal that Sudan will try to reduce the U.N. role in the peacekeeping force. But they could also be part of an effort by the government to save face, after abandoning its earlier position that U.N. troops were unacceptable."

NYTimes Suggests Taking More Action For Darfur, Chad Genocide. In the New York Times (11/21, 1.16M), columnist Nicholas Kristof writes that the spread of genocide into Chad was not or is not "inevitable." There was no response "partly because of reluctance from the White House and Pentagon, and partly because of resistance from France and other countries," so the "genocide in Darfur has steadily expanded." Kristof suggests writing to "embassies of countries like France and Egypt that could play especially crucial roles," and also to China, "which provides Sudan the guns." In the news industry, "including Arab and European television networks, could use a few pokes to appreciate that genocide is newsworthy." The "heroic efforts of aid groups in Darfur and Chad — 13 aid workers have been killed in Darfur since May — deserve support as well," and "they can use our backup."

LATimes Says Libyan Dictator's Statements Of Darfur Are "Absurd." The Los Angeles Times (11/21, 850K) editorializes that Libyan dictator Moammar Kadafi's statement that "Western countries and America are not busying themselves out of sympathy for the Sudanese people or for Africa but for oil and the return of colonialism to the African continent," is "absurd." Not only that, but the UN "already has 10,000 peacekeepers in southern Sudan sent in 2005 to stabilize a separate conflict there, and to date they haven't seized any Sudanese oilfields or founded any colonies," and it's "reckless." A "deal to finally end the atrocities in Darfur is teetering on a knife's edge," and before "an international force can be mobilized, there are still delicate political decisions to be made, such as whether it would be empowered to protect villagers or simply monitor the carnage." Resolving them will "require an unusual degree of unity among players as diverse as the Arab League and the UN Security Council."

Darfur Said To Highlight West's Inconsistency In Tackling "Totalitarianism." In her column in the Washington Post (11/21, 690K), Anne Applebaum says groups working to end the genocide in Darfur "have "made an impact. Indeed, it is fair to say that were it not for the Christian, Jewish, human rights, genocide-prevention groups and others that have been talking about Sudan with such dedication, the massacres of Darfur might not be on the international agenda at all." She says she "can offer no scientific explanation as to why the tragedy of Darfur conjures up the specter of history's judgment and why other tragedies do not." Applebaum posits that, "because it seems to be in no one's 'interest' to do so, a call for U.N. intervention in Darfur surely feels … like an act of real charity, and not more evidence of the West pursuing its interests." She continues, "Taking a stand against genocide in Sudan does not require anyone to take a parallel stand on communism, the war on terrorism or the war in Iraq." In short, "it is still possible to think of Darfur as an appropriate target for neutral humanitarianism." Applebaum says historians "will also judge us by the consistency with which Western and international institutions battled sophisticated totalitarianism in all its forms," and she concludes, "The creation of an international coalition to end genocide is a stunning achievement, but its goals are still not deep or broad enough."

Muslim Population Increases In Russia. The Washington Times (11/21, Mainville, 88K) reports, "Low domestic birthrates and rising immigration from the former Soviet republics are producing explosive growth in Russia's Muslim community, which is on a track to account for more than half the population by midcentury." Russia's overall population is "dropping at a rate of 700,000 people a year," but "Russia's Muslims, however, are bucking that trend." By 2015, Muslims "will make up a majority of Russia's conscript army and by 2020 one-fifth of the population." Four mosques in Moscow serve "a Muslim population of about 2.5 million," but "as in many countries with growing Islamic populations, tensions are also on the rise." "Most Muslims living in Russia are not immigrants, but natives of lands seized by the expanding Russian empire."

Muslim Women Gather In New York To Issue Fatwas. The Christian Science Monitor (11/21, Ben Arnoldy, 59K) reports that in a meeting in New York, "Muslim women from 25 countries began laying groundwork for the first international all-female council formed to issue fatwas," and their idea is "to ensure that women's perspectives on Islamic law become part of religious deliberation in the Muslim world - particularly on issues such as domestic violence, divorce, and inheritance." The New York gathering, "called the Women's Islamic Initiative in Spirituality and Equity, plans to seat the new council - perhaps seven members - within a year." The group "also plans to give scholarships for more women to pursue advanced training - open to women in places like Morocco, Egypt, and Iran - in an effort to broaden the qualified pool." Conference attendees say "a muftia council could prompt wider support for women's struggles" The meeting "used money from nongovernmental foundations, some based in the US."

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Losing Candidate Declares Himself President Of Mexico. The AP (11/21, Stevenson) reports, "Andres Manuel Lopez Obrador launched a parallel government Monday and prepared to swear himself in as Mexico's 'legitimate' president, a ceremony the leftist hopes will keep alive protests to undermine the man who officials say defeated him at the polls." The "inauguration ceremony is the latest chapter in Lopez Obrador's unsuccessful battle for the presidency. He claims fraud and dirty campaign tactics were responsible for President-elect Felipe Calderon's narrow victory in the July 2 vote, and his parallel government could spend the next six years calling for street protests that have already dented the economy and prompted travel warnings from the U.S. Embassy." The New York Times (11/21, McKinley, 1.16M) headlines its story "Yes, He Lost Mexico's Vote, So He's Swearing Himself In," and begins its story saying, "Don Quixote, move over." The Los Angeles Times (11/21, Tobar, 850K) runs a similar report.

In an editorial, the Wall Street Journal (11/21, A16, 2.04M) says, "The next test of Mexico's rule of law will come December 1 when president-elect Felipe Calderón is supposed to be sworn in. Hard liners are already pledging to crash the event. Perhaps this time Mexico's elected leadership will draw a line in the sand."

Researchers Find Unconventional Transmissions Of AIDS In Africa. The New York Times (11/21, Rosenthal, 1.16M) reports, "As researchers spend more time studying Africa's overwhelming pediatric AIDS problem, they are finding that the routes of transmission may be different than in the industrialized countries, and that strategies for preventing the disease's spread must be adapted to local realities." Researchers have agreed that "a host of traditional ceremonies and practices are creating transmission routes unique to Africa — dangers that have, up to now, been ignored." There are naming ceremonies "that require nursing," and also "a host of potentially even more hazardous moments, such as when body fluids of different people are mixed." Researchers "are just beginning to study the role of these common traditional practices of rural Africa, to determine if they account for a small or large portion of H.I.V. transmission."

Commission Blames Nepali King For Bloody Violence On Demonstrators. The Washington Times/AP (11/21, Gurubacharya) reports, "A government commission investigating Nepal's bloody crackdown on pro-democracy demonstrators blamed the violence on King Gyanendra and recommended punishing him, officials said yesterday." The commission "also found 201 officials in the king's administration responsible for the bloody crackdown," including "the chiefs of police and the armed forces." After receiving the commission's report, Prime Minister Girija Prasad Koirala "vowed to punish those held culpable for the crackdown, in which hundreds were injured and hundreds detained, with some claiming torture." The commission "did not recommend a punishment, and Nepal has no laws addressing crimes committed by a king." A yet-to-be elected constituent assembly "is expected to decide the monarchy's fate," and Gyanendra "has already been stripped of his powers, command over the army and his immunity from prosecution."

NYTimes Says UN Human Rights Council Needs Improvement. The New York Times (11/21, 1.16M) editorializes, "The new Human Rights Council now seems headed for a failing midterm grade." For the "world's worst and most consistent human rights violators, like China, Iran, North Korea, Myanmar and Sudan, there has been a tendency to muffle words and conclusions and shift the focus," but the council seems to "change personality turning harshly critical and uninterested in broader contexts." The UN should be "more than a self-protective club of sovereign states."

WPost Suspects Putin Is Behind Poisoning. The Washington Post (11/21, 690K) editorializes, "There's no concrete evidence as yet that the FSB" or Russian President Vladimir Putin "is behind the poison attacks -- but there is plenty of reason for suspicion." The Post adds, "Does Mr. Bush regret having given so much support to a leader who has dismantled his country's nascent democracy and whose opponents keep turning up in hospitals and morgues?"

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Iraq Considers Three-Way Talks With Iran And Syria."
"Navajos' Desert Cleanup No More Than A Mirage."
"Pelosi-Harman Friction Strains Democrats' Unity."
"No Prison For Weller, No Closure For Others."
"King Of The College Cowboys."
"Simpson Book, TV Plan Dropped."
"Private Cash Fuels Boom In Takeovers."

USA Today:

"Examples."
"Small Mistakes Cause Big Problems."
"Many DNA Matches Aren't Acted On."
"Chemical Weapons' Disposal Delayed."
"Status Of Stockpiles."

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New York Times:
"Israeli Map Says West Bank Posts Sit On Arab Land."
"New York Court Cuts Aid Sought By City Schools."
"In New Orleans, Rust In The Wheels Of Justice."
"In Web World, Rich Now Envy The Superrich."
"Clinton Won Easily, But Bankroll Shows The Toll."
"Under Pressure, News Corp. Pulls Simpson Project."

Washington Post:
"Ramsey Ally Named Chief."
"Flaws Cited In Effort To Train Iraqi Forces."
"News Corp. Pulls Plug On O.J. Book, Fox Special."
"Spoofer O Iraq's Chaos Becomes A Victim."
"Polygamists Out Of The Closet."
"Passing The Class But Failing The Test."

Washington Times:
"Fenty Taps Ramsey Replacement."
"Muslim Birthrate Worries Russia."
"Rangel's Call For New Military Draft Rebuffed."
"Iraq, Iran And Syria Set 3-Way Talks."
"Holiday Travelers Brace For Onslaught."
"Partisan Agony, Ecstasy Reflected In Hill Mood Swings."
"Simpson Book, TV Special Canceled."

Detroit Free Press:
"Bo's Spirit Lives At Big House."
"Suspect In 2 Homicides Was Let Go In '98 Killings."
"Expert A Magic Ride, Warn Temps On Route."
"Fox Chase Case On Simpson Plans."

Atlanta Journal-Constitution:
"DA To Re-Examine Police Shootings."
"OJ Book, TV Show Called Off After Furor."
"Delta Recalls 700 Mechanics."
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Houston Chronicle:
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"Continental Keeps Wary Eye On Merger Bids."
"The Last Stand."
"After 20 Years, local Cold Case Gets Warm."
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Story Lineup From Last Night's Network News:
ABC: Iraq Summit-Iran; Bush In Indonesia; Former Russian Spy Poisoned; FOX Cancels OJ's Project; Michael Richards Yells Racial Slurs; Dropping Out Of High School; Deadly School Bus Accident; Ending Drinking & Driving; Kidney Transplant Triangle.
CBS: Deadly School Bus Accident; School Buses & Safety Belts; FOX Cancels OJ's Project; Iraq Summit-Iran; New Iraq Strategy; Iraq's Future; Kidney Transplant Triangle; Michael Richards Yells Racial Slurs; Giving Back.
NBC: New Iraq Strategy; Iraq Summit-Iran; Bush Returns Home; Rangel's Call For The Draft; Former Russian Spy Poisoned; Stock Market; Chinese Steeling Defense Secrets; Deadly School Bus Accident; FOX Cancels OJ's Project; Ambassador Hotel; The Emergency Room Wait.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Syria And Iraq-Diplomatic Ties; Duncan Hunter-Troop Redeployment; Barack Obama-Troop Redeployment; Bush-Iraq Troop Levels; Six-Party Talks With North Korea; Michael Richards Apologizes For Racial Slurs; Highway Safety-Car Rankings.
NPR: Pelosi-No Plan To Pursue Draft Proposal; Duncan Hunter-Troop Redeployment; Bush-Hawaii; Bush-Iraq Troop Levels; Bush-Indonesia; Houston-Janitor Strike Ends; Annan-Biological Weapons; Barry Bonds' Personal Trainer Refuses To Testify; Jennings-Disputing Election Loss in Florida; FL NAACP-Silent Protest Of Governor-Elect.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — Attends breakfast with troops, Officers Club, Honolulu; attends briefing at the US Pacific Command, Honolulu.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: HOMELAND SECURITY _ 9 a.m. The Heritage Foundation holds a briefing on homeland security and improving state, local and federal coordination, with Susan Reingold of the Office of the Director of National Intelligence. Location: 214 Massachusetts Ave. NE.

IRAQ-OFFICER _ 9 a.m. Telephone news conference with Lt. Ehren Watada, the first Army commissioned officer to refuse to go to Iraq. Contacts: Trevor Fitzgibbon, 202-246-5303. Notes: Callin number: 877-7079628; passcode: Iraq.

HOLIDAY SPENDING _ 10 a.m. The Consumer Federation of America and the Credit Union National Association release their annual consumer survey on holiday spending plans and concerns about debt levels. Location: National Press Club.

SAVINGS-PENSIONS _ 10 a.m. - 11:30 a.m. The joint Brookings Institution-Georgetown Public Policy Institute Retirement Security Project (RSP) host a panel discussion of economic analysts who will address the next steps for Congress. Participants will consider the impact of the new pension law, the mechanics of the Automatic 401(k), and discuss a new paper from RSP that estimates that these and related proposals that would increase net national savings by around $75 billion. Location: Brookings Institution, Falk Auditorium, 1775 Massachusetts Ave. NW.

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PORT-BORDER SECURITY _ 12 p.m. Equity International holds a briefing on border and port security. Location: National Press Club.

BIOFUEL-FARMERS _ 12:30 p.m. The Biotechnology Industry Organization holds a news conference to release a report outlining current and future feedstock supply challenges for the biofuel industry. Location: National Press Club.

LAZEAR-ECONOMIC FORECAST _ 1 p.m. CEA Chairman Ed Lazear will hold a conference call to discuss the Administration's economic forecast Notes: to participate, please call 866-207-9086. Chair is White House.

VEHICLES-FUEL EFFICIENCY _ 1:30 p.m. The Civil Society Institute holds a telephone news conference on a new poll showing that nearly all US consumers expect a sharp increase in gasoline prices in the near future and that, despite lower pump prices in recent months, there has been no slump in demand for hybrids and other fuel-efficient vehicles. Notes: To participate, dial 800-860-2442. Ask for ``The Washington Big 3 Survey'' news event.

MASSACHUSETTS V. EPA _ 2 p.m. - 4 p.m. The American Enterprise Institute Federalism Project hosts a panel disussion on the upcoming U.S. Supreme Court's hearing of an oral argument in Massachusetts v. Environmental Protection Agency (EPA). In this case, part of a broader campaign for the regulation of carbon dioxide, several states and environmental organizations have argued that the EPA must regulate CO2 under the Clean Air Act. Panelists: Joathan H. Adler, Case Western Reserve Law School; Lisa Heinzerling, Gorgetown University Law Center; Barry Rabe, University of Michigan; and Edward W. Warren, Kirkland & Ellis. Moderator: Michael S. Greve, AEI. Location: Wohlstetter Conference Center, 12th floor, AEI 1150 17th St. NW.

RUSSIA-WTO _ 3 p.m. The Carnegie Endowment for International Peace holds a seminar on Russia's accession to the WTP, with Assistant USTR Dorothy Swoskin, Nick Giordano of the National Pork Producers Council, Randi Levinas of the U.S.-Russia Business Council, others. Location: 1779 Massachusetts Ave. NW.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

AG Pushes Domestic Wiretapping (DENP)

By Felisa Cardona, Denver Post Staff Writer

Denver Post, November 21, 2006

The U.S. attorney general says the Democrats' victory won t deter the White House on the issue.

Speaking Monday to The Denver Post editorial board, U.S. Attorney General Alberto Gonzales discusses the need for warrantless eavesdropping to fight terrorism. "We've done a lot to make America safer, but it's not safe," he said. (Post / John Prieto)

U.S. Attorney General Alberto Gonzales reiterated his support for a domestic wiretapping program to fight terrorism during a visit Monday with The Denver Post editorial board.

"We've done a lot to make America safer, but it's not safe," Gonzales said when asked about the need for warrantless eavesdropping. "Fundamentally, the world is different today. My 14-year-old son will grow up in a different world than I grew up in. It's much more likely there will be a terrorist attack in this country. I never worried about a terrorist attack as a boy."

Gonzales said the Bush administration would not be deterred by the Democratic takeover in Congress but that he hoped new congressional leaders would be as willing to avoid a confrontation on national security as he is.

"I'm not going to prejudge," Gonzales said of the possibility of trying to convince the new Congress. "We are going to work as hard as we can to avoid the kind of crisis you referred to."

Gonzales said the Bush administration's anti-terrorism efforts since the Sept. 11, 2001, attacks have improved intelligence gathering, especially between nations.

"The unsung story of this is our relationships with our foreign partners," Gonzales said. "The level of cooperation is outstanding, and it's made a big difference now that we are able to analyze plots. We have to be right 100 percent of the time; they (terrorists) only have to be right one time."

Gonzales also spoke about the issues with security at the Supermax prison in Florence and said he considered the problems "a priority."

He acknowledged that more staffing and security measures, such as increased monitoring of the perimeter of the prison, are necessary.

A recent report on prison security at Supermax showed that inmates were communicating with each other and with outsiders by telephone without those conversations being screened.

Gonzales said that in the past month, seven new employees, including guards, were hired to ease staffing concerns. He said part of the problems with security have to do with a lack of Arabic translators, an issue he says plagues all levels of government.

While the prison may not have Arabic translators on hand to monitor live inmate phone conversations, the calls are taped and reviewed later, Gonzales said.

"It's intolerable to have dangerous people in our prisons communicating with each other," he said.

Staff writer Felisa Cardona can be reached at 303-954-1219 or fcardona@denverpost.com.

Gonzales Pronounces Supermax Safe (RMN)

By Sara Burnett, Rocky Mountain News

Rocky Mountain News, November 21, 2006

U.S. Attorney General Alberto Gonzales acknowledged today there have been problems at Supermax prison in Florence but said steps have been taken to improve security and make sure the community is safe.

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"I think it's a safe facility," Gonzales said during a meeting with the Rocky Mountain News editorial board. "Have mistakes been made? Have there been some problems there? No question about it, like there are at every facility. But we've taken steps to address them."

Gonzales said the Department of Justice has added 11 new employees at Supermax, and that seven more positions will be filled "as soon as we can." The 18 new employees would bring the facility to 208 — still short of the 240 employees it had when the prison opened in 2004.

Supermax, the nation's highest-security prison and home to inmates such as 9/11 conspirator Zacarias Moussaoui, also has addressed problems with inmate mail and phone calls not being monitored, Gonzales said.

He said a "large portion" of phone calls are being monitored as they occur, and others are recorded and later reviewed by translators. All mail is being viewed, he said.

In September, a Justice Department inspector general's report criticized the prison for not properly screening terrorists' mail and other communications. Gonzales today called that situation "intolerable" and said steps were taken to correct it.

"We spend a lot of taxpayer dollars in the investigation and prosecution of these kinds of dangerous criminals, and to have them locked up and to still present a danger to the American citizen is not right," he said.

Residents and local law enforcement also have expressed concern about the safety of the prison's perimeter, and about local police not being able to communicate via radio with prison guards.

Gonzales said he has asked the director of the U. S. Bureau of Prisons to look into those concerns as well.

Supermax Still Not Super Secure (RMN)

Rocky Mountain News, November 21, 2006

Messages monitored, but not in real time

In a meeting with News editors and writers on Monday, U.S. Attorney General Alberto Gonzales delivered both good news and bad news about the security of communications flowing to and from inmates at the Supermax lockup in Florence.

On the plus side, Gonzales said that every communication with prisoners, by mail or telephone, is now reviewed. Mail is read and telephone messages are either monitored on the spot or recorded and eventually translated.

That's a dramatic improvement. A report by the department's inspector general published earlier this fall found that less than half of inmate phone calls at Supermax were monitored, and during a test period a mere 1.8 percent of mail to and from the prisoners was checked by law enforcement officials.

The "eventually translated" part, however, is the bad news. While the AG asserted that the goal was to monitor all communications in "real time," it's not happening now. The Bureau of Prisons lacks enough translators to interpret messages as they come and go. Which means that instructions to terror networks or outside criminal enterprises could be flowing freely for days, weeks or months (more like months, as we'll explain below) before potentially lethal plans are derailed.

A shortage of Arabic-language translators with the proper security clearance has plagued every intelligence bureau, law enforcement agency and military service since 9/11. Gonzales said as much on Monday.

Even so, any time lags in translation are troubling. Supermax houses the most dangerous criminals in the custody of U.S. law enforcement. These inmates - among their ranks are several plotters of the 1993 World Trade Center bombing and an alleged mastermind of jihadist terror attacks in Spain - pose a unique danger to the outside world. Translating and decoding the contacts these prisoners have with the outside world should have a special urgency.

Until recently, however, deciphering those messages was a low priority for the feds. The IG report said the FBI attempted to produce translations from intercepted letters within 60 days, which is already far too long. In actuality, it could take between six and 18 months to get a useful translation, the report added.

Given the wide latitude Congress has granted the administration to wage the war on terror, not to mention the expansive surveillance powers the White House has asserted on its own, such delays are indefensible.

In our conversation Monday, Gonzales agreed. But he still needs to push his department to finish the job of ending the security risk at SuperMax.

Judge Rejects Request For NSA Documents (AP)

AP, November 21, 2006

WASHINGTON — The National Security Agency is not required to release details about its secret wiretapping program, a federal judge said Monday.

The People for the American Way Foundation, a liberal advocacy group, sued to obtain records under the Freedom of Information Act. The group sought to find out how many wiretaps were approved and who reviewed the program.

President Bush has acknowledged the existence of the program, which he calls the Terrorist Surveillance Program. The National Security Agency monitors phone calls and e-mails between people in the U.S. and people in other countries when a link to terrorism is suspected.

Civil liberties group criticize it as an expansion of presidential power, and a federal judge has said it is unconstitutional. The Justice Department says it is a necessary tool to fight terrorism.

The NSA denied the request for documents, saying the records would jeopardize national security. The advocacy group argued that the law can't be used to protect the government from disclosing details about illegal programs.

U.S. Judge Ellen Segal Huvelle disagreed, saying that even if the program is ultimately determined to be illegal, it doesn't change the fact that the materials are classified and are not covered by the Freedom of Information Act.

Human-rights Groups Back Dems' Detainee Law Overhaul (HILL)

By Roxana Tiron

The Hill, November 21, 2006

Some human-rights groups are hoping that the Democrats' takeover of Congress will provide the necessary momentum to overhaul the controversial new legislation governing military tribunals.

One of the groups' main goals is to restore habeas corpus rights to military detainees held at Guantanamo Bay, Cuba.

The writ of habeas corpus would allow the prisoners to have the legal basis of their detention reviewed in court to determine whether they should be released from custody.

"I expect that there will be a serious, bipartisan effort to try and correct some of the more confusing and flawed elements of the Military Commissions Act," said Tom Malinowski, the advocacy director of Human Rights Watch. "The most promising effort would be the one to restore habeas corpus rights to detainees, because it is such a fundamental right."

Sen. Chris Dodd (D-Conn.), a 2008 presidential hopeful who come January will be the second-ranking Democrat on the Foreign Relations Committee, introduced a bill that would amend existing law, including providing habeas corpus protections to military detainees.

Dodd is the first to take direct aim at the controversial tribunal bill, which President Bush signed into law in October.

Sen. Patrick Leahy (D-Vt.), the incoming chairman of the Senate Judiciary Committee, said he too is in the process of drafting "major changes" to the legislation, including instituting habeas corpus rights for detainees.

Right after the Democrats take over the majority in early January, the Pentagon must report on the new procedures involved in the military commissions to the Senate and House Armed Services committees.

The Democrats may be able to corral enough bipartisan support to push for changes to the law, Malinowski predicted.

"Depending on how they frame [the legislation], they may be able to get some moderate Republicans [to support it]," he said.

One of those centrists is Sen. Arlen Specter (R-Pa.), who introduced an amendment when Congress was considering the military tribunal bill in late September that would have reinstated habeas corpus rights. That amendment failed by three votes. Democrats could also enlist the help of Sens. John Sununu (R-N.H.) and Gordon Smith (R-Ore.), who also support reinstating habeas corpus rights.

But Senate Democrats could have a tough time gathering enough support to stave off a White House veto. The Senate passed the military commissions bill by a vote of 65 to 34.

While changing the new law is important, that is not the only remedy, said Elisa Massimino, Washington, D.C. director of Human Rights First.

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"We need more oversight and there would need to be hearings held on who exactly is held at Guantanamo Bay," said Massimino.

Oversight hearings into the use of controversial, alternative interrogation techniques, such as those the CIA uses against high-value terrorist suspects, are also imperative, said Massimino.

The confirmation hearings of Robert Gates, outgoing Defense Secretary Donald Rumsfeld's replacement to head the Pentagon, likely will provide more clues about how Democrats will change laws governing the treatment of military detainees.

Republican presidential hopeful Sen. John McCain (R-Ariz.) worked hard to pass the Detainee Treatment Act of 2005, which prohibits cruel, inhuman and degrading treatment for all prisoners, despite opposition from the White House and many in his party.

Even before Democrats won the midterm election, Sen. Carl Levin (D-Mich.) had been asking for internal White House legal memos on the administration's interpretation of laws governing detainee treatment.

"Now he can really force these things," Massimino said of Levin, who will be the chairman of the Senate Armed Services Committee in January.

Malinowski said he is particularly interested in the Department of Justice memo that specifies what interrogation techniques, including those the CIA uses, are legal in the administration's view.

"They are going to fight tooth and nail not to give that out," he said.

Several House Democrats are following their Senate counterparts' lead and have started considering changes to the military tribunal legislation.

"It is being put together at the committee level right now," said Rep. Neil Abercrombie (D-Hawaii), a veteran of the House Armed Services Committee, who will be a subcommittee chairman in January.

"I will support any legislative activity to throw that act out at best, and at a minimum reconfigure it to include habeas corpus and other aspects to conform to our constitutional imperative," Abercrombie told The Hill. "At the first legislative opportunity, the issue surrounding military commissions will be taken up."

The committee is considering passing legislation to expedite the judicial review of the new military tribunal law to determine its constitutionality. It's the same provision Dodd included in his bill overhauling the law.

Rep. Ike Skelton (D-Mo.), who will take over the armed services panel next year, said he thought the new law was "unconstitutional."

Meanwhile, Rep. Solomon Ortiz (D-Texas), the third-ranking Democrat on the panel, said he expects to have to deal with the military tribunal legislation one way or the other.

"I am pretty sure it is going to be challenged [in the courts]," he said.

But committee Democrats likely will have a tough opponent in Rep. Duncan Hunter (R-Calif.), who as current chairman played a part in drafting the legislation and who will be the panel's ranking member next year.

"I think it is a solid act," Hunter said yesterday in an interview with reporters. "We should start prosecuting instead of second-guessing."

House Democrats may face larger hurdles than their Senate colleagues in trying to change the tribunal legislation. The House passed the Military Commissions Act by a vote of 253 to 168.

Top-Secret Torture (WP)

The Washington Post, November 21, 2006

The Bush administration claims detainees can't disclose how they were treated.

BURIED WITHIN a recent government brief in the case of Guantanamo Bay inmate Majid Khan is one of the more disturbing arguments the Bush administration has advanced in the legal struggles surrounding the war on terrorism. Mr. Khan was one of the al-Qaeda suspects who was detained in a secret prison of the CIA and subjected to "alternative" interrogation tactics -- the administration's chilling phrase for methods most people regard as torture. Now the government is arguing that by subjecting detainees to such treatment, the CIA gives them "top secret" classified information -- and the government can then take extraordinary measures to keep them quiet about it. If this argument carries the day, it will make virtually impossible any

accountability for the administration's treatment of top al-Qaeda detainees. And it will also ensure that key parts of any military trials get litigated in secrecy.

Mr. Khan is one of 14 people transferred to Guantanamo earlier this year from the CIA's secret prison program. After his transfer, lawyers seeking to represent him asked for an order granting them access on the same terms as lawyers representing other detainees. The government objected on two main grounds. It contended that the court lacks jurisdiction because of two new laws that strip federal courts of authority over detainee matters. That may well be correct, and Judge Reggie B. Walton agreed last week that any consideration of counsel access should wait until the court of appeals rules on the jurisdictional question.

But the government also argues that Mr. Khan is different from previous Guantanamo inmates; their lawyers are cleared to see information classified at the "secret" level. The CIA program, however, involves top-secret information, so lawyers for Mr. Khan would have to be cleared at a higher level -- and access would have to take place under more restrictive circumstances.

The trouble is that at least some of the secrets the government is trying to protect are the very techniques used against people such as Mr. Khan -- and its means of protecting them is to muzzle him about what the CIA did to him. CIA official Marilyn A. Dorn said in an affidavit that Mr. Khan might reveal "the conditions of detention and specific alternative interrogation procedures." In other words, grossly mistreating a detainee now justifies keeping him quiet.

The problem with this argument is not just its Kafkaesque sheen. If the courts accept it, it would have vast practical implications. The integrity of any military trials of the high-value detainees will depend on their excluding evidence obtained by unduly coercive means. By the logic of the government's argument, however, all of that litigation will have to take place in secret. Detainees are also supposed to be able to appeal their status as enemy combatants to the federal appeals court here in Washington. The government's logic would all but assure that the bulk of any such appeal would be secret as well. So accepting this theory would mean that no claim of torture could be resolved in a transparent and accountable fashion. Given the importance of open trials for the high-value detainees, it's hard to imagine a principle that would more thwart the effort to bring them credibly to justice.

Reno Files Challenge To Terror Law (AP)

By Matt Apuzzo, The Associated Press

AP, November 21, 2006

WASHINGTON (AP) — Former Attorney General Janet Reno and seven other former Justice Department officials filed court papers Monday arguing that the Bush administration is setting a dangerous precedent by trying a suspected terrorist outside the court system.

It was the first time that Reno, attorney general in the Clinton administration, has spoken out against the administration's policies on terrorism detainees, underscoring how contentious the court fight over the nation's new military commissions law has become. Former attorneys general rarely file court papers challenging administration policy.

Suspected al-Qaida sleeper agent Ali Saleh Kahlah al-Marri is the only detainee being held in the United States.

The former prosecutors challenged the Justice Department's right to bring al-Marri before a military commission.

A citizen of Qatar, he was arrested in 2001 while studying in the United States. He had faced criminal charges until authorities designated him an enemy combatant and ordered him held at a naval base in South Carolina.

The Justice Department said in court papers last week that a new anti-terrorism law strips detainees such as al-Marri of the right to challenge their imprisonment in court.

"The government is essentially asserting the right to hold putative enemy combatants arrested in the United States indefinitely whenever it decides not to prosecute those people criminally — perhaps because it would be too difficult to obtain a conviction, perhaps because a motion to suppress evidence would raise embarrassing facts about the government's conduct, or perhaps for other reasons," the former Justice Department officials said.

Some of the eight attorneys named in the document are now in private practice and represent detainees at the military base in Guantanamo Bay, Cuba. Most served under President Clinton, though the list includes former U.S. Attorneys W. Thomas Dillard and Anton R. Valukas, who served under President Reagan.

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"The existing criminal justice system is more than up to the task of prosecuting and bringing to justice those who plan or attempt terrorist acts within the United States — without sacrificing any of the rights and protections that have been the hallmarks of the American legal system for more than 200 years," the attorneys wrote.

The al-Marri matter is before the 4th U.S. Circuit Court of Appeals in Richmond, Va., and is one of three appeals court cases that will help determine the scope of the new military commissions law. That law allows the CIA to use tough — but undefined — interrogation techniques and says detainees may not use civilian courts to challenge their imprisonment.

Human rights groups have challenged the law. The former prosecutors wrote that they worried the government would increasingly use the law to avoid criminal trials "and the rights associated with them, such as the defendant's right to counsel and the government's obligation to prove guilt beyond a reasonable doubt."

The government was standing behind its position, Justice Department spokeswoman Kathleen Blomquist said in a statement Monday night.

"These are complex and difficult legal issues, and while we respect the right of other legal minds to be heard on these issues, we believe we are on firm legal footing in this case as both the magistrate judge and district court concluded," Blomquist said.

Last weekend, Attorney General Alberto Gonzales defended the nation's handling of the detainees. He said they are afforded more rights than required.

"What is extraordinary, in other words, is how much — not how little — our law protects enemy combatants," he said.

Islamic Charity Tries Anew To Lose Label (AP)

By Matt Apuzzo, Associated Press Writer

AP, November 21, 2006

WASHINGTON — A Missouri-based Islamic charity accused of being part of an international terrorist organization tried to distance itself in federal court Monday from a Sudanese group suspected of financing al-Qaida.

The Treasury Department considers the Islamic American Relief Agency, of Columbia, Mo., to be an arm of the Islamic African Relief Agency, a Sudanese group accused of providing financial support to Osama bin Laden, al-Qaida and Hamas.

The FBI raided the charity's office in Missouri and the homes of people affiliated with the group nationwide. Since then, the 20-year-old charity has been unable to raise money.

Attorney Shereef Hadi Akeel told the U.S. Court of Appeals for the District of Columbia Circuit that the charity was not part of the Sudanese group. The organizations have independent leaders and separate bank accounts, he said.

If the two groups were the same, Akeel said, when the Missouri group wanted to move money into Sudan, it would have simply transferred it. Instead, he said the charity sought U.S. permission.

A federal judge rejected the group's lawsuit in 2005, finding enough evidence to support the Treasury Department's decision. The three-judge appeals panel seemed hesitant to reject that finding Monday, asking few questions and noting that it would need to see clear evidence to overturn the agency's decision.

The Justice Department pointed to the Missouri charity's own tax and corporate documents, which list the charity as a chapter or affiliate of the Sudanese group.

Akeel said that in the world of aid organizations, charities in the U. S. frequently partner with groups in impoverished areas.

The judges heard both public and classified testimony Monday and did not rule on the case.

No Transfer For Guantánamo Detainee (AP)

By Matt Apuzzo

AP, November 21, 2006

WASHINGTON - The U.S. military is not required to send a Guantánamo Bay detainee to a civilian hospital for medical treatment, a federal judge said Monday, leaving the prisoner to choose between having a heart procedure performed at the military base or not at all.

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Saifullah A. Paracha, a 59-year-old multimillionaire Pakistani businessman and television producer, argued that the procedure was too risky to be handled anywhere but in a cardiac unit. He asked to be transferred to a hospital in the United States or Pakistan.

The procedure, called cardiac catheterization, is used to detect heart problems such as blockages. A doctor inserts a plastic tube into a vein and slides it into the heart or nearby coronary arteries to measure blood pressure or oxygen levels.

If something goes wrong, Paracha's attorney said, doctors could need to perform emergency heart surgery.

Doctors successfully completed an identical procedure at Guantánamo Bay in 2003, the Justice Department said. Special medical equipment and personnel were available, attorneys said, making transferring Paracha an unnecessary security risk.

JUDGE AGREES

U.S. District Judge Paul L. Friedman agreed, saying the government regularly decides how best to treat civilian prisoners inside the United States and judges rarely intervene.

Paracha twice met with Osama bin Laden, but his attorney said it was in hopes of landing a television interview. Paracha, who lived in the United States for 16 years, denies making investments for al Qaeda, translating statements for bin Laden, joining in explosives-smuggling or recommending that nuclear weapons be used against U.S. soldiers.

Doctors will not perform the procedure without Paracha's consent. Attorney Gaillard Hunt said Paracha, who has a history of heart problems, may decide not to be treated if the procedure is done at the base.

"That's true of any prisoner anywhere," Friedman replied. ``There are lots of people who aren't detainees anywhere who choose not to have procedures done that their doctors believe should be done. If that's his choice, that's his choice."

Friedman said he was troubled by Hunt's claims that military officials shackled Paracha's hands and feet to his hospital bed during previous medical tests and did not release him even to eat.

ATTORNEYS' WARNING

In legal documents, Paracha's attorneys said there would be diplomatic consequences in Pakistan if he died.

"His death in U.S. captivity would be a blow to American prestige in that area, even under the best of circumstances," attorneys wrote. ``If anything happened to him while he was being treated in an irregular or inadequate facility, the reaction would be unpredictable."

Paracha's attorneys can appeal Friedman's ruling.

In July, his son, Uzair Paracha, was convicted of agreeing to help an al Qaeda operative with terrorist designs sneak into the United States. A U.S. District Court judge in New York sentenced the son to 30 years in federal prison.

2nd Man Charged In Terrorism TV Case (NSDY/AP)

By Larry Neumeister, Associated Press Writer

Long Island Newsday, November 21, 2006

NEW YORK -- A man was charged Monday with supporting terrorists by enabling customers to obtain satellite broadcasts of a Hezbollah television station, the second person accused in a case that has drawn scrutiny over how far the government can go in claiming someone is aiding terrorist groups.

Saleh Elahwal, 53, of Matawan, N.J., and Javed Iqbal, 42, of Staten Island, could each face up to 110 years in prison if they are convicted of all 11 counts in a rewritten indictment unsealed Monday in U.S. District Court in Manhattan. They pleaded not guilty.

Lawyers for both declined to comment outside court. Prosecutors said weeks ago they planned to bring additional charges as they as they collect evidence and build a case.

Iqbal, a Pakistani businessman, was charged in August with helping his customers receive broadcasts of al Manar, which was designated by the U.S. government this year as a global terrorist entity. At the time, the charges against him carried a potential prison term of five years.

Al Manar, launched in 1991, features news programming that promotes Hezbollah's positions and shows statements from the terror group and speeches from its leader, the government has said.

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As part of their probe, FBI agents searched two storefronts in Brooklyn where Iqbal worked and at his residence, where multiple satellite dishes helped him distribute the broadcasts to New York-area customers through a Brooklyn company called HDTV Limited, prosecutors said.

The indictment accused the men of carrying out the scheme from September 2005 through August.

Iqbal's representatives criticized the government's case after his August arrest, saying his First Amendment rights were violated.

Prodi Removes Top Intelligence Chiefs (FT)

By Tony Barber

Financial Times, November 21, 2006

Three top intelligence officials were removed on Monday in the most abrupt shake-up of Italy's espionage community since the current structures were established almost 30 years ago.

The government of Romano Prodi removed the chief of the national military intelligence agency, whom prosecutors want to put on trial for involvement in the suspected kidnapping by CIA agents of an Egyptian imam in February 2003.

It also replaced the head of the domestic secret service and the chief of an intelligence co-ordinating committee that reports to the political authorities.

The shake-up signalled the determination of the centre-left prime minister to assert his authority in this most delicate of policy arenas.

Pino Sgobio, a communist parliamentarian and member of Mr Prodi's ruling coalition, said he hoped that the new intelligence chiefs would work in a transparent manner "after the recent dark years of their predecessors".

The most damaging affair concerns Nicolò Pollari, the head of Sismi, the military intelligence service. Prosecutors plan to ask a judge to try him on charges of involvement in the abduction of Osama Mustafa Hassan Nasr in Milan almost four years ago.

The prosecutors allege that the imam, a terror suspect also known as Abu Omar, was kidnapped by a team of CIA agents and sent to Egypt for interrogation under the US administration's programme of "extraordinary rendition".

The prosecutors suspect Mr Pollari co-operated in the CIA operation, of which they say they have extensive proof in the form of transcripts of intercepted telephone calls, photographs and other material.

Mr Pollari denies the allegation and told a parliamentary committee in August he had not authorised any action contrary to Italian law.

At the time of the imam's abduction, Mr Pollari reported to the centre-right government of Silvio Berlusconi, Mr Prodi's predecessor, who was a fervent supporter of the US "war on terror".

Some intelligence experts say it is doubtful that the CIA did not seek at least tacit approval from Mr Berlusconi's government for the operation, but the former premier and his political allies deny prior knowledge of the kidnapping.

In a sign that Mr Prodi wants to keep a close eye on an affair that goes to the heart of US-Italian relations, his office said Mr Pollari had not been sacked but had been assigned an undisclosed "important special post" reporting directly to the premier.

Mr Pollari, 63, was replaced as head of Sismi by Bruno Branciforte, 59, a naval intelligence expert. At Sisde, the domestic secret service, Mario Mori, 67, was replaced by Franco Gabrielli, 46, who is highly regarded for having recently dismantled a Red Brigades terrorist cell.

Since the creation of Italy's democratic political system in the late 1940s, the intelligence services have played a prominent and often bitterly criticised role in battling home-grown terrorism, of the extreme-left and extreme-right varieties.

Various acts of far-right terrorism that took place from the late 1960s to the 1980s were attributed to rogue elements in the secret services, and judicial inquiries into these events were sometimes obstructed by the agencies.

The Curse Of Rendition (FT)

Financial Times, November 21, 2006

The decision yesterday by the government of Romano Prodi, the Italian prime minister, to sack his country's head of military intelligence and two other spy chiefs is yet another reminder of how leading European countries have colluded in the shameful

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and destructive practice of "rendition" - a programme run by the US Central Intelligence Agency to kidnap and transport beyond the reach of the law suspects in the "war on terror".

Prosecutors suspect Nicolò Pollari, head of Italy's Sismi agency, of involvement in the CIA's abduction in Milan of Osama Hassan Mustafa Nasr in February 2003. The radical Egyptian cleric was then flown to Cairo where he claims - credibly, given Egypt's human rights record - to have been tortured.

While there may well be other motives behind Rome's move - allegations that an associate of Mr Pollari attempted to smear Mr Prodi, fears for the safety of Italian troops in Iraq, Afghanistan and Lebanon and a wish to embarrass Silvio Berlusconi, the previous Italian prime minister, are all adduced as possible reasons - this looks like a rare attempt to hold someone to account for "rendition".

The word itself - which ranks with euphemisms such as "friendly fire" or "collateral damage" - is perversely misleading. Behind its bogus legalism lies a practice of lawlessness, captured in chilling detail in a Council of Europe report last June, implicating more than a dozen European countries.

These countries, among them Britain, Germany, Spain, Poland, Sweden and Turkey, stand accused of complicity in kidnapping and the outsourcing of torture to friendly despots, at a network of secret sites for "ghost prisoners" denied legal process.

The unusual detail of the Council of Europe report and newspaper accounts provoked a storm of bluster and obfuscation, masking panic at the leakiness of the intelligence services that provided most of the information and a determination to shoot the messenger rather than heed the message.

The message could not be clearer. It is a capitulation by liberal societies to their enemies, a surrender of the rule of law to jihadi totalitarianism, to sink into such practices - whatever semantic evasions are used to describe them. As the Financial Times has persistently argued: we should not need to make the case against torture. It is morally depraved. It corrodes the society that condones it. It elicits largely worthless information. Full stop.

It is hard to exaggerate the extent to which policies such as "rendition" and the abuses practised at Abu Ghraib and Guantánamo have handed propaganda triumphs to the jihadis - harder still to undo the damage to US and western reputations. A start might be made if those high up the chain of command - such as Donald Rumsfeld, the now defenestrated US defence secretary - were called to account for their actions. Italy may have started this process.

Germany Detained Six In Terror Inquiry (NYT)

By Mark Landler

The New York Times, November 21, 2006

FRANKFURT, Nov. 20 — German authorities, investigating an alleged plot to hide an explosive device aboard a passenger jet here last summer, detained six men on Friday on suspicion of belonging to a terrorist group.

All but one of the men was released the following day, the federal prosecutor in Karlsruhe said on Monday.

But German authorities said they are investigating additional people whom they believe sought to bribe an employee at Frankfurt Airport to place a bomb aboard the plane in luggage.

The plot was in its very early stages, the prosecutor said, and it may have foundered because of a dispute over how much to pay the airport employee. He was operating inside the security zone at the airport, which is Europe's third busiest after Heathrow, serving London, and Charles de Gaulle, serving Paris.

A spokesman for the prosecutor did not disclose the identity or nationalities of the suspects. German news organizations, citing unnamed police officials, reported that the men were from the Middle East, possibly from Jordan. The newspaper, Die Welt, said on its Web site that the target was the Israeli state airline El Al.

Police also raided several houses and apartments on Friday in several towns in west central Germany. The man who remains in custody is being questioned on a separate matter, the prosecutor said.

Germany has been on edge about a terrorist attack since August, when two bombs in suitcases were placed on trains near Cologne but failed to detonate. Police arrested a Lebanese student in Germany, who told them he was angry about cartoons in Danish papers that lampooned the Prophet Mohammed.

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Security at European airports has come under heightened scrutiny since August, when police in Britain foiled a plot to carry explosives in liquid form on to airliners bound for the United States.

Last month, citing security risks, French authorities stripped access badges from 72 Muslim workers at Charles de Gaulle Airport north of Paris, because the workers had either traveled to Pakistan or Afghanistan, or were suspected of having ties to extremist Islamic groups.

Robert A. Payne, a spokesman for Fraport, which operates the Frankfurt airport, declined to comment.

A German expert on terrorism, Rolf Tophoven, said the report of the alleged Frankfurt plot was alarming because it suggested that terrorists were seeking ways around the tight security checks that are now common at major airports.

"This is a new tactical development, because they tried to infiltrate the security infrastructure by hiring a person who had access to the airfield and aircraft," Mr. Tophoven said. "You can protect an airfield with electronic fences and X-rays, but you can't protect against human weakness."

HOMELAND RESPONSE:

Military Documents Hold Tips On Antiwar Activities (NYT)

By Eric Lichtblau And Mark Mazzetti

The New York Times, November 21, 2006

WASHINGTON, Nov. 20 — An antiterrorist database used by the Defense Department in an effort to prevent attacks against military installations included intelligence tips about antiwar planning meetings held at churches, libraries, college campuses and other locations, newly disclosed documents show.

One tip in the database in February 2005, for instance, noted that "a church service for peace" would be held in the New York City area the next month. Another entry noted that antiwar protesters would be holding "nonviolence training" sessions at unidentified churches in Brooklyn and Manhattan.

The Defense Department tightened its procedures earlier this year to ensure that only material related to actual terrorist threats — and not peaceable First Amendment activity — was included in the database.

The head of the office that runs the military database, which is known as Talon, said Monday that material on antiwar protests should not have been collected in the first place.

"I don't want it, we shouldn't have had it, not interested in it," said Daniel J. Baur, the acting director of the counterintelligence field activity unit, which runs the Talon program at the Defense Department. "I don't want to deal with it."

Mr. Baur said that those operating the database had misinterpreted their mandate and that what was intended as an antiterrorist database became, in some respects, a catch-all for leads on possible disruptions and threats against military installations in the United States, including protests against the military presence in Iraq.

"I don't think the policy was as clear as it could have been," he said. Once the problem was discovered, he said, "we fixed it," and more than 180 entries in the database related to war protests were deleted from the system last year. Out of 13,000 entries in the database, many of them uncorroborated leads on possible terrorist threats, several thousand others were also purged because he said they had "no continuing relevance."

Amid public controversy over the database, leads from so-called neighborhood watch programs and other tips about possible threats are down significantly this year, Mr. Baur said. While the system had been tightened, he said he was concerned that the public scrutiny had created "a huge chilling effect" that could lead the military to miss legitimate terrorist threats.

Mr. Baur was responding to the latest batch of documents produced by the military under a Freedom of Information Act request brought by the American Civil Liberties Union and other groups. The A.C.L.U. planned to release the documents publicly on Tuesday, and officials with the group said they would push for Democrats, newly empowered in Congress, to hold formal hearings about the Talon database.

Ben Wizner, a lawyer for the A.C.L.U. in New York, said the new documents suggested that the military's efforts to glean intelligence on protesters went beyond what was previously known. If intelligence officials "are going to be doing investigations or

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monitoring in a place where people gather to worship or to study, they should have a pretty clear indication that a crime has occurred," Mr. Wizner added.

The leader of one antiwar group mentioned repeatedly in the latest military documents provided to the A.C.L.U. said he was skeptical that the military had ended its collection of material on war protests.

"I don't believe it," said the leader, Michael T. McPhearson, a former Army captain who is the executive director of Veterans for Peace, a group in St. Louis.

Mr. McPhearson said he found the references to his group in the Talon database disappointing but not altogether surprising, and he said the group continued to use public settings and the Internet to plan its protests.

"We don't have anything to hide," he said. "We're not doing anything illegal."

The latest Talon documents showed that the military used a variety of sources to collect intelligence leads on antiwar protests, including an agent in the Department of Homeland Security, Google searches on the Internet and e-mail messages forwarded by apparent informants with ties to protest groups.

In most cases, entries in the Talon database acknowledged that there was no specific evidence indicating the possibility of terrorism or disruptions at the antiwar events, but they warned of the potential for violence.

One entry on Mr. McPhearson's group from April 2005, for instance, described a protest at New Mexico State University in Las Cruces at which members handed out antimilitary literature and set up hundreds of white crosses to symbolize soldiers killed in Iraq.

"Veterans for Peace is a peaceful organization," the entry said, but added there was potential that future protests "could become violent."

6 Imams Removed From Twin Cities Flight (AP)

By Steve Karnowski, ASSOCIATED PRESS WRITER

AP, November 21, 2006

MINNEAPOLIS -- Six Muslim imams were removed from a US Airways flight at Minneapolis-St. Paul International Airport on Monday and questioned by police for several hours before being released, a leader of the group said.

The six were among passengers who boarded Flight 300, bound for Phoenix, around 6:30 p.m., airport spokesman Pat Hogan said.

A passenger initially raised concerns about the group through a note passed to a flight attendant, according to Andrea Rader, a spokeswoman for US Airways. She said police were called after the captain and airport security workers asked the men to leave the plane and the men refused.

"They took us off the plane, humiliated us in a very disrespectful way," said Omar Shahin, of Phoenix.

The six Muslim scholars were returning from a conference in Minneapolis of the North American Imams Federation, said Shahin, president of the group. Five of them were from the Phoenix-Tempe area, while one was from Bakersfield, Calif., he said.

Three of them stood and said their normal evening prayers together on the plane, as 1.7 billion Muslims around the world do every day, Shahin said. He attributed any concerns by passengers or crew to ignorance about Islam.

"I never felt bad in my life like that," he said. "I never. Six imams. Six leaders in this country. Six scholars in handcuffs. It's terrible."

Ibrahim Hooper, spokesman for the Washington-based Council on American-Islamic Relations, expressed anger at the detentions.

"CAIR will be filing a complaint with relevant authorities in the morning over the treatment of the imams to determine whether the incident was caused by anti-Muslim hysteria by the passengers and/or the airline crew," Hooper said. "Because, unfortunately, this is a growing problem of singling out Muslims or people perceived to be Muslims at airports, and it's one that we've been addressing for some time."

Hooper said the meeting drew about 150 imams from all over the country, and that those attending included U.S. Rep.-elect Keith Ellison, D-Minneapolis, who just became the first Muslim elected to Congress. Shahin said they went as far as notifying police and the FBI about their meeting in advance.

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Shahin expressed frustration that - despite extensive efforts by him and other Muslim leaders since even before the Sept. 11, 2001, terrorist attacks - so many Americans know so little about Islam.

"If up to now they don't know about prayers, this is a real problem," he said.

Reached by cell phone just after his release, Shahin said he didn't know where they would spend the night or how they would try to get back to Phoenix on Tuesday. Hooper said US Airways refused to put the men on another flight.

Hogan said more information would likely be released Tuesday.

The other passengers on the flight, which was carrying 141 passengers and five crew members, were re-screened for boarding, Rader said. The plane took off about three hours after the men were removed from the flight.

Learn The Rules Before You Go (USAT)

By Kip Hawley

USA Today, November 21, 2006

At the Transportation Security Administration, our primary mission is to ensure the security of air travel. We use many layers to accomplish this, the most visible layers occurring when passengers go through the security line. TSA and our partners in law enforcement, airlines and airports handle the security work, but we also depend on travelers to be active participants by being prepared when they arrive at the airport.

Passengers can have a huge impact in making the process go smoothly and quickly for everyone. Take a minute to learn the rules before going to the airport (www.TSA.gov). The new liquid rules are simple: Put them in a checked bag, or put travel-size items in a baggie and put that in a bin at the checkpoint. 3-1-1 is the rule: containers 3 ounces or less, in a 1-quart zip-top bag, one per passenger.

This process is based on serious science and security reasoning. It assures that a completed bomb is not brought through. Liquids (and everything else) sold after the checkpoint have a separate security system that allows them to be brought on planes safely.

Please respect the job our security officers are doing on your behalf. They use their training and experience to sort out threats among the busy flow of travelers. It is a demanding job and requires intense focus while working pleasantly with the public. The checkpoint is not the place to debate the merits of various security measures.

The discretion carried out by our 43,000 Transportation Security Officers may mean that passengers might occasionally encounter slightly varying decisions at security checkpoints. Our goal is common sense security. To avoid absurd situations resulting from a mechanical enforcement of the rules, TSA entrusts its security officers to make decisions based on their training and judgment.

TSA and travelers partner every day to make the security process efficient. During the holiday period, we ask for a little extra preparation and patience as our security officers focus their efforts on protecting you.

Kip Hawley is the administrator of the Transportation Security Administration.

Fliers Aren't Giving Thanks For Fickle TSA Rules, Screeners (USAT)

USA Today, November 21, 2006

Thousands of infrequent fliers will take to the skies this Thanksgiving week, giving the government's latest rules for what can be carried on board an unparalleled stress test. A word of warning: Be prepared.

Since a plot to bomb jetliners with liquid explosives was broken up in London last August, flying has proved a little less convenient and a lot more confusing.

Initially, liquids and gels in carry-ons were banned. With passengers carrying less, they got through inspections and boarding quicker, but plenty complained about being left without toothpaste, cosmetics and such.

So in September, the Transportation Security Administration relaxed the rules, allowing fliers to carry on 3-ounce containers of toiletries, liquids and cosmetics in a 1-quart plastic bag. That made travel more convenient but also more confusing. The rules are so complicated that they aren't applied consistently.

Some curious results have followed.

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Last Wednesday, according to dotcom executive Sandra Jerez, screeners at New York's LaGuardia Airport confiscated two 3-ounce bottles of breast milk she wanted to carry on board. She had pumped the milk while on a business trip to take home to her 5-month-old son.

The New York screeners were wrong. As long as the milk was in the right size bottles, it should have been allowed.

Also wrong was the advice Jerez received earlier in the day from screeners at Washington's Reagan National. They said the answer would depend on the screeners' discretion.

"The rules should be the rules," Jerez said. "Shouldn't they?"

Absolutely. Fliers can live with restrictions, but only if they can understand what the restrictions are.

Also this month, computer instructor Gene Henriksen was told that he couldn't carry on 2-ounce unmarked bottles of toiletries at airports in Newport News, Va., and Atlanta because the bottles weren't labeled. That's incorrect.

When Henriksen called the TSA's helpline, he was told it was "up to the local agent."

Wrong, again.

While TSA screeners must make judgment calls — and fliers must comply — screeners should be reading from the same playbook, and that playbook needs to be simple enough that it's easily understood.

It isn't. It's also a moving target. Earlier this month, when the European Union issued carry-on rules quite similar — but not identical — to U.S. rules, several airlines published the "updated" rules on their websites, saying passengers could bring 100 milliliters or 3.4 ounces of liquids on board. According to a Northwest Airlines spokesman, the airline was simply following up on a TSA security directive.

The slight change muddied the issue for no good reason. Screeners are eyeballing the containers, not measuring them; 100 milliliters is merely a common size in Europe.

The TSA is now asking airlines to simplify their message, using 3 ounces. Good move. But whether everyone is ready for the busiest travel weekend of the year is very much in doubt.

Passengers and screeners alike will have to give a little. That bottle of mouthwash isn't really worth arguing about, is it? Given the hassle, is it even worth carrying on board?

More than anything, flying this week requires 3 ounces (or 100 milliliters, if you like) of common sense.

A Pointed Reminder For Security Screeners (WP)

By Michelle Boorstein

The Washington Post, November 21, 2006

Feel frustrated when a jangling bracelet or pocket full of coins sets off security screeners as you make your way into a government building? Consider the Sikhs, whose religion requires them to always wear a dagger.

The centuries-old requirement has collided with beefed-up, post-Sept. 11 rules that no longer allow people to leave legal weapons and other banned items with security guards working in such buildings as courthouses and federal offices. In two dozen cases in the past two years, Sikhs have been arrested, threatened with arrest or harassed in disputes with guards over the ceremonial kirpan, according to the Sikh American Legal Defense and Education Fund.

In an effort to bridge the culture-security gap, the Homeland Security Department and the Sikh legal group yesterday unveiled a poster meant to help screeners through these interactions. The poster, which will be distributed to federal facilities across the country, shows photos of different kirpans, ranging from a symbolic necklace some women wear to the more common three- to six-inch daggers, as well as full-on swords. Sikhs often wear them under their clothing, bound to them by a cloth body holster.

The kirpan, one of five items baptized Sikhs are required to wear, is meant as a reminder of the duty to uphold justice. The others are reminders of other things: the kesh, or Sikhs' uncut hair, to live as God created you; kanga, a wooden comb, to remain neat; kara, a bracelet, to do good deeds; and kachera, or large underwear, to remain chaste and faithful sexually.

"These articles are a constant reminder to me of what my duties are," said Manjit Singh, co-founder and chairman of the legal fund.

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Although Sikhs still can't take the wooden- or steel-handled knives -- which sometimes have blunted tips -- into government buildings, the poster tells security workers how to navigate the situation.

"Respectfully ask if a Sikh is carrying a kirpan. If so, request to inspect the kirpan," the poster reads. "If a kirpan must be confiscated, explain the reason(s) why and handle the kirpan with respect and care."

Sikhs are accustomed to packing their kirpan in their luggage when they fly. They also went through a similar education campaign after Sept. 11 about the turbans Sikh men are required to wear. Turbans are often made of 20 feet of fabric, and taking them off and putting them on are elaborate processes.

"For Sikh Americans, this is a huge and significant accomplishment," Singh said of the poster, which tells screeners to "show respect to all variations of faith."

Chemical Weapons' Disposal Delayed (USAT)

By Peter Eisler

USA Today, November 21, 2006

WASHINGTON — The Pentagon has extended its timeline to destroy its aging chemical weapons arsenal until 2023, despite concerns by Congress and watchdog groups that the stockpiles raise the risk of an accident or theft by terrorists.

The new schedule, outlined in Pentagon documents obtained by USA TODAY, means the military won't eliminate its stocks of deadly nerve gases and skin-blistering agents until 11 years after the 2012 deadline set by the international Chemical Weapons Convention. The U.S. government had already asked for a five-year extension from an earlier 2007 deadline.

Communities near the seven sites where weapons are stockpiled have long complained about the delays. Congress echoed those concerns this year, when it called eliminating the stockpiles “a homeland security imperative” and directed the Pentagon in a defense bill to “make every effort” to destroy them by the convention deadline or “soon thereafter.”

Pentagon spokesman Chris Isleib said the delay is the result of several factors, including technological challenges in developing and building disposal plants, regulatory delays, and safety and security issues. Even so, he said the military remains committed to the job and that the war in Iraq has not drained money from the effort.

“Destroying these weapons safely is not a fast or simple process,” Isleib said.

Disposal facilities, mostly incinerators, are operating at five sites. The new Pentagon plan, however, would slow construction and operating schedules for two remaining plants near Pueblo, Colo., and Richmond, Ky. Those plants, which will neutralize chemical agents instead of burning them, won't finish that work until 2020 and 2023, respectively, the plan shows.

The Pentagon “is again backsliding on its commitment,” Sen. Mitch McConnell, R-Ky., said in a statement.

The projections “are simply unacceptable,” he said. “They would subject the people living near (stockpiles) to the dangers of chemical weapons until well into the 2020s.”

The military has destroyed 41% of its 31,500-ton chemical arsenal, which includes weapons such as rockets and caches of raw chemical agents. A Pentagon report in April showed that projected costs for destroying all stockpiles have climbed from $2 billion in 1986 to $32 billion today.

Critics say the plan to slow spending and stretch construction at the remaining disposal plants will raise costs and create needless risks of an accidental chemical release or terrorist attack.

“To intentionally put tens of thousands of Americans at an unnecessary risk by continuing to store these weapons is reprehensible,” said Craig Williams of the Chemical Weapons Working Group, a Kentucky-based coalition of citizen groups from stockpile sites. “Not only are they ignoring our international treaty obligations, they are undermining the military's … obligation to protect U.S. citizens.”

WAR NEWS:

Bush Denies Decision On Altering Iraq Troop Levels (FT)

By Demetri Sevastopulo In Washington

Financial Times, November 21, 2006

DOJ_NMG_0096607

George W. Bush said he had made no decisions on altering troop numbers in Iraq on Monday following reports that the Pentagon was considering a temporary boost to curb sectarian violence in Baghdad.

The Washington Post reported on Monday that a Pentagon team reviewing Iraq policy was considering several options, including a temporary troop increase to accelerate the training of Iraq forces and curb sectarian bloodshed.

"I haven't made any decisions about troop increases or troop decreases,'' Mr Bush said in Indonesia.

In addition to the Pentagon policy "scrub" – which is being overseen by the uniformed military – the White House has ordered a review to consider new policies to address the Iraq chaos, which has claimed the lives of 2,855 US soldiers and tens of thousands of Iraqi civilians.

The Iraq Study Group, a Congress-mandated review led by James Baker, former secretary of state, and Lee Hamilton, former Democratic congressman, is next month expected to produce its recommendations for a policy shift on Iraq. In addition to recommending a boost in support for training Iraqi troops, its report is expected to call for the White House to talk to Iran and Syria – which the Pentagon has accused of fomenting parts of the insurgency – about finding ways to stabilise Iraq.

While the Pentagon is still completing its review, General John Abizaid, the top US commander in the Middle East, last week told Congress he believed the US had the correct number of troops in Iraq. His comments drew criticism from John McCain, widely seen as Republican frontrunner for the 2008 presidential race, who said he was disappointed that the military was pursuing a course of "status quo".

In the wake of their US mid-term election victory, Democrats have argued that the US public voted for change in Iraq, which they say should equate to troop withdrawals, a move that Gen Abizaid last week said would exacerbate sectarian violence in Iraq. Some influential Republicans such as Mr McCain and Lindsey Graham, the South Carolina senator, want the White House to increase troops in Iraq.

Over the past couple of weeks, however, Mr McCain has hinted that he may support withdrawing from Iraq if the White House does not boost troops to a level he believes necessary to achieve success in Iraq. He has said it would be "immoral" to send troops back to Iraq if US policy is simply going to result in delaying defeat.

Bush Weighs Next Step On Troops In Iraq (AP-Y)

By Terence Hunt

AP, November 21, 2006

President Bush said Monday he isn't ready to decide between rival calls to increase or scale back U.S. troops in Iraq. Unruffled by street protests against his policy, he said they were a healthy sign of democracy in this Muslim nation.

Facing growing disapproval at home for the Iraq war, Bush heard no criticism or demands for troop cuts from Indonesian President Susilo Bambang Yudhoyono. The Indonesian leader said the "global community must be also responsible in solving the problems in Iraq" along with the United States.

Awaiting the results of a Pentagon review and recommendations from a special commission exploring Iraq options, Bush refused to tip his hand about any change in the level of American forces in Iraq, now at more than 140,000.

Back in the U.S., the Republican chairman of the House Armed Services Committee said more Iraqi troops should be pushed to the front lines. "We need to saddle those up and deploy them to the fight," primarily in Baghdad, said Rep. Duncan Hunter of California.

Prominent Democrats have called for a timetable for troop withdrawals. Some Republicans — notably potential Republican presidential candidate John McCain — are urging a heavy buildup of forces to quell the violence in Baghdad.

"I haven't made any decisions about troop increases or troop decreases, and won't until I hear from a variety of sources," Bush said, standing alongside Yudhoyono at a news conference in the presidential palace.

Asked specifically whether there were any risks in increasing U.S. troops, Bush said, "There's no need to comment on something that may not happen. But if it were to happen, I will tell you the upsides and downside."

A study of options is under way by a Pentagon group for Gen. Peter Pace, the chairman of the Joint Chiefs of Staff. Those options include sending more U.S. troops, reducing the force but staying longer or simply pulling out, The Washington Post reported Monday.

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Indonesia was the last foreign stop on Bush's eight-day, postelection journey that also has taken him to Singapore and Vietnam. He met in Hanoi with world leaders to seek a common strategy for talks aimed at encouraging North Korea to abandon its nuclear weapons program.

Concerns for Bush's safety in Indonesia were heightened after police warned of an increased risk of attack by al-Qaida-linked militants. Bush is widely disliked in this country because of strong U.S. support for Israel and because of the invasions of Iraq and Afghanistan.

Demonstrations by Islamic hard-liners, students, housewives and taxi drivers have been staged every day this month and nearly 10,000 protesters turned out on Monday, some holding banners that read "Bush is a terrorist!" and "You're not welcome here!"

Bush was unruffled. "People protest, that's a good sign," he said. "It's a sign of a healthy society."

Countering arguments about his goals in the Middle East, Bush said that "to say spreading democracy is anti-religious — it's the opposite of that. Democracy means you can worship any way you choose, freely."

Yudhoyono said any long-term solution in Iraq should involve a national reconciliation, the strengthening of Iraq's government and the involvement of other countries. "We have to combine all those three solutions before actually the United States can determine what the possible policies" should be for withdrawal from Iraq, he said.

Bush's visit was limited to about six hours in the hill town of Bogor, south of Jakarta. Thousands of police and rifle-carrying soldiers patrolled the streets near the presidential palace.

Before an elegant dinner, Bush and his wife, Laura, stopped by a mock classroom in a tent on the palace grounds to showcase U.S. aid for Indonesia's education programs. Chatting with youngsters, Bush was asked about his favorite hobby as a child.

"Baseball. I liked baseball. That was my hobby — sports," he said, before reaching for a more inspirational answer. "The best thing I did was to learn how to read."

Bush returns home to a growing debate about the war, now in its fourth year and with a U.S. death toll of more than 2,860. McCain has called for sending in 20,000 more U.S. troops to curb rising sectarian violence. Bush noted that Pace, the Joint Chiefs chairman, was at work on a thorough review of options for Iraq.

According to senior officials on Pace's staff, the general has asked the group to look at what is going right or wrong in the military conduct of the entire global war on terror and what options are available to make progress.

Indonesia has suffered a string of terrorist attacks against Western interests since 2002, including nightclub and restaurant bombings on the resort island of Bali and blasts at the Australian Embassy and the J.W. Marriott Hotel in the capital.

More than 240 people were killed, many of them tourists, by the attacks blamed on the Southeast Asian terror network Jemaah Islamiyah. While the group has been crippled by hundreds of arrests in recent years, one of its alleged leaders and most deadly operatives, Noordin Top, remains at large.

Bush arrived in Bogor by helicopter in a slashing rain and was driven to the palace in a limousine that bore no U.S. flag. Rather than spend the night, Bush was left for Hawaii where he will have breakfast Tuesday with U.S. troops and visit the U.S. Pacific Command. He will be in Washington on Wednesday for the annual appearance with a Thanksgiving turkey before retiring to the presidential retreat at Camp David for the holiday.

Pentagon May Suggest Short-Term Buildup Leading To Iraq Exit (WP)

By Thomas E. Ricks, Washington Post Staff Writer

The Washington Post, November 21, 2006

The Pentagon's closely guarded review of how to improve the situation in Iraq has outlined three basic options: Send in more troops, shrink the force but stay longer, or pull out, according to senior defense officials.

Insiders have dubbed the options "Go Big," "Go Long" and "Go Home." The group conducting the review is likely to recommend a combination of a small, short-term increase in U.S. troops and a long-term commitment to stepped-up training and advising of Iraqi forces, the officials said.

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The military's study, commissioned by Joint Chiefs of Staff Chairman Gen. Peter Pace, comes at a time when escalating violence is causing Iraq policy to be reconsidered by both the White House and the congressionally chartered, bipartisan Iraq Study Group. Pace's effort will feed into the White House review, but military officials have made it clear they are operating independently.

The Pentagon group's proceedings are so secret that officials asked to help it have not even been told its title or mandate. But in recent days the circle of those with knowledge of its deliberations has widened beyond a narrow group working for the Joint Chiefs of Staff.

"Go Big," the first option, originally contemplated a large increase in U.S. troops in Iraq to try to break the cycle of sectarian and insurgent violence. A classic counterinsurgency campaign, though, would require several hundred thousand additional U.S. and Iraqi soldiers as well as heavily armed Iraqi police. That option has been all but rejected by the study group, which concluded that there are not enough troops in the U.S. military and not enough effective Iraqi forces, said sources who have been informally briefed on the review.

The sources insisted on anonymity because no one at the Pentagon has been permitted to discuss the review with outsiders. The review group is led by three high-profile colonels -- H.R. McMaster and Peter Mansoor of the Army, and Thomas C. Greenwood of the Marine Corps. None of them would comment for this article.

Spokesmen for the chairman and vice chairman of the Joint Chiefs did not respond to calls or e-mails seeking comment.

"Go Home," the third option, calls for a swift withdrawal of U.S. troops. It was rejected by the Pentagon group as likely to push Iraq directly into a full-blown and bloody civil war.

The group has devised a hybrid plan that combines part of the first option with the second one -- "Go Long" -- and calls for cutting the U.S. combat presence in favor of a long-term expansion of the training and advisory efforts. Under this mixture of options, which is gaining favor inside the military, the U.S. presence in Iraq, currently about 140,000 troops, would be boosted by 20,000 to 30,000 for a short period, the officials said.

The purpose of the temporary but notable increase, they said, would be twofold: To do as much as possible to curtail sectarian violence, and also to signal to the Iraqi government and public that the shift to a "Go Long" option that aims to eventually cut the U.S. presence is not a disguised form of withdrawal.

Even so, there is concern that such a radical shift in the U.S. posture in Iraq could further damage the standing of its government, which U.S. officials worry is already shaky. Under the hybrid plan, the short increase in U.S. troop levels would be followed by a long-term plan to radically cut the presence, perhaps to 60,000 troops.

That combination plan, which one defense official called "Go Big but Short While Transitioning to Go Long," could backfire if Iraqis suspect it is really a way for the United States to moonwalk out of Iraq -- that is, to imitate singer Michael Jackson's trademark move of appearing to move forward while actually sliding backward. "If we commit to that concept, we have to accept upfront that it might result in the opposite of what we want," the official said.

The Pentagon official said this short-term boost could be achieved through three steps: extending the tours of duty of some units already in Iraq, sending other units there earlier than planned and activating some Army Reserve units.

The group concluded that such a step might be necessary because it is concerned that the continuing violence is undercutting the Iraqi government's credibility. "Folks increasingly realize that if violence can't be contained, the spiral downward will continue, the national government will lose the effectiveness it has . . . . and then all bets will be off," the official said.

Also, it would take months to prepare and implement the expansion of the program to train and advise Iraqi forces, he noted. The military would have to find those additional advisers, prepare them for the deployment, get infrastructure in place to house and feed them, order and ship equipment for them to use, and recruit additional Iraqis for them to train.

"The 'Go Long' approach is one that can work if there is sufficient strategic patience, resources appropriated and [if] leadership executes effectively," a military intelligence official said.

Another potential obstacle to the "Go Long" option is that it runs counter to the impulse of many congressional Democrats to find a way to get out of Iraq quickly. Planners envision taking five to 10 more years to create a stable and competent Iraqi army. Because it wouldn't lead to a swift exit, some Democrats could criticize this option as a disguised version of "staying the course."

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On the other hand, the hybrid version of "Go Long" may be remarkably close to the recommendation that the Iraq Study Group, led by former secretary of state James A. Baker III and former representative Lee H. Hamilton (D-Ind.). That group's findings, expected to be issued next month, are said to focus on changing the emphasis of U.S. military operations from combating the insurgency to training Iraqis, and also to find ways to increase security in Baghdad and bring neighboring countries into talks about stabilizing Iraq.

The Pentagon group has given a thumbs-down to what it considered variants of withdrawal, such as pulling U.S. units out of the cities and keeping them in isolated enclaves, where they would not interact with the Iraqi population but would be available to combat major insurgent offensives and also to protect the government against coups.

Army Gen. John P. Abizaid, the top U.S. military commander for the Middle East, expressed a similar view last week when he told the Senate Armed Services Committee that he thinks that immediate troop withdrawals would increase the violence in Iraq.

U.S. Considers Large, Temporary Troop Increase In Iraq (NYT)

By David S. Cloud

The New York Times, November 21, 2006

WASHINGTON, Nov. 20 — Pentagon officials conducting a review of Iraq strategy are considering a substantial but temporary increase in American troop levels and the addition of several thousand more trainers to work with Iraqi forces, a senior Defense Department official said Monday.

The idea, dubbed the “surge option” by some officials, would involve increasing American forces by 20,000 troops or more for several months in the hope of improving security, especially in Baghdad. That would mark a sharp rise over the current baseline of 144,000 troops.

But some officials and senior military officers are arguing against the idea, saying that it could undercut a sense of urgency for Iraqi units to take on a greater role in fighting the insurgency and preventing sectarian attacks. Gen. John P. Abizaid, the head of the United States Central Command, told Congress last week that the military was stretched so thin that such an increase could not be sustained over the long term.

“There are people who believe that a short-term surge would have a beneficial impact, but there isn’t universal agreement on that yet,” said the senior official, who said that President Bush was scheduled to be briefed in the next several weeks on the developing options, which were first reported Monday in The Washington Post.

There is far more consensus within the Pentagon on the need to increase the number of American trainers, more than 3,000 of whom are working with Iraqi Army, police and border units. General Abizaid endorsed that idea in general terms in testimony before the Senate Armed Services Committee last week.

A Pentagon strategy review, ordered by Gen. Peter Pace, the chairman of the Joint Chiefs of Staff, is backing the idea, as is a separate panel studying Iraq options, led by former Secretary of State James A. Baker III, the senior official said.

The number of American advisers, who generally work in 11- to 13-member teams attached to Iraqi units, is likely to end up being doubled, the officials said.

To do that, officials are considering whether they could convert American soldiers in combat units already in Iraq into advisers, working alongside Iraqi security forces, the senior official said. That would reduce the number of Americans exclusively available for combat, but it would enable the advisers’ ranks to be increased rapidly, instead of the months it would take to train additional advisers in the United States.

In addition, placing more experienced troops with Iraqi soldiers would augment the Iraqi units’ combat power, the official said.

The Pentagon review is being conducted by more than a dozen officers who have served in Iraq and are regarded as some of the military’s most experienced thinkers about the problems there. The group appears to have rejected other more radical options, including a rapid withdrawal of American troops from Iraq and a major long-term increase in troop levels, the senior official said.

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Some Pentagon officials took issue Monday with the idea that the relatively low-ranking group composed largely of colonels would be drafting options for switching course in Iraq. A Pentagon spokesman, Bryan Whitman, said the group was not charged with developing formal recommendations but rather with giving its views to other members of the Joint Staff.

His comments appeared aimed, at least in part, at reasserting in public the role of the Joint Chiefs, who have been criticized by retired military officers for deferring too much in developing Iraq strategy to Defense Secretary Donald H. Rumsfeld, who has announced his resignation.

"They're not working on any specific product or report," Mr. Whitman said of the group. "They're providing unfettered views and fresh views." He added that recommendations for shifting strategy would be made by General Pace, "whose job is to advise the president."

The senior Pentagon official said that increasing the number of American combat troops for an indefinite period "is not on the table." Nor is there active discussion of a rapid troop drawdown advocated by some Democrats, the official said, an approach the official called "turning off the lights and going home."

Though a temporary increase of about 20,000 American troops is under consideration, the plan envisions the additional troops staying only until security conditions improve. After that, troop levels could come down, as better-trained and equipped Iraqi units took on a larger security role.

But even that option would not be easy to accomplish without putting more strain on already-strapped Army and Marine combat units. Officials said it could be done by extending the tours of some units already in Iraq, speeding up the deployment of other units scheduled to go, and activating more reserve units.

"The fact of the matter is that the United States military does have the ability to put more troops on the ground if we need to have more forces on the ground," Mr. Whitman said.

Temporary spikes in troop levels have succeeded in tamping down insurgent violence in Iraq in the past. But several Pentagon officials say they are not sure that the Army can achieve the same results against attacks fueled increasingly by sectarian tension. An increase in American forces this year to more than 140,000 from 128,000 has failed to stem the spike in sectarian attacks, they noted.

Representative Duncan Hunter, a California Republican who is losing the chairmanship of the Armed Services Committee at the end of the year, said at a news conference that rather than sending more American troops, he favored redeploying Iraqi units from largely calm areas to Baghdad and other violence-ridden sections of the country.

"The idea of having the Iraqi battalions that we've stood up and trained 50 to 100 miles away, in areas that are peaceful, simply staying in their barracks while we put together new rotations of Americans to take their place, simply doesn't make sense," he said.

Bush Says No Decision Yet On Troop Levels In Iraq (WP)

By Michael A. Fletcher

The Washington Post, November 21, 2006

BOGOR, Indonesia, Nov. 20 -- President Bush said Monday that he had made no decisions about altering the number of U.S. troops in Iraq, noting that there are "a lot of suggestions" still being evaluated.

"I haven't made any decisions about troop increases or troop decreases, and won't until I hear from a variety of sources, including our own United States military," Bush said. "They will be bringing forth the suggestions and recommendations to me here as quickly as possible."

Bush made his remarks during a news conference here following a meeting with Indonesian President Susilo Bambang Yudhoyono, near the end of an Asian trip that included a stop at the Asia-Pacific Economic Cooperation forum in Vietnam.

While Bush would not comment on whether he should adjust troop levels, Yudhoyono said the United States should consider disengaging from Iraq, but only in conjunction with increased international cooperation to stabilize and rebuild the country.

"The global community must be also responsible in solving the problem in Iraq," Yudhoyono said. "It is not only the responsibility . . . of the United States."

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Several reviews of U.S. options in Iraq are expected to begin recommending changes in the Bush administration's policy -- a process likely to be encouraged by Democrats who won control of the House and Senate in elections this month.

One review, being conducted by the Pentagon, has laid out three basic options: a quick withdrawal, a significant increase in the number of U.S. troops, and an intermediate option that would require an increase in troops, if only for the short term .

Even with the endorsement of a Pentagon panel, or that of the bipartisan Iraq Study Group, headed by former secretary of state James A. Baker III and former representative Lee H. Hamilton (D-Ind.), any increase in troops would be controversial, particularly because Democrats in recent months campaigned on the need for a plan to decrease U.S. exposure in the country.

Bush's visit to the world's most populous Muslim nation brought him in close proximity to the anti-American anger that has intensified across the Islamic world since the 2003 U.S. invasion of Iraq. In the days before his arrival, several thousand demonstrators took to the streets in nearby Jakarta to protest Bush's visit, as well as U.S. foreign policy. Other protests were held in cities across the country.

There were reports of threats against the president's party, and security was tight for his arrival. Bush shrugged off the protests, saying: "I applaud a society where people are free to come and express their opinions."

The president did not see any of the protests. After his arrival at the airport in Jakarta, he flew by helicopter to meet with the Indonesian president, even as thunderstorms pounded the area.

Bush's entire 6 1/2-hour visit to this country, the world's fourth-largest, was confined to the gated and heavily guarded Bogor Palace, an elegant 19th-century compound used for presidential events.

While Bush may be unpopular among many Indonesians, his administration has promoted increasingly close relations with the government here. After Congress suspended military assistance programs with Indonesia in 1992 and again in 1999 in response to human rights violations in East Timor, the programs were restored last year.

Meanwhile, the two nations have cooperated closely on anti-terrorism efforts. Indonesia has been the scene of deadly terrorist assaults, including bombings in Bali in 2002 and 2005 and two others in Jakarta in 2003 and 2004. The United States was also among the first nations to respond following the devastating 2004 tsunami that killed tens of thousands in Indonesia, and it is helping develop an early-warning system for the massive waves.

Before arriving here, Bush spent half a day in Ho Chi Minh City, where his focus remained on the new Vietnam. Rather than taking in any of the sites associated with the Vietnam War, the president visited a research institute working to prevent the spread of avian flu and AIDS. Bush also toured the stock market there, before meeting with business people -- some of whom returned to Vietnam after living in the United States.

"I am amazed at the size of the growth and the fact that there are people beginning to realize dreams," Bush said, praising the nation's recent strong economic development.

When the president arrived in Ho Chi Minh City from Hanoi on Sunday night, Air Force One suffered a brake malfunction upon touchdown, causing a safety system to blow the valves out of six of the plane's tires. While the mishap posed no danger to the president, it almost caused him to use a smaller backup plane for his trip here.

But Air Force mechanics were able to make repairs in time for the president's flight. After his news conference, Bush and first lady Laura Bush were the guests at a dinner, the final official event of Bush's trip to Southeast Asia. Afterward, the president departed for Honolulu, where he was to have breakfast with troops Tuesday and receive a briefing from military commanders before returning to Washington.

In Indonesia, Bush Defends His Iraq Policy (MCT)

By Ron Hutcheson

McClatchy Newspapers, November 21, 2006

BOGOR, Indonesia - With President Bush beside him, the president of the world's most populous Muslim nation called Monday for other countries to help stabilize Iraq and for developing a timetable for withdrawal of U.S. troops.

At a joint news conference, Indonesian President Susilo Bambang Yudhoyono didn't specify which countries should be brought in to help, but he emphasized that "the global community must be also responsible in solving the problems in Iraq."

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While he mentioned that the U.S. should work toward "a proper timetable" for "the disengagement of U.S. military forces and other coalition forces from Iraq," he implicitly rejected calls for an abrupt pullout, and Bush said Yudhoyono hadn't urged him to do that.

Bush defended his Iraq policy and didn't rule out sending more U.S. troops to join the approximately 140,000 currently in Iraq.

"I haven't made any decisions about troop increases or troop decreases and won't until I hear from a variety of sources, including our own United States military," he said. He said he hopes to get recommendations from the Pentagon "as quickly as possible."

Of the three obvious options - sending significantly more U.S. troops to Iraq, staying the course or withdrawing immediately - only one has much support, however. The U.S. doesn't have enough troops to increase its presence significantly, and there's wide agreement that a hasty retreat would only leave a bigger mess. So support is coalescing around alterations to the current strategy, perhaps adding 20,000 to 50,000 more troops for a limited time, then beginning a drawdown.

Bush's visit to Indonesia on the final leg of a six-day Asia tour sparked days of protests that continued as he met with Yudhoyono behind the heavily guarded gates of a presidential palace. Bush said he wasn't bothered by protests against him.

"It's to Indonesia's credit that it's a society where people are able to protest and say what they think," Bush said. "It's not the first time, by the way, where people have showed up and expressed their opinion about my policies. But that's what happens when you make hard decisions."

Helmeted police stood shoulder to shoulder to block off streets near the meeting site in Bogor, about 45 miles south of Jakarta. Nearby businesses were forced to close for the day.

The protesters didn't get near the sprawling country estate, and Bush avoided any encounters by traveling by helicopter from the Jakarta airport. The chopper landed at the colonial-era palace in a driving rainstorm, punctuated by at least one lightning strike.

Both leaders seemed eager to avoid any friction during the seven-hour visit, which was intended to strengthen relations and showcase Indonesia as a model Muslim democracy.

Bush came to Indonesia after wrapping up a weekend trip to Vietnam with a trip to the Ho Chi Minh City stock market, a museum tour and a briefing on efforts to combat AIDS and avian flu. Bush banged a gong to open a trading session at the fledgling stock market.

The market offers investors fewer than 60 stocks and mutual funds, but its mere existence symbolizes the economic changes that are transforming communist Vietnam.

After a quick tour of a history museum, Bush and his wife, Laura, stood in the steaming heat and watched a colorful performance by Vietnamese drummers and dancers. Four shimmering dragons, each propelled by two young boys beneath elaborate sequined costumes, snaked through a flag-waving drill team.

Earlier in the day, White House aides scrambled to come up with alternative travel arrangements after Air Force One suffered six flat tires upon Bush's arrival. A malfunction in the aircraft's braking system overheated the tires, causing their valves to blow out.

The safety feature is intended to prevent a more dangerous tire blowout. Air Force mechanics fixed the problem in time for Bush's departure. The president was scheduled to layover in Hawaii Monday night before returning to Washington on Tuesday.

Bush Says He's Still Weighing New Moves In Iraq (WSJ)

By Yochi J. Dreazen

The Wall Street Journal, November 21, 2006

BOGOR, Indonesia -- President Bush, facing mounting calls to change course in Iraq, said he is still considering sending more American troops to try to quell the violence there.

Speaking to reporters here, Mr. Bush made clear he also is considering withdrawing some troops and said he wouldn't make final decisions until he received recommendations from U.S. military commanders and other government officials currently conducting sweeping reviews of U.S. policy on Iraq.

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Mr. Bush specifically cited the work being done by Gen. Peter Pace, chairman of the Joint Chiefs of Staff, who is making a thorough review of options for Iraq.

"I haven't made any decisions about troop increases or troop decreases, and won't until I hear from a variety of sources, including our own United States military," Mr. Bush said.

The top general in the region told Congress last week that more troops might be necessary in the near term to boost training of the Iraqi military and police. Mr. Bush has often said he would send additional U.S. troops to Iraq if senior commanders there requested them, but his comments yesterday took on additional political significance because of the raging debate in Washington about whether to begin leaving Iraq.

Many leaders of the new Democratic majorities in the House and Senate have coalesced around a proposal for a "phased withdrawal" from Iraq that would begin early next year. Arizona Republican Sen. John McCain has been urging the White House to go in the other direction by significantly ramping up the U.S. military presence in Iraq. Mr. McCain argues that deploying thousands of additional American troops there could help pacify Baghdad and curb the country's sectarian violence.

Mr. Bush made the comments following a series of meetings here with Indonesian President Susilo Bambang Yudhoyono, the leader of the world's most populous Muslim country. The visit took place under extraordinarily tight security because of concerns that home-grown Islamic militants would try to strike Mr. Bush. Thousands of protesters took to the streets to register their opposition to Mr. Bush's visit.

Mr. Yudhoyono declined to call for a U.S. withdrawal or criticize the broader American-led nation-building effort there. Instead, the Indonesian leader appeared to endorse many aspects of the Bush administration's current strategy for Iraq. White House officials were pleasantly surprised by Mr. Yudhoyono's moderate tone, as the war is so unpopular in Indonesia.

In his own comments, Mr. Yudhoyono stressed the importance of bolstering Iraq's national government, finding a way of reconciling the country's feuding sectarian groups and enlisting the international community to rebuild the country when the fighting eventually stops -- though he didn't offer any assistance from Indonesia.

The two leaders' comments about Iraq underscored the agonizing questions facing policymakers. Mounting public fury in the U.S. over Mr. Bush's handling of the invasion and subsequent occupation cost Republicans their control of Congress this month, and even Mr. Bush's closest political allies say he needs to chart a new course on Iraq if he hopes to salvage the remaining two years of his presidency.

Both supporters and opponents of the war agree there are few easy -- or bloodless -- ways of winding down the troubled U.S. effort.

Leading Democrats have rallied around a proposal from Michigan Sen. Carl Levin that calls for beginning troop withdrawal within four to six months. A rising number of Republicans also have begun arguing U.S. forces should start returning home next year.

The comments from Mr. McCain have garnered wide attention, shifting the terms of the debate away from a focus on a troop drawdown to the far more complex question of whether and how to add forces.

The debate will come to a head in coming weeks when the Iraq Study Group, a bipartisan team led by former Secretary of State James Baker and former Rep. Lee Hamilton, makes its prescriptions for resolving the situation in Iraq.

Bush Pressured To Come Up With New Iraq Strategy (USAT)

By Matt Kelley And Barbara Slavin

USA Today, November 21, 2006

WASHINGTON — Increased pressure from Congress and high level studies commissioned by the Pentagon and the White House are prodding President Bush to significantly change strategy in Iraq for the first time since the war began in March 2003.

A new Democratic majority in Congress, the imminent departure of Defense Secretary Donald Rumsfeld and a recent flurry of high-level studies have made conditions ripe for change.

The Pentagon, State Department and White House are exploring options for changing course in Iraq. The Iraq Study Group, led by former secretary of State James Baker and former Indiana congressman Lee Hamilton, is preparing to present its recommendations next month.

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Bush said he is still weighing options. “I haven't made any decisions about troop increases or troop decreases, and won't until I hear from a variety of sources,” Bush said Monday.

Many Democrats, buoyed by midterm election results, say leaving the current Bush administration policy unchanged is unacceptable.

“The idea that we're going to have 140,000 troops in Iraq this time next year is just not reasonable,” Sen. Joseph Biden, D-Del., said on NBC's Today show. Biden is in line to be the next chairman of the Senate Foreign Relations Committee.

A look at the top options policymakers face:

•Adding troops. Sen. John McCain, R-Ariz., has been one of the most prominent backers of beefing up U.S. forces in Iraq. McCain says more troops would help quell violence in Baghdad and eliminate the al-Qaeda-aligned insurgents in western Iraq.

“The consequences of failure are so severe that I will exhaust every possibility to try to fix this situation,” McCain, a GOP presidential hopeful in 2008, said Sunday on ABC's This Week.

Gen. John Abizaid, the commander of U.S. forces in the Middle East, told McCain at a Senate Armed Services Committee hearing last week that adding a large number of troops would stretch military resources and undercut efforts to have the Iraqi military take more responsibility for security.

•Repositioning troops and changing their missions. This could involve having more U.S. troops acting as advisers to Iraqi units, something Abizaid and other military brass have said they support.

“It seems to me that the prudent course ahead is to keep the troop levels about where they are,” Abizaid said last week, and “increase the number of (U.S.) forces that are with Iraqi security forces to make them better, more confident.”

U.S. advisers to Iraqi units generally work in teams of 10 to 15 for each Iraqi battalion of 400 to 600 troops. Abizaid says he wants more trainers so they can work with smaller units.

•Beginning to withdraw troops. Leading Democrats, including Biden and incoming Senate Armed Services Committee Chairman Carl Levin of Michigan, support this idea. Levin argues that a “phased redeployment” of U.S. troops in the next four to six months would push the Iraqi government of Prime Minister Nouri al-Maliki to crack down on militias and make other tough political decisions that would lead to a reduction in violence.

Abizaid says a withdrawal would undercut the Iraqi military and lead to more violence.

•Talking with Iraq's neighbors, including Iran and Syria. Baker has met with Syrian and Iranian officials and says the Bush administration should, too. “Our panel thinks it's important that we talk to representatives of surrounding governments,” Baker said in an interview in September.

The Bush administration has accused Iran and Syria of contributing to the violence in Iraq and has not held high-level talks with either nation.

Iranian President Mahmoud Ahmadinejad on Monday invited top officials of Iraq and Syria to Tehran for talks.

Obama Urges Gradual Withdrawal From Iraq (CHIT)

By Christi Parsons And David Mendell

Chicago Tribune, November 21, 2006

Amid intense speculation about whether he will run for president, Sen. Barack Obama on Monday used the spotlight to showcase his strategy for the war in Iraq, excoriating the Bush administration for its "misguided" war and describing a solution that includes dialogue with hostile nations in the region.

In his speech to the Chicago Council on Global Affairs, the Illinois Democrat said the U.S. should end its "coddling" of the Iraqi government by beginning a reduction of troops in the next four to six months and pressuring Iraqis to work out agreements among their warring factions.

"Our troops can help suppress the violence, but they cannot solve its root causes," Obama told members of the council. "And all the troops in the world won't be able to force Shia, Sunni, and Kurd to sit down at a table, resolve their differences, and forge a lasting peace."

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Offering a few new specifics, Obama said he thinks Iraq should convene a regional conference that includes Syria and Iran, two countries with which the U.S. does not currently have diplomatic relations. He also said that, as the U.S. redistributes troops around the Middle East, some of them should be deployed to Afghanistan and northern Iraq.

Substantively, Obama's talk to the council was not markedly different from the one he gave there a year ago. He echoed many of the themes of that speech -- as well as from his highly publicized new book, "The Audacity of Hope." Politically, the plan he embraced positions him alongside many centrist Democrats in Congress who are calling for a slow and careful withdrawal of troops, rather than a quick exit or a build-up of military personnel in Iraq.

But while the speech was mostly the same, the environment in which he delivered it was radically different. Voters registered dissatisfaction with the Iraq war this month, handing Congress over to Democrats for a fresh start. Obama will serve on the Senate's Foreign Relations Committee as part of the new majority.

Perhaps of greater significance to the crowd at the Chicago Hilton on Monday is Obama's status as a possible presidential contender in 2008. The buzz surrounding his possible candidacy drew a large crowd and national spotlight to his speech. The council sold 1,400 tickets to the event, which meant organizers had to move it from the previously scheduled ballroom to a larger one.

"If we'd put this thing on for another senator, we could have held it in a phone booth," said Dick Longworth, a former Tribune reporter and senior fellow at the council, a non-partisan organization devoted to educating people about foreign affairs.

A year ago, Obama asked for a platform at the council to talk about a phased withdrawal from Iraq, much of it by the end of 2006 {ndash} a time frame he reiterated more recently in his book. Obama revised that time frame on Monday, saying he thinks the drawdown should begin within six months.

Though much of Monday's speech was devoted to criticizing the administration and the war, Obama said he thinks it's possible to "salvage an acceptable outcome." He suggests a redeployment of troops and stepped-up efforts to train Iraqi security forces, and says the U.S. should link economic aid to Iraq with "measurable progress on reducing sectarian violence."

Obama indirectly criticized a suggestion by Sen. John McCain (R-Ariz.) that the U.S. increase its troop levels in Iraq, saying there is little reason to believe that adding thousands of troops would achieve the desired results.

Afterward, Obama said he doesn't think that proposals to partition Iraq into three separate regions {ndash} Kurdish, Shiite and Sunni {ndash} would work if it were a U.S. initiative. Also, Obama told reporters he would not support a proposal to reinstate the draft.

Although the speech did not cover a lot of new ground, some in the audience said that made it more credible.

"What makes his speech even stronger in his case is the consistency and continuity from what he said a year ago," said Marshall Bouton, president of the council. "He's not a Johnny-come-lately to this debate. It locates him along with a lot of others, embracing a measured, thoughtful, multi-faceted approach."

Obama Urges Gradual Withdrawal From Iraq (AP-Y)

By Deanna Bellandi

AP, November 21, 2006

Democratic Sen. Barack Obama, who is contemplating a run for the presidency, on Monday called for a "gradual and substantial" reduction of U.S. forces from Iraq that would begin in four to six months.

Speaking to the Chicago Council on Global Affairs, Obama envisioned a flexible timetable for withdrawal linked to conditions on the ground in Iraq and based on the advice of U.S. commanders. He also called for intensified efforts to train Iraqi security forces, U.S. aid packages tied to Iraqi progress in reducing sectarian violence and new diplomacy with Syria and Iran.

"I believe that it remains possible to salvage an acceptable outcome to this long and misguided war," he said. "But I have to be honest today, it will not be easy. For the fact is that there are no good options left in this war."

Obama was not in the Senate when President Bush sought and received support from Congress in 2002 to use military force against Saddam Hussein. But he has publicly opposed the war since then.

The results of this month's elections, the Illinois senator said, represented a repudiation of President Bush's policies. But he said the war has also ignited a new sense of isolationism among Americans that is risky in a post-Sept. 11, 2001, world.

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"We can't afford to be a country of isolationists in the 21st century," he said, arguing that it is "absolutely vital that we maintain a strong and active foreign policy, relentless in pursuing our enemies and hopeful in promoting our values around the world."

Obama was careful not to set a specific timetable for withdrawal of troops or suggest troop levels.

"We cannot compromise on the safety of our troops, and we should be willing to adjust to realities on the ground," he said.

He proposed redeploying troops to Northern Iraq and to other countries in the region. He recommended boosting troop strength in Afghanistan, "where our lack of focus and commitment of resources has led to an increasing deterioration of the security situation there."

"For only through this phase redeployment can we send a clear message to the Iraqi factions that the United States is not going to hold together this country indefinitely — that it will be up to them to form a viable government that can effectively run and secure Iraq," he said.

Obama rejected proposals to add more troops to Iraq, an idea advanced by Sen. John McCain, R-Ariz., saying that without Iraqi cooperation "we would only be putting more of our soldiers in the crossfire of a civil war."

Following the speech, Obama rejected the notion of reinstating the military draft, an idea put forth by Rep. Charles Rangel, D-N.Y. Obama said a volunteer military is adequate when the country has a national security strategy that makes sense.

"What I don't want ... is a situation in which we have bad strategies and we institute a draft simply to throw more bodies at a bad strategy. That is not going to work," he said.

Obama is one of several Democrats considering a run for the White House in 2008, which promises to be one of the most wide-open campaigns in decades. In recent polling, his numbers rival front-runner Sen. Hillary Rodham Clinton, D-N.Y., but questions abound regarding his experience — he has served less than two years in the Senate. He said Monday he would decide in the next few months.

The first-term senator said the Iraq war has underscored one lesson: "We should be more modest in our belief that we can impose democracy on a country through military force."

Obama Calls For Pullout In Iraq (LAT)

By P.j. Huffstutter

The Los Angeles Times, November 21, 2006

CHICAGO — Sen. Barack Obama, the popular Illinois Democrat who is considering a run for the White House, said Monday that the U.S. should start withdrawing troops from Iraq in the next four to six months, redeploy some forces to Afghanistan and bolster efforts to train Iraqi police.

Obama criticized President Bush for pushing forward with a war that "would require an occupation of undetermined length, at undetermined cost, with undetermined consequences."

He also noted that a bipartisan congressional effort was needed to "reassert our authority to oversee the management of this war" and retain better oversight over military expenditures.

He suggested that the U.S. would benefit from improved diplomacy with Iran and Syria and that all withdrawal timetables should be tied to the advice of U.S. commanders on the ground.

"I believe that it remains possible to salvage an acceptable outcome to this long and misguided war," Obama said to a rapt audience of 1,400 at a meeting of the Chicago Council on Global Affairs. "But it will not be easy. For the fact is that there are no good options left in this war."

The speech was similar to one he gave here nearly a year ago. The council has become a stumping ground for politicians wanting to highlight their views on foreign policy.

In 2005, though, only a few hundred curious observers gathered to hear the freshman senator.

"As the size of this crowd attests, the interest in hearing Sen. Obama's views is now greater, much greater," council president Marshall M. Bouton told Obama. "So is interest in your possible run for the presidency for the United States of America."

But Obama avoided addressing that possibility, even when two audience members asked him about it after the speech.

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Instead, he focused on the results of the recent midterm elections, describing them as a public repeal of White House policies.The war has created a dangerous culture of global isolationism among Americans, he said.

"We need to maintain a strong foreign policy, relentless in pursuing our enemies and hopeful in promoting our values around the world," Obama said.

A Harvard-educated attorney and longtime Illinois resident who practiced civil rights law, Obama rose to national prominence after delivering an electrifying keynote address at the Democratic National Convention in 2004. He won the Senate seat that November with 70% of the vote.

Now the 45-year-old junior senator has emerged as a promising presidential candidate that neither the press nor the public can get enough of.

He's been mobbed by fans while touring to promote his new book, "The Audacity of Hope: Thoughts on Reclaiming the American Dream." Time magazine put him on its cover, next to a headline that read, "Why Barack Obama Could Be The Next President." Oprah Winfrey said she'd vote for him — even though he hasn't announced his intention to run.

Recent polls have showed Obama following Sen. Hillary Rodham Clinton (D-N.Y) as a favored Democratic presidential nominee, edging out former Vice President Al Gore and former Sen. John Edwards of North Carolina.

"On the plus side, Obama's a fresh face and he's lived the American dream," said Dennis Goldford, politics professor at Drake University in Des Moines. "On the down side, it shows how thin the Democratic bench is and the old faces all have a lot of baggage."

Dozens of people at Monday's event in the Hilton Chicago clutched copies of Obama's book. Sharon Russell, an accountant who lives in Gary, Ind., took a vacation day and paid a $100 entrance fee to see him.

"I wanted to have a chance to see the man I think will be our next president in person," said Russell, 52. "I think he'd make an excellent leader, at a time when this country really needs one."

The Only Real Option: Leave Iraq Now (WP)

By Eugene Robinson

The Washington Post, November 21, 2006

Good lord, if even Henry Kissinger now says that military victory in Iraq is impossible, pretty soon George W. Bush really will be left with just Laura and Barney on his side.

The Decider Agonistes must be feeling betrayed and abused these days. British Prime Minister Tony Blair's admission that the war has been "pretty much of a disaster" was just a slip of the tongue, but the president must have felt it as a cut most unkind.

And Kissinger? The oracle who has been dropping by the White House regularly to whisper sweet nothings into the presidential ear, urging him to hang tough? The sage who wrote in August 2005 that "victory over the insurgency is the only meaningful exit strategy" is now listing Bush's conditions for withdrawal -- a stable government, ruling all of Iraq, with the ability to control the violence -- and pronouncing them unattainable. Will anyone be surprised if Henry the K soon reveals that he knew the whole thing was folly all along?

Meanwhile, the neocon architects of the war are making a spectacle of themselves in their undignified flight from the sinking ship. Richard Perle, Kenneth Adelman, Michael Rubin -- they all take pretty much the same line, which is that the invasion was a great and noble idea but that the White House and the Pentagon bungled it horribly.

Defections, recrimination and finger-pointing among the people who got us into this mess provide an amusing sideshow. But the main event is the mandate that midterm voters imposed this month, in no uncertain terms: Find a way out.

Sen. John McCain has planted his flag at one extreme of the debate, making the counterintuitive argument that the way to get out of Iraq is to send in a lot more U.S. troops who would stabilize the country as a necessary prelude to withdrawal. By "counterintuitive," I mean "divorced from reality as we know it." For one thing, the troops McCain wants to send do not exist -- the military is stretched paper-thin as it is, and I don't think Rep. Charles Rangel's proposal to reinstate the draft is going to get very far. For another, McCain doesn't specify how all those magically conjured reinforcements are supposed to accomplish such a mission.

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In a sectarian civil war, the last place you want to stand is in the middle. Is the United States really going to choose sides and then lend a hand as Shiite or Sunni death squads go about their awful business?

At the other end of the debate is Rep. John Murtha, who says we should cut our losses and start pulling out. At least Murtha doesn't pretend we'd be leaving behind a secure, viable Iraq, because we wouldn't.

The new, post-midterm mainstream position in Washington is to support "phased withdrawals," with or without telling anyone in advance when a new phase will begin, and to involve "the neighbors," meaning Iran and Syria, in forcing Iraqi politicians to reach "a political solution." James Baker and his Iraq Study Group will probably come up with some variation of this scenario. But we should be honest and acknowledge that phased withdrawals, with or without a stated timetable, really mean just telling the Iraqis good luck and adios, drawing the whole process out in a belated attempt to save face.

The president clearly doesn't want to hear any of this. The bizarre analogy he made in Hanoi -- comparing Iraq to Vietnam and saying, "We'll succeed unless we quit" -- doesn't even make sense in his own parallel universe. He should ask his friend Kissinger to tell him about that Ho Chi Minh guy whose picture is plastered all over Vietnam.

But while the Decider covers his ears and rewrites history, the center of gravity of the debate has shifted from whether we should get out of Iraq to how and when.

If we are ready to acknowledge, as Kissinger does, that the president's goals in Iraq will never be accomplished, then how do we justify the American lives that will be lost next year, next month or next week, while the phases of a face-saving withdrawal run their course?

If American troops begin pulling out tomorrow, Iraq surely will suffer a terrible spasm of bloody violence. But if we wait a year and then pull out, there is no reason to expect any different outcome. Quite the contrary: The longer we stay, the more lawless and chaotic the country becomes. And the more young Americans die in a war that no longer has an attainable goal.

The Lingo Of Vietnam (WP)

By Richard Cohen

The Washington Post, November 21, 2006

The way President Bush whisked through Vietnam -- oh, if only we had done the same 40 years ago -- it seemed as if he was feeling an obvious parallel with the war in Iraq. His aides, who somehow lose IQ points by mere proximity to the commander in chief -- national security adviser Stephen Hadley argued that Bush had "gotten a real sense of the warmth of the Vietnamese people" as he sped by in his motorcade -- insisted that no parallel existed. But these aides are dead wrong. There is this: I would have fought neither war.

Before you protest "of course, Cohen," let me explain that the "I" in the foregoing sentence is really four people. There is the "I" who originally thought the Vietnam War was morally correct, that the communists were awful people and that the loss of South Vietnam (the North was already gone) would result in a debacle for its people. That's, in fact, what happened. It was only later, when I myself was in the Army, that I deemed the war not worth killing or dying for. By then I -- the second "I" -- no longer felt it was winnable, and I did not want to lose my life so that somehow defeat could be managed more elegantly.

Things are precisely the same with Iraq, and here, too, I -- No. 3 -- originally had no moral qualms about the war. Saddam Hussein was a beast who had twice invaded his neighbors, had killed his own people with abandon and posed a threat -- and not just a theoretical one -- to Israel. If anything, I was encouraged in my belief by the offensive opposition to the war -- silly arguments about oil or empire or, at bottom, the ineradicable and perpetual rottenness of America.

On the contrary, I thought. We are a good country, attempting to do a good thing. In a post-Sept. 11 world, I thought the prudent use of violence could be therapeutic. The United States had the power to change things for the better, and those who would do the changing -- the fighting -- were, after all, volunteers. This mattered to me.

But these volunteers are now fighting a war few envisaged and no one wanted -- not I (No. 4), for sure. If at one time my latter-day minutemen marched off thinking they were bringing democracy to Iraq and the greater Middle East, they now must know better. If they thought they were going to rid the region of weapons of mass destruction and sever the link between al-Qaeda and Hussein, they now are entitled to feel duped by Bush, Vice President Cheney and others. The exaggerations are particularly repellent. To fool someone into sacrificing his life to battle a chimera is a hideous abuse of the public trust.

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Daily I read the casualty list from Iraq -- and I invent reasons to make the deaths less tragic. This is a hopeless, maybe tasteless, task, but it matters to me if someone is a career soldier who knew what he was getting into as opposed to some naive kid digitally juiced on a computerized version of war -- or, even sadder, some guardsman who enlisted for God, country or spare cash, but not by any means for Baghdad. He's a volunteer, all right, but not for a war that didn't exist when he raised his right hand and took the oath.

My dauntingly knowledgeable Post colleague Thomas E. Ricks reports from the Pentagon that the military is now considering three options for Iraq: more troops, fewer troops (but for a longer time) and no troops at all -- the ol' cut and run. The missing option here is victory. Don't worry, it will be invented. "You have to define win," Lt. Gen. Raymond T. Odierno, who is about to return to Iraq, told the New York Times. Ah, just in the nick of time.

Where have we heard this sort of language before? It is the lingo of Vietnam. As with Vietnam, we are fighting now merely not to lose -- to avoid a full-fledged civil war (it's coming anyway) or to keep the country together, something like that. But not for victory. Not for democracy. All this talk of the Iraqis doing more on their own behalf is Vietnamization in the desert rather than the jungle. What remains the same is asking soldiers to die for a reason that the politicians in Washington can no longer explain. This, above all, is how Iraq is like Vietnam: older men asking younger men to die while they try to figure something out.

That's why Bush kept moving. He knows Vietnam is not just about the past. It's also about the future.

The Story Behind The Iraq Study Group (WP)

By Lyndsey Layton

The Washington Post, November 21, 2006

On his third trip to Iraq, in September 2005, Rep. Frank R. Wolf (R-Va.) knew the American mission was imperiled.

"We were up in Tikrit and went to a hospital, and it was guarded with guns and security to the point they were pushing weapons into women's faces," Wolf said. "I saw we can't be successful if we're going into an operating room with pistols and weapons."

That's when the congressman from Vienna first began to think about the need for "fresh eyes" to scrutinize U.S. policy regarding Iraq. Quietly, he went to the White House and presented his plan: a bipartisan commission of well-respected policymakers to bore deeply into the Iraq dilemma and recommend solutions.

"If you ordered an Erector Set and you were trying to build it before Christmas and you got stuck and someone else came along, they might just see immediately what needs to be done," Wolf said. "Or if you had a health-care problem, you'd want a second opinion. It's all about fresh eyes on a target."

The result is the Iraq Study Group, led by Republican former secretary of state James A. Baker III and Democratic former congressman Lee H. Hamilton (Ind.), who was a vice chairman of the panel that investigated the Sept. 11, 2001, attacks. The group has taken on greater relevance after midterm elections marked by widespread voter dissatisfaction with Iraq, and it will play a decisive role in reshaping the U.S. position on Iraq, according to lawmakers and administration officials.

Initially, the White House was cool to the idea, Wolf said. But he was able to win over Secretary of State Condoleezza Rice. Defense Secretary Donald H. Rumsfeld followed, as did national security adviser Stephen J. Hadley. "Rice's support was key," Wolf said. "But I had to have the support of everybody or there would be no way to do this."

The composition of the study group was also crucial.

"You had to get a group not connected to the administration, people who were not going to be campaigning and who could come to a consensus," he said. "We wanted a bipartisan group, people senior enough that they weren't looking to get placed in a law firm or good job. The test was: Do you love your country?"

The study group, composed of five Democrats and five Republicans, was created in March to assess the situation in Iraq, its impact on the surrounding region and its consequences for U.S. interests. The group's work has been guided by several smaller committees of experts on topics such as the economy and reconstruction, military and security, and political development.

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Wolf got Congress to appropriate $1 million for the project. To select the panel's members, he turned to the U.S. Institute for Peace, an independent nonpartisan organization created and funded by Congress. One of its goals is to promote stability after a conflict.

"It's a tremendous dilemma, a difficult situation" in which Congress "was looking for alternatives and the fall election was reinforcing the polarization of attitudes," said Richard H. Solomon, president of the institute. "We were creating the study group to build a political middle."

Wolf said he hopes that the group's recommendations, expected to be delivered to President Bush and Congress next month, will reconnect a nation splintered by war.

"When our country is together, we're strong -- Truman and Roosevelt showed that," he said. "When we're divided, I think the country's going to be in trouble. I hope something good comes from this, that we can develop consensus."

Rising Price Of The War On Terror (CSM)

By Peter Grier

The Christian Science Monitor, November 21, 2006

WASHINGTON

Whether troop levels increase in coming months, or decrease, or stay the same, one aspect of the US military effort in Iraq is unlikely to change: It will be expensive.

The cost of combat in Iraq has now surpassed $300 billion, according to government estimates. Add in activities in Afghanistan, and the total price of the global war on terror is about $500 billion, making it one of the most monetarily costly conflicts in which the nation has ever engaged.

Now the Department of Defense is in the process of drawing up its follow-on request for the remainder of FY 2007. Reports indicate that the Pentagon could ask for $120 billion to $160 billion, which would be its largest funding request yet for the global war on terror.

After they take control of Congress next year, Democrats will almost certainly investigate both the rate of Iraq spending and the manner in which it has been appropriated. Much of the war has been funded through supplementals, so-called emergency bills whose use in this case has become increasingly controversial in Congress.

"We're now at $507 billion for the global war on terror and counting, and almost all of that has been pushed through a process that doesn't give proper scrutiny to the budget. Are we spending it wisely?" says Gordon Adams, a fellow at the Woodrow Wilson International Center who was the senior White House official for national security budgets under President Clinton.

Last month, Congress approved $70 billion in spending intended to pay for operations in Iraq and Afghanistan through the first six months of fiscal 2007, which began Oct. 1 for the US government.

The size of the request under discussion reflects both the continued nature of the mission and past wear-and-tear. Both the Army and the Air Force need billions to replace expensive hardware worn out by the pace of warfare in Iraq.

Before the invasion of Iraq, the White House estimated that combat operations there would cost about $50 billion. That forecast, however, was based on a quick end to the war and a rapid drawdown of US troops.

Three years later, Iraq alone is costing the US some $8 billion a month.

Estimates of total spending vary, due to the fact that Department of Defense records on obligations do not provide comprehensive specifics, and the supplemental bills voted by Congress do not have the line-item details of regular sending bills.

Congressional Research Service figures puts the cost of Iraq, Afghanistan, and other war-on-terror activities at $507 billion. Of that, the Afghan campaign has cost at least $88 billion, according to CRS. Iraq accounts for the bulk of the rest.

The drain of continued fighting in Iraq has meant that the global war on terror has steadily moved up the list of the most costly conflicts in US history (in terms of money, not casualties). In 2005, it passed the Korean war's inflation-adjusted cost of $361 billion.

Next year it will almost certainly pass the Vietnam War's $531 billion, making it the second most expensive US war ever, behind World War II.

Given the uncertainty of troop levels, it is very difficult to estimate the US military's future costs in Iraq.

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Overall, each individual soldier deployed in Iraq for a year costs about $275,000, according to CRS. The cost rises to $360,000 if required additional investments in equipment and facilities are added.

Using a scenario in which US troop levels fall to 73,000 by 2010, and then stay at that level, the Congressional Budget Office estimates that the cumulative cost of the global war on terror could reach $808 billion by 2016.

Meanwhile, the Pentagon and the Bush administration have continued the practice by which funding for the war on terror is requested in the form of supplemental appropriations. Supplementals are prepared much closer to the time when the money will actually be spent. The Vietnam War, for instance, was funded via supplementals at its outset. Later, Vietnam costs were folded into the regular budget process.

Supplementals provide much less detail as to where money will be spent than do regular budget documents, and receive less congressional oversight than do regular budget bills.

So far, the White House has shown little inclination to fund Iraq and Afghanistan via the regular budget, despite some pressure from Congress to do so. In addition, the nature of items paid for via these war spending bills may have begun to expand, to include items related to peacetime missions as well.

A Democratic-controlled Congress will almost certainly look for ways to increase pressure on the White House to abandon the flexibility and opaqueness of the emergency bill approach.

'War On Terror' Could Last 30 Years Or More (AFP)

AFP, November 21, 2006

The fight against terrorism could last 30 years or more, according to a report published by a British think tank that specialises in international security.

"There is every prospect of the 'war on terror' extending for 30 years or more," said the report by the Oxford Research Group.

"What is required is a complete re-assessment of current policies but that is highly unlikely, even with the recent political upheavals".

The US Democrats triumphed in legislative elections on November 7 in which they reclaimed the House and the Senate, at the expense of President George W. Bush's Republicans.

"Most people believe that the recent elections mark the beginning of the end of the Bush era but that does not apply to the war on terror," said Professor Paul Rogers, who wrote the report, in a statement.

"In reality there will be little change until the United States faces up to the need for a fundamental re-think of its policies".

The report showed that the United States is now faced with a dilemma: if it withdraws from Iraq, insurgent groups will be able to operate freely in the biggest oil reserve in the world.

"If it stays, though, then US soldiers become an increasing magnet for radical factions, with Iraq becoming a training ground for new generations of paramilitaries, just as Afghanistan was in the 1980s against the Soviet occupying forces," the report said.

It said that the "fundamental mistake" was to remove the regime of president Saddam Hussein by force, which was a "gift" for Al-Qaeda and extremist groups because the deployment of 150,000 US soldiers in the heart of the Arab world is considered by many to be "an occupation force".

At the same time, the war in Afghanistan, that has so far lasted six years, has seen "a marked increase in Taliban activity at a time of record revenues from opium production" and the insurgency there "shows no sign of ending".

The importance of oil in the region "means that it would be entirely unacceptable for the United States to consider withdrawal from Iraq, no matter how insecure the environment".

Professor Rogers has since May 2005 been studying the situation in Iraq and its impact on other countries, including Afghanistan, Iran and the Middle East.

Iraqi President Accepts Iran's Invitation For Weekend Talks (USAT/AP)

USA Today, November 21, 2006

DOJ_NMG_0096623

BAGHDAD — Iranian President Mahmoud Ahmadinejad invited his Iraqi and Syrian counterparts to a weekend summit in Tehran to tackle the chaos in Iraq, Iraqi lawmakers said Monday.

Iraqi President Jalal Talabani's spokesman Kamaran Qaradaghi said in a statement late Monday that the Tehran meeting will include Talabani and Ahmadinejad. He said Syrian President Bashar Assad would not attend, but that Talabani had accepted an invitation to meet with Assad in Damascus. No date was set.

A close parliamentary associate of Talabani told the Associated Press that the summit represents an attempt by Tehran to strengthen its position in the region and prevent the United States from dividing Syria, a predominantly Sunni Arab country, from its ally of convenience, Shiite Iran. The associate spoke on condition of anonymity because he was not authorized to discuss the matter with the media.

The State Department reacted with skepticism about Iran's intentions in Iraq, but said it was up to Iraq. "It's their call," spokesman Tom Casey said in Washington.

"We have seen statements like this many times," and there have been several high-level contacts between Iran and Iraq, Casey said. But Iran's statements of a desire to reduce violence in Iraq "have not been backed up by facts," he said.

The diplomatic gambit coincided with a groundbreaking visit to Baghdad by Syrian Foreign Minister Walid Moallem, who was challenged over Damascus' role in supporting the Sunni insurgency.

"We object to any neighboring country that allows itself to be a base or a transit point for the terrorist groups that harm Iraq," Iraqi Prime Minister Nouri al-Maliki said after meeting with Moallem.

The Iraqi government said diplomatic relations between the two countries, severed nearly 25 years ago, will be restored by today.

In the latest violence, Iraqi Minister of State Mohammed Abbas Auraibi, a member of Iraq's Shiite majority, said a roadside bomb hit his convoy as it was driving on a highway in eastern Baghdad, wounding two of his bodyguards.

Hakim al-Zamily, a Shiite deputy health minister, also escaped unhurt when gunmen fired on his convoy in Baghdad. Al-Zamily said two of his guards were killed.

The attacks came one day after suspected Sunni Muslim insurgents kidnapped Ammar al-Saffar, a Shiite deputy health minister, from his home in northern Baghdad.

Al-Saffar was snatched nearly a week after dozens of suspected Shiite militia gunmen in police uniforms kidnapped scores of people from a Ministry of Higher Education office in Baghdad. That ministry is predominantly Sunni.

For the second time in two days, coalition forces raided Baghdad's Sadr City Shiite stronghold, headquarters of a militia suspected of having carried out the mass kidnapping. No captives were found.

British and Iraqi forces also raided homes in southern Iraq and arrested four suspects in the kidnapping of four American security guards and their Austrian co-worker. No hostages were found.

Syria And Iraq Restore Ties Severed In The Hussein Era (NYT)

By Sabrina Tavernise

The New York Times, November 21, 2006

BAGHDAD, Nov. 20 — Iraq re-established diplomatic relations with Syria on Monday, agreeing to restore an embassy in Baghdad after more than 20 years with no formal avenues of communication.

The step came on the second day of a two-day visit by Syria's foreign minister, Walid al-Moallem, who met with the Iraqi prime minister, Nuri Kamal al-Maliki, in the international Green Zone here.

As the United States undertakes a broad review of its role in Iraq, the neighboring countries of Iran, Turkey and Syria have stepped forward to try to position themselves in case of a major change in policy, leading to a recent flurry of diplomatic efforts. The countries are also concerned about the possibility of a political collapse as the Iraqi government sinks into paralysis with its two main sects stuck in a deadlock.

A government spokesman said President Jalal Talabani would travel to Iran for meetings with President Mahmoud Ahmadinejad over the weekend.

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Syria cut off relations with Saddam Hussein's government in 1982 after siding with Iran in that country's war with Iraq. The break was complete: Iraqis could not travel to Syria, nor call on the phone. The countries re-established trade relations in 1997, and Iraqis could visit.

Now tens of thousands of Iraqis seeking to escape the violence that has consumed their country have fled into Syria, creating their own schools, neighborhoods and communities there.

Violence continued to claim Iraqi lives at a rapid pace. The authorities said 90 Iraqis were killed across Iraq on Monday, including 60 who were found dead in and around Baghdad. An elderly priest visiting a church in Naariya, an area in southern Baghdad, was kidnapped, a police official in the area said.

Among the dead was the host of a popular comedy show, Walid Hassan Jiaaz, who poked fun at post-invasion Iraqi life. He was shot dead by gunmen in western Baghdad. A deputy health minister, Hakim al-Zameli, a supporter of the Shiite cleric Moktada al-Sadr, escaped assassination when his convoy came under attack; two of his guards were killed.

A week after the mass kidnapping of employees at the Ministry of Higher Education compound in Baghdad, the fate of those still missing remain unclear. Interior Minister Jawad Bolani said the kidnapping had not been motivated by sectarian hatred, but gave no details on what might have been the reason for the act. He said a preliminary investigation showed that the kidnappers might have had help from someone inside the ministry.

During their meeting on Monday, Mr. Maliki used stern words in urging Mr. Moallem to take more serious steps in preventing Sunni militants from crossing into Iraq from Syria, the prime minister's office said.

"We want to set a kind of relation with them to protect our people from the violence that was coming from them," said a Shiite politician who had been involved in the talks. Maj. Gen. William B. Caldwell IV, the chief spokesman for the American military command here, said Syrians made up about 20 percent of the 670 foreign fighters in custody in Iraq.

The United States withdrew its ambassador from Damascus in February 2005 after the assassination in Beirut of Rafik Hariri, the former Lebanese prime minister. But as the Bush administration considers policy alternatives in Iraq, allies like Prime Minister Tony Blair of Britain are encouraging it to reopen dialogue with Syria and Iran.

In some ways it has already started. Mr. Moallem met with former Secretary of State James A. Baker III, who is co-chairman of the bipartisan Iraq Study Group, in a hotel in New York in September and discussed what role Syria could play in helping to stabilize Iraq, said the Syrian ambassador to the United States, Imad Moustapha.

Although the United States and Iran have been at odds over Tehran's nuclear program, Bush administration officials have signaled that they would be willing to discuss Iraqi issues. Last week in testimony before Congress, David Satterfield, the State Department's coordinator of Iraq policy, said that with respect to Iran, "we are prepared, in principle, to discuss Iranian activities in Iraq."

He added, "The timing of such a direct dialogue is one we still have under review."

At a news conference with one of Iraq's most powerful Shiite political leaders, Abdul Aziz al-Hakim, Mr. Moallem said relations between Iraq and Syria were still strained.

"I didn't come to Baghdad to satisfy the United States," he said. "I'm not a mediator for the United States in the region."

Iraq To Restore Long-Severed Relations With Neighbor Syria (WP)

By Nancy Trejos

The Washington Post, November 21, 2006

BAGHDAD, Nov. 20 -- Iraq said Monday that it would restore diplomatic ties with neighboring Syria after a break of nearly a quarter-century in an effort to solidify links with a neighbor seen as a conduit for insurgents fueling the violence in Iraq.

Prime Minister Nouri al-Maliki made the announcement after a historic meeting with Syrian Foreign Minister Walid al-Muallem, who pledged his country's help in quelling the sectarian violence that threatens to propel Iraq into civil war. Maliki, for his part, pressed Syria to step up efforts to keep Sunni Arab fighters from crossing into Iraq to join the insurgency.

"We refuse to let any regional neighbor countries become a passage or a headquarters for the terrorist organizations that hurt Iraq," he said in a statement after the meeting.

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Syria and Iran, another neighbor, have offered to help bring stability to Iraq's fractured government, but the Bush administration has long-standing concerns about Iran's support for Shiite Muslim militias and Syria's failure to stop foreign fighters from joining the Iraqi insurgency.

The administration is under intense pressure to put aside those concerns and engage in talks with the two countries, even though it considers them adversaries. The Iraq Study Group, co-chaired by former secretary of state James A. Baker III and former congressman Lee H. Hamilton (D-Ind.), is expected to recommend in an upcoming report that the United States start such a dialogue.

On Monday, reports surfaced of a possible weekend summit in Tehran involving the Iraqi and Syrian presidents, but U.S. and Iraqi officials quickly denied that any high-level three-way meeting would take place.

In Baghdad, a U.S. Embassy spokesman said Iraqi President Jalal Talabani had no intention of attending a meeting with both Iran and Syria. Maliki's close aide Hasan Suneid said Talabani had accepted an invitation from the Iranian government to visit Tehran, but he did not specify when that would take place. "Iran has a great wish to hold a peace summit with Syria and Iraq, but still it is just a thought," Suneid said, "and if it happened, we should study it very well."

The Associated Press reported Monday night that Talabani would meet with Iranian President Mahmoud Ahmadinejad this weekend but that Syrian President Bashar al-Assad would not attend.

State Department acting spokesman Tom Casey in Washington said that the administration welcomes "discussion and dialogue" among Baghdad, Tehran and Damascus because it wants Iraq to have strong relations with all its neighbors. But he also expressed doubts. "The problem is not what they say, but what they do," Casey said.

He added that "it's up to the Iraqi government to make the decision as to whether this is something useful for them or whether they would attend."

Muallem is the highest-level Syrian official to visit Iraq since the 2003 U.S.-led invasion. His visit marked a major step toward restoring ties between the two countries, which have been at odds since the 1980s, when Syria backed Iran in its war against Iraq.

But Syria's oversight of its borders has become a major point of contention. Muallem denied that Syria has allowed foreign Islamic fighters to infiltrate Iraq but also said that sealing the long, porous border is an impossible task.

At a briefing in Baghdad, Maj. Gen. William B. Caldwell, a U.S. military spokesman, said that so far this year Iraqi security and coalition forces have killed more than 425 foreign fighters in Iraq and captured about 670. Of those detained, he said, more than 20 percent came from Syria.

Caldwell said the U.S. government is not accusing Syria of aiding the fighters, but added, "We don't know how much they have tried to preclude it from happening, though, either." Caldwell also responded to Muallem's comment this past weekend that if the United States were to establish a timetable for withdrawing troops, the violence in Iraq would decrease. He said Iraqi officials continue to ask for military help.

"There's that acknowledgment that there is a need right now in their minds for additional security, and that the coalition forces can help provide for them as they develop their forces or capabilities and exert their influence," he said.

The political developments came as violence continued to flare across the country.

A deputy health minister, Hakim al-Zamily, escaped an assassination attempt in Baghdad that killed two of his bodyguards. He was the fourth high-level government official, and the second deputy health minister, to be targeted by kidnappers or killers in recent days.

"I think the terrorists are trying to show that the situation in Iraq is unbearable and it cannot be solved by the government," said Ali Adib, a Shiite lawmaker. "They would like to show the Democrats that they control the situation and not the government."

In Kirkuk, a police captain said unknown gunmen had attacked a restaurant frequented by policemen and civilians, killing the restaurant's owner and another employee.

Unknown gunmen killed a Babylon University medical school professor as he and his driver traveled from Hilla to Baghdad. Iraqi army and police forces found 19 corpses in Latifiyah, south of Baghdad. The U.S. military also announced that a Marine was killed in action Sunday in Anbar province.

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Iraqi government officials continued their investigation of a mass kidnapping at a Ministry of Higher Education building last week. Speaking at a news conference, Interior Minister Jawad al-Bolani said investigators are trying to determine whether the kidnappers were aided by people within the ministry. He also ruled out sectarianism as a motive because the victims came from different backgrounds.

Officials continued to contradict each other about the number of people who were kidnapped. The higher education minister said as many as 150 people were taken, while a government spokesman put the number at about 60.

Staff writer Robin Wright in Washington, special correspondents Naseer Mehdawi and Saad al-Izzi in Baghdad and other Washington Post staff in Iraq contributed to this report.

Iraq President To Hold Talks With Iran (FT)

By Steve Negus, Gareth Smyth And Daniel Dombey

Financial Times, November 21, 2006

Iraqi President Jalal Talabani will travel to Iran this weekend for talks with his Iranian counterpart Mahmoud Ahmadi-Nejad, but his spokesman denied reports that a three-way summit including Syria's Bashar al-Assad was planned.

British government sources and news agencies had said yesterday that Iran was keen to host three-way talks, but Iraqi sources said there were no plans for such a meeting.

"President Jalal Talabani has plans to go to Tehran this weekend to meet with President Ahmedinijad. There is no talk of a trilateral summit," said presidential spokesman Hiwa Osman.

"President Talabani looks forward to meeting President al-Assad in Baghdad or Damascus in the near future," he said. US officials are reportedly planning an initiative to bring Syria and Iran into a broader regional effort aimed at curbing the violence in Iraq.

US and Iraqi officials have blamed Damascus and Tehran for fomenting disorder in Iraq. Iran has extensive influence with Shia parties in Iraq, reportedly subsidising groups such as the Supreme Council for Islamic Revolution in Iraq as well as breakaway factions of the Mahdi Army loyal to radical cleric Moqtada al-Sadr.

Tehran is also accused of supplying some of its clients with sophisticated weaponry and military expertise.

According to some analysts, Iran is trying to ensure that it has the capacity to cause severe problems for US forces in Iraq as a possible deterrent to US-led military efforts against its own territory.

International and domestic pressure is mounting on the Bush administration to open its own dialogue with Syria and Iran to find a common approach to restoring stability in Iraq.

Tom Casey, a spokesman for the US State Department, said there were no plans at present for direct contacts in Baghdad between the US and Iranian ambassadors.

Washington analysts say that while the US position in Iraq is weakening, Iran is asserting its influence. A trilateral summit, should it happen, could strengthen Iran's hand in shaping the agenda for eventual talks with the Bush administration.

Iraqi leaders frequently visit Tehran, but most of these are heads of specifically Shia religious parties with a tight bilateral relationship to Iran, and a wider summit specifically intended to discuss the promotion of stability in Iraq would be a diplomatic breakthrough.

Iraq Considers Three-way Talks With Iran And Syria (LAT)

By Solomon Moore

The Los Angeles Times, November 21, 2006

BAGHDAD — Iraqi leaders said Monday that they were seriously considering three-way talks with Iran and Syria, responding to an overture from Iran's president that raised new questions about the level of American influence here.

The talks would focus on how the two neighboring countries could help quell rising sectarian bloodshed in Iraq, according to Iraqi officials familiar with Iranian President Mahmoud Ahmadinejad's offer.

The invitation to a summit is a further assertion of Iran's influence in Iraq, and it comes at a time when the U.S. government is sharply divided over whether to make an appeal of its own to Iran and Syria.

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Influential figures in Washington have urged the Bush administration to talk to both countries in hopes of gaining their help to bring the violence in Iraq under control. But many of President Bush's advisors oppose the idea.

White House policy has been to isolate Iran to compel the government to abandon its nuclear enrichment program and to refuse to talk with Syria until it drops its support for what the United States considers terrorist groups.

As the debate continues in Washington, Iran has stepped forward.

Iraqi President Jalal Talabani plans to travel to Tehran on Sunday to meet with Ahmadinejad to try to iron out details of a possible three-way meeting, which would include Syrian President Bashar Assad, senior Iraqi officials said Monday. The move came as Iraqi Prime Minister Nouri Maliki and Syrian Foreign Minister Walid Moallem met in Baghdad and announced an agreement to reopen diplomatic relations, which were broken off in 1982.

In Washington, State Department spokesman Tom Casey sought to play down the significance of a possible three-way summit, contending that previous statements by Iranian and Syrian leaders had not proved productive.

"What we'd like to see the Iranian government do is desist, first and foremost, from negative actions it's taken in Iraq," Casey said. "As we have always said with respect to the Syrians, you know, the problem is not what they say, the problem is what they do."

Syria has served as an entry point and refuge for Sunni Arab Muslim insurgents who have carried out a steady stream of attacks on U.S. forces and the fledgling Iraqi government since the American-led invasion in 2003.

Iran, a Shiite Muslim nation, has significant influence over the Shiite militias that have increasingly attacked Iraq's minority Sunnis.

Along with the debate over Iran and Syria, officials in Washington have been jousting over whether the U.S. should begin withdrawing troops from Iraq.

On Monday, Bush, speaking to reporters in Bogor, Indonesia, said he had made no decision about troop levels in Iraq and that he was waiting to hear from the Pentagon.

Sen. John McCain (R-Ariz.), a probable 2008 GOP presidential candidate, has called for boosting the force beyond the 140,000 or so troops now in Iraq. Others want to establish a timetable to withdraw troops or to focus on the training of Iraqi security forces.

"I say go Iraqi," said Rep. Duncan Hunter (R-El Cajon), the outgoing chairman of the House Armed Services Committee. "It doesn't make sense to plan American deployments before you utilize all the Iraqi forces."

Senior Iraqi officials say Ahmadinejad's summit proposal was the impetus behind the meetings between Iraqi leaders and Syria's foreign minister, the highest-level talks between the two Arab neighbors since the U.S.-led invasion.

Ahmadinejad first proposed three-way negotiations last year but was refused by then-Prime Minister Ibrahim Jafari. Jafari and his advisors feared the United States would oppose giving Iran an intermediary role in Iraq and doubted Syria's intentions, sources said Monday.

"We said we had issues with Syria and felt that Iran could not be a mediator," said a high-ranking Iraqi official with knowledge of the discussions. "At the time, we said that the Syrians know what our expectations are and they needed to make the first move, which they have done by sending their foreign minister to listen to our grievances for their involvement in supporting what we consider terrorism."

The official, who spoke on condition of anonymity because he was not authorized to discuss the Iranian proposal with the media, said Ahmadinejad had contacted Maliki last month to renew his invitation with a suggestion that he visit Iran on Nov. 5 — at the same time the Syrian president had scheduled a visit.

Iraqi leaders decided to delay negotiations until after the U.S. elections two days later in order to not affect the outcome, the official said.

The senior Iraqi official's account was confirmed by another high-ranking politician with knowledge of Iraq's foreign affairs.

Iran extended a third invitation to Iraq's political leadership Nov. 10, said Haider Abaidi, a prominent Iraqi legislator with close ties to Maliki.

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"They suggested that the three countries should sit together to discuss the security situation in Iraq because both countries are interfering with Iraq's affairs," Abaidi said. "Both were denying this for a long time, but this time the Iranians went a step further and said: 'Why don't we talk everything over together? All three of us.' "

Ali Dabbagh, an Iraqi government spokesman, said Talabani's scheduled visit to Iran would capitalize on the momentum gained from the debate in the United States about opening a dialogue with Syria and Iran.

Abaidi said Iraq's main factions, the Sunnis, Shiites and Kurds, had discussed Iran's plan and had agreed, in principle, that it was worthwhile.

Three-way talks could boost Iran's regional sway and could also put the Bush administration in the awkward position of having to acknowledge the influence of a nation it once called a member of the "axis of evil" and a sponsor of terrorism.

"I think Iran wants to make sure that everyone understands that it holds a lot of the cards in Iraq, just as it did in Lebanon and Afghanistan," said Vali Nasr, author of "The Shia Revival" and an adjunct senior fellow at the Council on Foreign Relations.

"Iran is saying that Iran and Syria are two of the most important actors in Iraq, and if you want a solution in Iraq, or anywhere in the Middle East, you have to talk to them. It's a regional game they're playing, and they will not allow themselves to be left out."

David Aaron, director of the Rand Corp.'s Center for Middle East Public Policy, said Iran and Syria could demand a high price for their cooperation.

Syria may ask the Bush administration to drop its support for a United Nations investigation into Syria's alleged involvement in the slaying of former Lebanese Prime Minister Rafik Hariri in 2005.

And Iran may push the United States to abandon its opposition to its nuclear enrichment program.

But Nasr and Aaron contended that the initiative by Iran and Syria might also stem from broader national interests.

"All of the neighbors have a stake in this country not blowing apart or having a major civil war, because they will all get dragged into it," Aaron said.

Iraq, Iran And Syria Set For 3-way Talks (WT)

By David R. Sands

The Washington Times, November 21, 2006

Iraqi President Jalal Talabani yesterday agreed to travel to Tehran this weekend for an unprecedented three-way summit with Iranian President Mahmoud Ahmadinejad and Syrian leader Bashar Assad to deal with Iraq's raging insurgency.

The Bush administration repeatedly has refused to deal directly with the Iranian and Syrian leaders, and the meeting this weekend could be a move by Tehran and Damascus to pre-empt an expected shift in U.S. policy to find a regional solution to Iraq's woes.

Key Iraqi lawmakers yesterday confirmed reports swirling in the Arab-language press of the three-way summit, according to the Associated Press. Iran's invitation came as Syria and Iraq announced the restoration of formal diplomatic ties after a break of 24 years, capping an unexpectedly warm visit by Syrian Foreign Minister Walid al-Moualem to Baghdad this week.

"All three countries intend to hold a three-way summit to discuss the security situation and the repercussions for stability of the region," Iraqi lawmaker Ali al-Adeeb, a close aide to Prime Minister Nouri al-Maliki, told reporters in Baghdad.

Said Mr. al-Moualem, "The stability of Iraq is a very important part of the stability of Syria."

The United States has accused both Syria and Iran of backing groups trying to undermine Iraq's fledgling democratic government, citing in particular Tehran's ties to Shi'ite militias not under the control of Iraq's central government.

But there has been intense speculation about a change of course in Washington since the midterm elections and about the pending report from an independent panel looking into U.S. alternatives in Iraq.

Former Secretary of State James A. Baker III, a longtime adviser to the Bush family and head of the commission, met with Mr. al-Moualem for extensive talks in September. British Prime Minister Tony Blair, President Bush's closest ally in the Iraq war, also has lobbied for direct contacts with Syria and Iran.

The State Department said yesterday the United States did not feel "snubbed" in being excluded from the Tehran gathering, and that it was up to Iraq to determine its relations with its neighbors.

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"If [the Iraqis] believe this is a positive opportunity for them, then they are more than welcome to go ahead," said spokesman Tom Casey. "They don't need our invitation or approval to do so."

U.S. military spokesman Maj. Gen. William Caldwell, briefing reporters in Iraq, said that between 70 and 100 foreign fighters are still crossing each month along the lengthy Syrian border.

Arab-language press accounts in recent days reported details of a far more extensive accord that could be on the table in Tehran.

Citing Iraqi government sources, the Baghdad newspaper Azzaman over the weekend reported that Mr. al-Moualem's visit was meant in part to discuss a "partnership" among Iraq, Iran and Syria and a series of coordinated steps to stabilize the security situation inside Iraq.

Under the accord, Iraq would repeal the law barring members of Saddam Hussein's Ba'ath Party -- who had close ties with their Syrian counterparts -- from government posts and would move to expel fighters from the anti-Iranian Mojahedin Khalq still based inside Iraq.

Both Syria and Iran would move to tighten their own borders against foreign fighters infiltrating into Iraq, and Iran would "deal with" al Qaeda figures inside its borders with suspected ties to terrorists in Iraq.

The announcement of the Tehran meeting came as at least four dozen Iraqis and a U.S. soldier and U.S. Marine were killed in sectarian and insurgent attacks.

Among the dead was Walid Hassan, one of Iraq's most popular comedians, whose weekly satirical television show "Caricature" mocked Iraqis, U.S. forces and anti-government groups alike. Mr. Hassan was shot by gunmen while driving in western Baghdad.

At least 47 American troops have been killed in Iraq since the beginning of the month.

•This article is based in part on wire-service reports.

U.S. Should Lead Iraq Summit (LAT)

The Los Angeles Times, November 21, 2006

IRAN HAS INVITED TOP Iraqi and Syrian leaders to Tehran this weekend, but there are no Americans on the guest list. The omission is hardly a snub — U.S. diplomats probably wouldn't have much fun there anyway — but the talks underline the absurdity of the White House position, which is essentially to wait for a bipartisan commission to give it permission to sit down with some friends and enemies. Regional discussions about the future of Iraq are already happening. The U.S. should send out some invitations of its own.

In some respects, this weekend's talks about ways of curbing the violence in Iraq are unremarkable. Iraqi Prime Minister Nouri Maliki visited Tehran in September, and the Syrians are frequent callers. The impending reestablishment of diplomatic relations between Iraq and Syria after a quarter of a century cements a growing bond.

The U.S. has reacted to the meeting with a kind of skeptical nonchalance (or vice versa). This reaction is understandable, but the overriding fact is that the situation in Iraq is untenable — to the U.S., its allies and its enemies.

Under such circumstances, it makes no sense to wait until January for former Secretary of State James A. Baker III to suggest that the U.S. open talks with Iran and Syria. Nor is it smart to commission national security advisor Stephen J. Hadley to write an alternative report that appears likely to be based on the self-justifying views of the very administration insiders who are responsible for the situation in Iraq.

The U.S., supporting the Maliki government, may or may not be able to broker a peace settlement between the warring Sunni and Shiite factions in Iraq. But it has a duty to the Iraqi people to keep the neighbors from rushing in to carve up their country.

U.S. officials say that Zalmay Khalilzad, the U.S. ambassador to Iraq, is authorized to talk to Iran, but only on the topic of ending violence in Iraq. They also say that Iran and Syria should show their concern for Iraq not through rhetoric but with action — such as cutting off their support for Iraqi militias and preventing terrorists from crossing their borders.

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This is all true enough. But it also ignores the U.S.' responsibility for Iraq. One of the administration's goals in the war was to recalibrate the balance of power in the Middle East. In this it has succeeded spectacularly — but the new order may be even less to its liking.

President Bush need not wait for the release of a commission report to convene a conference and invite all of the key players in Iraq's future: Iraq, Iran, Syria, Turkey, Jordan, Saudi Arabia, as well as representatives of the Gulf Coordination Council, the European Union and the U.N. Agreeing on a mutual duty to respect and uphold Iraq's territorial integrity would be the first goal.

If the United States fails to act, diplomacy delayed may become diplomacy derailed.

Next Move In Iraq? (USAT)

By Wesley Clark

USA Today, November 21, 2006

The mission in Iraq is spiraling into failure. American voters have sent a clear message: Bring our troops home, but don't lose. That's a tall order both for resurgent Democrats, some of whom are calling for a quick withdrawal, and the bipartisan Iraq Study Group, which is presumably crafting new options.

Instead of cutting and running or staying the course, it is time for us to begin to redeploy. But how can we do this and improve our prospects for success?

First, we have to think past Iraq and above partisan politics, folding actions in Iraq into a strategy to protect broader U.S. interests throughout the region.

Neither the Bush administration's latest pronouncements nor the current political dialogue has adequately engaged these vital interests. The calamity in Iraq has hogtied the Bush administration, inviting disarray, if not instability, in neighboring countries that also require our attention.

U.S. interests include dissuading Iran from pursuing nuclear weapons and its hegemonic aspirations, providing security assurances for the rapidly developing Arab Gulf states and working with our friends in the Middle East to ensure access to oil resources and regional stability.

What about a timetable for U.S. troop withdrawals? Today, setting a rigid, Washington-driven timetable is an option, but a bad one. A precipitous troop reduction could have far-reaching effects: emboldening Iran, weakening U.S. security promises to friendly states, and even sparking military initiatives by other powers — Turkey or Iran — to deal with the resulting security vacuum. Our weakened position in Iraq also could undercut our leverage in the Israeli-Palestinian dispute.

What about imposing a tripartite division of Iraq? That would merely feed ethnic cleansing and likely lead to a wider, more intense conflict.

The right approach is a coordinated diplomatic, legal, economic and security campaign drawing upon broader dialogue in the region and intensified political work inside Iraq.

Here is how to do this:

•Establish an effective, sustained shuttle diplomacy within the region.

•Form a high-level interagency diplomatic team, representing the White House and secretaries of State and Defense and led by an experienced, respected diplomat.

•Begin talks within Iraq, and with all its neighbors, based on a clear set of principles outlined by the team. The goal would be to seek the commitments necessary to achieve our aims inside Iraq and also advance U.S. interests in the region.

These principles could include: Iraq would remain whole; oil revenue would go to the Iraqi people based on a formula they determine; the rights and security of individuals must be protected; the United States would have no permanent bases in Iraq; the covert flow of military arms and equipment into Iraq would be halted; and the security needs of all states would be respected.

A permanent Gulf regional security dialogue could emerge that includes Syria and Iran, and the United States could undertake a role as regional security guarantor. Preliminary discussions should lead to a more intensive dialogue with Iran in which security assurances and nuclear programs are discussed.

In terms of diplomacy, our team would engage each state and party, solicit its views and challenge it to participate in moving forward, just as U.S. diplomat Richard Holbrooke did in the Balkans a decade ago. Next steps might include confidence-

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building measures, hosted discussions between factions, and perhaps one or more larger meetings to conclude firm commitments, timetables or sequence of events.

Of course there are no guarantees, but from such a dialogue should emerge a prescription for U.S. troop levels and activities consistent with our larger interests. Carrots and sticks could be employed. For instance, the factions could vow certain actions in return for U.S. assistance or troop deployments, or redeployments, and possible assistance from neighboring states.

Reaching an understanding on Iraq need not be a lengthy process, but the dialogue must be broadened in scope and participation to be effective. The aim would be a consensual solution underwritten by outside guarantors, not an imposed solution. And finally, military power would have a subordinated and supporting role.

Simultaneously, the United States would set about transforming its applied military power in Iraq into the useful diplomatic influence essential to addressing broader security concerns.

Ultimately, security in the Gulf and winning against al-Qaeda will require that we work with regional powers, promote stability and gradual transformation, and regain “strategic consent” for long-term U.S. assistance in the region. We must use the situation in Iraq to propel us toward this larger goal, and in doing so, we will also find the right way to wind down our deployment there.

The outline of what needs to be done is clear. But does the administration have the courage and foresight to do it, or will it continue to march into profound failure?

Retired general Wesley Clark, former Supreme Commander of NATO, is a senior fellow at UCLA's Burkle Center for International Relations.

Syria Lends A Hand (WSJ)

By Bret Stephens

The Wall Street Journal, November 21, 2006

Walid al-Moallem is a man lately in the news. On Sunday, the Syrian foreign minister paid a visit to Baghdad to pledge his cooperation with the Iraqi government and urge a timetable for American withdrawal. On Friday, the New York Times reported that Mr. Moallem had met in New York with James Baker's Iraq Study Group to explain why it is in Syria's "national interest to try to help stabilize the situation in Iraq." Earlier in the month, Mr. Moallem promised that Israel would "find Syria ready to resume peace negotiations."

Who is Walid Moallem? And, what's more to the point, would the U.S. be wise to "engage" him and his government in the cause of Mideast peace, as everyone from Mr. Baker to Tony Blair and Henry Kissinger is now urging?

In his memoir, former Mideast negotiator Dennis Ross describes Mr. Moallem as "a man of intellect and humor." But the Baathist apparatchik is shown in a different light in last year's Mehlis Report, which details the preliminary findings of the U.N. investigation into the Feb. 14, 2005, assassination of former Lebanese Prime Minister Rafik Hariri and 22 others. According to the report, Mr. Moallem met with Hariri two weeks prior to his assassination. An excerpt of their conversation:

Hariri: "I cannot live under a security regime that is specialized in interfering with Hariri and spreading disinformation about Hariri and writing reports to [Syrian President] Bashar Assad. . . . Lebanon will never be ruled from Syria. This will no longer happen."

Moallem: "We and the [security] services here have put you into a corner. Please do not take things lightly."

The exchange was secretly taped. The Mehlis Report notes that "the recorded interview clearly contradicts Mr. Al-Moallem's witness interview of 20 September 2005 in which he falsely described the 1 February meeting as 'friendly and constructive' and avoided giving direct answers to the questions put to him."

Mr. Moallem would thus seem to be guilty of obstructing an ongoing criminal investigation, if not actually of conspiracy to murder. But leave these sticky details aside and consider the case for engaging the Syrians diplomatically.

At a simplistic level, the argument is: Where's the harm in talking? Oddly, the people who say this about Syria rarely make it in connection to, say, al Qaeda.

A more sophisticated view is that the administration is anyway not seriously interested in overthrowing Mr. Assad -- the Muslim Brotherhood might well end up taking over -- so it will need carrots as well as sticks to improve his behavior. The largest

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of those carrots, supposedly, is a promise not to seek regime change; another is to abandon the cause of a truly independent Lebanon; a third is to lean on Israel to abandon the Golan Heights in return for a peace treaty. In exchange, it is hoped, Damascus will start playing a constructive role in Lebanon, abandon its support for terrorist groups in Iraq and Palestine, and begin to step away from its alliance with Iran.

That's a nice scenario, assuming it's plausible. But note the contradictions. How can the U.S. use the threat of regime change to improve Syrian behavior if in the very act of engagement it demonstrates that it has no interest in regime change? And why should Syria quit making mischief among its neighbors if it is that very mischief that brings America to the table?

In other words, for either side to gain ground they have to abandon the very things that got them ground. The State Department might just be "creative" enough to do that, but the Assad family has long understood that the only leverage they exercise is negative leverage. That's why the current Syrian president's father, Hafez Assad, refused the return of the Golan Heights when it was offered to him in 2000, and why Bashar Assad once said that "it is inconceivable that Israel will become a legitimate state even if the peace process is implemented." (Emphasis added.)

One also must wonder why Damascus has chosen this moment to go on its charm offensive, when it is riding high on America's stalemate in Iraq and Hezbollah's victory over Israel. In the past, the Syrians have made concrete concessions only under the most severe pressure: first in 1998, when Turkey threatened to invade if Syria did not expel Kurdish terrorist leader Abdullah Ocalan; then in 2005, when the U.S. and France united to demand the Syrian army's withdrawal from Lebanon.

One view is that Mr. Assad, after giving both material and verbal encouragement to the Iraqi "resistance," has concluded that Iraq's chaos could spread to Damascus. Maybe. But exiled Syrian dissident Ammar Abdulhamid has another take. "The neocon/neorealist dichotomy has given hope to the Syrian regime that it can outwait Bush," he says. "The regime is in jubilant mode right now, and the Iraq Study Group is going to deliver another boost to it."

In this reading, Mr. Assad's strategy is to ingratiate himself just enough with the West to take the option of regime change permanently off the table. In the meantime, he continues to funnel arms to Hezbollah while counting on the Shiite group to block the Hariri probe from ever going to trial. As for Iraq, having done his bit to bleed U.S. troops for three years, Mr. Assad has concluded it's time to usher us out the Mideast door. Funny the overture should come right after the U.S. midterms.

In the summer of 2005, a senior administration official smugly noted that the Syrian regime was sinking on its own weight, as if on quicksand. Now the countries have traded places, and some would urge the administration to grasp the offered hand of the likes of Mr. Moallem. They should consider what that hand has done, and whether it will pull us up -- or sink us.

Don't Trade Iran For Iraq (HILL)

The Hill, November 21, 2006

A consensus seems to be developing that only a "regional solution" embracing Iran and Syria can extract the United States from Iraq without jeopardy to those who have stood with us and without damage to both our reputation and Bush's place in history.

But at what price? Nobody seems willing to say what "engagement" with Iran for a regional solution would entail. We cannot ask Iran's help while we bomb its nuclear reactors or impose tough sanctions on the country.

The price of Iranian cooperation will be complicity in Tehran's nuclear ambitions. Iran will gladly assure Bush it does not intend to develop an atomic weapon. But we shouldn't believe it.

By quitting Iraq with Iranian help, we let a regime get atomic weapons that has promised to wipe Israel off the map. By going hat in hand to Iran, we sacrifice Israel.

Israel will have only one course — to bomb Iran in hope of delaying its acquisition of nuclear weapons. Israel's nuclear deterrent will be of little use. Israel could easily be wiped out by a few dozen nuclear explosions, while Iran, widely dispersed demographically, would likely survive an Israeli attack with half or more of its population alive. Israel cannot bet that Iran's good sense or the Israeli deterrent will stop Tehran from using nuclear weapons. It will be forced to strike now.

An Israeli strike would produce waves of nationalist sentiment in Iran and inflame Arab hatred of the Jewish state. It is precisely what we don't need now in the Middle East.

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Nor would an Israeli attack necessarily stop Iran getting nukes. If Iran gets the bomb, Tehran will not only wipe out Israel, but will cow non-nuclear neighbors and gain control over the Gulf.

What should the U.S. do?

We need to organize a Buyers Club, a kind of reverse OPEC to shun Iranian oil until Tehran dismantles its nuclear effort. Iran sells 2.7 million barrels of crude each day. That is a relatively small share of the 90 million barrels of daily world output. Merrill Lynch predicts that world oil production will rise by 2.6 million barrels a day in 2007 (1.1 million from OPEC countries and 1.5 million from the rest of the world). Its two-year phase-out of reliance on Iranian oil is feasible.

Japan, Iran's biggest customer, trimmed its purchases of Iranian oil by 15 percent in March. The Buyers Club would have to help importers to make sure shortages don't develop in any one country. (The U.S. does not buy any Iranian oil.) Prices will rise somewhat, but this is a small price to pay to avoid a nuclear war.

And about Iraq? An Iranian bomb is no way to save face! We need to pull out of Iraq and understand that we have lost the war there. We are unable to fight for a nation unwilling to fight for itself. We must accept the loss of face, do our best to stabilize the nation, help it stand on its feet for another year or so, and then pull out.

But we must be sure not to accept the siren song, reportedly being pedaled by former Secretary of State James Baker, that we can have a regional solution by getting our two old friends, Iran and Syria, into the act. That way lies disaster!

Morris, a former political adviser to Sen. Trent Lott (R-Miss.) and President Bill Clinton, is the author of "Condi vs. Hillary: The Next Great Presidential Race." To get Dick Morris's columns e-mailed to you for free, please send him your e-mail address. His e-mail is dickmorris2006@aol.com

An Iraqi Solution, Vietnam Style (NYT)

By Mark Moyar

The New York Times, November 21, 2006

Quantico, Va.

IRAQ'S prime minister, Nuri al-Maliki, is now saying that he wants the United States to stand back and let him use Iraqi forces to restore order. Within six months, he asserts, the bloodletting will cease. The United States must give this proposal very serious consideration. Critics of America's current Iraq policy, particularly among the Congressional Democrats, have tended to concentrate on international diplomatic remedies. Experience, however, suggest that only the Iraqis themselves can end the chaos and violence.

The United States faced a very similar crisis a half-century ago. In 1955, the pro-American government of Ngo Dinh Diem sought to disband militias that belonged to religious sects, analogous to the Shiite militias in Iraq today. A self-interested faction controlled the South Vietnamese police, much as self-interested Shiites dominate the Iraqi police. In Vietnam as in Iraq, the only strong force not beholden to the sects was the army, and the army's leadership was not entirely loyal to the national government.

When the South Vietnamese sects defied the authority of the Saigon government in the spring of 1955, the American special ambassador, Gen. J. Lawton Collins, urged Diem to compromise with them. Efforts to suppress the sects by force, Collins warned, would alienate the Vietnamese people, unhinge the army and lead to disastrous civil warfare. This advice was based on the mistaken premise that political solutions suitable in the United States would likewise be suitable in any other country.

Diem rejected Collins's advice, and with good reason. In South Vietnam, as in other historically authoritarian countries, if the government failed to maintain a monopoly on power, it would lose prestige among its supporters and enemies. Only a strong national government could prevent the sects and other factions from tearing the country apart. While Diem was able to gain the submission of some groups by persuasion, others remained defiant.

In April 1955, fighting broke out between the South Vietnamese National Army and one of the militias. Diem sought to capitalize on the fighting to destroy the militia, which caused Collins to advocate Diem's removal. Other Americans predicted chaos and wanted to abandon South Vietnam altogether.

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President Dwight Eisenhower, however, decided that Diem should be allowed to use the army against the militias. In Eisenhower's view, a leader who had the smarts and the strength to prevail on his own — even if it meant he discarded American advice — would be a better and more powerful ally than one who survived by doing whatever the United States recommended.

Through political acumen and force of personality, Diem gained the full cooperation of the National Army and used it to subdue the sects. Simultaneously, he seized control of the police by replacing its leaders with nationalists loyal to him. In a culture that respected the strong man for vanquishing his enemies, Diem's suppression of the militias gained him many new followers.

Diem went on to become a highly effective national war leader. When, in August 1963, he suppressed challenges to his authority from another religious group, he again experienced an upsurge in prestige. Some American officials and journalists, however, denounced him for what they mistakenly saw as counterproductive heavy-handedness, and the officials prodded South Vietnamese generals into overthrowing him.

The South Vietnamese government rapidly deteriorated after the coup, in which Diem was assassinated. The new leaders were inept and tolerated strident opposition groups in order to satisfy the Americans. Violence proliferated among religious groups, and Viet Cong subversion accelerated.

South Vietnam's history recommends the pursuit of two objectives that American officials are now urging upon Prime Minister Maliki: subduing the Shiite militias and transferring control of the police from Shiite partisans to Iraqi nationalists.

In Iraq as in Vietnam, the leader best able to end the violence will be one who possesses a very keen understanding of the country's politics and can judge them better than outsiders can. Mr. Maliki has shown that he does not share America's views on how to deal with the militias and the police. Vietnam tells us that we should welcome his willingness to act on his own initiative, rather than being alarmed by it.

Just as Diem established himself because Eisenhower let him participate unhindered in a Darwinian struggle, we should give Mr. Maliki the chance to restore order as he sees fit, provided his government does not try to suppress the insurgency through wholesale violence against Sunni civilians, as some fear it will.

If we pull back our troops temporarily and let Mr. Maliki deal with Iraq's problems using Iraqi forces, we will be able to determine more quickly whether he can save his country as Diem saved his in 1955. We will see whether he has the political skills to cut deals with local leaders, the support of enough security forces to suppress those who won't cut deals, and the determination to prevent the obliteration of the Sunnis.

If he does not have these attributes, it is to be hoped that the Iraqi Parliament, the Council of Representatives, will exercise its constitutional right to remove the prime minister by a vote of no confidence. Perhaps there is a better prime minister out there. It is also possible that nationalists will try to stage a coup and install a more authoritarian, less sectarian government. We may decide to condone a coup if the situation becomes desperate enough. But we would be best advised to avoid orchestrating one as we did so disastrously in 1963.

The United States may ultimately find that no Iraqi leader can neutralize both the insurgents and the militias. The benefits of a self-sufficient Iraqi government are so great, however, that we must give Mr. Maliki the opportunity to try.

Flaws Cited In Effort To Train Iraqi Forces (WP)

By Thomas E. Ricks

The Washington Post, November 21, 2006

The U.S. military's effort to train Iraqi forces has been rife with problems, from officers being sent in with poor preparation to a lack of basic necessities such as interpreters and office materials, according to internal Army documents.

The shortcomings have plagued a program that is central to the U.S. strategy in Iraq and is growing in importance. A Pentagon effort to rethink policies in Iraq is likely to suggest placing less emphasis on combat and more on training and advising, sources say.

In dozens of official interviews compiled by the Army for its oral history archives, officers who had been involved in training and advising Iraqis bluntly criticized almost every aspect of the effort. Some officers thought that team members were often selected poorly. Others fretted that the soldiers who prepared them had never served in Iraq and lacked understanding of the

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tasks of training and advising. Many said they felt insufficiently supported by the Army while in Iraq, with intermittent shipments of supplies and interpreters who often did not seem to understand English.

The Iraqi officers interviewed by an Army team also had complaints; the top one was that they were being advised by officers far junior to them who had never seen combat.

Some of the American officers even faulted their own lack of understanding of the task. "If I had to do it again, I know I'd do it completely different," reported Maj. Mike Sullivan, who advised an Iraqi army battalion in 2004. "I went there with the wrong attitude and I thought I understood Iraq and the history because I had seen PowerPoint slides, but I really didn't."

Gen. John P. Abizaid, the top U.S. military commander for the Middle East, told Congress last week that he plans to shift increasing numbers of troops from combat roles to training and advisory duties. Insiders familiar with the bipartisan Iraq Study Group say that next month the panel will probably recommend further boosts to the training effort. Pentagon officials are considering whether the number of Iraqi security forces needs to be far larger than the current target of about 325,000, which would require thousands more U.S. trainers.

Most recently, a closely guarded military review being done for the Joint Chiefs of Staff laid out three options for Iraq. It appears to be favoring a version of one option called "Go Long" that would temporarily boost the U.S. troop level -- currently about 140,000 -- but over time would cut combat presence in favor of training and advising. The training effort could take five to 10 years.

Despite its central role in Iraq, the training and advisory program is not well understood outside narrow military circles. Congress has hardly examined it, and training efforts lie outside the purview of the special inspector general on Iraq reconstruction. The Army has done some studies but has not released them. Even basic information, such as how many of the 5,000 U.S. military personnel involved are from the National Guard and Reserves, is unusually difficult to obtain.

But the previously unreported transcripts of interviews conducted by the Army's Combat Studies Institute at Fort Leavenworth, Kan., offer a view into the program, covering a time from shortly after the 2003 invasion until earlier this year.

One of the most common complaints of the Army officers interviewed was that the military did a poor job of preparing them. "You're supposed to be able to shoot, move and communicate," said Lt. Col. Paul Ciesinski, who was an adviser in northern Iraq last year and this year. "Well, when we got to Iraq we could hardly shoot, we could hardly move and we could hardly communicate, because we hadn't been trained on how to do these things." The training was outdated and lackadaisical, he said, adding sarcastically: "They packed 30 days' training into 84 days."

Sullivan, who advised three infantry companies in the Iraqi army, called the U.S. Army's instruction for the mission "very disappointing."

Nor were the officers impressed by some of their peers. Maj. Jeffrey Allen, an active-duty soldier, noted that all other members of his team were from the National Guard, and that his team was supposed to have 10 members but was given only five. He described his team as "weak . . . in particular the brigade team chief."

A separate internal review this year by the military's Center for Army Lessons Learned, based on 152 interviews with soldiers involved in the training and advisory program, found that there was "no standardized guideline" for preparing advisers and that such instruction was needed because "a majority of advisors have little to no previous experience or training."

Lt. Col. Michael Negard, a spokesman for the Multi-National Security Transition Command-Iraq, the headquarters for training, said he has not seen the Lessons Learned report and so does not know whether the training has been improved or standardized since that report was issued.

After arriving in Iraq, advisers said, they often were shocked to find that the interpreters assigned to them were of little use. Ciesinski reported that at his base in western Nineveh province, "They couldn't speak English and we would have to fire them."

Nor were there enough interpreters to go around, said Sullivan. "It was a real juggling act" with interpreters, he said, noting that he would run from the headquarters to a company "to borrow an interpreter, run him over to say something, and then send him back."

But he was better off than Maj. Robert Dixon, who reported that during his tour in 2004, "We had no interpreters at the time."

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The Center for Army Lessons Learned study, whose contents were first reported by the Wall Street Journal, found one unit that learned after 10 frustrating months that its interpreters were "substandard" and had been translating the advisers' instructions so poorly that their Iraqi pupils had difficulty understanding the concepts being taught.

Trainers and advisers also reported major problems with the Army supply chain. "As an adviser, I got the impression that there was an 'us' and 'them' " divide between the advisers and regular U.S. forces, said Maj. Pete Fedak, an adviser near Fallujah in 2004. "In other words, there was an American camp and then, outside, there was a bermed area for the Iraqis, of which we were part."

Replacing basic office materials was one of the toughest problems advisers reported. "Guys would come under fire so they could get computer supplies, paper and things like that," Sullivan said. "It was a surreal experience."

Lt. Col. Paul Yingling, a staff officer with the 3rd Armored Cavalry Regiment in Iraq in 2005 and 2006 who worked with Iraqi units, came away thinking that the Army fundamentally is not geared to the task of helping the advisory effort.

"The thing the Army institutionally is still struggling to learn is that the most important thing we do in counterinsurgency is building host-nation institutions," he told the interviewers, "yet all our organizations are designed around the least important line of operations: combat operations."

Advisers found that the capabilities of Iraqi forces "ran the gamut from atrocious to excellent," as it was put by Lt. Col. Kevin Farrell, who commanded an armored unit in east Baghdad last year and this year.

Many worried that the Iraqi units being advised contained insurgents. An Iraqi National Guard battalion "was infiltrated by the enemy," said Maj. Michael Monti, a Marine who was an adviser in the Upper Euphrates Valley in 2004 and 2005.

Some advisers reported being personally targeted by infiltrators. "We had insurgents that we detected and arrested in the battalion that were planning an operation against me and my team," Allen said.

But Iraqi officers may have had even more to fear, because their families were also vulnerable. "I went through seven battalion commanders in eight weeks," Allen noted. Dixon reported that in Samarra both his battalion commander and intelligence officer deserted just before a major operation.

Iraqis also had some complaints about their U.S. advisers, most notably that junior U.S. officers who had never seen combat were counseling senior Iraqi officers who had fought in several wars. "Numerous teams have lieutenants . . . to fill the role of advisor to an Iraqi colonel counterpart," the Lessons Learned report stated.

Farrell, the officer in east Baghdad, said some advisers were literally "phoning in" their work. Some would not leave the forward operating base "more than one or two days out of the week -- instead they would just call the Iraqis on cellphones," he said.

Dixon was grim about the experience. "Would I want to go back and do it again?" he asked. His unambiguous answer: "No."

Yingling came to a broader conclusion. He recommended an entirely different orientation in Iraq, both for trainers and for regular U.S. units. "Don't train on finding the enemy," he said. "Train on finding your friends, and they will help you find your enemy. . . . Once you find your friends, finding the enemy is easy."

Staff researcher Julie Tate contributed to this report.

Force Multiplier (WSJ)

By Hans Binnendijk And Bing West

The Wall Street Journal, November 21, 2006

The reassessment of U.S. strategy in Iraq should radically alter the combat mission of the American troops serving there. The key policy change is to embed five times as many U.S. combat advisers into Iraqi battalions. This will, on the one hand, reduce the size and casualties of U.S. forces, and on the other, strengthen the Iraqi army -- the only institution that can stop the creeping civil war. A war of that order will eventually degenerate into a regional catastrophe. The U.S. has three unpalatable choices: withdraw, choose sides or make a last effort to avoid it. Withdrawing now will trigger that war. Choosing sides with Shiites against Sunnis will label America as a murderer when the inevitable atrocities take place.

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So what would comprise a serious final effort? The diplomatic elements include discussions with Syria and Iran, multilateral aid and enfranchising Sunnis by sharing oil revenues, amnesty and moderation of the de-Baathification rules.

But any diplomatic package will fail unless Iraq's security forces restore order. The only way to rapidly do that is to shift platoons from American battalions into 140 Iraqi army battalions and critical police stations. Currently the U.S. has about a dozen military advisers working in each Iraqi battalion. These advisers spend their time as managers. They are too few to give combat advice and moral reassurance out on the streets during daily operations.

As a result, Iraqi platoons, lacking self-confidence, restrict their patrolling in the dangerous areas where they are most needed. To infuse combat confidence in each Iraqi battalion, we propose embedding about 60 advisers -- by transferring a reinforced platoon from every U.S. infantry battalion in Iraq. Each American soldier and Marine so deployed would be a force multiplier, greatly increasing the effectiveness of the Iraqi soldiers. The total number of advisers would expand to 20,000, plus additional support. Air and artillery strikes would be on call. Additional U.S. battalions would be needed to provide Quick Reaction Forces should the embedded forces need them. Special Forces commandos would still seek out al Qaeda operatives anywhere. U.S. units would maintain security in parts of Baghdad and 10 other key cities.

The huge increase in advisers would be offset by a drawdown of American conventional battalions and base support units. American-only patrols are becoming counterproductive, with fewer direct enemy engagements, more sniper and IED attacks, and more alienated Iraqis. In return for the embedding, the U.S. would insist that Iraqi officers accused of malfeasance by their advisory teams be relieved of duty.

By shifting missions from American-only patrolling to embedded combat advisers, the overall U.S. troop requirement might be cut nearly in half during the coming year. But the effectiveness of the mission should increase, based on past experience. In Vietnam, the Marine Combined Action Platoon (CAP) program deployed over 100 squads to live in hamlets with Popular Force units. Large areas were patrolled at low cost and 60% of the Marines involved extended at the end of their tours. Last year in northwest Iraq, the American commander in al Qaim replicated the CAP experience by integrating his battalion into local police and army forces and driving al Qaeda out of the city.

Many U.S. commanders will resist a major structural change that breaks down battalion combat teams. The embedded units will patrol heavily in dangerous areas. The Iraqi Army has to take on the militias and the police units who side with them. If the U.S. dramatically increases the advisory effort, strengthening the army, the risk emerges of creating a strong man, not a Western-style democracy; yet given the consequences of failure, these risks must be taken.

Restoring security in Iraq trumps all else. In the spring of 2004, Lt. Gen. James N. Mattis, then commanding the Marine division in Anbar province, intended to initiate the combined platoon program on a major basis. The eruption of the extended battle for Fallujah precluded that. Combined platoons were a good idea 30 months ago; today, they are vital.

Mr. Binnendijk is the Theodore Roosevelt professor at National Defense University. Mr. West is author of "No True Glory: A Frontline Account of the Battle for Fallujah" (Bantam, 2005).

Iraq Resumes Diplomatic Ties With Syria (AP-Y)

By Thomas Wagner, Associated Press Writer

AP, November 21, 2006

After nearly a quarter-century of severed ties, Iraq said Monday it will resume diplomatic relations with neighboring Syria — a move seen as a possible step toward stemming some of the unrelenting violence, which claimed another 100 lives.

The Iraqi and Syrian presidents also received invitations from Iranian President Mahmoud Ahmadinejad to a weekend summit in Tehran to tackle the chaos in Iraq, Iraqi lawmakers said. Iraqi President Jalal Talabani's spokesman said his boss would attend but that Syrian President Bashar Assad would not. The invitation was thought to be an attempt by Iran to counter U.S. influence in the region.

The announcement of restored Iraqi-Syrian ties came during a groundbreaking visit to Baghdad by Syrian Foreign Minister Walid Moallem, who was challenged over Damascus' role in supporting the Sunni insurgency.

"We object to any neighboring country that allows itself to be a base or a transit point for the terrorist groups that harm Iraq," Iraqi Prime Minister Nouri al-Maliki said after meeting with the Syrian envoy.

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Al-Maliki told Moallem that Damascus should not let its disputes with the United States be played out in Iraq, where the chaos and bloodshed has become "a danger that threatens all, not Iraq only."

Asked about the Syrian's visit, State Department deputy spokesman Tom Casey said "the problem is not what they say but what they do."

"Certainly what we would like to see the Syrians do is take actions to, among other things, prevent foreign fighters from coming across the border into Iraq; and, again, to back up the positive words that they have with some real concrete steps," Casey said.

Moallem arrived in Iraq on Sunday in the first such high-level visit by a Syrian official since the fall of Saddam Hussein's regime in 2003. He was expected to return to Damascus on Tuesday.

"Diplomatic relations will be restored between the two countries during the visit," Iraqi government spokesman Ali al-Dabbagh said.

Syria broke diplomatic ties with Iraq in 1982, accusing Iraq of inciting riots by the banned Muslim Brotherhood in Syria. Damascus also sided with Iran in the 1980-88 Iran-Iraq war. Trade ties were restored in 1997.

More recently, Syria is widely believed to have done little to stop foreign fighters and al-Qaida recruits from crossing its border to join Sunni insurgents in Iraq. It also has provided refuge for many top members of Saddam's former leadership and political corps, which is thought to have organized arms and funding for the insurgents. The Sunni insurgency, since it sprang to life in the late summer of 2003, has been responsible for the vast majority of U.S. deaths in Iraq.

A U.S. soldier was killed by a roadside bomb in Baghdad on Saturday night and a U.S. Marine died during combat in Anbar province on Sunday, the military said, raising to at least 2,865 the number of U.S. service members who have died since the beginning of the Iraq war. This month in Iraq, 47 American service members have been killed or died.

The Iraqi death toll, meanwhile, rose to at least 1,371 for the first 20 days of November — the highest for any month since The Associated Press began tracking the figure in April 2005.

In all, 25 Iraqis were killed Monday in a series of attacks in Baghdad, Ramadi and Baqouba, police said. The bodies of 75 Iraqis who had been kidnapped and tortured also were found on the streets of the capital, in Dujail to the north of Baghdad and in the Tigris River in southern Iraq.

The Iraqi death toll this month is already well above the 1,216 who died in all of October, which had been the deadliest month in Iraq since the AP began its count.

The actual totals are likely considerably higher because many deaths are not reported. Victims in those cases are quickly buried according to Muslim custom and never reach morgues or hospitals to be counted.

Monday's civilian victims included Walid Hassan, an actor and comedian on Al-Sharqiyah TV who was shot while driving in western Baghdad. The motive for his slaying was unknown. Hassan had performed in a comedy series called "Caricature," which mocked coalition forces, insurgents, militias and Iraq's government.

Assailants also shot to death Fulayeh al-Ghurabi, a Shiite professor at Babil University in the province south of Baghdad, as he was driving home at midday, police said.

In addition to the victims of violence, countless Iraqis have had close calls with death. Among them were two government officials who escaped assassination attempts Monday.

Minister of State Mohammed Abbas Auraibi, a member of Iraq's Shiite majority, said a roadside bomb hit his convoy at about 9:30 a.m. as it was driving on a highway in eastern Baghdad. Two of his bodyguards were wounded.

Hakim al-Zamily, a Shiite deputy health minister, also escaped unhurt when gunmen opened fire on his convoy in downtown Baghdad at noon, killing two of his guards, the minister said.

On Sunday, suspected Sunni insurgents kidnapped another deputy health minister, Shiite Ammar al-Saffar, from his home in northern Baghdad. Officials said the gunmen wore police uniforms and arrived in seven vehicles to abduct al-Saffar, who was believed to be the most senior government official kidnapped in Iraq since the war began in March 2003.

Al-Saffar was seized nearly a week after dozens of suspected Shiite militia gunmen in police uniforms kidnapped scores of people from a Ministry of Higher Education office in Baghdad. That ministry is predominantly Sunni.

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Spoofer Of Iraq's Chaos Becomes Another Victim (WP)

By Sudarsan Raghavan

The Washington Post, November 21, 2006

BAGHDAD, Nov. 20 -- For the last three years, Walid Hassan had an impossible task. He had to make war-weary Iraqis laugh. Week after week, the comedian and broadcaster found inspiration in the turmoil and bloodletting. On his weekend television show, "Caricature," he poked fun at the poor security, the long gas lines, the electricity blackouts and the ineffective politicians.

In Hassan's world, nothing was sacred. And many Iraqis adored him. In a nation bottled up with frustration, he was their release. They would recognize him on the streets and uncork their plights. He would listen, and turn them into satire.

On Monday, Hassan, 47, a father of five children, became a victim of the war and chaos from which he drew his inspiration. A Shiite Muslim, he was found in the majority-Sunni neighborhood of Yarmouk in west Baghdad with multiple bullet wounds to his back and head, according to police. He was last seen by witnesses in a black car with a driver and two other passengers.

"He was a star in the galaxy of Iraqi arts," said Ali Hanoon, the show's director. "Now, he's another sacrifice on the altar of this slaughtered country."

Hassan, who also produced a political show, was the latest casualty in the Iraqi media world, which has suffered heavily since the U.S.-led invasion of 2003 unleashed a wave of press freedom. So far, 133 reporters, cameramen and other media workers have been killed in Iraq, the vast majority of them Iraqi, according to Reporters Without Borders, a journalists advocacy group.

Hassan, described by friends as tall with gray-flecked hair and a warm smile, was the second employee of al-Sharkiya television, an independent channel owned by a London-based Iraqi businessman, to be killed this month. In January, a Sharkiya anchor escaped a kidnapping attempt by jumping out of the second-floor window of her apartment after masked men broke into her home.

On Monday, Hassan's family and closest friend struggled to comprehend his death. In today's Baghdad, filled with death squads and criminal gangs, there could be many reasons. Was he the victim of sectarian strife? Or was it a kidnap-for-ransom plot gone awry? Or did his broadcast cross one too many red lines?

What is clear is that Hassan was concerned about his life, said his friends. As he viewed the mounting death tolls, he often thought about when his turn would come, mirroring the views of many Iraqis, said Hanoon.

So, like most Iraqis, he made preparations for death. Last year he sold his car for $5,000 and used it to buy a piece of land for his family.

"I asked him, why you sold your car?" recalled Ali Jabbir, one of Hassan's co-actors on "Caricature."

"He said, 'If tomorrow comes and I die, at least I'll give a house to my kids.' And this was the concern of every Iraqi."

On Monday, Hanoon said he had spoken with Hassan's wife. She said her husband often reassured her that his fame would shield him from the violence unfolding outside.

"She told me he used to tell her, 'If people came and wanted to kill me, I would use reason with them. And I will tell them, why would you kill me? On what basis? And I would get out of it because I was so popular,' " Hanoon recounted.

After graduating from a fine arts college in Baghdad, Hassan worked as a civil servant in Nasiriyah. He took night courses in acting and art while working as a journalist for Iraq's state television. In the early 1990s, he came to Baghdad to pursue his dream of becoming a comedian. He got his break as a director of a candid camera program called "Tricks" that ran on state television, recalled Hanoon.

In the months after the U.S.-led invasion, when Iraq exploded with a constellation of television channels, Al-Sharkiya tapped Hassan and five other actors for "Caricature." In each 30-minute segment, the actors performed skits that often seemed like Iraq's version of "Saturday Night Live." Hassan's roles ranged from corrupt officials to brown-nosing bureaucrats.

One skit was about a family who moved their home and all their belongings to an unknown location. By the end of the segment, they had grown long gray hair, their faces wrinkled with age. That's when the television viewers learned that the family was waiting in one of Iraq's notoriously long gas lines.

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Last week, in his final role, Hassan played a man who made his way to the top of his company through connections, only to find out he was the wrong person for the job. Many viewers interpreted that as a slap at Iraq's unity government, in which sect and tribal allegiances are clearly visible in many ministries.

"The feeling Hassan had is the same that most people have, that Baghdad is withering," said Jabbir. "So we dealt with the diseases of society."

There was one sensitive issue they never played with: the sectarian strife disfiguring Iraqi society. "We always hated this subject," said Jabbir. "We believe the media should not provoke such strife. The goal is to put down such strife."

Hassan, his friends said, didn't perform his job for the money -- he earned a meager $400 a month and always found it hard to make ends meet.

On Monday, some of his co-actors on the show reflected on what drove Hassan to work on a show that could anger many powerful people.

"This was his own way to serve his country and his people, and this is the reason why Walid and us took that risk," said Bushra Ismael, a co-actor on "Caricature."

Hanoon said he wasn't certain whether the show would stay on the air.

"Since the program is a comedy, the laughter that will come out will be soaked with blood," said Hanoon.

Banned Iraqi Television Station Illicitly Back On The Air (MCT)

By Hannah Allam

McClatchy Newspapers, November 21, 2006

BAGHDAD, Iraq - When Iraqi government officials pulled the plug on al Zawraa TV earlier this month, they thought they'd finally stamped out a channel known for reporting live from "occupied Baghdad" and declaring Saddam Hussein's death sentence "a sad day for Iraq."

Two weeks later, however, the Sunni-owned station is back, and bloodier than ever.

"Virtuous clerics, tribesmen, merchants, farmers, work together as one hand to liberate Iraq," a crawl at the bottom of the screen urged Monday. Saddam-era martial music boomed as an insurgent video montage began: a sniper hitting an American soldier snacking on a sandwich, a U.S. Humvee bursting into flames as it hit a roadside bomb, Sunni Muslim militants vowing to overthrow Shiite leaders who are portrayed as agents of Iran.

"This is as violent as it gets," said Bassam al Husseini, the senior government adviser who'd sought the order banning the channel for its coverage of Saddam's trial. "Now they've become officially irhabiyah," he added, using the Arabic word for "terrorist."

Al Zawraa TV is the station of choice for nostalgic Baathists, militant Islamists, Iran-hating Sunnis and anti-American Arab nationalists. Driven underground by a court order on Nov. 5, the day Saddam was sentenced to death, the satellite news channel has re-emerged in recent days, broadcasting from an unknown location and devoid of any pretense of neutrality.

Its theme song is borrowed from an old Iraqi TV miniseries, and its content is unbroken, 24-hour insurgent propaganda.

"We'll fall man over man until our hair is gray, and this land will not be touched," the lyrics say, usually accompanied by startling footage of attacks on U.S. troops.

"I'm so happy to hear these nationalist songs again and to see the armed attacks against the Americans," said Tamam Abdul Samad, 28, a Sunni engineer from the southern Shiite city of Basra, which borders Iran. "When I hear it, I jump and dance. This channel represents Sunnis as well as patriotic Shiites." Al Zawraa's ability to broadcast round the clock in defiance of the government is yet another example of the increasing technological prowess of insurgents and their supporters. U.S. military officials sort through Internet sites, message boards, text messages and TV channels every week to monitor the ebb and flow of insurgent chatter. But that doesn't mean they're able to counter it.

"These extremist elements can literally go out and say what they want, post what they want," Maj. Gen. William Caldwell, spokesman for U.S.-led forces in Iraq, said at a news conference Monday. "They have absolutely no responsibility to the press or anybody else to come back and clarify it, validate it, justify it, to be held accountable to it. Whereas, in fact, it's the exact opposite for us."

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Al Zawraa was launched in November 2005, the brainchild of Mishaan al Jubouri, a Sunni member of the Iraqi parliament who fled to Syria recently amid allegations of corruption. The station claims it won't run al Qaida videos and doesn't condone attacks on civilians; its allies are Iraqi nationalist fighters who strike only military and government targets, it says. In a telephone interview from Damascus, Jubouri said the main goal of the station is to urge resistance to what he calls the "U.S.-backed Safavid occupation," a reference to the Persian Shiite dynasty that ruled Baghdad in the late 16th and early 17th centuries. "Safavid" is now a common slur to describe the Shiites in charge of Iraq, many of whom spent years in Iran as exiles.

"When we were broadcasting in public from inside Iraq, we had to respect Iraqi law. But when the Iraqi government broke the law and closed the channel for no legitimate reason, they turned us into a channel that broadcasts in secrecy," Jubouri said.

Jubouri said the station's Baghdad offices remain shuttered and his six correspondents on the run, roaming the Iraqi countryside in a satellite truck, from which they beam their programming to an Egyptian satellite distributor called Nilesat, which then retransmits the channel across the Middle East.

Jubouri said the new pro-resistance format has increased the number of viewers "100 times over." He said the channel receives thousands of e-mails and text messages every day.

"We are now broadcasting from places the Safavids can't reach," he boasted.

To many Sunni Iraqis, it's the perfect antidote to the Shiite-run stations that regularly deride Sunni clerics as terrorists, air interviews conducted in Persian-accented Arabic and support militias blamed for scores of sectarian killings.

In predominantly Sunni areas of Iraq, former military officers watch from cafes, and ordinary families tune in from home for the songs, speeches and spirit of the days when Iraq was a place of law and order, albeit one built under the crushing weight of a brutal dictatorship.

"This channel wasn't popular or aggressive before the decision to close it," said Jamal Abdullah, 29, a teacher from the Sunni insurgent stronghold of Fallujah.

(McClatchy special correspondents Mohammed al Dulaimy and Shatha al Awsy contributed to this report.)

British PM Visits Troops In Afghanistan (AP)

By David Stringer, Associated Press Writer

AP, November 21, 2006

British Prime Minister Tony Blair told soldiers fighting a resurgent Taliban that success in Afghanistan would be a step toward global security, and on Monday pledged Britain's commitment to the war-torn country "for as long as it takes."

Blair held talks in Kabul with President Hamid Karzai following a visit to meet hundreds of troops in the country's restive southern Helmand province — a former Taliban stronghold and hub of Afghanistan's heroin trade.

Blair paid tribute to the troops at Camp Bastion — Britain's main southern base.

"Here in this extraordinary desert is where the future of world security in the early 21st century is going to be played out," he said, speaking on a platform raised above a vast stretch of gray dust.

The visit was the British leader's first to Afghanistan since 2002. Britain has around 6,000 soldiers deployed in Afghanistan.

Blair told a joint news conference with Karzai at the presidential palace that British and NATO forces would likely remain in Afghanistan for years to prevent any return to power of the Taliban.

"We came to Afghanistan because the sickness and the evil that was here came to us," Blair said, referring to the Sept. 11, 2001, attacks on the U.S. "I don't believe there is an alternative but to fight this and to fight it for as long as it takes."

Blair's arrival followed a two-day visit to Pakistan, where he and Pakistani President Gen. Pervez Musharraf agreed to a package of joint ventures to tackle extremism and to aid neighboring Afghanistan.

Musharraf said Afghanistan needed a huge influx of reconstruction aid, similar to the U.S. Marshall Plan that helped rebuild Europe after World War II.

A total of 41 British soldiers have died in Afghanistan since the U.S.-led invasion in 2001 — including 36 killed since Britain's deployment to Helmand province in July, Blair's office said.

British troops moved into the former Taliban stronghold and global heroin hub as part of the NATO mission to subdue insurgents and allow reconstruction to expand.

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"This is a fight of a different kind from anything we have faced as a country, certainly in the postwar years," Blair said in Helmand. "It is not the same as two major powers fighting each other. It's not like World War I or World War II."

After talking with the British leader, Maj. Andy Plewes said his company of commandos — newly arrived on a six-month tour — were eager to begin the job of ousting insurgents, but also to mend relations with local community leaders.

"They've trained back in Britain for it and are ready to get out into the villages, sit down for talks with tribal leaders and drink endless cups of green tea," Plewes said.

Nick Key, a regional coordinator for Britain's foreign office, said meetings with tribal leaders had led to the withdrawal of British forces from the district of Musa Qala — prompting claims soldiers were in effect forced into retreat and raised concerns the area could be exploited by Taliban fighters.

"We know we have to keep our eyes open and we do that," Key said, insisting the pullout had been at the request of local leaders and Karzai.

Britain's Sunday Times newspaper reported Sunday that Taliban commanders had been discovered freely recuperating in the Pakistani city of Quetta following battles in Afghanistan with British forces.

"Fighting the British is as easy as eating a loaf of bread from my hand," the newspaper quoted an unidentified Taliban commander as saying. "Fighting the British is much easier than the Americans. They have no faith."

Troops Will Stay, Blair Pledges (WT/AP)

By David Stringer

The Washington Times, November 21, 2006

KABUL, Afghanistan -- British Prime Minister Tony Blair yesterday pledged his nation's commitment in Afghanistan "for as long as it takes," telling British soldiers fighting the resurgent Taliban that success would help establish global security.

Mr. Blair said at a press conference with Afghan President Hamid Karzai at the presidential palace in Kabul that British and NATO forces likely would remain in Afghanistan for years to come to prevent the Taliban's return to power.

"We came to Afghanistan because the sickness and the evil that was here came to us," Mr. Blair said, referring to the September 11, 2001, attacks on the United States. "I don't believe there is an alternative but to fight this and to fight it for as long as it takes."

On his first trip to Afghanistan since 2002, Mr. Blair met with Mr. Karzai after visiting hundreds of troops at Britain's main southern base, Camp Bastion, in the restive southern Helmand province -- a former Taliban stronghold and hub of the country's heroin trade.

"Here in this extraordinary desert is where the future of world security in the early 21st century is going to be played out," Mr. Blair said.

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After talking with Mr. Blair, Maj. Andy Plewes said his company of commandos -- newly arrived on a six-month tour -- was eager to begin ousting insurgents and building relations with local community leaders.

"They've trained back in Britain for it and are ready to get out into the villages, sit down for talks with tribal leaders and drink endless cups of green tea," Maj. Plewes said.

British Defense Secretary Des Browne said last month that operations in Afghanistan had cost Britain $1.6 billion since 2001.

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Aid for the region has included a program of loans amounting to about $190 apiece to farmers and rural workers, aimed at encouraging them to establish new businesses.

However, hopes of denting Afghanistan's narcotics trade were undermined by a bumper opium harvest this past season.

Taliban Drug Trade: Echoes Of Colombia (CSM)

By Gretchen Peters,

The Christian Science Monitor, November 21, 2006

KABUL, AFGHANISTAN

As Afghanistan's narcotics trade explodes past $3 billion a year, there is concern that the Taliban is becoming another FARC, Colombia's notorious leftist insurgent group that draws much of its funding from the drug trade.

The Taliban and FARC - the Revolutionary Armed Forces of Colombia - both got their start protecting peasants from corrupt governments. There's evidence both initially fought narcotics traffic but then levied taxes on the trade for much-needed cash.

Over time, the FARC began to use its soldiers to protect shipments, and took over coca factories. They forced farmers under their control to grow coca. Eventually, they became self-sufficient and set up a parallel government in their semiautonomous zone. They now earn an estimated $500 million a year from cocaine.

That all sounds eerily familiar to police and military officials in Afghanistan. "There is no question at all that the Taliban has been increasingly involved both directly and indirectly in narcotics," says Seth Jones, an analyst at the Rand Corp.

Evidence is growing that the Taliban and their allies are moving beyond taxing the trade to protecting opium shipments, running heroin labs, and even organizing farm output in areas they control. "It's reached the point where about half of the opium we seize in the provinces has some link to the Taliban," says Gen. Ali Shah Paktiawal, director of the anticriminal branch of the Kabul police.

Another senior Afghan security official says captured Taliban have confessed that most funding comes from drugs.

Afghan opium production, which mushroomed 59 percent in 2006, multiplied by 162 percent in southern Helmand Province, where Taliban ties to the trade are clearest. "People should be concerned about the FARCification of the Taliban," says a senior Western counternarcotics official, adding, "It does not take a lot of drug money to fund their terrorist operations."

British Prime Minister Tony Blair visited British troops in the province Monday and pledged to stay "as long as it takes" to prevent a return to power by the Taliban. British aid - $1.6 billion since 2001 - has included loans to farmers to start new businesses. But the country produced a bumper opium crop this past season, and is expected to do so again next year.

Many experts believe the Taliban has always been dependent on the poppy trade. Declassified US State Department records show that two major narcotraffickers now in US custody, Baz Mohammed and Bashir Noorzai, sat on the original five-member Taliban shura, or leadership council.

"The Taliban rose to power by co-opting Afghan heroin," says a US official.

Today there's raging debate among experts over how much the Taliban leadership depends on heroin for its financing. Some say that donations from wealthy Arabs and financial support from Pakistan make up a larger portion of the Taliban's financing than heroin. "I don't believe Mullah Omar and his top counsel are involved, but they have clearly allowed [trafficking] to happen," says the Western official.

Unraveling the truth is complicated by the fact that the Taliban is less of a unified movement today than it was at its start. Now, officials say, it's more a loose grouping of tribal leaders, businessmen, and regional warlords.

"There's a very small core of true believers still left in the Taliban," says a top US military official. "But our intel is that most of the guys are just in it to make a buck."

The evolution from holy warriors to heroin smugglers should come as little surprise, say experts. Terror groups from the IRA to the Tamil Tigers have raised funds through trafficking, along with other criminal activities. And the lure of the dollar often eventually warps original goals. That metamorphosis has already happened to one Afghan insurgent group, say experts. Hezb-Islami Gulbuddin, run by the fundamentalist Gulbuddin Hikmatyar, is now "a full-fledged smuggling organization," moving everything from heroin to people, says a US official.

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There's fragmentary evidence that Osama bin Laden has instructed his people not to get wrapped up in narcotics, apparently fearing it would harm his movement. "Some say that Osama and his people have specifically stayed away from it," says the Western official.

The growth in smuggling complicates strategic response. "Strategic withdrawals," like the Pakistani retreat from troubled North Waziristan or the British pullback from Musa Qula in Helmand, for example, risk allowing criminal activity to flourish.

"This trade has strengthened the Taliban and greatly weakened the government's capacity," says Mr. Jones of Rand. "I'm not optimistic about where it's going."

Some US lawmakers say Washington must do more. Congressman Charles Schumer (D) of New York tagged a $700 million amendment to the defense appropriations bill to try and boost funding for Counter Narcotics in Afghanistan. It was later cut back to a total of $116 million.

DOJ:

GAO Reports Progress On Info Classification At Justice, FBI (FCW)

Federal Computer Week, November 21, 2006

A report from the Government Accountability Office says the Justice Department has significantly improved the way it handles classified information, but the agency has not corrected one of the most glaring problems: staff shortages.

Increased staffing was one of the recommendations made by the National Archives' Information Security Oversight Office, which reviewed security procedures at DOJ in July 2004 and April 2005. GAO was brought in this year to assess how well DOJ and its FBI component were following the recommendations.

The agencies have made a lot of progress in a lot of areas, according to GAO's report. "DOJ, however, has taken no action on the most important recommendation, addressing staff shortages, which continue to place its program at risk," the document states.

Justice said it does not have the resources to address the staff shortages, according to the report. The department said it "is trying to address its resources constraints, a longstanding problem that GAO identified as early as 1993, by requesting additional funds from an administrative account in fiscal year 2007."

But Justice officials acknowledged they do not know precisely how many new employees they would need because they have not fully assessed those needs, the report said. "It also does not have a strategy that identifies how it will use additional resources to address remaining deficiencies," the report added.

Justice had taken action on five of 10 recommendations, "including fixing problems with outdated and insufficient training and insufficient monitoring of components' programs," GAO said.

The report found that five department components — the Bureau of Alcohol, Tobacco, Firearms and Explosives; the Criminal Division; the Drug Enforcement Administration; the FBI; and the U.S. Marshals Service — were experiencing problems designating sensitive but unclassified information.

The components had no specific guides to help employees determine when to use that designation, GAO found.

Justice said it is awaiting the results of an interagency working group charged with setting governmentwide standards for sensitive but unclassified information before it will consider making any changes to that category. The working group is expected to release its findings next month.

GAO found that the FBI had taken action on 11 of its 12 recommendations, including updating most of its guidelines on classifying documents and issuing new security regulations.

The report also noted that the bureau is revising its training and oversight activities. "If FBI completes all recommendations, this will help to lower program risk since it makes 98 percent of DOJ's classification decisions," it states.

CORPORATE SCANDALS:

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Prosecutors Drop Lay Appeal (HC)

Houston Chronicle, November 21, 2006

Government withdraws notice to challenge ruling clearing record

Federal prosecutors on Monday had this to say about their intent to challenge a judge's decision to wipe out former Enron Chairman Ken Lay's convictions: Never mind.

Last week the Justice Department filed notice it would appeal U.S. District Judge Sim Lake's October decision to clear Lay's name. That filing came the same day two senators introduced a bill to allow crime victims to seek restitution when a convicted defendant dies before exhausting appeals.

Lake had based his ruling on precedent set by the 5th U.S. Circuit Court of Appeals — the same court that would have heard a challenge. But prosecutors filed court papers Monday that said the government would withdraw its appeal notice.

Monday's filing explained that last week's action came as the deadline for filing notice of appeal was about to expire.

Even though the Justice Department acknowledged helping draft the proposed legislation, prosecutors said in Monday's filing that last week's move was "protective" to ensure they met the deadline and could then review the bill to determine if it could help support an appeal.

"Having concluded that review, the government now moves to withdraw its notice of appeal," the filing said.

Samuel Buffone, who represents Lay's estate, declined comment.

Lay died in July, just six weeks after he was convicted of 10 criminal counts in separate cases. He had not been sentenced.

Lake's decision would force the government to sue in civil court to seek millions of dollars of Lay's alleged ill-gotten gains, because a conviction no longer exists for a criminal forfeiture.

The legislation, introduced last week by Sen. Dianne Feinstein, D-Calif., and Sen. Jeff Sessions, R-Ala., members of the Senate Judiciary Committee, aims to clarify the legal procedures when a defendant dies before appeal.

Head Of Cyberonics Resigns As Options Inquiry Expands (NYT)

By Barnaby J. Feder

The New York Times, November 21, 2006

The tumultuous tenure of Robert P. Cummins as chairman, president and chief executive of the medical device maker Cyberonics has ended, the company disclosed yesterday.

Mr. Cummins, 52, who is known as Skip, is a former venture capitalist who joined the board of Cyberonics in 1988 and became chief executive in 1995. He gained a reputation as one of nation's most passionate and intimidating business leaders in dealing with critics, regulators and investors.

Mr. Cummins had been under growing pressure since questions arose in June about the timing of stock options for 100,000 shares that were granted to him in 2004 just hours after a regulatory panel recommended approval of a Cyberonics implant to treat depression. Although none of the options vested immediately, their potential value soared when trading in the stock resumed the next day.

Scrutiny of the timing of the 2004 options grant expanded into internal and government investigations of whether Cyberonics was among the scores of technology companies that improperly manipulated options grants to ensure that executives would profit from them.

Cyberonics stock, which has been battered by the accounting questions and by the company's problems getting insurance coverage for its depression implant, soared yesterday after the company disclosed before trading began that Mr. Cummins resigned on Friday. The shares climbed as high as $26.45 before retreating to close at $24.17, up 12 percent for the day.

Cyberonics, based in Houston, also said that Pamela B. Westbrook, the chief financial officer, resigned Sunday and that Reese S. Terry Jr., the co-founder and former chief executive, would serve as interim chief executive.

In addition to the management changes, Cyberonics disclosed that its audit had concluded that dates on a number of options to Cyberonics employees had been improperly reported from 1999 to 2003. The company did not identify the employees. Investigations by the Securities and Exchange Commission and the Department of Justice continue.

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In a news release and filing with the Securities and Exchange Commission, Cyberonics said that the questionable transactions might require it to restate earnings back as far as 2000 to account for an additional $10 million in expenses.

The business focus of Cyberonics is unlikely to change, but analysts said that the forced resignation of Mr. Cummins could clear the way for Cyberonics to be acquired by a larger device maker.

"Skip was the biggest barrier to the company being sold," said Thomas J. Gunderson, who follows the medical device industry for Piper Jaffray in Minneapolis. Speculation that such a deal might be struck intensified a week ago when Carl C. Icahn, the billionaire investor, disclosed that he had acquired a 2.4 percent stake in Cyberonics, sending the stock up 20 percent that day.

Cyberonics said in its S.E.C. filing that Mr. Cummins would receive $1.72 million in cash this week for resigning, along with a grant of 75,000 shares and accelerated vesting of outstanding options and restricted stock grants. The filing said Mr. Cummins would receive an additional 75,000 shares within one week of the filing by Cyberonics of its next annual report and a cash payment to cover taxes.

The severance package was criticized as "lavish" by Karen L. Finerman, president of Metropolitan Capital Advisors, an institutional shareholder that has nominated a competing slate of directors for the board of Cyberonics and owns 7.3 percent of the company's shares. Mr. Cummins could not be reached for comment.

Mr. Cummins was known for his tenacious focus on using the company's most important product, a pocketwatch-size electrical nerve stimulator, to treat drug-resistant depression. The disease, Mr. Cummins said, drove his mother and grandfather to suicide.

The $15,000 device is implanted in the chest and attached to the vagus nerve in the neck. The nerve is a major pathway into portions of the brain associated with a number of mental ailments.

Cyberonics first developed the stimulator to control epileptic seizures. But under Mr. Cummins, the company then went after the far larger market of severely depressed patients — four million in the United States alone — who fail to improve with drugs and electroshock therapy.

After months of controversy, Cyberonics gained regulatory approval for the depression treatment in 2005. Critics inside and outside the Food and Drug Administration said that Cyberonics had not conclusively shown the device worked on such severely depressed patients. They also said there was too little evidence that the reported benefits outweighed safety concerns.

Cyberonics has reported that more than 2,200 depression patients have received the implant. Far more patients though have been denied coverage for the procedure, which most insurers classify as experimental despite the regulatory approval. It costs about $25,000, not counting follow-up visits to psychiatrists for adjustments and monitoring.

Slower-than-expected growth led to a string of quarterly losses, layoffs and repeated misses of forecasts made to Wall Street, damaging the credibility of Mr. Cummins with investors who were already annoyed by his confrontational style. This month, Cyberonics said sales for the first half of its fiscal year through Oct. 27 were nearly $68 million, up 21 percent from a year ago, but that it could not predict when the company would return to profitability.

Cyberonics said yesterday that in addition to the management changes it had separated the chairman's job from the chief executive's and that Tony Coelho, a former Democratic congressman and a board member, had been appointed chairman.

George E. Parker III, who had been head of human resources, was named interim chief operating officer, and John A. Riccardi, director of financial planning and analysis, became interim chief financial officer.

Fortunate Ones (USAT)

By Elliot Blair Smith

USA Today, November 21, 2006

Cyberonics says 4.2 million Americans' lives could improve with a medical implant device the company makes to treat severe depression and epilepsy. The FDA approved its product. But federal investigators are probing Cyberonics' compensation practices. This USA TODAY Special Report examines one company caught up in the nation's expanding stock-options scandal. The report explains how a few Cyberonics executives and directors made nearly $50 million in stock-trading profits while selling a money-losing device that remains controversial.

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HOUSTON — Cyberonics said Monday that its chief executive and chief financial officer had resigned after an internal investigation found that unnamed insiders had incorrectly reported the dates of company stock options for years.

Cyberonics general counsel David Wise said in a filing to the Securities and Exchange Commission that the company had under-reported its executive compensation expense by about $10 million and would have to restate its financial statements going back to 1999.

The company's disclosures came at a time when one of the biggest financial scandals in years is sweeping U.S. corporate boardrooms. Federal authorities are examining at least 130 companies to determine whether insiders manipulated options-award dates to illegally profit from market gains, principally by backdating the options to an earlier date than issued to give themselves a head start on rising prices. To date, dozens of companies have announced executive departures or restatements after internal investigations. Two criminal cases are pending.

In June, Cyberonics said that it was one of the companies under investigation by the SEC and by the U.S. Attorney's office in Manhattan. The company also faces several options-related lawsuits by shareholders and is embroiled in a proxy fight with a large investor demanding substantial changes in the board's makeup and governance practices.

During three interviews with USA TODAY in August, former CEO Robert “Skip” Cummins — who quit Friday — defended Cyberonics and denied any wrongdoing. “We have nothing to hide,” Cummins said. But he deflected questions about the government and board probes. Company lawyer Wise said at the time that Cummins could not discuss the controversy. The company has declined to comment for this story.

Cummins had been directing Cyberonics' drive to win Medicare reimbursement for its medical devices to treat severe depression, a decision that he said could open up a $1 billion sales market for the company. Medicare's administrators have not yet ruled on the application.

Earlier, in June, former Cyberonics chief financial officer Pamela Westbrook, who resigned Sunday, told investors that “all stock options” issued by the company “are granted the day of approval and are priced at fair market value on the date of the grant.” Westbrook said the company “fully followed securities and accounting regulations.”

A USA TODAY investigation reveals that Cyberonics' board has engaged in a series of questionable practices to reward Cummins, certain directors and some executives with stock and options almost from its inception as a public company in February 1993. Among its practices, the company frequently issued stock options just before market-moving events that insiders participated in, including merger talks, regulatory milestones and earnings advisories. It also repeatedly issued options at the lowest or second-lowest monthly trading price, SEC filings show. On one occasion, management, including Cummins, and a director who serves on the compensation committee, bought company stock at a discounted price in which Cummins represented himself both as the CEO selling the shares and as an individual buying them.

Over the past year, academic research at several major universities has identified widespread problems in dating of stock options granted to company insiders. A joint study at Harvard and Cornell universities published last week estimated that about 850 CEOs at 720 companies benefited from opportunistic timing. The study, “Lucky CEOs,” said the findings reflect widespread governance problems.

A stock option entitles the holder to buy a share at a fixed price. Options typically are issued at the stock's current market value. It is not illegal to issue options at below-market prices, but a company must charge the discount against earnings, and the recipient must report the gain as income. Most options mature over several years, meaning they cannot immediately be converted to cash. But if the stock rises, the value of the options rises.

Since Cyberonics' founding, Cummins and the company have raised $175 million from investors. The company's loss through January was $186 million. Despite the perennial cash drain, company officers and directors have reaped $49.4 million in stock-trading profits from 1999 to present, including $22.5 million for Cummins, according to Thomson Financial, a financial information company.

University of Michigan finance professor Nejat Seyhun, who analyzed all of Cyberonics' options grants since 2000 for USA TODAY, says the odds the award dates on some of the low-priced options occurred by chance range from one in 600 for Cummins to one in nearly 500,000 for the man who now replaces him as chairman: former U.S. congressman Tony Coelho, a longtime member of the board's compensation committee and a beneficiary of Cyberonics stock options.

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After disclosing the government investigations, the board hired outside law firm Morgan Lewis & Bockius to probe its options practices. The Houston company, which employs more than 600, said Monday that neither its management nor auditors had closely reviewed the law firm's findings. But it installed Coelho as chairman and one of the company's founders, Reese Terry, as interim CEO. They declined to comment for this story.

In an interview, former SEC chairman Harvey Pitt, who reviewed some of Cyberonics' stock transactions described in this story, said, "There is something incredibly wrong with this picture even if one assumes no laws were broken.

"What you have here, it seems to me, is a system of granting options that are opportunistically timed with ultimately almost a $50 million payout to insiders from a company that hasn't earned a penny," Pitt said. "The picture looks, on its face, rather tawdry."

Cyberonics' triumph at bringing its medical technology to market, and Wall Street's rousing response, seemed to affirm its use of stock options to reward management for a job well done.

At a development-stage company such as Cyberonics, where revenue and profit were hard to come by, stock options enabled the market to set a large component of CEO pay without draining the corporate treasury. But for years, another debate has swirled around the company: about the safety and effectiveness of its medical implants.

The small, battery-powered device — surgically inserted in the chest at a cost of about $25,000 — sends electrical current to the brain through a nerve in the neck. Some medical researchers believe the electric stimulation wards off depression and seizures. But nobody knows for sure how Cyberonics' vagus nerve stimulation device affects the brain, and there are conflicting views among physicians, patients and regulators about how effective it might be.

In July 1997, the FDA approved Cyberonics' implants to treat a form of epilepsy. To date, that product has been implanted in more than 40,000 epilepsy patients. In July 2005, agency administrators overruled the objections of their own staff investigators to approve the implants to treat depression, as well. The device has been implanted in about 1,600 depression patients, many of them during company-paid clinical trials.

Cyberonics estimates as many as 4 million severely depressed Americans could benefit from the product, a U.S. patient base 20 times larger than its potential U.S. epilepsy patient base. First, the company must persuade Medicare to pay for the procedure for depression, as it does for epilepsy.

How Cyberonics proceeds without Cummins remains to be seen.

On Monday, Karen Finerman, president of Metropolitan Capital Advisors, an investment group that owns 7.3% of Cyberonics stock, acknowledged "we don't know" what effect Cummins' departure will have on the company's Medicare application. But Finerman welcomed Cummins' departure, saying, "This is a step in the right direction of very necessary corporate governance changes that we've been asking for. It is a step. There is more to do." Metropolitan is leading a proxy fight to shake up the board.

Investors bid up company shares by 12% to $24.17 at the close of trading Monday.

For Cummins, the personal setback is only the latest in a history of large challenges. In the small Pennsylvania town of Grove City, where he grew up, his parents married and divorced each other three times. To distance himself from the domestic discord, Cummins said during an interview, he lived with his paternal grandmother.

Jeff Lumley, Cummins' best friend during high school, says now, "He knew there was a better way of life than what he had, and I think that was a motivating force for him to work hard and achieve his goals — his success — always pushing hard to be better."

An athletic scholarship to Dartmouth College was Cummins' ticket out of town. The two-time All-Ivy-League linebacker repaid his tuition by punishing opponents. "Skip was one tough son of a gun," says Dartmouth coach Buddy Teevens, a freshman quarterback during Cummins' senior year. "He was extremely competitive."

Cummins earned an MBA at the University of Illinois and took jobs in venture capital that carried him from Chicago to New Canaan, Conn., where a firm he joined, Vista Partners, invested in Cyberonics at its founding. Cummins joined Cyberonics' board in June 1988.

But less than two years after taking the company public, Cyberonics' founders realized they did not have the resources required to get through the legal and regulatory obstacles ahead of them. Over several months, the company approached 70

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potential investors with hardly a nibble of interest, according to its SEC filings. By June 1995, $100 invested in the company's IPO was worth $33. The board fired its CEO and hired Cummins.

"He was aggressive. He was a hardworking guy. And suddenly he comes up through the ranks and sees this opportunity and steps in, never having had the benefit of that formal training (in managing a company that) you really need," says venture capitalist Bill Mullaney, one of Cyberonics' early investors. "I saw him as a guy who would step in on an interim basis."

In taking the job, Cummins' mission was to complete the sale of Cyberonics to St. Jude Medical, a big medical device manufacturer with which the board had launched merger talks in June 1995. But the new CEO and board also initiated a practice that would prove troublesome in the future: granting attractive options on fortunate dates.

On Oct. 11, 1995, Cyberonics' board awarded Cummins options on 50,000 shares at $4.70 a share, lower than all but one price the stock closed at that month, and near a six-month low. As investors anticipated a merger agreement with St. Jude, the stock quickly rose 54% from the grant price to $7.25 in November 1995, before the deal unraveled. Had the merger gone through, Cummins' options would have vested immediately. At $7.25 a share, he would have pocketed $127,500 on the options issued in October, company filings show.

Timing options grants to profit from future events is called "spring loading." Spring loading "is not illegal," says Mark Poerio, co-chairman of the Paul Hastings law firm's executive compensation practice and a member of the firm's Stock Option Task Force. But, he says, the practice is "viewed poorly" by regulators and shareholders "as an unfair form of executive enrichment."

Cyberonics and St. Jude renewed their courtship a few months later. On June 1, 1996, six weeks before shareholders convened to vote on the revised merger at $7 a share, the board awarded each non-employee member options on 2,000 shares at $4 a share. That was a 26% discount from the market price and a 43% discount from the merger price. The prospective gain on the options amounted to $6,000 for each director. Cummins' prospective gain on his options issued in October 1995 was now $115,000.

Cyberonics' shareholders approved the proposed merger. But St. Jude walked away again.

In early 1997, Cummins said in an interview, he visited Coelho near Washington to offer him a seat on Cyberonics' board.

The onetime House Democratic party whip had resigned from Congress in June 1989 after failing to disclose on his congressional financial statement a "junk" bond investment he obtained on favorable terms. But he remained a power broker. And he had epilepsy, an illness Cyberonics sought to treat.

Coelho accepted Cummins' invitation, though he was busy leading the upcoming U.S. delegation to the 1998 world's fair in Portugal. On March 7, 1997, Coelho was granted options on 35,000 shares at $4.63 a share but missed two of Cyberonics' next four board meetings, SEC filings show. By year's end, the stock more than tripled to $15.25 a share.

Coelho's stewardship at Expo '98 met with scathing criticism by the State Department's inspector general, which, in a September 1999 report, held him responsible for "questionable payments" on a luxury hotel, car and driver for himself and for a $300,000 personal loan from a Portuguese bank under terms for which the U.S. government feared it was liable. The inspector general referred its findings to the Justice Department, which brought no charges.

Meanwhile, Coelho became a member of the board's compensation committee, which oversees the company's stock-option plans and sets the CEO's compensation. He continues to hold that job, along with being the board's lead director, serving as the primary liaison between directors and the CEO. Coelho did not respond to requests for comment for this story.

Insurance reimbursement specialist Michael Strauss joined the board a few weeks after Coelho and was appointed to lead the audit committee that has been investigating the company's options.

About the same time, a firm Strauss founded, Covance Health Economics, began collecting $1.6 million in consulting fees from Cyberonics over three years, including $511,459 the first year. Cyberonics did not disclose the related-party transaction — involving dealings between insiders — to the SEC for 2½ years. Strauss had no comment.

Also in March 1997, Cyberonics sold stock at the discounted price of $4.44 a share — lower than any price the stock closed at in the month — to an investment group led by New York investment firm Clark Estates. One of Cummins' Dartmouth classmates, Kevin Moore, was senior vice president of Clark Estates. Its $6.8 million investment gave it a 9.2% stake in the company.

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Cyberonics described the private placement as having been based on “arm's-length negotiations between the company and the lead investor.” It is not unusual for a company to give a large institutional investor a discount when buying stock during a recapitalization of the company. But Cummins, two vice presidents and another new board director, Baylor College of Medicine neurologist Stanley Appel, participated in the investment as individuals. They bought 82,627 shares at the discounted price. Cummins signed the sale agreement on behalf of Cyberonics as CEO and himself as a buyer of the shares, according to an SEC filing the company made in April 1997.

Former SEC attorney Ronald Mueller, an expert on securities law and disclosure, says the transaction “raises a potential conflict of interest.”

Former SEC chairman Pitt says, “If Cummins is on both sides of the transaction, it's not a potential conflict of interest. It's just a conflict.”

Moore, now a director, did not respond to requests for comment. Appel, who was about to join Cyberonics' compensation committee at the time of the investment and who remains a director and compensation committee member, declined to comment.

Pitt says that Coelho's initial failure to attend board meetings for which he was compensated also raises governance concerns: “If you have a director who doesn't attend meetings, you don't really have a director. You have a face and a name but no substance.”

And Pitt says the fact that Strauss, the audit committee's chief, received business benefits and stock options from Cyberonics could have compromised the board's investigation. “How is he going to be able to blow the whistle, if that's required, without blowing the whistle on himself?” Pitt says. “What you've got is somebody who may have an economic incentive in the outcome.”

Driven by FDA approval of the vagus nerve stimulation device for epilepsy treatment in July, the Clark Estates shares more than tripled in value by year's end, closing 1997 at $15.25 a share. The 40,000 shares Appel purchased at a discount rose by $432,400 by year's end, a calculation of his investment shows. Cummins' 35,500 shares bought at a discount rose by $383,755.

Among the lucrative options grants overseen by Coelho and Appel's compensation committee, according to Cyberonics' annual proxy filings:

•In March 1999, Cummins received options on 100,000 shares at $8, the stock's second-lowest closing price that month. The stock rose 99% by year's end and nearly tripled in two years. Cummins did not report receiving these options for two years, according to Equity Incentive Analytics, a stock-tracking service.

•In June 1999, when independent business consultant Alan Olsen joined the board, he was awarded options on 50,000 shares at $11.63, the stock's lowest closing price that month. By year's end, the stock had risen 37%. Olsen is a member of the audit committee that investigated the options grants. He had no comment.

•In January 2000, new manufacturing Vice President Richard Kuntz received options on 150,000 shares at a price lower than all but one closing price that month. In July 2001, new marketing Vice President Michael Cheney got options on 150,000 shares at the stock's lowest closing price that month. In August 2001, new chief medical officer Richard Rudolph got options on 150,000 shares at the lowest closing price that month. And in October 2001, new sales Vice President David Erinakes got options on 50,000 shares at the lowest price that month.

•In June 2001, Cummins got options on 150,000 shares at $12.80, the month's low and the lowest price it traded at for the rest of the year. CFO Westbrook got 15,000 options at the same price, the same date. By year's end, the shares rose 107% in value to $26.53 a share.

University of Michigan finance professor Seyhun has developed a statistical program to assess the likelihood that multiple grants of low-priced options were awarded randomly. Seyhun says the chances Cyberonics' options grants to Coelho were random range from one in 2,000 to one in 492,000; for Appel, the chances are from one in 4,000 to one in 42,000; and for Cummins, from one in 600 to one in 2,796.

“None of this proves that they are backdating,” Seyhun says. “What it shows is that it is extremely unlikely to get these on a random basis.”

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Bill Coleman, an executive compensation consultant at Salary.com, says, “It could be coincidence, it could not be coincidence. Many coincidences make one tend to believe it's not a coincidence at all.”

Even after Congress reduced insiders' ability to manipulate options dates under the Sarbanes-Oxley Act of 2002 — the new law required options grants to be reported within two business days, rather than up to a year previously — some Cyberonics executives and directors continued to get options at dips in the stock price.

In June 2, 2003, a week after Cyberonics provided Wall Street analysts with an earnings forecast at the low end of analysts' expectations, the board awarded Cummins options on 250,000 shares at $18.94 a share, the previous Friday's closing price. That was the lowest price the stock closed at for the rest of the year.

Then, in August 2003, the company issued new guidance to Wall Street, saying its earnings were exceeding expectations, driving up its stock price. On Aug. 21, Cummins cashed in 100,000 options he'd been awarded years earlier and reaped $2.5 million in a cash profit.

On June 15, 2004, the Holiday Inn at Gaithersburg, Md., filled with Cyberonics executives, lobbyists, medical researchers, depression patients and Wall Street securities analysts. It was a pivotal day in Cyberonics' history.

An FDA advisory panel would hear the company's arguments for approving the vagus nerve stimulation device to treat depression and vote whether to recommend it. The FDA almost always accepts its advisory panel decisions.

Six medical patients who had participated in Cyberonics-sponsored clinical trials spoke about their ordeals with depression and about the dramatic effect that the company's battery-powered electronic device appeared to have on their recoveries, according to an official transcript.

Patients who participated in the trials were not told whether their implant device was turned on. Despite encouraging accounts from some patients, the trials provided scant statistical evidence that the implanted devices worked much better than placebos. “The study failed to demonstrate a statistically significant difference” between a group of implant patients whose devices were turned on and those whose devices were not, testified Carlos Pena, an FDA staff medical device reviewer.

Late in the day, the panel's chairwoman, Kyra Becker of the University of Washington School of Medicine, told Cyberonics that “it's unclear” whether the depression treatment should be approved. At 4:10 p.m., the panel took a break.

A few minutes later, Cyberonics' chief regulatory liaison, Vice President Alan Totah, delivered the company's closing argument in “an unusually confrontational tone,” according to Lazard Capital Markets securities analyst Alexander Arrow, who attended the proceeding.

Totah, speaking in “a slightly caustic, slightly indignant Southern drawl,” according to Arrow, said depression patients in Cyberonics' clinical trials appeared to do better after more extended treatment than originally envisioned. He interpreted that as a promising sign. Totah quoted from FDA statutes to remind the panel that clinical trial standards for medical devices are more flexible than for drugs, based on the agency's “least burdensome” approval guidelines. A few minutes later, the panel voted 5-2 to recommend Cyberonics' depression therapy.

Nasdaq had halted trading in Cyberonics shares that day, pending the advisory panel's decision. That night, the board rewarded Cummins with options on 150,000 shares of stock — and Totah with options on 10,000 shares — at the previous day's closing price of $19.58 a share. The next day, Cyberonics' share price soared 78% to $34.81, delivering a $2.3 million overnight paper gain for Cummins and $152,300 for Totah.

The Financial Accounting Standards Board, which sets U.S. accounting standards, was already concerned at the time of the after-hours grant that U.S. companies were not appropriately disclosing the costs and benefits of executives' options.

In December 2004, FASB revised its options-reporting rule. Under the guidelines, all public companies had to begin reporting the “fair market value” of new options grants on their financial statements, whether they were issued at, above or below the stock's market price. “Fair market” is a technical valuation that incorporates the options' likely value over time, not just at the date issued.

For Cyberonics, the new rule did not take effect until this fiscal year, beginning in April. That same month, the company said it was unable to file its financial statements until it had reviewed its options practices. As a result, Nasdaq is threatening to delist Cyberonics stock.

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In June, SunTrust Robinson Humphrey securities analyst Amit Hazan, who recently left the firm, issued a critical note to investors about Cummins' after-hours grant in June 2004, writing: "We feel this management knowingly abused" the principle of aligning management's interests with that of shareholders.

In an interview, Hazan said Cummins and the board were "trading on information that nobody else had, and the stock clearly was worth more than he got it for."

University of Michigan finance professor M.P. Narayanan calls the after-hours grant "clearly an end run around insider-trading laws."

Even so, the options would not vest for years, and the men would have to wait for their money.

Unexpectedly, the FDA ruled on Aug. 11, 2004, that it would not accept its advisory panel's recommendation, amid an internal debate at the agency over Cyberonics' implant devices. In what is known as a "not approvable" letter, the agency's Center for Devices and Radiological Health, which evaluates new medical devices for use by the public, informed Cyberonics: "There are safety concerns associated with the use of your device. … In addition to known safety concerns, worsening depression was reported as a serious adverse event during" one of the clinical trials.

Cyberonics' stock, which had been trading at $23.95 a share, fell to $14.36 the next day.

On Aug. 26, 2004, Cummins wrote a passionate, 10-page reply to the same FDA office. He described himself "as an American citizen whose mother and grandfather suffered from treatment-resistant depression, and committed suicide because it was their only remaining option."

He wrote that the FDA's decision against Cyberonics "insures that millions of Americans living today with chronic or recurrent treatment-resistant depression have only the same way out chosen by my mother and grandfather."

"After finding my mother's body in her small apartment an estimated two weeks after her suicide," Cummins wrote, "I can assure you that I know the sights, smells, tastes and despair that accompany the hopelessness of treatment-resistant depression and the only real way out."

On Feb. 2, 2005, the FDA signaled in a letter to the company that it would approve Cyberonics' depression treatment after all. Over the next week, investors bid up the company's stock by 58% to a record $43.36 a share. And on Feb. 10, 2005 — his 51st birthday — Cummins' cashed out $14.7 million in stock options, netting $10.3 million after his trading costs.

Sharing his good fortune were nine other insiders, including CFO Westbrook and board compensation committee members Coelho and Appel. Cyberonics officials cashed out $19.9 million in trading profits that February, in the largest sale of stock by insiders in any month in company history, according to Thomson Financial.

But the letter that Cummins wrote to the FDA was inaccurate on several accounts, he acknowledged during an interview in August.

In that interview, Cummins conceded he did not discover his late mother's body. Rather, Cummins said, the Mercer County, Pa., coroner's office informed him of her death.

He also said he does not know whether his mother was diagnosed with depression, or if her death certificate says she committed suicide. In fact, the death certificate and coroner's report state she died of natural causes.

As for where the term "treatment-resistant depression" he cited comes from, Cummins said, "We invented it."

Cummins burst into tears when discussing his mother. When he regained his composure, he said, "If you look at what Cyberonics has accomplished, it's not for the faint of heart.

"The leader of Cyberonics has to be willing to stand up and say, 'We're going to make it.'

"As the leader of Cyberonics, even if you're scared beyond words, you have to be able to convince people they can do the impossible."

Capital One Ex-CFO Resolves Charges (WP)

By David S. Hilzenrath, Washington Post Staff Writer

The Washington Post, November 21, 2006

Insider Trading Probe Is Settled For $1.8 Million

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A former chief financial officer of credit card issuer Capital One Financial Corp. agreed to pay more than $1.8 million to settle insider trading charges, the Securities and Exchange Commission said yesterday.

David M. Willey was accused of exercising Capital One stock options and cashing in shares after learning in 2002 that a regulatory examination of the company was likely to end unfavorably. After the results of the examination were made public, Capital One's stock price plunged by about 40 percent.

Without admitting or denying wrongdoing, Willey agreed to give up $801,434 in alleged ill-gotten gains, plus $218,180 in interest and a penalty of $801,434. The SEC dismissed a related claim against Willey's wife, Joy S. Willey, a former Capital One vice president. The agency had previously named her as a defendant alleging that some of the proceeds of the insider trading were in her possession.

An attorney for David Willey, William M. Mann, declined to comment.

Willey, who joined McLean-based Capital One in 1989, earned more than $1.2 million in salary and bonus in 2001, according to a company report.

The following year, Federal Reserve examiners found serious management problems in areas under his authority, the SEC alleged in a 2004 complaint. The lead examiner told Willey of the Fed's concerns in a private meeting and warned that they could lead to formal supervisory action, the complaint said.

Willey, of Great Falls, knew that if the Fed examination cost him his job, his stock options would expire within 90 days, the SEC alleged. In the spring of 2002, he exercised tens of thousands of options in his account and in his wife's, which he controlled, the SEC alleged. He also sold Capital One shares. The transactions yielded several millions of dollars in profits, the SEC alleged.

The SEC said Willey knew or should have known that Capital One's stock price would fall when the Fed's actions became public. Indeed, when Capital One's general counsel learned about the potential regulatory action, he immediately barred all senior executives from trading in Capital One securities. Willey, however, had completed his sales by then.

Willey was forced to resign from Capital One in 2003, the SEC alleged.

Under the settlement, he is banned from serving as an officer or director of a public company for five years.

South Korean Prosecutors Indict Lone Star, KEB (WSJ)

By Laura Santini And Lina Yoon

The Wall Street Journal, November 21, 2006

South Korean prosecutors indicted Dallas private-equity firm Lone Star Funds and Korea Exchange Bank on stock-manipulation charges related to the bank's credit-card unit, part of a nine-month investigation that the U.S. firm has blamed on antiforeign sentiment in Korea.

The chief prosecutor in the case, Chae Dong Wook, vowed to continue a separate probe into whether Lone Star illegally purchased the bank in 2003. Prosecutors have been examining whether government and bank officials conspired to understate KEB's financial health when Lone Star acquired control of the bank. Lone Star's role in that transaction is also under scrutiny.

Korean lawmakers have threatened to nullify Lone Star's original purchase of KEB if wrongdoing is discovered, jeopardizing a $7 billion sale of the firm's controlling stake to Korea's Kookmin Bank that would secure a $4.5 billion profit for Lone Star.

In recent months, prosecutors have turned their focus to KEB's credit-card unit, leading some foreign investors watching the investigation to speculate that the prosecution had reached an impasse with the broader probe into the KEB purchase. Regarding KEB itself, prosecutors still haven't provided any evidence of wrongdoing by Lone Star in the transaction.

Last week, the Korean court issued arrest warrants for Lone Star's vice chairman, Ellis Short, and Michael Thomson, the firm's general counsel. Both men have refused to travel to Korea.

"They want to show the general public that they have a good case," said Hwang Ju Myung, a lawyer representing Lone Star in Korea, in characterizing the indictment yesterday. Mr. Hwang said the next step will be for the courts to set a trial date.

Foreign investors have complained that a backlash against them is hampering deal making in the country and scaring off newcomers.

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For their part, Koreans are outraged at the use of tax shelters by foreign funds, which allowed the funds to buy assets cheaply after the Asian financial crisis of 1997-98 and then sell them at huge profits -- all without paying capital-gains taxes.

Yesterday's indictment names KEB and LSF-KEB Holdings SCA, a special-purpose vehicle owned by Lone Star that is KEB's largest shareholder, with a 51% stake. If KEB and the Lone Star vehicle are convicted of the stock-manipulation charges, the court may order a fine, Mr. Hwang said.

The indictment is the upshot of a probe into KEB's merger with the separately listed credit-card unit, KEB Credit Services. In 2003, KEBCS was under a mountain of bad debt amid a credit-card debacle in Korea. In November of that year, KEB's board said it would rescue the company by implementing a so-called capital reduction, in which the value of the shares outstanding is wiped out and the company works with creditors to restructure its debt.

The board's announcement precipitated a drop in the credit-card unit's share price, as panicky investors rushed to sell ahead of the plan. Days later, KEB announced that instead of the capital reduction, it would buy out existing shareholders, whose shares were now worth much less than before.

Prosecutors have estimated that minority shareholders lost about 22.6 billion won ($24 million) from the share decline.

A KEB spokeswoman declined to comment yesterday. The bank has previously denounced the allegations of stock manipulation as "groundless." In a statement in September, it argued that prosecutors are revisiting accusations made in January 2004 by KEBCS's labor union. At the time, KEB argued, investigators didn't see the merit of pursuing those accusations.

SEC Filings Show New Chairman Got Options 3 Years Before Joining Board (USAT)

By Elliot Blair Smith

USA Today, November 21, 2006

Former U.S. congressman Tony Coelho received below-market stock options from Cyberonics in early 1994, three years before he joined the board, at a much deeper discount to the market price than the company's stock-option plan provided for at the time, according to Securities and Exchange Commission filings.

On Monday, Coelho was named chairman of the medical device maker after its former chairman and CEO, Robert Cummins, resigned under pressure. Coelho did not respond to requests for comment through the company, his lawyer or the Epilepsy Foundation, which he chairs.

Coelho's first options at Cyberonics, dated April 14, 1994, entitled him to buy 20,000 shares of company stock at a 32% discount to the stock's market price on the grant date, according to a Form 3 stock ownership record he filed later with the SEC.

Cyberonics' maximum discount on options it issued at the time was 15%, according to the company's stock-option plan filed separately with the SEC that October.

In Cyberonics' 1994 shareholder proxy filing, which contained a copy of the plan, company officials stated that all options under the plan had been issued at the stock's fair market value.

Another member of the board's compensation committee, neurologist Stanley Appel, also received below-market stock options in 1994, two years and three months before he joined the board. Appel got 50,000 options on Sept. 21, 1994, priced at $3.06, a 35% discount to the stock's market price that day.

Since mid-1997, Coelho and Appel have served on the board's compensation committee, forming a two-member panel during many of those years. The two directors administered Cyberonics' stock-option plan and helped set CEO compensation.

Coelho, the former Democratic party whip in the House, resigned from Congress in June 1989 after failing to disclose on his congressional financial statement a “junk” bond investment he had obtained on favorable terms. In recent years, Coelho and Appel cashed out their below-market options from Cyberonics at different times, reaping nearly $1.1 million in combined profits, SEC filings show.

Appel had no comment. At the time Coelho and Appel received their below-market options, the head of the compensation committee was Cummins, who took the helm of the company in October 1995. Cummins also declined to comment.

Cyberonics is now under investigation by the SEC and the U.S. Attorney's office in Manhattan, which are looking into the company's history of awarding lucrative stock options to company officers and directors. Until Monday, the company denied any wrongdoing. It now says it has identified some irregularities, principally from 1999 to 2003.

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According to Financial Accounting Standards Board rule APB 25, issued in 1993, Cyberonics should have recorded the 1994 below-market options as an expense for tax and accounting purposes.

In addition, the two men would have been required to report as personal income that year the difference between the Cyberonics options' price and the stock's market price.

"It is taxable income in the year in which the option is received. And the income is the difference between the strike price" — that is, the price at which the option is issued — "and the fair market value," says tax lawyer Kenneth Rubinstein.

For Coelho, the taxable benefit would have been $50,000 on the grant date. For Appel, the benefit would have been $84,375 on the grant date.

Former longtime Cyberonics director Thomas Duerden, 76, whom company documents show served on the compensation committee in 1994 when Coelho and Appel were awarded the below-market options, said in an interview, "I don't recall ever being a member of the compensation committee." But he calls the below-market options to Appel and Coelho "very improbable."

Duerden also is unable to say what Coelho and Appel did to earn their options. "I didn't know Stan Appel from a bar of soap until he joined the board" in 1996, Duerden says.

And, he says, "It's my memory that the first time I ever set eyes on Tony Coelho was when he joined the board" in 1997.

Appel first reported his below-market options to the SEC in December 1996, 27 months after the grant date. Appel cashed out half of this below-market grant on June 21, 2004, for a $639,249 profit. He also held onto 20,000 shares with a market value of $680,400 on that date.

Coelho first disclosed his April 1994 options grant in March 1997 upon joining the company's board. Unlike most stock options that mature over four to five years, Coelho's filing shows that these options could be cashed in immediately.

In June 2002, Coelho made another disclosure in a Form 5 stock ownership record filed with the SEC. In that filing, Coelho reported having received 20,000 options on March 8, 1994 — coinciding with the lowest price the stock traded at that month — rather than on April 14, 1994, but at the same price.

A key difference in the 2002 filing was that Coelho reported those options as vesting over five years rather than right away. He made a $444,420 profit when he cashed out the options in November 2003.

"Why did (Coelho) get an option grant three years before he joined the board? Why has the date moved? Why is the stock priced low? And (why), when they first reported them, (did) they (say) they were immediately vestable, and then later, they said, no, they vest over five years? Which one was it?" asks former SEC attorney Ronald Mueller, who specializes in executive compensation and disclosure issues.

Former SEC chairman Harvey Pitt says, "One of" Coelho's filings "has to be wrong.

"Both of them," Pitt says, "could be wrong."

Sumner Redstone's Nephew Sues Over Management Of Family Trusts (WSJ)

By Julia Angwin

The Wall Street Journal, November 21, 2006

Viacom Inc. Chairman Sumner Redstone, already facing a lawsuit from his son, now faces a suit from his nephew who claims he and other family heirs were bilked out of an approximately $4 billion stake in the Redstone family's business empire.

The suit, coming nine months after Mr. Redstone's son Brent filed suit against his father seeking to gain direct control of the son's personal stake in the empire, is likely to add to questions about the strength of Sumner Redstone's hold on Viacom and CBS Corp., both of which are controlled by the Redstone family.

In a lawsuit filed in a Massachusetts court this month, Michael Redstone alleges his father Edward Redstone and his uncle Sumner Redstone engaged in "self-dealing," "breaches of fiduciary duty" and "unjust enrichment as trustees of certain Redstone family trusts" when they bought his stake and that of other heirs in the family company, National Amusements Inc., in a series of transactions in 1972 and 1984.

Michael Redstone's suit against his father, uncle and the family company is joined by the trustees for trusts representing his late sister Ruth Ann and a trust set up for the four children of Edward Redstone and Sumner Redstone -- Michael, Ruth Ann, Brent

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and Shari. Michael Redstone and the trustees are asking for the 1972 and 1984 transactions to be rescinded or for damages "in an amount equal to the present value of those shares."

The suit claims that National Amusements, which owns controlling stakes in CBS Corp. and Viacom Inc., is worth $8 billion. Absent the disputed transactions, the suit says the trust's combined stake would have been 50%, suggesting that the plaintiffs are seeking $4 billion. If the suit prevails, Sumner Redstone's control of National Amusements could be diluted.

In a statement, National Amusements called the allegations "baseless" and said it would defend itself vigorously. "This suit is particularly troubling considering the important role Sumner Redstone has played helping Michael overcome serious obstacles throughout his life," according to NAI spokeswoman Brandy Bergman. "Mr. Redstone essentially rescued Michael from a difficult family environment, removed him from a mental institution, paid for his education and gave him a job at NAI. It is unfortunate that this is how Michael has chosen to repay Sumner Redstone's care and generosity."

The younger Redstone's attorney, William Narwold of Motley Rice LLC in Hartford, Conn., declined to comment on his client's relationship with his uncle and his personal life. "I think it would be a mistake to make this lawsuit about Michael," he said. "This is, in our view, a lawsuit brought by the trustees who have obligations not only to the current beneficiaries but also to future beneficiaries."

The Redstone family dispute echoes those of other families who have passed on their businesses to the next generation. Last year, Liesel Pritzker, scion of the Chicago-based Pritzker family that owns the Hyatt Corp. hotel chain, and her brother each won about $450 million in a settlement, after she alleged that her father had secretly stripped her trust funds of more than $1 billion.

The Redstone family feud dates back to 1936, when Sumner Redstone's father Michael "Mickey" Redstone started his first drive-in movie theater. As the company expanded into a regional chain of theaters, the elder Redstone set up a series of trusts for his children and their children. Each trust contained a stake in the company.

In 1972, Edward and Sumner had a falling out, and as part of the resolution, National Amusements bought out Edward's shares and a portion of his children's shares for $5 million. Edward also agreed to let Sumner be the sole trustee of his children's trusts. Although Edward's children were minors, the lawsuit alleges that no guardian was appointed to protect their interest in this transaction.

In 1984, Sumner paid $21.4 million to buy back the shares of the trusts for Michael, Ruth Ann and the trust set up for all four children. The lawsuit alleges that the transaction set an artificially low valuation on the company and was "self-dealing" because Sumner was both buyer and seller of the shares.

Paulson Criticizes Regulation (USAT)

By Adam Shell

USA Today, November 21, 2006

NEW YORK — U.S. Treasury Secretary Henry Paulson said Monday that the tough, costly rules put in place to combat corporate frauds such as Enron need to be enforced in a more flexible manner if U.S. financial markets are to retain their competitive edge around the globe.

In his first major speech on market regulation, the former chairman of Goldman Sachs said regulators' decision to “impose rule upon rule upon rule” was making it more difficult for U.S. markets to attract business from abroad.

Many non-American businesses, he said, that are faced with spiraling accounting costs, mounting legal burdens and a confusing and threatening enforcement system here in the USA, were opting to take their business to markets with less onerous regulation, such as London and Hong Kong. He cited a drop in the number of foreign companies listing their initial public offerings on U.S. exchanges as evidence.

“When it comes to regulation, balance is key,” Paulson said. “The right regulatory balance should marry high standards of integrity and accountability with a strong foundation for innovation, growth and competitiveness.”

The speech comes amid increasing criticism from businesses that the Sarbanes-Oxley Act of 2002, designed to reduce accounting fraud and make corporate CEOs more accountable, is too costly and time consuming to implement.

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Paulson stressed that he does not believe new legislation is needed. Rather, he said, the government needs to "implement the law in ways that better balance the benefits of the legislation with the very significant costs that it imposes, especially on small businesses."

In an attempt to make existing laws more flexible, Paulson said, those enforcing the laws must "rise above a rules-based mind-set that asks, 'Is this legal?' and adopt a more principles-based approach that asks, 'Is this right?' "

Paulson's comments come just weeks after Democrats took control of Congress in the midterm elections. In a statement, Sen. Charles Schumer, D-N.Y., member of the Senate Banking and Finance Committees, said the committee looks forward to working with Paulson. "While most are pleased with the balance between entrepreneurialism and regulation that we've achieved, the new prominence of international competition requires us to re-examine that balance in a careful and thoughtful way so that we keep America No. 1," he said.

On the issue of finding solutions to the future funding shortfall of Social Security: "Now is a good time to deal with it when the economy is so strong," Paulson said in a Q&A session after his speech. "It's better to act from a position of strength."

On the economic front, Paulson said the key to keeping America strong is to reform entitlement programs such as Social Security and Medicaid, improve our energy independence and maintain free trade. "These challenges," he said, "won't be easy."

Paulson Urges Flexible Market Regulation (FT)

By Jeremy Grant And Krishna Guha

Financial Times, November 21, 2006

The US should move towards a more flexible, UK-style approach to regulating its capital markets to preserve its global competitiveness, Hank Paulson, US Treasury secretary, said on Monday.

Saying the US "should be open to learning from ... the experience of others", Mr Paulson said the country's regulators should put less emphasis on rules and more on principles.

The call marks a fundamental break with a regulatory approach rooted in the securities markets of the 1930s.

It comes as top US policymakers worry that the US "rules-based" system is not flexible enough to deal with the pace of innovation in capital markets, global exchange consolidation and emerging competition from abroad.

"It is necessary to take a global view. We don't operate in isolation, so it is very important to consider how changes we make affect the ability of our companies to compete globally and how these changes affect our interaction with markets and regulators around the world," Mr Paulson said in a speech to the Economic Club of New York.

"Our rules-based regulatory system is prescriptive, and leads to a greater focus on compliance with specific rules. We should move toward a structure that gives regulators more flexibility to work with entities on compliance within the spirit of regulatory principles," he said.

Without naming the UK, his comments are a clear reference to a less prescriptive approach to regulation championed by the Financial Services Authority and embodied in European accounting standards.

Taking issue with the US rules-based accounting system, he said: "Businesses and auditors are searching for something that doesn't exist in today's constantly changing world - a rules-based safe haven that still provides investors with an accurate portrayal of a company's financial performance."

Referring to the need for European companies to reconcile their International Financial Reporting Standards accounts with US GAAP, Mr Paulson said: "We should recognise that the time and cost that go into reconciling and restating IFRS statements may not be a worthwhile expense for a foreign company considering the US market."

"Added complexity and more rules are not the answer for a system that needs to provide accurate and timely information to investors in a world where best of class companies are continually readjusting their business models to remain competitive," he said.

He also warned that the existence of only four big auditing firms "may not be healthy".

"The current situation forces us to ask questions about the industry's sustainability and effectiveness. Is there enough competition?"

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The “big four” accounting firms fear that huge liability litigation suits could bring down a firm and have argued for caps on the amounts of such suits.

Mr Paulson pointed out that the US has four separate banking regulators, with a “similar dynamic” in the securities and commodities markets, and their related self-regulatory structures.

Each of these organisations had different statutory responsibilities and a number had different regulatory philosophies. The US also had a dual federal-state regulatory system in the banking and securities markets – “and the degree of federal pre-emption over state law in these areas varies greatly”.

“A consequence of [this] is an ever-expanding rulebook in which multiple regulators impose rule upon rule upon rule. Unless we carefully consider the cost/benefit trade-off implicit in these rules, there is a danger of creating a thicket of regulation that impedes competitiveness,” Mr Paulson said.

He said the 2002 Sarbanes-Oxley auditing and compliance law had also “fundamentally” altered interactions between auditors and company management “in a number of ways, some of which are not constructive”.

Turning to enforcement, Mr Paulson said that a combination of enforcement and guidance was likely to be more effective and more efficient than relying on enforcement alone.

“When multiple jurisdictions and entities are involved, each with their own objectives and approaches, the enforcement environment can become inefficient and, to the regulated, can appear confusing and threatening,” he said, referring to multiple US state and federal enforcement agencies.

Paulson Says Business Is Over-Regulated (WP)

By Carrie Johnson

The Washington Post, November 21, 2006

Treasury Secretary Henry M. Paulson Jr. yesterday criticized the nation's "ever-expanding rulebook" and its burdensome legal system for constraining the economy but rejected wholesale revisions to a corporate accountability law under attack from business groups.

Paulson, a former chairman of the investment bank Goldman Sachs, called for striking a regulatory balance as he delivered his first major policy address on the subject since joining the government in July. "Excessive regulation slows innovation, imposes needless costs on investors, and stifles competitiveness and job creation," he said in a speech to the Economic Club of New York.

But under questioning, Paulson stood behind the controversial Sarbanes-Oxley law, passed in 2002 after financial scandals rocked the stock market and devastated investor confidence. Policymakers do not need to reopen the law, Paulson said. Instead, he expressed confidence in the work of securities regulators and accounting industry overseers, who are racing to make audit rules more flexible for small businesses that have complained about the regulations' cost. The eagerly awaited proposed revisions are to be unveiled within weeks, Christopher Cox, chairman of the Securities and Exchange Commission, has said.

"I don't think there is a single principle in [Sarbanes-Oxley] that is ill-founded," Paulson said after the speech.

Paulson's remarks come as trade groups such as the U.S. Chamber of Commerce exhort lawmakers and regulators to retool corporate rules, which they contend are leading fewer companies to list on U.S. exchanges. A chamber-affiliated coalition led by William M. Daley, who was an official during Bill Clinton's presidency, and A.B. Culvahouse, counsel to former president Reagan, issued data yesterday that they said reflected a decade-long decline in market share of corporate listings in the United States.

Some consumer advocates warn that tighter rules make for a convenient scapegoat. Barbara Roper of the Consumer Federation of America pointed to other factors, including steep investment banking fees and changes in the global economy, for the dip in U.S. public offerings.

Business groups insist the changes would combat what they say is an overly onerous application of the law. "No one is talking about a wholesale rollback," said Robert S. Nichols, president of the Financial Services Forum, a coalition of large banks

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for which Paulson once served as chairman. "That would be a very serious mistake in our view. It's a matter of discussing the implementation and execution."

In his speech, Paulson sought to take the debate beyond recent corporate reforms and into broader terrain. He singled out class-action lawsuits as an Achilles' heel in the legal system, which he contended have "gone beyond protection" of investors and now hamper business competition.

Statistics compiled by NERA Economic Consulting suggest that the number of class-action lawsuits filed against corporations and executives has plummeted in the past two years, especially since the indictment of the law firm Milberg Weiss Bershad & Schulman, which had been a leader in filing plaintiff cases before being charged with improperly paying people to serve as clients.

"Investors already are getting pennies on the dollar for massive losses they suffered in recent scandals," said Roper, of the consumer group. "I don't think you can sell that message after the experience we've been through."

Separately, Paulson called for more "constructive" dialogue among prosecutors and corporate executives, citing possible changes to the Justice Department's guidelines on charging companies with crimes. The 2002 prosecution of accounting firm Arthur Andersen for charges of obstructing justice helped push it out of business, an issue that Paulson said has reduced choice and competition in the auditing industry.

An unusual coalition including the American Civil Liberties Union and the U.S. Chamber of Commerce testified before Congress this year in support of relaxing parts of the Justice guidelines, known as the Thompson memo, named after former deputy attorney general Larry D. Thompson.

Paulson said he would host a conference early next year to explore problematic rules, accounting and legal issues and to lay a foundation for possible new initiatives within the executive branch and Congress. Last week, Sen. Christopher J. Dodd (D-Conn.), who is set to lead the Senate Banking Committee when Congress returns in January, expressed skepticism that the Sarbanes-Oxley law had hampered U.S. competitiveness.

But the wider topic appears to have drawn some bipartisan support. Sen. Charles E. Schumer (D-N.Y.), whose constituents include many Wall Street executives, yesterday referred to "a growing consensus . . . that we need to do a complete and comprehensive review of America's and New York's worldwide competitive position in financial services."

SEC To Undergo Further Scrutiny From Congress (WSJ)

By Kara Scannell

The Wall Street Journal, November 21, 2006

WASHINGTON -- The Securities and Exchange Commission, already under fire for its handling of a suspected insider-trading case, will receive more congressional scrutiny next month when the Senate Judiciary Committee holds a hearing on the agency's effectiveness.

Sen. Arlen Specter, a Pennsylvania Republican who is chairman of the committee until the new Democrat-controlled Congress convenes in January, has scheduled an oversight hearing on the SEC for Dec. 5.

The hearing comes as the SEC has been on the defensive since Sen. Specter and Sen. Charles Grassley (R., Iowa) said they were investigating the agency's handling of an insider-trading investigation involving hedge fund Pequot Capital Management and John Mack, the chief executive of Morgan Stanley. The matter, which was brought to their attention by a former SEC attorney, was referred to the Government Accountability Office for a thorough review of the SEC's enforcement division.

Linda Chatman Thomsen, the SEC's enforcement chief, is expected to testify at the hearing. Pequot founder Arthur Samberg has been notified of the hearing, according to a person familiar with the matter. It is unclear if Sen. Specter will compel his testimony. A spokesman for Pequot declined to comment.

Sen. Specter is expected to discuss the ability of the Justice Department to work with the SEC on investigations, following two court rulings that criticized the agencies for working too closely. He is also likely to discuss hedge funds, which he has said require tough enforcement.

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It follows two hearings Sen. Specter held earlier this year. The first focused on hedge funds and short-selling activities, and Gary Aguirre, a former SEC attorney, testified about the SEC's handling of the Pequot investigation. Mr. Aguirre says he was fired after he sought to compel the testimony of Mr. Mack, who he suspected of tipping inside information to Pequot about a pending takeover. Mr. Aguirre has charged that the SEC denied his interview request because of Mr. Mack's political connections, and he said the agency allowed insider-trading referrals to gather dust, allegations the SEC has denied. Mr. Mack testified before the SEC this summer, and the agency said last month it wouldn't file charges against Pequot or Mr. Mack.

Sen. Specter has criticized the SEC's diligence in following up on insider-trading referrals from exchanges. The SEC says 75% of referrals become informal probes.

CRIMINAL LAW:

Criminal Network To Catch Crooks In Cyberspace, FBI Goes Global (WSJ)

By Cassell Bryan-Low

The Wall Street Journal, November 21, 2006

ANKARA, Turkey -- On Aug. 16, 2005, a CNN television news bulletin alerted viewers that computers at the network's New York and Atlanta offices were infected with a new virus called Zotob. Soon, U.S. companies from coast to coast were hit.

Halfway around the world, two young computer hackers in Turkey and Morocco got spooked by the ensuing media coverage, but mocked the ability of authorities to track them down. "They can't find me," wrote Atilla Ekici, a 23-year-old Turk, in an email to his accomplice, a 19-year-old Moroccan called Farid Essebar. "Ha, ha, ha," replied Mr. Essebar.

The U.S. Federal Bureau of Investigation, however, was already hot on their trail. The 98-year-old FBI, which has traditionally focused on domestic crime, is extending its reach beyond U.S. borders and boosting cooperation with other law-enforcement agencies in pursuit of cybercriminals, much as the agency has done in tracking down terrorists overseas.

The shift reflects the global nature of computer crimes, which include unleashing viruses, worms and other rogue programs onto victims' computers to disrupt them or steal information. As electronic borders between countries blur, hackers in one nation can easily commit crimes against individuals, corporations and governments on the other side of the world.

The FBI now ranks cybercrime as its third priority behind terrorism and espionage. Computer-based crimes caused $14.2 billion in damages to businesses around the globe in 2005, including the cost of repairing systems and lost business, estimates Irvine, Calif., research firm Computer Economics.

Building relationships with police in other countries is "the only way we are going to effectively get a handle on the problem," says Christopher Painter, deputy chief of the Justice Department's Computer Crime Section.

The FBI is running into limits fighting international computer crime. Cybercrooks remain difficult to pinpoint in part because hackers can hide their tracks by commandeering computers from afar and routing their activities through machines dotted around the world.

Even when the agency does find suspects overseas, local authorities sometimes lack the resources or laws to prosecute. In its pursuit of LoveBug, one of the first big international computer viruses, which spread around the world in 2000, the FBI located its creator in the Philippines. But he was never charged because local laws didn't specify the virus writer's activities as illegal at the time.

"The criminal community is winning," says Nicholas Ianelli, a security analyst at the CERT Coordination Center at Carnegie Mellon University, a federally funded group that coordinates responses to computer-security incidents.

But the agency is making some headway, thanks partly to a diplomatic offensive to enlist help from foreign agencies. It now has about 150 agents deployed in some 56 offices around the world, including in Iraq and China, which deal with computer intrusions, as well as terrorism and other crimes. That has grown from about a dozen offices in the early 1990s.

During the past two years or so, the FBI has also built up Cyber Action Teams, or CATs -- a group of about 25 people that includes agents, computer forensic experts and specialists in computer code, according to David Thomas, the deputy assistant director of the FBI's science and technology branch. Establishing the team has taken longer than expected, in part because of the challenges of hiring people with the right skills, Mr. Thomas says.

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Earlier this month, the FBI announced the arrest of at least 16 individuals involved in a credit-card theft scam as part of an investigation spanning the U.S., Poland and Romania. As part of the probe, the FBI temporarily posted several agents with Polish and Romanian police to assist with surveillance and information sharing.

Some overseas police agencies have noticed the change. The FBI is "much more open to interaction" than it was even a few years ago, says Kevin Zuccato, director of the Australian federal police's high-tech crime center. One FBI agent is even embedded full-time with Australia's high-tech crime center. Usually, FBI agents are posted within U.S. embassies and consulates abroad.

Police in other countries can also get touchy about defending their turf from outsiders, just as a local beat cop in the U.S. might resent interference from the FBI on a murder case. In 2002, Russian police accused an FBI agent with computer hacking after the agent seized evidence against two Russian hackers by downloading data from their computers in Russia without approval from local authorities. Russia hasn't pursued the charges, however, and the agent is still at the FBI. The two countries since then have worked on several cybercrime cases.

The FBI's overseas push is still a long way from winning the borderless battle against cybercrime. But as the tale of the Zotob virus shows, the agency is scoring some victories.

By Sunday Aug. 14, 2005, the FBI and antivirus software companies noticed that a virus called Zotob had started to spread. The virus infected computers by taking advantage of a weakness in some versions of Microsoft Corp.'s popular Windows operating system, causing them to slow or reboot repeatedly.

But that wasn't all: Zotob opened a door for other malicious software to be installed, such as "key-logging" programs that record what a PC user types into a keyboard -- a way to snatch credit-card numbers and other information that is sold to criminal gangs. Zotob hit some 100,000 companies or more, some analysts estimate, including Time Warner Inc.'s CNN division and New York Times Co.

Even before the virus became famous by attacking CNN's computers, FBI Agent Erkan Chase and his colleagues were tracking the code. They discovered that the Zotob computer program had a signature line "by Diabl0". Mr. Chase, a 41-year-old former New York cop, recalled the nickname from another virus that he had started monitoring earlier in the year, called Mytob. That suggested the same person created both viruses.

Mr. Chase, who was overseeing the FBI's Cyber Action Teams at the time, checked in with the FBI's U.S. field offices and found that agents in Seattle had opened an investigation into Diabl0 after Mytob hit, linking him to an email account at Microsoft in nearby Redmond, Wash. With search warrants served on the software giant, Mr. Chase and his colleagues obtained emails between Diabl0 and another suspect using the nickname "Coder." They also received subscriber information and other evidence indicating the two were using computers in Morocco and Turkey, respectively.

In their email traffic, the tone of the hackers became cautious after media coverage of the virus, especially a local report in Turkey that authorities believed one of the hackers might be living there. The two suspects discussed whether to take precautions by getting rid of the evidence, by wiping or ditching their computer hard drives.

That raised the pressure on Mr. Chase to act quickly and try to arrest the two young men before it was too late. "We had to respond pretty quickly because we didn't want to get out there and find there was no evidence," he said.

Late afternoon on Aug. 18, 2005, just days after the virus hit, the head of the Turkish national police's cybercrime unit, Omer Tekeli, received a call from the U.S. Embassy in Ankara asking for help. The FBI teams only travel overseas at the behest of local authorities and don't have special powers to make arrests, but can offer technical and investigative assistance.

Mr. Tekeli agreed, and later that same day, an FBI agent from the Seattle office called to brief Turkish police on the details, including information they had gathered on Coder, Mr. Tekeli says. Mr. Tekeli's team soon identified Coder as Mr. Ekici, a farmer's son who had taught himself about computers at Internet cafes. Turkish authorities already knew of Mr. Ekici from an earlier investigation into a gang of credit-card thieves. Among other details, the FBI provided an email address for Coder that included part of Mr. Ekici's name as well as the equivalent of digital fingerprints that linked Coder's computer with Mr. Ekici's home address.

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On Aug. 21, a week after noticing the virus, Mr. Chase left with a team of about a dozen people for Morocco and Turkey, flying in an FBI Learjet. The fact that Mr. Chase, whose mother is Turkish, spoke some of the local language helped smooth the process. After dropping half the group in the Moroccan capital of Rabat, Mr. Chase landed in Ankara, Turkey.

At the sparsely furnished offices of Turkey's cybercrime police, the FBI team handed over evidence they had obtained about the suspects from Microsoft and about 25 pages of analysis of the malicious code. FBI engineers gave a roughly hour-long presentation on how the code worked, complete with slides. In Rabat, meanwhile, emails provided by the FBI enabled Moroccan authorities to locate Diabl0 -- Mr. Essebar -- as well as an accomplice. Emails typically carry a unique set of numbers, known as an Internet protocol address, which identifies each computer connected to the Internet. Moroccan police were able to obtain the name and contact details associated with the Internet protocol addresses received from the FBI from a local Internet service provider.

The FBI's documents also helped local authorities swiftly secure arrest and search warrants. Concerned that the arrest of one suspect would tip off the others, Mr. Chase helped the two countries coordinate the raids. In the early hours of Aug. 25, Turkish police officers surrounded Mr. Ekici's home and took him into custody. About 2,000 miles away in Rabat, police moved in on Mr. Essebar and his accomplice. The FBI wasn't invited to be present at either of the arrests. Turkish and Moroccan authorities say that is because only local police are allowed to charge suspects under the respective national laws.

Mr. Ekici in Turkey had disposed of his computer hard drive so Turkish investigators weren't able to gather much evidence from his machine. But Mr. Essebar in Morocco only reformatted his hard drive, which wipes out files but let the Moroccan police's computer specialists recover most of them because copies often still exist.

Among the finds were copies of the code itself and other information identifying Mr. Essebar as Zotob's author. Police also found emails between Diabl0 and Coder discussing Zotob as well as the numbers of about 1,600 stolen credit cards.

In parallel, FBI specialists worked off a copy of the hard drive, searching for relevant emails and writing a piece of computer code on the fly to help them analyze the program. "We were able to use that information from Morocco and give it to Turkish authorities to further [their] investigation," says Mr. Chase.

In September of this year, a Rabat court sentenced Mr. Essebar, a Russian-born Moroccan national, to two years in prison for virus-writing, illegal access to computers and conspiracy to commit credit-card fraud. The court also sentenced his 21-year-old accomplice to one year in prison for conspiracy to commit fraud. A lawyer for Mr. Essebar couldn't be reached. At the time of the sentencing, news service Agence France Presse cited a lawyer for the defendants saying they planned to appeal.

Authorities allege Mr. Ekici, whom they believe met Mr. Essebar at a Web site for credit-card fraudsters, was responsible for disseminating the Zotob worm and intended to use it to steal financial information. But they say it is unclear whether he had time to swipe any information or profit from it given the speed with which they were able to arrest him, less than two weeks after the worm first spread.

The trial of Mr. Ekici, whom Turkish authorities have charged with unauthorized access to computers and disseminating a virus, continues in Turkey. He couldn't be reached for comment.

The Zotob case marked the first time foreign law enforcement has come to Turkey to assist in a cybercrime investigation, says Mr. Tekeli, the cybercrime unit chief in Turkey. Without the FBI's help, the investigation "would have been more difficult and more time consuming," he says. Hakim Aarab, an engineer in the Moroccan police's computer division, says because of the borderless nature of cybercrime, "international collaboration is an obligation, it's not an option."

Gangsters Who Targeted Blacks Get Life (AP)

AP, November 21, 2006

LOS ANGELES (AP) — Three members of a Hispanic gang were sentenced Monday to life in prison without the possibility of parole for using murder and other violent acts to intimidate blacks in their neighborhood.

Federal prosecutors had accused Gilbert Saldana, Alejandro Martinez and Fernando Cazares of targeting blacks in the largely Hispanic community of Highland Park, east of downtown Los Angeles. They were found guilty of conspiring to use violence, including the shooting deaths of two black men in 1999 and 2000.

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Authorities said it was one of the first prominent cases in which the U.S. Justice Department targeted a street gang with laws normally used to prosecute white supremacist groups.

"These were horrific offenses that have had far-reaching consequences," U.S. District Judge Percy Anderson said during sentencing.

Each defendant received two consecutive life sentences. They were convicted in August.

A fourth man, Porfirio Avila, was also convicted. He was scheduled to be sentenced Dec. 18.

Government Backs Off Prison Restrictions (AP-Y)

By Gillian Flaccus, Associated Press Writer

AP, November 21, 2006

Prosecutors have dropped plans to ask a federal judge to prevent leaders of the Aryan Brotherhood prison gang from communicating with anyone but their attorneys, officials said Monday, but they may ask U.S. Attorney General Alberto Gonzales to do so instead.

Prosecutors will probably ask the Bureau of Prisons to impose the bans on Barry "The Baron" Mills, T.D. "The Hulk" Bingham, Edgar "The Snail" Hevle and Christopher Overton Gibson, said U.S. attorney's office spokesman Thom Mrozek.

The change means defense attorneys wouldn't be able to fight the restrictions until after they have been imposed, which would delay the appeals process, said Mark Fleming, an attorney representing Mills.

Assistant U.S. Attorney Stephen Wolfe filed papers Friday in federal court withdrawing a request for a federal judge to impose the restrictions.

An order would also keep writing implements, paper and previously viewed reading material out of the inmates' cells.

Mills, Bingham and Hevle are to be sentenced Tuesday for murder, conspiracy and racketeering. Gibson, who recently had back surgery, won't be sentenced Tuesday because he can't be present.

Similar bans have been imposed only 11 times in the history of the federal prison system. Inmates Zacarias Moussaoui, the suspected "20th hijacker" in the Sept. 11, 2001, World Trade Center attack, and convicted Unabomber Ted Kaczynski are among those with restrictions on their prison contacts.

All four men were convicted of racketeering and three were convicted of murder in a case aimed at dismantling the white supremacist organization, which is accused of dealing drugs and spreading terror inside some of the nation's most dangerous prisons.

Mills and Bingham face life in prison without the possibility of parole; Hevle and Gibson face 20 years to life.

G.O.P. Fund-Raiser Sentenced For Embezzlement In Ohio (NYT/AP)

By The Associated Press

The New York Times, November 21, 2006

TOLEDO, Ohio, Nov. 20 (AP) — A Republican fund-raiser who embezzled from a state investment in rare coins was sentenced Monday to 18 years in prison for his role in a scandal that helped bring down Ohio's ruling Republican Party.

The fund-raiser, Tom Noe, 52, was also fined $139,000.

Mr. Noe spent money as if he had "a bottomless cup of wealth and luxury" at his disposal, "when in fact it was at the state's expense," Judge Thomas Osowik of Common Pleas Court said Monday.

The sentence is on top of the more than two years Mr. Noe was ordered to serve after pleading guilty earlier this year to illegally funneling $45,000 to President Bush's re-election campaign.

Mr. Noe declined to make a statement before sentencing and stared blankly, his upper lip twitching, as his punishment was handed down.

Mr. Noe was the central figure in a scandal that dogged the Ohio Republican Party for more than a year. On Election Day, the Democrats won the governor's office, a Senate seat and other major offices after 12 years of Republican rule.

Until Monday, prosecutors did not say whether Mr. Noe had used any of the money to make campaign contributions, but after the sentencing, the prosecutor, Ron O'Brien, said, "You can make those inferences."

Also for the first time, prosecutors on Monday calculated that Mr. Noe had stolen a total of $13.7 million.

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Mr. Noe was hired by the state workers' compensation agency and given $50 million to invest in an unorthodox and risky effort by a state government to make money buying and selling rare coins. A furor erupted when the investment in rare coins became public and when it was learned that millions of dollars were missing.

Democrats asserted that Mr. Noe had gotten the job because of his Republican ties. He was a top fund-raiser who gave more than $105,000 to Republicans, including President Bush and Gov. Bob Taft in 2004.

The resulting investigations led to ethics charges against Mr. Taft, who pleaded no contest to failing to report golf outings and other gifts. Four former Taft aides pleaded no contest to similar charges.

Mr. Noe was convicted of theft, corrupt activity and other offenses last week, and faced a minimum of 10 years in prison on the corrupt-activity charge alone.

Prosecutors said he had used the money to pay off business loans, renovate his home in the Florida Keys and otherwise live in high style.

One of Mr. Noe's lawyers, John Mitchell, had asked for the minimum 10-year sentence, saying that other high-profile criminals had received less time for taking more money.

Married Aleppo Man Held In W. Va. Death (PPG)

By Milan Simonich, Pittsburgh Post-gazette

Pittsburgh Post-Gazette, November 21, 2006

Murder suspect waives hearings

WHEELING, W.Va. -- Eugene Talik Jr., a married man accused of killing his girlfriend to hide their illicit affair, yesterday abandoned any hope of getting out of jail before he stands trial.

He waived his right to a bail hearing and to a second proceeding that would have forced federal prosecutors to reveal some of their evidence.

Less than a minute after his court session began, Mr. Talik ended it by saying he did not want to go through either hearing.

U.S. marshals took him back to jail, where he will await his indictment in the death of 28-year-old Kelly Jo Elliott.

Prosecutors say the victim and Mr. Talik, 38, were having an affair that soured after she learned he was married.

The government alleges that Mr. Talik and an accomplice killed Ms. Elliott to stop her from telling his wife.

Grand jurors will consider a murder-for-hire charge against Mr. Talik when they hear the case against him, Assistant U.S. Attorney Robert McWilliams said in a motion opposing bail.

After the indictment, Mr. Talik could face the death penalty, Mr. McWilliams said.

U.S. Attorney General Alberto Gonzales has the final decision on whether the government will pursue a capital case or try to imprison Mr. Talik for the rest of his life.

As for Mr. Talik's accomplice, he still has not been identified by the government.

His name might have come out yesterday had Mr. Talik insisted on a preliminary hearing. Because he gave up his right to the hearing, prosecutors left court without having to disclose it.

Mr. Talik, a moving van driver from Aleppo, Pa., met Ms. Elliott during a swing through West Virginia.

Tall and powerfully built, he favored short-sleeve shirts that displayed his tattoos, including a spiderweb on his left elbow.

Soon, Ms. Elliott, a single mother of two, began seeing him on his days off or when his moving business brought him near the town of Valley Grove -- where she lived, just outside of Wheeling.

Prosecutors say she was the second West Virginia woman to have an affair with Mr. Talik.

The first told police that Mr. Talik threatened to kill her if she exposed him for cheating in his marriage. The government has not made the woman's name public.

Prosecutors say Mr. Talik and his accomplice killed Ms. Elliott the night of May 25 after extensive planning.

The accomplice owed Mr. Talik about $2,000 for cocaine, so he entered into the murder plot to wipe away his debt. Mr. Talik also promised the man additional cocaine at no charge, prosecutors said.

Ms. Elliott was supposed to be house-sitting for her sister, so the accomplice broke into the home with the idea of shooting her there.

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But, prosecutors said, she changed her plans, so Mr. Talik called the gunman and told him to leave.

Soon after, prosecutors said, the two of them attacked Ms. Elliott near Dallas Pike, where a truck stop is located. The accomplice began the assault. He hit Ms. Elliott with a pipe, but the blow did not kill her.

Prosecutors gave this account of her final moments: Mr. Talik urged his cohort to strangle her, but the man could not bring himself to do it. So Mr. Talik grabbed Ms. Elliott and choked her until she stopped breathing.

Twelve hours later, Mr. Talik appeared at the house where Ms. Elliott had been living.

Her parents told him she had not come home the night before. Mr. Talik told them he was surprised.

Then he left for the weekend, taking his wife, Karen, on a camping trip.

Later, prosecutors say, Mr. Talik disposed of Ms. Elliott's body in Elk County, Pa.

His accomplice led police to her remains last week, breaking the case open.

FBI Recovers Stolen Goya Painting (NSDY/AP)

By Wayne Parry, Associated Press Writer

Long Island Newsday, November 21, 2006

NEWARK, N.J. -- The FBI said Monday that it has recovered a 1778 painting by the Spanish artist Francisco de Goya that was stolen as it was being taken to an exhibition earlier this month.

"Children with a Cart," which disappeared en route from the Toledo Museum of Art in Ohio to the Solomon R. Guggenheim Museum in New York City and was valued at about $1.1 million, appeared to be unharmed, said Les Wiser, agent in charge of the Newark FBI office.

Steven Siegel, a spokesman for the FBI, said the bureau recovered the painting Saturday in New Jersey, but would not be more specific about where or how it was located. No arrests were made, but the case remains under investigation, he said.

The FBI said extensive news coverage of the theft led to tips that enabled the agency to recover the painting.

The painting was taken from an art transporter's truck that was parked overnight in a hotel parking lot in Stroudsburg, Pa., on Nov. 8, authorities said. It had been scheduled to be displayed in the exhibition "Spanish Painting from El Greco to Picasso: Time, Truth, and History," which opened at the Guggenheim on Nov. 17.

Siegel said the thieves apparently did not know what was inside the truck when they broke into it. "It was a target of opportunity. They probably thought it was a truck full of PlayStations," he said.

The image of four children at play was insured for about $1 million and was to be exhibited with about 135 paintings by Spanish masters.

The insurer had offered a reward of up to $50,000 for information leading to the recovery of the artwork.

A Phone Call Leads The F.B.I. To A Stolen Goya (NYT)

By Randy Kennedy

The New York Times, November 21, 2006

F.B.I. officials in Newark and Philadelphia said yesterday that they had recovered a Goya painting that was stolen from a truck this month while it was being transported from the collection of the Toledo Museum of Art in Ohio to a major exhibition now on view at the Solomon R. Guggenheim Museum in Manhattan.

Officials said the painting was recovered unharmed Saturday in central New Jersey after a lawyer called the F.B.I. and told investigators where they could find it while saying that he could not tell them anything else about the theft.

As of late yesterday, no arrests had been made. Because the investigation remains active, officials would not say exactly where or how the painting had been found.

Contrary to earlier law enforcement theories that the theft was carried out by insiders, they did say it appeared that the thieves probably had no idea what kind of art-historical loot they had stumbled upon when they broke into the truck overnight in a parking lot at a Howard Johnson Inn near Bartonsville, Pa.

“This time of year, close to Christmas, they probably thought they’d found a truck filled with PlayStations and broke in and started looking for the biggest-looking box,” said Steve Siegel, an F.B.I. agent who serves as the spokesman for the bureau’s

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Newark office. “Basically, it’s a target-of-opportunity typical New Jersey cargo theft. There are literally predators — for lack of a better word — who when they see a tractor-trailer or a cargo vehicle parked for any length of time start snooping around.”

Officials at the Toledo Museum of Art said the painting, which was insured for $1 million, would not be included as a late entry in the Guggenheim show, “Spanish Painting From El Greco to Picasso: Time, Truth and History,” a sprawling exhibition of some 135 paintings by Spanish masters that opened Friday. Instead, the work, painted in 1778 and titled “Children With a Cart,” will be returned to Toledo.

“We are ecstatic that the painting has been recovered, and we look forward to bringing the Goya home and sharing it again with our community,” Don Bacigalupi, the director of the Toledo Museum of Art, said in a written statement.

Lisa Dennison, the director of the Guggenheim, said the museum would have liked to put the painting into the show but added that it was “understandable that the Toledo Museum would want to bring the stolen painting back to its home after this nerve-racking experience.” She pointed out that the show includes 21 other works by Goya.

The crated painting was stolen either late on the night of Nov. 7 or early on Nov. 8 from a shipping container in the truck while it was parked in an unlighted lot near the Howard Johnson motel. The two drivers checked around 11 p.m. on Nov. 7, according to the motel manager, Faizal Bhimani. He said the white midsize truck was left in a lot adjacent to the hotel, out of sight of the motel’s rooms and the main office.

Law enforcement officials, speaking on the condition of anonymity, said that when the drivers returned to the truck about 6:30 a.m. on Nov. 8, the locks had been broken and the painting was gone. Neither the two museums nor the investigators have identified the shipping company responsible for transporting the painting.

Federal investigators had first said they believed that thieves armed with detailed shipping information were behind the theft.

While that theory appears to have been wrong, other law enforcement officials cautioned that it was not yet known definitively that the thief or thieves had no information about the shipment of the painting.

While Mr. Siegel would not say exactly where the painting was recovered or provide details about how the agents had found it, he did say that it was recovered without a search warrant. He added that several people had been interviewed about the theft, but he provided no details.

Officials declined to identity the lawyer who alerted the investigators and would not say how he learned of the painting’s whereabouts. Nor would they say whether the lawyer was connected with anyone involved in the theft or whether he would be paid the $50,000 reward offered by an insurer.

It was not known whether the authorities had learned the identities of the thieves.

One law enforcement official, speaking on the condition of anonymity, said charges in the case could be filed as early as next week in United States District Court in Newark. Possible crimes could include interstate transportation of stolen property and theft of major artwork, each carrying a maximum penalty of 10 years in prison.

Goya Is Found After The FBI Is Tipped Off (NYS)

By Bradley Hope, Staff Reporter of the Sun

New York Sun, November 21, 2006

A $1 million Francisco de Goya y Lucientes painting has been recovered in central New Jersey less than two weeks after it was purloined from a parked truck, FBI officials said yesterday.

A spokesman for the Newark FBI office, Steven Siegel, said investigators now believe the theft was a "target of opportunity," not an inside job.

The work of art, "Children With a Cart," painted in 1778, was taken from an unmarked, locked truck in a hotel parking lot in Stroudsburg, Pa., on November 8. It was on its way from the Toledo Museum of Art in Ohio to the Solomon R. Guggenheim museum, where it was supposed to make its debut in a large Spanish art exhibit last Friday.

It didn't make it, and officials yesterday said it would now be whisked back to Toledo's permanent collection without making an appearance at the Guggenheim.

The two truck drivers were staying the night at the hotel, and when they saw the truck's locks had been broken and the painting was missing, they immediately called police, who contacted the FBI.

The FBI said the painting was found through tips that came about after extensive press coverage of the theft beginning early last week. Because the investigation is ongoing, FBI officials refused to provide specific information about where and how the painting was recovered.

A spokeswoman for the FBI's Philadelphia office, Jerri Williams, said no arrests had been made and no one is in custody for the theft.

"A tip came in that allowed us to recover the painting," she said.

The company that insured the painting for $1 million offered a reward of up to $50,000 when the theft was first announced. Ms. Williams said the decision to hand the money over to the tipster was up to the insurance company. A spokeswoman for the Toledo Museum of Art, Jordan Rundgren, refused to answer questions about the reward.

The FBI said the painting appeared to be in good condition, a fact that the executive director of the International Foundation for Art Research, Sharon Flescher, said was the biggest news.

"The most important thing today is that the painting was found, and found in good condition," she said. "Now we can start asking questions."

A spokeswoman for the Guggenheim, Betsy Ennis, said the directors of both museums decided the painting should be returned to the Toledo Museum of Art "for the benefit of the community."

"We are ecstatic that the painting has been recovered, and we look forward to bringing the Goya home and sharing it again with our community," the director of the Toledo Museum of Art, Don Bacigalupi, said in a statement.

The painting has been part of the museum's permanent collection since 1959, when it was purchased from Wildenstein & Co. gallery in New York.

"I'm so happy for the museum," a senior vice president at Wildenstein & Co., Joseph Baillio, said. "It's wonderful news. It's a lovely thing. It just shimmers. I think it was dramatically underinsured."

Goya created "Children with a Cart" early in his career when he was painting cartoons for tapestries at the Royal Tapestry Factory. The painting, one of about 60 cartoons, wouldn't have been displayed by itself when it first created, but as Goya's work began to attract more attention, it likely became an attraction on its own. Almost all of the other early Goya cartoons have remained in Madrid.

The painting depicts four children playing with a drum and a flute on a cart beneath a large tree, and a cloud rising from the horizon. The final tapestry was woven for the private quarters of the prince and princess of Asturias at the Pardo Palace, a professor of Spanish art at New York University's Institute of Fine Arts, Jonathan Brown, said.

The painting is 145.4 by 94 centimeters, according to the Guggenheim catalog.

The Guggenheim's exhibit, "Spanish Painting from El Greco to Picasso: Time, Truth, and History," opened Friday with work from a broad selection of Spanish artists including Diego Velázquez, Joan Miró, and Salvador Dalí.

Oil's Well That Ends Well For Stolen Goya (NYDN)

New York Daily News, November 21, 2006

A 1778 painting by iconic Spanish artist Francisco de Goya, stolen en route to an exhibition at the Guggenheim Museum in Manhattan, has been recovered by FBI agents in New Jersey.

Agency officials said yesterday that the painting, "Children With a Cart," is in good condition and appears unharmed.

The Goya, valued at $1.1 million, was stolen Nov. 8 from a transport truck parked overnight in a hotel parking lot in Stroudsburg, Pa. It was en route to the Guggenheim from a Toledo, Ohio, museum.

The FBI credited extensive media coverage for tips that led to the painting's recovery. But the agency would not reveal where or how the painting was recovered, citing a continuing investigation.

The image of four children at play was insured for about $1 million and was scheduled to be exhibited with about 135 paintings by Spanish masters.

The insurer had offered a reward of up to $50,000.

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Owen Moritz

Million-Dollar Painting Recovered (ABC)

By Vic Walter And Krista Kjellman

ABC News' The Blotter, November 21, 2006

Federal authorities believe the thieves who stole a million-dollar masterpiece got rid of it because the painting was too hot to handle.

The 18th century painting, "Children with a Cart," by Francisco de Goya y Lucientes, "was recovered in good condition and appears to be unharmed," according to a FBI press release today.

Federal investigators believe the thieves stumbled onto the painting during a routine truck robbery somewhere in the Scranton, Pa., area last week.

"At this time, it appears that the painting was stolen as a random target of opportunity," FBI spokesperson Jerri Williams told ABC News.

The painting was en route to New York's Guggenheim Museum for an upcoming Spanish art exhibit that opened last Friday.

Read the FBI's Press Release on the Goya Painting Recovery in the Dossier Section of Our Homepage.

The FBI credits the "extensive publicity" of the theft and the "reward of up to $50,000" for the artwork's recovery.

No arrests have yet been made in the case, and Williams says at this juncture of the investigation, there is no indication that anyone from the transport company or the museums was involved.

Stolen Goya Painting Recovered (CNN)

By Deborah Brunswick, CNN

CNN.com, November 21, 2006

NEWARK, New Jersey (CNN) -- FBI agents have recovered a 1778 painting by famed Spanish artist Francisco de Goya that was stolen en route to an exhibition earlier this month, according to FBI Special Agent Jerri Williams.

The painting was recovered in Newark, New Jersey, Williams said.

The painting, "Children with a Cart," which is estimated to be worth about $1.1 million, was stolen November 8 from a transport truck as it was parked overnight outside a hotel in Stroudsburg, Pennsylvania.

The truck was taking the painting from the Toledo Museum of Art in Toledo, Ohio, to the Solomon R. Guggenheim Museum in Manhattan.

According to Leslie Wiser, the special agent in charge of the Newark FBI office, the painting, recovered Monday morning, appears to be unharmed.

Wiser would not comment on when, where or how the painting was recovered, citing an ongoing investigation, but said "comprehensive media coverage of the theft assisted the investigative team and led to the recovery of the painting."

The painting had been scheduled to be displayed in the exhibition "Spanish Painting from El Greco to Picasso: Time, Truth, and History," which opened Friday at the Guggenheim.

The insurer had offered a reward of up to $50,000 for information leading to the recovery of the artwork.

Goya is best known for paintings, drawings and engravings of times of upheavals in Europe. Considered an early modernist, Goya was born in Spain in 1746 and died in France in 1828.

Alleged Agent's Confession Allowed At Trial (MH)

By Jay Weaver

The Miami Herald, November 21, 2006

A professor who acknowledged he was a Cuban government agent to the FBI has incurred a huge blow to his upcoming trial with a federal judge's ruling that his "confession" to agents was not obtained illegally.

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U.S. Magistrate Judge Barry Garber rejected Florida International University professor Carlos Alvarez's bid to throw out his statements on grounds that he only spoke with the FBI because of alleged promises not to prosecute if he cooperated as a ``double agent."

Garber said two FBI agents made no such promises during three days of interviews in a hotel last year, nor did they have that authority. The judge also found that the agents did not place him in custody, nor did Alvarez make his statements involuntarily.

"Moreover, the defendant never exercised the most basic method at his disposal for avoiding discussions with the agents -- not talking to them," Garber wrote in a 22-page opinion, rejecting Alvarez's other motion to dismiss the government's indictment.

``Despite what he was told, he stayed at the hotel and spoke with the agents. . . . He even called the agents to request a third day of interviews."

Either side has 10 days to object to the judge's ruling, issued last Wednesday.

Alvarez, 61, who is being detained at the Miami Federal Detention Center, and his wife, Elsa, an FIU counselor who was granted a bond, face trial Jan. 22 on a single charge of being unregistered agents for the communist government of Fidel Castro. The couple, if convicted, face up to 10 years in prison.

Alvarez's self-incriminating statements to FBI agents, which were recorded on audio and videotape, will be the U.S. government's main weapon against the couple -- accused of gathering information on the Cuban exile community, but not espionage.

The FBI, which had a bug in the couple's bedroom from at least 2001 to 2005, picked up the professor at a local Publix before taking him to an unidentified hotel for interviews during June and July of last year. During those interviews, Alvarez and FBI agents Alberto Alonso and Rosa Schureck went back and forth on sensitive questions about his family and his history as an agent for Castro's government -- hinting at the possibility of a cooperation deal.

During a recent court hearing, Schureck testified that "the objective of the interviews was not to gain a criminal prosecution, but to create a double agent," according to the magistrate judge's ruling.

In a transcript of the June 22, 2005, interviews, the agent said: ``We're here on a professional, not personal, level. Now, since you helped the Cuban government, we want you to help the United States now. OK? Do you understand?"

Alvarez's response: ``I want something else. I want peace."

Alvarez did not succumb to the double-agent offer, which is why he was eventually indicted along with his wife five months later. They were arrested last January.

At the August court hearing, Alvarez testified that he felt threatened when agents told him that his decision on whether to cooperate would be "the most important day of his life" -- citing their references to his FIU career, his wife and his five children -- including a school-age daughter.

"According to defendant, he believed that if he did not speak with the agents, he would be arrested and something would happen to his family," according to the magistrate's opinion.

Alvarez testified that he believed if he provided truthful information to the agents, he would not be prosecuted, the judge wrote.

"I was fearful, and I felt that the only way that I could get out of that situation, because I felt it had been promised to me, is by confessing to giving them everything -- all true statements," Alvarez testified.

His attorney, Steven Chaykin, argued that because his client truthfully answered the FBI's questions, prosecutors violated the agents' agreement to ``leave him alone."

But Garber, the magistrate judge, said the agents made no promises in the interviews.

Former Daley Aide Gets Almost 4 Years For Hiring Fraud (AP)

By Mike Robinson

AP, November 21, 2006

CHICAGO - A former high-ranking aide to Mayor Richard M. Daley was sentenced Monday to almost four years in prison for engineering a fraud scheme designed to cover up political patronage hiring at City Hall.

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Robert Sorich, 43, showed no emotion as federal Judge David H. Coar also fined him $10,000 for mail fraud and delivered a sharp tongue-lashing before imposing the minimum 46-month sentence federal guidelines prescribe.

"The offense is corruption - corruption with a capital C," Coar said. He said that "for people to owe their jobs to political advancement rather than performance on the job stinks."

"I don't give a hoot whether this has been going on for 200 years - it still stinks," Coar said. "You sat near the top of this corrupt operation."

Sorich co-defendant Timothy McCarthy, 35, a former personnel director in the city Department of Aviation and a one-time Sorich aide, was sentenced to 18 months for mail fraud. Coar said he gave McCarthy a break because he had provided prosecutors with important information.

John Sullivan, 38, a former deputy commissioner of streets and sanitation, was sentenced to two months in prison and four months of house arrest for lying to FBI agents. He also was fined $5,000.

Patrick Slattery, 42, a former streets and sanitation official, was sentenced to 27 months for mail fraud.

Coar sentenced Sorich at the bottom of the guideline range of 46 to 57 months, saying "good people sometimes do bad things."

Even so, defense attorney Thomas Anthony Durkin told reporters that Sorich was "sentenced as if he were public enemy No. 1." He said the prosecutors were trying to pressure the defendants into providing evidence against City Hall higher ups.

"This is one of the most devastating days I've ever seen because it means if you don't cooperate you're going to the penitentiary," he said.

Lead prosecutor Patrick M. Collins, however, said that if the government were "guilty of anything it's that we're not treating people who are politically powerful differently."

The case was part of a larger investigation of city corruption that began with bribes paid to city officials by trucking company operators and expanded into City Hall hiring practices. So far, 44 people have been charged and 41 convicted. Two are awaiting trial and one has died.

Witnesses said Sorich presided over the faking of scores received by applicants for city jobs. He also made certain that campaign workers who were members of so-called "patronage armies" were hired, while other applicants were frozen out, witnesses testified.

More than 200 of Sorich's supporters flooded the courtroom. The crowd was so large that Coar moved the sentencing to a larger courtroom.

After the sentencing, some of those in the audience wept openly while others threw their arms around Sorich to show support.

Sorich took the sentencing calmly and apologized for nothing.

"I stand before the court and my friends and family to let them know that I am not a broken man," Sorich said. "As I stand before them I am a lucky man because I have their support. I have tried to do my best and I have tried to be fair."

Plainly many of those on hand, far from viewing Sorich as a criminal, consider him a martyr to the cause of Chicago's time-honored patronage system in which those who help the mayor get elected get the city jobs.

The system, which dates back more than a century, largely was banned under a 30-year-old court order known as the Shakman Decree. But federal officials say that decree has been repeatedly violated. Another judge recently named a federal monitor to force the city to follow the order.

Federal prosecutors had hoped Sorich would be sentenced to a term that exceeded the federal guidelines.

Assistant U.S. Attorney Philip A. Guentert told Coar that under Sorich city jobs were doled out through "a covert, corrupt underground hiring system." He said taxpayers and honest job applicants were victims.

Witnesses at the trial testified that Sorich not only gave orders on who would be hired but also gave members of the "patronage armies" their marching orders, deploying them into parts of the city where the mayor and his allies wanted some extra push in getting out the vote on Election Day.

Former Patronage Chief Sentenced To 46 Months (CHIST)

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By NATASHA KORECKI And MAUREEN O'DONNELL, Federal Courts Reporters

Chicago Sun-Times, November 21, 2006

Although the sentence was lighter than it could have been, U.S. District Judge David Coar was sharply critical of Robert Sorich, saying Sorich sat at the top of a corrupt operation.

"It's corruption with a capital C," Coar told Sorich. "There's nothing good about what you did. I don't give a hoot if this is going on for 200 years. It stinks. It stinks."

Sorich's eyes welled up as Coar announced his prison sentence. Sorich's wife put her hands to her face and cried.

Moments before, Sorich — who was once a top Daley aide, in the Mayor's Office of Intergovernmental Affairs — gave a brief statement but didn't apologize.

"I am not a broken man here today," the soft-spoken Sorich told the packed courtroom. "I am a lucky man because of this support."

Codefendant Timothy McCarthy, who also worked at the intergovernmental affairs office, was sentenced to 18 months in prison. He got a break after meeting with the government eight times five times before his trial and three times after his conviction. McCarthy's lawyer, Patrick Deady, said that if McCarthy pleaded guilty he would lose a pension he built up after 20 years.

"Judge, I will regret this for the rest of my life," McCarthy told Coar.

Sorich lawyer Tom Durkin argued for no prison time, saying his client didn't take bribes or otherwise gain anything personally. Durkin criticized a legal system in which another corrupt former city official, former water czar Donald Tomczak, got a prison sentence just one month longer than what Sorich got, though Tomczak admitted taking $400,000 in bribes. Durkin criticized the U.S. Attorney's Office for its role in a system he said punishes those who fight charges and take their case to trial and rewards those who cooperate, even if they're more corrupt.

"This is 'play ball by our terms, or else you go to jail,' end of story," Durkin said.

But prosecutors said they wouldn't apologize for a system that allows wrongdoers to make amends and help fix a criminal system.

Coar gave Sorich a prison sentence in the low end of the range possible under federal sentencing guidelines. Sorich had faced up to 57 months in prison. Prosecutors had sought a sentence of up to 71 months. Coar also gave McCarthy a significant break, citing his cooperation with the government and his show of remorse.

Hundreds of friends and family showed up at this morning's sentencing, causing Coar to move the hearing from his own courtroom to the federal courthouse's largest.

A jury convicted Sorich, McCarthy and two others — who are still to be sentenced later this afternoon — in a scheme to award jobs and promotions to city applicants who were politically connected.

Witnesses testified they were given "blessed lists" from Sorich and others at IGA, with names of people who were to get jobs. Managers then rigged interviews and changed test scores so that the connected candidates won advancement no matter their qualifications, testimony showed. Prosecutors maintained that those who won jobs had done free political campaign work and received city jobs and promotions as their payback.

Bus Union Official Faces New Charges (NYT)

By William K. Rashbaum

The New York Times, November 21, 2006

Federal prosecutors announced racketeering, extortion and bribery charges yesterday against the president of the 15,000-member city school bus drivers' union, who is already facing trial on charges that he tried to hide Mafia involvement in the union.

The new charges against the president, Salvatore Battaglia, 60, of Local 1181 of the Amalgamated Transit Union, were contained in an indictment unsealed in United States District Court in Manhattan that says he is a member of the Genovese crime family. The new charges came just weeks after the union's longtime secretary-treasurer, Julius Bernstein, pleaded guilty to federal racketeering charges and began cooperating with prosecutors and the F.B.I., law enforcement officials said.

The new charges said that over at least two years, Mr. Battaglia and others agreed with the owners of a number of school bus companies not to organize their workers, in exchange for tens of thousands of dollars in payoffs from the owners.

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Dissidents in the local have complained that it has been awash in corruption. Matthew Ianniello, 86, who prosecutors have said is the acting boss of the Genovese crime family, pleaded guilty in September, admitting that he had helped arrange for bus companies to make payoffs to Local 1181 officials.

Mr. Ianniello, Mr. Battaglia and Mr. Bernstein were among 20 people charged together in the original indictment in the case in July 2005. Last week, a federal jury in Manhattan acquitted one of the men, Ciro Perrone, on an obstruction of justice charge but failed to reach a verdict on racketeering charges. A prosecutor plans to retry him.

Mr. Battaglia's lawyer, Charles G. Fiore, and a spokesman for the union did not return telephone messages late last night.

Mr. Battaglia would face a maximum of 168 years in prison if convicted on all the charges.

FBI Busts Union's Boss On School Bus Shakedown Rap (NYDN)

By Greg B. Smith, Daily News Staff Writer

New York Daily News, November 21, 2006

A corrupt union backed by the Genovese crime family extorted cash from numerous school bus companies, prosecutors charged yesterday.

The charges emerged in a new indictment unsealed yesterday against Salvatore Battaglia, president of Amalgamated Transit Workers Union Local 1181.

Battaglia was arrested at dawn by the FBI at his Staten Island home, officials said. The arrest came a day after the Daily News revealed the FBI's probe of the city school bus shakedown.

Prosecutors in Manhattan U.S. Attorney Michael Garcia's office sought to keep the longtime union figure behind bars, but Battaglia was released yesterday on $1.5 million bond after agreeing to temporarily step down from his union post.

The new indictment alleges Battaglia "and others" - identified as the Genovese crime family - "improperly received payments from numerous bus companies" who employed Local 1181 members.

Among other allegations, prosecutors alleged that some bus companies paid off Battaglia to back off on efforts to organize the firms' nonunion members.

The new indictment alleged that Battaglia continued extorting the bus companies into 2006, even after he and other union officials were arrested in July 2005.

The arrest comes two months after Matthew (Matty the Horse) Ianiello, a Genovese captain, pleaded guilty to charges of shaking down Local 1181. During his plea, Ianiello contended he'd arranged payments to the union from several city school bus companies.

Jeffs' Preaching Will Be Dissected Word By Word (SLT)

Salt Lake Tribune, November 21, 2006

As prosecution begins its case today, judge will look at evidence from life in the sect

GEORGE - Word by word, every lesson, sermon and pronouncement polygamous sect leader Warren S. Jeffs ever made is likely to be dissected and offered as evidence - both against him and in his favor - as his prosecution begins today.

In one typical lesson, recorded and distributed to faithful followers, Jeffs can be heard counseling young women to be submissive and obedient, to "keep sweet" and to avoid squabbling with sister-wives.

He also tells them that fathers and husbands are to "persuade through love" and act with kindness, not force.

Jeffs, 50, is to appear for a preliminary hearing in 5th District Court as the state of Utah makes its case that he should stand trial on two first-degree felony counts of being an accomplice to rape.

The charges stem from Jeffs' role in conducting a 2001 spiritual ceremony between a 19-year-old man and a 14-year-old girl who alleges she was coerced into the union and, later, sexual relations.

The judge then will rule on whether the evidence is sufficient to bind Jeffs over for trial.

Identified only as Jane Doe IV, the woman alleges Jeffs told her to submit "mind, body and soul" to her husband and that her salvation depended on sticking with the marriage.

He also counseled the couple to "multiply and replenish the earth."

Washington County Prosecutor Brock Belnap highlighted those statements in filing charges against Jeffs.

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But Wally Bugden, one of Jeffs' attorneys, said his client merely counseled the couple, both entering their first marriage, to love one another and build a family.

Each side is likely to cull comments made by Jeffs in recorded lessons and sermons he gave as a private school principal and then president and prophet of the Fundamentalist Church of Jesus Christ of Latter Day Saints.

Of particular interest will be the FLDS version of premarital advice Jeffs gave in home economics classes for junior-high age girls and in priesthood history classes for boys.

The teachings draw on the Bible and standard works of the mainstream Church of Jesus Christ of Latter-day Saints, which publicly disavowed plural marriage in 1890.

Jeffs quotes fundamentalist Mormon leaders as well as 19th-century LDS Church leaders such as Brigham Young.

In a collection of lessons reviewed by The Salt Lake Tribune, Jeffs, considered by his followers to be their prophet, traces the history of plural marriage, discusses how marriages are arranged through revelations received by the prophet and how girls are to "keep the bars up" for all males except "the one man you are given to."

In a March 13, 1998, lesson Jeffs gave to a home economics class at Alta Academy, girls learn that wives should never seek to rule over their husbands.

"So I remind you of what the prophet said," Jeffs says. " 'It takes a man and a woman to make a man. It takes a man and many women to make a man.' And the only real way to be a woman and fulfill your calling as a woman is to be in oneness with the priesthood bearer you will become part of."

He refers to advice from LDS Church President Brigham Young and "the great Jehovah" about the need for a woman to desire only her husband and to let him rule over her.

Jeffs also makes this observation: "I remind you that Priesthood government is persuasion through love. It is not force. The father, the husband, his duty is to persuade through love. Chastening is part of love, and even that is done in kindness."

Jeffs Preliminary Hearing Today (DESERET)

By Ben Winslow, Deseret Morning News

Deseret Morning News, November 21, 2006

ST. GEORGE — A judge is expected to decide today whether there is enough evidence to make polygamist leader Warren Jeffs stand trial on charges he forced a 14-year-old girl into a marriage with a 19-year-old man who is also her first cousin.

People who live on UEP Trust land look over newly subdivided property lines after a meeting in Hildale, Utah. The young woman is expected to be the prosecution's star witness when she testifies against the Fundamentalist LDS Church leader today in 5th District Court.

In court papers obtained by the Deseret Morning News on Monday, prosecutors revealed the identity of the young woman and her purported husband. Until now, she has been identified only as "Jane Doe IV."

The Deseret Morning News does not name sexual assault victims, nor is the newspaper naming the alleged rapist because he has not been charged with a crime.

Washington County Attorney Brock Belnap said he intends to prove that Jeffs "enticed (the victim) into submitting to sexual intercourse" with the man she had just married.

"In this case, the defendant did not have sex with (the victim). However, (the victim) submitted to sex with her purported husband because of the undue influence and religious authority of the defendant," Belnap wrote in a memorandum.

Belnap said no marriage license was ever obtained for the wedding presided over by Jeffs. The quickie ceremony was conducted in secret at a Caliente, Nev., motel in 2001.

Even if she wasn't legally married, prosecutors said the victim believed she was married and had sex with her purported husband because "she believed it was her responsibility as a wife."

Jeffs, 50, is charged with two counts of rape as an accomplice, a first-degree felony. He faces up to life in prison if convicted.

Defense lawyers have fired back, asking a judge to dismiss the case against the Fundamentalist LDS Church leader. Defense attorney Walter Bugden Jr. says the state is confusing the culpability of the alleged rapist and Jeffs.

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"The state alleges that the victim did not consent to sexual intercourse with the principal and bases its allegations on the actions of the defendant (Jeffs) i.e., that he used psychological manipulation and his position as a religious leader to gain her consent," Bugden wrote in a motion to dismiss obtained by the Deseret Morning News.

Citing a series of case histories, he attacked the prosecution's claims by saying Jeffs did not "command, encourage or intentionally aid" the alleged rapist in having sex with his purported wife.

"Moreover, merely by acting as the community's religious leader, the Defendant (Jeffs) did not affirmatively act to request, command, encourage or intentionally aid the principal in enticing or coercing the alleged victim," Bugden wrote, concluding Jeffs was not an accomplice to a rape.

Washington County sheriff's deputies said security at the 5th District Courthouse today will be intense for both Jeffs and "Jane Doe IV." Outside the courthouse, the St. George Police Department plans to deploy its SWAT team.

"It's not for him," said St. George Police Sgt. Craig Harding. "It's his detractors, it's his supporters. It's who's going to try and spring him or kill him."

Police said they have received no threats on the victim or Jeffs, who continues to exercise his authority as FLDS leader from the Purgatory Jail. A law enforcement source told the Deseret Morning News that Jeffs makes phone calls from the jail to groups of followers, who sing to him, and he goes into his "prophetic utterances."

At least one edict that Jeffs has made could have a substantial impact on the people in the polygamous border towns of Hildale, Utah, and Colorado City, Ariz.

"Do not sign your name to any document for property that has already been consecrated to God," Jeffs reportedly told his followers concerning reforms to the FLDS Church's financial arm.

At a meeting in Hildale, dozens packed the tiny town hall to ask questions about the recent court-ordered reforms of the United Effort Plan Trust. The UEP controls homes, businesses and land in the towns.

Bruce Wisan, the court-appointed special fiduciary of the UEP, tried to explain how things would work under the new reforms, including the potential for private property ownership. Applications to petition the new UEP advisory board for property were handed out.

"I sincerely hope that the time will come, either through a change in leadership or a change in thinking of leadership, that the FLDS will participate in this process," he said.

So far they have not, even refusing to pay property taxes unless demand notices are posted on their doors.

Many of those attending the town hall meeting are ex-FLDS members with family still inside the polygamous sect. They also put their blood, sweat and tears into building up the community and objected to the idea of paying fees for the land.

"The property's already paid for," said one man. "Why do we have to pay if we already own it? We paid for it for 67 years."

In 2005, a judge in Salt Lake City's 3rd District Court took control of the UEP, after allegations were brought forward that Jeffs and other top FLDS leaders had been "fleecing" the trust.

Wisan said he plans to be in the courtroom today to hear the victim, "Jane Doe IV," testify against Jeffs. She has also filed a multimillion-dollar lawsuit against the UEP.

Polygamists Fight To Be Seen As Part Of Mainstream Society (WP)

By John Pomfret, Washington Post Staff Writer

The Washington Post, November 21, 2006

SALT LAKE CITY -- In her battle to legalize polygamy, the only thing Valerie hasn't revealed is her last name. The mother of eight has been on national TV; her photo along with that of her two "sister-wives" has graced the front cover of a glossy magazine dedicated to "today's plural marriages."

She has been prodded about her sex life: "He rotates. It's easy -- just one, two, three." Quizzed about her decision to share a husband with two other women: "You really have a good frame of reference when you marry a man who already has two wives." Interrogated about what it's like to live in a house with 21 children: "Remodeling a kitchen, that's no small feat with three wives and a husband involved."

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All the while, the petite brunette with a smile as bright as Utah's sky has insisted that she's just like you and me: "I'm a soccer mom. My kids are in music lessons. They go to public school. I'm not under anyone's control."

Valerie and others among the estimated 40,000 men, women and children in polygamous communities are part of a new movement to decriminalize bigamy. Consciously taking tactics from the gay-rights movement, polygamists have reframed their struggle, choosing in interviews to de-emphasize their religious beliefs and focus on their desire to live "in freedom," according to Anne Wilde, director of community relations for Principle Voices, a pro-polygamy group based in Salt Lake.

In recent months, polygamy activists have held rallies, appeared on nationally televised news shows and lobbied legislators. Before the Nov. 7 elections, one pro-polygamy group issued a six-page analysis of all Utah's state and local candidates and their views on polygamy. "We can make a difference," the group told supporters.

The efforts of Valerie and scores of others like her are paying off. Utah's attorney general, Mark L. Shurtleff, no longer prosecutes bigamy between consenting adults, though it is a felony. Shurtleff and his staff have established an organization, Safety Net, to bring together at monthly meetings representatives from at least five polygamous communities and law enforcement officers. He has arranged to have representatives of polygamous groups address Utah police. And three years ago, he wrote legislation to reduce bigamy between adults from a felony to a misdemeanor, although pressure from Utah's county attorneys derailed that.

In an interview, Shurtleff, a tall man who favors roomy suits and dark green shirts, said his office now treats bigamy between consenting adults much like fornication or adultery, laws about which are still on Utah's books.

"The thinking is this: This is a big group of people. They are not going away. You can't incarcerate them all. You can't drive them out of the state. So they are here," Shurtleff said. "What do we do about it?"

In their quest to decriminalize bigamy, practitioners have had help from unlikely quarters. HBO's series "Big Love," about a Viagra-popping man with three wives, three sets of bills, three sets of chores and three sets of kids, marked a watershed because of its sympathetic portrayal of polygamists. The U.S. Supreme Court's 2003 decision in Lawrence v. Texas, which voided laws criminalizing sodomy, also aided polygamy's cause because it implied that the court disapproved of laws that reach into the bedroom.

Since then, liberal legal scholars, generally no friend of the polygamists' conservative-leaning politics, have championed decriminalization. One of them is Jonathan Turley, a law professor at George Washington University who has written two op-eds for USA Today calling for the legalization of bigamy -- and same-sex marriage.

"I find polygamy an offensive practice," said Turley, who has become something of a celebrity among polygamists in Utah. "But there is no way its practice among consenting adults should be a felony."

What Shurtleff has vowed to do in Utah, rather than enforcing the bigamy code, is go after members of polygamist groups who break other laws, especially involving children. In April, Washington County prosecutors in Utah charged Warren Jeffs, the 50-year-old head of the Fundamentalist Church of Jesus Christ of Latter-day Saints, with two first-degree felony counts of rape as an accomplice on suspicion that he forced a 14-year-old girl to marry her first cousin, who was over 18. Jeffs, who was apprehended during a traffic stop in Las Vegas in August, is facing similar charges in Arizona. His next court appearance is Tuesday.

Shurtleff's office has also moved to dismantle a communal property trust owned by Jeffs's sect in Hildale, Utah, and Colorado City, Ariz. His office also is investigating the Kingston family, including seven brothers accused of incest who are thought to have fathered more than 600 children, informed sources said.

Shurtleff has secured commitments from four polygamist groups that they would abandon the practice of forcing underage girls into marriage, end the widespread practice of welfare fraud and create a more favorable environment for women in plural marriages to report domestic violence and child abuse.

"The things I am going after are crimes against children, rape and other types of abuse where there is a clear victim," he said. Shurtleff persuaded Utah's legislature to pass a specific law in 2003 on child bigamy, making it a second-degree felony punishable by one to 15 years in prison for a married adult to take as a second spouse anyone under 18.

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Polygamy has deep roots in Utah's history and in the history of the Church of the Latter-day Saints. Many mainstream Mormons once believed, and many fundamentalists still believe, that only men in plural marriages will get to heaven. But, to ensure Utah would get statehood, the Mormon Church swore off polygamy in the 1890s.

Even so, polygamous communities continued to exist through the American West and in Canada and Mexico. And in recent years, authorities in the state adopted a "don't ask, don't tell" stance, Shurtleff said.

One reason was that the politically powerful Mormon Church, while officially opposing polygamy, did not want the bad press strict enforcement might bring. Another reason was that law enforcement was worried that isolated polygamist communities would erupt in violence if raided. An internal memo at the Arizona attorney general's office in 2002 spoke of a "Waco-level problem" among the polygamous communities along the Utah state line.

Shurtleff said he decided to confront polygamy's darker side and leave the more mainstream communities alone. In 2001, one of Utah's best-known polygamists, Tom Green, was prosecuted for and convicted of child rape for having sex with his first wife when she was 13.

"That's what really started my focus on this," Shurtleff said. "We can't really allow crimes to be committed against children in the name of religion."

Some polygamists said they welcome Shurtleff's prosecutions.

"Jeffs needed to be stopped," said Bonnie, a 20-something in a polygamist marriage who, like Valerie, declined to give her last name. (She said she has lost three jobs because of her polygamous background.) "I am glad they are prosecuting him."

Bonnie, along with her husband, Nat, and his first wife and their three children, are members of the Apostolic United Brethren, which says it has 7,500 members across the West and in Mexico. Bonnie's family lives in a suburban subdivision containing about 50 houses -- all inhabited by members of the sect. Bonnie's family has been polygamous since the 1860s. Nat was raised in a monogamous household but converted to Mormonism and decided to become a fundamentalist and a polygamist.

Bonnie said that what attracted her to polygamy was the chance it gave her to bond with women as well as with her husband.

"I always had an inner feeling that I'd be a plural wife," she said. "I was very excited to join his family. I had a really good feeling with his first wife."

Nat said he needed to be convinced. Far from the stereotype of the patriarch, he appears bookish and perhaps a tad meek. "Usually the women tend to be the biggest advocates of this way of life and men enter it more timidly," he said. "If you are going to do it right, it's a huge responsibility."

Motel Room Was Often Site Of Polygamist Rites (AP)

By Jennifer Dobner, The Associated Press

AP, November 21, 2006

CALIENTE, Nev. — Room 15 at the Caliente Hot Springs Motel seems like an unlikely place for a wedding. There are no flower-covered arbors, pews or candles. It is an apartment-style room with a kitchenette, a bed, a dresser, a table and a couch.

But it was in Room 15 that dozens of weddings took place between underage girls and men from a polygamist sect, church insiders say.

The sect's charismatic leader, Warren Jeffs, has been charged with rape as an accomplice for his alleged role in arranging one of those marriages — that of a 14-year-old girl who says she was forced to wed her older first cousin in 2001.

Jeffs, the 50-year-old leader of the Fundamentalist Church of Jesus Christ of Latter Day Saints, will be in a Utah court today for a hearing on whether prosecutors have enough evidence to try him. If he is tried and convicted, the man whom about 10,000 followers revere as a prophet could spend the rest of his life in prison.

Jeffs was captured in a traffic stop outside Las Vegas in August after nearly two years on the run. He was one of the nation's 10 most wanted fugitives.

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According to authorities, the bride, identified in court papers as Jane Doe No. 4, stood dressed in white in Room 15 and said, "I do," sealing the marriage with a secret handshake. Prosecutors say the marriage was then consummated in Hildale, Utah, where members of the sect live.

The girl told Jeffs she didn't want to marry and later begged to be released from the union, saying she did not like marital relations, authorities said. But Jeffs said the marriage was her religious duty and threatened her with the loss of salvation, according to authorities.

The FLDS claims to be a fundamentalist offshoot of the Mormon church. But the Mormons disavow any connection and renounced polygamy more than a century ago.

Jeffs' attorneys have not responded to requests for interviews. But at a hearing in September, attorney Walter Bugden said Jeffs believes he is being persecuted for his religious beliefs.

Carolyn Jessop, a former sect member who used to run the motel, said that once or twice a month, beginning in the spring of 1999, she would get a telephone call telling her to plan for a weekend of weddings. Some insiders say as many as 10 such weddings were held in a single day.

The drive to Caliente from Hildale is 160 miles, most of it on a two-lane road through the mountains and across the desert.

But sect leaders believed Caliente was a safe place — "a way to go under the radar screen" — because Utah and Arizona were passing legislation to address underage marriage and threatening prosecution, Jessop said.

Many sect members live in Hildale or in neighboring Colorado City, Ariz.

Many DNA Matches Aren't Acted On (USAT)

By Richard Willing

USA Today, November 21, 2006

In a March 2003 speech arguing for $1 billion in new spending on DNA-based crime fighting, then-attorney general John Ashcroft singled out the FBI's DNA database for its many successes.

In Virginia, for example, he said authorities “have been able to solve 90 homicides and 196 non-homicide sexual assaults” by matching the DNA left at crime scenes to the DNA of prior offenders.

What Ashcroft didn't explain was that a DNA match — a crime “solved” by the FBI's database — does not mean that an arrest was made, that a criminal was prosecuted or even that detectives considered a case closed. Just how many DNA matches lead to an arrest isn't known; no government agency keeps track.

But a USA TODAY investigation found almost three dozen cases during the past five years — including a rape in Virginia — in which investigators failed to pursue potential suspects whose DNA matched evidence found at crime scenes.

DNA matches that could have closed cases weren't pursued because of basic police foul-ups, such as overlooking a telephone message reporting the match. Backlogs of unsolved “cold cases” that threaten to overwhelm some big-city police departments caused matches to be ignored, the newspaper found. In some jurisdictions — Richmond, Va., Cincinnati, and DeKalb County, Ga. — police offered no explanations for why matches were not pursued.

The suspects in two such cases, one a rape and the other the attempted sexual assault of a child, were later charged with committing subsequent sex crimes that might have been prevented had the first DNA match been pursued.

In one of those cases, William Orlando Smith followed a 13-year-old girl home from a convenience store, dragged her into a wooded area beside a middle school and raped her — months after Virginia authorities matched Smith's DNA to a previously unsolved rape, and Richmond police failed to take action. Had the first match been pursued in 2002, Smith might have been in jail in October 2003 and unable to commit the second rape.

Smith was caught and convicted for raping the 13-year-old — by a DNA database match that police in Chesterfield County, Va., immediately pursued.

The FBI calls the DNA database CODIS, for Combined DNA Index System. It has cost the government hundreds of millions of dollars to build and has proved adept at making matches in “cold cases” in which police had no leads and little hope of finding a suspect. Its dozens of successes include clearing innocent suspects, bringing rapists to justice 30 years after their offenses, and linking burglars to murders, rapes and other violent crimes in which they never were suspects.

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USA TODAY reviewed hundreds of pages of court documents and local media reports and interviewed police, prosecutors, defense attorneys and lab officials to look for cases in which matches were made but police departments were slow to react.

Among the cases the newspaper found:

•In Oakland, Calif., in June 2004, the DNA of convicted child molester Kalonji Lee matched DNA from an attempted sexual assault of a 10-year-old Oakland girl the previous January. Police did not contact Lee until after he had molested another Oakland 10-year-old in December 2004, deputy chief Howard Jordan confirms. Lee was caught for the second assault after the victim's parents spotted his picture on California's "Megan's Law" website and alerted detectives.

•In September 2004, the DNA of career felon Gary Box matched DNA left at a December 2001 rape and abduction that Cincinnati police had been unable to solve. At the time of the match, Box was serving a prison sentence for assault. But police did not contact him until May 2005, after he had been released from prison and had returned to Cincinnati. Court files show that police acted after being alerted by Box's victim, who encountered him by chance while walking in a local park.

•In Georgia in March 2003, the DNA of convicted burglar and sex offender Floyd "Tony" Arnold matched DNA left at separate rapes in Fulton and DeKalb Counties. The rapes had taken place in 1993 and 1995. But neither Fulton nor DeKalb authorities contacted Arnold, according to both police departments, even though at the time of the matches he was in Georgia's prison system serving a five-year sentence for cruelty to children. The unpursued matches came to light last December, when Arnold was matched through a third DNA hit to a 1981 Cobb County rape for which another man had been wrongly convicted. That man, Robert Clark, Jr., had served almost 24 years in prison.

•In 2002, the Oregon state police crime lab used DNA to match 26 men to unsolved Portland burglaries. The names were reported to Portland police, department spokesman Detective Paul Dolbey acknowledges. None was followed until one of the 26 suspects was matched again to an additional burglary, and lab technicians pointed out the earlier matches.

The unpursued matches had this in common: All were recorded as "hits" by the CODIS system and added to the list of CODIS-aided investigations that the FBI makes public. Through September, the FBI counted 39,291 such matches since 1990.

No one is certain how many of those matches resulted in arrests or convictions, however.

In part that's because no law or regulation requires crime labs, the FBI or local law enforcement to follow through and determine what becomes of DNA matches after the CODIS system reports them to police.

Crime lab officials believe hundreds more matches have not been pursued by authorities. They say those matches might become evident only after a perpetrator is caught for a second crime.

"How many (CODIS matches) don't get pursued and we never find out about it? That's the part of the iceberg that's under water," says Roger Kahn, forensic biologist for the Harris County, Texas, medical examiner's office, and a former president of the American Society of Crime Laboratory Directors. "I've got to believe it's a pretty big iceberg."

Early on, the developers of CODIS realized that requiring labs to monitor what police do with the matches would be burdensome. The International Association of Chiefs of Police estimates that there are about 18,000 different local, state and federal law enforcement agencies in the U.S.

"That would have meant tracking information through hundreds of different local authorities and judicial systems, some of which might take years to resolve a case (based on a DNA match)," says John Hicks, director of the FBI's laboratory division when CODIS was developed in the early 1990s. "It didn't seem feasible."

Instead, the bureau decided to measure success by "investigations aided." These include cases in which DNA from a crime scene matches a potential suspect, as well as cases in which DNA matches one unsolved crime to another. Lab technicians, not detectives, determine whether a match has "aided" an investigation.

The FBI says it is unfair to hold CODIS accountable for what happens to the "investigative leads" after they are furnished to investigators.

Labs that make CODIS matches send written reports and sometimes follow up with telephone calls and e-mails.

CODIS "was not designed … to answer" whether matches actually solve crimes through arrests and prosecutions, says Thomas Callaghan, the leader of the FBI's CODIS unit. "What we can do is provide information to investigators that can lead to an arrest or a prosecution."

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Today, 16 years after CODIS began as a pilot project in the FBI laboratory, the lack of data on how many matches are pursued makes assessing the system impossible.

CODIS "is a black box," says Frederick Bieber, a geneticist at Brigham and Women's Hospital in Boston who wrote about unpursued DNA matches in The Journal of Law, Medicine and Ethics this year. "You can talk about DNA matches all you want, but the reality is no one really knows what's out there."

That uncertainty, however, hasn't stopped public officials from boasting of its successes or securing millions of taxpayer dollars to grow the system.

The original mission statement for CODIS, still carried on the FBI's website, describes it as "an effective tool for solving violent crime." CODIS' "underlying concept," then-FBI lab director Dwight Adams told a U.S. Senate hearing in May 2002, was to "solve crimes for which there are no suspects."

CODIS prospered. Both the Clinton administration in the 1990s and the Bush administration in this decade backed federal grants that expanded lab capacity, DNA research and testing designed to expand the number of offenders, and unsolved cases whose DNA profiles are included in CODIS.

Since fiscal year 2000, the Justice Department has made about $286 million in grants that have directly or indirectly benefited the system. Bieber, the Boston geneticist who has studied unpursued matches, estimates that state and federal governments have spent at least $1 billion building the system.

And CODIS has grown. In October 1998, when the FBI ended its pilot project and made CODIS a permanent program, the system held DNA profiles of about 1 million convicted offenders, according to bureau records. The database now includes more than 3.6 million samples, most added in the past five years. The number of "investigations aided" is growing with the database. In March 2001, CODIS had made about 2,200 such matches. The number doubled in the next year, quadrupled by April 2004, and has more than doubled again since then, to 39,291 such matches.

When pursued, such matches are "overwhelming, flabbergasting," says David Scoville, a Canandaigua, N.Y., man whose 28-year-old daughter Patty was raped and murdered on a Stowe, Vt., bike path in October 1991. More than 13 years later, a DNA profile from the crime scene matched Howard Godfrey, a 58-year-old Vermont man who had been forced to give a DNA sample after being convicted of assault. Godfrey is awaiting trial for the Scoville murder.

"Finding the man the authorities believe was Patty's killer was a huge relief," Scoville says. "Whether that makes it worth all the millions of dollars (spent building CODIS), I don't know. But it was to us."

Why do investigators fail to pursue a DNA match? In some cases, ineptitude is to blame.

In Fulton County, Ga., officers failed to retrieve a telephone message from the CODIS lab reporting the match that might have led to the arrest of sex offender Arnold, says Lyn Vaughn, spokeswoman for prosecutor Paul Howard, who investigated the foul-up. Ted Staples, DNA section chief at the Georgia Bureau of Investigation crime lab, says a written report also was sent but that no action was taken.

In Oakland, an overworked cold case investigator received the information that child molester Lee had been matched to an attempted sex assault but failed to give it priority, says Jordan, the deputy chief.

"He had over 100 cases (to work on), but that's not an excuse," Jordan says. "We dropped the ball."

In other instances, police were not prepared to handle the wealth of leads that CODIS sometimes supplies.

In Portland, Ore., police had no system for accounting for or tracking unsolved property crimes cases that were suddenly revived by DNA matches. Reports describing DNA matches in two dozen burglary cases simply "sat on a sergeant's desk," Dolbey says.

There also is evidence, however, that CODIS is making some matches that investigators can't use.

In Richmond this year, a police department review of its first 500 CODIS cases found more than a dozen instances in which crime scene evidence was matched to a person who was clearly not a suspect, such as the owner of a home that was robbed.

Last year, an internal study by the Virginia state crime lab found that 424 of the state's first 3,000 DNA matches were not prosecuted because victims could not be found or were reluctant to testify or the evidence submitted for testing did not solve the crime. An example: a cigarette butt from a stolen car that matched the car's owner.

Other DNA matches were not pursued because the time limit for filing prosecutions had expired.

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In Oakland, in at least 20% of the rape cases in which CODIS has identified a potential suspect, the victim had previously told police that she would not press charges, says Rockne Harmon, an assistant prosecutor who specializes in DNA cases.

The evidence was analyzed anyway, Harmon says, because crime labs received state and federal funding that paid for the analysis. Police and prosecutors were not consulted, Harmon says.

"All the money (to build CODIS) has gone to the lab side," Harmon says. "Nobody ever asked the cops what they wanted or how (CODIS matches) would affect what they do."

Unpursued matches, he says, are a "shame" but not a "surprise."

What can be done to improve accountability? Callaghan, the FBI's CODIS leader, says that tracking the results of DNA matches would present a "significant task" that the FBI is not geared to undertake. He says that accounting for CODIS matches should be the responsibility of local police and prosecutors who are given match information.

Some are taking action. In Portland, Fulton County, Ga., and Oakland, Calif., all jurisdictions in which authorities overlooked DNA matches, police have begun tracking CODIS leads that were reported to detectives.

In Georgia last December, state crime lab officials sent reminders to every police chief and prosecutor whose jurisdiction had received a match report since Georgia's first CODIS hit, in 1995. Previously, CODIS matches had been reported only to detectives.

But absent a law or other requirement, it is uncertain that many other departments will follow their example.

In 2005, Virginia CODIS officials found more than a dozen instances in which local detectives and prosecutors had lost track of DNA matches that had been reported to their departments.

This year, the California District Attorneys Association asked its members to account for all of the state's 1,509 DNA matches by searching police records and court files. Through August, fewer than half had been located.

In other nations with DNA databases, accountability isn't optional.

In the United Kingdom, which has had a national database since 1995, police are required to tell the Home Office whether matches actually prove useful to resolving cases.

From 1999 through 2005, about 43% of the U.K.'s matches were relevant to criminal investigations.

Beginning in November 2006, police in Canada will be required to report DNA match outcomes. The Canadian database runs on CODIS software donated by the FBI.

Some state CODIS officials think the laboratories themselves should take the lead in following up DNA matches.

Without better data on whether the matches really solve crimes, CODIS funding is vulnerable to cost cutting, says Michael Bourke, CODIS administrator in Connecticut's state police crime lab.

"At some point, the federal government is going to want some measure other than raw hits of what the real societal impact is," Bourke says.

Because of prodding by Bourke and other officials, the Connecticut chief state's attorney's office is attempting to account for 335 CODIS matches the state has made, dating back to 1995.

A report is expected before the end of the year.

In New Orleans, Rust In The Wheels Of Justice (NYT)

By Christopher Drew

The New York Times, November 21, 2006

NEW ORLEANS — Seventeen months ago, when Edward Augustine was arrested with what the police said were marijuana and crack cocaine in his pocket and a handgun in his waistband, he seemed like just another run-of-the-mill drug suspect: easy to prosecute, easy to lock up.

But two months later, the floodwaters rushed through the labyrinth of evidence rooms in the courthouse basement here, scattering tens of thousands of items and leaving a fetid mess. When Mr. Augustine finally came to trial in October, the authorities could no longer find the three things they needed most: the small bag of marijuana, the rocks of crack and the gun. The judge threw out the case, and Mr. Augustine walked free.

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As the judge, Lynda Van Davis, put it, Mr. Augustine, 18, had lucked out. But he is not the only lucky defendant in New Orleans. As the city's criminal justice system slowly gears back up after Hurricane Katrina, as many as 500 defendants, mostly in drug, theft and assault cases, have been freed because of problems with evidence, including difficulty in finding the witnesses who have moved away.

Law-enforcement officials say a few of those who were freed could potentially be violent, a cause for concern in a city battling a surge in drug-related killings. And some judges say that missing witnesses and damaged evidence, like spoiled DNA samples and rusted guns, will almost certainly lead to more acquittals, even in cases of murder, rape and armed robbery.

"It's amazing that for every case I've walked into lately, there's evidence missing," said Rick Tessier, a defense lawyer.

Several judges have jettisoned cases like Mr. Augustine's over the last few weeks. And in acquitting him, Judge Van Davis chastised prosecutors for going ahead without the drugs or the gun.

"This is ridiculous, absolutely ridiculous," she said from the bench.

But the district attorney, Eddie Jordan, responded in an interview, "We can't just tuck our tails between our legs and run just because it's difficult."

Mr. Jordan said that under state law, testimony from the arresting officer, and a laboratory report that confirmed Mr. Augustine had possessed illegal drugs, should have been enough to convict him. He added that although the evidence problems might seem to be "an Achilles' heel," he did not think "that the overwhelming problems that some of the critics have speculated about have materialized."

While 800 suspects have pleaded guilty to various crimes since the New Orleans courts reopened in June, only about 90 trials have been held, about a third the normal number. More than 2,000 people arrested before Hurricane Katrina are still waiting for their cases to be heard, and at least 400 of them remain in jail. And 1,500 cases have been temporarily set aside because the defendants, who were out on bond, apparently evacuated and never returned.

Court officials say other delays have come from a shortage of jurors and from limits on how many inmates can be brought to court each day. And the public defender's office is so overwhelmed that it is recruiting law students from across the country to conduct interviews with long-neglected clients who cannot afford a lawyer.

But a growing source of delays and acquittals has been the lack of witnesses and evidence.

After Hurricane Katrina hit in August 2005, the evidence rooms at the Orleans Parish Criminal District Court sat in chest-high water for two and a half weeks. Only recently have court officials begun to realize the extent of the evidence problems within the old Beaux-Arts courthouse, which was closed for nine months and is still not quite back to full operations.

Warren E. Spears, the clerk in charge of the evidence rooms, said in an interview that before the storm only about 10 percent of the hundreds of thousands of items had been sealed in plastic bags. The rest were in paper bags and scrap boxes holding clothes, guns and drugs, some of which disintegrated in the swirling waters, Mr. Spears said, dumping their contents into heaps on the floor.

Clothing from murder and assault cases took "a brutal beating," Mr. Spears said. Photo lineup cards used to identify suspects stuck together and could not be separated. Stacks of assault weapons turned to rust, he said, and holes had to be punched in duffel bags filled with rotting marijuana to let the water out.

The court hired a cleanup contractor to gather the evidence, clean off the mold and place it in plastic bags and fresh boxes. Court officials have estimated that 8 percent to 10 percent of the evidence was a total loss.

Mr. Spears added that a number of the workers spoke little English, and that he could only gesture to them as they guessed which items should be packaged together.

Water also seeped into safes, he said, rotting a great deal of paper money that had to be freeze-dried to remove the moisture.

At separate police evidence rooms nearby, some DNA samples for rape and murder cases were held for months without refrigeration, possibly ruining their usefulness, other officials said.

Given shortages in staffing, the condition of the evidence comes to light only as each case approaches trial.

The problems are starting to make life easier for the city's defense lawyers.

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Pamela R. Metzger, a member of a state board that oversees the public defender's office, said she had learned about the evidence problems after asking Mr. Spears about a suspected crack pipe that was missing in one of her cases. Ms. Metzger, who is also a law professor at Tulane University, said she was urging the public defense lawyers, who handle the vast majority of the court's cases, to raise more challenges about the condition of the evidence and how it had been handled.

"I think you'll see more and more and more of that," she said.

Mr. Jordan, the district attorney, said his office had taken the lead in dismissing 400 to 500 cases recently, mainly because crucial witnesses, like the victims or the arresting officers, had moved away.

"Many of my prosecutors had held on to those cases until the last minute in hopes that we'd be able to go to trial," he said. "But I thought that if we had not been able to contact the victim since before the storm, then it was unlikely we'd be able to reach them now."

Mr. Jordan also said his office had won about 60 percent of the roughly 90 trials since the courts reopened. While several judges have been tough, others recently convicted suspects on cocaine and burglary charges even though the physical evidence had been lost, he said.

Of one recent jury case, he said: "We weren't certain we had the same gun from the crime scene. But we were able to find a gun that fit the description. And we found a photo of the original gun, and the jury found the defendant guilty as charged."

Still, Mr. Jordan said he had recently hired a former federal prosecutor to assess the strength of the 2,000 pre-hurricane cases to see how many more should be dropped.

Mr. Tessier, the private defense lawyer, said he had recently taken on a widely publicized murder case in which his client and another man were charged with stabbing a Tulane student in 2002.

The lawyer said the files had indicated that an important piece of evidence was a shirt stained with a drop of his client's blood. But Mr. Tessier said that neither Mr. Spears nor the New Orleans Police Department, which is temporarily storing evidence in rental trucks, had been able to find the shirt.

Katherine Mattes, another Tulane law professor, said the lost or damaged evidence could also make it harder for innocent people to shake off charges filed against them. She said, for instance, that a rusted gun might no longer fire, making it impossible to conduct new ballistic tests that might show it could not have been used in a murder.

"What people say when you describe all the evidence problems is how terrible it will be if we have people who committed crimes and can't be prosecuted," she said. "But it also can work the other way."

A Good Chief Goes (WP)

The Washington Post, November 21, 2006

NEWS THAT Mayor-elect Adrian M. Fenty has decided to turn to someone else to head the D.C. police department comes as no surprise. For some time, Mr. Fenty and D.C. Police Chief Charles H. Ramsey have not seen eye to eye on the department's performance, a fact that Mr. Fenty never kept secret. Under the circumstances, and given the incoming mayor's determination to be hands-on with the police force and other city agencies, it probably is best that he have a person of his choice leading the department when the Fenty administration gets started on Jan. 2.

The departure of Chief Ramsey is, however, a development that many District residents and this page receive with regret. The D.C. police force that the chief bequeaths to his successor is in far better shape than the one Mr. Ramsey inherited upon his arrival in Washington eight years ago. The credit goes to him. As the longest-serving police chief since the start of home rule three decades ago, Chief Ramsey, the record will show, made the best use of his time. In every major category of offense -- homicides, rapes, robberies, aggravated assaults, burglaries, larcenies and vehicle thefts -- rates are down. He took a department that was loosely run and staffed with poorly trained, quick-triggered officers and converted it into a better managed and more disciplined force. From scout cars to technology, police officers now do their jobs with 21st-century resources.

There have been bumps along the way, serious missteps that cost the city dearly. The September 2002 Pershing Park incident, in which large numbers of protesters were improperly arrested and detained, stained the reputation of a department renowned for its handling of mass demonstrations in the nation's capital. It also cost the city thousands of dollars to settle lawsuits. Chief Ramsey accepted responsibility for the misbehavior, as he should have, and apologized to the city.

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Mr. Fenty, in deciding to appoint police Cmdr. Cathy L. Lanier as the next chief, has drawn from within the ranks of the department. It is reassuring that Chief Ramsey spoke well of Ms. Lanier's appointment and that she also has the background and qualifications that Mr. Fenty seeks in a chief. They apparently agree on community policing, and she appears to be in sync with his leadership style. It will soon fall to the new leadership in the John A. Wilson Building and in police headquarters to maintain and expand on the advances achieved by Chief Ramsey. As for the departing chief, any police jurisdiction in the country would be fortunate to have him.

CIVIL LAW:

Lawyers Argue Validity Of '98 Online Law (AP-Y)

By Maryclaire Dale, Associated Press Writer

AP, November 21, 2006

Justice Department attorneys, defending a law aimed at keeping online pornography from minors, argued that software filters often block valid sites — on gay rights or sexual health, for example — that teens might seek out.

"Filters are hindering minors from learning about the world around them. That's a huge problem," government lawyer Joel McElvain said Monday. "There may be reasons the teenagers have problems speaking to their parents about these (issues)."

Under the 1998 Child Online Protection Act, commercial Web publishers who fail to keep material "harmful to minors" away from children could face fines and even prison time. The law has never taken effect, because of a long-running legal challenge filed by Salon.com, the Philadelphia Gay News and other groups represented by the American Civil Liberties Union.

Closing arguments concluded Monday before Senior U.S. District Judge Lowell Reed Jr., ending four weeks of testimony.

Justice attorneys evoked problems with the software filters even as they had defended their use in a 2000 law requiring schools and libraries to block porn if they receive certain federal funds. The high court upheld that law in 2003.

Opponents say the 1998 law is overly vague and would have a chilling effect on their work. They also say it would not apply to foreign Web operators or streaming video and audio. The ACLU argues that filters are more effective than legislation, because they let parents set limits based on their own values and their children's ages.

"If you're a parent who doesn't want sexually explicit material slipping through, then set it (the filter) strictly," ACLU lawyer Chris Hansen told the judge Monday.

The U.S. Supreme Court, indicating the government was unlikely to prevail, granted the ACLU a temporary injunction in 2004.

Technology experts not involved in the case have noted that many parents now have more pressing concerns about their children's use of the Internet, such as online predators and the popularity of social-networking sites.

The Justice Department raised eyebrows as it prepared for trial when it demanded reams of privately held information from Google Inc., Yahoo Inc. (Nasdaq:YHOO - news) and other Internet companies for a study on the prevalence of online pornography.

Google fought a subpoena to turn over 1 million sample queries and 1 million Web addresses in its database, citing trade secrets. A judge sharply limited the scope of the subpoena.

The resulting study, conducted by a University of California, Berkeley statistics professor, concluded that about 1 percent of Web sites indexed by Google and Microsoft Corp. are sexually explicit and that about 6 percent of searches yield at least one explicit Web site.

Hansen said filters can be as much as 98 percent effective in blocking explicit material, even if the most stringent filters also "overblock" a large number of acceptable sites.

Congress first tried to regulate online pornography in 1996 with a law that was largely struck down by the Supreme Court the following year.

The 1998 law narrows the restrictions to commercial Web sites and defines objectionable material as obscene or that which offends "contemporary community standards."

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The law, signed by then-President Clinton, requires Web site operators to prevent youngsters from seeing material harmful to children by demanding proof of age — such as a credit card number — from computer users. It would impose a $50,000 fine and six-month prison term on commercial Web site operators that allow minors to view such content.

Closing Arguments In Internet-porn Trial (PHI)

By Joseph A. Gambardello

The Philadelphia Inquirer, November 21, 2006

A never enforced federal law aimed at protecting children from Internet porn is vague, threatens free speech, and will not achieve its intended goal, opponents of the measure argued today.

But the federal government countered that the Children's Online Protection Act, known as COPA, is needed because Internet filters are not foolproof and parents cannot be expected to supervise their children's Web surfing at all times.

U.S. District Judge Lowell A. Reed Jr. heard those opposing positions as both sides made closing arguments at the end of a four-week trial in Philadelphia that had been ordered by the U.S. Supreme Court to determine whether technology developed since Congress passed COPA in 1998, such as commercially available filtering, offered effective ways to protect children.

The law would authorize jail time and heavy fines for online porn merchants who do not require adult-access codes, personal identification, or credit cards to access their Web sites.

Plaintiffs, including the American Civil Liberties Union and a group of Internet artists, merchants and magazines, maintain that having parents use Internet filters and personal control and educate children on Internet usage is the least restrictive way to protect youngsters from porn and ensure the free flow of speech online.

The government pointed to credit cards and emerging online identification services as ways to ensure that only adults - those 17 or older - are accessing Internet porn.

In his arguments today, the ACLU's Christopher Hansen said the law was confusing on what would be considered harmful to a child and that it limits enforcement to sites using the hypertext transfer protocol, or http, just one of the applications through which information is transmitted on the Internet.

Half the Internet's porn sites also are based outside the United States and therefore out of the law's reach, Hansen said.

He asked why the federal government was not enforcing existing obscenity laws, noting that the Justice Department had prosecuted "fewer than 30 cases in the last six years."

Joel McElvain, a government lawyer, countered that sexually explicit material for adults that does not violate obscenity laws would be considered harmful to children under COPA.

Another government lawyer, Tamara Ulrich, said it was "disingenuous" for Hansen to argue that the law singled out "http" sites because the ACLU had succeeded in overturning an earlier law that also targeted pornography in e-mails and chat rooms.

Both sides disagreed on who would be affected by COPA. Hansen said the plaintiffs would suffer if they had to set up age-verification systems, but the government lawyers said the law was aimed at "commercial pornography" - not sites such as those operated by the plaintiffs, which offer a range of content, including commentary, art, news and sexual advice.

And although Hansen said the case was not a question of COPA vs. filters, arguments from both sides focused on their effectiveness in blocking porn.

The government also argued that although filters can let some porn in, they can block so-called clean sites.

Reed gave both sides until Dec. 7 for final submissions.

Smokers Sue Tobacco Company For Lung Scans (LAW)

By Peter Geier, The National Law Journal

National Law Journal, November 21, 2006

A group of long-term Marlboro smokers has filed an action in federal court in New York to force Marlboro maker Philip Morris USA Inc. to give them regular low-dose CT scans to catch possible early signs of lung cancer.

The action is unusual because it seeks only medical screenings for people whose smoking habit has put them at increased risk of lung cancer, said plaintiffs attorney Jerome H. Block of Levy Phillips & Konigsberg in New York.

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"The sole relief we are seeking is that Philip Morris pay for a program of CT scans," Block said. The scans should be annual, or "more frequent if something looks suspicious." He noted that a recent article in the New England Journal of Medicine suggests that such a program would increase dramatically one's chances of surviving lung cancer.

Block represents Marcia L. Caronia and four other named plaintiffs on behalf of a class of New York residents 50 years of age or older who have smoked Marlboro-brand cigarettes for at least 20 "pack years" -- an average of a pack a day for 20 years. Caronia v. Philip Morris USA Inc., No. 06-224 (E.D.N.Y.).

Generally speaking, early diagnoses of lung cancer now occur by happenstance, when doctors administering CT scans to patients with pneumonia or a broken rib, for instance, discover lesions and nodules that could be lung cancer, he said.

"CT scans for people who might have cancer typically are not covered by medical insurance," Block said. "This is for all those people out there who don't have this covered and are at increased risk of lung cancer. It's a huge issue from a public health point of view."

VIABLE LEGAL THEORY?

Block said that this action stands a good chance of survival because the class is confined to long-term smokers of a brand of Philip Morris products. But lawsuits in the past seeking medical monitoring for smokers have not succeeded.

William S. Ohlemeyer, vice president and associate general counsel of Altria Group Inc., Philip Morris' parent company, said, "Nobody is opposed to medical monitoring as a public health tool. The question is whether this is a viable legal theory that can be pursued in a lawsuit."

Although plaintiffs counsel have coined "creative and innovative theories" in this instance, "most states don't recognize medical monitoring as a remedy or cause of action. ... We expect the case to be dismissed," Ohlemeyer said.

Smokers' medical-monitoring class actions have been rejected by the majority of trial and appellate courts since the first one was filed in New Orleans federal court in 1994, according to Altria spokesman John Sorrells.

The 5th U.S. Circuit Court of Appeals decertified a class seeking medical monitoring over variations in state law and the particulars of how a case would be tried against numerous tobacco defendants. Castano v. American Tobacco Co., 84 F.3d 734 (5th Cir. 1996).

Juries returned defense verdicts on medical-monitoring claims in the only two cases that made it to trial. Blankenship v. Brown & Williamson (In re Tobacco Litigation), No. 02-31157 (W.Va. 2004), and Scott v. The American Tobacco Co. Inc., No. 96-8461 (Orleans Parish, La., Dist. Ct.). An appeal argued last April is pending before the Louisiana 4th Circuit Court of Appeal.

Billion-Dollar BofA Ruling Struck Down (LAW)

By Justin Scheck, The Recorder

California Recorder, November 21, 2006

Earlier this year, talk about the big class action against Bank of America was all about money -- the billion dollars or so in statutory damages, the $284 million in compensatory damages, and of course the correspondingly large contingency fee due the plaintiffs lawyers.

That all changed Monday when California's 1st District Court of Appeal struck down a trial court's ruling that the bank may not withdraw Social Security funds from customer accounts to pay for overdrafts and overdraft penalties.

In a trial presided over by San Francisco Superior Court Judge Anne Bouliane, plaintiffs lawyers James Sturdevant and Thomas Brandi had successfully argued that Bank of America's practice of debiting government benefit fees was illegal.

Central to their arguments -- and to Bouliane's jury instructions -- was a 1974 case that said a bank couldn't take public benefit money out of an account to cover a credit card debt. They said the case, Kruger v. Wells Fargo Bank, 11 Cal 3d 352, presented an analogous situation to that of lead plaintiff Paul Miller.

In 1998, after Miller had spent money that Bank of America mistakenly credited to his account, the bank withdrew money from Social Security benefits to cover the overdraft.

While the bank eventually returned the money, it repeated the pattern on two other occasions. Miller eventually sued, arguing that government-directed deposits shouldn't be subject to such seizures.

In a unanimous, 14-page opinion Monday, Justice Peter Siggins disagreed with verve.

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Siggins -- joined by Justices Joanne Parrilli and William McGuiness -- said the verdict in the case was based entirely on Kruger, an opinion that prohibits using government benefits to pay debts from a separate account. In Miller, he wrote, the issue was different because overdraft fees had to do with balancing a single account.

"This is a complex and heavily regulated area more suited to legislative than judicial action, so we conclude the trial court erred by finding Kruger governs this significantly different situation," Siggins wrote.

"I think the court absolutely got it wrong," Sturdevant said. He said Kruger clearly applies to overdraft fees, since they are treated as debts, and dismissed the notion that handling the fees was a legislative issue, since the Kruger court had no qualms about ruling on the matter.

Sturdevant also chafed at Siggins' reference to a defense expert's trial testimony on the consequences a plaintiff verdict would have for the banking industry.

"It's improper fact-finding," he said. "That's the province of the trial judge, not the province of the Court of Appeal."

Walter Dellinger, the O'Melveny & Myers partner who argued the appeal for Bank of America, couldn't be reached before press time. But judging by Sturdevant's plans, it seems likely that he'll have a chance to speak about the case in the future.

"The Supreme Court is the place where this case ultimately has to be decided, because Kruger is the basis of decision for both the trial court and the Court of Appeal," Sturdevant said.

Court Rules On Internet Defamation Liability (LAT)

By Maura Dolan

The Los Angeles Times, November 21, 2006

SAN FRANCISCO -- Internet users and providers cannot be held liable for posting defamatory material written by someone else, the California Supreme Court ruled unanimously Monday.

"The prospect of blanket immunity for those who intentionally redistribute defamatory statements on the Internet has disturbing implications," Justice Carol Corrigan wrote for the court. Immunity "serves to protect online freedom of expression and to encourage self-regulation."

Monday's decision was consistent with holdings by many federal appeals courts and one other state supreme court.

"The courts are now uniform," said Ann Brick, who represented the American Civil Liberties Union of Northern California in the case.

But attorneys on both sides of the case said the California Supreme Court went further than other courts by giving immunity to all Internet users except the original author.

"What you couldn't put in your print newspaper, you can put in your Internet newspaper, " said Christopher E. Grell, who represented two doctors who said they were defamed. "The notion of fact checking and verifying things doesn't apply to the Internet."

Mark Goldowitz, the lawyer for the defendant, cited a line in the ruling that the decision brought "the law of libel from the Gutenberg era to the cyberspace era."

Unlike hard-copy publications, the Internet allows users to "immediately respond and correct any harm," Goldowitz said. "Not everyone has a printing press, but everyone can start a blog or post on a news group."

Although the court did not specifically address media Web sites, lawyers on both sides said it would protect newspapers and other media that report defamatory remarks by third parties on their Web sites but not on their pages or on air.

The decision overturned a 9th U.S. Circuit Court of Appeals ruling and threw out a lawsuit that claimed Ilena Rosenthal, a San Diego activist for breast implant victims, defamed Dr. Stephen J. Barrett and Dr. Terry Polevoy on the Web sites of two news groups.

Barrett and Polevoy operated Web sites aimed at exposing health fraud in various kinds of alternative medicine. They said Rosenthal, a supporter of alternative medicine, made the postings even after she was told they were libelous.

Rosenthal wrote in one posting that Barrett, a retired psychiatrist in Philadelphia, was "arrogant, bizarre, closed minded; emotionally disturbed, professionally incompetent, intellectually dishonest ... a quack, a thug, a bully, a Nazi."

She similarly described Polevoy, who works in Canada, and accused him of making anti-Semitic remarks.

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An Alameda County Superior Court judge threw out the doctors' lawsuit against Rosenthal, ruling that her postings involved the public interest and for the most part contained no assertions that could be proven false.

But the court determined that one statement in an article Rosenthal received from Tim Bolen subtitled "Opinion by Tim Bolen" was problematic. The article accused Polevoy of stalking a Canadian radio producer.

The trial court decided nonetheless that Rosenthal could not be held liable because she had not written the original posting. A libel case against Bolen for first making the stalking allegation is pending. Bolen describes himself as a crisis-management consultant and health advocate.

In ruling for Rosenthal, the California Supreme Court interpreted a provision of the Communications Decency Act of 1996. Although many courts have ruled on the provision, the Rosenthal case was the first in which an Internet user with no responsibility for the site carrying the posting claimed federal immunity.

The court explained that Internet defamation law differs from that of other media.

"Book, newspaper or magazine publishers are liable for defamation on the same basis as authors," Corrigan wrote. "Book sellers, news vendors or other 'distributors' ... may only be held liable if they knew or had reason to know of a publication's defamatory content."

Congress "chose to protect even the most active Internet publishers, those who take an aggressive role in republishing third party content," she wrote.

She also cited practical reasons for ruling in favor of Internet freedom. If California permitted defamation suits against those who post others' work, the state could be inundated with lawsuits.

"Adopting a rule of liability ... would be an open invitation to forum shopping by defamation plaintiffs," Corrigan wrote.

She said the threat of liability also would reduce the flow of ideas on the Internet.

"The volume and range of Internet communications make the 'heckler's veto' a real threat," Corrigan said.

Grell, who represents the doctors, said he has not yet decided whether to appeal to the U.S. Supreme Court. Noting the court twice referred to "blanket immunity" as troubling, the lawyer said Congress should now amend the law to increase Internet accountability.

Times staff writer Chris Gaither contributed to this report.

California Court Reverses Internet Liability Case (WSJ)

By Kevin J. Delaney

The Wall Street Journal, November 21, 2006

The California Supreme Court today reversed an appeals court decision in a much-watched Internet case, ruling that individuals are generally immune from liability for transmitting over the Internet content that was authored by someone else.

Legal experts say the decision1 is in line with prior court rulings on immunity for transmitting content on line originating from someone else, who themselves may still be held liable for defamation or other claims.

The California court ruling came in the case of Stephen J. Barrett et al. v. Ilena Rosenthal. The case concerned an article Ms. Rosenthal received via email and posted on two Web newsgroups that the plaintiffs argued was defamatory.

"This opinion reinforces the broad reach of federal statutory immunization for content published by third-parties online," said Eric Goldman, Assistant Professor at Santa Clara University School of Law and Director of the school's High Technology Law Institute. "This case is significant because it shuts down all of the workarounds people have been trying to find."

CIVIL RIGHTS:

Dems To Target Political 'Robo Calls' (USAT)

USA Today, November 21, 2006

WASHINGTON — Senate Democratic leaders say they'll push legislation next year to make it a federal crime, punishable by fines and jail time, to use automated "robo calls" and other tactics to mislead and discourage voters.

"We're going to find some way to stop this," says Sen. Harry Reid, D-Nev., the incoming majority leader.

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Civil rights and watchdog groups say some voters complained this year of being barraged by automated recorded campaign calls. Though many were only annoying, some gave misleading information, directing voters to the wrong polling site or raising questions about whether a voter was registered.

"We definitely think it's a good idea for Congress to investigate and hold hearings on these issues and to consider carefully targeted legislation focused on outright deception," said Elliot Mincberg of the liberal People for the American Way, which helped operate a national hotline for voter complaints.

Tova Wang of the Century Foundation says misinformation in flyers and calls, practices employed by Democrats and Republicans, aim to suppress voter turnout.

New York Sen. Charles Schumer, who is helping to draft Democratic legislation, plans to call for a separate division within the Justice Department to deal with such problems. Penalties could include up to 10 years in jail.

In a letter to Justice officials Thursday, Schumer said he was disappointed with the department's response to voter complaints.

Justice officials defended their record in a letter responding to Schumer, noting that investigations recently have been launched into alleged voter deception and intimidation in Arizona, Maryland, Virginia and elsewhere.

Rep. John Conyers, D-Mich., in line to be chairman of the House Judiciary Committee, also has called for federal officials to investigate complaints about "robo calls."

Sen. Barack Obama, D-Ill., has proposed a separate measure that would make it a crime to give voters misleading election information. Violators would be subject to fines of up to $100,000 or one-year's imprisonment or both. It would require the attorney general and federal election agencies to distribute accurate information in areas where deceptive practices were found.

Election experts say Schumer's proposal, which focuses on "robo calls," may raise concerns about freedom of speech, particularly if the calls are more annoying than misleading. "That's where you could potentially get into the First Amendment area," Mincberg said. "As irritating as 'robo calls' may be ... it raises a lot more difficult questions about the ability to regulate them."

Obama's bill focuses on cases in which there is a "clear intent for out-and-out deception."

Suburban Atlanta Police Ask DA's Office To Review Officer Shootings (AP)

By Harry R. Weber

AP, November 21, 2006

ATLANTA - Prosecutors in a suburban county will extensively review at the police chief's request 14 shootings by police, including eight that were fatal, this year following concern about the high number of killings compared to the nation's two largest cities.

Prosecutors also have received a request to investigate the death of another person who died in police custody but was not shot, and they expect to be asked later to look into four other fatal shootings by police in September and since then, Adora Andy, a spokeswoman for the DeKalb County District Attorney's Office, said Monday.

The review request comes as police released details of an internal probe into the shootings in which a police review board has found that an officer in one fatal shooting was unjustified in using deadly force. Officers involved in three nonfatal shootings were found to be unjustified. The officers in the remaining shootings through September were either found to be justified or no determination was made.

"We review all officer-involved shootings for criminal activity. He's asked us to do a more extensive review," Andy said of Police Chief Nick Marinelli.

The shootings and in-custody death review involves 15 incidents from Jan. 1 through Sept. 12, Andy said, adding that her office expects to get another request from the police department to review the police shootings since then. Police review board findings were not released about the shootings since September. A fatal police shooting that occurred Sept. 2 also was not included in the materials released Monday by police, though Andy assumed the material will be forwarded later.

Andy declined to say why the request was made. She also would not disclose what reports the chief has turned over, except to say, "We've been given everything the police review board has had."

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A police spokesman did not return several calls seeking comment beyond a Police Department statement that said the DA's office investigation had been requested.

Marinelli has defended the department's actions since an Associated Press investigation published Sept. 28 showed that the nine fatal shootings this year by DeKalb County police at that time was more than even New York City had recorded and was equal to what Los Angeles police had recorded. It also was three times the number of fatal shootings DeKalb police had recorded last year.

Records obtained by AP through open records request showed that some of the department's required in-service training in the use of deadly force had been reduced, along with instruction in the use of batons.

The toll led to an independent review of police training and use-of-force procedures by a consulting firm that found some deficiencies, including a lack of emphasis on de-escalation of tense situations. County CEO Vernon Jones said at the time that there were no widespread problems at the department.

But there have been three more fatal shootings by DeKalb police since September, and now the police chief has asked for a review by the prosecutor's office to remove any doubt that might exist in the public's mind.

"We will review the documents and we will determine the appropriate course of action," Andy said.

Action could range from doing nothing to bringing criminal charges. Andy declined to say what action will be taken.

Nationwide, justifiable killings by officers while on duty declined from 378 in 2001 to 341 last year, according to the FBI, which does not catalog fatal police shootings that are accidents or not justified.

Among the DeKalb killings this year: On Aug. 24, an officer with three years on the force shot a man who she says charged her in an apartment and tried to take her gun. The police review board has ruled that the use of deadly force in that incident was justified. On May 17, an officer with 11 years of experience shot a man inside a vehicle; the man's girlfriend said he had a gun and was suicidal. That shooting also was ruled justified by the police review board.

A young man also was killed Sept. 12 after officers went into an apartment building in search of a man wanted for questioning in an earlier shooting. There is no indication in the police report that the man, Lorenzo Matthews, was armed. One of the officers involved was determined unjustified in using deadly force, according to the police review board's findings released Monday.

One of the two officers who confronted Matthews was a 17-year department veteran who also had a role in a fatal shooting June 5. That shooting remained under review, but department policy did not prohibit the officer from returning to duty. The police statement Monday did not say if that officer was the same one who was found to be unjustified in the Sept. 12 shooting.

Officer In Taser Case Identified (LAT)

By Charles Proctor And Richard Winton, Times Staff Writers

The Los Angeles Times, November 21, 2006

Terrence Duren, a 2001 UCLA officer of the year, has been the subject of two other use-of-force complaints.

The UCLA police officer videotaped last week using a Taser gun on a student also shot a homeless man at a campus study hall room three years ago and was earlier recommended for dismissal in connection with an alleged assault on fraternity row, authorities said.

UCLA police confirmed late Monday that the officer who fired the Taser gun was Terrence Duren, who has served in the university's Police Department for 18 years.

Duren, who was named officer of the year in 2001, also has been involved in several controversial incidents on campus.

In an interview with The Times on Monday night, Duren, 43, defended his record as a campus police officer and urged people to withhold judgment until the review of his Taser use is completed.

"I patrol this area the same way I would want someone to patrol the neighborhoods where I live," he said. "People make allegations against cops all the time. Saying one thing and proving it are two different things."

While he would not directly talk about why he used the Taser on the student, he said a videotape of any arrest doesn't necessarily tell the whole story.

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"If someone is resisting, sometimes it's not going to look pretty taking someone into custody," he said. "If you have to use some force, it's not going to look pretty. That's the nature of this job."

A student's cellphone video of the incident has been broadcast around the world and focused much criticism on the officer.

But Duren — who was back on duty at the UCLA campus Monday night — said he can roll with these punches and wants to explain himself to students critical of his actions.

"In this line of business, you have to have a thick skin," he added. "I am proud of my service as a cop."

The incident occurred about 11 p.m. Nov. 14 in a library filled with students studying for midterm examinations.

Senior Mostafa Tabatabainejad, 23, was asked by Duren and other university police officers for his ID as part of a routine nightly procedure to make sure that everyone using the library after 11 p.m. is a student or otherwise authorized to be there.

Authorities said Tabatabainejad refused repeated requests to provide identification or to leave. The officers decided to use the Taser to incapacitate Tabatabainejad after he went limp while they were escorting him out and after he urged other library patrons to join his resistance, according to the university's account.

The video shows portions of the incident, in which Tabatabainejad can be heard screaming in pain when the Taser shocks are administered.

The tape, which has been broadcast on the YouTube website and TV newscasts, prompted widespread criticism both on campus and from outsiders. On Friday, more than 200 students held a march to the police station, while acting Chancellor Norman Abrams tried to quell the critics by announcing an independent investigation of the Taser use. Abrams said UCLA had received numerous e-mails and calls from concerned alumni and parents.

Tabatabainejad's attorney, Stephen Yagman, said his client was shocked five times with the Taser after he refused to show his ID because he thought he was being singled out for his Middle Eastern appearance. Tabatabainejad is of Iranian descent but is a U.S. citizen by birth and a resident of Los Angeles.

Duren said Monday that he joined the UCLA police force after being fired from the Long Beach Police Department in the late 1980s. He said he was a probationary officer at the time and was let go because of poor report-writing skills and geographical knowledge.

In May 1990, he was accused of using his nightstick to choke someone who was hanging out on a Saturday in front of a UCLA fraternity. Kente S. Scott alleged that Duren confronted him while he was walking on the street outside the Theta Xi fraternity house.

Scott sued the university, and according to court records, UCLA officials moved to have Duren dismissed from the police force. But after an independent administrative hearing, officials overturned the dismissal, suspending him for 90 days.

Duren on Monday disputed the allegations made by Scott.

In October 2003, Duren shot and wounded a homeless man he encountered in Kerckhoff Hall. Duren chased the man into a bathroom, where they struggled and he fired two shots.

The homeless man, Willie Davis Frazier, was later convicted of assaulting an officer. Duren said Frasier had tried to grab his gun during the struggle. But Frazier's attorney, John Raphling, said his client was mentally ill and didn't do anything to provoke the shooting.

It remains unclear when the independent investigation of the Taser incident will be completed. It will be headed by Merrick Bobb, a veteran watchdog of both the Los Angeles Police and Los Angeles County Sheriff's departments.

UCLA police officials said in a short statement that Duren arrived at Powell Library with Officer Alexis Bicomong. Duren "discharged the Taser," the statement said. Officers Kevin Kilgore, Andrew Ikeda and Ricardo Bolanos, and Sgt. Philip Baguliao, a supervisor, were also at the scene.

"Let the independent watchdog run its course," Duren said.

The officer said that when the probe is complete, he'd like to sit down with students, particularly Muslim student groups, to explain his actions at the library.

"I have nothing to hide."

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Federal Judge Rejects Las Vegas Ban On Feeding Homeless In Parks (AP)

By Ken Ritter, Associated Press Writer

AP, November 21, 2006

LAS VEGAS (AP) - A federal judge ruled Monday that the city cannot make it illegal to feed poor people in city parks.

U.S. District Court Judge Robert Jones issued an injunction prohibiting enforcement of a City Council ordinance passed in July that prohibits "providing food or meals to the indigent for free or for a nominal fee" in a city park and defines indigent as a person whom a reasonable ordinary person would believe to be entitled to public assistance.

Las Vegas Mayor Oscar Goodman said handouts discourage homeless people from seeking help from social service providers set up to handle mental health and substance abuse problems. Neighbors had complained of large numbers of homeless people congregating at downtown parks, drawn by groups providing meals.

Jones told lawyers for the city and the American Civil Liberties Union of Nevada that he intends to issue an order killing the measure. No date was set for final action.

"The judge said you can't just ban providing food to people who look poor," said Lee Rowland, the ACLU lawyer who argued the case. She said the key fault in the city ordinance was that it made distinctions among people based on their appearance.

Las Vegas officials vowed to rewrite the law to pass constitutional muster.

"The main thing is to make sure these people get professional care," Goodman said of homeless and indigent people he said "deserve to be in service centers and with faith-based groups."

"I know I'm right on this one," Goodman added. "We just have to get the law in shape."

City lawyer Brad Jerbic said "tweaking" the existing ordinance might be enough to help it pass judicial review.

"We didn't outlaw vagrancy, indigency or homelessness," Jerbic said, adding that the possible fine of up to $1,000 was designed to discourage behavior, not punish people.

"What we did is make it an offense to set up a mobile soup kitchen in a park, attracting large numbers of indigents and stranding them without any social services," Jerbic said.

Gary Peck, ACLU executive director in Las Vegas, said he was disturbed by city arguments that he said suggested homeless and indigent people constitute an unsightly problem that should be kept from public view.

"The city says, 'Poor people are different from the rest of us, we need to control them or we will be overrun by them and they will ruin things for the rest of us,'" Peck said. "That shows a profound misunderstanding of basic constitutional principles."

Since the ordinance took effect several summonses have been handed out by city marshals at parks in the downtown area, several miles from the Las Vegas Strip.

One municipal court judge tossed out a misdemeanor case against a California activist last month and called the ordinance unconstitutionally vague. That judge said the measure denied equal protection of the law to all citizens.

A final ruling by Jones in the case, Sacco vs. City of Las Vegas, is expected to affect several similar cases currently pending in municipal court.

An Opening On Abortion? (WP)

By E. J. Dionne Jr.

The Washington Post, November 21, 2006

If both parties combine wisdom with shrewdness, the election of a new congressional majority should open the way for a better approach to the abortion question.

The bitter political brawling of the past three decades has created an unproductive stalemate that leaves abortion opponents frustrated, abortion rights supporters in a constant state of worry and the many Americans who hold middle-ground positions feeling that there is no one who speaks for them.

But the politics of abortion began to change even before this month's elections. In September, a group of 23 pro-choice and pro-life Democratic House members introduced what they called the Reducing the Need for Abortion and Supporting Parents Act.

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Okay, it's not the catchiest title, but you get the point. The bill -- its sponsor is Rep. Tim Ryan (D-Ohio), an abortion opponent, with Rep. Rosa DeLauro (D-Conn.), an abortion rights supporter, a leading co-sponsor -- took a lot of negotiation. Supporters of abortion rights tend to favor programs that encourage effective contraception, which some in the right-to-life movement oppose. Opponents of abortion emphasize helping women who want to carry their children to term.

The Ryan bill, one of several congressional initiatives to reduce the abortion rate, does both. It includes a remarkably broad set of programs aimed at reducing teen pregnancy, promoting contraception and encouraging parental responsibility. But it also includes strong measures to offer new mothers full access to health coverage, child care and nutrition assistance.

The public debate usually ignores the fact that abortion rates are closely tied to income. As the Guttmacher Institute has reported, "the abortion rate among women living below the federal poverty level . . . is more than four times that of women above 300 percent of the poverty level." The numbers are stark: 44 abortions per 1,000 women in the lower income group, 10 abortions per 1,000 women in the higher income group.

In other words: If you truly care about reducing the number of abortions, you have to care about the well-being of poor women.

There are moral and practical reasons for members of both parties, and combatants on both sides of the abortion question, to embrace this approach.

Liberal supporters of abortion rights should be eager to promote a measure that does not make abortion illegal but does embrace goals, including help for the poor, that liberals have long advocated.

In the meantime, the victories that opponents of abortion rights have won do little to reduce the number of abortions. As Rachel Laser, director of the Third Way Culture Project, points out, even those who would ban late-term or "partial-birth" abortions need to acknowledge that very few are performed, meaning that these laws do little to reduce the overall abortion rate. According to one study cited by Laser, only 0.08 percent of abortions are performed in the third trimester.

Parental consent laws affect fewer than a fifth of all abortions, those obtained by teenagers 17 or younger, and it is not clear how many abortions these measures stop, since studies suggest that many parents favor rather than oppose abortion in such circumstances.

Why shouldn't both sides embrace broader steps that, without coercion, could cut the abortion rate by much larger numbers? We know this is possible because it has already happened: Between 1994 and 2000, the abortion rate fell by 11 percent. An ambitious national effort could do more.

There is also the politics of the issue. In her study, Laser points to a group she calls the "abortion grays," i.e., the six voters in 10 who do not see the issue in black-and-white terms. This group tilts pro-choice but does not believe abortion should always be either legal or illegal.

For Democrats, this means taking into account that while most of the new members they elected this month favor abortion rights, the party's freshmen include strong opponents of abortion -- among them Sen.-elect Bob Casey (D-Pa.) and about a half-dozen new House members. Democrats are a party with a pro-choice majority, a significant pro-life minority and a lot of grays.

Republicans are the more antiabortion party but include many pro-choice voters and grays in their ranks. They face a broadly pro-choice country and now have to battle a right-wing image that drove

so many independents and moderates to the Democrats.

Taking substantial steps to reduce the abortion rate will not settle the larger ethical argument over the practice. But it could show that politicians are capable of living up to their highest calling, which is to seek practical forms of moral seriousness.

ANTITRUST:

Muni Cloud Hovers Over Investors (WSJ)

By John Connor

The Wall Street Journal, November 21, 2006

DOJ_NMG_0096693

WASHINGTON -- The latest outcropping of suspected U.S. municipal-bond-related abuses, including bid-rigging on guaranteed investment contracts used in some muni transactions, has cast a cloud of potential taxability on billions of dollars of bonds sold to investors as tax-exempt securities.

One federal official familiar with the situation said the amount of bonds in question remains to be determined but that a conservative estimate could be between $10 billion to $15 billion. He added that the final tally likely will be far larger than that.

Wide-ranging criminal and civil probes of suspected muni-related illegality are now under way, with the U.S. Justice Department's Antitrust Division and the Securities and Exchange Commission investigating suspected violations unearthed initially by the Internal Revenue Service. A number of firms, including leading providers of guaranteed investment contracts, or GICs, have received federal subpoenas recently.

The IRS's probe of bid-rigging on GICs -- which are insurance contracts that pay a fixed interest rate over a set period of time, and are often used in retirement plans and in connection with certain muni deals -- has been under way for some time. In early 2005, Mark Scott, then head of the IRS's muni enforcement program, said that "we have a lot of evidence pointing to bid-rigging for GICs in municipal-bond transactions."

While the spotlight of the federal investigations has been on suspected antitrust violations, including price-fixing on bond insurance, the bond transactions under scrutiny also present tax issues by virtue of the suspected diversion of arbitrage profits away from the federal government to participants in the bond deals.

Arbitrage profits, which are earned in the muni market by investing tax-exempt bond proceeds in high-yielding obligations, are supposed to be rebated to the Treasury. Arbitrage abuses have erupted periodically. One of the most virulent outbreaks, which resulted in federal enforcement action against dozens of securities firms over six years ago, was known as "yield burning."

The IRS typically avoids taxing bondholders -- the tax code's penalty for muni noncompliance. But taxing bondholders isn't as rare as it used to be. About a dozen mutual funds with noncompliant munis in their portfolios have paid taxes over the last year on bonds purchased as tax-exempts, according to a federal official familiar with the matter.

Bondholder taxation usually is averted by settlements under which the IRS recoups some of the money lost on noncompliant bond deals and agrees to let the bonds in question remain tax-exempt.

Private Cash Fuels Boom In Takeovers (LAT)

By Tom Petruno And Josh Friedman, Times Staff Writers

The Los Angeles Times, November 21, 2006

Elite private investors are buying up major companies at a record pace, in a wave of deals that is raining riches on Wall Street but also may be raising the risk of a financial bust.

Investors led by Blackstone Group announced late Sunday the biggest takeover ever by a so-called private equity fund, a $36-billion deal to buy Equity Office Properties Trust, the largest U.S. owner of office buildings.

The proposed purchase follows announcements in recent months of buyouts that would put firms including radio giant Clear Channel Communications Inc., casino titan Harrah's Entertainment Inc. and food-service company Aramark Corp. in private hands, taking their shares off the stock market.

Takeovers are nothing new in American business, but historically the largest deals have involved companies whose shares are publicly traded buying other companies.

This year, the buyers behind the biggest deals are private equity funds — run by generally secretive investment firms that raise money from pension funds, wealthy individuals and other investors who are hungry for double-digit returns on their capital.

"It's obviously a boom," said C. Kevin Landry, a managing director at TA Associates, a Boston-based private equity firm. "You can raise as much money as you want" to do deals.

A private equity fund typically buys a company using mostly borrowed money, then seeks to improve the firm's bottom line through measures that may include refocusing the business or forcing cost cuts. The goal is to eventually sell the firm to another company, or take it public again, at a fat profit.

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The buyout wave is enriching company shareholders because private equity investors usually pay more than a stock's current price to clinch a deal. That is helping to drive share prices higher overall, analysts say; the Dow Jones industrial average has been hitting record highs.

Yet the surge in buyouts this year is making some on Wall Street wonder whether they're witnessing a replay of other episodes when too many investors threw too much money in the same direction — the dot-com boom of the late 1990s, for example, or a late-1980s company buyout wave led by corporate raiders. Both of those booms gave way to painful busts.

"It's sort of feeding on itself now," said Edward Yardeni, investment strategist at money management firm Oak Associates in Akron, Ohio. "You could make a pretty good case that a bubble is building in private equity, and that it will burst."

Private equity buyers have announced about 1,000 U.S. takeovers this year worth a record $356 billion, according to data tracker Thomson Financial. That dwarfs the $138 billion in such deals announced last year.

Private-fund deals still account for a minority of U.S. takeover activity. In all, the value of announced corporate takeovers this year exceeds $1.2 trillion; most of those are company-to-company deals. But the rising clout of private equity buyers shows in the sizes of the deals they're behind, experts say.

"Five of the six top deals this year are private equity. That's never happened before," said Richard Peterson, an analyst at Thomson Financial in New York.

Most private equity firms aren't household names, but more may be on their way to that status as their corporate assets balloon. Big players include Blackstone, Bain Capital, Carlyle Group, Silver Lake Partners and Texas Pacific Group. One — Kohlberg Kravis Roberts & Co. — became famous for its massive deals in the 1980s.

More than any other factor, the ascendance of private equity buyers over the last few years reflects the willingness of well-heeled investors to pony up mountains of cash in search of better returns than they can earn in stocks or bonds.

"There is tremendous liquidity in the market," said Brad Freeman, a 23-year buyout fund veteran whose Los Angeles-based firm, Freeman Spogli & Co., has a $1-billion private equity fund it's putting to work. "Deals are being done because they can be."

Private equity firms have raised an unprecedented $178 billion in new capital from investors this year, about 10 times what they raised in 1995, according to data firm Dealogic.

The cash comes from investors such as the California Public Employees' Retirement System, or CalPERS, the nation's largest public pension fund.

CalPERS has about $6.3 billion invested in buyout funds, said Joncarlo Mark, a senior portfolio manager. The pension plan expects to earn an annual percentage return in the upper teens on that money, he said. By contrast, U.S. blue-chip stocks have generated a return of 11.4% a year over the last three years.

"There are a lot of investors out there looking for yield," said Josh Lerner, a finance professor at Harvard University.

But the success of buyout deals depends in large part on the purchased companies' ability to handle the debt loads they take on with their new owners.

With many private equity funds wielding huge war chests, competition to acquire companies has become fierce, said Stephen Presser, a partner at private equity firm Monomoy Capital Partners in New York.

"At the moment, private equity firms are paying almost historically high prices for businesses, and are depending on those businesses to continue to grow in order to pay down their debt," Presser said. "If the economy softens — and someday it will — those companies are going to have a tough time" managing their debt loads.

Some analysts also question whether companies that are targets of private equity buyers today can be substantially improved by their new owners.

"Companies already are under so much pressure to be lean and mean," Yardeni said. "It's not clear what they're [private equity owners] going to bring to the table to make these companies more profitable."

Still, corporate managers often are happy to attract private equity buyers. One reason is that top managers often participate as investors in buyouts, with the potential to reap hefty financial rewards if the company is eventually sold at a profit.

The costs and regulatory hassles of being a public company also are spurring corporate boards down the go-private road, said Scott Honour, a managing director at Gores Group, a private equity firm in Los Angeles.

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"Companies are bogged down by Sarbanes-Oxley requirements," he said, referring to the law Congress passed in 2002 tightening regulation of public companies after the financial scandals at Enron Corp. and other firms.

"Boards are saying, 'Geez, we're better off being private,' " Honour said.

That worries the Bush administration. In a speech Monday, Treasury Secretary Henry M. Paulson Jr. questioned whether the going-private trend might signal that U.S. regulation of shareholder-owned companies had become too severe, and was driving them out of the public market.

The deal wave also has attracted the attention of another branch of the government: The Justice Department reportedly is looking into the power wielded by private equity funds and whether the biggest players may be illegally colluding to increase their clout.

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Times staff writer Walter Hamilton contributed to this report.

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(INFOBOX BELOW)

The year's top 10 private buyouts

Here are the U.S. companies that have brought the highest purchase prices from private equity funds this year:

(In billions)

Equity Office Properties: $36

HCA: $32.2

Kinder Morgan: $27.4

Clear Channel Communications: $26.7

Harrah's Entertainment: $25.4

Freescale Semiconductor: $16.2

Univision Communications: $12.6

Merrill Lynch Investment Mngmt.: $8.5

Aramark: $8.0

GMAC: $7.4

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Sources: Bloomberg News, Thomson Financial, companies listed

Note: Deal values include assumption of debt.

Ready To Deal: $60 Billion In Two Days (WSJ)

By Serena Ng, Gregory Zuckerman And Michael Hudson

The Wall Street Journal, November 21, 2006

Wall Street's cash spigots are turned wide open.

That means the recent deluge of merger and buyout deals could keep rising even though signs are emerging that some target companies are being loaded with increasingly risky levels of debt in the process.

More than $60 billion in deals were consummated in the past 48 hours of frantic merger and buyout activity, not including the debt assumed from target companies in these transactions, according to Dealogic, a research firm. The deals included a $20 billion private-equity bid for real-estate giant Equity Office Properties Trust and stretched from Europe to Canada to the U.S. More than 35 deals were announced globally, leaving bankers looking broadly to other sectors -- including health care, technology, gambling and home building -- for the next megatransactions.

BUYOUT BOOM

1

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Read about what is behind the buyout boom2 and see a breakdown of the busiest sectors for M&A3. WHO ARE THE LAWYERS?

View a list of the law firms and lawyers representing the principals on the 10 largest deals in 2006 with U.S.-based acquirers.

One important factor behind the year's takeover boom is a well-oiled financial machine: buyout firms searching out prey and raising cash with bonds and loans that are then sold off to investors around the world. Leveraged buyouts account for some 17% of the $3.4 trillion in transactions announced globally so far this year.

"It seems that each large deal is a stepping stone to the next bigger deal," says Edward Marrinan, a credit strategist at J.P. Morgan Chase, one of the big underwriters and lenders in the borrowing boom. Companies and their private equity buyers "are pushing the envelope in risk-taking and testing the outer boundaries of the market's tolerances," he adds.

The overall pace of deal making already surpasses the $3.3 trillion record set in 2000. Almost $1.3 trillion of mergers have been announced in the U.S. alone, though that is still off from the 2000 pace, which was driven by the tech boom and included many transactions in which companies were acquired in stock swaps.

The common denominator now is debt. In the U.S., corporations have sold $109 billion in "high yield," or junk, bonds and raised an additional $593 billion in junk-rated bank loans so far this year, according to Dealogic. Last year they raised $707 billion in bonds and loans in the U.S.

Earlier in the year some investors predicted the borrowing cycle could take a turn for the worse. Yet in recent weeks hospital operator HCA Inc. and Freescale Semiconductor Inc. easily found investors for more than $11 billion in bonds behind buyouts. Freescale raised money with few of the operating constraints -- known as covenants -- that often come with risky loans.

The surge in corporate profitability that followed the 2001 recession has left many companies well-positioned to pay off debt. So far this year, companies had defaulted on just 1.27% on outstanding U.S. speculative-grade bonds, a 24-year low. The long-term average default rate is 4.7%, according to Standard & Poor's. The default rate for junk-rated bank loans is 0.99%.

Because so few companies are defaulting, investors are willing to take chances on new debt. Investors also have a growing appetite for high-yielding assets, which has them turning to junk bonds and risky loans behind takeover deals. So far this year, junk bonds have returned a robust 10%.

While debt loads have been rising, interest rates remain relatively low, meaning some companies and buyout shops taking them over are betting they will be able to service their fast-rising debt loads. "The interest burden for companies is still manageable," says Gregory Stoeckle, managing director at Invesco Senior Secured Management.

"We've not seen any let-up in investor demand [for debt] and we don't see that changing anytime soon," says James Merli, managing director and head of debt syndication at Lehman Brothers.

Yet there are signs emerging that large debt loads could begin to weigh on companies involved in the deals. Some of the bonds issued by both HCA and Freescale were "toggle" bonds, which allow the companies to choose between paying interest in cash or in the form of additional bonds. That's a strategy companies adopt when they worry that they might be short of the cash flow needed to pay off interest in the short term.

"There's so much demand for yield in the marketplace that investors are willing to give companies that option. It seems pretty crazy to me, but it's a sign of the times," says Mark Kiesel, a portfolio manager at Allianz AG's Pacific Investment Management Co., or Pimco.

If economic conditions change or interest rates creep higher, some companies may have much less room to maneuver and could run into trouble, analysts say.

As it stands, HCA, which completed its takeover last week to take itself private, will incur over $2 billion a year in interest expenses, close to half its annual operating cash flow, according to research firm CreditSights. Freescale operates in a highly cyclical industry and its interest costs also are likely to represent roughly half its annual operating cash flow, says KDP Investment Advisors, Inc. HCA officials couldn't be reached to comment. Officials at Freescale declined to comment.

Also unlike the stock-driven tech-merger boom of the 1990s, this one is wide-ranging. A proposed acquisition of Harrah's Entertainment Inc. by Texas Pacific Group and Apollo Management is fueling speculation other casino companies will be bought. Blue chip names like Sprint Nextel Corp. -- with a stock market value of more than $50 billion -- and iconic brands like

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Hilton Hotels Corp. -- which has attracted interest from investor Carl Icahn -- are held out as reasonable targets. Home builders, in the midst of a worrisome housing bust, and commodities producers, facing a bust of their own, are turning up on buyout watch lists.

A spokesman for Sprint would not comment. An official for Hilton wasn't immediately available.

The leveraged-buyout boom of the late 1980s didn't turn until bankers felt losses. One turning point was a failed attempt by bankers to sell bonds to finance the buyout of Sealy, then known as Ohio Mattress Co.

First Boston, now part of Credit Suisse, had arranged a temporary loan to fund the $965 million buyout of the mattress maker by a firm called Gibbons Green van Amerongen.

The bank was unable to issue enough bonds to refinance the loan, and ended up holding most of the loan on its own books and took equity in the company.

The event sent a chill around the marketplace and became known on Wall Street as the "burning bed." The only things on fire on Wall Street right now are the phone lines of buyout shops.

Smaller Rival In Agreement To Acquire Copper Giant (NYT)

By Andrew Ross Sorkin And Ian Austen

The New York Times, November 20, 2006

Phelps Dodge, the world's second-largest copper producer, will be acquired by Freeport-McMoRan Copper and Gold, a smaller rival that has been embroiled in environmental and human rights controversies, in a cash and stock deal worth $25.9 billion, the companies said yesterday.

The transaction, if approved by shareholders, would create the world's largest copper producer and the largest mining company based in North America. It is the latest move in a series of mining and metals mergers. Like companies involved in other mining mergers, Freeport-McMoRan promoted the idea that increased size has become an important competitive factor.

"We have been watching the industry consolidation, fewer companies, larger companies, but we had not been playing a role in it," Freeport-McMoRan's president and chief executive, Richard C. Adkerson, said. "Now Freeport is a larger company that has a larger platform."

The chairman and chief executive of Phelps Dodge, J. Steven Whisler, said yesterday that the two companies have talked about a possible merger for about a decade. The premium of about 33 percent being offered by Freeport-McMoRan, Mr. Whisler said, was a decisive factor in Phelps Dodge's decision to end its 172-year history as an independent company.

The boards of both companies have approved the transaction. Under its terms, stockholders in Phelps Dodge will receive $88 a share in cash plus 0.67 of a Freeport-McMoRan share. Based on Friday's closing, the deal is offering Phelps Dodge shareholders a 33 percent premium.

Freeport-McMoRan, which has a market capitalization of $11.3 billion compared with Phelps Dodge's value of $19.4 billion, will finance the transactions by borrowing about $17.5 billion. Freeport said it expected the deal would be accretive to the combined company's earnings per share and cash flow immediately.

To a considerable extent, Phelps-Dodge now finds itself being acquired because of its failure earlier this year to bulk up with an acquisition of Inco, the large Toronto-based nickel miner.

Inco had approached Phelps Dodge in an attempt to help it with its bid for another Canadian nickel miner, Falconbridge. In exchange for financing for that transaction, Inco's board agreed to be acquired by Phelps Dodge in a deal cash and stock worth about $17 billion.

Ultimately, however, the three-way transaction fell apart. Phelps Dodge walked away from its Inco offer after Xstrata of Switzerland emerged as the winning bidder for Falconbridge. Companhia Vale do Rio Doce of Brazil acquired Inco after offering about $17 billion in cash.

Not only did the Phelps Dodge bid fail to impress Inco's shareholders, it was also criticized by some of the Phoenix-based company's own shareholders largely because it would have increased the company's debt levels from almost nothing to about $24 billion. Some critics said at the time that they would prefer Phelps Dodge to sell itself rather than become larger through acquisitions, a request that has now apparently been granted.

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Mr. Whisler will retire when the Freeport-McMoRan takeover is completed. The resulting company, which will retain Freeport-McMoRan name but move its head office from New Orleans to Phoenix, will be led by Mr. Adkerson and retain James R. Moffett, of Freeport-McMoRan, as chairman.

While Phelps Dodge has large mines in United States, Central and South America as well as Africa, Freeport-McMoRan's only significant asset is a mine in Indonesia.

Earlier this year, riots in the Indonesian province of Papua were directed at Freeport-McMoRan. In December 2005, The New York Times reported that Freeport had given more financial support to the Indonesian Army and police in Papua than the company had publicly reported, in some cases individual commanders received tens of thousands of dollars from the company.

Mr. Adkerson said the company was still responding to requests from regulators about the timing and level of disclosure to shareholders about those payments.

The Indonesian mine's operations have also come under criticism for their environmental practices. Mr. Adkerson said that Freeport-McMoRan now had its environmental measures assessed and tracked by independent auditors.

"We operate in an unusual place," he said. "Our mine is in a remarkable physical setting."

Freeport-McMoRan was advised in the deal by J. P. Morgan Securities and Merrill Lynch while legal advisers were Davis Polk & Wardwell and Jones, Walker, Waechter, Poitevent, Carrère & Denègre. Citigroup Corporate and Investment Banking and Morgan Stanley & Company worked with Phelps Dodge, and its legal counsel was Debevoise & Plimpton.

Mattel Says It Really Owns The Bratz That've Given Barbie Such A Bad Time (WSJ)

By Christina Binkley

The Wall Street Journal, November 21, 2006

Barbie has a new tactic in her battle against the rival Bratz doll clan: If you can't beat 'em, own 'em.

Mattel Inc., maker of Barbie, is attempting to lay legal claim to the Bratz fashion-doll empire created by its rival MGA Entertainment Inc. The El Segundo, Calif., toy maker yesterday filed documents with U.S. District Court in California arguing that the Bratz dolls rightfully belong to Mattel, whose Barbie franchise has been dented by competition from the saucy, big-headed dolls that appeared on the market in 2001.

The argument is based in part on Mattel's claim that the designer of Bratz was employed by Mattel when he did initial drawings for the dolls several years ago. Recently, Mattel's lawyers quietly applied for copyright protection on a number of early Bratz drawings, according to the documents.

Moreover, the documents claim that closely held MGA Entertainment hired away a number of key Mattel employees in Mexico, the U.S. and Canada. Mattel says those employees "stole" confidential sales information, documents, plans, and other Mattel secrets -- copying the information onto hard drives or using other means to transfer the intelligence to MGA over the past six years or so.

Among other sources of information, including depositions of witnesses, the documents cite emails that appear to have been recovered from the personal computers of several former employees.

"MGA intentionally stole not just specific Mattel property, such as Bratz designs, prototypes and related materials, but also a vast array of trade secrets and other confidential information that comprise Mattel's intellectual infrastructure. MGA's rapid growth was not organic, but rather was based upon its theft of Bratz," the lawsuit says.

Isaac Larian, MGA's chief executive, said he hadn't seen the legal documents, but that his lawyers had briefed him on the contents. "This is another fantasy on the part of a desperate company that doesn't have any leadership," Mr. Larian said in an interview. "It's just basically a desperate organization that has lost its way."

Mr. Larian said that Mattel's claims regarding employees in Mexico have been dismissed as invalid by the Mexican courts.

Mattel responded to requests for comment with a written statement confirming the legal documents and declining to comment further.

Specifically, Mattel sought permission from a federal judge to amend an existing lawsuit it filed against Carter Bryant, the designer who is credited with creating the Bratz. The proposed amendment, a 58-page document, accuses MGA, Mr. Larian, Mr. Bryant and other MGA divisions and former employees of abuses that include copyright infringement, violation of the

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Racketeer Influenced and Corrupt Organizations Act (or RICO), misappropriation of trade secrets, aiding and abetting breach of duty of loyalty, and unfair competition. Mattel is demanding a jury trial.

Mattel's new claims arise from legal discovery and separate investigations that the company conducted as part of several broader Barbie-Bratz related lawsuits.

In the documents, Mattel says that Van Nuys, Calif.-based MGA sells more than $500 million a year worth of Bratz items. Mr. Larian confirms that the sales are "more than $500 million" but declined to say how much more. The Bratz line has been a juggernaut since its inception five years ago. The Bratz dolls have a more hip-hop style and are more heavily made up than Barbie, who has been accused of being overly sexy herself, but appears positively demure in comparison with Bratz. In the late 1990s, Barbie had some of her best sales years ever. But the Bratz have eaten away at her kingdom, and world-wide Barbie sales fell 11% last year. Mattel has attempted to boost its fashion doll revenues with a series of hipper-looking dolls such as the Flavas, which came out in 2003 and have been discontinued.

Mattel doesn't disclose the value of its Barbie franchise. According to market researcher NPD Group, overall fashion-doll sales were $1.4 billion in 2005 -- roughly flat with the year before.

Mattel sued the Bratz designer Mr. Bryant in 2004. Mattel is now arguing that it has proof that Mr. Bryant was employed by Mattel when he drew the original drawings for the Bratz fashion dolls and sold them to MGA Entertainment. Mr. Bryant had signed an employment contract giving rights to his work to Mattel.

Mr. Bryant joined Mattel in 1995 and briefly left its employ in April 1998, according to Mattel. Mr. Larian says that Mr. Bryant conceived of Bratz during that time, when he was living with his parents in Missouri and working as a free-lancer. He says Mr. Bryant showed plans for a series of postcards -- not a doll -- to a mutual acquaintance who brought them to Mr. Larian's attention. "I said, OK, let's try it in 3-D," Mr. Larian says.

Mr. Bryant returned to Mattel's employ in January 1999, designing Barbie fashions.

Mattel claims in its filing that two third-party vendors have testified in depositions that they painted Bratz doll faces and worked on Bratz packaging between June and September 2000 -- before Mr. Bryant left Mattel in October 2000.

MGA began showing prototypes for the dolls around the toy industry within several weeks of Mr. Bryant's departure from Mattel. Mr. Bryant couldn't be reached for comment.

Mr. Bryant now earns royalties for Bratz and has become wealthy, according to Mr. Larian. The royalties are something he wouldn't have gotten at Mattel, where his contract required him to sign over all his ideas.

Cephalon Used Improper Tactics To Sell Drug, Probe Finds (WSJ)

By John Carreyrou

The Wall Street Journal, November 21, 2006

From setting unrealistically high sales quotas to pushing larger prescriptions at higher doses, drug maker Cephalon Inc. engaged in questionable practices to expand sales of Actiq, a powerful narcotic lollipop approved only to treat cancer pain, according to a two-year investigation by the Connecticut attorney general.

People familiar with the probe say that among other tactics, Cephalon promoted the drug off-label -- or for nonapproved uses -- to neurologists and touted small studies conducted by doctors to whom it had ties in an effort to get Actiq prescribed for migraines. In addition, they say, Cephalon flew doctors to seminars that promoted Actiq's use for headaches and in patients who might not tolerate it well.

Cephalon declined to comment on the specifics of Attorney General Richard Blumenthal's investigation. Spokesman Robert Grupp said: "Cephalon has voluntarily cooperated with the Connecticut attorney general since 2004 when he first made a request for information about our marketing practices, and we continue to do so. Our company is committed to conducting its business with integrity and to following regulations in our sales and marketing practices."

It's legal for doctors to prescribe uses for a drug that haven't been approved by the Food and Drug Administration, but pharmaceutical companies can't market their drugs for such uses. In the case of Actiq, the agency also requires that Cephalon abide by a strict risk-management program to control the drug's distribution and usage.

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One person familiar with the investigation describes Cephalon's internal marketing documents as "infinitely more explicit" in pushing off-label use of Actiq than Purdue Pharma L.P. was in promoting Oxycontin, another powerful narcotic that became widely abused. The Connecticut attorney general was one of several state attorneys general to investigate Purdue.

Mr. Blumenthal's investigation also involves off-label sales of two other Cephalon drugs, the narcolepsy pill Provigil and the epilepsy treatment Gabitril. Cephalon is also being investigated by the U.S. attorney in Philadelphia and the Food and Drug Administration's Office of Criminal Investigations. Like Mr. Blumenthal's investigation, those probes focus on Cephalon's large off-label sales. The U.S. attorney and the FDA declined to comment.

Mr. Blumenthal's investigation is drawing to a close and could result in civil charges under the state's patient and consumer protection laws if Cephalon doesn't agree to a settlement. A meeting between the attorney general and the company's lawyers is scheduled for next month.

If Cephalon opts to settle the case out of court, Mr. Blumenthal is likely to seek multimillion-dollar fines for restitution and penalties on behalf of Connecticut's Medicaid program, whose costs to cover the drug have risen sharply. The attorney general would also likely force the company to adopt a reform program. "We want them to change the way they do business," Mr. Blumenthal says.

Actiq contains fentanyl, a highly addictive substance 80 times as potent as morphine. Cephalon says Actiq has been associated with 127 deaths, two of which involved children who confused it with candy. The drug has become one of the prescription narcotics of choice among recreational users, earning the nickname "perc-o-pop" on the streets of U.S. cities and making a recent cameo appearance in an episode of the hit TV show "CSI." In the first nine months of this year, Actiq sales reached $471 million.

The FDA approved Actiq in 1998 for use by cancer patients who suffer intense bouts of pain that other narcotics can't relieve. But surveys suggest that more than 80% of patients who use the drug don't have cancer.

The trigger for Mr. Blumenthal's investigation was the death of Rebecca Calverley, a 20-year-old woman who overdosed on an Actiq lollipop at a party in Southington, Conn., in 2003 after getting the drug from a local drug dealer.

Mr. Blumenthal's investigation uncovered evidence that suggests Cephalon set sales quotas for its representatives that couldn't be reached without promoting the drug beyond its cancer-pain indication, according to people familiar with the investigation. Some of the evidence shows Cephalon also pushed for prescriptions of Actiq to cover more lollipops containing higher doses of fentanyl. Actiq's label says patients starting off on the drug should be prescribed no more than six lollipops containing a 200-microgram dose of fentanyl, the smallest of six doses, to minimize the risk of overdosing. Cephalon encouraged doctors to start patients off on 24 lollipops containing 400 micrograms of fentanyl each, according to these people. The higher dose costs more and brings in more revenue.

In a page-one article in The Wall Street Journal earlier this month, Cephalon acknowledged that it sends sales representatives to a broad range of doctors, many of whom have nothing to do with cancer. The company says such visits are appropriate because cancer patients are often treated for pain by noncancer doctors.

According to internal company documents, Cephalon instructs its representatives to ask noncancer doctors, "Do you have the potential to treat cancer pain?" Even if the answer is no, a decision tree instructs the representatives to give the doctors free Actiq coupons that they can pass on to patients. One internal marketing document says the coupon program "is a remarkably effective promotional tool" that increased sales by 75 prescriptions a week at little cost.

Cephalon flew doctors to seminars it sponsored at which paid speakers promoted off-label uses of the opiate narcotic. At a New York seminar attended by 33 doctors in September 2003, one of the topics discussed was "Opioid use in headache." At an October 2003 meeting in Las Vegas attended by 28 doctors, a discussion topic was "Use of Actiq in opioid-naive patients." Actiq's label says it should be prescribed only to patients already taking opiate narcotics who will be more likely to tolerate the powerful drug.

Mr. Grupp declined to comment on the seminars. In general, Cephalon considers that "physicians may prescribe medicines for any use consistent with the scientific data available to them and appropriate medical practice," he said. "The decision to prescribe 'off label' is theirs and theirs alone."

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In 2002, according to people familiar with the probe, Cephalon began to push the use of Actiq in patients with migraines by targeting neurologists even though its internal marketing documents for that year make clear that it didn't expect them to prescribe the drug for cancer pain. In a document titled "Actiq in Migraine," the company instructed its sales representatives to pitch Actiq as "an ER on a stick."

Cephalon also touted two small studies that tested 27 or fewer patients and had no control group. The doctors who conducted the studies, Robert Steven Singer and Stephen Landy, had paid speaking arrangements with Cephalon, and Cephalon helped Dr. Landy with the study he conducted, according to the people close to Mr. Blumenthal's probe.

Dr. Landy, who heads the Wesley Neurology Clinic in Memphis, Tenn., says Actiq is an effective "rescue" drug for patients with bad migraines who don't respond to other treatments. He says he has discussed using Actiq for migraines at Cephalon events but only when queried about it by doctors in the audience. Dr. Landy won't say how much Cephalon paid him for speaking. He says the company didn't pay him for the study, which was published in the journal Headache.

Dr. Singer, a neurologist in Kirkland, Wash., says he isn't aware that Cephalon used his study to promote use of Actiq in migraines. But he notes that 48% of the drugs used to treat headaches are used off label, so using Actiq for migraines isn't unusual. He declines to say how much Cephalon paid him to speak.

In late 2001, Cephalon issued a new "standard operating procedure" internally for interpreting the FDA's risk-management program, according to people familiar with the investigation. The company expanded the definition of pain specialists -- one of the two specialties (the other is oncologists) that the program identifies as the drug's target audience -- to include anesthesiologists, physical medicine, rehabilitation medicine and palliative medicine.

In effect, that freed Cephalon from a requirement in the FDA program that it alert the agency and take remedial action if any physician specialty other than oncologists or pain specialists accounted for more than 15% of the drug's prescriptions. Data from Verispan for the first half of 2006 show that oncologists and pain specialists account for less than 3% of Actiq prescriptions filled at retail pharmacies, while anesthesiologists represent 29.5% of prescriptions.

LSE Shuns 'final' £2.7bn Nasdaq Bid (FT)

By Norma Cohen In London

Financial Times, November 21, 2006

London Stock Exchange on Monday batted away a £2.7bn ($5.1bn, €4bn) "final" offer to be acquired by US-based Nasdaq, saying the bid so undervalued the company its board was not even willing to meet for further discussions.

The announcement sparked tumultuous trading in LSE shares, which closed 6 per cent higher at 1,291p, well above the 1,243p per share offer price. Nearly 50m shares switched hands. The price is the minimum Nasdaq has to pay until next May under UK takeover code rules because that is the average price at which it bought its initial 25.3 per cent stake.

On Monday, Nasdaq increased that to 28.75 per cent, buying the stake of Scottish Widows Investment Partnership, one of the LSE's few remaining long-term investors.

Posturing by both parties is likely to be played out in coming weeks. Under the code, Nasdaq cannot raise its offer unless either its board recommends a bid or a competing bidder emerges. If it fails to acquire the company, it cannot bid for another 12 months.

LSE's response suggests it wants to set a value for its shares well above what Nasdaq would be willing to pay, thus keeping its independence.

The offer is the second that Nasdaq has made for LSE and the fifth approach LSE has received in the past two years.

Clara Furse, LSE chief executive, said: "We believe Nasdaq's final offer fails to recognise the outstanding growth record and prospects of our group on a stand-alone basis, let alone the exchange's unique global position."

In timing its approach, Bob Greifeld, Nasdaq chief executive, said he was very much influenced by a sell-off in LSE shares last week. That had been sparked by an announcement from some of its largest customers that they intended to build a low-cost share trading platform that could compete with the LSE. The US has become fiercely competitive and technology and new European Commission rules are likely to make Europe follow suit.

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"The broad context is that this proposed transaction is recognition that the world we knew will be very different in three or four years' time," Mr Greifeld said.

However, the recovery of LSE shares is believed to have emboldened Nasdaq to make its move, taking the view that the shares would have fallen further without the prospect of an offer.

The offer gives little to customers who have been pressing for tariff reductions. It simply promises that fees will not be raised for at least the next three years.

It offers some protections to the London market in the form of an oversight committee which will be mandated in its articles of association. The committee cannot agree to rule changes for the London market without the consent of the Financial Services Authority – a move aimed at easing concerns about the import of US regulations.

It also will have veto rights over any effort to move more than 20 per cent of the cost base or revenue base out of the UK.

LSE Rebuffs Offer By Nasdaq Valuing Firm At $5.1 Billion (WSJ)

By Aaron Lucchetti In New York And Alistair Macdonald In London

The Wall Street Journal, November 21, 2006

Nasdaq Stock Market Inc. will likely have to increase its offer price if it wants a chance of taking over London Stock Exchange PLC after the London exchange rejected Nasdaq's latest advance.

That presents Nasdaq Chief Executive Robert Greifeld with a dilemma: Use even more of his shareholders' money to continue his lengthy pursuit of a reluctant partner or be saddled with a huge passive stake in LSE at a time when LSE faces challenges. Although it operates Europe's largest stock exchange by the value of shares traded, LSE is dogged by a series of competitive threats and isn't a player in the fast-growing market for trading derivatives.

Early Monday, Nasdaq took another run at the London Stock Exchange, proposing to buy the approximately 71% of the company it doesn't own for £12.43 a share, or $23.55, valuing the LSE at £2.7 billion, or $5.1 billion. The 300-year-old London exchange rejected the offer and declined to meet with Nasdaq officials. The response was similar to LSE's rejection of a March approach by Nasdaq at £9.50 a share. Nasdaq has a 60-day period under British takeover rules in which to convince LSE shareholders and its board to negotiate. Nasdaq billed its latest approach as its "final offer."

Investors quickly drove LSE's share price above Nasdaq's bid price, signaling that it will take a higher offer from Nasdaq to convince them to sell or that they expect a rival suitor to emerge. LSE's shares rose Monday in London to £12.91, up 6%. Nasdaq shares rose 3.1%, or $1.14, to $37.71 in Nasdaq trading, but debt-ratings firms threatened to lower their marks on Nasdaq's already junk-rated debt because of the risks and expense of a deal.

Prospects of another bidder appear dim, at least for now. Nasdaq's interest in the LSE is just one element of a major round of consolidation under way among the world's biggest exchange companies, which means there are few, if any, major potential suitors for LSE that aren't already tied up in deals.

NYSE Group Inc., operator of the New York Stock Exchange, has agreed to purchase Euronext NV, an operator of four stock exchanges and one derivatives exchange in Europe, in a deal Euronext shareholders are expected to vote on next month. Deutsche Börse AG, operator of the Frankfurt Stock Exchange, last week pulled out of a rival bid for Euronext but is unlikely to immediately look at London and has been rejected by LSE in the past. And Chicago Mercantile Exchange Holdings Inc. and CBOT Holdings Inc., operator of the Chicago Board of Trade, are pursuing an agreed-upon merger and aren't that interested in operating a stock exchange anyway.

WALL STREET JOURNAL VIDEO

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Watch a video report on The London Stock Exchange's rejection2 of a buyout bid from the Nasdaq. (Nov. 20)

The tie-ups are happening now because many exchange companies are seeking cost efficiencies through mergers as the fees they can charge users have come down. Big investors such as hedge funds, pension funds and investment banks also want to trade more easily in a wider range of markets.

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LSE's flat-out rejection of even entering talks means Nasdaq's chances are slim at its current offer price, even though Nasdaq said formally that its offer was final and wouldn't be revised unless it received approval from LSE's board or a competitor jumped into the fray.

"We are disappointed by the quick rejection of our proposal and the LSE board's refusal to meet with Nasdaq," Mr. Greifeld said.

Now he is relying on LSE's shareholders to complain vociferously that LSE should start talking to Nasdaq. One LSE shareholder whose firm owns about 1% of the company's shares said LSE should at least talk to Mr. Greifeld because he has made it clear he could increase his offer if LSE's board would start to negotiate.

Nasdaq is "transferring the burden to LSE's shareholders," says Rick Wetmore, an analyst at Turner Investment Partners, which owns shares of Nasdaq. He says that LSE finding a white knight is "unlikely in the near term."

One manager at a hedge fund that owns more than 3% of LSE said Nasdaq would have to dig deeper. "They are not going to win the company this way," he said.

Nasdaq said a deal would create the world's largest stock market by the number of listings, though it would be far smaller than a combined NYSE and Euronext if measured by the market value of listed companies. Nasdaq and LSE would comprise more than 6,400 quoted companies with a total market capitalization of about £6.3 trillion.

Nasdaq plans to leave the LSE some autonomy to regulate and operate its market. Such steps are likely necessary to gain approval from U.K. regulators. Mr. Greifeld doesn't view the step as the final move by Nasdaq to become a more global company. In an interview he called Asian expansion "a natural outgrowth of a market that wants to be the world's leading equity exchange."

A combined company would be home to Britain's giants such as Vodafone Group PLC and BP PLC, and Nasdaq's technology-oriented giants such as Cisco Systems Inc. and Intel Corp. but also thousands of smaller companies that have chosen Nasdaq in the U.S. and LSE's AIM exchange to list.

Nasdaq, which before Monday's announcement owned 25.3% of the LSE, backed up its offer by buying 7.1 million LSE shares, taking its stake to 28.75%, a move that cost it about £87.8 million.

If Nasdaq proceeds with its offer and wins at least a significant chunk of LSE shareholders, it could give it an inside track to shuffle the LSE board and management to a new group more supportive of a deal. Nasdaq could be in trouble if it doesn't ultimately snap up a majority of LSE shares with its offer. In that case, it would be prevented under U.K. takeover rules from bidding again for as long as one year, said Richard Repetto, an analyst with Sandler O'Neill & Partners.

Even among less-obvious potential bidders for LSE there appear to be few candidates. Magnus Böcker, CEO of Nordic exchange operator OMX AB, said in an interview that his exchange has no plans to bid for LSE and doubted whether this would change. The LSE held talks over the summer with U.K. broker ICAP, but the collapsed mainly because ICAP thought the exchange's shares were too high. ICAP also isn't expected to return to the table.

LSE may still look to other deals to give shareholders an alternative to Nasdaq's vision. One exchange investor said Monday that LSE could link with other independent stock markets in Italy or Spain, and the LSE has recently held talks about partnerships with the Tokyo Stock Exchange and the Bombay Stock Exchange.

Under CEO Clara Furse, LSE has repelled four approaches, including Nasdaq's March attempt. "We believe Nasdaq's final offer fails to recognize the outstanding growth record and prospects of our group on a standalone basis let alone the Exchange's unique global position," Ms. Furse said.

LSE in the past argued that it is more than capable of continuing to be independent given that it is located in one of the world's financial centers and because of what it sees as a long-term trend of increasing trading volume with the arrival of fast-moving hedge funds and computer programs that move money in and out of stocks quickly.

Ms. Furse's independent stance bucks the general trend among exchanges that have recently gone public and started looking for ways to expand and cut costs. Exchange executives like NYSE CEO John Thain have talked about the emergence of a handful of global exchange giants, and it is unclear where LSE would fit into that. LSE declined to say whether it was talking to potential rival bidders. A spokesman said: "We are continually exploring options over and above the standalone growth story."

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Mr. Greifeld said Nasdaq was ideally suited to help LSE compete going forward. "We've never had a historical monopoly. We had to scratch and claw for our progress in the market," he said. He said that combining the two companies would give international companies "the ability to dual-list simultaneously in London and New York."

London Exchange Rejects Nasdaq's $5.1 Billion Offer (WP)

By Aaron Lucchetti And Alistair Macdonald

The Washington Post, November 21, 2006

NEW YORK, Nov. 20 -- The Nasdaq Stock Market will likely have to increase its offer price if it wants a chance of taking over the London Stock Exchange after the exchange rejected Nasdaq's latest advance.

The rejection presents Robert Greifeld, Nasdaq's president and chief executive, with a dilemma: use even more of his shareholders' money to continue his pursuit of a reluctant partner, or be saddled with a huge passive stake in the London exchange at a time when it faces challenges. Although it is Europe's largest stock market in terms of the value of shares traded, the London exchange is dogged by a series of competitive threats and is not a factor in the fast-growing market for trading derivatives, which are investments used to hedge against interest-rate changes.

Nasdaq's offer of $23.55 per share Monday was valued at $5.1 billion, which the 300-year-old London exchange said substantially undervalued the company. London exchange representatives also declined to meet with Nasdaq officials, similar to their response when approached by Nasdaq in March. Nasdaq has a 60-day period under British takeover rules in which to persuade the shareholders and board of the London exchange to negotiate.

Investors quickly drove the London exchange's share price above Nasdaq's bid price, signaling that it will take a higher offer from Nasdaq or that they expect a rival suitor to emerge. But prospects of another bidder appear dim, at least for now.

Nasdaq's interest in the London exchange is just one element of a major round of consolidation going on among the world's biggest exchange companies, which means there are few, if any, major potential suitors for London exchange that are not already tied up in deals.

NYSE Group., operator of the New York Stock Exchange, agreed to buy Euronext, an operator of four stock exchanges and one derivatives exchange in Europe, in a deal that Euronext shareholders are expected to vote on next month. Deutsche Borse, operator of the Frankfurt Stock Exchange, last week pulled out of a rival bid for Euronext, but is unlikely to soon look at London and has been rejected by London exchange in the past. And Chicago Mercantile Exchange Holdings and CBOT Holdings, operator of the Chicago Board of Trade, are pursuing an agreed merger and aren't that interested in operating a stock exchange anyway.

The tie-ups are occurring now because many exchange companies are seeking cost efficiencies through mergers as the fees they can charge users have come down. Big investors, such as hedge funds, pension funds and investment banks, also want to trade more easily in a wider range of markets.

But Nasdaq and the London exchange may be dealing only with each other or with no one at all. And London's rejection of talks with Nasdaq's means chances are slim at its current offer price, even though Nasdaq said its offer was final and would not be revised unless it received approval from the London board or a competitor jumped into the fray.

"We are disappointed by the quick rejection of our proposal and the London exchange board's refusal to meet with Nasdaq," Greifeld said.

Now he is relying on shareholders to complain that the London exchange should start talking to Nasdaq. One shareholder, whose firm owns about 1 percent of the company's shares, said that the London exchange should at least talk to Greifeld because he has made it clear that he could increase his offer if the London board would negotiate.

Nasdaq is "transferring the burden to London exchange's shareholders," said Rick Wetmore, an analyst at Turner Investment Partners, which owns shares of Nasdaq. He said the London exchange was unlikely to find a white knight soon.

A manager at a hedge fund that owns more than 3 percent of the London exchange said that Nasdaq would have to dig deeper. "They are not going to win the company this way," the mananger said, on condition that he not be named.

Nasdaq said a deal would create the world's largest stock market by the number of listings, though it would be smaller than a combined NYSE and Euronext if measured by the market value of listed firms.

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British Shun A New Offer By Nasdaq (NYT)

By Heather Timmons And James Kanter

The New York Times, November 21, 2006

LONDON, Nov. 20 — The Nasdaq Stock Market has intensified a trans-Atlantic battle for the London Stock Exchange in an effort to overtake the rival New York Stock Exchange as the world's leading equity marketplace.

The London exchange, the largest in Europe, quickly rejected Nasdaq's $5.1 billion cash offer on Monday and said it would not meet with Nasdaq executives. Nasdaq officials said that while they still hoped to reach a friendly deal, they planned to go ahead with their offer.

The London market is attractive to Nasdaq because it has benefited from a flood of new money from Asia and the Middle East. It has lured new listings because its regulatory regimen is seen as less onerous than the oversight of stock exchanges in the United States.

A combination of the London market and Nasdaq would create a company with 6,400 listings and a total market capitalization of $11.3 trillion — making it the world's biggest stock market, Nasdaq said.

The world's share markets are moving energetically to consolidate, under pressure from customers to reduce fees and offer global services. By merging, exchanges can pool their liquidity and offer better prices to buyers and sellers. Last week, a group of big investment banks added to the pressure by announcing plans to create a pan-European stock trading platform next year.

Reaching a deal with London could help Nasdaq overtake the New York Stock Exchange's parent NYSE Group in Europe. The New York exchange and Euronext, a network of four European stock markets and a London derivatives market, are expected to ask shareholders for final approval of their planned merger in December.

This is the second time this year that Nasdaq has offered to acquire the London exchange. In March, London rejected an informal offer of £9.50 a share. On Monday, Nasdaq made an offer of £12.43 a share ($23.57), up more than 30 percent from March, but only 2 percent above the London exchange's closing stock price of £12.18 on Friday.

Much has changed since March, though. London's shareholders have rapidly turned over, and as many as a third of its investors now are thought to be hedge funds, chiefly concerned not with a company's long-term business strategy but with the highest short-term return.

"It is difficult to see how this is not going to go through," said Lynton Jones, a former head of Nasdaq's international operations and a founder of Bourse Consult in London, which advises stock exchanges. "The London exchange is boxed into a corner."

But Nasdaq may still need to sweeten its offer. Apparently anticipating a higher bid, investors bid up the shares of the London Stock Exchange 6 percent on Monday, to £12.91.

Andrew Mitchell, an analyst with Fox-Pitt, Kelton in London, said, "It's not obvious where the L.S.E. can move next, but by not entering into negotiations with Nasdaq, they have put them in an awkward position." Nasdaq, he said, might be forced to offer more.

Yet officials at ratings agencies said that paying more could be dangerous for Nasdaq. One agency, Moody's Investors Service, put Nasdaq on review for a possible downgrading because of any additional debt that the company might take on.

Nasdaq has now accumulated nearly 29 percent of the London exchange's shares, enough to scare away rival suitors. It needs just over 50 percent to win control.

Doug Atkin, chief executive of Majestic Research in New York, said "the really powerful thing about this is there is no alternative" for Nasdaq rivals who hope to match the deal.

He added that Clara Furse, the chief executive of the London exchange, had "the equivalent of the only beachfront property in town."

And London has been reluctant to sell. The 246-year-old exchange has turned down offers in recent years from the Macquarie Bank of Australia, Deutsche Börse of Germany and OM, owner of Nordic region markets.

In a statement Monday, Ms. Furse said, "Nasdaq's final offer fails to recognize the outstanding growth record and prospects of our group on a stand-alone basis, let alone the exchange's unique global position."

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Nasdaq replied that it was “disappointed” by the London exchange’s decision.

Its chief executive, Robert Greifeld, said during a call with investors that he would like to reach a deal with the approval of the London exchange’s board. He ran off a long list of concessions he would make in a takeover, including leaving the London Stock Exchange’s board independent, its management intact and holding Nasdaq board meetings in London. Nasdaq would also list its shares on the London exchange.

He said Nasdaq “respects the strength of the London market” and will ensure that it continues its same practices. Mr. Greifeld also pledged not to raise broker-dealer fees for users of either market for three years. Nasdaq plans to use a combination of cash, preferred stock and bank debt arranged with Bank of America and Dresdner Kleinwort to finance the deal.

Nasdaq expects to post an official offer this week, at which time London Stock Exchange holders have 28 days to tender their shares. That period can be extended to 60 days. In addition, 30 days after posting a formal offer, Nasdaq can buy more shares of the London exchange on the market.

If Nasdaq succeeds, both it and the New York Stock Exchange would face competition on other fronts. The global investment banks — Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, Merrill Lynch, Morgan Stanley and UBS — have formally disclosed their plan to start a electronic European exchange. Predictions that such a market could take business away from the London Stock Exchange have recently weakened its share price.

Underlining the increasingly global market for stocks and futures, and a growing demand for cheap trading across time zones, both the New York and the London exchanges are in talks with the Tokyo stock market over possible alliances.

On Monday, the British government said it was open to foreign ownership in London but stressed that any takeover must not threaten the current regulatory framework.

"We are neutral with respect to the nationality of the ownership of the L.S.E.," said Ed Balls, economic secretary to the chancellor of the exchequer, Gordon Brown. “Our interest in the ownership of the L.S.E. is that it should not affect the existing risk-based regulatory regime under which the exchange and its members and issuers operate.”

Curtain Rises On Final Act In LSE Drama (FT)

Financial Times, November 21, 2006

The takeover battle for the London Stock Exchange has been like a romantic comedy in which the leading lady is determined not to get married. The LSE has seen off Deutsche Börse, the German exchange, Macquarie, the Australian bank, and other less determined suitors. Now Nasdaq, the US exchange, is wooing the LSE with a cash offer. The LSE's users will hope that it meets with no more success.

Nasdaq should not be turned down because it is American. The LSE is a profitable, private business and there is no public interest in protecting it from foreign ownership. It is important to ask, however, if the US authorities would allow a deal if the LSE were trying to buy Nasdaq.

Nasdaq has been careful to say that it would protect London's regulation, its brands and its individual identity. But it would be insane to do otherwise: those strengths, and the business that they bring, help to justify the high price Nasdaq is offering.

That price would stretch Nasdaq. It is already highly leveraged and its debt is not rated at investment grade. Yet it plans to pay for the LSE by borrowing more. Such a large debt burden would make it hard for the new company to cut prices for its users.

That would upset users, given that there would be cost savings from a merger. The economics of a stock exchange are like those of the software business. Once a computer program is written it costs almost nothing to sell more copies; once a stock exchange is set up it costs almost nothing to process more trades. Nasdaq and the LSE could share a technology platform and strip out costs.

Any merger between two stock exchanges has that advantage. The particular logic of Nasdaq buying the LSE, however, is less clear. There is no obvious demand for joint listings on the two stock exchanges and the bid seems to have more to do with Nasdaq management's desire to lead consolidation. Their shareholders should be asking tough questions about the price to be paid for that privilege.

For users the danger is that a Nasdaq deal makes consolidation among the European exchanges more difficult. With the NYSE likely to buy Paris-based Euronext, Europe may be stuck with three large exchanges: two owned by American rivals, and an

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independent Deutsche Börse. But what users want is a pan-European exchange, with independent, pan-European clearing and settlement.

The real prizes would be mergers among Europe's national exchanges and the merger of Deutsche Börse's clearing and settlement arm with LCH.Clearnet, which performs that function for the LSE and Euronext. A Nasdaq deal with the LSE brings such outcomes no closer. Shareholders in the LSE are likely to accept an offer at the right price. But stock exchange users will still sigh about the handsome Europeans the LSE turned away.

ENVIRONMENT/INDIAN AFFAIRS:

Snowmobile Plan Proposed For Yellowstone (AP-Y)

By Mary Clare Jalonick

AP, November 21, 2006

The National Park Service wants to maintain snowmobile regulations allowing 720 snowmobiles per day to enter Yellowstone National Park.

A draft statement issued Monday by the agency mirrors a temporary plan that has been in use for the past two winters. It would also allow 140 snowmobiles a day to enter Grand Teton National Park and the John D. Rockefeller Jr. Parkway, which connects the two parks.

The snowmobiles must use what the Park Service calls "best available technology" to reduce noise and pollution levels.

The plan was issued to other government agencies. The public will be able to comment on a separate draft expected in March.

Park officials stressed that the report is only a draft and that the plan is the agency's preferred alternative out of several proposals. A final plan is expected to be issued in time for the 2007-2008 winter season.

The agency has been looking at a wide range of options, from a ban on snowmobiles in Yellowstone in favor of snowcoaches — which run on tracks and can carry several people — to allowing more snowmobiles, which generally carry one to two.

"We are far away from the final decision," Grand Teton National Park spokeswoman Joan Anzelmo said.

The plan would limit snowcoaches in Yellowstone to 78 per day and require those vehicles to meet sound and emissions requirements.

For years, snowmobile access to the park was largely unrestricted. But that ended before the 2003-04 winter, when the Park Service moved from a Clinton administration-era plan that called for phasing out snowmobiles in favor of snowcoaches and decided instead to limit the numbers and types of snowmobiles. Court challenges have also delayed a final decision.

Jon Catton, a Bozeman, Mont.-based conservationist, called the proposal "an unfortunate U-turn by the administration only months after it pledged to emphasize conservation in our national parks." Catton said noise pollution has continued to be a problem, even though far fewer than 720 snowmobiles have entered the park each year.

Yellowstone Plans To Retain Current Snowmobile Limit (NYT)

By Jim Robbins

The New York Times, November 21, 2006

HELENA, Mont., Nov. 20 — Yellowstone National Park officials say they will keep the number of snowmobiles allowed into the park at the level it has been under a temporary plan for three years, about 720 a day.

The park released a long-awaited draft environmental impact statement on Monday, proposing a long-term winter use plan for Yellowstone and Grand Teton National Parks.

Officials are seeking comments from the states and counties that border the park and will release another draft document for public comment early next year. The new plan will go into effect for the winter of 2009.

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Allowing snowmobiles into Yellowstone, the nation's most famous wilderness park, has been hugely controversial and political. The current statement is the fourth environmental study of snow machines in the park. The Clinton administration proposed banning snowmobiles; the Bush administration proposed a limit of 1,000 a day.

The latest plan would allow 720 a day, split among the three main entrances. All snowmobiles that enter the park have to meet noise and pollution standards.

Although 720 is the current limit, the park has averaged only 250 snowmobile visits a day in the last three years. Environmentalists had hoped that the new plan would reflect the lower number.

"Yellowstone has a noise problem with 250 snowmobiles a day," Jon Catton, an environmentalist in Bozeman, said. "The park service says it already interferes with visitors' ability to hear erupting geysers and wildlife. This proposal will make it worse by allowing a threefold increase."

A spokesman for the park, Al Nash, said, "All of our measures would meet federal and state air quality guidelines," because of new technology.

Noise problems, Mr. Nash said, are largely caused by older snow coaches, an over-snow bus on rubber treads or skis.

The new plan requires such coaches to meet stricter sound and emission levels and limits them to 78 a day. On average, 32 now enter the park daily.

Businesses that depend on snowmobiles favor keeping the higher number.

The new limit, said Glen Loomis, owner of a snowmobiling and snow coach business in West Yellowstone, "still protects the wildlife and other values."

The new plan would also keep a requirement that snowmobilers ride with guides. Business owners have said that requirement limits the number of snowmobilers who visit the park.

Mr. Nash said the guide requirement had proven successful.

"We've seen the number of arrests and moving violations dramatically decrease," he said. "Guided travel is a way to provide safe and effective travel."

Environmentalists Seek Marine Protection For Parts Of Northwest Atlantic (FINDLAW/AP)

AP, November 21, 2006

(AP) - BOSTON-Parts of the northwest Atlantic Ocean stretching from Cape Cod in Massachusetts to the northeastern tip of Nova Scotia in Canada should be declared off-limits to fishing and other human activities in order to protect threatened marine species, two environmental groups said Monday.

The Boston-based Conservation Law Foundation and the World Wildlife Fund-Canada recommended creating 30 marine reserves extending 10 miles (16 kilometers) to 200 miles (322 kilometers) from shore.

The proposed zones include productive fishing areas, however, and creating the reserves in U.S. waters would require federal authorization.

A fishing industry official worried that closing large areas permanently could make it harder for fishermen to earn a living.

"They have to be very careful not to close an area that is producing a lot of net benefit to the nation," Vito Giacalone of the Northeast Seafood Coalition told The Boston Globe newspaper.

The groups said they used computer technology to identify offshore areas where a large number of species could be protected while imposing the fewest restrictions.

Letters (WSJ)

Wall Street Journal, November 21, 2006

LETTERS

'Freedom' Is America's Truth, Sen. Webb -- 'Fairness' Is Subjective

In response to Jim Webb's Nov. 15 editorial-page essay "American Workers Have a Chance To Be Heard":

It is unfortunate, albeit not unexpected, that senator-elect Jim Webb makes the common mistake of using income inequality as a gauge of social injustice in this country. In a free market, income inequality is the inevitable result of individual productivity inequality, and of course productivity inequality exists due to variations in natural ability, industriousness, education,

risk-aversion and dumb luck. The reason income equality has grown rapidly (although hardly "infinitely," as Mr. Webb hyperbolically asserts) is that productivity inequality has grown. And the reason productivity inequality has grown is that with the advance of technology and globalization, the impact of a good idea or exceptional performance can be leveraged dozens of times more than it could be even one generation ago. J. K. Rowling, the author of the Harry Potter series, has made more than $200 million for each book she has written. Is that too much? Absolutely not, when one considers the benefits that each book brings to tens of millions of children (and adults) around the globe. But the impact of J.K. Rowling's creativity and hard work, and the income she has earned from it, would have been perhaps orders of magnitude smaller 30 years ago.

Mr. Webb misses the point that one of the pillars of a free-market economy is that people should be allowed to earn in proportion to their productivity. To use government to do otherwise would be to impede productivity everywhere. In fact, my guess is that in most of the regrettable cases in which income vastly outstrips productivity, government intervention is probably to blame. The news that the three richest counties in the United States are clustered around Washington, D.C., certainly came as no surprise to me this morning.

In any case, a much better gauge of social injustice is consumption inequality. Of what relevance is it that there is large income inequality? Or wealth inequality for that matter? It only matters to the extent that it translates into unequal consumption of the country's resources, consumption being the true gauge of one's standard of living. I have not seen studies in this area, but my guess is that we are many times less unequal in our rates of consumption than in our levels of income or wealth.

Eric Meyer

Newton, Mass.

Blah, blah, blah. When are we going to actually hear something of substance from the Democrats? You would think they would've begun outlining how to deal with the "inequalities." People will start to think that they might not know what to do next.

Michael S. Woodard

Charlotte, N.C.

Mr. Webb forgets to mention in his diatribe against top wage earners that the top 5% band of earners pay 57% of the country's total income taxes. I guess that kind of data flew out of his mind when he switched sides.

Margaret McGirr

Greenwich, Conn.

Underneath the smooth rhetoric is a frightening message: "Fairness" is emphasized, but "freedom" not at all. Beware of any politician who places fairness over freedom. What is at jeopardy, in his hands, are your life, liberty and property.

Jim Brankin

Southlake, Texas

Mr. Webb asserts that the top 1% of wage earners "takes in" (not earns, mind you) "an astounding 16% of national income." IRS statistics for 2003 show the same top 1% pays a truly "astounding" 34.3% of all income taxes. If Mr. Webb could replace DNC talking points with some thinking and historical perspective, he might contribute rational problem solving rather then tired class envy and nostalgia for Great Society nostrums that led to Jimmy Carteresque stagflation.

Jay S. Haberman

New York

Nowhere does Mr. Webb actually outline what he'll do to benefit the American worker. All he provides is a list of Democrat buzzwords and phrases -- job outsourcing, CEO compensation, Rove, wage gap, Wal-Mart, etc. I have no problem with Democrats addressing issues they perceive to be hurting the American worker, but, please -- offer solutions.

Timothy O. Corkery

South Boston

Mr. Webb is long on class envy and short on facts. Nowhere does he state what he would do to change the status quo. Senator, it is not the politics of the Karl Rove era that are distracting and dividing people -- it's you.

Joe Schroeder

Big Canoe, Ga.

Mr. Webb's rant is right in tune with the heart and soul of his new party. He sounds like Willy Stark.

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Douglass M. Holmes

Louisville, Ky.

I'm so glad Mr. Webb opened my eyes to the fact that we mindless rubes, who are concerned only with the issues of "God, guns, gays, abortion and the flag," have merely been victims of seduction by the all powerful "Oz" -- Karl Rove.

Mark Rauschenberger

Washington

The country has changed in the 40 years since Mr. Webb "graduated from college in the 1960s," but apparently he has not. Today, the percentage of home owners has increased from under 20% to about 70%; the stock-owning investor class has increased from less than 10% to about 60%. The "top tier" that "has grown richer" has itself increased (as a definition of upper middle class and above) exponentially. All of this is under a program of steady decrease in taxation and regulation.

Lenny Toboroff

New York

If so many jobs are disappearing, as Mr. Webb would have us believe, why is unemployment at a historical low?

Patrick Duffy

Haddon Township, N.J.

Mr. Webb says "manufacturing jobs are disappearing." True. Contrary to his suggestion, though, this fact is unrelated to recent trends in globalization, corporate governance or tax policy. Manufacturing jobs as a percentage of the U.S. work force peaked in 1945 and have declined steadily ever since, even though manufacturing output continues to rise. Today this output is at an all-time high.

Donald J. Boudreaux

Chairman

Department of Economics

George Mason University

Fairfax, Va.

Mr. Webb's discussion of class structure implies that we are locked into a class and cannot escape, something that is simply not true in America. We can all move through various economic situations quite fluidly without any restrictions due to birth. Mr. Webb himself is a fine example: From his days working part time in college to becoming a best selling author to a senator, he has moved dramatically between various "classes" of earnings. Opportunity in America is distinctly classless.

Richard Noble

Eagle, Ind.

Jim Webb expresses a profoundly shocking un-American idea: From each according to his ability, to each according to his need. Our founding principle of individual rights recognizes the sovereignty of the individual in his thoughts and actions and the government as the protector of the individual's life, liberty, property and pursuit of his own individual happiness. The values he creates by his own efforts are his to dispose of as he chooses, not the property of the family, the tribe, or the state. There is no national income.

Ralph C. Whaley, M.D.

Barron, Wis.

Great Plains Drought Is a National Disaster

Your Nov. 15 editorial "Fargonomics" misrepresents the facts on agriculture disaster assistance. My bipartisan legislation would bring badly needed federal aid to the thousands of farm and ranch families whose livelihoods were destroyed by natural disasters including drought, flood, frost and disease.

This country has always responded to disasters, whether hurricanes, wildfires or drought. To represent the deepening drought of the Great Plains as anything but a national disaster is an affront to every farm family in the Midwest. This is the third worst drought in U.S. history, searing millions of acres of crops and livestock forage, and driving producers and the small town businesses that rely on them to the brink of foreclosure. If we do not respond, the drought will be followed by economic disaster across the plains.

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You misrepresent the role of crop insurance. Yes, crop insurance is an important risk management tool for farmers and ranchers. But when those losses stack up year to year, as has happened as the drought conditions have worsened year after year, crop insurance loses its effectiveness -- the amount of crop loss covered goes down, while premiums go up. Crop insurance was never designed to cover repeated losses. Crop insurance isn't covering basic farm expenses, and the natural disasters depleting our farms and ranches are breaking the backbone of the Midwest economy.

Sen. Kent Conrad (D., N.D.)

Washington

Suffering in Africa Makes Us See (RED)

Your Nov. 10 editorial "Shopping for the Poor" (Taste page, Weekend Journal) made an astute observation: "Good charity" theory includes (in its DNA) the concept of sacrifice. You suggest that (Product) RED, our venture, is playing a part in questioning the hair shirt thinking. That was great. But alas, you then committed several interpretive misdeeds.

First, you say "too bad" that many (Product) RED items are not made in Africa. Give us a chance! We've been in business in the U.S. only five weeks. But within these weeks, we now have what we never had during our two years developing this project: objective proof that (RED) branded products produce a measured commercial advantage. Because we did not have that proof during development, could you really have expected us to persuade giant multinationals to source 100% of the (RED) products in Africa? That said, it is great that Gap has been producing there for years and that Motorola was able to purchase packaging materials in Lesotho.

Now that Gap has proved our theory, you will see many more products manufactured on the continent, not because we proselytized but because companies have seen the commercial advantage in doing so.

Second, you assert that because the Geneva-based Global Fund supports "a range of heath-related projects," our manifesto's assertion that (RED) money will not purchase AIDS medicines is incorrect. I am thrilled to confirm that the fund has accepted that money made by (RED) and will be used only for purchase and delivery of medicines to those suffering from HIV in Africa, with particular emphasis on women and children.

Third, you suggest that our energy might be better spent on promoting trade with poor nations. Because we have a lot of energy, we have made this exact idea part of our work at DATA, a public education/lobbying organization Bono and I co-founded in 2000. In fact, DATA is an acronym for "Debt Aids Trade for Africa" in return for "Democracy, Accountability and Transparency for Africa." Along with many others, we have supported new trade initiatives, including the Millennium Challenge Corp., change to customs regulations and AGOA, the African Growth and Opportunity Act, which allows tremendous new investment and trade between the U.S. and Africa. Our sister entity, one.org, works on trade issues in a grassroots manner.

We created (RED) to bring the marketing brilliance and the budgets of the private sector to bear on the greatest human health-care crisis in history. To make this happen, we needed a device, a brand that would enable the bravest and smartest companies to invest and to make money on that investment. (RED) is that brand.

Gap's campaign has proved our idea not only by its genius advertising and products, but by that fact that all Gap employees have been trained to explain this crisis to customers. In malls across America, young Americans are explaining AIDS to their customers and selling them T-shirts made in Lesotho and denim made in America from African cotton. As success builds on itself, more products will be sourced in Africa.

In addition, Motorola has launched its (Product) RED phones with Sprint and US Cellular -- wait until sales people in Sprint stores are telling stories about the positive effects of America's medicines and the opportunities for investment in Africa. Wow.

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Because of the large volume of mail, all letters are subject to abridgment and those unpublished can be neither acknowledged nor returned.

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Navajos' Desert Cleanup No More Than A Mirage (LAT)

By Judy Pasternak, Times Staff Writer

The Los Angeles Times, November 21, 2006

Through a federal program, decontamination seemed possible. But delays and disputes thwarted the effort.

Church Rock Mine, N.M. — Most of the mining companies that drilled, dug and blasted for uranium on the Navajo reservation during the Cold War did nothing to repair the environmental damage they left behind. For a time, tribal leaders staked their hopes for a cleanup on Superfund, the landmark legislation that forces polluters to pay for remediation of toxic sites.

More than 1,000 abandoned mines are scattered across the Navajo homeland, which covers 27,000 square miles in Arizona, Utah and New Mexico.

Such a comprehensive cleanup is "exactly what Superfund was designed for," said Paul Connor, a lawyer who once directed Superfund enforcement policy for the Environmental Protection Agency.

It hasn't happened. Bureaucratic delays and misunderstandings between the tribe and the EPA have prevented the Navajos from tapping Superfund's deep pockets and broad legal authority.

Instead, the tribe reluctantly settled for a partial cleanup under a separate program. That effort left many hazards untouched.

One of them is in Church Rock Mine, a Navajo community named for an abandoned uranium site. A 30-foot-high heap of grit and dynamited stone from the mine looms over a cluster of 15 homes. The wind roars for hours at a time, scattering radioactive dust throughout the settlement.

For years, residents appealed to tribal leaders and the U.S. government for help. In 2003, tired of waiting, they joined forces with Navajo activists who were using a foundation grant to conduct radiation testing.

In a dry wash where generations of children had played catch and tag, they discovered elevated radiation levels.

As word spread of the citizen effort, authorities stirred at last. Under pressure from the tribe, the EPA opened negotiations with the mine's operator, United Nuclear Corp., and its parent, General Electric Co., to clean up the mess.

If the companies eventually foot the bill, it would mark the first time a polluter has been held to account under Superfund for contaminating the reservation.

But like the Church Rock families, members of other Navajo communities are done waiting for the government to act. They have reached out to environmental groups or university scientists, hoping to fashion their own solutions.

"The Navajos need a champion," said Glynn R. Alsup, a retired Army Corps of Engineers official who served as a liaison to the Navajos. "The EPA and the tribe should be knocking on doors in Congress every year if they need money. I don't see that happening."

*

Thwarted efforts

The Navajos allowed intensive uranium mining by private companies starting in the 1940s. The lone buyer of the uranium was the federal government. The nuclear arms race with the Soviet Union was just beginning, and U.S. officials were desperate for material to make atomic bombs.

In contracts typed on onion-skin paper, the companies promised to leave the land "in as good condition as received." The federal Bureau of Indian Affairs approved all leases and was supposed to enforce their terms.

When demand for uranium eased in the late 1950s, mines and processing mills began to close. The operators often left behind open tunnels and shafts and piles of radioactive tailings. Rarely did they fence off the sites or post warning signs. Federal inspectors knew of the hazards but seldom intervened.

Decades passed. As former miners were dying of lung cancer and respiratory disease in the 1970s, their widows started to wonder whether they and their children were endangered by the detritus of the uranium boom.

In 1982, the tribal government demanded $6.7 million from a federal claims court to seal and clean about 300 mines. The tribe argued that federal inspectors had failed to enforce safety standards in order to keep down the price of bomb material.

A judge rejected the claim in 1985, calling the allegations "entirely speculative."

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Next, tribal officials considered suing the mining companies. But a legal consultant advised that victory was unlikely because the firms had operated and departed with government approval.

The only other parties possibly liable were tribal members who had staked mineral claims and leased them to outside companies. But few of those Navajos made much money.

Running short of options, the tribe pinned its hopes on Superfund.

*

Superfund criteria

The 1980 law gave the EPA power to identify the worst toxic-waste sites and force polluters to pay for cleanup, health studies, clinics, maintenance and monitoring. If no polluters could be found, EPA could pay for the cleanup from its $1.6-billion trust.

To get a site on Superfund's priority list, the tribe had to document the pollution. So staff members of the Navajo environmental commission, established in 1972, went from mine to mine, assessing contamination levels.

As they drove near New Mexico's Haystack Butte in 1990, their radiation detector began beeping. They determined that the radiation was coming from two mining complexes just outside the reservation. More than 50 Navajos lived within half a mile. Inspectors from the federal Centers for Disease Control and Prevention declared a health emergency.

Determining who was responsible for the contamination proved arduous. Most of the mine operators had vanished. The Department of Energy paid to clean a part of the site once leased by the Atomic Energy Commission. Another portion was owned by the Atchison, Topeka & Santa Fe Railway. A subsidiary had mined there, and the railroad agreed to pay for cleanup.

The EPA did not pursue any other companies and ultimately paid for the balance of the cleanup — $500,000. The work was finished in 1992.

Sadie Hoskie, then the Navajo environmental administrator, figured there had to be another way. Restoring the reservation one mine at a time would take too long.

"We were concerned about the health impacts on the people," recalled Hoskie, who was working for the Navajos while on leave from a position at the EPA. "Their daily lives were not as safe as they believed."

In 1993, Hoskie went to Washington to complain. She told members of two House subcommittees that the Navajos wanted "speedy, thorough and permanent remediation of all sites."

Of 42 abandoned mines investigated by her staff, 28 were hazardous under Superfund criteria. But none had made it onto the national priority list — a sought-after status that all but assured the EPA would put its money and muscle behind a cleanup.

The reservation's low population density worked against the Navajos in the Superfund ranking system. The process "has proven a failure and must be changed," Hoskie said.

Rep. George Miller (D-Martinez) criticized the "piecemeal and uncoordinated approach" that "fails to eliminate the radiation health hazard."

Bill Richardson, then a Democratic congressman from New Mexico and now the state's governor, said the work at Haystack Butte was "all well and good, but "there must be a final and complete way to address the problems of cleanup."

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Disagreements

To Hoskie, King Tutt Mesa illustrated the need for a comprehensive approach.

The rock tabletop in the reservation's northeast section was once the domain of a Navajo couple named King and Despah Tutt.

From 1953 to 1958, the Tutts leased a parcel known as King Tutt No. 1 to a succession of operators, the largest of which was Vanadium Corp. of America.

In 1989, Navajo inspectors visited the abandoned site and found huge mounds of dust and ore rich in uranium and other heavy metals — vanadium, selenium and arsenic. They also found products of uranium's decay — radium, radon gas, thorium and lead.

About 200 mines had been bored into the mesa. Hoskie suggested lumping them into one Superfund application. She believed that "the sheer number of sites" would make the application hard to reject.

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After hearing her House testimony, EPA officials said they would consider the proposal.

In January 1994, tribal and federal officials gathered in Albuquerque to devise a plan for the mesa. But they quickly got bogged down. They couldn't even agree on the minutes of the meeting.

The Navajos thought the government had committed to pursuing "responsible parties" early in the process and listed this as an "action item" in their summary of the discussion.

After getting a copy, the EPA wrote back: "Please delete as an action item…. USEPA did not agree."

In 1996, federal officials finally concluded that King Tutt Mesa did meet criteria for a Superfund cleanup.

But because there were only 19 homes within three miles, its chances of making the national priority list were uncertain, said Andrew Bain, a regional EPA manager.

There was one sure way to make the cut. The Navajo president, like any state governor, could designate a single site for the national list. If the president wrote a letter, King Tutt Mesa could be the one.

But by then, the EPA was urging the tribe to consider a different path.

*

Another approach

Long before the uranium boom, miners had been digging for coal in Navajo country. Hundreds of spent coal mines dotted the reservation, and by the 1990s the tribe was filling and sealing them.

The work was paid for with fees collected from coal mining companies across the country and distributed by the Interior Department. The EPA began pushing the Navajos to use this coal money to seal the uranium mines, too.

Hoskie much preferred Superfund. The coal program wasn't designed to deal with the complicated issues surrounding the uranium sites.

Superfund gave the EPA the power to clean polluted groundwater that had spread beyond a mining site. The coal program couldn't pay for that.

Superfund could remove and replace homes built with radioactive waste, a pervasive problem on the reservation. The coal program couldn't pay for that, either.

Superfund could go after mining companies to pay for cleanups. The coal program couldn't.

But the coal-fee money had one big advantage: It was readily available.

As for Superfund, even if the tribe put King Tutt Mesa on the national priority list, EPA's pursuit of the polluters could get tied up in court for years. The hundreds of other Superfund candidates on the reservation faced even longer delays, if they made the list at all.

In May 1994, the Navajos finished sealing entrances to the reservation's coal mines. The Interior Department certified that the tribe could start using coal money to fill uranium mines.

In the Navajo capital of Window Rock, Ariz., the time had come to make a choice.

Navajo Abandoned Mine Lands, the tribal unit that sealed old mines, was ready to start work on King Tutt "right then and there," recalled Stanley Edison, a chemist for the Navajo environmental agency.

"We'd been waiting, and the residents had been waiting," he said.

A partial cleanup trumped none at all, Navajo officials decided.

*

Starting over

Over the next decade, the tribe's workers sealed about 900 uranium mines, at a cost of more than $25 million. The achievement was substantial: Most of the old pits and shafts no longer presented a temptation to people and animals seeking shelter and water.

But Madeline Roanhorse, head of the Abandoned Mine Lands department, noted at a 2004 meeting in Washington that her staff was charged with fixing "physical hazards, not subsurface contamination."

Another problem is that erosion keeps undoing the tribe's work. In the desert, drought and wind continually strip the earthen covers off the mines and waste piles, exposing radioactive material. The tribe's maintenance workers have trouble keeping up

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with this wearing-away. The task will become harder if Congress approves a proposal to shift more coal-fee money to eastern states.

King Tutt Mesa reflects the limitations of the coal-fee program. Tribal workers have sealed the many shafts and tunnels, but polluted groundwater remains, and condemned homes, built with radioactive waste, still stand nearby.

So the effort to get the site listed for Superfund action is starting over.

On hearing this, Hoskie, now back in the Denver office of the EPA, sighed loudly. "Oh, my goodness," she said. "I don't think that the [coal-fee] reclamation is enough…. It's so bureaucratic. Why can't we rise above it?"

In 1999, Phelps Dodge Corp. swallowed the vestiges of Vanadium Corp. of America. Phelps Dodge is currently spending millions of dollars to clean up 10 former Vanadium Corp. uranium sites in remote canyons in Colorado and Utah. The company acted at the urging of the U. S. Bureau of Land Management and the Forest Service, which were concerned about the safety of hikers and campers.

Whenever Phelps Dodge is informed of such health hazards, "we will of course take responsible action," company spokesman Kenneth Vaughn said.

Asked why the firm was not cleaning King Tutt Mesa or other Vanadium Corp. sites on the Navajo reservation, Vaughn said there was a simple explanation:

"No one asked."

*

Turning elsewhere

In 1998, the EPA finally began to test for radiation and water contamination throughout the reservation. Navajo leaders saw reason to hope for the thorough cleanup that had eluded them for so long. But the sampling effort ended prematurely after an argument between tribal and U.S. officials over control of information.

The Navajos demanded that the federal crew pack up and leave. The sampling never resumed.

Ordinary Navajos resolved to turn elsewhere for help.

Milton Yazzie had been trying for seven years to get the tribe or EPA to test springs and reservoirs in Black Falls, Ariz. He suspected that cancers, kidney disease and eye problems among his family and neighbors were connected to the uranium mines. Yazzie drove an hour or more to Flagstaff, Ariz., several times a week to fill barrels with drinking water for his family.

In 2002, he persuaded EPA officials to hold a meeting at his parents' home to talk about uranium hazards. A year later, the agency honored him as an "environmental hero." He drove to San Francisco to receive a plaque.

"Despite approaching numerous agencies, the area remains without clean, regulated water," an EPA news release said.

Yet six months later, the EPA denied an application from the U.S. Indian Health Service for a grant to bring clean water to Black Falls. The project was "ineligible," EPA officials said, because there was no evidence that the locals were drinking polluted water.

At wit's end, Yazzie asked researchers at Northern Arizona University to help. He guided chemistry professor Jani Ingram to six springs, wells and reservoirs. Tests of the water found dangerous concentrations of uranium and arsenic.

The Indian Health Service went back to the EPA. Eventually, the agency provided $830,000 for a pipeline to Black Falls Bible Church, where water will be sold to residents. The pipeline is expected to be finished in 2008.

But Yazzie, 49, said he would always wonder whether tainted water caused the kidney cancer that took his sister's life last year. She was 59.

When a tribal official e-mailed condolences, Yazzie typed a choppy reply: "There isn't a day that goes by thinking, what if I had done things differently, something would have been accomplished."

In the hamlet of Red Valley, Ariz., residents fear that pollution from uranium mines will spoil their plans for a new ball field, senior center, high school and other development. The planning committee contacted Franz Geiger, a chemist at Northwestern University, who sampled six wells in June 2004 and found uranium and arsenic. The concentrations were particularly high in a well serving 200 students at Red Rock Day School.

Back on campus, Geiger and a student researcher experimented with filters they hoped would remove the contaminants. The filters took out uranium, but not arsenic.

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"It's at best a temporary solution," Geiger said, "but it's something."

*

A big gray heap

Before United Nuclear Corp. began mining there in 1968, the valley where the big waste pile now stands was called Red Water, for the color of the local pond after a heavy rain. But residents soon adopted the name of their noisy new neighbor, Church Rock Mine.

Before long, they got used to the rumble of pickup trucks dropping low-grade ore off a ridge. In time, the waste pile reached the top of the cliff and stretched along its breadth.

Teddy Nez, his wife and their children lived about 500 feet from the heap. When United Nuclear closed the mine in 1982, Nez assumed the company would haul away the waste. He was wrong. He watched with concern as sheep, goats and cattle climbed up the pile and onto the ridge and as people searched the property for sacred herbs for healing ceremonies.

Through the 1980s, Nez, his wife Bertha and her cousin lobbied Navajo leaders to complain to the EPA.

Diane Malone, the tribe's liaison to the Superfund program, said she didn't learn about the waste pile until the mid-'90s, and then by chance. She was invited on a tour of United Nuclear's nearby processing mill, just off the reservation, which was being cleaned under Superfund.

Malone glimpsed the gray heap on the Navajo side of the border. On future visits to the mill site, she'd ask company and EPA officials: "Why is that pile still sitting there?"

"Nobody really took it seriously," she said.

Through fellow Navajos, Church Rock residents made contact with Chris Shuey, who studies uranium issues for the Southwest Research and Information Center in Albuquerque. With Shuey's help, Navajo activists had obtained a $90,000 grant to conduct radiation testing. Church Rock Mine was added to the project.

On learning of the grass-roots effort, the EPA provided technicians and a van with radiation-scanning equipment. The tribe donated detectors and training.

Malone joined the Navajos who walked through the residential community near the waste pile in October 2003, halting every few steps to take readings at waist and ground level. The morning was cold and blustery and the readings confirmed that the sand stinging their faces was radioactive.

"We just wanted to get out of there," she said.

The EPA concluded that chronic exposure to the radiation levels in the valley could lead to bone, liver and breast cancers.

In September, after negotiations with the agency, United Nuclear agreed to investigate the extent of the contamination. Then the two sides will discuss what further steps to take.

The network of families in the valley includes 96 grandchildren. The grown-ups want them to be able to stay and raise families of their own.

"We would like for them to build houses here that are safe," said Teddy Nez. "That's our goal."

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Times researcher Mark Madden contributed to this report.*

FBI/DEA/ATF/USMS:

Senators To FBI: Get A VCF Refund (GCN)

By Wilson P. Dizard III

Government Computer News, November 21, 2006

Proposal would pit bureau against SAIC over failure

The Senate's draft of the appropriations bill for the Justice Department and the FBI would order the bureau to use "all means necessary" to try to recover funds from the vendor of its failed Virtual Case File project.

In an unusual action, according to several sources, the draft legislation—known as HR 5672, the Departments of Commerce and Justice, Science and Related Agencies appropriations bill—directs the bureau to retrieve as much as $104 million from the defaulted VCF contract.

The FBI hired Science Applications International Corp. of San Diego in 2001 to build VCF, which was intended to create an investigative case management system. The FBI pulled the plug in 2005 after realizing the system would not work.

A key sentence in the Senate report language for HR 5672 reads: "In addition, the Committee expects the FBI to use all means necessary, including legal action, to recover all erroneous charges from the VCF contractor ... ."

The Senate's reference to "the VCF contractor" especially singles out SAIC.

The FBI and SAIC both declined to comment on the legislation and related VCF matters.

If the FBI could recover funds, the bill would direct the bureau to use the money it would potentially recover from the VCF contractors on its current case management project, known as Sentinel.

The House version of the bill does not include a similar provision—meaning if the full Senate passes the bill with the language intact, it still could be stripped out during the conference committee session between the two bodies.

If the FBI were to try to take legal action to recover the VCF funds, it would be stepping into a legal and political minefield, sources close to the project said.

For one thing, even after the FBI had decided to scuttle the investigative case management system, SAIC recommended that the bureau should deploy VCF and made detailed technical proposals on how it could be salvaged.

Another critical problem is that the bureau has accepted some responsibility for the demise of the VCF project [GCN.com, Quickfind 714]. Sources close to the project said that some of the senior officials in place during the VCF fiasco—including director Robert Mueller—still hold powerful jobs in the bureau, and their reputations could suffer if a public lawsuit or civil trial unveiled the details of their roles.

The Senate Appropriations Committee itself acknowledged the bureau's role in bungling VCF, in report language attached to HR 5672: "The Committee understands that the FBI shares much of the burden for past IT failures."

One federal official involved in the VCF incident noted that federal contract law requires an agency that has cancelled a project because of contractor default to attempt to recover the funds from the contractor. "The FBI did not carry out that obligation because it never punishes its own," the official said.

"The real issue is why didn't they [seek to get the money back from SAIC]," the official said. "The world's greatest investigative body slowed this down. The answer is culpability of the FBI officials who are still there. Mueller says he takes the responsibility. I still think there is accountability and culpability."

A prominent federal procurement law attorney noted, "In general, when it terminates for default, the government has the same rights as a private party would in the event of a breach of contract [to recover misused funds].

"However, what the government usually does is to assess 'excess reprocurement costs,' " the attorney said. "In other words, it buys the same thing from someone else, and if it costs more, it charges the difference to the defaulted contractor."

The procurement attorney cautioned that he had not studied the specific details of the FBI's pact with SAIC, so he could not comment on how the general principles of federal contract law would apply to that specific matter.

The FBI and SAIC both declined to comment on the legislation and related VCF matters.

Legislative analysts said the VCF fund recovery language was inserted at the behest of Sen. Judd Gregg (R-N.H.), who is the second most senior Republican member of the Appropriations Subcommittee on Commerce, Justice and Science. Gregg's office did not respond to a detailed inquiry on the matter.

The full name of HR 5672 is the Departments of Commerce and Justice, Science and Related Agencies Appropriations Bill, [fiscal] 2007.

In addition to requiring the FBI to get back the money it paid to SAIC, the bill imposed other restrictions on the bureau that reflected the committee's skepticism that the agency is capable of managing large software projects.

DrugNet, Chapter 3: The PowerPoint (PHI)

By John Shiffman

DOJ_NMG_0096718

The Philadelphia Inquirer, November 21, 2006

THE STORY SO FAR: Pills discovered at Philly's airport launch DEA's first global Internet pharmacy case, leading agents to a rendezvous with a mysterious shipper and a clue from overseas. Today's installment begins as Akhil Bansal, smuggling a half-million pills a month here from India, prepares for the biggest business meeting of his young life. It is July 2004.

ROXBOROUGH

"A red tie?"

Akhil Bansal scoffed. So far, he had accepted most of his roommate Atul Patil's advice for the big meeting: Put together a compelling PowerPoint presentation. Lean forward when you speak. Exaggerate your expenses, and expect the buyer to do the same. Above all, don't budge on price.

But the color of a tie? What difference could it make?

"It is a business tie - red means power," explained Patil, also an MBA student at Temple University. "You want them to take you seriously."

Akhil knotted the tie. The Manhattan meeting his father, Brij Bansal, had set up from India was too important to ignore any detail. A Costa Rican client sought an exclusive deal to buy 500,000 generic pills a month. Millions of dollars were at stake.

Akhil stepped from his apartment near Fairmount Park in Philadelphia and into the humid day. The laptop he carried contained a PowerPoint presentation of which he was very proud - one that months later would come back to haunt him.

He revved his Chevy TrailBlazer and sped toward Manhattan.

CHINATOWN

Like most law enforcement agencies in Philadelphia, DEA liked to keep cases in the family.

When other agencies got involved, DEA worried about losing control. Or sharing the credit - what feds called "the stat" - or sharing cash, cars and property seized in the arrests.

Carlos Aquino understood this.

He also understood that this case was different. DEA had never conducted an Internet pharmacy case on such a scale. It needed help.

What Carlos initially viewed as a quick-hit investigation had morphed into something much bigger, perhaps the case of his career.

Four months earlier, Carlos traced 119 packages of generic Valium and Viagra to a Chester shipper and two Indian graduate students. The shipper was an ex-con. The Indians looked like small-timers, couriers maybe.

The identity of the real targets - the Internet pharmacy kingpins - wasn't clear yet. But already a clue found at the shipper's storefront had led to something called Rx-mart.com, and from there to an Australian pharmacy with global tentacles.

So far, DEA had identified suspect Web pharmacies in Australia, India, Germany, New York, Virginia and Philadelphia. The pharmacies bought generic drugs for pennies a pill, then sold them online, without requiring a prescription, for a dollar apiece.

In a report Carlos shared with Homeland Security, he wrote: "Early investigative findings indicate... sales of $108 million annually... . This organization generates enough revenue per year to purchase a virtually unlimited supply of drugs."

In short, a public-health nightmare - people, even teens, buying highly addictive pills online, generics made cheap overseas, from who knows where.

Carlos approached DEA supervisor Jeff Breeden to begin putting together a team with other agencies. At a minimum, they would need people to trace Web sites, track bank accounts, run surveillance, supervise wiretaps, and trace passport and customs data.

Carlos sat in his DEA cubicle on Eighth Street, looked at the ferns, the Puerto Rican flag, and his Emiliano Zapata poster, and tried to think of a sexy title for the investigation, something to remind everyone who was top dog.

Carlos called it "Carlito's Way."

N.J. TURNPIKE

Akhil drove as fast as he dared, rolling through toll plazas with E-ZPass, toward Jersey's congested north and Manhattan.

He loved driving, just as he loved computers and business.

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He missed India's hectic traffic with its Darwinian rules. For a young man who hated video games - they wasted valuable computer memory - driving was the ultimate reality game.

At home, he'd snake through Agra's clogged, 16th-century roads, then break onto the highways that split farmland between Agra and Delhi, or roar east to the Himalayas and Nepal. He'd push his Korean sedan to 80 m.p.h., crank up the air, and blast his 12-CD stereo, the woofer thumping Phil Collins or a Hindi cover of "Pretty Woman."

Using the horn more than the brake, like any good Indian driver, Akhil would lean low, bouncing from lane to lane, zooming past cows, chickens, scrawny dogs, motorized rickshaws, camels carting rice, semis hauling flammable fuels, pickups stacked with wind-whipped riders. He'd fly by grimy green buses jammed with lesser castes, by women ferrying jugs on their heads, by motorbikes balancing families of four.

The sight of the Manhattan skyline with its steel canyons jolted Akhil back to the task at hand.

He did his best to act cool, but he was glad his roommate had come along. Patil was 30, five years older than Akhil, though his receding hairline made him appear older than that. Patil read books on the art of negotiation. Patil knew what he was doing.

They were on their way to meet Corrina Meherer, an executive for Interphar, a Costa Rican-based Internet pharmacy that also operated strip clubs. Interphar, looking to expand its business with the Bansals, had sent Meherer to New York to eyeball Akhil and his operation.

Akhil viewed the meeting as a different kind of test. He had built his father's U.S. business into an efficient, assembly-line operation, largely by phone and e-mail. But now he was headed for his first face-to-face business negotiation.

Could he close the deal? Or was he some young poseur playing businessman in a fantasy league?

WASHINGTON

DEA Administrator Karen Tandy had just settled into her seat at a U.S. Senate hearing, her prepared text next to the microphone, when the chairman began to rant.

"We are drowning in a flood of imported drugs of unknown composition and origin as well as potentially lethal controlled substances," Sen. Norm Coleman said. Unknown quantities of untested imported drugs too easily slip through customs, he said, mostly through regular cargo to JFK Airport.

"The federal government has been on notice about this issue for at least five years," the Minnesota Republican complained. "Many of the initiatives that we will hear about today sound eerily familiar. I am concerned by the apparent lack of progress in getting our arms around this glaring problem."

Tandy didn't disagree. "The attorney general and I have made it a priority," she said.

CHINATOWN

By midsummer, Carlos and Breeden had finished assembling a team for Operation Carlito's Way:

DEA agent Eric Russ - age 36, a no-nonsense former Marine who had worked hard-core pot, cocaine and heroin jobs, but never a pill case. No Internet jock, he still used AOL dial-up at home. His assignment: With Carlos, supervise the case.

IRS agent Aaron Carp - age 25, eager, hungry for something significant. His assignment: Trace bank records.

FBI agent Jason Huff - age 30, a buttoned-down software engineer recently transferred from the antiterror squad. His assignment: Trace the Web addresses of pharmacies and make undercover online purchases.

Immigration Customs Enforcement agent Andrew McCrossan - age 55, paternal, a customs inspector for 23 years. His assignment: Search passport, travel and global financial databases and determine how pills are smuggled past Customs.

Lower Merion Police Officer Christine Konieczny - age 35, quick-witted, a natural leader, one of a dozen suburban Philadelphia officers on loan to DEA since 2001. Her assignment: Supervise surveillance of the Indian suspects.

At Carlos' request, Konieczny took Carp and Huff on an early undercover job. When the young crewcut agents showed up, veteran cops on the detail cringed.

The baby-faced FBI man wore a suit, making him look a lot like... an FBI agent. And the IRS kid? He sported a Hawaiian shirt and shades, like something off the set of Magnum, P.I.

Konieczny laughed.

FORT LAUDERDALE, FLA.

Vic Devore, who ran bigcitymeds.com, studied the spam e-mail:

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The medicine are the best quality available in India. We have made arrangements to ship within five to six days, in any part of USA, without any Customs problem. If you are interested...

Devore, 25, had chiseled cheekbones, white teeth, dark hair, and all-American aspirations to become a celebrity and a millionaire. He appeared well on his way, too. Devore gave traffic reports on South Florida radio and operated Web sites; some of them sold Zippo lighters, some sold generic Valium, Viagra, Darvon and Xanax.

Devore excelled at Web design, but had no medical training, not even a college degree. He didn't read the medical histories customers sometimes sent him. He didn't understand the legal disclaimers he posted. It was just marketing, words to make it all look legit.

Devore thought about the Indian's e-mail. This guy, Dr. Brij Bansal, was saying he could ship from inside the United States, which meant fewer packages seized by Customs, which meant more money.

From a Google search, Devore knew this was all illegal. Whatever. He e-mailed Bansal back.

MANHATTAN

At a hotel near Times Square, Akhil met Meherer - 34, slender, in jeans and a T-shirt.

Akhil shook hands, feeling silly in his suit. He shot Patil a screw-you stare: Red tie, eh?

Akhil opened his laptop. Time to wow her.

Akhil titled his PowerPoint presentation Evolution because it outlined the development of his pill distribution network.

Evolution had four chapters. The first three - "Stone Age," "Bronze Age" and "Iron Age" - recounted Akhil's struggle to ship pills by himself and later to use a private shipper. Results had been mixed.

Meherer listened.

Gaining confidence, Akhil moved to the final chapter, "Revolution." His was a professional operation! Pills were now shipped in bulk from India to a home in Queens. Each morning, women working there downloaded customer orders and fulfilled them via UPS. With the new system, consumers got their drugs in 48 hours.

From the last slide, Akhil read aloud questions for discussion: "Can we process more orders? Can it be done with the same efficiency? How long can we keep this going? What if anything bad happens?"

He showed her clip art of Donald Duck and dollar bills. It seemed to say: Can you believe how much we're going to make?

Meherer laughed. Akhil did, too.

PLYMOUTH MEETING, PA.

Carlos wanted to meet a customer. What kind of person ordered pills online?

Of the 119 packages seized at the airport in February, a dozen had been destined for local addresses. That gave Carlos a list of leads.

As he headed out for his first visit, background data in hand, Carlos grabbed Huff, his new FBI colleague. They headed west on the Schuylkill Expressway, past Boathouse Row, past Roxborough.

Laura, an attractive woman in her mid-20s, answered the door of a luxury townhouse. Agents knew that she and her husband had no children, and that she held a six-figure sales job with, ironically, a pharmaceutical company. She looked nervous.

Carlos tried to put her at ease. "You're not in any type of trouble. We just want to talk to you about the Ambien."

Carlos saw her hands quiver as she invited them in. They sat on overstuffed couches, near a giant flat-screen TV. Everything looked new, clean. Too perfect, Carlos thought.

The woman spoke freely, almost eager to confess her secret: It all started with insomnia two years ago, for which her doctor prescribed the proper dosage - one pill a night. When the refills ended, and her doctor refused to renew the prescription, she decided she couldn't sleep without the drug. So she got online, Googled "Ambien," found a site, and bought 100 tabs with her credit card. Days later, the pills arrived.

Carlos: "How many pills a night do you take now?"

"Ten."

Ten? The agents tried not to flinch. Two years hooked on Ambien, at possibly lethal doses.

Carlos stepped gingerly. "Have you ordered any lately?"

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The woman walked to a closet, where she hid her stash from her husband. She handed Carlos an envelope.

He spilled the pills across a coffee table and began to count.

QUEENS, N.Y.

Akhil felt pumped.

The meeting with Meherer had gone so well that the next day he took her to the Queens depot to show her how sophisticated his operation really was.

There was his fulfillment center, a clean, brick rowhouse secured by bars on the windows. He'd called ahead to send the workers home. Coffee and snacks were waiting.

Inside, Akhil gave Meherer and her Asian assistant the full tour:

Here, on the ground floor, was the office where supervisors David and Elizabeth Armstrong received e-mail orders from online pharmacies.

Here, on the second floor, the Indian women grabbed blister packs of pills from cubbyholes, each labeled with the names of the appropriate medicine.

And here, in the basement, the women packed the pills into boxes and labeled them.

Then, Akhil explained, the Armstrongs drove the packages to their nearby home, where UPS made a pickup daily.

As they moved through the tour, Patil could sense Meherer's assistant grow uneasy.

The volume. The audacity. The risk.

Patil overheard the assistant whisper to Meherer: "My God, this guy is crazy! I want to get out."

What if the police found out? What if they seized the pills? What was the plan?

Stealing a line from Akhil's PowerPoint presentation, the assistant said, "What if something bad happens?"

QUEENS

A crisp October evening three months later. Rush hour.

A silver Olds Alero parked half a block from the Armstrong home. In the front seat, two blond women in their mid-30s chatted. Stuffed animals lined the rear window, above two child-booster seats. A couple of neighborhood moms.

Out of sight, the driver cradled a police radio, the passenger a tiny video camera.

Weeks of grueling surveillance had brought the driver, Konieczny, and her DEA team here. The 10-person detail had spent days camped near the Indian students' spartan Roxborough apartment. The agents hadn't seen much, just trips to the grocery store and the bank.

And when this Akhil ventured out? The way he drove! So fast, so crazy. And tough to tail.

Besides, how important were these Indians, anyway? Were they stars of a global conspiracy? Or bit players?

Either way, they were now essential to the case. Even if they didn't lead the DEA to a big boss behind the Internet pharmacies, they gave the feds in Philadelphia jurisdiction. Without a local defendant in the case, the office couldn't prosecute.

In August, the DEA team had followed the Indians to another Queens home. In September, agents there photographed the Armstrongs stuffing packages into a 1999 Lincoln Continental with MOTOR vanity plates.

Now, as dusk fell, the MOTOR car arrived at the Armstrongs' driveway. The cops watched them unload large, see-through plastic bags, each with about 20 packages inside.

Paydirt.

At 7:03 p.m., a UPS truck pulled up.

"You getting this?" Konieczny asked her partner holding the camera, Christine Kelliher.

"Yeah," Kelliher shot back. "I remembered to push record."

With the videotape rolling, Konieczny narrated, "The front door opened, and the driver is starting to load the bags. One, two... I'll count them. Three, four, five. God. Six, seven, eight, nine, 10, 11..."

The bags were so light that the Armstrongs carried a big one in each hand.

"Unbelievable! She's got 12. That's 13. 14, 15, 16, 17, 18, 19, 20, 21, 22. Oh, my!"

The packages kept coming.

"... 23, 24, 25, 26..."

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The agents started laughing.

"... 27, 28. Oh, my gosh, 29, 30! I think they're done. 30 bags!"

They did the math: 30 bags, each with 20 smaller packages inside. That meant UPS had loaded about 600 packages. The average online pharmacy order was 100 tabs.

The Indians had just shipped roughly 60,000 pills illegally.

"Unbelievable," Kelliher said.

Another UPS truck appeared.

"I wonder," Konieczny suggested, "if they didn't have enough room in the first one."

Texas Man Pleads Guilty To Pot Charges (AP)

AP, November 20, 2006

LOUISVILLE, Ky. - A Texas man pleaded guilty Monday to conspiracy to distribute marijuana after he was caught driving a semi-trailer truck loaded with about 1,700 pounds of pot hidden among broccoli, authorities said.

Erasmo Castillo, 27, of Starr County, Texas, pleaded guilty to one count of conspiracy to distribute marijuana and one count of possession of marijuana with intent to distribute, said U.S. Attorney David L. Huber said in a statement.

Because of the quantity of marijuana involved, Huber said, Castillo faces a penalty of from five to 40 years in prison, a fine of not more than $4 million and a term of supervised release of at least four years.

Huber said that on June 26, 2005, a commercial vehicle inspection in Hope, Ark., revealed a semi was carrying a large quantity of marijuana. The Drug Enforcement Agency was notified and began surveillance of the semi and another vehicle. The vehicles ended up at warehouse in Louisville, where they were joined by two other vehicles. Castillo was arrested by DEA agents on June 27, 2005.

The street value of the marijuana is estimated to be approximately $7 million. None of the men arrested, including Castillo, were armed or resisted arrest.

The plea was entered before U.S. District Judge Jennifer B. Coffman for the Western District of Kentucky. Coffman has ordered a presentence investigation.

115 Charged In Prescription-drug Sweep (LCJ)

By Tom Loftus

Louisville Courier-Journal, November 20, 2006

LEXINGTON, Ky. — More than 100 people have been charged in connection with a joint federal and state investigation into illegal prescription-drug trafficking in Eastern Kentucky.

State arrest warrants were issued Monday for 103 people in Eastern and Southeastern Kentucky, people that authorities described as street-level dealers.

In addition, 12 more people were federally indicted over the past month, including two pharmacists and 10 people authorities described as “suppliers,” authorities said in a news conference Monday.

Those indictments were unsealed Monday as arrests were made.

The drugs involved in most of the cases involved prescription painkillers such as Oxycontin, authorities said.

70 Seized In E. Kentucky Drug Sweep (LEXHL)

Lexington Herald-Leader (KY), November 21, 2006

Two licensed Kentucky pharmacists were among nearly 70 people arrested yesterday afternoon in a huge crackdown on prescription drug abuse in Eastern Kentucky.

David Gregory Jones, who owns RX Express in Ashland, and Dan Daffron, owner of Quick Script in Monticello, face federal indictments charging them with unlawful distribution of controlled narcotics. Daffron was arrested early Monday on a 16-count indictment and Jones was arrested later on a 559-count indictment.

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During a news conference Monday, Kentucky State Police Capt. Joe Williams classified prescription drug abuse as "a substantial problem in Kentucky." Williams declined to go into details about the case involving the two pharmacists, but said controlled substances accounted for 98 percent of business for one of the men.

"I'm told the normal percentage at your corner drug store is about 15 percent controlled substances," he said. "This guy is out there distributing these drugs and making a lot of money off of it, getting it out to people who are going to divert it. Some of them are drug addicts themselves; a lot of them will turn around and sell them and they'll make money off it too."

Jones, according to court documents, distributed large quantities of several prescription drugs including OxyContin, hydrocodone and alprazolam. Daffron is accused of distributing several drugs, including hydrocodone, Darvocet and dextroamphetamine.

During the course of the investigation, officials say, Jones made $1.5 million and used the money to -- among other things -- pay premiums on a life insurance policy, purchase a Yamaha Grand Piano, a custom-made 10 carat diamond bracelet, property and several vehicles, including a 2005 Mercedes SCK350.

U.S. Attorney Amul Thapar said law enforcement officials were still searching for more than 30 others suspected of trafficking prescription drugs. Most, he said, appeared to be mid- to street-level dealers.

Arrested and charged with conspiring to possess and distribute quantities of controlled substances were Javed Ashiq, Roger Dean Combs, Kelly Marie Green, Tonya Lynn Groover, Kurt Francisco Kilgore. Adam Justice Palm and Kimberly Monette Palm were part of a five count indictment, charging them with two counts of conspiracy to distribute controlled substances, two counts of possession with intent to distribute controlled substances and one count of forfeiture.

The maximum penalty for all charged would be up to 20 years imprisonment.

The arrests, part of 101 arrest warrants issued for alleged dealers, some with out-of-state ties, came after an 18-month investigation involving local, state and federal law enforcement. The criminal conduct spanned more than 11 counties in the Eastern District of Kentucky and distributors were from Georgia, Indiana, Ohio and Tennessee, authorities said.

Law enforcement agencies teamed up with the anti-drug organization UNITE and Kentucky All Schedule Prescription Electronic Reporting or KASPER, a state database that helps health officials and law enforcement detect prescription fraud and drug diversion by tracking suspicious prescription patterns, Thapar said.

"Through teamwork, we're moving beyond our borders," Thapar said. "We're reaching out grabbing these people. We're reaching beyond our borders and saying 'enough. Don't bring it to Kentucky.'"

Eastern Kentucky, nicknamed the "prescription-painkiller capital of the United States," has long been known for heavy abuse of OxyContin and Vicodin.

Yesterday, Karen Engle, executive director of UNITE, said it was time to put an end to the pipeline into Eastern Kentucky. Several counties in Eastern Kentucky, she said, have more prescribed narcotics than anywhere else in the nation.

"This pipeline from Ohio and Tennessee and Virginia must stop, and it must stop now," she said.

Drug Sweep Nets More Than 50, Including 2 Pharmacists (AP)

AP, November 21, 2006

LEXINGTON, Ky. State and federal authorities have arrested more than 50 people in a major drug sweep in eastern Kentucky today.Two pharmacists from Ashland and Monticello were among those caught in the drug busts.U-S Attorney Amul Thapar says authorities also confiscated numerous prescription drugs, including the powerful painkiller OxyContin, that were being sold on the black market.Police are still looking for about 50 more alleged street-level drug dealers named in indictments. They also are looking for black market distributors from Georgia, Indiana, Ohio and Tennessee.Investigators from the anti-drug organization UNITE coordinated the roundup.

Bonds' Personal Trainer Back In Prison (AP)

AP, November 21, 2006

DUBLIN, Calif. -- Barry Bonds' personal trainer returned to prison Monday afternoon for refusing to testify before a federal grand jury investigating Bonds' steroid use.

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Greg Anderson has twice been freed on technicalities. He was ordered to report after an appeals court last week upheld the entirety of his contempt-of-court citation _ meaning Anderson could serve a year or more unless he testifies against Bonds, his boyhood friend.

In 2003, Bonds testified before a federal grand jury probing steroid use that Anderson had provided him flaxseed oil and arthritis balm, not steroids. Authorities suspect Bonds is lying, and have subpoenaed Anderson to testify.

Anderson also has served three months stemming from that steroids investigation, pleading guilty to distribution and money laundering charges.

The Bay Area Laboratory Co-Operative scandal has netted five convictions, including Anderson's, and one pending indictment.

27 Face Charges In Mississippi Drug-trade Ring (WT)

By Jerry Seper

The Washington Times, November 21, 2006

Drug Enforcement Administration agents in Mississippi, assisted by local law-enforcement authorities, have arrested 27 persons, confiscated more than $15 million in cocaine and marijuana and seized cash and property worth $3 million as part of a lengthy undercover investigation.

"Operation Central Hub targeted and successfully dismantled one of the largest drug-trafficking operations ever known to operate in the state of Mississippi," said DEA Assistant Special Agent Stephen Luzinski in the agency's Jackson, Miss., field office.

"It was especially significant in that agents were able to successfully trace the movement of both drugs and money from the hands of high-level Mississippi traffickers into the hands of some of Mexico's most powerful drug traffickers," Mr. Luzinski said.

The Mississippi Bureau of Narcotics initiated the investigation in April 2005 and later joined forces with DEA to jointly start a federal investigation targeting multiple high-priority cocaine and marijuana trafficking distribution cells operating in Hattiesburg and the Jackson-metro area.

DEA spokesman Rusty Payne at the agency's Washington headquarters, said yesterday that the investigation also yielded criminal links to drug organizations in Dallas; Atlanta; Little Rock, Ark.; Detroit; and Laredo, Texas.

Mr. Payne said Operation Central Hub also produced important connections to Mexico, revealing direct criminal links and associations between select Mississippi organization heads and Mexican drug sources of supply. Texas-based organization members, he said, were found to be functioning as logistics coordinators in arranging the delivery of drug loads from Mexico to Mississippi.

This same group arranged for the collection of money as payment for the drugs, he said.

Through a coordinated multiagency investigative attack, agents uncovered the existence of a highly sophisticated drug-trafficking organization with tentacles across the United States, which routed large shipments of cocaine and marijuana across the border from Mexico into South Texas.

Once inside U.S. borders, Mr. Payne said drug shipments were shuttled from Texas to various cities throughout the nation in 18-wheel commercial tractor trailers operated by truck drivers employed by the Mexican drug bosses.

Investigators also discovered that the organization used large gooseneck trailers outfitted with sophisticated hidden compartments accessible only through a hydraulic remote-control system. The trailers were pulled by dual-wheel pickup trucks and were capable of holding several thousand pounds of marijuana.

Mr. Payne said Dallas, Laredo and San Antonio-based drivers and couriers routinely were dispatched to Mississippi to meet with cell leaders and deliver the drug loads.

As part of a parallel financial investigation, he said, agents discovered that local distributors were normally provided with drug shipments on a consignment basis -- meaning that shortly after receipt, the Mexico-based suppliers and Texas logistics coordinators requested cash payment.

Agents Credited For Drug Busts (BSH)

By Robin Fitzgerald

Biloxi Sun Herald, November 21, 2006

GULFPORT - Federal authorities credit Gulfport-area narcotics agents with starting an investigation that has dismantled one of the largest drug-trafficking operations in Mississippi.

The investigation has resulted in 27 arrests and the seizure of $15 million in drugs and $2.9 million in cash and other assets, said Stephen Luzinski, assistant special agent in charge of the DEA in Jackson.

"It was especially significant," said Luzinski, "in that agents were able to successfully trace the movement of both drugs and money from the hands of high-level Mississippi traffickers into the hands of some of Mexico's most powerful drug traffickers."

As the cocaine and marijuana investigation expanded, it became known as Operation Central Hub and linked courier travels with cash payments at hotels mostly in the Hattiesburg and Jackson areas.

The investigation was launched in April 2005 by the Mississippi Bureau of Narcotics and agents assigned to DEA's Gulfport district office, which includes Hattiesburg.

Operation Central Hub produced "important connections" to Mexico with criminal links in Mississippi and in Texas, where drug delivery arrangements were coordinated, Luzinski said.

Once the drug shipments crossed the U.S. borders, they were shuttled to various cities, primarily in 18-wheelers driven by employees of Mexican drug bosses. The drugs often were hidden compartments or commingled with legitimate cargo loads.

In some cases, the deliveries used "large, gooseneck trailers that were outfitted with sophisticated hidden compartments accessible only through a hydraulic remote control system," Luzinski said.

Drivers and couriers based in Dallas, Laredo and San Antonio were sent routinely to Mississippi to deliver the drugs. The large loads of cash were then hidden in 18-wheelers for delivery to Mexico.

Luzinski said the investigation also turned up illegal drug links in Atlanta, Detroit and Laredo, Texas.

Police Find One Completed IED, Components For More Explosive Devices (DLYSENT)

By Emily Taravella

The Nacogdoches (TX) Daily Sentinel, November 21, 2006

The components of an explosive device and a psilocybin mushroom/marijuana-growing operation were discovered early Monday in a unit at Lakewood Village Apartments, by Nacogdoches police officers investigating an assault.

One resident of the apartment unit was undergoing psychiatric evaluation Monday. At press time, no arrests had been made.

Nacogdoches police and fire, along with University police officials and ATF agents cordon off a section of apartments where they say they found 'components' that could be used to craft an explosive devise.

A joint investigation is being conducted by the Nacogdoches Police Department and the Bureau of Alcohol, Tobacco and Firearms, according to Sgt. Greg Sowell, NPD community relations officer.

Although Sowell did not release the nature of the components seized by the ATF, he said the ATF is describing them as "components that could be assembled as an improvised explosive device."

"As it stands, the investigation is in preliminary stages," he said. "Everything has been seized, and the apartment has been released. Arrests could be forthcoming."

Sowell said the report of assault came in around 1 a.m.

After discovering the components of an explosive device, some of the surrounding Lakewood units were evacuated. Lakewood Street was closed from North Street to North Pecan Street until the ATF arrived.

IMMIGRATION:

Arizona Growers Race Against The Clock To Find Winter Harvest Workers (USAT)

By Daniel González

USA Today, November 21, 2006

YUMA, Ariz. — C.R. Waters practically lives in his pickup now that harvest season has begun for the winter vegetable capital of the USA.

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As the farm manager for a major vegetable distributor, he makes sure everything from iceberg lettuce to broccoli is ready to pick at precise times.

Good weather has created ideal growing conditions, but Waters is worried that when the vegetables are ready, there won't be enough laborers to get crops out of the fields to market.

Waters, president of the Yuma Fresh Vegetable Association, said it will take 30,000 seasonal workers to harvest the sea of winter vegetables grown in Yuma County, where the fruit and vegetable crop was valued at $745 million in 2004. The area produces 90% of the winter vegetables consumed in the USA and Canada, and 98% of the iceberg lettuce, according to the Arizona office of the National Agricultural Statistics Service, a part of the U.S. Department of Agriculture.

If growers can't find enough workers, some crops may go unpicked. That could increase prices at the supermarket, and create substantial financial losses for farmers.

Last year some growers overproduced, so prices stayed low even though some labor contractors reported a 30% shortage of workers. Yuma growers won't know how severe the labor shortage will be until the harvest kicks into high gear this month. To hedge their bets, they planted 15% fewer acres this year.

“You can have the best crop in the world, but if you don't have the labor to harvest it, it's going to rot in the field,” Waters said.

Growers and farm advocates say the shortages, even with thousands of legal Mexican laborers, have become more severe as stricter immigration enforcement, tighter border security and increased competition from construction and other industries have shrunk the pool of seasonal workers.

The shortages are not limited to the Yuma region. Vegetable growers in Colorado, pear growers in northern California, and apple growers in Washington, all have lacked workers. During the harvest, lettuce pickers earn a base pay of $8 an hour, plus bonuses the faster they pick. The best lettuce pickers can earn as much as $12 to $14 an hour.

For years, these workers have served as the backbone of the labor force in Yuma. Many farmworkers, however, have been drawn by steady jobs at housing developments and construction sites sprouting up around Yuma that pay better.

The increased presence of Border Patrol agents also has scared some illegal workers already in the USA away from Arizona.

In the past year, the Border Patrol also doubled the number of agents assigned to the Yuma sector to 551. Another 200 are on the way. The buildup is having an effect, the Border Patrol reports. Arrests for the 2006 fiscal year that ended Sept. 30 declined 14%, to 118,549 from 138,438 the year before.

“As we gain more operational control, they (smugglers) are seeking other routes,” Border Patrol agent Maranda Weber said. “In the past, there were a lot of undocumented doing this work but now there is so much border enforcement,” said Glafira Sanchez, a lettuce crew foreman for Valley Pride, a vegetable harvester in Yuma.

Growers such as Doug Mellon, 61, scoff at that notion that growers would have less trouble finding workers if they paid more. Because unemployment is low, there simply aren't enough workers, he said. On top of that, most Americans shun farm work.

“I don't care if you paid $40 (an hour), they'd do it about three hours and say, ‘That's not for me,' ” Mellon said.

Many growers say the long-term solution is an expanded “guest worker” program for agriculture.

Earlier this year, the Senate passed comprehensive immigration changes, legislation that included a provision known as AgJobs, which would have created a new temporary-resident status for seasonal farmworkers and given long-term farmworkers a chance to apply for permanent residence.

During negotiations in Congress this year, Yuma farmers offered to test a scaled-down version that would have allowed Mexican workers to commute daily across the border with temporary work visas. Conservative Republicans in the House, however, refused to consider the comprehensive immigration changes, angering growers who tend to vote Republican.

“I hate to say this, but the Republicans in Congress just played politics with this and never came up with a solution. It has really frustrated me,” said Mellon, a Republican.

Now growers hope the new democratically controlled Congress will revive guest-worker legislation next year.

As for this year's harvest?

“It's too late,” Mellon said.

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TAX:

IRS Links Increased Revenue To More Audits (WP/AP)

By Jim Abrams, Associated Press

The Washington Post, November 21, 2006

A taxpayer who made more than $1 million had a one-in-16 chance of being audited by the IRS in the fiscal year just ended, up slightly from the year before.

Commissioner Mark W. Everson said in a telephone news conference Monday that the Internal Revenue Service also paid more attention to the filings of small businesses that tend to underreport incomes and to the records of tax-exempt organizations.

Overall, enforcement revenues for fiscal 2006 were $48.7 billion, up from $47.3 billion. Revenues in fiscal 2005 had jumped 10 percent because of collections from a crackdown on improper tax shelters.

"We have restored the credibility of our enforcement programs which were badly diminished and to some degree gutted" in the 1990s, Everson said.

The "tax gap," the difference between what taxpayers owe and what is collected, has been estimated as $345 billion annually, and congressional Democrats coming to power see closing this gap as an important way to raise revenue without raising taxes.

Everson said that audits of individuals making $1 million or more increased to 17,015 from 12,835. That was an increase only from 6.1 percent to 6.3 percent because of the growing number of millionaires. About 1 percent of all taxpayers face audits.

Audits of people with incomes surpassing $100,000 were up 18 percent, to 257,000. Total audits increased 6 percent, to almost 1.3 million.

Everson said there was also a one-third increase in audits of S corporations, to almost 14,000. An S corporation is generally a small business in which profits pass through to the owners, who report them on their personal tax returns.

He said the IRS had added resources to its tracking of charitable and tax-exempt organizations, with audits up 43 percent to 7,079.

CONGRESS-ADMINISTRATION:

GOP Leaving Spending Bills To Democrats (AP-Y)

By Andrew Taylor

AP, November 21, 2006

Republicans vacating the Capitol are dumping a big spring cleaning job on Democrats moving in. GOP leaders have opted to leave behind almost a half-trillion-dollar clutter of unfinished spending bills,

There's also no guarantee that Republicans will pass a multibillion-dollar measure to prevent a cut in fees to doctors treating Medicare patients.

The bulging workload that a Republican-led Congress was supposed to complete this year but is instead punting to 2007 promises to consume time and energy that Democrats had hoped to devote to their own agenda upon taking control of Congress in January for the first time in a dozen years.

The decision to drop so much unfinished work in Democrats' laps demonstrates both division within Republicans ranks and the difficulty in resolving so many knotty questions in so short a time. GOP leaders promised their House and Senate members the December lame duck session would last no more than two weeks, or until Dec. 16 at the latest.

Now, with the agenda shrinking, a session that will be the last for 45 retiring or defeated House members and senators should be wrapped up by Dec. 8.

That could work against efforts to forestall a cut in physicians' Medicare payments. Under a formula dating back to 1997, Medicare payments to doctors for office visits will drop an average 5 percent on Jan. 1 — unless Congress steps in. Keeping them the same for another year would be expensive, about $10.8 billion, and chances are mixed at best for the doctors' lobby.

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Driving the decision to quit and go home rather than finish the remaining budget work is a determined effort by a group of conservative Republicans to prevent putting a GOP stamp on spending bills covering 13 Cabinet Departments — and loaded with thousands of homestate projects derided as "pork" by critics.

Some Republicans on Capitol Hill would rather complete this year's budget work and have the GOP's imprint rather than a Democratic one on how federal agencies will be spending their money through next September. However, conservatives such as Sen. Jim DeMint, R-S.C., fear doing that would leave as the GOP's legacy a foot-tall bill containing thousands of parochial projects. Last week they seized the upper hand by employing delaying tactics to drag the budget process to a halt in the Senate.

"The last thing Republicans need is an end-of-Congress spending spree as our last parting shot as we walk out the door," said DeMint spokesman Wesley Denton.

Some Republicans also look forward to using unfinished budget work to gum up an early Democratic agenda that includes raising the minimum wage, negotiating lower drug prices for Medicare beneficiaries, cutting interest rates on college loans and repealing some tax breaks for oil companies.

"Other stuff may get pushed off the table," said GOP lobbyist Hazen Marshall, a former longtime Capitol Hill aide. "It kills (Democrats') message."

For its part, the White House sided with GOP traditionalists such as Appropriations Committee Chairman Thad Cochran, R-Miss., who has been pushing to finish the budget while Republicans still hold power.

"We think it's the best thing for fiscal discipline," White House Budget Director Rob Portman told reporters last week.

Instead, lawmakers are expected to pass a temporary bill to keep the domestic agencies such as the Education, Transportation and Housing and Urban Development departments on autopilot at this past year's spending levels until Democrats can come up with new bills.

It will be no small test of the incoming Democratic majority, which has yet to develop a plan to cope with the more than $460 billion in unfinished budget business. The Democrats' problem is made even more complicated because President Bush in early 2007 will send Congress a bill that could exceed $130 billion for continuing the war in Iraq, according to Capitol Hill aides.

Bush is likely to be torn between the necessity of working with Democrats to finance his priorities — including the war — and a desire to take a stand against spending increases. Bush has never vetoed a spending bill in his six years in office, but that may change now that it will be Democrats writing them.

Democrats pledge not to overreach in their dealings with the president.

"We're not going to send him veto bait," said Rep. David Obey, D-Wis., who will be taking over as the chairman of the House Appropriations Committee. "We're not that stupid."

Fiscal Battle Lines Drawn (HILL)

By Elana Schor

The Hill, November 21, 2006

As partisan wrangling over spending priorities dominates the Senate's lame-duck session, the battle lines are forming for next year's Democratic effort to reinstate pay-as-you-go budget rules that Republicans decry as a back-door tax increase.

Democratic leaders vowed even before their decisive Election Day victories to demonstrate their commitment to fiscal responsibility by restoring the pay-as-you-go statute, also known as pay-go, should they win back the majority. Pay-go under law, which expired in 2002, required any new mandatory spending or tax breaks to be offset or risk automatic across-the-board spending cuts.

While budget analysts often point out that the hefty Democratic agenda for the 110th Congress would present an immediate challenge to pay-go, Republicans blast pay-go as a tax hike in budget-cutting clothing. Extending President Bush's tax cuts, including investment tax breaks that the GOP pursued through a marathon reconciliation process last year, under pay-go would require finding offsets that few Republicans believe a Democratic majority would want to seek out.

Though they have little hope of defeating a Democratic pay-go plan next year — the vice president cast a tiebreaking vote to stave one off in March — Republicans are poised to put up a fight for a pay-go rule that treats taxes and entitlements equally.

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"The big question is, are they going to have integrity in the presentation?" said Sen. Judd Gregg (R-N.H.), outgoing Budget Committee chairman.

The Congressional Budget Office treats reauthorized entitlements as pre-existing programs, relieving lawmakers of the need to find offsets under pay-go, but Democrats could tweak their new pay-go rule to apply to more entitlement spending. Gregg said he would support a pay-go process with those changes made, but he also wondered whether Democrats would pass alternative minimum tax (AMT) relief before restoring pay-go as a means to avoid offsetting it.

"So far I've heard, 'We're going to do an AMT fix, and then [tax] extenders, and then do pay-go,' " said Gregg, who often refers to pay-go as "tax-go." "Let them put pay-go in place first."

New Senate Budget Chairman Kent Conrad (D-N.D.), a strong supporter of pay-go, blocked floor action last week in a push to secure a vote on his $4.5 billion emergency farm aid package. Six farm-state Republicans, including Mike Enzi (Wyo.) and Pat Roberts (Kan.), signed on as cosponsors of Conrad's amendment, but some conservatives were taking notes on the move with an eye to the coming pay-go debate.

"This tension is not taking too long to play out," said Brian Riedl, budget analyst at the conservative Heritage Foundation. "Congress would routinely waive pay-go [in the 1990s]. It ends up being a paper tiger."

Yet Conrad's floor fireworks came after compromises on his part, such as the removal of direct payments to farmers that had raised White House objections and a cut in the package's overall cost. Conrad won a promise from leadership to take up his amendment as soon as the Senate returns next month, which he views as a chance to lay down his marker even as the overall appropriations bill appears unlikely to come to a vote.

"Pay-go is not designed as the cure-all for our budget ills," Conrad said in an interview. "I've never wanted to oversell pay-go. It's sort of a straw-man argument on [Republicans'] part, that 'it doesn't solve this, it doesn't solve that.' It's not intended to solve all those things."

Conrad also expressed support for a pay-go that would cover entitlement reauthorization, citing next year's children's health insurance program rewrite as an example. As for cutting down on future emergency farm-aid packages, he proposed a permanent disaster relief title in next year's new farm bill, which a spokesman for new Agriculture Committee Chairman Tom Harkin (D-Iowa) said was under consideration.

Meanwhile, both parties are amplifying their pay-go messages. The Senate GOP Policy Committee, which Sen. Kay Bailey Hutchison (Texas) will take over next year, released a pre-election report dismissing Democratic pay-go as "support[ing] an anti-tax-cut agenda unrelated to fiscal restraint."

Former Senate Budget Chairman Don Nickles (R-Okla.), now head of K Street powerhouse The Nickles Group, noted that senators would still be free to offer pricey spending increases during the appropriations process even under pay-go.

"Democrats have acted like, 'This is so important, it's going to lead us to fiscal responsibility,' but they always try to bust the limits on the appropriations side," Nickles said. "I almost say, hey, let them have pay-go. They have been touting it. Now they're going to get to live with it."

Incoming Senate Majority Leader Harry Reid (D-Nev.) affirmed to reporters last week that "we believe in the pay-go system" and offered a road map to where Democrats would look for offsets. The $15 billion in subsidies to oil companies passed along with last year's energy bill would be on the block, Reid said, and as much as $200 billion per year could be won by closing the "tax gap," the shortfall between federal taxes owed and received.

Budget watchdogs, however, are skeptical that the tax gap can provide much of a fiscal cushion for Democrats.

"I don't view them as realistic offsets," said Robert Bixby, executive director of the nonpartisan Concord Coalition. "Every effort ought to be made to close the gap, but nobody should think you can press a button and get $300 billion."

Conrad asserted that the CBO would be able to treat the efforts to close the tax-gap as a budget item if a bill were written specifically enough: "[They] would have to be convinced that it's real."

The Bush administration has included pay-go for spending in its annual budgets, Christin Baker, spokeswoman for Office of Management and Budget (OMB) director Rob Portman, said in an e-mail.

"We support budget reforms and look forward to working with Congress on ways to increase accountability and transparency," she wrote. "But we are concerned about pay-go that would block the extension of tax relief."

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The Economic Front (WSJ)

By Roger C. Altman And Alan S. Blinder

The Wall Street Journal, November 21, 2006

Election returns drive policy changes. On Nov. 7 the voters clamored for change. And with the departure of Donald Rumsfeld, politicians have already started to deliver it. The leadership at the Pentagon is unlikely to be the only change in the administration's failed foreign policy. But what about the economic front? For the answer, though not for all the details, look to the economic anxieties which voters expressed through exit polls.

Sixteen years ago, one of us wrote a book titled "Growing Together." The double meaning was deliberate. But in recent decades the fruits of economic growth have not been widely shared, and we Americans have been growing apart. Notably, the middle class has fallen much further behind the rich; and recently, real wages have lagged behind productivity while profits have soared. One way to read the election returns is as a cri de coeur from the middle class for a fairer shake. They want to reap some of the dividends of economic growth -- as they should.

What to do? The problem is both deep-seated and longstanding, and there is no magic bullet to set things right. But a few obvious steps would help. For starters, the Democrats have pledged to raise the federal minimum wage, which is now at its lowest (relative to other wages or prices) in a half-century. Making the Earned Income Tax Credit more generous would also help.

Beyond that, our government needs to repair and thicken the badly tattered safety net for the middle class. Tens of millions of Americans live in fear that a major health problem could reduce them to penury. While citizens of other rich countries also worry about their health, only Americans fear financial ruin due to lack of health insurance. That should not be. Health insurance poses complex problems that will not be solved easily or cheaply. But it is well past time that we started moving judiciously toward universal health insurance. Covering all children is a sensible first step.

Retirement security is another worry of the non-rich majority. Both of us opposed President Bush's failed attempt to privatize Social Security, but the president was right to call attention to the system's long-run financing gap. Fixing Social Security is not that difficult with a little bipartisanship and a dose of goodwill -- two more things the voters want. That said, all realistic solutions involve moderating benefit growth and/or raising more revenue -- which is precisely why they require bipartisanship.

The exit polls also reminded us that many Americans no longer believe that the next generation will be better off than they are. The federal budget deficit, the negative personal saving rate, and our massive borrowing from abroad are all evidence that America is focused too much on the present and not enough on the future. We need a multidimensional investment strategy to change that orientation.

Two of the top priorities should be equipping our work force to cope better with the rapidly globalizing economy, and reducing our dependence on oil and gas. The first requires more and better education and training. The second requires a greater commitment to research on alternative energy technologies, plus serious conservation measures by consumers and industry. Setting sensible priorities will be critical -- and perhaps a bit painful. We probably cannot afford all the good things mentioned above, not to mention other expensive items that do not appear on our wish list (such as public infrastructure). But making hard choices is what grown-ups do, and the voters were telling the politicians to grow up.

The federal budget deficit is a concrete example. Regardless of whether you supported or opposed the Bush tax cuts, it is clear that the long-run budget is in shambles. With the baby boom generation about to retire, the budget should be in surplus. But instead, we face cumulative 10-year deficits of $3.5 trillion -- and worse after that. You can blame this sorry state of affairs on either excessive tax-cutting or on profligate spending -- take your pick. It's more accurate to blame both, because fiscal discipline has utterly broken down. Restoring that discipline will doubtless mean both spending restraint and new revenues -- more hard decisions that the voters want politicians to make.

As an important procedural step, Speaker-elect Nancy Pelosi has promised to restore pay-as-you-go financing -- a bipartisan set of budget rules that were originally adopted under the first President Bush, but then brushed aside under his son. Unfortunately, when paygo went, so did any pretense of fiscal discipline. A coincidence? We think not. The new Congress should bring back paygo immediately.

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We fully realize that only a few of these policies can be promulgated right now. But a year hence, the policy window will have closed tight and the (presidential) political window will be wide open. So time is short. After watching the recent election results, we'd hate to be an empty-handed politician facing the voters in 2008.

Mr. Altman, chairman and co-CEO of Evercore Partners, was deputy secretary of the Treasury in the first Clinton administration. Mr. Blinder is a professor of economics at Princeton and former vice chairman of the Federal Reserve Board.

Pelosi: Relieving Middle Class Tops List (AP-Y)

By Jim Abrams

AP, November 21, 2006

House Speaker-elect Nancy Pelosi said Monday her new Democratic majority will extend a hand to Republicans in moving the agenda of relieving the "middle-class squeeze." She said restoring the military draft will not be part of that agenda when Democrats take over the House in January.

Pelosi, following a strategy meeting with the next House majority leader, Steny Hoyer, D-Md., said she will meet with incoming House Minority Leader John Boehner and "we'll find our common ground for the American people."

"The principle of civility and respect for minority participation in this House is something we promised the American people. It's the right thing to do," she said.

Pelosi and Hoyer repeated that in the first 100 legislative hours of the new Congress that convenes in January, they will try to pass bills that directly affect the pocketbooks of working-class and middle-class people, including raising the minimum wage, cutting interest rates for student loans and allowing the Medicare program to negotiate lower drug prices.

Other top priorities for January are lobbying reform, implementing the recommendations of the 9/11 Commission and rolling back subsidies to the oil industry.

Pelosi said restoring the draft will not be on that list and was not something she supported.

"The speaker and I discussed scheduling and it did not include that," Hoyer added.

Incoming Ways and Means Committee Chairman Charlie Rangel, D-N.Y., caused a stir by repeating a long-held position that a draft is the best way to ensure that all levels of society are represented in the military. Besides Rangel, there is almost no support in Congress for restoring the draft.

"It's not about a draft, it's about shared sacrifice in this country," Pelosi said. She said Rangel is "a strong voice for social justice in our country" and his support for the draft was "a way to make a point."

Democratic Leadership Spotlights Middle Class (WT)

By Amy Fagan

The Washington Times, November 21, 2006

House Speaker-elect Nancy Pelosi and Majority Leader-elect Steny H. Hoyer -- days after engaging in an intraparty power struggle -- said yesterday that they will push bills to help the middle class and that they don't need Republican support to pass them.

Mrs. Pelosi and Mr. Hoyer said they expected bipartisan backing for their efforts to lessen the "squeeze" on the middle class, specifically increasing the minimum wage, lowering Medicare prices and cutting interest rates on student loans.

But Mrs. Pelosi said Democrats can pass those measures on the strength of their new majority alone, if need be.

"I think that's what winning the majority was all about," Mrs. Pelosi said when asked about the role of Republicans.

She quickly added that she hopes to see a large number of Republicans support her legislative agenda, and that she plans to meet with incoming House Minority Leader John A. Boehner of Ohio when he returns to town after the holiday.

Mrs. Pelosi, who last week had backed Mr. Hoyer's challenger to become her second-in-command when the Democratic Congress is seated in January, said she looks forward to working with Mr. Hoyer after their strategy session yesterday.

The California Democrat again congratulated Mr. Hoyer, Maryland Democrat, on his "stunning" win over outspoken war critic Rep. John P. Murtha of Pennsylvania.

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Mr. Hoyer, who defeated Mr. Murtha 149-86, said he and Mrs. Pelosi had worked together as the top two House leaders of the minority to create the "most unified and focused [Democratic] caucus" in many decades and would continue to do so as the majority leaders. Mr. Hoyer is the outgoing minority whip.

Mrs. Pelosi and Mr. Hoyer did not raise any new agenda items yesterday as they said they would pursue allowing Medicare to negotiate with drug companies for lower prices, expanding federal support for embryonic-stem-cell research and lobbying reform.

Besides trying to generate some Republican support, Mrs. Pelosi may have to work on keeping her caucus from straying from the agenda.

Rep. Charles B. Rangel, New York Democrat and likely new chairman of the House Ways and Means Committee, recently reiterated his long-held belief that there should be a military draft.

When asked whether she would support reinstituting the draft, Mrs. Pelosi said Mr. Rangel has "long held this position" and uses it as "a way to make a point" about the Iraq war.

"It's not about a draft; it's about a shared commitment," she said.

When pressed, she said she doesn't support the idea. Mr. Hoyer chuckled and said the schedule they're compiling doesn't include a bill to reinstitute the draft.

One thing both Mr. Hoyer and Mrs. Pelosi found amusing as they spoke to the packed room yesterday was the spike in the number of reporters attending their briefings.

Mr. Hoyer joked that he had "two and a half times the people" this week than he usually does at his normal briefing.

"It's nice to be in the majority," Mrs. Pelosi quipped. "We have many more visitors."

Rebalancing Act Democrats Target Wealth Gap And Hope Not To Hit Economy Divide Between Rich And Poor Continues To Widen; Spurs 'Robin Hood' Plans Can Growth Benefit Workers? (WSJ)

By David Wessel

The Wall Street Journal, November 21, 2006

By almost every measure, the gap between winners and losers in the American economy has widened over the past 20 years. In this month's election, anxiety about that gap was not far behind voter anger over Iraq and congressional corruption in driving Democrats to victory. "We will make our economy fairer" vowed House Democrats, in a campaign manifesto.

Now they're in a position to try, raising a big question: What can Democrats do to resist inequality in a way that doesn't choke off economic growth? Can government slice the economic apple more evenly without shrinking it?

See a chartbook3 examining income disparities and a guide to Democrats' relevant writings4 about the economy. • Plus, share your thoughts at the new online Capital Exchange forum5.

Today's inequality reflects a confluence of forces. Technology is increasing employers' appetite for some skilled workers, while diminishing it for assembly-line workers in auto and textile factories. Imports and outsourcing are doing the same. Schools aren't graduating enough of the workers in short supply, such as engineers. Immigration is contributing to a glut of others, visible wherever day laborers gather hoping for work. Unions are atrophying. Corporate boards, hedge funds and sports teams are increasingly willing to write super-sized paychecks to a chosen few.

At the extremes, some politicians (not all of them Democrats) believe the benefits of a globalizing, high-tech economy are outweighed by the costs to U.S. workers. They would build a fence around the U.S. to reduce immigration or erect tariff barriers to imports. Even at the Democratic middle -- where the virtues of technology and globalization are prized -- proposals to reduce inequality range widely. They include interceding in the market to raise pay at the bottom or limit it at the top, pushing "Robin Hood" take-from-the-rich tax policies, improving shock absorbers that protect workers when their employers crash, extending health and retirement plans to workers without them and spending more to promote education from pre-K through college.

Meddling With the Market

High on Democrats' to-do list is lifting the federal minimum wage. It's been steady at $5.15 an hour since 1997, while consumer prices have risen 25%. Although many economists warn a higher minimum wage means fewer jobs, the 1990s

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suggest that boosting the minimum wage can boost incomes of those at the bottom. But its potential to shrink the gap between the wealthiest and poorest wage-earners is limited, especially when wages at the top are soaring far away from the middle and bottom.

Limiting pay at the top has proven tough. A 1993 law that discouraged tax deductions for executive salaries above $1 million is widely regarded as a bust. "Executives responded by rewarding themselves with millions of dollars worth of stock options" instead of big salaries, lament former Clinton aide Bruce Reed and Chicago Rep. Rahm Emanuel, a key strategist in the Democrats' win, in their pre-election book calling for "a new social contract for the 21st century." They go on, "This time we should approach the problem from the other direction and require companies that provide stock options to their executives to provide stock options to every worker."

That's unlikely to become law. But Barney Frank, the Massachusetts Democrat in line to chair the House Financial Services Committee, vows to push legislation that would force companies to provide more and clearer details of CEO pay, devise policies to recapture incentive pay if earnings are later restated, and require shareholder approval of "golden parachute" payments to dismissed executives. Mr. Frank says he plans hearings into a "fundamental" economic question: "How do you do a better job of sharing overall economic growth with the average worker?"

Few Democrats would block employers from laying off workers or closing factories, as is often done in Europe. But several newly elected Democrats, particularly from the beleaguered Midwest, vow to slow the flood of imports and rethink the pacts that President Bush has been negotiating to lower trade barriers.

There also is strong support among Democrats for strengthening American labor unions to try to tilt the balance in the labor market more toward workers. A bill co-sponsored by 215 House members and 43 senators, would, among other things, require employers to recognize a union after a majority of workers sign cards asking for representation instead of secret-ballot votes.

Robin Hood

A popular alternative among Democrats is to champion the market -- that is, allow it to direct people and money to best use -- and then tax the rich to give more to the poor. Enlarging the earned-income tax credit, viewed by many economists as a smart alternative to a higher minimum wage, is an option likely to figure in Democratic tax deliberations. The credit offers up to $4,536 to a family with two or more children to offset payroll taxes that the working poor pay. And it offers a cash bonus if the credit exceeds taxes paid, rewarding low-wage workers without raising employers' costs.

But most of the focus is on taking more from the top. Many Democrats would let at least some of Mr. Bush's income-tax cuts expire in 2010 or roll them back. Many favor preserving the estate tax, which Republicans target for abolition. New House Speaker Nancy Pelosi has vowed to restore a 1990s rule requiring new spending to be offset by spending cuts or tax increases; upper-income taxpayers are the sure target.

The Senate Finance Committee, with the blessing of both parties' leaders, is circulating a list of ways to shrink the "tax gap" between taxes owed and taxes actually paid. Most are aimed at upper-income taxpayers, such as requiring stock brokers to report not only the price a client got for shares, but also the original purchase price paid.

Boosting taxes on upper-income Americans would reduce disparities and provide revenues for other attacks on inequality. Raising the top two tax rates, now 33% and 35%, by a single percentage point would yield $90 billion over five years, the Congressional Budget Office estimates.

Another favorite Democratic target is the lower tax rate -- a maximum of 15% -- on capital gains and dividends. The administration says the lower rates have strengthened the stock market and the economy. Some Democrats say they're unfair. "We must end the Republicans' war on work, which taxes a millionaire at a lower rate for his stock trades than it taxes the wages his secretary earns for placing the call to his broker," wrote Rep. Emanuel and Mr. Reed. Also under discussion, often in conversations about ways to shore up Social Security, is increasing the ceiling -- now set at $94,200 -- on wages subject to the Social Security payroll tax.

Republicans as prominent as Treasury Secretary Henry Paulson and Federal Reserve Chairman Ben Bernanke recently have warned in speeches of risks posed by widening inequality. But many conservatives fear taxing the rich in response would reduce incentives for innovation, entrepreneurship and education -- and thus reduce economic growth to the detriment of all. Their counsel: Try to lift incomes of the poor and middle class, and don't worry if the rich do even better.

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Democrats argue that the 1990s proved that raising taxes on upper-income Americans can produce lots of revenue and coincide with a very strong economy. Republicans counter that the 2000s show tax cuts propel the economy and can coincide with surging tax revenues. Both arguments exaggerate the ability to isolate tax rates from other economic crosswinds. But the fundamental disagreement is over the extent to which higher taxes discourage work, savings and investment. "The market is not so good at spreading the gains. We need an activist government that pursues broad-based growth," says Mr. Reed.

Shock Absorbers

One direct response to workers' anxiety is expanded government programs to cushion the fall of those who lose jobs in today's rapidly changing economy. "Better preparation before adverse events happen and more...assistance after bad events occur" would both help workers and "diminish political demands for growth-reducing policies, such as protectionism," says Peter Orszag, who heads the Hamilton Project, a think tank spawned by former Treasury Secretary Robert Rubin to find way to promote "broad-based economic growth" and "economic security."

Targeted federal programs, created to lure congressional votes for free-trade pacts, now reach few people. There's a tax credit to help those who lose jobs due to imports buy health insurance. And there's wage-loss insurance, which offers cash to eligible workers dislocated by imports to compensate for taking lower-paying jobs. Inequality foes would greatly expand such programs.

Lori Kletzer of the University of California at Santa Cruz and Howard Rosen of the Peterson Institute for International Economics in Washington, for instance, would offer eligible dislocated workers up to half the difference between weekly earnings at their old and new jobs, up to $10,000 a year. This isn't cheap: They put the price tag at between $2.6 billion and $4.3 billion a year, financed through general tax revenues or an expanded payroll tax.

Universal Coverage

An alternative, albeit expensive, is to close the gap between those with health insurance and a retirement-savings plan (on top of Social Security) and those without. About 25% of people in households with incomes below $25,000 lack any health insurance, even government provided. Among the over-$75,000 crowd, only 8.5% are without insurance. About 45% of full-time workers on private payrolls aren't offered private retirement savings plans of any sort at work.

Gene Sperling, a former Clinton aide who published a 300-page "economic strategy for shared prosperity" last year, preaches to Democrats: "Simply voting yes [on trade pacts] and getting 5,000 more people on Trade Adjustment Assistance is a losing strategy. With control, Democrats can envision a more expansive social compact might make people less fearful about the pace of change and globalization."

Finding a politically palatable and affordable way to make health insurance universally available has been impossible, so far. Mr. Bush has pushed tax credits to help more people buy insurance on their own, and dangled rule changes and low-premium, high-deductible policies to encourage small firms to offer coverage. Although some Democrats still drool over proposals for government health insurance for all, others prefer piecemeal approaches. Among them: Allowing businesses with up to 100 employees tax credits to buy insurance through a government-sponsored pool modeled on the Federal Employee Health Benefit Plan, which gives federal workers a choice of private health insurance plans.

On retirement savings, outside the contentious Social Security debate, Democratic and Republican centrists are inching toward similar proposals, described differently. Mr. Sperling is pushing a "universal 401(k)" to which employees, employers and, in some cases, the government would contribute, a cousin to the private accounts Mr. Bush wanted to carve out of Social Security. Increasingly prominent Democratic Sen. Barack Obama cites it favorably in his new book, "The Audacity of Hope" and Ms. Pelosi backs a similar proposal. It would, in essence, narrow tomorrow's inequality by encouraging Americans to save more in their working years.

Education

Improving education is the feel-good solution, seen across the political spectrum as a way to promote growth and equality simultaneously. "The economy increasingly rewards education and skills," says Edward Lazear, chairman of Mr. Bush's Council of Economic Advisers. "We would not want it any other way. However, inequality in skills and education levels means inequality in income." His fix: Improve public schools for the disadvantaged through the No Child Left Behind Act and foster competition among schools.

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Democrats are focused on doing more to help Americans pay for college, especially important since the typical college grad earns 45% more than the typical high-school grad. Ms. Pelosi's platform calls for making up to $12,000 a year in college tuition tax-deductible -- or the equivalent in a $3,000 tax credit -- as well as cutting interest rates on student loans and increasing the maximum Pell Grant for low-income students to $5,100 from $4,050.

A coalition that spans the political spectrum is pushing more government support of Pre-K education. The case: Low-income children are behind when they arrive at kindergarten and never catch up; spending more on them sooner would have a big payoff.

One political problem: Education has a long fuse. It can take a generation to see results.

In the end, government can do only so much, especially given Americans' traditional ambivalence toward big government and European-style social welfare programs. "It's not hard to think of government policies with redistributive aspects," says Mr. Sperling, the former Clinton adviser. "What gets hard is to say: Here's my vision for how the private sector is going to create jobs that lead to a strengthening, not a hollowing out, of the middle class."

Americans want government to protect their current jobs and tell them where their next job -- and their children's jobs -- will come from. "But government is not good at that," Mr. Sperling says.

Write to David Wessel at david.wessel@wsj.com6

Washington Wire (WSJ)

Wall Street Journal, November 21, 2006

November 20, 2006, 2:02 pm Bumper to Bumper

What do private economists expect from the new Congress? Gridlock, mostly.

Sure, Congress is likely to deliver on Democrats' promise to raise the federal miniumum wage. But beyond that, they expect little to be accomplished on the economy.

Forty-six of 48 economists in the latest WSJ.com economic forecasting survey said they believe an increase in the federal minimum wage is very or somewhat likely to be passed in Congress and signed by the President.

As for the raft of other economic issues at hand — tackling the finances of entitlement programs, dealing with foreign trade, addressing the tax code — the economists expect gridlock.

Entitlement programs, such as Social Security and Medicare, should be the top priority for Congress when Democrats take control next year, the economists said. But 44 of the 48 economists believe it is somewhat or very unlikely any reform will be signed into law.

The story is little different on other fronts: On ensuring that trade negotiations move forward, 31 say unlikley. On revising the Medicare drug benefit, 30 say unlikely. On extending tax breaks for the wealthiest: 37 say unlikely. Rescinding the breaks? Thirty-six.

Economists expect the federal budget deficit to narrow. By the end of fiscal 2008, they predicted the gap will be equal to 2.2% of gross domestic product, the total output of all goods and services produced in the economy, compared with 2.6% for fiscal 2005.

But that has little to do with the change in control in the House and Senate. Their prediction for the budget deficit had the Republicans remained in power: 2.2%.

Video: The Journal's David Wessel discusses WSJ.com's forecasting survey

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November 20, 2006, 12:43 pm Treasury's To-Do List

Paulson

Henry Paulson, who left Wall Street to become President Bush's third Treasury secretary, returned to New York today to sound his trumpet call for making the U.S. more friendly to capital markets in the face intensifying global competition.

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His to-do list: "First, it is necessary to take a global view. We don't operate in isolation, so it is very important to consider how changes we make affect the ability of our companies to compete globally and how these changes affect our interaction with markets and regulators around the world. Second, our regulatory structure should be more agile and responsive to changes in today's marketplace. Third, to stand the test of time, rules should be embedded in sound principles. Fourth, regulators should take a risk-based approach to regulation, weighing the cost to shareholders against the benefits. Fifth, our enforcement regime should punish and deter wrongdoing and encourage good behavior without hindering responsible risk-taking and innovation. And, lastly, the best way our business leaders can protect the integrity and competitiveness of our markets is to exert moral leadership, where the threshold question is, 'Is this right?' not 'Do the rules allow us to do this?' "

Video: Paulson Q&A

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Read more: Global, Economy

November 20, 2006, 8:04 am How Official Promotes Marriage to Help Poor Kids

The notion that government can help children escape poverty by promoting marriage for their parents was once considered a fringe idea from right field. It is now federal policy.

In very large part, that's due to Wade Horn, a child psychologist turned bureaucrat who has put marriage atop the Bush administration's limited antipoverty agenda.

As head of the federal Administration for Children and Families, Dr. Horn has employed the zeal of an ideologue and the discipline of an academic to inject marriage promotion into a host of government programs under his purview, even before Congress authorized an official marriage program. Today, more than 200 programs are at work across the country, seeking to change public attitudes surrounding marriage, persuade teenagers to aspire to matrimony and teach relationship skills to young couples.

Along the way, Dr. Horn has co-opted critics, fine-tuned his rhetoric, and persuaded Congress to insert his marriage agenda into this year's welfare legislation, winning $500 million over five years.

"Wade Horn has shown the influence a bureaucrat can have," says Ronald Haskins, a welfare expert who has worked for Congress and the current President Bush's White House. Read the full article. – Laura Meckler

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Pelosi-Harman Friction Strains Democrats' Unity (LAT)

By Johanna Neuman And Michael Finnegan

The Los Angeles Times, November 21, 2006

WASHINGTON — When Jane Harman left Congress in 1998 to run for governor of California, her colleague Nancy Pelosi threw her a party — a chocolate-fudge sundae "social" in the House members' dining room.

Two years later, Harman hosted a fundraiser in Los Angeles for Pelosi when she was running for minority whip, raising $400,000.

These days the two rarely talk, much less throw parties for each other.

Their relationship has been deteriorating since Harman returned to the House in 2001, according to those who know them, and the tension now threatens to complicate Pelosi's role as House speaker when the 110th Congress convenes in January.

Pelosi indicated as early as last year that she intended to oust Harman from the Intelligence Committee — where Harman expected to become chairwoman if Democrats won control of the House — in favor of someone more to Pelosi's liking.

The move has created dissension within the party. Some Democrats and foreign policy experts argued that Harman, a centrist on national security, is the most credible person for the job. The Congressional Black and Hispanic caucuses countered that it was time for one of their members on the committee to take the helm.

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Fresh from Pelosi's fierce and unsuccessful lobbying effort to install antiwar ally John P. Murtha of Pennsylvania as her No. 2, the coming battle over the Intelligence Committee leadership is turning into a showdown where the political has turned personal. And it could undermine the unity that the Democratic Party has hoped to show as it prepares to take the reins of power.

The falling-out between Pelosi and Harman offers a window into how business gets done on Capitol Hill, where personal friendships are often as important as policies and politics. Pelosi in particular is noted for remembering who has been on her side and who hasn't, as evidenced by her support of Murtha for House majority leader over her one-time rival Steny H. Hoyer of Maryland, even though Hoyer was widely preferred by the party caucus.

The prospect of conflict between two such powerful Democratic women is tantalizing to gossipy Washington. But the split is so toxic that Democrats in California and Washington won't go near it.

"I don't want to talk about it," said Roz Wyman, the doyenne of California Democratic fundraising and a friend of both.

Most people contacted for this article spoke only on condition of anonymity, not wanting to get on the wrong side of two formidable politicians.

Pelosi declined through her spokeswoman to comment. The only statement issued from her office, by Press Secretary Jennifer Crider, was that the committee decision "will be made before early January."

Harman said in an interview that she did not wish to vent the matter in public. "I read about this in the paper last year and I visited with her then," said Harman, who would not disclose the nature of their conversation.

"It's so unfortunate because they're both capable people," said William Coblentz, a San Francisco lawyer who has contributed to both their careers and coffers. "I know them both well, and I love them both, but I believe Nancy felt that Jane was abrasive and aggressive, which she can be."

Pelosi's supporters say the dust-up over Harman is not personal, noting that the Democratic leader spent an extra day in California lobbying the state party to endorse Harman in her reelection bid.

Although they may seem similar on the surface — two wealthy and powerful Democrats from California — Pelosi and Harman are cut from different cloth. Pelosi is a people person — she recently entered a raucous room of reporters offering to shush them in her "mother-of-five voice." Harman has a more cerebral personality and revels in the minutiae of policy.

Pelosi grew up in Baltimore, where her father, Thomas D'Alesandro Jr., was mayor, and got an early education in the art of machine politics. She met Paul Pelosi while at Trinity College in Washington, and the couple moved to his hometown of San Francisco. As Paul Pelosi grew the family's fortune through real estate and stock investments, Nancy Pelosi raised their children, then worked her way up in California Democratic Party politics from volunteer to chairwoman for Northern California. She was elected to the U.S. House in 1987.

Harman grew up in Los Angeles, the daughter of a Westside physician. She graduated from Smith College and Harvard Law School at a time when few women went into law. Harman began her career in Washington as a Capitol Hill staffer and later worked in the Carter White House before going into private law practice. She is married to Sidney Harman, founder and chairman of Harman Industries. She ran for the House in 1992 and joined Pelosi in the California delegation, representing Venice.

People who know both women say there was no single incident that soured their relationship; rather it was a series of small irritations that eventually led to estrangement.

Some California Democrats say tensions began during the 2001 redistricting of the state's congressional seats.

As lawmakers from both parties cooperated in Sacramento to make Democratic seats safer for Democrats and GOP seats safer for Republicans, Harman reportedly complained that her district did not include Los Angeles International Airport.

"She wanted to get the LAX asset in her district," said one Californian who was familiar with the process. "Jane thinks the airport is power."

Party leaders were annoyed, given that the redistricting gave Harman — who until then represented a swing district — a safe seat.

A Capitol Hill staffer suggested that Pelosi also was miffed that Harman had higher visibility in the media.

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Harman, using her platform as ranking Democrat on the Intelligence Committee, landed on Sunday talk shows so regularly that she all but eclipsed Pelosi's rising star as House minority leader. An informal survey of the major talk shows over the last two years found that Harman made 18 appearances to Pelosi's six.

Associates of Pelosi say she was not troubled that Harman was on television frequently, only that Democrats' message on Iraq wasn't being aired.

Some Democrats say Pelosi's choice for intelligence chair is less about personal conflict than fixing a political problem, which ironically began with Harman's return to the House in 2001.

After Harman lost her gubernatorial bid, Pelosi urged her to run for Congress again. Harman's choice was made easier by the fact that then-Minority Leader Dick Gephardt (D-Mo.) had promised her in writing that she could reclaim her seniority on the Intelligence Committee. That bumped a member of the Congressional Black Caucus, Rep. Sanford D. Bishop Jr. (D-Ga.), off the committee and jumped her over another African American, Rep. Alcee L. Hastings (D-Fla.), in seniority.

Black members of Congress were upset by what they saw as a slap by House Democratic leaders. Last year the black caucus asked for a meeting, and according to one witness, Pelosi promised not to slight either blacks or Latinos when plum slots came up on the Intelligence and Homeland Security committees.

When news got out that Pelosi was not planning to name Harman chairwoman, heavy hitters from the foreign policy establishment besieged Pelosi to change her mind.

Those close to Harman say the lobbying campaign came to life on its own. The Pelosi side doesn't buy it.

"The biggest mistake Jane made was lining up people to lobby," said a Hill staffer. "People went over the line lobbying for her. Now Nancy is very angry."

Asked whether Pelosi held a grudge against Harman, Rep. Anna G. Eshoo (D-Atherton) said: "People are going to do what they're going to do. But anyone who underestimates Nancy Pelosi does so at her own risk."

*

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Neuman reported from Washington and Finnegan from Los Angeles.

*

(INFOBOX BELOW)

Jane Harman

1945: Born in New York City; raised in Los Angeles where father is a Westside physician

1966: Graduates from Smith College, Northampton, Mass.

1969: Graduates from Harvard Law School; later serves in Carter White House and as Defense Department special counsel

1992-98: Elected by California's 36th Congressional district

1998: Runs for governor, spending more than $20 million, including $15 million of her own money, but finishes third among Democrats

2000-present: Reclaims her former House seat; joins Energy and Commerce Committee; joins Intelligence Committee, becoming ranking Democrat of new Terrorism and Homeland Security subcommittee

2003: After November 2002 election, chosen by Nancy Pelosi as her successor on Intelligence

2004: Works closely with new Intelligence chairman Peter Hoekstra and Senate Governmental Affairs Chairman Susan Collins to get Congress to pass intelligence reorganization bill

2005: Calls for a ban on torture by U.S. interrogators and a prohibition on transferring detainees to countries that torture

Sources: Almanac of American Politics 2006; office of Jane Harman; Los Angeles Times

**

Nancy Pelosi

1940: Born Nancy D'Alesandro in Baltimore; her father served five terms in Congress ending in 1947, then 12 years as Baltimore mayor

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1962: Graduates from Trinity College (now called Trinity University), Washington, D.C.

1977-1981: Northern chair, California Democratic Party

1981-1983: State chair, California Democratic Party

1985-1987: Finance chair, Democratic Senatorial Campaign Committee

1987-present: Elected by California's 8th Congressional District, which includes most of San Francisco; serves for 10 years (until early 2003) on the Intelligence Committee

2001: Elected minority whip by House Democrats

Oct. 2002: Leads Democratic faction opposed to authorizing military force in Iraq, bucking the House Democratic leader

Nov. 2002: Elected minority leader by House Democrats

Nov. 2006: Slated to become next House speaker after midterm election gains

Sources: Almanac of American Politics 2006; office of Nancy Pelosi; Los Angeles Times

Democrats Plan Series Of Votes On Ethics Reforms (WP)

By Jonathan Weisman

The Washington Post, November 21, 2006

Despite divisions among Democrats over how far to go in revising ethics rules, House leaders plan a major rollout of an ethics reform bill early next year to demonstrate concern about an issue that helped defeat the Republicans in the midterm elections.

But they will do it with a twist: Instead of forwarding one big bill, Democrats will put together an ethics package on the House floor piece by piece, allowing incoming freshmen to take charge of high-profile issues and lengthening the time spent on the debate. The approach will ensure that each proposal -- including banning gifts, meals and travel from lobbyists as well as imposing new controls on the budget deficit -- is debated on its own and receives its own vote. That should garner far more media attention for the bill's components before a final vote on the entire package.

"This will be the most significant ethics and lobbying reform that Congress has ever voted on," promised Rep. Martin T. Meehan (D-Mass.), one of the point men on the effort.

The approach may be the first indication of how the Democrats plan to use their ability to control the House agenda as the majority power, setting the terms of debate while lifting the strict rules that Republicans used to curtail dissent.

And Democrats hope to show that they are attentive to issues of corruption that, according to exit polling, proved to be of major concern to voters on Nov. 7. House and Senate GOP leaders pledged early this year to pass major lobbying reforms in the aftermath of the Jack Abramoff lobbying scandal but never delivered on their promise.

Democratic leaders are still putting the finishing touches on the floor schedule and some of the components of the ethics package, said Jennifer Crider, spokeswoman for incoming House speaker Nancy Pelosi (Calif.). But other Democratic leadership aides said the proposal to break up the package and reassemble it is virtually a done deal.

Under that plan, freshmen would offer, over as many as five days in January, separate amendments to ban gifts, meals and travel financed by lobbyists, said Rep. Rahm Emanuel (Ill.), incoming chairman of the House Democratic Caucus. New rules mandating the disclosure of all contacts with lobbyists would be another vote, as would a rule requiring that the sponsors of funding for home-state pet projects be identified. The House would also vote on whether to reinstate budget rules, known as pay-as-you-go, or "paygo," requiring that any new spending or tax cuts be offset by equal spending cuts or tax increases.

While there is broad support for reform, Democrats face divisions on how far to go on some issues, such as whether to establish an independent board to enforce ethics rules. But leaders are eager to show that they are serious about tackling the corrosive influence of lobbyists and money, so much so that they are willing to spend days working on the issue. They may even let the divisions play out in public, with amendments allowed that may or may not pass, on issues from campaign finance to independent oversight.

"We heard continually out here that people were tired of the way business is conducted in Washington," said Rep.-elect Harry Mitchell (D-Ariz.). "They didn't like the way lobbyists had so much influence. They didn't like the way rules were not enforced. They just didn't think things were being done right."

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The idea is to give each provision what Emanuel called its "Warhol time" -- 15 minutes of fame -- while forcing Republicans to take a stand on the components before a final vote on the ethics package. Because House rules changes are, by tradition, party-line votes, breaking the package into its components would also allow Republicans to support individual amendments, even though they probably would vote against the package in the end.

The unorthodox approach, more reminiscent of the drawn-out legislating done in the Senate than the slam-dunks of the House, would also give Democratic leaders a chance to show that they plan to change the way the House does business, Democrats said.

"Why have the gift ban, if that's one of [the components], be buried inside when it can stand on its own and the public wants it and gets it?" Emanuel asked. "Why have paygo have to share space with the meal ban or gift ban?"

The procedure would be as much about solidifying Democratic power as it would be about changing the rules of the House. Freshmen Democrats, many of them representing Republican-leaning districts, would take ownership of components that would resonate most with their voters, Democratic leaders said. For example, a conservative "Blue Dog" would get to present the budget-balancing rule.

Amendments aimed at reducing the influence of lobbyists would go to swing-district Democrats who campaigned on ethics themes. One is Mitchell, who unseated Rep. J.D. Hayworth (R-Ariz.) in large part by stressing Hayworth's links to Abramoff, the disgraced lobbyist. The others are Zack Space (Ohio), who took the Republican-leaning district of convicted former representative Robert W. Ney, and Michael A. Arcuri (N.Y.), who ran on corruption themes to take the district vacated by retiring Rep. Sherwood L. Boehlert (R).

Such a freewheeling approach could expose disagreements within the Democratic Caucus. For example, some members think that an independent board should be created to conduct ethics investigations and mete out punishment to members who violate House rules. Others say the House Committee on Standards of Official Conduct, informally known as the ethics committee, can handle the assignment as long as leaders allow it to do its job.

Democratic leadership aides say Pelosi is weighing a middle ground -- the establishment of an independent body similar to a grand jury that would weigh the validity of ethics complaints, then pass meritorious allegations to the ethics committee.

The rules change on earmarks, or lawmakers' pet projects, is expected to differ from the proposal Democrats outlined earlier this year, the aides said. That rule would mandate that home-district projects be identified by the names of their congressional sponsors. Pelosi wants to make sure that change applies to projects in spending bills as well as in policy bills, such as the broad highway and transit law that passed in 2005. Tax breaks known as rifle shots, narrowly targeted to benefit only a few companies or individuals, are also expected to face more scrutiny.

Has Gates Learned His Lesson? (LAT)

By Jennifer Glaudemans

The Los Angeles Times, November 21, 2006

FIFTEEN YEARS AGO, the Senate Select Committee on Intelligence asked me to testify at the confirmation hearings for Robert M. Gates, who had been nominated to be director of Central Intelligence.

I was asked because I had worked in the CIA's office of Soviet analysis back when Gates was the agency's deputy director for intelligence and chairman of the National Intelligence Council.

More specifically, I was asked to testify because of my knowledge about the creation of a May 1985 special National Intelligence Estimate on Iran that had been used to justify the ill-fated deals known as Iran-Contra.

It seems like a long time ago now. Iran-Contra is just one of many scandals that have come and gone in the intervening years. But today, in the aftermath of the U.S. decision to go to war in Iraq based on faulty intelligence — and with Gates poised to reemerge, this time as secretary of Defense — it is worth remembering some lessons from the 1980s about how intelligence was politicized to support ideologically-based positions.

In 1985, during Ronald Reagan's second term as president, the U.S. faced enormous diplomatic and military challenges in the Middle East and in Central America. Reagan and then-CIA Director William J. Casey were known for their aggressive anti-Soviet rhetoric and policies. Gates, as Casey's deputy, shared their ideology.

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Iran-Contra was in the planning stages then, a secret scheme in which the Reagan administration was going to sell arms to an enemy country, Iran, and use the proceeds to fund the anti-communist Contras in Nicaragua.

In order to justify these actions, administration officials felt they needed some analytical backing from the intelligence community. Those in my office knew nothing of their plans, of course, but it was the context in which we were asked, in 1985, to contribute to the National Intelligence Estimate on the subject of Iran.

Later, when we received the draft NIE, we were shocked to find that our contribution on Soviet relations with Iran had been completely reversed. Rather than stating that the prospects for improved Soviet-Iranian relations were negligible, the document indicated that Moscow assessed those prospects as quite good. What's more, the national intelligence officer responsible for coordinating the estimate had already sent a personal memo to the White House stating that the race between the U.S. and USSR "for Tehran is on, and whoever gets there first wins all."

No one in my office believed this Cold War hyperbole. There was simply no evidence to support the notion that Moscow was optimistic about its prospects for improved relations with Iran. All of our published analysis had consistently been pessimistic about Soviet-Iranian relations as long as Ayatollah Ruhollah Khomeini was alive.

We protested the conclusions of the NIE, citing evidence such as the Iranian government's repression of the communist Tudeh Party, the expulsion of all Soviet economic advisors and a number of Soviet diplomats who were KGB officers, and a continuing public rhetoric that chastised the "godless" communist regime as the "Second Satan" after the United States.

Despite overwhelming evidence, our analysis was suppressed. At a coordinating meeting, we were told that Gates wanted the language to stay in as it was, presumably to help justify "improving" our strained relations with Tehran through the Iran-Contra weapons sales.

It's possible that the Reagan administration would have gone ahead and made its overtures to Iran regardless of what was said in the NIE, but having the coordinated assessment of the intelligence community support its views certainly added legitimacy to its rationale. What's more, if the policymakers had received better and more accurate intelligence, perhaps someone would at least have questioned the false sense of urgency. Instead, our intelligence was used as expensive intra-government propaganda.

Unfortunately, the Iran NIE was not the only case of politicization under Gates. It began in 1982, when Casey asked for an NIE on Soviet support for international terrorism. It continued when we were asked how far we thought the Soviet Union would go in its support for leftists in Central America. There was also an investigation by the CIA's inspector general into the atmosphere of politicization at the agency, the results of which were published even before 1991.

It was well known among analysts at the time that we would have a hard time getting Gates to sign off on analyses that did not fit his ideological preconceptions. All one had to do was look at his margin comments on controversial papers to know what was going on. Fortunately for him, classification and layers of bureaucracy kept those comments from public view. Today, however, many cases of politicized intelligence are a matter of public record. The National Security Archive, a not-for-profit organization, has posted many documents on its website that tell the story.

During those years, the government was clearly dominated by people who had a strong ideological view of the Soviet Union. But their conflict was not with people who were "soft" on communism, it was with people who looked at all the available evidence, without much bias one way or another, and who had been to the USSR and witnessed its hollow political and social structure, seeing not an omnipotent superpower but a clumsy, oafish regime often stumbling over its own feet.

The real untold story is just how wrong the American hard-liners, such as Gates, got the Soviet Union. Although they were the last to recognize that Mikhail S. Gorbachev was indeed reforming the USSR, they were the first to state that Gorbachev would be ousted and replaced by neo-Stalinists, as had been done to Nikita Khrushchev. (See Gates' Op-Ed article in the Washington Times in March 1989.) They also completely missed the Boris Yeltsin reform option.

Is all this ancient history relevant today? It is if you believe that policymakers are poorly served when analysis is concocted to support their preexisting positions. It is relevant if you believe that the failure to learn the lessons from the 1991 Gates hearings harmed U.S. foreign policy when, a decade later, we went to war on false intelligence about weapons of mass destruction in Iraq. It is relevant if you believe that Congress should take its oversight responsibilities seriously.

The nomination of Robert Gates to become secretary of Defense is an opportunity for him to demonstrate that he has learned from his mistakes and for Congress to reassert its constitutional authority.

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Democratic Leaders Reject Idea Of Draft (WP)

By Charles Babington And Josh White

The Washington Post, November 21, 2006

The new Democratic-controlled Congress will not seriously consider reinstating the draft, even if concerns about the military's strength and resiliency grow, party leaders said yesterday.

Key Democrats, including the incoming House speaker, House majority leader and chairmen of the House and Senate armed services committees, said they do not support a resumption of the draft. They predicted that the idea will gather little momentum in the 110th Congress, which convenes in January. Pentagon officials also restated their opposition to a draft.

Their comments came a day after Rep. Charles B. Rangel (D-N.Y.), who will chair the Ways and Means Committee, said he would again introduce a bill calling for a return to the draft, which has been suspended since 1973.

Rangel's previous bids to reinstate the draft stirred little interest in Congress but considerable agitation among some bloggers and talk radio hosts, who suggested the public was about to be blindsided. Yesterday, congressional leaders tried to allay such fears, saying the 2007-08 legislative agenda will not include a resumption of the draft.

"Mr. Rangel will be very busy with his work on the Ways and Means Committee, whose jurisdiction is quite a different jurisdiction," Speaker-elect Nancy Pelosi (D-Calif.) told reporters. Ways and Means handles tax matters, not military legislation.

Dismissal of the draft idea does not mean key lawmakers and analysts are not worried that the military is being stretched to its limits in Iraq, Afghanistan and elsewhere, with possible threats looming in Iran and North Korea. If higher troop levels are needed, several said, the answer is in recruiting more volunteers, not drafting people.

"The all-volunteer force has been successful," said Rep. Ike Skelton (D-Mo.), who will chair the House Armed Services Committee. "But the Army is stretched thinner than paper."

Skelton said Americans soured on the draft during the Vietnam War era because many felt that the system of exemptions -- claimed mainly by wealthier and better-educated people -- "was downright unfair in many instances. . . . I think it would not be acceptable to the American people today."

To address the manpower concerns, Skelton said, "we must slowly disengage ourselves from Iraq" and focus on fully equipping all units before they go into combat. "The recruiting is coming along better," he said. "The retention, with the exception of captains and junior majors, is going well. . . . The bigger problem is readiness," which he said is mainly a matter of equipment.

Pentagon officials have long said they do not support reinstatement of the draft, which would send people unwillingly into the armed forces alongside the hundreds of thousands of professional troops who volunteer. Top officials have shown great pride that the military has been an all-volunteer force for more than three decades, even as the armed services face growing strain as a result of the wars in Iraq and Afghanistan.

In 2004, when the same topic was raised in House hearings, top Pentagon officials said the Bush administration did not support the draft and had no plans to pursue it. Officials said yesterday they still do not believe that conscription is a viable option for today's military.

Army officials point to the turnaround in recruiting efforts over the past year -- during which the Army met an elevated goal of 80,000 new soldiers and continued to surpass reenlistment targets -- as evidence that the military can support itself as a volunteer force. Training draftees, who likely would leave the service as soon as possible, would cost millions of dollars with little return on the investment, they said.

Rangel, a Korean War veteran, said a draft would bring more upper-middle-class Americans into the military and would force policymakers to evaluate warmaking more carefully. But a recent Heritage Foundation study found that the all-volunteer military has a fairly good distribution of people from all family income and education levels.

"No evidence supports arguments for reinstating the draft or altering recruiting policies to achieve more equitable representation," wrote Tim Kane, director of the foundation's Center for International Trade and Economics.

Rangel has suggested incorporating military conscription into a larger program of mandatory national civilian service, in which Americans would perform nonmilitary functions.

But such a proposal probably "would go nowhere even faster than a military draft," said Robert Goldich, a retired expert on military manpower for the Congressional Research Service.

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American traditions and courts frown on "involuntary servitude," he said. Moreover, he said, "what Vietnam did was sort of confirm a basic American attitude that the draft was something that was going to be used only for major conflict."

The U.S. military included about 2.2 million people in the mid-1980s, Goldich said, compared with about 1.4 million now. If the nation's policymakers decide the military must grow, they can probably achieve their goals by improving benefits and targeting people ages 22 to 25, rather than the customary 18- and 19-year-olds, he said.

"Clearly we've recruited a much larger all-volunteer force in the past" and can probably do so again, Goldich said.

Rangel's Call For New Military Draft Rebuffed (WT)

By Rowan Scarborough And Amy Fagan

The Washington Times, November 21, 2006

Democratic Rep. Charles B. Rangel's latest call to quickly restart the military draft was shot down yesterday by incoming House Speaker Nancy Pelosi and other party members, who said it will not be part of the Democrats' legislative agenda.

New York's Mr. Rangel periodically has urged a draft revival as a mechanism to criticize President Bush's handling of military deployments in the war on terrorism. He renewed his call again on Sunday, saying on CBS' "Face the Nation" that "if we're going to challenge Iran and challenge North Korea and then, as some people have asked, send more troops to Iraq, we can't do that without the draft. ... I will be introducing that bill as soon as we start the new session."

But Mrs. Pelosi, California Democrat, told reporters she does not favor the draft and has no plans to schedule a floor debate. And in the Senate, incoming Armed Services Chairman Carl Levin, Michigan Democrat, also dismissed the idea.

"I don't think we need it," he told reporters.

House Armed Services Committee Chairman Duncan Hunter, California Republican, disagreed with Mr. Rangel's long-held position that the burden of fighting wars fall disproportionately on low-income people. A study by the conservative Heritage Foundation concluded that the children of higher-income parents increased their enlistment numbers after the September 11 attack.

Mr. Hunter said his son left a civilian job to serve in Iraq and that several committee members have sons fighting in the war.

Mr. Rangel, an Iraq war critic who will become chairman of the House Ways and Means Committee, urged a new draft during the 2004 presidential election. Other Democrats floated a rumor that the Bush administration plotted behind the scenes to institute compulsory service because of missed recruiting goals.

The Republican leadership quickly moved for a floor vote that October. Then-House Majority Leader Tom DeLay, Texas Republican, said of Democrats, "We've had enough of that. We're going to call them on it. The Democrats are the only people that have a bill instituting the draft. We're going to bring it out there, and we're going to put a nail in it."

Mr. Rangel's proposal, which would draft women as well as men, was defeated 402-2. He even voted against it, saying Republicans brought up the bill up as a political stunt. Rep. John P. Murtha, Pennsylvania Democrat, who subsequently called for an immediate troop withdrawal from Iraq, and Rep. Pete Stark, California Democrat, voted in favor of the bill.

The all-volunteer force began when President Nixon ended the draft in 1973, more than 30 years after President Franklin D. Roosevelt ordered it to prepare for World War II. The draft was suspended after the war, but restarted in 1948. Women were exempt.

Mr. Rangel argued Sunday that "there's no question in my mind that this president and this administration would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if indeed we had a draft and members of Congress and the administration thought that their kids from their communities would be placed in harm's way."

He added, "I think at a time where national security is so important, having our young people commit themselves to a couple of years in service of this great republic, whether it's our seaports, our airports, in schools, in hospitals and at the end of that to provide some educational benefits is the best thing for our young people and the best thing for our country."

Rejecting The Draft (NYT)

The New York Times, November 21, 2006

There are many reasons why we are distressed to hear that Representative Charles Rangel of New York plans to reintroduce his annual measure aimed at resurrecting the draft when the Democrats take control of the House in January. We

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don't favor military conscription in general. And in this particular case, compelling military service won't achieve the things Mr. Rangel says he wants, either.

Mr. Rangel wants to replenish an Army that is in critical condition, make the armed services more equitably representative of American society as a whole, and find a way to prevent future presidents from embarking on military misadventures. Those are laudable goals, but not ones the nation can achieve by bringing back the draft.

Even if the draft was a good idea, it would be politically impossible to achieve. Members of Congress are well aware that their constituents oppose it. This White House has never been willing to ask the American public to do anything but accept more tax cuts; it's hardly going to embrace something as difficult and unpopular as military conscription.

But the idea is flawed as well. Because of the dire situation in Iraq, the Army is indeed having trouble meeting its yearly quota of 80,000 recruits. Yet military leaders nevertheless oppose a draft. They believe you don't get a highly skilled Army by forcing people to serve against their will, and they are right.

The draft would not demonstrate to young people that everyone must do his or her fair share. It is more likely to convince them that the demand for sacrifice is made mainly on those too poor to avoid it. The volunteer force in Iraq has been a truer cross section of America than the force created under the last draft, which ended in 1973, before the end of the Vietnam War. The wealthy and well-connected could get deferments then or assignments to safe alternatives, and many did. While there are plenty of underprivileged in the current force, at least they are there by their own choosing.

The problem with the draft does not lie in the fact that it requires young people to spend some time contributing to the nation's well-being before they embark on their life careers. We wish the president had called for such sacrifices after Sept. 11, 2001, when so many Americans were aching to contribute.

For those young people who do not feel moved by patriotism or propelled by economics to enlist in the military, there should be other options for national service — like AmeriCorps. These programs need money and attention. Some of the potential candidates for president in 2008 have said the United States should require all young people to devote a year or two to service after high school or college, and that idea should be debated during the upcoming campaign.

But the urgency of the Army's current needs requires a different solution. There are many ways for the armed services to meet their recruitment goals outside of general conscription. After all, the Army's annual quota of 80,000 recruits is barely a drop in the ocean of some 60 million Americans between 18 and 35. Forcing the issue, with a draft, is no solution.

Democrats' Rx? Generics (WSJ)

By Anna Wilde Mathews

The Wall Street Journal, November 21, 2006

NEWLY EMPOWERED Democrats' vow to cut health-care costs might spell bad news for the brand-name pharmaceutical industry, but their efforts could provide new momentum for the generic-drug rivals' agenda.

Boosting the generics industry may prove to be a politically palatable way to follow up on the party's campaign promises. That's because making more room for generics is meant to cut prices through increased competition -- a solution that is easier to sell as pro-market than other proposals Republicans will portray as precursors to federal price controls. In addition, some legislation that must be renewed in 2007, including laws providing vital funding to the Food and Drug Administration and encouraging studies of drugs' use in children, could provide gridlock-proof vehicles for generics provisions.

"Overall, because of the shift in Congress, next year could be the most important year to the generics industry since 1984," when Congress passed the law that opened the door to the modern generics business, says Jake Hansen, a vice president at generics maker Barr Pharmaceuticals Inc., of Woodcliff Lake, N.J.

The most important question will likely be how and whether to create a legal pathway for the FDA to approve generic versions of biotechnology drugs. The 1984 law that created a framework enabling the FDA to approve generic drugs focuses on traditional, chemically derived drugs such as Prozac, but didn't give the agency a way to approve generic versions of most biotech products. Now, the issue will get a push from several key Democrats, though it will be difficult to pass such a complicated and contentious change in 2007.

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An array of other measures aimed at smoothing the way for traditional generic drugs will also get attention, and could well be tucked into broader bills next year. Among them are proposals to limit branded-drug company tactics that thwart generic competitors, such as licensing additional companies to sell their drugs and thus diluting the profits to be made from copying them.

The FDA generics office is likely to get more funding to speed its reviews now that the Democrats are in charge, and there may be limits put on FDA petitions filed by brand-name makers that can delay generic-drug approvals. Another likely goal for Democrats: shortening a six-month period of exclusive marketing that branded-drug makers get in exchange for their pediatric research, a benefit that can be worth millions of dollars because it delays generic competition.

Makers of traditional chemical generics sell versions that can be substituted for the originals, typically at a substantially lower price. The generics companies have far smaller development costs, since they don't have to duplicate years of research and regulatory review borne by branded-drug makers.

A number of Democrats who have been allies of the generics makers are slated for positions that could help in pushing forward such changes. In the Senate are Vermont's Patrick Leahy, the expected Judiciary Committee chairman, as well as high-profile lawmakers such as New York's Hillary Clinton and Charles Schumer. Sen. Edward Kennedy of Massachusetts, who will head the health committee, is among the Democrats who have signaled that health-care costs will be a major focus for next year.

Sen. Herb Kohl, a Wisconsin Democrat who is expected to head the Senate Appropriations subcommittee that handles the FDA's funding, says, "We really want to promote the use of generics because of the savings."

In the House, California Rep. Henry Waxman, a sponsor of the 1984 generics law, will be chairman of the Government Reform Committee, while FDA appropriations will go through a subcommittee headed by Connecticut Rep. Rosa DeLauro. The generics makers count some Republican supporters as well: Mississippi's Trent Lott, who will be the new Republican whip in the Senate, co-sponsored a bill supported by the industry last year with Michigan Democrat Debbie Stabenow.

"I'm obviously supportive of whatever we can do to make generics more available," says Democratic Rep. Frank Pallone of New Jersey, who may become chairman of the House Energy and Commerce health subcommittee. Drug prices are the kind of "affordability issue" that drew votes to Democrats, he says, adding that he supports the idea of generic biotech drugs. Mr. Waxman, with Sens. Schumer and Clinton, has introduced a bill to create a generic biotech pathway, which he says is "very, very much needed."

Generics makers are leaning on a coalition that has worked in the past, drawing on big employers and others scared by rising health-care costs. European regulators, meanwhile, have already begun crafting guidelines for what they call "biosimilars."

The generics makers' pitch is simple, and likely to resonate with many lawmakers: Helping them means lower drug costs, and doesn't involve government-imposed price controls or the controversies surrounding imported medicines.

The generics industry complains about remaining "loopholes" in law and regulation exploited by branded-pharmaceutical makers to delay generic competition. On the issue of generic biotech drugs, they argue that they can safely create copies without duplicating all the expensive studies done by the original manufacturers. "Right now, there's a regulatory monopoly" for biotech drugs, says Kathleen Jaeger, chief executive of the Generic Pharmaceutical Association.

Branded-drug companies defend their tactics. In a statement, the Pharmaceutical Research and Manufacturers of America says licensing additional competitors increases competition and brings down prices beyond the introduction of a generic version. The group also says the FDA needs to consider safety issues raised by petitions before it approves a drug, and such petitions allow consumers and others to "present their views on important FDA issues."

The biotech industry, for its part, is pushing its own case on Capitol Hill. One argument: Science isn't advanced enough for generics makers to produce truly identical duplicates of their medications. It is likely to get a good hearing from Democrats, partly because of biotech companies' base in Democratic strongholds of California and Massachusetts.

Some biotech officials argue that generics makers will need to redo all the studies performed by the original manufacturer, in order to guarantee their copycat products are effective and safe for patients. That would likely eliminate much, or all, of the price advantage offered by the generics rivals. "There is no way to characterize a biological," says James Greenwood, a former congressman who heads the Biotechnology Industry Organization, a trade group.

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Biotech companies also argue that their products take longer to develop, and are often tested for use in fighting more illnesses than traditional drugs. For small start-ups, they say, generic competition could be devastating. So if legislation moves forward, they will press for trade-offs such as extra years of exclusive marketing. Such a compromise was the basis for the 1984 passage of the generics bill.

"I would like to see Congress be fair to the innovators," says Jim Green, a senior vice president of Biogen Idec Inc., of Cambridge, Mass. "The level of research-and-development investment in the next product is not going down."

Write to Anna Wilde Mathews at anna.mathews@wsj.com1

Intelligence Panel Staffer Reinstated (WP)

By Walter Pincus

The Washington Post, November 21, 2006

A Democratic staff member of the House Permanent Select Committee on Intelligence has had his security clearances reinstated and yesterday resumed work for the panel, ending a pre-election drama during which senior House Republicans alleged he may have leaked an intelligence report that was politically embarrassing to the Bush administration.

The mid-level staffer, Larry Hanauer, had signed an affidavit that he did not "discuss, disclose or cause to be discussed or disclosed" a National Intelligence Estimate (NIE) on Iraq to any person "affiliated with the press."

Committee Chairman Peter Hoekstra (R-Mich.) wrote on Friday to ranking Democrat Jane Harman (Calif.) that the affidavit and the results of the committee staff director's interview of Hanauer were enough for him to rescind the punishment.

An earlier plan to carry on an investigation of all staff members to include possible review of their past e-mails was dropped. A spokesman for Hoekstra, Jamal Ware, said that the staff member's access to classified information had been "restored," but that otherwise the chairman would have no comment on the matter.

At the time of the suspension, Hoekstra told Harman that another committee member, Rep. Ray LaHood (R-Ill.), had questioned the timing between Hanauer obtaining the NIE for a Democratic lawmaker who requested it and the New York Times publishing a story about it days later. Although the leak allegation was not based on any evidence, Hoekstra suspended Hanauer, telling Harman he had "come to the conclusion that I cannot assume that this was a mere coincidence."

Soon after the suspension last month, House Majority Leader John A. Boehner (R-Ohio) and House Majority Whip Roy Blunt (R-Mo.) released statements condemning leaks and praising Hoekstra.

Jonathan Turley, Hanauer's Washington attorney, yesterday released a statement welcoming the news that "this long nightmare for Larry and his family is now over." He added that it is "regrettable that it took this long given the total absence of any evidence linking Larry to the New York Times articles." In the interim, Hanauer worked in Harman's office handling non-classified duties, and he said he received threatening phone calls as a result of the publicity.

The situation highlighted long-standing animosity between Hoekstra and Harman. Harman objected to the chairman's release of several intelligence reports -- drafted primarily by the Republican staff -- that gave support to the Bush administration's policies dealing with terrorism, Iran and North Korea. In turn, Harman had released an internal report raising questions about how former committee member Randy "Duke" Cunningham (R-Calif.) had used his status to get Pentagon contracts for political supporters. Cunningham is serving an eight-year prison sentence after being convicted on bribery and other charges.

The antagonism between the two senior committee members seems not to have ended. Hoekstra, in his Friday letter, reminded Harman that his policy prohibits staff members from talking to the media "unless authorized by me," adding: "Even when such contacts do not deal with classified information."

He pointedly noted that he had been told "it has been the routine practice of the minority staff to have contacts with the press at your direction." Hoekstra added, referring to Hanauer: "I expect the staff member to comply scrupulously with my announced policy for the remainder of the 109th Congress."

Under normal circumstances, Harman would be in line to replace Hoekstra as chairman in January. But Speaker-elect Nancy Pelosi (D-Calif.), who under the rules appoints all members of the intelligence panel, has indicated that she plans to choose someone else, possibly the next ranking Democrat, Rep. Alcee L. Hastings (Fla.).

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One alternative, according to a senior Democratic staff member who asked not to be identified because he was not authorized to speak for his boss, would be for Pelosi to give Harman the chairmanship of an intelligence panel subcommittee, rather than just dropping her from the committee.

As for Hoekstra, a Republican congressional staffer said whether the current chairman remains on the committee is up to Boehner, who under the rules chooses the panel's membership. "I believe Mr. Hoekstra would serve if Boehner selects him," the staff member said.

Same Old Party (NYT)

By Thomas B. Edsall

The New York Times, November 21, 2006

Washington

Last Friday, the Republicans gave the Democrats a gift that will keep on giving: Roy Blunt of Missouri.

After an election repudiating the politics of Jack Abramoff and Tom DeLay, Republicans elevated Blunt from the number three spot in the leadership to number two.

Roy Blunt embodies the insidious, half-legal corruption that has permeated the G.O.P. majority since 1995. Blunt's election as minority whip, by a 137-to-57 margin, was a defiant Republican rejection of calls to clean up their act. Warnings by Blunt's challenger, John Shadegg of Arizona — "We ceded our reform-minded principles in exchange for a ...tighter grip on power" — went unheeded.

In 1998, DeLay put Blunt on the leadership ladder, making him chief deputy whip. Blunt modeled himself on DeLay, creating an identical network of state and federal political committees that raised money from the same lobbyists, corporations and trade associations that financed what became known as DeLay Inc.

If one political operation captured the essence of DeLay's leadership, it was the Republican takeover of Washington's influence-peddling industry. This industry, grossing $2.36 billion last year alone, eagerly accommodated DeLay's demands to replace Democratic lobbyists and association executives with Republicans. In a mutually rewarding relationship, lobbyists who financed DeLay Inc. wrote amendments and bills, while DeLay received a flood of cash to build a multimillion-dollar network of PACs. These committees lavished contributions, corporate jets and year-round entertainment on Republican House members, ensuring their loyalty, and channeled cash into local political parties, helping to win control of state legislatures that, in turn, gerrymandered districts to implement a long-term strategy of larger G.O.P. Congressional majorities.

In 2003, after DeLay moved up to majority leader and turned the so-called K Street Project over to him, Blunt promptly converted a legion of Republican lobbyists into an arm of the House whip operation. Lobbyists have always been close to Congress, under rule by either party. What DeLay and Blunt did was to sacralize this relationship. In doing so, they transferred a chunk of power from Capitol Hill to business interests.

This unholy alliance was a crucial factor in transforming the G.O.P. into an army of spenders whose earmarks, appropriations and tax cuts rivaled the government largess of Lyndon Johnson's Great Society.

In 2004, Blunt turned his lobbyist team loose to win passage of a bill eliminating a $50 billion corporate tax break that the World Trade Organization had ruled in violation of international agreements. These lobbyists inserted $143 billion worth of new corporate tax breaks, turning the bill into a Fortune 500 Christmas tree.

Blunt is not the easy target DeLay was. DeLay, a born-again Southern Baptist, by his own account had battled demon rum and the playboy life. Once he started down the path of righteousness, moralizing and sermonizing, he made enemies, painting a bull's-eye on his back.

Blunt, by contrast, is bland, unctuous and adept at keeping a low profile. But there is plenty to see. After divorcing his wife of 35 years to marry a tobacco lobbyist, Abigail Perlman, he cleared his second marriage with the House Ethics Committee to get "a waiver of the limitations of the gift rule to allow me to accept gifts in connection with my wedding."

Blunt unblushingly told the Heritage Foundation this month that Republicans "have allowed our efforts to defend traditional values to be defined as little more than a politically driven effort to appease 'family groups.' "

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For Blunt, the blurring of boundaries is a family tradition. His son Matt is the governor of Missouri. Another son, Andrew, is one of the state's top lobbyists. Almost all Altria subsidiaries — Kraft, Miller Brewing, Philip Morris (remember Abigail Perlman) — hired Andy Blunt, along with other financial backers of Roy Blunt.

In Blunt, House Republicans have kept on display a top official reminding voters why they cast ballots for Democrats on Nov. 7. After winning the post of minority whip last week, Blunt declared that the Republicans had "come together ... frankly, to get rid of the bad habits that we may have developed in 12 years in the majority." This is precisely the opposite of what they actually did, which was to affirm their bad habits. The burden on the Democrats will be to make the elusive Blunt a nationally recognized figure.

A Familiar Number (NYT)

By Robin Toner

The New York Times, November 21, 2006

With only a few races undecided, the new House of Representatives looks increasingly like a mirror image of the old: the Democrats are likely to have a majority close to 232, which was the Republicans' majority in the departing Congress. That may seem small compared with the Democrats' glory days; in 1994, before they lost power, they had 258 seats out of 435, and in the 1970s, after Watergate, they approached 300.

Still, the new Democratic majority is comparatively comfortable; 232 was the high-water mark for the Republicans in the 12 years they held power.

The strength of the Democratic showing in the elections this month was underscored by one statistic: they did not lose a single seat. They have gained 29 and, in New England, left the Republicans with just one House seat — that of Representative Christopher Shays of Connecticut — out of 22 in the region.

Whether the Democrats can hold this majority together on legislation, of course, is another question. And even if they maintain unity in the House, the prospects in the new Democratic Senate are even more fraught, given the particularly independent class just elected. Moreover, Senate Democrats have a majority of only 51, far short of the 60 votes required to break a filibuster.

Behind Democrats' Climb In Mountain West (USAT)

By Martin Kasindorf And Tom Kenworthy

USA Today, November 21, 2006

Some say party's success on Election Day was just

a fluke; others see a major political realignment; it could just be a normal part of a cycle between parties

DENVER — A wave of Democratic blue is splashing the fast-growing Rocky Mountain West, which until recently was so Republican that all eight states in the region went red for President Bush in 2004.

Democrats are celebrating their Election Day seizure of a U.S. Senate seat, a governorship, three U.S. House seats and other major offices in Rocky Mountain states. That extends a trend started in 2002 with winning three governor seats. Now, Democrats are hoping to break the Republican lock on the inland West in the 2008 presidential race.

The region's results Nov. 7 tracked with Democratic successes in the Northeast and Midwest. The question is whether the Western shifts indicate a fluke, the normal turn of a cycle or a permanent realignment.

Some Republicans say their party should gird for long-term trouble. "The West is not going to be as definitively conservative and Republican as it has been," says Eddie Mahe, a veteran GOP campaign strategist. "The Rocky Mountain West is probably trending to look more like a lot of the remainder of the country, not quite as unique as it once was."

Utah Gov. Jon Huntsman, a Republican, says, "Many of the Democratic leaders in the region have co-opted Republican issues. It signals the success of certain traditional Western conservative values. Republicans in this region should stick to their knitting. We should focus on that which we do best — economic vitality, immigration, the environment, energy efficiency and tax reform."

Randy Pullen, a Republican National Committee member from Arizona, says the election was a one-shot loss. "This election was a referendum on the president," he says. "We'll fare better in two years."

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The political changes mean both national parties will pay more attention to the West, says Michael Stratton, a Democratic campaign strategist in Denver. “It sets the grounds for the candidacy of a president who can speak Western issues,” he says.

University of Maryland-Baltimore County political scientist Thomas Schaller says Democrats should develop a strategy for 2008 that would cede the South to the GOP. Schaller says in his book, Whistling Past Dixie, Democrats could reach the needed 270 electoral votes by winning Colorado, Arizona, Nevada, New Mexico and other targets in the Mountain West. Midwestern states also would get more attention. “The West is not cowpokes and tumbleweeds, if it ever was,” he says. “It's changing rapidly.”

Signs that the Democratic Party is getting the message:

•The Democratic National Committee this year added Nevada to the early presidential nominating contests. Nevada's caucuses will be in January 2008, between the Iowa caucuses and New Hampshire primary. The DNC wanted to move up a racially diverse state and to please Las Vegas' powerhouse, 60,000-member Culinary Union, says Michael Gehrke of the Senate Majority Project, a Democratic group separate from the party.

•Denver is a finalist to host the 2008 national convention. The DNC will decide between it and New York City next year.

•DNC Chairman Howard Dean's “50-state strategy” put field operatives on the payroll and dispatched them a year ago for groundwork in Mountain West states that Democrats used to write off.

Democrats made notable gains.

Former Denver prosecutor Bill Ritter won the governorship in Colorado. Now, Democrats control that office, the Legislature and a majority of the state's U.S. House delegation for the first time since 1958.

In 2000, Democrats had no governors in the eight Mountain West states. Ritter's win increases the party's count from four to five of the governors.

In Montana, Jon Tester, an organic farmer with a flattop haircut, narrowly upset Republican U.S. Sen. Conrad Burns. Montana, which gave Bush a 59% majority in 2004, now has two Democratic senators. Democrats also held both houses of the Legislature.

Democrats captured three GOP-held House seats in the region. In Arizona, former Tempe mayor Harry Mitchell unseated Rep. J. D. Hayworth, and Democrat Gabrielle Giffords defeated Republican Randy Graf for retiring Rep. Jim Kolbe's seat. Colorado Democrat Ed Perlmutter picked up the seat Republican Bob Beauprez left open in his losing run for governor.

Launching the Democratic trend in 2002 were governors Janet Napolitano in Arizona, Bill Richardson in New Mexico and Dave Freudenthal in Wyoming. All were just re-elected in landslides.

Factors making the difference for Democrats:

•No liberals. Luring Western voters these days are “Blue Dog” Democrats, moderate-to-conservative candidates who are comfortable in Stetsons and boots. They support gun rights, Democratic pollster Celinda Lake says.

“First off, it's recruiting candidates that look like your state and use words you use,” says Montana Gov. Brian Schweitzer, elected in 2004 as the state's first Democrat in the post in 20 years. “We don't scare 'em. We are the kind of people who go to church on Sunday, drive a pickup and lower taxes when we can.”

Lake recalls a moment in Schweitzer's 2004 campaign when he was asked his views on an amendment banning gay marriage. “He said, basically, ‘I believe marriage is between a man and a woman, but aren't you a lot more worried about the price of grain?' ”

•Population changes. Cities and suburbs are booming from Albuquerque to Las Vegas to Boise to Grand Junction, Colo. There's been an influx of Hispanics and others. Many people are fleeing California's high housing costs and flocking to thriving Mountain West economies.

“We've become less isolated, more cosmopolitan, less the Last Frontier typified by Barry Goldwater conservatism,” says F. Chris Garcia, a retired pollster and University of New Mexico political scientist. “As states grow rapidly, there's a blending going on. We're going toward the center, not being just of one party.”

Hispanic population growth also is changing the face of the West, particularly in the Southwest and Colorado, Richardson says.

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According to the Pew Hispanic Center, Hispanics eligible to vote in 2006 were 38% of the New Mexico electorate, 17% in Arizona, 13% in Nevada and 12% in Colorado (Hispanic citizens were 9% of the overall U.S. electorate.) "You have a new melting pot in the West," Schaller says. "It's good for Democrats if they can capitalize on it."

•Social attitudes. Many newcomers are from coastal states where religious fundamentalists have made few inroads, Schaller says. And though the religious right dominates the GOP machinery in some mountain states, it is less pervasive in the Mountain West than in the South, he says.

•Rapid growth. Nevada, Arizona and Idaho are the USA's fastest-growing states, with Utah fifth. In Denver, Albuquerque and other Western cities, growth has brought congestion and sprawl. That points Westerners toward Democrats who say government can manage the problems, says Daniel Kemmis, senior fellow at the University of Montana's Center for the Rocky Mountain West. "There is a growing awareness among Westerners that these growth pressures … require thoughtful responses, not ideological responses," says Kemmis, a Democrat and former speaker of Montana's House.

•Environmental views. Typical new Montana residents, Schweitzer says, are moderate Republicans drawn to the state's open landscapes, blue-ribbon trout streams, hunting and hiking.

"Why we choose to stay or move here is because of the quality of life," he says.

Old-line Western farmers and ranchers are allying with environmental groups in a "coalition for Teddy Roosevelt-style conservation" of land and wildlife that's helping Democrats against pro-industry Republicans, Stratton says.

Put it all together, and the good year for Democrats "is not a fluke," says Larry Sabato, a University of Virginia political scientist. "There may be some one-term wonders … but on the whole, the Democrats in the West were part of a national and regional trend. Colorado has been running toward the Democrats, and I don't see that it's going to move back any time soon."

Freudenthal, Wyoming's Democratic governor, says pundits are reading too much into Democratic gains. "It's hardly as ebullient as the Democrats say, or as dark as the Republicans do," he says. "On the state-level stuff, I think it's all local politics and not some groundswell one way or the other. Wyoming has not become a Democratic state."

Freudenthal says Western voters were concerned this year about health care, education and balanced growth — issues that favored Democrats.

"The issues created the Democrats more than the Democrats created the tide," he says.

Election Day wasn't a Democratic sweep.

Nevada Republicans retained the governorship and fended off a challenge for a House seat. Republicans kept House seats in Montana and Wyoming. Idaho Republicans won all seven statewide races, including governor. Utah, too, stayed in the red column.

The natural cycles of politics provide another explanation for Democratic gains, says Pam Inmann, executive director of the Western Governors' Association.

"We had a big change in '74 (toward the Democrats), another in '94 (toward the Republicans)," she says. "After a party's been in power for a while and things are not going well, things tend to shift."

Can Democrats hold their gains? "It depends on how the Republicans choose to respond," Freudenthal says. "If they move toward more moderate candidates, then it becomes competitive."

Ritter, Colorado's new Democratic governor, says the trend will last "if we govern well. If we squander this because we don't appreciate the Western electorate, then it'll be short-lived."

He says the success will continue if Democrats focus on "how government intersects with where people struggle. It's about running a smart government, not a big government."

Traditionally Republican States Show They're Open To Democrats (MCT)

By Steven Thomma

McClatchy Newspapers, November 21, 2006

WASHINGTON - The next time you look at a political map of the United States, you'll have to adjust the color. After this month's elections, the old red-blue map that's defined the country for years is dead.

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All the solid Democratic states are still Democratic blue - basically the West Coast, the Northeast and scattered Great Lakes states such as Illinois, Wisconsin and Michigan.

Some are even bluer. Democrats took back the governor's office in New York, for example.

But a lot of states that were dependably Republican Red are now some other hue. Call them purple, striped or polka-dotted - the fact is they're now open to Democrats.

They haven't gone completely over. But they did elect some Democrats, signaling that they're in play. And that means a new center of gravity for the Democrats as they struggle to define themselves by governing in Congress the next two years and setting the table for 2008, hoping to consolidate this year's gains and win back the White House.

Democrats gained in states such as Colorado, where they picked up the governor's office.

That gives them a statehouse foothold across the Mountain West, as they now hold governors' offices in a solid line from Montana to New Mexico.

Democrats also picked up Senate seats in once-solid red states, such as Ohio and Virginia.

And they gained U.S. House of Representatives seats in such red states as Arizona, Colorado, Georgia, Indiana, Kansas, Kentucky, North Carolina, Ohio, Tennessee and Texas.

In part that reflects changes within those states. Migration of Democrats from the North to the Sun Belt continues to dilute the Republican red zone. Immigration brings new voters from Mexico and farther south, the majority of them Democrats once they vote.

It also reflects changes in the Democrats, who this year recruited centrists and moderates to compete in culturally conservative areas.

These new voices in the party - people such as incoming Sens. Bob Casey of Pennsylvania, Jon Tester of Montana and James Webb of Virginia - are certain to influence how the party handles issues such as abortion, taxes and gun control. Many are anti-abortion, anti-tax and pro-gun.

Democrats will want to keep those hard-won gains. And having tasted victory in red states, Democrats likely will want to go back and win the 14 House seats they lost by less than 1 percent, many of them in red states.

"Who you represent, who you're fighting over, changes thinking within the party. The party will be impacted by this election," said Democratic pollster Stan Greenberg. "When people look up at whose seats they are defending and the seats they can pick up ... that will impact what Democrats take up, what symbolic issues get put out on the table."

Issues that appealed to the party's liberal base might anger its new supporters and provide fresh ammunition to Republicans to re-energize their base.

Thus, a committed liberal such as Rep. Nancy Pelosi, D-Calif., the next House speaker, stifles talk about gay rights, a living wage, tax increases or cutting off funds for the Iraq war. The liberal base will push for those and more - but it can't rule the new map the way it did the old.

Another example: The last time the Democrats controlled the Congress, in 1994, they made gun control a centerpiece of their domestic agenda. This time around, it hasn't been mentioned, and many Democrats boast of their support for gun rights.

"If somebody brings up guns," said Democratic strategist James Carville, "I'm going to shoot `em."

These states also may be purple for the 2008 presidential election.

Democrats now hold governors' offices in states with 295 electoral votes - enough to win the White House.

"I consider all those states part of the presidential strategy," said Greenberg, who helped Bill Clinton win the presidency in 1992.

Still, one of the challenges facing Democrats is to find a presidential nominee who can satisfy both the liberals of Los Angeles and New York and the moderates of Golden, Colo., or Missoula, Mont.

Is The South Truly A Dead Zone For Democrats? (NYT)

By Adam Nossiter

The New York Times, November 21, 2006

DOJ_NMG_0096752

NEW ORLEANS, Nov. 20 — The South largely sat out the drama of the recent election, apparently confirming its reputation as the Democrats' graveyard. An influential book published in October predicted as much, saying the party could safely avert its gaze from a region that could not be of help.

"They don't need the South to win," said Thomas F. Schaller, who wrote the book, "Whistling Past Dixie: How the Democrats Can Win Without the South," and who teaches political science at the University of Maryland, Baltimore County. "Why would Democrats go after the most rural, least unionized, most racially polarized, most evangelized region in the country?" As proof, Mr. Schaller has cited Representative Harold E. Ford Jr.'s losing Senate race in Tennessee.

But not so fast. The thundering silence from the South may prove nothing more than what should be obvious: when Democrats do not compete, or compete unequally, they lose. Party officials in Tennessee, reflecting on the race in recent days, acknowledged that Mr. Ford was not an ideal candidate for the state, and not just because he was a black politician trying to climb the steep mountain of a white electorate. His own political baggage added significantly to his burden.

Throughout the South, Democrats ceded vast swaths of Congressional territory to Republicans, hardly bothering to show that the party was alive, even in places where such a demonstration might have been welcome. In Louisiana, Democrats barely fought in two Congressional districts where Republican incumbents could have been vulnerable: the Fifth District in the north, represented by a party-switching Republican whose last-minute change infuriated the state's Democrats two years ago, and the Seventh District in Cajun country to the south, peopled by socially tolerant French Catholics and long represented by Democrats.

Democratic officials in the state say they tried to persuade strong candidates to take up these challenges but found no buyers and evidently no deep bench from which to draw, testimony to the years of national Republican ascendancy.

True, President Bush piled up big majorities in 2004 in both districts, but he also did so in a southern Louisiana district where the Democratic incumbent was handily re-elected on Nov. 7. Had Democrats fought in Louisiana this year, "they would have made a good run for it," said Wayne Parent, a political scientist at Louisiana State University.

In Mississippi and Alabama, Republican incumbents cruised to re-election with hardly a peep out of the Democrats. Yet Mississippi, depicted by Mr. Schaller in some ways as the most impregnable Republican bastion in the South, has elected progressive Democrats as governor three times in the last three decades, a fact unmentioned by Mr. Schaller in his book. In Georgia, two Democratic incumbents considered by Republicans to be among the most vulnerable in the nation held their seats, albeit narrowly.

In many ways, however, it was the closely watched Senate race in Tennessee that was most indicative of the problems and the promise of the Democrats' future in the region.

At one level, Mr. Ford's loss to the Republican, Bob Corker, was simply a reiteration of an ancient reality for Democrats in the South: black candidates in statewide races are unlikely to win because they face a majority-white electorate, and most whites do not vote for blacks. In other words, there is a challenge with the voters, not the candidate, which is one of Mr. Schaller's arguments.

For example, at an election-eve rally in rural Centerville, about 65 miles west of Nashville, John C. Tidwell, the local Democratic state representative, looked out over the small, mostly white crowd and said, "There are people spread out here that wouldn't vote for" Mr. Ford "even if he were Moses." Mr. Tidwell used a slur for a black man, not Mr. Ford's name.

Another attendee, Wes Morgan, backed up Mr. Tidwell's observation: Mr. Ford's race was a tough sell in Hickman County, which includes Centerville. "You're still in the country," said Mr. Morgan, an emergency medical technician. "A lot of people say, 'Ain't no way my grandfather would have voted for a black man.' "

Yet even given that reality, Mr. Ford came remarkably close, winning 48 percent of the vote. Why he did not do better was suggested by Mr. Tidwell's next comment, which also hinted at why Mr. Ford's racial background was not the only factor in his loss.

"These people are struggling with their vote," Mr. Tidwell said. "They don't like the Republicans, but they don't like a Ford black boy either." Here the racially charged language was accompanied by the Ford name, and for many in Tennessee, that carried a specific meaning.

Voters knew that several members of the politically active Ford family had been caught up in legal and ethical problems, including Mr. Ford's father and predecessor in Congress, Harold Ford Sr., who was acquitted on federal corruption charges.

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"The Ford name has a lot of baggage in West Tennessee," said Will T. Cheek, a member of the Democratic National Committee in Nashville.

That voters might have considered the Fords less than trustworthy could have been reinforced in the Senate race, in the view of some Tennessee Democrats, by the candidate's own late-breaking genuflections toward his faith, by his denunciations of same-sex marriage and by other signals of a swing to the right.

As it happened, white Democrats did turn out for Mr. Ford in Tennessee, just not in sufficient numbers, suggesting that a different candidate, and not necessarily a white one, could have been elected.

"We really lost this thing in rural Middle Tennessee, which is historically Democratic, and it did not perform well at all," said Mr. Cheek, who is also a former chairman of the Tennessee Democratic Party. (Most of the state's black voters are concentrated in the western third of the state.) Looking over the statistics postelection, "Ford is winning," Mr. Cheek said, "but he's not winning as big as he should be winning."

In several counties, Mr. Ford won even fewer votes than Senator John Kerry, who lost big in the state when he ran for president in 2004. And Mr. Ford lost while Gov. Phil Bredesen, a Democrat, was sweeping every county in the state.

"I think another candidate might have won — I think one of the congressmen could have won it," Mr. Cheek said, referring to Tennessee's Democratic representatives.

In an interview last week, Mr. Schaller, the political scientist, was jubilant, seeing the national election as a vindication of his book. "For the first time in 52 years," he said, "Congress will be run by the party that has a minority of Southern seats in the House and Senate."

But others warn that to abandon the South carries risks as well, paralleling those faced by Republicans who let themselves become dominated by Southern voices and ideology.

"The Republican mistake was to center the party too much in the South," said Mr. Parent, of Louisiana State University. But "once the Democratic Party starts extricating itself from Dixie too much, it might move itself too far away from its center in Ohio and Pennsylvania."

Dems' Senate Grip Will Rely On 3 New Hybrids (USAT)

By Kathy Kiely

USA Today, November 21, 2006

WASHINGTON

When Democrats take over the Senate in January, the party's bare two-vote majority will include three senators whose history shows they heed their own views more than those of any political leader.

Just how precarious is the Democrats' grip on power? The 51 senators who will make up the party's Senate caucus beginning in January include two who aren't officially Democrats — independents Joe Lieberman of Connecticut and Bernie Sanders of Vermont — and Jim Webb of Virginia, who used to be a Republican.

The 110th Congress will be the first since 1976 to have two people who don't belong to the two major parties serving in the Senate at the same time. Republicans will occupy 49 of the chamber's 100 seats.

Even when one party has a more comfortable margin of control, Senate rules make it "easy to play to a draw on everything," says deputy Democratic leader Dick Durbin of Illinois.

In the new Senate, where every roll call could be a squeaker, political hybrids Lieberman, Sanders and Webb stand to be key players.

No wonder incoming Senate Majority Leader Harry Reid lavished plum committee assignments on the trio last week.

Lieberman will head the high-profile committee that oversees homeland security and governmental affairs. Webb, though a freshman, snagged coveted posts on the Armed Services and homeland security committees. In addition to the three assignments he requested — on the energy; environment; and health, education and labor committees — Sanders said he was surprised to learn he's also been given a seat on the Senate Budget Committee.

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On paper, the three appear likely to push the party in opposite directions: Sanders describes himself as a "democratic socialist;" Webb worked in the administration of President Reagan, a conservative icon. He and Lieberman share a belief that the Democratic Party must develop more muscular stands on defense and foreign policy.

In separate interviews, however, all three members of what could become the Senate's maverick caucus identified one area of common ground: All named the middle class squeeze as one of their top concerns and said they want to reverse Bush administration policies that, in their view, favor the wealthy.

Dems Return To Power With A Long Wish List (USAT)

By Richard Wolf

USA Today, November 21, 2006

WASHINGTON — Democrats will return to power in Congress with a lengthy list of expensive priorities and a pledge to pay for them. Some budget experts say the dual goals don't add up.

Democratic leaders have endorsed an ambitious agenda that includes fortifying the military, improving homeland security, helping veterans, making college more affordable, establishing energy independence and boosting private savings rates. Annual tab: at least $79 billion, according to the National Taxpayers Union, a group opposed to higher taxes.

They also want to protect 20 million upper middle-income taxpayers from the alternative minimum tax. It was originally designed to ensure the rich didn't avoid paying taxes, but it threatens to raise taxes on the less affluent unless it's indexed for inflation. Cost: $50 billion a year, according to the Joint Committee on Taxation.

And they want to eliminate the coverage gap in Medicare's prescription-drug program, which forces those with big drug bills to pay at least $3,600 out of pocket. Price tag: about $30 billion a year and rising, according to the Congressional Budget Office.

At the same time, Democratic leaders say, they will reinstate budget rules that expired in 2002. They want statutory caps on most domestic and defense spending. They also want new tax cuts or benefit increases offset by other tax increases or spending cuts to keep the deficit from growing.

"They can't basically have all of those priorities … without deciding who's going to pay the bill, and that means either cuts in spending or increases in revenue," says Leon Panetta, White House chief of staff and budget director under President Clinton. "There's going to be a huge temptation here to borrow the Republicans' example of borrow and spend."

"It's going to be difficult," says Rep. Charles Rangel, D-N.Y., who is in line to lead the tax-writing House Ways and Means Committee next year. "We're going to have to see how much fat is out there."

The growing list of pent-up Democratic demands reflects 12 years largely spent out of power in Congress. In the days after the election, Democrats who will chair key committees spoke openly of goals as ambitious as expanding health insurance to all children and providing free college educations to math and science majors.

The immediate list is less expensive. In crafting their "Six for '06" campaign agenda, incoming House Speaker Nancy Pelosi and Senate Majority Leader Harry Reid left off fixing the alternative minimum tax and closing the Medicare drug coverage gap because of their costs.

Still, items such as implementing the homeland security recommendations of the 9/11 Commission and cutting interest rates for student loans could cost billions more once specific proposals are made. Democrats have pledged to pass those in the first 100 hours of the new Congress.

Some of the party's leading proponents of reducing the $248 billion federal deficit say the initial package is realistic. Sen. Kent Conrad, D-N.D., in line to be the Senate Budget Committee chairman, calls it "pretty modest." Rep. Jim Cooper, D-Tenn., says it's "reasonable."

Paying for those priorities may prove untenable, they say, forcing Democrats to choose between forgoing new initiatives or waiving the budget rules. "You impose a discipline that may restrict your ability to enact one or more of them," Conrad says.

The Democrats have a much smaller list of ways to pay for their initiatives. They would have the government negotiate lower prices with drug companies for the Medicare prescription program, which the Congressional Budget Office has said will not save money. They would repeal subsidies for big oil companies worth about $7 billion a year. And they would try to close the

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elusive “tax gap” — an estimated $400 billion in taxes owed but uncollected each year. The IRS says $50 billion to $100 billion eventually could be recouped.

Republicans scoff at the disparity between the Democrats' wish list and wallet. “It's going to be difficult to do some of the things Democrats have suggested,” says Rep. Jim McCrery, R-La., who's in line to be the top Republican on the Ways and Means Committee.

“It is extraordinarily expensive. You're talking tens if not hundreds of billions of dollars,” says Sen. Judd Gregg, R-N.H., current chairman of the Senate Budget Committee.

Critics of the pay-as-you-go budget rule note that it doesn't reduce the automatic growth of Social Security, Medicare and Medicaid, since it applies only to new initiatives. It could, however, endanger President Bush's tax cuts, which are due to expire in 2010. Extending them for five years would cost more than $1.2 trillion, the Congressional Budget Office says. The rule was in effect but waived in 2001, when most of the tax cuts were enacted but not paid for.

“Every dollar of federal spending, no matter how wasteful, will be defended to the death by whoever receives it,” says Brian Riedl, a budget analyst at the conservative Heritage Foundation. “Gimmicks usually win out.”

Push To Add Real Estate Funds To Savings Plan Is Rebuffed (WP)

By Stephen Barr

The Washington Post, November 21, 2006

Don't bet the mortgage that the Thrift Savings Plan will add a real estate investment fund, or any other option, soon.

A consultant hired by the TSP said yesterday that the retirement savings program for government employees is generally comparable to 401(k) and similar plans offered in the private sector and did not recommend any changes.

"Our review of the program leads us to the conclusion that the core of the investment program is well-structured and there are no gaps in the investment lineup," Ennis Knupp, a consultancy in Chicago, said in a report.

About 200 House members are co-sponsoring a bill that would add a real estate investment fund to the TSP, which prompted the Federal Retirement Thrift Investment Board to order the $140,000 study. After the board signaled opposition to adding a real estate option and sought the study, the chief sponsors of the bill put it on hold.

The board, chaired by Andrew M. Saul, was briefed by representatives of Ennis Knupp yesterday, but board members did not mention the proposed legislation. A board spokesman said copies of the consultant's study had been sent to congressional committees that oversee the TSP.

The National Association of Real Estate Investment Trusts has pushed for adding a real estate fund, contending that it would help government employees diversify their portfolios.

The association's spokesman said the consultant's report is being reviewed but portrayed its findings as predictable. "Given the TSP administration's longstanding opposition to adding new choices to the TSP lineup, we're not terribly surprised that the report validated the TSP management viewpoint," Ron Kuykendall, the spokesman, said.

Real estate investment trusts, or REITs, are publicly traded companies that own and usually manage real estate, such as office buildings, shopping centers, apartments, hotels and warehouses. They are often called "liquid real estate" because they provide a way to invest in an array of commercial properties without having to buy them directly. REITs are required to pay out most of their taxable income to shareholders.

A spokesman for Rep. Thomas M. Davis III (R-Va.), one of the chief proponents for adding a real estate fund to the TSP, said Davis "looks forward to continuing to discuss with federal employees why he thinks they would benefit from a REIT option."

In reviewing REITs for the TSP, the consultant found they have outpaced most U.S. stocks over the past decade and have performed particularly well in the past five years, with an annualized return exceeding 19 percent.

But Ennis Knupp concluded that REITs remain a "sub-sector" of the stock market and that participants can gain exposure to REITs through the TSP's large, common stock index fund and its small-company index fund. The consultant also raised concerns that the REIT market might have difficulty in accommodating cash flows in excess of $200 million on some days, a possibility based on the TSP's experience with its international fund.

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In addition to REITs, the consultant reviewed growth and value stock funds, emerging markets stocks, non-U.S. bonds, commodities and Treasury inflation-protected securities, known as TIPS.

Russell Ivinjack, an Ennis Knupp principal, said his team found more disadvantages than advantages in the six asset classes, suggesting that the TSP should stick with its four broad index funds, a government securities fund, and five life-cycle funds that automatically shift to less risky investments as a participant nears the time to draw down savings.

Private-sector survey data examined by Ennis Knupp indicated that most 401(k) participants select investment options similar to those of TSP participants, he said. The data, he added, "confirms this program is in the mainstream."

Saul noted that the TSP hit $200 billion in assets this month -- "really a milestone." The TSP has more than doubled in size in the past four years, making it one of the largest retirement savings programs in the world.

Textile Fiasco (WSJ)

The Wall Street Journal, November 21, 2006

Congress's failure to pass Permanent Normal Trade Relations with Vietnam embarrassed President Bush on his visit to Hanoi last week. But this failure is an even bigger fiasco than it appears because of the White House's pandering to the U.S. textile industry. It's a case study in how protectionists never stay bought.

The power of the textile lobby is an old story, and the Bush Administration bowed to it by negotiating extraordinary quota provisions with Vietnam. In particular, it agreed to allow quotas to be reimposed if there are import surges in Vietnam textiles to the U.S. once the deal is implemented. But that wasn't enough for the textile crowd, who induced GOP Senators Lindsey Graham (South Carolina) and Elizabeth Dole (North Carolina) to put a hold on the bill. Never mind that the bill has bipartisan support and many more than the 60 Senate votes needed to overcome a filibuster.

But instead of insisting that Republicans bring the bill to a vote, the Administration chose to make one more protectionist concession. In a September letter to the two GOP Senators, Commerce Secretary Carlos Gutierrez and Trade Representative Susan Schwab agreed to "self-initiate anti-dumping investigations" against Vietnamese apparel under certain circumstances. That is, the government declared that it will serve as the textile lobby's protectionist front man.

This is stunning. For one thing, the government almost never initiates anti-dumping actions. The last time we can recall it happening was on softwood lumber in 1991. Under the anti-dumping laws, the industry itself is supposed to show evidence that it is being harmed by specific imported products.

More amazing still, the U.S. textile industry doesn't compete with apparel -- such as trousers, shirts, sweaters -- that American retailers import from Vietnam. It makes yarn or fabric. So the Bush Administration is promising to protect the U.S. yarn industry against a surge in imports of other textile products. It would be as if the U.S. agreed to protect U.S. car makers against a surge in foreign automobile tires. The trade precedent here is dangerous, and probably violates World Trade Organization rules.

What's going on is that the U.S. textile industry is trying to protect its interests not in the U.S. but in Central America. If the Vietnam bill passes, apparel from Vietnam may well be able to undercut the price of similar goods from Honduras. Those Central American plants buy U.S. yarn, so the textile lobby is trying to block exports from Vietnam to protect its own exports to Honduras.

In other words, under the promises made by the Bush Administration, the winners would be big yarn-spinning companies like Parkdale Mills. The losers would be American consumers who would pay more for their clothing.

In the event, even this wasn't enough to get the Vietnam trade deal through Congress in time for the President's trip. The bill failed in the House in part because some Republicans decided to take a slap at the White House for its contributions to this month's electoral rout. Meanwhile, U.S. retailers that import apparel are understandably furious at the protection double-cross and wonder if this bill is now worth their support. The bill could still return for a vote in this lame-duck Congress, but trade bills are never a sure thing.

This fiasco is another illustration that tactical protectionist concessions rarely yield the strategic free-trade gains that supporters claim. The Bush White House justified its steel tariffs and farm subsidy blowout in the first term as the price of passing trade promotion authority, but the global backlash has been extreme. The Doha Round may not even make it to a vote in Congress.

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We doubt President Bush is aware of all this, but the White House aides and Cabinet officers who bollixed up the Vietnam bill owe him an apology. So far they've managed only to turn a vehicle for more open markets into a precedent for more protectionism.

OTHER NEWS:

Leading Economic Indicators Inched Higher In October (WSJ)

By Michael S. Derby

The Wall Street Journal, November 21, 2006

NEW YORK -- An indicator of future economic activity inched higher in October, a private research group said Monday, suggesting that recent weakness in the housing market hasn't been severe enough to offset lower gas prices and a rising stock market.

Separately, the National Association of Realtors reported that existing home sales in the third quarter dipped to a seasonally adjusted annual rate of 6.27 million units nationwide, down 12.7% from the same period a year ago.

The Conference Board, an industry-backed research group based in New York, said its composite index of leading economic indicators for October rose by 0.2% to 138.3, after a revised 0.4% advance the month before. The index was equal to 100 in 1996. October's rise matched forecasters' expectation.

WALL STREET JOURNAL VIDEO

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WSJ's David Wessel discusses2 an economists' poll of the housing market and whether the worst of the bust is behind us. • Alan Hubbard, director of the National Economic Council3, discusses the latest economic numbers, including the impact of a slower housing market, and the "importance of keeping taxes low."

The index is designed to predict economic activity in the three to six months ahead. October's modest increase fit with economists' view that growth is moderating. The index fell in both July and August before edging modestly higher in September. It has been down four of the last seven months. The index stood at 139.1 in January -- its peak so far this year.

"The impact of a slower housing market on consumers and slower profit growth on business isn't completely offset by lower gas prices and a rising stock market," said Ken Goldstein, an economist with the Conference Board. He added the economy "is unlikely either to reheat or get significantly cooler" and the current pace of cool economic growth could continue into the spring.

The private research group noted that six of the 10 components making up the leading index rose for the month, led by money supply and consumer expectations. The biggest negatives were vendor performance and building permits. The reported noted, "strengths and weaknesses have been roughly balanced among the leading indicators in recent months."

In other details, the group reported that its index of coincident indicators was up 0.1% to a reading of 123.7, after September's revised gain of 0.2%. The lagging index rose 0.2% to 124.1, the same gain as the prior month.

Home Sales Fall

Sales of existing homes fell in 38 states during the summer, led by steep declines in Arizona, Florida and California , as the once-booming housing market showed further signs of a steep slowdown, said the National Association of Realtors.

The declines were the largest in once-booming areas of the country. Sales fell by 36% in Arizona; 34.2% in Florida and 28.6% in California. In all, nine states had sales declines in the summer of 20% or more compared to the third quarter of 2005.

The weakness in sales also affected prices with 45 metropolitan areas experiencing price declines, according to a separate survey the Realtors did of 148 metropolitan areas. The price survey showed that the median -- or midpoint -- price for an existing home sold in the third quarter dipped to $224,900, down 1.2% from a year earlier.

Sales rose in 10 states, and in two states -- New Hampshire and Vermont -- the Realtors did not have available data.

The nationwide 12.7% fall in sales was from a summer 2005 pace of 7.18 million units, which was the second highest in history. The all-time record sales pace was an annual rate of 7.19 million units set in the April-June quarter of last year. Sales of both existing and new homes set records for a fifth consecutive year in 2005 but have been falling steadily this year as conditions in the housing market have deteriorated.

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The plunge in housing shaved a full percentage-point off economic growth in the July-September quarter with economists predicting a similar reduction in the current quarter.

But David Lereah, the Realtors' chief economist, said he believed the decline in prices in formerly red-hot areas of the country was setting the stage for a rebound next year. "With the market in full transition, buyers now have choices and sellers are more willing to negotiate," he said. "Under these circumstances, it's no surprise that overall home prices are slightly below a year ago."

Is The Worst Over For The Housing Bust? (WSJ)

By Phil Izzo

The Wall Street Journal, November 21, 2006

After several years of double-digit percentage increase, housing prices stopped soaring this year. The 49 economists responding to the WSJ.com forecasting survey expect home prices, measured by the government's Office of Federal Housing Enterprise Oversight index, to rise 2.8% this year and to fall by 0.5% next year. That contrasts with a 13.4% increase in 2005.

"We're nearing the end of the slowdown for most markets," said Ethan S. Harris at Lehman Brothers. Prices still have some ways to fall before they'll stabilize, but there are signs that most drastic parts of the downturn – marked by a sharp pullback in demand and new construction – have run their course.

The economists' predictions for home prices next year vary widely, from an increase of 7%, predicted by Kurt Karl and Arun Raha of Swiss Re, to a 10% decline, expected by Maury Harris of UBS. Mr. Harris, for his part, said he expects a large inventory of vacant newly constructed homes to push prices lower in the first half. Construction companies "built much more than were justified because of investor interest," he said.

While 20 economists predicted home prices would rise next year, 24 forecast a decline. Just eight of the economists forecast gains greater than 2.1%, which is their average forecast for consumer-price inflation through mid-2007. The Ofheo index, which is closely watched by economists, has never posted a year-to-year decline.

Richard DeKaser, an economist at National City Corp., a big mortgage provider, said he thinks the worst is over. "We're starting to see inventories topping out and possible declining," he said. Mr. DeKaser forecast a 4.4% increase in prices this year and a 1.8% decline next.

The housing market, of course, doesn't move uniformly across the country; some regions or individual cities often have price changes decidedly above or below the national average.

Mr. Harris of Lehman expects price declines next year to be confined to "bubble" markets, such as those in Florida, California and cities in Nevada and Arizona, where large numbers of investors have artificially inflated prices. "There's no reason for prices to be falling in areas without a bubble," he said. "People are just slowing down purchase decisions."

Allen Sinai, at Decision Economics Inc., believes the worst of the bust is over, but he feels housing remains a big risk to the economy. The housing sector subtracted 1.1 percentage points from third-quarter gross domestic product, according to preliminary numbers from the U.S. Commerce Department.

ABOUT THE SURVEY

The Wall Street Journal surveys a group of more than 50 economists throughout the year. Broad surveys on more than 10 major economic indicators are conducted semiannually, at midyear and at year-end. Between each semiannual survey, four monthly updates are conducted for the most closely watched forecasts. This is the monthly survey for November. For prior installments of the semiannual and monthly surveys, see: WSJ.com/Economists5.

The economists trimmed their forecasts for fourth-quarter economic growth: Their average estimate puts gross domestic product growth at a 2.3% rate in the fourth quarter, down from the 2.5% rate they forecast in the October survey. They expect growth to remain at that rate through the first half of 2007 and then to accelerate later in the year. On average, the economists predicted growth of 2.8% during the second half 2007. GDP is the broadest measure of economic output.

The housing slowdown is expected to hit consumer spending, but the "consumer won't cave in and drive us into a recession," said Mr. Sinai. Steady interest rates, controlled inflation, stabilizing energy prices and a solid jobs market will support the economy, he said.

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Indeed, new data released Monday indicated that weakness in the housing sector is being offset by other areas of the economy. The Conference Board, an industry-backed research group based in New York, said its composite index of leading indicators for October rose by 0.2% to 138.3, in line with expectations. September's reading was revised up to a 0.4% advance. The index is designed to predict activity in the three to six months ahead.

"People say all bubbles end in disaster, but this is a small bubble. Home prices are just about 20% too high. We need to take it seriously, but in the history of bubbles, this will go down as one of the smaller ones," said Lehman's Mr. Harris.

Among other findings in the survey:

• Economists expect a relatively happy holiday for retailers, forecasting a 5.1% rise in sales from last year.

• Some 57% expect Fed policy to be the biggest factor in the economy and markets over the next year, topping Iraq or the budget and tax legislation.

• Just eight of 56 economists expect the Federal Reserve to raise rates beyond the current 5.25% rate before June 2007.

• Economists expect just 107,000 new jobs a month over the next year, down from 109,800 forecast in October and 179,400 at the high for this year's surveys, in February.

Homes' Losing Streak To Continue (USAT)

By Noelle Knox

USA Today, November 21, 2006

Home prices will drop further through the end of the year, the National Association of Realtors projected Monday, after news that prices fell in 45 metro areas last summer, as weakness in the housing markets spread to more areas.

The drag on median home prices has gone beyond the industrial cities, where job losses have taken a toll on housing. Now, markets in Florida, California and Arizona, where prices had shot up higher than many working families could afford, are falling back to Earth.

The 45 metro areas that saw year-to-year price declines in the third quarter were the most since the NAR's record-keeping began in 1979.

“We had the biggest boom ever, so you'd expect we would have the broadest price drop,” says David Lereah, chief economist for the NAR. “In the fourth quarter, you are going to see a meaningful drop in every region of the country.”

Nationally, the median price of an existing single-family house fell to $224,900 in the third quarter, 1.2% lower than in the same period last year.

The Detroit area was the worst hit; prices there fell nearly 11% in the July-September period from a year earlier. Sarasota, Fla., was second, with a 9% drop in the median single-family home price.

Four Florida metro areas were among the 10 regions with the steepest price drops in the third quarter. And in California, prices fell in San Diego and Sacramento.

“Florida has responded a lot quicker than California, which is good news for Florida because they're going to get the correction over with faster than California,” Lereah says. “I'm not sure about California. They've got the problem of the biggest price correction to make because they have a more serious affordability problem.”

Still, just as the real estate boom didn't lift every housing market, the slowdown isn't hitting every area. More than 100 metro areas posted price gains over the summer, including 21 that saw double-digit gains.

Nevertheless, the number of metro areas that suffered price declines jumped from 26 in the April-June period, and the trend could continue for the next few quarters as sellers in more cities are forced to cut prices to woo buyers.

“When you see a large number of metro areas posting declines,” says Joel Naroff of Naroff Economic Advisors, “it tells you it's a widespread phenomenon.”

Most of the metro areas that have seen the deepest price declines this year are in such states as Michigan, Ohio and Indiana, which have suffered huge job losses in manufacturing. These are also areas where foreclosures are highest, further depressing prices.

Though buyers in the region enjoy more opportunities now, many are reluctant to purchase because of the weak job climate in the industrial Midwest, says Mark Hull of Re/Max Realty Group in Detroit.

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"For sellers, it's almost a nightmare," Hull says. "A property can be marketed with every kind of tool you can think of, and unless there are really, really great incentives that make the property 20% below what the market price should be, they're just sitting there."

Wall St Plays It Safe As Deals Surge (FT)

By Michael Mackenzie

Financial Times, November 21, 2006

Wall Street stocks delivered a cautious performance in New York on Monday, as some $50bn in proposed merger deals across copper, steel, exchanges and real estate captured investors' attention.

Consolidation in the steel sector was a major theme, in the wake of Russia's Evraz Group announcing on Monday that it intends buying US steelmaker Oregon Steel Mills valuing the company around $2.3bn. The $63.25 per share purchase represents a 7 per cent premium over Oregon's close last week. Shares in Oregon jumped to a high of $64.40, and settled higher by $4.81 or 8.2 per cent at $63.77. Late last week, as talk of takeover deals in the global steel industry gathered pace, Oregon's shares rose 3.7 per cent.

Meanwhile, the Nasdaq, tendered an offer to buy the rest of the London Stock Exchange, in a deal that would value its shares at $5.1bn and build upon its current 25 per cent holding in the LSE. Shares in Nasdaq were slightly off their high of $37.83, up 3.1 per cent at $37.71. The LSE rejected the new offer, saying it "substantially undervalued" the exchange.

"We believe Nasdaq's final offer fails to recognize the outstanding growth record and prospects of our group on a stand-alone basis let alone the exchange's unique global position," said Clara Furse, chief executive of the LSE.

Another blockbuster deal in the spotlight was Freeport-McMoRan Copper & Gold saying it would acquire Phelps Dodge in a $25.9bn deal including cash and stock. The new entity would be the world's largest publicly traded copper company.

Shares in Phelps, soared to a high of $123.96 and ultimately gained $25.45, or 26.8 per cent to $120.47. Free-port shares were down $1.77 cents, or 3.1 per cent at $56.63, after earlier rising to $59.70.

The private equity firm Blackstone Group said it was buying Equity Office Properties Trust, the largest office-building owner and manager in the US, for $20bn. Shares in the company hit a high of $47.94, and closed up $3.42, or 7.7 per cent at $48.14. The BBG real estate investment trust index closed up 3.2 per cent after the news.

The latest surge in deals, dictated in part by private equity firms hunting for opportunities "heightens the risk for short sellers," argues Citigroup. "When markets slip initially and then reverse to the upside, as has happened several times over the last few weeks, hedge funds have to cover painful losses."

After opening in the red, stocks briefly recovered ground, led by the semi-conductor sector and Microsoft setting a new 52-week high of $29.97 after an upgrade from Credit Suisse. Shares in Microsoft closed 1.7 per cent firmer at $29.89, while the Philadelphia Semiconductor index was up 1.5 per cent after booking a gain of 5.7 per cent last week. Marvell Technology was 9.5 per cent higher at $20.45, Broadcom was 5.7 per cent higher at $37.11, and Novellus gained 7.7 per cent to $33.10.

The Nasdaq Composite lead other indices during the day and settled 6.86 points, or 0.3 per cent firmer at 2,452.72.

The S&P 500 slid 0.70 points, or 0.05 per cent to 1,400.50, having reversed an early fall below the 1,400 threshold it closed above on Friday.

The Dow Jones Industrial Average fell 26.02 points, or 0.21 per cent to 12,316.54, while in contrast small capitalised stocks rose. The Russell 2000 index gained 0.3 per cent to 790.62.

Despite the paring of modest gains in equity prices during the afternoon, a closely watched measure of equity volatility sank towards historic lows.The Chicago Board of Trade's VIX index fell below 10, to 9.91, before it closed at 9.97. Historically, such a low level in VIX has reflected very high appetites for risk taking and has usually been followed by a sharp rise in the volatility measure.

"Falling volatility is partly an indication of investor optimism. As long as it keeps falling it confirms (or supports) the uptrend in stocks," noted Ken Tower, chief market strategist at CyberTrader.

Helping offset weakness in the Dow was Dupont, after a favourable press report over the weekend, and shares gained 1.3 per cent higher at $47.87.

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In the chase for high net worth banking clients, Bank of America has announced a deal to buy U.S. Trust from Charles Schwab for $3.3bn. Shares in Bank of America were barely changed at $54.90.

Other steel companies that enjoyed solid gains on Friday were also higher early on Monday, before paring some of those gains.

Shares in US Steel, rose 3.1 per cent to $72.75, down from a high of $76.16, after a rise of 9.3 per cent on Friday. Steel Dynamics, was up 2.9 per cent at $61.83, down from a peak of $63.75, after prior session gain of 3.8 per cent, Nucor, rose 0.6 per cent to $57.47, after earlier reaching $59.79, and that followed a rise of 3.5 per cent late last week, while AK Steel was up 3.5 per cent at $15.16, in the wake of a 4.8 per cent rise on Friday.

In earnings news, home improvement retailer, Lowes posted third quarter profit of 46 cents a share, beating the 43 cents forecast of analysts. The company also lowered guidance for the fiscal fourth quarter, saying it expects to earn 36 to 38 cents a share, below the 41 cents a share seen by analysts. Its shares had rebounded from a low of $29.50 and were 0.3 per cent firmer at $30.58.

After a blockbuster debut on Friday, that resulted in its shares rising 125 per cent, the New York Mercantile Exchange had reversed an earlier rise to $140, and closed down 2.1 per cent at $130.27.

Ahead of the Thanksgiving holiday on Thursday, stocks may well endure a period of consolidation, and while some analysts caution the market's solid run has stretched valuations, others disagree.

"We do not think that we have hit any peaks in the market yet," noted analysts at Citigroup in research on Monday. "To a great degree, equity markets are not overvalued" and applying various valuation methods, "argues more forcefully for larger cap stocks since they are the ones that appear more favourably valued."

Meanwhile, the appetite of investors for risky assets may also be turning towards equities at the relative expense of other markets as the end of the year approaches.

"Many traders feel that the easier risky asset trade is directly in equities, given a belief that valuations are less extended than in the credit market or emerging currencies," said Alan Ruskin, chief international strategist at RBS Greenwich Capital. "This logic makes perfect sense," he said noting "the Fed is more clearly on a path that is likely to soft land the economy than any time in the last 6 months," after the tone of recent inflation and housing market reports.

In equity fund flows, Emerging Portfolio Fund Research noted net outflows from dedicated US funds for the week ending November 16 were $861.6m. They noted "a second week of net outflows, due mainly to investors retreating from a popular energy sector ETF," that was hit by redemptions. "Otherwise, US equity funds would have received inflows, with money flowing into both the Large Cap Equity Funds and Small Cap Equity Funds," said EPFR. In contrast, "Mid Cap Equity Funds saw outflows for the week," they added.

The Dow Slips In Rare Interruption Of Record Surge Of Past Six Weeks (WSJ)

By Peter A. Mckay

The Wall Street Journal, November 21, 2006

The Dow Jones Industrial Average edged lower, a rare setback in a string of records that has lasted more than six weeks.

The blue-chip average yesterday fell 26.02 points, or 0.2%, ending at 12316.54, up 14.9% on the year. Shares in the drug maker Merck, a Dow component, slid 1.1% after it disclosed an 11% ownership stake in FoxHollow Technologies, a medical-device maker.

The announcement was part of a wave of deal-making on Wall Street, which seemed to hold back stock indicators tracking big-name companies that typically act as acquirers during periods of corporate consolidation.

The Standard & Poor's 500-stock index barely held above the psychologically important 1400 level, finishing down just 0.05%, or 0.70 point, at 1400.50, up 12.2% on the year.

Indexes with a larger proportion of small companies likely to be gobbled up in deals fared better. The Nasdaq Composite Index rallied 0.3%, or 6.86 points, to 2452.72, up 11.2% on the year. The Russell 2000-stock index rose 0.3%, or 2.15 points, to 790.62, up 17.4% on the year.

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In general, the markets' tone was muted to begin a holiday-shortened trading week. As investors and brokers begin to take off for vacation, such periods tend to produce low trading volume and few major price moves.

Binky Chadha, chief U.S.-equity strategist at Deutsche Bank, said yesterday's deals were consistent with the current environment of low interest rates, which keeps borrowing costs low for companies, and Wall Street's consensus view that the U.S. economic growth is slowing gradually.

In a recent report to clients, Mr. Chadha recommended that investors continue to bet on a rally in stocks. But he also advised taking some cautionary steps, such as buying big-name companies with significant foreign revenue streams, just in case the slowdown in U.S. growth turns out worse than expected, or it doesn't slow enough to keep the Federal Reserve from raising its interest-rate targets again.

"We've been telling people to walk the line between these two alternative scenarios to the baseline forecast" of most firms for a moderate slowdown, Mr. Chadha said.

He estimated an approximate 25% chance the slowdown will miss Wall Street's expectations in some way in the months ahead.

Unseasonably warm weather in the Northeastern U.S. pushed prices for crude oil and natural gas lower. Natural-gas futures for December delivery took the bigger hit in percentage terms, off 2%, or 16 cents, to $8.019 per million British thermal units, off nearly 29% on the year at the New York Mercantile Exchange.

In economic news, the Conference Board said its index of leading economic indicators rose 0.2% in October, slightly less than the 0.3% rise analysts expected.

The Dow's decline yesterday halted a six-day advancing streak. But the blue-chip average did set a new intraday record of 12355.23 before it fell back for the day.

Outside the U.S., stocks fell in dollar terms, despite a rally to a five-year high in China. The Dow Jones World Stock Index, excluding U.S. shares, fell 0.56%, or 1.29 points, to 229.25.

In major U.S. market action:

Stocks fell.1 Total trading volume for stocks listed on the New York Stock Exchange was 2.56 billion shares, as 1,695 stocks advanced and 1,623 declined.

Bond prices rose.2 The 10-year note gained 2/32 point, or 62.5 cents for each $1,000 invested, pushing the yield down to 4.601%. The 30-year bond rose 6/32 to yield 4.681%.

The dollar strengthened.3 Against the Japanese currency, the dollar rose to 118.04 yen, compared with 117.76. The euro fell to $1.2814, compared with $1.2826.

Merger Monday (WSJ)

The Wall Street Journal, November 21, 2006

For the second time in a month, investors awoke Monday morning to a slew of big-ticket mergers and acquisitions. Yesterday's tally was at least $52 billion in M&A activity before the market opened for the normally slow Thanksgiving week. Three weeks ago, a spate of deals totalling over $10 billion helped boost the market just ahead of the midterm elections.

Not all these deals will end happily; mistakes and miscalculations are part and parcel of the capital-allocation game. But the very fact that billions of dollars are being put on the table in an attempt to shift assets to their highest and best uses is a sign that the animal spirits that give the U.S. economy its dynamism are alive and well. The time to worry about an economy is when no one wants to take such risks.

A closer look at who's buying and selling also reveals some notable trends in the capital markets. For example, yesterday's deals included the biggest private-equity buyout in history, with the Blackstone Group announcing its agreement to take private Equity Office Partners, a commercial-real-estate trust, for $36 billion, including assumed debt. This adds yet another exclamation point to the rising tide of companies going -- or being taken -- private.

We've argued that the Occam's razor explanation for this trend is that overregulation and lawsuits have tipped the balance in favor of private management for many investors. Managers who want to spend more time taking risks, and less time talking to lawyers, are increasingly turning to private equity to reduce their hassles and improve their returns. Money will flow to where the

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returns are, and these days more and more investors seem to think that more money can be made outside the hyper-regulated public equity markets.

As a political matter, this should worry anyone who believes that the development of a broad investor class is good for the preservation of capitalism. But as an economic matter, it is largely irrelevant whether the shares are publicly traded or not. We doubt the employees of such profitable closely held concerns as Cargill or Koch Industries fret much that their shares aren't listed on any public exchange. What they care about is that their companies are successful.

Another place merger money is going is overseas. This may help explain Nasdaq's $5 billion hostile bid for the London Stock Exchange, which was rebuffed yesterday. As more and more international companies list their shares overseas rather than in New York, having a foothold outside the U.S. has come to be seen as a survival strategy for the formerly comfortable U.S. stock exchanges. They have to follow the money if the money won't come here.

Globalization is also a piece of the puzzle in Freeport McMoRan's deal to buy the larger Phelps Dodge for $26 billion and so create the largest U.S.-based mining company. Swallowing larger competitors is often a tough meal to digest, but Freeport's managers said they felt they needed the scale to compete on a global stage. The acquisition of Oregon Steel Mills by Russian Steel Maker Evraz also fits this bill.

Domestically, meanwhile, Bank of America and Schwab seem to have agreed that U.S. Trust, the private wealth manager that Schwab picked up in 2000 at the height of the dot-com boom, is worth more in the hands of a bigger bank than it is under Schwab's discount-broker umbrella.

We have no idea whether this is right. But it is the genius of the market economy that those evaluations are made by the actors involved. Sometimes, as with the U.S. Trust deal, an acquisition done in one economic environment comes to be re-evaluated in another. That can be disruptive in the short term, but it makes the society as a whole more prosperous if underperforming assets can be better managed. And Schwab at least is fortunate to be unloading its earlier purchase at a profit.

The stock-market indexes were flat to slightly down yesterday, but merger waves such as this one tend to buoy the markets as savvy traders place bets on who the next target will be. The world is awash in capital at the moment, interest rates are low, and rising stock prices make stock and cash purchases possible. If politicians and government officials are worried about the trends in private equity and investment overseas, they might want to look at their own policies that have encouraged both trends.

Meanwhile, a vibrant market for corporate control keeps managers alert and hunting for new opportunities. Whatever the bad individual bets, the current merger wave is a sign of continuing economic vitality.

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Flaws Seen In Markets For Utilities (NYT)

By David Cay Johnston

New York Times, November 21, 2006

A growing chorus of large industrial power users, municipal utilities and consumer groups say there is a reason the price of electricity has not fallen since the federal government opened the heavily regulated utility industry to competition a decade ago. The new markets, they argue, do not work right.

They point to a variety of reasons.

For one thing, when electricity producers offer to supply power for use the next day, utilities pay everyone the highest price accepted. One study in Texas, where electricity bills have been rising sharply, found that because of this auction system, consumers pay a lot more than they would have under the old system where the state regulated prices.

They also contend that producers can withhold power or limit production, with little risk of penalty, even when demand is at its highest, meaning prices soar.

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"Shutting down a power plant in July is like the mall closing on the weekend before Christmas, but in July last year, 20 percent of generating capacity was shut down in California," said Robert McCullough, an economist whose Oregon consulting business is advising some of those contending in lawsuits that prices are being manipulated.

The government agency that oversees the electricity market — the Federal Energy Regulatory Commission — set the rules before allowing market prices for electricity to replace regulated prices. A coalition of large industrial companies filed a complaint in September, arguing that the energy commission had failed to ensure proper competition and that it had stymied efforts by others to investigate allegations of improper conduct by withholding some of the data it collects.

"The 'markets' that are rolling off the commission's production line are not fit for their public purpose," wrote Robert A. Weishaar Jr., the lawyer for the industrial companies.

The commission dismisses the critics, saying that where it has determined that a market for electricity exists, the prices in that market are assumed to be "just and reasonable," the standard set in federal law. The commission's rules seek to curb monopoly power, but not oligopoly power, in which a few firms control the market. The commission says that anyone manipulating markets will be discovered either by the monitors in each regional market, by competitors or utilities that buy power, by the commission or even by the public.

Allowing producers of electricity to compete for utility customers should assure the lowest possible price, the commission says.

But the opposite has sometimes been true.

For eight hours last May, for example, the price of a megawatt of power in New England leaped from about $50 to almost $1,000. The region's electricity exchange attributes the spike to congested transmission lines, but has kept the identities of the high bidders secret.

Its own studies say that the exchange's rules make it possible to inflate prices artificially during periods of high demand and that at least one producer has manipulated prices in the past, though its identity was not disclosed.

Officials of other exchanges all said they had strict rules to ensure that capacity is not withheld from the market to inflate prices artificially.

But critics of the current system have found ammunition in a study at Carnegie Mellon University by Sarosh N. Talukdar, who used computer models to simulate a market in which 10 utilities bought electricity and 10 producers sold it.

In that experiment, the buyers and sellers learned to manipulate the price within 100 rounds of bidding, capturing from 50 percent to 90 percent of the prices an unregulated monopoly would have charged. Instead of falling, prices soared.

Earlier experiments at Cornell University and George Mason University found the same thing, with simulated trading by students, professors and even members of Congress.

Such high prices suggest collusion, which is illegal in real markets, but collusion was impossible in Professor Talukdar's experiments because the trades were made by simple computer programs, not humans.

"My studies show it is easy to learn from the signals given by others how to get the benefits of colluding without breaking the law," Professor Talukdar said.

"Economists have this faith in markets, this blind faith that markets are always a good thing," the professor said, "but the design of markets matters a great deal and the design must be verified to see if it really works as a free market."

Professor Frank A. Wolak, a Stanford University economist who favors competitive pricing, said the current mix of markets for wholesale power and regulated utilities to deliver them cannot produce the benefits of competition. And he warned that "even small flaws in the design of markets can cause enormous harm to consumers in very little time."

Why have prices not fallen in the electricity market, when prices dropped sharply after competition was introduced in other previously regulated industries?

Rising fuel costs are one major reason. But the electricity market also turns out to be different in some fundamental ways from other kinds of markets. Efforts to induce competition, the critics say, have failed to properly take that into account.

In the markets for everything from stocks and commodities to real estate, airline trips and trucking services, for example, buyers always have the option to walk away from a deal — whether the purchase be company shares, frozen pork bellies, houses, plane tickets or space in a tractor-trailer.

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But many utilities in about half the states, including New York, California, Connecticut, Illinois, Maryland and Texas, must buy power every day — usually because they were encouraged or forced by regulators to sell their own generating plants and no longer produce electricity themselves.

And every utility must buy power at some point, to meet peak demand on hot summer days.

Unlike the stock market, where vast numbers of strangers buy and sell, the electricity markets involve a relative handful of buyers and sellers. In New Jersey, for example, just 10 generators won bids this year to supply a third of the state's base load of power for the next three years at prices 55 percent higher than the previous year's three-year bid.

Similarly, California has 1,400 power plants, but ownership of those plants is so concentrated that just six generating companies in that state can set an artificially high price of electricity virtually all the time, research by Carnegie Mellon University shows.

Moreover, in many markets some buyers and sellers are related, a corporate parent owning generating plants that sell to a sister utility. Often the bidders are brokers, including Wall Street investment houses like Goldman Sachs and Morgan Stanley, and that arrangement hides the identity of the real power generators.

Trades also repeat each day, which means that those that generate power learn from not just what the weather report says about demand for power, but from the trading patterns of their competitors in producing power and the utilities that buy it.

Another important aspect is secrecy. Individual stock investors can make sure they got a fair price by checking the prices paid just before and after their trade. But the Federal Energy Regulatory Commission and the electricity exchanges stamp many trading records confidential.

The federal commission's spokesman, like those for several of the exchanges on which electricity is bought and sold, said that market monitors employed by the electricity exchanges ensure the integrity of the trades. But utility customers have challenged whether the monitors are blind to price rigging and errors.

Another factor is the very nature of electricity, which must be produced, transmitted and consumed in an instant. Car makers can cut production when vehicles do not sell. Investors who hold too much of a particular stock can sell it in blocks over time to get the best price. But electricity cannot be held in inventory.

Finally, the electricity market appears to be particularly balanced on a fine edge. The Chadbourne Park law firm, in a newsletter for investors in electricity generating stations, cautioned that tiny changes in generating capacity could make them rich or wipe them out. It concluded that having 2 percent more generating capacity than a market needed to meet demand would mean "very low electricity prices," while a 2 percent shortage of electricity would cause "significant price spikes," which means outsize profits for power plant owners.

Citgo Brings Discounted Heating Oil To Region (WP)

By Steven Mufson

The Washington Post, November 21, 2006

At 10 a.m. today, Minnie Davis, a 65-year-old widow who lives with three of her grandchildren on North Capitol Street, is scheduled to get some unusual visitors -- the Venezuelan ambassador, the chief executive of Citgo Petroleum and former congressman Joseph P. Kennedy II.

The occasion: The arrival of a Venezuelan-backed program to bring 7.5 million gallons of deeply discounted heating oil to as many as 37,000 low-income households in Maryland, Virginia and the District and free heating oil to some homeless shelters.

The program has the blessings of Venezuela's populist President Hugo Chavez, who has used it to demonstrate that he cares about the poor in the United States as well as Venezuela -- while tweaking President Bush, who he called "evil" in a September speech at the United Nations.

Many people have dismissed the assistance as a publicity stunt, but for some, it will have a real impact nonetheless.

Last year, working through Kennedy's Citizens Energy, the program reached people in Massachusetts and other parts of the Northeast. Now the program has been extended to the nation's capital.

It works like this: Citgo, a wholly owned subsidiary of Petroleos de Venezuela SA, is providing heating oil at a 40 percent discount to Citizens Energy, which Kennedy started during the oil shock of the late 1970s to help low-income people grapple with

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high energy costs. His company then provides up to 200 gallons of discounted heating oil not only to the very poor but also to people who earn too much to qualify for federal heating oil assistance but who still earn little enough to be struggling.

Citizens Energy is targeting 400,000 households in 16 states. If Citizens Energy reached all the target households, Citgo's discount -- about $1 a gallon -- would be worth $40 million. But because most people do not know they are eligible or how to take advantage of the program, the actual number who end up receiving aid might be a little more than a tenth as much.

Is it genuine concern on the part of Citgo and Chavez, or is it a public relations stunt?

"It's not only morally righteous, it's good business," said Kennedy in a telephone interview yesterday. "When you're selling to the world's largest market a gigantic percentage of your overall sales in crude oil, you take a little percentage and show that you have concerns about how low-income people are going to keep up with the enormous price of keeping warm."

That doesn't appear to be self-evident to other oil companies or members of the Organization of the Petroleum Exporting Countries. Kennedy said yesterday that he had written to every OPEC member and every major oil company but that Citgo was the only one that agreed to help.

At the same time, Kennedy said, "when you really stop and think about it, last year, Venezuela sold the United States 556 million barrels of crude oil and product. We are now topping off one-half of 1 percent, which they are selling at 40 percent off, which is effectively last year's full price. Let's keep things in some perspective."

David McCollum, a spokesman for Citgo of Houston, said the company initiated the program after members of Congress appealed after Hurricane Katrina sent prices soaring last year.

Though it might seem odd that Venezuela -- where per capita income is only about $4,810, a little more than one-tenth of U.S. per capita income -- would be giving aid to the United States, McCollum said that the heating oil assistance would not be depriving Venezuelan citizens.

"The product we are using is heating oil, and obviously it is never used in Venezuela," he said. "It's not that cold. So we're not taking anything away from the people of Venezuela."

He said the company expected the program to cost Citgo, which refines and markets oil products in the United States only, between 1 and 3 percent of the company's profit if everyone eligible took advantage of the offer.

Slain Journalist's Family Files $20 Million Lawsuit (WP)

By Henri E. Cauvin

The Washington Post, November 21, 2006

The children of slain New York Times reporter David E. Rosenbaum filed a $20 million lawsuit yesterday against the District and Howard University Hospital, claiming that their father was a victim of official negligence and medical malpractice.

Filed in D.C. Superior Court, the lawsuit comes less than a month after a jury convicted a 42-year-old man of murdering Rosenbaum during a robbery. The other suspect in the case had pleaded guilty shortly before the two were to go on trial.

The crime occurred on a quiet Northwest Washington street in a usually safe part of the city, stunning the neighborhood and many people who had known Rosenbaum. He was 63 and had just retired after three decades at the Times. Days later, questions surfaced about the emergency care he received at the scene on Gramercy Street and at Howard University Hospital, where he died Jan. 8, two days after the attack.

Those questions led to one damning revelation after another. Rosenbaum was misdiagnosed as a drunk. The ambulance bypassed the closest hospital because one of the emergency medical technicians had personal business to attend to near Howard. At Howard, Rosenbaum was not seen by a physician for more than 90 minutes and was not given a neurological evaluation until he had been there almost four hours, the lawsuit says. Daniel and Dorothy Rosenbaum say in their suit that these actions contributed to their father's death.

"If any one of them had done their job properly, this wouldn't have happened and he'd be alive," Patrick Regan, the lead attorney for the family, said yesterday during a news conference.

A spokeswoman for the D.C. attorney general said city lawyers are reviewing the suit, and a spokeswoman for Howard University Hospital did not respond to a call seeking comment.

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The District's handling of the case has drawn rebukes from city leaders, including Mayor-elect Adrian M. Fenty (D), who met last week with the family and pledged yesterday to fix the problems highlighted by Rosenbaum's death.

"Every District resident deserves to be safe and protected by our police and emergency personnel," Fenty said, adding that he would support efforts by the police, fire and emergency medical service "to hold personnel accountable in all areas of performance."

The D.C. inspector general's office, in a report released in the summer, found what it called "apathy, indifference and complacency" in the agencies involved.

Family members were particularly disturbed by the failings of the police department.

More than a month before Rosenbaum was attacked, a retired police officer doing renovation work on a townhouse in Southeast Washington was attacked. But the police did not treat the beating as a crime and did not follow up on a promising lead -- calls made on the victim's cellphone soon after it was taken from him in the attack.

Officials learned later that the calls were made to the houses of the two men ultimately convicted of killing Rosenbaum: Percey Jordan, who was found guilty by a jury last month, and his cousin, Michael Hamlin, who pleaded guilty in September.

When Jordan was arrested in connection with Rosenbaum's death, the victim of the earlier robbery realized that he had been attacked by the same man.

Rosenbaum's family members said their suit is about changing the culture that led to the series of errors.

"Things are broken in the city," Marcus Rosenbaum, Rosenbaum's brother, said yesterday. "They are broken in Howard University Hospital. And something needs to be done to see that they get fixed."

He said that monetary damages are a means to that end: "When you sue, all you can sue for is money, and we wanted to get people's attention."

Rosenbaum Family Files Suit Against City, Hospital (WT)

By Matthew Cella

The Washington Times, November 21, 2006

The family of David E. Rosenbaum yesterday filed a $20 million lawsuit claiming that negligence by the District and Howard University Hospital contributed to the journalist's death after he was robbed and beaten in January.

"We see this lawsuit as a way that we can put some pressure on both the city and on Howard University Hospital to fix the things that are broken," said Marcus Rosenbaum, the victim's brother.

The first hearing in the case is scheduled for February before Superior Court Judge Robert Morin.

Mr. Rosenbaum, 63, was robbed and beaten Jan. 6 while walking near his Northwest home. He died two days later.

The lawsuit follows closely the findings of the city's inspector general, who issued a report in June citing an "unacceptable chain of failure" in the response.

According to the report, responding D.C. police officers failed to recognize that a crime had occurred, did not search the victim for identification and did not write an incident report.

The report said firefighters who responded to the scene did not assess or treat Mr. Rosenbaum correctly. They detected the odor of alcohol and discounted other potential causes of Mr. Rosenbaum's symptoms because of it.

In addition, the ambulance was delayed when the crew got lost on the way to the scene from Providence Hospital in Northeast, and the ambulance driver decided to take Mr. Rosenbaum to Howard University Hospital instead of the closer Sibley Memorial Hospital because Howard was nearer to her home.

The report also said Howard University Hospital workers failed to properly triage Mr. Rosenbaum when he was brought in, and they failed to follow their own procedures for monitoring patients for signs of trauma.

Police closed the case one week later with two arrests.

Percey Jordan Jr., 42, was convicted last month on nine charges, including first- and second-degree murder while armed, robbery and credit-card fraud. He faces life in prison without the possibility of release when he is sentenced on Jan. 12.

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Michael C. Hamlin, 24, pleaded guilty to charges including second-degree murder and agreed to testify against Jordan as part of a plea deal. Hamlin, who would have faced life in prison, faces a maximum of 60 years in prison when he is sentenced Dec. 19, but he likely will receive a more lenient sentence.

The Rosenbaum family also accused police of failing to investigate a similar attack against a former police officer in which Jordan and Hamlin were the chief suspects. That attack occurred about two months before Mr. Rosenbaum's death.

Mayor-elect Adrian M. Fenty said yesterday that he will "support every effort" by the D.C. police and fire department "to hold personnel accountable in all areas of performance."

Mayor Anthony A. Williams yesterday issued a two-sentence statement that repeated nearly word for word parts of statements he issued Jan. 19 and June 16.

"My heart goes out to all of the family and friends of David Rosenbaum. This was a terrible tragedy, and last January the city lost a good man and a great reporter," Mr. Williams said. "I want everyone who lives and works in the District to have the utmost confidence that our policies and procedures are the best they can be to ensure our safety."

Reporter's Kin Sue City And Hospital (NYT)

By The New York Times

The New York Times, November 21, 2006

WASHINGTON, Nov. 20 — The family of a retired reporter for The New York Times who was fatally beaten in January near his home here sued the District of Columbia and Howard University Hospital on Monday, contending that he would be alive but for their negligence.

The suit, seeking $20 million, blames the city's Police and Fire Departments and the hospital for the death of the reporter, David E. Rosenbaum, 63, who was beaten on the head by two robbers on the night of Jan. 6. An inquiry established that Mr. Rosenbaum was at first presumed to be intoxicated and so was not treated with urgency. He died of brain injuries two days later in the hospital.

The inquiry, by the inspector general's office of the district, found that "multiple individual failures" and "alarming levels of complacency" among police officers, firefighters, ambulance technicians, doctors and nurses caused inexcusable delays in treating Mr. Rosenbaum.

The men held in the case, Percey Jordan Jr. and his cousin Michael Hamlin, were arrested soon after surveillance cameras photographed them using Mr. Rosenbaum's credit cards. Mr. Jordan, 42, was convicted of murder, robbery, conspiracy and credit-card fraud last month. Mr. Hamlin, 24, had pleaded guilty earlier to similar charges and testified against his cousin. The men face decades in prison when they are sentenced.

Small Mistakes Cause Big Problems (USAT)

By Brad Heath

USA Today, November 21, 2006

If you're reading this in New York, you're probably too drunk to drive.

That's because lawmakers accidentally got too tough with a get-tough drunken-driving law, inserting an error that set the standard for "aggravated driving while intoxicated" below the amount of alcohol that can occur naturally.

The one-word mistake makes the new law unenforceable, says Lt. Glenn Miner, a New York State Police spokesman. However, drivers with a blood-alcohol content of 0.08% or higher can still be prosecuted under other state laws.

In the legislative world, such small errors, while uncommon, can carry expensive consequences. In a few cases around the nation this year, typos and other blunders have redirected millions of tax dollars or threatened to invalidate new laws.

In Hawaii, for instance, lawmakers approved a cigarette-tax increase to raise money for medical care and research. Cancer researchers, however, will get only an extra 1.5 cents next year — instead of the more than $8 million lawmakers intended. That's because legislators failed to specify that they should get 1.5 cents from each cigarette sold, says Linda Smith, an adviser to Gov. Linda Lingle.

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When such mistakes happen, they often come during the last-minute rush of legislative sessions, says Bruce Feustel, a senior fellow at the National Conference of State Legislatures. What's important, he says, is that lawmakers can fix them before they cause any harm.

Courts generally intercede only in the most obvious cases, says University of Notre Dame law professor John Nagle. If judges tried to change every legislative error, Nagle says, "you get the courts trying to figure out what they think is a mistake that might not be a mistake at all."

New York's mistake came in a bill meant to set tougher penalties and curb plea bargains for drivers well above the legal intoxication standard. Instead of specifying blood alcohol as a percentage, as most drunken-driving laws do, New York set its threshold as 0.18 grams — "so low you can't even measure it," Miner says.

Lawmakers plan to fix the mistake the next time they convene, says Mark Hansen, a spokesman for the state Senate's Republican majority. He says it's not clear how the mistake happened, or why nobody caught it before legislators voted.

The latest gaffe was in Arizona, where a misplaced period on the state's ballots raised questions about a cigarette tax voters approved Nov. 7. The law called for an increase of 80 cents per pack, but the ballot had .80 cents per pack.

The state plans to start collecting the tax when the vote is final, "but who knows what might happen?" says Arizona Revenue Department spokesman Dan Zemke.

"Somebody might go to court and say that's enough to throw the whole thing out."

Winner Named For Florida Seat; Loser Files Suit (NYT)

By Terry Aguayo

The New York Times, November 21, 2006

MIAMI, Nov. 20 — A Republican House candidate was named the winner on Monday in a disputed race in Sarasota where thousands of votes may have been lost by electronic machines, and the Democratic candidate immediately sued for a new election.

The Republican, Vern Buchanan, won by 369 votes in the Nov. 7 election, according to results confirmed by the Florida Elections Canvassing Commission, which is made up of Gov. Jeb Bush; Tom Gallagher, the state chief financial officer; and Senator Daniel Webster of Winter Garden, all Republicans. The results, which fill the seat given up by Representative Katherine Harris, a Republican, were confirmed in a machine recount and a manual one.

But the losing candidate, Christine Jennings, argued in documents filed in Leon County Circuit Court in Tallahassee that touch-screen voting machines had malfunctioned and not registered votes for her.

More than 18,000 Sarasota County residents who cast votes in other races on the ballot did not register votes in the House race. Hundreds of voters said they had had trouble casting a vote for Ms. Jennings, the complaint said.

If the votes were never recorded by the machines, they would not have been detected in the recount. The state also conducted an audit of the electronic voting machines.

"The voters of Sarasota and of the entire country deserve answers as to what went wrong," Ms. Jennings, a banker, said at a news conference. "This is not about Democrats; this is not about Republicans."

Several voter rights groups are joining Ms. Jennings's battle and said they planned to file a lawsuit on Tuesday to call for a new vote.

"The vote totals in the certification are wrong because they do not include thousands of legal votes cast in Sarasota County but not counted due to the pervasive malfunctioning of electronic voting machines," the candidate's complaint reads.

Mr. Buchanan, a car dealer, called the action a delay in the process and a challenge to a lawful election.

"The votes have been counted, recounted, and counted again," Mr. Buchanan said. "It is time for Christine Jennings to put the interests of the public before her own self-interests and concede this election."

Republican Declared Winner In Fla. House Race (WP/AP)

The Washington Post, November 21, 2006

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TALLAHASSEE, Nov. 20 -- Florida officials certified Republican Vern Buchanan on Monday as the winner of the House seat being vacated by Rep. Katherine Harris (R). The loser immediately sued for a new election, arguing that touch-screen voting machines had malfunctioned.

Christine Jennings contested her 369-vote loss in the 13th District, asking a judge to order a new election because of problems in Sarasota County, where more than 17,000 voters who cast ballots in other races Nov. 7 did not do so in the congressional contest.

That rate is nearly six times as high as it is in the other counties in the congressional district or on Sarasota's paper absentee ballots, Jennings says. Though she lost in the four other counties in the district, she did well in Sarasota County, winning there by six percentage points.

Buchanan, a wealthy auto dealer, said that there was no evidence of machine malfunctions. He attributed the huge Sarasota undervote to angry voters turned off by negative campaigning.

"I guess the theory is if you don't win, sue," he said, urging Jennings to concede and "stop listening to the high-price lawyers and out-of-town special-interest groups."

The state is conducting an audit of the Sarasota voting machines separate from the recount and legal challenge.

In 2001, as Florida's secretary of state, Harris had pushed for an election overhaul that outlawed punch-card ballots and required counties to use touch-screen devices or optical scan machines that read paper ballots.

Meanwhile, an unofficial tally in New Mexico's 1st District shows Rep. Heather A. Wilson (R) winning her race against Patricia Madrid by 879 votes, out of more than 210,000 cast. The results were scheduled to be finalized late Monday.

Three other House races remain unresolved:

Â· In Ohio's 2nd District, a few counties began counting provisional and absentee ballots in the race between Rep. Jean Schmidt (R) and Victoria Wulsin. Schmidt led by about 2,800 votes, though nearly 9,000 votes could remain to be counted in the district.

Â· In Ohio's 15th District, Rep. Deborah Pryce (R) was ahead of Mary Jo Kilroy by more than 3,500 votes. About 19,000 ballots remain to be counted, with results expected next week.

Â· In North Carolina's 8th District, election officials were recounting votes that last week gave Rep. Robin Hayes (R) a 339-vote lead against Larry Kissell. Kissell is considering a hand recount.

Democrat's Challenge In Fla. 13 Focuses On Undervotes (CQ)

By Rachel Kapochunas

Congressional Quarterly, November 21, 2006

Florida election officials on Monday declared Republican Vern Buchanan as the winner of the race in the state's southwestern 13th District. But Democratic nominee Christine Jennings is formally challenging the results, arguing that voting machine errors in one county account for Buchanan's apparent lead.

The office of Florida Republican Secretary of State Sue M. Cobb certified the results of a manual recount of ballots that gave Buchanan a 369-vote edge over Jennings, a former bank president, in the race to succeed two-term GOP Rep. Katherine Harris. Buchanan, a wealthy auto dealer, has maintained a narrow lead throughout the initial vote count and two recounts.

But Jennings is refusing to concede. At a press conference this morning in Tallahassee, Jennings' campaign announced it was officially contesting the election results — and that it had filed a complaint in a Florida circuit court, citing "statistical and eyewitness evidence of significant machine malfunctions."

At issue are more than 18,000 "undervotes" — cast ballots on which voters declined to choose either Buchanan or Jennings — in Sarasota County, the most populous county in the 13th District. The undervote rate there was much higher than in any of the other counties in the 13th.

Jennings defeated Buchanan in Sarasota County, 53 percent to 47 percent. Democrats argue that if the undervote rate in Sarasota County was comparable to the undervote rate in the other counties, Jennings surely would have beaten Buchanan.

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Kathy Dent, the Republican supervisor of elections in Sarasota County, and others have suggested that the campaign's negative tone may have turned people away from participating in this race. Other analysts say that voters might have overlooked the 13th District contest because of where the candidates' names were placed on Sarasota County ballots.

But Jennings' attorney Kendall Coffey said Monday that the machines were at fault and needed to be examined. "This is clearly a case of machine error — not ballot design error and not voter error," Coffey said.

Buchanan's campaign, meanwhile, said in a statement Friday — entitled "The Myth of the Missing Votes" — that undervoting is fairly common. It noted that there were more than 12,000 undervotes in Sarasota county in the 2004 contest between Harris and Democratic nominee Jan Schneider, though the percentage of Sarasota-area voters who undervoted in the 13th District race in 2004 was much lower than in the Buchanan-Jennings race.

The Florida Secretary of State's office was supposed to commence an audit of Sarasota County's voting systems, but that has been delayed. Jennings' camp filed an emergency petition Nov. 13 to secure voting machines and data involved with the audit. Then, the campaigns were supposed to identify staff members who would participate in the audit; Jennings' campaign on Friday accused Buchanan of "dragging his feet" by "delaying" the hiring of experts to participate on their behalf.

Jennings' campaign said the Florida Secretary of State's office "will not work with the Jennings campaign either" as a result of the breakdown, according to a release Friday. But the secretary of state's office has repeatedly said it will cooperate with both campaigns.

Buchanan and Republican officials have publicly called on Jennings to concede. The People For the American Way Foundation and other organizations sympathetic to Jennings have called for a new election. Both Buchanan and Jennings have participated in freshman orientation activities.

GOP Holds House Seat Of Katherine Harris (USAT)

USA Today, November 21, 2006

Republicans retained the congressional seat of Rep. Katherine Harris, state election officials ruled Monday. Republican Vern Buchanan was certified the winner over Democrat Christine Jennings by 369 votes.

Jennings immediately filed a lawsuit seeking a new election because of alleged irregularities. She cited Sarasota County, where more than 17,000 ballots cast in other races Nov. 7 on the touch-screen voting machines did not indicate a vote in the House contest.

Buchanan said there was no evidence of machine malfunctions. Harris lost her bid for the Senate.

Three House races remain undecided.

•In Ohio's 2nd District, Republican Rep. Jean Schmidt led Democrat Victoria Wulsin by 2,800 with nearly 9,000 votes possibly still uncounted.

•In Ohio's 15th District, Republican Rep. Deborah Pryce led Democrat Mary Jo Kilroy by more than 3,500 votes. About 19,000 ballots remain to be counted. Results are expected next week.

•In North Carolina's 8th District, election officials were recounting votes that last week gave Republican Rep. Robin Hayes a 339-vote margin over Democrat Larry Kissell.

Judge: Military may treat detainee's heart

The military is not required to send a Guantanamo Bay detainee to a civilian hospital for medical treatment, U.S. District Judge Paul Friedman ruled. The decision means terrorism suspect Saifullah Paracha must choose between having a cardiac catheterization to detect heart problems such as blockages performed at the U.S. military base in Cuba or not at all.

Doctors at Guantanamo successfully completed the same procedure in 2003, the Justice Department said. Paracha, 59, had argued that if something goes wrong, doctors must perform emergency heart surgery. The wealthy Pakistani businessman and television producer wanted to be transferred to a hospital in the USA or Pakistan.

Paracha is being held for allegedly helping al-Qaeda. His son, Uzair, was sentenced in July in federal court in New York to 30 years in prison on similar charges.

Clinton Won Easily, But Bankroll Shows The Toll (NYT)

By Anne E. Kornblut And Jeff Zeleny

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The New York Times, November 21, 2006

WASHINGTON, Nov. 20 — She had only token opposition, but Senator Hillary Rodham Clinton still spent more on her re-election — upward of $30 million — than any other candidate for Senate this year. So where did all the money go?

It helped Mrs. Clinton win a margin of victory of more than 30 points. It helped her build a new set of campaign contributors. And it allowed her to begin assembling the nuts and bolts needed to run a presidential campaign.

But that was not all. Mrs. Clinton also bought more than $13,000 worth of flowers, mostly for fund-raising events and as thank-yous for donors. She laid out $27,000 for valet parking, paid as much as $800 in a single month in credit card interest and — above all — paid tens of thousands of dollars a month to an assortment of consultants and aides.

Throw in $17 million in advertising and fund-raising mailings, and what had been one of the most formidable war chests in politics was depleted to a level that leaves Mrs. Clinton with little financial advantage over her potential rivals for the 2008 Democratic presidential nomination — and perhaps even trailing some of them.

The campaign's financial record has fueled some criticism among Democratic activists and prompted concern among Mrs. Clinton's supporters, including complaints from some of her fund-raisers that her top aides exercised a lack of discipline.

As of mid-October, when her campaign last filed a disclosure statement with the Federal Election Commission, the senator had about $14 million on hand. That figure did not take into account spending or fund-raising in the final three weeks of the campaign, although the final tally is not expected to change much.

The Democratic Daily, a liberal Web site, accused Mrs. Clinton of "blowing a shameful $36 million" on a shoo-in campaign. The only other Senate candidate to come close to her spending level was Senator Rick Santorum, Republican of Pennsylvania, who spent about $24 million unsuccessfully defending his seat.

Mrs. Clinton's cash on hand is certainly less than the $20 million to $30 million some of her advisers early this year predicted she would have in the bank as she moved from her Senate re-election toward a decision about a presidential campaign. She is now in the same ballpark as two fellow Democrats, Senator John Kerry of Massachusetts, who had $13.8 million in his account as of Sept. 30, according to election commission records, and Senator Evan Bayh of Indiana, who had $10.6 million. The law allows money left in a Senate campaign fund to be transferred to a presidential campaign.

Aides to Mrs. Clinton said she was not available for comment. Asked whether she was satisfied with the way the money had been spent, and whether the campaign's expenditures were within the norms of politics today, the executive director of her campaign organization, Patti Solis Doyle, replied in an e-mailed statement: "We're very pleased with the outcome of this election: the bottom line is victory with 67 percent of the vote, a substantial increase among independents and Republicans, and a list of several hundred thousand donors, beneficial in this and future campaigns."

Yet the way she spent the money troubled some of Mrs. Clinton's supporters, many of whom have been called on repeatedly over the years to raise and give money for Bill Clinton's two presidential campaigns, his legal expenses, his library, his global antipoverty and AIDS-fighting program and now his wife's political career. One Clinton supporter said it would become harder to tap repeat donors if it appeared that the money was not being well spent.

Nonetheless, the senator is among the most formidable fund-raisers in her party and could raise a large amount of money quickly if needed.

Since 2001, when she took office, Mrs. Clinton has spent at least $36 million on her re-election. For 2005 and 2006 through Oct. 18, she spent $29.5 million; a final tally will not be available until next month.

At that level, she spent nearly twice as much as Senator Charles E. Schumer, her Democratic colleague from New York, did in his 2004 re-election campaign, when he spent $15.5 million and won 71 percent of the vote, four points more than Mrs. Clinton won this year.

For her money, Mrs. Clinton also won a slightly smaller percentage of the vote in New York this year than did Eliot Spitzer in his successful race for governor. Mr. Spitzer, who raised nearly $41 million for his campaign, won 69 percent of the vote.

Mark Penn, Mrs. Clinton's pollster and longtime adviser, received at least $1.1 million. Mandy Grunwald, her longtime communications strategist, received more than $930,000. Hudson Media Partners, an offshoot of the Glover Park Group consulting firm where two prominent Clinton advisers, Howard Wolfson and Gigi Georges, work, received nearly $200,000.

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Campaign aides said much of the consulting work went toward building a donor list that would be vital in a presidential race. But they did not specify the work done by each of the consultants or say exactly how much of the money they received went to preparing for a presidential run rather than Mrs. Clinton's Senate re-election. And the figures have raised eyebrows among the people who raise money for her.

"We're not in this business to make consultants rich," said one fund-raiser for Mrs. Clinton who was granted anonymity in order to speak freely about the direction of the campaign.

"The wasting of money — it drives everybody crazy," the fund-raiser said. "She'd better get a handle on this if she is going to run for president."

Beyond the level of spending, there is also some concern within the Clinton camp about the adequacy of the controls on what is being spent.

A close friend of Mrs. Clinton, Maggie Williams, received a $37,500 consulting fee, paid to her firm, Griffin Williams Critical Point Management, at the end of July.

Asked what the payment was for, Mrs. Clinton's campaign aides checked and subsequently responded that the payment had been a mistake. They said it should have been for less than $5,000 to reimburse Ms. Williams, who served as chief of staff to Mrs. Clinton in the White House, for travel costs. They said Ms. Williams would return the extra money. Ms. Williams, who was said by Mrs. Clinton's aides to be traveling, did not return a call to her office.

"Donors, like voters, increasingly expect candidates to exercise fiscal discipline," said Mark McKinnon, an adviser to Senator John McCain, Republican of Arizona and a possible presidential candidate, and a veteran of President Bush's two penny-pinching campaigns for the White House.

Political campaigns are expensive affairs for any candidate, especially those running in a state as big as New York. Some of Mrs. Clinton's expenditures, including the more than $10 million for direct mail fund-raising solicitations, will pay off if she runs for president by giving her an expanded list of individual donors around the nation.

She has now amassed a database that includes several hundred thousand new donors, 90 percent of whom contributed $100 or less, her advisers said. Under the new campaign finance law, such small donors are considered crucial to raising the large sums of money needed for a presidential campaign.

Other types of expenses are seen by campaigns as necessary good-will gestures toward donors and other supporters; Mrs. Clinton's campaign cited this in justifying the roughly $51,000 she spent on professional photographers to provide pictures of her with guests. The candidate also sought to generate good will among her fellow Democratic candidates by giving more than $2.5 million to the Democratic Senatorial Campaign Committee and other party groups.

Candidates routinely use campaign money for all types of expenses. Representative Corrine Brown, Democrat of Florida, spent $24,000 of her campaign money this year on flowers; her campaign said she sent them to the families of constituents who died. Representative Richard W. Pombo, Republican of California, spent $17,250 on balloons for a single event in July.

Mrs. Clinton's aides offered varying explanations for her spending record. Some, speaking on the condition of anonymity because they are barred from discussing Mrs. Clinton's intentions for 2008, said much of the spending amounted to an investment in voter and fund-raising databases that could form the basis of a presidential campaign. Others said the money went to ensuring as convincing a victory as possible.

"We in fact did what we said we would do, which was raise it for a campaign in 2006," said Ann Lewis, the communications director for her campaign.

The most expensive components of any political campaign are often direct mail solicitations and television advertising, and Mrs. Clinton paid Media Strategies Research, a Democratic firm in Denver, $1.58 million in the third quarter of the year alone. She spent at least $7 million on advertising over all.

Yet Mrs. Clinton has also continued to travel and entertain in style. Around $160,000 was spent on private jet travel for her and her advisers in 2006. Her catering and entertaining bill was at least $746,450, with tabs ranging from a $124,155 bill at the New York Hilton to a $2,500 bill for a backroom fund-raiser at Ben's Chili Bowl, the famous Washington hot dog shop.

Women's Report Card For 2006 Vote (CSM)

DOJ_NMG_0096774

By Linda Feldmann

The Christian Science Monitor, November 21, 2006

WASHINGTON

When the winners of the Nov. 7 elections are sworn in in January, Democratic women - and some Republicans - will have cause to cheer: The House will have its first female speaker, Nancy Pelosi (D) of California. Congress will have its largest corps of women ever - 16 in the Senate and at least 71 in the House, from both parties.

And in the states, women will hold nine governorships, tied with the record set in 2004, and other elective statewide jobs that could position them for higher office. Sarah Palin (R) will become Alaska's first woman governor. For the first time, the chair of the National Governors Association will be a woman, Gov. Janet Napolitano (D) of Arizona.

In state legislatures, a record 2,426 women were general-election candidates, and unofficial results show 1,735 winning, which would be a record. In addition, women appear set to build on their record number of top leadership spots in state legislatures.

Women voters were also pivotal this year. While a majority of both women and men nationwide voted Democratic on Nov. 7 - 56 percent of women and 51 percent of men - the gender gap proved decisive for Democrats in a handful of key Senate races.

In Virginia, where Democrat Jim Webb beat Republican incumbent George Allen by a fraction of a percent, 55 percent of women voted for Mr. Webb versus 45 percent of men. In particular, it was women of color who made the difference.

In Montana, where race was not a factor, 52 percent of women voted for the Democrat, Jon Tester, versus 48 percent of men. Mr. Tester beat incumbent Sen. Conrad Burns (R) by just a few thousand votes.

In Missouri, 51 percent of women voted for Democrat Claire McCaskill, who beat incumbent Sen. Jim Talent (R), while only 46 percent of men did. As in Virginia, it was African-American women who made the difference.

Was this another Year of the Woman? Not exactly. Back in 1992, women made stunning gains, jumping from 32 to 54 House members and from two to six senators. Since then, the gains have been steady. The Senate is now at a record 16 women, and women in the House have averaged an increase of one or two seats per year. This year, the increase in the House was a little larger than usual - at least four seats. (In Louisiana, the Dec. 9 runoff between two Democrats, Rep. William Jefferson and challenger Karen Carter, could put another woman in the House. In Florida, Vern Buchanan (R) was certified the winner Monday in his tight race against Democrat Christine Jennings, but Ms. Jennings is suing.)

Ultimately, women remain far from achieving equality. In the next Congress, the record 87 women members will represent 16 percent of the 535 seats. In state legislatures, women currently hold 1,686 of the 7,382 seats, or 22.8 percent. In statewide elective executive office - positions such as governor, attorney general, and secretary of state - women hold 78 of the 315 positions, or 24.8 percent. (The figure will drop to 76 in January.)

The key, say women political activists, is that most of the numbers continue to head upward. "And certainly, 2006 is the year of the woman leader," says Democratic pollster Celinda Lake, pointing to Ms. Pelosi and the incoming state legislative leaders. In addition, California's two Democratic woman senators will chair committees starting in January, with Dianne Feinstein running the Rules Committee and Barbara Boxer running Environment and Public Works.

At EMILY's List, a political action committee that helps Democratic woman candidates who support abortion rights, 2006 was by far the group's busiest year. The group endorsed, funded, and advised a record number of candidates, including 19 women who were Democratic nominees for Republican-held House seats. Of those, 16 were in races considered competitive by the nonpartisan Cook Political Report. So far, with four races still undecided, only two women have won, a point that has raised eyebrows. Among the 36 Democratic men running in competitive, Republican-held districts, 22 won.

Many of the most highly touted EMILY's List candidates - including Tammy Duckworth of Illinois, Diane Farrell of Connecticut, and Lois Murphy of Pennsylvania - did not win.

Did gender play a role in any of the races? Officials at EMILY's List say it's impossible to say, but they are now analyzing each contest in depth. Three of the still-undecided races involve two woman candidates, so gender could not be a factor there. On a Seattle Times blog, debate raged last week over why Democratic challenger Darcy Burner lost narrowly to Rep. David Reichert (R). Times reporters cited e-mails from Ms. Burner, who suggested that being female hurt her - especially at a time of war.

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Woman political activists say that the big picture is what counts - and in the end, a record number of women will take seats in Congress come January. The increasing ranks of women at lower levels of government mean that the farm team for future, higher-level races is growing, they add.

Still, building toward gender equality remains a steep climb. "If it were easy to get women elected, we wouldn't need to exist," says Ramona Oliver, a spokeswoman for EMILY's List. "And trying to get newcomers elected on top of that is probably the toughest job in politics."

Kansas Republican Eyes Presidential Bid (AP-Y)

By Sam Hananel

AP, November 21, 2006

Sen. Sam Brownback, who is considering a White House bid in 2008, said Monday the Republican field has room for a "full-scale Ronald Reagan conservative" and pledged to make a final decision next month.

The Kansas senator said he was not discouraged from running by the Democrats' strong gains in this month's midterm elections, including majority control of the House and Senate.

"It does not make it less likely," he said in an interview. "I really believe that the basic conservative ideas and ideals we re not repudiated. Our execution was."

A more daunting challenge for Brownback are the better known potential candidates. Arizona Sen. John McCain and former New York City mayor Rudy Giuliani have set up presidential exploratory committees. Massachusetts Gov. Mitt Romney and Senate Majority Leader Bill Frist, R-Tenn., also are weighing bids.

"I think there's room for a full-scale Ronald Reagan conservative in the field," Brownback said. "I fully agree that other people have much higher name identification than I do. No question about that. But I think what you have to look at is the policy positions they get out once you have an effective campaign."

Brownback, who was elected in 1996, is a forceful foe of abortion and embryonic stem-cell research. He also has taken a prominent role in the fight against genocide in Sudan's Darfur region.

Brownback has made several trips to Iowa, New Hampshire, Michigan and other states that hold early presidential nominating contests. While national polls show McCain and Giuliani running strong, similar polls have shown Brownback in the low single digits.

He dismisses the early surveys.

"Where are my positions and others versus the base of the party?" he asked.

Dueling Conservatives (NYT)

By Adam Nagourney

The New York Times, November 21, 2006

Senator John McCain, Republican of Arizona and a likely 2008 presidential candidate, seemed to struggle yet again to firm up his position with the right on Sunday, as he faces the prospect of a primary fight with, among others, Gov. Mitt Romney of Massachusetts.

Mr. McCain, far right, appearing on “This Week” on ABC, said he thought Roe v. Wade, the Supreme Court decision that established a constitutional right to abortion, should be overturned. But he sometimes strayed from the orthodoxy of social conservatism. He presented himself as a supporter of the “don’t ask, don’t tell” policy imposed by President Bill Clinton in 1993 to allow gay men and lesbians to serve in the military. He said he did not believe homosexuality was “a sin.” And while he said he opposed same-sex marriage, he seemed to countenance civil unions.

And how did Mr. Romney spend his Sunday? He announced that he would ask his state’s highest court to order a question banning same-sex marriage onto the ballot if legislators failed to do so.

Romney Prepares To Run For President (FT)

By Rebecca Knight

Financial Times, November 21, 2006

DOJ_NMG_0096776

Mitt Romney, the outgoing governor of Massachusetts, appears to be on the verge of confirming what many political observers have long speculated: he intends to seek the Republican party's presidential nomination in 2008.

Mr Romney – who first drew national attention when he took over leadership of the struggling 2002 Salt Lake City Winter Olympic Games – convened a meeting of his top advisers and leading supporters at the weekend to discuss the potential launch of his White House bid. According to an aide to his Commonwealth Political Action Committee, the gathering was "to thank those who have been supporters" over the past year.

The governor has always been coy about his presidential ambitions. But an aide to the committee said he planned over the coming holidays to discuss a possible presidential run with his family and will "make a decision one way or another after the first of the year".

Mr Romney has recently added several influential political consultants to his roster including Alex Castellanos, a veteran Republican image-maker known for his take-no-prisoners television commercials against Democratic candidates. Mr Castellanos has produced ads for President George W. Bush and presidential candidate Bob Dole, among others.

In addition, Mr Romney's PAC has hired Sally Bradshaw, one of the top political advisers to Governor Jeb Bush of Florida, and Barbara Comstock, a one-time strategist for the Republican National Committee.

The high-profile recruits and last weekend's talks come at time when the field of Republican hopefuls is thinning. Senator John McCain of Arizona is still widely considered the frontrunner but the demise of Senator George Allen, Republican of Virginia, who had been considered a leading 2008 presidential contender until a string of slip-ups over the summer, is considered a boon to a potential Romney candidacy.

In spite of the more open playing field, many political observers, including Charles Stewart, a political science professor at MIT, are sceptical about Mr Romney's chances. "The thing about nominations is that it comes down to popular appeal and the judgment of professionals," he said.

While Mr Romney succeeds at portraying himself as a "solid, good guy", Prof Stewart said he loses points with professionals for the way he has treated Massachusetts "as a political whipping boy". In various out-of-town speeches, Mr Romney has portrayed the state's liberalism as a foil to cast himself as a conservative fighting blue-state waste, according to Prof Stewart.

"He is running against Massachusetts by playing to his conservative base at the expense of the state where he is governor," he said.

Ahead To 2008 (WT)

By Rick Amato

The Washington Times, November 21, 2006

As the line of Republican candidates running for the White House in 2008 begins to form, there is one candidate making preparations to run whose name voters outside of San Diego and Washington will be hard-pressed to recognize, but that could change in time. I'm speaking of the outgoing chairman of the House Armed Services Committee, California Rep. Duncan Hunter.

It is easy to dismiss Mr. Hunter's chances. After all, not since James Garfield in 1880 has a sitting member of Congress been elected to the White House, and then of course, there's that whole name recognition thing. However, there is something interesting about Mr. Hunter that should not be overlooked. He is a social conservative in what is expected to shape up as a socially moderate Republican field. Historically, social conservatives have done very well with voters in early primary states such as Iowa and South Carolina. (Mr. Hunter introduced H.R. 552 the Right to Life Act, which proposes to "implement equal protection for the right to life of each born and preborn human person."). He is further to the right on social issues than either John McCain, Rudy Giuliani or Mitt Romney.

A Vietnam veteran, Mr. Hunter was first elected to Congress in 1980, when he won in a long-shot bid over 18-year Democratic incumbent Lionel Van Deerlin. When asked why he is up to the challenge of a presidential run Mr. Hunter told me, "because I believe national security and a strong military are more important issues today than ever before. The Iranians and North Koreans are acquiring more advanced weapons systems, China is an emerging superpower and, we are living in an increasingly dangerous world. America is headed in to a new era, an era of terrorists with high technology. My message will be

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one of 'peace through strength.' I encourage voters to examine my record and consider my experience as chair of Armed Services and my work on national security issues."

On Iraq, Mr. Hunter points to a pattern he says America has followed for the past 60 years, "My campaign message on Iraq will consist of a three-step process: Establish a free government, which we've done, establish a military that will protect that government, and then leave Iraq."

Regarding Iraq, Mr. Hunter provided me with a letter he recently wrote to President Bush urging the president "to accelerate the process of deploying Iraqi forces to security environments that force them to engage in difficult military operations. Such operations will allow the forces to become battle-hardened ... as the battle in Iraq has intensified, so has the need to send Iraqi battalions into the heart of battle."

On the issues of border security and illegal immigration, Mr. Hunter has been a vocal critic and an advocate of tougher illegal immigration laws. "I don't look at the border as an immigration issue, I look at it as a national security issue. After we built the border fence along the San Diego-Tijuana region, smuggling and drugs were reduced in that area by 90 percent. The president just signed the 700-mile border fence bill, which I wrote on the House side. We simply have to have better border security."

Mr. Hunter expects to formally announce his candidacy sometime after the first of the year. History suggests that voters in early primary states will recognize and embrace a message of peace through strength, conservative social values and conservative illegal immigration policy. Now Duncan Hunter is hoping they recognize his name.

Rick Amato is a radio talk-show host and political commentator.

Out Of The Bush Family Shadow (LAT)

By Peter Wallsten

The Los Angeles Times, November 21, 2006

MIAMI — Her father left the White House 14 years ago, and her brother is midway through his second term as president. But Dorothy Bush Koch is only now stepping into the spotlight with a new book about the first President Bush and about her family.

And she has a few gently pointed words to say about life as the lone daughter in the country's most powerful political family.

Introducing her book at a Miami event on Sunday, "Doro," as she is known to her siblings, said it was nearly impossible to convince strangers that the generation of George W. Bush, Jeb, Neil and Marvin also included her.

"It's as if they are finding out about the fifth Beatle," she said.

After Jeb Bush, the brother who is also Florida's governor, introduced her at Miami Book Fair International, Koch added bluntly: "Thank you, Jeb, for letting people know that I actually do exist.

"The traditional path to making a name for yourself in our family is running for elective office, and I couldn't do that because, for one thing, all the really good offices were taken," Koch said wryly.

Koch lives in the Maryland suburbs of Washington and devotes much of her time to raising money for causes (including her relatives' political campaigns). She is a mother of four. Her husband, Robert, is the president of the San Francisco-based Wine Institute, a lobbying group for the wine industry.

Koch's book walks through the life and times of her father, George H. W. Bush, a war hero at age 20 after he was shot down fighting the Japanese in 1944.

He went on to serve in Congress, run the CIA, head the Republican National Committee and win election as vice president for eight years and president for four.

Koch worked on the book for two years, conducting 135 interviews with friends, family and even political opponents of her father, including the man he beat for the presidency in 1988, Michael Dukakis.

One intriguing element of Koch's presentation Sunday, though, was what she implied but did not directly state about the contrasting images of the family's two presidents, one of whom is known as the consummate diplomat and the other who has labeled himself the "war president."

Twice on Sunday, she noted that among the accomplishments she most admired about her father was his ability to manage the end of the Cold War "without a shot being fired."

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The book aims to cement the legacy of the country's 41st president as a war hero and thoughtful world leader, but it comes as the 43rd president is struggling to preserve his own legacy amid an increasingly violent Iraq war — a war that many say his father would not have waged.

The book also comes as the current President Bush, in trying to find his way forward in Iraq, is increasingly reaching back to his father's foreign policy team for advice and leadership.

The title of Koch's book, "My Father, My President: A Personal Account of the Life of George H. W. Bush," suggests that Koch does have her favorite between the family's two presidents.

Though much has been made of whether the current President Bush has accomplished more than his father — winning two terms in the White House and toppling Saddam Hussein — Jeb Bush spoke Sunday of how he never aspired to outdo his father.

Instead, he was haunted by the desire to live up to his dad's example.

"If you start with the premise that your dad is as perfect as a person can be — and, typically, guys try and aspire to be like their dad … think about how traumatic that's been," he said.

"But I figured out if I could be half as good and kind and generous and compassionate as my father, then that would be pretty good," he added.

"And once I figured that out, I stopped worrying about getting therapy."

When a questioner at the Sunday event asked about the two presidents' differing decisions on Iraq, Koch instinctively deferred to her brother, and he deferred to well-worn family talking points.

"When the current president and President 41 are together, we're talking about sports and we're talking about our families," the governor said. As for their approaches to Iraq, Jeb Bush added: "It's never come up, to be honest with you."

Gov. Bush said Koch's 586-page book would probably serve as the official presidential memoir. He said their father did not intend to write his own.

As any loyal daughter would, Koch seeks to convey the record as she and her family see it.

Writing about the famous 1988 Willie Horton presidential-campaign ad, Koch lauds it as an effective portrayal of Dukakis' support of a weekend furlough program for violent criminals. Horton, an African American, was serving a life sentence for murder when he committed a rape while released for a weekend furlough.

Democrats and civil rights leaders called the ad race-baiting. It took on new resonance last month, when the Republican Party aired a controversial attack ad against a black Senate candidate in Tennessee.

The former president told his daughter that critics were wrong about the Willie Horton ad.

"I felt we did the right thing," he said, adding later: "It was definitely a crime issue."

Koch did convince the two presidents to reflect a bit on their relationship with each other. The current president said his father had been paying too much attention to attacks coming from Democrats these days, whereas the elder Bush said: "I know George is strong and can take it, too — but it still burns the hell out of me."

Inside The Beltway (WT)

By John Mccaslin

The Washington Times, November 21, 2006

Overt review

"Katie Couric's The Brand New Kid" made its world premiere at the Kennedy Center during the weekend, and while the "CBS Evening News" anchorwoman says she was unable to make the opening performance, Valerie Plame of CIA-leak fame was in the audience and sends her rave reviews.

"I got a note from Valerie Plame, who said she really liked it," Miss Couric told Inside the Beltway by telephone yesterday from New York. "She wrote, 'It was so well done and enjoyable for all of us. It teaches important values. And fun songs. Good work!' "

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The musical, playing at the Kennedy Center's Family Theatre through Dec. 17, is based on a children's book Miss Couric authored in 2000, titled "The Brand New Kid." It centers on a second-grader who enrolls in a new school, only to taunted by the other children. The teasing stops when the new arrival is befriended by one of the school's more popular students.

"I was going to go to opening night, but my daughters, typical, had plans, so I'm going to take them another time. I'm excited to do it," said Mrs. Couric, adding that the opportunity for the book to be made into a musical "was a pleasant surprise."

"And of course the Kennedy Center -- you can't do much better than that," she said.

Mrs. Plame and her husband, former ambassador Joseph C. Wilson IV, are parents of twins, a boy and girl, born in 2000.

Death notice

"Your item must have hit a raw nerve this time," writes Washington resident Jesse H. Merrell, who had called our attention Friday to a $75 fine levied against Luther L. Miller of Garfield Street Northwest -- who, according to a D.C. government notice put his trash containers "out for collection @ the wrong time or place."

Mr. Merrell has written repeatedly to the city's fathers, informing them that his old neighbor "Luther L. Miller is dead -- has been for nearly 30 years."

He once enclosed a copy of Mr. Miller's death certificate, but similar notices and fines addressed to Mr. Miller kept arriving at his neighbor's old house. Mr. Merrell even offered to drive Mayor Anthony A. Williams to the Old Stone Church Cemetery in Lewisburg, W.Va., to see for himself that Mr. Miller in no way, shape or form could be emptying his trash.

"On Feb. 2, 2002 -- after an unbelievable fourth letter -- I wrote and asked if I took you to see his tombstone in Lewisburg, would that help?" Mr. Merrell wrote to the mayor.

Now, we are pleased to report that Luther L. Miller might finally be resting in peace.

"I got a call from an aide to the mayor this afternoon," says Mr. Merrell, "thanking me for bringing it to their attention. I felt like saying I had been bringing it to their attention for some time, but was polite and let it go. He said he was going to ... get it corrected. I'm not holding my breath, however."

Read about baseball

We couldn't help but be amused yesterday when President Bush, visiting a pair of faux Indonesian classrooms in Jakarta, was asked by a small boy what his hobbies had been when he was growing up.

Observed the White House pool report: "Bush didn't miss a beat: 'Baseball. I liked baseball. That was my hobby. Sports.' Then, perhaps realizing that sports was the wrong thing to push in a classroom, even a fake one, the president added: 'The best thing that I did was to learn how to read.' Continuing in that vein, the last thing we heard before being pushed out was Bush cautioning the kids that 'there are people who watch TV too much.' "

Offer a toast

Craig Wolf, who served as counsel to the Senate Judiciary Committee and specifically its chairman, Sen. Orrin G. Hatch, Utah Republican, has become the new president and CEO of the Wine & Spirits Wholesalers of America.

"We are entering a dynamic era, and the membership has every confidence that Craig ... will effectively advance the wine and spirits wholesalers' interests to policy-makers and the general public during this period of increasing attacks seeking the deregulation of alcohol in this country," says association Chairman Stan Hastings.

We might also mention that Mr. Wolf was once a federal and state prosecutor, and he is also a captain in the U.S Army Reserve Judge Advocate General's Corps.

•John McCaslin, whose column is nationally syndicated, can be reached at 202/636-3284 or jmccaslin @washingtontimes.com.

Bush Gets A Dose Of Democracy On Visit To Indonesia (LAT)

By James Gerstenzang

The Los Angeles Times, November 21, 2006

BOGOR, INDONESIA — In the last overseas stop of his five-day Asian tour, President Bush met here Monday with President Susilo Bambang Yudhoyono, the first directly elected president of the nation with the world's largest Muslim population.

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The visit came after a week of demonstrations against Bush, and its brief length, 6 1/2 hours, reflected security concerns in a country where terrorists have staged large-scale and deadly attacks.

About 2,000 protesters from Muslim, student, and labor groups showed up to protest U.S. policies in Iraq and Afghanistan, saying it was Bush who was spreading terror. In Surabaya, East Java, about 100 students were reported to have clashed with police at a McDonald's after staging a protest at the U.S. Consulate. No arrests were reported.

Bush cited the demonstrations as evidence of Indonesia's democracy, saying, "It's not the first time, by the way, where people have showed up and expressed their opinion about my policies."

Indonesia, where Islam is firmly rooted and democracy is still emerging, is a religious and political laboratory for the policies Bush says are the answer to Islamic-based terrorist movements. The president put Indonesia on his agenda for a trip, which began Thursday in Singapore and then went to Vietnam for an economic meeting of Pacific Rim leaders, to support Yudhoyono "as a moderate and progressive leader," said Derek Mitchell, a Pentagon official during the Clinton administration.

Indonesia had not done as much as Bush might have wanted to impose the rule of law, but there was "a sense that this is moving in the right direction," said Mitchell, who specializes in Asia and is a senior fellow at the Center for Strategic and International Studies, a Washington think tank.

Nearly 90% of Indonesia's 238 million people are Muslims. That amounts to approximately one-sixth of the Muslim world. After four decades of authoritarian rule, the nation's first democratic elections were held seven years ago; Yudhoyono was elected in 2004.

"The elections were open, the elections were clean, the elections were fair. And you elected a good president who is working hard to — in a tough job," said Bush of Yudhoyono at the news conference in one of the nation's six presidential palaces.

Indonesia is an equatorial archipelago made up of more than 17,000 islands, 6,000 of them inhabited, covering an area roughly three times that of Texas. It has a long history of ethnic strife along with the more recent onset of Islamic terrorism.

It is a base of the terrorist organization Jemaah Islamiah and has increasingly cooperated with the U.S. in counter-terrorism efforts, particularly in the wake of bombings in 2002 and 2003. The targets have included a nightclub frequented by tourists in Bali and a Marriott hotel in Jakarta.

The president flew by helicopter to Bogor from the Halim Perdanakusuma International Airport air base near Jakarta, 35 miles to the north, rather than traveling by motorcade.

The flight took him over the crowded capital's outer reaches, above roofs of crinkled metal and others of tile atop small, squat homes and trash heaps spilling out of backyards under lush, tropical growth.

He landed near the grounds of the 150-year-old Greek Revival-style palace, which is generally used for ceremonial purposes and other government functions.

Its 70 acres of lawns and giant ficus trees, behind high walls and in some locations rolls of new razor wire, harbor a herd of 600 white-spotted miniature deer, descendants of animals brought here from India several centuries ago for the hunting pleasure of a Dutch governor-general.

Bush made the short trip from the Marine One helicopter landing zone to the palace in an armored Chevrolet Suburban that bore neither the U.S. or Indonesian flags nor the presidential seal.

As he hopped with both feet from the high-riding vehicle, his image on a television screen prompted boos — and a few calls of "terrorist" — from some of the Indonesian reporters awaiting the news conference.

After dinner with Yudhoyono, Bush set out for Hawaii. He is scheduled to return to Washington tonight.

Bush Ends Trip At Careful Stop In Indonesia (NYT)

By David E. Sanger

The New York Times, November 21, 2006

BOGOR, Indonesia, Nov. 20 — President Bush made a six-hour, carefully orchestrated visit to Indonesia on Monday, praising the country's first directly elected president and seeking to defuse the widespread anger here, in the most populous Islamic country, over the continued American presence in Iraq.

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Mr. Bush, whose visit to Indonesia three years ago was consumed with talk of counterterrorism, this time appeared focused on fighting bird flu, bolstering a small program to aid Indonesian schools and promoting growth.

And in an afternoon of meetings at an ornate presidential palace that is a legacy of Dutch colonial rule, Mr. Bush held a closed-door session with what the White House called "civic leaders" of Indonesia.

Protestors and their "Stop Bush Now" placards could get no place near the Bogor palace, which is an hour outside of Jakarta and heavily protected by troops and fences. But Mr. Bush turned the Jakarta protests into a example of how far Indonesia has come in allowing free expression.

"It's not the first time, by the way, where people have showed up and expressed their opinion about my policies," Mr. Bush, looking tired at the end of a grueling trip, said with a smile. "But that's what happens when you makes hard decisions."

State Department surveys show that the percentage of Indonesians who say they have a favorable view of the United States has declined to 30 percent, from 75 percent six years ago.

The Indonesian president, Susilo Bambang Yudhoyono, gave only the most gentle public prod to Mr. Bush, talking about a "proper timetable" for withdrawal from Iraq, but then echoing Mr. Bush's view that the timetable had to be linked to national reconciliation there and the training of new security forces.

When a reporter asked Mr. Yudhoyono whether he had urged Mr. Bush to begin a withdrawal of forces from Iraq, Mr. Bush interjected: "I'll be glad to answer it for him — no, no he didn't. But he can answer it for himself."

In Mr. Bush's struggle to demonstrate that he can still achieve his initial objective in Iraq — a stable, democratic government in a demographically diverse Islamic nation — he often holds up Indonesia as an example of success and proof that Islam and democracy are compatible.

Since Suharto's departure from power in 1998, a real democracy has begun to take root. In its recent report card on the country, Freedom House judged that "the political system is open and democratic in its basic structures," even while some of its institutions still "function poorly or are sanctuaries of undemocratic and abusive behavior."

But to Mr. Bush, Indonesia's greatest accomplishment has been to suppress extremist groups, especially Jemaah Islamiyah, considered an affiliate of Al Qaeda.

"I believe the vast majority of people want to live in moderation and not have extremists kill innocent people," he said at a news conference in the ornate receiving rooms of the palace.

Despite the country's recent progress, however, Mr. Bush once again did not stay the night in Indonesia, at the insistence of the Secret Service. On his previous visit, he stopped in Bali, a Hindu resort island in a nation of Muslims, and held what turned out to be a contentious session with Indonesian scholars and religious scholars. He was criticized after that visit for failing to come to the heart of Indonesia.

So on Monday he flew into the airport in Jakarta, the capital. But he never ventured into the city. Instead, he stayed behind the fenced wall of the palace compound, save for his helicopter ride from and to the airport, where Air Force One was standing by for the trip onward to Hawaii.

Protestors were kept away by troops and rolls of barbed wire. In Jakarta, the authorities appeared to have jammed some cellular telephone networks.

At one point during the news conference, Mr. Bush was asked to describe the risks of adding more forces to Iraq, a step that Senator John McCain, Republican of Arizona, is pressing.

Mr. Bush, who has described in detail the risks of pulling out of Iraq too soon, sidestepped the question. "I haven't made any decisions about troop increases or troop decreases, and won't until I hear from a variety of sources, including our own United States military," he replied.

Among the groups expected to present their recommendations to the president are the joint chiefs of staff and a bipartisan study group led by a former secretary of state, James A. Baker III, and a former congressman, Lee H. Hamilton.

So far, Mr. Bush has used those groups' ongoing studies to justify declining to talk about his plans for the Iraq mission. "There's no need to comment on something that may not happen," he said. "But if it were to happen, I will tell you the upsides and the downsides."

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Bush Brushes Off Protests Over Middle East (FT)

By John Aglionby In Bogor, Indonesia

Financial Times, November 21, 2006

US President George W. Bush on Monday dismissed suggestions he should alter his policies to win over opponents in the Muslim world, insisting his desire to promote democracy and freedom were echoed by the majority of people around the world.

Speaking during a seven-hour visit to Indonesia, the world's most populous Muslim nation, at the end of his Asian tour, Mr Bush welcomed the fact that thousands of people had been demonstrating for days across the sprawling archipelago against his visit and policies in Iraq and the Middle East.

"I applaud a society where people are free to come out and express their opinion," he told a press conference with his host, President Susilo Bambang Yudhoyono. "It's not the first time people have shown up to express their views on my policies. That's what happens when you make hard decisions."

People should instead appreciate the message he was trying to spread around the world, Mr Bush said. "I believe people desire to live in a free society," he said. "People want to live in moderation and not have extremists kill innocent people. Our policies are to promote that kind of government. Democracies yield peace. Democracies don't kill each other. To say democracy is anti-religious is wrong. It's the opposite of that."

Indonesia's transition from a dictatorship in 1998 to its currently directly-elected president is considered one of the world's best democracy success stories.

The vast majority of Indonesian Muslims are moderate but it is also the home of extremist groups who carried out at least one major terrorist attack each year between 2002 and 2005, including two bombings on the tourist resort island of Bali that killed more than 220 people.

Anti-Bush demonstrations have been thousands strong in the last few days, small by Indonesian standards, and the vast majority have passed off without incident.

Protesters were kept well away from Mr Bush but he received strong face-to-face criticism in a meeting with nine Indonesian civil society leaders.

"I wanted to tell him that he has to take a different approach to the Middle East and to Iraq," said Ysuni Sabi, from Aceh province. "He's not going to get peace unless he's harder on Israel and more accommodating towards Palestine."

The president's bilateral talks covered general matters such as promoting cooperation in trade, investment, health, education, alternative fuel technology and military links. No new initiatives were announced.

Mr Bush said the two leaders did not discuss a dispute involving Exxon Mobil's right to develop a gas field near the Natuna islands in the South China Sea. Jakarta has said Exxon had forfeited its right to the block while the company insists its contact expires in 2009. The two sides have agreed to negotiate to try and reach a common position that is likely to involve adjusting the share of profits each side receives.

Mr Bush also said he had not decided whether to adjust troop levels in Iraq.

"I haven't made any decisions about troop increases or decreases, and won't until I hear from a variety of sources, including our own United States military," he said.

Bush Calls Indonesian Protests A Good Thing (USAT)

By David Jackson

USA Today, November 21, 2006

BOGOR, Indonesia — President Bush was due to arrive in Hawaii today, ending a five-day trip during which he talked with world leaders about stopping North Korea's nuclear weapon's program.

In Indonesia, the last stop on the trip, several thousand anti-American protesters that included hard-line Islamists staged demonstrations Monday against U.S. policy in Iraq. Bush said the protests were symbolic of the kind of free expression the United States is trying to establish in Iraq.

"Indonesia is an example of how democracy and modernization can present an alternative to extremism," Bush said after meeting with President Susilo Bambang Yudhoyono in a 19th-century palace built by the nation's Dutch former colonial rulers.

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“To say spreading democracy is anti-religious — it's the opposite of that. Democracy means you can worship any way you choose, freely,” he said.

Before Indonesia, Bush visited Singapore and Vietnam, where he discussed free trade and measures aimed at reining in North Korea's nuclear weapons program. Bush spent a little more than six hours here amid tight security before flying to Hawaii, where he is to have breakfast with U.S. troops.

In a meeting with reporters in Indonesia, Bush said he has not decided about future troop levels in Iraq and is still consulting with advisers. The administration is also awaiting the report from a special committee on Iraq led by former secretary of State James Baker and former U.S. representative Lee Hamilton.

Indonesia replaced a dictatorship on its own in the late 1990s, so it's not a good example for Iraq, said William Liddle, an Ohio State University specialist on Indonesia.

“The Indonesians created this for themselves; they weren't occupied by somebody,” said Liddle of the country that consists of more than 17,000 islands.

Derek Mitchell, an Asia specialist with the Center for Strategic & International Studies in Washington, said the Islamic Middle East doesn't consider Indonesia as a model. “They see them as outliers,” he said.

Indonesia has 190 million people and 87% are Muslim, the State Department said. The country is having troubles with militant Islam. The State Department says the Indonesian Islamic militant group Jemaah Islamiyah has been behind four terror attacks that killed more than 240 people since 2002.

On Iraq, Yudhoyono said the “global community” needs to help strengthen the Baghdad government before the United States can leave.

Indonesian attitudes toward the United States have gone up and down during Bush's presidency, according to the Pew Global Attitudes Project.

In 2002, a year after the 9/11 attacks, 61% of Indonesians held a favorable view of the United States, according to Pew. That dropped to 15% in 2003 after the U.S. invasion of Iraq, and then rose to 38% in 2005 after the United States helped Indonesia recover from the December 2004 tsunami that killed 167,000 Indonesians.

U.S. Urges IAEA To Deny Iran Reactor Aid (AP)

By George Jahn, Associated Press Writer

AP, November 21, 2006

The United States said Monday it would accept Iran's request for U.N. aid on seven nuclear projects but urged the International Atomic Energy Agency to deny assistance for a plutonium-producing reactor that can be used to make a bomb.

The decision reflected U.S. recognition that it was futile to try to block IAEA help to Iran on all eight projects because of opposition by most of the agency's 35-nation board. It also appeared prompted by an IAEA ruling that neither the reactor nor the other projects posed a proliferation threat.

Some diplomats accredited to the Vienna-based U.N. nuclear watchdog agency also suggested it could reflect a U.S. decision to tread relatively lightly while Washington weighs the possibility of direct dialogue with Iran on reducing violence in Iraq. The diplomats spoke on condition of anonymity because they were not authorized to speak publicly about the closed meeting.

U.S. officials declined comment.

"We are prepared to join consensus" on approving the seven other requests from Iran if the agency's board agrees to deny aid to Iran on building the Arak research reactor, said Gregory L. Schulte, the chief U.S. delegate to the IAEA.

But Schulte suggested there would be no compromise on Arak, describing it as being "capable of producing plutonium for one or more nuclear weapons each year," once completed, likely in the next decade.

"Given past board decisions, continued questions about Iran's nuclear program, and the risk of plutonium being diverted to use in a weapons, the United States joins with others who cannot approve this project," he said. His comments to the closed committee meeting on IAEA technical aid to member countries were made available to The Associated Press.

The council's main concern is Iran's defiance of a demand that it freeze uranium enrichment, but the Arak heavy water reactor is also worrying because of its ability to produce plutonium.

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A Security Council resolution in July demanded that Iran stop all enrichment-related activities. But it did not specifically mention Arak, saying only that Tehran had to stop all "reprocessing activities."

The European Union also urged the board to refuse approving aid for the Arak project once it moves from its committee meeting to a full session on Thursday.

"Our concern is that such a reactor would in the future produce significant quantities of plutonium and would involve a significant proliferation risk," an EU statement said.

Canada and Australia also urged that help on Arak be denied, said a diplomat coming out of the closed meeting.

In contrast, Russia and China — the key blockers of tough U.N. Security Council sanctions on Iran backed by the U.S. and some European allies — suggested they had no objections to IAEA help on Arak, said the diplomat. Cuba went the furthest, demanding that the board approve the Arak project, she said.

Normally, the United States is at the forefront in demanding tough action against Tehran for defying U.N. Security Council demands that it freeze uranium enrichment.

But with council agreement on sanctions bogged down because of Russian and Chinese efforts to block severe punishment, diplomats said the Americans took a back seat at the Vienna meeting. Instead, France took the lead on demands that all eight Iranian projects be reviewed and possibly refused.

In Tehran, Iranian President Mahmoud Ahmadinejad — whose country sees the United States and Israel as its greatest enemies — was cited on the Web site of Iran's Broadcasting Company as saying the Islamic republic would succeed in developing a full nuclear program, despite "pressure by the U.S. and Israel."

Even nonaligned nations traditionally supportive of Iran were likely to approve some form of denying Iran help for Arak, but the other seven projects were less controversial.

One asks for help in developing nuclear capabilities for medical use. Another seeks legal aid for the Russian-built Bushehr reactor, which even the Americans have accepted as not posing a threat to nuclear proliferation. And the five others ask for assistance in administrative or safety aspects of nuclear power, according to a list made available to the AP.

Denying Iran help with Arak — where it is seeking agency assistance to make sure the reactor is environmentally safe — would do little to slow construction of that facility or affect Tehran's other potential avenue to weapons production — uranium enrichment. Still, it would maintain at least symbolic pressure even amid the Security Council deadlock.

Ali Ashgar Soltanieh, Iran's chief delegate to the IAEA, said his country's request would benefit the international community by increasing outside involvement in Arak.

"By adopting this project, the agency's presence ... will be much more," he said.

Report: Israeli Spies Active In Iran (JERP)

The Jerusalem Post, November 21, 2006

Iran has developed and tested a trigger device for a nuclear bomb, Israeli agents stationed there have told the White House, according to a report published in The New Yorker Monday morning.

35 nations meet on denying Iran technical help for building plutonium-producing reactor

According to the report, written by Seymour M. Hersh, the White House received the information but did not pass it on to the CIA.

The report also stated that in the past six months, Israel and the United States had been working together to support a Kurdish resistance group known as the Party for Free Life in Kurdistan.

The group had been conducting clandestine cross-border forays into Iran, as "part of an effort to explore alternative means of applying pressure on Iran," Hersh said he was told by a government consultant with close ties to the Pentagon civilian leadership. The government consultant reportedly said Israel was supplying the Kurdish group with "equipment and training." The group had also been given "a list of targets inside Iran of interest to the US." An Israeli government spokesman denied that Israel was involved.

The Israeli intelligence presented a stark contrast to recent CIA estimates on Iran's nuclear program, which claimed that Teheran was far from attaining a nuclear bomb.

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The New Yorker article seemed to suggest that there was a difference of opinion between the CIA, the White House and the Pentagon regarding the progress of Iran's nuclear weapons program.

The CIA's opinion was based on technical information gathered from satellites and other hi-tech devices that suggested high levels of radiation had not been detected.

However, the White House and the Pentagon dispute the CIA's findings. Pentagon officials have urged that the Israeli intelligence be given due consideration and said data gathered by satellites and ground sensors was insufficient. They added that more emphasis should be given to information supplied by agents.

"We live in an era when national technical intelligence" - data from satellites and on-the-ground sensors - "will not get us what we need. HUMINT [human intelligence] may not be hard evidence by that standard, but very often it's the best intelligence we can get," said a Pentagon consultant.

The White House reportedly was refusing to reveal to the CIA the source of the Israeli information, the location of the site of the experiments, or the number of tests that had been carried out.

"The problem is that no one can verify it," a former senior intelligence official told Hersh. "We don't know who the Israeli source is. The briefing says the Iranians are testing trigger mechanisms" - simulating a zero-yield nuclear explosion without any weapons-grade materials - "but there are no diagrams, no significant facts. Where is the test site? How often have they done it? How big is the warhead - a bread box or a refrigerator? They don't have that."

And yet, the official said, the report was being used by White House hawks within the administration to "prove the White House's theory that the Iranians are on track. And tests leave no radioactive track, which is why we can't find it." Still, he said, "The agency is standing its ground."

Talk Of Another Middle East Preventive War Is Folly (FT)

By Gideon Rachman

Financial Times, November 21, 2006

James Baker will have heard many views as he prepares his much awaited report on Iraq. But he is unlikely to have heard anything as strikingly original as the suggestions offered to him by Ali G when Mr Baker gave the comedian an interview a couple of years ago.

The self-styled spokesman for youth suggested to Mr Baker that it might be problematic that Iran and Iraq had such similar names. Wasn't there a real danger, he asked, that an order might be issued to an American pilot and "the geezer don't hear it properly and bomb Iran not Iraq"? "No danger," replied the former secretary of state evenly.

But now, as he settles down to draft his report, Mr Baker might reflect that perhaps Mr G was on to something. It turns out that there is a country in the Middle East that is bent on developing nuclear weapons, which is funding terrorism and de-stabilising the region and which has a dangerously erratic president. But that country's name is Iran – not Iraq. Maybe America and its allies invaded the wrong place by mistake?

Some of the neo-conservatives who pressed hardest for the invasion of Iraq seem to have reached this conclusion. In an article for Foreign Policy magazine that is almost as surreal as an Ali G interview, Joshua Muravchik of the American Enterprise Institute acknowledges a whole string of errors and misapprehensions that lay behind the decision to invade Iraq. But then – with scarcely a pause for breath – he urges President George W. Bush "to bomb Iran's nuclear facilities before leaving office".

It would be easy to dismiss these views as ravings from a discredited ideological sect. But that would be a mistake. In recent months, I have heard senior British and French diplomats also discuss the possibility that Iran's nuclear ambitions might ultimately have to be dealt with by military action. The problem is that most people who follow the issue closely believe that Iran is, indeed, intent on developing nuclear weapons – and some argue that it is only a year or so away from crossing the threshold at which possession of the bomb becomes inevitable.

America could well make a big new effort to negotiate with Iran in the wake of the Baker report. If that fails, sanctions could be wheeled out. But, realistically, neither course is likely to divert Iran away from its nuclear ambitions.

The rise of President Mahmoud Ahmadi-Nejad has also darkened the outlook. Even Kofi Annan, the United Nations secretary-general, was unsettled by a meeting with the Iranian president in Tehran last August. According to one person present

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at the meeting, Mr Ahmadi- Nejad explained that the US and Britain were still enjoying the benefits of winning the second world war and then added: "We will cut them down to size."

By combining Holocaust denial with talk of a world without Israel or the US and a determination to develop nuclear weapons, Iran's president has put his country into considerable danger. President Bush has said that: "You have got to assume that leader, when he says he would like to destroy Israel, means what he says." Angela Merkel, the German chancellor, has compared Mr Ahmadi-Nejad's rhetoric to that of Hitler, adding that: "In the early 1930s, many people said that it is only rhetoric."

But there is a problem with the oft-stated argument that the Iranian president must be taken at his word. For if you were to take Mr Ahmadi- Nejad literally, you would have to believe that Iran does not have a nuclear-weapons programme – for that is what he says. The Iranian president can hardly be accused of explicitly threatening to nuke Israel, given that Iran denies having a nuclear-weapons programme in the first place.

So we are back to the balance of probabilities. The Atlantic Monthly recently ran a poll of 38 of America's leading foreign policy experts, ranging from neo-cons to liberals. One of their questions was whether they "thought it likely that Iran would use its nuclear weapons offensively, either by directly attacking other countries or by passing the weapons to terrorist groups"? The majority – 86 per cent of the sample – said they thought this unlikely.

But even if the risk that Iran would actually use a nuclear weapon is very small, some argue that it cannot be lived with. This argument is what Dick Cheney, vice-president, has called "the 1 per cent doctrine". If there is a 1 per cent chance that America's enemies might use a nuclear weapon, the US must act as if it was a 100 per cent certainty.

It sounds like a tough-minded way of preventing the very worst from happening. But on many occasions in the past 60 years, the US and its allies have had to live with a more than 1 per cent chance that their adversaries might use nuclear weapons – the Cuba missile crisis for example. On all these occasions, the Americans wisely steered away from preventive war. Even Winston Churchill, the neo-cons' hero, spent the 1930s arguing for re-armament – not for a first strike on Nazi Germany.

One influential advocate of bombing Iran accepts that it is very improbable that the Iranians would actually use nuclear weapons. His concern is that, once Iran had nuclear weapons, it would embark on an uninhibited pursuit of regional hegemony – supporting terrorism and insurgencies across the Middle East and seeking to control the global oil market.

These are all serious and worrying possibilities. If they could be averted by the fabled "surgical strike" on Iranian nuclear facilities, modelled on the Israeli raid on Iraq's nuclear programme in 1981, such a course would be worth considering. But almost nobody thinks that it would be possible to dispose of Iran's nuclear facilities so easily. They are thought to be dispersed widely around the country and buried underground. Military experts talk of the need for hundreds or thousands of bombing raids, stretched over many days – and even that might merely set back Iran's nuclear programme a few years.

Iran would also certainly retaliate. It could unleash Shia militias on allied troops in Iraq, encourage Hizbollah and Hamas to stage new attacks on Israel and block the Strait of Hormuz, through which 40 per cent of the world's oil flows. So military strikes that were launched because of the fear of the destabilising effects of a nuclear Iran would have created the very instability and bloodshed that they were meant to avert. If Iraq has taught America and its allies anything, it is that it is much easier to start a war in the Middle East than to finish one.

Israel Orders Investigation Of Bomb Use In Lebanon (NYT)

By Greg Myre

The New York Times, November 21, 2006

JERUSALEM, Nov. 20 — The Israeli military chief of staff, Lt. Gen. Dan Halutz, ordered an inquiry on Monday to determine whether the armed forces had followed his orders when it used large numbers of cluster bombs during the monthlong war with Hezbollah in Lebanon this summer.

Several human rights groups have criticized Israel's use of cluster bombs in the fighting, saying they were dropped in or near populated areas.

Cluster bombs are not prohibited in warfare, but much controversy surrounds them, because they contain many small "bomblets" that explode over a wide area and may strike unintended targets. In addition, some bomblets do not explode when they hit the ground and effectively become land mines that can be detonated by civilians long after the fighting has stopped.

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General Halutz visited an army base on Monday and told Army Radio that "one of the things that must be investigated is the way in which the orders were given and implemented."

He said: "Were the orders explicit? I believe they were. Now all we need to do is to see whether we had or did not have departures from the commonly accepted rules of use."

The general did not specify what orders he gave regarding cluster munitions, and it was not clear whether he prohibited them, or placed certain restrictions on their use. General Halutz, Prime Minister Ehud Olmert and Defense Minister Amir Peretz have all faced widespread criticism over the war, which many Israelis feel was mismanaged. There have been calls for General Halutz to resign, but he has said he has no plans to quit.

The military said Maj. Gen. Gershon Hacohen would head the investigation.

The Lebanese say they are still suffering numerous wounds and deaths caused by bomblets detonated by civilians since the war, more than three months ago. So far, thousands of unexploded bomblets have been found at hundreds of sites in Lebanon, according to Lebanese officials and international groups searching for them.

The United Nations Mine Action Coordination Center has estimated that Israel fired as many as four million cluster submunitions, and that up to one million may not have detonated. Israel fired many of the munitions with its Multiple Launch Rocket System, which can fire 12 rockets in a minute.

Hezbollah has also been accused of using cluster munitions among the 4,000 rockets it fired into Israel during the fighting, which began July 12 and lasted until Aug. 14.

In a statement, the Israeli military said that cluster munitions used in Lebanon were directed only at "legitimate military targets" and that after the fighting ended Israel provided maps to the United Nations forces to assist in finding unexploded bomblets.

Israel has received cluster munitions from the United States for many years, and also makes its own. In August, the State Department began investigating whether Israel used cluster bombs in Lebanon in violation of secret agreements that restrict their use.

In a separate development, an aide to the Palestinian Authority president, Mahmoud Abbas, said the president's Fatah movement had suspended talks with the militant faction Hamas on a national unity government. "We would say talks are suspended now," the aide, Nabil Amr, told a news conference in the West Bank city of Ramallah.

However, Prime Minister Ismail Haniya, of Hamas, said in the Gaza Strip that "talks are continuing on the highest level."

Fatah and Hamas have been talking for months but have been unable to reach an agreement on a new government, which would seek to win a restoration of international aid that was cut after Hamas came to power in the spring elections. The most recent discussions have sought to establish a cabinet of professionals and technocrats who are not linked directly to either Hamas or Fatah.In an Israeli airstrike on Monday night, two Hamas militants traveling in a car in Gaza City were killed, and several passers-by were wounded, Palestinian medical officials said. In the West Bank, a 17-year-old Palestinian youth who approached soldiers brandishing a gun, which turned out to be fake, was also killed, [a news agency] reported.

Murder Update (WSJ)

By Michael Young

The Wall Street Journal, November 21, 2006

BEIRUT -- The Syrian regime is discovering what a nuisance Rafik Hariri, the late Lebanese prime minister, can be. Last Friday, the U.N. Security Council approved a draft plan for a mixed Lebanese-international court to try those responsible for Hariri's assassination on Feb. 14, 2005. Damascus, the main suspect in the crime, is palpably anxious. That anxiety played out in Lebanon 10 days ago, when six ministers named by pro-Syrian politicians resigned rather than take part in Beirut's formal endorsement of the tribunal proposal. The plan was subsequently passed by a reduced Lebanese government, but the full approval process is not over.

Five of the six ministers who resigned were appointed by or affiliated with the two main Shiite parties, Hezbollah and the Amal movement, while the sixth is Lebanese President Emile Lahoud's man. Their resignations came amid a struggle for power between pro-Syrian groups and the anti-Syrian parliamentary and cabinet majority -- dating back to the summer war between

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Israel and Hezbollah. While some saw the outcome of the conflict as a victory for the militant Shiite group, that was hardly the case. Israel displayed incompetence, but Hezbollah found itself militarily neutralized in its vital space of south Lebanon, at least for now. The Lebanese army and international peacekeepers are deployed in the border area, and Hezbollah cannot impose a new war on its battered Shiite community, which continues to suffer the consequences of Israel's terrible retribution.

With little room to maneuver in the south, Hezbollah has tried to compensate in Beirut by demanding greater representation in the cabinet. The anti-Syrian majority has resisted this, arguing that the government performed well last summer, making change unnecessary. The real issue, however, is the return of Syrian hegemony. Hezbollah and its allies want enough ministerial seats so they can veto decisions they dislike that go to a cabinet vote. By so doing, they can continue to protect Syria in the Hariri investigation, and also block the majority's policies that they don't like. A final U.N. report is due out on Hariri's killing in the coming months (the chief investigator, Serge Brammertz, has until mid-2007 to publish his findings), and Hezbollah fears that any accusation against Syria might also be turned against itself. * * *

All this has significant repercussions for the U.S., particularly after the Democratic midterm elections victory. Syria never accepted its forced withdrawal from Lebanon last year, and has worked tirelessly since then to reimpose its writ here. Now there is new hope in Damascus: Influential American voices are suddenly suggesting a reversal of course toward Iraq's neighbors. It was music to Syrian President Bashar Assad's ears to hear James Baker, the Republican co-chairman of the Iraq Study Group, advocating dialogue with Syria and Iran in an interview last month: "I don't think you restrict your conversations to your friends." The Iraq Study Group's report, expected in the coming weeks, will possibly include such an invitation. Syria's Lebanese foes fear they will pay if the U.S. and Damascus cut a deal.

If so, it wouldn't be the first time for Mr. Baker. In 1990, he was a leading light in President George H.W. Bush's administration, which ceded Lebanon to Syria in exchange for President Hafez Assad's agreement to be part of the international coalition against Iraq. An inveterate "realist," Mr. Baker is not likely to balk at negotiating with Mr. Assad if it means the U.S. can buy some peace of mind as it transforms its presence in Iraq. His proposal is unpopular at the White House, and last week Mr. Bush made that known to Mr. Baker and his colleagues. However, because of his electoral defeat, the president, pressed by a Congress avidly searching for new ideas, might find less latitude to ignore Syria down the road.

Unless, of course, the U.N. incriminates Syrian officials in the Hariri murder. That Mr. Assad realizes the fatal implications of this connection was evident when British Prime Minister Tony Blair recently sent a senior adviser, Sir Nigel Sheinwald, to Damascus for a chat. The visit, reportedly approved by Washington, aimed to see if Syria could be enticed away from Iran. If The Economist is correct, and the magazine spoke to Mr. Sheinwald upon his return, the Syrian president has four conditions: an end to the Hariri investigation, a guarantee that the U.S. would not undermine his regime, a return of Syrian influence in Lebanon, and the handing back of the Golan Heights, occupied by Israel in 1967. No doubt Mr. Assad would demand much the same from the U.S. if it ran to Damascus to "engage" him on Iraq, assuming the Syrian leader would consider conceding to Washington in a moment of strength what he refused when he was weak.

There seems to be a consensus in the U.S., whether in Congress or in the administration, that there is no going back on upholding Lebanese sovereignty or in finding Hariri's killers. But it is not clear to many in Washington that asking Syria and Iran for help in Iraq, if that's what the Iraq Study Group advises, will drastically limit the administration's ability to deny both countries' gains in Lebanon. For Syria and Iran, Lebanon is vital in their broader quest for power in the Middle East. They will collect there on whatever is offered to the Americans in Iraq, and the retreating administration already has far fewer means to prevent this.

Mr. Baker and his fellow realists, custodians of stalemate in their own way, want the U.S. to return to its previous approach to the region, where interests defined behavior more than values -- particularly democracy. But if engagement with Syria, or even Iran, is on the cards, then the U.S. might have to surrender the one genuine triumph it can point to after Mr. Bush formulated a democratic project for the Middle East: the peaceful, popular overthrow by the Lebanese of Syria's debilitating domination. The U.S. might also find itself having to relinquish that all-too-rare happening in the region: a vigorous international legal process that promises to punish a state-sponsored crime. Yielding on Lebanon will not advance American interests; it will only damage them more, turning the severe setbacks in Iraq into a full-scale regional rout.

Wherever one stands in the spectrum of U.S. foreign-policy thinking, the Hariri tribunal is a mechanism that should satisfy all. Democracy defenders see in it an institutional means of buttressing Lebanon's independence from Syria -- presuming that

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U.N. investigators demonstrate Syrian involvement in Hariri's elimination. Realists will gain a splendid stick with which to force Syrian compliance with American priorities elsewhere in the Middle East, including Iraq. The court's mandate does not oblige presidents to put in an appearance (though there is no immunity from crime, meaning they can be sentenced in absentia), so Mr. Assad can be destabilized if his involvement is proven, but not necessarily forced from office. It would make him conveniently vulnerable to outside coercion.

That's why events in Lebanon are so important. Syria's Lebanese allies are trying to undermine the Hariri investigation from within, and are expected to escalate their efforts very soon, maybe even this week. It makes no sense for the U.S. to hand them more ammunition by prematurely transacting with Mr. Assad before the U.N. completes its task and assigns responsibility for the assassination.

Mr. Young, a Lebanese national, is opinion editor at the Daily Star newspaper in Beirut and a contributing editor at Reason magazine.

Pessimism Deepens In Postwar Lebanon (WP)

By Anthony Shadid

The Washington Post, November 21, 2006

BEIRUT -- A racket filled the air outside Mohammed Jassar's shop in a swath of Beirut devastated in this summer's war with Israel. Hammers delivered a cadence to the clamor of bulldozers, saws and drills trying to rebuild. The noise was almost as loud as the invective these days in Lebanese politics, paralyzing a country that has never quite known peace. Jassar has had enough. Three weeks, he blurted. After that, he'd decide whether to leave Lebanon.

"This is a country scared of its future," he said.

Lebanon has emerged from the 33-day war with Israel only to find itself lately in one of the most pronounced political crises it has experienced in a generation. At first glance, the issues dividing it are somewhat arcane: the legitimacy of an international tribunal to try those suspected of killing former prime minister Rafiq al-Hariri in 2005, and the representation in the cabinet for the opposition, which comprises Hezbollah, another Shiite Muslim faction and a Christian ally. But the stakes are far higher, in effect the future of the country: What groups and their patrons -- the United States, France, Syria or Iran -- will guide Lebanese politics?

There is a cinematic quality to the events, a commotion that resembles a film's opening credits: snippets of hurried conversation, incendiary news broadcasts, glimpses of politically loaded posters draped over streets, and a pessimism, deep and intransigent, that has become a national pastime.

"This is what is so tragic about it," said Fawwaz Traboulsi, a historian and professor at Lebanese American University. "We've been reduced to people who are frightened by the worst and hoping for something that might be less bad."

Lebanon is blessed and cursed by its diversity. The logic of coexistence among 18 religious sects, often with their own readings of history, dictates a tolerance and occasional cosmopolitanism that stands out in an Arab world becoming ever more atavistic and resentful. On display these days in Beirut, though, is that diversity's more menacing side.

On television, a Christian-owned station has introduced broadcasts with the ominous phrase: "Is it the silence before the storm?" Another station, loyal to Hariri's son Saad, a key figure in the governing coalition, has shed any pretense of objectivity, airing footage of this summer's war. A voiceover asks: "Who was responsible?" What does it matter? We won, answers Hezbollah's station, al-Manar.

Hezbollah's iconography still adorns the city, depicting "The Divine Victory" and "Victory from God." One poster portrays Israeli soldiers crying. "The invincible army," it mocks. Along the city's fault lines, the Hezbollah icons mix with posters hung by Hariri's followers. "We will not forget," they read over portraits of Lebanese killed since 2005 in a string of assassinations that many here blame on Syria, an ally of Hezbollah.

"Everyone is hanging up a picture," one resident quipped as he saw a poster unfurled.

Vitriol has reigned on talk shows since Hezbollah first threatened mass demonstrations last month to topple the government of Prime Minister Fouad Siniora, and everyday conversations are punctuated with talk of emigration. A new word has entered political discussions: Does Lebanon stand on the brink of "Iraqization"?

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Some shop owners say customers have stocked up on milk, rice and other staples. And, if it could get any grimmer, a statement attributed to al-Qaeda announced the network's arrival in Lebanon "to work on destroying this corrupt government which takes orders from the American administration."

"Pity Lebanon," said Ali Zein, a store owner in the city's southern suburbs, whose 5-year-old son, Mohammed, plied the sidewalk in his toy car. "People are living like there's always a crisis. If it's not war, it's protests. If it's not protests, it's war."

He shook his head when asked the last time the country felt settled.

"We're always between stability and chaos," he said.

This month's crisis erupted after two ministers from Hezbollah, three other Shiites and an allied politician resigned from Siniora's cabinet on Nov. 11. The resignations followed the breakdown of talks on granting Hezbollah and its allies greater representation, a move that would effectively give Hezbollah a veto over government decisions.

On Sunday, Hezbollah's leader, Hasan Nasrallah, said the government now faced a choice: either resign in favor of what he called a national unity government or hold early parliamentary elections. If neither demand is met, he said, his followers have planned days, even weeks, of protests to topple a government he said was beholden to the United States. Hezbollah's critics, such as Druze politician Walid Jumblatt, have described the campaign as a backdoor coup d'etat.

But memories of the 15-year civil war that ended in 1990 remain vivid, and even the politicians responsible for fueling the current crisis have warned against events spiraling out of control. Nasrallah called civil strife a red line and repeatedly insisted protests would be peaceful. Jumblatt ruled out counter-protests that might ignite clashes in the streets. "Let them assume responsibility for this," he said.

"The street in Lebanon is not a normal street, where the people go down to voice their objections or demands," Talal Salman, the editor of the Beirut daily as-Safir, who has long advocated Hezbollah's cause, wrote Monday. "Rather, it is a space for confrontation."

Still reeling from this summer's war and mired in economic troubles, Beirut shows little sign of enthusiasm for the kind of demonstrations Salman fears. But Lebanese politics are defined by a certain inertia, with perhaps six sectarian leaders, nearly all dating from the civil war, often counting on their most devoted constituents to conflate their own survival with their leaders' ambitions. An editorial cartoon in the London Arabic daily Asharq al-Awsat on Monday showed two men fighting on a paved road sweeping them toward a waterfall.

"It's not in my hands. Really, I don't know what's happening in this country," said Sami Khreis, 22, who owns a store in Beirut's Shiite Muslim southern suburbs. "Everyone has their grievance, everyone has their gang. What do I tell you?"

The sounds of reconstruction echoed off the street; it was the only work in town, he said. Hezbollah had given him two crisp $100 bills to repair his window shattered by an Israeli bombing. But he was still grim.

"Nobody knows what's going to happen. But everyone knows it will be something new. Maybe peace, but I don't think so. I think we're at the doorstep of something else." He arched his thick eyebrows. "I think so, but God willing, no."

Across town in Aisha Bakkar, a traditional Sunni neighborhood, a cheerful and charming Mohammed Saidoun held court in his Future Cafe, adorned with pictures of Hariri, his son Saad and black-and-white shots of the Beirut of 65-year-old Saidoun's childhood. He spoke low, in almost conspiratorial tones, a holdover from his days as a Tammany Hall-style enforcer for Sunni leaders in the neighborhood.

"The politicians talk, and the people get more tired," he said. "The war started 31 years ago, and it's still going on."

Saidoun retains strong ties to Saad Hariri, the most influential Sunni leader, and patron after patron entered the cafe to ask for favors. At one point, a group of young boys passed through, asking for copies of the posters that read: "We will not forget." "Give them three or four," he ordered an assistant. He lamented how so many young men were stopping by, asking whether he could help them purchase weapons.

"There's not a youth in Beirut who doesn't want a gun," he said, shaking his head. "They're scared."

He worried about protests, sure that no one would emerge victorious from a confrontation. But if Hariri's son -- "Sheik Saad" to Saidoun -- ordered his followers into the streets, the choice for him was an easy one.

"Bottom line, if Sheik Saad tells me to demonstrate, I will, along with my family, friends and everybody I know."

"Sheik Saad," he said, "is my soul."

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Palestinian Unity Government Talks Stall (AP)

By Mohammed Daraghmeh, Associated Press Writer

AP, November 21, 2006

The rival Hamas and Fatah parties froze talks Monday on forming a Palestinian unity government, Fatah officials said, a new setback in efforts to form a more moderate coalition acceptable to the West.

The deep differences raised questions about the ability of the sides to reach a deal that could end months of painful economic sanctions that have bankrupted the Palestinian government and caused widespread hardship in the West Bank and Gaza Strip.

The sudden announcement of a breakdown came after months of negotiations that appeared to be heading toward formation of a Cabinet of independent experts to replace the Hamas-led body. Palestinian President Mahmoud Abbas of Fatah met late Sunday with Prime Minister Ismail Haniyeh of the ruling Islamic group Hamas in Gaza, and officials said the session was cordial.

But Abbas aide Nabil Amr said Monday that the talks had reached a standstill.

"We would say talks are suspended now," he told a news conference. "What we have agreed upon is only the first mile over the 1,000-mile road."

It wasn't clear whether the suspension was the sign of a real crisis or simply a negotiating tactic by Abbas' weakened Fatah Party.

Hamas officials denied any serious trouble. "Talks are continuing on the highest levels," Haniyeh said.

However, no new talks were scheduled.

The two sides earlier agreed on a U.S.-educated academic as the candidate for prime minister to replace Haniyeh, and crafted a foundation for a joint government that would leave negotiating with Israel up to Abbas, while Hamas would deal with day-to-day issues.

Hamas won parliamentary elections and took office in March. The U.S. and Europe then cut off aid to the Palestinian government, labeling Hamas a terror group for its history of suicide bombings and other attacks against Israelis.

The West insists that before it would restore aid, the Palestinian government had to recognize Israel, renounce violence and accept past peace accords. Hamas refused — its ideology does not accept the existence of a Jewish state in an Islamic Middle East.

Even if the sides reach agreement, it remains unclear whether the "division of labor" formula, with the moderate Abbas handling diplomacy while Hamas sticks to its hard line, would be acceptable to the West.

Hamas political leader Khaled Mashaal held talks overnight in Damascus, Syria, with Abbas envoy Ahmed Qureia, but the meeting focused on proposals for bringing Hamas into the PLO, a separate issue that has long been under discussion without progress.

Relations with Israel have deteriorated since Hamas took office, especially after Hamas-linked militants captured an Israeli soldier in a cross-border raid in June.

In London, Israel's Foreign Minister Tzipi Livni said Monday that Syria was the reason talks between the Palestinian factions have been troubled. Whenever Hamas has shown signs of cooperation with Abbas, Syria has sent messages saying "don't do it," she said.

"It is not even about a Syrian interest," Livni told an audience at the International Institute for Strategic Studies. "They want to dictate the Palestinian conflict.

She also said Syria was interfering with efforts to release the captured soldier. She said any time the two sides got close to a deal, "the order came from Syria saying not to release him."

Israel has been carrying out a military offensive in the Gaza Strip since the capture, while Palestinian militants continue to fire homemade rockets into southern Israel, launching at least nine rockets Monday. No injuries were reported. Last week, an Israeli woman was killed in a rocket attack.

After nightfall Monday, two Hamas militants were killed in an Israeli airstrike on a car in Gaza City, Hamas officials said. The Israeli military said it targeted a car carrying "terrorist activists." Hamas threatened revenge.

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Following the airstrike, Palestinians streamed to a house in Gaza City after they said the owner, a Hamas activist, received a warning from Israel that the house was to be targeted in an attack. Such demonstrations foiled three previous Israeli attacks on houses in recent days.

Last week, Israeli forces wrapped up a deadly, destructive sweep through the northern Gaza town of Beit Hanoun in an unsuccessful attempt to stop the rocket barrages. The next day, errant Israeli shells killed 19 members of a Gaza family.

U.N. High Commissioner for Human Rights Louise Arbour began a trip to the region by visiting Beit Hanoun. "I'm basically here to express my concern and bring some comfort, I hope, by showing these victims that the world has not abandoned them," she said. The commission has voted to condemn Israel for the shelling.

She also called on Palestinians to stop firing rockets into Israel and said the perpetrators of rocket attacks should be held accountable.

Israeli Map Says West Bank Posts Sit On Arab Land (NYT)

By Steven Erlanger

The New York Times, November 21, 2006

JERUSALEM, Nov. 20 — An Israeli advocacy group, using maps and figures leaked from inside the government, says that 39 percent of the land held by Israeli settlements in the occupied West Bank is privately owned by Palestinians.

Israel has long asserted that it fully respects Palestinian private property in the West Bank and only takes land there legally or, for security reasons, temporarily.

If big sections of those settlements are indeed privately held Palestinian land, that is bound to create embarrassment for Israel and further complicate the already distant prospect of a negotiated peace. The data indicate that 40 percent of the land that Israel plans to keep in any future deal with the Palestinians is private.

The new claims regarding Palestinian property are said to come from the 2004 database of the Civil Administration, which controls the civilian aspects of Israel's presence in the West Bank. Peace Now, an Israeli group that advocates Palestinian self-determination in the West Bank and Gaza Strip, plans to publish the information on Tuesday. An advance copy was made available to The New York Times.

The data — maps that show the government's registry of the land by category — was given to Peace Now by someone who obtained it from an official inside the Civil Administration. The Times spoke to the person who received it from the Civil Administration official and agreed not to identify him because of the delicate nature of the material.

That person, who has frequent contact with the Civil Administration, said he and the official wanted to expose what they consider to be wide-scale violations of private Palestinian property rights by the government and settlers. The government has refused to give the material directly to Peace Now, which requested it under Israel's freedom of information law.

Shlomo Dror, a spokesman for the Civil Administration, said he could not comment on the data without studying it.

He said there was a committee, called the blue line committee, that had been investigating these issues of land ownership for three years. "We haven't finished checking everything," he said.

Mr. Dror also said that sometimes Palestinians would sell land to Israelis but be unwilling to admit to the sale publicly because they feared retribution as collaborators.

Within prominent settlements that Israel has said it plans to keep in any final border agreement, the data show, for example, that some 86.4 percent of Maale Adumim, a large Jerusalem suburb, is private; and 35.1 percent of Ariel is.

The maps indicate that beyond the private land, 5.8 percent is so-called survey land, meaning of unclear ownership, and 1.3 percent private Jewish land. The rest, about 54 percent, is considered "state land" or has no designation, though Palestinians say that at least some of it represents agricultural land expropriated by the state.

The figures, together with detailed maps of the land distribution in every Israeli settlement in the West Bank, were put together by the Settlement Watch Project of Peace Now, led by Dror Etkes and Hagit Ofran, and has a record of careful and accurate reporting on settlement growth.

The report does not include Jerusalem, which Israel has annexed and does not consider part of the West Bank, although much of the world regards East Jerusalem as occupied. Much of the world also considers Israeli settlements on occupied land

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to be illegal under international law. International law requires an occupying power to protect private property, and Israel has always asserted that it does not take land without legal justification.

One case in a settlement Israel intends to keep is in Givat Zeev, barely five miles north of Jerusalem. At the southern edge is the Ayelet Hashachar synagogue. Rabah Abdellatif, a Palestinian who lives in the nearby village of Al Jib, says the land belongs to him.

Papers he has filed with the Israeli military court, which runs the West Bank, seem to favor Mr. Abdellatif. In 1999, Israeli officials confirmed, he was even granted a judgment ordering the demolition of the synagogue because it had been built without permits. But for the last seven years, the Israeli system has done little to enforce its legal judgments. The synagogue stands, and Mr. Abdellatif has no access to his land.

Ram Kovarsky, the town council secretary, said the synagogue was outside the boundaries of Givat Zeev, although there is no obvious separation. Israeli officials confirm that the land is privately owned, though they refuse to say by whom.

Mr. Abdellatif, 65, said: "I feel stuck, angry. Why would they do that? I don't know who to go to anymore."

He pointed to his corduroy trousers and said, in the English he learned in Paterson, N.J., where his son is a police detective: "These are my pants. And those are your pants. And you should not take my pants. This is mine, and that is yours! I never took anyone's land."

According to the Peace Now figures, 44.3 percent of Givat Zeev is on private Palestinian land.

Miri Eisin, a spokesperson for Prime Minister Ehud Olmert, said that Israeli officials would have to see the data and the maps and added that ownership is complicated and delicate. Baruch Spiegel, a reserve general who just left the Ministry of Defense and dealt with the separation barrier being built near the boundary with the West Bank, also said he would have to see the data in detail in order to judge it.

The definitions of private and state land are complicated, given different administrations of the West Bank going back to the Ottoman Empire, the British mandate, Jordan and now Israel. During the Ottoman Empire, only small areas of the West Bank were registered to specific owners, and often villagers would hold land in common to avoid taxes. The British began a more formal land registry based on land use, taxation or house ownership that continued through the Jordanian period.

Large areas of agricultural land are registered as state land; other areas were requisitioned or seized by the Israeli military after 1967 for security purposes, but such requisitions are meant to be temporary and must be renewed, and do not change the legal ownership of the land, Mr. Dror, the Civil Administration spokesman, said.

But the issue of property is one that Israeli officials are familiar with, even if the percentages here may come as a surprise and may be challenged after the publication of the report.

Asked about Israeli seizure of private Palestinian land in an interview with The Times last summer, before these figures were available, Prime Minister Ehud Olmert said: "Now I don't deny anything, I don't ignore anything. I'm just ready to sit down and talk. And resolve it. And resolve it in a generous manner for all sides."

He said the 1967 war was a one of self-defense. Later, he said: "Many things happened. Life is not frozen. Things occur. So many things happened, and as a result of this many innocent individuals on both sides suffered, were killed, lost their lives, became crippled for life, lost their family members, their loved ones, thousands of them. And also private property suffered. By the way, on all sides."

Mr. Olmert says Israel will keep some 10 percent of the occupied West Bank, including East Jerusalem, possibly in a swap for land elsewhere. The area Israel intends to keep is roughly marked by the route of the unfinished separation barrier, which cuts through the West Bank and is intended, Israel says, to stop suicide bombers. Mr. Olmert, however, describes it as a putative border. Nearly 80,000 Jews live in settlements beyond the route of the barrier, but some 180,000 live in settlements within the barrier, while another 200,000 live in East Jerusalem.

But these land-ownership figures show that even in the settlements that Israel intends to keep, there will be a considerable problem of restitution that goes beyond the issue of refugee return.

Mr. Olmert was elected on a pledge to withdraw Israeli settlers living east of the barrier. But after the war with Hezbollah and with fighting ongoing in Gaza, from which Israel withdrew its settlers in the summer of 2005, his withdrawal plan has been suspended.

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In March 2005, a report requested by the government found a number of illegal Israeli outposts built on private Palestinian land, and officials promised to destroy them. But only nine houses of only one outpost, Amona, were dismantled after a court case brought by Peace Now.

There is a court case pending over Migron, which began as a group of trailers on a windy hilltop around a set of cellphone antennas in May 1999 and is now a flourishing community of 50 families, said Avi Teksler, an official of the Migron council. But Migron, too, according to the data, is built on private Palestinian land.

Mr. Teksler said that the land was deserted, and that its ownership would be settled in court. Migron, where some children of noted settlement leaders live, has had "the support of every Israeli government," he said. "The government has been a partner to every single move we've made."

Mr. Teksler added: "This is how the state of Israel was created. And this is all the land of Israel. We're like the kibbutzim. The only real difference is that we're after 1967, not before."

But in the Palestinian village of Burqa, Youssef Moussa Abdel Raziq Nabboud, 85, says that some of the land of Migron, and the land on which Israel built a road for settlers, belongs to him and his family, who once grew wheat and beans there. He said he had tax documents from the pre-1967 authorities.

"They have the power to put the settlement there and we can do nothing," he said. "They have a fence around the settlement and dogs there."

Mr. Nabboud went to the Israeli authorities with the mayor, Abu Maher, but they were told he needed an Israeli lawyer and surveyor. "I have no money for that," he said. What began as an outpost taking 5 acres has now taken 125, the mayor said.

Mr. Nabboud wears a traditional head covering; his grandson, Khaled, 27, wears a Yankees cap. "The land is my inheritance," he said. "I feel sad I can't go there. And angry. The army protects them."

Bomb Kills 8, Injures 60 On India Train (AP)

By Manik Banerjee, Associated Press Writer

AP, November 21, 2006

A bomb exploded and tore through two cars of a passenger train Monday in a remote area of eastern India, killing at least eight people and wounding about 60 others, officials and Indian media said.

Suspicion for the blast in West Bengal state quickly fell on two groups: communist rebels active in wide swaths of rural India or militants fighting for an independent homeland in the neighboring state of Assam.

A spokesman for Northeastern Railways, T. Rabha, told The Associated Press that the bomb had been planted in one of train's cars and exploded about 6:20 p.m. near the Belacoba station, about 345 miles north of Calcutta.

The blast was so powerful it blew away the side and roof of one of the cars, the Press Trust of India reported.

At least six passengers died at the scene and 53 others were wounded, Rabha said, adding that the death toll could rise because some of those injured were in serious condition. PTI, citing railway police official Tushar Bhattacharya, later reported that the death toll had climbed to eight with about 60 wounded.

Witnesses said there was a flash followed by a deafening explosion. There were two small explosions immediately afterward, PTI reported.

"Some of the passengers jumped out of the coach in panic, while many received burns," PTI quoted witnesses as saying.

Prasad Ranjan Roy, Home Secretary of West Bengal state, said initial suspicion pointed to either Maoist rebels or Assamese militants. He suggested the blast could be the work of the relatively small Kamtapur Liberation Organization, an Assamese group tied to the larger United Liberation Front of Asom.

But, he cautioned: "We are trying to get details."

Although the Maoists are active in the area, they rarely attack civilians.

The Assamese separatists, in contrast, do target civilians and have intensified their attacks since the federal government ended a temporary six-week cease-fire on Sept. 24 amid deadlocked peace talks.

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The insurgents have been fighting since 1979 for Assam's independence, saying India's central government — 1,000 miles to the west — exploits the northeast's rich natural resources while doing little to improve its poor infrastructure or to alleviate widespread unemployment.

They have been known to plant bombs in cities and towns, attack police and military posts, and blow up oil pipelines. At least 10,000 people, most of them civilians, have died in Assam since the insurgency began.

Apart from the rebellions in Assam, dozens of other insurgencies have festered for years across India's six other northeastern states. Nearly all are fighting for autonomy or independent homelands for the region's indigenous peoples, most of them ethnically closer to Burma and China than to the rest of India.

Mumbai's train network was targeted July 11 when seven bombs exploded on crowded commuter trains, killing more than 200 people. Thirteen men have been arrested in the bombings. Police suspect the bombs were planted in overhead luggage racks inside the coaches.

Associated Press Writer Wasbir Hussain in Gauhati contributed to this report.

U.S. Sets Jan. 1 Deadline For Sudan To Act On Darfur (WP)

By Glenn Kessler And Nora Boustany

The Washington Post, November 21, 2006

Andrew Natsios, the U.S. special envoy to Sudan, said yesterday that the Bush administration will resort to an unspecified "Plan B" if the Sudanese government does not agree by Jan. 1 to complete negotiations on an expanded international peacekeeping force for its troubled Darfur region.

Khartoum has adamantly rejected a U.N. Security Council resolution calling for a U.N.-led force, so the Bush administration and the United Nations have backtracked and instead sought to win the government's agreement for a hybrid force of African Union and U.N. troops. U.N. Secretary General Kofi Annan announced last week that Sudan had agreed in principle to such a joint force but that numerous issues must be resolved before Khartoum gives final approval.

The Sudanese government claimed yesterday that the tentative agreement was a "diplomatic victory," but the official news agency, SUNA, minimized the role of the United Nations, saying only that the world body would provide "assistance." The agency said the government objects to the overall size of the force and has questions about the appointment of the force commander.

The AU currently has 7,000 ill-equipped troops in Darfur, an area the size of France, and the U.N. resolution passed in August calls for as many as 22,500 military and police personnel. The agreement announced by Annan would allow for as many as 17,000 troops and 3,000 police.

Natsios, speaking to reporters, declined several times to explain what he meant by "Plan B," saying he was not trying to make a threat. "On January 1st, either we see a change or we go to Plan B," Natsios said, explaining that on that day the AU's mandate will expire and Annan will step down as secretary general. He also noted that Congress will shift from Republican to Democratic control in January.

The United States has repeatedly dangled incentives to Sudan if it helps end the violence in Darfur. "Plan B is a different approach to this," Natsios said, adding that it is "open-ended."

Secretary of State Condoleezza Rice warned in September that Khartoum faces "a choice between cooperation and confrontation." U.S. officials have said that, besides new sanctions, the United States could take action against top Sudanese officials who have been implicated in what the United States has labeled acts of genocide in Darfur or could establish a "no-fly zone" to thwart Sudanese military attacks against the civilian population.

The Darfur conflict broke out in early 2003, when African rebel groups attacked police stations and military outposts. The United Nations and human rights groups accuse the central government of supporting a militia known as the Janjaweed in an effort to crush the rebellion. About 2,000 villages have been destroyed across Darfur, as many as 450,000 people have died, and more than 2 million people have been left homeless since the crisis began.

Natsios rejected Khartoum's claims that a U.N.-led international force would mean a return to colonialism. "We have a humanitarian and human rights agenda in Darfur, and that's it," he said. "We want this resolved because the human cost of this has been so horrific."

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Earlier, at a meeting at the Brookings Institution, Natsios was confronted by an official from the Sudanese Embassy who said that Sudan has "every single right to be suspicious about these things because of broken promises of the U.S. government and the international community over there."

Natsios responded: "We have suspicions, too. We suspect there are people in the regime who believe a military solution is necessary." He noted that three times in the past three weeks, unarmed civilians have been brutally attacked, and he cited one incident that left 200 dead, mostly women and children.

"If a pattern develops, then a more confrontational approach will take place," Natsios said. "The United States will not accept any of this other process if it is simply a disguised attempt to avoid dealing with the reality of what is happening to people on the ground."

Many analysts believe that Khartoum has become emboldened to resist international pressure because of its increasing oil wealth. China, which holds veto power on the U.N. Security Council, is a major investor in Sudan's petroleum industry.

But during the Brookings meeting, both Natsios and Jean-Marie Guahenno, U.N. undersecretary general for peacekeeping, said the Chinese representatives at the talks last week, held in the Ethiopian capital, Addis Ababa, had signaled that their country was taking a more constructive approach.

Guahenno cautioned that the stability from the Horn of Africa to the Sahel band to the west to Niger is at risk if the Darfur crisis begins to spill across borders.

"There is a lot at stake," he said. "There is the local-national dimension of nomads versus agriculturalists, of Arabs versus Africans. When all these tensions become part of the narrative, it will be very dangerous."

U.S. Threatens 'Plan B' If Sudan Ignores Deadline (AFP)

AFP, November 21, 2006

The US envoy to Sudan warned Khartoum to meet a January 1 deadline for full acceptance of a UN plan to deploy international peacekeepers to Darfur or face tougher action to end atrocities in the war-torn region.

"There's a point, January 1st, either we see a change or go to Plan B," Andrew Natsios, President George W. Bush's special envoy to Sudan, told reporters.

Natsios, who helped negotiate a tentative agreement last week for sending a joint African Union-United Nations force to Darfur, said the Khartoum government had yet to give its approval for the timing, size and command structure of the peacekeeping operation.

He refused to elaborate on what Plan B would entail if no response was forthcoming by January 1 beyond saying it's "a different approach" to the negotiated deployment of peacekeepers.

"I think making threats is not a wise thing to do," he said when pressed to provide details. "I'm not going to go into that."

Human rights groups and former US officials have called for unilateral military action, possibly by NATO forces, if Sudan continues to refuse the deployment of a robust peacekeeping force to Darfur, where more than 200,000 people have died in three-and-a-half years of ethnic civil war.

Other options for action include sanctions targeting companies owned by ruling party officials, financial action against foreign firms operating in Sudan and efforts to prosecute government leaders for crimes against humanity.

Natsios said the January 1 deadline was non-negotiable since that is when the mandate expires for an African Union force which has been unsuccessfully trying to end the fighting in Darfur.

"There is no other force after that from anywhere," he said.

UN Secretary General Kofi Annan, the architect of the latest peacekeeping deal, also steps down on January 1 and is committed to enacting the arrangement before leaving office, he said.

"If we want to get this resolved, then January 1st needs to be the deadline," he said.

The UN Security Council passed a resolution in August demanding the deployment of some 20,000 UN troops to take over from the under-funded and ill-equipped African Union force in Darfur.

But President Omar al-Beshir, whose government is accused of backing Arab militia responsible for most of the atrocities in Darfur, refused to accept the UN deployment.

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Amid a new wave of massacres in the region, Annan brokered an agreement in principle with Sudan last week to deploy a hybrid force that would primarily involve African soldiers but with UN logistical support and a joint command.

But Sudanese officials have since sent mixed messages about whether they fully accepted the deal.

Natsios said Washington had sent a clear signal to Sudan's leaders that further attacks on civilians in the region would not be tolerated.

"There is an issue we're not negotiating, and that is the atrocity issue -- human rights abuses are not negotiable," he said.

Even if Khartoum agrees to the revised UN package, it will take months to deploy thousands of peacekeepers to the remote region, he said.

The war in Darfur erupted in February 2003 when rebels from minority tribes took up arms to demand an equal share of national resources, prompting a heavy-handed crackdown from government forces and a proxy militia called the Janjaweed.

According to the UN, more than 200,000 people have died and 2.5 million more have been displaced in three years of fighting.

Sudan Hails New Peacekeeping Agreement (AP)

By Alfred De Montesquiou, Associated Press Writer

AP, November 21, 2006

President Omar al-Bashir's government on Monday hailed a new agreement with the United Nations over peacekeepers in Darfur as a diplomatic breakthrough for Sudan, but said serious differences remain over the force's makeup and command.

It was the first official word by Khartoum of its acceptance of the deal, announced Thursday in Addis Ababa. But there were signs the government might still resist hopes for a robust U.N. deployment to bring an end to the continuing bloodshed.

U.N. chief Kofi Annan said the deal calls for a mixed U.N.-African Union force of up to 20,000 troops. If so, that would mean a dramatic reversal of Khartoum's staunch resistance to deploying any U.N. troops in Darfur

But the Sudanese cabinet statement on Monday spoke only of U.N. "assistance" to the African force and depicted the agreement as a defeat for a Security Council resolution that called for a peacekeeping force fully under U.N. control.

The cabinet, which gathered Sunday, "backed the outcome of the (Sudanese) government meetings ... concerning the provision of a package of assistance from the U.N. to the African Union," the official SUNA news agency said.

SUNA said al-Bashir and his government "showed happiness over what it sees as a diplomatic victory" over advocates of the Security Council resolution on Darfur.

The agency said the president and his ministers still differ with the U.N. on whether the force commander should be from the African Union, or simply from the African continent. The cabinet also has objections to the overall size of the force, SUNA said.

But the government decided these issues are "a technical matter that could be resolved, and not a political one," the news agency said.

The comments could signal that Sudan will try to reduce the U.N. role in the peacekeeping force. But they could also be part of an effort by the government to save face, after abandoning its earlier position that U.N. troops were unacceptable.

Al-Bashir is scheduled to visit Libya Tuesday for a meeting on Darfur hosted by Libyan leader Moammar Gadhafi. Delegations are expected from Sudan, Chad and Egypt.

Gadhafi on Sunday denounced any deployment of U.N. troops in Sudan as "colonialism," and said the Sudanese army could do a better job than peacekeepers at stopping the violence in Darfur.

"The presence of international forces in Darfur would be a new return to colonialism," he said. "... Since when were the colonialist powers concerned about us? In the past, they treated us like animals and took us as slaves in their ships."

The African Union force of 7,000 currently in the Darfur region has not been able to stop the bloodshed. More than 200,000 people have been killed and 2.5 million driven from their homes in years of fighting.

When the deal was announced last week, the U.N. and AU said that all parties, including Sudan, had agreed in principle on a mixed force.

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Under the agreement, the joint U.N.-AU statement said, troops for the force would be drawn from African countries to the extent that was possible. But, the statement added, "backstopping and command and control structures will be provided by the UN."

Sudanese Foreign Minister Lam Akol later insisted Khartoum had never agreed to a "mixed force" but instead to one in which AU soldiers and command would merely receive support from the U.N.

Samani al-Wasila, a Sudanese state minister for foreign affairs, repeated Monday in Cairo that the agreement "does not give the right to the international troops to intervene in the region."

Sudanese hard-liners have fiercely opposed any U.N. presence in Darfur, and at one point al-Bashir said he would personally lead armed resistance to U.N. peacekeepers.

This stance appeared to soften in recent days.

In the official army newspaper Al-Quwat Al-Musalaha, Ibrahim Ahmed Omar, the spokesman for al-Bashir's National Congress Party, suggested indirectly that the party had accepted that the U.N. will at least partly direct the peacekeeping force in Darfur.

"We will not accept that the U.N. have the full command of the African Union force in Darfur," he was quoted as saying.

But some U.N. officials worry Khartoum was only buying time to let its army and militia conduct mount more attacks in the region.

Another official, U.N. humanitarian chief Jan Egeland said Sunday that army support for the janjaweed milita has only increased and that the forces are still killing civilians daily. The Sudanese government denied the claim.

Associated Press Writer Mohamed Osman in Khartoum and Salah Nasrawi in Cairo contributed to this report.

Boy's Wish: Kill Them All (NYT)

By Nicholas D. Kristof

The New York Times, November 21, 2006

GOZ BEIDA, Chad

"If I had a gun," Ismail Hassan said venomously from his hospital bed, "I would shoot Arabs."

"Surely not women and children?" I remonstrated.

"Every one of them," Ismail snarled.

Ismail is a 15-year-old boy, and that conversation underscores how Chad is falling off a cliff, with escalating hatreds, violence and insecurity. He is a member of one of the black African tribes now being hunted down by the Sudanese-sponsored janjaweed Arab militia, at first in Darfur alone and now in Chad as well.

After the janjaweed attacked his village and shot his father, Ismail raced forward to cover his father's body with his own. That courage didn't move the janjaweed, who simply shot Ismail as well.

The genocide that started in Darfur in 2003 is now threatening to topple the governments of Chad and the Central African Republic. If these two countries collapse into chaos and civil war for years to come, then neighboring countries like Cameroon and Niger will be threatened as well — and the death toll triggered by the Darfur genocide will eventually number in the millions.

None of this was — or is — inevitable. In late 2003 and early 2004, some Republican appointees in the Bush administration (particularly in the Agency for International Development) were among the first to push for a government response to the slaughter in Darfur, but the White House wasn't interested.

Then in 2004, Colin Powell boldly used the "genocide" label to describe Darfur, over initial Pentagon and White House objections, and several of his aides drafted a set of policy options to confront the genocide. Those included pushing the French to use fighter aircraft from their base in Chad to intimidate the janjaweed, pushing Egypt to be more involved, recruiting peacekeeping troops from Pakistan and Bangladesh, and generally using American diplomatic muscle to push harder for a solution.

None of those things happened, partly because of reluctance from the White House and Pentagon, and partly because of resistance from France and other countries. So the genocide in Darfur has steadily expanded.

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Arabs here in Chad repeatedly complain now that the black Africans steal their cattle, poison their wells, occupy their land, and shoot at them. I don't see much basis to those charges, for the Arabs have assault rifles and rocket-propelled grenades (supplied by the Sudanese), while the black Africans have bows and arrows, but this narrative is widely held among Arabs.

"We consider them our enemies and they consider us their enemies," said Brahim Wadia, the patriarch of a group of Arabs who were grazing their cattle on what had been a black African farm. "So each side will shoot the other and kill the other."

Mr. Brahim and most members of his entourage were light-skinned, and they were civil to me (considering it white solidarity?). But that same morning nearby, several black Africans who tried to recover food from their burned and abandoned village were shot dead.

One person in Mr. Brahim's party was a boy of about 13 with black skin who looked unlike the others. He appeared physically unable to speak, and it wasn't clear if he had been hired as a herdsman or captured in a raid and enslaved.

The most common question I get from readers about Darfur is: What can I do? The simplest answer is to write or call the White House and members of Congress. (See how your representative does on the issue at www.darfurscores.org). Imagine if Mr. Bush had made Darfur an important issue at the Asian summit meeting last week, if he had returned via Cairo for a meeting with Arab leaders, if he had dispatched Condi Rice to Chad to shore it up.

Beyond pushing our own government, we can write the embassies of countries like France and Egypt that could play especially crucial roles. The same is true of China, which provides Sudan the guns used to shoot children like Ismail. We in the news business, including Arab and European television networks, could use a few pokes to appreciate that genocide is newsworthy.

The heroic efforts of aid groups in Darfur and Chad — 13 aid workers have been killed in Darfur since May — deserve support as well. (I list some groups active in Darfur in my blog, nytimes.com/ontheground.) The aid workers risk their lives daily to try to save people, putting up with janjaweed, scorpions, camel spiders and pit toilets inhabited by bats. They can use our backup.

Loose-cannon Kadafi (LAT)

The Los Angeles Times, November 21, 2006

LIBYAN DICTATOR Moammar Kadafi might have given up his quest for weapons of mass destruction, but the fallout from his mouth can still threaten millions.

Kadafi on Sunday dropped a bomb on the extraordinarily sensitive negotiations to resolve the humanitarian crisis in Sudan's Darfur region, urging his fellow tyrants in Khartoum to reject a deal to send United Nations troops to the troubled area. "Western countries and America are not busying themselves out of sympathy for the Sudanese people or for Africa but for oil and the return of colonialism to the African continent," he bellowed.

Not only is this absurd — the U.N. already has 10,000 peacekeepers in southern Sudan sent in 2005 to stabilize a separate conflict there, and to date they haven't seized any Sudanese oilfields or founded any colonies — it's reckless. The Sudanese government's fears of ulterior motives by the international community have for years prompted it to block efforts to send U.N. troops to Darfur, where government-armed militias have slaughtered hundreds of thousands and displaced millions more. Though the cabal in Khartoum is probably more worried about international prosecution for war crimes than about colonialism, such views have provided it with political cover and support throughout the Arab world. And Kadafi enjoys considerable clout in Africa because of his oil wealth and status as a conflict mediator.

A deal to finally end the atrocities in Darfur is teetering on a knife's edge. Last week, Khartoum and international negotiators seemed to have accepted a compromise agreement under which a hybrid U.N. and African Union force of about 20,000 would replace the 7,000 African Union troops now in Darfur. Yet since then, the Sudanese government has sent mixed signals about whether it would really acquiesce.

There is reason to fear that Sudan is only stalling for time. In recent weeks it has restricted aid organizations and journalists from traveling in Darfur while launching a new military offensive that has killed hundreds of civilians there. Meanwhile, the mandate for the existing African Union force expires Dec. 31; if no deal to augment and replace it has been reached by then, the killings will doubtless intensify.

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Before an international force can be mobilized, there are still delicate political decisions to be made, such as whether it would be empowered to protect villagers or simply monitor the carnage. To resolve them will require an unusual degree of unity among players as diverse as the Arab League and the U.N. Security Council. That's tough enough to achieve without a loose cannon like Kadafi flapping his gums.

Why Only Darfur? (WP)

By Anne Applebaum

The Washington Post, November 21, 2006

There was a photograph: a weeping Sudanese woman, standing before a freshly dug grave. There were statistics: 400,000 people dead, 2.5 million driven from their homes, "untold thousands" raped. There was an appeal: "Innocent civilians are being slaughtered in Darfur. You can end it," and a Web address, http://www.dayfordarfur.org.

This advertisement -- which appeared on a full page of the International Herald Tribune last week, and previously in Le Monde, the Guardian, and many other newspapers in Europe and the United States -- was truly arresting. But what really made me look twice was the slogan across the top: "When all the bodies have been buried in Darfur, how will history judge us?"

"How will history judge us?" Like much of the grass-roots campaign that has sprung up to oppose the genocide in Darfur, this slogan is intended to evoke the genocides of the recent past. Earlier this fall 120 survivors of the horrors of the Holocaust, Cambodia, Rwanda and Bosnia signed an open letter calling for a U.N. peacekeeping force in Sudan. The stunning variety of organizations that have joined the Darfur campaign -- they range from Amnesty International to the World Evangelical Alliance to the U.S. Holocaust Memorial Museum -- also speaks to the evocative nature of the Sudanese conflict.

And their call upon the witness of history has made an impact. Indeed, it is fair to say that were it not for the Christian, Jewish, human rights, genocide-prevention groups and others that have been talking about Sudan with such dedication, the massacres of Darfur might not be on the international agenda at all. The ads and the rallies got "people in the street talking about something that happens far away," as an activist at Global Day for Darfur told me. Public interest has forced politicians to act.

The result: The United Nations is trying to form a multilateral peacekeeping brigade in Darfur, and the White House and Tony Blair are involved, too. And yet -- it is not simple to explain why this particular grass-roots action has been so successful. After all, Darfur is not the only place in the world where there has been mass murder, even ethnic mass murder, on a large, historically familiar scale. The North Korean regime has for years run concentration camps, directly modeled on the camps of Joseph Stalin's Soviet Union. But though there is excellent documentation of Pyongyang's camps -- the U.S. Committee for Human Rights in North Korea even has satellite photographs on its Web site -- and though some religious and university groups have made an effort, the level of interest, and therefore perhaps of U.N. involvement, is much lower.

The same is true of arbitrary arrests in Iran, some of which have also targeted particular ethnic groups for intimidation or elimination. For that matter, Saddam Hussein's use of chemical weapons to murder tens of thousands of Kurds never caught the popular imagination, not before the war and not afterward.

I can offer no scientific explanation as to why the tragedy of Darfur conjures up the specter of history's judgment and why other tragedies do not. But the answer must lie in the fact that this conflict has so few strategic or geopolitical implications. Because it seems to be in no one's "interest" to do so, a call for U.N. intervention in Darfur surely feels -- at least to Americans and Europeans who haven't followed China's involvement in Sudan's oil industry -- like an act of real charity, and not more evidence of the West pursuing its interests.

Equally important is the fact that Sudan plays no real role in Western domestic politics. Any discussion of North Korea will still evoke the Cold War, any conversation about Iran must touch on radical Islam. By contrast, when most of us look at Sudan, all we see is what Jan Egeland, the U.N. humanitarian coordinator, last weekend called "acts of inexplicable terror."

Taking a stand against genocide in Sudan does not require anyone to take a parallel stand on communism, the war on terrorism or the war in Iraq. It does not imply that you are left-wing, right-wing, pro- or anti-Bush. Once the United Nations is there, this may change: The U.S. intervention in Somalia immediately politicized what had also appeared to be an apolitical conflict. But at the moment, it is still possible to think of Darfur as an appropriate target for neutral humanitarianism.

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None of this, I should emphasize, is meant to disparage the work of the extraordinary Darfur coalition, which has pushed an obscure and terrible war into the international spotlight. Nor do I mean to deny that "history will judge us," for surely it will. But when future generations look back on this era, they will judge us not only for how we responded to the most primitive and the most apolitical of horrors. They will also judge us by the consistency with which Western and international institutions battled sophisticated totalitarianism in all its forms: That is, they will judge us by the United Nations' application of its own declarations on human rights, by America's ability to live up to the rhetoric of its leaders, by Europe's willingness to stand behind its stated values.

The creation of an international coalition to end genocide is a stunning achievement, but its goals are still not deep or broad enough.

Muslim Birthrate Worries Russia (WT)

By Michael Mainville

The Washington Times, November 21, 2006

MOSCOW -- Low domestic birthrates and rising immigration from the former Soviet republics are producing explosive growth in Russia's Muslim community, which is on a track to account for more than half the population by midcentury.

"Russia is going through a religious transformation that will be of even greater consequence for the international community than the collapse of the Soviet Union," said Paul Goble, a specialist on Islam in Russia and research associate at the University of Tartu in Estonia.

Two decades ago, the Sobornaya Mosque was the only Islamic house of worship allowed in the Soviet Union. It stood largely empty, filling only with the occasional large foreign delegation from an Islamic country.

Today, it is one of four mosques in Moscow serving a Muslim population of about 2.5 million. On Fridays and holy days, it overflows with worshippers, leaving many to kneel on newspapers outside, their foreheads pressed against the concrete.

As in many countries with growing Islamic populations, tensions are also on the rise. Many ethnic Russians fear their country is losing its traditional identity, while many Muslims are offended by widespread discrimination and a lack of respect for their faith.

Russia's Muslim community is extremely diverse, including Volga Tatars, the myriad ethnicities of the North Caucasus and newly arrived immigrants from Central Asia. But they all share birthrates that are far higher than Russia's ethnic Slavs, most of whom are Orthodox Christians.

Russia's overall population is dropping at a rate of 700,000 people a year, largely because of the short life spans and low birthrates of ethnic Russians. According to the CIA World Factbook, the national fertility rate is 1.28 children per woman, far below what is needed to maintain the country's population of nearly 143 million. The rate in Moscow is even lower, at 1.1 children per woman.

Russia's Muslims, however, are bucking that trend. The fertility rate for Tatars living in Moscow is six children per woman, Mr. Goble said, while the Chechen and Ingush communities are averaging 10 children per woman. At the same time, hundreds of thousands of Muslims from Tajikistan, Uzbekistan and Kazakhstan have been flocking to Russia in search of work.

Russia's Muslim population has increased by 40 percent since 1989, to about 25 million. By 2015, Muslims will make up a majority of Russia's conscript army and by 2020 one-fifth of the population.

"If nothing changes, in 30 years, people of Muslim descent will definitely outnumber ethnic Russians," Mr. Goble said.

For many Slavic Russians, the prospect of becoming a minority in their country is terrifying.

"Russia is historically a Slavic, Orthodox Christian land, and we need to make sure it stays that way," said Alexander Belov, the head of the Movement Against Illegal Immigration, an increasingly powerful lobby that has organized dozens of rallies in recent months.

Attacks on mosques have been on the rise, and in September an imam in the southern city of Kislovodsk was fatally shot outside his home. During days of rioting in August, mobs chased Chechens and other migrants out of the northwestern town of Kondopoga.

Sensing the nationalist mood, Russian authorities have begun to crack down with laws designed to defend Orthodox Christianity and restrict the activities and movement of Muslims.

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Most Muslims living in Russia are not immigrants, but natives of lands seized by the expanding Russian empire. Islam is recognized as one of Russia's official religions, along with Orthodox Christianity, Judaism and Buddhism.

But few nationalists distinguish between immigrants from ex-Soviet countries and non-Slavic Russian citizens. Mr. Belov, for example, said non-Slavs should be restricted from living in "traditional Russian lands."

"The Muslims of Russia have roots here. We have been part of Russia for centuries," countered Rusham Abbyasov, a spokesman for Russia's Council of Muftis, which represents Islamic spiritual leaders in the country. "It is not right to say that Russia is a Christian country. These people either don't know the history, or they are ignoring it."

Mr. Goble said that after decades of Soviet religious repression, most Muslims in Russia are secular. But with interest in Islam surging, they are open to being influenced by extremist ideas, "especially if they feel excluded from Russian society."

Western governments should encourage Russia to integrate Muslims into society and avoid discrimination, he said. "When Muslims are in the majority in Russia, they'll remember whether we spoke out for their rights or failed to."

A Bid To Bring The Female Voice To Islamic Law (CSM)

By Ben Arnoldy

The Christian Science Monitor, November 21, 2006

NEW YORK

For centuries, devout Muslims have looked to the fatwa - an opinion based on religious reasoning of a learned individual or committee - for direction on how to resolve moral dilemmas ranging from the mundane to the sublime. And for centuries, Muslim women have conceded the ground, for the most part, to the men who issue these opinions.

That's beginning to change.

Meeting in New York over the weekend, Muslim women from 25 countries began laying groundwork for the first international all-female council formed to issue fatwas. Their idea: to ensure that women's perspectives on Islamic law become part of religious deliberation in the Muslim world - particularly on issues such as domestic violence, divorce, and inheritance.

"There's this growing sense on the part of literate Muslim women ... that there is a vital need for women to confront the Islamic tradition and to work on a par with men in interpreting the sources," says Ann Mayer, an expert in Middle Eastern law at the University of Pennsylvania's Wharton School of Business. "Otherwise you end up with a very sexist bias in the readings."

The number of women officially sanctioned to issue fatwas is hard to pin down, but certainly tiny. The emergence of such women, known as muftias, usually makes headlines: A religious school in India installed three in 2003, and the Turkish government last year hired two assistant muftias, its first. Governments and schools try to license who can issue fatwas, but Islam stipulates only certain prerequisites, such as knowledge of the Koran and Arabic. As a result, the ranks of unofficial authorities are deeper and the barriers to women surmountable.

Whether the opinions of a women's council will carry any weight, especially in conservative cultures, is another matter.

Its advent is proving to be controversial even among Muslim women who share many goals of those launching the council.

"Advancing the idea of reinterpreting the texts has to be done, but I am totally against this initiative because it will have negative effects," says Rebab al-Mahdi, a political scientist at the American University in Cairo. It will be portrayed as part of "a Western cultural invasion," she adds. "This is what conservative clerics always say, and people listen."

For others, doubt is mingled with hope.

"I share some cynicism, but at the same moment, symbols are sometimes important," says Pakistani-born Asma Barlas, a politics professor at Ithaca College in New York and a prominent advocate of jettisoning what she calls male-centric and incorrect interpretations of the Koran. "These little steps, ... even if they don't change anything, do send a message that women are getting together and trying to make their voices heard."

The group is also up against the inertia of tradition. Throughout history, few Muslim women were prominent jurists, though scholars are uncovering more, including, some say, Aisha, the prophet Muhammad's wife. Some question whether much within the religion is open to new interpretation and, by extension, reform. Others note that fatwas are nonbinding and may have little effect on civil law and state judgments.

Still, Muslim women have recently brought change by citing the Koran and other Islamic sources:

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• In Malaysia, a group called Sisters in Islam used Koranic scholarship to rebuff efforts to exclude Muslims from a domestic-abuse law.

• In Saudi Arabia, an effort this summer to push women further back at a crowded holy site in Mecca was thwarted with the help of a female Islamic scholar's arguments.

• In the United States, the forthcoming English translation of the Koran by a woman, the first ever, finds an alternate meaning in a verse widely interpreted to give husbands authority to beat their wives as a last resort.

The New York gathering, called the Women's Islamic Initiative in Spirituality and Equity, plans to seat the new council - perhaps seven members - within a year. Drawn from diverse schools within Islam, the members will be versed in Islamic law. The group also plans to give scholarships for more women to pursue advanced training - open to women in places like Morocco, Egypt, and Iran - in an effort to broaden the qualified pool.

"Islam is a religion of law, and it is important to express the principles of social justice within the framework of Islamic law," says Daisy Khan, executive director of the American Society for Muslim Advancement and leader of the effort. "This is why we need muftias, in order to do that. Otherwise, it falls on deaf ears."

Traditionally, religious legal authority was local, vested in muftis and other leaders who attained their status via government appointment or community esteem. But today's global communications are challenging that, as more Muslims seek religious opinions far and wide through the Internet. The women's council takes advantage of this: Its members will be in different places, taking questions and conferring over the Web.

Given this wider marketplace of ideas, the new council's credibility will be determined by the quality of its legal reasoning, and whether its logic strikes a chord, say several scholars and observers.

"There is a sense among many Muslims - particularly, but not exclusively, women - that Islamic jurists are out of touch, that their guidance is not adequate to the modern world. And if this shura council succeeds in bridging that gap, it may be speaking to an audience that doesn't currently consider itself bound by the pronouncements of existing groups," says Kecia Ali, assistant professor of religion at Boston University.

"But this is going to be a tremendously challenging task because religious authority, even scholarly authority, has always been contested," she adds. "It is in matters related to women, marriage, sexuality that Muslim intellectuals on both conservative and modernist sides of the spectrum have chosen to wage their epic battle."

For others, the council has a credibility problem right out of the gate. "It should not have happened in New York, because it will set back the agenda of women given the current political upheaval [over the Iraq war]," says Mohammad Reda, a Syrian-American Muslim in the Boston area often sought out for his religious opinions. He supports the idea that "women should stand up and give their own opinions on women's issues," but says American efforts to force change in the Muslim world, as in Iraq, mean reformers now must avoid links to the US. The New York conference used money from nongovernmental foundations, some based in the US.

Conference attendees say a muftia council could prompt wider support for women's struggles. "The women who we're trying to help, for them religion is very important," says Zainah Anwar, head of the Malaysian group Sisters in Islam. "It's empowering for them to know that their desire to not be beaten by their husband can actually be justified in the name of Islam."

Unelected Mexican Leftist Claims Office (AP)

By Mark Stevenson

AP, November 21, 2006

Andres Manuel Lopez Obrador launched a parallel government Monday and prepared to swear himself in as Mexico's "legitimate" president, a ceremony the leftist hopes will keep alive protests to undermine the man who officials say defeated him at the polls.

The inauguration ceremony is the latest chapter in Lopez Obrador's unsuccessful battle for the presidency. He claims fraud and dirty campaign tactics were responsible for President-elect Felipe Calderon's narrow victory in the July 2 vote, and his parallel government could spend the next six years calling for street protests that have already dented the economy and prompted travel warnings from the U.S. Embassy.

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While the red-green-and-white presidential sash to be draped across Lopez Obrador's shoulders Monday will lack legal recognition, he hopes to assume the moral leadership of millions of poor Mexicans.

Based in Mexico City, Lopez Obrador's parallel government has its own Cabinet, but it will not collect taxes or make laws and relies on donations to carry out its plans.

One of its first orders of business will be trying to prevent Calderon's Dec. 1 inauguration.

"We're not going to give the right free rein," Lopez Obrador said in a final stop in the southeastern state of Veracruz this weekend. "We're going to confront it."

Thousands of Lopez Obrador's supporters were gathering in the afternoon in Mexico City's main Zocalo plaza, carrying signs lashing out against not only Calderon but the Roman Catholic Church and mainstream media.

"Calderon will have to be retrained or will have to go," said Maria de Lourdes Carranza, 50, a Mexico City office worker.

Marco Ramirez, 34, a university researcher watching the crowd from a sidewalk cafe, said he believed many of the demonstrators were receiving money from the Mexico City government, which is run by Lopez Obrador's Democratic Revolution Party.

"This affects the country's image," he said. "It puts out a very bad image."

It remains to be seen whether Lopez Obrador can keep up the momentum. Some members of his leftist Democratic Revolution Party, or PRD, have already expressed disagreement with Lopez Obrador's strategy of using Congress — where the PRD is now the second-largest force — as an arena for protests rather than negotiations.

Writing in the Mexico City daily Reforma, columnist Armando Fuentes described Lopez Obrador's "swearing in" ceremony as "laughable" and "a circus act, a farce."

But Oscar Aguilar, a political science professor at the Iberoamerican University, cautioned that the leftist could successfully undermine Calderon.

"The problem is that he's not a Don Quixote because the social and political conditions are fertile ground for this kind of leadership," Aguilar said. "Many of the poor ... see this type of leadership as a solution."

Protesters have held the center of the southern city of Oaxaca for months, demanding Gov. Ulises Ruiz's ouster, despite the presence of federal police. Many worry that Lopez Obrador will follow suit and renew street protests, including those in which his supporters seized Mexico City's center for nearly two months this summer.

Some citizens appear to be tiring of political unrest.

This month, Mexico City was rattled when several bombs exploded at political offices and banks. No one was injured, and a small, radical group not tied to Lopez Obrador claimed responsibility.

The violence has affected one of the country's main sources of income. Revenue from tourism was down 4.3 percent in the first nine months of 2006, as compared to 2005.

President Vicente Fox cautioned in a speech Monday that "the electoral process is the path that Mexicans have to preserve a peaceful, orderly, civilized and pluralistic public and political life."

Some of Lopez Obrador's closest aides have suggested they will follow Bolivia's example and try to use protests to force Calderon from office, as demonstrators did with a succession of leaders there. Lopez Obrador has not ruled that out.

"Nobody wants violence in our country, but there are people who give grounds for violence," Lopez Obrador said last week. "There are a lot of people who say that, after July 2, the path of electoral politics in no longer viable."

Yes, He Lost Mexico's Vote, So He's Swearing Himself In (NYT)

By James C. Mckinley Jr.

The New York Times, November 21, 2006

MEXICO CITY, Nov. 20 — Don Quixote, move over. The losing leftist candidate for president swore himself in on Monday as "the legitimate president of Mexico" before a huge crowd of his avid fans, ignoring rulings by federal electoral authorities and the courts that he narrowly lost the election last July.

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The candidate, Andrés Manuel López Obrador, a former Mexico City mayor who took on Mexico's entrenched oligarchy, chose the anniversary of the Mexican revolution for the event. He has continued to assert that his opponents used fraud to deny him victory.

Appearing on a stage in the historic Constitution Plaza, with Mexican flags and an enormous eagle banner behind him, Mr. López Obrador promised to goad the government of the president-elect, Felipe Calderón, a conservative from the National Action Party of President Vicente Fox, into adopting his proposals.

About 100,000 people crowded into the square and roared with approval when a copy of the traditional green, white and red presidential banner was placed across his chest.

"We are assembled here to confront a fraudulent election," he said, "and to take on a regime of corruption and privileges, to start the construction of a new republic."

Mr. López Obrador maintains that powerful business leaders colluded with Mr. Fox's party to mount a smear campaign depicting him as a dangerous leftist totalitarian. He also says Mr. Fox's party made a pact with the centrist former governing party, the Institutional Revolutionary Party, to defeat him in northern states.

Both accusations are true to a degree, but the nation's highest electoral court ruled that those actions were not enough to skew the election results. Mr. Calderón, 44, a former energy minister, won by 240,000 votes.

Mr. López Obrador, who is 53, said he intended to have members of his Democratic Revolution Party introduce legislation in Congress, then use public pressure to force the laws through. Among his proposals are measures to break up near monopolies, improve health care, raise the minimum wage and cut government salaries.

He said he intended to continue touring to promote his ideas.

Earlier in the day, Mr. Fox took a veiled swipe at Mr. López Obrador at an event marking the anniversary of the 1910 revolution, saying society should never permit strongmen and populists to trample civil liberties. "Elections are the path that Mexicans have to preserve a political and public life that is plural, peaceful, orderly and civilized," he said.

It remained to be seen if Monday's political theater was a graceful exit for a candidate who could never acknowledge defeat, or truly the start of a unified left-wing movement to challenge the oligarchy of politicians and business executives who have controlled the country for a century.

The crowd was smaller than at Mr. López Obrador's previous rallies, and divisions have appeared in his party. Some supporters have threatened to storm the dais to try to prevent Mr. Calderón from taking the oath of office on Dec. 1, while others are negotiating with his party, hoping to get the new president to adopt part of their agenda in return for political peace.

Forming a shadow government is astute politically, some analysts said, because it could keep Mr. López Obrador in the public eye during Mr. Calderón's six-year term and set up a possible run in 2012.

Most of the people who turned out to support him, however, have high hopes that he will somehow deliver on his campaign promises despite losing. "He is our last hope," said Consuelo Sánchez Quiroz, a 64-year-old retired hotel worker. "Fox and Calderón are both for the businessmen."

But others saw the ceremony on Monday as a grand romantic gesture, something Don Quixote could relate to. "It's something that goes beyond material things, it's something more spiritual," said Beatriz Ramírez, a 54-year-old psychologist, "to believe in the future, in a more equal society, to believe that some day it will become reality."

Mexican Leftist Declares Himself 'President' (LAT)

By Héctor Tobar

The Los Angeles Times, November 21, 2006

MEXICO CITY — Andres Manuel Lopez Obrador, the leftist who claims to have been cheated out of victory in July's presidential election, took an "oath of office" Monday as the "legitimate president" of Mexico in an elaborate ritual his many detractors here ridiculed as a farce.

The ceremony in this capital city came less than two weeks before the inauguration of the man who officially won the election, conservative Felipe Calderon. As many as 100,000 people attended the event, in which Lopez Obrador, the city's 52-year-old former mayor, also swore in a six-man, six-woman shadow Cabinet.

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"It is an honor to be the legitimate president of Mexico and above all the leader of free men and women like you," Lopez Obrador told the crowd after leftist senator and human rights activist Rosario Ibarra de Piedra placed a "presidential sash" over his shoulder.

Lopez Obrador has styled himself as the defender of this nation's impoverished majority. His self-coronation wasn't the first time in Mexico's tumultuous history that a losing candidate had proclaimed himself the "legitimate president" (three did so between 1910 and 1940), and it may not augur well for Mexico's future political stability.

"He is not doing this to make sure that Calderon governs in the name of the poor. He's trying to make sure that Calderon can't govern at all," Denise Dresser, a political analyst here, said of Lopez Obrador's decision to create a parallel government. "He is leading many Mexicans to believe that change in this country cannot occur through peaceful means."

On Sept. 5, after weeks of partial recounts and legal pleadings alleging fraud, Mexico's highest electoral court proclaimed Calderon the winner of the presidential election by 234,000 votes, or 0.56 percentage point.

Calderon did not comment Monday on his rival's inauguration. The newspaper Reforma published a poll that found two in three Mexicans believed Lopez Obrador had "little or no" credibility. But one in five respondents thought he was right to proclaim himself president.

Lopez Obrador urged his followers not to recognize Calderon's government.

"We are congregated here because in the face of the electoral fraud of July 2, we have decided to abolish the regime of corruption and privilege," he said. "We will begin the construction of a new republic."

Monday's swearing-in took place amid a festive atmosphere in Mexico City's central plaza, the Zocalo, with a contingent of invited foreign dignitaries that included Brazilian community activists and the Cuban singer Silvio Rodriguez.

Supporters chanted "Presidente!"

"I'm here because I voted for him and because I believe he is the legitimate president of Mexico," said Josafat Lagos, 56, an accountant. "The hope of the people is that he will be a counterbalance to the abuses and corruption of the powerful."

On Friday, Ruben Aguilar, spokesman for outgoing President Vicente Fox, said he did not believe many Mexicans would see Lopez Obrador as the "legitimate president."

"The citizens of this country won't be fooled," Aguilar said. "This is a mature society. The people voted … they made their decision."

Lopez Obrador's critics in Mexico and abroad denounced his decision to proclaim himself president as a dangerous farce — the "Republic of the Ugly Duckling," some commentators here have called it.

Much of the Mexican media, and many political observers, lambasted the inauguration as a "caricature" and the desperate act of an egomaniac.

"Lopez Obrador has become a parody of himself, a bad joke," said Jaime Sanchez Susarrey, a Guadalajara professor and author. "He's lost a great deal of legitimacy, even among his own supporters."

In an interview published Monday in the daily newspaper La Jornada, Lopez Obrador said he didn't care about "the attacks and jokes of the right," because he would rule "in the name of the people" against a "neo-fascist regime that only benefits a privileged minority."

Calderon, Lopez Obrador said, is "a puppet, a little manager at the service of the powerful, who will always be rejected by the people."

Legislators of Lopez Obrador's leftist Democratic Revolution Party, or PRD, have promised to prevent Calderon from being inaugurated before a joint session of Congress on Dec. 1, much as they kept Fox from delivering his state of the nation address in September.

Calderon has resisted pleas from Fox and others that he take the oath of office at another location. His attempts to negotiate with legislators of the PRD have been rebuffed. A showdown in the halls of Congress appears inevitable.

Lopez Obrador will support his "government" through popular donations. He said Monday that its main activities would consist of proposing legislation to Congress and monitoring the actions of the Calderon administration.

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Calderon will face numerous challenges to his authority, including popular movements led by charismatic radicals in the southern states of Oaxaca and Chiapas. Drug cartels often operate with impunity in border cities such as Nuevo Laredo and the impoverished southern states of Guerrero and Michoacan.

"Calderon is going to have to prove, in a short time, that free markets and liberal democracy still work," Dresser said. "If he doesn't, he's going to have someone on the streets [Lopez Obrador] pointing out that they don't work."

Mexico's long history is dotted with parallel Congresses and parallel presidencies, many of which have arisen in times of social conflict and change.

In the 20th century, three men called themselves "president-elect" or "provisional president" after what they said were fraudulent elections: Francisco I. Madero in 1910, Jose Vasconcelos in 1929 and Alfredo Almazan in 1940.

Of those, only Madero eventually took office, after issuing the call to arms on Nov. 20, 1910, that sparked the Mexican Revolution.

After two years in office, Madero was assassinated in a coup d'etat.

AMLO's Antics (WSJ)

The Wall Street Journal, November 21, 2006

When Mexico's hard-left presidential candidate Andres Manuel López Obrador lost the country's most closely contested election in history in July, those who know him warned he would not go away, no matter the cost to the nation. AMLO -- as the Mexican press calls him -- is proving them right.

Yesterday was the 96th anniversary of the Mexican Revolution. But Mexicans didn't get to celebrate in the nation's capital with their traditional parade of horses and revolutionary period costumes. President Vicente Fox canceled the event to avoid a confrontation with AMLO. The endlessly sore loser from the Revolutionary Democratic Party chose the same venue to stage a farcical self-swearing-in ceremony, declaring himself Mexico's next president. This was the third time since July that AMLO and his PRD derailed a Mexican tradition.

Mr. Fox understands the risks AMLO poses to his legacy and to the country. Yesterday while honoring Mexican martyr and hero Francisco Madero, Mr. Fox unmistakably spoke to the Mexican people about the tactics of AMLO: "[Madero] taught us that society must never permit, under any circumstances, that our liberties be violated by caciques (bosses) and caudillos."

That's a direct verbal challenge. But in practice, Mr. Fox has largely appeased AMLO's bullying. This may have encouraged PRD circus acts such as yesterday's. Worse, it may have emboldened the more extreme elements in Mexican politics that have been holding the southern city of Oaxaca hostage since May. The next test of Mexico's rule of law will come December 1 when president-elect Felipe Calderón is supposed to be sworn in. Hard liners are already pledging to crash the event. Perhaps this time Mexico's elected leadership will draw a line in the sand.

Traditional Ways Spread AIDS In Africa, Experts Say (NYT)

By Elisabeth Rosenthal

The New York Times, November 21, 2006

NKOLONDOGO, Cameroon — When Innocent Zamba Manga was born this summer, doctors advised his mother, Marise, who is H.I.V. positive, not to breast-feed, because nursing can pass the virus that causes AIDS from mother to child. Mother and baby left the hospital with bottles and formula supplied by a Catholic charity.

But the very next week, the proud parents took their baby to the father's village in the south of Cameroon, to take part in a traditional birth and naming ceremony. Custom required the new mother to nurse little Innocent, so she did. And she continued for two weeks.

"Why would you risk his health in this way?" scolded Dr. Suzie Tetang Moyo, sighing deeply in frustration when she saw the parents recently at her clinic on a dirt road here in this rural district north of the capital, Yaoundé.

As researchers spend more time studying Africa's overwhelming pediatric AIDS problem, they are finding that the routes of transmission may be different than in the industrialized countries, and that strategies for preventing the disease's spread must be adapted to local realities.

In developed countries, the only real risk factor for children is that they can get H.I.V. from their mothers at birth.

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But here, researchers have come to agree, a host of traditional ceremonies and practices are creating transmission routes unique to Africa — dangers that have, up to now, been ignored.

There are naming ceremonies, like Innocent's, that require nursing. But there is also a host of potentially even more hazardous moments, such as when body fluids of different people are mixed.

In scarification ceremonies for ethnic identification and cutting for ritual healing, blades are used in sequence again and again. There is also the practice of communal breast-feeding a single baby by numerous women, common in many tightly knit villages.

In a country like Cameroon, where more than 5 percent of the population and 11 percent of pregnant women are infected with H.I.V. — the vast majority unknowingly — such practices could lead to a wildfire spread.

"If we are only biology, biology, biology, then we are only doing half of our mission," said Marcel Manny Lobe, director of the new International Reference and Research Center for H.I.V.-AIDS in Yaoundé. "We need also to do the sociology and anthropology and then make biological interventions."

Researchers here and elsewhere in Africa are just beginning to study the role of these common traditional practices of rural Africa, to determine if they account for a small or large portion of H.I.V. transmission. "We don't know enough about this important topic, but there is no doubt that traditional practices are spreading H.I.V. It's a growing concern," said Dr. Edward J. Mills, an epidemiologist at McMaster University in Hamilton, Ontario, who has done extensive work in South Africa.

"Unaids has been ignoring it," he said, referring to the United Nations agency that deals with the disease. "I think it's because people think it's culturally insensitive to talk about. Even if it turns out to be only a minor amount, it's a preventable amount so we really need to address it."

In Batié, a village three hours from Yaoundé, most people go to both traditional healers and medical doctors, and traditional treatments often involve blades to cut the skin.

On a recent afternoon, Berlin Simeu, a villager, visited the darkened hut of Sop Kamtchewo, a healer, in a ceremony intended to ward off illness and witchcraft.

With a razor blade that had been wrapped in a sheet of paper, the healer made three short cuts on his patient's body — one each on his wrist, back and shoulder. A fruit was placed on the wounds to draw out any bad influences.

It was unclear whether or how the blade would be cleaned before its next use.

Yves Moumbe, a doctor in Batié, said that almost all of his patients with H.I.V. went to traditional healers before they saw him.

"It is not clear if they are using any sterile technique at all," Dr. Moumbe said. "They don't have much knowledge of H.I.V. and how it is spread. So it could be a serious problem."

An estimated 70 percent of Africans use traditional healers as their primary source of health care, a function of tradition and availability.

In Africa, there is one medical doctor for every 40,000 people, but one traditional healer for every 500.

In one small survey, 50 percent of ritual healers were H.I.V. positive, doctors at the International Reference and Research Center for H.I.V.-AIDS in Yaoundé said.

"We're used to saying this is all about sexual intercourse, but now we have to remind people it can be elsewhere in the body, and there are other dangers as well," said Bertrice Mabule, who started the Children's Education and Health Foundation to promote H.I.V. awareness in Batié.

A 2004 study in the journal Tropical Doctor by Dr. Etete J. Peters at the University of Calabar in southeastern Nigeria concluded that there was "a serious risk inherent in the practices of Nigerian traditional healers" because of "the continuous usage of unsterilized instruments and cross contamination of patients' blood and body fluid in their practices."

Though Dr. Peters has continued to work with the healers, he said there was little financing to carry out H.I.V. sensitization campaigns directed at this group, so "such awful practices persist in Nigeria and Africa in general."

In much of rural Cameroon, tiny scars are made to identify members of different ethnic groups, with large numbers of children scarred simultaneously.

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"You see them everywhere, three lines on a cheek, on the forehead — the Pygmies make slashes between the eyebrows," said Serge Florent Moudt, an H.I.V. educator who works at the Center in Yaoundé as well as in the West Province, his home. "It's a real worry."

If just one child in a village had H.I.V., a common blade could spread the virus to dozens who come after him. The same is true for group circumcisions.

"There are traditionally African aspects of this fight," said Jean Stéphane Biatcha, executive secretary of African Synergy, an AIDS prevention group. "We're taking the message to rural areas where traditions are very strong, and you have to work carefully and slowly."

Another traditional practice that government officials acknowledge could be spreading HIV is communal breast-feeding, the norm in many rural villages.

Polygamy is legal in Cameroon, and a chieftain might have 30 or 40 wives, Mr. Biatcha said, because wealthy men routinely marry the wives of male relatives who have died. It is common for the wives — or even friends — to help out by nursing each other's infants. In fact, it is an essential service if a mother has to go to work or take a trip into the city.

But again, in a country where studies have found that 11 percent of women of child-bearing age are infected with H.I.V., the practice presents an open conduit for childhood infections.

Mr. Biatcha said people were generally unaware of such risks, so the first step was information.

In the last few years, an increasing number of medical doctors have warmed to collaborating with the traditional healers, to encourage safe practice and to use them as AIDS educators.

"We have to open a dialogue with the traditional healers," said Dr. Mills, the epidemiologist. "They may well be spreading H.I.V., but instead they could be part of the solution."

Nepali King Faulted In Dissident Crackdown (WT/AP)

By Binaj Gurubacharya

The Washington Times, November 21, 2006

KATMANDU, Nepal -- A government commission investigating Nepal's bloody crackdown on pro-democracy demonstrators blamed the violence on King Gyanendra and recommended punishing him, officials said yesterday.

The findings by the panel investigating the crackdown are a further blow for the king, who has seen his status plummet since the uprising forced him to give up absolute power, and an ominous portent for the centuries-old institution of the monarchy in this Himalayan nation.

After receiving the commission's report, Prime Minister Girija Prasad Koirala vowed to punish those held culpable for the crackdown, in which hundreds were injured and hundreds detained, with some claiming torture.

Commission member Harihar Birahi said that as chairman of the Cabinet at the time of the crackdown, the king was responsible for the harsh treatment of the protesters, who eventually forced Gyanendra to cede power and reinstate parliament after 14 months of direct rule by the monarch.

Holding Gyanendra guilty thrusts the future of the Nepalese monarchy back under the spotlight. The landmark case marked the first time a monarch faced investigation in this country where kings -- thought by tradition to be reincarnations of the Hindu god Lord Vishnu -- have held near-absolute power.

The commission did not recommend a punishment, and Nepal has no laws addressing crimes committed by a king.

A yet-to-be elected constituent assembly is expected to decide the monarchy's fate. Centrist parties favor a constitutional monarchy with a ceremonial role for the king, while the Maoist rebels -- who are in peace talks with the government -- want to abolish the monarchy.

Gyanendra has already been stripped of his powers, command over the army and his immunity from prosecution.

Several people who worked under the king during the period of direct rule that ended in April were interrogated by the commission.

The commission also sent written questions to Gyanendra, but the king did not respond.

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Besides Gyanendra, the commission also found 201 officials in the king's administration responsible for the bloody crackdown. They included the chiefs of police and the armed forces.

Gyanendra's reign has been filled with turmoil that began on his ascent to power in 2001, after the death of his brother, King Birendra, in a bizarre palace massacre.

After becoming king, he remained unpopular with the people. Taking direct control of the government in 2005 eroded most of his remaining support.

A Discredit To The United Nations (NYT)

The New York Times, November 21, 2006

The old, unreformed United Nations Human Rights Commission was selective and one-sided, but occasionally managed to do some good work. That may be more than can be said for its successor body, the Human Rights Council, born earlier this year of a weak-kneed compromise from which the United States stood honorably apart. If this is the best the U.N. can do at reforming itself, it isn't worth the effort.

The council is new, but its deliberations have already fallen into a shameful pattern. When it comes to the world's worst and most consistent human rights violators, like China, Iran, North Korea, Myanmar and Sudan, there has been a tendency to muffle words and conclusions and shift the focus from individual and political rights to broader economic and social questions.

But when it comes to criticizing Israel for violations committed in a wartime context that includes armed attacks against its citizens and soldiers, the council seems to change personality, turning harshly critical and uninterested in broader contexts.

As the council prepares to resume deliberations next week, an ad hoc coalition of human rights violators is pushing for an end to the practice of singling out individual countries for special criticism and follow-up investigations.

Those critical reports and follow-ups were the most useful thing the old unreformed commission used to do. The problem was that many other deserving targets were shielded by their diplomatic allies. Moving away from the practice altogether would be a decided step backward.

To inspire respect and support, the United Nations must be more than a self-protective club of sovereign states. The test of that is whether it is willing to defend the basic human standards embodied in a succession of United Nations declarations and conventions. The new Human Rights Council now seems headed for a failing midterm grade.

Political Poison (WP)

The Washington Post, November 21, 2006

FOR THE PAST 15 years it has been commonly assumed that Russian leaders gave up the Soviet practice of murdering political dissidents, inside and outside of the country. Maybe not. British authorities say they are investigating the apparent poisoning of Alexander Litvinenko, an outspoken critic of Russian President Vladimir Putin, who is fighting for his life in a London hospital after ingesting highly toxic thallium. A former agent of the KGB secret service and its successor, the Federal Security Service (FSB), who sought asylum in Britain six years ago, Mr. Litvinenko had alleged that the agency maintained a secret poisons laboratory. Along with many others, he also charged that the Kremlin was behind the 2004 poisoning of Ukraine's pro-Western president, Viktor Yushchenko.

There's no concrete evidence as yet that the FSB or Mr. Putin is behind the poison attacks -- but there is plenty of reason for suspicion. Mr. Litvinenko was investigating the recent murder of the country's best known opposition journalist, Anna Politkovskaya, who was gunned down in her apartment building on Oct. 7. She, too, was hospitalized in 2004 and said she believed she had been poisoned. Ms. Politkovskaya's editor at the newspaper Novaya Gazeta, Yuri Shchekochikhin, died after a suspected poisoning three years ago. No one has been arrested in these murders, but Mr. Putin publicly disparaged Ms. Politkovskaya while implausibly charging that his political enemies were somehow behind her death.

Former colleagues of Mr. Putin in the KGB don't doubt who is responsible. One, Oleg Kalugin, pointed out that the president pushed the Russian parliament to authorize the secret service to take action against "terrorists" outside the country. Another, Oleg Gordievsky, the former KGB chief in Britain, told the Times of London that he believed the attack was "state-sponsored" and was carried out by another former Russian agent. We trust that the British authorities will vigorously investigate

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the attack on Mr. Litvinenko -- who is now a British citizen -- and that Prime Minister Tony Blair will take seriously the possibility that a colleague in the Group of Eight sanctioned a political murder attempt in London.

While Mr. Litvinenko's story was emerging over the weekend, President Bush was pictured exchanging jollities with his "friend Vladimir" at a summit in Vietnam. Does Mr. Bush regret having given so much support to a leader who has dismantled his country's nascent democracy and whose opponents keep turning up in hospitals and morgues? If so, he's keeping his own secret.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

AG Pushes Domestic Wiretapping (DENP)

By Felisa Cardona, Denver Post Staff Writer

Denver Post, November 21, 2006

The U.S. attorney general says the Democrats' victory won t deter the White House on the issue.

Speaking Monday to The Denver Post editorial board, U.S. Attorney General Alberto Gonzales discusses the need for warrantless eavesdropping to fight terrorism. "We've done a lot to make America safer, but it's not safe," he said. (Post / John Prieto)

U.S. Attorney General Alberto Gonzales reiterated his support for a domestic wiretapping program to fight terrorism during a visit Monday with The Denver Post editorial board.

"We've done a lot to make America safer, but it's not safe," Gonzales said when asked about the need for warrantless eavesdropping. "Fundamentally, the world is different today. My 14-year-old son will grow up in a different world than I grew up in. It's much more likely there will be a terrorist attack in this country. I never worried about a terrorist attack as a boy."

Gonzales said the Bush administration would not be deterred by the Democratic takeover in Congress but that he hoped new congressional leaders would be as willing to avoid a confrontation on national security as he is.

"I'm not going to prejudge," Gonzales said of the possibility of trying to convince the new Congress. "We are going to work as hard as we can to avoid the kind of crisis you referred to."

Gonzales said the Bush administration's anti-terrorism efforts since the Sept. 11, 2001, attacks have improved intelligence gathering, especially between nations.

"The unsung story of this is our relationships with our foreign partners," Gonzales said. "The level of cooperation is outstanding, and it's made a big difference now that we are able to analyze plots. We have to be right 100 percent of the time; they (terrorists) only have to be right one time."

Gonzales also spoke about the issues with security at the Supermax prison in Florence and said he considered the problems "a priority."

He acknowledged that more staffing and security measures, such as increased monitoring of the perimeter of the prison, are necessary.

A recent report on prison security at Supermax showed that inmates were communicating with each other and with outsiders by telephone without those conversations being screened.

Gonzales said that in the past month, seven new employees, including guards, were hired to ease staffing concerns. He said part of the problems with security have to do with a lack of Arabic translators, an issue he says plagues all levels of government.

While the prison may not have Arabic translators on hand to monitor live inmate phone conversations, the calls are taped and reviewed later, Gonzales said.

"It's intolerable to have dangerous people in our prisons communicating with each other," he said.

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Gonzales Pronounces Supermax Safe (RMN)

By Sara Burnett, Rocky Mountain News

Rocky Mountain News, November 21, 2006

U.S. Attorney General Alberto Gonzales acknowledged today there have been problems at Supermax prison in Florence but said steps have been taken to improve security and make sure the community is safe.

"I think it's a safe facility," Gonzales said during a meeting with the Rocky Mountain News editorial board. "Have mistakes been made? Have there been some problems there? No question about it, like there are at every facility. But we've taken steps to address them."

Gonzales said the Department of Justice has added 11 new employees at Supermax, and that seven more positions will be filled "as soon as we can." The 18 new employees would bring the facility to 208 — still short of the 240 employees it had when the prison opened in 2004.

Supermax, the nation's highest-security prison and home to inmates such as 9/11 conspirator Zacarias Moussaoui, also has addressed problems with inmate mail and phone calls not being monitored, Gonzales said.

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He said a "large portion" of phone calls are being monitored as they occur, and others are recorded and later reviewed by translators. All mail is being viewed, he said.

In September, a Justice Department inspector general's report criticized the prison for not properly screening terrorists' mail and other communications. Gonzales today called that situation "intolerable" and said steps were taken to correct it.

"We spend a lot of taxpayer dollars in the investigation and prosecution of these kinds of dangerous criminals, and to have them locked up and to still present a danger to the American citizen is not right," he said.

Residents and local law enforcement also have expressed concern about the safety of the prison's perimeter, and about local police not being able to communicate via radio with prison guards.

Gonzales said he has asked the director of the U. S. Bureau of Prisons to look into those concerns as well.

Supermax Still Not Super Secure (RMN)

Rocky Mountain News, November 21, 2006

Messages monitored, but not in real time

In a meeting with News editors and writers on Monday, U.S. Attorney General Alberto Gonzales delivered both good news and bad news about the security of communications flowing to and from inmates at the Supermax lockup in Florence.

On the plus side, Gonzales said that every communication with prisoners, by mail or telephone, is now reviewed. Mail is read and telephone messages are either monitored on the spot or recorded and eventually translated.

That's a dramatic improvement. A report by the department's inspector general published earlier this fall found that less than half of inmate phone calls at Supermax were monitored, and during a test period a mere 1.8 percent of mail to and from the prisoners was checked by law enforcement officials.

The "eventually translated" part, however, is the bad news. While the AG asserted that the goal was to monitor all communications in "real time," it's not happening now. The Bureau of Prisons lacks enough translators to interpret messages as they come and go. Which means that instructions to terror networks or outside criminal enterprises could be flowing freely for days, weeks or months (more like months, as we'll explain below) before potentially lethal plans are derailed.

A shortage of Arabic-language translators with the proper security clearance has plagued every intelligence bureau, law enforcement agency and military service since 9/11. Gonzales said as much on Monday.

Even so, any time lags in translation are troubling. Supermax houses the most dangerous criminals in the custody of U.S. law enforcement. These inmates - among their ranks are several plotters of the 1993 World Trade Center bombing and an alleged mastermind of jihadist terror attacks in Spain - pose a unique danger to the outside world. Translating and decoding the contacts these prisoners have with the outside world should have a special urgency.

Until recently, however, deciphering those messages was a low priority for the feds. The IG report said the FBI attempted to produce translations from intercepted letters within 60 days, which is already far too long. In actuality, it could take between six and 18 months to get a useful translation, the report added.

Given the wide latitude Congress has granted the administration to wage the war on terror, not to mention the expansive surveillance powers the White House has asserted on its own, such delays are indefensible.

In our conversation Monday, Gonzales agreed. But he still needs to push his department to finish the job of ending the security risk at SuperMax.

Judge Rejects Request For NSA Documents (AP)

AP, November 21, 2006

WASHINGTON — The National Security Agency is not required to release details about its secret wiretapping program, a federal judge said Monday.

The People for the American Way Foundation, a liberal advocacy group, sued to obtain records under the Freedom of Information Act. The group sought to find out how many wiretaps were approved and who reviewed the program.

President Bush has acknowledged the existence of the program, which he calls the Terrorist Surveillance Program. The National Security Agency monitors phone calls and e-mails between people in the U.S. and people in other countries when a link to terrorism is suspected.

Civil liberties group criticize it as an expansion of presidential power, and a federal judge has said it is unconstitutional. The Justice Department says it is a necessary tool to fight terrorism.

The NSA denied the request for documents, saying the records would jeopardize national security. The advocacy group argued that the law can't be used to protect the government from disclosing details about illegal programs.

U.S. Judge Ellen Segal Huvelle disagreed, saying that even if the program is ultimately determined to be illegal, it doesn't change the fact that the materials are classified and are not covered by the Freedom of Information Act.

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Human-rights Groups Back Dems' Detainee Law Overhaul (HILL)

By Roxana Tiron

The Hill, November 21, 2006

Some human-rights groups are hoping that the Democrats' takeover of Congress will provide the necessary momentum to overhaul the controversial new legislation governing military tribunals.

One of the groups' main goals is to restore habeas corpus rights to military detainees held at Guantanamo Bay, Cuba.

The writ of habeas corpus would allow the prisoners to have the legal basis of their detention reviewed in court to determine whether they should be released from custody.

"I expect that there will be a serious, bipartisan effort to try and correct some of the more confusing and flawed elements of the Military Commissions Act," said Tom Malinowski, the advocacy director of Human Rights Watch. "The most promising effort would be the one to restore habeas corpus rights to detainees, because it is such a fundamental right."

Sen. Chris Dodd (D-Conn.), a 2008 presidential hopeful who come January will be the second-ranking Democrat on the Foreign Relations Committee, introduced a bill that would amend existing law, including providing habeas corpus protections to military detainees.

Dodd is the first to take direct aim at the controversial tribunal bill, which President Bush signed into law in October.

Sen. Patrick Leahy (D-Vt.), the incoming chairman of the Senate Judiciary Committee, said he too is in the process of drafting "major changes" to the legislation, including instituting habeas corpus rights for detainees.

Right after the Democrats take over the majority in early January, the Pentagon must report on the new procedures involved in the military commissions to the Senate and House Armed Services committees.

The Democrats may be able to corral enough bipartisan support to push for changes to the law, Malinowski predicted.

"Depending on how they frame [the legislation], they may be able to get some moderate Republicans [to support it]," he said.

One of those centrists is Sen. Arlen Specter (R-Pa.), who introduced an amendment when Congress was considering the military tribunal bill in late September that would have reinstated habeas corpus rights. That amendment failed by three votes. Democrats could also enlist the help of Sens. John Sununu (R-N.H.) and Gordon Smith (R-Ore.), who also support reinstating habeas corpus rights.

But Senate Democrats could have a tough time gathering enough support to stave off a White House veto. The Senate passed the military commissions bill by a vote of 65 to 34.

While changing the new law is important, that is not the only remedy, said Elisa Massimino, Washington, D.C. director of Human Rights First.

"We need more oversight and there would need to be hearings held on who exactly is held at Guantanamo Bay," said Massimino.

Oversight hearings into the use of controversial, alternative interrogation techniques, such as those the CIA uses against high-value terrorist suspects, are also imperative, said Massimino.

The confirmation hearings of Robert Gates, outgoing Defense Secretary Donald Rumsfeld's replacement to head the Pentagon, likely will provide more clues about how Democrats will change laws governing the treatment of military detainees.

Republican presidential hopeful Sen. John McCain (R-Ariz.) worked hard to pass the Detainee Treatment Act of 2005, which prohibits cruel, inhuman and degrading treatment for all prisoners, despite opposition from the White House and many in his party.

Even before Democrats won the midterm election, Sen. Carl Levin (D-Mich.) had been asking for internal White House legal memos on the administration's interpretation of laws governing detainee treatment.

"Now he can really force these things," Massimino said of Levin, who will be the chairman of the Senate Armed Services Committee in January.

Malinowski said he is particularly interested in the Department of Justice memo that specifies what interrogation techniques, including those the CIA uses, are legal in the administration's view.

"They are going to fight tooth and nail not to give that out," he said.

Several House Democrats are following their Senate counterparts' lead and have started considering changes to the military tribunal legislation.

"It is being put together at the committee level right now," said Rep. Neil Abercrombie (D-Hawaii), a veteran of the House Armed Services Committee, who will be a subcommittee chairman in January.

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"I will support any legislative activity to throw that act out at best, and at a minimum reconfigure it to include habeas corpus and other aspects to conform to our constitutional imperative," Abercrombie told The Hill. "At the first legislative opportunity, the issue surrounding military commissions will be taken up."

The committee is considering passing legislation to expedite the judicial review of the new military tribunal law to determine its constitutionality. It's the same provision Dodd included in his bill overhauling the law.

Rep. Ike Skelton (D-Mo.), who will take over the armed services panel next year, said he thought the new law was "unconstitutional."

Meanwhile, Rep. Solomon Ortiz (D-Texas), the third-ranking Democrat on the panel, said he expects to have to deal with the military tribunal legislation one way or the other.

"I am pretty sure it is going to be challenged [in the courts]," he said.

But committee Democrats likely will have a tough opponent in Rep. Duncan Hunter (R-Calif.), who as current chairman played a part in drafting the legislation and who will be the panel's ranking member next year.

"I think it is a solid act," Hunter said yesterday in an interview with reporters. "We should start prosecuting instead of second-guessing."

House Democrats may face larger hurdles than their Senate colleagues in trying to change the tribunal legislation. The House passed the Military Commissions Act by a vote of 253 to 168.

Top-Secret Torture (WP)

The Washington Post, November 21, 2006

The Bush administration claims detainees can't disclose how they were treated.

BURIED WITHIN a recent government brief in the case of Guantanamo Bay inmate Majid Khan is one of the more disturbing arguments the Bush administration has advanced in the legal struggles surrounding the war on terrorism. Mr. Khan was one of the al-Qaeda suspects who was detained in a secret prison of the CIA and subjected to "alternative" interrogation tactics -- the administration's chilling phrase for methods most people regard as torture. Now the government is arguing that by subjecting detainees to such treatment, the CIA gives them "top secret" classified information -- and the government can then take extraordinary measures to keep them quiet about it. If this argument carries the day, it will make virtually impossible any accountability for the administration's treatment of top al-Qaeda detainees. And it will also ensure that key parts of any military trials get litigated in secrecy.

Mr. Khan is one of 14 people transferred to Guantanamo earlier this year from the CIA's secret prison program. After his transfer, lawyers seeking to represent him asked for an order granting them access on the same terms as lawyers representing other detainees. The government objected on two main grounds. It contended that the court lacks jurisdiction because of two new laws that strip federal courts of authority over detainee matters. That may well be correct, and Judge Reggie B. Walton agreed last week that any consideration of counsel access should wait until the court of appeals rules on the jurisdictional question.

But the government also argues that Mr. Khan is different from previous Guantanamo inmates; their lawyers are cleared to see information classified at the "secret" level. The CIA program, however, involves top-secret information, so lawyers for Mr. Khan would have to be cleared at a higher level -- and access would have to take place under more restrictive circumstances.

The trouble is that at least some of the secrets the government is trying to protect are the very techniques used against people such as Mr. Khan -- and its means of protecting them is to muzzle him about what the CIA did to him. CIA official Marilyn A. Dorn said in an affidavit that Mr. Khan might reveal "the conditions of detention and specific alternative interrogation procedures." In other words, grossly mistreating a detainee now justifies keeping him quiet.

The problem with this argument is not just its Kafkaesque sheen. If the courts accept it, it would have vast practical implications. The integrity of any military trials of the high-value detainees will depend on their excluding evidence obtained by unduly coercive means. By the logic of the government's argument, however, all of that litigation will have to take place in secret. Detainees are also supposed to be able to appeal their status as enemy combatants to the federal appeals court here in Washington. The government's logic would all but assure that the bulk of any such appeal would be secret as well. So accepting this theory would mean that no claim of torture could be resolved in a transparent and accountable fashion. Given the importance of open trials for the high-value detainees, it's hard to imagine a principle that would more thwart the effort to bring them credibly to justice.

Reno Files Challenge To Terror Law (AP)

By Matt Apuzzo, The Associated Press

AP, November 21, 2006

DOJ_NMG_0096819

WASHINGTON (AP) — Former Attorney General Janet Reno and seven other former Justice Department officials filed court papers Monday arguing that the Bush administration is setting a dangerous precedent by trying a suspected terrorist outside the court system.

It was the first time that Reno, attorney general in the Clinton administration, has spoken out against the administration's policies on terrorism detainees, underscoring how contentious the court fight over the nation's new military commissions law has become. Former attorneys general rarely file court papers challenging administration policy.

Suspected al-Qaida sleeper agent Ali Saleh Kahlah al-Marri is the only detainee being held in the United States.

The former prosecutors challenged the Justice Department's right to bring al-Marri before a military commission.

A citizen of Qatar, he was arrested in 2001 while studying in the United States. He had faced criminal charges until authorities designated him an enemy combatant and ordered him held at a naval base in South Carolina.

The Justice Department said in court papers last week that a new anti-terrorism law strips detainees such as al-Marri of the right to challenge their imprisonment in court.

"The government is essentially asserting the right to hold putative enemy combatants arrested in the United States indefinitely whenever it decides not to prosecute those people criminally — perhaps because it would be too difficult to obtain a conviction, perhaps because a motion to suppress evidence would raise embarrassing facts about the government's conduct, or perhaps for other reasons," the former Justice Department officials said.

Some of the eight attorneys named in the document are now in private practice and represent detainees at the military base in Guantanamo Bay, Cuba. Most served under President Clinton, though the list includes former U.S. Attorneys W. Thomas Dillard and Anton R. Valukas, who served under President Reagan.

"The existing criminal justice system is more than up to the task of prosecuting and bringing to justice those who plan or attempt terrorist acts within the United States — without sacrificing any of the rights and protections that have been the hallmarks of the American legal system for more than 200 years," the attorneys wrote.

The al-Marri matter is before the 4th U.S. Circuit Court of Appeals in Richmond, Va., and is one of three appeals court cases that will help determine the scope of the new military commissions law. That law allows the CIA to use tough — but undefined — interrogation techniques and says detainees may not use civilian courts to challenge their imprisonment.

Human rights groups have challenged the law. The former prosecutors wrote that they worried the government would increasingly use the law to avoid criminal trials "and the rights associated with them, such as the defendant's right to counsel and the government's obligation to prove guilt beyond a reasonable doubt."

The government was standing behind its position, Justice Department spokeswoman Kathleen Blomquist said in a statement Monday night.

"These are complex and difficult legal issues, and while we respect the right of other legal minds to be heard on these issues, we believe we are on firm legal footing in this case as both the magistrate judge and district court concluded," Blomquist said.

Last weekend, Attorney General Alberto Gonzales defended the nation's handling of the detainees. He said they are afforded more rights than required.

"What is extraordinary, in other words, is how much — not how little — our law protects enemy combatants," he said.

Islamic Charity Tries Anew To Lose Label (AP)

By Matt Apuzzo, Associated Press Writer

AP, November 21, 2006

WASHINGTON — A Missouri-based Islamic charity accused of being part of an international terrorist organization tried to distance itself in federal court Monday from a Sudanese group suspected of financing al-Qaida.

The Treasury Department considers the Islamic American Relief Agency, of Columbia, Mo., to be an arm of the Islamic African Relief Agency, a Sudanese group accused of providing financial support to Osama bin Laden, al-Qaida and Hamas.

The FBI raided the charity's office in Missouri and the homes of people affiliated with the group nationwide. Since then, the 20-year-old charity has been unable to raise money.

Attorney Shereef Hadi Akeel told the U.S. Court of Appeals for the District of Columbia Circuit that the charity was not part of the Sudanese group. The organizations have independent leaders and separate bank accounts, he said.

If the two groups were the same, Akeel said, when the Missouri group wanted to move money into Sudan, it would have simply transferred it. Instead, he said the charity sought U.S. permission.

A federal judge rejected the group's lawsuit in 2005, finding enough evidence to support the Treasury Department's decision. The three-judge appeals panel seemed hesitant to reject that finding Monday, asking few questions and noting that it would need to see clear evidence to overturn the agency's decision.

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The Justice Department pointed to the Missouri charity's own tax and corporate documents, which list the charity as a chapter or affiliate of the Sudanese group.

Akeel said that in the world of aid organizations, charities in the U. S. frequently partner with groups in impoverished areas.

The judges heard both public and classified testimony Monday and did not rule on the case.

No Transfer For Guantánamo Detainee (AP)

By Matt Apuzzo

AP, November 21, 2006

WASHINGTON - The U.S. military is not required to send a Guantánamo Bay detainee to a civilian hospital for medical treatment, a federal judge said Monday, leaving the prisoner to choose between having a heart procedure performed at the military base or not at all.

Saifullah A. Paracha, a 59-year-old multimillionaire Pakistani businessman and television producer, argued that the procedure was too risky to be handled anywhere but in a cardiac unit. He asked to be transferred to a hospital in the United States or Pakistan.

The procedure, called cardiac catheterization, is used to detect heart problems such as blockages. A doctor inserts a plastic tube into a vein and slides it into the heart or nearby coronary arteries to measure blood pressure or oxygen levels.

If something goes wrong, Paracha's attorney said, doctors could need to perform emergency heart surgery.

Doctors successfully completed an identical procedure at Guantánamo Bay in 2003, the Justice Department said. Special medical equipment and personnel were available, attorneys said, making transferring Paracha an unnecessary security risk.

JUDGE AGREES

U.S. District Judge Paul L. Friedman agreed, saying the government regularly decides how best to treat civilian prisoners inside the United States and judges rarely intervene.

Paracha twice met with Osama bin Laden, but his attorney said it was in hopes of landing a television interview. Paracha, who lived in the United States for 16 years, denies making investments for al Qaeda, translating statements for bin Laden, joining in explosives-smuggling or recommending that nuclear weapons be used against U.S. soldiers.

Doctors will not perform the procedure without Paracha's consent. Attorney Gaillard Hunt said Paracha, who has a history of heart problems, may decide not to be treated if the procedure is done at the base.

"That's true of any prisoner anywhere," Friedman replied. ``There are lots of people who aren't detainees anywhere who choose not to have procedures done that their doctors believe should be done. If that's his choice, that's his choice."

Friedman said he was troubled by Hunt's claims that military officials shackled Paracha's hands and feet to his hospital bed during previous medical tests and did not release him even to eat.

ATTORNEYS' WARNING

In legal documents, Paracha's attorneys said there would be diplomatic consequences in Pakistan if he died.

"His death in U.S. captivity would be a blow to American prestige in that area, even under the best of circumstances," attorneys wrote. ``If anything happened to him while he was being treated in an irregular or inadequate facility, the reaction would be unpredictable."

Paracha's attorneys can appeal Friedman's ruling.

In July, his son, Uzair Paracha, was convicted of agreeing to help an al Qaeda operative with terrorist designs sneak into the United States. A U.S. District Court judge in New York sentenced the son to 30 years in federal prison.

2nd Man Charged In Terrorism TV Case (NSDY/AP)

By Larry Neumeister, Associated Press Writer

Long Island Newsday, November 21, 2006

NEW YORK -- A man was charged Monday with supporting terrorists by enabling customers to obtain satellite broadcasts of a Hezbollah television station, the second person accused in a case that has drawn scrutiny over how far the government can go in claiming someone is aiding terrorist groups.

Saleh Elahwal, 53, of Matawan, N.J., and Javed Iqbal, 42, of Staten Island, could each face up to 110 years in prison if they are convicted of all 11 counts in a rewritten indictment unsealed Monday in U.S. District Court in Manhattan. They pleaded not guilty.

Lawyers for both declined to comment outside court. Prosecutors said weeks ago they planned to bring additional charges as they as they collect evidence and build a case.

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Iqbal, a Pakistani businessman, was charged in August with helping his customers receive broadcasts of al Manar, which was designated by the U.S. government this year as a global terrorist entity. At the time, the charges against him carried a potential prison term of five years.

Al Manar, launched in 1991, features news programming that promotes Hezbollah's positions and shows statements from the terror group and speeches from its leader, the government has said.

As part of their probe, FBI agents searched two storefronts in Brooklyn where Iqbal worked and at his residence, where multiple satellite dishes helped him distribute the broadcasts to New York-area customers through a Brooklyn company called HDTV Limited, prosecutors said.

The indictment accused the men of carrying out the scheme from September 2005 through August.

Iqbal's representatives criticized the government's case after his August arrest, saying his First Amendment rights were violated.

Prodi Removes Top Intelligence Chiefs (FT)

By Tony Barber

Financial Times, November 21, 2006

Three top intelligence officials were removed on Monday in the most abrupt shake-up of Italy's espionage community since the current structures were established almost 30 years ago.

The government of Romano Prodi removed the chief of the national military intelligence agency, whom prosecutors want to put on trial for involvement in the suspected kidnapping by CIA agents of an Egyptian imam in February 2003.

It also replaced the head of the domestic secret service and the chief of an intelligence co-ordinating committee that reports to the political authorities.

The shake-up signalled the determination of the centre-left prime minister to assert his authority in this most delicate of policy arenas.

Pino Sgobio, a communist parliamentarian and member of Mr Prodi's ruling coalition, said he hoped that the new intelligence chiefs would work in a transparent manner "after the recent dark years of their predecessors".

The most damaging affair concerns Nicolò Pollari, the head of Sismi, the military intelligence service. Prosecutors plan to ask a judge to try him on charges of involvement in the abduction of Osama Mustafa Hassan Nasr in Milan almost four years ago.

The prosecutors allege that the imam, a terror suspect also known as Abu Omar, was kidnapped by a team of CIA agents and sent to Egypt for interrogation under the US administration's programme of "extraordinary rendition".

The prosecutors suspect Mr Pollari co-operated in the CIA operation, of which they say they have extensive proof in the form of transcripts of intercepted telephone calls, photographs and other material.

Mr Pollari denies the allegation and told a parliamentary committee in August he had not authorised any action contrary to Italian law.

At the time of the imam's abduction, Mr Pollari reported to the centre-right government of Silvio Berlusconi, Mr Prodi's predecessor, who was a fervent supporter of the US "war on terror".

Some intelligence experts say it is doubtful that the CIA did not seek at least tacit approval from Mr Berlusconi's government for the operation, but the former premier and his political allies deny prior knowledge of the kidnapping.

In a sign that Mr Prodi wants to keep a close eye on an affair that goes to the heart of US-Italian relations, his office said Mr Pollari had not been sacked but had been assigned an undisclosed "important special post" reporting directly to the premier.

Mr Pollari, 63, was replaced as head of Sismi by Bruno Branciforte, 59, a naval intelligence expert. At Sisde, the domestic secret service, Mario Mori, 67, was replaced by Franco Gabrielli, 46, who is highly regarded for having recently dismantled a Red Brigades terrorist cell.

Since the creation of Italy's democratic political system in the late 1940s, the intelligence services have played a prominent and often bitterly criticised role in battling home-grown terrorism, of the extreme-left and extreme-right varieties.

Various acts of far-right terrorism that took place from the late 1960s to the 1980s were attributed to rogue elements in the secret services, and judicial inquiries into these events were sometimes obstructed by the agencies.

The Curse Of Rendition (FT)

Financial Times, November 21, 2006

The decision yesterday by the government of Romano Prodi, the Italian prime minister, to sack his country's head of military intelligence and two other spy chiefs is yet another reminder of how leading European countries have colluded in the

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shameful and destructive practice of "rendition" - a programme run by the US Central Intelligence Agency to kidnap and transport beyond the reach of the law suspects in the "war on terror".

Prosecutors suspect Nicolò Pollari, head of Italy's Sismi agency, of involvement in the CIA's abduction in Milan of Osama Hassan Mustafa Nasr in February 2003. The radical Egyptian cleric was then flown to Cairo where he claims - credibly, given Egypt's human rights record - to have been tortured.

While there may well be other motives behind Rome's move - allegations that an associate of Mr Pollari attempted to smear Mr Prodi, fears for the safety of Italian troops in Iraq, Afghanistan and Lebanon and a wish to embarrass Silvio Berlusconi, the previous Italian prime minister, are all adduced as possible reasons - this looks like a rare attempt to hold someone to account for "rendition".

The word itself - which ranks with euphemisms such as "friendly fire" or "collateral damage" - is perversely misleading. Behind its bogus legalism lies a practice of lawlessness, captured in chilling detail in a Council of Europe report last June, implicating more than a dozen European countries.

These countries, among them Britain, Germany, Spain, Poland, Sweden and Turkey, stand accused of complicity in kidnapping and the outsourcing of torture to friendly despots, at a network of secret sites for "ghost prisoners" denied legal process.

The unusual detail of the Council of Europe report and newspaper accounts provoked a storm of bluster and obfuscation, masking panic at the leakiness of the intelligence services that provided most of the information and a determination to shoot the messenger rather than heed the message.

The message could not be clearer. It is a capitulation by liberal societies to their enemies, a surrender of the rule of law to jihadi totalitarianism, to sink into such practices - whatever semantic evasions are used to describe them. As the Financial Times has persistently argued: we should not need to make the case against torture. It is morally depraved. It corrodes the society that condones it. It elicits largely worthless information. Full stop.

It is hard to exaggerate the extent to which policies such as "rendition" and the abuses practised at Abu Ghraib and Guantánamo have handed propaganda triumphs to the jihadis - harder still to undo the damage to US and western reputations. A start might be made if those high up the chain of command - such as Donald Rumsfeld, the now defenestrated US defence secretary - were called to account for their actions. Italy may have started this process.

Germany Detained Six In Terror Inquiry (NYT)

By Mark Landler

The New York Times, November 21, 2006

FRANKFURT, Nov. 20 — German authorities, investigating an alleged plot to hide an explosive device aboard a passenger jet here last summer, detained six men on Friday on suspicion of belonging to a terrorist group.

All but one of the men was released the following day, the federal prosecutor in Karlsruhe said on Monday.

But German authorities said they are investigating additional people whom they believe sought to bribe an employee at Frankfurt Airport to place a bomb aboard the plane in luggage.

The plot was in its very early stages, the prosecutor said, and it may have foundered because of a dispute over how much to pay the airport employee. He was operating inside the security zone at the airport, which is Europe's third busiest after Heathrow, serving London, and Charles de Gaulle, serving Paris.

A spokesman for the prosecutor did not disclose the identity or nationalities of the suspects. German news organizations, citing unnamed police officials, reported that the men were from the Middle East, possibly from Jordan. The newspaper, Die Welt, said on its Web site that the target was the Israeli state airline El Al.

Police also raided several houses and apartments on Friday in several towns in west central Germany. The man who remains in custody is being questioned on a separate matter, the prosecutor said.

Germany has been on edge about a terrorist attack since August, when two bombs in suitcases were placed on trains near Cologne but failed to detonate. Police arrested a Lebanese student in Germany, who told them he was angry about cartoons in Danish papers that lampooned the Prophet Mohammed.

Security at European airports has come under heightened scrutiny since August, when police in Britain foiled a plot to carry explosives in liquid form on to airliners bound for the United States.

Last month, citing security risks, French authorities stripped access badges from 72 Muslim workers at Charles de Gaulle Airport north of Paris, because the workers had either traveled to Pakistan or Afghanistan, or were suspected of having ties to extremist Islamic groups.

Robert A. Payne, a spokesman for Fraport, which operates the Frankfurt airport, declined to comment.

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A German expert on terrorism, Rolf Tophoven, said the report of the alleged Frankfurt plot was alarming because it suggested that terrorists were seeking ways around the tight security checks that are now common at major airports.

"This is a new tactical development, because they tried to infiltrate the security infrastructure by hiring a person who had access to the airfield and aircraft," Mr. Tophoven said. "You can protect an airfield with electronic fences and X-rays, but you can't protect against human weakness."

HOMELAND RESPONSE:

Military Documents Hold Tips On Antiwar Activities (NYT)

By Eric Lichtblau And Mark Mazzetti

The New York Times, November 21, 2006

WASHINGTON, Nov. 20 — An antiterrorist database used by the Defense Department in an effort to prevent attacks against military installations included intelligence tips about antiwar planning meetings held at churches, libraries, college campuses and other locations, newly disclosed documents show.

One tip in the database in February 2005, for instance, noted that "a church service for peace" would be held in the New York City area the next month. Another entry noted that antiwar protesters would be holding "nonviolence training" sessions at unidentified churches in Brooklyn and Manhattan.

The Defense Department tightened its procedures earlier this year to ensure that only material related to actual terrorist threats — and not peaceable First Amendment activity — was included in the database.

The head of the office that runs the military database, which is known as Talon, said Monday that material on antiwar protests should not have been collected in the first place.

"I don't want it, we shouldn't have had it, not interested in it," said Daniel J. Baur, the acting director of the counterintelligence field activity unit, which runs the Talon program at the Defense Department. "I don't want to deal with it."

Mr. Baur said that those operating the database had misinterpreted their mandate and that what was intended as an antiterrorist database became, in some respects, a catch-all for leads on possible disruptions and threats against military installations in the United States, including protests against the military presence in Iraq.

"I don't think the policy was as clear as it could have been," he said. Once the problem was discovered, he said, "we fixed it," and more than 180 entries in the database related to war protests were deleted from the system last year. Out of 13,000 entries in the database, many of them uncorroborated leads on possible terrorist threats, several thousand others were also purged because he said they had "no continuing relevance."

Amid public controversy over the database, leads from so-called neighborhood watch programs and other tips about possible threats are down significantly this year, Mr. Baur said. While the system had been tightened, he said he was concerned that the public scrutiny had created "a huge chilling effect" that could lead the military to miss legitimate terrorist threats.

Mr. Baur was responding to the latest batch of documents produced by the military under a Freedom of Information Act request brought by the American Civil Liberties Union and other groups. The A.C.L.U. planned to release the documents publicly on Tuesday, and officials with the group said they would push for Democrats, newly empowered in Congress, to hold formal hearings about the Talon database.

Ben Wizner, a lawyer for the A.C.L.U. in New York, said the new documents suggested that the military's efforts to glean intelligence on protesters went beyond what was previously known. If intelligence officials "are going to be doing investigations or monitoring in a place where people gather to worship or to study, they should have a pretty clear indication that a crime has occurred," Mr. Wizner added.

The leader of one antiwar group mentioned repeatedly in the latest military documents provided to the A.C.L.U. said he was skeptical that the military had ended its collection of material on war protests.

"I don't believe it," said the leader, Michael T. McPhearson, a former Army captain who is the executive director of Veterans for Peace, a group in St. Louis.

Mr. McPhearson said he found the references to his group in the Talon database disappointing but not altogether surprising, and he said the group continued to use public settings and the Internet to plan its protests.

"We don't have anything to hide," he said. "We're not doing anything illegal."

The latest Talon documents showed that the military used a variety of sources to collect intelligence leads on antiwar protests, including an agent in the Department of Homeland Security, Google searches on the Internet and e-mail messages forwarded by apparent informants with ties to protest groups.

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In most cases, entries in the Talon database acknowledged that there was no specific evidence indicating the possibility of terrorism or disruptions at the antiwar events, but they warned of the potential for violence.

One entry on Mr. McPhearson's group from April 2005, for instance, described a protest at New Mexico State University in Las Cruces at which members handed out antimilitary literature and set up hundreds of white crosses to symbolize soldiers killed in Iraq.

"Veterans for Peace is a peaceful organization," the entry said, but added there was potential that future protests "could become violent."

6 Imams Removed From Twin Cities Flight (AP)

By Steve Karnowski, ASSOCIATED PRESS WRITER

AP, November 21, 2006

MINNEAPOLIS -- Six Muslim imams were removed from a US Airways flight at Minneapolis-St. Paul International Airport on Monday and questioned by police for several hours before being released, a leader of the group said.

The six were among passengers who boarded Flight 300, bound for Phoenix, around 6:30 p.m., airport spokesman Pat Hogan said.

A passenger initially raised concerns about the group through a note passed to a flight attendant, according to Andrea Rader, a spokeswoman for US Airways. She said police were called after the captain and airport security workers asked the men to leave the plane and the men refused.

"They took us off the plane, humiliated us in a very disrespectful way," said Omar Shahin, of Phoenix.

The six Muslim scholars were returning from a conference in Minneapolis of the North American Imams Federation, said Shahin, president of the group. Five of them were from the Phoenix-Tempe area, while one was from Bakersfield, Calif., he said.

Three of them stood and said their normal evening prayers together on the plane, as 1.7 billion Muslims around the world do every day, Shahin said. He attributed any concerns by passengers or crew to ignorance about Islam.

"I never felt bad in my life like that," he said. "I never. Six imams. Six leaders in this country. Six scholars in handcuffs. It's terrible."

Ibrahim Hooper, spokesman for the Washington-based Council on American-Islamic Relations, expressed anger at the detentions.

"CAIR will be filing a complaint with relevant authorities in the morning over the treatment of the imams to determine whether the incident was caused by anti-Muslim hysteria by the passengers and/or the airline crew," Hooper said. "Because, unfortunately, this is a growing problem of singling out Muslims or people perceived to be Muslims at airports, and it's one that we've been addressing for some time."

Hooper said the meeting drew about 150 imams from all over the country, and that those attending included U.S. Rep.-elect Keith Ellison, D-Minneapolis, who just became the first Muslim elected to Congress. Shahin said they went as far as notifying police and the FBI about their meeting in advance.

Shahin expressed frustration that - despite extensive efforts by him and other Muslim leaders since even before the Sept. 11, 2001, terrorist attacks - so many Americans know so little about Islam.

"If up to now they don't know about prayers, this is a real problem," he said.

Reached by cell phone just after his release, Shahin said he didn't know where they would spend the night or how they would try to get back to Phoenix on Tuesday. Hooper said US Airways refused to put the men on another flight.

Hogan said more information would likely be released Tuesday.

The other passengers on the flight, which was carrying 141 passengers and five crew members, were re-screened for boarding, Rader said. The plane took off about three hours after the men were removed from the flight.

Learn The Rules Before You Go (USAT)

By Kip Hawley

USA Today, November 21, 2006

At the Transportation Security Administration, our primary mission is to ensure the security of air travel. We use many layers to accomplish this, the most visible layers occurring when passengers go through the security line. TSA and our partners in law enforcement, airlines and airports handle the security work, but we also depend on travelers to be active participants by being prepared when they arrive at the airport.

Passengers can have a huge impact in making the process go smoothly and quickly for everyone. Take a minute to learn the rules before going to the airport (www.TSA.gov). The new liquid rules are simple: Put them in a checked bag, or put travel-

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size items in a baggie and put that in a bin at the checkpoint. 3-1-1 is the rule: containers 3 ounces or less, in a 1-quart zip-top bag, one per passenger.

This process is based on serious science and security reasoning. It assures that a completed bomb is not brought through. Liquids (and everything else) sold after the checkpoint have a separate security system that allows them to be brought on planes safely.

Please respect the job our security officers are doing on your behalf. They use their training and experience to sort out threats among the busy flow of travelers. It is a demanding job and requires intense focus while working pleasantly with the public. The checkpoint is not the place to debate the merits of various security measures.

The discretion carried out by our 43,000 Transportation Security Officers may mean that passengers might occasionally encounter slightly varying decisions at security checkpoints. Our goal is common sense security. To avoid absurd situations resulting from a mechanical enforcement of the rules, TSA entrusts its security officers to make decisions based on their training and judgment.

TSA and travelers partner every day to make the security process efficient. During the holiday period, we ask for a little extra preparation and patience as our security officers focus their efforts on protecting you.

Kip Hawley is the administrator of the Transportation Security Administration.

Fliers Aren't Giving Thanks For Fickle TSA Rules, Screeners (USAT)

USA Today, November 21, 2006

Thousands of infrequent fliers will take to the skies this Thanksgiving week, giving the government's latest rules for what can be carried on board an unparalleled stress test. A word of warning: Be prepared.

Since a plot to bomb jetliners with liquid explosives was broken up in London last August, flying has proved a little less convenient and a lot more confusing.

Initially, liquids and gels in carry-ons were banned. With passengers carrying less, they got through inspections and boarding quicker, but plenty complained about being left without toothpaste, cosmetics and such.

So in September, the Transportation Security Administration relaxed the rules, allowing fliers to carry on 3-ounce containers of toiletries, liquids and cosmetics in a 1-quart plastic bag. That made travel more convenient but also more confusing. The rules are so complicated that they aren't applied consistently.

Some curious results have followed.

Last Wednesday, according to dotcom executive Sandra Jerez, screeners at New York's LaGuardia Airport confiscated two 3-ounce bottles of breast milk she wanted to carry on board. She had pumped the milk while on a business trip to take home to her 5-month-old son.

The New York screeners were wrong. As long as the milk was in the right size bottles, it should have been allowed.

Also wrong was the advice Jerez received earlier in the day from screeners at Washington's Reagan National. They said the answer would depend on the screeners' discretion.

“The rules should be the rules,” Jerez said. “Shouldn't they?”

Absolutely. Fliers can live with restrictions, but only if they can understand what the restrictions are.

Also this month, computer instructor Gene Henriksen was told that he couldn't carry on 2-ounce unmarked bottles of toiletries at airports in Newport News, Va., and Atlanta because the bottles weren't labeled. That's incorrect.

When Henriksen called the TSA's helpline, he was told it was “up to the local agent.”

Wrong, again.

While TSA screeners must make judgment calls — and fliers must comply — screeners should be reading from the same playbook, and that playbook needs to be simple enough that it's easily understood.

It isn't. It's also a moving target. Earlier this month, when the European Union issued carry-on rules quite similar — but not identical — to U.S. rules, several airlines published the “updated” rules on their websites, saying passengers could bring 100 milliliters or 3.4 ounces of liquids on board. According to a Northwest Airlines spokesman, the airline was simply following up on a TSA security directive.

The slight change muddied the issue for no good reason. Screeners are eyeballing the containers, not measuring them; 100 milliliters is merely a common size in Europe.

The TSA is now asking airlines to simplify their message, using 3 ounces. Good move. But whether everyone is ready for the busiest travel weekend of the year is very much in doubt.

Passengers and screeners alike will have to give a little. That bottle of mouthwash isn't really worth arguing about, is it? Given the hassle, is it even worth carrying on board?

More than anything, flying this week requires 3 ounces (or 100 milliliters, if you like) of common sense.

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A Pointed Reminder For Security Screeners (WP)

By Michelle Boorstein

The Washington Post, November 21, 2006

Feel frustrated when a jangling bracelet or pocket full of coins sets off security screeners as you make your way into a government building? Consider the Sikhs, whose religion requires them to always wear a dagger.

The centuries-old requirement has collided with beefed-up, post-Sept. 11 rules that no longer allow people to leave legal weapons and other banned items with security guards working in such buildings as courthouses and federal offices. In two dozen cases in the past two years, Sikhs have been arrested, threatened with arrest or harassed in disputes with guards over the ceremonial kirpan, according to the Sikh American Legal Defense and Education Fund.

In an effort to bridge the culture-security gap, the Homeland Security Department and the Sikh legal group yesterday unveiled a poster meant to help screeners through these interactions. The poster, which will be distributed to federal facilities across the country, shows photos of different kirpans, ranging from a symbolic necklace some women wear to the more common three- to six-inch daggers, as well as full-on swords. Sikhs often wear them under their clothing, bound to them by a cloth body holster.

The kirpan, one of five items baptized Sikhs are required to wear, is meant as a reminder of the duty to uphold justice. The others are reminders of other things: the kesh, or Sikhs' uncut hair, to live as God created you; kanga, a wooden comb, to remain neat; kara, a bracelet, to do good deeds; and kachera, or large underwear, to remain chaste and faithful sexually.

"These articles are a constant reminder to me of what my duties are," said Manjit Singh, co-founder and chairman of the legal fund.

Although Sikhs still can't take the wooden- or steel-handled knives -- which sometimes have blunted tips -- into government buildings, the poster tells security workers how to navigate the situation.

"Respectfully ask if a Sikh is carrying a kirpan. If so, request to inspect the kirpan," the poster reads. "If a kirpan must be confiscated, explain the reason(s) why and handle the kirpan with respect and care."

Sikhs are accustomed to packing their kirpan in their luggage when they fly. They also went through a similar education campaign after Sept. 11 about the turbans Sikh men are required to wear. Turbans are often made of 20 feet of fabric, and taking them off and putting them on are elaborate processes.

"For Sikh Americans, this is a huge and significant accomplishment," Singh said of the poster, which tells screeners to "show respect to all variations of faith."

Chemical Weapons' Disposal Delayed (USAT)

By Peter Eisler

USA Today, November 21, 2006

WASHINGTON — The Pentagon has extended its timeline to destroy its aging chemical weapons arsenal until 2023, despite concerns by Congress and watchdog groups that the stockpiles raise the risk of an accident or theft by terrorists.

The new schedule, outlined in Pentagon documents obtained by USA TODAY, means the military won't eliminate its stocks of deadly nerve gases and skin-blistering agents until 11 years after the 2012 deadline set by the international Chemical Weapons Convention. The U.S. government had already asked for a five-year extension from an earlier 2007 deadline.

Communities near the seven sites where weapons are stockpiled have long complained about the delays. Congress echoed those concerns this year, when it called eliminating the stockpiles “a homeland security imperative” and directed the Pentagon in a defense bill to “make every effort” to destroy them by the convention deadline or “soon thereafter.”

Pentagon spokesman Chris Isleib said the delay is the result of several factors, including technological challenges in developing and building disposal plants, regulatory delays, and safety and security issues. Even so, he said the military remains committed to the job and that the war in Iraq has not drained money from the effort.

“Destroying these weapons safely is not a fast or simple process,” Isleib said.

Disposal facilities, mostly incinerators, are operating at five sites. The new Pentagon plan, however, would slow construction and operating schedules for two remaining plants near Pueblo, Colo., and Richmond, Ky. Those plants, which will neutralize chemical agents instead of burning them, won't finish that work until 2020 and 2023, respectively, the plan shows.

The Pentagon “is again backsliding on its commitment,” Sen. Mitch McConnell, R-Ky., said in a statement.

The projections “are simply unacceptable,” he said. “They would subject the people living near (stockpiles) to the dangers of chemical weapons until well into the 2020s.”

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The military has destroyed 41% of its 31,500-ton chemical arsenal, which includes weapons such as rockets and caches of raw chemical agents. A Pentagon report in April showed that projected costs for destroying all stockpiles have climbed from $2 billion in 1986 to $32 billion today.

Critics say the plan to slow spending and stretch construction at the remaining disposal plants will raise costs and create needless risks of an accidental chemical release or terrorist attack.

"To intentionally put tens of thousands of Americans at an unnecessary risk by continuing to store these weapons is reprehensible," said Craig Williams of the Chemical Weapons Working Group, a Kentucky-based coalition of citizen groups from stockpile sites. "Not only are they ignoring our international treaty obligations, they are undermining the military's … obligation to protect U.S. citizens."

WAR NEWS:

Bush Denies Decision On Altering Iraq Troop Levels (FT)

By Demetri Sevastopulo In Washington

Financial Times, November 21, 2006

George W. Bush said he had made no decisions on altering troop numbers in Iraq on Monday following reports that the Pentagon was considering a temporary boost to curb sectarian violence in Baghdad.

The Washington Post reported on Monday that a Pentagon team reviewing Iraq policy was considering several options, including a temporary troop increase to accelerate the training of Iraq forces and curb sectarian bloodshed.

"I haven't made any decisions about troop increases or troop decreases,'' Mr Bush said in Indonesia.

In addition to the Pentagon policy "scrub" – which is being overseen by the uniformed military – the White House has ordered a review to consider new policies to address the Iraq chaos, which has claimed the lives of 2,855 US soldiers and tens of thousands of Iraqi civilians.

The Iraq Study Group, a Congress-mandated review led by James Baker, former secretary of state, and Lee Hamilton, former Democratic congressman, is next month expected to produce its recommendations for a policy shift on Iraq. In addition to recommending a boost in support for training Iraqi troops, its report is expected to call for the White House to talk to Iran and Syria – which the Pentagon has accused of fomenting parts of the insurgency – about finding ways to stabilise Iraq.

While the Pentagon is still completing its review, General John Abizaid, the top US commander in the Middle East, last week told Congress he believed the US had the correct number of troops in Iraq. His comments drew criticism from John McCain, widely seen as Republican frontrunner for the 2008 presidential race, who said he was disappointed that the military was pursuing a course of "status quo".

In the wake of their US mid-term election victory, Democrats have argued that the US public voted for change in Iraq, which they say should equate to troop withdrawals, a move that Gen Abizaid last week said would exacerbate sectarian violence in Iraq. Some influential Republicans such as Mr McCain and Lindsey Graham, the South Carolina senator, want the White House to increase troops in Iraq.

Over the past couple of weeks, however, Mr McCain has hinted that he may support withdrawing from Iraq if the White House does not boost troops to a level he believes necessary to achieve success in Iraq. He has said it would be "immoral" to send troops back to Iraq if US policy is simply going to result in delaying defeat.

Bush Weighs Next Step On Troops In Iraq (AP-Y)

By Terence Hunt

AP, November 21, 2006

President Bush said Monday he isn't ready to decide between rival calls to increase or scale back U.S. troops in Iraq. Unruffled by street protests against his policy, he said they were a healthy sign of democracy in this Muslim nation.

Facing growing disapproval at home for the Iraq war, Bush heard no criticism or demands for troop cuts from Indonesian President Susilo Bambang Yudhoyono. The Indonesian leader said the "global community must be also responsible in solving the problems in Iraq" along with the United States.

Awaiting the results of a Pentagon review and recommendations from a special commission exploring Iraq options, Bush refused to tip his hand about any change in the level of American forces in Iraq, now at more than 140,000.

Back in the U.S., the Republican chairman of the House Armed Services Committee said more Iraqi troops should be pushed to the front lines. "We need to saddle those up and deploy them to the fight," primarily in Baghdad, said Rep. Duncan Hunter of California.

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Prominent Democrats have called for a timetable for troop withdrawals. Some Republicans — notably potential Republican presidential candidate John McCain — are urging a heavy buildup of forces to quell the violence in Baghdad.

"I haven't made any decisions about troop increases or troop decreases, and won't until I hear from a variety of sources," Bush said, standing alongside Yudhoyono at a news conference in the presidential palace.

Asked specifically whether there were any risks in increasing U.S. troops, Bush said, "There's no need to comment on something that may not happen. But if it were to happen, I will tell you the upsides and downside."

A study of options is under way by a Pentagon group for Gen. Peter Pace, the chairman of the Joint Chiefs of Staff. Those options include sending more U.S. troops, reducing the force but staying longer or simply pulling out, The Washington Post reported Monday.

Indonesia was the last foreign stop on Bush's eight-day, postelection journey that also has taken him to Singapore and Vietnam. He met in Hanoi with world leaders to seek a common strategy for talks aimed at encouraging North Korea to abandon its nuclear weapons program.

Concerns for Bush's safety in Indonesia were heightened after police warned of an increased risk of attack by al-Qaida-linked militants. Bush is widely disliked in this country because of strong U.S. support for Israel and because of the invasions of Iraq and Afghanistan.

Demonstrations by Islamic hard-liners, students, housewives and taxi drivers have been staged every day this month and nearly 10,000 protesters turned out on Monday, some holding banners that read "Bush is a terrorist!" and "You're not welcome here!"

Bush was unruffled. "People protest, that's a good sign," he said. "It's a sign of a healthy society."

Countering arguments about his goals in the Middle East, Bush said that "to say spreading democracy is anti-religious — it's the opposite of that. Democracy means you can worship any way you choose, freely."

Yudhoyono said any long-term solution in Iraq should involve a national reconciliation, the strengthening of Iraq's government and the involvement of other countries. "We have to combine all those three solutions before actually the United States can determine what the possible policies" should be for withdrawal from Iraq, he said.

Bush's visit was limited to about six hours in the hill town of Bogor, south of Jakarta. Thousands of police and rifle-carrying soldiers patrolled the streets near the presidential palace.

Before an elegant dinner, Bush and his wife, Laura, stopped by a mock classroom in a tent on the palace grounds to showcase U.S. aid for Indonesia's education programs. Chatting with youngsters, Bush was asked about his favorite hobby as a child.

"Baseball. I liked baseball. That was my hobby — sports," he said, before reaching for a more inspirational answer. "The best thing I did was to learn how to read."

Bush returns home to a growing debate about the war, now in its fourth year and with a U.S. death toll of more than 2,860. McCain has called for sending in 20,000 more U.S. troops to curb rising sectarian violence. Bush noted that Pace, the Joint Chiefs chairman, was at work on a thorough review of options for Iraq.

According to senior officials on Pace's staff, the general has asked the group to look at what is going right or wrong in the military conduct of the entire global war on terror and what options are available to make progress.

Indonesia has suffered a string of terrorist attacks against Western interests since 2002, including nightclub and restaurant bombings on the resort island of Bali and blasts at the Australian Embassy and the J.W. Marriott Hotel in the capital.

More than 240 people were killed, many of them tourists, by the attacks blamed on the Southeast Asian terror network Jemaah Islamiyah. While the group has been crippled by hundreds of arrests in recent years, one of its alleged leaders and most deadly operatives, Noordin Top, remains at large.

Bush arrived in Bogor by helicopter in a slashing rain and was driven to the palace in a limousine that bore no U.S. flag. Rather than spend the night, Bush was left for Hawaii where he will have breakfast Tuesday with U.S. troops and visit the U.S. Pacific Command. He will be in Washington on Wednesday for the annual appearance with a Thanksgiving turkey before retiring to the presidential retreat at Camp David for the holiday.

Pentagon May Suggest Short-Term Buildup Leading To Iraq Exit (WP)

By Thomas E. Ricks, Washington Post Staff Writer

The Washington Post, November 21, 2006

The Pentagon's closely guarded review of how to improve the situation in Iraq has outlined three basic options: Send in more troops, shrink the force but stay longer, or pull out, according to senior defense officials.

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Insiders have dubbed the options "Go Big," "Go Long" and "Go Home." The group conducting the review is likely to recommend a combination of a small, short-term increase in U.S. troops and a long-term commitment to stepped-up training and advising of Iraqi forces, the officials said.

The military's study, commissioned by Joint Chiefs of Staff Chairman Gen. Peter Pace, comes at a time when escalating violence is causing Iraq policy to be reconsidered by both the White House and the congressionally chartered, bipartisan Iraq Study Group. Pace's effort will feed into the White House review, but military officials have made it clear they are operating independently.

The Pentagon group's proceedings are so secret that officials asked to help it have not even been told its title or mandate. But in recent days the circle of those with knowledge of its deliberations has widened beyond a narrow group working for the Joint Chiefs of Staff.

"Go Big," the first option, originally contemplated a large increase in U.S. troops in Iraq to try to break the cycle of sectarian and insurgent violence. A classic counterinsurgency campaign, though, would require several hundred thousand additional U.S. and Iraqi soldiers as well as heavily armed Iraqi police. That option has been all but rejected by the study group, which concluded that there are not enough troops in the U.S. military and not enough effective Iraqi forces, said sources who have been informally briefed on the review.

The sources insisted on anonymity because no one at the Pentagon has been permitted to discuss the review with outsiders. The review group is led by three high-profile colonels -- H.R. McMaster and Peter Mansoor of the Army, and Thomas C. Greenwood of the Marine Corps. None of them would comment for this article.

Spokesmen for the chairman and vice chairman of the Joint Chiefs did not respond to calls or e-mails seeking comment.

"Go Home," the third option, calls for a swift withdrawal of U.S. troops. It was rejected by the Pentagon group as likely to push Iraq directly into a full-blown and bloody civil war.

The group has devised a hybrid plan that combines part of the first option with the second one -- "Go Long" -- and calls for cutting the U.S. combat presence in favor of a long-term expansion of the training and advisory efforts. Under this mixture of options, which is gaining favor inside the military, the U.S. presence in Iraq, currently about 140,000 troops, would be boosted by 20,000 to 30,000 for a short period, the officials said.

The purpose of the temporary but notable increase, they said, would be twofold: To do as much as possible to curtail sectarian violence, and also to signal to the Iraqi government and public that the shift to a "Go Long" option that aims to eventually cut the U.S. presence is not a disguised form of withdrawal.

Even so, there is concern that such a radical shift in the U.S. posture in Iraq could further damage the standing of its government, which U.S. officials worry is already shaky. Under the hybrid plan, the short increase in U.S. troop levels would be followed by a long-term plan to radically cut the presence, perhaps to 60,000 troops.

That combination plan, which one defense official called "Go Big but Short While Transitioning to Go Long," could backfire if Iraqis suspect it is really a way for the United States to moonwalk out of Iraq -- that is, to imitate singer Michael Jackson's trademark move of appearing to move forward while actually sliding backward. "If we commit to that concept, we have to accept upfront that it might result in the opposite of what we want," the official said.

The Pentagon official said this short-term boost could be achieved through three steps: extending the tours of duty of some units already in Iraq, sending other units there earlier than planned and activating some Army Reserve units.

The group concluded that such a step might be necessary because it is concerned that the continuing violence is undercutting the Iraqi government's credibility. "Folks increasingly realize that if violence can't be contained, the spiral downward will continue, the national government will lose the effectiveness it has . . . . and then all bets will be off," the official said.

Also, it would take months to prepare and implement the expansion of the program to train and advise Iraqi forces, he noted. The military would have to find those additional advisers, prepare them for the deployment, get infrastructure in place to house and feed them, order and ship equipment for them to use, and recruit additional Iraqis for them to train.

"The 'Go Long' approach is one that can work if there is sufficient strategic patience, resources appropriated and [if] leadership executes effectively," a military intelligence official said.

Another potential obstacle to the "Go Long" option is that it runs counter to the impulse of many congressional Democrats to find a way to get out of Iraq quickly. Planners envision taking five to 10 more years to create a stable and competent Iraqi army. Because it wouldn't lead to a swift exit, some Democrats could criticize this option as a disguised version of "staying the course."

On the other hand, the hybrid version of "Go Long" may be remarkably close to the recommendation that the Iraq Study Group, led by former secretary of state James A. Baker III and former representative Lee H. Hamilton (D-Ind.). That group's findings, expected to be issued next month, are said to focus on changing the emphasis of U.S. military operations from

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combating the insurgency to training Iraqis, and also to find ways to increase security in Baghdad and bring neighboring countries into talks about stabilizing Iraq.

The Pentagon group has given a thumbs-down to what it considered variants of withdrawal, such as pulling U.S. units out of the cities and keeping them in isolated enclaves, where they would not interact with the Iraqi population but would be available to combat major insurgent offensives and also to protect the government against coups.

Army Gen. John P. Abizaid, the top U.S. military commander for the Middle East, expressed a similar view last week when he told the Senate Armed Services Committee that he thinks that immediate troop withdrawals would increase the violence in Iraq.

U.S. Considers Large, Temporary Troop Increase In Iraq (NYT)

By David S. Cloud

The New York Times, November 21, 2006

WASHINGTON, Nov. 20 — Pentagon officials conducting a review of Iraq strategy are considering a substantial but temporary increase in American troop levels and the addition of several thousand more trainers to work with Iraqi forces, a senior Defense Department official said Monday.

The idea, dubbed the "surge option" by some officials, would involve increasing American forces by 20,000 troops or more for several months in the hope of improving security, especially in Baghdad. That would mark a sharp rise over the current baseline of 144,000 troops.

But some officials and senior military officers are arguing against the idea, saying that it could undercut a sense of urgency for Iraqi units to take on a greater role in fighting the insurgency and preventing sectarian attacks. Gen. John P. Abizaid, the head of the United States Central Command, told Congress last week that the military was stretched so thin that such an increase could not be sustained over the long term.

"There are people who believe that a short-term surge would have a beneficial impact, but there isn't universal agreement on that yet," said the senior official, who said that President Bush was scheduled to be briefed in the next several weeks on the developing options, which were first reported Monday in The Washington Post.

There is far more consensus within the Pentagon on the need to increase the number of American trainers, more than 3,000 of whom are working with Iraqi Army, police and border units. General Abizaid endorsed that idea in general terms in testimony before the Senate Armed Services Committee last week.

A Pentagon strategy review, ordered by Gen. Peter Pace, the chairman of the Joint Chiefs of Staff, is backing the idea, as is a separate panel studying Iraq options, led by former Secretary of State James A. Baker III, the senior official said.

The number of American advisers, who generally work in 11- to 13-member teams attached to Iraqi units, is likely to end up being doubled, the officials said.

To do that, officials are considering whether they could convert American soldiers in combat units already in Iraq into advisers, working alongside Iraqi security forces, the senior official said. That would reduce the number of Americans exclusively available for combat, but it would enable the advisers' ranks to be increased rapidly, instead of the months it would take to train additional advisers in the United States.

In addition, placing more experienced troops with Iraqi soldiers would augment the Iraqi units' combat power, the official said.

The Pentagon review is being conducted by more than a dozen officers who have served in Iraq and are regarded as some of the military's most experienced thinkers about the problems there. The group appears to have rejected other more radical options, including a rapid withdrawal of American troops from Iraq and a major long-term increase in troop levels, the senior official said.

Some Pentagon officials took issue Monday with the idea that the relatively low-ranking group composed largely of colonels would be drafting options for switching course in Iraq. A Pentagon spokesman, Bryan Whitman, said the group was not charged with developing formal recommendations but rather with giving its views to other members of the Joint Staff.

His comments appeared aimed, at least in part, at reasserting in public the role of the Joint Chiefs, who have been criticized by retired military officers for deferring too much in developing Iraq strategy to Defense Secretary Donald H. Rumsfeld, who has announced his resignation.

"They're not working on any specific product or report," Mr. Whitman said of the group. "They're providing unfettered views and fresh views." He added that recommendations for shifting strategy would be made by General Pace, "whose job is to advise the president."

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The senior Pentagon official said that increasing the number of American combat troops for an indefinite period "is not on the table." Nor is there active discussion of a rapid troop drawdown advocated by some Democrats, the official said, an approach the official called "turning off the lights and going home."

Though a temporary increase of about 20,000 American troops is under consideration, the plan envisions the additional troops staying only until security conditions improve. After that, troop levels could come down, as better-trained and equipped Iraqi units took on a larger security role.

But even that option would not be easy to accomplish without putting more strain on already-strapped Army and Marine combat units. Officials said it could be done by extending the tours of some units already in Iraq, speeding up the deployment of other units scheduled to go, and activating more reserve units.

"The fact of the matter is that the United States military does have the ability to put more troops on the ground if we need to have more forces on the ground," Mr. Whitman said.

Temporary spikes in troop levels have succeeded in tamping down insurgent violence in Iraq in the past. But several Pentagon officials say they are not sure that the Army can achieve the same results against attacks fueled increasingly by sectarian tension. An increase in American forces this year to more than 140,000 from 128,000 has failed to stem the spike in sectarian attacks, they noted.

Representative Duncan Hunter, a California Republican who is losing the chairmanship of the Armed Services Committee at the end of the year, said at a news conference that rather than sending more American troops, he favored redeploying Iraqi units from largely calm areas to Baghdad and other violence-ridden sections of the country.

"The idea of having the Iraqi battalions that we've stood up and trained 50 to 100 miles away, in areas that are peaceful, simply staying in their barracks while we put together new rotations of Americans to take their place, simply doesn't make sense," he said.

Bush Says No Decision Yet On Troop Levels In Iraq (WP)

By Michael A. Fletcher

The Washington Post, November 21, 2006

BOGOR, Indonesia, Nov. 20 -- President Bush said Monday that he had made no decisions about altering the number of U.S. troops in Iraq, noting that there are "a lot of suggestions" still being evaluated.

"I haven't made any decisions about troop increases or troop decreases, and won't until I hear from a variety of sources, including our own United States military," Bush said. "They will be bringing forth the suggestions and recommendations to me here as quickly as possible."

Bush made his remarks during a news conference here following a meeting with Indonesian President Susilo Bambang Yudhoyono, near the end of an Asian trip that included a stop at the Asia-Pacific Economic Cooperation forum in Vietnam.

While Bush would not comment on whether he should adjust troop levels, Yudhoyono said the United States should consider disengaging from Iraq, but only in conjunction with increased international cooperation to stabilize and rebuild the country.

"The global community must be also responsible in solving the problem in Iraq," Yudhoyono said. "It is not only the responsibility . . . of the United States."

Several reviews of U.S. options in Iraq are expected to begin recommending changes in the Bush administration's policy -- a process likely to be encouraged by Democrats who won control of the House and Senate in elections this month.

One review, being conducted by the Pentagon, has laid out three basic options: a quick withdrawal, a significant increase in the number of U.S. troops, and an intermediate option that would require an increase in troops, if only for the short term.

Even with the endorsement of a Pentagon panel, or that of the bipartisan Iraq Study Group, headed by former secretary of state James A. Baker III and former representative Lee H. Hamilton (D-Ind.), any increase in troops would be controversial, particularly because Democrats in recent months campaigned on the need for a plan to decrease U.S. exposure in the country.

Bush's visit to the world's most populous Muslim nation brought him in close proximity to the anti-American anger that has intensified across the Islamic world since the 2003 U.S. invasion of Iraq. In the days before his arrival, several thousand demonstrators took to the streets in nearby Jakarta to protest Bush's visit, as well as U.S. foreign policy. Other protests were held in cities across the country.

There were reports of threats against the president's party, and security was tight for his arrival. Bush shrugged off the protests, saying: "I applaud a society where people are free to come and express their opinions."

The president did not see any of the protests. After his arrival at the airport in Jakarta, he flew by helicopter to meet with the Indonesian president, even as thunderstorms pounded the area.

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Bush's entire 6 1/2-hour visit to this country, the world's fourth-largest, was confined to the gated and heavily guarded Bogor Palace, an elegant 19th-century compound used for presidential events.

While Bush may be unpopular among many Indonesians, his administration has promoted increasingly close relations with the government here. After Congress suspended military assistance programs with Indonesia in 1992 and again in 1999 in response to human rights violations in East Timor, the programs were restored last year.

Meanwhile, the two nations have cooperated closely on anti-terrorism efforts. Indonesia has been the scene of deadly terrorist assaults, including bombings in Bali in 2002 and 2005 and two others in Jakarta in 2003 and 2004. The United States was also among the first nations to respond following the devastating 2004 tsunami that killed tens of thousands in Indonesia, and it is helping develop an early-warning system for the massive waves.

Before arriving here, Bush spent half a day in Ho Chi Minh City, where his focus remained on the new Vietnam. Rather than taking in any of the sites associated with the Vietnam War, the president visited a research institute working to prevent the spread of avian flu and AIDS. Bush also toured the stock market there, before meeting with business people -- some of whom returned to Vietnam after living in the United States.

"I am amazed at the size of the growth and the fact that there are people beginning to realize dreams," Bush said, praising the nation's recent strong economic development.

When the president arrived in Ho Chi Minh City from Hanoi on Sunday night, Air Force One suffered a brake malfunction upon touchdown, causing a safety system to blow the valves out of six of the plane's tires. While the mishap posed no danger to the president, it almost caused him to use a smaller backup plane for his trip here.

But Air Force mechanics were able to make repairs in time for the president's flight. After his news conference, Bush and first lady Laura Bush were the guests at a dinner, the final official event of Bush's trip to Southeast Asia. Afterward, the president departed for Honolulu, where he was to have breakfast with troops Tuesday and receive a briefing from military commanders before returning to Washington.

In Indonesia, Bush Defends His Iraq Policy (MCT)

By Ron Hutcheson

McClatchy Newspapers, November 21, 2006

BOGOR, Indonesia - With President Bush beside him, the president of the world's most populous Muslim nation called Monday for other countries to help stabilize Iraq and for developing a timetable for withdrawal of U.S. troops.

At a joint news conference, Indonesian President Susilo Bambang Yudhoyono didn't specify which countries should be brought in to help, but he emphasized that "the global community must be also responsible in solving the problems in Iraq."

While he mentioned that the U.S. should work toward "a proper timetable" for "the disengagement of U.S. military forces and other coalition forces from Iraq," he implicitly rejected calls for an abrupt pullout, and Bush said Yudhoyono hadn't urged him to do that.

Bush defended his Iraq policy and didn't rule out sending more U.S. troops to join the approximately 140,000 currently in Iraq.

"I haven't made any decisions about troop increases or troop decreases and won't until I hear from a variety of sources, including our own United States military," he said. He said he hopes to get recommendations from the Pentagon "as quickly as possible."

Of the three obvious options - sending significantly more U.S. troops to Iraq, staying the course or withdrawing immediately - only one has much support, however. The U.S. doesn't have enough troops to increase its presence significantly, and there's wide agreement that a hasty retreat would only leave a bigger mess. So support is coalescing around alterations to the current strategy, perhaps adding 20,000 to 50,000 more troops for a limited time, then beginning a drawdown.

Bush's visit to Indonesia on the final leg of a six-day Asia tour sparked days of protests that continued as he met with Yudhoyono behind the heavily guarded gates of a presidential palace. Bush said he wasn't bothered by protests against him.

"It's to Indonesia's credit that it's a society where people are able to protest and say what they think," Bush said. "It's not the first time, by the way, where people have showed up and expressed their opinion about my policies. But that's what happens when you make hard decisions."

Helmeted police stood shoulder to shoulder to block off streets near the meeting site in Bogor, about 45 miles south of Jakarta. Nearby businesses were forced to close for the day.

The protesters didn't get near the sprawling country estate, and Bush avoided any encounters by traveling by helicopter from the Jakarta airport. The chopper landed at the colonial-era palace in a driving rainstorm, punctuated by at least one lightning strike.

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Both leaders seemed eager to avoid any friction during the seven-hour visit, which was intended to strengthen relations and showcase Indonesia as a model Muslim democracy.

Bush came to Indonesia after wrapping up a weekend trip to Vietnam with a trip to the Ho Chi Minh City stock market, a museum tour and a briefing on efforts to combat AIDS and avian flu. Bush banged a gong to open a trading session at the fledgling stock market.

The market offers investors fewer than 60 stocks and mutual funds, but its mere existence symbolizes the economic changes that are transforming communist Vietnam.

After a quick tour of a history museum, Bush and his wife, Laura, stood in the steaming heat and watched a colorful performance by Vietnamese drummers and dancers. Four shimmering dragons, each propelled by two young boys beneath elaborate sequined costumes, snaked through a flag-waving drill team.

Earlier in the day, White House aides scrambled to come up with alternative travel arrangements after Air Force One suffered six flat tires upon Bush's arrival. A malfunction in the aircraft's braking system overheated the tires, causing their valves to blow out.

The safety feature is intended to prevent a more dangerous tire blowout. Air Force mechanics fixed the problem in time for Bush's departure. The president was scheduled to layover in Hawaii Monday night before returning to Washington on Tuesday.

Bush Says He's Still Weighing New Moves In Iraq (WSJ)

By Yochi J. Dreazen

The Wall Street Journal, November 21, 2006

BOGOR, Indonesia -- President Bush, facing mounting calls to change course in Iraq, said he is still considering sending more American troops to try to quell the violence there.

Speaking to reporters here, Mr. Bush made clear he also is considering withdrawing some troops and said he wouldn't make final decisions until he received recommendations from U.S. military commanders and other government officials currently conducting sweeping reviews of U.S. policy on Iraq.

Mr. Bush specifically cited the work being done by Gen. Peter Pace, chairman of the Joint Chiefs of Staff, who is making a thorough review of options for Iraq.

"I haven't made any decisions about troop increases or troop decreases, and won't until I hear from a variety of sources, including our own United States military," Mr. Bush said.

The top general in the region told Congress last week that more troops might be necessary in the near term to boost training of the Iraqi military and police. Mr. Bush has often said he would send additional U.S. troops to Iraq if senior commanders there requested them, but his comments yesterday took on additional political significance because of the raging debate in Washington about whether to begin leaving Iraq.

Many leaders of the new Democratic majorities in the House and Senate have coalesced around a proposal for a "phased withdrawal" from Iraq that would begin early next year. Arizona Republican Sen. John McCain has been urging the White House to go in the other direction by significantly ramping up the U.S. military presence in Iraq. Mr. McCain argues that deploying thousands of additional American troops there could help pacify Baghdad and curb the country's sectarian violence.

Mr. Bush made the comments following a series of meetings here with Indonesian President Susilo Bambang Yudhoyono, the leader of the world's most populous Muslim country. The visit took place under extraordinarily tight security because of concerns that home-grown Islamic militants would try to strike Mr. Bush. Thousands of protesters took to the streets to register their opposition to Mr. Bush's visit.

Mr. Yudhoyono declined to call for a U.S. withdrawal or criticize the broader American-led nation-building effort there. Instead, the Indonesian leader appeared to endorse many aspects of the Bush administration's current strategy for Iraq. White House officials were pleasantly surprised by Mr. Yudhoyono's moderate tone, as the war is so unpopular in Indonesia.

In his own comments, Mr. Yudhoyono stressed the importance of bolstering Iraq's national government, finding a way of reconciling the country's feuding sectarian groups and enlisting the international community to rebuild the country when the fighting eventually stops -- though he didn't offer any assistance from Indonesia.

The two leaders' comments about Iraq underscored the agonizing questions facing policy makers. Mounting public fury in the U.S. over Mr. Bush's handling of the invasion and subsequent occupation cost Republicans their control of Congress this month, and even Mr. Bush's closest political allies say he needs to chart a new course on Iraq if he hopes to salvage the remaining two years of his presidency.

Both supporters and opponents of the war agree there are few easy -- or bloodless -- ways of winding down the troubled U.S. effort.

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Leading Democrats have rallied around a proposal from Michigan Sen. Carl Levin that calls for beginning troop withdrawal within four to six months. A rising number of Republicans also have begun arguing U.S. forces should start returning home next year.

The comments from Mr. McCain have garnered wide attention, shifting the terms of the debate away from a focus on a troop drawdown to the far more complex question of whether and how to add forces.

The debate will come to a head in coming weeks when the Iraq Study Group, a bipartisan team led by former Secretary of State James Baker and former Rep. Lee Hamilton, makes its prescriptions for resolving the situation in Iraq.

Bush Pressured To Come Up With New Iraq Strategy (USAT)

By Matt Kelley And Barbara Slavin

USA Today, November 21, 2006

WASHINGTON — Increased pressure from Congress and high level studies commissioned by the Pentagon and the White House are prodding President Bush to significantly change strategy in Iraq for the first time since the war began in March 2003.

A new Democratic majority in Congress, the imminent departure of Defense Secretary Donald Rumsfeld and a recent flurry of high-level studies have made conditions ripe for change.

The Pentagon, State Department and White House are exploring options for changing course in Iraq. The Iraq Study Group, led by former secretary of State James Baker and former Indiana congressman Lee Hamilton, is preparing to present its recommendations next month.

Bush said he is still weighing options. “I haven't made any decisions about troop increases or troop decreases, and won't until I hear from a variety of sources,” Bush said Monday.

Many Democrats, buoyed by midterm election results, say leaving the current Bush administration policy unchanged is unacceptable.

“The idea that we're going to have 140,000 troops in Iraq this time next year is just not reasonable,” Sen. Joseph Biden, D-Del., said on NBC's Today show. Biden is in line to be the next chairman of the Senate Foreign Relations Committee.

A look at the top options policymakers face:

·Adding troops. Sen. John McCain, R-Ariz., has been one of the most prominent backers of beefing up U.S. forces in Iraq. McCain says more troops would help quell violence in Baghdad and eliminate the al-Qaeda-aligned insurgents in western Iraq.

“The consequences of failure are so severe that I will exhaust every possibility to try to fix this situation,” McCain, a GOP presidential hopeful in 2008, said Sunday on ABC's This Week.

Gen. John Abizaid, the commander of U.S. forces in the Middle East, told McCain at a Senate Armed Services Committee hearing last week that adding a large number of troops would stretch military resources and undercut efforts to have the Iraqi military take more responsibility for security.

·Repositioning troops and changing their missions. This could involve having more U.S. troops acting as advisers to Iraqi units, something Abizaid and other military brass have said they support.

“It seems to me that the prudent course ahead is to keep the troop levels about where they are,” Abizaid said last week, and “increase the number of (U.S.) forces that are with Iraqi security forces to make them better, more confident.”

U.S. advisers to Iraqi units generally work in teams of 10 to 15 for each Iraqi battalion of 400 to 600 troops. Abizaid says he wants more trainers so they can work with smaller units.

·Beginning to withdraw troops. Leading Democrats, including Biden and incoming Senate Armed Services Committee Chairman Carl Levin of Michigan, support this idea. Levin argues that a “phased redeployment” of U.S. troops in the next four to six months would push the Iraqi government of Prime Minister Nouri al-Maliki to crack down on militias and make other tough political decisions that would lead to a reduction in violence.

Abizaid says a withdrawal would undercut the Iraqi military and lead to more violence.

·Talking with Iraq's neighbors, including Iran and Syria. Baker has met with Syrian and Iranian officials and says the Bush administration should, too. “Our panel thinks it's important that we talk to representatives of surrounding governments,” Baker said in an interview in September.

The Bush administration has accused Iran and Syria of contributing to the violence in Iraq and has not held high-level talks with either nation.

Iranian President Mahmoud Ahmadinejad on Monday invited top officials of Iraq and Syria to Tehran for talks.

Obama Urges Gradual Withdrawal From Iraq (CHIT)

By Christi Parsons And David Mendell

DOJ_NMG_0096835

Chicago Tribune, November 21, 2006

Amid intense speculation about whether he will run for president, Sen. Barack Obama on Monday used the spotlight to showcase his strategy for the war in Iraq, excoriating the Bush administration for its "misguided" war and describing a solution that includes dialogue with hostile nations in the region.

In his speech to the Chicago Council on Global Affairs, the Illinois Democrat said the U.S. should end its "coddling" of the Iraqi government by beginning a reduction of troops in the next four to six months and pressuring Iraqis to work out agreements among their warring factions.

"Our troops can help suppress the violence, but they cannot solve its root causes," Obama told members of the council. "And all the troops in the world won't be able to force Shia, Sunni, and Kurd to sit down at a table, resolve their differences, and forge a lasting peace."

Offering a few new specifics, Obama said he thinks Iraq should convene a regional conference that includes Syria and Iran, two countries with which the U.S. does not currently have diplomatic relations. He also said that, as the U.S. redistributes troops around the Middle East, some of them should be deployed to Afghanistan and northern Iraq.

Substantively, Obama's talk to the council was not markedly different from the one he gave there a year ago. He echoed many of the themes of that speech -- as well as from his highly publicized new book, "The Audacity of Hope." Politically, the plan he embraced positions him alongside many centrist Democrats in Congress who are calling for a slow and careful withdrawal of troops, rather than a quick exit or a build-up of military personnel in Iraq.

But while the speech was mostly the same, the environment in which he delivered it was radically different. Voters registered dissatisfaction with the Iraq war this month, handing Congress over to Democrats for a fresh start. Obama will serve on the Senate's Foreign Relations Committee as part of the new majority.

Perhaps of greater significance to the crowd at the Chicago Hilton on Monday is Obama's status as a possible presidential contender in 2008. The buzz surrounding his possible candidacy drew a large crowd and national spotlight to his speech. The council sold 1,400 tickets to the event, which meant organizers had to move it from the previously scheduled ballroom to a larger one.

"If we'd put this thing on for another senator, we could have held it in a phone booth," said Dick Longworth, a former Tribune reporter and senior fellow at the council, a non-partisan organization devoted to educating people about foreign affairs.

A year ago, Obama asked for a platform at the council to talk about a phased withdrawal from Iraq, much of it by the end of 2006 {ndash} a time frame he reiterated more recently in his book. Obama revised that time frame on Monday, saying he thinks the drawdown should begin within six months.

Though much of Monday's speech was devoted to criticizing the administration and the war, Obama said he thinks it's possible to "salvage an acceptable outcome." He suggests a redeployment of troops and stepped-up efforts to train Iraqi security forces, and says the U.S. should link economic aid to Iraq with "measurable progress on reducing sectarian violence."

Obama indirectly criticized a suggestion by Sen. John McCain (R-Ariz.) that the U.S. increase its troop levels in Iraq, saying there is little reason to believe that adding thousands of troops would achieve the desired results.

Afterward, Obama said he doesn't think that proposals to partition Iraq into three separate regions {ndash} Kurdish, Shiite and Sunni {ndash} would work if it were a U.S. initiative. Also, Obama told reporters he would not support a proposal to reinstate the draft.

Although the speech did not cover a lot of new ground, some in the audience said that made it more credible.

"What makes his speech even stronger in his case is the consistency and continuity from what he said a year ago," said Marshall Bouton, president of the council. "He's not a Johnny-come-lately to this debate. It locates him along with a lot of others, embracing a measured, thoughtful, multi-faceted approach."

Obama Urges Gradual Withdrawal From Iraq (AP-Y)

By Deanna Bellandi

AP, November 21, 2006

Democratic Sen. Barack Obama, who is contemplating a run for the presidency, on Monday called for a "gradual and substantial" reduction of U.S. forces from Iraq that would begin in four to six months.

Speaking to the Chicago Council on Global Affairs, Obama envisioned a flexible timetable for withdrawal linked to conditions on the ground in Iraq and based on the advice of U.S. commanders. He also called for intensified efforts to train Iraqi security forces, U.S. aid packages tied to Iraqi progress in reducing sectarian violence and new diplomacy with Syria and Iran.

"I believe that it remains possible to salvage an acceptable outcome to this long and misguided war," he said. "But I have to be honest today, it will not be easy. For the fact is that there are no good options left in this war."

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Obama was not in the Senate when President Bush sought and received support from Congress in 2002 to use military force against Saddam Hussein. But he has publicly opposed the war since then.

The results of this month's elections, the Illinois senator said, represented a repudiation of President Bush's policies. But he said the war has also ignited a new sense of isolationism among Americans that is risky in a post-Sept. 11, 2001, world.

"We can't afford to be a country of isolationists in the 21st century," he said, arguing that it is "absolutely vital that we maintain a strong and active foreign policy, relentless in pursuing our enemies and hopeful in promoting our values around the world."

Obama was careful not to set a specific timetable for withdrawal of troops or suggest troop levels.

"We cannot compromise on the safety of our troops, and we should be willing to adjust to realities on the ground," he said.

He proposed redeploying troops to Northern Iraq and to other countries in the region. He recommended boosting troop strength in Afghanistan, "where our lack of focus and commitment of resources has led to an increasing deterioration of the security situation there."

"For only through this phase redeployment can we send a clear message to the Iraqi factions that the United States is not going to hold together this country indefinitely — that it will be up to them to form a viable government that can effectively run and secure Iraq," he said.

Obama rejected proposals to add more troops to Iraq, an idea advanced by Sen. John McCain, R-Ariz., saying that without Iraqi cooperation "we would only be putting more of our soldiers in the crossfire of a civil war."

Following the speech, Obama rejected the notion of reinstating the military draft, an idea put forth by Rep. Charles Rangel, D-N.Y. Obama said a volunteer military is adequate when the country has a national security strategy that makes sense.

"What I don't want ... is a situation in which we have bad strategies and we institute a draft simply to throw more bodies at a bad strategy. That is not going to work," he said.

Obama is one of several Democrats considering a run for the White House in 2008, which promises to be one of the most wide-open campaigns in decades. In recent polling, his numbers rival front-runner Sen. Hillary Rodham Clinton, D-N.Y., but questions abound regarding his experience — he has served less than two years in the Senate. He said Monday he would decide in the next few months.

The first-term senator said the Iraq war has underscored one lesson: "We should be more modest in our belief that we can impose democracy on a country through military force."

Obama Calls For Pullout In Iraq (LAT)

By P.j. Huffstutter

The Los Angeles Times, November 21, 2006

CHICAGO — Sen. Barack Obama, the popular Illinois Democrat who is considering a run for the White House, said Monday that the U.S. should start withdrawing troops from Iraq in the next four to six months, redeploy some forces to Afghanistan and bolster efforts to train Iraqi police.

Obama criticized President Bush for pushing forward with a war that "would require an occupation of undetermined length, at undetermined cost, with undetermined consequences."

He also noted that a bipartisan congressional effort was needed to "reassert our authority to oversee the management of this war" and retain better oversight over military expenditures.

He suggested that the U.S. would benefit from improved diplomacy with Iran and Syria and that all withdrawal timetables should be tied to the advice of U.S. commanders on the ground.

"I believe that it remains possible to salvage an acceptable outcome to this long and misguided war," Obama said to a rapt audience of 1,400 at a meeting of the Chicago Council on Global Affairs. "But it will not be easy. For the fact is that there are no good options left in this war."

The speech was similar to one he gave here nearly a year ago. The council has become a stumping ground for politicians wanting to highlight their views on foreign policy.

In 2005, though, only a few hundred curious observers gathered to hear the freshman senator.

"As the size of this crowd attests, the interest in hearing Sen. Obama's views is now greater, much greater," council president Marshall M. Bouton told Obama. "So is interest in your possible run for the presidency for the United States of America."

But Obama avoided addressing that possibility, even when two audience members asked him about it after the speech.

Instead, he focused on the results of the recent midterm elections, describing them as a public repeal of White House policies.The war has created a dangerous culture of global isolationism among Americans, he said.

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"We need to maintain a strong foreign policy, relentless in pursuing our enemies and hopeful in promoting our values around the world," Obama said.

A Harvard-educated attorney and longtime Illinois resident who practiced civil rights law, Obama rose to national prominence after delivering an electrifying keynote address at the Democratic National Convention in 2004. He won the Senate seat that November with 70% of the vote.

Now the 45-year-old junior senator has emerged as a promising presidential candidate that neither the press nor the public can get enough of.

He's been mobbed by fans while touring to promote his new book, "The Audacity of Hope: Thoughts on Reclaiming the American Dream." Time magazine put him on its cover, next to a headline that read, "Why Barack Obama Could Be The Next President." Oprah Winfrey said she'd vote for him — even though he hasn't announced his intention to run.

Recent polls have showed Obama following Sen. Hillary Rodham Clinton (D-N.Y) as a favored Democratic presidential nominee, edging out former Vice President Al Gore and former Sen. John Edwards of North Carolina.

"On the plus side, Obama's a fresh face and he's lived the American dream," said Dennis Goldford, politics professor at Drake University in Des Moines. "On the down side, it shows how thin the Democratic bench is and the old faces all have a lot of baggage."

Dozens of people at Monday's event in the Hilton Chicago clutched copies of Obama's book. Sharon Russell, an accountant who lives in Gary, Ind., took a vacation day and paid a $100 entrance fee to see him.

"I wanted to have a chance to see the man I think will be our next president in person," said Russell, 52. "I think he'd make an excellent leader, at a time when this country really needs one."

The Only Real Option: Leave Iraq Now (WP)

By Eugene Robinson

The Washington Post, November 21, 2006

Good lord, if even Henry Kissinger now says that military victory in Iraq is impossible, pretty soon George W. Bush really will be left with just Laura and Barney on his side.

The Decider Agonistes must be feeling betrayed and abused these days. British Prime Minister Tony Blair's admission that the war has been "pretty much of a disaster" was just a slip of the tongue, but the president must have felt it as a cut most unkind.

And Kissinger? The oracle who has been dropping by the White House regularly to whisper sweet nothings into the presidential ear, urging him to hang tough? The sage who wrote in August 2005 that "victory over the insurgency is the only meaningful exit strategy" is now listing Bush's conditions for withdrawal -- a stable government, ruling all of Iraq, with the ability to control the violence -- and pronouncing them unattainable. Will anyone be surprised if Henry the K soon reveals that he knew the whole thing was folly all along?

Meanwhile, the neocon architects of the war are making a spectacle of themselves in their undignified flight from the sinking ship. Richard Perle, Kenneth Adelman, Michael Rubin -- they all take pretty much the same line, which is that the invasion was a great and noble idea but that the White House and the Pentagon bungled it horribly.

Defections, recrimination and finger-pointing among the people who got us into this mess provide an amusing sideshow. But the main event is the mandate that midterm voters imposed this month, in no uncertain terms: Find a way out.

Sen. John McCain has planted his flag at one extreme of the debate, making the counterintuitive argument that the way to get out of Iraq is to send in a lot more U.S. troops who would stabilize the country as a necessary prelude to withdrawal. By "counterintuitive," I mean "divorced from reality as we know it." For one thing, the troops McCain wants to send do not exist -- the military is stretched paper-thin as it is, and I don't think Rep. Charles Rangel's proposal to reinstate the draft is going to get very far. For another, McCain doesn't specify how all those magically conjured reinforcements are supposed to accomplish such a mission.

In a sectarian civil war, the last place you want to stand is in the middle. Is the United States really going to choose sides and then lend a hand as Shiite or Sunni death squads go about their awful business?

At the other end of the debate is Rep. John Murtha, who says we should cut our losses and start pulling out. At least Murtha doesn't pretend we'd be leaving behind a secure, viable Iraq, because we wouldn't.

The new, post-midterm mainstream position in Washington is to support "phased withdrawals," with or without telling anyone in advance when a new phase will begin, and to involve "the neighbors," meaning Iran and Syria, in forcing Iraqi politicians to reach "a political solution." James Baker and his Iraq Study Group will probably come up with some variation of this scenario. But we should be honest and acknowledge that phased withdrawals, with or without a stated timetable, really mean just telling the Iraqis good luck and adios, drawing the whole process out in a belated attempt to save face.

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The president clearly doesn't want to hear any of this. The bizarre analogy he made in Hanoi -- comparing Iraq to Vietnam and saying, "We'll succeed unless we quit" -- doesn't even make sense in his own parallel universe. He should ask his friend Kissinger to tell him about that Ho Chi Minh guy whose picture is plastered all over Vietnam.

But while the Decider covers his ears and rewrites history, the center of gravity of the debate has shifted from whether we should get out of Iraq to how and when.

If we are ready to acknowledge, as Kissinger does, that the president's goals in Iraq will never be accomplished, then how do we justify the American lives that will be lost next year, next month or next week, while the phases of a face-saving withdrawal run their course?

If American troops begin pulling out tomorrow, Iraq surely will suffer a terrible spasm of bloody violence. But if we wait a year and then pull out, there is no reason to expect any different outcome. Quite the contrary: The longer we stay, the more lawless and chaotic the country becomes. And the more young Americans die in a war that no longer has an attainable goal.

The Lingo Of Vietnam (WP)

By Richard Cohen

The Washington Post, November 21, 2006

The way President Bush whisked through Vietnam -- oh, if only we had done the same 40 years ago -- it seemed as if he was feeling an obvious parallel with the war in Iraq. His aides, who somehow lose IQ points by mere proximity to the commander in chief -- national security adviser Stephen Hadley argued that Bush had "gotten a real sense of the warmth of the Vietnamese people" as he sped by in his motorcade -- insisted that no parallel existed. But these aides are dead wrong. There is this: I would have fought neither war.

Before you protest "of course, Cohen," let me explain that the "I" in the foregoing sentence is really four people. There is the "I" who originally thought the Vietnam War was morally correct, that the communists were awful people and that the loss of South Vietnam (the North was already gone) would result in a debacle for its people. That's, in fact, what happened. It was only later, when I myself was in the Army, that I deemed the war not worth killing or dying for. By then I -- the second "I" -- no longer felt it was winnable, and I did not want to lose my life so that somehow defeat could be managed more elegantly.

Things are precisely the same with Iraq, and here, too, I -- No. 3 -- originally had no moral qualms about the war. Saddam Hussein was a beast who had twice invaded his neighbors, had killed his own people with abandon and posed a threat -- and not just a theoretical one -- to Israel. If anything, I was encouraged in my belief by the offensive opposition to the war -- silly arguments about oil or empire or, at bottom, the ineradicable and perpetual rottenness of America.

On the contrary, I thought. We are a good country, attempting to do a good thing. In a post-Sept. 11 world, I thought the prudent use of violence could be therapeutic. The United States had the power to change things for the better, and those who would do the changing -- the fighting -- were, after all, volunteers. This mattered to me.

But these volunteers are now fighting a war few envisaged and no one wanted -- not I (No. 4), for sure. If at one time my latter-day minutemen marched off thinking they were bringing democracy to Iraq and the greater Middle East, they now must know better. If they thought they were going to rid the region of weapons of mass destruction and sever the link between al-Qaeda and Hussein, they now are entitled to feel duped by Bush, Vice President Cheney and others. The exaggerations are particularly repellent. To fool someone into sacrificing his life to battle a chimera is a hideous abuse of the public trust.

Daily I read the casualty list from Iraq -- and I invent reasons to make the deaths less tragic. This is a hopeless, maybe tasteless, task, but it matters to me if someone is a career soldier who knew what he was getting into as opposed to some naive kid digitally juiced on a computerized version of war -- or, even sadder, some guardsman who enlisted for God, country or spare cash, but not by any means for Baghdad. He's a volunteer, all right, but not for a war that didn't exist when he raised his right hand and took the oath.

My dauntingly knowledgeable Post colleague Thomas E. Ricks reports from the Pentagon that the military is now considering three options for Iraq: more troops, fewer troops (but for a longer time) and no troops at all -- the ol' cut and run. The missing option here is victory. Don't worry, it will be invented. "You have to define win," Lt. Gen. Raymond T. Odierno, who is about to return to Iraq, told the New York Times. Ah, just in the nick of time.

Where have we heard this sort of language before? It is the lingo of Vietnam. As with Vietnam, we are fighting now merely not to lose -- to avoid a full-fledged civil war (it's coming anyway) or to keep the country together, something like that. But not for victory. Not for democracy. All this talk of the Iraqis doing more on their own behalf is Vietnamization in the desert rather than the jungle. What remains the same is asking soldiers to die for a reason that the politicians in Washington can no longer explain. This, above all, is how Iraq is like Vietnam: older men asking younger men to die while they try to figure something out.

That's why Bush kept moving. He knows Vietnam is not just about the past. It's also about the future.

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The Story Behind The Iraq Study Group (WP)

By Lyndsey Layton

The Washington Post, November 21, 2006

On his third trip to Iraq, in September 2005, Rep. Frank R. Wolf (R-Va.) knew the American mission was imperiled.

"We were up in Tikrit and went to a hospital, and it was guarded with guns and security to the point they were pushing weapons into women's faces," Wolf said. "I saw we can't be successful if we're going into an operating room with pistols and weapons."

That's when the congressman from Vienna first began to think about the need for "fresh eyes" to scrutinize U.S. policy regarding Iraq. Quietly, he went to the White House and presented his plan: a bipartisan commission of well-respected policymakers to bore deeply into the Iraq dilemma and recommend solutions.

"If you ordered an Erector Set and you were trying to build it before Christmas and you got stuck and someone else came along, they might just see immediately what needs to be done," Wolf said. "Or if you had a health-care problem, you'd want a second opinion. It's all about fresh eyes on a target."

The result is the Iraq Study Group, led by Republican former secretary of state James A. Baker III and Democratic former congressman Lee H. Hamilton (Ind.), who was a vice chairman of the panel that investigated the Sept. 11, 2001, attacks. The group has taken on greater relevance after midterm elections marked by widespread voter dissatisfaction with Iraq, and it will play a decisive role in reshaping the U.S. position on Iraq, according to lawmakers and administration officials.

Initially, the White House was cool to the idea, Wolf said. But he was able to win over Secretary of State Condoleezza Rice. Defense Secretary Donald H. Rumsfeld followed, as did national security adviser Stephen J. Hadley. "Rice's support was key," Wolf said. "But I had to have the support of everybody or there would be no way to do this."

The composition of the study group was also crucial.

"You had to get a group not connected to the administration, people who were not going to be campaigning and who could come to a consensus," he said. "We wanted a bipartisan group, people senior enough that they weren't looking to get placed in a law firm or good job. The test was: Do you love your country?"

The study group, composed of five Democrats and five Republicans, was created in March to assess the situation in Iraq, its impact on the surrounding region and its consequences for U.S. interests. The group's work has been guided by several smaller committees of experts on topics such as the economy and reconstruction, military and security, and political development.

Wolf got Congress to appropriate $1 million for the project. To select the panel's members, he turned to the U.S. Institute for Peace, an independent nonpartisan organization created and funded by Congress. One of its goals is to promote stability after a conflict.

"It's a tremendous dilemma, a difficult situation" in which Congress "was looking for alternatives and the fall election was reinforcing the polarization of attitudes," said Richard H. Solomon, president of the institute. "We were creating the study group to build a political middle."

Wolf said he hopes that the group's recommendations, expected to be delivered to President Bush and Congress next month, will reconnect a nation splintered by war.

"When our country is together, we're strong -- Truman and Roosevelt showed that," he said. "When we're divided, I think the country's going to be in trouble. I hope something good comes from this, that we can develop consensus."

Rising Price Of The War On Terror (CSM)

By Peter Grier

The Christian Science Monitor, November 21, 2006

WASHINGTON

Whether troop levels increase in coming months, or decrease, or stay the same, one aspect of the US military effort in Iraq is unlikely to change: It will be expensive.

The cost of combat in Iraq has now surpassed $300 billion, according to government estimates. Add in activities in Afghanistan, and the total price of the global war on terror is about $500 billion, making it one of the most monetarily costly conflicts in which the nation has ever engaged.

Now the Department of Defense is in the process of drawing up its follow-on request for the remainder of FY 2007. Reports indicate that the Pentagon could ask for $120 billion to $160 billion, which would be its largest funding request yet for the global war on terror.

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After they take control of Congress next year, Democrats will almost certainly investigate both the rate of Iraq spending and the manner in which it has been appropriated. Much of the war has been funded through supplementals, so-called emergency bills whose use in this case has become increasingly controversial in Congress.

"We're now at $507 billion for the global war on terror and counting, and almost all of that has been pushed through a process that doesn't give proper scrutiny to the budget. Are we spending it wisely?" says Gordon Adams, a fellow at the Woodrow Wilson International Center who was the senior White House official for national security budgets under President Clinton.

Last month, Congress approved $70 billion in spending intended to pay for operations in Iraq and Afghanistan through the first six months of fiscal 2007, which began Oct. 1 for the US government.

The size of the request under discussion reflects both the continued nature of the mission and past wear-and-tear. Both the Army and the Air Force need billions to replace expensive hardware worn out by the pace of warfare in Iraq.

Before the invasion of Iraq, the White House estimated that combat operations there would cost about $50 billion. That forecast, however, was based on a quick end to the war and a rapid drawdown of US troops.

Three years later, Iraq alone is costing the US some $8 billion a month.

Estimates of total spending vary, due to the fact that Department of Defense records on obligations do not provide comprehensive specifics, and the supplemental bills voted by Congress do not have the line-item details of regular sending bills.

Congressional Research Service figures puts the cost of Iraq, Afghanistan, and other war-on-terror activities at $507 billion. Of that, the Afghan campaign has cost at least $88 billion, according to CRS. Iraq accounts for the bulk of the rest.

The drain of continued fighting in Iraq has meant that the global war on terror has steadily moved up the list of the most costly conflicts in US history (in terms of money, not casualties). In 2005, it passed the Korean war's inflation-adjusted cost of $361 billion.

Next year it will almost certainly pass the Vietnam War's $531 billion, making it the second most expensive US war ever, behind World War II.

Given the uncertainty of troop levels, it is very difficult to estimate the US military's future costs in Iraq.

Overall, each individual soldier deployed in Iraq for a year costs about $275,000, according to CRS. The cost rises to $360,000 if required additional investments in equipment and facilities are added.

Using a scenario in which US troop levels fall to 73,000 by 2010, and then stay at that level, the Congressional Budget Office estimates that the cumulative cost of the global war on terror could reach $808 billion by 2016.

Meanwhile, the Pentagon and the Bush administration have continued the practice by which funding for the war on terror is requested in the form of supplemental appropriations. Supplementals are prepared much closer to the time when the money will actually be spent. The Vietnam War, for instance, was funded via supplementals at its outset. Later, Vietnam costs were folded into the regular budget process.

Supplementals provide much less detail as to where money will be spent than do regular budget documents, and receive less congressional oversight than do regular budget bills.

So far, the White House has shown little inclination to fund Iraq and Afghanistan via the regular budget, despite some pressure from Congress to do so. In addition, the nature of items paid for via these war spending bills may have begun to expand, to include items related to peacetime missions as well.

A Democratic-controlled Congress will almost certainly look for ways to increase pressure on the White House to abandon the flexibility and opaqueness of the emergency bill approach.

'War On Terror' Could Last 30 Years Or More (AFP)

AFP, November 21, 2006

The fight against terrorism could last 30 years or more, according to a report published by a British think tank that specialises in international security.

"There is every prospect of the 'war on terror' extending for 30 years or more," said the report by the Oxford Research Group.

"What is required is a complete re-assessment of current policies but that is highly unlikely, even with the recent political upheavals".

The US Democrats triumphed in legislative elections on November 7 in which they reclaimed the House and the Senate, at the expense of President George W. Bush's Republicans.

"Most people believe that the recent elections mark the beginning of the end of the Bush era but that does not apply to the war on terror," said Professor Paul Rogers, who wrote the report, in a statement.

"In reality there will be little change until the United States faces up to the need for a fundamental re-think of its policies".

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The report showed that the United States is now faced with a dilemma: if it withdraws from Iraq, insurgent groups will be able to operate freely in the biggest oil reserve in the world.

"If it stays, though, then US soldiers become an increasing magnet for radical factions, with Iraq becoming a training ground for new generations of paramilitaries, just as Afghanistan was in the 1980s against the Soviet occupying forces," the report said.

It said that the "fundamental mistake" was to remove the regime of president Saddam Hussein by force, which was a "gift" for Al-Qaeda and extremist groups because the deployment of 150,000 US soldiers in the heart of the Arab world is considered by many to be "an occupation force".

At the same time, the war in Afghanistan, that has so far lasted six years, has seen "a marked increase in Taliban activity at a time of record revenues from opium production" and the insurgency there "shows no sign of ending".

The importance of oil in the region "means that it would be entirely unacceptable for the United States to consider withdrawal from Iraq, no matter how insecure the environment".

Professor Rogers has since May 2005 been studying the situation in Iraq and its impact on other countries, including Afghanistan, Iran and the Middle East.

Iraqi President Accepts Iran's Invitation For Weekend Talks (USAT/AP)

USA Today, November 21, 2006

BAGHDAD — Iranian President Mahmoud Ahmadinejad invited his Iraqi and Syrian counterparts to a weekend summit in Tehran to tackle the chaos in Iraq, Iraqi lawmakers said Monday.

Iraqi President Jalal Talabani's spokesman Kamaran Qaradaghi said in a statement late Monday that the Tehran meeting will include Talabani and Ahmadinejad. He said Syrian President Bashar Assad would not attend, but that Talabani had accepted an invitation to meet with Assad in Damascus. No date was set.

A close parliamentary associate of Talabani told the Associated Press that the summit represents an attempt by Tehran to strengthen its position in the region and prevent the United States from dividing Syria, a predominantly Sunni Arab country, from its ally of convenience, Shiite Iran. The associate spoke on condition of anonymity because he was not authorized to discuss the matter with the media.

The State Department reacted with skepticism about Iran's intentions in Iraq, but said it was up to Iraq. “It's their call,” spokesman Tom Casey said in Washington.

“We have seen statements like this many times,” and there have been several high-level contacts between Iran and Iraq, Casey said. But Iran's statements of a desire to reduce violence in Iraq “have not been backed up by facts,” he said.

The diplomatic gambit coincided with a groundbreaking visit to Baghdad by Syrian Foreign Minister Walid Moallem, who was challenged over Damascus' role in supporting the Sunni insurgency.

“We object to any neighboring country that allows itself to be a base or a transit point for the terrorist groups that harm Iraq,” Iraqi Prime Minister Nouri al-Maliki said after meeting with Moallem.

The Iraqi government said diplomatic relations between the two countries, severed nearly 25 years ago, will be restored by today.

In the latest violence, Iraqi Minister of State Mohammed Abbas Auraibi, a member of Iraq's Shiite majority, said a roadside bomb hit his convoy as it was driving on a highway in eastern Baghdad, wounding two of his bodyguards.

Hakim al-Zamily, a Shiite deputy health minister, also escaped unhurt when gunmen fired on his convoy in Baghdad. Al-Zamily said two of his guards were killed.

The attacks came one day after suspected Sunni Muslim insurgents kidnapped Ammar al-Saffar, a Shiite deputy health minister, from his home in northern Baghdad.

Al-Saffar was snatched nearly a week after dozens of suspected Shiite militia gunmen in police uniforms kidnapped scores of people from a Ministry of Higher Education office in Baghdad. That ministry is predominantly Sunni.

For the second time in two days, coalition forces raided Baghdad's Sadr City Shiite stronghold, headquarters of a militia suspected of having carried out the mass kidnapping. No captives were found.

British and Iraqi forces also raided homes in southern Iraq and arrested four suspects in the kidnapping of four American security guards and their Austrian co-worker. No hostages were found.

Syria And Iraq Restore Ties Severed In The Hussein Era (NYT)

By Sabrina Tavernise

The New York Times, November 21, 2006

DOJ_NMG_0096842

BAGHDAD, Nov. 20 — Iraq re-established diplomatic relations with Syria on Monday, agreeing to restore an embassy in Baghdad after more than 20 years with no formal avenues of communication.

The step came on the second day of a two-day visit by Syria's foreign minister, Walid al-Moallem, who met with the Iraqi prime minister, Nuri Kamal al-Maliki, in the international Green Zone here.

As the United States undertakes a broad review of its role in Iraq, the neighboring countries of Iran, Turkey and Syria have stepped forward to try to position themselves in case of a major change in policy, leading to a recent flurry of diplomatic efforts. The countries are also concerned about the possibility of a political collapse as the Iraqi government sinks into paralysis with its two main sects stuck in a deadlock.

A government spokesman said President Jalal Talabani would travel to Iran for meetings with President Mahmoud Ahmadinejad over the weekend.

Syria cut off relations with Saddam Hussein's government in 1982 after siding with Iran in that country's war with Iraq. The break was complete: Iraqis could not travel to Syria, nor call on the phone. The countries re-established trade relations in 1997, and Iraqis could visit.

Now tens of thousands of Iraqis seeking to escape the violence that has consumed their country have fled into Syria, creating their own schools, neighborhoods and communities there.

Violence continued to claim Iraqi lives at a rapid pace. The authorities said 90 Iraqis were killed across Iraq on Monday, including 60 who were found dead in and around Baghdad. An elderly priest visiting a church in Naariya, an area in southern Baghdad, was kidnapped, a police official in the area said.

Among the dead was the host of a popular comedy show, Walid Hassan Jiaaz, who poked fun at post-invasion Iraqi life. He was shot dead by gunmen in western Baghdad. A deputy health minister, Hakim al-Zameli, a supporter of the Shiite cleric Moktada al-Sadr, escaped assassination when his convoy came under attack; two of his guards were killed.

A week after the mass kidnapping of employees at the Ministry of Higher Education compound in Baghdad, the fate of those still missing remain unclear. Interior Minister Jawad Bolani said the kidnapping had not been motivated by sectarian hatred, but gave no details on what might have been the reason for the act. He said a preliminary investigation showed that the kidnappers might have had help from someone inside the ministry.

During their meeting on Monday, Mr. Maliki used stern words in urging Mr. Moallem to take more serious steps in preventing Sunni militants from crossing into Iraq from Syria, the prime minister's office said.

"We want to set a kind of relation with them to protect our people from the violence that was coming from them," said a Shiite politician who had been involved in the talks. Maj. Gen. William B. Caldwell IV, the chief spokesman for the American military command here, said Syrians made up about 20 percent of the 670 foreign fighters in custody in Iraq.

The United States withdrew its ambassador from Damascus in February 2005 after the assassination in Beirut of Rafik Hariri, the former Lebanese prime minister. But as the Bush administration considers policy alternatives in Iraq, allies like Prime Minister Tony Blair of Britain are encouraging it to reopen dialogue with Syria and Iran.

In some ways it has already started. Mr. Moallem met with former Secretary of State James A. Baker III, who is co-chairman of the bipartisan Iraq Study Group, in a hotel in New York in September and discussed what role Syria could play in helping to stabilize Iraq, said the Syrian ambassador to the United States, Imad Moustapha.

Although the United States and Iran have been at odds over Tehran's nuclear program, Bush administration officials have signaled that they would be willing to discuss Iraqi issues. Last week in testimony before Congress, David Satterfield, the State Department's coordinator of Iraq policy, said that with respect to Iran, "we are prepared, in principle, to discuss Iranian activities in Iraq."

He added, "The timing of such a direct dialogue is one we still have under review."

At a news conference with one of Iraq's most powerful Shiite political leaders, Abdul Aziz al-Hakim, Mr. Moallem said relations between Iraq and Syria were still strained.

"I didn't come to Baghdad to satisfy the United States," he said. "I'm not a mediator for the United States in the region."

Iraq To Restore Long-Severed Relations With Neighbor Syria (WP)

By Nancy Trejos

The Washington Post, November 21, 2006

BAGHDAD, Nov. 20 -- Iraq said Monday that it would restore diplomatic ties with neighboring Syria after a break of nearly a quarter-century in an effort to solidify links with a neighbor seen as a conduit for insurgents fueling the violence in Iraq.

Prime Minister Nouri al-Maliki made the announcement after a historic meeting with Syrian Foreign Minister Walid al-Muallem, who pledged his country's help in quelling the sectarian violence that threatens to propel Iraq into civil war. Maliki, for his part, pressed Syria to step up efforts to keep Sunni Arab fighters from crossing into Iraq to join the insurgency.

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"We refuse to let any regional neighbor countries become a passage or a headquarters for the terrorist organizations that hurt Iraq," he said in a statement after the meeting.

Syria and Iran, another neighbor, have offered to help bring stability to Iraq's fractured government, but the Bush administration has long-standing concerns about Iran's support for Shiite Muslim militias and Syria's failure to stop foreign fighters from joining the Iraqi insurgency.

The administration is under intense pressure to put aside those concerns and engage in talks with the two countries, even though it considers them adversaries. The Iraq Study Group, co-chaired by former secretary of state James A. Baker III and former congressman Lee H. Hamilton (D-Ind.), is expected to recommend in an upcoming report that the United States start such a dialogue.

On Monday, reports surfaced of a possible weekend summit in Tehran involving the Iraqi and Syrian presidents, but U.S. and Iraqi officials quickly denied that any high-level three-way meeting would take place.

In Baghdad, a U.S. Embassy spokesman said Iraqi President Jalal Talabani had no intention of attending a meeting with both Iran and Syria. Maliki's close aide Hasan Suneid said Talabani had accepted an invitation from the Iranian government to visit Tehran, but he did not specify when that would take place. "Iran has a great wish to hold a peace summit with Syria and Iraq, but still it is just a thought," Suneid said, "and if it happened, we should study it very well."

The Associated Press reported Monday night that Talabani would meet with Iranian President Mahmoud Ahmadinejad this weekend but that Syrian President Bashar al-Assad would not attend.

State Department acting spokesman Tom Casey in Washington said that the administration welcomes "discussion and dialogue" among Baghdad, Tehran and Damascus because it wants Iraq to have strong relations with all its neighbors. But he also expressed doubts. "The problem is not what they say, but what they do," Casey said.

He added that "it's up to the Iraqi government to make the decision as to whether this is something useful for them or whether they would attend."

Muallem is the highest-level Syrian official to visit Iraq since the 2003 U.S.-led invasion. His visit marked a major step toward restoring ties between the two countries, which have been at odds since the 1980s, when Syria backed Iran in its war against Iraq.

But Syria's oversight of its borders has become a major point of contention. Muallem denied that Syria has allowed foreign Islamic fighters to infiltrate Iraq but also said that sealing the long, porous border is an impossible task.

At a briefing in Baghdad, Maj. Gen. William B. Caldwell, a U.S. military spokesman, said that so far this year Iraqi security and coalition forces have killed more than 425 foreign fighters in Iraq and captured about 670. Of those detained, he said, more than 20 percent came from Syria.

Caldwell said the U.S. government is not accusing Syria of aiding the fighters, but added, "We don't know how much they have tried to preclude it from happening, though, either." Caldwell also responded to Muallem's comment this past weekend that if the United States were to establish a timetable for withdrawing troops, the violence in Iraq would decrease. He said Iraqi officials continue to ask for military help.

"There's that acknowledgment that there is a need right now in their minds for additional security, and that the coalition forces can help provide for them as they develop their forces or capabilities and exert their influence," he said.

The political developments came as violence continued to flare across the country.

A deputy health minister, Hakim al-Zamily, escaped an assassination attempt in Baghdad that killed two of his bodyguards. He was the fourth high-level government official, and the second deputy health minister, to be targeted by kidnappers or killers in recent days.

"I think the terrorists are trying to show that the situation in Iraq is unbearable and it cannot be solved by the government," said Ali Adib, a Shiite lawmaker. "They would like to show the Democrats that they control the situation and not the government."

In Kirkuk, a police captain said unknown gunmen had attacked a restaurant frequented by policemen and civilians, killing the restaurant's owner and another employee.

Unknown gunmen killed a Babylon University medical school professor as he and his driver traveled from Hilla to Baghdad. Iraqi army and police forces found 19 corpses in Latifiyah, south of Baghdad. The U.S. military also announced that a Marine was killed in action Sunday in Anbar province.

Iraqi government officials continued their investigation of a mass kidnapping at a Ministry of Higher Education building last week. Speaking at a news conference, Interior Minister Jawad al-Bolani said investigators are trying to determine whether the kidnappers were aided by people within the ministry. He also ruled out sectarianism as a motive because the victims came from different backgrounds.

Officials continued to contradict each other about the number of people who were kidnapped. The higher education minister said as many as 150 people were taken, while a government spokesman put the number at about 60.

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Staff writer Robin Wright in Washington, special correspondents Naseer Mehdawi and Saad al-Izzi in Baghdad and other Washington Post staff in Iraq contributed to this report.

Iraq President To Hold Talks With Iran (FT)

By Steve Negus, Gareth Smyth And Daniel Dombey

Financial Times, November 21, 2006

Iraqi President Jalal Talabani will travel to Iran this weekend for talks with his Iranian counterpart Mahmoud Ahmadi-Nejad, but his spokesman denied reports that a three-way summit including Syria's Bashar al-Assad was planned.

British government sources and news agencies had said yesterday that Iran was keen to host three-way talks, but Iraqi sources said there were no plans for such a meeting.

"President Jalal Talabani has plans to go to Tehran this weekend to meet with President Ahmedinijad. There is no talk of a trilateral summit," said presidential spokesman Hiwa Osman.

"President Talabani looks forward to meeting President al-Assad in Baghdad or Damascus in the near future," he said. US officials are reportedly planning an initiative to bring Syria and Iran into a broader regional effort aimed at curbing the violence in Iraq.

US and Iraqi officials have blamed Damascus and Tehran for fomenting disorder in Iraq. Iran has extensive influence with Shia parties in Iraq, reportedly subsidising groups such as the Supreme Council for Islamic Revolution in Iraq as well as breakaway factions of the Mahdi Army loyal to radical cleric Moqtada al-Sadr.

Tehran is also accused of supplying some of its clients with sophisticated weaponry and military expertise.

According to some analysts, Iran is trying to ensure that it has the capacity to cause severe problems for US forces in Iraq as a possible deterrent to US-led military efforts against its own territory.

International and domestic pressure is mounting on the Bush administration to open its own dialogue with Syria and Iran to find a common approach to restoring stability in Iraq.

Tom Casey, a spokesman for the US State Department, said there were no plans at present for direct contacts in Baghdad between the US and Iranian ambassadors.

Washington analysts say that while the US position in Iraq is weakening, Iran is asserting its influence. A trilateral summit, should it happen, could strengthen Iran's hand in shaping the agenda for eventual talks with the Bush administration.

Iraqi leaders frequently visit Tehran, but most of these are heads of specifically Shia religious parties with a tight bilateral relationship to Iran, and a wider summit specifically intended to discuss the promotion of stability in Iraq would be a diplomatic breakthrough.

Iraq Considers Three-way Talks With Iran And Syria (LAT)

By Solomon Moore

The Los Angeles Times, November 21, 2006

BAGHDAD — Iraqi leaders said Monday that they were seriously considering three-way talks with Iran and Syria, responding to an overture from Iran's president that raised new questions about the level of American influence here.

The talks would focus on how the two neighboring countries could help quell rising sectarian bloodshed in Iraq, according to Iraqi officials familiar with Iranian President Mahmoud Ahmadinejad's offer.

The invitation to a summit is a further assertion of Iran's influence in Iraq, and it comes at a time when the U.S. government is sharply divided over whether to make an appeal of its own to Iran and Syria.

Influential figures in Washington have urged the Bush administration to talk to both countries in hopes of gaining their help to bring the violence in Iraq under control. But many of President Bush's advisors oppose the idea.

White House policy has been to isolate Iran to compel the government to abandon its nuclear enrichment program and to refuse to talk with Syria until it drops its support for what the United States considers terrorist groups.

As the debate continues in Washington, Iran has stepped forward.

Iraqi President Jalal Talabani plans to travel to Tehran on Sunday to meet with Ahmadinejad to try to iron out details of a possible three-way meeting, which would include Syrian President Bashar Assad, senior Iraqi officials said Monday. The move came as Iraqi Prime Minister Nouri Maliki and Syrian Foreign Minister Walid Moallem met in Baghdad and announced an agreement to reopen diplomatic relations, which were broken off in 1982.

In Washington, State Department spokesman Tom Casey sought to play down the significance of a possible three-way summit, contending that previous statements by Iranian and Syrian leaders had not proved productive.

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"What we'd like to see the Iranian government do is desist, first and foremost, from negative actions it's taken in Iraq," Casey said. "As we have always said with respect to the Syrians, you know, the problem is not what they say, the problem is what they do."

Syria has served as an entry point and refuge for Sunni Arab Muslim insurgents who have carried out a steady stream of attacks on U.S. forces and the fledgling Iraqi government since the American-led invasion in 2003.

Iran, a Shiite Muslim nation, has significant influence over the Shiite militias that have increasingly attacked Iraq's minority Sunnis.

Along with the debate over Iran and Syria, officials in Washington have been jousting over whether the U.S. should begin withdrawing troops from Iraq.

On Monday, Bush, speaking to reporters in Bogor, Indonesia, said he had made no decision about troop levels in Iraq and that he was waiting to hear from the Pentagon.

Sen. John McCain (R-Ariz.), a probable 2008 GOP presidential candidate, has called for boosting the force beyond the 140,000 or so troops now in Iraq. Others want to establish a timetable to withdraw troops or to focus on the training of Iraqi security forces.

"I say go Iraqi," said Rep. Duncan Hunter (R-El Cajon), the outgoing chairman of the House Armed Services Committee. "It doesn't make sense to plan American deployments before you utilize all the Iraqi forces."

Senior Iraqi officials say Ahmadinejad's summit proposal was the impetus behind the meetings between Iraqi leaders and Syria's foreign minister, the highest-level talks between the two Arab neighbors since the U.S.-led invasion.

Ahmadinejad first proposed three-way negotiations last year but was refused by then-Prime Minister Ibrahim Jafari. Jafari and his advisors feared the United States would oppose giving Iran an intermediary role in Iraq and doubted Syria's intentions, sources said Monday.

"We said we had issues with Syria and felt that Iran could not be a mediator," said a high-ranking Iraqi official with knowledge of the discussions. "At the time, we said that the Syrians know what our expectations are and they needed to make the first move, which they have done by sending their foreign minister to listen to our grievances for their involvement in supporting what we consider terrorism."

The official, who spoke on condition of anonymity because he was not authorized to discuss the Iranian proposal with the media, said Ahmadinejad had contacted Maliki last month to renew his invitation with a suggestion that he visit Iran on Nov. 5 — at the same time the Syrian president had scheduled a visit.

Iraqi leaders decided to delay negotiations until after the U.S. elections two days later in order to not affect the outcome, the official said.

The senior Iraqi official's account was confirmed by another high-ranking politician with knowledge of Iraq's foreign affairs.

Iran extended a third invitation to Iraq's political leadership Nov. 10, said Haider Abaidi, a prominent Iraqi legislator with close ties to Maliki.

"They suggested that the three countries should sit together to discuss the security situation in Iraq because both countries are interfering with Iraq's affairs," Abaidi said. "Both were denying this for a long time, but this time the Iranians went a step further and said: 'Why don't we talk everything over together? All three of us.' "

Ali Dabbagh, an Iraqi government spokesman, said Talabani's scheduled visit to Iran would capitalize on the momentum gained from the debate in the United States about opening a dialogue with Syria and Iran.

Abaidi said Iraq's main factions, the Sunnis, Shiites and Kurds, had discussed Iran's plan and had agreed, in principle, that it was worthwhile.

Three-way talks could boost Iran's regional sway and could also put the Bush administration in the awkward position of having to acknowledge the influence of a nation it once called a member of the "axis of evil" and a sponsor of terrorism.

"I think Iran wants to make sure that everyone understands that it holds a lot of the cards in Iraq, just as it did in Lebanon and Afghanistan," said Vali Nasr, author of "The Shia Revival" and an adjunct senior fellow at the Council on Foreign Relations.

"Iran is saying that Iran and Syria are two of the most important actors in Iraq, and if you want a solution in Iraq, or anywhere in the Middle East, you have to talk to them. It's a regional game they're playing, and they will not allow themselves to be left out."

David Aaron, director of the Rand Corp.'s Center for Middle East Public Policy, said Iran and Syria could demand a high price for their cooperation.

Syria may ask the Bush administration to drop its support for a United Nations investigation into Syria's alleged involvement in the slaying of former Lebanese Prime Minister Rafik Hariri in 2005.

And Iran may push the United States to abandon its opposition to its nuclear enrichment program.

But Nasr and Aaron contended that the initiative by Iran and Syria might also stem from broader national interests.

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"All of the neighbors have a stake in this country not blowing apart or having a major civil war, because they will all get dragged into it," Aaron said.

Iraq, Iran And Syria Set For 3-way Talks (WT)

By David R. Sands

The Washington Times, November 21, 2006

Iraqi President Jalal Talabani yesterday agreed to travel to Tehran this weekend for an unprecedented three-way summit with Iranian President Mahmoud Ahmadinejad and Syrian leader Bashar Assad to deal with Iraq's raging insurgency.

The Bush administration repeatedly has refused to deal directly with the Iranian and Syrian leaders, and the meeting this weekend could be a move by Tehran and Damascus to pre-empt an expected shift in U.S. policy to find a regional solution to Iraq's woes.

Key Iraqi lawmakers yesterday confirmed reports swirling in the Arab-language press of the three-way summit, according to the Associated Press. Iran's invitation came as Syria and Iraq announced the restoration of formal diplomatic ties after a break of 24 years, capping an unexpectedly warm visit by Syrian Foreign Minister Walid al-Moualem to Baghdad this week.

"All three countries intend to hold a three-way summit to discuss the security situation and the repercussions for stability of the region," Iraqi lawmaker Ali al-Adeeb, a close aide to Prime Minister Nouri al-Maliki, told reporters in Baghdad.

Said Mr. al-Moualem, "The stability of Iraq is a very important part of the stability of Syria."

The United States has accused both Syria and Iran of backing groups trying to undermine Iraq's fledgling democratic government, citing in particular Tehran's ties to Shi'ite militias not under the control of Iraq's central government.

But there has been intense speculation about a change of course in Washington since the midterm elections and about the pending report from an independent panel looking into U.S. alternatives in Iraq.

Former Secretary of State James A. Baker III, a longtime adviser to the Bush family and head of the commission, met with Mr. al-Moualem for extensive talks in September. British Prime Minister Tony Blair, President Bush's closest ally in the Iraq war, also has lobbied for direct contacts with Syria and Iran.

The State Department said yesterday the United States did not feel "snubbed" in being excluded from the Tehran gathering, and that it was up to Iraq to determine its relations with its neighbors.

"If [the Iraqis] believe this is a positive opportunity for them, then they are more than welcome to go ahead," said spokesman Tom Casey. "They don't need our invitation or approval to do so."

U.S. military spokesman Maj. Gen. William Caldwell, briefing reporters in Iraq, said that between 70 and 100 foreign fighters are still crossing each month along the lengthy Syrian border.

Arab-language press accounts in recent days reported details of a far more extensive accord that could be on the table in Tehran.

Citing Iraqi government sources, the Baghdad newspaper Azzaman over the weekend reported that Mr. al-Moualem's visit was meant in part to discuss a "partnership" among Iraq, Iran and Syria and a series of coordinated steps to stabilize the security situation inside Iraq.

Under the accord, Iraq would repeal the law barring members of Saddam Hussein's Ba'ath Party -- who had close ties with their Syrian counterparts -- from government posts and would move to expel fighters from the anti-Iranian Mojahedin Khalq still based inside Iraq.

Both Syria and Iran would move to tighten their own borders against foreign fighters infiltrating into Iraq, and Iran would "deal with" al Qaeda figures inside its borders with suspected ties to terrorists in Iraq.

The announcement of the Tehran meeting came as at least four dozen Iraqis and a U.S. soldier and U.S. Marine were killed in sectarian and insurgent attacks.

Among the dead was Walid Hassan, one of Iraq's most popular comedians, whose weekly satirical television show "Caricature" mocked Iraqis, U.S. forces and anti-government groups alike. Mr. Hassan was shot by gunmen while driving in western Baghdad.

At least 47 American troops have been killed in Iraq since the beginning of the month.

·This article is based in part on wire-service reports.

U.S. Should Lead Iraq Summit (LAT)

The Los Angeles Times, November 21, 2006

IRAN HAS INVITED TOP Iraqi and Syrian leaders to Tehran this weekend, but there are no Americans on the guest list. The omission is hardly a snub — U.S. diplomats probably wouldn't have much fun there anyway — but the talks underline the absurdity of the White House position, which is essentially to wait for a bipartisan commission to give it permission to sit down

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with some friends and enemies. Regional discussions about the future of Iraq are already happening. The U.S. should send out some invitations of its own.

In some respects, this weekend's talks about ways of curbing the violence in Iraq are unremarkable. Iraqi Prime Minister Nouri Maliki visited Tehran in September, and the Syrians are frequent callers. The impending reestablishment of diplomatic relations between Iraq and Syria after a quarter of a century cements a growing bond.

The U.S. has reacted to the meeting with a kind of skeptical nonchalance (or vice versa). This reaction is understandable, but the overriding fact is that the situation in Iraq is untenable — to the U.S., its allies and its enemies.

Under such circumstances, it makes no sense to wait until January for former Secretary of State James A. Baker III to suggest that the U.S. open talks with Iran and Syria. Nor is it smart to commission national security advisor Stephen J. Hadley to write an alternative report that appears likely to be based on the self-justifying views of the very administration insiders who are responsible for the situation in Iraq.

The U.S., supporting the Maliki government, may or may not be able to broker a peace settlement between the warring Sunni and Shiite factions in Iraq. But it has a duty to the Iraqi people to keep the neighbors from rushing in to carve up their country.

U.S. officials say that Zalmay Khalilzad, the U.S. ambassador to Iraq, is authorized to talk to Iran, but only on the topic of ending violence in Iraq. They also say that Iran and Syria should show their concern for Iraq not through rhetoric but with action — such as cutting off their support for Iraqi militias and preventing terrorists from crossing their borders.

This is all true enough. But it also ignores the U.S.' responsibility for Iraq. One of the administration's goals in the war was to recalibrate the balance of power in the Middle East. In this it has succeeded spectacularly — but the new order may be even less to its liking.

President Bush need not wait for the release of a commission report to convene a conference and invite all of the key players in Iraq's future: Iraq, Iran, Syria, Turkey, Jordan, Saudi Arabia, as well as representatives of the Gulf Coordination Council, the European Union and the U.N. Agreeing on a mutual duty to respect and uphold Iraq's territorial integrity would be the first goal.

If the United States fails to act, diplomacy delayed may become diplomacy derailed.

Next Move In Iraq? (USAT)

By Wesley Clark

USA Today, November 21, 2006

The mission in Iraq is spiraling into failure. American voters have sent a clear message: Bring our troops home, but don't lose. That's a tall order both for resurgent Democrats, some of whom are calling for a quick withdrawal, and the bipartisan Iraq Study Group, which is presumably crafting new options.

Instead of cutting and running or staying the course, it is time for us to begin to redeploy. But how can we do this and improve our prospects for success?

First, we have to think past Iraq and above partisan politics, folding actions in Iraq into a strategy to protect broader U.S. interests throughout the region.

Neither the Bush administration's latest pronouncements nor the current political dialogue has adequately engaged these vital interests. The calamity in Iraq has hogtied the Bush administration, inviting disarray, if not instability, in neighboring countries that also require our attention.

U.S. interests include dissuading Iran from pursuing nuclear weapons and its hegemonic aspirations, providing security assurances for the rapidly developing Arab Gulf states and working with our friends in the Middle East to ensure access to oil resources and regional stability.

What about a timetable for U.S. troop withdrawals? Today, setting a rigid, Washington-driven timetable is an option, but a bad one. A precipitous troop reduction could have far-reaching effects: emboldening Iran, weakening U.S. security promises to friendly states, and even sparking military initiatives by other powers — Turkey or Iran — to deal with the resulting security vacuum. Our weakened position in Iraq also could undercut our leverage in the Israeli-Palestinian dispute.

What about imposing a tripartite division of Iraq? That would merely feed ethnic cleansing and likely lead to a wider, more intense conflict.

The right approach is a coordinated diplomatic, legal, economic and security campaign drawing upon broader dialogue in the region and intensified political work inside Iraq.

Here is how to do this:

·Establish an effective, sustained shuttle diplomacy within the region.

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·Form a high-level interagency diplomatic team, representing the White House and secretaries of State and Defense and led by an experienced, respected diplomat.

·Begin talks within Iraq, and with all its neighbors, based on a clear set of principles outlined by the team. The goal would be to seek the commitments necessary to achieve our aims inside Iraq and also advance U.S. interests in the region.

These principles could include: Iraq would remain whole; oil revenue would go to the Iraqi people based on a formula they determine; the rights and security of individuals must be protected; the United States would have no permanent bases in Iraq; the covert flow of military arms and equipment into Iraq would be halted; and the security needs of all states would be respected.

A permanent Gulf regional security dialogue could emerge that includes Syria and Iran, and the United States could undertake a role as regional security guarantor. Preliminary discussions should lead to a more intensive dialogue with Iran in which security assurances and nuclear programs are discussed.

In terms of diplomacy, our team would engage each state and party, solicit its views and challenge it to participate in moving forward, just as U.S. diplomat Richard Holbrooke did in the Balkans a decade ago. Next steps might include confidence-building measures, hosted discussions between factions, and perhaps one or more larger meetings to conclude firm commitments, timetables or sequence of events.

Of course there are no guarantees, but from such a dialogue should emerge a prescription for U.S. troop levels and activities consistent with our larger interests. Carrots and sticks could be employed. For instance, the factions could vow certain actions in return for U.S. assistance or troop deployments, or redeployments, and possible assistance from neighboring states.

Reaching an understanding on Iraq need not be a lengthy process, but the dialogue must be broadened in scope and participation to be effective. The aim would be a consensual solution underwritten by outside guarantors, not an imposed solution. And finally, military power would have a subordinated and supporting role.

Simultaneously, the United States would set about transforming its applied military power in Iraq into the useful diplomatic influence essential to addressing broader security concerns.

Ultimately, security in the Gulf and winning against al-Qaeda will require that we work with regional powers, promote stability and gradual transformation, and regain “strategic consent” for long-term U.S. assistance in the region. We must use the situation in Iraq to propel us toward this larger goal, and in doing so, we will also find the right way to wind down our deployment there.

The outline of what needs to be done is clear. But does the administration have the courage and foresight to do it, or will it continue to march into profound failure?

Retired general Wesley Clark, former Supreme Commander of NATO, is a senior fellow at UCLA's Burkle Center for International Relations.

Syria Lends A Hand (WSJ)

By Bret Stephens

The Wall Street Journal, November 21, 2006

Walid al-Moallem is a man lately in the news. On Sunday, the Syrian foreign minister paid a visit to Baghdad to pledge his cooperation with the Iraqi government and urge a timetable for American withdrawal. On Friday, the New York Times reported that Mr. Moallem had met in New York with James Baker's Iraq Study Group to explain why it is in Syria's "national interest to try to help stabilize the situation in Iraq." Earlier in the month, Mr. Moallem promised that Israel would "find Syria ready to resume peace negotiations."

Who is Walid Moallem? And, what's more to the point, would the U.S. be wise to "engage" him and his government in the cause of Mideast peace, as everyone from Mr. Baker to Tony Blair and Henry Kissinger is now urging?

In his memoir, former Mideast negotiator Dennis Ross describes Mr. Moallem as "a man of intellect and humor." But the Baathist apparatchik is shown in a different light in last year's Mehlis Report, which details the preliminary findings of the U.N. investigation into the Feb. 14, 2005, assassination of former Lebanese Prime Minister Rafik Hariri and 22 others. According to the report, Mr. Moallem met with Hariri two weeks prior to his assassination. An excerpt of their conversation:

Hariri: "I cannot live under a security regime that is specialized in interfering with Hariri and spreading disinformation about Hariri and writing reports to [Syrian President] Bashar Assad. . . . Lebanon will never be ruled from Syria. This will no longer happen."

Moallem: "We and the [security] services here have put you into a corner. Please do not take things lightly."

The exchange was secretly taped. The Mehlis Report notes that "the recorded interview clearly contradicts Mr. Al-Moallem's witness interview of 20 September 2005 in which he falsely described the 1 February meeting as 'friendly and constructive' and avoided giving direct answers to the questions put to him."

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Mr. Moallem would thus seem to be guilty of obstructing an ongoing criminal investigation, if not actually of conspiracy to murder. But leave these sticky details aside and consider the case for engaging the Syrians diplomatically.

At a simplistic level, the argument is: Where's the harm in talking? Oddly, the people who say this about Syria rarely make it in connection to, say, al Qaeda.

A more sophisticated view is that the administration is anyway not seriously interested in overthrowing Mr. Assad -- the Muslim Brotherhood might well end up taking over -- so it will need carrots as well as sticks to improve his behavior. The largest of those carrots, supposedly, is a promise not to seek regime change; another is to abandon the cause of a truly independent Lebanon; a third is to lean on Israel to abandon the Golan Heights in return for a peace treaty. In exchange, it is hoped, Damascus will start playing a constructive role in Lebanon, abandon its support for terrorist groups in Iraq and Palestine, and begin to step away from its alliance with Iran.

That's a nice scenario, assuming it's plausible. But note the contradictions. How can the U.S. use the threat of regime change to improve Syrian behavior if in the very act of engagement it demonstrates that it has no interest in regime change? And why should Syria quit making mischief among its neighbors if it is that very mischief that brings America to the table?

In other words, for either side to gain ground they have to abandon the very things that got them ground. The State Department might just be "creative" enough to do that, but the Assad family has long understood that the only leverage they exercise is negative leverage. That's why the current Syrian president's father, Hafez Assad, refused the return of the Golan Heights when it was offered to him in 2000, and why Bashar Assad once said that "it is inconceivable that Israel will become a legitimate state even if the peace process is implemented." (Emphasis added.)

One also must wonder why Damascus has chosen this moment to go on its charm offensive, when it is riding high on America's stalemate in Iraq and Hezbollah's victory over Israel. In the past, the Syrians have made concrete concessions only under the most severe pressure: first in 1998, when Turkey threatened to invade if Syria did not expel Kurdish terrorist leader Abdullah Ocalan; then in 2005, when the U.S. and France united to demand the Syrian army's withdrawal from Lebanon.

One view is that Mr. Assad, after giving both material and verbal encouragement to the Iraqi "resistance," has concluded that Iraq's chaos could spread to Damascus. Maybe. But exiled Syrian dissident Ammar Abdulhamid has another take. "The neocon/neorealist dichotomy has given hope to the Syrian regime that it can outwait Bush," he says. "The regime is in jubilant mode right now, and the Iraq Study Group is going to deliver another boost to it."

In this reading, Mr. Assad's strategy is to ingratiate himself just enough with the West to take the option of regime change permanently off the table. In the meantime, he continues to funnel arms to Hezbollah while counting on the Shiite group to block the Hariri probe from ever going to trial. As for Iraq, having done his bit to bleed U.S. troops for three years, Mr. Assad has concluded it's time to usher us out the Mideast door. Funny the overture should come right after the U.S. midterms.

In the summer of 2005, a senior administration official smugly noted that the Syrian regime was sinking on its own weight, as if on quicksand. Now the countries have traded places, and some would urge the administration to grasp the offered hand of the likes of Mr. Moallem. They should consider what that hand has done, and whether it will pull us up -- or sink us.

Don't Trade Iran For Iraq (HILL)

The Hill, November 21, 2006

A consensus seems to be developing that only a "regional solution" embracing Iran and Syria can extract the United States from Iraq without jeopardy to those who have stood with us and without damage to both our reputation and Bush's place in history.

But at what price? Nobody seems willing to say what "engagement" with Iran for a regional solution would entail. We cannot ask Iran's help while we bomb its nuclear reactors or impose tough sanctions on the country.

The price of Iranian cooperation will be complicity in Tehran's nuclear ambitions. Iran will gladly assure Bush it does not intend to develop an atomic weapon. But we shouldn't believe it.

By quitting Iraq with Iranian help, we let a regime get atomic weapons that has promised to wipe Israel off the map. By going hat in hand to Iran, we sacrifice Israel.

Israel will have only one course — to bomb Iran in hope of delaying its acquisition of nuclear weapons. Israel's nuclear deterrent will be of little use. Israel could easily be wiped out by a few dozen nuclear explosions, while Iran, widely dispersed demographically, would likely survive an Israeli attack with half or more of its population alive. Israel cannot bet that Iran's good sense or the Israeli deterrent will stop Tehran from using nuclear weapons. It will be forced to strike now.

An Israeli strike would produce waves of nationalist sentiment in Iran and inflame Arab hatred of the Jewish state. It is precisely what we don't need now in the Middle East.

Nor would an Israeli attack necessarily stop Iran getting nukes. If Iran gets the bomb, Tehran will not only wipe out Israel, but will cow non-nuclear neighbors and gain control over the Gulf.

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What should the U.S. do?

We need to organize a Buyers Club, a kind of reverse OPEC to shun Iranian oil until Tehran dismantles its nuclear effort. Iran sells 2.7 million barrels of crude each day. That is a relatively small share of the 90 million barrels of daily world output. Merrill Lynch predicts that world oil production will rise by 2.6 million barrels a day in 2007 (1.1 million from OPEC countries and 1.5 million from the rest of the world). Its two-year phase-out of reliance on Iranian oil is feasible.

Japan, Iran's biggest customer, trimmed its purchases of Iranian oil by 15 percent in March. The Buyers Club would have to help importers to make sure shortages don't develop in any one country. (The U.S. does not buy any Iranian oil.) Prices will rise somewhat, but this is a small price to pay to avoid a nuclear war.

And about Iraq? An Iranian bomb is no way to save face! We need to pull out of Iraq and understand that we have lost the war there. We are unable to fight for a nation unwilling to fight for itself. We must accept the loss of face, do our best to stabilize the nation, help it stand on its feet for another year or so, and then pull out.

But we must be sure not to accept the siren song, reportedly being pedaled by former Secretary of State James Baker, that we can have a regional solution by getting our two old friends, Iran and Syria, into the act. That way lies disaster!

Morris, a former political adviser to Sen. Trent Lott (R-Miss.) and President Bill Clinton, is the author of "Condi vs. Hillary: The Next Great Presidential Race." To get Dick Morris's columns e-mailed to you for free, please send him your e-mail address. His e-mail is dickmorris2006@aol.com

An Iraqi Solution, Vietnam Style (NYT)

By Mark Moyar

The New York Times, November 21, 2006

Quantico, Va.

IRAQ'S prime minister, Nuri al-Maliki, is now saying that he wants the United States to stand back and let him use Iraqi forces to restore order. Within six months, he asserts, the bloodletting will cease. The United States must give this proposal very serious consideration. Critics of America's current Iraq policy, particularly among the Congressional Democrats, have tended to concentrate on international diplomatic remedies. Experience, however, suggest that only the Iraqis themselves can end the chaos and violence.

The United States faced a very similar crisis a half-century ago. In 1955, the pro-American government of Ngo Dinh Diem sought to disband militias that belonged to religious sects, analogous to the Shiite militias in Iraq today. A self-interested faction controlled the South Vietnamese police, much as self-interested Shiites dominate the Iraqi police. In Vietnam as in Iraq, the only strong force not beholden to the sects was the army, and the army's leadership was not entirely loyal to the national government.

When the South Vietnamese sects defied the authority of the Saigon government in the spring of 1955, the American special ambassador, Gen. J. Lawton Collins, urged Diem to compromise with them. Efforts to suppress the sects by force, Collins warned, would alienate the Vietnamese people, unhinge the army and lead to disastrous civil warfare. This advice was based on the mistaken premise that political solutions suitable in the United States would likewise be suitable in any other country.

Diem rejected Collins's advice, and with good reason. In South Vietnam, as in other historically authoritarian countries, if the government failed to maintain a monopoly on power, it would lose prestige among its supporters and enemies. Only a strong national government could prevent the sects and other factions from tearing the country apart. While Diem was able to gain the submission of some groups by persuasion, others remained defiant.

In April 1955, fighting broke out between the South Vietnamese National Army and one of the militias. Diem sought to capitalize on the fighting to destroy the militia, which caused Collins to advocate Diem's removal. Other Americans predicted chaos and wanted to abandon South Vietnam altogether.

President Dwight Eisenhower, however, decided that Diem should be allowed to use the army against the militias. In Eisenhower's view, a leader who had the smarts and the strength to prevail on his own — even if it meant he discarded American advice — would be a better and more powerful ally than one who survived by doing whatever the United States recommended.

Through political acumen and force of personality, Diem gained the full cooperation of the National Army and used it to subdue the sects. Simultaneously, he seized control of the police by replacing its leaders with nationalists loyal to him. In a culture that respected the strong man for vanquishing his enemies, Diem's suppression of the militias gained him many new followers.

Diem went on to become a highly effective national war leader. When, in August 1963, he suppressed challenges to his authority from another religious group, he again experienced an upsurge in prestige. Some American officials and journalists,

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however, denounced him for what they mistakenly saw as counterproductive heavy-handedness, and the officials prodded South Vietnamese generals into overthrowing him.

The South Vietnamese government rapidly deteriorated after the coup, in which Diem was assassinated. The new leaders were inept and tolerated strident opposition groups in order to satisfy the Americans. Violence proliferated among religious groups, and Viet Cong subversion accelerated.

South Vietnam's history recommends the pursuit of two objectives that American officials are now urging upon Prime Minister Maliki: subduing the Shiite militias and transferring control of the police from Shiite partisans to Iraqi nationalists.

In Iraq as in Vietnam, the leader best able to end the violence will be one who possesses a very keen understanding of the country's politics and can judge them better than outsiders can. Mr. Maliki has shown that he does not share America's views on how to deal with the militias and the police. Vietnam tells us that we should welcome his willingness to act on his own initiative, rather than being alarmed by it.

Just as Diem established himself because Eisenhower let him participate unhindered in a Darwinian struggle, we should give Mr. Maliki the chance to restore order as he sees fit, provided his government does not try to suppress the insurgency through wholesale violence against Sunni civilians, as some fear it will.

If we pull back our troops temporarily and let Mr. Maliki deal with Iraq's problems using Iraqi forces, we will be able to determine more quickly whether he can save his country as Diem saved his in 1955. We will see whether he has the political skills to cut deals with local leaders, the support of enough security forces to suppress those who won't cut deals, and the determination to prevent the obliteration of the Sunnis.

If he does not have these attributes, it is to be hoped that the Iraqi Parliament, the Council of Representatives, will exercise its constitutional right to remove the prime minister by a vote of no confidence. Perhaps there is a better prime minister out there. It is also possible that nationalists will try to stage a coup and install a more authoritarian, less sectarian government. We may decide to condone a coup if the situation becomes desperate enough. But we would be best advised to avoid orchestrating one as we did so disastrously in 1963.

The United States may ultimately find that no Iraqi leader can neutralize both the insurgents and the militias. The benefits of a self-sufficient Iraqi government are so great, however, that we must give Mr. Maliki the opportunity to try.

Flaws Cited In Effort To Train Iraqi Forces (WP)

By Thomas E. Ricks

The Washington Post, November 21, 2006

The U.S. military's effort to train Iraqi forces has been rife with problems, from officers being sent in with poor preparation to a lack of basic necessities such as interpreters and office materials, according to internal Army documents.

The shortcomings have plagued a program that is central to the U.S. strategy in Iraq and is growing in importance. A Pentagon effort to rethink policies in Iraq is likely to suggest placing less emphasis on combat and more on training and advising, sources say.

In dozens of official interviews compiled by the Army for its oral history archives, officers who had been involved in training and advising Iraqis bluntly criticized almost every aspect of the effort. Some officers thought that team members were often selected poorly. Others fretted that the soldiers who prepared them had never served in Iraq and lacked understanding of the tasks of training and advising. Many said they felt insufficiently supported by the Army while in Iraq, with intermittent shipments of supplies and interpreters who often did not seem to understand English.

The Iraqi officers interviewed by an Army team also had complaints; the top one was that they were being advised by officers far junior to them who had never seen combat.

Some of the American officers even faulted their own lack of understanding of the task. "If I had to do it again, I know I'd do it completely different," reported Maj. Mike Sullivan, who advised an Iraqi army battalion in 2004. "I went there with the wrong attitude and I thought I understood Iraq and the history because I had seen PowerPoint slides, but I really didn't."

Gen. John P. Abizaid, the top U.S. military commander for the Middle East, told Congress last week that he plans to shift increasing numbers of troops from combat roles to training and advisory duties. Insiders familiar with the bipartisan Iraq Study Group say that next month the panel will probably recommend further boosts to the training effort. Pentagon officials are considering whether the number of Iraqi security forces needs to be far larger than the current target of about 325,000, which would require thousands more U.S. trainers.

Most recently, a closely guarded military review being done for the Joint Chiefs of Staff laid out three options for Iraq. It appears to be favoring a version of one option called "Go Long" that would temporarily boost the U.S. troop level -- currently about 140,000 -- but over time would cut combat presence in favor of training and advising. The training effort could take five to 10 years.

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Despite its central role in Iraq, the training and advisory program is not well understood outside narrow military circles. Congress has hardly examined it, and training efforts lie outside the purview of the special inspector general on Iraq reconstruction. The Army has done some studies but has not released them. Even basic information, such as how many of the 5,000 U.S. military personnel involved are from the National Guard and Reserves, is unusually difficult to obtain.

But the previously unreported transcripts of interviews conducted by the Army's Combat Studies Institute at Fort Leavenworth, Kan., offer a view into the program, covering a time from shortly after the 2003 invasion until earlier this year.

One of the most common complaints of the Army officers interviewed was that the military did a poor job of preparing them. "You're supposed to be able to shoot, move and communicate," said Lt. Col. Paul Ciesinski, who was an adviser in northern Iraq last year and this year. "Well, when we got to Iraq we could hardly shoot, we could hardly move and we could hardly communicate, because we hadn't been trained on how to do these things." The training was outdated and lackadaisical, he said, adding sarcastically: "They packed 30 days' training into 84 days."

Sullivan, who advised three infantry companies in the Iraqi army, called the U.S. Army's instruction for the mission "very disappointing."

Nor were the officers impressed by some of their peers. Maj. Jeffrey Allen, an active-duty soldier, noted that all other members of his team were from the National Guard, and that his team was supposed to have 10 members but was given only five. He described his team as "weak . . . in particular the brigade team chief."

A separate internal review this year by the military's Center for Army Lessons Learned, based on 152 interviews with soldiers involved in the training and advisory program, found that there was "no standardized guideline" for preparing advisers and that such instruction was needed because "a majority of advisors have little to no previous experience or training."

Lt. Col. Michael Negard, a spokesman for the Multi-National Security Transition Command-Iraq, the headquarters for training, said he has not seen the Lessons Learned report and so does not know whether the training has been improved or standardized since that report was issued.

After arriving in Iraq, advisers said, they often were shocked to find that the interpreters assigned to them were of little use. Ciesinski reported that at his base in western Nineveh province, "They couldn't speak English and we would have to fire them."

Nor were there enough interpreters to go around, said Sullivan. "It was a real juggling act" with interpreters, he said, noting that he would run from the headquarters to a company "to borrow an interpreter, run him over to say something, and then send him back."

But he was better off than Maj. Robert Dixon, who reported that during his tour in 2004, "We had no interpreters at the time."

The Center for Army Lessons Learned study, whose contents were first reported by the Wall Street Journal, found one unit that learned after 10 frustrating months that its interpreters were "substandard" and had been translating the advisers' instructions so poorly that their Iraqi pupils had difficulty understanding the concepts being taught.

Trainers and advisers also reported major problems with the Army supply chain. "As an adviser, I got the impression that there was an 'us' and 'them' " divide between the advisers and regular U.S. forces, said Maj. Pete Fedak, an adviser near Fallujah in 2004. "In other words, there was an American camp and then, outside, there was a bermed area for the Iraqis, of which we were part."

Replacing basic office materials was one of the toughest problems advisers reported. "Guys would come under fire so they could get computer supplies, paper and things like that," Sullivan said. "It was a surreal experience."

Lt. Col. Paul Yingling, a staff officer with the 3rd Armored Cavalry Regiment in Iraq in 2005 and 2006 who worked with Iraqi units, came away thinking that the Army fundamentally is not geared to the task of helping the advisory effort.

"The thing the Army institutionally is still struggling to learn is that the most important thing we do in counterinsurgency is building host-nation institutions," he told the interviewers, "yet all our organizations are designed around the least important line of operations: combat operations."

Advisers found that the capabilities of Iraqi forces "ran the gamut from atrocious to excellent," as it was put by Lt. Col. Kevin Farrell, who commanded an armored unit in east Baghdad last year and this year.

Many worried that the Iraqi units being advised contained insurgents. An Iraqi National Guard battalion "was infiltrated by the enemy," said Maj. Michael Monti, a Marine who was an adviser in the Upper Euphrates Valley in 2004 and 2005.

Some advisers reported being personally targeted by infiltrators. "We had insurgents that we detected and arrested in the battalion that were planning an operation against me and my team," Allen said.

But Iraqi officers may have had even more to fear, because their families were also vulnerable. "I went through seven battalion commanders in eight weeks," Allen noted. Dixon reported that in Samarra both his battalion commander and intelligence officer deserted just before a major operation.

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Iraqis also had some complaints about their U.S. advisers, most notably that junior U.S. officers who had never seen combat were counseling senior Iraqi officers who had fought in several wars. "Numerous teams have lieutenants . . . to fill the role of advisor to an Iraqi colonel counterpart," the Lessons Learned report stated.

Farrell, the officer in east Baghdad, said some advisers were literally "phoning in" their work. Some would not leave the forward operating base "more than one or two days out of the week -- instead they would just call the Iraqis on cellphones," he said.

Dixon was grim about the experience. "Would I want to go back and do it again?" he asked. His unambiguous answer: "No."

Yingling came to a broader conclusion. He recommended an entirely different orientation in Iraq, both for trainers and for regular U.S. units. "Don't train on finding the enemy," he said. "Train on finding your friends, and they will help you find your enemy. . . . Once you find your friends, finding the enemy is easy."

Staff researcher Julie Tate contributed to this report.

Force Multiplier (WSJ)

By Hans Binnendijk And Bing West

The Wall Street Journal, November 21, 2006

The reassessment of U.S. strategy in Iraq should radically alter the combat mission of the American troops serving there. The key policy change is to embed five times as many U.S. combat advisers into Iraqi battalions. This will, on the one hand, reduce the size and casualties of U.S. forces, and on the other, strengthen the Iraqi army -- the only institution that can stop the creeping civil war. A war of that order will eventually degenerate into a regional catastrophe. The U.S. has three unpalatable choices: withdraw, choose sides or make a last effort to avoid it. Withdrawing now will trigger that war. Choosing sides with Shiites against Sunnis will label America as a murderer when the inevitable atrocities take place.

So what would comprise a serious final effort? The diplomatic elements include discussions with Syria and Iran, multilateral aid and enfranchising Sunnis by sharing oil revenues, amnesty and moderation of the de-Baathification rules.

But any diplomatic package will fail unless Iraq's security forces restore order. The only way to rapidly do that is to shift platoons from American battalions into 140 Iraqi army battalions and critical police stations. Currently the U.S. has about a dozen military advisers working in each Iraqi battalion. These advisers spend their time as managers. They are too few to give combat advice and moral reassurance out on the streets during daily operations.

As a result, Iraqi platoons, lacking self-confidence, restrict their patrolling in the dangerous areas where they are most needed. To infuse combat confidence in each Iraqi battalion, we propose embedding about 60 advisers -- by transferring a reinforced platoon from every U.S. infantry battalion in Iraq. Each American soldier and Marine so deployed would be a force multiplier, greatly increasing the effectiveness of the Iraqi soldiers. The total number of advisers would expand to 20,000, plus additional support. Air and artillery strikes would be on call. Additional U.S. battalions would be needed to provide Quick Reaction Forces should the embedded forces need them. Special Forces commandos would still seek out al Qaeda operatives anywhere. U.S. units would maintain security in parts of Baghdad and 10 other key cities.

The huge increase in advisers would be offset by a drawdown of American conventional battalions and base support units. American-only patrols are becoming counterproductive, with fewer direct enemy engagements, more sniper and IED attacks, and more alienated Iraqis. In return for the embedding, the U.S. would insist that Iraqi officers accused of malfeasance by their advisory teams be relieved of duty.

By shifting missions from American-only patrolling to embedded combat advisers, the overall U.S. troop requirement might be cut nearly in half during the coming year. But the effectiveness of the mission should increase, based on past experience. In Vietnam, the Marine Combined Action Platoon (CAP) program deployed over 100 squads to live in hamlets with Popular Force units. Large areas were patrolled at low cost and 60% of the Marines involved extended at the end of their tours. Last year in northwest Iraq, the American commander in al Qaim replicated the CAP experience by integrating his battalion into local police and army forces and driving al Qaeda out of the city.

Many U.S. commanders will resist a major structural change that breaks down battalion combat teams. The embedded units will patrol heavily in dangerous areas. The Iraqi Army has to take on the militias and the police units who side with them. If the U.S. dramatically increases the advisory effort, strengthening the army, the risk emerges of creating a strong man, not a Western-style democracy; yet given the consequences of failure, these risks must be taken.

Restoring security in Iraq trumps all else. In the spring of 2004, Lt. Gen. James N. Mattis, then commanding the Marine division in Anbar province, intended to initiate the combined platoon program on a major basis. The eruption of the extended battle for Fallujah precluded that. Combined platoons were a good idea 30 months ago; today, they are vital.

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Mr. Binnendijk is the Theodore Roosevelt professor at National Defense University. Mr. West is author of "No True Glory: A Frontline Account of the Battle for Fallujah" (Bantam, 2005).

Iraq Resumes Diplomatic Ties With Syria (AP-Y)

By Thomas Wagner, Associated Press Writer

AP, November 21, 2006

After nearly a quarter-century of severed ties, Iraq said Monday it will resume diplomatic relations with neighboring Syria — a move seen as a possible step toward stemming some of the unrelenting violence, which claimed another 100 lives.

The Iraqi and Syrian presidents also received invitations from Iranian President Mahmoud Ahmadinejad to a weekend summit in Tehran to tackle the chaos in Iraq, Iraqi lawmakers said. Iraqi President Jalal Talabani's spokesman said his boss would attend but that Syrian President Bashar Assad would not. The invitation was thought to be an attempt by Iran to counter U.S. influence in the region.

The announcement of restored Iraqi-Syrian ties came during a groundbreaking visit to Baghdad by Syrian Foreign Minister Walid Moallem, who was challenged over Damascus' role in supporting the Sunni insurgency.

"We object to any neighboring country that allows itself to be a base or a transit point for the terrorist groups that harm Iraq," Iraqi Prime Minister Nouri al-Maliki said after meeting with the Syrian envoy.

Al-Maliki told Moallem that Damascus should not let its disputes with the United States be played out in Iraq, where the chaos and bloodshed has become "a danger that threatens all, not Iraq only."

Asked about the Syrian's visit, State Department deputy spokesman Tom Casey said "the problem is not what they say but what they do."

"Certainly what we would like to see the Syrians do is take actions to, among other things, prevent foreign fighters from coming across the border into Iraq; and, again, to back up the positive words that they have with some real concrete steps," Casey said.

Moallem arrived in Iraq on Sunday in the first such high-level visit by a Syrian official since the fall of Saddam Hussein's regime in 2003. He was expected to return to Damascus on Tuesday.

"Diplomatic relations will be restored between the two countries during the visit," Iraqi government spokesman Ali al-Dabbagh said.

Syria broke diplomatic ties with Iraq in 1982, accusing Iraq of inciting riots by the banned Muslim Brotherhood in Syria. Damascus also sided with Iran in the 1980-88 Iran-Iraq war. Trade ties were restored in 1997.

More recently, Syria is widely believed to have done little to stop foreign fighters and al-Qaida recruits from crossing its border to join Sunni insurgents in Iraq. It also has provided refuge for many top members of Saddam's former leadership and political corps, which is thought to have organized arms and funding for the insurgents. The Sunni insurgency, since it sprang to life in the late summer of 2003, has been responsible for the vast majority of U.S. deaths in Iraq.

A U.S. soldier was killed by a roadside bomb in Baghdad on Saturday night and a U.S. Marine died during combat in Anbar province on Sunday, the military said, raising to at least 2,865 the number of U.S. service members who have died since the beginning of the Iraq war. This month in Iraq, 47 American service members have been killed or died.

The Iraqi death toll, meanwhile, rose to at least 1,371 for the first 20 days of November — the highest for any month since The Associated Press began tracking the figure in April 2005.

In all, 25 Iraqis were killed Monday in a series of attacks in Baghdad, Ramadi and Baqouba, police said. The bodies of 75 Iraqis who had been kidnapped and tortured also were found on the streets of the capital, in Dujail to the north of Baghdad and in the Tigris River in southern Iraq.

The Iraqi death toll this month is already well above the 1,216 who died in all of October, which had been the deadliest month in Iraq since the AP began its count.

The actual totals are likely considerably higher because many deaths are not reported. Victims in those cases are quickly buried according to Muslim custom and never reach morgues or hospitals to be counted.

Monday's civilian victims included Walid Hassan, an actor and comedian on Al-Sharqiyah TV who was shot while driving in western Baghdad. The motive for his slaying was unknown. Hassan had performed in a comedy series called "Caricature," which mocked coalition forces, insurgents, militias and Iraq's government.

Assailants also shot to death Fulayeh al-Ghurabi, a Shiite professor at Babil University in the province south of Baghdad, as he was driving home at midday, police said.

In addition to the victims of violence, countless Iraqis have had close calls with death. Among them were two government officials who escaped assassination attempts Monday.

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Minister of State Mohammed Abbas Auraibi, a member of Iraq's Shiite majority, said a roadside bomb hit his convoy at about 9:30 a.m. as it was driving on a highway in eastern Baghdad. Two of his bodyguards were wounded.

Hakim al-Zamily, a Shiite deputy health minister, also escaped unhurt when gunmen opened fire on his convoy in downtown Baghdad at noon, killing two of his guards, the minister said.

On Sunday, suspected Sunni insurgents kidnapped another deputy health minister, Shiite Ammar al-Saffar, from his home in northern Baghdad. Officials said the gunmen wore police uniforms and arrived in seven vehicles to abduct al-Saffar, who was believed to be the most senior government official kidnapped in Iraq since the war began in March 2003.

Al-Saffar was seized nearly a week after dozens of suspected Shiite militia gunmen in police uniforms kidnapped scores of people from a Ministry of Higher Education office in Baghdad. That ministry is predominantly Sunni.

Spoofer Of Iraq's Chaos Becomes Another Victim (WP)

By Sudarsan Raghavan

The Washington Post, November 21, 2006

BAGHDAD, Nov. 20 -- For the last three years, Walid Hassan had an impossible task. He had to make war-weary Iraqis laugh. Week after week, the comedian and broadcaster found inspiration in the turmoil and bloodletting. On his weekend television show, "Caricature," he poked fun at the poor security, the long gas lines, the electricity blackouts and the ineffective politicians.

In Hassan's world, nothing was sacred. And many Iraqis adored him. In a nation bottled up with frustration, he was their release. They would recognize him on the streets and uncork their plights. He would listen, and turn them into satire.

On Monday, Hassan, 47, a father of five children, became a victim of the war and chaos from which he drew his inspiration. A Shiite Muslim, he was found in the majority-Sunni neighborhood of Yarmouk in west Baghdad with multiple bullet wounds to his back and head, according to police. He was last seen by witnesses in a black car with a driver and two other passengers.

"He was a star in the galaxy of Iraqi arts," said Ali Hanoon, the show's director. "Now, he's another sacrifice on the altar of this slaughtered country."

Hassan, who also produced a political show, was the latest casualty in the Iraqi media world, which has suffered heavily since the U.S.-led invasion of 2003 unleashed a wave of press freedom. So far, 133 reporters, cameramen and other media workers have been killed in Iraq, the vast majority of them Iraqi, according to Reporters Without Borders, a journalists advocacy group.

Hassan, described by friends as tall with gray-flecked hair and a warm smile, was the second employee of al-Sharkiya television, an independent channel owned by a London-based Iraqi businessman, to be killed this month. In January, a Sharkiya anchor escaped a kidnapping attempt by jumping out of the second-floor window of her apartment after masked men broke into her home.

On Monday, Hassan's family and closest friend struggled to comprehend his death. In today's Baghdad, filled with death squads and criminal gangs, there could be many reasons. Was he the victim of sectarian strife? Or was it a kidnap-for-ransom plot gone awry? Or did his broadcast cross one too many red lines?

What is clear is that Hassan was concerned about his life, said his friends. As he viewed the mounting death tolls, he often thought about when his turn would come, mirroring the views of many Iraqis, said Hanoon.

So, like most Iraqis, he made preparations for death. Last year he sold his car for $5,000 and used it to buy a piece of land for his family.

"I asked him, why you sold your car?" recalled Ali Jabbir, one of Hassan's co-actors on "Caricature."

"He said, 'If tomorrow comes and I die, at least I'll give a house to my kids.' And this was the concern of every Iraqi."

On Monday, Hanoon said he had spoken with Hassan's wife. She said her husband often reassured her that his fame would shield him from the violence unfolding outside.

"She told me he used to tell her, 'If people came and wanted to kill me, I would use reason with them. And I will tell them, why would you kill me? On what basis? And I would get out of it because I was so popular,' " Hanoon recounted.

After graduating from a fine arts college in Baghdad, Hassan worked as a civil servant in Nasiriyah. He took night courses in acting and art while working as a journalist for Iraq's state television. In the early 1990s, he came to Baghdad to pursue his dream of becoming a comedian. He got his break as a director of a candid camera program called "Tricks" that ran on state television, recalled Hanoon.

In the months after the U.S.-led invasion, when Iraq exploded with a constellation of television channels, Al-Sharkiya tapped Hassan and five other actors for "Caricature." In each 30-minute segment, the actors performed skits that often seemed like Iraq's version of "Saturday Night Live." Hassan's roles ranged from corrupt officials to brown-nosing bureaucrats.

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One skit was about a family who moved their home and all their belongings to an unknown location. By the end of the segment, they had grown long gray hair, their faces wrinkled with age. That's when the television viewers learned that the family was waiting in one of Iraq's notoriously long gas lines.

Last week, in his final role, Hassan played a man who made his way to the top of his company through connections, only to find out he was the wrong person for the job. Many viewers interpreted that as a slap at Iraq's unity government, in which sect and tribal allegiances are clearly visible in many ministries.

"The feeling Hassan had is the same that most people have, that Baghdad is withering," said Jabbir. "So we dealt with the diseases of society."

There was one sensitive issue they never played with: the sectarian strife disfiguring Iraqi society. "We always hated this subject," said Jabbir. "We believe the media should not provoke such strife. The goal is to put down such strife."

Hassan, his friends said, didn't perform his job for the money -- he earned a meager $400 a month and always found it hard to make ends meet.

On Monday, some of his co-actors on the show reflected on what drove Hassan to work on a show that could anger many powerful people.

"This was his own way to serve his country and his people, and this is the reason why Walid and us took that risk," said Bushra Ismael, a co-actor on "Caricature."

Hanoon said he wasn't certain whether the show would stay on the air.

"Since the program is a comedy, the laughter that will come out will be soaked with blood," said Hanoon.

Banned Iraqi Television Station Illicitly Back On The Air (MCT)

By Hannah Allam

McClatchy Newspapers, November 21, 2006

BAGHDAD, Iraq - When Iraqi government officials pulled the plug on al Zawraa TV earlier this month, they thought they'd finally stamped out a channel known for reporting live from "occupied Baghdad" and declaring Saddam Hussein's death sentence "a sad day for Iraq."

Two weeks later, however, the Sunni-owned station is back, and bloodier than ever.

"Virtuous clerics, tribesmen, merchants, farmers, work together as one hand to liberate Iraq," a crawl at the bottom of the screen urged Monday. Saddam-era martial music boomed as an insurgent video montage began: a sniper hitting an American soldier snacking on a sandwich, a U.S. Humvee bursting into flames as it hit a roadside bomb, Sunni Muslim militants vowing to overthrow Shiite leaders who are portrayed as agents of Iran.

"This is as violent as it gets," said Bassam al Husseini, the senior government adviser who'd sought the order banning the channel for its coverage of Saddam's trial. "Now they've become officially irhabiyah," he added, using the Arabic word for "terrorist."

Al Zawraa TV is the station of choice for nostalgic Baathists, militant Islamists, Iran-hating Sunnis and anti-American Arab nationalists. Driven underground by a court order on Nov. 5, the day Saddam was sentenced to death, the satellite news channel has re-emerged in recent days, broadcasting from an unknown location and devoid of any pretense of neutrality.

Its theme song is borrowed from an old Iraqi TV miniseries, and its content is unbroken, 24-hour insurgent propaganda.

"We'll fall man over man until our hair is gray, and this land will not be touched," the lyrics say, usually accompanied by startling footage of attacks on U.S. troops.

"I'm so happy to hear these nationalist songs again and to see the armed attacks against the Americans," said Tamam Abdul Samad, 28, a Sunni engineer from the southern Shiite city of Basra, which borders Iran. "When I hear it, I jump and dance. This channel represents Sunnis as well as patriotic Shiites." Al Zawraa's ability to broadcast round the clock in defiance of the government is yet another example of the increasing technological prowess of insurgents and their supporters. U.S. military officials sort through Internet sites, message boards, text messages and TV channels every week to monitor the ebb and flow of insurgent chatter. But that doesn't mean they're able to counter it.

"These extremist elements can literally go out and say what they want, post what they want," Maj. Gen. William Caldwell, spokesman for U.S.-led forces in Iraq, said at a news conference Monday. "They have absolutely no responsibility to the press or anybody else to come back and clarify it, validate it, justify it, to be held accountable to it. Whereas, in fact, it's the exact opposite for us."

Al Zawraa was launched in November 2005, the brainchild of Mishaan al Jubouri, a Sunni member of the Iraqi parliament who fled to Syria recently amid allegations of corruption. The station claims it won't run al Qaida videos and doesn't condone attacks on civilians; its allies are Iraqi nationalist fighters who strike only military and government targets, it says. In a telephone interview from Damascus, Jubouri said the main goal of the station is to urge resistance to what he calls the "U.S.-backed

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Safavid occupation," a reference to the Persian Shiite dynasty that ruled Baghdad in the late 16th and early 17th centuries. "Safavid" is now a common slur to describe the Shiites in charge of Iraq, many of whom spent years in Iran as exiles.

"When we were broadcasting in public from inside Iraq, we had to respect Iraqi law. But when the Iraqi government broke the law and closed the channel for no legitimate reason, they turned us into a channel that broadcasts in secrecy," Jubouri said.

Jubouri said the station's Baghdad offices remain shuttered and his six correspondents on the run, roaming the Iraqi countryside in a satellite truck, from which they beam their programming to an Egyptian satellite distributor called Nilesat, which then retransmits the channel across the Middle East.

Jubouri said the new pro-resistance format has increased the number of viewers "100 times over." He said the channel receives thousands of e-mails and text messages every day.

"We are now broadcasting from places the Safavids can't reach," he boasted.

To many Sunni Iraqis, it's the perfect antidote to the Shiite-run stations that regularly deride Sunni clerics as terrorists, air interviews conducted in Persian-accented Arabic and support militias blamed for scores of sectarian killings.

In predominantly Sunni areas of Iraq, former military officers watch from cafes, and ordinary families tune in from home for the songs, speeches and spirit of the days when Iraq was a place of law and order, albeit one built under the crushing weight of a brutal dictatorship.

"This channel wasn't popular or aggressive before the decision to close it," said Jamal Abdullah, 29, a teacher from the Sunni insurgent stronghold of Fallujah.

(McClatchy special correspondents Mohammed al Dulaimy and Shatha al Awsy contributed to this report.)

British PM Visits Troops In Afghanistan (AP)

By David Stringer, Associated Press Writer

AP, November 21, 2006

British Prime Minister Tony Blair told soldiers fighting a resurgent Taliban that success in Afghanistan would be a step toward global security, and on Monday pledged Britain's commitment to the war-torn country "for as long as it takes."

Blair held talks in Kabul with President Hamid Karzai following a visit to meet hundreds of troops in the country's restive southern Helmand province — a former Taliban stronghold and hub of Afghanistan's heroin trade.

Blair paid tribute to the troops at Camp Bastion — Britain's main southern base.

"Here in this extraordinary desert is where the future of world security in the early 21st century is going to be played out," he said, speaking on a platform raised above a vast stretch of gray dust.

The visit was the British leader's first to Afghanistan since 2002. Britain has around 6,000 soldiers deployed in Afghanistan.

Blair told a joint news conference with Karzai at the presidential palace that British and NATO forces would likely remain in Afghanistan for years to prevent any return to power of the Taliban.

"We came to Afghanistan because the sickness and the evil that was here came to us," Blair said, referring to the Sept. 11, 2001, attacks on the U.S. "I don't believe there is an alternative but to fight this and to fight it for as long as it takes."

Blair's arrival followed a two-day visit to Pakistan, where he and Pakistani President Gen. Pervez Musharraf agreed to a package of joint ventures to tackle extremism and to aid neighboring Afghanistan.

Musharraf said Afghanistan needed a huge influx of reconstruction aid, similar to the U.S. Marshall Plan that helped rebuild Europe after World War II.

A total of 41 British soldiers have died in Afghanistan since the U.S.-led invasion in 2001 — including 36 killed since Britain's deployment to Helmand province in July, Blair's office said.

British troops moved into the former Taliban stronghold and global heroin hub as part of the NATO mission to subdue insurgents and allow reconstruction to expand.

"This is a fight of a different kind from anything we have faced as a country, certainly in the postwar years," Blair said in Helmand. "It is not the same as two major powers fighting each other. It's not like World War I or World War II."

After talking with the British leader, Maj. Andy Plewes said his company of commandos — newly arrived on a six-month tour — were eager to begin the job of ousting insurgents, but also to mend relations with local community leaders.

"They've trained back in Britain for it and are ready to get out into the villages, sit down for talks with tribal leaders and drink endless cups of green tea," Plewes said.

Nick Key, a regional coordinator for Britain's foreign office, said meetings with tribal leaders had led to the withdrawal of British forces from the district of Musa Qala — prompting claims soldiers were in effect forced into retreat and raised concerns the area could be exploited by Taliban fighters.

"We know we have to keep our eyes open and we do that," Key said, insisting the pullout had been at the request of local leaders and Karzai.

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Britain's Sunday Times newspaper reported Sunday that Taliban commanders had been discovered freely recuperating in the Pakistani city of Quetta following battles in Afghanistan with British forces.

"Fighting the British is as easy as eating a loaf of bread from my hand," the newspaper quoted an unidentified Taliban commander as saying. "Fighting the British is much easier than the Americans. They have no faith."

Troops Will Stay, Blair Pledges (WT/AP)

By David Stringer

The Washington Times, November 21, 2006

KABUL, Afghanistan -- British Prime Minister Tony Blair yesterday pledged his nation's commitment in Afghanistan "for as long as it takes," telling British soldiers fighting the resurgent Taliban that success would help establish global security.

Mr. Blair said at a press conference with Afghan President Hamid Karzai at the presidential palace in Kabul that British and NATO forces likely would remain in Afghanistan for years to come to prevent the Taliban's return to power.

"We came to Afghanistan because the sickness and the evil that was here came to us," Mr. Blair said, referring to the September 11, 2001, attacks on the United States. "I don't believe there is an alternative but to fight this and to fight it for as long as it takes."

On his first trip to Afghanistan since 2002, Mr. Blair met with Mr. Karzai after visiting hundreds of troops at Britain's main southern base, Camp Bastion, in the restive southern Helmand province -- a former Taliban stronghold and hub of the country's heroin trade.

"Here in this extraordinary desert is where the future of world security in the early 21st century is going to be played out," Mr. Blair said.

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"They've trained back in Britain for it and are ready to get out into the villages, sit down for talks with tribal leaders and drink endless cups of green tea," Maj. Plewes said.

British Defense Secretary Des Browne said last month that operations in Afghanistan had cost Britain $1.6 billion since 2001.

Aid for the region has included a program of loans amounting to about $190 apiece to farmers and rural workers, aimed at encouraging them to establish new businesses.

However, hopes of denting Afghanistan's narcotics trade were undermined by a bumper opium harvest this past season.

Taliban Drug Trade: Echoes Of Colombia (CSM)

By Gretchen Peters,

The Christian Science Monitor, November 21, 2006

KABUL, AFGHANISTAN

As Afghanistan's narcotics trade explodes past $3 billion a year, there is concern that the Taliban is becoming another FARC, Colombia's notorious leftist insurgent group that draws much of its funding from the drug trade.

The Taliban and FARC - the Revolutionary Armed Forces of Colombia - both got their start protecting peasants from corrupt governments. There's evidence both initially fought narcotics traffic but then levied taxes on the trade for much-needed cash.

Over time, the FARC began to use its soldiers to protect shipments, and took over coca factories. They forced farmers under their control to grow coca. Eventually, they became self-sufficient and set up a parallel government in their semiautonomous zone. They now earn an estimated $500 million a year from cocaine.

That all sounds eerily familiar to police and military officials in Afghanistan. "There is no question at all that the Taliban has been increasingly involved both directly and indirectly in narcotics," says Seth Jones, an analyst at the Rand Corp.

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Evidence is growing that the Taliban and their allies are moving beyond taxing the trade to protecting opium shipments, running heroin labs, and even organizing farm output in areas they control. "It's reached the point where about half of the opium we seize in the provinces has some link to the Taliban," says Gen. Ali Shah Paktiawal, director of the anticriminal branch of the Kabul police.

Another senior Afghan security official says captured Taliban have confessed that most funding comes from drugs.

Afghan opium production, which mushroomed 59 percent in 2006, multiplied by 162 percent in southern Helmand Province, where Taliban ties to the trade are clearest. "People should be concerned about the FARCification of the Taliban," says a senior Western counternarcotics official, adding, "It does not take a lot of drug money to fund their terrorist operations."

British Prime Minister Tony Blair visited British troops in the province Monday and pledged to stay "as long as it takes" to prevent a return to power by the Taliban. British aid - $1.6 billion since 2001 - has included loans to farmers to start new businesses. But the country produced a bumper opium crop this past season, and is expected to do so again next year.

Many experts believe the Taliban has always been dependent on the poppy trade. Declassified US State Department records show that two major narcotraffickers now in US custody, Baz Mohammed and Bashir Noorzai, sat on the original five-member Taliban shura, or leadership council.

"The Taliban rose to power by co-opting Afghan heroin," says a US official.

Today there's raging debate among experts over how much the Taliban leadership depends on heroin for its financing. Some say that donations from wealthy Arabs and financial support from Pakistan make up a larger portion of the Taliban's financing than heroin. "I don't believe Mullah Omar and his top counsel are involved, but they have clearly allowed [trafficking] to happen," says the Western official.

Unraveling the truth is complicated by the fact that the Taliban is less of a unified movement today than it was at its start. Now, officials say, it's more a loose grouping of tribal leaders, businessmen, and regional warlords.

"There's a very small core of true believers still left in the Taliban," says a top US military official. "But our intel is that most of the guys are just in it to make a buck."

The evolution from holy warriors to heroin smugglers should come as little surprise, say experts. Terror groups from the IRA to the Tamil Tigers have raised funds through trafficking, along with other criminal activities. And the lure of the dollar often eventually warps original goals. That metamorphosis has already happened to one Afghan insurgent group, say experts. Hezb-Islami Gulbuddin, run by the fundamentalist Gulbuddin Hikmatyar, is now "a full-fledged smuggling organization," moving everything from heroin to people, says a US official.

There's fragmentary evidence that Osama bin Laden has instructed his people not to get wrapped up in narcotics, apparently fearing it would harm his movement. "Some say that Osama and his people have specifically stayed away from it," says the Western official.

The growth in smuggling complicates strategic response. "Strategic withdrawals," like the Pakistani retreat from troubled North Waziristan or the British pullback from Musa Qula in Helmand, for example, risk allowing criminal activity to flourish.

"This trade has strengthened the Taliban and greatly weakened the government's capacity," says Mr. Jones of Rand. "I'm not optimistic about where it's going."

Some US lawmakers say Washington must do more. Congressman Charles Schumer (D) of New York tagged a $700 million amendment to the defense appropriations bill to try and boost funding for Counter Narcotics in Afghanistan. It was later cut back to a total of $116 million.

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GAO Reports Progress On Info Classification At Justice, FBI (FCW)

Federal Computer Week, November 21, 2006

A report from the Government Accountability Office says the Justice Department has significantly improved the way it handles classified information, but the agency has not corrected one of the most glaring problems: staff shortages.

Increased staffing was one of the recommendations made by the National Archives' Information Security Oversight Office, which reviewed security procedures at DOJ in July 2004 and April 2005. GAO was brought in this year to assess how well DOJ and its FBI component were following the recommendations.

The agencies have made a lot of progress in a lot of areas, according to GAO's report. "DOJ, however, has taken no action on the most important recommendation, addressing staff shortages, which continue to place its program at risk," the document states.

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Justice said it does not have the resources to address the staff shortages, according to the report. The department said it "is trying to address its resources constraints, a longstanding problem that GAO identified as early as 1993, by requesting additional funds from an administrative account in fiscal year 2007."

But Justice officials acknowledged they do not know precisely how many new employees they would need because they have not fully assessed those needs, the report said. "It also does not have a strategy that identifies how it will use additional resources to address remaining deficiencies," the report added.

Justice had taken action on five of 10 recommendations, "including fixing problems with outdated and insufficient training and insufficient monitoring of components' programs," GAO said.

The report found that five department components — the Bureau of Alcohol, Tobacco, Firearms and Explosives; the Criminal Division; the Drug Enforcement Administration; the FBI; and the U.S. Marshals Service — were experiencing problems designating sensitive but unclassified information.

The components had no specific guides to help employees determine when to use that designation, GAO found.

Justice said it is awaiting the results of an interagency working group charged with setting governmentwide standards for sensitive but unclassified information before it will consider making any changes to that category. The working group is expected to release its findings next month.

GAO found that the FBI had taken action on 11 of its 12 recommendations, including updating most of its guidelines on classifying documents and issuing new security regulations.

The report also noted that the bureau is revising its training and oversight activities. "If FBI completes all recommendations, this will help to lower program risk since it makes 98 percent of DOJ's classification decisions," it states.

CORPORATE SCANDALS:

Prosecutors Drop Lay Appeal (HC)

Houston Chronicle, November 21, 2006

Government withdraws notice to challenge ruling clearing record

Federal prosecutors on Monday had this to say about their intent to challenge a judge's decision to wipe out former Enron Chairman Ken Lay's convictions: Never mind.

Last week the Justice Department filed notice it would appeal U.S. District Judge Sim Lake's October decision to clear Lay's name. That filing came the same day two senators introduced a bill to allow crime victims to seek restitution when a convicted defendant dies before exhausting appeals.

Lake had based his ruling on precedent set by the 5th U.S. Circuit Court of Appeals — the same court that would have heard a challenge. But prosecutors filed court papers Monday that said the government would withdraw its appeal notice.

Monday's filing explained that last week's action came as the deadline for filing notice of appeal was about to expire.

Even though the Justice Department acknowledged helping draft the proposed legislation, prosecutors said in Monday's filing that last week's move was "protective" to ensure they met the deadline and could then review the bill to determine if it could help support an appeal.

"Having concluded that review, the government now moves to withdraw its notice of appeal," the filing said.

Samuel Buffone, who represents Lay's estate, declined comment.

Lay died in July, just six weeks after he was convicted of 10 criminal counts in separate cases. He had not been sentenced.

Lake's decision would force the government to sue in civil court to seek millions of dollars of Lay's alleged ill-gotten gains, because a conviction no longer exists for a criminal forfeiture.

The legislation, introduced last week by Sen. Dianne Feinstein, D-Calif., and Sen. Jeff Sessions, R-Ala., members of the Senate Judiciary Committee, aims to clarify the legal procedures when a defendant dies before appeal.

Head Of Cyberonics Resigns As Options Inquiry Expands (NYT)

By Barnaby J. Feder

The New York Times, November 21, 2006

The tumultuous tenure of Robert P. Cummins as chairman, president and chief executive of the medical device maker Cyberonics has ended, the company disclosed yesterday.

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Mr. Cummins, 52, who is known as Skip, is a former venture capitalist who joined the board of Cyberonics in 1988 and became chief executive in 1995. He gained a reputation as one of nation's most passionate and intimidating business leaders in dealing with critics, regulators and investors.

Mr. Cummins had been under growing pressure since questions arose in June about the timing of stock options for 100,000 shares that were granted to him in 2004 just hours after a regulatory panel recommended approval of a Cyberonics implant to treat depression. Although none of the options vested immediately, their potential value soared when trading in the stock resumed the next day.

Scrutiny of the timing of the 2004 options grant expanded into internal and government investigations of whether Cyberonics was among the scores of technology companies that improperly manipulated options grants to ensure that executives would profit from them.

Cyberonics stock, which has been battered by the accounting questions and by the company's problems getting insurance coverage for its depression implant, soared yesterday after the company disclosed before trading began that Mr. Cummins resigned on Friday. The shares climbed as high as $26.45 before retreating to close at $24.17, up 12 percent for the day.

Cyberonics, based in Houston, also said that Pamela B. Westbrook, the chief financial officer, resigned Sunday and that Reese S. Terry Jr., the co-founder and former chief executive, would serve as interim chief executive.

In addition to the management changes, Cyberonics disclosed that its audit had concluded that dates on a number of options to Cyberonics employees had been improperly reported from 1999 to 2003. The company did not identify the employees. Investigations by the Securities and Exchange Commission and the Department of Justice continue.

In a news release and filing with the Securities and Exchange Commission, Cyberonics said that the questionable transactions might require it to restate earnings back as far as 2000 to account for an additional $10 million in expenses.

The business focus of Cyberonics is unlikely to change, but analysts said that the forced resignation of Mr. Cummins could clear the way for Cyberonics to be acquired by a larger device maker.

"Skip was the biggest barrier to the company being sold," said Thomas J. Gunderson, who follows the medical device industry for Piper Jaffray in Minneapolis. Speculation that such a deal might be struck intensified a week ago when Carl C. Icahn, the billionaire investor, disclosed that he had acquired a 2.4 percent stake in Cyberonics, sending the stock up 20 percent that day.

Cyberonics said in its S.E.C. filing that Mr. Cummins would receive $1.72 million in cash this week for resigning, along with a grant of 75,000 shares and accelerated vesting of outstanding options and restricted stock grants. The filing said Mr. Cummins would receive an additional 75,000 shares within one week of the filing by Cyberonics of its next annual report and a cash payment to cover taxes.

The severance package was criticized as "lavish" by Karen L. Finerman, president of Metropolitan Capital Advisors, an institutional shareholder that has nominated a competing slate of directors for the board of Cyberonics and owns 7.3 percent of the company's shares. Mr. Cummins could not be reached for comment.

Mr. Cummins was known for his tenacious focus on using the company's most important product, a pocketwatch-size electrical nerve stimulator, to treat drug-resistant depression. The disease, Mr. Cummins said, drove his mother and grandfather to suicide.

The $15,000 device is implanted in the chest and attached to the vagus nerve in the neck. The nerve is a major pathway into portions of the brain associated with a number of mental ailments.

Cyberonics first developed the stimulator to control epileptic seizures. But under Mr. Cummins, the company then went after the far larger market of severely depressed patients — four million in the United States alone — who fail to improve with drugs and electroshock therapy.

After months of controversy, Cyberonics gained regulatory approval for the depression treatment in 2005. Critics inside and outside the Food and Drug Administration said that Cyberonics had not conclusively shown the device worked on such severely depressed patients. They also said there was too little evidence that the reported benefits outweighed safety concerns.

Cyberonics has reported that more than 2,200 depression patients have received the implant. Far more patients though have been denied coverage for the procedure, which most insurers classify as experimental despite the regulatory approval. It costs about $25,000, not counting follow-up visits to psychiatrists for adjustments and monitoring.

Slower-than-expected growth led to a string of quarterly losses, layoffs and repeated misses of forecasts made to Wall Street, damaging the credibility of Mr. Cummins with investors who were already annoyed by his confrontational style. This month, Cyberonics said sales for the first half of its fiscal year through Oct. 27 were nearly $68 million, up 21 percent from a year ago, but that it could not predict when the company would return to profitability.

Cyberonics said yesterday that in addition to the management changes it had separated the chairman's job from the chief executive's and that Tony Coelho, a former Democratic congressman and a board member, had been appointed chairman.

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George E. Parker III, who had been head of human resources, was named interim chief operating officer, and John A. Riccardi, director of financial planning and analysis, became interim chief financial officer.

Fortunate Ones (USAT)

By Elliot Blair Smith

USA Today, November 21, 2006

Cyberonics says 4.2 million Americans' lives could improve with a medical implant device the company makes to treat severe depression and epilepsy. The FDA approved its product. But federal investigators are probing Cyberonics' compensation practices. This USA TODAY Special Report examines one company caught up in the nation's expanding stock-options scandal. The report explains how a few Cyberonics executives and directors made nearly $50 million in stock-trading profits while selling a money-losing device that remains controversial.

HOUSTON — Cyberonics said Monday that its chief executive and chief financial officer had resigned after an internal investigation found that unnamed insiders had incorrectly reported the dates of company stock options for years.

Cyberonics general counsel David Wise said in a filing to the Securities and Exchange Commission that the company had under-reported its executive compensation expense by about $10 million and would have to restate its financial statements going back to 1999.

The company's disclosures came at a time when one of the biggest financial scandals in years is sweeping U.S. corporate boardrooms. Federal authorities are examining at least 130 companies to determine whether insiders manipulated options-award dates to illegally profit from market gains, principally by backdating the options to an earlier date than issued to give themselves a head start on rising prices. To date, dozens of companies have announced executive departures or restatements after internal investigations. Two criminal cases are pending.

In June, Cyberonics said that it was one of the companies under investigation by the SEC and by the U.S. Attorney's office in Manhattan. The company also faces several options-related lawsuits by shareholders and is embroiled in a proxy fight with a large investor demanding substantial changes in the board's makeup and governance practices.

During three interviews with USA TODAY in August, former CEO Robert “Skip” Cummins — who quit Friday — defended Cyberonics and denied any wrongdoing. “We have nothing to hide,” Cummins said. But he deflected questions about the government and board probes. Company lawyer Wise said at the time that Cummins could not discuss the controversy. The company has declined to comment for this story.

Cummins had been directing Cyberonics' drive to win Medicare reimbursement for its medical devices to treat severe depression, a decision that he said could open up a $1 billion sales market for the company. Medicare's administrators have not yet ruled on the application.

Earlier, in June, former Cyberonics chief financial officer Pamela Westbrook, who resigned Sunday, told investors that “all stock options” issued by the company “are granted the day of approval and are priced at fair market value on the date of the grant.” Westbrook said the company “fully followed securities and accounting regulations.”

A USA TODAY investigation reveals that Cyberonics' board has engaged in a series of questionable practices to reward Cummins, certain directors and some executives with stock and options almost from its inception as a public company in February 1993. Among its practices, the company frequently issued stock options just before market-moving events that insiders participated in, including merger talks, regulatory milestones and earnings advisories. It also repeatedly issued options at the lowest or second-lowest monthly trading price, SEC filings show. On one occasion, management, including Cummins, and a director who serves on the compensation committee, bought company stock at a discounted price in which Cummins represented himself both as the CEO selling the shares and as an individual buying them.

Over the past year, academic research at several major universities has identified widespread problems in dating of stock options granted to company insiders. A joint study at Harvard and Cornell universities published last week estimated that about 850 CEOs at 720 companies benefited from opportunistic timing. The study, “Lucky CEOs,” said the findings reflect widespread governance problems.

A stock option entitles the holder to buy a share at a fixed price. Options typically are issued at the stock's current market value. It is not illegal to issue options at below-market prices, but a company must charge the discount against earnings, and the recipient must report the gain as income. Most options mature over several years, meaning they cannot immediately be converted to cash. But if the stock rises, the value of the options rises.

Since Cyberonics' founding, Cummins and the company have raised $175 million from investors. The company's loss through January was $186 million. Despite the perennial cash drain, company officers and directors have reaped $49.4 million in stock-trading profits from 1999 to present, including $22.5 million for Cummins, according to Thomson Financial, a financial information company.

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University of Michigan finance professor Nejat Seyhun, who analyzed all of Cyberonics' options grants since 2000 for USA TODAY, says the odds the award dates on some of the low-priced options occurred by chance range from one in 600 for Cummins to one in nearly 500,000 for the man who now replaces him as chairman: former U.S. congressman Tony Coelho, a longtime member of the board's compensation committee and a beneficiary of Cyberonics stock options.

After disclosing the government investigations, the board hired outside law firm Morgan Lewis & Bockius to probe its options practices. The Houston company, which employs more than 600, said Monday that neither its management nor auditors had closely reviewed the law firm's findings. But it installed Coelho as chairman and one of the company's founders, Reese Terry, as interim CEO. They declined to comment for this story.

In an interview, former SEC chairman Harvey Pitt, who reviewed some of Cyberonics' stock transactions described in this story, said, “There is something incredibly wrong with this picture even if one assumes no laws were broken.

“What you have here, it seems to me, is a system of granting options that are opportunistically timed with ultimately almost a $50 million payout to insiders from a company that hasn't earned a penny,” Pitt said. “The picture looks, on its face, rather tawdry.”

Cyberonics' triumph at bringing its medical technology to market, and Wall Street's rousing response, seemed to affirm its use of stock options to reward management for a job well done.

At a development-stage company such as Cyberonics, where revenue and profit were hard to come by, stock options enabled the market to set a large component of CEO pay without draining the corporate treasury. But for years, another debate has swirled around the company: about the safety and effectiveness of its medical implants.

The small, battery-powered device — surgically inserted in the chest at a cost of about $25,000 — sends electrical current to the brain through a nerve in the neck. Some medical researchers believe the electric stimulation wards off depression and seizures. But nobody knows for sure how Cyberonics' vagus nerve stimulation device affects the brain, and there are conflicting views among physicians, patients and regulators about how effective it might be.

In July 1997, the FDA approved Cyberonics' implants to treat a form of epilepsy. To date, that product has been implanted in more than 40,000 epilepsy patients. In July 2005, agency administrators overruled the objections of their own staff investigators to approve the implants to treat depression, as well. The device has been implanted in about 1,600 depression patients, many of them during company-paid clinical trials.

Cyberonics estimates as many as 4 million severely depressed Americans could benefit from the product, a U.S. patient base 20 times larger than its potential U.S. epilepsy patient base. First, the company must persuade Medicare to pay for the procedure for depression, as it does for epilepsy.

How Cyberonics proceeds without Cummins remains to be seen.

On Monday, Karen Finerman, president of Metropolitan Capital Advisors, an investment group that owns 7.3% of Cyberonics stock, acknowledged “we don't know” what effect Cummins' departure will have on the company's Medicare application. But Finerman welcomed Cummins' departure, saying, “This is a step in the right direction of very necessary corporate governance changes that we've been asking for. It is a step. There is more to do.” Metropolitan is leading a proxy fight to shake up the board.

Investors bid up company shares by 12% to $24.17 at the close of trading Monday.

For Cummins, the personal setback is only the latest in a history of large challenges. In the small Pennsylvania town of Grove City, where he grew up, his parents married and divorced each other three times. To distance himself from the domestic discord, Cummins said during an interview, he lived with his paternal grandmother.

Jeff Lumley, Cummins' best friend during high school, says now, “He knew there was a better way of life than what he had, and I think that was a motivating force for him to work hard and achieve his goals — his success — always pushing hard to be better.”

An athletic scholarship to Dartmouth College was Cummins' ticket out of town. The two-time All-Ivy-League linebacker repaid his tuition by punishing opponents. “Skip was one tough son of a gun,” says Dartmouth coach Buddy Teevens, a freshman quarterback during Cummins' senior year. “He was extremely competitive.”

Cummins earned an MBA at the University of Illinois and took jobs in venture capital that carried him from Chicago to New Canaan, Conn., where a firm he joined, Vista Partners, invested in Cyberonics at its founding. Cummins joined Cyberonics' board in June 1988.

But less than two years after taking the company public, Cyberonics' founders realized they did not have the resources required to get through the legal and regulatory obstacles ahead of them. Over several months, the company approached 70 potential investors with hardly a nibble of interest, according to its SEC filings. By June 1995, $100 invested in the company's IPO was worth $33. The board fired its CEO and hired Cummins.

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“He was aggressive. He was a hardworking guy. And suddenly he comes up through the ranks and sees this opportunity and steps in, never having had the benefit of that formal training (in managing a company that) you really need,” says venture capitalist Bill Mullaney, one of Cyberonics' early investors. “I saw him as a guy who would step in on an interim basis.”

In taking the job, Cummins' mission was to complete the sale of Cyberonics to St. Jude Medical, a big medical device manufacturer with which the board had launched merger talks in June 1995. But the new CEO and board also initiated a practice that would prove troublesome in the future: granting attractive options on fortunate dates.

On Oct. 11, 1995, Cyberonics' board awarded Cummins options on 50,000 shares at $4.70 a share, lower than all but one price the stock closed at that month, and near a six-month low. As investors anticipated a merger agreement with St. Jude, the stock quickly rose 54% from the grant price to $7.25 in November 1995, before the deal unraveled. Had the merger gone through, Cummins' options would have vested immediately. At $7.25 a share, he would have pocketed $127,500 on the options issued in October, company filings show.

Timing options grants to profit from future events is called “spring loading.” Spring loading “is not illegal,” says Mark Poerio, co-chairman of the Paul Hastings law firm's executive compensation practice and a member of the firm's Stock Option Task Force. But, he says, the practice is “viewed poorly” by regulators and shareholders “as an unfair form of executive enrichment.”

Cyberonics and St. Jude renewed their courtship a few months later. On June 1, 1996, six weeks before shareholders convened to vote on the revised merger at $7 a share, the board awarded each non-employee member options on 2,000 shares at $4 a share. That was a 26% discount from the market price and a 43% discount from the merger price. The prospective gain on the options amounted to $6,000 for each director. Cummins' prospective gain on his options issued in October 1995 was now $115,000.

Cyberonics' shareholders approved the proposed merger. But St. Jude walked away again.

In early 1997, Cummins said in an interview, he visited Coelho near Washington to offer him a seat on Cyberonics' board.

The onetime House Democratic party whip had resigned from Congress in June 1989 after failing to disclose on his congressional financial statement a “junk” bond investment he obtained on favorable terms. But he remained a power broker. And he had epilepsy, an illness Cyberonics sought to treat.

Coelho accepted Cummins' invitation, though he was busy leading the upcoming U.S. delegation to the 1998 world's fair in Portugal. On March 7, 1997, Coelho was granted options on 35,000 shares at $4.63 a share but missed two of Cyberonics' next four board meetings, SEC filings show. By year's end, the stock more than tripled to $15.25 a share.

Coelho's stewardship at Expo '98 met with scathing criticism by the State Department's inspector general, which, in a September 1999 report, held him responsible for “questionable payments” on a luxury hotel, car and driver for himself and for a $300,000 personal loan from a Portuguese bank under terms for which the U.S. government feared it was liable. The inspector general referred its findings to the Justice Department, which brought no charges.

Meanwhile, Coelho became a member of the board's compensation committee, which oversees the company's stock-option plans and sets the CEO's compensation. He continues to hold that job, along with being the board's lead director, serving as the primary liaison between directors and the CEO. Coelho did not respond to requests for comment for this story.

Insurance reimbursement specialist Michael Strauss joined the board a few weeks after Coelho and was appointed to lead the audit committee that has been investigating the company's options.

About the same time, a firm Strauss founded, Covance Health Economics, began collecting $1.6 million in consulting fees from Cyberonics over three years, including $511,459 the first year. Cyberonics did not disclose the related-party transaction — involving dealings between insiders — to the SEC for 2½ years. Strauss had no comment.

Also in March 1997, Cyberonics sold stock at the discounted price of $4.44 a share — lower than any price the stock closed at in the month — to an investment group led by New York investment firm Clark Estates. One of Cummins' Dartmouth classmates, Kevin Moore, was senior vice president of Clark Estates. Its $6.8 million investment gave it a 9.2% stake in the company.

Cyberonics described the private placement as having been based on “arm's-length negotiations between the company and the lead investor.” It is not unusual for a company to give a large institutional investor a discount when buying stock during a recapitalization of the company. But Cummins, two vice presidents and another new board director, Baylor College of Medicine neurologist Stanley Appel, participated in the investment as individuals. They bought 82,627 shares at the discounted price. Cummins signed the sale agreement on behalf of Cyberonics as CEO and himself as a buyer of the shares, according to an SEC filing the company made in April 1997.

Former SEC attorney Ronald Mueller, an expert on securities law and disclosure, says the transaction “raises a potential conflict of interest.”

Former SEC chairman Pitt says, “If Cummins is on both sides of the transaction, it's not a potential conflict of interest. It's just a conflict.”

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Moore, now a director, did not respond to requests for comment. Appel, who was about to join Cyberonics' compensation committee at the time of the investment and who remains a director and compensation committee member, declined to comment.

Pitt says that Coelho's initial failure to attend board meetings for which he was compensated also raises governance concerns: “If you have a director who doesn't attend meetings, you don't really have a director. You have a face and a name but no substance.”

And Pitt says the fact that Strauss, the audit committee's chief, received business benefits and stock options from Cyberonics could have compromised the board's investigation. “How is he going to be able to blow the whistle, if that's required, without blowing the whistle on himself?” Pitt says. “What you've got is somebody who may have an economic incentive in the outcome.”

Driven by FDA approval of the vagus nerve stimulation device for epilepsy treatment in July, the Clark Estates shares more than tripled in value by year's end, closing 1997 at $15.25 a share. The 40,000 shares Appel purchased at a discount rose by $432,400 by year's end, a calculation of his investment shows. Cummins' 35,500 shares bought at a discount rose by $383,755.

Among the lucrative options grants overseen by Coelho and Appel's compensation committee, according to Cyberonics' annual proxy filings:

·In March 1999, Cummins received options on 100,000 shares at $8, the stock's second-lowest closing price that month. The stock rose 99% by year's end and nearly tripled in two years. Cummins did not report receiving these options for two years, according to Equity Incentive Analytics, a stock-tracking service.

·In June 1999, when independent business consultant Alan Olsen joined the board, he was awarded options on 50,000 shares at $11.63, the stock's lowest closing price that month. By year's end, the stock had risen 37%. Olsen is a member of the audit committee that investigated the options grants. He had no comment.

·In January 2000, new manufacturing Vice President Richard Kuntz received options on 150,000 shares at a price lower than all but one closing price that month. In July 2001, new marketing Vice President Michael Cheney got options on 150,000 shares at the stock's lowest closing price that month. In August 2001, new chief medical officer Richard Rudolph got options on 150,000 shares at the lowest closing price that month. And in October 2001, new sales Vice President David Erinakes got options on 50,000 shares at the lowest price that month.

·In June 2001, Cummins got options on 150,000 shares at $12.80, the month's low and the lowest price it traded at for the rest of the year. CFO Westbrook got 15,000 options at the same price, the same date. By year's end, the shares rose 107% in value to $26.53 a share.

University of Michigan finance professor Seyhun has developed a statistical program to assess the likelihood that multiple grants of low-priced options were awarded randomly. Seyhun says the chances Cyberonics' options grants to Coelho were random range from one in 2,000 to one in 492,000; for Appel, the chances are from one in 4,000 to one in 42,000; and for Cummins, from one in 600 to one in 2,796.

“None of this proves that they are backdating,” Seyhun says. “What it shows is that it is extremely unlikely to get these on a random basis.”

Bill Coleman, an executive compensation consultant at Salary.com, says, “It could be coincidence, it could not be coincidence. Many coincidences make one tend to believe it's not a coincidence at all.”

Even after Congress reduced insiders' ability to manipulate options dates under the Sarbanes-Oxley Act of 2002 — the new law required options grants to be reported within two business days, rather than up to a year previously — some Cyberonics executives and directors continued to get options at dips in the stock price.

In June 2, 2003, a week after Cyberonics provided Wall Street analysts with an earnings forecast at the low end of analysts' expectations, the board awarded Cummins options on 250,000 shares at $18.94 a share, the previous Friday's closing price. That was the lowest price the stock closed at for the rest of the year.

Then, in August 2003, the company issued new guidance to Wall Street, saying its earnings were exceeding expectations, driving up its stock price. On Aug. 21, Cummins cashed in 100,000 options he'd been awarded years earlier and reaped $2.5 million in a cash profit.

On June 15, 2004, the Holiday Inn at Gaithersburg, Md., filled with Cyberonics executives, lobbyists, medical researchers, depression patients and Wall Street securities analysts. It was a pivotal day in Cyberonics' history.

An FDA advisory panel would hear the company's arguments for approving the vagus nerve stimulation device to treat depression and vote whether to recommend it. The FDA almost always accepts its advisory panel decisions.

Six medical patients who had participated in Cyberonics-sponsored clinical trials spoke about their ordeals with depression and about the dramatic effect that the company's battery-powered electronic device appeared to have on their recoveries, according to an official transcript.

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Patients who participated in the trials were not told whether their implant device was turned on. Despite encouraging accounts from some patients, the trials provided scant statistical evidence that the implanted devices worked much better than placebos. “The study failed to demonstrate a statistically significant difference” between a group of implant patients whose devices were turned on and those whose devices were not, testified Carlos Pena, an FDA staff medical device reviewer.

Late in the day, the panel's chairwoman, Kyra Becker of the University of Washington School of Medicine, told Cyberonics that “it's unclear” whether the depression treatment should be approved. At 4:10 p.m., the panel took a break.

A few minutes later, Cyberonics' chief regulatory liaison, Vice President Alan Totah, delivered the company's closing argument in “an unusually confrontational tone,” according to Lazard Capital Markets securities analyst Alexander Arrow, who attended the proceeding.

Totah, speaking in “a slightly caustic, slightly indignant Southern drawl,” according to Arrow, said depression patients in Cyberonics' clinical trials appeared to do better after more extended treatment than originally envisioned. He interpreted that as a promising sign. Totah quoted from FDA statutes to remind the panel that clinical trial standards for medical devices are more flexible than for drugs, based on the agency's “least burdensome” approval guidelines. A few minutes later, the panel voted 5-2 to recommend Cyberonics' depression therapy.

Nasdaq had halted trading in Cyberonics shares that day, pending the advisory panel's decision. That night, the board rewarded Cummins with options on 150,000 shares of stock — and Totah with options on 10,000 shares — at the previous day's closing price of $19.58 a share. The next day, Cyberonics' share price soared 78% to $34.81, delivering a $2.3 million overnight paper gain for Cummins and $152,300 for Totah.

The Financial Accounting Standards Board, which sets U.S. accounting standards, was already concerned at the time of the after-hours grant that U.S. companies were not appropriately disclosing the costs and benefits of executives' options.

In December 2004, FASB revised its options-reporting rule. Under the guidelines, all public companies had to begin reporting the “fair market value” of new options grants on their financial statements, whether they were issued at, above or below the stock's market price. “Fair market” is a technical valuation that incorporates the options' likely value over time, not just at the date issued.

For Cyberonics, the new rule did not take effect until this fiscal year, beginning in April. That same month, the company said it was unable to file its financial statements until it had reviewed its options practices. As a result, Nasdaq is threatening to delist Cyberonics stock.

In June, SunTrust Robinson Humphrey securities analyst Amit Hazan, who recently left the firm, issued a critical note to investors about Cummins' after-hours grant in June 2004, writing: “We feel this management knowingly abused” the principle of aligning management's interests with that of shareholders.

In an interview, Hazan said Cummins and the board were “trading on information that nobody else had, and the stock clearly was worth more than he got it for.”

University of Michigan finance professor M.P. Narayanan calls the after-hours grant “clearly an end run around insider-trading laws.”

Even so, the options would not vest for years, and the men would have to wait for their money.

Unexpectedly, the FDA ruled on Aug. 11, 2004, that it would not accept its advisory panel's recommendation, amid an internal debate at the agency over Cyberonics' implant devices. In what is known as a “not approvable” letter, the agency's Center for Devices and Radiological Health, which evaluates new medical devices for use by the public, informed Cyberonics: “There are safety concerns associated with the use of your device. … In addition to known safety concerns, worsening depression was reported as a serious adverse event during” one of the clinical trials.

Cyberonics' stock, which had been trading at $23.95 a share, fell to $14.36 the next day.

On Aug. 26, 2004, Cummins wrote a passionate, 10-page reply to the same FDA office. He described himself “as an American citizen whose mother and grandfather suffered from treatment-resistant depression, and committed suicide because it was their only remaining option.”

He wrote that the FDA's decision against Cyberonics “insures that millions of Americans living today with chronic or recurrent treatment-resistant depression have only the same way out chosen by my mother and grandfather.”

“After finding my mother's body in her small apartment an estimated two weeks after her suicide,” Cummins wrote, “I can assure you that I know the sights, smells, tastes and despair that accompany the hopelessness of treatment-resistant depression and the only real way out.”

On Feb. 2, 2005, the FDA signaled in a letter to the company that it would approve Cyberonics' depression treatment after all. Over the next week, investors bid up the company's stock by 58% to a record $43.36 a share. And on Feb. 10, 2005 — his 51st birthday — Cummins' cashed out $14.7 million in stock options, netting $10.3 million after his trading costs.

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Sharing his good fortune were nine other insiders, including CFO Westbrook and board compensation committee members Coelho and Appel. Cyberonics officials cashed out $19.9 million in trading profits that February, in the largest sale of stock by insiders in any month in company history, according to Thomson Financial.

But the letter that Cummins wrote to the FDA was inaccurate on several accounts, he acknowledged during an interview in August.

In that interview, Cummins conceded he did not discover his late mother's body. Rather, Cummins said, the Mercer County, Pa., coroner's office informed him of her death.

He also said he does not know whether his mother was diagnosed with depression, or if her death certificate says she committed suicide. In fact, the death certificate and coroner's report state she died of natural causes.

As for where the term "treatment-resistant depression" he cited comes from, Cummins said, "We invented it."

Cummins burst into tears when discussing his mother. When he regained his composure, he said, "If you look at what Cyberonics has accomplished, it's not for the faint of heart.

"The leader of Cyberonics has to be willing to stand up and say, 'We're going to make it.'

"As the leader of Cyberonics, even if you're scared beyond words, you have to be able to convince people they can do the impossible."

Capital One Ex-CFO Resolves Charges (WP)

By David S. Hilzenrath, Washington Post Staff Writer

The Washington Post, November 21, 2006

Insider Trading Probe Is Settled For $1.8 Million

A former chief financial officer of credit card issuer Capital One Financial Corp. agreed to pay more than $1.8 million to settle insider trading charges, the Securities and Exchange Commission said yesterday.

David M. Willey was accused of exercising Capital One stock options and cashing in shares after learning in 2002 that a regulatory examination of the company was likely to end unfavorably. After the results of the examination were made public, Capital One's stock price plunged by about 40 percent.

Without admitting or denying wrongdoing, Willey agreed to give up $801,434 in alleged ill-gotten gains, plus $218,180 in interest and a penalty of $801,434. The SEC dismissed a related claim against Willey's wife, Joy S. Willey, a former Capital One vice president. The agency had previously named her as a defendant alleging that some of the proceeds of the insider trading were in her possession.

An attorney for David Willey, William M. Mann, declined to comment.

Willey, who joined McLean-based Capital One in 1989, earned more than $1.2 million in salary and bonus in 2001, according to a company report.

The following year, Federal Reserve examiners found serious management problems in areas under his authority, the SEC alleged in a 2004 complaint. The lead examiner told Willey of the Fed's concerns in a private meeting and warned that they could lead to formal supervisory action, the complaint said.

Willey, of Great Falls, knew that if the Fed examination cost him his job, his stock options would expire within 90 days, the SEC alleged. In the spring of 2002, he exercised tens of thousands of options in his account and in his wife's, which he controlled, the SEC alleged. He also sold Capital One shares. The transactions yielded several millions of dollars in profits, the SEC alleged.

The SEC said Willey knew or should have known that Capital One's stock price would fall when the Fed's actions became public. Indeed, when Capital One's general counsel learned about the potential regulatory action, he immediately barred all senior executives from trading in Capital One securities. Willey, however, had completed his sales by then.

Willey was forced to resign from Capital One in 2003, the SEC alleged.

Under the settlement, he is banned from serving as an officer or director of a public company for five years.

South Korean Prosecutors Indict Lone Star, KEB (WSJ)

By Laura Santini And Lina Yoon

The Wall Street Journal, November 21, 2006

South Korean prosecutors indicted Dallas private-equity firm Lone Star Funds and Korea Exchange Bank on stock-manipulation charges related to the bank's credit-card unit, part of a nine-month investigation that the U.S. firm has blamed on antiforeign sentiment in Korea.

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The chief prosecutor in the case, Chae Dong Wook, vowed to continue a separate probe into whether Lone Star illegally purchased the bank in 2003. Prosecutors have been examining whether government and bank officials conspired to understate KEB's financial health when Lone Star acquired control of the bank. Lone Star's role in that transaction is also under scrutiny.

Korean lawmakers have threatened to nullify Lone Star's original purchase of KEB if wrongdoing is discovered, jeopardizing a $7 billion sale of the firm's controlling stake to Korea's Kookmin Bank that would secure a $4.5 billion profit for Lone Star.

In recent months, prosecutors have turned their focus to KEB's credit-card unit, leading some foreign investors watching the investigation to speculate that the prosecution had reached an impasse with the broader probe into the KEB purchase. Regarding KEB itself, prosecutors still haven't provided any evidence of wrongdoing by Lone Star in the transaction.

Last week, the Korean court issued arrest warrants for Lone Star's vice chairman, Ellis Short, and Michael Thomson, the firm's general counsel. Both men have refused to travel to Korea.

"They want to show the general public that they have a good case," said Hwang Ju Myung, a lawyer representing Lone Star in Korea, in characterizing the indictment yesterday. Mr. Hwang said the next step will be for the courts to set a trial date.

Foreign investors have complained that a backlash against them is hampering deal making in the country and scaring off newcomers.

For their part, Koreans are outraged at the use of tax shelters by foreign funds, which allowed the funds to buy assets cheaply after the Asian financial crisis of 1997-98 and then sell them at huge profits -- all without paying capital-gains taxes.

Yesterday's indictment names KEB and LSF-KEB Holdings SCA, a special-purpose vehicle owned by Lone Star that is KEB's largest shareholder, with a 51% stake. If KEB and the Lone Star vehicle are convicted of the stock-manipulation charges, the court may order a fine, Mr. Hwang said.

The indictment is the upshot of a probe into KEB's merger with the separately listed credit-card unit, KEB Credit Services. In 2003, KEBCS was under a mountain of bad debt amid a credit-card debacle in Korea. In November of that year, KEB's board said it would rescue the company by implementing a so-called capital reduction, in which the value of the shares outstanding is wiped out and the company works with creditors to restructure its debt.

The board's announcement precipitated a drop in the credit-card unit's share price, as panicky investors rushed to sell ahead of the plan. Days later, KEB announced that instead of the capital reduction, it would buy out existing shareholders, whose shares were now worth much less than before.

Prosecutors have estimated that minority shareholders lost about 22.6 billion won ($24 million) from the share decline.

A KEB spokeswoman declined to comment yesterday. The bank has previously denounced the allegations of stock manipulation as "groundless." In a statement in September, it argued that prosecutors are revisiting accusations made in January 2004 by KEBCS's labor union. At the time, KEB argued, investigators didn't see the merit of pursuing those accusations.

SEC Filings Show New Chairman Got Options 3 Years Before Joining Board (USAT)

By Elliot Blair Smith

USA Today, November 21, 2006

Former U.S. congressman Tony Coelho received below-market stock options from Cyberonics in early 1994, three years before he joined the board, at a much deeper discount to the market price than the company's stock-option plan provided for at the time, according to Securities and Exchange Commission filings.

On Monday, Coelho was named chairman of the medical device maker after its former chairman and CEO, Robert Cummins, resigned under pressure. Coelho did not respond to requests for comment through the company, his lawyer or the Epilepsy Foundation, which he chairs.

Coelho's first options at Cyberonics, dated April 14, 1994, entitled him to buy 20,000 shares of company stock at a 32% discount to the stock's market price on the grant date, according to a Form 3 stock ownership record he filed later with the SEC.

Cyberonics' maximum discount on options it issued at the time was 15%, according to the company's stock-option plan filed separately with the SEC that October.

In Cyberonics' 1994 shareholder proxy filing, which contained a copy of the plan, company officials stated that all options under the plan had been issued at the stock's fair market value.

Another member of the board's compensation committee, neurologist Stanley Appel, also received below-market stock options in 1994, two years and three months before he joined the board. Appel got 50,000 options on Sept. 21, 1994, priced at $3.06, a 35% discount to the stock's market price that day.

Since mid-1997, Coelho and Appel have served on the board's compensation committee, forming a two-member panel during many of those years. The two directors administered Cyberonics' stock-option plan and helped set CEO compensation.

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Coelho, the former Democratic party whip in the House, resigned from Congress in June 1989 after failing to disclose on his congressional financial statement a “junk” bond investment he had obtained on favorable terms. In recent years, Coelho and Appel cashed out their below-market options from Cyberonics at different times, reaping nearly $1.1 million in combined profits, SEC filings show.

Appel had no comment. At the time Coelho and Appel received their below-market options, the head of the compensation committee was Cummins, who took the helm of the company in October 1995. Cummins also declined to comment.

Cyberonics is now under investigation by the SEC and the U.S. Attorney's office in Manhattan, which are looking into the company's history of awarding lucrative stock options to company officers and directors. Until Monday, the company denied any wrongdoing. It now says it has identified some irregularities, principally from 1999 to 2003.

According to Financial Accounting Standards Board rule APB 25, issued in 1993, Cyberonics should have recorded the 1994 below-market options as an expense for tax and accounting purposes.

In addition, the two men would have been required to report as personal income that year the difference between the Cyberonics options' price and the stock's market price.

“It is taxable income in the year in which the option is received. And the income is the difference between the strike price” — that is, the price at which the option is issued — “and the fair market value,” says tax lawyer Kenneth Rubinstein.

For Coelho, the taxable benefit would have been $50,000 on the grant date. For Appel, the benefit would have been $84,375 on the grant date.

Former longtime Cyberonics director Thomas Duerden, 76, whom company documents show served on the compensation committee in 1994 when Coelho and Appel were awarded the below-market options, said in an interview, “I don't recall ever being a member of the compensation committee.” But he calls the below-market options to Appel and Coelho “very improbable.”

Duerden also is unable to say what Coelho and Appel did to earn their options. “I didn't know Stan Appel from a bar of soap until he joined the board” in 1996, Duerden says.

And, he says, “It's my memory that the first time I ever set eyes on Tony Coelho was when he joined the board” in 1997.

Appel first reported his below-market options to the SEC in December 1996, 27 months after the grant date. Appel cashed out half of this below-market grant on June 21, 2004, for a $639,249 profit. He also held onto 20,000 shares with a market value of $680,400 on that date.

Coelho first disclosed his April 1994 options grant in March 1997 upon joining the company's board. Unlike most stock options that mature over four to five years, Coelho's filing shows that these options could be cashed in immediately.

In June 2002, Coelho made another disclosure in a Form 5 stock ownership record filed with the SEC. In that filing, Coelho reported having received 20,000 options on March 8, 1994 — coinciding with the lowest price the stock traded at that month — rather than on April 14, 1994, but at the same price.

A key difference in the 2002 filing was that Coelho reported those options as vesting over five years rather than right away. He made a $444,420 profit when he cashed out the options in November 2003.

“Why did (Coelho) get an option grant three years before he joined the board? Why has the date moved? Why is the stock priced low? And (why), when they first reported them, (did) they (say) they were immediately vestable, and then later, they said, no, they vest over five years? Which one was it?” asks former SEC attorney Ronald Mueller, who specializes in executive compensation and disclosure issues.

Former SEC chairman Harvey Pitt says, “One of” Coelho's filings “has to be wrong.

“Both of them,” Pitt says, “could be wrong.”

Sumner Redstone's Nephew Sues Over Management Of Family Trusts (WSJ)

By Julia Angwin

The Wall Street Journal, November 21, 2006

Viacom Inc. Chairman Sumner Redstone, already facing a lawsuit from his son, now faces a suit from his nephew who claims he and other family heirs were bilked out of an approximately $4 billion stake in the Redstone family's business empire.

The suit, coming nine months after Mr. Redstone's son Brent filed suit against his father seeking to gain direct control of the son's personal stake in the empire, is likely to add to questions about the strength of Sumner Redstone's hold on Viacom and CBS Corp., both of which are controlled by the Redstone family.

In a lawsuit filed in a Massachusetts court this month, Michael Redstone alleges his father Edward Redstone and his uncle Sumner Redstone engaged in "self-dealing," "breaches of fiduciary duty" and "unjust enrichment as trustees of certain Redstone family trusts" when they bought his stake and that of other heirs in the family company, National Amusements Inc., in a series of transactions in 1972 and 1984.

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Michael Redstone's suit against his father, uncle and the family company is joined by the trustees for trusts representing his late sister Ruth Ann and a trust set up for the four children of Edward Redstone and Sumner Redstone -- Michael, Ruth Ann, Brent and Shari. Michael Redstone and the trustees are asking for the 1972 and 1984 transactions to be rescinded or for damages "in an amount equal to the present value of those shares."

The suit claims that National Amusements, which owns controlling stakes in CBS Corp. and Viacom Inc., is worth $8 billion. Absent the disputed transactions, the suit says the trust's combined stake would have been 50%, suggesting that the plaintiffs are seeking $4 billion. If the suit prevails, Sumner Redstone's control of National Amusements could be diluted.

In a statement, National Amusements called the allegations "baseless" and said it would defend itself vigorously. "This suit is particularly troubling considering the important role Sumner Redstone has played helping Michael overcome serious obstacles throughout his life," according to NAI spokeswoman Brandy Bergman. "Mr. Redstone essentially rescued Michael from a difficult family environment, removed him from a mental institution, paid for his education and gave him a job at NAI. It is unfortunate that this is how Michael has chosen to repay Sumner Redstone's care and generosity."

The younger Redstone's attorney, William Narwold of Motley Rice LLC in Hartford, Conn., declined to comment on his client's relationship with his uncle and his personal life. "I think it would be a mistake to make this lawsuit about Michael," he said. "This is, in our view, a lawsuit brought by the trustees who have obligations not only to the current beneficiaries but also to future beneficiaries."

The Redstone family dispute echoes those of other families who have passed on their businesses to the next generation. Last year, Liesel Pritzker, scion of the Chicago-based Pritzker family that owns the Hyatt Corp. hotel chain, and her brother each won about $450 million in a settlement, after she alleged that her father had secretly stripped her trust funds of more than $1 billion.

The Redstone family feud dates back to 1936, when Sumner Redstone's father Michael "Mickey" Redstone started his first drive-in movie theater. As the company expanded into a regional chain of theaters, the elder Redstone set up a series of trusts for his children and their children. Each trust contained a stake in the company.

In 1972, Edward and Sumner had a falling out, and as part of the resolution, National Amusements bought out Edward's shares and a portion of his children's shares for $5 million. Edward also agreed to let Sumner be the sole trustee of his children's trusts. Although Edward's children were minors, the lawsuit alleges that no guardian was appointed to protect their interest in this transaction.

In 1984, Sumner paid $21.4 million to buy back the shares of the trusts for Michael, Ruth Ann and the trust set up for all four children. The lawsuit alleges that the transaction set an artificially low valuation on the company and was "self-dealing" because Sumner was both buyer and seller of the shares.

Paulson Criticizes Regulation (USAT)

By Adam Shell

USA Today, November 21, 2006

NEW YORK — U.S. Treasury Secretary Henry Paulson said Monday that the tough, costly rules put in place to combat corporate frauds such as Enron need to be enforced in a more flexible manner if U.S. financial markets are to retain their competitive edge around the globe.

In his first major speech on market regulation, the former chairman of Goldman Sachs said regulators' decision to “impose rule upon rule upon rule” was making it more difficult for U.S. markets to attract business from abroad.

Many non-American businesses, he said, that are faced with spiraling accounting costs, mounting legal burdens and a confusing and threatening enforcement system here in the USA, were opting to take their business to markets with less onerous regulation, such as London and Hong Kong. He cited a drop in the number of foreign companies listing their initial public offerings on U.S. exchanges as evidence.

“When it comes to regulation, balance is key,” Paulson said. “The right regulatory balance should marry high standards of integrity and accountability with a strong foundation for innovation, growth and competitiveness.”

The speech comes amid increasing criticism from businesses that the Sarbanes-Oxley Act of 2002, designed to reduce accounting fraud and make corporate CEOs more accountable, is too costly and time consuming to implement.

Paulson stressed that he does not believe new legislation is needed. Rather, he said, the government needs to “implement the law in ways that better balance the benefits of the legislation with the very significant costs that it imposes, especially on small businesses.”

In an attempt to make existing laws more flexible, Paulson said, those enforcing the laws must “rise above a rules-based mind-set that asks, ‘Is this legal?' and adopt a more principles-based approach that asks, ‘Is this right?' ”

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Paulson's comments come just weeks after Democrats took control of Congress in the midterm elections. In a statement, Sen. Charles Schumer, D-N.Y., member of the Senate Banking and Finance Committees, said the committee looks forward to working with Paulson. "While most are pleased with the balance between entrepreneurialism and regulation that we've achieved, the new prominence of international competition requires us to re-examine that balance in a careful and thoughtful way so that we keep America No. 1," he said.

On the issue of finding solutions to the future funding shortfall of Social Security: "Now is a good time to deal with it when the economy is so strong," Paulson said in a Q&A session after his speech. "It's better to act from a position of strength."

On the economic front, Paulson said the key to keeping America strong is to reform entitlement programs such as Social Security and Medicaid, improve our energy independence and maintain free trade. "These challenges," he said, "won't be easy."

Paulson Urges Flexible Market Regulation (FT)

By Jeremy Grant And Krishna Guha

Financial Times, November 21, 2006

The US should move towards a more flexible, UK-style approach to regulating its capital markets to preserve its global competitiveness, Hank Paulson, US Treasury secretary, said on Monday.

Saying the US "should be open to learning from ... the experience of others", Mr Paulson said the country's regulators should put less emphasis on rules and more on principles.

The call marks a fundamental break with a regulatory approach rooted in the securities markets of the 1930s.

It comes as top US policymakers worry that the US "rules-based" system is not flexible enough to deal with the pace of innovation in capital markets, global exchange consolidation and emerging competition from abroad.

"It is necessary to take a global view. We don't operate in isolation, so it is very important to consider how changes we make affect the ability of our companies to compete globally and how these changes affect our interaction with markets and regulators around the world," Mr Paulson said in a speech to the Economic Club of New York.

"Our rules-based regulatory system is prescriptive, and leads to a greater focus on compliance with specific rules. We should move toward a structure that gives regulators more flexibility to work with entities on compliance within the spirit of regulatory principles," he said.

Without naming the UK, his comments are a clear reference to a less prescriptive approach to regulation championed by the Financial Services Authority and embodied in European accounting standards.

Taking issue with the US rules-based accounting system, he said: "Businesses and auditors are searching for something that doesn't exist in today's constantly changing world - a rules-based safe haven that still provides investors with an accurate portrayal of a company's financial performance."

Referring to the need for European companies to reconcile their International Financial Reporting Standards accounts with US GAAP, Mr Paulson said: "We should recognise that the time and cost that go into reconciling and restating IFRS statements may not be a worthwhile expense for a foreign company considering the US market."

"Added complexity and more rules are not the answer for a system that needs to provide accurate and timely information to investors in a world where best of class companies are continually readjusting their business models to remain competitive," he said.

He also warned that the existence of only four big auditing firms "may not be healthy".

"The current situation forces us to ask questions about the industry's sustainability and effectiveness. Is there enough competition?"

The "big four" accounting firms fear that huge liability litigation suits could bring down a firm and have argued for caps on the amounts of such suits.

Mr Paulson pointed out that the US has four separate banking regulators, with a "similar dynamic" in the securities and commodities markets, and their related self-regulatory structures.

Each of these organisations had different statutory responsibilities and a number had different regulatory philosophies. The US also had a dual federal-state regulatory system in the banking and securities markets – "and the degree of federal pre-emption over state law in these areas varies greatly".

"A consequence of [this] is an ever-expanding rulebook in which multiple regulators impose rule upon rule upon rule. Unless we carefully consider the cost/benefit trade-off implicit in these rules, there is a danger of creating a thicket of regulation that impedes competitiveness," Mr Paulson said.

He said the 2002 Sarbanes-Oxley auditing and compliance law had also "fundamentally" altered interactions between auditors and company management "in a number of ways, some of which are not constructive".

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Turning to enforcement, Mr Paulson said that a combination of enforcement and guidance was likely to be more effective and more efficient than relying on enforcement alone.

"When multiple jurisdictions and entities are involved, each with their own objectives and approaches, the enforcement environment can become inefficient and, to the regulated, can appear confusing and threatening," he said, referring to multiple US state and federal enforcement agencies.

Paulson Says Business Is Over-Regulated (WP)

By Carrie Johnson

The Washington Post, November 21, 2006

Treasury Secretary Henry M. Paulson Jr. yesterday criticized the nation's "ever-expanding rulebook" and its burdensome legal system for constraining the economy but rejected wholesale revisions to a corporate accountability law under attack from business groups.

Paulson, a former chairman of the investment bank Goldman Sachs, called for striking a regulatory balance as he delivered his first major policy address on the subject since joining the government in July. "Excessive regulation slows innovation, imposes needless costs on investors, and stifles competitiveness and job creation," he said in a speech to the Economic Club of New York.

But under questioning, Paulson stood behind the controversial Sarbanes-Oxley law, passed in 2002 after financial scandals rocked the stock market and devastated investor confidence. Policymakers do not need to reopen the law, Paulson said. Instead, he expressed confidence in the work of securities regulators and accounting industry overseers, who are racing to make audit rules more flexible for small businesses that have complained about the regulations' cost. The eagerly awaited proposed revisions are to be unveiled within weeks, Christopher Cox, chairman of the Securities and Exchange Commission, has said.

"I don't think there is a single principle in [Sarbanes-Oxley] that is ill-founded," Paulson said after the speech.

Paulson's remarks come as trade groups such as the U.S. Chamber of Commerce exhort lawmakers and regulators to retool corporate rules, which they contend are leading fewer companies to list on U.S. exchanges. A chamber-affiliated coalition led by William M. Daley, who was an official during Bill Clinton's presidency, and A.B. Culvahouse, counsel to former president Reagan, issued data yesterday that they said reflected a decade-long decline in market share of corporate listings in the United States.

Some consumer advocates warn that tighter rules make for a convenient scapegoat. Barbara Roper of the Consumer Federation of America pointed to other factors, including steep investment banking fees and changes in the global economy, for the dip in U.S. public offerings.

Business groups insist the changes would combat what they say is an overly onerous application of the law. "No one is talking about a wholesale rollback," said Robert S. Nichols, president of the Financial Services Forum, a coalition of large banks for which Paulson once served as chairman. "That would be a very serious mistake in our view. It's a matter of discussing the implementation and execution."

In his speech, Paulson sought to take the debate beyond recent corporate reforms and into broader terrain. He singled out class-action lawsuits as an Achilles' heel in the legal system, which he contended have "gone beyond protection" of investors and now hamper business competition.

Statistics compiled by NERA Economic Consulting suggest that the number of class-action lawsuits filed against corporations and executives has plummeted in the past two years, especially since the indictment of the law firm Milberg Weiss Bershad & Schulman, which had been a leader in filing plaintiff cases before being charged with improperly paying people to serve as clients.

"Investors already are getting pennies on the dollar for massive losses they suffered in recent scandals," said Roper, of the consumer group. "I don't think you can sell that message after the experience we've been through."

Separately, Paulson called for more "constructive" dialogue among prosecutors and corporate executives, citing possible changes to the Justice Department's guidelines on charging companies with crimes. The 2002 prosecution of accounting firm Arthur Andersen for charges of obstructing justice helped push it out of business, an issue that Paulson said has reduced choice and competition in the auditing industry.

An unusual coalition including the American Civil Liberties Union and the U.S. Chamber of Commerce testified before Congress this year in support of relaxing parts of the Justice guidelines, known as the Thompson memo, named after former deputy attorney general Larry D. Thompson.

Paulson said he would host a conference early next year to explore problematic rules, accounting and legal issues and to lay a foundation for possible new initiatives within the executive branch and Congress. Last week, Sen. Christopher J. Dodd (D-

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Conn.), who is set to lead the Senate Banking Committee when Congress returns in January, expressed skepticism that the Sarbanes-Oxley law had hampered U.S. competitiveness.

But the wider topic appears to have drawn some bipartisan support. Sen. Charles E. Schumer (D-N.Y.), whose constituents include many Wall Street executives, yesterday referred to "a growing consensus . . . that we need to do a complete and comprehensive review of America's and New York's worldwide competitive position in financial services."

SEC To Undergo Further Scrutiny From Congress (WSJ)

By Kara Scannell

The Wall Street Journal, November 21, 2006

WASHINGTON -- The Securities and Exchange Commission, already under fire for its handling of a suspected insider-trading case, will receive more congressional scrutiny next month when the Senate Judiciary Committee holds a hearing on the agency's effectiveness.

Sen. Arlen Specter, a Pennsylvania Republican who is chairman of the committee until the new Democrat-controlled Congress convenes in January, has scheduled an oversight hearing on the SEC for Dec. 5.

The hearing comes as the SEC has been on the defensive since Sen. Specter and Sen. Charles Grassley (R., Iowa) said they were investigating the agency's handling of an insider-trading investigation involving hedge fund Pequot Capital Management and John Mack, the chief executive of Morgan Stanley. The matter, which was brought to their attention by a former SEC attorney, was referred to the Government Accountability Office for a thorough review of the SEC's enforcement division.

Linda Chatman Thomsen, the SEC's enforcement chief, is expected to testify at the hearing. Pequot founder Arthur Samberg has been notified of the hearing, according to a person familiar with the matter. It is unclear if Sen. Specter will compel his testimony. A spokesman for Pequot declined to comment.

Sen. Specter is expected to discuss the ability of the Justice Department to work with the SEC on investigations, following two court rulings that criticized the agencies for working too closely. He is also likely to discuss hedge funds, which he has said require tough enforcement.

It follows two hearings Sen. Specter held earlier this year. The first focused on hedge funds and short-selling activities, and Gary Aguirre, a former SEC attorney, testified about the SEC's handling of the Pequot investigation. Mr. Aguirre says he was fired after he sought to compel the testimony of Mr. Mack, who he suspected of tipping inside information to Pequot about a pending takeover. Mr. Aguirre has charged that the SEC denied his interview request because of Mr. Mack's political connections, and he said the agency allowed insider-trading referrals to gather dust, allegations the SEC has denied. Mr. Mack testified before the SEC this summer, and the agency said last month it wouldn't file charges against Pequot or Mr. Mack.

Sen. Specter has criticized the SEC's diligence in following up on insider-trading referrals from exchanges. The SEC says 75% of referrals become informal probes.

CRIMINAL LAW:

Criminal Network To Catch Crooks In Cyberspace, FBI Goes Global (WSJ)

By Cassell Bryan-Low

The Wall Street Journal, November 21, 2006

ANKARA, Turkey -- On Aug. 16, 2005, a CNN television news bulletin alerted viewers that computers at the network's New York and Atlanta offices were infected with a new virus called Zotob. Soon, U.S. companies from coast to coast were hit.

Halfway around the world, two young computer hackers in Turkey and Morocco got spooked by the ensuing media coverage, but mocked the ability of authorities to track them down. "They can't find me," wrote Atilla Ekici, a 23-year-old Turk, in an email to his accomplice, a 19-year-old Moroccan called Farid Essebar. "Ha, ha, ha," replied Mr. Essebar.

The U.S. Federal Bureau of Investigation, however, was already hot on their trail. The 98-year-old FBI, which has traditionally focused on domestic crime, is extending its reach beyond U.S. borders and boosting cooperation with other law-enforcement agencies in pursuit of cybercriminals, much as the agency has done in tracking down terrorists overseas.

The shift reflects the global nature of computer crimes, which include unleashing viruses, worms and other rogue programs onto victims' computers to disrupt them or steal information. As electronic borders between countries blur, hackers in one nation can easily commit crimes against individuals, corporations and governments on the other side of the world.

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The FBI now ranks cybercrime as its third priority behind terrorism and espionage. Computer-based crimes caused $14.2 billion in damages to businesses around the globe in 2005, including the cost of repairing systems and lost business, estimates Irvine, Calif., research firm Computer Economics.

Building relationships with police in other countries is "the only way we are going to effectively get a handle on the problem," says Christopher Painter, deputy chief of the Justice Department's Computer Crime Section.

The FBI is running into limits fighting international computer crime. Cybercrooks remain difficult to pinpoint in part because hackers can hide their tracks by commandeering computers from afar and routing their activities through machines dotted around the world.

Even when the agency does find suspects overseas, local authorities sometimes lack the resources or laws to prosecute. In its pursuit of LoveBug, one of the first big international computer viruses, which spread around the world in 2000, the FBI located its creator in the Philippines. But he was never charged because local laws didn't specify the virus writer's activities as illegal at the time.

"The criminal community is winning," says Nicholas Ianelli, a security analyst at the CERT Coordination Center at Carnegie Mellon University, a federally funded group that coordinates responses to computer-security incidents.

But the agency is making some headway, thanks partly to a diplomatic offensive to enlist help from foreign agencies. It now has about 150 agents deployed in some 56 offices around the world, including in Iraq and China, which deal with computer intrusions, as well as terrorism and other crimes. That has grown from about a dozen offices in the early 1990s.

During the past two years or so, the FBI has also built up Cyber Action Teams, or CATs -- a group of about 25 people that includes agents, computer forensic experts and specialists in computer code, according to David Thomas, the deputy assistant director of the FBI's science and technology branch. Establishing the team has taken longer than expected, in part because of the challenges of hiring people with the right skills, Mr. Thomas says.

Earlier this month, the FBI announced the arrest of at least 16 individuals involved in a credit-card theft scam as part of an investigation spanning the U.S., Poland and Romania. As part of the probe, the FBI temporarily posted several agents with Polish and Romanian police to assist with surveillance and information sharing.

Some overseas police agencies have noticed the change. The FBI is "much more open to interaction" than it was even a few years ago, says Kevin Zuccato, director of the Australian federal police's high-tech crime center. One FBI agent is even embedded full-time with Australia's high-tech crime center. Usually, FBI agents are posted within U.S. embassies and consulates abroad.

Police in other countries can also get touchy about defending their turf from outsiders, just as a local beat cop in the U.S. might resent interference from the FBI on a murder case. In 2002, Russian police accused an FBI agent with computer hacking after the agent seized evidence against two Russian hackers by downloading data from their computers in Russia without approval from local authorities. Russia hasn't pursued the charges, however, and the agent is still at the FBI. The two countries since then have worked on several cybercrime cases.

The FBI's overseas push is still a long way from winning the borderless battle against cybercrime. But as the tale of the Zotob virus shows, the agency is scoring some victories.

By Sunday Aug. 14, 2005, the FBI and antivirus software companies noticed that a virus called Zotob had started to spread. The virus infected computers by taking advantage of a weakness in some versions of Microsoft Corp.'s popular Windows operating system, causing them to slow or reboot repeatedly.

But that wasn't all: Zotob opened a door for other malicious software to be installed, such as "key-logging" programs that record what a PC user types into a keyboard -- a way to snatch credit-card numbers and other information that is sold to criminal gangs. Zotob hit some 100,000 companies or more, some analysts estimate, including Time Warner Inc.'s CNN division and New York Times Co.

Even before the virus became famous by attacking CNN's computers, FBI Agent Erkan Chase and his colleagues were tracking the code. They discovered that the Zotob computer program had a signature line "by Diabl0". Mr. Chase, a 41-year-old former New York cop, recalled the nickname from another virus that he had started monitoring earlier in the year, called Mytob. That suggested the same person created both viruses.

Mr. Chase, who was overseeing the FBI's Cyber Action Teams at the time, checked in with the FBI's U.S. field offices and found that agents in Seattle had opened an investigation into Diabl0 after Mytob hit, linking him to an email account at Microsoft in nearby Redmond, Wash. With search warrants served on the software giant, Mr. Chase and his colleagues obtained emails between Diabl0 and another suspect using the nickname "Coder." They also received subscriber information and other evidence indicating the two were using computers in Morocco and Turkey, respectively.

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In their email traffic, the tone of the hackers became cautious after media coverage of the virus, especially a local report in Turkey that authorities believed one of the hackers might be living there. The two suspects discussed whether to take precautions by getting rid of the evidence, by wiping or ditching their computer hard drives.

That raised the pressure on Mr. Chase to act quickly and try to arrest the two young men before it was too late. "We had to respond pretty quickly because we didn't want to get out there and find there was no evidence," he said.

Late afternoon on Aug. 18, 2005, just days after the virus hit, the head of the Turkish national police's cybercrime unit, Omer Tekeli, received a call from the U.S. Embassy in Ankara asking for help. The FBI teams only travel overseas at the behest of local authorities and don't have special powers to make arrests, but can offer technical and investigative assistance.

Mr. Tekeli agreed, and later that same day, an FBI agent from the Seattle office called to brief Turkish police on the details, including information they had gathered on Coder, Mr. Tekeli says. Mr. Tekeli's team soon identified Coder as Mr. Ekici, a farmer's son who had taught himself about computers at Internet cafes. Turkish authorities already knew of Mr. Ekici from an earlier investigation into a gang of credit-card thieves. Among other details, the FBI provided an email address for Coder that included part of Mr. Ekici's name as well as the equivalent of digital fingerprints that linked Coder's computer with Mr. Ekici's home address.

On Aug. 21, a week after noticing the virus, Mr. Chase left with a team of about a dozen people for Morocco and Turkey, flying in an FBI Learjet. The fact that Mr. Chase, whose mother is Turkish, spoke some of the local language helped smooth the process. After dropping half the group in the Moroccan capital of Rabat, Mr. Chase landed in Ankara, Turkey.

At the sparsely furnished offices of Turkey's cybercrime police, the FBI team handed over evidence they had obtained about the suspects from Microsoft and about 25 pages of analysis of the malicious code. FBI engineers gave a roughly hour-long presentation on how the code worked, complete with slides. In Rabat, meanwhile, emails provided by the FBI enabled Moroccan authorities to locate Diabl0 -- Mr. Essebar -- as well as an accomplice. Emails typically carry a unique set of numbers, known as an Internet protocol address, which identifies each computer connected to the Internet. Moroccan police were able to obtain the name and contact details associated with the Internet protocol addresses received from the FBI from a local Internet service provider.

The FBI's documents also helped local authorities swiftly secure arrest and search warrants. Concerned that the arrest of one suspect would tip off the others, Mr. Chase helped the two countries coordinate the raids. In the early hours of Aug. 25, Turkish police officers surrounded Mr. Ekici's home and took him into custody. About 2,000 miles away in Rabat, police moved in on Mr. Essebar and his accomplice. The FBI wasn't invited to be present at either of the arrests. Turkish and Moroccan authorities say that is because only local police are allowed to charge suspects under the respective national laws.

Mr. Ekici in Turkey had disposed of his computer hard drive so Turkish investigators weren't able to gather much evidence from his machine. But Mr. Essebar in Morocco only reformatted his hard drive, which wipes out files but let the Moroccan police's computer specialists recover most of them because copies often still exist.

Among the finds were copies of the code itself and other information identifying Mr. Essebar as Zotob's author. Police also found emails between Diabl0 and Coder discussing Zotob as well as the numbers of about 1,600 stolen credit cards.

In parallel, FBI specialists worked off a copy of the hard drive, searching for relevant emails and writing a piece of computer code on the fly to help them analyze the program. "We were able to use that information from Morocco and give it to Turkish authorities to further [their] investigation," says Mr. Chase.

In September of this year, a Rabat court sentenced Mr. Essebar, a Russian-born Moroccan national, to two years in prison for virus-writing, illegal access to computers and conspiracy to commit credit-card fraud. The court also sentenced his 21-year-old accomplice to one year in prison for conspiracy to commit fraud. A lawyer for Mr. Essebar couldn't be reached. At the time of the sentencing, news service Agence France Presse cited a lawyer for the defendants saying they planned to appeal.

Authorities allege Mr. Ekici, whom they believe met Mr. Essebar at a Web site for credit-card fraudsters, was responsible for disseminating the Zotob worm and intended to use it to steal financial information. But they say it is unclear whether he had time to swipe any information or profit from it given the speed with which they were able to arrest him, less than two weeks after the worm first spread.

The trial of Mr. Ekici, whom Turkish authorities have charged with unauthorized access to computers and disseminating a virus, continues in Turkey. He couldn't be reached for comment.

The Zotob case marked the first time foreign law enforcement has come to Turkey to assist in a cybercrime investigation, says Mr. Tekeli, the cybercrime unit chief in Turkey. Without the FBI's help, the investigation "would have been more difficult and more time consuming," he says. Hakim Aarab, an engineer in the Moroccan police's computer division, says because of the borderless nature of cybercrime, "international collaboration is an obligation, it's not an option."

Gangsters Who Targeted Blacks Get Life (AP)

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AP, November 21, 2006

LOS ANGELES (AP) — Three members of a Hispanic gang were sentenced Monday to life in prison without the possibility of parole for using murder and other violent acts to intimidate blacks in their neighborhood.

Federal prosecutors had accused Gilbert Saldana, Alejandro Martinez and Fernando Cazares of targeting blacks in the largely Hispanic community of Highland Park, east of downtown Los Angeles. They were found guilty of conspiring to use violence, including the shooting deaths of two black men in 1999 and 2000.

Authorities said it was one of the first prominent cases in which the U.S. Justice Department targeted a street gang with laws normally used to prosecute white supremacist groups.

"These were horrific offenses that have had far-reaching consequences," U.S. District Judge Percy Anderson said during sentencing.

Each defendant received two consecutive life sentences. They were convicted in August.

A fourth man, Porfirio Avila, was also convicted. He was scheduled to be sentenced Dec. 18.

Government Backs Off Prison Restrictions (AP-Y)

By Gillian Flaccus, Associated Press Writer

AP, November 21, 2006

Prosecutors have dropped plans to ask a federal judge to prevent leaders of the Aryan Brotherhood prison gang from communicating with anyone but their attorneys, officials said Monday, but they may ask U.S. Attorney General Alberto Gonzales to do so instead.

Prosecutors will probably ask the Bureau of Prisons to impose the bans on Barry "The Baron" Mills, T.D. "The Hulk" Bingham, Edgar "The Snail" Hevle and Christopher Overton Gibson, said U.S. attorney's office spokesman Thom Mrozek.

The change means defense attorneys wouldn't be able to fight the restrictions until after they have been imposed, which would delay the appeals process, said Mark Fleming, an attorney representing Mills.

Assistant U.S. Attorney Stephen Wolfe filed papers Friday in federal court withdrawing a request for a federal judge to impose the restrictions.

An order would also keep writing implements, paper and previously viewed reading material out of the inmates' cells.

Mills, Bingham and Hevle are to be sentenced Tuesday for murder, conspiracy and racketeering. Gibson, who recently had back surgery, won't be sentenced Tuesday because he can't be present.

Similar bans have been imposed only 11 times in the history of the federal prison system. Inmates Zacarias Moussaoui, the suspected "20th hijacker" in the Sept. 11, 2001, World Trade Center attack, and convicted Unabomber Ted Kaczynski are among those with restrictions on their prison contacts.

All four men were convicted of racketeering and three were convicted of murder in a case aimed at dismantling the white supremacist organization, which is accused of dealing drugs and spreading terror inside some of the nation's most dangerous prisons.

Mills and Bingham face life in prison without the possibility of parole; Hevle and Gibson face 20 years to life.

G.O.P. Fund-Raiser Sentenced For Embezzlement In Ohio (NYT/AP)

By The Associated Press

The New York Times, November 21, 2006

TOLEDO, Ohio, Nov. 20 (AP) — A Republican fund-raiser who embezzled from a state investment in rare coins was sentenced Monday to 18 years in prison for his role in a scandal that helped bring down Ohio's ruling Republican Party.

The fund-raiser, Tom Noe, 52, was also fined $139,000.

Mr. Noe spent money as if he had "a bottomless cup of wealth and luxury" at his disposal, "when in fact it was at the state's expense," Judge Thomas Osowik of Common Pleas Court said Monday.

The sentence is on top of the more than two years Mr. Noe was ordered to serve after pleading guilty earlier this year to illegally funneling $45,000 to President Bush's re-election campaign.

Mr. Noe declined to make a statement before sentencing and stared blankly, his upper lip twitching, as his punishment was handed down.

Mr. Noe was the central figure in a scandal that dogged the Ohio Republican Party for more than a year. On Election Day, the Democrats won the governor's office, a Senate seat and other major offices after 12 years of Republican rule.

Until Monday, prosecutors did not say whether Mr. Noe had used any of the money to make campaign contributions, but after the sentencing, the prosecutor, Ron O'Brien, said, "You can make those inferences."

Also for the first time, prosecutors on Monday calculated that Mr. Noe had stolen a total of $13.7 million.

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Mr. Noe was hired by the state workers' compensation agency and given $50 million to invest in an unorthodox and risky effort by a state government to make money buying and selling rare coins. A furor erupted when the investment in rare coins became public and when it was learned that millions of dollars were missing.

Democrats asserted that Mr. Noe had gotten the job because of his Republican ties. He was a top fund-raiser who gave more than $105,000 to Republicans, including President Bush and Gov. Bob Taft in 2004.

The resulting investigations led to ethics charges against Mr. Taft, who pleaded no contest to failing to report golf outings and other gifts. Four former Taft aides pleaded no contest to similar charges.

Mr. Noe was convicted of theft, corrupt activity and other offenses last week, and faced a minimum of 10 years in prison on the corrupt-activity charge alone.

Prosecutors said he had used the money to pay off business loans, renovate his home in the Florida Keys and otherwise live in high style.

One of Mr. Noe's lawyers, John Mitchell, had asked for the minimum 10-year sentence, saying that other high-profile criminals had received less time for taking more money.

Married Aleppo Man Held In W. Va. Death (PPG)

By Milan Simonich, Pittsburgh Post-gazette

Pittsburgh Post-Gazette, November 21, 2006

Murder suspect waives hearings

WHEELING, W.Va. -- Eugene Talik Jr., a married man accused of killing his girlfriend to hide their illicit affair, yesterday abandoned any hope of getting out of jail before he stands trial.

He waived his right to a bail hearing and to a second proceeding that would have forced federal prosecutors to reveal some of their evidence.

Less than a minute after his court session began, Mr. Talik ended it by saying he did not want to go through either hearing.

U.S. marshals took him back to jail, where he will await his indictment in the death of 28-year-old Kelly Jo Elliott.

Prosecutors say the victim and Mr. Talik, 38, were having an affair that soured after she learned he was married.

The government alleges that Mr. Talik and an accomplice killed Ms. Elliott to stop her from telling his wife.

Grand jurors will consider a murder-for-hire charge against Mr. Talik when they hear the case against him, Assistant U.S. Attorney Robert McWilliams said in a motion opposing bail.

After the indictment, Mr. Talik could face the death penalty, Mr. McWilliams said.

U.S. Attorney General Alberto Gonzales has the final decision on whether the government will pursue a capital case or try to imprison Mr. Talik for the rest of his life.

As for Mr. Talik's accomplice, he still has not been identified by the government.

His name might have come out yesterday had Mr. Talik insisted on a preliminary hearing. Because he gave up his right to the hearing, prosecutors left court without having to disclose it.

Mr. Talik, a moving van driver from Aleppo, Pa., met Ms. Elliott during a swing through West Virginia.

Tall and powerfully built, he favored short-sleeve shirts that displayed his tattoos, including a spiderweb on his left elbow.

Soon, Ms. Elliott, a single mother of two, began seeing him on his days off or when his moving business brought him near the town of Valley Grove -- where she lived, just outside of Wheeling.

Prosecutors say she was the second West Virginia woman to have an affair with Mr. Talik.

The first told police that Mr. Talik threatened to kill her if she exposed him for cheating in his marriage. The government has not made the woman's name public.

Prosecutors say Mr. Talik and his accomplice killed Ms. Elliott the night of May 25 after extensive planning.

The accomplice owed Mr. Talik about $2,000 for cocaine, so he entered into the murder plot to wipe away his debt. Mr. Talik also promised the man additional cocaine at no charge, prosecutors said.

Ms. Elliott was supposed to be house-sitting for her sister, so the accomplice broke into the home with the idea of shooting her there.

But, prosecutors said, she changed her plans, so Mr. Talik called the gunman and told him to leave.

Soon after, prosecutors said, the two of them attacked Ms. Elliott near Dallas Pike, where a truck stop is located. The accomplice began the assault. He hit Ms. Elliott with a pipe, but the blow did not kill her.

Prosecutors gave this account of her final moments: Mr. Talik urged his cohort to strangle her, but the man could not bring himself to do it. So Mr. Talik grabbed Ms. Elliott and choked her until she stopped breathing.

Twelve hours later, Mr. Talik appeared at the house where Ms. Elliott had been living.

Her parents told him she had not come home the night before. Mr. Talik told them he was surprised.

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Then he left for the weekend, taking his wife, Karen, on a camping trip.

Later, prosecutors say, Mr. Talik disposed of Ms. Elliott's body in Elk County, Pa.

His accomplice led police to her remains last week, breaking the case open.

FBI Recovers Stolen Goya Painting (NSDY/AP)

By Wayne Parry, Associated Press Writer

Long Island Newsday, November 21, 2006

NEWARK, N.J. -- The FBI said Monday that it has recovered a 1778 painting by the Spanish artist Francisco de Goya that was stolen as it was being taken to an exhibition earlier this month.

"Children with a Cart," which disappeared en route from the Toledo Museum of Art in Ohio to the Solomon R. Guggenheim Museum in New York City and was valued at about $1.1 million, appeared to be unharmed, said Les Wiser, agent in charge of the Newark FBI office.

Steven Siegel, a spokesman for the FBI, said the bureau recovered the painting Saturday in New Jersey, but would not be more specific about where or how it was located. No arrests were made, but the case remains under investigation, he said.

The FBI said extensive news coverage of the theft led to tips that enabled the agency to recover the painting.

The painting was taken from an art transporter's truck that was parked overnight in a hotel parking lot in Stroudsburg, Pa., on Nov. 8, authorities said. It had been scheduled to be displayed in the exhibition "Spanish Painting from El Greco to Picasso: Time, Truth, and History," which opened at the Guggenheim on Nov. 17.

Siegel said the thieves apparently did not know what was inside the truck when they broke into it. "It was a target of opportunity. They probably thought it was a truck full of PlayStations," he said.

The image of four children at play was insured for about $1 million and was to be exhibited with about 135 paintings by Spanish masters.

The insurer had offered a reward of up to $50,000 for information leading to the recovery of the artwork.

A Phone Call Leads The F.B.I. To A Stolen Goya (NYT)

By Randy Kennedy

The New York Times, November 21, 2006

F.B.I. officials in Newark and Philadelphia said yesterday that they had recovered a Goya painting that was stolen from a truck this month while it was being transported from the collection of the Toledo Museum of Art in Ohio to a major exhibition now on view at the Solomon R. Guggenheim Museum in Manhattan.

Officials said the painting was recovered unharmed Saturday in central New Jersey after a lawyer called the F.B.I. and told investigators where they could find it while saying that he could not tell them anything else about the theft.

As of late yesterday, no arrests had been made. Because the investigation remains active, officials would not say exactly where or how the painting had been found.

Contrary to earlier law enforcement theories that the theft was carried out by insiders, they did say it appeared that the thieves probably had no idea what kind of art-historical loot they had stumbled upon when they broke into the truck overnight in a parking lot at a Howard Johnson Inn near Bartonsville, Pa.

“This time of year, close to Christmas, they probably thought they’d found a truck filled with PlayStations and broke in and started looking for the biggest-looking box,” said Steve Siegel, an F.B.I. agent who serves as the spokesman for the bureau’s Newark office. “Basically, it’s a target-of-opportunity typical New Jersey cargo theft. There are literally predators — for lack of a better word — who when they see a tractor-trailer or a cargo vehicle parked for any length of time start snooping around.”

Officials at the Toledo Museum of Art said the painting, which was insured for $1 million, would not be included as a late entry in the Guggenheim show, “Spanish Painting From El Greco to Picasso: Time, Truth and History,” a sprawling exhibition of some 135 paintings by Spanish masters that opened Friday. Instead, the work, painted in 1778 and titled “Children With a Cart,” will be returned to Toledo.

“We are ecstatic that the painting has been recovered, and we look forward to bringing the Goya home and sharing it again with our community,” Don Bacigalupi, the director of the Toledo Museum of Art, said in a written statement.

Lisa Dennison, the director of the Guggenheim, said the museum would have liked to put the painting into the show but added that it was “understandable that the Toledo Museum would want to bring the stolen painting back to its home after this nerve-racking experience.” She pointed out that the show includes 21 other works by Goya.

The crated painting was stolen either late on the night of Nov. 7 or early on Nov. 8 from a shipping container in the truck while it was parked in an unlighted lot near the Howard Johnson motel. The two drivers checked around 11 p.m. on Nov. 7,

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according to the motel manager, Faizal Bhimani. He said the white midsize truck was left in a lot adjacent to the hotel, out of sight of the motel's rooms and the main office.

Law enforcement officials, speaking on the condition of anonymity, said that when the drivers returned to the truck about 6:30 a.m. on Nov. 8, the locks had been broken and the painting was gone. Neither the two museums nor the investigators have identified the shipping company responsible for transporting the painting.

Federal investigators had first said they believed that thieves armed with detailed shipping information were behind the theft.

While that theory appears to have been wrong, other law enforcement officials cautioned that it was not yet known definitively that the thief or thieves had no information about the shipment of the painting.

While Mr. Siegel would not say exactly where the painting was recovered or provide details about how the agents had found it, he did say that it was recovered without a search warrant. He added that several people had been interviewed about the theft, but he provided no details.

Officials declined to identity the lawyer who alerted the investigators and would not say how he learned of the painting's whereabouts. Nor would they say whether the lawyer was connected with anyone involved in the theft or whether he would be paid the $50,000 reward offered by an insurer.

It was not known whether the authorities had learned the identities of the thieves.

One law enforcement official, speaking on the condition of anonymity, said charges in the case could be filed as early as next week in United States District Court in Newark. Possible crimes could include interstate transportation of stolen property and theft of major artwork, each carrying a maximum penalty of 10 years in prison.

Goya Is Found After The FBI Is Tipped Off (NYS)

By Bradley Hope, Staff Reporter of the Sun

New York Sun, November 21, 2006

A $1 million Francisco de Goya y Lucientes painting has been recovered in central New Jersey less than two weeks after it was purloined from a parked truck, FBI officials said yesterday.

A spokesman for the Newark FBI office, Steven Siegel, said investigators now believe the theft was a "target of opportunity," not an inside job.

The work of art, "Children With a Cart," painted in 1778, was taken from an unmarked, locked truck in a hotel parking lot in Stroudsburg, Pa., on November 8. It was on its way from the Toledo Museum of Art in Ohio to the Solomon R. Guggenheim museum, where it was supposed to make its debut in a large Spanish art exhibit last Friday.

It didn't make it, and officials yesterday said it would now be whisked back to Toledo's permanent collection without making an appearance at the Guggenheim.

The two truck drivers were staying the night at the hotel, and when they saw the truck's locks had been broken and the painting was missing, they immediately called police, who contacted the FBI.

The FBI said the painting was found through tips that came about after extensive press coverage of the theft beginning early last week. Because the investigation is ongoing, FBI officials refused to provide specific information about where and how the painting was recovered.

A spokeswoman for the FBI's Philadelphia office, Jerri Williams, said no arrests had been made and no one is in custody for the theft.

"A tip came in that allowed us to recover the painting," she said.

The company that insured the painting for $1 million offered a reward of up to $50,000 when the theft was first announced. Ms. Williams said the decision to hand the money over to the tipster was up to the insurance company. A spokeswoman for the Toledo Museum of Art, Jordan Rundgren, refused to answer questions about the reward.

The FBI said the painting appeared to be in good condition, a fact that the executive director of the International Foundation for Art Research, Sharon Flescher, said was the biggest news.

"The most important thing today is that the painting was found, and found in good condition," she said. "Now we can start asking questions."

A spokeswoman for the Guggenheim, Betsy Ennis, said the directors of both museums decided the painting should be returned to the Toledo Museum of Art "for the benefit of the community."

"We are ecstatic that the painting has been recovered, and we look forward to bringing the Goya home and sharing it again with our community," the director of the Toledo Museum of Art, Don Bacigalupi, said in a statement.

The painting has been part of the museum's permanent collection since 1959, when it was purchased from Wildenstein & Co. gallery in New York.

"I'm so happy for the museum," a senior vice president at Wildenstein & Co., Joseph Baillio, said. "It's wonderful news. It's a lovely thing. It just shimmers. I think it was dramatically underinsured."

Goya created "Children with a Cart" early in his career when he was painting cartoons for tapestries at the Royal Tapestry Factory. The painting, one of about 60 cartoons, wouldn't have been displayed by itself when it first created, but as Goya's work began to attract more attention, it likely became an attraction on its own. Almost all of the other early Goya cartoons have remained in Madrid.

The painting depicts four children playing with a drum and a flute on a cart beneath a large tree, and a cloud rising from the horizon. The final tapestry was woven for the private quarters of the prince and princess of Asturias at the Pardo Palace, a professor of Spanish art at New York University's Institute of Fine Arts, Jonathan Brown, said.

The painting is 145.4 by 94 centimeters, according to the Guggenheim catalog.

The Guggenheim's exhibit, "Spanish Painting from El Greco to Picasso: Time, Truth, and History," opened Friday with work from a broad selection of Spanish artists including Diego Velázquez, Joan Miró, and Salvador Dalí.

Oil's Well That Ends Well For Stolen Goya (NYDN)

New York Daily News, November 21, 2006

A 1778 painting by iconic Spanish artist Francisco de Goya, stolen en route to an exhibition at the Guggenheim Museum in Manhattan, has been recovered by FBI agents in New Jersey.

Agency officials said yesterday that the painting, "Children With a Cart," is in good condition and appears unharmed.

The Goya, valued at $1.1 million, was stolen Nov. 8 from a transport truck parked overnight in a hotel parking lot in Stroudsburg, Pa. It was en route to the Guggenheim from a Toledo, Ohio, museum.

The FBI credited extensive media coverage for tips that led to the painting's recovery. But the agency would not reveal where or how the painting was recovered, citing a continuing investigation.

The image of four children at play was insured for about $1 million and was scheduled to be exhibited with about 135 paintings by Spanish masters.

The insurer had offered a reward of up to $50,000.

Owen Moritz

Million-Dollar Painting Recovered (ABC)

By Vic Walter And Krista Kjellman

ABC News' The Blotter, November 21, 2006

Federal authorities believe the thieves who stole a million-dollar masterpiece got rid of it because the painting was too hot to handle.

The 18th century painting, "Children with a Cart," by Francisco de Goya y Lucientes, "was recovered in good condition and appears to be unharmed," according to a FBI press release today.

Federal investigators believe the thieves stumbled onto the painting during a routine truck robbery somewhere in the Scranton, Pa., area last week.

"At this time, it appears that the painting was stolen as a random target of opportunity," FBI spokesperson Jerri Williams told ABC News.

The painting was en route to New York's Guggenheim Museum for an upcoming Spanish art exhibit that opened last Friday.

Read the FBI's Press Release on the Goya Painting Recovery in the Dossier Section of Our Homepage.

The FBI credits the "extensive publicity" of the theft and the "reward of up to $50,000" for the artwork's recovery.

No arrests have yet been made in the case, and Williams says at this juncture of the investigation, there is no indication that anyone from the transport company or the museums was involved.

Stolen Goya Painting Recovered (CNN)

By Deborah Brunswick, CNN

CNN.com, November 21, 2006

NEWARK, New Jersey (CNN) -- FBI agents have recovered a 1778 painting by famed Spanish artist Francisco de Goya that was stolen en route to an exhibition earlier this month, according to FBI Special Agent Jerri Williams.

The painting was recovered in Newark, New Jersey, Williams said.

The painting, "Children with a Cart," which is estimated to be worth about $1.1 million, was stolen November 8 from a transport truck as it was parked overnight outside a hotel in Stroudsburg, Pennsylvania.

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The truck was taking the painting from the Toledo Museum of Art in Toledo, Ohio, to the Solomon R. Guggenheim Museum in Manhattan.

According to Leslie Wiser, the special agent in charge of the Newark FBI office, the painting, recovered Monday morning, appears to be unharmed.

Wiser would not comment on when, where or how the painting was recovered, citing an ongoing investigation, but said "comprehensive media coverage of the theft assisted the investigative team and led to the recovery of the painting."

The painting had been scheduled to be displayed in the exhibition "Spanish Painting from El Greco to Picasso: Time, Truth, and History," which opened Friday at the Guggenheim.

The insurer had offered a reward of up to $50,000 for information leading to the recovery of the artwork.

Goya is best known for paintings, drawings and engravings of times of upheavals in Europe. Considered an early modernist, Goya was born in Spain in 1746 and died in France in 1828.

Alleged Agent's Confession Allowed At Trial (MH)

By Jay Weaver

The Miami Herald, November 21, 2006

A professor who acknowledged he was a Cuban government agent to the FBI has incurred a huge blow to his upcoming trial with a federal judge's ruling that his "confession" to agents was not obtained illegally.

U.S. Magistrate Judge Barry Garber rejected Florida International University professor Carlos Alvarez's bid to throw out his statements on grounds that he only spoke with the FBI because of alleged promises not to prosecute if he cooperated as a ``double agent."

Garber said two FBI agents made no such promises during three days of interviews in a hotel last year, nor did they have that authority. The judge also found that the agents did not place him in custody, nor did Alvarez make his statements involuntarily.

"Moreover, the defendant never exercised the most basic method at his disposal for avoiding discussions with the agents -- not talking to them," Garber wrote in a 22-page opinion, rejecting Alvarez's other motion to dismiss the government's indictment.

``Despite what he was told, he stayed at the hotel and spoke with the agents. . . . He even called the agents to request a third day of interviews."

Either side has 10 days to object to the judge's ruling, issued last Wednesday.

Alvarez, 61, who is being detained at the Miami Federal Detention Center, and his wife, Elsa, an FIU counselor who was granted a bond, face trial Jan. 22 on a single charge of being unregistered agents for the communist government of Fidel Castro. The couple, if convicted, face up to 10 years in prison.

Alvarez's self-incriminating statements to FBI agents, which were recorded on audio and videotape, will be the U.S. government's main weapon against the couple -- accused of gathering information on the Cuban exile community, but not espionage.

The FBI, which had a bug in the couple's bedroom from at least 2001 to 2005, picked up the professor at a local Publix before taking him to an unidentified hotel for interviews during June and July of last year. During those interviews, Alvarez and FBI agents Alberto Alonso and Rosa Schureck went back and forth on sensitive questions about his family and his history as an agent for Castro's government -- hinting at the possibility of a cooperation deal.

During a recent court hearing, Schureck testified that "the objective of the interviews was not to gain a criminal prosecution, but to create a double agent," according to the magistrate judge's ruling.

In a transcript of the June 22, 2005, interviews, the agent said: ``We're here on a professional, not personal, level. Now, since you helped the Cuban government, we want you to help the United States now. OK? Do you understand?"

Alvarez's response: ``I want something else. I want peace."

Alvarez did not succumb to the double-agent offer, which is why he was eventually indicted along with his wife five months later. They were arrested last January.

At the August court hearing, Alvarez testified that he felt threatened when agents told him that his decision on whether to cooperate would be "the most important day of his life" -- citing their references to his FIU career, his wife and his five children -- including a school-age daughter.

"According to defendant, he believed that if he did not speak with the agents, he would be arrested and something would happen to his family," according to the magistrate's opinion.

Alvarez testified that he believed if he provided truthful information to the agents, he would not be prosecuted, the judge wrote.

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"I was fearful, and I felt that the only way that I could get out of that situation, because I felt it had been promised to me, is by confessing to giving them everything -- all true statements," Alvarez testified.

His attorney, Steven Chaykin, argued that because his client truthfully answered the FBI's questions, prosecutors violated the agents' agreement to ``leave him alone."

But Garber, the magistrate judge, said the agents made no promises in the interviews.

Former Daley Aide Gets Almost 4 Years For Hiring Fraud (AP)

By Mike Robinson

AP, November 21, 2006

CHICAGO - A former high-ranking aide to Mayor Richard M. Daley was sentenced Monday to almost four years in prison for engineering a fraud scheme designed to cover up political patronage hiring at City Hall.

Robert Sorich, 43, showed no emotion as federal Judge David H. Coar also fined him $10,000 for mail fraud and delivered a sharp tongue-lashing before imposing the minimum 46-month sentence federal guidelines prescribe.

"The offense is corruption - corruption with a capital C," Coar said. He said that "for people to owe their jobs to political advancement rather than performance on the job stinks."

"I don't give a hoot whether this has been going on for 200 years - it still stinks," Coar said. "You sat near the top of this corrupt operation."

Sorich co-defendant Timothy McCarthy, 35, a former personnel director in the city Department of Aviation and a one-time Sorich aide, was sentenced to 18 months for mail fraud. Coar said he gave McCarthy a break because he had provided prosecutors with important information.

John Sullivan, 38, a former deputy commissioner of streets and sanitation, was sentenced to two months in prison and four months of house arrest for lying to FBI agents. He also was fined $5,000.

Patrick Slattery, 42, a former streets and sanitation official, was sentenced to 27 months for mail fraud.

Coar sentenced Sorich at the bottom of the guideline range of 46 to 57 months, saying "good people sometimes do bad things."

Even so, defense attorney Thomas Anthony Durkin told reporters that Sorich was "sentenced as if he were public enemy No. 1." He said the prosecutors were trying to pressure the defendants into providing evidence against City Hall higher ups.

"This is one of the most devastating days I've ever seen because it means if you don't cooperate you're going to the penitentiary," he said.

Lead prosecutor Patrick M. Collins, however, said that if the government were "guilty of anything it's that we're not treating people who are politically powerful differently."

The case was part of a larger investigation of city corruption that began with bribes paid to city officials by trucking company operators and expanded into City Hall hiring practices. So far, 44 people have been charged and 41 convicted. Two are awaiting trial and one has died.

Witnesses said Sorich presided over the faking of scores received by applicants for city jobs. He also made certain that campaign workers who were members of so-called "patronage armies" were hired, while other applicants were frozen out, witnesses testified.

More than 200 of Sorich's supporters flooded the courtroom. The crowd was so large that Coar moved the sentencing to a larger courtroom.

After the sentencing, some of those in the audience wept openly while others threw their arms around Sorich to show support.

Sorich took the sentencing calmly and apologized for nothing.

"I stand before the court and my friends and family to let them know that I am not a broken man," Sorich said. "As I stand before them I am a lucky man because I have their support. I have tried to do my best and I have tried to be fair."

Plainly many of those on hand, far from viewing Sorich as a criminal, consider him a martyr to the cause of Chicago's time-honored patronage system in which those who help the mayor get elected get the city jobs.

The system, which dates back more than a century, largely was banned under a 30-year-old court order known as the Shakman Decree. But federal officials say that decree has been repeatedly violated. Another judge recently named a federal monitor to force the city to follow the order.

Federal prosecutors had hoped Sorich would be sentenced to a term that exceeded the federal guidelines.

Assistant U.S. Attorney Philip A. Guentert told Coar that under Sorich city jobs were doled out through "a covert, corrupt underground hiring system." He said taxpayers and honest job applicants were victims.

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Witnesses at the trial testified that Sorich not only gave orders on who would be hired but also gave members of the "patronage armies" their marching orders, deploying them into parts of the city where the mayor and his allies wanted some extra push in getting out the vote on Election Day.

Former Patronage Chief Sentenced To 46 Months (CHIST)

By NATASHA KORECKI And MAUREEN O'DONNELL, Federal Courts Reporters

Chicago Sun-Times, November 21, 2006

Although the sentence was lighter than it could have been, U.S. District Judge David Coar was sharply critical of Robert Sorich, saying Sorich sat at the top of a corrupt operation.

"It's corruption with a capital C," Coar told Sorich. "There's nothing good about what you did. I don't give a hoot if this is going on for 200 years. It stinks. It stinks."

Sorich's eyes welled up as Coar announced his prison sentence. Sorich's wife put her hands to her face and cried.

Moments before, Sorich — who was once a top Daley aide, in the Mayor's Office of Intergovernmental Affairs — gave a brief statement but didn't apologize.

"I am not a broken man here today," the soft-spoken Sorich told the packed courtroom. "I am a lucky man because of this support."

Codefendant Timothy McCarthy, who also worked at the intergovernmental affairs office, was sentenced to 18 months in prison. He got a break after meeting with the government eight times five times before his trial and three times after his conviction. McCarthy's lawyer, Patrick Deady, said that if McCarthy pleaded guilty he would lose a pension he built up after 20 years.

"Judge, I will regret this for the rest of my life," McCarthy told Coar.

Sorich lawyer Tom Durkin argued for no prison time, saying his client didn't take bribes or otherwise gain anything personally. Durkin criticized a legal system in which another corrupt former city official, former water czar Donald Tomczak, got a prison sentence just one month longer than what Sorich got, though Tomczak admitted taking $400,000 in bribes. Durkin criticized the U.S. Attorney's Office for its role in a system he said punishes those who fight charges and take their case to trial and rewards those who cooperate, even if they're more corrupt.

"This is 'play ball by our terms, or else you go to jail,' end of story," Durkin said.

But prosecutors said they wouldn't apologize for a system that allows wrongdoers to make amends and help fix a criminal system.

Coar gave Sorich a prison sentence in the low end of the range possible under federal sentencing guidelines. Sorich had faced up to 57 months in prison. Prosecutors had sought a sentence of up to 71 months. Coar also gave McCarthy a significant break, citing his cooperation with the government and his show of remorse.

Hundreds of friends and family showed up at this morning's sentencing, causing Coar to move the hearing from his own courtroom to the federal courthouse's largest.

A jury convicted Sorich, McCarthy and two others — who are still to be sentenced later this afternoon — in a scheme to award jobs and promotions to city applicants who were politically connected.

Witnesses testified they were given "blessed lists" from Sorich and others at IGA, with names of people who were to get jobs. Managers then rigged interviews and changed test scores so that the connected candidates won advancement no matter their qualifications, testimony showed. Prosecutors maintained that those who won jobs had done free political campaign work and received city jobs and promotions as their payback.

Bus Union Official Faces New Charges (NYT)

By William K. Rashbaum

The New York Times, November 21, 2006

Federal prosecutors announced racketeering, extortion and bribery charges yesterday against the president of the 15,000-member city school bus drivers' union, who is already facing trial on charges that he tried to hide Mafia involvement in the union.

The new charges against the president, Salvatore Battaglia, 60, of Local 1181 of the Amalgamated Transit Union, were contained in an indictment unsealed in United States District Court in Manhattan that says he is a member of the Genovese crime family. The new charges came just weeks after the union's longtime secretary-treasurer, Julius Bernstein, pleaded guilty to federal racketeering charges and began cooperating with prosecutors and the F.B.I., law enforcement officials said.

The new charges said that over at least two years, Mr. Battaglia and others agreed with the owners of a number of school bus companies not to organize their workers, in exchange for tens of thousands of dollars in payoffs from the owners.

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Dissidents in the local have complained that it has been awash in corruption. Matthew Ianniello, 86, who prosecutors have said is the acting boss of the Genovese crime family, pleaded guilty in September, admitting that he had helped arrange for bus companies to make payoffs to Local 1181 officials.

Mr. Ianniello, Mr. Battaglia and Mr. Bernstein were among 20 people charged together in the original indictment in the case in July 2005. Last week, a federal jury in Manhattan acquitted one of the men, Ciro Perrone, on an obstruction of justice charge but failed to reach a verdict on racketeering charges. A prosecutor plans to retry him.

Mr. Battaglia's lawyer, Charles G. Fiore, and a spokesman for the union did not return telephone messages late last night.

Mr. Battaglia would face a maximum of 168 years in prison if convicted on all the charges.

FBI Busts Union's Boss On School Bus Shakedown Rap (NYDN)

By Greg B. Smith, Daily News Staff Writer

New York Daily News, November 21, 2006

A corrupt union backed by the Genovese crime family extorted cash from numerous school bus companies, prosecutors charged yesterday.

The charges emerged in a new indictment unsealed yesterday against Salvatore Battaglia, president of Amalgamated Transit Workers Union Local 1181.

Battaglia was arrested at dawn by the FBI at his Staten Island home, officials said. The arrest came a day after the Daily News revealed the FBI's probe of the city school bus shakedown.

Prosecutors in Manhattan U.S. Attorney Michael Garcia's office sought to keep the longtime union figure behind bars, but Battaglia was released yesterday on $1.5 million bond after agreeing to temporarily step down from his union post.

The new indictment alleges Battaglia "and others" - identified as the Genovese crime family - "improperly received payments from numerous bus companies" who employed Local 1181 members.

Among other allegations, prosecutors alleged that some bus companies paid off Battaglia to back off on efforts to organize the firms' nonunion members.

The new indictment alleged that Battaglia continued extorting the bus companies into 2006, even after he and other union officials were arrested in July 2005.

The arrest comes two months after Matthew (Matty the Horse) Ianiello, a Genovese captain, pleaded guilty to charges of shaking down Local 1181. During his plea, Ianiello contended he'd arranged payments to the union from several city school bus companies.

Jeffs' Preaching Will Be Dissected Word By Word (SLT)

Salt Lake Tribune, November 21, 2006

As prosecution begins its case today, judge will look at evidence from life in the sect

GEORGE - Word by word, every lesson, sermon and pronouncement polygamous sect leader Warren S. Jeffs ever made is likely to be dissected and offered as evidence - both against him and in his favor - as his prosecution begins today.

In one typical lesson, recorded and distributed to faithful followers, Jeffs can be heard counseling young women to be submissive and obedient, to "keep sweet" and to avoid squabbling with sister-wives.

He also tells them that fathers and husbands are to "persuade through love" and act with kindness, not force.

Jeffs, 50, is to appear for a preliminary hearing in 5th District Court as the state of Utah makes its case that he should stand trial on two first-degree felony counts of being an accomplice to rape.

The charges stem from Jeffs' role in conducting a 2001 spiritual ceremony between a 19-year-old man and a 14-year-old girl who alleges she was coerced into the union and, later, sexual relations.

The judge then will rule on whether the evidence is sufficient to bind Jeffs over for trial.

Identified only as Jane Doe IV, the woman alleges Jeffs told her to submit "mind, body and soul" to her husband and that her salvation depended on sticking with the marriage.

He also counseled the couple to "multiply and replenish the earth."

Washington County Prosecutor Brock Belnap highlighted those statements in filing charges against Jeffs.

But Wally Bugden, one of Jeffs' attorneys, said his client merely counseled the couple, both entering their first marriage, to love one another and build a family.

Each side is likely to cull comments made by Jeffs in recorded lessons and sermons he gave as a private school principal and then president and prophet of the Fundamentalist Church of Jesus Christ of Latter Day Saints.

Of particular interest will be the FLDS version of premarital advice Jeffs gave in home economics classes for junior-high age girls and in priesthood history classes for boys.

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The teachings draw on the Bible and standard works of the mainstream Church of Jesus Christ of Latter-day Saints, which publicly disavowed plural marriage in 1890.

Jeffs quotes fundamentalist Mormon leaders as well as 19th-century LDS Church leaders such as Brigham Young.

In a collection of lessons reviewed by The Salt Lake Tribune, Jeffs, considered by his followers to be their prophet, traces the history of plural marriage, discusses how marriages are arranged through revelations received by the prophet and how girls are to "keep the bars up" for all males except "the one man you are given to."

In a March 13, 1998, lesson Jeffs gave to a home economics class at Alta Academy, girls learn that wives should never seek to rule over their husbands.

"So I remind you of what the prophet said," Jeffs says. " 'It takes a man and a woman to make a man. It takes a man and many women to make a man.' And the only real way to be a woman and fulfill your calling as a woman is to be in oneness with the priesthood bearer you will become part of."

He refers to advice from LDS Church President Brigham Young and "the great Jehovah" about the need for a woman to desire only her husband and to let him rule over her.

Jeffs also makes this observation: "I remind you that Priesthood government is persuasion through love. It is not force. The father, the husband, his duty is to persuade through love. Chastening is part of love, and even that is done in kindness."

Jeffs Preliminary Hearing Today (DESERET)

By Ben Winslow, Deseret Morning News

Deseret Morning News, November 21, 2006

ST. GEORGE — A judge is expected to decide today whether there is enough evidence to make polygamist leader Warren Jeffs stand trial on charges he forced a 14-year-old girl into a marriage with a 19-year-old man who is also her first cousin.

People who live on UEP Trust land look over newly subdivided property lines after a meeting in Hildale, Utah. The young woman is expected to be the prosecution's star witness when she testifies against the Fundamentalist LDS Church leader today in 5th District Court.

In court papers obtained by the Deseret Morning News on Monday, prosecutors revealed the identity of the young woman and her purported husband. Until now, she has been identified only as "Jane Doe IV."

The Deseret Morning News does not name sexual assault victims, nor is the newspaper naming the alleged rapist because he has not been charged with a crime.

Washington County Attorney Brock Belnap said he intends to prove that Jeffs "enticed (the victim) into submitting to sexual intercourse" with the man she had just married.

"In this case, the defendant did not have sex with (the victim). However, (the victim) submitted to sex with her purported husband because of the undue influence and religious authority of the defendant," Belnap wrote in a memorandum.

Belnap said no marriage license was ever obtained for the wedding presided over by Jeffs. The quickie ceremony was conducted in secret at a Caliente, Nev., motel in 2001.

Even if she wasn't legally married, prosecutors said the victim believed she was married and had sex with her purported husband because "she believed it was her responsibility as a wife."

Jeffs, 50, is charged with two counts of rape as an accomplice, a first-degree felony. He faces up to life in prison if convicted.

Defense lawyers have fired back, asking a judge to dismiss the case against the Fundamentalist LDS Church leader. Defense attorney Walter Bugden Jr. says the state is confusing the culpability of the alleged rapist and Jeffs.

"The state alleges that the victim did not consent to sexual intercourse with the principal and bases its allegations on the actions of the defendant (Jeffs) i.e., that he used psychological manipulation and his position as a religious leader to gain her consent," Bugden wrote in a motion to dismiss obtained by the Deseret Morning News.

Citing a series of case histories, he attacked the prosecution's claims by saying Jeffs did not "command, encourage or intentionally aid" the alleged rapist in having sex with his purported wife.

"Moreover, merely by acting as the community's religious leader, the Defendant (Jeffs) did not affirmatively act to request, command, encourage or intentionally aid the principal in enticing or coercing the alleged victim," Bugden wrote, concluding Jeffs was not an accomplice to a rape.

Washington County sheriff's deputies said security at the 5th District Courthouse today will be intense for both Jeffs and "Jane Doe IV." Outside the courthouse, the St. George Police Department plans to deploy its SWAT team.

"It's not for him," said St. George Police Sgt. Craig Harding. "It's his detractors, it's his supporters. It's who's going to try and spring him or kill him."

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Police said they have received no threats on the victim or Jeffs, who continues to exercise his authority as FLDS leader from the Purgatory Jail. A law enforcement source told the Deseret Morning News that Jeffs makes phone calls from the jail to groups of followers, who sing to him, and he goes into his "prophetic utterances."

At least one edict that Jeffs has made could have a substantial impact on the people in the polygamous border towns of Hildale, Utah, and Colorado City, Ariz.

"Do not sign your name to any document for property that has already been consecrated to God," Jeffs reportedly told his followers concerning reforms to the FLDS Church's financial arm.

At a meeting in Hildale, dozens packed the tiny town hall to ask questions about the recent court-ordered reforms of the United Effort Plan Trust. The UEP controls homes, businesses and land in the towns.

Bruce Wisan, the court-appointed special fiduciary of the UEP, tried to explain how things would work under the new reforms, including the potential for private property ownership. Applications to petition the new UEP advisory board for property were handed out.

"I sincerely hope that the time will come, either through a change in leadership or a change in thinking of leadership, that the FLDS will participate in this process," he said.

So far they have not, even refusing to pay property taxes unless demand notices are posted on their doors.

Many of those attending the town hall meeting are ex-FLDS members with family still inside the polygamous sect. They also put their blood, sweat and tears into building up the community and objected to the idea of paying fees for the land.

"The property's already paid for," said one man. "Why do we have to pay if we already own it? We paid for it for 67 years."

In 2005, a judge in Salt Lake City's 3rd District Court took control of the UEP, after allegations were brought forward that Jeffs and other top FLDS leaders had been "fleecing" the trust.

Wisan said he plans to be in the courtroom today to hear the victim, "Jane Doe IV," testify against Jeffs. She has also filed a multimillion-dollar lawsuit against the UEP.

Polygamists Fight To Be Seen As Part Of Mainstream Society (WP)

By John Pomfret, Washington Post Staff Writer

The Washington Post, November 21, 2006

SALT LAKE CITY -- In her battle to legalize polygamy, the only thing Valerie hasn't revealed is her last name. The mother of eight has been on national TV; her photo along with that of her two "sister-wives" has graced the front cover of a glossy magazine dedicated to "today's plural marriages."

She has been prodded about her sex life: "He rotates. It's easy -- just one, two, three." Quizzed about her decision to share a husband with two other women: "You really have a good frame of reference when you marry a man who already has two wives." Interrogated about what it's like to live in a house with 21 children: "Remodeling a kitchen, that's no small feat with three wives and a husband involved."

All the while, the petite brunette with a smile as bright as Utah's sky has insisted that she's just like you and me: "I'm a soccer mom. My kids are in music lessons. They go to public school. I'm not under anyone's control."

Valerie and others among the estimated 40,000 men, women and children in polygamous communities are part of a new movement to decriminalize bigamy. Consciously taking tactics from the gay-rights movement, polygamists have reframed their struggle, choosing in interviews to de-emphasize their religious beliefs and focus on their desire to live "in freedom," according to Anne Wilde, director of community relations for Principle Voices, a pro-polygamy group based in Salt Lake.

In recent months, polygamy activists have held rallies, appeared on nationally televised news shows and lobbied legislators. Before the Nov. 7 elections, one pro-polygamy group issued a six-page analysis of all Utah's state and local candidates and their views on polygamy. "We can make a difference," the group told supporters.

The efforts of Valerie and scores of others like her are paying off. Utah's attorney general, Mark L. Shurtleff, no longer prosecutes bigamy between consenting adults, though it is a felony. Shurtleff and his staff have established an organization, Safety Net, to bring together at monthly meetings representatives from at least five polygamous communities and law enforcement officers. He has arranged to have representatives of polygamous groups address Utah police. And three years ago, he wrote legislation to reduce bigamy between adults from a felony to a misdemeanor, although pressure from Utah's county attorneys derailed that.

In an interview, Shurtleff, a tall man who favors roomy suits and dark green shirts, said his office now treats bigamy between consenting adults much like fornication or adultery, laws about which are still on Utah's books.

"The thinking is this: This is a big group of people. They are not going away. You can't incarcerate them all. You can't drive them out of the state. So they are here," Shurtleff said. "What do we do about it?"

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In their quest to decriminalize bigamy, practitioners have had help from unlikely quarters. HBO's series "Big Love," about a Viagra-popping man with three wives, three sets of bills, three sets of chores and three sets of kids, marked a watershed because of its sympathetic portrayal of polygamists. The U.S. Supreme Court's 2003 decision in Lawrence v. Texas, which voided laws criminalizing sodomy, also aided polygamy's cause because it implied that the court disapproved of laws that reach into the bedroom.

Since then, liberal legal scholars, generally no friend of the polygamists' conservative-leaning politics, have championed decriminalization. One of them is Jonathan Turley, a law professor at George Washington University who has written two op-eds for USA Today calling for the legalization of bigamy -- and same-sex marriage.

"I find polygamy an offensive practice," said Turley, who has become something of a celebrity among polygamists in Utah. "But there is no way its practice among consenting adults should be a felony."

What Shurtleff has vowed to do in Utah, rather than enforcing the bigamy code, is go after members of polygamist groups who break other laws, especially involving children. In April, Washington County prosecutors in Utah charged Warren Jeffs, the 50-year-old head of the Fundamentalist Church of Jesus Christ of Latter-day Saints, with two first-degree felony counts of rape as an accomplice on suspicion that he forced a 14-year-old girl to marry her first cousin, who was over 18. Jeffs, who was apprehended during a traffic stop in Las Vegas in August, is facing similar charges in Arizona. His next court appearance is Tuesday.

Shurtleff's office has also moved to dismantle a communal property trust owned by Jeffs's sect in Hildale, Utah, and Colorado City, Ariz. His office also is investigating the Kingston family, including seven brothers accused of incest who are thought to have fathered more than 600 children, informed sources said.

Shurtleff has secured commitments from four polygamist groups that they would abandon the practice of forcing underage girls into marriage, end the widespread practice of welfare fraud and create a more favorable environment for women in plural marriages to report domestic violence and child abuse.

"The things I am going after are crimes against children, rape and other types of abuse where there is a clear victim," he said. Shurtleff persuaded Utah's legislature to pass a specific law in 2003 on child bigamy, making it a second-degree felony punishable by one to 15 years in prison for a married adult to take as a second spouse anyone under 18.

Polygamy has deep roots in Utah's history and in the history of the Church of the Latter-day Saints. Many mainstream Mormons once believed, and many fundamentalists still believe, that only men in plural marriages will get to heaven. But, to ensure Utah would get statehood, the Mormon Church swore off polygamy in the 1890s.

Even so, polygamous communities continued to exist through the American West and in Canada and Mexico. And in recent years, authorities in the state adopted a "don't ask, don't tell" stance, Shurtleff said.

One reason was that the politically powerful Mormon Church, while officially opposing polygamy, did not want the bad press strict enforcement might bring. Another reason was that law enforcement was worried that isolated polygamist communities would erupt in violence if raided. An internal memo at the Arizona attorney general's office in 2002 spoke of a "Waco-level problem" among the polygamous communities along the Utah state line.

Shurtleff said he decided to confront polygamy's darker side and leave the more mainstream communities alone. In 2001, one of Utah's best-known polygamists, Tom Green, was prosecuted for and convicted of child rape for having sex with his first wife when she was 13.

"That's what really started my focus on this," Shurtleff said. "We can't really allow crimes to be committed against children in the name of religion."

Some polygamists said they welcome Shurtleff's prosecutions.

"Jeffs needed to be stopped," said Bonnie, a 20-something in a polygamist marriage who, like Valerie, declined to give her last name. (She said she has lost three jobs because of her polygamous background.) "I am glad they are prosecuting him."

Bonnie, along with her husband, Nat, and his first wife and their three children, are members of the Apostolic United Brethren, which says it has 7,500 members across the West and in Mexico. Bonnie's family lives in a suburban subdivision containing about 50 houses -- all inhabited by members of the sect. Bonnie's family has been polygamous since the 1860s. Nat was raised in a monogamous household but converted to Mormonism and decided to become a fundamentalist and a polygamist.

Bonnie said that what attracted her to polygamy was the chance it gave her to bond with women as well as with her husband.

"I always had an inner feeling that I'd be a plural wife," she said. "I was very excited to join his family. I had a really good feeling with his first wife."

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Nat said he needed to be convinced. Far from the stereotype of the patriarch, he appears bookish and perhaps a tad meek. "Usually the women tend to be the biggest advocates of this way of life and men enter it more timidly," he said. "If you are going to do it right, it's a huge responsibility."

Motel Room Was Often Site Of Polygamist Rites (AP)

By Jennifer Dobner, The Associated Press

AP, November 21, 2006

CALIENTE, Nev. — Room 15 at the Caliente Hot Springs Motel seems like an unlikely place for a wedding. There are no flower-covered arbors, pews or candles. It is an apartment-style room with a kitchenette, a bed, a dresser, a table and a couch.

But it was in Room 15 that dozens of weddings took place between underage girls and men from a polygamist sect, church insiders say.

The sect's charismatic leader, Warren Jeffs, has been charged with rape as an accomplice for his alleged role in arranging one of those marriages — that of a 14-year-old girl who says she was forced to wed her older first cousin in 2001.

Jeffs, the 50-year-old leader of the Fundamentalist Church of Jesus Christ of Latter Day Saints, will be in a Utah court today for a hearing on whether prosecutors have enough evidence to try him. If he is tried and convicted, the man whom about 10,000 followers revere as a prophet could spend the rest of his life in prison.

Jeffs was captured in a traffic stop outside Las Vegas in August after nearly two years on the run. He was one of the nation's 10 most wanted fugitives.

According to authorities, the bride, identified in court papers as Jane Doe No. 4, stood dressed in white in Room 15 and said, "I do," sealing the marriage with a secret handshake. Prosecutors say the marriage was then consummated in Hildale, Utah, where members of the sect live.

The girl told Jeffs she didn't want to marry and later begged to be released from the union, saying she did not like marital relations, authorities said. But Jeffs said the marriage was her religious duty and threatened her with the loss of salvation, according to authorities.

The FLDS claims to be a fundamentalist offshoot of the Mormon church. But the Mormons disavow any connection and renounced polygamy more than a century ago.

Jeffs' attorneys have not responded to requests for interviews. But at a hearing in September, attorney Walter Bugden said Jeffs believes he is being persecuted for his religious beliefs.

Carolyn Jessop, a former sect member who used to run the motel, said that once or twice a month, beginning in the spring of 1999, she would get a telephone call telling her to plan for a weekend of weddings. Some insiders say as many as 10 such weddings were held in a single day.

The drive to Caliente from Hildale is 160 miles, most of it on a two-lane road through the mountains and across the desert.

But sect leaders believed Caliente was a safe place — "a way to go under the radar screen" — because Utah and Arizona were passing legislation to address underage marriage and threatening prosecution, Jessop said.

Many sect members live in Hildale or in neighboring Colorado City, Ariz.

Many DNA Matches Aren't Acted On (USAT)

By Richard Willing

USA Today, November 21, 2006

In a March 2003 speech arguing for $1 billion in new spending on DNA-based crime fighting, then-attorney general John Ashcroft singled out the FBI's DNA database for its many successes.

In Virginia, for example, he said authorities “have been able to solve 90 homicides and 196 non-homicide sexual assaults” by matching the DNA left at crime scenes to the DNA of prior offenders.

What Ashcroft didn't explain was that a DNA match — a crime “solved” by the FBI's database — does not mean that an arrest was made, that a criminal was prosecuted or even that detectives considered a case closed. Just how many DNA matches lead to an arrest isn't known; no government agency keeps track.

But a USA TODAY investigation found almost three dozen cases during the past five years — including a rape in Virginia — in which investigators failed to pursue potential suspects whose DNA matched evidence found at crime scenes.

DNA matches that could have closed cases weren't pursued because of basic police foul-ups, such as overlooking a telephone message reporting the match. Backlogs of unsolved “cold cases” that threaten to overwhelm some big-city police departments caused matches to be ignored, the newspaper found. In some jurisdictions — Richmond, Va., Cincinnati, and DeKalb County, Ga. — police offered no explanations for why matches were not pursued.

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The suspects in two such cases, one a rape and the other the attempted sexual assault of a child, were later charged with committing subsequent sex crimes that might have been prevented had the first DNA match been pursued.

In one of those cases, William Orlando Smith followed a 13-year-old girl home from a convenience store, dragged her into a wooded area beside a middle school and raped her — months after Virginia authorities matched Smith's DNA to a previously unsolved rape, and Richmond police failed to take action. Had the first match been pursued in 2002, Smith might have been in jail in October 2003 and unable to commit the second rape.

Smith was caught and convicted for raping the 13-year-old — by a DNA database match that police in Chesterfield County, Va., immediately pursued.

The FBI calls the DNA database CODIS, for Combined DNA Index System. It has cost the government hundreds of millions of dollars to build and has proved adept at making matches in "cold cases" in which police had no leads and little hope of finding a suspect. Its dozens of successes include clearing innocent suspects, bringing rapists to justice 30 years after their offenses, and linking burglars to murders, rapes and other violent crimes in which they never were suspects.

USA TODAY reviewed hundreds of pages of court documents and local media reports and interviewed police, prosecutors, defense attorneys and lab officials to look for cases in which matches were made but police departments were slow to react.

Among the cases the newspaper found:

·In Oakland, Calif., in June 2004, the DNA of convicted child molester Kalonji Lee matched DNA from an attempted sexual assault of a 10-year-old Oakland girl the previous January. Police did not contact Lee until after he had molested another Oakland 10-year-old in December 2004, deputy chief Howard Jordan confirms. Lee was caught for the second assault after the victim's parents spotted his picture on California's "Megan's Law" website and alerted detectives.

·In September 2004, the DNA of career felon Gary Box matched DNA left at a December 2001 rape and abduction that Cincinnati police had been unable to solve. At the time of the match, Box was serving a prison sentence for assault. But police did not contact him until May 2005, after he had been released from prison and had returned to Cincinnati. Court files show that police acted after being alerted by Box's victim, who encountered him by chance while walking in a local park.

·In Georgia in March 2003, the DNA of convicted burglar and sex offender Floyd "Tony" Arnold matched DNA left at separate rapes in Fulton and DeKalb Counties. The rapes had taken place in 1993 and 1995. But neither Fulton nor DeKalb authorities contacted Arnold, according to both police departments, even though at the time of the matches he was in Georgia's prison system serving a five-year sentence for cruelty to children. The unpursued matches came to light last December, when Arnold was matched through a third DNA hit to a 1981 Cobb County rape for which another man had been wrongly convicted. That man, Robert Clark, Jr., had served almost 24 years in prison.

·In 2002, the Oregon state police crime lab used DNA to match 26 men to unsolved Portland burglaries. The names were reported to Portland police, department spokesman Detective Paul Dolbey acknowledges. None was followed until one of the 26 suspects was matched again to an additional burglary, and lab technicians pointed out the earlier matches.

The unpursued matches had this in common: All were recorded as "hits" by the CODIS system and added to the list of CODIS-aided investigations that the FBI makes public. Through September, the FBI counted 39,291 such matches since 1990.

No one is certain how many of those matches resulted in arrests or convictions, however.

In part that's because no law or regulation requires crime labs, the FBI or local law enforcement to follow through and determine what becomes of DNA matches after the CODIS system reports them to police.

Crime lab officials believe hundreds more matches have not been pursued by authorities. They say those matches might become evident only after a perpetrator is caught for a second crime.

"How many (CODIS matches) don't get pursued and we never find out about it? That's the part of the iceberg that's under water," says Roger Kahn, forensic biologist for the Harris County, Texas, medical examiner's office, and a former president of the American Society of Crime Laboratory Directors. "I've got to believe it's a pretty big iceberg."

Early on, the developers of CODIS realized that requiring labs to monitor what police do with the matches would be burdensome. The International Association of Chiefs of Police estimates that there are about 18,000 different local, state and federal law enforcement agencies in the U.S.

"That would have meant tracking information through hundreds of different local authorities and judicial systems, some of which might take years to resolve a case (based on a DNA match)," says John Hicks, director of the FBI's laboratory division when CODIS was developed in the early 1990s. "It didn't seem feasible."

Instead, the bureau decided to measure success by "investigations aided." These include cases in which DNA from a crime scene matches a potential suspect, as well as cases in which DNA matches one unsolved crime to another. Lab technicians, not detectives, determine whether a match has "aided" an investigation.

The FBI says it is unfair to hold CODIS accountable for what happens to the "investigative leads" after they are furnished to investigators.

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Labs that make CODIS matches send written reports and sometimes follow up with telephone calls and e-mails.

CODIS "was not designed … to answer" whether matches actually solve crimes through arrests and prosecutions, says Thomas Callaghan, the leader of the FBI's CODIS unit. "What we can do is provide information to investigators that can lead to an arrest or a prosecution."

Today, 16 years after CODIS began as a pilot project in the FBI laboratory, the lack of data on how many matches are pursued makes assessing the system impossible.

CODIS "is a black box," says Frederick Bieber, a geneticist at Brigham and Women's Hospital in Boston who wrote about unpursued DNA matches in The Journal of Law, Medicine and Ethics this year. "You can talk about DNA matches all you want, but the reality is no one really knows what's out there."

That uncertainty, however, hasn't stopped public officials from boasting of its successes or securing millions of taxpayer dollars to grow the system.

The original mission statement for CODIS, still carried on the FBI's website, describes it as "an effective tool for solving violent crime." CODIS' "underlying concept," then-FBI lab director Dwight Adams told a U.S. Senate hearing in May 2002, was to "solve crimes for which there are no suspects."

CODIS prospered. Both the Clinton administration in the 1990s and the Bush administration in this decade backed federal grants that expanded lab capacity, DNA research and testing designed to expand the number of offenders, and unsolved cases whose DNA profiles are included in CODIS.

Since fiscal year 2000, the Justice Department has made about $286 million in grants that have directly or indirectly benefited the system. Bieber, the Boston geneticist who has studied unpursued matches, estimates that state and federal governments have spent at least $1 billion building the system.

And CODIS has grown. In October 1998, when the FBI ended its pilot project and made CODIS a permanent program, the system held DNA profiles of about 1 million convicted offenders, according to bureau records. The database now includes more than 3.6 million samples, most added in the past five years. The number of "investigations aided" is growing with the database. In March 2001, CODIS had made about 2,200 such matches. The number doubled in the next year, quadrupled by April 2004, and has more than doubled again since then, to 39,291 such matches.

When pursued, such matches are "overwhelming, flabbergasting," says David Scoville, a Canandaigua, N.Y., man whose 28-year-old daughter Patty was raped and murdered on a Stowe, Vt., bike path in October 1991. More than 13 years later, a DNA profile from the crime scene matched Howard Godfrey, a 58-year-old Vermont man who had been forced to give a DNA sample after being convicted of assault. Godfrey is awaiting trial for the Scoville murder.

"Finding the man the authorities believe was Patty's killer was a huge relief," Scoville says. "Whether that makes it worth all the millions of dollars (spent building CODIS), I don't know. But it was to us."

Why do investigators fail to pursue a DNA match? In some cases, ineptitude is to blame.

In Fulton County, Ga., officers failed to retrieve a telephone message from the CODIS lab reporting the match that might have led to the arrest of sex offender Arnold, says Lyn Vaughn, spokeswoman for prosecutor Paul Howard, who investigated the foul-up. Ted Staples, DNA section chief at the Georgia Bureau of Investigation crime lab, says a written report also was sent but that no action was taken.

In Oakland, an overworked cold case investigator received the information that child molester Lee had been matched to an attempted sex assault but failed to give it priority, says Jordan, the deputy chief.

"He had over 100 cases (to work on), but that's not an excuse," Jordan says. "We dropped the ball."

In other instances, police were not prepared to handle the wealth of leads that CODIS sometimes supplies.

In Portland, Ore., police had no system for accounting for or tracking unsolved property crimes cases that were suddenly revived by DNA matches. Reports describing DNA matches in two dozen burglary cases simply "sat on a sergeant's desk," Dolbey says.

There also is evidence, however, that CODIS is making some matches that investigators can't use.

In Richmond this year, a police department review of its first 500 CODIS cases found more than a dozen instances in which crime scene evidence was matched to a person who was clearly not a suspect, such as the owner of a home that was robbed.

Last year, an internal study by the Virginia state crime lab found that 424 of the state's first 3,000 DNA matches were not prosecuted because victims could not be found or were reluctant to testify or the evidence submitted for testing did not solve the crime. An example: a cigarette butt from a stolen car that matched the car's owner.

Other DNA matches were not pursued because the time limit for filing prosecutions had expired.

In Oakland, in at least 20% of the rape cases in which CODIS has identified a potential suspect, the victim had previously told police that she would not press charges, says Rockne Harmon, an assistant prosecutor who specializes in DNA cases.

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The evidence was analyzed anyway, Harmon says, because crime labs received state and federal funding that paid for the analysis. Police and prosecutors were not consulted, Harmon says.

"All the money (to build CODIS) has gone to the lab side," Harmon says. "Nobody ever asked the cops what they wanted or how (CODIS matches) would affect what they do."

Unpursued matches, he says, are a "shame" but not a "surprise."

What can be done to improve accountability? Callaghan, the FBI's CODIS leader, says that tracking the results of DNA matches would present a "significant task" that the FBI is not geared to undertake. He says that accounting for CODIS matches should be the responsibility of local police and prosecutors who are given match information.

Some are taking action. In Portland, Fulton County, Ga., and Oakland, Calif., all jurisdictions in which authorities overlooked DNA matches, police have begun tracking CODIS leads that were reported to detectives.

In Georgia last December, state crime lab officials sent reminders to every police chief and prosecutor whose jurisdiction had received a match report since Georgia's first CODIS hit, in 1995. Previously, CODIS matches had been reported only to detectives.

But absent a law or other requirement, it is uncertain that many other departments will follow their example.

In 2005, Virginia CODIS officials found more than a dozen instances in which local detectives and prosecutors had lost track of DNA matches that had been reported to their departments.

This year, the California District Attorneys Association asked its members to account for all of the state's 1,509 DNA matches by searching police records and court files. Through August, fewer than half had been located.

In other nations with DNA databases, accountability isn't optional.

In the United Kingdom, which has had a national database since 1995, police are required to tell the Home Office whether matches actually prove useful to resolving cases.

From 1999 through 2005, about 43% of the U.K.'s matches were relevant to criminal investigations.

Beginning in November 2006, police in Canada will be required to report DNA match outcomes. The Canadian database runs on CODIS software donated by the FBI.

Some state CODIS officials think the laboratories themselves should take the lead in following up DNA matches.

Without better data on whether the matches really solve crimes, CODIS funding is vulnerable to cost cutting, says Michael Bourke, CODIS administrator in Connecticut's state police crime lab.

"At some point, the federal government is going to want some measure other than raw hits of what the real societal impact is," Bourke says.

Because of prodding by Bourke and other officials, the Connecticut chief state's attorney's office is attempting to account for 335 CODIS matches the state has made, dating back to 1995.

A report is expected before the end of the year.

In New Orleans, Rust In The Wheels Of Justice (NYT)

By Christopher Drew

The New York Times, November 21, 2006

NEW ORLEANS — Seventeen months ago, when Edward Augustine was arrested with what the police said were marijuana and crack cocaine in his pocket and a handgun in his waistband, he seemed like just another run-of-the-mill drug suspect: easy to prosecute, easy to lock up.

But two months later, the floodwaters rushed through the labyrinth of evidence rooms in the courthouse basement here, scattering tens of thousands of items and leaving a fetid mess. When Mr. Augustine finally came to trial in October, the authorities could no longer find the three things they needed most: the small bag of marijuana, the rocks of crack and the gun. The judge threw out the case, and Mr. Augustine walked free.

As the judge, Lynda Van Davis, put it, Mr. Augustine, 18, had lucked out. But he is not the only lucky defendant in New Orleans. As the city's criminal justice system slowly gears back up after Hurricane Katrina, as many as 500 defendants, mostly in drug, theft and assault cases, have been freed because of problems with evidence, including difficulty in finding the witnesses who have moved away.

Law-enforcement officials say a few of those who were freed could potentially be violent, a cause for concern in a city battling a surge in drug-related killings. And some judges say that missing witnesses and damaged evidence, like spoiled DNA samples and rusted guns, will almost certainly lead to more acquittals, even in cases of murder, rape and armed robbery.

"It's amazing that for every case I've walked into lately, there's evidence missing," said Rick Tessier, a defense lawyer.

Several judges have jettisoned cases like Mr. Augustine's over the last few weeks. And in acquitting him, Judge Van Davis chastised prosecutors for going ahead without the drugs or the gun.

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"This is ridiculous, absolutely ridiculous," she said from the bench.

But the district attorney, Eddie Jordan, responded in an interview, "We can't just tuck our tails between our legs and run just because it's difficult."

Mr. Jordan said that under state law, testimony from the arresting officer, and a laboratory report that confirmed Mr. Augustine had possessed illegal drugs, should have been enough to convict him. He added that although the evidence problems might seem to be "an Achilles' heel," he did not think "that the overwhelming problems that some of the critics have speculated about have materialized."

While 800 suspects have pleaded guilty to various crimes since the New Orleans courts reopened in June, only about 90 trials have been held, about a third the normal number. More than 2,000 people arrested before Hurricane Katrina are still waiting for their cases to be heard, and at least 400 of them remain in jail. And 1,500 cases have been temporarily set aside because the defendants, who were out on bond, apparently evacuated and never returned.

Court officials say other delays have come from a shortage of jurors and from limits on how many inmates can be brought to court each day. And the public defender's office is so overwhelmed that it is recruiting law students from across the country to conduct interviews with long-neglected clients who cannot afford a lawyer.

But a growing source of delays and acquittals has been the lack of witnesses and evidence.

After Hurricane Katrina hit in August 2005, the evidence rooms at the Orleans Parish Criminal District Court sat in chest-high water for two and a half weeks. Only recently have court officials begun to realize the extent of the evidence problems within the old Beaux-Arts courthouse, which was closed for nine months and is still not quite back to full operations.

Warren E. Spears, the clerk in charge of the evidence rooms, said in an interview that before the storm only about 10 percent of the hundreds of thousands of items had been sealed in plastic bags. The rest were in paper bags and scrap boxes holding clothes, guns and drugs, some of which disintegrated in the swirling waters, Mr. Spears said, dumping their contents into heaps on the floor.

Clothing from murder and assault cases took "a brutal beating," Mr. Spears said. Photo lineup cards used to identify suspects stuck together and could not be separated. Stacks of assault weapons turned to rust, he said, and holes had to be punched in duffel bags filled with rotting marijuana to let the water out.

The court hired a cleanup contractor to gather the evidence, clean off the mold and place it in plastic bags and fresh boxes. Court officials have estimated that 8 percent to 10 percent of the evidence was a total loss.

Mr. Spears added that a number of the workers spoke little English, and that he could only gesture to them as they guessed which items should be packaged together.

Water also seeped into safes, he said, rotting a great deal of paper money that had to be freeze-dried to remove the moisture.

At separate police evidence rooms nearby, some DNA samples for rape and murder cases were held for months without refrigeration, possibly ruining their usefulness, other officials said.

Given shortages in staffing, the condition of the evidence comes to light only as each case approaches trial.

The problems are starting to make life easier for the city's defense lawyers.

Pamela R. Metzger, a member of a state board that oversees the public defender's office, said she had learned about the evidence problems after asking Mr. Spears about a suspected crack pipe that was missing in one of her cases. Ms. Metzger, who is also a law professor at Tulane University, said she was urging the public defense lawyers, who handle the vast majority of the court's cases, to raise more challenges about the condition of the evidence and how it had been handled.

"I think you'll see more and more and more of that," she said.

Mr. Jordan, the district attorney, said his office had taken the lead in dismissing 400 to 500 cases recently, mainly because crucial witnesses, like the victims or the arresting officers, had moved away.

"Many of my prosecutors had held on to those cases until the last minute in hopes that we'd be able to go to trial," he said. "But I thought that if we had not been able to contact the victim since before the storm, then it was unlikely we'd be able to reach them now."

Mr. Jordan also said his office had won about 60 percent of the roughly 90 trials since the courts reopened. While several judges have been tough, others recently convicted suspects on cocaine and burglary charges even though the physical evidence had been lost, he said.

Of one recent jury case, he said: "We weren't certain we had the same gun from the crime scene. But we were able to find a gun that fit the description. And we found a photo of the original gun, and the jury found the defendant guilty as charged."

Still, Mr. Jordan said he had recently hired a former federal prosecutor to assess the strength of the 2,000 pre-hurricane cases to see how many more should be dropped.

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Mr. Tessier, the private defense lawyer, said he had recently taken on a widely publicized murder case in which his client and another man were charged with stabbing a Tulane student in 2002.

The lawyer said the files had indicated that an important piece of evidence was a shirt stained with a drop of his client's blood. But Mr. Tessier said that neither Mr. Spears nor the New Orleans Police Department, which is temporarily storing evidence in rental trucks, had been able to find the shirt.

Katherine Mattes, another Tulane law professor, said the lost or damaged evidence could also make it harder for innocent people to shake off charges filed against them. She said, for instance, that a rusted gun might no longer fire, making it impossible to conduct new ballistic tests that might show it could not have been used in a murder.

"What people say when you describe all the evidence problems is how terrible it will be if we have people who committed crimes and can't be prosecuted," she said. "But it also can work the other way."

A Good Chief Goes (WP)

The Washington Post, November 21, 2006

NEWS THAT Mayor-elect Adrian M. Fenty has decided to turn to someone else to head the D.C. police department comes as no surprise. For some time, Mr. Fenty and D.C. Police Chief Charles H. Ramsey have not seen eye to eye on the department's performance, a fact that Mr. Fenty never kept secret. Under the circumstances, and given the incoming mayor's determination to be hands-on with the police force and other city agencies, it probably is best that he have a person of his choice leading the department when the Fenty administration gets started on Jan. 2.

The departure of Chief Ramsey is, however, a development that many District residents and this page receive with regret. The D.C. police force that the chief bequeaths to his successor is in far better shape than the one Mr. Ramsey inherited upon his arrival in Washington eight years ago. The credit goes to him. As the longest-serving police chief since the start of home rule three decades ago, Chief Ramsey, the record will show, made the best use of his time. In every major category of offense -- homicides, rapes, robberies, aggravated assaults, burglaries, larcenies and vehicle thefts -- rates are down. He took a department that was loosely run and staffed with poorly trained, quick-triggered officers and converted it into a better managed and more disciplined force. From scout cars to technology, police officers now do their jobs with 21st-century resources.

There have been bumps along the way, serious missteps that cost the city dearly. The September 2002 Pershing Park incident, in which large numbers of protesters were improperly arrested and detained, stained the reputation of a department renowned for its handling of mass demonstrations in the nation's capital. It also cost the city thousands of dollars to settle lawsuits. Chief Ramsey accepted responsibility for the misbehavior, as he should have, and apologized to the city.

Mr. Fenty, in deciding to appoint police Cmdr. Cathy L. Lanier as the next chief, has drawn from within the ranks of the department. It is reassuring that Chief Ramsey spoke well of Ms. Lanier's appointment and that she also has the background and qualifications that Mr. Fenty seeks in a chief. They apparently agree on community policing, and she appears to be in sync with his leadership style. It will soon fall to the new leadership in the John A. Wilson Building and in police headquarters to maintain and expand on the advances achieved by Chief Ramsey. As for the departing chief, any police jurisdiction in the country would be fortunate to have him.

CIVIL LAW:

Lawyers Argue Validity Of '98 Online Law (AP-Y)

By Maryclaire Dale, Associated Press Writer

AP, November 21, 2006

Justice Department attorneys, defending a law aimed at keeping online pornography from minors, argued that software filters often block valid sites — on gay rights or sexual health, for example — that teens might seek out.

"Filters are hindering minors from learning about the world around them. That's a huge problem," government lawyer Joel McElvain said Monday. "There may be reasons the teenagers have problems speaking to their parents about these (issues)."

Under the 1998 Child Online Protection Act, commercial Web publishers who fail to keep material "harmful to minors" away from children could face fines and even prison time. The law has never taken effect, because of a long-running legal challenge filed by Salon.com, the Philadelphia Gay News and other groups represented by the American Civil Liberties Union.

Closing arguments concluded Monday before Senior U.S. District Judge Lowell Reed Jr., ending four weeks of testimony.

Justice attorneys evoked problems with the software filters even as they had defended their use in a 2000 law requiring schools and libraries to block porn if they receive certain federal funds. The high court upheld that law in 2003.

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Opponents say the 1998 law is overly vague and would have a chilling effect on their work. They also say it would not apply to foreign Web operators or streaming video and audio. The ACLU argues that filters are more effective than legislation, because they let parents set limits based on their own values and their children's ages.

"If you're a parent who doesn't want sexually explicit material slipping through, then set it (the filter) strictly," ACLU lawyer Chris Hansen told the judge Monday.

The U.S. Supreme Court, indicating the government was unlikely to prevail, granted the ACLU a temporary injunction in 2004.

Technology experts not involved in the case have noted that many parents now have more pressing concerns about their children's use of the Internet, such as online predators and the popularity of social-networking sites.

The Justice Department raised eyebrows as it prepared for trial when it demanded reams of privately held information from Google Inc., Yahoo Inc. (Nasdaq:YHOO - news) and other Internet companies for a study on the prevalence of online pornography.

Google fought a subpoena to turn over 1 million sample queries and 1 million Web addresses in its database, citing trade secrets. A judge sharply limited the scope of the subpoena.

The resulting study, conducted by a University of California, Berkeley statistics professor, concluded that about 1 percent of Web sites indexed by Google and Microsoft Corp. are sexually explicit and that about 6 percent of searches yield at least one explicit Web site.

Hansen said filters can be as much as 98 percent effective in blocking explicit material, even if the most stringent filters also "overblock" a large number of acceptable sites.

Congress first tried to regulate online pornography in 1996 with a law that was largely struck down by the Supreme Court the following year.

The 1998 law narrows the restrictions to commercial Web sites and defines objectionable material as obscene or that which offends "contemporary community standards."

The law, signed by then-President Clinton, requires Web site operators to prevent youngsters from seeing material harmful to children by demanding proof of age — such as a credit card number — from computer users. It would impose a $50,000 fine and six-month prison term on commercial Web site operators that allow minors to view such content.

Closing Arguments In Internet-porn Trial (PHI)

By Joseph A. Gambardello

The Philadelphia Inquirer, November 21, 2006

A never enforced federal law aimed at protecting children from Internet porn is vague, threatens free speech, and will not achieve its intended goal, opponents of the measure argued today.

But the federal government countered that the Children's Online Protection Act, known as COPA, is needed because Internet filters are not foolproof and parents cannot be expected to supervise their children's Web surfing at all times.

U.S. District Judge Lowell A. Reed Jr. heard those opposing positions as both sides made closing arguments at the end of a four-week trial in Philadelphia that had been ordered by the U.S. Supreme Court to determine whether technology developed since Congress passed COPA in 1998, such as commercially available filtering, offered effective ways to protect children.

The law would authorize jail time and heavy fines for online porn merchants who do not require adult-access codes, personal identification, or credit cards to access their Web sites.

Plaintiffs, including the American Civil Liberties Union and a group of Internet artists, merchants and magazines, maintain that having parents use Internet filters and personal control and educate children on Internet usage is the least restrictive way to protect youngsters from porn and ensure the free flow of speech online.

The government pointed to credit cards and emerging online identification services as ways to ensure that only adults - those 17 or older - are accessing Internet porn.

In his arguments today, the ACLU's Christopher Hansen said the law was confusing on what would be considered harmful to a child and that it limits enforcement to sites using the hypertext transfer protocol, or http, just one of the applications through which information is transmitted on the Internet.

Half the Internet's porn sites also are based outside the United States and therefore out of the law's reach, Hansen said.

He asked why the federal government was not enforcing existing obscenity laws, noting that the Justice Department had prosecuted "fewer than 30 cases in the last six years."

Joel McElvain, a government lawyer, countered that sexually explicit material for adults that does not violate obscenity laws would be considered harmful to children under COPA.

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Another government lawyer, Tamara Ulrich, said it was "disingenuous" for Hansen to argue that the law singled out "http" sites because the ACLU had succeeded in overturning an earlier law that also targeted pornography in e-mails and chat rooms.

Both sides disagreed on who would be affected by COPA. Hansen said the plaintiffs would suffer if they had to set up age-verification systems, but the government lawyers said the law was aimed at "commercial pornography" - not sites such as those operated by the plaintiffs, which offer a range of content, including commentary, art, news and sexual advice.

And although Hansen said the case was not a question of COPA vs. filters, arguments from both sides focused on their effectiveness in blocking porn.

The government also argued that although filters can let some porn in, they can block so-called clean sites.

Reed gave both sides until Dec. 7 for final submissions.

Smokers Sue Tobacco Company For Lung Scans (LAW)

By Peter Geier, The National Law Journal

National Law Journal, November 21, 2006

A group of long-term Marlboro smokers has filed an action in federal court in New York to force Marlboro maker Philip Morris USA Inc. to give them regular low-dose CT scans to catch possible early signs of lung cancer.

The action is unusual because it seeks only medical screenings for people whose smoking habit has put them at increased risk of lung cancer, said plaintiffs attorney Jerome H. Block of Levy Phillips & Konigsberg in New York.

"The sole relief we are seeking is that Philip Morris pay for a program of CT scans," Block said. The scans should be annual, or "more frequent if something looks suspicious." He noted that a recent article in the New England Journal of Medicine suggests that such a program would increase dramatically one's chances of surviving lung cancer.

Block represents Marcia L. Caronia and four other named plaintiffs on behalf of a class of New York residents 50 years of age or older who have smoked Marlboro-brand cigarettes for at least 20 "pack years" -- an average of a pack a day for 20 years. Caronia v. Philip Morris USA Inc., No. 06-224 (E.D.N.Y.).

Generally speaking, early diagnoses of lung cancer now occur by happenstance, when doctors administering CT scans to patients with pneumonia or a broken rib, for instance, discover lesions and nodules that could be lung cancer, he said.

"CT scans for people who might have cancer typically are not covered by medical insurance," Block said. "This is for all those people out there who don't have this covered and are at increased risk of lung cancer. It's a huge issue from a public health point of view."

VIABLE LEGAL THEORY?

Block said that this action stands a good chance of survival because the class is confined to long-term smokers of a brand of Philip Morris products. But lawsuits in the past seeking medical monitoring for smokers have not succeeded.

William S. Ohlemeyer, vice president and associate general counsel of Altria Group Inc., Philip Morris' parent company, said, "Nobody is opposed to medical monitoring as a public health tool. The question is whether this is a viable legal theory that can be pursued in a lawsuit."

Although plaintiffs counsel have coined "creative and innovative theories" in this instance, "most states don't recognize medical monitoring as a remedy or cause of action. ... We expect the case to be dismissed," Ohlemeyer said.

Smokers' medical-monitoring class actions have been rejected by the majority of trial and appellate courts since the first one was filed in New Orleans federal court in 1994, according to Altria spokesman John Sorrells.

The 5th U.S. Circuit Court of Appeals decertified a class seeking medical monitoring over variations in state law and the particulars of how a case would be tried against numerous tobacco defendants. Castano v. American Tobacco Co., 84 F.3d 734 (5th Cir. 1996).

Juries returned defense verdicts on medical-monitoring claims in the only two cases that made it to trial. Blankenship v. Brown & Williamson (In re Tobacco Litigation), No. 02-31157 (W.Va. 2004), and Scott v. The American Tobacco Co. Inc., No. 96-8461 (Orleans Parish, La., Dist. Ct.). An appeal argued last April is pending before the Louisiana 4th Circuit Court of Appeal.

Billion-Dollar BofA Ruling Struck Down (LAW)

By Justin Scheck, The Recorder

California Recorder, November 21, 2006

Earlier this year, talk about the big class action against Bank of America was all about money -- the billion dollars or so in statutory damages, the $284 million in compensatory damages, and of course the correspondingly large contingency fee due the plaintiffs lawyers.

That all changed Monday when California's 1st District Court of Appeal struck down a trial court's ruling that the bank may not withdraw Social Security funds from customer accounts to pay for overdrafts and overdraft penalties.

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In a trial presided over by San Francisco Superior Court Judge Anne Bouliane, plaintiffs lawyers James Sturdevant and Thomas Brandi had successfully argued that Bank of America's practice of debiting government benefit fees was illegal.

Central to their arguments -- and to Bouliane's jury instructions -- was a 1974 case that said a bank couldn't take public benefit money out of an account to cover a credit card debt. They said the case, Kruger v. Wells Fargo Bank, 11 Cal 3d 352, presented an analogous situation to that of lead plaintiff Paul Miller.

In 1998, after Miller had spent money that Bank of America mistakenly credited to his account, the bank withdrew money from Social Security benefits to cover the overdraft.

While the bank eventually returned the money, it repeated the pattern on two other occasions. Miller eventually sued, arguing that government-directed deposits shouldn't be subject to such seizures.

In a unanimous, 14-page opinion Monday, Justice Peter Siggins disagreed with verve.

Siggins -- joined by Justices Joanne Parrilli and William McGuiness -- said the verdict in the case was based entirely on Kruger, an opinion that prohibits using government benefits to pay debts from a separate account. In Miller, he wrote, the issue was different because overdraft fees had to do with balancing a single account.

"This is a complex and heavily regulated area more suited to legislative than judicial action, so we conclude the trial court erred by finding Kruger governs this significantly different situation," Siggins wrote.

"I think the court absolutely got it wrong," Sturdevant said. He said Kruger clearly applies to overdraft fees, since they are treated as debts, and dismissed the notion that handling the fees was a legislative issue, since the Kruger court had no qualms about ruling on the matter.

Sturdevant also chafed at Siggins' reference to a defense expert's trial testimony on the consequences a plaintiff verdict would have for the banking industry.

"It's improper fact-finding," he said. "That's the province of the trial judge, not the province of the Court of Appeal."

Walter Dellinger, the O'Melveny & Myers partner who argued the appeal for Bank of America, couldn't be reached before press time. But judging by Sturdevant's plans, it seems likely that he'll have a chance to speak about the case in the future.

"The Supreme Court is the place where this case ultimately has to be decided, because Kruger is the basis of decision for both the trial court and the Court of Appeal," Sturdevant said.

Court Rules On Internet Defamation Liability (LAT)

By Maura Dolan

The Los Angeles Times, November 21, 2006

SAN FRANCISCO -- Internet users and providers cannot be held liable for posting defamatory material written by someone else, the California Supreme Court ruled unanimously Monday.

"The prospect of blanket immunity for those who intentionally redistribute defamatory statements on the Internet has disturbing implications," Justice Carol Corrigan wrote for the court. Immunity "serves to protect online freedom of expression and to encourage self-regulation."

Monday's decision was consistent with holdings by many federal appeals courts and one other state supreme court.

"The courts are now uniform," said Ann Brick, who represented the American Civil Liberties Union of Northern California in the case.

But attorneys on both sides of the case said the California Supreme Court went further than other courts by giving immunity to all Internet users except the original author.

"What you couldn't put in your print newspaper, you can put in your Internet newspaper, " said Christopher E. Grell, who represented two doctors who said they were defamed. "The notion of fact checking and verifying things doesn't apply to the Internet."

Mark Goldowitz, the lawyer for the defendant, cited a line in the ruling that the decision brought "the law of libel from the Gutenberg era to the cyberspace era."

Unlike hard-copy publications, the Internet allows users to "immediately respond and correct any harm," Goldowitz said. "Not everyone has a printing press, but everyone can start a blog or post on a news group."

Although the court did not specifically address media Web sites, lawyers on both sides said it would protect newspapers and other media that report defamatory remarks by third parties on their Web sites but not on their pages or on air.

The decision overturned a 9th U.S. Circuit Court of Appeals ruling and threw out a lawsuit that claimed Ilena Rosenthal, a San Diego activist for breast implant victims, defamed Dr. Stephen J. Barrett and Dr. Terry Polevoy on the Web sites of two news groups.

Barrett and Polevoy operated Web sites aimed at exposing health fraud in various kinds of alternative medicine. They said Rosenthal, a supporter of alternative medicine, made the postings even after she was told they were libelous.

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Rosenthal wrote in one posting that Barrett, a retired psychiatrist in Philadelphia, was "arrogant, bizarre, closed minded; emotionally disturbed, professionally incompetent, intellectually dishonest ... a quack, a thug, a bully, a Nazi."

She similarly described Polevoy, who works in Canada, and accused him of making anti-Semitic remarks.

An Alameda County Superior Court judge threw out the doctors' lawsuit against Rosenthal, ruling that her postings involved the public interest and for the most part contained no assertions that could be proven false.

But the court determined that one statement in an article Rosenthal received from Tim Bolen subtitled "Opinion by Tim Bolen" was problematic. The article accused Polevoy of stalking a Canadian radio producer.

The trial court decided nonetheless that Rosenthal could not be held liable because she had not written the original posting. A libel case against Bolen for first making the stalking allegation is pending. Bolen describes himself as a crisis-management consultant and health advocate.

In ruling for Rosenthal, the California Supreme Court interpreted a provision of the Communications Decency Act of 1996. Although many courts have ruled on the provision, the Rosenthal case was the first in which an Internet user with no responsibility for the site carrying the posting claimed federal immunity.

The court explained that Internet defamation law differs from that of other media.

"Book, newspaper or magazine publishers are liable for defamation on the same basis as authors," Corrigan wrote. "Book sellers, news vendors or other 'distributors' ... may only be held liable if they knew or had reason to know of a publication's defamatory content."

Congress "chose to protect even the most active Internet publishers, those who take an aggressive role in republishing third party content," she wrote.

She also cited practical reasons for ruling in favor of Internet freedom. If California permitted defamation suits against those who post others' work, the state could be inundated with lawsuits.

"Adopting a rule of liability ... would be an open invitation to forum shopping by defamation plaintiffs," Corrigan wrote.

She said the threat of liability also would reduce the flow of ideas on the Internet.

"The volume and range of Internet communications make the 'heckler's veto' a real threat," Corrigan said.

Grell, who represents the doctors, said he has not yet decided whether to appeal to the U.S. Supreme Court. Noting the court twice referred to "blanket immunity" as troubling, the lawyer said Congress should now amend the law to increase Internet accountability.

Times staff writer Chris Gaither contributed to this report.

California Court Reverses Internet Liability Case (WSJ)

By Kevin J. Delaney

The Wall Street Journal, November 21, 2006

The California Supreme Court today reversed an appeals court decision in a much-watched Internet case, ruling that individuals are generally immune from liability for transmitting over the Internet content that was authored by someone else.

Legal experts say the decision1 is in line with prior court rulings on immunity for transmitting content online originating from someone else, who themselves may still be held liable for defamation or other claims.

The California court ruling came in the case of Stephen J. Barrett et al. v. Ilena Rosenthal. The case concerned an article Ms. Rosenthal received via email and posted on two Web newsgroups that the plaintiffs argued was defamatory.

"This opinion reinforces the broad reach of federal statutory immunization for content published by third-parties online," said Eric Goldman, Assistant Professor at Santa Clara University School of Law and Director of the school's High Technology Law Institute. "This case is significant because it shuts down all of the workarounds people have been trying to find."

CIVIL RIGHTS:

Dems To Target Political 'Robo Calls' (USAT)

USA Today, November 21, 2006

WASHINGTON — Senate Democratic leaders say they'll push legislation next year to make it a federal crime, punishable by fines and jail time, to use automated "robo calls" and other tactics to mislead and discourage voters.

"We're going to find some way to stop this," says Sen. Harry Reid, D-Nev., the incoming majority leader.

Civil rights and watchdog groups say some voters complained this year of being barraged by automated recorded campaign calls. Though many were only annoying, some gave misleading information, directing voters to the wrong polling site or raising questions about whether a voter was registered.

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"We definitely think it's a good idea for Congress to investigate and hold hearings on these issues and to consider carefully targeted legislation focused on outright deception," said Elliot Mincberg of the liberal People for the American Way, which helped operate a national hotline for voter complaints.

Tova Wang of the Century Foundation says misinformation in flyers and calls, practices employed by Democrats and Republicans, aim to suppress voter turnout.

New York Sen. Charles Schumer, who is helping to draft Democratic legislation, plans to call for a separate division within the Justice Department to deal with such problems. Penalties could include up to 10 years in jail.

In a letter to Justice officials Thursday, Schumer said he was disappointed with the department's response to voter complaints.

Justice officials defended their record in a letter responding to Schumer, noting that investigations recently have been launched into alleged voter deception and intimidation in Arizona, Maryland, Virginia and elsewhere.

Rep. John Conyers, D-Mich., in line to be chairman of the House Judiciary Committee, also has called for federal officials to investigate complaints about "robo calls."

Sen. Barack Obama, D-Ill., has proposed a separate measure that would make it a crime to give voters misleading election information. Violators would be subject to fines of up to $100,000 or one-year's imprisonment or both. It would require the attorney general and federal election agencies to distribute accurate information in areas where deceptive practices were found.

Election experts say Schumer's proposal, which focuses on "robo calls," may raise concerns about freedom of speech, particularly if the calls are more annoying than misleading. "That's where you could potentially get into the First Amendment area," Mincberg said. "As irritating as 'robo calls' may be ... it raises a lot more difficult questions about the ability to regulate them."

Obama's bill focuses on cases in which there is a "clear intent for out-and-out deception."

Suburban Atlanta Police Ask DA's Office To Review Officer Shootings (AP)

By Harry R. Weber

AP, November 21, 2006

ATLANTA - Prosecutors in a suburban county will extensively review at the police chief's request 14 shootings by police, including eight that were fatal, this year following concern about the high number of killings compared to the nation's two largest cities.

Prosecutors also have received a request to investigate the death of another person who died in police custody but was not shot, and they expect to be asked later to look into four other fatal shootings by police in September and since then, Adora Andy, a spokeswoman for the DeKalb County District Attorney's Office, said Monday.

The review request comes as police released details of an internal probe into the shootings in which a police review board has found that an officer in one fatal shooting was unjustified in using deadly force. Officers involved in three nonfatal shootings were found to be unjustified. The officers in the remaining shootings through September were either found to be justified or no determination was made.

"We review all officer-involved shootings for criminal activity. He's asked us to do a more extensive review," Andy said of Police Chief Nick Marinelli.

The shootings and in-custody death review involves 15 incidents from Jan. 1 through Sept. 12, Andy said, adding that her office expects to get another request from the police department to review the police shootings since then. Police review board findings were not released about the shootings since September. A fatal police shooting that occurred Sept. 2 also was not included in the materials released Monday by police, though Andy assumed the material will be forwarded later.

Andy declined to say why the request was made. She also would not disclose what reports the chief has turned over, except to say, "We've been given everything the police review board has had."

A police spokesman did not return several calls seeking comment beyond a Police Department statement that said the DA's office investigation had been requested.

Marinelli has defended the department's actions since an Associated Press investigation published Sept. 28 showed that the nine fatal shootings this year by DeKalb County police at that time was more than even New York City had recorded and was equal to what Los Angeles police had recorded. It also was three times the number of fatal shootings DeKalb police had recorded last year.

Records obtained by AP through open records request showed that some of the department's required in-service training in the use of deadly force had been reduced, along with instruction in the use of batons.

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The toll led to an independent review of police training and use-of-force procedures by a consulting firm that found some deficiencies, including a lack of emphasis on de-escalation of tense situations. County CEO Vernon Jones said at the time that there were no widespread problems at the department.

But there have been three more fatal shootings by DeKalb police since September, and now the police chief has asked for a review by the prosecutor's office to remove any doubt that might exist in the public's mind.

"We will review the documents and we will determine the appropriate course of action," Andy said.

Action could range from doing nothing to bringing criminal charges. Andy declined to say what action will be taken.

Nationwide, justifiable killings by officers while on duty declined from 378 in 2001 to 341 last year, according to the FBI, which does not catalog fatal police shootings that are accidents or not justified.

Among the DeKalb killings this year: On Aug. 24, an officer with three years on the force shot a man who she says charged her in an apartment and tried to take her gun. The police review board has ruled that the use of deadly force in that incident was justified. On May 17, an officer with 11 years of experience shot a man inside a vehicle; the man's girlfriend said he had a gun and was suicidal. That shooting also was ruled justified by the police review board.

A young man also was killed Sept. 12 after officers went into an apartment building in search of a man wanted for questioning in an earlier shooting. There is no indication in the police report that the man, Lorenzo Matthews, was armed. One of the officers involved was determined unjustified in using deadly force, according to the police review board's findings released Monday.

One of the two officers who confronted Matthews was a 17-year department veteran who also had a role in a fatal shooting June 5. That shooting remained under review, but department policy did not prohibit the officer from returning to duty. The police statement Monday did not say if that officer was the same one who was found to be unjustified in the Sept. 12 shooting.

Officer In Taser Case Identified (LAT)

By Charles Proctor And Richard Winton, Times Staff Writers

The Los Angeles Times, November 21, 2006

Terrence Duren, a 2001 UCLA officer of the year, has been the subject of two other use-of-force complaints.

The UCLA police officer videotaped last week using a Taser gun on a student also shot a homeless man at a campus study hall room three years ago and was earlier recommended for dismissal in connection with an alleged assault on fraternity row, authorities said.

UCLA police confirmed late Monday that the officer who fired the Taser gun was Terrence Duren, who has served in the university's Police Department for 18 years.

Duren, who was named officer of the year in 2001, also has been involved in several controversial incidents on campus.

In an interview with The Times on Monday night, Duren, 43, defended his record as a campus police officer and urged people to withhold judgment until the review of his Taser use is completed.

"I patrol this area the same way I would want someone to patrol the neighborhoods where I live," he said. "People make allegations against cops all the time. Saying one thing and proving it are two different things."

While he would not directly talk about why he used the Taser on the student, he said a videotape of any arrest doesn't necessarily tell the whole story.

"If someone is resisting, sometimes it's not going to look pretty taking someone into custody," he said. "If you have to use some force, it's not going to look pretty. That's the nature of this job."

A student's cellphone video of the incident has been broadcast around the world and focused much criticism on the officer.

But Duren — who was back on duty at the UCLA campus Monday night — said he can roll with these punches and wants to explain himself to students critical of his actions.

"In this line of business, you have to have a thick skin," he added. "I am proud of my service as a cop."

The incident occurred about 11 p.m. Nov. 14 in a library filled with students studying for midterm examinations.

Senior Mostafa Tabatabainejad, 23, was asked by Duren and other university police officers for his ID as part of a routine nightly procedure to make sure that everyone using the library after 11 p.m. is a student or otherwise authorized to be there.

Authorities said Tabatabainejad refused repeated requests to provide identification or to leave. The officers decided to use the Taser to incapacitate Tabatabainejad after he went limp while they were escorting him out and after he urged other library patrons to join his resistance, according to the university's account.

The video shows portions of the incident, in which Tabatabainejad can be heard screaming in pain when the Taser shocks are administered.

The tape, which has been broadcast on the YouTube website and TV newscasts, prompted widespread criticism both on campus and from outsiders. On Friday, more than 200 students held a march to the police station, while acting Chancellor

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Norman Abrams tried to quell the critics by announcing an independent investigation of the Taser use. Abrams said UCLA had received numerous e-mails and calls from concerned alumni and parents.

Tabatabainejad's attorney, Stephen Yagman, said his client was shocked five times with the Taser after he refused to show his ID because he thought he was being singled out for his Middle Eastern appearance. Tabatabainejad is of Iranian descent but is a U.S. citizen by birth and a resident of Los Angeles.

Duren said Monday that he joined the UCLA police force after being fired from the Long Beach Police Department in the late 1980s. He said he was a probationary officer at the time and was let go because of poor report-writing skills and geographical knowledge.

In May 1990, he was accused of using his nightstick to choke someone who was hanging out on a Saturday in front of a UCLA fraternity. Kente S. Scott alleged that Duren confronted him while he was walking on the street outside the Theta Xi fraternity house.

Scott sued the university, and according to court records, UCLA officials moved to have Duren dismissed from the police force. But after an independent administrative hearing, officials overturned the dismissal, suspending him for 90 days.

Duren on Monday disputed the allegations made by Scott.

In October 2003, Duren shot and wounded a homeless man he encountered in Kerckhoff Hall. Duren chased the man into a bathroom, where they struggled and he fired two shots.

The homeless man, Willie Davis Frazier, was later convicted of assaulting an officer. Duren said Frasier had tried to grab his gun during the struggle. But Frazier's attorney, John Raphling, said his client was mentally ill and didn't do anything to provoke the shooting.

It remains unclear when the independent investigation of the Taser incident will be completed. It will be headed by Merrick Bobb, a veteran watchdog of both the Los Angeles Police and Los Angeles County Sheriff's departments.

UCLA police officials said in a short statement that Duren arrived at Powell Library with Officer Alexis Bicomong. Duren "discharged the Taser," the statement said. Officers Kevin Kilgore, Andrew Ikeda and Ricardo Bolanos, and Sgt. Philip Baguliao, a supervisor, were also at the scene.

"Let the independent watchdog run its course," Duren said.

The officer said that when the probe is complete, he'd like to sit down with students, particularly Muslim student groups, to explain his actions at the library.

"I have nothing to hide."

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Federal Judge Rejects Las Vegas Ban On Feeding Homeless In Parks (AP)

By Ken Ritter, Associated Press Writer

AP, November 21, 2006

LAS VEGAS (AP) - A federal judge ruled Monday that the city cannot make it illegal to feed poor people in city parks.

U.S. District Court Judge Robert Jones issued an injunction prohibiting enforcement of a City Council ordinance passed in July that prohibits "providing food or meals to the indigent for free or for a nominal fee" in a city park and defines indigent as a person whom a reasonable ordinary person would believe to be entitled to public assistance.

Las Vegas Mayor Oscar Goodman said handouts discourage homeless people from seeking help from social service providers set up to handle mental health and substance abuse problems. Neighbors had complained of large numbers of homeless people congregating at downtown parks, drawn by groups providing meals.

Jones told lawyers for the city and the American Civil Liberties Union of Nevada that he intends to issue an order killing the measure. No date was set for final action.

"The judge said you can't just ban providing food to people who look poor," said Lee Rowland, the ACLU lawyer who argued the case. She said the key fault in the city ordinance was that it made distinctions among people based on their appearance.

Las Vegas officials vowed to rewrite the law to pass constitutional muster.

"The main thing is to make sure these people get professional care," Goodman said of homeless and indigent people he said "deserve to be in service centers and with faith-based groups."

"I know I'm right on this one," Goodman added. "We just have to get the law in shape."

City lawyer Brad Jerbic said "tweaking" the existing ordinance might be enough to help it pass judicial review.

"We didn't outlaw vagrancy, indigency or homelessness," Jerbic said, adding that the possible fine of up to $1,000 was designed to discourage behavior, not punish people.

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"What we did is make it an offense to set up a mobile soup kitchen in a park, attracting large numbers of indigents and stranding them without any social services," Jerbic said.

Gary Peck, ACLU executive director in Las Vegas, said he was disturbed by city arguments that he said suggested homeless and indigent people constitute an unsightly problem that should be kept from public view.

"The city says, 'Poor people are different from the rest of us, we need to control them or we will be overrun by them and they will ruin things for the rest of us,'" Peck said. "That shows a profound misunderstanding of basic constitutional principles."

Since the ordinance took effect several summonses have been handed out by city marshals at parks in the downtown area, several miles from the Las Vegas Strip.

One municipal court judge tossed out a misdemeanor case against a California activist last month and called the ordinance unconstitutionally vague. That judge said the measure denied equal protection of the law to all citizens.

A final ruling by Jones in the case, Sacco vs. City of Las Vegas, is expected to affect several similar cases currently pending in municipal court.

An Opening On Abortion? (WP)

By E. J. Dionne Jr.

The Washington Post, November 21, 2006

If both parties combine wisdom with shrewdness, the election of a new congressional majority should open the way for a better approach to the abortion question.

The bitter political brawling of the past three decades has created an unproductive stalemate that leaves abortion opponents frustrated, abortion rights supporters in a constant state of worry and the many Americans who hold middle-ground positions feeling that there is no one who speaks for them.

But the politics of abortion began to change even before this month's elections. In September, a group of 23 pro-choice and pro-life Democratic House members introduced what they called the Reducing the Need for Abortion and Supporting Parents Act.

Okay, it's not the catchiest title, but you get the point. The bill -- its sponsor is Rep. Tim Ryan (D-Ohio), an abortion opponent, with Rep. Rosa DeLauro (D-Conn.), an abortion rights supporter, a leading co-sponsor -- took a lot of negotiation. Supporters of abortion rights tend to favor programs that encourage effective contraception, which some in the right-to-life movement oppose. Opponents of abortion emphasize helping women who want to carry their children to term.

The Ryan bill, one of several congressional initiatives to reduce the abortion rate, does both. It includes a remarkably broad set of programs aimed at reducing teen pregnancy, promoting contraception and encouraging parental responsibility. But it also includes strong measures to offer new mothers full access to health coverage, child care and nutrition assistance.

The public debate usually ignores the fact that abortion rates are closely tied to income. As the Guttmacher Institute has reported, "the abortion rate among women living below the federal poverty level . . . is more than four times that of women above 300 percent of the poverty level." The numbers are stark: 44 abortions per 1,000 women in the lower income group, 10 abortions per 1,000 women in the higher income group.

In other words: If you truly care about reducing the number of abortions, you have to care about the well-being of poor women.

There are moral and practical reasons for members of both parties, and combatants on both sides of the abortion question, to embrace this approach.

Liberal supporters of abortion rights should be eager to promote a measure that does not make abortion illegal but does embrace goals, including help for the poor, that liberals have long advocated.

In the meantime, the victories that opponents of abortion rights have won do little to reduce the number of abortions. As Rachel Laser, director of the Third Way Culture Project, points out, even those who would ban late-term or "partial-birth" abortions need to acknowledge that very few are performed, meaning that these laws do little to reduce the overall abortion rate. According to one study cited by Laser, only 0.08 percent of abortions are performed in the third trimester.

Parental consent laws affect fewer than a fifth of all abortions, those obtained by teenagers 17 or younger, and it is not clear how many abortions these measures stop, since studies suggest that many parents favor rather than oppose abortion in such circumstances.

Why shouldn't both sides embrace broader steps that, without coercion, could cut the abortion rate by much larger numbers? We know this is possible because it has already happened: Between 1994 and 2000, the abortion rate fell by 11 percent. An ambitious national effort could do more.

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There is also the politics of the issue. In her study, Laser points to a group she calls the "abortion grays," i.e., the six voters in 10 who do not see the issue in black-and-white terms. This group tilts pro-choice but does not believe abortion should always be either legal or illegal.

For Democrats, this means taking into account that while most of the new members they elected this month favor abortion rights, the party's freshmen include strong opponents of abortion -- among them Sen.-elect Bob Casey (D-Pa.) and about a half-dozen new House members. Democrats are a party with a pro-choice majority, a significant pro-life minority and a lot of grays.

Republicans are the more antiabortion party but include many pro-choice voters and grays in their ranks. They face a broadly pro-choice country and now have to battle a right-wing image that drove

so many independents and moderates to the Democrats.

Taking substantial steps to reduce the abortion rate will not settle the larger ethical argument over the practice. But it could show that politicians are capable of living up to their highest calling, which is to seek practical forms of moral seriousness.

ANTITRUST:

Muni Cloud Hovers Over Investors (WSJ)

By John Connor

The Wall Street Journal, November 21, 2006

WASHINGTON -- The latest outcropping of suspected U.S. municipal-bond-related abuses, including bid-rigging on guaranteed investment contracts used in some muni transactions, has cast a cloud of potential taxability on billions of dollars of bonds sold to investors as tax-exempt securities.

One federal official familiar with the situation said the amount of bonds in question remains to be determined but that a conservative estimate could be between $10 billion to $15 billion. He added that the final tally likely will be far larger than that.

Wide-ranging criminal and civil probes of suspected muni-related illegality are now under way, with the U.S. Justice Department's Antitrust Division and the Securities and Exchange Commission investigating suspected violations unearthed initially by the Internal Revenue Service. A number of firms, including leading providers of guaranteed investment contracts, or GICs, have received federal subpoenas recently.

The IRS's probe of bid-rigging on GICs -- which are insurance contracts that pay a fixed interest rate over a set period of time, and are often used in retirement plans and in connection with certain muni deals -- has been under way for some time. In early 2005, Mark Scott, then head of the IRS's muni enforcement program, said that "we have a lot of evidence pointing to bid-rigging for GICs in municipal-bond transactions."

While the spotlight of the federal investigations has been on suspected antitrust violations, including price-fixing on bond insurance, the bond transactions under scrutiny also present tax issues by virtue of the suspected diversion of arbitrage profits away from the federal government to participants in the bond deals.

Arbitrage profits, which are earned in the muni market by investing tax-exempt bond proceeds in high-yielding obligations, are supposed to be rebated to the Treasury. Arbitrage abuses have erupted periodically. One of the most virulent outbreaks, which resulted in federal enforcement action against dozens of securities firms over six years ago, was known as "yield burning."

The IRS typically avoids taxing bondholders -- the tax code's penalty for muni noncompliance. But taxing bondholders isn't as rare as it used to be. About a dozen mutual funds with noncompliant munis in their portfolios have paid taxes over the last year on bonds purchased as tax-exempts, according to a federal official familiar with the matter.

Bondholder taxation usually is averted by settlements under which the IRS recoups some of the money lost on noncompliant bond deals and agrees to let the bonds in question remain tax-exempt.

Private Cash Fuels Boom In Takeovers (LAT)

By Tom Petruno And Josh Friedman, Times Staff Writers

The Los Angeles Times, November 21, 2006

Elite private investors are buying up major companies at a record pace, in a wave of deals that is raining riches on Wall Street but also may be raising the risk of a financial bust.

Investors led by Blackstone Group announced late Sunday the biggest takeover ever by a so-called private equity fund, a $36-billion deal to buy Equity Office Properties Trust, the largest U.S. owner of office buildings.

The proposed purchase follows announcements in recent months of buyouts that would put firms including radio giant Clear Channel Communications Inc., casino titan Harrah's Entertainment Inc. and food-service company Aramark Corp. in private hands, taking their shares off the stock market.

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Takeovers are nothing new in American business, but historically the largest deals have involved companies whose shares are publicly traded buying other companies.

This year, the buyers behind the biggest deals are private equity funds — run by generally secretive investment firms that raise money from pension funds, wealthy individuals and other investors who are hungry for double-digit returns on their capital.

"It's obviously a boom," said C. Kevin Landry, a managing director at TA Associates, a Boston-based private equity firm. "You can raise as much money as you want" to do deals.

A private equity fund typically buys a company using mostly borrowed money, then seeks to improve the firm's bottom line through measures that may include refocusing the business or forcing cost cuts. The goal is to eventually sell the firm to another company, or take it public again, at a fat profit.

The buyout wave is enriching company shareholders because private equity investors usually pay more than a stock's current price to clinch a deal. That is helping to drive share prices higher overall, analysts say; the Dow Jones industrial average has been hitting record highs.

Yet the surge in buyouts this year is making some on Wall Street wonder whether they're witnessing a replay of other episodes when too many investors threw too much money in the same direction — the dot-com boom of the late 1990s, for example, or a late-1980s company buyout wave led by corporate raiders. Both of those booms gave way to painful busts.

"It's sort of feeding on itself now," said Edward Yardeni, investment strategist at money management firm Oak Associates in Akron, Ohio. "You could make a pretty good case that a bubble is building in private equity, and that it will burst."

Private equity buyers have announced about 1,000 U.S. takeovers this year worth a record $356 billion, according to data tracker Thomson Financial. That dwarfs the $138 billion in such deals announced last year.

Private-fund deals still account for a minority of U.S. takeover activity. In all, the value of announced corporate takeovers this year exceeds $1.2 trillion; most of those are company-to-company deals. But the rising clout of private equity buyers shows in the sizes of the deals they're behind, experts say.

"Five of the six top deals this year are private equity. That's never happened before," said Richard Peterson, an analyst at Thomson Financial in New York.

Most private equity firms aren't household names, but more may be on their way to that status as their corporate assets balloon. Big players include Blackstone, Bain Capital, Carlyle Group, Silver Lake Partners and Texas Pacific Group. One — Kohlberg Kravis Roberts & Co. — became famous for its massive deals in the 1980s.

More than any other factor, the ascendance of private equity buyers over the last few years reflects the willingness of well-heeled investors to pony up mountains of cash in search of better returns than they can earn in stocks or bonds.

"There is tremendous liquidity in the market," said Brad Freeman, a 23-year buyout fund veteran whose Los Angeles-based firm, Freeman Spogli & Co., has a $1-billion private equity fund it's putting to work. "Deals are being done because they can be."

Private equity firms have raised an unprecedented $178 billion in new capital from investors this year, about 10 times what they raised in 1995, according to data firm Dealogic.

The cash comes from investors such as the California Public Employees' Retirement System, or CalPERS, the nation's largest public pension fund.

CalPERS has about $6.3 billion invested in buyout funds, said Joncarlo Mark, a senior portfolio manager. The pension plan expects to earn an annual percentage return in the upper teens on that money, he said. By contrast, U.S. blue-chip stocks have generated a return of 11.4% a year over the last three years.

"There are a lot of investors out there looking for yield," said Josh Lerner, a finance professor at Harvard University.

But the success of buyout deals depends in large part on the purchased companies' ability to handle the debt loads they take on with their new owners.

With many private equity funds wielding huge war chests, competition to acquire companies has become fierce, said Stephen Presser, a partner at private equity firm Monomoy Capital Partners in New York.

"At the moment, private equity firms are paying almost historically high prices for businesses, and are depending on those businesses to continue to grow in order to pay down their debt," Presser said. "If the economy softens — and someday it will — those companies are going to have a tough time" managing their debt loads.

Some analysts also question whether companies that are targets of private equity buyers today can be substantially improved by their new owners.

"Companies already are under so much pressure to be lean and mean," Yardeni said. "It's not clear what they're [private equity owners] going to bring to the table to make these companies more profitable."

Still, corporate managers often are happy to attract private equity buyers. One reason is that top managers often participate as investors in buyouts, with the potential to reap hefty financial rewards if the company is eventually sold at a profit.

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The costs and regulatory hassles of being a public company also are spurring corporate boards down the go-private road, said Scott Honour, a managing director at Gores Group, a private equity firm in Los Angeles.

"Companies are bogged down by Sarbanes-Oxley requirements," he said, referring to the law Congress passed in 2002 tightening regulation of public companies after the financial scandals at Enron Corp. and other firms.

"Boards are saying, 'Geez, we're better off being private,' " Honour said.

That worries the Bush administration. In a speech Monday, Treasury Secretary Henry M. Paulson Jr. questioned whether the going-private trend might signal that U.S. regulation of shareholder-owned companies had become too severe, and was driving them out of the public market.

The deal wave also has attracted the attention of another branch of the government: The Justice Department reportedly is looking into the power wielded by private equity funds and whether the biggest players may be illegally colluding to increase their clout.

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Times staff writer Walter Hamilton contributed to this report.

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(INFOBOX BELOW)

The year's top 10 private buyouts

Here are the U.S. companies that have brought the highest purchase prices from private equity funds this year:

(In billions)

Equity Office Properties: $36
HCA: $32.2
Kinder Morgan: $27.4
Clear Channel Communications: $26.7
Harrah's Entertainment: $25.4
Freescale Semiconductor: $16.2
Univision Communications: $12.6
Merrill Lynch Investment Mngmt.: $8.5
Aramark: $8.0
GMAC: $7.4

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Sources: Bloomberg News, Thomson Financial, companies listed
Note: Deal values include assumption of debt.

Ready To Deal: $60 Billion In Two Days (WSJ)

By Serena Ng, Gregory Zuckerman And Michael Hudson
The Wall Street Journal, November 21, 2006

Wall Street's cash spigots are turned wide open.

That means the recent deluge of merger and buyout deals could keep rising even though signs are emerging that some target companies are being loaded with increasingly risky levels of debt in the process.

More than $60 billion in deals were consummated in the past 48 hours of frantic merger and buyout activity, not including the debt assumed from target companies in these transactions, according to Dealogic, a research firm. The deals included a $20 billion private-equity bid for real-estate giant Equity Office Properties Trust and stretched from Europe to Canada to the U.S. More than 35 deals were announced globally, leaving bankers looking broadly to other sectors -- including health care, technology, gambling and home building -- for the next megatransactions.

BUYOUT BOOM

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Read about what is behind the buyout boom2 and see a breakdown of the busiest sectors for M&A3. WHO ARE THE LAWYERS?

View a list of the law firms and lawyers representing the principals on the 10 largest deals in 2006 with U.S.-based acquirers.

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One important factor behind the year's takeover boom is a well-oiled financial machine: buyout firms searching out prey and raising cash with bonds and loans that are then sold off to investors around the world. Leveraged buyouts account for some 17% of the $3.4 trillion in transactions announced globally so far this year.

"It seems that each large deal is a stepping stone to the next bigger deal," says Edward Marrinan, a credit strategist at J.P. Morgan Chase, one of the big underwriters and lenders in the borrowing boom. Companies and their private equity buyers "are pushing the envelope in risk-taking and testing the outer boundaries of the market's tolerances," he adds.

The overall pace of deal making already surpasses the $3.3 trillion record set in 2000. Almost $1.3 trillion of mergers have been announced in the U.S. alone, though that is still off from the 2000 pace, which was driven by the tech boom and included many transactions in which companies were acquired in stock swaps.

The common denominator now is debt. In the U.S., corporations have sold $109 billion in "high yield," or junk, bonds and raised an additional $593 billion in junk-rated bank loans so far this year, according to Dealogic. Last year they raised $707 billion in bonds and loans in the U.S.

Earlier in the year some investors predicted the borrowing cycle could take a turn for the worse. Yet in recent weeks hospital operator HCA Inc. and Freescale Semiconductor Inc. easily found investors for more than $11 billion in bonds behind buyouts. Freescale raised money with few of the operating constraints -- known as covenants -- that often come with risky loans.

The surge in corporate profitability that followed the 2001 recession has left many companies well-positioned to pay off debt. So far this year, companies had defaulted on just 1.27% on outstanding U.S. speculative-grade bonds, a 24-year low. The long-term average default rate is 4.7%, according to Standard & Poor's. The default rate for junk-rated bank loans is 0.99%.

Because so few companies are defaulting, investors are willing to take chances on new debt. Investors also have a growing appetite for high-yielding assets, which has them turning to junk bonds and risky loans behind takeover deals. So far this year, junk bonds have returned a robust 10%.

While debt loads have been rising, interest rates remain relatively low, meaning some companies and buyout shops taking them over are betting they will be able to service their fast-rising debt loads. "The interest burden for companies is still manageable," says Gregory Stoeckle, managing director at Invesco Senior Secured Management.

"We've not seen any let-up in investor demand [for debt] and we don't see that changing anytime soon," says James Merli, managing director and head of debt syndication at Lehman Brothers.

Yet there are signs emerging that large debt loads could begin to weigh on companies involved in the deals. Some of the bonds issued by both HCA and Freescale were "toggle" bonds, which allow the companies to choose between paying interest in cash or in the form of additional bonds. That's a strategy companies adopt when they worry that they might be short of the cash flow needed to pay off interest in the short term.

"There's so much demand for yield in the marketplace that investors are willing to give companies that option. It seems pretty crazy to me, but it's a sign of the times," says Mark Kiesel, a portfolio manager at Allianz AG's Pacific Investment Management Co., or Pimco.

If economic conditions change or interest rates creep higher, some companies may have much less room to maneuver and could run into trouble, analysts say.

As it stands, HCA, which completed its takeover last week to take itself private, will incur over $2 billion a year in interest expenses, close to half its annual operating cash flow, according to research firm CreditSights. Freescale operates in a highly cyclical industry and its interest costs also are likely to represent roughly half its annual operating cash flow, says KDP Investment Advisors, Inc. HCA officials couldn't be reached to comment. Officials at Freescale declined to comment.

Also unlike the stock-driven tech-merger boom of the 1990s, this one is wide-ranging. A proposed acquisition of Harrah's Entertainment Inc. by Texas Pacific Group and Apollo Management is fueling speculation other casino companies will be bought. Blue chip names like Sprint Nextel Corp. -- with a stock market value of more than $50 billion -- and iconic brands like Hilton Hotels Corp. -- which has attracted interest from investor Carl Icahn -- are held out as reasonable targets. Home builders, in the midst of a worrisome housing bust, and commodities producers, facing a bust of their own, are turning up on buyout watch lists.

A spokesman for Sprint would not comment. An official for Hilton wasn't immediately available.

The leveraged-buyout boom of the late 1980s didn't turn until bankers felt losses. One turning point was a failed attempt by bankers to sell bonds to finance the buyout of Sealy, then known as Ohio Mattress Co.

First Boston, now part of Credit Suisse, had arranged a temporary loan to fund the $965 million buyout of the mattress maker by a firm called Gibbons Green van Amerongen.

The bank was unable to issue enough bonds to refinance the loan, and ended up holding most of the loan on its own books and took equity in the company.

The event sent a chill around the marketplace and became known on Wall Street as the "burning bed." The only things on fire on Wall Street right now are the phone lines of buyout shops.

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Smaller Rival In Agreement To Acquire Copper Giant (NYT)

By Andrew Ross Sorkin And Ian Austen

The New York Times, November 20, 2006

Phelps Dodge, the world's second-largest copper producer, will be acquired by Freeport-McMoRan Copper and Gold, a smaller rival that has been embroiled in environmental and human rights controversies, in a cash and stock deal worth $25.9 billion, the companies said yesterday.

The transaction, if approved by shareholders, would create the world's largest copper producer and the largest mining company based in North America. It is the latest move in a series of mining and metals mergers. Like companies involved in other mining mergers, Freeport-McMoRan promoted the idea that increased size has become an important competitive factor.

"We have been watching the industry consolidation, fewer companies, larger companies, but we had not been playing a role in it," Freeport-McMoRan's president and chief executive, Richard C. Adkerson, said. "Now Freeport is a larger company that has a larger platform."

The chairman and chief executive of Phelps Dodge, J. Steven Whisler, said yesterday that the two companies have talked about a possible merger for about a decade. The premium of about 33 percent being offered by Freeport-McMoRan, Mr. Whisler said, was a decisive factor in Phelps Dodge's decision to end its 172-year history as an independent company.

The boards of both companies have approved the transaction. Under its terms, stockholders in Phelps Dodge will receive $88 a share in cash plus 0.67 of a Freeport-McMoRan share. Based on Friday's closing, the deal is offering Phelps Dodge shareholders a 33 percent premium.

Freeport-McMoRan, which has a market capitalization of $11.3 billion compared with Phelps Dodge's value of $19.4 billion, will finance the transactions by borrowing about $17.5 billion. Freeport said it expected the deal would be accretive to the combined company's earnings per share and cash flow immediately.

To a considerable extent, Phelps-Dodge now finds itself being acquired because of its failure earlier this year to bulk up with an acquisition of Inco, the large Toronto-based nickel miner.

Inco had approached Phelps Dodge in an attempt to help it with its bid for another Canadian nickel miner, Falconbridge. In exchange for financing for that transaction, Inco's board agreed to be acquired by Phelps Dodge in a deal cash and stock worth about $17 billion.

Ultimately, however, the three-way transaction fell apart. Phelps Dodge walked away from its Inco offer after Xstrata of Switzerland emerged as the winning bidder for Falconbridge. Companhia Vale do Rio Doce of Brazil acquired Inco after offering about $17 billion in cash.

Not only did the Phelps Dodge bid fail to impress Inco's shareholders, it was also criticized by some of the Phoenix-based company's own shareholders largely because it would have increased the company's debt levels from almost nothing to about $24 billion. Some critics said at the time that they would prefer Phelps Dodge to sell itself rather than become larger through acquisitions, a request that has now apparently been granted.

Mr. Whisler will retire when the Freeport-McMoRan takeover is completed. The resulting company, which will retain Freeport-McMoRan name but move its head office from New Orleans to Phoenix, will be led by Mr. Adkerson and retain James R. Moffett, of Freeport-McMoRan, as chairman.

While Phelps Dodge has large mines in United States, Central and South America as well as Africa, Freeport-McMoRan's only significant asset is a mine in Indonesia.

Earlier this year, riots in the Indonesian province of Papua were directed at Freeport-McMoRan. In December 2005, The New York Times reported that Freeport had given more financial support to the Indonesian Army and police in Papua than the company had publicly reported, in some cases individual commanders received tens of thousands of dollars from the company.

Mr. Adkerson said the company was still responding to requests from regulators about the timing and level of disclosure to shareholders about those payments.

The Indonesian mine's operations have also come under criticism for their environmental practices. Mr. Adkerson said that Freeport-McMoRan now had its environmental measures assessed and tracked by independent auditors.

"We operate in an unusual place," he said. "Our mine is in a remarkable physical setting."

Freeport-McMoRan was advised in the deal by J. P. Morgan Securities and Merrill Lynch while legal advisers were Davis Polk & Wardwell and Jones, Walker, Waechter, Poitevent, Carrère & Denègre. Citigroup Corporate and Investment Banking and Morgan Stanley & Company worked with Phelps Dodge, and its legal counsel was Debevoise & Plimpton.

Mattel Says It Really Owns The Bratz That've Given Barbie Such A Bad Time (WSJ)

By Christina Binkley

DOJ_NMG_0096907

The Wall Street Journal, November 21, 2006

Barbie has a new tactic in her battle against the rival Bratz doll clan: If you can't beat 'em, own 'em.

Mattel Inc., maker of Barbie, is attempting to lay legal claim to the Bratz fashion-doll empire created by its rival MGA Entertainment Inc. The El Segundo, Calif., toy maker yesterday filed documents with U.S. District Court in California arguing that the Bratz dolls rightfully belong to Mattel, whose Barbie franchise has been dented by competition from the saucy, big-headed dolls that appeared on the market in 2001.

The argument is based in part on Mattel's claim that the designer of Bratz was employed by Mattel when he did initial drawings for the dolls several years ago. Recently, Mattel's lawyers quietly applied for copyright protection on a number of early Bratz drawings, according to the documents.

Moreover, the documents claim that closely held MGA Entertainment hired away a number of key Mattel employees in Mexico, the U.S. and Canada. Mattel says those employees "stole" confidential sales information, documents, plans, and other Mattel secrets -- copying the information onto hard drives or using other means to transfer the intelligence to MGA over the past six years or so.

Among other sources of information, including depositions of witnesses, the documents cite emails that appear to have been recovered from the personal computers of several former employees.

"MGA intentionally stole not just specific Mattel property, such as Bratz designs, prototypes and related materials, but also a vast array of trade secrets and other confidential information that comprise Mattel's intellectual infrastructure. MGA's rapid growth was not organic, but rather was based upon its theft of Bratz," the lawsuit says.

Isaac Larian, MGA's chief executive, said he hadn't seen the legal documents, but that his lawyers had briefed him on the contents. "This is another fantasy on the part of a desperate company that doesn't have any leadership," Mr. Larian said in an interview. "It's just basically a desperate organization that has lost its way."

Mr. Larian said that Mattel's claims regarding employees in Mexico have been dismissed as invalid by the Mexican courts.

Mattel responded to requests for comment with a written statement confirming the legal documents and declining to comment further.

Specifically, Mattel sought permission from a federal judge to amend an existing lawsuit it filed against Carter Bryant, the designer who is credited with creating the Bratz. The proposed amendment, a 58-page document, accuses MGA, Mr. Larian, Mr. Bryant and other MGA divisions and former employees of abuses that include copyright infringement, violation of the Racketeer Influenced and Corrupt Organizations Act (or RICO), misappropriation of trade secrets, aiding and abetting breach of duty of loyalty, and unfair competition. Mattel is demanding a jury trial.

Mattel's new claims arise from legal discovery and separate investigations that the company conducted as part of several broader Barbie-Bratz related lawsuits.

In the documents, Mattel says that Van Nuys, Calif.-based MGA sells more than $500 million a year worth of Bratz items. Mr. Larian confirms that the sales are "more than $500 million" but declined to say how much more. The Bratz line has been a juggernaut since its inception five years ago. The Bratz dolls have a more hip-hop style and are more heavily made up than Barbie, who has been accused of being overly sexy herself, but appears positively demure in comparison with Bratz. In the late 1990s, Barbie had some of her best sales years ever. But the Bratz have eaten away at her kingdom, and world-wide Barbie sales fell 11% last year. Mattel has attempted to boost its fashion doll revenues with a series of hipper-looking dolls such as the Flavas, which came out in 2003 and have been discontinued.

Mattel doesn't disclose the value of its Barbie franchise. According to market researcher NPD Group, overall fashion-doll sales were $1.4 billion in 2005 -- roughly flat with the year before.

Mattel sued the Bratz designer Mr. Bryant in 2004. Mattel is now arguing that it has proof that Mr. Bryant was employed by Mattel when he drew the original drawings for the Bratz fashion dolls and sold them to MGA Entertainment. Mr. Bryant had signed an employment contract giving rights to his work to Mattel.

Mr. Bryant joined Mattel in 1995 and briefly left its employ in April 1998, according to Mattel. Mr. Larian says that Mr. Bryant conceived of Bratz during that time, when he was living with his parents in Missouri and working as a free-lancer. He says Mr. Bryant showed plans for a series of postcards -- not a doll -- to a mutual acquaintance who brought them to Mr. Larian's attention. "I said, OK, let's try it in 3-D," Mr. Larian says.

Mr. Bryant returned to Mattel's employ in January 1999, designing Barbie fashions.

Mattel claims in its filing that two third-party vendors have testified in depositions that they painted Bratz doll faces and worked on Bratz packaging between June and September 2000 -- before Mr. Bryant left Mattel in October 2000.

MGA began showing prototypes for the dolls around the toy industry within several weeks of Mr. Bryant's departure from Mattel. Mr. Bryant couldn't be reached for comment.

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Mr. Bryant now earns royalties for Bratz and has become wealthy, according to Mr. Larian. The royalties are something he wouldn't have gotten at Mattel, where his contract required him to sign over all his ideas.

Cephalon Used Improper Tactics To Sell Drug, Probe Finds (WSJ)

By John Carreyrou

The Wall Street Journal, November 21, 2006

From setting unrealistically high sales quotas to pushing larger prescriptions at higher doses, drug maker Cephalon Inc. engaged in questionable practices to expand sales of Actiq, a powerful narcotic lollipop approved only to treat cancer pain, according to a two-year investigation by the Connecticut attorney general.

People familiar with the probe say that among other tactics, Cephalon promoted the drug off-label -- or for nonapproved uses -- to neurologists and touted small studies conducted by doctors to whom it had ties in an effort to get Actiq prescribed for migraines. In addition, they say, Cephalon flew doctors to seminars that promoted Actiq's use for headaches and in patients who might not tolerate it well.

Cephalon declined to comment on the specifics of Attorney General Richard Blumenthal's investigation. Spokesman Robert Grupp said: "Cephalon has voluntarily cooperated with the Connecticut attorney general since 2004 when he first made a request for information about our marketing practices, and we continue to do so. Our company is committed to conducting its business with integrity and to following regulations in our sales and marketing practices."

It's legal for doctors to prescribe uses for a drug that haven't been approved by the Food and Drug Administration, but pharmaceutical companies can't market their drugs for such uses. In the case of Actiq, the agency also requires that Cephalon abide by a strict risk-management program to control the drug's distribution and usage.

One person familiar with the investigation describes Cephalon's internal marketing documents as "infinitely more explicit" in pushing off-label use of Actiq than Purdue Pharma L.P. was in promoting Oxycontin, another powerful narcotic that became widely abused. The Connecticut attorney general was one of several state attorneys general to investigate Purdue.

Mr. Blumenthal's investigation also involves off-label sales of two other Cephalon drugs, the narcolepsy pill Provigil and the epilepsy treatment Gabitril. Cephalon is also being investigated by the U.S. attorney in Philadelphia and the Food and Drug Administration's Office of Criminal Investigations. Like Mr. Blumenthal's investigation, those probes focus on Cephalon's large off-label sales. The U.S. attorney and the FDA declined to comment.

Mr. Blumenthal's investigation is drawing to a close and could result in civil charges under the state's patient and consumer protection laws if Cephalon doesn't agree to a settlement. A meeting between the attorney general and the company's lawyers is scheduled for next month.

If Cephalon opts to settle the case out of court, Mr. Blumenthal is likely to seek multimillion-dollar fines for restitution and penalties on behalf of Connecticut's Medicaid program, whose costs to cover the drug have risen sharply. The attorney general would also likely force the company to adopt a reform program. "We want them to change the way they do business," Mr. Blumenthal says.

Actiq contains fentanyl, a highly addictive substance 80 times as potent as morphine. Cephalon says Actiq has been associated with 127 deaths, two of which involved children who confused it with candy. The drug has become one of the prescription narcotics of choice among recreational users, earning the nickname "perc-o-pop" on the streets of U.S. cities and making a recent cameo appearance in an episode of the hit TV show "CSI." In the first nine months of this year, Actiq sales reached $471 million.

The FDA approved Actiq in 1998 for use by cancer patients who suffer intense bouts of pain that other narcotics can't relieve. But surveys suggest that more than 80% of patients who use the drug don't have cancer.

The trigger for Mr. Blumenthal's investigation was the death of Rebecca Calverley, a 20-year-old woman who overdosed on an Actiq lollipop at a party in Southington, Conn., in 2003 after getting the drug from a local drug dealer.

Mr. Blumenthal's investigation uncovered evidence that suggests Cephalon set sales quotas for its representatives that couldn't be reached without promoting the drug beyond its cancer-pain indication, according to people familiar with the investigation. Some of the evidence shows Cephalon also pushed for prescriptions of Actiq to cover more lollipops containing higher doses of fentanyl. Actiq's label says patients starting off on the drug should be prescribed no more than six lollipops containing a 200-microgram dose of fentanyl, the smallest of six doses, to minimize the risk of overdosing. Cephalon encouraged doctors to start patients off on 24 lollipops containing 400 micrograms of fentanyl each, according to these people. The higher dose costs more and brings in more revenue.

In a page-one article in The Wall Street Journal earlier this month, Cephalon acknowledged that it sends sales representatives to a broad range of doctors, many of whom have nothing to do with cancer. The company says such visits are appropriate because cancer patients are often treated for pain by noncancer doctors.

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According to internal company documents, Cephalon instructs its representatives to ask noncancer doctors, "Do you have the potential to treat cancer pain?" Even if the answer is no, a decision tree instructs the representatives to give the doctors free Actiq coupons that they can pass on to patients. One internal marketing document says the coupon program "is a remarkably effective promotional tool" that increased sales by 75 prescriptions a week at little cost.

Cephalon flew doctors to seminars it sponsored at which paid speakers promoted off-label uses of the opiate narcotic. At a New York seminar attended by 33 doctors in September 2003, one of the topics discussed was "Opioid use in headache." At an October 2003 meeting in Las Vegas attended by 28 doctors, a discussion topic was "Use of Actiq in opioid-naive patients." Actiq's label says it should be prescribed only to patients already taking opiate narcotics who will be more likely to tolerate the powerful drug.

Mr. Grupp declined to comment on the seminars. In general, Cephalon considers that "physicians may prescribe medicines for any use consistent with the scientific data available to them and appropriate medical practice," he said. "The decision to prescribe 'off label' is theirs and theirs alone."

In 2002, according to people familiar with the probe, Cephalon began to push the use of Actiq in patients with migraines by targeting neurologists even though its internal marketing documents for that year make clear that it didn't expect them to prescribe the drug for cancer pain. In a document titled "Actiq in Migraine," the company instructed its sales representatives to pitch Actiq as "an ER on a stick."

Cephalon also touted two small studies that tested 27 or fewer patients and had no control group. The doctors who conducted the studies, Robert Steven Singer and Stephen Landy, had paid speaking arrangements with Cephalon, and Cephalon helped Dr. Landy with the study he conducted, according to the people close to Mr. Blumenthal's probe.

Dr. Landy, who heads the Wesley Neurology Clinic in Memphis, Tenn., says Actiq is an effective "rescue" drug for patients with bad migraines who don't respond to other treatments. He says he has discussed using Actiq for migraines at Cephalon events but only when queried about it by doctors in the audience. Dr. Landy won't say how much Cephalon paid him for speaking. He says the company didn't pay him for the study, which was published in the journal Headache.

Dr. Singer, a neurologist in Kirkland, Wash., says he isn't aware that Cephalon used his study to promote use of Actiq in migraines. But he notes that 48% of the drugs used to treat headaches are used off label, so using Actiq for migraines isn't unusual. He declines to say how much Cephalon paid him to speak.

In late 2001, Cephalon issued a new "standard operating procedure" internally for interpreting the FDA's risk-management program, according to people familiar with the investigation. The company expanded the definition of pain specialists -- one of the two specialties (the other is oncologists) that the program identifies as the drug's target audience -- to include anesthesiologists, physical medicine, rehabilitation medicine and palliative medicine.

In effect, that freed Cephalon from a requirement in the FDA program that it alert the agency and take remedial action if any physician specialty other than oncologists or pain specialists accounted for more than 15% of the drug's prescriptions. Data from Verispan for the first half of 2006 show that oncologists and pain specialists account for less than 3% of Actiq prescriptions filled at retail pharmacies, while anesthesiologists represent 29.5% of prescriptions.

LSE Shuns 'final' £2.7bn Nasdaq Bid (FT)

By Norma Cohen In London

Financial Times, November 21, 2006

London Stock Exchange on Monday batted away a £2.7bn ($5.1bn, €4bn) "final" offer to be acquired by US-based Nasdaq, saying the bid so undervalued the company its board was not even willing to meet for further discussions.

The announcement sparked tumultuous trading in LSE shares, which closed 6 per cent higher at 1,291p, well above the 1,243p per share offer price. Nearly 50m shares switched hands. The price is the minimum Nasdaq has to pay until next May under UK takeover code rules because that is the average price at which it bought its initial 25.3 per cent stake.

On Monday, Nasdaq increased that to 28.75 per cent, buying the stake of Scottish Widows Investment Partnership, one of the LSE's few remaining long-term investors.

Posturing by both parties is likely to be played out in coming weeks. Under the code, Nasdaq cannot raise its offer unless either its board recommends a bid or a competing bidder emerges. If it fails to acquire the company, it cannot bid for another 12 months.

LSE's response suggests it wants to set a value for its shares well above what Nasdaq would be willing to pay, thus keeping its independence.

The offer is the second that Nasdaq has made for LSE and the fifth approach LSE has received in the past two years.

Clara Furse, LSE chief executive, said: "We believe Nasdaq's final offer fails to recognise the outstanding growth record and prospects of our group on a stand-alone basis, let alone the exchange's unique global position."

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In timing its approach, Bob Greifeld, Nasdaq chief executive, said he was very much influenced by a sell-off in LSE shares last week. That had been sparked by an announcement from some of its largest customers that they intended to build a low-cost share trading platform that could compete with the LSE. The US has become fiercely competitive and technology and new European Commission rules are likely to make Europe follow suit.

"The broad context is that this proposed transaction is recognition that the world we knew will be very different in three or four years' time," Mr Greifeld said.

However, the recovery of LSE shares is believed to have emboldened Nasdaq to make its move, taking the view that the shares would have fallen further without the prospect of an offer.

The offer gives little to customers who have been pressing for tariff reductions. It simply promises that fees will not be raised for at least the next three years.

It offers some protections to the London market in the form of an oversight committee which will be mandated in its articles of association. The committee cannot agree to rule changes for the London market without the consent of the Financial Services Authority – a move aimed at easing concerns about the import of US regulations.

It also will have veto rights over any effort to move more than 20 per cent of the cost base or revenue base out of the UK.

LSE Rebuffs Offer By Nasdaq Valuing Firm At $5.1 Billion (WSJ)

By Aaron Lucchetti In New York And Alistair Macdonald In London

The Wall Street Journal, November 21, 2006

Nasdaq Stock Market Inc. will likely have to increase its offer price if it wants a chance of taking over London Stock Exchange PLC after the London exchange rejected Nasdaq's latest advance.

That presents Nasdaq Chief Executive Robert Greifeld with a dilemma: Use even more of his shareholders' money to continue his lengthy pursuit of a reluctant partner or be saddled with a huge passive stake in LSE at a time when LSE faces challenges. Although it operates Europe's largest stock exchange by the value of shares traded, LSE is dogged by a series of competitive threats and isn't a player in the fast-growing market for trading derivatives.

Early Monday, Nasdaq took another run at the London Stock Exchange, proposing to buy the approximately 71% of the company it doesn't own for £12.43 a share, or $23.55, valuing the LSE at £2.7 billion, or $5.1 billion. The 300-year-old London exchange rejected the offer and declined to meet with Nasdaq officials. The response was similar to LSE's rejection of a March approach by Nasdaq at £9.50 a share. Nasdaq has a 60-day period under British takeover rules in which to convince LSE shareholders and its board to negotiate. Nasdaq billed its latest approach as its "final offer."

Investors quickly drove LSE's share price above Nasdaq's bid price, signaling that it will take a higher offer from Nasdaq to convince them to sell or that they expect a rival suitor to emerge. LSE's shares rose Monday in London to £12.91, up 6%. Nasdaq shares rose 3.1%, or $1.14, to $37.71 in Nasdaq trading, but debt-ratings firms threatened to lower their marks on Nasdaq's already junk-rated debt because of the risks and expense of a deal.

Prospects of another bidder appear dim, at least for now. Nasdaq's interest in the LSE is just one element of a major round of consolidation under way among the world's biggest exchange companies, which means there are few, if any, major potential suitors for LSE that aren't already tied up in deals.

NYSE Group Inc., operator of the New York Stock Exchange, has agreed to purchase Euronext NV, an operator of four stock exchanges and one derivatives exchange in Europe, in a deal Euronext shareholders are expected to vote on next month. Deutsche Börse AG, operator of the Frankfurt Stock Exchange, last week pulled out of a rival bid for Euronext but is unlikely to immediately look at London and has been rejected by LSE in the past. And Chicago Mercantile Exchange Holdings Inc. and CBOT Holdings Inc., operator of the Chicago Board of Trade, are pursuing an agreed-upon merger and aren't that interested in operating a stock exchange anyway.

WALL STREET JOURNAL VIDEO

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Watch a video report on The London Stock Exchange's rejection2 of a buyout bid from the Nasdaq. (Nov. 20)

The tie-ups are happening now because many exchange companies are seeking cost efficiencies through mergers as the fees they can charge users have come down. Big investors such as hedge funds, pension funds and investment banks also want to trade more easily in a wider range of markets.

LSE's flat-out rejection of even entering talks means Nasdaq's chances are slim at its current offer price, even though Nasdaq said formally that its offer was final and wouldn't be revised unless it received approval from LSE's board or a competitor jumped into the fray.

"We are disappointed by the quick rejection of our proposal and the LSE board's refusal to meet with Nasdaq," Mr. Greifeld said.

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Now he is relying on LSE's shareholders to complain vociferously that LSE should start talking to Nasdaq. One LSE shareholder whose firm owns about 1% of the company's shares said LSE should at least talk to Mr. Greifeld because he has made it clear he could increase his offer if LSE's board would start to negotiate.

Nasdaq is "transferring the burden to LSE's shareholders," says Rick Wetmore, an analyst at Turner Investment Partners, which owns shares of Nasdaq. He says that LSE finding a white knight is "unlikely in the near term."

One manager at a hedge fund that owns more than 3% of LSE said Nasdaq would have to dig deeper. "They are not going to win the company this way," he said.

Nasdaq said a deal would create the world's largest stock market by the number of listings, though it would be far smaller than a combined NYSE and Euronext if measured by the market value of listed companies. Nasdaq and LSE would comprise more than 6,400 quoted companies with a total market capitalization of about £6.3 trillion.

Nasdaq plans to leave the LSE some autonomy to regulate and operate its market. Such steps are likely necessary to gain approval from U.K. regulators. Mr. Greifeld doesn't view the step as the final move by Nasdaq to become a more global company. In an interview he called Asian expansion "a natural outgrowth of a market that wants to be the world's leading equity exchange."

A combined company would be home to Britain's giants such as Vodafone Group PLC and BP PLC, and Nasdaq's technology-oriented giants such as Cisco Systems Inc. and Intel Corp. but also thousands of smaller companies that have chosen Nasdaq in the U.S. and LSE's AIM exchange to list.

Nasdaq, which before Monday's announcement owned 25.3% of the LSE, backed up its offer by buying 7.1 million LSE shares, taking its stake to 28.75%, a move that cost it about £87.8 million.

If Nasdaq proceeds with its offer and wins at least a significant chunk of LSE shareholders, it could give it an inside track to shuffle the LSE board and management to a new group more supportive of a deal. Nasdaq could be in trouble if it doesn't ultimately snap up a majority of LSE shares with its offer. In that case, it would be prevented under U.K. takeover rules from bidding again for as long as one year, said Richard Repetto, an analyst with Sandler O'Neill & Partners.

Even among less-obvious potential bidders for LSE there appear to be few candidates. Magnus Böcker, CEO of Nordic exchange operator OMX AB, said in an interview that his exchange has no plans to bid for LSE and doubted whether this would change. The LSE held talks over the summer with U.K. broker ICAP, but the collapsed mainly because ICAP thought the exchange's shares were too high. ICAP also isn't expected to return to the table.

LSE may still look to other deals to give shareholders an alternative to Nasdaq's vision. One exchange investor said Monday that LSE could link with other independent stock markets in Italy or Spain, and the LSE has recently held talks about partnerships with the Tokyo Stock Exchange and the Bombay Stock Exchange.

Under CEO Clara Furse, LSE has repelled four approaches, including Nasdaq's March attempt. "We believe Nasdaq's final offer fails to recognize the outstanding growth record and prospects of our group on a standalone basis let alone the Exchange's unique global position," Ms. Furse said.

LSE in the past argued that it is more than capable of continuing to be independent given that it is located in one of the world's financial centers and because of what it sees as a long-term trend of increasing trading volume with the arrival of fast-moving hedge funds and computer programs that move money in and out of stocks quickly.

Ms. Furse's independent stance bucks the general trend among exchanges that have recently gone public and started looking for ways to expand and cut costs. Exchange executives like NYSE CEO John Thain have talked about the emergence of a handful of global exchange giants, and it is unclear where LSE would fit into that. LSE declined to say whether it was talking to potential rival bidders. A spokesman said: "We are continually exploring options over and above the standalone growth story."

Mr. Greifeld said Nasdaq was ideally suited to help LSE compete going forward. "We've never had a historical monopoly. We had to scratch and claw for our progress in the market," he said. He said that combining the two companies would give international companies "the ability to dual-list simultaneously in London and New York."

London Exchange Rejects Nasdaq's $5.1 Billion Offer (WP)

By Aaron Lucchetti And Alistair Macdonald

The Washington Post, November 21, 2006

NEW YORK, Nov. 20 -- The Nasdaq Stock Market will likely have to increase its offer price if it wants a chance of taking over the London Stock Exchange after the exchange rejected Nasdaq's latest advance.

The rejection presents Robert Greifeld, Nasdaq's president and chief executive, with a dilemma: use even more of his shareholders' money to continue his pursuit of a reluctant partner, or be saddled with a huge passive stake in the London exchange at a time when it faces challenges. Although it is Europe's largest stock market in terms of the value of shares traded,

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the London exchange is dogged by a series of competitive threats and is not a factor in the fast-growing market for trading derivatives, which are investments used to hedge against interest-rate changes.

Nasdaq's offer of $23.55 per share Monday was valued at $5.1 billion, which the 300-year-old London exchange said substantially undervalued the company. London exchange representatives also declined to meet with Nasdaq officials, similar to their response when approached by Nasdaq in March. Nasdaq has a 60-day period under British takeover rules in which to persuade the shareholders and board of the London exchange to negotiate.

Investors quickly drove the London exchange's share price above Nasdaq's bid price, signaling that it will take a higher offer from Nasdaq or that they expect a rival suitor to emerge. But prospects of another bidder appear dim, at least for now.

Nasdaq's interest in the London exchange is just one element of a major round of consolidation going on among the world's biggest exchange companies, which means there are few, if any, major potential suitors for London exchange that are not already tied up in deals.

NYSE Group., operator of the New York Stock Exchange, agreed to buy Euronext, an operator of four stock exchanges and one derivatives exchange in Europe, in a deal that Euronext shareholders are expected to vote on next month. Deutsche Borse, operator of the Frankfurt Stock Exchange, last week pulled out of a rival bid for Euronext, but is unlikely to soon look at London and has been rejected by London exchange in the past. And Chicago Mercantile Exchange Holdings and CBOT Holdings, operator of the Chicago Board of Trade, are pursuing an agreed merger and aren't that interested in operating a stock exchange anyway.

The tie-ups are occurring now because many exchange companies are seeking cost efficiencies through mergers as the fees they can charge users have come down. Big investors, such as hedge funds, pension funds and investment banks, also want to trade more easily in a wider range of markets.

But Nasdaq and the London exchange may be dealing only with each other or with no one at all. And London's rejection of talks with Nasdaq's means chances are slim at its current offer price, even though Nasdaq said its offer was final and would not be revised unless it received approval from the London board or a competitor jumped into the fray.

"We are disappointed by the quick rejection of our proposal and the London exchange board's refusal to meet with Nasdaq," Greifeld said.

Now he is relying on shareholders to complain that the London exchange should start talking to Nasdaq. One shareholder, whose firm owns about 1 percent of the company's shares, said that the London exchange should at least talk to Greifeld because he has made it clear that he could increase his offer if the London board would negotiate.

Nasdaq is "transferring the burden to London exchange's shareholders," said Rick Wetmore, an analyst at Turner Investment Partners, which owns shares of Nasdaq. He said the London exchange was unlikely to find a white knight soon.

A manager at a hedge fund that owns more than 3 percent of the London exchange said that Nasdaq would have to dig deeper. "They are not going to win the company this way," the mananger said, on condition that he not be named.

Nasdaq said a deal would create the world's largest stock market by the number of listings, though it would be smaller than a combined NYSE and Euronext if measured by the market value of listed firms.

British Shun A New Offer By Nasdaq (NYT)

By Heather Timmons And James Kanter

The New York Times, November 21, 2006

LONDON, Nov. 20 — The Nasdaq Stock Market has intensified a trans-Atlantic battle for the London Stock Exchange in an effort to overtake the rival New York Stock Exchange as the world's leading equity marketplace.

The London exchange, the largest in Europe, quickly rejected Nasdaq's $5.1 billion cash offer on Monday and said it would not meet with Nasdaq executives. Nasdaq officials said that while they still hoped to reach a friendly deal, they planned to go ahead with their offer.

The London market is attractive to Nasdaq because it has benefited from a flood of new money from Asia and the Middle East. It has lured new listings because its regulatory regimen is seen as less onerous than the oversight of stock exchanges in the United States.

A combination of the London market and Nasdaq would create a company with 6,400 listings and a total market capitalization of $11.3 trillion — making it the world's biggest stock market, Nasdaq said.

The world's share markets are moving energetically to consolidate, under pressure from customers to reduce fees and offer global services. By merging, exchanges can pool their liquidity and offer better prices to buyers and sellers. Last week, a group of big investment banks added to the pressure by announcing plans to create a pan-European stock trading platform next year.

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Reaching a deal with London could help Nasdaq overtake the New York Stock Exchange's parent NYSE Group in Europe. The New York exchange and Euronext, a network of four European stock markets and a London derivatives market, are expected to ask shareholders for final approval of their planned merger in December.

This is the second time this year that Nasdaq has offered to acquire the London exchange. In March, London rejected an informal offer of £9.50 a share. On Monday, Nasdaq made an offer of £12.43 a share ($23.57), up more than 30 percent from March, but only 2 percent above the London exchange's closing stock price of £12.18 on Friday.

Much has changed since March, though. London's shareholders have rapidly turned over, and as many as a third of its investors now are thought to be hedge funds, chiefly concerned not with a company's long-term business strategy but with the highest short-term return.

"It is difficult to see how this is not going to go through," said Lynton Jones, a former head of Nasdaq's international operations and a founder of Bourse Consult in London, which advises stock exchanges. "The London exchange is boxed into a corner."

But Nasdaq may still need to sweeten its offer. Apparently anticipating a higher bid, investors bid up the shares of the London Stock Exchange 6 percent on Monday, to £12.91.

Andrew Mitchell, an analyst with Fox-Pitt, Kelton in London, said, "It's not obvious where the L.S.E. can move next, but by not entering into negotiations with Nasdaq, they have put them in an awkward position." Nasdaq, he said, might be forced to offer more.

Yet officials at ratings agencies said that paying more could be dangerous for Nasdaq. One agency, Moody's Investors Service, put Nasdaq on review for a possible downgrading because of any additional debt that the company might take on.

Nasdaq has now accumulated nearly 29 percent of the London exchange's shares, enough to scare away rival suitors. It needs just over 50 percent to win control.

Doug Atkin, chief executive of Majestic Research in New York, said "the really powerful thing about this is there is no alternative" for Nasdaq rivals who hope to match the deal.

He added that Clara Furse, the chief executive of the London exchange, had "the equivalent of the only beachfront property in town."

And London has been reluctant to sell. The 246-year-old exchange has turned down offers in recent years from the Macquarie Bank of Australia, Deutsche Börse of Germany and OM, owner of Nordic region markets.

In a statement Monday, Ms. Furse said, "Nasdaq's final offer fails to recognize the outstanding growth record and prospects of our group on a stand-alone basis, let alone the exchange's unique global position."

Nasdaq replied that it was "disappointed" by the London exchange's decision.

Its chief executive, Robert Greifeld, said during a call with investors that he would like to reach a deal with the approval of the London exchange's board. He ran off a long list of concessions he would make in a takeover, including leaving the London Stock Exchange's board independent, its management intact and holding Nasdaq board meetings in London. Nasdaq would also list its shares on the London exchange.

He said Nasdaq "respects the strength of the London market" and will ensure that it continues its same practices. Mr. Greifeld also pledged not to raise broker-dealer fees for users of either market for three years. Nasdaq plans to use a combination of cash, preferred stock and bank debt arranged with Bank of America and Dresdner Kleinwort to finance the deal.

Nasdaq expects to post an official offer this week, at which time London Stock Exchange holders have 28 days to tender their shares. That period can be extended to 60 days. In addition, 30 days after posting a formal offer, Nasdaq can buy more shares of the London exchange on the market.

If Nasdaq succeeds, both it and the New York Stock Exchange would face competition on other fronts. The global investment banks — Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, Merrill Lynch, Morgan Stanley and UBS — have formally disclosed their plan to start a electronic European exchange. Predictions that such a market could take business away from the London Stock Exchange have recently weakened its share price.

Underlining the increasingly global market for stocks and futures, and a growing demand for cheap trading across time zones, both the New York and the London exchanges are in talks with the Tokyo stock market over possible alliances.

On Monday, the British government said it was open to foreign ownership in London but stressed that any takeover must not threaten the current regulatory framework.

"We are neutral with respect to the nationality of the ownership of the L.S.E.," said Ed Balls, economic secretary to the chancellor of the exchequer, Gordon Brown. "Our interest in the ownership of the L.S.E. is that it should not affect the existing risk-based regulatory regime under which the exchange and its members and issuers operate."

Curtain Rises On Final Act In LSE Drama (FT)

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Financial Times, November 21, 2006

The takeover battle for the London Stock Exchange has been like a romantic comedy in which the leading lady is determined not to get married. The LSE has seen off Deutsche Börse, the German exchange, Macquarie, the Australian bank, and other less determined suitors. Now Nasdaq, the US exchange, is wooing the LSE with a cash offer. The LSE's users will hope that it meets with no more success.

Nasdaq should not be turned down because it is American. The LSE is a profitable, private business and there is no public interest in protecting it from foreign ownership. It is important to ask, however, if the US authorities would allow a deal if the LSE were trying to buy Nasdaq.

Nasdaq has been careful to say that it would protect London's regulation, its brands and its individual identity. But it would be insane to do otherwise: those strengths, and the business that they bring, help to justify the high price Nasdaq is offering.

That price would stretch Nasdaq. It is already highly leveraged and its debt is not rated at investment grade. Yet it plans to pay for the LSE by borrowing more. Such a large debt burden would make it hard for the new company to cut prices for its users.

That would upset users, given that there would be cost savings from a merger. The economics of a stock exchange are like those of the software business. Once a computer program is written it costs almost nothing to sell more copies; once a stock exchange is set up it costs almost nothing to process more trades. Nasdaq and the LSE could share a technology platform and strip out costs.

Any merger between two stock exchanges has that advantage. The particular logic of Nasdaq buying the LSE, however, is less clear. There is no obvious demand for joint listings on the two stock exchanges and the bid seems to have more to do with Nasdaq management's desire to lead consolidation. Their shareholders should be asking tough questions about the price to be paid for that privilege.

For users the danger is that a Nasdaq deal makes consolidation among the European exchanges more difficult. With the NYSE likely to buy Paris-based Euronext, Europe may be stuck with three large exchanges: two owned by American rivals, and an independent Deutsche Börse. But what users want is a pan-European exchange, with independent, pan-European clearing and settlement.

The real prizes would be mergers among Europe's national exchanges and the merger of Deutsche Börse's clearing and settlement arm with LCH.Clearnet, which performs that function for the LSE and Euronext. A Nasdaq deal with the LSE brings such outcomes no closer. Shareholders in the LSE are likely to accept an offer at the right price. But stock exchange users will still sigh about the handsome Europeans the LSE turned away.

ENVIRONMENT/INDIAN AFFAIRS:

Snowmobile Plan Proposed For Yellowstone (AP-Y)

By Mary Clare Jalonick

AP, November 21, 2006

The National Park Service wants to maintain snowmobile regulations allowing 720 snowmobiles per day to enter Yellowstone National Park.

A draft statement issued Monday by the agency mirrors a temporary plan that has been in use for the past two winters. It would also allow 140 snowmobiles a day to enter Grand Teton National Park and the John D. Rockefeller Jr. Parkway, which connects the two parks.

The snowmobiles must use what the Park Service calls "best available technology" to reduce noise and pollution levels.

The plan was issued to other government agencies. The public will be able to comment on a separate draft expected in March.

Park officials stressed that the report is only a draft and that the plan is the agency's preferred alternative out of several proposals. A final plan is expected to be issued in time for the 2007-2008 winter season.

The agency has been looking at a wide range of options, from a ban on snowmobiles in Yellowstone in favor of snowcoaches — which run on tracks and can carry several people — to allowing more snowmobiles, which generally carry one to two.

"We are far away from the final decision," Grand Teton National Park spokeswoman Joan Anzelmo said.

The plan would limit snowcoaches in Yellowstone to 78 per day and require those vehicles to meet sound and emissions requirements.

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For years, snowmobile access to the park was largely unrestricted. But that ended before the 2003-04 winter, when the Park Service moved from a Clinton administration-era plan that called for phasing out snowmobiles in favor of snowcoaches and decided instead to limit the numbers and types of snowmobiles. Court challenges have also delayed a final decision.

Jon Catton, a Bozeman, Mont.-based conservationist, called the proposal "an unfortunate U-turn by the administration only months after it pledged to emphasize conservation in our national parks." Catton said noise pollution has continued to be a problem, even though far fewer than 720 snowmobiles have entered the park each year.

Yellowstone Plans To Retain Current Snowmobile Limit (NYT)

By Jim Robbins

The New York Times, November 21, 2006

HELENA, Mont., Nov. 20 — Yellowstone National Park officials say they will keep the number of snowmobiles allowed into the park at the level it has been under a temporary plan for three years, about 720 a day.

The park released a long-awaited draft environmental impact statement on Monday, proposing a long-term winter use plan for Yellowstone and Grand Teton National Parks.

Officials are seeking comments from the states and counties that border the park and will release another draft document for public comment early next year. The new plan will go into effect for the winter of 2009.

Allowing snowmobiles into Yellowstone, the nation's most famous wilderness park, has been hugely controversial and political. The current statement is the fourth environmental study of snow machines in the park. The Clinton administration proposed banning snowmobiles; the Bush administration proposed a limit of 1,000 a day.

The latest plan would allow 720 a day, split among the three main entrances. All snowmobiles that enter the park have to meet noise and pollution standards.

Although 720 is the current limit, the park has averaged only 250 snowmobile visits a day in the last three years. Environmentalists had hoped that the new plan would reflect the lower number.

"Yellowstone has a noise problem with 250 snowmobiles a day," Jon Catton, an environmentalist in Bozeman, said. "The park service says it already interferes with visitors' ability to hear erupting geysers and wildlife. This proposal will make it worse by allowing a threefold increase."

A spokesman for the park, Al Nash, said, "All of our measures would meet federal and state air quality guidelines," because of new technology.

Noise problems, Mr. Nash said, are largely caused by older snow coaches, an over-snow bus on rubber treads or skis.

The new plan requires such coaches to meet stricter sound and emission levels and limits them to 78 a day. On average, 32 now enter the park daily.

Businesses that depend on snowmobiles favor keeping the higher number.

The new limit, said Glen Loomis, owner of a snowmobiling and snow coach business in West Yellowstone, "still protects the wildlife and other values."

The new plan would also keep a requirement that snowmobilers ride with guides. Business owners have said that requirement limits the number of snowmobilers who visit the park.

Mr. Nash said the guide requirement had proven successful.

"We've seen the number of arrests and moving violations dramatically decrease," he said. "Guided travel is a way to provide safe and effective travel."

Environmentalists Seek Marine Protection For Parts Of Northwest Atlantic (FINDLAW/AP)

AP, November 21, 2006

(AP) - BOSTON-Parts of the northwest Atlantic Ocean stretching from Cape Cod in Massachusetts to the northeastern tip of Nova Scotia in Canada should be declared off-limits to fishing and other human activities in order to protect threatened marine species, two environmental groups said Monday.

The Boston-based Conservation Law Foundation and the World Wildlife Fund-Canada recommended creating 30 marine reserves extending 10 miles (16 kilometers) to 200 miles (322 kilometers) from shore.

The proposed zones include productive fishing areas, however, and creating the reserves in U.S. waters would require federal authorization.

A fishing industry official worried that closing large areas permanently could make it harder for fishermen to earn a living.

"They have to be very careful not to close an area that is producing a lot of net benefit to the nation," Vito Giacalone of the Northeast Seafood Coalition told The Boston Globe newspaper.

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The groups said they used computer technology to identify offshore areas where a large number of species could be protected while imposing the fewest restrictions.

Letters (WSJ)

Wall Street Journal, November 21, 2006

LETTERS

'Freedom' Is America's Truth, Sen. Webb -- 'Fairness' Is Subjective

In response to Jim Webb's Nov. 15 editorial-page essay "American Workers Have a Chance To Be Heard":

It is unfortunate, albeit not unexpected, that senator-elect Jim Webb makes the common mistake of using income inequality as a gauge of social injustice in this country. In a free market, income inequality is the inevitable result of individual productivity inequality, and of course productivity inequality exists due to variations in natural ability, industriousness, education, risk-aversion and dumb luck. The reason income equality has grown rapidly (although hardly "infinitely," as Mr. Webb hyperbolically asserts) is that productivity inequality has grown. And the reason productivity inequality has grown is that with the advance of technology and globalization, the impact of a good idea or exceptional performance can be leveraged dozens of times more than it could be even one generation ago. J. K. Rowling, the author of the Harry Potter series, has made more than $200 million for each book she has written. Is that too much? Absolutely not, when one considers the benefits that each book brings to tens of millions of children (and adults) around the globe. But the impact of J.K. Rowling's creativity and hard work, and the income she has earned from it, would have been perhaps orders of magnitude smaller 30 years ago.

Mr. Webb misses the point that one of the pillars of a free-market economy is that people should be allowed to earn in proportion to their productivity. To use government to do otherwise would be to impede productivity everywhere. In fact, my guess is that in most of the regrettable cases in which income vastly outstrips productivity, government intervention is probably to blame. The news that the three richest counties in the United States are clustered around Washington, D.C., certainly came as no surprise to me this morning.

In any case, a much better gauge of social injustice is consumption inequality. Of what relevance is it that there is large income inequality? Or wealth inequality for that matter? It only matters to the extent that it translates into unequal consumption of the country's resources, consumption being the true gauge of one's standard of living. I have not seen studies in this area, but my guess is that we are many times less unequal in our rates of consumption than in our levels of income or wealth.

Eric Meyer

Newton, Mass.

Blah, blah, blah. When are we going to actually hear something of substance from the Democrats? You would think they would've begun outlining how to deal with the "inequalities." People will start to think that they might not know what to do next.

Michael S. Woodard

Charlotte, N.C.

Mr. Webb forgets to mention in his diatribe against top wage earners that the top 5% band of earners pay 57% of the country's total income taxes. I guess that kind of data flew out of his mind when he switched sides.

Margaret McGirr

Greenwich, Conn.

Underneath the smooth rhetoric is a frightening message: "Fairness" is emphasized, but "freedom" not at all. Beware of any politician who places fairness over freedom. What is at jeopardy, in his hands, are your life, liberty and property.

Jim Brankin

Southlake, Texas

Mr. Webb asserts that the top 1% of wage earners "takes in" (not earns, mind you) "an astounding 16% of national income." IRS statistics for 2003 show the same top 1% pays a truly "astounding" 34.3% of all income taxes. If Mr. Webb could replace DNC talking points with some thinking and historical perspective, he might contribute rational problem solving rather then tired class envy and nostalgia for Great Society nostrums that led to Jimmy Carteresque stagflation.

Jay S. Haberman

New York

Nowhere does Mr. Webb actually outline what he'll do to benefit the American worker. All he provides is a list of Democrat buzzwords and phrases -- job outsourcing, CEO compensation, Rove, wage gap, Wal-Mart, etc. I have no problem with Democrats addressing issues they perceive to be hurting the American worker, but, please -- offer solutions.

Timothy O. Corkery

South Boston

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Mr. Webb is long on class envy and short on facts. Nowhere does he state what he would do to change the status quo. Senator, it is not the politics of the Karl Rove era that are distracting and dividing people -- it's you.

Joe Schroeder

Big Canoe, Ga.

Mr. Webb's rant is right in tune with the heart and soul of his new party. He sounds like Willy Stark.

Douglass M. Holmes

Louisville, Ky.

I'm so glad Mr. Webb opened my eyes to the fact that we mindless rubes, who are concerned only with the issues of "God, guns, gays, abortion and the flag," have merely been victims of seduction by the all powerful "Oz" -- Karl Rove.

Mark Rauschenberger

Washington

The country has changed in the 40 years since Mr. Webb "graduated from college in the 1960s," but apparently he has not. Today, the percentage of home owners has increased from under 20% to about 70%; the stock-owning investor class has increased from less than 10% to about 60%. The "top tier" that "has grown richer" has itself increased (as a definition of upper middle class and above) exponentially. All of this is under a program of steady decrease in taxation and regulation.

Lenny Toboroff

New York

If so many jobs are disappearing, as Mr. Webb would have us believe, why is unemployment at a historical low?

Patrick Duffy

Haddon Township, N.J.

Mr. Webb says "manufacturing jobs are disappearing." True. Contrary to his suggestion, though, this fact is unrelated to recent trends in globalization, corporate governance or tax policy. Manufacturing jobs as a percentage of the U.S. work force peaked in 1945 and have declined steadily ever since, even though manufacturing output continues to rise. Today this output is at an all-time high.

Donald J. Boudreaux

Chairman

Department of Economics

George Mason University

Fairfax, Va.

Mr. Webb's discussion of class structure implies that we are locked into a class and cannot escape, something that is simply not true in America. We can all move through various economic situations quite fluidly without any restrictions due to birth. Mr. Webb himself is a fine example: From his days working part time in college to becoming a best selling author to a senator, he has moved dramatically between various "classes" of earnings. Opportunity in America is distinctly classless.

Richard Noble

Eagle, Ind.

Jim Webb expresses a profoundly shocking un-American idea: From each according to his ability, to each according to his need. Our founding principle of individual rights recognizes the sovereignty of the individual in his thoughts and actions and the government as the protector of the individual's life, liberty, property and pursuit of his own individual happiness. The values he creates by his own efforts are his to dispose of as he chooses, not the property of the family, the tribe, or the state. There is no national income.

Ralph C. Whaley, M.D.

Barron, Wis.

Great Plains Drought Is a National Disaster

Your Nov. 15 editorial "Fargonomics" misrepresents the facts on agriculture disaster assistance. My bipartisan legislation would bring badly needed federal aid to the thousands of farm and ranch families whose livelihoods were destroyed by natural disasters including drought, flood, frost and disease.

This country has always responded to disasters, whether hurricanes, wildfires or drought. To represent the deepening drought of the Great Plains as anything but a national disaster is an affront to every farm family in the Midwest. This is the third worst drought in U.S. history, searing millions of acres of crops and livestock forage, and driving producers and the small town businesses that rely on them to the brink of foreclosure. If we do not respond, the drought will be followed by economic disaster across the plains.

You misrepresent the role of crop insurance. Yes, crop insurance is an important risk management tool for farmers and ranchers. But when those losses stack up year to year, as has happened as the drought conditions have worsened year after

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year, crop insurance loses its effectiveness -- the amount of crop loss covered goes down, while premiums go up. Crop insurance was never designed to cover repeated losses. Crop insurance isn't covering basic farm expenses, and the natural disasters depleting our farms and ranches are breaking the backbone of the Midwest economy.

Sen. Kent Conrad (D., N.D.)

Washington

Suffering in Africa Makes Us See (RED)

Your Nov. 10 editorial "Shopping for the Poor" (Taste page, Weekend Journal) made an astute observation: "Good charity" theory includes (in its DNA) the concept of sacrifice. You suggest that (Product) RED, our venture, is playing a part in questioning the hair shirt thinking. That was great. But alas, you then committed several interpretive misdeeds.

First, you say "too bad" that many (Product) RED items are not made in Africa. Give us a chance! We've been in business in the U.S. only five weeks. But within these weeks, we now have what we never had during our two years developing this project: objective proof that (RED) branded products produce a measured commercial advantage. Because we did not have that proof during development, could you really have expected us to persuade giant multinationals to source 100% of the (RED) products in Africa? That said, it is great that Gap has been producing there for years and that Motorola was able to purchase packaging materials in Lesotho.

Now that Gap has proved our theory, you will see many more products manufactured on the continent, not because we proselytized but because companies have seen the commercial advantage in doing so.

Second, you assert that because the Geneva-based Global Fund supports "a range of heath-related projects," our manifesto's assertion that (RED) money will not purchase AIDS medicines is incorrect. I am thrilled to confirm that the fund has accepted that money made by (RED) and will be used only for purchase and delivery of medicines to those suffering from HIV in Africa, with particular emphasis on women and children.

Third, you suggest that our energy might be better spent on promoting trade with poor nations. Because we have a lot of energy, we have made this exact idea part of our work at DATA, a public education/lobbying organization Bono and I co-founded in 2000. In fact, DATA is an acronym for "Debt Aids Trade for Africa" in return for "Democracy, Accountability and Transparency for Africa." Along with many others, we have supported new trade initiatives, including the Millennium Challenge Corp., change to customs regulations and AGOA, the African Growth and Opportunity Act, which allows tremendous new investment and trade between the U.S. and Africa. Our sister entity, one.org, works on trade issues in a grassroots manner.

We created (RED) to bring the marketing brilliance and the budgets of the private sector to bear on the greatest human health-care crisis in history. To make this happen, we needed a device, a brand that would enable the bravest and smartest companies to invest and to make money on that investment. (RED) is that brand.

Gap's campaign has proved our idea not only by its genius advertising and products, but by that fact that all Gap employees have been trained to explain this crisis to customers. In malls across America, young Americans are explaining AIDS to their customers and selling them T-shirts made in Lesotho and denim made in America from African cotton. As success builds on itself, more products will be sourced in Africa.

In addition, Motorola has launched its (Product) RED phones with Sprint and US Cellular -- wait until sales people in Sprint stores are telling stories about the positive effects of America's medicines and the opportunities for investment in Africa. Wow.

The Wall Street Journal

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Because of the large volume of mail, all letters are subject to abridgment and those unpublished can be neither acknowledged nor returned.

Navajos' Desert Cleanup No More Than A Mirage (LAT)

By Judy Pasternak, Times Staff Writer

The Los Angeles Times, November 21, 2006

Through a federal program, decontamination seemed possible. But delays and disputes thwarted the effort.

Church Rock Mine, N.M. — Most of the mining companies that drilled, dug and blasted for uranium on the Navajo reservation during the Cold War did nothing to repair the environmental damage they left behind. For a time, tribal leaders staked their hopes for a cleanup on Superfund, the landmark legislation that forces polluters to pay for remediation of toxic sites.

More than 1,000 abandoned mines are scattered across the Navajo homeland, which covers 27,000 square miles in Arizona, Utah and New Mexico.

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Such a comprehensive cleanup is "exactly what Superfund was designed for," said Paul Connor, a lawyer who once directed Superfund enforcement policy for the Environmental Protection Agency.

It hasn't happened. Bureaucratic delays and misunderstandings between the tribe and the EPA have prevented the Navajos from tapping Superfund's deep pockets and broad legal authority.

Instead, the tribe reluctantly settled for a partial cleanup under a separate program. That effort left many hazards untouched.

One of them is in Church Rock Mine, a Navajo community named for an abandoned uranium site. A 30-foot-high heap of grit and dynamited stone from the mine looms over a cluster of 15 homes. The wind roars for hours at a time, scattering radioactive dust throughout the settlement.

For years, residents appealed to tribal leaders and the U.S. government for help. In 2003, tired of waiting, they joined forces with Navajo activists who were using a foundation grant to conduct radiation testing.

In a dry wash where generations of children had played catch and tag, they discovered elevated radiation levels.

As word spread of the citizen effort, authorities stirred at last. Under pressure from the tribe, the EPA opened negotiations with the mine's operator, United Nuclear Corp., and its parent, General Electric Co., to clean up the mess.

If the companies eventually foot the bill, it would mark the first time a polluter has been held to account under Superfund for contaminating the reservation.

But like the Church Rock families, members of other Navajo communities are done waiting for the government to act. They have reached out to environmental groups or university scientists, hoping to fashion their own solutions.

"The Navajos need a champion," said Glynn R. Alsup, a retired Army Corps of Engineers official who served as a liaison to the Navajos. "The EPA and the tribe should be knocking on doors in Congress every year if they need money. I don't see that happening."

*

Thwarted efforts

The Navajos allowed intensive uranium mining by private companies starting in the 1940s. The lone buyer of the uranium was the federal government. The nuclear arms race with the Soviet Union was just beginning, and U.S. officials were desperate for material to make atomic bombs.

In contracts typed on onion-skin paper, the companies promised to leave the land "in as good condition as received." The federal Bureau of Indian Affairs approved all leases and was supposed to enforce their terms.

When demand for uranium eased in the late 1950s, mines and processing mills began to close. The operators often left behind open tunnels and shafts and piles of radioactive tailings. Rarely did they fence off the sites or post warning signs. Federal inspectors knew of the hazards but seldom intervened.

Decades passed. As former miners were dying of lung cancer and respiratory disease in the 1970s, their widows started to wonder whether they and their children were endangered by the detritus of the uranium boom.

In 1982, the tribal government demanded $6.7 million from a federal claims court to seal and clean about 300 mines. The tribe argued that federal inspectors had failed to enforce safety standards in order to keep down the price of bomb material.

A judge rejected the claim in 1985, calling the allegations "entirely speculative."

Next, tribal officials considered suing the mining companies. But a legal consultant advised that victory was unlikely because the firms had operated and departed with government approval.

The only other parties possibly liable were tribal members who had staked mineral claims and leased them to outside companies. But few of those Navajos made much money.

Running short of options, the tribe pinned its hopes on Superfund.

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Superfund criteria

The 1980 law gave the EPA power to identify the worst toxic-waste sites and force polluters to pay for cleanup, health studies, clinics, maintenance and monitoring. If no polluters could be found, EPA could pay for the cleanup from its $1.6-billion trust.

To get a site on Superfund's priority list, the tribe had to document the pollution. So staff members of the Navajo environmental commission, established in 1972, went from mine to mine, assessing contamination levels.

As they drove near New Mexico's Haystack Butte in 1990, their radiation detector began beeping. They determined that the radiation was coming from two mining complexes just outside the reservation. More than 50 Navajos lived within half a mile. Inspectors from the federal Centers for Disease Control and Prevention declared a health emergency.

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Determining who was responsible for the contamination proved arduous. Most of the mine operators had vanished. The Department of Energy paid to clean a part of the site once leased by the Atomic Energy Commission. Another portion was owned by the Atchison, Topeka & Santa Fe Railway. A subsidiary had mined there, and the railroad agreed to pay for cleanup.

The EPA did not pursue any other companies and ultimately paid for the balance of the cleanup — $500,000. The work was finished in 1992.

Sadie Hoskie, then the Navajo environmental administrator, figured there had to be another way. Restoring the reservation one mine at a time would take too long.

"We were concerned about the health impacts on the people," recalled Hoskie, who was working for the Navajos while on leave from a position at the EPA. "Their daily lives were not as safe as they believed."

In 1993, Hoskie went to Washington to complain. She told members of two House subcommittees that the Navajos wanted "speedy, thorough and permanent remediation of all sites."

Of 42 abandoned mines investigated by her staff, 28 were hazardous under Superfund criteria. But none had made it onto the national priority list — a sought-after status that all but assured the EPA would put its money and muscle behind a cleanup.

The reservation's low population density worked against the Navajos in the Superfund ranking system. The process "has proven a failure and must be changed," Hoskie said.

Rep. George Miller (D-Martinez) criticized the "piecemeal and uncoordinated approach" that "fails to eliminate the radiation health hazard."

Bill Richardson, then a Democratic congressman from New Mexico and now the state's governor, said the work at Haystack Butte was "all well and good, but "there must be a final and complete way to address the problems of cleanup."

*

Disagreements

To Hoskie, King Tutt Mesa illustrated the need for a comprehensive approach.

The rock tabletop in the reservation's northeast section was once the domain of a Navajo couple named King and Despah Tutt.

From 1953 to 1958, the Tutts leased a parcel known as King Tutt No. 1 to a succession of operators, the largest of which was Vanadium Corp. of America.

In 1989, Navajo inspectors visited the abandoned site and found huge mounds of dust and ore rich in uranium and other heavy metals — vanadium, selenium and arsenic. They also found products of uranium's decay — radium, radon gas, thorium and lead.

About 200 mines had been bored into the mesa. Hoskie suggested lumping them into one Superfund application. She believed that "the sheer number of sites" would make the application hard to reject.

After hearing her House testimony, EPA officials said they would consider the proposal.

In January 1994, tribal and federal officials gathered in Albuquerque to devise a plan for the mesa. But they quickly got bogged down. They couldn't even agree on the minutes of the meeting.

The Navajos thought the government had committed to pursuing "responsible parties" early in the process and listed this as an "action item" in their summary of the discussion.

After getting a copy, the EPA wrote back: "Please delete as an action item…. USEPA did not agree."

In 1996, federal officials finally concluded that King Tutt Mesa did meet criteria for a Superfund cleanup.

But because there were only 19 homes within three miles, its chances of making the national priority list were uncertain, said Andrew Bain, a regional EPA manager.

There was one sure way to make the cut. The Navajo president, like any state governor, could designate a single site for the national list. If the president wrote a letter, King Tutt Mesa could be the one.

But by then, the EPA was urging the tribe to consider a different path.

*

Another approach

Long before the uranium boom, miners had been digging for coal in Navajo country. Hundreds of spent coal mines dotted the reservation, and by the 1990s the tribe was filling and sealing them.

The work was paid for with fees collected from coal mining companies across the country and distributed by the Interior Department. The EPA began pushing the Navajos to use this coal money to seal the uranium mines, too.

Hoskie much preferred Superfund. The coal program wasn't designed to deal with the complicated issues surrounding the uranium sites.

Superfund gave the EPA the power to clean polluted groundwater that had spread beyond a mining site. The coal program couldn't pay for that.

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Superfund could remove and replace homes built with radioactive waste, a pervasive problem on the reservation. The coal program couldn't pay for that, either.

Superfund could go after mining companies to pay for cleanups. The coal program couldn't.

But the coal-fee money had one big advantage: It was readily available.

As for Superfund, even if the tribe put King Tutt Mesa on the national priority list, EPA's pursuit of the polluters could get tied up in court for years. The hundreds of other Superfund candidates on the reservation faced even longer delays, if they made the list at all.

In May 1994, the Navajos finished sealing entrances to the reservation's coal mines. The Interior Department certified that the tribe could start using coal money to fill uranium mines.

In the Navajo capital of Window Rock, Ariz., the time had come to make a choice.

Navajo Abandoned Mine Lands, the tribal unit that sealed old mines, was ready to start work on King Tutt "right then and there," recalled Stanley Edison, a chemist for the Navajo environmental agency.

"We'd been waiting, and the residents had been waiting," he said.

A partial cleanup trumped none at all, Navajo officials decided.

*

Starting over

Over the next decade, the tribe's workers sealed about 900 uranium mines, at a cost of more than $25 million. The achievement was substantial: Most of the old pits and shafts no longer presented a temptation to people and animals seeking shelter and water.

But Madeline Roanhorse, head of the Abandoned Mine Lands department, noted at a 2004 meeting in Washington that her staff was charged with fixing "physical hazards, not subsurface contamination."

Another problem is that erosion keeps undoing the tribe's work. In the desert, drought and wind continually strip the earthen covers off the mines and waste piles, exposing radioactive material. The tribe's maintenance workers have trouble keeping up with this wearing-away. The task will become harder if Congress approves a proposal to shift more coal-fee money to eastern states.

King Tutt Mesa reflects the limitations of the coal-fee program. Tribal workers have sealed the many shafts and tunnels, but polluted groundwater remains, and condemned homes, built with radioactive waste, still stand nearby.

So the effort to get the site listed for Superfund action is starting over.

On hearing this, Hoskie, now back in the Denver office of the EPA, sighed loudly. "Oh, my goodness," she said. "I don't think that the [coal-fee] reclamation is enough…. It's so bureaucratic. Why can't we rise above it?"

In 1999, Phelps Dodge Corp. swallowed the vestiges of Vanadium Corp. of America. Phelps Dodge is currently spending millions of dollars to clean up 10 former Vanadium Corp. uranium sites in remote canyons in Colorado and Utah. The company acted at the urging of the U. S. Bureau of Land Management and the Forest Service, which were concerned about the safety of hikers and campers.

Whenever Phelps Dodge is informed of such health hazards, "we will of course take responsible action," company spokesman Kenneth Vaughn said.

Asked why the firm was not cleaning King Tutt Mesa or other Vanadium Corp. sites on the Navajo reservation, Vaughn said there was a simple explanation:

"No one asked."

*

Turning elsewhere

In 1998, the EPA finally began to test for radiation and water contamination throughout the reservation. Navajo leaders saw reason to hope for the thorough cleanup that had eluded them for so long. But the sampling effort ended prematurely after an argument between tribal and U.S. officials over control of information.

The Navajos demanded that the federal crew pack up and leave. The sampling never resumed.

Ordinary Navajos resolved to turn elsewhere for help.

Milton Yazzie had been trying for seven years to get the tribe or EPA to test springs and reservoirs in Black Falls, Ariz. He suspected that cancers, kidney disease and eye problems among his family and neighbors were connected to the uranium mines. Yazzie drove an hour or more to Flagstaff, Ariz., several times a week to fill barrels with drinking water for his family.

In 2002, he persuaded EPA officials to hold a meeting at his parents' home to talk about uranium hazards. A year later, the agency honored him as an "environmental hero." He drove to San Francisco to receive a plaque.

"Despite approaching numerous agencies, the area remains without clean, regulated water," an EPA news release said.

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Yet six months later, the EPA denied an application from the U.S. Indian Health Service for a grant to bring clean water to Black Falls. The project was "ineligible," EPA officials said, because there was no evidence that the locals were drinking polluted water.

At wit's end, Yazzie asked researchers at Northern Arizona University to help. He guided chemistry professor Jani Ingram to six springs, wells and reservoirs. Tests of the water found dangerous concentrations of uranium and arsenic.

The Indian Health Service went back to the EPA. Eventually, the agency provided $830,000 for a pipeline to Black Falls Bible Church, where water will be sold to residents. The pipeline is expected to be finished in 2008.

But Yazzie, 49, said he would always wonder whether tainted water caused the kidney cancer that took his sister's life last year. She was 59.

When a tribal official e-mailed condolences, Yazzie typed a choppy reply: "There isn't a day that goes by thinking, what if I had done things differently, something would have been accomplished."

In the hamlet of Red Valley, Ariz., residents fear that pollution from uranium mines will spoil their plans for a new ball field, senior center, high school and other development. The planning committee contacted Franz Geiger, a chemist at Northwestern University, who sampled six wells in June 2004 and found uranium and arsenic. The concentrations were particularly high in a well serving 200 students at Red Rock Day School.

Back on campus, Geiger and a student researcher experimented with filters they hoped would remove the contaminants. The filters took out uranium, but not arsenic.

"It's at best a temporary solution," Geiger said, "but it's something."

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A big gray heap

Before United Nuclear Corp. began mining there in 1968, the valley where the big waste pile now stands was called Red Water, for the color of the local pond after a heavy rain. But residents soon adopted the name of their noisy new neighbor, Church Rock Mine.

Before long, they got used to the rumble of pickup trucks dropping low-grade ore off a ridge. In time, the waste pile reached the top of the cliff and stretched along its breadth.

Teddy Nez, his wife and their children lived about 500 feet from the heap. When United Nuclear closed the mine in 1982, Nez assumed the company would haul away the waste. He was wrong. He watched with concern as sheep, goats and cattle climbed up the pile and onto the ridge and as people searched the property for sacred herbs for healing ceremonies.

Through the 1980s, Nez, his wife Bertha and her cousin lobbied Navajo leaders to complain to the EPA.

Diane Malone, the tribe's liaison to the Superfund program, said she didn't learn about the waste pile until the mid-'90s, and then by chance. She was invited on a tour of United Nuclear's nearby processing mill, just off the reservation, which was being cleaned under Superfund.

Malone glimpsed the gray heap on the Navajo side of the border. On future visits to the mill site, she'd ask company and EPA officials: "Why is that pile still sitting there?"

"Nobody really took it seriously," she said.

Through fellow Navajos, Church Rock residents made contact with Chris Shuey, who studies uranium issues for the Southwest Research and Information Center in Albuquerque. With Shuey's help, Navajo activists had obtained a $90,000 grant to conduct radiation testing. Church Rock Mine was added to the project.

On learning of the grass-roots effort, the EPA provided technicians and a van with radiation-scanning equipment. The tribe donated detectors and training.

Malone joined the Navajos who walked through the residential community near the waste pile in October 2003, halting every few steps to take readings at waist and ground level. The morning was cold and blustery and the readings confirmed that the sand stinging their faces was radioactive.

"We just wanted to get out of there," she said.

The EPA concluded that chronic exposure to the radiation levels in the valley could lead to bone, liver and breast cancers.

In September, after negotiations with the agency, United Nuclear agreed to investigate the extent of the contamination. Then the two sides will discuss what further steps to take.

The network of families in the valley includes 96 grandchildren. The grown-ups want them to be able to stay and raise families of their own.

"We would like for them to build houses here that are safe," said Teddy Nez. "That's our goal."

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Times researcher Mark Madden contributed to this report.*

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FBI/DEA/ATF/USMS:

Senators To FBI: Get A VCF Refund (GCN)

By Wilson P. Dizard III

Government Computer News, November 21, 2006

Proposal would pit bureau against SAIC over failure

The Senate's draft of the appropriations bill for the Justice Department and the FBI would order the bureau to use "all means necessary" to try to recover funds from the vendor of its failed Virtual Case File project.

In an unusual action, according to several sources, the draft legislation—known as HR 5672, the Departments of Commerce and Justice, Science and Related Agencies appropriations bill—directs the bureau to retrieve as much as $104 million from the defaulted VCF contract.

The FBI hired Science Applications International Corp. of San Diego in 2001 to build VCF, which was intended to create an investigative case management system. The FBI pulled the plug in 2005 after realizing the system would not work.

A key sentence in the Senate report language for HR 5672 reads: "In addition, the Committee expects the FBI to use all means necessary, including legal action, to recover all erroneous charges from the VCF contractor ... ."

The Senate's reference to "the VCF contractor" especially singles out SAIC.

The FBI and SAIC both declined to comment on the legislation and related VCF matters.

If the FBI could recover funds, the bill would direct the bureau to use the money it would potentially recover from the VCF contractors on its current case management project, known as Sentinel.

The House version of the bill does not include a similar provision—meaning if the full Senate passes the bill with the language intact, it still could be stripped out during the conference committee session between the two bodies.

If the FBI were to try to take legal action to recover the VCF funds, it would be stepping into a legal and political minefield, sources close to the project said.

For one thing, even after the FBI had decided to scuttle the investigative case management system, SAIC recommended that the bureau should deploy VCF and made detailed technical proposals on how it could be salvaged.

Another critical problem is that the bureau has accepted some responsibility for the demise of the VCF project [GCN.com, Quickfind 714]. Sources close to the project said that some of the senior officials in place during the VCF fiasco—including director Robert Mueller—still hold powerful jobs in the bureau, and their reputations could suffer if a public lawsuit or civil trial unveiled the details of their roles.

The Senate Appropriations Committee itself acknowledged the bureau's role in bungling VCF, in report language attached to HR 5672: "The Committee understands that the FBI shares much of the burden for past IT failures."

One federal official involved in the VCF incident noted that federal contract law requires an agency that has cancelled a project because of contractor default to attempt to recover the funds from the contractor. "The FBI did not carry out that obligation because it never punishes its own," the official said.

"The real issue is why didn't they [seek to get the money back from SAIC]," the official said. "The world's greatest investigative body slowed this down. The answer is culpability of the FBI officials who are still there. Mueller says he takes the responsibility. I still think there is accountability and culpability."

A prominent federal procurement law attorney noted, "In general, when it terminates for default, the government has the same rights as a private party would in the event of a breach of contract [to recover misused funds].

"However, what the government usually does is to assess 'excess reprocurement costs,' " the attorney said. "In other words, it buys the same thing from someone else, and if it costs more, it charges the difference to the defaulted contractor."

The procurement attorney cautioned that he had not studied the specific details of the FBI's pact with SAIC, so he could not comment on how the general principles of federal contract law would apply to that specific matter.

The FBI and SAIC both declined to comment on the legislation and related VCF matters.

Legislative analysts said the VCF fund recovery language was inserted at the behest of Sen. Judd Gregg (R-N.H.), who is the second most senior Republican member of the Appropriations Subcommittee on Commerce, Justice and Science. Gregg's office did not respond to a detailed inquiry on the matter.

The full name of HR 5672 is the Departments of Commerce and Justice, Science and Related Agencies Appropriations Bill, [fiscal] 2007.

In addition to requiring the FBI to get back the money it paid to SAIC, the bill imposed other restrictions on the bureau that reflected the committee's skepticism that the agency is capable of managing large software projects.

DrugNet, Chapter 3: The PowerPoint (PHI)

By John Shiffman

The Philadelphia Inquirer, November 21, 2006

THE STORY SO FAR: Pills discovered at Philly's airport launch DEA's first global Internet pharmacy case, leading agents to a rendezvous with a mysterious shipper and a clue from overseas. Today's installment begins as Akhil Bansal, smuggling a half-million pills a month here from India, prepares for the biggest business meeting of his young life. It is July 2004.

ROXBOROUGH

"A red tie?"

Akhil Bansal scoffed. So far, he had accepted most of his roommate Atul Patil's advice for the big meeting: Put together a compelling PowerPoint presentation. Lean forward when you speak. Exaggerate your expenses, and expect the buyer to do the same. Above all, don't budge on price.

But the color of a tie? What difference could it make?

"It is a business tie - red means power," explained Patil, also an MBA student at Temple University. "You want them to take you seriously."

Akhil knotted the tie. The Manhattan meeting his father, Brij Bansal, had set up from India was too important to ignore any detail. A Costa Rican client sought an exclusive deal to buy 500,000 generic pills a month. Millions of dollars were at stake.

Akhil stepped from his apartment near Fairmount Park in Philadelphia and into the humid day. The laptop he carried contained a PowerPoint presentation of which he was very proud - one that months later would come back to haunt him.

He revved his Chevy TrailBlazer and sped toward Manhattan.

CHINATOWN

Like most law enforcement agencies in Philadelphia, DEA liked to keep cases in the family.

When other agencies got involved, DEA worried about losing control. Or sharing the credit - what feds called "the stat" - or sharing cash, cars and property seized in the arrests.

Carlos Aquino understood this.

He also understood that this case was different. DEA had never conducted an Internet pharmacy case on such a scale. It needed help.

What Carlos initially viewed as a quick-hit investigation had morphed into something much bigger, perhaps the case of his career.

Four months earlier, Carlos traced 119 packages of generic Valium and Viagra to a Chester shipper and two Indian graduate students. The shipper was an ex-con. The Indians looked like small-timers, couriers maybe.

The identity of the real targets - the Internet pharmacy kingpins - wasn't clear yet. But already a clue found at the shipper's storefront had led to something called Rx-mart.com, and from there to an Australian pharmacy with global tentacles.

So far, DEA had identified suspect Web pharmacies in Australia, India, Germany, New York, Virginia and Philadelphia. The pharmacies bought generic drugs for pennies a pill, then sold them online, without requiring a prescription, for a dollar apiece.

In a report Carlos shared with Homeland Security, he wrote: "Early investigative findings indicate... sales of $108 million annually... . This organization generates enough revenue per year to purchase a virtually unlimited supply of drugs."

In short, a public-health nightmare - people, even teens, buying highly addictive pills online, generics made cheap overseas, from who knows where.

Carlos approached DEA supervisor Jeff Breeden to begin putting together a team with other agencies. At a minimum, they would need people to trace Web sites, track bank accounts, run surveillance, supervise wiretaps, and trace passport and customs data.

Carlos sat in his DEA cubicle on Eighth Street, looked at the ferns, the Puerto Rican flag, and his Emiliano Zapata poster, and tried to think of a sexy title for the investigation, something to remind everyone who was top dog.

Carlos called it "Carlito's Way."

N.J. TURNPIKE

Akhil drove as fast as he dared, rolling through toll plazas with E-ZPass, toward Jersey's congested north and Manhattan.

He loved driving, just as he loved computers and business.

He missed India's hectic traffic with its Darwinian rules. For a young man who hated video games - they wasted valuable computer memory - driving was the ultimate reality game.

At home, he'd snake through Agra's clogged, 16th-century roads, then break onto the highways that split farmland between Agra and Delhi, or roar east to the Himalayas and Nepal. He'd push his Korean sedan to 80 m.p.h., crank up the air, and blast his 12-CD stereo, the woofer thumping Phil Collins or a Hindi cover of "Pretty Woman."

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Using the horn more than the brake, like any good Indian driver, Akhil would lean low, bouncing from lane to lane, zooming past cows, chickens, scrawny dogs, motorized rickshaws, camels carting rice, semis hauling flammable fuels, pickups stacked with wind-whipped riders. He'd fly by grimy green buses jammed with lesser castes, by women ferrying jugs on their heads, by motorbikes balancing families of four.

The sight of the Manhattan skyline with its steel canyons jolted Akhil back to the task at hand.

He did his best to act cool, but he was glad his roommate had come along. Patil was 30, five years older than Akhil, though his receding hairline made him appear older than that. Patil read books on the art of negotiation. Patil knew what he was doing.

They were on their way to meet Corrina Meherer, an executive for Interphar, a Costa Rican-based Internet pharmacy that also operated strip clubs. Interphar, looking to expand its business with the Bansals, had sent Meherer to New York to eyeball Akhil and his operation.

Akhil viewed the meeting as a different kind of test. He had built his father's U.S. business into an efficient, assembly-line operation, largely by phone and e-mail. But now he was headed for his first face-to-face business negotiation.

Could he close the deal? Or was he some young poseur playing businessman in a fantasy league?

WASHINGTON

DEA Administrator Karen Tandy had just settled into her seat at a U.S. Senate hearing, her prepared text next to the microphone, when the chairman began to rant.

"We are drowning in a flood of imported drugs of unknown composition and origin as well as potentially lethal controlled substances," Sen. Norm Coleman said. Unknown quantities of untested imported drugs too easily slip through customs, he said, mostly through regular cargo to JFK Airport.

"The federal government has been on notice about this issue for at least five years," the Minnesota Republican complained. "Many of the initiatives that we will hear about today sound eerily familiar. I am concerned by the apparent lack of progress in getting our arms around this glaring problem."

Tandy didn't disagree. "The attorney general and I have made it a priority," she said.

CHINATOWN

By midsummer, Carlos and Breeden had finished assembling a team for Operation Carlito's Way:

DEA agent Eric Russ - age 36, a no-nonsense former Marine who had worked hard-core pot, cocaine and heroin jobs, but never a pill case. No Internet jock, he still used AOL dial-up at home. His assignment: With Carlos, supervise the case.

IRS agent Aaron Carp - age 25, eager, hungry for something significant. His assignment: Trace bank records.

FBI agent Jason Huff - age 30, a buttoned-down software engineer recently transferred from the antiterror squad. His assignment: Trace the Web addresses of pharmacies and make undercover online purchases.

Immigration Customs Enforcement agent Andrew McCrossan - age 55, paternal, a customs inspector for 23 years. His assignment: Search passport, travel and global financial databases and determine how pills are smuggled past Customs.

Lower Merion Police Officer Christine Konieczny - age 35, quick-witted, a natural leader, one of a dozen suburban Philadelphia officers on loan to DEA since 2001. Her assignment: Supervise surveillance of the Indian suspects.

At Carlos' request, Konieczny took Carp and Huff on an early undercover job. When the young crewcut agents showed up, veteran cops on the detail cringed.

The baby-faced FBI man wore a suit, making him look a lot like... an FBI agent. And the IRS kid? He sported a Hawaiian shirt and shades, like something off the set of Magnum, P.I.

Konieczny laughed.

FORT LAUDERDALE, FLA.

Vic Devore, who ran bigcitymeds.com, studied the spam e-mail:

The medicine are the best quality available in India. We have made arrangements to ship within five to six days, in any part of USA, without any Customs problem. If you are interested...

Devore, 25, had chiseled cheekbones, white teeth, dark hair, and all-American aspirations to become a celebrity and a millionaire. He appeared well on his way, too. Devore gave traffic reports on South Florida radio and operated Web sites; some of them sold Zippo lighters, some sold generic Valium, Viagra, Darvon and Xanax.

Devore excelled at Web design, but had no medical training, not even a college degree. He didn't read the medical histories customers sometimes sent him. He didn't understand the legal disclaimers he posted. It was just marketing, words to make it all look legit.

Devore thought about the Indian's e-mail. This guy, Dr. Brij Bansal, was saying he could ship from inside the United States, which meant fewer packages seized by Customs, which meant more money.

From a Google search, Devore knew this was all illegal. Whatever. He e-mailed Bansal back.

MANHATTAN

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At a hotel near Times Square, Akhil met Meherer - 34, slender, in jeans and a T-shirt.

Akhil shook hands, feeling silly in his suit. He shot Patil a screw-you stare: Red tie, eh?

Akhil opened his laptop. Time to wow her.

Akhil titled his PowerPoint presentation Evolution because it outlined the development of his pill distribution network.

Evolution had four chapters. The first three - "Stone Age," "Bronze Age" and "Iron Age" - recounted Akhil's struggle to ship pills by himself and later to use a private shipper. Results had been mixed.

Meherer listened.

Gaining confidence, Akhil moved to the final chapter, "Revolution." His was a professional operation! Pills were now shipped in bulk from India to a home in Queens. Each morning, women working there downloaded customer orders and fulfilled them via UPS. With the new system, consumers got their drugs in 48 hours.

From the last slide, Akhil read aloud questions for discussion: "Can we process more orders? Can it be done with the same efficiency? How long can we keep this going? What if anything bad happens?"

He showed her clip art of Donald Duck and dollar bills. It seemed to say: Can you believe how much we're going to make?

Meherer laughed. Akhil did, too.

PLYMOUTH MEETING, PA.

Carlos wanted to meet a customer. What kind of person ordered pills online?

Of the 119 packages seized at the airport in February, a dozen had been destined for local addresses. That gave Carlos a list of leads.

As he headed out for his first visit, background data in hand, Carlos grabbed Huff, his new FBI colleague. They headed west on the Schuylkill Expressway, past Boathouse Row, past Roxborough.

Laura, an attractive woman in her mid-20s, answered the door of a luxury townhouse. Agents knew that she and her husband had no children, and that she held a six-figure sales job with, ironically, a pharmaceutical company. She looked nervous.

Carlos tried to put her at ease. "You're not in any type of trouble. We just want to talk to you about the Ambien."

Carlos saw her hands quiver as she invited them in. They sat on overstuffed couches, near a giant flat-screen TV. Everything looked new, clean. Too perfect, Carlos thought.

The woman spoke freely, almost eager to confess her secret: It all started with insomnia two years ago, for which her doctor prescribed the proper dosage - one pill a night. When the refills ended, and her doctor refused to renew the prescription, she decided she couldn't sleep without the drug. So she got online, Googled "Ambien," found a site, and bought 100 tabs with her credit card. Days later, the pills arrived.

Carlos: "How many pills a night do you take now?"

"Ten."

Ten? The agents tried not to flinch. Two years hooked on Ambien, at possibly lethal doses.

Carlos stepped gingerly. "Have you ordered any lately?"

The woman walked to a closet, where she hid her stash from her husband. She handed Carlos an envelope.

He spilled the pills across a coffee table and began to count.

QUEENS, N.Y.

Akhil felt pumped.

The meeting with Meherer had gone so well that the next day he took her to the Queens depot to show her how sophisticated his operation really was.

There was his fulfillment center, a clean, brick rowhouse secured by bars on the windows. He'd called ahead to send the workers home. Coffee and snacks were waiting.

Inside, Akhil gave Meherer and her Asian assistant the full tour:

Here, on the ground floor, was the office where supervisors David and Elizabeth Armstrong received e-mail orders from online pharmacies.

Here, on the second floor, the Indian women grabbed blister packs of pills from cubbyholes, each labeled with the names of the appropriate medicine.

And here, in the basement, the women packed the pills into boxes and labeled them.

Then, Akhil explained, the Armstrongs drove the packages to their nearby home, where UPS made a pickup daily.

As they moved through the tour, Patil could sense Meherer's assistant grow uneasy.

The volume. The audacity. The risk.

Patil overheard the assistant whisper to Meherer: "My God, this guy is crazy! I want to get out."

What if the police found out? What if they seized the pills? What was the plan?

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Stealing a line from Akhil's PowerPoint presentation, the assistant said, "What if something bad happens?"

QUEENS

A crisp October evening three months later. Rush hour.

A silver Olds Alero parked half a block from the Armstrong home. In the front seat, two blond women in their mid-30s chatted. Stuffed animals lined the rear window, above two child-booster seats. A couple of neighborhood moms.

Out of sight, the driver cradled a police radio, the passenger a tiny video camera.

Weeks of grueling surveillance had brought the driver, Konieczny, and her DEA team here. The 10-person detail had spent days camped near the Indian students' spartan Roxborough apartment. The agents hadn't seen much, just trips to the grocery store and the bank.

And when this Akhil ventured out? The way he drove! So fast, so crazy. And tough to tail.

Besides, how important were these Indians, anyway? Were they stars of a global conspiracy? Or bit players?

Either way, they were now essential to the case. Even if they didn't lead the DEA to a big boss behind the Internet pharmacies, they gave the feds in Philadelphia jurisdiction. Without a local defendant in the case, the office couldn't prosecute.

In August, the DEA team had followed the Indians to another Queens home. In September, agents there photographed the Armstrongs stuffing packages into a 1999 Lincoln Continental with MOTOR vanity plates.

Now, as dusk fell, the MOTOR car arrived at the Armstrongs' driveway. The cops watched them unload large, see-through plastic bags, each with about 20 packages inside.

Paydirt.

At 7:03 p.m., a UPS truck pulled up.

"You getting this?" Konieczny asked her partner holding the camera, Christine Kelliher.

"Yeah," Kelliher shot back. "I remembered to push record."

With the videotape rolling, Konieczny narrated, "The front door opened, and the driver is starting to load the bags. One, two... I'll count them. Three, four, five. God. Six, seven, eight, nine, 10, 11..."

The bags were so light that the Armstrongs carried a big one in each hand.

"Unbelievable! She's got 12. That's 13. 14, 15, 16, 17, 18, 19, 20, 21, 22. Oh, my!"

The packages kept coming.

"... 23, 24, 25, 26..."

The agents started laughing.

"... 27, 28. Oh, my gosh, 29, 30! I think they're done. 30 bags!"

They did the math: 30 bags, each with 20 smaller packages inside. That meant UPS had loaded about 600 packages. The average online pharmacy order was 100 tabs.

The Indians had just shipped roughly 60,000 pills illegally.

"Unbelievable," Kelliher said.

Another UPS truck appeared.

"I wonder," Konieczny suggested, "if they didn't have enough room in the first one."

Texas Man Pleads Guilty To Pot Charges (AP)

AP, November 20, 2006

LOUISVILLE, Ky. - A Texas man pleaded guilty Monday to conspiracy to distribute marijuana after he was caught driving a semi-trailer truck loaded with about 1,700 pounds of pot hidden among broccoli, authorities said.

Erasmo Castillo, 27, of Starr County, Texas, pleaded guilty to one count of conspiracy to distribute marijuana and one count of possession of marijuana with intent to distribute, said U.S. Attorney David L. Huber said in a statement.

Because of the quantity of marijuana involved, Huber said, Castillo faces a penalty of from five to 40 years in prison, a fine of not more than $4 million and a term of supervised release of at least four years.

Huber said that on June 26, 2005, a commercial vehicle inspection in Hope, Ark., revealed a semi was carrying a large quantity of marijuana. The Drug Enforcement Agency was notified and began surveillance of the semi and another vehicle. The vehicles ended up at warehouse in Louisville, where they were joined by two other vehicles. Castillo was arrested by DEA agents on June 27, 2005.

The street value of the marijuana is estimated to be approximately $7 million. None of the men arrested, including Castillo, were armed or resisted arrest.

The plea was entered before U.S. District Judge Jennifer B. Coffman for the Western District of Kentucky. Coffman has ordered a presentence investigation.

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115 Charged In Prescription-drug Sweep (LCJ)

By Tom Loftus

Louisville Courier-Journal, November 20, 2006

LEXINGTON, Ky. — More than 100 people have been charged in connection with a joint federal and state investigation into illegal prescription-drug trafficking in Eastern Kentucky.

State arrest warrants were issued Monday for 103 people in Eastern and Southeastern Kentucky, people that authorities described as street-level dealers.

In addition, 12 more people were federally indicted over the past month, including two pharmacists and 10 people authorities described as “suppliers,” authorities said in a news conference Monday.

Those indictments were unsealed Monday as arrests were made.

The drugs involved in most of the cases involved prescription painkillers such as Oxycontin, authorities said.

70 Seized In E. Kentucky Drug Sweep (LEXHL)

Lexington Herald-Leader (KY), November 21, 2006

Two licensed Kentucky pharmacists were among nearly 70 people arrested yesterday afternoon in a huge crackdown on prescription drug abuse in Eastern Kentucky.

David Gregory Jones, who owns RX Express in Ashland, and Dan Daffron, owner of Quick Script in Monticello, face federal indictments charging them with unlawful distribution of controlled narcotics. Daffron was arrested early Monday on a 16-count indictment and Jones was arrested later on a 559-count indictment.

During a news conference Monday, Kentucky State Police Capt. Joe Williams classified prescription drug abuse as "a substantial problem in Kentucky." Williams declined to go into details about the case involving the two pharmacists, but said controlled substances accounted for 98 percent of business for one of the men.

"I'm told the normal percentage at your corner drug store is about 15 percent controlled substances," he said. "This guy is out there distributing these drugs and making a lot of money off of it, getting it out to people who are going to divert it. Some of them are drug addicts themselves; a lot of them will turn around and sell them and they'll make money off it too."

Jones, according to court documents, distributed large quantities of several prescription drugs including OxyContin, hydrocodone and alprazolam. Daffron is accused of distributing several drugs, including hydrocodone, Darvocet and dextroamphetamine.

During the course of the investigation, officials say, Jones made $1.5 million and used the money to -- among other things -- pay premiums on a life insurance policy, purchase a Yamaha Grand Piano, a custom-made 10 carat diamond bracelet, property and several vehicles, including a 2005 Mercedes SCK350.

U.S. Attorney Amul Thapar said law enforcement officials were still searching for more than 30 others suspected of trafficking prescription drugs. Most, he said, appeared to be mid- to street-level dealers.

Arrested and charged with conspiring to possess and distribute quantities of controlled substances were Javed Ashiq, Roger Dean Combs, Kelly Marie Green, Tonya Lynn Groover, Kurt Francisco Kilgore. Adam Justice Palm and Kimberly Monette Palm were part of a five count indictment, charging them with two counts of conspiracy to distribute controlled substances, two counts of possession with intent to distribute controlled substances and one count of forfeiture.

The maximum penalty for all charged would be up to 20 years imprisonment.

The arrests, part of 101 arrest warrants issued for alleged dealers, some with out-of-state ties, came after an 18-month investigation involving local, state and federal law enforcement. The criminal conduct spanned more than 11 counties in the Eastern District of Kentucky and distributors were from Georgia, Indiana, Ohio and Tennessee, authorities said.

Law enforcement agencies teamed up with the anti-drug organization UNITE and Kentucky All Schedule Prescription Electronic Reporting or KASPER, a state database that helps health officials and law enforcement detect prescription fraud and drug diversion by tracking suspicious prescription patterns, Thapar said.

"Through teamwork, we're moving beyond our borders," Thapar said. "We're reaching out grabbing these people. We're reaching beyond our borders and saying 'enough. Don't bring it to Kentucky.'"

Eastern Kentucky, nicknamed the "prescription-painkiller capital of the United States," has long been known for heavy abuse of OxyContin and Vicodin.

Yesterday, Karen Engle, executive director of UNITE, said it was time to put an end to the pipeline into Eastern Kentucky. Several counties in Eastern Kentucky, she said, have more prescribed narcotics than anywhere else in the nation.

"This pipeline from Ohio and Tennessee and Virginia must stop, and it must stop now," she said.

Drug Sweep Nets More Than 50, Including 2 Pharmacists (AP)

DOJ_NMG_0096929

AP, November 21, 2006

LEXINGTON, Ky. State and federal authorities have arrested more than 50 people in a major drug sweep in eastern Kentucky today.Two pharmacists from Ashland and Monticello were among those caught in the drug busts.U-S Attorney Amul Thapar says authorities also confiscated numerous prescription drugs, including the powerful painkiller OxyContin, that were being sold on the black market.Police are still looking for about 50 more alleged street-level drug dealers named in indictments. They also are looking for black market distributors from Georgia, Indiana, Ohio and Tennessee.Investigators from the anti-drug organization UNITE coordinated the roundup.

Bonds' Personal Trainer Back In Prison (AP)

AP, November 21, 2006

DUBLIN, Calif. -- Barry Bonds' personal trainer returned to prison Monday afternoon for refusing to testify before a federal grand jury investigating Bonds' steroid use.

Greg Anderson has twice been freed on technicalities. He was ordered to report after an appeals court last week upheld the entirety of his contempt-of-court citation _ meaning Anderson could serve a year or more unless he testifies against Bonds, his boyhood friend.

In 2003, Bonds testified before a federal grand jury probing steroid use that Anderson had provided him flaxseed oil and arthritis balm, not steroids. Authorities suspect Bonds is lying, and have subpoenaed Anderson to testify.

Anderson also has served three months stemming from that steroids investigation, pleading guilty to distribution and money laundering charges.

The Bay Area Laboratory Co-Operative scandal has netted five convictions, including Anderson's, and one pending indictment.

27 Face Charges In Mississippi Drug-trade Ring (WT)

By Jerry Seper

The Washington Times, November 21, 2006

Drug Enforcement Administration agents in Mississippi, assisted by local law-enforcement authorities, have arrested 27 persons, confiscated more than $15 million in cocaine and marijuana and seized cash and property worth $3 million as part of a lengthy undercover investigation.

"Operation Central Hub targeted and successfully dismantled one of the largest drug-trafficking operations ever known to operate in the state of Mississippi," said DEA Assistant Special Agent Stephen Luzinski in the agency's Jackson, Miss., field office.

"It was especially significant in that agents were able to successfully trace the movement of both drugs and money from the hands of high-level Mississippi traffickers into the hands of some of Mexico's most powerful drug traffickers," Mr. Luzinski said.

The Mississippi Bureau of Narcotics initiated the investigation in April 2005 and later joined forces with DEA to jointly start a federal investigation targeting multiple high-priority cocaine and marijuana trafficking distribution cells operating in Hattiesburg and the Jackson-metro area.

DEA spokesman Rusty Payne at the agency's Washington headquarters, said yesterday that the investigation also yielded criminal links to drug organizations in Dallas; Atlanta; Little Rock, Ark.; Detroit; and Laredo, Texas.

Mr. Payne said Operation Central Hub also produced important connections to Mexico, revealing direct criminal links and associations between select Mississippi organization heads and Mexican drug sources of supply. Texas-based organization members, he said, were found to be functioning as logistics coordinators in arranging the delivery of drug loads from Mexico to Mississippi.

This same group arranged for the collection of money as payment for the drugs, he said.

Through a coordinated multiagency investigative attack, agents uncovered the existence of a highly sophisticated drug-trafficking organization with tentacles across the United States, which routed large shipments of cocaine and marijuana across the border from Mexico into South Texas.

Once inside U.S. borders, Mr. Payne said drug shipments were shuttled from Texas to various cities throughout the nation in 18-wheel commercial tractor trailers operated by truck drivers employed by the Mexican drug bosses.

Investigators also discovered that the organization used large gooseneck trailers outfitted with sophisticated hidden compartments accessible only through a hydraulic remote-control system. The trailers were pulled by dual-wheel pickup trucks and were capable of holding several thousand pounds of marijuana.

Mr. Payne said Dallas, Laredo and San Antonio-based drivers and couriers routinely were dispatched to Mississippi to meet with cell leaders and deliver the drug loads.

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As part of a parallel financial investigation, he said, agents discovered that local distributors were normally provided with drug shipments on a consignment basis -- meaning that shortly after receipt, the Mexico-based suppliers and Texas logistics coordinators requested cash payment.

Agents Credited For Drug Busts (BSH)

By Robin Fitzgerald

Biloxi Sun Herald, November 21, 2006

GULFPORT - Federal authorities credit Gulfport-area narcotics agents with starting an investigation that has dismantled one of the largest drug-trafficking operations in Mississippi.

The investigation has resulted in 27 arrests and the seizure of $15 million in drugs and $2.9 million in cash and other assets, said Stephen Luzinski, assistant special agent in charge of the DEA in Jackson.

"It was especially significant," said Luzinski, "in that agents were able to successfully trace the movement of both drugs and money from the hands of high-level Mississippi traffickers into the hands of some of Mexico's most powerful drug traffickers."

As the cocaine and marijuana investigation expanded, it became known as Operation Central Hub and linked courier travels with cash payments at hotels mostly in the Hattiesburg and Jackson areas.

The investigation was launched in April 2005 by the Mississippi Bureau of Narcotics and agents assigned to DEA's Gulfport district office, which includes Hattiesburg.

Operation Central Hub produced "important connections" to Mexico with criminal links in Mississippi and in Texas, where drug delivery arrangements were coordinated, Luzinski said.

Once the drug shipments crossed the U.S. borders, they were shuttled to various cities, primarily in 18-wheelers driven by employees of Mexican drug bosses. The drugs often were hidden compartments or commingled with legitimate cargo loads.

In some cases, the deliveries used "large, gooseneck trailers that were outfitted with sophisticated hidden compartments accessible only through a hydraulic remote control system," Luzinski said.

Drivers and couriers based in Dallas, Laredo and San Antonio were sent routinely to Mississippi to deliver the drugs. The large loads of cash were then hidden in 18-wheelers for delivery to Mexico.

Luzinski said the investigation also turned up illegal drug links in Atlanta, Detroit and Laredo, Texas.

Police Find One Completed IED, Components For More Explosive Devices (DLYSENT)

By Emily Taravella

The Nacogdoches (TX) Daily Sentinel, November 21, 2006

The components of an explosive device and a psilocybin mushroom/marijuana-growing operation were discovered early Monday in a unit at Lakewood Village Apartments, by Nacogdoches police officers investigating an assault.

One resident of the apartment unit was undergoing psychiatric evaluation Monday. At press time, no arrests had been made.

Nacogdoches police and fire, along with University police officials and ATF agents cordon off a section of apartments where they say they found 'components' that could be used to craft an explosive devise.

A joint investigation is being conducted by the Nacogdoches Police Department and the Bureau of Alcohol, Tobacco and Firearms, according to Sgt. Greg Sowell, NPD community relations officer.

Although Sowell did not release the nature of the components seized by the ATF, he said the ATF is describing them as "components that could be assembled as an improvised explosive device."

"As it stands, the investigation is in preliminary stages," he said. "Everything has been seized, and the apartment has been released. Arrests could be forthcoming."

Sowell said the report of assault came in around 1 a.m.

After discovering the components of an explosive device, some of the surrounding Lakewood units were evacuated. Lakewood Street was closed from North Street to North Pecan Street until the ATF arrived.

IMMIGRATION:

Arizona Growers Race Against The Clock To Find Winter Harvest Workers (USAT)

By Daniel González

USA Today, November 21, 2006

DOJ_NMG_0096931

YUMA, Ariz. — C.R. Waters practically lives in his pickup now that harvest season has begun for the winter vegetable capital of the USA.

As the farm manager for a major vegetable distributor, he makes sure everything from iceberg lettuce to broccoli is ready to pick at precise times.

Good weather has created ideal growing conditions, but Waters is worried that when the vegetables are ready, there won't be enough laborers to get crops out of the fields to market.

Waters, president of the Yuma Fresh Vegetable Association, said it will take 30,000 seasonal workers to harvest the sea of winter vegetables grown in Yuma County, where the fruit and vegetable crop was valued at $745 million in 2004. The area produces 90% of the winter vegetables consumed in the USA and Canada, and 98% of the iceberg lettuce, according to the Arizona office of the National Agricultural Statistics Service, a part of the U.S. Department of Agriculture.

If growers can't find enough workers, some crops may go unpicked. That could increase prices at the supermarket, and create substantial financial losses for farmers.

Last year some growers overproduced, so prices stayed low even though some labor contractors reported a 30% shortage of workers. Yuma growers won't know how severe the labor shortage will be until the harvest kicks into high gear this month. To hedge their bets, they planted 15% fewer acres this year.

“You can have the best crop in the world, but if you don't have the labor to harvest it, it's going to rot in the field,” Waters said.

Growers and farm advocates say the shortages, even with thousands of legal Mexican laborers, have become more severe as stricter immigration enforcement, tighter border security and increased competition from construction and other industries have shrunk the pool of seasonal workers.

The shortages are not limited to the Yuma region. Vegetable growers in Colorado, pear growers in northern California, and apple growers in Washington, all have lacked workers. During the harvest, lettuce pickers earn a base pay of $8 an hour, plus bonuses the faster they pick. The best lettuce pickers can earn as much as $12 to $14 an hour.

For years, these workers have served as the backbone of the labor force in Yuma. Many farmworkers, however, have been drawn by steady jobs at housing developments and construction sites sprouting up around Yuma that pay better.

The increased presence of Border Patrol agents also has scared some illegal workers already in the USA away from Arizona.

In the past year, the Border Patrol also doubled the number of agents assigned to the Yuma sector to 551. Another 200 are on the way. The buildup is having an effect, the Border Patrol reports. Arrests for the 2006 fiscal year that ended Sept. 30 declined 14%, to 118,549 from 138,438 the year before.

“As we gain more operational control, they (smugglers) are seeking other routes,” Border Patrol agent Maranda Weber said. “In the past, there were a lot of undocumented doing this work but now there is so much border enforcement,” said Glafira Sanchez, a lettuce crew foreman for Valley Pride, a vegetable harvester in Yuma.

Growers such as Doug Mellon, 61, scoff at that notion that growers would have less trouble finding workers if they paid more. Because unemployment is low, there simply aren't enough workers, he said. On top of that, most Americans shun farm work.

“I don't care if you paid $40 (an hour), they'd do it about three hours and say, ‘That's not for me,' ” Mellon said.

Many growers say the long-term solution is an expanded “guest worker” program for agriculture.

Earlier this year, the Senate passed comprehensive immigration changes, legislation that included a provision known as AgJobs, which would have created a new temporary-resident status for seasonal farmworkers and given long-term farmworkers a chance to apply for permanent residence.

During negotiations in Congress this year, Yuma farmers offered to test a scaled-down version that would have allowed Mexican workers to commute daily across the border with temporary work visas. Conservative Republicans in the House, however, refused to consider the comprehensive immigration changes, angering growers who tend to vote Republican.

“I hate to say this, but the Republicans in Congress just played politics with this and never came up with a solution. It has really frustrated me,” said Mellon, a Republican.

Now growers hope the new democratically controlled Congress will revive guest-worker legislation next year.

As for this year's harvest?

“It's too late,” Mellon said.

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TAX:

IRS Links Increased Revenue To More Audits (WP/AP)

By Jim Abrams, Associated Press

The Washington Post, November 21, 2006

A taxpayer who made more than $1 million had a one-in-16 chance of being audited by the IRS in the fiscal year just ended, up slightly from the year before.

Commissioner Mark W. Everson said in a telephone news conference Monday that the Internal Revenue Service also paid more attention to the filings of small businesses that tend to underreport incomes and to the records of tax-exempt organizations.

Overall, enforcement revenues for fiscal 2006 were $48.7 billion, up from $47.3 billion. Revenues in fiscal 2005 had jumped 10 percent because of collections from a crackdown on improper tax shelters.

"We have restored the credibility of our enforcement programs which were badly diminished and to some degree gutted" in the 1990s, Everson said.

The "tax gap," the difference between what taxpayers owe and what is collected, has been estimated as $345 billion annually, and congressional Democrats coming to power see closing this gap as an important way to raise revenue without raising taxes.

Everson said that audits of individuals making $1 million or more increased to 17,015 from 12,835. That was an increase only from 6.1 percent to 6.3 percent because of the growing number of millionaires. About 1 percent of all taxpayers face audits.

Audits of people with incomes surpassing $100,000 were up 18 percent, to 257,000. Total audits increased 6 percent, to almost 1.3 million.

Everson said there was also a one-third increase in audits of S corporations, to almost 14,000. An S corporation is generally a small business in which profits pass through to the owners, who report them on their personal tax returns.

He said the IRS had added resources to its tracking of charitable and tax-exempt organizations, with audits up 43 percent to 7,079.

CONGRESS-ADMINISTRATION:

GOP Leaving Spending Bills To Democrats (AP-Y)

By Andrew Taylor

AP, November 21, 2006

Republicans vacating the Capitol are dumping a big spring cleaning job on Democrats moving in. GOP leaders have opted to leave behind almost a half-trillion-dollar clutter of unfinished spending bills,

There's also no guarantee that Republicans will pass a multibillion-dollar measure to prevent a cut in fees to doctors treating Medicare patients.

The bulging workload that a Republican-led Congress was supposed to complete this year but is instead punting to 2007 promises to consume time and energy that Democrats had hoped to devote to their own agenda upon taking control of Congress in January for the first time in a dozen years.

The decision to drop so much unfinished work in Democrats' laps demonstrates both division within Republicans ranks and the difficulty in resolving so many knotty questions in so short a time. GOP leaders promised their House and Senate members the December lame duck session would last no more than two weeks, or until Dec. 16 at the latest.

Now, with the agenda shrinking, a session that will be the last for 45 retiring or defeated House members and senators should be wrapped up by Dec. 8.

That could work against efforts to forestall a cut in physicians' Medicare payments. Under a formula dating back to 1997, Medicare payments to doctors for office visits will drop an average 5 percent on Jan. 1 — unless Congress steps in. Keeping them the same for another year would be expensive, about $10.8 billion, and chances are mixed at best for the doctors' lobby.

Driving the decision to quit and go home rather than finish the remaining budget work is a determined effort by a group of conservative Republicans to prevent putting a GOP stamp on spending bills covering 13 Cabinet Departments — and loaded with thousands of homestate projects derided as "pork" by critics.

Some Republicans on Capitol Hill would rather complete this year's budget work and have the GOP's imprint rather than a Democratic one on how federal agencies will be spending their money through next September. However, conservatives such as

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Sen. Jim DeMint, R-S.C., fear doing that would leave as the GOP's legacy a foot-tall bill containing thousands of parochial projects. Last week they seized the upper hand by employing delaying tactics to drag the budget process to a halt in the Senate.

"The last thing Republicans need is an end-of-Congress spending spree as our last parting shot as we walk out the door," said DeMint spokesman Wesley Denton.

Some Republicans also look forward to using unfinished budget work to gum up an early Democratic agenda that includes raising the minimum wage, negotiating lower drug prices for Medicare beneficiaries, cutting interest rates on college loans and repealing some tax breaks for oil companies.

"Other stuff may get pushed off the table," said GOP lobbyist Hazen Marshall, a former longtime Capitol Hill aide. "It kills (Democrats') message."

For its part, the White House sided with GOP traditionalists such as Appropriations Committee Chairman Thad Cochran, R-Miss., who has been pushing to finish the budget while Republicans still hold power.

"We think it's the best thing for fiscal discipline," White House Budget Director Rob Portman told reporters last week.

Instead, lawmakers are expected to pass a temporary bill to keep the domestic agencies such as the Education, Transportation and Housing and Urban Development departments on autopilot at this past year's spending levels until Democrats can come up with new bills.

It will be no small test of the incoming Democratic majority, which has yet to develop a plan to cope with the more than $460 billion in unfinished budget business. The Democrats' problem is made even more complicated because President Bush in early 2007 will send Congress a bill that could exceed $130 billion for continuing the war in Iraq, according to Capitol Hill aides.

Bush is likely to be torn between the necessity of working with Democrats to finance his priorities — including the war — and a desire to take a stand against spending increases. Bush has never vetoed a spending bill in his six years in office, but that may change now that it will be Democrats writing them.

Democrats pledge not to overreach in their dealings with the president.

"We're not going to send him veto bait," said Rep. David Obey, D-Wis., who will be taking over as the chairman of the House Appropriations Committee. "We're not that stupid."

Fiscal Battle Lines Drawn (HILL)

By Elana Schor

The Hill, November 21, 2006

As partisan wrangling over spending priorities dominates the Senate's lame-duck session, the battle lines are forming for next year's Democratic effort to reinstate pay-as-you-go budget rules that Republicans decry as a back-door tax increase.

Democratic leaders vowed even before their decisive Election Day victories to demonstrate their commitment to fiscal responsibility by restoring the pay-as-you-go statute, also known as pay-go, should they win back the majority. Pay-go under law, which expired in 2002, required any new mandatory spending or tax breaks to be offset or risk automatic across-the-board spending cuts.

While budget analysts often point out that the hefty Democratic agenda for the 110th Congress would present an immediate challenge to pay-go, Republicans blast pay-go as a tax hike in budget-cutting clothing. Extending President Bush's tax cuts, including investment tax breaks that the GOP pursued through a marathon reconciliation process last year, under pay-go would require finding offsets that few Republicans believe a Democratic majority would want to seek out.

Though they have little hope of defeating a Democratic pay-go plan next year — the vice president cast a tiebreaking vote to stave one off in March — Republicans are poised to put up a fight for a pay-go rule that treats taxes and entitlements equally.

"The big question is, are they going to have integrity in the presentation?" said Sen. Judd Gregg (R-N.H.), outgoing Budget Committee chairman.

The Congressional Budget Office treats reauthorized entitlements as pre-existing programs, relieving lawmakers of the need to find offsets under pay-go, but Democrats could tweak their new pay-go rule to apply to more entitlement spending. Gregg said he would support a pay-go process with those changes made, but he also wondered whether Democrats would pass alternative minimum tax (AMT) relief before restoring pay-go as a means to avoid offsetting it.

"So far I've heard, 'We're going to do an AMT fix, and then [tax] extenders, and then do pay-go,' " said Gregg, who often refers to pay-go as "tax-go." "Let them put pay-go in place first."

New Senate Budget Chairman Kent Conrad (D-N.D.), a strong supporter of pay-go, blocked floor action last week in a push to secure a vote on his $4.5 billion emergency farm aid package. Six farm-state Republicans, including Mike Enzi (Wyo.) and Pat Roberts (Kan.), signed on as cosponsors of Conrad's amendment, but some conservatives were taking notes on the move with an eye to the coming pay-go debate.

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"This tension is not taking too long to play out," said Brian Riedl, budget analyst at the conservative Heritage Foundation. "Congress would routinely waive pay-go [in the 1990s]. It ends up being a paper tiger."

Yet Conrad's floor fireworks came after compromises on his part, such as the removal of direct payments to farmers that had raised White House objections and a cut in the package's overall cost. Conrad won a promise from leadership to take up his amendment as soon as the Senate returns next month, which he views as a chance to lay down his marker even as the overall appropriations bill appears unlikely to come to a vote.

"Pay-go is not designed as the cure-all for our budget ills," Conrad said in an interview. "I've never wanted to oversell pay-go. It's sort of a straw-man argument on [Republicans'] part, that 'it doesn't solve this, it doesn't solve that.' It's not intended to solve all those things."

Conrad also expressed support for a pay-go that would cover entitlement reauthorization, citing next year's children's health insurance program rewrite as an example. As for cutting down on future emergency farm-aid packages, he proposed a permanent disaster relief title in next year's new farm bill, which a spokesman for new Agriculture Committee Chairman Tom Harkin (D-Iowa) said was under consideration.

Meanwhile, both parties are amplifying their pay-go messages. The Senate GOP Policy Committee, which Sen. Kay Bailey Hutchison (Texas) will take over next year, released a pre-election report dismissing Democratic pay-go as "support[ing] an anti-tax-cut agenda unrelated to fiscal restraint."

Former Senate Budget Chairman Don Nickles (R-Okla.), now head of K Street powerhouse The Nickles Group, noted that senators would still be free to offer pricey spending increases during the appropriations process even under pay-go.

"Democrats have acted like, 'This is so important, it's going to lead us to fiscal responsibility,' but they always try to bust the limits on the appropriations side," Nickles said. "I almost say, hey, let them have pay-go. They have been touting it. Now they're going to get to live with it."

Incoming Senate Majority Leader Harry Reid (D-Nev.) affirmed to reporters last week that "we believe in the pay-go system" and offered a road map to where Democrats would look for offsets. The $15 billion in subsidies to oil companies passed along with last year's energy bill would be on the block, Reid said, and as much as $200 billion per year could be won by closing the "tax gap," the shortfall between federal taxes owed and received.

Budget watchdogs, however, are skeptical that the tax gap can provide much of a fiscal cushion for Democrats.

"I don't view them as realistic offsets," said Robert Bixby, executive director of the nonpartisan Concord Coalition. "Every effort ought to be made to close the gap, but nobody should think you can press a button and get $300 billion."

Conrad asserted that the CBO would be able to treat the efforts to close the tax-gap as a budget item if a bill were written specifically enough: "[They] would have to be convinced that it's real."

The Bush administration has included pay-go for spending in its annual budgets, Christin Baker, spokeswoman for Office of Management and Budget (OMB) director Rob Portman, said in an e-mail.

"We support budget reforms and look forward to working with Congress on ways to increase accountability and transparency," she wrote. "But we are concerned about pay-go that would block the extension of tax relief."

The Economic Front (WSJ)

By Roger C. Altman And Alan S. Blinder

The Wall Street Journal, November 21, 2006

Election returns drive policy changes. On Nov. 7 the voters clamored for change. And with the departure of Donald Rumsfeld, politicians have already started to deliver it. The leadership at the Pentagon is unlikely to be the only change in the administration's failed foreign policy. But what about the economic front? For the answer, though not for all the details, look to the economic anxieties which voters expressed through exit polls.

Sixteen years ago, one of us wrote a book titled "Growing Together." The double meaning was deliberate. But in recent decades the fruits of economic growth have not been widely shared, and we Americans have been growing apart. Notably, the middle class has fallen much further behind the rich; and recently, real wages have lagged behind productivity while profits have soared. One way to read the election returns is as a cri de coeur from the middle class for a fairer shake. They want to reap some of the dividends of economic growth -- as they should.

What to do? The problem is both deep-seated and longstanding, and there is no magic bullet to set things right. But a few obvious steps would help. For starters, the Democrats have pledged to raise the federal minimum wage, which is now at its lowest (relative to other wages or prices) in a half-century. Making the Earned Income Tax Credit more generous would also help.

Beyond that, our government needs to repair and thicken the badly tattered safety net for the middle class. Tens of millions of Americans live in fear that a major health problem could reduce them to penury. While citizens of other rich countries also

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worry about their health, only Americans fear financial ruin due to lack of health insurance. That should not be. Health insurance poses complex problems that will not be solved easily or cheaply. But it is well past time that we started moving judiciously toward universal health insurance. Covering all children is a sensible first step.

Retirement security is another worry of the non-rich majority. Both of us opposed President Bush's failed attempt to privatize Social Security, but the president was right to call attention to the system's long-run financing gap. Fixing Social Security is not that difficult with a little bipartisanship and a dose of goodwill -- two more things the voters want. That said, all realistic solutions involve moderating benefit growth and/or raising more revenue -- which is precisely why they require bipartisanship.

The exit polls also reminded us that many Americans no longer believe that the next generation will be better off than they are. The federal budget deficit, the negative personal saving rate, and our massive borrowing from abroad are all evidence that America is focused too much on the present and not enough on the future. We need a multidimensional investment strategy to change that orientation.

Two of the top priorities should be equipping our work force to cope better with the rapidly globalizing economy, and reducing our dependence on oil and gas. The first requires more and better education and training. The second requires a greater commitment to research on alternative energy technologies, plus serious conservation measures by consumers and industry. Setting sensible priorities will be critical -- and perhaps a bit painful. We probably cannot afford all the good things mentioned above, not to mention other expensive items that do not appear on our wish list (such as public infrastructure). But making hard choices is what grown-ups do, and the voters were telling the politicians to grow up.

The federal budget deficit is a concrete example. Regardless of whether you supported or opposed the Bush tax cuts, it is clear that the long-run budget is in shambles. With the baby boom generation about to retire, the budget should be in surplus. But instead, we face cumulative 10-year deficits of $3.5 trillion -- and worse after that. You can blame this sorry state of affairs on either excessive tax-cutting or on profligate spending -- take your pick. It's more accurate to blame both, because fiscal discipline has utterly broken down. Restoring that discipline will doubtless mean both spending restraint and new revenues -- more hard decisions that the voters want politicians to make.

As an important procedural step, Speaker-elect Nancy Pelosi has promised to restore pay-as-you-go financing -- a bipartisan set of budget rules that were originally adopted under the first President Bush, but then brushed aside under his son. Unfortunately, when paygo went, so did any pretense of fiscal discipline. A coincidence? We think not. The new Congress should bring back paygo immediately.

We fully realize that only a few of these policies can be promulgated right now. But a year hence, the policy window will have closed tight and the (presidential) political window will be wide open. So time is short. After watching the recent election results, we'd hate to be an empty-handed politician facing the voters in 2008.

Mr. Altman, chairman and co-CEO of Evercore Partners, was deputy secretary of the Treasury in the first Clinton administration. Mr. Blinder is a professor of economics at Princeton and former vice chairman of the Federal Reserve Board.

Pelosi: Relieving Middle Class Tops List (AP-Y)

By Jim Abrams

AP, November 21, 2006

House Speaker-elect Nancy Pelosi said Monday her new Democratic majority will extend a hand to Republicans in moving the agenda of relieving the "middle-class squeeze." She said restoring the military draft will not be part of that agenda when Democrats take over the House in January.

Pelosi, following a strategy meeting with the next House majority leader, Steny Hoyer, D-Md., said she will meet with incoming House Minority Leader John Boehner and "we'll find our common ground for the American people."

"The principle of civility and respect for minority participation in this House is something we promised the American people. It's the right thing to do," she said.

Pelosi and Hoyer repeated that in the first 100 legislative hours of the new Congress that convenes in January, they will try to pass bills that directly affect the pocketbooks of working-class and middle-class people, including raising the minimum wage, cutting interest rates for student loans and allowing the Medicare program to negotiate lower drug prices.

Other top priorities for January are lobbying reform, implementing the recommendations of the 9/11 Commission and rolling back subsidies to the oil industry.

Pelosi said restoring the draft will not be on that list and was not something she supported.

"The speaker and I discussed scheduling and it did not include that," Hoyer added.

Incoming Ways and Means Committee Chairman Charlie Rangel, D-N.Y., caused a stir by repeating a long-held position that a draft is the best way to ensure that all levels of society are represented in the military. Besides Rangel, there is almost no support in Congress for restoring the draft.

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"It's not about a draft, it's about shared sacrifice in this country," Pelosi said. She said Rangel is "a strong voice for social justice in our country" and his support for the draft was "a way to make a point."

Democratic Leadership Spotlights Middle Class (WT)

By Amy Fagan

The Washington Times, November 21, 2006

House Speaker-elect Nancy Pelosi and Majority Leader-elect Steny H. Hoyer -- days after engaging in an intraparty power struggle -- said yesterday that they will push bills to help the middle class and that they don't need Republican support to pass them.

Mrs. Pelosi and Mr. Hoyer said they expected bipartisan backing for their efforts to lessen the "squeeze" on the middle class, specifically increasing the minimum wage, lowering Medicare prices and cutting interest rates on student loans.

But Mrs. Pelosi said Democrats can pass those measures on the strength of their new majority alone, if need be.

"I think that's what winning the majority was all about," Mrs. Pelosi said when asked about the role of Republicans.

She quickly added that she hopes to see a large number of Republicans support her legislative agenda, and that she plans to meet with incoming House Minority Leader John A. Boehner of Ohio when he returns to town after the holiday.

Mrs. Pelosi, who last week had backed Mr. Hoyer's challenger to become her second-in-command when the Democratic Congress is seated in January, said she looks forward to working with Mr. Hoyer after their strategy session yesterday.

The California Democrat again congratulated Mr. Hoyer, Maryland Democrat, on his "stunning" win over outspoken war critic Rep. John P. Murtha of Pennsylvania.

Mr. Hoyer, who defeated Mr. Murtha 149-86, said he and Mrs. Pelosi had worked together as the top two House leaders of the minority to create the "most unified and focused [Democratic] caucus" in many decades and would continue to do so as the majority leaders. Mr. Hoyer is the outgoing minority whip.

Mrs. Pelosi and Mr. Hoyer did not raise any new agenda items yesterday as they said they would pursue allowing Medicare to negotiate with drug companies for lower prices, expanding federal support for embryonic-stem-cell research and lobbying reform.

Besides trying to generate some Republican support, Mrs. Pelosi may have to work on keeping her caucus from straying from the agenda.

Rep. Charles B. Rangel, New York Democrat and likely new chairman of the House Ways and Means Committee, recently reiterated his long-held belief that there should be a military draft.

When asked whether she would support reinstituting the draft, Mrs. Pelosi said Mr. Rangel has "long held this position" and uses it as "a way to make a point" about the Iraq war.

"It's not about a draft; it's about a shared commitment," she said.

When pressed, she said she doesn't support the idea. Mr. Hoyer chuckled and said the schedule they're compiling doesn't include a bill to reinstitute the draft.

One thing both Mr. Hoyer and Mrs. Pelosi found amusing as they spoke to the packed room yesterday was the spike in the number of reporters attending their briefings.

Mr. Hoyer joked that he had "two and a half times the people" this week than he usually does at his normal briefing.

"It's nice to be in the majority," Mrs. Pelosi quipped. "We have many more visitors."

Rebalancing Act Democrats Target Wealth Gap And Hope Not To Hit Economy Divide Between Rich And Poor Continues To Widen; Spurs 'Robin Hood' Plans Can Growth Benefit Workers? (WSJ)

By David Wessel

The Wall Street Journal, November 21, 2006

By almost every measure, the gap between winners and losers in the American economy has widened over the past 20 years. In this month's election, anxiety about that gap was not far behind voter anger over Iraq and congressional corruption in driving Democrats to victory. "We will make our economy fairer" vowed House Democrats, in a campaign manifesto.

Now they're in a position to try, raising a big question: What can Democrats do to resist inequality in a way that doesn't choke off economic growth? Can government slice the economic apple more evenly without shrinking it?

See a chartbook3 examining income disparities and a guide to Democrats' relevant writings4 about the economy. · Plus, share your thoughts at the new online Capital Exchange forum5.

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Today's inequality reflects a confluence of forces. Technology is increasing employers' appetite for some skilled workers, while diminishing it for assembly-line workers in auto and textile factories. Imports and outsourcing are doing the same. Schools aren't graduating enough of the workers in short supply, such as engineers. Immigration is contributing to a glut of others, visible wherever day laborers gather hoping for work. Unions are atrophying. Corporate boards, hedge funds and sports teams are increasingly willing to write super-sized paychecks to a chosen few.

At the extremes, some politicians (not all of them Democrats) believe the benefits of a globalizing, high-tech economy are outweighed by the costs to U.S. workers. They would build a fence around the U.S. to reduce immigration or erect tariff barriers to imports. Even at the Democratic middle -- where the virtues of technology and globalization are prized -- proposals to reduce inequality range widely. They include interceding in the market to raise pay at the bottom or limit it at the top, pushing "Robin Hood" take-from-the-rich tax policies, improving shock absorbers that protect workers when their employers crash, extending health and retirement plans to workers without them and spending more to promote education from pre-K through college.

Meddling With the Market

High on Democrats' to-do list is lifting the federal minimum wage. It's been steady at $5.15 an hour since 1997, while consumer prices have risen 25%. Although many economists warn a higher minimum wage means fewer jobs, the 1990s suggest that boosting the minimum wage can boost incomes of those at the bottom. But its potential to shrink the gap between the wealthiest and poorest wage-earners is limited, especially when wages at the top are soaring far away from the middle and bottom.

Limiting pay at the top has proven tough. A 1993 law that discouraged tax deductions for executive salaries above $1 million is widely regarded as a bust. "Executives responded by rewarding themselves with millions of dollars worth of stock options" instead of big salaries, lament former Clinton aide Bruce Reed and Chicago Rep. Rahm Emanuel, a key strategist in the Democrats' win, in their pre-election book calling for "a new social contract for the 21st century." They go on, "This time we should approach the problem from the other direction and require companies that provide stock options to their executives to provide stock options to every worker."

That's unlikely to become law. But Barney Frank, the Massachusetts Democrat in line to chair the House Financial Services Committee, vows to push legislation that would force companies to provide more and clearer details of CEO pay, devise policies to recapture incentive pay if earnings are later restated, and require shareholder approval of "golden parachute" payments to dismissed executives. Mr. Frank says he plans hearings into a "fundamental" economic question: "How do you do a better job of sharing overall economic growth with the average worker?"

Few Democrats would block employers from laying off workers or closing factories, as is often done in Europe. But several newly elected Democrats, particularly from the beleaguered Midwest, vow to slow the flood of imports and rethink the pacts that President Bush has been negotiating to lower trade barriers.

There also is strong support among Democrats for strengthening American labor unions to try to tilt the balance in the labor market more toward workers. A bill co-sponsored by 215 House members and 43 senators, would, among other things, require employers to recognize a union after a majority of workers sign cards asking for representation instead of secret-ballot votes.

Robin Hood

A popular alternative among Democrats is to champion the market -- that is, allow it to direct people and money to best use -- and then tax the rich to give more to the poor. Enlarging the earned-income tax credit, viewed by many economists as a smart alternative to a higher minimum wage, is an option likely to figure in Democratic tax deliberations. The credit offers up to $4,536 to a family with two or more children to offset payroll taxes that the working poor pay. And it offers a cash bonus if the credit exceeds taxes paid, rewarding low-wage workers without raising employers' costs.

But most of the focus is on taking more from the top. Many Democrats would let at least some of Mr. Bush's income-tax cuts expire in 2010 or roll them back. Many favor preserving the estate tax, which Republicans target for abolition. New House Speaker Nancy Pelosi has vowed to restore a 1990s rule requiring new spending to be offset by spending cuts or tax increases; upper-income taxpayers are the sure target.

The Senate Finance Committee, with the blessing of both parties' leaders, is circulating a list of ways to shrink the "tax gap" between taxes owed and taxes actually paid. Most are aimed at upper-income taxpayers, such as requiring stock brokers to report not only the price a client got for shares, but also the original purchase price paid.

Boosting taxes on upper-income Americans would reduce disparities and provide revenues for other attacks on inequality. Raising the top two tax rates, now 33% and 35%, by a single percentage point would yield $90 billion over five years, the Congressional Budget Office estimates.

Another favorite Democratic target is the lower tax rate -- a maximum of 15% -- on capital gains and dividends. The administration says the lower rates have strengthened the stock market and the economy. Some Democrats say they're unfair. "We must end the Republicans' war on work, which taxes a millionaire at a lower rate for his stock trades than it taxes the wages

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his secretary earns for placing the call to his broker," wrote Rep. Emanuel and Mr. Reed. Also under discussion, often in conversations about ways to shore up Social Security, is increasing the ceiling -- now set at $94,200 -- on wages subject to the Social Security payroll tax.

Republicans as prominent as Treasury Secretary Henry Paulson and Federal Reserve Chairman Ben Bernanke recently have warned in speeches of risks posed by widening inequality. But many conservatives fear taxing the rich in response would reduce incentives for innovation, entrepreneurship and education -- and thus reduce economic growth to the detriment of all. Their counsel: Try to lift incomes of the poor and middle class, and don't worry if the rich do even better.

Democrats argue that the 1990s proved that raising taxes on upper-income Americans can produce lots of revenue and coincide with a very strong economy. Republicans counter that the 2000s show tax cuts propel the economy and can coincide with surging tax revenues. Both arguments exaggerate the ability to isolate tax rates from other economic crosswinds. But the fundamental disagreement is over the extent to which higher taxes discourage work, savings and investment. "The market is not so good at spreading the gains. We need an activist government that pursues broad-based growth," says Mr. Reed.

Shock Absorbers

One direct response to workers' anxiety is expanded government programs to cushion the fall of those who lose jobs in today's rapidly changing economy. "Better preparation before adverse events happen and more...assistance after bad events occur" would both help workers and "diminish political demands for growth-reducing policies, such as protectionism," says Peter Orszag, who heads the Hamilton Project, a think tank spawned by former Treasury Secretary Robert Rubin to find way to promote "broad-based economic growth" and "economic security."

Targeted federal programs, created to lure congressional votes for free-trade pacts, now reach few people. There's a tax credit to help those who lose jobs due to imports buy health insurance. And there's wage-loss insurance, which offers cash to eligible workers dislocated by imports to compensate for taking lower-paying jobs. Inequality foes would greatly expand such programs.

Lori Kletzer of the University of California at Santa Cruz and Howard Rosen of the Peterson Institute for International Economics in Washington, for instance, would offer eligible dislocated workers up to half the difference between weekly earnings at their old and new jobs, up to $10,000 a year. This isn't cheap: They put the price tag at between $2.6 billion and $4.3 billion a year, financed through general tax revenues or an expanded payroll tax.

Universal Coverage

An alternative, albeit expensive, is to close the gap between those with health insurance and a retirement-savings plan (on top of Social Security) and those without. About 25% of people in households with incomes below $25,000 lack any health insurance, even government provided. Among the over-$75,000 crowd, only 8.5% are without insurance. About 45% of full-time workers on private payrolls aren't offered private retirement savings plans of any sort at work.

Gene Sperling, a former Clinton aide who published a 300-page "economic strategy for shared prosperity" last year, preaches to Democrats: "Simply voting yes [on trade pacts] and getting 5,000 more people on Trade Adjustment Assistance is a losing strategy. With control, Democrats can envision a more expansive social compact might make people less fearful about the pace of change and globalization."

Finding a politically palatable and affordable way to make health insurance universally available has been impossible, so far. Mr. Bush has pushed tax credits to help more people buy insurance on their own, and dangled rule changes and low-premium, high-deductible policies to encourage small firms to offer coverage. Although some Democrats still drool over proposals for government health insurance for all, others prefer piecemeal approaches. Among them: Allowing businesses with up to 100 employees tax credits to buy insurance through a government-sponsored pool modeled on the Federal Employee Health Benefit Plan, which gives federal workers a choice of private health insurance plans.

On retirement savings, outside the contentious Social Security debate, Democratic and Republican centrists are inching toward similar proposals, described differently. Mr. Sperling is pushing a "universal 401(k)" to which employees, employers and, in some cases, the government would contribute, a cousin to the private accounts Mr. Bush wanted to carve out of Social Security. Increasingly prominent Democratic Sen. Barack Obama cites it favorably in his new book, "The Audacity of Hope" and Ms. Pelosi backs a similar proposal. It would, in essence, narrow tomorrow's inequality by encouraging Americans to save more in their working years.

Education

Improving education is the feel-good solution, seen across the political spectrum as a way to promote growth and equality simultaneously. "The economy increasingly rewards education and skills," says Edward Lazear, chairman of Mr. Bush's Council of Economic Advisers. "We would not want it any other way. However, inequality in skills and education levels means inequality in income." His fix: Improve public schools for the disadvantaged through the No Child Left Behind Act and foster competition among schools.

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Democrats are focused on doing more to help Americans pay for college, especially important since the typical college grad earns 45% more than the typical high-school grad. Ms. Pelosi's platform calls for making up to $12,000 a year in college tuition tax-deductible -- or the equivalent in a $3,000 tax credit -- as well as cutting interest rates on student loans and increasing the maximum Pell Grant for low-income students to $5,100 from $4,050.

A coalition that spans the political spectrum is pushing more government support of Pre-K education. The case: Low-income children are behind when they arrive at kindergarten and never catch up; spending more on them sooner would have a big payoff.

One political problem: Education has a long fuse. It can take a generation to see results.

In the end, government can do only so much, especially given Americans' traditional ambivalence toward big government and European-style social welfare programs. "It's not hard to think of government policies with redistributive aspects," says Mr. Sperling, the former Clinton adviser. "What gets hard is to say: Here's my vision for how the private sector is going to create jobs that lead to a strengthening, not a hollowing out, of the middle class."

Americans want government to protect their current jobs and tell them where their next job -- and their children's jobs -- will come from. "But government is not good at that," Mr. Sperling says.

Write to David Wessel at david.wessel@wsj.com6

Washington Wire (WSJ)

Wall Street Journal, November 21, 2006

November 20, 2006, 2:02 pm Bumper to Bumper

What do private economists expect from the new Congress? Gridlock, mostly.

Sure, Congress is likely to deliver on Democrats' promise to raise the federal miniumum wage. But beyond that, they expect little to be accomplished on the economy.

Forty-six of 48 economists in the latest WSJ.com economic forecasting survey said they believe an increase in the federal minimum wage is very or somewhat likely to be passed in Congress and signed by the President.

As for the raft of other economic issues at hand — tackling the finances of entitlement programs, dealing with foreign trade, addressing the tax code — the economists expect gridlock.

Entitlement programs, such as Social Security and Medicare, should be the top priority for Congress when Democrats take control next year, the economists said. But 44 of the 48 economists believe it is somewhat or very unlikely any reform will be signed into law.

The story is little different on other fronts: On ensuring that trade negotiations move forward, 31 say unlikley. On revising the Medicare drug benefit, 30 say unlikely. On extending tax breaks for the wealthiest: 37 say unlikely. Rescinding the breaks? Thirty-six.

Economists expect the federal budget deficit to narrow. By the end of fiscal 2008, they predicted the gap will be equal to 2.2% of gross domestic product, the total output of all goods and services produced in the economy, compared with 2.6% for fiscal 2005.

But that has little to do with the change in control in the House and Senate. Their prediction for the budget deficit had the Republicans remained in power: 2.2%.

Video: The Journal's David Wessel discusses WSJ.com's forecasting survey

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November 20, 2006, 12:43 pm Treasury's To-Do List

Paulson

Henry Paulson, who left Wall Street to become President Bush's third Treasury secretary, returned to New York today to sound his trumpet call for making the U.S. more friendly to capital markets in the face intensifying global competition.

His to-do list: "First, it is necessary to take a global view. We don't operate in isolation, so it is very important to consider how changes we make affect the ability of our companies to compete globally and how these changes affect our interaction with markets and regulators around the world. Second, our regulatory structure should be more agile and responsive to changes in today's marketplace. Third, to stand the test of time, rules should be embedded in sound principles. Fourth, regulators should take a risk-based approach to regulation, weighing the cost to shareholders against the benefits. Fifth, our enforcement regime should punish and deter wrongdoing and encourage good behavior without hindering responsible risk-taking and innovation. And, lastly, the best way our business leaders can protect the integrity and competitiveness of our markets is to exert moral leadership, where the threshold question is, 'Is this right?' not 'Do the rules allow us to do this?' "

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Video: Paulson Q&A
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Read more: Global, Economy
November 20, 2006, 8:04 am How Official Promotes Marriage to Help Poor Kids

The notion that government can help children escape poverty by promoting marriage for their parents was once considered a fringe idea from right field. It is now federal policy.

In very large part, that's due to Wade Horn, a child psychologist turned bureaucrat who has put marriage atop the Bush administration's limited antipoverty agenda.

As head of the federal Administration for Children and Families, Dr. Horn has employed the zeal of an ideologue and the discipline of an academic to inject marriage promotion into a host of government programs under his purview, even before Congress authorized an official marriage program. Today, more than 200 programs are at work across the country, seeking to change public attitudes surrounding marriage, persuade teenagers to aspire to matrimony and teach relationship skills to young couples.

Along the way, Dr. Horn has co-opted critics, fine-tuned his rhetoric, and persuaded Congress to insert his marriage agenda into this year's welfare legislation, winning $500 million over five years.

"Wade Horn has shown the influence a bureaucrat can have," says Ronald Haskins, a welfare expert who has worked for Congress and the current President Bush's White House. Read the full article. – Laura Meckler

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Pelosi-Harman Friction Strains Democrats' Unity (LAT)

By Johanna Neuman And Michael Finnegan
The Los Angeles Times, November 21, 2006

WASHINGTON — When Jane Harman left Congress in 1998 to run for governor of California, her colleague Nancy Pelosi threw her a party — a chocolate-fudge sundae "social" in the House members' dining room.

Two years later, Harman hosted a fundraiser in Los Angeles for Pelosi when she was running for minority whip, raising $400,000.

These days the two rarely talk, much less throw parties for each other.

Their relationship has been deteriorating since Harman returned to the House in 2001, according to those who know them, and the tension now threatens to complicate Pelosi's role as House speaker when the 110th Congress convenes in January.

Pelosi indicated as early as last year that she intended to oust Harman from the Intelligence Committee — where Harman expected to become chairwoman if Democrats won control of the House — in favor of someone more to Pelosi's liking.

The move has created dissension within the party. Some Democrats and foreign policy experts argued that Harman, a centrist on national security, is the most credible person for the job. The Congressional Black and Hispanic caucuses countered that it was time for one of their members on the committee to take the helm.

Fresh from Pelosi's fierce and unsuccessful lobbying effort to install antiwar ally John P. Murtha of Pennsylvania as her No. 2, the coming battle over the Intelligence Committee leadership is turning into a showdown where the political has turned personal. And it could undermine the unity that the Democratic Party has hoped to show as it prepares to take the reins of power.

The falling-out between Pelosi and Harman offers a window into how business gets done on Capitol Hill, where personal friendships are often as important as policies and politics. Pelosi in particular is noted for remembering who has been on her side and who hasn't, as evidenced by her support of Murtha for House majority leader over her one-time rival Steny H. Hoyer of Maryland, even though Hoyer was widely preferred by the party caucus.

The prospect of conflict between two such powerful Democratic women is tantalizing to gossipy Washington. But the split is so toxic that Democrats in California and Washington won't go near it.

"I don't want to talk about it," said Roz Wyman, the doyenne of California Democratic fundraising and a friend of both.

Most people contacted for this article spoke only on condition of anonymity, not wanting to get on the wrong side of two formidable politicians.

Pelosi declined through her spokeswoman to comment. The only statement issued from her office, by Press Secretary Jennifer Crider, was that the committee decision "will be made before early January."

Harman said in an interview that she did not wish to vent the matter in public. "I read about this in the paper last year and I visited with her then," said Harman, who would not disclose the nature of their conversation.

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"It's so unfortunate because they're both capable people," said William Coblentz, a San Francisco lawyer who has contributed to both their careers and coffers. "I know them both well, and I love them both, but I believe Nancy felt that Jane was abrasive and aggressive, which she can be."

Pelosi's supporters say the dust-up over Harman is not personal, noting that the Democratic leader spent an extra day in California lobbying the state party to endorse Harman in her reelection bid.

Although they may seem similar on the surface — two wealthy and powerful Democrats from California — Pelosi and Harman are cut from different cloth. Pelosi is a people person — she recently entered a raucous room of reporters offering to shush them in her "mother-of-five voice." Harman has a more cerebral personality and revels in the minutiae of policy.

Pelosi grew up in Baltimore, where her father, Thomas D'Alesandro Jr., was mayor, and got an early education in the art of machine politics. She met Paul Pelosi while at Trinity College in Washington, and the couple moved to his hometown of San Francisco. As Paul Pelosi grew the family's fortune through real estate and stock investments, Nancy Pelosi raised their children, then worked her way up in California Democratic Party politics from volunteer to chairwoman for Northern California. She was elected to the U.S. House in 1987.

Harman grew up in Los Angeles, the daughter of a Westside physician. She graduated from Smith College and Harvard Law School at a time when few women went into law. Harman began her career in Washington as a Capitol Hill staffer and later worked in the Carter White House before going into private law practice. She is married to Sidney Harman, founder and chairman of Harman Industries. She ran for the House in 1992 and joined Pelosi in the California delegation, representing Venice.

People who know both women say there was no single incident that soured their relationship; rather it was a series of small irritations that eventually led to estrangement.

Some California Democrats say tensions began during the 2001 redistricting of the state's congressional seats.

As lawmakers from both parties cooperated in Sacramento to make Democratic seats safer for Democrats and GOP seats safer for Republicans, Harman reportedly complained that her district did not include Los Angeles International Airport.

"She wanted to get the LAX asset in her district," said one Californian who was familiar with the process. "Jane thinks the airport is power."

Party leaders were annoyed, given that the redistricting gave Harman — who until then represented a swing district — a safe seat.

A Capitol Hill staffer suggested that Pelosi also was miffed that Harman had higher visibility in the media.

Harman, using her platform as ranking Democrat on the Intelligence Committee, landed on Sunday talk shows so regularly that she all but eclipsed Pelosi's rising star as House minority leader. An informal survey of the major talk shows over the last two years found that Harman made 18 appearances to Pelosi's six.

Associates of Pelosi say she was not troubled that Harman was on television frequently, only that Democrats' message on Iraq wasn't being aired.

Some Democrats say Pelosi's choice for intelligence chair is less about personal conflict than fixing a political problem, which ironically began with Harman's return to the House in 2001.

After Harman lost her gubernatorial bid, Pelosi urged her to run for Congress again. Harman's choice was made easier by the fact that then-Minority Leader Dick Gephardt (D-Mo.) had promised her in writing that she could reclaim her seniority on the Intelligence Committee. That bumped a member of the Congressional Black Caucus, Rep. Sanford D. Bishop Jr. (D-Ga.), off the committee and jumped her over another African American, Rep. Alcee L. Hastings (D-Fla.), in seniority.

Black members of Congress were upset by what they saw as a slap by House Democratic leaders. Last year the black caucus asked for a meeting, and according to one witness, Pelosi promised not to slight either blacks or Latinos when plum slots came up on the Intelligence and Homeland Security committees.

When news got out that Pelosi was not planning to name Harman chairwoman, heavy hitters from the foreign policy establishment besieged Pelosi to change her mind.

Those close to Harman say the lobbying campaign came to life on its own. The Pelosi side doesn't buy it.

"The biggest mistake Jane made was lining up people to lobby," said a Hill staffer. "People went over the line lobbying for her. Now Nancy is very angry."

Asked whether Pelosi held a grudge against Harman, Rep. Anna G. Eshoo (D-Atherton) said: "People are going to do what they're going to do. But anyone who underestimates Nancy Pelosi does so at her own risk."

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*

(INFOBOX BELOW)

Jane Harman

1945: Born in New York City; raised in Los Angeles where father is a Westside physician

1966: Graduates from Smith College, Northampton, Mass.

1969: Graduates from Harvard Law School; later serves in Carter White House and as Defense Department special counsel

1992-98: Elected by California's 36th Congressional district

1998: Runs for governor, spending more than $20 million, including $15 million of her own money, but finishes third among Democrats

2000-present: Reclaims her former House seat; joins Energy and Commerce Committee; joins Intelligence Committee, becoming ranking Democrat of new Terrorism and Homeland Security subcommittee

2003: After November 2002 election, chosen by Nancy Pelosi as her successor on Intelligence

2004: Works closely with new Intelligence chairman Peter Hoekstra and Senate Governmental Affairs Chairman Susan Collins to get Congress to pass intelligence reorganization bill

2005: Calls for a ban on torture by U.S. interrogators and a prohibition on transferring detainees to countries that torture

Sources: Almanac of American Politics 2006; office of Jane Harman; Los Angeles Times

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Nancy Pelosi

1940: Born Nancy D'Alesandro in Baltimore; her father served five terms in Congress ending in 1947, then 12 years as Baltimore mayor

1962: Graduates from Trinity College (now called Trinity University), Washington, D.C.

1977-1981: Northern chair, California Democratic Party

1981-1983: State chair, California Democratic Party

1985-1987: Finance chair, Democratic Senatorial Campaign Committee

1987-present: Elected by California's 8th Congressional District, which includes most of San Francisco; serves for 10 years (until early 2003) on the Intelligence Committee

2001: Elected minority whip by House Democrats

Oct. 2002: Leads Democratic faction opposed to authorizing military force in Iraq, bucking the House Democratic leader

Nov. 2002: Elected minority leader by House Democrats

Nov. 2006: Slated to become next House speaker after midterm election gains

Sources: Almanac of American Politics 2006; office of Nancy Pelosi; Los Angeles Times

Democrats Plan Series Of Votes On Ethics Reforms (WP)

By Jonathan Weisman

The Washington Post, November 21, 2006

Despite divisions among Democrats over how far to go in revising ethics rules, House leaders plan a major rollout of an ethics reform bill early next year to demonstrate concern about an issue that helped defeat the Republicans in the midterm elections.

But they will do it with a twist: Instead of forwarding one big bill, Democrats will put together an ethics package on the House floor piece by piece, allowing incoming freshmen to take charge of high-profile issues and lengthening the time spent on the debate. The approach will ensure that each proposal -- including banning gifts, meals and travel from lobbyists as well as imposing new controls on the budget deficit -- is debated on its own and receives its own vote. That should garner far more media attention for the bill's components before a final vote on the entire package.

"This will be the most significant ethics and lobbying reform that Congress has ever voted on," promised Rep. Martin T. Meehan (D-Mass.), one of the point men on the effort.

The approach may be the first indication of how the Democrats plan to use their ability to control the House agenda as the majority power, setting the terms of debate while lifting the strict rules that Republicans used to curtail dissent.

And Democrats hope to show that they are attentive to issues of corruption that, according to exit polling, proved to be of major concern to voters on Nov. 7. House and Senate GOP leaders pledged early this year to pass major lobbying reforms in the aftermath of the Jack Abramoff lobbying scandal but never delivered on their promise.

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Democratic leaders are still putting the finishing touches on the floor schedule and some of the components of the ethics package, said Jennifer Crider, spokeswoman for incoming House speaker Nancy Pelosi (Calif.). But other Democratic leadership aides said the proposal to break up the package and reassemble it is virtually a done deal.

Under that plan, freshmen would offer, over as many as five days in January, separate amendments to ban gifts, meals and travel financed by lobbyists, said Rep. Rahm Emanuel (Ill.), incoming chairman of the House Democratic Caucus. New rules mandating the disclosure of all contacts with lobbyists would be another vote, as would a rule requiring that the sponsors of funding for home-state pet projects be identified. The House would also vote on whether to reinstate budget rules, known as pay-as-you-go, or "paygo," requiring that any new spending or tax cuts be offset by equal spending cuts or tax increases.

While there is broad support for reform, Democrats face divisions on how far to go on some issues, such as whether to establish an independent board to enforce ethics rules. But leaders are eager to show that they are serious about tackling the corrosive influence of lobbyists and money, so much so that they are willing to spend days working on the issue. They may even let the divisions play out in public, with amendments allowed that may or may not pass, on issues from campaign finance to independent oversight.

"We heard continually out here that people were tired of the way business is conducted in Washington," said Rep.-elect Harry Mitchell (D-Ariz.). "They didn't like the way lobbyists had so much influence. They didn't like the way rules were not enforced. They just didn't think things were being done right."

The idea is to give each provision what Emanuel called its "Warhol time" -- 15 minutes of fame -- while forcing Republicans to take a stand on the components before a final vote on the ethics package. Because House rules changes are, by tradition, party-line votes, breaking the package into its components would also allow Republicans to support individual amendments, even though they probably would vote against the package in the end.

The unorthodox approach, more reminiscent of the drawn-out legislating done in the Senate than the slam-dunks of the House, would also give Democratic leaders a chance to show that they plan to change the way the House does business, Democrats said.

"Why have the gift ban, if that's one of [the components], be buried inside when it can stand on its own and the public wants it and gets it?" Emanuel asked. "Why have paygo have to share space with the meal ban or gift ban?"

The procedure would be as much about solidifying Democratic power as it would be about changing the rules of the House. Freshmen Democrats, many of them representing Republican-leaning districts, would take ownership of components that would resonate most with their voters, Democratic leaders said. For example, a conservative "Blue Dog" would get to present the budget-balancing rule.

Amendments aimed at reducing the influence of lobbyists would go to swing-district Democrats who campaigned on ethics themes. One is Mitchell, who unseated Rep. J.D. Hayworth (R-Ariz.) in large part by stressing Hayworth's links to Abramoff, the disgraced lobbyist. The others are Zack Space (Ohio), who took the Republican-leaning district of convicted former representative Robert W. Ney, and Michael A. Arcuri (N.Y.), who ran on corruption themes to take the district vacated by retiring Rep. Sherwood L. Boehlert (R).

Such a freewheeling approach could expose disagreements within the Democratic Caucus. For example, some members think that an independent board should be created to conduct ethics investigations and mete out punishment to members who violate House rules. Others say the House Committee on Standards of Official Conduct, informally known as the ethics committee, can handle the assignment as long as leaders allow it to do its job.

Democratic leadership aides say Pelosi is weighing a middle ground -- the establishment of an independent body similar to a grand jury that would weigh the validity of ethics complaints, then pass meritorious allegations to the ethics committee.

The rules change on earmarks, or lawmakers' pet projects, is expected to differ from the proposal Democrats outlined earlier this year, the aides said. That rule would mandate that home-district projects be identified by the names of their congressional sponsors. Pelosi wants to make sure that change applies to projects in spending bills as well as in policy bills, such as the broad highway and transit law that passed in 2005. Tax breaks known as rifle shots, narrowly targeted to benefit only a few companies or individuals, are also expected to face more scrutiny.

Has Gates Learned His Lesson? (LAT)

By Jennifer Glaudemans

The Los Angeles Times, November 21, 2006

FIFTEEN YEARS AGO, the Senate Select Committee on Intelligence asked me to testify at the confirmation hearings for Robert M. Gates, who had been nominated to be director of Central Intelligence.

I was asked because I had worked in the CIA's office of Soviet analysis back when Gates was the agency's deputy director for intelligence and chairman of the National Intelligence Council.

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More specifically, I was asked to testify because of my knowledge about the creation of a May 1985 special National Intelligence Estimate on Iran that had been used to justify the ill-fated deals known as Iran-Contra.

It seems like a long time ago now. Iran-Contra is just one of many scandals that have come and gone in the intervening years. But today, in the aftermath of the U.S. decision to go to war in Iraq based on faulty intelligence — and with Gates poised to reemerge, this time as secretary of Defense — it is worth remembering some lessons from the 1980s about how intelligence was politicized to support ideologically-based positions.

In 1985, during Ronald Reagan's second term as president, the U.S. faced enormous diplomatic and military challenges in the Middle East and in Central America. Reagan and then-CIA Director William J. Casey were known for their aggressive anti-Soviet rhetoric and policies. Gates, as Casey's deputy, shared their ideology.

Iran-Contra was in the planning stages then, a secret scheme in which the Reagan administration was going to sell arms to an enemy country, Iran, and use the proceeds to fund the anti-communist Contras in Nicaragua.

In order to justify these actions, administration officials felt they needed some analytical backing from the intelligence community. Those in my office knew nothing of their plans, of course, but it was the context in which we were asked, in 1985, to contribute to the National Intelligence Estimate on the subject of Iran.

Later, when we received the draft NIE, we were shocked to find that our contribution on Soviet relations with Iran had been completely reversed. Rather than stating that the prospects for improved Soviet-Iranian relations were negligible, the document indicated that Moscow assessed those prospects as quite good. What's more, the national intelligence officer responsible for coordinating the estimate had already sent a personal memo to the White House stating that the race between the U.S. and USSR "for Tehran is on, and whoever gets there first wins all."

No one in my office believed this Cold War hyperbole. There was simply no evidence to support the notion that Moscow was optimistic about its prospects for improved relations with Iran. All of our published analysis had consistently been pessimistic about Soviet-Iranian relations as long as Ayatollah Ruhollah Khomeini was alive.

We protested the conclusions of the NIE, citing evidence such as the Iranian government's repression of the communist Tudeh Party, the expulsion of all Soviet economic advisors and a number of Soviet diplomats who were KGB officers, and a continuing public rhetoric that chastised the "godless" communist regime as the "Second Satan" after the United States.

Despite overwhelming evidence, our analysis was suppressed. At a coordinating meeting, we were told that Gates wanted the language to stay in as it was, presumably to help justify "improving" our strained relations with Tehran through the Iran-Contra weapons sales.

It's possible that the Reagan administration would have gone ahead and made its overtures to Iran regardless of what was said in the NIE, but having the coordinated assessment of the intelligence community support its views certainly added legitimacy to its rationale. What's more, if the policymakers had received better and more accurate intelligence, perhaps someone would at least have questioned the false sense of urgency. Instead, our intelligence was used as expensive intra-government propaganda.

Unfortunately, the Iran NIE was not the only case of politicization under Gates. It began in 1982, when Casey asked for an NIE on Soviet support for international terrorism. It continued when we were asked how far we thought the Soviet Union would go in its support for leftists in Central America. There was also an investigation by the CIA's inspector general into the atmosphere of politicization at the agency, the results of which were published even before 1991.

It was well known among analysts at the time that we would have a hard time getting Gates to sign off on analyses that did not fit his ideological preconceptions. All one had to do was look at his margin comments on controversial papers to know what was going on. Fortunately for him, classification and layers of bureaucracy kept those comments from public view. Today, however, many cases of politicized intelligence are a matter of public record. The National Security Archive, a not-for-profit organization, has posted many documents on its website that tell the story.

During those years, the government was clearly dominated by people who had a strong ideological view of the Soviet Union. But their conflict was not with people who were "soft" on communism, it was with people who looked at all the available evidence, without much bias one way or another, and who had been to the USSR and witnessed its hollow political and social structure, seeing not an omnipotent superpower but a clumsy, oafish regime often stumbling over its own feet.

The real untold story is just how wrong the American hard-liners, such as Gates, got the Soviet Union. Although they were the last to recognize that Mikhail S. Gorbachev was indeed reforming the USSR, they were the first to state that Gorbachev would be ousted and replaced by neo-Stalinists, as had been done to Nikita Khrushchev. (See Gates' Op-Ed article in the Washington Times in March 1989.) They also completely missed the Boris Yeltsin reform option.

Is all this ancient history relevant today? It is if you believe that policymakers are poorly served when analysis is concocted to support their preexisting positions. It is relevant if you believe that the failure to learn the lessons from the 1991 Gates

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hearings harmed U.S. foreign policy when, a decade later, we went to war on false intelligence about weapons of mass destruction in Iraq. It is relevant if you believe that Congress should take its oversight responsibilities seriously.

The nomination of Robert Gates to become secretary of Defense is an opportunity for him to demonstrate that he has learned from his mistakes and for Congress to reassert its constitutional authority.

Democratic Leaders Reject Idea Of Draft (WP)

By Charles Babington And Josh White

The Washington Post, November 21, 2006

The new Democratic-controlled Congress will not seriously consider reinstating the draft, even if concerns about the military's strength and resiliency grow, party leaders said yesterday.

Key Democrats, including the incoming House speaker, House majority leader and chairmen of the House and Senate armed services committees, said they do not support a resumption of the draft. They predicted that the idea will gather little momentum in the 110th Congress, which convenes in January. Pentagon officials also restated their opposition to a draft.

Their comments came a day after Rep. Charles B. Rangel (D-N.Y.), who will chair the Ways and Means Committee, said he would again introduce a bill calling for a return to the draft, which has been suspended since 1973.

Rangel's previous bids to reinstate the draft stirred little interest in Congress but considerable agitation among some bloggers and talk radio hosts, who suggested the public was about to be blindsided. Yesterday, congressional leaders tried to allay such fears, saying the 2007-08 legislative agenda will not include a resumption of the draft.

"Mr. Rangel will be very busy with his work on the Ways and Means Committee, whose jurisdiction is quite a different jurisdiction," Speaker-elect Nancy Pelosi (D-Calif.) told reporters. Ways and Means handles tax matters, not military legislation.

Dismissal of the draft idea does not mean key lawmakers and analysts are not worried that the military is being stretched to its limits in Iraq, Afghanistan and elsewhere, with possible threats looming in Iran and North Korea. If higher troop levels are needed, several said, the answer is in recruiting more volunteers, not drafting people.

"The all-volunteer force has been successful," said Rep. Ike Skelton (D-Mo.), who will chair the House Armed Services Committee. "But the Army is stretched thinner than paper."

Skelton said Americans soured on the draft during the Vietnam War era because many felt that the system of exemptions -- claimed mainly by wealthier and better-educated people -- "was downright unfair in many instances. . . . I think it would not be acceptable to the American people today."

To address the manpower concerns, Skelton said, "we must slowly disengage ourselves from Iraq" and focus on fully equipping all units before they go into combat. "The recruiting is coming along better," he said. "The retention, with the exception of captains and junior majors, is going well. . . . The bigger problem is readiness," which he said is mainly a matter of equipment.

Pentagon officials have long said they do not support reinstatement of the draft, which would send people unwillingly into the armed forces alongside the hundreds of thousands of professional troops who volunteer. Top officials have shown great pride that the military has been an all-volunteer force for more than three decades, even as the armed services face growing strain as a result of the wars in Iraq and Afghanistan.

In 2004, when the same topic was raised in House hearings, top Pentagon officials said the Bush administration did not support the draft and had no plans to pursue it. Officials said yesterday they still do not believe that conscription is a viable option for today's military.

Army officials point to the turnaround in recruiting efforts over the past year -- during which the Army met an elevated goal of 80,000 new soldiers and continued to surpass reenlistment targets -- as evidence that the military can support itself as a volunteer force. Training draftees, who likely would leave the service as soon as possible, would cost millions of dollars with little return on the investment, they said.

Rangel, a Korean War veteran, said a draft would bring more upper-middle-class Americans into the military and would force policymakers to evaluate warmaking more carefully. But a recent Heritage Foundation study found that the all-volunteer military has a fairly good distribution of people from all family income and education levels.

"No evidence supports arguments for reinstating the draft or altering recruiting policies to achieve more equitable representation," wrote Tim Kane, director of the foundation's Center for International Trade and Economics.

Rangel has suggested incorporating military conscription into a larger program of mandatory national civilian service, in which Americans would perform nonmilitary functions.

But such a proposal probably "would go nowhere even faster than a military draft," said Robert Goldich, a retired expert on military manpower for the Congressional Research Service.

American traditions and courts frown on "involuntary servitude," he said. Moreover, he said, "what Vietnam did was sort of confirm a basic American attitude that the draft was something that was going to be used only for major conflict."

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The U.S. military included about 2.2 million people in the mid-1980s, Goldich said, compared with about 1.4 million now. If the nation's policymakers decide the military must grow, they can probably achieve their goals by improving benefits and targeting people ages 22 to 25, rather than the customary 18- and 19-year-olds, he said.

"Clearly we've recruited a much larger all-volunteer force in the past" and can probably do so again, Goldich said.

Rangel's Call For New Military Draft Rebuffed (WT)

By Rowan Scarborough And Amy Fagan

The Washington Times, November 21, 2006

Democratic Rep. Charles B. Rangel's latest call to quickly restart the military draft was shot down yesterday by incoming House Speaker Nancy Pelosi and other party members, who said it will not be part of the Democrats' legislative agenda.

New York's Mr. Rangel periodically has urged a draft revival as a mechanism to criticize President Bush's handling of military deployments in the war on terrorism. He renewed his call again on Sunday, saying on CBS' "Face the Nation" that "if we're going to challenge Iran and challenge North Korea and then, as some people have asked, send more troops to Iraq, we can't do that without the draft. ... I will be introducing that bill as soon as we start the new session."

But Mrs. Pelosi, California Democrat, told reporters she does not favor the draft and has no plans to schedule a floor debate. And in the Senate, incoming Armed Services Chairman Carl Levin, Michigan Democrat, also dismissed the idea.

"I don't think we need it," he told reporters.

House Armed Services Committee Chairman Duncan Hunter, California Republican, disagreed with Mr. Rangel's long-held position that the burden of fighting wars fall disproportionately on low-income people. A study by the conservative Heritage Foundation concluded that the children of higher-income parents increased their enlistment numbers after the September 11 attack.

Mr. Hunter said his son left a civilian job to serve in Iraq and that several committee members have sons fighting in the war.

Mr. Rangel, an Iraq war critic who will become chairman of the House Ways and Means Committee, urged a new draft during the 2004 presidential election. Other Democrats floated a rumor that the Bush administration plotted behind the scenes to institute compulsory service because of missed recruiting goals.

The Republican leadership quickly moved for a floor vote that October. Then-House Majority Leader Tom DeLay, Texas Republican, said of Democrats, "We've had enough of that. We're going to call them on it. The Democrats are the only people that have a bill instituting the draft. We're going to bring it out there, and we're going to put a nail in it."

Mr. Rangel's proposal, which would draft women as well as men, was defeated 402-2. He even voted against it, saying Republicans brought up the bill up as a political stunt. Rep. John P. Murtha, Pennsylvania Democrat, who subsequently called for an immediate troop withdrawal from Iraq, and Rep. Pete Stark, California Democrat, voted in favor of the bill.

The all-volunteer force began when President Nixon ended the draft in 1973, more than 30 years after President Franklin D. Roosevelt ordered it to prepare for World War II. The draft was suspended after the war, but restarted in 1948. Women were exempt.

Mr. Rangel argued Sunday that "there's no question in my mind that this president and this administration would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if indeed we had a draft and members of Congress and the administration thought that their kids from their communities would be placed in harm's way."

He added, "I think at a time where national security is so important, having our young people commit themselves to a couple of years in service of this great republic, whether it's our seaports, our airports, in schools, in hospitals and at the end of that to provide some educational benefits is the best thing for our young people and the best thing for our country."

Rejecting The Draft (NYT)

The New York Times, November 21, 2006

There are many reasons why we are distressed to hear that Representative Charles Rangel of New York plans to reintroduce his annual measure aimed at resurrecting the draft when the Democrats take control of the House in January. We don't favor military conscription in general. And in this particular case, compelling military service won't achieve the things Mr. Rangel says he wants, either.

Mr. Rangel wants to replenish an Army that is in critical condition, make the armed services more equitably representative of American society as a whole, and find a way to prevent future presidents from embarking on military misadventures. Those are laudable goals, but not ones the nation can achieve by bringing back the draft.

Even if the draft was a good idea, it would be politically impossible to achieve. Members of Congress are well aware that their constituents oppose it. This White House has never been willing to ask the American public to do anything but accept more tax cuts; it's hardly going to embrace something as difficult and unpopular as military conscription.

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But the idea is flawed as well. Because of the dire situation in Iraq, the Army is indeed having trouble meeting its yearly quota of 80,000 recruits. Yet military leaders nevertheless oppose a draft. They believe you don't get a highly skilled Army by forcing people to serve against their will, and they are right.

The draft would not demonstrate to young people that everyone must do his or her fair share. It is more likely to convince them that the demand for sacrifice is made mainly on those too poor to avoid it. The volunteer force in Iraq has been a truer cross section of America than the force created under the last draft, which ended in 1973, before the end of the Vietnam War. The wealthy and well-connected could get deferments then or assignments to safe alternatives, and many did. While there are plenty of underprivileged in the current force, at least they are there by their own choosing.

The problem with the draft does not lie in the fact that it requires young people to spend some time contributing to the nation's well-being before they embark on their life careers. We wish the president had called for such sacrifices after Sept. 11, 2001, when so many Americans were aching to contribute.

For those young people who do not feel moved by patriotism or propelled by economics to enlist in the military, there should be other options for national service — like AmeriCorps. These programs need money and attention. Some of the potential candidates for president in 2008 have said the United States should require all young people to devote a year or two to service after high school or college, and that idea should be debated during the upcoming campaign.

But the urgency of the Army's current needs requires a different solution. There are many ways for the armed services to meet their recruitment goals outside of general conscription. After all, the Army's annual quota of 80,000 recruits is barely a drop in the ocean of some 60 million Americans between 18 and 35. Forcing the issue, with a draft, is no solution.

Democrats' Rx? Generics (WSJ)

By Anna Wilde Mathews

The Wall Street Journal, November 21, 2006

NEWLY EMPOWERED Democrats' vow to cut health-care costs might spell bad news for the brand-name pharmaceutical industry, but their efforts could provide new momentum for the generic-drug rivals' agenda.

Boosting the generics industry may prove to be a politically palatable way to follow up on the party's campaign promises. That's because making more room for generics is meant to cut prices through increased competition -- a solution that is easier to sell as pro-market than other proposals Republicans will portray as precursors to federal price controls. In addition, some legislation that must be renewed in 2007, including laws providing vital funding to the Food and Drug Administration and encouraging studies of drugs' use in children, could provide gridlock-proof vehicles for generics provisions.

"Overall, because of the shift in Congress, next year could be the most important year to the generics industry since 1984," when Congress passed the law that opened the door to the modern generics business, says Jake Hansen, a vice president at generics maker Barr Pharmaceuticals Inc., of Woodcliff Lake, N.J.

The most important question will likely be how and whether to create a legal pathway for the FDA to approve generic versions of biotechnology drugs. The 1984 law that created a framework enabling the FDA to approve generic drugs focuses on traditional, chemically derived drugs such as Prozac, but didn't give the agency a way to approve generic versions of most biotech products. Now, the issue will get a push from several key Democrats, though it will be difficult to pass such a complicated and contentious change in 2007.

An array of other measures aimed at smoothing the way for traditional generic drugs will also get attention, and could well be tucked into broader bills next year. Among them are proposals to limit branded-drug company tactics that thwart generic competitors, such as licensing additional companies to sell their drugs and thus diluting the profits to be made from copying them.

The FDA generics office is likely to get more funding to speed its reviews now that the Democrats are in charge, and there may be limits put on FDA petitions filed by brand-name makers that can delay generic-drug approvals. Another likely goal for Democrats: shortening a six-month period of exclusive marketing that branded-drug makers get in exchange for their pediatric research, a benefit that can be worth millions of dollars because it delays generic competition.

Makers of traditional chemical generics sell versions that can be substituted for the originals, typically at a substantially lower price. The generics companies have far smaller development costs, since they don't have to duplicate years of research and regulatory review borne by branded-drug makers.

A number of Democrats who have been allies of the generics makers are slated for positions that could help in pushing forward such changes. In the Senate are Vermont's Patrick Leahy, the expected Judiciary Committee chairman, as well as high-profile lawmakers such as New York's Hillary Clinton and Charles Schumer. Sen. Edward Kennedy of Massachusetts, who will head the health committee, is among the Democrats who have signaled that health-care costs will be a major focus for next year.

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Sen. Herb Kohl, a Wisconsin Democrat who is expected to head the Senate Appropriations subcommittee that handles the FDA's funding, says, "We really want to promote the use of generics because of the savings."

In the House, California Rep. Henry Waxman, a sponsor of the 1984 generics law, will be chairman of the Government Reform Committee, while FDA appropriations will go through a subcommittee headed by Connecticut Rep. Rosa DeLauro. The generics makers count some Republican supporters as well: Mississippi's Trent Lott, who will be the new Republican whip in the Senate, co-sponsored a bill supported by the industry last year with Michigan Democrat Debbie Stabenow.

"I'm obviously supportive of whatever we can do to make generics more available," says Democratic Rep. Frank Pallone of New Jersey, who may become chairman of the House Energy and Commerce health subcommittee. Drug prices are the kind of "affordability issue" that drew votes to Democrats, he says, adding that he supports the idea of generic biotech drugs. Mr. Waxman, with Sens. Schumer and Clinton, has introduced a bill to create a generic biotech pathway, which he says is "very, very much needed."

Generics makers are leaning on a coalition that has worked in the past, drawing on big employers and others scared by rising health-care costs. European regulators, meanwhile, have already begun crafting guidelines for what they call "biosimilars."

The generics makers' pitch is simple, and likely to resonate with many lawmakers: Helping them means lower drug costs, and doesn't involve government-imposed price controls or the controversies surrounding imported medicines.

The generics industry complains about remaining "loopholes" in law and regulation exploited by branded-pharmaceutical makers to delay generic competition. On the issue of generic biotech drugs, they argue that they can safely create copies without duplicating all the expensive studies done by the original manufacturers. "Right now, there's a regulatory monopoly" for biotech drugs, says Kathleen Jaeger, chief executive of the Generic Pharmaceutical Association.

Branded-drug companies defend their tactics. In a statement, the Pharmaceutical Research and Manufacturers of America says licensing additional competitors increases competition and brings down prices beyond the introduction of a generic version. The group also says the FDA needs to consider safety issues raised by petitions before it approves a drug, and such petitions allow consumers and others to "present their views on important FDA issues."

The biotech industry, for its part, is pushing its own case on Capitol Hill. One argument: Science isn't advanced enough for generics makers to produce truly identical duplicates of their medications. It is likely to get a good hearing from Democrats, partly because of biotech companies' base in Democratic strongholds of California and Massachusetts.

Some biotech officials argue that generics makers will need to redo all the studies performed by the original manufacturer, in order to guarantee their copycat products are effective and safe for patients. That would likely eliminate much, or all, of the price advantage offered by the generics rivals. "There is no way to characterize a biological," says James Greenwood, a former congressman who heads the Biotechnology Industry Organization, a trade group.

Biotech companies also argue that their products take longer to develop, and are often tested for use in fighting more illnesses than traditional drugs. For small start-ups, they say, generic competition could be devastating. So if legislation moves forward, they will press for trade-offs such as extra years of exclusive marketing. Such a compromise was the basis for the 1984 passage of the generics bill.

"I would like to see Congress be fair to the innovators," says Jim Green, a senior vice president of Biogen Idec Inc., of Cambridge, Mass. "The level of research-and-development investment in the next product is not going down."

Write to Anna Wilde Mathews at anna.mathews@wsj.com1

Intelligence Panel Staffer Reinstated (WP)

By Walter Pincus

The Washington Post, November 21, 2006

A Democratic staff member of the House Permanent Select Committee on Intelligence has had his security clearances reinstated and yesterday resumed work for the panel, ending a pre-election drama during which senior House Republicans alleged he may have leaked an intelligence report that was politically embarrassing to the Bush administration.

The mid-level staffer, Larry Hanauer, had signed an affidavit that he did not "discuss, disclose or cause to be discussed or disclosed" a National Intelligence Estimate (NIE) on Iraq to any person "affiliated with the press."

Committee Chairman Peter Hoekstra (R-Mich.) wrote on Friday to ranking Democrat Jane Harman (Calif.) that the affidavit and the results of the committee staff director's interview of Hanauer were enough for him to rescind the punishment.

An earlier plan to carry on an investigation of all staff members to include possible review of their past e-mails was dropped. A spokesman for Hoekstra, Jamal Ware, said that the staff member's access to classified information had been "restored," but that otherwise the chairman would have no comment on the matter.

At the time of the suspension, Hoekstra told Harman that another committee member, Rep. Ray LaHood (R-Ill.), had questioned the timing between Hanauer obtaining the NIE for a Democratic lawmaker who requested it and the New York Times

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publishing a story about it days later. Although the leak allegation was not based on any evidence, Hoekstra suspended Hanauer, telling Harman he had "come to the conclusion that I cannot assume that this was a mere coincidence."

Soon after the suspension last month, House Majority Leader John A. Boehner (R-Ohio) and House Majority Whip Roy Blunt (R-Mo.) released statements condemning leaks and praising Hoekstra.

Jonathan Turley, Hanauer's Washington attorney, yesterday released a statement welcoming the news that "this long nightmare for Larry and his family is now over." He added that it is "regrettable that it took this long given the total absence of any evidence linking Larry to the New York Times articles." In the interim, Hanauer worked in Harman's office handling non-classified duties, and he said he received threatening phone calls as a result of the publicity.

The situation highlighted long-standing animosity between Hoekstra and Harman. Harman objected to the chairman's release of several intelligence reports -- drafted primarily by the Republican staff -- that gave support to the Bush administration's policies dealing with terrorism, Iran and North Korea. In turn, Harman had released an internal report raising questions about how former committee member Randy "Duke" Cunningham (R-Calif.) had used his status to get Pentagon contracts for political supporters. Cunningham is serving an eight-year prison sentence after being convicted on bribery and other charges.

The antagonism between the two senior committee members seems not to have ended. Hoekstra, in his Friday letter, reminded Harman that his policy prohibits staff members from talking to the media "unless authorized by me," adding: "Even when such contacts do not deal with classified information."

He pointedly noted that he had been told "it has been the routine practice of the minority staff to have contacts with the press at your direction." Hoekstra added, referring to Hanauer: "I expect the staff member to comply scrupulously with my announced policy for the remainder of the 109th Congress."

Under normal circumstances, Harman would be in line to replace Hoekstra as chairman in January. But Speaker-elect Nancy Pelosi (D-Calif.), who under the rules appoints all members of the intelligence panel, has indicated that she plans to choose someone else, possibly the next ranking Democrat, Rep. Alcee L. Hastings (Fla.).

One alternative, according to a senior Democratic staff member who asked not to be identified because he was not authorized to speak for his boss, would be for Pelosi to give Harman the chairmanship of an intelligence panel subcommittee, rather than just dropping her from the committee.

As for Hoekstra, a Republican congressional staffer said whether the current chairman remains on the committee is up to Boehner, who under the rules chooses the panel's membership. "I believe Mr. Hoekstra would serve if Boehner selects him," the staff member said.

Same Old Party (NYT)

By Thomas B. Edsall

The New York Times, November 21, 2006

Washington

Last Friday, the Republicans gave the Democrats a gift that will keep on giving: Roy Blunt of Missouri.

After an election repudiating the politics of Jack Abramoff and Tom DeLay, Republicans elevated Blunt from the number three spot in the leadership to number two.

Roy Blunt embodies the insidious, half-legal corruption that has permeated the G.O.P. majority since 1995. Blunt's election as minority whip, by a 137-to-57 margin, was a defiant Republican rejection of calls to clean up their act. Warnings by Blunt's challenger, John Shadegg of Arizona — "We ceded our reform-minded principles in exchange for a ...tighter grip on power" — went unheeded.

In 1998, DeLay put Blunt on the leadership ladder, making him chief deputy whip. Blunt modeled himself on DeLay, creating an identical network of state and federal political committees that raised money from the same lobbyists, corporations and trade associations that financed what became known as DeLay Inc.

If one political operation captured the essence of DeLay's leadership, it was the Republican takeover of Washington's influence-peddling industry. This industry, grossing $2.36 billion last year alone, eagerly accommodated DeLay's demands to replace Democratic lobbyists and association executives with Republicans. In a mutually rewarding relationship, lobbyists who financed DeLay Inc. wrote amendments and bills, while DeLay received a flood of cash to build a multimillion-dollar network of PACs. These committees lavished contributions, corporate jets and year-round entertainment on Republican House members, ensuring their loyalty, and channeled cash into local political parties, helping to win control of state legislatures that, in turn, gerrymandered districts to implement a long-term strategy of larger G.O.P. Congressional majorities.

In 2003, after DeLay moved up to majority leader and turned the so-called K Street Project over to him, Blunt promptly converted a legion of Republican lobbyists into an arm of the House whip operation. Lobbyists have always been close to

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Congress, under rule by either party. What DeLay and Blunt did was to sacralize this relationship. In doing so, they transferred a chunk of power from Capitol Hill to business interests.

This unholy alliance was a crucial factor in transforming the G.O.P. into an army of spenders whose earmarks, appropriations and tax cuts rivaled the government largess of Lyndon Johnson's Great Society.

In 2004, Blunt turned his lobbyist team loose to win passage of a bill eliminating a $50 billion corporate tax break that the World Trade Organization had ruled in violation of international agreements. These lobbyists inserted $143 billion worth of new corporate tax breaks, turning the bill into a Fortune 500 Christmas tree.

Blunt is not the easy target DeLay was. DeLay, a born-again Southern Baptist, by his own account had battled demon rum and the playboy life. Once he started down the path of righteousness, moralizing and sermonizing, he made enemies, painting a bull's-eye on his back.

Blunt, by contrast, is bland, unctuous and adept at keeping a low profile. But there is plenty to see. After divorcing his wife of 35 years to marry a tobacco lobbyist, Abigail Perlman, he cleared his second marriage with the House Ethics Committee to get "a waiver of the limitations of the gift rule to allow me to accept gifts in connection with my wedding."

Blunt unblushingly told the Heritage Foundation this month that Republicans "have allowed our efforts to defend traditional values to be defined as little more than a politically driven effort to appease 'family groups.' "

For Blunt, the blurring of boundaries is a family tradition. His son Matt is the governor of Missouri. Another son, Andrew, is one of the state's top lobbyists. Almost all Altria subsidiaries — Kraft, Miller Brewing, Philip Morris (remember Abigail Perlman) — hired Andy Blunt, along with other financial backers of Roy Blunt.

In Blunt, House Republicans have kept on display a top official reminding voters why they cast ballots for Democrats on Nov. 7. After winning the post of minority whip last week, Blunt declared that the Republicans had "come together ... frankly, to get rid of the bad habits that we may have developed in 12 years in the majority." This is precisely the opposite of what they actually did, which was to affirm their bad habits. The burden on the Democrats will be to make the elusive Blunt a nationally recognized figure.

A Familiar Number (NYT)

By Robin Toner

The New York Times, November 21, 2006

With only a few races undecided, the new House of Representatives looks increasingly like a mirror image of the old: the Democrats are likely to have a majority close to 232, which was the Republicans' majority in the departing Congress. That may seem small compared with the Democrats' glory days; in 1994, before they lost power, they had 258 seats out of 435, and in the 1970s, after Watergate, they approached 300.

Still, the new Democratic majority is comparatively comfortable; 232 was the high-water mark for the Republicans in the 12 years they held power.

The strength of the Democratic showing in the elections this month was underscored by one statistic: they did not lose a single seat. They have gained 29 and, in New England, left the Republicans with just one House seat — that of Representative Christopher Shays of Connecticut — out of 22 in the region.

Whether the Democrats can hold this majority together on legislation, of course, is another question. And even if they maintain unity in the House, the prospects in the new Democratic Senate are even more fraught, given the particularly independent class just elected. Moreover, Senate Democrats have a majority of only 51, far short of the 60 votes required to break a filibuster.

Behind Democrats' Climb In Mountain West (USAT)

By Martin Kasindorf And Tom Kenworthy

USA Today, November 21, 2006

Some say party's success on Election Day was just

a fluke; others see a major political realignment; it could just be a normal part of a cycle between parties

DENVER — A wave of Democratic blue is splashing the fast-growing Rocky Mountain West, which until recently was so Republican that all eight states in the region went red for President Bush in 2004.

Democrats are celebrating their Election Day seizure of a U.S. Senate seat, a governorship, three U.S. House seats and other major offices in Rocky Mountain states. That extends a trend started in 2002 with winning three governor seats. Now, Democrats are hoping to break the Republican lock on the inland West in the 2008 presidential race.

The region's results Nov. 7 tracked with Democratic successes in the Northeast and Midwest. The question is whether the Western shifts indicate a fluke, the normal turn of a cycle or a permanent realignment.

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Some Republicans say their party should gird for long-term trouble. “The West is not going to be as definitively conservative and Republican as it has been,” says Eddie Mahe, a veteran GOP campaign strategist. “The Rocky Mountain West is probably trending to look more like a lot of the remainder of the country, not quite as unique as it once was.”

Utah Gov. Jon Huntsman, a Republican, says, “Many of the Democratic leaders in the region have co-opted Republican issues. It signals the success of certain traditional Western conservative values. Republicans in this region should stick to their knitting. We should focus on that which we do best — economic vitality, immigration, the environment, energy efficiency and tax reform.”

Randy Pullen, a Republican National Committee member from Arizona, says the election was a one-shot loss. “This election was a referendum on the president,” he says. “We'll fare better in two years.”

The political changes mean both national parties will pay more attention to the West, says Michael Stratton, a Democratic campaign strategist in Denver. “It sets the grounds for the candidacy of a president who can speak Western issues,” he says.

University of Maryland-Baltimore County political scientist Thomas Schaller says Democrats should develop a strategy for 2008 that would cede the South to the GOP. Schaller says in his book, Whistling Past Dixie, Democrats could reach the needed 270 electoral votes by winning Colorado, Arizona, Nevada, New Mexico and other targets in the Mountain West. Midwestern states also would get more attention. “The West is not cowpokes and tumbleweeds, if it ever was,” he says. “It's changing rapidly.”

Signs that the Democratic Party is getting the message:

·The Democratic National Committee this year added Nevada to the early presidential nominating contests. Nevada's caucuses will be in January 2008, between the Iowa caucuses and New Hampshire primary. The DNC wanted to move up a racially diverse state and to please Las Vegas' powerhouse, 60,000-member Culinary Union, says Michael Gehrke of the Senate Majority Project, a Democratic group separate from the party.

·Denver is a finalist to host the 2008 national convention. The DNC will decide between it and New York City next year.

·DNC Chairman Howard Dean's “50-state strategy” put field operatives on the payroll and dispatched them a year ago for groundwork in Mountain West states that Democrats used to write off.

Democrats made notable gains.

Former Denver prosecutor Bill Ritter won the governorship in Colorado. Now, Democrats control that office, the Legislature and a majority of the state's U.S. House delegation for the first time since 1958.

In 2000, Democrats had no governors in the eight Mountain West states. Ritter's win increases the party's count from four to five of the governors.

In Montana, Jon Tester, an organic farmer with a flattop haircut, narrowly upset Republican U.S. Sen. Conrad Burns. Montana, which gave Bush a 59% majority in 2004, now has two Democratic senators. Democrats also held both houses of the Legislature.

Democrats captured three GOP-held House seats in the region. In Arizona, former Tempe mayor Harry Mitchell unseated Rep. J. D. Hayworth, and Democrat Gabrielle Giffords defeated Republican Randy Graf for retiring Rep. Jim Kolbe's seat. Colorado Democrat Ed Perlmutter picked up the seat Republican Bob Beauprez left open in his losing run for governor.

Launching the Democratic trend in 2002 were governors Janet Napolitano in Arizona, Bill Richardson in New Mexico and Dave Freudenthal in Wyoming. All were just re-elected in landslides.

Factors making the difference for Democrats:

·No liberals. Luring Western voters these days are “Blue Dog” Democrats, moderate-to-conservative candidates who are comfortable in Stetsons and boots. They support gun rights, Democratic pollster Celinda Lake says.

“First off, it's recruiting candidates that look like your state and use words you use,” says Montana Gov. Brian Schweitzer, elected in 2004 as the state's first Democrat in the post in 20 years. “We don't scare 'em. We are the kind of people who go to church on Sunday, drive a pickup and lower taxes when we can.”

Lake recalls a moment in Schweitzer's 2004 campaign when he was asked his views on an amendment banning gay marriage. “He said, basically, ‘I believe marriage is between a man and a woman, but aren't you a lot more worried about the price of grain?' ”

·Population changes. Cities and suburbs are booming from Albuquerque to Las Vegas to Boise to Grand Junction, Colo. There's been an influx of Hispanics and others. Many people are fleeing California's high housing costs and flocking to thriving Mountain West economies.

“We've become less isolated, more cosmopolitan, less the Last Frontier typified by Barry Goldwater conservatism,” says F. Chris Garcia, a retired pollster and University of New Mexico political scientist. “As states grow rapidly, there's a blending going on. We're going toward the center, not being just of one party.”

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Hispanic population growth also is changing the face of the West, particularly in the Southwest and Colorado, Richardson says.

According to the Pew Hispanic Center, Hispanics eligible to vote in 2006 were 38% of the New Mexico electorate, 17% in Arizona, 13% in Nevada and 12% in Colorado (Hispanic citizens were 9% of the overall U.S. electorate.) "You have a new melting pot in the West," Schaller says. "It's good for Democrats if they can capitalize on it."

·Social attitudes. Many newcomers are from coastal states where religious fundamentalists have made few inroads, Schaller says. And though the religious right dominates the GOP machinery in some mountain states, it is less pervasive in the Mountain West than in the South, he says.

·Rapid growth. Nevada, Arizona and Idaho are the USA's fastest-growing states, with Utah fifth. In Denver, Albuquerque and other Western cities, growth has brought congestion and sprawl. That points Westerners toward Democrats who say government can manage the problems, says Daniel Kemmis, senior fellow at the University of Montana's Center for the Rocky Mountain West. "There is a growing awareness among Westerners that these growth pressures … require thoughtful responses, not ideological responses," says Kemmis, a Democrat and former speaker of Montana's House.

·Environmental views. Typical new Montana residents, Schweitzer says, are moderate Republicans drawn to the state's open landscapes, blue-ribbon trout streams, hunting and hiking.

"Why we choose to stay or move here is because of the quality of life," he says.

Old-line Western farmers and ranchers are allying with environmental groups in a "coalition for Teddy Roosevelt-style conservation" of land and wildlife that's helping Democrats against pro-industry Republicans, Stratton says.

Put it all together, and the good year for Democrats "is not a fluke," says Larry Sabato, a University of Virginia political scientist. "There may be some one-term wonders … but on the whole, the Democrats in the West were part of a national and regional trend. Colorado has been running toward the Democrats, and I don't see that it's going to move back any time soon."

Freudenthal, Wyoming's Democratic governor, says pundits are reading too much into Democratic gains. "It's hardly as ebullient as the Democrats say, or as dark as the Republicans do," he says. "On the state-level stuff, I think it's all local politics and not some groundswell one way or the other. Wyoming has not become a Democratic state."

Freudenthal says Western voters were concerned this year about health care, education and balanced growth — issues that favored Democrats.

"The issues created the Democrats more than the Democrats created the tide," he says.

Election Day wasn't a Democratic sweep.

Nevada Republicans retained the governorship and fended off a challenge for a House seat. Republicans kept House seats in Montana and Wyoming. Idaho Republicans won all seven statewide races, including governor. Utah, too, stayed in the red column.

The natural cycles of politics provide another explanation for Democratic gains, says Pam Inmann, executive director of the Western Governors' Association.

"We had a big change in '74 (toward the Democrats), another in '94 (toward the Republicans)," she says. "After a party's been in power for a while and things are not going well, things tend to shift."

Can Democrats hold their gains? "It depends on how the Republicans choose to respond," Freudenthal says. "If they move toward more moderate candidates, then it becomes competitive."

Ritter, Colorado's new Democratic governor, says the trend will last "if we govern well. If we squander this because we don't appreciate the Western electorate, then it'll be short-lived."

He says the success will continue if Democrats focus on "how government intersects with where people struggle. It's about running a smart government, not a big government."

Traditionally Republican States Show They're Open To Democrats (MCT)

By Steven Thomma

McClatchy Newspapers, November 21, 2006

WASHINGTON - The next time you look at a political map of the United States, you'll have to adjust the color. After this month's elections, the old red-blue map that's defined the country for years is dead.

All the solid Democratic states are still Democratic blue - basically the West Coast, the Northeast and scattered Great Lakes states such as Illinois, Wisconsin and Michigan.

Some are even bluer. Democrats took back the governor's office in New York, for example.

But a lot of states that were dependably Republican Red are now some other hue. Call them purple, striped or polka-dotted - the fact is they're now open to Democrats.

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They haven't gone completely over. But they did elect some Democrats, signaling that they're in play. And that means a new center of gravity for the Democrats as they struggle to define themselves by governing in Congress the next two years and setting the table for 2008, hoping to consolidate this year's gains and win back the White House.

Democrats gained in states such as Colorado, where they picked up the governor's office.

That gives them a statehouse foothold across the Mountain West, as they now hold governors' offices in a solid line from Montana to New Mexico.

Democrats also picked up Senate seats in once-solid red states, such as Ohio and Virginia.

And they gained U.S. House of Representatives seats in such red states as Arizona, Colorado, Georgia, Indiana, Kansas, Kentucky, North Carolina, Ohio, Tennessee and Texas.

In part that reflects changes within those states. Migration of Democrats from the North to the Sun Belt continues to dilute the Republican red zone. Immigration brings new voters from Mexico and farther south, the majority of them Democrats once they vote.

It also reflects changes in the Democrats, who this year recruited centrists and moderates to compete in culturally conservative areas.

These new voices in the party - people such as incoming Sens. Bob Casey of Pennsylvania, Jon Tester of Montana and James Webb of Virginia - are certain to influence how the party handles issues such as abortion, taxes and gun control. Many are anti-abortion, anti-tax and pro-gun.

Democrats will want to keep those hard-won gains. And having tasted victory in red states, Democrats likely will want to go back and win the 14 House seats they lost by less than 1 percent, many of them in red states.

"Who you represent, who you're fighting over, changes thinking within the party. The party will be impacted by this election," said Democratic pollster Stan Greenberg. "When people look up at whose seats they are defending and the seats they can pick up ... that will impact what Democrats take up, what symbolic issues get put out on the table."

Issues that appealed to the party's liberal base might anger its new supporters and provide fresh ammunition to Republicans to re-energize their base.

Thus, a committed liberal such as Rep. Nancy Pelosi, D-Calif., the next House speaker, stifles talk about gay rights, a living wage, tax increases or cutting off funds for the Iraq war. The liberal base will push for those and more - but it can't rule the new map the way it did the old.

Another example: The last time the Democrats controlled the Congress, in 1994, they made gun control a centerpiece of their domestic agenda. This time around, it hasn't been mentioned, and many Democrats boast of their support for gun rights.

"If somebody brings up guns," said Democratic strategist James Carville, "I'm going to shoot `em."

These states also may be purple for the 2008 presidential election.

Democrats now hold governors' offices in states with 295 electoral votes - enough to win the White House.

"I consider all those states part of the presidential strategy," said Greenberg, who helped Bill Clinton win the presidency in 1992.

Still, one of the challenges facing Democrats is to find a presidential nominee who can satisfy both the liberals of Los Angeles and New York and the moderates of Golden, Colo., or Missoula, Mont.

Is The South Truly A Dead Zone For Democrats? (NYT)

By Adam Nossiter

The New York Times, November 21, 2006

NEW ORLEANS, Nov. 20 — The South largely sat out the drama of the recent election, apparently confirming its reputation as the Democrats' graveyard. An influential book published in October predicted as much, saying the party could safely avert its gaze from a region that could not be of help.

"They don't need the South to win," said Thomas F. Schaller, who wrote the book, "Whistling Past Dixie: How the Democrats Can Win Without the South," and who teaches political science at the University of Maryland, Baltimore County. "Why would Democrats go after the most rural, least unionized, most racially polarized, most evangelized region in the country?" As proof, Mr. Schaller has cited Representative Harold E. Ford Jr.'s losing Senate race in Tennessee.

But not so fast. The thundering silence from the South may prove nothing more than what should be obvious: when Democrats do not compete, or compete unequally, they lose. Party officials in Tennessee, reflecting on the race in recent days, acknowledged that Mr. Ford was not an ideal candidate for the state, and not just because he was a black politician trying to climb the steep mountain of a white electorate. His own political baggage added significantly to his burden.

Throughout the South, Democrats ceded vast swaths of Congressional territory to Republicans, hardly bothering to show that the party was alive, even in places where such a demonstration might have been welcome. In Louisiana, Democrats barely

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fought in two Congressional districts where Republican incumbents could have been vulnerable: the Fifth District in the north, represented by a party-switching Republican whose last-minute change infuriated the state's Democrats two years ago, and the Seventh District in Cajun country to the south, peopled by socially tolerant French Catholics and long represented by Democrats.

Democratic officials in the state say they tried to persuade strong candidates to take up these challenges but found no buyers and evidently no deep bench from which to draw, testimony to the years of national Republican ascendancy.

True, President Bush piled up big majorities in 2004 in both districts, but he also did so in a southern Louisiana district where the Democratic incumbent was handily re-elected on Nov. 7. Had Democrats fought in Louisiana this year, "they would have made a good run for it," said Wayne Parent, a political scientist at Louisiana State University.

In Mississippi and Alabama, Republican incumbents cruised to re-election with hardly a peep out of the Democrats. Yet Mississippi, depicted by Mr. Schaller in some ways as the most impregnable Republican bastion in the South, has elected progressive Democrats as governor three times in the last three decades, a fact unmentioned by Mr. Schaller in his book. In Georgia, two Democratic incumbents considered by Republicans to be among the most vulnerable in the nation held their seats, albeit narrowly.

In many ways, however, it was the closely watched Senate race in Tennessee that was most indicative of the problems and the promise of the Democrats' future in the region.

At one level, Mr. Ford's loss to the Republican, Bob Corker, was simply a reiteration of an ancient reality for Democrats in the South: black candidates in statewide races are unlikely to win because they face a majority-white electorate, and most whites do not vote for blacks. In other words, there is a challenge with the voters, not the candidate, which is one of Mr. Schaller's arguments.

For example, at an election-eve rally in rural Centerville, about 65 miles west of Nashville, John C. Tidwell, the local Democratic state representative, looked out over the small, mostly white crowd and said, "There are people spread out here that wouldn't vote for" Mr. Ford "even if he were Moses." Mr. Tidwell used a slur for a black man, not Mr. Ford's name.

Another attendee, Wes Morgan, backed up Mr. Tidwell's observation: Mr. Ford's race was a tough sell in Hickman County, which includes Centerville. "You're still in the country," said Mr. Morgan, an emergency medical technician. "A lot of people say, 'Ain't no way my grandfather would have voted for a black man.' "

Yet even given that reality, Mr. Ford came remarkably close, winning 48 percent of the vote. Why he did not do better was suggested by Mr. Tidwell's next comment, which also hinted at why Mr. Ford's racial background was not the only factor in his loss.

"These people are struggling with their vote," Mr. Tidwell said. "They don't like the Republicans, but they don't like a Ford black boy either." Here the racially charged language was accompanied by the Ford name, and for many in Tennessee, that carried a specific meaning.

Voters knew that several members of the politically active Ford family had been caught up in legal and ethical problems, including Mr. Ford's father and predecessor in Congress, Harold Ford Sr., who was acquitted on federal corruption charges.

"The Ford name has a lot of baggage in West Tennessee," said Will T. Cheek, a member of the Democratic National Committee in Nashville.

That voters might have considered the Fords less than trustworthy could have been reinforced in the Senate race, in the view of some Tennessee Democrats, by the candidate's own late-breaking genuflections toward his faith, by his denunciations of same-sex marriage and by other signals of a swing to the right.

As it happened, white Democrats did turn out for Mr. Ford in Tennessee, just not in sufficient numbers, suggesting that a different candidate, and not necessarily a white one, could have been elected.

"We really lost this thing in rural Middle Tennessee, which is historically Democratic, and it did not perform well at all," said Mr. Cheek, who is also a former chairman of the Tennessee Democratic Party. (Most of the state's black voters are concentrated in the western third of the state.) Looking over the statistics postelection, "Ford is winning," Mr. Cheek said, "but he's not winning as big as he should be winning."

In several counties, Mr. Ford won even fewer votes than Senator John Kerry, who lost big in the state when he ran for president in 2004. And Mr. Ford lost while Gov. Phil Bredesen, a Democrat, was sweeping every county in the state.

"I think another candidate might have won — I think one of the congressmen could have won it," Mr. Cheek said, referring to Tennessee's Democratic representatives.

In an interview last week, Mr. Schaller, the political scientist, was jubilant, seeing the national election as a vindication of his book. "For the first time in 52 years," he said, "Congress will be run by the party that has a minority of Southern seats in the House and Senate."

But others warn that to abandon the South carries risks as well, paralleling those faced by Republicans who let themselves become dominated by Southern voices and ideology.

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"The Republican mistake was to center the party too much in the South," said Mr. Parent, of Louisiana State University. But "once the Democratic Party starts extricating itself from Dixie too much, it might move itself too far away from its center in Ohio and Pennsylvania."

Dems' Senate Grip Will Rely On 3 New Hybrids (USAT)

By Kathy Kiely
USA Today, November 21, 2006
WASHINGTON

When Democrats take over the Senate in January, the party's bare two-vote majority will include three senators whose history shows they heed their own views more than those of any political leader.

Just how precarious is the Democrats' grip on power? The 51 senators who will make up the party's Senate caucus beginning in January include two who aren't officially Democrats — independents Joe Lieberman of Connecticut and Bernie Sanders of Vermont — and Jim Webb of Virginia, who used to be a Republican.

The 110th Congress will be the first since 1976 to have two people who don't belong to the two major parties serving in the Senate at the same time. Republicans will occupy 49 of the chamber's 100 seats.

Even when one party has a more comfortable margin of control, Senate rules make it "easy to play to a draw on everything," says deputy Democratic leader Dick Durbin of Illinois.

In the new Senate, where every roll call could be a squeaker, political hybrids Lieberman, Sanders and Webb stand to be key players.

No wonder incoming Senate Majority Leader Harry Reid lavished plum committee assignments on the trio last week.

Lieberman will head the high-profile committee that oversees homeland security and governmental affairs. Webb, though a freshman, snagged coveted posts on the Armed Services and homeland security committees. In addition to the three assignments he requested — on the energy; environment; and health, education and labor committees — Sanders said he was surprised to learn he's also been given a seat on the Senate Budget Committee.

On paper, the three appear likely to push the party in opposite directions: Sanders describes himself as a "democratic socialist;" Webb worked in the administration of President Reagan, a conservative icon. He and Lieberman share a belief that the Democratic Party must develop more muscular stands on defense and foreign policy.

In separate interviews, however, all three members of what could become the Senate's maverick caucus identified one area of common ground: All named the middle class squeeze as one of their top concerns and said they want to reverse Bush administration policies that, in their view, favor the wealthy.

Dems Return To Power With A Long Wish List (USAT)

By Richard Wolf
USA Today, November 21, 2006

WASHINGTON — Democrats will return to power in Congress with a lengthy list of expensive priorities and a pledge to pay for them. Some budget experts say the dual goals don't add up.

Democratic leaders have endorsed an ambitious agenda that includes fortifying the military, improving homeland security, helping veterans, making college more affordable, establishing energy independence and boosting private savings rates. Annual tab: at least $79 billion, according to the National Taxpayers Union, a group opposed to higher taxes.

They also want to protect 20 million upper middle-income taxpayers from the alternative minimum tax. It was originally designed to ensure the rich didn't avoid paying taxes, but it threatens to raise taxes on the less affluent unless it's indexed for inflation. Cost: $50 billion a year, according to the Joint Committee on Taxation.

And they want to eliminate the coverage gap in Medicare's prescription-drug program, which forces those with big drug bills to pay at least $3,600 out of pocket. Price tag: about $30 billion a year and rising, according to the Congressional Budget Office.

At the same time, Democratic leaders say, they will reinstate budget rules that expired in 2002. They want statutory caps on most domestic and defense spending. They also want new tax cuts or benefit increases offset by other tax increases or spending cuts to keep the deficit from growing.

"They can't basically have all of those priorities … without deciding who's going to pay the bill, and that means either cuts in spending or increases in revenue," says Leon Panetta, White House chief of staff and budget director under President Clinton. "There's going to be a huge temptation here to borrow the Republicans' example of borrow and spend."

"It's going to be difficult," says Rep. Charles Rangel, D-N.Y., who is in line to lead the tax-writing House Ways and Means Committee next year. "We're going to have to see how much fat is out there."

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The growing list of pent-up Democratic demands reflects 12 years largely spent out of power in Congress. In the days after the election, Democrats who will chair key committees spoke openly of goals as ambitious as expanding health insurance to all children and providing free college educations to math and science majors.

The immediate list is less expensive. In crafting their "Six for '06" campaign agenda, incoming House Speaker Nancy Pelosi and Senate Majority Leader Harry Reid left off fixing the alternative minimum tax and closing the Medicare drug coverage gap because of their costs.

Still, items such as implementing the homeland security recommendations of the 9/11 Commission and cutting interest rates for student loans could cost billions more once specific proposals are made. Democrats have pledged to pass those in the first 100 hours of the new Congress.

Some of the party's leading proponents of reducing the $248 billion federal deficit say the initial package is realistic. Sen. Kent Conrad, D-N.D., in line to be the Senate Budget Committee chairman, calls it "pretty modest." Rep. Jim Cooper, D-Tenn., says it's "reasonable."

Paying for those priorities may prove untenable, they say, forcing Democrats to choose between forgoing new initiatives or waiving the budget rules. "You impose a discipline that may restrict your ability to enact one or more of them," Conrad says.

The Democrats have a much smaller list of ways to pay for their initiatives. They would have the government negotiate lower prices with drug companies for the Medicare prescription program, which the Congressional Budget Office has said will not save money. They would repeal subsidies for big oil companies worth about $7 billion a year. And they would try to close the elusive "tax gap" — an estimated $400 billion in taxes owed but uncollected each year. The IRS says $50 billion to $100 billion eventually could be recouped.

Republicans scoff at the disparity between the Democrats' wish list and wallet. "It's going to be difficult to do some of the things Democrats have suggested," says Rep. Jim McCrery, R-La., who's in line to be the top Republican on the Ways and Means Committee.

"It is extraordinarily expensive. You're talking tens if not hundreds of billions of dollars," says Sen. Judd Gregg, R-N.H., current chairman of the Senate Budget Committee.

Critics of the pay-as-you-go budget rule note that it doesn't reduce the automatic growth of Social Security, Medicare and Medicaid, since it applies only to new initiatives. It could, however, endanger President Bush's tax cuts, which are due to expire in 2010. Extending them for five years would cost more than $1.2 trillion, the Congressional Budget Office says. The rule was in effect but waived in 2001, when most of the tax cuts were enacted but not paid for.

"Every dollar of federal spending, no matter how wasteful, will be defended to the death by whoever receives it," says Brian Riedl, a budget analyst at the conservative Heritage Foundation. "Gimmicks usually win out."

Push To Add Real Estate Funds To Savings Plan Is Rebuffed (WP)

By Stephen Barr

The Washington Post, November 21, 2006

Don't bet the mortgage that the Thrift Savings Plan will add a real estate investment fund, or any other option, soon.

A consultant hired by the TSP said yesterday that the retirement savings program for government employees is generally comparable to 401(k) and similar plans offered in the private sector and did not recommend any changes.

"Our review of the program leads us to the conclusion that the core of the investment program is well-structured and there are no gaps in the investment lineup," Ennis Knupp, a consultancy in Chicago, said in a report.

About 200 House members are co-sponsoring a bill that would add a real estate investment fund to the TSP, which prompted the Federal Retirement Thrift Investment Board to order the $140,000 study. After the board signaled opposition to adding a real estate option and sought the study, the chief sponsors of the bill put it on hold.

The board, chaired by Andrew M. Saul, was briefed by representatives of Ennis Knupp yesterday, but board members did not mention the proposed legislation. A board spokesman said copies of the consultant's study had been sent to congressional committees that oversee the TSP.

The National Association of Real Estate Investment Trusts has pushed for adding a real estate fund, contending that it would help government employees diversify their portfolios.

The association's spokesman said the consultant's report is being reviewed but portrayed its findings as predictable. "Given the TSP administration's longstanding opposition to adding new choices to the TSP lineup, we're not terribly surprised that the report validated the TSP management viewpoint," Ron Kuykendall, the spokesman, said.

Real estate investment trusts, or REITs, are publicly traded companies that own and usually manage real estate, such as office buildings, shopping centers, apartments, hotels and warehouses. They are often called "liquid real estate" because they

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provide a way to invest in an array of commercial properties without having to buy them directly. REITs are required to pay out most of their taxable income to shareholders.

A spokesman for Rep. Thomas M. Davis III (R-Va.), one of the chief proponents for adding a real estate fund to the TSP, said Davis "looks forward to continuing to discuss with federal employees why he thinks they would benefit from a REIT option."

In reviewing REITs for the TSP, the consultant found they have outpaced most U.S. stocks over the past decade and have performed particularly well in the past five years, with an annualized return exceeding 19 percent.

But Ennis Knupp concluded that REITs remain a "sub-sector" of the stock market and that participants can gain exposure to REITs through the TSP's large, common stock index fund and its small-company index fund. The consultant also raised concerns that the REIT market might have difficulty in accommodating cash flows in excess of $200 million on some days, a possibility based on the TSP's experience with its international fund.

In addition to REITs, the consultant reviewed growth and value stock funds, emerging markets stocks, non-U.S. bonds, commodities and Treasury inflation-protected securities, known as TIPS.

Russell Ivinjack, an Ennis Knupp principal, said his team found more disadvantages than advantages in the six asset classes, suggesting that the TSP should stick with its four broad index funds, a government securities fund, and five life-cycle funds that automatically shift to less risky investments as a participant nears the time to draw down savings.

Private-sector survey data examined by Ennis Knupp indicated that most 401(k) participants select investment options similar to those of TSP participants, he said. The data, he added, "confirms this program is in the mainstream."

Saul noted that the TSP hit $200 billion in assets this month -- "really a milestone." The TSP has more than doubled in size in the past four years, making it one of the largest retirement savings programs in the world.

Textile Fiasco (WSJ)

The Wall Street Journal, November 21, 2006

Congress's failure to pass Permanent Normal Trade Relations with Vietnam embarrassed President Bush on his visit to Hanoi last week. But this failure is an even bigger fiasco than it appears because of the White House's pandering to the U.S. textile industry. It's a case study in how protectionists never stay bought.

The power of the textile lobby is an old story, and the Bush Administration bowed to it by negotiating extraordinary quota provisions with Vietnam. In particular, it agreed to allow quotas to be reimposed if there are import surges in Vietnam textiles to the U.S. once the deal is implemented. But that wasn't enough for the textile crowd, who induced GOP Senators Lindsey Graham (South Carolina) and Elizabeth Dole (North Carolina) to put a hold on the bill. Never mind that the bill has bipartisan support and many more than the 60 Senate votes needed to overcome a filibuster.

But instead of insisting that Republicans bring the bill to a vote, the Administration chose to make one more protectionist concession. In a September letter to the two GOP Senators, Commerce Secretary Carlos Gutierrez and Trade Representative Susan Schwab agreed to "self-initiate anti-dumping investigations" against Vietnamese apparel under certain circumstances. That is, the government declared that it will serve as the textile lobby's protectionist front man.

This is stunning. For one thing, the government almost never initiates anti-dumping actions. The last time we can recall it happening was on softwood lumber in 1991. Under the anti-dumping laws, the industry itself is supposed to show evidence that it is being harmed by specific imported products.

More amazing still, the U.S. textile industry doesn't compete with apparel -- such as trousers, shirts, sweaters -- that American retailers import from Vietnam. It makes yarn or fabric. So the Bush Administration is promising to protect the U.S. yarn industry against a surge in imports of other textile products. It would be as if the U.S. agreed to protect U.S. car makers against a surge in foreign automobile tires. The trade precedent here is dangerous, and probably violates World Trade Organization rules.

What's going on is that the U.S. textile industry is trying to protect its interests not in the U.S. but in Central America. If the Vietnam bill passes, apparel from Vietnam may well be able to undercut the price of similar goods from Honduras. Those Central American plants buy U.S. yarn, so the textile lobby is trying to block exports from Vietnam to protect its own exports to Honduras.

In other words, under the promises made by the Bush Administration, the winners would be big yarn-spinning companies like Parkdale Mills. The losers would be American consumers who would pay more for their clothing.

In the event, even this wasn't enough to get the Vietnam trade deal through Congress in time for the President's trip. The bill failed in the House in part because some Republicans decided to take a slap at the White House for its contributions to this month's electoral rout. Meanwhile, U.S. retailers that import apparel are understandably furious at the protection double-cross and wonder if this bill is now worth their support. The bill could still return for a vote in this lame-duck Congress, but trade bills are never a sure thing.

This fiasco is another illustration that tactical protectionist concessions rarely yield the strategic free-trade gains that supporters claim. The Bush White House justified its steel tariffs and farm subsidy blowout in the first term as the price of passing

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trade promotion authority, but the global backlash has been extreme. The Doha Round may not even make it to a vote in Congress.

We doubt President Bush is aware of all this, but the White House aides and Cabinet officers who bollixed up the Vietnam bill owe him an apology. So far they've managed only to turn a vehicle for more open markets into a precedent for more protectionism.

OTHER NEWS:

Leading Economic Indicators Inched Higher In October (WSJ)

By Michael S. Derby

The Wall Street Journal, November 21, 2006

NEW YORK -- An indicator of future economic activity inched higher in October, a private research group said Monday, suggesting that recent weakness in the housing market hasn't been severe enough to offset lower gas prices and a rising stock market.

Separately, the National Association of Realtors reported that existing home sales in the third quarter dipped to a seasonally adjusted annual rate of 6.27 million units nationwide, down 12.7% from the same period a year ago.

The Conference Board, an industry-backed research group based in New York, said its composite index of leading economic indicators for October rose by 0.2% to 138.3, after a revised 0.4% advance the month before. The index was equal to 100 in 1996. October's rise matched forecasters' expectation.

WALL STREET JOURNAL VIDEO

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WSJ's David Wessel discusses2 an economists' poll of the housing market and whether the worst of the bust is behind us. · Alan Hubbard, director of the National Economic Council3, discusses the latest economic numbers, including the impact of a slower housing market, and the "importance of keeping taxes low."

The index is designed to predict economic activity in the three to six months ahead. October's modest increase fit with economists' view that growth is moderating. The index fell in both July and August before edging modestly higher in September. It has been down four of the last seven months. The index stood at 139.1 in January -- its peak so far this year.

"The impact of a slower housing market on consumers and slower profit growth on business isn't completely offset by lower gas prices and a rising stock market," said Ken Goldstein, an economist with the Conference Board. He added the economy "is unlikely either to reheat or get significantly cooler" and the current pace of cool economic growth could continue into the spring.

The private research group noted that six of the 10 components making up the leading index rose for the month, led by money supply and consumer expectations. The biggest negatives were vendor performance and building permits. The reported noted, "strengths and weaknesses have been roughly balanced among the leading indicators in recent months."

In other details, the group reported that its index of coincident indicators was up 0.1% to a reading of 123.7, after September's revised gain of 0.2%. The lagging index rose 0.2% to 124.1, the same gain as the prior month.

Home Sales Fall

Sales of existing homes fell in 38 states during the summer, led by steep declines in Arizona, Florida and California, as the once-booming housing market showed further signs of a steep slowdown, said the National Association of Realtors.

The declines were the largest in once-booming areas of the country. Sales fell by 36% in Arizona; 34.2% in Florida and 28.6% in California. In all, nine states had sales declines in the summer of 20% or more compared to the third quarter of 2005.

The weakness in sales also affected prices with 45 metropolitan areas experiencing price declines, according to a separate survey the Realtors did of 148 metropolitan areas. The price survey showed that the median -- or midpoint -- price for an existing home sold in the third quarter dipped to $224,900, down 1.2% from a year earlier.

Sales rose in 10 states, and in two states -- New Hampshire and Vermont -- the Realtors did not have available data.

The nationwide 12.7% fall in sales was from a summer 2005 pace of 7.18 million units, which was the second highest in history. The all-time record sales pace was an annual rate of 7.19 million units set in the April-June quarter of last year. Sales of both existing and new homes set records for a fifth consecutive year in 2005 but have been falling steadily this year as conditions in the housing market have deteriorated.

The plunge in housing shaved a full percentage-point off economic growth in the July-September quarter with economists predicting a similar reduction in the current quarter.

But David Lereah, the Realtors' chief economist, said he believed the decline in prices in formerly red-hot areas of the country was setting the stage for a rebound next year. "With the market in full transition, buyers now have choices and sellers are

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more willing to negotiate," he said. "Under these circumstances, it's no surprise that overall home prices are slightly below a year ago."

Is The Worst Over For The Housing Bust? (WSJ)

By Phil Izzo

The Wall Street Journal, November 21, 2006

After several years of double-digit percentage increase, housing prices stopped soaring this year. The 49 economists responding to the WSJ.com forecasting survey expect home prices, measured by the government's Office of Federal Housing Enterprise Oversight index, to rise 2.8% this year and to fall by 0.5% next year. That contrasts with a 13.4% increase in 2005.

"We're nearing the end of the slowdown for most markets," said Ethan S. Harris at Lehman Brothers. Prices still have some ways to fall before they'll stabilize, but there are signs that most drastic parts of the downturn – marked by a sharp pullback in demand and new construction – have run their course.

The economists' predictions for home prices next year vary widely, from an increase of 7%, predicted by Kurt Karl and Arun Raha of Swiss Re, to a 10% decline, expected by Maury Harris of UBS. Mr. Harris, for his part, said he expects a large inventory of vacant newly constructed homes to push prices lower in the first half. Construction companies "built much more than were justified because of investor interest," he said.

While 20 economists predicted home prices would rise next year, 24 forecast a decline. Just eight of the economists forecast gains greater than 2.1%, which is their average forecast for consumer-price inflation through mid-2007. The Ofheo index, which is closely watched by economists, has never posted a year-to-year decline.

Richard DeKaser, an economist at National City Corp., a big mortgage provider, said he thinks the worst is over. "We're starting to see inventories topping out and possible declining," he said. Mr. DeKaser forecast a 4.4% increase in prices this year and a 1.8% decline next.

The housing market, of course, doesn't move uniformly across the country; some regions or individual cities often have price changes decidedly above or below the national average.

Mr. Harris of Lehman expects price declines next year to be confined to "bubble" markets, such as those in Florida, California and cities in Nevada and Arizona, where large numbers of investors have artificially inflated prices. "There's no reason for prices to be falling in areas without a bubble," he said. "People are just slowing down purchase decisions."

Allen Sinai, at Decision Economics Inc., believes the worst of the bust is over, but he feels housing remains a big risk to the economy. The housing sector subtracted 1.1 percentage points from third-quarter gross domestic product, according to preliminary numbers from the U.S. Commerce Department.

ABOUT THE SURVEY

The Wall Street Journal surveys a group of more than 50 economists throughout the year. Broad surveys on more than 10 major economic indicators are conducted semiannually, at midyear and at year-end. Between each semiannual survey, four monthly updates are conducted for the most closely watched forecasts. This is the monthly survey for November. For prior installments of the semiannual and monthly surveys, see: WSJ.com/Economists5.

The economists trimmed their forecasts for fourth-quarter economic growth: Their average estimate puts gross domestic product growth at a 2.3% rate in the fourth quarter, down from the 2.5% rate they forecast in the October survey. They expect growth to remain at that rate through the first half of 2007 and then to accelerate later in the year. On average, the economists predicted growth of 2.8% during the second half 2007. GDP is the broadest measure of economic output.

The housing slowdown is expected to hit consumer spending, but the "consumer won't cave in and drive us into a recession," said Mr. Sinai. Steady interest rates, controlled inflation, stabilizing energy prices and a solid jobs market will support the economy, he said.

Indeed, new data released Monday indicated that weakness in the housing sector is being offset by other areas of the economy. The Conference Board, an industry-backed research group based in New York, said its composite index of leading indicators for October rose by 0.2% to 138.3, in line with expectations. September's reading was revised up to a 0.4% advance. The index is designed to predict activity in the three to six months ahead.

"People say all bubbles end in disaster, but this is a small bubble. Home prices are just about 20% too high. We need to take it seriously, but in the history of bubbles, this will go down as one of the smaller ones," said Lehman's Mr. Harris.

Among other findings in the survey:

· Economists expect a relatively happy holiday for retailers, forecasting a 5.1% rise in sales from last year.

· Some 57% expect Fed policy to be the biggest factor in the economy and markets over the next year, topping Iraq or the budget and tax legislation.

· Just eight of 56 economists expect the Federal Reserve to raise rates beyond the current 5.25% rate before June 2007.

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· Economists expect just 107,000 new jobs a month over the next year, down from 109,800 forecast in October and 179,400 at the high for this year's surveys, in February.

Homes' Losing Streak To Continue (USAT)

By Noelle Knox

USA Today, November 21, 2006

Home prices will drop further through the end of the year, the National Association of Realtors projected Monday, after news that prices fell in 45 metro areas last summer, as weakness in the housing markets spread to more areas.

The drag on median home prices has gone beyond the industrial cities, where job losses have taken a toll on housing. Now, markets in Florida, California and Arizona, where prices had shot up higher than many working families could afford, are falling back to Earth.

The 45 metro areas that saw year-to-year price declines in the third quarter were the most since the NAR's record-keeping began in 1979.

"We had the biggest boom ever, so you'd expect we would have the broadest price drop," says David Lereah, chief economist for the NAR. "In the fourth quarter, you are going to see a meaningful drop in every region of the country."

Nationally, the median price of an existing single-family house fell to $224,900 in the third quarter, 1.2% lower than in the same period last year.

The Detroit area was the worst hit; prices there fell nearly 11% in the July-September period from a year earlier. Sarasota, Fla., was second, with a 9% drop in the median single-family home price.

Four Florida metro areas were among the 10 regions with the steepest price drops in the third quarter. And in California, prices fell in San Diego and Sacramento.

"Florida has responded a lot quicker than California, which is good news for Florida because they're going to get the correction over with faster than California," Lereah says. "I'm not sure about California. They've got the problem of the biggest price correction to make because they have a more serious affordability problem."

Still, just as the real estate boom didn't lift every housing market, the slowdown isn't hitting every area. More than 100 metro areas posted price gains over the summer, including 21 that saw double-digit gains.

Nevertheless, the number of metro areas that suffered price declines jumped from 26 in the April-June period, and the trend could continue for the next few quarters as sellers in more cities are forced to cut prices to woo buyers.

"When you see a large number of metro areas posting declines," says Joel Naroff of Naroff Economic Advisors, "it tells you it's a widespread phenomenon."

Most of the metro areas that have seen the deepest price declines this year are in such states as Michigan, Ohio and Indiana, which have suffered huge job losses in manufacturing. These are also areas where foreclosures are highest, further depressing prices.

Though buyers in the region enjoy more opportunities now, many are reluctant to purchase because of the weak job climate in the industrial Midwest, says Mark Hull of Re/Max Realty Group in Detroit.

"For sellers, it's almost a nightmare," Hull says. "A property can be marketed with every kind of tool you can think of, and unless there are really, really great incentives that make the property 20% below what the market price should be, they're just sitting there."

Wall St Plays It Safe As Deals Surge (FT)

By Michael Mackenzie

Financial Times, November 21, 2006

Wall Street stocks delivered a cautious performance in New York on Monday, as some $50bn in proposed merger deals across copper, steel, exchanges and real estate captured investors' attention.

Consolidation in the steel sector was a major theme, in the wake of Russia's Evraz Group announcing on Monday that it intends buying US steelmaker Oregon Steel Mills valuing the company around $2.3bn. The $63.25 per share purchase represents a 7 per cent premium over Oregon's close last week. Shares in Oregon jumped to a high of $64.40, and settled higher by $4.81 or 8.2 per cent at $63.77. Late last week, as talk of takeover deals in the global steel industry gathered pace, Oregon's shares rose 3.7 per cent.

Meanwhile, the Nasdaq, tendered an offer to buy the rest of the London Stock Exchange, in a deal that would value its shares at $5.1bn and build upon its current 25 per cent holding in the LSE. Shares in Nasdaq were slightly off their high of $37.83, up 3.1 per cent at $37.71. The LSE rejected the new offer, saying it "substantially undervalued" the exchange.

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"We believe Nasdaq's final offer fails to recognize the outstanding growth record and prospects of our group on a stand-alone basis let alone the exchange's unique global position," said Clara Furse, chief executive of the LSE.

Another blockbuster deal in the spotlight was Freeport-McMoRan Copper & Gold saying it would acquire Phelps Dodge in a $25.9bn deal including cash and stock. The new entity would be the world's largest publicly traded copper company.

Shares in Phelps, soared to a high of $123.96 and ultimately gained $25.45, or 26.8 per cent to $120.47. Free-port shares were down $1.77 cents, or 3.1 per cent at $56.63, after earlier rising to $59.70.

The private equity firm Blackstone Group said it was buying Equity Office Properties Trust, the largest office-building owner and manager in the US, for $20bn. Shares in the company hit a high of $47.94, and closed up $3.42, or 7.7 per cent at $48.14. The BBG real estate investment trust index closed up 3.2 per cent after the news.

The latest surge in deals, dictated in part by private equity firms hunting for opportunities "heightens the risk for short sellers," argues Citigroup. "When markets slip initially and then reverse to the upside, as has happened several times over the last few weeks, hedge funds have to cover painful losses."

After opening in the red, stocks briefly recovered ground, led by the semi-conductor sector and Microsoft setting a new 52-week high of $29.97 after an upgrade from Credit Suisse. Shares in Microsoft closed 1.7 per cent firmer at $29.89, while the Philadelphia Semiconductor index was up 1.5 per cent after booking a gain of 5.7 per cent last week. Marvell Technology was 9.5 per cent higher at $20.45, Broadcom was 5.7 per cent higher at $37.11, and Novellus gained 7.7 per cent to $33.10.

The Nasdaq Composite lead other indices during the day and settled 6.86 points, or 0.3 per cent firmer at 2,452.72.

The S&P 500 slid 0.70 points, or 0.05 per cent to 1,400.50, having reversed an early fall below the 1,400 threshold it closed above on Friday.

The Dow Jones Industrial Average fell 26.02 points, or 0.21 per cent to 12,316.54, while in contrast small capitalised stocks rose. The Russell 2000 index gained 0.3 per cent to 790.62.

Despite the paring of modest gains in equity prices during the afternoon, a closely watched measure of equity volatility sank towards historic lows.The Chicago Board of Trade's VIX index fell below 10, to 9.91, before it closed at 9.97. Historically, such a low level in VIX has reflected very high appetites for risk taking and has usually been followed by a sharp rise in the volatility measure.

"Falling volatility is partly an indication of investor optimism. As long as it keeps falling it confirms (or supports) the uptrend in stocks," noted Ken Tower, chief market strategist at CyberTrader.

Helping offset weakness in the Dow was Dupont, after a favourable press report over the weekend, and shares gained 1.3 per cent higher at $47.87.

In the chase for high net worth banking clients, Bank of America has announced a deal to buy U.S. Trust from Charles Schwab for $3.3bn. Shares in Bank of America were barely changed at $54.90.

Other steel companies that enjoyed solid gains on Friday were also higher early on Monday, before paring some of those gains.

Shares in US Steel, rose 3.1 per cent to $72.75, down from a high of $76.16, after a rise of 9.3 per cent on Friday. Steel Dynamics, was up 2.9 per cent at $61.83, down from a peak of $63.75, after prior session gain of 3.8 per cent, Nucor, rose 0.6 per cent to $57.47, after earlier reaching $59.79, and that followed a rise of 3.5 per cent late last week, while AK Steel was up 3.5 per cent at $15.16, in the wake of a 4.8 per cent rise on Friday.

In earnings news, home improvement retailer, Lowes posted third quarter profit of 46 cents a share, beating the 43 cents forecast of analysts. The company also lowered guidance for the fiscal fourth quarter, saying it expects to earn 36 to 38 cents a share, below the 41 cents a share seen by analysts. Its shares had rebounded from a low of $29.50 and were 0.3 per cent firmer at $30.58.

After a blockbuster debut on Friday, that resulted in its shares rising 125 per cent, the New York Mercantile Exchange had reversed an earlier rise to $140, and closed down 2.1 per cent at $130.27.

Ahead of the Thanksgiving holiday on Thursday, stocks may well endure a period of consolidation, and while some analysts caution the market's solid run has stretched valuations, others disagree.

"We do not think that we have hit any peaks in the market yet," noted analysts at Citigroup in research on Monday. "To a great degree, equity markets are not overvalued" and applying various valuation methods, "argues more forcefully for larger cap stocks since they are the ones that appear more favourably valued."

Meanwhile, the appetite of investors for risky assets may also be turning towards equities at the relative expense of other markets as the end of the year approaches.

"Many traders feel that the easier risky asset trade is directly in equities, given a belief that valuations are less extended than in the credit market or emerging currencies," said Alan Ruskin, chief international strategist at RBS Greenwich Capital. "This

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logic makes perfect sense," he said noting "the Fed is more clearly on a path that is likely to soft land the economy than any time in the last 6 months," after the tone of recent inflation and housing market reports.

In equity fund flows, Emerging Portfolio Fund Research noted net outflows from dedicated US funds for the week ending November 16 were $861.6m. They noted "a second week of net outflows, due mainly to investors retreating from a popular energy sector ETF," that was hit by redemptions. "Otherwise, US equity funds would have received inflows, with money flowing into both the Large Cap Equity Funds and Small Cap Equity Funds," said EPFR. In contrast, "Mid Cap Equity Funds saw outflows for the week," they added.

The Dow Slips In Rare Interruption Of Record Surge Of Past Six Weeks (WSJ)

By Peter A. Mckay

The Wall Street Journal, November 21, 2006

The Dow Jones Industrial Average edged lower, a rare setback in a string of records that has lasted more than six weeks.

The blue-chip average yesterday fell 26.02 points, or 0.2%, ending at 12316.54, up 14.9% on the year. Shares in the drug maker Merck, a Dow component, slid 1.1% after it disclosed an 11% ownership stake in FoxHollow Technologies, a medical-device maker.

The announcement was part of a wave of deal-making on Wall Street, which seemed to hold back stock indicators tracking big-name companies that typically act as acquirers during periods of corporate consolidation.

The Standard & Poor's 500-stock index barely held above the psychologically important 1400 level, finishing down just 0.05%, or 0.70 point, at 1400.50, up 12.2% on the year.

Indexes with a larger proportion of small companies likely to be gobbled up in deals fared better. The Nasdaq Composite Index rallied 0.3%, or 6.86 points, to 2452.72, up 11.2% on the year. The Russell 2000-stock index rose 0.3%, or 2.15 points, to 790.62, up 17.4% on the year.

In general, the markets' tone was muted to begin a holiday-shortened trading week. As investors and brokers begin to take off for vacation, such periods tend to produce low trading volume and few major price moves.

Binky Chadha, chief U.S.-equity strategist at Deutsche Bank, said yesterday's deals were consistent with the current environment of low interest rates, which keeps borrowing costs low for companies, and Wall Street's consensus view that the U.S. economic growth is slowing gradually.

In a recent report to clients, Mr. Chadha recommended that investors continue to bet on a rally in stocks. But he also advised taking some cautionary steps, such as buying big-name companies with significant foreign revenue streams, just in case the slowdown in U.S. growth turns out worse than expected, or it doesn't slow enough to keep the Federal Reserve from raising its interest-rate targets again.

"We've been telling people to walk the line between these two alternative scenarios to the baseline forecast" of most firms for a moderate slowdown, Mr. Chadha said.

He estimated an approximate 25% chance the slowdown will miss Wall Street's expectations in some way in the months ahead.

Unseasonably warm weather in the Northeastern U.S. pushed prices for crude oil and natural gas lower. Natural-gas futures for December delivery took the bigger hit in percentage terms, off 2%, or 16 cents, to $8.019 per million British thermal units, off nearly 29% on the year at the New York Mercantile Exchange.

In economic news, the Conference Board said its index of leading economic indicators rose 0.2% in October, slightly less than the 0.3% rise analysts expected.

The Dow's decline yesterday halted a six-day advancing streak. But the blue-chip average did set a new intraday record of 12355.23 before it fell back for the day.

Outside the U.S., stocks fell in dollar terms, despite a rally to a five-year high in China. The Dow Jones World Stock Index, excluding U.S. shares, fell 0.56%, or 1.29 points, to 229.25.

In major U.S. market action:

Stocks fell.1 Total trading volume for stocks listed on the New York Stock Exchange was 2.56 billion shares, as 1,695 stocks advanced and 1,623 declined.

Bond prices rose.2 The 10-year note gained 2/32 point, or 62.5 cents for each $1,000 invested, pushing the yield down to 4.601%. The 30-year bond rose 6/32 to yield 4.681%.

The dollar strengthened.3 Against the Japanese currency, the dollar rose to 118.04 yen, compared with 117.76. The euro fell to $1.2814, compared with $1.2826.

Merger Monday (WSJ)

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The Wall Street Journal, November 21, 2006

For the second time in a month, investors awoke Monday morning to a slew of big-ticket mergers and acquisitions. Yesterday's tally was at least $52 billion in M&A activity before the market opened for the normally slow Thanksgiving week. Three weeks ago, a spate of deals totalling over $10 billion helped boost the market just ahead of the midterm elections.

Not all these deals will end happily; mistakes and miscalculations are part and parcel of the capital-allocation game. But the very fact that billions of dollars are being put on the table in an attempt to shift assets to their highest and best uses is a sign that the animal spirits that give the U.S. economy its dynamism are alive and well. The time to worry about an economy is when no one wants to take such risks.

A closer look at who's buying and selling also reveals some notable trends in the capital markets. For example, yesterday's deals included the biggest private-equity buyout in history, with the Blackstone Group announcing its agreement to take private Equity Office Partners, a commercial-real-estate trust, for $36 billion, including assumed debt. This adds yet another exclamation point to the rising tide of companies going -- or being taken -- private.

We've argued that the Occam's razor explanation for this trend is that overregulation and lawsuits have tipped the balance in favor of private management for many investors. Managers who want to spend more time taking risks, and less time talking to lawyers, are increasingly turning to private equity to reduce their hassles and improve their returns. Money will flow to where the returns are, and these days more and more investors seem to think that more money can be made outside the hyper-regulated public equity markets.

As a political matter, this should worry anyone who believes that the development of a broad investor class is good for the preservation of capitalism. But as an economic matter, it is largely irrelevant whether the shares are publicly traded or not. We doubt the employees of such profitable closely held concerns as Cargill or Koch Industries fret much that their shares aren't listed on any public exchange. What they care about is that their companies are successful.

Another place merger money is going is overseas. This may help explain Nasdaq's $5 billion hostile bid for the London Stock Exchange, which was rebuffed yesterday. As more and more international companies list their shares overseas rather than in New York, having a foothold outside the U.S. has come to be seen as a survival strategy for the formerly comfortable U.S. stock exchanges. They have to follow the money if the money won't come here.

Globalization is also a piece of the puzzle in Freeport McMoRan's deal to buy the larger Phelps Dodge for $26 billion and so create the largest U.S.-based mining company. Swallowing larger competitors is often a tough meal to digest, but Freeport's managers said they felt they needed the scale to compete on a global stage. The acquisition of Oregon Steel Mills by Russian Steel Maker Evraz also fits this bill.

Domestically, meanwhile, Bank of America and Schwab seem to have agreed that U.S. Trust, the private wealth manager that Schwab picked up in 2000 at the height of the dot-com boom, is worth more in the hands of a bigger bank than it is under Schwab's discount-broker umbrella.

We have no idea whether this is right. But it is the genius of the market economy that those evaluations are made by the actors involved. Sometimes, as with the U.S. Trust deal, an acquisition done in one economic environment comes to be re-evaluated in another. That can be disruptive in the short term, but it makes the society as a whole more prosperous if underperforming assets can be better managed. And Schwab at least is fortunate to be unloading its earlier purchase at a profit.

The stock-market indexes were flat to slightly down yesterday, but merger waves such as this one tend to buoy the markets as savvy traders place bets on who the next target will be. The world is awash in capital at the moment, interest rates are low, and rising stock prices make stock and cash purchases possible. If politicians and government officials are worried about the trends in private equity and investment overseas, they might want to look at their own policies that have encouraged both trends.

Meanwhile, a vibrant market for corporate control keeps managers alert and hunting for new opportunities. Whatever the bad individual bets, the current merger wave is a sign of continuing economic vitality.

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Flaws Seen In Markets For Utilities (NYT)

By David Cay Johnston

New York Times, November 21, 2006

A growing chorus of large industrial power users, municipal utilities and consumer groups say there is a reason the price of electricity has not fallen since the federal government opened the heavily regulated utility industry to competition a decade ago. The new markets, they argue, do not work right.

They point to a variety of reasons.

For one thing, when electricity producers offer to supply power for use the next day, utilities pay everyone the highest price accepted. One study in Texas, where electricity bills have been rising sharply, found that because of this auction system, consumers pay a lot more than they would have under the old system where the state regulated prices.

They also contend that producers can withhold power or limit production, with little risk of penalty, even when demand is at its highest, meaning prices soar.

"Shutting down a power plant in July is like the mall closing on the weekend before Christmas, but in July last year, 20 percent of generating capacity was shut down in California," said Robert McCullough, an economist whose Oregon consulting business is advising some of those contending in lawsuits that prices are being manipulated.

The government agency that oversees the electricity market — the Federal Energy Regulatory Commission — set the rules before allowing market prices for electricity to replace regulated prices. A coalition of large industrial companies filed a complaint in September, arguing that the energy commission had failed to ensure proper competition and that it had stymied efforts by others to investigate allegations of improper conduct by withholding some of the data it collects.

"The 'markets' that are rolling off the commission's production line are not fit for their public purpose," wrote Robert A. Weishaar Jr., the lawyer for the industrial companies.

The commission dismisses the critics, saying that where it has determined that a market for electricity exists, the prices in that market are assumed to be "just and reasonable," the standard set in federal law. The commission's rules seek to curb monopoly power, but not oligopoly power, in which a few firms control the market. The commission says that anyone manipulating markets will be discovered either by the monitors in each regional market, by competitors or utilities that buy power, by the commission or even by the public.

Allowing producers of electricity to compete for utility customers should assure the lowest possible price, the commission says.

But the opposite has sometimes been true.

For eight hours last May, for example, the price of a megawatt of power in New England leaped from about $50 to almost $1,000. The region's electricity exchange attributes the spike to congested transmission lines, but has kept the identities of the high bidders secret.

Its own studies say that the exchange's rules make it possible to inflate prices artificially during periods of high demand and that at least one producer has manipulated prices in the past, though its identity was not disclosed.

Officials of other exchanges all said they had strict rules to ensure that capacity is not withheld from the market to inflate prices artificially.

But critics of the current system have found ammunition in a study at Carnegie Mellon University by Sarosh N. Talukdar, who used computer models to simulate a market in which 10 utilities bought electricity and 10 producers sold it.

In that experiment, the buyers and sellers learned to manipulate the price within 100 rounds of bidding, capturing from 50 percent to 90 percent of the prices an unregulated monopoly would have charged. Instead of falling, prices soared.

Earlier experiments at Cornell University and George Mason University found the same thing, with simulated trading by students, professors and even members of Congress.

Such high prices suggest collusion, which is illegal in real markets, but collusion was impossible in Professor Talukdar's experiments because the trades were made by simple computer programs, not humans.

"My studies show it is easy to learn from the signals given by others how to get the benefits of colluding without breaking the law," Professor Talukdar said.

"Economists have this faith in markets, this blind faith that markets are always a good thing," the professor said, "but the design of markets matters a great deal and the design must be verified to see if it really works as a free market."

Professor Frank A. Wolak, a Stanford University economist who favors competitive pricing, said the current mix of markets for wholesale power and regulated utilities to deliver them cannot produce the benefits of competition. And he warned that "even small flaws in the design of markets can cause enormous harm to consumers in very little time."

Why have prices not fallen in the electricity market, when prices dropped sharply after competition was introduced in other previously regulated industries?

Rising fuel costs are one major reason. But the electricity market also turns out to be different in some fundamental ways from other kinds of markets. Efforts to induce competition, the critics say, have failed to properly take that into account.

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In the markets for everything from stocks and commodities to real estate, airline trips and trucking services, for example, buyers always have the option to walk away from a deal — whether the purchase be company shares, frozen pork bellies, houses, plane tickets or space in a tractor-trailer.

But many utilities in about half the states, including New York, California, Connecticut, Illinois, Maryland and Texas, must buy power every day — usually because they were encouraged or forced by regulators to sell their own generating plants and no longer produce electricity themselves.

And every utility must buy power at some point, to meet peak demand on hot summer days.

Unlike the stock market, where vast numbers of strangers buy and sell, the electricity markets involve a relative handful of buyers and sellers. In New Jersey, for example, just 10 generators won bids this year to supply a third of the state's base load of power for the next three years at prices 55 percent higher than the previous year's three-year bid.

Similarly, California has 1,400 power plants, but ownership of those plants is so concentrated that just six generating companies in that state can set an artificially high price of electricity virtually all the time, research by Carnegie Mellon University shows.

Moreover, in many markets some buyers and sellers are related, a corporate parent owning generating plants that sell to a sister utility. Often the bidders are brokers, including Wall Street investment houses like Goldman Sachs and Morgan Stanley, and that arrangement hides the identity of the real power generators.

Trades also repeat each day, which means that those that generate power learn from not just what the weather report says about demand for power, but from the trading patterns of their competitors in producing power and the utilities that buy it.

Another important aspect is secrecy. Individual stock investors can make sure they got a fair price by checking the prices paid just before and after their trade. But the Federal Energy Regulatory Commission and the electricity exchanges stamp many trading records confidential.

The federal commission's spokesman, like those for several of the exchanges on which electricity is bought and sold, said that market monitors employed by the electricity exchanges ensure the integrity of the trades. But utility customers have challenged whether the monitors are blind to price rigging and errors.

Another factor is the very nature of electricity, which must be produced, transmitted and consumed in an instant. Car makers can cut production when vehicles do not sell. Investors who hold too much of a particular stock can sell it in blocks over time to get the best price. But electricity cannot be held in inventory.

Finally, the electricity market appears to be particularly balanced on a fine edge. The Chadbourne Park law firm, in a newsletter for investors in electricity generating stations, cautioned that tiny changes in generating capacity could make them rich or wipe them out. It concluded that having 2 percent more generating capacity than a market needed to meet demand would mean "very low electricity prices," while a 2 percent shortage of electricity would cause "significant price spikes," which means outsize profits for power plant owners.

Citgo Brings Discounted Heating Oil To Region (WP)

By Steven Mufson

The Washington Post, November 21, 2006

At 10 a.m. today, Minnie Davis, a 65-year-old widow who lives with three of her grandchildren on North Capitol Street, is scheduled to get some unusual visitors -- the Venezuelan ambassador, the chief executive of Citgo Petroleum and former congressman Joseph P. Kennedy II.

The occasion: The arrival of a Venezuelan-backed program to bring 7.5 million gallons of deeply discounted heating oil to as many as 37,000 low-income households in Maryland, Virginia and the District and free heating oil to some homeless shelters.

The program has the blessings of Venezuela's populist President Hugo Chavez, who has used it to demonstrate that he cares about the poor in the United States as well as Venezuela -- while tweaking President Bush, who he called "evil" in a September speech at the United Nations.

Many people have dismissed the assistance as a publicity stunt, but for some, it will have a real impact nonetheless.

Last year, working through Kennedy's Citizens Energy, the program reached people in Massachusetts and other parts of the Northeast. Now the program has been extended to the nation's capital.

It works like this: Citgo, a wholly owned subsidiary of Petroleos de Venezuela SA, is providing heating oil at a 40 percent discount to Citizens Energy, which Kennedy started during the oil shock of the late 1970s to help low-income people grapple with high energy costs. His company then provides up to 200 gallons of discounted heating oil not only to the very poor but also to people who earn too much to qualify for federal heating oil assistance but who still earn little enough to be struggling.

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Citizens Energy is targeting 400,000 households in 16 states. If Citizens Energy reached all the target households, Citgo's discount -- about $1 a gallon -- would be worth $40 million. But because most people do not know they are eligible or how to take advantage of the program, the actual number who end up receiving aid might be a little more than a tenth as much.

Is it genuine concern on the part of Citgo and Chavez, or is it a public relations stunt?

"It's not only morally righteous, it's good business," said Kennedy in a telephone interview yesterday. "When you're selling to the world's largest market a gigantic percentage of your overall sales in crude oil, you take a little percentage and show that you have concerns about how low-income people are going to keep up with the enormous price of keeping warm."

That doesn't appear to be self-evident to other oil companies or members of the Organization of the Petroleum Exporting Countries. Kennedy said yesterday that he had written to every OPEC member and every major oil company but that Citgo was the only one that agreed to help.

At the same time, Kennedy said, "when you really stop and think about it, last year, Venezuela sold the United States 556 million barrels of crude oil and product. We are now topping off one-half of 1 percent, which they are selling at 40 percent off, which is effectively last year's full price. Let's keep things in some perspective."

David McCollum, a spokesman for Citgo of Houston, said the company initiated the program after members of Congress appealed after Hurricane Katrina sent prices soaring last year.

Though it might seem odd that Venezuela -- where per capita income is only about $4,810, a little more than one-tenth of U.S. per capita income -- would be giving aid to the United States, McCollum said that the heating oil assistance would not be depriving Venezuelan citizens.

"The product we are using is heating oil, and obviously it is never used in Venezuela," he said. "It's not that cold. So we're not taking anything away from the people of Venezuela."

He said the company expected the program to cost Citgo, which refines and markets oil products in the United States only, between 1 and 3 percent of the company's profit if everyone eligible took advantage of the offer.

Slain Journalist's Family Files $20 Million Lawsuit (WP)

By Henri E. Cauvin

The Washington Post, November 21, 2006

The children of slain New York Times reporter David E. Rosenbaum filed a $20 million lawsuit yesterday against the District and Howard University Hospital, claiming that their father was a victim of official negligence and medical malpractice.

Filed in D.C. Superior Court, the lawsuit comes less than a month after a jury convicted a 42-year-old man of murdering Rosenbaum during a robbery. The other suspect in the case had pleaded guilty shortly before the two were to go on trial.

The crime occurred on a quiet Northwest Washington street in a usually safe part of the city, stunning the neighborhood and many people who had known Rosenbaum. He was 63 and had just retired after three decades at the Times. Days later, questions surfaced about the emergency care he received at the scene on Gramercy Street and at Howard University Hospital, where he died Jan. 8, two days after the attack.

Those questions led to one damning revelation after another. Rosenbaum was misdiagnosed as a drunk. The ambulance bypassed the closest hospital because one of the emergency medical technicians had personal business to attend to near Howard. At Howard, Rosenbaum was not seen by a physician for more than 90 minutes and was not given a neurological evaluation until he had been there almost four hours, the lawsuit says. Daniel and Dorothy Rosenbaum say in their suit that these actions contributed to their father's death.

"If any one of them had done their job properly, this wouldn't have happened and he'd be alive," Patrick Regan, the lead attorney for the family, said yesterday during a news conference.

A spokeswoman for the D.C. attorney general said city lawyers are reviewing the suit, and a spokeswoman for Howard University Hospital did not respond to a call seeking comment.

The District's handling of the case has drawn rebukes from city leaders, including Mayor-elect Adrian M. Fenty (D), who met last week with the family and pledged yesterday to fix the problems highlighted by Rosenbaum's death.

"Every District resident deserves to be safe and protected by our police and emergency personnel," Fenty said, adding that he would support efforts by the police, fire and emergency medical service "to hold personnel accountable in all areas of performance."

The D.C. inspector general's office, in a report released in the summer, found what it called "apathy, indifference and complacency" in the agencies involved.

Family members were particularly disturbed by the failings of the police department.

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More than a month before Rosenbaum was attacked, a retired police officer doing renovation work on a townhouse in Southeast Washington was attacked. But the police did not treat the beating as a crime and did not follow up on a promising lead -- calls made on the victim's cellphone soon after it was taken from him in the attack.

Officials learned later that the calls were made to the houses of the two men ultimately convicted of killing Rosenbaum: Percey Jordan, who was found guilty by a jury last month, and his cousin, Michael Hamlin, who pleaded guilty in September.

When Jordan was arrested in connection with Rosenbaum's death, the victim of the earlier robbery realized that he had been attacked by the same man.

Rosenbaum's family members said their suit is about changing the culture that led to the series of errors.

"Things are broken in the city," Marcus Rosenbaum, Rosenbaum's brother, said yesterday. "They are broken in Howard University Hospital. And something needs to be done to see that they get fixed."

He said that monetary damages are a means to that end: "When you sue, all you can sue for is money, and we wanted to get people's attention."

Rosenbaum Family Files Suit Against City, Hospital (WT)

By Matthew Cella

The Washington Times, November 21, 2006

The family of David E. Rosenbaum yesterday filed a $20 million lawsuit claiming that negligence by the District and Howard University Hospital contributed to the journalist's death after he was robbed and beaten in January.

"We see this lawsuit as a way that we can put some pressure on both the city and on Howard University Hospital to fix the things that are broken," said Marcus Rosenbaum, the victim's brother.

The first hearing in the case is scheduled for February before Superior Court Judge Robert Morin.

Mr. Rosenbaum, 63, was robbed and beaten Jan. 6 while walking near his Northwest home. He died two days later.

The lawsuit follows closely the findings of the city's inspector general, who issued a report in June citing an "unacceptable chain of failure" in the response.

According to the report, responding D.C. police officers failed to recognize that a crime had occurred, did not search the victim for identification and did not write an incident report.

The report said firefighters who responded to the scene did not assess or treat Mr. Rosenbaum correctly. They detected the odor of alcohol and discounted other potential causes of Mr. Rosenbaum's symptoms because of it.

In addition, the ambulance was delayed when the crew got lost on the way to the scene from Providence Hospital in Northeast, and the ambulance driver decided to take Mr. Rosenbaum to Howard University Hospital instead of the closer Sibley Memorial Hospital because Howard was nearer to her home.

The report also said Howard University Hospital workers failed to properly triage Mr. Rosenbaum when he was brought in, and they failed to follow their own procedures for monitoring patients for signs of trauma.

Police closed the case one week later with two arrests.

Percey Jordan Jr., 42, was convicted last month on nine charges, including first- and second-degree murder while armed, robbery and credit-card fraud. He faces life in prison without the possibility of release when he is sentenced on Jan. 12.

Michael C. Hamlin, 24, pleaded guilty to charges including second-degree murder and agreed to testify against Jordan as part of a plea deal. Hamlin, who would have faced life in prison, faces a maximum of 60 years in prison when he is sentenced Dec. 19, but he likely will receive a more lenient sentence.

The Rosenbaum family also accused police of failing to investigate a similar attack against a former police officer in which Jordan and Hamlin were the chief suspects. That attack occurred about two months before Mr. Rosenbaum's death.

Mayor-elect Adrian M. Fenty said yesterday that he will "support every effort" by the D.C. police and fire department "to hold personnel accountable in all areas of performance."

Mayor Anthony A. Williams yesterday issued a two-sentence statement that repeated nearly word for word parts of statements he issued Jan. 19 and June 16.

"My heart goes out to all of the family and friends of David Rosenbaum. This was a terrible tragedy, and last January the city lost a good man and a great reporter," Mr. Williams said. "I want everyone who lives and works in the District to have the utmost confidence that our policies and procedures are the best they can be to ensure our safety."

Reporter's Kin Sue City And Hospital (NYT)

By The New York Times

The New York Times, November 21, 2006

DOJ_NMG_0096968

WASHINGTON, Nov. 20 — The family of a retired reporter for The New York Times who was fatally beaten in January near his home here sued the District of Columbia and Howard University Hospital on Monday, contending that he would be alive but for their negligence.

The suit, seeking $20 million, blames the city's Police and Fire Departments and the hospital for the death of the reporter, David E. Rosenbaum, 63, who was beaten on the head by two robbers on the night of Jan. 6. An inquiry established that Mr. Rosenbaum was at first presumed to be intoxicated and so was not treated with urgency. He died of brain injuries two days later in the hospital.

The inquiry, by the inspector general's office of the district, found that "multiple individual failures" and "alarming levels of complacency" among police officers, firefighters, ambulance technicians, doctors and nurses caused inexcusable delays in treating Mr. Rosenbaum.

The men held in the case, Percey Jordan Jr. and his cousin Michael Hamlin, were arrested soon after surveillance cameras photographed them using Mr. Rosenbaum's credit cards. Mr. Jordan, 42, was convicted of murder, robbery, conspiracy and credit-card fraud last month. Mr. Hamlin, 24, had pleaded guilty earlier to similar charges and testified against his cousin. The men face decades in prison when they are sentenced.

Small Mistakes Cause Big Problems (USAT)

By Brad Heath

USA Today, November 21, 2006

If you're reading this in New York, you're probably too drunk to drive.

That's because lawmakers accidentally got too tough with a get-tough drunken-driving law, inserting an error that set the standard for "aggravated driving while intoxicated" below the amount of alcohol that can occur naturally.

The one-word mistake makes the new law unenforceable, says Lt. Glenn Miner, a New York State Police spokesman. However, drivers with a blood-alcohol content of 0.08% or higher can still be prosecuted under other state laws.

In the legislative world, such small errors, while uncommon, can carry expensive consequences. In a few cases around the nation this year, typos and other blunders have redirected millions of tax dollars or threatened to invalidate new laws.

In Hawaii, for instance, lawmakers approved a cigarette-tax increase to raise money for medical care and research. Cancer researchers, however, will get only an extra 1.5 cents next year — instead of the more than $8 million lawmakers intended. That's because legislators failed to specify that they should get 1.5 cents from each cigarette sold, says Linda Smith, an adviser to Gov. Linda Lingle.

When such mistakes happen, they often come during the last-minute rush of legislative sessions, says Bruce Feustel, a senior fellow at the National Conference of State Legislatures. What's important, he says, is that lawmakers can fix them before they cause any harm.

Courts generally intercede only in the most obvious cases, says University of Notre Dame law professor John Nagle. If judges tried to change every legislative error, Nagle says, "you get the courts trying to figure out what they think is a mistake that might not be a mistake at all."

New York's mistake came in a bill meant to set tougher penalties and curb plea bargains for drivers well above the legal intoxication standard. Instead of specifying blood alcohol as a percentage, as most drunken-driving laws do, New York set its threshold as 0.18 grams — "so low you can't even measure it," Miner says.

Lawmakers plan to fix the mistake the next time they convene, says Mark Hansen, a spokesman for the state Senate's Republican majority. He says it's not clear how the mistake happened, or why nobody caught it before legislators voted.

The latest gaffe was in Arizona, where a misplaced period on the state's ballots raised questions about a cigarette tax voters approved Nov. 7. The law called for an increase of 80 cents per pack, but the ballot had .80 cents per pack.

The state plans to start collecting the tax when the vote is final, "but who knows what might happen?" says Arizona Revenue Department spokesman Dan Zemke.

"Somebody might go to court and say that's enough to throw the whole thing out."

Winner Named For Florida Seat; Loser Files Suit (NYT)

By Terry Aguayo

The New York Times, November 21, 2006

MIAMI, Nov. 20 — A Republican House candidate was named the winner on Monday in a disputed race in Sarasota where thousands of votes may have been lost by electronic machines, and the Democratic candidate immediately sued for a new election.

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The Republican, Vern Buchanan, won by 369 votes in the Nov. 7 election, according to results confirmed by the Florida Elections Canvassing Commission, which is made up of Gov. Jeb Bush; Tom Gallagher, the state chief financial officer; and Senator Daniel Webster of Winter Garden, all Republicans. The results, which fill the seat given up by Representative Katherine Harris, a Republican, were confirmed in a machine recount and a manual one.

But the losing candidate, Christine Jennings, argued in documents filed in Leon County Circuit Court in Tallahassee that touch-screen voting machines had malfunctioned and not registered votes for her.

More than 18,000 Sarasota County residents who cast votes in other races on the ballot did not register votes in the House race. Hundreds of voters said they had had trouble casting a vote for Ms. Jennings, the complaint said.

If the votes were never recorded by the machines, they would not have been detected in the recount. The state also conducted an audit of the electronic voting machines.

"The voters of Sarasota and of the entire country deserve answers as to what went wrong," Ms. Jennings, a banker, said at a news conference. "This is not about Democrats; this is not about Republicans."

Several voter rights groups are joining Ms. Jennings's battle and said they planned to file a lawsuit on Tuesday to call for a new vote.

"The vote totals in the certification are wrong because they do not include thousands of legal votes cast in Sarasota County but not counted due to the pervasive malfunctioning of electronic voting machines," the candidate's complaint reads.

Mr. Buchanan, a car dealer, called the action a delay in the process and a challenge to a lawful election.

"The votes have been counted, recounted, and counted again," Mr. Buchanan said. "It is time for Christine Jennings to put the interests of the public before her own self-interests and concede this election."

Republican Declared Winner In Fla. House Race (WP/AP)

The Washington Post, November 21, 2006

TALLAHASSEE, Nov. 20 -- Florida officials certified Republican Vern Buchanan on Monday as the winner of the House seat being vacated by Rep. Katherine Harris (R). The loser immediately sued for a new election, arguing that touch-screen voting machines had malfunctioned.

Christine Jennings contested her 369-vote loss in the 13th District, asking a judge to order a new election because of problems in Sarasota County, where more than 17,000 voters who cast ballots in other races Nov. 7 did not do so in the congressional contest.

That rate is nearly six times as high as it is in the other counties in the congressional district or on Sarasota's paper absentee ballots, Jennings says. Though she lost in the four other counties in the district, she did well in Sarasota County, winning there by six percentage points.

Buchanan, a wealthy auto dealer, said that there was no evidence of machine malfunctions. He attributed the huge Sarasota undervote to angry voters turned off by negative campaigning.

"I guess the theory is if you don't win, sue," he said, urging Jennings to concede and "stop listening to the high-price lawyers and out-of-town special-interest groups."

The state is conducting an audit of the Sarasota voting machines separate from the recount and legal challenge.

In 2001, as Florida's secretary of state, Harris had pushed for an election overhaul that outlawed punch-card ballots and required counties to use touch-screen devices or optical scan machines that read paper ballots.

Meanwhile, an unofficial tally in New Mexico's 1st District shows Rep. Heather A. Wilson (R) winning her race against Patricia Madrid by 879 votes, out of more than 210,000 cast. The results were scheduled to be finalized late Monday.

Three other House races remain unresolved:

Â· In Ohio's 2nd District, a few counties began counting provisional and absentee ballots in the race between Rep. Jean Schmidt (R) and Victoria Wulsin. Schmidt led by about 2,800 votes, though nearly 9,000 votes could remain to be counted in the district.

Â· In Ohio's 15th District, Rep. Deborah Pryce (R) was ahead of Mary Jo Kilroy by more than 3,500 votes. About 19,000 ballots remain to be counted, with results expected next week.

Â· In North Carolina's 8th District, election officials were recounting votes that last week gave Rep. Robin Hayes (R) a 339-vote lead against Larry Kissell. Kissell is considering a hand recount.

Democrat's Challenge In Fla. 13 Focuses On Undervotes (CQ)

By Rachel Kapochunas

Congressional Quarterly, November 21, 2006

DOJ_NMG_0096970

Florida election officials on Monday declared Republican Vern Buchanan as the winner of the race in the state's southwestern 13th District. But Democratic nominee Christine Jennings is formally challenging the results, arguing that voting machine errors in one county account for Buchanan's apparent lead.

The office of Florida Republican Secretary of State Sue M. Cobb certified the results of a manual recount of ballots that gave Buchanan a 369-vote edge over Jennings, a former bank president, in the race to succeed two-term GOP Rep. Katherine Harris. Buchanan, a wealthy auto dealer, has maintained a narrow lead throughout the initial vote count and two recounts.

But Jennings is refusing to concede. At a press conference this morning in Tallahassee, Jennings' campaign announced it was officially contesting the election results — and that it had filed a complaint in a Florida circuit court, citing "statistical and eyewitness evidence of significant machine malfunctions."

At issue are more than 18,000 "undervotes" — cast ballots on which voters declined to choose either Buchanan or Jennings — in Sarasota County, the most populous county in the 13th District. The undervote rate there was much higher than in any of the other counties in the 13th.

Jennings defeated Buchanan in Sarasota County, 53 percent to 47 percent. Democrats argue that if the undervote rate in Sarasota County was comparable to the undervote rate in the other counties, Jennings surely would have beaten Buchanan.

Kathy Dent, the Republican supervisor of elections in Sarasota County, and others have suggested that the campaign's negative tone may have turned people away from participating in this race. Other analysts say that voters might have overlooked the 13th District contest because of where the candidates' names were placed on Sarasota County ballots.

But Jennings' attorney Kendall Coffey said Monday that the machines were at fault and needed to be examined. "This is clearly a case of machine error — not ballot design error and not voter error," Coffey said.

Buchanan's campaign, meanwhile, said in a statement Friday — entitled "The Myth of the Missing Votes" — that undervoting is fairly common. It noted that there were more than 12,000 undervotes in Sarasota county in the 2004 contest between Harris and Democratic nominee Jan Schneider, though the percentage of Sarasota-area voters who undervoted in the 13th District race in 2004 was much lower than in the Buchanan-Jennings race.

The Florida Secretary of State's office was supposed to commence an audit of Sarasota County's voting systems, but that has been delayed. Jennings' camp filed an emergency petition Nov. 13 to secure voting machines and data involved with the audit. Then, the campaigns were supposed to identify staff members who would participate in the audit; Jennings' campaign on Friday accused Buchanan of "dragging his feet" by "delaying" the hiring of experts to participate on their behalf.

Jennings' campaign said the Florida Secretary of State's office "will not work with the Jennings campaign either" as a result of the breakdown, according to a release Friday. But the secretary of state's office has repeatedly said it will cooperate with both campaigns.

Buchanan and Republican officials have publicly called on Jennings to concede. The People For the American Way Foundation and other organizations sympathetic to Jennings have called for a new election. Both Buchanan and Jennings have participated in freshman orientation activities.

GOP Holds House Seat Of Katherine Harris (USAT)

USA Today, November 21, 2006

Republicans retained the congressional seat of Rep. Katherine Harris, state election officials ruled Monday. Republican Vern Buchanan was certified the winner over Democrat Christine Jennings by 369 votes.

Jennings immediately filed a lawsuit seeking a new election because of alleged irregularities. She cited Sarasota County, where more than 17,000 ballots cast in other races Nov. 7 on the touch-screen voting machines did not indicate a vote in the House contest.

Buchanan said there was no evidence of machine malfunctions. Harris lost her bid for the Senate.

Three House races remain undecided.

·In Ohio's 2nd District, Republican Rep. Jean Schmidt led Democrat Victoria Wulsin by 2,800 with nearly 9,000 votes possibly still uncounted.

·In Ohio's 15th District, Republican Rep. Deborah Pryce led Democrat Mary Jo Kilroy by more than 3,500 votes. About 19,000 ballots remain to be counted. Results are expected next week.

·In North Carolina's 8th District, election officials were recounting votes that last week gave Republican Rep. Robin Hayes a 339-vote margin over Democrat Larry Kissell.

Judge: Military may treat detainee's heart

The military is not required to send a Guantanamo Bay detainee to a civilian hospital for medical treatment, U.S. District Judge Paul Friedman ruled. The decision means terrorism suspect Saifullah Paracha must choose between having a cardiac catheterization to detect heart problems such as blockages performed at the U.S. military base in Cuba or not at all.

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Doctors at Guantanamo successfully completed the same procedure in 2003, the Justice Department said. Paracha, 59, had argued that if something goes wrong, doctors must perform emergency heart surgery. The wealthy Pakistani businessman and television producer wanted to be transferred to a hospital in the USA or Pakistan.

Paracha is being held for allegedly helping al-Qaeda. His son, Uzair, was sentenced in July in federal court in New York to 30 years in prison on similar charges.

Clinton Won Easily, But Bankroll Shows The Toll (NYT)

By Anne E. Kornblut And Jeff Zeleny

The New York Times, November 21, 2006

WASHINGTON, Nov. 20 — She had only token opposition, but Senator Hillary Rodham Clinton still spent more on her re-election — upward of $30 million — than any other candidate for Senate this year. So where did all the money go?

It helped Mrs. Clinton win a margin of victory of more than 30 points. It helped her build a new set of campaign contributors. And it allowed her to begin assembling the nuts and bolts needed to run a presidential campaign.

But that was not all. Mrs. Clinton also bought more than $13,000 worth of flowers, mostly for fund-raising events and as thank-yous for donors. She laid out $27,000 for valet parking, paid as much as $800 in a single month in credit card interest and — above all — paid tens of thousands of dollars a month to an assortment of consultants and aides.

Throw in $17 million in advertising and fund-raising mailings, and what had been one of the most formidable war chests in politics was depleted to a level that leaves Mrs. Clinton with little financial advantage over her potential rivals for the 2008 Democratic presidential nomination — and perhaps even trailing some of them.

The campaign's financial record has fueled some criticism among Democratic activists and prompted concern among Mrs. Clinton's supporters, including complaints from some of her fund-raisers that her top aides exercised a lack of discipline.

As of mid-October, when her campaign last filed a disclosure statement with the Federal Election Commission, the senator had about $14 million on hand. That figure did not take into account spending or fund-raising in the final three weeks of the campaign, although the final tally is not expected to change much.

The Democratic Daily, a liberal Web site, accused Mrs. Clinton of "blowing a shameful $36 million" on a shoo-in campaign. The only other Senate candidate to come close to her spending level was Senator Rick Santorum, Republican of Pennsylvania, who spent about $24 million unsuccessfully defending his seat.

Mrs. Clinton's cash on hand is certainly less than the $20 million to $30 million some of her advisers early this year predicted she would have in the bank as she moved from her Senate re-election toward a decision about a presidential campaign. She is now in the same ballpark as two fellow Democrats, Senator John Kerry of Massachusetts, who had $13.8 million in his account as of Sept. 30, according to election commission records, and Senator Evan Bayh of Indiana, who had $10.6 million. The law allows money left in a Senate campaign fund to be transferred to a presidential campaign.

Aides to Mrs. Clinton said she was not available for comment. Asked whether she was satisfied with the way the money had been spent, and whether the campaign's expenditures were within the norms of politics today, the executive director of her campaign organization, Patti Solis Doyle, replied in an e-mailed statement: "We're very pleased with the outcome of this election: the bottom line is victory with 67 percent of the vote, a substantial increase among independents and Republicans, and a list of several hundred thousand donors, beneficial in this and future campaigns."

Yet the way she spent the money troubled some of Mrs. Clinton's supporters, many of whom have been called on repeatedly over the years to raise and give money for Bill Clinton's two presidential campaigns, his legal expenses, his library, his global antipoverty and AIDS-fighting program and now his wife's political career. One Clinton supporter said it would become harder to tap repeat donors if it appeared that the money was not being well spent.

Nonetheless, the senator is among the most formidable fund-raisers in her party and could raise a large amount of money quickly if needed.

Since 2001, when she took office, Mrs. Clinton has spent at least $36 million on her re-election. For 2005 and 2006 through Oct. 18, she spent $29.5 million; a final tally will not be available until next month.

At that level, she spent nearly twice as much as Senator Charles E. Schumer, her Democratic colleague from New York, did in his 2004 re-election campaign, when he spent $15.5 million and won 71 percent of the vote, four points more than Mrs. Clinton won this year.

For her money, Mrs. Clinton also won a slightly smaller percentage of the vote in New York this year than did Eliot Spitzer in his successful race for governor. Mr. Spitzer, who raised nearly $41 million for his campaign, won 69 percent of the vote.

Mark Penn, Mrs. Clinton's pollster and longtime adviser, received at least $1.1 million. Mandy Grunwald, her longtime communications strategist, received more than $930,000. Hudson Media Partners, an offshoot of the Glover Park Group consulting firm where two prominent Clinton advisers, Howard Wolfson and Gigi Georges, work, received nearly $200,000.

Campaign aides said much of the consulting work went toward building a donor list that would be vital in a presidential race. But they did not specify the work done by each of the consultants or say exactly how much of the money they received went to preparing for a presidential run rather than Mrs. Clinton's Senate re-election. And the figures have raised eyebrows among the people who raise money for her.

"We're not in this business to make consultants rich," said one fund-raiser for Mrs. Clinton who was granted anonymity in order to speak freely about the direction of the campaign.

"The wasting of money — it drives everybody crazy," the fund-raiser said. "She'd better get a handle on this if she is going to run for president."

Beyond the level of spending, there is also some concern within the Clinton camp about the adequacy of the controls on what is being spent.

A close friend of Mrs. Clinton, Maggie Williams, received a $37,500 consulting fee, paid to her firm, Griffin Williams Critical Point Management, at the end of July.

Asked what the payment was for, Mrs. Clinton's campaign aides checked and subsequently responded that the payment had been a mistake. They said it should have been for less than $5,000 to reimburse Ms. Williams, who served as chief of staff to Mrs. Clinton in the White House, for travel costs. They said Ms. Williams would return the extra money. Ms. Williams, who was said by Mrs. Clinton's aides to be traveling, did not return a call to her office.

"Donors, like voters, increasingly expect candidates to exercise fiscal discipline," said Mark McKinnon, an adviser to Senator John McCain, Republican of Arizona and a possible presidential candidate, and a veteran of President Bush's two penny-pinching campaigns for the White House.

Political campaigns are expensive affairs for any candidate, especially those running in a state as big as New York. Some of Mrs. Clinton's expenditures, including the more than $10 million for direct mail fund-raising solicitations, will pay off if she runs for president by giving her an expanded list of individual donors around the nation.

She has now amassed a database that includes several hundred thousand new donors, 90 percent of whom contributed $100 or less, her advisers said. Under the new campaign finance law, such small donors are considered crucial to raising the large sums of money needed for a presidential campaign.

Other types of expenses are seen by campaigns as necessary good-will gestures toward donors and other supporters; Mrs. Clinton's campaign cited this in justifying the roughly $51,000 she spent on professional photographers to provide pictures of her with guests. The candidate also sought to generate good will among her fellow Democratic candidates by giving more than $2.5 million to the Democratic Senatorial Campaign Committee and other party groups.

Candidates routinely use campaign money for all types of expenses. Representative Corrine Brown, Democrat of Florida, spent $24,000 of her campaign money this year on flowers; her campaign said she sent them to the families of constituents who died. Representative Richard W. Pombo, Republican of California, spent $17,250 on balloons for a single event in July.

Mrs. Clinton's aides offered varying explanations for her spending record. Some, speaking on the condition of anonymity because they are barred from discussing Mrs. Clinton's intentions for 2008, said much of the spending amounted to an investment in voter and fund-raising databases that could form the basis of a presidential campaign. Others said the money went to ensuring as convincing a victory as possible.

"We in fact did what we said we would do, which was raise it for a campaign in 2006," said Ann Lewis, the communications director for her campaign.

The most expensive components of any political campaign are often direct mail solicitations and television advertising, and Mrs. Clinton paid Media Strategies Research, a Democratic firm in Denver, $1.58 million in the third quarter of the year alone. She spent at least $7 million on advertising over all.

Yet Mrs. Clinton has also continued to travel and entertain in style. Around $160,000 was spent on private jet travel for her and her advisers in 2006. Her catering and entertaining bill was at least $746,450, with tabs ranging from a $124,155 bill at the New York Hilton to a $2,500 bill for a backroom fund-raiser at Ben's Chili Bowl, the famous Washington hot dog shop.

Women's Report Card For 2006 Vote (CSM)

By Linda Feldmann

The Christian Science Monitor, November 21, 2006

WASHINGTON

When the winners of the Nov. 7 elections are sworn in in January, Democratic women - and some Republicans - will have cause to cheer: The House will have its first female speaker, Nancy Pelosi (D) of California. Congress will have its largest corps of women ever - 16 in the Senate and at least 71 in the House, from both parties.

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And in the states, women will hold nine governorships, tied with the record set in 2004, and other elective statewide jobs that could position them for higher office. Sarah Palin (R) will become Alaska's first woman governor. For the first time, the chair of the National Governors Association will be a woman, Gov. Janet Napolitano (D) of Arizona.

In state legislatures, a record 2,426 women were general-election candidates, and unofficial results show 1,735 winning, which would be a record. In addition, women appear set to build on their record number of top leadership spots in state legislatures.

Women voters were also pivotal this year. While a majority of both women and men nationwide voted Democratic on Nov. 7 - 56 percent of women and 51 percent of men - the gender gap proved decisive for Democrats in a handful of key Senate races.

In Virginia, where Democrat Jim Webb beat Republican incumbent George Allen by a fraction of a percent, 55 percent of women voted for Mr. Webb versus 45 percent of men. In particular, it was women of color who made the difference.

In Montana, where race was not a factor, 52 percent of women voted for the Democrat, Jon Tester, versus 48 percent of men. Mr. Tester beat incumbent Sen. Conrad Burns (R) by just a few thousand votes.

In Missouri, 51 percent of women voted for Democrat Claire McCaskill, who beat incumbent Sen. Jim Talent (R), while only 46 percent of men did. As in Virginia, it was African-American women who made the difference.

Was this another Year of the Woman? Not exactly. Back in 1992, women made stunning gains, jumping from 32 to 54 House members and from two to six senators. Since then, the gains have been steady. The Senate is now at a record 16 women, and women in the House have averaged an increase of one or two seats per year. This year, the increase in the House was a little larger than usual - at least four seats. (In Louisiana, the Dec. 9 runoff between two Democrats, Rep. William Jefferson and challenger Karen Carter, could put another woman in the House. In Florida, Vern Buchanan (R) was certified the winner Monday in his tight race against Democrat Christine Jennings, but Ms. Jennings is suing.)

Ultimately, women remain far from achieving equality. In the next Congress, the record 87 women members will represent 16 percent of the 535 seats. In state legislatures, women currently hold 1,686 of the 7,382 seats, or 22.8 percent. In statewide elective executive office - positions such as governor, attorney general, and secretary of state - women hold 78 of the 315 positions, or 24.8 percent. (The figure will drop to 76 in January.)

The key, say women political activists, is that most of the numbers continue to head upward. "And certainly, 2006 is the year of the woman leader," says Democratic pollster Celinda Lake, pointing to Ms. Pelosi and the incoming state legislative leaders. In addition, California's two Democratic woman senators will chair committees starting in January, with Dianne Feinstein running the Rules Committee and Barbara Boxer running Environment and Public Works.

At EMILY's List, a political action committee that helps Democratic woman candidates who support abortion rights, 2006 was by far the group's busiest year. The group endorsed, funded, and advised a record number of candidates, including 19 women who were Democratic nominees for Republican-held House seats. Of those, 16 were in races considered competitive by the nonpartisan Cook Political Report. So far, with four races still undecided, only two women have won, a point that has raised eyebrows. Among the 36 Democratic men running in competitive, Republican-held districts, 22 won.

Many of the most highly touted EMILY's List candidates - including Tammy Duckworth of Illinois, Diane Farrell of Connecticut, and Lois Murphy of Pennsylvania - did not win.

Did gender play a role in any of the races? Officials at EMILY's List say it's impossible to say, but they are now analyzing each contest in depth. Three of the still-undecided races involve two woman candidates, so gender could not be a factor there. On a Seattle Times blog, debate raged last week over why Democratic challenger Darcy Burner lost narrowly to Rep. David Reichert (R). Times reporters cited e-mails from Ms. Burner, who suggested that being female hurt her - especially at a time of war.

Woman political activists say that the big picture is what counts - and in the end, a record number of women will take seats in Congress come January. The increasing ranks of women at lower levels of government mean that the farm team for future, higher-level races is growing, they add.

Still, building toward gender equality remains a steep climb. "If it were easy to get women elected, we wouldn't need to exist," says Ramona Oliver, a spokeswoman for EMILY's List. "And trying to get newcomers elected on top of that is probably the toughest job in politics."

Kansas Republican Eyes Presidential Bid (AP-Y)

By Sam Hananel

AP, November 21, 2006

Sen. Sam Brownback, who is considering a White House bid in 2008, said Monday the Republican field has room for a "full-scale Ronald Reagan conservative" and pledged to make a final decision next month.

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The Kansas senator said he was not discouraged from running by the Democrats' strong gains in this month's midterm elections, including majority control of the House and Senate.

"It does not make it less likely," he said in an interview. "I really believe that the basic conservative ideas and ideals were not repudiated. Our execution was."

A more daunting challenge for Brownback are the better known potential candidates. Arizona Sen. John McCain and former New York City mayor Rudy Giuliani have set up presidential exploratory committees. Massachusetts Gov. Mitt Romney and Senate Majority Leader Bill Frist, R-Tenn., also are weighing bids.

"I think there's room for a full-scale Ronald Reagan conservative in the field," Brownback said. "I fully agree that other people have much higher name identification than I do. No question about that. But I think what you have to look at is the policy positions they get out once you have an effective campaign."

Brownback, who was elected in 1996, is a forceful foe of abortion and embryonic stem-cell research. He also has taken a prominent role in the fight against genocide in Sudan's Darfur region.

Brownback has made several trips to Iowa, New Hampshire, Michigan and other states that hold early presidential nominating contests. While national polls show McCain and Giuliani running strong, similar polls have shown Brownback in the low single digits.

He dismisses the early surveys.

"Where are my positions and others versus the base of the party?" he asked.

Dueling Conservatives (NYT)

By Adam Nagourney

The New York Times, November 21, 2006

Senator John McCain, Republican of Arizona and a likely 2008 presidential candidate, seemed to struggle yet again to firm up his position with the right on Sunday, as he faces the prospect of a primary fight with, among others, Gov. Mitt Romney of Massachusetts.

Mr. McCain, far right, appearing on “This Week” on ABC, said he thought Roe v. Wade, the Supreme Court decision that established a constitutional right to abortion, should be overturned. But he sometimes strayed from the orthodoxy of social conservatism. He presented himself as a supporter of the “don’t ask, don’t tell” policy imposed by President Bill Clinton in 1993 to allow gay men and lesbians to serve in the military. He said he did not believe homosexuality was “a sin.” And while he said he opposed same-sex marriage, he seemed to countenance civil unions.

And how did Mr. Romney spend his Sunday? He announced that he would ask his state’s highest court to order a question banning same-sex marriage onto the ballot if legislators failed to do so.

Romney Prepares To Run For President (FT)

By Rebecca Knight

Financial Times, November 21, 2006

Mitt Romney, the outgoing governor of Massachusetts, appears to be on the verge of confirming what many political observers have long speculated: he intends to seek the Republican party’s presidential nomination in 2008.

Mr Romney – who first drew national attention when he took over leadership of the struggling 2002 Salt Lake City Winter Olympic Games – convened a meeting of his top advisers and leading supporters at the weekend to discuss the potential launch of his White House bid. According to an aide to his Commonwealth Political Action Committee, the gathering was “to thank those who have been supporters” over the past year.

The governor has always been coy about his presidential ambitions. But an aide to the committee said he planned over the coming holidays to discuss a possible presidential run with his family and will “make a decision one way or another after the first of the year”.

Mr Romney has recently added several influential political consultants to his roster including Alex Castellanos, a veteran Republican image-maker known for his take-no-prisoners television commercials against Democratic candidates. Mr Castellanos has produced ads for President George W. Bush and presidential candidate Bob Dole, among others.

In addition, Mr Romney’s PAC has hired Sally Bradshaw, one of the top political advisers to Governor Jeb Bush of Florida, and Barbara Comstock, a one-time strategist for the Republican National Committee.

The high-profile recruits and last weekend’s talks come at time when the field of Republican hopefuls is thinning. Senator John McCain of Arizona is still widely considered the frontrunner but the demise of Senator George Allen, Republican of Virginia, who had been considered a leading 2008 presidential contender until a string of slip-ups over the summer, is considered a boon to a potential Romney candidacy.

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In spite of the more open playing field, many political observers, including Charles Stewart, a political science professor at MIT, are sceptical about Mr Romney's chances. "The thing about nominations is that it comes down to popular appeal and the judgment of professionals," he said.

While Mr Romney succeeds at portraying himself as a "solid, good guy", Prof Stewart said he loses points with professionals for the way he has treated Massachusetts "as a political whipping boy". In various out-of-town speeches, Mr Romney has portrayed the state's liberalism as a foil to cast himself as a conservative fighting blue-state waste, according to Prof Stewart.

"He is running against Massachusetts by playing to his conservative base at the expense of the state where he is governor," he said.

Ahead To 2008 (WT)

By Rick Amato

The Washington Times, November 21, 2006

As the line of Republican candidates running for the White House in 2008 begins to form, there is one candidate making preparations to run whose name voters outside of San Diego and Washington will be hard-pressed to recognize, but that could change in time. I'm speaking of the outgoing chairman of the House Armed Services Committee, California Rep. Duncan Hunter.

It is easy to dismiss Mr. Hunter's chances. After all, not since James Garfield in 1880 has a sitting member of Congress been elected to the White House, and then of course, there's that whole name recognition thing. However, there is something interesting about Mr. Hunter that should not be overlooked. He is a social conservative in what is expected to shape up as a socially moderate Republican field. Historically, social conservatives have done very well with voters in early primary states such as Iowa and South Carolina. (Mr. Hunter introduced H.R. 552 the Right to Life Act, which proposes to "implement equal protection for the right to life of each born and preborn human person."). He is further to the right on social issues than either John McCain, Rudy Giuliani or Mitt Romney.

A Vietnam veteran, Mr. Hunter was first elected to Congress in 1980, when he won in a long-shot bid over 18-year Democratic incumbent Lionel Van Deerlin. When asked why he is up to the challenge of a presidential run Mr. Hunter told me, "because I believe national security and a strong military are more important issues today than ever before. The Iranians and North Koreans are acquiring more advanced weapons systems, China is an emerging superpower and, we are living in an increasingly dangerous world. America is headed in to a new era, an era of terrorists with high technology. My message will be one of 'peace through strength.' I encourage voters to examine my record and consider my experience as chair of Armed Services and my work on national security issues."

On Iraq, Mr. Hunter points to a pattern he says America has followed for the past 60 years, "My campaign message on Iraq will consist of a three-step process: Establish a free government, which we've done, establish a military that will protect that government, and then leave Iraq."

Regarding Iraq, Mr. Hunter provided me with a letter he recently wrote to President Bush urging the president "to accelerate the process of deploying Iraqi forces to security environments that force them to engage in difficult military operations. Such operations will allow the forces to become battle-hardened ... as the battle in Iraq has intensified, so has the need to send Iraqi battalions into the heart of battle."

On the issues of border security and illegal immigration, Mr. Hunter has been a vocal critic and an advocate of tougher illegal immigration laws. "I don't look at the border as an immigration issue, I look at it as a national security issue. After we built the border fence along the San Diego-Tijuana region, smuggling and drugs were reduced in that area by 90 percent. The president just signed the 700-mile border fence bill, which I wrote on the House side. We simply have to have better border security."

Mr. Hunter expects to formally announce his candidacy sometime after the first of the year. History suggests that voters in early primary states will recognize and embrace a message of peace through strength, conservative social values and conservative illegal immigration policy. Now Duncan Hunter is hoping they recognize his name.

Rick Amato is a radio talk-show host and political commentator.

Out Of The Bush Family Shadow (LAT)

By Peter Wallsten

The Los Angeles Times, November 21, 2006

MIAMI — Her father left the White House 14 years ago, and her brother is midway through his second term as president. But Dorothy Bush Koch is only now stepping into the spotlight with a new book about the first President Bush and about her family.

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And she has a few gently pointed words to say about life as the lone daughter in the country's most powerful political family.

Introducing her book at a Miami event on Sunday, "Doro," as she is known to her siblings, said it was nearly impossible to convince strangers that the generation of George W. Bush, Jeb, Neil and Marvin also included her.

"It's as if they are finding out about the fifth Beatle," she said.

After Jeb Bush, the brother who is also Florida's governor, introduced her at Miami Book Fair International, Koch added bluntly: "Thank you, Jeb, for letting people know that I actually do exist.

"The traditional path to making a name for yourself in our family is running for elective office, and I couldn't do that because, for one thing, all the really good offices were taken," Koch said wryly.

Koch lives in the Maryland suburbs of Washington and devotes much of her time to raising money for causes (including her relatives' political campaigns). She is a mother of four. Her husband, Robert, is the president of the San Francisco-based Wine Institute, a lobbying group for the wine industry.

Koch's book walks through the life and times of her father, George H. W. Bush, a war hero at age 20 after he was shot down fighting the Japanese in 1944.

He went on to serve in Congress, run the CIA, head the Republican National Committee and win election as vice president for eight years and president for four.

Koch worked on the book for two years, conducting 135 interviews with friends, family and even political opponents of her father, including the man he beat for the presidency in 1988, Michael Dukakis.

One intriguing element of Koch's presentation Sunday, though, was what she implied but did not directly state about the contrasting images of the family's two presidents, one of whom is known as the consummate diplomat and the other who has labeled himself the "war president."

Twice on Sunday, she noted that among the accomplishments she most admired about her father was his ability to manage the end of the Cold War "without a shot being fired."

The book aims to cement the legacy of the country's 41st president as a war hero and thoughtful world leader, but it comes as the 43rd president is struggling to preserve his own legacy amid an increasingly violent Iraq war — a war that many say his father would not have waged.

The book also comes as the current President Bush, in trying to find his way forward in Iraq, is increasingly reaching back to his father's foreign policy team for advice and leadership.

The title of Koch's book, "My Father, My President: A Personal Account of the Life of George H. W. Bush," suggests that Koch does have her favorite between the family's two presidents.

Though much has been made of whether the current President Bush has accomplished more than his father — winning two terms in the White House and toppling Saddam Hussein — Jeb Bush spoke Sunday of how he never aspired to outdo his father.

Instead, he was haunted by the desire to live up to his dad's example.

"If you start with the premise that your dad is as perfect as a person can be — and, typically, guys try and aspire to be like their dad … think about how traumatic that's been," he said.

"But I figured out if I could be half as good and kind and generous and compassionate as my father, then that would be pretty good," he added.

"And once I figured that out, I stopped worrying about getting therapy."

When a questioner at the Sunday event asked about the two presidents' differing decisions on Iraq, Koch instinctively deferred to her brother, and he deferred to well-worn family talking points.

"When the current president and President 41 are together, we're talking about sports and we're talking about our families," the governor said. As for their approaches to Iraq, Jeb Bush added: "It's never come up, to be honest with you."

Gov. Bush said Koch's 586-page book would probably serve as the official presidential memoir. He said their father did not intend to write his own.

As any loyal daughter would, Koch seeks to convey the record as she and her family see it.

Writing about the famous 1988 Willie Horton presidential-campaign ad, Koch lauds it as an effective portrayal of Dukakis' support of a weekend furlough program for violent criminals. Horton, an African American, was serving a life sentence for murder when he committed a rape while released for a weekend furlough.

Democrats and civil rights leaders called the ad race-baiting. It took on new resonance last month, when the Republican Party aired a controversial attack ad against a black Senate candidate in Tennessee.

The former president told his daughter that critics were wrong about the Willie Horton ad.

"I felt we did the right thing," he said, adding later: "It was definitely a crime issue."

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Koch did convince the two presidents to reflect a bit on their relationship with each other. The current president said his father had been paying too much attention to attacks coming from Democrats these days, whereas the elder Bush said: "I know George is strong and can take it, too — but it still burns the hell out of me."

Inside The Beltway (WT)

By John Mccaslin

The Washington Times, November 21, 2006

Overt review

"Katie Couric's The Brand New Kid" made its world premiere at the Kennedy Center during the weekend, and while the "CBS Evening News" anchorwoman says she was unable to make the opening performance, Valerie Plame of CIA-leak fame was in the audience and sends her rave reviews.

"I got a note from Valerie Plame, who said she really liked it," Miss Couric told Inside the Beltway by telephone yesterday from New York. "She wrote, 'It was so well done and enjoyable for all of us. It teaches important values. And fun songs. Good work!' "

The musical, playing at the Kennedy Center's Family Theatre through Dec. 17, is based on a children's book Miss Couric authored in 2000, titled "The Brand New Kid." It centers on a second-grader who enrolls in a new school, only to taunted by the other children. The teasing stops when the new arrival is befriended by one of the school's more popular students.

"I was going to go to opening night, but my daughters, typical, had plans, so I'm going to take them another time. I'm excited to do it," said Mrs. Couric, adding that the opportunity for the book to be made into a musical "was a pleasant surprise."

"And of course the Kennedy Center -- you can't do much better than that," she said.

Mrs. Plame and her husband, former ambassador Joseph C. Wilson IV, are parents of twins, a boy and girl, born in 2000.

Death notice

"Your item must have hit a raw nerve this time," writes Washington resident Jesse H. Merrell, who had called our attention Friday to a $75 fine levied against Luther L. Miller of Garfield Street Northwest -- who, according to a D.C. government notice put his trash containers "out for collection @ the wrong time or place."

Mr. Merrell has written repeatedly to the city's fathers, informing them that his old neighbor "Luther L. Miller is dead -- has been for nearly 30 years."

He once enclosed a copy of Mr. Miller's death certificate, but similar notices and fines addressed to Mr. Miller kept arriving at his neighbor's old house. Mr. Merrell even offered to drive Mayor Anthony A. Williams to the Old Stone Church Cemetery in Lewisburg, W.Va., to see for himself that Mr. Miller in no way, shape or form could be emptying his trash.

"On Feb. 2, 2002 -- after an unbelievable fourth letter -- I wrote and asked if I took you to see his tombstone in Lewisburg, would that help?" Mr. Merrell wrote to the mayor.

Now, we are pleased to report that Luther L. Miller might finally be resting in peace.

"I got a call from an aide to the mayor this afternoon," says Mr. Merrell, "thanking me for bringing it to their attention. I felt like saying I had been bringing it to their attention for some time, but was polite and let it go. He said he was going to ... get it corrected. I'm not holding my breath, however."

Read about baseball

We couldn't help but be amused yesterday when President Bush, visiting a pair of faux Indonesian classrooms in Jakarta, was asked by a small boy what his hobbies had been when he was growing up.

Observed the White House pool report: "Bush didn't miss a beat: 'Baseball. I liked baseball. That was my hobby. Sports.' Then, perhaps realizing that sports was the wrong thing to push in a classroom, even a fake one, the president added: 'The best thing that I did was to learn how to read.' Continuing in that vein, the last thing we heard before being pushed out was Bush cautioning the kids that 'there are people who watch TV too much.' "

Offer a toast

Craig Wolf, who served as counsel to the Senate Judiciary Committee and specifically its chairman, Sen. Orrin G. Hatch, Utah Republican, has become the new president and CEO of the Wine & Spirits Wholesalers of America.

"We are entering a dynamic era, and the membership has every confidence that Craig ... will effectively advance the wine and spirits wholesalers' interests to policy-makers and the general public during this period of increasing attacks seeking the deregulation of alcohol in this country," says association Chairman Stan Hastings.

We might also mention that Mr. Wolf was once a federal and state prosecutor, and he is also a captain in the U.S Army Reserve Judge Advocate General's Corps.

·John McCaslin, whose column is nationally syndicated, can be reached at 202/636-3284 or jmccaslin @washingtontimes.com.

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Bush Gets A Dose Of Democracy On Visit To Indonesia (LAT)

By James Gerstenzang

The Los Angeles Times, November 21, 2006

BOGOR, INDONESIA — In the last overseas stop of his five-day Asian tour, President Bush met here Monday with President Susilo Bambang Yudhoyono, the first directly elected president of the nation with the world's largest Muslim population.

The visit came after a week of demonstrations against Bush, and its brief length, 6 1/2 hours, reflected security concerns in a country where terrorists have staged large-scale and deadly attacks.

About 2,000 protesters from Muslim, student, and labor groups showed up to protest U.S. policies in Iraq and Afghanistan, saying it was Bush who was spreading terror. In Surabaya, East Java, about 100 students were reported to have clashed with police at a McDonald's after staging a protest at the U.S. Consulate. No arrests were reported.

Bush cited the demonstrations as evidence of Indonesia's democracy, saying, "It's not the first time, by the way, where people have showed up and expressed their opinion about my policies."

Indonesia, where Islam is firmly rooted and democracy is still emerging, is a religious and political laboratory for the policies Bush says are the answer to Islamic-based terrorist movements. The president put Indonesia on his agenda for a trip, which began Thursday in Singapore and then went to Vietnam for an economic meeting of Pacific Rim leaders, to support Yudhoyono "as a moderate and progressive leader," said Derek Mitchell, a Pentagon official during the Clinton administration.

Indonesia had not done as much as Bush might have wanted to impose the rule of law, but there was "a sense that this is moving in the right direction," said Mitchell, who specializes in Asia and is a senior fellow at the Center for Strategic and International Studies, a Washington think tank.

Nearly 90% of Indonesia's 238 million people are Muslims. That amounts to approximately one-sixth of the Muslim world. After four decades of authoritarian rule, the nation's first democratic elections were held seven years ago; Yudhoyono was elected in 2004.

"The elections were open, the elections were clean, the elections were fair. And you elected a good president who is working hard to — in a tough job," said Bush of Yudhoyono at the news conference in one of the nation's six presidential palaces.

Indonesia is an equatorial archipelago made up of more than 17,000 islands, 6,000 of them inhabited, covering an area roughly three times that of Texas. It has a long history of ethnic strife along with the more recent onset of Islamic terrorism.

It is a base of the terrorist organization Jemaah Islamiah and has increasingly cooperated with the U.S. in counter-terrorism efforts, particularly in the wake of bombings in 2002 and 2003. The targets have included a nightclub frequented by tourists in Bali and a Marriott hotel in Jakarta.

The president flew by helicopter to Bogor from the Halim Perdanakusuma International Airport air base near Jakarta, 35 miles to the north, rather than traveling by motorcade.

The flight took him over the crowded capital's outer reaches, above roofs of crinkled metal and others of tile atop small, squat homes and trash heaps spilling out of backyards under lush, tropical growth.

He landed near the grounds of the 150-year-old Greek Revival-style palace, which is generally used for ceremonial purposes and other government functions.

Its 70 acres of lawns and giant ficus trees, behind high walls and in some locations rolls of new razor wire, harbor a herd of 600 white-spotted miniature deer, descendants of animals brought here from India several centuries ago for the hunting pleasure of a Dutch governor-general.

Bush made the short trip from the Marine One helicopter landing zone to the palace in an armored Chevrolet Suburban that bore neither the U.S. or Indonesian flags nor the presidential seal.

As he hopped with both feet from the high-riding vehicle, his image on a television screen prompted boos — and a few calls of "terrorist" — from some of the Indonesian reporters awaiting the news conference.

After dinner with Yudhoyono, Bush set out for Hawaii. He is scheduled to return to Washington tonight.

Bush Ends Trip At Careful Stop In Indonesia (NYT)

By David E. Sanger

The New York Times, November 21, 2006

BOGOR, Indonesia, Nov. 20 — President Bush made a six-hour, carefully orchestrated visit to Indonesia on Monday, praising the country's first directly elected president and seeking to defuse the widespread anger here, in the most populous Islamic country, over the continued American presence in Iraq.

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Mr. Bush, whose visit to Indonesia three years ago was consumed with talk of counterterrorism, this time appeared focused on fighting bird flu, bolstering a small program to aid Indonesian schools and promoting growth.

And in an afternoon of meetings at an ornate presidential palace that is a legacy of Dutch colonial rule, Mr. Bush held a closed-door session with what the White House called "civic leaders" of Indonesia.

Protestors and their "Stop Bush Now" placards could get no place near the Bogor palace, which is an hour outside of Jakarta and heavily protected by troops and fences. But Mr. Bush turned the Jakarta protests into a example of how far Indonesia has come in allowing free expression.

"It's not the first time, by the way, where people have showed up and expressed their opinion about my policies," Mr. Bush, looking tired at the end of a grueling trip, said with a smile. "But that's what happens when you makes hard decisions."

State Department surveys show that the percentage of Indonesians who say they have a favorable view of the United States has declined to 30 percent, from 75 percent six years ago.

The Indonesian president, Susilo Bambang Yudhoyono, gave only the most gentle public prod to Mr. Bush, talking about a "proper timetable" for withdrawal from Iraq, but then echoing Mr. Bush's view that the timetable had to be linked to national reconciliation there and the training of new security forces.

When a reporter asked Mr. Yudhoyono whether he had urged Mr. Bush to begin a withdrawal of forces from Iraq, Mr. Bush interjected: "I'll be glad to answer it for him — no, no he didn't. But he can answer it for himself."

In Mr. Bush's struggle to demonstrate that he can still achieve his initial objective in Iraq — a stable, democratic government in a demographically diverse Islamic nation — he often holds up Indonesia as an example of success and proof that Islam and democracy are compatible.

Since Suharto's departure from power in 1998, a real democracy has begun to take root. In its recent report card on the country, Freedom House judged that "the political system is open and democratic in its basic structures," even while some of its institutions still "function poorly or are sanctuaries of undemocratic and abusive behavior."

But to Mr. Bush, Indonesia's greatest accomplishment has been to suppress extremist groups, especially Jemaah Islamiyah, considered an affiliate of Al Qaeda.

"I believe the vast majority of people want to live in moderation and not have extremists kill innocent people," he said at a news conference in the ornate receiving rooms of the palace.

Despite the country's recent progress, however, Mr. Bush once again did not stay the night in Indonesia, at the insistence of the Secret Service. On his previous visit, he stopped in Bali, a Hindu resort island in a nation of Muslims, and held what turned out to be a contentious session with Indonesian scholars and religious scholars. He was criticized after that visit for failing to come to the heart of Indonesia.

So on Monday he flew into the airport in Jakarta, the capital. But he never ventured into the city. Instead, he stayed behind the fenced wall of the palace compound, save for his helicopter ride from and to the airport, where Air Force One was standing by for the trip onward to Hawaii.

Protestors were kept away by troops and rolls of barbed wire. In Jakarta, the authorities appeared to have jammed some cellular telephone networks.

At one point during the news conference, Mr. Bush was asked to describe the risks of adding more forces to Iraq, a step that Senator John McCain, Republican of Arizona, is pressing.

Mr. Bush, who has described in detail the risks of pulling out of Iraq too soon, sidestepped the question. "I haven't made any decisions about troop increases or troop decreases, and won't until I hear from a variety of sources, including our own United States military," he replied.

Among the groups expected to present their recommendations to the president are the joint chiefs of staff and a bipartisan study group led by a former secretary of state, James A. Baker III, and a former congressman, Lee H. Hamilton.

So far, Mr. Bush has used those groups' ongoing studies to justify declining to talk about his plans for the Iraq mission. "There's no need to comment on something that may not happen," he said. "But if it were to happen, I will tell you the upsides and the downsides."

Bush Brushes Off Protests Over Middle East (FT)

By John Aglionby In Bogor, Indonesia

Financial Times, November 21, 2006

US President George W. Bush on Monday dismissed suggestions he should alter his policies to win over opponents in the Muslim world, insisting his desire to promote democracy and freedom were echoed by the majority of people around the world.

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Speaking during a seven-hour visit to Indonesia, the world's most populous Muslim nation, at the end of his Asian tour, Mr Bush welcomed the fact that thousands of people had been demonstrating for days across the sprawling archipelago against his visit and policies in Iraq and the Middle East.

"I applaud a society where people are free to come out and express their opinion," he told a press conference with his host, President Susilo Bambang Yudhoyono. "It's not the first time people have shown up to express their views on my policies. That's what happens when you make hard decisions."

People should instead appreciate the message he was trying to spread around the world, Mr Bush said. "I believe people desire to live in a free society," he said. "People want to live in moderation and not have extremists kill innocent people. Our policies are to promote that kind of government. Democracies yield peace. Democracies don't kill each other. To say democracy is anti-religious is wrong. It's the opposite of that."

Indonesia's transition from a dictatorship in 1998 to its currently directly-elected president is considered one of the world's best democracy success stories.

The vast majority of Indonesian Muslims are moderate but it is also the home of extremist groups who carried out at least one major terrorist attack each year between 2002 and 2005, including two bombings on the tourist resort island of Bali that killed more than 220 people.

Anti-Bush demonstrations have been thousands strong in the last few days, small by Indonesian standards, and the vast majority have passed off without incident.

Protesters were kept well away from Mr Bush but he received strong face-to-face criticism in a meeting with nine Indonesian civil society leaders.

"I wanted to tell him that he has to take a different approach to the Middle East and to Iraq," said Ysuni Sabi, from Aceh province. "He's not going to get peace unless he's harder on Israel and more accommodating towards Palestine."

The president's bilateral talks covered general matters such as promoting cooperation in trade, investment, health, education, alternative fuel technology and military links. No new initiatives were announced.

Mr Bush said the two leaders did not discuss a dispute involving Exxon Mobil's right to develop a gas field near the Natuna islands in the South China Sea. Jakarta has said Exxon had forfeited its right to the block while the company insists its contact expires in 2009. The two sides have agreed to negotiate to try and reach a common position that is likely to involve adjusting the share of profits each side receives.

Mr Bush also said he had not decided whether to adjust troop levels in Iraq.

"I haven't made any decisions about troop increases or decreases, and won't until I hear from a variety of sources, including our own United States military," he said.

Bush Calls Indonesian Protests A Good Thing (USAT)

By David Jackson

USA Today, November 21, 2006

BOGOR, Indonesia — President Bush was due to arrive in Hawaii today, ending a five-day trip during which he talked with world leaders about stopping North Korea's nuclear weapon's program.

In Indonesia, the last stop on the trip, several thousand anti-American protesters that included hard-line Islamists staged demonstrations Monday against U.S. policy in Iraq. Bush said the protests were symbolic of the kind of free expression the United States is trying to establish in Iraq.

"Indonesia is an example of how democracy and modernization can present an alternative to extremism," Bush said after meeting with President Susilo Bambang Yudhoyono in a 19th-century palace built by the nation's Dutch former colonial rulers.

"To say spreading democracy is anti-religious — it's the opposite of that. Democracy means you can worship any way you choose, freely," he said.

Before Indonesia, Bush visited Singapore and Vietnam, where he discussed free trade and measures aimed at reining in North Korea's nuclear weapons program. Bush spent a little more than six hours here amid tight security before flying to Hawaii, where he is to have breakfast with U.S. troops.

In a meeting with reporters in Indonesia, Bush said he has not decided about future troop levels in Iraq and is still consulting with advisers. The administration is also awaiting the report from a special committee on Iraq led by former secretary of State James Baker and former U.S. representative Lee Hamilton.

Indonesia replaced a dictatorship on its own in the late 1990s, so it's not a good example for Iraq, said William Liddle, an Ohio State University specialist on Indonesia.

"The Indonesians created this for themselves; they weren't occupied by somebody," said Liddle of the country that consists of more than 17,000 islands.

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Derek Mitchell, an Asia specialist with the Center for Strategic & International Studies in Washington, said the Islamic Middle East doesn't consider Indonesia as a model. “They see them as outliers,” he said.

Indonesia has 190 million people and 87% are Muslim, the State Department said. The country is having troubles with militant Islam. The State Department says the Indonesian Islamic militant group Jemaah Islamiyah has been behind four terror attacks that killed more than 240 people since 2002.

On Iraq, Yudhoyono said the “global community” needs to help strengthen the Baghdad government before the United States can leave.

Indonesian attitudes toward the United States have gone up and down during Bush's presidency, according to the Pew Global Attitudes Project.

In 2002, a year after the 9/11 attacks, 61% of Indonesians held a favorable view of the United States, according to Pew. That dropped to 15% in 2003 after the U.S. invasion of Iraq, and then rose to 38% in 2005 after the United States helped Indonesia recover from the December 2004 tsunami that killed 167,000 Indonesians.

U.S. Urges IAEA To Deny Iran Reactor Aid (AP)

By George Jahn, Associated Press Writer

AP, November 21, 2006

The United States said Monday it would accept Iran's request for U.N. aid on seven nuclear projects but urged the International Atomic Energy Agency to deny assistance for a plutonium-producing reactor that can be used to make a bomb.

The decision reflected U.S. recognition that it was futile to try to block IAEA help to Iran on all eight projects because of opposition by most of the agency's 35-nation board. It also appeared prompted by an IAEA ruling that neither the reactor nor the other projects posed a proliferation threat.

Some diplomats accredited to the Vienna-based U.N. nuclear watchdog agency also suggested it could reflect a U.S. decision to tread relatively lightly while Washington weighs the possibility of direct dialogue with Iran on reducing violence in Iraq. The diplomats spoke on condition of anonymity because they were not authorized to speak publicly about the closed meeting.

U.S. officials declined comment.

"We are prepared to join consensus" on approving the seven other requests from Iran if the agency's board agrees to deny aid to Iran on building the Arak research reactor, said Gregory L. Schulte, the chief U.S. delegate to the IAEA.

But Schulte suggested there would be no compromise on Arak, describing it as being "capable of producing plutonium for one or more nuclear weapons each year," once completed, likely in the next decade.

"Given past board decisions, continued questions about Iran's nuclear program, and the risk of plutonium being diverted to use in a weapons, the United States joins with others who cannot approve this project," he said. His comments to the closed committee meeting on IAEA technical aid to member countries were made available to The Associated Press.

The council's main concern is Iran's defiance of a demand that it freeze uranium enrichment, but the Arak heavy water reactor is also worrying because of its ability to produce plutonium.

A Security Council resolution in July demanded that Iran stop all enrichment-related activities. But it did not specifically mention Arak, saying only that Tehran had to stop all "reprocessing activities."

The European Union also urged the board to refuse approving aid for the Arak project once it moves from its committee meeting to a full session on Thursday.

"Our concern is that such a reactor would in the future produce significant quantities of plutonium and would involve a significant proliferation risk," an EU statement said.

Canada and Australia also urged that help on Arak be denied, said a diplomat coming out of the closed meeting.

In contrast, Russia and China — the key blockers of tough U.N. Security Council sanctions on Iran backed by the U.S. and some European allies — suggested they had no objections to IAEA help on Arak, said the diplomat. Cuba went the furthest, demanding that the board approve the Arak project, she said.

Normally, the United States is at the forefront in demanding tough action against Tehran for defying U.N. Security Council demands that it freeze uranium enrichment.

But with council agreement on sanctions bogged down because of Russian and Chinese efforts to block severe punishment, diplomats said the Americans took a back seat at the Vienna meeting. Instead, France took the lead on demands that all eight Iranian projects be reviewed and possibly refused.

In Tehran, Iranian President Mahmoud Ahmadinejad — whose country sees the United States and Israel as its greatest enemies — was cited on the Web site of Iran's Broadcasting Company as saying the Islamic republic would succeed in developing a full nuclear program, despite "pressure by the U.S. and Israel."

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Even nonaligned nations traditionally supportive of Iran were likely to approve some form of denying Iran help for Arak, but the other seven projects were less controversial.

One asks for help in developing nuclear capabilities for medical use. Another seeks legal aid for the Russian-built Bushehr reactor, which even the Americans have accepted as not posing a threat to nuclear proliferation. And the five others ask for assistance in administrative or safety aspects of nuclear power, according to a list made available to the AP.

Denying Iran help with Arak — where it is seeking agency assistance to make sure the reactor is environmentally safe — would do little to slow construction of that facility or affect Tehran's other potential avenue to weapons production — uranium enrichment. Still, it would maintain at least symbolic pressure even amid the Security Council deadlock.

Ali Ashgar Soltanieh, Iran's chief delegate to the IAEA, said his country's request would benefit the international community by increasing outside involvement in Arak.

"By adopting this project, the agency's presence ... will be much more," he said.

Report: Israeli Spies Active In Iran (JERP)

The Jerusalem Post, November 21, 2006

Iran has developed and tested a trigger device for a nuclear bomb, Israeli agents stationed there have told the White House, according to a report published in The New Yorker Monday morning.

35 nations meet on denying Iran technical help for building plutonium-producing reactor

According to the report, written by Seymour M. Hersh, the White House received the information but did not pass it on to the CIA.

The report also stated that in the past six months, Israel and the United States had been working together to support a Kurdish resistance group known as the Party for Free Life in Kurdistan.

The group had been conducting clandestine cross-border forays into Iran, as "part of an effort to explore alternative means of applying pressure on Iran," Hersh said he was told by a government consultant with close ties to the Pentagon civilian leadership. The government consultant reportedly said Israel was supplying the Kurdish group with "equipment and training." The group had also been given "a list of targets inside Iran of interest to the US." An Israeli government spokesman denied that Israel was involved.

The Israeli intelligence presented a stark contrast to recent CIA estimates on Iran's nuclear program, which claimed that Teheran was far from attaining a nuclear bomb.

The New Yorker article seemed to suggest that there was a difference of opinion between the CIA, the White House and the Pentagon regarding the progress of Iran's nuclear weapons program.

The CIA's opinion was based on technical information gathered from satellites and other hi-tech devices that suggested high levels of radiation had not been detected.

However, the White House and the Pentagon dispute the CIA's findings. Pentagon officials have urged that the Israeli intelligence be given due consideration and said data gathered by satellites and ground sensors was insufficient. They added that more emphasis should be given to information supplied by agents.

"We live in an era when national technical intelligence" - data from satellites and on-the-ground sensors - "will not get us what we need. HUMINT [human intelligence] may not be hard evidence by that standard, but very often it's the best intelligence we can get," said a Pentagon consultant.

The White House reportedly was refusing to reveal to the CIA the source of the Israeli information, the location of the site of the experiments, or the number of tests that had been carried out.

"The problem is that no one can verify it," a former senior intelligence official told Hersh. "We don't know who the Israeli source is. The briefing says the Iranians are testing trigger mechanisms" - simulating a zero-yield nuclear explosion without any weapons-grade materials - "but there are no diagrams, no significant facts. Where is the test site? How often have they done it? How big is the warhead - a bread box or a refrigerator? They don't have that."

And yet, the official said, the report was being used by White House hawks within the administration to "prove the White House's theory that the Iranians are on track. And tests leave no radioactive track, which is why we can't find it." Still, he said, "The agency is standing its ground."

Talk Of Another Middle East Preventive War Is Folly (FT)

By Gideon Rachman

Financial Times, November 21, 2006

DOJ_NMG_0096983

James Baker will have heard many views as he prepares his much awaited report on Iraq. But he is unlikely to have heard anything as strikingly original as the suggestions offered to him by Ali G when Mr Baker gave the comedian an interview a couple of years ago.

The self-styled spokesman for youth suggested to Mr Baker that it might be problematic that Iran and Iraq had such similar names. Wasn't there a real danger, he asked, that an order might be issued to an American pilot and "the geezer don't hear it properly and bomb Iran not Iraq"? "No danger," replied the former secretary of state evenly.

But now, as he settles down to draft his report, Mr Baker might reflect that perhaps Mr G was on to something. It turns out that there is a country in the Middle East that is bent on developing nuclear weapons, which is funding terrorism and de-stabilising the region and which has a dangerously erratic president. But that country's name is Iran – not Iraq. Maybe America and its allies invaded the wrong place by mistake?

Some of the neo-conservatives who pressed hardest for the invasion of Iraq seem to have reached this conclusion. In an article for Foreign Policy magazine that is almost as surreal as an Ali G interview, Joshua Muravchik of the American Enterprise Institute acknowledges a whole string of errors and misapprehensions that lay behind the decision to invade Iraq. But then – with scarcely a pause for breath – he urges President George W. Bush "to bomb Iran's nuclear facilities before leaving office".

It would be easy to dismiss these views as ravings from a discredited ideological sect. But that would be a mistake. In recent months, I have heard senior British and French diplomats also discuss the possibility that Iran's nuclear ambitions might ultimately have to be dealt with by military action. The problem is that most people who follow the issue closely believe that Iran is, indeed, intent on developing nuclear weapons – and some argue that it is only a year or so away from crossing the threshold at which possession of the bomb becomes inevitable.

America could well make a big new effort to negotiate with Iran in the wake of the Baker report. If that fails, sanctions could be wheeled out. But, realistically, neither course is likely to divert Iran away from its nuclear ambitions.

The rise of President Mahmoud Ahmadi-Nejad has also darkened the outlook. Even Kofi Annan, the United Nations secretary-general, was unsettled by a meeting with the Iranian president in Tehran last August. According to one person present at the meeting, Mr Ahmadi- Nejad explained that the US and Britain were still enjoying the benefits of winning the second world war and then added: "We will cut them down to size."

By combining Holocaust denial with talk of a world without Israel or the US and a determination to develop nuclear weapons, Iran's president has put his country into considerable danger. President Bush has said that: "You have got to assume that leader, when he says he would like to destroy Israel, means what he says." Angela Merkel, the German chancellor, has compared Mr Ahmadi-Nejad's rhetoric to that of Hitler, adding that: "In the early 1930s, many people said that it is only rhetoric."

But there is a problem with the oft-stated argument that the Iranian president must be taken at his word. For if you were to take Mr Ahmadi- Nejad literally, you would have to believe that Iran does not have a nuclear-weapons programme – for that is what he says. The Iranian president can hardly be accused of explicitly threatening to nuke Israel, given that Iran denies having a nuclear-weapons programme in the first place.

So we are back to the balance of probabilities. The Atlantic Monthly recently ran a poll of 38 of America's leading foreign policy experts, ranging from neo-cons to liberals. One of their questions was whether they "thought it likely that Iran would use its nuclear weapons offensively, either by directly attacking other countries or by passing the weapons to terrorist groups"? The majority – 86 per cent of the sample – said they thought this unlikely.

But even if the risk that Iran would actually use a nuclear weapon is very small, some argue that it cannot be lived with. This argument is what Dick Cheney, vice-president, has called "the 1 per cent doctrine". If there is a 1 per cent chance that America's enemies might use a nuclear weapon, the US must act as if it was a 100 per cent certainty.

It sounds like a tough-minded way of preventing the very worst from happening. But on many occasions in the past 60 years, the US and its allies have had to live with a more than 1 per cent chance that their adversaries might use nuclear weapons – the Cuba missile crisis for example. On all these occasions, the Americans wisely steered away from preventive war. Even Winston Churchill, the neo-cons' hero, spent the 1930s arguing for re-armament – not for a first strike on Nazi Germany.

One influential advocate of bombing Iran accepts that it is very improbable that the Iranians would actually use nuclear weapons. His concern is that, once Iran had nuclear weapons, it would embark on an uninhibited pursuit of regional hegemony – supporting terrorism and insurgencies across the Middle East and seeking to control the global oil market.

These are all serious and worrying possibilities. If they could be averted by the fabled "surgical strike" on Iranian nuclear facilities, modelled on the Israeli raid on Iraq's nuclear programme in 1981, such a course would be worth considering. But almost nobody thinks that it would be possible to dispose of Iran's nuclear facilities so easily. They are thought to be dispersed widely around the country and buried underground. Military experts talk of the need for hundreds or thousands of bombing raids, stretched over many days – and even that might merely set back Iran's nuclear programme a few years.

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Iran would also certainly retaliate. It could unleash Shia militias on allied troops in Iraq, encourage Hizbollah and Hamas to stage new attacks on Israel and block the Strait of Hormuz, through which 40 per cent of the world's oil flows. So military strikes that were launched because of the fear of the destabilising effects of a nuclear Iran would have created the very instability and bloodshed that they were meant to avert. If Iraq has taught America and its allies anything, it is that it is much easier to start a war in the Middle East than to finish one.

Israel Orders Investigation Of Bomb Use In Lebanon (NYT)

By Greg Myre

The New York Times, November 21, 2006

JERUSALEM, Nov. 20 — The Israeli military chief of staff, Lt. Gen. Dan Halutz, ordered an inquiry on Monday to determine whether the armed forces had followed his orders when it used large numbers of cluster bombs during the monthlong war with Hezbollah in Lebanon this summer.

Several human rights groups have criticized Israel's use of cluster bombs in the fighting, saying they were dropped in or near populated areas.

Cluster bombs are not prohibited in warfare, but much controversy surrounds them, because they contain many small "bomblets" that explode over a wide area and may strike unintended targets. In addition, some bomblets do not explode when they hit the ground and effectively become land mines that can be detonated by civilians long after the fighting has stopped.

General Halutz visited an army base on Monday and told Army Radio that "one of the things that must be investigated is the way in which the orders were given and implemented."

He said: "Were the orders explicit? I believe they were. Now all we need to do is to see whether we had or did not have departures from the commonly accepted rules of use."

The general did not specify what orders he gave regarding cluster munitions, and it was not clear whether he prohibited them, or placed certain restrictions on their use. General Halutz, Prime Minister Ehud Olmert and Defense Minister Amir Peretz have all faced widespread criticism over the war, which many Israelis feel was mismanaged. There have been calls for General Halutz to resign, but he has said he has no plans to quit.

The military said Maj. Gen. Gershon Hacohen would head the investigation.

The Lebanese say they are still suffering numerous wounds and deaths caused by bomblets detonated by civilians since the war, more than three months ago. So far, thousands of unexploded bomblets have been found at hundreds of sites in Lebanon, according to Lebanese officials and international groups searching for them.

The United Nations Mine Action Coordination Center has estimated that Israel fired as many as four million cluster submunitions, and that up to one million may not have detonated. Israel fired many of the munitions with its Multiple Launch Rocket System, which can fire 12 rockets in a minute.

Hezbollah has also been accused of using cluster munitions among the 4,000 rockets it fired into Israel during the fighting, which began July 12 and lasted until Aug. 14.

In a statement, the Israeli military said that cluster munitions used in Lebanon were directed only at "legitimate military targets" and that after the fighting ended Israel provided maps to the United Nations forces to assist in finding unexploded bomblets.

Israel has received cluster munitions from the United States for many years, and also makes its own. In August, the State Department began investigating whether Israel used cluster bombs in Lebanon in violation of secret agreements that restrict their use.

In a separate development, an aide to the Palestinian Authority president, Mahmoud Abbas, said the president's Fatah movement had suspended talks with the militant faction Hamas on a national unity government. "We would say talks are suspended now," the aide, Nabil Amr, told a news conference in the West Bank city of Ramallah.

However, Prime Minister Ismail Haniya, of Hamas, said in the Gaza Strip that "talks are continuing on the highest level."

Fatah and Hamas have been talking for months but have been unable to reach an agreement on a new government, which would seek to win a restoration of international aid that was cut after Hamas came to power in the spring elections. The most recent discussions have sought to establish a cabinet of professionals and technocrats who are not linked directly to either Hamas or Fatah.In an Israeli airstrike on Monday night, two Hamas militants traveling in a car in Gaza City were killed, and several passers-by were wounded, Palestinian medical officials said. In the West Bank, a 17-year-old Palestinian youth who approached soldiers brandishing a gun, which turned out to be fake, was also killed, [a news agency] reported.

Murder Update (WSJ)

By Michael Young

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The Wall Street Journal, November 21, 2006

BEIRUT -- The Syrian regime is discovering what a nuisance Rafik Hariri, the late Lebanese prime minister, can be. Last Friday, the U.N. Security Council approved a draft plan for a mixed Lebanese-international court to try those responsible for Hariri's assassination on Feb. 14, 2005. Damascus, the main suspect in the crime, is palpably anxious. That anxiety played out in Lebanon 10 days ago, when six ministers named by pro-Syrian politicians resigned rather than take part in Beirut's formal endorsement of the tribunal proposal. The plan was subsequently passed by a reduced Lebanese government, but the full approval process is not over.

Five of the six ministers who resigned were appointed by or affiliated with the two main Shiite parties, Hezbollah and the Amal movement, while the sixth is Lebanese President Emile Lahoud's man. Their resignations came amid a struggle for power between pro-Syrian groups and the anti-Syrian parliamentary and cabinet majority -- dating back to the summer war between Israel and Hezbollah. While some saw the outcome of the conflict as a victory for the militant Shiite group, that was hardly the case. Israel displayed incompetence, but Hezbollah found itself militarily neutralized in its vital space of south Lebanon, at least for now. The Lebanese army and international peacekeepers are deployed in the border area, and Hezbollah cannot impose a new war on its battered Shiite community, which continues to suffer the consequences of Israel's terrible retribution.

With little room to maneuver in the south, Hezbollah has tried to compensate in Beirut by demanding greater representation in the cabinet. The anti-Syrian majority has resisted this, arguing that the government performed well last summer, making change unnecessary. The real issue, however, is the return of Syrian hegemony. Hezbollah and its allies want enough ministerial seats so they can veto decisions they dislike that go to a cabinet vote. By so doing, they can continue to protect Syria in the Hariri investigation, and also block the majority's policies that they don't like. A final U.N. report is due out on Hariri's killing in the coming months (the chief investigator, Serge Brammertz, has until mid-2007 to publish his findings), and Hezbollah fears that any accusation against Syria might also be turned against itself. * * *

All this has significant repercussions for the U.S., particularly after the Democratic midterm elections victory. Syria never accepted its forced withdrawal from Lebanon last year, and has worked tirelessly since then to reimpose its writ here. Now there is new hope in Damascus: Influential American voices are suddenly suggesting a reversal of course toward Iraq's neighbors. It was music to Syrian President Bashar Assad's ears to hear James Baker, the Republican co-chairman of the Iraq Study Group, advocating dialogue with Syria and Iran in an interview last month: "I don't think you restrict your conversations to your friends." The Iraq Study Group's report, expected in the coming weeks, will possibly include such an invitation. Syria's Lebanese foes fear they will pay if the U.S. and Damascus cut a deal.

If so, it wouldn't be the first time for Mr. Baker. In 1990, he was a leading light in President George H.W. Bush's administration, which ceded Lebanon to Syria in exchange for President Hafez Assad's agreement to be part of the international coalition against Iraq. An inveterate "realist," Mr. Baker is not likely to balk at negotiating with Mr. Assad if it means the U.S. can buy some peace of mind as it transforms its presence in Iraq. His proposal is unpopular at the White House, and last week Mr. Bush made that known to Mr. Baker and his colleagues. However, because of his electoral defeat, the president, pressed by a Congress avidly searching for new ideas, might find less latitude to ignore Syria down the road.

Unless, of course, the U.N. incriminates Syrian officials in the Hariri murder. That Mr. Assad realizes the fatal implications of this connection was evident when British Prime Minister Tony Blair recently sent a senior adviser, Sir Nigel Sheinwald, to Damascus for a chat. The visit, reportedly approved by Washington, aimed to see if Syria could be enticed away from Iran. If The Economist is correct, and the magazine spoke to Mr. Sheinwald upon his return, the Syrian president has four conditions: an end to the Hariri investigation, a guarantee that the U.S. would not undermine his regime, a return of Syrian influence in Lebanon, and the handing back of the Golan Heights, occupied by Israel in 1967. No doubt Mr. Assad would demand much the same from the U.S. if it ran to Damascus to "engage" him on Iraq, assuming the Syrian leader would consider conceding to Washington in a moment of strength what he refused when he was weak.

There seems to be a consensus in the U.S., whether in Congress or in the administration, that there is no going back on upholding Lebanese sovereignty or in finding Hariri's killers. But it is not clear to many in Washington that asking Syria and Iran for help in Iraq, if that's what the Iraq Study Group advises, will drastically limit the administration's ability to deny both countries' gains in Lebanon. For Syria and Iran, Lebanon is vital in their broader quest for power in the Middle East. They will collect there on whatever is offered to the Americans in Iraq, and the retreating administration already has far fewer means to prevent this.

Mr. Baker and his fellow realists, custodians of stalemate in their own way, want the U.S. to return to its previous approach to the region, where interests defined behavior more than values -- particularly democracy. But if engagement with Syria, or even Iran, is on the cards, then the U.S. might have to surrender the one genuine triumph it can point to after Mr. Bush formulated a democratic project for the Middle East: the peaceful, popular overthrow by the Lebanese of Syria's debilitating domination. The U.S. might also find itself having to relinquish that all-too-rare happening in the region: a vigorous international legal process that

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promises to punish a state-sponsored crime. Yielding on Lebanon will not advance American interests; it will only damage them more, turning the severe setbacks in Iraq into a full-scale regional rout.

Wherever one stands in the spectrum of U.S. foreign-policy thinking, the Hariri tribunal is a mechanism that should satisfy all. Democracy defenders see in it an institutional means of buttressing Lebanon's independence from Syria -- presuming that U.N. investigators demonstrate Syrian involvement in Hariri's elimination. Realists will gain a splendid stick with which to force Syrian compliance with American priorities elsewhere in the Middle East, including Iraq. The court's mandate does not oblige presidents to put in an appearance (though there is no immunity from crime, meaning they can be sentenced in absentia), so Mr. Assad can be destabilized if his involvement is proven, but not necessarily forced from office. It would make him conveniently vulnerable to outside coercion.

That's why events in Lebanon are so important. Syria's Lebanese allies are trying to undermine the Hariri investigation from within, and are expected to escalate their efforts very soon, maybe even this week. It makes no sense for the U.S. to hand them more ammunition by prematurely transacting with Mr. Assad before the U.N. completes its task and assigns responsibility for the assassination.

Mr. Young, a Lebanese national, is opinion editor at the Daily Star newspaper in Beirut and a contributing editor at Reason magazine.

Pessimism Deepens In Postwar Lebanon (WP)

By Anthony Shadid

The Washington Post, November 21, 2006

BEIRUT -- A racket filled the air outside Mohammed Jassar's shop in a swath of Beirut devastated in this summer's war with Israel. Hammers delivered a cadence to the clamor of bulldozers, saws and drills trying to rebuild. The noise was almost as loud as the invective these days in Lebanese politics, paralyzing a country that has never quite known peace. Jassar has had enough. Three weeks, he blurted. After that, he'd decide whether to leave Lebanon.

"This is a country scared of its future," he said.

Lebanon has emerged from the 33-day war with Israel only to find itself lately in one of the most pronounced political crises it has experienced in a generation. At first glance, the issues dividing it are somewhat arcane: the legitimacy of an international tribunal to try those suspected of killing former prime minister Rafiq al-Hariri in 2005, and the representation in the cabinet for the opposition, which comprises Hezbollah, another Shiite Muslim faction and a Christian ally. But the stakes are far higher, in effect the future of the country: What groups and their patrons -- the United States, France, Syria or Iran -- will guide Lebanese politics?

There is a cinematic quality to the events, a commotion that resembles a film's opening credits: snippets of hurried conversation, incendiary news broadcasts, glimpses of politically loaded posters draped over streets, and a pessimism, deep and intransigent, that has become a national pastime.

"This is what is so tragic about it," said Fawwaz Traboulsi, a historian and professor at Lebanese American University. "We've been reduced to people who are frightened by the worst and hoping for something that might be less bad."

Lebanon is blessed and cursed by its diversity. The logic of coexistence among 18 religious sects, often with their own readings of history, dictates a tolerance and occasional cosmopolitanism that stands out in an Arab world becoming ever more atavistic and resentful. On display these days in Beirut, though, is that diversity's more menacing side.

On television, a Christian-owned station has introduced broadcasts with the ominous phrase: "Is it the silence before the storm?" Another station, loyal to Hariri's son Saad, a key figure in the governing coalition, has shed any pretense of objectivity, airing footage of this summer's war. A voiceover asks: "Who was responsible?" What does it matter? We won, answers Hezbollah's station, al-Manar.

Hezbollah's iconography still adorns the city, depicting "The Divine Victory" and "Victory from God." One poster portrays Israeli soldiers crying. "The invincible army," it mocks. Along the city's fault lines, the Hezbollah icons mix with posters hung by Hariri's followers. "We will not forget," they read over portraits of Lebanese killed since 2005 in a string of assassinations that many here blame on Syria, an ally of Hezbollah.

"Everyone is hanging up a picture," one resident quipped as he saw a poster unfurled.

Vitriol has reigned on talk shows since Hezbollah first threatened mass demonstrations last month to topple the government of Prime Minister Fouad Siniora, and everyday conversations are punctuated with talk of emigration. A new word has entered political discussions: Does Lebanon stand on the brink of "Iraqization"?

Some shop owners say customers have stocked up on milk, rice and other staples. And, if it could get any grimmer, a statement attributed to al-Qaeda announced the network's arrival in Lebanon "to work on destroying this corrupt government which takes orders from the American administration."

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"Pity Lebanon," said Ali Zein, a store owner in the city's southern suburbs, whose 5-year-old son, Mohammed, plied the sidewalk in his toy car. "People are living like there's always a crisis. If it's not war, it's protests. If it's not protests, it's war."

He shook his head when asked the last time the country felt settled.

"We're always between stability and chaos," he said.

This month's crisis erupted after two ministers from Hezbollah, three other Shiites and an allied politician resigned from Siniora's cabinet on Nov. 11. The resignations followed the breakdown of talks on granting Hezbollah and its allies greater representation, a move that would effectively give Hezbollah a veto over government decisions.

On Sunday, Hezbollah's leader, Hasan Nasrallah, said the government now faced a choice: either resign in favor of what he called a national unity government or hold early parliamentary elections. If neither demand is met, he said, his followers have planned days, even weeks, of protests to topple a government he said was beholden to the United States. Hezbollah's critics, such as Druze politician Walid Jumblatt, have described the campaign as a backdoor coup d'etat.

But memories of the 15-year civil war that ended in 1990 remain vivid, and even the politicians responsible for fueling the current crisis have warned against events spiraling out of control. Nasrallah called civil strife a red line and repeatedly insisted protests would be peaceful. Jumblatt ruled out counter-protests that might ignite clashes in the streets. "Let them assume responsibility for this," he said.

"The street in Lebanon is not a normal street, where the people go down to voice their objections or demands," Talal Salman, the editor of the Beirut daily as-Safir, who has long advocated Hezbollah's cause, wrote Monday. "Rather, it is a space for confrontation."

Still reeling from this summer's war and mired in economic troubles, Beirut shows little sign of enthusiasm for the kind of demonstrations Salman fears. But Lebanese politics are defined by a certain inertia, with perhaps six sectarian leaders, nearly all dating from the civil war, often counting on their most devoted constituents to conflate their own survival with their leaders' ambitions. An editorial cartoon in the London Arabic daily Asharq al-Awsat on Monday showed two men fighting on a paved road sweeping them toward a waterfall.

"It's not in my hands. Really, I don't know what's happening in this country," said Sami Khreis, 22, who owns a store in Beirut's Shiite Muslim southern suburbs. "Everyone has their grievance, everyone has their gang. What do I tell you?"

The sounds of reconstruction echoed off the street; it was the only work in town, he said. Hezbollah had given him two crisp $100 bills to repair his window shattered by an Israeli bombing. But he was still grim.

"Nobody knows what's going to happen. But everyone knows it will be something new. Maybe peace, but I don't think so. I think we're at the doorstep of something else." He arched his thick eyebrows. "I think so, but God willing, no."

Across town in Aisha Bakkar, a traditional Sunni neighborhood, a cheerful and charming Mohammed Saidoun held court in his Future Cafe, adorned with pictures of Hariri, his son Saad and black-and-white shots of the Beirut of 65-year-old Saidoun's childhood. He spoke low, in almost conspiratorial tones, a holdover from his days as a Tammany Hall-style enforcer for Sunni leaders in the neighborhood.

"The politicians talk, and the people get more tired," he said. "The war started 31 years ago, and it's still going on."

Saidoun retains strong ties to Saad Hariri, the most influential Sunni leader, and patron after patron entered the cafe to ask for favors. At one point, a group of young boys passed through, asking for copies of the posters that read: "We will not forget." "Give them three or four," he ordered an assistant. He lamented how so many young men were stopping by, asking whether he could help them purchase weapons.

"There's not a youth in Beirut who doesn't want a gun," he said, shaking his head. "They're scared."

He worried about protests, sure that no one would emerge victorious from a confrontation. But if Hariri's son -- "Sheik Saad" to Saidoun -- ordered his followers into the streets, the choice for him was an easy one.

"Bottom line, if Sheik Saad tells me to demonstrate, I will, along with my family, friends and everybody I know."

"Sheik Saad," he said, "is my soul."

Palestinian Unity Government Talks Stall (AP)

By Mohammed Daraghmeh, Associated Press Writer

AP, November 21, 2006

The rival Hamas and Fatah parties froze talks Monday on forming a Palestinian unity government, Fatah officials said, a new setback in efforts to form a more moderate coalition acceptable to the West.

The deep differences raised questions about the ability of the sides to reach a deal that could end months of painful economic sanctions that have bankrupted the Palestinian government and caused widespread hardship in the West Bank and Gaza Strip.

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The sudden announcement of a breakdown came after months of negotiations that appeared to be heading toward formation of a Cabinet of independent experts to replace the Hamas-led body. Palestinian President Mahmoud Abbas of Fatah met late Sunday with Prime Minister Ismail Haniyeh of the ruling Islamic group Hamas in Gaza, and officials said the session was cordial.

But Abbas aide Nabil Amr said Monday that the talks had reached a standstill.

"We would say talks are suspended now," he told a news conference. "What we have agreed upon is only the first mile over the 1,000-mile road."

It wasn't clear whether the suspension was the sign of a real crisis or simply a negotiating tactic by Abbas' weakened Fatah Party.

Hamas officials denied any serious trouble. "Talks are continuing on the highest levels," Haniyeh said.

However, no new talks were scheduled.

The two sides earlier agreed on a U.S.-educated academic as the candidate for prime minister to replace Haniyeh, and crafted a foundation for a joint government that would leave negotiating with Israel up to Abbas, while Hamas would deal with day-to-day issues.

Hamas won parliamentary elections and took office in March. The U.S. and Europe then cut off aid to the Palestinian government, labeling Hamas a terror group for its history of suicide bombings and other attacks against Israelis.

The West insists that before it would restore aid, the Palestinian government had to recognize Israel, renounce violence and accept past peace accords. Hamas refused — its ideology does not accept the existence of a Jewish state in an Islamic Middle East.

Even if the sides reach agreement, it remains unclear whether the "division of labor" formula, with the moderate Abbas handling diplomacy while Hamas sticks to its hard line, would be acceptable to the West.

Hamas political leader Khaled Mashaal held talks overnight in Damascus, Syria, with Abbas envoy Ahmed Qureia, but the meeting focused on proposals for bringing Hamas into the PLO, a separate issue that has long been under discussion without progress.

Relations with Israel have deteriorated since Hamas took office, especially after Hamas-linked militants captured an Israeli soldier in a cross-border raid in June.

In London, Israel's Foreign Minister Tzipi Livni said Monday that Syria was the reason talks between the Palestinian factions have been troubled. Whenever Hamas has shown signs of cooperation with Abbas, Syria has sent messages saying "don't do it," she said.

"It is not even about a Syrian interest," Livni told an audience at the International Institute for Strategic Studies. "They want to dictate the Palestinian conflict.

She also said Syria was interfering with efforts to release the captured soldier. She said any time the two sides got close to a deal, "the order came from Syria saying not to release him."

Israel has been carrying out a military offensive in the Gaza Strip since the capture, while Palestinian militants continue to fire homemade rockets into southern Israel, launching at least nine rockets Monday. No injuries were reported. Last week, an Israeli woman was killed in a rocket attack.

After nightfall Monday, two Hamas militants were killed in an Israeli airstrike on a car in Gaza City, Hamas officials said. The Israeli military said it targeted a car carrying "terrorist activists." Hamas threatened revenge.

Following the airstrike, Palestinians streamed to a house in Gaza City after they said the owner, a Hamas activist, received a warning from Israel that the house was to be targeted in an attack. Such demonstrations foiled three previous Israeli attacks on houses in recent days.

Last week, Israeli forces wrapped up a deadly, destructive sweep through the northern Gaza town of Beit Hanoun in an unsuccessful attempt to stop the rocket barrages. The next day, errant Israeli shells killed 19 members of a Gaza family.

U.N. High Commissioner for Human Rights Louise Arbour began a trip to the region by visiting Beit Hanoun. "I'm basically here to express my concern and bring some comfort, I hope, by showing these victims that the world has not abandoned them," she said. The commission has voted to condemn Israel for the shelling.

She also called on Palestinians to stop firing rockets into Israel and said the perpetrators of rocket attacks should be held accountable.

Israeli Map Says West Bank Posts Sit On Arab Land (NYT)

By Steven Erlanger

The New York Times, November 21, 2006

DOJ_NMG_0096989

JERUSALEM, Nov. 20 — An Israeli advocacy group, using maps and figures leaked from inside the government, says that 39 percent of the land held by Israeli settlements in the occupied West Bank is privately owned by Palestinians.

Israel has long asserted that it fully respects Palestinian private property in the West Bank and only takes land there legally or, for security reasons, temporarily.

If big sections of those settlements are indeed privately held Palestinian land, that is bound to create embarrassment for Israel and further complicate the already distant prospect of a negotiated peace. The data indicate that 40 percent of the land that Israel plans to keep in any future deal with the Palestinians is private.

The new claims regarding Palestinian property are said to come from the 2004 database of the Civil Administration, which controls the civilian aspects of Israel's presence in the West Bank. Peace Now, an Israeli group that advocates Palestinian self-determination in the West Bank and Gaza Strip, plans to publish the information on Tuesday. An advance copy was made available to The New York Times.

The data — maps that show the government's registry of the land by category — was given to Peace Now by someone who obtained it from an official inside the Civil Administration. The Times spoke to the person who received it from the Civil Administration official and agreed not to identify him because of the delicate nature of the material.

That person, who has frequent contact with the Civil Administration, said he and the official wanted to expose what they consider to be wide-scale violations of private Palestinian property rights by the government and settlers. The government has refused to give the material directly to Peace Now, which requested it under Israel's freedom of information law.

Shlomo Dror, a spokesman for the Civil Administration, said he could not comment on the data without studying it.

He said there was a committee, called the blue line committee, that had been investigating these issues of land ownership for three years. "We haven't finished checking everything," he said.

Mr. Dror also said that sometimes Palestinians would sell land to Israelis but be unwilling to admit to the sale publicly because they feared retribution as collaborators.

Within prominent settlements that Israel has said it plans to keep in any final border agreement, the data show, for example, that some 86.4 percent of Maale Adumim, a large Jerusalem suburb, is private; and 35.1 percent of Ariel is.

The maps indicate that beyond the private land, 5.8 percent is so-called survey land, meaning of unclear ownership, and 1.3 percent private Jewish land. The rest, about 54 percent, is considered "state land" or has no designation, though Palestinians say that at least some of it represents agricultural land expropriated by the state.

The figures, together with detailed maps of the land distribution in every Israeli settlement in the West Bank, were put together by the Settlement Watch Project of Peace Now, led by Dror Etkes and Hagit Ofran, and has a record of careful and accurate reporting on settlement growth.

The report does not include Jerusalem, which Israel has annexed and does not consider part of the West Bank, although much of the world regards East Jerusalem as occupied. Much of the world also considers Israeli settlements on occupied land to be illegal under international law. International law requires an occupying power to protect private property, and Israel has always asserted that it does not take land without legal justification.

One case in a settlement Israel intends to keep is in Givat Zeev, barely five miles north of Jerusalem. At the southern edge is the Ayelet Hashachar synagogue. Rabah Abdellatif, a Palestinian who lives in the nearby village of Al Jib, says the land belongs to him.

Papers he has filed with the Israeli military court, which runs the West Bank, seem to favor Mr. Abdellatif. In 1999, Israeli officials confirmed, he was even granted a judgment ordering the demolition of the synagogue because it had been built without permits. But for the last seven years, the Israeli system has done little to enforce its legal judgments. The synagogue stands, and Mr. Abdellatif has no access to his land.

Ram Kovarsky, the town council secretary, said the synagogue was outside the boundaries of Givat Zeev, although there is no obvious separation. Israeli officials confirm that the land is privately owned, though they refuse to say by whom.

Mr. Abdellatif, 65, said: "I feel stuck, angry. Why would they do that? I don't know who to go to anymore."

He pointed to his corduroy trousers and said, in the English he learned in Paterson, N.J., where his son is a police detective: "These are my pants. And those are your pants. And you should not take my pants. This is mine, and that is yours! I never took anyone's land."

According to the Peace Now figures, 44.3 percent of Givat Zeev is on private Palestinian land.

Miri Eisin, a spokesperson for Prime Minister Ehud Olmert, said that Israeli officials would have to see the data and the maps and added that ownership is complicated and delicate. Baruch Spiegel, a reserve general who just left the Ministry of Defense and dealt with the separation barrier being built near the boundary with the West Bank, also said he would have to see the data in detail in order to judge it.

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The definitions of private and state land are complicated, given different administrations of the West Bank going back to the Ottoman Empire, the British mandate, Jordan and now Israel. During the Ottoman Empire, only small areas of the West Bank were registered to specific owners, and often villagers would hold land in common to avoid taxes. The British began a more formal land registry based on land use, taxation or house ownership that continued through the Jordanian period.

Large areas of agricultural land are registered as state land; other areas were requisitioned or seized by the Israeli military after 1967 for security purposes, but such requisitions are meant to be temporary and must be renewed, and do not change the legal ownership of the land, Mr. Dror, the Civil Administration spokesman, said.

But the issue of property is one that Israeli officials are familiar with, even if the percentages here may come as a surprise and may be challenged after the publication of the report.

Asked about Israeli seizure of private Palestinian land in an interview with The Times last summer, before these figures were available, Prime Minister Ehud Olmert said: "Now I don't deny anything, I don't ignore anything. I'm just ready to sit down and talk. And resolve it. And resolve it in a generous manner for all sides."

He said the 1967 war was a one of self-defense. Later, he said: "Many things happened. Life is not frozen. Things occur. So many things happened, and as a result of this many innocent individuals on both sides suffered, were killed, lost their lives, became crippled for life, lost their family members, their loved ones, thousands of them. And also private property suffered. By the way, on all sides."

Mr. Olmert says Israel will keep some 10 percent of the occupied West Bank, including East Jerusalem, possibly in a swap for land elsewhere. The area Israel intends to keep is roughly marked by the route of the unfinished separation barrier, which cuts through the West Bank and is intended, Israel says, to stop suicide bombers. Mr. Olmert, however, describes it as a putative border. Nearly 80,000 Jews live in settlements beyond the route of the barrier, but some 180,000 live in settlements within the barrier, while another 200,000 live in East Jerusalem.

But these land-ownership figures show that even in the settlements that Israel intends to keep, there will be a considerable problem of restitution that goes beyond the issue of refugee return.

Mr. Olmert was elected on a pledge to withdraw Israeli settlers living east of the barrier. But after the war with Hezbollah and with fighting ongoing in Gaza, from which Israel withdrew its settlers in the summer of 2005, his withdrawal plan has been suspended.

In March 2005, a report requested by the government found a number of illegal Israeli outposts built on private Palestinian land, and officials promised to destroy them. But only nine houses of only one outpost, Amona, were dismantled after a court case brought by Peace Now.

There is a court case pending over Migron, which began as a group of trailers on a windy hilltop around a set of cellphone antennas in May 1999 and is now a flourishing community of 50 families, said Avi Teksler, an official of the Migron council. But Migron, too, according to the data, is built on private Palestinian land.

Mr. Teksler said that the land was deserted, and that its ownership would be settled in court. Migron, where some children of noted settlement leaders live, has had "the support of every Israeli government," he said. "The government has been a partner to every single move we've made."

Mr. Teksler added: "This is how the state of Israel was created. And this is all the land of Israel. We're like the kibbutzim. The only real difference is that we're after 1967, not before."

But in the Palestinian village of Burqa, Youssef Moussa Abdel Raziq Nabboud, 85, says that some of the land of Migron, and the land on which Israel built a road for settlers, belongs to him and his family, who once grew wheat and beans there. He said he had tax documents from the pre-1967 authorities.

"They have the power to put the settlement there and we can do nothing," he said. "They have a fence around the settlement and dogs there."

Mr. Nabboud went to the Israeli authorities with the mayor, Abu Maher, but they were told he needed an Israeli lawyer and surveyor. "I have no money for that," he said. What began as an outpost taking 5 acres has now taken 125, the mayor said.

Mr. Nabboud wears a traditional head covering; his grandson, Khaled, 27, wears a Yankees cap. "The land is my inheritance," he said. "I feel sad I can't go there. And angry. The army protects them."

Bomb Kills 8, Injures 60 On India Train (AP)

By Manik Banerjee, Associated Press Writer

AP, November 21, 2006

A bomb exploded and tore through two cars of a passenger train Monday in a remote area of eastern India, killing at least eight people and wounding about 60 others, officials and Indian media said.

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Suspicion for the blast in West Bengal state quickly fell on two groups: communist rebels active in wide swaths of rural India or militants fighting for an independent homeland in the neighboring state of Assam.

A spokesman for Northeastern Railways, T. Rabha, told The Associated Press that the bomb had been planted in one of train's cars and exploded about 6:20 p.m. near the Belacoba station, about 345 miles north of Calcutta.

The blast was so powerful it blew away the side and roof of one of the cars, the Press Trust of India reported.

At least six passengers died at the scene and 53 others were wounded, Rabha said, adding that the death toll could rise because some of those injured were in serious condition. PTI, citing railway police official Tushar Bhattacharya, later reported that the death toll had climbed to eight with about 60 wounded.

Witnesses said there was a flash followed by a deafening explosion. There were two small explosions immediately afterward, PTI reported.

"Some of the passengers jumped out of the coach in panic, while many received burns," PTI quoted witnesses as saying.

Prasad Ranjan Roy, Home Secretary of West Bengal state, said initial suspicion pointed to either Maoist rebels or Assamese militants. He suggested the blast could be the work of the relatively small Kamtapur Liberation Organization, an Assamese group tied to the larger United Liberation Front of Asom.

But, he cautioned: "We are trying to get details."

Although the Maoists are active in the area, they rarely attack civilians.

The Assamese separatists, in contrast, do target civilians and have intensified their attacks since the federal government ended a temporary six-week cease-fire on Sept. 24 amid deadlocked peace talks.

The insurgents have been fighting since 1979 for Assam's independence, saying India's central government — 1,000 miles to the west — exploits the northeast's rich natural resources while doing little to improve its poor infrastructure or to alleviate widespread unemployment.

They have been known to plant bombs in cities and towns, attack police and military posts, and blow up oil pipelines. At least 10,000 people, most of them civilians, have died in Assam since the insurgency began.

Apart from the rebellions in Assam, dozens of other insurgencies have festered for years across India's six other northeastern states. Nearly all are fighting for autonomy or independent homelands for the region's indigenous peoples, most of them ethnically closer to Burma and China than to the rest of India.

Mumbai's train network was targeted July 11 when seven bombs exploded on crowded commuter trains, killing more than 200 people. Thirteen men have been arrested in the bombings. Police suspect the bombs were planted in overhead luggage racks inside the coaches.

Associated Press Writer Wasbir Hussain in Gauhati contributed to this report.

U.S. Sets Jan. 1 Deadline For Sudan To Act On Darfur (WP)

By Glenn Kessler And Nora Boustany

The Washington Post, November 21, 2006

Andrew Natsios, the U.S. special envoy to Sudan, said yesterday that the Bush administration will resort to an unspecified "Plan B" if the Sudanese government does not agree by Jan. 1 to complete negotiations on an expanded international peacekeeping force for its troubled Darfur region.

Khartoum has adamantly rejected a U.N. Security Council resolution calling for a U.N.-led force, so the Bush administration and the United Nations have backtracked and instead sought to win the government's agreement for a hybrid force of African Union and U.N. troops. U.N. Secretary General Kofi Annan announced last week that Sudan had agreed in principle to such a joint force but that numerous issues must be resolved before Khartoum gives final approval.

The Sudanese government claimed yesterday that the tentative agreement was a "diplomatic victory," but the official news agency, SUNA, minimized the role of the United Nations, saying only that the world body would provide "assistance." The agency said the government objects to the overall size of the force and has questions about the appointment of the force commander.

The AU currently has 7,000 ill-equipped troops in Darfur, an area the size of France, and the U.N. resolution passed in August calls for as many as 22,500 military and police personnel. The agreement announced by Annan would allow for as many as 17,000 troops and 3,000 police.

Natsios, speaking to reporters, declined several times to explain what he meant by "Plan B," saying he was not trying to make a threat. "On January 1st, either we see a change or we go to Plan B," Natsios said, explaining that on that day the AU's mandate will expire and Annan will step down as secretary general. He also noted that Congress will shift from Republican to Democratic control in January.

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The United States has repeatedly dangled incentives to Sudan if it helps end the violence in Darfur. "Plan B is a different approach to this," Natsios said, adding that it is "open-ended."

Secretary of State Condoleezza Rice warned in September that Khartoum faces "a choice between cooperation and confrontation." U.S. officials have said that, besides new sanctions, the United States could take action against top Sudanese officials who have been implicated in what the United States has labeled acts of genocide in Darfur or could establish a "no-fly zone" to thwart Sudanese military attacks against the civilian population.

The Darfur conflict broke out in early 2003, when African rebel groups attacked police stations and military outposts. The United Nations and human rights groups accuse the central government of supporting a militia known as the Janjaweed in an effort to crush the rebellion. About 2,000 villages have been destroyed across Darfur, as many as 450,000 people have died, and more than 2 million people have been left homeless since the crisis began.

Natsios rejected Khartoum's claims that a U.N.-led international force would mean a return to colonialism. "We have a humanitarian and human rights agenda in Darfur, and that's it," he said. "We want this resolved because the human cost of this has been so horrific."

Earlier, at a meeting at the Brookings Institution, Natsios was confronted by an official from the Sudanese Embassy who said that Sudan has "every single right to be suspicious about these things because of broken promises of the U.S. government and the international community over there."

Natsios responded: "We have suspicions, too. We suspect there are people in the regime who believe a military solution is necessary." He noted that three times in the past three weeks, unarmed civilians have been brutally attacked, and he cited one incident that left 200 dead, mostly women and children.

"If a pattern develops, then a more confrontational approach will take place," Natsios said. "The United States will not accept any of this other process if it is simply a disguised attempt to avoid dealing with the reality of what is happening to people on the ground."

Many analysts believe that Khartoum has become emboldened to resist international pressure because of its increasing oil wealth. China, which holds veto power on the U.N. Security Council, is a major investor in Sudan's petroleum industry.

But during the Brookings meeting, both Natsios and Jean-Marie Guahenno, U.N. undersecretary general for peacekeeping, said the Chinese representatives at the talks last week, held in the Ethiopian capital, Addis Ababa, had signaled that their country was taking a more constructive approach.

Guahenno cautioned that the stability from the Horn of Africa to the Sahel band to the west to Niger is at risk if the Darfur crisis begins to spill across borders.

"There is a lot at stake," he said. "There is the local-national dimension of nomads versus agriculturalists, of Arabs versus Africans. When all these tensions become part of the narrative, it will be very dangerous."

U.S. Threatens 'Plan B' If Sudan Ignores Deadline (AFP)

AFP, November 21, 2006

The US envoy to Sudan warned Khartoum to meet a January 1 deadline for full acceptance of a UN plan to deploy international peacekeepers to Darfur or face tougher action to end atrocities in the war-torn region.

"There's a point, January 1st, either we see a change or go to Plan B," Andrew Natsios, President George W. Bush's special envoy to Sudan, told reporters.

Natsios, who helped negotiate a tentative agreement last week for sending a joint African Union-United Nations force to Darfur, said the Khartoum government had yet to give its approval for the timing, size and command structure of the peacekeeping operation.

He refused to elaborate on what Plan B would entail if no response was forthcoming by January 1 beyond saying it's "a different approach" to the negotiated deployment of peacekeepers.

"I think making threats is not a wise thing to do," he said when pressed to provide details. "I'm not going to go into that."

Human rights groups and former US officials have called for unilateral military action, possibly by NATO forces, if Sudan continues to refuse the deployment of a robust peacekeeping force to Darfur, where more than 200,000 people have died in three-and-a-half years of ethnic civil war.

Other options for action include sanctions targeting companies owned by ruling party officials, financial action against foreign firms operating in Sudan and efforts to prosecute government leaders for crimes against humanity.

Natsios said the January 1 deadline was non-negotiable since that is when the mandate expires for an African Union force which has been unsuccessfully trying to end the fighting in Darfur.

"There is no other force after that from anywhere," he said.

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UN Secretary General Kofi Annan, the architect of the latest peacekeeping deal, also steps down on January 1 and is committed to enacting the arrangement before leaving office, he said.

"If we want to get this resolved, then January 1st needs to be the deadline," he said.

The UN Security Council passed a resolution in August demanding the deployment of some 20,000 UN troops to take over from the under-funded and ill-equipped African Union force in Darfur.

But President Omar al-Beshir, whose government is accused of backing Arab militia responsible for most of the atrocities in Darfur, refused to accept the UN deployment.

Amid a new wave of massacres in the region, Annan brokered an agreement in principle with Sudan last week to deploy a hybrid force that would primarily involve African soldiers but with UN logistical support and a joint command.

But Sudanese officials have since sent mixed messages about whether they fully accepted the deal.

Natsios said Washington had sent a clear signal to Sudan's leaders that further attacks on civilians in the region would not be tolerated.

"There is an issue we're not negotiating, and that is the atrocity issue -- human rights abuses are not negotiable," he said.

Even if Khartoum agrees to the revised UN package, it will take months to deploy thousands of peacekeepers to the remote region, he said.

The war in Darfur erupted in February 2003 when rebels from minority tribes took up arms to demand an equal share of national resources, prompting a heavy-handed crackdown from government forces and a proxy militia called the Janjaweed.

According to the UN, more than 200,000 people have died and 2.5 million more have been displaced in three years of fighting.

Sudan Hails New Peacekeeping Agreement (AP)

By Alfred De Montesquiou, Associated Press Writer

AP, November 21, 2006

President Omar al-Bashir's government on Monday hailed a new agreement with the United Nations over peacekeepers in Darfur as a diplomatic breakthrough for Sudan, but said serious differences remain over the force's makeup and command.

It was the first official word by Khartoum of its acceptance of the deal, announced Thursday in Addis Ababa. But there were signs the government might still resist hopes for a robust U.N. deployment to bring an end to the continuing bloodshed.

U.N. chief Kofi Annan said the deal calls for a mixed U.N.-African Union force of up to 20,000 troops. If so, that would mean a dramatic reversal of Khartoum's staunch resistance to deploying any U.N. troops in Darfur

But the Sudanese cabinet statement on Monday spoke only of U.N. "assistance" to the African force and depicted the agreement as a defeat for a Security Council resolution that called for a peacekeeping force fully under U.N. control.

The cabinet, which gathered Sunday, "backed the outcome of the (Sudanese) government meetings ... concerning the provision of a package of assistance from the U.N. to the African Union," the official SUNA news agency said.

SUNA said al-Bashir and his government "showed happiness over what it sees as a diplomatic victory" over advocates of the Security Council resolution on Darfur.

The agency said the president and his ministers still differ with the U.N. on whether the force commander should be from the African Union, or simply from the African continent. The cabinet also has objections to the overall size of the force, SUNA said.

But the government decided these issues are "a technical matter that could be resolved, and not a political one," the news agency said.

The comments could signal that Sudan will try to reduce the U.N. role in the peacekeeping force. But they could also be part of an effort by the government to save face, after abandoning its earlier position that U.N. troops were unacceptable.

Al-Bashir is scheduled to visit Libya Tuesday for a meeting on Darfur hosted by Libyan leader Moammar Gadhafi. Delegations are expected from Sudan, Chad and Egypt.

Gadhafi on Sunday denounced any deployment of U.N. troops in Sudan as "colonialism," and said the Sudanese army could do a better job than peacekeepers at stopping the violence in Darfur.

"The presence of international forces in Darfur would be a new return to colonialism," he said. "... Since when were the colonialist powers concerned about us? In the past, they treated us like animals and took us as slaves in their ships."

The African Union force of 7,000 currently in the Darfur region has not been able to stop the bloodshed. More than 200,000 people have been killed and 2.5 million driven from their homes in years of fighting.

When the deal was announced last week, the U.N. and AU said that all parties, including Sudan, had agreed in principle on a mixed force.

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Under the agreement, the joint U.N.-AU statement said, troops for the force would be drawn from African countries to the extent that was possible. But, the statement added, "backstopping and command and control structures will be provided by the UN."

Sudanese Foreign Minister Lam Akol later insisted Khartoum had never agreed to a "mixed force" but instead to one in which AU soldiers and command would merely receive support from the U.N.

Samani al-Wasila, a Sudanese state minister for foreign affairs, repeated Monday in Cairo that the agreement "does not give the right to the international troops to intervene in the region."

Sudanese hard-liners have fiercely opposed any U.N. presence in Darfur, and at one point al-Bashir said he would personally lead armed resistance to U.N. peacekeepers.

This stance appeared to soften in recent days.

In the official army newspaper Al-Quwat Al-Musalaha, Ibrahim Ahmed Omar, the spokesman for al-Bashir's National Congress Party, suggested indirectly that the party had accepted that the U.N. will at least partly direct the peacekeeping force in Darfur.

"We will not accept that the U.N. have the full command of the African Union force in Darfur," he was quoted as saying.

But some U.N. officials worry Khartoum was only buying time to let its army and militia conduct mount more attacks in the region.

Another official, U.N. humanitarian chief Jan Egeland said Sunday that army support for the janjaweed milita has only increased and that the forces are still killing civilians daily. The Sudanese government denied the claim.

Associated Press Writer Mohamed Osman in Khartoum and Salah Nasrawi in Cairo contributed to this report.

Boy's Wish: Kill Them All (NYT)

By Nicholas D. Kristof

The New York Times, November 21, 2006

GOZ BEIDA, Chad

"If I had a gun," Ismail Hassan said venomously from his hospital bed, "I would shoot Arabs."

"Surely not women and children?" I remonstrated.

"Every one of them," Ismail snarled.

Ismail is a 15-year-old boy, and that conversation underscores how Chad is falling off a cliff, with escalating hatreds, violence and insecurity. He is a member of one of the black African tribes now being hunted down by the Sudanese-sponsored janjaweed Arab militia, at first in Darfur alone and now in Chad as well.

After the janjaweed attacked his village and shot his father, Ismail raced forward to cover his father's body with his own. That courage didn't move the janjaweed, who simply shot Ismail as well.

The genocide that started in Darfur in 2003 is now threatening to topple the governments of Chad and the Central African Republic. If these two countries collapse into chaos and civil war for years to come, then neighboring countries like Cameroon and Niger will be threatened as well — and the death toll triggered by the Darfur genocide will eventually number in the millions.

None of this was — or is — inevitable. In late 2003 and early 2004, some Republican appointees in the Bush administration (particularly in the Agency for International Development) were among the first to push for a government response to the slaughter in Darfur, but the White House wasn't interested.

Then in 2004, Colin Powell boldly used the "genocide" label to describe Darfur, over initial Pentagon and White House objections, and several of his aides drafted a set of policy options to confront the genocide. Those included pushing the French to use fighter aircraft from their base in Chad to intimidate the janjaweed, pushing Egypt to be more involved, recruiting peacekeeping troops from Pakistan and Bangladesh, and generally using American diplomatic muscle to push harder for a solution.

None of those things happened, partly because of reluctance from the White House and Pentagon, and partly because of resistance from France and other countries. So the genocide in Darfur has steadily expanded.

Arabs here in Chad repeatedly complain now that the black Africans steal their cattle, poison their wells, occupy their land, and shoot at them. I don't see much basis to those charges, for the Arabs have assault rifles and rocket-propelled grenades (supplied by the Sudanese), while the black Africans have bows and arrows, but this narrative is widely held among Arabs.

"We consider them our enemies and they consider us their enemies," said Brahim Wadia, the patriarch of a group of Arabs who were grazing their cattle on what had been a black African farm. "So each side will shoot the other and kill the other."

Mr. Brahim and most members of his entourage were light-skinned, and they were civil to me (considering it white solidarity?). But that same morning nearby, several black Africans who tried to recover food from their burned and abandoned village were shot dead.

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One person in Mr. Brahim's party was a boy of about 13 with black skin who looked unlike the others. He appeared physically unable to speak, and it wasn't clear if he had been hired as a herdsman or captured in a raid and enslaved.

The most common question I get from readers about Darfur is: What can I do? The simplest answer is to write or call the White House and members of Congress. (See how your representative does on the issue at www.darfurscores.org). Imagine if Mr. Bush had made Darfur an important issue at the Asian summit meeting last week, if he had returned via Cairo for a meeting with Arab leaders, if he had dispatched Condi Rice to Chad to shore it up.

Beyond pushing our own government, we can write the embassies of countries like France and Egypt that could play especially crucial roles. The same is true of China, which provides Sudan the guns used to shoot children like Ismail. We in the news business, including Arab and European television networks, could use a few pokes to appreciate that genocide is newsworthy.

The heroic efforts of aid groups in Darfur and Chad — 13 aid workers have been killed in Darfur since May — deserve support as well. (I list some groups active in Darfur in my blog, nytimes.com/ontheground.) The aid workers risk their lives daily to try to save people, putting up with janjaweed, scorpions, camel spiders and pit toilets inhabited by bats. They can use our backup.

Loose-cannon Kadafi (LAT)

The Los Angeles Times, November 21, 2006

LIBYAN DICTATOR Moammar Kadafi might have given up his quest for weapons of mass destruction, but the fallout from his mouth can still threaten millions.

Kadafi on Sunday dropped a bomb on the extraordinarily sensitive negotiations to resolve the humanitarian crisis in Sudan's Darfur region, urging his fellow tyrants in Khartoum to reject a deal to send United Nations troops to the troubled area. "Western countries and America are not busying themselves out of sympathy for the Sudanese people or for Africa but for oil and the return of colonialism to the African continent," he bellowed.

Not only is this absurd — the U.N. already has 10,000 peacekeepers in southern Sudan sent in 2005 to stabilize a separate conflict there, and to date they haven't seized any Sudanese oilfields or founded any colonies — it's reckless. The Sudanese government's fears of ulterior motives by the international community have for years prompted it to block efforts to send U.N. troops to Darfur, where government-armed militias have slaughtered hundreds of thousands and displaced millions more. Though the cabal in Khartoum is probably more worried about international prosecution for war crimes than about colonialism, such views have provided it with political cover and support throughout the Arab world. And Kadafi enjoys considerable clout in Africa because of his oil wealth and status as a conflict mediator.

A deal to finally end the atrocities in Darfur is teetering on a knife's edge. Last week, Khartoum and international negotiators seemed to have accepted a compromise agreement under which a hybrid U.N. and African Union force of about 20,000 would replace the 7,000 African Union troops now in Darfur. Yet since then, the Sudanese government has sent mixed signals about whether it would really acquiesce.

There is reason to fear that Sudan is only stalling for time. In recent weeks it has restricted aid organizations and journalists from traveling in Darfur while launching a new military offensive that has killed hundreds of civilians there. Meanwhile, the mandate for the existing African Union force expires Dec. 31; if no deal to augment and replace it has been reached by then, the killings will doubtless intensify.

Before an international force can be mobilized, there are still delicate political decisions to be made, such as whether it would be empowered to protect villagers or simply monitor the carnage. To resolve them will require an unusual degree of unity among players as diverse as the Arab League and the U.N. Security Council. That's tough enough to achieve without a loose cannon like Kadafi flapping his gums.

Why Only Darfur? (WP)

By Anne Applebaum

The Washington Post, November 21, 2006

There was a photograph: a weeping Sudanese woman, standing before a freshly dug grave. There were statistics: 400,000 people dead, 2.5 million driven from their homes, "untold thousands" raped. There was an appeal: "Innocent civilians are being slaughtered in Darfur. You can end it," and a Web address, http://www.dayfordarfur.org.

This advertisement -- which appeared on a full page of the International Herald Tribune last week, and previously in Le Monde, the Guardian, and many other newspapers in Europe and the United States -- was truly arresting. But what really made me look twice was the slogan across the top: "When all the bodies have been buried in Darfur, how will history judge us?"

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"How will history judge us?" Like much of the grass-roots campaign that has sprung up to oppose the genocide in Darfur, this slogan is intended to evoke the genocides of the recent past. Earlier this fall 120 survivors of the horrors of the Holocaust, Cambodia, Rwanda and Bosnia signed an open letter calling for a U.N. peacekeeping force in Sudan. The stunning variety of organizations that have joined the Darfur campaign -- they range from Amnesty International to the World Evangelical Alliance to the U.S. Holocaust Memorial Museum-- also speaks to the evocative nature of the Sudanese conflict.

And their call upon the witness of history has made an impact. Indeed, it is fair to say that were it not for the Christian, Jewish, human rights, genocide-prevention groups and others that have been talking about Sudan with such dedication, the massacres of Darfur might not be on the international agenda at all. The ads and the rallies got "people in the street talking about something that happens far away," as an activist at Global Day for Darfur told me. Public interest has forced politicians to act.

The result: The United Nations is trying to form a multilateral peacekeeping brigade in Darfur, and the White House and Tony Blair are involved, too. And yet -- it is not simple to explain why this particular grass-roots action has been so successful. After all, Darfur is not the only place in the world where there has been mass murder, even ethnic mass murder, on a large, historically familiar scale. The North Korean regime has for years run concentration camps, directly modeled on the camps of Joseph Stalin's Soviet Union. But though there is excellent documentation of Pyongyang's camps -- the U.S. Committee for Human Rights in North Korea even has satellite photographs on its Web site -- and though some religious and university groups have made an effort, the level of interest, and therefore perhaps of U.N. involvement, is much lower.

The same is true of arbitrary arrests in Iran, some of which have also targeted particular ethnic groups for intimidation or elimination. For that matter, Saddam Hussein's use of chemical weapons to murder tens of thousands of Kurds never caught the popular imagination, not before the war and not afterward.

I can offer no scientific explanation as to why the tragedy of Darfur conjures up the specter of history's judgment and why other tragedies do not. But the answer must lie in the fact that this conflict has so few strategic or geopolitical implications. Because it seems to be in no one's "interest" to do so, a call for U.N. intervention in Darfur surely feels -- at least to Americans and Europeans who haven't followed China's involvement in Sudan's oil industry -- like an act of real charity, and not more evidence of the West pursuing its interests.

Equally important is the fact that Sudan plays no real role in Western domestic politics. Any discussion of North Korea will still evoke the Cold War, any conversation about Iran must touch on radical Islam. By contrast, when most of us look at Sudan, all we see is what Jan Egeland, the U.N. humanitarian coordinator, last weekend called"acts of inexplicable terror."

Taking a stand against genocide in Sudan does not require anyone to take a parallel stand on communism, the war on terrorism or the war in Iraq. It does not imply that you are left-wing, right-wing, pro- or anti-Bush. Once the United Nations is there, this may change: The U.S. intervention in Somalia immediately politicized what had also appeared to be an apolitical conflict. But at the moment, it is still possible to think of Darfur as an appropriate target for neutral humanitarianism.

None of this, I should emphasize, is meant to disparage the work of the extraordinary Darfur coalition, which has pushed an obscure and terrible war into the international spotlight. Nor do I mean to deny that "history will judge us," for surely it will. But when future generations look back on this era, they will judge us not only for how we responded to the most primitive and the most apolitical of horrors. They will also judge us by the consistency with which Western and international institutions battled sophisticated totalitarianism in all its forms: That is, they will judge us by the United Nations' application of its own declarations on human rights, by America's ability to live up to the rhetoric of its leaders, by Europe's willingness to stand behind its stated values.

The creation of an international coalition to end genocide is a stunning achievement, but its goals are still not deep or broad enough.

Muslim Birthrate Worries Russia (WT)

By Michael Mainville

The Washington Times, November 21, 2006

MOSCOW -- Low domestic birthrates and rising immigration from the former Soviet republics are producing explosive growth in Russia's Muslim community, which is on a track to account for more than half the population by midcentury.

"Russia is going through a religious transformation that will be of even greater consequence for the international community than the collapse of the Soviet Union," said Paul Goble, a specialist on Islam in Russia and research associate at the University of Tartu in Estonia.

Two decades ago, the Sobornaya Mosque was the only Islamic house of worship allowed in the Soviet Union. It stood largely empty, filling only with the occasional large foreign delegation from an Islamic country.

Today, it is one of four mosques in Moscow serving a Muslim population of about 2.5 million. On Fridays and holy days, it overflows with worshippers, leaving many to kneel on newspapers outside, their foreheads pressed against the concrete.

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As in many countries with growing Islamic populations, tensions are also on the rise. Many ethnic Russians fear their country is losing its traditional identity, while many Muslims are offended by widespread discrimination and a lack of respect for their faith.

Russia's Muslim community is extremely diverse, including Volga Tatars, the myriad ethnicities of the North Caucasus and newly arrived immigrants from Central Asia. But they all share birthrates that are far higher than Russia's ethnic Slavs, most of whom are Orthodox Christians.

Russia's overall population is dropping at a rate of 700,000 people a year, largely because of the short life spans and low birthrates of ethnic Russians. According to the CIA World Factbook, the national fertility rate is 1.28 children per woman, far below what is needed to maintain the country's population of nearly 143 million. The rate in Moscow is even lower, at 1.1 children per woman.

Russia's Muslims, however, are bucking that trend. The fertility rate for Tatars living in Moscow is six children per woman, Mr. Goble said, while the Chechen and Ingush communities are averaging 10 children per woman. At the same time, hundreds of thousands of Muslims from Tajikistan, Uzbekistan and Kazakhstan have been flocking to Russia in search of work.

Russia's Muslim population has increased by 40 percent since 1989, to about 25 million. By 2015, Muslims will make up a majority of Russia's conscript army and by 2020 one-fifth of the population.

"If nothing changes, in 30 years, people of Muslim descent will definitely outnumber ethnic Russians," Mr. Goble said.

For many Slavic Russians, the prospect of becoming a minority in their country is terrifying.

"Russia is historically a Slavic, Orthodox Christian land, and we need to make sure it stays that way," said Alexander Belov, the head of the Movement Against Illegal Immigration, an increasingly powerful lobby that has organized dozens of rallies in recent months.

Attacks on mosques have been on the rise, and in September an imam in the southern city of Kislovodsk was fatally shot outside his home. During days of rioting in August, mobs chased Chechens and other migrants out of the northwestern town of Kondopoga.

Sensing the nationalist mood, Russian authorities have begun to crack down with laws designed to defend Orthodox Christianity and restrict the activities and movement of Muslims.

Most Muslims living in Russia are not immigrants, but natives of lands seized by the expanding Russian empire. Islam is recognized as one of Russia's official religions, along with Orthodox Christianity, Judaism and Buddhism.

But few nationalists distinguish between immigrants from ex-Soviet countries and non-Slavic Russian citizens. Mr. Belov, for example, said non-Slavs should be restricted from living in "traditional Russian lands."

"The Muslims of Russia have roots here. We have been part of Russia for centuries," countered Rusham Abbyasov, a spokesman for Russia's Council of Muftis, which represents Islamic spiritual leaders in the country. "It is not right to say that Russia is a Christian country. These people either don't know the history, or they are ignoring it."

Mr. Goble said that after decades of Soviet religious repression, most Muslims in Russia are secular. But with interest in Islam surging, they are open to being influenced by extremist ideas, "especially if they feel excluded from Russian society."

Western governments should encourage Russia to integrate Muslims into society and avoid discrimination, he said. "When Muslims are in the majority in Russia, they'll remember whether we spoke out for their rights or failed to."

A Bid To Bring The Female Voice To Islamic Law (CSM)

By Ben Arnoldy

The Christian Science Monitor, November 21, 2006

NEW YORK

For centuries, devout Muslims have looked to the fatwa - an opinion based on religious reasoning of a learned individual or committee - for direction on how to resolve moral dilemmas ranging from the mundane to the sublime. And for centuries, Muslim women have conceded the ground, for the most part, to the men who issue these opinions.

That's beginning to change.

Meeting in New York over the weekend, Muslim women from 25 countries began laying groundwork for the first international all-female council formed to issue fatwas. Their idea: to ensure that women's perspectives on Islamic law become part of religious deliberation in the Muslim world - particularly on issues such as domestic violence, divorce, and inheritance.

"There's this growing sense on the part of literate Muslim women ... that there is a vital need for women to confront the Islamic tradition and to work on a par with men in interpreting the sources," says Ann Mayer, an expert in Middle Eastern law at the University of Pennsylvania's Wharton School of Business. "Otherwise you end up with a very sexist bias in the readings."

The number of women officially sanctioned to issue fatwas is hard to pin down, but certainly tiny. The emergence of such women, known as muftias, usually makes headlines: A religious school in India installed three in 2003, and the Turkish

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government last year hired two assistant muftias, its first. Governments and schools try to license who can issue fatwas, but Islam stipulates only certain prerequisites, such as knowledge of the Koran and Arabic. As a result, the ranks of unofficial authorities are deeper and the barriers to women surmountable.

Whether the opinions of a women's council will carry any weight, especially in conservative cultures, is another matter.

Its advent is proving to be controversial even among Muslim women who share many goals of those launching the council.

"Advancing the idea of reinterpreting the texts has to be done, but I am totally against this initiative because it will have negative effects," says Rebab al-Mahdi, a political scientist at the American University in Cairo. It will be portrayed as part of "a Western cultural invasion," she adds. "This is what conservative clerics always say, and people listen."

For others, doubt is mingled with hope.

"I share some cynicism, but at the same moment, symbols are sometimes important," says Pakistani-born Asma Barlas, a politics professor at Ithaca College in New York and a prominent advocate of jettisoning what she calls male-centric and incorrect interpretations of the Koran. "These little steps, ... even if they don't change anything, do send a message that women are getting together and trying to make their voices heard."

The group is also up against the inertia of tradition. Throughout history, few Muslim women were prominent jurists, though scholars are uncovering more, including, some say, Aisha, the prophet Muhammad's wife. Some question whether much within the religion is open to new interpretation and, by extension, reform. Others note that fatwas are nonbinding and may have little effect on civil law and state judgments.

Still, Muslim women have recently brought change by citing the Koran and other Islamic sources:

· In Malaysia, a group called Sisters in Islam used Koranic scholarship to rebuff efforts to exclude Muslims from a domestic-abuse law.

· In Saudi Arabia, an effort this summer to push women further back at a crowded holy site in Mecca was thwarted with the help of a female Islamic scholar's arguments.

· In the United States, the forthcoming English translation of the Koran by a woman, the first ever, finds an alternate meaning in a verse widely interpreted to give husbands authority to beat their wives as a last resort.

The New York gathering, called the Women's Islamic Initiative in Spirituality and Equity, plans to seat the new council - perhaps seven members - within a year. Drawn from diverse schools within Islam, the members will be versed in Islamic law. The group also plans to give scholarships for more women to pursue advanced training - open to women in places like Morocco, Egypt, and Iran - in an effort to broaden the qualified pool.

"Islam is a religion of law, and it is important to express the principles of social justice within the framework of Islamic law," says Daisy Khan, executive director of the American Society for Muslim Advancement and leader of the effort. "This is why we need muftias, in order to do that. Otherwise, it falls on deaf ears."

Traditionally, religious legal authority was local, vested in muftis and other leaders who attained their status via government appointment or community esteem. But today's global communications are challenging that, as more Muslims seek religious opinions far and wide through the Internet. The women's council takes advantage of this: Its members will be in different places, taking questions and conferring over the Web.

Given this wider marketplace of ideas, the new council's credibility will be determined by the quality of its legal reasoning, and whether its logic strikes a chord, say several scholars and observers.

"There is a sense among many Muslims - particularly, but not exclusively, women - that Islamic jurists are out of touch, that their guidance is not adequate to the modern world. And if this shura council succeeds in bridging that gap, it may be speaking to an audience that doesn't currently consider itself bound by the pronouncements of existing groups," says Kecia Ali, assistant professor of religion at Boston University.

"But this is going to be a tremendously challenging task because religious authority, even scholarly authority, has always been contested," she adds. "It is in matters related to women, marriage, sexuality that Muslim intellectuals on both conservative and modernist sides of the spectrum have chosen to wage their epic battle."

For others, the council has a credibility problem right out of the gate. "It should not have happened in New York, because it will set back the agenda of women given the current political upheaval [over the Iraq war]," says Mohammad Reda, a Syrian-American Muslim in the Boston area often sought out for his religious opinions. He supports the idea that "women should stand up and give their own opinions on women's issues," but says American efforts to force change in the Muslim world, as in Iraq, mean reformers now must avoid links to the US. The New York conference used money from nongovernmental foundations, some based in the US.

Conference attendees say a muftia council could prompt wider support for women's struggles. "The women who we're trying to help, for them religion is very important," says Zainah Anwar, head of the Malaysian group Sisters in Islam. "It's empowering for them to know that their desire to not be beaten by their husband can actually be justified in the name of Islam."

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Unelected Mexican Leftist Claims Office (AP)

By Mark Stevenson

AP, November 21, 2006

Andres Manuel Lopez Obrador launched a parallel government Monday and prepared to swear himself in as Mexico's "legitimate" president, a ceremony the leftist hopes will keep alive protests to undermine the man who officials say defeated him at the polls.

The inauguration ceremony is the latest chapter in Lopez Obrador's unsuccessful battle for the presidency. He claims fraud and dirty campaign tactics were responsible for President-elect Felipe Calderon's narrow victory in the July 2 vote, and his parallel government could spend the next six years calling for street protests that have already dented the economy and prompted travel warnings from the U.S. Embassy.

While the red-green-and-white presidential sash to be draped across Lopez Obrador's shoulders Monday will lack legal recognition, he hopes to assume the moral leadership of millions of poor Mexicans.

Based in Mexico City, Lopez Obrador's parallel government has its own Cabinet, but it will not collect taxes or make laws and relies on donations to carry out its plans.

One of its first orders of business will be trying to prevent Calderon's Dec. 1 inauguration.

"We're not going to give the right free rein," Lopez Obrador said in a final stop in the southeastern state of Veracruz this weekend. "We're going to confront it."

Thousands of Lopez Obrador's supporters were gathering in the afternoon in Mexico City's main Zocalo plaza, carrying signs lashing out against not only Calderon but the Roman Catholic Church and mainstream media.

"Calderon will have to be retrained or will have to go," said Maria de Lourdes Carranza, 50, a Mexico City office worker.

Marco Ramirez, 34, a university researcher watching the crowd from a sidewalk cafe, said he believed many of the demonstrators were receiving money from the Mexico City government, which is run by Lopez Obrador's Democratic Revolution Party.

"This affects the country's image," he said. "It puts out a very bad image."

It remains to be seen whether Lopez Obrador can keep up the momentum. Some members of his leftist Democratic Revolution Party, or PRD, have already expressed disagreement with Lopez Obrador's strategy of using Congress — where the PRD is now the second-largest force — as an arena for protests rather than negotiations.

Writing in the Mexico City daily Reforma, columnist Armando Fuentes described Lopez Obrador's "swearing in" ceremony as "laughable" and "a circus act, a farce."

But Oscar Aguilar, a political science professor at the Iberoamerican University, cautioned that the leftist could successfully undermine Calderon.

"The problem is that he's not a Don Quixote because the social and political conditions are fertile ground for this kind of leadership," Aguilar said. "Many of the poor ... see this type of leadership as a solution."

Protesters have held the center of the southern city of Oaxaca for months, demanding Gov. Ulises Ruiz's ouster, despite the presence of federal police. Many worry that Lopez Obrador will follow suit and renew street protests, including those in which his supporters seized Mexico City's center for nearly two months this summer.

Some citizens appear to be tiring of political unrest.

This month, Mexico City was rattled when several bombs exploded at political offices and banks. No one was injured, and a small, radical group not tied to Lopez Obrador claimed responsibility.

The violence has affected one of the country's main sources of income. Revenue from tourism was down 4.3 percent in the first nine months of 2006, as compared to 2005.

President Vicente Fox cautioned in a speech Monday that "the electoral process is the path that Mexicans have to preserve a peaceful, orderly, civilized and pluralistic public and political life."

Some of Lopez Obrador's closest aides have suggested they will follow Bolivia's example and try to use protests to force Calderon from office, as demonstrators did with a succession of leaders there. Lopez Obrador has not ruled that out.

"Nobody wants violence in our country, but there are people who give grounds for violence," Lopez Obrador said last week. "There are a lot of people who say that, after July 2, the path of electoral politics in no longer viable."

Yes, He Lost Mexico's Vote, So He's Swearing Himself In (NYT)

By James C. Mckinley Jr.

The New York Times, November 21, 2006

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MEXICO CITY, Nov. 20 — Don Quixote, move over. The losing leftist candidate for president swore himself in on Monday as “the legitimate president of Mexico” before a huge crowd of his avid fans, ignoring rulings by federal electoral authorities and the courts that he narrowly lost the election last July.

The candidate, Andrés Manuel López Obrador, a former Mexico City mayor who took on Mexico’s entrenched oligarchy, chose the anniversary of the Mexican revolution for the event. He has continued to assert that his opponents used fraud to deny him victory.

Appearing on a stage in the historic Constitution Plaza, with Mexican flags and an enormous eagle banner behind him, Mr. López Obrador promised to goad the government of the president-elect, Felipe Calderón, a conservative from the National Action Party of President Vicente Fox, into adopting his proposals.

About 100,000 people crowded into the square and roared with approval when a copy of the traditional green, white and red presidential banner was placed across his chest.

“We are assembled here to confront a fraudulent election,” he said, “and to take on a regime of corruption and privileges, to start the construction of a new republic.”

Mr. López Obrador maintains that powerful business leaders colluded with Mr. Fox’s party to mount a smear campaign depicting him as a dangerous leftist totalitarian. He also says Mr. Fox’s party made a pact with the centrist former governing party, the Institutional Revolutionary Party, to defeat him in northern states.

Both accusations are true to a degree, but the nation’s highest electoral court ruled that those actions were not enough to skew the election results. Mr. Calderón, 44, a former energy minister, won by 240,000 votes.

Mr. López Obrador, who is 53, said he intended to have members of his Democratic Revolution Party introduce legislation in Congress, then use public pressure to force the laws through. Among his proposals are measures to break up near monopolies, improve health care, raise the minimum wage and cut government salaries.

He said he intended to continue touring to promote his ideas.

Earlier in the day, Mr. Fox took a veiled swipe at Mr. López Obrador at an event marking the anniversary of the 1910 revolution, saying society should never permit strongmen and populists to trample civil liberties. “Elections are the path that Mexicans have to preserve a political and public life that is plural, peaceful, orderly and civilized,” he said.

It remained to be seen if Monday’s political theater was a graceful exit for a candidate who could never acknowledge defeat, or truly the start of a unified left-wing movement to challenge the oligarchy of politicians and business executives who have controlled the country for a century.

The crowd was smaller than at Mr. López Obrador’s previous rallies, and divisions have appeared in his party. Some supporters have threatened to storm the dais to try to prevent Mr. Calderón from taking the oath of office on Dec. 1, while others are negotiating with his party, hoping to get the new president to adopt part of their agenda in return for political peace.

Forming a shadow government is astute politically, some analysts said, because it could keep Mr. López Obrador in the public eye during Mr. Calderón’s six-year term and set up a possible run in 2012.

Most of the people who turned out to support him, however, have high hopes that he will somehow deliver on his campaign promises despite losing. “He is our last hope,” said Consuelo Sánchez Quiroz, a 64-year-old retired hotel worker. “Fox and Calderón are both for the businessmen.”

But others saw the ceremony on Monday as a grand romantic gesture, something Don Quixote could relate to. “It’s something that goes beyond material things, it’s something more spiritual,” said Beatriz Ramírez, a 54-year-old psychologist, “to believe in the future, in a more equal society, to believe that some day it will become reality.”

Mexican Leftist Declares Himself 'President' (LAT)

By Héctor Tobar

The Los Angeles Times, November 21, 2006

MEXICO CITY — Andres Manuel Lopez Obrador, the leftist who claims to have been cheated out of victory in July's presidential election, took an "oath of office" Monday as the "legitimate president" of Mexico in an elaborate ritual his many detractors here ridiculed as a farce.

The ceremony in this capital city came less than two weeks before the inauguration of the man who officially won the election, conservative Felipe Calderon. As many as 100,000 people attended the event, in which Lopez Obrador, the city's 52-year-old former mayor, also swore in a six-man, six-woman shadow Cabinet.

"It is an honor to be the legitimate president of Mexico and above all the leader of free men and women like you," Lopez Obrador told the crowd after leftist senator and human rights activist Rosario Ibarra de Piedra placed a "presidential sash" over his shoulder.

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Lopez Obrador has styled himself as the defender of this nation's impoverished majority. His self-coronation wasn't the first time in Mexico's tumultuous history that a losing candidate had proclaimed himself the "legitimate president" (three did so between 1910 and 1940), and it may not augur well for Mexico's future political stability.

"He is not doing this to make sure that Calderon governs in the name of the poor. He's trying to make sure that Calderon can't govern at all," Denise Dresser, a political analyst here, said of Lopez Obrador's decision to create a parallel government. "He is leading many Mexicans to believe that change in this country cannot occur through peaceful means."

On Sept. 5, after weeks of partial recounts and legal pleadings alleging fraud, Mexico's highest electoral court proclaimed Calderon the winner of the presidential election by 234,000 votes, or 0.56 percentage point.

Calderon did not comment Monday on his rival's inauguration. The newspaper Reforma published a poll that found two in three Mexicans believed Lopez Obrador had "little or no" credibility. But one in five respondents thought he was right to proclaim himself president.

Lopez Obrador urged his followers not to recognize Calderon's government.

"We are congregated here because in the face of the electoral fraud of July 2, we have decided to abolish the regime of corruption and privilege," he said. "We will begin the construction of a new republic."

Monday's swearing-in took place amid a festive atmosphere in Mexico City's central plaza, the Zocalo, with a contingent of invited foreign dignitaries that included Brazilian community activists and the Cuban singer Silvio Rodriguez.

Supporters chanted "Presidente!"

"I'm here because I voted for him and because I believe he is the legitimate president of Mexico," said Josafat Lagos, 56, an accountant. "The hope of the people is that he will be a counterbalance to the abuses and corruption of the powerful."

On Friday, Ruben Aguilar, spokesman for outgoing President Vicente Fox, said he did not believe many Mexicans would see Lopez Obrador as the "legitimate president."

"The citizens of this country won't be fooled," Aguilar said. "This is a mature society. The people voted … they made their decision."

Lopez Obrador's critics in Mexico and abroad denounced his decision to proclaim himself president as a dangerous farce — the "Republic of the Ugly Duckling," some commentators here have called it.

Much of the Mexican media, and many political observers, lambasted the inauguration as a "caricature" and the desperate act of an egomaniac.

"Lopez Obrador has become a parody of himself, a bad joke," said Jaime Sanchez Susarrey, a Guadalajara professor and author. "He's lost a great deal of legitimacy, even among his own supporters."

In an interview published Monday in the daily newspaper La Jornada, Lopez Obrador said he didn't care about "the attacks and jokes of the right," because he would rule "in the name of the people" against a "neo-fascist regime that only benefits a privileged minority."

Calderon, Lopez Obrador said, is "a puppet, a little manager at the service of the powerful, who will always be rejected by the people."

Legislators of Lopez Obrador's leftist Democratic Revolution Party, or PRD, have promised to prevent Calderon from being inaugurated before a joint session of Congress on Dec. 1, much as they kept Fox from delivering his state of the nation address in September.

Calderon has resisted pleas from Fox and others that he take the oath of office at another location. His attempts to negotiate with legislators of the PRD have been rebuffed. A showdown in the halls of Congress appears inevitable.

Lopez Obrador will support his "government" through popular donations. He said Monday that its main activities would consist of proposing legislation to Congress and monitoring the actions of the Calderon administration.

Calderon will face numerous challenges to his authority, including popular movements led by charismatic radicals in the southern states of Oaxaca and Chiapas. Drug cartels often operate with impunity in border cities such as Nuevo Laredo and the impoverished southern states of Guerrero and Michoacan.

"Calderon is going to have to prove, in a short time, that free markets and liberal democracy still work," Dresser said. "If he doesn't, he's going to have someone on the streets [Lopez Obrador] pointing out that they don't work."

Mexico's long history is dotted with parallel Congresses and parallel presidencies, many of which have arisen in times of social conflict and change.

In the 20th century, three men called themselves "president-elect" or "provisional president" after what they said were fraudulent elections: Francisco I. Madero in 1910, Jose Vasconcelos in 1929 and Alfredo Almazan in 1940.

Of those, only Madero eventually took office, after issuing the call to arms on Nov. 20, 1910, that sparked the Mexican Revolution.

After two years in office, Madero was assassinated in a coup d'etat.

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AMLO's Antics (WSJ)

The Wall Street Journal, November 21, 2006

When Mexico's hard-left presidential candidate Andres Manuel López Obrador lost the country's most closely contested election in history in July, those who know him warned he would not go away, no matter the cost to the nation. AMLO -- as the Mexican press calls him -- is proving them right.

Yesterday was the 96th anniversary of the Mexican Revolution. But Mexicans didn't get to celebrate in the nation's capital with their traditional parade of horses and revolutionary period costumes. President Vicente Fox canceled the event to avoid a confrontation with AMLO. The endlessly sore loser from the Revolutionary Democratic Party chose the same venue to stage a farcical self-swearing-in ceremony, declaring himself Mexico's next president. This was the third time since July that AMLO and his PRD derailed a Mexican tradition.

Mr. Fox understands the risks AMLO poses to his legacy and to the country. Yesterday while honoring Mexican martyr and hero Francisco Madero, Mr. Fox unmistakably spoke to the Mexican people about the tactics of AMLO: "[Madero] taught us that society must never permit, under any circumstances, that our liberties be violated by caciques (bosses) and caudillos."

That's a direct verbal challenge. But in practice, Mr. Fox has largely appeased AMLO's bullying. This may have encouraged PRD circus acts such as yesterday's. Worse, it may have emboldened the more extreme elements in Mexican politics that have been holding the southern city of Oaxaca hostage since May. The next test of Mexico's rule of law will come December 1 when president-elect Felipe Calderón is supposed to be sworn in. Hard liners are already pledging to crash the event. Perhaps this time Mexico's elected leadership will draw a line in the sand.

Traditional Ways Spread AIDS In Africa, Experts Say (NYT)

By Elisabeth Rosenthal

The New York Times, November 21, 2006

NKOLONDOGO, Cameroon — When Innocent Zamba Manga was born this summer, doctors advised his mother, Marise, who is H.I.V. positive, not to breast-feed, because nursing can pass the virus that causes AIDS from mother to child. Mother and baby left the hospital with bottles and formula supplied by a Catholic charity.

But the very next week, the proud parents took their baby to the father's village in the south of Cameroon, to take part in a traditional birth and naming ceremony. Custom required the new mother to nurse little Innocent, so she did. And she continued for two weeks.

"Why would you risk his health in this way?" scolded Dr. Suzie Tetang Moyo, sighing deeply in frustration when she saw the parents recently at her clinic on a dirt road here in this rural district north of the capital, Yaoundé.

As researchers spend more time studying Africa's overwhelming pediatric AIDS problem, they are finding that the routes of transmission may be different than in the industrialized countries, and that strategies for preventing the disease's spread must be adapted to local realities.

In developed countries, the only real risk factor for children is that they can get H.I.V. from their mothers at birth.

But here, researchers have come to agree, a host of traditional ceremonies and practices are creating transmission routes unique to Africa — dangers that have, up to now, been ignored.

There are naming ceremonies, like Innocent's, that require nursing. But there is also a host of potentially even more hazardous moments, such as when body fluids of different people are mixed.

In scarification ceremonies for ethnic identification and cutting for ritual healing, blades are used in sequence again and again. There is also the practice of communal breast-feeding a single baby by numerous women, common in many tightly knit villages.

In a country like Cameroon, where more than 5 percent of the population and 11 percent of pregnant women are infected with H.I.V. — the vast majority unknowingly — such practices could lead to a wildfire spread.

"If we are only biology, biology, biology, then we are only doing half of our mission," said Marcel Manny Lobe, director of the new International Reference and Research Center for H.I.V.-AIDS in Yaoundé. "We need also to do the sociology and anthropology and then make biological interventions."

Researchers here and elsewhere in Africa are just beginning to study the role of these common traditional practices of rural Africa, to determine if they account for a small or large portion of H.I.V. transmission. "We don't know enough about this important topic, but there is no doubt that traditional practices are spreading H.I.V. It's a growing concern," said Dr. Edward J. Mills, an epidemiologist at McMaster University in Hamilton, Ontario, who has done extensive work in South Africa.

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"Unaids has been ignoring it," he said, referring to the United Nations agency that deals with the disease. "I think it's because people think it's culturally insensitive to talk about. Even if it turns out to be only a minor amount, it's a preventable amount so we really need to address it."

In Batié, a village three hours from Yaoundé, most people go to both traditional healers and medical doctors, and traditional treatments often involve blades to cut the skin.

On a recent afternoon, Berlin Simeu, a villager, visited the darkened hut of Sop Kamtchewo, a healer, in a ceremony intended to ward off illness and witchcraft.

With a razor blade that had been wrapped in a sheet of paper, the healer made three short cuts on his patient's body — one each on his wrist, back and shoulder. A fruit was placed on the wounds to draw out any bad influences.

It was unclear whether or how the blade would be cleaned before its next use.

Yves Moumbe, a doctor in Batié, said that almost all of his patients with H.I.V. went to traditional healers before they saw him.

"It is not clear if they are using any sterile technique at all," Dr. Moumbe said. "They don't have much knowledge of H.I.V. and how it is spread. So it could be a serious problem."

An estimated 70 percent of Africans use traditional healers as their primary source of health care, a function of tradition and availability.

In Africa, there is one medical doctor for every 40,000 people, but one traditional healer for every 500.

In one small survey, 50 percent of ritual healers were H.I.V. positive, doctors at the International Reference and Research Center for H.I.V.-AIDS in Yaoundé said.

"We're used to saying this is all about sexual intercourse, but now we have to remind people it can be elsewhere in the body, and there are other dangers as well," said Bertrice Mabule, who started the Children's Education and Health Foundation to promote H.I.V. awareness in Batié.

A 2004 study in the journal Tropical Doctor by Dr. Etete J. Peters at the University of Calabar in southeastern Nigeria concluded that there was "a serious risk inherent in the practices of Nigerian traditional healers" because of "the continuous usage of unsterilized instruments and cross contamination of patients' blood and body fluid in their practices."

Though Dr. Peters has continued to work with the healers, he said there was little financing to carry out H.I.V. sensitization campaigns directed at this group, so "such awful practices persist in Nigeria and Africa in general."

In much of rural Cameroon, tiny scars are made to identify members of different ethnic groups, with large numbers of children scarred simultaneously.

"You see them everywhere, three lines on a cheek, on the forehead — the Pygmies make slashes between the eyebrows," said Serge Florent Moudt, an H.I.V. educator who works at the Center in Yaoundé as well as in the West Province, his home. "It's a real worry."

If just one child in a village had H.I.V., a common blade could spread the virus to dozens who come after him. The same is true for group circumcisions.

"There are traditionally African aspects of this fight," said Jean Stéphane Biatcha, executive secretary of African Synergy, an AIDS prevention group. "We're taking the message to rural areas where traditions are very strong, and you have to work carefully and slowly."

Another traditional practice that government officials acknowledge could be spreading HIV is communal breast-feeding, the norm in many rural villages.

Polygamy is legal in Cameroon, and a chieftain might have 30 or 40 wives, Mr. Biatcha said, because wealthy men routinely marry the wives of male relatives who have died. It is common for the wives — or even friends — to help out by nursing each other's infants. In fact, it is an essential service if a mother has to go to work or take a trip into the city.

But again, in a country where studies have found that 11 percent of women of child-bearing age are infected with H.I.V., the practice presents an open conduit for childhood infections.

Mr. Biatcha said people were generally unaware of such risks, so the first step was information.

In the last few years, an increasing number of medical doctors have warmed to collaborating with the traditional healers, to encourage safe practice and to use them as AIDS educators.

"We have to open a dialogue with the traditional healers," said Dr. Mills, the epidemiologist. "They may well be spreading H.I.V., but instead they could be part of the solution."

Nepali King Faulted In Dissident Crackdown (WT/AP)

By Binaj Gurubacharya

The Washington Times, November 21, 2006

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KATMANDU, Nepal -- A government commission investigating Nepal's bloody crackdown on pro-democracy demonstrators blamed the violence on King Gyanendra and recommended punishing him, officials said yesterday.

The findings by the panel investigating the crackdown are a further blow for the king, who has seen his status plummet since the uprising forced him to give up absolute power, and an ominous portent for the centuries-old institution of the monarchy in this Himalayan nation.

After receiving the commission's report, Prime Minister Girija Prasad Koirala vowed to punish those held culpable for the crackdown, in which hundreds were injured and hundreds detained, with some claiming torture.

Commission member Harihar Birahi said that as chairman of the Cabinet at the time of the crackdown, the king was responsible for the harsh treatment of the protesters, who eventually forced Gyanendra to cede power and reinstate parliament after 14 months of direct rule by the monarch.

Holding Gyanendra guilty thrusts the future of the Nepalese monarchy back under the spotlight. The landmark case marked the first time a monarch faced investigation in this country where kings -- thought by tradition to be reincarnations of the Hindu god Lord Vishnu -- have held near-absolute power.

The commission did not recommend a punishment, and Nepal has no laws addressing crimes committed by a king.

A yet-to-be elected constituent assembly is expected to decide the monarchy's fate. Centrist parties favor a constitutional monarchy with a ceremonial role for the king, while the Maoist rebels -- who are in peace talks with the government -- want to abolish the monarchy.

Gyanendra has already been stripped of his powers, command over the army and his immunity from prosecution.

Several people who worked under the king during the period of direct rule that ended in April were interrogated by the commission.

The commission also sent written questions to Gyanendra, but the king did not respond.

Besides Gyanendra, the commission also found 201 officials in the king's administration responsible for the bloody crackdown. They included the chiefs of police and the armed forces.

Gyanendra's reign has been filled with turmoil that began on his ascent to power in 2001, after the death of his brother, King Birendra, in a bizarre palace massacre.

After becoming king, he remained unpopular with the people. Taking direct control of the government in 2005 eroded most of his remaining support.

A Discredit To The United Nations (NYT)

The New York Times, November 21, 2006

The old, unreformed United Nations Human Rights Commission was selective and one-sided, but occasionally managed to do some good work. That may be more than can be said for its successor body, the Human Rights Council, born earlier this year of a weak-kneed compromise from which the United States stood honorably apart. If this is the best the U.N. can do at reforming itself, it isn't worth the effort.

The council is new, but its deliberations have already fallen into a shameful pattern. When it comes to the world's worst and most consistent human rights violators, like China, Iran, North Korea, Myanmar and Sudan, there has been a tendency to muffle words and conclusions and shift the focus from individual and political rights to broader economic and social questions.

But when it comes to criticizing Israel for violations committed in a wartime context that includes armed attacks against its citizens and soldiers, the council seems to change personality, turning harshly critical and uninterested in broader contexts.

As the council prepares to resume deliberations next week, an ad hoc coalition of human rights violators is pushing for an end to the practice of singling out individual countries for special criticism and follow-up investigations.

Those critical reports and follow-ups were the most useful thing the old unreformed commission used to do. The problem was that many other deserving targets were shielded by their diplomatic allies. Moving away from the practice altogether would be a decided step backward.

To inspire respect and support, the United Nations must be more than a self-protective club of sovereign states. The test of that is whether it is willing to defend the basic human standards embodied in a succession of United Nations declarations and conventions. The new Human Rights Council now seems headed for a failing midterm grade.

Political Poison (WP)

The Washington Post, November 21, 2006

FOR THE PAST 15 years it has been commonly assumed that Russian leaders gave up the Soviet practice of murdering political dissidents, inside and outside of the country. Maybe not. British authorities say they are investigating the apparent poisoning of Alexander Litvinenko, an outspoken critic of Russian President Vladimir Putin, who is fighting for his life in a London

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hospital after ingesting highly toxic thallium. A former agent of the KGB secret service and its successor, the Federal Security Service (FSB), who sought asylum in Britain six years ago, Mr. Litvinenko had alleged that the agency maintained a secret poisons laboratory. Along with many others, he also charged that the Kremlin was behind the 2004 poisoning of Ukraine's pro-Western president, Viktor Yushchenko.

There's no concrete evidence as yet that the FSB or Mr. Putin is behind the poison attacks -- but there is plenty of reason for suspicion. Mr. Litvinenko was investigating the recent murder of the country's best known opposition journalist, Anna Politkovskaya, who was gunned down in her apartment building on Oct. 7. She, too, was hospitalized in 2004 and said she believed she had been poisoned. Ms. Politkovskaya's editor at the newspaper Novaya Gazeta, Yuri Shchekochikhin, died after a suspected poisoning three years ago. No one has been arrested in these murders, but Mr. Putin publicly disparaged Ms. Politkovskaya while implausibly charging that his political enemies were somehow behind her death.

Former colleagues of Mr. Putin in the KGB don't doubt who is responsible. One, Oleg Kalugin, pointed out that the president pushed the Russian parliament to authorize the secret service to take action against "terrorists" outside the country. Another, Oleg Gordievsky, the former KGB chief in Britain, told the Times of London that he believed the attack was "state-sponsored" and was carried out by another former Russian agent. We trust that the British authorities will vigorously investigate the attack on Mr. Litvinenko -- who is now a British citizen -- and that Prime Minister Tony Blair will take seriously the possibility that a colleague in the Group of Eight sanctioned a political murder attempt in London.

While Mr. Litvinenko's story was emerging over the weekend, President Bush was pictured exchanging jollities with his "friend Vladimir" at a summit in Vietnam. Does Mr. Bush regret having given so much support to a leader who has dismantled his country's nascent democracy and whose opponents keep turning up in hospitals and morgues? If so, he's keeping his own secret.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TERRORISM NEWS:

Holiday Publishing Notice. In observance of Thanksgiving, the Attorney General's News Briefing will not be published on Thursday, November 23.

US Asks 4th Circuit To Reinstate Padilla Terrorism Charge. The AP (11/22, Anderson) reports, "Federal prosecutors have asked an appeals court to reinstate a key terrorism charge against an alleged Al Qaeda operative, Jose Padilla, contending a judge erred in finding that it duplicated other counts in the same indictment." The AP notes, "The pleading filed with the 11th U.S. Circuit Court of Appeals late Monday argues that the charge dismissed by U.S. District Judge Marcia Cooke is a distinct offense in the case. Judge Cooke ruled in August that the first count of the indictment against Padilla and two others — charging a conspiracy to 'murder, kidnap, and maim persons in a foreign country' — was essentially the same as two other terrorism support counts. The dismissed charge is the only one in the case that carries a potential life prison sentence."

Reno Joins Former DOJ Officials In Criticizing Anti-Terror Strategy. The Washington Post (11/22, A6, Eggen) reports, "Former attorney general Janet Reno has taken the unusual step of openly criticizing the Bush administration's anti-terrorism strategy -- joining seven other former Justice Department officials in warning that the indefinite detention of U.S. terrorism suspects could become commonplace unless the courts intervene." The Post continues, "In a friend-of-the-court brief filed in the case of alleged enemy combatant Ali Saleh Kahlah al-Marri, the former prosecutors assert that criminal courts are well equipped to prosecute terrorism suspects while guaranteeing the constitutional rights of defendants arrested on U.S. soil. … Reno, reached at her Florida home yesterday, said she would let the brief 'speak for itself. I've been following this, and it reflects my concerns about the detention and treatment of people who have been determined to be enemy combatants in a manner that is not clear how it is being done.'" The Post adds, "In their brief, Reno and the other former Justice Department officials said: 'The government is essentially asserting the right to hold putative enemy combatants arrested in the United States indefinitely whenever it decides

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not to prosecute those people criminally -- perhaps because it would be too difficult to obtain a conviction, perhaps because a motion to suppress evidence would raise embarrassing facts about the government's conduct, or perhaps for other reasons.' … The filing in the U.S. Court of Appeals for the 4th Circuit is a highly unusual move for Reno. She has generally maintained a low profile since leaving the helm of the Justice Department in 2001 and has said little publicly about the policies of her successors, John D. Ashcroft and Alberto R. Gonzales. … The brief is also notable because its signatories include two U.S. attorneys from the Reagan years -- W. Thomas Dillard and Anton R. Valukas -- in addition to prosecutors from the Clinton and Carter administrations and Philip A. Lacovara, a counsel to the Watergate special prosecutor. … 'While we respect the right of other legal minds to be heard on these issues, we believe we are on firm legal footing in this case as both the magistrate judge and district court concluded,' Justice Department spokesman Brian Roehrkasse said yesterday."

Bloomberg (11/22, St.onge) reports, "Reno and the others said the Bush administration is trying to set a dangerous precedent that would let the government indefinitely imprison any non-U.S. citizen considered an enemy. The former U.S. officials were joined by at least four human rights groups making similar arguments. … Al-Marri, 41, was the first defendant removed from the U.S. criminal justice system and deemed an illegal enemy combatant. He was studying in the U.S. and living in Illinois when he was arrested in late 2001. The Justice Department unsealed the indictment in December 2002, and he was declared an enemy combatant about six months later. A citizen of Qatar, al-Marri has been held at a U.S. Navy Prison in South Carolina since June 2003. … The Justice Department said it stands by its decision to try al-Marri as a suspected terrorist outside the criminal court system. … 'These are complex and difficult legal issues,' said Justice Department spokeswoman Kathleen Blomquist in an e-mailed statement today. 'While we respect the right of other legal minds to be heard on these issues, we believe we are on firm legal footing.'"

More Commentary. The Denver Post (11/22) editorializes, "U.S. Attorney General Alberto Gonzales told The Denver Post editorial board Monday that the administration can hold Guantanamo Bay detainees indefinitely, without any judicial proceeding through the 'period of hostilities.' Which is to say, indefinitely. … The administration has categorized an untold number of detainees as 'unlawful enemy combatants,' saying they are members of a non-state terrorist group. It's a different class of detainee than POWs, typically uniformed combatants captured during battlefield-style warfare. The U.S. in previous wars has held enemy combatants. But the Military Commissions Act of 2006 broadened the definition of illegal enemy combatant to include those providing support to terrorists. As such, they have no right to a real day in court. 'We have no obligation to bring people to justice,' Gonzales said. … And even when military commission proceedings begin, Gonzales predicted slow going due to defendants' legal maneuverings. … 'At every opportunity they're going to bring challenges,' he said. But these opportunities have shrunk considerably." The Post adds, "In fact, Congress gave the president the authority to use military commissions in a bill that included one particularily controversial provision - denying the detainees a procedure known as habeas corpus, a right that obligates the government to justify imprisonment before a federal judge. … With the removal of habeas rights, the detainees have no way of challenging their status in federal court. That alone has spawned litigation that seems sure to make its way to the U.S. Supreme Court. … As for those who are in detention at the military prison in Guantanamo Bay, the denial of habeas corpus is unnecessary and un-American. While the U.S. Supreme Court almost certainly will get a crack at this questionable law, members of Congress shouldn't wait. They should review the military commissions act as an early order of business in 2007 and at the very least restore the right of habeas corpus to those imprisoned at Guantanamo. … It is a step that will bring the U.S. back into line with our own traditions and rights."

Gonzales Says Supermax Problems Are Being Addressed. The AP (11/22) reports, "Attorney General Alberto Gonzales acknowledged the federal government has made mistakes at the ultra-high-security Supermax prison in Colorado, including inadequate monitoring of inmate mail and phone calls, but he said steps are being taken to address the problem. … 'Have mistakes been made? Have there been some problems there? No question about it, like there are at every facility,' Gonzales said Monday. 'But we've taken steps to address them.'" The AP continues, "Supermax, in the town of Florence about 80 miles south of Denver, houses some of the nation's most dangerous

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inmates, including Unabomber Ted Kaczynski, al-Qaida conspirator Zacarias Moussaoui and Oklahoma City bombing conspirator Terry Nichols. … Local and federal officials have criticized the prison in recent weeks over staffing levels, security measures and fencing." The AP adds, "A Justice Department report in September criticized the prison for not properly screening mail and other communications. Last month, a federal arbitrator found staff cuts had made the facility more dangerous. Both Colorado's senators, Republican Wayne Allard and Democrat Ken Salazar, and local officials have raised concerns about security and communications. … Gonzales said all inmate mail is now being read and a large portion of phone calls are monitored as they occur. The rest are recorded and reviewed by translators later, though a shortage of qualified Arabic translators has caused a delay."

HOMELAND RESPONSE:

Seattle Barber Shop Owner Flees To Somalia Ahead Of Sentencing. The Seattle Post-Intelligencer (11/22, Shukovsky, 124K) reports, "Ruben Shumpert, who federal agents allege made his Rainier Valley barber shop a kind of 'anti-American training ground for Muslims' where children were taught 'how to shoot and fight the Americans,' has telephoned the FBI to say he won't be going to prison anytime soon. Shumpert, who faces sentencing on federal counterfeiting and weapons charges, has fled to Somalia," noting in the call to the FBI agent that Somalia has no extradition treaty with the US. The Post-Intelligencer notes, "Shumpert -- an African American convert to Islam -- was among more than a dozen, mostly African immigrants from Islamic countries arrested by the FBI's Joint Terrorism Task Force two years ago on a mix of charges, including immigration fraud and bank fraud. Shumpert was never charged with any terrorism crimes, but court documents paint a picture of his barber shop…as a gathering place for adherents of radical Islam where he showed children videotapes of 'fighting, shooting and killing with images on Shumpert's computer screen of al-Qaida and the Taliban.'"

The AP (11/22, Johnson) reports, "Shumpert's lawyer, James Vonasch, said the government told him only that his client had left the country. … Vonasch also said that Shumpert claims to speak some Arabic, and that an FBI agent who worked the case got a call from him within the past two weeks. 'The agent implied it was an unpleasant conversation, but he didn't supply me with the details,' Vonasch said. Vonasch said Shumpert's wife and two young children are still in Seattle. The FBI questioned the wife about Shumpert's whereabouts, he said."

DNI Unveils First Comprehensive Terror Threat Information-Sharing Plan. The Wall Street Journal (11/22, A10, Christie, Block, 2.04M) reports, "More than five years after" 9/11, "U.S. intelligence officials have unveiled the first comprehensive plan to help federal, state and local officials share information about terrorist threats." The Journal notes, "A senior U.S. intelligence official said President Bush asked the DNI to create a framework to allow the Department of Homeland Security and the Federal Bureau of Investigation to better coordinate their threat assessments and warnings to state and local authorities. The White House has grown increasingly concerned about the poor quality of information sharing between the federal government and the states. State and local officials cautiously welcomed the plan," but "many warned the effort wouldn't work without federal money and muscle to provide better technology and to put an end to traditional interagency turf battles."

DHS Investigating Removal Of Muslim Clerics From Flight. The removal of 6 Muslim religious leaders from a US Airways flight in Minneapolis Monday night and subsequent calls for an investigation into the incident from civil rights groups have prompted widespread media attention. ABC World News (11/21, story 6, 2:35, Gibson, 8.78M) reported "the Department of Homeland Security's Office for Civil Rights has opened a review" of the incident. "Passengers thought the clerics were acting suspiciously. The clerics claim they were simply trying to pray. One thing for sure: Five years after 9/11, air travelers are still very nervous." Former National Security Advisor Richard Clarke was shown saying, "All too often airlines give in to a few passengers who feel uncomfortable. Rather than the airlines and the Transportation Security Agency telling those passengers who feel uncomfortable that it's okay, that these people are just different, not terrorists."

NBC Nightly News (11/21, story 3, 2:45, Williams, 9.87M) reported the incident "raises an uncomfortable question in our post-9/11 age of suspicion and fear of terrorism, what is legitimate and what is intolerant?" Omar Shahin, Muslim Clergyman: "The way they took us off the

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plane, it's a humiliation, 100%." NBC (P. Williams) continued, "Investigators say US Airways told them that some of the men moved to empty seats after boarding and refused to follow crew instructions. But the clerics say they did nothing wrong."

The New York Times (11/22, Sander, 1.16M) reports, "The incident prompted the Council on American-Islamic Relations and officials for the National Association for the Advancement of Colored People in Washington to call Tuesday for Congressional hearings on racial profiling and an investigation by the Justice Department and the Transportation Security Administration. Nihad Awad, executive director of the Islamic advocacy group, said this was hardly the first time Muslims had encountered problems with stereotyping by the airline."

In an article appearing on no fewer than 41 news websites, the AP (11/21, Lohn) reported the clerics "said Tuesday they were victims of discrimination and called for a boycott of the airline." Meanwhile, "Shahin expressed frustration that — despite extensive efforts by him and other Muslim leaders since even before the Sept. 11 terrorist attacks — so many Americans know so little about Islam, which requires prayer five times a day."

Fox Special Report (11/21, story 6, 3:10, Herridge) reported, "A Homeland Security official told FOX that it's standard practice to review allegations of racial profiling by the Muslim community, but based on statements by the TSA and federal law enforcement, a Homeland Security official said it appears the proper procedures were followed."

McClatchy Newspapers (11/22, Von Sternberg, Miller) reports, "Before passengers boarded, one became alarmed by an overheard discussion. 'They seemed angry,' he wrote in a police statement. 'Mentioned 'US' and 'killing Saddam.' Two men then swore slightly under their breath/mumbled. They spoke Arabic again. The gate called boarding for the flight. The men then chanted 'Allah, Allah, Allah.'""

The Washington Times (11/22, Hudson, 88K) reports, "Patrick Hogan, spokesman for the Minneapolis-St. Paul Metropolitan Airports Commission, said the men reportedly made anti-American statements relating to the Iraq war, asked to change seats once inside the cabin, and that one requested an extender to make his seat belt larger even though he did not appear to need it. 'There was some peculiar behavior,' Mr. Hagmann said."

Consultants' Report Finds Fault With DHS Contracting Procedures. The Washington Post (11/22, A1, O'Harrow, Higham, 690K) reports in a front page article, "Private consultants hired by the Department of Homeland Security have found widespread problems with its contracting operation, including nearly three dozen contract files that could not be located. Files that could be found often lacked basic documentation required under federal rules, such as evidence that the department negotiated the best prices for taxpayers, according to a copy of the consultants' report obtained by The Washington Post." The Post adds, "Last year, Homeland Security Secretary Michael Chertoff, Deputy Secretary Michael P. Jackson and others at the agency acknowledged having trouble with contracting and promised to do better." However, "the confidential report adds weight to critics' contentions that contracting problems persist."

TSA, Airlines Making Major Push To Warn Travelers Of Restrictions. USA Today (11/22, 1A, Frank, 2.27M) reports on its front page that in "an unprecedented campaign to warn travelers about new restrictions on carry-on bags," the TSA "is staging events at 66 airports to alert passengers that they can carry only limited amounts of liquids, aerosols and gels on airplanes. Airports are warning of the restrictions with ads, billboards and workers who hand out plastic bags that travelers must use to pack carry-on liquids." TSA spokeswoman Ellen Howe said the agency "is very focused on keeping waits down."

USA Today (11/22, 3A, Frank, Copeland, 2.27M) also reports, "This Thanksgiving poses one of the biggest recent tests to the nation's aviation system — whether or not airport security lines will flow smoothly despite a record number of passengers and new security rules. Many travelers and officials are nervously optimistic." USA Today adds, "The weekend's significance is underscored by an awareness campaign by the TSA, airlines and airports to highlight new restrictions on the amount of liquids, aerosols and gels passengers can carry on airplane cabins. News stories, posters, ads and e-mails have inundated travelers in virtually every major city and smaller areas from Eau Claire, Wis., to Midland, Texas."

FBI Seen As Struggling With Muslim, Arab Outreach Efforts. Under the headline "FBI Struggles To Win Trust Of Muslim, Arab Communities," McClatchy (11/22, Taylor) reports in an 1,845-word story taking a largely negative tone toward the FBI, after 9/11 "Arab and Muslim

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communities became the bureau's top targets," but now "the FBI has embarked on an aggressive national outreach program. The bureau's efforts, which include mosque visits and one-on-one meetings, have become so pervasive in certain cities that some young Muslim-Americans refer to the agency as the 'Friendly Brotherhood of Islam.' Yet across the country, many participants wonder what the interactions achieve when mistrust remains the biggest obstacle." McClatchy notes FBI Assistant Director John Miller said of the outreach efforts, "I would expect there to be friction. I'd also expect that we'd be able to talk about it."

WAR NEWS:

Bush Visits Troops In Hawaii. Fox News' Special Report (11/21, Hume) reported President Bush "headed back to Washington tonight after meeting with US troops in Hawaii. The President went through the chow line at Hickam Air Force Base and thanked the troops for their service. Later he received a briefing at the US Pacific Command headquarters."

The AP (11/22, Loven) reports President Bush "circled the globe on his Asian journey but never strayed far from the subject of Iraq. He dined with U.S. troops in Hawaii before heading home Tuesday, telling them their efforts 'will determine how your children and grandchildren live.'" Bush "found himself in front of cameras on Tuesday at Hickam Air Force Base condemning the assassination earlier in the day of an anti-Syrian Lebanese leader. Bush was briefed in Hawaii at the Oahu headquarters of the U.S. Pacific Command, whose territory spreads from the West Coast of the U.S. to the Indian Ocean. Before that he ate and chatted with the troops, at an open-sided mess hall."

Three Police Officers From Bush Motorcade In Hawaii Injured In Accident. NBC Nightly News (11/21, story 6, 0:40, Williams, 9.87M) reported, "There was a serious accident today involving at least three motorcycles in President Bush's motorcade in Hawaii during a brief stopover on the President's way back to Washington from his Asia trip. Three Honolulu police officers could be seen lying on the grass near their overturned vehicles after apparently hitting a stretch of wet pavement during a light rain. Two of the officers were taken away by ambulance. Tonight we're told one is listed in serious condition. The other is stable. No word on the third police officer."

The Washington Post (11/22, Argetsinger, Roberts, 690K) reports in its "Reliable Source" column that "yesterday morning, as POTUS headed to Hickam Air Force Base on Oahu, three local police officers accompanying the motorcade crashed their motorcycles on a rain-slicked street. Two officers were hospitalized, White House officials said -- one with broken bones, the other with a neck injury."

White House Aide Beaten, Robbed In Hawaii. The KITV-TV WH Staffer Beaten/Robbed in HI (11/22) reports, "The acting director of the White House Travel Office was robbed and beaten in Waikiki early on Tuesday morning outside a nightclub, according to Honolulu police." Pitts "left the bar alone," and "walked through International Marketplace, where he was confronted by three men beaten up and robbed." His "passport and international phone were also taken," and he was treated at Queen's Medical Center. Pitts had "accompanied President George W. Bush on a brief visit to Hawaii," but "did not return with the president to Washington."

The Washington Post (11/22, Argetsinger, Roberts, 690K) reports in its "Reliable Source" column that a White House aide "was badly beaten and robbed during the president's stopover in Hawaii on the way back from Asia. Gregg Pitts, acting director of the White House Travel Office, suffered a broken nose in the Monday night mugging on a Honolulu street and was left behind in a hospital yesterday while the rest of the presidential entourage continued back to D.C." T

Bush, Maliki To Meet In Jordan. The Los Angeles Times (11/22, Moore, 850K) reports, "President Bush will meet with Iraqi Prime Minister Nouri Maliki next week in Jordan to discuss methods to speed up the handover of military responsibilities from US troops to Iraqi security forces, White House officials said Tuesday. The session, scheduled at the end of Bush's planned trip to a North Atlantic Treaty Organization summit in Latvia, will allow the two leaders to 'review the situation in Iraq more generally and talk about the way ahead,' said national security advisor Stephen Hadley, speaking to reporters on Air Force One as the president returned to Washington from Asia." Hadley "said Bush and Maliki would focus on the progress of a committee recently formed to speed the shifting of security responsibilities to Iraqi forces."

The Washington Post (11/22, A17, Baker, 690K) reports Hadley also said, "We're not looking for a big, bold

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announcement. … This is an opportunity for the president and Prime Minister Maliki to get together, to get a report from this commission they have adopted. This is obviously an important time for both Iraqis and Americans in developing a way ahead." The Washington Times/AP (11/22) runs a similar report.

Former President Bush Defends Son In UAE Speech. The Los Angeles Times/AP (11/22, Krane) reports former President George H.W. Bush "took on Arab critics of his son Tuesday during a testy exchange at a leadership conference" in Abu Dhabi, capital of the United Arab Emirates, a US ally. Bush said, "My son is an honest man." The AP adds the UAE "used to be safe territory for former President Bush, who brought Arab leaders together in a coalition that drove Saddam Hussein's troops from Kuwait in 1991. But gratitude for the elder Bush, who served as president from 1989-93, was overshadowed at the conference by hostility toward his son, whose invasion of Iraq and support for Israel are deeply unpopular in the region." A woman in the audience "bluntly told Bush after his speech," "We do not respect your son. We do not respect what he's doing all over the world." The AP adds Bush, 82, "appeared stunned as others in the audience whooped and whistled in approval." A college student "told Bush his belief that US wars were aimed at opening markets for American companies and said globalization was contrived for America's benefit at the expense of the rest of the world. Bush was having none of it." Bush said, "I think that's weird and it's nuts. To suggest that everything we do is because we're hungry for money, I think that's crazy. I think you need to go back to school." The "hostile comments came during a question-and-answer session after Bush finished a folksy address on leadership by telling the audience how deeply hurt he feels when his presidential son is criticized." But Bush "also told the audience its derisive hoots were mild compared to the reaction he got in Germany in the 1980s, after persuading the country to deploy US nuclear missiles."

Baker Report Almost Ready; Pentagon Drafting Alternative. The Washington Times (11/22, Scarborough, 88K) reports, "The Pentagon is drafting its own new options for winning in Iraq, in part, to give President Bush counterproposals to fall back on in case the Iraq Study Group comes up with ideas he does not like, defense officials say." Meanwhile, "study group co-chairman Lee H. Hamilton, a former Democratic representative from Indiana, told The Washington Times yesterday that he and co-chairman James A. Baker III, secretary of state in the first Bush administration, have nearly completed a first draft report." Hamilton "said the two men hope to complete it this weekend, give it to the eight other Iraq Study Group members in time for a meeting next week to review it."

Kaplan Says Iraq Reinforcing "Realist Dictum." In an op-ed for the Washington Post (11/22, 690K), Robert Kaplan writes, "The debacle in Iraq has reinforced the realist dictum, disparaged by idealists in the 1990s, that the legacies of geography, history and culture really do set limits on what can be accomplished in any given place." But "the [1990s] experience in the Balkans reinforced an idealist dictum that is equally true: One should always work near the limits of what is possible rather than cynically give up on any place. In this decade idealists went too far; in the previous one, it was realists who did not go far enough."

Ignatius Says Iraqis Have To Follow Saudi Model. In his Washington Post (11/22, 690K) column, David Ignatius writes, "What are the lessons in Saudi Arabia's move back from the brink of potential disaster? The most important is that the Saudis decided to take charge of their own security rather than relying on an America that many in the kingdom resented. ... How does this apply to Iraq? Like the Saudis, the Iraqis will have to save themselves, working within the authentic political framework of their culture, religion and region. The more we try to substitute our will for theirs, with more American troops or exhortation, the more we enfeeble them. ... Only the United States can broker the regional conference that will allow a political transition in Iraq. That's our leverage now -- diplomatic clout, more than military power."

More Commentary. In her New York Times column (11/22), Maureen Dowd says, "It's hard to remember when America has been so stuck. We can't win and we can't leave. The good news is that the election finished what Katrina started. It dismantled the president's fake reality about Iraq, causing opinions to come gushing forth from all quarters about where to go from here. The bad news is that no one, and I mean no one, really knows where to go from here. The White House and the Pentagon are ready to shift to Plan B. But Plan B is their empty term for miraculous salvation." Dowd notes in a parenthetical comment, "Dick Cheney and his wormy aides, of course, are still babbling about total victory and completing the mission by raising the stakes and

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knocking off the mullahs in Tehran. His tombstone will probably say, 'Here lies Dick Cheney, still winning.'"

Lieberman Blasts Democrats Urging "Cut And Run" Iraq Policy. On Fox News' Hannity and Colmes (11/21) Sen. Joseph Lieberman, discussing Senate colleagues who campaigned against him, said, "Obviously, some of the things that happened were disappointing and I guess you don't forget them." Asked what could cause him to switch parties, Lieberman said, "I really do hope that I don't get to that point. … I guess if my party began to take positions in the Senate that were an accumulation that I felt was so wrong for our country, I might think about switching. But I'm not expecting that. … I know it's a 51-49 senate. But I have got to tell you every time there is a disagreement I am not going to threaten to pick up my vote and go to the other side of the Senate chamber." Lieberman went on to vow he will speak out against Democrats who are urging the US to "cut and run" from Iraq, saying, "They are now proposing that we begin a withdrawal of American troops from Iraq within the next four to six months. I think that would -- that's a road to disaster, that's basically the beginning of giving up on Iraq. And as bad as things are in Iraq today, they would be dramatically worse if we just pick up and leave. … We cannot let that happen. Iraq is now a central battlefield in the war on terrorism and we have got to have a success strategy there."

Lieberman Hires Former Christian Coalition, McCain Aide As Spokesman. The New York Times (11/22, Leibovich, 1.16M) reports Sen. Joseph I. Lieberman "announced Tuesday that he had hired a new spokesman, which is not in itself that noteworthy, except that the said spokesman, Marshall Wittmann, is one of the great career vagabonds, ideological contortionists and political pontificators ever to inflict himself on a city full of them." Lieberman, "a longtime Democrat of Connecticut who was re-elected as an independent and calls himself an 'Independent Democrat,' has not ruled out becoming a Republican." Wittmann, meanwhile, is "a Trotskyite turned Zionist turned Reaganite turned bipartisan irritant turned pretty much everything in between — including chief lobbyist for the Christian Coalition, the only Jew who has ever held that position." Wittmann "suffered through a two-year dry patch from 2002 to 2004 when he was a spokesman for Senator John McCain, the Arizona Republican, a job that largely required him to suppress his inner quotemeister for his boss's even-more-impressive knack for drawing attention." Now Wittmann will "once again have to stifle his pundit proclivities to the greater good of Mr. Lieberman." Even though "he has a new boss, Mr. Wittmann still swears deep and abiding affection for Mr. McCain. And the feeling is apparently mutual: Mr. McCain said through an aide that Mr. Wittmann was 'a dear friend.'" All of which "raises the question of what happens if Mr. McCain runs for president and invites Mr. Wittmann to join his campaign." Wittmann said, "One thing I've learned in the press world is that I don't answer hypothetical questions."

Reed Calls For "Phased Redeployment," "Regional Dialogue." Sen. Jack Reed, on MSNBC's Hardball with Chris Matthews (11/21) said, "The President should be stepping up immediately. He can't wait…until next January until we take over or for the Iraq Study Group. He should immediately send over a high-ranking envoy to Baghdad…to start negotiating key elements -- when will they take out their militia, how will they divide oil revenues. … If that's left to next January, then we and he have wasted valuable time. He's wasted valuable time." Reed went on to say the US should "begin a phased redeployment within Iraq and…begin a regional dialogue."

Al Qaeda Portraying Democratic Win As "American Madrid." In a Washington Times op-ed (11/22), Walid Phares, senior fellow with the Foundation for the Defense of Democracies, says, "The latest audio by al Qaeda's Iraq commander -- posted 48 hours after the midterm elections -- sends a clear signal to the readers of the jihadi strategic mind: Al Qaeda and its advisers around the world want to provoke an 'American Madrid.' Portraying the United States as a bleeding bull in disarray, the war room projects its wish to see America's will crippled." The video "attempts to…convince the jihadists that the United States is now defeated in Iraq and beyond. While no reversal of the balance of power has taken place on the ground, the jihadi propaganda machine is linking the shift in domestic politics to a withdrawal from Iraq." It also attempts to "spread political chaos at home. Jihadists portray the Democratic takeover of Congress and the resignation of Defense Secretary Donald Rumsfeld (and maybe others) as signs of American weakening in the resolve to fight jihadism." The terminology "used in the videotape is a powerful indicator that al Qaeda's political network relies on Western-educated minds, familiar with political processes in the United States and serving as advisers to the jihadists." The Jihaidsts "aim at sapping

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American public morale during a time when reorganization is taking place in the U.S. government."

Congressman-Elect Generated Questionable Iraq Intelligence. The Los Angeles Times (11/22, Miller, 850K) profiles Democratic Rep.-elect Chris Carney, who, "of all the Democrats who rode a wave of public anger over Iraq to election victories this month," had the "most unlikely credentials as a war critic." Carney was "part of a controversial intelligence unit at the Pentagon that was responsible for some of the most alarming -- and, it turned out, unfounded -- prewar claims about Iraq." The Pentagon unit "was created and run by one of the Iraq war's principal architects, then-Undersecretary of Defense Douglas J. Feith." Carney "took part in briefings at the White House and the Pentagon that disparaged the CIA for underestimating the relationship between Baghdad and the terrorist network. Vice President Dick Cheney and other administration officials frequently touted the findings to bolster the case for war." Despite his background, Carney "campaigned as an antiwar Democrat and said he got a 'very warm reception' when he arrived at Capitol Hill this week to take part in orientation activities for incoming members." Carney "is not apologetic about his work at the Pentagon." Said Carney, "I certainly stand by the fact that I believe there was some sort of relationship." He added that on "a scale from zero to 10, with zero being no relationship and 10 perfect operational coordination," Carney said, "the Iraq-Al Qaeda link was 'somewhere in the 2.5 range.'" The Times adds that "appears to be a more qualified assessment than the so-called Policy Counterterrorism Evaluation Group presented to policymakers during a series of briefings in 2002."

Syria, Iraq Renew Diplomatic Relations. ABC World News (11/21, story 4, 0:15, Gibson, 8.78M) reported, "In Iraq today, Syria and Iraq re-established diplomatic ties, after 24 years. The US and Iraq have said that Syria is going to have to do a lot more to stop weapons and insurgents flowing across its border into Iraq."

Fox News' Special Report (11/21, Hume) asked, "What impact will the suspicion of Syrian involvement have on the prospects of getting Damascus to help end the violence in Iraq?" Fox went on to report, "At the State Department, a top ranking official welcomed Iraq having neighborly relations with Syria and Iran, but asked when those countries will behave like a good neighbor towards Iraq?" Under-Secretary of State Nicholas Burns: "The Syrian government permits people, insurgent fighters to cross its border to go into Iraq to kill American soldiers and Iraqis. That ought to stop. The Iranian government we believe has given assistance, material and otherwise, to Shiite insurgent groups attacking Sunni Iraqis but also attacking American and British forces. That has to stop." Fox added, "All this regional jockeying comes as the Bush administration is re-evaluating its conduct of the war in Iraq and has thus far resisted calls for the U.S. to engage more directly with Damascus and Tehran."

The Financial Times (11/22, Biedermann) reports "the move comes as the US and other western powers are exploring the option of enlisting Syrian and Iranian help in stabilising Iraq." But "there are no signs yet that Damascus is preparing to change its policies on the ground in Iraq, where it has been accused of supporting the insurgency." Similarly, the Christian Science Monitor (11/22, Murphy, 59K) says the US "has repeatedly accused Iran and Syria of stirring up violence inside Iraq, but recently the notion of isolating them as punishment has lost favor in Washington. A growing number of...Bush's advisers are urging direct dialogue with both nations. They argue that engagement could convince Syria to do more to prevent foreign fighters from entering Iraq; Iran could exert more influence on Iraq's dominant Shiite political parties (and their militias) to compromise more."

Bomb Fails To Kill Iraqi Speaker Inside Green Zone. The New York Times (11/22, Wong, 1.16M) reports, "A bomb exploded in an armored car belonging to the speaker of Parliament, wounding the American security guard who was driving it out of a parking area in the government Green Zone and disrupting a meeting of lawmakers nearby, a parliamentary aide said. Though the speaker, Mahmoud al-Mashhadani, was not in the vehicle and was unscathed, the assassination attempt was one of the most serious breaches of security yet within the Green Zone, the heavily fortified government district on the west bank of the Tigris River." The bomb "was planted inside a decoy armored car that was part of the speaker's regular convoy and resembled the one he usually used, said the parliamentary aide, who spoke on condition of anonymity because he was not authorized to talk publicly about the attack."

The Washington Post (11/22, A17, Trejos, 690K) reports Lt. Col. Christopher C. Garver, a spokesman for US forces in Iraq, said "bomb-sniffing dogs then detected explosives in another vehicle." Bomb "specialists detonated

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that car, which set off a series of blasts that caused a fire but injured no one and caused no major damage to nearby structures." Garver "said he was not sure how the explosives made it so far into the Green Zone, which houses the Iraqi government, the US and British embassies and thousands of foreign troops and private contractors. Anyone trying to enter the zone must pass through several checkpoints -- first to get into the complex, then to enter individual buildings."

Joint US-Iraqi Raid Kills Nephew Of Iraqi Lawmaker. The CBS Evening News (11/21, story 2, 1:55, Couric, 7.66M) reported "a joint US-Iraqi force, just the type the Pentagon is trying to build, raided a neighborhood in Baghdad today, capturing seven suspected militiamen. But the raid had some unintended victims." CBS (Palmer) added, "It was dawn in the Shiite slum of Sadr City when calamity struck from the sky. An American air strike had accidentally killed a baby boy in his family home. 'His father was injured, so was his mother,' says the neighbor. 'Who will protect us?' US and Iraqi forces smashed through houses here looking for criminals they believe kidnapped an American soldier last month. The dead child's uncle is a member of Iraq's parliament. Now he says there's no way he's going back to help govern this broken country."

Iraqi Government Hamstrung By Distrust. The Los Angeles Times (11/22, Daragahi, 850K) reports Iraqis "elected their leaders in December, hoping that a government by the people would do something for the people. Eleven months later, officials acknowledge that their efforts have been mostly a failure," and "government involvement often creates a bigger problem than it solves." Despite US "pressure for results, Iraq's elected officials have been unable to overcome their mistrust of one another and improve security or tackle the major political and economic issues — from murderous cops to the sewage woes of Amil." Now, "fed up with ministers he says were foisted on him by political factions, Prime Minister Nouri Maliki has promised a Cabinet reshuffle. He is scheduled to convene the body this week to address the deepening political divisions and a threatened walkout by the Sunni Arab bloc." But "his resolve may not be enough to overcome the government's inherent frailties and limitations."

Marine Snipers Find Few Targets. The New York Times (11/22, Chivers, 1.16M) reports on the operations of Marine snipers in Anbar province: "This was this sniper team's 30th mission in Anbar Province since early August. They had yet to fire a shot. More than three years after the insurgency erupted across much of Iraq, sniping — one of the methods that the military thought would be essential in its counterinsurgency operations — is proving less successful in many areas of Iraq than had been hoped, Marine officers, trainers and snipers say." Snipers "are seeing fewer clear targets than previously, and are shooting fewer insurgents than expected." Insurgents, after four years, have become "more savvy and harder to kill." Marines also attribute the decline in sniping to "rules and conditions placed on them by senior military leaders."

Marines Issue Flame-Resistant Flight Suits To Ground Troops. USA Today (11/22, Vanden Brook, 2.27M) reports, "Marine commanders are outfitting their troops with flame-resistant flight suits in Iraq to ward off burns from the No. 1 killer here: roadside bombs. It's another sign of how troops in the field have adapted to the deadly insurgency. Earlier in the war, troops added their own armor to vehicles and devised their own makeshift electronic jamming devices to foil the growing power and sophistication of the bombs they encountered. ... So far, the Marines have issued more than 12,000 fire-resistant suits, said Capt. Jeff Landis, spokesman for the Marine Corps Systems Command. ... The Army also has begun to issue fire-resistant flight suits to tank and truck drivers in Iraq, said Lt. Col. Carl Ey, an Army spokesman at the Pentagon. Next year, the Army plans to issue fire-resistant pullovers, boots and socks, records show."

Parents Stand By Haditha Suspect. The Washington Post (11/22, A3, White, 690K) reports on the family of Haditha murder suspect Lance Cpl. Justin Sharratt: "The Sharratts have remained silent until now because they did not know what to say. They have avoided learning details of their son's possible involvement in the shootings while they have struggled to understand what might have happened in a war zone thousands of miles away. They have privately fumed about politicians -- such as Rep. John P. Murtha (D-Pa.) -- who have publicly stated that their son was part of a brutal, vengeful slaughter. And they are livid that no one in the Marine Corps has stepped forward to defend their son." The Post adds, "Military officials familiar with the investigation said there is some evidence that could show wrongdoing, including images, taken by an unmanned aircraft, that appear to show that a group of civilians shot near their car -- which had approached the Marine convoy after the bomb went off --

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were executed. At least one Marine has told officials that he saw another Marine standing over the bodies and emptying his rifle's clip into them, according to two people closely familiar with the case."

US, Afghan Officials Say More Troops, Equipment Needed. The AP (11/22, Baldor) reports US and Afghan defense officials said, "More troops and sophisticated equipment are needed to bolster Afghanistan's security forces, but it is not clear whether more U.S. troops will be deployed there." Lt. Gen. Karl Eikenberry "told Pentagon reporters that U.S. officials will wait until after next week's NATO summit in Latvia to see how many troops other countries plan to provide before deciding if more U.S. forces must be sent to Afghanistan." Eikenberry said, "I think it will be best at this point to wait and see what NATO is able to provide. There's more meetings that are taking place on the military staff. And this is very high on their agenda." The AP adds US military leaders "have been pushing NATO members to meet their commitments and provide more troops in Afghanistan. For months, officials have said that NATO nations have provided only 85 percent of the support they promised." The Afghan minister of defense, Gen. Abdul Rahim Wardak, "who met Tuesday with Defense Secretary Donald H. Rumsfeld, said his country needs more firepower, transport planes and armored vehicles. The Afghans have asked for additional helicopters and aircraft that can move troops and supplies through the mountainous regions."

Relatively Stable Afghan North, West Become "Time Bomb." The Financial Times (11/22, Morarjee) reports in a 1,600 word map-supported article, "On Nato maps, Afghanistan's southern provinces and eastern areas along the border with Pakistan are shaded a fiery red, reflecting the hot spots of a persistent insurgency. By contrast, the northern and western provinces are shown in green, dotted with yellow to indicate pockets of instability. But the colour-coding is deceptive. The government and its international backers can no longer take the relative peace of the north and west for granted. It is becoming clear that warlords and commanders from other ethnic groups are increasingly a menace." Reportedly "angry about being pushed aside" by the Karzai government, Northern Alliance warlords who "swept the Taliban from power" make the north a "ticking time bomb," as described by an unnamed diplomat. The FT continues, "Local militia commanders are rethinking their backing of the central government and Islamic militants are moving to mobilise support outside their southern strongholds by exploiting the factional fault-lines in the north and the west." Furthermore, "the bulk of the 2,700 troops in the north are German and are constrained by caveats that would not allow them to leave their bases to intervene in a big clash in the region. Italian, Spanish and Lithuanian troops in the west are similarly hidebound."

Pakistan Arrests 39 Suspected Taliban In Quetta. The AP (11/22, Sattar) reports Pakistan police "arrested 39 Afghans suspected of being Taliban fighters in the southwestern Pakistani city of Quetta, an official said Tuesday, though an Islamist group insisted the detainees were only students." The arrests "late Monday and early Tuesday came in separate raids on rented houses in areas with large Afghan refugee populations, said Chaudhry Mohammed Yaqoob, chief of police in Baluchistan province, whose capital is Quetta." Police are "interrogating the suspects to learn if any senior Taliban figures were among them, Yaqoob said. Afghan officials have alleged Taliban leader Mullah Omar is in Quetta, but Pakistan has rejected the claim."

US Accused Of "Shameful" Record Of Abandoning Allies. In his Los Angeles Times (11/22, 850K) column, Max Boot writes about perceived Iraqi unwillingness to fight for the "American-backed government": "Would you stake your life on a regime whose existence depends on Washington's continuing support? Given our long, shameful record of leaving allies in the lurch, that has never seemed to be a smart bet. We have been betraying friends since our first overseas conflict, against the Barbary pirates who captured ships off the African coast and enslaved their crews." Boot lists Eastern Europe, Vietnam, Iran, and Iraq (in 1991) as other examples of US irresolution. He concludes, "If we do scuttle out of Iraq prematurely, Afghans and others whose support we seek will get the message again: Don't trust Uncle Sam. The least we can do is to assure those Iraqis who have worked closely with American forces — whether as janitors, translators, soldiers or bureaucrats — that, if we do leave, they and their families will receive asylum in the United States."

Army Turns To New Recruiting Slogan. The Washington Post (11/22, A19, Tyson, 690K) reports, "The Army, facing another tough recruiting season, launched a $200 million-a-year advertising campaign this month and

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unveiled a new slogan: 'Army Strong.' ... The television ads, launched nationwide for Veterans Day along with Internet placements and other outreach, omit all but the most fleeting images related to the all-volunteer Army's biggest endeavor ever: the war in Iraq. ... There are obvious reasons the Army might not want to underscore to potential recruits, and their parents, that signing up these days almost inevitably means deployment to combat zones in Afghanistan or Iraq, where the majority of the more than 2,850 killed and 21,000 wounded have been soldiers." The Post adds that "by far the most popular recent slogan, according to soldiers interviewed, was 'Be All You Can Be,' which lasted 20 years until a recruiting downturn saw it changed in 2001."

DOJ:

GAO Finds Room For DOJ Improvement In Information Classification Practices.

Government Computer News (11/22, Hostetler) reports, "The Justice Department needs a standard classification system and needs to address its staffing shortage, according to a report issued by the Government Accountability Office." GCN continues, "DOJ and its bureaus, specifically the FBI, were under review to determine if the department implemented the National Archives and Records Administration's Information Security Oversight Office (ISOO) recommendations to correct problems in their document classification systems. … ISOO is responsible for oversight of national security classification programs for Executive Branch agencies. GAO conducted the study because of the important role information protection and sharing plays in preventing terrorist attacks, the report said." GCN adds, "DOJ ranks third in the number of documents classified in the executive branch, behind the Defense Department and the CIA. Within DOJ, the FBI handles 98 percent of that work. … In any DOJ entity, a document can be classified in one of five ways: Limited Office Use Only, For Office Use Only, Law Enforcement Sensitive, Propriety Information or DEA-sensitive (specific to DEA). Each of these designations have 'unique definitions and safeguard requirements,' but they do not have 'specific guidance on the types of information that merit each designation,' the report said. … Without specific guidelines, employees do not know if the information warrants a sensitive but classified distinction. The components of DOJ do not train their employees to make these decisions nor do they oversee the process by which employees label the information."

The Washington Times (11/22, Seper) reports, "The Justice Department's classification program, which determines what information could reasonably be expected to damage the country's national security if disclosed publicly, is at risk because of a lack of adequate staffing, according to a government report." The Times continues, "In a 50-page report yesterday, the Government Accountability Office said the department's classification-management program needs to assess its 'optimum' manpower requirements, develop a strategy to meet them, and then implement internal controls 'to ensure proper use of sensitive but unclassified designations.' … 'The September 11 attacks showed that agencies must balance the need to protect and share sensitive information to prevent future attacks,' the report says. 'Agencies classify this information or designate it sensitive but unclassified to protect and limit access to it.'" The Times adds, "But, according to the GAO, the department is at risk because it has not addressed the problem of insufficient staffing to effectively manage and oversee the program, noting it has one staff member to cover departmentwide training issues and three staffers to oversee 3,500 locations under the program. … 'According to the program manager, with these resources, the security office was reacting to classification issues that arose rather than being proactive to prevent them,' the GAO said. … Staffing increases for the Justice Department program were recommended by the National Archives' Information Security Oversight Office, which reviewed security procedures in July 2004 and April 2005. GAO was asked this year to see how well the department and the FBI had responded to the request. … The GAO said Attorney General Alberto R. Gonzales should determine what staffing he needs to carry out the responsibilities of the department's classification-management program and devise a strategy to make those resources available and use them effectively."

CORPORATE SCANDALS:

DOJ Drops Effort To Restore Lay Conviction.

Bloomberg (11/22, Calkins) reports, "The U.S. government dropped an attempt to restore the convictions of Enron Corp. founder Kenneth Lay, who died six weeks after being found guilty of spearheading the fraud that destroyed the company." Bloomberg continues, "Lay died of a heart attack in July after being convicted in May of 10 fraud and conspiracy charges. U.S. District Judge Sim Lake threw out the verdicts under a

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legal principle that erases convictions of defendants who die before they can appeal." Bloomberg adds, "The government moved (Monday) to withdraw a Nov. 16 notice of an appeal of Lake's decision. Steven Tyrrell, chief of the Justice Department's fraud section, said in the document the government made the move after a bill to change the law was introduced in Congress. He didn't elaborate. … 'Now, from a criminal standpoint, Ken Lay is forever exonerated,' said Ed Tomko, a former federal prosecutor who defended another Enron executive against fraud charges." Bloomberg notes, "Tomko said efforts to change the law are 'largely meaningless' to Lay's criminal case, because lawmakers can't apply punishments retroactively. … 'It might mean something to the next case,' Tomko said. 'But the government is already chasing Ken Lay's money in a civil case.' … U.S. authorities last month filed a civil forfeiture case against Lay's estate, seeking $12.5 million for victims of Enron's collapse. The government asked for a jury trial to re-establish Lay's responsibility for the fraud. … Justice Department spokeswoman Jaclyn Lesch and Samuel Buffone, Lay's appellate lawyer, declined to comment on the government's decision not to appeal."

CRIMINAL LAW:

DOJ Decides Against Probe Of Porter Fundraising Allegation. The Las Vegas Review-Journal (11/21, Tetreault) reported, "The Justice Department has decided not to pursue an accusation that Rep. Jon Porter made fundraising calls from his congressional offices earlier this year, a practice that would be illegal if proved, officials confirmed Monday. The charge was leveled by a former Porter staffer who offered e-mails in support of his charge against the Nevada Republican." The Review-Journal added, "Bryan Sierra, a Justice Department spokesman, said, 'The FBI looked at it and the matter was declined.' … Porter said he took the news as vindication 'by the highest law enforcement in the land,' and that the accusation was suspect from the start. 'This was something raised two weeks before the election by a disgruntled ex-employee,' he said."

The AP (11/22) reports, "Nevada state Democratic Party chairman Tom Collins said Justice Department officials said late last week that the FBI probe was not moving forward. Collins said no reason was provided. … 'You have to look at who hires these guys in the Justice Department,' Collins said. 'This is just the typical Bush-Cheney cover-up stuff. Jon Porter has done nothing to clear his name.'"

Three Aryan Brotherhood Members Sentenced To Life. The AP (11/22, Flaccus) reports from Santa Ana, CA, "A federal judge sentenced three suspected leaders of the violent Aryan Brotherhood prison gang to life terms Tuesday, saying the sentences were the only just response to three decades of orchestrated murders and attempted murders in some of the nation's toughest penitentiaries." The AP continues, "Barry 'The Baron' Mills, 58, was sentenced to four consecutive life terms without possibility of parole, a sentence automatically imposed after a jury deadlocked earlier this year on the death penalty. Tyler 'The Hulk' Bingham, 59, also escaped the death penalty but received three consecutive life terms without possibility of parole. … A third defendant, Edgar 'The Snail' Hevle, was sentenced to three consecutive life terms and will likely die in prison. He had not been eligible for the death penalty." The AP adds, "Carter said the sentences were appropriate for crimes 'spanning well over 30 years of murder and organizational murder.' … 'It's almost inconceivable and the duration of time is almost inconceivable,' Carter said of the string of murders, attempted murders and other crimes before handing down the sentence. … The defendants have 10 days to file appeals with the 9th Circuit U.S. Court of Appeals."

Three Gang Members Sentenced To Live For Targeting Blacks. The Washington Times (11/22, Seper) reports, "Three Los Angeles-area Hispanic gang members have been sentenced to life in prison in what federal prosecutors called hate-crime attacks that randomly targeted black non-gang members, including women and children." The Times continues, "Gilbert Saldana, 27, Alejandro Martinez, 28, and Fernando Cazares, 25, were sentenced Monday to consecutive life terms without the possibility of parole by U.S. District Judge Percy Anderson in Los Angeles for their roles in the slaying of two black men in 1999 and 2000." The Times adds, "Judge Anderson said the men, members of the Avenues gang, maintained a 'reign of terror' over the Highland Park area northeast of Los Angeles that had 'far-reaching consequences.' Under federal sentencing guidelines, the judge could have imposed lesser sentences but declined to do so. … Prosecutors said the men tried to drive blacks out of the neighborhood in a six-year conspiracy of violence and threats." The Times adds, "Law-

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enforcement authorities said the prosecution was one of the first prominent cases in which the Justice Department targeted street gang members with hate-crime laws normally used to prosecute white supremacist groups. … In October, Robert B. Loosle, special agent in charge of the criminal division at the FBI's Los Angeles office, told a House subcommittee that gangs and other criminal enterprises pose increasing concerns for the international law-enforcement and intelligence communities. … Calling gangs 'more violent, more organized and more widespread than ever before,' Mr. Loosle estimated that there are 30,000 gangs nationwide with 800,000 members affecting 2,500 communities."

Ohio Brokers Acquitted Of All Bribery Charges. The Columbus Dispatch (11/22, Niquette) reports, "After about three hours of deliberation," a federal jury in Akron yesterday "acquitted two Cleveland-area brokers accused of conspiring to bribe the former chief financial officer at the Ohio Bureau of Workers' Compensation with use of a Florida condominium. The…jury returned not-guilty verdicts on all charges against Michael W. Lewis and Daniel P. O'Neil after closing arguments in which their attorneys argued that the government's key witness was not credible. … The verdict is a setback for the state and federal task force investigating allegations of corruption at the bureau. The investigation has produced convictions for 10 public figures so far, including Gov. Bob Taft and coin dealer Thomas W. Noe, who was sentenced Monday to 18 years in state prison." The Dispatch notes, "Lewis and O'Neil were charged with two counts of conspiring to bribe the bureau's Terrence W. Gasper and one count each of lying to an FBI agent about Gasper's role in purchasing the Florida condo in 1998."

Tennessee License Examiner Sentenced To Prison For Taking Bribes. The Murfreesboro Post (11/22, Marchesoni) reports, "One former driver's license examiner in Rutherford County was sentenced Monday to 19 months in prison and two years of supervised probation after his release, a federal prosecutor said. Ex-examiner Bruce Conklin of Murfreesboro pleaded guilty in July to accepting more than $30,000 in bribes in connection with his job. … Conklin and five other people were charged in January in a six-count federal indictment as part of the 18-month Operation Crooked Highway probe. Driving school employees paid the examiners to obtain driver's licenses and one-year driving certificates of driving for immigrants at the school who didn't complete the required 36 hours of training or had questionable documents about citizenship." The Post notes, "The FBI, Internal Revenue Service, federal Immigration and Customs Enforcement agents and the Department of Safety investigated the case."

Federal Agents, Philadelphia Police Arrest Suspect In 1989 Racial Murder. In a widely-distributed story, the AP (11/22) reports, "Authorities have charged a white man with murder and ethnic intimidation in the shooting of a black man 17 years ago. Thomas Gibison, 35, was arrested without incident before dawn Nov. 7 at his home in Newark, Del., FBI spokeswoman Jerri Williams said Tuesday. Gibison is also charged with conspiracy and a firearms violation in the killing of 34-year-old Aaron Wood of Philadelphia on April 16, 1989." The AP notes, "He was arrested by a task force that included Philadelphia authorities, FBI agents and members of the federal bureau of Alcohol, Tobacco, Firearms and Explosives." The Philadelphia Inquirer (11/22, Arnold, 385K) adds, "Law enforcement officials said they could not disclose specific details related to the killing or the exact details of what led authorities to Gibison."

Judge Agrees To Freeze Hedge Fund Manager's Assets Over Alleged Fraud. The AP (11/22) reports, "The Securities and Exchange Commission said on Tuesday that a federal judge has agreed to freeze the assets of a New York hedge fund manager accused of bilking investors out of millions of dollars. Spiro Germenis, the hedge fund manager, has been accused of diverting money from Oracle Services Inc. and Oracle Evolution LLC for his own use. He has fled to Greece, according to the SEC. … 'We're aware that an investigation by the U.S. attorney's office and the FBI is ongoing in addition to the SEC action that was just filed,' said Zachary Margulis-Ohnuma, an attorney for Germenis's wife, Maria Germenis. He said that Mrs. Germenis was 'doing every thing she can to cooperate with the authorities.'"

Federal Agents, Florida Police Arrest Suspects In DOT Laptop Theft. The Miami Herald (11/22, Lebowitz, 286K) reports, "Authorities investigating the July theft of a federal agent's laptop containing the sensitive personal information of 133,000 Floridians, believe they have broken up a ring of computer

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thieves who may be responsible for its disappearance. Two men are facing charges related to the theft of other laptops from vehicles near the Latin American Grill in Doral, where the agent's laptop was stolen from his parked sport-utility vehicle on July 27." The Herald notes Juan Esteban Calle and Carlos Andres Leon "were arrested during an extensive surveillance operation by DOT inspector general, the FBI and Miami-Dade police at Doral area restaurant parking lots -- including the same restaurant where the agent's laptop disappeared. With video cameras rolling, Calle used a lock-punching device similar to the one used in the DOT theft to open a passenger-side door and steal a decoy laptop with a tracking device attached."

The AP (11/22, Anderson) also reports on the arrest and adds, "The inspector general's statement said no evidence of credit fraud had occurred since the laptop went missing. … A second DOT inspector general's office laptop was also stolen during a hotel conference in Orlando in April. t contained sensitive information on about 9,500 individuals, all of whom were on the stolen Miami laptop as well. The Orlando investigation has made less headway and is continuing, the inspector general's office said."

Key Prosecution Witness Testifies Jeffs Coerced Underage Marriage. USA Today (11/22, 3A, Wagner, 2.27M) reports, "In tearful testimony, the lead prosecution witness against polygamist church leader Warren Jeffs said Tuesday that she was threatened with banishment if she did not marry her cousin at age 14. The woman, now 20 and married to a different man, described being coerced by Jeffs and other leaders of the religious sect during a preliminary hearing. 'This was the darkest time in my entire life.'" USA adds, "During cross-examination, defense attorney Tara Isaacson sought to portray the woman as a willing participant in the wedding and argued that Jeffs did not know the couple had sex. Isaacson introduced sweetheart notes the couple had traded and quoted from the girl's journal, in which she expressed enthusiasm about being singled out for marriage. The woman testified that the entry was written before she learned the identity of her partner." CNN Newsroom (11/21, Tuchman, 3:00 p.m.) noted Jeffs "was on the FBI 10 most wanted list for months," and reported, "He had a smile on his face for most of the morning," but when the woman took the stand, "his smile then disappeared. … She says that, the entire time at the wedding -- this is a quote – 'The entire time I was there, I was crying. I was so scared. I wanted to die.'" ABC World News (11/21, story 9, 0:15, Gibson, 8.78M) reported, "A judge is deciding whether Jeffs will be tried as an accomplice to rape."

In a widely-distributed story, the AP (11/22, Dobner, Foy) reports, "Prosecutors completed their case Tuesday, and 5th District Judge James Shumate said the preliminary hearing would resume Dec. 14. Jeffs' defense team plans to call two witnesses, including the woman's current husband. On Tuesday, one of Jeffs' lawyers introduced photographs of a smiling, laughing couple and got the woman to acknowledge Jeffs never explicitly ordered her to have sex with her new husband." The AP adds, "Raised in the faith since birth, Jeffs' accuser said she felt a heavy responsibility to 'the entire community' in the days leading to the marriage ceremony. 'I was scared. 'I didn't have any place to go,' said the woman." The Salt Lake Tribune (11/22, Adams), identifying the woman as "Jane Doe IV," reports she testified about "her attempts to get…Jeffs to release her from the union. But Doe also admitted she never explicitly accused her husband of rape in those conversations with Jeffs. 'I said to Warren he was touching me and doing things I didn't like,' said Doe, now 20. 'I didn't tell anybody I was being raped.'"

The New York Times (11/22, Dougherty, 1.16M) notes, "The woman testified that she had told Warren Jeffs that she did not want to be married. … She said Mr. Jeffs had told her that her marriage to her cousin 'was a revelation from God' and ordered her to prepare for the wedding." However, Jeffs lawyer Walter Bugden Jr. "told the news media after the hearing that the state was conducting 'religious persecution' and predicted that Mr. Jeffs would be acquitted." Bugden added, "Officiating at a wedding ceremony does not make Mr. Jeffs an accomplice to rape." NPR's All Things Considered (11/21, Norris, Berkes) also reported on the hearing, including clips of the anguished testimony from the witness.

Curbs On Sex Offenders Seen As Ineffective, Inhumane. The Washington Post (11/22, A1, Whoriskey) reports, "As convicted sex offenders go, they seem to pose little danger. … One is 100 years old. Another can barely walk and is in the late stages of Alzheimer's disease. Another is dying of heart disease in a nursing home. .. .Yet under a new Georgia law, thousands of registered sex offenders, even the old and feeble, could be pushed from their homes and hospices." The Post continues, "As states around the country have sought in recent years to control the whereabouts of

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convicted sex offenders, Georgia's law stands out as one of the toughest, a testament to the daunting public fears regarding children's safety. … The roughly 10,000 sex offenders living in Georgia have been forbidden to live within 1,000 feet of a school, playground, church or school bus stop. Taken together, the prohibitions place nearly all the homes in some counties off-limits -- amounting, in a practical sense, to banishment." The Post adds, "Since the law's enactment in July, however, a federal judge, human rights advocates and even some of the sheriff's departments that are supposed to enforce the measure have suggested that the zeal for safety may have gone too far. … The residency law applies not only to sexual predators but to all people registered for sexual crimes, including men and women convicted of having underage consensual sex while in high school. … Advocates for the sex offenders say the law is unfair to people who have served their sentences and been deemed rehabilitated. Many police officers, prosecutors and children's advocates also question whether such measures are effective. Most predators are mobile, after all, and by upending their lives, the law may make them more likely to commit other offenses, critics say."

FBI Establishes Western Pennsylvania Corruption Hotline. The Pittsburgh Post-Gazette (11/22, Ward, 230K) reports, "In an effort to combat public corruption in Western Pennsylvania, the FBI has established a telephone hot line that people can call to file complaints of possible abuse by elected and appointed officials. Tips…can be made anonymously; they will be followed up on by investigators." The Post-Gazette notes, "Public corruption has been stated as one of the highest priorities of the U.S. Department of Justice."

FBI Investigating Former Louisiana Charity Grant Office. The New Orleans Times-Picayune (11/22, Russell) reports, "A state office that oversaw a series of controversial charities tied to African-American legislators is being scrutinized by the FBI, Gov. Kathleen Blanco's office confirmed Tuesday in announcing that it had complied with a subpoena for records from the department. … Critics commonly derided the grants -- and similar money doled out to rural districts -- as legislative 'slush funds' that governors could use as an incentive to get reluctant legislators to vote their way." The Times-Picayune adds, "It's unclear what the FBI is looking for. But earlier this year, James Bernazzani, the special agent in charge of the FBI's New Orleans field office, announced his intention to investigate two charities that were financed by the Office of Urban Affairs. Both of the groups -- Care Unlimited and Orleans Metropolitan Housing & Community Development -- have longtime ties to U.S. Rep. William Jefferson, D-New Orleans. … Bernazzani said little Tuesday, acknowledging only that 'during the course of an ongoing investigation, the FBI served subpoenas on select offices.'"

Baltimore Council Mulls Taping Of Police Interrogations. The Baltimore Sun (11/22, Jones) reports, "The Baltimore City Council is reviewing a bill that would require the videotaping of police interrogations of witnesses or suspects in violent crimes -- a measure opposed by police but endorsed by public defenders who represent suspected criminals." The Sun continues, "Councilman James B. Kraft, chairman of the council's public safety subcommittee, said he introduced the legislation because he believes it would decrease the number of allegations of improper behavior by police officers. Kraft said a video would protect officers against false charges, and witnesses against intimidation or illegal questioning." The Sun adds, "Representatives of the Police Department -- who say they generally record statements but do not use video -- said at a hearing Tuesday that they have doubts about using cameras, and one high-ranking detective called it "costly" and potentially harmful for prosecutors. … Col. Fred H. Bealefeld III, chief of detectives, said at the hearing that his department is studying a video system used in Chicago. Bealefeld said it cost that department millions of dollars to install and run the cameras in interrogation rooms. .. .But the Office of the Public Defender dismissed the cost issue and praised the proposal, saying it could be a significant development in criminal proceedings."

Maryland Man Sentenced To Life For Killing Stepdaughter. The Baltimore Sun (11/22, Mcmenamin) reports, "A 36-year-old convicted sex offender was sentenced Tuesday to life in prison without parole for stabbing, strangling and beating to death his 13-year-old stepdaughter before setting her body and their family's Essex rowhouse on fire to cover up the killing." The Sun continues, "Carl Preston Evans Jr., whose arrest in August 2005 highlighted problems with the state's sex offender registry, also received two consecutive 15-year prison terms, one for

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the at tempted murder of his infant daughter and one for arson. … Baltimore County Circuit Judge Kathleen G. Cox, who pronounced sentence, characterized the killing as 'a monstrous, monstrous crime,' and pointed out that nothing Evans said, either in court or to an investigator who prepared a pre-sentence report, has shed any light on the motive behind it." The Sun adds, "A Baltimore County jury convicted Evans in September of first-degree murder in the death of Breaunna Floyd, who was stabbed 24 times, strangled and beaten before being doused with gasoline and set on fire. … The jury also convicted Evans of arson for setting fire to the family's row home on Foxridge Lane in Essex in July 2005 and of attempted second-degree murder for leaving then-7-month-old Mosett Evans in the burning house."

Greek Authorities Pursue Charges Against Getty Antiquities Curator. The Los Angeles Times (11/22, Zirganos, Frammolino, Felch) reports, "Greek authorities have recommended that felony criminal charges be filed against former J. Paul Getty Museum antiquities curator Marion True for her role in the acquisition of a 2,500-year-old gold funerary wreath considered one of the museum's masterpieces." The Times continues, "The Police Headquarters of Athens announced today that the city's chief prosecutor had concluded an initial investigation with the recommendation that five unnamed people -- three foreigners and two Greek citizens — be charged with looting, selling and receiving the gold funeral adornment." The Times adds, "The press release did not name the individuals involved and said only that the object was purchased by a 'private American museum' in 1993 for $1.15 million. A senior Greek official familiar with the case said that the museum was the Getty and that True was among the five defendants. … Under the Greek system, the case will pass to an investigating magistrate who will conduct his own investigation, a process that is expected to take weeks or months." The Times notes, "The Greek announcement comes amid negotiations between the Getty and officials from the Hellenic Ministry of Culture over the return of the wreath and a statue of a female torso, or kore. .. Already this year, the Getty has returned two other objects requested by Greek officials: a 5th century BC marble relief and a 4th century BC inscribed tombstone. The tombstone, or stele, was purchased by J. Paul Getty himself in 1955."

Getty Breaks Off Antiquities Talks With Italy. The New York Times (11/22, Eakin, Povoledo) reports, "In an abrupt change of course, the J. Paul Getty Museum in Los Angeles announced yesterday that it had broken off negotiations with the Italian government and made a 'unilateral' decision to cede only some of the antiquities that Italy says were looted from its soil." The Times continues, "In a six-page letter to the Italian culture minister, Francesco Rutelli, the Getty's director, Michael Brand, said the museum had decided to turn over 26 artifacts. Referring to other treasures sought by the Italians, he said that Italy had 'no valid legal claim' to a prized bronze sculpture in the Getty's collection, and that evidence regarding a limestone cult statue it wanted returned was 'inconclusive.' … Mr. Brand also wrote that the Getty would continue to study the cult statue, regarded by experts as possibly depicting Aphrodite, and would transfer title to Italy if new research lent weight to the country's claim that it had been illegally excavated on its territory." The Times adds, "The museum's move carries significant risks for the Getty. Unlike deals to return disputed art that Italy negotiated this year with the Metropolitan Museum of Art in New York and the Museum of Fine Arts in Boston, the ceding of art by the Getty carries no guarantee of loans from Italy or other reciprocal benefits. … The Getty's decision follows nearly a year of tense negotiations over an Italian claim for 52 objects in the museum's collection. The claim rests largely on evidence that has emerged in the trial in Rome of Marion True, a former Getty curator, and Robert Hecht, an American art dealer, on charges of trading in illegally excavated antiquities."

New York To Overhaul System Of Town, Village Courts. The New York Times (11/22, Glaberson) reports, "New York's top judicial officials outlined a plan on Tuesday to begin reforming the state's 300-year-old system of town and village courts, which have been criticized for decades as outmoded, poorly supervised and unfair." The Times continues, "The plan, announced here by the state's chief judge, Judith S. Kaye, included changes that have been recommended for years by defense lawyers and legal experts. Among them were plans to increase training for the justices, to improve their supervision and to better monitor whether they are protecting basic legal principles like the constitutional right to a lawyer. … The courts — known as justice courts — are also to be required for the first time to keep a word-for-word record of their proceedings, like other courts in the state." The Times adds, "While the officials said that many town and village justices are diligent, Judge Kaye

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said a sweeping reform program was called for by what she called enduring concerns about the courts. The system has survived a century of calls for radical overhaul by governors and commissions, and an important legal challenge in the 1980s. … As outlined by a series of articles in The New York Times in September, the courts have survived in part because the justices — most of them not even lawyers — have longstanding and deep ties to the upstate political system, and because of the substantial cost of replacing them with more professional courts. … The plan announced on Tuesday is the most specific and ambitious effort in years to address significant parts of the system's troubled dealings."

CIVIL LAW:

Whistleblowers Help US Recover $1.3 Billion In Fraud Cases. The AP (11/22, Jordan) reports, "Whistle-blowers tipped off the government to $1.3 billion worth of fraud cases over the past year, largely at hospitals or other health care providers, the Justice Department said Tuesday." The AP continues, "In all, the department recovered $3.1 billion in settlements -- what prosecutors said was a record amount -- from individuals and companies during the 2006 fiscal year that ended Sept. 30. … 'Many of these cases were initiated by whistle-blowers,' said Assistant Attorney General Peter D. Keisler, who oversees the department's civil division. … He called the $1.3 billion identified by whistle-blowers a recovery level 'probably greater than most years, smaller than a couple.' In return, whistle-blowers were paid $190 million over the year for alerting the government to the fraud." The AP continues, "The single largest settlement, worth $920 million, came against Dallas-based Tenet Healthcare Corp., the nation's second-largest hospital chain. Following claims from six whistle-blowers, prosecutors accused Tenet of overbilling the government for $806 million in Medicare payments and paying $49 million in kickbacks to doctors who referred patients to the health care chain. … Tenet operates 66 hospitals in 12 states, mostly in the Southeast. Overall, fraud settlements with health care companies accounted for $2.2 billion -- more than two-thirds of the annual total." The AP adds, "Whistle-blowers have helped the government recover an estimated $18 billion since 1986, when Congress approved laws to strengthen their protections. … 'Today, individual citizens are making the same kind of important difference in exposing fraud by those who do business with the government,' said Sen. Charles Grassley, R-Iowa, who helped write the laws. … Until now, the government had never recovered $3 billion or more in fraud cases, and passed the $2 billion mark for the first time in 2003, Keisler said."

DC Circuit Overturns Dismissal Of FOIA Suit Over Immigrant Convicts. The Austin American-Statesman (11/22, Carr) reports, "A federal court of appeals ruled Tuesday that a lower court erred in dismissing a case that sought records under the Freedom of Information Act about illegal immigrant convicts who are not deported." The AAS continues, "The U.S. Court of Appeals for the District of Columbia ordered the trial court to settle factual disputes between Cox Newspapers, which owns the Austin American-Statesman, and the Justice Department over the privacy rights of illegal immigrants convicted of a crime. At the heart of the case is whether privacy rights outweigh the public's right to know that they have been released into the community. … 'We're gratified that the judges agreed with us that the trial court shouldn't have granted the government's motion for summary judgment,' said Andrew Alexander, chief of the Cox Washington bureau. Cox will confer with its lawyers to determine how to proceed, he said." The AAS adds, "The information is essential for assessing whether the government is properly enforcing deportation laws, Alexander said. … 'At its core, the case involves a bedrock American principle that citizens should have access to information that enables them to evaluate the performance of their government,' he said. … The Justice Department declined to comment other than to say it would review the five-page ruling. … The department's lawyers have argued that it has turned over some of the information requested by Cox under the Freedom of Information Act request filed three years ago, including the convicts' native countries, dates taken into custody and dates of release, the legal documents show. … But personally identifiable information such as full names, dates of birth, alien registration numbers and FBI numbers would invade the privacy of convicted illegal immigrants and serve no public interest, Justice Department lawyers wrote in legal briefs."

Bankruptcy Attorneys Adjusting To Decline In Filings. The California Recorder (11/22, Elinson) reports, "An improving economy isn't good news for everyone. With fewer businesses going broke, the pace of traditional work for bankruptcy lawyers has slowed considerably -- for now." The Recorder continues, "Industry experts say a big

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reason is because money is flowing more freely -- especially from hedge funds and private equity groups -- to keep businesses afloat that might have filed for Chapter 11 bankruptcy in leaner times. … But bankruptcy lawyers are evolving, and some even say the rivers of money may run dry in the near future -- possibly during the next economic downturn. … 'There has never been liquidity like this before -- never close to it in my 32 years,' said Frederick Holden Jr., a partner in Orrick, Herrington & Sutcliffe's bankruptcy and debt restructuring practice group in San Francisco. 'I hope for everyone that it doesn't cause any problems, but it seems unlikely.'" The Recorder adds, "While not a universally held belief, Holden and several other bankruptcy lawyers told The Recorder they expect to see more Chapter 11s filed by late 2007. … It would certainly be better for business, because in the last two years filings have dropped dramatically. In the 2004 fiscal year, a total of 10,113 businesses filed for Chapter 11 in U.S. Bankruptcy Court. In 2005, 5,856 businesses filed, and in 2006, only 5,475 businesses filed, according to statistics released by the courts."

CIVIL RIGHTS:

Maryland Disputes DOJ Findings On Juvenile Center Conditions. The Baltimore Sun (11/22, Garland) reports, "The Ehrlich administration has sent a sharply worded letter and nearly 500 pages of supporting documents to the U.S. Justice Department, challenging a finding that the state has run a Baltimore center for juvenile offenders in an unsafe and unconstitutional manner." The Sun continues, "A Justice Department report issued in August said youths held at the 144-bed center on North Gay Street "suffer significant harm and risk of harm" because there isn't enough staff on hand and treatment plans are inadequate. … The report noted youth-on-youth assault rates 47 percent higher than the national average for such facilities. … But state officials say the report was written nearly a year after federal officials inspected the Baltimore City Juvenile Justice Center in September and October 2005 and that the concerns they raised have been addressed. … 'We strongly disagree with the Justice Department's findings,' said Edward Hopkins, a spokesman for the Maryland Department of Juvenile Services. 'We believe their conclusions are wrong.'" The Sun adds, "The highly critical Justice Department report was regarded as an embarrassment for Gov. Robert L. Ehrlich Jr., who had made juvenile justice reform a key issue when he campaigned for the office four years ago. The report lays the foundation for a possible lawsuit that could lead to a court order forcing the state to change the way it runs the juvenile center. … In a 16-page, footnoted letter dated Nov. 6, Maryland Juvenile Services Secretary Kenneth C. Montague Jr. called on federal officials to drop the matter. The letter was released yesterday after The Sun requested a copy. … Cynthia Magnuson, a spokeswoman for the Justice Department's Civil Rights Division, said the federal agency would have no comment on the details of the state's response. … 'We stand by our letter, and we remain willing to work with the state to reach a resolution,' Magnuson said."

Monitor Finds Mississippi Juvenile Centers Still Not Meeting Standards. The Jackson (MS) Clarion-Ledger (11/22, Goodman) reports, "A court monitor for the state's two juvenile training facilities has once again reported that the state has failed to meet most of the conditions required under an agreement to bring the schools up to standard." The Clarion-Ledger continues, "In May 2005, Mississippi entered a four-year decree to end a Justice Department lawsuit over abuse allegations at the Oakley and Columbia training schools. … The fourth report from monitor Joyce Burrell, filed Wednesday, covers the period May 1 through Aug. 31. … It says that while some progress was made during that period, much more is required to come into compliance." The Clarion-Ledger adds, "Burrell noted improvements in student staffing ratios, and the improved cleanliness of floors, walls, ceilings, baseboards, youth rooms, bathrooms and common rooms. 'In the short term, staff are to be commended for pitching in many extra hours to do a thorough cleaning and some painting of the buildings,' she wrote. … But she also noted unresolved setbacks in education and staffing issues, including difficulty in retaining new hires long enough to get problems under control. The problem must be addressed, she said, so that the department's youth services can reach optimum staffing levels and cut down on overtime."

Day Laborers Win New York Racial Bias Suit. The AP (11/22, Fitzgerald) reports from White Plains, NY, "A suburban village discriminated against Hispanic day laborers when it closed a hiring site and stepped up police patrols on the streets where they looked for work, a federal judge ruled Monday. … 'Since August 2004, and continuing into this past summer, the defendants have engaged in a campaign

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designed to drive out the Latino day laborers who gather on the streets of Mamaroneck to seek work,' Judge Colleen McMahon wrote. 'The fact that the day laborers were Latinos, and not whites, was, at least in part, a motivating factor in defendants' actions.'" The AP continues, "McMahon did not specify a remedy for the village of Mamaroneck, about 25 miles north of New York City, giving the two sides 10 days to make suggestions. And in a footnote at the end of the decision, she suggested there was still time for a settlement. … Attorney Kevin Plunkett, who represented the village, said it was a stretch for the judge to determine that discrimination played a role in the crackdown. He said the quality of life for residents of Mamaroneck - not race - was the chief concern of village officials. … 'This group of people just happens to be Hispanic,' he said. 'What happens if 50 other people were assembled in the community? That has to be addressed.'" The AP notes, "The village had argued that it was only enforcing existing laws when it beefed up the police presence in the area around the park and set up traffic checkpoints that inconvenienced the contractors who came looking for temporary workers. … Six Hispanic immigrant workers - all identified as John Doe for fear of retaliation by police or immigration authorities - took the village to court in September, seeking an injunction against what they called selective law enforcement and ethnic discrimination. They said the village violated their right to equal protection when they cracked down on the laborers."

Georgia Prosecutors Probe Police Shootings. The AP (11/22, Weber) reports, "Prosecutors in a suburban county plan to review 14 shootings by police, including eight fatalities, amid concern about the high number of killings compared with the nation's two largest cities." The AP continues, "DeKalb County prosecutors will also investigate the death of another person in police custody who was not shot, and they expect to be asked to look into four more fatal shootings by police, Adora Andy, a DeKalb County district attorney's office spokeswoman, said Monday. … 'We will review the documents, and we will determine the appropriate course of action,' Andy said. … Prosecutors could pursue criminal charges against officers if warranted." The AP adds, "The review of shootings and in-custody deaths involves 15 incidents from Jan. 1 through Sept. 12, Andy said, adding that her office expects to get another request from the police department to review the shootings since then. … Monday's police materials omitted a fatal police shooting Sept. 2, and Andy said she expected to get that later. … Andy declined to say why Police Chief Nick Marinelli made the request. She also would not disclose what reports he has turned over. … Marinelli has defended the department's actions since an Associated Press investigation published Sept. 28 showed that the nine fatal shootings this year by DeKalb County police at that time was more than the six in New York City and equal to the Los Angeles number."

Maryland Gay Custody Battle Stalls In Court. The Washington Times (11/22, Miller) reports, "Two Baltimore County judges have delayed ruling in a child-custody case that has forced a 7-year-old girl to spend time with her adoptive mother's former lesbian partner, despite objections from a court-appointed child-welfare specialist." The Times continues, "A social worker for Baltimore County Circuit Court reported in August that the ex-partner's overnight visits with the girl 'probably caused acute underlying turmoil' for the child, according to court records. … 'At this time, she seems emotionally vulnerable and experiencing severe anxiety in response to the crisis that this dispute has precipitated,' social worker Cheryl Taylor says in the report. 'Overnight weekend visits seem to pose particular separation threats and anxiety for [the girl] at this time.'" The Times adds, "The report remains sealed, but excerpts of Miss Taylor's findings are cited elsewhere in the court record. … Miss Taylor notes that the girl told everybody involved in the case -- including her mother, her mother's former partner and the family pediatrician -- that she does not want the visits to continue. The social worker also has recommended that the child 'remain in long-term psychotherapy.' … Still, two successive judges presiding over the case have delayed ruling on the emergency request by the mother, identified as Janice M., to stop the court-ordered visitation. … Judge John O. Hennegan put off ruling on the mother's request in August. The case last month was transferred to Judge Michael J. Finifter, who scheduled a hearing for Jan. 28."

Breast-Feeding Mothers Rally To Protest Restrictions. The Washington Post (11/22, D1, Kang) reports, "Karen Gral knows how difficult it is to travel with small children: standing in long lines with squirming toddlers, dealing with new security rules that prohibit liquids -- including some baby foods -- and lugging strollers, car seats and diaper bags through airports. … For her, the finish line is sitting on the airplane and breast-feeding her hungry and

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worn-out 16-month-old to sleep." The Post continues, "So when the Alexandria mother of two heard that a family was kicked off a Delta Air Lines flight last month because the mother refused to cover her baby with a blanket while breast-feeding, Gral decided to join 70 people at Reagan National Airport yesterday for a "nurse-in" in front of the Delta ticket counter. Similar protests were held at more than 30 airports around the country, including Baltimore-Washington International Thurgood Marshall Airport, where 62 people gathered in support of Arlington native Emily Gillette. … 'Breast-feeding is the most natural thing in the world. What was Emily supposed to do? Not feed her child? Not give her child comfort?' said Gral, while nursing her son, Garrett, who was wearing a white onesie that read, 'I'm a Breast Man.'" The Post adds, "Delta has said it regrets the incident with Gillette, which took place aboard one of its contract carriers, Freedom Airlines. … 'Delta Air Lines fully supports a mother's right to breast-feed on board our aircraft, and we were very disappointed in the decision to move Ms. Gillette from the flight,' said Gina Laughlin, a Delta spokeswoman. … Many showed up at National to push airlines to adopt more supportive policies for nursing mothers and to encourage federal legislation that protects breast-feeding in public and pumping milk in the workplace."

US 22nd In Gender Gap Ranking. The Financial Times (11/22, Daneshkhu) reports the US "lags at 22nd place behind developed and even a couple of developing countries in a study of inequality between men and women, mainly because it has few women in politics. This is in spite of the ascent of Nancy Pelosi who is set to become the first woman to head the US House of Representatives." Sweden is "the only country where men and women form equal numbers among all ministers and parliamentarians. Cherie Booth, a human rights barrister and wife of Tony Blair, UK prime minister, said there were more women in parliament in Iraq and Afghanistan – two countries not covered by the report – than in the UK." The study "of 115 countries published on Tuesday by the World Economic Forum, a Swiss-based think-tank, measures the gender gap based on economic, political, educational and health-based criteria in a benchmarking exercise aimed at improving women's position in society." The individual country rankings "show Sweden, Norway and Finland at the top of the league, having closed about 80 per cent of the gender gap, with Yemen, Saudi Arabia and Chad at the bottom, with a gender gap of about 50 per cent."

ANTITRUST:

Municipal Bond Dealers Brace For Expanded Probes. The Wall Street Journal (11/22, C5, Rosenberg) reports, "Municipal-bond dealers held their cards close to their vests as the market faces nationwide criminal and civil probes into possible abuses over their dealings in a wide range of muni-bond transactions." The Journal continues, "The U.S. Justice Department's Antitrust Division and the Securities and Exchange Commission are investigating questionable practices at a number of firms, with leading providers of guaranteed investment contracts, or GICs, having received federal subpoenas recently." The Journal adds, "The Bond Buyer, a leading muni-bond publication, reported yesterday that the practices may go beyond GICs and could include 'virtually every investment product or derivative' brokered or provided by various firms over the past six to 14 years. … Most executives at dealer firms, as well as portfolio managers, declined to comment on the situation. … 'In general, everybody's just looking at it and seeing what's going on here, doing a lot of work to get the material together that they're looking for,' said one senior executive at a Wall Street investment firm. Asked if most of the major firms have been subpoenaed, he said: 'I have no idea because I'm not talking to anybody about it.'" The Journal notes, "An executive at a smaller West Coast-based firm said he had seen no impact on the muni market since news of the investigations broke. However, activity in the market -- as in other areas of the financial markets -- has been muted this week ahead of the Thanksgiving Day holiday. … According to the Bond Buyer, 'dozens' of firms in the $2.2 trillion muni market have been asked for information by the Justice Department and SEC. The Bond Buyer said the parallel criminal and civil investigations 'go far beyond GICs and may cover thousands of investment products and derivatives entered into in connection with muni-bond transactions that could total hundreds of billions of dollars.' Yet, only a small amount of these transactions will be subject to criminal or civil allegations, the publication reported."

Bloomberg (11/22, Preston, Selway) reports, "U.S. investigators have demanded that banks and brokers provide information on derivatives as part of an investigation into anti-competitive practices in the $2 trillion municipal bond market,

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according to a lawyer hired by one of the firms subpoenaed in the probe." Bloomberg continues, "The Justice Department is looking into whether bids were rigged on investment contracts sold to local governments. Investigators are also seeking information on interest-rate swaps and other financial products that governments buy to guard against swings in borrowing costs, said Mark Scott, the former director of tax-exempt bonds for the Internal Revenue Service who is now a partner with Vinson & Elkins in Washington. … 'It's pretty broad,' said Scott, who is representing a client subpoenaed by investigators whom he wouldn't identify. 'They are going to get truckloads of information.'" Bloomberg adds, "The investigation, which also includes the Securities and Exchange Commission, is the broadest criminal probe ever of the municipal bond industry and has resulted in more than a dozen subpoenas being issued last week to brokers, banks and insurance companies, including American International Group Inc. and General Electric Co. … Regulators are looking at whether brokers for U.S. local governments violated the law while arranging bids for guaranteed investment contracts, where a portion of the hundreds of billions of dollars raised in the tax-exempt bond market every year is placed until it is needed for projects."

DOJ Says Windows Vista Complies With Microsoft Judgment. Information Week (11/22, Gonsalves) reports, "U.S. prosecutors say Windows Vista and the latest version of Internet Explorer apparently comply with the requirements of the 2002 antitrust judgment against Microsoft." IW continues, "In a joint status report filed Tuesday with the U.S. District Court in Washington, D.C., prosecutors said Microsoft appeared to be complying with the judgment, which found Microsoft abused its Windows monopoly and set down rules for the software maker to follow to avoid future anti-competitive behavior. Prosecutors and Microsoft have been submitting joint reports on compliance to the court every six months." IW adds, "The Justice Department and a court-approved technical committee are monitoring the development of Vista to assure compliance with the court order. The monitoring includes extensive testing of Vista and Internet Explorer 7 betas. … The committee and Microsoft developed a bug-tracking system to help ensure that Vista ships without any 'known issues related to its treatment of middleware under the final judgments,' prosecutors said in the report. … 'Plaintiffs are pleased to report that this system has been a success,' prosecutors said. 'Microsoft addressed all outstanding middleware-related bug issues prior to Vista being released to manufacturing.'"

CNET News (11/22, Broache) reports, "According to the report, Microsoft and the technical committee have been offering a downloadable program that is designed to help Microsoft's competitors in the fields of Web browsers, e-mail and instant-messaging clients, and media players to make their programs "Vista-ready" before the new operating system ships. … The program serves as a single source for all the registry settings needed for applications 'to attain equal visibility on Windows XP and Vista systems,' the technical committee said. The program's goal is to reduce the chance that people will experience difficulties in changing default software to non-Microsoft products, for instance. It also aims to make it easy to locate third-party applications in the start menu, desktop, task pane and other commonly used surfaces, after installing them. … Microsoft said it had also contacted 30 competing software makers and had invited them to work alongside company engineers at its Redmond, Wash., campus lab for Vista Readiness." CNET adds, "Since the last status report filing in May, government attorneys said they received 25 complaints alleging antitrust concerns about competing middleware but said they concluded that none of those gripes had merit. … Although the matters were not raised by U.S. regulators, some possible antitrust repercussions of security and file-formatting features in Vista were recently flagged as concerns by European and Korean regulators. Microsoft said last month that it had implemented changes that address those complaints."

Jury Selected For Microsoft Antitrust Class Action Trial In Iowa. The Des Moines Register (11/22) reports, "Jury selection in the Microsoft anti-trust case in Polk County District Court was completed today with seven men and five women selected to hear the class action law suit." The Register continues, "The case is expected to take several months to try with witnesses that will include Microsoft founder Bill Gates and chief executive officer Steve Ballmer." The Register adds, "Plaintiffs' lawyers, led by Des Moines attorney Roxanne Conlin, are seeking damages of up to $329 million for Iowans who purchased Microsoft product between 1994 and this year. … The crux of their case is that anti-competitive actions by Microsoft resulted in overcharges and extra expenses to Iowa consumers. … The Iowa case is the last of several dozen state lawsuits against the giant computer software company. The state cases were filed after a federal anti-trust action against Microsoft was settled in 2000. …

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None of the other state cases has ever gone to a jury for a decision. All were either settled out of court or dismissed, officials for both sides have said. … The jury is expected to be seated late next week. The trial will begin with what is expected to be a lengthy list of jury instructions from Polk County District Court Judge Scott Rosenberg about how Iowa law applies to the situation and how the case will proceed."

Oshkosh Truck Gets Antitrust Clearance To Purchase JLG. The Milwaukee Business Journal (11/22) reports, "Oshkosh Truck Corp.'s proposed purchase of JLG Industries Inc. has cleared federal regulatory review with the passage of a required waiting period for the deal." The Journal continues, "The companies jointly announced Tuesday the expiration of the 30-day waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 in connection with the proposed merger of a wholly-owned subsidiary of Oshkosh with JLG." The Journal adds, "The expiration of the Hart-Scott-Rodino waiting period satisfies one of the conditions to Oshkosh's acquisition of JLG. Consummation of the merger, which is expected to occur in early December, remains subject to other customary closing conditions, including approval of the merger by JLG's shareholders."

Suit Accuses Quiznos Of Antitrust Violations, Fraud. The Milwaukee Journal Sentinel (11/22, Gores) reports, "A lawsuit accuses Quiznos Sub of forcing Wisconsin franchisees of the sandwich chain to buy food and supplies at inflated costs and sell food at artificially low retail prices, making the restaurants unprofitable." The Sentinel continues, "The class-action lawsuit, filed in federal court in Green Bay on behalf of 28 Wisconsin franchisees of Denver-based The Quiznos Franchise Co. and its affiliates, seeks compensation for lost investments and asks for punitive damages and an end to what it calls an 'illegal business scheme.'" The Sentinel adds, "The lawsuit alleges the company has systematically defrauded its franchisees by building the brand at the expense of its operators in the field. … The suit contends Quiznos omits or misrepresents key facts about Quiznos business operations in an effort to induce people to buy a franchise. … But too many people who buy a franchise find that the cost of food and supplies in comparison to the selling price of items on the menu keeps franchisees from realizing a profit, Chris Bray, president of the Toasted Subs Franchisee Association, said Tuesday. That's because, the lawsuit alleges, Quiznos forces franchisees to work with Quiznos-mandated suppliers and pay them what the lawsuit describes as 'excessive prices for goods and services.'"

The AP (11/22) reports, "The lawsuit, which seeks millions of dollars in damages for lost investments, accuses Quiznos of fraud, violations of federal and state antitrust laws, racketeering, breach of contract and violations of Wisconsin's fair dealership law, attorney Justin Klein said Tuesday." The AP continues, "The first Quiznos, featuring toasted sandwiches, opened in Denver in 1981 and the company has grown to more than 4,500 restaurants, becoming the fastest-growing restaurant chain in the country, trailing only Subway as the nation's No. 2 sandwich shop -- not counting hamburgers. … 'Quiznos has been taking advantage of its franchisees for years through practices that we contend are illegal and in violation of the franchise agreement,' said Chris Bray, president of the Toasted Subs Franchisees Association Inc., a trade group that help organize the class-action suit. … Bray, who owns two Quiznos stores in Texas and has been a franchisee for nine years, said Quiznos 'has slowly, methodically and deliberatively modified the business model, year over year, to make it economically favorable to them, to the detriment of the franchisees. It is time to put a stop to this.'"

SCOTUS To Hear Landmark Patent Case. USA Today (11/22, Biskupic) reports, "Call it the case of the gas pedal, prescription drug and gift bow. … The variations and costs of those and many other items could be affected by a Supreme Court patent case that could be one of the most important intellectual-property disputes to ever come before the justices." USA continues, "With abortion, affirmative action and other high-profile issues before the court this term, a patent case normally would be a yawner. However, KSR International v. Teleflex, a dispute between competing makers of adjustable gas-pedal systems in vehicles, arises as the justices have shown increasing interest in U.S. law protecting inventions. … The case essentially tests how to determine when an invention is truly new and different, and should receive a patent that entitles its inventor to the exclusive right to make, use and sell the item. That standard can make a difference in how people and companies spend time and money on inventions. If it is too easy to get a patent for a small variation on a previous invention, there is more of a chance that competitors could infringe on it, so companies

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might acquire patents solely for defensive reasons. If it is too difficult to get a patent for a small but unique adaptation of an item, it could discourage research and development." USA adds, "The question in the oral arguments scheduled for Tuesday focuses on how to determine when an invention is 'obvious,' and therefore not worthy of protection. At issue is whether a standard used by the U.S. appeals court that hears patent cases allows patents for changes too small to matter. … The dispute is being watched closely by manufacturers, from the tiremaker Michelin to gift-packaging producer Hallmark."

Speculation Swirls Over Future Mergers. The Wall Street Journal (11/22, C1, Zuckerman) reports, "Who's next? … That's the question on the lips of investors, traders and investment bankers on the heels of a deluge of mergers and acquisitions." The Journal continues, "Some say consumer-oriented stocks, health-care providers, gaming and tech companies could become acquisition targets in the months ahead. Some point to Sprint Nextel, Hilton Hotels, and home builders such as Lennar, Ryland Group and D.R. Horton as possible targets. Private-equity firms are circling home-service company ServiceMaster, say people familiar with the matter. … Others are focusing on companies with steady cash flows and a large percentage of shares owned by company executives, or companies run by older executives who may be willing to sell out." The Journal adds, "There has been so much deal activity this year that it looks like anyone could be fair game. Targets have included companies with stable cash flows but poor growth prospects, even in sectors that haven't seen many mergers in the past. … But investors shouldn't get carried away betting on possible takeovers. Not only are they tough to predict, these deals also are somewhat less lucrative than they once were. The average premium paid over market prices for shares of companies subject to an acquisition bid this year is 17%, down from 25% in 2000, according to Thomson Financial. .. Some analysts say the acquisitions are a sign that stock prices remain reasonably priced, despite the recent run-up in the market that has pushed stock indexes to new highs. Some short sellers -- investors who bet on stock-price declines -- have become cautious. They are reluctant to establish big positions against even stocks with weak outlooks, worried that any wager against a company will turn into a loser on word of a lucrative deal. This wariness is adding to the market's upward momentum. … Mostly, all the wheeling and dealing stems from lots of money sloshing around the global markets, as interest rates remain low. Investors are shoveling money at private-equity firms, which buy public companies or businesses with an eye toward reselling them later at a profit, and at high-yield but risky loans and junk bonds backing acquisitions. That suggests many deals are financial bets, not strategic business moves, perhaps reducing their chance for success."

Qantas Considers Takeover Approach From Texas Pacific, Macquarie. The Wall Street Journal (11/22, A11, Mcfarland) reports, "Qantas Airways said it is considering a takeover approach by Texas Pacific Group and Macquarie Bank Ltd., amid market speculation it will soon receive an offer valuing the Australian flag carrier at up to 11 billion Australian dollars (US$8.5 billion)." The Journal continues, "In a brief statement, Qantas didn't provide further details on the nature of the approach, but a senior dealer said the group is expected to offer up to A$5.50 a share. Qantas shares soared on the news, with its stock gaining as much as 20% to a morning high of A$5.25 in Australia. … 'The approach is confidential and incomplete and is being investigated by Qantas,' Cassandra Hamlin, the carrier's acting company secretary, said in a statement to the Australian Stock Exchange, indicating other options such as a regional merger with Singapore Airlines might be on the table. … Qantas also said in a statement it has 'undertaken over a period of years discussions with a range of individuals and companies, including airlines, on possible partnerships, joint ventures and acquisitions.'" The Journal adds, "SIA, which competes with Qantas for passengers on lucrative routes to Europe and North Asia, said it isn't in talks with Qantas. … Macquarie Bank said it has no comment on the Qantas statement, repeating a statement made to Dow … The private-equity sector has targeted Australian companies in recent months with multibillion dollar bids. To date, the largest bid has come from a consortium led by Kohlberg Kravis Roberts & Co and including Texas Pacific, Blackstone Group LP and Bain Capital LLC, for Coles Myer Ltd. The retailer recently rejected the A$18.2 billion bid as inadequate."

Union Ruling Clouds Suez-Gaz De France Agreement. The Wall Street Journal (11/22, A11, Gauthier-Villars) reports, "A Paris court ruling could upset the schedule for the planned €43.43 billion ($55.65 billion)

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merger of French utilities Suez SA and Gaz de France SA, and potentially thwart the deal altogether, handing a victory to French energy-sector workers and dealing a major blow to France's government." The Journal continues, "The unexpected ruling, which GdF tried but failed to get annulled last night via an appeal, said state-run GdF can't approve the merger until it gives unions more information about the deal's impact on jobs. This means a crucial GdF board meeting that had been called for today to determine the merger's final terms is likely to be called off." The Journal adds, "The ruling, which was upheld late last night by an appeals court, may cause the merger schedule to be pushed back at least until March -- missing the original year-end deadline -- because Suez and GdF will have to redraft merger terms to factor in 2006 earnings, according to lawyers involved in the deal. Pushing through the highly politicized merger in the middle of the French presidential elections, planned for April, could also be tricky because the opposition left-wing Socialist Party opposes the deal."

Firm Exonerated Of Antitrust Allegations Wins Baldrige Award. USA Today (11/22, Jones) reports, "A San Diego company that in 2002 was the target of Senate antitrust hearings on Tuesday was one of three companies awarded the 2006 Malcolm Baldrige National Quality Award, perhaps the most prestigious award given to business by the federal government." USA continues, "Premier purchases $27 billion a year of medical supplies and services for 1,500 hospitals. In 2002 the company was accused of accepting something akin to payola from large manufacturers that kept small companies and their cutting-edge products from being sold to hospitals." USA adds, "The accusations were untrue, CEO Richard Norling said in an interview Tuesday, but the scrutiny proved to be a learning experience for the company. He says Premier also learned as it went through the Baldrige process and made changes designed to allow small companies in the medical industry to better compete. … Norling said it 'feels incredibly good,' to come full circle from being a company under scrutiny. He said that Baldrige examiners were aware of the company's history and had asked him if there was anything that might turn up later to tarnish Baldrige's image if it were to go out on a limb and give Premier the award. … 'The Baldrige Award's judges determined that Premier … lived up to (the award's) very high standards,' Baldrige director Harry Hertz said in an e-mail. 'Premier has been a leader in setting ethical practice guidelines.'"

EU Clears UCB Bid For Schwarz Pharma. The AP (11/22) reports, "Belgian drugmaker UCB SA won EU approval Tuesday to take over Germany's Schwarz Pharma AG, clearing the last regulatory hurdle to the deal." The AP continues, "The acquisition, which Schwarz's board is recommending to shareholders, would create a new company with revenue of more than 3.3 billion euros ($4.23 billion) and yearly research and development spending of 770 million euros ($986.91 million)." The AP adds, "UCB said it received a green light from U.S. regulators on Nov. 10 and was now waiting for Schwarz shareholders to tender their shares by a Dec. 8 deadline. … The European Commission cleared the deal despite overlaps between the two because they both produce a small number of over-the-counter and prescription medicines in some European countries, from antihistamines, iron supplements, heart disease drugs and asthma treatments. … But their combined market shares were not high enough to see them disrupt the market, it said."

Equities Exchange Said To Be Bigger Deal Than Talks Between Nasdaq-LSE. In a Wall Street Journal (11/22) op-ed, Wall Street Journal Europe editorial writer Kyle Wingfield discusses Nasdaq's latest attempt to acquire the London Stock Exchange, saying that the "context for understanding the relative importance of a potential Nasdaq-LSE tie-up," or a New York Stock Exchange-Euronext one, for that matter, "arrived last week. That's when seven leading investment banks announced plans to jointly run their own equities exchange in Europe." The mergers among traditional exchanges "are like pennies dropped from a window compared to the piano that the investment banks have sent hurtling down." According to Wingfield, the genesis of the investment banks announcement began with the "European Union's directive on markets in financial instruments." Among other obligations, the directive "imposes stricter price-publishing requirements on trading firms both before and after trades. The result is that seven investment banks -- Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, Merrill Lynch, Morgan Stanley and UBS -- figured that if they have to boost their price reporting, they might as well go a step further and have their own trading platform." Wingfield adds, "It is admittedly a bit hyperbolic to suggest that stock-exchange

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mergers are suddenly irrelevant," but "business as usual won't cut it. And that probably means more mergers -- maybe even a few that matter."

Columnist Says Airline Mergers Will Not Fix Industry Problems. In his column for the Wall Street Journal (11/22, A15), Holman Jenkins writes, "Last's week proposed merger of US Airways and Delta Air Lines is the leading edge of a consolidation wave that will finally fix the problems of the airline industry … and check out our selection of historic bridges for sale." Jenkins continues, "Life affords most other industries legal and structural ways to shield themselves from all-out price warfare -- through patents and branding, product differentiation, or various kinds of competitive 'friction.' Not so the airlines. The Internet has made pricing transparent. Lenders allow start-up or discount carriers to fly the latest, spiffiest models. The high-margin business traveler accounts for a smaller share of the market nowadays, and even he's become a lot less price-insensitive. And no industry is more discommoded by antitrust's primitive and ill-advised intolerance of cooperative behavior by competitors." Jenkins adds, "Don't expect consolidation to change this, even if the current murmurfest really does result in a flurry of deals to reduce the Big Six to two or three. There's a lesson in the special genius of US Airways CEO Doug Parker's proposed acquisition of Delta … what makes his deal appealing points to why other carriers are unlikely to rush into mergers of their own. Their costs in pain and anguish would be the same or greater, but with little prospect of being able to charge significantly higher fares, even in an industry where the number of competitors is reduced. … Alas, one thing that might help -- a relaxation of antitrust rules to allow airlines to enter and exit code-sharing agreements at will -- almost certainly won't transpire. Such a break with intellectual precedent would be the most direct way to turn a chronically unstable airline industry into one that is reasonably prosperous and provides the optimum of service in terms of frequency and destinations even in the grimmer parts of the business cycle." Jenkins concludes, "There was a time when Washington might have been willing to experiment with such a daring notion if only to get itself off the hook for the pension plans of failing carriers. Delta's then-President Fred Reid publicly ventured three years ago at an industry conference the hopeful possibility that the 'Department of Justice and the Department of Transportation ought to have an additional arrow in their quiver, to enable scheduling, pricing and yield management to be done in a centralized entity [by alliances of airlines] which was immune from antitrust laws.' … It will take at least another industry meltdown to put such a heterodox brainstorm back on the table. Ditto the equally adventurous idea of allowing foreign ownership of U.S. domestic carriers. Until then, investing in airline shares will be a game for speculators, not buy-and-holders."

ENVIRONMENT/INDIAN AFFAIRS:

Company Blames Farmers, "Act Of God" For Rice Contamination. The Washington Post (11/22, A5, Weiss) reports, "The company that created the experimental variety of genetically engineered rice found this summer to have contaminated the U.S. rice supply contends that rice farmers and an 'act of God' are to blame for the inadvertent release of the unapproved crop. … Those are among the assertions by Bayer CropScience of Research Triangle Park, N.C., in response to a class-action lawsuit filed by hundreds of farmers in Arkansas and Missouri." The Post continues, "The 30-page response offers the first clue to how the company plans to defend itself against the 15 class-action lawsuits filed by farmers, who allege that they stand to lose millions of dollars because of the contamination. … Lawyers for the farmers said they had expected the company to deny responsibility, but were offended by its attempt to blame farmers. The lawyers said their clients had no reason to suspect that the seeds they were planting in recent years were contaminated by Bayer's unapproved variety. … 'The farmers are innocent victims,' said Don Downing, a principal at Gray, Ritter & Graham PC, the St. Louis firm that filed the largest suit, in U.S. District Court in eastern Missouri." The Post adds, "Denying any culpability, the Bayer response variously blames the escape of its gene-altered variety of long-grain race, LL601, on 'unavoidable circumstances which could not have been prevented by anyone'; 'an act of God'; and farmers' 'own negligence, carelessness, and/or comparative fault.' … Bayer conducted field tests of LL601 from 1999 to 2001 in Louisiana, then dropped the project without seeking government approval to market it. This year, LL601 was found to be widespread in U.S. long-grain rice, prompting Europe to cut off imports and throwing the rice futures market into turmoil."

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WPost Says Government Flu Strategy Wanting. The Washington Post (11/22, A20, 690K) reports says in an editorial, "The Department of Health and Human Services released a progress report on its preparations for a flu pandemic in the United States." But "a report released by the World Health Organization earlier this month said that strains of the H5N1 'bird flu' virus -- a likely candidate for mutation into a pandemic flu -- might be developing resistance to Tamiflu and other antivirals." The WHO report "was pessimistic about the effectiveness of the vaccines against strains of the virus they were not designed to fight. In other words, if a pandemic flu began spreading tomorrow, the government's most effective strategies for saving lives could be old-fashioned quarantine and public education, techniques akin to those used during the great flu pandemic of 1918. It is not surprising, then, that the federal government currently estimates that as many as 2 million people could die if a virulent and contagious strain of flu hit the United States." Added American assistance "to the understaffed WHO in Indonesia, Thailand and Vietnam could save many more American lives than 50 million courses of antivirals."

Mining Companies Eye Navajo Land. In Part 4 of "Blighted Homeland," a four-part series on uranium contamination on Navajo tribal land, the Los Angeles Times (11/22, Pasternak) reports, "Decades after the Cold War uranium boom ended, leaving a trail of poisonous waste across the Navajo Nation, the mining industry is back, seeking to tap the region's vast uranium deposits once again. Companies are staking claims, buying mineral rights and applying for permits on the edge of the tribal homeland. They make no secret of their desire to mine within the reservation as well. … Mining companies are extracting uranium in Texas, Wyoming and Nebraska, and are taking steps to mine in Colorado. But Navajo country, covering some 27,000 square miles in Arizona, New Mexico and Utah, is the biggest prize of all — 'the Saudi Arabia of uranium,' in the words of Mark Pelizza, a vice president of Uranium Resources Inc."

NRC Tests Find Contaminated Water Under Indian Point. The AP (11/21) reports, "Government tests indicate that amounts of radioactive material found in ground water under the Indian Point nuclear power plants were seven times higher than reported by the laboratory hired by the complex to test for leaks. Testing conducted for the Nuclear Regulatory Commission and the state Department of Environmental Conservation revealed that strontium 90 levels from the August samples ranged from 5 to 30 picocuries per liter. … Nonetheless, the NRC and state health officials have said for more than a year that the public is not in danger because the radioactive isotope is not reaching any sources of drinking water."

Residents Concerned About Indian Point "String Of Problems." WRNN-TV New York (11/21, 7:06 p.m) reported, "From radioactive leaks, to control rod malfunctions, to emergency siren failures, Indian Point has suffered from a string of problems over the past few years, forcing to shut down for months at a time and earning the worst rating in the country. For some residents, their concern is a matter of security. On 9/11 one of the planes that struck the world trade center flew directly over the plant on its way to New York City."

FBI/DEA/ATF/USMS:

Gonzales Says FBI Will Add Southwest Colorado Agent. The Durango Herald (11/21, Hanel) reported, "The Federal Bureau of Investigation will send a new special agent to the Four Corners in large part to deal with a combined murder rate on the two Ute Indian reservations that is 20 times the state average." Sen. Ken Salazar "said he secured the commitment from Attorney General Alberto Gonzales on Friday. The region currently has one FBI agent," and it "might get an additional federal prosecutor, as well, according to Salazar." The Herald added, "The new FBI agent will have to go through the typical federal application and hiring process, said Special Agent Renee Vonder Haar, the FBI's spokeswoman in Denver. She doesn't know how long it will take to hire a new agent."

CBS To Air "Criminal Minds" Episode Written By FBI Profiler. Under the headline "FBI Profiler Inspires Actor," USA Today (11/22, Keveney, 2.27M) reports, "Jim Clemente keeps a picture in his wallet of a boy he helped save as a member of the FBI's Behavioral Analysis Unit. It reminds him of why he does his job. It reminds the actors on CBS' Criminal Minds of the real people they portray. 'I saw that he carries this picture with him wherever he goes, and that the saving of these children is what his life is all about,' says Mandy Patinkin, who became friends with Clemente during research for his role as BAU profiler Jason Gideon." USA adds, "Now, in a rare occurrence for an agent still with the FBI, Clemente has written a Minds episode,

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tonight's 'Lessons Learned' (9 ET/PT), in which the agents interrogate a Guantanamo Bay detainee in the hope of stopping an imminent terrorist attack in the USA. Clemente, 47, says the collaboration works well, creating an accurate picture of the BAU for the public and alerting other law enforcement agencies to its services, particularly in cases in which time is of the essence. 'In one hour, they can reach 15 million people,' he says."

Rhode Island Drug Sweep Nets Dozens Of Arrests. The Providence Journal (11/22, Smith) reports, "In an investigation aimed at especially brazen drug dealing on street corners, the city police and federal drug agents have arrested 70 people on narcotics and weapons charges and are seeking to arrest another 27." The Journal continues, "Law enforcement authorities began rounding up the suspects last week, punctuating an investigation nicknamed Operation Crackdown that was announced yesterday. Some corners where the drug peddlers stood three, four or five deep, depending on the weather or the time of day, have been cleared, said police Sgt. Fabio Zuena." The Journal adds, "The operation incorporates a new approach in which seven suspects with minor criminal records were separated from the crop destined for arrest and will be offered what Police Chief Dean M. Esserman called 'a second chance' to straighten out their lives and avoid another arrest. … Those seven — four juveniles and three adults — will be called into a room for a dose of 'tough love' by their neighbors, community leaders and the police, Esserman said, and offered education, substance-abuse treatment and employment opportunities. … They will be told, he said: 'You may not return to that corner. We don't have to catch you. We've already caught you. We just have to have the [arrest] warrant signed the moment you return to that corner.' Then an array of social services will be pressed on them." The Journal notes, "Operation Crackdown was described as unusual in its duration and scope. Beginning in April and lasting through last month, investigators researched the drug-dealing hot spots throughout Providence and focused on an area of Upper South Providence with the Lockwood Plaza public-housing development as the epicenter. … They identified 104 people as investigation targets, including the seven who are avoiding immediate arrest, and made a number of undercover purchases of cocaine and handguns. Esserman and Mayor David N. Cicilline said that list makes it 'the largest narcotics and gun investigation' in Providence police history. Brian Crowell, assistant special agent in charge of the New England division of the U.S. Drug Enforcement Agency, said the 72 arrested are 'the most ever targeted in a single drug investigation in Rhode Island.'"

Philadelphia Inquirer Highlights DEA Internet Pharmacy Investigation. In a continuing report on a DEA international Internet pharmacy case, the Philadelphia Inquirer (11/22) reports Temple grad student Akhil Bansal and his dad in India "are making millions smuggling pills to Americans who buy them online. Today's installment begins as DEA agents race to Australia, hoping to head off a move that could ruin their big case. It is October 2004." Andrew Shackleton "lived in Australia, where he appeared to run a multimillion-dollar online pill ring. DEA believed that Shackleton used pill suppliers around the globe, including bit players such as Temple University graduate student Akhil Bansal." The DEA "hoped to extradite Shackleton and charge him under a U.S. law – 'operating a continuing criminal enterprise.' The law had been aimed for use against mobsters and drug kingpins. This would be among the first uses against Internet pill pushers."

On its Web site, the Philadelphia Inquirer (11/21) also has posted surveillance video it says shows drug shipments being unloaded from a vehicle.

In Colombia, US Pulls Some Resources Out Of Anti-Drug Effort. In Bogota, the Miami Herald (11/21, Dudley) reports, "After several years of trying to wean farmers from the drug trade in the conflictive southern province of Caquetá, the U.S. government is winding down its funding of alternative development programs in the region. The pullout comes amid a flurry of criticism of U.S.-backed efforts to eliminate illegal drug production in Colombia, and just before the U.S. Congress is expected to vote to continue aid for counter-drug programs in this nation of 41 million people." At first, Plan Colombia "seemed to be working in Caquetá. … But now both parts of the effort seem to be in retreat. According to politicians from the area and analysts of the military, the Colombian army is quietly withdrawing some troops from the province. … Meanwhile, the United States has stopped funding economic development programs in the Caquetá region."

Seneca Nation Tobacco Merchant Reaches Compliance Deal With ATF. The Buffalo (NY)

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News (11/22, Herbeck) reports, "A prominent Seneca Nation tobacco merchant who has tangled several times with the federal government has agreed to change his business practices and forfeit $1.25 million to the government." The News continues, "Scott B. Maybee, one of the largest Seneca tobacco merchants in the region, signed a recent federal court agreement promising that his cigarette companies will closely adhere to federal laws during all future sales. … The agreement is believed to be the first of its kind between a Native American mail-order tobacco business and the federal government, federal officials said Thursday." The News adds, "Maybee runs three Salamanca-based companies that employ about 200 people to do mail-order and Internet cigarette sales. His business was the subject of a lengthy investigation by the U.S. Bureau of Alcohol, Tobacco, Firearms & Explosives. … In court papers, U.S. Attorney Terrance P. Flynn agreed that the government will not criminally prosecute Maybee for any activities uncovered during the investigation. … Maybee, in turn, will forfeit $1.25 million to the government, in six payments spread out over the next two years."

NYTimes Criticizes Allen's Concealed Weapons Bill. The New York Times (11/22, 1.16M) says in an editorial, "As a last little gift to America, Senator George Allen, who was narrowly defeated by James Webb this month, has introduced what may be his final piece of legislation: a bill that would allow the carrying of concealed weapons in national parks. The argument behind the bill is that national park regulations unfairly strip many Americans of a right they may enjoy outside the parks. The bill has passed to the Senate Committee on Energy and Natural Resources, where we hope it will die the miserable death it deserves." If Americans "want to feel safer in their national parks, the proper solution is to increase park funding, which has decayed steadily since the Bush administration took office." Make "no mistake. Senator Allen's bill would make no one safer. It can only endanger the public."

IMMIGRATION:

Bush, Congress Said To Be Unwilling To Construct Border Fence. CNN's Lou Dobbs Tonight (11/21) reported President Bush "signed the bill for a border fence before the election. Cynics called it an election year ploy. It turns out they may have something. They noted that Congress had approved only 700 miles of fencing covering just about 1/3 of the border with Mexico and had failed to fully fund it. Now, with the election behind us, many say it will simply never be built. … The building of this fence…is a construction project that is going nowhere fast." Bush "signed it into law, but no one wants to pay for it. Proof, say critics, that neither the President nor congress has any intention of building a fence or of cracking down on illegal immigration. … Incoming chairman of the House Homeland Security Committee Bennie Thompson has already made it clear that he doesn't want a physical fence along the border with Mexico. He believes in a virtual fence. That puts him on the same page with Homeland Security Secretary Michael Chertoff, who is also promoting technology as the answer to securing the border."

National Guard Draws Criticism From Border Patrol Union. Fox news' Special Report (11/21, Hume) reported, "President Bush's decision in May to send the National Guard to the U.S.-Mexican border to support efforts to curb illegal immigration was greeted with both fanfare and catcalls. Supporters said it would enhance national security. Critics claim it would be ineffective at best. So, how is that program working out?" Fox went on to report, "even if a member of the National Guard actually spots someone crossing over from Mexico into the United States, all he can really do is look, listen, and get on the radio. … Critics say when you are talking about billions of dollars, that's a problem." National Border Patrol Council's T. J. Bonner: "The projected cost of operation Jump-Start for the full duration is going to be $1.9 billion. … That's a tremendous amount of taxpayer funds. And to what end?" Fox added, "the President of the border patrol union says the money would be better spent directly on more border patrol agents rather than expensive backup." Bonner: "This is a big P.R. campaign. And it's a flop." Fox adds, "supporters insist since operation jump-start began, the number of crossings are down and arrests of illegals along some stretches of the border are down 40%. Indicating, they say, the program must be working."

Governors Seek Additional Federal Money For Jailing Illegal Immigrants. The AP (11/22) reports, "Governors of nine states, including Arizona and California, are urging President Bush to include full reimbursement for states' costs of imprisoning illegal immigrants convicted of crimes when he submits his

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proposed federal budget next year." The AP continues, "Arizona Gov. Janet Napolitano's office said she and California Gov. Arnold Schwarzenegger were spearheading the effort to increase funding for the State Criminal Alien Assistance Program administered by the U.S. Justice Department." The AP adds, "Until the federal government secures the border, the SCAAP funding is needed and deserved by states that have 'to fill this gap by policing the regions and incarcerating criminal aliens at their own considerable expense,' said the letter, which was dated Monday and released Tuesday. … Other state governors who signed the letter were Bill Richardson of N.M.; Thomas Vilsack, Iowa; Christine Gregoire, Wash.; Phil Bredesen, Tenn.; Jon Corzine, N.J.; Ted Kulongoski, Ore.; Brad Henry, Okla.; and Kathleen Sebelius, Kan. Gov. Anibal Acevedo Vila of Puerto Rico also signed the letter." The AP notes, "The letter is the latest in a series of steps taken publicly and behind the scenes by governors to press for increased SCAAP funding. … In July, Gregoire sent an invoice for nearly $50 million to the Justice Department for unreimbursed costs of housing criminal illegal immigrants in state prisons. … Napolitano has sent similar invoices since late 2004."

US Wrestles With Fate Of Deportees Who Face Danger In Native Land. The New York Times (11/22, Bernstein) reports, "On the evening of Nov. 2, a young corporate lawyer in New Jersey received a frantic call from a charity client, a 46-year-old Harlem grocery clerk with a history of petty crime. He was in custody on an airplane in Newark on his way to Mogadishu, the capital of his native Somalia, a country so dangerous that to the lawyer's knowledge, no one had been deported there in years." The Times continues, "The courts were closed, and a federal judge who heard an emergency motion the next day ruled that the clerk, Mohamad Rasheed Jama, was already outside United States jurisdiction. … So, after a stop in Nairobi, where he was handed over to Kenyans, Mr. Jama stepped off an airplane in Mogadishu — and into the hands of Islamist militants, who soon accused him of being an American spy and began demanding money. … 'They were extremely angry,' said his lawyer, Emily B. Goldberg, relating the last frightened call she got from Mr. Jama, who had spent four years in immigration detention in New Jersey awaiting deportation to the land he left at 18. 'He asked me if there was anything I could do. I told him in the American system, there was nothing more I could do.'" The Times adds, "Mr. Jama, whose deportation was based on a 1989 conviction for owning an unlicensed gun, is among the first Somalis to be repatriated against his will since the United States Supreme Court ruled 5 to 4 last year that the lack of a functioning central government in Somalia did not bar such deportations. About 4,000 Somalis nationwide are eligible for immediate deportation under the ruling, which turned on the syntax of a Congressional statute. … The case of Mr. Jama, who has a 9-year-old American daughter in Harlem, highlights issues the nation has wrestled with for decades, such as what to do with deportable immigrants who can neither be detained indefinitely nor safely repatriated, and what should limit the government's discretion to decide their fate."

TAX:

Snipes Says He Is Scapegoat In Tax Fraud Case. The AP (11/22) reports, "Wesley Snipes has told a newspaper columnist he is being unfairly targeted by federal prosecutors who indicted him on tax fraud charges. … 'It appears I'm to be the scapegoat, because there's more public interest in "celebrities gone bad" than "rich people being taken advantage of,"'' Snipes wrote last weekend in an e-mail to Orlando Sentinel columnist Scott Maxwell." The AP continues, "An Oct. 17 indictment charges Snipes with fraudulently claiming refunds totaling nearly $12 million in 1996 and 1997 on income taxes already paid. The star of the 'Blade' trilogy and other films was also charged with failure to file returns from 1999 through 2004. … According to the indictment, Snipes had his taxes prepared by accountants with a history of filing false returns to reap payments for their clients. The firm, American Rights Litigators, would receive 20 percent of refunds from clients, according to the indictment. … If convicted, Snipes, 44, faces up to 16 years in prison."

CONGRESS-ADMINISTRATION:

Bush Open To Considering Tax Hike As Part Of Social Security Deal. The Washington Post (11/22, D1, Montgomery, 690K) reports, "With the elections over and Democrats poised to take control on Capitol Hill, the Bush administration is making a fresh push to persuade them to help rein in the rising costs of Social Security and government health-care programs by offering to open talks

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with 'no preconditions.'" Treasury Secretary Henry M. Paulson Jr., "the president's point man on Social Security and other entitlement programs, said in an interview yesterday that he has had 'a number of...very, very general, very preliminary conversations' with lawmakers from both parties about the issue since Election Day, Nov. 7." The Post adds Paulson said "no preconditions" means "both sides get a chance to put their ideas on the table. In regard to Social Security, administration officials said that means…Bush will continue to advocate that younger workers be allowed to divert a portion of their Social Security taxes into private retirement accounts, a proposal Congress roundly rejected last year. It also means that the White House is willing to listen to other ideas, administration officials said, including personal savings accounts that do not involve diverting Social Security taxes, as well higher payroll taxes to help cover a projected explosion in Social Security costs after members of the baby boom generation begin to retire in 2008." Rob Portman, director of the Office of Management and Budget, said, "We're in a listening mode. … The president wants to listen. He wants to hear what the leaders on Capitol Hill think is the best way to go. He's not wed to any particular approach."

The possibility that Bush may consider a tax increase was first raised on Monday by Lawrence B. Lindsey, president and CEO of the Lindsey Group and formerly President Bush's chief economic adviser from 2001 to 2002. In a Wall Street Journal op-ed (11/20, A16), Lindsey wrote about "rumors" in Washington "that the president may be willing to raise taxes as part of a 'deal' on entitlement reform."

The Wall Street Journal (11/22, A6, Calmes, 2.04M) reports this morning, "Were the president to drop private accounts and call their bluff, Democrats would be challenged to make good on their professed willingness to help ensure Social Security's solvency. … Except for the Iraq war, perhaps no other issue so tests whether Democrats' capture of Capitol Hill in this month's midterm elections will cause Mr. Bush to alter what has been a largely partisan and uncompromising governing style. At the same time, any compromises cut with the Democratic majority are sure to cost Mr. Bush the support of many Republicans, especially in the House."

Staff Shortage, Medicare Premium Hike Leave SSA Under Stress. The Washington Post (11/22, D4, Barr, 690K) reports in its "Federal Diary" column, "Staffing problems at the Social Security Administration could make it difficult for field offices to handle increased telephone calls and visits prompted by an upcoming increase in Medicare premiums, according to the Government Accountability Office." In a letter "sent last week to the Senate Finance Committee, the GAO warned that Social Security is coping with staff shortages and operating under a hiring freeze just as the agency's workload is expected to jump because of the premium increases. The GAO, the congressional auditing agency, noted that the premium change, though approved by Congress in 2003, may come as a surprise to some beneficiaries."

Democrats Not Expected To Block Gates Nomination. The AP (11/22, Flaherty) reports, "When Robert Gates testifies before a Senate panel in two weeks, Democrats will voice their opposition to administration war policies and gauge Gates' willingness to change them. But they probably won't stand in his way to becoming the next defense secretary." Democrats "have begun lining up behind Gates, indicating they are inclined to vote for him if he meets two general criteria: He agrees a new approach in Iraq is needed and demonstrates he will hold sufficient political clout at the White House. … The senators say they are not immediately opposing Gates largely because his confirmation would lead to the departure of Donald H. Rumsfeld, the Pentagon chief who led the US invasion in Iraq and staunchly defended the war even as public approval plummeted."

Rangel Says Draft Proposal Was Meant To Ignite Debate. USA Today (11/22, Kelley, 2.27M) reports, "Turning conscripts into battle-ready troops would take a year or more in the unlikely event the government revived the draft, military experts say. Rep. Charles Rangel, D-N.Y., said this week that he will reintroduce a bill he sponsored in 2003 that would reinstate the military draft. Defense Secretary Donald Rumsfeld and other military leaders, however, oppose the plan and call a draft neither necessary nor practical. House Speaker-elect Nancy Pelosi also said Monday that she opposes the plan." Rangel "doesn't expect Congress or President Bush to support reviving the draft, says Emile Milne, the congressman's spokesman." Instead, Rangel "wants to spark a 'discussion among the people who represent the American people here in Congress.'"

The Christian Science Monitor (11/22, Knickerbocker, 59K) asks, "Would reinstituting the military draft even things

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out, spreading the responsibility while influencing politicians to think twice before sending men and women into harm's way?" Rangel "thinks so. Challenging Iran and North Korea as well as increasing the US force level in Iraq to try to stem the heightened violence there can't be done without a draft, says Mr. Rangel, a Korean War combat vet." The Monitor ads "Rangel's bill is unlikely to go far in Congress, where opposition reflects public opinion. But his proposal does raise important questions about how the armed forces are put together today and how the US military operates."

USDA Representative Defends "Hunger" Omission In Report. The Washington Post (11/22, A19, 690K) reports that after a letter to the USDA from Congress regarding omitting the word "hunger," Mark Nord, a USDA sociologist and the lead author of the report, "repeated this week that 'hunger' is not a scientifically quantifiable term." He said, "USDA has more money in food assistance than in farming and forestry programs combined," and "has denied that removing the word from the report was a political act."

Controversial HHS Official Prescribed Birth Control In Private Practice. The Washington Post (11/22, A4, Lee, 690K) reports, "Despite his work for a Christian pregnancy counseling group that opposes contraception, the physician who yesterday began overseeing federal family-planning programs has prescribed birth control for his patients, a Department of Health and Human Services spokeswoman said." Eric Keroack, "a nationally known advocate of abstinence until marriage, served for more than a decade as medical director for A Woman's Concern, a Massachusetts nonprofit group that discourages abortion and does not distribute information promoting birth control. But HHS spokeswoman Christina Pearson said yesterday that most of Keroack's professional time had been devoted to his private practice of 20 years, not the group."

Democrats Unlikely To Advance Liberal Interest Groups' Agenda. USA Today (11/22, Stone, 2.27M) reports advocates "for abortion rights, gun control and gay rights say they are thrilled by the Democratic takeover of Congress. Even so, they admit their issues aren't likely to be addressed early — or at all — during the legislative session that begins in January." Rep. Rahm Emanuel, "who headed the Democratic campaign committee and is part of the leadership team setting the agenda for the upcoming term, says his party was 'very clear' on its priorities: The Iraq war, ethics reform, health care, jobs and other economic concerns will come first." But that is "not likely to deter liberal bloggers and groups such as MoveOn.org, says University of California-Berkeley political scientist Bruce Cain. Those groups will 'keep the heat on,' Cain says. He predicts they'll have little success."

Dodd Faces Balancing Act Between Business, Democratic Base. The New York Times (11/22, Labaton, 1.16M) reports that as Sen. Christopher J. Dodd "prepares to take over the leadership of the Senate Banking Committee while also considering a run for the presidency, lobbyists and lawmakers are all asking the same question." Travis B. Plunkett, the legislative director of the Consumer Federation of America, said, "Does he become a populist champion on issues that broadly affect the middle class, or does he shrink from controversial issues that offend huge donors?" The Times adds it is a "question facing not only Mr. Dodd, but the Democratic Party more generally as it assumes control of Congress." Dodd has "shown through a 25-year record in the Senate that he is adept at going both ways. He has, at various times, broken with big corporate interests in support of a principle. At other times, he has broken ranks with his more liberal party peers to advance causes associated with corporate patrons." In a "recent interview, Mr. Dodd said that he had hoped to be seen as unpredictably independent and willing to listen to both corporate interests and consumers." Dodd said he "planned to broaden the agenda of the committee. He proposes to look at issues of national security, including the way the administration reviews foreign investment in vital American companies, and prosperity, by examining everything from affordable housing to the loss of manufacturing jobs in the United States." But Dodd said he "was satisfied with Sarbanes-Oxley, which he played a significant role in drafting. He said he had not yet reached the same conclusions as the Bush administration and some Democrats that the law, combined with excessive litigation, had driven companies to issue stock in overseas markets instead of on Wall Street."

Democrats Set Sights On Prime Capitol Real Estate. The New York Times (11/22, Hulse, 1.16M) reports, "Forget those pesky leadership fights. The folks who run Congress are now getting down to what really matters on Capitol Hill: dividing up the office space." In "something of a

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break with recent tradition, the incoming Democratic speaker, Nancy Pelosi of California, is planning to expropriate the second-floor suite of offices now occupied by the current speaker, J. Dennis Hastert — a handful of rooms providing a spectacular view of the Mall." That space "has been in Republican hands for 50 years or so, even when Democrats were in charge." While Democrats are "moving up, Republicans are downsizing, abandoning their preferred spots and planning to squeeze into the current, tighter digs of the Democrats." Vice President Dick Cheney "might also come out a loser in this literal floor fight. Democrats have an eye on an office on the House side that Republicans granted to him as a kind of second home in the Capitol, to complement his office on the other wing of the building, where, by virtue of the Constitution, he presides over the Senate (he has no formal role in the House)." Rep. Charles B. Rangel "is interested in reclaiming Mr. Cheney's House space for the Ways and Means Committee."

Point Man On Financial Crimes To Leave Treasury. The AP (11/22) reports, "The chief of a federal agency that plays a key role in trying to catch terrorist financiers, drug lords and other criminals is stepping down at the end of this year." Robert Werner, director of the Treasury Department's Financial Crimes Enforcement Network, "will take a job with Merrill Lynch & Co. Inc., the department announced Tuesday."

Senate Panel To Review DC's Medicaid Program. The Washington Times (11/22, Mcelhatton, 88K) reports, "The Senate Finance Committee is seeking a review of the District's Medicaid program, citing a 'troubling' recent city audit of patient transport and reports of questionable billing. In addition, the D.C. Office of the Inspector General is conducting two audits of the city's Medicaid transportation program -- one examining the background of providers and the other focusing on the legitimacy of claims being submitted by transport companies." The Times adds, "The federal and local scrutiny of the District's Medicaid transportation program follows a report last month in The Washington Times that noted long-standing lapses and concerns about the program." Sens. Charles E. Grassley and Max Baucus of Montana "sent a letter Friday to D.C. Inspector General Charles Willoughby seeking a confidential briefing on efforts to probe city Medicaid costs."

IBM, Cray Win DARPA Supercomputer Contract. The Wall Street Journal (11/22, B2, Clark, 2.04M) reports, "A Pentagon research agency announced plans to spend nearly $500 million to develop next-generation supercomputers, funding ambitious design efforts at Cray Inc. and International Business Machines Corp. The Defense Advanced Research Projects Agency said it will award Cray $250 million and IBM $244 million under a new phase of a long-running development program, which hopes to create not only major advances in hardware but also new ways to program massive scientific machines." IBM and Cray officials said that DARPA's "unprecedented" grants reflect "a determination to ensure the U.S. remains in the forefront of the field."

Husband Of US Trade Representative Dies. The AP (11/22) reports, "Curtis Carroll, husband of U.S. Trade Representative Susan Schwab, has died, Schwab's office announced Tuesday. Carroll, a professional magician, died Monday of kidney and liver failure, Schwab spokesman Sean Spicer said." Deputy US Trade Representative John Veroneau "will represent Schwab on Wednesday at the signing ceremony for a free trade agreement with Colombia, Spicer said."

Spellings Is First Cabinet Secretary To Appear On "Jeopardy." The AP (11/22, Zuckerbrod) reports, "Education Secretary Margaret Spellings says she studied hard to prepare for Tuesday night's airing of 'Celebrity Jeopardy!'" Spellings is "the first Cabinet secretary ever to appear on" "Jeopardy!" By appearing, she won $25,000 for the charity ProLiteracy Worldwide which was picked by "Jeopardy!" in order to "comply with government ethics rules."

Retired Admiral Teaching At Naval Academy Profiled. The Washington Post (11/22, Weeks, 690K) reports that retired Adm. William J. Crowe, Jr., "with hearing aids and stooped shoulders, is passing along his sea of wisdom to a classful of intense and intrigued midshipmen at the U.S. Naval Academy." Asked about Iraq, "He does have some notions on how to avoid getting into another Iraq-like complication. ... Crowe believes it's the perfect moment to craft guidelines that might be used the next time around." Crowe, "who has been teaching in the academy's political science department since 1999, hopes to engender a sense of caution and reason in the next generation of commanders

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and help keep the United States from entering unjust -- and unjustified -- interventions." He "supported John Kerry in 2004."

White House Communications Move To Internet Infrastructure. Government Computer News (11/22, Wakeman) reports the "completion of the transition of the White House's external communications system to an Internet protocol-based infrastructure will be done by General Dynamics Corp.'s IT business." Under a "$7 million contract from the White House Communications Agency, General Dynamics of Falls Church, Va., will use a Synchronous Optical Network backbone for connections between the White House and the outside world." General Dynamics "has been working with the White House Communications Agency for more than four years on various communications projects doing analysis, design and infrastructure upgrade work, said company spokesman Mark Meudt." The White House Communications Agency "provides the systems for the president, vice president, presidential emissaries, White House staffers and Secret Service. The systems include audiovisual, voice and data capabilities. The White House Communications Agency also supports the president when he travels."

Democratic House Aide Cleared In Leak Probe. The New York Times (11/22, Shane, 1.16M) reports, "A Democratic staff member [Larry Hanauer] of the House intelligence committee has been cleared of wrongdoing by a Republican-led leak investigation and reinstated in his position, committee officials said Tuesday." Hanauer was accused of being "a source for an article on Sept. 24 in The New York Times about a National Intelligence Estimate saying the Iraq war had become a cause célèbre for terrorists." Democrats called the investigation "payback for a decision by the committee's ranking Democrat, Representative Jane Harman of California, to release a report by an outside counsel into actions on the committee by former Representative Randy Cunningham, a California Republican now serving a prison term for taking bribes."

Attention Given To Pelosi's Attire Considered. The AP (11/22, Noveck) reports House Speaker-elect Nancy Pelosi's "clothes — stylish, well-chosen and nicely cut, of the Armani variety" have "garnered attention since she became the most powerful woman in American politics earlier this month." The AP asks, "Why do we focus on Pelosi's clothes and not those of our president, or any male in Washington? Is it inherently sexist, detracting attention from her obvious accomplishments? Or is it merely a reflection of the obvious truth that, while clothes matter for both men and women, female attire is more noticeable, more expressive and more interesting?" Pelosi, "a 66-year-old grandmother, isn't the first powerful woman in politics to be put under the sartorial microscope. The choices of Hillary Clinton, perhaps the most visible woman in U.S. politics, have been deconstructed through time, from her changing hairstyles to her inaugural hat in 1993 to the constant dark pantsuits on the Senate campaign trail, often paired with a pink blouse. (Again, imagine her well-dressed husband being criticized for always choosing a dark suit.)" One "extensive analysis of Pelosi's clothing came from Pulitzer-prize winning fashion critic Robin Givhan of The Washington Post, who often writes about the attire of major Washington figures — including a much-noticed piece on Vice President Dick Cheney's casual outerwear at a Holocaust memorial service in Poland last year."

Paulson Criticized For Lack Of Political Savvy. In his Washington Post column (11/22, D1), Steven Pearlstein says Treasury Secretary Hank Paulson "gave a splendid speech this week about the need to re-engineer the financial regulatory structure to make it more efficient and enhance the competitiveness of U.S. markets in the face of stiff new competition from London and Hong Kong." Paulson's "approach is reasoned, nuanced and pragmatic. It is also refreshingly naive." Paulson "comes at these issues as someone who is willing to take the facts and logic wherever they lead, even if it means offending friendly interest groups or running some sacred cows off the road." What Paulson "hasn't had time to master is the black art of Washington policy-speak -- and that is where the naive comes in." Paulson has "brought a breath of fresh air to the stale partisan atmosphere of Washington. But if he wants to succeed as the honest broker, he'll need to crack the code on the Washington policy conversation and reassure Democrats and other skeptics that he's got something new to sell."

WPost Says Paulson Wants Right Balance On SarbOx. The Washington Post (11/22, A20, 690K) says in an editorial, "US and foreign companies alike sought listings on U.S. stock exchanges so that they could tap into the world's

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largest and most efficiently managed pool of savings. But this has recently ceased to be true: Fewer companies are seeking U.S. listings; some foreign ones are delisting, preferring to trade on a stock exchange elsewhere; and many U.S. companies are turning their backs on stock exchanges altogether as private-equity funds acquire them. Some interest groups have presented these trends as evidence that the post-Enron reform of corporate governance, through the Sarbanes-Oxley law, overreached. Mr. Paulson rightly refused to swallow that simplification." Under Sarbanes-Oxley, "auditors have insisted on an excessively burdensome implementation of now-infamous Section 404 of the law, which requires companies to check the management systems used to generate numbers on sales, inventory, costs and so on. What's needed is regulatory guidance to dissuade auditors from interpreting this requirement overzealously, particularly for smaller firms. Mr. Paulson has struck the right balance."

Dorgan Defends Pessimistic View Of Trade Deficit. In a Wall Street Journal (11/21, 2.04M) letter to the editor, Sen. Byron Dorgan says, "Alan Murray's column ('Two Books, Two Different Democratic Tones,' Nov. 8) about my book 'Take This Job and Ship It' complains that it isn't upbeat and optimistic. Well, he's right about that! My book takes on the $800 billion-a-year, out-of-control trade deficits. It looks behind the economic numbers to understand what is happening to American workers who are being told to compete with workers in other parts of the world who will work for pennies an hour. My book pulls back the curtain on incompetent trade agreements that sell our country short by paving the way for outsourcing American jobs and running up crushing trade deficits. It's hard to find optimism in that kind of failure." Dorgan adds he believes "the current path is unsustainable. These trade deficits will have significant and dangerous consequences to our economy and our future. That doesn't mean we should retreat into a protectionist strategy. But we should recognize that we are engaged with smart, tough economic competitors, and it's long past the time for us to insist that the rules of trade be fair to our country, to our workers and to our businesses."

Liberal Economists To Unveil Plan To Shield US From Globalization. In his Washington Post column (11/22, A21), Harold Meyerson says that to counteract the problems caused by globalization, former Treasury Secretary Robert Rubin's Hamilton Project "has called for greater public investment in education, health care, research and development, and infrastructure; balancing the budget; and wage insurance for workers compelled to take lower-paying jobs in our Wal-Mart-ized economy." In response "to the Hamilton Project's creation, a group of some 50 liberal economists loosely affiliated with the Economic Policy Institute (EPI) began work of their own" that will "be unveiled in January." The "fundamental difference between the two projects -- that is, between the two primary schools of Democratic economics -- is that Rubin's largely believes the rules of the market to be immutable and sound (though it's precisely the rules of the market that are depressing American incomes), while EPI's, in the words of economist Mark Levinson, 'rejects the notion that what has happened to this economy is inevitable. Policy can turn this around.'" EPI's project "will call for a pay-or-play health insurance system (employers can cover their own employees in private plans or pay taxes into an expanded version of Medicare that will cover everyone else) and for a retirement system in which employers can offer their employees pensions or, with their employees, pay into a system administered by Social Security. It will suggest a series of policies to decouple globalization from downward pressure on wages -- adding some enforceable labor standards, for instance, to the rules of the World Trade Organization."

Bush Daughter's Purse Stolen In Argentina. The AP (11/22) reports US and Argentine media "reported that one of President Bush's 24-year-old twin daughters had her purse stolen while being guarded by the Secret Service during a visit here." ABC News, "citing unidentified law enforcement reports, reported on its Web site Tuesday that Barbara Bush's purse and cell phone were taken while she was dining in a Buenos Aires restaurant." La Nacion newspaper, citing anonymous government sources, said in its online edition early Wednesday that one of Bush's daughters had her purse taken Sunday afternoon in the popular tourist district of San Telmo."

The Washington Post (11/22, Argetsinger, Roberts, 690K) reports in its "Reliable Source" column, "ABC News reported yesterday that elder-by-seconds twin Barbara joined Panama-based sister Jenna on a trouble-scarred trip to Argentina. ABC, citing 'law enforcement reports' it obtained, said someone stole a purse and cellphone from Barbara at a Buenos Aires restaurant -- right under the noses of her Secret

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Service agents. Also, an agent accompanying them was mugged during his off-hours."

Bush Called Uncivil For Use Of Term "Democrat Party." In her Washington Post column (11/22, A21), Ruth Marcus says, "If he wanted to, President Bush could change the tone in Washington with a single syllable: He could just say 'ic.' That is, he could stop referring to the opposition as the 'Democrat Party' and call the other side, as it prefers, the Democratic Party." The "derisive use of 'Democrat' in this way was a Bush staple during the recent campaign." But "even as he promised to work to change the tone in Washington after the elections, the president couldn't manage to change his language. In his day-after-the-elections news conference, Bush employed this needling locution five times."

OTHER NEWS:

White House Predicts Slower Economic Growth. The CBS Evening News (11/21, story 6, 0:20, Couric, 7.66M) reported, "Now to the coming attractions for the economy. The White House predicted today that economic growth will slow next year to below 3% thanks to the slump in the housing market. And inflation will tick up a bit. Prices are expected to rise just over 2.5%."

Fox News' Special Report (11/21, Hume) reported "the new forecast matches with last year's growth figures." The Administration also said "the economy is still in very good shape." The Wall Street Journal (11/22, A2, Solomon, 2.04M) says "the new economic-growth forecast, on which the president's new budget will be based, is largely in line with private-sector estimates. Private forecasters are predicting GDP growth of 3.4% this year and 2.6% in 2007. On the inflation front, the private sector is less sanguine about 2006, estimating 3.5% CPI growth and 2.5% in 2007." The Financial Times (11/22, Guha) reports the White House also predicted "the US labour market will remain tight next year…raising hopes that ordinary Americans will start to feel more of the benefits of the country's economic expansion." The Washington Times (11/22, Dinan, 88K) and New York Times/AP (11/22), among other sources, run similar reports.

Nasdaq And S&P Reach 2006 Highs. USA Today (11/22, 2.27M) reports, "Stocks crept higher Tuesday as rising oil prices partly smothered euphoria over shares of Internet wunderkind Google cracking the $500 barrier. The Nasdaq composite and Standard & Poor's 500 indexes, which include Google among their components, both set 2006 highs: The Nasdaq was up 2.12 points to 2454.84 and the S&P was up 2.31 points to 1402.81. The Google-free Dow Jones industrial average rose 5.05 points to 12,321.59 that left it 21 points shy of its record close on Friday." NBC Nightly News (11/21, story 7, 0:10, Williams, 9.87M) noted only that "on Wall Street today, stocks finished with modest gains."

NYTimes Says Economy Not Raising Wages. The New York Times (11/22, 1.16M) editorializes, "Nearly every month for the past two and a half years, inflation has eaten up whatever wage gains most American workers have managed to eke out. In August, however, the cost of living started to moderate, thanks largely to falling energy prices. As a result, wages outpaced prices substantially in September. And in October, according to a government report last week, average hourly earnings were 2.8 percent higher than a year earlier, after adjusting for inflation -- the biggest annual increase since 1998. A real increase is something to cheer for a broad swath of working Americans." But "behind the headline numbers, the wage picture -- and what it says about the economy -- is still cloudy. The gains of September and October were due to declining inflation, not faster wage growth. And with most economists predicting a slower economy through the middle of next year, it's unlikely that American workers will get a sustained pay boost any time soon. … The coming holiday shopping season will be the true test of consumer resiliency. But the modesty of recent purchases -- in the face of the best real wage growth in eight years -- does not bode well."

Wilson, Schmidt Claim Victory In NM1, OH2. The New York Times/AP (11/22) reports, "More than a week after Representative Heather A. Wilson, Republican of New Mexico, claimed a razor-thin election victory, her Democratic challenger conceded Tuesday, saying that a recount would cost too much and that there was no guarantee it would reverse the result." In the 2nd CD of Ohio, Rep. Jean Schmidt, "a Republican, clinched re-election Tuesday. Additional ballot counts gave her an insurmountable edge of about 3,200 votes over her Democratic challenger, Victoria Wulsin." In New Mexico, Wilson, "a five-term congresswoman, won by 875 votes, with 105,921 votes to 105,046 votes for the Democrat, Patricia Madrid, the state attorney general."

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Giuliani Forms Federal Presidential Exploratory Committee. The New York Times (11/22, Chan, 1.16M) reports former New York Mayor Rudolph W. Giuliani "has filed papers with the Federal Election Commission to create a presidential exploratory committee, joining a fellow Republican, Senator John McCain of Arizona." Giuliani's filing, "hand-delivered to the commission on Monday, says he is still 'testing the waters,' meaning that for now, he can raise and spend money on polls and travel but not declare himself a candidate or build a substantial war chest." Giuliani "created a political committee in New York State on Nov. 10 called the Rudy Giuliani Presidential Exploratory Committee. But he stopped short of filing federal papers, leading to speculation that he had doubts about even weighing a run."

McCain Stance On US Troop Levels In Iraq Said To Pose Political Risks. AFP (11/22, Collinson) reports, "As Americans wonder when the troops will come home from Iraq, Republican White House hopeful John McCain is laying his first big bet of the 2008 campaign: demanding more soldiers for the war." McCain's position "contrasts sharply with the call of victorious Democrats for a phased withdrawal from Iraq." McCain says that "more men must be poured in to flush out insurgent strongholds, crush militias and sectarian violence and to train Iraqi forces." McCain "may be tailoring his message to hawkish, pro-military conservative voters who will decide the Republican nominee in primary elections. 'I don't think it dooms him in his primary process. He has a hard right primary he has to go through. My guess is that's part of the calculation,'" Delaware Sen. Joe Biden (D), a potential '08 candidate, said Monday.

Romney Seen As Methodically Moving Toward Presidential Bid. The AP (11/22, Johnson) reports, "By almost any measure, Massachusetts Gov. Mitt Romney -- a would-be presidential candidate -- should be hanging his head right now. He was chairman of an association supposed to elect Republican governors, but they lost 20 of 36 races on Election Day, which saw widespread GOP losses. Then, in an issue critical to the GOP's conservative base, the Massachusetts legislature balked at his request to let state voters decide on an anti-gay marriage amendment, forcing him to petition the state's highest court." Meanwhile, Arizona Sen. John McCain (R) and ex-New York City Mayor Rudy Giuliani (R) "jumped out and announced they were forming presidential exploratory committees. Yet true to the business training that earned him hundreds of millions of dollars, Romney has a plan and he's sticking to it." Romney "is proceeding on a methodical course of fundraising, staff-building and outreach. … 'I have not seen an individual approach this situation with a greater degree of structure or by compiling such a vast database for making it, both on the personal and political sides,' said Tom Rath, a veteran New Hampshire political operative who has advised former Republican candidates such as Bob Dole, George H.W. Bush, Lamar Alexander and George W. Bush."

Brownback Reaching Out Beyond Christian-Conservative Base. The Kansas City Star (11/22, Stearns, 271K) reports that Kansas Sen. Sam Brownback's (R) "post-Thanksgiving schedule included an HIV test and reporting to prison," providing "further evidence that, as Brownback nears the formal announcement of his long-simmering presidential exploration, he remains determined to stake out a unique position in what likely will be a crowded" GOP "primary field. Typically pigeonholed by political analysts as the candidate of the religious right, Brownback hopes to be more inclusive. Christian conservatives…are his natural base of support. But publicly highlighting issues such as the plight of prisoners and poverty in developing nations can help Brownback broaden his appeal, even as he asserts that his faith calls him to deal with such issues. It's an effort to show that compassionate conservatism isn't an empty motto." Brownback and Illinois Sen. Barack Obama (D) on Dec. 1 "will attend best-selling author Rick Warren's Saddleback Church in southern California for a Global AIDS Summit." The senators "will get HIV tests to 'destigmatize the test and the information.'" A week later, Brownback "is set to spend the night at the Louisiana State Penitentiary, in Angola, La." Brownback "hopes his visit will highlight the success of faith-based programs."

Religious Group Withdraws Wal-Mart Boycott. The Wall Street Journal (11/22, Hudson, 2.04M) reports, "A religious group that had rallied members to boycott Wal-Mart Stores Inc. this weekend backed off the pledge on Tuesday." The American Family Association and Operation Save America "had urged its followers to stay away from Wal-Mart on the Friday and Saturday following Thanksgiving to protest the retailer's recent ties with homosexual groups, including its decision this year to join a national chamber of

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commerce for gay and lesbian businesses," but "after Wal-Mart issued a statement on Tuesday outlining its policies on corporate donations and its stance against discrimination, the American Family Association declared itself 'pleased' and withdrew its call for a boycott." The association also "credited its decision to withdraw its boycott to Wal-Mart's announcement Tuesday that it will not 'make corporate contributions to support or oppose controversial issues unless they directly relate to their ability to serve their customers.'"

US Teen Birthrate Falls To All-Time Low. USA Today (11/22, Rubin, 2.27M) reports the birthrate "among U.S. teens, which has been falling since its peak in 1991, dropped to an all-time low in 2005, according to preliminary data released Tuesday by the National Center for Health Statistics, part of the Centers for Disease Control and Prevention." But among Hispanic teens "the birthrate is twice as high as the overall teen birthrate." Overall, the "preliminary 2005 rate for females ages 15-19 was 40.4 births per 1,000, down from 41.1 in 2004 and 61.8 in 1991. The Hispanic rate for teens 15-19 was 81.5, down from 82.6 in 2004 and 104.6 in 1991." Demographer Stephanie Ventura, co-author of the report, says "abstinence and contraceptive use 'are still driving factors' behind the declining teen birthrate."

Assassination Threatens To Destabilize Lebanon; Complicates Debate Over Syria. The assassination Tuesday of a prominent Lebanese politician received prominent coverage on the front pages of the nation's dailies and the nightly network news broadcasts. The death of Pierre Gemayel was seen as likely to throw Lebanon in a state of chaos and Syria was largely seen as being responsible for the killing. Syria's suspected role in the assassination was also seen as likely to complicate calls for Washington to reach out Damascus for assistance in Iraq. The CBS Evening News (11/21, story 3, 0:40, Couric, 7.66M) reported, "The White House believes Syria and Iran are still causing trouble in Lebanon where today assassins killed a government official." CBS (Phillips) added, "Another political assassination in Lebanon has the country once again teetering on the brink of chaos. Just four months after the Israeli Lebanese conflict. This time the victim was one of Lebanon's leading Christian anti-Syrian cabinet ministers, Pierre Gemayel, the son of a former president. Gunmen rammed their car into his and sprayed it with bullets. There's been widespread international condemnation of the attack, including from President Bush, and widespread fear of reprisal political killings and even a slide into civil war."

ABC World News (11/21, story 2, 2:20, Gibson, 8.78M) said the Bush Administration "called the ambush in Beirut an act of terrorism and pointed a finger at the neighbor Syria." ABC (Wright) added, "The Lebanese government was already in meltdown -- the country still reeling after its month-long war with Israel. Tonight, the US is all but accusing Syria and the militant group Hezbollah of murder in an effort to topple the government." In an analysis segment, ABC World News (11/21, story 3, 1:45, Karl, 8.78M) reported, "There was little appetite in the Bush administration to deal with Syria on Iraq before today. And there is even less now. Officials see this as part of a pattern. There's been nine assassinations or attempted assassinations of anti-Syrian politicians in Lebanon over the past three years. With that kind of activity going on, the view from the Bush administration is, it would be folly to think that talking to Syria would help in Iraq."

The Washington Post (11/22, A1, Wright, 690K) notes Bush "blasted Syria and Iran yesterday after the assassination of Christian cabinet minister Pierre Gemayel for trying to destabilize Lebanon, reflecting tensions between Washington and its two Middle Eastern rivals that are increasingly playing out in Lebanon as well as Iraq." While the President "stopped short of blaming Syria for the killing, he warned that the United States remains 'fully committed' to supporting Lebanon's democracy despite attempts by Damascus, Tehran and their allies in Lebanon 'to foment instability and violence.'"

The New York Times (11/22, Knowlton, 1.16M) reports that the assassination was "widely condemned today as an act of terrorism that threatens to upend not only Lebanon's stability, but also tentative moves to engage Syria in talks on regional peace initiatives." Britain, France, Egypt, the European Union and the United States issued "powerful condemnations" of the killing. Undersecretary Burns described the killing as an act of terrorism and intimidation, saying, "We believe it's the responsibility of all countries to support the Siniora government and to oppose those who would try to divide Lebanon or return violence to political life in Lebanon." At the UN, Ambassador Bolton "spoke with visible anger about the killing." Asked by a reporter whether the Hariri tribunal "should now be delayed to avoid fanning instability," he said sharply: "How incredibly wrong that would be. Instability? They're killing people in Lebanon, they're assassinating political leaders. Not the time to seek justice?"

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NBC Nightly News (11/21, lead story, 3:15, Williams, 9.87M) said the killing "could make Lebanon, which is still recovering from that massive Israeli bombing, a very unstable place and give control there to enemies of the United States. And that is why this story, this assassination, was felt today around the world." NBC (Engel) added, "This assassination is likely to have a destabilizing effect throughout the Middle East. The White House is accusing Iran, Syria and Hezbollah of trying to topple and take over the Lebanese government. Already tonight there are angry protests and some calls for revenge in a country edging closer to civil war." NBC's Engel also said, "It is absolutely imperative that the American administration takes this very serious at a time when America's looking for friends and talking about engaging in diplomacy. There is a real possibility that this anti-American coalition of Iran, Syria and Hezbollah, will succeed and take over the government."

In a separate analysis segment, NBC Nightly News (11/21, story 2, 2:00, Williams, 9.87M) reported, "All of this may only complicate US dealings in the Middle East. And especially any possible US exit strategy from Iraq which many say has to involve dealings of some sort with Syria." NBC (Mitchell) added, "There's a lot of pressure on the Administration. The Baker-Hamilton Iraq Study Group and other leading Republicans, such as Chuck Hagel, all say that Iran and Syria aren't the solution to the problem, precisely because they are helping to fuel the insurgency. This is hard for this Administration, for George Bush and Dick Cheney to accept. They have made these states terror-sponsoring states on their official list and consider Iran to be on the axis of evil -- a very hard step for them to take."

The AP (11/22, Loven) reports briefly that Secretary Rice telephoned Lebanese Prime Minister Fouad Siniora "with condolences and to reiterate US support for democracy in Lebanon."

In a front page article, the New York Times (11/22, A1, Slackman, 1.16M) said the assassination "jolt[ed] a nation already paralyzed by political conflict that threatens to topple the government" and "inflamed tensions between the anti-Syria coalition trying to hold its government together and the Syrian-allied opposition, led by Hezbollah." Although Lebanese Prime Minister Fouad Siniora "vowed in a televised speech that his government would hold firm," the Times says "in truth, his government may already be on life support" after "six pro-Syria ministers aligned with Hezbollah resigned" last week "after a failed effort to gain greater control over the government." The killing "also is likely to complicate any American effort to enlist Syria's help to stabilize Iraq." The US "withdrew its ambassador from Damascus after [former Lebanese Prime Minister Rafik] Hariri was assassinated nearly two years ago," and "the suspicion that Syria is behind the efforts to destabilize Lebanon will make it nearly impossible for Washington to send a full ambassador back to Damascus without appearing to have abandoned the Siniora government," the Times writes.

The Wall Street Journal (11/22, A1, Higgins, Solomon, 2.04M) reports on its front page that Gemayel's killing "also complicates the policy debate about Iraq in Washington, where some foreign-policy experts have urged the Bush administration to reach out to Syria and Iran in an effort to curb Iraq's violence." Although Washington "stopped short of directly blaming Syria" for the killing, it said the act "underscored the need to accelerate the UN probe into the Hariri murder." For his part, President Bush condemned what he called "Syria's refusal to cease and desist from its continuing efforts to destabilize Lebanon's democratically elected government," adding that the US would "resist these efforts." At the UN, Ambassador Bolton "bristled at suggestions by some at the UN that the Hariri probe should be slowed."

The Washington Times (11/22, Behn, 88K) says the killing "was seen by analysts as part of a coordinated attempt to push the United States out of the Middle East. 'This is part of a broader effort on the part of Syrians and Iranians in their own isolation to prove they have leverage over events in the region and to minimize the role of the US in the region,' said former US ambassador to Morocco, Marc Ginsberg."

On its front page, the Washington Post (11/22, A1, Shadid, 690K) says the assassination "underlined the lack of red lines in the escalating struggle over Lebanon's political future that has followed this summer's war between Hezbollah and Israel. The struggle is crucial not only to the often zero-sum calculations of Lebanese politics but also to the regional ambitions of the United States, Iran, Syria and Israel." In a separate front page report titled "Assassination Increases Tensions With Syria, Iran," the Washington Post (11/22, A1, Wright, 690K) reports President Bush "blasted Syria and Iran yesterday after the assassination…for trying to destabilize Lebanon, reflecting tensions between Washington and its two Middle Eastern rivals that are increasingly playing out in Lebanon as well as Iraq." The Post notes that "for the past 21 months, the Bush administration has tried to steer the

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Mediterranean country toward democracy and away from the grips of long-standing Syrian and Iranian influence. As Iraq imploded, the Bush administration hoped that Lebanon might prove an alternative model for the flowering of freedom in the Middle East." However, the assassination yesterday "signals that the battle for Lebanon is far from over, said US officials and regional experts."

The Financial Times (11/22, A1, Khalaf, Dinmore, Dombey) reports that "moves to bring Syria back into the diplomatic fold were dealt a blow on Tuesday by the killing" that "threatens to destabilize a government struggling for unity." The AP (11/22, Karam, Ghattas) reports that Syria and Iran "both condemned Gemayel's slaying, and Syria's Information Minister Mohsen Bilal denied Syria had any role." In an interview with Al-Jazeera, Bilal said, "Those who are accusing Syria in this sick way...do not have an iota of truth or credibility." The Los Angeles Times (11/22, Stack, 850K), USA Today (11/22, For, 2.27M) and Washington Times/AP (11/22, Ghattas) run similar reports.

More Commentary. In an editorial, the Wall Street Journal (11/22, 2.04M) says, "Former Secretary of State James Baker has been saying that, when it comes to diplomacy, you don't 'restrict your conversations to your friends' -- shorthand for the view that the US should engage Syria and Iran to find solutions in Iraq and elsewhere in the Middle East. But yesterday's murder of Lebanese Minister Pierre Gemayel might remind even Mr. Baker and his Iraq Study Group what some of those non-friends are all about. … It's true that every Administration must deal with the world as it is. But when it comes to Syria, do the sages of the Iraq Study Group really want the Bush Administration to seek the benediction of a country that stirs such mayhem in Beirut?"

Two Kidnapped Gaza Red Cross Workers Released. The AP (11/22, El Deeb) reports, "Two Italian Red Cross workers kidnapped Tuesday afternoon were released shortly after midnight, Palestinian security officials said." Claudio Moroni, 36, and Gianmarco Onorato, 63, were "abducted in Deir el-Balah in central Gaza after their car was stopped by gunmen." Before their release, the Red Cross said "it was suspending its activities in the Gaza Strip, fearing for the safety of its workers." Iyad Nasr, spokesman for the Red Cross's Gaza office, said "the organization had ceased all field operations and would intervene only 'in matters of life and death,' and "workers have been ordered to stay in their offices because of fears for their safety." There was "no immediate word on the conditions of the released aid workers."

Study Says 39% Of Land Used By Israeli Settlers Owned By Palestinians. The Washington Post (11/22, A17, Wilson, 690K) reports, "An Israeli advocacy group has found that 39 percent of the land used by Jewish settlements in the West Bank is private Palestinian property, which the organization contends is a violation of international and Israeli law guaranteeing property rights in the occupied territories." In a report released Tuesday, the Settlement Watch project of Peace Now "also disclosed that much of the land that Israeli officials have said would remain part of the Jewish state under any final peace agreement is private Palestinian property." The report "draws on maps and data from the Civil Administration, the military authority Israel established to govern the West Bank following the 1967 Middle East war." Prime Minister Ehud Olmert's spokeswoman, Miri Eisin said, "the government would comment on the report's methods and findings once officials have had time to review it." Also, Israeli troops "pushed into the Gaza Strip early Tuesday and killed two Palestinians in fighting near the village of Zeitun."

Court Rules Israel Must Register Same-Sex Marriages Performed Abroad. The Los Angeles Times (11/22, Ellingwood, 850K) reports, "The Israeli Supreme Court touched off a fresh controversy over gay rights Tuesday when it ordered the government to register same-sex marriages performed abroad." The 6-1 decision "was praised by rights advocates as a political advance for gays and lesbians, who have won previous court decisions granting them broader rights in survivor benefits and inheritance," and "cheered by those who support legalizing civil marriages in Israel, where only religious ceremonies are allowed." The ruling "did not legalize same-sex weddings in Israel, where religious authorities by law hold a monopoly on authorizing marriages and divorces." Religious conservatives "criticized the decision as an erosion of Israel's status as a Jewish state and said it undermined moral teachings," and some "urged the Israeli parliament, or Knesset, to examine the possible effect on Israeli society."

US Seeks More Market Access In India For Agricultural Commodities. The Wall Street Journal (11/22, A4, Mohindru, 2.04M) reports, "The US is seeking

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greater market access in India for its agricultural commodities, such as wheat, to ensure balanced farm trade between the two countries, U.S. Agriculture Department Secretary Mike Johanns said." He "favored an approach where India's plant-health norms are protected and wheat trade occurs with the US," and said that "discussions on plant-health-related issues are going on so that India will be able to export its mangoes to the US by the next harvest in April."

India, China Work To Build Economic Relations. The New York Times (11/22, Rai, 1.16M) reports, "India and China established a 10-point strategy on Tuesday to strengthen economic relations and ease mistrust, agreeing that there is room enough for both to grow." At a joint media briefing the two presidents said "there was enough space for the two countries, which account for a third of the world's population, to grow in a mutually beneficial manner 'while remaining sensitive to each other's concerns and aspirations, as befits good neighbors and partners.'" They also said they "would work to double their trade to $40 billion by 2010, which some see as a sign that centuries of Western dominance in global trade may be ending." The countries "signed 13 pacts covering joint scientific initiatives, tourism promotion and the opening of new consulates," but "there were no breakthroughs at the leadership level on the first day of talks."

Cnooc, PetroChina Sings Investment Deals In Vietnam. The Wall Street Journal (11/22, A10, Winning, 2.04M) reports, "China National Offshore Oil Corp. and PetroChina Co. have signed deals to ramp up investment in Vietnam as leaders in Beijing and Hanoi set aside a long-running maritime border dispute to forge closer energy ties, state media reported yesterday." Cnooc "signed an agreement with Vietnam Oil & Gas Corp., or PetroVietnam, on Friday to begin exploring for oil in the Gulf of Tonkin in the South China Sea on a 50-50 basis." The exploration period is "expected to last three to five years."

China's Military Buildup Designed To Compete With US Navy. The Washington Times (11/22, Gertz, 88K) reports, "China's military buildup includes new missiles and naval weapons designed to sink U.S. aircraft carriers and deny U.S. forces access to the Asia-Pacific region, a congressional commission official said yesterday." Daniel Blumenthal, a former Pentagon defense policy-maker and now a member of the U.S.-China Economic Security Review Commission, said "The Chinese have been quite successful ... in the area of sea denial, meaning that if we sent a carrier to or outside the [Taiwan] Strait as we did in 1996, it would be a lot riskier and a lot costlier to the United States." Beijing's military is also "experimenting with new attack concepts, including land-based attacks on ships 'through multiple entry concepts' in what Blumenthal called 'a very serious effort to try to basically sink a carrier or battle group.'"

China's Poor Getting Poorer. The Wall Street Journal (11/22, Batson, Oster, 2.04M) reports, "China's economic miracle has lifted hundreds of millions of people out of poverty, but the country is showing signs that its poorest citizens are falling further behind." Now Chinese government "worries about social stability and amid questions about the social costs of China's rapid growth, new figures suggest the poorest of the country's 1.3 billion people are getting even poorer." The widening of China's income gap "raises questions about the bargain its government made three decades ago when it agreed to accept a measure of social inequality as long as it improved the nation's welfare overall," and many observers place "part of the blame on the way China dismantled its social-welfare system as it phased out state control of the economy -- without building up much to replace it." The reason for the income decline at the bottom isn't clear," since the World Bank "hasn't completed its analysis and its conclusions haven't been published."

Goodlatte To Lead Congressional Ag Tour Of South America. The Washington Post's (11/22, A19) Al Kamen writes in his "In the Loop" column that outgoing House Agriculture Committee Chairman Bob Goodlatte is "leading a group of about 10 committee members, plus spouses, military aides and assorted staff" to South America "right after Thanksgiving." The delegation of "perhaps up to 40 folks in all" with make "stops in several countries" to "discuss agricultural trade -- specifically focusing on expanding US agricultural exports," according to committee spokeswoman Alise Kowalski. The Post reports that incoming Chairman Collin Peterson is also expected to travel with the group.

Populism Seen As Losing Appeal For Latin American Voters. The Wall Street Journal (11/22, A1, Lyons, 2.04M) reports, "The populist political tide that seemed to be sweeping through Latin America earlier this

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year is sputtering." Voters have been "choosing presidential candidates who tap into a more powerful force: economic stability." The "diminishing electoral appeal of candidates promising radical economic and political change is on display here in Ecuador, ahead of this Sunday's presidential election." The electoral failure of populists "so far has been good news for foreign investors and businesses."

Maoist Rebels In Nepal Sign Peace Deal With Government. The New York Times (11/22, Pokharel, Sengupta, 1.16M) reports that "Maoist rebels in Nepal signed a peace deal with the government on Tuesday night, with a pledge to lock up their guns, at least for now, and let voters decide the future of the country." The accord "promises to bring the rebels, who control vast swaths of the destitute countryside, into the political mainstream," and Prime Minister Girija Prasad Koirala said, "This has given a message to the international community and terrorists all over the world that no conflict can be resolved by guns. It can be done by dialogue." The interim government, "which the rebels have agreed to join," will "organize elections next year for an assembly that will determine whether Nepal will remain a kingdom and if so, what kind." However, the rebels "have not laid down their arms entirely," but "have agreed to lock up their weapons but are holding on to the keys" The United Nations is "to monitor the safekeeping of weapons through a system of closed-circuit cameras."

The Washington Times/AP (11/22, Gurubacharya) reports, "Nepalese Prime Minister Girija Prasad Koirala and Maoist rebel leader Prachanda signed the accord at a Katmandu convention hall packed with cheering officials, dignitaries and foreign diplomats." Under the agreement, "the rebels are to join the interim parliament by Nov. 26 and will get 73 of the chamber's 330 seats. Mr. Koirala's Nepali Congress will remain the biggest party with 85 seats, and the Maoists will share second place with Communist Party of Nepal (United Marxist-Leninist)." The rebels' "large number will give them a significant role in a new interim government, which will be in place by Dec. 1," and will take a "major part in deciding how and when to elect a constituent assembly that is to rewrite the constitution and decide on the monarchy's fate."

Bangladeshi Villagers Get Internet Access. The Washington Post (11/22, A12, Sullivan, 690K) reports, "Villages in one of the world's poorest countries, long isolated by distance and deprivation, are getting their first Internet access, all connected over cell phones," and "millions of people who have no land-line telephones, and often lack electricity and running water, in recent months have gained access to services considered basic in richer countries: weather reports, e-mail, even a doctor's second opinion." Cell phones "have become a new bridge across the digital divide between the world's rich and poor, as innovators use the explosive growth of cellphone networks to connect people to the Internet." The Internet centers "are being set up by GrameenPhone, a cellphone provider partly owned by the Grameen Bank," and the centers "are building on a cellphone network created over the past decade by a Grameen Bank program that helped provide more than 250,000 cellphones in villages."

WSJournal Says Russia Likely Responsible For Ex-KGB Agent's Poisoning. In an op-ed column, "Russian Venom," in The Wall Street Journal (11/22, A14, 2.04M), Boris Volodarsky writes that it might be "too early to discuss how and why Mr. Litvinenko was poisoned," but what's "clear" is that "this was likely the work of the Russian secret service that had been after him for years." If the Russian president is involved "is open to doubt," and Russian foreign intelligence "denies any involvement in his poisoning." However, "it cannot deny," its "long history of using poison as a weapon."

HIV/AIDS Program Shows Improvement In Seven African Countries. The Washington Post (11/22, A14, Brown, 690K) reports, "Seven African countries are experiencing a decline in the prevalence of HIV infection among young, urban adults, finally reaping the benefit of AIDS prevention and treatment, the United Nations said yesterday in its annual report on the global epidemic." However, there are "troubling signs that the first African country to reverse the epidemic, Uganda, is experiencing a resurgence of infection, as is Thailand, another early success story." The report demonstrates that policymakers "need to safeguard early successes like Uganda."

NYTimes Urges IAEA To Deny Iran Nuclear Assistance. In an editorial, the New York Times (11/22, 1.16M) says the International Atomic Energy Agency has "always had a conflicted mandate" of promoting "the peaceful use of nuclear technology while also restraining the spread of

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nuclear weapons." The Times says "that dangerous duality is being played out again this week" as the agency debates "whether its staff should provide Iran with technical advice on how to safely complete construction of a heavy water nuclear reactor near the town of Arak." Denying the request "should be a no-brainer," the Times say, "especially at a time when Iran is defying a Security Council order that it stop enriching uranium, usable for nuclear reactor fuel or potentially a nuclear bomb." Anything less, it continues, "will only confirm Tehran's belief that the international community is not serious about containing its nuclear ambitions." The Times also urges the Bush administration, "which has agreed to talk with Iran if it suspends enrichment, needs to go further, offering Tehran explicit security guarantees in exchange for giving up technology that could feed a nuclear weapons program."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Mining Firms Again Eyeing Navajo Land."
"Director Was A True Original."
"Filipinos' Hip-Hop Anthem."
"Assassination Leaves Lebanon At Brink."
"Getty Makes New Offer To Italy."
"Fury On The Airwaves Undid Bias Settlement."

USA Today:

"Nature Programs' Goal: No Child Left Inside."
"Every Year's Game Of Century."
"Fliers Urged To Ease Logjam."

New York Times:

"Lebanon Official Critical Of Syria Is Assassinated."
"Justice Courts For Small New York Towns To Be Overhauled."
"Study Questions Need To Operate On Disk Injuries."
"Perfect Killing Method, But Clear Targets Are Few."
"Robert Altman, Director With Daring, Dies at 81."
"An Ideologue For Hire Gets New Alliance."
"Erasing Divide, College Leaders Take To Blogging."

Washington Post:

"Fears of Civil Strife Rise In Lebanon."
"Report Finds DHS Lax On Contracting Procedures."
"Assassination Increases Tensions With Syria, Iran."
"Out Of India, En Masse And On The Way Up."
"Some Curbs On Sex Offenders Called Ineffective, Inhumane."
"Fenty's Choices Already Causing Anxiety About Insular Approach."

Washington Times:

"Anti-Syrian Lebanese Christian Official Slain."
"Military Has Alternative To Baker Report."
"Senate Seeks Medicaid Review."
"Teen Births Down; Unwed Moms Up."
"Gay Custody Case Stalls In Court."
"Save Turkey With Dry Run."

Detroit Free Press:

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"Tears, Cheers For Te Michigan Man."
"Witness Alleges Police Intimidation."

Atlanta Journal-Constitution:

"Packed Forum Debates Illegals."
"Women 92, Dies In Shootout With Cops."
"Good Deeds In A Fishbowl."
"Gwinnett Cracks Down On Homeless."
"Fired-Up Employees rally To Delta's Cause."

Houston Chronicle:

"2 Pit Bulls Kill Boy, 4 Near Home."
"Sizzle Meets Sweet In Crash Of Classics."
"Player's Case Spurs Call For Taser Study."
"Rest Easy: Studies Suggest back Surgery Not Only Option."

Story Lineup From Last Night's Network News:

ABC: Safest Cars; Assassination In Lebanon; Assassination In Lebanon-Analysis; Syria & Iraq Re-Establish Ties; Iraq-Sectarian Violence; Muslims Removed From Airplane; Nursing Mother Ordered Off Airplane; Keeping Kids In School; Warren Jeffs Court Hearing; Robert Altman Obit; Bo Schembechler Obit; Ed Bradley Memorial; WWII Sunken Submarine Found.

CBS: US Troops-Inadequate Training; Military Raid-Iraq; Assassination In Lebanon; Deadly School Bus Accident; Robert Altman Obit; Housing Market's Effects On Economy; Retail Price Wars; ALCOA Cutting Jobs; Google Stock Price; Back Pain Treatment; Women Giving To The Poor; Ed Bradley Memorial.

NBC: Assassination In Lebanon; US Mideast Strategy; Muslims Removed From Airplane; Robert Altman Obit; Lost Luggage; Bush's Motorcade-Accident; Stock Market; Ed Bradley Memorial; Making Beautiful Music.

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Story Lineup From This Morning's Radio News Broadcasts:

ABC: Holiday Travel-TSA Restrictions; Bush-Holiday Plans; Jordan-Bush, Maliki Meeting; Assassination In Lebanon; MA-Propane Storage Facility Fire; Google Stock Price.

CBS: Jordan-Bush, Maliki Meeting; US Troops-Difficulty Training Iraqi Troops; Indonesia Considering Sending Peacekeepers To Iraq; Holiday Travel-TSA Restrictions; Cost of Holiday Food; Robert Altman Obit;

NPR: Jordan-Bush, Maliki Meeting; Bush-Troop Visit In Hawaii; Justice Department-Padilla Case; US Special Envoy-Sudan; France-Experimental Nuclear Fusion Reactor Agreement; Robert Altman Obit; Wall Street.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Participates in the pardoning of the National Thanksgiving Turkey, Rose Garden; President and Mrs. Bush depart The White House en route Camp David via Marine One, South Lawn.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: US-COLOMBIA _ 10 a.m. US Trade Representative Susan Schwab participates in the Colombia Trade Promotion Authority signing ceremony. Location: Inter-American Development Bank.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Holiday Publishing Notice. In observance of Thanksgiving, the Attorney General's News Briefing will not be published on Thursday, November 23.

US Asks 4th Circuit To Reinstate Padilla Terrorism Charge. The AP (11/22, Anderson) reports, "Federal prosecutors have asked an appeals court to reinstate a key terrorism charge against an alleged Al Qaeda operative, Jose Padilla, contending a judge erred in finding that it duplicated other counts in the same indictment." The AP notes, "The pleading filed with the 11th U.S. Circuit Court of Appeals late Monday argues that the charge dismissed by U.S. District Judge Marcia Cooke is a distinct offense in the case. Judge Cooke ruled in August that the first count of the indictment against Padilla and two others — charging a conspiracy to 'murder, kidnap, and maim persons in a foreign country' — was essentially the same as two other terrorism support counts. The dismissed charge is the only one in the case that carries a potential life prison sentence."

Reno Joins Former DOJ Officials In Criticizing Anti-Terror Strategy. The Washington Post (11/22, A6, Eggen) reports, "Former attorney general Janet Reno has taken the unusual step of openly criticizing the Bush administration's anti-terrorism strategy -- joining seven other former Justice Department officials in warning that the indefinite detention of U.S. terrorism suspects could become commonplace unless the courts intervene." The Post continues, "In a friend-of-the-court brief filed in the case of alleged enemy combatant Ali Saleh Kahlah al-Marri, the former prosecutors assert that criminal courts are well equipped to prosecute terrorism suspects while guaranteeing the constitutional rights of defendants arrested on U.S. soil. … Reno, reached at her Florida home yesterday, said she would let the brief 'speak for itself. I've been following this, and it reflects my concerns about the detention and treatment of people who have been determined to be enemy combatants in a manner that is not clear how it is being done.'" The Post adds, "In their brief, Reno and the other former Justice Department officials said: 'The government is essentially asserting the right to hold putative enemy combatants arrested in the United States indefinitely whenever it decides not to prosecute those people criminally -- perhaps because it would be too difficult to obtain a conviction, perhaps because a motion to suppress evidence would raise embarrassing facts about the government's conduct, or perhaps for other reasons.' … The filing in the U.S. Court of Appeals for the 4th Circuit is a highly unusual move for Reno. She has generally maintained a low profile since leaving the helm of the Justice Department in 2001 and has said little publicly about the policies of her successors, John D. Ashcroft and Alberto R. Gonzales. … The brief is also notable because its signatories include two U.S. attorneys from the Reagan years -- W. Thomas Dillard and Anton R. Valukas -- in addition to prosecutors from the Clinton and Carter administrations and Philip A. Lacovara, a counsel to the Watergate special prosecutor. … 'While we respect the right of other legal minds to be heard on these issues, we believe we are on firm legal footing in this case as both the magistrate judge and district court concluded,' Justice Department spokesman Brian Roehrkasse said yesterday."

Bloomberg (11/22, St.onge) reports, "Reno and the others said the Bush administration is trying to set a dangerous precedent that would let the government indefinitely imprison any non-U.S. citizen considered an enemy. The former U.S. officials were joined by at least four human rights groups making similar arguments. … Al-Marri, 41, was the first defendant removed from the U.S. criminal justice system and deemed an illegal enemy combatant. He was studying in the U.S. and living in Illinois when he was arrested in late 2001. The Justice Department unsealed the indictment in December 2002, and he was declared an enemy combatant about six months later. A citizen of Qatar, al-Marri has been held at a U.S. Navy Prison in South Carolina since June 2003. … The Justice Department said it stands by its decision to try al-Marri as a suspected terrorist outside the criminal court system. … 'These are complex and difficult legal issues,' said Justice Department spokeswoman Kathleen Blomquist in an e-mailed statement today. 'While we respect the right of other legal minds to be heard on these issues, we believe we are on firm legal footing.'"

More Commentary. The Denver Post (11/22) editorializes, "U.S. Attorney General Alberto Gonzales told The Denver Post editorial board Monday that the administration can hold Guantanamo Bay detainees indefinitely, without any judicial proceeding through the 'period of hostilities.' Which is to say, indefinitely. … The administration has categorized an untold number of detainees as 'unlawful enemy combatants,' saying they are members of a non-state terrorist group. It's a different class of detainee than POWs, typically uniformed combatants captured during battlefield-style warfare. The U.S. in previous wars has held enemy combatants. But the Military Commissions Act of 2006 broadened the definition of illegal enemy combatant to include those providing support to terrorists. As such, they have no right to a real day in court. 'We have no obligation to bring people to justice,' Gonzales said. … And even when military commission proceedings begin, Gonzales predicted slow going due to defendants' legal maneuverings. … 'At every opportunity they're going to bring challenges,' he said. But these opportunities have shrunk considerably." The Post adds, "In fact, Congress gave

the president the authority to use military commissions in a bill that included one particularily controversial provision - denying the detainees a procedure known as habeas corpus, a right that obligates the government to justify imprisonment before a federal judge. … With the removal of habeas rights, the detainees have no way of challenging their status in federal court. That alone has spawned litigation that seems sure to make its way to the U.S. Supreme Court. … As for those who are in detention at the military prison in Guantanamo Bay, the denial of habeas corpus is unnecessary and un-American. While the U.S. Supreme Court almost certainly will get a crack at this questionable law, members of Congress shouldn't wait. They should review the military commissions act as an early order of business in 2007 and at the very least restore the right of habeas corpus to those imprisoned at Guantanamo. … It is a step that will bring the U.S. back into line with our own traditions and rights."

Gonzales Says Supermax Problems Are Being Addressed. The AP (11/22) reports, "Attorney General Alberto Gonzales acknowledged the federal government has made mistakes at the ultra-high-security Supermax prison in Colorado, including inadequate monitoring of inmate mail and phone calls, but he said steps are being taken to address the problem. … 'Have mistakes been made? Have there been some problems there? No question about it, like there are at every facility,' Gonzales said Monday. 'But we've taken steps to address them.'" The AP continues, "Supermax, in the town of Florence about 80 miles south of Denver, houses some of the nation's most dangerous inmates, including Unabomber Ted Kaczynski, al-Qaida conspirator Zacarias Moussaoui and Oklahoma City bombing conspirator Terry Nichols. … Local and federal officials have criticized the prison in recent weeks over staffing levels, security measures and fencing." The AP adds, "A Justice Department report in September criticized the prison for not properly screening mail and other communications. Last month, a federal arbitrator found staff cuts had made the facility more dangerous. Both Colorado's senators, Republican Wayne Allard and Democrat Ken Salazar, and local officials have raised concerns about security and communications. … Gonzales said all inmate mail is now being read and a large portion of phone calls are monitored as they occur. The rest are recorded and reviewed by translators later, though a shortage of qualified Arabic translators has caused a delay."

HOMELAND RESPONSE:

Seattle Barber Shop Owner Flees To Somalia Ahead Of Sentencing. The Seattle Post-Intelligencer (11/22, Shukovsky, 124K) reports, "Ruben Shumpert, who federal agents allege made his Rainier Valley barber shop a kind of 'anti-American training ground for Muslims' where children were taught 'how to shoot and fight the Americans,' has telephoned the FBI to say he won't be going to prison anytime soon. Shumpert, who faces sentencing on federal counterfeiting and weapons charges, has fled to Somalia," noting in the call to the FBI agent that Somalia has no extradition treaty with the US. The Post-Intelligencer notes, "Shumpert -- an African American convert to Islam -- was among more than a dozen, mostly African immigrants from Islamic countries arrested by the FBI's Joint Terrorism Task Force two years ago on a mix of charges, including immigration fraud and bank fraud. Shumpert was never charged with any terrorism crimes, but court documents paint a picture of his barber shop…as a gathering place for adherents of radical Islam where he showed children videotapes of 'fighting, shooting and killing with images on Shumpert's computer screen of al-Qaida and the Taliban.'"

The AP (11/22, Johnson) reports, "Shumpert's lawyer, James Vonasch, said the government told him only that his client had left the country. … Vonasch also said that Shumpert claims to speak some Arabic, and that an FBI agent who worked the case got a call from him within the past two weeks. 'The agent implied it was an unpleasant conversation, but he didn't supply me with the details,' Vonasch said. Vonasch said Shumpert's wife and two young children are still in Seattle. The FBI questioned the wife about Shumpert's whereabouts, he said."

DNI Unveils First Comprehensive Terror Threat Information-Sharing Plan. The Wall Street Journal (11/22, A10, Christie, Block, 2.04M) reports, "More than five years after" 9/11, "U.S. intelligence officials have unveiled the first comprehensive plan to help federal, state and local officials share information about terrorist threats." The Journal notes, "A senior U.S. intelligence official said President Bush asked the DNI to create a framework to allow the Department of Homeland Security and the Federal Bureau of Investigation to better coordinate their threat assessments and warnings to state and local authorities. The White House has grown increasingly concerned about the poor quality of information sharing between the federal government and the states. State and local officials cautiously welcomed the plan," but "many warned the effort wouldn't work without federal money and muscle to provide better technology and to put an end to traditional interagency turf battles."

DHS Investigating Removal Of Muslim Clerics From Flight. The removal of 6 Muslim religious leaders from a US Airways flight in Minneapolis Monday night and subsequent calls for an investigation into the incident from

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civil rights groups have prompted widespread media attention. ABC World News (11/21, story 6, 2:35, Gibson, 8.78M) reported "the Department of Homeland Security's Office for Civil Rights has opened a review" of the incident. "Passengers thought the clerics were acting suspiciously. The clerics claim they were simply trying to pray. One thing for sure: Five years after 9/11, air travelers are still very nervous." Former National Security Advisor Richard Clarke was shown saying, "All too often airlines give in to a few passengers who feel uncomfortable. Rather than the airlines and the Transportation Security Agency telling those passengers who feel uncomfortable that it's okay, that these people are just different, not terrorists."

NBC Nightly News (11/21, story 3, 2:45, Williams, 9.87M) reported the incident "raises an uncomfortable question in our post-9/11 age of suspicion and fear of terrorism, what is legitimate and what is intolerant?" Omar Shahin, Muslim Clergyman: "The way they took us off the plane, it's a humiliation, 100%." NBC (P. Williams) continued, "Investigators say US Airways told them that some of the men moved to empty seats after boarding and refused to follow crew instructions. But the clerics say they did nothing wrong."

The New York Times (11/22, Sander, 1.16M) reports, "The incident prompted the Council on American-Islamic Relations and officials for the National Association for the Advancement of Colored People in Washington to call Tuesday for Congressional hearings on racial profiling and an investigation by the Justice Department and the Transportation Security Administration. Nihad Awad, executive director of the Islamic advocacy group, said this was hardly the first time Muslims had encountered problems with stereotyping by the airline."

In an article appearing on no fewer than 41 news websites, the AP (11/21, Lohn) reported the clerics "said Tuesday they were victims of discrimination and called for a boycott of the airline." Meanwhile, "Shahin expressed frustration that — despite extensive efforts by him and other Muslim leaders since even before the Sept. 11 terrorist attacks — so many Americans know so little about Islam, which requires prayer five times a day."

Fox Special Report (11/21, story 6, 3:10, Herridge) reported, "A Homeland Security official told FOX that it's standard practice to review allegations of racial profiling by the Muslim community, but based on statements by the TSA and federal law enforcement, a Homeland Security official said it appears the proper procedures were followed."

McClatchy Newspapers (11/22, Von Sternberg, Miller) reports, "Before passengers boarded, one became alarmed by an overheard discussion. 'They seemed angry,' he wrote in a police statement. 'Mentioned 'US' and 'killing Saddam.' Two men then swore slightly under their breath/mumbled. They spoke Arabic again. The gate called boarding for the flight. The men then chanted 'Allah, Allah, Allah.'"

The Washington Times (11/22, Hudson, 88K) reports, "Patrick Hogan, spokesman for the Minneapolis-St. Paul Metropolitan Airports Commission, said the men reportedly made anti-American statements relating to the Iraq war, asked to change seats once inside the cabin, and that one requested an extender to make his seat belt larger even though he did not appear to need it. 'There was some peculiar behavior,' Mr. Hagmann said."

Consultants' Report Finds Fault With DHS Contracting Procedures. The Washington Post (11/22, A1, O'Harrow, Higham, 690K) reports in a front page article, "Private consultants hired by the Department of Homeland Security have found widespread problems with its contracting operation, including nearly three dozen contract files that could not be located. Files that could be found often lacked basic documentation required under federal rules, such as evidence that the department negotiated the best prices for taxpayers, according to a copy of the consultants' report obtained by The Washington Post." The Post adds, "Last year, Homeland Security Secretary Michael Chertoff, Deputy Secretary Michael P. Jackson and others at the agency acknowledged having trouble with contracting and promised to do better." However, "the confidential report adds weight to critics' contentions that contracting problems persist."

TSA, Airlines Making Major Push To Warn Travelers Of Restrictions. USA Today (11/22, 1A, Frank, 2.27M) reports on its front page that in "an unprecedented campaign to warn travelers about new restrictions on carry-on bags," the TSA "is staging events at 66 airports to alert passengers that they can carry only limited amounts of liquids, aerosols and gels on airplanes. Airports are warning of the restrictions with ads, billboards and workers who hand out plastic bags that travelers must use to pack carry-on liquids." TSA spokeswoman Ellen Howe said the agency "is very focused on keeping waits down."

USA Today (11/22, 3A, Frank, Copeland, 2.27M) also reports, "This Thanksgiving poses one of the biggest recent tests to the nation's aviation system — whether or not airport security lines will flow smoothly despite a record number of passengers and new security rules. Many travelers and officials are nervously optimistic." USA Today adds, "The weekend's significance is underscored by an awareness campaign by the TSA, airlines and airports to highlight new restrictions on the amount of liquids, aerosols and gels passengers can carry on airplane cabins. News stories, posters, ads and e-mails have inundated travelers in virtually

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every major city and smaller areas from Eau Claire, Wis., to Midland, Texas."

FBI Seen As Struggling With Muslim, Arab Outreach Efforts. Under the headline "FBI Struggles To Win Trust Of Muslim, Arab Communities," McClatchy (11/22, Taylor) reports in an 1,845-word story taking a largely negative tone toward the FBI, after 9/11 "Arab and Muslim communities became the bureau's top targets," but now "the FBI has embarked on an aggressive national outreach program. The bureau's efforts, which include mosque visits and one-on-one meetings, have become so pervasive in certain cities that some young Muslim-Americans refer to the agency as the 'Friendly Brotherhood of Islam.' Yet across the country, many participants wonder what the interactions achieve when mistrust remains the biggest obstacle." McClatchy notes FBI Assistant Director John Miller said of the outreach efforts, "I would expect there to be friction. I'd also expect that we'd be able to talk about it."

WAR NEWS:

Bush Visits Troops In Hawaii. Fox News' Special Report (11/21, Hume) reported President Bush "headed back to Washington tonight after meeting with US troops in Hawaii. The President went through the chow line at Hickam Air Force Base and thanked the troops for their service. Later he received a briefing at the US Pacific Command headquarters."

The AP (11/22, Loven) reports President Bush "circled the globe on his Asian journey but never strayed far from the subject of Iraq. He dined with U.S. troops in Hawaii before heading home Tuesday, telling them their efforts 'will determine how your children and grandchildren live.'" Bush "found himself in front of cameras on Tuesday at Hickam Air Force Base condemning the assassination earlier in the day of an anti-Syrian Lebanese leader. Bush was briefed in Hawaii at the Oahu headquarters of the U.S. Pacific Command, whose territory spreads from the West Coast of the U.S. to the Indian Ocean. Before that he ate and chatted with the troops, at an open-sided mess hall."

Three Police Officers From Bush Motorcade In Hawaii Injured In Accident. NBC Nightly News (11/21, story 6, 0:40, Williams, 9.87M) reported, "There was a serious accident today involving at least three motorcycles in President Bush's motorcade in Hawaii during a brief stopover on the President's way back to Washington from his Asia trip. Three Honolulu police officers could be seen lying on the grass near their overturned vehicles after apparently hitting a stretch of wet pavement during a light rain. Two of the officers were taken away by ambulance. Tonight we're told one is listed in serious condition. The other is stable. No word on the third police officer."

The Washington Post (11/22, Argetsinger, Roberts, 690K) reports in its "Reliable Source" column that "yesterday morning, as POTUS headed to Hickam Air Force Base on Oahu, three local police officers accompanying the motorcade crashed their motorcycles on a rain-slicked street. Two officers were hospitalized, White House officials said -- one with broken bones, the other with a neck injury."

White House Aide Beaten, Robbed In Hawaii. The KITV-TV WH Staffer Beaten/Robbed in HI (11/22) reports, "The acting director of the White House Travel Office was robbed and beaten in Waikiki early on Tuesday morning outside a nightclub, according to Honolulu police." Pitts "left the bar alone," and "walked through International Marketplace, where he was confronted by three men beaten up and robbed." His "passport and international phone were also taken," and he was treated at Queen's Medical Center. Pitts had "accompanied President George W. Bush on a brief visit to Hawaii," but "did not return with the president to Washington."

The Washington Post (11/22, Argetsinger, Roberts, 690K) reports in its "Reliable Source" column that a White House aide "was badly beaten and robbed during the president's stopover in Hawaii on the way back from Asia. Gregg Pitts, acting director of the White House Travel Office, suffered a broken nose in the Monday night mugging on a Honolulu street and was left behind in a hospital yesterday while the rest of the presidential entourage continued back to D.C." T

Bush, Maliki To Meet In Jordan. The Los Angeles Times (11/22, Moore, 850K) reports, "President Bush will meet with Iraqi Prime Minister Nouri Maliki next week in Jordan to discuss methods to speed up the handover of military responsibilities from US troops to Iraqi security forces, White House officials said Tuesday. The session, scheduled at the end of Bush's planned trip to a North Atlantic Treaty Organization summit in Latvia, will allow the two leaders to 'review the situation in Iraq more generally and talk about the way ahead,' said national security advisor Stephen Hadley, speaking to reporters on Air Force One as the president returned to Washington from Asia." Hadley "said Bush and Maliki would focus on the progress of a committee recently formed to speed the shifting of security responsibilities to Iraqi forces."

The Washington Post (11/22, A17, Baker, 690K) reports Hadley also said, "We're not looking for a big, bold announcement. … This is an opportunity for the president and Prime Minister Maliki to get together, to get a report from this commission they have adopted. This is obviously an important time for both Iraqis and Americans in developing a

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way ahead." The Washington Times/AP (11/22) runs a similar report.

Former President Bush Defends Son In UAE Speech. The Los Angeles Times/AP (11/22, Krane) reports former President George H.W. Bush "took on Arab critics of his son Tuesday during a testy exchange at a leadership conference" in Abu Dhabi, capital of the United Arab Emirates, a US ally. Bush said, "My son is an honest man." The AP adds the UAE "used to be safe territory for former President Bush, who brought Arab leaders together in a coalition that drove Saddam Hussein's troops from Kuwait in 1991. But gratitude for the elder Bush, who served as president from 1989-93, was overshadowed at the conference by hostility toward his son, whose invasion of Iraq and support for Israel are deeply unpopular in the region." A woman in the audience "bluntly told Bush after his speech," "We do not respect your son. We do not respect what he's doing all over the world." The AP adds Bush, 82, "appeared stunned as others in the audience whooped and whistled in approval." A college student "told Bush his belief that US wars were aimed at opening markets for American companies and said globalization was contrived for America's benefit at the expense of the rest of the world. Bush was having none of it." Bush said, "I think that's weird and it's nuts. To suggest that everything we do is because we're hungry for money, I think that's crazy. I think you need to go back to school." The "hostile comments came during a question-and-answer session after Bush finished a folksy address on leadership by telling the audience how deeply hurt he feels when his presidential son is criticized." But Bush "also told the audience its derisive hoots were mild compared to the reaction he got in Germany in the 1980s, after persuading the country to deploy US nuclear missiles."

Baker Report Almost Ready; Pentagon Drafting Alternative. The Washington Times (11/22, Scarborough, 88K) reports, "The Pentagon is drafting its own new options for winning in Iraq, in part, to give President Bush counterproposals to fall back on in case the Iraq Study Group comes up with ideas he does not like, defense officials say." Meanwhile, "study group co-chairman Lee H. Hamilton, a former Democratic representative from Indiana, told The Washington Times yesterday that he and co-chairman James A. Baker III, secretary of state in the first Bush administration, have nearly completed a first draft report." Hamilton "said the two men hope to complete it this weekend, give it to the eight other Iraq Study Group members in time for a meeting next week to review it."

Kaplan Says Iraq Reinforcing "Realist Dictum." In an op-ed for the Washington Post (11/22, 690K), Robert Kaplan writes, "The debacle in Iraq has reinforced the realist dictum, disparaged by idealists in the 1990s, that the legacies of geography, history and culture really do set limits on what can be accomplished in any given place." But "the [1990s] experience in the Balkans reinforced an idealist dictum that is equally true: One should always work near the limits of what is possible rather than cynically give up on any place. In this decade idealists went too far; in the previous one, it was realists who did not go far enough."

Ignatius Says Iraqis Have To Follow Saudi Model. In his Washington Post (11/22, 690K) column, David Ignatius writes, "What are the lessons in Saudi Arabia's move back from the brink of potential disaster? The most important is that the Saudis decided to take charge of their own security rather than relying on an America that many in the kingdom resented. ... How does this apply to Iraq? Like the Saudis, the Iraqis will have to save themselves, working within the authentic political framework of their culture, religion and region. The more we try to substitute our will for theirs, with more American troops or exhortation, the more we enfeeble them. ... Only the United States can broker the regional conference that will allow a political transition in Iraq. That's our leverage now -- diplomatic clout, more than military power."

More Commentary. In her New York Times column (11/22), Maureen Dowd says, "It's hard to remember when America has been so stuck. We can't win and we can't leave. The good news is that the election finished what Katrina started. It dismantled the president's fake reality about Iraq, causing opinions to come gushing forth from all quarters about where to go from here. The bad news is that no one, and I mean no one, really knows where to go from here. The White House and the Pentagon are ready to shift to Plan B. But Plan B is their empty term for miraculous salvation." Dowd notes in a parenthetical comment, "Dick Cheney and his wormy aides, of course, are still babbling about total victory and completing the mission by raising the stakes and knocking off the mullahs in Tehran. His tombstone will probably say, 'Here lies Dick Cheney, still winning.'"

Lieberman Blasts Democrats Urging "Cut And Run" Iraq Policy. On Fox News' Hannity and Colmes (11/21) Sen. Joseph Lieberman, discussing Senate colleagues who campaigned against him, said, "Obviously, some of the things that happened were disappointing and I guess you don't forget them." Asked what could cause him to switch parties, Lieberman said, "I really do hope that I don't get to that point. … I guess if my party began to take positions in the Senate that were an accumulation that I felt was so wrong for our country, I might think about switching. But I'm not expecting that. … I know it's a 51-49 senate. But I have got to tell you every time there is a disagreement I am not going to threaten to pick up my vote and go to the other

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side of the Senate chamber." Lieberman went on to vow he will speak out against Democrats who are urging the US to "cut and run" from Iraq, saying, "They are now proposing that we begin a withdrawal of American troops from Iraq within the next four to six months. I think that would -- that's a road to disaster, that's basically the beginning of giving up on Iraq. And as bad as things are in Iraq today, they would be dramatically worse if we just pick up and leave. … We cannot let that happen. Iraq is now a central battlefield in the war on terrorism and we have got to have a success strategy there."

Lieberman Hires Former Christian Coalition, McCain Aide As Spokesman. The New York Times (11/22, Leibovich, 1.16M) reports Sen. Joseph I. Lieberman "announced Tuesday that he had hired a new spokesman, which is not in itself that noteworthy, except that the said spokesman, Marshall Wittmann, is one of the great career vagabonds, ideological contortionists and political pontificators ever to inflict himself on a city full of them." Lieberman, "a longtime Democrat of Connecticut who was re-elected as an independent and calls himself an 'Independent Democrat,' has not ruled out becoming a Republican." Wittmann, meanwhile, is "a Trotskyite turned Zionist turned Reaganite turned bipartisan irritant turned pretty much everything in between — including chief lobbyist for the Christian Coalition, the only Jew who has ever held that position." Wittmann "suffered through a two-year dry patch from 2002 to 2004 when he was a spokesman for Senator John McCain, the Arizona Republican, a job that largely required him to suppress his inner quotemeister for his boss's even-more-impressive knack for drawing attention." Now Wittmann will "once again have to stifle his pundit proclivities to the greater good of Mr. Lieberman." Even though "he has a new boss, Mr. Wittmann still swears deep and abiding affection for Mr. McCain. And the feeling is apparently mutual: Mr. McCain said through an aide that Mr. Wittmann was 'a dear friend.'" All of which "raises the question of what happens if Mr. McCain runs for president and invites Mr. Wittmann to join his campaign." Wittmann said, "One thing I've learned in the press world is that I don't answer hypothetical questions."

Reed Calls For "Phased Redeployment," "Regional Dialogue." Sen. Jack Reed, on MSNBC's Hardball with Chris Matthews (11/21) said, "The President should be stepping up immediately. He can't wait…until next January until we take over or for the Iraq Study Group. He should immediately send over a high-ranking envoy to Baghdad…to start negotiating key elements -- when will they take out their militia, how will they divide oil revenues. … If that's left to next January, then we and he have wasted valuable time. He's wasted valuable time." Reed went on to say the US should "begin a phased redeployment within Iraq and…begin a regional dialogue."

Al Qaeda Portraying Democratic Win As "American Madrid." In a Washington Times op-ed (11/22), Walid Phares, senior fellow with the Foundation for the Defense of Democracies, says, "The latest audio by al Qaeda's Iraq commander -- posted 48 hours after the midterm elections -- sends a clear signal to the readers of the jihadi strategic mind: Al Qaeda and its advisers around the world want to provoke an 'American Madrid.' Portraying the United States as a bleeding bull in disarray, the war room projects its wish to see America's will crippled." The video "attempts to…convince the jihadists that the United States is now defeated in Iraq and beyond. While no reversal of the balance of power has taken place on the ground, the jihadi propaganda machine is linking the shift in domestic politics to a withdrawal from Iraq." It also attempts to "spread political chaos at home. Jihadists portray the Democratic takeover of Congress and the resignation of Defense Secretary Donald Rumsfeld (and maybe others) as signs of American weakening in the resolve to fight jihadism." The terminology "used in the videotape is a powerful indicator that al Qaeda's political network relies on Western-educated minds, familiar with political processes in the United States and serving as advisers to the jihadists." The Jihaidsts "aim at sapping American public morale during a time when reorganization is taking place in the U.S. government."

Congressman-Elect Generated Questionable Iraq Intelligence. The Los Angeles Times (11/22, Miller, 850K) profiles Democratic Rep.-elect Chris Carney, who, "of all the Democrats who rode a wave of public anger over Iraq to election victories this month," had the "most unlikely credentials as a war critic." Carney was "part of a controversial intelligence unit at the Pentagon that was responsible for some of the most alarming -- and, it turned out, unfounded -- prewar claims about Iraq." The Pentagon unit "was created and run by one of the Iraq war's principal architects, then-Undersecretary of Defense Douglas J. Feith." Carney "took part in briefings at the White House and the Pentagon that disparaged the CIA for underestimating the relationship between Baghdad and the terrorist network. Vice President Dick Cheney and other administration officials frequently touted the findings to bolster the case for war." Despite his background, Carney "campaigned as an antiwar Democrat and said he got a 'very warm reception' when he arrived at Capitol Hill this week to take part in orientation activities for incoming members." Carney "is not apologetic about his work at the Pentagon." Said Carney, "I certainly stand by the fact that I believe there was some sort of relationship." He added that on "a scale from zero to 10, with zero being no relationship and 10 perfect operational coordination," Carney said, "the Iraq-Al Qaeda link was 'somewhere in the 2.5 range.'" The Times adds that

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"appears to be a more qualified assessment than the so-called Policy Counterterrorism Evaluation Group presented to policymakers during a series of briefings in 2002."

Syria, Iraq Renew Diplomatic Relations. ABC World News (11/21, story 4, 0:15, Gibson, 8.78M) reported, "In Iraq today, Syria and Iraq re-established diplomatic ties, after 24 years. The US and Iraq have said that Syria is going to have to do a lot more to stop weapons and insurgents flowing across its border into Iraq."

Fox News' Special Report (11/21, Hume) asked, "What impact will the suspicion of Syrian involvement have on the prospects of getting Damascus to help end the violence in Iraq?" Fox went on to report, "At the State Department, a top ranking official welcomed Iraq having neighborly relations with Syria and Iran, but asked when those countries will behave like a good neighbor towards Iraq?" Under-Secretary of State Nicholas Burns: "The Syrian government permits people, insurgent fighters to cross its border to go into Iraq to kill American soldiers and Iraqis. That ought to stop. The Iranian government we believe has given assistance, material and otherwise, to Shiite insurgent groups attacking Sunni Iraqis but also attacking American and British forces. That has to stop." Fox added, "All this regional jockeying comes as the Bush administration is re-evaluating its conduct of the war in Iraq and has thus far resisted calls for the U.S. to engage more directly with Damascus and Tehran."

The Financial Times (11/22, Biedermann) reports "the move comes as the US and other western powers are exploring the option of enlisting Syrian and Iranian help in stabilising Iraq." But "there are no signs yet that Damascus is preparing to change its policies on the ground in Iraq, where it has been accused of supporting the insurgency." Similarly, the Christian Science Monitor (11/22, Murphy, 59K) says the US "has repeatedly accused Iran and Syria of stirring up violence inside Iraq, but recently the notion of isolating them as punishment has lost favor in Washington. A growing number of…Bush's advisers are urging direct dialogue with both nations. They argue that engagement could convince Syria to do more to prevent foreign fighters from entering Iraq; Iran could exert more influence on Iraq's dominant Shiite political parties (and their militias) to compromise more."

Bomb Fails To Kill Iraqi Speaker Inside Green Zone. The New York Times (11/22, Wong, 1.16M) reports, "A bomb exploded in an armored car belonging to the speaker of Parliament, wounding the American security guard who was driving it out of a parking area in the government Green Zone and disrupting a meeting of lawmakers nearby, a parliamentary aide said. Though the speaker, Mahmoud al-Mashhadani, was not in the vehicle and was unscathed, the assassination attempt was one of the most serious breaches of security yet within the Green Zone, the heavily fortified government district on the west bank of the Tigris River." The bomb "was planted inside a decoy armored car that was part of the speaker's regular convoy and resembled the one he usually used, said the parliamentary aide, who spoke on condition of anonymity because he was not authorized to talk publicly about the attack."

The Washington Post (11/22, A17, Trejos, 690K) reports Lt. Col. Christopher C. Garver, a spokesman for US forces in Iraq, said "bomb-sniffing dogs then detected explosives in another vehicle." Bomb "specialists detonated that car, which set off a series of blasts that caused a fire but injured no one and caused no major damage to nearby structures." Garver "said he was not sure how the explosives made it so far into the Green Zone, which houses the Iraqi government, the US and British embassies and thousands of foreign troops and private contractors. Anyone trying to enter the zone must pass through several checkpoints -- first to get into the complex, then to enter individual buildings."

Joint US-Iraqi Raid Kills Nephew Of Iraqi Lawmaker. The CBS Evening News (11/21, story 2, 1:55, Couric, 7.66M) reported "a joint US-Iraqi force, just the type the Pentagon is trying to build, raided a neighborhood in Baghdad today, capturing seven suspected militiamen. But the raid had some unintended victims." CBS (Palmer) added, "It was dawn in the Shiite slum of Sadr City when calamity struck from the sky. An American air strike had accidentally killed a baby boy in his family home. 'His father was injured, so was his mother,' says the neighbor. 'Who will protect us?' US and Iraqi forces smashed through houses here looking for criminals they believe kidnapped an American soldier last month. The dead child's uncle is a member of Iraq's parliament. Now he says there's no way he's going back to help govern this broken country."

Iraqi Government Hamstrung By Distrust. The Los Angeles Times (11/22, Daragahi, 850K) reports Iraqis "elected their leaders in December, hoping that a government by the people would do something for the people. Eleven months later, officials acknowledge that their efforts have been mostly a failure," and "government involvement often creates a bigger problem than it solves." Despite US "pressure for results, Iraq's elected officials have been unable to overcome their mistrust of one another and improve security or tackle the major political and economic issues — from murderous cops to the sewage woes of Amil." Now, "fed up with ministers he says were foisted on him by political factions, Prime Minister Nouri Maliki has promised a Cabinet reshuffle. He is scheduled to convene the body this week to address the deepening political divisions and a threatened walkout by the Sunni Arab bloc." But "his resolve may not be enough to overcome the government's inherent frailties and limitations."

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Marine Snipers Find Few Targets. The New York Times (11/22, Chivers, 1.16M) reports on the operations of Marine snipers in Anbar province: "This was this sniper team's 30th mission in Anbar Province since early August. They had yet to fire a shot. More than three years after the insurgency erupted across much of Iraq, sniping — one of the methods that the military thought would be essential in its counterinsurgency operations — is proving less successful in many areas of Iraq than had been hoped, Marine officers, trainers and snipers say." Snipers "are seeing fewer clear targets than previously, and are shooting fewer insurgents than expected." Insurgents, after four years, have become "more savvy and harder to kill." Marines also attribute the decline in sniping to "rules and conditions placed on them by senior military leaders."

Marines Issue Flame-Resistant Flight Suits To Ground Troops. USA Today (11/22, Vanden Brook, 2.27M) reports, "Marine commanders are outfitting their troops with flame-resistant flight suits in Iraq to ward off burns from the No. 1 killer here: roadside bombs. It's another sign of how troops in the field have adapted to the deadly insurgency. Earlier in the war, troops added their own armor to vehicles and devised their own makeshift electronic jamming devices to foil the growing power and sophistication of the bombs they encountered. ... So far, the Marines have issued more than 12,000 fire-resistant suits, said Capt. Jeff Landis, spokesman for the Marine Corps Systems Command. ... The Army also has begun to issue fire-resistant flight suits to tank and truck drivers in Iraq, said Lt. Col. Carl Ey, an Army spokesman at the Pentagon. Next year, the Army plans to issue fire-resistant pullovers, boots and socks, records show."

Parents Stand By Haditha Suspect. The Washington Post (11/22, A3, White, 690K) reports on the family of Haditha murder suspect Lance Cpl. Justin Sharratt: "The Sharratts have remained silent until now because they did not know what to say. They have avoided learning details of their son's possible involvement in the shootings while they have struggled to understand what might have happened in a war zone thousands of miles away. They have privately fumed about politicians -- such as Rep. John P. Murtha (D-Pa.) -- who have publicly stated that their son was part of a brutal, vengeful slaughter. And they are livid that no one in the Marine Corps has stepped forward to defend their son." The Post adds, "Military officials familiar with the investigation said there is some evidence that could show wrongdoing, including images, taken by an unmanned aircraft, that appear to show that a group of civilians shot near their car -- which had approached the Marine convoy after the bomb went off -- were executed. At least one Marine has told officials that he saw another Marine standing over the bodies and emptying his rifle's clip into them, according to two people closely familiar with the case."

US, Afghan Officials Say More Troops, Equipment Needed. The AP (11/22, Baldor) reports US and Afghan defense officials said, "More troops and sophisticated equipment are needed to bolster Afghanistan's security forces, but it is not clear whether more U.S. troops will be deployed there." Lt. Gen. Karl Eikenberry "told Pentagon reporters that U.S. officials will wait until after next week's NATO summit in Latvia to see how many troops other countries plan to provide before deciding if more U.S. forces must be sent to Afghanistan." Eikenberry said, "I think it will be best at this point to wait and see what NATO is able to provide. There's more meetings that are taking place on the military staff. And this is very high on their agenda." The AP adds US military leaders "have been pushing NATO members to meet their commitments and provide more troops in Afghanistan. For months, officials have said that NATO nations have provided only 85 percent of the support they promised." The Afghan minister of defense, Gen. Abdul Rahim Wardak, "who met Tuesday with Defense Secretary Donald H. Rumsfeld, said his country needs more firepower, transport planes and armored vehicles. The Afghans have asked for additional helicopters and aircraft that can move troops and supplies through the mountainous regions."

Relatively Stable Afghan North, West Become "Time Bomb." The Financial Times (11/22, Morarjee) reports in a 1,600 word map-supported article, "On Nato maps, Afghanistan's southern provinces and eastern areas along the border with Pakistan are shaded a fiery red, reflecting the hot spots of a persistent insurgency. By contrast, the northern and western provinces are shown in green, dotted with yellow to indicate pockets of instability. But the colour-coding is deceptive. The government and its international backers can no longer take the relative peace of the north and west for granted. It is becoming clear that warlords and commanders from other ethnic groups are increasingly a menace." Reportedly "angry about being pushed aside" by the Karzai government, Northern Alliance warlords who "swept the Taliban from power" make the north a "ticking time bomb," as described by an unnamed diplomat. The FT continues, "Local militia commanders are rethinking their backing of the central government and Islamic militants are moving to mobilise support outside their southern strongholds by exploiting the factional fault-lines in the north and the west." Furthermore, "the bulk of the 2,700 troops in the north are German and are constrained by caveats that would not allow them to leave their bases to intervene in a big clash in the region. Italian, Spanish and Lithuanian troops in the west are similarly hidebound."

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Pakistan Arrests 39 Suspected Taliban In Quetta. The AP (11/22, Sattar) reports Pakistan police "arrested 39 Afghans suspected of being Taliban fighters in the southwestern Pakistani city of Quetta, an official said Tuesday, though an Islamist group insisted the detainees were only students." The arrests "late Monday and early Tuesday came in separate raids on rented houses in areas with large Afghan refugee populations, said Chaudhry Mohammed Yaqoob, chief of police in Baluchistan province, whose capital is Quetta." Police are "interrogating the suspects to learn if any senior Taliban figures were among them, Yaqoob said. Afghan officials have alleged Taliban leader Mullah Omar is in Quetta, but Pakistan has rejected the claim."

US Accused Of "Shameful" Record Of Abandoning Allies. In his Los Angeles Times (11/22, 850K) column, Max Boot writes about perceived Iraqi unwillingness to fight for the "American-backed government": "Would you stake your life on a regime whose existence depends on Washington's continuing support? Given our long, shameful record of leaving allies in the lurch, that has never seemed to be a smart bet. We have been betraying friends since our first overseas conflict, against the Barbary pirates who captured ships off the African coast and enslaved their crews." Boot lists Eastern Europe, Vietnam, Iran, and Iraq (in 1991) as other examples of US irresolution. He concludes, "If we do scuttle out of Iraq prematurely, Afghans and others whose support we seek will get the message again: Don't trust Uncle Sam. The least we can do is to assure those Iraqis who have worked closely with American forces — whether as janitors, translators, soldiers or bureaucrats — that, if we do leave, they and their families will receive asylum in the United States."

Army Turns To New Recruiting Slogan. The Washington Post (11/22, A19, Tyson, 690K) reports, "The Army, facing another tough recruiting season, launched a $200 million-a-year advertising campaign this month and unveiled a new slogan: 'Army Strong.' ... The television ads, launched nationwide for Veterans Day along with Internet placements and other outreach, omit all but the most fleeting images related to the all-volunteer Army's biggest endeavor ever: the war in Iraq. ... There are obvious reasons the Army might not want to underscore to potential recruits, and their parents, that signing up these days almost inevitably means deployment to combat zones in Afghanistan or Iraq, where the majority of the more than 2,850 killed and 21,000 wounded have been soldiers." The Post adds that "by far the most popular recent slogan, according to soldiers interviewed, was 'Be All You Can Be,' which lasted 20 years until a recruiting downturn saw it changed in 2001."

DOJ:

GAO Finds Room For DOJ Improvement In Information Classification Practices. Government Computer News (11/22, Hostetler) reports, "The Justice Department needs a standard classification system and needs to address its staffing shortage, according to a report issued by the Government Accountability Office." GCN continues, "DOJ and its bureaus, specifically the FBI, were under review to determine if the department implemented the National Archives and Records Administration's Information Security Oversight Office (ISOO) recommendations to correct problems in their document classification systems. … ISOO is responsible for oversight of national security classification programs for Executive Branch agencies. GAO conducted the study because of the important role information protection and sharing plays in preventing terrorist attacks, the report said." GCN adds, "DOJ ranks third in the number of documents classified in the executive branch, behind the Defense Department and the CIA. Within DOJ, the FBI handles 98 percent of that work. … In any DOJ entity, a document can be classified in one of five ways: Limited Office Use Only, For Office Use Only, Law Enforcement Sensitive, Propriety Information or DEA-sensitive (specific to DEA). Each of these designations have 'unique definitions and safeguard requirements,' but they do not have 'specific guidance on the types of information that merit each designation,' the report said. … Without specific guidelines, employees do not know if the information warrants a sensitive but classified distinction. The components of DOJ do not train their employees to make these decisions nor do they oversee the process by which employees label the information."

The Washington Times (11/22, Seper) reports, "The Justice Department's classification program, which determines what information could reasonably be expected to damage the country's national security if disclosed publicly, is at risk because of a lack of adequate staffing, according to a government report." The Times continues, "In a 50-page report yesterday, the Government Accountability Office said the department's classification-management program needs to assess its 'optimum' manpower requirements, develop a strategy to meet them, and then implement internal controls 'to ensure proper use of sensitive but unclassified designations.' … 'The September 11 attacks showed that agencies must balance the need to protect and share sensitive information to prevent future attacks,' the report says. 'Agencies classify this information or designate it sensitive but unclassified to protect and limit access to it.'" The Times adds, "But, according to the GAO, the department is at risk because it has not addressed the problem of insufficient staffing to effectively manage and oversee the

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program, noting it has one staff member to cover departmentwide training issues and three staffers to oversee 3,500 locations under the program. … 'According to the program manager, with these resources, the security office was reacting to classification issues that arose rather than being proactive to prevent them,' the GAO said. … Staffing increases for the Justice Department program were recommended by the National Archives' Information Security Oversight Office, which reviewed security procedures in July 2004 and April 2005. GAO was asked this year to see how well the department and the FBI had responded to the request. … The GAO said Attorney General Alberto R. Gonzales should determine what staffing he needs to carry out the responsibilities of the department's classification-management program and devise a strategy to make those resources available and use them effectively."

CORPORATE SCANDALS:

DOJ Drops Effort To Restore Lay Conviction. Bloomberg (11/22, Calkins) reports, "The U.S. government dropped an attempt to restore the convictions of Enron Corp. founder Kenneth Lay, who died six weeks after being found guilty of spearheading the fraud that destroyed the company." Bloomberg continues, "Lay died of a heart attack in July after being convicted in May of 10 fraud and conspiracy charges. U.S. District Judge Sim Lake threw out the verdicts under a legal principle that erases convictions of defendants who die before they can appeal." Bloomberg adds, "The government moved (Monday) to withdraw a Nov. 16 notice of an appeal of Lake's decision. Steven Tyrrell, chief of the Justice Department's fraud section, said in the document the government made the move after a bill to change the law was introduced in Congress. He didn't elaborate. … 'Now, from a criminal standpoint, Ken Lay is forever exonerated,' said Ed Tomko, a former federal prosecutor who defended another Enron executive against fraud charges." Bloomberg notes, "Tomko said efforts to change the law are 'largely meaningless' to Lay's criminal case, because lawmakers can't apply punishments retroactively. … 'It might mean something to the next case,' Tomko said. 'But the government is already chasing Ken Lay's money in a civil case.' … U.S. authorities last month filed a civil forfeiture case against Lay's estate, seeking $12.5 million for victims of Enron's collapse. The government asked for a jury trial to re-establish Lay's responsibility for the fraud. … Justice Department spokeswoman Jaclyn Lesch and Samuel Buffone, Lay's appellate lawyer, declined to comment on the government's decision not to appeal."

CRIMINAL LAW:

DOJ Decides Against Probe Of Porter Fundraising Allegation. The Las Vegas Review-Journal (11/21, Tetreault) reported, "The Justice Department has decided not to pursue an accusation that Rep. Jon Porter made fundraising calls from his congressional offices earlier this year, a practice that would be illegal if proved, officials confirmed Monday. The charge was leveled by a former Porter staffer who offered e-mails in support of his charge against the Nevada Republican." The Review-Journal added, "Bryan Sierra, a Justice Department spokesman, said, 'The FBI looked at it and the matter was declined.' … Porter said he took the news as vindication 'by the highest law enforcement in the land,' and that the accusation was suspect from the start. 'This was something raised two weeks before the election by a disgruntled ex-employee,' he said."

The AP (11/22) reports, "Nevada state Democratic Party chairman Tom Collins said Justice Department officials said late last week that the FBI probe was not moving forward. Collins said no reason was provided. … 'You have to look at who hires these guys in the Justice Department,' Collins said. 'This is just the typical Bush-Cheney cover-up stuff. Jon Porter has done nothing to clear his name.'"

Three Aryan Brotherhood Members Sentenced To Life. The AP (11/22, Flaccus) reports from Santa Ana, CA, "A federal judge sentenced three suspected leaders of the violent Aryan Brotherhood prison gang to life terms Tuesday, saying the sentences were the only just response to three decades of orchestrated murders and attempted murders in some of the nation's toughest penitentiaries." The AP continues, "Barry 'The Baron' Mills, 58, was sentenced to four consecutive life terms without possibility of parole, a sentence automatically imposed after a jury deadlocked earlier this year on the death penalty. Tyler 'The Hulk' Bingham, 59, also escaped the death penalty but received three consecutive life terms without possibility of parole. … A third defendant, Edgar 'The Snail' Hevle, was sentenced to three consecutive life terms and will likely die in prison. He had not been eligible for the death penalty." The AP adds, "Carter said the sentences were appropriate for crimes 'spanning well over 30 years of murder and organizational murder.' … 'It's almost inconceivable and the duration of time is almost inconceivable,' Carter said of the string of murders, attempted murders and other crimes before handing down the sentence. … The defendants have 10 days to file appeals with the 9th Circuit U.S. Court of Appeals."

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Three Gang Members Sentenced To Live For Targeting Blacks. The Washington Times (11/22, Seper) reports, "Three Los Angeles-area Hispanic gang members have been sentenced to life in prison in what federal prosecutors called hate-crime attacks that randomly targeted black non-gang members, including women and children." The Times continues, "Gilbert Saldana, 27, Alejandro Martinez, 28, and Fernando Cazares, 25, were sentenced Monday to consecutive life terms without the possibility of parole by U.S. District Judge Percy Anderson in Los Angeles for their roles in the slaying of two black men in 1999 and 2000." The Times adds, "Judge Anderson said the men, members of the Avenues gang, maintained a 'reign of terror' over the Highland Park area northeast of Los Angeles that had 'far-reaching consequences.' Under federal sentencing guidelines, the judge could have imposed lesser sentences but declined to do so. … Prosecutors said the men tried to drive blacks out of the neighborhood in a six-year conspiracy of violence and threats." The Times adds, "Law-enforcement authorities said the prosecution was one of the first prominent cases in which the Justice Department targeted street gang members with hate-crime laws normally used to prosecute white supremacist groups. … In October, Robert B. Loosle, special agent in charge of the criminal division at the FBI's Los Angeles office, told a House subcommittee that gangs and other criminal enterprises pose increasing concerns for the international law-enforcement and intelligence communities. … Calling gangs 'more violent, more organized and more widespread than ever before,' Mr. Loosle estimated that there are 30,000 gangs nationwide with 800,000 members affecting 2,500 communities."

Ohio Brokers Acquitted Of All Bribery Charges. The Columbus Dispatch (11/22, Niquette) reports, "After about three hours of deliberation," a federal jury in Akron yesterday "acquitted two Cleveland-area brokers accused of conspiring to bribe the former chief financial officer at the Ohio Bureau of Workers' Compensation with use of a Florida condominium. The…jury returned not-guilty verdicts on all charges against Michael W. Lewis and Daniel P. O'Neil after closing arguments in which their attorneys argued that the government's key witness was not credible. … The verdict is a setback for the state and federal task force investigating allegations of corruption at the bureau. The investigation has produced convictions for 10 public figures so far, including Gov. Bob Taft and coin dealer Thomas W. Noe, who was sentenced Monday to 18 years in state prison." The Dispatch notes, "Lewis and O'Neil were charged with two counts of conspiring to bribe the bureau's Terrence W. Gasper and one count each of lying to an FBI agent about Gasper's role in purchasing the Florida condo in 1998."

Tennessee License Examiner Sentenced To Prison For Taking Bribes. The Murfreesboro Post (11/22, Marchesoni) reports, "One former driver's license examiner in Rutherford County was sentenced Monday to 19 months in prison and two years of supervised probation after his release, a federal prosecutor said. Ex-examiner Bruce Conklin of Murfreesboro pleaded guilty in July to accepting more than $30,000 in bribes in connection with his job. … Conklin and five other people were charged in January in a six-count federal indictment as part of the 18-month Operation Crooked Highway probe. Driving school employees paid the examiners to obtain driver's licenses and one-year driving certificates of driving for immigrants at the school who didn't complete the required 36 hours of training or had questionable documents about citizenship." The Post notes, "The FBI, Internal Revenue Service, federal Immigration and Customs Enforcement agents and the Department of Safety investigated the case."

Federal Agents, Philadelphia Police Arrest Suspect In 1989 Racial Murder. In a widely-distributed story, the AP (11/22) reports, "Authorities have charged a white man with murder and ethnic intimidation in the shooting of a black man 17 years ago. Thomas Gibison, 35, was arrested without incident before dawn Nov. 7 at his home in Newark, Del., FBI spokeswoman Jerri Williams said Tuesday. Gibison is also charged with conspiracy and a firearms violation in the killing of 34-year-old Aaron Wood of Philadelphia on April 16, 1989." The AP notes, "He was arrested by a task force that included Philadelphia authorities, FBI agents and members of the federal bureau of Alcohol, Tobacco, Firearms and Explosives." The Philadelphia Inquirer (11/22, Arnold, 385K) adds, "Law enforcement officials said they could not disclose specific details related to the killing or the exact details of what led authorities to Gibison."

Judge Agrees To Freeze Hedge Fund Manager's Assets Over Alleged Fraud. The AP (11/22) reports, "The Securities and Exchange Commission said on Tuesday that a federal judge has agreed to freeze the assets of a New York hedge fund manager accused of bilking investors out of millions of dollars. Spiro Germenis, the hedge fund manager, has been accused of diverting money from Oracle Services Inc. and Oracle Evolution LLC for his own use. He has fled to Greece, according to the SEC. … 'We're aware that an investigation by the U.S. attorney's office and the FBI is ongoing in addition to the SEC action that was just filed,' said Zachary Margulis-Ohnuma, an attorney for Germenis's wife, Maria Germenis. He said that Mrs. Germenis was 'doing every thing she can to cooperate with the authorities.'"

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Federal Agents, Florida Police Arrest Suspects In DOT Laptop Theft. The Miami Herald (11/22, Lebowitz, 286K) reports, "Authorities investigating the July theft of a federal agent's laptop containing the sensitive personal information of 133,000 Floridians, believe they have broken up a ring of computer thieves who may be responsible for its disappearance. Two men are facing charges related to the theft of other laptops from vehicles near the Latin American Grill in Doral, where the agent's laptop was stolen from his parked sport-utility vehicle on July 27." The Herald notes Juan Esteban Calle and Carlos Andres Leon "were arrested during an extensive surveillance operation by DOT inspector general, the FBI and Miami-Dade police at Doral area restaurant parking lots -- including the same restaurant where the agent's laptop disappeared. With video cameras rolling, Calle used a lock-punching device similar to the one used in the DOT theft to open a passenger-side door and steal a decoy laptop with a tracking device attached."

The AP (11/22, Anderson) also reports on the arrest and adds, "The inspector general's statement said no evidence of credit fraud had occurred since the laptop went missing. … A second DOT inspector general's office laptop was also stolen during a hotel conference in Orlando in April. t contained sensitive information on about 9,500 individuals, all of whom were on the stolen Miami laptop as well. The Orlando investigation has made less headway and is continuing, the inspector general's office said."

Key Prosecution Witness Testifies Jeffs Coerced Underage Marriage. USA Today (11/22, 3A, Wagner, 2.27M) reports, "In tearful testimony, the lead prosecution witness against polygamist church leader Warren Jeffs said Tuesday that she was threatened with banishment if she did not marry her cousin at age 14. The woman, now 20 and married to a different man, described being coerced by Jeffs and other leaders of the religious sect during a preliminary hearing. 'This was the darkest time in my entire life.'" USA adds, "During cross-examination, defense attorney Tara Isaacson sought to portray the woman as a willing participant in the wedding and argued that Jeffs did not know the couple had sex. Isaacson introduced sweetheart notes the couple had traded and quoted from the girl's journal, in which she expressed enthusiasm about being singled out for marriage. The woman testified that the entry was written before she learned the identity of her partner." CNN Newsroom (11/21, Tuchman, 3:00 p.m.) noted Jeffs "was on the FBI 10 most wanted list for months," and reported, "He had a smile on his face for most of the morning," but when the woman took the stand, "his smile then disappeared. … She says that, the entire time at the wedding -- this is a quote – 'The entire time I was there, I was crying. I was so scared. I wanted to die.'" ABC World News (11/21, story 9, 0:15, Gibson, 8.78M) reported, "A judge is deciding whether Jeffs will be tried as an accomplice to rape."

In a widely-distributed story, the AP (11/22, Dobner, Foy) reports, "Prosecutors completed their case Tuesday, and 5th District Judge James Shumate said the preliminary hearing would resume Dec. 14. Jeffs' defense team plans to call two witnesses, including the woman's current husband. On Tuesday, one of Jeffs' lawyers introduced photographs of a smiling, laughing couple and got the woman to acknowledge Jeffs never explicitly ordered her to have sex with her new husband." The AP adds, "Raised in the faith since birth, Jeffs' accuser said she felt a heavy responsibility to 'the entire community' in the days leading to the marriage ceremony. 'I was scared. 'I didn't have any place to go,' said the woman." The Salt Lake Tribune (11/22, Adams), identifying the woman as "Jane Doe IV," reports she testified about "her attempts to get…Jeffs to release her from the union. But Doe also admitted she never explicitly accused her husband of rape in those conversations with Jeffs. 'I said to Warren he was touching me and doing things I didn't like,' said Doe, now 20. 'I didn't tell anybody I was being raped.'"

The New York Times (11/22, Dougherty, 1.16M) notes, "The woman testified that she had told Warren Jeffs that she did not want to be married. … She said Mr. Jeffs had told her that her marriage to her cousin 'was a revelation from God' and ordered her to prepare for the wedding." However, Jeffs lawyer Walter Bugden Jr. "told the news media after the hearing that the state was conducting 'religious persecution' and predicted that Mr. Jeffs would be acquitted." Bugden added, "Officiating at a wedding ceremony does not make Mr. Jeffs an accomplice to rape." NPR's All Things Considered (11/21, Norris, Berkes) also reported on the hearing, including clips of the anguished testimony from the witness.

Curbs On Sex Offenders Seen As Ineffective, Inhumane. The Washington Post (11/22, A1, Whoriskey) reports, "As convicted sex offenders go, they seem to pose little danger. … One is 100 years old. Another can barely walk and is in the late stages of Alzheimer's disease. Another is dying of heart disease in a nursing home. .. .Yet under a new Georgia law, thousands of registered sex offenders, even the old and feeble, could be pushed from their homes and hospices." The Post continues, "As states around the country have sought in recent years to control the whereabouts of convicted sex offenders, Georgia's law stands out as one of the toughest, a testament to the daunting public fears regarding children's safety. … The roughly 10,000 sex offenders living in Georgia have been forbidden to live within 1,000 feet of a school, playground, church or school bus stop. Taken together, the prohibitions place nearly all the homes in some counties off-limits -- amounting, in a practical sense, to banishment." The Post

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adds, "Since the law's enactment in July, however, a federal judge, human rights advocates and even some of the sheriff's departments that are supposed to enforce the measure have suggested that the zeal for safety may have gone too far. … The residency law applies not only to sexual predators but to all people registered for sexual crimes, including men and women convicted of having underage consensual sex while in high school. … Advocates for the sex offenders say the law is unfair to people who have served their sentences and been deemed rehabilitated. Many police officers, prosecutors and children's advocates also question whether such measures are effective. Most predators are mobile, after all, and by upending their lives, the law may make them more likely to commit other offenses, critics say."

FBI Establishes Western Pennsylvania Corruption Hotline. The Pittsburgh Post-Gazette (11/22, Ward, 230K) reports, "In an effort to combat public corruption in Western Pennsylvania, the FBI has established a telephone hot line that people can call to file complaints of possible abuse by elected and appointed officials. Tips…can be made anonymously; they will be followed up on by investigators." The Post-Gazette notes, "Public corruption has been stated as one of the highest priorities of the U.S. Department of Justice."

FBI Investigating Former Louisiana Charity Grant Office. The New Orleans Times-Picayune (11/22, Russell) reports, "A state office that oversaw a series of controversial charities tied to African-American legislators is being scrutinized by the FBI, Gov. Kathleen Blanco's office confirmed Tuesday in announcing that it had complied with a subpoena for records from the department. … Critics commonly derided the grants -- and similar money doled out to rural districts -- as legislative 'slush funds' that governors could use as an incentive to get reluctant legislators to vote their way." The Times-Picayune adds, "It's unclear what the FBI is looking for. But earlier this year, James Bernazzani, the special agent in charge of the FBI's New Orleans field office, announced his intention to investigate two charities that were financed by the Office of Urban Affairs. Both of the groups -- Care Unlimited and Orleans Metropolitan Housing & Community Development -- have longtime ties to U.S. Rep. William Jefferson, D-New Orleans. … Bernazzani said little Tuesday, acknowledging only that 'during the course of an ongoing investigation, the FBI served subpoenas on select offices.'"

Baltimore Council Mulls Taping Of Police Interrogations. The Baltimore Sun (11/22, Jones) reports, "The Baltimore City Council is reviewing a bill that would require the videotaping of police interrogations of witnesses or suspects in violent crimes -- a measure opposed by police but endorsed by public defenders who represent suspected criminals." The Sun continues, "Councilman James B. Kraft, chairman of the council's public safety subcommittee, said he introduced the legislation because he believes it would decrease the number of allegations of improper behavior by police officers. Kraft said a video would protect officers against false charges, and witnesses against intimidation or illegal questioning." The Sun adds, "Representatives of the Police Department -- who say they generally record statements but do not use video -- said at a hearing Tuesday that they have doubts about using cameras, and one high-ranking detective called it "costly" and potentially harmful for prosecutors. … Col. Fred H. Bealefeld III, chief of detectives, said at the hearing that his department is studying a video system used in Chicago. Bealefeld said it cost that department millions of dollars to install and run the cameras in interrogation rooms. .. .But the Office of the Public Defender dismissed the cost issue and praised the proposal, saying it could be a significant development in criminal proceedings."

Maryland Man Sentenced To Life For Killing Stepdaughter. The Baltimore Sun (11/22, Mcmenamin) reports, "A 36-year-old convicted sex offender was sentenced Tuesday to life in prison without parole for stabbing, strangling and beating to death his 13-year-old stepdaughter before setting her body and their family's Essex rowhouse on fire to cover up the killing." The Sun continues, "Carl Preston Evans Jr., whose arrest in August 2005 highlighted problems with the state's sex offender registry, also received two consecutive 15-year prison terms, one for the at tempted murder of his infant daughter and one for arson. … Baltimore County Circuit Judge Kathleen G. Cox, who pronounced sentence, characterized the killing as 'a monstrous, monstrous crime,' and pointed out that nothing Evans said, either in court or to an investigator who prepared a pre-sentence report, has shed any light on the motive behind it." The Sun adds, "A Baltimore County jury convicted Evans in September of first-degree murder in the death of Breaunna Floyd, who was stabbed 24 times, strangled and beaten before being doused with gasoline and set on fire. … The jury also convicted Evans of arson for setting fire to the family's row home on Foxridge Lane in Essex in July 2005 and of attempted second-degree murder for leaving then-7-month-old Mosett Evans in the burning house."

Greek Authorities Pursue Charges Against Getty Antiquities Curator. The Los Angeles Times (11/22, Zirganos, Frammolino, Felch) reports, "Greek authorities have recommended that felony criminal charges be filed against former J. Paul Getty Museum antiquities

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curator Marion True for her role in the acquisition of a 2,500-year-old gold funerary wreath considered one of the museum's masterpieces." The Times continues, "The Police Headquarters of Athens announced today that the city's chief prosecutor had concluded an initial investigation with the recommendation that five unnamed people -- three foreigners and two Greek citizens — be charged with looting, selling and receiving the gold funeral adornment." The Times adds, "The press release did not name the individuals involved and said only that the object was purchased by a 'private American museum' in 1993 for $1.15 million. A senior Greek official familiar with the case said that the museum was the Getty and that True was among the five defendants. … Under the Greek system, the case will pass to an investigating magistrate who will conduct his own investigation, a process that is expected to take weeks or months." The Times notes, "The Greek announcement comes amid negotiations between the Getty and officials from the Hellenic Ministry of Culture over the return of the wreath and a statue of a female torso, or kore. .. Already this year, the Getty has returned two other objects requested by Greek officials: a 5th century BC marble relief and a 4th century BC inscribed tombstone. The tombstone, or stele, was purchased by J. Paul Getty himself in 1955."

Getty Breaks Off Antiquities Talks With Italy. The New York Times (11/22, Eakin, Povoledo) reports, "In an abrupt change of course, the J. Paul Getty Museum in Los Angeles announced yesterday that it had broken off negotiations with the Italian government and made a 'unilateral' decision to cede only some of the antiquities that Italy says were looted from its soil." The Times continues, "In a six-page letter to the Italian culture minister, Francesco Rutelli, the Getty's director, Michael Brand, said the museum had decided to turn over 26 artifacts. Referring to other treasures sought by the Italians, he said that Italy had 'no valid legal claim' to a prized bronze sculpture in the Getty's collection, and that evidence regarding a limestone cult statue it wanted returned was 'inconclusive.' … Mr. Brand also wrote that the Getty would continue to study the cult statue, regarded by experts as possibly depicting Aphrodite, and would transfer title to Italy if new research lent weight to the country's claim that it had been illegally excavated on its territory." The Times adds, "The museum's move carries significant risks for the Getty. Unlike deals to return disputed art that Italy negotiated this year with the Metropolitan Museum of Art in New York and the Museum of Fine Arts in Boston, the ceding of art by the Getty carries no guarantee of loans from Italy or other reciprocal benefits. … The Getty's decision follows nearly a year of tense negotiations over an Italian claim for 52 objects in the museum's collection. The claim rests largely on evidence that has emerged in the trial in Rome of Marion True, a former Getty curator, and Robert Hecht, an American art dealer, on charges of trading in illegally excavated antiquities."

New York To Overhaul System Of Town, Village Courts. The New York Times (11/22, Glaberson) reports, "New York's top judicial officials outlined a plan on Tuesday to begin reforming the state's 300-year-old system of town and village courts, which have been criticized for decades as outmoded, poorly supervised and unfair." The Times continues, "The plan, announced here by the state's chief judge, Judith S. Kaye, included changes that have been recommended for years by defense lawyers and legal experts. Among them were plans to increase training for the justices, to improve their supervision and to better monitor whether they are protecting basic legal principles like the constitutional right to a lawyer. … The courts — known as justice courts — are also to be required for the first time to keep a word-for-word record of their proceedings, like other courts in the state." The Times adds, "While the officials said that many town and village justices are diligent, Judge Kaye said a sweeping reform program was called for by what she called enduring concerns about the courts. The system has survived a century of calls for radical overhaul by governors and commissions, and an important legal challenge in the 1980s. … As outlined by a series of articles in The New York Times in September, the courts have survived in part because the justices — most of them not even lawyers — have longstanding and deep ties to the upstate political system, and because of the substantial cost of replacing them with more professional courts. … The plan announced on Tuesday is the most specific and ambitious effort in years to address significant parts of the system's troubled dealings."

CIVIL LAW:

Whistleblowers Help US Recover $1.3 Billion In Fraud Cases. The AP (11/22, Jordan) reports, "Whistle-blowers tipped off the government to $1.3 billion worth of fraud cases over the past year, largely at hospitals or other health care providers, the Justice Department said Tuesday." The AP continues, "In all, the department recovered $3.1 billion in settlements -- what prosecutors said was a record amount -- from individuals and companies during the 2006 fiscal year that ended Sept. 30. … 'Many of these cases were initiated by whistle-blowers,' said Assistant Attorney General Peter D. Keisler, who oversees the department's civil division. … He called the $1.3 billion identified by whistle-blowers a recovery level 'probably greater than most years, smaller than a couple.' In return, whistle-blowers were paid $190 million over the year for alerting the government to the fraud." The AP continues, "The single largest settlement, worth $920 million, came against Dallas-based Tenet

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Healthcare Corp., the nation's second-largest hospital chain. Following claims from six whistle-blowers, prosecutors accused Tenet of overbilling the government for $806 million in Medicare payments and paying $49 million in kickbacks to doctors who referred patients to the health care chain. … Tenet operates 66 hospitals in 12 states, mostly in the Southeast. Overall, fraud settlements with health care companies accounted for $2.2 billion -- more than two-thirds of the annual total." The AP adds, "Whistle-blowers have helped the government recover an estimated $18 billion since 1986, when Congress approved laws to strengthen their protections. … 'Today, individual citizens are making the same kind of important difference in exposing fraud by those who do business with the government,' said Sen. Charles Grassley, R-Iowa, who helped write the laws. … Until now, the government had never recovered $3 billion or more in fraud cases, and passed the $2 billion mark for the first time in 2003, Keisler said."

DC Circuit Overturns Dismissal Of FOIA Suit Over Immigrant Convicts. The Austin American-Statesman (11/22, Carr) reports, "A federal court of appeals ruled Tuesday that a lower court erred in dismissing a case that sought records under the Freedom of Information Act about illegal immigrant convicts who are not deported." The AAS continues, "The U.S. Court of Appeals for the District of Columbia ordered the trial court to settle factual disputes between Cox Newspapers, which owns the Austin American-Statesman, and the Justice Department over the privacy rights of illegal immigrants convicted of a crime. At the heart of the case is whether privacy rights outweigh the public's right to know that they have been released into the community. … 'We're gratified that the judges agreed with us that the trial court shouldn't have granted the government's motion for summary judgment,' said Andrew Alexander, chief of the Cox Washington bureau. Cox will confer with its lawyers to determine how to proceed, he said." The AAS adds, "The information is essential for assessing whether the government is properly enforcing deportation laws, Alexander said. … 'At its core, the case involves a bedrock American principle that citizens should have access to information that enables them to evaluate the performance of their government,' he said. … The Justice Department declined to comment other than to say it would review the five-page ruling. … The department's lawyers have argued that it has turned over some of the information requested by Cox under the Freedom of Information Act request filed three years ago, including the convicts' native countries, dates taken into custody and dates of release, the legal documents show. … But personally identifiable information such as full names, dates of birth, alien registration numbers and FBI numbers would invade the privacy of convicted illegal immigrants and serve no public interest, Justice Department lawyers wrote in legal briefs."

Bankruptcy Attorneys Adjusting To Decline In Filings. The California Recorder (11/22, Elinson) reports, "An improving economy isn't good news for everyone. With fewer businesses going broke, the pace of traditional work for bankruptcy lawyers has slowed considerably -- for now." The Recorder continues, "Industry experts say a big reason is because money is flowing more freely -- especially from hedge funds and private equity groups -- to keep businesses afloat that might have filed for Chapter 11 bankruptcy in leaner times. … But bankruptcy lawyers are evolving, and some even say the rivers of money may run dry in the near future -- possibly during the next economic downturn. … 'There has never been liquidity like this before -- never close to it in my 32 years,' said Frederick Holden Jr., a partner in Orrick, Herrington & Sutcliffe's bankruptcy and debt restructuring practice group in San Francisco. 'I hope for everyone that it doesn't cause any problems, but it seems unlikely.'" The Recorder adds, "While not a universally held belief, Holden and several other bankruptcy lawyers told The Recorder they expect to see more Chapter 11s filed by late 2007. … It would certainly be better for business, because in the last two years filings have dropped dramatically. In the 2004 fiscal year, a total of 10,113 businesses filed for Chapter 11 in U.S. Bankruptcy Court. In 2005, 5,856 businesses filed, and in 2006, only 5,475 businesses filed, according to statistics released by the courts."

CIVIL RIGHTS:

Maryland Disputes DOJ Findings On Juvenile Center Conditions. The Baltimore Sun (11/22, Garland) reports, "The Ehrlich administration has sent a sharply worded letter and nearly 500 pages of supporting documents to the U.S. Justice Department, challenging a finding that the state has run a Baltimore center for juvenile offenders in an unsafe and unconstitutional manner." The Sun continues, "A Justice Department report issued in August said youths held at the 144-bed center on North Gay Street "suffer significant harm and risk of harm" because there isn't enough staff on hand and treatment plans are inadequate. … The report noted youth-on-youth assault rates 47 percent higher than the national average for such facilities. … But state officials say the report was written nearly a year after federal officials inspected the Baltimore City Juvenile Justice Center in September and October 2005 and that the concerns they raised have been addressed. … 'We strongly disagree with the Justice Department's findings,' said Edward Hopkins, a spokesman for the Maryland Department of Juvenile Services. 'We believe their conclusions are wrong.'" The Sun

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adds, "The highly critical Justice Department report was regarded as an embarrassment for Gov. Robert L. Ehrlich Jr., who had made juvenile justice reform a key issue when he campaigned for the office four years ago. The report lays the foundation for a possible lawsuit that could lead to a court order forcing the state to change the way it runs the juvenile center. … In a 16-page, footnoted letter dated Nov. 6, Maryland Juvenile Services Secretary Kenneth C. Montague Jr. called on federal officials to drop the matter. The letter was released yesterday after The Sun requested a copy. … Cynthia Magnuson, a spokeswoman for the Justice Department's Civil Rights Division, said the federal agency would have no comment on the details of the state's response. … 'We stand by our letter, and we remain willing to work with the state to reach a resolution,' Magnuson said."

Monitor Finds Mississippi Juvenile Centers Still Not Meeting Standards. The Jackson (MS) Clarion-Ledger (11/22, Goodman) reports, "A court monitor for the state's two juvenile training facilities has once again reported that the state has failed to meet most of the conditions required under an agreement to bring the schools up to standard." The Clarion-Ledger continues, "In May 2005, Mississippi entered a four-year decree to end a Justice Department lawsuit over abuse allegations at the Oakley and Columbia training schools. … The fourth report from monitor Joyce Burrell, filed Wednesday, covers the period May 1 through Aug. 31. … It says that while some progress was made during that period, much more is required to come into compliance." The Clarion-Ledger adds, "Burrell noted improvements in student staffing ratios, and the improved cleanliness of floors, walls, ceilings, baseboards, youth rooms, bathrooms and common rooms. 'In the short term, staff are to be commended for pitching in many extra hours to do a thorough cleaning and some painting of the buildings,' she wrote. … But she also noted unresolved setbacks in education and staffing issues, including difficulty in retaining new hires long enough to get problems under control. The problem must be addressed, she said, so that the department's youth services can reach optimum staffing levels and cut down on overtime."

Day Laborers Win New York Racial Bias Suit. The AP (11/22, Fitzgerald) reports from White Plains, NY, "A suburban village discriminated against Hispanic day laborers when it closed a hiring site and stepped up police patrols on the streets where they looked for work, a federal judge ruled Monday. … 'Since August 2004, and continuing into this past summer, the defendants have engaged in a campaign designed to drive out the Latino day laborers who gather on the streets of Mamaroneck to seek work,' Judge Colleen McMahon wrote. 'The fact that the day laborers were Latinos, and not whites, was, at least in part, a motivating factor in defendants' actions.'" The AP continues, "McMahon did not specify a remedy for the village of Mamaroneck, about 25 miles north of New York City, giving the two sides 10 days to make suggestions. And in a footnote at the end of the decision, she suggested there was still time for a settlement. … Attorney Kevin Plunkett, who represented the village, said it was a stretch for the judge to determine that discrimination played a role in the crackdown. He said the quality of life for residents of Mamaroneck - not race - was the chief concern of village officials. … 'This group of people just happens to be Hispanic,' he said. 'What happens if 50 other people were assembled in the community? That has to be addressed.'" The AP notes, "The village had argued that it was only enforcing existing laws when it beefed up the police presence in the area around the park and set up traffic checkpoints that inconvenienced the contractors who came looking for temporary workers. … Six Hispanic immigrant workers - all identified as John Doe for fear of retaliation by police or immigration authorities - took the village to court in September, seeking an injunction against what they called selective law enforcement and ethnic discrimination. They said the village violated their right to equal protection when they cracked down on the laborers."

Georgia Prosecutors Probe Police Shootings. The AP (11/22, Weber) reports, "Prosecutors in a suburban county plan to review 14 shootings by police, including eight fatalities, amid concern about the high number of killings compared with the nation's two largest cities." The AP continues, "DeKalb County prosecutors will also investigate the death of another person in police custody who was not shot, and they expect to be asked to look into four more fatal shootings by police, Adora Andy, a DeKalb County district attorney's office spokeswoman, said Monday. … 'We will review the documents, and we will determine the appropriate course of action,' Andy said. … Prosecutors could pursue criminal charges against officers if warranted." The AP adds, "The review of shootings and in-custody deaths involves 15 incidents from Jan. 1 through Sept. 12, Andy said, adding that her office expects to get another request from the police department to review the shootings since then. … Monday's police materials omitted a fatal police shooting Sept. 2, and Andy said she expected to get that later. … Andy declined to say why Police Chief Nick Marinelli made the request. She also would not disclose what reports he has turned over. … Marinelli has defended the department's actions since an Associated Press investigation published Sept. 28 showed that the nine fatal shootings this year by DeKalb County police at that time was more than the six in New York City and equal to the Los Angeles number."

Maryland Gay Custody Battle Stalls In Court. The Washington Times (11/22, Miller) reports, "Two Baltimore

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County judges have delayed ruling in a child- custody case that has forced a 7-year-old girl to spend time with her adoptive mother's former lesbian partner, despite objections from a court-appointed child-welfare specialist." The Times continues, "A social worker for Baltimore County Circuit Court reported in August that the ex-partner's overnight visits with the girl 'probably caused acute underlying turmoil' for the child, according to court records. … 'At this time, she seems emotionally vulnerable and experiencing severe anxiety in response to the crisis that this dispute has precipitated,' social worker Cheryl Taylor says in the report. 'Overnight weekend visits seem to pose particular separation threats and anxiety for [the girl] at this time.'" The Times adds, "The report remains sealed, but excerpts of Miss Taylor's findings are cited elsewhere in the court record. … Miss Taylor notes that the girl told everybody involved in the case -- including her mother, her mother's former partner and the family pediatrician -- that she does not want the visits to continue. The social worker also has recommended that the child 'remain in long-term psychotherapy.' … Still, two successive judges presiding over the case have delayed ruling on the emergency request by the mother, identified as Janice M., to stop the court-ordered visitation. … Judge John O. Hennegan put off ruling on the mother's request in August. The case last month was transferred to Judge Michael J. Finifter, who scheduled a hearing for Jan. 28."

Breast-Feeding Mothers Rally To Protest Restrictions. The Washington Post (11/22, D1, Kang) reports, "Karen Gral knows how difficult it is to travel with small children: standing in long lines with squirming toddlers, dealing with new security rules that prohibit liquids -- including some baby foods -- and lugging strollers, car seats and diaper bags through airports. … For her, the finish line is sitting on the airplane and breast-feeding her hungry and worn-out 16-month-old to sleep." The Post continues, "So when the Alexandria mother of two heard that a family was kicked off a Delta Air Lines flight last month because the mother refused to cover her baby with a blanket while breast-feeding, Gral decided to join 70 people at Reagan National Airport yesterday for a "nurse-in" in front of the Delta ticket counter. Similar protests were held at more than 30 airports around the country, including Baltimore-Washington International Thurgood Marshall Airport, where 62 people gathered in support of Arlington native Emily Gillette. … 'Breast-feeding is the most natural thing in the world. What was Emily supposed to do? Not feed her child? Not give her child comfort?' said Gral, while nursing her son, Garrett, who was wearing a white onesie that read, 'I'm a Breast Man.'" The Post adds, "Delta has said it regrets the incident with Gillette, which took place aboard one of its contract carriers, Freedom Airlines. … 'Delta Air Lines fully supports a mother's right to breast-feed on board our aircraft, and we were very disappointed in the decision to move Ms. Gillette from the flight,' said Gina Laughlin, a Delta spokeswoman. … Many showed up at National to push airlines to adopt more supportive policies for nursing mothers and to encourage federal legislation that protects breast-feeding in public and pumping milk in the workplace."

US 22nd In Gender Gap Ranking. The Financial Times (11/22, Daneshkhu) reports the US "lags at 22nd place behind developed and even a couple of developing countries in a study of inequality between men and women, mainly because it has few women in politics. This is in spite of the ascent of Nancy Pelosi who is set to become the first woman to head the US House of Representatives." Sweden is "the only country where men and women form equal numbers among all ministers and parliamentarians. Cherie Booth, a human rights barrister and wife of Tony Blair, UK prime minister, said there were more women in parliament in Iraq and Afghanistan – two countries not covered by the report – than in the UK." The study "of 115 countries published on Tuesday by the World Economic Forum, a Swiss-based think-tank, measures the gender gap based on economic, political, educational and health-based criteria in a benchmarking exercise aimed at improving women's position in society." The individual country rankings "show Sweden, Norway and Finland at the top of the league, having closed about 80 per cent of the gender gap, with Yemen, Saudi Arabia and Chad at the bottom, with a gender gap of about 50 per cent."

ANTITRUST:

Municipal Bond Dealers Brace For Expanded Probes. The Wall Street Journal (11/22, C5, Rosenberg) reports, "Municipal-bond dealers held their cards close to their vests as the market faces nationwide criminal and civil probes into possible abuses over their dealings in a wide range of muni-bond transactions." The Journal continues, "The U.S. Justice Department's Antitrust Division and the Securities and Exchange Commission are investigating questionable practices at a number of firms, with leading providers of guaranteed investment contracts, or GICs, having received federal subpoenas recently." The Journal adds, "The Bond Buyer, a leading muni-bond publication, reported yesterday that the practices may go beyond GICs and could include 'virtually every investment product or derivative' brokered or provided by various firms over the past six to 14 years. … Most executives at dealer firms, as well as portfolio managers, declined to comment on the situation. … 'In general, everybody's just looking at it and seeing what's going on here, doing a lot of work to get the material together

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that they're looking for,' said one senior executive at a Wall Street investment firm. Asked if most of the major firms have been subpoenaed, he said: 'I have no idea because I'm not talking to anybody about it.'" The Journal notes, "An executive at a smaller West Coast-based firm said he had seen no impact on the muni market since news of the investigations broke. However, activity in the market -- as in other areas of the financial markets -- has been muted this week ahead of the Thanksgiving Day holiday. … According to the Bond Buyer, 'dozens' of firms in the $2.2 trillion muni market have been asked for information by the Justice Department and SEC. The Bond Buyer said the parallel criminal and civil investigations 'go far beyond GICs and may cover thousands of investment products and derivatives entered into in connection with muni-bond transactions that could total hundreds of billions of dollars.' Yet, only a small amount of these transactions will be subject to criminal or civil allegations, the publication reported."

Bloomberg (11/22, Preston, Selway) reports, "U.S. investigators have demanded that banks and brokers provide information on derivatives as part of an investigation into anti-competitive practices in the $2 trillion municipal bond market, according to a lawyer hired by one of the firms subpoenaed in the probe." Bloomberg continues, "The Justice Department is looking into whether bids were rigged on investment contracts sold to local governments. Investigators are also seeking information on interest-rate swaps and other financial products that governments buy to guard against swings in borrowing costs, said Mark Scott, the former director of tax-exempt bonds for the Internal Revenue Service who is now a partner with Vinson & Elkins in Washington. … 'It's pretty broad,' said Scott, who is representing a client subpoenaed by investigators whom he wouldn't identify. 'They are going to get truckloads of information.'" Bloomberg adds, "The investigation, which also includes the Securities and Exchange Commission, is the broadest criminal probe ever of the municipal bond industry and has resulted in more than a dozen subpoenas being issued last week to brokers, banks and insurance companies, including American International Group Inc. and General Electric Co. … Regulators are looking at whether brokers for U.S. local governments violated the law while arranging bids for guaranteed investment contracts, where a portion of the hundreds of billions of dollars raised in the tax-exempt bond market every year is placed until it is needed for projects."

DOJ Says Windows Vista Complies With Microsoft Judgment. Information Week (11/22, Gonsalves) reports, "U.S. prosecutors say Windows Vista and the latest version of Internet Explorer apparently comply with the requirements of the 2002 antitrust judgment against Microsoft." IW continues, "In a joint status report filed Tuesday with the U.S. District Court in Washington, D.C., prosecutors said Microsoft appeared to be complying with the judgment, which found Microsoft abused its Windows monopoly and set down rules for the software maker to follow to avoid future anti-competitive behavior. Prosecutors and Microsoft have been submitting joint reports on compliance to the court every six months." IW adds, "The Justice Department and a court-approved technical committee are monitoring the development of Vista to assure compliance with the court order. The monitoring includes extensive testing of Vista and Internet Explorer 7 betas. … The committee and Microsoft developed a bug-tracking system to help ensure that Vista ships without any 'known issues related to its treatment of middleware under the final judgments,' prosecutors said in the report. … 'Plaintiffs are pleased to report that this system has been a success,' prosecutors said. 'Microsoft addressed all outstanding middleware-related bug issues prior to Vista being released to manufacturing.'"

CNET News (11/22, Broache) reports, "According to the report, Microsoft and the technical committee have been offering a downloadable program that is designed to help Microsoft's competitors in the fields of Web browsers, e-mail and instant-messaging clients, and media players to make their programs "Vista-ready" before the new operating system ships. … The program serves as a single source for all the registry settings needed for applications 'to attain equal visibility on Windows XP and Vista systems,' the technical committee said. The program's goal is to reduce the chance that people will experience difficulties in changing default software to non-Microsoft products, for instance. It also aims to make it easy to locate third-party applications in the start menu, desktop, task pane and other commonly used surfaces, after installing them. … Microsoft said it had also contacted 30 competing software makers and had invited them to work alongside company engineers at its Redmond, Wash., campus lab for Vista Readiness." CNET adds, "Since the last status report filing in May, government attorneys said they received 25 complaints alleging antitrust concerns about competing middleware but said they concluded that none of those gripes had merit. … Although the matters were not raised by U.S. regulators, some possible antitrust repercussions of security and file-formatting features in Vista were recently flagged as concerns by European and Korean regulators. Microsoft said last month that it had implemented changes that address those complaints."

Jury Selected For Microsoft Antitrust Class Action Trial In Iowa. The Des Moines Register (11/22) reports, "Jury selection in the Microsoft anti-trust case in Polk County District Court was completed today with seven men and five women selected to hear the class action law suit." The Register continues, "The case is expected to take several months to try with witnesses that will include Microsoft

founder Bill Gates and chief executive officer Steve Ballmer." The Register adds, "Plaintiffs' lawyers, led by Des Moines attorney Roxanne Conlin, are seeking damages of up to $329 million for Iowans who purchased Microsoft product between 1994 and this year. … The crux of their case is that anti-competitive actions by Microsoft resulted in overcharges and extra expenses to Iowa consumers. … The Iowa case is the last of several dozen state lawsuits against the giant computer software company. The state cases were filed after a federal anti-trust action against Microsoft was settled in 2000. … None of the other state cases has ever gone to a jury for a decision. All were either settled out of court or dismissed, officials for both sides have said. … The jury is expected to be seated late next week. The trial will begin with what is expected to be a lengthy list of jury instructions from Polk County District Court Judge Scott Rosenberg about how Iowa law applies to the situation and how the case will proceed."

Oshkosh Truck Gets Antitrust Clearance To Purchase JLG. The Milwaukee Business Journal (11/22) reports, "Oshkosh Truck Corp.'s proposed purchase of JLG Industries Inc. has cleared federal regulatory review with the passage of a required waiting period for the deal." The Journal continues, "The companies jointly announced Tuesday the expiration of the 30-day waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 in connection with the proposed merger of a wholly-owned subsidiary of Oshkosh with JLG." The Journal adds, "The expiration of the Hart-Scott-Rodino waiting period satisfies one of the conditions to Oshkosh's acquisition of JLG. Consummation of the merger, which is expected to occur in early December, remains subject to other customary closing conditions, including approval of the merger by JLG's shareholders."

Suit Accuses Quiznos Of Antitrust Violations, Fraud. The Milwaukee Journal Sentinel (11/22, Gores) reports, "A lawsuit accuses Quiznos Sub of forcing Wisconsin franchisees of the sandwich chain to buy food and supplies at inflated costs and sell food at artificially low retail prices, making the restaurants unprofitable." The Sentinel continues, "The class-action lawsuit, filed in federal court in Green Bay on behalf of 28 Wisconsin franchisees of Denver-based The Quiznos Franchise Co. and its affiliates, seeks compensation for lost investments and asks for punitive damages and an end to what it calls an 'illegal business scheme.'" The Sentinel adds, "The lawsuit alleges the company has systematically defrauded its franchisees by building the brand at the expense of its operators in the field. … The suit contends Quiznos omits or misrepresents key facts about Quiznos business operations in an effort to induce people to buy a franchise. … But too many people who buy a franchise find that the cost of food and supplies in comparison to the selling price of items on the menu keeps franchisees from realizing a profit, Chris Bray, president of the Toasted Subs Franchisee Association, said Tuesday. That's because, the lawsuit alleges, Quiznos forces franchisees to work with Quiznos-mandated suppliers and pay them what the lawsuit describes as 'excessive prices for goods and services.'"

The AP (11/22) reports, "The lawsuit, which seeks millions of dollars in damages for lost investments, accuses Quiznos of fraud, violations of federal and state antitrust laws, racketeering, breach of contract and violations of Wisconsin's fair dealership law, attorney Justin Klein said Tuesday." The AP continues, "The first Quiznos, featuring toasted sandwiches, opened in Denver in 1981 and the company has grown to more than 4,500 restaurants, becoming the fastest-growing restaurant chain in the country, trailing only Subway as the nation's No. 2 sandwich shop -- not counting hamburgers. … 'Quiznos has been taking advantage of its franchisees for years through practices that we contend are illegal and in violation of the franchise agreement,' said Chris Bray, president of the Toasted Subs Franchisees Association Inc., a trade group that help organize the class-action suit. … Bray, who owns two Quiznos stores in Texas and has been a franchisee for nine years, said Quiznos 'has slowly, methodically and deliberatively modified the business model, year over year, to make it economically favorable to them, to the detriment of the franchisees. It is time to put a stop to this.'"

SCOTUS To Hear Landmark Patent Case. USA Today (11/22, Biskupic) reports, "Call it the case of the gas pedal, prescription drug and gift bow. … The variations and costs of those and many other items could be affected by a Supreme Court patent case that could be one of the most important intellectual-property disputes to ever come before the justices." USA continues, "With abortion, affirmative action and other high-profile issues before the court this term, a patent case normally would be a yawner. However, KSR International v. Teleflex, a dispute between competing makers of adjustable gas-pedal systems in vehicles, arises as the justices have shown increasing interest in U.S. law protecting inventions. … The case essentially tests how to determine when an invention is truly new and different, and should receive a patent that entitles its inventor to the exclusive right to make, use and sell the item. That standard can make a difference in how people and companies spend time and money on inventions. If it is too easy to get a patent for a small variation on a previous invention, there is more of a chance that competitors could infringe on it, so companies might acquire patents solely for defensive reasons. If it is too difficult to get a patent for a small but unique adaptation of an item, it could discourage research and development." USA

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adds, "The question in the oral arguments scheduled for Tuesday focuses on how to determine when an invention is 'obvious,' and therefore not worthy of protection. At issue is whether a standard used by the U.S. appeals court that hears patent cases allows patents for changes too small to matter. … The dispute is being watched closely by manufacturers, from the tiremaker Michelin to gift-packaging producer Hallmark."

Speculation Swirls Over Future Mergers. The Wall Street Journal (11/22, C1, Zuckerman) reports, "Who's next? … That's the question on the lips of investors, traders and investment bankers on the heels of a deluge of mergers and acquisitions." The Journal continues, "Some say consumer-oriented stocks, health-care providers, gaming and tech companies could become acquisition targets in the months ahead. Some point to Sprint Nextel, Hilton Hotels, and home builders such as Lennar, Ryland Group and D.R. Horton as possible targets. Private-equity firms are circling home-service company ServiceMaster, say people familiar with the matter. … Others are focusing on companies with steady cash flows and a large percentage of shares owned by company executives, or companies run by older executives who may be willing to sell out." The Journal adds, "There has been so much deal activity this year that it looks like anyone could be fair game. Targets have included companies with stable cash flows but poor growth prospects, even in sectors that haven't seen many mergers in the past. … But investors shouldn't get carried away betting on possible takeovers. Not only are they tough to predict, these deals also are somewhat less lucrative than they once were. The average premium paid over market prices for shares of companies subject to an acquisition bid this year is 17%, down from 25% in 2000, according to Thomson Financial. .. Some analysts say the acquisitions are a sign that stock prices remain reasonably priced, despite the recent run-up in the market that has pushed stock indexes to new highs. Some short sellers -- investors who bet on stock-price declines -- have become cautious. They are reluctant to establish big positions against even stocks with weak outlooks, worried that any wager against a company will turn into a loser on word of a lucrative deal. This wariness is adding to the market's upward momentum. … Mostly, all the wheeling and dealing stems from lots of money sloshing around the global markets, as interest rates remain low. Investors are shoveling money at private-equity firms, which buy public companies or businesses with an eye toward reselling them later at a profit, and at high-yield but risky loans and junk bonds backing acquisitions. That suggests many deals are financial bets, not strategic business moves, perhaps reducing their chance for success."

Qantas Considers Takeover Approach From Texas Pacific, Macquarie. The Wall Street Journal (11/22, A11, Mcfarland) reports, "Qantas Airways said it is considering a takeover approach by Texas Pacific Group and Macquarie Bank Ltd., amid market speculation it will soon receive an offer valuing the Australian flag carrier at up to 11 billion Australian dollars (US$8.5 billion)." The Journal continues, "In a brief statement, Qantas didn't provide further details on the nature of the approach, but a senior dealer said the group is expected to offer up to A$5.50 a share. Qantas shares soared on the news, with its stock gaining as much as 20% to a morning high of A$5.25 in Australia. … 'The approach is confidential and incomplete and is being investigated by Qantas,' Cassandra Hamlin, the carrier's acting company secretary, said in a statement to the Australian Stock Exchange, indicating other options such as a regional merger with Singapore Airlines might be on the table. … Qantas also said in a statement it has 'undertaken over a period of years discussions with a range of individuals and companies, including airlines, on possible partnerships, joint ventures and acquisitions.'" The Journal adds, "SIA, which competes with Qantas for passengers on lucrative routes to Europe and North Asia, said it isn't in talks with Qantas. … Macquarie Bank said it has no comment on the Qantas statement, repeating a statement made to Dow … The private-equity sector has targeted Australian companies in recent months with multibillion dollar bids. To date, the largest bid has come from a consortium led by Kohlberg Kravis Roberts & Co and including Texas Pacific, Blackstone Group LP and Bain Capital LLC, for Coles Myer Ltd. The retailer recently rejected the A$18.2 billion bid as inadequate."

Union Ruling Clouds Suez-Gaz De France Agreement. The Wall Street Journal (11/22, A11, Gauthier-Villars) reports, "A Paris court ruling could upset the schedule for the planned €43.43 billion ($55.65 billion) merger of French utilities Suez SA and Gaz de France SA, and potentially thwart the deal altogether, handing a victory to French energy-sector workers and dealing a major blow to France's government." The Journal continues, "The unexpected ruling, which GdF tried but failed to get annulled last night via an appeal, said state-run GdF can't approve the merger until it gives unions more information about the deal's impact on jobs. This means a crucial GdF board meeting that had been called for today to determine the merger's final terms is likely to be called off." The Journal adds, "The ruling, which was upheld late last night by an appeals court, may cause the merger schedule to be pushed back at least until March -- missing the original year-end deadline -- because Suez and GdF will have to redraft merger terms to factor in 2006 earnings, according to lawyers involved in the deal.

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Pushing through the highly politicized merger in the middle of the French presidential elections, planned for April, could also be tricky because the opposition left-wing Socialist Party opposes the deal."

Firm Exonerated Of Antitrust Allegations Wins Baldrige Award. USA Today (11/22, Jones) reports, "A San Diego company that in 2002 was the target of Senate antitrust hearings on Tuesday was one of three companies awarded the 2006 Malcolm Baldrige National Quality Award, perhaps the most prestigious award given to business by the federal government." USA continues, "Premier purchases $27 billion a year of medical supplies and services for 1,500 hospitals. In 2002 the company was accused of accepting something akin to payola from large manufacturers that kept small companies and their cutting-edge products from being sold to hospitals." USA adds, "The accusations were untrue, CEO Richard Norling said in an interview Tuesday, but the scrutiny proved to be a learning experience for the company. He says Premier also learned as it went through the Baldrige process and made changes designed to allow small companies in the medical industry to better compete. … Norling said it 'feels incredibly good,' to come full circle from being a company under scrutiny. He said that Baldrige examiners were aware of the company's history and had asked him if there was anything that might turn up later to tarnish Baldrige's image if it were to go out on a limb and give Premier the award. … 'The Baldrige Award's judges determined that Premier … lived up to (the award's) very high standards,' Baldrige director Harry Hertz said in an e-mail. 'Premier has been a leader in setting ethical practice guidelines.'"

EU Clears UCB Bid For Schwarz Pharma. The AP (11/22) reports, "Belgian drugmaker UCB SA won EU approval Tuesday to take over Germany's Schwarz Pharma AG, clearing the last regulatory hurdle to the deal." The AP continues, "The acquisition, which Schwarz's board is recommending to shareholders, would create a new company with revenue of more than 3.3 billion euros ($4.23 billion) and yearly research and development spending of 770 million euros ($986.91 million)." The AP adds, "UCB said it received a green light from U.S. regulators on Nov. 10 and was now waiting for Schwarz shareholders to tender their shares by a Dec. 8 deadline. … The European Commission cleared the deal despite overlaps between the two because they both produce a small number of over-the-counter and prescription medicines in some European countries, from antihistamines, iron supplements, heart disease drugs and asthma treatments. … But their combined market shares were not high enough to see them disrupt the market, it said."

Equities Exchange Said To Be Bigger Deal Than Talks Between Nasdaq-LSE. In a Wall Street Journal (11/22) op-ed, Wall Street Journal Europe editorial writer Kyle Wingfield discusses Nasdaq's latest attempt to acquire the London Stock Exchange, saying that the "context for understanding the relative importance of a potential Nasdaq-LSE tie-up," or a New York Stock Exchange-Euronext one, for that matter, "arrived last week. That's when seven leading investment banks announced plans to jointly run their own equities exchange in Europe." The mergers among traditional exchanges "are like pennies dropped from a window compared to the piano that the investment banks have sent hurtling down." According to Wingfield, the genesis of the investment banks announcement began with the "European Union's directive on markets in financial instruments." Among other obligations, the directive "imposes stricter price-publishing requirements on trading firms both before and after trades. The result is that seven investment banks -- Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, Merrill Lynch, Morgan Stanley and UBS -- figured that if they have to boost their price reporting, they might as well go a step further and have their own trading platform." Wingfield adds, "It is admittedly a bit hyperbolic to suggest that stock-exchange mergers are suddenly irrelevant," but "business as usual won't cut it. And that probably means more mergers -- maybe even a few that matter."

Columnist Says Airline Mergers Will Not Fix Industry Problems. In his column for the Wall Street Journal (11/22, A15), Holman Jenkins writes, "Last's week proposed merger of US Airways and Delta Air Lines is the leading edge of a consolidation wave that will finally fix the problems of the airline industry … and check out our selection of historic bridges for sale." Jenkins continues, "Life affords most other industries legal and structural ways to shield themselves from all-out price warfare -- through patents and branding, product differentiation, or various kinds of competitive 'friction.' Not so the airlines. The Internet has made pricing transparent. Lenders allow start-up or discount carriers to fly the latest, spiffiest models. The high-margin business traveler accounts for a smaller share of the market nowadays, and even he's become a lot less price-insensitive. And no industry is more discommoded by antitrust's primitive and ill-advised intolerance of cooperative behavior by competitors." Jenkins adds, "Don't expect consolidation to change this, even if the current murmurfest really does result in a flurry of deals to reduce the Big Six to two or three. There's a lesson in the special genius of US Airways CEO Doug Parker's proposed acquisition of Delta … what makes his deal appealing points to why other carriers are unlikely to rush into mergers of their own. Their costs in pain and

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anguish would be the same or greater, but with little prospect of being able to charge significantly higher fares, even in an industry where the number of competitors is reduced. … Alas, one thing that might help -- a relaxation of antitrust rules to allow airlines to enter and exit code-sharing agreements at will -- almost certainly won't transpire. Such a break with intellectual precedent would be the most direct way to turn a chronically unstable airline industry into one that is reasonably prosperous and provides the optimum of service in terms of frequency and destinations even in the grimmer parts of the business cycle." Jenkins concludes, "There was a time when Washington might have been willing to experiment with such a daring notion if only to get itself off the hook for the pension plans of failing carriers. Delta's then-President Fred Reid publicly ventured three years ago at an industry conference the hopeful possibility that the 'Department of Justice and the Department of Transportation ought to have an additional arrow in their quiver, to enable scheduling, pricing and yield management to be done in a centralized entity [by alliances of airlines] which was immune from antitrust laws.' … It will take at least another industry meltdown to put such a heterodox brainstorm back on the table. Ditto the equally adventurous idea of allowing foreign ownership of U.S. domestic carriers. Until then, investing in airline shares will be a game for speculators, not buy-and-holders."

ENVIRONMENT/INDIAN AFFAIRS:

Company Blames Farmers, "Act Of God" For Rice Contamination. The Washington Post (11/22, A5, Weiss) reports, "The company that created the experimental variety of genetically engineered rice found this summer to have contaminated the U.S. rice supply contends that rice farmers and an 'act of God' are to blame for the inadvertent release of the unapproved crop. … Those are among the assertions by Bayer CropScience of Research Triangle Park, N.C., in response to a class-action lawsuit filed by hundreds of farmers in Arkansas and Missouri." The Post continues, "The 30-page response offers the first clue to how the company plans to defend itself against the 15 class-action lawsuits filed by farmers, who allege that they stand to lose millions of dollars because of the contamination. … Lawyers for the farmers said they had expected the company to deny responsibility, but were offended by its attempt to blame farmers. The lawyers said their clients had no reason to suspect that the seeds they were planting in recent years were contaminated by Bayer's unapproved variety. … 'The farmers are innocent victims,' said Don Downing, a principal at Gray, Ritter & Graham PC, the St. Louis firm that filed the largest suit, in U.S. District Court in eastern Missouri." The Post adds, "Denying any culpability, the Bayer response variously blames the escape of its gene-altered variety of long-grain race, LL601, on 'unavoidable circumstances which could not have been prevented by anyone'; 'an act of God'; and farmers' 'own negligence, carelessness, and/or comparative fault.' … Bayer conducted field tests of LL601 from 1999 to 2001 in Louisiana, then dropped the project without seeking government approval to market it. This year, LL601 was found to be widespread in U.S. long-grain rice, prompting Europe to cut off imports and throwing the rice futures market into turmoil."

WPost Says Government Flu Strategy Wanting. The Washington Post (11/22, A20, 690K) reports says in an editorial, "The Department of Health and Human Services released a progress report on its preparations for a flu pandemic in the United States." But "a report released by the World Health Organization earlier this month said that strains of the H5N1 'bird flu' virus -- a likely candidate for mutation into a pandemic flu -- might be developing resistance to Tamiflu and other antivirals." The WHO report "was pessimistic about the effectiveness of the vaccines against strains of the virus they were not designed to fight. In other words, if a pandemic flu began spreading tomorrow, the government's most effective strategies for saving lives could be old-fashioned quarantine and public education, techniques akin to those used during the great flu pandemic of 1918. It is not surprising, then, that the federal government currently estimates that as many as 2 million people could die if a virulent and contagious strain of flu hit the United States." Added American assistance "to the understaffed WHO in Indonesia, Thailand and Vietnam could save many more American lives than 50 million courses of antivirals."

Mining Companies Eye Navajo Land. In Part 4 of "Blighted Homeland," a four-part series on uranium contamination on Navajo tribal land, the Los Angeles Times (11/22, Pasternak) reports, "Decades after the Cold War uranium boom ended, leaving a trail of poisonous waste across the Navajo Nation, the mining industry is back, seeking to tap the region's vast uranium deposits once again. Companies are staking claims, buying mineral rights and applying for permits on the edge of the tribal homeland. They make no secret of their desire to mine within the reservation as well. … Mining companies are extracting uranium in Texas, Wyoming and Nebraska, and are taking steps to mine in Colorado. But Navajo country, covering some 27,000 square miles in Arizona, New Mexico and Utah, is the biggest prize of all — 'the Saudi Arabia of uranium,' in the words of Mark Pelizza, a vice president of Uranium Resources Inc."

NRC Tests Find Contaminated Water Under Indian Point. The AP (11/21) reports, "Government tests indicate that amounts of radioactive material found in ground

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water under the Indian Point nuclear power plants were seven times higher than reported by the laboratory hired by the complex to test for leaks. Testing conducted for the Nuclear Regulatory Commission and the state Department of Environmental Conservation revealed that strontium 90 levels from the August samples ranged from 5 to 30 picocuries per liter. … Nonetheless, the NRC and state health officials have said for more than a year that the public is not in danger because the radioactive isotope is not reaching any sources of drinking water."

Residents Concerned About Indian Point "String Of Problems." WRNN-TV New York (11/21, 7:06 p.m) reported, "From radioactive leaks, to control rod malfunctions, to emergency siren failures, Indian Point has suffered from a string of problems over the past few years, forcing to shut down for months at a time and earning the worst rating in the country. For some residents, their concern is a matter of security. On 9/11 one of the planes that struck the world trade center flew directly over the plant on its way to New York City."

FBI/DEA/ATF/USMS:

Gonzales Says FBI Will Add Southwest Colorado Agent. The Durango Herald (11/21, Hanel) reported, "The Federal Bureau of Investigation will send a new special agent to the Four Corners in large part to deal with a combined murder rate on the two Ute Indian reservations that is 20 times the state average." Sen. Ken Salazar "said he secured the commitment from Attorney General Alberto Gonzales on Friday. The region currently has one FBI agent," and it "might get an additional federal prosecutor, as well, according to Salazar." The Herald added, "The new FBI agent will have to go through the typical federal application and hiring process, said Special Agent Renee Vonder Haar, the FBI's spokeswoman in Denver. She doesn't know how long it will take to hire a new agent."

CBS To Air "Criminal Minds" Episode Written By FBI Profiler. Under the headline "FBI Profiler Inspires Actor," USA Today (11/22, Keveney, 2.27M) reports, "Jim Clemente keeps a picture in his wallet of a boy he helped save as a member of the FBI's Behavioral Analysis Unit. It reminds him of why he does his job. It reminds the actors on CBS' Criminal Minds of the real people they portray. 'I saw that he carries this picture with him wherever he goes, and that the saving of these children is what his life is all about,' says Mandy Patinkin, who became friends with Clemente during research for his role as BAU profiler Jason Gideon." USA adds, "Now, in a rare occurrence for an agent still with the FBI, Clemente has written a Minds episode, tonight's 'Lessons Learned' (9 ET/PT), in which the agents interrogate a Guantanamo Bay detainee in the hope of stopping an imminent terrorist attack in the USA. Clemente, 47, says the collaboration works well, creating an accurate picture of the BAU for the public and alerting other law enforcement agencies to its services, particularly in cases in which time is of the essence. 'In one hour, they can reach 15 million people,' he says."

Rhode Island Drug Sweep Nets Dozens Of Arrests. The Providence Journal (11/22, Smith) reports, "In an investigation aimed at especially brazen drug dealing on street corners, the city police and federal drug agents have arrested 70 people on narcotics and weapons charges and are seeking to arrest another 27." The Journal continues, "Law enforcement authorities began rounding up the suspects last week, punctuating an investigation nicknamed Operation Crackdown that was announced yesterday. Some corners where the drug peddlers stood three, four or five deep, depending on the weather or the time of day, have been cleared, said police Sgt. Fabio Zuena." The Journal adds, "The operation incorporates a new approach in which seven suspects with minor criminal records were separated from the crop destined for arrest and will be offered what Police Chief Dean M. Esserman called 'a second chance' to straighten out their lives and avoid another arrest. … Those seven — four juveniles and three adults — will be called into a room for a dose of 'tough love' by their neighbors, community leaders and the police, Esserman said, and offered education, substance-abuse treatment and employment opportunities. … They will be told, he said: 'You may not return to that corner. We don't have to catch you. We've already caught you. We just have to have the [arrest] warrant signed the moment you return to that corner.' Then an array of social services will be pressed on them." The Journal notes, "Operation Crackdown was described as unusual in its duration and scope. Beginning in April and lasting through last month, investigators researched the drug-dealing hot spots throughout Providence and focused on an area of Upper South Providence with the Lockwood Plaza public-housing development as the epicenter. … They identified 104 people as investigation targets, including the seven who are avoiding immediate arrest, and made a number of undercover purchases of cocaine and handguns. Esserman and Mayor David N. Cicilline said that list makes it 'the largest narcotics and gun investigation' in Providence police history. Brian Crowell, assistant special agent in charge of the New England division of the U.S. Drug Enforcement Agency, said the 72 arrested are 'the most ever targeted in a single drug investigation in Rhode Island.'"

Philadelphia Inquirer Highlights DEA Internet Pharmacy Investigation. In a continuing report on a

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DEA international Internet pharmacy case, the Philadelphia Inquirer (11/22) reports Temple grad student Akhil Bansal and his dad in India "are making millions smuggling pills to Americans who buy them online. Today's installment begins as DEA agents race to Australia, hoping to head off a move that could ruin their big case. It is October 2004." Andrew Shackleton "lived in Australia, where he appeared to run a multimillion-dollar online pill ring. DEA believed that Shackleton used pill suppliers around the globe, including bit players such as Temple University graduate student Akhil Bansal." The DEA "hoped to extradite Shackleton and charge him under a U.S. law – 'operating a continuing criminal enterprise.' The law had been aimed for use against mobsters and drug kingpins. This would be among the first uses against Internet pill pushers."

On its Web site, the Philadelphia Inquirer (11/21) also has posted surveillance video it says shows drug shipments being unloaded from a vehicle.

In Colombia, US Pulls Some Resources Out Of Anti-Drug Effort. In Bogota, the Miami Herald (11/21, Dudley) reports, "After several years of trying to wean farmers from the drug trade in the conflictive southern province of Caquetá, the U.S. government is winding down its funding of alternative development programs in the region. The pullout comes amid a flurry of criticism of U.S.-backed efforts to eliminate illegal drug production in Colombia, and just before the U.S. Congress is expected to vote to continue aid for counter-drug programs in this nation of 41 million people." At first, Plan Colombia "seemed to be working in Caquetá. … But now both parts of the effort seem to be in retreat. According to politicians from the area and analysts of the military, the Colombian army is quietly withdrawing some troops from the province. … Meanwhile, the United States has stopped funding economic development programs in the Caquetá region."

Seneca Nation Tobacco Merchant Reaches Compliance Deal With ATF. The Buffalo (NY) News (11/22, Herbeck) reports, "A prominent Seneca Nation tobacco merchant who has tangled several times with the federal government has agreed to change his business practices and forfeit $1.25 million to the government." The News continues, "Scott B. Maybee, one of the largest Seneca tobacco merchants in the region, signed a recent federal court agreement promising that his cigarette companies will closely adhere to federal laws during all future sales. … The agreement is believed to be the first of its kind between a Native American mail-order tobacco business and the federal government, federal officials said Thursday." The News adds, "Maybee runs three Salamanca-based companies that employ about 200 people to do mail-order and Internet cigarette sales. His business was the subject of a lengthy investigation by the U.S. Bureau of Alcohol, Tobacco, Firearms & Explosives. … In court papers, U.S. Attorney Terrance P. Flynn agreed that the government will not criminally prosecute Maybee for any activities uncovered during the investigation. … Maybee, in turn, will forfeit $1.25 million to the government, in six payments spread out over the next two years."

NYTimes Criticizes Allen's Concealed Weapons Bill. The New York Times (11/22, 1.16M) says in an editorial, "As a last little gift to America, Senator George Allen, who was narrowly defeated by James Webb this month, has introduced what may be his final piece of legislation: a bill that would allow the carrying of concealed weapons in national parks. The argument behind the bill is that national park regulations unfairly strip many Americans of a right they may enjoy outside the parks. The bill has passed to the Senate Committee on Energy and Natural Resources, where we hope it will die the miserable death it deserves." If Americans "want to feel safer in their national parks, the proper solution is to increase park funding, which has decayed steadily since the Bush administration took office." Make "no mistake. Senator Allen's bill would make no one safer. It can only endanger the public."

IMMIGRATION:

Bush, Congress Said To Be Unwilling To Construct Border Fence. CNN's Lou Dobbs Tonight (11/21) reported President Bush "signed the bill for a border fence before the election. Cynics called it an election year ploy. It turns out they may have something. They noted that Congress had approved only 700 miles of fencing covering just about 1/3 of the border with Mexico and had failed to fully fund it. Now, with the election behind us, many say it will simply never be built. … The building of this fence…is a construction project that is going nowhere fast." Bush "signed it into law, but no one wants to pay for it. Proof, say critics, that neither the President nor congress has any intention of building a fence or of cracking down on illegal immigration. … Incoming chairman of the House Homeland Security Committee Bennie Thompson has already made it clear that he doesn't want a physical fence along the border with Mexico. He believes in a virtual fence. That puts him on the same page with Homeland Security Secretary Michael Chertoff, who is also promoting technology as the answer to securing the border."

National Guard Draws Criticism From Border Patrol Union. Fox news' Special Report (11/21, Hume) reported, "President Bush's decision in May to send the National Guard to the U.S.-Mexican border to support efforts to curb illegal

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immigration was greeted with both fanfare and catcalls. Supporters said it would enhance national security. Critics claim it would be ineffective at best. So, how is that program working out?" Fox went on to report, "even if a member of the National Guard actually spots someone crossing over from Mexico into the United States, all he can really do is look, listen, and get on the radio. … Critics say when you are talking about billions of dollars, that's a problem." National Border Patrol Council's T. J. Bonner: "The projected cost of operation Jump-Start for the full duration is going to be $1.9 billion. … That's a tremendous amount of taxpayer funds. And to what end?" Fox added, "the President of the border patrol union says the money would be better spent directly on more border patrol agents rather than expensive backup." Bonner: "This is a big P.R. campaign. And it's a flop." Fox adds, "supporters insist since operation jump-start began, the number of crossings are down and arrests of illegals along some stretches of the border are down 40%. Indicating, they say, the program must be working."

Governors Seek Additional Federal Money For Jailing Illegal Immigrants. The AP (11/22) reports, "Governors of nine states, including Arizona and California, are urging President Bush to include full reimbursement for states' costs of imprisoning illegal immigrants convicted of crimes when he submits his proposed federal budget next year." The AP continues, "Arizona Gov. Janet Napolitano's office said she and California Gov. Arnold Schwarzenegger were spearheading the effort to increase funding for the State Criminal Alien Assistance Program administered by the U.S. Justice Department." The AP adds, "Until the federal government secures the border, the SCAAP funding is needed and deserved by states that have 'to fill this gap by policing the regions and incarcerating criminal aliens at their own considerable expense,' said the letter, which was dated Monday and released Tuesday. … Other state governors who signed the letter were Bill Richardson of N.M.; Thomas Vilsack, Iowa; Christine Gregoire, Wash.; Phil Bredesen, Tenn.; Jon Corzine, N.J.; Ted Kulongoski, Ore.; Brad Henry, Okla.; and Kathleen Sebelius, Kan. Gov. Anibal Acevedo Vila of Puerto Rico also signed the letter." The AP notes, "The letter is the latest in a series of steps taken publicly and behind the scenes by governors to press for increased SCAAP funding. … In July, Gregoire sent an invoice for nearly $50 million to the Justice Department for unreimbursed costs of housing criminal illegal immigrants in state prisons. … Napolitano has sent similar invoices since late 2004."

US Wrestles With Fate Of Deportees Who Face Danger In Native Land. The New York Times (11/22, Bernstein) reports, "On the evening of Nov. 2, a young corporate lawyer in New Jersey received a frantic call from a charity client, a 46-year-old Harlem grocery clerk with a history of petty crime. He was in custody on an airplane in Newark on his way to Mogadishu, the capital of his native Somalia, a country so dangerous that to the lawyer's knowledge, no one had been deported there in years." The Times continues, "The courts were closed, and a federal judge who heard an emergency motion the next day ruled that the clerk, Mohamad Rasheed Jama, was already outside United States jurisdiction. … So, after a stop in Nairobi, where he was handed over to Kenyans, Mr. Jama stepped off an airplane in Mogadishu — and into the hands of Islamist militants, who soon accused him of being an American spy and began demanding money. … 'They were extremely angry,' said his lawyer, Emily B. Goldberg, relating the last frightened call she got from Mr. Jama, who had spent four years in immigration detention in New Jersey awaiting deportation to the land he left at 18. 'He asked me if there was anything I could do. I told him in the American system, there was nothing more I could do.'" The Times adds, "Mr. Jama, whose deportation was based on a 1989 conviction for owning an unlicensed gun, is among the first Somalis to be repatriated against his will since the United States Supreme Court ruled 5 to 4 last year that the lack of a functioning central government in Somalia did not bar such deportations. About 4,000 Somalis nationwide are eligible for immediate deportation under the ruling, which turned on the syntax of a Congressional statute. … The case of Mr. Jama, who has a 9-year-old American daughter in Harlem, highlights issues the nation has wrestled with for decades, such as what to do with deportable immigrants who can neither be detained indefinitely nor safely repatriated, and what should limit the government's discretion to decide their fate."

TAX:

Snipes Says He Is Scapegoat In Tax Fraud Case. The AP (11/22) reports, "Wesley Snipes has told a newspaper columnist he is being unfairly targeted by federal prosecutors who indicted him on tax fraud charges. … 'It appears I'm to be the scapegoat, because there's more public interest in "celebrities gone bad" than "rich people being taken advantage of,"'' Snipes wrote last weekend in an e-mail to Orlando Sentinel columnist Scott Maxwell." The AP continues, "An Oct. 17 indictment charges Snipes with fraudulently claiming refunds totaling nearly $12 million in 1996 and 1997 on income taxes already paid. The star of the 'Blade' trilogy and other films was also charged with failure to file returns from 1999 through 2004. … According to the indictment, Snipes had his taxes prepared by accountants with a history of filing false returns to reap payments for their clients. The firm, American Rights Litigators, would receive 20

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percent of refunds from clients, according to the indictment. … If convicted, Snipes, 44, faces up to 16 years in prison."

CONGRESS-ADMINISTRATION:

Bush Open To Considering Tax Hike As Part Of Social Security Deal. The Washington Post (11/22, D1, Montgomery, 690K) reports, "With the elections over and Democrats poised to take control on Capitol Hill, the Bush administration is making a fresh push to persuade them to help rein in the rising costs of Social Security and government health-care programs by offering to open talks with 'no preconditions.'" Treasury Secretary Henry M. Paulson Jr., "the president's point man on Social Security and other entitlement programs, said in an interview yesterday that he has had 'a number of...very, very general, very preliminary conversations' with lawmakers from both parties about the issue since Election Day, Nov. 7." The Post adds Paulson said "no preconditions" means "both sides get a chance to put their ideas on the table. In regard to Social Security, administration officials said that means…Bush will continue to advocate that younger workers be allowed to divert a portion of their Social Security taxes into private retirement accounts, a proposal Congress roundly rejected last year. It also means that the White House is willing to listen to other ideas, administration officials said, including personal savings accounts that do not involve diverting Social Security taxes, as well higher payroll taxes to help cover a projected explosion in Social Security costs after members of the baby boom generation begin to retire in 2008." Rob Portman, director of the Office of Management and Budget, said, "We're in a listening mode. … The president wants to listen. He wants to hear what the leaders on Capitol Hill think is the best way to go. He's not wed to any particular approach."

The possibility that Bush may consider a tax increase was first raised on Monday by Lawrence B. Lindsey, president and CEO of the Lindsey Group and formerly President Bush's chief economic adviser from 2001 to 2002. In a Wall Street Journal op-ed (11/20, A16), Lindsey wrote about "rumors" in Washington "that the president may be willing to raise taxes as part of a 'deal' on entitlement reform."

The Wall Street Journal (11/22, A6, Calmes, 2.04M) reports this morning, "Were the president to drop private accounts and call their bluff, Democrats would be challenged to make good on their professed willingness to help ensure Social Security's solvency. … Except for the Iraq war, perhaps no other issue so tests whether Democrats' capture of Capitol Hill in this month's midterm elections will cause Mr. Bush to alter what has been a largely partisan and uncompromising governing style. At the same time, any compromises cut with the Democratic majority are sure to cost Mr. Bush the support of many Republicans, especially in the House."

Staff Shortage, Medicare Premium Hike Leave SSA Under Stress. The Washington Post (11/22, D4, Barr, 690K) reports in its "Federal Diary" column, "Staffing problems at the Social Security Administration could make it difficult for field offices to handle increased telephone calls and visits prompted by an upcoming increase in Medicare premiums, according to the Government Accountability Office." In a letter "sent last week to the Senate Finance Committee, the GAO warned that Social Security is coping with staff shortages and operating under a hiring freeze just as the agency's workload is expected to jump because of the premium increases. The GAO, the congressional auditing agency, noted that the premium change, though approved by Congress in 2003, may come as a surprise to some beneficiaries."

Democrats Not Expected To Block Gates Nomination. The AP (11/22, Flaherty) reports, "When Robert Gates testifies before a Senate panel in two weeks, Democrats will voice their opposition to administration war policies and gauge Gates' willingness to change them. But they probably won't stand in his way to becoming the next defense secretary." Democrats "have begun lining up behind Gates, indicating they are inclined to vote for him if he meets two general criteria: He agrees a new approach in Iraq is needed and demonstrates he will hold sufficient political clout at the White House. … The senators say they are not immediately opposing Gates largely because his confirmation would lead to the departure of Donald H. Rumsfeld, the Pentagon chief who led the US invasion in Iraq and staunchly defended the war even as public approval plummeted."

Rangel Says Draft Proposal Was Meant To Ignite Debate. USA Today (11/22, Kelley, 2.27M) reports, "Turning conscripts into battle-ready troops would take a year or more in the unlikely event the government revived the draft, military experts say. Rep. Charles Rangel, D-N.Y., said this week that he will reintroduce a bill he sponsored in 2003 that would reinstate the military draft. Defense Secretary Donald Rumsfeld and other military leaders, however, oppose the plan and call a draft neither necessary nor practical. House Speaker-elect Nancy Pelosi also said Monday that she opposes the plan." Rangel "doesn't expect Congress or President Bush to support reviving the draft, says Emile Milne, the congressman's spokesman." Instead, Rangel "wants to spark a 'discussion among the people who represent the American people here in Congress.'"

The Christian Science Monitor (11/22, Knickerbocker, 59K) asks, "Would reinstituting the military draft even things out, spreading the responsibility while influencing politicians

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to think twice before sending men and women into harm's way?" Rangel "thinks so. Challenging Iran and North Korea as well as increasing the US force level in Iraq to try to stem the heightened violence there can't be done without a draft, says Mr. Rangel, a Korean War combat vet." The Monitor ads "Rangel's bill is unlikely to go far in Congress, where opposition reflects public opinion. But his proposal does raise important questions about how the armed forces are put together today and how the US military operates."

USDA Representative Defends "Hunger" Omission In Report. The Washington Post (11/22, A19, 690K) reports that after a letter to the USDA from Congress regarding omitting the word "hunger," Mark Nord, a USDA sociologist and the lead author of the report, "repeated this week that 'hunger' is not a scientifically quantifiable term." He said, "USDA has more money in food assistance than in farming and forestry programs combined," and "has denied that removing the word from the report was a political act."

Controversial HHS Official Prescribed Birth Control In Private Practice. The Washington Post (11/22, A4, Lee, 690K) reports, "Despite his work for a Christian pregnancy counseling group that opposes contraception, the physician who yesterday began overseeing federal family-planning programs has prescribed birth control for his patients, a Department of Health and Human Services spokeswoman said." Eric Keroack, "a nationally known advocate of abstinence until marriage, served for more than a decade as medical director for A Woman's Concern, a Massachusetts nonprofit group that discourages abortion and does not distribute information promoting birth control. But HHS spokeswoman Christina Pearson said yesterday that most of Keroack's professional time had been devoted to his private practice of 20 years, not the group."

Democrats Unlikely To Advance Liberal Interest Groups' Agenda. USA Today (11/22, Stone, 2.27M) reports advocates "for abortion rights, gun control and gay rights say they are thrilled by the Democratic takeover of Congress. Even so, they admit their issues aren't likely to be addressed early — or at all — during the legislative session that begins in January." Rep. Rahm Emanuel, "who headed the Democratic campaign committee and is part of the leadership team setting the agenda for the upcoming term, says his party was 'very clear' on its priorities: The Iraq war, ethics reform, health care, jobs and other economic concerns will come first." But that is "not likely to deter liberal bloggers and groups such as MoveOn.org, says University of California-Berkeley political scientist Bruce Cain. Those groups will 'keep the heat on,' Cain says. He predicts they'll have little success."

Dodd Faces Balancing Act Between Business, Democratic Base. The New York Times (11/22, Labaton, 1.16M) reports that as Sen. Christopher J. Dodd "prepares to take over the leadership of the Senate Banking Committee while also considering a run for the presidency, lobbyists and lawmakers are all asking the same question." Travis B. Plunkett, the legislative director of the Consumer Federation of America, said, "Does he become a populist champion on issues that broadly affect the middle class, or does he shrink from controversial issues that offend huge donors?" The Times adds it is a "question facing not only Mr. Dodd, but the Democratic Party more generally as it assumes control of Congress." Dodd has "shown through a 25-year record in the Senate that he is adept at going both ways. He has, at various times, broken with big corporate interests in support of a principle. At other times, he has broken ranks with his more liberal party peers to advance causes associated with corporate patrons." In a "recent interview, Mr. Dodd said that he had hoped to be seen as unpredictably independent and willing to listen to both corporate interests and consumers." Dodd said he "planned to broaden the agenda of the committee. He proposes to look at issues of national security, including the way the administration reviews foreign investment in vital American companies, and prosperity, by examining everything from affordable housing to the loss of manufacturing jobs in the United States." But Dodd said he "was satisfied with Sarbanes-Oxley, which he played a significant role in drafting. He said he had not yet reached the same conclusions as the Bush administration and some Democrats that the law, combined with excessive litigation, had driven companies to issue stock in overseas markets instead of on Wall Street."

Democrats Set Sights On Prime Capitol Real Estate. The New York Times (11/22, Hulse, 1.16M) reports, "Forget those pesky leadership fights. The folks who run Congress are now getting down to what really matters on Capitol Hill: dividing up the office space." In "something of a break with recent tradition, the incoming Democratic speaker, Nancy Pelosi of California, is planning to expropriate the second-floor suite of offices now occupied by the current speaker, J. Dennis Hastert — a handful of rooms providing a spectacular view of the Mall." That space "has been in Republican hands for 50 years or so, even when Democrats were in charge." While Democrats are "moving up, Republicans are downsizing, abandoning their preferred spots and planning to squeeze into the current, tighter digs of the Democrats." Vice President Dick Cheney "might also come out a loser in this literal floor fight. Democrats have an

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eye on an office on the House side that Republicans granted to him as a kind of second home in the Capitol, to complement his office on the other wing of the building, where, by virtue of the Constitution, he presides over the Senate (he has no formal role in the House)." Rep. Charles B. Rangel "is interested in reclaiming Mr. Cheney's House space for the Ways and Means Committee."

Point Man On Financial Crimes To Leave Treasury. The AP (11/22) reports, "The chief of a federal agency that plays a key role in trying to catch terrorist financiers, drug lords and other criminals is stepping down at the end of this year." Robert Werner, director of the Treasury Department's Financial Crimes Enforcement Network, "will take a job with Merrill Lynch & Co. Inc., the department announced Tuesday."

Senate Panel To Review DC's Medicaid Program. The Washington Times (11/22, Mcelhatton, 88K) reports, "The Senate Finance Committee is seeking a review of the District's Medicaid program, citing a 'troubling' recent city audit of patient transport and reports of questionable billing. In addition, the D.C. Office of the Inspector General is conducting two audits of the city's Medicaid transportation program -- one examining the background of providers and the other focusing on the legitimacy of claims being submitted by transport companies." The Times adds, "The federal and local scrutiny of the District's Medicaid transportation program follows a report last month in The Washington Times that noted long-standing lapses and concerns about the program." Sens. Charles E. Grassley and Max Baucus of Montana "sent a letter Friday to D.C. Inspector General Charles Willoughby seeking a confidential briefing on efforts to probe city Medicaid costs."

IBM, Cray Win DARPA Supercomputer Contract. The Wall Street Journal (11/22, B2, Clark, 2.04M) reports, "A Pentagon research agency announced plans to spend nearly $500 million to develop next-generation supercomputers, funding ambitious design efforts at Cray Inc. and International Business Machines Corp. The Defense Advanced Research Projects Agency said it will award Cray $250 million and IBM $244 million under a new phase of a long-running development program, which hopes to create not only major advances in hardware but also new ways to program massive scientific machines." IBM and Cray officials said that DARPA's "unprecedented" grants reflect "a determination to ensure the U.S. remains in the forefront of the field."

Husband Of US Trade Representative Dies. The AP (11/22) reports, "Curtis Carroll, husband of U.S. Trade Representative Susan Schwab, has died, Schwab's office announced Tuesday. Carroll, a professional magician, died Monday of kidney and liver failure, Schwab spokesman Sean Spicer said." Deputy US Trade Representative John Veroneau "will represent Schwab on Wednesday at the signing ceremony for a free trade agreement with Colombia, Spicer said."

Spellings Is First Cabinet Secretary To Appear On "Jeopardy." The AP (11/22, Zuckerbrod) reports, "Education Secretary Margaret Spellings says she studied hard to prepare for Tuesday night's airing of 'Celebrity Jeopardy!'" Spellings is "the first Cabinet secretary ever to appear on" "Jeopardy!" By appearing, she won $25,000 for the charity ProLiteracy Worldwide which was picked by "Jeopardy!" in order to "comply with government ethics rules."

Retired Admiral Teaching At Naval Academy Profiled. The Washington Post (11/22, Weeks, 690K) reports that retired Adm. William J. Crowe, Jr., "with hearing aids and stooped shoulders, is passing along his sea of wisdom to a classful of intense and intrigued midshipmen at the U.S. Naval Academy." Asked about Iraq, "He does have some notions on how to avoid getting into another Iraq-like complication. ... Crowe believes it's the perfect moment to craft guidelines that might be used the next time around." Crowe, "who has been teaching in the academy's political science department since 1999, hopes to engender a sense of caution and reason in the next generation of commanders and help keep the United States from entering unjust -- and unjustified -- interventions." He "supported John Kerry in 2004."

White House Communications Move To Internet Infrastructure. Government Computer News (11/22, Wakeman) reports the "completion of the transition of the White House's external communications system to an Internet protocol-based infrastructure will be done by General Dynamics Corp.'s IT business." Under a "$7 million contract from the White House Communications Agency, General Dynamics of Falls Church, Va., will use a Synchronous Optical Network backbone for connections between the White House and the outside world." General Dynamics "has been working with the White House Communications Agency for more than four years on various communications projects doing analysis, design and infrastructure upgrade work, said company spokesman Mark Meudt." The White House Communications Agency "provides the systems for the president, vice president, presidential emissaries, White House staffers and Secret Service. The systems include audiovisual, voice and data capabilities. The White House Communications Agency also supports the president when he travels."

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Democratic House Aide Cleared In Leak Probe. The New York Times (11/22, Shane, 1.16M) reports, "A Democratic staff member [Larry Hanauer] of the House intelligence committee has been cleared of wrongdoing by a Republican-led leak investigation and reinstated in his position, committee officials said Tuesday." Hanauer was accused of being "a source for an article on Sept. 24 in The New York Times about a National Intelligence Estimate saying the Iraq war had become a cause célèbre for terrorists." Democrats called the investigation "payback for a decision by the committee's ranking Democrat, Representative Jane Harman of California, to release a report by an outside counsel into actions on the committee by former Representative Randy Cunningham, a California Republican now serving a prison term for taking bribes."

Attention Given To Pelosi's Attire Considered. The AP (11/22, Noveck) reports House Speaker-elect Nancy Pelosi's "clothes — stylish, well-chosen and nicely cut, of the Armani variety" have "garnered attention since she became the most powerful woman in American politics earlier this month." The AP asks, "Why do we focus on Pelosi's clothes and not those of our president, or any male in Washington? Is it inherently sexist, detracting attention from her obvious accomplishments? Or is it merely a reflection of the obvious truth that, while clothes matter for both men and women, female attire is more noticeable, more expressive and more interesting?" Pelosi, "a 66-year-old grandmother, isn't the first powerful woman in politics to be put under the sartorial microscope. The choices of Hillary Clinton, perhaps the most visible woman in U.S. politics, have been deconstructed through time, from her changing hairstyles to her inaugural hat in 1993 to the constant dark pantsuits on the Senate campaign trail, often paired with a pink blouse. (Again, imagine her well-dressed husband being criticized for always choosing a dark suit.)" One "extensive analysis of Pelosi's clothing came from Pulitzer-prize winning fashion critic Robin Givhan of The Washington Post, who often writes about the attire of major Washington figures — including a much-noticed piece on Vice President Dick Cheney's casual outerwear at a Holocaust memorial service in Poland last year."

Paulson Criticized For Lack Of Political Savvy. In his Washington Post column (11/22, D1), Steven Pearlstein says Treasury Secretary Hank Paulson "gave a splendid speech this week about the need to re-engineer the financial regulatory structure to make it more efficient and enhance the competitiveness of U.S. markets in the face of stiff new competition from London and Hong Kong." Paulson's "approach is reasoned, nuanced and pragmatic. It is also refreshingly naive." Paulson "comes at these issues as someone who is willing to take the facts and logic wherever they lead, even if it means offending friendly interest groups or running some sacred cows off the road." What Paulson "hasn't had time to master is the black art of Washington policy-speak -- and that is where the naive comes in." Paulson has "brought a breath of fresh air to the stale partisan atmosphere of Washington. But if he wants to succeed as the honest broker, he'll need to crack the code on the Washington policy conversation and reassure Democrats and other skeptics that he's got something new to sell."

WPost Says Paulson Wants Right Balance On SarbOx. The Washington Post (11/22, A20, 690K) says in an editorial, "US and foreign companies alike sought listings on U.S. stock exchanges so that they could tap into the world's largest and most efficiently managed pool of savings. But this has recently ceased to be true: Fewer companies are seeking U.S. listings; some foreign ones are delisting, preferring to trade on a stock exchange elsewhere; and many U.S. companies are turning their backs on stock exchanges altogether as private-equity funds acquire them. Some interest groups have presented these trends as evidence that the post-Enron reform of corporate governance, through the Sarbanes-Oxley law, overreached. Mr. Paulson rightly refused to swallow that simplification." Under Sarbanes-Oxley, "auditors have insisted on an excessively burdensome implementation of now-infamous Section 404 of the law, which requires companies to check the management systems used to generate numbers on sales, inventory, costs and so on. What's needed is regulatory guidance to dissuade auditors from interpreting this requirement overzealously, particularly for smaller firms. Mr. Paulson has struck the right balance."

Dorgan Defends Pessimistic View Of Trade Deficit. In a Wall Street Journal (11/21, 2.04M) letter to the editor, Sen. Byron Dorgan says, "Alan Murray's column ('Two Books, Two Different Democratic Tones,' Nov. 8) about my book 'Take This Job and Ship It' complains that it isn't upbeat and optimistic. Well, he's right about that! My book takes on the $800 billion-a-year, out-of-control trade deficits. It looks behind the economic numbers to understand what is happening to American workers who are being told to compete with workers in other parts of the world who will work for pennies an hour. My book pulls back the curtain on incompetent trade agreements that sell our country short by paving the way for outsourcing American jobs and running up crushing trade deficits. It's hard to find optimism in that kind of failure." Dorgan adds he believes "the current path is unsustainable. These trade deficits will have significant and dangerous consequences to our economy and our future. That doesn't mean we should retreat into a protectionist strategy. But we should recognize that we are engaged with smart, tough economic competitors, and it's long past the

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time for us to insist that the rules of trade be fair to our country, to our workers and to our businesses."

Liberal Economists To Unveil Plan To Shield US From Globalization. In his Washington Post column (11/22, A21), Harold Meyerson says that to counteract the problems caused by globalization, former Treasury Secretary Robert Rubin's Hamilton Project "has called for greater public investment in education, health care, research and development, and infrastructure; balancing the budget; and wage insurance for workers compelled to take lower-paying jobs in our Wal-Mart-ized economy." In response "to the Hamilton Project's creation, a group of some 50 liberal economists loosely affiliated with the Economic Policy Institute (EPI) began work of their own" that will "be unveiled in January." The "fundamental difference between the two projects -- that is, between the two primary schools of Democratic economics -- is that Rubin's largely believes the rules of the market to be immutable and sound (though it's precisely the rules of the market that are depressing American incomes), while EPI's, in the words of economist Mark Levinson, 'rejects the notion that what has happened to this economy is inevitable. Policy can turn this around.'" EPI's project "will call for a pay-or-play health insurance system (employers can cover their own employees in private plans or pay taxes into an expanded version of Medicare that will cover everyone else) and for a retirement system in which employers can offer their employees pensions or, with their employees, pay into a system administered by Social Security. It will suggest a series of policies to decouple globalization from downward pressure on wages -- adding some enforceable labor standards, for instance, to the rules of the World Trade Organization."

Bush Daughter's Purse Stolen In Argentina. The AP (11/22) reports US and Argentine media "reported that one of President Bush's 24-year-old twin daughters had her purse stolen while being guarded by the Secret Service during a visit here." ABC News, "citing unidentified law enforcement reports, reported on its Web site Tuesday that Barbara Bush's purse and cell phone were taken while she was dining in a Buenos Aires restaurant." La Nacion newspaper, citing anonymous government sources, said in its online edition early Wednesday that one of Bush's daughters had her purse taken Sunday afternoon in the popular tourist district of San Telmo."

The Washington Post (11/22, Argetsinger, Roberts, 690K) reports in its "Reliable Source" column, "ABC News reported yesterday that elder-by-seconds twin Barbara joined Panama-based sister Jenna on a trouble-scarred trip to Argentina. ABC, citing 'law enforcement reports' it obtained, said someone stole a purse and cellphone from Barbara at a Buenos Aires restaurant -- right under the noses of her Secret Service agents. Also, an agent accompanying them was mugged during his off-hours."

Bush Called Uncivil For Use Of Term "Democrat Party." In her Washington Post column (11/22, A21), Ruth Marcus says, "If he wanted to, President Bush could change the tone in Washington with a single syllable: He could just say 'ic.' That is, he could stop referring to the opposition as the 'Democrat Party' and call the other side, as it prefers, the Democratic Party." The "derisive use of 'Democrat' in this way was a Bush staple during the recent campaign." But "even as he promised to work to change the tone in Washington after the elections, the president couldn't manage to change his language. In his day-after-the-elections news conference, Bush employed this needling locution five times."

OTHER NEWS:

White House Predicts Slower Economic Growth. The CBS Evening News (11/21, story 6, 0:20, Couric, 7.66M) reported, "Now to the coming attractions for the economy. The White House predicted today that economic growth will slow next year to below 3% thanks to the slump in the housing market. And inflation will tick up a bit. Prices are expected to rise just over 2.5%."

Fox News' Special Report (11/21, Hume) reported "the new forecast matches with last year's growth figures." The Administration also said "the economy is still in very good shape." The Wall Street Journal (11/22, A2, Solomon, 2.04M) says "the new economic-growth forecast, on which the president's new budget will be based, is largely in line with private-sector estimates. Private forecasters are predicting GDP growth of 3.4% this year and 2.6% in 2007. On the inflation front, the private sector is less sanguine about 2006, estimating 3.5% CPI growth and 2.5% in 2007." The Financial Times (11/22, Guha) reports the White House also predicted "the US labour market will remain tight next year…raising hopes that ordinary Americans will start to feel more of the benefits of the country's economic expansion." The Washington Times (11/22, Dinan, 88K) and New York Times/AP (11/22), among other sources, run similar reports.

Nasdaq And S&P Reach 2006 Highs. USA Today (11/22, 2.27M) reports, "Stocks crept higher Tuesday as rising oil prices partly smothered euphoria over shares of Internet wunderkind Google cracking the $500 barrier. The Nasdaq composite and Standard & Poor's 500 indexes, which include Google among their components, both set 2006 highs: The Nasdaq was up 2.12 points to 2454.84 and the S&P was up 2.31 points to 1402.81. The Google-free Dow Jones industrial average rose 5.05 points to 12,321.59 that left it 21 points shy of its record close on Friday." NBC

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Nightly News (11/21, story 7, 0:10, Williams, 9.87M) noted only that "on Wall Street today, stocks finished with modest gains."

NYTimes Says Economy Not Raising Wages. The New York Times (11/22, 1.16M) editorializes, "Nearly every month for the past two and a half years, inflation has eaten up whatever wage gains most American workers have managed to eke out. In August, however, the cost of living started to moderate, thanks largely to falling energy prices. As a result, wages outpaced prices substantially in September. And in October, according to a government report last week, average hourly earnings were 2.8 percent higher than a year earlier, after adjusting for inflation -- the biggest annual increase since 1998. A real increase is something to cheer for a broad swath of working Americans." But "behind the headline numbers, the wage picture -- and what it says about the economy -- is still cloudy. The gains of September and October were due to declining inflation, not faster wage growth. And with most economists predicting a slower economy through the middle of next year, it's unlikely that American workers will get a sustained pay boost any time soon. … The coming holiday shopping season will be the true test of consumer resiliency. But the modesty of recent purchases -- in the face of the best real wage growth in eight years -- does not bode well."

Wilson, Schmidt Claim Victory In NM1, OH2. The New York Times/AP (11/22) reports, "More than a week after Representative Heather A. Wilson, Republican of New Mexico, claimed a razor-thin election victory, her Democratic challenger conceded Tuesday, saying that a recount would cost too much and that there was no guarantee it would reverse the result." In the 2nd CD of Ohio, Rep. Jean Schmidt, "a Republican, clinched re-election Tuesday. Additional ballot counts gave her an insurmountable edge of about 3,200 votes over her Democratic challenger, Victoria Wulsin." In New Mexico, Wilson, "a five-term congresswoman, won by 875 votes, with 105,921 votes to 105,046 votes for the Democrat, Patricia Madrid, the state attorney general."

Giuliani Forms Federal Presidential Exploratory Committee. The New York Times (11/22, Chan, 1.16M) reports former New York Mayor Rudolph W. Giuliani "has filed papers with the Federal Election Commission to create a presidential exploratory committee, joining a fellow Republican, Senator John McCain of Arizona." Giuliani's filing, "hand-delivered to the commission on Monday, says he is still 'testing the waters,' meaning that for now, he can raise and spend money on polls and travel but not declare himself a candidate or build a substantial war chest." Giuliani "created a political committee in New York State on Nov. 10 called the Rudy Giuliani Presidential Exploratory Committee. But he stopped short of filing federal papers, leading to speculation that he had doubts about even weighing a run."

McCain Stance On US Troop Levels In Iraq Said To Pose Political Risks. AFP (11/22, Collinson) reports, "As Americans wonder when the troops will come home from Iraq, Republican White House hopeful John McCain is laying his first big bet of the 2008 campaign: demanding more soldiers for the war." McCain's position "contrasts sharply with the call of victorious Democrats for a phased withdrawal from Iraq." McCain says that "more men must be poured in to flush out insurgent strongholds, crush militias and sectarian violence and to train Iraqi forces." McCain "may be tailoring his message to hawkish, pro-military conservative voters who will decide the Republican nominee in primary elections. 'I don't think it dooms him in his primary process. He has a hard right primary he has to go through. My guess is that's part of the calculation,'" Delaware Sen. Joe Biden (D), a potential '08 candidate, said Monday.

Romney Seen As Methodically Moving Toward Presidential Bid. The AP (11/22, Johnson) reports, "By almost any measure, Massachusetts Gov. Mitt Romney -- a would-be presidential candidate -- should be hanging his head right now. He was chairman of an association supposed to elect Republican governors, but they lost 20 of 36 races on Election Day, which saw widespread GOP losses. Then, in an issue critical to the GOP's conservative base, the Massachusetts legislature balked at his request to let state voters decide on an anti-gay marriage amendment, forcing him to petition the state's highest court." Meanwhile, Arizona Sen. John McCain (R) and ex-New York City Mayor Rudy Giuliani (R) "jumped out and announced they were forming presidential exploratory committees. Yet true to the business training that earned him hundreds of millions of dollars, Romney has a plan and he's sticking to it." Romney "is proceeding on a methodical course of fundraising, staff-building and outreach. … 'I have not seen an individual approach this situation with a greater degree of structure or by compiling such a vast database for making it, both on the personal and political sides,' said Tom Rath, a veteran New Hampshire political operative who has advised former Republican candidates such as Bob Dole, George H.W. Bush, Lamar Alexander and George W. Bush."

Brownback Reaching Out Beyond Christian-Conservative Base. The Kansas City Star (11/22, Stearns, 271K) reports that Kansas Sen. Sam Brownback's (R) "post-Thanksgiving schedule included an HIV test and reporting to prison," providing "further evidence that, as Brownback nears the formal announcement of his long-

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simmering presidential exploration, he remains determined to stake out a unique position in what likely will be a crowded" GOP "primary field. Typically pigeonholed by political analysts as the candidate of the religious right, Brownback hopes to be more inclusive. Christian conservatives…are his natural base of support. But publicly highlighting issues such as the plight of prisoners and poverty in developing nations can help Brownback broaden his appeal, even as he asserts that his faith calls him to deal with such issues. It's an effort to show that compassionate conservatism isn't an empty motto." Brownback and Illinois Sen. Barack Obama (D) on Dec. 1 "will attend best-selling author Rick Warren's Saddleback Church in southern California for a Global AIDS Summit." The senators "will get HIV tests to 'destigmatize the test and the information.'" A week later, Brownback "is set to spend the night at the Louisiana State Penitentiary, in Angola, La." Brownback "hopes his visit will highlight the success of faith-based programs."

Religious Group Withdraws Wal-Mart Boycott. The Wall Street Journal (11/22, Hudson, 2.04M) reports, "A religious group that had rallied members to boycott Wal-Mart Stores Inc. this weekend backed off the pledge on Tuesday." The American Family Association and Operation Save America "had urged its followers to stay away from Wal-Mart on the Friday and Saturday following Thanksgiving to protest the retailer's recent ties with homosexual groups, including its decision this year to join a national chamber of commerce for gay and lesbian businesses," but "after Wal-Mart issued a statement on Tuesday outlining its policies on corporate donations and its stance against discrimination, the American Family Association declared itself 'pleased' and withdrew its call for a boycott." The association also "credited its decision to withdraw its boycott to Wal-Mart's announcement Tuesday that it will not 'make corporate contributions to support or oppose controversial issues unless they directly relate to their ability to serve their customers.'"

US Teen Birthrate Falls To All-Time Low. USA Today (11/22, Rubin, 2.27M) reports the birthrate "among U.S. teens, which has been falling since its peak in 1991, dropped to an all-time low in 2005, according to preliminary data released Tuesday by the National Center for Health Statistics, part of the Centers for Disease Control and Prevention." But among Hispanic teens "the birthrate is twice as high as the overall teen birthrate." Overall, the "preliminary 2005 rate for females ages 15-19 was 40.4 births per 1,000, down from 41.1 in 2004 and 61.8 in 1991. The Hispanic rate for teens 15-19 was 81.5, down from 82.6 in 2004 and 104.6 in 1991." Demographer Stephanie Ventura, co-author of the report, says "abstinence and contraceptive use 'are still driving factors' behind the declining teen birthrate."

Assassination Threatens To Destabilize Lebanon; Complicates Debate Over Syria. The assassination Tuesday of a prominent Lebanese politician received prominent coverage on the front pages of the nation's dailies and the nightly network news broadcasts. The death of Pierre Gemayel was seen as likely to throw Lebanon in a state of chaos and Syria was largely seen as being responsible for the killing. Syria's suspected role in the assassination was also seen as likely to complicate calls for Washington to reach out Damascus for assistance in Iraq. The CBS Evening News (11/21, story 3, 0:40, Couric, 7.66M) reported, "The White House believes Syria and Iran are still causing trouble in Lebanon where today assassins killed a government official." CBS (Phillips) added, "Another political assassination in Lebanon has the country once again teetering on the brink of chaos. Just four months after the Israeli Lebanese conflict. This time the victim was one of Lebanon's leading Christian anti-Syrian cabinet ministers, Pierre Gemayel, the son of a former president. Gunmen rammed their car into his and sprayed it with bullets. There's been widespread international condemnation of the attack, including from President Bush, and widespread fear of reprisal political killings and even a slide into civil war."

ABC World News (11/21, story 2, 2:20, Gibson, 8.78M) said the Bush Administration "called the ambush in Beirut an act of terrorism and pointed a finger at the neighbor Syria." ABC (Wright) added, "The Lebanese government was already in meltdown -- the country still reeling after its month-long war with Israel. Tonight, the US is all but accusing Syria and the militant group Hezbollah of murder in an effort to topple the government." In an analysis segment, ABC World News (11/21, story 3, 1:45, Karl, 8.78M) reported, "There was little appetite in the Bush administration to deal with Syria on Iraq before today. And there is even less now. Officials see this as part of a pattern. There's been nine assassinations or attempted assassinations of anti-Syrian politicians in Lebanon over the past three years. With that kind of activity going on, the view from the Bush administration is, it would be folly to think that talking to Syria would help in Iraq."

The Washington Post (11/22, A1, Wright, 690K) notes Bush "blasted Syria and Iran yesterday after the assassination of Christian cabinet minister Pierre Gemayel for trying to destabilize Lebanon, reflecting tensions between Washington and its two Middle Eastern rivals that are increasingly playing out in Lebanon as well as Iraq." While the President "stopped short of blaming Syria for the killing, he warned that the United States remains 'fully committed' to supporting Lebanon's democracy despite attempts by Damascus, Tehran and their allies in Lebanon 'to foment instability and violence.'"

The New York Times (11/22, Knowlton, 1.16M) reports that the assassination was "widely condemned today as an

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act of terrorism that threatens to upend not only Lebanon's stability, but also tentative moves to engage Syria in talks on regional peace initiatives." Britain, France, Egypt, the European Union and the United States issued "powerful condemnations" of the killing. Undersecretary Burns described the killing as an act of terrorism and intimidation, saying, "We believe it's the responsibility of all countries to support the Siniora government and to oppose those who would try to divide Lebanon or return violence to political life in Lebanon." At the UN, Ambassador Bolton "spoke with visible anger about the killing." Asked by a reporter whether the Hariri tribunal "should now be delayed to avoid fanning instability," he said sharply: "How incredibly wrong that would be. Instability? They're killing people in Lebanon, they're assassinating political leaders. Not the time to seek justice?"

NBC Nightly News (11/21, lead story, 3:15, Williams, 9.87M) said the killing "could make Lebanon, which is still recovering from that massive Israeli bombing, a very unstable place and give control there to enemies of the United States. And that is why this story, this assassination, was felt today around the world." NBC (Engel) added, "This assassination is likely to have a destabilizing effect throughout the Middle East. The White House is accusing Iran, Syria and Hezbollah of trying to topple and take over the Lebanese government. Already tonight there are angry protests and some calls for revenge in a country edging closer to civil war." NBC's Engel also said, "It is absolutely imperative that the American administration takes this very serious at a time when America's looking for friends and talking about engaging in diplomacy. There is a real possibility that this anti-American coalition of Iran, Syria and Hezbollah, will succeed and take over the government."

In a separate analysis segment, NBC Nightly News (11/21, story 2, 2:00, Williams, 9.87M) reported, "All of this may only complicate US dealings in the Middle East. And especially any possible US exit strategy from Iraq which many say has to involve dealings of some sort with Syria." NBC (Mitchell) added, "There's a lot of pressure on the Administration. The Baker-Hamilton Iraq Study Group and other leading Republicans, such as Chuck Hagel, all say that Iran and Syria aren't the solution to the problem, precisely because they are helping to fuel the insurgency. This is hard for this Administration, for George Bush and Dick Cheney to accept. They have made these states terror-sponsoring states on their official list and consider Iran to be on the axis of evil -- a very hard step for them to take."

The AP (11/22, Loven) reports briefly that Secretary Rice telephoned Lebanese Prime Minister Fouad Siniora "with condolences and to reiterate US support for democracy in Lebanon."

In a front page article, the New York Times (11/22, A1, Slackman, 1.16M) said the assassination "jolt[ed] a nation already paralyzed by political conflict that threatens to topple the government" and "inflamed tensions between the anti-Syria coalition trying to hold its government together and the Syrian-allied opposition, led by Hezbollah." Although Lebanese Prime Minister Fouad Siniora "vowed in a televised speech that his government would hold firm," the Times says "in truth, his government may already be on life support" after "six pro-Syria ministers aligned with Hezbollah resigned" last week "after a failed effort to gain greater control over the government." The killing "also is likely to complicate any American effort to enlist Syria's help to stabilize Iraq." The US "withdrew its ambassador from Damascus after [former Lebanese Prime Minister Rafik] Hariri was assassinated nearly two years ago," and "the suspicion that Syria is behind the efforts to destabilize Lebanon will make it nearly impossible for Washington to send a full ambassador back to Damascus without appearing to have abandoned the Siniora government," the Times writes.

The Wall Street Journal (11/22, A1, Higgins, Solomon, 2.04M) reports on its front page that Gemayel's killing "also complicates the policy debate about Iraq in Washington, where some foreign-policy experts have urged the Bush administration to reach out to Syria and Iran in an effort to curb Iraq's violence." Although Washington "stopped short of directly blaming Syria" for the killing, it said the act "underscored the need to accelerate the UN probe into the Hariri murder." For his part, President Bush condemned what he called "Syria's refusal to cease and desist from its continuing efforts to destabilize Lebanon's democratically elected government," adding that the US would "resist these efforts." At the UN, Ambassador Bolton "bristled at suggestions by some at the UN that the Hariri probe should be slowed."

The Washington Times (11/22, Behn, 88K) says the killing "was seen by analysts as part of a coordinated attempt to push the United States out of the Middle East. 'This is part of a broader effort on the part of Syrians and Iranians in their own isolation to prove they have leverage over events in the region and to minimize the role of the US in the region,' said former US ambassador to Morocco, Marc Ginsberg."

On its front page, the Washington Post (11/22, A1, Shadid, 690K) says the assassination "underlined the lack of red lines in the escalating struggle over Lebanon's political future that has followed this summer's war between Hezbollah and Israel. The struggle is crucial not only to the often zero-sum calculations of Lebanese politics but also to the regional ambitions of the United States, Iran, Syria and Israel." In a separate front page report titled "Assassination Increases Tensions With Syria, Iran," the Washington Post (11/22, A1, Wright, 690K) reports President Bush "blasted Syria and Iran yesterday after the assassination…for trying to destabilize Lebanon, reflecting tensions between Washington and its two Middle Eastern rivals that are increasingly playing out in Lebanon as well as Iraq." The Post notes that "for the

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past 21 months, the Bush administration has tried to steer the Mediterranean country toward democracy and away from the grips of long-standing Syrian and Iranian influence. As Iraq imploded, the Bush administration hoped that Lebanon might prove an alternative model for the flowering of freedom in the Middle East." However, the assassination yesterday "signals that the battle for Lebanon is far from over, said US officials and regional experts."

The Financial Times (11/22, A1, Khalaf, Dinmore, Dombey) reports that "moves to bring Syria back into the diplomatic fold were dealt a blow on Tuesday by the killing" that "threatens to destabilize a government struggling for unity." The AP (11/22, Karam, Ghattas) reports that Syria and Iran "both condemned Gemayel's slaying, and Syria's Information Minister Mohsen Bilal denied Syria had any role." In an interview with Al-Jazeera, Bilal said, "Those who are accusing Syria in this sick way...do not have an iota of truth or credibility." The Los Angeles Times (11/22, Stack, 850K), USA Today (11/22, For, 2.27M) and Washington Times/AP (11/22, Ghattas) run similar reports.

More Commentary. In an editorial, the Wall Street Journal (11/22, 2.04M) says, "Former Secretary of State James Baker has been saying that, when it comes to diplomacy, you don't 'restrict your conversations to your friends' -- shorthand for the view that the US should engage Syria and Iran to find solutions in Iraq and elsewhere in the Middle East. But yesterday's murder of Lebanese Minister Pierre Gemayel might remind even Mr. Baker and his Iraq Study Group what some of those non-friends are all about. … It's true that every Administration must deal with the world as it is. But when it comes to Syria, do the sages of the Iraq Study Group really want the Bush Administration to seek the benediction of a country that stirs such mayhem in Beirut?"

Two Kidnapped Gaza Red Cross Workers Released. The AP (11/22, El Deeb) reports, "Two Italian Red Cross workers kidnapped Tuesday afternoon were released shortly after midnight, Palestinian security officials said." Claudio Moroni, 36, and Gianmarco Onorato, 63, were "abducted in Deir el-Balah in central Gaza after their car was stopped by gunmen." Before their release, the Red Cross said "it was suspending its activities in the Gaza Strip, fearing for the safety of its workers." Iyad Nasr, spokesman for the Red Cross's Gaza office, said "the organization had ceased all field operations and would intervene only 'in matters of life and death,' and "workers have been ordered to stay in their offices because of fears for their safety." There was "no immediate word on the conditions of the released aid workers."

Study Says 39% Of Land Used By Israeli Settlers Owned By Palestinians. The Washington Post (11/22, A17, Wilson, 690K) reports, "An Israeli advocacy group has found that 39 percent of the land used by Jewish settlements in the West Bank is private Palestinian property, which the organization contends is a violation of international and Israeli law guaranteeing property rights in the occupied territories." In a report released Tuesday, the Settlement Watch project of Peace Now "also disclosed that much of the land that Israeli officials have said would remain part of the Jewish state under any final peace agreement is private Palestinian property." The report "draws on maps and data from the Civil Administration, the military authority Israel established to govern the West Bank following the 1967 Middle East war." Prime Minister Ehud Olmert's spokeswoman, Miri Eisin said, "the government would comment on the report's methods and findings once officials have had time to review it." Also, Israeli troops "pushed into the Gaza Strip early Tuesday and killed two Palestinians in fighting near the village of Zeitun."

Court Rules Israel Must Register Same-Sex Marriages Performed Abroad. The Los Angeles Times (11/22, Ellingwood, 850K) reports, "The Israeli Supreme Court touched off a fresh controversy over gay rights Tuesday when it ordered the government to register same-sex marriages performed abroad." The 6-1 decision "was praised by rights advocates as a political advance for gays and lesbians, who have won previous court decisions granting them broader rights in survivor benefits and inheritance," and "cheered by those who support legalizing civil marriages in Israel, where only religious ceremonies are allowed." The ruling "did not legalize same-sex weddings in Israel, where religious authorities by law hold a monopoly on authorizing marriages and divorces." Religious conservatives "criticized the decision as an erosion of Israel's status as a Jewish state and said it undermined moral teachings," and some "urged the Israeli parliament, or Knesset, to examine the possible effect on Israeli society."

US Seeks More Market Access In India For Agricultural Commodities. The Wall Street Journal (11/22, A4, Mohindru, 2.04M) reports, "The US is seeking greater market access in India for its agricultural commodities, such as wheat, to ensure balanced farm trade between the two countries, U.S. Agriculture Department Secretary Mike Johanns said." He "favored an approach where India's plant-health norms are protected and wheat trade occurs with the US," and said that "discussions on plant-health-related issues are going on so that India will be able to export its mangoes to the US by the next harvest in April."

India, China Work To Build Economic Relations. The New York Times (11/22, Rai, 1.16M) reports, "India and

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China established a 10-point strategy on Tuesday to strengthen economic relations and ease mistrust, agreeing that there is room enough for both to grow." At a joint media briefing the two presidents said "there was enough space for the two countries, which account for a third of the world's population, to grow in a mutually beneficial manner 'while remaining sensitive to each other's concerns and aspirations, as befits good neighbors and partners.'" They also said they "would work to double their trade to $40 billion by 2010, which some see as a sign that centuries of Western dominance in global trade may be ending." The countries "signed 13 pacts covering joint scientific initiatives, tourism promotion and the opening of new consulates," but "there were no breakthroughs at the leadership level on the first day of talks."

Cnooc, PetroChina Sings Investment Deals In Vietnam. The Wall Street Journal (11/22, A10, Winning, 2.04M) reports, "China National Offshore Oil Corp. and PetroChina Co. have signed deals to ramp up investment in Vietnam as leaders in Beijing and Hanoi set aside a long-running maritime border dispute to forge closer energy ties, state media reported yesterday." Cnooc "signed an agreement with Vietnam Oil & Gas Corp., or PetroVietnam, on Friday to begin exploring for oil in the Gulf of Tonkin in the South China Sea on a 50-50 basis." The exploration period is "expected to last three to five years."

China's Military Buildup Designed To Compete With US Navy. The Washington Times (11/22, Gertz, 88K) reports, "China's military buildup includes new missiles and naval weapons designed to sink U.S. aircraft carriers and deny U.S. forces access to the Asia-Pacific region, a congressional commission official said yesterday." Daniel Blumenthal, a former Pentagon defense policy-maker and now a member of the U.S.-China Economic Security Review Commission, said "The Chinese have been quite successful ... in the area of sea denial, meaning that if we sent a carrier to or outside the [Taiwan] Strait as we did in 1996, it would be a lot riskier and a lot costlier to the United States." Beijing's military is also "experimenting with new attack concepts, including land-based attacks on ships 'through multiple entry concepts' in what Blumenthal called 'a very serious effort to try to basically sink a carrier or battle group.'"

China's Poor Getting Poorer. The Wall Street Journal (11/22, Batson, Oster, 2.04M) reports, "China's economic miracle has lifted hundreds of millions of people out of poverty, but the country is showing signs that its poorest citizens are falling further behind." Now Chinese government "worries about social stability and amid questions about the social costs of China's rapid growth, new figures suggest the poorest of the country's 1.3 billion people are getting even poorer." The widening of China's income gap "raises questions about the bargain its government made three decades ago when it agreed to accept a measure of social inequality as long as it improved the nation's welfare overall," and many observers place "part of the blame on the way China dismantled its social-welfare system as it phased out state control of the economy -- without building up much to replace it." The reason for the income decline at the bottom isn't clear," since the World Bank "hasn't completed its analysis and its conclusions haven't been published."

Goodlatte To Lead Congressional Ag Tour Of South America. The Washington Post's (11/22, A19) Al Kamen writes in his "In the Loop" column that outgoing House Agriculture Committee Chairman Bob Goodlatte is "leading a group of about 10 committee members, plus spouses, military aides and assorted staff" to South America "right after Thanksgiving." The delegation of "perhaps up to 40 folks in all" with make "stops in several countries" to "discuss agricultural trade -- specifically focusing on expanding US agricultural exports," according to committee spokeswoman Alise Kowalski. The Post reports that incoming Chairman Collin Peterson is also expected to travel with the group.

Populism Seen As Losing Appeal For Latin American Voters. The Wall Street Journal (11/22, A1, Lyons, 2.04M) reports, "The populist political tide that seemed to be sweeping through Latin America earlier this year is sputtering." Voters have been "choosing presidential candidates who tap into a more powerful force: economic stability." The "diminishing electoral appeal of candidates promising radical economic and political change is on display here in Ecuador, ahead of this Sunday's presidential election." The electoral failure of populists "so far has been good news for foreign investors and businesses."

Maoist Rebels In Nepal Sign Peace Deal With Government. The New York Times (11/22, Pokharel, Sengupta, 1.16M) reports that "Maoist rebels in Nepal signed a peace deal with the government on Tuesday night, with a pledge to lock up their guns, at least for now, and let voters decide the future of the country." The accord "promises to bring the rebels, who control vast swaths of the destitute countryside, into the political mainstream," and Prime Minister Girija Prasad Koirala said, "This has given a message to the international community and terrorists all over the world that no conflict can be resolved by guns. It can be done by dialogue." The interim government, "which the rebels have agreed to join," will "organize elections next year for an assembly that will determine whether Nepal will remain a kingdom and if so, what kind." However, the rebels "have not laid down their arms entirely," but "have agreed to lock up

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their weapons but are holding on to the keys" The United Nations is "to monitor the safekeeping of weapons through a system of closed-circuit cameras."

The Washington Times/AP (11/22, Gurubacharya) reports, "Nepalese Prime Minister Girija Prasad Koirala and Maoist rebel leader Prachanda signed the accord at a Katmandu convention hall packed with cheering officials, dignitaries and foreign diplomats." Under the agreement, "the rebels are to join the interim parliament by Nov. 26 and will get 73 of the chamber's 330 seats. Mr. Koirala's Nepali Congress will remain the biggest party with 85 seats, and the Maoists will share second place with Communist Party of Nepal (United Marxist-Leninist)." The rebels' "large number will give them a significant role in a new interim government, which will be in place by Dec. 1," and will take a "major part in deciding how and when to elect a constituent assembly that is to rewrite the constitution and decide on the monarchy's fate."

Bangladeshi Villagers Get Internet Access. The Washington Post (11/22, A12, Sullivan, 690K) reports, "Villages in one of the world's poorest countries, long isolated by distance and deprivation, are getting their first Internet access, all connected over cell phones," and "millions of people who have no land-line telephones, and often lack electricity and running water, in recent months have gained access to services considered basic in richer countries: weather reports, e-mail, even a doctor's second opinion." Cell phones "have become a new bridge across the digital divide between the world's rich and poor, as innovators use the explosive growth of cellphone networks to connect people to the Internet." The Internet centers "are being set up by GrameenPhone, a cellphone provider partly owned by the Grameen Bank," and the centers "are building on a cellphone network created over the past decade by a Grameen Bank program that helped provide more than 250,000 cellphones in villages."

WSJournal Says Russia Likely Responsible For Ex-KGB Agent's Poisoning. In an op-ed column, "Russian Venom," in The Wall Street Journal (11/22, A14, 2.04M), Boris Volodarsky writes that it might be "too early to discuss how and why Mr. Litvinenko was poisoned," but what's "clear" is that "this was likely the work of the Russian secret service that had been after him for years." If the Russian president is involved "is open to doubt," and Russian foreign intelligence "denies any involvement in his poisoning." However, "it cannot deny," its "long history of using poison as a weapon."

HIV/AIDS Program Shows Improvement In Seven African Countries. The Washington Post (11/22, A14, Brown, 690K) reports, "Seven African countries are experiencing a decline in the prevalence of HIV infection among young, urban adults, finally reaping the benefit of AIDS prevention and treatment, the United Nations said yesterday in its annual report on the global epidemic." However, there are "troubling signs that the first African country to reverse the epidemic, Uganda, is experiencing a resurgence of infection, as is Thailand, another early success story." The report demonstrates that policymakers "need to safeguard early successes like Uganda."

NYTimes Urges IAEA To Deny Iran Nuclear Assistance. In an editorial, the New York Times (11/22, 1.16M) says the International Atomic Energy Agency has "always had a conflicted mandate" of promoting "the peaceful use of nuclear technology while also restraining the spread of nuclear weapons." The Times says "that dangerous duality is being played out again this week" as the agency debates "whether its staff should provide Iran with technical advice on how to safely complete construction of a heavy water nuclear reactor near the town of Arak." Denying the request "should be a no-brainer," the Times say, "especially at a time when Iran is defying a Security Council order that it stop enriching uranium, usable for nuclear reactor fuel or potentially a nuclear bomb." Anything less, it continues, "will only confirm Tehran's belief that the international community is not serious about containing its nuclear ambitions." The Times also urges the Bush administration, "which has agreed to talk with Iran if it suspends enrichment, needs to go further, offering Tehran explicit security guarantees in exchange for giving up technology that could feed a nuclear weapons program."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Mining Firms Again Eyeing Navajo Land."
"Director Was A True Original."
"Filipinos' Hip-Hop Anthem."
"Assassination Leaves Lebanon At Brink."
"Getty Makes New Offer To Italy."
"Fury On The Airwaves Undid Bias Settlement."

USA Today:
"Nature Programs' Goal: No Child Left Inside."
"Every Year's Game Of Century."
"Fliers Urged To Ease Logjam."

New York Times:
"Lebanon Official Critical Of Syria Is Assassinated."
"Justice Courts For Small New York Towns To Be Overhauled."
"Study Questions Need To Operate On Disk Injuries."

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"Perfect Killing Method, But Clear Targets Are Few."
"Robert Altman, Director With Daring, Dies at 81."
"An Ideologue For Hire Gets New Alliance."
"Erasing Divide, College Leaders Take To Blogging."

Washington Post:
"Fears of Civil Strife Rise In Lebanon."
"Report Finds DHS Lax On Contracting Procedures."
"Assassination Increases Tensions With Syria, Iran."
"Out Of India, En Masse And On The Way Up."
"Some Curbs On Sex Offenders Called Ineffective, Inhumane."
"Fenty's Choices Already Causing Anxiety About Insular Approach."

Washington Times:
"Anti-Syrian Lebanese Christian Official Slain."
"Military Has Alternative To Baker Report."
"Senate Seeks Medicaid Review."
"Teen Births Down; Unwed Moms Up."
"Gay Custody Case Stalls In Court."
"Save Turkey With Dry Run."

Detroit Free Press:
"Upturn Seen For Region's Slumping."
"Tears, Cheers For Te Michigan Man."
"Witness Alleges Police Intimidation."

Atlanta Journal-Constitution:
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"Women 92, Dies In Shootout With Cops."
"Good Deeds In A Fishbowl."
"Gwinnett Cracks Down On Homeless."
"Fired-Up Employees rally To Delta's Cause."

Houston Chronicle:
"2 Pit Bulls Kill Boy, 4 Near Home."
"Sizzle Meets Sweet In Crash Of Classics."
"Player's Case Spurs Call For Taser Study."
"Rest Easy: Studies Suggest back Surgery Not Only Option."

Story Lineup From Last Night's Network News:
ABC: Safest Cars; Assassination In Lebanon; Assassination In Lebanon-Analysis; Syria & Iraq Re-Establish Ties; Iraq-Sectarian Violence; Muslims Removed From Airplane; Nursing Mother Ordered Off Airplane; Keeping Kids In School; Warren Jeffs Court Hearing; Robert Altman Obit; Bo Schembechler Obit; Ed Bradley Memorial; WWII Sunken Submarine Found.
CBS: US Troops-Inadequate Training; Military Raid-Iraq; Assassination In Lebanon; Deadly School Bus Accident; Robert Altman Obit; Housing Market's Effects On Economy; Retail Price Wars; ALCOA Cutting Jobs; Google Stock Price; Back Pain Treatment; Women Giving To The Poor; Ed Bradley Memorial.
NBC: Assassination In Lebanon; US Mideast Strategy; Muslims Removed From Airplane; Robert Altman Obit; Lost Luggage; Bush's Motorcade-Accident; Stock Market; Ed Bradley Memorial; Making Beautiful Music.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Holiday Travel-TSA Restrictions; Bush-Holiday Plans; Jordan-Bush, Maliki Meeting; Assassination In Lebanon; MA-Propane Storage Facility Fire; Google Stock Price.
CBS: Jordan-Bush, Maliki Meeting; US Troops-Difficulty Training Iraqi Troops; Indonesia Considering Sending Peacekeepers To Iraq; Holiday Travel-TSA Restrictions; Cost of Holiday Food; Robert Altman Obit;
NPR: Jordan-Bush, Maliki Meeting; Bush-Troop Visit In Hawaii; Justice Department-Padilla Case; US Special Envoy-Sudan; France-Experimental Nuclear Fusion Reactor Agreement; Robert Altman Obit; Wall Street.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — Participates in the pardoning of the National Thanksgiving Turkey, Rose Garden; President and Mrs. Bush depart The White House en route Camp David via Marine One, South Lawn.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: US-COLOMBIA _ 10 a.m. US Trade Representative Susan Schwab participates in the Colombia Trade Promotion Authority signing ceremony. Location: Inter-American Development Bank.

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TERRORISM NEWS:

Terrorism Charge May Be Reinstated Against Padilla (AP)

By Curt Anderson, Associated Press

AP, November 22, 2006

MIAMI — Federal prosecutors have asked an appeals court to reinstate a key terrorism charge against an alleged Al Qaeda operative, Jose Padilla, contending a judge erred in finding that it duplicated other counts in the same indictment.

Padilla and two co-defendants are charged with being part of a North American support cell that provided money, supplies, and recruits to Islamic extremists worldwide. Padilla, an American citizen, was held for 3 1/2 years without charge as an "enemy combatant," originally accused of plotting to detonate a radioactive "dirty bomb" in an American city.

The pleading filed with the 11th U.S. Circuit Court of Appeals late Monday argues that the charge dismissed by U.S. District Judge Marcia Cooke is a distinct offense in the case.

Judge Cooke ruled in August that the first count of the indictment against Padilla and two others — charging a conspiracy to "murder, kidnap, and maim persons in a foreign country" — was essentially the same as two other terrorism support counts. The dismissed charge is the only one in the case that carries a potential life prison sentence.

Reno Joins Criticism Of Anti-Terror Strategy (WP)

By Dan Eggen

The Washington Post, November 22, 2006

Former attorney general Janet Reno has taken the unusual step of openly criticizing the Bush administration's anti-terrorism strategy -- joining seven other former Justice Department officials in warning that the indefinite detention of U.S. terrorism suspects could become commonplace unless the courts intervene.

In a friend-of-the-court brief filed in the case of alleged enemy combatant Ali Saleh Kahlah al-Marri, the former prosecutors assert that criminal courts are well equipped to prosecute terrorism suspects while guaranteeing the constitutional rights of defendants arrested on U.S. soil.

Reno, reached at her Florida home yesterday, said she would let the brief "speak for itself. I've been following this, and it reflects my concerns about the detention and treatment of people who have been determined to be enemy combatants in a manner that is not clear how it is being done."

In their brief, Reno and the other former Justice Department officials said: "The government is essentially asserting the right to hold putative enemy combatants arrested in the United States indefinitely whenever it decides not to prosecute those people criminally -- perhaps because it would be too difficult to obtain a conviction, perhaps because a motion to suppress evidence would raise embarrassing facts about the government's conduct, or perhaps for other reasons."

The filing in the U.S. Court of Appeals for the 4th Circuit is a highly unusual move for Reno. She has generally maintained a low profile since leaving the helm of the Justice Department in 2001 and has said little publicly about the policies of her successors, John D. Ashcroft and Alberto R. Gonzales.

The brief is also notable because its signatories include two U.S. attorneys from the Reagan years -- W. Thomas Dillard and Anton R. Valukas -- in addition to prosecutors from the Clinton and Carter administrations and Philip A. Lacovara, a counsel to the Watergate special prosecutor.

"It carries more weight because these are high-ranking officials in several administrations from both parties," said Carl W. Tobias, a law professor at the University of Richmond.

Marri, a Qatari national, has been held as an enemy combatant in a military prison in South Carolina since he was accused of being an al Qaeda "sleeper agent" sent to the United States to carry out attacks. Unlike the hundreds of detainees

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being held in Guantanamo Bay, Cuba, Marri was apprehended on U.S. soil, in Peoria, Ill., and is the only remaining enemy combatant held inside the United States.

The Justice Department argues that an anti-terrorism law, the Military Commissions Act of 2006, allows the government to detain any foreign national as an enemy combatant, regardless of where they were arrested. The administration wants to place Marri into its military trial system, but he is challenging the legality of his detention.

"While we respect the right of other legal minds to be heard on these issues, we believe we are on firm legal footing in this case as both the magistrate judge and district court concluded," Justice Department spokesman Brian Roehrkasse said yesterday.

Gonzales defended the administration's detention and surveillance policies in a weekend speech at the Air Force Academy, telling cadets that it is a "myth" that civil liberties have been hampered by anti-terrorism strategies.

Reno, Former U.S. Officials Challenge Military Trials (Update1) (BLOOM)

By Jeff St.onge

Bloomberg, November 22, 2006

Nov. 21 (Bloomberg) -- Former U.S. Attorney General Janet Reno and seven other former Justice Department officials challenged the Bush administration's bid to try suspected terrorist Ali Saleh Kahlah al-Marri, a foreign national living in the U.S. when he was arrested, before a military commission.

Reno and the others said the Bush administration is trying to set a dangerous precedent that would let the government indefinitely imprison any non-U.S. citizen considered an enemy. The former U.S. officials were joined by at least four human rights groups making similar arguments.

The administration is ``asserting the right to hold putative enemy combatants arrested in the United States indefinitely whenever it decides not to prosecute them criminally," Reno, six former U.S. attorneys and a former deputy solicitor general said in a ``friend-of-the-court" brief.

Al-Marri, 41, was the first defendant removed from the U.S. criminal justice system and deemed an illegal enemy combatant. He was studying in the U.S. and living in Illinois when he was arrested in late 2001. The Justice Department unsealed the indictment in December 2002, and he was declared an enemy combatant about six months later. A citizen of Qatar, al-Marri has been held at a U.S. Navy Prison in South Carolina since June 2003.

The Justice Department said it stands by its decision to try al-Marri as a suspected terrorist outside the criminal court system.

Complex Issues

``These are complex and difficult legal issues," said Justice Department spokeswoman Kathleen Blomquist in an e-mailed statement today. ``While we respect the right of other legal minds to be heard on these issues, we believe we are on firm legal footing."

The Justice Department said a new anti-terrorism law, the Military Commissions Act, gives terrorism suspects such as al-Marri no right to challenge their imprisonment.

Jonathan Hafetz, one of al-Marri's lawyers, said a hearing on the government's request to have al-Marri's challenge to his detention thrown out is scheduled for late January or early February in the 4th U.S. Circuit Court of Appeals in Richmond.

``This is an unprecedented, unlawful and un-American attempt to deprive an individual living in this country of basic constitutional rights," said Hafetz, from New York University's Brennan Center Justice, in a phone interview.

Reno was attorney general in President Bill Clinton's administration. The other officials who joined her on the legal brief served under Clinton and President Ronald Reagan, such as former U.S. Attorney Anton Valukas, who is now a partner at the Jenner & Block law firm in Chicago. Some represent detainees held at the U.S. military prison in Guantanamo Bay in Cuba, according to Hafetz.

The case is Al-Marri v. Wright, 06-7427 in the 4th U.S. Circuit Court of Appeals in Richmond, Virginia.

Editorial: Terror Detainees Still Face Legal Limbo (DENP)

Denver Post, November 22, 2006

DOJ_NMG_0097097

Justice for the 9/11 victims requires that high-level detainees be charged and prosecuted. And, Congress should restore the right of habeas corpus.

A few months back, when President Bush was pushing Congress for the authority to try suspected terrorists before military commissions, he made a surprise announcement confirming the existence of secret overseas prisons.

Among those behind bars were 14 al-Qaeda terror suspects who were relocated to the military prison at Guantanamo Bay.

President Bush said then that the legislation was necessary to bring these people and others to justice. Among them was Khalid Shaikh Mohammed, considered the mastermind of the Sept. 11, 2001, terror attacks.

The president was asking Congress for powers the U.S. Supreme Court had ruled unconstitutional, and he cast it as a time-sensitive situation.

"As soon as Congress acts to authorize the military commissions I have proposed, the men our intelligence officials believe orchestrated the deaths of nearly 3,000 Americans on Sept. 11, 2001, can face justice," Bush said in September. "To start the process for bringing them to trial, we must bring them out into the open."

But what seemed so urgent at the time is now taking on a different tenor.

U.S. Attorney General Alberto Gonzales told The Denver Post editorial board Monday that the administration can hold Guantanamo Bay detainees indefinitely, without any judicial proceeding through the "period of hostilities." Which is to say, indefinitely.

The administration has categorized an untold number of detainees as "unlawful enemy combatants," saying they are members of a non-state terrorist group. It's a different class of detainee than POWs, typically uniformed combatants captured during battlefield-style warfare. The U.S. in previous wars has held enemy combatants. But the Military Commissions Act of 2006 broadened the definition of illegal enemy combatant to include those providing support to terrorists. As such, they have no right to a real day in court. "We have no obligation to bring people to justice," Gonzales said.

And even when military commission proceedings begin, Gonzales predicted slow going due to defendants' legal maneuverings.

"At every opportunity they're going to bring challenges," he said. But these opportunities have shrunk considerably.

In fact, Congress gave the president the authority to use military commissions in a bill that included one particularily controversial provision - denying the detainees a procedure known as habeas corpus, a right that obligates the government to justify imprisonment before a federal judge.

With the removal of habeas rights, the detainees have no way of challenging their status in federal court. That alone has spawned litigation that seems sure to make its way to the U.S. Supreme Court.

Meanwhile, the wheels of makeshift justice are grinding slowly. Government officials told The New York Times earlier this month that the first military commission trials at Gitmo could begin this summer, but those will not involve any of the 14 senior al-Qaeda members recently moved to the prison in Cuba. Along with Shaikh Mohammed, they include Ramzi Binalshibh, an alleged would-be Sept. 11 hijacker, and Abu Zubaydah, who is said to have served as a link between al-Qaeda leader Osama bin Laden and cells in his organization.

It could be well into 2008 before those high in the command structure of al-Qaeda would be tried, or never. We believe that egregious crimes should be prosecuted as quickly as practical, as the president suggested in his September remarks. Victims of Sept. 11 have already waited five years for justice.

As for those who are in detention at the military prison in Guantanamo Bay, the denial of habeas corpus is unnecessary and un-American. While the U.S. Supreme Court almost certainly will get a crack at this questionable law, members of Congress shouldn't wait. They should review the military commissions act as an early order of business in 2007 and at the very least restore the right of habeas corpus to those imprisoned at Guantanamo.

It is a step that will bring the U.S. back into line with our own traditions and rights.

Gonzales Acknowledges Supermax Problems, Says They're Addressed (AP)

AP, November 22, 2006

DOJ_NMG_0097098

DENVER — Attorney General Alberto Gonzales acknowledged the federal government has made mistakes at the ultra-high-security Supermax prison in Colorado, including inadequate monitoring of inmate mail and phone calls, but he said steps are being taken to address the problem.

"Have mistakes been made? Have there been some problems there? No question about it, like there are at every facility," Gonzales said Monday. "But we've taken steps to address them."

Supermax, in the town of Florence about 80 miles south of Denver, houses some of the nation's most dangerous inmates, including Unabomber Ted Kaczynski, al-Qaida conspirator Zacarias Moussaoui and Oklahoma City bombing conspirator Terry Nichols.

Local and federal officials have criticized the prison in recent weeks over staffing levels, security measures and fencing.

A Justice Department report in September criticized the prison for not properly screening mail and other communications. Last month, a federal arbitrator found staff cuts had made the facility more dangerous. Both Colorado's senators, Republican Wayne Allard and Democrat Ken Salazar, and local officials have raised concerns about security and communications.

Gonzales said all inmate mail is now being read and a large portion of phone calls are monitored as they occur. The rest are recorded and reviewed by translators later, though a shortage of qualified Arabic translators has caused a delay.

He did not say how long the delay was.

Gonzales said he has asked the director of the Bureau of Prisons to look into potential technology improvements at Supermax and whether perimeter patrols should be stepped up.

Gonzales said 11 staff members have been added at Supermax in recent weeks and seven more will begin work soon. Those 18 would bring the facility to 208, still fewer than the 240 who were there when the prison opened in 1994.

HOMELAND RESPONSE:

Rainier Valley Barbershop Owner Flees U.S. (SEAPI)

By Paul Shukovsky, P-I REPORTER

Seattle Post-Intelligencer, November 22, 2006

Facing sentencing in plea deal, he phones FBI to say he's in Somalia

Ruben Shumpert, who federal agents allege made his Rainier Valley barber shop a kind of "anti-American training ground for Muslims" where children were taught "how to shoot and fight the Americans," has telephoned the FBI to say he won't be going to prison anytime soon.

Shumpert, who faces sentencing on federal counterfeiting and weapons charges, has fled to Somalia.

A warrant has been issued for the arrest of Shumpert, who is also known as Amir Abdul Muhaimin, Assistant U.S. Attorney Bill Redkey said. He was to be sentenced Tuesday.

Shumpert -- an African American convert to Islam -- was among more than a dozen, mostly African immigrants from Islamic countries arrested by the FBI's Joint Terrorism Task Force two years ago on a mix of charges, including immigration fraud and bank fraud.

Shumpert was never charged with any terrorism crimes, but court documents paint a picture of his barber shop at 7821 Rainier Ave. S. as a gathering place for adherents of radical Islam where he showed children videotapes of "fighting, shooting and killing with images on Shumpert's computer screen of al-Qaida and the Taliban."

Shumpert had been free on personal recognizance and was facing sentencing under a plea agreement when he fled the country, Redkey said. Shumpert called an FBI agent on the Joint Terrorism Task Force from Somalia, Redkey said.

But he noted that the United States has no extradition treaty with Somalia. Somalia is considered a fertile breeding ground for radical Islamic terrorists by U.S. intelligence agencies.

Redkey said Shumpert also likely is to be charged with failing to appear for his sentencing hearing, a separate felony.

A condition of Shumpert's release before sentencing was that he surrender his passport, said Redkey, who noted that in recent years, it has become more common for judges to allow defendants to turn in their passports after they are released from custody. Shumpert never surrendered his passport, Redkey said.

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Redkey said the U.S. Attorney's Office is reviewing the practice of allowing people out of custody before they surrender their passport.

P-I reporter Paul Shukovsky can be reached at 206-448-8072 or paulshukovsky@seattlepi.com.

Seattle Convict Who Espoused Radical Views Flees To Somalia (AP)

By Gene Johnson, AP LEGAL AFFAIRS WRITER

AP, November 22, 2006

SEATTLE -- A south Seattle barbershop worker who allegedly espoused radical Islamic views fled to Somalia rather than show up in federal court to be sentenced on gun and counterfeiting charges.

"He decided he liked his chances better elsewhere," Assistant U.S. Attorney William Redkey said after Tuesday's sentencing was put off. "It's always a concern when someone who has espoused radical ideas heads to a place like Somalia, of course."

Ruben Shumpert helped run Crescent Cuts barber shop in Seattle's Rainier Valley, according to documents filed in U.S. District Court. He was arrested two years ago and charged with being a felon in possession of a firearm, following an FBI investigation into activities at the shop. He was accused of providing a gun to one person and giving $700 to another for the purpose of buying a gun.

Redkey said he isn't sure when Shumpert fled. He was last in court on Sept. 20, when he appeared on bond to plead guilty to the weapons charge and to transferring counterfeit currency. He entered the pleas in exchange for a recommended sentence of 24 to 30 months.

Shumpert's lawyer, James Vonasch, said the government told him only that his client had left the country. He didn't know until contacted by The Associated Press that Shumpert had gone to Somalia - a war-wracked East African country that's considerably less safe than federal prison.

"He hasn't been checking in with his lawyer," Vonasch said. "That is a horrible place to go to."

Vonasch also said that Shumpert claims to speak some Arabic, and that an FBI agent who worked the case got a call from him within the past two weeks.

"The agent implied it was an unpleasant conversation, but he didn't supply me with the details," Vonasch said.

Vonasch said Shumpert's wife and two young children are still in Seattle. The FBI questioned the wife about Shumpert's whereabouts, he said.

The FBI's investigation into the barbershop relied on paid informants who told agents that Shumpert and other men who would meet at the shop often spoke in bellicose anti-American terms. Eventually, agents determined that they were "unable or unwilling to engage in acts of terrorism," according to court documents.

Some - including Shumpert - were indicted on non-terrorism-related charges, such as document fraud and firearms violations.

Among the items removed from the barbershop were "jihad motivational DVDs," prosecutors wrote in a sentencing memorandum last July.

"If youngsters came in to play video games he would encourage them first to view the motivational DVDs," they wrote of Shumpert. "The subject matter of the DVDs included a glowing tribute to the '19 Martyrs,' referring to the 9/11 terrorists."

Shumpert, who has previous state convictions on weapons and assault charges, denied being a radical. In a 12-page, neatly handwritten letter to the judge this summer, he said he wanted to take responsibility for his crimes, and credited Islam with turning him from a life of theft and drug-dealing. But he also criticized the FBI's reliance on paid informants who first befriended him and then begged him to get them guns and counterfeit money.

"Has there ever been any (news) stories that show how these sort of FBI investigations have torn apart whole communities with false allegations and entrapment?" he wrote. "I ask you please, don't let them throw us away in the system so easily."

Vonasch said it appeared likely that the judge might give a longer sentence than the 24-30 month recommendation; she rejected a previous plea agreement that would have made that sentencing range binding on the court.

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Somalia has not had an effective government since 1991, when warlords overthrew a dictator and then turned on each other. The current administration was formed with the help of the United Nations two years ago, but it has failed to assert any real control outside the southern town of Baidoa, where it is based.

New Plan Aims To Better Share Terrorism Data (WSJ)

By Rebecca Christie And Robert Block

The Wall Street Journal, November 22, 2006

WASHINGTON -- More than five years after the Sept. 11, 2001, terrorist attacks, U.S. intelligence officials have unveiled the first comprehensive plan to help federal, state and local officials share information about terrorist threats. But whether the government will provide the money and commitment needed to make the plan work remains uncertain.

The Office of the Director of National Intelligence, which is coordinating the new plan, known as the "Information Sharing Environment," said it aims to break down barriers by allowing federal and local agencies to send representatives to the National Counterterrorism Center, the government's main terrorism-information clearinghouse.

The plan also seeks to overhaul the way classified and sensitive data are handled so information can better reach the people who need to see it, like governors, mayors, police chiefs and, eventually, beat police on the street.

A senior U.S. intelligence official said President Bush asked the DNI to create a framework to allow the Department of Homeland Security and the Federal Bureau of Investigation to better coordinate their threat assessments and warnings to state and local authorities. The White House has grown increasingly concerned about the poor quality of information sharing between the federal government and the states.

State and local officials cautiously welcomed the plan, which was unveiled a week ago but details of which they have been learning in recent days. But many warned the effort wouldn't work without federal money and muscle to provide better technology and to put an end to traditional interagency turf battles.

Deputy Chief Mark Leap of the Los Angeles Police Department said the ISE is a promising first step but that local police need "almost instantaneous access" to information for decision-making purposes. "There is no system to support that kind of access right now," he said.

The office of the Director of National Intelligence is currently in talks with the White House about funding for the new technology and personnel costs outlined in the plan. Officials haven't decided how much this will cost or who should pay for it.

The Department of Homeland Security is in charge of communicating threat information to state and local governments. It has been helping states and regions set up "fusion" centers to coordinate information locally. These centers are a key part of the new information-sharing plan, although the information they handle isn't just terrorism-related.

Sens. Susan Collins, a Maine Republican, and Joseph I. Lieberman, from Connecticut, wrote a letter, released yesterday, alleging that the department's information-sharing programs remain weak a year after Hurricane Katrina.

The Homeland Security Information Network, a program intended to link so-called first responders -- those on the front line in responding to a disaster or crisis, such as firemen -- and disseminate intelligence to local authorities, has largely failed, the letter said. It said only 6% of an estimated 18,000 first responders use the network on a regular basis. As a result, the Homeland Security Department can't reliably obtain "situational awareness," or knowledge of current information from the site of a disaster or terrorist attack, the letter said.

The need to share information collected by local police about suspicious activity has increased along with fears that homegrown radical groups pose perhaps a greater threat to the U.S. than foreign terrorists.

6 Imams Removed From Flight For Behavior Deemed Suspicious (NYT)

By Libby Sander

The New York Times, November 22, 2006

Six Muslim religious leaders were taken off a US Airways flight in Minneapolis on Monday evening and detained for several hours after some passengers and crew members complained of behavior they deemed suspicious, including prayers at the gate.

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The incident prompted the Council on American-Islamic Relations and officials for the National Association for the Advancement of Colored People in Washington to call Tuesday for Congressional hearings on racial profiling and an investigation by the Justice Department and the Transportation Security Administration.

Nihad Awad, executive director of the Islamic advocacy group, said this was hardly the first time Muslims had encountered problems with stereotyping by the airline. “We seem to have received more complaints against US Airways” than other carriers, Mr. Awad said in an interview. Those complaints have come from Muslim employees and passengers alike, he said.

Morgan Durrant, a US Airways spokesman, said the airline was investigating the episode. But he said the crew had acted in accordance with the company’s policy for removing passengers, though he declined to give specifics on the policy.

The six men detained, all imams, had attended a Minneapolis conference of the North American Imams Federation. They were handcuffed by the police and led off the flight, bound for Phoenix, after reports from passengers and crew members of “unsettling” behavior, according to a police report. One passenger had slipped a note to a flight attendant that began, “6 suspicious Arabic men on plane,” the report said.

After being detained for five hours and questioned separately by federal agents, all six men were released, said Patrick Hogan, a spokesman for Minneapolis-St. Paul International Airport.

One of the six, Omar Ahmad Shahin of Phoenix, said he had been questioned for less than a half-hour. “This is the humiliation,” said Dr. Shahin, 45. “They found nothing. They found we had a good relation with everybody.”

A phone call to the Minneapolis office of the F.B.I. on Tuesday was not returned.

The men’s fare was refunded to them, but on Tuesday morning a US Airways ticket agent refused to book them on another flight to Phoenix. They returned instead on a Northwest Airlines flight.

Detailed accounts of the incident varied. Witnesses, including a number of passengers and US Airways employees, said they heard some of the men making anti-American remarks and chanting “Allah,” first as they boarded the plane and then when led off, Mr. Hogan said.

Others said the men behaved strangely once on board, with some asking for seat belt extensions, the police report said. “I did not see they actually needed them,” one flight attendant wrote in a statement given to the police. “They were not overweight.”

Dr. Shahin disagreed, saying the extensions were necessary for their “big bodies.”

In another statement, a gate agent said some of the imams had been praying in Arabic in the gate area. “I was suspicious by the way they were praying very loud,” the agent said.

A second imam, Ahmad Tafish Shqeirat, said that three of the six had prayed in the gate area, in the ritual of evening prayers, but had not meant to be disruptive and indeed had taken pains not to disturb other passengers.

6 Imams Removed From Twin Cities Flight (AP)

By Martiga Lohn

The AP, November 21, 2006

Six Muslim clerics removed from a US Airways flight said Tuesday they were victims of discrimination and called for a boycott of the airline.

The imams were removed from the flight to Phoenix on Monday night after three of them said their normal evening prayers in the terminal in Minneapolis-St. Paul International Airport before boarding, said Omar Shahin, president of the North American Imams Federation. They were among the 150 imams who attended a federation meeting in Minneapolis.

"The police came and take us off the plane in front of all the passengers in a very humiliated way," said Shahin. "I never felt bad in my life like yesterday. It was the worst moment in my life when I see six imams, six leaders in this community, humiliated."

The Department of Homeland Security's Office for Civil Rights and Civil Liberties said in a letter Tuesday it had opened an investigation.

US Airways Group Inc. issued a statement saying it was interviewing crew members and ground workers to find out more about what happened.

"We are always concerned when passengers are inconvenienced and especially concerned when a situation occurs that causes customers to feel their dignity was compromised. We do not tolerate discrimination of any kind," the airline said.

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An airport police report said the flight's captain had already decided he wanted the men off the plane after the passenger passed a flight attendant a note pointing out "Arabic men."

Witnesses said the men prayed in the terminal and made critical comments about the Iraq war, according to the police report, and a US Airways manager said three of the men had only one-way tickets and no checked baggage.

An airport police officer and a federal air marshal agreed that the combination of circumstances was suspicious, and eventually asked the men to leave the airplane, the police report said.

"There were a number of things that gave the flight crew pause," Airport spokesman Patrick Hogan said. It wasn't immediately possible to verify whether the passengers who reported suspicious activity witnessed it themselves.

But Shahin and Marwan Sadeddin, another of the imams, strongly denied doing anything out of the ordinary. They entered the aircraft individually, except for Sadeddin, who is blind and needed a guide, Shahin said. Once on the plane, the six did not sit together, he said.

Shahin said no one asked the six to leave until police arrived, when the group complied.

The other passengers on the flight, which was carrying 141 passengers and five crew members, were re-screened for boarding. The plane took off about three hours after the men were removed.

On Tuesday, US Airways refused to honor the group's tickets or allow them to buy new ones, saying their payment for Monday's flight had been refunded.

Shahin eventually booked flights on Northwest Airlines — to Phoenix for five of the imams from the Phoenix-Tempe area and to Los Angeles for the sixth, who is from Bakersfield, Calif.

Shahin said his days of praying in airports may be over. "It's terrible, unfortunately," he said. "In America we have no freedom to practice our faith, to do our faith."

Shahin expressed frustration that — despite extensive efforts by him and other Muslim leaders since even before the Sept. 11 terrorist attacks — so many Americans know so little about Islam, which requires prayer five times a day.

Nihad Awad, executive director of the Council on American-Islamic Relations, said he hoped the incident would "raise awareness among the general public and the airline industry that praying as a Muslim and flying as a Muslim should not trigger any fear and any prejudice."

Muslim Scholar Calls For A Boycott Of US Airways (CCT)

By Bob Von Sternberg And Pamela Miller

The Contra Costa Times, November 22, 2006

MINNEAPOLIS - From now on, Omar Shahin won't be praying at the airport while waiting for a flight.

"This was humiliating, the worst moment of my life," Shahin said Tuesday, a day after he and five fellow Muslim imams were escorted off a US Airways jet at Minneapolis-St. Paul International Airport. "To practice your faith and pray is a crime in America?" he said.

The incident set off a nationwide uproar, and the Department of Homeland Security's Office for Civil Rights and Civil Liberties said it will review the incident.

Bloggers and talk radio buzzed about the need to be vigilant against potential terrorists, while civil rights advocates and Muslim leaders cried foul. The national Council on American-Islamic Relations (CAIR) called for a congressional hearing about ethnic and religious profiling at airports.

Locally, the Jewish Community Relations Council of Minnesota and the Dakotas and the Somali Justice Advocacy Center questioned the detention.

Bushra Khan, spokeswoman for CAIR's Arizona chapter, said, "All these men did was pray, and it was misunderstood. The bottom line is that they were Middle Eastern-looking men . . . and that scares some people."

US Airways said that it would fully investigate the matter and that passenger safety is paramount.

The religious leaders were heading home to Phoenix after a three-day North American Imams Federation conference in Bloomington, Minn.

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The pilot ordered the men off the flight after their praying, conversation and behavior alarmed several passengers and flight attendants.

The imams denied that they did or said anything that could be considered threatening. They were released without charges after being questioned for five hours by federal law enforcement officials.

Left behind by US Airways, Shahin, president of the imams' group, called for a boycott of US Airways after an agent and his supervisor, without giving a reason, refused to sell him replacement tickets Tuesday morning.

"I'm not going to stay silent," Shahin said. "I came to this country to enjoy justice and freedom."

The US Airways supervisor told Shahin that his tickets had been refunded and that he would have to go to another airline. The supervisor offered Shahin a customer service phone number.

"I want to go home. I don't want phone numbers," Shahin said. "They have no reason to refuse service to us just because of the way we look."

He bought six one-way tickets at the Northwest Airlines counter, and the men flew to Phoenix without incident.

In a statement to police, a US Airways gate agent wrote that three of the men prayed in Arabic at the gate. "I was suspicious by the way they were praying very loud," the gate agent said.

Said Shahin: "We were never bothering anyone, not saying anything loudly. We were just prostrating ourselves, the normal way we pray."

Devout Muslims pray five times a day, but practices vary among cultural groups, said Owais Bayunus, a Twin Cities Muslim scholar.

"Those who pray in the airport would be more conservative Muslims who stop to pray at the designated times no matter where they are," he said. "Others accept the fatwa (an opinion by an Islamic legal scholar) that it is acceptable to combine the prayers during travel."

Before passengers boarded, one became alarmed by an overheard discussion. "They seemed angry," he wrote in a police statement. "Mentioned `U.S.' and `killing Saddam.' Two men then swore slightly under their breath/mumbled. They spoke Arabic again. The gate called boarding for the flight. The men then chanted `Allah, Allah, Allah.'"

Marwan Sadeddin, another of the imams, said, "What bothers me the most is these false statements and lies that we were shouting, `Allah, Allah.' This never happened."

Another, Ahmad Shqeirat, said, "That is a lie. We were not talking politics. And even if we did, so what? What is suspicious about that?"

Once the six were seated, two in front, two in the middle and two in back, and paid visits to each other to chat, some passengers became alarmed, the police report said. One passed a note to a flight attendant citing the alleged comments about Allah and Saddam.

Flight attendants alerted the pilot, who called airport police and asked them to remove the men from the plane. They left "cooperatively," according to the police report.

A bomb-sniffing dog examined the men, their luggage and the entire airplane and found nothing. The plane left for Phoenix about three hours late after the other 141 passengers reboarded.

After being questioned by agents of the U.S. Marshals Service, the FBI, the Secret Service and the Transportation Security Administration, the men were released.

Asad Zaman, communications director for the Muslim American Society of Minnesota, said an Arizona MAS chapter member called him for help about 11 p.m. Monday because the six imams had not arrived and one had called his wife to say police detained them.

Within 10 minutes of a Minnesota imam's call to police, the six were free, Zaman said.

"This event would be the equivalent of Roman Catholic bishops being arrested in China because they wore clerical robes and invoked Jesus Christ in prayers," Zaman said.

Muslims Escorted Off Minneapolis Flight (WT)

By Audrey Hudson

DOJ_NMG_0097104

The Washington Times, November 22, 2006

A half-dozen Muslims were removed from a US Airways flight in Minneapolis on Monday evening after nervous passengers alerted the flight crew about suspicious behavior.

The men, who officials later learned were Islamic religious leaders, refused to leave the plane and were escorted by security off Flight 300 from Minneapolis-St. Paul International Airport to Phoenix at 6:30 p.m.

Conflicting reports say the men were praying in the concourse or on the plane, and a Minnesota television reported that the imams were chanting "Allah, Allah, Allah," as they left the plane.

Douglas Hagmann, director of the Northeast Intelligence Network, a private organization that investigates terrorist threats, said his contacts are reporting the men did begin the prayers in the concourse, then continued prayers and discussions once on board.

"One of the passengers who understands Arabic passed a note to the crew that what she heard, she did not like," Mr. Hagmann said.

Patrick Hogan, spokesman for the Minneapolis-St. Paul Metropolitan Airports Commission, said the men reportedly made anti-American statements relating to the Iraq war, asked to change seats once inside the cabin, and that one requested an extender to make his seat belt larger even though he did not appear to need it.

"There was some peculiar behavior," Mr. Hagmann said.

In a statement released by US Airways yesterday, the airline said they "are diligently conducting our own investigation" and working with law-enforcement officials and government agencies.

"We are always concerned when passengers are inconvenienced and especially concerned when a situation occurs that causes customers to feel their dignity was compromised. We do not tolerate discrimination of any kind and will continue to exhaust our internal investigation until we know the facts of this case and can provide answers for the employees and customers involved in this incident," the statement said.

The imams, along with Rep.-elect Keith Ellison, Minnesota Democrat and the first Muslim elected to Congress, had attended a conference in Minneapolis of the North American Imams Federation.

A call and e-mail for comment to Mr. Ellison's campaign office were not returned.

The imams and officials of the Council on American-Islamic Relations (CAIR) say the men were victims of prejudice and ignorance.

"We are concerned that crew members, passengers and security personnel may have succumbed to fear and prejudice based on stereotyping of Muslims and Islam," said Nihad Awad, CAIR's director. "CAIR is receiving more reports of 'flying while Muslim' and racial profiling incidents from members of the Islamic community nationwide."

The group is calling for congressional hearings on racial, religious and ethnic profiling at airports, and investigations by the Justice and Homeland Security departments. The Office for Civil Rights and Civil Liberties at DHS has already opened an investigation.

Mr. Hagmann called the incident "ideological jihad" and a "test run" to undermine airport security through litigation.

"This is a watershed event in this country -- one week before Thanksgiving when tensions are high -- and they are looking for this to be litigated ad nauseam," Mr. Hagmann said.

Report Finds DHS Lax On Contracting Procedures (WP)

By Robert O'harrow Jr. And Scott Higham

The Washington Post, November 22, 2006

Private consultants hired by the Department of Homeland Security have found widespread problems with its contracting operation, including nearly three dozen contract files that could not be located.

Files that could be found often lacked basic documentation required under federal rules, such as evidence that the department negotiated the best prices for taxpayers, according to a copy of the consultants' report obtained by The Washington Post.

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"The inability to locate files and inconsistent file organization puts the government at risk in ensuring the contractor is fulfilling its contractual obligations and the government is meeting its contract administration responsibilities," the consultants wrote in their report.

The assessment underscores complaints by department auditors and outside experts that procurement officials persistently neglected contracting responsibilities as they spent billions of dollars after the Sept. 11, 2001, attacks -- much of it on security systems that do not work as planned.

"This strongly suggests that we're buying the wrong stuff, the wrong way, possibly from the wrong contractors, and failing to check before, during or after," said Charles Tiefer, an expert on government contracting who teaches at the University of Baltimore School of Law.

The confidential report, delivered to department officials in March, focused on spending in fiscal 2005 by the Office of Procurement Operations. During that period, nearly $17.5 billion was spent department-wide on contracts for a variety of goods and services, including security at airports and borders, radiation-detection monitors, and information technology consultants.

Department spokesman Larry Orluskie said procurement officials are following several recommendations made in the report.

"We've acted upon each one of their findings," Orluskie said. "It was an internal look. We are going to bring them in again to make sure we are following up."

Last year, Homeland Security Secretary Michael Chertoff, Deputy Secretary Michael P. Jackson and others at the agency acknowledged having trouble with contracting and promised to do better. They said they had made progress by hiring scores of contracting officials and by tightening rules.

But the confidential report adds weight to critics' contentions that contracting problems persist. Last week, the agency's inspector general, Richard L. Skinner, told a House panel that "expediency, poorly defined requirements and inadequate oversight" are creating "a high risk of cost overruns, mismanagement or failure."

The firm hired to write the report, Acquisition Solutions, examined a sample of 72 contract files for DHS, which wanted to determine whether it was following federal contracting laws and internal policies.

At the outset, the team of acquisition specialists could not locate 33 of the 72 contract files it had selected for the review, so the consultants had to select 33 others.

"The files were extremely difficult to locate and were organized in an inconsistent manner," they wrote.

The consultants sharply criticized an array of contracting procedures. Of the 72 contract files reviewed, only 14 were deemed to be in "excellent" shape. Those files contained evidence that the contracts were awarded with adequate competition and represented the best deal for taxpayers.

Forty-seven files met only "minimum" standards and showed little evidence of fair and reasonable pricing or supervision by contracting officials.

Eleven files were deemed to be "seriously inadequate," with key documents missing or incomplete and little evidence that the contracts were competitively awarded or prices were justified.

The consultants said some information in the files "seems to be just enough to 'get by.' "

Sen. Joseph I. Lieberman (D-Conn.), who is in line to assume chairmanship of the Senate's Homeland Security and Governmental Affairs Committee, said he intends to hold hearings on DHS contracting next year.

"I expect the Homeland Security and Governmental Affairs Committee to conduct vigorous oversight of this issue in the 110th Congress," he said.

Fliers Urged To Ease Logjam (USAT)

By Thomas Frank

USA Today, November 22, 2006

Aviation officials are waging an unprecedented campaign to warn travelers about new restrictions on carry-on bags that they fear could bog down lines during the busiest Thanksgiving travel weekend ever.

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The Transportation Security Administration (TSA) is staging events at 66 airports to alert passengers that they can carry only limited amounts of liquids, aerosols and gels on airplanes. Airports are warning of the restrictions with ads, billboards and workers who hand out plastic bags that travelers must use to pack carry-on liquids.

A record 25 million passengers — up from 21.6 million last Thanksgiving — are projected to take flights Nov. 17 through Nov. 28.

"We're kind of bracing," said Tara Hamilton of Washington's Dulles and Reagan National airports, where high school students have been paid to remind travelers about security rules.

Lines on Sunday and Monday were a minute or two longer than a year ago, TSA spokeswoman Ellen Howe said. At Orlando International Airport, local resident Todd Elliott said the security line was about 40 minutes Tuesday morning, but other travelers around the USA said lines were mostly routine.

"TSA is very focused on keeping waits down," Howe said.

Many Thanksgiving travelers have not flown since the TSA restricted the amount of liquids passengers may carry, which could lead to uncertainty about the rule, Howe said. The restrictions took effect after British authorities disrupted a plot to bomb U.S.-bound airliners using liquid explosives.

Passengers must pack all carry-on liquids in a single zip-top, quart-size plastic bag. The liquid containers can be no larger than 3 ounces. Larger quantities may be packed in checked luggage.

"Many people don't realize we want the stuff in a clear plastic bag so we can see it," said Cris Soulia, a screener at San Diego airport.

Kevin Mitchell, chairman of the Business Travel Coalition, predicted reasonable security lines at most airports. "It's going to be all hands on deck to avoid any embarrassment," Mitchell said.

Airports and the TSA typically beef up staff during travel crunches. In Los Angeles, LAX recently completed a year-long process of adding eight security lanes to ease some of the USA's longest lines.

Allison Harris of Washington tried to go through security Tuesday at Dulles airport with a half-filled 5-ounce bottle of hair gel. A screener told her the bottle was too big, so Harris returned to the terminal to buy 3-ounce bottles, poured the gel in and went back through security.

"It's very irritating," Harris said. "It's probably my own fault for not thinking about it beforehand."

Air Officials Get Set For Travel Trial (USAT)

By Thomas Frank And Larry Copeland

USA Today, November 22, 2006

This Thanksgiving poses one of the biggest recent tests to the nation's aviation system — whether or not airport security lines will flow smoothly despite a record number of passengers and new security rules.

Many travelers and officials are nervously optimistic.

Some warn that a large number of inexperienced passengers facing unfamiliar carry-on restrictions will bring about fearsome backups.

The test comes at a crucial time for the struggling airline industry and the Transportation Security Administration.

Thanksgiving is one of the busiest travel periods — 25 million passengers are expected from Nov. 17-28 — and starts the crucial holiday travel season. The TSA, an oft-criticized agency created after 9/11, could face heightened scrutiny when Democrats take control of Congress in January. It could also face criticism if lines are delayed.

The weekend's significance is underscored by an awareness campaign by the TSA, airlines and airports to highlight new restrictions on the amount of liquids, aerosols and gels passengers can carry on airplane cabins. News stories, posters, ads and e-mails have inundated travelers in virtually every major city and smaller areas from Eau Claire, Wis., to Midland, Texas.

David and Sherry Lautares got the message. David saw a TV news story Monday about security rules. Sherry got an e-mail from Delta Air Lines on the subject that day.

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By the time the Lautareses and their daughter, Molly, 9, got to Hartsfield-Jackson Atlanta International on Tuesday to fly to New York, they could recite the new security policy: “It's 3-1-1,” David Lautares said. “Three ounces of liquid or gel, 1-quart bag and one bag per passenger in the security bin.”

Lautares may be an exception. Stan Kotowski, a frequent flier from Princeton, N.J., saw “ungodly” lines two weeks ago at airports. Passengers didn't know about the liquid restrictions, or they didn't care.

“It's ignorance and arrogance,” Kotowski said. “Some people had absolutely no clue.”

That worries aviation consultant Michael Boyd. He fears a “lollapalooza” of security delays on what he calls “amateur” weekend when the ill-informed and impossible-to-educate amass at airports.

“You can't really make these people aware of it, no matter what you do,” Boyd said. “It's just not going to get through.”

Ben DeCosta disagrees. The Atlanta airport manager pointed to garbage bins by security checkpoints to prove the success of a publicity campaign featuring ads and banner-size airport posters. On Tuesday, the bins mostly held empty water bottles and innocuous trash.

When the restrictions took effect in late summer, 6-ounce toothpaste tubes and 4-ounce shampoo bottles filled the bins — contraband taken from travelers unaware of the policy. Restrictions began after authorities said they foiled a plot in London to bomb U.S.-bound planes with liquid explosives.

“It's a campaign with the TSA to make the infrequent traveler, who's traveling a lot during the holiday period, aware of the rules,” DeCosta said.

Aviation consultant Robert Mann said the TSA's campaign was “far more comprehensive” than in its previous security changes, such as when small scissors and tools were allowed in cabins last December.

At Los Angeles International Airport on Tuesday, lines were smooth. “It's moving pretty fast,” Hawaii-bound Jamie Olivas said. “Last year, this year, they're about the same.”

FBI Struggles To Win Trust Of Muslim, Arab Communities (BVND)

By Marisa Taylor

The Belleville News Democrat, November 22, 2006

RICHMOND, Va. - When a local FBI agent wanted to make contacts in this city's tight-knit Muslim community, he started knocking on doors.

The agent didn't look, much less act, like a typical investigator. He spoke Arabic and he wore street clothes, not the suit and tie favored by many in the bureau.

"He seemed really friendly," said Muhammad Sahli, a U.S. citizen approached at his home last month by the agent. "So I invited him in."

But the agent's questions about international terrorist organizations unnerved Sahli. The agent wanted to know if Sahli knew anyone with ties to extremist groups. Sahli, a Muslim married to a Christian woman, said he didn't.

"You ask yourself, `Why me?'" said Sahli, a 71-year-old retired chemist. "When you've never had a visit from the FBI before in your life, you feel a certain amount of anxiety, even though you've done nothing wrong."

For many Muslim and Arab-Americans these days, meeting a FBI agent can be an unsettling, even terrifying experience.

Beginning almost immediately after the Sept. 11, 2001, attacks, the FBI began to root out suspected terrorists, and Arab and Muslim communities became the bureau's top targets. Agents rounded up hundreds of people for questioning. They raided Muslim charities, monitored mosques for radiation and held refugees for months because of security checks.

To regain the trust of Muslim and Arab-Americans, the FBI has embarked on an aggressive national outreach program. The bureau's efforts, which include mosque visits and one-on-one meetings, have become so pervasive in certain cities that some young Muslim-Americans refer to the agency as the "Friendly Brotherhood of Islam."

Yet across the country, many participants wonder what the interactions achieve when mistrust remains the biggest obstacle. Some community activists compare the tone of the current encounters to those during the Red Scare of the 1950s, when U.S. citizens were singled out as suspected communists and expected to prove their loyalty to the United States.

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"You never hear the FBI say that part of the reason there has not been another terrorist attack in this country is because radical extremists have not found a home in American mosques," said Rebecca Abou-Chedid, the director of government relations for the Arab American Institute in Washington, D.C. "It's as if they believe that we know about terrorist cells and we're not telling them."

In Detroit, the home of an estimated 200,000 Arab-Americans and immigrants, agents and activists sometimes argue for hours over terrorism-related investigations. Many Muslim leaders think the bureau has targeted the wrong people in its effort to root out extremists.

"It is very difficult," said Daniel Roberts, the special agent in charge of the FBI's Detroit field office. "To be honest, I sometimes wonder why we do this when we so often are beaten up in a verbal sense."

Agents aren't apologizing for their tactics and respond that they have a duty to pursue any possible U.S. ties to terrorists. More than 260 defendants have been convicted of terrorism-related charges in the United States and trials are pending for 150 more, according to the Justice Department's latest estimates released in June.

But agents also recognize that the alienation that Muslims and Arabs feel could undermine the bureau's hunt for domestic terrorists. If the fear subsided, more citizens might come forward with tips, agents believe, at a time when the bureau is under mounting pressure to collect better intelligence.

Muslim and Arab-American leaders said they, too, are eager to improve their relations with the FBI. If that happened, many of them said, they would urge their children to join a federal law enforcement agency that's eager to recruit them. Now, most don't.

Muslims and Arabs also hold out a small but persistent hope that if FBI agents trusted them more, other Americans would, too.

But experts said the bureau's mission is made more difficult because of outreach techniques that often differ by region.

In Richmond, Muslim leaders have met with FBI agents several times over the years. So far, federal authorities haven't pursued any terrorism investigations against local Muslims.

When they heard an agent was knocking on doors during the Muslim holy month of Ramadan, though, many community leaders couldn't help but feel alarmed.

FBI officials later confirmed that the agent wasn't investigating any of the men who were visited. Instead, he was assigned to make contacts with the Muslim community as part of the FBI's local outreach.

Community leaders said they wouldn't have objected to the interviews if they'd been warned about them.

"We need to be respected as law-abiding citizens," said Malik Khan, a board member of the Islamic Center of Virginia in Richmond.

Cliff Holly, assistant special agent in charge of the FBI in Richmond, said he didn't want to have to "ask permission" from community leaders to talk to people.

"I appreciate their perspective," he said. "But when you meet with large groups, it's difficult to develop any long-term relationships."

To improve relations with local Muslims, his office paid for the agent's Arabic classes and brought in an activist to talk to other agents about Muslim culture, Holly said.

"Nobody's picking on anybody," he said. "We're just going out and saying hello to people in the community."

FBI officials in other cities, however, said they inform local Muslim leaders first, to avoid alienating the entire community.

Michael Rolince, former head of the FBI's International Terrorism Operations Section, said the bureau remains divided over how to approach Muslims and Arabs when it's not in the context of a terrorism investigation.

Before he retired from the agency in 2005, Rolince asked FBI headquarters to fund a program that Northeastern University in Boston would host. The program required $1 million in start-up money to bring leaders, activists and agents together to talk.

But critics raised questions about some of the participating groups' alleged ties to the Muslim Brotherhood, a secretive international organization that some Arab, U.S. and Israeli officials blame for provoking violence in the Middle East. Rolince said he disagreed with the critics' assessments of the U.S.-based organizations.

"There's a right-wing contingent in town that believes we should not work with any of these groups," Rolince said.

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To Rolince's dismay, FBI Director Robert Mueller decided not to authorize funding for the program, citing budget constraints.

As a result, the FBI's 56 field offices don't have a uniform way of handling outreach, Rolince said. Some FBI agents work with the groups that sparked the funding controversy. Other agents don't.

"It's not in the best interest of the community or the FBI to deal with each organization in 56 different ways," he said. "It sends a mixed message to the community and to the agents."

According to a study released earlier this year by the Vera Institute of Justice, seven out of 16 U.S. cities with significant Arab and Muslim populations didn't have active FBI outreach programs. The institute, a nonprofit organization in New York, wasn't permitted to identify the cities as part of its agreement with the FBI.

In Raleigh, N.C., for example, where about 20,000 Muslims live, Muslim leaders say the FBI doesn't meet routinely with them. Instead, agents talk to individual activists, often to press them about potential terrorist activity.

In Washington, D.C., Los Angeles, New York and Detroit, agents meet regularly with groups of Muslims and Arabs. The larger community gatherings help the leaders feel less singled out, agents said.

Joseph Persichini Jr., the assistant director in charge of the FBI's Washington, D.C., field office, compared the outreach effort to talking to Italian-Americans about organized crime in the mafia's heyday.

"How did we attack the problem? We got to know the community," he said. "Did that mean if you were Italian-American you were part of organized crime? Of course not."

But more contact isn't always better. Although the FBI met more often with community leaders than most local police departments did, Muslims and Arabs trusted them less, the Vera Institute of Justice concluded. Community leaders said local police officers were less likely than the FBI to assume they had links to terrorism.

Lacking a consistent program, FBI agents sometimes feud over what division within the bureau should take the lead in discussions, Muslim and Arab leaders say. In some cities, the FBI's counterterrorism units oversee the bureau's interaction with the community. In others, outreach officers oversee it.

"It's like dealing with Dr. Jekyll and Mr. Hyde," said Randy Hamud, a San Diego attorney who has participated in one of the outreach meetings. "It's as if we have to remind the FBI: `We're a community, we're not a cell.'"

A. Brett Hovington, the FBI's supervisory special agent in charge of the community relations unit, said the bureau has tried to change the perception that outreach and counterterrorism efforts are connected. However, he said local agents need the freedom to decide how to approach Muslims and Arabs.

"Was the message kind of blurred? I would say it probably was," Hovington said. "But I think we're becoming better at being clear about our intentions."

FBI officials said agents have become savvier about approaching Muslims and Arabs after meeting with them more often. Agents now contact leaders to clear up misunderstandings or to coordinate law-enforcement efforts. Minneapolis agents, for example, called leaders when they needed to interview members of the city's large Somali population. The witnesses were less afraid and more cooperative because they'd been reassured that the case had nothing to do with terrorism.

"I would expect there to be friction," said John Miller, the FBI assistant director who oversees the national outreach program. "I'd also expect that we'd be able to talk about it."

But Muslim and Arab leaders also differ on how they should respond to the FBI's outreach. Should they meet monthly with an agency that could turn its sights on them, their family or their friends? What should they do when an FBI agent appears at their door? Should they invite the agent in or call a lawyer?

Consensus can be difficult to reach because Muslim and Arab communities in the United States are diverse, ranging from Iraqi Christians to African-Americans to third-generation Lebanese-Americans.

Immigrants can be especially terrified of the federal agents because they recall abusive secret police practices of repressive regimes back home.

"This business of outreach is an oxymoron for many people," said Ali Galaydh, a former prime minister of Somalia and professor of public policy at the University of Minnesota. "Law enforcement wanting to reach you means they want to get you."

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Despite their misgivings about the FBI, Muslim and Arab leaders said they're more than willing to provide any information if they thought it could prevent a terrorist attack.

After London authorities in August uncovered a plot to blow up planes, Miami Muslim leaders called the FBI to ask for a briefing. Since then, agents have been assigned as contacts for imams at almost 40 mosques.

"In a way, we're in this together," said Abou-Chedid of the Arab American Institute. "We all know that if there is ever another attack, our community and the FBI will be the first to be blamed."

WAR NEWS:

Bush Eats With GIs In Hawaii, Heads Home (AP-Y)

By Jennifer Loven

AP, November 22, 2006

President Bush circled the globe on his Asian journey but never strayed far from the subject of Iraq. He dined with U.S. troops in Hawaii before heading home Tuesday, telling them their efforts "will determine how your children and grandchildren live."

Bush, who was due back at the White House late Tuesday night, visited Singapore, Vietnam and Indonesia during an eight-day trip aimed at assuring Asia of America's commitment to the region. He even found time to meet briefly with Russian President Vladimir Putin in Moscow.

Still, Iraq and the war on terror kept the president's attention. In Vietnam, asked about lessons from that war, Bush answered that in Iraq, "we'll succeed unless we quit."

And he found himself in front of cameras on Tuesday at Hickam Air Force Base condemning the assassination earlier in the day of an anti-Syrian Lebanese leader.

Bush was briefed in Hawaii at the Oahu headquarters of the U.S. Pacific Command, whose territory spreads from the West Coast of the U.S. to the Indian Ocean.

Before that he ate and chatted with the troops, at an open-sided mess hall.

The president made his way through the food line, piling his plate with ham, eggs, a biscuit topped with gravy, and potatoes. He shook hands with troops in camouflage uniforms. Then, after eating, he thanked the military personnel for their service "on behalf of a grateful nation."

"You serve at a time when we witness an ideological struggle between those who love freedom and those who hate freedom," the president said. "I'm determined, like you are determined, that freedom prevails."

Though Bush was cheered by troops and others on Oahu — a contrast to the thousands of anti-war demonstrators a day before in Indonesia — his visit wasn't without incident for those around him.

Three police motorcycle officers were injured when they crashed on slick pavement while escorting his motorcade on Tuesday. Two were taken by ambulance to a local hospital, where one was described as in serious condition and another was described as stable.

Members of the White House medical team — including an ambulance — were cut loose from the motorcade to help, said Dr. Richard Tubb, Bush's doctor. Local ambulance and fire units were sent, too.

Also, acting White House Travel Office Director Gregg Pitts was beaten and robbed by at least two men while out in Honolulu Monday night. Pitts suffered head and other injuries in the attack. He was awake and alert but remained behind at a Honolulu hospital because of a possible concussion, White House spokesman Tony Fratto said.

Bush's Asia trip was shadowed by talk of wars past and present.

His visit to Vietnam inspired a fresh debate about whether today's increasingly difficult war in Iraq has dangerous parallels to the failed American war in Southeast Asia three decades ago. The president ended his Asian tour with the stop in Hawaii, where the Japanese attack on Pearl Harbor launched the United States' entry into World War II.

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The Iraq situation was complicated Monday when Iranian leaders invited the presidents of Iraq and Syria to a weekend summit in Tehran to discuss the war. The move, viewed as an attempt by Iran to counter U.S. influence in the region, was received with skepticism at the State Department in Washington.

Then, on Tuesday, came the assassination of Lebanese Christian leader Pierre Gemayel, a foe of Syrian involvement in his country.

Bush denounced the killing, saying that Syria and Iran were trying to undermine the democratically elected government of Lebanese Prime Minister Fuad Saniora.

He stopped short of specifically blaming Iran or Syria, but called for a full investigation to identify "those people and those forces" behind the assassination.

The Reliable Source (WP)

By Amy Argetsinger And Roxanne Roberts

The Washington Post, November 22, 2006

Kramer's Tirade, Adding Insult to Inaccuracy

Hey, funnyman: You nailed the wrong guy.

That's what Darryl Pitts would like to tell Michael Richards, the "Seinfeld" star who spewed racist slurs at an African American man after his stand-up gig at a Los Angeles comedy club was interrupted last Friday.

The irony of the insult, according to audience member Pitts: It wasn't the black guy who interrupted him. The black man sat next to the alleged heckler. Pitts told our colleague Darryl Fears the two were in a group of roughly 10 people who ambled into the Laugh Factory during Richards's routine. The comic ordered them to shut up, then asked, " 'What are you talking about?' "

The black guy spoke up: "My friend doesn't think you're funny." The loud-talking friend "was maybe Arab or Hispanic but not black," said Pitts, who was not part of the group. "The way it's been portrayed is that a group of black guys came to the club and were disorderly . . . and that's inaccurate, absolutely."

What followed -- as captured on video and circulated on the Internet -- was shocking. Said Pitts, who himself is black: "It was like buckshot. It hit everyone. . . . I have a difficult time accepting his apology -- 72 hours later. What did he do? Read a black history book? Why the change?"The Bushes Hit a Few Bumps in the Road

A White House staffer was badly beaten and robbed during the president's stopover in Hawaii on the way back from Asia. Gregg Pitts, acting director of the White House Travel Office, suffered a broken nose in the Monday night mugging on a Honolulu street and was left behind in a hospital yesterday while the rest of the presidential entourage continued back to D.C.

Then, yesterday morning, as POTUS headed to Hickam Air Force Base on Oahu, three local police officers accompanying the motorcade crashed their motorcycles on a rain-slicked street. Two officers were hospitalized, White House officials said -- one with broken bones, the other with a neck injury.

And in another hemisphere altogether . . . ABC News reported yesterday that elder-by-seconds twin Barbara joined Panama-based sister Jenna on a trouble-scarred trip to Argentina. ABC, citing "law enforcement reports" it obtained, said someone stole a purse and cellphone from Barbara at a Buenos Aires restaurant -- right under the noses of her Secret Service agents. Also, an agent accompanying them was mugged during his off-hours. (Unclear when the reported two-week trip took place; Barbara was photographed at the Yale-Princeton game just 10 days ago.) The White House would not comment on the reports.LOVE, ETC.

Â· Split: D.C. United star Freddy Adu, 17, and actress-singer JoJo, almost 16, after nearly a year and a half of dating. Unclear what happened with the teen prodigies, who met on the set of an MTV show; she now has a hit song, "Too Little, Too Late," while he's trying out with Manchester United. JoJo gave the "we're still friends" line to "American Top 40" host Ryan Seacrest on this week's show: "He's a professional young man and my new album just came out. I'm so busy . . . it was just kinda right place, wrong time."HEY ISN'T THAT...

Â· Joan Collins, swanning through the lobby of the Ritz-Carlton in Georgetown Monday with exactly the accessories you'd imagine: big gray tweed hat, sunglasses and her three-decades-younger husband, Percy Gibson. In town for a two-week National Theatre run in "Legends!," the "Dynasty" diva caught the new James Bond flick over at the AMC Loews theater next door and

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dined at the hotel restaurant Fahrenheit. Her co-star, Linda Evans, was also spotted at the Ritz keeping a lower profile but also wearing -- yes! -- a hat.ONLINE DISCUSSION

The Reliable Source Web chat is at noon Wednesdays on washington- post.com. Got a tip? Send it to reliablesource @washpost.com.

White House Staffer Robbed, Beaten In Waikiki (KITV)

KITV-TV, November 22, 2006

HONOLULU -- The acting director of the White House Travel Office was robbed and beaten in Waikiki early on Tuesday morning outside a nightclub, according to Honolulu police.

"He was knocked down, punched, kicked -- his wallet and id were stolen," Honolulu Police Department Capt. Frank Fujii said.

Pitts' passport and international phone were also taken.

Pitts left the bar alone. He walked through International Marketplace, where he was confronted by three men beaten up and robbed, according to a source familiar with the case.

His friends went looking for him and found him lying in a pool of blood.

People familiar with Waikiki said muggings happen occasionally. Police said they have no evidence of an increase in violence against tourists.

Pitts accompanied President George W. Bush on a brief visit to Hawaii. The stop came after an eight-day trip to Asia.

While Bush stayed at Hickam Air Force Base, White House staff, crew from the airplane and reporters stayed at Hilton Hawaiian Village in Waikiki.

Paramedics treated Pitts and took him to Queen's Medical Center. He did not return with the president to Washington.

Iraq's Government Hampered By Suspicions (LAT)

By Borzou Daragahi

The Los Angeles Times, November 22, 2006

BAGHDAD — When the Ministry of Municipalities and Public Works dispatched crews to the Amil neighborhood last month to repair a sewer line that had been spewing raw human waste into the street for weeks, residents were encouraged.

But instead of repairing the pipe, the workers wound up rupturing the freshwater line. They left the entire mess for someone else.

Iraqis elected their leaders in December, hoping that a government by the people would do something for the people. Eleven months later, officials acknowledge that their efforts have been mostly a failure. And, as with the busted sewer line of Amil, government involvement often creates a bigger problem than it solves.

Despite U.S. pressure for results, Iraq's elected officials have been unable to overcome their mistrust of one another and improve security or tackle the major political and economic issues — from murderous cops to the sewage woes of Amil.

Fed up with ministers he says were foisted on him by political factions, Prime Minister Nouri Maliki has promised a Cabinet reshuffle. He is scheduled to convene the body this week to address the deepening political divisions and a threatened walkout by the Sunni Arab bloc.

But his resolve may not be enough to overcome the government's inherent frailties and limitations.

Officials say Baghdad's authority has been undermined by the ubiquity of U.S. troops and by militias, neither of which answers to the government.

But above all, the sectarian balance on which the government was formed has made it impossible make big decisions or ferret out corruption or incompetence.

"If Maliki discovered that one of his ministers in one of the political parties was involved in corruption or brutality, he could not fire him, because [the minister is] backed up by another political party," said Salim Abdullah Jabouri, a spokesman for Iraq's main Sunni party, which is part of the ruling coalition. "He'll be accused of going against [the] minister's party."

The government even backtracked on its controversial decision to issue an arrest warrant for the country's leading Sunni cleric, Harith Dhari, amid threats that the Sunni coalition would pull out of the government.

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Some blame U.S. policy, saying it puts too much faith on consensus and balance as a panacea for Iraq's ills.

Iraq's constitution — with its complex system of checks and balances and stripped-down executive authority — limits what any leader can do.

The government "has been created by political agreements giving every side a veto against the other side," said Abbas Bayati, a Shiite lawmaker.

At every crossroads, the government's large Shiite, Sunni and Kurdish blocs huddle noisily to come up with internal agreement before heading to the negotiating table to squabble again with the other factions. Insiders say little gets discussed in Maliki's Cabinet without the approval of each party in the three sprawling blocs.

At the ministry level, a raft of corruption cases has struck fear in the hearts of administrators, who allow money to pile up rather than become entangled in a graft case. "There is an ambience where people are afraid of making decisions," an official said.

Even when decisions are made, there is no oversight to make sure follow-up action is taken, nor any coordination among ministries.

"The government plays like a football team," said Mustafa Hiti, a Sunni lawmaker. "Even if [Oil Minister Hussein] Shahristani is good, you need another ministry of transportation, interior and housing to do their job in order for him to be effective."

U.S. efforts to get institutions up and running have been hampered by the crudest of stumbling blocks. For example, American troops recently visited a west Baghdad courthouse, where the road leading to the decrepit four-story building was flooded with sewage and the court had run out of diesel to fuel its generator.

Based on his most recent remarks, including a frustrated speech to parliament this month, Maliki appears to have recognized the problems. But many say it may be too late, that even the finest government officials can't enforce good policy with a weak government.

Month after month, Maliki has promised to disarm and disband the Shiite militias wreaking havoc on the streets. Sunnis say the government has not done enough — failing, for example, to follow up on leads from those freed after men dressed in police uniforms brazenly kidnapped dozens of people from a Ministry of Higher Education building last week.

"The government hasn't moved a finger to investigate," Jabouri said. "The government is either weak or in collusion with the kidnappers or has lost control of the militias."

Maliki's credibility had already been faltering, officials said.

"I think the government is seen as representing one part of Iraqi society," said a Western analyst in Baghdad, who spoke on condition of anonymity for security reasons.

"When the Sunnis under Saddam [Hussein] dominated Iraq, they also represented one segment of the society, but they had an overwhelming force to back that up. These guys don't. There are other forces out there."

Bush Plans To Meet With Maliki (WP)

By Peter Baker

The Washington Post, November 22, 2006

President Bush plans to fly to the Middle East next week to meet with Iraqi Prime Minister Nouri al-Maliki, as the two leaders try to overcome recent tensions and revitalize the war effort, the White House announced last night.

The surprise trip underscored the accelerating efforts by Bush and his team to come up with a fresh approach to the war after a period of spiraling violence in Iraq and voter rejection in midterm elections at home. Bush recently ordered various agencies to consolidate an ongoing Iraq policy review in the hope of reaching a new consensus.

The White House has pressed Maliki to speed transition of security responsibility to Iraqi forces, and the two leaders will review conclusions of a joint panel they appointed to find ways to do that.

"We're not looking for a big, bold announcement," national security adviser Stephen J. Hadley told reporters aboard Air Force One last night, as Bush returned from an unrelated eight-day overseas trip to Asia. "This is an opportunity for the president and Prime Minister Maliki to get together, to get a report from this commission they have adopted. This is obviously an important time for both Iraqis and Americans in developing a way ahead."

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Bush will meet with Maliki in Amman, Jordan, on Nov. 29-30, after he attends a previously scheduled NATO summit in Riga, Latvia. Hadley said the administration's own Iraq review would not be finished before the meeting, nor would a separate report be completed by the congressionally chartered Iraq Study Group. But the meeting will give Bush a chance to get Maliki's views, Hadley said.

Administration officials have at times expressed frustration with Maliki's government for not doing more to take over security in Iraq and rein in sectarian violence.

Bush, Al-Maliki Set To Confer In Jordan On Iraqi Security (WT/AP)

The Washington Times, November 22, 2006

ABOARD AIR FORCE ONE (AP) -- President Bush and Iraqi Prime Minister Nouri al-Maliki will meet next week in Jordan to discuss the security situation in Iraq.

In a joint statement, the two leaders said: "We will meet in Amman, Jordan, on Nov. 29-30 to continue our consultation on building security and stability in Iraq."

Press secretary Tony Snow distributed the statement to reporters returning home with Mr. Bush yesterday from an eight-day Asia trip. Mr. Bush will fly directly to Amman from next week's NATO summit in Riga, Latvia.

"We will focus our discussions on current developments in Iraq, progress made to date in the deliberations of a high-level joint committee on transferring security responsibilities and the role of the region in supporting Iraq," the statement said. "We reiterate our commitment to building the foundations of a peaceful, democratic and secure Iraq and to strengthening the partnership between our two nations."

Mr. Bush and Mr. al-Maliki last met July 25 in Washington.

National Security Adviser Stephen J. Hadley told reporters that the idea for a meeting came up a week or more ago and that plans accelerated in the last few days.

"We're not looking for a big, bold announcement," he said.

On Monday, Iranian President Mahmoud Ahmadinejad asked the presidents of Iraq and Syria to attend a weekend summit in Tehran, a move seen as another effort by Iran to play a strong role in the Middle East.

Asked about what role Iran and Syria should be playing, Mr. Hadley said: "We think it is important that Iraq be speaking directly to these countries and making it clear to them that they need to play a positive role in seeking security, stability and democracy in Iraq. ... We are supportive of Iraqi government officials as they deliver that message."

Bush's Best Defense May Be His Father (LAT/AP)

The Los Angeles Times, November 22, 2006

ABU DHABI, UNITED ARAB EMIRATES — Former President George H.W. Bush took on Arab critics of his son, the current President Bush, during a testy exchange Tuesday at a leadership conference in the capital of this U.S. ally.

"My son is an honest man," Bush told members of the audience, who harshly criticized the younger Bush's foreign policy.

"We do not respect your son. We do not respect what he's doing all over the world," a woman in the audience bluntly told Bush after his speech.

Bush, 82, appeared stunned as others in the audience whooped and whistled.

The oil-rich Persian Gulf used to be safe territory for the former president, who brought Arab leaders together in a coalition that drove then-Iraqi President Saddam Hussein's troops from Kuwait in 1991.

But gratitude for the elder Bush was overshadowed at the conference by hostility toward his son, whose invasion of Iraq and support for Israel are deeply unpopular in the region.

The hostile comments came during a question-and-answer session after Bush finished a folksy address on leadership by telling the audience how deeply hurt he feels when his presidential son is criticized.

"This son is not going to back away," Bush said, his voice quavering. "He's not going to change his view because some poll says this or some poll says that, or some heartfelt comments from the lady who feels deeply in her heart about something. You can't be president of the United States and conduct yourself if you're going to cut and run. This is going to work out in Iraq."

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Bush also told the audience its derisive hoots were mild compared with the reaction he got in Germany in the 1980s after persuading that country to deploy U.S. nuclear missiles.

He told the audience he was extremely proud of his sons, the current president and Florida Gov. Jeb Bush.

One audience member asked the former president what advice he gives his son on Iraq. Bush said the presence of reporters prevented an answer.

"If I did what you ask me to do — tell you what advice I give my son — that would then be flashed all over the world," he said.

"If it happened to deviate one iota, one little inch, from what the president's doing or thinks he ought to be doing, it would be terrible. It'd bring great anxiety not only to him but to his supporters."

Pentagon Cites Alternative To Baker Report (WT)

By Rowan Scarborough

The Washington Times, November 22, 2006

The Pentagon is drafting its own new options for winning in Iraq, in part, to give President Bush counterproposals to fall back on in case the Iraq Study Group comes up with ideas he does not like, defense officials say.

Meanwhile, study group co-chairman Lee H. Hamilton, a former Democratic representative from Indiana, told The Washington Times yesterday that he and co-chairman James A. Baker III, secretary of state in the first Bush administration, have nearly completed a first draft report.

Mr. Hamilton said the two men hope to complete it this weekend, give it to the eight other Iraq Study Group members in time for a meeting next week to review it. The report contains Mr. Hamilton's and Mr. Baker's assessment of the Iraq situation and recommendations to Mr. Bush.

The 10 members will then accept, reject or modify the ideas, and Mr. Hamilton cautioned that the panel has no deadline to produce a final report.

"The whole thing could be changed," Mr. Hamilton said. "We do feel like we should move ahead with due diligence."

Mr. Hamilton declined to discuss the options. Mr. Baker has said publicly he believes in talking to one's enemies, an indication that the study group will recommend opening dialogues with Syria and Iran, two U.S. adversaries that border Iraq and support the insurgents.

Mr. Hamilton said the group has heard from more than 250 people, both in and out of government.

"We are inundated with recommendations at this point," he said. "I literally can't go anywhere without people making recommendations to me. But that's good."

The Baker-Hamilton group will not be the only source of new ideas on Iraq for the president in a war that an increasing number of Americans say lacks progress. The Pentagon is also leading an extensive review.

The defense officials said they do not want the Iraq Study Group's options to go unchallenged in case it proposes items that Mr. Bush does not like, such as a timetable for removing troops.

"I don't think anyone is comfortable with one organization coming up with a list of recommendations," said a senior Pentagon official involved in the war review, adding that the Pentagon review could produce ideas that compete with or are counter to the Iraq Study Group's.

Marine Gen. Peter Pace, chairman of the Joint Chiefs of Staff, began leading the Pentagon's review in September. The Joint Staff, the Joint Chiefs planning arm, is studying ideas -- from adding troops to reducing them as well as making new efforts to win the support of Sunni Muslims who lead the insurgency.

A likely option will be to find ways to accelerate the deployment of Iraqi brigades, defense officials say. This is a move advocated by House Armed Services Chairman Duncan Hunter, California Republican. In theory, some officials see it as the only promising option for reducing the American presence in Iraq and thus reducing casualties.

An adviser to Defense Secretary Donald H. Rumsfeld said, "If we had a silver bullet, we would have fired it a long time ago."

Defense officials say they doubt that Gen. Pace will recommend a major increase in troops. The Army today is hard-pressed to maintain the bulk of 147,000 troops in Iraq. Stateside brigades lack basic equipment on which to train because the Army puts deployed units at the top of the priority list for weapons and other equipment.

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Mr. Rumsfeld is leaving the Pentagon next month after the expected Senate confirmation of Robert M. Gates as his successor. The bulk of the review work is falling on Gen. Pace, who under law is the top military adviser to the president.

Gen. John Abizaid, the top U.S. commander in the region, has made a passionate case for keeping American troop levels where they are now, thus requiring Gen. Pace to overrule a combatant commander if he wants a troop increase.

"Our troops' posture needs to stay where it is as we move to enhance the capabilities of the Iraqi security forces," Gen. Abizaid, who heads U.S. Central Command, last week told the Senate Armed Services Committee, "and then we need to assess whether or not we can bring major combat units out of there."

Interventionism's Realistic Future (WP)

By Robert D. Kaplan

The Washington Post, November 22, 2006

Hard-core foreign policy realists (the kind who say this country should rarely intervene again, anywhere) are hoping that in the wake of our comeuppance in Iraq things will be going their way. That is to say, U.S. foreign policy will be defined by an obdurate caution, coupled with a ruthless, almost mathematical application of balance-of-power principles. You'd think -- to hear some of them talk -- that we're about to emulate China, which seeks only energy sources and advantageous trade agreements and cares nothing at all for the moral improvement of regimes in such places as Zimbabwe, Burma and Uzbekistan.

This is nonsense. Our foreign policy is about to experience an adjustment, not a flip-flop. Neither political party will support anything else if it really wants to elect a president in 2008. Just look at the dismay in this country over our failure to intervene in Darfur, even given the burden we already carry in Iraq. To be sure, the recent evidence that our democratic system cannot be violently exported will temper our Wilsonian principles, but it will not bury them. Pure realism -- without a hint of optimism or idealism -- would immobilize our mass immigrant democracy, which has always seen itself as an agent of change.

Iraq will merely close a post-Cold War chapter in American foreign policy, one that began with the Persian Gulf War -- and with Bosnia. After the collapse of communism in 1989, idealism, the export of democracy and humanitarian interventionism were all the rage among journalists and intellectuals -- much as realism, restraint and benign dictatorship are now. Ten years ago Liberia, Sierra Leone and other countries less institutionally developed than Iraq were considered prime candidates for liberal change. Back then, people such as Brent Scowcroft and James Baker were attacked not just by neoconservatives but by liberal internationalists, too. In those first, heady post-Cold War years, to be called a "realist" was practically an insult.

The Balkan interventions, because they paid strategic dividends, appeared to justify the idealistic missionary approach to foreign policy. The 1995 intervention in Bosnia changed the debate from "Should NATO Exist?" to "Should NATO Expand?" Our 1999 war in Kosovo, as much as the events of Sept. 11, 2001, allowed for the eventual expansion of NATO to the Black Sea. It also led to the toppling of Yugoslav strongman Slobodan Milosevic, without chaos ensuing. Neoconservatives and others who had supported our actions in Bosnia and Kosovo then carried the spirit of this policy to its limits in Iraq.

And so what began in 1995 with a limited air and land campaign in the western, most-developed part of the former Ottoman Empire ended with a mass infantry invasion eight years later in its eastern, least-developed part. Not only was this last intervention far more ambitious than the first, it was also far less competently executed in its occupation phase. Thus it failed.

The lesson is not that we won't intervene again. We will, and often. But we will do so with the caution and hesitation shown in the 1990s and only as part of an authentic coalition. To wit, just as NATO's war in Kosovo had a British face and voice -- that of its spokesman, Jamie Shea -- any intervention in North Korea (should it ever come to that) will put the South Korean military front and center and will have the implicit cooperation of the Chinese army. Otherwise, we won't do it.

The expansion of our military deployments in Africa, as well as the emergence of NATO as a global constabulary force, points to an activist military presence overseas. From Senegal on the Atlantic to Djibouti on the Gulf of Aden -- across the entire Sahara -- Marines and Army Special Forces have been conducting training missions -- not only to field indigenous forces in the hunt for Islamic terrorists but also to professionalize the militaries of fledgling democracies and develop the backbone of an American-advised, pan-African intervention force to handle future Darfurs. The drawdown of our forces in Iraq, no matter how humiliating the circumstances, will eventually free up equipment and manpower for such smaller and less controversial deployments, which will always have a civil affairs element.

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NATO is moving on a parallel track. What started after 1989 with train-and-equip missions to reform former Warsaw Pact military forces in Eastern Europe has expanded to the Caucasus and Central Asia under the Partnership for Peace program. NATO's current mission in Afghanistan and its restructuring under Marine Gen. James Jones to a more sea-based, expeditionary force signifies how it will be able to deploy faster and more often to deal with out-of-area emergencies.

Our military and civilian agencies will be expected to deal with many emergencies as we enter an era when more people than ever before will be killed or made homeless by natural disasters as populations rise in environmentally fragile zones. The tsunami rescue effort of 2004-05, led by U.S. Pacific Command, was a curtain raiser for deployments to come.

The debacle in Iraq has reinforced the realist dictum, disparaged by idealists in the 1990s, that the legacies of geography, history and culture really do set limits on what can be accomplished in any given place. But the experience in the Balkans reinforced an idealist dictum that is equally true: One should always work near the limits of what is possible rather than cynically give up on any place. In this decade idealists went too far; in the previous one, it was realists who did not go far enough.

Iraq has relegitimized realism, which is a good thing. But without an idealistic component to our foreign policy, there would be nothing to distinguish us from our competitors. And that, in and of itself, would lead to the decline of American power.

The writer is a national correspondent for the Atlantic Monthly and a visiting professor at the U.S. Naval Academy.

Lessons From The Saudis (WP)

By David Ignatius

The Washington Post, November 22, 2006

While the nation debates what to do about the disaster in Iraq, I have been pondering a disaster that hasn't happened -- in Saudi Arabia. There are some lessons in the Saudi story that may help clarify the Bush administration's choices as it nears crunch time in the region.

First, some background: Ten years ago Osama bin Laden declared war on the United States to "expel the infidels from the Arab peninsula." One theme of his Aug. 23, 1996, fatwa was that for all its military power, America was weak. It had fled from terrorist attacks in Beirut and Somalia, and it would flee Saudi Arabia as well. Bin Laden said of his terrorist cadres: "These youths love death even as you love life."

The truth of those words became clear on Sept. 11, 2001, when 15 Saudi-born terrorists led a suicide attack on the symbols of American power. And in some ways, al-Qaeda's game plan has worked: America's botched occupation of Iraq triggered a ferocious reaction there, and now the American public is losing patience with the war, just as bin Laden would have predicted.

Given these setbacks for America, it's easy to forget that bin Laden has failed utterly in his strategic goal in the Sept. 11 attacks, which was to topple the ruling monarchy in his home country of Saudi Arabia. The oil kingdom, the real prize in the region, is stronger and more secure than it was five years ago.

Saudi Arabia is, to be sure, not exactly a rock of stability, but its gains are highlighted in a recent study by Nawaf Obaid, a clear-headed Saudi analyst who advises his government. He noted that since May 2003, Saudi security forces have foiled more than 25 major terrorist attacks; they have captured or killed 264 al-Qaeda operatives and arrested 845 other people with links to al-Qaeda. Of the 26 terrorists on the Saudi most-wanted list, all but one have been captured or killed.

Perhaps more important, the Saudis have begun to crack the network of religious extremists that gave al-Qaeda a platform. The Saudi Interior Ministry, once a hidden source of support for the jihadists, now oversees what Obaid calls an "ideological reeducation program" supervised by religious scholars and university professors. More than 400 people have been released from this program, Obaid says.

The House of Saud, the mysterious clan that rules the oil kingdom, is also steering a steadier course under King Abdullah. Almost unnoticed last month, the Saudis announced a new council to oversee the transition to the next generation of leadership. As with many aspects of Saudi governance, the details are murky, but the plan appears to provide a stable legal framework for selecting a successor to the king and crown prince -- easing the danger of a future political crisis.

What are the lessons in Saudi Arabia's move back from the brink of potential disaster? The most important is that the Saudis decided to take charge of their own security rather than relying on an America that many in the kingdom resented. After

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2003 the Saudis realized that they faced a deadly terrorist threat and began to fight it aggressively: They focused on national solutions; they reduced the visible, humiliating presence of American troops; they pursued political reforms; they increased oil production.

How does this apply to Iraq? Like the Saudis, the Iraqis will have to save themselves, working within the authentic political framework of their culture, religion and region. The more we try to substitute our will for theirs, with more American troops or exhortation, the more we enfeeble them. As in Saudi Arabia, we must move slowly but deliberately out of the spotlight and into the shadows, with a sustainable mission of training and advising Iraqi troops.

What will contain the Iraqi civil war, in the end, is that none of the regional powers can tolerate a shattered Iraq -- not Iran, not Syria, not Saudi Arabia, not Jordan, not Turkey. Nor do most Iraqis want a dissolution of their unitary state. The Iraqis will restabilize their nation when the "nationalist forces" -- including ones we don't like, such as Moqtada al-Sadr's Mahdi Army and the Sunni insurgency -- make common cause under a regional mandate.

Only the United States can broker the regional conference that will allow a political transition in Iraq. That's our leverage now -- diplomatic clout, more than military power. If the neighboring powers can help apply a tourniquet to stop the bleeding in Iraq, America can begin to step away.

The writer co-hosts, with Newsweek's Fareed Zakaria, PostGlobal, an online discussion of international issues athttp://blog.washingtonpost.com/postglobal. His e-mail address isdavidignatius@washpost.com.

Lost In The Desert (NYT)

By Maureen Dowd

The New York Times, November 22, 2006

WASHINGTON

Iraq now evokes that old Jimmy Durante song that goes, “Did you ever have the feeling that you wanted to go and still have the feeling that you wanted to stay?”

It’s hard to remember when America has been so stuck. We can’t win and we can’t leave.

The good news is that the election finished what Katrina started. It dismantled the president’s fake reality about Iraq, causing opinions to come gushing forth from all quarters about where to go from here.

The bad news is that no one, and I mean no one, really knows where to go from here. The White House and the Pentagon are ready to shift to Plan B. But Plan B is their empty term for miraculous salvation.

(Dick Cheney and his wormy aides, of course, are still babbling about total victory and completing the mission by raising the stakes and knocking off the mullahs in Tehran. His tombstone will probably say, “Here lies Dick Cheney, still winning.”)

Even Henry Kissinger has defected from the Plan A gang. Once he thought the war could work, but now he thinks military victory is out of the question. When he turns against a war, you know the war’s in trouble. He also believes leaving quickly would risk a civil war so big it could destabilize the Middle East.

Kofi Annan, who thought the war was crazy, now says that the United States is “trapped in Iraq” and can’t leave until the Iraqis can create a “secure environment” — even though the Iraqis evince not the slightest interest in a secure environment. (The death squads even assassinated a popular comedian this week.)

The retired Gen. Anthony Zinni, who thought Mr. Bush’s crusade to depose Saddam was foolish and did not want to send in any troops, now thinks we may have to send in more troops so we can eventually get out.

Lt. Gen. Raymond Odierno, whose soldiers pulled Saddam out of his spider hole and who is returning to Iraq to take charge of the day-to-day fight, has given up talking about a Jeffersonian democracy and now wishes only for a government in Iraq that’s viewed as legitimate. He has gone from “can do” to “don’t know.” He talked to The Times’s Thom Shanker about his curtailed goals of reducing sectarian violence and restoring civil authority, acknowledging: “Will we attain those? I don’t know.”

At a Senate hearing last week, Gen. John Abizaid sounded like Goldilocks meets Guernica, asserting two propositions about the war that are logically at war with each other. He said we can’t have fewer troops because the Iraqis need us, but we can’t have more because we don’t want the Iraqis to become dependent on us.

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He contended that increasing the number of our troops would make the Iraqi government mad, but also asserted that decreasing the number would intensify sectarian violence.

This a poor menu of options.

As Peter Beinart wrote in The New Republic this week, "In a particularly cruel twist, the events of recent months have demolished the best arguments both for staying and for leaving." Noting in the same magazine that "we are approaching a Saddam-like magnitude for the murder of innocents," Leon Wieseltier worried that the problem may be deeper than the number of our troops; it may be Iraq itself. "After we invaded Iraq, Iraq invaded itself. ... We are at the mercy of Iraq, where there is no mercy."

Kirk Semple, The Times's Baghdad correspondent, wrote about Capt. Stephanie Bagley, the daughter and granddaughter of military policemen who was enthusiastic a year ago about her job of building a new Iraqi police force. But that was before the militia so inexorably began to infiltrate the police, presumably with the support of some leaders in Iraq's dysfunctional government. Now, with the police begging the Americans not to make them patrol Baghdad's mean streets and showing her their shrapnel wounds, she just wants to get her unit home safely, without losing another soldier. She said her orders were to train a local force to deal with crimes like theft and murder, not to teach them how to fight a counterinsurgency.

Aside from telling Israel to be nicer to the Palestinians, as if there lies Iraq salvation, James Baker will mostly try to suggest that the U.S. talk to Iran and Syria. Yesterday, after the Lebanese Industry Minister Pierre Gemayel, an opponent of Syria, was assassinated in Beirut, President Bush said he suspected that Iran and Syria were behind the murder.

Maybe Mr. Baker had better find Plan C.

The Pentagon is trying to decide whether we should Go Big, Go Long or Go Home.

Go figure.

An Ideologue For Hire Gets New Alliance (NYT)

By Mark Leibovich

The New York Times, November 22, 2006

WASHINGTON, Nov. 21 — Senator Joseph I. Lieberman announced Tuesday that he had hired a new spokesman, which is not in itself that noteworthy, except that the said spokesman, Marshall Wittmann, is one of the great career vagabonds, ideological contortionists and political pontificators ever to inflict himself on a city full of them.

To say that Mr. Wittmann defies classification is like saying Paris Hilton defies modesty. But in his peripatetic soul, he is a Washington Original, a man without a political country going to work for a senator without a political party.

Mr. Lieberman, a longtime Democrat of Connecticut who was re-elected as an independent and calls himself an "Independent Democrat," has not ruled out becoming a Republican.

Mr. Wittmann, meanwhile, is a Trotskyite turned Zionist turned Reaganite turned bipartisan irritant turned pretty much everything in between — including chief lobbyist for the Christian Coalition, the only Jew who has ever held that position.

"Jewish mothers do not raise their Jewish sons to work for the Christian Coalition," said Mr. Wittmann, offering one of many explanations for why that job was not an ideal fit.

"I think I'm the only person who has worked for both Cesar Chavez and Linda Chavez," Mr. Wittmann said of the union pioneer who inspired him in the 1970s and the conservative Republican whose Senate campaign in Maryland he joined in the 1980s.

"I think I'm the only person who's worked for both Ralph Reed and Bruce Reed," Mr. Wittmann added, referring to the former executive director of the Christian Coalition and the top lieutenant to former President Bill Clinton.

There are of course plenty of political people who have undergone philosophical evolutions over the years. But Mr. Wittmann, 53, has zigzagged in the extreme, from stints in left-leaning unions to right-wing policy shops. He describes his career as "eclectic," saying he has always been drawn to independent thinkers. "The good lord has made me a contrarian," Mr. Wittmann said.

The good lord has also blessed him with the gift of speaking in punchy and irresistible sound bites.

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He has been quoted thousands of times in newspapers, magazines, newsletters and journals, according to Lexis-Nexis. And this does not count the at least 939 times his name has appeared misspelled as “Marshall Wittman.”

He suffered through a two-year dry patch from 2002 to 2004 when he was a spokesman for Senator John McCain, the Arizona Republican, a job that largely required him to suppress his inner quotemeister for his boss’s even-more-impressive knack for drawing attention.

When that became unbearable, Mr. Wittmann returned to his roots as a Democrat in Waco, Tex., where he had volunteered at age 15 for the antiwar presidential campaign of Eugene McCarthy.

After leaving Mr. McCain’s office, he joined the moderate Democratic Leadership Council as a senior fellow, a position whose mandate was not exactly clear but allowed him to once again be quoted. (Think Michael Jordan returning to the basketball court after his fish-out-of-water career as a baseball player.)

Liberated from the on-message shackles of a Senate office, Mr. Wittmann soared into the blogosphere. He immersed himself in his popular online diary, Bull Moose, named for the party of his political hero, Teddy Roosevelt. It became a virtual megaphone through which Mr. Wittmann could ridicule both the Bush administration and the liberal bloggers, or “netroots” (or, in Mr. Wittmann’s words, the “nutroots”) that attacked Mr. Lieberman relentlessly during his re-election campaign.

Now Mr. Wittmann will once again have to stifle his pundit proclivities to the greater good of Mr. Lieberman. “I’ve gone through this before,” he said of withdrawal from talking freely to the press. “Luckily my wife is a psychologist,” he said of his spouse of 29 years, Karen, one of the few enduring allegiances he has held faithfully.

He will also be forced to suspend the Bull Moose. “The Moose is now in hibernation,” Mr. Wittmann said, adding that he is not certain if moose in fact hibernate. (They do not.)

In announcing Mr. Wittmann’s appointment, Mr. Lieberman hailed his “independent and diverse background” in a statement (or understatement).

Even though he has a new boss, Mr. Wittmann still swears deep and abiding affection for Mr. McCain. And the feeling is apparently mutual: Mr. McCain said through an aide that Mr. Wittmann was “a dear friend.”

All of which raises the question of what happens if Mr. McCain runs for president and invites Mr. Wittmann to join his campaign.

Would he abandon Mr. Lieberman?

Mr. Wittmann invokes one of the first rules of flackdom and a glimpse of the drudgery to come. “One thing I’ve learned in the press world,” he said, “is that I don’t answer hypothetical questions.”

Al Qaeda Welcomes Democratic Victory (WT)

By Walid Phares

The Washington Times, November 22, 2006

The latest audio by al Qaeda's Iraq commander -- posted 48 hours after the midterm elections -- sends a clear signal to the readers of the jihadi strategic mind: Al Qaeda and its advisers around the world want to provoke an "American Madrid." Portraying the United States as a bleeding bull in disarray, the war room projects its wish to see America's will crippled. The video attempts to do the following:

1. Convince the jihadists that the United States is now defeated in Iraq and beyond. While no reversal of the balance of power has taken place on the ground, the jihadi propaganda machine is linking the shift in domestic politics to a withdrawal from Iraq. It projects the change in Washington as a crumbling of the political process in Baghdad and America's foreign policy. Interestingly, others in the region are also "announcing" the upcoming defeat of America in the war on terror. Hezbollah's Hassan Nasrallah declared: "The Americans are leaving, and their allies will pay the price."

2. Spread political chaos at home. Jihadists portray the Democratic takeover of Congress and the resignation of Defense Secretary Donald Rumsfeld (and maybe others) as signs of American weakening in the resolve to fight jihadism. The video had a potential to frustrate U.S. citizens if it is not accurately interpreted by experts. Americans may end up believing that the message reflects the situation in the Middle East and that it is a logical outcome of a faulty U.S. policy. If the Bush administration and the new congressional leaders do not respond adequately to the video, some "chaos" of this sort may ensue.

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3. The terminology used in the videotape is a powerful indicator that al Qaeda's political network relies on Western-educated minds, familiar with political processes in the United States and serving as advisers to the jihadists. A regular al Qaeda emir does not use the term "lame duck." It is more likely that a U.S.-based cadre, who understands the impact of political jargon on domestic audiences, had suggested the use of this word. Abu Hamza al Muhajir's use of the term batta arjaaa (lame duck) is striking to any native speaker of Arabic. This term does not exist in Arab culture, let alone in jihadi rhetoric. Its use is yet another proof of the Americanization jihad has undergone. Thus, Iraq's al Qaeda is using the term as a weapon -- something most likely requested by the jihadi brains operating on the other side of the Atlantic.

So what do the speechwriters want to achieve with these kinds of tapes? They aim at sapping American public morale during a time when reorganization is taking place in the U.S. government. Reading from the jihadi wishful thinking, the audio tape of al Muhajir and the statements made by other radical Islamists send the following message: Americans are being thanked for removing Mr. Bush's party from the leadership of Congress, which the jihadists attribute to the war on terror rather than U.S. domestic problems. Al Qaeda's audio tells citizens in the United States that they were wise for having responded positively to the previous messages by Osama bin Laden. Al Masri's words aim at convincing the American public to pressure their newly elected legislators to pull U.S. forces hastily from Iraq.

In short, al Qaeda wants an American Madrid: it wishes that a change of power in January would be accompanied by a change of national determination, not just a change of course within Iraq.

In the Salafis chat rooms, the commissaries explained to their audiences, that the Democratic Party victory in Congress means that America is now divided and al Qaeda can push to create more cracks in the system -- as it has successfully done in Spain. The masters of the forum, emulating al Masri's audiotape, said not only that "we got their soldiers on the run in Iraq," but "we got their citizens on the run on their own soil" referring to the November electoral outcome. They promised that with more killings in Iraq, they will break the will of Americans at home; and that the new Congress, seeking to fulfill one of its electoral promises will force the Bush administration to pack up and leave the Middle East.

In Washington, both the administration and the new congressional leaders failed to seriously respond to the al Qaeda message. Grave mistake; for ignoring the speech would help convincing the jihadists that America is divided and crumbling and would embolden them to strike further, not only in Iraq but also inside the United States. The silent treatment works in favor of the Salafi combatants: It only leads them to believe that they are right and that their strategy is working; just as Allah had crushed the Soviets in Afghanistan, he has divided the Americans. It is, therefore, imperative that Washington strikes back in a unified manner at every opportunity that arises. It must tell the dreamers of a terror caliphate that American democracy will not serve as a weapon to defeat freedom worldwide.

Walid Phares is a senior fellow with the Foundation for the Defense of Democracies and the author of "Future Jihad: Terrorist Strategies against America."

Elected As A War Critic, He Was Part Of Prewar Errors (LAT)

By Greg Miller

The Los Angeles Times, November 22, 2006

WASHINGTON — Of all the Democrats who rode a wave of public anger over Iraq to election victories this month, Chris Carney had the most unlikely credentials as a war critic.

Before winning the race for Pennsylvania's 10th Congressional District, Carney was part of a controversial intelligence unit at the Pentagon that was responsible for some of the most alarming — and, it turned out, unfounded — prewar claims about Iraq.

Assigned to search for links between Iraq and Al Qaeda, the unit reached a series of conclusions, including that a Sept. 11 hijacker had met with an Iraqi agent in Prague, Czech Republic, that have since been widely discredited. The Pentagon unit was created and run by one of the Iraq war's principal architects, then-Undersecretary of Defense Douglas J. Feith.

Carney took part in briefings at the White House and the Pentagon that disparaged the CIA for underestimating the relationship between Baghdad and the terrorist network. Vice President Dick Cheney and other administration officials frequently touted the findings to bolster the case for war.

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Despite his background, Carney campaigned as an antiwar Democrat and said he got a "very warm reception" when he arrived at Capitol Hill this week to take part in orientation activities for incoming members. Carney is a lifelong Democrat, according to his press secretary.

"They are intrigued," Carney said of his fellow freshmen. "But I'm not sure all of them know about this."

Rep. Anna G. Eshoo (D-Atherton) said she was disturbed by the work that came out of Feith's office, but doubted that members would hold that against Carney.

"I think that in retrospect that what happened there is deeply troubling and we're paying a price for it," Eshoo said. "But I don't want to cast judgment on him."

Carney, 47, is not apologetic about his work at the Pentagon.

"I certainly stand by the fact that I believe there was some sort of relationship," he said in an interview. "On a scale from zero to 10, with zero being no relationship and 10 perfect operational coordination," Carney said, the Iraq-Al Qaeda link was "somewhere in the 2.5 range."

That appears to be a more qualified assessment than the so-called Policy Counterterrorism Evaluation Group presented to policymakers during a series of briefings in 2002. In one briefing slide, the group asserted that there were "more than a decade of numerous contacts" between Iraq and Al Qaeda and that there were "multiple areas of cooperation," possibly including the Sept. 11 attacks.

Carney, a reserve officer in the Navy and political science professor at Penn State University, wasn't expected to win his conservative-leaning district in eastern Pennsylvania. But his chances improved when the Republican incumbent, Don Sherwood, admitted he'd had a five-year extramarital affair and was forced to deny accusations that he had choked his mistress.

Carney said he initially was a supporter of the invasion of Iraq but has been dismayed by the handling of the postwar insurgency. His stance hardened, he said, when one of his college students returned from Iraq and complained of how ill-equipped U.S. fighting units were.

"They had to scrounge Iraqi scrap yards for junk metal to weld onto their trucks," Carney said.

Carney ended up working for Feith after being called up for duty as an analyst at the Defense Intelligence Agency in the aftermath of Sept. 11. Carney was detailed to Feith's office in 2002 after the noted neoconservative asked the DIA to provide two analysts for a special project.

Carney and another DIA analyst, Christina Shelton, spent months poring over thousands of raw intelligence reports. They quickly concluded that the CIA, which had been skeptical of any serious relationship between Iraq and Al Qaeda, was getting it wrong.

"I found it kind of curious the way they were so equivocal in the analysis," Carney said of the CIA reports. "It was frustrating to me and others with all the caveating that was going on."

So the Feith team assembled a competing report called "Assessing the Relationship Between Iraq and Al Qaeda." The document cited "fundamental problems" with the CIA's analysis and offered conclusions without caveats. It said Baghdad was providing training to "non-Iraqi terrorists" and had "provided safe haven" for terrorist leader Abu Musab Zarqawi. Under the heading "Known Iraq-Al Qaeda Contacts," the document listed the alleged 2001 meeting of Sept. 11 hijacker Mohammed Atta with an Iraqi agent in Prague as if there were no doubt the meeting had occurred.

When the group's findings were leaked to a conservative publication, Cheney described the report as the "best source" for understanding ties between Saddam Hussein and Osama bin Laden.

Like much of the prewar intelligence on Iraq, the allegations of ties between Baghdad and Al Qaeda have crumbled under postwar scrutiny. A recent investigation by the Senate Intelligence Committee concluded that Atta never met with an Iraqi agent in Prague, that Baghdad did not give safe haven to Zarqawi, and that Hussein was so wary of Al Qaeda he had issued an edict barring anyone in his government from having any dealings with the terrorist network.

Carney defends his work by saying that many of the postwar conclusions are based on information that wasn't available to analysts in 2002.

Polls show a significant minority of Americans still believe Iraq was somehow involved in the Sept. 11 attacks, but Carney disputes that his work contributed to that misperception or pushed the U.S. into war.

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"I was one voice among hundreds talking about this," Carney said. "Ultimately, the decision to go to war rests with the president, and I am certain that the president had lots of information other than what I had."

Carney said that much of his focus in Congress would be on domestic issues, including healthcare and job security. Still, he said that he believed U.S. intelligence agencies suffered from a lack of creative thinking, and that he had ideas about how to fix some of the community's problems.

"There are a number of things I'm looking at as committee assignments, and the intelligence committee is certainly one of them," he said. If selected, he added, "I think I would apply the same kind of rigor to those issues that we did in the Pentagon."

Iraq And Syria Agree To Restore Relations (FT)

By Ferry Biedermann

Financial Times, November 22, 2006

Syria and Iraq on Tuesday announced the formal restoration of diplomatic ties, nearly a quarter of a century after they were suspended.

The move comes as the US and other western powers are exploring the option of enlisting Syrian and Iranian help in stabilising Iraq.

But there are no signs yet that Damascus is preparing to change its policies on the ground in Iraq, where it has been accused of supporting the insurgency.

Walid Moalem, Syria's foreign minister, at a press conference in Baghdad with his Iraqi colleague, Hoshair Zebari, said that Syria now hoped to turn a new page in its relations with the US.

"I do not want to go back to the former accusations. We seek future co-operation in all fields," he said.

Syria has invited Iraq's president, Jalal Talabani, to Damascus.

The restoration of ties was welcomed by Kofi Annan, the United Nations secretary-general, as well as by the Arab League. The US administration also expressed cautious approval.

"We've always encouraged Iraq's neighbours to take a role in supporting and assisting the unity government in Iraq," said Gordon Johndroe, spokesman for the White House's national security council.

But he added that "one of the first steps Syria could take was to strengthen its border with Iraq and stop the flow of foreign fighters into that country."

In Damascus, some officials said that this was unlikely to be the case, at least for now.

"Syria is waiting for an incentive," said Samer Ladkani, of the Al-Sharq think-tank which has close ties to the government. He cautioned that "there may be just diplomatic ties without any results on the ground."

News of the restoration of ties with Iraq was greeted with indifference by many Syrians. They did not expect a change in Iraq as long as US troops remained.

Syria is seeking a "package deal" with the US that would see its demands in the region met, said analysts and diplomats in Damascus. These are said to include a US withdrawal from Iraq; a restoration of Syrian influence in Lebanon and a halt to the UN investigation into the murder of Rafiq Hariri; the complete return of the Israeli-occupied Golan Heights; the establishment of a Palestinian state; and a general recognition of Syria's status as a regional power.

The Syrian government considers itself to be in a position of strength after Hizbollah's "victory" against Israel in Lebanon in the summer. Some in the leadership are said to credit Syrian support for the insurgency in Iraq with what they see as the defeat of President George W. Bush in the recent mid-term elections in the US, when the Democrats wrested control of Congress from the the Republican party.

American Foes Step Into The Iraq Fray (CSM)

By Dan Murphy

The Christian Science Monitor, November 22, 2006

CAIRO

This week, Iraq has drawn decisively closer to the two countries the US alleges are the greatest threats to peace and stability in the Middle East.

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Tuesday, Syria restored diplomatic ties with Iraq that were broken by Saddam Hussein in 1980 back when Iraq was fighting Iran. Also Tuesday, Iraqi President Jalal Talabani's office said he would travel to Tehran this weekend to meet with Iranian President Mahmoud Ahmadinejad to talk about restoring order to Iraq.

The US has repeatedly accused Iran and Syria of stirring up violence inside Iraq, but recently the notion of isolating them as punishment has lost favor in Washington. A growing number President Bush's advisers are urging direct dialogue with both nations. They argue that engagement could convince Syria to do more to prevent foreign fighters from entering Iraq; Iran could exert more influence on Iraq's dominant Shiite political parties (and their militias) to compromise more.

"It could make a difference, but not a critical difference," says Anthony Cordesman, former director of intelligence assessment to the US Secretary of Defense and now a senior fellow at the Center for Strategic and International Studies (CSIS) in Washington.

Iran has been accused of being deeply involved in training, funding, and arming the two major Shiite militias in Iraq, where Tehran has historic ties to the current Shiite political leadership. Many Iraqi Shiites spent years in Iranian exile during Mr. Hussein's decades in power in Baghdad. One militia, the Badr Brigade, was trained in Iran by the Revolutionary Guard.

"While of course it's worth talking to them, even if they complied with all our wishes, what they could do probably would not be decisive," says Wayne White, former head of the Middle East desk at the State Department's Bureau of Intelligence and Research.

"The situation is so bad now in Iraq," he says, "you can't expect any magic over there. And even if you could get the Iranians and Syrians to accomplish things you wanted, what would you have to cough up in return?"

Former US Secretary of State James Baker, who served under President Bush's father and is now the leader of the Iraq Study Group (ISG) advising the president on new directions for his Iraq policy, has been quietly meeting with Syrian officials in the US, according to an interview with the Syrian ambassador to the US reported by The New York Times. He also met with Iran's ambassador to the United Nations.

British Prime Minister Tony Blair has publicly called for more direct engagement, and members of the ISG have been quietly urging more direct ties with Iran, as well.

Outgoing US Secretary of Defense Donald Rumsfeld, a hard-liner on Syria and Iran, was ousted this month in favor of former CIA chief Robert Gates, who as a member of the ISG had also been urging direct engagement with Iran over the problems in Iraq.

Though Mr. Blair praised the Syrian visit to Iraq, saying it may see that "Syria becomes of help to Iraq in its process of progress ... rather than a hindrance," the closer ties between Iraq and Syria could quickly become a strain on the US and Iraqi relationship.

Meanwhile, Iran's meeting with the Iraqi president this weekend is seen by some analysts as evidence of its increasingly muscular role in the Middle East, where it already has established deep influence in Syria and Lebanon.

Lebanon is yet another nation where various internal and external political forces are vying for power. On Tuesday, a leading anti-Syrian Lebanese politician, Pierre Gemayel, was assassinated in Beirut. An ally of his, parliament leader Saad Hariri, immediately claimed that Syria was behind the murder.

Mr. Hariri's father, Rafik, a former prime minister, was assassinated last February, and the US and anti-Syrian Lebanese politicians have blamed Syria for that murder as well, which they allege was designed to bolster the pro-Syrian, Iran-backed Hizbullah inside the country.

Mr. Cordesman says events like the Gemayel assassination in Lebanon underscore the likelihood that neither Iran nor Syria will become very cooperative on issues that the US cares about - withdrawing support from Hizbullah in Syria's case, or abandoning its nuclear program in Iran's case - any time soon.

"What everyone needs to understand is that cooperation from Syria and Iran is likely to be very limited, particularly in the short-term," he says.

"Syria is certainly backing the Hizbullah in its efforts to achieve a new level of political influence in Lebanon and it has the feeling that it's less vulnerable to any kind of US action now, ... and when Iran goes out and carries out the most provocative

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military exercise in recent history, this may not be a symbol of compromise." He was referring to recent Iranian military exercises in the Gulf.

The State Department reacted with skepticism about Iran's intentions in Iraq, but said it was up to Iraq to decide whether to attend. "It's their call; it's their decision," deputy spokesman Tom Casey said in Washington.

Bomb Blasts Speaker's Car In Green Zone (NYT)

By Edward Wong

The New York Times, November 22, 2006

BAGHDAD, Nov. 21 — A bomb exploded in an armored car belonging to the speaker of Parliament, wounding the American security guard who was driving it out of a parking area in the government Green Zone and disrupting a meeting of lawmakers nearby, a parliamentary aide said.

Though the speaker, Mahmoud al-Mashhadani, was not in the vehicle and was unscathed, the assassination attempt was one of the most serious breaches of security yet within the Green Zone, the heavily fortified government district on the west bank of the Tigris River.

The bomb, which exploded in midafternoon, was planted inside a decoy armored car that was part of the speaker's regular convoy and resembled the one he usually used, said the parliamentary aide, who spoke on condition of anonymity because he was not authorized to talk publicly about the attack.

Only part of the bomb exploded, the aide said. A police official said investigators believe that the bomb was planted inside the Green Zone and detonated by cellphone.

Mr. Mashhadani, a hard-line Sunni Arab nationalist reviled by many Shiites, was attending a Parliament meeting inside the Green Zone convention center at the time of the explosion. He and other legislators were forced to stay inside for hours afterward while the American military secured the area.

In the summer, senior Shiite and Kurdish leaders, backed by some American officials, called for his ouster because of inflammatory comments he had made about various groups in Iraq and about the American presence.

The most serious breach of security inside the Green Zone occurred in October 2004, when insurgents set off two bombs in crowded areas that killed at least five people, including three Americans. Individuals have also been attacked there: at least one foreign jogger was reportedly stabbed, and another intentionally hit by a vehicle.

While Parliament members stewed inside the convention center, a senior Kurdish legislator said in a telephone interview that the president, Jalal Talabani, had accepted an invitation from the president of Syria, Bashar al-Assad, to meet in Damascus. Such a meeting would be the highest-level diplomatic discussion between the two countries in decades, and would seal a reconciliation that took place this week with the visit of the Syrian foreign minister here.

No date has been set for Mr. Talabani's visit, said the legislator, Mahmoud Othman, a member of the Kurdistan Alliance. The invitation was delivered to Mr. Talabani by the Syrian foreign minister, Walid al-Moallem, who came to Iraq to re-establish diplomatic ties that were severed in 1982, after Syria sided with Iran in the Iran-Iraq war.

Mr. Talabani is scheduled to visit Iran this weekend, months after Prime Minister Nuri Kamal al-Maliki made his first trip there. Mr. Othman said there were rumors that the Iranian government had also invited Mr. Assad to the meeting, but there was no definite sign that any senior Syrian officials would attend.

Meanwhile, the White House announced that President Bush would meet with Mr. Maliki in Jordan next week to discuss the security situation in Iraq.

Early Tuesday, American and Iraqi forces raided the Shiite district of Sadr City in eastern Baghdad and detained a man the American military identified as the leader of a kidnapping ring in connection with the abduction last month of an American soldier, Specialist Ahmed al-Taie. Soldiers detained six other Iraqis.

The raid sparked a battle that involved fire from American aircraft. A Shiite official in the district, Sheik Abdul Zahra al-Suaidi, said in a telephone interview that five civilians had been killed in the fighting, including a woman and a child, and 15 others were wounded.

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A spokeswoman for the American military, Lt. Col. Josslyn Aberle, said in an e-mail message that “there may have been civilian casualties.”

Across Baghdad, at least 29 bodies were discovered Tuesday, an Interior Ministry official said. In Diyala Province, at least 13 people were killed in scattered violence.

Iraqi Parliament Speaker Escapes Car Bombing (WP)

By Nancy Trejos

The Washington Post, November 22, 2006

BAGHDAD, Nov. 21 -- A car bomb exploded inside the heavily protected Green Zone on Tuesday in an apparent attempt to kill Iraq's controversial speaker of parliament.

About 2 p.m., a small bomb exploded in one of the armored cars in Mahmoud al-Mashhadani's motorcade as it approached the convention center where parliament meets, said Lt. Col. Christopher C. Garver, a spokesman for U.S. forces in Iraq. Mashhadani was not in the car, and the driver survived, Garver said.

Bomb-sniffing dogs then detected explosives in another vehicle, Garver said. Bomb specialists detonated that car, which set off a series of blasts that caused a fire but injured no one and caused no major damage to nearby structures.

Members of parliament were forced to stay inside the convention center for about four hours until the fire was extinguished and the area deemed safe, Garver said. "They were told to remain inside for their safety," he said.

Garver said he was not sure how the explosives made it so far into the Green Zone, which houses the Iraqi government, the U.S. and British embassies and thousands of foreign troops and private contractors. Anyone trying to enter the zone must pass through several checkpoints -- first to get into the complex, then to enter individual buildings.

The Green Zone has been a frequent target of mortar and rocket attacks, but although bombs have exploded at checkpoints at entrances to the zone, they rarely infiltrate the fortresslike compound. "Obviously, there is an investigation going on," Garver said.

Mashhadani is the fifth high-ranking Iraqi government official to be targeted in recent days. An outspoken Sunni Arab, Mashhadani last summer called the U.S. occupation "the work of butchers." Shiite and Kurdish groups called for his ouster after that and other provocative comments.

On Tuesday, his supporters reacted angrily to news that he had been targeted for assassination.

"We condemn and denounce this act, and we consider this as a criminal act, for Dr. Mashhadani is valuable to us," said Ammar Wajih, director of the media office at the Iraqi Islamic Party, a leading Sunni Arab group.

As Tuesday's assassination attempt and infiltration of the Green Zone highlighted Iraq's deteriorating security situation, the government moved to stabilize relations with a long-hostile neighbor. By signing an accord to restore diplomatic ties with Syria, ending a quarter-century of enmity, Iraqi leaders said they hoped to stem the flow of foreign insurgents across their common border.

"The flag of Iraq will be raised in the sky of Damascus and the flag of Syria will be raised in the sky of Baghdad, and ambassadors will be named," Iraqi Foreign Minister Hoshyar Zebari said at a news conference in Baghdad with his Syrian counterpart, Walid al-Muallem.

The two countries had been at odds since the 1980s, when Syria sided with Iran in its war against Iraq. Most recently, U.S. and Iraqi leaders have accused Syria of doing too little to stop foreign fighters from crossing into Iraq.

In signing the agreement, Muallem abandoned his demand that the United States set a timetable for the withdrawal of troops from Iraq. Instead, he agreed that the troops should stay until no longer needed.

The agreement came as Iraqi President Jalal Talabani prepared to leave Friday for a weekend meeting with Iranian President Mahmoud Ahmadinejad in Tehran. Ahmadinejad had hoped to include Syrian President Bashar al-Assad in the summit, but Ali al-Dabbagh, the official spokesman for the Iraqi government, said there were no plans for Assad to join them.

He did, however, say that the Syrian leader has invited Talabani and Iraqi Prime Minister Nouri al-Maliki to Damascus to talk about regional solutions to the sectarian violence within Iraq. "The invitation is there, and then we'll work it out to find a convenient time," he said.

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Also Tuesday, U.S. and Iraqi forces raided Sadr City, Baghdad's vast Shiite slum, and captured seven members of the Mahdi Army, a militia loyal to Shiite cleric Moqtada al-Sadr. One of the men was believed to know the whereabouts of Ahmed Qusai al-Taayie, a U.S. soldier who was kidnapped a month ago while visiting his Iraqi wife in Baghdad, officials said.

In Ramadi, there were reports by witnesses and a hospital physician that Abu Zaid al-Tunisi, a senior aide to al-Qaeda in Iraq's former leader Abu Musab al-Zarqawi, was killed in a U.S. airstrike Monday night. Garver, the military spokesman, said Tuesday that he could not confirm the reports.

Special correspondents Saad al-Izzi and Naseer Mehdawi in Baghdad and other Washington Post staff in Iraq contributed to this report.

Perfect Killing Method, But Clear Targets Are Few (NYT)

By C. J. Chivers

The New York Times, November 22, 2006

KARMA, Iraq, Nov. 16 — The sniper team left friendly lines hours ahead of the sun. They were a group of marines walking through the chill, hoping to be in hiding before the mullahs' predawn call to prayer would urge this city awake.

They reached an abandoned building. Two marines stepped inside, swept the ground floor and signaled to the others to follow them to the flat roof, where they crawled to spots along its walls in which they had previously chiseled out small viewing holes.

Out came their gear: a map, spotting scopes, binoculars, two-way radios and stools. The snipers took their places, peering through the holes, watching an Iraqi neighborhood from which insurgents often fire. They were hoping an insurgent would try to fire on this day. The waiting began.

If the recent pattern was any indication, the waiting could last a long time. This was this sniper team's 30th mission in Anbar Province since early August. They had yet to fire a shot.

More than three years after the insurgency erupted across much of Iraq, sniping — one of the methods that the military thought would be essential in its counterinsurgency operations — is proving less successful in many areas of Iraq than had been hoped, Marine officers, trainers and snipers say.

In theory, Western snipers are a nearly perfect method of killing Iraq's insurgents and thwarting their attacks, all with little risk of damaging property or endangering passers-by. But in practice, the snipers say, they are seeing fewer clear targets than previously, and are shooting fewer insurgents than expected.

In 2003, one Marine sniper killed 32 combatants in 12 days, the snipers say, and many others had double-digit kill totals during tours in Iraq. By this summer, sniper platoons with several teams had typically been killing about a dozen insurgents in seven-month tours, with totals per platoon ranging from 3 to as high as 26.

The gap between the expectations and the results has many causes, but is in part a reflection of the insurgency's duration. With the war in its fourth year, many of the best sniping positions are already well known to the insurgents, and veteran insurgents have become more savvy and harder to kill.

In some areas of Iraq, where the insurgents are less experienced or still fight frontally, snipers have had better rates of success, including the platoon with 26 kills. But many areas, the snipers say, have become maddening places in which to hide and hunt.

"A lot of Marine battalions have rotated through these same areas for six or seven months at a time," said Staff Sgt. Christopher D. Jones, the platoon sergeant of the Scout Sniper Platoon in the Second Battalion, Eighth Marines. "But the insurgents live here. They know almost all the best places that have been used. Before we even get here, they know where we are going to go."

Moreover, the insurgents have developed safeguards, using shepherds and children to look for snipers in buildings and heavily overgrown areas, and networks of informants to spread the word when a sniper team has taken up a new position. "These days we're lucky if we can go 12 hours without getting compromised," he said.

In the Marine Corps, snipers have long been a culture within the culture, a group of quiet, highly competent infantrymen selected for their field skills, self-discipline and shooting expertise.

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Picked from the ranks, they are trained at a 10-week school that develops their skills in hiding, stalking and long-range marksmanship. Each infantry battalion has a platoon of snipers, who typically work in small teams apart from the rifle companies. They are considered elite.

But some snipers now worry that the difficulties they face have been compounded by rules and conditions placed on them by senior military leaders.

Marine snipers have customarily trained to work in two-man teams who hide and stalk for days, seeking targets a half-mile or more away. Often an area might be saturated with snipers, so they can support and protect one another while confusing an enemy force with different angles of fire.

This way, according to their thinking, they can kill more enemy combatants, and sow more fear.

Those two-man teams are not allowed in Iraq, in part because of the killings of two groups of snipers earlier in the war.

In the first episode, in 2004 in Ramadi, four Marine snipers were killed without firing a shot, apparently after being surprised in a shooting position in an urban area, known in sniper jargon as a hide. An investigation suggested that they had been overwhelmed and executed.

In 2005, a six-man sniper team from a Marine reserve unit was killed in Haditha. The insurgents videotaped a display of the slain team's equipment, including a marine's dog tags, and circulated the spectacle on the Internet.

The losses have made commanders hesitant to send out small teams, Marine officers said, a decision that many snipers said inhibits their work.

Snipers argue a counterintuitive point, saying that even though two-man teams have less firepower and fewer men, they are safer because they can hide more effectively.

Sgt. Joseph W. Chamblin, the leader of the battalion's First Sniper Team, said the sniper community was suffering from an overreaction. "It's sad that they got killed, but when you think about it, we've been here three years, going on four, and we've only had two teams killed," he said. "That's not that dramatic."

Sergeant Chamblin killed for the first time on Nov. 10, shooting an insurgent who was putting a makeshift bomb beside a bridge near Saqlawiya, near Falluja, a spot where a similar bomb killed three marines and a translator this summer.

He said snipers were willing to assume the risk of traveling in pairs. "It's a war," he said. "People are going to die, and the American public needs to get over that. They need to get over that and let us do our job."

Snipers also say that other force-protection issues are limiting their operations, including requirements to wear helmets and flak jackets, which slow snipers down and make hiding more difficult.

"You go to a 10-week sniper course and never in that course are you in Kevlar and a helmet," Sergeant Jones said. "Then you come to Iraq and immediately you're in your flak jacket and helmet, and you've got a huge pack of gear."

Sergeant Chamblin agreed. "We are carrying way more stuff than we can be tactically sound with," he said. "My arms are numb because my pack is so heavy. Sometimes, on my missions, my pack has weighed more than I have, and I weigh 150 pounds."

The military has also tightened rules of engagement as the war has progressed, toughening the requirements before a sniper may shoot an Iraqi. Potential targets must be engaged in a hostile act, or show clear hostile intent.

The marines say insurgents know the rules, and now rarely carry weapons in the open. Instead, they pose as civilians and keep their weapons concealed in cars or buildings until just before they need them. Later, when they are done shooting, they put them swiftly out of sight and mingle with civilians.

With almost no Iraqi police officers available in Anbar Province to check loiterers and suspicious cars, the snipers said, the insurgents have moved freely, making it difficult to tell from afar which people are dangerous, even when they have been violating the law.

Although the teams are frustrated, Lt. Col. Kenneth M. DeTreux, the battalion's commander, said they still influenced the insurgents, who tend to avoid areas that are watched. The presence of snipers can keep a road free of bombs, he said.

"Our scout sniper teams have a deterrent effect," he said. "That's not wishful thinking. The insurgents fear our snipers."

Still, the snipers want to thin the insurgents' ranks, not just deter them. Some of their difficulties were evident on the roof on a recent day, when the battalion's Fourth Sniper Team sat, watching through holes in the wall.

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Karma is a scene of frequent violence, and below them was a favored insurgent area. Once during the day they thought they had been spotted, and three marines swept the building below to make sure they were safe. They were.

They returned to peering through the holes. Other holes could be seen in buildings nearby — previous sniper positions, and a sign that insurgents probably knew the area is often watched.

"I've got a shady-looking guy," Lance Cpl. Nathan D. Leach, the assistant team leader, said as he observed a suspicious man. "He's got his hand behind him. Looks like he's got something under his shirt."

Lance Cpl. Keeghan O'Brien, the radio operator, interjected, "You see where that guy went?"

Cpl. Jason A. Dufault, the team leader, responded, "No, he walked behind a building and disappeared." A few hours later, several shots were heard from the neighborhood, and rifle-launched grenades sailed through the air. They landed behind the snipers, near a platoon-sized Marine position, exploding with a series of thunderous cracks.

The snipers peered around, seeking a shot. Another sniper team was also in the area, watching over the Marine position, too. No one saw a thing.

The insurgents were within a few hundred yards, but had found a seam. Several hours later, in the blackness again, the team picked up and moved, still waiting for a target after more than three months in Iraq.

New Suits Protect Troops Under Fire (USAT)

By Tom Vanden Brook

USA Today, November 22, 2006

FALLUJAH, Iraq — Marine commanders are outfitting their troops with flame-resistant flight suits in Iraq to ward off burns from the No. 1 killer here: roadside bombs.

It's another sign of how troops in the field have adapted to the deadly insurgency. Earlier in the war, troops added their own armor to vehicles and devised their own makeshift electronic jamming devices to foil the growing power and sophistication of the bombs they encountered.

Marine commanders in Iraq took the initiative to issue flame- and heat-resistant clothing made from a DuPont-manufactured fiber called Nomex, said Lt. Col. Bryan Salas, a spokesman for Multi-National Force West. That group commands about 33,000 troops in western Iraq, the heart of the Sunni-based insurgency.

The intense heat from the bombs, called improvised explosive devices or IEDs, led Marine commanders to get the protective apparel, Salas said.

Troops who ride in tanks, trucks and armored personnel carriers received most of the first suits.

Explosives kill or wound more troops than any other weapon in Iraq, according to Pentagon records. Through Tuesday, roadside bombs have killed more than 1,200 U.S. servicemembers and wounded more than 11,000 others.

So far, the Marines have issued more than 12,000 fire-resistant suits, said Capt. Jeff Landis, spokesman for the Marine Corps Systems Command.

Only those Marines who leave forward operating bases receive the suits, Landis said, so there's been enough to go around.

In February, the Marines started a research and development program to develop clothing — including shirt, gloves and suit — to help troops survive a fiery blast.

Marines stationed in restive Anbar province in western Iraq say they like the flame-resistant suits.

"The Marine Corps made a great decision with the issuing of flight suits to Marines in vehicles," said Marine Capt. Eric Dominijanni, 34.

He sends his Marines from the 5th Regimental Combat Team on patrol every day over roads pockmarked and scorched by bomb blasts. "Remember, all vehicles have fuel tanks," Dominijanni said. "If they explode, the suits protect us from burns"

Members of the 5,000-strong combat team received their first suits in February, said Lt. Joseph King, a Marine spokesman. Troops received more of the dun-colored suits, dubbed "Poop Suits" by the Marines, in the spring, King said.

The Army also has begun to issue fire-resistant flight suits to tank and truck drivers in Iraq, said Lt. Col. Carl Ey, an Army spokesman at the Pentagon.

Next year, the Army plans to issue fire-resistant pullovers, boots and socks, records show.

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Family Stands By A Marine Under Investigation (WP)

By Josh White, Washington Post Staff Writer

The Washington Post, November 22, 2006

Darryl Sharratt often breaks into tears when trying to start sentences that include the word "Haditha." A stoic foreman from Pennsylvania, he struggles with painful concepts such as betrayal and helplessness. His wife, Theresa, puts her hand on his shoulder and tries to talk through the anguish.

"I love my son. He's my hero," Theresa Sharratt says calmly. "He's not what they're portraying him as. I can't believe that this is happening to us. To him."

Their dining room table is covered with photographs, scrapbooks, letters and trinkets belonging to their son, Lance Cpl. Justin Sharratt, a 22-year-old Marine who had dreamed his entire life of joining the military. Now, the Sharratts are fighting to preserve his reputation, as he is one of a handful of Marines who are being investigated over the slayings of two dozen Iraqi civilians on Nov. 19, 2005.

The Sharratts have remained silent until now because they did not know what to say. They have avoided learning details of their son's possible involvement in the shootings while they have struggled to understand what might have happened in a war zone thousands of miles away. They have privately fumed about politicians -- such as Rep. John P. Murtha (D-Pa.) -- who have publicly stated that their son was part of a brutal, vengeful slaughter. And they are livid that no one in the Marine Corps has stepped forward to defend their son.

"He's very confident he did nothing wrong, and we believe him," Theresa Sharratt said in a recent interview in the family home in Canonsburg, Pa., which is south of Pittsburgh. Her husband wiped his eyes and added: "He felt he was doing his job. And, now, the Marine Corps has betrayed these guys. All of them."

The incident in Haditha was not widely known until the past spring, when Time magazine wrote an account of the civilian deaths in a small group of homes in the insurgent hotbed. Early reports alleged that Marines with Kilo Company, 3rd Battalion, 1st Marines, snapped after a member of their unit was killed by a roadside bomb, sending them on a rampage through nearby homes. There were also allegations of a coverup.

Attorneys for the Marines -- including Staff Sgt. Frank D. Wuterich, the most senior noncommissioned officer at the scene of the shootings -- have said repeatedly that their clients followed the appropriate rules of engagement and killed the civilians as they were hunting insurgents responsible both for the roadside bombing and for a volley of shots from what the Marines believed were AK-47 assault rifles.

"They responded the way they were trained," said Jack B. Zimmerman, an attorney for Lance Cpl. Stephen Tatum, 25, who officials believe was one of the Marines who fired shots. "Anytime you're involved in house-to-house urban warfare in an inhabited area, there's going to be the risk that civilians will be in harm's way. It's very unfortunate that women and children died, but the issue here is what was going through these guys' minds when they were taking fire, and did they respond the way they were trained to?"

Marine Corps officials have declined to comment about the case, as a nine-month investigation rests in the hands of prosecutors who have not yet decided on charges. A high-level review of whether commanders did not appropriately investigate the Haditha incident was completed in Iraq in July and the results are with commanders there, though Pentagon officials have so far declined to release the findings.

Wuterich, through his attorneys, has outlined a scenario that portrays the Marines reacting in a clinical way, noting that the squad was taking fire from the houses and attacked them, "clearing" rooms with grenades and gunfire.

In a separate account, recently obtained by The Washington Post, other Marines in the squad reported seeing, hearing and feeling gunshots flying over their heads in short bursts immediately before they entered the houses. The scenes inside, according to the account, were chaotic, as Marines threw fragmentation grenades and then fired shots through the dust and smoke.

One Marine who was in the convoy that day said that no one overreacted to the death of their friend, Cpl. Miguel "TJ" Terrazas, and that the troops focused on the mission. Answering written questions under the condition of anonymity, the Marine said no one seemed to be out for revenge. Instead, he said, the men wanted to make sure comrades came out from the ambush alive.

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"If they were going to charge us, then you may as well charge every Marine and soldier in Iraq," the Marine said. He added that members of his squad "did not realize that civilians had been killed until they went back through the houses to assess collateral damage."

Military officials familiar with the investigation said there is some evidence that could show wrongdoing, including images, taken by an unmanned aircraft, that appear to show that a group of civilians shot near their car -- which had approached the Marine convoy after the bomb went off -- were executed. At least one Marine has told officials that he saw another Marine standing over the bodies and emptying his rifle's clip into them, according to two people closely familiar with the case.

Others have said that the shots that killed women and children inside the houses appeared to be "well-aimed," though defense attorneys have challenged that assessment as speculation because there is so little physical evidence to support it. The official investigation did not begin until months after the shootings, and some critical evidence was lost.

It is unclear what, if any, charges the Marines will face. Officials said this week that criminal charges could be announced in the next few weeks against as many as half a dozen men.

"My client did not engage in any conduct that we believe is criminal," said Gary Myers, an attorney for Sharratt. "Our position is that anything he did engaging the enemy was consistent with rules of engagement at the time."

Sharratt enlisted in the Marines just before his 18th birthday -- a decision his family supported -- and deployed to Iraq in 2004. He spent time in Fallujah, where he took part in the major offensive to take the city and used close-combat "clearing" tactics on enemy houses. He was deployed to Haditha the next year.

The Sharratts used to worry about their son's safety and how he dealt with the loss of friends -- "Don't worry about me, I can handle it," he had said to his mother. Now they worry that he is caught up in a political storm.

"Somebody's going to pay, and we're so afraid it's going to be the young guys," Theresa Sharratt said. "He believes he didn't do anything wrong."

But Darryl Sharratt says America has already convicted his son and the other Marines, and he feels helpless, lost, as he awaits a decision on possible charges.

"For 18 years, I protected him. And now I can't do anything about it," he said. "I just want the Marine Corps to stand up and say the Marines couldn't have done this and didn't do it. I blame them for letting it go on for this long."

Officials: Afghanistan Needs More Troops (AP-Y)

By Lolita C. Baldor

AP, November 22, 2006

More troops and sophisticated equipment are needed to bolster Afghanistan's security forces, but it is not clear whether more U.S. troops will be deployed there, U.S. and Afghan defense officials said Tuesday.

Lt. Gen. Karl Eikenberry told Pentagon reporters that U.S. officials will wait until after next week's NATO summit in Latvia to see how many troops other countries plan to provide before deciding if more U.S. forces must be sent to Afghanistan.

"I think it will be best at this point to wait and see what NATO is able to provide," Eikenberry said. "There's more meetings that are taking place on the military staff. And this is very high on their agenda."

U.S. military leaders have been pushing NATO members to meet their commitments and provide more troops in Afghanistan. For months, officials have said that NATO nations have provided only 85 percent of the support they promised. There is a NATO-led force of about 30,000 in Afghanistan, including some 12,000 U.S. troops. An additional 11,000 American troops are there under U.S. control, conducting counterterrorism operations and other training and reconstruction duties.

The Afghan minister of defense, Gen. Abdul Rahim Wardak, who met Tuesday with Defense Secretary Donald H. Rumsfeld, said his country needs more firepower, transport planes and armored vehicles. The Afghans have asked for additional helicopters and aircraft that can move troops and supplies through the mountainous regions.

Eikenberry said some body armor, helmets and other equipment are already being provided to the Afghan National Army. He added that there have been no final decisions on what other weapons and aircraft would be provided, and therefore he could not provide any cost estimate.

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He said now is an appropriate time to give the Afghans more sophisticated equipment because they are better able to operate and maintain the equipment. It will be less expensive to equip the Afghans than continue to use U.S. troops and equipment in the war there, he said.

Wardak said Afghanistan is accelerating its training program for the army, and hopes to have about 70,000 troops by October 2008 — several years ahead of schedule. He said officials are hoping that NATO "will take a more effective role in equipping and training the Afghan national security forces."

"Once we are well-trained and well-equipped, we will be able to repay some of our debt to the international community by participating in peacekeeping operations," said Wardak, adding that Afghanistan would also be able to be "a permanent part of the war against terrorism."

In other comments, Eikenberry said the ongoing hunt for Osama bin Laden continues, and it "remains as much of a priority as it has since the United States of America was struck on 9/11."

Afghanistan Could Again Be Engulfed By Civil War (FT)

By Rachel Morarjee

Financial Times, November 22, 2006

Here in this extraordinary piece of desert is where the future of world security in the early 21st century is going to be played out.

Speaking those words on Monday at Camp Bastion, the British military base in Afghanistan's southern Helmand province, Tony Blair made clear to the 800 troops lined up to meet him that the UK and its allies would "stand up and defeat" the resurgent Taliban.

It was a commitment the visiting prime minister later repeated to President Hamid Karzai in the leafy grounds of the Afghan leader's palace in Kabul. Mr Blair's concern was the battle against Taliban supporters and their al-Qaeda and drug gang allies in the bitterly contested south of the country, where violence has risen to heights not seen since the toppling five years ago of their authoritarian regime.

The 5,200 British troops stationed in Helmand – part of a 32,800-strong Nato-led force in the country – have faced almost daily fighting that has been as fierce as many engagements in Iraq. More than 3,700 people have been killed this year, most of them in the south and east, where Taliban's Pashtun fighters remain the biggest threat to Afghanistan's fragile democracy.

On Nato maps, Afghanistan's southern provinces and eastern areas along the border with Pakistan are shaded a fiery red, reflecting the hot spots of a persistent insurgency. By contrast, the northern and western provinces are shown in green, dotted with yellow to indicate pockets of instability.

But the colour-coding is deceptive. The government and its international backers can no longer take the relative peace of the north and west for granted. It is becoming clear that warlords and commanders from other ethnic groups are increasingly a menace.

The Northern Alliance warlords – who, backed by a US air campaign, swept the Taliban from power in 2001 and in Bonn that December set out a five-year blueprint for democracy – have been marginalised by Mr Karzai's government. Many are angry about being pushed aside and hostile to anything that will erode their power at a local level – from counter-narcotics efforts to police reform.

"In the south the Taliban is an armed opposition but in the north there is growing political opposition. The government is being pushed from both sides," says Saleh Registani, a member of parliament from the fortress valley of Panjshir, just north of the capital, which held out against Taliban fighters in the 1990s. "The security crisis is spreading like an oil slick across the country."

Afghanistan is a nation riven by ethnic and factional divisions, which flared into a bloody civil war that left thousands dead before the Taliban militia swept to power in 1996. "The insurgency in the south has the potential to open up fissures along ethnic and factional lines which have so far been contained," says Joanna Nathan, senior South Asia analyst with the International Crisis Group.

Moreover, the war in the south is draining attention and resources from the north and west and stoking public anger towards the government in those regions, western officials in Kabul warn. "We do have a serious problem in the south, but the

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north is a ticking time-bomb. There is not a single unifying leader and there is the potential for chaos," says a diplomat in Kabul. "We are moving back to the days of the civil war where all the neighbouring countries were worried, concerned and involved in Afghanistan."

The issue will be at the centre of a two-day Nato summit that starts in the Latvian capital, Riga, next Tuesday. That follows the transfer of peacekeeping command to the alliance from the original coalition forces in eastern Afghanistan, the final phase of the nationwide deployment of its International Security Assistance Force.

The north is not immune from attacks by the Taliban and other disruptive forces, with incidents in Herat city in the west and the northern city of Kunduz, where German troops are based and which saw its first suicide attack in June. Islamic militants linked with the Hezb-e-Islami group headed by Gulbuddin Hekmatyar, who appears on US most-wanted terror lists, have been active in the north this summer, as have others linked to Afghanistan's large and rapidly growing drugs trade.

"What you have is a thinly spread gloss of governance over an area that is not under any power broker's control. It is fragmenting," says a senior US official in Kabul, adding that any attempt to force a government presence further into the north and west could kick off violent power struggles.

Local militia commanders are rethinking their backing of the central government and Islamic militants are moving to mobilise support outside their southern strongholds by exploiting the factional fault-lines in the north and the west. As the fighting has raged in the south, the instability has begun to infect previously secure areas.

"The north has become very unstable. A lot of weapons have been distributed and stockpiled. The warlords of all ethnic groups have come together with the drug mafias," says Mohamadullah Shoiab Shamkar, deputy director of tribal affairs for Fedayeen-e-Sol, a group of tribal elders from around Afghanistan who are looking at ways to stem the growing insecurity. "None of these people wants the constitution or the rule of law to succeed."

Since July in Faryab province, which borders Turkmenistan, there has been a spate of factional battles between forces loyal to Gen Abdul Rashid Dostum, an Uzbek warlord, and a rival commander. Their brief clashes have killed tens rather than the hundreds who have died in battles between the Taliban and Nato troops in the south but could herald more trouble to come. "The tensions between warring factions are now being exploited by insurgents and we have reports of militant activity in the south of Faryab," says one person involved with the Nato-led force in the country.

The bulk of the 2,700 troops in the north are German and are constrained by caveats that would not allow them to leave their bases to intervene in a big clash in the region. Italian, Spanish and Lithuanian troops in the west are similarly hidebound.

Last month, gun battles between rival factions in Shindand, near Herat, left about 30 dead. The main factor holding the west of Afghanistan together is the positive influence of neighbouring Iran, which "is pumping a lot of money into the reconstruction of the west", says a senior US administration official in Washington.

True, the standing armies of the leading warlords who ousted the Taliban – such as Abdul Rashid Dostum, Ismael Khan and Mohammed Atta – have been disbanded. Their factions remain splintered, even in parliament, where they are unable to present a solid block against the Afghan government. But the fault lines between the groups are exposed and ready for insurgents linked with the Taliban to exploit.

Riots that swept Kabul six months ago, leaving more than 20 dead, emboldened factional leaders across the north and west. The May violence in the capital sent a signal about the weakness of the central government around the country, says Nader Nadery, head of the Afghan Independent Human Rights Commission. "Commanders in the north saw the riots in Kabul just 5km away from Karzai's palace and asked themselves, 'Why should we be afraid of these guys sitting in the capital and give up our guns?' "

Weapons prices in northern Afghanistan more than doubled over the summer as commanders again began stockpiling arms. Consequently a UN-backed programme to disarm illegal militias has ground to a halt countrywide.

As local commanders seek to strengthen their hands against the central government, aid and reconstruction workers are increasingly being caught in the crossfire. Since the beginning of the year, more aid workers have been killed in the north and west of Afghanistan than the south.

Nine staff with aid agencies or the UN were killed in the north, 13 in the west and four in and around Kabul, compared with two in the south, according to the Afghanistan NGO Security Network. Although there are fewer aid workers in the restive south

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and east, the numbers also reflect the remobilisation of Islamic militant groups such as Hezb-e-Islami in the north and west as well as growing lawlessness linked to drugs and crime.

As the traditional ethnic enemies of the Pashtun Taliban who hail from the south and east, the Tajik, Uzbek and Hazara militia in the north and west are against the Taliban's return – but this may have lulled western governments into a false sense of security.

Michael Shaikh, a researcher with New York-based Human Rights Watch, says that Northern Alliance leaders – who battled each other and then the Taliban during the civil war of the early 1990s before coming to power in 2001 – need the Karzai government as a bulwark against the violence in the south. But he adds: "That doesn't mean they won't try to weaken the government and try to gain autonomy in their own areas. There are factors up there that could enable an insurgency."

With leading members of the Northern Alliance sidelined by Mr Karzai, their support for the government is waning, western officials and Afghan legislators say. "We agreed to work together in Bonn. We had an unofficial agreement. It was a promise but it was our mistake to trust Karzai. He called all the Northern Alliance leaders warlords and none of them are in positions of power now," says Mr Registani.

Younus Qanooni, parliamentary speaker and one of the architects of the Bonn agreement for the Northern Alliance, says the government is losing support and could face a crisis of public confidence. "We have seen that people who laid the foundations of the government have been pushed to the side," he says.

Although many of the marginalised still support the government, that could easily change.

Additional reporting by Guy Dinmore

39 Suspected Taliban Jailed In Pakistan (AP-Y)

By Abdul Sattar

AP, November 22, 2006

Police arrested 39 Afghans suspected of being Taliban fighters in the southwestern Pakistani city of Quetta, an official said Tuesday, though an Islamist group insisted the detainees were only students.

The arrests late Monday and early Tuesday came in separate raids on rented houses in areas with large Afghan refugee populations, said Chaudhry Mohammed Yaqoob, chief of police in Baluchistan province, whose capital is Quetta.

Pakistan is under pressure from the U.S. and neighboring Afghanistan to do more to detain Taliban militants or extremists allied with the toppled Afghan regime. The Pakistani government denies turning a blind eye to such activities, saying it is doing its best to crack down on militants.

Police are interrogating the suspects to learn if any senior Taliban figures were among them, Yaqoob said. Afghan officials have alleged Taliban leader Mullah Omar is in Quetta, but Pakistan has rejected the claim.

A spokesman for a pro-Taliban Islamic group protested the arrests, claiming the men were Islamic students and not fighters.

"They came here to study. They have no link with fighting," said Abdul Sattar Chisti of Jamiat Ulema-e-Islam party, a key member of a six-party Islamic political coalition.

Dozens of Taliban suspects have been arrested in the city in recent months, with many handed over to Afghan authorities, Yaqoob said. Among them are militants being treated at Quetta hospitals after being wounded in clashes with NATO and U.S. forces in Afghanistan, he said.

Pakistan had supported the Taliban before severing ties with the militia and backing the United States after the Sept. 11, 2001 attacks.

Max Boot: Cutting And Running On Our Allies (LAT)

Max Boot

The Los Angeles Times, November 22, 2006

Washington's history of abandoning friends doesn't give Iraqis much confidence.

MANY AMERICANS have been wondering why so many Iraqis are willing to fight for militias and terrorist groups but not for the American-backed government. Look at it from their perspective. Would you stake your life on a regime whose existence

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depends on Washington's continuing support? Given our long, shameful record of leaving allies in the lurch, that has never seemed to be a smart bet.

We have been betraying friends since our first overseas conflict, against the Barbary pirates who captured ships off the African coast and enslaved their crews. To defeat the pasha of Tripoli, the U.S. made common cause with his brother, Hamet Karamanli. In 1804, American envoy William Eaton led a motley force of mercenaries and Marines across North Africa to install Karamanli on the throne. The offensive was called off prematurely when President Jefferson's envoy reached a deal with the pasha to free his American captives in return for $60,000. Karamanli was evacuated to the U.S., but his family members were left as hostages. Eaton raged: "Our too credulous ally is sacrificed to a policy, at the recollection of which, honor recoils, and humanity bleeds."

Something similar could have been said about U.S. conduct after World War I. President Wilson was the leading champion of "national self-determination" at the Paris Peace Conference in 1919, yet the U.S. did nothing to safeguard the states he helped midwife. We stood by, for instance, when Czechoslovakia and Poland were occupied by the Nazis. This callous indifference was repeated after World War II when we did too little to save the Eastern Europeans from Russian occupation.

Postwar U.S. administrations compounded this duplicity when they urged the "captive" peoples behind the Iron Curtain to seek their freedom and yet did nothing to help the East Germans in their 1953 uprising, the Hungarians in 1956 or the Czechs in 1968. No one is suggesting that Washington should have risked World War III, but we might have put more diplomatic and economic pressure on the Soviet Union to mitigate the worst of their crackdowns. If we weren't willing to do even that, we shouldn't have instigated the uprisings in the first place.

Cuban anti-communists fared just as poorly at American hands. On April 17, 1961, 1,500 exiles organized by the CIA landed at the Bay of Pigs. The Cuban army counterattacked, and the rebels were killed or captured. The outcome might have been different if the U.S. had been willing to provide air cover, but President Kennedy refused to do so because he wanted to hide U.S. complicity.

In the following years, the U.S. waged a massive war to stop a communist takeover of South Vietnam. By 1973, we had tired of the conflict, and the South Vietnamese were left to fend for themselves. Thousands were killed. Many others wound up in brutal reeducation camps or took to the seas in leaky boats.

The U.S. was equally inconstant in its support of the rebels battling the Sandinista government in Nicaragua in the 1980s. We went from backing the Contras to cutting them off, heedless of the cost to fighters who were risking their necks to fight an oppressive regime. And then there was the shah of Iran, installed by the CIA and Britain's MI6 in 1953 and then abandoned by the United States in 1979 — and, unlike Hamet Karamanli, not even given refuge on our shores.

But that was nothing compared to the betrayal of the Iraqi Kurds and Shiites in 1991. President George H.W. Bush urged Iraqis to "take matters into their own hands" and overthrow Saddam Hussein, yet stood by as Hussein's henchmen brutally put down the uprisings. The U.S. did not even shoot down Iraqi gunships, which could have been done at little risk to American forces.

This long trail of American treachery has grave consequences for our foreign policy. It emboldens our enemies (the Bay of Pigs led to the Cuban missile crisis, for example), dispirits our friends and makes it harder to achieve our objectives. Knowing our history, few Iraqi leaders are counting on American support in the future. They're making their deals with the devil, whether neighboring states or sectarian militias. And if we do scuttle out of Iraq prematurely, Afghans and others whose support we seek will get the message again: Don't trust Uncle Sam.

The least we can do is to assure those Iraqis who have worked closely with American forces — whether as janitors, translators, soldiers or bureaucrats — that, if we do leave, they and their families will receive asylum in the United States. We should not sacrifice another "too credulous ally" on the altar of a dishonorable and inhumane policy.

Army Debuts New Slogan In Recruiting Commercials (WP)

By Ann Scott Tyson,

The Washington Post, November 22, 2006

DOJ_NMG_0097136

The Army, facing another tough recruiting season, launched a $200 million-a-year advertising campaign this month and unveiled a new slogan: "Army Strong."

The campaign's core message is that the Army builds not only physical but also mental and emotional strength in recruits, bonding them into a powerful, close-knit team.

"There's strong, and then there's Army strong," a deep male voice intones as martial music rises from a brass band in the background.

The television ads, launched nationwide for Veterans Day along with Internet placements and other outreach, omit all but the most fleeting images related to the all-volunteer Army's biggest endeavor ever: the war in Iraq.

The main 30- and 60-second ads show soldiers jogging in formation, scaling a rope obstacle course and leaping out of a helicopter -- all take place in what appear to be familiar, grassy, domestic settings. The only brief glimpse of what could possibly be Iraq is of a group of soldiers hastily raising a tent -- although, unlike others in the ad, these soldiers wear no helmets or body armor.

There are obvious reasons the Army might not want to underscore to potential recruits, and their parents, that signing up these days almost inevitably means deployment to combat zones in Afghanistan or Iraq, where the majority of the more than 2,850 killed and 21,000 wounded have been soldiers.

The Army missed its fiscal 2005 recruiting target by more than 6,000 soldiers but rebounded last year with the aid of thousands of added recruiters, a doubling of the maximum enlistment bonus to $40,000 and some eased standards. The Army begins fiscal 2007 with another hefty target of 80,000 recruits and only about 15 percent already in the pipeline -- compared with a goal of 25 to 30 percent.

Army officials acknowledge that parents and other influential adults are less likely to recommend military service today because of the ongoing conflicts, and surveys have shown that the wars have made some young people more wary of enlisting.

To address these concerns, two of the ads feature the parents of soldiers -- a farming couple and a mechanic and his wife -- whose worries about Army service evolve into pride. "I was pretty nervous, apprehensive," says the father, wearing a 1st Infantry Division cap and standing beside a cornfield.

"If your son or daughter wants to talk with you about joining the Army, listen. You made them strong, we'll make them Army strong," the announcer says in the English and Spanish ads launched on MTV, the History Channel, the Discovery Channel and other stations.

The television ads are coupled with Internet recruiting initiatives aimed at helping youths do their own research, including a presence on YouTube, Google, Yahoo and MySpace. Last Friday, the campaign expanded to offer potential recruits an "Ask a Soldier" discussion forum at GoArmy.com.

New York advertising firm McCann Erickson designed the campaign after winning the two-year Army contract, which can be renewed for three additional years.

The ads were tested on hundreds of soldiers, although studies show that it is difficult for the military to gain an accurate measure of the effectiveness of advertising, which is relatively expensive compared with other recruiting tools such as educational benefits and bonuses.

Asked how they felt about the "Army Strong" pitch, soldiers at the Pentagon had mixed reactions. "I like it because it gives a better picture of what the Army is," said Lt. Col. Wayne Cherry, a liaison officer for the Army's chief of staff. " 'Army Strong' is like a football team, a baseball team."

Sgt. 1st Class Mark Johnson was less enthusiastic. " 'Army Strong' is not telling me anything. It doesn't touch any emotional string," he said. "I don't think it will inspire people."

While soldiers were still formulating opinions on the new slogan, several held strong views about past ditties such as the nebulous "Army of One," which survived only five years until being replaced by "Army Strong."

"The 'Army of One' got lost in translation," quipped Col. David Reese, director for ministry initiatives of the Army's chief of chaplains. "I like 'Army Strong' because it symbolizes cohesiveness."

By far the most popular recent slogan, according to soldiers interviewed, was "Be All You Can Be," which lasted 20 years until a recruiting downturn saw it changed in 2001.

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"To me, 'Army Strong' is kind of faddish. I've always liked 'Be All You Can Be' -- I missed that," said Lt. Col. Stephen Durham, a logistician.

" 'Be All You Can Be' could have gone on forever. It's such an evergreen thing," another Army official said wistfully.

DOJ:

GAO: DOJ Needs To Fix Classification Problems (GCN)

By Kerri Hostetler, GCN Staff

Government Computer News, November 22, 2006

The Justice Department needs a standard classification system and needs to address its staffing shortage, according to a report issued by the Government Accountability Office.

DOJ and its bureaus, specifically the FBI, were under review to determine if the department implemented the National Archives and Records Administration's Information Security Oversight Office (ISOO) recommendations to correct problems in their document classification systems.

ISOO is responsible for oversight of national security classification programs for Executive Branch agencies. GAO conducted the study because of the important role information protection and sharing plays in preventing terrorist attacks, the report said.

DOJ ranks third in the number of documents classified in the executive branch, behind the Defense Department and the CIA. Within DOJ, the FBI handles 98 percent of that work.

In any DOJ entity, a document can be classified in one of five ways: Limited Office Use Only, For Office Use Only, Law Enforcement Sensitive, Propriety Information or DEA-sensitive (specific to DEA). Each of these designations have "unique definitions and safeguard requirements," but they do not have "specific guidance on the types of information that merit each designation," the report said.

Without specific guidelines, employees do not know if the information warrants a sensitive but classified distinction. The components of DOJ do not train their employees to make these decisions nor do they oversee the process by which employees label the information.

Coordinating the classification process within DOJ will not take place until the end of December. Officials are waiting on results from an interagency work group that is standardizing classification procedures throughout the government. The agency said once these standards are available, they will make additional changes to their component's current practices.

Once the work group's standards are available, auditors recommend the attorney general make DOJ:

Establish specific guidance for applying the designations they will use;

Ensure that all employees authorized to make the designations have the necessary training before they can designate documents; and

Set internal controls for overseeing sensitive but unclassified designations to help ensure that they are properly applied. DOJ has taken action on five of the 10 ISOO recommendations, GAO found. The department has addressed its need to update and make its training more relevant and to fix its component monitoring problems. But Justice needs more people to do this and the department has failed to address its staff shortage issues, which GAO cited as ISOO's most important recommendation.

By not addressing the issue they do not have the resources to fix problems, such as insufficient training and oversight, the report said. Also, the department doesn't know how many people they will need to sufficiently perform its tasks nor does it know which recommendations take priority once the resource void is corrected.

The report said the staff shortage puts the classification program at risk because they are the people who set policy, provide training and oversee classification departmentwide.

ISOO also recommends an increase in DOJ security office clearance, but the agency disagrees with the notion because the program managers of the security office already have access to senior members of the department. Other recommendations not addressed by DOJ include: briefing exiting employees about the need to keep classified information secret, addressing already existing inspection problems and monitoring classification practices.

In all, the FBI implemented or taken action on 11 of the 12 recommendations issued by ISOO.

GAO Sees Risk In Classification (WT)

By Jerry Seper, The Washington Times

The Washington Times, November 22, 2006

The Justice Department's classification program, which determines what information could reasonably be expected to damage the country's national security if disclosed publicly, is at risk because of a lack of adequate staffing, according to a government report.

In a 50-page report yesterday, the Government Accountability Office said the department's classification-management program needs to assess its "optimum" manpower requirements, develop a strategy to meet them, and then implement internal controls "to ensure proper use of sensitive but unclassified designations."

"The September 11 attacks showed that agencies must balance the need to protect and share sensitive information to prevent future attacks," the report says. "Agencies classify this information or designate it sensitive but unclassified to protect and limit access to it."

But, according to the GAO, the department is at risk because it has not addressed the problem of insufficient staffing to effectively manage and oversee the program, noting it has one staff member to cover departmentwide training issues and three staffers to oversee 3,500 locations under the program.

"According to the program manager, with these resources, the security office was reacting to classification issues that arose rather than being proactive to prevent them," the GAO said.

Staffing increases for the Justice Department program were recommended by the National Archives' Information Security Oversight Office, which reviewed security procedures in July 2004 and April 2005. GAO was asked this year to see how well the department and the FBI had responded to the request.

The GAO said Attorney General Alberto R. Gonzales should determine what staffing he needs to carry out the responsibilities of the department's classification-management program and devise a strategy to make those resources available and use them effectively.

Justice Department officials, according to the GAO report, said it "is trying to address its resources constraints, a long-standing problem that GAO identified as early as 1993, by requesting additional funds from an administrative account in fiscal year 2007."

The GAO noted that all records of a permanent historical value older than 25 years that contain classified national security information automatically will be declassified on Dec. 31, and each year thereafter, and "may be available for public disclosure, unless an agency head or senior agency official determines that these records fall within an exemption that permits continued classification."

It said the documents that could be released without proper classification could "seriously impair relations between the United States and a foreign government; undermine diplomatic activities of the United States; identify a human intelligence source; or violate a statute, treaty or international agreement."

But, it said, the problem continues because the department's security office did not receive additional resources, as requested, nor has Justice reallocated resources from other activities to that office.

CORPORATE SCANDALS:

U.S. Drops Bid To Reinstate Lay's Convictions For Enron Fraud (BLOOM)

By Laurel Brubaker Calkins, Bloomberg News

Bloomberg, November 22, 2006

The U.S. government dropped an attempt to restore the convictions of Enron Corp. founder Kenneth Lay, who died six weeks after being found guilty of spearheading the fraud that destroyed the company.

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Lay died of a heart attack in July after being convicted in May of 10 fraud and conspiracy charges. U.S. District Judge Sim Lake threw out the verdicts under a legal principle that erases convictions of defendants who die before they can appeal.

The government moved yesterday to withdraw a Nov. 16 notice of an appeal of Lake's decision. Steven Tyrrell, chief of the Justice Department's fraud section, said in the document the government made the move after a bill to change the law was introduced in Congress. He didn't elaborate.

``Now, from a criminal standpoint, Ken Lay is forever exonerated," said Ed Tomko, a former federal prosecutor who defended another Enron executive against fraud charges.

Tomko said efforts to change the law are ``largely meaningless" to Lay's criminal case, because lawmakers can't apply punishments retroactively.

``It might mean something to the next case," Tomko said. ``But the government is already chasing Ken Lay's money in a civil case."

U.S. authorities last month filed a civil forfeiture case against Lay's estate, seeking $12.5 million for victims of Enron's collapse. The government asked for a jury trial to re- establish Lay's responsibility for the fraud.

Justice Department spokeswoman Jaclyn Lesch and Samuel Buffone, Lay's appellate lawyer, declined to comment on the government's decision not to appeal.

More than 5,000 jobs and $1 billion in employee retirement funds vanished virtually overnight when Enron plunged into bankruptcy in December 2001, following revelations of widespread accounting fraud at the Houston-based energy company.

Investors are suing to recover more than $30 billion in stock market losses.

A total of 24 people besides Lay were convicted or pleaded guilty in Enron cases. Four of the 24 had convictions reversed on appeal, and more appeals are pending. Another six people are awaiting trial.

Jeffrey Skilling, former Enron chief executive officer, was convicted with Lay and was sentenced to 24 years in prison. He is to start serving his sentence Dec. 12 in Minnesota.

The case is U.S. v. Lay, H-04-25, U.S. District Court, Southern District of Texas (Houston).

CRIMINAL LAW:

Justice Department Declines To Pursue Porter Accusation (LVRJ)

By Steve Tetreault, STEPHENS WASHINGTON BUREAU

Las Vegas Review-Journal, November 22, 2006

Ex-staffer alleged illegal fundraising calls made

WASHINGTON -- The Justice Department has decided not to pursue an accusation that Rep. Jon Porter made fundraising calls from his congressional offices earlier this year, a practice that would be illegal if proved, officials confirmed Monday.

The charge was leveled by a former Porter staffer who offered e-mails in support of his charge against the Nevada Republican. Coming during the election season in October, it roiled the U.S. House campaign that pitted Porter, the incumbent and eventual winner, against Democratic challenger Tessa Hafen.

Officials from the Nevada Democratic Party, which pressed the Justice Department to pursue the allegation, were told late last week by the FBI that an investigation was not moving forward, state party chairman Tom Collins said Monday.

Porter said he was notified of the same on Nov. 9, two days after the election, by Steve Martinez, FBI special agent in charge of the Las Vegas office.

"I take it the fact the FBI is not moving forward is that they are confident and they didn't sense the need," Porter said. "Anyway, it was not true."

Bryan Sierra, a Justice Department spokesman, said, "The FBI looked at it and the matter was declined." Sierra said he could not provide further information as to the review and the decision process.

Collins said no reason was given to him. He said there were no signs to Democrats in Las Vegas that the FBI pursued the matter.

"You have to look at who hires these guys in the Justice Department," Collins said. "This is just the typical Bush-Cheney cover-up stuff. Jon Porter has done nothing to clear his name."

Porter said he took the news as vindication "by the highest law enforcement in the land," and that the accusation was suspect from the start.

"This was something raised two weeks before the election by a disgruntled ex-employee," he said.

Jim Shepard, the former employee who lives in Virginia, could not be reached by telephone and by e-mail on Monday.

Shepard, who worked from March to the end of June as Porter's scheduler and executive assistant, alleged that Porter on five dates made calls to potential campaign donors from his Washington office and his district office in Henderson.

Federal law makes it illegal to solicit or receive a donation of any kind in any official building. In Washington, lawmakers customarily walk to Republican or Democratic party headquarters on Capitol Hill to utilize small rooms for fundraising calls.

Shepard said he sat across for Porter in his Washington office while the congressman sought campaign funds. In Nevada, he said, Porter eschewed driving from Henderson to his campaign consultant's office in Summerlin, and made calls from his official office on three occasions in advance of President Bush's visit to Las Vegas in April.

Shepard made available e-mails in which he warned top Porter staffers against the practice. In response, Porter produced phone records and copies of his daily schedule that challenged some of the charges made by Shepard.

FBI Won't Probe Rep. Porter Fundraising Calls, Officials Say (AP)

AP, November 22, 2006

LAS VEGAS (AP) - The Justice Department will not pursue an accusation that Rep. Jon Porter, R-Nev., made fundraising calls from his congressional offices earlier this year, officials said in Washington, D.C.

The charge, involving a practice that would be illegal if proved, was made in October by a former Porter staffer during Porter's re-election campaign against Democratic challenger Tessa Hafen. The staffer offered e-mails as evidence of his claim.

"The FBI looked at it and the matter was declined," Bryan Sierra, a Justice Department spokesman, told the Las Vegas Review-Journal for a Tuesday report. Sierra said he could not provide further information.

Porter said Steve Martinez, FBI special agent in charge of the Las Vegas office, told him the same thing two days after the Nov. 7 election.

"I take it the fact the FBI is not moving forward is that they are confident and they didn't sense the need," Porter said. "Anyway, it was not true. This was something raised two weeks before the election by a disgruntled ex-employee."

Nevada state Democratic Party chairman Tom Collins said Justice Department officials said late last week that the FBI probe was not moving forward. Collins said no reason was provided.

"You have to look at who hires these guys in the Justice Department," Collins said. "This is just the typical Bush-Cheney cover-up stuff. Jon Porter has done nothing to clear his name."

Jim Shepard, the former employee who lives in Virginia, worked from March to the end of June as Porter's scheduler and executive assistant.

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Aryan Brotherhood Members Sentenced To Life In Prison (AP)

By Gillian Flaccus, Associated Press

AP, November 22, 2006

DOJ_NMG_0097141

SANTA ANA – A federal judge sentenced three suspected leaders of the violent Aryan Brotherhood prison gang to life terms Tuesday, saying the sentences were the only just response to three decades of orchestrated murders and attempted murders in some of the nation's toughest penitentiaries.

Barry "The Baron" Mills, 58, was sentenced to four consecutive life terms without possibility of parole, a sentence automatically imposed after a jury deadlocked earlier this year on the death penalty. Tyler "The Hulk" Bingham , 59, also escaped the death penalty but received three consecutive life terms without possibility of parole.

A third defendant, Edgar "The Snail" Hevle, was sentenced to three consecutive life terms and will likely die in prison. He had not been eligible for the death penalty.

The men showed no reaction as the verdicts were announced, but they hugged their attorneys and shook the hands of other defense attorneys before being escorted out by federal marshals.

Carter said the sentences were appropriate for crimes "spanning well over 30 years of murder and organizational murder."

"It's almost inconceivable and the duration of time is almost inconceivable," Carter said of the string of murders, attempted murders and other crimes before handing down the sentence.

The defendants have 10 days to file appeals with the 9th Circuit U.S. Court of Appeals.

Defense attorneys said they were disappointed, but not surprised, with the sentences.

"This was inevitable," said Bernard Rosen, Hevle's co-counsel. "We've got some excellent legal arguments on appeal, so it ain't over yet."

Among other things, the jury convicted Mills and Bingham for inciting a race riot at a prison in Lewisburg, Pa., in 1997 that resulted in the deaths of black inmates Frank Joyner and Abdul Salaam, alleged members of the rival DC Blacks prison gang. Those killings made Mills and Bingham eligible for the death penalty under the statute of Violent Crime in Aid of Racketeering.

Hevle, 55, and a fourth defendant, Christopher Overton Gibson, were convicted of conspiring to murder the black inmates. Gibson, 47, is recuperating from back surgery and was not sentenced Tuesday. He faces a sentence of 20 years to life in prison.

Mills, Bingham and Hevle were also convicted of a count of murder for the killing of Arva Lee Ray, a prisoner slain at the Lompoc, Calif., penitentiary in 1989. Gibson was not charged with that count.

Prosecutors spent six years building their case against suspected members of the Aryan Brotherhood in an effort to dismantle the violent white supremacist organization accused of ordering hits and running drug rings, gambling rings and protection rackets from behind bars.

On Friday, prosecutors dropped a bid to place severe lifestyle restrictions on the men. They had originally asked Carter to prohibit visits, letters and phone calls to the convicts from anyone but their attorneys and keep writing tools, paper and previously viewed reading material out of their cells.

Similar bans have been imposed only 11 times in the history of the federal prison system. Inmates Zacarias Moussaoui, the suspected "20th hijacker" in the Sept. 11 World Trade Center attack, and convicted Unabomber Ted Kaczynski are among those with restrictions on their prison contacts.

Instead, Assistant U.S. Attorney Stephen Wolfe said in court papers that the government would likely pursue the restrictions "administratively," meaning they would be imposed by U.S. Attorney General Alberto Gonzales without a court hearing or judge's order.

On Tuesday, Carter said he was worried that Gonzales would impose the restrictions without ensuring that the Bureau of Prisons could enforce them. He read an Associated Press article aloud in court citing the shortage of guards and deteriorating conditions at the maximum-security prison in Florence, Colo., where the men will likely serve their sentences.

"I can only pray that the attorney general will provide the resources to carry out these conditions," Carter said, adding that it was the only way to prevent "further inmates and members of the Bureau of Prisons staff (from being) hurt and, God forbid, killed."

Carter said he would have imposed the restrictions against Mills and cited testimony about threats Mills made to prison staff and an attempt to smuggle cyanide into a federal prison in Marion, Ill., to poison the guards.

Rosen, Hevle's attorney, said having Gonzales order the restrictions instead of a judge will make it harder to appeal them.

Inmates, unaided by their attorneys, must exhaust a series of appeals to prison officials before applying for a hearing before the 10th Circuit Court of Appeals in Denver. That hearing is not guaranteed, he said.

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3 Hispanics Sentenced To Life In Killing Of Blacks (WT)

By Jerry Seper

The Washington Times, November 22, 2006

Three Los Angeles-area Hispanic gang members have been sentenced to life in prison in what federal prosecutors called hate-crime attacks that randomly targeted black non-gang members, including women and children.

Gilbert Saldana, 27, Alejandro Martinez, 28, and Fernando Cazares, 25, were sentenced Monday to consecutive life terms without the possibility of parole by U.S. District Judge Percy Anderson in Los Angeles for their roles in the slaying of two black men in 1999 and 2000.

Judge Anderson said the men, members of the Avenues gang, maintained a "reign of terror" over the Highland Park area northeast of Los Angeles that had "far-reaching consequences." Under federal sentencing guidelines, the judge could have imposed lesser sentences but declined to do so.

Prosecutors said the men tried to drive blacks out of the neighborhood in a six-year conspiracy of violence and threats.

Law-enforcement authorities said the prosecution was one of the first prominent cases in which the Justice Department targeted street gang members with hate-crime laws normally used to prosecute white supremacist groups.

In October, Robert B. Loosle, special agent in charge of the criminal division at the FBI's Los Angeles office, told a House subcommittee that gangs and other criminal enterprises pose increasing concerns for the international law-enforcement and intelligence communities.

Calling gangs "more violent, more organized and more widespread than ever before," Mr. Loosle estimated that there are 30,000 gangs nationwide with 800,000 members affecting 2,500 communities.

Porfirio Avila, 31, a fourth man convicted in the Highland Park case, is scheduled for sentencing by Judge Anderson Dec. 18. Avila is in prison on separate state murder charges. A fifth man, Merced Cambero, was indicted but has fled and is listed as a fugitive.

Saldana, Martinez and Cazares were found guilty this summer of violating the civil rights of blacks in the gang's neighborhood by attacking and sometimes killing them. Christopher Bowser was fatally shot while waiting at a bus stop on Dec. 11, 2000, and Kenneth Wilson, 38, was killed while looking for a parking place on April 18, 1999.

Saldana was convicted of being the triggerman in the Wilson murder and is serving a life sentence in state prison for another murder. Martinez was convicted of instigating the Wilson slaying and encouraging his fellow gang members to kill Mr. Wilson. Cazares was convicted of serving as a lookout during that murder.

During the June trial, prosecutors documented several attacks by gang members on blacks, including the shooting of a 15-year-old boy on a bicycle; the attack on a jogger, who was hit in the head with a pistol; and the assault of a woman, who was knocked off her bike, and her husband, who was threatened with a box cutter.

Assistant FBI Director J. Stephen Tidwell, who heads the bureau's Los Angeles office, said the case represented "the successful and unprecedented result of a lengthy investigation into civil rights violations, including multiple violent assaults and murder, committed by this violent gang."

He said the FBI has offered a $20,000 reward for information on Cambero's whereabouts "to bring closure to the family of the victim who was murdered based on the color of his skin."

Brokers Not Guilty Of Bribing BWC Exec (COLDIS)

By Mark Niquette, The Columbus Dispatch

Columbus Dispatch, November 22, 2006

AKRON — After about three hours of deliberation, a jury today acquitted two Cleveland-area brokers accused of conspiring to bribe the former chief financial officer at the Ohio Bureau of Workers' Compensation with use of a Florida condominium.

The six-man, six-woman jury returned not-guilty verdicts on all charges against Michael W. Lewis and Daniel P. O'Neil after closing arguments in which their attorneys argued that the government's key witness was not credible.

"The length of the deliberations speaks to the strength of the government's case," Lewis attorney Roger Synenberg said after the verdict, which followed the two-week trial.

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Lewis and O'Neil and their family members hugged and celebrated after the verdict, with an emotional Lewis saying the trial ordeal was worse than serving in Korea.

"Korea was easier, even when everyone was shooting at me," said Lewis, 72, of Willoughby Hills. He added that he never doubted the outcome of the trial because he trusted God and his defense team.

O'Neil, 55, of Chesterland, thanked his friends and clients, including U.S. Sen. George V. Voinovich, for standing behind him. O'Neil handles Voinovich's personal finances.

"There was a lot of political pressure on him," O'Neil said of Voinovich.

The verdict is a setback for the state and federal task force investigating allegations of corruption at the bureau. The investigation has produced convictions for 10 public figures so far, including Gov. Bob Taft and coin dealer Thomas W. Noe, who was sentenced Monday to 18 years in state prison. Noe is to serve that time after a 27-month stay in federal prison.

U.S. Attorney Greg White, of Cleveland, said he would not second-guess the jury's verdict and that the investigations will continue with the same intensity.

"We have to dissect the verdict and decide whether we need to adjust our direction," White said. "There'll be some disappointment, but we are determined to see this through to the end."

He declined to discuss specifics, but other authorities have said that ethics charges are expected soon against two or three individuals and that other matters are under investigation.

Lewis and O'Neil were charged with two counts of conspiring to bribe the bureau's Terrence W. Gasper and one count each of lying to an FBI agent about Gasper's role in purchasing the Florida condo in 1998.

Gasper testified that after a clandestine meeting with the brokers in the fall of 1996 at Mohican State Park near Perrysville, he and his former girlfriend picked out the $345,000 condo in Islamorada, Fla., for their personal use and that the brokers paid for it.

In return, Gasper said he ensured that the brokers received the maximum amount of commissions for stock trades, as well as fees from solicitation agreements that the brokers had with outside money managers who received bureau funding.

Prosecutors said Lewis and O'Neil split 50-50 nearly $6.8 million from the bureau from 1996-2004; it was a majority of their income during those years.

The defense maintained that the brokers' dealings with the bureau were all legitimate — making money for the agency in the process — and that the condo was an investment that they allowed Gasper and other friends and family members to use.

Synenberg and O'Neil attorney William Beyer used nearly their entire closing arguments yesterday to question the credibility of Gasper, who they say was lying to reduce his prison sentence after pleading guilty to corruption charges and agreeing to cooperate with authorities.

"So here you've got the rat in the corner," Synenberg told the jury. "A man who we now know was a habitual criminal, a man who we now know was a habitual liar, and he's cornered, and they've got him and he's smart enough to know it."

Beyer told the jury: "I submit to you that the government's case is only as strong as the foundation on which it is laid. It is a house of cards because it has to be based upon whether or not you believe Terry Gasper."

The defense called a parade of witnesses who vouched for the brokers' honesty and said that Lewis or O'Neil had offered them use of the condo. The brokers did not testify.

In her final presentation to the jury, Assistant U.S. Attorney Benita Y. Pearson said that evidence beyond Gasper's testimony supported the charges.

She pointed to the testimony of a real-estate agent in Florida who said that Gasper picked out the condo and put down the initial $500 deposit for it — money that later was returned.

"We didn't choose Mr. Gasper," Pearson said. "Had we our choice, we'd have nuns and priests as our witnesses. Unfortunately, that wasn't an opportunity that was provided to us here. However, the defendants did choose Mr. Gasper."

Gasper, who pleaded guilty to both state and federal charges in June for trading bureau business for thousands of dollars in gifts and favors, has yet to be sentenced.

Ex-driver's License Examiner Sentenced (MURFP)

DOJ_NMG_0097144

By Lisa Marchesoni

Murfreesboro Post, November 22, 2006

One former driver's license examiner in Rutherford County was sentenced Monday to 19 months in prison and two years of supervised probation after his release, a federal prosecutor said.

Ex-examiner Bruce Conklin of Murfreesboro pleaded guilty in July to accepting more than $30,000 in bribes in connection with his job. He pleaded guilty to one conspiracy count that included allegations of providing driver licenses illegally in exchange for bribes and one count of accepting bribes.

Conklin accepted bribes from Winchester Driving School located next to the driver's testing center on Samsonite Boulevard.

Assistant U.S. Attorney Brad Hester, who prosecuted the case with assistant U.S. Attorney Hilliard Hester, said Conklin will enter the federal prison system. There are no federal prisons in Tennessee.

Conklin and five other people were charged in January in a six-count federal indictment as part of the 18-month Operation Crooked Highway probe.

Driving school employees paid the examiners to obtain driver's licenses and one-year driving certificates of driving for immigrants at the school who didn't complete the required 36 hours of training or had questionable documents about citizenship.

Conklin began working as an examiner June 16, 1999. Co-defendant Teresa Jones worked from Aug. 16, 2004 to March 16, 2005.

A federal jury convicted Jones Nov. 2 on charges of bribery, conspiracy to commit bribery and making false statements to the FBI. She faces 20 years in prison when sentenced Jan. 12.

Bryan Guess, owner and operator of the Winchester Driving School, pleaded guilty previously to three counts of public corruption by paying bribes to driver's license examiners.

He was sentenced last week to six years in prison.

Sheila Robertson, a driving school employee from July 2003 to March 2005, was convicted of paying the bribes along with Guess. She was sentenced to three years probation and 12 months of home detention as part of her probation.

The FBI, Internal Revenue Service, federal Immigration and Customs Enforcement agents and the Department of Safety investigated the case.

Authorities Charge Man With 1989 Slaying (WP/AP)

The Associated Press

The Washington Post, November 22, 2006

PHILADELPHIA -- Authorities have charged a white man with murder and ethnic intimidation in the shooting of a black man 17 years ago.

Thomas Gibison, 35, was arrested without incident before dawn Nov. 7 at his home in Newark, Del., FBI spokeswoman Jerri Williams said Tuesday. Gibison is also charged with conspiracy and a firearms violation in the killing of 34-year-old Aaron Wood of Philadelphia on April 16, 1989.

Wood was found about a half-mile from his home in North Philadelphia, Williams said.

She would not disclose details on what led to authorities to Gibison, but said a warrant for his arrest was issued Nov. 3. He was arrested by a task force that included Philadelphia authorities, FBI agents and members of the federal bureau of Alcohol, Tobacco, Firearms and Explosives.

Del. Man Is Arrested In 1989 Hate-crime Slaying (PHI)

By Stephanie L. Arnold

The Philadelphia Inquirer, November 22, 2006

A joint task force of local and federal investigators arrested a white man they believe is responsible for the shooting death of a black man in a hate crime in North Philadelphia 17 years ago, the FBI announced yesterday.

Thomas Gibison, 35, was arrested without incident around 5 a.m. Nov. 7 at his home in Newark, Del., said FBI spokeswoman Jerri Williams.

In addition to murder, Gibison is charged with conspiracy, firearms violations and ethnic intimidation.

The charges, Williams said, were the result of an intense investigation into the death of Aaron Wood, a 34-year-old man who was shot to death in the 1300 block of Stillman Street shortly before 1 a.m. April 16, 1989.

Law enforcement officials said they could not disclose specific details related to the killing or the exact details of what led authorities to Gibison.

Sgt. William Britt, of the Philadelphia Police Department's Special Investigations Division of the Homicide Unit, said: "It is most certainly a racially motivated crime," but he did not elaborate.

Britt said also that information had become known in the last year that led the District Attorney's Office to convene a grand jury.

An arrest warrant was issued for Gibison on Nov. 3. He was captured by a task force that included Philadelphia authorities, FBI agents, and members of the federal Bureau of Alcohol, Tobacco, Firearms and Explosives.

Britt said Wood's family had been notified.

Gibison, who was being held in Philadelphia, has a status hearing scheduled for next Wednesday, Williams said.

Gibison's public defender could not immediately be located.

Gibison, according to court records, has a long list of offenses dating back several years.

As a minor, according to the records, Gibison was charged with burglary, criminal mischief, assault and unlawful imprisonment.

In January 1996, according to court documents, Gibison pleaded guilty to firearms violations, including being in possession of 15 firearms, one of them a 12-gauge "street sweeper" shotgun.

The records also indicated that a prosecutor in a case involving Gibison had introduced evidence that he was a skinhead.

SEC Wins Asset Freeze Vs. Hedge Fund (HC/AP)

The Associated Press

Houston Chronicle, November 22, 2006

TOOLS

WASHINGTON — The Securities and Exchange Commission said on Tuesday that a federal judge has agreed to freeze the assets of a New York hedge fund manager accused of bilking investors out of millions of dollars.

Spiro Germenis, the hedge fund manager, has been accused of diverting money from Oracle Services Inc. and Oracle Evolution LLC for his own use. He has fled to Greece, according to the SEC.

His attorney couldn't immediately be located for comment.

"We're aware that an investigation by the U.S. attorney's office and the FBI is ongoing in addition to the SEC action that was just filed," said Zachary Margulis-Ohnuma, an attorney for Germenis's wife, Maria Germenis. He said that Mrs. Germenis was "doing everything she can to cooperate with the authorities."

Two Men Face Charges In Theft Of Laptops (MH)

By Larry Lebowitz

The Miami Herald, November 22, 2006

Authorities investigating the July theft of a federal agent's laptop containing the sensitive personal information of 133,000 Floridians, believe they have broken up a ring of computer thieves who may be responsible for its disappearance.

Two men are facing charges related to the theft of other laptops from vehicles near the Latin American Grill in Doral, where the agent's laptop was stolen from his parked sport-utility vehicle on July 27.

The laptop, which has not been recovered, contained investigative files including the Social Security numbers, addresses and birthdates of more than 133,000 Florida commercial truckers, pilots and drivers license holders.

The U.S. Department of Transportation Office of Inspector General, which employed the agent whose laptop disappeared, said it has found no evidence of credit fraud or identity theft since the laptop's disappearance.

The agent, who was never identified, subsequently resigned.

DOJ_NMG_0097146

Suspects Juan Esteban Calle, 25, and Carlos Andres Leon, 26, were arrested during an extensive surveillance operation by DOT inspector general, the FBI and Miami-Dade police at Doral area restaurant parking lots -- including the same restaurant where the agent's laptop disappeared.

With video cameras rolling, Calle used a lock-punching device similar to the one used in the DOT theft to open a passenger-side door and steal a decoy laptop with a tracking device attached.

Based on those arrests, officials said they uncovered a theft ring that specialized in stealing laptops, loading new operating systems onto them and then selling them on the used-computer market, mainly to high school students.

Adding the new systems essentially masked the data previously on the computer hard drives, the DOT inspector general's office said.

"The ring did not target the data and did not even attempt to access the data on the laptops they stole," according to the DOT inspector general's statement.

Calle faces trial Dec. 4 on federal charges of stealing U.S. property. He has pleaded not guilty and is being held without bail.

Leon has pleaded not guilty to state charges of attempted burglary and criminal mischief. He is free on $6,000 bail pending trial next week.

A second DOT inspector general's laptop that disappeared from an Orlando hotel conference room in April is still missing. That computer, belonging to former supervisor Barbara L. Barnet, contained personal information on 9,500 Floridians.

DOT Says Suspects In Custody, No ID Theft From Stolen Laptops (AP)

By Curt Anderson, AP Legal Affairs Writer

AP, November 22, 2006

Two suspects have been arrested in the July theft of a U.S. government laptop computer containing sensitive information about more than 130,000 people and authorities said Tuesday it appears that no data breaches have occurred.

The U.S. Department of Transportation's Office of Inspector General said the suspects were arrested during a surveillance operation with the FBI and local police of a Miami-area Latin American Grill restaurant parking lot where the original DOT laptop was stolen from a government agent's vehicle on July 27.

Based on those arrests, officials said they uncovered a computer theft ring operating in the area that specialized in stealing laptops, loading new operating systems onto them and then selling them on the used-computer market mainly to high school students. Adding the new systems essentially masked the data previously on the computer hard drives.

"The ring did not target the data and did not even attempt to access the data on the laptops they stole," the DOT inspector general's office said in a statement.

The statement said that during the surveillance operation, one of the suspects used a device similar to that used in the DOT theft to "punch" open a lock on a passenger side door and steal a decoy laptop. The theft was caught on video.

Juan Esteban Calle, 25, faces trial Dec. 4 on federal charges of stealing U.S. property. Calle has pleaded not guilty and is being held without bail. The other suspect, 26-year-old Carlos Andres Leon, has pleaded not guilty to state charges of attempted burglary and criminal mischief. Leon is free on $6,000 bail pending trial.

The original stolen laptop has not been recovered. It contained information such as names, Social Security numbers and birthdates for about 133,000 Florida drivers license holders, pilots and commercial truck drivers.

The inspector general's statement said no evidence of credit fraud had occurred since the laptop went missing. But the agency also has contracted with a data breach analysis firm, ID Analytics Inc. of San Diego, to determine whether identity theft is occurring and how any data might be used.

A second DOT inspector general's office laptop was also stolen during a hotel conference in Orlando in April. It contained sensitive information on about 9,500 individuals, all of whom were on the stolen Miami laptop as well.

The Orlando investigation has made less headway and is continuing, the inspector general's office said. A final report on both thefts is expected by the end of this year.

Key Witness In Polygamist's Trial Describes ‘darkest Time' (USAT)

By Dennis Wagner

USA Today, November 22, 2006

ST. GEORGE, Utah — In tearful testimony, the lead prosecution witness against polygamist church leader Warren Jeffs said Tuesday that she was threatened with banishment if she did not marry her cousin at age 14.

The woman, now 20 and married to a different man, described being coerced by Jeffs and other leaders of the religious sect during a preliminary hearing. "This was the darkest time in my entire life."

Jeffs, 50, is charged with two counts of rape as an accomplice for his alleged role in arranging the marriage between the witness and her 19-year-old cousin. A judge must decide whether there is probable cause for a trial.

Jeffs, who sat nearly motionless at the hearing, is leader of the Fundamentalist Church of Jesus Christ of Latter Day Saints (FLDS), which allows polygamy. The fundamentalist church was founded more than a century ago in defiance of the mainstream Mormon church's ban on polygamy.

The woman said she pleaded with Jeffs and others, weeping as she was fitted for the wedding dress and refusing to say the marriage vow until her mother joined those pressuring her.

"I felt totally powerless, trapped," she said. "I was scared. I didn't have anywhere to go."

Prosecutors completed their case Tuesday, and Judge James Shumate said the preliminary hearing would resume Dec. 14. Jeffs' defense team plans to call two witnesses, including the woman's current husband.

During cross-examination, defense attorney Tara Isaacson sought to portray the woman as a willing participant in the wedding and argued that Jeffs did not know the couple had sex.

Isaacson introduced sweetheart notes the couple had traded and quoted from the girl's journal, in which she expressed enthusiasm about being singled out for marriage.

The woman testified that the entry was written before she learned the identity of her partner.

Isaacson also noted that the witness has filed a civil suit against Jeffs, suggesting that the criminal case was initiated for monetary gain. The woman denied that, saying she turned to authorities so other FLDS children would not be victimized. "It is my worst nightmare that my sisters will go through what I went through," she said.

The Nevada marriage in 2001 was a "spiritual" bond not sanctioned by the state. The woman said she repeatedly tried to reject sexual overtures, to no avail. The couple separated in the fall of 2004.

USA TODAY does not identify alleged victims of sexual assault.

The woman, no longer with the church, married a man who she said rescued her from the FLDS. She is pregnant with his child.

Utah and Arizona prosecutors began a legal assault on the FLDS and Jeffs two years ago amid reports of child marriages, the banishment of teenage boys and financial abuses. Jeff's became a fugitive after his indictments in Arizona and Utah. He was arrested in August by a Nevada state trooper during a routine traffic stop.

Bride Felt 'Trapped And Defeated' In Arranged Marriage (SDUT/AP)

By Jennifer Dobner And Paul Foy, Associated Press

The San Diego Union-Tribune, November 22, 2006

ST. GEORGE, Utah – A woman who claims she was forced at 14 to marry a cousin called it the "darkest time of my entire life," telling a judge Tuesday that she agreed to a quick "peck" of a kiss before locking herself in a bathroom.

The ceremony at a Nevada motel in 2001 was "one of the most painful things I've ever been through. I just want to move on with my life and forget it happened," the woman, now 20, testified.

She is the key witness in the case against Warren Jeffs, leader of the Fundamentalist Church of Jesus Christ of Latter Day Saints.

Jeffs, 50, is charged with two counts of rape as an accomplice for his alleged role in arranging the marriage between her and a 19-year-old man. A judge must decide whether there is probable cause to send Jeffs to trial.

Prosecutors completed their case Tuesday, and 5th District Judge James Shumate said the preliminary hearing would resume Dec. 14. Jeffs' defense team plans to call two witnesses, including the woman's current husband.

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On Tuesday, one of Jeffs' lawyers introduced photographs of a smiling, laughing couple and got the woman to acknowledge Jeffs never explicitly ordered her to have sex with her new husband.

The lawyer, Tara L. Isaacson, also introduced sweetheart notes the couple had traded and quoted from girl's journal in which she expressed enthusiasm about being singled out for marriage. The woman testified that the journal entry was written before she learned the identity of her partner.

"Was every day with (the husband) miserable?" Isaacson asked.

"Many of them were," the woman said.

Faithful church members revere Jeffs as a prophet and are taught to obey his every command, including marriage instructions, she testified.

"This was the darkest time of my entire life," she said.

She said she refused to say "I do," take her groom's hand or kiss him. Finally, she relented, submitting to a peck and then locking herself in the bathroom.

"I felt completely trapped and defeated," said the woman, who has left the FLDS church. The Associated Press does not identify victims of sexual assault.

Jeffs' defense team has said he is being persecuted for his religious beliefs.

Looking gaunt and pale in a dark gray suit, Jeffs smiled slightly throughout most of the hearing, which included testimony from two of the woman's sisters.

The FLDS church practices polygamy and represents itself as an offshoot of the mainstream Mormon church, based in Salt Lake City. The Mormons, however, disavow any connection and renounced polygamy in 1890 as a condition of statehood.

Prosecutors allege Jeffs forced the woman into the marriage despite her repeated objections. They say he told her it was her religious duty to submit to the marriage and to produce children.

Raised in the faith since birth, Jeffs' accuser said she felt a heavy responsibility to "the entire community" in the days leading to the marriage ceremony.

"I was scared. I didn't have any place to go," said the woman, who is married to a different man now and due to deliver a baby in two weeks. "I felt that if I didn't do what I was told, I would forever pay the consequences."

Based in the small border communities of Hildale, Utah, and Colorado City, Ariz., the FLDS practices arranged marriage for young girls and believes plural marriage secures exaltation in heaven. There are an estimated 10,000 members.

Security at the Washington County courthouse was extraordinary Tuesday, with police sharpshooters posted on the red rock hills that ring the building. No vehicles were allowed to park on the street.

FLDS Marriage A 'misery' (SLT)

By Brooke Adams, The Salt Lake Tribune

Salt Lake Tribune, November 22, 2006

Women testify Jeffs compelled teens to wed older men

ST. GEORGE - For more than four hours Tuesday, Jane Doe IV testified about her unwanted marriage to a cousin and her attempts to get polygamous sect leader Warren S. Jeffs to release her from the union.

But Doe also admitted she never explicitly accused her husband of rape in those conversations with Jeffs.

"I said to Warren he was touching me and doing things I didn't like," said Doe, now 20. "I didn't tell anybody I was being raped."

Testimony by Doe and two of her sisters Tuesday provided the most detailed account yet of what allegedly happened in 2001 when she was married at 14 to a 19-year-old cousin - but also raised questions about her motives, character and her claims of rape.

Fifth District Judge James L. Shumate continued the hearing until Dec. 14, when he will decide whether there is sufficient evidence to order Jeffs to trial on two first-degree felony charges of being an accomplice to rape.

The charges, punishable by up to life in prison, stem from counsel Jeffs gave Doe to proceed with the assigned marriage and subsequently officiating over it and advising her to remain in the union.

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Jeffs was arrested Aug. 28 during a traffic stop on Interstate 15 outside Las Vegas, ending his 15 months as a fugitive. He has been in the Purgatory Correctional Facility since Sept. 5.

He appeared more gaunt, his suit hanging on his tall frame and his face drawn. As he entered the courtroom in the morning, he exchanged smiles with 10 FLDS members - among them Hildale City Councilman Lamar Johnson, Sam Roundy Sr. and his half-brother Joseph Jeffs - who attended the hearing.

Jeffs sat motionless, flanked by attorneys Wally Bugden and Tara Isaacson of Salt Lake and Richard Wright of Las Vegas, calmly watching as Doe and her two sisters testified.

Doe said she learned from her stepfather, Fred Jessop, she was to be married, an assignment her sister Rebecca Musser said Jessop had pushed.

Her shock at the news deepened, Doe said, when she learned she was to be married to a cousin she described as a name-calling bully.

Her pleas to stop or put off the marriage were ignored by Jessop, her mother and Jeffs, she said. Doe acquiesced in the end because she considered the union a revelation passed by God to Rulon Jeffs, the aging president and prophet of the FLDS church.

Rebecca Musser, Doe's older sister, said she was 19 when she became a plural wife of Rulon T. Jeffs in 1995; Rulon Jeffs, then leader of the FLDS church, was 83.

Musser said Rulon Jeffs was incapacitated by a stroke in 1997 and, by the time of her sister's wedding, Warren was making decisions for his father.

The wedding took place in a motel in Caliente, Nev., with Warren Jeffs officiating, Doe said, adding that she wept for hours before and was all but speechless during the ceremony.

Weeping again on the stand, Doe said, "This was the darkest time of my entire life, one of the most painful things I've ever been through."

The marriage was consummated about a month later, said Doe, much to her shock.

She described herself as miserable throughout the 3 1/2 -year union, and unhappiness drove her to meet with or phone Jeffs five times seeking release.

At one meeting, Jeffs gave her a book called In Truth and Light, a compilation of biblical, Mormon and FLDS teachings about marriage and child-rearing.

Theresa Blackmore, a sister, said Doe looked like a "body with no soul" in the months after the wedding and "there was never a time she was happy about the marriage, ever."

Prosecutors focused on Doe's understanding of FLDS teachings about dutiful wives who are obedient and told to "keep sweet."

Bugden and Isaacson countered that with passages from Jeffs' lessons and sermons in which he counsels FLDS faithful to be loving, kind and respectful - even advising them, in the words of a another religious leader, to treat their wives like "angels of God."

"This is something that was taught, but actions are different," Doe said.

Isaacson took most of the afternoon to carefully challenge Doe's reluctance to marry, her description of her husband's actions and her efforts to get out of the union.

She said Doe described her marriage as "all misery," but appeared to be smiling beside her husband in numerous photos taken during their marriage. Doe replied that she was faking it.

Isaacson also noted an entry in the young Doe's journal in which the girl, about a week before her marriage, pleaded with God for a husband.

Isaacson recounted statements Doe made to investigators about her poor treatment of her husband and asked her about love notes he had written to her.

Doe said she "sugared it up" at times, initiating and participating in sex with her husband to gain his favor during portions of their 3 1/2 -year union.

But, Doe said Tuesday, "I never wanted it."

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Doe acknowledged Jeffs never explicitly told her to engage in sexual intercourse with her husband and said she used vague language to describe intimate acts she found unappealing.

Even when her mother-in-law questioned whether she was being treated well and advised her she could "say no," Doe never spoke out, Isaacson said.

Doe said her husband never forced her to have sexual relations but that "things happened between [them] that I didn't agree with."

Doe admitted that despite her unhappiness, she never sought help with leaving from sisters or her biological father or brothers who had left the faith and lived in Salt Lake City, where she also lived until moving to Hildale at age 13.

"That was never an option for me," Doe said.

Doe said she tried to make the marriage work but by 2003 had taken to living in her truck to avoid her husband.

That fall, she had also met "a gentleman I had decided to spend my life with," the man who is now her husband. Her first marriage collapsed, she acknowledged, after her husband found a receipt for condoms and a photograph of a trip she had taken with the boyfriend to Las Vegas.

"This all happened while you said you were trapped in Hildale," Isaacson told Doe.

In November 2004, Doe and her husband were called to a meeting with FLDS leaders; Jeffs, participating by telephone, expelled Doe from the faith.

She left the community that night with her boyfriend, pregnant with his child.

Isaacson also questioned Doe's motives in filing criminal charges against Jeffs, saying the allegations came only after she sued him.

Doe said she decided to participate in the criminal case because "I wanted to help other girls who were in the same situation."

Preliminary Hearing Starts In Case Against Polygamist (NYT)

By John Dougherty

The New York Times, November 22, 2006

ST. GEORGE, Utah, Nov. 21 — Appearing frail and gaunt, Warren S. Jeffs, the fundamentalist Mormon polygamist leader, appeared in court on Tuesday and heard testimony from a prosecution witness who said he had “spiritually” married her when she was 14 to her first cousin, who was then 19.

The witness, now 20, testified in a preliminary hearing that Mr. Jeffs, other religious leaders and her mother coerced her into marrying her cousin in a secret wedding ceremony conducted by Mr. Jeffs in Caliente, Nev., on April 14, 2001. She said she had never been wed to the man in a civil ceremony and had never received a state marriage license.

Mr. Jeffs is charged with two felony counts of rape as an accomplice in connection with performing the religious marriage and directing the couple to have sexual intercourse against the will of the teenage girl. If convicted, Mr. Jeffs could be sentenced to life in prison.

The witness said she had been given less than a week’s notice that she had been selected for marriage by leaders of the Fundamentalist Church of Jesus Christ of Latter-day Saints.

That group broke from the mainstream Mormon Church more than 110 years ago over the issue of polygamy. The Mormon Church, based in Salt Lake City, which embraced polygamy in the 19th century, now excommunicates any member who practices plural marriage.

The witness testified she had learned only a few days before the wedding the identity of her prospective husband.

“I was horrified when I finally realized who I was to marry,” she said. “I was devastated.”

Mr. Jeffs, 50, has been held in the Purgatory Jail in Washington County since his arrest on Aug. 28 after a traffic stop by the Nevada police northeast of Las Vegas.

He sat erect and stone-faced throughout the daylong proceeding, showing little reaction to testimony by the witness and two of her sisters.

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The woman testified that she was first told she had been selected for marriage by a bishop of the group, Fred M. Jessop. She added that she had immediately called Mr. Jeffs and asked for a meeting with him and Mr. Jeffs's father, Rulon T. Jeffs. Both Fred Jessop and Rulon Jeffs have since died.

The woman testified that she had told Warren Jeffs that she did not want to be married. At the time of the conversation, Rulon Jeffs had suffered a series of strokes and his son was handling most of the church affairs.

The witness said she had told Mr. Jeffs: "I need some time to grow up. I'm not prepared for this responsibility, and I'm not ready to marry my cousin."

She said Mr. Jeffs had told her that her marriage to her cousin "was a revelation from God" and ordered her to prepare for the wedding.

She also testified that she had been afraid to disobey the orders of religious leaders because she believed her "salvation" was at stake. She testified that even if she had wanted to flee, she had had no means to escape.

Mr. Jeffs's lawyer, Walter F. Bugden Jr., told the news media after the hearing that the state was conducting "religious persecution" and predicted that Mr. Jeffs would be acquitted.

"There is no rape in this case," Mr. Bugden said. "Officiating at a wedding ceremony does not make Mr. Jeffs an accomplice to rape."

Judge James L. Shumate of the Fifth District Court said the hearing would continue Dec. 14.

Religion Key Witness Testifies In Case Against Polygamist (NPR)

By Michele Norris And Howard Berkes

NPR's All Things Considered, November 22, 2006

A young woman who says polygamist leader Warren Jeffs forced her to marry -- and have sex -- at age 14 offered dramatic testimony Tuesday in a courtroom in St. George, Utah.

Jeffs is the leader of the Fundamentalist Church of Jesus Christ of Latter-day Saints, or FLDS Church. He's charged in Utah with two counts of "rape as an accomplice."

Tuesday's hearing was to determine whether the case will go to trial. It was the first time that Jeffs faced his accuser, the young woman who is the primary witness against him. NPR does not name alleged victims of sexual assaults.

She was 14, she told the court, when Jeffs ordered her into a "spiritual marriage" with her first cousin, a 19-year-old at the time, and then forced her to have sex with him. Such marriages are not legally recognized. Jeffs allegedly told the woman her salvation depended on her compliance.

In court, the young woman sobbed, cried and dabbed at tears as Jess watched her dispassionately. She described learning of her spiritual marriage, and said she was horrified and resisted. She also described the horror of her husband trying to consummate their marriage, which eventually he did.

The defense cross-examined Jess' accuser, showing photos of the couple smiling together. Defense lawyers also read from love notes her husband is said to have sent to the accuser. They also said that Jeffs gave the young woman religious advice and direction consistent with the tenets of his faith.

The hearing took place about 40 miles from the twin communities Jeffs and his group dominate. About 6,000 followers live in the border towns of Hildale, Utah, and Colorado City, Ariz. Jeffs and some of his followers also face charges in Arizona.

Some Curbs On Sex Offenders Called Ineffective, Inhumane (WP)

By Peter Whoriskey

The Washington Post, November 22, 2006

As convicted sex offenders go, they seem to pose little danger.

One is 100 years old. Another can barely walk and is in the late stages of Alzheimer's disease. Another is dying of heart disease in a nursing home.

Yet under a new Georgia law, thousands of registered sex offenders, even the old and feeble, could be pushed from their homes and hospices.

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"He doesn't really know anything about it," said Ruby Anderson, 77, whose husband was convicted of having sex with a minor in 1997 and, at 81, no longer recognizes members of his family because of Alzheimer's disease. "The trouble is, I just don't know where we can go."

As states around the country have sought in recent years to control the whereabouts of convicted sex offenders, Georgia's law stands out as one of the toughest, a testament to the daunting public fears regarding children's safety.

The roughly 10,000 sex offenders living in Georgia have been forbidden to live within 1,000 feet of a school, playground, church or school bus stop. Taken together, the prohibitions place nearly all the homes in some counties off-limits -- amounting, in a practical sense, to banishment.

"My intent personally is to make it so onerous on those that are convicted of these offenses . . . they will want to move to another state," Georgia House Majority Leader Jerry Keen (R), who sponsored the bill, told reporters.

Since the law's enactment in July, however, a federal judge, human rights advocates and even some of the sheriff's departments that are supposed to enforce the measure have suggested that the zeal for safety may have gone too far.

The residency law applies not only to sexual predators but to all people registered for sexual crimes, including men and women convicted of having underage consensual sex while in high school.

Advocates for the sex offenders say the law is unfair to people who have served their sentences and been deemed rehabilitated. Many police officers, prosecutors and children's advocates also question whether such measures are effective. Most predators are mobile, after all, and by upending their lives, the law may make them more likely to commit other offenses, critics say.

"We should be concerned when we pass laws for political purposes that are irrational," said Sarah Geraghty, a staff lawyer for the Southern Center for Human Rights, the Atlanta-based group that filed court actions against the law's provisions. "This law will essentially render thousands of ex-offenders homeless, and that's just going to make them harder to monitor."

Besides the practical complications, she said, "forcing a terminally ill man to leave his hospice . . . shocks the conscience."

Exactly what to do with convicted sex offenders once they return to the community has been the focus of growing national attention.

Before 1994, only a handful of states required offenders to register their addresses with police. Now all 50 states do, as does the District.

Those lists have focused attention on where the sex offenders live, and as of this summer, 17 states had imposed residency requirements for them, according to research by the National Center for Missing and Exploited Children.

This month, Californians voted to bar sex offenders from living within 2,000 feet of schools or parks -- though a federal judge quickly blocked that provision.

In Iowa, which in 2002 became one of the first states to impose residency restrictions, police and prosecutors have united in opposition to the law, saying that it drives offenders underground and that there is "no demonstrated protective effect," according to a statement by the Iowa County Attorneys Association, which represents prosecutors.

"The law was well-intentioned, but we don't see any evidence of a connection between where a person lives and where they might offend," said Corwin R. Ritchie, executive director of the group.

Enforcing the law consumes lots of law enforcement time, he said, and leads some offenders to list interstate rest stops or Wal-Mart parking lots as their addresses.

"Our concern is that these laws may give a false sense of security," said Carolyn Atwell-Davis, director of legislative affairs for the National Center for Missing and Exploited Children. "We're not aware of any evidence that residency restrictions have prevented a child from being victimized."

Much of the public fear surrounding sex offenders has arisen from the perception that most commit another offense. But that idea is a "myth," according to the Center for Sex Offender Management, an affiliate of the Justice Department.

Child molesters have a 13 percent reconviction rate for sexual offenses, according to research cited by the group, and rapists have a 19 percent reconviction rate for sexual offenses. Concrete measures of recidivism are difficult to come by, however, because most researchers believe that crimes against children are underreported.

Even amid all the restrictions imposed by states, Georgia's attempt to control the sex offender population stood out.

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Among those swept up under its definition of sex offender are a 26-year-old woman who was caught engaging in oral sex when she was in high school, and a mother of five who was convicted of being a party to a crime of statutory rape because, her indictment alleged, she did not do enough to stop her 15-year-old daughter's sexual activity.

Moreover, by prohibiting sex offenders from living within 1,000 feet of school bus stops, the law would force all or nearly all the offenders living in some counties to move.

That provision has been suspended, pending a federal court case. A consent order has temporarily halted the evictions of six elderly and disabled sex offenders, including Ruby Anderson's husband, Daniel.

But even without the bus stop provision, 78 of 129 registered sex offenders in Houston County, where the Andersons live, were required to move, according to the sheriff's department there.

Keen and other advocates have defended the legislation, calling it above all an effort to protect children.

"We felt if we were going to err on any side, we were going to err on the side of protecting the innocent rather than those who have already been convicted," he said.

He has no plans to alter it. As for those who feel it unfairly targets them, he said they can petition the local school board to move the bus stop.

Although the legal actions have focused attention on the rights of convicted sex offenders, he noted, the victims "have been given a life sentence."

"There's not a day goes by, if you pick up a newspaper or turn on the TV, that you don't see these crimes continue to happen," he said.

For those affected by the law, however, it seems to have reached too far.

"Every other block, there's a church," Ruby Anderson said. "Where can we go? I've checked."

Her husband, who was a janitor, was charged with statutory rape in 1996 for having sex with a girl younger than 14. He pleaded guilty on one count and was sentenced to probation, according to Houston County court records.

"At this late date for him, the law is very unfair," Ruby Anderson said. "He doesn't have any recollection of what happened."

FBI Opens Corruption Hot Line (PPG)

By Paula Reed Ward, Pittsburgh Post-gazette

Pittsburgh Post-Gazette, November 22, 2006

In an effort to combat public corruption in Western Pennsylvania, the FBI has established a telephone hot line that people can call to file complaints of possible abuse by elected and appointed officials.

Tips via the FBI's line -- at 412-432-4722 -- can be made anonymously; they will be followed up on by investigators.

Public corruption has been stated as one of the highest priorities of the U.S. Department of Justice.

"We look forward to working with the citizens of Western Pennsylvania to root out corruption and restore credibility at all levels of government," said U.S. Attorney Mary Beth Buchanan.

FBI Subpoena Targets Records Of Grant Agency (NTP)

By Gordon Russell,

New Orleans Times-Picayune, November 22, 2006

Now-defunct state office oversaw charities linked to lawmakers

BATON ROUGE -- A state office that oversaw a series of controversial charities tied to African-American legislators is being scrutinized by the FBI, Gov. Kathleen Blanco's office confirmed Tuesday in announcing that it had complied with a subpoena for records from the department.

"The governor's office staff has complied with the FBI's request for information dating back to 1996 regarding certain programs funded by the former Office of Urban Affairs," Blanco's office said in a prepared statement.

The governor's office confirmed receipt of the subpoena Tuesday after a reporter inquired about it.

Before it was abolished earlier this year, the Office of Urban Affairs was in charge of overseeing grants to nonprofit agencies in the districts of black lawmakers. Critics commonly derided the grants -- and similar money doled out to rural districts -- as legislative "slush funds" that governors could use as an incentive to get reluctant legislators to vote their way.

Blanco's office refused to turn over a copy of the subpoena or divulge details about its contents, citing federal secrecy rules that bar such disclosures.

"Thursday, Nov. 16, staff members provided the documents requested and outlined the general operation of the office," Blanco's office said. "The governor's office is continuing to cooperate in this matter."

A source in the governor's office said the records that were turned over date back only to 2001, as earlier documents have already been destroyed.

Charities tied to Jefferson

It's unclear what the FBI is looking for. But earlier this year, James Bernazzani, the special agent in charge of the FBI's New Orleans field office, announced his intention to investigate two charities that were financed by the Office of Urban Affairs. Both of the groups -- Care Unlimited and Orleans Metropolitan Housing & Community Development -- have longtime ties to U.S. Rep. William Jefferson, D-New Orleans.

The agencies attracted attention after former New Orleans City Councilwoman Renee Gill Pratt provided them with four vehicles that had been donated to the city after Hurricane Katrina.

Taping Police Sessions Urged (BSUN)

By Brent Jones, Sun Reporter

The Baltimore Sun, November 22, 2006

City Council bill would require video of interrogations

The Baltimore City Council is reviewing a bill that would require the videotaping of police interrogations of witnesses or suspects in violent crimes -- a measure opposed by police but endorsed by public defenders who represent suspected criminals.

Councilman James B. Kraft, chairman of the council's public safety subcommittee, said he introduced the legislation because he believes it would decrease the number of allegations of improper behavior by police officers. Kraft said a video would protect officers against false charges, and witnesses against intimidation or illegal questioning.

Representatives of the Police Department -- who say they generally record statements but do not use video -- said at a hearing Tuesday that they have doubts about using cameras, and one high-ranking detective called it "costly" and potentially harmful for prosecutors.

Col. Fred H. Bealefeld III, chief of detectives, said at the hearing that his department is studying a video system used in Chicago. Bealefeld said it cost that department millions of dollars to install and run the cameras in interrogation rooms.

But the Office of the Public Defender dismissed the cost issue and praised the proposal, saying it could be a significant development in criminal proceedings.

"From our perspective in the defense field, what it does is show you things you would not be privy to when somebody gets on the stand and testifies," said Deputy Public Defender Nancy S. Forster. "You look on video and can see if police coerce it out of them or trick it out of them. It allows us to question the credibility of the police officer. It also makes certain that the entirety is taped."

Del. Samuel I. "Sandy" Rosenberg has urged the General Assembly to pass similar legislation the past two years, but without success.

Rosenberg, reached by phone, said he understands such a system might be costly for local government.

"But you're talking about a matter of justice," Rosenberg said. "On a scale, that gives a greater weight than the cost."

During the hearing, police officials asked for time to study the feasibility of video-recorded investigations, a request backed by the city state's attorney's office.

Deputy State's Attorney Cynthia Jones said her office needs more information to determine the legal challenges that videotaped testimony could present.

The subject was first broached in September when Council President Sheila Dixon introduced a resolution inviting Commissioner Leonard D. Hamm to explain his department's policy.

"From our office's perspective, the thing we're looking for are the nuts and bolts of the legalities of having these custodial investigations," Jones said. "I think President Dixon putting this out there is based on calls she's getting from the public.

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"It's a process. But before you say you're going to do it, you better know the pluses and minuses," she said.

Jones also questioned whether the city has the right to enact such legislation, echoing a comment made by Kraft during the public forum.

Kraft acknowledged that he is unsure whether state law gives the City Council the authority to force the Police Department to change the way it conducts interrogations. The councilman said financing the proposal would be the biggest obstacle. "That is the real No. 1 issue," he said.

Police officials also said they feared that a camera would malfunction at an inopportune time.

"You can't just sit a camera and a microphone in a room and expect it to work," said Jordan V. Watts Jr., a lawyer for the police. "There are a lot of problems with doing that in crucial times where you need that statement to come across. If you're doing an investigation, and [a suspect] bows his head or puts his head down, and you lose those words, it can become a problem."

Kraft said he hopes the measure will pass when it is scheduled for a first vote at the next council meeting Dec. 4.

Members of the Young Leaders 4 Baltimore attended the hearing and spoke in favor of the proposal. The group has demanded a change to the Police Department's interrogations policy after allegations that a detective raped a 16-year-old girl at a district police station in July.

Members of the group said a video recording would severely reduce claims of misconduct.

"This is for the betterment of the people," said Hassan Giordano, the first to speak at the hearing. "It's for the safety of the individual and the safety of the officer."

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Judge Sentences Evans To Life Without Parole (BSUN)

By Jennifer Mcmenamin, Sun Reporter

The Baltimore Sun, November 22, 2006

Essex man killed stepdaughter, set body on fire

A 36-year-old convicted sex offender was sentenced Tuesday to life in prison without parole for stabbing, strangling and beating to death his 13-year-old stepdaughter before setting her body and their family's Essex rowhouse on fire to cover up the killing.

Carl Preston Evans Jr., whose arrest in August 2005 highlighted problems with the state's sex offender registry, also received two consecutive 15-year prison terms, one for the at tempted murder of his infant daughter and one for arson.

Baltimore County Circuit Judge Kathleen G. Cox, who pronounced sentence, characterized the killing as "a monstrous, monstrous crime," and pointed out that nothing Evans said, either in court or to an investigator who prepared a pre-sentence report, has shed any light on the motive behind it.

"The death of any child is tragic," Cox said. "To lose a child in the circumstances of this case, it's just unthinkable."

A Baltimore County jury convicted Evans in September of first-degree murder in the death of Breaunna Floyd, who was stabbed 24 times, strangled and beaten before being doused with gasoline and set on fire.

The jury also convicted Evans of arson for setting fire to the family's row home on Foxridge Lane in Essex in July 2005 and of attempted second-degree murder for leaving then-7-month-old Mosett Evans in the burning house.

In a knapsack that Evans left in his front yard that day, police found two knives -- one broken, both bloody -- as well as a towel and T-shirt. DNA analysis indicated that the blood on all four items came from Breaunna.

With firefighters and paramedics on the way, Evans fled. He was arrested 11 days later near a relative's house in West Baltimore.

Evans told the judge that he needed to take responsibility for his actions but stopped short of acknowledging any guilt in the crimes.

"Sometimes you make some crazy mistakes," he said quietly, his voice barely audible in a courtroom filled with his wife's relatives. "It cost me big time. It cost me everything. It cost me my family, including family that's sitting here today."

One man seated in the courtroom muttered in response, "We're ain't your family."

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The sentences capped a brief hearing during which relatives described the family's lingering grief over Breaunna's death. Also, Evans' attorney argued that prosecutors could not ask for a sentence of life without parole because they had not properly notified the defendant of their intention to do so.

Public defender Gary D. Schenker told the judge that although prosecutors had sent him notice, they did not send such paperwork to Evans himself, which, he said, the statute requires. The judge, however, ruled that case law seems to require written notice without specifying to whom it must be delivered.

The Rev. Hillary Gaston Sr., the uncle of Breaunna's mother, spoke in court on behalf of his relatives, telling the judge how Evans was welcomed into the family after his marriage to Kenya and characterizing the defendant's crimes as "a betrayal beyond any magnitude."

"It's very difficult," he said. "We have lost young people, but never this way."

Convicted in 1991 of raping and beating a woman at gunpoint, Evans' arrest in the killing of his stepdaughter shed light on problems with Maryland's sex offender registry. In the days after Breaunna's death, authorities discovered that Evans had failed for several years to update his address with the registry as required and that authorities did not seek him out to correct the errors.

Evans' criminal record also includes convictions for burglary and armed robbery.

During his rambling remarks to the judge, Evans expressed regret for never having explained his actions to his family.

"I do want to say I'm sorry," he said. "I brought this on my family."

But prosecutor Michael S. Fuller told the judge that Evans deserved "absolutely no consideration from this court for what he did."

"Everything he has done to this point has been a charade," he said. The prosecutor later added, "He's clearly a danger to society. He should never see the outside of prison walls again."

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Greek Authorities To Pursue Felony Charges Against Former Getty Antiquities Curator (LAT)

By Nikolas Zirganos, Ralph Frammolino, And Jason Felch

The Los Angeles Times, November 22, 2006

ATHENS — Greek authorities have recommended that felony criminal charges be filed against former J. Paul Getty Museum antiquities curator Marion True for her role in the acquisition of a 2,500-year-old gold funerary wreath considered one of the museum's masterpieces.

The Police Headquarters of Athens announced today that the city's chief prosecutor had concluded an initial investigation with the recommendation that five unnamed people -- three foreigners and two Greek citizens — be charged with looting, selling and receiving the gold funeral adornment.

The press release did not name the individuals involved and said only that the object was purchased by a "private American museum" in 1993 for $1.15 million. A senior Greek official familiar with the case said that the museum was the Getty and that True was among the five defendants.

Under the Greek system, the case will pass to an investigating magistrate who will conduct his own investigation, a process that is expected to take weeks or months.

Neither the Getty nor True's American attorney would comment on the development.

"Any comment at this time would be premature," said Harry Stang, True's attorney in Los Angeles.

The Greek announcement comes amid negotiations between the Getty and officials from the Hellenic Ministry of Culture over the return of the wreath and a statue of a female torso, or kore.

Already this year, the Getty has returned two other objects requested by Greek officials: a 5th century BC marble relief and a 4th century BC inscribed tombstone. The tombstone, or stele, was purchased by J. Paul Getty himself in 1955.

The most valuable and culturally significant item is the golden wreath, an explosion of delicately crafted stems and leaves adorned with colored glass. Greek officials claim it could only have originated from Greek Macedonia, the homeland of Alexander the Great.

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Getty Museum Director Michael Brand said late Monday the museum is still evaluating photos and other evidence supplied by Greek officials to determine whether the objects had been looted, as Greek authorities claim.

"We have not made up our minds," Brand said.

A senior official with the Ministry of Culture said that the legal proceedings against True were independent of the cultural negotiations over the disputed objects.

The Times reported last year that True first saw the ornate burial wreath in 1992, when several men claiming to represent a European collector showed it to her in a Zurich bank vault.

According to internal Getty documents, they offered the wreath for $1.6 million but True lost interest when she became convinced the men were impostors. She wrote that the piece was "too dangerous for us to be involved with."

Four months later, she changed her mind and recommended that the Getty board buy the wreath through Basel antiquities dealer Christoph Leon. A subsequent German police investigation found that Leon acted as the intermediary for a Yugoslav and two Greeks, who had been carrying the object around Europe in a cardboard box.

The Getty contacted the Greek government in 1993 about the impending purchase but ignored warnings from Greek archeological officials that the wreath, as well as the kore and marble relief, were "almost certainly" illegally excavated and smuggled out of the country.

Greek authorities made a formal request for the return of the objects in 1996. True responded by suggesting that the wreath may have come from Italy, and the dispute went unresolved, documents show.

The Culture Ministry renewed the request in May 2005. After press reports about the wreath in Greece, prosecutors in Athens ordered a criminal investigation, which resulted in today's charges.

The senior Greek official, who asked not to be identified because he is not authorized to speak about the case, said that in addition to True, the investigation recommended charges against Leon, the Basel dealer; L.J. Kovacevic, a Yugoslav national; and Georgios Tsatalis and Georgios Kagias, Greek citizens.

Greek police raided True's house on the Greek island of Paros last March and found several unregistered antiquities -- many of which were fragmentary and of little value. No charges have been filed in that case and the investigation continues.

True is on trial in Rome on charges she conspired to traffic in looted art. The Getty has spent months negotiating with Italian cultural officials about 46 disputed objects. Today, the Getty agreed to return 26 of those objects and announced that it was ending talks about the remaining 20.

Getty Museum Ceases Talks With Italy Over Antiquities (NYT)

By Hugh Eakin And Elisabetta Povoledo

The New York Times, November 22, 2006

In an abrupt change of course, the J. Paul Getty Museum in Los Angeles announced yesterday that it had broken off negotiations with the Italian government and made a “unilateral” decision to cede only some of the antiquities that Italy says were looted from its soil.

In a six-page letter to the Italian culture minister, Francesco Rutelli, the Getty’s director, Michael Brand, said the museum had decided to turn over 26 artifacts. Referring to other treasures sought by the Italians, he said that Italy had “no valid legal claim” to a prized bronze sculpture in the Getty’s collection, and that evidence regarding a limestone cult statue it wanted returned was “inconclusive.”

Mr. Brand also wrote that the Getty would continue to study the cult statue, regarded by experts as possibly depicting Aphrodite, and would transfer title to Italy if new research lent weight to the country’s claim that it had been illegally excavated on its territory.

The museum’s move carries significant risks for the Getty. Unlike deals to return disputed art that Italy negotiated this year with the Metropolitan Museum of Art in New York and the Museum of Fine Arts in Boston, the ceding of art by the Getty carries no guarantee of loans from Italy or other reciprocal benefits.

“We will not get anything in return unless there is a change of heart on the Italian side,” Mr. Brand said in a telephone interview.

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The Getty's decision follows nearly a year of tense negotiations over an Italian claim for 52 objects in the museum's collection. The claim rests largely on evidence that has emerged in the trial in Rome of Marion True, a former Getty curator, and Robert Hecht, an American art dealer, on charges of trading in illegally excavated antiquities.

In Rome, Maurizio Fiorilli, a lawyer for the Culture Ministry, said the government had not taken an official position on the Getty's move. But noting the ministry's role as a civil plaintiff in the trial, Mr. Fiorilli said the 26 objects to be yielded would be held by the Rome tribunal as evidence supporting the indictments of Ms. True and Mr. Hecht.

"If Mrs. True is found guilty, the pieces will revert to the Italian government; if she is found innocent, the Getty will decide what to do," Mr. Fiorilli said in a telephone interview yesterday. "The pieces will come to Italy not as a concession on the part of the Getty but as a seizure, the result of a procedure that is part of our legal process."

Mr. Brand said the museum's parent, the J. Paul Getty Trust, reached its decision on Monday after his return from an unsuccessful meeting on Friday with Mr. Rutelli in Rome.

An impasse emerged after an Oct. 5 meeting in Rome in which lawyers for the Getty and the Culture Ministry signed a memorandum meant to lead to a final joint agreement.

In that document, a copy of which the Getty provided to The New York Times yesterday, the museum said it intended to return 26 objects: 25 requested by Italy and an additional artifact that its own research had determined belonged to Italy. Those objects include fresco fragments acquired in the early 1970s, red-figure Attic pottery and a rare antefix. The document also said Italy was removing six other objects from the original claim of 52.

The document indicated that the Getty was preparing a formal response to the Italian claim for the bronze sculpture — a life-size Greek youth believed to date from 300 to 100 B.C. — and that Italy and the Getty could have joint title to the Aphrodite while further research on its origins was pursued.

But relations between the sides soon fell apart, with Mr. Rutelli publicly expressing "dissatisfaction" with the talks.

On Oct. 20, the Getty received a letter from a Culture Ministry lawyer "making it clear that the ministry was repudiating" the Oct. 5 document, Mr. Brand wrote in his letter to Mr. Rutelli.

After news reports this month that the ministry was preparing to break off negotiations, the museum decided that Mr. Brand should go to Rome to make what he called "a final offer": the Getty would return the 26 objects promised in the Oct. 5 document and give Italy "full title immediately" to the Aphrodite, provided that the government agreed to "undertake further title research jointly."

But in the meeting on Friday, which lasted more than three hours, this proposal was turned down, and no agreement was reached.

In his letter to Mr. Rutelli and in the interview, Mr. Brand described the October document as an "agreement" that bound the ministry "to provide a formal agreement to the Getty within 10 days."

Mr. Brand said yesterday that the ministry had reneged on that agreement by insisting on the unconditional return of the bronze and the Aphrodite and by threatening the Getty in the news media with punitive "embargoes" before it had received the museum's final assessment of Italy's claim to the disputed objects.

But Mr. Fiorilli, the ministry lawyer, said in the interview yesterday that the Oct. 5 document did not have the status of an agreement and had been signed only as the "basis of a future accord" should both parties reach a consensus in negotiations.

Giuseppe Proietti, the Culture Ministry official who signed agreements covering the return of antiquities by the Met and the Museum of Fine Arts in Boston, said yesterday that he was surprised to hear that the Getty had said his ministry had repudiated anything. "That's not an accord," Mr. Proietti said of the October document.

Mr. Brand's characterization of the document contradicts his own comments to a reporter on Nov. 3 in which he described it as simply a memorandum between the parties. "It's not as though there's an almost final draft that we are just checking the situation on," he said then.

It remains unclear whether the Italian ministry will carry out its earlier threat of breaking cultural ties with the Getty, a threat it previously used in postponing antiquities loans to the museum and in trying to win back objects from other institutions like the Met.

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Justice Courts For Small New York Towns To Be Overhauled (NYT)

By William Glaberson

The New York Times, November 22, 2006

ALBANY, Nov. 21 — New York's top judicial officials outlined a plan on Tuesday to begin reforming the state's 300-year-old system of town and village courts, which have been criticized for decades as outmoded, poorly supervised and unfair.

The plan, announced here by the state's chief judge, Judith S. Kaye, included changes that have been recommended for years by defense lawyers and legal experts. Among them were plans to increase training for the justices, to improve their supervision and to better monitor whether they are protecting basic legal principles like the constitutional right to a lawyer.

The courts — known as justice courts — are also to be required for the first time to keep a word-for-word record of their proceedings, like other courts in the state.

While the officials said that many town and village justices are diligent, Judge Kaye said a sweeping reform program was called for by what she called enduring concerns about the courts. The system has survived a century of calls for radical overhaul by governors and commissions, and an important legal challenge in the 1980s.

As outlined by a series of articles in The New York Times in September, the courts have survived in part because the justices — most of them not even lawyers — have longstanding and deep ties to the upstate political system, and because of the substantial cost of replacing them with more professional courts.

The plan announced on Tuesday is the most specific and ambitious effort in years to address significant parts of the system's troubled dealings.

Most of the measures, like requiring verbatim records and increasing the justices' training and monitoring, can be instituted through orders from Judge Kaye, effective immediately.

"These courts must provide the same high standard of justice the public expects and deserves from any court in New York," Judge Kaye said.

But the judiciary's plan still stopped short of calling for legislative changes in features of the justice court system that disturb critics most.

Those critics — defense lawyers and prosecutors, elected officials and legal experts — say the current threadbare system effectively leaves the state with two types of justice: a modern and professional one for the cities and a second, rudimentary and sometimes abusive one for suburban and rural areas.

The State Assembly is to begin a broad examination of the justice court system at a hearing next month. That hearing is to tackle several of the most serious concerns, like the fact that three quarters of the town and village justices are not lawyers. It will also focus on the fact that unlike all other courts in the state, these courts are financed not by the state but by towns and villages, limiting state control and often resulting in impoverished courts and justices who are paid $1,200 a year or less.

The justice courts are a sprawling system of more than 1,200 courts that are often the first—and frequently the only—stop in the state legal system for people in the 57 counties outside New York City. Dating from Colonial times, the courts occupy something of a time warp, with often poorly trained justices, sometimes convening in town firehouses or highway department garages — or their own kitchens — and dispensing a form of justice unlike any other in the state.

The courts usually handle landlord-tenant cases, small civil cases, traffic infractions and misdemeanors. Yet these courts have considerable powers to jail people, evict tenants and set bail in cases as serious as murder and rape. They handle two million cases a year and collect $210 million in fees and fines.

A state takeover of the financing of the justice courts or a requirement that the justices must be lawyers would require legislation. Judge Kaye and other court officials pointedly declined to say whether they might call for such changes in the future.

Judge Kaye said the judiciary would ask the Legislature for $10 million in next year's budget to begin making the changes announced on Tuesday, for expenses like training, recording equipment and improving the courts' physical facilities.

The judiciary's plan also outlined steps to toughen the examinations justices must pass before they take the bench, and to provide the courts with computers, fax machines, basic security devices and digital recorders to tape their proceedings.

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Top court officials said they would begin a new program to require annual audits of justice courts' books, and to increase the size of a small staff of lawyers who answer justices' legal questions, usually by telephone. The officials said they would appoint supervising judges across the state to oversee the justice courts, but it was not clear how much power they are to have.

In September, The Times described many justice court cases in recent years in which defendants were jailed illegally, subjected to racial and sexual bigotry and denied fundamental guarantees, like the right to a lawyer or a trial. The articles also detailed many failed efforts over the last century to change or replace the courts.

The court officials' announcement, and a 68-page report that accompanied it, showed that court officials have chosen for the moment not to take on what could be the considerable political, financial and organizational problems that would accompany any call to overhaul or do away with the courts.

"Our focus is on what we can do now" under current law to improve the justice courts, Jonathan Lippman, the state's chief administrative judge, said. Judge Kaye has asked a state commission to study the justice courts and she said she would study its recommendations, expected early next year.

Tuesday's proposals were greeted by some lawyers and experts on the court system as long overdue. But some said that by failing to face basic issues concerning the courts, the plan seemed to leave much work to do.

"I don't understand how it is possible for them to assure the citizens they're going to get justice in these town and village courts," said Robert L. Spangenberg, a national expert on local court systems who studied the justice courts last year for a commission appointed by Judge Kaye.

Donna Lieberman, the executive director of the New York Civil Liberties Union, said that while the reforms suggested by Judge Kaye were welcome, "these are Band-Aids on a system that needs serious systemic reform." She said her group was considering a lawsuit to challenge the justice court system if the state did not quickly make broad reform in the courts.

David O. Fuller Jr., the president of the State Magistrates Association, the justices' organization, said the court officials' plan was a positive development. He added that the state's justices continued to believe the network of justice courts "is really a very good system" that does not require fundamental change.

The court officials' plan is to increase the classroom training for nonlawyer justices to two weeks from one and, for the first time, to require that lawyers who are elected to town and village courts receive judicial training before they take the bench.

In recommending such improvements, the report did not shy away from making clear the depth of the problems in the justice courts. The report said that some courts do not even have a judge's bench or a single court clerk. As for the current system of training nonlawyer justices, it said analysis of the results "reveals that this approach too often fails to facilitate real learning."

Laced through their remarks as well were suggestions that the court officials find the current justice court system frustrating to meaningfully oversee and police. Their report said current law gives state court officials "very little effective structural or operational control" and that this "balkanization of responsibility for the Justice Courts," is an issue New York policymakers should consider.

It observed that the legal system had grown far more complex in the 40 years since the Legislature last approved using justices who were not lawyers. Ensuring that all justices are minimally proficient in the law, it said, "is among the great challenges in New York governance."

CIVIL LAW:

Whistle-Blowers Bring Govt. Payback (AP)

By Lara Jakes Jordan, Associated Press Writer

AP, November 22, 2006

WASHINGTON -- Whistle-blowers tipped off the government to $1.3 billion worth of fraud cases over the past year, largely at hospitals or other health care providers, the Justice Department said Tuesday.

In all, the department recovered $3.1 billion in settlements -- what prosecutors said was a record amount -- from individuals and companies during the 2006 fiscal year that ended Sept. 30.

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"Many of these cases were initiated by whistle-blowers," said Assistant Attorney General Peter D. Keisler, who oversees the department's civil division.

He called the $1.3 billion identified by whistle-blowers a recovery level "probably greater than most years, smaller than a couple." In return, whistle-blowers were paid $190 million over the year for alerting the government to the fraud.

The single largest settlement, worth $920 million, came against Dallas-based Tenet Healthcare Corp., the nation's second-largest hospital chain. Following claims from six whistle-blowers, prosecutors accused Tenet of overbilling the government for $806 million in Medicare payments and paying $49 million in kickbacks to doctors who referred patients to the health care chain.

Tenet operates 66 hospitals in 12 states, mostly in the Southeast. Overall, fraud settlements with health care companies accounted for $2.2 billion -- more than two-thirds of the annual total.

Whistle-blowers have helped the government recover an estimated $18 billion since 1986, when Congress approved laws to strengthen their protections.

"Today, individual citizens are making the same kind of important difference in exposing fraud by those who do business with the government," said Sen. Charles Grassley, R-Iowa, who helped write the laws.

Until now, the government had never recovered $3 billion or more in fraud cases, and passed the $2 billion mark for the first time in 2003, Keisler said.

The overall total also includes a $565 million settlement with Boeing Co., closing two investigations into claims that the aircraft manufacturer improperly sought and carried out contracts with the Pentagon and NASA. Additionally, two whistle-blowers led the government to the single settlement over the past year related to Iraq reconstruction contracts. Houston-based EGL Inc., a subcontractor for Kellogg, Brown & Root, paid $4 million to resolve accusations that it added fake "war risk surcharges" while billing the government. Kellogg, Brown & Root, also known as KBR, is a subsidiary of the Halliburton Co., the Houston-based oil services conglomerate.

There was no immediate total for fraud payments related to hurricanes Katrina and Rita last year.

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On the Net:

Justice Department: http://www.usdoj.gov/

Federal Court Favors Newspaper Group In Fight For Records (AAS)

By Rebecca Carr, WASHINGTON BUREAU

Austin American-Statesman, November 22, 2006

At issue is whether data on illegal immigrants who are convicted of crimes should be released to public.

WASHINGTON — A federal court of appeals ruled Tuesday that a lower court erred in dismissing a case that sought records under the Freedom of Information Act about illegal immigrant convicts who are not deported.

The U.S. Court of Appeals for the District of Columbia ordered the trial court to settle factual disputes between Cox Newspapers, which owns the Austin American-Statesman, and the Justice Department over the privacy rights of illegal immigrants convicted of a crime. At the heart of the case is whether privacy rights outweigh the public's right to know that they have been released into the community.

"We're gratified that the judges agreed with us that the trial court shouldn't have granted the government's motion for summary judgment," said Andrew Alexander, chief of the Cox Washington bureau. Cox will confer with its lawyers to determine how to proceed, he said.

The information is essential for assessing whether the government is properly enforcing deportation laws, Alexander said.

"At its core, the case involves a bedrock American principle that citizens should have access to information that enables them to evaluate the performance of their government," he said.

The Justice Department declined to comment other than to say it would review the five-page ruling.

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The department's lawyers have argued that it has turned over some of the information requested by Cox under the Freedom of Information Act request filed three years ago, including the convicts' native countries, dates taken into custody and dates of release, the legal documents show.

But personally identifiable information such as full names, dates of birth, alien registration numbers and FBI numbers would invade the privacy of convicted illegal immigrants and serve no public interest, Justice Department lawyers wrote in legal briefs.

Benjamin Johnson, director of the Immigration Policy Center, an immigrant advocacy group, said the public has the right to know the dysfunctions of the immigration system and how it might be failing. But that does not mean it should release personal information, because immigration officials make mistakes, he said.

Other immigrant groups have said they support the release of such information.

Bankruptcy Lawyers Adjust To Drought (LAW)

By Zusha Elinson, The Recorder

California Recorder, November 22, 2006

An improving economy isn't good news for everyone. With fewer businesses going broke, the pace of traditional work for bankruptcy lawyers has slowed considerably -- for now.

Industry experts say a big reason is because money is flowing more freely -- especially from hedge funds and private equity groups -- to keep businesses afloat that might have filed for Chapter 11 bankruptcy in leaner times.

But bankruptcy lawyers are evolving, and some even say the rivers of money may run dry in the near future -- possibly during the next economic downturn.

"There has never been liquidity like this before -- never close to it in my 32 years," said Frederick Holden Jr., a partner in Orrick, Herrington & Sutcliffe's bankruptcy and debt restructuring practice group in San Francisco. "I hope for everyone that it doesn't cause any problems, but it seems unlikely."

Holden, who launched his career as a bankruptcy lawyer during the mid-1970s recession, said money alone can't solve the problems that failing businesses are facing.

"Now you have a lot of hedge funds coming in buying debt," he said. "That's all wonderful for the company, but if the company keeps losing money, that can only go on for so long."

Legal recruiter Lawrence Mullman said some firms are planning for just that. Though bankruptcy lawyers aren't flying off the shelf like IP or corporate lawyers, there is some interest, he said. Skadden, Arps, Slate, Meagher & Flom and Kirkland & Ellis are among the firms beefing up their bankruptcy practices, according to the The National Law Journal.

"The demand is less, but some firms see what's coming and are looking to make some strategic hires," said Mullman, who works out of New York. "I think that they recognize that the cycle is going to begin again."

While not a universally held belief, Holden and several other bankruptcy lawyers told The Recorder they expect to see more Chapter 11s filed by late 2007.

It would certainly be better for business, because in the last two years filings have dropped dramatically. In the 2004 fiscal year, a total of 10,113 businesses filed for Chapter 11 in U.S. Bankruptcy Court. In 2005, 5,856 businesses filed, and in 2006, only 5,475 businesses filed, according to statistics released by the courts.

"The significant decline in local Chapter 11s means there's less work on the West Coast, and we're not immune to that," said Peter Benvenutti, a partner in Heller Ehrman's bankruptcy and restructuring practice in San Francisco.

Benvenutti said the practice group -- like many others on the West Coast -- hasn't been hiring additional attorneys in recent years.

EVOLVING AND KEEPING BUSY

For Robert Eisenbach III, a Cooley Godward Kronish bankruptcy lawyer, the trend has meant a change in the focus of his work to what's currently the rage: hedge fund financing.

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"During the 2001 to 2004 time period, there were just a lot more Chapter 11s being filed," said Eisenbach, partner in charge at Cooley's San Francisco office. "As the number of bankruptcies goes down, we tend to get involved in more of out-of-court restructurings and litigation."

More and more, he's been working with credit and finance lawyers on complex deals where hedge funds and private equity groups are injecting money into failing companies to steer them clear of bankruptcy court.

"Unless there's a strategic reason to be in bankruptcy, there are economic incentives to do restructuring out of court," said Joseph Scherer, the partner who heads Cooley's credit finance group.

In the last four years, Scherer said he has worked with bankruptcy lawyers on a more regular basis, in large part because of the growing popularity of second lien loans instead of unsecured mezzanine financing. Expertise concerning what rights the second lien holder will get in bankruptcy is often needed, he said.

It's a trend recruiters are noticing, too.

"[Demand] is actually starting to increase, and bankruptcy lawyers are looking for firms with strong bond and hedge fund practices," said Lawrence Watanabe, a legal recruiter based in San Diego.

Orrick's Holden said there's also bankruptcy work in some industries that, for whatever reason, are not necessarily buoyed by the strong economy or free flow of financing. For instance, any industry that depends on energy may struggle when oil prices go up, he said.

Although such cases haven't rolled into Orrick's San Francisco office, Holden said he's still working on bankruptcy cases stemming from another industry-specific problem -- exposure to asbestos litigation.

Earlier this year, Holden finished up his work representing a committee of retirees inKaiser Aluminum's Chapter11 case, setting up a trust with the company's stock that will fund their pensions.

Geography can also play a role in bankruptcy work. In the late 1990s, companies filing for bankruptcy and their lawyers headed for Delaware, because of a predictability when it came to the amount of fees awarded. But now the center of gravity has shifted to New York, Benvenutti said.

"New York is generally considered to be a more user-friendly district," he said.

That's good news for New York firms and major Bay Area firms like Heller, Orrick or Cooley that have New York offices.

THE ROARING EARLY 2000S

Still, the bankruptcy market for lawyers is nothing like it was just a couple of years ago when the likes of Enron and Worldcom went bottoms up.

"It was a terrific time for the bankruptcy bar: You had K-mart and United Airlines -- we did work with Aloha Airlines," said Richard Lapping, co-chair of Thelen Reid Brown Raysman & Steiner's bankruptcy and creditors' rights group. "These were huge bankruptcy cases that meant a lot of work for a lot of lawyers."

Lapping, like other bankruptcy lawyers, said that trend might return.

"There's a little bit of tension in the economy, and we're getting calls that there may be work in the offing looking forward," he said.

CIVIL RIGHTS:

Md. Challenges Federal Report (BSUN)

By Greg Garland, Sun Reporter

The Baltimore Sun, November 22, 2006

Administration disputes U.S. finding that juvenile-offender center is unsafe

The Ehrlich administration has sent a sharply worded letter and nearly 500 pages of supporting documents to the U.S. Justice Department, challenging a finding that the state has run a Baltimore center for juvenile offenders in an unsafe and unconstitutional manner.

A Justice Department report issued in August said youths held at the 144-bed center on North Gay Street "suffer significant harm and risk of harm" because there isn't enough staff on hand and treatment plans are inadequate.

The report noted youth-on-youth assault rates 47 percent higher than the national average for such facilities.

But state officials say the report was written nearly a year after federal officials inspected the Baltimore City Juvenile Justice Center in September and October 2005 and that the concerns they raised have been addressed.

"We strongly disagree with the Justice Department's findings," said Edward Hopkins, a spokesman for the Maryland Department of Juvenile Services. "We believe their conclusions are wrong."

The highly critical Justice Department report was regarded as an embarrassment for Gov. Robert L. Ehrlich Jr., who had made juvenile justice reform a key issue when he campaigned for the office four years ago. The report lays the foundation for a possible lawsuit that could lead to a court order forcing the state to change the way it runs the juvenile center.

In a 16-page, footnoted letter dated Nov. 6, Maryland Juvenile Services Secretary Kenneth C. Montague Jr. called on federal officials to drop the matter. The letter was released yesterday after The Sun requested a copy.

"DJS believes that, as of October, 2006, children confined to the [Baltimore City Juvenile Justice Center] do not suffer the harm or significant risk of harm described in your letter and that there are certainly no risks [of] violating the constitutional or federal statutory rights of these youths," Montague wrote.

While youth-on-youth assaults at the center are higher than the national average, Montague wrote, the number has been reduced sharply since federal officials visited more than a year ago.

Many of the problems highlighted in the Justice Department report were resolved well before it was issued in August, Montague said.

For example, he said, the center "has replaced its lightweight plastic chairs with large boxy chairs which are more difficult to lift and too cumbersome to be effectively used as a weapon." And, he said, toothbrushes have been replaced with a "shank-proof" variety that can't be fashioned into weapons.

In addition, Montague wrote, the Maryland State Department of Education was brought into the center in January to take over its education programs, including special education services.

The Justice Department "nonetheless baldly asserts that that the Justice Center 'fails to provide adequate special education services.' ... The DOJ is wrong," Montague wrote.

He said further that, on the subject of educational programs, the Justice Department's report "contains basic factual mistakes and reaches conclusions that are simply unfounded."

Cynthia Magnuson, a spokeswoman for the Justice Department's Civil Rights Division, said the federal agency would have no comment on the details of the state's response.

"We stand by our letter, and we remain willing to work with the state to reach a resolution," Magnuson said.

Although Montague wrote in his letter that staffing and other issues at the center have mostly been resolved, reports by the state's independent juvenile justice monitor tell a different story.

As recently as Aug. 31, then-monitor Katherine A. Perez wrote Montague about "the ongoing issue of staffing shortages and the threat to life, health and safety this presents to children" housed at the Baltimore juvenile justice center.

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Juvenile Centers Still Not Up To Standard, Monitor Says (JCL)

By Julie Goodman

Jackson (MS) Clarion-Ledger, November 22, 2006

A court monitor for the state's two juvenile training facilities has once again reported that the state has failed to meet most of the conditions required under an agreement to bring the schools up to standard.

In May 2005, Mississippi entered a four-year decree to end a Justice Department lawsuit over abuse allegations at the Oakley and Columbia training schools.

The fourth report from monitor Joyce Burrell, filed Wednesday, covers the period May 1 through Aug. 31.

It says that while some progress was made during that period, much more is required to come into compliance.

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Burrell noted improvements in student staffing ratios, and the improved cleanliness of floors, walls, ceilings, baseboards, youth rooms, bathrooms and common rooms. “In the short term, staff are to be commended for pitching in many extra hours to do a thorough cleaning and some painting of the buildings,” she wrote.

But she also noted unresolved setbacks in education and staffing issues, including difficulty in retaining new hires long enough to get problems under control. The problem must be addressed, she said, so that the department’s youth services can reach optimum staffing levels and cut down on overtime.

DHS Executive Director Don Taylor was not available for comment today, but has said in response to previous reports that improvements have been slow but continual.

The recent report also detailed continued problems with reports of abuse by students, noting that the actual student complaints are coming through attorneys from the Department of Justice or the Southern Poverty Law Center.

“The fact that students/cadets are not comfortable reporting issues to staff of the Division of Youth Services is troubling and suggests that they are still either afraid ... or they do not have the skills to effectively use the tools that are available to make reports.”

During this reporting period, there were too many serious allegations of youth-on-youth and staff-on-youth abuse at Oakley. A major communication problem is to blame for those serious complaints which do not progress up the chain of command.

Staffers “dropped the ball,” she said, when they decided not to pursue an allegation from a youth who choose to withdraw the complaint.

As she has noted in the past, Burrell said staffers still don’t understand what constitutes abuse at Oakley.

She recommended that an ombudsperson join the staff, and that tape recorders be used for students who have trouble reading and writing their complaints. She also suggested better regular assessments of how safe students feel.

Day Laborers Win Racial Lawsuit (FINDLAW/AP)

By Jim Fitzgerald, Associated Press Writer

AP, November 22, 2006

(AP) - WHITE PLAINS, N.Y.-A suburban village discriminated against Hispanic day laborers when it closed a hiring site and stepped up police patrols on the streets where they looked for work, a federal judge ruled Monday.

"Since August 2004, and continuing into this past summer, the defendants have engaged in a campaign designed to drive out the Latino day laborers who gather on the streets of Mamaroneck to seek work," Judge Colleen McMahon wrote. "The fact that the day laborers were Latinos, and not whites, was, at least in part, a motivating factor in defendants' actions."

McMahon did not specify a remedy for the village of Mamaroneck, about 25 miles north of New York City, giving the two sides 10 days to make suggestions. And in a footnote at the end of the decision, she suggested there was still time for a settlement.

Attorney Kevin Plunkett, who represented the village, said it was a stretch for the judge to determine that discrimination played a role in the crackdown. He said the quality of life for residents of Mamaroneck - not race - was the chief concern of village officials.

"This group of people just happens to be Hispanic," he said. "What happens if 50 other people were assembled in the community? That has to be addressed."

Plunkett said he and village officials would review the ruling and discuss what steps to take next.

The village had argued that it was only enforcing existing laws when it beefed up the police presence in the area around the park and set up traffic checkpoints that inconvenienced the contractors who came looking for temporary workers.

Six Hispanic immigrant workers - all identified as John Doe for fear of retaliation by police or immigration authorities - took the village to court in September, seeking an injunction against what they called selective law enforcement and ethnic discrimination. They said the village violated their right to equal protection when they cracked down on the laborers.

"We're very pleased," said Cesar Perales, president of the Puerto Rican Legal Defense and Education Fund, which represented the day laborers. "The court found that indeed the village of Mamaroneck had engaged in intentional discrimination and was motivated by racism."

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The ruling could influence the treatment elsewhere of day laborers, who have become an increasingly visible symbol of the immigration issue as they solicit construction and landscaping jobs.

The victory is at least the second this year for day laborers in federal court. In May, a federal judge prohibited the city of Redondo Beach, Calif., from arresting day laborers for violating a local ordinance against soliciting work in public.

Ga. Prosecutors Review Shootings By Cops (FINDLAW/AP)

By Harry R. Weber, Associated Press Writer

AP, November 22, 2006

(AP) - ATLANTA-Prosecutors in a suburban county plan to review 14 shootings by police, including eight fatalities, amid concern about the high number of killings compared with the nation's two largest cities.

DeKalb County prosecutors will also investigate the death of another person in police custody who was not shot, and they expect to be asked to look into four more fatal shootings by police, Adora Andy, a DeKalb County district attorney's office spokeswoman, said Monday.

"We will review the documents, and we will determine the appropriate course of action," Andy said.

Prosecutors could pursue criminal charges against officers if warranted.

The review of shootings and in-custody deaths involves 15 incidents from Jan. 1 through Sept. 12, Andy said, adding that her office expects to get another request from the police department to review the shootings since then.

Monday's police materials omitted a fatal police shooting Sept. 2, and Andy said she expected to get that later.

Andy declined to say why Police Chief Nick Marinelli made the request. She also would not disclose what reports he has turned over.

A police spokesman did not return calls seeking comment beyond a Police Department statement that said the DA office's investigation had been requested.

Marinelli has defended the department's actions since an Associated Press investigation published Sept. 28 showed that the nine fatal shootings this year by DeKalb County police at that time was more than the six in New York City and equal to the Los Angeles number.

It also was three times the number of fatal shootings DeKalb police had recorded last year in the county of 700,000.

Nationwide, justifiable killings by officers while on duty declined from 378 in 2001 to 341 last year, according to the FBI, which does not catalog fatal police shootings that are accidents or not justified.

Records obtained by the AP through an open records request showed that some of the department's required in-service training in the use of deadly force had been reduced, along with instruction in the use of batons.

The toll led to an independent review of police training and use-of-force procedures by a consulting firm that found some deficiencies, including a lack of emphasis on de-escalation of tense situations. County CEO Vernon Jones said at the time that there were no widespread problems at the department.

Since September, there have been three more fatal shootings by DeKalb police. Now, the police chief has asked for a review by the prosecutor's office to remove any doubt in the public's mind, police said Monday.

The review request comes as police have released details of an internal probe into the shootings. A police review board found that an officer in one fatal shooting was unjustified in using deadly force and that officers in three nonfatal shootings were unjustified.

The officers in the remaining shootings through September were either found to be justified, or no determination was made.

Gay Custody Case Stalls In Court (WT)

By S.A. Miller

The Washington Times, November 22, 2006

Two Baltimore County judges have delayed ruling in a child- custody case that has forced a 7-year-old girl to spend time with her adoptive mother's former lesbian partner, despite objections from a court-appointed child-welfare specialist.

DOJ_NMG_0097167

A social worker for Baltimore County Circuit Court reported in August that the ex-partner's overnight visits with the girl "probably caused acute underlying turmoil" for the child, according to court records.

"At this time, she seems emotionally vulnerable and experiencing severe anxiety in response to the crisis that this dispute has precipitated," social worker Cheryl Taylor says in the report. "Overnight weekend visits seem to pose particular separation threats and anxiety for [the girl] at this time."

The report remains sealed, but excerpts of Miss Taylor's findings are cited elsewhere in the court record.

Miss Taylor notes that the girl told everybody involved in the case -- including her mother, her mother's former partner and the family pediatrician -- that she does not want the visits to continue. The social worker also has recommended that the child "remain in long-term psychotherapy."

Still, two successive judges presiding over the case have delayed ruling on the emergency request by the mother, identified as Janice M., to stop the court-ordered visitation.

Judge John O. Hennegan put off ruling on the mother's request in August. The case last month was transferred to Judge Michael J. Finifter, who scheduled a hearing for Jan. 28.

The Washington Times is withholding the full names of Janice M. and her former lesbian partner, Margaret K., to protect the identity of the girl, who was adopted from an orphanage in India in 2000 by Janice M.

Both women declined to be interviewed for this report.

"The little girl doesn't even know what a lesbian is," said Susie Banks, 49, whose 7-year-old daughter is best friends with Janice M.'s daughter. "She has no clue why this woman is doing this to her. ... She wrote a note to her mother last Christmas saying she wants a dad and a dog."

Mrs. Banks, a homemaker from Ellicott City, has appeared as a witness for Janice M.

Margaret K., who was Janice M.'s live-in girlfriend from 1987 until 2004, won visitation rights to Janice M.'s adoptive daughter in a court ruling in February.

The ruling, which denied Margaret K. custody of the girl but required that she have visitation with the child every Wednesday and every other weekend, was upheld this month in a decision by the Court of Special Appeals.

The courts found that Margaret K. is the child's de facto parent.

Homosexual rights groups and the American Civil Liberties Union have rallied behind Margaret K.

The case also has energized proponents of same-sex "marriage" who say that issues of child custody and visitation would be resolved more easily if homosexual unions were legally recognized.

In January, a Baltimore City Circuit Court judge ruled that the state's 33-year-old ban on same-sex "marriage" is unconstitutional. The case will be argued next month in Maryland's highest court, the Court of Appeals.

Dan Furmansky, executive director of the homosexual rights group Equality Maryland, said he was pleased that Margaret K.'s case was being judged solely on the basis of what was in the best interest of Janice M.'s daughter.

"Sexual orientation has no bearing on the ability to take care of a child," Mr. Furmansky said. "Our position is that every case should be decided individually, and the best interest of the child is what would be determined."

The social worker's report also cites a report by the girl's pediatrician who "did not see anything beneficial about forcing the visits," according to court records.

Margaret K.'s attorney, Jennifer S. Fairfax, challenged Miss Taylor's conclusions.

"Ms. Taylor's ultimate findings are remarkably inconsistent with her specific and detailed findings, particularly her findings with regard to what [Margaret K.] has to offer" the child, she said in correspondence to the court.

She cited Miss Taylor's findings in the report that Margaret K. is "a loving, caring, positive and important influence on [the girl's] life and under less stressful conditions could be an appropriate parent care-giver to the child."

Miss Fairfax noted that the report says Margaret K. "puts [the girl's] needs above her own" and should remain an "extremely constant and steady influence in [the girl's] life."

Mothers Rally To Back Breast-Feeding Rights (WP)

By Cecilia Kang

DOJ_NMG_0097168

The Washington Post, November 22, 2006

Karen Gral knows how difficult it is to travel with small children: standing in long lines with squirming toddlers, dealing with new security rules that prohibit liquids -- including some baby foods -- and lugging strollers, car seats and diaper bags through airports.

For her, the finish line is sitting on the airplane and breast-feeding her hungry and worn-out 16-month-old to sleep.

So when the Alexandria mother of two heard that a family was kicked off a Delta Air Lines flight last month because the mother refused to cover her baby with a blanket while breast-feeding, Gral decided to join 70 people at Reagan National Airport yesterday for a "nurse-in" in front of the Delta ticket counter. Similar protests were held at more than 30 airports around the country, including Baltimore-Washington International Thurgood Marshall Airport, where 62 people gathered in support of Arlington native Emily Gillette.

"Breast-feeding is the most natural thing in the world. What was Emily supposed to do? Not feed her child? Not give her child comfort?" said Gral, while nursing her son, Garrett, who was wearing a white onesie that read, "I'm a Breast Man."

Delta has said it regrets the incident with Gillette, which took place aboard one of its contract carriers, Freedom Airlines.

"Delta Air Lines fully supports a mother's right to breast-feed on board our aircraft, and we were very disappointed in the decision to move Ms. Gillette from the flight," said Gina Laughlin, a Delta spokeswoman.

According to Gillette's attorney, Elizabeth A. Boepple, the family boarded a flight from Burlington, Vt., to New York on Oct. 13 after a two-hour delay. On board, Emily began to nurse her toddler daughter in her window seat before takeoff. Gillette's husband, Brad, sat in the aisle seat to provide his wife and their daughter some privacy.

A flight attendant handed Emily Gillette a blanket and said, "You need to cover up. You are offending me," according to Boepple.

Gillette refused, saying, "No, thank you. I will not put a blanket on top of my child's head," according to Boepple.

Moments later, the Gillettes were escorted off the plane by a ticket agent and put on a flight the next day.

The Gillettes have filed a complaint with the Vermont Human Rights Commission.

Many showed up at National to push airlines to adopt more supportive policies for nursing mothers and to encourage federal legislation that protects breast-feeding in public and pumping milk in the workplace.

"This is not a protest. We want to show people that breast-feeding is completely normal," said Robin Abadia, 31, who took time off from work to attend the event with her husband and two children.

Rep. Carolyn B. Maloney (D-N.Y.), reintroduced legislation to amend the Civil Rights Act of 1964 to protect breast-feeding in public, provide tax incentives for businesses that establish private lactation areas in workplaces, and allow tax deductions for breast-feeding equipment.

A "nurse-in" was staged in front of ABC studios in New York last year after "The View" co-host Barbara Walters made what many considered to be disparaging remarks about a woman breast-feeding next to her on a plane trip.

Many pediatricians recommend that nursing mothers breast-feed their children on the ascent and descent of flights, to help open children's ear canals as cabin pressure changes with altitude. The World Health Organization recommends that infants be exclusively breast-fed until they are at least 6 months old.

US Lags Behind In Gender Gap Study (FT)

By Scheherazade Daneshkhu In London

Financial Times, November 22, 2006

The US lags at 22nd place behind developed and even a couple of developing countries in a study of inequality between men and women, mainly because it has few women in politics. This is in spite of the ascent of Nancy Pelosi who is set to become the first woman to head the US House of Representatives.

Sweden is the only country where men and women form equal numbers among all ministers and parliamentarians. Cherie Booth, a human rights barrister and wife of Tony Blair, UK prime minister, said there were more women in parliament in Iraq and Afghanistan – two countries not covered by the report – than in the UK.

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The study of 115 countries published on Tuesday by the World Economic Forum, a Swiss-based think-tank, measures the gender gap based on economic, political, educational and health-based criteria in a benchmarking exercise aimed at improving women's position in society.

The individual country rankings show Sweden, Norway and Finland at the top of the league, having closed about 80 per cent of the gender gap, with Yemen, Saudi Arabia and Chad at the bottom, with a gender gap of about 50 per cent.

The Philippines is the only Asian and developing country in the top 10. The US falls short of the top 20 but other economically-advanced countries are ranked lower. France and Italy are ranked 70 and 77 respectively, while Japan takes 79th place. The UK is in ninth place.

The index focuses on the relative extent of the gender gap regardless of a country's wealth – by assessing how well countries divide their opportunities and resources between men and women.

Although no country offers women equal treatment with men, countries have made big progress in education and healthcare for women, having closed 90 per cent of the gap with men in these areas.

When it comes to political empowerment – the ratio of women to men in parliament, ministerial positions and executive office – just 15 per cent of the gap with men has been closed.

There was a positive correlation between national income per head and the WEF's analysis of the relative position of women in society, with women in richer countries tending to fare better than those in poorer societies.

ANTITRUST:

Muni Dealers Brace For U.S. Probes (WSJ)

By Stan Rosenberg

Wall Street Journal, November 22, 2006

Leading Providers of GICs Are Among Those Receiving Federal Subpoenas Recently

Municipal-bond dealers held their cards close to their vests as the market faces nationwide criminal and civil probes into possible abuses over their dealings in a wide range of muni-bond transactions.

The U.S. Justice Department's Antitrust Division and the Securities and Exchange Commission are investigating questionable practices at a number of firms, with leading providers of guaranteed investment contracts, or GICs, having received federal subpoenas recently.

The Bond Buyer, a leading muni-bond publication, reported yesterday that the practices may go beyond GICs and could include "virtually every investment product or derivative" brokered or provided by various firms over the past six to 14 years.

Most executives at dealer firms, as well as portfolio managers, declined to comment on the situation.

"In general, everybody's just looking at it and seeing what's going on here, doing a lot of work to get the material together that they're looking for," said one senior executive at a Wall Street investment firm. Asked if most of the major firms have been subpoenaed, he said: "I have no idea because I'm not talking to anybody about it."

An executive at a smaller West Coast-based firm said he had seen no impact on the muni market since news of the investigations broke. However, activity in the market -- as in other areas of the financial markets -- has been muted this week ahead of the Thanksgiving Day holiday.

According to the Bond Buyer, "dozens" of firms in the $2.2 trillion muni market have been asked for information by the Justice Department and SEC. The Bond Buyer said the parallel criminal and civil investigations "go far beyond GICs and may cover thousands of investment products and derivatives entered into in connection with muni-bond transactions that could total hundreds of billions of dollars." Yet, only a small amount of these transactions will be subject to criminal or civil allegations, the publication reported.

As reported by Dow Jones Newswires Monday, a federal official said a conservative estimate would be that a cloud of potential taxability hangs over $10 billion to $15 billion of bonds sold to investors as tax-exempt securities.

While the spotlight of the federal investigations has been on suspected GIC bid-rigging, the bond transactions under scrutiny also present tax issues by diverting arbitrage profits away from the federal government to participants in bond deals.

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Such arbitrage windfalls in the muni market are made by investing tax-exempt bond proceeds in high-yielding obligations, and are supposed to be rebated to the Treasury. The Internal Revenue Service can tax bondholders, although it has tried to settle most such cases with issuers. One of the most flagrant instances of such abuse was known as "yield burning" and resulted in federal enforcement action against dozens of securities firms more than six years ago.

GICs offer an issuer a place to park bond-issue proceeds at stipulated interest rates until they need to be used. There are various GIC providers. At least three bids are supposed to be received, but in some instances, one bid is far superior than the others, and there are suspicions that GIC brokers can fix the bidding, rewarding favored firms with business.

"I guess it doesn't really surprise me that they would be evaluating the propriety of the pricing of these products," said Ben Watkins, director of Florida's Division of Bond Finance. "I don't think there is the level of transparency in that market that there should be, and I don't think that issuers are as diligent as they should be in obtaining fair pricing for these products."

Treasurys Rise on Quiet Day

Treasury bond prices ended higher in a quiet trading session, with little in the way of data or Federal Reserve commentary to move the market.

Scott Gewirtz, head of Treasury trading at Lehman Brothers Holdings Inc., said buying was driven by investors who had "gotten short at the top of the range and were forced to cover," meaning they bet prices would fall further and were forced to buy after the price decline reversed itself.

At 4 p.m., the benchmark 10-year note was up 5/32 point, or $1.5625 per $1,000 face value, at 100 11/32. Its yield fell to 4.582% from 4.601% Monday, as yields move inversely to prices. The 30-year bond rose 12/32 point to 97 16/32 to yield 4.658%.

Municipal Bid-Rigging Subpoenas Seek Information On Derivatives (BLOOM)

By Darrell Preston And William Selway

Bloomberg, November 22, 2006

Nov. 21 (Bloomberg) -- U.S. investigators have demanded that banks and brokers provide information on derivatives as part of an investigation into anti-competitive practices in the $2 trillion municipal bond market, according to a lawyer hired by one of the firms subpoenaed in the probe.

The Justice Department is looking into whether bids were rigged on investment contracts sold to local governments. Investigators are also seeking information on interest-rate swaps and other financial products that governments buy to guard against swings in borrowing costs, said Mark Scott, the former director of tax-exempt bonds for the Internal Revenue Service who is now a partner with Vinson & Elkins in Washington.

``It's pretty broad," said Scott, who is representing a client subpoenaed by investigators whom he wouldn't identify. ``They are going to get truckloads of information."

The investigation, which also includes the Securities and Exchange Commission, is the broadest criminal probe ever of the municipal bond industry and has resulted in more than a dozen subpoenas being issued last week to brokers, banks and insurance companies, including American International Group Inc. and General Electric Co.

Regulators are looking at whether brokers for U.S. local governments violated the law while arranging bids for guaranteed investment contracts, where a portion of the hundreds of billions of dollars raised in the tax-exempt bond market every year is placed until it is needed for projects.

Serving Two Roles

Guaranteed investment contracts, known as GICs, are sold by Wall Street banks and insurance companies, some of which also sell swaps and other municipal finance products. A swap, a type of derivative contract, is an agreement to exchange interest payments, usually a fixed payment for one that varies based on the movements of benchmark indexes or rates used by banks to track borrowing rates.

In some bond issues, the winner of the bidding for a guaranteed investment contract has also performed a second role, such as bond insurer or provider of options. Those dual roles can raise conflicts of interest.

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Three brokers of guaranteed investment contracts subpoenaed last week -- Beverly Hills, California-based CDR Financial Products Inc., Pottstown, Pennsylvania-based Investment Management Advisory Group Inc. and Sound Capital Management of Eden Prairie, Minnesota -- also advise governments on swaps.

Documents Sought

The subpoenas seek documents ``for all relevant municipal contracts awarded through competitive bidding," said Scott, who read from the subpoena sent to his client. That includes documents on financial agreements including interest-rate and ``basis" swaps, ``swaptions" collateralized CDs and other vehicles for hedging investment-rate risk, he said.

``They're looking for the smoking gun," said Scott. ``Why would you raid an office if you weren't looking for a smoking gun?"

The information on swaps sought in the subpoenas was reported earlier in the Bond Buyer newspaper.

Joe Norton, a spokesman for New York-based AIG, previously disclosed that the company had been subpoenaed by the SEC and the Justice Department without commenting on the content of the requests. Fairfield, Connecticut-based GE spokesman Russell Wilkerson said the company is cooperating with the requests.

CDR, Investment Management Advisory Group and Sound Capital also all said in separate statements last week that they are cooperating with investigators.

``This is indeed an industrywide investigation that appears to be growing by the day," CDR said in a further statement yesterday.

Yield Burning

The criminal investigation stems from a probe by the Internal Revenue Service, which enforces rules that prevent local governments from profiting by borrowing at tax-exempt interest rates and reinvesting the money in higher-yielding securities. While local governments reinvest bond proceeds until the money is needed, their earnings must be paid in taxes to the IRS.

The IRS has looked into whether improper bidding practices for guaranteed investment contracts deprived the U.S. government of those taxes, just as the sale of overpriced Treasury bonds did during the so-called yield-burning scandals of the 1990s. In those cases, banks raised the price on the bonds, driving down, or burning, the yield. That reduced the investment earnings that should have been sent back to the IRS.

Swap Fees

Last year, the IRS also said it was investigating whether financial advisers to states and municipal governments made excessive fees on interest-rate swap contracts or allowed banks to make inflated commissions.

The subpoenas, which Scott said were received by a small client he declined to identify, seek a broad swath of information from the 25 or so firms that received them. CDR in its statement yesterday said investigators were seeking documents back to 1992.

The documents seek detailed information including organization charts, lists of directors and officers, birth dates and home addresses of employees, calendars and appointment books, travel and expense records, telephone records and all records relevant to the awarding of bids, said Scott, reading from a subpoena.

``This is going to generate hundreds of boxes of information," said Scott.

Prosecutors: Vista Apparently Complies With Microsoft Antitrust Judgment (INFOWEEK)

By Antone Gonsalves, InformationWeek

Information Week, November 22, 2006

U.S. prosecutors say Windows Vista and the latest version of Internet Explorer apparently comply with the requirements of the 2002 antitrust judgment against Microsoft.

In a joint status report filed Tuesday with the U.S. District Court in Washington, D.C., prosecutors said Microsoft appeared to be complying with the judgment, which found Microsoft abused its Windows monopoly and set down rules for the software maker to follow to avoid future anti-competitive behavior. Prosecutors and Microsoft have been submitting joint reports on compliance to the court every six months.

The Justice Department and a court-approved technical committee are monitoring the development of Vista to assure compliance with the court order. The monitoring includes extensive testing of Vista and Internet Explorer 7 betas.

The committee and Microsoft developed a bug-tracking system to help ensure that Vista ships without any "known issues related to its treatment of middleware under the final judgments," prosecutors said in the report.

"Plaintiffs are pleased to report that this system has been a success," prosecutors said. "Microsoft addressed all outstanding middleware-related bug issues prior to Vista being released to manufacturing."

Since issuing the last report May 12, the Justice Department has received 25 third-party complaints, but none of them raised issues related to Microsoft's compliance with the court order, prosecutors said. "Each of the non-substantive complaints received a simple response acknowledging their receipt."

One issue that remained outstanding was Microsoft's continuing effort to improve the technical documentation on certain Windows technology it is required to provide on reasonable and non-discriminatory terms to any other software maker. In the 2002 judgment, Microsoft was found to have taken illegal advantage of its monopoly in desktop operating systems by ensuring its software ran better on Windows than competitors' platforms.

Prosecutors said there were indications that the new documentation "is substantially higher in quality than the prior version."

"In summary, plaintiffs have not yet reached any conclusions about Microsoft's technical documentation rewrite project," prosecutors said. Microsoft, so far, has met its deadlines for providing rewritten documentation to licensees.

The Justice Department has raised concerns with the quality of the technical documentation Microsoft has provided to licensees, and with the length of time it was taking to improve the documentation. The technology in question relates to the protocols used by computer servers to communicate with client PCs running Windows. The interoperability technology covered under the judgment is available for licensing for minimum five-year terms that would run at least through Nov. 11, 2017.

The original antitrust ruling was set to expire next year. However, portions have been extended to Nov. 12, 2009, with the DOJ having the option of requesting an additional three-year extension.

Justice Dept.: Vista Satisfies Antitrust Deal (CNET)

By Anne Broache, CNET News.com

CNET News, November 22, 2006

Microsoft's soon-to-be-released Windows Vista operating system does not appear to raise antitrust concerns, federal and state prosecutors said Tuesday in a court filing.

In a periodic joint status report, required as a part of Microsoft's 2002 antitrust settlement with the U.S. Department of Justice and state plaintiffs, the government attorneys said a technical committee charged with overseeing the software giant's compliance had found no outstanding issues after "extensive testing" of Vista and Internet Explorer 7.

According to the report, Microsoft and the technical committee have been offering a downloadable program that is designed to help Microsoft's competitors in the fields of Web browsers, e-mail and instant-messaging clients, and media players to make their programs "Vista-ready" before the new operating system ships.

The program serves as a single source for all the registry settings needed for applications "to attain equal visibility on Windows XP and Vista systems," the technical committee said. The program's goal is to reduce the chance that people will experience difficulties in changing default software to non-Microsoft products, for instance. It also aims to make it easy to locate third-party applications in the start menu, desktop, task pane and other commonly used surfaces, after installing them.

Microsoft said it had also contacted 30 competing software makers and had invited them to work alongside company engineers at its Redmond, Wash., campus lab for Vista Readiness.

Since the last status report filing in May, government attorneys said they received 25 complaints alleging antitrust concerns about competing middleware but said they concluded that none of those gripes had merit.

Although the matters were not raised by U.S. regulators, some possible antitrust repercussions of security and file-formatting features in Vista were recently flagged as concerns by European and Korean regulators. Microsoft said last month that it had implemented changes that address those complaints.

The latest status report said Microsoft appears to be making some progress on what has become one of the thornier components of the settlement: rewriting documentation for licensees of its Microsoft Communications Protocol Program. The

MCPP, another requirement of the antitrust settlement, is designed to help third-party developers create software that works with Windows.

But government attorneys said they remain worried about the project staying on track. Microsoft has already endured scolding for alleged "foot-dragging" on that front from the plaintiffs and the federal judge presiding over the case, who ultimately approved a two-year extension for that project's deadline.

"Microsoft's full commitment will be essential if the project is to stand any chance of producing complete and accurate documents on the schedule that Microsoft has provided to the court," the government wrote in its portion of the status report.

In a separate battle in Europe, Microsoft faces a Thanksgiving Day deadline for completion of a similar documentation project.

Microsoft Jury Selected; 7 Men, 5 Women (DMR)

Des Moines Register, November 22, 2006

Jury selection in the Microsoft anti-trust case in Polk County District Court was completed today with seven men and five women selected to hear the class action law suit.

The case is expected to take several months to try with witnesses that will include Microsoft founder Bill Gates and chief executive officer Steve Ballmer.

Plaintiffs' lawyers, led by Des Moines attorney Roxanne Conlin, are seeking damages of up to $329 million for Iowans who purchased Microsoft product between 1994 and this year.

The crux of their case is that anti-competitive actions by Microsoft resulted in overcharges and extra expenses to Iowa consumers.

The Iowa case is the last of several dozen state lawsuits against the giant computer software company. The state cases were filed after a federal anti-trust action against Microsoft was settled in 2000.

None of the other state cases has ever gone to a jury for a decision. All were either settled out of court or dismissed, officials for both sides have said.

The jury is expected to be seated late next week. The trial will begin with what is expected to be a lengthy list of jury instructions from Polk County District Court Judge Scott Rosenberg about how Iowa law applies to the situation and how the case will proceed.

Opening statements could begin as early as Nov. 30 and are expected to consume several more days before witnesses begin testifying.

Jury selection took more than a week with one full day devoted to having potential jurors fill out a 30-plus page questionnaire and another day for lawyers to assess the answers.

Each side has a jury consultant. Hale Starr of West Des Moines-based Starr Litigation Services is assisting Conlin and the other plaintiffs' lawyers, while Theresa Zagnoli is helping Microsoft lawyers. Zagnoli, who once worked for Starr in Des Moines, is now a partner in Zagnoli, McEvoy, Foley, a Chicago-based research firm.

Each side has also hire local public relations firms to help manage publicity about the case. Jamie Buelt of En Q Strategies is working with Microsoft and Eileen Wixted of Wixted Pope Nora Thompson & Associates is working with the plaintiffs' lawyers.

Fewer than 100 people from a potential jury list of 450 registered voters were actually interviewed to obtain the 12-person jury, an official said.

Several of the individuals selected as jurors indicated during questioning that they have purchased Microsoft products during the past 12 years, thereby making them eligible for damages, if any are awarded. But all told the court they believed they could hear the evidence with an open mind and make a fair decision.

Several pre-trial motions remain to be ruled on by Judge Rosenberg, including a request by Conlin to be able to play video excerpts from an earlier deposition by Gates.

Normally, depositions are not entered into the court record when a witness is available to testify in person, except as evidence to challenge live testimony. Conlin had earlier received permission from the judge to call Gates as a hostile witness when she presents her case.

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Feds Clear Oshkosh Truck's $3.2B Offer For JLG (MILBIZ)

Milwaukee Business Journal, November 22, 2006

Oshkosh Truck Corp.'s proposed purchase of JLG Industries Inc. has cleared federal regulatory review with the passage of a required waiting period for the deal.

The companies jointly announced Tuesday the expiration of the 30-day waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 in connection with the proposed merger of a wholly-owned subsidiary of Oshkosh with JLG.

The expiration of the Hart-Scott-Rodino waiting period satisfies one of the conditions to Oshkosh's acquisition of JLG. Consummation of the merger, which is expected to occur in early December, remains subject to other customary closing conditions, including approval of the merger by JLG's shareholders.

Specialty truck manufacturer Oshkosh Truck (NYSE: OSK) announced Oct. 16 that it agreed to buy JLG Industries (NYSE: JLG), a maker of aerial work platforms and telehandler vehicles, in a transaction valued at $3.2 billion.

The addition of JLG's $2.3 billion in revenue will make Oshkosh Truck a $6 billion manufacturer of specialty trucks.

Franchisees Accuse Quiznos Of Fraud In Suit (MJS)

By Paul Gores

Milwaukee Journal Sentinel, November 22, 2006

Owners say they are made to pay inflated prices for food, supplies

A lawsuit accuses Quiznos Sub of forcing Wisconsin franchisees of the sandwich chain to buy food and supplies at inflated costs and sell food at artificially low retail prices, making the restaurants unprofitable.

The class-action lawsuit, filed in federal court in Green Bay on behalf of 28 Wisconsin franchisees of Denver-based The Quiznos Franchise Co. and its affiliates, seeks compensation for lost investments and asks for punitive damages and an end to what it calls an "illegal business scheme."

Quiznos did not return calls for comment Tuesday.

The lawsuit alleges the company has systematically defrauded its franchisees by building the brand at the expense of its operators in the field.

The suit contends Quiznos omits or misrepresents key facts about Quiznos business operations in an effort to induce people to buy a franchise.

But too many people who buy a franchise find that the cost of food and supplies in comparison to the selling price of items on the menu keeps franchisees from realizing a profit, Chris Bray, president of the Toasted Subs Franchisee Association, said Tuesday. That's because, the lawsuit alleges, Quiznos forces franchisees to work with Quiznos-mandated suppliers and pay them what the lawsuit describes as "excessive prices for goods and services."

"The numbers just don't add up, and that's the problem," Bray said.

The lawsuit also asserts, among other allegations, that Quiznos makes franchisees accept coupons from customers for free or highly discounted food without reimbursement, and that it saturates markets with outlets.

The average start-up cost for a Quiznos outlet, which includes a $25,000 franchise fee, is about $220,000, Bray said.

The lawsuit contends that when a franchise fails, lenders sell the equipment at lower cost to a new operator, putting the location back in business and continuing to operate "on the backs of those with no control."

According to the suit, the Quiznos "scheme" is intended to fuel revenue growth needed in order to bring about the sale of the remainder of the company to investors.

The lawsuit alleges fraud, breach of contract, violations of federal and state antitrust laws and violations of the Wisconsin Fair Dealership Law.

Plaintiffs in the suit, who are represented locally by the firm Whyte Hirschboeck Dudek, include franchisees from all corners of the state.

Wisconsin Franchisees Sue Quiznos (AP)

DOJ_NMG_0097175

AP, November 22, 2006

Wisconsin Franchisees Sue Quiznos Sub, Alleging Fraud

GREEN BAY, Wis. (AP) -- Quiznos Sub forces its franchisees to buy food and supplies from the company or its approved vendors at unfair prices and sets retail prices too low for the stores to make a profit, according to a lawsuit filed by 28 operators of Quiznos franchises in Wisconsin.

The class action lawsuit, filed in U.S. District Court on Monday, said Denver-based Quiznos has systematically defrauded its franchisees in a scheme designed to build the brand at the expense of the store owners.

The lawsuit, which seeks millions of dollars in damages for lost investments, accuses Quiznos of fraud, violations of federal and state antitrust laws, racketeering, breach of contract and violations of Wisconsin's fair dealership law, attorney Justin Klein said Tuesday.

Tamani Chio, a spokeswoman for Quiznos at its headquarters in Denver, did not immediately return a telephone message Tuesday.

The first Quiznos, featuring toasted sandwiches, opened in Denver in 1981 and the company has grown to more than 4,500 restaurants, becoming the fastest-growing restaurant chain in the country, trailing only Subway as the nation's No. 2 sandwich shop -- not counting hamburgers.

"Quiznos has been taking advantage of its franchisees for years through practices that we contend are illegal and in violation of the franchise agreement," said Chris Bray, president of the Toasted Subs Franchisees Association Inc., a trade group that help organize the class-action suit.

Bray, who owns two Quiznos stores in Texas and has been a franchisee for nine years, said Quiznos "has slowly, methodically and deliberatively modified the business model, year over year, to make it economically favorable to them, to the detriment of the franchisees. It is time to put a stop to this."

Among the named defendants in the lawsuit are The Quiznos Franchise Company LLC of Denver; Richard E. Schaden of Lafayette, Colo., and Richard F. Schaden, of Westminster, Colo., the father-son owners of Quiznos; and Cervantes Capital LLC of Denver, which the lawsuit says runs the Quiznos operations.

According to Klein, a similar lawsuit was filed in New Jersey earlier this year by some Quiznos franchisees there. "We are in the preliminary stages of that case," he said.

Klein said the allegations against Quiznos involve restaurants in many states, but Wisconsin was chosen for one of the first lawsuits because it has "very good" laws that protect franchisees.

"There are suits soon to be filed in other states," the attorney said.

A Quiznos franchise costs $25,000, and to open a restaurant and get it running requires an investment of between $300,000 and $400,000, Klein said.

"They tell you who you can buy from and who you can't buy from," he said. "The prices are unreasonably high. Quiznos gets rebates from approved vendors."

Between 2002 and 2004, Quiznos leaped from 1,765 stores to 3,339, an annual growth rate of nearly 45 percent, with company sales climbing 48 percent to $1.27 billion.

What's New? Justices May Help Define Standard In Patent Case (USAT)

By Joan Biskupic

USA Today, November 22, 2006

Call it the case of the gas pedal, prescription drug and gift bow.

The variations and costs of those and many other items could be affected by a Supreme Court patent case that could be one of the most important intellectual-property disputes to ever come before the justices.

With abortion, affirmative action and other high-profile issues before the court this term, a patent case normally would be a yawner. However, KSR International v. Teleflex, a dispute between competing makers of adjustable gas-pedal systems in vehicles, arises as the justices have shown increasing interest in U.S. law protecting inventions.

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The case essentially tests how to determine when an invention is truly new and different, and should receive a patent that entitles its inventor to the exclusive right to make, use and sell the item. That standard can make a difference in how people and companies spend time and money on inventions. If it is too easy to get a patent for a small variation on a previous invention, there is more of a chance that competitors could infringe on it, so companies might acquire patents solely for defensive reasons. If it is too difficult to get a patent for a small but unique adaptation of an item, it could discourage research and development.

The question in the oral arguments scheduled for Tuesday focuses on how to determine when an invention is "obvious," and therefore not worthy of protection. At issue is whether a standard used by the U.S. appeals court that hears patent cases allows patents for changes too small to matter.

The dispute is being watched closely by manufacturers, from the tiremaker Michelin to gift-packaging producer Hallmark.

"The issue in this case is one that strikes at the very heart of the patent field," says lawyer Peter Sullivan, who represents a group of manufacturers backing KSR.

Last year, the U.S. Patent and Trademark Office granted 183,187 patents, a number fairly typical of recent years, says Patent Office spokeswoman Brigid Quinn. (One product can involve many patents.) Meanwhile, applications are up. Last year, 443,652 requests were received, more than twice the total from 1995.

The KSR case involves an adjustable gas-pedal system that was developed for use by short drivers in large vehicles. Teleflex says its pedal assembly, patented in 2001, has a distinctive electronic throttle control and pivot that stays in place.

KSR devised a pedal system that drew a patent-infringement lawsuit from Teleflex, alleging that the KSR system used a feature of Teleflex's system. KSR countered that the Teleflex patent was invalid because it was an "obvious" combination of existing works. A trial court agreed.

The U.S. Court of Appeals for the Federal Circuit, to which patent disputes are appealed, ruled that KSR did not make a sufficient case for "obviousness." It said KSR did not show that prior technology offered a "teaching, suggestion or motivation" for their system.

KSR's attorney, James Dabney, urges the justices to reject the "teaching, suggestion or motivation" standard. He says the test should be whether someone in the field would have been capable of adapting existing technology to achieve the new result, not whether the motivation was there.

Dabney says current rules make it difficult to challenge patents for trivial adaptations.

Teleflex lawyer Thomas Goldstein says the appeals court got it right.

"Because inventions are so often evolutionary rather than revolutionary," he says, "an obviousness standard that merely compares an invention to the prior (work) will often produce the mistaken conclusion that the former was obvious."

Goldstein says the "teaching, suggestion or motivation" standard minimizes "hindsight" by focusing the test on how a person would have combined the elements of an invention from existing works.

In a court brief, the American Intellectual Property Law Association, siding with Teleflex, cites the difficulty of deciding what is new and how hindsight can distort assessments of whether a variation of an invention is patent-worthy.

The court's resolution could affect the development of drugs and other therapies for disease, according to advocates on both sides. The Biotechnology Industry Organization, emphasizing patent protection for various stages of drug development, is backing KSR. AARP, the largest U.S. seniors group, is with Teleflex. The group says improper drug patents delay the entry of generics into the market.

Sullivan, who represents several companies siding with KSR, notes that one of them, Hallmark, was sued for patent infringement over a machine it devised to curl ribbons for decorative bows. The Federal Circuit court rejected Hallmark's claim that the competitor's patents were "obvious," based on prior inventions.

Like KSR, he says patents too often are granted to routine variations on existing creations.

But what might seem routine may really be new.

The Intellectual Property Law Association contends that what counts is how old things are put together in new ways. It warns that many things look obvious only in hindsight, and the group recalls movie director Billy Wilder's famous line: Hindsight "is always 20/20."

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Place Your Bets, Please: Takeover Wheel Spins (WSJ)

By Gregory Zuckerman

The Wall Street Journal, November 22, 2006

Who's next?

That's the question on the lips of investors, traders and investment bankers on the heels of a deluge of mergers and acquisitions.

Some say consumer-oriented stocks, health-care providers, gaming and tech companies could become acquisition targets in the months ahead. Some point to Sprint Nextel, Hilton Hotels, and home builders such as Lennar, Ryland Group and D.R. Horton as possible targets. Private-equity firms are circling home-service company ServiceMaster, say people familiar with the matter.

Others are focusing on companies with steady cash flows and a large percentage of shares owned by company executives, or companies run by older executives who may be willing to sell out.

There has been so much deal activity this year that it looks like anyone could be fair game. Targets have included companies with stable cash flows but poor growth prospects, even in sectors that haven't seen many mergers in the past.

"Deals tend to feed on themselves," says Sam Schwartz, a managing director at Credit Suisse. "Financial sponsors who have purchased companies [in leveraged buyouts] soon are going to look for exits, through initial public offerings of stock or mergers and acquisitions, as long as the financing market remains robust."

But investors shouldn't get carried away betting on possible takeovers. Not only are they tough to predict, these deals also are somewhat less lucrative than they once were. The average premium paid over market prices for shares of companies subject to an acquisition bid this year is 17%, down from 25% in 2000, according to Thomson Financial.

Some analysts say the acquisitions are a sign that stock prices remain reasonably priced, despite the recent run-up in the market that has pushed stock indexes to new highs. Some short sellers -- investors who bet on stock-price declines -- have become cautious. They are reluctant to establish big positions against even stocks with weak outlooks, worried that any wager against a company will turn into a loser on word of a lucrative deal. This wariness is adding to the market's upward momentum.

Mostly, all the wheeling and dealing stems from lots of money sloshing around the global markets, as interest rates remain low. Investors are shoveling money at private-equity firms, which buy public companies or businesses with an eye toward reselling them later at a profit, and at high-yield but risky loans and junk bonds backing acquisitions. That suggests many deals are financial bets, not strategic business moves, perhaps reducing their chance for success.

The bankers who say well-known, consumer-oriented companies and some real-estate investment trusts could see more offers note that some of these stocks have been weak amid worries about how troubles in the housing market will affect various companies. Some private-equity specialists are focusing on companies with strong brand names, steady cash flows and valuable real estate.

Amid all the activity, the total dollar value of takeover offers by U.S. companies is down 1% so far this year compared with the same period last year, according to Richard Peterson, senior researcher at Thomson Financial. Meanwhile, the value of leveraged buyouts -- deals by private-equity firms financed by debt backed by the target's assets and repaid with its cash flow -- has nearly tripled.

NEW HEIGHTS

• Graphic: Where the Deals Are1 | FAQ: Buyout Boom2

More than 40% of the $1.28 trillion of announced U.S. mergers this year has come from private-equity firms or foreign buyers, up from less than 24% last year, Thomson says. Five of the six largest U.S. acquisitions unveiled so far this year were by leveraged-buyout firms.

Some companies once considered too big to become private-equity prey now are seen as possibilities, as private-equity coffers grow. Among them: Sprint, whose shares have dropped almost 12% in the past year but still has a market value of $58 billon, as well as Hilton and Avis Budget Group Inc.

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Their stock prices have climbed in recent months. Sprint shares are up more than 25% since hitting a 52-week low in late August. Hilton has jumped more than 33% in three months, giving it a market value of almost $13 billion. Avis Budget, which hit a 52-week low in mid-August, is up about 19% since then, for a market value of just over $2 billion.

A report this month from analysts at Morgan Stanley ranked Lennar, Ryland and D.R. Horton atop its list of leveraged-buyout candidates, based on various metrics such as volatility of free-cash flow.

Home builders have grown by buying smaller competitors in recent years, but have generally shied away from big acquisitions. Although the sector's volatile cash flows can dissuade private-equity firms, some analysts say that as housing slows and these companies do fewer new projects, they will generate more cash flow that might be used to repay debt in a leveraged buyout.

Spokesmen for Sprint and Hilton wouldn't comment. Representatives for Hilton, Ryland, Lennar and D.R. Horton couldn't be reached.

It had been thought that the gambling sector would be immune from the LBO wave, in part because it can be a challenge to obtain a gaming license. Last month's proposed purchase by Texas Pacific Group and Apollo Management of Harrah's Entertainment for about $15 billion suggests the challenges can be surmounted. Casino companies sometimes own valuable real estate that can be used as collateral to raise debt for a leveraged buyout, bankers note.

Bankers say there have been takeover talks involving health-care companies, which are seeing lower growth rates but still churn out cash flow that can be used in a deal financed by heavy debt. Some investors also expect deals in the oil patch, where companies are sitting on loads of cash but shares have slipped as energy prices have fallen. Nabors Industries, which has $9.8 billion market value, has been mentioned as a possible target. A spokesman declined to comment.

Qantas Gets Takeover Approach From Texas Pacific, Macquarie (WSJ)

By Lyndal Mcfarland

The Wall Street Journal, November 22, 2006

SYDNEY, Australia -- Qantas Airways said it is considering a takeover approach by Texas Pacific Group and Macquarie Bank Ltd., amid market speculation it will soon receive an offer valuing the Australian flag carrier at up to 11 billion Australian dollars (US$8.5 billion).

In a brief statement, Qantas didn't provide further details on the nature of the approach, but a senior dealer said the group is expected to offer up to A$5.50 a share. Qantas shares soared on the news, with its stock gaining as much as 20% to a morning high of A$5.25 in Australia.

"The approach is confidential and incomplete and is being investigated by Qantas," Cassandra Hamlin, the carrier's acting company secretary, said in a statement to the Australian Stock Exchange, indicating other options such as a regional merger with Singapore Airlines might be on the table.

Qantas also said in a statement it has "undertaken over a period of years discussions with a range of individuals and companies, including airlines, on possible partnerships, joint ventures and acquisitions."

SIA, which competes with Qantas for passengers on lucrative routes to Europe and North Asia, said it isn't in talks with Qantas.

Macquarie Bank said it has no comment on the Qantas statement, repeating a statement made to Dow Jones Newswires late Tuesday in Australia when speculation of a bid first emerged. Texas Pacific also said it has no comment.

The private-equity sector has targeted Australian companies in recent months with multibillion dollar bids. To date, the largest bid has come from a consortium led by Kohlberg Kravis Roberts & Co and including Texas Pacific, Blackstone Group LP and Bain Capital LLC, for Coles Myer Ltd. The retailer recently rejected the A$18.2 billion bid as inadequate.

A senior institutional trader said the bidding consortium has been lured to Qantas as it has low debt and operations such as terminals, freight, maintenance and catering that could be spun off or put into funds. Macquarie Bank could hedge the oil-price risk internally as well, the trader said.

But analysts said any takeover of the iconic airline known as the "Flying Kangaroo" will face significant hurdles with Canberra imposing stiff shareholder restrictions following its privatization 11 years ago.

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Any bid for Qantas will place the national government in a difficult position as it confronts criticism from lawmakers and labor unions about the likelihood of large layoffs and cost-cutting measures by the consortium, analysts said.

Also, current ownership restrictions limit a single investor from holding more than 25% of Qantas, with foreign investors limited to owning a total of 49.9%. National Australia Bank credit analysts said the bidding group will need the 25% shareholder limit to be removed, along with approval from Treasurer Peter Costello.

"These are high hurdles to overcome, and though Qantas is a very different case, it is worth remembering that in 2001 the treasurer rejected Shell's takeover approach for Woodside Petroleum on national interest grounds," the bank said.

Analysts noted that airlines haven't been a traditionally attractive target for private-equity groups, given the exposure to fluctuating oil prices, tough price competition and volatile passenger demand.

Texas Pacific already has an interest in the airline sector. It bought a US$200 million stake in US Airways Group Inc. after the airline filed for bankruptcy protection in 2002.

The approach adds to the list of ambitious takeover attempts by Sydney-based Macquarie Bank. In the past year, Macquarie has failed in several high-profile deals, including bids for the London Stock Exchange and Hong Kong-based telecom group PCCW Ltd.

Suez-Gaz De France Pact Clouded By Ruling That Marks Union Win (WSJ)

By David Gauthier-Villars

Wall Street Journal, November 22, 2006

A Paris court ruling could upset the schedule for the planned €43.43 billion ($55.65 billion) merger of French utilities Suez SA and Gaz de France SA, and potentially thwart the deal altogether, handing a victory to French energy-sector workers and dealing a major blow to France's government.

The unexpected ruling, which GdF tried but failed to get annulled last night via an appeal, said state-run GdF can't approve the merger until it gives unions more information about the deal's impact on jobs. This means a crucial GdF board meeting that had been called for today to determine the merger's final terms is likely to be called off.

The ruling, which was upheld late last night by an appeals court, may cause the merger schedule to be pushed back at least until March -- missing the original year-end deadline -- because Suez and GdF will have to redraft merger terms to factor in 2006 earnings, according to lawyers involved in the deal. Pushing through the highly politicized merger in the middle of the French presidential elections, planned for April, could also be tricky because the opposition left-wing Socialist Party opposes the deal.

Soon after the appeals court upheld the ruling, GdF and Suez issued a joint statement saying they intend to complete the merger "as soon as possible."

Yesterday's court ruling represents a victory for French energy workers, who, like many of their counterparts across Europe, have battled against the deregulation of power and natural-gas industries in Europe, saying they should remain in state hands.

The ruling is another setback for the two companies and for the center-right government of Prime Minister Dominique de Villepin, who helped orchestrate the merger and pushed through a bill in parliament allowing for the privatization of GdF. The state owns 80% of GdF and is expected to own 34% of the merged company if the deal is completed. A spokesman for the prime minister's office declined to comment.

Opposition to the deal has also been mounting among Suez shareholders, who say they are getting shortchanged because their company is more valuable in the market than GdF. Several shareholders, including big European and U.S. funds, have threatened to reject the merger unless the terms are changed.

Under the original terms of the deal, Suez and Gaz de France have proposed a 1-for-1 stock swap plus a €1-a-share special dividend to be paid to Suez shareholders to compensate for Suez's higher market valuation. Some Suez shareholders say they deserve a dividend of at least €4 a share to bring the companies' valuations back into line.

Company Exonerated In Antitrust Probe Wins Award (USAT)

By Del Jones

USA Today, November 22, 2006

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A San Diego company that in 2002 was the target of Senate antitrust hearings on Tuesday was one of three companies awarded the 2006 Malcolm Baldrige National Quality Award, perhaps the most prestigious award given to business by the federal government.

Premier purchases $27 billion a year of medical supplies and services for 1,500 hospitals. In 2002 the company was accused of accepting something akin to payola from large manufacturers that kept small companies and their cutting-edge products from being sold to hospitals.

The accusations were untrue, CEO Richard Norling said in an interview Tuesday, but the scrutiny proved to be a learning experience for the company. He says Premier also learned as it went through the Baldrige process and made changes designed to allow small companies in the medical industry to better compete.

Norling said it "feels incredibly good," to come full circle from being a company under scrutiny. He said that Baldrige examiners were aware of the company's history and had asked him if there was anything that might turn up later to tarnish Baldrige's image if it were to go out on a limb and give Premier the award.

"The Baldrige Award's judges determined that Premier … lived up to (the award's) very high standards," Baldrige director Harry Hertz said in an e-mail. "Premier has been a leader in setting ethical practice guidelines."

The first Baldrige was awarded in 1988. Premier won in the service category, not the health care category that was introduced in 1999 and this year accounted for 45 of the total 76 applicants. There were no winners this year in manufacturing or education. Other winners:

•North Mississippi Medical Center, a 650-bed hospital in Tupelo that serves 24 rural counties, in the health care division. Its charitable donations, charity care, medical cost savings and volunteer services total $70 million a year, and in 2006 it will treat 157,000 people through free health fairs, immunization and other programs at churches and shopping centers.

•Mesa Products of Tulsa, with 70 employees and $25 million in annual revenue, in the small-business division. Mesa prevents underground and underwater pipelines and tanks from corroding through an electrochemical process called cathodic protection, which is a science that dates back to 1824. By applying an electrical current to the exposed steel surface, corrosion can be prevented on buried and submerged steel structures.

EU Clears UCB Takeover Of Schwarz Pharma (AP-YBIZ)

AP, November 22, 2006

EU Waves Through $4.23B Takeover of Germany's Schwarz Pharma by Belgian Drugmaker UCB

BRUSSELS, Belgium (AP) -- Belgian drugmaker UCB SA won EU approval Tuesday to take over Germany's Schwarz Pharma AG, clearing the last regulatory hurdle to the deal.

The acquisition, which Schwarz's board is recommending to shareholders, would create a new company with revenue of more than 3.3 billion euros ($4.23 billion) and yearly research and development spending of 770 million euros ($986.91 million).

UCB said it received a green light from U.S. regulators on Nov. 10 and was now waiting for Schwarz shareholders to tender their shares by a Dec. 8 deadline.

The European Commission cleared the deal despite overlaps between the two because they both produce a small number of over-the-counter and prescription medicines in some European countries, from antihistamines, iron supplements, heart disease drugs and asthma treatments.

But their combined market shares were not high enough to see them disrupt the market, it said.

"Customers and competitors identified a large number of alternative suppliers," the Commission said. "Indeed, intense competition coming from several players with significant market shares and strong reputation will continue to characterize these markets."

UCB said in October that the deal would help position it as a global pharmaceutical player.

Schwarz Pharma specializes in cardiovascular drugs, but also makes medicine used to treat Parkinson's Disease, including the Neupro patch, and epilepsy.

UCB transformed itself from a chemical and pharmaceutical maker to a biotechnology and pharmaceuticals business with its acquisition of Britain's Celltech Group in 2004. The company makes drugs used to treat cancer, inflammation and allergies.

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After the deal, the company will be called UCB and be based in Brussels.

Bear In The Air (WSJ)

By Holman W. Jenkins

The Wall Street Journal, November 22, 2006

Last's week proposed merger of US Airways and Delta Air Lines is the leading edge of a consolidation wave that will finally fix the problems of the airline industry . . . and check out our selection of historic bridges for sale.

Life affords most other industries legal and structural ways to shield themselves from all-out price warfare -- through patents and branding, product differentiation, or various kinds of competitive "friction." Not so the airlines. The Internet has made pricing transparent. Lenders allow start-up or discount carriers to fly the latest, spiffiest models. The high-margin business traveler accounts for a smaller share of the market nowadays, and even he's become a lot less price-insensitive. And no industry is more discommoded by antitrust's primitive and ill-advised intolerance of cooperative behavior by competitors.

High fixed costs, low variable costs, and a customer who will switch for a nickel's difference in price: Add the balkanization of the global air traffic market, which leaves U.S. carriers uncomfortably exposed to the ups and downs of the domestic economy, and you have a formula for an industry that, on average, loses money even amid the gentler business cycles of the past 30 years.

Don't expect consolidation to change this, even if the current murmurfest really does result in a flurry of deals to reduce the Big Six to two or three. There's a lesson in the special genius of US Airways CEO Doug Parker's proposed acquisition of Delta -- a deal that might have been inspired by the old joke about two hunters trying to outrun a bear.

This is his third pass at Delta, and yet notice how the pairing seldom has turned up on Wall Street's list of the most likely combinations. Most analysts' idea of a rational airline merger is one combining two carriers with complementary networks -- minimum overlap, allowing each to extend its service into new markets. Mergers with lots of overlap aren't favored, and not only because of antitrust concerns. Such combinations serve mainly to eliminate capacity, which benefits competing carriers as much as it does the merged airlines, who alone must bear the costs and disruptions of the merger.

And yet the market has cheered on Mr. Parker's proposal nonetheless. Investors seem to understand that his plan recognizes that the goal is not to outrun the bear, but the other hunters.

First off, he estimates that fully half the benefits of the merger would materialize only if he can snag Delta while it's still in bankruptcy, thus using a judge's power to toss out aircraft leases and labor contracts without financial penalty or messy bargaining. Being able to restructure his fleet and workforce more quickly than his competitors can is a crucial advantage.

Secondly, the consolidation of Delta and US Air would occur over a network centered on some of the nation's most gridlocked airports. US Airways already controls the biggest market share at Washington National; combined with Delta, it would end up with the largest market share at LaGuardia, even after forced gate divestitures. The federal government has struggled with how to allocate operating slots at these two airports (plus Kennedy and O'Hare), and it remains nearly impossible for new entrants to gain access. Mr. Parker's new carrier, as the biggest in the East, would naturally be well-positioned to capture much of these scarcity rents.

True, the benefits might be modest and fleeting, and potentially lost if the merger doesn't proceed with a minimum of fuss. But the new carrier (which he would call Delta) might well enjoy two or three years of nicking passengers for modestly higher fares before the next downturn. And because of the way the industry is leveraged, a few nickels and dimes of extra margin on tickets results in a big impact in the bottom line and the share price.

In turn, Mr. Parker would be in the catbird seat for the industry's next bloodletting -- and don't doubt such a bloodletting will recur, as it has in every downturn since deregulation in 1978. Right now the industry is reporting a surge in profits amid an upswing that has seen traffic growing faster than airlines can lay on new planes and crews. But that's par for the course and no reason to assume the airline sector is about to become profitable in the long haul.

OK, we're reading his mind, but what makes his deal appealing points to why other carriers are unlikely to rush into mergers of their own. Their costs in pain and anguish would be the same or greater, but with little prospect of being able to charge significantly higher fares, even in an industry where the number of competitors is reduced.

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Alas, one thing that might help -- a relaxation of antitrust rules to allow airlines to enter and exit code-sharing agreements at will -- almost certainly won't transpire. Such a break with intellectual precedent would be the most direct way to turn a chronically unstable airline industry into one that is reasonably prosperous and provides the optimum of service in terms of frequency and destinations even in the grimmer parts of the business cycle.

There was a time when Washington might have been willing to experiment with such a daring notion if only to get itself off the hook for the pension plans of failing carriers. Delta's then-President Fred Reid publicly ventured three years ago at an industry conference the hopeful possibility that the "Department of Justice and the Department of Transportation ought to have an additional arrow in their quiver, to enable scheduling, pricing and yield management to be done in a centralized entity [by alliances of airlines] which was immune from antitrust laws."

It will take at least another industry meltdown to put such a heterodox brainstorm back on the table. Ditto the equally adventurous idea of allowing foreign ownership of U.S. domestic carriers. Until then, investing in airline shares will be a game for speculators, not buy-and-holders.

ENVIRONMENT/INDIAN AFFAIRS:

Firm Blames Farmers, 'Act Of God' For Rice Contamination (WP)

By Rick Weiss

The Washington Post, November 22, 2006

The company that created the experimental variety of genetically engineered rice found this summer to have contaminated the U.S. rice supply contends that rice farmers and an "act of God" are to blame for the inadvertent release of the unapproved crop.

Those are among the assertions by Bayer CropScience of Research Triangle Park, N.C., in response to a class-action lawsuit filed by hundreds of farmers in Arkansas and Missouri.

The 30-page response offers the first clue to how the company plans to defend itself against the 15 class-action lawsuits filed by farmers, who allege that they stand to lose millions of dollars because of the contamination.

Lawyers for the farmers said they had expected the company to deny responsibility, but were offended by its attempt to blame farmers. The lawyers said their clients had no reason to suspect that the seeds they were planting in recent years were contaminated by Bayer's unapproved variety.

"The farmers are innocent victims," said Don Downing, a principal at Gray, Ritter & Graham PC, the St. Louis firm that filed the largest suit, in U.S. District Court in eastern Missouri.

Denying any culpability, the Bayer response variously blames the escape of its gene-altered variety of long-grain race, LL601, on "unavoidable circumstances which could not have been prevented by anyone"; "an act of God"; and farmers' "own negligence, carelessness, and/or comparative fault."

Asked how farmers were at fault, Bayer spokesman Greg Coffey said the company does not comment on pending litigation.

Bayer conducted field tests of LL601 from 1999 to 2001 in Louisiana, then dropped the project without seeking government approval to market it. This year, LL601 was found to be widespread in U.S. long-grain rice, prompting Europe to cut off imports and throwing the rice futures market into turmoil.

The U.S. Department of Agriculture is investigating how the variety escaped from test plots into farmers' fields, where it was quietly amplified for years until its discovery. The seeds and plants of LL601 look virtually identical to those of the popular conventional variety with which they had become mixed, said Steve Linscombe, director of Louisiana State University's rice research station in Crowley.

The day the contamination was announced in August, Bayer asked the government to approve the variety. A decision is still pending. Meanwhile, lawsuits have been filed on behalf of about 300 rice farmers in the South.

The company's response to the largest of those suits asserts that Bayer's test plots were in full compliance with Agriculture Department rules. Critics of U.S. biotech regulations have said that, if true, that only proves the inadequacy of those rules and calls into question whether the department can fairly investigate the problem.

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"It is unfortunate that Bayer, rather than accept responsibility for its actions, is instead trying to pin the blame on the American rice farmers, the very people most detrimentally affected by Bayer's conduct here," said Adam Levitt, a Chicago lawyer who has filed five class-action suits for rice farmers.

Another 1918? (WP)

The Washington Post, November 22, 2006

ON MONDAY, the Department of Health and Human Services released a progress report on its preparations for a flu pandemic in the United States. Not stressed, but nevertheless clear, was how much the country would rely on antiviral drugs such as Tamiflu, a drug that can reduce the severity of flu symptoms, to treat Americans while new vaccines were developed. Public health authorities are frantically stockpiling Tamiflu, and they hope to have more than 50 million courses of antiviral medication on hand by the end of 2008 to administer in the event of an outbreak.

But a report released by the World Health Organization earlier this month said that strains of the H5N1 "bird flu" virus -- a likely candidate for mutation into a pandemic flu -- might be developing resistance to Tamiflu and other antivirals. The influenza virus is unpredictable and quick to mutate. No one knows how, or how fast, the bird flu virus will change, so no one knows if the reported cases of Tamiflu resistance will remain isolated or if the virus will become increasingly more resistant to standard antivirals -- as it has with other drugs. But the country faces the possibility that its reserve of Tamiflu might not do much to counter a pandemic flu.

The federal government is also collecting doses of vaccines that protect against existing strains of the bird flu virus, though on a much smaller scale than its purchase of Tamiflu. These shots, the HHS report said, might eliminate or ease symptoms caused by new forms of the virus. But the WHO report was pessimistic about the effectiveness of the vaccines against strains of the virus they were not designed to fight.

In other words, if a pandemic flu began spreading tomorrow, the government's most effective strategies for saving lives could be old-fashioned quarantine and public education, techniques akin to those used during the great flu pandemic of 1918. It is not surprising, then, that the federal government currently estimates that as many as 2 million people could die if a virulent and contagious strain of flu hit the United States.

Given the capriciousness of the virus, says Columbia epidemiologist Stephen S. Morse, the government has "no silver bullet" in its arsenal. But HHS should consider investing heavily in technologies such as the reverse genetic engineering of flu vaccines, a process that promises to speed up vaccine production dramatically. The federal government should also focus more on aiding the World Health Organization's efforts to monitor avian flu and to improve the health infrastructure in Southeast Asia. Added American assistance to the understaffed WHO in Indonesia, Thailand and Vietnam could save many more American lives than 50 million courses of antivirals.

Mining Firms Again Eyeing Navajo Land (LAT)

By Judy Pasternak, Times Staff Writer

The Los Angeles Times, November 22, 2006

Demand for uranium is soaring. But the tribe vows a 'knockdown, drag-out legal battle.'

Crownpoint, N.M. — When mining companies started calling tribal offices last year, Navajo President Joe Shirley Jr. issued an edict to employees: Don't answer any questions. Report all contacts to the Navajo attorney general.

Decades after the Cold War uranium boom ended, leaving a trail of poisonous waste across the Navajo Nation, the mining industry is back, seeking to tap the region's vast uranium deposits once again.

Companies are staking claims, buying mineral rights and applying for permits on the edge of the tribal homeland. They make no secret of their desire to mine within the reservation as well.

That prospect has turned neighbor against neighbor and touched off legal, political and financial maneuvering far from Navajo lands.

Fifty years ago, a nuclear arms race propelled the search for uranium. Today, the driving force is the quest for new sources of energy. China and India are building nuclear reactors at a rapid pace to fuel their growing economies, and the Bush administration is pushing to expand nuclear energy in this country to reduce U.S. dependence on foreign oil.

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With demand increasing, the price of uranium has climbed to more than $60 a pound. Six years ago, it was as low as $7.

Mining companies are extracting uranium in Texas, Wyoming and Nebraska, and are taking steps to mine in Colorado.

But Navajo country, covering some 27,000 square miles in Arizona, New Mexico and Utah, is the biggest prize of all — "the Saudi Arabia of uranium," in the words of Mark Pelizza, a vice president of Uranium Resources Inc.

A subsidiary of the Texas-based company holds a Nuclear Regulatory Commission license to mine in and around Crownpoint, a crossroads town of 3,000 Navajos that sits on the largest known undeveloped uranium deposit in the U.S.

URI officials are seeking permission to begin mining on a test basis in the nearby township of Church Rock, N.M., in 2008. If results there convince regulators that the project is environmentally sound, the company will be allowed to start operations in Crownpoint.

Mining in both places is expected to yield 42 million pounds of uranium over 20 years — worth more than $2.5 billion at today's prices.

Two Canadian firms — Strathmore Minerals Corp. and Energy Metals Corp. — are also laying the groundwork for mining.

Altogether, the three companies have acquired rights to tens of thousands of acres just outside the reservation's southeast boundary. URI alone has invested more than $25 million.

Mining executives say they plan to extract uranium from underground rock formations through an environmentally benign chemical process. There will be no blasting, no unsightly pits and no lasting contamination, they say.

Unconvinced, the tribal council last year passed a ban on mining or processing uranium in "Navajo Indian country," a term that embraces both the reservation and neighboring communities such as Crownpoint and Church Rock that participate in tribal government.

Federal courts have recognized "Indian country" as extending beyond the reservation's boundaries, but the ban seems destined to be challenged in court.

After the measure took effect in April 2005, mining concerns kept calling the Navajo capital, Window Rock, Ariz., hoping to secure support for their projects. So Shirley signed Executive Order 02-2005, which instructs tribal employees to avoid any "communications with uranium company representatives."

The directive infuriated mining executives. "You tell me, what kind of a democracy is that?" asked John DeJoia, a Strathmore vice president. "They've got tremendous resources out there. They're a very poor nation. That could change."

Robert McNair, director of capital projects for Dejour Enterprises Ltd., a Canadian energy company, asked state officials for help. He reached Derrith Watchman-Moore, New Mexico's deputy environment secretary.

A Navajo who had served as the tribe's environmental director, Watchman-Moore told McNair there would be no new uranium mining until past contamination had been purged. "My strategy was to discourage them from asking for a permit," she said.

It worked. Dejour decided to focus instead on a huge deposit in Saskatchewan.

The tribal government has also tried to block financing for the projects. When Shirley learned Itochu Corp. was considering investing $32 million in the URI venture, he asked the Japanese conglomerate not to do it.

"The Navajo people have made our wishes and our laws clear: We do not want further uranium mining in our communities," Shirley said in a letter to Itochu's chairman.

But URI, Strathmore and Energy Metals have pressed on. They have an important ally in Sen. Pete V. Domenici (R-N.M.), who has been a forceful advocate for nuclear power as chairman of the Senate Energy Committee.

In the spring, Domenici pushed Department of Energy officials to meet with mining executives who were worried that the government might sell large quantities of uranium from a 135-million-pound federal reserve that is costly to maintain. The mining officials feared such a step would depress the price of the metal and make it harder to finance their projects.

An assistant energy secretary assured the executives that there would be no big sales before 2009, according to records obtained under the Freedom of Information Act. Later, the Energy Department drafted a long-term strategy for the reserve and invited the industry's views.

Mining companies say about 100 skilled laborers will be hired at each site. Those jobs, along with income from mineral leases, could help ease pervasive poverty among Navajos, they say.

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Opponents say the environmental risks are too great. One of URI's planned subterranean minefields is within a mile of six wells that supply drinking water for about 15,000 people in and around Crownpoint. Chronic exposure to uranium in drinking water has been associated with kidney disease and increased risk of cancer.

URI's federal license requires it to provide replacement wells, but tribal officials worry that contaminated water could migrate toward the new wells. No company has ever mined so close to a public water supply using the technology employed by URI.

The uncertainties unsettle many Navajos, who are surrounded by the legacy of past mining — abandoned shafts, tainted wells, radioactive dust.

"All these promises … I don't believe a word of it," said Larry King, a 49-year-old Navajo who raises cattle on his family's ranch in Church Rock. "I've seen too much mining. I'm not convinced."

The right solution?

Most of the projects would employ "solution mining," in which water fortified with oxygen — and sometimes bicarbonate — is injected into an underground formation of porous sandstone. The solution washes uranium and other minerals from the sandstone. The uranium-laden water is then pumped to the surface. There, the uranium is filtered out, dried and trucked away for further processing.

The oxygen solution is pumped back into the aquifer, and the process is repeated until the sandstone has yielded all the uranium that can be removed economically.

The amount of water poured back into the ground is slightly less than was removed, creating a low-pressure area. This causes groundwater to flow into the mining zone rather than away from it, and prevents uranium and other contaminants from spreading, according to the companies.

Just in case, they plan to ring mining zones with test wells so that any movement of pollutants will be detected promptly.

After an area has been fully mined, the producers would restore the aquifer by repeatedly pumping water to the surface, cleaning it with the same process used to purify bottled drinking water and injecting it back into the ground.

Solution mining has a three-decade track record in the U.S. Five facilities are operating today — one in Wyoming, one in Nebraska and three in Texas.

"I'm not aware of any major disasters," said Tibor Rozgonyi, head of the mining engineering department at Colorado School of Mines. "You can control the contamination, if you design correctly."

The questions revolve around whether aquifers can be permanently cleaned.

In Wyoming, the state Department of Environmental Quality has approved the closure of two solution-mining sites in the last two years. But it took at least six years to clean the aquifers to the state's satisfaction. "We think they can do it faster, in two or three years," said Richard Chancellor, the Wyoming official overseeing the restoration.

In a boom and bust industry, time matters, he said: "What if they went bankrupt and walked away?" Bonds posted by mining concerns might not cover all the costs of cleanup and monitoring, skeptics say.

In Texas, Uranium Resources Inc. is having difficulty cleaning a solution mine south of Corpus Christi. George Rice, a hydrogeologist hired by a review board in Kleberg County, found elevated concentrations of uranium, radium-226 and other pollutants more than five years after mining had ended.

In his report, Rice wrote that a URI official told him a request to relax the state's cleanup standards was "inevitable."

The problem, Rice wrote, is that once a closure is approved, the company can stop pumping, cleaning and monitoring groundwater. "There is no guarantee that the water will not migrate beyond the mine's boundaries," he wrote.

Pelizza of URI says it shouldn't matter if the water in a solution-mining zone isn't totally purified as long as it meets standards for its pre-mining use. "How clean," he asked, "is clean enough?"

Troubled history

The Puerco River, which runs along the southern boundary of the Navajo reservation, is usually dry in the summer. But early on July 16, 1979, the channel roared with 93 million gallons of radioactive water.

An earthen dam at a uranium mill in Church Rock had ruptured, releasing liquefied tailings, a waste product of traditional uranium production.

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The result was the largest accidental release of radioactive material in American history. The surge was detected 50 miles downstream, in a stretch of the river that Navajos use to graze cattle and irrigate their corn.

The dam was considered state of the art, officials of United Nuclear Corp., which operated the mill and a nearby uranium mine, later told Congress.

The Environmental Protection Agency is trying to decontaminate groundwater at the site. But project manager Mark Purcell said the task may prove impossible. Some of the tainted water is moving toward Navajo land, he added.

With this experience as a backdrop, Navajo organizations and environmental groups are fighting URI's plan to make Church Rock a test site for solution mining.

A tribal water resources manager, John Leeper, noted in a written declaration to the Nuclear Regulatory Commission that private wells tap the Church Rock aquifer "for human drinking water."

King, the rancher, joined the board of the major opposition group, Eastern Navajo Dine Against Uranium Mining. (Dine, pronounced dih-NEH, is Navajo for "people.") The organization joined outside environmentalists in appealing URI's federal license, stalling the project for years.

It has sponsored protests with a rallying cry of leetso doo'da — Navajo for "no uranium." Its leaders have traveled to Washington, D.C., and the United Nations to argue against a resumption of mining.

"We don't want nobody doing experiments around our area, no," King said.

To Juan Velasquez, Strathmore's vice president for environmental and regulatory affairs, such talk is "the bane of the uranium industry. We're all fighting against emotional arguments."

Velasquez knows mining's troubled history in Church Rock. He became president of United Nuclear four years after the 1979 tailings spill, with responsibility for cleaning up the mill.

In 1992, the NRC ordered the company to set aside more than $16 million to guarantee completion of the cleanup. Instead, on Velasquez's instructions, the money was turned over to United Nuclear's parent company.

The commission imposed an unusually large $100,000 fine for "willful violation of an NRC order." United Nuclear agreed to pay $99,000 without admitting wrongdoing. Velasquez called that "a business decision" and said "there was never a time in which any surety was at risk."

Before Velasquez's arrival, United Nuclear had closed its Church Rock uranium mine, leaving behind a pile of radioactive waste ore. The closure met federal standards then in place. In August, a heavy rain flushed radioactive material from the mine into an arroyo.

Velasquez said he had no concerns that today's stricter mining regulations might likewise prove inadequate in the future. The Navajos, he said, have more pressing health issues than uranium mining.

"We could worry ourselves to death that one additional cancer in a million will be caused," Velasquez said. "It sounds stereotypical, but these Indians jump in their car and drive 90 miles per hour down the road. But they won't take the risk on uranium."

Twenty-five miles northeast of Church Rock, the groundwater in Crownpoint is pure. Uranium permeates the sandstone in the aquifer, but it is tightly bound.

Water from the six municipal wells, famous for its sweet taste, contains trace concentrations of uranium far below the EPA maximum for drinking water, federal regulators say.

URI wants to transform an old uranium drilling site into a solution-mining zone and processing plant.

For now, the lone employee at the site is Benjamin House, who signed on with URI 10 years ago, when it was the only company pursuing a mining license. A former delegate to the Navajo council, House has purchased airtime on the Navajo radio station to press the company's case. He has also booked tours of URI's Texas facilities for tribal and local leaders.

He steels himself for confrontation as he makes his rounds. URI plans to mine a second site west of Crownpoint. When House stood there recently, in a sparse field of tumbleweeds and pinon trees, a red pickup halted abruptly on the nearest dirt road. The driver leaned out the window to snarl at House.

House knows what his detractors think: "I sold out." But, he said, some Navajos approach him on the sly, saying they could use the jobs mining would bring.

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House's most vocal backers are nine extended Navajo families who signed mineral leases with URI in the early '90s. They look forward to receiving royalties if mining gets underway.

Among them is Bessie Largo, a widow who makes ends meet by weaving rugs. Speaking in Navajo translated by House, she said her acreage was not suited for farming. "We are supposed to make a living off that land, and that is exactly what we are trying to do," she said.

Preparing for battle

The tribe claims jurisdiction over any territory where mining would affect Navajo residents, regardless of who owns the land or the mineral rights.

"A sovereign has a right to protect its people against environmental threats," said David Taylor, an attorney in the Navajo Department of Justice.

Mining executives, however, are honing arguments that the tribal ban does not apply to their lease-holdings in an area known as the "checkerboard," at the reservation's southeast edge.

Here, the tribe's communal land gives way to a hodgepodge of parcels held by federal and state agencies, private businesses and other owners. This is where the planned Church Rock and Crownpoint solution-mining sites are.

Strathmore is leasing land owned by the U.S. Bureau of Land Management. URI plans to mine on land the Navajos bought from the Santa Fe Railroad in 1929. The railroad retained the mineral rights, and a successor sold them to URI.

The uranium firms don't hide their eagerness to move onto the reservation proper. Pelizza sees the checkerboard projects as the key to achieving that goal.

"There's a concern. Once we've addressed those concerns, maybe the Navajos will see that and make exceptions," he said.

Taylor, the tribal lawyer, says it won't happen.

"We have no intention of letting them mine without a knockdown, drag-out legal battle," he said.

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Times researcher Mark Madden contributed to this report.

Levels Of Radioactive Material At Indian Point 7 Times Higher Than Reported (AP)

AP, November 21, 2006

BUCHANAN, N.Y. (AP) _ Government tests indicate that amounts of radioactive material found in ground water under the Indian Point nuclear power plants were seven times higher than reported by the laboratory hired by the complex to test for leaks.

Testing conducted for the Nuclear Regulatory Commission and the state Department of Environmental Conservation revealed that strontium 90 levels from the August samples ranged from 5 to 30 picocuries per liter.

Federal regulations say that the levels of strontium 90, a radioactive chemical linked to bone cancer and leukemia, must be lower than 8 picocuries per liter for water to be considered safe enough to drink.

Nonetheless, the NRC and state health officials have said for more than a year that the public is not in danger because the radioactive isotope is not reaching any sources of drinking water.

When Teledyne Brown Engineering, of Knoxville, Tenn., conducted tests on behalf of Indian Point, the company found only between 2 and 6 picocuries of strontium 90 per liter.

Entergy Nuclear Northeast, which owns the plant, has suspended the contract with Teledyne until officials can understand the discrepancy in testing.

"We've taken a new round of samples and are sending them to another lab," said Donald Mayer, Indian Point's lead engineer on the radiation leak.

Entergy plans to remove the source of the leak by storing spent fuel into special dry-storage casks at the site that can later be drained and diluted from a spent-fuel pool. The company has also begun to demineralize the water to lower the concentration of strontium and dilute the source of the contamination that is leaking.

Dale Klein, the new chairman of the Nuclear Regulatory Commission last month ordered an independent review of how it oversees the Indian Point nuclear power plants.

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Klein, who was installed in July, ordered NRC staff to develop a plan "because of repeated inquiries about the adequacy of NRC oversight and licensee performance" at the two IP reactors in Buchanan, on the Hudson River 35 miles north of midtown Manhattan.

FBI/DEA/ATF/USMS:

Local FBI To Receive New Agent (DURHER)

By Joe Hanel, Herald Denver Bureau

Durango Herald, November 22, 2006

Murder rate on Ute reservations 20 times state average

DENVER - The Federal Bureau of Investigation will send a new special agent to the Four Corners in large part to deal with a combined murder rate on the two Ute Indian reservations that is 20 times the state average.

U.S. Sen. Ken Salazar, D-Colo., said he secured the commitment from Attorney General Alberto Gonzales on Friday. The region currently has one FBI agent, who works out of Durango. Southwest Colorado might get an additional federal prosecutor, as well, according to Salazar.

The murder rate on the Southern Ute and Ute Mountain Ute reservations combined is 75 per 100,000 people, compared to 3.7 per 100,000 for the rest of Colorado, according to numbers the U.S. Attorney's Office in Denver gave to Salazar's office.

Salazar spoke to Gonzales on Friday during a tour of the Supermax prison outside Cañon City. Salazar said the two talked about the need for increased law enforcement on the Southern Ute and Ute Mountain Ute reservations.

"I was pleased to get his commitment to send an additional FBI agent to the area to address the growing lawlessness in the area as well as his pledge to examine the possibility of sending an additional assistant U.S. attorney to the area," Salazar said in a prepared statement.

Salazar cited an "unacceptable number of unsolved crimes" on the reservations because of a lack of law enforcement officers in the region.

The Durango FBI branch is intended to be a two-person office, and it has had two agents in the past.

The new FBI agent will have to go through the typical federal application and hiring process, said Special Agent Renee Vonder Haar, the FBI's spokeswoman in Denver. She doesn't know how long it will take to hire a new agent.

"I definitely know they have been talking about it, but I don't know when it will happen," Vonder Haar said.

The Department of Justice reports its violent-crime statistics in terms of crimes per 100,000 people. Because the population of the reservations is well below 100,000, a murder rate of 75 per 100,000 does not mean there have been 75 murders in the last year.

At least two recent homicide cases from Towaoc are working their way through the courts. Samson Lameman is accused of shooting Tasha Posey after a drunken game of Russian roulette in May. Peter Begay faces second-degree murder charges for the death of 2-year-old Davery Oshley last November.

FBI Profiler Inspires Actor (USAT)

By Bill Keveney, Usa Today

USA Today, November 22, 2006

CULVER CITY, Calif. — Jim Clemente keeps a picture in his wallet of a boy he helped save as a member of the FBI's Behavioral Analysis Unit.

It reminds him of why he does his job. It reminds the actors on CBS' Criminal Minds of the real people they portray.

MIND OF A ' CRIMINAL': Criminal Minds hits its stride

"I saw that he carries this picture with him wherever he goes, and that the saving of these children is what his life is all about," says Mandy Patinkin, who became friends with Clemente during research for his role as BAU profiler Jason Gideon.

Through Patinkin, Clemente established a bond with others connected to the show, providing informal advice about profiling and the BAU.

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Now, in a rare occurrence for an agent still with the FBI, Clemente has written a Minds episode, tonight's "Lessons Learned" (9 ET/PT), in which the agents interrogate a Guantanamo Bay detainee in the hope of stopping an imminent terrorist attack in the USA.

Clemente, 47, says the collaboration works well, creating an accurate picture of the BAU for the public and alerting other law enforcement agencies to its services, particularly in cases in which time is of the essence.

"In one hour, they can reach 15 million people," he says.

While researching at FBI headquarters in Quantico, Va., Patinkin couldn't quite get his hands around his role until he met Clemente, a former prosecutor who has served with the elite BAU since 1998. "It completely set me free in terms of his humanity, his nature, his kindness and concern," Patinkin says. "I pray that when I talk to him, some of it is left behind in me."

The two also had something in common: cancer. Clemente was on leave from the FBI at the time, undergoing treatment for lymphoma. Patinkin provided support, having recovered from his own bout with cancer.

"Mandy has been a great friend," says Clemente, who spoke on set in late October. With his recovery going well, he was scheduled to return to active duty in the BAU.

One tactic Patinkin learned from Clemente, included in an interrogation scene, is that engaging the subject as a human being and listening carefully can yield needed information.

"If you treat the subject with dignity and respect, that's the best way to promote interaction, to make it more likely that he will talk to you," Clemente says.

If the subject responds, profilers can pick up non-verbal clues. In the case of Middle Easterners, for example, dialect or use of certain words can tell investigators where the subject is from.

Clemente says tonight's episode is fiction, written with the advice of his nephew, a film student. In one scene based on real experience, some team members who haven't flown to Guantanamo are thrown off by the "Gitmo twist," a sharp turning maneuver necessary for landing.

Clemente used the episode to honor a BAU friend and colleague, Andrew Bingaman, who died of lymphoma the day Clemente turned in his episode outline. He named a character after Bingaman. "Andy fought cancer and terrorism with unbounded bravery," Clemente says.

Dozens Arrested In Drug Sweep (PROJO)

By Gregory Smith, Journal Staff Writer

The Providence Journal, November 22, 2006

PROVIDENCE — In an investigation aimed at especially brazen drug dealing on street corners, the city police and federal drug agents have arrested 70 people on narcotics and weapons charges and are seeking to arrest another 27.

Law enforcement authorities began rounding up the suspects last week, punctuating an investigation nicknamed Operation Crackdown that was announced yesterday. Some corners where the drug peddlers stood three, four or five deep, depending on the weather or the time of day, have been cleared, said police Sgt. Fabio Zuena.

The operation incorporates a new approach in which seven suspects with minor criminal records were separated from the crop destined for arrest and will be offered what Police Chief Dean M. Esserman called “a second chance” to straighten out their lives and avoid another arrest.

Those seven — four juveniles and three adults — will be called into a room for a dose of “tough love” by their neighbors, community leaders and the police, Esserman said, and offered education, substance-abuse treatment and employment opportunities.

They will be told, he said: “You may not return to that corner. We don’t have to catch you. We’ve already caught you. We just have to have the [arrest] warrant signed the moment you return to that corner.” Then an array of social services will be pressed on them.

Operation Crackdown was described as unusual in its duration and scope. Beginning in April and lasting through last month, investigators researched the drug-dealing hot spots throughout Providence and focused on an area of Upper South Providence with the Lockwood Plaza public-housing development as the epicenter.

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They identified 104 people as investigation targets, including the seven who are avoiding immediate arrest, and made a number of undercover purchases of cocaine and handguns. Esserman and Mayor David N. Cicilline said that list makes it "the largest narcotics and gun investigation" in Providence police history. Brian Crowell, assistant special agent in charge of the New England division of the U.S. Drug Enforcement Agency, said the 72 arrested are "the most ever targeted in a single drug investigation in Rhode Island."

Investigators bought or seized four kilos of crack and cocaine and four handguns — there were 150 individual drug buys — and seized $38,000 in currency.

Operation Crackdown is inspired by the Urban League of Rhode Island, whose national organization wants to replicate the success of the so-called Highpoint Initiative in Highpoint, N.C. The Highpoint program, which has been popularized in academic law enforcement research, took aim at "open-air drug markets" by removing street dealers in an effort to reduce drug-related crime and violence in neighborhoods.

The new wrinkle in the Highpoint Initiative is the organized and swift offer of help to offenders who merit help, drawing in religious and other community leaders and social-service agencies.

Dennis Langley, president and chief executive officer of the Urban League of Rhode Island, said Providence was one of three cities asked to participate in the Highpoint Initiative because his chapter and Esserman are held in high esteem by his national organization. His chapter is taking responsibility for working with the seven minor offenders.

"We are not about arresting people," Langley said at the formal announcement in the auditorium of the Public Safety Complex. "We are about changing communities and changing lives for the benefit of our society."

Langley and police supervisors said they hope to dispel fear and reduce the feeling of disorder in certain neighborhoods by reducing or eliminating street dealing.

"Over the years we have had so many individuals complaining that we cannot live in our neighborhoods because of the drug trafficking," Langley said.

Only time will tell, said police Lt. Thomas Verdi, commander of the city police Narcotics and Organized Crime Bureau, whether a program launched in the much smaller city of Highpoint, which is in a semirural region, can be successfully transplanted to larger cities with different demographics. Tucson and Kansas City also are trying it.

Lockwood Plaza and its immediate vicinity was chosen as the focus of the investigation, according to the police, because it was one of the more overt and busy drug markets and because the target area has numerous calls for police service. The target area is bounded by Broad, Myrtle and Dudley streets, Prairie Avenue and Stewart Street.

Thirty-three of those targeted are from in and around Lockwood Plaza, according to Esserman, which is a privately managed property of the Providence Housing Authority. The authority acquired Lockwood Plaza in a federal government foreclosure and spent $6 million to $7 million in renovations three years ago.

The housing authority tries to screen out prospective tenants with criminal records and has a longstanding policy of evicting tenants who are caught in drug-dealing or other serious crimes or who invite in relatives and friends who get involved in crime.

Although there was a target area, the probe spread citywide and arrests were made in a number of neighborhoods. Those arrested range in age from 14 to 49 years old. Most have been convicted of felony crimes and a majority are violators of their probation or parole, according to Verdi.

Nine of the suspects have been singled out for federal prosecution — the roundup was triggered last Wednesday, after a federal grand jury handed up their secret indictments — in large part because they were allegedly dealing in amounts of drugs that will subject them to harsher punishment in the federal system. The rest are to be prosecuted by the state, including the 27 not in custody but who are named in arrest warrants.

Among the nine to be prosecuted federally are Khalid Mason, 30, formerly of Pavilion Avenue, Providence, and Derrick Isom, 31, of Dunnell Avenue, Pawtucket, who are accused of running a crack house. They led a gang of street dealers in the Lockwood Plaza neighborhood, according to Verdi.

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Mason, who had been named in a Providence police arrest warrant for at least two years, was caught by U.S. deputy marshals, living under an assumed name on the Mashantucket Pequot reservation in Ledyard, Conn. While a fugitive, according to Verdi, he had lived in California and Atlanta.

The nine are: Juan "Weezy" Forbes, 20, of Knight Street, Providence, who is charged with conspiracy to distribute and distribution of at least 50 grams of crack and with three counts of being a felon in possession of a firearm; Eric Grundy, 20, of Vandewater Street, Providence, charged with conspiracy to distribute at least 50 grams of crack and distributing crack; Daniel McClain, 28, of Stanwood Street, Providence, charged with conspiring with Grundy to distribute at least 50 grams of crack and distributing at least 50 grams of crack; Donnell Jenkins, 28, of Northup Street, Cranston, charged with two counts of distributing crack, one of which involves at least 5 grams.

Also, Ronald Hill, 35, of Broad Street, Providence, charged with two counts of distributing crack, one of which involves at least 5 grams; Fernell Brown, 20, of Knight Street, Providence, charged with two counts of distributing at least 5 grams of crack; and Isom and Mason, both of whom were charged with conspiracy to distribute at least 50 grams of crack, distributing at least 50 grams of crack, and using an apartment to traffic in crack.

Conviction of distributing or conspiring to distribute at least 50 grams of crack carries a maximum punishment of life in prison.

All except Grundy have been arraigned in U.S. District Court and pleaded not guilty and are being detained. Grundy is serving a state sentence and has not yet been arraigned.

DrugNet, Chapter 4: Down Under (PHI)

The Philadelphia Inquirer, November 22, 2006

THE STORY SO FAR

Temple grad student Akhil Bansal and his dad in India are making millions smuggling pills to Americans who buy them online. Today's installment begins as DEA agents race to Australia, hoping to head off a move that could ruin their big case. It is October 2004.

ABOARD QANTAS

FLIGHT 12

DEA agent Eric Russ sprawled across three seats on a southbound 747, earplugs in, eyeshades on, sound asleep.

His partner tried to relax, too, but several hours into the overnight flight to Sydney, Carlos Aquino was wide awake. Carlos had been busting drug dealers since 1969, when he was a trim military policeman in Vietnam. But he had never worked a case so important, so complex.

And now, with just three days' notice, he was scrambling to get to western Australia.

Carlos looked into the dark Pacific sky, then pulled out a 41-page report marked "DEA SENSITIVE."

The document summarized the six-month investigation: Agents traced three packages of generic pills at the Philadelphia airport to a Chester storefront. A receipt at the storefront led them to something called Rx-mart.com, which was hosted by a Web server in Texas. Keen detective work by FBI agent Jason Huff revealed that the person paying Rx-mart.com's bill was a cocky 25-year-old named Andrew Shackleton who lived in Australia, where he appeared to run a multimillion-dollar online pill ring.

DEA believed that Shackleton used pill suppliers around the globe, including bit players such as Temple University graduate student Akhil Bansal.

DEA hoped to extradite Shackleton and charge him under a U.S. law - "operating a continuing criminal enterprise" - that carried a huge hammer, a 20-year minimum mandatory sentence. The law had been aimed for use against mobsters and drug kingpins. This would be among the first uses against Internet pill pushers.

At DEA's request, the Australian Federal Police had checked Shackleton's bank records and shadowed him in Perth. But now AFP wanted to bring Shackleton in for questioning, which could tip everyone else under investigation. It might ruin the U.S. case.

Which was why Carlos and his partner were in such a hurry to get to Perth.

MANHATTAN

DOJ_NMG_0097192

Foram Mankodi, a pediatrician from Bombay, led her fiancé, Akhil Bansal, toward the Halloween parade in Greenwich Village.

A pocked goalie mask hid Akhil's broad face; he was Jason from the movie Friday the 13th. Foram, her dark hair under a peaked hat, dressed as a witch.

The Halloween festivities, she hoped, would provide a break from their increasingly hectic lives. Akhil's workaholic ways were wearing him down.

Not only was he pursuing two master's degrees from Temple, but Akhil was also managing his father's India-based business - supplying pharmaceuticals to companies that sold them to Americans on the Internet.

In the year since he had proposed, Foram watched Akhil grow the U.S. side of the business from a two-person, 1,000-pill-a-day operation into a 10-person, 50,000-pill-a-day enterprise. Already, the intense 26-year-old had earned his first $1 million, money he used to buy a new five-bedroom, $420,000 condo in an affluent Delhi suburb.

But she didn't love him for his money. After they met at the Temple library, their first dates were visits to the Franklin Mills mall. Back then, they took walks on Kelly Drive and watched Friends and Seinfeld. Now, Akhil was promising to fly her to London for New Year's Eve.

Their parents didn't know about the engagement; the couple was going to wait until Akhil graduated and they could return to India.

Foram found Akhil, with the green tint in his brown eyes, to be handsome, brilliant, kind, genuine, confident, sure to succeed. Akhil acknowledged that he was "obsessed with achievement and perfection." His memory was photographic, his class papers top-rate. Someday, she knew, he would run a large hospital in India.

Even Akhil's jokes related to business. The doormat outside his Roxborough apartment said: "Please stay on the mat. Your visit is very important to us. Your knock will be answered in the order in which it was received."

Foram loved Akhil's directness. Before he proposed, he hacked into her e-mail account to make sure that she was true, that she really cared for him.

Akhil told her about the snooping afterward. "All is fair in love and war," he said.

She found this charming.

He had his faults, among them a quick temper. When an argument would reduce her to tears, he would wave a hand and say, "Ah, you women use tears as your weapon."

When she would tell him to stop bragging, he would say, "What is man without ego?"

Akhil cared little about politics. His passions were cars, money and music.

And although he was proud to help grow his father's business, Akhil yearned to make a name for himself. He often cited the Hindi expression upnay pairopay khada hona: "Stand on my own feet."

Foram knew that Akhil was so driven, he had trouble relaxing, even on vacation. During a trip to Niagara Falls, Akhil spent hours tethered to a laptop. When Foram urged him to join friends at the barbecue grill, he snapped, "This is important."

Later, he explained that he had just caught a German rival hacking into his computer to steal client data.

Akhil retaliated. He sent the bastard a virus.

AGRA, INDIA

Dr. Brij Bansal opened an e-mail from a Costa Rican online pharmacy operator.

Amounts you did not confirm

Sept. 20, $46,000

Sept. 23, $36,000

Monday another $40,000 will leave Cyprus. All transfers will arrive in Fleet/USA. Thanks a lot for your great business.

CENTER CITY

Beneath a red Mexican tapestry, federal prosecutor Barbara Cohan spread a DEA chart across her red desk. The diagram was dotted with mug shots, lines drawn to suggest associations.

The Australian Shackleton and his spiked, peroxided hair loomed large in the center. Web operators in five continents formed an outer ring around him. Off in a corner, with suspected couriers, was Akhil Bansal.

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Barb let out a laugh. Taken together, the mug shots reminded her of the characters from the bar scene in Star Wars.

Barb had worked drug cases for 24 years, but found these suspects particularly greedy. They dispensed prescription drugs like candy. Such audacity made her smile. Her job was much more fun, she often said, when the defendants were evil.

Barb's colleague and friend, prosecutor Wendy Kelly, was on her way to Australia to join two DEA agents. With Kelly gone, Barb focused on the Indians living in Philadelphia.

Akhil was not Mr. Big, she believed, but he would do. To indict the case in federal court here, she needed a local defendant. And prosecutors preferred a dealer to a user.

Surveillance had trailed Akhil to a suspected Queens, N.Y., stash house, then to another home, where agents had videotaped Indians loading hundreds of packages onto a UPS truck.

Akhil's role wasn't clear. Yet for a young guy in grad school, his bank accounts seemed flush. When Barb subpoenaed his records, she discovered $100,000 in certificates of deposit and a free student checking account with $138,797.23.

Large wire transfers from abroad - $35,000, $60,000, $100,000 - were routine. He wrote big checks - $3,000, $25,000, $50,000 - to cash and to a Queens company.

The money transfers weren't illegal, per se. And agents hadn't witnessed Akhil commit any crimes. But there was enough suspicious activity to ask a magistrate to authorize a search of his e-mail. When they got approval, the feds sent a search warrant to hotmail.com, the company that hosted Akhil's account.

KING OF PRUSSIA, PA.

Douglas, a husky 19-year-old computer salesman, logged on to ourprescriptionsforless.com. He lived with his mother in a small brick house within sight of the Bloomingdale's arch at the mall.

He clicked on alprazolam, a generic sedative. Douglas liked the way it cut his anxiety in social situations.

By ordering online, Douglas avoided an embarrassing doctor visit or alerting his mother, who still carried his health insurance and might see the bill.

Douglas clicked on quantity and chose 110 tablets, more than a month's supply - more than he thought he would need - just in case. These Internet pharmacies were shady, clearly illegal, and Douglas wasn't sure how long they would remain in business.

He entered his address. He liked that the pills were shipped from a domestic depot. Why risk involving U.S. Customs?

He charged $132.57 to his credit card.

The process was so easy. And why not? Wasn't the point of pharmaceuticals to help people? Weren't the major drug companies always bombarding American consumers with ads? The pitches were everywhere - magazines, newspapers, TV, billboards, banners at ballgames. Anxious? Sleepless? Limp? Have we got a pill for you.

Douglas confirmed his order, and it zipped through cyberspace.

The order shot from the online pharmacy in Romania to a credit-card processor in the British Channel Islands, where it was approved, then e-mailed to Indian suppliers in Agra, who forwarded it to a rented home in Queens, where an Indian supervisor printed it out and handed it to another Indian woman, who climbed to the second floor, took 110 tabs of alprazolam from a cubbyhole, slid them into an envelope, labeled it, and put it into a bag for pickup by UPS, which, two days later, delivered it, up the walk by the big holly tree, to Douglas' doorstep in King of Prussia.

PERTH, AUSTRALIA

The day after the Americans arrived in Perth, they shook off jet lag and turned on the diplomatic charm.

The Australians knew little about Shackleton, except that he was a shadowy figure, a former waiter suddenly rich enough to buy himself a flat and renovate his parents' home. But, Carlos explained, Shackleton had made one foolish mistake: He'd used a Texas company, not an Australian one, to host his online pharmacy and e-mail, making it easier for FBI to get a warrant to search it.

Shackleton's e-mail provided a bonanza. It appeared to show that the brash CEO of Shack Corp. ran a global pill network that netted $5,000 a day, almost $2 million a year.

Shackleton had homes in Perth; Florence, Italy; and Frankfurt, Germany. He was toying with buying a million-dollar chateau near Paris.

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Houses were nice, but Shackleton's ultimate goal was amassing $800 million. He figured he could achieve this in five years if he sold 3,000 packages of Valium a day.

"It's not easy to get rich," he wrote in an e-mail to an Internet consultant. "My goal is the upper echelon of economic independence."

What struck the Americans most about the guy, besides his spiked hair, was his arrogance. He began e-mail to employees with the words, "I decree...," and signed off, "Your Lord."

He called his three main suppliers by frat-boy nicknames - the German was "White," the Hungarian "Chubbs," and the Indian "Curry."

Curry's son lived in Philadelphia.

AGRA

An e-mail from Brij to a Texan who operated Web pharmacies in Romania and South Korea:

We can supply ketamine injectible. 10mg vials. Price is $20. Pseudoephedrine tablets. We can supply pure medicinal grade ephedrine

in powder form.

Thanks, Brij.

•

The mastermind behind ourprescriptionforless.com, an English as a second language teacher, replied:

You will be getting orders. Matthew and I will be working on this in the next 24 hours.

CENTER CITY

The day after the Australia contingent returned, Barb and Kelly met with their boss in his expansive Chestnut Street office overlooking Independence Hall. U.S. Attorney Patrick Meehan wasn't a micromanager, but he liked to be briefed on big cases.

The trip had gone well, Kelly reported, better than expected. The Aussies had agreed not to question Shackleton, but would instead tap phone lines, pull bank records, the works.

But there was more, Kelly added - something she had learned that morning.

Barb took over.

She grabbed a large white board and spun it around, revealing DEA's cluttered chart of targets.

"We've been focusing here," she said, pointing to Shackleton in the center, spokes running out to other online pharmacies.

Barb paused, reveling in the moment's drama. She pointed to the upper lefthand corner of the chart, to a smaller universe of suppliers, the Bansals. "Our focus needs to be here."

She put a finger on Akhil's mug. "Head of U.S. operations."

Mr. Big wasn't a cocky 25-year-old Australian. He was a cocky 26-year-old Indian. And, Barb said, "he's right here in our backyard."

His e-mail proved it: His father, a doctor in India, was smuggling one million prescription pills a month to America - generic Viagra, Valium, Xanax, kilos of the painkiller hydrocodone, the psychotropic club drug ketamine, the stimulant ephedrine.

Customers ordered directly from a dozen or so Bansal clients, who operated independent online pharmacies, and the Bansals filled their orders. It seemed that the son was supervising everything, Barb said, right from his modest apartment in Roxborough.

This was no Robin Hood operation - no discounting pills for the gravely ill. The Bansals, she said, charged more for their meds because they didn't require prescriptions. They sold to anyone with a credit card and a modem.

"These guys are just like street-corner drug dealers, except they use the Internet," Barb said, getting worked up. "There are dealers, suppliers, distribution networks. This is the new wave of drug dealing - white-collar drug dealing."

Meehan had recently attended a Justice Department briefing at which DEA Administrator Karen Tandy announced that online pharmacies were a priority. Here was their chance, he said. This case would make a splash.

Kelly wanted to move now - arrests, indictments, prison. The risk to consumers was too serious, she argued. The Bansals were shipping addictive, dangerous prescription pills. Maybe that Colorado woman who overdosed was part of the case. Who might be next?

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Barb argued for more time. In heroin and crack cases, she noted, authorities routinely waited to gather enough evidence to take down whole networks, not just a few dealers. Why was this case different? Because it involved white-collar dealers and middle-class consumers?

Barb and Kelly agreed on one thing: They couldn't make this case alone. They needed three things:

One, help from India. Though the nation was notoriously corrupt, and Akhil's father was rich enough to pay bribes, the risk seemed worth it. Assistance from Indian drug agents would be essential.

Two, an expert to track money-laundering on a global scale. Could bureaucrats at Justice in D.C. move fast enough to send someone?

Three, a way to read Akhil's e-mail as he sent and received it. That would require an e-mail wiretap. No one in the room had ever tried that.

They didn't know anyone who had.

Video Excerpt | Surveillance Of David And Elizabeth Armstrong (PHI)

The Philadelphia Inquirer, November 21, 2006

View an excerpt from a surveillance video showing drug shipments being unloaded from an automobile. The accompanying audio has been muted at the request of investigators.

U.S. Pulls Out Of Colombian Coca Region (MH)

By Steven Dudley

The Miami Herald, November 22, 2006

BOGOTA - After several years of trying to wean farmers from the drug trade in the conflictive southern province of Caquetá, the U.S. government is winding down its funding of alternative development programs in the region.

The pullout comes amid a flurry of criticism of U.S.-backed efforts to eliminate illegal drug production in Colombia, and just before the U.S. Congress is expected to vote to continue aid for counter-drug programs in this nation of 41 million people.

Colombia remains the largest supplier of cocaine to the U.S. market, and recent reports have suggested that production is increasing despite some $4 billion in U.S. aid for the military, crop eradication and economic development programs since 2000.

The Caquetá development programs are a small part -- $9 million in U.S. funds went to the province in five years -- of this annual aid package, but the region carries symbolic weight as one of Colombia's poorest and most notoriously guerrilla-ridden provinces.

For decades, the leftist guerrillas of the Revolutionary Armed Forces of Colombia, better known as the FARC, have dominated the area, which has 410,000 people and is a little more than half the size of Florida. They have used it as a training ground for new recruits and a launching pad for attacks.

LABORATORY

Given its background, Caquetá became a laboratory for the counter-narcotics program known as Plan Colombia, designed to dry up coca, the raw material for cocaine, and replace it with viable alternatives. The overall plan included billions in U.S. aid for military training, intelligence equipment and hardware like helicopter gunships as well as money for economic projects and infrastructure.

At first, the plan seemed to be working in Caquetá. Under President Alvaro Uribe, the Colombian military launched an unprecedented offensive of 17,000 troops that pushed the guerrillas from their traditional strongholds in Caquetá and elsewhere, and disrupted the coca economy.

Colombian police data shows a drop in coca farming in the province from 59,000 acres in 1999 to 12,000 last year. U.S. and Colombian economic programs followed, including $5.6 million from the Agency for International Development (AID), $3.9 million of which went to a project for rubber trees that benefited 579 families.

But now both parts of the effort seem to be in retreat. According to politicians from the area and analysts of the military, the Colombian army is quietly withdrawing some troops from the province. The armed forces do not comment on troop movements.

Meanwhile, the United States has stopped funding economic development programs in the Caquetá region.

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"There are serious doubts about the impact of the program," said Alfredo Rangel, a former consultant with the Colombian military who now runs a think tank on security issues. ``The impression is that these programs are very inefficient."

Caquetá politicians are dismayed by the U.S. government's decision. They say the programs helped undercut the coca economy during the military offensive, but still need time to take root.

"When the coca left, the economy went into crisis," said Luis Fernando Armario, a longtime congressman for Caquetá. ``Now is when we need the economic help."

The U.S. pullout from Caquetá comes just months after reports by the State Department and the United Nations said the total coca acreage in this country is growing again. In March, the State Department said coca acreage had increased by 26 percent; in June, a U.N. report showed an 8 percent rise.

U.S. officials say that their latest survey, done primarily through satellite photos, covered more land than previously and say coca acreage is down since the plan began.

REFOCUSED AID

One U.S. embassy official here also said the Caquetá pullout -- which doesn't affect other much smaller programs in the region that focus on human rights and internally displaced people -- is part of an AID effort to refocus U.S. assistance.

"We're not pulling out of Caquetá," said the official, who wished to remain anonymous because the official is not authorized to speak in the name of the U.S. government. ``That [alternative development] program came to its natural close."

Farmers in the area disagree. Pablo Emilio Piñeda, the head of a rubber producing cooperative, says the project is far from finished. He worries that many of his colleagues will now return to growing coca.

"With this decision, many of these families are in limbo," Piñeda wrote The Miami Herald in an e-mail. ``They could easily return to sowing illegal crops."

The U.S. decision appears to have been based on a set of factors more complex than officials have publicly acknowledged.

A State Department memo on the alternative development projects in Caquetá, obtained by The Miami Herald and previously reported in Colombian media, offers a view of some of the difficulties that U.S. officials face.

The document states U.S. government workers were advised not to travel to one project in Caquetá because of guerrilla activity, and one project dealing with livestock in Caquetá had to be moved to another province because of ``security concerns."

The document also outlines the economic challenges AID is facing in places like Caquetá and argues that the same money in other provinces could benefit more families. The U.S. embassy official said this document was one of many that was used to analyze the situation in Caquetá and come to the decision to leave.

"Instead of saying this didn't work, what the mission concluded, in conjunction with the [Colombian] government, is that we can do this better," the official said.

But critics of U.S. policy in Colombia contend that the decision to shut down development programs in Caquetá reflects a larger problem in the overall strategy.

Adam Isaacson of the Washington-based Center for International Policy says that close to 80 percent of U.S. funding for Colombia continues to be for military aid, leaving little for alternative development.

Of the $700 million annual U.S. package, for instance, AID receives around $130 million per year for projects ranging from economic development to training for justice officials and investigators.

"When they think of Plan Colombia, they don't think of job opportunities and strengthening of governments," Isaacson said of rural coca farmers. ``They think spray planes and helicopters, and I think this decision to leave Caquetá reinforces that image."

Local farmers like Piñeda agree. "It seems like they're betting on war, and that's the saddest thing about all this," he said in the e-mail.

Seneca Tobacco Merchant Agrees To Comply With Federal Demands (BUFFNEWS)

By Dan Herbeck, News Staff Reporter

Buffalo (NY) News, November 22, 2006

DOJ_NMG_0097197

A prominent Seneca Nation tobacco merchant who has tangled several times with the federal government has agreed to change his business practices and forfeit $1.25 million to the government.

Scott B. Maybee, one of the largest Seneca tobacco merchants in the region, signed a recent federal court agreement promising that his cigarette companies will closely adhere to federal laws during all future sales.

The agreement is believed to be the first of its kind between a Native American mail-order tobacco business and the federal government, federal officials said Thursday.

Maybee runs three Salamanca-based companies that employ about 200 people to do mail-order and Internet cigarette sales. His business was the subject of a lengthy investigation by the U.S. Bureau of Alcohol, Tobacco, Firearms & Explosives.

In court papers, U.S. Attorney Terrance P. Flynn agreed that the government will not criminally prosecute Maybee for any activities uncovered during the investigation.

Maybee, in turn, will forfeit $1.25 million to the government, in six payments spread out over the next two years.

"[As] long as Maybee is fully compliant with all federal laws, Maybee may continue to operate his interstate cigarette business," Flynn said.

According to his attorney, Margaret A. Murphy, Maybee agreed to:

Adopt a written age-verification procedure that ensures cigarettes are only sold to adults at least 21 years old.

Guarantee that all shipments of cigarettes not bearing government tax stamps will fully comply with federal regulations.

Limit individual consumer sales to 10 cartons per order and 25 cartons per month.

Maybee said his agreement was reached after a series of discussions involving him, Murphy and Assistant U.S. Attorney Richard D. Kaufman.

Maybee's is believed to be one of the largest among approximately 200 tobacco-related businesses run by Seneca Nation members. He also runs several nontobacco businesses. In recent years, his tobacco operations have had several legal run-ins with federal agents. Maybee has never been charged criminally, but in 2004, he had to forfeit 588,000 cigarettes that had been seized during an ATF investigation.

The 34-year-old businessman encouraged other Seneca tobacco sellers to adopt similar business practices to avoid problems with the federal government, but he said he will not do anything that would harm the Senecas' rights to operate as a sovereign Indian nation.

Maybee said he will continue to fight in court against what he considers to be unfair tax enforcement actions by New York State. The cigarette companies involved are called SmartSmoker, OrderSmokesDirect and BuyCheapCigarettes.com. Maybee's agreement with the government was approved by U.S. District Judge Richard J. Arcara.

A Parting Shot From George Allen (NYT)

The New York Times, November 22, 2006

As a last little gift to America, Senator George Allen, who was narrowly defeated by James Webb this month, has introduced what may be his final piece of legislation: a bill that would allow the carrying of concealed weapons in national parks. The argument behind the bill is that national park regulations unfairly strip many Americans of a right they may enjoy outside the parks. The bill has passed to the Senate Committee on Energy and Natural Resources, where we hope it will die the miserable death it deserves.

America’s confusion about the Second Amendment is now nearly total. An amendment that ensures a collective right to bear arms has been misread in one legislature after another — often in the face of strong public disapproval — as a law guaranteeing an individual’s right to carry a weapon in public. And, in a perversion of monumental proportions, the battle to extend that right has largely succeeded in co-opting the language of the Civil Rights movement, so that depriving an American of the right to carry a gun in public sounds, to some, as offensive as stripping him of the right to vote. Senator Allen’s bill is, of course, being cheered by the gun lobby, which sees it not as an assault on public safety but as a way of nationalizing the armed paranoia that the National Rifle Association and its cohorts stand for.

If Americans want to feel safer in their national parks, the proper solution is to increase park funding, which has decayed steadily since the Bush administration took office. To zealots who believe that the Second Amendment trumps all others, the

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parks are merely another badland, like schools and church parking lots, that could be cleaned up if the carrying of private weapons were allowed. The concealed-weapon advocates are doing an excellent job of sounding terrified by "lonely wilderness trails." But make no mistake. Senator Allen's bill would make no one safer. It can only endanger the public.

IMMIGRATION:

Governors Want More Federal Cash For Imprisoning Illegals (AP)

AP, November 22, 2006

PHOENIX - Governors of nine states, including Arizona and California, are urging President Bush to include full reimbursement for states' costs of imprisoning illegal immigrants convicted of crimes when he submits his proposed federal budget next year.

Arizona Gov. Janet Napolitano's office said she and California Gov. Arnold Schwarzenegger were spearheading the effort to increase funding for the State Criminal Alien Assistance Program administered by the U.S. Justice Department.

Until the federal government secures the border, the SCAAP funding is needed and deserved by states that have "to fill this gap by policing the regions and incarcerating criminal aliens at their own considerable expense," said the letter, which was dated Monday and released Tuesday.

Other state governors who signed the letter were Bill Richardson of N.M.; Thomas Vilsack, Iowa; Christine Gregoire, Wash.; Phil Bredesen, Tenn.; Jon Corzine, N.J.; Ted Kulongoski, Ore.; Brad Henry, Okla.; and Kathleen Sebelius, Kan. Gov. Anibal Acevedo Vila of Puerto Rico also signed the letter.

The letter is the latest in a series of steps taken publicly and behind the scenes by governors to press for increased SCAAP funding.

In July, Gregoire sent an invoice for nearly $50 million to the Justice Department for unreimbursed costs of housing criminal illegal immigrants in state prisons.

Napolitano has sent similar invoices since late 2004.

Man's Deportation To Somalia Sets Off A Wave Of Concern Over Safety (NYT)

By Nina Bernstein

The New York Times, November 22, 2006

On the evening of Nov. 2, a young corporate lawyer in New Jersey received a frantic call from a charity client, a 46-year-old Harlem grocery clerk with a history of petty crime. He was in custody on an airplane in Newark on his way to Mogadishu, the capital of his native Somalia, a country so dangerous that to the lawyer's knowledge, no one had been deported there in years.

The courts were closed, and a federal judge who heard an emergency motion the next day ruled that the clerk, Mohamad Rasheed Jama, was already outside United States jurisdiction.

So, after a stop in Nairobi, where he was handed over to Kenyans, Mr. Jama stepped off an airplane in Mogadishu — and into the hands of Islamist militants, who soon accused him of being an American spy and began demanding money.

"They were extremely angry," said his lawyer, Emily B. Goldberg, relating the last frightened call she got from Mr. Jama, who had spent four years in immigration detention in New Jersey awaiting deportation to the land he left at 18. "He asked me if there was anything I could do. I told him in the American system, there was nothing more I could do."

Mr. Jama, whose deportation was based on a 1989 conviction for owning an unlicensed gun, is among the first Somalis to be repatriated against his will since the United States Supreme Court ruled 5 to 4 last year that the lack of a functioning central government in Somalia did not bar such deportations. About 4,000 Somalis nationwide are eligible for immediate deportation under the ruling, which turned on the syntax of a Congressional statute.

The case of Mr. Jama, who has a 9-year-old American daughter in Harlem, highlights issues the nation has wrestled with for decades, such as what to do with deportable immigrants who can neither be detained indefinitely nor safely repatriated, and what should limit the government's discretion to decide their fate.

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Conditions in Somalia have worsened in recent months, moving to the brink of an all-out regional war. In June, Mogadishu was seized by Islamic militias suspected of harboring leaders of Al Qaeda. The militias, after routing warlords backed by the United States, began imposing a Taliban-like regime of strict religious courts.

A week before his abrupt departure, Mr. Jama's volunteer lawyers filed a habeas petition on his behalf, arguing that his continued detention in the Middlesex County Jail in New Jersey was unlawful because "it is simply beyond dispute that effecting his removal to Somalia would be impossible."

Michael W. Gilhooly, a spokesman for Immigration and Customs Enforcement, confirmed Mr. Jama's deportation, declining to say whether more were under way. But at a federal appeals hearing in Seattle last month, a Justice Department lawyer said that three people had been deported to Somalia since the Supreme Court ruling, after volunteering.

Because an injunction halting most such deportations was lifted in April, the government lawyer, Greg D. Mack, added, the others would be deported at the discretion of the Department of Homeland Security.

The 28 years Mr. Jama spent in New York hardly prepared him for survival under Islamic fanatics. His job history, detailed in an affidavit, includes three summers as a "jack of all trades" at Jewish youth camps in Orange County, long hours as a counter man in corner stores on upper Lexington Avenue, as well as garment work in Midtown Manhattan and a stint as a junkyard dealer on 125th Street.

His lengthy rap sheet reflects a drinking problem, he said in the affidavit, and his having adapted too well to Harlem's "street culture." Besides a misdemeanor assault and the gun possession, for which he served three years in prison, his offenses include possession of marijuana, selling beer without a license and riding a bus without paying the fare.

But in his old Harlem neighborhood around West 115th Street, he is mainly remembered as a hard worker and good father brought down by alcohol.

"He was very cool, a good dude," said Lester Robinson, 26, whose sister, Waldrina Robinson, is the mother of Mr. Jama's daughter, Ashante.

Ms. Robinson, a home attendant, said she ended a five-year relationship with Mr. Jama in 2000, but she spoke warmly of the years after Ashante's birth in 1997, when Mr. Jama changed the baby's diapers, often cared for the girl at the grocery store where he worked, and "gave me every dime" he earned.

"He was a good father — when he was there," she said.

From the government's perspective, Mr. Jama should have been gone years earlier. In 1978, when Somalia still had a central government, Mr. Jama entered the United States on a one-year visa to work with his father as a security guard at Somalia's Diplomatic Mission to the United Nations.

Left behind at 19, when his father joined his mother in London, Mr. Jama learned English, earned a high school equivalency diploma and became a permanent legal resident under the immigration amnesty enacted by Congress in 1986. But he bought an illegal handgun for protection after a cousin was killed in a robbery, he said, and was arrested for having it after an alcohol-fueled dispute with other relatives drew the police.

Mr. Jama was ordered deported in 1993. But with no foreseeable chance of deporting him to Somalia, where civil war was raging, the authorities released him under supervision. As was typical at the time, no action was taken when he stopped reporting, even when later infractions led to brief jail time.

After 9/11, attitudes changed. Mr. Jama was picked up in October 2002, as were many other Somalis. But unlike those with comparable records who were provisionally released again when deportations stopped, Mr. Jama had no lawyer until this year. Then the American Civil Liberties Union of New Jersey took the case and enlisted help from the law firm Gibbons, Del Deo, Dolan, Griffinger & Vecchione.

"I want nothing more from life than to be near Ashante and to be involved in her life on a daily basis once again," Mr. Jama wrote in his affidavit, seeking supervised release to a cousin in Queens who had found him a job in a grocery store. "Although my greatest fear is remaining in immigration detention for the rest of my life and never regaining my freedom, I am also frightened about what could happen if the United States tried to remove me to Somalia."

As a member of the Warsengeli clan, Mr. Jama faces special danger in areas dominated by other clans, including Mogadishu, a Somalia expert wrote in an affidavit. Other affidavits cited the failed deportation of Keyse G. Jama (no relation), the

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Somali man who had lost the Supreme Court case, only to be rejected at gunpoint at a Somalia airport and sent back to Minneapolis in the spring of 2005. A federal judge outraged at that botched operation ordered the government to "slow down its rush to act" and release him.

Keyse Jama is now in Canada, where he fled in January and applied for political asylum, which is granted to the vast majority of Somali applicants, said David Yerzy, his Toronto lawyer. "The Canadian government recognizes that their lives are in danger," he said.

In the United States, lawyers for Somalis are asking whether Mr. Jama's deportation signals the start of a mass deportation or a warning to those facing indefinite detention that "if you use habeas, you'll be on the next flight," said Jeffrey Keyes, the Minneapolis lawyer who argued the Supreme Court case.

In Mogadishu, as far as is known, Mr. Jama is just trying to survive.

"The government demonstrated a complete disregard for my client's safety," Ms. Goldberg said. "I strongly believe that Mr. Jama is simply the first of many that will be placed in a similarly dangerous situation."

TAX:

'Blade ' Actor Wesley Snipes Calls Himself A 'scapegoat' In Tax Fraud Case (AP)

AP, November 22, 2006

ORLANDO, Fla. (AP) - Wesley Snipes has told a newspaper columnist he is being unfairly targeted by federal prosecutors who indicted him on tax fraud charges.

"It appears I'm to be the scapegoat, because there's more public interest in 'celebrities gone bad' than 'rich people being taken advantage of,'" Snipes wrote last weekend in an e-mail to Orlando Sentinel columnist Scott Maxwell.

An Oct. 17 indictment charges Snipes with fraudulently claiming refunds totaling nearly $12 million in 1996 and 1997 on income taxes already paid. The star of the "Blade" trilogy and other films was also charged with failure to file returns from 1999 through 2004.

According to the indictment, Snipes had his taxes prepared by accountants with a history of filing false returns to reap payments for their clients. The firm, American Rights Litigators, would receive 20 percent of refunds from clients, according to the indictment.

If convicted, Snipes, 44, faces up to 16 years in prison.

"I will abide by the law, seek the protections the law affords me and, as always, seek the advice of competent council in effort to resolve this issue," Snipes wrote to the columnist. "I'm not running, I'm not a fugitive, despite the misrepresentations in the press."

Snipes is said to be in Namibia filming a movie.

"There is no deal that has been worked out," U.S. Attorney's Office spokesman Steve Cole said Monday. "The only thing we have discussed is coming back to face the charges."

CONGRESS-ADMINISTRATION:

Social Security Up For Discussion (WP)

By Lori Montgomery

The Washington Post, November 22, 2006

With the elections over and Democrats poised to take control on Capitol Hill, the Bush administration is making a fresh push to persuade them to help rein in the rising costs of Social Security and government health-care programs by offering to open talks with "no preconditions."

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Treasury Secretary Henry M. Paulson Jr., the president's point man on Social Security and other entitlement programs, said in an interview yesterday that he has had "a number of . . . very, very general, very preliminary conversations" with lawmakers from both parties about the issue since Election Day, Nov. 7.

So far, "it's too early in the aftermath of the election to know whether we're going to get traction," Paulson said, adding that he is "going to make a huge effort to persuade people to engage in a bipartisan discussion where we don't precondition our discussion."

"No preconditions," Paulson said, means both sides get a chance to put their ideas on the table. In regard to Social Security, administration officials said that means President Bush will continue to advocate that younger workers be allowed to divert a portion of their Social Security taxes into private retirement accounts, a proposal Congress roundly rejected last year.

It also means that the White House is willing to listen to other ideas, administration officials said, including personal savings accounts that do not involve diverting Social Security taxes, as well higher payroll taxes to help cover a projected explosion in Social Security costs after members of the baby boom generation begin to retire in 2008.

"We're in a listening mode," said Rob Portman, director of the Office of Management and Budget, who has also been spending a lot of time since the election talking to key Democrats about entitlements. "The president wants to listen. He wants to hear what the leaders on Capitol Hill think is the best way to go. He's not wed to any particular approach."

Political analysts said the outreach campaign is a sign that Bush may be willing to compromise to make progress on Social Security, an issue he has consistently identified as one of the top priorities for his second term. Weakened by low approval ratings, a chaotic and unpopular war in Iraq, and his party's loss of control of both houses of Congress for the first time in 12 years, Bush may see Social Security as an issue on which he could score points before leaving office in 2009, analysts said.

Bush's former chief economic adviser, Lawrence B. Lindsey, added to that speculation on Monday, after writing in the Wall Street Journal that Bush "may be willing to raise taxes as part of a 'deal' on entitlement reform." Specifically, Lindsey wrote, the administration might agree to lift the cap that limits Social Security payroll taxes to the first $90,000 of income, thereby raising total taxes, but not tax rates, for high-income workers.

"Bush has been on a losing streak. The question is: Is he going to attempt to save his legacy by giving the Democrats everything they want on Social Security and passing a big Social Security bill with his name on it?" said Kevin A. Hassett, director of economic policy studies at the American Enterprise Institute. "It could be that's what we're looking at next year."

While Paulson and Portman are talking about consensus, some Democrats worry that Bush is still determined to pursue the idea of private accounts. Many of them oppose such accounts on the grounds that they would weaken Social Security overall. That fear was fanned last week when Bush appointed Andrew G. Biggs, a proponent of Social Security privatization, to the agency that runs the program.

"This nomination of Biggs is very troublesome," said Rep. Sander M. Levin (D-Mich.), who is in line to chair a House subcommittee on Social Security. "The president is sending signals that what he's really after is privatization. And that's just a non-starter."

Other Democrats want Bush to explicitly put taxes on the table, including elimination of some of his signature tax cuts, instead of focusing exclusively on restraining the escalating costs of Social Security, Medicare and Medicaid. The big three entitlement programs eat up 8 percent of the country's total economic output and are projected to double in cost over the next 50 years, creating a budget hole that must be shrunk by cutting benefits or filled by raising taxes.

Rep. Charles B. Rangel (D-N.Y.), who is to chair the tax-writing House Ways and Means Committee, had lunch last week with Paulson and said he came away impressed. The secretary, he said, is "a straight shooter" who agreed to attend a retreat that could take place as early as February where Ways and Means committee members will look for common ground with the administration on fiscal issues. But entitlement reform is unlikely to be part of those discussions, Rangel said.

"I don't know whether we're secure enough with each other to start on these very sensitive issues," he said.

Also yesterday, the White House released its final economic forecast before submitting its budget for fiscal 2008. In a conference call with reporters, Edward Lazear, chairman of the Council of Economic Advisers, said Bush's top economic advisers, like many private forecasters, expect the economy to grow a bit more slowly next year, at an annual rate of 2.9 percent.

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That would be a bit below the average growth rate of the past three years, when the economy grew at an annual rate of about 3.2 percent.

Compromised (WSJ)

By Lawrence B. Lindsey

The Wall Street Journal, November 20, 2006

During the recent off-year elections, the president repeatedly pointed to the booming economy and noted that his tax cuts were responsible. With growth strong and unemployment low despite the ending of the stock-market bubble, terrorist attacks and the war in Iraq, he had every reason to be proud. Moreover, both economic theory and the actual timing of the economic revival support his claims regarding the tax cuts.

That is why it is so odd that rumors swarm around Washington that the president may be willing to raise taxes as part of a "deal" on entitlement reform. In particular, the rumors suggest the president might be willing to get rid of the provision that caps the income level used to compute Social Security taxes and benefits. These rumors aren't without substance; last year the president would not rule out raising the cap when asked.

Doing so would raise the marginal tax rate on the entrepreneurs that Mr. Bush credits for having led the economic recovery by more than 10 percentage points. The new effective rate would be five percentage points above the level when he took office. Moreover, in 2011, the rate would go up a further 4.3 percentage points to an effective 53% marginal rate on entrepreneurial income. The president would thus be not just raising taxes on entrepreneurs to well above the levels that prevailed in the Clinton administration, but to a rate higher than that which prevailed in the Carter administration. Most of the improved incentives for entrepreneurship and work brought about under Reagan would be repealed.

Should the president do this, he doubtless would be thinking that saving Social Security would be worth the price. He would be wrong. In practice this idea would both destroy the basis on which Social Security was started and fail to produce the expected revenue that supposedly would save the system. Social Security was set up as a contributory pension plan, not a welfare scheme. Benefits are linked, by statutory formula, to contributions. Congress and the president could choose to maintain this relationship. Traditional supporters of Social Security like AARP have long insisted on this link and argued against turning the program into another welfare plan by ending the linkage between contributions and benefits.

There are two problems with that approach. First, an increase in the cap on taxes and benefits would produce very little net revenue for the system. Even if one assumed higher taxes did not hurt the economy, the increased benefits would consume much of any increased revenue. Second, the benefits that high income people would get would be politically unsustainable. A retiree who earned a million per year would receive a monthly Social Security benefit of $13,500. This is politically unimaginable. So, expect both the universality of Social Security and the link between taxes and benefits to go, and this most enduring element of the New Deal to become a welfare program.

But it is the damage to the economy and to the fiscal system that is more important. Economists differ on how much such a dramatic increase in tax rates on entrepreneurs would damage the economy. Certainly given the statements of the president earlier this year he believes it would be significant. Consider some figures.

Published IRS data from 2004 show that taxpayers with incomes over $100,000 earned $1.9 trillion in wages, salaries, bonuses and self-employment income. Of that, roughly $800 billion was above the Social Security maximum tax threshold. Levying the 12.4% Social Security tax on that income would produce $99 billion in revenue. Of that, employers and the self-employed would be able to deduct half of that tax from their corporate or personal tax returns. Thus, $17.4 billion of the $99 billion would not be a net gain to the Treasury, but a transfer from the general fund to the Social Security trust fund. So the net gain to the government would have been about $82 billion in 2004.

That assumes that taxpayers would not have changed their behavior when their marginal tax rate rose to 48.6% from 38.4%. No one believes that, although economists do disagree on how much. These are a very sophisticated group of taxpayers with both the knowledge and the means to adjust to taxation by changing the form of business, converting income to capital gains, or other methods. A cautious estimate that enjoys wide acceptance in the tax community says that for every 1% reduction

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in the share of their income they take home, high income individuals cut their taxable earnings by four-tenths of a percent. My own research from the Reagan tax cuts indicates the response by this group is higher, roughly seven-tenths of 1%.

Although these numbers may seem small, when they are applied to a massive tax rate increase like this, they can have important ramifications. Remember, taxpayers will be seeing the share of income they keep dropping from roughly 61 cents on the dollar to just 51 cents -- and that is before state taxes are figured in. This implies a decline in the tax base of between 7% and 13%.

Under the lower assumption, total federal revenues would only increase by $27 billion, with the behavioral response of taxpayers offsetting 70% of the static revenue increase. True, Social Security tax revenues would still rise by $82 billion, but this would be offset by a net decline in personal income taxes of $55 billion. Under the higher assumption about a behavioral response, total federal revenues would decline. While Social Security taxes would rise by $69 billion, personal income taxes would drop by $95 billion.

Whatever one's assumption, lifting the Social Security tax cap would have to be viewed as an economically and fiscally risky proposition. I seriously doubt that the president would be interested in agreeing to a deal that purports to "save Social Security" when the reality is that it seriously undermines the economic and fiscal basis that underpins the system.

There is another argument that the president will have heard that might persuade him to do what the rumors say he is considering: fairness. It is true that high income earners do not pay Social Security taxes on all of their earnings. As already noted, it is also true that they do not receive benefits on those earnings. So, if you think that Social Security should be a welfare program with benefits unlinked to contributions, then in a sense this may be unfair.

But, consider the total tax system. An urban myth has arisen that the so-called "rich" do not pay their "fair share" of taxes despite the fact that the top 10% of taxpayers pay 68% of federal income taxes in the country. A comparison between a relatively high-income entrepreneur, of which I am one, and a "typical" worker might be illustrative.

Last year an entrepreneur similar to me would have paid federal taxes equal to 33.9% of total income. That is, income before any exemptions, exclusions, adjustments or deductions. By this measure all of the fringe benefits that an entrepreneur provides himself as a self-employed individual are included in income. His federal income taxes and the employer and employee shares of his Social Security taxes are all counted as "taxes."

For comparison, consider a married worker earning a salary of $75,000, who like our entrepreneur, has three children. To compute his total income on the same basis, I gave him the same level of benefits as an average worker and the same level of capital income as others making his income. I also followed convention to impute to him both his own Social Security taxes and all of those paid by his employer. On that basis, his average tax rate was 14.5%.

Based on a 40-hour week, while he finishes paying his Federal taxes on Monday afternoon at 2:48, our entrepreneur will work all day Monday until about the same time on Tuesday until he finishes, another full day. If the plan to eliminate the cap on Social Security earnings is adopted, he will work all day Monday, all day Tuesday, and then Wednesday morning until 10:26 to finish paying his federal taxes. Then he can start paying his state taxes.

That assumes he keeps working as hard as he is and doesn't rearrange his income to take more fringe benefits or shelter it in other ways. This suggests another way to think about just how risky this plan is. Using those 2004 figures cited above, all it would take would be for one of these workers in ten to decide it wasn't worth it to work until 10:30 Wednesday morning just to pay Uncle Sam and this plan the president is reportedly considering would actually cost government tax revenue. Don't make it too tough on him, or Atlas may actually decide to shrug.

Mr. Lindsey, president and CEO of the Lindsey Group, was President Bush's chief economic adviser from 2001 to 2002.

Will Bush Bargain To Save Social Security? (WSJ)

By Jackie Calmes

The Wall Street Journal, November 22, 2006

WASHINGTON -- President Bush tried and failed to fix Social Security's long-term finances with his own party in control of Congress. His determination to keep trying, even as Democrats take over, is fueling speculation that he is ready to meet their price for coming to the bargaining table: dropping his goal of letting workers create private retirement accounts.

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While Democrats don't take over the House and Senate until January, already some in both parties are reading tea leaves for signs of administration flexibility, including in recent remarks by Treasury Secretary Henry Paulson and White House Chief of Staff Josh Bolten.

Were the president to drop private accounts and call their bluff, Democrats would be challenged to make good on their professed willingness to help ensure Social Security's solvency.

Both sides acknowledge that a combination of reduced future benefits and higher revenues will be necessary eventually. As more Americans reach retirement age, Social Security will soon bring in fewer revenues from workers' payroll taxes than it sends out in benefit checks to retirees, workers' survivors and the disabled.

For Mr. Bush, private accounts are a way of reducing Social Security's future obligations, and central to his concept of an "ownership society" in which Americans rely less on government.

Democrats, along with the seniors group AARP, oppose personal accounts because they would initially require heavy government borrowing, and could leave future retirees at risk of market downturns.

Except for the Iraq war, perhaps no other issue so tests whether Democrats' capture of Capitol Hill in this month's midterm elections will cause Mr. Bush to alter what has been a largely partisan and uncompromising governing style. At the same time, any compromises cut with the Democratic majority are sure to cost Mr. Bush the support of many Republicans, especially in the House.

Publicly, the White House isn't budging. "Private accounts are part of our proposal and we're interested in having others put things on the table, not taking things off," says administration spokesman Dana Perino.

For those who nonetheless see a Bush concession ahead, perhaps the biggest reason is this: If Mr. Bush doesn't drop private accounts, it is virtually certain that nothing will happen on Social Security, the issue he has called the top domestic priority of his second term. Democrats say Mr. Bush also must finally spell out exactly what future benefit reductions or revenue increases he could support.

Another factor is the arrival of Mr. Paulson, who joined the Bush cabinet last summer. The former Goldman Sachs chief executive has said a priority will be tackling government spending for health care and Social Security -- "the biggest economic issue facing our country."

Democrats and Republicans agree that Mr. Paulson wouldn't have taken the Treasury post -- especially after Mr. Bush's previous two secretaries were routinely undercut by the White House -- without assurance that he would have significant influence.

Mr. Bush, in his press conference the day after Republicans lost their House and Senate majorities, said he had "instructed Secretary Paulson to reach out to folks on the Hill to see if we can't at least get a dialogue started" about Social Security and the other costly entitlement programs, Medicare and Medicaid. Last week, Mr. Paulson met at the Treasury with Rep. Charles Rangel, the New York Democrat who will be chairman of the House Ways and Means Committee, which has jurisdiction for Social Security as well as tax and trade policies.

Mr. Rangel says the two had "a very good and very long" meeting but only discussed generalities. "I don't want to be the first one to say what's off the table, what's on the table," he adds.

Democratic Sen. Max Baucus of Montana, who will chair the Senate Finance Committee that handles Social Security, will amplify Democrats' opposition to private accounts when he has dinner with Mr. Paulson Dec. 5, an aide said.

This week, in a speech to the Economic Club of New York, Mr. Paulson dodged a question about the Democrats' demand that the administration drop the private-accounts idea. "Only by taking a bipartisan approach, not conditioning the discussion" might an agreement be reached, he said.

Some listeners wondered whether Mr. Paulson was signaling administration willingness to quit prescribing the accounts. Administration officials privately said that wasn't the case. Still, a Treasury official said Mr. Paulson wants to approach the issue with an open mind and will suggest to lawmakers, "Why don't we start talking and see where we go, as opposed to prescribing things right away?"

Chief of Staff Bolten got a similar query about private accounts when he spoke last week before more than 100 people at a dinner of the board of the Brookings Institution, a policy think-tank. According to one attendee, Mr. Bolten "came as close as he

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could in a quasi-public setting to saying that carve-out accounts could be dropped if that were the price of reform." A second audience member supported that interpretation.

After his 2004 re-election, Mr. Bush spent much of 2005 campaigning nationwide for Congress to pass a law allowing younger workers to divert a portion of their Social Security payroll taxes to personal accounts. He argued that workers' investment earnings could offset the regular Social Security benefits they would agree to forego at retirement. Eventually Mr. Bush acknowledged that the accounts alone wouldn't make Social Security solvent, and that additional benefit reductions and perhaps tax changes would have to be made.

Republicans never attempted to write a bill. Without some Democrats' support, they wanted no part of acting alone to cut future benefits and raise taxes on upper-income workers, for fear they would lose their congressional majorities. They lost them anyway this month, as voters rebelled against corruption and partisanship, over-spending and the war in Iraq.

Messrs. Rangel and Baucus each tried to get Mr. Bush to drop private accounts in the past. Mr. Rangel tried at a White House encounter in April 2005. He said afterwards that Mr. Bush sternly replied, "I'm the president, and private accounts will stay on the table until I leave." Mr. Rangel said the president also predicted -- incorrectly, as it happened -- that Democrats would pay politically if they obstructed him.

As Premiums Rise, Social Security's Staffing Level To Be Tested (WP)

By Stephen Barr

The Washington Post, November 22, 2006

Staffing problems at the Social Security Administration could make it difficult for field offices to handle increased telephone calls and visits prompted by an upcoming increase in Medicare premiums, according to the Government Accountability Office.

Social Security began mailing notices of the higher, income-based premiums on Monday and expects all 1.6 million affected enrollees to have them in hand by the end of next week. Enrollees may request a recalculation of their premium if they think incorrect tax data have been used to determine their income and set their premium, or if they have recently experienced an income loss from a spouse's death, a divorce or some other "life-changing event."

In a letter sent last week to the Senate Finance Committee, the GAO warned that Social Security is coping with staff shortages and operating under a hiring freeze just as the agency's workload is expected to jump because of the premium increases. The GAO, the congressional auditing agency, noted that the premium change, though approved by Congress in 2003, may come as a surprise to some beneficiaries.

Mark Lassiter, a Social Security spokesman, said the agency plans to shift workloads among field offices if some offices "are getting disproportionately hit" by telephone calls and visits from Medicare beneficiaries.

He expressed confidence that the agency's 1,300 field offices will be able to handle any surge in work. "We do the work we are assigned to get done," he said.

Congress changed how Medicare Part B premiums are calculated starting next year and reduced the government's contribution toward premiums for higher-income beneficiaries -- defined as individuals with incomes of more than $80,000 and married couples who file joint tax returns showing incomes of more than $160,000. In the past, premiums increased on a uniform basis, regardless of income.

Medicare Part B covers doctors' services, certain outpatient services and some home health care. Most people do not pay a Part A premium, which covers hospitalization, because they or a spouse have 40 or more quarters of Medicare-covered employment.

For 2007, a person with income of $80,000 or less and a married couple with income of $160,000 or less will pay $1,122 in annual Part B premiums.

Persons with incomes of $80,001 to $100,000 and couples with incomes of $160,001 to $200,000 will pay $1,269.60 in Part B premiums next year.

At the top of the scale, individuals with incomes of more than $200,000 and couples with incomes of more than $400,000 will pay $1,936.80 for Part B coverage.

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Premiums are set by the Centers for Medicare & Medicaid Services, and the Social Security Administration is responsible for determining and assessing the Part B income-based premiums.

The GAO said implementing income-based premiums will cost Social Security an additional $200 million in administrative expenses between fiscal 2006 and 2010.

The extra work comes at a tough time for the agency. Social Security has adopted a hiring freeze because Congress has not been able to complete work on the agency's fiscal 2007 appropriations bill. Agency officials also have warned that it could be forced next year to send employees home without pay, perhaps for as long as 10 days, if Congress does not reverse proposed budget cuts.

Jim Manley, a spokesman for Sen. Harry M. Reid (D-Nev.), the incoming Senate majority leader, said Republican leaders had informed Reid's office that the Senate will postpone work on appropriations bills until next year.

A spokeswoman for Sen. Bill Frist (R-Tenn.), the current majority leader, did not return a telephone call or e-mail inquiry.

If spending bills are put off until next year, Congress will have to pass another continuing resolution, or interim spending measure, to keep the government operating into 2007. The current CR expires Dec. 8.

Some cash-strapped agencies will probably have to petition Congress for adjustments in their spending levels before a long-term CR is adopted. Typically, interim funding measures finance agencies at their current level or at a lower level, depending on budget proposals pending in Congress.

"This guarantees there will be a tussle over funding levels," Manley said.Postal Talks to Continue

The U.S. Postal Service and its four largest unions have agreed to extend contract talks in an effort to reach negotiated settlements, postal spokesman Gerald J. McKiernan announced.

The contracts expired at midnight Monday, but their terms and conditions continue until new pacts take hold. More than 616,000 postal employees are covered by the contracts.

Dems Unlikely To Block Gates Nomination (AP-Y)

By Anne Plummer Flaherty

AP, November 22, 2006

When Robert Gates testifies before a Senate panel in two weeks, Democrats will voice their opposition to administration war policies and gauge Gates' willingness to change them. But they probably won't stand in his way to becoming the next defense secretary.

Democrats have begun lining up behind Gates, indicating they are inclined to vote for him if he meets two general criteria: He agrees a new approach in Iraq is needed and demonstrates he will hold sufficient political clout at the White House.

"We really do have to get a strong signal that he has been given a free hand to make whatever changes he thinks appropriate, and that within the administration he will have unimpeded access to the president," said Sen. Jack Reed, D-R.I., in an interview Tuesday. "Those things are critical to success."

The senators say they are not immediately opposing Gates largely because his confirmation would lead to the departure of Donald H. Rumsfeld, the Pentagon chief who led the U.S. invasion in Iraq and staunchly defended the war even as public approval plummeted.

The initial support of Bush's nominee comes even though Gates is the same man once accused of distorting intelligence for political reasons — a primary charge Democrats level against the Bush administration in the war in Iraq.

In 1991, 31 Democrats voted against confirming Gates as CIA director, citing charges he had pressured intelligence analysts to develop conclusions that fit President Reagan's policies and turned a blind eye to the Iran-Contra scandal, in which arms were sold to the Iranians and the cash used to supply the Nicaraguan Contra rebels.

Twelve of the senators who rejected Gates 15 years ago remain today, including Carl Levin, D-Mich., Joseph Biden, D-Del., and Jay Rockefeller, D-W.Va.

Also not working in Gates' favor is a career built more on ending the Cold War than on Middle East expertise, and his lack of experience managing a budget and staff as large as the Pentagon's, the government's biggest.

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But when Bush announced Gates' nomination on Nov. 8, Democrats began extending their support. Sens. Harry Reid, D-Nev., who will be majority leader next year, and Daniel Inouye, D-Hawaii, who will head the panel that oversees the Pentagon's budget, said they hoped Gates was swiftly confirmed, while Biden said he was inclined to vote for him.

Reed and other Democrats say they will focus more of their attention on Gates' views of Iraq than his dealings in the intelligence.

"I will be watching the upcoming confirmation process very carefully to discern whether Mr. Gates has the capacity to both listen to and lead our military in a new direction," said Sen. Christopher Dodd, D-Conn.

Inouye, who with Sen. Ted Stevens met with Gates on Monday, said he had known Gates for at least 30 years and that he would vote for him as he did in 1991. He said he and Stevens, R-Alaska, top members of the defense appropriations subcommittee, used the meeting to assure Gates he would not play politics with military funding.

"I expect him to be confirmed," Inouye said.

Other Democrats — including Levin, who next year will chair the Armed Services Committee, Sen. Hillary Rodham Clinton and Sen. Edward M. Kennedy — are holding their cards close on Gates but say they are eager to see if he is willing to advocate a new Iraq policy. Clinton, D-N.Y., and Kennedy, D-Mass., are expected to meet with Gates in the next few weeks.

"The one thing he has going for him ... is that we want the change to take place very quickly," said Reid. "So it's to our interest to have this change at the head of the Defense Department as soon as possible."

According to an AP-Ipsos poll released Tuesday, only 31 percent of Americans approve of Bush's handling of Iraq.

Democrats say they are impressed by Gates' willingness to work with their party. Gates is a member of the Aspen Strategy Group, a bipartisan group of former senior U.S. officials and policy experts who meet regularly to discuss international affairs. Also, before being nominated by Bush, Gates was a member of a high-profile bipartisan panel assessing options in Iraq.

Reed, a senior member of the Armed Services panel, on Tuesday called Gates a "realistic voice on foreign affairs and somebody who deliberately tries to draw upon a cross section of views." He said he also was impressed Gates was willing to step out of private life to take on the challenge of Iraq.

"Those are all good qualities. There's a huge task facing him," Reed said.

Norman Ornstein, a political scientist at the American Enterprise Institute in Washington, said he was not surprised. To oppose Gates or focus too much on his past at the CIA would be to pick the wrong battle with Bush if Democrats want Iraq policy to change, he said.

"I think they'll want to look forward," Ornstein said.

Draft Viewed As Impractical, Unnecessary (USAT)

By Matt Kelley

USA Today, November 22, 2006

WASHINGTON — Turning conscripts into battle-ready troops would take a year or more in the unlikely event the government revived the draft, military experts say.

Rep. Charles Rangel, D-N.Y., said this week that he will reintroduce a bill he sponsored in 2003 that would reinstate the military draft. Defense Secretary Donald Rumsfeld and other military leaders, however, oppose the plan and call a draft neither necessary nor practical. House Speaker-elect Nancy Pelosi also said Monday that she opposes the plan.

Rangel doesn't expect Congress or President Bush to support reviving the draft, says Emile Milne, the congressman's spokesman. Instead, Rangel wants to spark a “discussion among the people who represent the American people here in Congress.”

If the draft resumed, draftees wouldn't join the military for at least six months. The nation's dormant draft law gives the Selective Service System 193 days to deliver the first inductees following the revival of conscription.

Fully training those troops would take months more. The Army starts with a nine-week basic training course that's followed by individual training that lasts another month for the infantry, two months for tank crews or three months for military police.

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The nation has a much smaller military than in 1970, when the transition to an all-volunteer force began. Then, the United States had a population of 205 million and more than 3 million active-duty troops. Now, out of a population of about 300 million, there are fewer than 1.4 million active-duty troops.

A smaller military would have a harder time absorbing tens of thousands of new draftees, says Bernard Rostker, a former Pentagon personnel chief and Selective Service director.

"We don't have the training bases," says Rostker, now with the independent RAND Corp. think tank. "If you draft people, where are you going to put them?"

The military has closed or realigned dozens of military bases, including several training facilities, since 1988. It has also significantly reduced its number of overseas bases. A 1999 report concluded that the military would have to rebuild some buildings at dormant or realigned bases, but could train and field a force equivalent to the 1987 military with the bases it has. The military had about 2.2 million active-duty troops in 1987.

Rangel says a draft would ensure that families of all backgrounds and income levels share in the sacrifices that a war demands. Rostker disagrees. He says that because "there are a lot more poor people than rich people" in the country, the poor would still be disproportionately represented.

"I don't see how that would be considered equitable," Rostker says.

Volunteers are more reliable in combat, retired brigadier general Nick Halley says. He commanded a unit of mostly draftees as a young officer during the Vietnam War and a larger group of volunteers during Operation Desert Storm in 1991.

The troops in Vietnam were valiant, Halley says, but those in Desert Storm had better skills and motivation. "If the purpose of the military is combat readiness, the draft is not the way to do that."

Behind Talk Of A New Draft: Equity (CSM)

By Brad Knickerbocker

The Christian Science Monitor, November 22, 2006

The burden of war is never equitable.

Thousands of American troops have been killed and wounded in Iraq and Afghanistan, and many thousands more will bring home at least some of that burden. But most Americans experience no direct or even indirect cost of a war soon to last longer than World War II.

Would reinstituting the military draft even things out, spreading the responsibility while influencing politicians to think twice before sending men and women into harm's way?

Rep. Charles Rangel (D) of New York thinks so. Challenging Iran and North Korea as well as increasing the US force level in Iraq to try to stem the heightened violence there can't be done without a draft, says Mr. Rangel, a Korean War combat vet. He has dusted off his proposal to bring back conscription, which was suspended in 1973.

Rangel's bill is unlikely to go far in Congress, where opposition reflects public opinion. But his proposal does raise important questions about how the armed forces are put together today and how the US military operates.

"I do think we need a draft," says Charles Moskos, military sociologist and professor emeritus at Northwestern University. "Our country is experiencing what I call 'patriotism lite.' Nobody's willing to sacrifice anything. We don't even have gas rationing. Congress votes to go to war, but won't send its own children. We don't have enough troops. We've used reservists and the National Guard in an unprecedented manner."

Then there's the element of economic and social privilege as relates to military service today, says Dr. Moskos. In his 1958 Princeton University class of 750 men, more than 400 served in the military, he says, including many who went on to distinguished careers in business, education, and government. In Princeton's most recent graduating class of about 1,100 men and women, nine entered the military.

"These are not by any means bottom-of-the-barrel soldiers today," says Moskos, who was drafted into the Army after graduation. "But they are working-class and lower-middle-class young men and women."

In congressional testimony last week Army Gen. John Abizaid, top commander of US forces in the Middle East, acknowledged that former Army Chief of Staff Gen. Eric Shinseki was right when he said at the beginning of the war that several

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hundred thousand troops would be needed to occupy Iraq. But General Abizaid also said that increasing troop levels in Iraq now, as Sen. John McCain (R) of Arizona and others have called for, would put "a tremendous strain" on the military. Most military experts find no legitimate reason to bring back conscription.

"A draft would induct far more people than are needed by the military if it were universal, posing the question of what to do with all the surplus draftees - a million or so," says military analyst John Pike, director of globalsecurity.org. "It would be politically very disruptive if it were a lottery with only 1 in 10 getting called."

Even should there be a draft, it would take many months before new draftees could begin to fill the need in Iraq, says retired Army Col. Dan Smith, senior fellow at the Friends Committee on National Legislation, the Quaker lobby in Washington.

First, there would be prolonged congressional debate, likely followed by legal challenges over exemptions and the general fairness of the system, says Colonel Smith, a West Point graduate and Vietnam War veteran. Then it would take more time to develop training programs and produce equipment.

"These are the practical constraints," he adds. "Sociologically, I don't think the country will stand for reinstituting the draft over a threat that is not mortal."

There are philosophical and ethical issues involved as well.

A draft "contradicts the principles of a free society by coercing people to fight for freedom," says Ivan Eland, national security analyst at the Independent Institute in Oakland, Calif. "Soldiers who want to be in the military do a better job than those who don't, and the military services know it."

As with Vietnam, public concern about the possibility of conscription is useful to those who oppose the Iraq war.

"It seems to me the issue is about making it more difficult for policymakers to use the military instrument without full support of the American public," says retired Air Force Col. Sam Gardiner.

Retired US Naval Reserve Capt. John Allen Williams agrees.

"Rangel's bringing it up for political reasons," says Dr. Williams, a professor of political science at Loyola University Chicago. "But you know what? He's right. If we have some mechanism that links the military to civilian society in a way that spreads the burden around when you use the military, it's less likely to be used. On the other hand, once it is used it's more likely to be used in a total way - people are going to want to get it over with."

Military sociologist Moskos's answer is a three-tier system of required public service for all young men and women: uniformed military service, homeland security jobs (guarding borders, ports, nuclear plants, and other sites), or civilian tasks such as teaching in poor neighborhoods and helping the elderly.

No school loans or other education benefits should be awarded unless the recipient serves in one of those three areas for a year or two, says Moskos.

Still, at this point in a drawn-out war with no clear light at the end of the political and military tunnel, a return to the draft seems unlikely.

"It is too late to win popular support for conscription," says Loren Thompson, a national security expert at the Lexington Institute in Arlington, Va. "The public has turned against the war. Proposing a draft now will simply hasten the collapse of domestic support for the war effort."

No Sugarcoating 'Hunger' (WP)

By Elizabeth Williamson

The Washington Post, November 22, 2006

It's Thanksgiving, a week since the U.S. Department of Agriculture released its annual hunger -- er, food security -- report, and it's likely that a few folks in the department are ready for a holiday break.

For the first time, the USDA's annual report on Americans' access to food omitted the word "hunger" in describing the condition of 11 million people who at times can't afford to feed themselves. These people, among a group of 35 million who had trouble keeping food on the table at least part of last year, shall heretofore, according to the government, be described as experiencing "very low food security."

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That raised hackles on the Hill, where Rep. Joe Baca (D-Calif.) initiated a letter to the USDA signed by 64 lawmakers, all but one of them Democrats, asking to "better appreciate your response" to the following questions:

"1. Before making the decision to replace the term "hunger" with "very low food [security]," did USDA consider the possibility that this decision might influence key nutrition policy debates, media perception, and/or philanthropic efforts?

"2. If so, who did the Department speak with? Were any legislators, policy experts, or anti-hunger advocates involved in this decision?

"3. And if these parties were consulted, what were their recommendations?"

The letter was sent Monday, and the agency has not responded.

Mark Nord, a USDA sociologist and the lead author of the report, repeated this week that "hunger" is not a scientifically quantifiable term. He had made that contention earlier in a Washington Post article, saying that the word was removed after a panel of scientists recommended doing so.

Nord said that the Post story was too "tongue in cheek, given the gravity of the issue," and that it suggested the agency was unsympathetic.

Far from it, he said: "USDA has more money in food assistance than in farming and forestry programs combined."

John Brennan, spokesman for Bread for the World, an anti-hunger advocacy group, said: "It's an issue that a lot of politicians have paid lip service to, but now since it's come front and center . . . it's an issue they're starting to embrace."

Rep. Jim McGovern (D-Mass.), co-chairman of the Congressional Hunger Caucus and a signer of the letter to the USDA, said that especially in countries such as the United States, which grows more food than it needs, "hunger is a political condition." Calling hunger by any other name "makes it more difficult to get that political will and to get the action you need to deal with the issue," he said.

Nord has denied that removing the word from the report was a political act.

HHS Nominee Has Prescribed Birth Control (WP)

By Christopher Lee

The Washington Post, November 22, 2006

Despite his work for a Christian pregnancy counseling group that opposes contraception, the physician who yesterday began overseeing federal family-planning programs has prescribed birth control for his patients, a Department of Health and Human Services spokeswoman said.

Eric Keroack, a nationally known advocate of abstinence until marriage, served for more than a decade as medical director for A Woman's Concern, a Massachusetts nonprofit group that discourages abortion and does not distribute information promoting birth control. But HHS spokeswoman Christina Pearson said yesterday that most of Keroack's professional time had been devoted to his private practice of 20 years, not the group.

"When he was in private practice as a doctor, he did prescribe birth control," Pearson said. "And he did family planning with patients at their request as part of his private physician role." She said Keroack has prescribed contraceptives for both married and unmarried women.

Democrats and family-planning advocates have panned the Bush administration's selection of Keroack to oversee HHS's $283 million reproductive-health program and a $30 million program that encourages abstinence among teenagers because of his work with A Woman's Concern.

They said that Keroack is a poor choice to lead HHS's Office of Population Affairs, which funds birth control, pregnancy tests, counseling and screenings for sexually transmitted disease and HIV. Fourteen Democratic senators sent a letter yesterday urging HHS Secretary Mike Leavitt to withdraw Keroack's appointment. Seven House Democrats issued a similar call Monday. The job does not require Senate confirmation.

"Unfortunately, this appointment is another example of the administration allowing ideology to trump science, and it could jeopardize vital services on which large numbers of women and families depend," the letter said. Signers included incoming Senate Majority Leader Harry M. Reid (D-Nev.) and Sen. Edward M. Kennedy (D-Mass.), who will be chairman of the Health, Education, Labor and Pensions Committee.

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Jackie Payne, director of government relations for the Planned Parenthood Federation of America, said Keroack's record opposing birth control speaks for itself.

"The fact that he's the medical director of an organization that takes that position is, at best, hypocritical if he's doing something different in private practice," she said. "That's not the kind of advocate for birth control that we need. We need someone to head up the family-planning program who is wholeheartedly for family planning."

Pearson also acknowledged yesterday that Keroack is not currently certified as an obstetrician-gynecologist. That is not a requirement for the job, but HHS officials had cited Keroack's expertise in defending his selection.

Keroack was certified by the American Board of Obstetrics and Gynecology in 1995, but that credential expired after 10 years.

"He inadvertently missed the recertification deadline and for 2006 is listed as board-eligible, meaning he is eligible to take the recertification exam," Pearson said. "He plans to seek recertification in the future."

Advocates Expect Democrats To Avoid Culture Wars (USAT)

By Andrea Stone

USA Today, November 22, 2006

WASHINGTON — Advocates for abortion rights, gun control and gay rights say they are thrilled by the Democratic takeover of Congress. Even so, they admit their issues aren't likely to be addressed early — or at all — during the legislative session that begins in January.

"I'm aware of political reality when you're coming up to a presidential election," says Caroline Fredrickson, Washington legislative director for the American Civil Liberties Union. "I'm afraid (Democrats will) be a little too cautious."

Illinois Rep. Rahm Emanuel, who headed the Democratic campaign committee and is part of the leadership team setting the agenda for the upcoming term, says his party was "very clear" on its priorities: The Iraq war, ethics reform, health care, jobs and other economic concerns will come first.

That's not likely to deter liberal bloggers and groups such as MoveOn.org, says University of California-Berkeley political scientist Bruce Cain. Those groups will "keep the heat on," Cain says. He predicts they'll have little success. "The Democratic leadership will completely stifle" debate on issues that could hurt chances to retain the majority or take the White House in 2008, he says.

Vanderbilt University political scientist Bruce Oppenheimer agrees. "I do not expect either the Democratic House or Senate leadership to bring up things that are going to force members to take tough votes."

Many Democrats still recall 1993, when Bill Clinton, the first Democratic president in 12 years, tried to make good on a campaign vow to allow gays to serve openly in the military. Republicans seized upon the issue, forcing Clinton's compromise, the "don't ask, don't tell" policy. The next year, Republicans gained control of Congress for the first time in 40 years.

Among the liberal causes likely on hold:

•Abortion rights. Although she picked up 22 allies in the House and three in the Senate, Nancy Keenan of NARAL Pro-Choice America says federal efforts to reduce unintended pregnancies by promoting sex education and making contraceptives more available must wait. "We have some bigger issues to be dealt with early on," she says.

•Gun control: Paul Helmke, president of the Brady Campaign to Prevent Gun Violence, says he has seen a list of the top 100 Democratic priorities; reinstating the now-expired ban on military-style assault weapons is "in the 90s." At least, he says, conservatives can't weaken gun-control laws.

•Gay rights. David Smith of the Human Rights Campaign, a gay advocacy group, expects Democrats to push legislation to bar workplace discrimination against gays and amend the federal hate crimes law to include sexual orientation. Still, he says, those changes won't come until "much later" in the session.

"If champagne corks are popping from our perspective, it's because we're not going to be attacked," Smith says. Otherwise, "it's a much more measured can of Budweiser that's being popped."

Dodd's Balancing Act To Get Tougher (NYT)

By Stephen Labaton

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The New York Times, November 22, 2006

WASHINGTON, Nov. 21—As Senator Christopher J. Dodd prepares to take over the leadership of the Senate Banking Committee while also considering a run for the presidency, lobbyists and lawmakers are all asking the same question.

"Does he become a populist champion on issues that broadly affect the middle class" asked Travis B. Plunkett, the legislative director of the Consumer Federation of America, "or does he shrink from controversial issues that offend huge donors?"

It is a question facing not only Mr. Dodd, but the Democratic Party more generally as it assumes control of Congress.

In his case, Mr. Dodd has shown through a 25-year record in the Senate that he is adept at going both ways. He has, at various times, broken with big corporate interests in support of a principle. At other times, he has broken ranks with his more liberal party peers to advance causes associated with corporate patrons.

Mr. Dodd takes the gavel at a pivotal moment.

As Enron and WorldCom fade from the news, some of his constituents are seeking to water down the Sarbanes-Oxley Act, passed in 2002 to strengthen the role of corporate gatekeepers in response to a wave of scandals.

The accounting firms have been asking for limits on their legal liability. Large companies are battling against renewed attempts to give shareholders a greater say in corporate affairs and to ward off efforts to curtail high executive pay packages. Hedge funds are resisting calls for greater regulation and transparency.

How Mr. Dodd balances the competing interests of corporations and financial institutions with those of investors will define his chairmanship.

In a recent interview, Mr. Dodd said that he had hoped to be seen as unpredictably independent and willing to listen to both corporate interests and consumers.

Sounding as much like a presidential candidate as a new committee chairman, he said he planned to broaden the agenda of the committee. He proposes to look at issues of national security, including the way the administration reviews foreign investment in vital American companies, and prosperity, by examining everything from affordable housing to the loss of manufacturing jobs in the United States.

He also laid down some early markers for the new legislative session. He said he was satisfied with Sarbanes-Oxley, which he played a significant role in drafting. He said he had not yet reached the same conclusions as the Bush administration and some Democrats that the law, combined with excessive litigation, had driven companies to issue stock in overseas markets instead of on Wall Street.

"I'm open to listening," he said. "But if I get a sense that these new proposals are going to weaken transparency and stability and the competence in the system, then I'm going to be resistant."

A liberal Democrat on many social and foreign policy issues, Mr. Dodd, who is 62 and is the senior senator from Connecticut, has had a reputation for using his skills as a legislative deal maker to benefit many of America's most powerful corporate interests, who also happen to be from his home state. They include the insurers, accounting firms, hedge funds and military contractors that are responsible for making Connecticut the state with the highest per capita income in the nation.

The companies have returned the support, pouring millions of dollars into campaigns that have repeatedly returned Mr. Dodd to Washington, the last two times beating opponents by margins of greater than two to one. Over the last 20 years, he has received millions of dollars from Wall Street, the insurance industry and the largest accounting firms. But he has also taken on large corporate interests.

Mr. Dodd worked closely with consumer groups to battle the large banks and credit card companies in their ultimately successful attempt to overhaul the bankruptcy system. While Mr. Dodd and his allies failed to block the legislation, they managed to delay its passage by nearly a decade and to water down some of provisions that were especially tough on debtors.

"There was no payoff for opposing all of the bankruptcy amendments and in fact all of the money was on the other side and there was plenty of political cover to vote for them," recalled Professor Elizabeth Warren of Harvard Law School, a bankruptcy expert who fought the measure. "But Dodd led the push on the other side. He had an abiding interest in the gritty details of the financial instruments that slowly drive money out of the pockets of middle-class families."

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In a more recent fight, Mr. Dodd and the consumer groups have promoted a measure to curtail high credit card fees. At a hearing this year, he said that credit cards increasingly were little more than "pocket-sized predatory loans" and he has proposed legislation that would curtail the ability of the companies to market credit cards to students who are not able to afford debt.

On the other hand, Mr. Dodd was on the opposite side from against consumer groups in the 1990s when he sponsored legislation that made it more difficult for investors' lawyers to sue corporations. In that fight, he also broke ranks with many Democrats, including President Bill Clinton, who vetoed the legislation but then did nothing to stop Mr. Dodd from marshaling enough votes to override the veto.

More recently, Mr. Dodd and consumer groups were at odds over a plan supported by the insurance industry to extend a federal terrorism insurance program.

More often than not, Senator Dodd is known for being effective.

"He's been a consumer champion on some issues and opposed to us on some issues," Mr. Plunkett said. "He is extremely effective, so you always want him on your side. When we see he is going to be in the opposition, we definitely wince."

More than a week after the election, Mr. Dodd still seemed surprised that the Democrats had recaptured the Senate and was just beginning to figure out in what direction he hoped to take the committee.

Mr. Dodd, who has formed a presidential exploratory committee and will decide early next year whether to enter the race formally, said a candidacy would help get him out of Washington to hear the views of a wider variety of people. "One of the advantages, if I do this, is that I know who I am," he said. "And I'm not going through some metamorphosis here. This is not a warm-up for something. For me to go around and become someone I'm not would be ridiculous on its face. I wouldn't be comfortable with it anyway."

He said he prided himself on not always taking positions that sided with either business or the consumer.

"We spent a lot of time on the credit card issue from a consumer perspective," he said. "Obviously I've got to pay attention to the provider side. I saw an article describing me and that said I wasn't allergic to business. That's true.

"I've got business interests I've got to pay attention to," he added. "But I also want to make sure that, in the process of doing so, that we recognize there is a consumer at the end of that product."

He said he wants to always be known for "maintaining independence in terms of approach."

"I don't ever want to be a predictable member of that committee," he said, "to be branded somehow, one way or the other, but to be fair and open and listen to arguments."

His support of his home state industries is hardly reflexive. Some of the biggest insurers in his state, for instance, have been lobbying hard for legislation that would permit them to be regulated by Washington instead of the states. But Mr. Dodd has not signed on. He said he was not convinced that Washington could do a better job than state commissioners had been doing.

"Dodd has been a question mark on the proposal," said Frank Keating, the former governor of Oklahoma who is the president of the American Council of Life Insurers. He said the issue of a federal charter for insurers is the single biggest one for the industry. "He has always been very open minded and a fair broker on the issues," Mr. Keating added. "But he's also a tough and questioning legislator."

Mr. Dodd's ascension to the committee chair comes at a moment of transition for the banking panel.

Senator Paul S. Sarbanes, the cerebral senior Democrat of the committee who was the most important lawmaker behind the landmark legislation that is named after him, the Sarbanes-Oxley Act of 2002, is retiring. So is Mr. Sarbanes's top adviser, Steven B. Harris, who has been a senior Democratic aide to the committee for 20 years, and is widely credited with stewarding the legislation through Congress.

Mr. Dodd will oversee a committee loaded with both Democratic and Republican lawmakers who have also raised millions of dollars and supported the causes of the big banks, Wall Street and the major insurance companies. Some members have begun to publicly question important parts of the Sarbanes-Oxley law.

And the new chairman of the House Financial Services Committee, Barney Frank of Massachusetts, has said that he thinks regulators can make adjustments to the law so that it is less burdensome on small business.

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Mr. Dodd's own imprint was on that law. Months before Mr. Sarbanes filed the legislation, Mr. Dodd and a Democratic colleague from the committee, Senator Jon Corzine of New Jersey (now New Jersey's governor), outlined their ideas for legislation over lunch, as Mr. Dodd describes it, "on a napkin in a Senate cafeteria."

"I came away thinking we'll plant a flag," Mr. Dodd recalled. Their proposal, to restrict accountants from offering both auditing and consulting work at the same companies, became a cornerstone of the Sarbanes-Oxley law.

Mr. Dodd said Sarbanes-Oxley had gone far to promote better corporate governance and transparency.

"I've always felt that the most important thing you have to worry about is investor confidence," he said. "I have no obligation whatsoever to guarantee that you're going to make sure that you are going to make money on your investment. But I feel a very strong obligation," he added, that "you didn't lose it because the system broke down. That to me is going to be very important when I listen to these arguments."

Spoils Of Prime Office Space Go To Democrats (NYT)

By Carl Hulse

The New York Times, November 22, 2006

WASHINGTON, Nov. 21 — Forget those pesky leadership fights. The folks who run Congress are now getting down to what really matters on Capitol Hill: dividing up the office space.

In something of a break with recent tradition, the incoming Democratic speaker, Nancy Pelosi of California, is planning to expropriate the second-floor suite of offices now occupied by the current speaker, J. Dennis Hastert — a handful of rooms providing a spectacular view of the Mall.

That space has been in Republican hands for 50 years or so, even when Democrats were in charge. In fact, the main offices are so strongly associated with Republicans that they were officially designated the Robert H. Michel Rooms by the House in 1995 in honor of the popular former Republican leader.

While there might be some private grumbling by Republicans about the Democratic land grab, even Mr. Michel sees nothing wrong with Ms. Pelosi wanting to move into his namesake space.

"The speaker is the speaker," Mr. Michel said in an interview. "They reign supreme over on the House side, and they can pretty much do anything they want to."

While Democrats are moving up, Republicans are downsizing, abandoning their preferred spots and planning to squeeze into the current, tighter digs of the Democrats.

Even as Republicans were voting last week on their new leaders, a couple of top staff members from the office of the current majority leader, Representative John A. Boehner of Ohio, just happened to stop by Ms. Pelosi's office to visit with some Democratic friends — and take a peek at their likely new quarters. Mr. Boehner will be minority leader when the new Congress convenes in January.

And on Monday, the new Democratic majority leader, Steny H. Hoyer of Maryland, toured Mr. Boehner's present offices on the first floor of the Capitol to see where his furniture might go. Note to President Bush: No word on whether any drapes were measured.

Vice President Dick Cheney might also come out a loser in this literal floor fight. Democrats have an eye on an office on the House side that Republicans granted to him as a kind of second home in the Capitol, to complement his office on the other wing of the building, where, by virtue of the Constitution, he presides over the Senate (he has no formal role in the House). Representative Charles B. Rangel, Democrat of New York, is interested in reclaiming Mr. Cheney's House space for the Ways and Means Committee.

Given the finite amount of space in the landmark building and the natural competitiveness of politicians, office space has always been currency in the Capitol. Lawmakers leverage their majority and seniority for the top views, the most convenience and suitably impressive surroundings to dazzle their constituents, supporters and even themselves. To many members of Congress and their equally status-conscious staffs, you are where you sit.

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To Democrats, one of the chief fringe benefits of the coming takeover is that they will no longer be at the logistical mercy of Republicans. In fact, one of Ms. Pelosi's best applause lines during last week's leadership elections was when she raised the subject of a room for future Democratic meetings. "We can have any room we want now," she told her approving colleagues.

Even as it became apparent that Democrats could regain the majority, Republicans were starting to wonder if Ms. Pelosi might be interested in the speaker's rooms. On Monday she toured the offices that Mr. Hastert has called home, and aides said she was inclined to grab them.

Democratic aides say it is mainly a matter of needing more space, especially since the construction of a visitors' center on the east front of the Capitol cut into current Democratic space, including the offices that had been the center of House power when Speaker Thomas P. O'Neill Jr. ruled. Democratic leadership aides are scattered around the building, including a makeshift office in a renovated part of what had been the members' dining room.

"We have offices tucked away on four different floors," said Jennifer Crider, a spokeswoman for Ms. Pelosi, who said the new offices would allow the staff to be consolidated.

But there are other perquisites. The office now occupied by Mr. Hastert faces the Mall and comes with a balcony that has been the scene of many a reception, staff party and occasional marriage proposal while providing great viewing of the Fourth of July fireworks.

Mr. Michel said the offices came under a long-term Republican lease back in the mid-1950s when Sam Rayburn of Texas decided that his Republican counterpart, Joseph Martin of Massachusetts, could stay there after he was ousted as speaker when Democrats regained control.

"When I first got elected in 1956, I went in to see Joe, and it was in one of those little anterooms," said Mr. Michel, who would later occupy the offices for 14 years.

Despite the appeal of the suite, Democrats in those days preferred their rooms along the East Front, closer to the House floor and the better to keep an eye on things before the days of C-Span and instant messaging. After Mr. Martin and before Mr. Michel, the rooms also housed the operations of the Republican leaders Charles Halleck, Gerald R. Ford and John Rhodes.

Republicans were surprised when Democrats did not eventually try to reclaim the offices, particularly when Thomas S. Foley became speaker in 1989. But he decided to stay in the offices he had had redecorated while he served as Democratic majority leader.

Then, when Republicans swept to control in 1994, the offices became the speaker's. Ms. Pelosi appears to believe they should remain that way. And several Republicans said they did not begrudge her the right.

"I am an old-fashioned guy and believe the spoils go to the victor if she wants it," said Representative Jack Kingston, Republican of Georgia.

The election did not set off the same office go-round in the Senate; the leaders there tend to retain their offices no matter which party is in charge.

In the House, the departure of lawmakers also set off a lottery for new quarters for their home-state Congressional offices in the adjacent office buildings. Even veteran lawmakers sought to upgrade their suites.

In fact, Ms. Pelosi received a new office there as well, taking the space to be vacated by Mr. Hastert's Illinois Congressional office when the outgoing speaker decided he needed more room since he would no longer have any in the Capitol.

Financial Crimes Chief Leaving Treasury (AP-Y)

AP, November 22, 2006

The chief of a federal agency that plays a key role in trying to catch terrorist financiers, drug lords and other criminals is stepping down at the end of this year.

Robert Werner, director of the Treasury Department's Financial Crimes Enforcement Network, will take a job with Merrill Lynch & Co. Inc., the department announced Tuesday.

Werner, who took the helm of the network, known as FinCen, in March, also had served as director of the department's Office of Foreign Assets Control, which administers and enforces economic sanctions and is another important player in the administration's efforts to financially paralyze those who bankroll terrorist activities.

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FinCen's deputy director, William Baity, will serve as acting director once Werner leaves.

Treasury Secretary Henry Paulson said Werner's leadership at FinCen "has paved new inroads in partnering with the financial community to safeguard against financial crime while promoting the free flow of capital."

A flap ensued earlier this year over a once-secret program the department uses to try to thwart suspected terrorist financiers. The administration insisted that news organizations' disclosure of the program, which gives the government access to a vast data base of international financial records, would hobble its efforts to catch terrorist financiers in the future. The program also stirred some concerns over privacy matters.

Senate Seeks Medicaid Review (WT)

By Jim Mcelhatton

The Washington Times, November 22, 2006

The Senate Finance Committee is seeking a review of the District's Medicaid program, citing a "troubling" recent city audit of patient transport and reports of questionable billing.

In addition, the D.C. Office of the Inspector General is conducting two audits of the city's Medicaid transportation program -- one examining the background of providers and the other focusing on the legitimacy of claims being submitted by transport companies.

The federal and local scrutiny of the District's Medicaid transportation program follows a report last month in The Washington Times that noted long-standing lapses and concerns about the program.

Sens. Charles E. Grassley, Iowa Republican and chairman of the Senate Finance Committee, and Max Baucus of Montana, the panel's ranking Democrat, sent a letter Friday to D.C. Inspector General Charles Willoughby seeking a confidential briefing on efforts to probe city Medicaid costs.

The letter cites a recent report by Mr. Willoughby's office that found the city's Medicaid transportation program had "a serious breach of basic internal controls."

Mr. Grassley and Mr. Baucus said transportation costs "are often overlooked and represent a major opportunity for abuse."

The letter also expressed concern about reports of transportation providers billing services to patients who were dead when the claims were submitted.

The Times first reported that neither the D.C. Department of Health, which oversees Medicaid, nor the Washington Metropolitan Area Transit Commission, which licenses motor carriers, had conducted background checks of company officials in recent years.

A review of court records and other official documents of transportation companies on the D.C. Medicaid provider directory found company officials with criminal histories and others with numerous driving violations.

Last year, the District spent $22.3 million for nonemergency transportation of Medicaid patients -- slightly more than what the city paid for patients to see individual doctors, according to city records.

D.C. Council member David A. Catania, an at-large independent who has held hearings on the transportation problems, yesterday said that he's satisfied reforms are under way.

"I'm delighted we've taken the steps we've taken so that when this sit-down happens between our inspector general's office and the congressional representatives, they're going to be very impressed with some of the steps we've taken," said Mr. Catania, who has headed the council's health committee.

Medicaid, which provides health insurance for the poor, is funded by the federal government and the states, which also manage their programs.

An official with the D.C. Office of Inspector General yesterday said the office will meet with the Senate Finance Committee by the end of the month.

The Finance Committee letter requests updates on "all ongoing audits, evaluations and investigations that examine the Medicaid program in the District of Columbia."

The letter from Mr. Grassley and Mr. Baucus was similar to one the Finance Committee leaders also sent to the inspector general for the U.S. Department of Health and Human Services.

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The federal government's watchdog on public health spending is conducting a nationwide review of Medicaid transportation costs.

According to its recently released 2007 audit plan, nonemergency transportation costs rose nationally by 48 percent from 1999 to 2003, reaching $1.5 billion.

What's more, the Washington-based Community Transportation Association of America says the District trailed only Alaska in how much it has paid for transporting Medicaid patients.

Alaska encompasses more than 581,000 square miles; the District, 63 square miles. Commercial airfares account for more than 90 percent of Alaska's Medicaid transportation costs, while the District relies on a fleet of private van carriers, according to records.

The District pays companies up to $140 per trip. By comparison, a cab ride across the city would cost about $40, plus tip.

The Senate committee letter says previous federal audits have found numerous shortcomings with nonemergency transportation, including "unnecessary trips and excessive claims as well as billing Medicaid for trips never provided."

D.C. officials say they are now conducting background checks of providers.

Mr. Catania said that Robert Maruca, deputy director of the Medical Assistance Administration, has done "extraordinary work" in outlining new measures, including steps to ensure all trips are medically necessary.

"Everyone was disappointed that the controls did not exist and that money was lost and stolen," Mr. Catania said. "But going forward, I think we'll see a dramatic reduction in the fraud and abuse in the program."

IBM, Cray Win Pentagon Funds To Develop Next Supercomputers (WSJ)

By Don Clark

The Wall Street Journal, November 22, 2006

A Pentagon research agency announced plans to spend nearly $500 million to develop next-generation supercomputers, funding ambitious design efforts at Cray Inc. and International Business Machines Corp.

The Defense Advanced Research Projects Agency said it will award Cray $250 million and IBM $244 million under a new phase of a long-running development program, which hopes to create not only major advances in hardware but also new ways to program massive scientific machines.

Supercomputers have long been purchased by the government to handle complex computing chores, from cracking codes to calculating the trajectories of missile flights. The size of Darpa's research grants is unprecedented, IBM and Cray officials said, reflecting a determination to ensure the U.S. remains in the forefront of the field.

The contract award is particularly significant for Cray, a supercomputer specialist that reported total revenue in 2005 of about $201 million. Cray's Darpa proposal is based on a concept that it calls "adaptive" supercomputing, which involves creating a system with thousands of microprocessor chips of several different kinds that can be simply programmed with a single technique. "It's incredibly difficult to do," said Jan Silverman, a Cray senior vice president.

IBM plans to develop a system around the next generation of its Power chip line, along with a series of its own technologies to make programmers more productive. "This is not a project to serve a single customer or solve a single mission. It's an investment to significantly increase to total use of high-performance computing," said Dave Turek, who holds the title of vice president of "deep computing" at IBM.

An IBM system at Lawrence Livermore National Laboratory is currently the world's fastest, operating at a maximum speed of about 360 trillion calculations a second -- or "teraflops," in industry parlance. The Darpa program is aimed at developing machines that operate at two to four "petaflops," or quadrillion operations a second, with prototype systems expected by 2010.

The one company left out by Darpa is Sun Microsystems Inc., which took part in earlier phases of the program with Cray and IBM. A Sun spokeswoman said the company had nonetheless benefited by the effort so far, developing technologies it will use in commercial systems.

Husband Of Trade Representative Dies (AP-Y)

AP, November 22, 2006

Curtis Carroll, husband of U.S. Trade Representative Susan Schwab, has died, Schwab's office announced Tuesday.

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Carroll, a professional magician, died Monday of kidney and liver failure, Schwab spokesman Sean Spicer said.

Schwab, former dean of the University of Maryland School of Public Policy, became President Bush's chief trade negotiator in June, succeeding Rob Portman, who was tapped to become White House budget director.

Deputy U.S. Trade Representative John Veroneau will represent Schwab on Wednesday at the signing ceremony for a free trade agreement with Colombia, Spicer said.

Spellings Finishes 2nd On 'Jeopardy' (AP)

By Nancy Zuckerbrod

AP, November 22, 2006

WASHINGTON -- Education Secretary Margaret Spellings says she studied hard to prepare for Tuesday night's airing of "Celebrity Jeopardy!"

"I didn't want to be the education secretary who didn't know how to spell potato," Spellings joked, describing how she read books and sought advice from a former show contender and her daughters.

In the end, Spellings said she thinks the effort was worth it. She came in second behind the actor Michael McKean, best known for his role as 'Lenny' on the television show "Laverne and Shirley" and for the movie "This Is Spinal Tap."

Placing third was actor Hill Harper, from the television show "CSI: NY."

"I think I held my own," Spellings said in an interview Tuesday, hours before the show aired. She noted McKean had an edge, having been on the show before.

Spellings was the first Cabinet secretary ever to appear on the popular quiz show. She said she'd like to return for another try.

She said she didn't realize how much skill went into hitting the buzzer at just the right moment after host Alex Trebek read a clue. She said she often hit it too early and as a result didn't get picked to tackle a category.

Spellings' strong subjects included international language and business.

She was asked to appear after the show's producer read a magazine article in which Spellings said she was a "Jeopardy!" fan.

Each celebrity earns at least $25,000 for the charity of his or her choice, and the winner gets $50,000 for a charity.

Spellings' winnings from the show, taped in New York last month, went to ProLiteracy Worldwide _ an international literacy organization.

Trebek said "Jeopardy!" picked the charity for Spellings to comply with government ethics rules.

The Admiral Charts An Unknown Course (WP)

By Linton Weeks

The Washington Post, November 22, 2006

It's a timeless scene: The old salt talking to youngsters, laying out his views about the lessons of war, about its cost and its sacrifices.

In this case, the salt is retired Adm. William J. Crowe Jr., who at 81, with hearing aids and stooped shoulders, is passing along his sea of wisdom to a classful of intense and intrigued midshipmen at the U.S. Naval Academy.

But rather than telling the class that he has all the answers, Crowe says, "I don't know the answer about how to get out of Iraq."

He does have some notions on how to avoid getting into another Iraq-like complication. Amid a growing chorus of antiwar pronouncements from the left and the right, presidential acknowledgment that the war is not going well, a pending report from the Iraq Study Group and a major Pentagon review, Crowe believes it's the perfect moment to craft guidelines that might be used the next time around.

Getting into just about everything -- from sports cars to marriages -- is easier than getting out of them. And Crowe (rhymes with wow), who has been teaching in the academy's political science department since 1999, hopes to engender a sense of caution and reason in the next generation of commanders and help keep the United States from entering unjust -- and unjustified -- interventions.

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He knows something about military leadership. A 1946 graduate of the academy, he rose to the top shelf of service in the Navy. In the early 1980s, he was commander in chief of Allied Forces Southern Europe, then of the U.S. Pacific Command. From 1985 to 1989, he was chairman of the Joint Chiefs of Staff -- under Presidents Ronald Reagan and George H.W. Bush. He retired in 1989. He says he is politically independent. He supported John Kerry in 2004.

His eyes are a wintry blue. His mind keen and quick. Distinguished in a green tweed jacket and gold-rims worn low on the nose, he is teaching "Security Decision Making," a popular upper-level seminar. It's a small class today -- 10 men and women are gathered around a table in a drab, windowless room in the Nimitz building on the waterfront campus in Annapolis.

His concern, he tells the students in their dark uniforms, "is what we are going to do in the future, when you people are going to be involved."

In most international rivalries, he says in a soft voice, "the supporting arguments of both sides normally have merits and flaws."

The factions are "driven by history and intense emotions and reason has little to do with resolving such issues."

But, Crowe believes that reason should have a lot to do with such issues. When a nation steps into another country's affairs, he says, there is a price to pay. "Bending another culture to your will can't be done on the cheap. Our resources are not unlimited and we should not be led to believe otherwise."

Every administration "underestimates the cost in time, money and casualties," Crowe says. "Voters should be die-hard cynics when evaluating such predictions."

In order for international interventions "to be successful in a reasonable amount of time, the whole republic should be involved," he says. "We may be dealing with small countries, but to them the stakes are big time and they are willing to make astounding sacrifices."

It's an idealistic approach. But he also knows he is preaching to idealists.

Michael Deboer, 24, of Cleveland, will be graduating in the spring. He hopes to be working on a submarine -- as Crowe once did -- in a couple of years. Deboer says Crowe has taught him that "interventions don't always go the way planners planned."

Deboer says, "I'm a detail-driven guy. He makes you look at the bigger issues."

Crowe "rewards careful thinking," says junior Fiona McFarland, 21, of New York. McFarland's mother, Kathleen Troia "KT" McFarland, was a Pentagon spokeswoman under Reagan and recently ran unsuccessfully as a Republican candidate for the Senate. Fiona McFarland wants to be a pilot. "He loves it when we take opposing sides," she says of Crowe. "He gets a little grin and a glint in his eye."

Next Phase Of White House Communications System To Begin (GCN)

By Nick Wakeman

Government Computer News, November 22, 2006

The completion of the transition of the White House's external communications system to an Internet protocol-based infrastructure will be done by General Dynamics Corp.'s IT business.

Under a $7 million contract from the White House Communications Agency, General Dynamics of Falls Church, Va., will use a Synchronous Optical Network backbone for connections between the White House and the outside world.

General Dynamics has been working with the White House Communications Agency for more than four years on various communications projects doing analysis, design and infrastructure upgrade work, said company spokesman Mark Meudt.

"This is just the next phase of that work," he said.

The work at the White House, including the most recent win, has been under contracts awarded by the Army Information Systems Engineering Command, which is tasked with supporting the White House Communications Agency, Meudt said.

"The communications capabilities for the White House must sustain critical day-to-day and crisis operations communications without fail," said Zannie Smith, senior vice president of Army solutions for General Dynamics IT, in a statement.

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The White House Communications Agency provides the systems for the president, vice president, presidential emissaries, White House staffers and Secret Service. The systems include audiovisual, voice and data capabilities. The White House Communications Agency also supports the president when he travels.

House Staff Member Cleared In Inquiry On Leak Of Iraq Intelligence Estimate (NYT)

By Scott Shane

The New York Times, November 22, 2006

WASHINGTON, Nov. 21 — A Democratic staff member of the House intelligence committee has been cleared of wrongdoing by a Republican-led leak investigation and reinstated in his position, committee officials said Tuesday.

Kate Phillips and The Times's politics staff are analyzing the midterm elections and looking ahead to 2008.

More Politics NewsThe staff member, Larry Hanauer, was suspended last month from access to classified materials at the direction of the committee's chairman, Representative Peter Hoekstra, Republican of Michigan.

Mr. Hoekstra said at the time that he thought Mr. Hanauer might have been a source for an article on Sept. 24 in The New York Times about a National Intelligence Estimate saying the Iraq war had become a cause célèbre for terrorists.

Mr. Hanauer had obtained a copy of the classified study at the request of a Democratic panel member, Representative John F. Tierney of Massachusetts, shortly before it was described in the article.

Democrats on the committee protested that the accusation was groundless and unfair and that Mr. Hanauer had merely properly responded to a routine request from a member.

They said Mr. Hoekstra's action was payback for a decision by the committee's ranking Democrat, Representative Jane Harman of California, to release a report by an outside counsel into actions on the committee by former Representative Randy Cunningham, a California Republican now serving a prison term for taking bribes.

A spokesman for the panel, Jamal D. Ware, confirmed that "the suspended staff member has had his accesses restored at the committee," a development first reported on Tuesday by The Washington Post.

A Congressional official who insisted on anonymity said the internal inquiry, conducted by committee lawyers, involved having Mr. Hanauer sign an affidavit and answer questions.

In a statement, Ms. Harman said, "All of us are pleased that our valued staff member is back at work and that this meritless inquiry is over."

Mr. Hanauer's lawyer, Jonathan Turley, said Mr. Hanauer had been vilified on the Web and by anonymous callers, some of whom threatened him, called him a traitor and said he should face a firing squad.

"We are grateful that this long nightmare for Larry and his family is now over," Mr. Turley said. "It is regrettable that it took this long, given the total absence of any evidence linking Larry to the New York Times articles."

The Times had previously reported that its article was based on interviews with more than 10 government officials and outside specialists.

Clothes No Longer Make Just The Man (AP-Y)

By Jocelyn Noveck

AP, November 22, 2006

"The emperor has no clothes," House Speaker-elect Nancy Pelosi once famously said about President Bush.

Well, actually he has some fairly decent ones, but it's been Pelosi's clothes — stylish, well-chosen and nicely cut, of the Armani variety — that have garnered attention since she became the most powerful woman in American politics earlier this month.

Why do we focus on Pelosi's clothes and not those of our president, or any male in Washington? Is it inherently sexist, detracting attention from her obvious accomplishments? Or is it merely a reflection of the obvious truth that, while clothes matter for both men and women, female attire is more noticeable, more expressive and more interesting?

It's an easier call when the fashion verdict is negative. Then, it can seem cruel: Recall the harsh response to Bush's one-time Supreme Court nominee Harriet E. Miers, whose attire, accessories and makeup were excoriated in the media. If she'd been a man and her standard navy blue suits were a bit dowdy, one can imagine, no ink would have been wasted.

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One person who finds attention to Pelosi's clothes "over the top" is Eleanor Smeal, one of the country's most recognizable feminists.

"Yes, she dresses impeccably and wears clothes beautifully," says Smeal, president of the Feminist Majority Foundation. "But this is a very accomplished woman. Why wasn't there more attention to her achievement of breaking through the marble ceiling (and becoming the first female Speaker in history)? They're trying to keep us on the style pages, the old-fashioned way."

But there is one positive aspect to the attention, Smeal says: "At least it's introducing the speaker to the country. Imagine if they DIDN'T like her clothes!"

Pelosi, a 66-year-old grandmother, isn't the first powerful woman in politics to be put under the sartorial microscope. The choices of Hillary Clinton, perhaps the most visible woman in U.S. politics, have been deconstructed through time, from her changing hairstyles to her inaugural hat in 1993 to the constant dark pantsuits on the Senate campaign trail, often paired with a pink blouse. (Again, imagine her well-dressed husband being criticized for always choosing a dark suit.)

Of course it isn't just in politics: on the night CBS's Katie Couric debuted as the first female solo anchor of a network evening newscast, her short white jacket (post-Labor Day, some critics noted disapprovingly) was analyzed as much as her performance.

One scholar of journalistic ethics argues that a politician's attire is fair game in news coverage — but only under certain circumstances.

"As a society, we look much more carefully at women's appearance than men," says Kelly McBride, a faculty member at the Poynter Institute in Florida. "At the same time, the clothing options for women are so much greater. As journalists, I don't see how we can ignore this."

The task for the media, McBride says, is to do it in proper context, and in a way that doesn't reinforce stereotypes. "It's safer to say, here's the reality: in our society we judge women by different standards — and then dig in to the nuances of that," she says. What's wrong, though, is to inject casual references to Pelosi's clothes into every news story, "which would reinforce the notion that women SHOULD be judged on appearance."

One extensive analysis of Pelosi's clothing came from Pulitzer-prize winning fashion critic Robin Givhan of The Washington Post, who often writes about the attire of major Washington figures — including a much-noticed piece on Vice President Dick Cheney's casual outerwear at a Holocaust memorial service in Poland last year.

Of the blue-gray Armani suit that Pelosi wore at her post-victory news conference, Givhan wrote that she appeared "polished and tasteful in front of the cameras. It is tempting to even go so far as to say that she looked chic, which in the world beyond Washington would be considered a compliment." Of outgoing speaker Dennis Hastert, whose rumpled suits have also been noted in the press, she wrote that there was "nothing chic or particularly polished" about him.

The article appeared in the paper's Style section, not in the political coverage — the kind of context and placement McBride was referring to. By contrast, an example of troubling references, to Smeal for one, are comments by MSNBC host Chris Matthews, who referred in his election-night coverage not to the clothing of the Democratic speaker-in-waiting, but her female voice.

Pelosi, he said, was "going to have to do the big fight with the president over issues" like the minimum wage. "How does she do it without screaming?" he asked. "How does she do it without being grating?" He also compared the sound effect of Sen. Clinton's re-election victory speech to "fingernails on a blackboard."

To David Brady, professor of political science at Stanford University, attention to Pelosi's clothes is a bit silly, but harmless in the long run.

"The fact is she's an attractive woman and she wears nice clothes — and she's got money," said Brady, deputy director of the Hoover Institution. "There are men who dress well too," he said, singling out Presidents Clinton and Bush (who has his suits made by a French-born tailor in Washington.) "You've got a country where entertainment channels are more heavily watched than news shows, where people care about Kevin Federline and Britney Spears. This is a magnification of that silliness. In the long run it won't harm her effectiveness."

Greta Petty, a 35-year-old artist in Portland, Ore., agrees that attention to Pelosi's clothes is fairly harmless — if only because she believes that only women are interested in such coverage, anyway. "It's not an issue of sexism," she says.

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Besides, she adds: "men's attire is just not that interesting."

Paulson May Find Sensible Doesn't Sell (WP)

By Steven Pearlstein

The Washington Post, November 22, 2006

Hank Paulson, the new Treasury secretary, gave a splendid speech this week about the need to re-engineer the financial regulatory structure to make it more efficient and enhance the competitiveness of U.S. markets in the face of stiff new competition from London and Hong Kong.

Paulson is spot on about moving from a hyper-legal, "rules-based" approach to regulation -- with its detailed prescriptions and legal threat -- to a more "prudential" system based on broad general principles and backed by guidance from a regulator with plenary powers.

He's right about the need to throttle back on the rules requiring public companies to test their "internal controls" under the Sarbanes-Oxley reform law and focus only on processes having material impact on the accuracy of financial statements.

With all the consolidation in financial services, and new products that straddle the old regulatory boundaries, Paulson is right in suggesting a single regulator that might combine the work of the Federal Reserve's regulatory function, the Securities and Exchange Commission and the Commodity Futures Trading Commission.

And he's certainly right about the toxic effect of shareholder lawsuits on the way companies are managed.

These aren't new issues for Paulson. In many aspects, his much-anticipated speech this week was simply a reprise of one he gave to the National Press Club in June 2002, in the wake of the Enron and WorldCom scandals. Now, as then, his approach is reasoned, nuanced and pragmatic.

It is also refreshingly naive.

I say refreshing because Paulson comes at these issues as someone who is willing to take the facts and logic wherever they lead, even if it means offending friendly interest groups or running some sacred cows off the road. In speaking to business leaders at New York's Economic Club, or a couple of reporters in his sun-drenched corner office, he comes across as straightforward, candid, without guile.

What Paulson hasn't had time to master is the black art of Washington policy-speak -- and that is where the naive comes in.

When Paulson says implementation of Sarbanes-Oxley has gone too far, he is saying nothing that Sen. Paul S. Sarbanes (D-Md.) and Rep. Michael G. Oxley (R-Ohio) haven't themselves acknowledged, and that the SEC is now fixing. But to the ideologues at the Chamber of Commerce, such sentiments will be read as a tacit embrace of their view that government screws up everything it touches.

Similarly, when Paulson says our tort system amounts to a tax on shareholders, employees and consumers and weakens the competitiveness of U.S. business, he means just that. Unfortunately, those are the same lines used for years by the National Association of Manufacturers, whose real interest isn't in reforming the tort system but in castrating it.

When he points to the absurdity of having multiple state and federal agencies regulating the same company and competing to prosecute corporate misdeeds, Paulson means only to question the efficiency of our regulatory structure. But his old friends on Wall Street are surely interpreting that to mean that ambitious state attorneys general like Eliot Spitzer should never have been allowed to blow the whistle on tainted research and after-hours trading that had been going on for years, right there under the noses of federal regulators.

In time, I'm sure, Paulson will learn that in Washington, "risk-based" regulation is code for "self-regulation" and "materiality" is a moving target that allows executives to hide any embarrassing information from shareholders. And when someone calls for greater trust between the regulators and the regulated, it's really the regulators who are being asked to do the trusting. So if he means something different -- which I'm willing to believe he does -- then he needs a new way of expressing it.

In framing these regulatory issues in terms of international competitiveness, Paulson may also have fallen into the trap of confusing the public interest with the interests of Wall Street -- not surprising for a former head of Goldman Sachs. Certainly it is possible that financial services are moving offshore because of the greater hassles of U.S. regulation. But it is equally plausible that what we're seeing is the inevitable end to near-monopoly that has allowed U.S. financial firms to charge outrageous fees and

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earn outsized salaries and bonuses. A more seasoned Washington hand would have taken care to point out that if government has no business protecting the jobs of auto workers who price themselves out of world markets, it certainly has no business protecting millionaire investment bankers and hedge-fund managers.

Paulson also held Britain up as something of a model for the way financial services should be regulated. But he failed to note that, as part of that package, British corporations must get shareholder approval for executive pay packages and require directors to win support from at least half of all shareholders. By doing so Paulson could have sent a signal that he was really serious about improving corporate governance and protecting shareholder interests, not just carrying water for the Business Roundtable.

Paulson has brought a breath of fresh air to the stale partisan atmosphere of Washington. But if he wants to succeed as the honest broker, he'll need to crack the code on the Washington policy conversation and reassure Democrats and other skeptics that he's got something new to sell.

Capital Rules (WP)

The Washington Post, November 22, 2006

TREASURY SECRETARY Henry M. Paulson Jr. spoke Monday on a subject he knows intimately: the health of U.S. capital markets. The United States has traditionally served as a capital market for the world. U.S. and foreign companies alike sought listings on U.S. stock exchanges so that they could tap into the world's largest and most efficiently managed pool of savings. But this has recently ceased to be true: Fewer companies are seeking U.S. listings; some foreign ones are delisting, preferring to trade on a stock exchange elsewhere; and many U.S. companies are turning their backs on stock exchanges altogether as private-equity funds acquire them. Some interest groups have presented these trends as evidence that the post-Enron reform of corporate governance, through the Sarbanes-Oxley law, overreached. Mr. Paulson rightly refused to swallow that simplification.

Companies are raising less money in the U.S. equity market partly because the alternatives have grown more attractive. Foreign markets are catching up in terms of the efficiency of their trading systems, so foreign companies have less of a need to come to the United States. Low interest rates have rendered borrowing cheap, which explains why private-equity firms can take out eye-popping loans to buy up companies' stock. Neither development is necessarily bad. Efficient equity markets in Asia and Europe will improve growth prospects in those regions, creating opportunities for U.S. exporters. And U.S. companies should be free to make their own judgments about shifting from equity to debt, although the fees earned by private-equity firms seem disproportionate.

The retreat from equity markets is only worrying if it reflects a decline in their efficiency rather than a rise in the appeal of other options. Mr. Paulson suggested that costs imposed by the U.S. tort system may deter companies from listing: As a share of gross domestic product, U.S. tort costs are twice those in Germany and Japan and three times those of Britain. Another deterrent comes from confusingly diffuse regulation. Equity markets are subject to oversight by the stock exchanges themselves, by self-regulatory bodies such as the National Association of Securities Dealers, by the Securities and Exchange Commission, by the Public Company Accounting Oversight Board, and by overlapping federal and state prosecutors. A third deterrent has been created by the Sarbanes-Oxley reform -- not by the law itself, but by its implementation.

Mr. Paulson said new legislation to amend Sarbanes-Oxley is unnecessary. Undoing corporate governance reform in the name of market efficiency would be perverse: Investors will only provide capital cheaply if they are offered reliable investment opportunities, and the scandals involving Enron and other companies demonstrated that company reports had ceased to be reliable. But auditors have insisted on an excessively burdensome implementation of now-infamous Section 404 of the law, which requires companies to check the management systems used to generate numbers on sales, inventory, costs and so on. What's needed is regulatory guidance to dissuade auditors from interpreting this requirement overzealously, particularly for smaller firms. Mr. Paulson has struck the right balance.

Letters (WSJ)

Wall Street Journal, November 21, 2006

LETTERS

'Freedom' Is America's Truth, Sen. Webb -- 'Fairness' Is Subjective

DOJ_NMG_0097224

In response to Jim Webb's Nov. 15 editorial-page essay "American Workers Have a Chance To Be Heard":

It is unfortunate, albeit not unexpected, that senator-elect Jim Webb makes the common mistake of using income inequality as a gauge of social injustice in this country. In a free market, income inequality is the inevitable result of individual productivity inequality, and of course productivity inequality exists due to variations in natural ability, industriousness, education, risk-aversion and dumb luck. The reason income equality has grown rapidly (although hardly "infinitely," as Mr. Webb hyperbolically asserts) is that productivity inequality has grown. And the reason productivity inequality has grown is that with the advance of technology and globalization, the impact of a good idea or exceptional performance can be leveraged dozens of times more than it could be even one generation ago. J. K. Rowling, the author of the Harry Potter series, has made more than $200 million for each book she has written. Is that too much? Absolutely not, when one considers the benefits that each book brings to tens of millions of children (and adults) around the globe. But the impact of J.K. Rowling's creativity and hard work, and the income she has earned from it, would have been perhaps orders of magnitude smaller 30 years ago.

Mr. Webb misses the point that one of the pillars of a free-market economy is that people should be allowed to earn in proportion to their productivity. To use government to do otherwise would be to impede productivity everywhere. In fact, my guess is that in most of the regrettable cases in which income vastly outstrips productivity, government intervention is probably to blame. The news that the three richest counties in the United States are clustered around Washington, D.C., certainly came as no surprise to me this morning.

In any case, a much better gauge of social injustice is consumption inequality. Of what relevance is it that there is large income inequality? Or wealth inequality for that matter? It only matters to the extent that it translates into unequal consumption of the country's resources, consumption being the true gauge of one's standard of living. I have not seen studies in this area, but my guess is that we are many times less unequal in our rates of consumption than in our levels of income or wealth.

Eric Meyer

Newton, Mass.

Blah, blah, blah. When are we going to actually hear something of substance from the Democrats? You would think they would've begun outlining how to deal with the "inequalities." People will start to think that they might not know what to do next.

Michael S. Woodard

Charlotte, N.C.

Mr. Webb forgets to mention in his diatribe against top wage earners that the top 5% band of earners pay 57% of the country's total income taxes. I guess that kind of data flew out of his mind when he switched sides.

Margaret McGirr

Greenwich, Conn.

Underneath the smooth rhetoric is a frightening message: "Fairness" is emphasized, but "freedom" not at all. Beware of any politician who places fairness over freedom. What is at jeopardy, in his hands, are your life, liberty and property.

Jim Brankin

Southlake, Texas

Mr. Webb asserts that the top 1% of wage earners "takes in" (not earns, mind you) "an astounding 16% of national income." IRS statistics for 2003 show the same top 1% pays a truly "astounding" 34.3% of all income taxes. If Mr. Webb could replace DNC talking points with some thinking and historical perspective, he might contribute rational problem solving rather then tired class envy and nostalgia for Great Society nostrums that led to Jimmy Carteresque stagflation.

Jay S. Haberman

New York

Nowhere does Mr. Webb actually outline what he'll do to benefit the American worker. All he provides is a list of Democrat buzzwords and phrases -- job outsourcing, CEO compensation, Rove, wage gap, Wal-Mart, etc. I have no problem with Democrats addressing issues they perceive to be hurting the American worker, but, please -- offer solutions.

Timothy O. Corkery

South Boston

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Mr. Webb is long on class envy and short on facts. Nowhere does he state what he would do to change the status quo. Senator, it is not the politics of the Karl Rove era that are distracting and dividing people -- it's you.

Joe Schroeder

Big Canoe, Ga.

Mr. Webb's rant is right in tune with the heart and soul of his new party. He sounds like Willy Stark.

Douglass M. Holmes

Louisville, Ky.

I'm so glad Mr. Webb opened my eyes to the fact that we mindless rubes, who are concerned only with the issues of "God, guns, gays, abortion and the flag," have merely been victims of seduction by the all powerful "Oz" -- Karl Rove.

Mark Rauschenberger

Washington

The country has changed in the 40 years since Mr. Webb "graduated from college in the 1960s," but apparently he has not. Today, the percentage of home owners has increased from under 20% to about 70%; the stock-owning investor class has increased from less than 10% to about 60%. The "top tier" that "has grown richer" has itself increased (as a definition of upper middle class and above) exponentially. All of this is under a program of steady decrease in taxation and regulation.

Lenny Toboroff

New York

If so many jobs are disappearing, as Mr. Webb would have us believe, why is unemployment at a historical low?

Patrick Duffy

Haddon Township, N.J.

Mr. Webb says "manufacturing jobs are disappearing." True. Contrary to his suggestion, though, this fact is unrelated to recent trends in globalization, corporate governance or tax policy. Manufacturing jobs as a percentage of the U.S. work force peaked in 1945 and have declined steadily ever since, even though manufacturing output continues to rise. Today this output is at an all-time high.

Donald J. Boudreaux

Chairman

Department of Economics

George Mason University

Fairfax, Va.

Mr. Webb's discussion of class structure implies that we are locked into a class and cannot escape, something that is simply not true in America. We can all move through various economic situations quite fluidly without any restrictions due to birth. Mr. Webb himself is a fine example: From his days working part time in college to becoming a best selling author to a senator, he has moved dramatically between various "classes" of earnings. Opportunity in America is distinctly classless.

Richard Noble

Eagle, Ind.

Jim Webb expresses a profoundly shocking un-American idea: From each according to his ability, to each according to his need. Our founding principle of individual rights recognizes the sovereignty of the individual in his thoughts and actions and the government as the protector of the individual's life, liberty, property and pursuit of his own individual happiness. The values he creates by his own efforts are his to dispose of as he chooses, not the property of the family, the tribe, or the state. There is no national income.

Ralph C. Whaley, M.D.

Barron, Wis.

Great Plains Drought Is a National Disaster

Your Nov. 15 editorial "Fargonomics" misrepresents the facts on agriculture disaster assistance. My bipartisan legislation would bring badly needed federal aid to the thousands of farm and ranch families whose livelihoods were destroyed by natural disasters including drought, flood, frost and disease.

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This country has always responded to disasters, whether hurricanes, wildfires or drought. To represent the deepening drought of the Great Plains as anything but a national disaster is an affront to every farm family in the Midwest. This is the third worst drought in U.S. history, searing millions of acres of crops and livestock forage, and driving producers and the small town businesses that rely on them to the brink of foreclosure. If we do not respond, the drought will be followed by economic disaster across the plains.

You misrepresent the role of crop insurance. Yes, crop insurance is an important risk management tool for farmers and ranchers. But when those losses stack up year to year, as has happened as the drought conditions have worsened year after year, crop insurance loses its effectiveness -- the amount of crop loss covered goes down, while premiums go up. Crop insurance was never designed to cover repeated losses. Crop insurance isn't covering basic farm expenses, and the natural disasters depleting our farms and ranches are breaking the backbone of the Midwest economy.

Sen. Kent Conrad (D., N.D.)

Washington

Suffering in Africa Makes Us See (RED)

Your Nov. 10 editorial "Shopping for the Poor" (Taste page, Weekend Journal) made an astute observation: "Good charity" theory includes (in its DNA) the concept of sacrifice. You suggest that (Product) RED, our venture, is playing a part in questioning the hair shirt thinking. That was great. But alas, you then committed several interpretive misdeeds.

First, you say "too bad" that many (Product) RED items are not made in Africa. Give us a chance! We've been in business in the U.S. only five weeks. But within these weeks, we now have what we never had during our two years developing this project: objective proof that (RED) branded products produce a measured commercial advantage. Because we did not have that proof during development, could you really have expected us to persuade giant multinationals to source 100% of the (RED) products in Africa? That said, it is great that Gap has been producing there for years and that Motorola was able to purchase packaging materials in Lesotho.

Now that Gap has proved our theory, you will see many more products manufactured on the continent, not because we proselytized but because companies have seen the commercial advantage in doing so.

Second, you assert that because the Geneva-based Global Fund supports "a range of heath-related projects," our manifesto's assertion that (RED) money will not purchase AIDS medicines is incorrect. I am thrilled to confirm that the fund has accepted that money made by (RED) and will be used only for purchase and delivery of medicines to those suffering from HIV in Africa, with particular emphasis on women and children.

Third, you suggest that our energy might be better spent on promoting trade with poor nations. Because we have a lot of energy, we have made this exact idea part of our work at DATA, a public education/lobbying organization Bono and I co-founded in 2000. In fact, DATA is an acronym for "Debt Aids Trade for Africa" in return for "Democracy, Accountability and Transparency for Africa." Along with many others, we have supported new trade initiatives, including the Millennium Challenge Corp., change to customs regulations and AGOA, the African Growth and Opportunity Act, which allows tremendous new investment and trade between the U.S. and Africa. Our sister entity, one.org, works on trade issues in a grassroots manner.

We created (RED) to bring the marketing brilliance and the budgets of the private sector to bear on the greatest human health-care crisis in history. To make this happen, we needed a device, a brand that would enable the bravest and smartest companies to invest and to make money on that investment. (RED) is that brand.

Gap's campaign has proved our idea not only by its genius advertising and products, but by that fact that all Gap employees have been trained to explain this crisis to customers. In malls across America, young Americans are explaining AIDS to their customers and selling them T-shirts made in Lesotho and denim made in America from African cotton. As success builds on itself, more products will be sourced in Africa.

In addition, Motorola has launched its (Product) RED phones with Sprint and US Cellular -- wait until sales people in Sprint stores are telling stories about the positive effects of America's medicines and the opportunities for investment in Africa. Wow.

The Democrats' Economy Wars (WP)

By Harold Meyerson

DOJ_NMG_0097227

The Washington Post, November 22, 2006

When voters went to the polls this month, they registered not only a revulsion with the Republican regime but also a profound -- almost un-American -- anxiety about the nation's future. They ousted incumbents who wanted to stay the economic course, choosing instead Democratic challengers who questioned free-trade orthodoxy. In the exit polling, a plurality said they believed that life for the next generation of Americans would be worse than it is today.

All wings of the Democratic Party seem to understand the extent of America's economic problem. The architects of Bill Clinton's economic and trade policies, as well as their more liberal critics, all agree now, in the words of Clinton Treasury secretary Lawrence Summers, that "the vast global middle is not sharing the benefits of the current period of economic growth -- and that its share of the pie may even be shrinking." The era of globalized free trade that Summers and his iconic predecessor at Treasury, Robert Rubin, sped on its way, Summers admits, has benefited many Asians and, here at home, has been "a golden age for those who already own valuable assets. . . . Everyone else has not fared nearly as well."

Concerned that the American dream is fading for the middle class, and fearful that said middle class may turn against the global free-trade order he helped erect, Rubin has created the Hamilton Project, which, in the spirit of its namesake, our first Treasury secretary, proposes a series of enlightened Tory solutions to address these conundrums. The project has called for greater public investment in education, health care, research and development, and infrastructure; balancing the budget; and wage insurance for workers compelled to take lower-paying jobs in our Wal-Mart-ized economy.

But are these solutions remotely adequate to the problem, which is ultimately that of wage convergence in the globalized economy? Even its proponents seem not to think so. "Let us be frank," Summers wrote in a Financial Times column. "What the anxious global middle is told often feels like pretty thin gruel. . . . [More] education [can't] be a complete answer at a time when skilled computer programmers in India are paid less than $2,000 a month."

When Rubin was pressed by the Nation's William Greider in June as to whether he thought the project's proposals would arrest or offset the global convergence of wages, he said, "I don't know the answer to that. I would guess that the answer to that question is no."

For the Democrats who now run Congress, not to mention those planning to run for president, the fact that the party's economic gurus have devised a policy that they themselves believe isn't up to the challenge at hand can't be greatly heartening. Happily, this is not the only project whose work the Democrats will be able to access. This June, in response to the Hamilton Project's creation, a group of some 50 liberal economists loosely affiliated with the Economic Policy Institute (EPI) began work of their own. Their project, yet to be named (its founders have resisted the temptation to call it the Aaron Burr Project), will be unveiled in January.

The fundamental difference between the two projects -- that is, between the two primary schools of Democratic economics -- is that Rubin's largely believes the rules of the market to be immutable and sound (though it's precisely the rules of the market that are depressing American incomes), while EPI's, in the words of economist Mark Levinson, "rejects the notion that what has happened to this economy is inevitable. Policy can turn this around." (Full disclosure: Levinson is an old friend.)

For starters, EPI's project will call for a pay-or-play health insurance system (employers can cover their own employees in private plans or pay taxes into an expanded version of Medicare that will cover everyone else) and for a retirement system in which employers can offer their employees pensions or, with their employees, pay into a system administered by Social Security. It will suggest a series of policies to decouple globalization from downward pressure on wages -- adding some enforceable labor standards, for instance, to the rules of the World Trade Organization.

Less cosmically, economist Jeff Faux pointedly asks, "Why should middle-class taxpayers fund Harvard to dream up new products that will be made overseas? We need to condition greater R&D funding to production here at home."

Over the next two years, both projects will barrage the Democrats with their ideas. At times their perspectives may converge. (Rubin seems to be edging closer to acknowledging a need to reestablish workers' rights to join unions, long a priority of the EPI crowd.) But the creation of EPI's project balances the scales in the Democratic universe. The Hamilton Project is the policy voice of the party's largest business donors. In the project to be unveiled in January, the party's voters get a policy voice, too.

Bush's Daughter Robbed In Argentina (AP)

DOJ_NMG_0097228

AP, November 22, 2006

U.S. and Argentine media reported that one of President Bush's 24-year-old twin daughters had her purse stolen while being guarded by the Secret Service during a visit here.

ABC News, citing unidentified law enforcement reports, reported on its Web site Tuesday that Barbara Bush's purse and cell phone were taken while she was dining in a Buenos Aires restaurant.

La Nacion newspaper, citing anonymous government sources, said in its online edition early Wednesday that one of Bush's daughters had her purse taken Sunday afternoon in the popular tourist district of San Telmo.

A pair of thieves removed the purse from under a table while Secret Service agents stood guard at a distance, La Nacion reported. La Nacion said its sources did not reveal which of the Bush daughters had her purse stolen.

Argentine police told The Associated Press they had no complaint of any such incident on file, and the U.S. Embassy in Buenos Aires said it would have no comment. In Washington, the White House, Secret Service and State Department also declined comment.

CNN cited a law-enforcement source who was briefed on the incident as saying that "at no point were the protectees out of visual contact and at no point was there any risk of harm."

Argentina's largest-circulation daily, Clarin, ran an online report citing the government news agency Telam as saying that Barbara Bush had her purse taken along with a cell phone that was inside it. Telam cited an official source who did not wish to be identified by name and who provided no other details.

Barbara's twin, Jenna, visited neighboring Paraguay last month to take part in a UNICEF program for young professionals.

One Syllable Of Civility (WP)

By Ruth Marcus

The Washington Post, November 22, 2006

If he wanted to, President Bush could change the tone in Washington with a single syllable: He could just say "ic." That is, he could stop referring to the opposition as the "Democrat Party" and call the other side, as it prefers, the Democratic Party.

The derisive use of "Democrat" in this way was a Bush staple during the recent campaign. "There are people in the Democrat Party who think they can spend your money far better than you can," he would say in his stump speech, or, "Raising taxes is a Democrat idea of growing the economy," or, "However they put it, the Democrat approach in Iraq comes down to this: The terrorists win and America loses."

But even as he promised to work to change the tone in Washington after the elections, the president couldn't manage to change his language. In his day-after-the-elections news conference, Bush employed this needling locution five times. "This morning, I spoke with Republican and Democrat leadership in the House and Senate," he began, adding, "it is clear the Democrat Party had a good night last night." That was followed by references to "Democrat leaders," "Democrat leadership" and "Democrat votes," as in, "We got some tax cuts passed with Democrat votes." Geez, you'd think he'd at least give them the -ic when they vote for his tax cuts.

The president isn't alone in his adjectival aversion to "Democratic" when it comes to the party. The provenance of the sneering label "Democrat Party" stretches back to the Harding administration. William Safire traced an early usage to Harold Stassen, who was managing Wendell Willkie's 1940 campaign against Franklin D. Roosevelt. A party run by political bosses, Stassen told Safire for a 1984 column, "should not be called a 'Democratic Party.' It should be called the 'Democrat party.' "

Democrat Party was used, pardon the phrase, liberally by Wisconsin Sen. Joseph McCarthy. According to the Columbia Guide to Standard American English, " Democrat as an adjective is still sometimes used by some twentieth-century Republicans as a campaign tool but was used with particular virulence" by McCarthy, "who sought by repeatedly calling it the Democrat party to deny it any possible benefit of the suggestion that it might also be democratic." The word also achieved a prominent run with Bob Dole's especially ugly reference to "Democrat wars" during the 1976 vice presidential debate.

But Democrat-as-epithet has seen its fullest flowering -- on talk radio, among congressional leaders and, more than with any of his predecessors, from the president himself -- during the recent Republican heyday. As Hendrik Hertzberg pointed out in

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the New Yorker in August, the conservative Web site NewsMax.com takes pains to scrub Associated Press copy "to de-'ic' references" to the party.

There is, I concede, a trivial, sticks-and-stones quality to this linguistic bickering. "Two thousand, eight hundred, forty-seven votes in Montana may break your control," the Democrats might taunt the GOP, "but names will never hurt us." As any parent who's ever had to mediate between squabbling siblings could tell them, "He's only doing it because he knows it bothers you. If you don't respond to him, he'll stop." After all, Democrats, what's so terrible about being called Democrat, small "d" or large?

But as a matter of simple politeness -- something the Bush family is famously good at -- it's rude to call people by a term that makes them bristle, even a seemingly innocuous one. There's also something grating and coarse-sounding about this abbreviated appellation, like saying "Jew" instead of "Jewish." It is, conservative wordsmith William F. Buckley wrote in National Review in 2002, "offensive to the ear."

And with reason: It's intended to be. Republican -- Publican? -- politicians drop the -ic both to annoy the opposition and to diminish the big-D Democrats' claim to the small-d democratic virtues. " 'Democrat Party' is a slur, or intended to be -- a handy way to express contempt," Hertzberg wrote. "At a slightly higher level of sophistication, it's an attempt to deny the enemy the positive connotations of its chosen appellation."

In the few weeks since the election, the president has followed up his syrupy rhetoric of cooperation with a series of face slaps: pushing the doomed nomination of John Bolton to be ambassador to the United Nations, resubmitting the equally doomed nominations of a quartet of offensive judicial selections and naming a physician to head the federal family planning program who works for clinics that refuse to offer birth control.

So it's probably naive to give any credence to the presidential happy talk and blue ties. But if, just maybe, the president wants to do more than pay lip service to the notion of a new tone in Washington, he could start by just paying lip service.

OTHER NEWS:

White House Cuts GDP Outlook Amid Slump In Housing Market (WSJ)

By Deborah Solomon

The Wall Street Journal, November 22, 2006

WASHINGTON -- The White House said it expects somewhat slower economic growth this year and next than it forecast six months ago, partly because of a slump in the housing market. It also said it expects a slight increase, both from its earlier forecast and from this year, in inflation in 2007 and 2008.

In an updated economic forecast, the administration said it expects inflation-adjusted gross domestic product, the value of all the goods and services produced in the economy, to increase 3.1% this year, down from its June forecast of 3.6%. Economic growth is expected to slow to 2.9% in 2007, down from its previous estimate of 3.3%.

As for inflation, a decline in record-setting energy prices prompted the White House to lower its 2006 estimate for consumer-price-index growth to 2.3% from its June forecast of 3%. But the administration is predicting a slight increase to 2.6% in 2007 and 2008.

The new economic-growth forecast, on which the president's new budget will be based, is largely in line with private-sector estimates. Private forecasters are predicting GDP growth of 3.4% this year and 2.6% in 2007. On the inflation front, the private sector is less sanguine about 2006, estimating 3.5% CPI growth and 2.5% in 2007.

Administration officials said the economy is still strong and that they saw no signs for concern about economic growth or inflation. Treasury Secretary Henry Paulson, in a statement, said the revised forecast suggests the economy is "moderating to more sustainable growth levels, firmer labor markets and steady inflation rates."

WALL STREET JOURNAL VIDEO

1

The Bush administration's lowering of their 2006 and 2007 economic forecast2 is an official confirmation of the housing sector's impact on the economy, John Harwood reports.

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Edward Lazear, chairman of the White House Council of Economic Advisers, said much of the downward revision in growth was due to a faster-than-expected decline in the housing market, which, he said, "has been hit harder than most of us had expected. Most forecasters were expecting a slower decline."

Administration officials pointed to revised forecasts of unemployment as a sign that the economy is going strong, saying they expect the economy to create about 129,000 jobs a month going forward. They now expect the unemployment rate in 2006 to average 4.6%, down from the previous 4.7%. They forecast unemployment will remain at 4.6% in 2007 and rise to 4.8% in 2008.

US Labour Market To Remain Tight In 2007 (FT)

By Krishna Guha In Washington

Financial Times, November 22, 2006

The US labour market will remain tight next year, the White House predicted Tuesday, raising hopes that ordinary Americans will start to feel more of the benefits of the country's economic expansion.

Issuing its twice-yearly economic forecasts, White House economic advisors said unemployment would average about 4.6 per cent in 2007, only a slight bit higher than the present 4.4 per cent.

Jobs growth would average about 129,000 a month – fewer than anticipated in June, but enough to keep unemployment low due to the falling number of people joining the labour market.

Ed Lazear, the chairman of the council of economic advisors, said, "I would anticipate that we will have positive and strongly positive real wage growth in the next year."

The White House forecasts came as Kevin Warsh, a governor of the Federal Reserve, warned that inflation remains "uncomfortably elevated" in spite of the recent deceleration in core inflation.

Mr Warsh said financial market prices suggested that inflation would decline slowly, but added, "There remain, I believe, clear upside risks to that outlook."

After growing slowly for much of the economic cycle, real average hourly wages for non-supervisory workers are up 2.8 per cent year-to-date, taking into account the benefit of the sudden drop in energy prices.

Mr Lazear said Tuesday that providing energy prices now stabilise, real wages will grow strongly into 2007. Critics, though, say the most recent gains are a one-off result of lower oil prices, and will not be sustained.

The White House cut its forecast for economic growth this year, next year and in 2008. Mr Lazear blamed the reduction on a sharper-than-expected correction in the housing market.

However, he said there were few signs that the slowdown in housing was spilling over into the rest of the economy, citing robust figures for consumption and retail spending.

The sharpness of the retrenchment in housing so far could point to a better than expected recovery ahead, he said.

Mr Lazear declined to speculate as to whether the housing market would bottom out this quarter or next, but said he thought growth in the fourth quarter would be stronger than in the third.

The White House raised its estimate for inflation next year, to 2.6 per cent from 2.4 per cent as measured by the consumer price index.

Mr Lazear played down the significance of this increase, highlighting recent favourable readings of headline, core and producer price inflation.

Nonetheless, if the forecast combination of higher than earlier anticipated inflation, plus a stronger than earlier expected jobs market were to materialise, it is hard to see the Federal Reserve in vigorous interest rate-cutting mode next year.

Slower Economy Growth Forecast (WT)

By Stephen Dinan

The Washington Times, November 22, 2006

The Bush administration yesterday predicted slower but steady economic growth over the next year, revising estimates downward because of a sluggish housing market.

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Administration officials also said inflation should remain at a manageable pace, while unemployment has now dropped to 4.4 percent and will remain at 4.6 percent as an annual rate for 2006 and 2007. The forecast was one of the periodic updates released by the administration, and will be the basis for President Bush's 2008 budget he will send to Congress early next year.

In reviewing the numbers, Rob Portman, director of the Office of Management and Budget, said they showed a "strong, growing economy, steady growth, good numbers on inflation in the sense that they're lower again."

The gross domestic product is now expected to grow by 3.1 percent in 2006, down from the 3.6 percent growth predicted in June.

"That's primarily a reflection of the housing market, which as most of you know, has been a bit slower than expected," said Edward P. Lazear, chairman of the Council of Economic Advisers.

But he said the slump seems to be contained in the housing market and hasn't affected other parts of the economy. He said one example is construction, in which nonresidential activity has increased, so construction jobs have shifted there from home building.

In 2007, the White House is now expecting the economy to grow by 2.9 percent -- also lower than its previous forecast for 3.3 percent growth. And, in 2008, the White House is projecting a 3.1 percent growth rate, slightly less than its old forecast for a 3.2 percent growth rate.

"The economic forecast clearly reflects the fact that the U.S. economy is moderating to more sustainable growth levels, firmer labor markets and steady inflation rates," said Treasury Secretary Henry M. Paulson.

Yesterday's forecast does not cover federal revenue, which has surged in recent years, helping reduce the deficit. Revenue grew 11.8 percent in fiscal 2006 and 14.5 percent in 2005, but analysts have said those increases will be difficult to match in the future.

The upcoming budget process will already be challenging for the White House because Democrats will control both houses of Congress for the first time with Mr. Bush as president.

Lower energy prices have also helped on the inflation front. The forecast put the Consumer Price Index for 2006 at 2.3 percent, down from an earlier prediction of 3 percent and well below 2005's actual rate of 3.7 percent. The 2007 forecast is for a 2.6 percent increase.

The forecast was a joint effort by the Treasury Department, the Council of Economic Advisers and OMB.

White House Lowers Forecast For Growth (NYT/AP)

By The Associated Press

The New York Times, November 22, 2006

WASHINGTON, Nov. 21 (AP) — The White House on Tuesday lowered its forecast for economic growth this year and next, reflecting the drag from the housing slump.

The Bush administration is also predicting that the unemployment rate will turn out to be slightly lower than previously thought.

Under the administration's new forecast, gross domestic product will grow by 3.1 percent, as measured from the fourth quarter of last year to the fourth quarter of this year. That is down from a projection of 3.6 percent in early June.

Still, the new forecast would represent decent growth, especially given the strain on overall economic activity from the housing slump.

The housing market has been hit harder than the administration had expected, Edward P. Lazear, chairman of the White House's Council of Economic Advisers, told reporters.

Gross domestic product measures the value of all goods and services produced within the United States and is the best measure of the country's economic standing.

The White House is now expecting the economy to grow by 2.9 percent in 2007 — also lower than its previous forecast of 3.3 percent growth.

The nation's unemployment rate, which averaged 5.1 percent last year, is expected to dip to 4.6 percent this year — a slight improvement from the administration's previous forecast for an unemployment rate of 4.7 percent this year.

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Nasdaq, S& P Both Manage 2006 Records (USAT)

USA Today, November 22, 2006

NEW YORK — Stocks crept higher Tuesday as rising oil prices partly smothered euphoria over shares of Internet wunderkind Google cracking the $500 barrier (story, 1B).

The Nasdaq composite and Standard & Poor's 500 indexes, which include Google among their components, both set 2006 highs: The Nasdaq was up 2.12 points to 2454.84 and the S&P was up 2.31 points to 1402.81. The Google-free Dow Jones industrial average rose 5.05 points to 12,321.59 that left it 21 points shy of its record close on Friday.

Google was the Wall Street story of the day as it rose $14.60 to $509.65 and breached $500 for the first time. But there was plenty else to influence traders, including oil, which rose $1.37 to $60.17 on news of temporary trouble with an Alaskan pipeline and a couple of U.S. refinery outages.

Another factor was the approach of the Thanksgiving holiday Thursday and a shortened trading day on Friday.

"We've been seeing a slow down-trickle in volume over the past few days because of the holiday," says Scott Fullman, director of investment strategy for Hapoalim Securities USA. "The market is just holding here, trying to work off a little bit of its overbought conditions that resulted from the rise that we've had over the past month or so."

Richard Cripps, chief market strategist for Stifel Nicolaus, says choppy market conditions are common at this point in the year. "I won't go so far as to say investors should cancel holiday plans with the family to watch the final tick on Wednesday," he says, "but I'd say this week still presents fresh opportunities. Friday will obviously be much less."

Highlights:

Medtronic gained $4.60 to $53.55 after the biggest maker of heart defibrillators reported earnings above projections late Monday.

•Apple Computer rose $2.13 to $88.60 and set another all-time high amid bullishness about the potential for iPod sales in the holiday season.

•Boeing added $1.98 to $91.10 and also set an all-time high. Korean Air placed an order for 25 Boeing aircraft.

•Spirit AeroSystems closed at $29, up $3.19, or 12%, from the $26 at which it sold 55.1 million shares in an initial public offering. Spirit is a former Boeing unit that makes commercial jet fuselages and wing parts and is now controlled by Canadian buyout firm Onex.

•Brown Shoe gained $6.22, or 16%, to $45.77. The operator of the Famous Footwear chain posted a bigger-than-expected 36% jump in third-quarter profit and raised its full-year forecast.

Weighing In On Wages (NYT)

The New York Times, November 22, 2006

Nearly every month for the past two and a half years, inflation has eaten up whatever wage gains most American workers have managed to eke out. In August, however, the cost of living started to moderate, thanks largely to falling energy prices. As a result, wages outpaced prices substantially in September. And in October, according to a government report last week, average hourly earnings were 2.8 percent higher than a year earlier, after adjusting for inflation — the biggest annual increase since 1998.

A real increase is something to cheer for a broad swath of working Americans — non-managers who make up 80 percent of the labor force and whose wages up until now have not reflected their impressive productivity over the past several years. But behind the headline numbers, the wage picture — and what it says about the economy — is still cloudy.

The gains of September and October were due to declining inflation, not faster wage growth. And with most economists predicting a slower economy through the middle of next year, it's unlikely that American workers will get a sustained pay boost any time soon.

In other words, Americans' purchasing power now depends almost entirely on the up and down of energy prices. That's not encouraging for anyone worried about America's dependency on the countries that produce most of the world's oil. It's also not likely to make for a confident consumer in an economy that has long depended on enthusiastic borrowing and shopping to fuel growth. And sure enough, retail sales have been disappointing even as gas prices have declined. An economic analysis released this week by Merrill Lynch shows that fatter paychecks in September fed into just three spending categories: music, clothing and

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eating out, rather than big-ticket categories like cars or appliances. In October, consumers backed off even more, with most all of the "extra" pay going into groceries and pharmacy items.

The coming holiday shopping season will be the true test of consumer resiliency. But the modesty of recent purchases — in the face of the best real wage growth in eight years — does not bode well.

There are early signs that Americans, untypically, may choose to pay down debt in the weeks and months ahead, rather than spend their money. The savings rate, though still negative, has improved of late, while bank lending to households has flattened.

Debt reduction would help families clean up their balance sheets, but it risks slowing the economy even further as spending winds down. That may be an inescapable bind. Working Americans, who have yet to participate fully in the Bush-era economic expansion, may not be ready or able to rev up the economy out of its current slow pace.

Re-election Assured For 2 Republicans (NYT/AP)

By The Associated Press

The New York Times, November 22, 2006

ALBUQUERQUE, Nov. 21 (AP) — More than a week after Representative Heather A. Wilson, Republican of New Mexico, claimed a razor-thin election victory, her Democratic challenger conceded Tuesday, saying that a recount would cost too much and that there was no guarantee it would reverse the result.

In the Second Congressional District of Ohio, Representative Jean Schmidt, a Republican, clinched re-election Tuesday. Additional ballot counts gave her an insurmountable edge of about 3,200 votes over her Democratic challenger, Victoria Wulsin.

In New Mexico, Ms. Wilson, a five-term congresswoman, won by 875 votes, with 105,921 votes to 105,046 votes for the Democrat, Patricia Madrid, the state attorney general.

Giuliani Files To Explore Run For President (NYT)

By Sewell Chan

The New York Times, November 22, 2006

Former Mayor Rudolph W. Giuliani of New York has filed papers with the Federal Election Commission to create a presidential exploratory committee, joining a fellow Republican, Senator John McCain of Arizona.

Mr. Giuliani's filing, hand-delivered to the commission on Monday, says he is still "testing the waters," meaning that for now, he can raise and spend money on polls and travel but not declare himself a candidate or build a substantial war chest.

Mr. Giuliani, 62, who was mayor from 1994 to 2001, created a political committee in New York State on Nov. 10 called the Rudy Giuliani Presidential Exploratory Committee. But he stopped short of filing federal papers, leading to speculation that he had doubts about even weighing a run.

Sunny Mindel, a spokeswoman for Mr. Giuliani, declined to comment.

John H. Gross, a litigation partner and the chief of the insurance coverage practice at Proskauer Rose, a New York law firm, is the treasurer of Mr. Giuliani's federal campaign organization. It has the same name as the New York organization, where Mr. Gross is one of three directors.

On Nov. 15, Mr. Giuliani met in Manhattan with supporters who could form the core of a national fund-raising effort, including Thomas O. Hicks, the owner of the Texas Rangers; Mel M. Immergut, the chairman of the New York law firm Milbank, Tweed, Hadley & McCloy; and William E. Simon Jr., an investor who ran for governor of California in 2002.

Mr. Giuliani crisscrossed the country this year, visiting 25 states to campaign with or raise money for Republican candidates, according to his political action committee, Solutions America. But political analysts say his liberal views on social issues like abortion and gay rights could be a liability in a Republican primary.

"Everyone I've talked to keeps dismissing him for one reason or another: that he's from New York, that he's moderate, that he's wrong on one social issue or another," said Frank I. Luntz, a Republican pollster who worked for Mr. Giuliani in his 1993 and 1997 mayoral campaigns. "They don't know Rudy Giuliani, and they don't understand the electorate. The public is demanding intelligent leadership and is far more focused on personal attributes of the candidates than on specific policy issues."

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Mr. Luntz said he believed that the midterm elections, which cost Republicans control of Congress, would lead party members to consider an unorthodox candidate like Mr. Giuliani.

“There’s a great fear among the G.O.P. — and it’s a legitimate fear — that they could end up losing everything,” he said. “In times of genuine crisis, leadership matters a heck of a lot more than anything else.”

McCain Defiant As Iraq Fires Early 2008 US Vote Talk (AFP-Y)

By Stephen Collinson

AFP, November 22, 2006

As Americans wonder when the troops will come home from Iraq, Republican White House hopeful John McCain is laying his first big bet of the 2008 campaign: demanding more soldiers for the war.

The US entanglement in Iraq is already driving the run-up to the next presidential polls, and barring a miracle peace, or abrupt US retreat, looks certain to become an even more potent issue.

Potential candidates are putting up trial balloons, as a committee of veteran Washington policymakers and a White House panel probe possible changes in US strategy as violence rages in the occupied country.

At first sight, McCain's position appears to jar with political logic, after the rout of his Republican Party in congressional elections two weeks ago, which exit polls showed were heavily influenced by dismay over Iraq.

It also contrasts sharply with the call of victorious Democrats for a phased withdrawal from Iraq.

"He doesn't necessarily believe that the signal that was sent in the mid-term elections was an endorsement of withdrawal, per se, as much as it was an endorsement of doing something differently," said Jamie McKown, professor of government at Maine's College of the Atlantic.

"That is a fine line to walk."

McCain, 70, set Washington abuzz with a speech to a Republican political action committee Thursday, just over a week after the elections and on the day he took the first formal steps toward launching a campaign.

"Without additional forces, we cannot win this war," the former Vietnam War prisoner said.

A day earlier, McCain used a congressional hearing to dress down General John Abizaid, the top US commander in the Middle East.

"I regret deeply that you seem to think the status quo and the rate of progress we're making is acceptable. I think most Americans do not," McCain said.

Abizaid said a 20,000-troop increase in the 144,000-member US force would have a temporary effect on violence, but warned the pool of available combat troops was not large enough to sustain such an increase.

On Sunday, McCain was asked on ABC if it was "immoral" to ask US troops to stay in Iraq, when in his view, they were undermanned.

"Yes, it is," McCain answered. "We've got to ask ... some questions. One, are we winning? And I think the answer is no ... Can we still win? Yes, I believe we can."

As Democrats demand a phased withdrawal of US troops, McCain says more men must be poured in to flush out insurgent strongholds, crush militias and sectarian violence and to train Iraqi forces.

He has already differentiated himself from fellow 2008 hopefuls.

Former New York mayor Rudolph Giuliani, a possible Republican candidate, said he was waiting for the congressionally mandated Iraq Study Group to report on possible options, though was quoted last week as saying the United States needed to be "steadfast in Iraq."

Democrat front-runner Senator Hillary Clinton last week warned "hope" was not a strategy in Iraq. Senator Barack Obama, a rising Democratic star also considering a run, Monday called for a phased withdrawal of US troops.

McCain may be tailoring his message to hawkish, pro-military conservative voters who will decide the Republican nominee in primary elections.

"I don't think it dooms him in his primary process. He has a hard right primary he has to go through. My guess is that's part of the calculation," Democrat Senator Joseph Biden, mulling his own White House run, told NBC Monday.

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This is merely the latest in a string of maverick stands by McCain, which include challenges to his own party over corporate financing and to the White House over torture.

The downside to his bet appears to be that if he wins the nomination, he may have trouble selling his message to voters nationwide in the 2008 elections.

"If things are getting worse and there is more of a consensus to say bring the troops home, he has to find a way to do that," said McKown.

McCain appeared on NBC last week showing the first signs of a possible exit route.

"So we're at a decision point. We either set up a plan for withdrawal, or withdraw, or whatever it is that is going to prevail," McCain said.

Asked if he would advocate withdrawal without more troops, he replied: "I think that that's pretty much my position."

Romney Forges On, Heedless Of GOP Losses (AP-Y)

By Glen Johnson

AP, November 22, 2006

By almost any measure, Massachusetts Gov. Mitt Romney — a would-be presidential candidate — should be hanging his head right now.

He was chairman of an association supposed to elect Republican governors, but they lost 20 of 36 races on Election Day, which saw widespread GOP losses.

Then, in an issue critical to the GOP's conservative base, the Massachusetts legislature balked at his request to let state voters decide on an anti-gay marriage amendment, forcing him to petition the state's highest court.

In addition, two of his potential rivals, Sen. John McCain of Arizona and former New York Mayor Rudy Giuliani, jumped out and announced they were forming presidential exploratory committees.

Yet true to the business training that earned him hundreds of millions of dollars, Romney has a plan and he's sticking to it.

The 59-year-old former venture capitalist, who gained fame resurrecting the 2002 Salt Lake City Olympics, is proceeding on a methodical course of fundraising, staff-building and outreach.

If successful, Romney would be the first Mormon elected to the White House.

He plans to file papers establishing some sort of presidential committee by mid-December, one top aide said, so he will be ready to start raising money for it on New Year's Day.

Romney himself said as recently as last Friday that should he decide to run for president — and nearly all his travel and daily events are focused on such a run — he would announce his decision in early 2007. His term as governor ends Jan. 4.

"I have not seen an individual approach this situation with a greater degree of structure or by compiling such a vast database for making it, both on the personal and political sides," said Tom Rath, a veteran New Hampshire political operative who has advised former Republican candidates such as Bob Dole, George H.W. Bush, Lamar Alexander and George W. Bush.

The son of George Romney, the former governor of Michigan and a 1968 presidential candidate, Romney has worked assiduously to position himself as the top alternative to McCain.

A University of New Hampshire poll last month had the Arizona Republican in first with 32 percent, Giuliani second with 19 percent and Romney third with 15 percent.

Romney sought and won the chairmanship of the Republican Governors Association, allowing him to spend this election year traveling the country and dispensing cash to his party's gubernatorial candidates.

He raised a record $20 million and was especially generous with governors association money in early presidential states like Iowa, Florida and his native Michigan. While Republicans surrendered the nation's gubernatorial majority to the Democrats on Election Day, Romney had a ready explanation.

"The job of Republican Governors Association chairman is to raise money," he said. "We're not going to take the credit for any wins we get, nor are we going to take the blame for losses we suffer."

As for his party's broader losses, he — as did McCain last week — blamed his party for straying from its roots.

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"We must return to the common sense Reagan Republican ideals of fighting for hardworking Americans," Romney said in a postelection statement.

Where Romney may take some heat, especially from the social conservatives who are instrumental in early primary voting, is over his positions on gay marriage and abortion.

Romney ran as a moderate during his 2002 gubernatorial campaign. Despite saying he personally opposed abortion, he not only pledged to leave the state's abortion laws intact, but noted his mother, Lenore, ran for U.S. Senate in 1970 as a supporter of abortion rights.

He now stresses his opposition to abortion in speeches across the country.

In 2002, Romney's supporters also handed out fliers with well wishes from him and his running mate during Boston's annual Gay Pride Parade. He was endorsed by the Log Cabin Republicans, a group of gay party activists. In 2003, he signed a proclamation hailing a gay youth parade.

Nonetheless, Romney has insisted his opposition to gay marriage has been unflinching. He has lambasted the Supreme Judicial Court for its November 2003 decision making Massachusetts the first state to legalize gay marriage.

He also chastised the Democratically controlled Massachusetts Legislature for voting earlier this month to recess without acting on a proposed constitutional amendment defining marriage as the union between one man and one woman.

Some 170,000 people signed petitions to get the question on the ballot in 2008.

"The issue before us today is whether 109 legislators will follow the constitution," he said Sunday during a rally on the Statehouse steps. "Let us not see the state, which first established constitutional democracy, become the first to abandon it."

The Rev. Jerry Falwell, an evangelical who founded the Moral Majority, said he expects Christian conservatives will focus more on Romney's personal morality and his current views than his past statements or his faith.

"We're not trying to find a Sunday school teacher in chief; we're trying to find a commander in chief," said Falwell, who traveled to Massachusetts last month to meet with Romney. Also attending the meeting were Franklin Graham, Gary Bauer, Lou Sheldon, Richard Land and other conservative social and religious leaders.

"Where he goes to church will not be a factor; how he lives his life will be," said Falwell.

Romney's political action committee, the Commonwealth PAC, raised $8.75 million and gave away $1.3 million in the most recent election cycle — virtually the same dispensed by McCain's much older "Straight Talk America" committee.

The governor's top political advisers, meanwhile, tend to be Bush-heavy. They include Ron Kaufman, the former White House political director under President George H.W. Bush; Alex Castellanos, a media consultant for President George W. Bush; Jan van Lohuizen, a pollster for the president and Republican National Committee, and Alex Gage, a "microtargeting" expert who helped Bush pinpoint pockets of support in the 2004 presidential campaign.

"The governor expects in the next couple of months he will have an announcement about his future," said Eric Fehrnstrom, Romney's gubernatorial spokesman. "Until that time, he will continue to travel and meet with people as he decides about what is ahead of him."

Brownback To Put Feet To His Faith (KCS)

By Matt Stearns

The Kansas City Star, November 22, 2006

WASHINGTON | Sam Brownback's post-Thanksgiving schedule: an HIV test and reporting to prison.

No, that's not the set-up for a tasteless joke involving the conservative U.S. senator from Kansas. It's further evidence that, as Brownback nears a possible formal announcement he will explore a run for president, he is determined to stake out a unique position in a crowded Republican primary field.

Typically pigeonholed by political analysts as the candidate of the religious right, Brownback hopes to be more.

By highlighting issues like the plight of prisoners and poverty in developing nations, Brownback is trying to broaden his appeal beyond religious conservatives, a powerful force in Republican primaries and his base of support.

It's an effort to show that compassionate conservatism is not an empty motto — that his faith is calling him to deal with such issues.

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"There's this great coming together taking place, left and right, on Africa, on global health issues," Brownback said.

"This could be a moment where a broader vision can catch on among people of faith, and among political activists, the further left the better. They care deeply about these issues. Here's a chance to have a broad public basis of support. It's a beautiful moment if we don't mess it up."

On Dec. 1, Brownback and Sen. Barack Obama of Illinois, a possible Democratic presidential candidate, will be at Saddleback Church in Southern California, pastored by best-selling author the Rev. Rick Warren, for the Global Summit on AIDS and the Church. The summit will bring together major faith-based relief organizations, government officials, and church officials from several denominations to discuss responses to the AIDS epidemic, especially in the developing world.

Brownback and Obama will get HIV tests to "de-stigmatize the test and the information" and discuss working across party lines on such issues.

On Dec. 8, Brownback is set to spend the night at the Louisiana State Penitentiary, popularly known as Angola. Since its dark history as one of America's toughest prisons, Angola has emerged as an example of enlightened prison management.

He hopes his visit will highlight the success of faith-based programs. Six evangelical churches work inside the prison walls, and more than 120 prisoners have earned degrees in Christian ministry.

Noting that the U.S. recidivism rate is about 67 percent, Brownback said that "we're not being successful in addressing their problems and needs" and that faith-based initiatives could play a role in helping.

For Brownback, the unifying theme of his post-Thanksgiving trips is simple, if unusual, in the context of a presidential campaign: "Every soul is unique and precious, a child of the living God and should be treated as such, whether they're in prison or suffering from AIDS."

It's not a new notion for Brownback: He has worked with Obama and others, including Hollywood liberal George Clooney, to bring Western attention to — and try to prod action on — the genocide in Darfur, including winning passage of a $50 million emergency aid package for Darfur refugees.

On Tuesday, he and Sen. Richard Durbin, an Illinois Democrat, urged governors to divest state pension funds of investments with companies doing business with Sudan.

Brownback also has introduced legislation urging drug companies to produce drugs that would cure diseases disproportionately affecting the developing world. He helped pass legislation to crack down on human trafficking.

He remains best known for his close association with religious conservatives, and his related stances against abortion rights, embryonic stem cell research, and same-sex marriage.

Linking that social conservatism with calls to action on issues like AIDS and poverty will be part of "fleshing out what a pro-life agenda is," he said.

"That may be the thing he does to set himself apart," said Joe Aistrup, a political scientist at Kansas State University.

Brownback said he would announce within a month whether he would form a presidential exploratory committee.

If, as expected, he does, he will need something to overcome the challenges of money and fame he will cede to frontrunners like U.S. Sen. John McCain of Arizona and Massachusetts Gov. Mitt Romney. Highlighting his unorthodox policy approach may be his best shot.

"Sometimes these approaches fit the mood of the country, and that's why they're successful," Aistrup said, citing Jimmy Carter's post-Watergate, grassroots campaign of 1976.

One Religious Group Drops Plans For Wal-Mart Boycott (WSJ)

By Kris Hudson

The Wall Street Journal, November 22, 2006

DALLAS -- A religious group that had rallied members to boycott Wal-Mart Stores Inc. this weekend backed off the pledge on Tuesday.

The American Family Association, a Tupelo, Miss., group claiming nearly 3.5 million members, had urged its followers to stay away from Wal-Mart on the Friday and Saturday following Thanksgiving to protest the retailer's recent ties with homosexual

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groups, including its decision this year to join a national chamber of commerce for gay and lesbian businesses. Another religious group, Operation Save America, intends to "proclaim the Gospel of Jesus Christ at more than 300 Wal-Mart stores" on Friday.

Yet, after Wal-Mart issued a statement on Tuesday outlining its policies on corporate donations and its stance against discrimination, the American Family Association declared itself "pleased" and withdrew its call for a boycott.

In a statement on its Web site, the association credited its decision to withdraw its boycott to Wal-Mart's announcement Tuesday that it will not "make corporate contributions to support or oppose controversial issues unless they directly relate to their ability to serve their customers."

Wal-Mart spokeswoman Mona Williams said the retailer recently made a "clarification" to its policy on corporate giving but the change was not related to the potential boycott. "We are trying to be more thoughtful and focused in our giving," spokeswoman Mona Williams said. "We will not support controversial issues but will continue to partner with a broad range of diverse organizations on individual projects. For example, we will not support issues we do not take a position on, such as same-sex marriage. But I can see us partnering with the same organization on individual initiatives such as one that supports workplace equality or fights against hate crime."

The American Family Association and other groups are up in arms over Wal-Mart's decision earlier this year to join a national chamber of commerce for gay and lesbian businesses, as well as for its donations to other gay and lesbian groups. Wal-Mart on Tuesday issued a statement on the matter on one of its Web sites, www.walmartfacts.com1. The retailer also distributed it to its 1.3 million U.S. employees.

"We take pride in the fact that we treat every customer, every supplier and every member of our individual communities fairly and equally," the statement reads. "We are working hard to make our corporate contributions reflect the values of our customers, communities and associates."

Wal-Mart, Bentonville, Ark., already faces an organized media campaign from one of its biggest critics -- the United Food and Commercial Workers union's WakeUpWalMart.com2 -- to dissuade shoppers from visiting its stores this weekend. And the retailer already anticipates a challenging start to the holiday season: It predicts it will post no gain in same-store sales -- or sales at stores open for at least a year -- for November.

Wal-Mart has made one change that might appeal to Christian groups. It intends to make "Merry Christmas" a prominent theme in its marketing and in-store signs this year, as opposed to the "Happy Holidays" that some retailers have used in the past to the ire of Christian groups.

John Fleming, Wal-Mart's chief marketing officer, said in an interview on Monday that the retailer's "single greatest portion of customers celebrates Christmas, and it is important to them." For example, the section in Wal-Mart stores including Christmas lights and other decorations is now labeled a Christmas shop rather than a holiday shop.

"This is really about listening to our customers and our associates," Mr. Fleming said of the "Merry Christmas" theme. "As one of our associates pointed out last year, 'Why do we call it a holiday shop when it has Christmas trees in it? It's a Christmas tree. We should call it a Christmas tree."

Wal-Mart, which operates nearly 4,000 stores in the U.S. and more than 2,700 abroad, logged more than $312 billion in revenue last year.

Birthrate Among Teenagers Drops To Record Low (USAT)

By Rita Rubin

USA Today, November 22, 2006

The birthrate among U.S. teens, which has been falling since its peak in 1991, dropped to an all-time low in 2005, according to preliminary data released Tuesday by the National Center for Health Statistics, part of the Centers for Disease Control and Prevention.

Among Hispanic teens, though, the birthrate is twice as high as the overall teen birthrate.

Overall, the preliminary 2005 rate for females ages 15-19 was 40.4 births per 1,000, down from 41.1 in 2004 and 61.8 in 1991. The Hispanic rate for teens 15-19 was 81.5, down from 82.6 in 2004 and 104.6 in 1991.

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Abstinence and contraceptive use “are still driving factors” behind the declining teen birthrate, says demographer Stephanie Ventura, co-author of the report.

Fear of contracting a sexually transmitted disease has helped spur teens to use condoms or delay having sex, says Bill Albert, deputy director of the National Campaign to Prevent Teen Pregnancy, a non-profit group based in Washington.

“AIDS has a way of getting a guy's attention in a way pregnancy did not,” Albert says.

Some highly effective contraceptives weren't available in 1991, Albert notes. One, Depo-Provera, requires one shot every three months, he says.

Still, Albert says, citing the Hispanic teen birthrate, “there are some hints here that the impressive progress that the nation has made may be slowing down.”

Language and cultural differences may partly explain why the gap between the Hispanic teen birthrate and the overall teen birthrate is as wide as ever, he says.

To help narrow the gap in Washington, Mary's Center for Maternal and Child Care runs programs for teens and preteens, says Vanessa DeCarbo, director of advocacy and communication.

Program goals include motivating young people to consider the impact a baby would have on their families and on their economic futures, DeCarbo says.

Other record findings in the preliminary 2005 births data:

•The proportion of births to unmarried women rose to 36.8% — or more than 1.5 million babies — in 2005, up from 35.8% in 2004. “It's not a teenage issue,” Ventura notes, “which was the case 20, 30, 40 years ago.” About 40% of unmarried women who had their first baby in 2005 lived with the father. “It's not the same as marriage, but at least it suggests some stability,” Ventura says.

•The proportion of preterm babies — those born at less than 37 weeks of gestation — rose to 12.7%, up from 12.5% in 2004. The preterm birthrate has increased 20% since 1990. In addition, the percentage of low-birth-weight babies rose 8.2% — the highest level since 1968 — up from 8.1% in 2005. That rate has increased more than 20% since the mid-1980s.

•The U.S. C-section rate — up 46% since 1996 — hit an all-time high of 30.2%, an increase of 4% over 2004. “It's really going through the roof,” Ventura says. Rates were up for all age groups and all race and Hispanic-origin subgroups.

Assassination Increases Tensions With Syria, Iran (WP)

By Robin Wright

The Washington Post, November 22, 2006

President Bush blasted Syria and Iran yesterday after the assassination of Christian cabinet minister Pierre Gemayel for trying to destabilize Lebanon, reflecting tensions between Washington and its two Middle Eastern rivals that are increasingly playing out in Lebanon as well as Iraq.

While the president stopped short of blaming Syria for the killing, he warned that the United States remains "fully committed" to supporting Lebanon's democracy despite attempts by Damascus, Tehran and their allies in Lebanon "to foment instability and violence." During remarks to U.S. troops in Hawaii, he also charged that the regime of Syrian President Bashar al-Assad is in violation of two U.N. resolutions for its ongoing meddling in Lebanon.

For the past 21 months, the Bush administration has tried to steer the Mediterranean country toward democracy and away from the grips of long-standing Syrian and Iranian influence. As Iraq imploded, the Bush administration hoped that Lebanon might prove an alternative model for the flowering of freedom in the Middle East.

The massive Lebanese protests during the Cedar Revolution last year -- when more than 1 million Lebanese turned out to demand Syria's withdrawal after the assassination of former Lebanese prime minister Rafiq al-Hariri -- eventually brought down a government and forced Syria to end its 29-year occupation. Elections two months later put in place a parliament dominated by anti-Syrian forces.

But the assassination yesterday of Gemayel, who was a member of the third generation of Lebanon's most prominent Christian political family, signals that the battle for Lebanon is far from over, said U.S. officials and regional experts.

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And having the United States as an ally is no protection. "The assassination highlights to what extent the United States is in a position of weakness in the region. . . . It doesn't matter what statements the U.S. makes about coups and assassinations, it still happens," Emile el-Hokayem, an expert on Lebanon at the Henry L. Stimson Center, a defense think tank, said in an interview from Beirut.

Indeed, the bullets that raked Gemayel's car also fired on U.S. policy, analysts say.

"The bullets were meant for an outspoken critic of Syria. The Cedar Revolution is seen as an extension of American power, so the assassination of Gemayel was by extension a way of striking the U.S. as well," said Augustus Richard Norton, a former U.N. peacekeeper in Lebanon and now a professor at Boston University.

Added Lebanese columnist Rami Khouri, currently on a speaking tour in the United States: "This is the new Cold War."

U.N. Ambassador John R. Bolton said Gemayel's assassination brought new attention to the danger that Syria and Iran are attempting, through Lebanese allies such as Hezbollah, to conduct a coup d'etat against the pro-Western government led by Prime Minister Fouad Siniora.

Over the past week, Hezbollah has threatened to hold large protests to demand more cabinet seats for a bloc that also includes the followers of Christian Michel Aoun.

In an interview with MSNBC, Bolton came the closest of any administration official to blaming Damascus. "One pattern we discern in these political assassinations of Lebanese leaders -- journalists, members of parliament -- they are all anti-Syrian. So I suppose one can draw conclusions from that," he said.

Bashar Jaafari, Syria's U.N. ambassador, denied that his government had a hand in Gemayel's killing. "Syria has nothing to do with this," he said, adding that Damascus condemned the assassination as a "horrible" crime.

In an emergency session yesterday, the U.N. Security Council condemned Gemayel's assassination, expressing "grave concern" that it could undermine Lebanon's effort to consolidate its fledgling democracy.

The council also formally approved plans to create an international tribunal to seek justice for the assassinations of Hariri and other prominent political targets. Most of the killings have been widely linked to Syria.

The tribunal has been a growing flash point between Syria and the international community, as well as among Lebanese. Many U.S. experts say that the recent political turmoil, including the resignation of six Shiite cabinet ministers in an attempt to bring down the government, appears to have been orchestrated by Damascus as way to force a deal with the outside world -- possibly including the survival of the Lebanese government in exchange for dropping the idea of a tribunal that might attempt to try senior Syrian officials.

Staff writers Michael Fletcher, in Hawaii with the president, and Colum Lynch in New York contributed to this report.

Leaders Condemn Assassination Of Lebanese Cabinet Minister (NYT)

By Brian Knowlton

The New York Times, November 22, 2006

WASHINGTON, Nov. 21 — The assassination of the Lebanese cabinet minister Pierre Gemayel was widely condemned today as an act of terrorism that threatens to upend not only Lebanon's stability, but also tentative moves to engage Syria in talks on regional peace initiatives.

"It's going to complicate U.S. efforts both in Lebanon and with Israeli-Palestinian peace and in Iraq," said Hady Amr, a Brookings Institution fellow of Lebanese descent.

Britain, France, Egypt, the European Union and the United States issued powerful condemnations of the killing. King Abdullah of Jordan called it "a cowardly act that targets the security and stability of Lebanon."

Nicholas Burns, the American under secretary of state, described the killing as an act of terrorism and intimidation. "We believe it's the responsibility of all countries to support the Siniora government and to oppose those who would try to divide Lebanon or return violence to political life in Lebanon," he said, referring to Fouad Siniora, the Lebanese prime minister.

The killing was also condemned today by Syria, which is widely believed to have played a role in the February 2005 assassination of former Prime Minister Rafik Hariri, and by spokesmen for Hezbollah, the pro-Syrian Shiite Muslim party and

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militia in Lebanon, which is pressing for more power in the government there. Hezbollah's demands, and the resignation of its cabinet members when talks over them broke down Nov. 11, have precipitated a political crisis in Beirut.

Many in Lebanon reacted with anger and frustration over the killing of Mr. Gemayel, and pointed accusing fingers at Syria. Among them is Saad Hariri, the son of Rafik Hariri, whose death sparked an enormous outpouring of anti-Syrian anger among Lebanese, dubbed the Cedar Revolution, that helped force Syria to withdraw its troops from Lebanon last year.

Mr. Hariri said the killing would make the Lebanese people more determined to embrace an international tribunal the United Nations wants to establish to investigate his father's death and conduct trials in the case.

The American ambassador to the United Nations, John Bolton, spoke with visible anger about the killing. Asked by a reporter whether the tribunal should now be delayed to avoid fanning instability, he said sharply: "How incredibly wrong that would be.

"Instability? They're killing people in Lebanon, they're assassinating political leaders. Not the time to seek justice?"

Mr. Bolton said he hoped the United Nations would now move quickly to set up the tribunal.

Bernard Reich, a professor of international relations at George Washington University who studies terrorism, suggested that Syria has been trying to keep its apparent involvement in Mr. Hariri's death out of the spotlight.

"Syria clearly is trying to deflect attention from these reports, by virtue of Hezbollah actions, the link to Iraq, the connection to Iran," he said, referring of recent diplomatic moves by the regime in Damascus. "I think this just makes the entire situation far more complicated."

The killing, Mr. Reich continued, was "a bullet not just into Gemayel, but into Lebanese political stability and political cooperation."

"I see nothing good, nothing positive, in this action for any of the major issues that affect U.S. policy or Lebanon or Israel."

James Steinberg, who was a deputy national security adviser to President Bill Clinton, said that Syria was only one possible suspect in a region where politics amounts to "wheels within wheels within wheels."

"There are so many potential candidates who might have played a role," said Mr. Steinberg, who is now the dean of the school of government at the University of Texas. "If you look at it rationally, the Syrians are on a semi-roll now, so why would they do something like that? It doesn't make sense for government policy, but could it be a rogue element? Yes. Gemayel's had a lot of enemies. Could it be one of them? Could there be a Hezbollah role?"

Still, he said, the presumption of a Syrian role is likely to be so widespread that unless Damascus moves strenuously to establish its innocence, the recent push by Britain and by several prominent figures in Washington to engage Syria in talks with the United States on stabilizing Iraq could be disrupted.

What immediate impact the Gemayel assassination will have on the internal situation in Lebanon was unclear.

"I wouldn't rule out the possibility that it could re-rally the forces of moderation," Mr. Steinberg said. "They may be saying, 'The time has come to stiffen our spines again.' "

Mr. Amr, the Brookings fellow, predicted that the pro-Western Siniora government o would "dig in its heels and say, 'This is a sign that we cannot give in to terror.' "

But Mr. Amr, interviewed by telephone in Doha, Qatar, where he had just spent hours on the phone with Lebanese friends, said he was worried about the popular response.

"The real crisis is not going to be initially in the government side, but in how do the Lebanese people respond," he said. "Are we going to see mass anti-Hezbollah demonstrations and mass pro-Hezbollah demonstrations? I fear there's a potential for that.

"It's clear that Lebanon is in big trouble."

Mr. Bolton, pressed by a CNN reporter on the possibility of conflict erupting in Lebanon, responded, "Don't you think that assassination amounts to civil conflict now?"

U.S., Bush Denounce Slaying In Lebanon (AP)

By Jennifer Loven

AP, November 22, 2006

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President Bush denounced Tuesday's assassination of a Lebanese leader as "the vicious face of those who oppose freedom" and said that Syria and Iran are trying to undermine the democratically elected government of Prime Minister Fuad Saniora.

From Washington, the State Department called the murder of Lebanese Christian leader Pierre Gemayel, a foe of Syrian involvement in the country, an act of terrorism and intimidation.

Bush and other U.S. officials stopped short of specifically blaming Iran or Syria for the assassination, although the U.S. ambassador to the United Nations, John R. Bolton, raised the possibility. The president called for a full investigation to identify "those people and those forces" behind it.

"We support the Saniora government and its democracy and we support the Lebanese people's desire to live in peace," Bush said after having breakfast with U.S. troops stationed here. "And we support their efforts to defend their democracy against attempts by Syria, Iran and allies to foment instability and violence in that important country."

An intelligence official, who spoke on condition of anonymity about the evolving situation in Lebanon, said it's not yet clear who is responsible for the assassination. There is no evidence now to substantiate Syrian involvement, although the country remains a suspect. "Nothing is being ruled out," the official said.

Bush said the U.N. Security Council must move quickly to establish a special tribunal to investigate the 2005 assassination of former Prime Minister Rafik Hariri. The Security Council is facing a deadline to approve a letter endorsing an agreement with Lebanon to create a tribunal.

"I strongly believe that the United Nations Security Council ought to act today," Bush said sternly. "For the sake of peace, the free world must reject those who undermine young democracies and murder in the name of their hateful ideology."

Undersecretary of State Nicholas Burns told reporters the administration was shocked by the assassination.

"We view it as an act of terrorism," he said. "We also view it as an act of intimidation."

Burns took note of recent statements by Hezbollah leader Sheik Hassan Nasrallah and others that he said are meant "to destabilize Lebanon and to divide the country."

Nasrallah has urged his followers to prepare for mass demonstrations to topple the U.S.-supported government headed by Saniora if it ignores Hezbollah's demands to form a national unity Cabinet. Hezbollah, an ally of Syria, gained political strength in the country as a result of the war it fought last summer against Israel.

The U.S. has accused Syria and Iran of plotting to topple Saniora's government, which is dominated by politicians opposed to Syrian influence in Lebanon.

Referring to an investigation into the assassination in 2005 of Hariri, who also tried to limit Syrian influence in the country, Bolton told reporters: "I think people can draw their own conclusions."

Secretary of State Condoleezza Rice telephoned Saniora with condolences and to reiterate U.S. support for democracy in Lebanon, Tom Casey, a State Department spokesman, said.

Burns praised Saniora's 20-month old government, seeing it as a step toward returning Lebanon "to a position of real sovereignty, freeing it from Syria's influence and from "the politics of violence and assassination."

"We believe it is the responsibility of all countries to support the Saniora government," he said. "We will give full support to the Saniora government in the days and weeks ahead."

In brief remarks at the Pentagon, Defense Secretary Donald H. Rumsfeld said of the killing, "It is certainly a tragedy for Lebanon and for those in Lebanon and that part of the world that believe in peace and representative systems."

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Associated Press Writer George Gedda contributed to this story.

Lebanon Official Critical Of Syria Is Assassinated (NYT)

By Michael Slackman

The New York Times, November 22, 2006

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BEIRUT, Lebanon, Nov. 21 — Pierre Gemayel, a Lebanese cabinet minister and strong opponent of Syrian influence in Lebanon, was gunned down in his car here on Tuesday afternoon, jolting a nation already paralyzed by political conflict that threatens to topple the government.

The killing of Mr. Gemayel, the 34-year-old scion of a prominent Maronite Christian family, inflamed tensions between the anti-Syria coalition trying to hold its government together and the Syrian-allied opposition, led by Hezbollah. An Iranian-supported Shiite group, Hezbollah has threatened street protests if it is not given more power. The demonstrations were expected Thursday — now, there will be a funeral instead.

Lebanese radio reported that shots were also fired Tuesday into the Beirut office of Michel Pharaon, a Greek Catholic member of the ruling coalition and minister for parliamentary affairs.

Lebanon's prime minister, Fouad Siniora, vowed in a televised speech that his government would hold firm. "I pledge to you that your blood will not go in vain," Mr. Siniora said. "We will not let the murderers control the fate of Lebanon and the future of its children."

In truth, his government may already be on life support. Last week, six pro-Syria ministers aligned with Hezbollah resigned after a failed effort to gain greater control over the government. A seventh minister resigned earlier in an unrelated conflict. With Mr. Gemayel's death, there may now be too few ministers to pass any measures, and it appears that if the government were to lose one more minister it would automatically collapse.

The prime minister's political allies in the so-called March 14 coalition — a pro-Western group of Sunni Muslims, Druse and Christians — blamed Syria for Tuesday's killing. "We believe the hand of Syria is all over the place," Saad Hariri, the son of the assassinated former prime minister, Rafik Hariri, said shortly after Mr. Gemayel was pronounced dead.

Officials in Damascus and Syria's allies in Lebanon condemned the killing.

Mr. Gemayel, the industry minister, was the fifth anti-Syria figure to be killed since Mr. Hariri's assassination rocked Lebanon in February 2005.

The killing reverberated far beyond Lebanon. Condemnations poured in from Britain, Germany, Italy, France, the European Union, Jordan, Egypt and the United States.

President Bush suggested in a statement that the assassination was part of a plan by Syria, Iran and its allies to "foment instability and violence" in Lebanon.

The United States is heavily invested in the survival of Mr. Siniora's government, which has offered Washington a chance — however faded — to thwart the spread of Iranian influence in the region.

The killing also is likely to complicate any American effort to enlist Syria's help to stabilize Iraq. The United States withdrew its ambassador from Damascus after Mr. Hariri was assassinated nearly two years ago and suspicion fell heavily on Syria. Now the White House is under pressure domestically and abroad to engage with Syria and Iran to quell the violence in Iraq.

But the suspicion that Syria is behind the efforts to destabilize Lebanon will make it nearly impossible for Washington to send a full ambassador back to Damascus without appearing to have abandoned the Siniora government.

At the same time, any allegation of Syria's involvement is likely to antagonize Syrian officials — and make them even more reluctant to back off of a military, political and economic alliance with Iran.

For a time, after the initial occupation of Iraq and the assassination of Mr. Hariri, Syria's ruling elite felt threatened, vulnerable and isolated. Syria was humiliated when it was forced, after the Hariri killing, to withdraw its military forces from Lebanon.

But in recent days, Syria has found its strategic stature in the Middle East bolstered by the surge of violence in Iraq, and the suggestion that the United States might soon ask for its help. While it has denied any role in any of the Lebanon violence, it has not denied its desire to reinsert itself as the primary force in Lebanese affairs.

"This is a crime against Lebanon, all of Lebanon," Hassan Khalil, a pro-Syria member of Parliament and member of the Shiite Amal party, said in a television interview. "This is a crime that we condemn."

In the complex and shadowy world of Lebanon's long-warring factions, conspiracy theories can cut both ways. Syrian officials and their Lebanese allies said the only beneficiaries of Mr. Gemayel's death were anti-Syria forces. They also argued

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that the newly inflamed environment would make it impossible for Hezbollah to follow through anytime soon with its promised protests.

The United Nations Security Council, spurred by Mr. Gemayel's killing, on Tuesday approved a proposal by Secretary General Kofi Annan for the creation of an international tribunal to try those accused of Mr. Hariri's assassination.

The tribunal still has one major hurdle to clear before it can go to work: it must be approved by the government of Lebanon, which is deeply divided over its existence. Moreover, no one has yet been charged in Mr. Hariri's killing.

While young, Mr. Gemayel was a third-generation politician from a family that founded a far-right, nationalist party called Phalange. The party fielded the largest militia during Lebanon's civil war and sought to unite Christians against all other groups. The party today is very small, yet Mr. Gemayel stood as a potent symbol to a portion of Lebanon's Christian community that is frightened and angered by its loss of primacy in Lebanon's political arena.

"He is not powerful in himself," said Elie Fawaz, a Lebanese political analyst. "But his uncle was president, his father was president, his grandfather founded the Phalange. He's a symbol of all that history much more than he is a power on the streets. This is a great blow to Lebanese Christians in general."

The latest assassination to scar the Gemayel family — Mr. Gemayel's uncle, Bashir, was also killed — occurred in broad daylight, in a brazen attack even for a country weary of political killings. While other anti-Syria figures have been killed in the past two years, Mr. Gemayel was the first to be shot in the head and not blown up with a bomb.

Mr. Gemayel was in the passenger seat of his own silver Kia, driving through the Christian neighborhood of Jdeideh, which he represented in Parliament. At about 4 p.m., a car rammed into Mr. Gemayel's and three gunmen rushed his car, spraying it with bullets from silencer-equipped automatic weapons, Lebanese security officials said. The driver, who was not injured, drove to St. Joseph's Hospital, where Mr. Gemayel was soon declared dead.

Crowds of supporters gathered outside the hospital, weeping, waving their fists and screaming anti-Syria slogans even before the death was confirmed.

Mr. Gemayel's father, Amin, tried to calm tensions. Shocked and drawn, the former president stood in the street outside the hospital, speaking to reporters and supporters.

"I would like to ask those who love Pierre to preserve the cause," he said. "We don't want to do anything instinctively. He was serving the cause, and he died for Lebanon, for freedom and for humanity. And we should not desecrate his memory by any irresponsible acts."

While there was anger in the streets, there was also palpable anxiety. The city slowed down, as it might before a storm. Shops closed early in downtown Beirut; the army began patrolling the streets.

In a cafe in Hamra, a predominantly Muslim neighborhood in western Beirut, the manager went around to each table, quietly telling guests the news and urging them to go straight home and stay off the streets in case there were demonstrations.

On the campus of the American University of Beirut, hundreds of students gathered near the main gate, discussing the news in hushed tones. Ali Hamadeh, 18, a first-year civil engineering student, voiced the fears of many students in describing his anxieties about the future.

"We think it may lead to another civil war," Mr. Hamadeh said. "It's a disaster for Lebanon, on the level of the Hariri assassination. The people will go to the streets — and at the very least the government will change."

Latest Political Killing In Lebanon Stirs Fears Of Wider Power Struggle (WSJ)

By Andrew Higgins And Jay Solomon

The Wall Street Journal, November 22, 2006

BEIRUT, Lebanon -- The assassination of a prominent Christian cabinet minister inflamed a political crisis in Lebanon, threatening to further destabilize a country buffeted by Washington's struggle for regional influence with Syria and Iran.

The murder of Industry Minister Pierre Gemayel -- who was killed by gunmen who rammed his car and then shot him through its window -- sharpens the divisions between factions backed by Washington and those supporting Hezbollah, the armed militia and Shiite Islamist social movement that fought a war this summer with Israel. Iran and Syria both support Hezbollah --

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which, buoyed by what it terms a "victory from God" over Israel, has been gearing up in recent days for big protests to press demands for a new government.

The killing also complicates the policy debate about Iraq in Washington, where some foreign-policy experts have urged the Bush administration to reach out to Syria and Iran in an effort to curb Iraq's violence. Mr. Gemayel was an outspoken critic of Syria, and his allies immediately blamed his murder on Damascus.

While groping for an alternative strategy for Iraq, Washington is also wrestling with a wider issue roiling the entire Middle East: the rise of Shiite Islam. Iran and Hezbollah, the Lebanese militia it helped set up in the 1980s, are predominantly Shiite. Syria's regime, though largely secular, is dominated by members of the Alawite sect, an offshoot of Shiite Islam.

Since spring, say U.S. officials, Washington has been trying to bolster ties with Saudi Arabia, Jordan and other Sunni Arab allies in the Middle East. These efforts range from developing joint maritime patrols to a regional missile-defense shield for these countries. Washington has also given strong backing to Lebanon's government, in which Sunnis and Christians hold most senior posts.

Yesterday's murder in Beirut jeopardized the stability of this government and stirred fears that Syria is seeking to sow chaos. "Their aim is to kill every free person," said parliamentary majority leader Saad Hariri, who interrupted a presentation to announce news of Mr. Gemayel's murder. The audience shouted in anger. He later told CNN that "the hand of Syria is all over the place." 1

Mr. Hariri's father, Rafik Hariri, was murdered in a bomb attack early last year that a United Nations investigation has linked to Syrian officials. Syria denied involvement in the Hariri killing and yesterday's as well. Along with Hezbollah, it condemned the assassinations.

Washington stopped short of directly blaming Syria for the 34-year-old Mr. Gemayel's killing but said it underscored the need to accelerate the U.N. probe into the Hariri murder. President Bush condemned what he called "Syria's refusal to cease and desist from its continuing efforts to destabilize Lebanon's democratically elected government," adding that the U.S. would "resist these efforts." The U.N. Security Council issued a statement expressing grave concern at the possible impact of Mr. Gemayel's assassination on efforts "to solidify democracy" in Lebanon and condemning "any attempt to destabilize Lebanon through political assassination or other terrorist acts."

U.S. officials said a U.N. tribunal being set up to judge Mr. Hariri's killers should also investigate yesterday's slaying. The U.N. Security Council condemned the murder yesterday and also approved an agreement with the Beirut government that formally establishes the guidelines governing the Hariri tribunal. U.S. Ambassador to the U.N. John Bolton bristled at suggestions by some at the U.N. that the Hariri probe should be slowed to reduce the risk of further instability in Lebanon. "They're assassinating political leaders. [It's] not the time to seek justice?" Mr. Bolton said after a meeting at the U.N. "There may be those on the Security Council who say it. Let them step forward and say it."

The flurry of accusations against Syria comes as Damascus has been trying to expand its role as a regional player. Its foreign minister visited Baghdad this week to re-establish diplomatic relations with Iraq after a break of more than two decades, and its regime has worked closely with Iran in recent years.

Pressure meanwhile has mounted on the Bush administration to engage Syria and Iran in an effort to stanch the sectarian violence consuming Iraq. Robert Gates, the recently nominated U.S. secretary of defense, has called in recent months for dialogue with Tehran. And former Secretary of State James Baker and former Rep. Lee Hamilton are heading a commission studying the Iraq war that is expected to recommend talking directly with Syria and Iran.

Lebanon's current round of political turmoil began earlier this month when Hezbollah and its allies withdrew from an otherwise pro-American cabinet. The move was widely seen by Hezbollah's critics as an attempt to derail the Hariri tribunal's formation. When the government approved the tribunal despite the walkout, Hezbollah leader Hassan Nasrallah told supporters to prepare for mass protests to topple a government he derided as a U.S. puppet.

The political showdown between Hezbollah and the government has shattered a brief period of national unity over the summer, when Israel's bombardment of Lebanon enraged and united most of the country's feuding groups. "This is going to be a very difficult period....People expected demonstrations, but not a return to assassinations," said Riad Tabbarah, a former Lebanese ambassador to Washington who heads a Beirut research center. "How far it will go, I don't think anyone knows."

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Mr. Gemayel's murder is the fifth of a prominent public figure in Lebanon in the past two years. Several other assassination attempts have left their victims badly injured. Most victims have been opponents of Syria. Mr. Gemayel died in the hospital after gunmen opened fire on his car as he drove back from a visit to a church north of Beirut.

The murder stunned Beirut and led to small, scattered protests. The Lebanese army deployed in force on the streets of the capital, manning roadblocks and reinforcing positions around the houses of leading politicians. Beirut's mobile-telephone system, overloaded by calls, spluttered. Politicians mixed calls for calm with angry accusations.

The youngest member of the Lebanese cabinet, Mr. Gemayel wasn't a political heavyweight. But he belonged to one of Lebanon's most powerful and divisive political dynasties. His grandfather, also called Pierre, opposed French colonial rule of Lebanon but, after independence, cultivated close ties with France and other Western states, which he regarded as bulwark against the rising tide of Arab nationalism. He founded the Christian Phalange Party, and served as both a cabinet minister and National Assembly member.

The younger Mr. Gamayel's uncle, who headed a Christian militia that sided with Israel during its 1982 assault on mainly Muslim West Beirut, was murdered. His father, Amin Gemayel, is a former president who battled sectarian foes during Lebanon's civil war with help from U.S. forces sent by President Reagan. The U.S. withdrew from the conflict after a suicide-bomb attack in Beirut killed 241 Marines in 1983 -- which the U.S. blames on Hezbollah.

Today, Washington again is deeply embroiled in Lebanon's volatile political struggles -- and the wider regional rivalries that shape them. The U.S has no troops on the ground, but has boosted financial and military assistance to Lebanon's military as means to build a counterweight to Hezbollah, which Washington condemns as a terrorist organization and wants disarmed. The U.S. has also played an unusually public role in Lebanese domestic politics. Last week, the American Ambassador to Lebanon, Jeffrey D. Feltman, met with Amin Gemayel to assure him the U.S. would back Lebanon's increasingly beleaguered government.

U.S. support for the government of Prime Minister Fuad Siniora, a former banker, has met with mockery from Hezbollah, which repeatedly reminds supporters the U.S. helped arm Israel for its attacks on Lebanon this summer and resisted calls for an early cease-fire. "It is the government of Feltman, not of Prime Minister Fuad Siniora," Mr. Nasrallah, Hezbollah's leader, announced at a rally during the weekend. He vowed protests to either bring down the government or force early elections.

Bracing for trouble, Beirut residents last night retreated to their homes, leaving streets largely deserted. "At the moment we will listen to our leader's call for calm, but it is going to be very, very difficult," said Sami Haddad, a 22-year-old student, "But I can't guarantee what will happen later. Are we expected to just stand by?"

Killing Seen As Bid By Damascus, Tehran To Hit U.S. Role In Mideast (WT)

By Sharon Behn

The Washington Times, November 22, 2006

The brazen assassination yesterday of Christian Cabinet minister Pierre Gemayel has pushed Lebanon's fragile democracy, heralded by the United States as a model for the region, to the brink of collapse.

Coming amid moves by Syria and Iran to improve relations with Iraq, the killing also was seen by analysts as part of a coordinated attempt to push the United States out of the Middle East.

"This is part of a broader effort on the part of Syrians and Iranians in their own isolation to prove they have leverage over events in the region and to minimize the role of the U.S. in the region," said former U.S. ambassador to Morocco, Marc Ginsberg.

Suspicion immediately focused on Syria, which stands to be deeply embarrassed by a proposed international tribunal that would investigate its suspected role in the killing of former Lebanese Prime Minister Rafik Hariri on Feb. 14, 2005.

The U.N. Security Council approved plans for the tribunal hours after the killing yesterday, but it must still be approved by a weakened Lebanese government.

"We can add this to the list of Syrian killings of anti-Syrians in Lebanon," said David Schenker of the Washington Institute for Near East Policy. Mr. Gemayel was the fifth anti-Syrian figure killed in the past two years.

"There is obviously a concern that a U.N. investigation would be so thorough and comprehensive it will get to the bottom of who killed Hariri and the other murders in Lebanon, and obviously there are some people very nervous about that," Mr. Schenker said.

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Syrian officials denied any involvement in the latest assassination, which rattled a Lebanese government already battered by a wave of Cabinet resignations and the threat of street demonstrations by Hezbollah.

"Syria had nothing to do with this," said Syria's U.N. Ambassador Bashar Ja'afari.

But Amal Mudallali, foreign affairs adviser to the head of Lebanon's largest parliamentary faction, said Mr. Gemayal's killing had been carefully planned.

"The assassination is aimed at stopping the international tribunal," she said. "It is the second time they have killed a Lebanese politician when the U.N. Council was meeting on Hariri -- it is not a coincidence. ...

"This is a struggle for the future of Lebanon and it is being written today and the Lebanese people are writing it with their blood," she said.

Following the walkout of five Hezbollah and one Christian minister on Nov. 11, the death of Mr. Gemayal leaves the anti-Syrian Cabinet with just one member more than the minimum to maintain a constitutional quorum.

"In Lebanon you are getting very close to bringing this government down," said Mr. Schenker. "Only two more people out of 17 have to die."

In broader terms, analysts saw the killing as part of a concerted effort by Iran and Syria to flex their muscles just as pressure is mounting in Washington for President Bush to seek their help in stabilizing Iraq.

Syria yesterday formally established diplomatic relations with Baghdad for the first time in 20 years, while Iraqi President Jalal Talabani is expected to travel to Tehran for talks as early as this weekend. Syria may also be represented at that meeting.

"Iran is projecting its power in the region and sending a message to the U.S.," said Robert Rabil, director of graduate studies at the political science department at Florida Atlantic University.

"It is an assertion of Shi'ite politics, and the Islamists, led by Iran, are using Syria to project their power in the region. So now Iran has a say in the Arab-Israeli conflict, and in Iraq now they have a strong say."

Mr. Bush, in Honolulu on his way home from an Asian summit, stopped short of specifically blaming anyone for the assassination but pledged to defend Lebanon's democracy "against attempts by Syria, Iran and allies to foment instability and violence in that important country."

Undersecretary of State R. Nicholas Burns said Washington viewed the murder as "an act of terrorism. We also view it as an act of intimidation."

Hezbollah and its supporters quit Lebanon's Cabinet on Nov. 11 after their demands for a larger role in the government were rejected. Hezbollah's leader, Sheik Hassan Nasrallah, has vowed to take the group's cause to the streets and bring down the government.

Mr. Ginsberg said it would be a fallacy to think that Sheik Nasrallah was acting for strictly domestic reasons.

"He is a pawn of Iran," Mr. Ginsberg said. "It is like watching a chess player -- Iran -- begin playing some very good matches. We had better stop playing checkers or we are going to wind up handing the Middle East over to our adversaries."

Fears Of Civil Strife Rise In Lebanon (WP)

By Anthony Shadid

The Washington Post, November 22, 2006

BEIRUT, Nov. 21 -- One of Lebanon's most pronounced political crises in a generation slid into bloodshed Tuesday when assailants showered gunfire on a car carrying an anti-Syrian politician and scion of the country's most prominent Christian family, killing him and a bodyguard and pushing Lebanon a step closer to civil strife.

The assassination of Pierre Gemayel, a divisive figure in a country riven by sectarian tension, underlined the lack of red lines in the escalating struggle over Lebanon's political future that has followed this summer's war between Hezbollah and Israel. The struggle is crucial not only to the often zero-sum calculations of Lebanese politics but also to the regional ambitions of the United States, Iran, Syria and Israel.

"We will not allow assassins to control Lebanon's destiny and its people's future," Prime Minister Fouad Siniora said.

The shots along a busy street that killed Gemayel, the industry minister, reverberated across Beirut as dusk fell. In the city's Shiite Muslim south, where Gemayel was among the most reviled of Christian politicians, occasional gunfire erupted in

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celebration and some residents expressed satisfaction at his death. Across town, in Christian East Beirut, his supporters set fires in protest along usually busy intersections, sending smoke eddying over emptied streets. At the hospital where he was taken, scores gathered in the lobby and parking lot. Some hurriedly spoke into phones. Their eyes red, women sobbed and men wailed with grief.

"We want revenge!" a few shouted. "We want revenge!"

"I have one wish," Gemayel's father, former president Amin Gemayel, told them after nightfall, "that tonight be a night of prayer to contemplate the meaning of this martyrdom and how to protect this country. I call on all those who appreciate Pierre's martyrdom to preserve his cause and for all of us to remain in the service of Lebanon. We don't want reactions and revenge."

As he left, the crowd shouted, "Amin, don't frown! If you want soldiers, we'll don their uniforms."

Gemayel, a 34-year-old father of two and an up-and-coming politician, was killed when his car was ambushed by men from one or two cars that collided with it in the suburban neighborhood of Jdeideh. At least three gunmen opened fire with automatic weapons equipped with silencers, hitting him in the head and chest, officials said. Television footage showed the tinted driver's-side window pocked with at least eight shots and the glass on the passenger's side shattered. The silver sedan's hood was crumpled from the collision.

Doctors said Gemayel was dead when he arrived at the hospital, and his bodyguard later succumbed to his wounds.

Foreign leaders and officials across the Lebanese divide were unanimous in condemning the assassination. President Bush called for an international investigation to "identity those people and those forces behind the killing."

Gemayel's allies were quick to put his killing in the context of a series of assassinations that followed the death of former prime minister Rafiq al-Hariri in a car bombing in February 2005, a turning point in Lebanese politics that led to the departure of Syrian troops from the country. Gemayel's supporters blamed Syria for his death, as they did with Hariri's and the subsequent assassinations of three other anti-Syrian figures. Gemayel, though, was the first killed since Hariri to have an organized and fervent following.

The Syrian government, in a statement carried by its news agency, denied any role in Gemayel's death, as it has in the previous killings.

Lebanon has been locked in a cold war of sorts since Hariri's assassination and the protests that ensued over Syria's 29-year presence here. The largest demonstration, which took place in Beirut's Martyrs' Square on March 14, 2005, was organized by a coalition of Sunni Muslim, Druze and Christian politicians who would take control of the government in parliamentary elections. The event built momentum for the Syrian withdrawal.

Six days earlier, though, a pro-Syrian protest was convened by Hezbollah, the Shiite Muslim movement that fought Israel this July and August and remains the most powerful ally here of Iran and Syria. Since then, Lebanon has been symbolized by those two protests -- divided by sect, outlook, ideology and foreign policy.

The simmering struggle flared this month when Hezbollah and its Christian ally, Michel Aoun, demanded greater representation in the cabinet. Four rounds of talks failed, and two Hezbollah ministers, three other Shiites and an allied politician resigned on Nov. 11, depriving the cabinet of its Shiite representation and the symbolic sectarian consensus on which Lebanese politics depends.

Two days later, the depleted cabinet endorsed a U.N. proposal for an international tribunal to try suspects in Hariri's death, a step Syria has adamantly resisted. This weekend, in another escalation, Hezbollah leader Hasan Nasrallah insisted that the government resign or hold early parliamentary elections. Otherwise, he said, his followers would conduct days, even weeks of protests to bring the government down.

Gemayel's killing was sure to recalculate the arithmetic of the crisis. Some speculated that, given the tension the killing has unleashed, Hezbollah might pause in its threats to begin protests as early as this week. Nasrallah has called sectarian strife unacceptable, and in a statement Tuesday night, Hezbollah warned of repercussions over the killing.

"There is no doubt that those who carried out this crime want to push Lebanon into chaos, loss and civil war," it said.

Since Nasrallah pressed his demand for a greater share of power in late October, Lebanese have been faced with what amounts to a long wait: sensing that something might happen, but not sure what or when. Last week, a hard-line Christian leader, Samir Geagea, predicted that assassinations might be ahead. Others warned that killing three ministers would deprive the

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cabinet of one-third of its members and, by law, force it to resign, as Hezbollah has demanded. Partisan television stations have railed at one another, streets are awash with politically loaded posters and emigration is the stuff of everyday conversation.

But the turn to violence Tuesday seemed to scare leaders as much as it angered them. Walid Jumblatt, a Druze leader and one of Hezbollah's most outspoken foes, showed up at St. Joseph's Hospital, where Gemayel's body was taken. He spoke briefly to Gemayel's father, who served as president from 1982 to 1988, then turned to the crowd. "Beware," he said. "Let's not give the opportunity to the killers to lead us to civil strife."

Lebanese television broadcast statement after statement appealing for calm from officials in both camps. Aoun, whose alliance with Hezbollah has deeply split the Christian community, appealed for restraint.

"We call on all blocs to practice wisdom and to not fall into what the perpetrators seek," he said.

Gemayel, a rising star in the right-wing Phalangist Party founded by his grandfather and namesake, was expected to carry the mantle of a family that ascended from humble beginnings to become one of the country's most prominent Christian clans. During Lebanon's 1975-90 civil war, the party fielded the largest Christian militia and was allied with Israel. His uncle, Bashir Gemayel, was elected president in 1982 but was assassinated days before he was to take office in an explosion many blamed on Syria.

Pierre Gemayel was elected to parliament in 2000 and again in 2005, emerging as a pivotal player in the anti-Syrian coalition and winning a reputation as one of the most hard-line of Christian leaders. He was a vocal critic of Hezbollah and its ally, pro-Syrian President Emile Lahoud. Even today, many Shiites recall an interview Gemayel gave to a Christian-owned television station in spring 2005 in which he was dismissive of the Shiites' standing as Lebanon's largest group.

"They threaten with quantity of people," he said. "We have the quality."

As during the protests in March 2005, Beirut on Tuesday was of two minds over Gemayel's assassination.

At the hospital, his supporters desperately called on cellphones before word of his death was announced.

"Did you see the body?" one onlooker asked. Another approached an ally of Gemayel's and member of parliament, Elias Atallah, and asked, "Is he dead?" Atallah didn't answer.

News quickly spread, unleashing grief. "Only two days ago I was hugging you," one man cried as he beat the wall. A woman standing outside shouted: "There's nothing left to live for. All that remains are Syrian dogs." Every once in a while, others chanted, "All of us are Pierre Gemayel."

Sentiments soon turned to anger, as the crowd shouted obscenities about Aoun and Nasrallah. Others, huddled in knots, talked about marching on Aoun's headquarters, the presidential palace in Baabda or Nasrallah's stronghold in south Beirut.

Supporters lit fires outside the Phalangist Party headquarters near downtown Beirut and at a nearby intersection. Other fires were lit in trash dumpsters along a street that trailed from Sassin Square, where a monument stands to Gemayel's uncle.

"This is the fire in our hearts," said 50-year-old Yusuf Badawi, as he watched five tires burn.

Down the street, Michel Sangari, a 19-year-old draped in the flag of the Phalangist Party, was bleaker. "A war's going to happen," he said. "Our brothers are prostitutes."

Across town in Haret Hreik, a predominantly Shiite neighborhood, sporadic bursts of gunfire pierced the sky, a traditional show of celebration. They upset Anwar Macki, a 45-year-old pharmacist.

"They say, 'Who cares, let him die. There's one less of them.' " He shook his head in dismay. "If you're against him, it's okay, but you don't have to be happy about it."

He cleared the counter of stray boxes of antibiotics and prepared to close, as his son and daughter waited for him near the door. "Really, the future is obscure," he said finally. "You can't see anything."

Special correspondent Alia Ibrahim contributed to this report.

Beirut Murder Puts Spotlight On Damascus (FT)

By Roula Khalaf , Guy Dinmore And Dan Dombey

Financial Times, November 22, 2006

Moves to bring Syria back into the diplomatic fold were dealt a blow on Tuesday by the killing in Beirut of a prominent anti-Syrian Christian government minister.

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The assassination of Pierre Gemayel, the 34-year-old minister of industry who hails from one of Lebanon's most prominent Christian families, plunged a tense and divided country into deeper turmoil. Mr Gemayel was shot in his car in a Beirut suburb.

The killing drew strong condemnation from George W. Bush. Though the US president did not say who he blamed for the killing, Mr Bush said the US supported Lebanese government efforts to "defend their democracy against attempts by Syria, Iran and allies to foment instability and violence".

The UN Security Council "unequivocally" condemned the assassination, describing Mr Gemayel as a "symbol of the political independence of Lebanon".

Mr Gemayel's assassination was part of a cycle of killings that Lebanon's parliamentary majority, which controls the government, has blamed on Syrian agents. The assassins first struck in February 2005, killing Rafiq Hariri, the former prime minister and a fierce opponent of Syria.

Supporters of Mr Gemayel gathered on Tuesday night at the hospital in the Christian area of Beirut where his body was kept. His funeral was due to be held in Beirut on Thursday morning. Smaller groups burnt tyres at the roads into Christian districts, near what was the front line in Lebanon's 1975-90 civil war.

Saad Hariri, head of the parliamentary majority and son of the murdered former leader, immediately blamed Damascus – a charge that Syria denied.

Damascus condemned the killing as a "heinous terrorist act". Its embassy in Washington said the murder would undermine international efforts to promote engagement with Syria.

The Gemayel murder came just hours after Syria re-established diplomatic relations with Iraq. A senior US state department official suggested that Mr Gemayel had paid the price for trying to rid Lebanon of Syrian influence. The US stopped short of directly accusing Damascus.

The murder threatens to destabilise a government struggling for unity following the month-long summer conflict between Israel and the Hizbollah militant group. The Shia organisation, backed by Syria and Iran, has been seeking to capitalise on its declared victory against Israel by demanding a greater say in government. Sayyed Hassan Nasrallah, Hizbollah leader, condemned the Gemayel killing, saying the perpetrators "want to push Lebanon into chaos and a civil war".

Beirut has been bracing for street demonstrations called by Hizbollah with the announced aim of bringing down the government or forcing new elections.

Lebanon's anti-Syrian coalition has warned that ministers could be assassinated as a way of bringing down the cabinet. The government has already been undermined by the resignation of six ministers who belonged to Hizbollah and allied parties.

Western governments have been alarmed by the prospect of the collapse of the Lebanese government at a time when thousands of UN peacekeepers are deployed in the country following the ceasefire that ended the war between Hizbollah and Israel.

Anti-Syrian leaders in Beirut also accused political rivals of seeking to derail plans for a special international tribunal to bring Hariri's killers to justice. Plans for the tribunal were approved by the cabinet last week and are being finalised by the UN.

Key Lebanese Politician Assassinated (AP)

By Zeina Karam And Sam F. Ghattas

AP, November 22, 2006

Pierre Gemayel, scion of Lebanon's most prominent Christian family and a leading opponent of Syria, was gunned down Tuesday in a brazen daytime hit. The assassination threatened to intensify Lebanon's power struggle between the U.S.-allied government and the Syrian-backed Hezbollah.

Gemayel, 34, was leaving church when he fell into a well-coordinated attack: One vehicle cut off his car from the front, another rammed him from behind, then gunmen burst out and sprayed a dozen bullets into his passenger-side window.

The killing sent tensions spiraling at a time when Lebanon was already facing a worsening political crisis. The Shiite Muslim guerrilla group Hezbollah and its pro-Syrian allies have threatened massive protests — as early as Thursday — aimed at bringing down Prime Minister Fuad Saniora's government unless it gives them greater power.

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President Bush condemned the assassination and accused Syria and Iran of seeking to undermine Saniora's government. Bush stopped short of specifically blaming them for Gemayel's death, though the U.S. ambassador to the United Nations, John R. Bolton, raised the possibility.

Anti-Syrian politicians in Lebanon, however, directly pointed the finger at Damascus, and some Gemayel supporters demanded revenge against Syria's Lebanese allies.

Bands of young Christians broke car windows and burned tires and garbage cans in their areas of Beirut and the Gemayel family's mountain hometown of Bikfaya to the northeast. But Lebanese troops quickly stopped the unrest and set up checkpoints to prevent demonstrations in the coming days. A funeral was set for Thursday in downtown Beirut, with the anti-Syrian factions calling for mass participation.

Politicians from all sides scrambled to contain the fallout of the assassination, urging calm amid fears of an outbreak of the brutal violence between Lebanon's sharply divided communities that marked the 1975-90 civil war.

A stunned-looking former president Amin Gemayel — Pierre's father and leader of the Phalange Party — urged his supporters to observe a night of "prayer and reflection."

"We don't want an outburst of emotions and revenge," he said outside the hospital where his son died. "He was martyred for the cause of Lebanon, and we want this cause to triumph. ... To all those who love Pierre, we should not be driven by instinct."

Bush called the slaying "the vicious face of those who oppose freedom" and vowed support for Saniora's government.

"We support their efforts to defend their democracy against attempts by Syria, Iran and allies to foment instability and violence in that important country," Bush said after having breakfast with U.S. troops stationed in Hawaii.

Saniora's government is dominated by opponents of Syria. Many see the demands by its opponents as a bid by Damascus to restore its influence in its smaller neighbor — and by Hezbollah to boost its power, riding on increased popularity among Lebanon's Shiite Muslim population following this summer's war with Israel.

Pierre Gemayel, an outspoken opponent of Hezbollah, was the fifth anti-Syrian figure killed in the past two years and the first member of the Saniora government to be slain. Many in Lebanon have accused Damascus in the previous assassinations, including the 2005 bomb blast that killed former prime minister Rafik Hariri, a claim Syria has denied.

Saniora went on national television to call for unity and warned that "sedition" was being planned against Lebanon. He linked Gemayel's slaying to the issue that sparked the recent crisis with Hezbollah: a plan for an international court to try suspects in the Hariri assassination. He said Lebanese should rally behind the government's backing for such a court.

"I pledge to you that your blood will not go in vain," Saniora said, eulogizing Gemayel. "We will not let the murderers control the fate of Lebanon and the future of its children."

Syria and Iran both condemned Gemayel's slaying, and Syria's Information Minister Mohsen Bilal denied Syria had any role. "Those who are accusing Syria in this sick way ... do not have an iota of truth or credibility," he said on Al-Jazeera.

Tuesday's hit came hours before the U.N. Security Council endorsed a draft document creating the international court to try suspects in the Hariri murder, in which an U.N. investigation has implicated several Syrian officials. The document then goes to the Lebanese government for final approval.

With the possibly explosive atmosphere following Tuesday's assassination, it was not clear whether Hezbollah would go ahead with its threat to hold massive anti-government demonstrations. If it does, it would throw Lebanon deeper into turmoil, putting it into confrontation with many Gemayel supporters now itching for a fight.

Gemayel, the industry minister, was the rising star of his Maronite Christian political family, which has seen four other members killed in the past three decades of Lebanon's violence.

Past attacks on Gemayel's family have sparked brutal reprisals. A 1975 assassination attempt against his grandfather, also named Pierre, prompted Phalangists to attack a busload of Palestinian refugees in what became the spark of a 15-year sectarian civil war. After the killing of Amin Gemayel's brother, Bashir, in a 1982 explosion, his militia supporters stormed Palestinian refugee camps in Beirut, killing hundreds of unarmed civilians in one of the worst atrocities of the Lebanon conflict.

On Tuesday, Gemayel was traveling through his mainly Christian constituency of Jdeideh when a vehicle in front of his slammed to a stop, causing his car to ram into it, security officials said. Witnesses said Gemayel's car was also rammed from behind.

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Three gunmen stepped out of the other vehicles and shot Gemayel at point-blank range with automatic weapons fitted with silencers, security officials said.

Video showed Gemayel's car, which apparently had been shot at from both sides: The passenger-side window was shattered and the driver's-side window was dotted with about a dozen bullet holes, and the front hood was crumpled.

Gemayel's driver and another person in the car were wounded. They were rushed to a hospital where Gemayel was pronounced dead. The driver died later Tuesday. The attackers fled.

At the hospital, some 300 supporters called for vengeance, many of them chanting slogans against Hezbollah leader Hassan Nasrallah, pro-Syrian President Emile Lahoud and Hezbollah's Christian ally, Michel Aoun.

"We want revenge from Hezbollah and the General (Aoun)!" young men shouted, shaking their fists in the air.

Other Phalange supporters, including women, screamed and wept. They called on supporters to march to a nearby Shiite neighborhood and Aoun's residence in a Christian suburb east of Beirut.

"Nasrallah, Aoun and Lahoud, they killed him," shouted Antoine Shaaya, a man in his late 20s who wore a large cross around his neck. "And we won't be silent after today."

—

Associated Press writer Scheherezade Faramarzi contributed to this report.

Lebanese Cabinet Minister Shot And Killed In Beirut (LAT)

By Megan K. Stack

The Los Angeles Times, November 22, 2006

BEIRUT, Lebanon — A Christian Cabinet minister who had stood against Syrian meddling in Lebanon was shot dead Tuesday, stunning and infuriating a war-haunted nation already teetering on the edge of violence.

Pierre Gemayel, the 34-year-old minister of industry, was gunned down in as he drove through a crowded intersection in the predominantly Christian outskirts of the capital. Witnesses said that at 3:30 p.m. gunmen walked up to the side of the car and shot Gemayel point blank, according to local news reports.

The assassination dealt a hard blow to anti-Syrian leaders, who are struggling to maintain control of the government. To many Lebanese, it was also a symbolically loaded strike against the Christian community.

Gemayel was political heir to one of the most influential — and controversial — Christian dynasties in Lebanon; his family name was shorthand for Christian claims on Lebanon.

As condemnations poured in from Washington, Europe and even Damascus, grave-faced Lebanese leaders took to the airwaves to encourage their people to stay calm — and out of the streets.

"The hand of killers will not terrorize us. Murderers will not control the destiny of Lebanon," Lebanese Prime Minister Fouad Siniora said. "I call on all Lebanese to unite and cling together, to defend the security and safety of their nation and be careful of this conspiracy to create strife."

The assassination stirred visceral rage at a time when the menace of street fights shadows Lebanon. As word of Gemayel's death raced through the Christian neighborhoods, furious men filled the darkening streets, chanting obscene slogans against Hezbollah; setting fire to garbage bins; attacking a Syrian laborer and a Syrian taxi.

"I hit him and I don't care. What are we waiting for?" a young man shouted hysterically in the darkened street in the Christian neighborhood of Achrifiyeh. He was defending his right to have taken part in beating up a Syrian laborer. "I hit him and anybody who defends Syria is a dog like him."

The other men quieted him down and led him away quickly.

Lebanon was already embroiled in a crisis over who should rule the country. The powerful Hezbollah and its Christian allies have been demanding a greater stake in the government, accusing the anti-Syria government of ruling unconstitutionally and hijacking the country for U.S. and European interests.

Just last week, Hezbollah and its allies quit the Cabinet and declared the remaining government illegitimate. This increasingly outspoken opposition has threatened to stage massive street protests in coming days to topple the government. Many here fear the gatherings could degenerate into brawls and further destabilize a fragile nation.

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But it now seems the anti-Syria bloc could well beat Hezbollah into the streets. Late Tuesday, the coalition called upon mourners to turn out en masse for Gemayel's funeral.

Gemayel's death leaves the government dangling on a thread. According to Lebanese law, if one more minister quits, dies or is otherwise unable to work, the Cabinet will automatically lose its right to govern.

Some analysts warned that those seeking to shake the anti-Syria coalition out of power might conspire to eliminate enough ministers to force their downfall.

"This plot started with the resignation of the ministers," said Antoine Haddad, a political analyst affiliated with the anti-Syrian bloc. "It's a bloody game. It's a criminal game."

Patrick Haenni, a Beirut-based analyst with the International Crisis Group, also warned of more political violence.

"We are not far away from the quota that should cause the government to fall," he said. "The continuation of political assassinations should be considered as a possible scenario."

Gemayel's father and uncle were both presidents of Lebanon. His grandfather founded the Kataeb Party, also known as the Phalangist Party.

The family history is a dark one and assassinations of the Gemayels have proven disastrous. After his uncle Bachir was assassinated, the Phalangist militia massacred Palestinians at the Sabra and Shatila refugee camps in Beirut's southern suburbs. The rampage at the Palestinian camps remains one of the most notorious massacres in Lebanon's long and bloody civil war.

But Tuesday, Lebanese leaders seemed desperate to keep the streets quiet. Amin Gemayel, his face pale and slack, made his way slowly through hordes of mourners to the hospital where his son had died. He paused to beg for calm, speaking with his head tilted and his eyes falling shut.

"I have one wish: That tonight be a night for prayer," Gemayel said. "That we think of the value of martyrdom, and think of how we can protect this country from vengeance. We don't want revenge. We want the Lebanese cause to win."

Despite the talk of Lebanese unity, both sides have been hardening their stances. Even as Gemayel's death fueled their sense of outrage, the "anti-Syria" bloc had shown little willingness to bend to the demands of Hezbollah and its allies.

Just as news of Gemayel's death was spreading through a nerve-shot capital, parliamentary majority leader Saad Hariri was sitting before reporters in his mansion — and accusing his enemies of trying to start a "war."

"They say, 'Just do what I say or I will go to the streets,' " Hariri said. "This is a war. They are trying to take us to a war."

Hariri's father, former Prime Minister Rafik Hariri, was the most famous in a string of Lebanese who tangled with Damascus and were assassinated. The Syrian regime was widely blamed in all of the slayings, but it was the elder Hariri's death in a car bomb in 2005 that unleashed a decisive crush of anti-Syria sentiment.

Enormous, angry street demonstrations and international outrage forced Damascus to withdraw its soldiers and end de facto military control over Lebanon.

Saad Hariri, backed by the United States, has been pushing the United Nations to establish an international tribunal to prosecute Hariri's killers. He has also accused Hezbollah and its allies of quitting the government in an effort to block the court, which is awaiting a United Nations vote.

Anti-Syrian Minister's Slaying Stuns Lebanon (USAT)

By Andrew Mills Special For

USA Today, November 22, 2006

BEIRUT — The assassination Tuesday of an anti-Syrian Cabinet minister who was the son of a former president threatened to ignite a confrontation between rival Lebanese factions.

Pierre Gemayel, 34, the scion of Lebanon's most prominent Christian family, was gunned down at point-blank range in his car near Beirut. Gemayel, industry minister in the U.S.-backed government of Prime Minister Fuad Saniora, was the fifth anti-Syrian figure killed in Lebanon in the past two years. He was the son of former Lebanese president Amin Gemayel.

Anti-Syrian politicians, including Saad Hariri, blamed Syria for Gemayel's murder. A United Nations probe has focused on possible Syrian involvement in the 2005 bomb blast that killed Hariri's father, former prime minister Rafik Hariri.

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Lebanon has been on edge since this summer, when the armed radical Shiite movement Hezbollah fought a 34-day war with Israel. The country's anti-Syrian factions — Sunni, Druze and Christian — sat out the war, as did Lebanon's army.

In recent weeks, Hezbollah has threatened to bring down the government unless its allies get a greater share of power, including enough Cabinet seats to veto key decisions.

Speaking to U.S. troops in Hawaii, President Bush reiterated his support for Saniora's 20-month-old government. "We support their efforts to defend their democracy against attempts by Syria, Iran and allies, to foment instability and violence in that important country," he said

U.S. ambassador to the United Nations John Bolton noted that the White House had warned nearly two weeks ago that Syria and Iran, acting through Hezbollah, might attempt a coup in Lebanon. "One has to wonder whether this despicable assassination is not the first shot," Bolton told CNN.

Six pro-Syrian ministers resigned from Saniora's Cabinet this month. With Gemayel's death, the departure of two more ministers would bring down the government.

Last month, Hezbollah leader Hassan Nasrallah threatened to call demonstrations to force the Lebanese government to resign and create a new government giving Shiites more power and Cabinet posts. Such protests could provoke unrest and a return to civil war. Various Lebanese factions fought from 1975 to 1990, and many groups including Hezbollah remain armed.

Nasrallah on Sunday reissued his call for protests. The first was scheduled for Thursday.

Kamal Salibi, a Lebanese historian, warned that street demonstrations by Hezbollah now would "make immediate war with the Christians."

Gemayel was a member of the coalition of Sunni Muslim, Christian and Druze members that governs Lebanon. It is known as the March 14 Coalition for the day in 2005 when anti-Syrian protests prompted the withdrawal of Syrian forces after 29 years in Lebanon.

Syria's troop withdrawal followed massive protests in response to Hariri's assassination. The United Nations Security Council on Tuesday approved the creation of an international court to try suspects in Hariri's death.

Saad Hariri pinned blame for Gemayel's killing on Syria. "We believe the hands of Syria are all over the place," he said.

Gemayel's funeral was set to be held Thursday in downtown Beirut. Anti-Syrian factions called for mass participation, which could spark protests and violence.

"What's most likely now is that the forces from March 14 will have an angry demonstration of their own, pre-empting the protests that Hezbollah was planning," said Amal Saad-Ghorayeb of the Carnegie Endowment for International Peace in Beirut.

Several hundred Gemayel supporters stormed through the streets of Christian East Beirut after the shooting. They overturned dumpsters, lit small fires and tore down posters of Michel Aoun, a prominent Christian allied with Hezbollah and pro-Syrian forces. Thousands of Lebanese forces deployed across the city and manned checkpoints on all major routes.

"We are ready. We need clashes," said Roger Nehme, 19, a computer science student and Gemayel supporter.

Rob Malley, Middle East director for the International Crisis Group, a Brussels-based organization that seeks to prevent conflicts, said the assassination of Gemayel is part of a struggle for power that crosses sectarian lines.

Shibley Telhami, a Middle East expert at the University of Maryland, questioned the accusations against Syria and Hezbollah in Gemayel's death. He noted that both benefited from Hezbollah's summer war with Israel. Telhami suggested Gemayel may have been a victim of infighting among Christian factions. "Don't rush to judgment," he said.

Saniora appealed for calm: "Lebanon will be a master of its destiny. You have not died in vain, Pierre."

Anti-Syrian Lebanese Christian Official Slain (WT/AP)

By Sam F. Ghattas

The Washington Times, November 22, 2006

BEIRUT -- Pierre Gemayel, an anti-Syrian politician and scion of Lebanon's most prominent Christian family, was gunned down yesterday in his mainly Christian constituency of Jdeideh, a suburb of Beirut, heightening a growing sense of crisis in the fragile democracy.

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An outspoken opponent of the Syrian-allied militia Hezbollah, Mr. Gemayel, 34, was the fifth anti-Syrian figure killed in the past two years and the first member of the government of Prime Minister Fuad Siniora to be slain.

The industry minister and Phalange Party member had just left a church and was traveling through Jdeideh when a vehicle in front of him slammed to a stop, causing his car to ram it, security officials said. Witnesses said Mr. Gemayel's car was also struck from behind.

Three gunmen stepped out of the vehicles and shot Mr. Gemayel at point-blank range with automatic weapons, security officials said.

Video showed Mr. Gemayel's car, which apparently had been shot at from both sides: the passenger-side window was shattered and the driver's-side window was dotted with about a dozen bullet holes, and the front hood was crumpled.

Mr. Gemayel's driver, who was wounded but survived, rushed the gravely injured politician to a nearby hospital. Soon afterward, Voice of Lebanon -- the Phalange-run radio station -- reported Mr. Gemayel was dead, the fifth member of his family to die in violence.

Damascus' opponents in Lebanon have accused Syria of being behind previous assassinations, particularly that of former Prime Minister Rafik Hariri, who was killed in a bombing in Beirut in February 2005. Syria has denied those claims.

A stunned Amin Gemayel, the slain lawmaker's father and Lebanon's former president, urged his supporters to observe a night of "prayer and reflection over the meaning of martyrdom."

"We don't want an outburst of emotions and revenge," he said outside St. Joseph's hospital, where his son died. "He was martyred for the cause of Lebanon and we want this cause to triumph."

Hundreds gathered at the hospital, and supporters railed against Hezbollah and Michel Aoun, a Hezbollah-allied Christian leader who is a rival of the Phalange.

Wael Abu Faour, an anti-Syrian lawmaker, told Al Jazeera: "We directly accuse the Syrian regime of assassinating Gemayel and hold [Syrian] President Bashar Assad responsible for this assassination ... aimed at sending Lebanon into a civil war."

In an interview with CNN, Saad Hariri, the slain prime minister's son and leader of the anti-Syrian parliamentary majority, implicitly blamed Damascus, saying, "We believe the hand of Syria is all over the place." He said Mr. Gemayel was "a friend, a brother to all of us" and appeared to break down after saying: "We will bring justice to all those who killed him."

Mr. Gemayel's death came hours before the U.N. Security Council voted to endorse an agreement with Lebanon to create a tribunal to prosecute suspects in Mr. Hariri's killing.

Four Lebanese generals, top pro-Syrian security chiefs, have been under arrest for 14 months, accused of involvement in Mr. Hariri's slaying.

Pierre Gemayel had been expected to carry the mantle of his political family. Amin Gemayel, his father and the current Phalange leader, was Lebanon's president between 1982 and 1988. His grandfather, Pierre Gemayel, led the right-wing Christian Phalange Party that fielded the largest Christian militia and was allied with Israel during the 1975-90 civil war between Christians and Muslims.

Amin Gemayel's brother, Bashir, was elected president in 1982 but was assassinated days before taking office. Two of Amin Gemayel's nephews and Bashir's daughter were killed in the 1970s and 1980s.

The slain Pierre Gemayel was a prominent figure in Lebanon's anti-Syrian bloc, which dominates the Cabinet of Mr. Siniora and the parliament -- and which is now locked in a power struggle with the Muslim Shi'ite Hezbollah and its allies. He was elected first in 2000, then re-elected in 2005.

Assassins And Diplomacy (WSJ)

The Wall Street Journal, November 22, 2006

Former Secretary of State James Baker has been saying that, when it comes to diplomacy, you don't "restrict your conversations to your friends" -- shorthand for the view that the U.S. should engage Syria and Iran to find solutions in Iraq and elsewhere in the Middle East. But yesterday's murder of Lebanese Minister Pierre Gemayel might remind even Mr. Baker and his Iraq Study Group what some of those non-friends are all about.

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"The hand of Syria is all over" Gemayel's assassination, said Saad Hariri, the leader of the parliamentary bloc that helped evict the Syrian army in the spring of 2005. Mr. Hariri knows whereof he speaks: His father, former Lebanese Prime Minister Rafik Hariri, was blown up with 22 others in February 2005, and the preliminary U.N. investigation offered a trail of evidence pointing to Damascus as the culprit.

A who's who of anti-Syrian Lebanese politicians and journalists have also since been targeted for assassination. In June 2005 journalist Samir Kassir was blown up by a car bomb. Three weeks later, politician George Hawi was killed the same way. The following month, Defense Minister Elias Murr narrowly survived a car bombing; Mr. Murr was considered pro-Syrian but claimed he had been threatened by Rustom Ghazali, the longtime chief of Syrian intelligence in Lebanon.

In September 2005, TV anchorwoman May Chidiac lost her left leg and arm in a car-bombing. Three months later, Gibran Tueni, a former publisher and editor of the An-Nahar newspaper, was also killed by a car bomb. He had been calling publicly for Syria's withdrawal from Lebanon for nearly six years and had recently been elected to parliament. Tueni's murder coincided with the release of the interim U.N. report on Hariri's murder.

Curiously, Gemayel was killed just as the U.N. agreed on the composition of an international tribunal to try the case. It is no secret that Syrian President Bashar Assad has been pulling out all the stops to quash the trial. Six pro-Syrian politicians in the Lebanese cabinet recently resigned en masse in an attempt to cripple the government, and Hezbollah leader Hassan Nasrallah has been threatening huge demonstrations to bring down the anti-Syrian Prime Minister Fuad Siniora, who is also backed by the U.S. and France. Killing Gemayel removes another obstacle to Syrian dominance in Lebanon.

Which brings us back to Mr. Baker and the rest of the U.S. foreign-policy establishment now urging a new entente with Damascus. It's true that every Administration must deal with the world as it is. But when it comes to Syria, do the sages of the Iraq Study Group really want the Bush Administration to seek the benediction of a country that stirs such mayhem in Beirut?

2 Abducted Red Cross Workers Released (AP-Y)

By Sarah El Deeb

AP, November 22, 2006

Two Italian Red Cross workers kidnapped Tuesday afternoon were released shortly after midnight, Palestinian security officials said.

Just before their release, the Red Cross said it was suspending its activities in the Gaza Strip, fearing for the safety of its workers.

The abductions — the latest in a series of kidnappings of foreigners in the chaotic territory in recent months — dealt a serious blow to aid efforts in the impoverished zone.

Iyad Nasr, a spokesman for the Red Cross's Gaza office, said the organization had ceased all field operations and would intervene only "in matters of life and death." Workers have been ordered to stay in their offices because of fears for their safety, he said.

Over the past two years, there has been a rash of kidnappings of foreign aid workers and journalists in Gaza, usually by groups or families pressing the government for money or job guarantees. In most cases, the hostages were quickly released. None have been seriously harmed.

The Red Cross facilitates movement of ambulances and emergency supplies in the violence-wracked territory. The open-ended suspension of its activities means further hardships.

The Red Cross said Claudio Moroni, 36, and Gianmarco Onorato, 63, were abducted in Deir el-Balah in central Gaza after their car was stopped by gunmen. Palestinian security officials said one of the Red Cross workers was traveling on a Canadian passport. It was not known which one.

There was no immediate word on the conditions of the released aid workers.

Prior to their release, Palestinian security officials said they searched for the two and mediation efforts were carried ouit.

In Rome, Italian Foreign Minister Massimo D'Alema said he had been "constantly informed" about the developments in the kidnapping of the two.

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He said in a statement he had given orders to "activate all possible channels" to obtain the release of the two men, and had taken some "personal initiatives" in that direction. He did not elaborate.

West Bank Settlements Often Use Private Palestinian Land, Study Says (WP)

By Scott Wilson

The Washington Post, November 22, 2006

JERUSALEM, Nov. 21 -- An Israeli advocacy group has found that 39 percent of the land used by Jewish settlements in the West Bank is private Palestinian property, which the organization contends is a violation of international and Israeli law guaranteeing property rights in the occupied territories.

In a report released here Tuesday, the Settlement Watch project of Peace Now also disclosed that much of the land that Israeli officials have said would remain part of the Jewish state under any final peace agreement is private Palestinian property.

That includes some of the large settlement blocs inside the barrier that Israel is building to separate Israelis from the Palestinian population in the West Bank. The report states that 86 percent of Maale Adumim on Jerusalem's eastern edge sits on private Palestinian land. A little more than 35 percent of the settlement of Ariel, which cuts deep into the northern West Bank, is also on private property.

Peace Now is an advocacy group that supports the creation of a Palestinian state alongside Israel and contends that Jewish settlements in the West Bank, where roughly 250,000 Israelis live, represent a major obstacle to achieving one.

Israel's government has long maintained that the settlements, developed in large part with public money, sit on untitled property known as "state land" or on property of unclear legal status. Israeli courts have ruled that unauthorized outposts erected on private Palestinian property must be razed, although those orders are rarely carried out.

The 38-page report offers what appears to be a comprehensive argument against the Israeli government's contention that it avoids building on private land, drawing on the state's own data to make the case. Israeli officials said Tuesday they are studying the findings.

The report's authors, Dror Etkes and Hagit Ofran, note that "it is difficult to assess all of the political and legal implications" of their findings. But "it is clear," they write, "that the settlement enterprise has, since its inception, ignored Israeli law and undermined not only the collective property rights of the Palestinians as a people, but also the private property rights of individual Palestinian landowners." The report states that the settlements occupy a total of 15,271 acres of private Palestinian land.

The report draws on maps and data from the Civil Administration, the military authority Israel established to govern the West Bank following the 1967 Middle East war. Its findings were reported first in Tuesday's New York Times.

The database was also used by a state commission, headed by Talia Sasson, a lawyer, that issued a critical report last year on the expansion of unauthorized Jewish outposts in the West Bank. Peace Now officials said they were leaked the information after Israeli courts delayed a hearing on their petition for the data earlier this year.

The Israeli government did not annex the West Bank after the 1967 war -- keeping the Palestinian population there from voting in the Jewish state -- and soon began sponsoring settlement construction in the territories. International law has been widely interpreted to prohibit civilian settlement or construction on land occupied during war.

As the report notes, the West Bank has been under Ottoman, British, Jordanian and Israeli control over the past century, leaving a highly complicated land registry and murky title in many cases.

The report defines private property in the West Bank as land registered by Palestinians before 1968, when Israel stopped the process, and cultivated land that Israel recognizes as private under Ottoman law. It focuses on the West Bank and does not examine property in East Jerusalem, whose annexation by Israel is not recognized internationally.

Of the land occupied by the settlements, the report found, 54 percent is so-called state land while nearly 6 percent is designated "survey land," meaning its legal status is unclear. The report notes that 1.3 percent of the settlement areas is "Jewish land."

The report says Israel most commonly seizes private land citing "military purposes." That designation leaves the land in the name of its Palestinian owners but gives control to the Israeli army for a period that can be extended indefinitely. In other cases, Palestinians are offered compensation by the Israeli government, something they usually refuse in protest.

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Miri Eisin, a spokeswoman for Prime Minister Ehud Olmert, said Tuesday that the government would comment on the report's methods and findings once officials have had time to review it. Olmert won election in March on a pledge to withdraw Israel from much of the West Bank, while holding on to the settlement blocs inside the wall.

"We have to read the full report to understand it," Eisin said. She added that "even if it turns out only 5 percent is private land, that is something we must take note of."

In another development, Israeli troops pushed into the Gaza Strip early Tuesday and killed two Palestinians in fighting near the village of Zeitun. One of them was identified as Ayman Daif Allah, 25, a senior commander of the governing Hamas movement's military wing. Palestinian medical workers said Saadiya Herez, 70, was also killed by gunfire.

The operation is part of Israeli military efforts to stop Palestinian rocket fire into southern Israel that has spiked in recent days. At least four rockets fell Tuesday in and around the Israeli town of Sderot, fatally wounding a factory worker. The U.N. high commissioner for human rights, Louise Arbour, was visiting Sderot at the time of the attack.

Court Says Israel Must Register Same-sex Marriages (LAT)

By Ken Ellingwood

The Los Angeles Times, November 22, 2006

JERUSALEM — The Israeli Supreme Court touched off a fresh controversy over gay rights Tuesday when it ordered the government to register same-sex marriages performed abroad.

The ruling by a seven-judge panel, though limited in scope, reignited a debate over the rights of homosexuals in Israel after ultra-Orthodox religious leaders led protests that resulted in the cancellation of a gay pride parade this month in Jerusalem.

The 6-1 decision was praised by rights advocates as a political advance for gays and lesbians, who have won previous court decisions granting them broader rights in survivor benefits and inheritance. It also was cheered by those who support legalizing civil marriages in Israel, where only religious ceremonies are allowed.

"I am glad we won and got what we wanted to achieve in this petition, which was the basic right to be registered as married by the Israeli Ministry of Interior, just as any couple marrying abroad does and takes it for granted," Joseph Bar Lev, a 39-year-old dance instructor who was one of the petitioners, told Israel Radio.

"At the same time, this is still the beginning of the road, because the real aspiration is that civil marriage will be possible in Israel too."

The ruling did not legalize same-sex weddings in Israel, where religious authorities by law hold a monopoly on authorizing marriages and divorces.

"We hope that one day any couple who wants to marry in Israel, whether homosexual or heterosexual, will be able to do it," said Yoav Loeff, spokesman for the Assn. for Civil Rights in Israel, which represented two of the five gay couples in the case.

The male couples had wed in Canada, but when they returned to Israel, the Interior Ministry refused to change their marital status from single to married.

The ministry said same-sex marriages were not legally valid in Israel and could not be listed in the government's registry. In its ruling Tuesday, the court ordered the government to register same-sex marriages that are legal abroad.

Activists said that being registered as married could help gay spouses assert the right to decide about medical care for their partners and make it easier for a spouse to gain Israeli citizenship.

Religious conservatives criticized the decision as an erosion of Israel's status as a Jewish state and said it undermined moral teachings.

Some conservatives urged the Israeli parliament, or Knesset, to examine the possible effect on Israeli society.

"This ruling is nothing short of idolatry," Zevulun Orlev, a Knesset member from the National Religious Party, said on Israel's Channel 10 television. "Only 10 days ago we read the weekly Torah portion about Sodom and Gomorrah. How exactly does this ruling reconcile with Israel being a Jewish state? What culture considers people of the same sex to be a family? Not the Jewish one."

Ultra-Orthodox Jewish religious leaders, joined by some Muslim and Christian clerics, protested the gay pride parade as an affront to Jerusalem's sacred standing. For days, protesters rioted, set fires in the streets and vowed to block the gathering.

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In the end, parade organizers agreed to hold their rally in a stadium after police expressed concern about their ability to protect marchers. The event proceeded peacefully with a large police presence.

Secular Israelis have long complained about the broad authority wielded by the country's leading Orthodox rabbis. Many couples travel overseas to marry in civil ceremonies, a practice that has spawned a matrimonial cottage industry in the nearby island nation of Cyprus.

The issue of civil marriage is important among emigres from the former Soviet Union, many of whom are not Jewish or can't prove their heritage to the satisfaction of rabbinical authorities in Israel. Several candidates in national elections last spring promised Russian voters that they would try to make it easier for them to marry in Israel, though no reforms have been passed.

The lawyers in the same-sex marriage case cited as a precedent a Supreme Court decision from the 1960s that ordered the government to register civil marriages performed abroad, Loeff said.

Religious liberals said the ruling could help them cut into the clout held by rabbinical leaders in matters of marriage and divorce, as well as in conversions to Judaism.

Members of conservative and reform strains of Judaism have sought for years to have non-Orthodox conversions recognized by Israel's top rabbis.

Although the groups have made inroads in getting official recognition for non-Orthodox conversions done abroad, they are awaiting a court ruling on similar recognition for conversions carried out in Israel.

"The Supreme Court of Israel is the grand hope all liberal Jews have" to check the power of the Orthodox leaders, said Anat Hoffman, a former member of the Jerusalem City Council who directs the Israel Religious Action Center, which advocates religious pluralism in Israel.

Hoffman campaigned in support of the gay pride parade, and said she was appalled by the tone of the protests by religious leaders from all three major faiths.

She said the court's ruling simply recognized the legality of same-sex marriages granted by countries that allowed them.

"If the Canadians recognize these people as a family," Hoffman said, "we can't turn around and say that Israel, as a member of the family of nations, does not."

U.S. Seeks Greater Access To India In Farm Trade (WSJ)

By Sameer Mohindru

The Wall Street Journal, November 22, 2006

NEW DELHI -- The U.S. is seeking greater market access in India for its agricultural commodities, such as wheat, to ensure balanced farm trade between the two countries, U.S. Agriculture Department Secretary Mike Johanns said.

"We are working on a number of issues...both tariff and nontariff...on commodities such as wheat, edible oils, dairy products...and pet food," Mr. Johanns said in an interview. "There is a trade imbalance in favor of India: It sells more to us.

"We would love to sell wheat to India," he said. India's federal government has imported 5.5 million metric tons of wheat in 2006 amid a decline in local output and granary stocks.

Mr. Johanns said the U.S. hasn't been successful in selling wheat to India despite being a large exporter world-wide, because of stringent sanitary and plant-health norms in India. He favored an approach where India's plant-health norms are protected and wheat trade occurs with the U.S.

He added that discussions on plant-health-related issues are going on so that India will be able to export its mangoes to the U.S. by the next harvest in April.

"We need to be flexible and examine the possibility of how to fit together [issues relating to domestic support, subsidies and market access] to achieve the promises of the Doha round" of global trade talks, he said.

A list of special and sensitive products -- in which countries will be allowed tariff protection -- needs appropriate treatment so that it doesn't slip into an endless list of items, he said. A long list of special or sensitive products can nullify reductions in tariffs of some of the items.

India And China Work On Building Trust (NYT)

By Saritha Rai

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The New York Times, November 22, 2006

BANGALORE, India, Nov. 21 — India and China established a 10-point strategy on Tuesday to strengthen economic relations and ease mistrust, agreeing that there is room enough for both to grow.

President Hu Jintao of China was at the start of a four-day visit to India, only the second by a Chinese president. As he and Prime Minister Manmohan Singh of India came face to face on Tuesday, there was evidence that they were trying to define the Asian version of globalization.

At a joint media briefing with Mr. Hu on Tuesday, Mr. Singh said there was enough space for the two countries, which account for a third of the world's population, to grow in a mutually beneficial manner "while remaining sensitive to each other's concerns and aspirations, as befits good neighbors and partners."

The two countries said they would work to double their trade to $40 billion by 2010, which some see as a sign that centuries of Western dominance in global trade may be ending.

The countries also signed 13 pacts covering joint scientific initiatives, tourism promotion and the opening of new consulates.

Despite the symbolism that is typical of such visits, however, there were no breakthroughs at the leadership level on the first day of talks.

As India and China try to broaden their trade with each other and expand their influence in Asia, there is growing anxiety in India that allowing the entry of China's often subsidized manufacturers could send its own industries into oblivion.

As a prelude to Mr. Hu's visit, Sun Yuxi, China's ambassador to India, appealed to India not to discriminate against Chinese companies.

The ambassador said he understood that every country had security concerns, but added, "If you allow other foreign companies in the area, Chinese companies should be treated equally because we are friends and partners."

China wants its companies to be allowed to invest in sectors like ports and telecommunications, which India considers sensitive and regulates tightly.

As a signal that all is not "Hindi Chini Bhai Bhai," an old slogan that translates as "Indians and Chinese are brothers," even routine business relations have been challenging.

For instance, the Chinese telecommunications company Huawei Technologies said its Chinese employees were not being allowed to work at its Indian unit because the government was reluctant to grant visas.

"For the last nine months, no employment visa has been granted," said Gilbert Millicent Nathan, a spokesman for Huawei Technologies India. Mr. Nathan said employment visa applications were pending without explanation.

Huawei currently has 50 Chinese working at its Indian unit, half of them on employment visas and the rest on business visas.

Its marketing subsidiary for telecommunications equipment, Huawei Telecommunications India, based in the northern city of Gurgaon, is facing restrictions imposed by the Indian government on Chinese companies that sell equipment in sectors deemed sensitive.

This year, India rejected proposals from Hutchison Port Holdings, based in Hong Kong, to build container ports in India.

Political antagonism between India and China dates to 1962, when China soundly defeated India in a brief war that began as a border dispute. It has not been eased since then by India's growing relations with the United States and China's continued closeness with Pakistan. In fact, Mr. Hu is scheduled to head to Pakistan directly after his visit to India.

Clyde V. Prestowitz, an Asia specialist, said he did not expect a partnership to come out of the Hu visit, but perhaps "less hostility, suspicion and confrontation." Mr. Prestowitz, a trade adviser to the Reagan administration, is president of the Economic Strategy Institute in Washington.

"India, China and the rest of Asia will eventually wrest dominance of world trade away from the West," he said, "though not tomorrow."

Vietnam Signs Deals With Cnooc And PetroChina (WSJ)

By David Winning

DOJ_NMG_0097261

Wall Street Journal, November 22, 2006

BEIJING -- China National Offshore Oil Corp. and PetroChina Co. have signed deals to ramp up investment in Vietnam as leaders in Beijing and Hanoi set aside a long-running maritime border dispute to forge closer energy ties, state media reported yesterday.

Cnooc signed an agreement with Vietnam Oil & Gas Corp., or PetroVietnam, on Friday to begin exploring for oil in the Gulf of Tonkin in the South China Sea on a 50-50 basis. The exploration period is expected to last three to five years, China Oil News said on its Web site, without specifying when the project would begin or the size of the investment involved.

Expectations of oil and gas finds are high, because the area is ringed by proven natural-gas finds, including Vietnam's Nam Con Son gas project to the west, and oil-rich areas being pumped by Malaysia and Brunei to the south.

Steven Knell of London consultancy Global Insight said the joint venture had been in the cards since August, when China and Vietnam issued a joint communique paving the way for a resolution of the dispute over the maritime border, notably around the Spratly Islands. Military clashes between the two countries took place in 1988 and 1992 over the maritime border.

"A final settlement on the matter of the boundary is expected in 2008, but that will not stand in the way of exploration-and-production work in the meantime," Mr. Knell said.

Separately, PetroChina signed a $432 million deal to become the contractor for a fertilizer plant in Vietnam, representing the largest individual project in terms of investment by a Chinese company in the country, according to China Oil News. This project will produce 320,000 metric tons of synthetic ammonia and 560,000 tons of urea annually as well as involve the construction of a 36 megawatt power station. It is expected to begin operation in about 3½ years.

The deals were concluded during Chinese President Hu Jintao's visit to Vietnam last week for the Asia-Pacific Economic Cooperation forum.

China Buildup Seen Aimed At U.S. Ships (WT)

By Bill Gertz

The Washington Times, November 22, 2006

China's military buildup includes new missiles and naval weapons designed to sink U.S. aircraft carriers and deny U.S. forces access to the Asia-Pacific region, a congressional commission official said yesterday.

Daniel Blumenthal, a former Pentagon defense policy-maker and now a member of the U.S.-China Economic Security Review Commission, said China's military is building up forces to "deny the United States the use of the commons -- the sea, the air, cyber and space."

"The Chinese have been quite successful ... in the area of sea denial, meaning that if we sent a carrier to or outside the [Taiwan] Strait as we did in 1996, it would be a lot riskier and a lot costlier to the United States," Mr. Blumenthal said at a conference held at the Heritage Foundation.

The comments followed disclosure last week that a Chinese submarine sailed undetected to within five miles of the aircraft carrier USS Kitty Hawk near Okinawa, Japan, and surfaced close enough to fire wake-homing torpedos or anti-ship cruise missiles, according to U.S. defense officials.

The Navy said in response to the surprise encounter that it is reviewing anti-submarine warfare defenses for the carrier battle group. The carrier was engaged in exercises when the Song-class submarine surfaced Oct. 26.

China's government denied that the submarine encounter took place, but Adm. Gary Roughead, commander of the Navy's Pacific Fleet, said Friday in Beijing that Chinese military leaders he met told him the submarine was in international waters when it was near the carrier.

Mr. Blumenthal, commenting on the release of the China commission's latest annual report, said Chinese weapons include 10 different types of ballistic and cruise missiles and up to 800 missiles aimed at Taiwan, five different types of submarines and 15 types of new warships.

"This is a very concerted and sophisticated, diversified effort to build up a military whose goal is the United States and its ability to meet its own commitments and interests," he said.

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Beijing's military also is experimenting with new attack concepts, including land-based attacks on ships "through multiple entry concepts" in what Mr. Blumenthal called "a very serious effort to try to basically sink a carrier or battle group."

The commission report, while mainly focused on economic issues, included a chapter on China's military that said China's military buildup is closing a gap with U.S. forces. The trend shows "a window of vulnerability for the United States between 2008 and 2015" before newer U.S. weapons are fielded, the report continued.

The report revealed that China's new DF-21C ballistic missile is being configured with a guidance system that will allow it to attack ships at sea and defeat shipborne missile defenses. The "development efforts are being pursued vigorously," it stated.

The report stated that China's warships and submarines could delay the arrival of U.S. Navy forces called on to defend Taiwan, but they lack integrated command and control needed for "effective joint targeting of a carrier battle group."

In China, Growth At Whose Cost? (WSJ)

By Andrew Batson And Shai Oster

The Wall Street Journal, November 22, 2006

BEIJING -- China's economic miracle has lifted hundreds of millions of people out of poverty, but the country is showing signs that its poorest citizens are falling further behind.

The success of China's transformation into a manufacturing powerhouse has allowed Beijing to dismiss criticism of the downside of Chinese-style economic reform: a dismal environmental record, a repressive political climate and the breakdown of the country's health-care system.

As long as the country's newfound wealth eventually trickled down to everyone, the reasoning went, the benefits outweighed the problems.

But now, as the Chinese government worries about social stability and amid questions about the social costs of China's rapid growth, new figures suggest the poorest of the country's 1.3 billion people are getting even poorer.

From 2001 to 2003, as China's economy expanded nearly 10% a year, average income for the poorest 10% of the country's households fell 2.5%, according to an analysis by the World Bank that has been presented to the Chinese government. Those roughly 130 million Chinese earn $1 a day or less, the World Bank's global benchmark for poverty.

Meanwhile, the nation's total income rose sharply, and other income groups saw gains, suggesting that the rich are getting richer at the expense of the poorest.

The reason for the income decline at the bottom isn't clear. The World Bank hasn't completed its analysis and its conclusions haven't been published. Even so, the data call into question an economic model that economists have held up as an example for other developing nations.

"This finding is very important. If true, it sheds doubt on the argument that a rising tide lifts all boats," said Bert Hofman, the World Bank's chief economist in China.

China's roughly 10% annual growth in the years since it has opened up to foreign trade and investment, dismantled or privatized state-run companies and encouraged entrepreneurship has made it the world's fourth-largest economy. Those gains have helped to persuade development experts that growth is the surest cure for poverty.

But the widening of China's income gap raises questions about the bargain its government made three decades ago when it agreed to accept a measure of social inequality as long as it improved the nation's welfare overall.

Many observers place part of the blame on the way China dismantled its social-welfare system as it phased out state control of the economy -- without building up much to replace it. Health care has become a point of particular concern, as costs shoot up without any widespread system of medical insurance to cover them. Patients who can't pay often-large sums in cash are frequently refused treatment at Chinese hospitals.

"Before the reform period, China's system of social security was already fragile. Now, after the reforms, it has almost entirely disappeared," said Li Zhining, a retired scholar in Beijing. That gives the government few tools to address the income gap, he said. "I think that the disparity between rich and poor in China will be impossible to resolve in a short time."

The World Bank's Mr. Hofman says the bank's analysis shows the majority of China's poorest 10% appear to be only temporarily poor, thrown down by some setback like sudden illness, the loss of a job or the confiscation of land. That suggests

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that a basic social safety net, like medical insurance or unemployment benefits, could help move them back out of poverty. Only about 20% to 30% of the poorest appear to be long-term poor, and even they have some savings.

It isn't clear what impact the World Bank data might have on Chinese policy. The World Bank and others are already recommending that China spend more on pensions, health care and other welfare programs.

Still, for the ruling Communist Party, which has staked its legitimacy almost entirely on its ability to make people richer, evidence that incomes are falling could be devastating. During its reform era, China has pulled off one of the greatest economic feats in history, bringing some 400 million people out of poverty in 25 years.

That era dates back to 1978, when former Chinese leader Deng Xiaoping abandoned the egalitarian principles of his Communist predecessors and inaugurated the world's biggest experiment in trickle-down economics. He famously declared that for China to rise out of poverty, some people would be allowed to get rich before others.

Mr. Deng's formula did work: While the manufacturing hubs on the country's south and east coasts got rich first, and are now much better off than the rest of China, average incomes nationwide have risen by about 7% a year since 1978, according to official figures.

In recent years, however, incomes in urban areas have outstripped those in the rest of the country, with city dwellers recording average annual gains of 8% to 9%, compared with less than 5% for rural households. Now, if a large segment of Chinese society has ceased to benefit from economic reforms, it weakens the rationale for continuing down that path.

Other, published figures have also shown that income inequality is rising in China. Its Gini coefficient, a widely used measure of income distribution that starts from zero at perfect equality and tops out at one, last year hit 0.4, up from 0.3 in 1981, according to the Asian Development Bank. That puts socialist China at a level of inequality similar to that of the unabashedly capitalist U.S.

The gap between the highest and lowest incomes is expanding whether one looks at rural and urban residents, inland and coastal cities, or even just high- and low-paying jobs, according to the ADB's analysis of Chinese data.

The rise in inequality has fueled a growing debate among China's intellectuals and politicians about whether the country has swung too far toward capitalism and is leaving behind the Communist Party's core constituency of workers and peasants.

Recognizing that corruption and inequality threaten its authority, China's central leadership has made addressing those issues its top priority. President Hu Jintao's signature slogan is the drive for a "harmonious society" -- one that would bridge the widening income gaps and ease the strains that are causing social unrest.

The World Bank's Mr. Hofman emphasized that the bank's findings, which are based on data collected through a massive household survey by China's National Bureau of Statistics, aren't definitive. For one thing, the survey compares snapshots of the lowest tier of Chinese society at two different points, rather than tracking the same of group of households over time. So, it doesn't necessarily mean that the people who were in the poorest 10% of society in 2001 were all 2.5% worse off in 2003.

Moreover, the World Bank started its analysis in 2005, and so didn't have access to complete figures from that year or 2004. More recent data could help determine whether the decline has continued or was just an isolated phenomenon.

Serving The Nation In Sunny South America (WP)

By Al Kamen

The Washington Post, November 22, 2006

Feeling that blast of winter these past few days? Want a quick trip to sunny climes courtesy of the taxpayers? Then hurry, hurry, hurry. There may still be some seats on an excellent codel to South America right after Thanksgiving. There's chatter that even Rio, where highs are expected to be in the 80s, might be one stop.

Outgoing House Agriculture Committee Chairman Bob Goodlatte (R-Va.) is leading a group of about 10 committee members, plus spouses, military aides and assorted staff -- perhaps up to 40 folks in all -- on this fine journey with stops in several countries down there.

"The delegation will be meeting with various business and government officials in the region," committee spokeswoman Alise Kowalski tells us, "to discuss agricultural trade -- specifically focusing on expanding U.S. agricultural exports."

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We asked for an updated itinerary and passenger list, but she told us that, "for security reasons," the committee did not release such information before the trip. (It was not readily apparent how knowing who was onboard would affect security issues, but never mind.)

Depending on the type of military jet being used, move quickly if you want to go. An early list showed that Goodlatte; incoming Chairman Collin Peterson (D-Minn.); Republican Reps. Frank Lucas (Okla.) and Jerry Moran (Kan.); and Democratic Reps. Bob Etheridge (N.C.), Tim Holden (Pa.), Rick Larsen (Wash.), Leonard Boswell (Iowa), David Scott (Ga.) and Stephanie Herseth (S.D.) had made tentative bookings, but these things are fluid. There's always someone dropping off or hopping on, so get moving.

Note to new members of Congress who become codel-eligible next year: You might ask yourselves, "Why would I want to wander for maybe 10 days going from one boring meeting to another on trade issues?" Well, first, it could be theoretically of importance to your farm constituents.

More important, between meetings, there'll surely be ample time to squeeze in trips to top agricultural sites. For example, during a five-day trip in 2003, a Goodlatte delegation found time to stop at Iguazu Falls, not heretofore known as a major farming site, and trek to the major ecotourist and rain-forest area around Manaus.If No One Publishes a Watchdog's Letters . . .

Just when it seemed Dorrance Smith, assistant secretary of defense for public affairs, had tired in his fight for truth, justice and the American way -- that is, having his "rapid-response team" scour the daily press and demand that perceived mistakes be corrected -- Monday's Pentagon Early Bird features three letters to news organizations demanding corrections.

One went to the Chicago Tribune to take issue with a columnist; another to U.S. News and World Report about what Smith said was a "fairly egregious error" that "requires a correction"; and a third, by press aide Bryan Whitman, notes that USA Today "mischaracterizes" an Army general's comments.

The news outlets did not publish the letters. Undaunted by rejection, Smith self-publishes his views at the top of the Bird, a compilation of news clips distributed throughout the military.

Something endearing about all this. Kinda like that guy Sisyphus with the rock. If only fixing mistakes in Iraq were this simple.You, Too, Can Live Like a President

Another prominent GOP home went up for sale last week in the Clover area of Alexandria. This was home to Gerald R. Ford and his family for almost 20 years, during much of his congressional career, his time as vice president and the first 10 days after he became president after Richard M. Nixon's resignation, according to an ad in Roll Call. It's a four-bedroom house with two full and three half baths and a "gigantic" swimming pool. This National Historic Landmark, yours for $999,000.The Revolving Door of the Senate

Coming full circle? Marshall Wittmann, who gained fame as the highest-ranking Jew in the Christian Coalition, was named communications director for Sen. Joseph Lieberman (D-Conn.) yesterday.

Along the way to his new job, Wittmann was also legislative director for the conservative Heritage Foundation, a senior fellow at the conservative Hudson Institute, a communications director to Sen. John McCain (R-Ariz.) and a senior fellow at the centrist Democratic Leadership Council.Yes, These Officials Are Introducing a Poster

A slow week in Washington . . . From this week's Department of Homeland Security schedule: Monday, November 20 4:00 PM EST Officer for Civil Rights and Civil Liberties Daniel W. Sutherland , along with Dean S. Hunter, Acting Immigration and Customs Enforcement Federal Protective Service Director, will deliver remarks and introduce the Kirpan, a Sikh American religious awareness poster. The National Gurdwara 3801 Massachusetts Avenue, NW Washington, D.C. OPEN PRESS

Going South Populism Loses Appeal For Voters In Latin America (WSJ)

By John Lyons

The Wall Street Journal, November 22, 2006

QUITO, Ecuador -- The populist political tide that seemed to be sweeping through Latin America earlier this year is sputtering.

Although disappointment with free-market reforms still runs deep through the region, voters have been choosing presidential candidates who tap into a more powerful force: economic stability. Across Latin America, inflation has been on a

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steady decline for the past decade, and has dropped to the low single digits for the first time in decades in Mexico, Peru, Ecuador and Brazil. Economic growth, while far from spectacular, has been solid for the past five years.

With that stability, more working-class voters have been able to buy homes, take out loans and obtain their first credit cards. As voters get a stake in the economic system, they become wary of risking it all on populist nostrums -- debt repudiation, deficit spending, state ownership of industries -- that in the past produced economic disasters and left them worse off.

This dynamic has played out in election after election across the volatile region this year, despite high-profile efforts by Venezuelan President Hugo Chávez to fuel anti-U.S. sentiment. In February, Nobel Prize winner Oscar Arias won the presidency of Costa Rica against a candidate who wanted to scuttle a free-trade deal with the U.S. In June, onetime populist Alan García regained the presidency in Peru by embracing free trade and open markets -- and by playing off voter fears of Mr. Chávez's growing influence. In Mexico a month later, the populist former Mexico City mayor, Andrés Manuel López Obrador, lost after failing to find support among the working classes of fast-growing central and northern cities.

And while longtime socialist politicians won in Brazil and Chile, they did so by championing market-friendly policies. This month in Nicaragua, former Sandinista leader Daniel Ortega won the presidency, but even he positioned himself as a candidate of stability and reconciliation. He used John Lennon's "Give Peace a Chance" as a theme, not Vladimir Lenin's economics. The sole presidential candidate who looks likely to win this year on a platform of state intervention, income redistribution and anti-American foreign policy is Venezuela's President Chávez, who has billions of dollars in oil wealth to hand out to supporters.

"We haven't achieved [politically] what we thought was going to be achieved at the beginning of the year," says Efren Andrades, a former agriculture minister in Mr. Chávez's government, who now teaches at the University of the Andes in Mérida, Venezuela.

The diminishing electoral appeal of candidates promising radical economic and political change is on display here in Ecuador, ahead of this Sunday's presidential election. Early this fall, Rafael Correa, a telegenic university professor, leapt ahead of his rivals by wrapping himself closely with Venezuela's Mr. Chávez and vowing to dissolve Congress, redo the constitution and renegotiate the foreign debt. During rallies, he snapped his belt to show how he planned to lash the country's rich into submission to help the poor.

But as voters grew wary of his showmanship, Mr. Correa retreated to the middle. In campaign stops, he now rarely mentions his plans to redesign the economy or rewrite the constitution. Instead, he focuses on issues that even his conservative opponent, banana magnate Alvaro Noboa, embraces, such as improving housing. After moderating his stance, Mr. Correa has regained his footing and is now in a virtual tie with his conservative rival. "Ecuador's economy isn't sustainable," says Mr. Correa. "I am talking about changes to create jobs [and] create productive industries."

Populism is far from dead. Latin America remains fertile territory for politicians who promise a heavy government hand and a retreat from market economics. That's because the benefits of recent economic growth have flowed disproportionately to elites, sustaining income inequality rivaled only by sub-Saharan Africa. Resentment simmers among the working class and poor.

Mexico's conservative president-elect, Felipe Calderón, who won by less than a percentage point, is likely to be dogged during his term by Mr. López Obrador, who claims the election was stolen and swore himself in on Monday as the "legitimate" president. In Argentina, President Nestor Kirchner, who slashed foreign debt payments, set price controls and spent heavily, is the early favorite to win a second term next year.

"Voters are opting for stability, but it would be a big mistake to interpret that as a ringing endorsement of politics as usual in Latin America," says Michael Shifter, vice president of the Inter-American Dialogue, a Washington, D.C., think tank. "There is still a lot of frustration in the region."

Even so, the electoral failure of populists so far has been good news for foreign investors and businesses. U.S. companies such as Citigroup Inc. and Wal-Mart Stores Inc. have poured billions of dollars into the region in the past decade on the expectation that economic stability and growing consumer wealth would expand local markets. U.S. officials can also breathe easier because Mr. Chávez hasn't managed to form a potent anti-U.S. economic and political bloc in Latin America.

There are also powerful constraints on governments seeking to govern as populists. In December, leftist Indian leader Evo Morales won Bolivia's presidential election and set about nationalizing the country's oil and gas industry. But the staunch Chávez

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ally hasn't been able to complete the nationalizations because the state lacks the managers and resources to run privately owned fields.

Ecuador, an oil-rich nation of 13 million, illustrates the rise and ebb of radical politics in Latin America this year. Even in a region known for instability, this Colorado-size country stands out. It has had seven presidents in the past 10 years, three of whom where exiled, jailed or both. In 1997, Abdalá Bucaram, who recorded a record album -- "The Madman Who Loves" -- during his presidency, was deposed by congress for "mental incapacity."

The economic situation has been equally volatile. A fierce rivalry between the Sierra mountain dwellers and residents of the muggy coast has made it difficult for the Quito government to work out necessary compromises that could limit government spending. Instead, the Central Bank printed more Ecuadorian sucres to pay for salary increases, public-works projects and repeated bank bailouts -- short-term fixes that boosted inflation. Between 1979 and 2000, the sucre plummeted from 25-to-the dollar to 25,000-to-the-dollar, wiping out savings and prompting the government to default on its debts twice.

As in all Latin American currency crises, the working and middle classes suffered especially sharp declines. In the mid-1990s, Nelson Rivadeneira, an auto-parts salesman in Quito, owned a home and two cars, and hoped that his son, who attended an inexpensive private school, would climb higher up the economic ladder.

Then the sucre plunged, interest rates soared, and he lost his job as the economy nosedived. Facing bankruptcy, he sold his cars. One went to pay his loans and the other to pay his son's tuition.

As the country's banks started to fail, Mr. Rivadeneira and thousands of other Ecuadorians lined up at teller windows to withdraw their savings. Burger Kings started selling Whoppers for dollars, setting their own exchange rates as the sucre lost about 65% of its value. A newspaper printed photos of financiers boarding planes to Miami. To stem a run, the government froze deposits and allowed banks to issue savers like Mr. Rivadeneira promissory notes. These proved to be worth less than their face value, since confidence in the banking system had vanished.

The economy hit bottom in 2000. Desperate to halt inflation, the Ecuador government dumped its own currency and adopted the U.S. dollar. Although many economists criticized the move because it limited the government's ability to manage the economy, the tactic succeeded in slashing inflation, which now runs about 3% annually -- Ecuador's lowest ever. Interest rates have plunged as well.

Over the past few years, consumers have benefited. Home builders are pouring money into projects in the working-class area south of Quito, where a shopping mall called El Recreo has doubled in size. The highway that climbs a mountain pass to connect the southern neighborhoods with jobs in the city center is crammed with traffic each dawn for the first time in memory.

Banks are handing out credit cards, spurring a consumption boom. Sales of television sets and major appliances are growing at a 35% annual clip at Comandato, one of Ecuador's biggest retailers. Spurred by financing, General Motors Corp.'s annual sales of cars and trucks in Ecuador have quadrupled to 87,000 since 2000.

Against this economic backdrop, Mr. Correa mounted his populist campaign. He played on his close ties to Venezuela's Mr. Chávez and on a nationalist backlash against a U.S. military base used to fight Colombian drug lords. Also a big theme: the growing wealth of the elites who escaped much of the hardship of the late 1990s economic crisis.

A 43-year-old economist, with a doctorate from the University of Illinois, Mr. Correa had considered a presidential run since his university days, his colleagues say. He burnished his populist credentials during a four-month stint last year as finance minister when he declared that half of the oil revenue the government set aside in a "rainy-day fund" for debt reduction could instead be spent now on welfare for the poor.

That prompted a fight with the World Bank, which said the move could undermine the country's creditworthiness, and pressured Ecuador to change course by retracting a Bank credit line. In response, Mr. Correa flew to Caracas to arrange $300 million of financing from Mr. Chávez. Wearying of the conflict, Ecuador's president fired Mr. Correa.

The battle, though, lifted Mr. Correa's profile and powered his presidential bid. When Mr. Chávez called U.S. President George Bush "Satan" during a speech to the United Nations in September, Mr. Correa said he considered the comment an insult to Satan.

But that turned out to be Mr. Correa's political high-water mark. His plans to renegotiate foreign debt payments encouraged foreign investors to sell Ecuador's bonds, creating fears of a return to crisis. His ties to Mr. Chávez created concern as Chávez-

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inspired policies in Bolivia spawned protests there as well as a fight with Brazil. His popularity took another hit when he hinted that he would ditch Ecuador's link to the U.S. dollar when he took office. Polls show most Ecuadorians view the greenback as the central pillar of the newfound stability.

Mr. Correa, who had written academic papers attacking dollarization, quickly tried to assure voters that he wouldn't tamper with the currency.

Mr. Correa's political problems became evident in the first round of voting in October, where he came in second after leading in most polls to the 56-year-old Mr. Noboa, regarded as Ecuador's richest man. Since neither candidate won a majority in the first round, they must face each other in Sunday's runoff.

In many ways, Mr. Noboa embodies the plutocracy that Mr. Correa likes to rail against. Mr. Noboa inherited his business empire from his father and consolidated his position after a nasty fight with his siblings. He has taken positions well to the right of Mr. Correa, including promising a free-trade pact with the U.S.

Mr. Noboa also has skillfully used Mr. Correa's left-wing rhetoric against him, warning that Mr. Correa would endanger the country's newfound stability. Borrowing a page from conservative campaigns in Peru and Mexico, Mr. Noboa ran television and radio ads linking Mr. Correa to Mr. Chávez, suggesting that the Chávez-style anti-U.S. bravado would bring about ruin for the country by turning the U.S. into an enemy. One TV ad featured ordinary voters saying, "We can't have Chávez meddling in our country."

After his poll numbers sank, Mr. Correa put some distance between himself and Caracas. "Look, Chávez is my friend, but I haven't talked to him in months, and he has nothing to do with my campaign," he said.

Mr. Correa denies he is retreating from his principles. "My positions on the constitution and other things are already well known, so it makes sense to now to talk about new issues. I haven't changed a thing," he said as the SUV he campaigns in zipped between a 7 a.m. television interview and his children's French-language private school.

But that's not the message voters are getting. "Correa is coming back to reality," says Mr. Rivadeneira, the former auto-parts salesman who now has a good job selling Chevrolets. He says Mr. Correa's new campaign pitch is more in line with his own views, and that Mr. Correa may even get his vote. "I don't think anyone wants to risk stability," he says.

Maoists Sign Peace Deal In Nepal (NYT)

By Tilak P. Pokharel And Somini Sengupta

The New York Times, November 22, 2006

KATMANDU, Nepal, Nov. 21 — To end a crippling war that raged for more than 10 years and killed thousands, Maoist rebels in Nepal signed a peace deal with the government on Tuesday night, with a pledge to lock up their guns, at least for now, and let voters decide the future of the country.

The accord promises to bring the rebels, who control vast swaths of the destitute countryside, into the political mainstream. Whether the Maoists, who once functioned as a political party but abandoned the electoral path for armed struggle, will now play by the rules of parliamentary democracy is the most important question.

“It is the beginning of a new beginning,” the Maoist leader, known by his nom de guerre, Prachanda, said after signing the agreement in Katmandu, the capital.

Prime Minister Girija Prasad Koirala said: “This has given a message to the international community and terrorists all over the world that no conflict can be resolved by guns. It can be done by dialogue.”

The peace agreement paves the way for the fulfillment of one of the Maoists’ chief demands: elections to decide whether Nepal will remain a monarchy. The interim government, which the rebels have agreed to join, will organize elections next year for an assembly that will determine whether Nepal will remain a kingdom and if so, what kind.

The Maoists have repeatedly promised to run in the elections and abide by the results. On Saturday, during a visit to New Delhi, Prachanda reiterated that pledge, saying that even if Nepal voted to keep the monarchy, his cadres would continue to press for its abolition — but would do so peacefully.

The agreement signed Tuesday in Katmandu came a year after the rebels teamed up with Nepal’s main political parties to topple King Gyanendra, who dismissed the country’s elected politicians and took control of the state early last year.

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In April, street protests blessed by the Maoists prompted Gyanendra to turn over control to the elected Parliament, which had been suspended four years earlier. This week a government-appointed panel found the king responsible for rights abuses against the pro-democracy protesters and called for him to be punished.

After the king yielded to Parliament, it was swift to take vital powers away from him, including control of the army, and engaged in peace talks with the rebels, who declared a unilateral cease-fire. Under the peace accord, the Maoists will sequester their armed fighters in cantonment sites, and the Nepalese Army will return to its barracks.

Ian Martin, the United Nations envoy to Nepal, said in a statement on Tuesday that agreement had been reached on the locations of the cantonment sites. He added, "Today's agreement promises to convert the cease-fire into long-term peace."

The rebels, still apparently distrustful of politicians and the palace, have not laid down their arms entirely. They have agreed to lock up their weapons but are holding on to the keys. The United Nations is to monitor the safekeeping of weapons through a system of closed-circuit cameras.

Human rights groups have accused the rebels of continuing to recruit members in the countryside, including children, but the Maoists have denied the charge.

The Maoists say they want their troops to be integrated into a new national army. How many and in what fashion remain unclear. "We are not dogmatic Communists, and we are prepared to change and debate our beliefs with anybody," Prachanda was quoted by [a news service] as saying.

The rebels, who called the conflict a "people's war," began with the aim of establishing a Communist state. Maoist insurgencies have blossomed in South Asia long after the demise of Mao and his ideology in China.

In India, a loose confederation of Maoist rebels are active in a swath of territory from the jungles of the far south all the way north to the border with Nepal. The Indian prime minister, Manmohan Singh, recently described them as the country's most pressing internal security threat.

The peace accord in Nepal includes a provision to establish a truth and reconciliation commission "to find facts about those involved in committing serious human rights violations and those involved in crime against humanity during the armed conflict."

Within minutes of its signing, crowds of well-wishers lined the streets and lighted candles as they waited for Prime Minister Koirala's motorcade to pass.

"Both sides give up state of war; it's celebration time," Kanak Dixit, the editor of Himal magazine, said by telephone amid hoots and hollers on the street. "The only challenge that now remains is that the Maoists, in particular their militia, be held to account by the peace deal."

Basanta Sharma, 35, a student, waited for three hours outside the Birendra International Convention Center for news of the signing. "What else can be there which makes us so happy?" he said. "It seems the common man can now live in peace, work and earn their living."

Peace Agreement Nets Guerrillas Seats In Parliament (WT/AP)

By Binaj Gurubacharya

The Washington Times, November 22, 2006

KATMANDU, Nepal -- The government and rebels signed a peace deal yesterday to end a decadelong insurgency, paving the way for the guerrillas to join Nepal's interim leadership.

Nepalese Prime Minister Girija Prasad Koirala and Maoist rebel leader Prachanda signed the accord at a Katmandu convention hall packed with cheering officials, dignitaries and foreign diplomats.

"This ends the more than one decade of civil war in the country," said Prachanda, who goes by a single name. "We will now turn to a campaign of peace and building a new Nepal."

The rebels' fight for a communist state left more than 13,000 people dead before a cease-fire was declared in April. It came after weeks of mass protests that forced King Gyanendra to end his royal dictatorship and restore parliament, which he had suspended 14 months earlier.

The peace deal "has opened the door for a permanent peace, and Nepal has entered a new era," Mr. Koirala said.

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The agreement came after months of negotiations that centered on how to disarm the insurgents and bring them into the government, which they helped bring to power by backing the April protests.

The first issue, disarming the rebels, was solved Nov. 8 when the Maoists agreed to confine their fighters to seven camps and lock up their weapons under U.N. supervision.

Talks then shifted focus to integrating the rebels into the interim parliament and government.

Under yesterday's deal, the rebels are to join the interim parliament by Nov. 26 and will get 73 of the chamber's 330 seats. Mr. Koirala's Nepali Congress will remain the biggest party with 85 seats, and the Maoists will share second place with Communist Party of Nepal (United Marxist-Leninist). The rest of the seats will be held by other, smaller parties.

The rebels' large number will give them a significant role in a new interim government, which will be in place by Dec. 1.

The rebels will also get to play a major part in deciding how and when to elect a constituent assembly that is to rewrite the constitution and decide on the monarchy's fate.

The assembly was a key demand of the hundreds of thousands of ordinary Nepalese who took to the streets in April to demand Gyanendra's ouster.

Centrist parties favor a constitution that preserves the monarchy in a ceremonial role, while the Maoist rebels want the crown abolished.

A 2001 palace massacre, in which the crown prince is accused of gunning down Gyanendra's older brother, King Birendra, and much of the royal family and then killing himself, helped pierce the mystique surrounding Nepal's royalty.

The slaughter brought Gyanendra to the throne. Four years later, he dismissed parliament and seized power, saying he would bring order to a chaotic and corrupt political scene and quell the Maoist insurgency.

Internet Extends Reach Of Bangladeshi Villagers (WP)

By Kevin Sullivan

The Washington Post, November 22, 2006

CHARKHAI, Bangladesh -- The village doctor's diagnosis was dire: Marium needed immediate surgery to replace two heart valves.

The 28-year-old mother of three said she was confused and terrified. She could barely imagine open-heart surgery. She had no idea how her family of farm laborers could pay for an operation that would cost $4,000.

The next day, Sept. 16, her father went to see Mahbubul Ambia, who had recently installed the only Internet connection for 20 miles in far northeastern Bangladesh. Ambia sat down at a computer, connected to the Internet by a cable plugged into his cellphone, and searched for cardiac specialists in Dhaka, the capital, 140 miles away. He found one and made an appointment for Marium, who like many people here goes by just one name. The specialist examined her and said she needed only a routine surgical procedure that cost $500.

"I felt a very deep sense of relief," Marium said.

Villages in one of the world's poorest countries, long isolated by distance and deprivation, are getting their first Internet access, all connected over cellphones. And in the process, millions of people who have no land-line telephones, and often lack electricity and running water, in recent months have gained access to services considered basic in richer countries: weather reports, e-mail, even a doctor's second opinion.

Cellphones have become a new bridge across the digital divide between the world's rich and poor, as innovators use the explosive growth of cellphone networks to connect people to the Internet.

Bangladesh now has about 16 million cellphone subscribers -- and 2 million new users each month -- compared with just 1 million land-line phones to serve a population of nearly 150 million people.

Since February, Internet centers have opened in well over 100 Bangladeshi villages, and a total of 500 are scheduled to be open by the end of the year. All of them are in places where there are no land lines and the connections will be made exclusively over cellphone networks.

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Before February, analysts said, only 370,000 Bangladeshis had access to the Internet. But now millions of villagers have access to information and services that had been available only by walking or taking long and expensive bus rides, or were beyond their reach altogether.

People now download job applications and music, see school exam results, check news and crop prices, make inexpensive Internet phone calls or use Web cameras to see relatives. Students from villages with few books now have access to online dictionaries and encyclopedias.

"We could not imagine where this technology has taken us in such a short time," said Mufizur Rahman, 48, a grocery shop owner in Charkhai, a town of about 40,000 people whose streets are filled with colorful three-wheeled bicycle rickshaws, and where there are almost no cars.

"For the First World, this is minor," he said. "But this is a big thing for us."

The Internet centers are being set up by GrameenPhone, a cellphone provider partly owned by the Grameen Bank, which shared this year's Nobel Peace Prize with its founder, Muhammad Yunus.

The centers are building on a cellphone network created over the past decade by a Grameen Bank program that helped provide more than 250,000 cellphones in villages. When that program started in 1997, only 1.5 percent of the population had access to a telephone; that has risen to more than 10 percent.Staying Connected

Goats grazed on litter outside Ambia's little Internet shop in Charkhai, where merchants sell bright red tomatoes and honking ducks in the crowded central market.

Bangladesh, where the United Nations says average annual income is about $440, is one of the most densely populated countries in the world, with its 150 million people crammed into an area roughly the size of Iowa.

Ambia's shop sits wedged between a stall where men sell huge sacks of rice and one selling cheap plastic shoes. By midmorning on a steamy September day, at least 20 people stood in line waiting to use one of Ambia's two Chinese-made computers.

A woman named Aleya, 55, sat down on a small plastic chair and handed Ambia a scrap of paper with a London phone number. She said that her 18-year-old daughter was getting married and that she was calling her uncle in England to ask him to help pay for it. Aleya said her husband is a construction worker who earns about $70 a month, barely enough to feed their five children.

Ambia dialed the number on the keyboard of his computer, connected by a cable to a Motorola cellphone. The call connected using VoIP (Voice over Internet Protocol) technology, which allows calls to be placed from a computer to another computer or a telephone anywhere in the world -- for little or no cost.

VoIP technology is growing rapidly. One of the biggest brands, Skype, was founded in August 2003 and now has 136 million registered users. Companies such as Vonage and Yahoo also offer the service and are expanding exponentially.

Aleya picked up the small telephone handset connected to the computer and her face lit up. Her uncle, who owns a restaurant in London, promised that he'd make arrangements to send money for the wedding.

The five-minute call cost 8 Bangladeshi taka, about 11 cents.

"An 8-taka call has earned me thousands," Aleya said with a broad smile.

Before Ambia's center opened in February, Aleya said, she would have called her uncle on a borrowed cellphone at a cost of more than $2, her husband's daily wage.

The only other option would have been to take a bumpy bus to Sylhet, a city about 20 miles down the road, to make the call from an Internet cafe there. She said rutted roads and ancient buses making frequent stops often turned that into an all-day errand that would cost her nearly $3.

As Aleya spoke on the phone, Komoruddin, 50, was waiting to make a call to his son, an electrician living in Saudi Arabia. Komoruddin said he and his other son and five daughters live largely on the money his son sends home.

"I used to have to make a plan and spend a whole day to make a call. Now I can just come in here and relax," he said. "I never thought I'd see anything like this here. Some people still don't believe it."Cyber Vows

Ambia, a lanky 26-year-old, said he was running a small shop doing cellphone repairs when he heard about GrameenPhone's plan to create hundreds of village Internet centers.

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"I love browsing the Internet, but I used to have to go to Sylhet to do it," he said. "When I saw the opportunity to combine browsing and business, I took it."

He said his business is growing fast, fueled by villagers' delight at being able to connect with a world beyond theirs. Ambia also sells cellphones in his shop, and each month he signs up about 500 new customers, who pay about $4 to activate a phone.

Ambia said Internet access is a logical next step in Charkhai's digital evolution. In recent months, he noted, local people have been making long walks through the fields and crossing wide rivers to log into cyberspace.

Before, getting a passport application could take weeks, or would require a bus trip to Sylhet. News of overseas job opportunities used to come by word of mouth. But now people browse online employment bulletin boards, then use the center's scanner to submit completed applications for jobs that before they might never have known about.

Students cram into the two-room center to use computers to check results of their standardized exams, instead of walking miles or taking a bus ride to get them.

Ambia has created a database of land and houses for sale around Charkhai, which better-off Bangladeshis in London or the Middle East use to browse for investments in their homeland.

He is working on databases listing doctors and other basic services. He said a program would soon begin to allow local doctors and their patients to hold video conferences to consult with specialists in Dhaka.

"People are just beginning to know about this," he said. "They are excited to get this kind of information."

One of Ambia's most popular services is video conferencing, using the little Hyundai Web camera mounted atop one of his computer monitors.

Entire families crowd in front of the center's camera to hold video conferences with relatives overseas. Ambia said a mother came in recently to hold up a newborn to give the father, working overseas, his first glimpse of his child.

"People even come here to see how things are being cooked in London, how they are cutting the fish," he said.

And Ambia was preparing to add a 21st-century twist to a traditional ritual, by hosting his first video conference wedding.

Aslam Ahmed, 25, said he planned to sit in front of the Web camera in Charkhai and marry his girlfriend, Jasmine, 17, who would be in front of a Web camera in her home in London.

Weddings conducted over the telephone are common in this part of Bangladesh. Many marriages are still arranged between conservative Muslim families, and often the bride or groom is living overseas.

A marriage certificate is also a fast route to getting a work visa to leave Bangladesh -- and conducting the wedding by phone is faster and cheaper than arranging for the overseas partner and family to travel home for a wedding.

An imam is present at both ends of the call, along with a civil official who certifies the vows. Duplicate sets of paperwork are then exchanged by mail for everyone's signatures.

Ahmed and his bride had planned a wedding by cellphone and knew they would have to pay $30 or $40 just for the call. The video conference over the Internet, however, would cost a fraction of that, so the imams conducting the ceremony would not have to rush through the prayers to save money.

Jasmine's family moved to London in 1986. Ahmed said he had met her just once, in 2002, when her family came back to Charkhai to visit. They spoke on the phone and exchanged e-mail regularly after that -- and once Ambia's center opened, they saw each other regularly by video conference, even though they live 5,000 miles apart.

"I don't know what other people say, but as far as I'm concerned she's Miss World," Ahmed said.

Russian Venom (WSJ)

By Boris Volodarsky

The Wall Street Journal, November 22, 2006

On the evening of Feb. 18, 1954, in Frankfurt, a man called on Georgy Okolovich, a leader of an anti-Soviet émigré union. The business at hand was murder. But things took a different turn when Okolovich opened the door. "I'm a captain in the Ministry of State Security and I have been sent from Moscow to organize your assassination," the visitor told him straight out. "I don't want to carry the order out and I need your help." His name was Nikolai Khokhlov. He defected to the U.S. and revealed that the Soviets used assassination as a political instrument.

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Three years later, Mr. Khokhlov was at a conference in Germany when, while with friends, he drank a cup of coffee and collapsed hours later. The doctors called it simple food poisoning, but his condition deteriorated until, 10 days into his illness, his hair began to fall out; his bone marrow was found to be severely damaged and his body showed an almost total loss of the white cells that are vital to the proper functioning of the immune system. Later tests uncovered the culprit: deliberate poisoning by a new and previously unknown form of thallium. He lived to tell the tale.

Fast forward to November 1998, in Moscow, when Col. Alexander Litvinenko of the Russian Ministry of State Security -- the old KGB that today goes by FSB -- publicly accused his superiors of ordering him to assassinate Russian tycoon Boris Berezovsky. He was soon arrested and put in the infamous Lefortovo prison. The head of the FSB at the time was Vladimir Putin. A court cleared Mr. Litvinenko the following year of all accusations, including service misconduct and assorted others, but he was rearrested and retried the following year, and cleared again. In 2000, he and his family went to live in exile in Britain. There, Mr. Litvinenko published a book that tied the 1999 bombings of Moscow apartment buildings -- which justified Russia's reinvasion of Chechnya -- to the Putin presidential election campaign, which was successfully propelled by that war.

Early this November, Mr. Litvinenko was invited to tea at a London hotel with a Russian man who was familiar to him from his Moscow days. Some hours later, he had a sushi lunch at Piccadilly Circus with an Italian acquaintance, Mario Scaramella, who wanted to give him documents purportedly throwing light on the recent assassination in Moscow of the opposition journalist Anna Politkovskaya, shot dead last month in her apartment building.

That night, he became violently ill. At first, doctors suspected food poisoning. It was only on the 10th day in hospital, when his hair began to fall out, that toxicology tests were performed. His body contained, these tests showed, three times the fatal dose of thallium. John Henry, a clinical toxicologist who was the first to pinpoint the dioxin poisoning of Ukrainian President Viktor Yushchenko, examined Mr. Litvinenko this Saturday and told the BBC, "There's no doubt that he's been poisoned by thallium." According to my sources close to Alexander, whom I've known for a couple years, investigators now suspect that he was poisoned at the tea, not the lunch. The name of the Russian suspect hasn't been made public by the police.

When I heard the other day that Alexander's condition was worsening, I thought that the doctors perhaps made the same mistake as in the Khokhlov case. Thallium has never been known to attack the blood stream, but that's what's happening to Alexander Litvinenko. Specialists at the U.S. military hospital in Frankfurt only later discovered that Mr. Khokhlov was exposed to radioactivated thallium, which initially only results in non-specific gastrointestinal symptoms; and only later did they observe a moderate elevation of blood lipids, leukocytosis and anemia that occurs in most high-level intoxications. By the time the symptoms known to be after-effects of radiation began to appear, the radioactivated thallium had already disintegrated, making it very hard for doctors to find, and for investigators to confirm, the poisoning. The same scenario may be playing out with Mr. Litvinenko. Yesterday the London hospital treating him said it could not confirm that the poison was thallium -- a diagnosis that in the Khokhlov case was only made by a special U.S. military hospital.

I last met Alexander at London's Connaught Hotel to discuss the Khokhlov case, about which I'd published a monograph. He was investigating the death of Yury Shchekochikhin, an opposition Russian parliamentarian and journalist, who died in suspicious circumstances in 2003 after a two-week illness. His symptoms were similar to President Yushchenko's, pointing clearly to exposure to a toxic agent. After his death, no autopsy was performed and access to medical records wasn't allowed.

Mr. Litvinenko is a small thorn in the side of the current Russian regime. He lives abroad and holds a British passport. That didn't protect him, but nor did it Georgi Markov, the Bulgarian dissident who in 1978 was killed by a KGB ricin-tipped umbrella near Waterloo station.

It is perhaps too early to discuss how and why Mr. Litvinenko was poisoned. Some things are clear. This was likely the work of the Russian secret service that had been after him for years. Whether the Russian president, who was often the object of Mr. Litvinenko's fierce and fearless mockery, is involved is open to doubt. I wonder if Mr. Putin is in control of his squabbling entourage. Whatever the truth, this poisoning also looks to be directed against Boris Berezovsky, now in exile in London and campaigning for regime change in Russia. Mr. Litvinenko is one of his advisers.

Russian foreign intelligence denies any involvement in his poisoning. It cannot deny, however, its long history of using poison as a weapon. The "Kamera," or as KGB veterans might remember it, "Laboratory No. 12," was founded in 1921 in a corner of Lenin's Cheka. This office innovated biological and chemical agents as advancing science and the Kremlin dictated.

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But one thing in their design has stayed constant: To make the victim's death or illness appear natural, or at least produce symptoms that will baffle doctors long enough to delay proper treatment. The Chechen rebel Khattab was poisoned in 2004, as was Trotsky's secretary Wolfgang Salus in 1957. Countless other victims were never identified as such.

Before the Litvinenko case, the most prominent poisoning involved Mr. Yushchenko, whose digestive tract and once-chiseled face were destroyed by a complex, dioxin-based compound during a meal with the top officials of his country's security service. Mr. Yushchenko was an unwelcome candidate for Moscow in Ukraine's 2004 elections. Like Khokhlov, he survived; all leads in that case point to the Kamera. The investigation has been hindered by overt pressure on Mr. Yushchenko's doctors at home and in Austria, where he was treated, and Ukrainian politicians.

At this hour, Alexander Litvinenko is fighting for his life in a London hospital.

Mr. Volodarsky, a former Soviet military intelligence officer who lives in London, is the author, with Oleg Gordievsky, of the forthcoming "KGB: The West Side Story."

Programs Help Reduce HIV Rates In Parts Of Africa, Report Says (WP)

By David Brown

The Washington Post, November 22, 2006

Seven African countries are experiencing a decline in the prevalence of HIV infection among young, urban adults, finally reaping the benefit of AIDS prevention and treatment, the United Nations said yesterday in its annual report on the global epidemic.

That good news was offset by troubling signs that the first African country to reverse the epidemic, Uganda, is experiencing a resurgence of infection, as is Thailand, another early success story.

Based on hundreds of national and regional surveys, the report stitches a patchwork of progress and setbacks: a successful national treatment program in Brazil and a new, aggressive response by the Chinese government, alongside a worsening HIV epidemic in the former Soviet bloc and a new outbreak among gay men in Europe.

But the pendulum swing underway in Uganda and Thailand appears to mark a new phase in the 25-year-old AIDS epidemic.

"It should not be a surprise that the countries first to show success will be the first to have a rebound and show problems," said Peter Piot, director of UNAIDS, the program run by the United Nations and the World Bank. "It is something that I am really very worried about."

He and other epidemiologists are trying to learn whether the resurgence of infection in the two nations is a demographic copy of the first wave of AIDS cases or represents the spread of infection to new groups. They are also trying to understand how big a part "prevention fatigue" may be playing in the trend.

"We really don't have an idea why it is happening," Piot said.

The findings make clear that vulnerable populations may differ somewhat from country to country, and that entire nations may be at different stages in the epidemic.

"One of the main messages is the need of countries to know their epidemic," said Paul De Lay, director of monitoring and evaluation at UNAIDS. "The epidemics are continuing to evolve."

Worldwide, 39.5 million people are infected by HIV, up 2.6 million from two years ago. This year, an estimated 4.3 million people will become infected and 2.9 million will die, according to the report. Two-thirds of all adults and children with HIV live in sub-Saharan Africa.

In many countries, HIV incidence is uncertain. Estimates based on the infection rate of pregnant women at public clinics are unrealistically high, and estimates based on household surveys (which often miss such high-risk people as commercial sex workers, drug users, soldiers and migrants) are deceptively low.

Most estimates now combine the methods, and although they are generally lower than previously cited rates, they are still shockingly high for many countries. In Zimbabwe, for example, 20 percent of people 15 to 49 are thought to be infected with the AIDS virus.

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Prevalence of the disease in city dwellers 15 to 24, who make up a key demographic gauge of the epidemic's trajectory, has fallen by at least 25 percent in Zimbabwe, Malawi, Kenya, Botswana, Burundi, Rwanda and Ivory Coast. In Zimbabwe, Kenya, Botswana and Tanzania, the rate fell a similar amount among rural people.

In Uganda, the national prevalence is 6.7 percent -- a steep decline from a decade ago, attributed to fewer sex partners, later "sexual debut" by teenagers, increased condom use and rising AIDS mortality through the 1990s. Now, however, AIDS prevalence is rising in some populations, such as rural men (up from 5.6 to 6.5 percent) and rural women (6.9 percent to 8.8 percent), according to recent surveys.

Piot said Uganda also suffered from a period of "decreased credibility" of condoms, the consequence of messages by some fundamentalist groups, a run of defective condoms and then a shortage of condoms.

In Thailand, HIV infection used to be seen almost exclusively in prostitutes and their male clients. The spread of the virus was nearly halted by a national campaign for "100 percent condom use" in commercial sex transactions. Now, however, the epidemic is spreading to married women, who accounted for one-third of new infections last year. It is also becoming far more prevalent in male homosexuals -- up from 17 percent in Bangkok in 2003 to 28 percent in 2005.

In Western Europe, just over one-third of the new HIV infections last year occurred in "men who have sex with men," the term preferred by epidemiologists, because many men infected that way do not consider themselves to be homosexual. The Netherlands, Britain, Portugal, Switzerland and Belgium reported steep increases in the number of infections in that population since 2000.

About 55 percent of new infections in Europe were acquired through opposite-sex intercourse, with three-quarters occurring in immigrants or migrants. The report noted the need to target prevention programs to them.

A major sign of progress is that since 2002, 2 million years of life have been gained by the use of antiviral drugs in low- and middle-income countries. In Africa, 790,000 years of life have been gained, most in the past two years.

Lifesaving combinations of antivirals became widely used in rich countries beginning in 1996. The idea that a decade later they might be used by more than a handful of people in poor countries was viewed by most as unrealistic and possibly dangerous.

Piot said the report demonstrates that policymakers such as himself "need to safeguard early successes like Uganda." He added: "You develop complacency, and the attention moves to something else. That is completely human. The job is never finished, particularly when you have had some successes."

Iran And Arak (NYT)

The New York Times, November 22, 2006

The International Atomic Energy Agency has always had a conflicted mandate. It is supposed to promote the peaceful use of nuclear technology while also restraining the spread of nuclear weapons. The problem is that some peaceful nuclear technology can be too easily used to make a weapon.

That dangerous duality is being played out again this week in Vienna, where the agency's board is debating whether its staff should provide Iran with technical advice on how to safely complete construction of a heavy water nuclear reactor near the town of Arak. Tehran says that it needs the reactor to produce medical isotopes. The United States and the Europeans suspect that what it really wants is the abundant plutonium that can be extracted from the reactor's spent fuel — plutonium that could form the core of a nuclear weapon.

Denying the request should be a no-brainer — especially at a time when Iran is defying a Security Council order that it stop enriching uranium, usable for nuclear reactor fuel or potentially a nuclear bomb. But Tehran is adept at whipping up the suspicions of the board's nuclear have-nots, who jealously guard their right to all civilian nuclear technology, no matter the potential dangers.

The board needs to soundly reject Iran's request. Anything less — some members of the notoriously conflict-averse board are calling for deferring the decision — will only confirm Tehran's belief that the international community is not serious about containing its nuclear ambitions.

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Even more worrisome, the Security Council still cannot agree on how to punish Iran for continuing to enrich uranium — nearly three months past a Council-ordered cutoff.

Moscow and Beijing, which have been protecting Tehran at the Council, need to focus less on Iran's oil wealth and more on the dangers of a nuclear-armed Iran. The Bush administration, which has agreed to talk with Iran if it suspends enrichment, needs to go further, offering Tehran explicit security guarantees in exchange for giving up technology that could feed a nuclear weapons program.

Until there are real incentives and equally real punishments there is no chance of changing any minds in Tehran. The Arak episode is one more reminder of why the world needs to find a better way to guarantee countries the benefits of civilian nuclear technology without also dangling the temptations of nuclear weapons.

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TERRORISM NEWS:

Terrorism Charge May Be Reinstated Against Padilla (AP)

By Curt Anderson, Associated Press

AP, November 22, 2006

MIAMI — Federal prosecutors have asked an appeals court to reinstate a key terrorism charge against an alleged Al Qaeda operative, Jose Padilla, contending a judge erred in finding that it duplicated other counts in the same indictment.

Padilla and two co-defendants are charged with being part of a North American support cell that provided money, supplies, and recruits to Islamic extremists worldwide. Padilla, an American citizen, was held for 3 1/2 years without charge as an "enemy combatant," originally accused of plotting to detonate a radioactive "dirty bomb" in an American city.

The pleading filed with the 11th U.S. Circuit Court of Appeals late Monday argues that the charge dismissed by U.S. District Judge Marcia Cooke is a distinct offense in the case.

Judge Cooke ruled in August that the first count of the indictment against Padilla and two others — charging a conspiracy to "murder, kidnap, and maim persons in a foreign country" — was essentially the same as two other terrorism support counts. The dismissed charge is the only one in the case that carries a potential life prison sentence.

Reno Joins Criticism Of Anti-Terror Strategy (WP)

By Dan Eggen

The Washington Post, November 22, 2006

Former attorney general Janet Reno has taken the unusual step of openly criticizing the Bush administration's anti-terrorism strategy -- joining seven other former Justice Department officials in warning that the indefinite detention of U.S. terrorism suspects could become commonplace unless the courts intervene.

In a friend-of-the-court brief filed in the case of alleged enemy combatant Ali Saleh Kahlah al-Marri, the former prosecutors assert that criminal courts are well equipped to prosecute terrorism suspects while guaranteeing the constitutional rights of defendants arrested on U.S. soil.

Reno, reached at her Florida home yesterday, said she would let the brief "speak for itself. I've been following this, and it reflects my concerns about the detention and treatment of people who have been determined to be enemy combatants in a manner that is not clear how it is being done."

In their brief, Reno and the other former Justice Department officials said: "The government is essentially asserting the right to hold putative enemy combatants arrested in the United States indefinitely whenever it decides not to prosecute those people criminally -- perhaps because it would be too difficult to obtain a conviction, perhaps because a motion to suppress evidence would raise embarrassing facts about the government's conduct, or perhaps for other reasons."

The filing in the U.S. Court of Appeals for the 4th Circuit is a highly unusual move for Reno. She has generally maintained a low profile since leaving the helm of the Justice Department in 2001 and has said little publicly about the policies of her successors, John D. Ashcroft and Alberto R. Gonzales.

The brief is also notable because its signatories include two U.S. attorneys from the Reagan years -- W. Thomas Dillard and Anton R. Valukas -- in addition to prosecutors from the Clinton and Carter administrations and Philip A. Lacovara, a counsel to the Watergate special prosecutor.

"It carries more weight because these are high-ranking officials in several administrations from both parties," said Carl W. Tobias, a law professor at the University of Richmond.

Marri, a Qatari national, has been held as an enemy combatant in a military prison in South Carolina since he was accused of being an al Qaeda "sleeper agent" sent to the United States to carry out attacks. Unlike the hundreds of detainees being held in Guantanamo Bay, Cuba, Marri was apprehended on U.S. soil, in Peoria, Ill., and is the only remaining enemy combatant held inside the United States.

The Justice Department argues that an anti-terrorism law, the Military Commissions Act of 2006, allows the government to detain any foreign national as an enemy combatant, regardless of where they were arrested. The administration wants to place Marri into its military trial system, but he is challenging the legality of his detention.

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"While we respect the right of other legal minds to be heard on these issues, we believe we are on firm legal footing in this case as both the magistrate judge and district court concluded," Justice Department spokesman Brian Roehrkasse said yesterday.

Gonzales defended the administration's detention and surveillance policies in a weekend speech at the Air Force Academy, telling cadets that it is a "myth" that civil liberties have been hampered by anti-terrorism strategies.

Reno, Former U.S. Officials Challenge Military Trials (Update1) (BLOOM)

By Jeff St.onge

Bloomberg, November 22, 2006

Nov. 21 (Bloomberg) -- Former U.S. Attorney General Janet Reno and seven other former Justice Department officials challenged the Bush administration's bid to try suspected terrorist Ali Saleh Kahlah al-Marri, a foreign national living in the U.S. when he was arrested, before a military commission.

Reno and the others said the Bush administration is trying to set a dangerous precedent that would let the government indefinitely imprison any non-U.S. citizen considered an enemy. The former U.S. officials were joined by at least four human rights groups making similar arguments.

The administration is ``asserting the right to hold putative enemy combatants arrested in the United States indefinitely whenever it decides not to prosecute them criminally," Reno, six former U.S. attorneys and a former deputy solicitor general said in a ``friend-of-the-court" brief.

Al-Marri, 41, was the first defendant removed from the U.S. criminal justice system and deemed an illegal enemy combatant. He was studying in the U.S. and living in Illinois when he was arrested in late 2001. The Justice Department unsealed the indictment in December 2002, and he was declared an enemy combatant about six months later. A citizen of Qatar, al-Marri has been held at a U.S. Navy Prison in South Carolina since June 2003.

The Justice Department said it stands by its decision to try al-Marri as a suspected terrorist outside the criminal court system.

Complex Issues

``These are complex and difficult legal issues," said Justice Department spokeswoman Kathleen Blomquist in an e-mailed statement today. ``While we respect the right of other legal minds to be heard on these issues, we believe we are on firm legal footing."

The Justice Department said a new anti-terrorism law, the Military Commissions Act, gives terrorism suspects such as al-Marri no right to challenge their imprisonment.

Jonathan Hafetz, one of al-Marri's lawyers, said a hearing on the government's request to have al-Marri's challenge to his detention thrown out is scheduled for late January or early February in the 4th U.S. Circuit Court of Appeals in Richmond.

``This is an unprecedented, unlawful and un-American attempt to deprive an individual living in this country of basic constitutional rights," said Hafetz, from New York University's Brennan Center Justice, in a phone interview.

Reno was attorney general in President Bill Clinton's administration. The other officials who joined her on the legal brief served under Clinton and President Ronald Reagan, such as former U.S. Attorney Anton Valukas, who is now a partner at the Jenner & Block law firm in Chicago. Some represent detainees held at the U.S. military prison in Guantanamo Bay in Cuba, according to Hafetz.

The case is Al-Marri v. Wright, 06-7427 in the 4th U.S. Circuit Court of Appeals in Richmond, Virginia.

Editorial: Terror Detainees Still Face Legal Limbo (DENP)

Denver Post, November 22, 2006

Justice for the 9/11 victims requires that high-level detainees be charged and prosecuted. And, Congress should restore the right of habeas corpus.

A few months back, when President Bush was pushing Congress for the authority to try suspected terrorists before military commissions, he made a surprise announcement confirming the existence of secret overseas prisons.

Among those behind bars were 14 al-Qaeda terror suspects who were relocated to the military prison at Guantanamo Bay.

President Bush said then that the legislation was necessary to bring these people and others to justice. Among them was Khalid Shaikh Mohammed, considered the mastermind of the Sept. 11, 2001, terror attacks.

The president was asking Congress for powers the U.S. Supreme Court had ruled unconstitutional, and he cast it as a time-sensitive situation.

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"As soon as Congress acts to authorize the military commissions I have proposed, the men our intelligence officials believe orchestrated the deaths of nearly 3,000 Americans on Sept. 11, 2001, can face justice," Bush said in September. "To start the process for bringing them to trial, we must bring them out into the open."

But what seemed so urgent at the time is now taking on a different tenor.

U.S. Attorney General Alberto Gonzales told The Denver Post editorial board Monday that the administration can hold Guantanamo Bay detainees indefinitely, without any judicial proceeding through the "period of hostilities." Which is to say, indefinitely.

The administration has categorized an untold number of detainees as "unlawful enemy combatants," saying they are members of a non-state terrorist group. It's a different class of detainee than POWs, typically uniformed combatants captured during battlefield-style warfare. The U.S. in previous wars has held enemy combatants. But the Military Commissions Act of 2006 broadened the definition of illegal enemy combatant to include those providing support to terrorists. As such, they have no right to a real day in court. "We have no obligation to bring people to justice," Gonzales said.

And even when military commission proceedings begin, Gonzales predicted slow going due to defendants' legal maneuverings.

"At every opportunity they're going to bring challenges," he said. But these opportunities have shrunk considerably.

In fact, Congress gave the president the authority to use military commissions in a bill that included one particularily controversial provision - denying the detainees a procedure known as habeas corpus, a right that obligates the government to justify imprisonment before a federal judge.

With the removal of habeas rights, the detainees have no way of challenging their status in federal court. That alone has spawned litigation that seems sure to make its way to the U.S. Supreme Court.

Meanwhile, the wheels of makeshift justice are grinding slowly. Government officials told The New York Times earlier this month that the first military commission trials at Gitmo could begin this summer, but those will not involve any of the 14 senior al-Qaeda members recently moved to the prison in Cuba. Along with Shaikh Mohammed, they include Ramzi Binalshibh, an alleged would-be Sept. 11 hijacker, and Abu Zubaydah, who is said to have served as a link between al-Qaeda leader Osama bin Laden and cells in his organization.

It could be well into 2008 before those high in the command structure of al-Qaeda would be tried, or never. We believe that egregious crimes should be prosecuted as quickly as practical, as the president suggested in his September remarks. Victims of Sept. 11 have already waited five years for justice.

As for those who are in detention at the military prison in Guantanamo Bay, the denial of habeas corpus is unnecessary and un-American. While the U.S. Supreme Court almost certainly will get a crack at this questionable law, members of Congress shouldn't wait. They should review the military commissions act as an early order of business in 2007 and at the very least restore the right of habeas corpus to those imprisoned at Guantanamo.

It is a step that will bring the U.S. back into line with our own traditions and rights.

Gonzales Acknowledges Supermax Problems, Says They're Addressed (AP)

AP, November 22, 2006

DENVER — Attorney General Alberto Gonzales acknowledged the federal government has made mistakes at the ultra-high-security Supermax prison in Colorado, including inadequate monitoring of inmate mail and phone calls, but he said steps are being taken to address the problem.

"Have mistakes been made? Have there been some problems there? No question about it, like there are at every facility," Gonzales said Monday. "But we've taken steps to address them."

Supermax, in the town of Florence about 80 miles south of Denver, houses some of the nation's most dangerous inmates, including Unabomber Ted Kaczynski, al-Qaida conspirator Zacarias Moussaoui and Oklahoma City bombing conspirator Terry Nichols.

Local and federal officials have criticized the prison in recent weeks over staffing levels, security measures and fencing.

A Justice Department report in September criticized the prison for not properly screening mail and other communications. Last month, a federal arbitrator found staff cuts had made the facility more dangerous. Both Colorado's senators, Republican Wayne Allard and Democrat Ken Salazar, and local officials have raised concerns about security and communications.

Gonzales said all inmate mail is now being read and a large portion of phone calls are monitored as they occur. The rest are recorded and reviewed by translators later, though a shortage of qualified Arabic translators has caused a delay.

He did not say how long the delay was.

Gonzales said he has asked the director of the Bureau of Prisons to look into potential technology improvements at Supermax and whether perimeter patrols should be stepped up.

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Gonzales said 11 staff members have been added at Supermax in recent weeks and seven more will begin work soon. Those 18 would bring the facility to 208, still fewer than the 240 who were there when the prison opened in 1994.

HOMELAND RESPONSE:

Rainier Valley Barbershop Owner Flees U.S. (SEAPI)

By Paul Shukovsky, P-I REPORTER

Seattle Post-Intelligencer, November 22, 2006

Facing sentencing in plea deal, he phones FBI to say he's in Somalia

Ruben Shumpert, who federal agents allege made his Rainier Valley barber shop a kind of "anti-American training ground for Muslims" where children were taught "how to shoot and fight the Americans," has telephoned the FBI to say he won't be going to prison anytime soon.

Shumpert, who faces sentencing on federal counterfeiting and weapons charges, has fled to Somalia.

A warrant has been issued for the arrest of Shumpert, who is also known as Amir Abdul Muhaimin, Assistant U.S. Attorney Bill Redkey said. He was to be sentenced Tuesday.

Shumpert -- an African American convert to Islam -- was among more than a dozen, mostly African immigrants from Islamic countries arrested by the FBI's Joint Terrorism Task Force two years ago on a mix of charges, including immigration fraud and bank fraud.

Shumpert was never charged with any terrorism crimes, but court documents paint a picture of his barber shop at 7821 Rainier Ave. S. as a gathering place for adherents of radical Islam where he showed children videotapes of "fighting, shooting and killing with images on Shumpert's computer screen of al-Qaida and the Taliban."

Shumpert had been free on personal recognizance and was facing sentencing under a plea agreement when he fled the country, Redkey said. Shumpert called an FBI agent on the Joint Terrorism Task Force from Somalia, Redkey said.

But he noted that the United States has no extradition treaty with Somalia. Somalia is considered a fertile breeding ground for radical Islamic terrorists by U.S. intelligence agencies.

Redkey said Shumpert also likely is to be charged with failing to appear for his sentencing hearing, a separate felony.

A condition of Shumpert's release before sentencing was that he surrender his passport, said Redkey, who noted that in recent years, it has become more common for judges to allow defendants to turn in their passports after they are released from custody. Shumpert never surrendered his passport, Redkey said.

Redkey said the U.S. Attorney's Office is reviewing the practice of allowing people out of custody before they surrender their passport.

P-I reporter Paul Shukovsky can be reached at 206-448-8072 or paulshukovsky@seattlepi.com.

Seattle Convict Who Espoused Radical Views Flees To Somalia (AP)

By Gene Johnson, AP LEGAL AFFAIRS WRITER

AP, November 22, 2006

SEATTLE -- A south Seattle barbershop worker who allegedly espoused radical Islamic views fled to Somalia rather than show up in federal court to be sentenced on gun and counterfeiting charges.

"He decided he liked his chances better elsewhere," Assistant U.S. Attorney William Redkey said after Tuesday's sentencing was put off. "It's always a concern when someone who has espoused radical ideas heads to a place like Somalia, of course."

Ruben Shumpert helped run Crescent Cuts barber shop in Seattle's Rainier Valley, according to documents filed in U.S. District Court. He was arrested two years ago and charged with being a felon in possession of a firearm, following an FBI investigation into activities at the shop. He was accused of providing a gun to one person and giving $700 to another for the purpose of buying a gun.

Redkey said he isn't sure when Shumpert fled. He was last in court on Sept. 20, when he appeared on bond to plead guilty to the weapons charge and to transferring counterfeit currency. He entered the pleas in exchange for a recommended sentence of 24 to 30 months.

Shumpert's lawyer, James Vonasch, said the government told him only that his client had left the country. He didn't know until contacted by The Associated Press that Shumpert had gone to Somalia - a war-wracked East African country that's considerably less safe than federal prison.

"He hasn't been checking in with his lawyer," Vonasch said. "That is a horrible place to go to."

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Vonasch also said that Shumpert claims to speak some Arabic, and that an FBI agent who worked the case got a call from him within the past two weeks.

"The agent implied it was an unpleasant conversation, but he didn't supply me with the details," Vonasch said.

Vonasch said Shumpert's wife and two young children are still in Seattle. The FBI questioned the wife about Shumpert's whereabouts, he said.

The FBI's investigation into the barbershop relied on paid informants who told agents that Shumpert and other men who would meet at the shop often spoke in bellicose anti-American terms. Eventually, agents determined that they were "unable or unwilling to engage in acts of terrorism," according to court documents.

Some - including Shumpert - were indicted on non-terrorism-related charges, such as document fraud and firearms violations.

Among the items removed from the barbershop were "jihad motivational DVDs," prosecutors wrote in a sentencing memorandum last July.

"If youngsters came in to play video games he would encourage them first to view the motivational DVDs," they wrote of Shumpert. "The subject matter of the DVDs included a glowing tribute to the '19 Martyrs,' referring to the 9/11 terrorists."

Shumpert, who has previous state convictions on weapons and assault charges, denied being a radical. In a 12-page, neatly handwritten letter to the judge this summer, he said he wanted to take responsibility for his crimes, and credited Islam with turning him from a life of theft and drug-dealing. But he also criticized the FBI's reliance on paid informants who first befriended him and then begged him to get them guns and counterfeit money.

"Has there ever been any (news) stories that show how these sort of FBI investigations have torn apart whole communities with false allegations and entrapment?" he wrote. "I ask you please, don't let them throw us away in the system so easily."

Vonasch said it appeared likely that the judge might give a longer sentence than the 24-30 month recommendation; she rejected a previous plea agreement that would have made that sentencing range binding on the court.

Somalia has not had an effective government since 1991, when warlords overthrew a dictator and then turned on each other. The current administration was formed with the help of the United Nations two years ago, but it has failed to assert any real control outside the southern town of Baidoa, where it is based.

New Plan Aims To Better Share Terrorism Data (WSJ)

By Rebecca Christie And Robert Block

The Wall Street Journal, November 22, 2006

WASHINGTON -- More than five years after the Sept. 11, 2001, terrorist attacks, U.S. intelligence officials have unveiled the first comprehensive plan to help federal, state and local officials share information about terrorist threats. But whether the government will provide the money and commitment needed to make the plan work remains uncertain.

The Office of the Director of National Intelligence, which is coordinating the new plan, known as the "Information Sharing Environment," said it aims to break down barriers by allowing federal and local agencies to send representatives to the National Counterterrorism Center, the government's main terrorism-information clearinghouse.

The plan also seeks to overhaul the way classified and sensitive data are handled so information can better reach the people who need to see it, like governors, mayors, police chiefs and, eventually, beat police on the street.

A senior U.S. intelligence official said President Bush asked the DNI to create a framework to allow the Department of Homeland Security and the Federal Bureau of Investigation to better coordinate their threat assessments and warnings to state and local authorities. The White House has grown increasingly concerned about the poor quality of information sharing between the federal government and the states.

State and local officials cautiously welcomed the plan, which was unveiled a week ago but details of which they have been learning in recent days. But many warned the effort wouldn't work without federal money and muscle to provide better technology and to put an end to traditional interagency turf battles.

Deputy Chief Mark Leap of the Los Angeles Police Department said the ISE is a promising first step but that local police need "almost instantaneous access" to information for decision-making purposes. "There is no system to support that kind of access right now," he said.

The office of the Director of National Intelligence is currently in talks with the White House about funding for the new technology and personnel costs outlined in the plan. Officials haven't decided how much this will cost or who should pay for it.

The Department of Homeland Security is in charge of communicating threat information to state and local governments. It has been helping states and regions set up "fusion" centers to coordinate information locally. These centers are a key part of the new information-sharing plan, although the information they handle isn't just terrorism-related.

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Sens. Susan Collins, a Maine Republican, and Joseph I. Lieberman, from Connecticut, wrote a letter, released yesterday, alleging that the department's information-sharing programs remain weak a year after Hurricane Katrina.

The Homeland Security Information Network, a program intended to link so-called first responders -- those on the front line in responding to a disaster or crisis, such as firemen -- and disseminate intelligence to local authorities, has largely failed, the letter said. It said only 6% of an estimated 18,000 first responders use the network on a regular basis. As a result, the Homeland Security Department can't reliably obtain "situational awareness," or knowledge of current information from the site of a disaster or terrorist attack, the letter said.

The need to share information collected by local police about suspicious activity has increased along with fears that homegrown radical groups pose perhaps a greater threat to the U.S. than foreign terrorists.

6 Imams Removed From Flight For Behavior Deemed Suspicious (NYT)

By Libby Sander

The New York Times, November 22, 2006

Six Muslim religious leaders were taken off a US Airways flight in Minneapolis on Monday evening and detained for several hours after some passengers and crew members complained of behavior they deemed suspicious, including prayers at the gate.

The incident prompted the Council on American-Islamic Relations and officials for the National Association for the Advancement of Colored People in Washington to call Tuesday for Congressional hearings on racial profiling and an investigation by the Justice Department and the Transportation Security Administration.

Nihad Awad, executive director of the Islamic advocacy group, said this was hardly the first time Muslims had encountered problems with stereotyping by the airline. “We seem to have received more complaints against US Airways” than other carriers, Mr. Awad said in an interview. Those complaints have come from Muslim employees and passengers alike, he said.

Morgan Durrant, a US Airways spokesman, said the airline was investigating the episode. But he said the crew had acted in accordance with the company’s policy for removing passengers, though he declined to give specifics on the policy.

The six men detained, all imams, had attended a Minneapolis conference of the North American Imams Federation. They were handcuffed by the police and led off the flight, bound for Phoenix, after reports from passengers and crew members of “unsettling” behavior, according to a police report. One passenger had slipped a note to a flight attendant that began, “6 suspicious Arabic men on plane,” the report said.

After being detained for five hours and questioned separately by federal agents, all six men were released, said Patrick Hogan, a spokesman for Minneapolis-St. Paul International Airport.

One of the six, Omar Ahmad Shahin of Phoenix, said he had been questioned for less than a half-hour. “This is the humiliation,” said Dr. Shahin, 45. “They found nothing. They found we had a good relation with everybody.”

A phone call to the Minneapolis office of the F.B.I. on Tuesday was not returned.

The men’s fare was refunded to them, but on Tuesday morning a US Airways ticket agent refused to book them on another flight to Phoenix. They returned instead on a Northwest Airlines flight.

Detailed accounts of the incident varied. Witnesses, including a number of passengers and US Airways employees, said they heard some of the men making anti-American remarks and chanting “Allah,” first as they boarded the plane and then when led off, Mr. Hogan said.

Others said the men behaved strangely once on board, with some asking for seat belt extensions, the police report said. “I did not see they actually needed them,” one flight attendant wrote in a statement given to the police. “They were not overweight.”

Dr. Shahin disagreed, saying the extensions were necessary for their “big bodies.”

In another statement, a gate agent said some of the imams had been praying in Arabic in the gate area. “I was suspicious by the way they were praying very loud,” the agent said.

A second imam, Ahmad Tafish Shqeirat, said that three of the six had prayed in the gate area, in the ritual of evening prayers, but had not meant to be disruptive and indeed had taken pains not to disturb other passengers.

6 Imams Removed From Twin Cities Flight (AP)

By Martiga Lohn

The AP, November 21, 2006

Six Muslim clerics removed from a US Airways flight said Tuesday they were victims of discrimination and called for a boycott of the airline.

The imams were removed from the flight to Phoenix on Monday night after three of them said their normal evening prayers in the terminal in Minneapolis-St. Paul International Airport before boarding, said Omar Shahin, president of the North American Imams Federation. They were among the 150 imams who attended a federation meeting in Minneapolis.

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"The police came and take us off the plane in front of all the passengers in a very humiliated way," said Shahin. "I never felt bad in my life like yesterday. It was the worst moment in my life when I see six imams, six leaders in this community, humiliated."

The Department of Homeland Security's Office for Civil Rights and Civil Liberties said in a letter Tuesday it had opened an investigation.

US Airways Group Inc. issued a statement saying it was interviewing crew members and ground workers to find out more about what happened.

"We are always concerned when passengers are inconvenienced and especially concerned when a situation occurs that causes customers to feel their dignity was compromised. We do not tolerate discrimination of any kind," the airline said.

An airport police report said the flight's captain had already decided he wanted the men off the plane after the passenger passed a flight attendant a note pointing out "Arabic men."

Witnesses said the men prayed in the terminal and made critical comments about the Iraq war, according to the police report, and a US Airways manager said three of the men had only one-way tickets and no checked baggage.

An airport police officer and a federal air marshal agreed that the combination of circumstances was suspicious, and eventually asked the men to leave the airplane, the police report said.

"There were a number of things that gave the flight crew pause," Airport spokesman Patrick Hogan said. It wasn't immediately possible to verify whether the passengers who reported suspicious activity witnessed it themselves.

But Shahin and Marwan Sadeddin, another of the imams, strongly denied doing anything out of the ordinary. They entered the aircraft individually, except for Sadeddin, who is blind and needed a guide, Shahin said. Once on the plane, the six did not sit together, he said.

Shahin said no one asked the six to leave until police arrived, when the group complied.

The other passengers on the flight, which was carrying 141 passengers and five crew members, were re-screened for boarding. The plane took off about three hours after the men were removed.

On Tuesday, US Airways refused to honor the group's tickets or allow them to buy new ones, saying their payment for Monday's flight had been refunded.

Shahin eventually booked flights on Northwest Airlines — to Phoenix for five of the imams from the Phoenix-Tempe area and to Los Angeles for the sixth, who is from Bakersfield, Calif.

Shahin said his days of praying in airports may be over. "It's terrible, unfortunately," he said. "In America we have no freedom to practice our faith, to do our faith."

Shahin expressed frustration that — despite extensive efforts by him and other Muslim leaders since even before the Sept. 11 terrorist attacks — so many Americans know so little about Islam, which requires prayer five times a day.

Nihad Awad, executive director of the Council on American-Islamic Relations, said he hoped the incident would "raise awareness among the general public and the airline industry that praying as a Muslim and flying as a Muslim should not trigger any fear and any prejudice."

Muslim Scholar Calls For A Boycott Of US Airways (CCT)

By Bob Von Sternberg And Pamela Miller

The Contra Costa Times, November 22, 2006

MINNEAPOLIS - From now on, Omar Shahin won't be praying at the airport while waiting for a flight.

"This was humiliating, the worst moment of my life," Shahin said Tuesday, a day after he and five fellow Muslim imams were escorted off a US Airways jet at Minneapolis-St. Paul International Airport. "To practice your faith and pray is a crime in America?" he said.

The incident set off a nationwide uproar, and the Department of Homeland Security's Office for Civil Rights and Civil Liberties said it will review the incident.

Bloggers and talk radio buzzed about the need to be vigilant against potential terrorists, while civil rights advocates and Muslim leaders cried foul. The national Council on American-Islamic Relations (CAIR) called for a congressional hearing about ethnic and religious profiling at airports.

Locally, the Jewish Community Relations Council of Minnesota and the Dakotas and the Somali Justice Advocacy Center questioned the detention.

Bushra Khan, spokeswoman for CAIR's Arizona chapter, said, "All these men did was pray, and it was misunderstood. The bottom line is that they were Middle Eastern-looking men . . . and that scares some people."

US Airways said that it would fully investigate the matter and that passenger safety is paramount.

The religious leaders were heading home to Phoenix after a three-day North American Imams Federation conference in Bloomington, Minn.

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The pilot ordered the men off the flight after their praying, conversation and behavior alarmed several passengers and flight attendants.

The imams denied that they did or said anything that could be considered threatening. They were released without charges after being questioned for five hours by federal law enforcement officials.

Left behind by US Airways, Shahin, president of the imams' group, called for a boycott of US Airways after an agent and his supervisor, without giving a reason, refused to sell him replacement tickets Tuesday morning.

"I'm not going to stay silent," Shahin said. "I came to this country to enjoy justice and freedom."

The US Airways supervisor told Shahin that his tickets had been refunded and that he would have to go to another airline. The supervisor offered Shahin a customer service phone number.

"I want to go home. I don't want phone numbers," Shahin said. "They have no reason to refuse service to us just because of the way we look."

He bought six one-way tickets at the Northwest Airlines counter, and the men flew to Phoenix without incident.

In a statement to police, a US Airways gate agent wrote that three of the men prayed in Arabic at the gate. "I was suspicious by the way they were praying very loud," the gate agent said.

Said Shahin: "We were never bothering anyone, not saying anything loudly. We were just prostrating ourselves, the normal way we pray."

Devout Muslims pray five times a day, but practices vary among cultural groups, said Owais Bayunus, a Twin Cities Muslim scholar.

"Those who pray in the airport would be more conservative Muslims who stop to pray at the designated times no matter where they are," he said. "Others accept the fatwa (an opinion by an Islamic legal scholar) that it is acceptable to combine the prayers during travel."

Before passengers boarded, one became alarmed by an overheard discussion. "They seemed angry," he wrote in a police statement. "Mentioned `U.S.' and `killing Saddam.' Two men then swore slightly under their breath/mumbled. They spoke Arabic again. The gate called boarding for the flight. The men then chanted `Allah, Allah, Allah.'"

Marwan Sadeddin, another of the imams, said, "What bothers me the most is these false statements and lies that we were shouting, `Allah, Allah.' This never happened."

Another, Ahmad Shqeirat, said, "That is a lie. We were not talking politics. And even if we did, so what? What is suspicious about that?"

Once the six were seated, two in front, two in the middle and two in back, and paid visits to each other to chat, some passengers became alarmed, the police report said. One passed a note to a flight attendant citing the alleged comments about Allah and Saddam.

Flight attendants alerted the pilot, who called airport police and asked them to remove the men from the plane. They left "cooperatively," according to the police report.

A bomb-sniffing dog examined the men, their luggage and the entire airplane and found nothing. The plane left for Phoenix about three hours late after the other 141 passengers reboarded.

After being questioned by agents of the U.S. Marshals Service, the FBI, the Secret Service and the Transportation Security Administration, the men were released.

Asad Zaman, communications director for the Muslim American Society of Minnesota, said an Arizona MAS chapter member called him for help about 11 p.m. Monday because the six imams had not arrived and one had called his wife to say police detained them.

Within 10 minutes of a Minnesota imam's call to police, the six were free, Zaman said.

"This event would be the equivalent of Roman Catholic bishops being arrested in China because they wore clerical robes and invoked Jesus Christ in prayers," Zaman said.

Muslims Escorted Off Minneapolis Flight (WT)

By Audrey Hudson

The Washington Times, November 22, 2006

A half-dozen Muslims were removed from a US Airways flight in Minneapolis on Monday evening after nervous passengers alerted the flight crew about suspicious behavior.

The men, who officials later learned were Islamic religious leaders, refused to leave the plane and were escorted by security off Flight 300 from Minneapolis-St. Paul International Airport to Phoenix at 6:30 p.m.

Conflicting reports say the men were praying in the concourse or on the plane, and a Minnesota television reported that the imams were chanting "Allah, Allah, Allah," as they left the plane.

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Douglas Hagmann, director of the Northeast Intelligence Network, a private organization that investigates terrorist threats, said his contacts are reporting the men did begin the prayers in the concourse, then continued prayers and discussions once on board.

"One of the passengers who understands Arabic passed a note to the crew that what she heard, she did not like," Mr. Hagmann said.

Patrick Hogan, spokesman for the Minneapolis-St. Paul Metropolitan Airports Commission, said the men reportedly made anti-American statements relating to the Iraq war, asked to change seats once inside the cabin, and that one requested an extender to make his seat belt larger even though he did not appear to need it.

"There was some peculiar behavior," Mr. Hagmann said.

In a statement released by US Airways yesterday, the airline said they "are diligently conducting our own investigation" and working with law-enforcement officials and government agencies.

"We are always concerned when passengers are inconvenienced and especially concerned when a situation occurs that causes customers to feel their dignity was compromised. We do not tolerate discrimination of any kind and will continue to exhaust our internal investigation until we know the facts of this case and can provide answers for the employees and customers involved in this incident," the statement said.

The imams, along with Rep.-elect Keith Ellison, Minnesota Democrat and the first Muslim elected to Congress, had attended a conference in Minneapolis of the North American Imams Federation.

A call and e-mail for comment to Mr. Ellison's campaign office were not returned.

The imams and officials of the Council on American-Islamic Relations (CAIR) say the men were victims of prejudice and ignorance.

"We are concerned that crew members, passengers and security personnel may have succumbed to fear and prejudice based on stereotyping of Muslims and Islam," said Nihad Awad, CAIR's director. "CAIR is receiving more reports of 'flying while Muslim' and racial profiling incidents from members of the Islamic community nationwide."

The group is calling for congressional hearings on racial, religious and ethnic profiling at airports, and investigations by the Justice and Homeland Security departments. The Office for Civil Rights and Civil Liberties at DHS has already opened an investigation.

Mr. Hagmann called the incident "ideological jihad" and a "test run" to undermine airport security through litigation.

"This is a watershed event in this country -- one week before Thanksgiving when tensions are high -- and they are looking for this to be litigated ad nauseam," Mr. Hagmann said.

Report Finds DHS Lax On Contracting Procedures (WP)

By Robert O'harrow Jr. And Scott Higham

The Washington Post, November 22, 2006

Private consultants hired by the Department of Homeland Security have found widespread problems with its contracting operation, including nearly three dozen contract files that could not be located.

Files that could be found often lacked basic documentation required under federal rules, such as evidence that the department negotiated the best prices for taxpayers, according to a copy of the consultants' report obtained by The Washington Post.

"The inability to locate files and inconsistent file organization puts the government at risk in ensuring the contractor is fulfilling its contractual obligations and the government is meeting its contract administration responsibilities," the consultants wrote in their report.

The assessment underscores complaints by department auditors and outside experts that procurement officials persistently neglected contracting responsibilities as they spent billions of dollars after the Sept. 11, 2001, attacks -- much of it on security systems that do not work as planned.

"This strongly suggests that we're buying the wrong stuff, the wrong way, possibly from the wrong contractors, and failing to check before, during or after," said Charles Tiefer, an expert on government contracting who teaches at the University of Baltimore School of Law.

The confidential report, delivered to department officials in March, focused on spending in fiscal 2005 by the Office of Procurement Operations. During that period, nearly $17.5 billion was spent department-wide on contracts for a variety of goods and services, including security at airports and borders, radiation-detection monitors, and information technology consultants.

Department spokesman Larry Orluskie said procurement officials are following several recommendations made in the report.

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"We've acted upon each one of their findings," Orluskie said. "It was an internal look. We are going to bring them in again to make sure we are following up."

Last year, Homeland Security Secretary Michael Chertoff, Deputy Secretary Michael P. Jackson and others at the agency acknowledged having trouble with contracting and promised to do better. They said they had made progress by hiring scores of contracting officials and by tightening rules.

But the confidential report adds weight to critics' contentions that contracting problems persist. Last week, the agency's inspector general, Richard L. Skinner, told a House panel that "expediency, poorly defined requirements and inadequate oversight" are creating "a high risk of cost overruns, mismanagement or failure."

The firm hired to write the report, Acquisition Solutions, examined a sample of 72 contract files for DHS, which wanted to determine whether it was following federal contracting laws and internal policies.

At the outset, the team of acquisition specialists could not locate 33 of the 72 contract files it had selected for the review, so the consultants had to select 33 others.

"The files were extremely difficult to locate and were organized in an inconsistent manner," they wrote.

The consultants sharply criticized an array of contracting procedures. Of the 72 contract files reviewed, only 14 were deemed to be in "excellent" shape. Those files contained evidence that the contracts were awarded with adequate competition and represented the best deal for taxpayers.

Forty-seven files met only "minimum" standards and showed little evidence of fair and reasonable pricing or supervision by contracting officials.

Eleven files were deemed to be "seriously inadequate," with key documents missing or incomplete and little evidence that the contracts were competitively awarded or prices were justified.

The consultants said some information in the files "seems to be just enough to 'get by.' "

Sen. Joseph I. Lieberman (D-Conn.), who is in line to assume chairmanship of the Senate's Homeland Security and Governmental Affairs Committee, said he intends to hold hearings on DHS contracting next year.

"I expect the Homeland Security and Governmental Affairs Committee to conduct vigorous oversight of this issue in the 110th Congress," he said.

Fliers Urged To Ease Logjam (USAT)

By Thomas Frank

USA Today, November 22, 2006

Aviation officials are waging an unprecedented campaign to warn travelers about new restrictions on carry-on bags that they fear could bog down lines during the busiest Thanksgiving travel weekend ever.

The Transportation Security Administration (TSA) is staging events at 66 airports to alert passengers that they can carry only limited amounts of liquids, aerosols and gels on airplanes. Airports are warning of the restrictions with ads, billboards and workers who hand out plastic bags that travelers must use to pack carry-on liquids.

A record 25 million passengers — up from 21.6 million last Thanksgiving — are projected to take flights Nov. 17 through Nov. 28.

“We're kind of bracing,” said Tara Hamilton of Washington's Dulles and Reagan National airports, where high school students have been paid to remind travelers about security rules.

Lines on Sunday and Monday were a minute or two longer than a year ago, TSA spokeswoman Ellen Howe said. At Orlando International Airport, local resident Todd Elliott said the security line was about 40 minutes Tuesday morning, but other travelers around the USA said lines were mostly routine.

“TSA is very focused on keeping waits down,” Howe said.

Many Thanksgiving travelers have not flown since the TSA restricted the amount of liquids passengers may carry, which could lead to uncertainty about the rule, Howe said. The restrictions took effect after British authorities disrupted a plot to bomb U.S.-bound airliners using liquid explosives.

Passengers must pack all carry-on liquids in a single zip-top, quart-size plastic bag. The liquid containers can be no larger than 3 ounces. Larger quantities may be packed in checked luggage.

“Many people don't realize we want the stuff in a clear plastic bag so we can see it,” said Cris Soulia, a screener at San Diego airport.

Kevin Mitchell, chairman of the Business Travel Coalition, predicted reasonable security lines at most airports. “It's going to be all hands on deck to avoid any embarrassment,” Mitchell said.

Airports and the TSA typically beef up staff during travel crunches. In Los Angeles, LAX recently completed a year-long process of adding eight security lanes to ease some of the USA's longest lines.

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Allison Harris of Washington tried to go through security Tuesday at Dulles airport with a half-filled 5-ounce bottle of hair gel. A screener told her the bottle was too big, so Harris returned to the terminal to buy 3-ounce bottles, poured the gel in and went back through security.

"It's very irritating," Harris said. "It's probably my own fault for not thinking about it beforehand."

Air Officials Get Set For Travel Trial (USAT)

By Thomas Frank And Larry Copeland

USA Today, November 22, 2006

This Thanksgiving poses one of the biggest recent tests to the nation's aviation system — whether or not airport security lines will flow smoothly despite a record number of passengers and new security rules.

Many travelers and officials are nervously optimistic.

Some warn that a large number of inexperienced passengers facing unfamiliar carry-on restrictions will bring about fearsome backups.

The test comes at a crucial time for the struggling airline industry and the Transportation Security Administration.

Thanksgiving is one of the busiest travel periods — 25 million passengers are expected from Nov. 17-28 — and starts the crucial holiday travel season. The TSA, an oft-criticized agency created after 9/11, could face heightened scrutiny when Democrats take control of Congress in January. It could also face criticism if lines are delayed.

The weekend's significance is underscored by an awareness campaign by the TSA, airlines and airports to highlight new restrictions on the amount of liquids, aerosols and gels passengers can carry on airplane cabins. News stories, posters, ads and e-mails have inundated travelers in virtually every major city and smaller areas from Eau Claire, Wis., to Midland, Texas.

David and Sherry Lautares got the message. David saw a TV news story Monday about security rules. Sherry got an e-mail from Delta Air Lines on the subject that day.

By the time the Lautareses and their daughter, Molly, 9, got to Hartsfield-Jackson Atlanta International on Tuesday to fly to New York, they could recite the new security policy: "It's 3-1-1," David Lautares said. "Three ounces of liquid or gel, 1-quart bag and one bag per passenger in the security bin."

Lautares may be an exception. Stan Kotowski, a frequent flier from Princeton, N.J., saw "ungodly" lines two weeks ago at airports. Passengers didn't know about the liquid restrictions, or they didn't care.

"It's ignorance and arrogance," Kotowski said. "Some people had absolutely no clue."

That worries aviation consultant Michael Boyd. He fears a "lollapalooza" of security delays on what he calls "amateur" weekend when the ill-informed and impossible-to-educate amass at airports.

"You can't really make these people aware of it, no matter what you do," Boyd said. "It's just not going to get through."

Ben DeCosta disagrees. The Atlanta airport manager pointed to garbage bins by security checkpoints to prove the success of a publicity campaign featuring ads and banner-size airport posters. On Tuesday, the bins mostly held empty water bottles and innocuous trash.

When the restrictions took effect in late summer, 6-ounce toothpaste tubes and 4-ounce shampoo bottles filled the bins — contraband taken from travelers unaware of the policy. Restrictions began after authorities said they foiled a plot in London to bomb U.S.-bound planes with liquid explosives.

"It's a campaign with the TSA to make the infrequent traveler, who's traveling a lot during the holiday period, aware of the rules," DeCosta said.

Aviation consultant Robert Mann said the TSA's campaign was "far more comprehensive" than in its previous security changes, such as when small scissors and tools were allowed in cabins last December.

At Los Angeles International Airport on Tuesday, lines were smooth. "It's moving pretty fast," Hawaii-bound Jamie Olivas said. "Last year, this year, they're about the same."

FBI Struggles To Win Trust Of Muslim, Arab Communities (BVND)

By Marisa Taylor

The Belleville News Democrat, November 22, 2006

RICHMOND, Va. - When a local FBI agent wanted to make contacts in this city's tight-knit Muslim community, he started knocking on doors.

The agent didn't look, much less act, like a typical investigator. He spoke Arabic and he wore street clothes, not the suit and tie favored by many in the bureau.

"He seemed really friendly," said Muhammad Sahli, a U.S. citizen approached at his home last month by the agent. "So I invited him in."

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But the agent's questions about international terrorist organizations unnerved Sahli. The agent wanted to know if Sahli knew anyone with ties to extremist groups. Sahli, a Muslim married to a Christian woman, said he didn't.

"You ask yourself, `Why me?'" said Sahli, a 71-year-old retired chemist. "When you've never had a visit from the FBI before in your life, you feel a certain amount of anxiety, even though you've done nothing wrong."

For many Muslim and Arab-Americans these days, meeting a FBI agent can be an unsettling, even terrifying experience.

Beginning almost immediately after the Sept. 11, 2001, attacks, the FBI began to root out suspected terrorists, and Arab and Muslim communities became the bureau's top targets. Agents rounded up hundreds of people for questioning. They raided Muslim charities, monitored mosques for radiation and held refugees for months because of security checks.

To regain the trust of Muslim and Arab-Americans, the FBI has embarked on an aggressive national outreach program. The bureau's efforts, which include mosque visits and one-on-one meetings, have become so pervasive in certain cities that some young Muslim-Americans refer to the agency as the "Friendly Brotherhood of Islam."

Yet across the country, many participants wonder what the interactions achieve when mistrust remains the biggest obstacle. Some community activists compare the tone of the current encounters to those during the Red Scare of the 1950s, when U.S. citizens were singled out as suspected communists and expected to prove their loyalty to the United States.

"You never hear the FBI say that part of the reason there has not been another terrorist attack in this country is because radical extremists have not found a home in American mosques," said Rebecca Abou-Chedid, the director of government relations for the Arab American Institute in Washington, D.C. "It's as if they believe that we know about terrorist cells and we're not telling them."

In Detroit, the home of an estimated 200,000 Arab-Americans and immigrants, agents and activists sometimes argue for hours over terrorism-related investigations. Many Muslim leaders think the bureau has targeted the wrong people in its effort to root out extremists.

"It is very difficult," said Daniel Roberts, the special agent in charge of the FBI's Detroit field office. "To be honest, I sometimes wonder why we do this when we so often are beaten up in a verbal sense."

Agents aren't apologizing for their tactics and respond that they have a duty to pursue any possible U.S. ties to terrorists. More than 260 defendants have been convicted of terrorism-related charges in the United States and trials are pending for 150 more, according to the Justice Department's latest estimates released in June.

But agents also recognize that the alienation that Muslims and Arabs feel could undermine the bureau's hunt for domestic terrorists. If the fear subsided, more citizens might come forward with tips, agents believe, at a time when the bureau is under mounting pressure to collect better intelligence.

Muslim and Arab-American leaders said they, too, are eager to improve their relations with the FBI. If that happened, many of them said, they would urge their children to join a federal law enforcement agency that's eager to recruit them. Now, most don't.

Muslims and Arabs also hold out a small but persistent hope that if FBI agents trusted them more, other Americans would, too.

But experts said the bureau's mission is made more difficult because of outreach techniques that often differ by region.

In Richmond, Muslim leaders have met with FBI agents several times over the years. So far, federal authorities haven't pursued any terrorism investigations against local Muslims.

When they heard an agent was knocking on doors during the Muslim holy month of Ramadan, though, many community leaders couldn't help but feel alarmed.

FBI officials later confirmed that the agent wasn't investigating any of the men who were visited. Instead, he was assigned to make contacts with the Muslim community as part of the FBI's local outreach.

Community leaders said they wouldn't have objected to the interviews if they'd been warned about them.

"We need to be respected as law-abiding citizens," said Malik Khan, a board member of the Islamic Center of Virginia in Richmond.

Cliff Holly, assistant special agent in charge of the FBI in Richmond, said he didn't want to have to "ask permission" from community leaders to talk to people.

"I appreciate their perspective," he said. "But when you meet with large groups, it's difficult to develop any long-term relationships."

To improve relations with local Muslims, his office paid for the agent's Arabic classes and brought in an activist to talk to other agents about Muslim culture, Holly said.

"Nobody's picking on anybody," he said. "We're just going out and saying hello to people in the community."

FBI officials in other cities, however, said they inform local Muslim leaders first, to avoid alienating the entire community.

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Michael Rolince, former head of the FBI's International Terrorism Operations Section, said the bureau remains divided over how to approach Muslims and Arabs when it's not in the context of a terrorism investigation.

Before he retired from the agency in 2005, Rolince asked FBI headquarters to fund a program that Northeastern University in Boston would host. The program required $1 million in start-up money to bring leaders, activists and agents together to talk.

But critics raised questions about some of the participating groups' alleged ties to the Muslim Brotherhood, a secretive international organization that some Arab, U.S. and Israeli officials blame for provoking violence in the Middle East. Rolince said he disagreed with the critics' assessments of the U.S.-based organizations.

"There's a right-wing contingent in town that believes we should not work with any of these groups," Rolince said.

To Rolince's dismay, FBI Director Robert Mueller decided not to authorize funding for the program, citing budget constraints.

As a result, the FBI's 56 field offices don't have a uniform way of handling outreach, Rolince said. Some FBI agents work with the groups that sparked the funding controversy. Other agents don't.

"It's not in the best interest of the community or the FBI to deal with each organization in 56 different ways," he said. "It sends a mixed message to the community and to the agents."

According to a study released earlier this year by the Vera Institute of Justice, seven out of 16 U.S. cities with significant Arab and Muslim populations didn't have active FBI outreach programs. The institute, a nonprofit organization in New York, wasn't permitted to identify the cities as part of its agreement with the FBI.

In Raleigh, N.C., for example, where about 20,000 Muslims live, Muslim leaders say the FBI doesn't meet routinely with them. Instead, agents talk to individual activists, often to press them about potential terrorist activity.

In Washington, D.C., Los Angeles, New York and Detroit, agents meet regularly with groups of Muslims and Arabs. The larger community gatherings help the leaders feel less singled out, agents said.

Joseph Persichini Jr., the assistant director in charge of the FBI's Washington, D.C., field office, compared the outreach effort to talking to Italian-Americans about organized crime in the mafia's heyday.

"How did we attack the problem? We got to know the community," he said. "Did that mean if you were Italian-American you were part of organized crime? Of course not."

But more contact isn't always better. Although the FBI met more often with community leaders than most local police departments did, Muslims and Arabs trusted them less, the Vera Institute of Justice concluded. Community leaders said local police officers were less likely than the FBI to assume they had links to terrorism.

Lacking a consistent program, FBI agents sometimes feud over what division within the bureau should take the lead in discussions, Muslim and Arab leaders say. In some cities, the FBI's counterterrorism units oversee the bureau's interaction with the community. In others, outreach officers oversee it.

"It's like dealing with Dr. Jekyll and Mr. Hyde," said Randy Hamud, a San Diego attorney who has participated in one of the outreach meetings. "It's as if we have to remind the FBI: `We're a community, we're not a cell.'"

A. Brett Hovington, the FBI's supervisory special agent in charge of the community relations unit, said the bureau has tried to change the perception that outreach and counterterrorism efforts are connected. However, he said local agents need the freedom to decide how to approach Muslims and Arabs.

"Was the message kind of blurred? I would say it probably was," Hovington said. "But I think we're becoming better at being clear about our intentions."

FBI officials said agents have become savvier about approaching Muslims and Arabs after meeting with them more often. Agents now contact leaders to clear up misunderstandings or to coordinate law-enforcement efforts. Minneapolis agents, for example, called leaders when they needed to interview members of the city's large Somali population. The witnesses were less afraid and more cooperative because they'd been reassured that the case had nothing to do with terrorism.

"I would expect there to be friction," said John Miller, the FBI assistant director who oversees the national outreach program. "I'd also expect that we'd be able to talk about it."

But Muslim and Arab leaders also differ on how they should respond to the FBI's outreach. Should they meet monthly with an agency that could turn its sights on them, their family or their friends? What should they do when an FBI agent appears at their door? Should they invite the agent in or call a lawyer?

Consensus can be difficult to reach because Muslim and Arab communities in the United States are diverse, ranging from Iraqi Christians to African-Americans to third-generation Lebanese-Americans.

Immigrants can be especially terrified of the federal agents because they recall abusive secret police practices of repressive regimes back home.

"This business of outreach is an oxymoron for many people," said Ali Galaydh, a former prime minister of Somalia and professor of public policy at the University of Minnesota. "Law enforcement wanting to reach you means they want to get you."

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Despite their misgivings about the FBI, Muslim and Arab leaders said they're more than willing to provide any information if they thought it could prevent a terrorist attack.

After London authorities in August uncovered a plot to blow up planes, Miami Muslim leaders called the FBI to ask for a briefing. Since then, agents have been assigned as contacts for imams at almost 40 mosques.

"In a way, we're in this together," said Abou-Chedid of the Arab American Institute. "We all know that if there is ever another attack, our community and the FBI will be the first to be blamed."

WAR NEWS:

Bush Eats With GIs In Hawaii, Heads Home (AP-Y)

By Jennifer Loven

AP, November 22, 2006

President Bush circled the globe on his Asian journey but never strayed far from the subject of Iraq. He dined with U.S. troops in Hawaii before heading home Tuesday, telling them their efforts "will determine how your children and grandchildren live."

Bush, who was due back at the White House late Tuesday night, visited Singapore, Vietnam and Indonesia during an eight-day trip aimed at assuring Asia of America's commitment to the region. He even found time to meet briefly with Russian President Vladimir Putin in Moscow.

Still, Iraq and the war on terror kept the president's attention. In Vietnam, asked about lessons from that war, Bush answered that in Iraq, "we'll succeed unless we quit."

And he found himself in front of cameras on Tuesday at Hickam Air Force Base condemning the assassination earlier in the day of an anti-Syrian Lebanese leader.

Bush was briefed in Hawaii at the Oahu headquarters of the U.S. Pacific Command, whose territory spreads from the West Coast of the U.S. to the Indian Ocean.

Before that he ate and chatted with the troops, at an open-sided mess hall.

The president made his way through the food line, piling his plate with ham, eggs, a biscuit topped with gravy, and potatoes. He shook hands with troops in camouflage uniforms. Then, after eating, he thanked the military personnel for their service "on behalf of a grateful nation."

"You serve at a time when we witness an ideological struggle between those who love freedom and those who hate freedom," the president said. "I'm determined, like you are determined, that freedom prevails."

Though Bush was cheered by troops and others on Oahu — a contrast to the thousands of anti-war demonstrators a day before in Indonesia — his visit wasn't without incident for those around him.

Three police motorcycle officers were injured when they crashed on slick pavement while escorting his motorcade on Tuesday. Two were taken by ambulance to a local hospital, where one was described as in serious condition and another was described as stable.

Members of the White House medical team — including an ambulance — were cut loose from the motorcade to help, said Dr. Richard Tubb, Bush's doctor. Local ambulance and fire units were sent, too.

Also, acting White House Travel Office Director Gregg Pitts was beaten and robbed by at least two men while out in Honolulu Monday night. Pitts suffered head and other injuries in the attack. He was awake and alert but remained behind at a Honolulu hospital because of a possible concussion, White House spokesman Tony Fratto said.

Bush's Asia trip was shadowed by talk of wars past and present.

His visit to Vietnam inspired a fresh debate about whether today's increasingly difficult war in Iraq has dangerous parallels to the failed American war in Southeast Asia three decades ago. The president ended his Asian tour with the stop in Hawaii, where the Japanese attack on Pearl Harbor launched the United States' entry into World War II.

The Iraq situation was complicated Monday when Iranian leaders invited the presidents of Iraq and Syria to a weekend summit in Tehran to discuss the war. The move, viewed as an attempt by Iran to counter U.S. influence in the region, was received with skepticism at the State Department in Washington.

Then, on Tuesday, came the assassination of Lebanese Christian leader Pierre Gemayel, a foe of Syrian involvement in his country.

Bush denounced the killing, saying that Syria and Iran were trying to undermine the democratically elected government of Lebanese Prime Minister Fuad Saniora.

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He stopped short of specifically blaming Iran or Syria, but called for a full investigation to identify "those people and those forces" behind the assassination.

The Reliable Source (WP)

By Amy Argetsinger And Roxanne Roberts

The Washington Post, November 22, 2006

Kramer's Tirade, Adding Insult to Inaccuracy

Hey, funnyman: You nailed the wrong guy.

That's what Darryl Pitts would like to tell Michael Richards, the "Seinfeld" star who spewed racist slurs at an African American man after his stand-up gig at a Los Angeles comedy club was interrupted last Friday.

The irony of the insult, according to audience member Pitts: It wasn't the black guy who interrupted him. The black man sat next to the alleged heckler. Pitts told our colleague Darryl Fears the two were in a group of roughly 10 people who ambled into the Laugh Factory during Richards's routine. The comic ordered them to shut up, then asked, " 'What are you talking about?' "

The black guy spoke up: "My friend doesn't think you're funny." The loud-talking friend "was maybe Arab or Hispanic but not black," said Pitts, who was not part of the group. "The way it's been portrayed is that a group of black guys came to the club and were disorderly . . . and that's inaccurate, absolutely."

What followed -- as captured on video and circulated on the Internet -- was shocking. Said Pitts, who himself is black: "It was like buckshot. It hit everyone. . . . I have a difficult time accepting his apology -- 72 hours later. What did he do? Read a black history book? Why the change?"The Bushes Hit a Few Bumps in the Road

A White House staffer was badly beaten and robbed during the president's stopover in Hawaii on the way back from Asia. Gregg Pitts, acting director of the White House Travel Office, suffered a broken nose in the Monday night mugging on a Honolulu street and was left behind in a hospital yesterday while the rest of the presidential entourage continued back to D.C.

Then, yesterday morning, as POTUS headed to Hickam Air Force Base on Oahu, three local police officers accompanying the motorcade crashed their motorcycles on a rain-slicked street. Two officers were hospitalized, White House officials said -- one with broken bones, the other with a neck injury.

And in another hemisphere altogether . . . ABC News reported yesterday that elder-by-seconds twin Barbara joined Panama-based sister Jenna on a trouble-scarred trip to Argentina. ABC, citing "law enforcement reports" it obtained, said someone stole a purse and cellphone from Barbara at a Buenos Aires restaurant -- right under the noses of her Secret Service agents. Also, an agent accompanying them was mugged during his off-hours. (Unclear when the reported two-week trip took place; Barbara was photographed at the Yale-Princeton game just 10 days ago.) The White House would not comment on the reports.LOVE, ETC.

Â· Split: D.C. United star Freddy Adu, 17, and actress-singer JoJo, almost 16, after nearly a year and a half of dating. Unclear what happened with the teen prodigies, who met on the set of an MTV show; she now has a hit song, "Too Little, Too Late," while he's trying out with Manchester United. JoJo gave the "we're still friends" line to "American Top 40" host Ryan Seacrest on this week's show: "He's a professional young man and my new album just came out. I'm so busy . . . it was just kinda right place, wrong time."HEY ISN'T THAT...

Â· Joan Collins, swanning through the lobby of the Ritz-Carlton in Georgetown Monday with exactly the accessories you'd imagine: big gray tweed hat, sunglasses and her three-decades-younger husband, Percy Gibson. In town for a two-week National Theatre run in "Legends!," the "Dynasty" diva caught the new James Bond flick over at the AMC Loews theater next door and dined at the hotel restaurant Fahrenheit. Her co-star, Linda Evans, was also spotted at the Ritz keeping a lower profile but also wearing -- yes! -- a hat.ONLINE DISCUSSION

The Reliable Source Web chat is at noon Wednesdays on washington- post.com. Got a tip? Send it to reliablesource @washpost.com.

White House Staffer Robbed, Beaten In Waikiki (KITV)

KITV-TV, November 22, 2006

HONOLULU -- The acting director of the White House Travel Office was robbed and beaten in Waikiki early on Tuesday morning outside a nightclub, according to Honolulu police.

"He was knocked down, punched, kicked -- his wallet and id were stolen," Honolulu Police Department Capt. Frank Fujii said.

Pitts' passport and international phone were also taken.

Pitts left the bar alone. He walked through International Marketplace, where he was confronted by three men beaten up and robbed, according to a source familiar with the case.

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His friends went looking for him and found him lying in a pool of blood.

People familiar with Waikiki said muggings happen occasionally. Police said they have no evidence of an increase in violence against tourists.

Pitts accompanied President George W. Bush on a brief visit to Hawaii. The stop came after an eight-day trip to Asia.

While Bush stayed at Hickam Air Force Base, White House staff, crew from the airplane and reporters stayed at Hilton Hawaiian Village in Waikiki.

Paramedics treated Pitts and took him to Queen's Medical Center. He did not return with the president to Washington.

Iraq's Government Hampered By Suspicions (LAT)

By Borzou Daragahi

The Los Angeles Times, November 22, 2006

BAGHDAD — When the Ministry of Municipalities and Public Works dispatched crews to the Amil neighborhood last month to repair a sewer line that had been spewing raw human waste into the street for weeks, residents were encouraged.

But instead of repairing the pipe, the workers wound up rupturing the freshwater line. They left the entire mess for someone else.

Iraqis elected their leaders in December, hoping that a government by the people would do something for the people. Eleven months later, officials acknowledge that their efforts have been mostly a failure. And, as with the busted sewer line of Amil, government involvement often creates a bigger problem than it solves.

Despite U.S. pressure for results, Iraq's elected officials have been unable to overcome their mistrust of one another and improve security or tackle the major political and economic issues — from murderous cops to the sewage woes of Amil.

Fed up with ministers he says were foisted on him by political factions, Prime Minister Nouri Maliki has promised a Cabinet reshuffle. He is scheduled to convene the body this week to address the deepening political divisions and a threatened walkout by the Sunni Arab bloc.

But his resolve may not be enough to overcome the government's inherent frailties and limitations.

Officials say Baghdad's authority has been undermined by the ubiquity of U.S. troops and by militias, neither of which answers to the government.

But above all, the sectarian balance on which the government was formed has made it impossible make big decisions or ferret out corruption or incompetence.

"If Maliki discovered that one of his ministers in one of the political parties was involved in corruption or brutality, he could not fire him, because [the minister is] backed up by another political party," said Salim Abdullah Jabouri, a spokesman for Iraq's main Sunni party, which is part of the ruling coalition. "He'll be accused of going against [the] minister's party."

The government even backtracked on its controversial decision to issue an arrest warrant for the country's leading Sunni cleric, Harith Dhari, amid threats that the Sunni coalition would pull out of the government.

Some blame U.S. policy, saying it puts too much faith on consensus and balance as a panacea for Iraq's ills.

Iraq's constitution — with its complex system of checks and balances and stripped-down executive authority — limits what any leader can do.

The government "has been created by political agreements giving every side a veto against the other side," said Abbas Bayati, a Shiite lawmaker.

At every crossroads, the government's large Shiite, Sunni and Kurdish blocs huddle noisily to come up with internal agreement before heading to the negotiating table to squabble again with the other factions. Insiders say little gets discussed in Maliki's Cabinet without the approval of each party in the three sprawling blocs.

At the ministry level, a raft of corruption cases has struck fear in the hearts of administrators, who allow money to pile up rather than become entangled in a graft case. "There is an ambience where people are afraid of making decisions," an official said.

Even when decisions are made, there is no oversight to make sure follow-up action is taken, nor any coordination among ministries.

"The government plays like a football team," said Mustafa Hiti, a Sunni lawmaker. "Even if [Oil Minister Hussein] Shahristani is good, you need another ministry of transportation, interior and housing to do their job in order for him to be effective."

U.S. efforts to get institutions up and running have been hampered by the crudest of stumbling blocks. For example, American troops recently visited a west Baghdad courthouse, where the road leading to the decrepit four-story building was flooded with sewage and the court had run out of diesel to fuel its generator.

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Based on his most recent remarks, including a frustrated speech to parliament this month, Maliki appears to have recognized the problems. But many say it may be too late, that even the finest government officials can't enforce good policy with a weak government.

Month after month, Maliki has promised to disarm and disband the Shiite militias wreaking havoc on the streets. Sunnis say the government has not done enough — failing, for example, to follow up on leads from those freed after men dressed in police uniforms brazenly kidnapped dozens of people from a Ministry of Higher Education building last week.

"The government hasn't moved a finger to investigate," Jabouri said. "The government is either weak or in collusion with the kidnappers or has lost control of the militias."

Maliki's credibility had already been faltering, officials said.

"I think the government is seen as representing one part of Iraqi society," said a Western analyst in Baghdad, who spoke on condition of anonymity for security reasons.

"When the Sunnis under Saddam [Hussein] dominated Iraq, they also represented one segment of the society, but they had an overwhelming force to back that up. These guys don't. There are other forces out there."

Bush Plans To Meet With Maliki (WP)

By Peter Baker

The Washington Post, November 22, 2006

President Bush plans to fly to the Middle East next week to meet with Iraqi Prime Minister Nouri al-Maliki, as the two leaders try to overcome recent tensions and revitalize the war effort, the White House announced last night.

The surprise trip underscored the accelerating efforts by Bush and his team to come up with a fresh approach to the war after a period of spiraling violence in Iraq and voter rejection in midterm elections at home. Bush recently ordered various agencies to consolidate an ongoing Iraq policy review in the hope of reaching a new consensus.

The White House has pressed Maliki to speed transition of security responsibility to Iraqi forces, and the two leaders will review conclusions of a joint panel they appointed to find ways to do that.

"We're not looking for a big, bold announcement," national security adviser Stephen J. Hadley told reporters aboard Air Force One last night, as Bush returned from an unrelated eight-day overseas trip to Asia. "This is an opportunity for the president and Prime Minister Maliki to get together, to get a report from this commission they have adopted. This is obviously an important time for both Iraqis and Americans in developing a way ahead."

Bush will meet with Maliki in Amman, Jordan, on Nov. 29-30, after he attends a previously scheduled NATO summit in Riga, Latvia. Hadley said the administration's own Iraq review would not be finished before the meeting, nor would a separate report be completed by the congressionally chartered Iraq Study Group. But the meeting will give Bush a chance to get Maliki's views, Hadley said.

Administration officials have at times expressed frustration with Maliki's government for not doing more to take over security in Iraq and rein in sectarian violence.

Bush, Al-Maliki Set To Confer In Jordan On Iraqi Security (WT/AP)

The Washington Times, November 22, 2006

ABOARD AIR FORCE ONE (AP) -- President Bush and Iraqi Prime Minister Nouri al-Maliki will meet next week in Jordan to discuss the security situation in Iraq.

In a joint statement, the two leaders said: "We will meet in Amman, Jordan, on Nov. 29-30 to continue our consultation on building security and stability in Iraq."

Press secretary Tony Snow distributed the statement to reporters returning home with Mr. Bush yesterday from an eight-day Asia trip. Mr. Bush will fly directly to Amman from next week's NATO summit in Riga, Latvia.

"We will focus our discussions on current developments in Iraq, progress made to date in the deliberations of a high-level joint committee on transferring security responsibilities and the role of the region in supporting Iraq," the statement said. "We reiterate our commitment to building the foundations of a peaceful, democratic and secure Iraq and to strengthening the partnership between our two nations."

Mr. Bush and Mr. al-Maliki last met July 25 in Washington.

National Security Adviser Stephen J. Hadley told reporters that the idea for a meeting came up a week or more ago and that plans accelerated in the last few days.

"We're not looking for a big, bold announcement," he said.

On Monday, Iranian President Mahmoud Ahmadinejad asked the presidents of Iraq and Syria to attend a weekend summit in Tehran, a move seen as another effort by Iran to play a strong role in the Middle East.

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Asked about what role Iran and Syria should be playing, Mr. Hadley said: "We think it is important that Iraq be speaking directly to these countries and making it clear to them that they need to play a positive role in seeking security, stability and democracy in Iraq. ... We are supportive of Iraqi government officials as they deliver that message."

Bush's Best Defense May Be His Father (LAT/AP)

The Los Angeles Times, November 22, 2006

ABU DHABI, UNITED ARAB EMIRATES — Former President George H.W. Bush took on Arab critics of his son, the current President Bush, during a testy exchange Tuesday at a leadership conference in the capital of this U.S. ally.

"My son is an honest man," Bush told members of the audience, who harshly criticized the younger Bush's foreign policy.

"We do not respect your son. We do not respect what he's doing all over the world," a woman in the audience bluntly told Bush after his speech.

Bush, 82, appeared stunned as others in the audience whooped and whistled.

The oil-rich Persian Gulf used to be safe territory for the former president, who brought Arab leaders together in a coalition that drove then-Iraqi President Saddam Hussein's troops from Kuwait in 1991.

But gratitude for the elder Bush was overshadowed at the conference by hostility toward his son, whose invasion of Iraq and support for Israel are deeply unpopular in the region.

The hostile comments came during a question-and-answer session after Bush finished a folksy address on leadership by telling the audience how deeply hurt he feels when his presidential son is criticized.

"This son is not going to back away," Bush said, his voice quavering. "He's not going to change his view because some poll says this or some poll says that, or some heartfelt comments from the lady who feels deeply in her heart about something. You can't be president of the United States and conduct yourself if you're going to cut and run. This is going to work out in Iraq."

Bush also told the audience its derisive hoots were mild compared with the reaction he got in Germany in the 1980s after persuading that country to deploy U.S. nuclear missiles.

He told the audience he was extremely proud of his sons, the current president and Florida Gov. Jeb Bush.

One audience member asked the former president what advice he gives his son on Iraq. Bush said the presence of reporters prevented an answer.

"If I did what you ask me to do — tell you what advice I give my son — that would then be flashed all over the world," he said.

"If it happened to deviate one iota, one little inch, from what the president's doing or thinks he ought to be doing, it would be terrible. It'd bring great anxiety not only to him but to his supporters."

Pentagon Cites Alternative To Baker Report (WT)

By Rowan Scarborough

The Washington Times, November 22, 2006

The Pentagon is drafting its own new options for winning in Iraq, in part, to give President Bush counterproposals to fall back on in case the Iraq Study Group comes up with ideas he does not like, defense officials say.

Meanwhile, study group co-chairman Lee H. Hamilton, a former Democratic representative from Indiana, told The Washington Times yesterday that he and co-chairman James A. Baker III, secretary of state in the first Bush administration, have nearly completed a first draft report.

Mr. Hamilton said the two men hope to complete it this weekend, give it to the eight other Iraq Study Group members in time for a meeting next week to review it. The report contains Mr. Hamilton's and Mr. Baker's assessment of the Iraq situation and recommendations to Mr. Bush.

The 10 members will then accept, reject or modify the ideas, and Mr. Hamilton cautioned that the panel has no deadline to produce a final report.

"The whole thing could be changed," Mr. Hamilton said. "We do feel like we should move ahead with due diligence."

Mr. Hamilton declined to discuss the options. Mr. Baker has said publicly he believes in talking to one's enemies, an indication that the study group will recommend opening dialogues with Syria and Iran, two U.S. adversaries that border Iraq and support the insurgents.

Mr. Hamilton said the group has heard from more than 250 people, both in and out of government.

"We are inundated with recommendations at this point," he said. "I literally can't go anywhere without people making recommendations to me. But that's good."

The Baker-Hamilton group will not be the only source of new ideas on Iraq for the president in a war that an increasing number of Americans say lacks progress. The Pentagon is also leading an extensive review.

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The defense officials said they do not want the Iraq Study Group's options to go unchallenged in case it proposes items that Mr. Bush does not like, such as a timetable for removing troops.

"I don't think anyone is comfortable with one organization coming up with a list of recommendations," said a senior Pentagon official involved in the war review, adding that the Pentagon review could produce ideas that compete with or are counter to the Iraq Study Group's.

Marine Gen. Peter Pace, chairman of the Joint Chiefs of Staff, began leading the Pentagon's review in September. The Joint Staff, the Joint Chiefs planning arm, is studying ideas -- from adding troops to reducing them as well as making new efforts to win the support of Sunni Muslims who lead the insurgency.

A likely option will be to find ways to accelerate the deployment of Iraqi brigades, defense officials say. This is a move advocated by House Armed Services Chairman Duncan Hunter, California Republican. In theory, some officials see it as the only promising option for reducing the American presence in Iraq and thus reducing casualties.

An adviser to Defense Secretary Donald H. Rumsfeld said, "If we had a silver bullet, we would have fired it a long time ago."

Defense officials say they doubt that Gen. Pace will recommend a major increase in troops. The Army today is hard-pressed to maintain the bulk of 147,000 troops in Iraq. Stateside brigades lack basic equipment on which to train because the Army puts deployed units at the top of the priority list for weapons and other equipment.

Mr. Rumsfeld is leaving the Pentagon next month after the expected Senate confirmation of Robert M. Gates as his successor. The bulk of the review work is falling on Gen. Pace, who under law is the top military adviser to the president.

Gen. John Abizaid, the top U.S. commander in the region, has made a passionate case for keeping American troop levels where they are now, thus requiring Gen. Pace to overrule a combatant commander if he wants a troop increase.

"Our troops' posture needs to stay where it is as we move to enhance the capabilities of the Iraqi security forces," Gen. Abizaid, who heads U.S. Central Command, last week told the Senate Armed Services Committee, "and then we need to assess whether or not we can bring major combat units out of there."

Interventionism's Realistic Future (WP)

By Robert D. Kaplan

The Washington Post, November 22, 2006

Hard-core foreign policy realists (the kind who say this country should rarely intervene again, anywhere) are hoping that in the wake of our comeuppance in Iraq things will be going their way. That is to say, U.S. foreign policy will be defined by an obdurate caution, coupled with a ruthless, almost mathematical application of balance-of-power principles. You'd think -- to hear some of them talk -- that we're about to emulate China, which seeks only energy sources and advantageous trade agreements and cares nothing at all for the moral improvement of regimes in such places as Zimbabwe, Burma and Uzbekistan.

This is nonsense. Our foreign policy is about to experience an adjustment, not a flip-flop. Neither political party will support anything else if it really wants to elect a president in 2008. Just look at the dismay in this country over our failure to intervene in Darfur, even given the burden we already carry in Iraq. To be sure, the recent evidence that our democratic system cannot be violently exported will temper our Wilsonian principles, but it will not bury them. Pure realism -- without a hint of optimism or idealism -- would immobilize our mass immigrant democracy, which has always seen itself as an agent of change.

Iraq will merely close a post-Cold War chapter in American foreign policy, one that began with the Persian Gulf War -- and with Bosnia. After the collapse of communism in 1989, idealism, the export of democracy and humanitarian interventionism were all the rage among journalists and intellectuals -- much as realism, restraint and benign dictatorship are now. Ten years ago Liberia, Sierra Leone and other countries less institutionally developed than Iraq were considered prime candidates for liberal change. Back then, people such as Brent Scowcroft and James Baker were attacked not just by neoconservatives but by liberal internationalists, too. In those first, heady post-Cold War years, to be called a "realist" was practically an insult.

The Balkan interventions, because they paid strategic dividends, appeared to justify the idealistic missionary approach to foreign policy. The 1995 intervention in Bosnia changed the debate from "Should NATO Exist?" to "Should NATO Expand?" Our 1999 war in Kosovo, as much as the events of Sept. 11, 2001, allowed for the eventual expansion of NATO to the Black Sea. It also led to the toppling of Yugoslav strongman Slobodan Milosevic, without chaos ensuing. Neoconservatives and others who had supported our actions in Bosnia and Kosovo then carried the spirit of this policy to its limits in Iraq.

And so what began in 1995 with a limited air and land campaign in the western, most-developed part of the former Ottoman Empire ended with a mass infantry invasion eight years later in its eastern, least-developed part. Not only was this last intervention far more ambitious than the first, it was also far less competently executed in its occupation phase. Thus it failed.

The lesson is not that we won't intervene again. We will, and often. But we will do so with the caution and hesitation shown in the 1990s and only as part of an authentic coalition. To wit, just as NATO's war in Kosovo had a British face and voice -- that

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of its spokesman, Jamie Shea -- any intervention in North Korea (should it ever come to that) will put the South Korean military front and center and will have the implicit cooperation of the Chinese army. Otherwise, we won't do it.

The expansion of our military deployments in Africa, as well as the emergence of NATO as a global constabulary force, points to an activist military presence overseas. From Senegal on the Atlantic to Djibouti on the Gulf of Aden -- across the entire Sahara -- Marines and Army Special Forces have been conducting training missions -- not only to field indigenous forces in the hunt for Islamic terrorists but also to professionalize the militaries of fledgling democracies and develop the backbone of an American-advised, pan-African intervention force to handle future Darfurs. The drawdown of our forces in Iraq, no matter how humiliating the circumstances, will eventually free up equipment and manpower for such smaller and less controversial deployments, which will always have a civil affairs element.

NATO is moving on a parallel track. What started after 1989 with train-and-equip missions to reform former Warsaw Pact military forces in Eastern Europe has expanded to the Caucasus and Central Asia under the Partnership for Peace program. NATO's current mission in Afghanistan and its restructuring under Marine Gen. James Jones to a more sea-based, expeditionary force signifies how it will be able to deploy faster and more often to deal with out-of-area emergencies.

Our military and civilian agencies will be expected to deal with many emergencies as we enter an era when more people than ever before will be killed or made homeless by natural disasters as populations rise in environmentally fragile zones. The tsunami rescue effort of 2004-05, led by U.S. Pacific Command, was a curtain raiser for deployments to come.

The debacle in Iraq has reinforced the realist dictum, disparaged by idealists in the 1990s, that the legacies of geography, history and culture really do set limits on what can be accomplished in any given place. But the experience in the Balkans reinforced an idealist dictum that is equally true: One should always work near the limits of what is possible rather than cynically give up on any place. In this decade idealists went too far; in the previous one, it was realists who did not go far enough.

Iraq has relegitimized realism, which is a good thing. But without an idealistic component to our foreign policy, there would be nothing to distinguish us from our competitors. And that, in and of itself, would lead to the decline of American power.

The writer is a national correspondent for the Atlantic Monthly and a visiting professor at the U.S. Naval Academy.

Lessons From The Saudis (WP)

By David Ignatius

The Washington Post, November 22, 2006

While the nation debates what to do about the disaster in Iraq, I have been pondering a disaster that hasn't happened -- in Saudi Arabia. There are some lessons in the Saudi story that may help clarify the Bush administration's choices as it nears crunch time in the region.

First, some background: Ten years ago Osama bin Laden declared war on the United States to "expel the infidels from the Arab peninsula." One theme of his Aug. 23, 1996, fatwa was that for all its military power, America was weak. It had fled from terrorist attacks in Beirut and Somalia, and it would flee Saudi Arabia as well. Bin Laden said of his terrorist cadres: "These youths love death even as you love life."

The truth of those words became clear on Sept. 11, 2001, when 15 Saudi-born terrorists led a suicide attack on the symbols of American power. And in some ways, al-Qaeda's game plan has worked: America's botched occupation of Iraq triggered a ferocious reaction there, and now the American public is losing patience with the war, just as bin Laden would have predicted.

Given these setbacks for America, it's easy to forget that bin Laden has failed utterly in his strategic goal in the Sept. 11 attacks, which was to topple the ruling monarchy in his home country of Saudi Arabia. The oil kingdom, the real prize in the region, is stronger and more secure than it was five years ago.

Saudi Arabia is, to be sure, not exactly a rock of stability, but its gains are highlighted in a recent study by Nawaf Obaid, a clear-headed Saudi analyst who advises his government. He noted that since May 2003, Saudi security forces have foiled more than 25 major terrorist attacks; they have captured or killed 264 al-Qaeda operatives and arrested 845 other people with links to al-Qaeda. Of the 26 terrorists on the Saudi most-wanted list, all but one have been captured or killed.

Perhaps more important, the Saudis have begun to crack the network of religious extremists that gave al-Qaeda a platform. The Saudi Interior Ministry, once a hidden source of support for the jihadists, now oversees what Obaid calls an "ideological reeducation program" supervised by religious scholars and university professors. More than 400 people have been released from this program, Obaid says.

The House of Saud, the mysterious clan that rules the oil kingdom, is also steering a steadier course under King Abdullah. Almost unnoticed last month, the Saudis announced a new council to oversee the transition to the next generation of leadership. As with many aspects of Saudi governance, the details are murky, but the plan appears to provide a stable legal framework for selecting a successor to the king and crown prince -- easing the danger of a future political crisis.

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What are the lessons in Saudi Arabia's move back from the brink of potential disaster? The most important is that the Saudis decided to take charge of their own security rather than relying on an America that many in the kingdom resented. After 2003 the Saudis realized that they faced a deadly terrorist threat and began to fight it aggressively: They focused on national solutions; they reduced the visible, humiliating presence of American troops; they pursued political reforms; they increased oil production.

How does this apply to Iraq? Like the Saudis, the Iraqis will have to save themselves, working within the authentic political framework of their culture, religion and region. The more we try to substitute our will for theirs, with more American troops or exhortation, the more we enfeeble them. As in Saudi Arabia, we must move slowly but deliberately out of the spotlight and into the shadows, with a sustainable mission of training and advising Iraqi troops.

What will contain the Iraqi civil war, in the end, is that none of the regional powers can tolerate a shattered Iraq -- not Iran, not Syria, not Saudi Arabia, not Jordan, not Turkey. Nor do most Iraqis want a dissolution of their unitary state. The Iraqis will restabilize their nation when the "nationalist forces" -- including ones we don't like, such as Moqtada al-Sadr's Mahdi Army and the Sunni insurgency -- make common cause under a regional mandate.

Only the United States can broker the regional conference that will allow a political transition in Iraq. That's our leverage now -- diplomatic clout, more than military power. If the neighboring powers can help apply a tourniquet to stop the bleeding in Iraq, America can begin to step away.

The writer co-hosts, with Newsweek's Fareed Zakaria, PostGlobal, an online discussion of international issues athttp://blog.washingtonpost.com/postglobal. His e-mail address isdavidignatius@washpost.com.

Lost In The Desert (NYT)

By Maureen Dowd

The New York Times, November 22, 2006

WASHINGTON

Iraq now evokes that old Jimmy Durante song that goes, “Did you ever have the feeling that you wanted to go and still have the feeling that you wanted to stay?”

It’s hard to remember when America has been so stuck. We can’t win and we can’t leave.

The good news is that the election finished what Katrina started. It dismantled the president’s fake reality about Iraq, causing opinions to come gushing forth from all quarters about where to go from here.

The bad news is that no one, and I mean no one, really knows where to go from here. The White House and the Pentagon are ready to shift to Plan B. But Plan B is their empty term for miraculous salvation.

(Dick Cheney and his wormy aides, of course, are still babbling about total victory and completing the mission by raising the stakes and knocking off the mullahs in Tehran. His tombstone will probably say, “Here lies Dick Cheney, still winning.”)

Even Henry Kissinger has defected from the Plan A gang. Once he thought the war could work, but now he thinks military victory is out of the question. When he turns against a war, you know the war’s in trouble. He also believes leaving quickly would risk a civil war so big it could destabilize the Middle East.

Kofi Annan, who thought the war was crazy, now says that the United States is “trapped in Iraq” and can’t leave until the Iraqis can create a “secure environment” — even though the Iraqis evince not the slightest interest in a secure environment. (The death squads even assassinated a popular comedian this week.)

The retired Gen. Anthony Zinni, who thought Mr. Bush’s crusade to depose Saddam was foolish and did not want to send in any troops, now thinks we may have to send in more troops so we can eventually get out.

Lt. Gen. Raymond Odierno, whose soldiers pulled Saddam out of his spider hole and who is returning to Iraq to take charge of the day-to-day fight, has given up talking about a Jeffersonian democracy and now wishes only for a government in Iraq that’s viewed as legitimate. He has gone from “can do” to “don’t know.” He talked to The Times’s Thom Shanker about his curtailed goals of reducing sectarian violence and restoring civil authority, acknowledging: “Will we attain those? I don’t know.”

At a Senate hearing last week, Gen. John Abizaid sounded like Goldilocks meets Guernica, asserting two propositions about the war that are logically at war with each other. He said we can’t have fewer troops because the Iraqis need us, but we can’t have more because we don’t want the Iraqis to become dependent on us.

He contended that increasing the number of our troops would make the Iraqi government mad, but also asserted that decreasing the number would intensify sectarian violence.

This a poor menu of options.

As Peter Beinart wrote in The New Republic this week, “In a particularly cruel twist, the events of recent months have demolished the best arguments both for staying and for leaving.” Noting in the same magazine that “we are approaching a Saddam-like magnitude for the murder of innocents,” Leon Wieseltier worried that the problem may be deeper than the number

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of our troops; it may be Iraq itself. "After we invaded Iraq, Iraq invaded itself. ... We are at the mercy of Iraq, where there is no mercy."

Kirk Semple, The Times's Baghdad correspondent, wrote about Capt. Stephanie Bagley, the daughter and granddaughter of military policemen who was enthusiastic a year ago about her job of building a new Iraqi police force. But that was before the militia so inexorably began to infiltrate the police, presumably with the support of some leaders in Iraq's dysfunctional government. Now, with the police begging the Americans not to make them patrol Baghdad's mean streets and showing her their shrapnel wounds, she just wants to get her unit home safely, without losing another soldier. She said her orders were to train a local force to deal with crimes like theft and murder, not to teach them how to fight a counterinsurgency.

Aside from telling Israel to be nicer to the Palestinians, as if there lies Iraq salvation, James Baker will mostly try to suggest that the U.S. talk to Iran and Syria. Yesterday, after the Lebanese Industry Minister Pierre Gemayel, an opponent of Syria, was assassinated in Beirut, President Bush said he suspected that Iran and Syria were behind the murder.

Maybe Mr. Baker had better find Plan C.

The Pentagon is trying to decide whether we should Go Big, Go Long or Go Home.

Go figure.

An Ideologue For Hire Gets New Alliance (NYT)

By Mark Leibovich

The New York Times, November 22, 2006

WASHINGTON, Nov. 21 — Senator Joseph I. Lieberman announced Tuesday that he had hired a new spokesman, which is not in itself that noteworthy, except that the said spokesman, Marshall Wittmann, is one of the great career vagabonds, ideological contortionists and political pontificators ever to inflict himself on a city full of them.

To say that Mr. Wittmann defies classification is like saying Paris Hilton defies modesty. But in his peripatetic soul, he is a Washington Original, a man without a political country going to work for a senator without a political party.

Mr. Lieberman, a longtime Democrat of Connecticut who was re-elected as an independent and calls himself an "Independent Democrat," has not ruled out becoming a Republican.

Mr. Wittmann, meanwhile, is a Trotskyite turned Zionist turned Reaganite turned bipartisan irritant turned pretty much everything in between — including chief lobbyist for the Christian Coalition, the only Jew who has ever held that position.

"Jewish mothers do not raise their Jewish sons to work for the Christian Coalition," said Mr. Wittmann, offering one of many explanations for why that job was not an ideal fit.

"I think I'm the only person who has worked for both Cesar Chavez and Linda Chavez," Mr. Wittmann said of the union pioneer who inspired him in the 1970s and the conservative Republican whose Senate campaign in Maryland he joined in the 1980s.

"I think I'm the only person who's worked for both Ralph Reed and Bruce Reed," Mr. Wittmann added, referring to the former executive director of the Christian Coalition and the top lieutenant to former President Bill Clinton.

There are of course plenty of political people who have undergone philosophical evolutions over the years. But Mr. Wittmann, 53, has zigzagged in the extreme, from stints in left-leaning unions to right-wing policy shops. He describes his career as "eclectic," saying he has always been drawn to independent thinkers. "The good lord has made me a contrarian," Mr. Wittmann said.

The good lord has also blessed him with the gift of speaking in punchy and irresistible sound bites.

He has been quoted thousands of times in newspapers, magazines, newsletters and journals, according to Lexis-Nexis. And this does not count the at least 939 times his name has appeared misspelled as "Marshall Wittman."

He suffered through a two-year dry patch from 2002 to 2004 when he was a spokesman for Senator John McCain, the Arizona Republican, a job that largely required him to suppress his inner quotemeister for his boss's even-more-impressive knack for drawing attention.

When that became unbearable, Mr. Wittmann returned to his roots as a Democrat in Waco, Tex., where he had volunteered at age 15 for the antiwar presidential campaign of Eugene McCarthy.

After leaving Mr. McCain's office, he joined the moderate Democratic Leadership Council as a senior fellow, a position whose mandate was not exactly clear but allowed him to once again be quoted. (Think Michael Jordan returning to the basketball court after his fish-out-of-water career as a baseball player.)

Liberated from the on-message shackles of a Senate office, Mr. Wittmann soared into the blogosphere. He immersed himself in his popular online diary, Bull Moose, named for the party of his political hero, Teddy Roosevelt. It became a virtual megaphone through which Mr. Wittmann could ridicule both the Bush administration and the liberal bloggers, or "netroots" (or, in Mr. Wittmann's words, the "nutroots") that attacked Mr. Lieberman relentlessly during his re-election campaign.

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Now Mr. Wittmann will once again have to stifle his pundit proclivities to the greater good of Mr. Lieberman. “I’ve gone through this before,” he said of withdrawal from talking freely to the press. “Luckily my wife is a psychologist,” he said of his spouse of 29 years, Karen, one of the few enduring allegiances he has held faithfully.

He will also be forced to suspend the Bull Moose. “The Moose is now in hibernation,” Mr. Wittmann said, adding that he is not certain if moose in fact hibernate. (They do not.)

In announcing Mr. Wittmann’s appointment, Mr. Lieberman hailed his “independent and diverse background” in a statement (or understatement).

Even though he has a new boss, Mr. Wittmann still swears deep and abiding affection for Mr. McCain. And the feeling is apparently mutual: Mr. McCain said through an aide that Mr. Wittmann was “a dear friend.”

All of which raises the question of what happens if Mr. McCain runs for president and invites Mr. Wittmann to join his campaign.

Would he abandon Mr. Lieberman?

Mr. Wittmann invokes one of the first rules of flackdom and a glimpse of the drudgery to come. “One thing I’ve learned in the press world,” he said, “is that I don’t answer hypothetical questions.”

Al Qaeda Welcomes Democratic Victory (WT)

By Walid Phares

The Washington Times, November 22, 2006

The latest audio by al Qaeda's Iraq commander -- posted 48 hours after the midterm elections -- sends a clear signal to the readers of the jihadi strategic mind: Al Qaeda and its advisers around the world want to provoke an "American Madrid." Portraying the United States as a bleeding bull in disarray, the war room projects its wish to see America's will crippled. The video attempts to do the following:

1. Convince the jihadists that the United States is now defeated in Iraq and beyond. While no reversal of the balance of power has taken place on the ground, the jihadi propaganda machine is linking the shift in domestic politics to a withdrawal from Iraq. It projects the change in Washington as a crumbling of the political process in Baghdad and America's foreign policy. Interestingly, others in the region are also "announcing" the upcoming defeat of America in the war on terror. Hezbollah's Hassan Nasrallah declared: "The Americans are leaving, and their allies will pay the price."

2. Spread political chaos at home. Jihadists portray the Democratic takeover of Congress and the resignation of Defense Secretary Donald Rumsfeld (and maybe others) as signs of American weakening in the resolve to fight jihadism. The video had a potential to frustrate U.S. citizens if it is not accurately interpreted by experts. Americans may end up believing that the message reflects the situation in the Middle East and that it is a logical outcome of a faulty U.S. policy. If the Bush administration and the new congressional leaders do not respond adequately to the video, some "chaos" of this sort may ensue.

3. The terminology used in the videotape is a powerful indicator that al Qaeda's political network relies on Western-educated minds, familiar with political processes in the United States and serving as advisers to the jihadists. A regular al Qaeda emir does not use the term "lame duck." It is more likely that a U.S.-based cadre, who understands the impact of political jargon on domestic audiences, had suggested the use of this word. Abu Hamza al Muhajir's use of the term batta arjaaa (lame duck) is striking to any native speaker of Arabic. This term does not exist in Arab culture, let alone in jihadi rhetoric. Its use is yet another proof of the Americanization jihad has undergone. Thus, Iraq's al Qaeda is using the term as a weapon -- something most likely requested by the jihadi brains operating on the other side of the Atlantic.

So what do the speechwriters want to achieve with these kinds of tapes? They aim at sapping American public morale during a time when reorganization is taking place in the U.S. government. Reading from the jihadi wishful thinking, the audiotape of al Muhajir and the statements made by other radical Islamists send the following message: Americans are being thanked for removing Mr. Bush's party from the leadership of Congress, which the jihadists attribute to the war on terror rather than U.S. domestic problems. Al Qaeda's audio tells citizens in the United States that they were wise for having responded positively to the previous messages by Osama bin Laden. Al Masri's words aim at convincing the American public to pressure their newly elected legislators to pull U.S. forces hastily from Iraq.

In short, al Qaeda wants an American Madrid: it wishes that a change of power in January would be accompanied by a change of national determination, not just a change of course within Iraq.

In the Salafis chat rooms, the commissaries explained to their audiences, that the Democratic Party victory in Congress means that America is now divided and al Qaeda can push to create more cracks in the system -- as it has successfully done in Spain. The masters of the forum, emulating al Masri's audiotape, said not only that "we got their soldiers on the run in Iraq," but "we got their citizens on the run on their own soil" referring to the November electoral outcome. They promised that with more

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killings in Iraq, they will break the will of Americans at home; and that the new Congress, seeking to fulfill one of its electoral promises will force the Bush administration to pack up and leave the Middle East.

In Washington, both the administration and the new congressional leaders failed to seriously respond to the al Qaeda message. Grave mistake; for ignoring the speech would help convincing the jihadists that America is divided and crumbling and would embolden them to strike further, not only in Iraq but also inside the United States. The silent treatment works in favor of the Salafi combatants: It only leads them to believe that they are right and that their strategy is working; just as Allah had crushed the Soviets in Afghanistan, he has divided the Americans. It is, therefore, imperative that Washington strikes back in a unified manner at every opportunity that arises. It must tell the dreamers of a terror caliphate that American democracy will not serve as a weapon to defeat freedom worldwide.

Walid Phares is a senior fellow with the Foundation for the Defense of Democracies and the author of "Future Jihad: Terrorist Strategies against America."

Elected As A War Critic, He Was Part Of Prewar Errors (LAT)

By Greg Miller

The Los Angeles Times, November 22, 2006

WASHINGTON — Of all the Democrats who rode a wave of public anger over Iraq to election victories this month, Chris Carney had the most unlikely credentials as a war critic.

Before winning the race for Pennsylvania's 10th Congressional District, Carney was part of a controversial intelligence unit at the Pentagon that was responsible for some of the most alarming — and, it turned out, unfounded — prewar claims about Iraq.

Assigned to search for links between Iraq and Al Qaeda, the unit reached a series of conclusions, including that a Sept. 11 hijacker had met with an Iraqi agent in Prague, Czech Republic, that have since been widely discredited. The Pentagon unit was created and run by one of the Iraq war's principal architects, then-Undersecretary of Defense Douglas J. Feith.

Carney took part in briefings at the White House and the Pentagon that disparaged the CIA for underestimating the relationship between Baghdad and the terrorist network. Vice President Dick Cheney and other administration officials frequently touted the findings to bolster the case for war.

Despite his background, Carney campaigned as an antiwar Democrat and said he got a "very warm reception" when he arrived at Capitol Hill this week to take part in orientation activities for incoming members. Carney is a lifelong Democrat, according to his press secretary.

"They are intrigued," Carney said of his fellow freshmen. "But I'm not sure all of them know about this."

Rep. Anna G. Eshoo (D-Atherton) said she was disturbed by the work that came out of Feith's office, but doubted that members would hold that against Carney.

"I think that in retrospect that what happened there is deeply troubling and we're paying a price for it," Eshoo said. "But I don't want to cast judgment on him."

Carney, 47, is not apologetic about his work at the Pentagon.

"I certainly stand by the fact that I believe there was some sort of relationship," he said in an interview. "On a scale from zero to 10, with zero being no relationship and 10 perfect operational coordination," Carney said, the Iraq-Al Qaeda link was "somewhere in the 2.5 range."

That appears to be a more qualified assessment than the so-called Policy Counterterrorism Evaluation Group presented to policymakers during a series of briefings in 2002. In one briefing slide, the group asserted that there were "more than a decade of numerous contacts" between Iraq and Al Qaeda and that there were "multiple areas of cooperation," possibly including the Sept. 11 attacks.

Carney, a reserve officer in the Navy and political science professor at Penn State University, wasn't expected to win his conservative-leaning district in eastern Pennsylvania. But his chances improved when the Republican incumbent, Don Sherwood, admitted he'd had a five-year extramarital affair and was forced to deny accusations that he had choked his mistress.

Carney said he initially was a supporter of the invasion of Iraq but has been dismayed by the handling of the postwar insurgency. His stance hardened, he said, when one of his college students returned from Iraq and complained of how ill-equipped U.S. fighting units were.

"They had to scrounge Iraqi scrap yards for junk metal to weld onto their trucks," Carney said.

Carney ended up working for Feith after being called up for duty as an analyst at the Defense Intelligence Agency in the aftermath of Sept. 11. Carney was detailed to Feith's office in 2002 after the noted neoconservative asked the DIA to provide two analysts for a special project.

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Carney and another DIA analyst, Christina Shelton, spent months poring over thousands of raw intelligence reports. They quickly concluded that the CIA, which had been skeptical of any serious relationship between Iraq and Al Qaeda, was getting it wrong.

"I found it kind of curious the way they were so equivocal in the analysis," Carney said of the CIA reports. "It was frustrating to me and others with all the caveating that was going on."

So the Feith team assembled a competing report called "Assessing the Relationship Between Iraq and Al Qaeda." The document cited "fundamental problems" with the CIA's analysis and offered conclusions without caveats. It said Baghdad was providing training to "non-Iraqi terrorists" and had "provided safe haven" for terrorist leader Abu Musab Zarqawi. Under the heading "Known Iraq-Al Qaeda Contacts," the document listed the alleged 2001 meeting of Sept. 11 hijacker Mohammed Atta with an Iraqi agent in Prague as if there were no doubt the meeting had occurred.

When the group's findings were leaked to a conservative publication, Cheney described the report as the "best source" for understanding ties between Saddam Hussein and Osama bin Laden.

Like much of the prewar intelligence on Iraq, the allegations of ties between Baghdad and Al Qaeda have crumbled under postwar scrutiny. A recent investigation by the Senate Intelligence Committee concluded that Atta never met with an Iraqi agent in Prague, that Baghdad did not give safe haven to Zarqawi, and that Hussein was so wary of Al Qaeda he had issued an edict barring anyone in his government from having any dealings with the terrorist network.

Carney defends his work by saying that many of the postwar conclusions are based on information that wasn't available to analysts in 2002.

Polls show a significant minority of Americans still believe Iraq was somehow involved in the Sept. 11 attacks, but Carney disputes that his work contributed to that misperception or pushed the U.S. into war.

"I was one voice among hundreds talking about this," Carney said. "Ultimately, the decision to go to war rests with the president, and I am certain that the president had lots of information other than what I had."

Carney said that much of his focus in Congress would be on domestic issues, including healthcare and job security. Still, he said that he believed U.S. intelligence agencies suffered from a lack of creative thinking, and that he had ideas about how to fix some of the community's problems.

"There are a number of things I'm looking at as committee assignments, and the intelligence committee is certainly one of them," he said. If selected, he added, "I think I would apply the same kind of rigor to those issues that we did in the Pentagon."

Iraq And Syria Agree To Restore Relations (FT)

By Ferry Biedermann

Financial Times, November 22, 2006

Syria and Iraq on Tuesday announced the formal restoration of diplomatic ties, nearly a quarter of a century after they were suspended.

The move comes as the US and other western powers are exploring the option of enlisting Syrian and Iranian help in stabilising Iraq.

But there are no signs yet that Damascus is preparing to change its policies on the ground in Iraq, where it has been accused of supporting the insurgency.

Walid Moalem, Syria's foreign minister, at a press conference in Baghdad with his Iraqi colleague, Hoshair Zebari, said that Syria now hoped to turn a new page in its relations with the US.

"I do not want to go back to the former accusations. We seek future co-operation in all fields," he said.

Syria has invited Iraq's president, Jalal Talabani, to Damascus.

The restoration of ties was welcomed by Kofi Annan, the United Nations secretary-general, as well as by the Arab League. The US administration also expressed cautious approval.

"We've always encouraged Iraq's neighbours to take a role in supporting and assisting the unity government in Iraq," said Gordon Johndroe, spokesman for the White House's national security council.

But he added that "one of the first steps Syria could take was to strengthen its border with Iraq and stop the flow of foreign fighters into that country."

In Damascus, some officials said that this was unlikely to be the case, at least for now.

"Syria is waiting for an incentive," said Samer Ladkani, of the Al-Sharq think-tank which has close ties to the government. He cautioned that "there may be just diplomatic ties without any results on the ground."

News of the restoration of ties with Iraq was greeted with indifference by many Syrians. They did not expect a change in Iraq as long as US troops remained.

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Syria is seeking a “package deal” with the US that would see its demands in the region met, said analysts and diplomats in Damascus. These are said to include a US withdrawal from Iraq; a restoration of Syrian influence in Lebanon and a halt to the UN investigation into the murder of Rafiq Hariri; the complete return of the Israeli-occupied Golan Heights; the establishment of a Palestinian state; and a general recognition of Syria’s status as a regional power.

The Syrian government considers itself to be in a position of strength after Hizbollah’s “victory” against Israel in Lebanon in the summer. Some in the leadership are said to credit Syrian support for the insurgency in Iraq with what they see as the defeat of President George W. Bush in the recent mid-term elections in the US, when the Democrats wrested control of Congress from the the Republican party.

American Foes Step Into The Iraq Fray (CSM)

By Dan Murphy

The Christian Science Monitor, November 22, 2006

CAIRO

This week, Iraq has drawn decisively closer to the two countries the US alleges are the greatest threats to peace and stability in the Middle East.

Tuesday, Syria restored diplomatic ties with Iraq that were broken by Saddam Hussein in 1980 back when Iraq was fighting Iran. Also Tuesday, Iraqi President Jalal Talabani's office said he would travel to Tehran this weekend to meet with Iranian President Mahmoud Ahmadinejad to talk about restoring order to Iraq.

The US has repeatedly accused Iran and Syria of stirring up violence inside Iraq, but recently the notion of isolating them as punishment has lost favor in Washington. A growing number President Bush's advisers are urging direct dialogue with both nations. They argue that engagement could convince Syria to do more to prevent foreign fighters from entering Iraq; Iran could exert more influence on Iraq's dominant Shiite political parties (and their militias) to compromise more.

"It could make a difference, but not a critical difference," says Anthony Cordesman, former director of intelligence assessment to the US Secretary of Defense and now a senior fellow at the Center for Strategic and International Studies (CSIS) in Washington.

Iran has been accused of being deeply involved in training, funding, and arming the two major Shiite militias in Iraq, where Tehran has historic ties to the current Shiite political leadership. Many Iraqi Shiites spent years in Iranian exile during Mr. Hussein's decades in power in Baghdad. One militia, the Badr Brigade, was trained in Iran by the Revolutionary Guard.

"While of course it's worth talking to them, even if they complied with all our wishes, what they could do probably would not be decisive," says Wayne White, former head of the Middle East desk at the State Department's Bureau of Intelligence and Research.

"The situation is so bad now in Iraq," he says, "you can't expect any magic over there. And even if you could get the Iranians and Syrians to accomplish things you wanted, what would you have to cough up in return?"

Former US Secretary of State James Baker, who served under President Bush's father and is now the leader of the Iraq Study Group (ISG) advising the president on new directions for his Iraq policy, has been quietly meeting with Syrian officials in the US, according to an interview with the Syrian ambassador to the US reported by The New York Times. He also met with Iran's ambassador to the United Nations.

British Prime Minister Tony Blair has publicly called for more direct engagement, and members of the ISG have been quietly urging more direct ties with Iran, as well.

Outgoing US Secretary of Defense Donald Rumsfeld, a hard-liner on Syria and Iran, was ousted this month in favor of former CIA chief Robert Gates, who as a member of the ISG had also been urging direct engagement with Iran over the problems in Iraq.

Though Mr. Blair praised the Syrian visit to Iraq, saying it may see that "Syria becomes of help to Iraq in its process of progress ... rather than a hindrance," the closer ties between Iraq and Syria could quickly become a strain on the US and Iraqi relationship.

Meanwhile, Iran's meeting with the Iraqi president this weekend is seen by some analysts as evidence of its increasingly muscular role in the Middle East, where it already has established deep influence in Syria and Lebanon.

Lebanon is yet another nation where various internal and external political forces are vying for power. On Tuesday, a leading anti-Syrian Lebanese politician, Pierre Gemayel, was assassinated in Beirut. An ally of his, parliament leader Saad Hariri, immediately claimed that Syria was behind the murder.

Mr. Hariri's father, Rafik, a former prime minister, was assassinated last February, and the US and anti-Syrian Lebanese politicians have blamed Syria for that murder as well, which they allege was designed to bolster the pro-Syrian, Iran-backed Hizbullah inside the country.

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Mr. Cordesman says events like the Gemayel assassination in Lebanon underscore the likelihood that neither Iran nor Syria will become very cooperative on issues that the US cares about - withdrawing support from Hizbullah in Syria's case, or abandoning its nuclear program in Iran's case - any time soon.

"What everyone needs to understand is that cooperation from Syria and Iran is likely to be very limited, particularly in the short-term," he says.

"Syria is certainly backing the Hizbullah in its efforts to achieve a new level of political influence in Lebanon and it has the feeling that it's less vulnerable to any kind of US action now, ... and when Iran goes out and carries out the most provocative military exercise in recent history, this may not be a symbol of compromise." He was referring to recent Iranian military exercises in the Gulf.

The State Department reacted with skepticism about Iran's intentions in Iraq, but said it was up to Iraq to decide whether to attend. "It's their call; it's their decision," deputy spokesman Tom Casey said in Washington.

Bomb Blasts Speaker's Car In Green Zone (NYT)

By Edward Wong

The New York Times, November 22, 2006

BAGHDAD, Nov. 21 — A bomb exploded in an armored car belonging to the speaker of Parliament, wounding the American security guard who was driving it out of a parking area in the government Green Zone and disrupting a meeting of lawmakers nearby, a parliamentary aide said.

Though the speaker, Mahmoud al-Mashhadani, was not in the vehicle and was unscathed, the assassination attempt was one of the most serious breaches of security yet within the Green Zone, the heavily fortified government district on the west bank of the Tigris River.

The bomb, which exploded in midafternoon, was planted inside a decoy armored car that was part of the speaker's regular convoy and resembled the one he usually used, said the parliamentary aide, who spoke on condition of anonymity because he was not authorized to talk publicly about the attack.

Only part of the bomb exploded, the aide said. A police official said investigators believe that the bomb was planted inside the Green Zone and detonated by cellphone.

Mr. Mashhadani, a hard-line Sunni Arab nationalist reviled by many Shiites, was attending a Parliament meeting inside the Green Zone convention center at the time of the explosion. He and other legislators were forced to stay inside for hours afterward while the American military secured the area.

In the summer, senior Shiite and Kurdish leaders, backed by some American officials, called for his ouster because of inflammatory comments he had made about various groups in Iraq and about the American presence.

The most serious breach of security inside the Green Zone occurred in October 2004, when insurgents set off two bombs in crowded areas that killed at least five people, including three Americans. Individuals have also been attacked there: at least one foreign jogger was reportedly stabbed, and another intentionally hit by a vehicle.

While Parliament members stewed inside the convention center, a senior Kurdish legislator said in a telephone interview that the president, Jalal Talabani, had accepted an invitation from the president of Syria, Bashar al-Assad, to meet in Damascus. Such a meeting would be the highest-level diplomatic discussion between the two countries in decades, and would seal a reconciliation that took place this week with the visit of the Syrian foreign minister here.

No date has been set for Mr. Talabani's visit, said the legislator, Mahmoud Othman, a member of the Kurdistan Alliance. The invitation was delivered to Mr. Talabani by the Syrian foreign minister, Walid al-Moallem, who came to Iraq to re-establish diplomatic ties that were severed in 1982, after Syria sided with Iran in the Iran-Iraq war.

Mr. Talabani is scheduled to visit Iran this weekend, months after Prime Minister Nuri Kamal al-Maliki made his first trip there. Mr. Othman said there were rumors that the Iranian government had also invited Mr. Assad to the meeting, but there was no definite sign that any senior Syrian officials would attend.

Meanwhile, the White House announced that President Bush would meet with Mr. Maliki in Jordan next week to discuss the security situation in Iraq.

Early Tuesday, American and Iraqi forces raided the Shiite district of Sadr City in eastern Baghdad and detained a man the American military identified as the leader of a kidnapping ring in connection with the abduction last month of an American soldier, Specialist Ahmed al-Taie. Soldiers detained six other Iraqis.

The raid sparked a battle that involved fire from American aircraft. A Shiite official in the district, Sheik Abdul Zahra al-Suaidi, said in a telephone interview that five civilians had been killed in the fighting, including a woman and a child, and 15 others were wounded.

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A spokeswoman for the American military, Lt. Col. Josslyn Aberle, said in an e-mail message that “there may have been civilian casualties.”

Across Baghdad, at least 29 bodies were discovered Tuesday, an Interior Ministry official said. In Diyala Province, at least 13 people were killed in scattered violence.

Iraqi Parliament Speaker Escapes Car Bombing (WP)

By Nancy Trejos

The Washington Post, November 22, 2006

BAGHDAD, Nov. 21 -- A car bomb exploded inside the heavily protected Green Zone on Tuesday in an apparent attempt to kill Iraq's controversial speaker of parliament.

About 2 p.m., a small bomb exploded in one of the armored cars in Mahmoud al-Mashhadani's motorcade as it approached the convention center where parliament meets, said Lt. Col. Christopher C. Garver, a spokesman for U.S. forces in Iraq. Mashhadani was not in the car, and the driver survived, Garver said.

Bomb-sniffing dogs then detected explosives in another vehicle, Garver said. Bomb specialists detonated that car, which set off a series of blasts that caused a fire but injured no one and caused no major damage to nearby structures.

Members of parliament were forced to stay inside the convention center for about four hours until the fire was extinguished and the area deemed safe, Garver said. "They were told to remain inside for their safety," he said.

Garver said he was not sure how the explosives made it so far into the Green Zone, which houses the Iraqi government, the U.S. and British embassies and thousands of foreign troops and private contractors. Anyone trying to enter the zone must pass through several checkpoints -- first to get into the complex, then to enter individual buildings.

The Green Zone has been a frequent target of mortar and rocket attacks, but although bombs have exploded at checkpoints at entrances to the zone, they rarely infiltrate the fortresslike compound. "Obviously, there is an investigation going on," Garver said.

Mashhadani is the fifth high-ranking Iraqi government official to be targeted in recent days. An outspoken Sunni Arab, Mashhadani last summer called the U.S. occupation "the work of butchers." Shiite and Kurdish groups called for his ouster after that and other provocative comments.

On Tuesday, his supporters reacted angrily to news that he had been targeted for assassination.

"We condemn and denounce this act, and we consider this as a criminal act, for Dr. Mashhadani is valuable to us," said Ammar Wajih, director of the media office at the Iraqi Islamic Party, a leading Sunni Arab group.

As Tuesday's assassination attempt and infiltration of the Green Zone highlighted Iraq's deteriorating security situation, the government moved to stabilize relations with a long-hostile neighbor. By signing an accord to restore diplomatic ties with Syria, ending a quarter-century of enmity, Iraqi leaders said they hoped to stem the flow of foreign insurgents across their common border.

"The flag of Iraq will be raised in the sky of Damascus and the flag of Syria will be raised in the sky of Baghdad, and ambassadors will be named," Iraqi Foreign Minister Hoshyar Zebari said at a news conference in Baghdad with his Syrian counterpart, Walid al-Muallem.

The two countries had been at odds since the 1980s, when Syria sided with Iran in its war against Iraq. Most recently, U.S. and Iraqi leaders have accused Syria of doing too little to stop foreign fighters from crossing into Iraq.

In signing the agreement, Muallem abandoned his demand that the United States set a timetable for the withdrawal of troops from Iraq. Instead, he agreed that the troops should stay until no longer needed.

The agreement came as Iraqi President Jalal Talabani prepared to leave Friday for a weekend meeting with Iranian President Mahmoud Ahmadinejad in Tehran. Ahmadinejad had hoped to include Syrian President Bashar al-Assad in the summit, but Ali al-Dabbagh, the official spokesman for the Iraqi government, said there were no plans for Assad to join them.

He did, however, say that the Syrian leader has invited Talabani and Iraqi Prime Minister Nouri al-Maliki to Damascus to talk about regional solutions to the sectarian violence within Iraq. "The invitation is there, and then we'll work it out to find a convenient time," he said.

Also Tuesday, U.S. and Iraqi forces raided Sadr City, Baghdad's vast Shiite slum, and captured seven members of the Mahdi Army, a militia loyal to Shiite cleric Moqtada al-Sadr. One of the men was believed to know the whereabouts of Ahmed Qusai al-Taayie, a U.S. soldier who was kidnapped a month ago while visiting his Iraqi wife in Baghdad, officials said.

In Ramadi, there were reports by witnesses and a hospital physician that Abu Zaid al-Tunisi, a senior aide to al-Qaeda in Iraq's former leader Abu Musab al-Zarqawi, was killed in a U.S. airstrike Monday night. Garver, the military spokesman, said Tuesday that he could not confirm the reports.

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Special correspondents Saad al-Izzi and Naseer Mehdawi in Baghdad and other Washington Post staff in Iraq contributed to this report.

Perfect Killing Method, But Clear Targets Are Few (NYT)

By C. J. Chivers

The New York Times, November 22, 2006

KARMA, Iraq, Nov. 16 — The sniper team left friendly lines hours ahead of the sun. They were a group of marines walking through the chill, hoping to be in hiding before the mullahs' predawn call to prayer would urge this city awake.

They reached an abandoned building. Two marines stepped inside, swept the ground floor and signaled to the others to follow them to the flat roof, where they crawled to spots along its walls in which they had previously chiseled out small viewing holes.

Out came their gear: a map, spotting scopes, binoculars, two-way radios and stools. The snipers took their places, peering through the holes, watching an Iraqi neighborhood from which insurgents often fire. They were hoping an insurgent would try to fire on this day. The waiting began.

If the recent pattern was any indication, the waiting could last a long time. This was this sniper team's 30th mission in Anbar Province since early August. They had yet to fire a shot.

More than three years after the insurgency erupted across much of Iraq, sniping — one of the methods that the military thought would be essential in its counterinsurgency operations — is proving less successful in many areas of Iraq than had been hoped, Marine officers, trainers and snipers say.

In theory, Western snipers are a nearly perfect method of killing Iraq's insurgents and thwarting their attacks, all with little risk of damaging property or endangering passers-by. But in practice, the snipers say, they are seeing fewer clear targets than previously, and are shooting fewer insurgents than expected.

In 2003, one Marine sniper killed 32 combatants in 12 days, the snipers say, and many others had double-digit kill totals during tours in Iraq. By this summer, sniper platoons with several teams had typically been killing about a dozen insurgents in seven-month tours, with totals per platoon ranging from 3 to as high as 26.

The gap between the expectations and the results has many causes, but is in part a reflection of the insurgency's duration. With the war in its fourth year, many of the best sniping positions are already well known to the insurgents, and veteran insurgents have become more savvy and harder to kill.

In some areas of Iraq, where the insurgents are less experienced or still fight frontally, snipers have had better rates of success, including the platoon with 26 kills. But many areas, the snipers say, have become maddening places in which to hide and hunt.

"A lot of Marine battalions have rotated through these same areas for six or seven months at a time," said Staff Sgt. Christopher D. Jones, the platoon sergeant of the Scout Sniper Platoon in the Second Battalion, Eighth Marines. "But the insurgents live here. They know almost all the best places that have been used. Before we even get here, they know where we are going to go."

Moreover, the insurgents have developed safeguards, using shepherds and children to look for snipers in buildings and heavily overgrown areas, and networks of informants to spread the word when a sniper team has taken up a new position. "These days we're lucky if we can go 12 hours without getting compromised," he said.

In the Marine Corps, snipers have long been a culture within the culture, a group of quiet, highly competent infantrymen selected for their field skills, self-discipline and shooting expertise.

Picked from the ranks, they are trained at a 10-week school that develops their skills in hiding, stalking and long-range marksmanship. Each infantry battalion has a platoon of snipers, who typically work in small teams apart from the rifle companies. They are considered elite.

But some snipers now worry that the difficulties they face have been compounded by rules and conditions placed on them by senior military leaders.

Marine snipers have customarily trained to work in two-man teams who hide and stalk for days, seeking targets a half-mile or more away. Often an area might be saturated with snipers, so they can support and protect one another while confusing an enemy force with different angles of fire.

This way, according to their thinking, they can kill more enemy combatants, and sow more fear.

Those two-man teams are not allowed in Iraq, in part because of the killings of two groups of snipers earlier in the war.

In the first episode, in 2004 in Ramadi, four Marine snipers were killed without firing a shot, apparently after being surprised in a shooting position in an urban area, known in sniper jargon as a hide. An investigation suggested that they had been overwhelmed and executed.

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In 2005, a six-man sniper team from a Marine reserve unit was killed in Haditha. The insurgents videotaped a display of the slain team's equipment, including a marine's dog tags, and circulated the spectacle on the Internet.

The losses have made commanders hesitant to send out small teams, Marine officers said, a decision that many snipers said inhibits their work.

Snipers argue a counterintuitive point, saying that even though two-man teams have less firepower and fewer men, they are safer because they can hide more effectively.

Sgt. Joseph W. Chamblin, the leader of the battalion's First Sniper Team, said the sniper community was suffering from an overreaction. "It's sad that they got killed, but when you think about it, we've been here three years, going on four, and we've only had two teams killed," he said. "That's not that dramatic."

Sergeant Chamblin killed for the first time on Nov. 10, shooting an insurgent who was putting a makeshift bomb beside a bridge near Saqlawiya, near Falluja, a spot where a similar bomb killed three marines and a translator this summer.

He said snipers were willing to assume the risk of traveling in pairs. "It's a war," he said. "People are going to die, and the American public needs to get over that. They need to get over that and let us do our job."

Snipers also say that other force-protection issues are limiting their operations, including requirements to wear helmets and flak jackets, which slow snipers down and make hiding more difficult.

"You go to a 10-week sniper course and never in that course are you in Kevlar and a helmet," Sergeant Jones said. "Then you come to Iraq and immediately you're in your flak jacket and helmet, and you've got a huge pack of gear."

Sergeant Chamblin agreed. "We are carrying way more stuff than we can be tactically sound with," he said. "My arms are numb because my pack is so heavy. Sometimes, on my missions, my pack has weighed more than I have, and I weigh 150 pounds."

The military has also tightened rules of engagement as the war has progressed, toughening the requirements before a sniper may shoot an Iraqi. Potential targets must be engaged in a hostile act, or show clear hostile intent.

The marines say insurgents know the rules, and now rarely carry weapons in the open. Instead, they pose as civilians and keep their weapons concealed in cars or buildings until just before they need them. Later, when they are done shooting, they put them swiftly out of sight and mingle with civilians.

With almost no Iraqi police officers available in Anbar Province to check loiterers and suspicious cars, the snipers said, the insurgents have moved freely, making it difficult to tell from afar which people are dangerous, even when they have been violating the law.

Although the teams are frustrated, Lt. Col. Kenneth M. DeTreux, the battalion's commander, said they still influenced the insurgents, who tend to avoid areas that are watched. The presence of snipers can keep a road free of bombs, he said.

"Our scout sniper teams have a deterrent effect," he said. "That's not wishful thinking. The insurgents fear our snipers."

Still, the snipers want to thin the insurgents' ranks, not just deter them. Some of their difficulties were evident on the roof on a recent day, when the battalion's Fourth Sniper Team sat, watching through holes in the wall.

Karma is a scene of frequent violence, and below them was a favored insurgent area. Once during the day they thought they had been spotted, and three marines swept the building below to make sure they were safe. They were.

They returned to peering through the holes. Other holes could be seen in buildings nearby — previous sniper positions, and a sign that insurgents probably knew the area is often watched.

"I've got a shady-looking guy," Lance Cpl. Nathan D. Leach, the assistant team leader, said as he observed a suspicious man. "He's got his hand behind him. Looks like he's got something under his shirt."

Lance Cpl. Keeghan O'Brien, the radio operator, interjected, "You see where that guy went?"

Cpl. Jason A. Dufault, the team leader, responded, "No, he walked behind a building and disappeared." A few hours later, several shots were heard from the neighborhood, and rifle-launched grenades sailed through the air. They landed behind the snipers, near a platoon-sized Marine position, exploding with a series of thunderous cracks.

The snipers peered around, seeking a shot. Another sniper team was also in the area, watching over the Marine position, too. No one saw a thing.

The insurgents were within a few hundred yards, but had found a seam. Several hours later, in the blackness again, the team picked up and moved, still waiting for a target after more than three months in Iraq.

New Suits Protect Troops Under Fire (USAT)

By Tom Vanden Brook

USA Today, November 22, 2006

FALLUJAH, Iraq — Marine commanders are outfitting their troops with flame-resistant flight suits in Iraq to ward off burns from the No. 1 killer here: roadside bombs.

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It's another sign of how troops in the field have adapted to the deadly insurgency. Earlier in the war, troops added their own armor to vehicles and devised their own makeshift electronic jamming devices to foil the growing power and sophistication of the bombs they encountered.

Marine commanders in Iraq took the initiative to issue flame- and heat-resistant clothing made from a DuPont-manufactured fiber called Nomex, said Lt. Col. Bryan Salas, a spokesman for Multi-National Force West. That group commands about 33,000 troops in western Iraq, the heart of the Sunni-based insurgency.

The intense heat from the bombs, called improvised explosive devices or IEDs, led Marine commanders to get the protective apparel, Salas said.

Troops who ride in tanks, trucks and armored personnel carriers received most of the first suits.

Explosives kill or wound more troops than any other weapon in Iraq, according to Pentagon records. Through Tuesday, roadside bombs have killed more than 1,200 U.S. servicemembers and wounded more than 11,000 others.

So far, the Marines have issued more than 12,000 fire-resistant suits, said Capt. Jeff Landis, spokesman for the Marine Corps Systems Command.

Only those Marines who leave forward operating bases receive the suits, Landis said, so there's been enough to go around.

In February, the Marines started a research and development program to develop clothing — including shirt, gloves and suit — to help troops survive a fiery blast.

Marines stationed in restive Anbar province in western Iraq say they like the flame-resistant suits.

“The Marine Corps made a great decision with the issuing of flight suits to Marines in vehicles,” said Marine Capt. Eric Dominijanni, 34.

He sends his Marines from the 5th Regimental Combat Team on patrol every day over roads pockmarked and scorched by bomb blasts. “Remember, all vehicles have fuel tanks,” Dominijanni said. “If they explode, the suits protect us from burns”

Members of the 5,000-strong combat team received their first suits in February, said Lt. Joseph King, a Marine spokesman. Troops received more of the dun-colored suits, dubbed “Poop Suits” by the Marines, in the spring, King said.

The Army also has begun to issue fire-resistant flight suits to tank and truck drivers in Iraq, said Lt. Col. Carl Ey, an Army spokesman at the Pentagon.

Next year, the Army plans to issue fire-resistant pullovers, boots and socks, records show.

Family Stands By A Marine Under Investigation (WP)

By Josh White, Washington Post Staff Writer

The Washington Post, November 22, 2006

Darryl Sharratt often breaks into tears when trying to start sentences that include the word "Haditha." A stoic foreman from Pennsylvania, he struggles with painful concepts such as betrayal and helplessness. His wife, Theresa, puts her hand on his shoulder and tries to talk through the anguish.

"I love my son. He's my hero," Theresa Sharratt says calmly. "He's not what they're portraying him as. I can't believe that this is happening to us. To him."

Their dining room table is covered with photographs, scrapbooks, letters and trinkets belonging to their son, Lance Cpl. Justin Sharratt, a 22-year-old Marine who had dreamed his entire life of joining the military. Now, the Sharratts are fighting to preserve his reputation, as he is one of a handful of Marines who are being investigated over the slayings of two dozen Iraqi civilians on Nov. 19, 2005.

The Sharratts have remained silent until now because they did not know what to say. They have avoided learning details of their son's possible involvement in the shootings while they have struggled to understand what might have happened in a war zone thousands of miles away. They have privately fumed about politicians -- such as Rep. John P. Murtha (D-Pa.) -- who have publicly stated that their son was part of a brutal, vengeful slaughter. And they are livid that no one in the Marine Corps has stepped forward to defend their son.

"He's very confident he did nothing wrong, and we believe him," Theresa Sharratt said in a recent interview in the family home in Canonsburg, Pa., which is south of Pittsburgh. Her husband wiped his eyes and added: "He felt he was doing his job. And, now, the Marine Corps has betrayed these guys. All of them."

The incident in Haditha was not widely known until the past spring, when Time magazine wrote an account of the civilian deaths in a small group of homes in the insurgent hotbed. Early reports alleged that Marines with Kilo Company, 3rd Battalion, 1st Marines, snapped after a member of their unit was killed by a roadside bomb, sending them on a rampage through nearby homes. There were also allegations of a coverup.

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Attorneys for the Marines -- including Staff Sgt. Frank D. Wuterich, the most senior noncommissioned officer at the scene of the shootings -- have said repeatedly that their clients followed the appropriate rules of engagement and killed the civilians as they were hunting insurgents responsible both for the roadside bombing and for a volley of shots from what the Marines believed were AK-47 assault rifles.

"They responded the way they were trained," said Jack B. Zimmerman, an attorney for Lance Cpl. Stephen Tatum, 25, who officials believe was one of the Marines who fired shots. "Anytime you're involved in house-to-house urban warfare in an inhabited area, there's going to be the risk that civilians will be in harm's way. It's very unfortunate that women and children died, but the issue here is what was going through these guys' minds when they were taking fire, and did they respond the way they were trained to?"

Marine Corps officials have declined to comment about the case, as a nine-month investigation rests in the hands of prosecutors who have not yet decided on charges. A high-level review of whether commanders did not appropriately investigate the Haditha incident was completed in Iraq in July and the results are with commanders there, though Pentagon officials have so far declined to release the findings.

Wuterich, through his attorneys, has outlined a scenario that portrays the Marines reacting in a clinical way, noting that the squad was taking fire from the houses and attacked them, "clearing" rooms with grenades and gunfire.

In a separate account, recently obtained by The Washington Post, other Marines in the squad reported seeing, hearing and feeling gunshots flying over their heads in short bursts immediately before they entered the houses. The scenes inside, according to the account, were chaotic, as Marines threw fragmentation grenades and then fired shots through the dust and smoke.

One Marine who was in the convoy that day said that no one overreacted to the death of their friend, Cpl. Miguel "TJ" Terrazas, and that the troops focused on the mission. Answering written questions under the condition of anonymity, the Marine said no one seemed to be out for revenge. Instead, he said, the men wanted to make sure comrades came out from the ambush alive.

"If they were going to charge us, then you may as well charge every Marine and soldier in Iraq," the Marine said. He added that members of his squad "did not realize that civilians had been killed until they went back through the houses to assess collateral damage."

Military officials familiar with the investigation said there is some evidence that could show wrongdoing, including images, taken by an unmanned aircraft, that appear to show that a group of civilians shot near their car -- which had approached the Marine convoy after the bomb went off -- were executed. At least one Marine has told officials that he saw another Marine standing over the bodies and emptying his rifle's clip into them, according to two people closely familiar with the case.

Others have said that the shots that killed women and children inside the houses appeared to be "well-aimed," though defense attorneys have challenged that assessment as speculation because there is so little physical evidence to support it. The official investigation did not begin until months after the shootings, and some critical evidence was lost.

It is unclear what, if any, charges the Marines will face. Officials said this week that criminal charges could be announced in the next few weeks against as many as half a dozen men.

"My client did not engage in any conduct that we believe is criminal," said Gary Myers, an attorney for Sharratt. "Our position is that anything he did engaging the enemy was consistent with rules of engagement at the time."

Sharratt enlisted in the Marines just before his 18th birthday -- a decision his family supported -- and deployed to Iraq in 2004. He spent time in Fallujah, where he took part in the major offensive to take the city and used close-combat "clearing" tactics on enemy houses. He was deployed to Haditha the next year.

The Sharratts used to worry about their son's safety and how he dealt with the loss of friends -- "Don't worry about me, I can handle it," he had said to his mother. Now they worry that he is caught up in a political storm.

"Somebody's going to pay, and we're so afraid it's going to be the young guys," Theresa Sharratt said. "He believes he didn't do anything wrong."

But Darryl Sharratt says America has already convicted his son and the other Marines, and he feels helpless, lost, as he awaits a decision on possible charges.

"For 18 years, I protected him. And now I can't do anything about it," he said. "I just want the Marine Corps to stand up and say the Marines couldn't have done this and didn't do it. I blame them for letting it go on for this long."

Officials: Afghanistan Needs More Troops (AP-Y)

By Lolita C. Baldor
AP, November 22, 2006

DOJ_NMG_0097311

More troops and sophisticated equipment are needed to bolster Afghanistan's security forces, but it is not clear whether more U.S. troops will be deployed there, U.S. and Afghan defense officials said Tuesday.

Lt. Gen. Karl Eikenberry told Pentagon reporters that U.S. officials will wait until after next week's NATO summit in Latvia to see how many troops other countries plan to provide before deciding if more U.S. forces must be sent to Afghanistan.

"I think it will be best at this point to wait and see what NATO is able to provide," Eikenberry said. "There's more meetings that are taking place on the military staff. And this is very high on their agenda."

U.S. military leaders have been pushing NATO members to meet their commitments and provide more troops in Afghanistan. For months, officials have said that NATO nations have provided only 85 percent of the support they promised. There is a NATO-led force of about 30,000 in Afghanistan, including some 12,000 U.S. troops. An additional 11,000 American troops are there under U.S. control, conducting counterterrorism operations and other training and reconstruction duties.

The Afghan minister of defense, Gen. Abdul Rahim Wardak, who met Tuesday with Defense Secretary Donald H. Rumsfeld, said his country needs more firepower, transport planes and armored vehicles. The Afghans have asked for additional helicopters and aircraft that can move troops and supplies through the mountainous regions.

Eikenberry said some body armor, helmets and other equipment are already being provided to the Afghan National Army. He added that there have been no final decisions on what other weapons and aircraft would be provided, and therefore he could not provide any cost estimate.

He said now is an appropriate time to give the Afghans more sophisticated equipment because they are better able to operate and maintain the equipment. It will be less expensive to equip the Afghans than continue to use U.S. troops and equipment in the war there, he said.

Wardak said Afghanistan is accelerating its training program for the army, and hopes to have about 70,000 troops by October 2008 — several years ahead of schedule. He said officials are hoping that NATO "will take a more effective role in equipping and training the Afghan national security forces."

"Once we are well-trained and well-equipped, we will be able to repay some of our debt to the international community by participating in peacekeeping operations," said Wardak, adding that Afghanistan would also be able to be "a permanent part of the war against terrorism."

In other comments, Eikenberry said the ongoing hunt for Osama bin Laden continues, and it "remains as much of a priority as it has since the United States of America was struck on 9/11."

Afghanistan Could Again Be Engulfed By Civil War (FT)

By Rachel Morarjee

Financial Times, November 22, 2006

Here in this extraordinary piece of desert is where the future of world security in the early 21st century is going to be played out.

Speaking those words on Monday at Camp Bastion, the British military base in Afghanistan's southern Helmand province, Tony Blair made clear to the 800 troops lined up to meet him that the UK and its allies would "stand up and defeat" the resurgent Taliban.

It was a commitment the visiting prime minister later repeated to President Hamid Karzai in the leafy grounds of the Afghan leader's palace in Kabul. Mr Blair's concern was the battle against Taliban supporters and their al-Qaeda and drug gang allies in the bitterly contested south of the country, where violence has risen to heights not seen since the toppling five years ago of their authoritarian regime.

The 5,200 British troops stationed in Helmand – part of a 32,800-strong Nato-led force in the country – have faced almost daily fighting that has been as fierce as many engagements in Iraq. More than 3,700 people have been killed this year, most of them in the south and east, where Taliban's Pashtun fighters remain the biggest threat to Afghanistan's fragile democracy.

On Nato maps, Afghanistan's southern provinces and eastern areas along the border with Pakistan are shaded a fiery red, reflecting the hot spots of a persistent insurgency. By contrast, the northern and western provinces are shown in green, dotted with yellow to indicate pockets of instability.

But the colour-coding is deceptive. The government and its international backers can no longer take the relative peace of the north and west for granted. It is becoming clear that warlords and commanders from other ethnic groups are increasingly a menace.

The Northern Alliance warlords – who, backed by a US air campaign, swept the Taliban from power in 2001 and in Bonn that December set out a five-year blueprint for democracy – have been marginalised by Mr Karzai's government. Many are angry about being pushed aside and hostile to anything that will erode their power at a local level – from counter-narcotics efforts to police reform.

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"In the south the Taliban is an armed opposition but in the north there is growing political opposition. The government is being pushed from both sides," says Saleh Registani, a member of parliament from the fortress valley of Panjshir, just north of the capital, which held out against Taliban fighters in the 1990s. "The security crisis is spreading like an oil slick across the country."

Afghanistan is a nation riven by ethnic and factional divisions, which flared into a bloody civil war that left thousands dead before the Taliban militia swept to power in 1996. "The insurgency in the south has the potential to open up fissures along ethnic and factional lines which have so far been contained," says Joanna Nathan, senior South Asia analyst with the International Crisis Group.

Moreover, the war in the south is draining attention and resources from the north and west and stoking public anger towards the government in those regions, western officials in Kabul warn. "We do have a serious problem in the south, but the north is a ticking time-bomb. There is not a single unifying leader and there is the potential for chaos," says a diplomat in Kabul. "We are moving back to the days of the civil war where all the neighbouring countries were worried, concerned and involved in Afghanistan."

The issue will be at the centre of a two-day Nato summit that starts in the Latvian capital, Riga, next Tuesday. That follows the transfer of peacekeeping command to the alliance from the original coalition forces in eastern Afghanistan, the final phase of the nationwide deployment of its International Security Assistance Force.

The north is not immune from attacks by the Taliban and other disruptive forces, with incidents in Herat city in the west and the northern city of Kunduz, where German troops are based and which saw its first suicide attack in June. Islamic militants linked with the Hezb-e-Islami group headed by Gulbuddin Hekmatyar, who appears on US most-wanted terror lists, have been active in the north this summer, as have others linked to Afghanistan's large and rapidly growing drugs trade.

"What you have is a thinly spread gloss of governance over an area that is not under any power broker's control. It is fragmenting," says a senior US official in Kabul, adding that any attempt to force a government presence further into the north and west could kick off violent power struggles.

Local militia commanders are rethinking their backing of the central government and Islamic militants are moving to mobilise support outside their southern strongholds by exploiting the factional fault-lines in the north and the west. As the fighting has raged in the south, the instability has begun to infect previously secure areas.

"The north has become very unstable. A lot of weapons have been distributed and stockpiled. The warlords of all ethnic groups have come together with the drug mafias," says Mohamadullah Shoiab Shamkar, deputy director of tribal affairs for Fedayeen-e-Sol, a group of tribal elders from around Afghanistan who are looking at ways to stem the growing insecurity. "None of these people wants the constitution or the rule of law to succeed."

Since July in Faryab province, which borders Turkmenistan, there has been a spate of factional battles between forces loyal to Gen Abdul Rashid Dostum, an Uzbek warlord, and a rival commander. Their brief clashes have killed tens rather than the hundreds who have died in battles between the Taliban and Nato troops in the south but could herald more trouble to come. "The tensions between warring factions are now being exploited by insurgents and we have reports of militant activity in the south of Faryab," says one person involved with the Nato-led force in the country.

The bulk of the 2,700 troops in the north are German and are constrained by caveats that would not allow them to leave their bases to intervene in a big clash in the region. Italian, Spanish and Lithuanian troops in the west are similarly hidebound.

Last month, gun battles between rival factions in Shindand, near Herat, left about 30 dead. The main factor holding the west of Afghanistan together is the positive influence of neighbouring Iran, which "is pumping a lot of money into the reconstruction of the west", says a senior US administration official in Washington.

True, the standing armies of the leading warlords who ousted the Taliban – such as Abdul Rashid Dostum, Ismael Khan and Mohammed Atta – have been disbanded. Their factions remain splintered, even in parliament, where they are unable to present a solid block against the Afghan government. But the fault lines between the groups are exposed and ready for insurgents linked with the Taliban to exploit.

Riots that swept Kabul six months ago, leaving more than 20 dead, emboldened factional leaders across the north and west. The May violence in the capital sent a signal about the weakness of the central government around the country, says Nader Nadery, head of the Afghan Independent Human Rights Commission. "Commanders in the north saw the riots in Kabul just 5km away from Karzai's palace and asked themselves, 'Why should we be afraid of these guys sitting in the capital and give up our guns?' "

Weapons prices in northern Afghanistan more than doubled over the summer as commanders again began stockpiling arms. Consequently a UN-backed programme to disarm illegal militias has ground to a halt countrywide.

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As local commanders seek to strengthen their hands against the central government, aid and reconstruction workers are increasingly being caught in the crossfire. Since the beginning of the year, more aid workers have been killed in the north and west of Afghanistan than the south.

Nine staff with aid agencies or the UN were killed in the north, 13 in the west and four in and around Kabul, compared with two in the south, according to the Afghanistan NGO Security Network. Although there are fewer aid workers in the restive south and east, the numbers also reflect the remobilisation of Islamic militant groups such as Hezb-e-Islami in the north and west as well as growing lawlessness linked to drugs and crime.

As the traditional ethnic enemies of the Pashtun Taliban who hail from the south and east, the Tajik, Uzbek and Hazara militia in the north and west are against the Taliban's return – but this may have lulled western governments into a false sense of security.

Michael Shaikh, a researcher with New York-based Human Rights Watch, says that Northern Alliance leaders – who battled each other and then the Taliban during the civil war of the early 1990s before coming to power in 2001 – need the Karzai government as a bulwark against the violence in the south. But he adds: "That doesn't mean they won't try to weaken the government and try to gain autonomy in their own areas. There are factors up there that could enable an insurgency."

With leading members of the Northern Alliance sidelined by Mr Karzai, their support for the government is waning, western officials and Afghan legislators say. "We agreed to work together in Bonn. We had an unofficial agreement. It was a promise but it was our mistake to trust Karzai. He called all the Northern Alliance leaders warlords and none of them are in positions of power now," says Mr Registani.

Younus Qanooni, parliamentary speaker and one of the architects of the Bonn agreement for the Northern Alliance, says the government is losing support and could face a crisis of public confidence. "We have seen that people who laid the foundations of the government have been pushed to the side," he says.

Although many of the marginalised still support the government, that could easily change.

Additional reporting by Guy Dinmore

39 Suspected Taliban Jailed In Pakistan (AP-Y)

By Abdul Sattar

AP, November 22, 2006

Police arrested 39 Afghans suspected of being Taliban fighters in the southwestern Pakistani city of Quetta, an official said Tuesday, though an Islamist group insisted the detainees were only students.

The arrests late Monday and early Tuesday came in separate raids on rented houses in areas with large Afghan refugee populations, said Chaudhry Mohammed Yaqoob, chief of police in Baluchistan province, whose capital is Quetta.

Pakistan is under pressure from the U.S. and neighboring Afghanistan to do more to detain Taliban militants or extremists allied with the toppled Afghan regime. The Pakistani government denies turning a blind eye to such activities, saying it is doing its best to crack down on militants.

Police are interrogating the suspects to learn if any senior Taliban figures were among them, Yaqoob said. Afghan officials have alleged Taliban leader Mullah Omar is in Quetta, but Pakistan has rejected the claim.

A spokesman for a pro-Taliban Islamic group protested the arrests, claiming the men were Islamic students and not fighters.

"They came here to study. They have no link with fighting," said Abdul Sattar Chisti of Jamiat Ulema-e-Islam party, a key member of a six-party Islamic political coalition.

Dozens of Taliban suspects have been arrested in the city in recent months, with many handed over to Afghan authorities, Yaqoob said. Among them are militants being treated at Quetta hospitals after being wounded in clashes with NATO and U.S. forces in Afghanistan, he said.

Pakistan had supported the Taliban before severing ties with the militia and backing the United States after the Sept. 11, 2001 attacks.

Max Boot: Cutting And Running On Our Allies (LAT)

Max Boot

The Los Angeles Times, November 22, 2006

Washington's history of abandoning friends doesn't give Iraqis much confidence.

MANY AMERICANS have been wondering why so many Iraqis are willing to fight for militias and terrorist groups but not for the American-backed government. Look at it from their perspective. Would you stake your life on a regime whose existence

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depends on Washington's continuing support? Given our long, shameful record of leaving allies in the lurch, that has never seemed to be a smart bet.

We have been betraying friends since our first overseas conflict, against the Barbary pirates who captured ships off the African coast and enslaved their crews. To defeat the pasha of Tripoli, the U.S. made common cause with his brother, Hamet Karamanli. In 1804, American envoy William Eaton led a motley force of mercenaries and Marines across North Africa to install Karamanli on the throne. The offensive was called off prematurely when President Jefferson's envoy reached a deal with the pasha to free his American captives in return for $60,000. Karamanli was evacuated to the U.S., but his family members were left as hostages. Eaton raged: "Our too credulous ally is sacrificed to a policy, at the recollection of which, honor recoils, and humanity bleeds."

Something similar could have been said about U.S. conduct after World War I. President Wilson was the leading champion of "national self-determination" at the Paris Peace Conference in 1919, yet the U.S. did nothing to safeguard the states he helped midwife. We stood by, for instance, when Czechoslovakia and Poland were occupied by the Nazis. This callous indifference was repeated after World War II when we did too little to save the Eastern Europeans from Russian occupation.

Postwar U.S. administrations compounded this duplicity when they urged the "captive" peoples behind the Iron Curtain to seek their freedom and yet did nothing to help the East Germans in their 1953 uprising, the Hungarians in 1956 or the Czechs in 1968. No one is suggesting that Washington should have risked World War III, but we might have put more diplomatic and economic pressure on the Soviet Union to mitigate the worst of their crackdowns. If we weren't willing to do even that, we shouldn't have instigated the uprisings in the first place.

Cuban anti-communists fared just as poorly at American hands. On April 17, 1961, 1,500 exiles organized by the CIA landed at the Bay of Pigs. The Cuban army counterattacked, and the rebels were killed or captured. The outcome might have been different if the U.S. had been willing to provide air cover, but President Kennedy refused to do so because he wanted to hide U.S. complicity.

In the following years, the U.S. waged a massive war to stop a communist takeover of South Vietnam. By 1973, we had tired of the conflict, and the South Vietnamese were left to fend for themselves. Thousands were killed. Many others wound up in brutal reeducation camps or took to the seas in leaky boats.

The U.S. was equally inconstant in its support of the rebels battling the Sandinista government in Nicaragua in the 1980s. We went from backing the Contras to cutting them off, heedless of the cost to fighters who were risking their necks to fight an oppressive regime. And then there was the shah of Iran, installed by the CIA and Britain's MI6 in 1953 and then abandoned by the United States in 1979 — and, unlike Hamet Karamanli, not even given refuge on our shores.

But that was nothing compared to the betrayal of the Iraqi Kurds and Shiites in 1991. President George H.W. Bush urged Iraqis to "take matters into their own hands" and overthrow Saddam Hussein, yet stood by as Hussein's henchmen brutally put down the uprisings. The U.S. did not even shoot down Iraqi gunships, which could have been done at little risk to American forces.

This long trail of American treachery has grave consequences for our foreign policy. It emboldens our enemies (the Bay of Pigs led to the Cuban missile crisis, for example), dispirits our friends and makes it harder to achieve our objectives. Knowing our history, few Iraqi leaders are counting on American support in the future. They're making their deals with the devil, whether neighboring states or sectarian militias. And if we do scuttle out of Iraq prematurely, Afghans and others whose support we seek will get the message again: Don't trust Uncle Sam.

The least we can do is to assure those Iraqis who have worked closely with American forces — whether as janitors, translators, soldiers or bureaucrats — that, if we do leave, they and their families will receive asylum in the United States. We should not sacrifice another "too credulous ally" on the altar of a dishonorable and inhumane policy.

Army Debuts New Slogan In Recruiting Commercials (WP)

By Ann Scott Tyson,

The Washington Post, November 22, 2006

The Army, facing another tough recruiting season, launched a $200 million-a-year advertising campaign this month and unveiled a new slogan: "Army Strong."

The campaign's core message is that the Army builds not only physical but also mental and emotional strength in recruits, bonding them into a powerful, close-knit team.

"There's strong, and then there's Army strong," a deep male voice intones as martial music rises from a brass band in the background.

The television ads, launched nationwide for Veterans Day along with Internet placements and other outreach, omit all but the most fleeting images related to the all-volunteer Army's biggest endeavor ever: the war in Iraq.

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The main 30- and 60-second ads show soldiers jogging in formation, scaling a rope obstacle course and leaping out of a helicopter -- all take place in what appear to be familiar, grassy, domestic settings. The only brief glimpse of what could possibly be Iraq is of a group of soldiers hastily raising a tent -- although, unlike others in the ad, these soldiers wear no helmets or body armor.

There are obvious reasons the Army might not want to underscore to potential recruits, and their parents, that signing up these days almost inevitably means deployment to combat zones in Afghanistan or Iraq, where the majority of the more than 2,850 killed and 21,000 wounded have been soldiers.

The Army missed its fiscal 2005 recruiting target by more than 6,000 soldiers but rebounded last year with the aid of thousands of added recruiters, a doubling of the maximum enlistment bonus to $40,000 and some eased standards. The Army begins fiscal 2007 with another hefty target of 80,000 recruits and only about 15 percent already in the pipeline -- compared with a goal of 25 to 30 percent.

Army officials acknowledge that parents and other influential adults are less likely to recommend military service today because of the ongoing conflicts, and surveys have shown that the wars have made some young people more wary of enlisting.

To address these concerns, two of the ads feature the parents of soldiers -- a farming couple and a mechanic and his wife -- whose worries about Army service evolve into pride. "I was pretty nervous, apprehensive," says the father, wearing a 1st Infantry Division cap and standing beside a cornfield.

"If your son or daughter wants to talk with you about joining the Army, listen. You made them strong, we'll make them Army strong," the announcer says in the English and Spanish ads launched on MTV, the History Channel, the Discovery Channel and other stations.

The television ads are coupled with Internet recruiting initiatives aimed at helping youths do their own research, including a presence on YouTube, Google, Yahoo and MySpace. Last Friday, the campaign expanded to offer potential recruits an "Ask a Soldier" discussion forum at GoArmy.com.

New York advertising firm McCann Erickson designed the campaign after winning the two-year Army contract, which can be renewed for three additional years.

The ads were tested on hundreds of soldiers, although studies show that it is difficult for the military to gain an accurate measure of the effectiveness of advertising, which is relatively expensive compared with other recruiting tools such as educational benefits and bonuses.

Asked how they felt about the "Army Strong" pitch, soldiers at the Pentagon had mixed reactions. "I like it because it gives a better picture of what the Army is," said Lt. Col. Wayne Cherry, a liaison officer for the Army's chief of staff. " 'Army Strong' is like a football team, a baseball team."

Sgt. 1st Class Mark Johnson was less enthusiastic. " 'Army Strong' is not telling me anything. It doesn't touch any emotional string," he said. "I don't think it will inspire people."

While soldiers were still formulating opinions on the new slogan, several held strong views about past ditties such as the nebulous "Army of One," which survived only five years until being replaced by "Army Strong."

"The 'Army of One' got lost in translation," quipped Col. David Reese, director for ministry initiatives of the Army's chief of chaplains. "I like 'Army Strong' because it symbolizes cohesiveness."

By far the most popular recent slogan, according to soldiers interviewed, was "Be All You Can Be," which lasted 20 years until a recruiting downturn saw it changed in 2001.

"To me, 'Army Strong' is kind of faddish. I've always liked 'Be All You Can Be' -- I missed that," said Lt. Col. Stephen Durham, a logistician.

" 'Be All You Can Be' could have gone on forever. It's such an evergreen thing," another Army official said wistfully.

DOJ:

GAO: DOJ Needs To Fix Classification Problems (GCN)

By Kerri Hostetler, GCN Staff

Government Computer News, November 22, 2006

The Justice Department needs a standard classification system and needs to address its staffing shortage, according to a report issued by the Government Accountability Office.

DOJ and its bureaus, specifically the FBI, were under review to determine if the department implemented the National Archives and Records Administration's Information Security Oversight Office (ISOO) recommendations to correct problems in their document classification systems.

ISOO is responsible for oversight of national security classification programs for Executive Branch agencies. GAO conducted the study because of the important role information protection and sharing plays in preventing terrorist attacks, the report said.

DOJ ranks third in the number of documents classified in the executive branch, behind the Defense Department and the CIA. Within DOJ, the FBI handles 98 percent of that work.

In any DOJ entity, a document can be classified in one of five ways: Limited Office Use Only, For Office Use Only, Law Enforcement Sensitive, Propriety Information or DEA-sensitive (specific to DEA). Each of these designations have "unique definitions and safeguard requirements," but they do not have "specific guidance on the types of information that merit each designation," the report said.

Without specific guidelines, employees do not know if the information warrants a sensitive but classified distinction. The components of DOJ do not train their employees to make these decisions nor do they oversee the process by which employees label the information.

Coordinating the classification process within DOJ will not take place until the end of December. Officials are waiting on results from an interagency work group that is standardizing classification procedures throughout the government. The agency said once these standards are available, they will make additional changes to their component's current practices.

Once the work group's standards are available, auditors recommend the attorney general make DOJ:

Establish specific guidance for applying the designations they will use;

Ensure that all employees authorized to make the designations have the necessary training before they can designate documents; and

Set internal controls for overseeing sensitive but unclassified designations to help ensure that they are properly applied. DOJ has taken action on five of the 10 ISOO recommendations, GAO found. The department has addressed its need to update and make its training more relevant and to fix its component monitoring problems. But Justice needs more people to do this and the department has failed to address its staff shortage issues, which GAO cited as ISOO's most important recommendation.

By not addressing the issue they do not have the resources to fix problems, such as insufficient training and oversight, the report said. Also, the department doesn't know how many people they will need to sufficiently perform its tasks nor does it know which recommendations take priority once the resource void is corrected.

The report said the staff shortage puts the classification program at risk because they are the people who set policy, provide training and oversee classification departmentwide.

ISOO also recommends an increase in DOJ security office clearance, but the agency disagrees with the notion because the program managers of the security office already have access to senior members of the department. Other recommendations not addressed by DOJ include: briefing exiting employees about the need to keep classified information secret, addressing already existing inspection problems and monitoring classification practices.

In all, the FBI implemented or taken action on 11 of the 12 recommendations issued by ISOO.

GAO Sees Risk In Classification (WT)

By Jerry Seper, The Washington Times

The Washington Times, November 22, 2006

The Justice Department's classification program, which determines what information could reasonably be expected to damage the country's national security if disclosed publicly, is at risk because of a lack of adequate staffing, according to a government report.

In a 50-page report yesterday, the Government Accountability Office said the department's classification-management program needs to assess its "optimum" manpower requirements, develop a strategy to meet them, and then implement internal controls "to ensure proper use of sensitive but unclassified designations."

"The September 11 attacks showed that agencies must balance the need to protect and share sensitive information to prevent future attacks," the report says. "Agencies classify this information or designate it sensitive but unclassified to protect and limit access to it."

But, according to the GAO, the department is at risk because it has not addressed the problem of insufficient staffing to effectively manage and oversee the program, noting it has one staff member to cover departmentwide training issues and three staffers to oversee 3,500 locations under the program.

"According to the program manager, with these resources, the security office was reacting to classification issues that arose rather than being proactive to prevent them," the GAO said.

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Staffing increases for the Justice Department program were recommended by the National Archives' Information Security Oversight Office, which reviewed security procedures in July 2004 and April 2005. GAO was asked this year to see how well the department and the FBI had responded to the request.

The GAO said Attorney General Alberto R. Gonzales should determine what staffing he needs to carry out the responsibilities of the department's classification-management program and devise a strategy to make those resources available and use them effectively.

Justice Department officials, according to the GAO report, said it "is trying to address its resources constraints, a long-standing problem that GAO identified as early as 1993, by requesting additional funds from an administrative account in fiscal year 2007."

The GAO noted that all records of a permanent historical value older than 25 years that contain classified national security information automatically will be declassified on Dec. 31, and each year thereafter, and "may be available for public disclosure, unless an agency head or senior agency official determines that these records fall within an exemption that permits continued classification."

It said the documents that could be released without proper classification could "seriously impair relations between the United States and a foreign government; undermine diplomatic activities of the United States; identify a human intelligence source; or violate a statute, treaty or international agreement."

But, it said, the problem continues because the department's security office did not receive additional resources, as requested, nor has Justice reallocated resources from other activities to that office.

CORPORATE SCANDALS:

U.S. Drops Bid To Reinstate Lay's Convictions For Enron Fraud (BLOOM)

By Laurel Brubaker Calkins, Bloomberg News

Bloomberg, November 22, 2006

The U.S. government dropped an attempt to restore the convictions of Enron Corp. founder Kenneth Lay, who died six weeks after being found guilty of spearheading the fraud that destroyed the company.

Lay died of a heart attack in July after being convicted in May of 10 fraud and conspiracy charges. U.S. District Judge Sim Lake threw out the verdicts under a legal principle that erases convictions of defendants who die before they can appeal.

The government moved yesterday to withdraw a Nov. 16 notice of an appeal of Lake's decision. Steven Tyrrell, chief of the Justice Department's fraud section, said in the document the government made the move after a bill to change the law was introduced in Congress. He didn't elaborate.

``Now, from a criminal standpoint, Ken Lay is forever exonerated," said Ed Tomko, a former federal prosecutor who defended another Enron executive against fraud charges.

Tomko said efforts to change the law are ``largely meaningless" to Lay's criminal case, because lawmakers can't apply punishments retroactively.

``It might mean something to the next case," Tomko said. ``But the government is already chasing Ken Lay's money in a civil case."

U.S. authorities last month filed a civil forfeiture case against Lay's estate, seeking $12.5 million for victims of Enron's collapse. The government asked for a jury trial to re- establish Lay's responsibility for the fraud.

Justice Department spokeswoman Jaclyn Lesch and Samuel Buffone, Lay's appellate lawyer, declined to comment on the government's decision not to appeal.

More than 5,000 jobs and $1 billion in employee retirement funds vanished virtually overnight when Enron plunged into bankruptcy in December 2001, following revelations of widespread accounting fraud at the Houston-based energy company.

Investors are suing to recover more than $30 billion in stock market losses.

A total of 24 people besides Lay were convicted or pleaded guilty in Enron cases. Four of the 24 had convictions reversed on appeal, and more appeals are pending. Another six people are awaiting trial.

Jeffrey Skilling, former Enron chief executive officer, was convicted with Lay and was sentenced to 24 years in prison. He is to start serving his sentence Dec. 12 in Minnesota.

The case is U.S. v. Lay, H-04-25, U.S. District Court, Southern District of Texas (Houston).

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CRIMINAL LAW:

Justice Department Declines To Pursue Porter Accusation (LVRJ)

By Steve Tetreault, STEPHENS WASHINGTON BUREAU

Las Vegas Review-Journal, November 22, 2006

Ex-staffer alleged illegal fundraising calls made

WASHINGTON -- The Justice Department has decided not to pursue an accusation that Rep. Jon Porter made fundraising calls from his congressional offices earlier this year, a practice that would be illegal if proved, officials confirmed Monday.

The charge was leveled by a former Porter staffer who offered e-mails in support of his charge against the Nevada Republican. Coming during the election season in October, it roiled the U.S. House campaign that pitted Porter, the incumbent and eventual winner, against Democratic challenger Tessa Hafen.

Officials from the Nevada Democratic Party, which pressed the Justice Department to pursue the allegation, were told late last week by the FBI that an investigation was not moving forward, state party chairman Tom Collins said Monday.

Porter said he was notified of the same on Nov. 9, two days after the election, by Steve Martinez, FBI special agent in charge of the Las Vegas office.

"I take it the fact the FBI is not moving forward is that they are confident and they didn't sense the need," Porter said. "Anyway, it was not true."

Bryan Sierra, a Justice Department spokesman, said, "The FBI looked at it and the matter was declined." Sierra said he could not provide further information as to the review and the decision process.

Collins said no reason was given to him. He said there were no signs to Democrats in Las Vegas that the FBI pursued the matter.

"You have to look at who hires these guys in the Justice Department," Collins said. "This is just the typical Bush-Cheney cover-up stuff. Jon Porter has done nothing to clear his name."

Porter said he took the news as vindication "by the highest law enforcement in the land," and that the accusation was suspect from the start.

"This was something raised two weeks before the election by a disgruntled ex-employee," he said.

Jim Shepard, the former employee who lives in Virginia, could not be reached by telephone and by e-mail on Monday.

Shepard, who worked from March to the end of June as Porter's scheduler and executive assistant, alleged that Porter on five dates made calls to potential campaign donors from his Washington office and his district office in Henderson.

Federal law makes it illegal to solicit or receive a donation of any kind in any official building. In Washington, lawmakers customarily walk to Republican or Democratic party headquarters on Capitol Hill to utilize small rooms for fundraising calls.

Shepard said he sat across for Porter in his Washington office while the congressman sought campaign funds. In Nevada, he said, Porter eschewed driving from Henderson to his campaign consultant's office in Summerlin, and made calls from his official office on three occasions in advance of President Bush's visit to Las Vegas in April.

Shepard made available e-mails in which he warned top Porter staffers against the practice. In response, Porter produced phone records and copies of his daily schedule that challenged some of the charges made by Shepard.

FBI Won't Probe Rep. Porter Fundraising Calls, Officials Say (AP)

AP, November 22, 2006

LAS VEGAS (AP) - The Justice Department will not pursue an accusation that Rep. Jon Porter, R-Nev., made fundraising calls from his congressional offices earlier this year, officials said in Washington, D.C.

The charge, involving a practice that would be illegal if proved, was made in October by a former Porter staffer during Porter's re-election campaign against Democratic challenger Tessa Hafen. The staffer offered e-mails as evidence of his claim.

"The FBI looked at it and the matter was declined," Bryan Sierra, a Justice Department spokesman, told the Las Vegas Review-Journal for a Tuesday report. Sierra said he could not provide further information.

Porter said Steve Martinez, FBI special agent in charge of the Las Vegas office, told him the same thing two days after the Nov. 7 election.

"I take it the fact the FBI is not moving forward is that they are confident and they didn't sense the need," Porter said. "Anyway, it was not true. This was something raised two weeks before the election by a disgruntled ex-employee."

Nevada state Democratic Party chairman Tom Collins said Justice Department officials said late last week that the FBI probe was not moving forward. Collins said no reason was provided.

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"You have to look at who hires these guys in the Justice Department," Collins said. "This is just the typical Bush-Cheney cover-up stuff. Jon Porter has done nothing to clear his name."

Jim Shepard, the former employee who lives in Virginia, worked from March to the end of June as Porter's scheduler and executive assistant.

He alleged that Porter on five dates made calls to potential campaign donors from his Washington office and his district office in Henderson.

In response, Porter produced phone records and copies of his daily schedule that challenged some of the charges made by Shepard.

Federal law makes it illegal to solicit or receive a donation of any kind in any official building. In Washington, lawmakers customarily walk to Republican or Democratic party headquarters on Capitol Hill to use small rooms for fundraising calls.

Shepard said he sat across for Porter in his Washington office while the congressman sought campaign funds. In Nevada, he said, Porter eschewed driving from Henderson to his campaign consultant's office in Summerlin, and made calls from his official office on three occasions before President Bush's visit to Las Vegas in April.

Aryan Brotherhood Members Sentenced To Life In Prison (AP)

By Gillian Flaccus, Associated Press

AP, November 22, 2006

SANTA ANA – A federal judge sentenced three suspected leaders of the violent Aryan Brotherhood prison gang to life terms Tuesday, saying the sentences were the only just response to three decades of orchestrated murders and attempted murders in some of the nation's toughest penitentiaries.

Barry "The Baron" Mills, 58, was sentenced to four consecutive life terms without possibility of parole, a sentence automatically imposed after a jury deadlocked earlier this year on the death penalty. Tyler "The Hulk" Bingham, 59, also escaped the death penalty but received three consecutive life terms without possibility of parole.

A third defendant, Edgar "The Snail" Hevle, was sentenced to three consecutive life terms and will likely die in prison. He had not been eligible for the death penalty.

The men showed no reaction as the verdicts were announced, but they hugged their attorneys and shook the hands of other defense attorneys before being escorted out by federal marshals.

Carter said the sentences were appropriate for crimes "spanning well over 30 years of murder and organizational murder."

"It's almost inconceivable and the duration of time is almost inconceivable," Carter said of the string of murders, attempted murders and other crimes before handing down the sentence.

The defendants have 10 days to file appeals with the 9th Circuit U.S. Court of Appeals.

Defense attorneys said they were disappointed, but not surprised, with the sentences.

"This was inevitable," said Bernard Rosen, Hevle's co-counsel. "We've got some excellent legal arguments on appeal, so it ain't over yet."

Among other things, the jury convicted Mills and Bingham for inciting a race riot at a prison in Lewisburg, Pa., in 1997 that resulted in the deaths of black inmates Frank Joyner and Abdul Salaam, alleged members of the rival DC Blacks prison gang. Those killings made Mills and Bingham eligible for the death penalty under the statute of Violent Crime in Aid of Racketeering.

Hevle, 55, and a fourth defendant, Christopher Overton Gibson, were convicted of conspiring to murder the black inmates. Gibson, 47, is recuperating from back surgery and was not sentenced Tuesday. He faces a sentence of 20 years to life in prison.

Mills, Bingham and Hevle were also convicted of a count of murder for the killing of Arva Lee Ray, a prisoner slain at the Lompoc, Calif., penitentiary in 1989. Gibson was not charged with that count.

Prosecutors spent six years building their case against suspected members of the Aryan Brotherhood in an effort to dismantle the violent white supremacist organization accused of ordering hits and running drug rings, gambling rings and protection rackets from behind bars.

On Friday, prosecutors dropped a bid to place severe lifestyle restrictions on the men. They had originally asked Carter to prohibit visits, letters and phone calls to the convicts from anyone but their attorneys and keep writing tools, paper and previously viewed reading material out of their cells.

Similar bans have been imposed only 11 times in the history of the federal prison system. Inmates Zacarias Moussaoui, the suspected "20th hijacker" in the Sept. 11 World Trade Center attack, and convicted Unabomber Ted Kaczynski are among those with restrictions on their prison contacts.

Instead, Assistant U.S. Attorney Stephen Wolfe said in court papers that the government would likely pursue the restrictions "administratively," meaning they would be imposed by U.S. Attorney General Alberto Gonzales without a court hearing or judge's order.

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On Tuesday, Carter said he was worried that Gonzales would impose the restrictions without ensuring that the Bureau of Prisons could enforce them. He read an Associated Press article aloud in court citing the shortage of guards and deteriorating conditions at the maximum-security prison in Florence, Colo., where the men will likely serve their sentences.

"I can only pray that the attorney general will provide the resources to carry out these conditions," Carter said, adding that it was the only way to prevent "further inmates and members of the Bureau of Prisons staff (from being) hurt and, God forbid, killed."

Carter said he would have imposed the restrictions against Mills and cited testimony about threats Mills made to prison staff and an attempt to smuggle cyanide into a federal prison in Marion, Ill., to poison the guards.

Rosen, Hevle's attorney, said having Gonzales order the restrictions instead of a judge will make it harder to appeal them.

Inmates, unaided by their attorneys, must exhaust a series of appeals to prison officials before applying for a hearing before the 10th Circuit Court of Appeals in Denver. That hearing is not guaranteed, he said.

3 Hispanics Sentenced To Life In Killing Of Blacks (WT)

By Jerry Seper

The Washington Times, November 22, 2006

Three Los Angeles-area Hispanic gang members have been sentenced to life in prison in what federal prosecutors called hate-crime attacks that randomly targeted black non-gang members, including women and children.

Gilbert Saldana, 27, Alejandro Martinez, 28, and Fernando Cazares, 25, were sentenced Monday to consecutive life terms without the possibility of parole by U.S. District Judge Percy Anderson in Los Angeles for their roles in the slaying of two black men in 1999 and 2000.

Judge Anderson said the men, members of the Avenues gang, maintained a "reign of terror" over the Highland Park area northeast of Los Angeles that had "far-reaching consequences." Under federal sentencing guidelines, the judge could have imposed lesser sentences but declined to do so.

Prosecutors said the men tried to drive blacks out of the neighborhood in a six-year conspiracy of violence and threats.

Law-enforcement authorities said the prosecution was one of the first prominent cases in which the Justice Department targeted street gang members with hate-crime laws normally used to prosecute white supremacist groups.

In October, Robert B. Loosle, special agent in charge of the criminal division at the FBI's Los Angeles office, told a House subcommittee that gangs and other criminal enterprises pose increasing concerns for the international law-enforcement and intelligence communities.

Calling gangs "more violent, more organized and more widespread than ever before," Mr. Loosle estimated that there are 30,000 gangs nationwide with 800,000 members affecting 2,500 communities.

Porfirio Avila, 31, a fourth man convicted in the Highland Park case, is scheduled for sentencing by Judge Anderson Dec. 18. Avila is in prison on separate state murder charges. A fifth man, Merced Cambero, was indicted but has fled and is listed as a fugitive.

Saldana, Martinez and Cazares were found guilty this summer of violating the civil rights of blacks in the gang's neighborhood by attacking and sometimes killing them. Christopher Bowser was fatally shot while waiting at a bus stop on Dec. 11, 2000, and Kenneth Wilson, 38, was killed while looking for a parking place on April 18, 1999.

Saldana was convicted of being the triggerman in the Wilson murder and is serving a life sentence in state prison for another murder. Martinez was convicted of instigating the Wilson slaying and encouraging his fellow gang members to kill Mr. Wilson. Cazares was convicted of serving as a lookout during that murder.

During the June trial, prosecutors documented several attacks by gang members on blacks, including the shooting of a 15-year-old boy on a bicycle; the attack on a jogger, who was hit in the head with a pistol; and the assault of a woman, who was knocked off her bike, and her husband, who was threatened with a box cutter.

Assistant FBI Director J. Stephen Tidwell, who heads the bureau's Los Angeles office, said the case represented "the successful and unprecedented result of a lengthy investigation into civil rights violations, including multiple violent assaults and murder, committed by this violent gang."

He said the FBI has offered a $20,000 reward for information on Cambero's whereabouts "to bring closure to the family of the victim who was murdered based on the color of his skin."

Brokers Not Guilty Of Bribing BWC Exec (COLDIS)

By Mark Niquette, The Columbus Dispatch

Columbus Dispatch, November 22, 2006

DOJ_NMG_0097321

AKRON — After about three hours of deliberation, a jury today acquitted two Cleveland-area brokers accused of conspiring to bribe the former chief financial officer at the Ohio Bureau of Workers' Compensation with use of a Florida condominium.

The six-man, six-woman jury returned not-guilty verdicts on all charges against Michael W. Lewis and Daniel P. O'Neil after closing arguments in which their attorneys argued that the government's key witness was not credible.

"The length of the deliberations speaks to the strength of the government's case," Lewis attorney Roger Synenberg said after the verdict, which followed the two-week trial.

Lewis and O'Neil and their family members hugged and celebrated after the verdict, with an emotional Lewis saying the trial ordeal was worse than serving in Korea.

"Korea was easier, even when everyone was shooting at me," said Lewis, 72, of Willoughby Hills. He added that he never doubted the outcome of the trial because he trusted God and his defense team.

O'Neil, 55, of Chesterland, thanked his friends and clients, including U.S. Sen. George V. Voinovich, for standing behind him. O'Neil handles Voinovich's personal finances.

"There was a lot of political pressure on him," O'Neil said of Voinovich.

The verdict is a setback for the state and federal task force investigating allegations of corruption at the bureau. The investigation has produced convictions for 10 public figures so far, including Gov. Bob Taft and coin dealer Thomas W. Noe, who was sentenced Monday to 18 years in state prison. Noe is to serve that time after a 27-month stay in federal prison.

U.S. Attorney Greg White, of Cleveland, said he would not second-guess the jury's verdict and that the investigations will continue with the same intensity.

"We have to dissect the verdict and decide whether we need to adjust our direction," White said. "There'll be some disappointment, but we are determined to see this through to the end."

He declined to discuss specifics, but other authorities have said that ethics charges are expected soon against two or three individuals and that other matters are under investigation.

Lewis and O'Neil were charged with two counts of conspiring to bribe the bureau's Terrence W. Gasper and one count each of lying to an FBI agent about Gasper's role in purchasing the Florida condo in 1998.

Gasper testified that after a clandestine meeting with the brokers in the fall of 1996 at Mohican State Park near Perrysville, he and his former girlfriend picked out the $345,000 condo in Islamorada, Fla., for their personal use and that the brokers paid for it.

In return, Gasper said he ensured that the brokers received the maximum amount of commissions for stock trades, as well as fees from solicitation agreements that the brokers had with outside money managers who received bureau funding.

Prosecutors said Lewis and O'Neil split 50-50 nearly $6.8 million from the bureau from 1996-2004; it was a majority of their income during those years.

The defense maintained that the brokers' dealings with the bureau were all legitimate — making money for the agency in the process — and that the condo was an investment that they allowed Gasper and other friends and family members to use.

Synenberg and O'Neil attorney William Beyer used nearly their entire closing arguments yesterday to question the credibility of Gasper, who they say was lying to reduce his prison sentence after pleading guilty to corruption charges and agreeing to cooperate with authorities.

"So here you've got the rat in the corner," Synenberg told the jury. "A man who we now know was a habitual criminal, a man who we now know was a habitual liar, and he's cornered, and they've got him and he's smart enough to know it."

Beyer told the jury: "I submit to you that the government's case is only as strong as the foundation on which it is laid. It is a house of cards because it has to be based upon whether or not you believe Terry Gasper."

The defense called a parade of witnesses who vouched for the brokers' honesty and said that Lewis or O'Neil had offered them use of the condo. The brokers did not testify.

In her final presentation to the jury, Assistant U.S. Attorney Benita Y. Pearson said that evidence beyond Gasper's testimony supported the charges.

She pointed to the testimony of a real-estate agent in Florida who said that Gasper picked out the condo and put down the initial $500 deposit for it — money that later was returned.

"We didn't choose Mr. Gasper," Pearson said. "Had we our choice, we'd have nuns and priests as our witnesses. Unfortunately, that wasn't an opportunity that was provided to us here. However, the defendants did choose Mr. Gasper."

Gasper, who pleaded guilty to both state and federal charges in June for trading bureau business for thousands of dollars in gifts and favors, has yet to be sentenced.

Ex-driver's License Examiner Sentenced (MURFP)

By Lisa Marchesoni

Murfreesboro Post, November 22, 2006

One former driver's license examiner in Rutherford County was sentenced Monday to 19 months in prison and two years of supervised probation after his release, a federal prosecutor said.

Ex-examiner Bruce Conklin of Murfreesboro pleaded guilty in July to accepting more than $30,000 in bribes in connection with his job. He pleaded guilty to one conspiracy count that included allegations of providing driver licenses illegally in exchange for bribes and one count of accepting bribes.

Conklin accepted bribes from Winchester Driving School located next to the driver's testing center on Samsonite Boulevard.

Assistant U.S. Attorney Brad Hester, who prosecuted the case with assistant U.S. Attorney Hilliard Hester, said Conklin will enter the federal prison system. There are no federal prisons in Tennessee.

Conklin and five other people were charged in January in a six-count federal indictment as part of the 18-month Operation Crooked Highway probe.

Driving school employees paid the examiners to obtain driver's licenses and one-year driving certificates of driving for immigrants at the school who didn't complete the required 36 hours of training or had questionable documents about citizenship.

Conklin began working as an examiner June 16, 1999. Co-defendant Teresa Jones worked from Aug. 16, 2004 to March 16, 2005.

A federal jury convicted Jones Nov. 2 on charges of bribery, conspiracy to commit bribery and making false statements to the FBI. She faces 20 years in prison when sentenced Jan. 12.

Bryan Guess, owner and operator of the Winchester Driving School, pleaded guilty previously to three counts of public corruption by paying bribes to driver's license examiners.

He was sentenced last week to six years in prison.

Sheila Robertson, a driving school employee from July 2003 to March 2005, was convicted of paying the bribes along with Guess. She was sentenced to three years probation and 12 months of home detention as part of her probation.

The FBI, Internal Revenue Service, federal Immigration and Customs Enforcement agents and the Department of Safety investigated the case.

Authorities Charge Man With 1989 Slaying (WP/AP)

The Associated Press

The Washington Post, November 22, 2006

PHILADELPHIA -- Authorities have charged a white man with murder and ethnic intimidation in the shooting of a black man 17 years ago.

Thomas Gibison, 35, was arrested without incident before dawn Nov. 7 at his home in Newark, Del., FBI spokeswoman Jerri Williams said Tuesday. Gibison is also charged with conspiracy and a firearms violation in the killing of 34-year-old Aaron Wood of Philadelphia on April 16, 1989.

Wood was found about a half-mile from his home in North Philadelphia, Williams said.

She would not disclose details on what led to authorities to Gibison, but said a warrant for his arrest was issued Nov. 3. He was arrested by a task force that included Philadelphia authorities, FBI agents and members of the federal bureau of Alcohol, Tobacco, Firearms and Explosives.

Del. Man Is Arrested In 1989 Hate-crime Slaying (PHI)

By Stephanie L. Arnold

The Philadelphia Inquirer, November 22, 2006

A joint task force of local and federal investigators arrested a white man they believe is responsible for the shooting death of a black man in a hate crime in North Philadelphia 17 years ago, the FBI announced yesterday.

Thomas Gibison, 35, was arrested without incident around 5 a.m. Nov. 7 at his home in Newark, Del., said FBI spokeswoman Jerri Williams.

In addition to murder, Gibison is charged with conspiracy, firearms violations and ethnic intimidation.

The charges, Williams said, were the result of an intense investigation into the death of Aaron Wood, a 34-year-old man who was shot to death in the 1300 block of Stillman Street shortly before 1 a.m. April 16, 1989.

Law enforcement officials said they could not disclose specific details related to the killing or the exact details of what led authorities to Gibison.

Sgt. William Britt, of the Philadelphia Police Department's Special Investigations Division of the Homicide Unit, said: "It is most certainly a racially motivated crime," but he did not elaborate.

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Britt said also that information had become known in the last year that led the District Attorney's Office to convene a grand jury.

An arrest warrant was issued for Gibison on Nov. 3. He was captured by a task force that included Philadelphia authorities, FBI agents, and members of the federal Bureau of Alcohol, Tobacco, Firearms and Explosives.

Britt said Wood's family had been notified.

Gibison, who was being held in Philadelphia, has a status hearing scheduled for next Wednesday, Williams said.

Gibison's public defender could not immediately be located.

Gibison, according to court records, has a long list of offenses dating back several years.

As a minor, according to the records, Gibison was charged with burglary, criminal mischief, assault and unlawful imprisonment.

In January 1996, according to court documents, Gibison pleaded guilty to firearms violations, including being in possession of 15 firearms, one of them a 12-gauge "street sweeper" shotgun.

The records also indicated that a prosecutor in a case involving Gibison had introduced evidence that he was a skinhead.

SEC Wins Asset Freeze Vs. Hedge Fund (HC/AP)

The Associated Press

Houston Chronicle, November 22, 2006

TOOLS

WASHINGTON — The Securities and Exchange Commission said on Tuesday that a federal judge has agreed to freeze the assets of a New York hedge fund manager accused of bilking investors out of millions of dollars.

Spiro Germenis, the hedge fund manager, has been accused of diverting money from Oracle Services Inc. and Oracle Evolution LLC for his own use. He has fled to Greece, according to the SEC.

His attorney couldn't immediately be located for comment.

"We're aware that an investigation by the U.S. attorney's office and the FBI is ongoing in addition to the SEC action that was just filed," said Zachary Margulis-Ohnuma, an attorney for Germenis's wife, Maria Germenis. He said that Mrs. Germenis was "doing every thing she can to cooperate with the authorities."

Two Men Face Charges In Theft Of Laptops (MH)

By Larry Lebowitz

The Miami Herald, November 22, 2006

Authorities investigating the July theft of a federal agent's laptop containing the sensitive personal information of 133,000 Floridians, believe they have broken up a ring of computer thieves who may be responsible for its disappearance.

Two men are facing charges related to the theft of other laptops from vehicles near the Latin American Grill in Doral, where the agent's laptop was stolen from his parked sport-utility vehicle on July 27.

The laptop, which has not been recovered, contained investigative files including the Social Security numbers, addresses and birthdates of more than 133,000 Florida commercial truckers, pilots and drivers license holders.

The U.S. Department of Transportation Office of Inspector General, which employed the agent whose laptop disappeared, said it has found no evidence of credit fraud or identity theft since the laptop's disappearance.

The agent, who was never identified, subsequently resigned.

Suspects Juan Esteban Calle, 25, and Carlos Andres Leon, 26, were arrested during an extensive surveillance operation by DOT inspector general, the FBI and Miami-Dade police at Doral area restaurant parking lots -- including the same restaurant where the agent's laptop disappeared.

With video cameras rolling, Calle used a lock-punching device similar to the one used in the DOT theft to open a passenger-side door and steal a decoy laptop with a tracking device attached.

Based on those arrests, officials said they uncovered a theft ring that specialized in stealing laptops, loading new operating systems onto them and then selling them on the used-computer market, mainly to high school students.

Adding the new systems essentially masked the data previously on the computer hard drives, the DOT inspector general's office said.

"The ring did not target the data and did not even attempt to access the data on the laptops they stole," according to the DOT inspector general's statement.

Calle faces trial Dec. 4 on federal charges of stealing U.S. property. He has pleaded not guilty and is being held without bail.

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Leon has pleaded not guilty to state charges of attempted burglary and criminal mischief. He is free on $6,000 bail pending trial next week.

A second DOT inspector general's laptop that disappeared from an Orlando hotel conference room in April is still missing. That computer, belonging to former supervisor Barbara L. Barnet, contained personal information on 9,500 Floridians.

DOT Says Suspects In Custody, No ID Theft From Stolen Laptops (AP)

By Curt Anderson, AP Legal Affairs Writer

AP, November 22, 2006

Two suspects have been arrested in the July theft of a U.S. government laptop computer containing sensitive information about more than 130,000 people and authorities said Tuesday it appears that no data breaches have occurred.

The U.S. Department of Transportation's Office of Inspector General said the suspects were arrested during a surveillance operation with the FBI and local police of a Miami-area Latin American Grill restaurant parking lot where the original DOT laptop was stolen from a government agent's vehicle on July 27.

Based on those arrests, officials said they uncovered a computer theft ring operating in the area that specialized in stealing laptops, loading new operating systems onto them and then selling them on the used-computer market mainly to high school students. Adding the new systems essentially masked the data previously on the computer hard drives.

"The ring did not target the data and did not even attempt to access the data on the laptops they stole," the DOT inspector general's office said in a statement.

The statement said that during the surveillance operation, one of the suspects used a device similar to that used in the DOT theft to "punch" open a lock on a passenger side door and steal a decoy laptop. The theft was caught on video.

Juan Esteban Calle, 25, faces trial Dec. 4 on federal charges of stealing U.S. property. Calle has pleaded not guilty and is being held without bail. The other suspect, 26-year-old Carlos Andres Leon, has pleaded not guilty to state charges of attempted burglary and criminal mischief. Leon is free on $6,000 bail pending trial.

The original stolen laptop has not been recovered. It contained information such as names, Social Security numbers and birthdates for about 133,000 Florida drivers license holders, pilots and commercial truck drivers.

The inspector general's statement said no evidence of credit fraud had occurred since the laptop went missing. But the agency also has contracted with a data breach analysis firm, ID Analytics Inc. of San Diego, to determine whether identity theft is occurring and how any data might be used.

A second DOT inspector general's office laptop was also stolen during a hotel conference in Orlando in April. It contained sensitive information on about 9,500 individuals, all of whom were on the stolen Miami laptop as well.

The Orlando investigation has made less headway and is continuing, the inspector general's office said. A final report on both thefts is expected by the end of this year.

Key Witness In Polygamist's Trial Describes ‘darkest Time' (USAT)

By Dennis Wagner

USA Today, November 22, 2006

ST. GEORGE, Utah — In tearful testimony, the lead prosecution witness against polygamist church leader Warren Jeffs said Tuesday that she was threatened with banishment if she did not marry her cousin at age 14.

The woman, now 20 and married to a different man, described being coerced by Jeffs and other leaders of the religious sect during a preliminary hearing. “This was the darkest time in my entire life.”

Jeffs, 50, is charged with two counts of rape as an accomplice for his alleged role in arranging the marriage between the witness and her 19-year-old cousin. A judge must decide whether there is probable cause for a trial.

Jeffs, who sat nearly motionless at the hearing, is leader of the Fundamentalist Church of Jesus Christ of Latter Day Saints (FLDS), which allows polygamy. The fundamentalist church was founded more than a century ago in defiance of the mainstream Mormon church's ban on polygamy.

The woman said she pleaded with Jeffs and others, weeping as she was fitted for the wedding dress and refusing to say the marriage vow until her mother joined those pressuring her.

“I felt totally powerless, trapped,” she said. “I was scared. I didn't have anywhere to go.”

Prosecutors completed their case Tuesday, and Judge James Shumate said the preliminary hearing would resume Dec. 14. Jeffs' defense team plans to call two witnesses, including the woman's current husband.

During cross-examination, defense attorney Tara Isaacson sought to portray the woman as a willing participant in the wedding and argued that Jeffs did not know the couple had sex.

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Isaacson introduced sweetheart notes the couple had traded and quoted from the girl's journal, in which she expressed enthusiasm about being singled out for marriage.

The woman testified that the entry was written before she learned the identity of her partner.

Isaacson also noted that the witness has filed a civil suit against Jeffs, suggesting that the criminal case was initiated for monetary gain. The woman denied that, saying she turned to authorities so other FLDS children would not be victimized. “It is my worst nightmare that my sisters will go through what I went through,” she said.

The Nevada marriage in 2001 was a “spiritual” bond not sanctioned by the state. The woman said she repeatedly tried to reject sexual overtures, to no avail. The couple separated in the fall of 2004.

USA TODAY does not identify alleged victims of sexual assault.

The woman, no longer with the church, married a man who she said rescued her from the FLDS. She is pregnant with his child.

Utah and Arizona prosecutors began a legal assault on the FLDS and Jeffs two years ago amid reports of child marriages, the banishment of teenage boys and financial abuses. Jeff's became a fugitive after his indictments in Arizona and Utah. He was arrested in August by a Nevada state trooper during a routine traffic stop.

Bride Felt 'Trapped And Defeated' In Arranged Marriage (SDUT/AP)

By Jennifer Dobner And Paul Foy, Associated Press

The San Diego Union-Tribune, November 22, 2006

ST. GEORGE, Utah – A woman who claims she was forced at 14 to marry a cousin called it the “darkest time of my entire life,” telling a judge Tuesday that she agreed to a quick “peck” of a kiss before locking herself in a bathroom.

The ceremony at a Nevada motel in 2001 was “one of the most painful things I've ever been through. I just want to move on with my life and forget it happened,” the woman, now 20, testified.

She is the key witness in the case against Warren Jeffs, leader of the Fundamentalist Church of Jesus Christ of Latter Day Saints.

Jeffs, 50, is charged with two counts of rape as an accomplice for his alleged role in arranging the marriage between her and a 19-year-old man. A judge must decide whether there is probable cause to send Jeffs to trial.

Prosecutors completed their case Tuesday, and 5th District Judge James Shumate said the preliminary hearing would resume Dec. 14. Jeffs' defense team plans to call two witnesses, including the woman's current husband.

On Tuesday, one of Jeffs' lawyers introduced photographs of a smiling, laughing couple and got the woman to acknowledge Jeffs never explicitly ordered her to have sex with her new husband.

The lawyer, Tara L. Isaacson, also introduced sweetheart notes the couple had traded and quoted from girl's journal in which she expressed enthusiasm about being singled out for marriage. The woman testified that the journal entry was written before she learned the identity of her partner.

“Was every day with (the husband) miserable?” Isaacson asked.

“Many of them were,” the woman said.

Faithful church members revere Jeffs as a prophet and are taught to obey his every command, including marriage instructions, she testified.

“This was the darkest time of my entire life,” she said.

She said she refused to say “I do,” take her groom's hand or kiss him. Finally, she relented, submitting to a peck and then locking herself in the bathroom.

“I felt completely trapped and defeated,” said the woman, who has left the FLDS church. The Associated Press does not identify victims of sexual assault.

Jeffs' defense team has said he is being persecuted for his religious beliefs.

Looking gaunt and pale in a dark gray suit, Jeffs smiled slightly throughout most of the hearing, which included testimony from two of the woman's sisters.

The FLDS church practices polygamy and represents itself as an offshoot of the mainstream Mormon church, based in Salt Lake City. The Mormons, however, disavow any connection and renounced polygamy in 1890 as a condition of statehood.

Prosecutors allege Jeffs forced the woman into the marriage despite her repeated objections. They say he told her it was her religious duty to submit to the marriage and to produce children.

Raised in the faith since birth, Jeffs' accuser said she felt a heavy responsibility to “the entire community” in the days leading to the marriage ceremony.

“I was scared. I didn't have any place to go,” said the woman, who is married to a different man now and due to deliver a baby in two weeks. “I felt that if I didn't do what I was told, I would forever pay the consequences.”

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Based in the small border communities of Hildale, Utah, and Colorado City, Ariz., the FLDS practices arranged marriage for young girls and believes plural marriage secures exaltation in heaven. There are an estimated 10,000 members.

Security at the Washington County courthouse was extraordinary Tuesday, with police sharpshooters posted on the red rock hills that ring the building. No vehicles were allowed to park on the street.

FLDS Marriage A 'misery' (SLT)

By Brooke Adams, The Salt Lake Tribune

Salt Lake Tribune, November 22, 2006

Women testify Jeffs compelled teens to wed older men

ST. GEORGE - For more than four hours Tuesday, Jane Doe IV testified about her unwanted marriage to a cousin and her attempts to get polygamous sect leader Warren S. Jeffs to release her from the union.

But Doe also admitted she never explicitly accused her husband of rape in those conversations with Jeffs.

"I said to Warren he was touching me and doing things I didn't like," said Doe, now 20. "I didn't tell anybody I was being raped."

Testimony by Doe and two of her sisters Tuesday provided the most detailed account yet of what allegedly happened in 2001 when she was married at 14 to a 19-year-old cousin - but also raised questions about her motives, character and her claims of rape.

Fifth District Judge James L. Shumate continued the hearing until Dec. 14, when he will decide whether there is sufficient evidence to order Jeffs to trial on two first-degree felony charges of being an accomplice to rape.

The charges, punishable by up to life in prison, stem from counsel Jeffs gave Doe to proceed with the assigned marriage and subsequently officiating over it and advising her to remain in the union.

Jeffs was arrested Aug. 28 during a traffic stop on Interstate 15 outside Las Vegas, ending his 15 months as a fugitive. He has been in the Purgatory Correctional Facility since Sept. 5.

He appeared more gaunt, his suit hanging on his tall frame and his face drawn. As he entered the courtroom in the morning, he exchanged smiles with 10 FLDS members - among them Hildale City Councilman Lamar Johnson, Sam Roundy Sr. and his half-brother Joseph Jeffs - who attended the hearing.

Jeffs sat motionless, flanked by attorneys Wally Bugden and Tara Isaacson of Salt Lake and Richard Wright of Las Vegas, calmly watching as Doe and her two sisters testified.

Doe said she learned from her stepfather, Fred Jessop, she was to be married, an assignment her sister Rebecca Musser said Jessop had pushed.

Her shock at the news deepened, Doe said, when she learned she was to be married to a cousin she described as a name-calling bully.

Her pleas to stop or put off the marriage were ignored by Jessop, her mother and Jeffs, she said. Doe acquiesced in the end because she considered the union a revelation passed by God to Rulon Jeffs, the aging president and prophet of the FLDS church.

Rebecca Musser, Doe's older sister, said she was 19 when she became a plural wife of Rulon T. Jeffs in 1995; Rulon Jeffs, then leader of the FLDS church, was 83.

Musser said Rulon Jeffs was incapacitated by a stroke in 1997 and, by the time of her sister's wedding, Warren was making decisions for his father.

The wedding took place in a motel in Caliente, Nev., with Warren Jeffs officiating, Doe said, adding that she wept for hours before and was all but speechless during the ceremony.

Weeping again on the stand, Doe said, "This was the darkest time of my entire life, one of the most painful things I've ever been through."

The marriage was consummated about a month later, said Doe, much to her shock.

She described herself as miserable throughout the 3 1/2 -year union, and unhappiness drove her to meet with or phone Jeffs five times seeking release.

At one meeting, Jeffs gave her a book called In Truth and Light, a compilation of biblical, Mormon and FLDS teachings about marriage and child-rearing.

Theresa Blackmore, a sister, said Doe looked like a "body with no soul" in the months after the wedding and "there was never a time she was happy about the marriage, ever."

Prosecutors focused on Doe's understanding of FLDS teachings about dutiful wives who are obedient and told to "keep sweet."

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Bugden and Isaacson countered that with passages from Jeffs' lessons and sermons in which he counsels FLDS faithful to be loving, kind and respectful - even advising them, in the words of a another religious leader, to treat their wives like "angels of God."

"This is something that was taught, but actions are different," Doe said.

Isaacson took most of the afternoon to carefully challenge Doe's reluctance to marry, her description of her husband's actions and her efforts to get out of the union.

She said Doe described her marriage as "all misery," but appeared to be smiling beside her husband in numerous photos taken during their marriage. Doe replied that she was faking it.

Isaacson also noted an entry in the young Doe's journal in which the girl, about a week before her marriage, pleaded with God for a husband.

Isaacson recounted statements Doe made to investigators about her poor treatment of her husband and asked her about love notes he had written to her.

Doe said she "sugared it up" at times, initiating and participating in sex with her husband to gain his favor during portions of their 3 1/2 -year union.

But, Doe said Tuesday, "I never wanted it."

Doe acknowledged Jeffs never explicitly told her to engage in sexual intercourse with her husband and said she used vague language to describe intimate acts she found unappealing.

Even when her mother-in-law questioned whether she was being treated well and advised her she could "say no," Doe never spoke out, Isaacson said.

Doe said her husband never forced her to have sexual relations but that "things happened between [them] that I didn't agree with."

Doe admitted that despite her unhappiness, she never sought help with leaving from sisters or her biological father or brothers who had left the faith and lived in Salt Lake City, where she also lived until moving to Hildale at age 13.

"That was never an option for me," Doe said.

Doe said she tried to make the marriage work but by 2003 had taken to living in her truck to avoid her husband.

That fall, she had also met "a gentleman I had decided to spend my life with," the man who is now her husband. Her first marriage collapsed, she acknowledged, after her husband found a receipt for condoms and a photograph of a trip she had taken with the boyfriend to Las Vegas.

"This all happened while you said you were trapped in Hildale," Isaacson told Doe.

In November 2004, Doe and her husband were called to a meeting with FLDS leaders; Jeffs, participating by telephone, expelled Doe from the faith.

She left the community that night with her boyfriend, pregnant with his child.

Isaacson also questioned Doe's motives in filing criminal charges against Jeffs, saying the allegations came only after she sued him.

Doe said she decided to participate in the criminal case because "I wanted to help other girls who were in the same situation."

Preliminary Hearing Starts In Case Against Polygamist (NYT)

By John Dougherty

The New York Times, November 22, 2006

ST. GEORGE, Utah, Nov. 21 — Appearing frail and gaunt, Warren S. Jeffs, the fundamentalist Mormon polygamist leader, appeared in court on Tuesday and heard testimony from a prosecution witness who said he had “spiritually” married her when she was 14 to her first cousin, who was then 19.

The witness, now 20, testified in a preliminary hearing that Mr. Jeffs, other religious leaders and her mother coerced her into marrying her cousin in a secret wedding ceremony conducted by Mr. Jeffs in Caliente, Nev., on April 14, 2001. She said she had never been wed to the man in a civil ceremony and had never received a state marriage license.

Mr. Jeffs is charged with two felony counts of rape as an accomplice in connection with performing the religious marriage and directing the couple to have sexual intercourse against the will of the teenage girl. If convicted, Mr. Jeffs could be sentenced to life in prison.

The witness said she had been given less than a week’s notice that she had been selected for marriage by leaders of the Fundamentalist Church of Jesus Christ of Latter-day Saints.

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That group broke from the mainstream Mormon Church more than 110 years ago over the issue of polygamy. The Mormon Church, based in Salt Lake City, which embraced polygamy in the 19th century, now excommunicates any member who practices plural marriage.

The witness testified she had learned only a few days before the wedding the identity of her prospective husband.

"I was horrified when I finally realized who I was to marry," she said. "I was devastated."

Mr. Jeffs, 50, has been held in the Purgatory Jail in Washington County since his arrest on Aug. 28 after a traffic stop by the Nevada police northeast of Las Vegas.

He sat erect and stone-faced throughout the daylong proceeding, showing little reaction to testimony by the witness and two of her sisters.

The woman testified that she was first told she had been selected for marriage by a bishop of the group, Fred M. Jessop. She added that she had immediately called Mr. Jeffs and asked for a meeting with him and Mr. Jeffs's father, Rulon T. Jeffs. Both Fred Jessop and Rulon Jeffs have since died.

The woman testified that she had told Warren Jeffs that she did not want to be married. At the time of the conversation, Rulon Jeffs had suffered a series of strokes and his son was handling most of the church affairs.

The witness said she had told Mr. Jeffs: "I need some time to grow up. I'm not prepared for this responsibility, and I'm not ready to marry my cousin."

She said Mr. Jeffs had told her that her marriage to her cousin "was a revelation from God" and ordered her to prepare for the wedding.

She also testified that she had been afraid to disobey the orders of religious leaders because she believed her "salvation" was at stake. She testified that even if she had wanted to flee, she had had no means to escape.

Mr. Jeffs's lawyer, Walter F. Bugden Jr., told the news media after the hearing that the state was conducting "religious persecution" and predicted that Mr. Jeffs would be acquitted.

"There is no rape in this case," Mr. Bugden said. "Officiating at a wedding ceremony does not make Mr. Jeffs an accomplice to rape."

Judge James L. Shumate of the Fifth District Court said the hearing would continue Dec. 14.

Religion Key Witness Testifies In Case Against Polygamist (NPR)

By Michele Norris And Howard Berkes

NPR's All Things Considered, November 22, 2006

A young woman who says polygamist leader Warren Jeffs forced her to marry -- and have sex -- at age 14 offered dramatic testimony Tuesday in a courtroom in St. George, Utah.

Jeffs is the leader of the Fundamentalist Church of Jesus Christ of Latter-day Saints, or FLDS Church. He's charged in Utah with two counts of "rape as an accomplice."

Tuesday's hearing was to determine whether the case will go to trial. It was the first time that Jeffs faced his accuser, the young woman who is the primary witness against him. NPR does not name alleged victims of sexual assaults.

She was 14, she told the court, when Jeffs ordered her into a "spiritual marriage" with her first cousin, a 19-year-old at the time, and then forced her to have sex with him. Such marriages are not legally recognized. Jeffs allegedly told the woman her salvation depended on her compliance.

In court, the young woman sobbed, cried and dabbed at tears as Jess watched her dispassionately. She described learning of her spiritual marriage, and said she was horrified and resisted. She also described the horror of her husband trying to consummate their marriage, which eventually he did.

The defense cross-examined Jess' accuser, showing photos of the couple smiling together. Defense lawyers also read from love notes her husband is said to have sent to the accuser. They also said that Jeffs gave the young woman religious advice and direction consistent with the tenets of his faith.

The hearing took place about 40 miles from the twin communities Jeffs and his group dominate. About 6,000 followers live in the border towns of Hildale, Utah, and Colorado City, Ariz. Jeffs and some of his followers also face charges in Arizona.

Some Curbs On Sex Offenders Called Ineffective, Inhumane (WP)

By Peter Whoriskey

The Washington Post, November 22, 2006

As convicted sex offenders go, they seem to pose little danger.

One is 100 years old. Another can barely walk and is in the late stages of Alzheimer's disease. Another is dying of heart disease in a nursing home.

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Yet under a new Georgia law, thousands of registered sex offenders, even the old and feeble, could be pushed from their homes and hospices.

"He doesn't really know anything about it," said Ruby Anderson, 77, whose husband was convicted of having sex with a minor in 1997 and, at 81, no longer recognizes members of his family because of Alzheimer's disease. "The trouble is, I just don't know where we can go."

As states around the country have sought in recent years to control the whereabouts of convicted sex offenders, Georgia's law stands out as one of the toughest, a testament to the daunting public fears regarding children's safety.

The roughly 10,000 sex offenders living in Georgia have been forbidden to live within 1,000 feet of a school, playground, church or school bus stop. Taken together, the prohibitions place nearly all the homes in some counties off-limits -- amounting, in a practical sense, to banishment.

"My intent personally is to make it so onerous on those that are convicted of these offenses . . . they will want to move to another state," Georgia House Majority Leader Jerry Keen (R), who sponsored the bill, told reporters.

Since the law's enactment in July, however, a federal judge, human rights advocates and even some of the sheriff's departments that are supposed to enforce the measure have suggested that the zeal for safety may have gone too far.

The residency law applies not only to sexual predators but to all people registered for sexual crimes, including men and women convicted of having underage consensual sex while in high school.

Advocates for the sex offenders say the law is unfair to people who have served their sentences and been deemed rehabilitated. Many police officers, prosecutors and children's advocates also question whether such measures are effective. Most predators are mobile, after all, and by upending their lives, the law may make them more likely to commit other offenses, critics say.

"We should be concerned when we pass laws for political purposes that are irrational," said Sarah Geraghty, a staff lawyer for the Southern Center for Human Rights, the Atlanta-based group that filed court actions against the law's provisions. "This law will essentially render thousands of ex-offenders homeless, and that's just going to make them harder to monitor."

Besides the practical complications, she said, "forcing a terminally ill man to leave his hospice . . . shocks the conscience."

Exactly what to do with convicted sex offenders once they return to the community has been the focus of growing national attention.

Before 1994, only a handful of states required offenders to register their addresses with police. Now all 50 states do, as does the District.

Those lists have focused attention on where the sex offenders live, and as of this summer, 17 states had imposed residency requirements for them, according to research by the National Center for Missing and Exploited Children.

This month, Californians voted to bar sex offenders from living within 2,000 feet of schools or parks -- though a federal judge quickly blocked that provision.

In Iowa, which in 2002 became one of the first states to impose residency restrictions, police and prosecutors have united in opposition to the law, saying that it drives offenders underground and that there is "no demonstrated protective effect," according to a statement by the Iowa County Attorneys Association, which represents prosecutors.

"The law was well-intentioned, but we don't see any evidence of a connection between where a person lives and where they might offend," said Corwin R. Ritchie, executive director of the group.

Enforcing the law consumes lots of law enforcement time, he said, and leads some offenders to list interstate rest stops or Wal-Mart parking lots as their addresses.

"Our concern is that these laws may give a false sense of security," said Carolyn Atwell-Davis, director of legislative affairs for the National Center for Missing and Exploited Children. "We're not aware of any evidence that residency restrictions have prevented a child from being victimized."

Much of the public fear surrounding sex offenders has arisen from the perception that most commit another offense. But that idea is a "myth," according to the Center for Sex Offender Management, an affiliate of the Justice Department.

Child molesters have a 13 percent reconviction rate for sexual offenses, according to research cited by the group, and rapists have a 19 percent reconviction rate for sexual offenses. Concrete measures of recidivism are difficult to come by, however, because most researchers believe that crimes against children are underreported.

Even amid all the restrictions imposed by states, Georgia's attempt to control the sex offender population stood out.

Among those swept up under its definition of sex offender are a 26-year-old woman who was caught engaging in oral sex when she was in high school, and a mother of five who was convicted of being a party to a crime of statutory rape because, her indictment alleged, she did not do enough to stop her 15-year-old daughter's sexual activity.

Moreover, by prohibiting sex offenders from living within 1,000 feet of school bus stops, the law would force all or nearly all the offenders living in some counties to move.

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That provision has been suspended, pending a federal court case. A consent order has temporarily halted the evictions of six elderly and disabled sex offenders, including Ruby Anderson's husband, Daniel.

But even without the bus stop provision, 78 of 129 registered sex offenders in Houston County, where the Andersons live, were required to move, according to the sheriff's department there.

Keen and other advocates have defended the legislation, calling it above all an effort to protect children.

"We felt if we were going to err on any side, we were going to err on the side of protecting the innocent rather than those who have already been convicted," he said.

He has no plans to alter it. As for those who feel it unfairly targets them, he said they can petition the local school board to move the bus stop.

Although the legal actions have focused attention on the rights of convicted sex offenders, he noted, the victims "have been given a life sentence."

"There's not a day goes by, if you pick up a newspaper or turn on the TV, that you don't see these crimes continue to happen," he said.

For those affected by the law, however, it seems to have reached too far.

"Every other block, there's a church," Ruby Anderson said. "Where can we go? I've checked."

Her husband, who was a janitor, was charged with statutory rape in 1996 for having sex with a girl younger than 14. He pleaded guilty on one count and was sentenced to probation, according to Houston County court records.

"At this late date for him, the law is very unfair," Ruby Anderson said. "He doesn't have any recollection of what happened."

FBI Opens Corruption Hot Line (PPG)

By Paula Reed Ward, Pittsburgh Post-gazette

Pittsburgh Post-Gazette, November 22, 2006

In an effort to combat public corruption in Western Pennsylvania, the FBI has established a telephone hot line that people can call to file complaints of possible abuse by elected and appointed officials.

Tips via the FBI's line -- at 412-432-4722 -- can be made anonymously; they will be followed up on by investigators.

Public corruption has been stated as one of the highest priorities of the U.S. Department of Justice.

"We look forward to working with the citizens of Western Pennsylvania to root out corruption and restore credibility at all levels of government," said U.S. Attorney Mary Beth Buchanan.

FBI Subpoena Targets Records Of Grant Agency (NTP)

By Gordon Russell,

New Orleans Times-Picayune, November 22, 2006

Now-defunct state office oversaw charities linked to lawmakers

BATON ROUGE -- A state office that oversaw a series of controversial charities tied to African-American legislators is being scrutinized by the FBI, Gov. Kathleen Blanco's office confirmed Tuesday in announcing that it had complied with a subpoena for records from the department.

"The governor's office staff has complied with the FBI's request for information dating back to 1996 regarding certain programs funded by the former Office of Urban Affairs," Blanco's office said in a prepared statement.

The governor's office confirmed receipt of the subpoena Tuesday after a reporter inquired about it.

Before it was abolished earlier this year, the Office of Urban Affairs was in charge of overseeing grants to nonprofit agencies in the districts of black lawmakers. Critics commonly derided the grants -- and similar money doled out to rural districts -- as legislative "slush funds" that governors could use as an incentive to get reluctant legislators to vote their way.

Blanco's office refused to turn over a copy of the subpoena or divulge details about its contents, citing federal secrecy rules that bar such disclosures.

"Thursday, Nov. 16, staff members provided the documents requested and outlined the general operation of the office," Blanco's office said. "The governor's office is continuing to cooperate in this matter."

A source in the governor's office said the records that were turned over date back only to 2001, as earlier documents have already been destroyed.

Charities tied to Jefferson

It's unclear what the FBI is looking for. But earlier this year, James Bernazzani, the special agent in charge of the FBI's New Orleans field office, announced his intention to investigate two charities that were financed by the Office of Urban Affairs. Both of the groups -- Care Unlimited and Orleans Metropolitan Housing & Community Development -- have longtime ties to U.S. Rep. William Jefferson, D-New Orleans.

The agencies attracted attention after former New Orleans City Councilwoman Renee Gill Pratt provided them with four vehicles that had been donated to the city after Hurricane Katrina.

Taping Police Sessions Urged (BSUN)

By Brent Jones, Sun Reporter

The Baltimore Sun, November 22, 2006

City Council bill would require video of interrogations

The Baltimore City Council is reviewing a bill that would require the videotaping of police interrogations of witnesses or suspects in violent crimes -- a measure opposed by police but endorsed by public defenders who represent suspected criminals.

Councilman James B. Kraft, chairman of the council's public safety subcommittee, said he introduced the legislation because he believes it would decrease the number of allegations of improper behavior by police officers. Kraft said a video would protect officers against false charges, and witnesses against intimidation or illegal questioning.

Representatives of the Police Department -- who say they generally record statements but do not use video -- said at a hearing Tuesday that they have doubts about using cameras, and one high-ranking detective called it "costly" and potentially harmful for prosecutors.

Col. Fred H. Bealefeld III, chief of detectives, said at the hearing that his department is studying a video system used in Chicago. Bealefeld said it cost that department millions of dollars to install and run the cameras in interrogation rooms.

But the Office of the Public Defender dismissed the cost issue and praised the proposal, saying it could be a significant development in criminal proceedings.

"From our perspective in the defense field, what it does is show you things you would not be privy to when somebody gets on the stand and testifies," said Deputy Public Defender Nancy S. Forster. "You look on video and can see if police coerce it out of them or trick it out of them. It allows us to question the credibility of the police officer. It also makes certain that the entirety is taped."

Del. Samuel I. "Sandy" Rosenberg has urged the General Assembly to pass similar legislation the past two years, but without success.

Rosenberg, reached by phone, said he understands such a system might be costly for local government.

"But you're talking about a matter of justice," Rosenberg said. "On a scale, that gives a greater weight than the cost."

During the hearing, police officials asked for time to study the feasibility of video-recorded investigations, a request backed by the city state's attorney's office.

Deputy State's Attorney Cynthia Jones said her office needs more information to determine the legal challenges that videotaped testimony could present.

The subject was first broached in September when Council President Sheila Dixon introduced a resolution inviting Commissioner Leonard D. Hamm to explain his department's policy.

"From our office's perspective, the thing we're looking for are the nuts and bolts of the legalities of having these custodial investigations," Jones said. "I think President Dixon putting this out there is based on calls she's getting from the public.

"It's a process. But before you say you're going to do it, you better know the pluses and minuses," she said.

Jones also questioned whether the city has the right to enact such legislation, echoing a comment made by Kraft during the public forum.

Kraft acknowledged that he is unsure whether state law gives the City Council the authority to force the Police Department to change the way it conducts interrogations. The councilman said financing the proposal would be the biggest obstacle. "That is the real No. 1 issue," he said.

Police officials also said they feared that a camera would malfunction at an inopportune time.

"You can't just sit a camera and a microphone in a room and expect it to work," said Jordan V. Watts Jr., a lawyer for the police. "There are a lot of problems with doing that in crucial times where you need that statement to come across. If you're doing an investigation, and [a suspect] bows his head or puts his head down, and you lose those words, it can become a problem."

Kraft said he hopes the measure will pass when it is scheduled for a first vote at the next council meeting Dec. 4.

Members of the Young Leaders 4 Baltimore attended the hearing and spoke in favor of the proposal. The group has demanded a change to the Police Department's interrogations policy after allegations that a detective raped a 16-year-old girl at a district police station in July.

Members of the group said a video recording would severely reduce claims of misconduct.

"This is for the betterment of the people," said Hassan Giordano, the first to speak at the hearing. "It's for the safety of the individual and the safety of the officer."

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Judge Sentences Evans To Life Without Parole (BSUN)

By Jennifer Mcmenamin, Sun Reporter

The Baltimore Sun, November 22, 2006

Essex man killed stepdaughter, set body on fire

A 36-year-old convicted sex offender was sentenced Tuesday to life in prison without parole for stabbing, strangling and beating to death his 13-year-old stepdaughter before setting her body and their family's Essex rowhouse on fire to cover up the killing.

Carl Preston Evans Jr., whose arrest in August 2005 highlighted problems with the state's sex offender registry, also received two consecutive 15-year prison terms, one for the at tempted murder of his infant daughter and one for arson.

Baltimore County Circuit Judge Kathleen G. Cox, who pronounced sentence, characterized the killing as "a monstrous, monstrous crime," and pointed out that nothing Evans said, either in court or to an investigator who prepared a pre-sentence report, has shed any light on the motive behind it.

"The death of any child is tragic," Cox said. "To lose a child in the circumstances of this case, it's just unthinkable."

A Baltimore County jury convicted Evans in September of first-degree murder in the death of Breaunna Floyd, who was stabbed 24 times, strangled and beaten before being doused with gasoline and set on fire.

The jury also convicted Evans of arson for setting fire to the family's row home on Foxridge Lane in Essex in July 2005 and of attempted second-degree murder for leaving then-7-month-old Mosett Evans in the burning house.

In a knapsack that Evans left in his front yard that day, police found two knives -- one broken, both bloody -- as well as a towel and T-shirt. DNA analysis indicated that the blood on all four items came from Breaunna.

With firefighters and paramedics on the way, Evans fled. He was arrested 11 days later near a relative's house in West Baltimore.

Evans told the judge that he needed to take responsibility for his actions but stopped short of acknowledging any guilt in the crimes.

"Sometimes you make some crazy mistakes," he said quietly, his voice barely audible in a courtroom filled with his wife's relatives. "It cost me big time. It cost me everything. It cost me my family, including family that's sitting here today."

One man seated in the courtroom muttered in response, "We're ain't your family."

The sentences capped a brief hearing during which relatives described the family's lingering grief over Breaunna's death. Also, Evans' attorney argued that prosecutors could not ask for a sentence of life without parole because they had not properly notified the defendant of their intention to do so.

Public defender Gary D. Schenker told the judge that although prosecutors had sent him notice, they did not send such paperwork to Evans himself, which, he said, the statute requires. The judge, however, ruled that case law seems to require written notice without specifying to whom it must be delivered.

The Rev. Hillary Gaston Sr., the uncle of Breaunna's mother, spoke in court on behalf of his relatives, telling the judge how Evans was welcomed into the family after his marriage to Kenya and characterizing the defendant's crimes as "a betrayal beyond any magnitude."

"It's very difficult," he said. "We have lost young people, but never this way."

Convicted in 1991 of raping and beating a woman at gunpoint, Evans' arrest in the killing of his stepdaughter shed light on problems with Maryland's sex offender registry. In the days after Breaunna's death, authorities discovered that Evans had failed for several years to update his address with the registry as required and that authorities did not seek him out to correct the errors.

Evans' criminal record also includes convictions for burglary and armed robbery.

During his rambling remarks to the judge, Evans expressed regret for never having explained his actions to his family.

"I do want to say I'm sorry," he said. "I brought this on my family."

But prosecutor Michael S. Fuller told the judge that Evans deserved "absolutely no consideration from this court for what he did."

"Everything he has done to this point has been a charade," he said. The prosecutor later added, "He's clearly a danger to society. He should never see the outside of prison walls again."

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Greek Authorities To Pursue Felony Charges Against Former Getty Antiquities Curator (LAT)

By Nikolas Zirganos, Ralph Frammolino, And Jason Felch

The Los Angeles Times, November 22, 2006

DOJ_NMG_0097333

ATHENS — Greek authorities have recommended that felony criminal charges be filed against former J. Paul Getty Museum antiquities curator Marion True for her role in the acquisition of a 2,500-year-old gold funerary wreath considered one of the museum's masterpieces.

The Police Headquarters of Athens announced today that the city's chief prosecutor had concluded an initial investigation with the recommendation that five unnamed people -- three foreigners and two Greek citizens — be charged with looting, selling and receiving the gold funeral adornment.

The press release did not name the individuals involved and said only that the object was purchased by a "private American museum" in 1993 for $1.15 million. A senior Greek official familiar with the case said that the museum was the Getty and that True was among the five defendants.

Under the Greek system, the case will pass to an investigating magistrate who will conduct his own investigation, a process that is expected to take weeks or months.

Neither the Getty nor True's American attorney would comment on the development.

"Any comment at this time would be premature," said Harry Stang, True's attorney in Los Angeles.

The Greek announcement comes amid negotiations between the Getty and officials from the Hellenic Ministry of Culture over the return of the wreath and a statue of a female torso, or kore.

Already this year, the Getty has returned two other objects requested by Greek officials: a 5th century BC marble relief and a 4th century BC inscribed tombstone. The tombstone, or stele, was purchased by J. Paul Getty himself in 1955.

The most valuable and culturally significant item is the golden wreath, an explosion of delicately crafted stems and leaves adorned with colored glass. Greek officials claim it could only have originated from Greek Macedonia, the homeland of Alexander the Great.

Getty Museum Director Michael Brand said late Monday the museum is still evaluating photos and other evidence supplied by Greek officials to determine whether the objects had been looted, as Greek authorities claim.

"We have not made up our minds," Brand said.

A senior official with the Ministry of Culture said that the legal proceedings against True were independent of the cultural negotiations over the disputed objects.

The Times reported last year that True first saw the ornate burial wreath in 1992, when several men claiming to represent a European collector showed it to her in a Zurich bank vault.

According to internal Getty documents, they offered the wreath for $1.6 million but True lost interest when she became convinced the men were impostors. She wrote that the piece was "too dangerous for us to be involved with."

Four months later, she changed her mind and recommended that the Getty board buy the wreath through Basel antiquities dealer Christoph Leon. A subsequent German police investigation found that Leon acted as the intermediary for a Yugoslav and two Greeks, who had been carrying the object around Europe in a cardboard box.

The Getty contacted the Greek government in 1993 about the impending purchase but ignored warnings from Greek archeological officials that the wreath, as well as the kore and marble relief, were "almost certainly" illegally excavated and smuggled out of the country.

Greek authorities made a formal request for the return of the objects in 1996. True responded by suggesting that the wreath may have come from Italy, and the dispute went unresolved, documents show.

The Culture Ministry renewed the request in May 2005. After press reports about the wreath in Greece, prosecutors in Athens ordered a criminal investigation, which resulted in today's charges.

The senior Greek official, who asked not to be identified because he is not authorized to speak about the case, said that in addition to True, the investigation recommended charges against Leon, the Basel dealer; L.J. Kovacevic, a Yugoslav national; and Georgios Tsatalis and Georgios Kagias, Greek citizens.

Greek police raided True's house on the Greek island of Paros last March and found several unregistered antiquities -- many of which were fragmentary and of little value. No charges have been filed in that case and the investigation continues.

True is on trial in Rome on charges she conspired to traffic in looted art. The Getty has spent months negotiating with Italian cultural officials about 46 disputed objects. Today, the Getty agreed to return 26 of those objects and announced that it was ending talks about the remaining 20.

Getty Museum Ceases Talks With Italy Over Antiquities (NYT)

By Hugh Eakin And Elisabetta Povoledo

The New York Times, November 22, 2006

DOJ_NMG_0097334

In an abrupt change of course, the J. Paul Getty Museum in Los Angeles announced yesterday that it had broken off negotiations with the Italian government and made a "unilateral" decision to cede only some of the antiquities that Italy says were looted from its soil.

In a six-page letter to the Italian culture minister, Francesco Rutelli, the Getty's director, Michael Brand, said the museum had decided to turn over 26 artifacts. Referring to other treasures sought by the Italians, he said that Italy had "no valid legal claim" to a prized bronze sculpture in the Getty's collection, and that evidence regarding a limestone cult statue it wanted returned was "inconclusive."

Mr. Brand also wrote that the Getty would continue to study the cult statue, regarded by experts as possibly depicting Aphrodite, and would transfer title to Italy if new research lent weight to the country's claim that it had been illegally excavated on its territory.

The museum's move carries significant risks for the Getty. Unlike deals to return disputed art that Italy negotiated this year with the Metropolitan Museum of Art in New York and the Museum of Fine Arts in Boston, the ceding of art by the Getty carries no guarantee of loans from Italy or other reciprocal benefits.

"We will not get anything in return unless there is a change of heart on the Italian side," Mr. Brand said in a telephone interview.

The Getty's decision follows nearly a year of tense negotiations over an Italian claim for 52 objects in the museum's collection. The claim rests largely on evidence that has emerged in the trial in Rome of Marion True, a former Getty curator, and Robert Hecht, an American art dealer, on charges of trading in illegally excavated antiquities.

In Rome, Maurizio Fiorilli, a lawyer for the Culture Ministry, said the government had not taken an official position on the Getty's move. But noting the ministry's role as a civil plaintiff in the trial, Mr. Fiorilli said the 26 objects to be yielded would be held by the Rome tribunal as evidence supporting the indictments of Ms. True and Mr. Hecht.

"If Mrs. True is found guilty, the pieces will revert to the Italian government; if she is found innocent, the Getty will decide what to do," Mr. Fiorilli said in a telephone interview yesterday. "The pieces will come to Italy not as a concession on the part of the Getty but as a seizure, the result of a procedure that is part of our legal process."

Mr. Brand said the museum's parent, the J. Paul Getty Trust, reached its decision on Monday after his return from an unsuccessful meeting on Friday with Mr. Rutelli in Rome.

An impasse emerged after an Oct. 5 meeting in Rome in which lawyers for the Getty and the Culture Ministry signed a memorandum meant to lead to a final joint agreement.

In that document, a copy of which the Getty provided to The New York Times yesterday, the museum said it intended to return 26 objects: 25 requested by Italy and an additional artifact that its own research had determined belonged to Italy. Those objects include fresco fragments acquired in the early 1970s, red-figure Attic pottery and a rare antefix. The document also said Italy was removing six other objects from the original claim of 52.

The document indicated that the Getty was preparing a formal response to the Italian claim for the bronze sculpture — a life-size Greek youth believed to date from 300 to 100 B.C. — and that Italy and the Getty could have joint title to the Aphrodite while further research on its origins was pursued.

But relations between the sides soon fell apart, with Mr. Rutelli publicly expressing "dissatisfaction" with the talks.

On Oct. 20, the Getty received a letter from a Culture Ministry lawyer "making it clear that the ministry was repudiating" the Oct. 5 document, Mr. Brand wrote in his letter to Mr. Rutelli.

After news reports this month that the ministry was preparing to break off negotiations, the museum decided that Mr. Brand should go to Rome to make what he called "a final offer": the Getty would return the 26 objects promised in the Oct. 5 document and give Italy "full title immediately" to the Aphrodite, provided that the government agreed to "undertake further title research jointly."

But in the meeting on Friday, which lasted more than three hours, this proposal was turned down, and no agreement was reached.

In his letter to Mr. Rutelli and in the interview, Mr. Brand described the October document as an "agreement" that bound the ministry "to provide a formal agreement to the Getty within 10 days."

Mr. Brand said yesterday that the ministry had reneged on that agreement by insisting on the unconditional return of the bronze and the Aphrodite and by threatening the Getty in the news media with punitive "embargoes" before it had received the museum's final assessment of Italy's claim to the disputed objects.

But Mr. Fiorilli, the ministry lawyer, said in the interview yesterday that the Oct. 5 document did not have the status of an agreement and had been signed only as the "basis of a future accord" should both parties reach a consensus in negotiations.

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Giuseppe Proietti, the Culture Ministry official who signed agreements covering the return of antiquities by the Met and the Museum of Fine Arts in Boston, said yesterday that he was surprised to hear that the Getty had said his ministry had repudiated anything. "That's not an accord," Mr. Proietti said of the October document.

Mr. Brand's characterization of the document contradicts his own comments to a reporter on Nov. 3 in which he described it as simply a memorandum between the parties. "It's not as though there's an almost final draft that we are just checking the situation on," he said then.

It remains unclear whether the Italian ministry will carry out its earlier threat of breaking cultural ties with the Getty, a threat it previously used in postponing antiquities loans to the museum and in trying to win back objects from other institutions like the Met.

Justice Courts For Small New York Towns To Be Overhauled (NYT)

By William Glaberson

The New York Times, November 22, 2006

ALBANY, Nov. 21 — New York's top judicial officials outlined a plan on Tuesday to begin reforming the state's 300-year-old system of town and village courts, which have been criticized for decades as outmoded, poorly supervised and unfair.

The plan, announced here by the state's chief judge, Judith S. Kaye, included changes that have been recommended for years by defense lawyers and legal experts. Among them were plans to increase training for the justices, to improve their supervision and to better monitor whether they are protecting basic legal principles like the constitutional right to a lawyer.

The courts — known as justice courts — are also to be required for the first time to keep a word-for-word record of their proceedings, like other courts in the state.

While the officials said that many town and village justices are diligent, Judge Kaye said a sweeping reform program was called for by what she called enduring concerns about the courts. The system has survived a century of calls for radical overhaul by governors and commissions, and an important legal challenge in the 1980s.

As outlined by a series of articles in The New York Times in September, the courts have survived in part because the justices — most of them not even lawyers — have longstanding and deep ties to the upstate political system, and because of the substantial cost of replacing them with more professional courts.

The plan announced on Tuesday is the most specific and ambitious effort in years to address significant parts of the system's troubled dealings.

Most of the measures, like requiring verbatim records and increasing the justices' training and monitoring, can be instituted through orders from Judge Kaye, effective immediately.

"These courts must provide the same high standard of justice the public expects and deserves from any court in New York," Judge Kaye said.

But the judiciary's plan still stopped short of calling for legislative changes in features of the justice court system that disturb critics most.

Those critics — defense lawyers and prosecutors, elected officials and legal experts — say the current threadbare system effectively leaves the state with two types of justice: a modern and professional one for the cities and a second, rudimentary and sometimes abusive one for suburban and rural areas.

The State Assembly is to begin a broad examination of the justice court system at a hearing next month. That hearing is to tackle several of the most serious concerns, like the fact that three quarters of the town and village justices are not lawyers. It will also focus on the fact that unlike all other courts in the state, these courts are financed not by the state but by towns and villages, limiting state control and often resulting in impoverished courts and justices who are paid $1,200 a year or less.

The justice courts are a sprawling system of more than 1,200 courts that are often the first—and frequently the only—stop in the state legal system for people in the 57 counties outside New York City. Dating from Colonial times, the courts occupy something of a time warp, with often poorly trained justices, sometimes convening in town firehouses or highway department garages — or their own kitchens — and dispensing a form of justice unlike any other in the state.

The courts usually handle landlord-tenant cases, small civil cases, traffic infractions and misdemeanors. Yet these courts have considerable powers to jail people, evict tenants and set bail in cases as serious as murder and rape. They handle two million cases a year and collect $210 million in fees and fines.

A state takeover of the financing of the justice courts or a requirement that the justices must be lawyers would require legislation. Judge Kaye and other court officials pointedly declined to say whether they might call for such changes in the future.

Judge Kaye said the judiciary would ask the Legislature for $10 million in next year's budget to begin making the changes announced on Tuesday, for expenses like training, recording equipment and improving the courts' physical facilities.

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The judiciary's plan also outlined steps to toughen the examinations justices must pass before they take the bench, and to provide the courts with computers, fax machines, basic security devices and digital recorders to tape their proceedings.

Top court officials said they would begin a new program to require annual audits of justice courts' books, and to increase the size of a small staff of lawyers who answer justices' legal questions, usually by telephone. The officials said they would appoint supervising judges across the state to oversee the justice courts, but it was not clear how much power they are to have.

In September, The Times described many justice court cases in recent years in which defendants were jailed illegally, subjected to racial and sexual bigotry and denied fundamental guarantees, like the right to a lawyer or a trial. The articles also detailed many failed efforts over the last century to change or replace the courts.

The court officials' announcement, and a 68-page report that accompanied it, showed that court officials have chosen for the moment not to take on what could be the considerable political, financial and organizational problems that would accompany any call to overhaul or do away with the courts.

"Our focus is on what we can do now" under current law to improve the justice courts, Jonathan Lippman, the state's chief administrative judge, said. Judge Kaye has asked a state commission to study the justice courts and she said she would study its recommendations, expected early next year.

Tuesday's proposals were greeted by some lawyers and experts on the court system as long overdue. But some said that by failing to face basic issues concerning the courts, the plan seemed to leave much work to do.

"I don't understand how it is possible for them to assure the citizens they're going to get justice in these town and village courts," said Robert L. Spangenberg, a national expert on local court systems who studied the justice courts last year for a commission appointed by Judge Kaye.

Donna Lieberman, the executive director of the New York Civil Liberties Union, said that while the reforms suggested by Judge Kaye were welcome, "these are Band-Aids on a system that needs serious systemic reform." She said her group was considering a lawsuit to challenge the justice court system if the state did not quickly make broad reform in the courts.

David O. Fuller Jr., the president of the State Magistrates Association, the justices' organization, said the court officials' plan was a positive development. He added that the state's justices continued to believe the network of justice courts "is really a very good system" that does not require fundamental change.

The court officials' plan is to increase the classroom training for nonlawyer justices to two weeks from one and, for the first time, to require that lawyers who are elected to town and village courts receive judicial training before they take the bench.

In recommending such improvements, the report did not shy away from making clear the depth of the problems in the justice courts. The report said that some courts do not even have a judge's bench or a single court clerk. As for the current system of training nonlawyer justices, it said analysis of the results "reveals that this approach too often fails to facilitate real learning."

Laced through their remarks as well were suggestions that the court officials find the current justice court system frustrating to meaningfully oversee and police. Their report said current law gives state court officials "very little effective structural or operational control" and that this "balkanization of responsibility for the Justice Courts," is an issue New York policymakers should consider.

It observed that the legal system had grown far more complex in the 40 years since the Legislature last approved using justices who were not lawyers. Ensuring that all justices are minimally proficient in the law, it said, "is among the great challenges in New York governance."

CIVIL LAW:

Whistle-Blowers Bring Govt. Payback (AP)

By Lara Jakes Jordan, Associated Press Writer

AP, November 22, 2006

WASHINGTON -- Whistle-blowers tipped off the government to $1.3 billion worth of fraud cases over the past year, largely at hospitals or other health care providers, the Justice Department said Tuesday.

In all, the department recovered $3.1 billion in settlements -- what prosecutors said was a record amount -- from individuals and companies during the 2006 fiscal year that ended Sept. 30.

"Many of these cases were initiated by whistle-blowers," said Assistant Attorney General Peter D. Keisler, who oversees the department's civil division.

He called the $1.3 billion identified by whistle-blowers a recovery level "probably greater than most years, smaller than a couple." In return, whistle-blowers were paid $190 million over the year for alerting the government to the fraud.

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The single largest settlement, worth $920 million, came against Dallas-based Tenet Healthcare Corp., the nation's second-largest hospital chain. Following claims from six whistle-blowers, prosecutors accused Tenet of overbilling the government for $806 million in Medicare payments and paying $49 million in kickbacks to doctors who referred patients to the health care chain.

Tenet operates 66 hospitals in 12 states, mostly in the Southeast. Overall, fraud settlements with health care companies accounted for $2.2 billion -- more than two-thirds of the annual total.

Whistle-blowers have helped the government recover an estimated $18 billion since 1986, when Congress approved laws to strengthen their protections.

"Today, individual citizens are making the same kind of important difference in exposing fraud by those who do business with the government," said Sen. Charles Grassley, R-Iowa, who helped write the laws.

Until now, the government had never recovered $3 billion or more in fraud cases, and passed the $2 billion mark for the first time in 2003, Keisler said.

The overall total also includes a $565 million settlement with Boeing Co., closing two investigations into claims that the aircraft manufacturer improperly sought and carried out contracts with the Pentagon and NASA. Additionally, two whistle-blowers led the government to the single settlement over the past year related to Iraq reconstruction contracts. Houston-based EGL Inc., a subcontractor for Kellogg, Brown & Root, paid $4 million to resolve accusations that it added fake "war risk surcharges" while billing the government. Kellogg, Brown & Root, also known as KBR, is a subsidiary of the Halliburton Co., the Houston-based oil services conglomerate.

There was no immediate total for fraud payments related to hurricanes Katrina and Rita last year.

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On the Net:

Justice Department: http://www.usdoj.gov/

Federal Court Favors Newspaper Group In Fight For Records (AAS)

By Rebecca Carr, WASHINGTON BUREAU

Austin American-Statesman, November 22, 2006

At issue is whether data on illegal immigrants who are convicted of crimes should be released to public.

WASHINGTON — A federal court of appeals ruled Tuesday that a lower court erred in dismissing a case that sought records under the Freedom of Information Act about illegal immigrant convicts who are not deported.

The U.S. Court of Appeals for the District of Columbia ordered the trial court to settle factual disputes between Cox Newspapers, which owns the Austin American-Statesman, and the Justice Department over the privacy rights of illegal immigrants convicted of a crime. At the heart of the case is whether privacy rights outweigh the public's right to know that they have been released into the community.

"We're gratified that the judges agreed with us that the trial court shouldn't have granted the government's motion for summary judgment," said Andrew Alexander, chief of the Cox Washington bureau. Cox will confer with its lawyers to determine how to proceed, he said.

The information is essential for assessing whether the government is properly enforcing deportation laws, Alexander said.

"At its core, the case involves a bedrock American principle that citizens should have access to information that enables them to evaluate the performance of their government," he said.

The Justice Department declined to comment other than to say it would review the five-page ruling.

The department's lawyers have argued that it has turned over some of the information requested by Cox under the Freedom of Information Act request filed three years ago, including the convicts' native countries, dates taken into custody and dates of release, the legal documents show.

But personally identifiable information such as full names, dates of birth, alien registration numbers and FBI numbers would invade the privacy of convicted illegal immigrants and serve no public interest, Justice Department lawyers wrote in legal briefs.

Benjamin Johnson, director of the Immigration Policy Center, an immigrant advocacy group, said the public has the right to know the dysfunctions of the immigration system and how it might be failing. But that does not mean it should release personal information, because immigration officials make mistakes, he said.

Other immigrant groups have said they support the release of such information.

Bankruptcy Lawyers Adjust To Drought (LAW)

By Zusha Elinson, The Recorder

California Recorder, November 22, 2006

DOJ_NMG_0097338

An improving economy isn't good news for everyone. With fewer businesses going broke, the pace of traditional work for bankruptcy lawyers has slowed considerably -- for now.

Industry experts say a big reason is because money is flowing more freely -- especially from hedge funds and private equity groups -- to keep businesses afloat that might have filed for Chapter 11 bankruptcy in leaner times.

But bankruptcy lawyers are evolving, and some even say the rivers of money may run dry in the near future -- possibly during the next economic downturn.

"There has never been liquidity like this before -- never close to it in my 32 years," said Frederick Holden Jr., a partner in Orrick, Herrington & Sutcliffe's bankruptcy and debt restructuring practice group in San Francisco. "I hope for everyone that it doesn't cause any problems, but it seems unlikely."

Holden, who launched his career as a bankruptcy lawyer during the mid-1970s recession, said money alone can't solve the problems that failing businesses are facing.

"Now you have a lot of hedge funds coming in buying debt," he said. "That's all wonderful for the company, but if the company keeps losing money, that can only go on for so long."

Legal recruiter Lawrence Mullman said some firms are planning for just that. Though bankruptcy lawyers aren't flying off the shelf like IP or corporate lawyers, there is some interest, he said. Skadden, Arps, Slate, Meagher & Flom and Kirkland & Ellis are among the firms beefing up their bankruptcy practices, according to the The National Law Journal.

"The demand is less, but some firms see what's coming and are looking to make some strategic hires," said Mullman, who works out of New York. "I think that they recognize that the cycle is going to begin again."

While not a universally held belief, Holden and several other bankruptcy lawyers told The Recorder they expect to see more Chapter 11s filed by late 2007.

It would certainly be better for business, because in the last two years filings have dropped dramatically. In the 2004 fiscal year, a total of 10,113 businesses filed for Chapter 11 in U.S. Bankruptcy Court. In 2005, 5,856 businesses filed, and in 2006, only 5,475 businesses filed, according to statistics released by the courts.

"The significant decline in local Chapter 11s means there's less work on the West Coast, and we're not immune to that," said Peter Benvenutti, a partner in Heller Ehrman's bankruptcy and restructuring practice in San Francisco.

Benvenutti said the practice group -- like many others on the West Coast -- hasn't been hiring additional attorneys in recent years.

EVOLVING AND KEEPING BUSY

For Robert Eisenbach III, a Cooley Godward Kronish bankruptcy lawyer, the trend has meant a change in the focus of his work to what's currently the rage: hedge fund financing.

"During the 2001 to 2004 time period, there were just a lot more Chapter 11s being filed," said Eisenbach, partner in charge at Cooley's San Francisco office. "As the number of bankruptcies goes down, we tend to get involved in more of out-of-court restructurings and litigation."

More and more, he's been working with credit and finance lawyers on complex deals where hedge funds and private equity groups are injecting money into failing companies to steer them clear of bankruptcy court.

"Unless there's a strategic reason to be in bankruptcy, there are economic incentives to do restructuring out of court," said Joseph Scherer, the partner who heads Cooley's credit finance group.

In the last four years, Scherer said he has worked with bankruptcy lawyers on a more regular basis, in large part because of the growing popularity of second lien loans instead of unsecured mezzanine financing. Expertise concerning what rights the second lien holder will get in bankruptcy is often needed, he said.

It's a trend recruiters are noticing, too.

"[Demand] is actually starting to increase, and bankruptcy lawyers are looking for firms with strong bond and hedge fund practices," said Lawrence Watanabe, a legal recruiter based in San Diego.

Orrick's Holden said there's also bankruptcy work in some industries that, for whatever reason, are not necessarily buoyed by the strong economy or free flow of financing. For instance, any industry that depends on energy may struggle when oil prices go up, he said.

Although such cases haven't rolled into Orrick's San Francisco office, Holden said he's still working on bankruptcy cases stemming from another industry-specific problem -- exposure to asbestos litigation.

Earlier this year, Holden finished up his work representing a committee of retirees inKaiser Aluminum's Chapter11 case, setting up a trust with the company's stock that will fund their pensions.

Geography can also play a role in bankruptcy work. In the late 1990s, companies filing for bankruptcy and their lawyers headed for Delaware, because of a predictability when it came to the amount of fees awarded. But now the center of gravity has shifted to New York, Benvenutti said.

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"New York is generally considered to be a more user-friendly district," he said.

That's good news for New York firms and major Bay Area firms like Heller, Orrick or Cooley that have New York offices.

THE ROARING EARLY 2000S

Still, the bankruptcy market for lawyers is nothing like it was just a couple of years ago when the likes of Enron and Worldcom went bottoms up.

"It was a terrific time for the bankruptcy bar: You had K-mart and United Airlines -- we did work with Aloha Airlines," said Richard Lapping, co-chair of Thelen Reid Brown Raysman & Steiner's bankruptcy and creditors' rights group. "These were huge bankruptcy cases that meant a lot of work for a lot of lawyers."

Lapping, like other bankruptcy lawyers, said that trend might return.

"There's a little bit of tension in the economy, and we're getting calls that there may be work in the offing looking forward," he said.

CIVIL RIGHTS:

Md. Challenges Federal Report (BSUN)

By Greg Garland, Sun Reporter

The Baltimore Sun, November 22, 2006

Administration disputes U.S. finding that juvenile-offender center is unsafe

The Ehrlich administration has sent a sharply worded letter and nearly 500 pages of supporting documents to the U.S. Justice Department, challenging a finding that the state has run a Baltimore center for juvenile offenders in an unsafe and unconstitutional manner.

A Justice Department report issued in August said youths held at the 144-bed center on North Gay Street "suffer significant harm and risk of harm" because there isn't enough staff on hand and treatment plans are inadequate.

The report noted youth-on-youth assault rates 47 percent higher than the national average for such facilities.

But state officials say the report was written nearly a year after federal officials inspected the Baltimore City Juvenile Justice Center in September and October 2005 and that the concerns they raised have been addressed.

"We strongly disagree with the Justice Department's findings," said Edward Hopkins, a spokesman for the Maryland Department of Juvenile Services. "We believe their conclusions are wrong."

The highly critical Justice Department report was regarded as an embarrassment for Gov. Robert L. Ehrlich Jr., who had made juvenile justice reform a key issue when he campaigned for the office four years ago. The report lays the foundation for a possible lawsuit that could lead to a court order forcing the state to change the way it runs the juvenile center.

In a 16-page, footnoted letter dated Nov. 6, Maryland Juvenile Services Secretary Kenneth C. Montague Jr. called on federal officials to drop the matter. The letter was released yesterday after The Sun requested a copy.

"DJS believes that, as of October, 2006, children confined to the [Baltimore City Juvenile Justice Center] do not suffer the harm or significant risk of harm described in your letter and that there are certainly no risks [of] violating the constitutional or federal statutory rights of these youths," Montague wrote.

While youth-on-youth assaults at the center are higher than the national average, Montague wrote, the number has been reduced sharply since federal officials visited more than a year ago.

Many of the problems highlighted in the Justice Department report were resolved well before it was issued in August, Montague said.

For example, he said, the center "has replaced its lightweight plastic chairs with large boxy chairs which are more difficult to lift and too cumbersome to be effectively used as a weapon." And, he said, toothbrushes have been replaced with a "shank-proof" variety that can't be fashioned into weapons.

In addition, Montague wrote, the Maryland State Department of Education was brought into the center in January to take over its education programs, including special education services.

The Justice Department "nonetheless baldly asserts that that the Justice Center 'fails to provide adequate special education services.' ... The DOJ is wrong," Montague wrote.

He said further that, on the subject of educational programs, the Justice Department's report "contains basic factual mistakes and reaches conclusions that are simply unfounded."

Cynthia Magnuson, a spokeswoman for the Justice Department's Civil Rights Division, said the federal agency would have no comment on the details of the state's response.

"We stand by our letter, and we remain willing to work with the state to reach a resolution," Magnuson said.

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Although Montague wrote in his letter that staffing and other issues at the center have mostly been resolved, reports by the state's independent juvenile justice monitor tell a different story.

As recently as Aug. 31, then-monitor Katherine A. Perez wrote Montague about "the ongoing issue of staffing shortages and the threat to life, health and safety this presents to children" housed at the Baltimore juvenile justice center.

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Juvenile Centers Still Not Up To Standard, Monitor Says (JCL)

By Julie Goodman

Jackson (MS) Clarion-Ledger, November 22, 2006

A court monitor for the state's two juvenile training facilities has once again reported that the state has failed to meet most of the conditions required under an agreement to bring the schools up to standard.

In May 2005, Mississippi entered a four-year decree to end a Justice Department lawsuit over abuse allegations at the Oakley and Columbia training schools.

The fourth report from monitor Joyce Burrell, filed Wednesday, covers the period May 1 through Aug. 31.

It says that while some progress was made during that period, much more is required to come into compliance.

Burrell noted improvements in student staffing ratios, and the improved cleanliness of floors, walls, ceilings, baseboards, youth rooms, bathrooms and common rooms. "In the short term, staff are to be commended for pitching in many extra hours to do a thorough cleaning and some painting of the buildings," she wrote.

But she also noted unresolved setbacks in education and staffing issues, including difficulty in retaining new hires long enough to get problems under control. The problem must be addressed, she said, so that the department's youth services can reach optimum staffing levels and cut down on overtime.

DHS Executive Director Don Taylor was not available for comment today, but has said in response to previous reports that improvements have been slow but continual.

The recent report also detailed continued problems with reports of abuse by students, noting that the actual student complaints are coming through attorneys from the Department of Justice or the Southern Poverty Law Center.

"The fact that students/cadets are not comfortable reporting issues to staff of the Division of Youth Services is troubling and suggests that they are still either afraid ... or they do not have the skills to effectively use the tools that are available to make reports."

During this reporting period, there were too many serious allegations of youth-on-youth and staff-on-youth abuse at Oakley. A major communication problem is to blame for those serious complaints which do not progress up the chain of command.

Staffers "dropped the ball," she said, when they decided not to pursue an allegation from a youth who choose to withdraw the complaint.

As she has noted in the past, Burrell said staffers still don't understand what constitutes abuse at Oakley.

She recommended that an ombudsperson join the staff, and that tape recorders be used for students who have trouble reading and writing their complaints. She also suggested better regular assessments of how safe students feel.

Day Laborers Win Racial Lawsuit (FINDLAW/AP)

By Jim Fitzgerald, Associated Press Writer

AP, November 22, 2006

(AP) - WHITE PLAINS, N.Y.-A suburban village discriminated against Hispanic day laborers when it closed a hiring site and stepped up police patrols on the streets where they looked for work, a federal judge ruled Monday.

"Since August 2004, and continuing into this past summer, the defendants have engaged in a campaign designed to drive out the Latino day laborers who gather on the streets of Mamaroneck to seek work," Judge Colleen McMahon wrote. "The fact that the day laborers were Latinos, and not whites, was, at least in part, a motivating factor in defendants' actions."

McMahon did not specify a remedy for the village of Mamaroneck, about 25 miles north of New York City, giving the two sides 10 days to make suggestions. And in a footnote at the end of the decision, she suggested there was still time for a settlement.

Attorney Kevin Plunkett, who represented the village, said it was a stretch for the judge to determine that discrimination played a role in the crackdown. He said the quality of life for residents of Mamaroneck - not race - was the chief concern of village officials.

"This group of people just happens to be Hispanic," he said. "What happens if 50 other people were assembled in the community? That has to be addressed."

Plunkett said he and village officials would review the ruling and discuss what steps to take next.

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The village had argued that it was only enforcing existing laws when it beefed up the police presence in the area around the park and set up traffic checkpoints that inconvenienced the contractors who came looking for temporary workers.

Six Hispanic immigrant workers - all identified as John Doe for fear of retaliation by police or immigration authorities - took the village to court in September, seeking an injunction against what they called selective law enforcement and ethnic discrimination. They said the village violated their right to equal protection when they cracked down on the laborers.

"We're very pleased," said Cesar Perales, president of the Puerto Rican Legal Defense and Education Fund, which represented the day laborers. "The court found that indeed the village of Mamaroneck had engaged in intentional discrimination and was motivated by racism."

The ruling could influence the treatment elsewhere of day laborers, who have become an increasingly visible symbol of the immigration issue as they solicit construction and landscaping jobs.

The victory is at least the second this year for day laborers in federal court. In May, a federal judge prohibited the city of Redondo Beach, Calif., from arresting day laborers for violating a local ordinance against soliciting work in public.

Ga. Prosecutors Review Shootings By Cops (FINDLAW/AP)

By Harry R. Weber, Associated Press Writer

AP, November 22, 2006

(AP) - ATLANTA-Prosecutors in a suburban county plan to review 14 shootings by police, including eight fatalities, amid concern about the high number of killings compared with the nation's two largest cities.

DeKalb County prosecutors will also investigate the death of another person in police custody who was not shot, and they expect to be asked to look into four more fatal shootings by police, Adora Andy, a DeKalb County district attorney's office spokeswoman, said Monday.

"We will review the documents, and we will determine the appropriate course of action," Andy said.

Prosecutors could pursue criminal charges against officers if warranted.

The review of shootings and in-custody deaths involves 15 incidents from Jan. 1 through Sept. 12, Andy said, adding that her office expects to get another request from the police department to review the shootings since then.

Monday's police materials omitted a fatal police shooting Sept. 2, and Andy said she expected to get that later.

Andy declined to say why Police Chief Nick Marinelli made the request. She also would not disclose what reports he has turned over.

A police spokesman did not return calls seeking comment beyond a Police Department statement that said the DA office's investigation had been requested.

Marinelli has defended the department's actions since an Associated Press investigation published Sept. 28 showed that the nine fatal shootings this year by DeKalb County police at that time was more than the six in New York City and equal to the Los Angeles number.

It also was three times the number of fatal shootings DeKalb police had recorded last year in the county of 700,000.

Nationwide, justifiable killings by officers while on duty declined from 378 in 2001 to 341 last year, according to the FBI, which does not catalog fatal police shootings that are accidents or not justified.

Records obtained by the AP through an open records request showed that some of the department's required in-service training in the use of deadly force had been reduced, along with instruction in the use of batons.

The toll led to an independent review of police training and use-of-force procedures by a consulting firm that found some deficiencies, including a lack of emphasis on de-escalation of tense situations. County CEO Vernon Jones said at the time that there were no widespread problems at the department.

Since September, there have been three more fatal shootings by DeKalb police. Now, the police chief has asked for a review by the prosecutor's office to remove any doubt in the public's mind, police said Monday.

The review request comes as police have released details of an internal probe into the shootings. A police review board found that an officer in one fatal shooting was unjustified in using deadly force and that officers in three nonfatal shootings were unjustified.

The officers in the remaining shootings through September were either found to be justified, or no determination was made.

Gay Custody Case Stalls In Court (WT)

By S.A. Miller

The Washington Times, November 22, 2006

Two Baltimore County judges have delayed ruling in a child- custody case that has forced a 7-year-old girl to spend time with her adoptive mother's former lesbian partner, despite objections from a court-appointed child-welfare specialist.

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A social worker for Baltimore County Circuit Court reported in August that the ex-partner's overnight visits with the girl "probably caused acute underlying turmoil" for the child, according to court records.

"At this time, she seems emotionally vulnerable and experiencing severe anxiety in response to the crisis that this dispute has precipitated," social worker Cheryl Taylor says in the report. "Overnight weekend visits seem to pose particular separation threats and anxiety for [the girl] at this time."

The report remains sealed, but excerpts of Miss Taylor's findings are cited elsewhere in the court record.

Miss Taylor notes that the girl told everybody involved in the case -- including her mother, her mother's former partner and the family pediatrician -- that she does not want the visits to continue. The social worker also has recommended that the child "remain in long-term psychotherapy."

Still, two successive judges presiding over the case have delayed ruling on the emergency request by the mother, identified as Janice M., to stop the court-ordered visitation.

Judge John O. Hennegan put off ruling on the mother's request in August. The case last month was transferred to Judge Michael J. Finifter, who scheduled a hearing for Jan. 28.

The Washington Times is withholding the full names of Janice M. and her former lesbian partner, Margaret K., to protect the identity of the girl, who was adopted from an orphanage in India in 2000 by Janice M.

Both women declined to be interviewed for this report.

"The little girl doesn't even know what a lesbian is," said Susie Banks, 49, whose 7-year-old daughter is best friends with Janice M.'s daughter. "She has no clue why this woman is doing this to her. ... She wrote a note to her mother last Christmas saying she wants a dad and a dog."

Mrs. Banks, a homemaker from Ellicott City, has appeared as a witness for Janice M.

Margaret K., who was Janice M.'s live-in girlfriend from 1987 until 2004, won visitation rights to Janice M.'s adoptive daughter in a court ruling in February.

The ruling, which denied Margaret K. custody of the girl but required that she have visitation with the child every Wednesday and every other weekend, was upheld this month in a decision by the Court of Special Appeals.

The courts found that Margaret K. is the child's de facto parent.

Homosexual rights groups and the American Civil Liberties Union have rallied behind Margaret K.

The case also has energized proponents of same-sex "marriage" who say that issues of child custody and visitation would be resolved more easily if homosexual unions were legally recognized.

In January, a Baltimore City Circuit Court judge ruled that the state's 33-year-old ban on same-sex "marriage" is unconstitutional. The case will be argued next month in Maryland's highest court, the Court of Appeals.

Dan Furmansky, executive director of the homosexual rights group Equality Maryland, said he was pleased that Margaret K.'s case was being judged solely on the basis of what was in the best interest of Janice M.'s daughter.

"Sexual orientation has no bearing on the ability to take care of a child," Mr. Furmansky said. "Our position is that every case should be decided individually, and the best interest of the child is what would be determined."

The social worker's report also cites a report by the girl's pediatrician who "did not see anything beneficial about forcing the visits," according to court records.

Margaret K.'s attorney, Jennifer S. Fairfax, challenged Miss Taylor's conclusions.

"Ms. Taylor's ultimate findings are remarkably inconsistent with her specific and detailed findings, particularly her findings with regard to what [Margaret K.] has to offer" the child, she said in correspondence to the court.

She cited Miss Taylor's findings in the report that Margaret K. is "a loving, caring, positive and important influence on [the girl's] life and under less stressful conditions could be an appropriate parent care-giver to the child."

Miss Fairfax noted that the report says Margaret K. "puts [the girl's] needs above her own" and should remain an "extremely constant and steady influence in [the girl's] life."

Mothers Rally To Back Breast-Feeding Rights (WP)

By Cecilia Kang

The Washington Post, November 22, 2006

Karen Gral knows how difficult it is to travel with small children: standing in long lines with squirming toddlers, dealing with new security rules that prohibit liquids -- including some baby foods -- and lugging strollers, car seats and diaper bags through airports.

For her, the finish line is sitting on the airplane and breast-feeding her hungry and worn-out 16-month-old to sleep.

So when the Alexandria mother of two heard that a family was kicked off a Delta Air Lines flight last month because the mother refused to cover her baby with a blanket while breast-feeding, Gral decided to join 70 people at Reagan National Airport

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yesterday for a "nurse-in" in front of the Delta ticket counter. Similar protests were held at more than 30 airports around the country, including Baltimore-Washington International Thurgood Marshall Airport, where 62 people gathered in support of Arlington native Emily Gillette.

"Breast-feeding is the most natural thing in the world. What was Emily supposed to do? Not feed her child? Not give her child comfort?" said Gral, while nursing her son, Garrett, who was wearing a white onesie that read, "I'm a Breast Man."

Delta has said it regrets the incident with Gillette, which took place aboard one of its contract carriers, Freedom Airlines.

"Delta Air Lines fully supports a mother's right to breast-feed on board our aircraft, and we were very disappointed in the decision to move Ms. Gillette from the flight," said Gina Laughlin, a Delta spokeswoman.

According to Gillette's attorney, Elizabeth A. Boepple, the family boarded a flight from Burlington, Vt., to New York on Oct. 13 after a two-hour delay. On board, Emily began to nurse her toddler daughter in her window seat before takeoff. Gillette's husband, Brad, sat in the aisle seat to provide his wife and their daughter some privacy.

A flight attendant handed Emily Gillette a blanket and said, "You need to cover up. You are offending me," according to Boepple.

Gillette refused, saying, "No, thank you. I will not put a blanket on top of my child's head," according to Boepple.

Moments later, the Gillettes were escorted off the plane by a ticket agent and put on a flight the next day.

The Gillettes have filed a complaint with the Vermont Human Rights Commission.

Many showed up at National to push airlines to adopt more supportive policies for nursing mothers and to encourage federal legislation that protects breast-feeding in public and pumping milk in the workplace.

"This is not a protest. We want to show people that breast-feeding is completely normal," said Robin Abadia, 31, who took time off from work to attend the event with her husband and two children.

Rep. Carolyn B. Maloney (D-N.Y.), reintroduced legislation to amend the Civil Rights Act of 1964 to protect breast-feeding in public, provide tax incentives for businesses that establish private lactation areas in workplaces, and allow tax deductions for breast-feeding equipment.

A "nurse-in" was staged in front of ABC studios in New York last year after "The View" co-host Barbara Walters made what many considered to be disparaging remarks about a woman breast-feeding next to her on a plane trip.

Many pediatricians recommend that nursing mothers breast-feed their children on the ascent and descent of flights, to help open children's ear canals as cabin pressure changes with altitude. The World Health Organization recommends that infants be exclusively breast-fed until they are at least 6 months old.

US Lags Behind In Gender Gap Study (FT)

By Scheherazade Daneshkhu In London

Financial Times, November 22, 2006

The US lags at 22nd place behind developed and even a couple of developing countries in a study of inequality between men and women, mainly because it has few women in politics. This is in spite of the ascent of Nancy Pelosi who is set to become the first woman to head the US House of Representatives.

Sweden is the only country where men and women form equal numbers among all ministers and parliamentarians. Cherie Booth, a human rights barrister and wife of Tony Blair, UK prime minister, said there were more women in parliament in Iraq and Afghanistan – two countries not covered by the report – than in the UK.

The study of 115 countries published on Tuesday by the World Economic Forum, a Swiss-based think-tank, measures the gender gap based on economic, political, educational and health-based criteria in a benchmarking exercise aimed at improving women's position in society.

The individual country rankings show Sweden, Norway and Finland at the top of the league, having closed about 80 per cent of the gender gap, with Yemen, Saudi Arabia and Chad at the bottom, with a gender gap of about 50 per cent.

The Philippines is the only Asian and developing country in the top 10. The US falls short of the top 20 but other economically-advanced countries are ranked lower. France and Italy are ranked 70 and 77 respectively, while Japan takes 79th place. The UK is in ninth place.

The index focuses on the relative extent of the gender gap regardless of a country's wealth – by assessing how well countries divide their opportunities and resources between men and women.

Although no country offers women equal treatment with men, countries have made big progress in education and healthcare for women, having closed 90 per cent of the gap with men in these areas.

When it comes to political empowerment – the ratio of women to men in parliament, ministerial positions and executive office – just 15 per cent of the gap with men has been closed.

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There was a positive correlation between national income per head and the WEF's analysis of the relative position of women in society, with women in richer countries tending to fare better than those in poorer societies.

ANTITRUST:

Muni Dealers Brace For U.S. Probes (WSJ)

By Stan Rosenberg

Wall Street Journal, November 22, 2006

Leading Providers of GICs Are Among Those Receiving Federal Subpoenas Recently

Municipal-bond dealers held their cards close to their vests as the market faces nationwide criminal and civil probes into possible abuses over their dealings in a wide range of muni-bond transactions.

The U.S. Justice Department's Antitrust Division and the Securities and Exchange Commission are investigating questionable practices at a number of firms, with leading providers of guaranteed investment contracts, or GICs, having received federal subpoenas recently.

The Bond Buyer, a leading muni-bond publication, reported yesterday that the practices may go beyond GICs and could include "virtually every investment product or derivative" brokered or provided by various firms over the past six to 14 years.

Most executives at dealer firms, as well as portfolio managers, declined to comment on the situation.

"In general, everybody's just looking at it and seeing what's going on here, doing a lot of work to get the material together that they're looking for," said one senior executive at a Wall Street investment firm. Asked if most of the major firms have been subpoenaed, he said: "I have no idea because I'm not talking to anybody about it."

An executive at a smaller West Coast-based firm said he had seen no impact on the muni market since news of the investigations broke. However, activity in the market -- as in other areas of the financial markets -- has been muted this week ahead of the Thanksgiving Day holiday.

According to the Bond Buyer, "dozens" of firms in the $2.2 trillion muni market have been asked for information by the Justice Department and SEC. The Bond Buyer said the parallel criminal and civil investigations "go far beyond GICs and may cover thousands of investment products and derivatives entered into in connection with muni-bond transactions that could total hundreds of billions of dollars." Yet, only a small amount of these transactions will be subject to criminal or civil allegations, the publication reported.

As reported by Dow Jones Newswires Monday, a federal official said a conservative estimate would be that a cloud of potential taxability hangs over $10 billion to $15 billion of bonds sold to investors as tax-exempt securities.

While the spotlight of the federal investigations has been on suspected GIC bid-rigging, the bond transactions under scrutiny also present tax issues by diverting arbitrage profits away from the federal government to participants in bond deals.

Such arbitrage windfalls in the muni market are made by investing tax-exempt bond proceeds in high-yielding obligations, and are supposed to be rebated to the Treasury. The Internal Revenue Service can tax bondholders, although it has tried to settle most such cases with issuers. One of the most flagrant instances of such abuse was known as "yield burning" and resulted in federal enforcement action against dozens of securities firms more than six years ago.

GICs offer an issuer a place to park bond-issue proceeds at stipulated interest rates until they need to be used. There are various GIC providers. At least three bids are supposed to be received, but in some instances, one bid is far superior than the others, and there are suspicions that GIC brokers can fix the bidding, rewarding favored firms with business.

"I guess it doesn't really surprise me that they would be evaluating the propriety of the pricing of these products," said Ben Watkins, director of Florida's Division of Bond Finance. "I don't think there is the level of transparency in that market that there should be, and I don't think that issuers are as diligent as they should be in obtaining fair pricing for these products."

Treasurys Rise on Quiet Day

Treasury bond prices ended higher in a quiet trading session, with little in the way of data or Federal Reserve commentary to move the market.

Scott Gewirtz, head of Treasury trading at Lehman Brothers Holdings Inc., said buying was driven by investors who had "gotten short at the top of the range and were forced to cover," meaning they bet prices would fall further and were forced to buy after the price decline reversed itself.

At 4 p.m., the benchmark 10-year note was up 5/32 point, or $1.5625 per $1,000 face value, at 100 11/32. Its yield fell to 4.582% from 4.601% Monday, as yields move inversely to prices. The 30-year bond rose 12/32 point to 97 16/32 to yield 4.658%.

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Municipal Bid-Rigging Subpoenas Seek Information On Derivatives (BLOOM)

By Darrell Preston And William Selway

Bloomberg, November 22, 2006

Nov. 21 (Bloomberg) -- U.S. investigators have demanded that banks and brokers provide information on derivatives as part of an investigation into anti-competitive practices in the $2 trillion municipal bond market, according to a lawyer hired by one of the firms subpoenaed in the probe.

The Justice Department is looking into whether bids were rigged on investment contracts sold to local governments. Investigators are also seeking information on interest-rate swaps and other financial products that governments buy to guard against swings in borrowing costs, said Mark Scott, the former director of tax-exempt bonds for the Internal Revenue Service who is now a partner with Vinson & Elkins in Washington.

``It's pretty broad," said Scott, who is representing a client subpoenaed by investigators whom he wouldn't identify. ``They are going to get truckloads of information."

The investigation, which also includes the Securities and Exchange Commission, is the broadest criminal probe ever of the municipal bond industry and has resulted in more than a dozen subpoenas being issued last week to brokers, banks and insurance companies, including American International Group Inc. and General Electric Co.

Regulators are looking at whether brokers for U.S. local governments violated the law while arranging bids for guaranteed investment contracts, where a portion of the hundreds of billions of dollars raised in the tax-exempt bond market every year is placed until it is needed for projects.

Serving Two Roles

Guaranteed investment contracts, known as GICs, are sold by Wall Street banks and insurance companies, some of which also sell swaps and other municipal finance products. A swap, a type of derivative contract, is an agreement to exchange interest payments, usually a fixed payment for one that varies based on the movements of benchmark indexes or rates used by banks to track borrowing rates.

In some bond issues, the winner of the bidding for a guaranteed investment contract has also performed a second role, such as bond insurer or provider of options. Those dual roles can raise conflicts of interest.

Three brokers of guaranteed investment contracts subpoenaed last week -- Beverly Hills, California-based CDR Financial Products Inc., Pottstown, Pennsylvania-based Investment Management Advisory Group Inc. and Sound Capital Management of Eden Prairie, Minnesota -- also advise governments on swaps.

Documents Sought

The subpoenas seek documents ``for all relevant municipal contracts awarded through competitive bidding," said Scott, who read from the subpoena sent to his client. That includes documents on financial agreements including interest-rate and ``basis" swaps, ``swaptions" collateralized CDs and other vehicles for hedging investment-rate risk, he said.

``They're looking for the smoking gun," said Scott. ``Why would you raid an office if you weren't looking for a smoking gun?"

The information on swaps sought in the subpoenas was reported earlier in the Bond Buyer newspaper.

Joe Norton, a spokesman for New York-based AIG, previously disclosed that the company had been subpoenaed by the SEC and the Justice Department without commenting on the content of the requests. Fairfield, Connecticut-based GE spokesman Russell Wilkerson said the company is cooperating with the requests.

CDR, Investment Management Advisory Group and Sound Capital also all said in separate statements last week that they are cooperating with investigators.

``This is indeed an industrywide investigation that appears to be growing by the day," CDR said in a further statement yesterday.

Yield Burning

The criminal investigation stems from a probe by the Internal Revenue Service, which enforces rules that prevent local governments from profiting by borrowing at tax-exempt interest rates and reinvesting the money in higher-yielding securities. While local governments reinvest bond proceeds until the money is needed, their earnings must be paid in taxes to the IRS.

The IRS has looked into whether improper bidding practices for guaranteed investment contracts deprived the U.S. government of those taxes, just as the sale of overpriced Treasury bonds did during the so-called yield-burning scandals of the 1990s. In those cases, banks raised the price on the bonds, driving down, or burning, the yield. That reduced the investment earnings that should have been sent back to the IRS.

Swap Fees

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Last year, the IRS also said it was investigating whether financial advisers to states and municipal governments made excessive fees on interest-rate swap contracts or allowed banks to make inflated commissions.

The subpoenas, which Scott said were received by a small client he declined to identify, seek a broad swath of information from the 25 or so firms that received them. CDR in its statement yesterday said investigators were seeking documents back to 1992.

The documents seek detailed information including organization charts, lists of directors and officers, birth dates and home addresses of employees, calendars and appointment books, travel and expense records, telephone records and all records relevant to the awarding of bids, said Scott, reading from a subpoena.

``This is going to generate hundreds of boxes of information," said Scott.

Prosecutors: Vista Apparently Complies With Microsoft Antitrust Judgment (INFOWEEK)

By Antone Gonsalves, InformationWeek

Information Week, November 22, 2006

U.S. prosecutors say Windows Vista and the latest version of Internet Explorer apparently comply with the requirements of the 2002 antitrust judgment against Microsoft.

In a joint status report filed Tuesday with the U.S. District Court in Washington, D.C., prosecutors said Microsoft appeared to be complying with the judgment, which found Microsoft abused its Windows monopoly and set down rules for the software maker to follow to avoid future anti-competitive behavior. Prosecutors and Microsoft have been submitting joint reports on compliance to the court every six months.

The Justice Department and a court-approved technical committee are monitoring the development of Vista to assure compliance with the court order. The monitoring includes extensive testing of Vista and Internet Explorer 7 betas.

The committee and Microsoft developed a bug-tracking system to help ensure that Vista ships without any "known issues related to its treatment of middleware under the final judgments," prosecutors said in the report.

"Plaintiffs are pleased to report that this system has been a success," prosecutors said. "Microsoft addressed all outstanding middleware-related bug issues prior to Vista being released to manufacturing."

Since issuing the last report May 12, the Justice Department has received 25 third-party complaints, but none of them raised issues related to Microsoft's compliance with the court order, prosecutors said. "Each of the non-substantive complaints received a simple response acknowledging their receipt."

One issue that remained outstanding was Microsoft's continuing effort to improve the technical documentation on certain Windows technology it is required to provide on reasonable and non-discriminatory terms to any other software maker. In the 2002 judgment, Microsoft was found to have taken illegal advantage of its monopoly in desktop operating systems by ensuring its software ran better on Windows than competitors' platforms.

Prosecutors said there were indications that the new documentation "is substantially higher in quality than the prior version."

"In summary, plaintiffs have not yet reached any conclusions about Microsoft's technical documentation rewrite project," prosecutors said. Microsoft, so far, has met its deadlines for providing rewritten documentation to licensees.

The Justice Department has raised concerns with the quality of the technical documentation Microsoft has provided to licensees, and with the length of time it was taking to improve the documentation. The technology in question relates to the protocols used by computer servers to communicate with client PCs running Windows. The interoperability technology covered under the judgment is available for licensing for minimum five-year terms that would run at least through Nov. 11, 2017.

The original antitrust ruling was set to expire next year. However, portions have been extended to Nov. 12, 2009, with the DOJ having the option of requesting an additional three-year extension.

Justice Dept.: Vista Satisfies Antitrust Deal (CNET)

By Anne Broache, CNET News.com

CNET News, November 22, 2006

Microsoft's soon-to-be-released Windows Vista operating system does not appear to raise antitrust concerns, federal and state prosecutors said Tuesday in a court filing.

In a periodic joint status report, required as a part of Microsoft's 2002 antitrust settlement with the U.S. Department of Justice and state plaintiffs, the government attorneys said a technical committee charged with overseeing the software giant's compliance had found no outstanding issues after "extensive testing" of Vista and Internet Explorer 7.

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According to the report, Microsoft and the technical committee have been offering a downloadable program that is designed to help Microsoft's competitors in the fields of Web browsers, e-mail and instant-messaging clients, and media players to make their programs "Vista-ready" before the new operating system ships.

The program serves as a single source for all the registry settings needed for applications "to attain equal visibility on Windows XP and Vista systems," the technical committee said. The program's goal is to reduce the chance that people will experience difficulties in changing default software to non-Microsoft products, for instance. It also aims to make it easy to locate third-party applications in the start menu, desktop, task pane and other commonly used surfaces, after installing them.

Microsoft said it had also contacted 30 competing software makers and had invited them to work alongside company engineers at its Redmond, Wash., campus lab for Vista Readiness.

Since the last status report filing in May, government attorneys said they received 25 complaints alleging antitrust concerns about competing middleware but said they concluded that none of those gripes had merit.

Although the matters were not raised by U.S. regulators, some possible antitrust repercussions of security and file-formatting features in Vista were recently flagged as concerns by European and Korean regulators. Microsoft said last month that it had implemented changes that address those complaints.

The latest status report said Microsoft appears to be making some progress on what has become one of the thornier components of the settlement: rewriting documentation for licensees of its Microsoft Communications Protocol Program. The MCPP, another requirement of the antitrust settlement, is designed to help third-party developers create software that works with Windows.

But government attorneys said they remain worried about the project staying on track. Microsoft has already endured scolding for alleged "foot-dragging" on that front from the plaintiffs and the federal judge presiding over the case, who ultimately approved a two-year extension for that project's deadline.

"Microsoft's full commitment will be essential if the project is to stand any chance of producing complete and accurate documents on the schedule that Microsoft has provided to the court," the government wrote in its portion of the status report.

In a separate battle in Europe, Microsoft faces a Thanksgiving Day deadline for completion of a similar documentation project.

Microsoft Jury Selected; 7 Men, 5 Women (DMR)

Des Moines Register, November 22, 2006

Jury selection in the Microsoft anti-trust case in Polk County District Court was completed today with seven men and five women selected to hear the class action law suit.

The case is expected to take several months to try with witnesses that will include Microsoft founder Bill Gates and chief executive officer Steve Ballmer.

Plaintiffs' lawyers, led by Des Moines attorney Roxanne Conlin, are seeking damages of up to $329 million for Iowans who purchased Microsoft product between 1994 and this year.

The crux of their case is that anti-competitive actions by Microsoft resulted in overcharges and extra expenses to Iowa consumers.

The Iowa case is the last of several dozen state lawsuits against the giant computer software company. The state cases were filed after a federal anti-trust action against Microsoft was settled in 2000.

None of the other state cases has ever gone to a jury for a decision. All were either settled out of court or dismissed, officials for both sides have said.

The jury is expected to be seated late next week. The trial will begin with what is expected to be a lengthy list of jury instructions from Polk County District Court Judge Scott Rosenberg about how Iowa law applies to the situation and how the case will proceed.

Opening statements could begin as early as Nov. 30 and are expected to consume several more days before witnesses begin testifying.

Jury selection took more than a week with one full day devoted to having potential jurors fill out a 30-plus page questionnaire and another day for lawyers to assess the answers.

Each side has a jury consultant. Hale Starr of West Des Moines-based Starr Litigation Services is assisting Conlin and the other plaintiffs' lawyers, while Theresa Zagnoli is helping Microsoft lawyers. Zagnoli, who once worked for Starr in Des Moines, is now a partner in Zagnoli, McEvoy, Foley, a Chicago-based research firm.

Each side has also hire local public relations firms to help manage publicity about the case. Jamie Buelt of En Q Strategies is working with Microsoft and Eileen Wixted of Wixted Pope Nora Thompson & Associates is working with the plaintiffs' lawyers.

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Fewer than 100 people from a potential jury list of 450 registered voters were actually interviewed to obtain the 12-person jury, an official said.

Several of the individuals selected as jurors indicated during questioning that they have purchased Microsoft products during the past 12 years, thereby making them eligible for damages, if any are awarded. But all told the court they believed they could hear the evidence with an open mind and make a fair decision.

Several pre-trial motions remain to be ruled on by Judge Rosenberg, including a request by Conlin to be able to play video excerpts from an earlier deposition by Gates.

Normally, depositions are not entered into the court record when a witness is available to testify in person, except as evidence to challenge live testimony. Conlin had earlier received permission from the judge to call Gates as a hostile witness when she presents her case.

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Feds Clear Oshkosh Truck's $3.2B Offer For JLG (MILBIZ)

Milwaukee Business Journal, November 22, 2006

Oshkosh Truck Corp.'s proposed purchase of JLG Industries Inc. has cleared federal regulatory review with the passage of a required waiting period for the deal.

The companies jointly announced Tuesday the expiration of the 30-day waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 in connection with the proposed merger of a wholly-owned subsidiary of Oshkosh with JLG.

The expiration of the Hart-Scott-Rodino waiting period satisfies one of the conditions to Oshkosh's acquisition of JLG. Consummation of the merger, which is expected to occur in early December, remains subject to other customary closing conditions, including approval of the merger by JLG's shareholders.

Specialty truck manufacturer Oshkosh Truck (NYSE: OSK) announced Oct. 16 that it agreed to buy JLG Industries (NYSE: JLG), a maker of aerial work platforms and telehandler vehicles, in a transaction valued at $3.2 billion.

The addition of JLG's $2.3 billion in revenue will make Oshkosh Truck a $6 billion manufacturer of specialty trucks.

Franchisees Accuse Quiznos Of Fraud In Suit (MJS)

By Paul Gores

Milwaukee Journal Sentinel, November 22, 2006

Owners say they are made to pay inflated prices for food, supplies

A lawsuit accuses Quiznos Sub of forcing Wisconsin franchisees of the sandwich chain to buy food and supplies at inflated costs and sell food at artificially low retail prices, making the restaurants unprofitable.

The class-action lawsuit, filed in federal court in Green Bay on behalf of 28 Wisconsin franchisees of Denver-based The Quiznos Franchise Co. and its affiliates, seeks compensation for lost investments and asks for punitive damages and an end to what it calls an "illegal business scheme."

Quiznos did not return calls for comment Tuesday.

The lawsuit alleges the company has systematically defrauded its franchisees by building the brand at the expense of its operators in the field.

The suit contends Quiznos omits or misrepresents key facts about Quiznos business operations in an effort to induce people to buy a franchise.

But too many people who buy a franchise find that the cost of food and supplies in comparison to the selling price of items on the menu keeps franchisees from realizing a profit, Chris Bray, president of the Toasted Subs Franchisee Association, said Tuesday. That's because, the lawsuit alleges, Quiznos forces franchisees to work with Quiznos-mandated suppliers and pay them what the lawsuit describes as "excessive prices for goods and services."

"The numbers just don't add up, and that's the problem," Bray said.

The lawsuit also asserts, among other allegations, that Quiznos makes franchisees accept coupons from customers for free or highly discounted food without reimbursement, and that it saturates markets with outlets.

The average start-up cost for a Quiznos outlet, which includes a $25,000 franchise fee, is about $220,000, Bray said.

The lawsuit contends that when a franchise fails, lenders sell the equipment at lower cost to a new operator, putting the location back in business and continuing to operate "on the backs of those with no control."

According to the suit, the Quiznos "scheme" is intended to fuel revenue growth needed in order to bring about the sale of the remainder of the company to investors.

The lawsuit alleges fraud, breach of contract, violations of federal and state antitrust laws and violations of the Wisconsin Fair Dealership Law.

Plaintiffs in the suit, who are represented locally by the firm Whyte Hirschboeck Dudek, include franchisees from all corners of the state.

Wisconsin Franchisees Sue Quiznos (AP)

AP, November 22, 2006

Wisconsin Franchisees Sue Quiznos Sub, Alleging Fraud

GREEN BAY, Wis. (AP) -- Quiznos Sub forces its franchisees to buy food and supplies from the company or its approved vendors at unfair prices and sets retail prices too low for the stores to make a profit, according to a lawsuit filed by 28 operators of Quiznos franchises in Wisconsin.

The class action lawsuit, filed in U.S. District Court on Monday, said Denver-based Quiznos has systematically defrauded its franchisees in a scheme designed to build the brand at the expense of the store owners.

The lawsuit, which seeks millions of dollars in damages for lost investments, accuses Quiznos of fraud, violations of federal and state antitrust laws, racketeering, breach of contract and violations of Wisconsin's fair dealership law, attorney Justin Klein said Tuesday.

Tamani Chio, a spokeswoman for Quiznos at its headquarters in Denver, did not immediately return a telephone message Tuesday.

The first Quiznos, featuring toasted sandwiches, opened in Denver in 1981 and the company has grown to more than 4,500 restaurants, becoming the fastest-growing restaurant chain in the country, trailing only Subway as the nation's No. 2 sandwich shop -- not counting hamburgers.

"Quiznos has been taking advantage of its franchisees for years through practices that we contend are illegal and in violation of the franchise agreement," said Chris Bray, president of the Toasted Subs Franchisees Association Inc., a trade group that help organize the class-action suit.

Bray, who owns two Quiznos stores in Texas and has been a franchisee for nine years, said Quiznos "has slowly, methodically and deliberatively modified the business model, year over year, to make it economically favorable to them, to the detriment of the franchisees. It is time to put a stop to this."

Among the named defendants in the lawsuit are The Quiznos Franchise Company LLC of Denver; Richard E. Schaden of Lafayette, Colo., and Richard F. Schaden, of Westminster, Colo., the father-son owners of Quiznos; and Cervantes Capital LLC of Denver, which the lawsuit says runs the Quiznos operations.

According to Klein, a similar lawsuit was filed in New Jersey earlier this year by some Quiznos franchisees there. "We are in the preliminary stages of that case," he said.

Klein said the allegations against Quiznos involve restaurants in many states, but Wisconsin was chosen for one of the first lawsuits because it has "very good" laws that protect franchisees.

"There are suits soon to be filed in other states," the attorney said.

A Quiznos franchise costs $25,000, and to open a restaurant and get it running requires an investment of between $300,000 and $400,000, Klein said.

"They tell you who you can buy from and who you can't buy from," he said. "The prices are unreasonably high. Quiznos gets rebates from approved vendors."

Between 2002 and 2004, Quiznos leaped from 1,765 stores to 3,339, an annual growth rate of nearly 45 percent, with company sales climbing 48 percent to $1.27 billion.

What's New? Justices May Help Define Standard In Patent Case (USAT)

By Joan Biskupic

USA Today, November 22, 2006

Call it the case of the gas pedal, prescription drug and gift bow.

The variations and costs of those and many other items could be affected by a Supreme Court patent case that could be one of the most important intellectual-property disputes to ever come before the justices.

With abortion, affirmative action and other high-profile issues before the court this term, a patent case normally would be a yawner. However, KSR International v. Teleflex, a dispute between competing makers of adjustable gas-pedal systems in vehicles, arises as the justices have shown increasing interest in U.S. law protecting inventions.

The case essentially tests how to determine when an invention is truly new and different, and should receive a patent that entitles its inventor to the exclusive right to make, use and sell the item. That standard can make a difference in how people and companies spend time and money on inventions. If it is too easy to get a patent for a small variation on a previous invention,

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there is more of a chance that competitors could infringe on it, so companies might acquire patents solely for defensive reasons. If it is too difficult to get a patent for a small but unique adaptation of an item, it could discourage research and development.

The question in the oral arguments scheduled for Tuesday focuses on how to determine when an invention is "obvious," and therefore not worthy of protection. At issue is whether a standard used by the U.S. appeals court that hears patent cases allows patents for changes too small to matter.

The dispute is being watched closely by manufacturers, from the tiremaker Michelin to gift-packaging producer Hallmark.

"The issue in this case is one that strikes at the very heart of the patent field," says lawyer Peter Sullivan, who represents a group of manufacturers backing KSR.

Last year, the U.S. Patent and Trademark Office granted 183,187 patents, a number fairly typical of recent years, says Patent Office spokeswoman Brigid Quinn. (One product can involve many patents.) Meanwhile, applications are up. Last year, 443,652 requests were received, more than twice the total from 1995.

The KSR case involves an adjustable gas-pedal system that was developed for use by short drivers in large vehicles. Teleflex says its pedal assembly, patented in 2001, has a distinctive electronic throttle control and pivot that stays in place.

KSR devised a pedal system that drew a patent-infringement lawsuit from Teleflex, alleging that the KSR system used a feature of Teleflex's system. KSR countered that the Teleflex patent was invalid because it was an "obvious" combination of existing works. A trial court agreed.

The U.S. Court of Appeals for the Federal Circuit, to which patent disputes are appealed, ruled that KSR did not make a sufficient case for "obviousness." It said KSR did not show that prior technology offered a "teaching, suggestion or motivation" for their system.

KSR's attorney, James Dabney, urges the justices to reject the "teaching, suggestion or motivation" standard. He says the test should be whether someone in the field would have been capable of adapting existing technology to achieve the new result, not whether the motivation was there.

Dabney says current rules make it difficult to challenge patents for trivial adaptations.

Teleflex lawyer Thomas Goldstein says the appeals court got it right.

"Because inventions are so often evolutionary rather than revolutionary," he says, "an obviousness standard that merely compares an invention to the prior (work) will often produce the mistaken conclusion that the former was obvious."

Goldstein says the "teaching, suggestion or motivation" standard minimizes "hindsight" by focusing the test on how a person would have combined the elements of an invention from existing works.

In a court brief, the American Intellectual Property Law Association, siding with Teleflex, cites the difficulty of deciding what is new and how hindsight can distort assessments of whether a variation of an invention is patent-worthy.

The court's resolution could affect the development of drugs and other therapies for disease, according to advocates on both sides. The Biotechnology Industry Organization, emphasizing patent protection for various stages of drug development, is backing KSR. AARP, the largest U.S. seniors group, is with Teleflex. The group says improper drug patents delay the entry of generics into the market.

Sullivan, who represents several companies siding with KSR, notes that one of them, Hallmark, was sued for patent infringement over a machine it devised to curl ribbons for decorative bows. The Federal Circuit court rejected Hallmark's claim that the competitor's patents were "obvious," based on prior inventions.

Like KSR, he says patents too often are granted to routine variations on existing creations.

But what might seem routine may really be new.

The Intellectual Property Law Association contends that what counts is how old things are put together in new ways. It warns that many things look obvious only in hindsight, and the group recalls movie director Billy Wilder's famous line: Hindsight "is always 20/20."

Place Your Bets, Please: Takeover Wheel Spins (WSJ)

By Gregory Zuckerman

The Wall Street Journal, November 22, 2006

Who's next?

That's the question on the lips of investors, traders and investment bankers on the heels of a deluge of mergers and acquisitions.

Some say consumer-oriented stocks, health-care providers, gaming and tech companies could become acquisition targets in the months ahead. Some point to Sprint Nextel, Hilton Hotels, and home builders such as Lennar, Ryland Group and D.R. Horton as possible targets. Private-equity firms are circling home-service company ServiceMaster, say people familiar with the matter.

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Others are focusing on companies with steady cash flows and a large percentage of shares owned by company executives, or companies run by older executives who may be willing to sell out.

There has been so much deal activity this year that it looks like anyone could be fair game. Targets have included companies with stable cash flows but poor growth prospects, even in sectors that haven't seen many mergers in the past.

"Deals tend to feed on themselves," says Sam Schwartz, a managing director at Credit Suisse. "Financial sponsors who have purchased companies [in leveraged buyouts] soon are going to look for exits, through initial public offerings of stock or mergers and acquisitions, as long as the financing market remains robust."

But investors shouldn't get carried away betting on possible takeovers. Not only are they tough to predict, these deals also are somewhat less lucrative than they once were. The average premium paid over market prices for shares of companies subject to an acquisition bid this year is 17%, down from 25% in 2000, according to Thomson Financial.

Some analysts say the acquisitions are a sign that stock prices remain reasonably priced, despite the recent run-up in the market that has pushed stock indexes to new highs. Some short sellers -- investors who bet on stock-price declines -- have become cautious. They are reluctant to establish big positions against even stocks with weak outlooks, worried that any wager against a company will turn into a loser on word of a lucrative deal. This wariness is adding to the market's upward momentum.

Mostly, all the wheeling and dealing stems from lots of money sloshing around the global markets, as interest rates remain low. Investors are shoveling money at private-equity firms, which buy public companies or businesses with an eye toward reselling them later at a profit, and at high-yield but risky loans and junk bonds backing acquisitions. That suggests many deals are financial bets, not strategic business moves, perhaps reducing their chance for success.

The bankers who say well-known, consumer-oriented companies and some real-estate investment trusts could see more offers note that some of these stocks have been weak amid worries about how troubles in the housing market will affect various companies. Some private-equity specialists are focusing on companies with strong brand names, steady cash flows and valuable real estate.

Amid all the activity, the total dollar value of takeover offers by U.S. companies is down 1% so far this year compared with the same period last year, according to Richard Peterson, senior researcher at Thomson Financial. Meanwhile, the value of leveraged buyouts -- deals by private-equity firms financed by debt backed by the target's assets and repaid with its cash flow -- has nearly tripled.

NEW HEIGHTS

· Graphic: Where the Deals Are1 | FAQ: Buyout Boom2

More than 40% of the $1.28 trillion of announced U.S. mergers this year has come from private-equity firms or foreign buyers, up from less than 24% last year, Thomson says. Five of the six largest U.S. acquisitions unveiled so far this year were by leveraged-buyout firms.

Some companies once considered too big to become private-equity prey now are seen as possibilities, as private-equity coffers grow. Among them: Sprint, whose shares have dropped almost 12% in the past year but still has a market value of $58 billon, as well as Hilton and Avis Budget Group Inc.

Their stock prices have climbed in recent months. Sprint shares are up more than 25% since hitting a 52-week low in late August. Hilton has jumped more than 33% in three months, giving it a market value of almost $13 billion. Avis Budget, which hit a 52-week low in mid-August, is up about 19% since then, for a market value of just over $2 billion.

A report this month from analysts at Morgan Stanley ranked Lennar, Ryland and D.R. Horton atop its list of leveraged-buyout candidates, based on various metrics such as volatility of free-cash flow.

Home builders have grown by buying smaller competitors in recent years, but have generally shied away from big acquisitions. Although the sector's volatile cash flows can dissuade private-equity firms, some analysts say that as housing slows and these companies do fewer new projects, they will generate more cash flow that might be used to repay debt in a leveraged buyout.

Spokesmen for Sprint and Hilton wouldn't comment. Representatives for Hilton, Ryland, Lennar and D.R. Horton couldn't be reached.

It had been thought that the gambling sector would be immune from the LBO wave, in part because it can be a challenge to obtain a gaming license. Last month's proposed purchase by Texas Pacific Group and Apollo Management of Harrah's Entertainment for about $15 billion suggests the challenges can be surmounted. Casino companies sometimes own valuable real estate that can be used as collateral to raise debt for a leveraged buyout, bankers note.

Bankers say there have been takeover talks involving health-care companies, which are seeing lower growth rates but still churn out cash flow that can be used in a deal financed by heavy debt. Some investors also expect deals in the oil patch, where companies are sitting on loads of cash but shares have slipped as energy prices have fallen. Nabors Industries, which has $9.8 billion market value, has been mentioned as a possible target. A spokesman declined to comment.

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Qantas Gets Takeover Approach From Texas Pacific, Macquarie (WSJ)

By Lyndal Mcfarland

The Wall Street Journal, November 22, 2006

SYDNEY, Australia -- Qantas Airways said it is considering a takeover approach by Texas Pacific Group and Macquarie Bank Ltd., amid market speculation it will soon receive an offer valuing the Australian flag carrier at up to 11 billion Australian dollars (US$8.5 billion).

In a brief statement, Qantas didn't provide further details on the nature of the approach, but a senior dealer said the group is expected to offer up to A$5.50 a share. Qantas shares soared on the news, with its stock gaining as much as 20% to a morning high of A$5.25 in Australia.

"The approach is confidential and incomplete and is being investigated by Qantas," Cassandra Hamlin, the carrier's acting company secretary, said in a statement to the Australian Stock Exchange, indicating other options such as a regional merger with Singapore Airlines might be on the table.

Qantas also said in a statement it has "undertaken over a period of years discussions with a range of individuals and companies, including airlines, on possible partnerships, joint ventures and acquisitions."

SIA, which competes with Qantas for passengers on lucrative routes to Europe and North Asia, said it isn't in talks with Qantas.

Macquarie Bank said it has no comment on the Qantas statement, repeating a statement made to Dow Jones Newswires late Tuesday in Australia when speculation of a bid first emerged. Texas Pacific also said it has no comment.

The private-equity sector has targeted Australian companies in recent months with multibillion dollar bids. To date, the largest bid has come from a consortium led by Kohlberg Kravis Roberts & Co and including Texas Pacific, Blackstone Group LP and Bain Capital LLC, for Coles Myer Ltd. The retailer recently rejected the A$18.2 billion bid as inadequate.

A senior institutional trader said the bidding consortium has been lured to Qantas as it has low debt and operations such as terminals, freight, maintenance and catering that could be spun off or put into funds. Macquarie Bank could hedge the oil-price risk internally as well, the trader said.

But analysts said any takeover of the iconic airline known as the "Flying Kangaroo" will face significant hurdles with Canberra imposing stiff shareholder restrictions following its privatization 11 years ago.

Any bid for Qantas will place the national government in a difficult position as it confronts criticism from lawmakers and labor unions about the likelihood of large layoffs and cost-cutting measures by the consortium, analysts said.

Also, current ownership restrictions limit a single investor from holding more than 25% of Qantas, with foreign investors limited to owning a total of 49.9%. National Australia Bank credit analysts said the bidding group will need the 25% shareholder limit to be removed, along with approval from Treasurer Peter Costello.

"These are high hurdles to overcome, and though Qantas is a very different case, it is worth remembering that in 2001 the treasurer rejected Shell's takeover approach for Woodside Petroleum on national interest grounds," the bank said.

Analysts noted that airlines haven't been a traditionally attractive target for private-equity groups, given the exposure to fluctuating oil prices, tough price competition and volatile passenger demand.

Texas Pacific already has an interest in the airline sector. It bought a US$200 million stake in US Airways Group Inc. after the airline filed for bankruptcy protection in 2002.

The approach adds to the list of ambitious takeover attempts by Sydney-based Macquarie Bank. In the past year, Macquarie has failed in several high-profile deals, including bids for the London Stock Exchange and Hong Kong-based telecom group PCCW Ltd.

Suez-Gaz De France Pact Clouded By Ruling That Marks Union Win (WSJ)

By David Gauthier-Villars

Wall Street Journal, November 22, 2006

A Paris court ruling could upset the schedule for the planned €43.43 billion ($55.65 billion) merger of French utilities Suez SA and Gaz de France SA, and potentially thwart the deal altogether, handing a victory to French energy-sector workers and dealing a major blow to France's government.

The unexpected ruling, which GdF tried but failed to get annulled last night via an appeal, said state-run GdF can't approve the merger until it gives unions more information about the deal's impact on jobs. This means a crucial GdF board meeting that had been called for today to determine the merger's final terms is likely to be called off.

The ruling, which was upheld late last night by an appeals court, may cause the merger schedule to be pushed back at least until March -- missing the original year-end deadline -- because Suez and GdF will have to redraft merger terms to factor in

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2006 earnings, according to lawyers involved in the deal. Pushing through the highly politicized merger in the middle of the French presidential elections, planned for April, could also be tricky because the opposition left-wing Socialist Party opposes the deal.

Soon after the appeals court upheld the ruling, GdF and Suez issued a joint statement saying they intend to complete the merger "as soon as possible."

Yesterday's court ruling represents a victory for French energy workers, who, like many of their counterparts across Europe, have battled against the deregulation of power and natural-gas industries in Europe, saying they should remain in state hands.

The ruling is another setback for the two companies and for the center-right government of Prime Minister Dominique de Villepin, who helped orchestrate the merger and pushed through a bill in parliament allowing for the privatization of GdF. The state owns 80% of GdF and is expected to own 34% of the merged company if the deal is completed. A spokesman for the prime minister's office declined to comment.

Opposition to the deal has also been mounting among Suez shareholders, who say they are getting shortchanged because their company is more valuable in the market than GdF. Several shareholders, including big European and U.S. funds, have threatened to reject the merger unless the terms are changed.

Under the original terms of the deal, Suez and Gaz de France have proposed a 1-for-1 stock swap plus a €1-a-share special dividend to be paid to Suez shareholders to compensate for Suez's higher market valuation. Some Suez shareholders say they deserve a dividend of at least €4 a share to bring the companies' valuations back into line.

Company Exonerated In Antitrust Probe Wins Award (USAT)

By Del Jones

USA Today, November 22, 2006

A San Diego company that in 2002 was the target of Senate antitrust hearings on Tuesday was one of three companies awarded the 2006 Malcolm Baldrige National Quality Award, perhaps the most prestigious award given to business by the federal government.

Premier purchases $27 billion a year of medical supplies and services for 1,500 hospitals. In 2002 the company was accused of accepting something akin to payola from large manufacturers that kept small companies and their cutting-edge products from being sold to hospitals.

The accusations were untrue, CEO Richard Norling said in an interview Tuesday, but the scrutiny proved to be a learning experience for the company. He says Premier also learned as it went through the Baldrige process and made changes designed to allow small companies in the medical industry to better compete.

Norling said it “feels incredibly good,” to come full circle from being a company under scrutiny. He said that Baldrige examiners were aware of the company's history and had asked him if there was anything that might turn up later to tarnish Baldrige's image if it were to go out on a limb and give Premier the award.

“The Baldrige Award's judges determined that Premier … lived up to (the award's) very high standards,” Baldrige director Harry Hertz said in an e-mail. “Premier has been a leader in setting ethical practice guidelines.”

The first Baldrige was awarded in 1988. Premier won in the service category, not the health care category that was introduced in 1999 and this year accounted for 45 of the total 76 applicants. There were no winners this year in manufacturing or education. Other winners:

·North Mississippi Medical Center, a 650-bed hospital in Tupelo that serves 24 rural counties, in the health care division. Its charitable donations, charity care, medical cost savings and volunteer services total $70 million a year, and in 2006 it will treat 157,000 people through free health fairs, immunization and other programs at churches and shopping centers.

·Mesa Products of Tulsa, with 70 employees and $25 million in annual revenue, in the small-business division. Mesa prevents underground and underwater pipelines and tanks from corroding through an electrochemical process called cathodic protection, which is a science that dates back to 1824. By applying an electrical current to the exposed steel surface, corrosion can be prevented on buried and submerged steel structures.

EU Clears UCB Takeover Of Schwarz Pharma (AP-YBIZ)

AP, November 22, 2006

EU Waves Through $4.23B Takeover of Germany's Schwarz Pharma by Belgian Drugmaker UCB

BRUSSELS, Belgium (AP) -- Belgian drugmaker UCB SA won EU approval Tuesday to take over Germany's Schwarz Pharma AG, clearing the last regulatory hurdle to the deal.

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The acquisition, which Schwarz's board is recommending to shareholders, would create a new company with revenue of more than 3.3 billion euros ($4.23 billion) and yearly research and development spending of 770 million euros ($986.91 million).

UCB said it received a green light from U.S. regulators on Nov. 10 and was now waiting for Schwarz shareholders to tender their shares by a Dec. 8 deadline.

The European Commission cleared the deal despite overlaps between the two because they both produce a small number of over-the-counter and prescription medicines in some European countries, from antihistamines, iron supplements, heart disease drugs and asthma treatments.

But their combined market shares were not high enough to see them disrupt the market, it said.

"Customers and competitors identified a large number of alternative suppliers," the Commission said. "Indeed, intense competition coming from several players with significant market shares and strong reputation will continue to characterize these markets."

UCB said in October that the deal would help position it as a global pharmaceutical player.

Schwarz Pharma specializes in cardiovascular drugs, but also makes medicine used to treat Parkinson's Disease, including the Neupro patch, and epilepsy.

UCB transformed itself from a chemical and pharmaceutical maker to a biotechnology and pharmaceuticals business with its acquisition of Britain's Celltech Group in 2004. The company makes drugs used to treat cancer, inflammation and allergies.

After the deal, the company will be called UCB and be based in Brussels.

Bear In The Air (WSJ)

By Holman W. Jenkins

The Wall Street Journal, November 22, 2006

Last's week proposed merger of US Airways and Delta Air Lines is the leading edge of a consolidation wave that will finally fix the problems of the airline industry . . . and check out our selection of historic bridges for sale.

Life affords most other industries legal and structural ways to shield themselves from all-out price warfare -- through patents and branding, product differentiation, or various kinds of competitive "friction." Not so the airlines. The Internet has made pricing transparent. Lenders allow start-up or discount carriers to fly the latest, spiffiest models. The high-margin business traveler accounts for a smaller share of the market nowadays, and even he's become a lot less price-insensitive. And no industry is more discommoded by antitrust's primitive and ill-advised intolerance of cooperative behavior by competitors.

High fixed costs, low variable costs, and a customer who will switch for a nickel's difference in price: Add the balkanization of the global air traffic market, which leaves U.S. carriers uncomfortably exposed to the ups and downs of the domestic economy, and you have a formula for an industry that, on average, loses money even amid the gentler business cycles of the past 30 years.

Don't expect consolidation to change this, even if the current murmurfest really does result in a flurry of deals to reduce the Big Six to two or three. There's a lesson in the special genius of US Airways CEO Doug Parker's proposed acquisition of Delta -- a deal that might have been inspired by the old joke about two hunters trying to outrun a bear.

This is his third pass at Delta, and yet notice how the pairing seldom has turned up on Wall Street's list of the most likely combinations. Most analysts' idea of a rational airline merger is one combining two carriers with complementary networks -- minimum overlap, allowing each to extend its service into new markets. Mergers with lots of overlap aren't favored, and not only because of antitrust concerns. Such combinations serve mainly to eliminate capacity, which benefits competing carriers as much as it does the merged airlines, who alone must bear the costs and disruptions of the merger.

And yet the market has cheered on Mr. Parker's proposal nonetheless. Investors seem to understand that his plan recognizes that the goal is not to outrun the bear, but the other hunters.

First off, he estimates that fully half the benefits of the merger would materialize only if he can snag Delta while it's still in bankruptcy, thus using a judge's power to toss out aircraft leases and labor contracts without financial penalty or messy bargaining. Being able to restructure his fleet and workforce more quickly than his competitors can is a crucial advantage.

Secondly, the consolidation of Delta and US Air would occur over a network centered on some of the nation's most gridlocked airports. US Airways already controls the biggest market share at Washington National; combined with Delta, it would end up with the largest market share at LaGuardia, even after forced gate divestitures. The federal government has struggled with how to allocate operating slots at these two airports (plus Kennedy and O'Hare), and it remains nearly impossible for new entrants to gain access. Mr. Parker's new carrier, as the biggest in the East, would naturally be well-positioned to capture much of these scarcity rents.

True, the benefits might be modest and fleeting, and potentially lost if the merger doesn't proceed with a minimum of fuss. But the new carrier (which he would call Delta) might well enjoy two or three years of nicking passengers for modestly higher

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fares before the next downturn. And because of the way the industry is leveraged, a few nickels and dimes of extra margin on tickets results in a big impact in the bottom line and the share price.

In turn, Mr. Parker would be in the catbird seat for the industry's next bloodletting -- and don't doubt such a bloodletting will recur, as it has in every downturn since deregulation in 1978. Right now the industry is reporting a surge in profits amid an upswing that has seen traffic growing faster than airlines can lay on new planes and crews. But that's par for the course and no reason to assume the airline sector is about to become profitable in the long haul.

OK, we're reading his mind, but what makes his deal appealing points to why other carriers are unlikely to rush into mergers of their own. Their costs in pain and anguish would be the same or greater, but with little prospect of being able to charge significantly higher fares, even in an industry where the number of competitors is reduced.

Alas, one thing that might help -- a relaxation of antitrust rules to allow airlines to enter and exit code-sharing agreements at will -- almost certainly won't transpire. Such a break with intellectual precedent would be the most direct way to turn a chronically unstable airline industry into one that is reasonably prosperous and provides the optimum of service in terms of frequency and destinations even in the grimmer parts of the business cycle.

There was a time when Washington might have been willing to experiment with such a daring notion if only to get itself off the hook for the pension plans of failing carriers. Delta's then-President Fred Reid publicly ventured three years ago at an industry conference the hopeful possibility that the "Department of Justice and the Department of Transportation ought to have an additional arrow in their quiver, to enable scheduling, pricing and yield management to be done in a centralized entity [by alliances of airlines] which was immune from antitrust laws."

It will take at least another industry meltdown to put such a heterodox brainstorm back on the table. Ditto the equally adventurous idea of allowing foreign ownership of U.S. domestic carriers. Until then, investing in airline shares will be a game for speculators, not buy-and-holders.

ENVIRONMENT/INDIAN AFFAIRS:

Firm Blames Farmers, 'Act Of God' For Rice Contamination (WP)

By Rick Weiss

The Washington Post, November 22, 2006

The company that created the experimental variety of genetically engineered rice found this summer to have contaminated the U.S. rice supply contends that rice farmers and an "act of God" are to blame for the inadvertent release of the unapproved crop.

Those are among the assertions by Bayer CropScience of Research Triangle Park, N.C., in response to a class-action lawsuit filed by hundreds of farmers in Arkansas and Missouri.

The 30-page response offers the first clue to how the company plans to defend itself against the 15 class-action lawsuits filed by farmers, who allege that they stand to lose millions of dollars because of the contamination.

Lawyers for the farmers said they had expected the company to deny responsibility, but were offended by its attempt to blame farmers. The lawyers said their clients had no reason to suspect that the seeds they were planting in recent years were contaminated by Bayer's unapproved variety.

"The farmers are innocent victims," said Don Downing, a principal at Gray, Ritter & Graham PC, the St. Louis firm that filed the largest suit, in U.S. District Court in eastern Missouri.

Denying any culpability, the Bayer response variously blames the escape of its gene-altered variety of long-grain race, LL601, on "unavoidable circumstances which could not have been prevented by anyone"; "an act of God"; and farmers' "own negligence, carelessness, and/or comparative fault."

Asked how farmers were at fault, Bayer spokesman Greg Coffey said the company does not comment on pending litigation.

Bayer conducted field tests of LL601 from 1999 to 2001 in Louisiana, then dropped the project without seeking government approval to market it. This year, LL601 was found to be widespread in U.S. long-grain rice, prompting Europe to cut off imports and throwing the rice futures market into turmoil.

The U.S. Department of Agriculture is investigating how the variety escaped from test plots into farmers' fields, where it was quietly amplified for years until its discovery. The seeds and plants of LL601 look virtually identical to those of the popular conventional variety with which they had become mixed, said Steve Linscombe, director of Louisiana State University's rice research station in Crowley.

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The day the contamination was announced in August, Bayer asked the government to approve the variety. A decision is still pending. Meanwhile, lawsuits have been filed on behalf of about 300 rice farmers in the South.

The company's response to the largest of those suits asserts that Bayer's test plots were in full compliance with Agriculture Department rules. Critics of U.S. biotech regulations have said that, if true, that only proves the inadequacy of those rules and calls into question whether the department can fairly investigate the problem.

"It is unfortunate that Bayer, rather than accept responsibility for its actions, is instead trying to pin the blame on the American rice farmers, the very people most detrimentally affected by Bayer's conduct here," said Adam Levitt, a Chicago lawyer who has filed five class-action suits for rice farmers.

Another 1918? (WP)

The Washington Post, November 22, 2006

ON MONDAY, the Department of Health and Human Services released a progress report on its preparations for a flu pandemic in the United States. Not stressed, but nevertheless clear, was how much the country would rely on antiviral drugs such as Tamiflu, a drug that can reduce the severity of flu symptoms, to treat Americans while new vaccines were developed. Public health authorities are frantically stockpiling Tamiflu, and they hope to have more than 50 million courses of antiviral medication on hand by the end of 2008 to administer in the event of an outbreak.

But a report released by the World Health Organization earlier this month said that strains of the H5N1 "bird flu" virus -- a likely candidate for mutation into a pandemic flu -- might be developing resistance to Tamiflu and other antivirals. The influenza virus is unpredictable and quick to mutate. No one knows how, or how fast, the bird flu virus will change, so no one knows if the reported cases of Tamiflu resistance will remain isolated or if the virus will become increasingly more resistant to standard antivirals -- as it has with other drugs. But the country faces the possibility that its reserve of Tamiflu might not do much to counter a pandemic flu.

The federal government is also collecting doses of vaccines that protect against existing strains of the bird flu virus, though on a much smaller scale than its purchase of Tamiflu. These shots, the HHS report said, might eliminate or ease symptoms caused by new forms of the virus. But the WHO report was pessimistic about the effectiveness of the vaccines against strains of the virus they were not designed to fight.

In other words, if a pandemic flu began spreading tomorrow, the government's most effective strategies for saving lives could be old-fashioned quarantine and public education, techniques akin to those used during the great flu pandemic of 1918. It is not surprising, then, that the federal government currently estimates that as many as 2 million people could die if a virulent and contagious strain of flu hit the United States.

Given the capriciousness of the virus, says Columbia epidemiologist Stephen S. Morse, the government has "no silver bullet" in its arsenal. But HHS should consider investing heavily in technologies such as the reverse genetic engineering of flu vaccines, a process that promises to speed up vaccine production dramatically. The federal government should also focus more on aiding the World Health Organization's efforts to monitor avian flu and to improve the health infrastructure in Southeast Asia. Added American assistance to the understaffed WHO in Indonesia, Thailand and Vietnam could save many more American lives than 50 million courses of antivirals.

Mining Firms Again Eyeing Navajo Land (LAT)

By Judy Pasternak, Times Staff Writer

The Los Angeles Times, November 22, 2006

Demand for uranium is soaring. But the tribe vows a 'knockdown, drag-out legal battle.'

Crownpoint, N.M. — When mining companies started calling tribal offices last year, Navajo President Joe Shirley Jr. issued an edict to employees: Don't answer any questions. Report all contacts to the Navajo attorney general.

Decades after the Cold War uranium boom ended, leaving a trail of poisonous waste across the Navajo Nation, the mining industry is back, seeking to tap the region's vast uranium deposits once again.

Companies are staking claims, buying mineral rights and applying for permits on the edge of the tribal homeland. They make no secret of their desire to mine within the reservation as well.

That prospect has turned neighbor against neighbor and touched off legal, political and financial maneuvering far from Navajo lands.

Fifty years ago, a nuclear arms race propelled the search for uranium. Today, the driving force is the quest for new sources of energy. China and India are building nuclear reactors at a rapid pace to fuel their growing economies, and the Bush administration is pushing to expand nuclear energy in this country to reduce U.S. dependence on foreign oil.

With demand increasing, the price of uranium has climbed to more than $60 a pound. Six years ago, it was as low as $7.

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Mining companies are extracting uranium in Texas, Wyoming and Nebraska, and are taking steps to mine in Colorado.

But Navajo country, covering some 27,000 square miles in Arizona, New Mexico and Utah, is the biggest prize of all — "the Saudi Arabia of uranium," in the words of Mark Pelizza, a vice president of Uranium Resources Inc.

A subsidiary of the Texas-based company holds a Nuclear Regulatory Commission license to mine in and around Crownpoint, a crossroads town of 3,000 Navajos that sits on the largest known undeveloped uranium deposit in the U.S.

URI officials are seeking permission to begin mining on a test basis in the nearby township of Church Rock, N.M., in 2008. If results there convince regulators that the project is environmentally sound, the company will be allowed to start operations in Crownpoint.

Mining in both places is expected to yield 42 million pounds of uranium over 20 years — worth more than $2.5 billion at today's prices.

Two Canadian firms — Strathmore Minerals Corp. and Energy Metals Corp. — are also laying the groundwork for mining.

Altogether, the three companies have acquired rights to tens of thousands of acres just outside the reservation's southeast boundary. URI alone has invested more than $25 million.

Mining executives say they plan to extract uranium from underground rock formations through an environmentally benign chemical process. There will be no blasting, no unsightly pits and no lasting contamination, they say.

Unconvinced, the tribal council last year passed a ban on mining or processing uranium in "Navajo Indian country," a term that embraces both the reservation and neighboring communities such as Crownpoint and Church Rock that participate in tribal government.

Federal courts have recognized "Indian country" as extending beyond the reservation's boundaries, but the ban seems destined to be challenged in court.

After the measure took effect in April 2005, mining concerns kept calling the Navajo capital, Window Rock, Ariz., hoping to secure support for their projects. So Shirley signed Executive Order 02-2005, which instructs tribal employees to avoid any "communications with uranium company representatives."

The directive infuriated mining executives. "You tell me, what kind of a democracy is that?" asked John DeJoia, a Strathmore vice president. "They've got tremendous resources out there. They're a very poor nation. That could change."

Robert McNair, director of capital projects for Dejour Enterprises Ltd., a Canadian energy company, asked state officials for help. He reached Derrith Watchman-Moore, New Mexico's deputy environment secretary.

A Navajo who had served as the tribe's environmental director, Watchman-Moore told McNair there would be no new uranium mining until past contamination had been purged. "My strategy was to discourage them from asking for a permit," she said.

It worked. Dejour decided to focus instead on a huge deposit in Saskatchewan.

The tribal government has also tried to block financing for the projects. When Shirley learned Itochu Corp. was considering investing $32 million in the URI venture, he asked the Japanese conglomerate not to do it.

"The Navajo people have made our wishes and our laws clear: We do not want further uranium mining in our communities," Shirley said in a letter to Itochu's chairman.

But URI, Strathmore and Energy Metals have pressed on. They have an important ally in Sen. Pete V. Domenici (R-N.M.), who has been a forceful advocate for nuclear power as chairman of the Senate Energy Committee.

In the spring, Domenici pushed Department of Energy officials to meet with mining executives who were worried that the government might sell large quantities of uranium from a 135-million-pound federal reserve that is costly to maintain. The mining officials feared such a step would depress the price of the metal and make it harder to finance their projects.

An assistant energy secretary assured the executives that there would be no big sales before 2009, according to records obtained under the Freedom of Information Act. Later, the Energy Department drafted a long-term strategy for the reserve and invited the industry's views.

Mining companies say about 100 skilled laborers will be hired at each site. Those jobs, along with income from mineral leases, could help ease pervasive poverty among Navajos, they say.

Opponents say the environmental risks are too great. One of URI's planned subterranean minefields is within a mile of six wells that supply drinking water for about 15,000 people in and around Crownpoint. Chronic exposure to uranium in drinking water has been associated with kidney disease and increased risk of cancer.

URI's federal license requires it to provide replacement wells, but tribal officials worry that contaminated water could migrate toward the new wells. No company has ever mined so close to a public water supply using the technology employed by URI.

The uncertainties unsettle many Navajos, who are surrounded by the legacy of past mining — abandoned shafts, tainted wells, radioactive dust.

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"All these promises … I don't believe a word of it," said Larry King, a 49-year-old Navajo who raises cattle on his family's ranch in Church Rock. "I've seen too much mining. I'm not convinced."

The right solution?

Most of the projects would employ "solution mining," in which water fortified with oxygen — and sometimes bicarbonate — is injected into an underground formation of porous sandstone. The solution washes uranium and other minerals from the sandstone. The uranium-laden water is then pumped to the surface. There, the uranium is filtered out, dried and trucked away for further processing.

The oxygen solution is pumped back into the aquifer, and the process is repeated until the sandstone has yielded all the uranium that can be removed economically.

The amount of water poured back into the ground is slightly less than was removed, creating a low-pressure area. This causes groundwater to flow into the mining zone rather than away from it, and prevents uranium and other contaminants from spreading, according to the companies.

Just in case, they plan to ring mining zones with test wells so that any movement of pollutants will be detected promptly.

After an area has been fully mined, the producers would restore the aquifer by repeatedly pumping water to the surface, cleaning it with the same process used to purify bottled drinking water and injecting it back into the ground.

Solution mining has a three-decade track record in the U.S. Five facilities are operating today — one in Wyoming, one in Nebraska and three in Texas.

"I'm not aware of any major disasters," said Tibor Rozgonyi, head of the mining engineering department at Colorado School of Mines. "You can control the contamination, if you design correctly."

The questions revolve around whether aquifers can be permanently cleaned.

In Wyoming, the state Department of Environmental Quality has approved the closure of two solution-mining sites in the last two years. But it took at least six years to clean the aquifers to the state's satisfaction. "We think they can do it faster, in two or three years," said Richard Chancellor, the Wyoming official overseeing the restoration.

In a boom and bust industry, time matters, he said: "What if they went bankrupt and walked away?" Bonds posted by mining concerns might not cover all the costs of cleanup and monitoring, skeptics say.

In Texas, Uranium Resources Inc. is having difficulty cleaning a solution mine south of Corpus Christi. George Rice, a hydrogeologist hired by a review board in Kleberg County, found elevated concentrations of uranium, radium-226 and other pollutants more than five years after mining had ended.

In his report, Rice wrote that a URI official told him a request to relax the state's cleanup standards was "inevitable."

The problem, Rice wrote, is that once a closure is approved, the company can stop pumping, cleaning and monitoring groundwater. "There is no guarantee that the water will not migrate beyond the mine's boundaries," he wrote.

Pelizza of URI says it shouldn't matter if the water in a solution-mining zone isn't totally purified as long as it meets standards for its pre-mining use. "How clean," he asked, "is clean enough?"

Troubled history

The Puerco River, which runs along the southern boundary of the Navajo reservation, is usually dry in the summer. But early on July 16, 1979, the channel roared with 93 million gallons of radioactive water.

An earthen dam at a uranium mill in Church Rock had ruptured, releasing liquefied tailings, a waste product of traditional uranium production.

The result was the largest accidental release of radioactive material in American history. The surge was detected 50 miles downstream, in a stretch of the river that Navajos use to graze cattle and irrigate their corn.

The dam was considered state of the art, officials of United Nuclear Corp., which operated the mill and a nearby uranium mine, later told Congress.

The Environmental Protection Agency is trying to decontaminate groundwater at the site. But project manager Mark Purcell said the task may prove impossible. Some of the tainted water is moving toward Navajo land, he added.

With this experience as a backdrop, Navajo organizations and environmental groups are fighting URI's plan to make Church Rock a test site for solution mining.

A tribal water resources manager, John Leeper, noted in a written declaration to the Nuclear Regulatory Commission that private wells tap the Church Rock aquifer "for human drinking water."

King, the rancher, joined the board of the major opposition group, Eastern Navajo Dine Against Uranium Mining. (Dine, pronounced dih-NEH, is Navajo for "people.") The organization joined outside environmentalists in appealing URI's federal license, stalling the project for years.

It has sponsored protests with a rallying cry of leetso doo'da — Navajo for "no uranium." Its leaders have traveled to Washington, D.C., and the United Nations to argue against a resumption of mining.

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"We don't want nobody doing experiments around our area, no," King said.

To Juan Velasquez, Strathmore's vice president for environmental and regulatory affairs, such talk is "the bane of the uranium industry. We're all fighting against emotional arguments."

Velasquez knows mining's troubled history in Church Rock. He became president of United Nuclear four years after the 1979 tailings spill, with responsibility for cleaning up the mill.

In 1992, the NRC ordered the company to set aside more than $16 million to guarantee completion of the cleanup. Instead, on Velasquez's instructions, the money was turned over to United Nuclear's parent company.

The commission imposed an unusually large $100,000 fine for "willful violation of an NRC order." United Nuclear agreed to pay $99,000 without admitting wrongdoing. Velasquez called that "a business decision" and said "there was never a time in which any surety was at risk."

Before Velasquez's arrival, United Nuclear had closed its Church Rock uranium mine, leaving behind a pile of radioactive waste ore. The closure met federal standards then in place. In August, a heavy rain flushed radioactive material from the mine into an arroyo.

Velasquez said he had no concerns that today's stricter mining regulations might likewise prove inadequate in the future. The Navajos, he said, have more pressing health issues than uranium mining.

"We could worry ourselves to death that one additional cancer in a million will be caused," Velasquez said. "It sounds stereotypical, but these Indians jump in their car and drive 90 miles per hour down the road. But they won't take the risk on uranium."

Twenty-five miles northeast of Church Rock, the groundwater in Crownpoint is pure. Uranium permeates the sandstone in the aquifer, but it is tightly bound.

Water from the six municipal wells, famous for its sweet taste, contains trace concentrations of uranium far below the EPA maximum for drinking water, federal regulators say.

URI wants to transform an old uranium drilling site into a solution-mining zone and processing plant.

For now, the lone employee at the site is Benjamin House, who signed on with URI 10 years ago, when it was the only company pursuing a mining license. A former delegate to the Navajo council, House has purchased airtime on the Navajo radio station to press the company's case. He has also booked tours of URI's Texas facilities for tribal and local leaders.

He steels himself for confrontation as he makes his rounds. URI plans to mine a second site west of Crownpoint. When House stood there recently, in a sparse field of tumbleweeds and pinon trees, a red pickup halted abruptly on the nearest dirt road. The driver leaned out the window to snarl at House.

House knows what his detractors think: "I sold out." But, he said, some Navajos approach him on the sly, saying they could use the jobs mining would bring.

House's most vocal backers are nine extended Navajo families who signed mineral leases with URI in the early '90s. They look forward to receiving royalties if mining gets underway.

Among them is Bessie Largo, a widow who makes ends meet by weaving rugs. Speaking in Navajo translated by House, she said her acreage was not suited for farming. "We are supposed to make a living off that land, and that is exactly what we are trying to do," she said.

Preparing for battle

The tribe claims jurisdiction over any territory where mining would affect Navajo residents, regardless of who owns the land or the mineral rights.

"A sovereign has a right to protect its people against environmental threats," said David Taylor, an attorney in the Navajo Department of Justice.

Mining executives, however, are honing arguments that the tribal ban does not apply to their lease-holdings in an area known as the "checkerboard," at the reservation's southeast edge.

Here, the tribe's communal land gives way to a hodgepodge of parcels held by federal and state agencies, private businesses and other owners. This is where the planned Church Rock and Crownpoint solution-mining sites are.

Strathmore is leasing land owned by the U.S. Bureau of Land Management. URI plans to mine on land the Navajos bought from the Santa Fe Railroad in 1929. The railroad retained the mineral rights, and a successor sold them to URI.

The uranium firms don't hide their eagerness to move onto the reservation proper. Pelizza sees the checkerboard projects as the key to achieving that goal.

"There's a concern. Once we've addressed those concerns, maybe the Navajos will see that and make exceptions," he said.

Taylor, the tribal lawyer, says it won't happen.

"We have no intention of letting them mine without a knockdown, drag-out legal battle," he said.

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Times researcher Mark Madden contributed to this report.

Levels Of Radioactive Material At Indian Point 7 Times Higher Than Reported (AP)

AP, November 21, 2006

BUCHANAN, N.Y. (AP) _ Government tests indicate that amounts of radioactive material found in ground water under the Indian Point nuclear power plants were seven times higher than reported by the laboratory hired by the complex to test for leaks.

Testing conducted for the Nuclear Regulatory Commission and the state Department of Environmental Conservation revealed that strontium 90 levels from the August samples ranged from 5 to 30 picocuries per liter.

Federal regulations say that the levels of strontium 90, a radioactive chemical linked to bone cancer and leukemia, must be lower than 8 picocuries per liter for water to be considered safe enough to drink.

Nonetheless, the NRC and state health officials have said for more than a year that the public is not in danger because the radioactive isotope is not reaching any sources of drinking water.

When Teledyne Brown Engineering, of Knoxville, Tenn., conducted tests on behalf of Indian Point, the company found only between 2 and 6 picocuries of strontium 90 per liter.

Entergy Nuclear Northeast, which owns the plant, has suspended the contract with Teledyne until officials can understand the discrepancy in testing.

"We've taken a new round of samples and are sending them to another lab," said Donald Mayer, Indian Point's lead engineer on the radiation leak.

Entergy plans to remove the source of the leak by storing spent fuel into special dry-storage casks at the site that can later be drained and diluted from a spent-fuel pool. The company has also begun to demineralize the water to lower the concentration of strontium and dilute the source of the contamination that is leaking.

Dale Klein, the new chairman of the Nuclear Regulatory Commission last month ordered an independent review of how it oversees the Indian Point nuclear power plants.

Klein, who was installed in July, ordered NRC staff to develop a plan "because of repeated inquiries about the adequacy of NRC oversight and licensee performance" at the two IP reactors in Buchanan, on the Hudson River 35 miles north of midtown Manhattan.

FBI/DEA/ATF/USMS:

Local FBI To Receive New Agent (DURHER)

By Joe Hanel, Herald Denver Bureau

Durango Herald, November 22, 2006

Murder rate on Ute reservations 20 times state average

DENVER - The Federal Bureau of Investigation will send a new special agent to the Four Corners in large part to deal with a combined murder rate on the two Ute Indian reservations that is 20 times the state average.

U.S. Sen. Ken Salazar, D-Colo., said he secured the commitment from Attorney General Alberto Gonzales on Friday. The region currently has one FBI agent, who works out of Durango. Southwest Colorado might get an additional federal prosecutor, as well, according to Salazar.

The murder rate on the Southern Ute and Ute Mountain Ute reservations combined is 75 per 100,000 people, compared to 3.7 per 100,000 for the rest of Colorado, according to numbers the U.S. Attorney's Office in Denver gave to Salazar's office.

Salazar spoke to Gonzales on Friday during a tour of the Supermax prison outside Cañon City. Salazar said the two talked about the need for increased law enforcement on the Southern Ute and Ute Mountain Ute reservations.

"I was pleased to get his commitment to send an additional FBI agent to the area to address the growing lawlessness in the area as well as his pledge to examine the possibility of sending an additional assistant U.S. attorney to the area," Salazar said in a prepared statement.

Salazar cited an "unacceptable number of unsolved crimes" on the reservations because of a lack of law enforcement officers in the region.

The Durango FBI branch is intended to be a two-person office, and it has had two agents in the past.

The new FBI agent will have to go through the typical federal application and hiring process, said Special Agent Renee Vonder Haar, the FBI's spokeswoman in Denver. She doesn't know how long it will take to hire a new agent.

"I definitely know they have been talking about it, but I don't know when it will happen," Vonder Haar said.

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The Department of Justice reports its violent-crime statistics in terms of crimes per 100,000 people. Because the population of the reservations is well below 100,000, a murder rate of 75 per 100,000 does not mean there have been 75 murders in the last year.

At least two recent homicide cases from Towaoc are working their way through the courts. Samson Lameman is accused of shooting Tasha Posey after a drunken game of Russian roulette in May. Peter Begay faces second-degree murder charges for the death of 2-year-old Davery Oshley last November.

FBI Profiler Inspires Actor (USAT)

By Bill Keveney, Usa Today

USA Today, November 22, 2006

CULVER CITY, Calif. — Jim Clemente keeps a picture in his wallet of a boy he helped save as a member of the FBI's Behavioral Analysis Unit.

It reminds him of why he does his job. It reminds the actors on CBS' Criminal Minds of the real people they portray.

MIND OF A ' CRIMINAL': Criminal Minds hits its stride

"I saw that he carries this picture with him wherever he goes, and that the saving of these children is what his life is all about," says Mandy Patinkin, who became friends with Clemente during research for his role as BAU profiler Jason Gideon.

Through Patinkin, Clemente established a bond with others connected to the show, providing informal advice about profiling and the BAU.

Now, in a rare occurrence for an agent still with the FBI, Clemente has written a Minds episode, tonight's "Lessons Learned" (9 ET/PT), in which the agents interrogate a Guantanamo Bay detainee in the hope of stopping an imminent terrorist attack in the USA.

Clemente, 47, says the collaboration works well, creating an accurate picture of the BAU for the public and alerting other law enforcement agencies to its services, particularly in cases in which time is of the essence.

"In one hour, they can reach 15 million people," he says.

While researching at FBI headquarters in Quantico, Va., Patinkin couldn't quite get his hands around his role until he met Clemente, a former prosecutor who has served with the elite BAU since 1998. "It completely set me free in terms of his humanity, his nature, his kindness and concern," Patinkin says. "I pray that when I talk to him, some of it is left behind in me."

The two also had something in common: cancer. Clemente was on leave from the FBI at the time, undergoing treatment for lymphoma. Patinkin provided support, having recovered from his own bout with cancer.

"Mandy has been a great friend," says Clemente, who spoke on set in late October. With his recovery going well, he was scheduled to return to active duty in the BAU.

One tactic Patinkin learned from Clemente, included in an interrogation scene, is that engaging the subject as a human being and listening carefully can yield needed information.

"If you treat the subject with dignity and respect, that's the best way to promote interaction, to make it more likely that he will talk to you," Clemente says.

If the subject responds, profilers can pick up non-verbal clues. In the case of Middle Easterners, for example, dialect or use of certain words can tell investigators where the subject is from.

Clemente says tonight's episode is fiction, written with the advice of his nephew, a film student. In one scene based on real experience, some team members who haven't flown to Guantanamo are thrown off by the "Gitmo twist," a sharp turning maneuver necessary for landing.

Clemente used the episode to honor a BAU friend and colleague, Andrew Bingaman, who died of lymphoma the day Clemente turned in his episode outline. He named a character after Bingaman. "Andy fought cancer and terrorism with unbounded bravery," Clemente says.

Dozens Arrested In Drug Sweep (PROJO)

By Gregory Smith, Journal Staff Writer

The Providence Journal, November 22, 2006

PROVIDENCE — In an investigation aimed at especially brazen drug dealing on street corners, the city police and federal drug agents have arrested 70 people on narcotics and weapons charges and are seeking to arrest another 27.

Law enforcement authorities began rounding up the suspects last week, punctuating an investigation nicknamed Operation Crackdown that was announced yesterday. Some corners where the drug peddlers stood three, four or five deep, depending on the weather or the time of day, have been cleared, said police Sgt. Fabio Zuena.

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The operation incorporates a new approach in which seven suspects with minor criminal records were separated from the crop destined for arrest and will be offered what Police Chief Dean M. Esserman called “a second chance” to straighten out their lives and avoid another arrest.

Those seven — four juveniles and three adults — will be called into a room for a dose of “tough love” by their neighbors, community leaders and the police, Esserman said, and offered education, substance-abuse treatment and employment opportunities.

They will be told, he said: “You may not return to that corner. We don’t have to catch you. We’ve already caught you. We just have to have the [arrest] warrant signed the moment you return to that corner.” Then an array of social services will be pressed on them.

Operation Crackdown was described as unusual in its duration and scope. Beginning in April and lasting through last month, investigators researched the drug-dealing hot spots throughout Providence and focused on an area of Upper South Providence with the Lockwood Plaza public-housing development as the epicenter.

They identified 104 people as investigation targets, including the seven who are avoiding immediate arrest, and made a number of undercover purchases of cocaine and handguns. Esserman and Mayor David N. Cicilline said that list makes it “the largest narcotics and gun investigation” in Providence police history. Brian Crowell, assistant special agent in charge of the New England division of the U.S. Drug Enforcement Agency, said the 72 arrested are “the most ever targeted in a single drug investigation in Rhode Island.”

Investigators bought or seized four kilos of crack and cocaine and four handguns — there were 150 individual drug buys — and seized $38,000 in currency.

Operation Crackdown is inspired by the Urban League of Rhode Island, whose national organization wants to replicate the success of the so-called Highpoint Initiative in Highpoint, N.C. The Highpoint program, which has been popularized in academic law enforcement research, took aim at “open-air drug markets” by removing street dealers in an effort to reduce drug-related crime and violence in neighborhoods.

The new wrinkle in the Highpoint Initiative is the organized and swift offer of help to offenders who merit help, drawing in religious and other community leaders and social-service agencies.

Dennis Langley, president and chief executive officer of the Urban League of Rhode Island, said Providence was one of three cities asked to participate in the Highpoint Initiative because his chapter and Esserman are held in high esteem by his national organization. His chapter is taking responsibility for working with the seven minor offenders.

“We are not about arresting people,” Langley said at the formal announcement in the auditorium of the Public Safety Complex. “We are about changing communities and changing lives for the benefit of our society.”

Langley and police supervisors said they hope to dispel fear and reduce the feeling of disorder in certain neighborhoods by reducing or eliminating street dealing.

“Over the years we have had so many individuals complaining that we cannot live in our neighborhoods because of the drug trafficking,” Langley said.

Only time will tell, said police Lt. Thomas Verdi, commander of the city police Narcotics and Organized Crime Bureau, whether a program launched in the much smaller city of Highpoint, which is in a semirural region, can be successfully transplanted to larger cities with different demographics. Tucson and Kansas City also are trying it.

Lockwood Plaza and its immediate vicinity was chosen as the focus of the investigation, according to the police, because it was one of the more overt and busy drug markets and because the target area has numerous calls for police service. The target area is bounded by Broad, Myrtle and Dudley streets, Prairie Avenue and Stewart Street.

Thirty-three of those targeted are from in and around Lockwood Plaza, according to Esserman, which is a privately managed property of the Providence Housing Authority. The authority acquired Lockwood Plaza in a federal government foreclosure and spent $6 million to $7 million in renovations three years ago.

The housing authority tries to screen out prospective tenants with criminal records and has a longstanding policy of evicting tenants who are caught in drug-dealing or other serious crimes or who invite in relatives and friends who get involved in crime.

Although there was a target area, the probe spread citywide and arrests were made in a number of neighborhoods. Those arrested range in age from 14 to 49 years old. Most have been convicted of felony crimes and a majority are violators of their probation or parole, according to Verdi.

Nine of the suspects have been singled out for federal prosecution — the roundup was triggered last Wednesday, after a federal grand jury handed up their secret indictments — in large part because they were allegedly dealing in amounts of drugs that will subject them to harsher punishment in the federal system. The rest are to be prosecuted by the state, including the 27 not in custody but who are named in arrest warrants.

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Among the nine to be prosecuted federally are Khalid Mason, 30, formerly of Pavilion Avenue, Providence, and Derrick Isom, 31, of Dunnell Avenue, Pawtucket, who are accused of running a crack house. They led a gang of street dealers in the Lockwood Plaza neighborhood, according to Verdi.

Mason, who had been named in a Providence police arrest warrant for at least two years, was caught by U.S. deputy marshals, living under an assumed name on the Mashantucket Pequot reservation in Ledyard, Conn. While a fugitive, according to Verdi, he had lived in California and Atlanta.

The nine are: Juan "Weezy" Forbes, 20, of Knight Street, Providence, who is charged with conspiracy to distribute and distribution of at least 50 grams of crack and with three counts of being a felon in possession of a firearm; Eric Grundy, 20, of Vandewater Street, Providence, charged with conspiracy to distribute at least 50 grams of crack and distributing crack; Daniel McClain, 28, of Stanwood Street, Providence, charged with conspiring with Grundy to distribute at least 50 grams of crack and distributing at least 50 grams of crack; Donnell Jenkins, 28, of Northup Street, Cranston, charged with two counts of distributing crack, one of which involves at least 5 grams.

Also, Ronald Hill, 35, of Broad Street, Providence, charged with two counts of distributing crack, one of which involves at least 5 grams; Fernell Brown, 20, of Knight Street, Providence, charged with two counts of distributing at least 5 grams of crack; and Isom and Mason, both of whom were charged with conspiracy to distribute at least 50 grams of crack, distributing at least 50 grams of crack, and using an apartment to traffic in crack.

Conviction of distributing or conspiring to distribute at least 50 grams of crack carries a maximum punishment of life in prison.

All except Grundy have been arraigned in U.S. District Court and pleaded not guilty and are being detained. Grundy is serving a state sentence and has not yet been arraigned.

DrugNet, Chapter 4: Down Under (PHI)

The Philadelphia Inquirer, November 22, 2006

THE STORY SO FAR

Temple grad student Akhil Bansal and his dad in India are making millions smuggling pills to Americans who buy them online. Today's installment begins as DEA agents race to Australia, hoping to head off a move that could ruin their big case. It is October 2004.

ABOARD QANTAS

FLIGHT 12

DEA agent Eric Russ sprawled across three seats on a southbound 747, earplugs in, eyeshades on, sound asleep.

His partner tried to relax, too, but several hours into the overnight flight to Sydney, Carlos Aquino was wide awake. Carlos had been busting drug dealers since 1969, when he was a trim military policeman in Vietnam. But he had never worked a case so important, so complex.

And now, with just three days' notice, he was scrambling to get to western Australia.

Carlos looked into the dark Pacific sky, then pulled out a 41-page report marked "DEA SENSITIVE."

The document summarized the six-month investigation: Agents traced three packages of generic pills at the Philadelphia airport to a Chester storefront. A receipt at the storefront led them to something called Rx-mart.com, which was hosted by a Web server in Texas. Keen detective work by FBI agent Jason Huff revealed that the person paying Rx-mart.com's bill was a cocky 25-year-old named Andrew Shackleton who lived in Australia, where he appeared to run a multimillion-dollar online pill ring.

DEA believed that Shackleton used pill suppliers around the globe, including bit players such as Temple University graduate student Akhil Bansal.

DEA hoped to extradite Shackleton and charge him under a U.S. law - "operating a continuing criminal enterprise" - that carried a huge hammer, a 20-year minimum mandatory sentence. The law had been aimed for use against mobsters and drug kingpins. This would be among the first uses against Internet pill pushers.

At DEA's request, the Australian Federal Police had checked Shackleton's bank records and shadowed him in Perth. But now AFP wanted to bring Shackleton in for questioning, which could tip everyone else under investigation. It might ruin the U.S. case.

Which was why Carlos and his partner were in such a hurry to get to Perth.

MANHATTAN

Foram Mankodi, a pediatrician from Bombay, led her fiancé, Akhil Bansal, toward the Halloween parade in Greenwich Village.

A pocked goalie mask hid Akhil's broad face; he was Jason from the movie Friday the 13th. Foram, her dark hair under a peaked hat, dressed as a witch.

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The Halloween festivities, she hoped, would provide a break from their increasingly hectic lives. Akhil's workaholic ways were wearing him down.

Not only was he pursuing two master's degrees from Temple, but Akhil was also managing his father's India-based business - supplying pharmaceuticals to companies that sold them to Americans on the Internet.

In the year since he had proposed, Foram watched Akhil grow the U.S. side of the business from a two-person, 1,000-pill-a-day operation into a 10-person, 50,000-pill-a-day enterprise. Already, the intense 26-year-old had earned his first $1 million, money he used to buy a new five-bedroom, $420,000 condo in an affluent Delhi suburb.

But she didn't love him for his money. After they met at the Temple library, their first dates were visits to the Franklin Mills mall. Back then, they took walks on Kelly Drive and watched Friends and Seinfeld. Now, Akhil was promising to fly her to London for New Year's Eve.

Their parents didn't know about the engagement; the couple was going to wait until Akhil graduated and they could return to India.

Foram found Akhil, with the green tint in his brown eyes, to be handsome, brilliant, kind, genuine, confident, sure to succeed. Akhil acknowledged that he was "obsessed with achievement and perfection." His memory was photographic, his class papers top-rate. Someday, she knew, he would run a large hospital in India.

Even Akhil's jokes related to business. The doormat outside his Roxborough apartment said: "Please stay on the mat. Your visit is very important to us. Your knock will be answered in the order in which it was received."

Foram loved Akhil's directness. Before he proposed, he hacked into her e-mail account to make sure that she was true, that she really cared for him.

Akhil told her about the snooping afterward. "All is fair in love and war," he said.

She found this charming.

He had his faults, among them a quick temper. When an argument would reduce her to tears, he would wave a hand and say, "Ah, you women use tears as your weapon."

When she would tell him to stop bragging, he would say, "What is man without ego?"

Akhil cared little about politics. His passions were cars, money and music.

And although he was proud to help grow his father's business, Akhil yearned to make a name for himself. He often cited the Hindi expression upnay pairopay khada hona: "Stand on my own feet."

Foram knew that Akhil was so driven, he had trouble relaxing, even on vacation. During a trip to Niagara Falls, Akhil spent hours tethered to a laptop. When Foram urged him to join friends at the barbecue grill, he snapped, "This is important."

Later, he explained that he had just caught a German rival hacking into his computer to steal client data.

Akhil retaliated. He sent the bastard a virus.

AGRA, INDIA

Dr. Brij Bansal opened an e-mail from a Costa Rican online pharmacy operator.

Amounts you did not confirm

Sept. 20, $46,000

Sept. 23, $36,000

Monday another $40,000 will leave Cyprus. All transfers will arrive in Fleet/USA. Thanks a lot for your great business.

CENTER CITY

Beneath a red Mexican tapestry, federal prosecutor Barbara Cohan spread a DEA chart across her red desk. The diagram was dotted with mug shots, lines drawn to suggest associations.

The Australian Shackleton and his spiked, peroxided hair loomed large in the center. Web operators in five continents formed an outer ring around him. Off in a corner, with suspected couriers, was Akhil Bansal.

Barb let out a laugh. Taken together, the mug shots reminded her of the characters from the bar scene in Star Wars.

Barb had worked drug cases for 24 years, but found these suspects particularly greedy. They dispensed prescription drugs like candy. Such audacity made her smile. Her job was much more fun, she often said, when the defendants were evil.

Barb's colleague and friend, prosecutor Wendy Kelly, was on her way to Australia to join two DEA agents. With Kelly gone, Barb focused on the Indians living in Philadelphia.

Akhil was not Mr. Big, she believed, but he would do. To indict the case in federal court here, she needed a local defendant. And prosecutors preferred a dealer to a user.

Surveillance had trailed Akhil to a suspected Queens, N.Y., stash house, then to another home, where agents had videotaped Indians loading hundreds of packages onto a UPS truck.

Akhil's role wasn't clear. Yet for a young guy in grad school, his bank accounts seemed flush. When Barb subpoenaed his records, she discovered $100,000 in certificates of deposit and a free student checking account with $138,797.23.

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Large wire transfers from abroad - $35,000, $60,000, $100,000 - were routine. He wrote big checks - $3,000, $25,000, $50,000 - to cash and to a Queens company.

The money transfers weren't illegal, per se. And agents hadn't witnessed Akhil commit any crimes. But there was enough suspicious activity to ask a magistrate to authorize a search of his e-mail. When they got approval, the feds sent a search warrant to hotmail.com, the company that hosted Akhil's account.

KING OF PRUSSIA, PA.

Douglas, a husky 19-year-old computer salesman, logged on to ourprescriptionsforless.com. He lived with his mother in a small brick house within sight of the Bloomingdale's arch at the mall.

He clicked on alprazolam, a generic sedative. Douglas liked the way it cut his anxiety in social situations.

By ordering online, Douglas avoided an embarrassing doctor visit or alerting his mother, who still carried his health insurance and might see the bill.

Douglas clicked on quantity and chose 110 tablets, more than a month's supply - more than he thought he would need - just in case. These Internet pharmacies were shady, clearly illegal, and Douglas wasn't sure how long they would remain in business.

He entered his address. He liked that the pills were shipped from a domestic depot. Why risk involving U.S. Customs?

He charged $132.57 to his credit card.

The process was so easy. And why not? Wasn't the point of pharmaceuticals to help people? Weren't the major drug companies always bombarding American consumers with ads? The pitches were everywhere - magazines, newspapers, TV, billboards, banners at ballgames. Anxious? Sleepless? Limp? Have we got a pill for you.

Douglas confirmed his order, and it zipped through cyberspace.

The order shot from the online pharmacy in Romania to a credit-card processor in the British Channel Islands, where it was approved, then e-mailed to Indian suppliers in Agra, who forwarded it to a rented home in Queens, where an Indian supervisor printed it out and handed it to another Indian woman, who climbed to the second floor, took 110 tabs of alprazolam from a cubbyhole, slid them into an envelope, labeled it, and put it into a bag for pickup by UPS, which, two days later, delivered it, up the walk by the big holly tree, to Douglas' doorstep in King of Prussia.

PERTH, AUSTRALIA

The day after the Americans arrived in Perth, they shook off jet lag and turned on the diplomatic charm.

The Australians knew little about Shackleton, except that he was a shadowy figure, a former waiter suddenly rich enough to buy himself a flat and renovate his parents' home. But, Carlos explained, Shackleton had made one foolish mistake: He'd used a Texas company, not an Australian one, to host his online pharmacy and e-mail, making it easier for FBI to get a warrant to search it.

Shackleton's e-mail provided a bonanza. It appeared to show that the brash CEO of Shack Corp. ran a global pill network that netted $5,000 a day, almost $2 million a year.

Shackleton had homes in Perth; Florence, Italy; and Frankfurt, Germany. He was toying with buying a million-dollar chateau near Paris.

Houses were nice, but Shackleton's ultimate goal was amassing $800 million. He figured he could achieve this in five years if he sold 3,000 packages of Valium a day.

"It's not easy to get rich," he wrote in an e-mail to an Internet consultant. "My goal is the upper echelon of economic independence."

What struck the Americans most about the guy, besides his spiked hair, was his arrogance. He began e-mail to employees with the words, "I decree...," and signed off, "Your Lord."

He called his three main suppliers by frat-boy nicknames - the German was "White," the Hungarian "Chubbs," and the Indian "Curry."

Curry's son lived in Philadelphia.

AGRA

An e-mail from Brij to a Texan who operated Web pharmacies in Romania and South Korea:

We can supply ketamine injectible. 10mg vials. Price is $20. Pseudoephedrine tablets. We can supply pure medicinal grade ephedrine

in powder form.

Thanks, Brij.

.

The mastermind behind ourprescriptionforless.com, an English as a second language teacher, replied:

You will be getting orders. Matthew and I will be working on this in the next 24 hours.

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CENTER CITY

The day after the Australia contingent returned, Barb and Kelly met with their boss in his expansive Chestnut Street office overlooking Independence Hall. U.S. Attorney Patrick Meehan wasn't a micromanager, but he liked to be briefed on big cases.

The trip had gone well, Kelly reported, better than expected. The Aussies had agreed not to question Shackleton, but would instead tap phone lines, pull bank records, the works.

But there was more, Kelly added - something she had learned that morning.

Barb took over.

She grabbed a large white board and spun it around, revealing DEA's cluttered chart of targets.

"We've been focusing here," she said, pointing to Shackleton in the center, spokes running out to other online pharmacies.

Barb paused, reveling in the moment's drama. She pointed to the upper lefthand corner of the chart, to a smaller universe of suppliers, the Bansals. "Our focus needs to be here."

She put a finger on Akhil's mug. "Head of U.S. operations."

Mr. Big wasn't a cocky 25-year-old Australian. He was a cocky 26-year-old Indian. And, Barb said, "he's right here in our backyard."

His e-mail proved it: His father, a doctor in India, was smuggling one million prescription pills a month to America - generic Viagra, Valium, Xanax, kilos of the painkiller hydrocodone, the psychotropic club drug ketamine, the stimulant ephedrine.

Customers ordered directly from a dozen or so Bansal clients, who operated independent online pharmacies, and the Bansals filled their orders. It seemed that the son was supervising everything, Barb said, right from his modest apartment in Roxborough.

This was no Robin Hood operation - no discounting pills for the gravely ill. The Bansals, she said, charged more for their meds because they didn't require prescriptions. They sold to anyone with a credit card and a modem.

"These guys are just like street-corner drug dealers, except they use the Internet," Barb said, getting worked up. "There are dealers, suppliers, distribution networks. This is the new wave of drug dealing - white-collar drug dealing."

Meehan had recently attended a Justice Department briefing at which DEA Administrator Karen Tandy announced that online pharmacies were a priority. Here was their chance, he said. This case would make a splash.

Kelly wanted to move now - arrests, indictments, prison. The risk to consumers was too serious, she argued. The Bansals were shipping addictive, dangerous prescription pills. Maybe that Colorado woman who overdosed was part of the case. Who might be next?

Barb argued for more time. In heroin and crack cases, she noted, authorities routinely waited to gather enough evidence to take down whole networks, not just a few dealers. Why was this case different? Because it involved white-collar dealers and middle-class consumers?

Barb and Kelly agreed on one thing: They couldn't make this case alone. They needed three things:

One, help from India. Though the nation was notoriously corrupt, and Akhil's father was rich enough to pay bribes, the risk seemed worth it. Assistance from Indian drug agents would be essential.

Two, an expert to track money-laundering on a global scale. Could bureaucrats at Justice in D.C. move fast enough to send someone?

Three, a way to read Akhil's e-mail as he sent and received it. That would require an e-mail wiretap. No one in the room had ever tried that.

They didn't know anyone who had.

Video Excerpt | Surveillance Of David And Elizabeth Armstrong (PHI)

The Philadelphia Inquirer, November 21, 2006

View an excerpt from a surveillance video showing drug shipments being unloaded from an automobile. The accompanying audio has been muted at the request of investigators.

U.S. Pulls Out Of Colombian Coca Region (MH)

By Steven Dudley

The Miami Herald, November 22, 2006

BOGOTA - After several years of trying to wean farmers from the drug trade in the conflictive southern province of Caquetá, the U.S. government is winding down its funding of alternative development programs in the region.

The pullout comes amid a flurry of criticism of U.S.-backed efforts to eliminate illegal drug production in Colombia, and just before the U.S. Congress is expected to vote to continue aid for counter-drug programs in this nation of 41 million people.

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Colombia remains the largest supplier of cocaine to the U.S. market, and recent reports have suggested that production is increasing despite some $4 billion in U.S. aid for the military, crop eradication and economic development programs since 2000.

The Caquetá development programs are a small part -- $9 million in U.S. funds went to the province in five years -- of this annual aid package, but the region carries symbolic weight as one of Colombia's poorest and most notoriously guerrilla-ridden provinces.

For decades, the leftist guerrillas of the Revolutionary Armed Forces of Colombia, better known as the FARC, have dominated the area, which has 410,000 people and is a little more than half the size of Florida. They have used it as a training ground for new recruits and a launching pad for attacks.

LABORATORY

Given its background, Caquetá became a laboratory for the counter-narcotics program known as Plan Colombia, designed to dry up coca, the raw material for cocaine, and replace it with viable alternatives. The overall plan included billions in U.S. aid for military training, intelligence equipment and hardware like helicopter gunships as well as money for economic projects and infrastructure.

At first, the plan seemed to be working in Caquetá. Under President Alvaro Uribe, the Colombian military launched an unprecedented offensive of 17,000 troops that pushed the guerrillas from their traditional strongholds in Caquetá and elsewhere, and disrupted the coca economy.

Colombian police data shows a drop in coca farming in the province from 59,000 acres in 1999 to 12,000 last year. U.S. and Colombian economic programs followed, including $5.6 million from the Agency for International Development (AID), $3.9 million of which went to a project for rubber trees that benefited 579 families.

But now both parts of the effort seem to be in retreat. According to politicians from the area and analysts of the military, the Colombian army is quietly withdrawing some troops from the province. The armed forces do not comment on troop movements.

Meanwhile, the United States has stopped funding economic development programs in the Caquetá region.

"There are serious doubts about the impact of the program," said Alfredo Rangel, a former consultant with the Colombian military who now runs a think tank on security issues. ``The impression is that these programs are very inefficient."

Caquetá politicians are dismayed by the U.S. government's decision. They say the programs helped undercut the coca economy during the military offensive, but still need time to take root.

"When the coca left, the economy went into crisis," said Luis Fernando Armario, a longtime congressman for Caquetá. ``Now is when we need the economic help."

The U.S. pullout from Caquetá comes just months after reports by the State Department and the United Nations said the total coca acreage in this country is growing again. In March, the State Department said coca acreage had increased by 26 percent; in June, a U.N. report showed an 8 percent rise.

U.S. officials say that their latest survey, done primarily through satellite photos, covered more land than previously and say coca acreage is down since the plan began.

REFOCUSED AID

One U.S. embassy official here also said the Caquetá pullout -- which doesn't affect other much smaller programs in the region that focus on human rights and internally displaced people -- is part of an AID effort to refocus U.S. assistance.

"We're not pulling out of Caquetá," said the official, who wished to remain anonymous because the official is not authorized to speak in the name of the U.S. government. ``That [alternative development] program came to its natural close."

Farmers in the area disagree. Pablo Emilio Piñeda, the head of a rubber producing cooperative, says the project is far from finished. He worries that many of his colleagues will now return to growing coca.

"With this decision, many of these families are in limbo," Piñeda wrote The Miami Herald in an e-mail. ``They could easily return to sowing illegal crops."

The U.S. decision appears to have been based on a set of factors more complex than officials have publicly acknowledged.

A State Department memo on the alternative development projects in Caquetá, obtained by The Miami Herald and previously reported in Colombian media, offers a view of some of the difficulties that U.S. officials face.

The document states U.S. government workers were advised not to travel to one project in Caquetá because of guerrilla activity, and one project dealing with livestock in Caquetá had to be moved to another province because of ``security concerns."

The document also outlines the economic challenges AID is facing in places like Caquetá and argues that the same money in other provinces could benefit more families. The U.S. embassy official said this document was one of many that was used to analyze the situation in Caquetá and come to the decision to leave.

"Instead of saying this didn't work, what the mission concluded, in conjunction with the [Colombian] government, is that we can do this better," the official said.

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But critics of U.S. policy in Colombia contend that the decision to shut down development programs in Caquetá reflects a larger problem in the overall strategy.

Adam Isaacson of the Washington-based Center for International Policy says that close to 80 percent of U.S. funding for Colombia continues to be for military aid, leaving little for alternative development.

Of the $700 million annual U.S. package, for instance, AID receives around $130 million per year for projects ranging from economic development to training for justice officials and investigators.

"When they think of Plan Colombia, they don't think of job opportunities and strengthening of governments," Isaacson said of rural coca farmers. ``They think spray planes and helicopters, and I think this decision to leave Caquetá reinforces that image."

Local farmers like Piñeda agree. "It seems like they're betting on war, and that's the saddest thing about all this," he said in the e-mail.

Seneca Tobacco Merchant Agrees To Comply With Federal Demands (BUFFNEWS)

By Dan Herbeck, News Staff Reporter

Buffalo (NY) News, November 22, 2006

A prominent Seneca Nation tobacco merchant who has tangled several times with the federal government has agreed to change his business practices and forfeit $1.25 million to the government.

Scott B. Maybee, one of the largest Seneca tobacco merchants in the region, signed a recent federal court agreement promising that his cigarette companies will closely adhere to federal laws during all future sales.

The agreement is believed to be the first of its kind between a Native American mail-order tobacco business and the federal government, federal officials said Thursday.

Maybee runs three Salamanca-based companies that employ about 200 people to do mail-order and Internet cigarette sales. His business was the subject of a lengthy investigation by the U.S. Bureau of Alcohol, Tobacco, Firearms & Explosives.

In court papers, U.S. Attorney Terrance P. Flynn agreed that the government will not criminally prosecute Maybee for any activities uncovered during the investigation.

Maybee, in turn, will forfeit $1.25 million to the government, in six payments spread out over the next two years.

"[As] long as Maybee is fully compliant with all federal laws, Maybee may continue to operate his interstate cigarette business," Flynn said.

According to his attorney, Margaret A. Murphy, Maybee agreed to:

Adopt a written age-verification procedure that ensures cigarettes are only sold to adults at least 21 years old.

Guarantee that all shipments of cigarettes not bearing government tax stamps will fully comply with federal regulations.

Limit individual consumer sales to 10 cartons per order and 25 cartons per month.

Maybee said his agreement was reached after a series of discussions involving him, Murphy and Assistant U.S. Attorney Richard D. Kaufman.

Maybee's is believed to be one of the largest among approximately 200 tobacco-related businesses run by Seneca Nation members. He also runs several nontobacco businesses. In recent years, his tobacco operations have had several legal run-ins with federal agents. Maybee has never been charged criminally, but in 2004, he had to forfeit 588,000 cigarettes that had been seized during an ATF investigation.

The 34-year-old businessman encouraged other Seneca tobacco sellers to adopt similar business practices to avoid problems with the federal government, but he said he will not do anything that would harm the Senecas' rights to operate as a sovereign Indian nation.

Maybee said he will continue to fight in court against what he considers to be unfair tax enforcement actions by New York State. The cigarette companies involved are called SmartSmoker, OrderSmokesDirect and BuyCheapCigarettes.com. Maybee's agreement with the government was approved by U.S. District Judge Richard J. Arcara.

A Parting Shot From George Allen (NYT)

The New York Times, November 22, 2006

As a last little gift to America, Senator George Allen, who was narrowly defeated by James Webb this month, has introduced what may be his final piece of legislation: a bill that would allow the carrying of concealed weapons in national parks. The argument behind the bill is that national park regulations unfairly strip many Americans of a right they may enjoy outside the parks. The bill has passed to the Senate Committee on Energy and Natural Resources, where we hope it will die the miserable death it deserves.

America's confusion about the Second Amendment is now nearly total. An amendment that ensures a collective right to bear arms has been misread in one legislature after another — often in the face of strong public disapproval — as a law

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guaranteeing an individual's right to carry a weapon in public. And, in a perversion of monumental proportions, the battle to extend that right has largely succeeded in co-opting the language of the Civil Rights movement, so that depriving an American of the right to carry a gun in public sounds, to some, as offensive as stripping him of the right to vote. Senator Allen's bill is, of course, being cheered by the gun lobby, which sees it not as an assault on public safety but as a way of nationalizing the armed paranoia that the National Rifle Association and its cohorts stand for.

If Americans want to feel safer in their national parks, the proper solution is to increase park funding, which has decayed steadily since the Bush administration took office. To zealots who believe that the Second Amendment trumps all others, the parks are merely another badland, like schools and church parking lots, that could be cleaned up if the carrying of private weapons were allowed. The concealed-weapon advocates are doing an excellent job of sounding terrified by "lonely wilderness trails." But make no mistake. Senator Allen's bill would make no one safer. It can only endanger the public.

IMMIGRATION:

Governors Want More Federal Cash For Imprisoning Illegals (AP)

AP, November 22, 2006

PHOENIX - Governors of nine states, including Arizona and California, are urging President Bush to include full reimbursement for states' costs of imprisoning illegal immigrants convicted of crimes when he submits his proposed federal budget next year.

Arizona Gov. Janet Napolitano's office said she and California Gov. Arnold Schwarzenegger were spearheading the effort to increase funding for the State Criminal Alien Assistance Program administered by the U.S. Justice Department.

Until the federal government secures the border, the SCAAP funding is needed and deserved by states that have "to fill this gap by policing the regions and incarcerating criminal aliens at their own considerable expense," said the letter, which was dated Monday and released Tuesday.

Other state governors who signed the letter were Bill Richardson of N.M.; Thomas Vilsack, Iowa; Christine Gregoire, Wash.; Phil Bredesen, Tenn.; Jon Corzine, N.J.; Ted Kulongoski, Ore.; Brad Henry, Okla.; and Kathleen Sebelius, Kan. Gov. Anibal Acevedo Vila of Puerto Rico also signed the letter.

The letter is the latest in a series of steps taken publicly and behind the scenes by governors to press for increased SCAAP funding.

In July, Gregoire sent an invoice for nearly $50 million to the Justice Department for unreimbursed costs of housing criminal illegal immigrants in state prisons.

Napolitano has sent similar invoices since late 2004.

Man's Deportation To Somalia Sets Off A Wave Of Concern Over Safety (NYT)

By Nina Bernstein

The New York Times, November 22, 2006

On the evening of Nov. 2, a young corporate lawyer in New Jersey received a frantic call from a charity client, a 46-year-old Harlem grocery clerk with a history of petty crime. He was in custody on an airplane in Newark on his way to Mogadishu, the capital of his native Somalia, a country so dangerous that to the lawyer's knowledge, no one had been deported there in years.

The courts were closed, and a federal judge who heard an emergency motion the next day ruled that the clerk, Mohamad Rasheed Jama, was already outside United States jurisdiction.

So, after a stop in Nairobi, where he was handed over to Kenyans, Mr. Jama stepped off an airplane in Mogadishu — and into the hands of Islamist militants, who soon accused him of being an American spy and began demanding money.

"They were extremely angry," said his lawyer, Emily B. Goldberg, relating the last frightened call she got from Mr. Jama, who had spent four years in immigration detention in New Jersey awaiting deportation to the land he left at 18. "He asked me if there was anything I could do. I told him in the American system, there was nothing more I could do."

Mr. Jama, whose deportation was based on a 1989 conviction for owning an unlicensed gun, is among the first Somalis to be repatriated against his will since the United States Supreme Court ruled 5 to 4 last year that the lack of a functioning central government in Somalia did not bar such deportations. About 4,000 Somalis nationwide are eligible for immediate deportation under the ruling, which turned on the syntax of a Congressional statute.

The case of Mr. Jama, who has a 9-year-old American daughter in Harlem, highlights issues the nation has wrestled with for decades, such as what to do with deportable immigrants who can neither be detained indefinitely nor safely repatriated, and what should limit the government's discretion to decide their fate.

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Conditions in Somalia have worsened in recent months, moving to the brink of an all-out regional war. In June, Mogadishu was seized by Islamic militias suspected of harboring leaders of Al Qaeda. The militias, after routing warlords backed by the United States, began imposing a Taliban-like regime of strict religious courts.

A week before his abrupt departure, Mr. Jama's volunteer lawyers filed a habeas petition on his behalf, arguing that his continued detention in the Middlesex County Jail in New Jersey was unlawful because "it is simply beyond dispute that effecting his removal to Somalia would be impossible."

Michael W. Gilhooly, a spokesman for Immigration and Customs Enforcement, confirmed Mr. Jama's deportation, declining to say whether more were under way. But at a federal appeals hearing in Seattle last month, a Justice Department lawyer said that three people had been deported to Somalia since the Supreme Court ruling, after volunteering.

Because an injunction halting most such deportations was lifted in April, the government lawyer, Greg D. Mack, added, the others would be deported at the discretion of the Department of Homeland Security.

The 28 years Mr. Jama spent in New York hardly prepared him for survival under Islamic fanatics. His job history, detailed in an affidavit, includes three summers as a "jack of all trades" at Jewish youth camps in Orange County, long hours as a counter man in corner stores on upper Lexington Avenue, as well as garment work in Midtown Manhattan and a stint as a junkyard dealer on 125th Street.

His lengthy rap sheet reflects a drinking problem, he said in the affidavit, and his having adapted too well to Harlem's "street culture." Besides a misdemeanor assault and the gun possession, for which he served three years in prison, his offenses include possession of marijuana, selling beer without a license and riding a bus without paying the fare.

But in his old Harlem neighborhood around West 115th Street, he is mainly remembered as a hard worker and good father brought down by alcohol.

"He was very cool, a good dude," said Lester Robinson, 26, whose sister, Waldrina Robinson, is the mother of Mr. Jama's daughter, Ashante.

Ms. Robinson, a home attendant, said she ended a five-year relationship with Mr. Jama in 2000, but she spoke warmly of the years after Ashante's birth in 1997, when Mr. Jama changed the baby's diapers, often cared for the girl at the grocery store where he worked, and "gave me every dime" he earned.

"He was a good father — when he was there," she said.

From the government's perspective, Mr. Jama should have been gone years earlier. In 1978, when Somalia still had a central government, Mr. Jama entered the United States on a one-year visa to work with his father as a security guard at Somalia's Diplomatic Mission to the United Nations.

Left behind at 19, when his father joined his mother in London, Mr. Jama learned English, earned a high school equivalency diploma and became a permanent legal resident under the immigration amnesty enacted by Congress in 1986. But he bought an illegal handgun for protection after a cousin was killed in a robbery, he said, and was arrested for having it after an alcohol-fueled dispute with other relatives drew the police.

Mr. Jama was ordered deported in 1993. But with no foreseeable chance of deporting him to Somalia, where civil war was raging, the authorities released him under supervision. As was typical at the time, no action was taken when he stopped reporting, even when later infractions led to brief jail time.

After 9/11, attitudes changed. Mr. Jama was picked up in October 2002, as were many other Somalis. But unlike those with comparable records who were provisionally released again when deportations stopped, Mr. Jama had no lawyer until this year. Then the American Civil Liberties Union of New Jersey took the case and enlisted help from the law firm Gibbons, Del Deo, Dolan, Griffinger & Vecchione.

"I want nothing more from life than to be near Ashante and to be involved in her life on a daily basis once again," Mr. Jama wrote in his affidavit, seeking supervised release to a cousin in Queens who had found him a job in a grocery store. "Although my greatest fear is remaining in immigration detention for the rest of my life and never regaining my freedom, I am also frightened about what could happen if the United States tried to remove me to Somalia."

As a member of the Warsengeli clan, Mr. Jama faces special danger in areas dominated by other clans, including Mogadishu, a Somalia expert wrote in an affidavit. Other affidavits cited the failed deportation of Keyse G. Jama (no relation), the Somali man who had lost the Supreme Court case, only to be rejected at gunpoint at a Somalia airport and sent back to Minneapolis in the spring of 2005. A federal judge outraged at that botched operation ordered the government to "slow down its rush to act" and release him.

Keyse Jama is now in Canada, where he fled in January and applied for political asylum, which is granted to the vast majority of Somali applicants, said David Yerzy, his Toronto lawyer. "The Canadian government recognizes that their lives are in danger," he said.

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In the United States, lawyers for Somalis are asking whether Mr. Jama's deportation signals the start of a mass deportation or a warning to those facing indefinite detention that "if you use habeas, you'll be on the next flight," said Jeffrey Keyes, the Minneapolis lawyer who argued the Supreme Court case.

In Mogadishu, as far as is known, Mr. Jama is just trying to survive.

"The government demonstrated a complete disregard for my client's safety," Ms. Goldberg said. "I strongly believe that Mr. Jama is simply the first of many that will be placed in a similarly dangerous situation."

TAX:

'Blade ' Actor Wesley Snipes Calls Himself A 'scapegoat' In Tax Fraud Case (AP)

AP, November 22, 2006

ORLANDO, Fla. (AP) - Wesley Snipes has told a newspaper columnist he is being unfairly targeted by federal prosecutors who indicted him on tax fraud charges.

"It appears I'm to be the scapegoat, because there's more public interest in 'celebrities gone bad' than 'rich people being taken advantage of,'" Snipes wrote last weekend in an e-mail to Orlando Sentinel columnist Scott Maxwell.

An Oct. 17 indictment charges Snipes with fraudulently claiming refunds totaling nearly $12 million in 1996 and 1997 on income taxes already paid. The star of the "Blade" trilogy and other films was also charged with failure to file returns from 1999 through 2004.

According to the indictment, Snipes had his taxes prepared by accountants with a history of filing false returns to reap payments for their clients. The firm, American Rights Litigators, would receive 20 percent of refunds from clients, according to the indictment.

If convicted, Snipes, 44, faces up to 16 years in prison.

"I will abide by the law, seek the protections the law affords me and, as always, seek the advice of competent council in effort to resolve this issue," Snipes wrote to the columnist. "I'm not running, I'm not a fugitive, despite the misrepresentations in the press."

Snipes is said to be in Namibia filming a movie.

"There is no deal that has been worked out," U.S. Attorney's Office spokesman Steve Cole said Monday. "The only thing we have discussed is coming back to face the charges."

CONGRESS-ADMINISTRATION:

Social Security Up For Discussion (WP)

By Lori Montgomery

The Washington Post, November 22, 2006

With the elections over and Democrats poised to take control on Capitol Hill, the Bush administration is making a fresh push to persuade them to help rein in the rising costs of Social Security and government health-care programs by offering to open talks with "no preconditions."

Treasury Secretary Henry M. Paulson Jr., the president's point man on Social Security and other entitlement programs, said in an interview yesterday that he has had "a number of . . . very, very general, very preliminary conversations" with lawmakers from both parties about the issue since Election Day, Nov. 7.

So far, "it's too early in the aftermath of the election to know whether we're going to get traction," Paulson said, adding that he is "going to make a huge effort to persuade people to engage in a bipartisan discussion where we don't precondition our discussion."

"No preconditions," Paulson said, means both sides get a chance to put their ideas on the table. In regard to Social Security, administration officials said that means President Bush will continue to advocate that younger workers be allowed to divert a portion of their Social Security taxes into private retirement accounts, a proposal Congress roundly rejected last year.

It also means that the White House is willing to listen to other ideas, administration officials said, including personal savings accounts that do not involve diverting Social Security taxes, as well higher payroll taxes to help cover a projected explosion in Social Security costs after members of the baby boom generation begin to retire in 2008.

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"We're in a listening mode," said Rob Portman, director of the Office of Management and Budget, who has also been spending a lot of time since the election talking to key Democrats about entitlements. "The president wants to listen. He wants to hear what the leaders on Capitol Hill think is the best way to go. He's not wed to any particular approach."

Political analysts said the outreach campaign is a sign that Bush may be willing to compromise to make progress on Social Security, an issue he has consistently identified as one of the top priorities for his second term. Weakened by low approval ratings, a chaotic and unpopular war in Iraq, and his party's loss of control of both houses of Congress for the first time in 12 years, Bush may see Social Security as an issue on which he could score points before leaving office in 2009, analysts said.

Bush's former chief economic adviser, Lawrence B. Lindsey, added to that speculation on Monday, after writing in the Wall Street Journal that Bush "may be willing to raise taxes as part of a 'deal' on entitlement reform." Specifically, Lindsey wrote, the administration might agree to lift the cap that limits Social Security payroll taxes to the first $90,000 of income, thereby raising total taxes, but not tax rates, for high-income workers.

"Bush has been on a losing streak. The question is: Is he going to attempt to save his legacy by giving the Democrats everything they want on Social Security and passing a big Social Security bill with his name on it?" said Kevin A. Hassett, director of economic policy studies at the American Enterprise Institute. "It could be that's what we're looking at next year."

While Paulson and Portman are talking about consensus, some Democrats worry that Bush is still determined to pursue the idea of private accounts. Many of them oppose such accounts on the grounds that they would weaken Social Security overall. That fear was fanned last week when Bush appointed Andrew G. Biggs, a proponent of Social Security privatization, to the agency that runs the program.

"This nomination of Biggs is very troublesome," said Rep. Sander M. Levin (D-Mich.), who is in line to chair a House subcommittee on Social Security. "The president is sending signals that what he's really after is privatization. And that's just a non-starter."

Other Democrats want Bush to explicitly put taxes on the table, including elimination of some of his signature tax cuts, instead of focusing exclusively on restraining the escalating costs of Social Security, Medicare and Medicaid. The big three entitlement programs eat up 8 percent of the country's total economic output and are projected to double in cost over the next 50 years, creating a budget hole that must be shrunk by cutting benefits or filled by raising taxes.

Rep. Charles B. Rangel (D-N.Y.), who is to chair the tax-writing House Ways and Means Committee, had lunch last week with Paulson and said he came away impressed. The secretary, he said, is "a straight shooter" who agreed to attend a retreat that could take place as early as February where Ways and Means committee members will look for common ground with the administration on fiscal issues. But entitlement reform is unlikely to be part of those discussions, Rangel said.

"I don't know whether we're secure enough with each other to start on these very sensitive issues," he said.

Also yesterday, the White House released its final economic forecast before submitting its budget for fiscal 2008. In a conference call with reporters, Edward Lazear, chairman of the Council of Economic Advisers, said Bush's top economic advisers, like many private forecasters, expect the economy to grow a bit more slowly next year, at an annual rate of 2.9 percent. That would be a bit below the average growth rate of the past three years, when the economy grew at an annual rate of about 3.2 percent.

Compromised (WSJ)

By Lawrence B. Lindsey

The Wall Street Journal, November 20, 2006

During the recent off-year elections, the president repeatedly pointed to the booming economy and noted that his tax cuts were responsible. With growth strong and unemployment low despite the ending of the stock-market bubble, terrorist attacks and the war in Iraq, he had every reason to be proud. Moreover, both economic theory and the actual timing of the economic revival support his claims regarding the tax cuts.

That is why it is so odd that rumors swarm around Washington that the president may be willing to raise taxes as part of a "deal" on entitlement reform. In particular, the rumors suggest the president might be willing to get rid of the provision that caps the income level used to compute Social Security taxes and benefits. These rumors aren't without substance; last year the president would not rule out raising the cap when asked.

Doing so would raise the marginal tax rate on the entrepreneurs that Mr. Bush credits for having led the economic recovery by more than 10 percentage points. The new effective rate would be five percentage points above the level when he took office. Moreover, in 2011, the rate would go up a further 4.3 percentage points to an effective 53% marginal rate on entrepreneurial income. The president would thus be not just raising taxes on entrepreneurs to well above the levels that prevailed in the Clinton administration, but to a rate higher than that which prevailed in the Carter administration. Most of the improved incentives for entrepreneurship and work brought about under Reagan would be repealed.

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Should the president do this, he doubtless would be thinking that saving Social Security would be worth the price. He would be wrong. In practice this idea would both destroy the basis on which Social Security was started and fail to produce the expected revenue that supposedly would save the system. Social Security was set up as a contributory pension plan, not a welfare scheme. Benefits are linked, by statutory formula, to contributions. Congress and the president could choose to maintain this relationship. Traditional supporters of Social Security like AARP have long insisted on this link and argued against turning the program into another welfare plan by ending the linkage between contributions and benefits.

There are two problems with that approach. First, an increase in the cap on taxes and benefits would produce very little net revenue for the system. Even if one assumed higher taxes did not hurt the economy, the increased benefits would consume much of any increased revenue. Second, the benefits that high income people would get would be politically unsustainable. A retiree who earned a million per year would receive a monthly Social Security benefit of $13,500. This is politically unimaginable. So, expect both the universality of Social Security and the link between taxes and benefits to go, and this most enduring element of the New Deal to become a welfare program.

But it is the damage to the economy and to the fiscal system that is more important. Economists differ on how much such a dramatic increase in tax rates on entrepreneurs would damage the economy. Certainly given the statements of the president earlier this year he believes it would be significant. Consider some figures.

Published IRS data from 2004 show that taxpayers with incomes over $100,000 earned $1.9 trillion in wages, salaries, bonuses and self-employment income. Of that, roughly $800 billion was above the Social Security maximum tax threshold. Levying the 12.4% Social Security tax on that income would produce $99 billion in revenue. Of that, employers and the self-employed would be able to deduct half of that tax from their corporate or personal tax returns. Thus, $17.4 billion of the $99 billion would not be a net gain to the Treasury, but a transfer from the general fund to the Social Security trust fund. So the net gain to the government would have been about $82 billion in 2004.

That assumes that taxpayers would not have changed their behavior when their marginal tax rate rose to 48.6% from 38.4%. No one believes that, although economists do disagree on how much. These are a very sophisticated group of taxpayers with both the knowledge and the means to adjust to taxation by changing the form of business, converting income to capital gains, or other methods. A cautious estimate that enjoys wide acceptance in the tax community says that for every 1% reduction in the share of their income they take home, high income individuals cut their taxable earnings by four-tenths of a percent. My own research from the Reagan tax cuts indicates the response by this group is higher, roughly seven-tenths of 1%.

Although these numbers may seem small, when they are applied to a massive tax rate increase like this, they can have important ramifications. Remember, taxpayers will be seeing the share of income they keep dropping from roughly 61 cents on the dollar to just 51 cents -- and that is before state taxes are figured in. This implies a decline in the tax base of between 7% and 13%.

Under the lower assumption, total federal revenues would only increase by $27 billion, with the behavioral response of taxpayers offsetting 70% of the static revenue increase. True, Social Security tax revenues would still rise by $82 billion, but this would be offset by a net decline in personal income taxes of $55 billion. Under the higher assumption about a behavioral response, total federal revenues would decline. While Social Security taxes would rise by $69 billion, personal income taxes would drop by $95 billion.

Whatever one's assumption, lifting the Social Security tax cap would have to be viewed as an economically and fiscally risky proposition. I seriously doubt that the president would be interested in agreeing to a deal that purports to "save Social Security" when the reality is that it seriously undermines the economic and fiscal basis that underpins the system.

There is another argument that the president will have heard that might persuade him to do what the rumors say he is considering: fairness. It is true that high income earners do not pay Social Security taxes on all of their earnings. As already noted, it is also true that they do not receive benefits on those earnings. So, if you think that Social Security should be a welfare program with benefits unlinked to contributions, then in a sense this may be unfair.

But, consider the total tax system. An urban myth has arisen that the so-called "rich" do not pay their "fair share" of taxes despite the fact that the top 10% of taxpayers pay 68% of federal income taxes in the country. A comparison between a relatively high-income entrepreneur, of which I am one, and a "typical" worker might be illustrative.

Last year an entrepreneur similar to me would have paid federal taxes equal to 33.9% of total income. That is, income before any exemptions, exclusions, adjustments or deductions. By this measure all of the fringe benefits that an entrepreneur provides himself as a self-employed individual are included in income. His federal income taxes and the employer and employee shares of his Social Security taxes are all counted as "taxes."

For comparison, consider a married worker earning a salary of $75,000, who like our entrepreneur, has three children. To compute his total income on the same basis, I gave him the same level of benefits as an average worker and the same level of

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capital income as others making his income. I also followed convention to impute to him both his own Social Security taxes and all of those paid by his employer. On that basis, his average tax rate was 14.5%.

Based on a 40-hour week, while he finishes paying his Federal taxes on Monday afternoon at 2:48, our entrepreneur will work all day Monday until about the same time on Tuesday until he finishes, another full day. If the plan to eliminate the cap on Social Security earnings is adopted, he will work all day Monday, all day Tuesday, and then Wednesday morning until 10:26 to finish paying his federal taxes. Then he can start paying his state taxes.

That assumes he keeps working as hard as he is and doesn't rearrange his income to take more fringe benefits or shelter it in other ways. This suggests another way to think about just how risky this plan is. Using those 2004 figures cited above, all it would take would be for one of these workers in ten to decide it wasn't worth it to work until 10:30 Wednesday morning just to pay Uncle Sam and this plan the president is reportedly considering would actually cost government tax revenue. Don't make it too tough on him, or Atlas may actually decide to shrug.

Mr. Lindsey, president and CEO of the Lindsey Group, was President Bush's chief economic adviser from 2001 to 2002.

Will Bush Bargain To Save Social Security? (WSJ)

By Jackie Calmes

The Wall Street Journal, November 22, 2006

WASHINGTON -- President Bush tried and failed to fix Social Security's long-term finances with his own party in control of Congress. His determination to keep trying, even as Democrats take over, is fueling speculation that he is ready to meet their price for coming to the bargaining table: dropping his goal of letting workers create private retirement accounts.

While Democrats don't take over the House and Senate until January, already some in both parties are reading tea leaves for signs of administration flexibility, including in recent remarks by Treasury Secretary Henry Paulson and White House Chief of Staff Josh Bolten.

Were the president to drop private accounts and call their bluff, Democrats would be challenged to make good on their professed willingness to help ensure Social Security's solvency.

Both sides acknowledge that a combination of reduced future benefits and higher revenues will be necessary eventually. As more Americans reach retirement age, Social Security will soon bring in fewer revenues from workers' payroll taxes than it sends out in benefit checks to retirees, workers' survivors and the disabled.

For Mr. Bush, private accounts are a way of reducing Social Security's future obligations, and central to his concept of an "ownership society" in which Americans rely less on government.

Democrats, along with the seniors group AARP, oppose personal accounts because they would initially require heavy government borrowing, and could leave future retirees at risk of market downturns.

Except for the Iraq war, perhaps no other issue so tests whether Democrats' capture of Capitol Hill in this month's midterm elections will cause Mr. Bush to alter what has been a largely partisan and uncompromising governing style. At the same time, any compromises cut with the Democratic majority are sure to cost Mr. Bush the support of many Republicans, especially in the House.

Publicly, the White House isn't budging. "Private accounts are part of our proposal and we're interested in having others put things on the table, not taking things off," says administration spokesman Dana Perino.

For those who nonetheless see a Bush concession ahead, perhaps the biggest reason is this: If Mr. Bush doesn't drop private accounts, it is virtually certain that nothing will happen on Social Security, the issue he has called the top domestic priority of his second term. Democrats say Mr. Bush also must finally spell out exactly what future benefit reductions or revenue increases he could support.

Another factor is the arrival of Mr. Paulson, who joined the Bush cabinet last summer. The former Goldman Sachs chief executive has said a priority will be tackling government spending for health care and Social Security -- "the biggest economic issue facing our country."

Democrats and Republicans agree that Mr. Paulson wouldn't have taken the Treasury post -- especially after Mr. Bush's previous two secretaries were routinely undercut by the White House -- without assurance that he would have significant influence.

Mr. Bush, in his press conference the day after Republicans lost their House and Senate majorities, said he had "instructed Secretary Paulson to reach out to folks on the Hill to see if we can't at least get a dialogue started" about Social Security and the other costly entitlement programs, Medicare and Medicaid. Last week, Mr. Paulson met at the Treasury with Rep. Charles Rangel, the New York Democrat who will be chairman of the House Ways and Means Committee, which has jurisdiction for Social Security as well as tax and trade policies.

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Mr. Rangel says the two had "a very good and very long" meeting but only discussed generalities. "I don't want to be the first one to say what's off the table, what's on the table," he adds.

Democratic Sen. Max Baucus of Montana, who will chair the Senate Finance Committee that handles Social Security, will amplify Democrats' opposition to private accounts when he has dinner with Mr. Paulson Dec. 5, an aide said.

This week, in a speech to the Economic Club of New York, Mr. Paulson dodged a question about the Democrats' demand that the administration drop the private-accounts idea. "Only by taking a bipartisan approach, not conditioning the discussion" might an agreement be reached, he said.

Some listeners wondered whether Mr. Paulson was signaling administration willingness to quit prescribing the accounts. Administration officials privately said that wasn't the case. Still, a Treasury official said Mr. Paulson wants to approach the issue with an open mind and will suggest to lawmakers, "Why don't we start talking and see where we go, as opposed to prescribing things right away?"

Chief of Staff Bolten got a similar query about private accounts when he spoke last week before more than 100 people at a dinner of the board of the Brookings Institution, a policy think-tank. According to one attendee, Mr. Bolten "came as close as he could in a quasi-public setting to saying that carve-out accounts could be dropped if that were the price of reform." A second audience member supported that interpretation.

After his 2004 re-election, Mr. Bush spent much of 2005 campaigning nationwide for Congress to pass a law allowing younger workers to divert a portion of their Social Security payroll taxes to personal accounts. He argued that workers' investment earnings could offset the regular Social Security benefits they would agree to forego at retirement. Eventually Mr. Bush acknowledged that the accounts alone wouldn't make Social Security solvent, and that additional benefit reductions and perhaps tax changes would have to be made.

Republicans never attempted to write a bill. Without some Democrats' support, they wanted no part of acting alone to cut future benefits and raise taxes on upper-income workers, for fear they would lose their congressional majorities. They lost them anyway this month, as voters rebelled against corruption and partisanship, over-spending and the war in Iraq.

Messrs. Rangel and Baucus each tried to get Mr. Bush to drop private accounts in the past. Mr. Rangel tried at a White House encounter in April 2005. He said afterwards that Mr. Bush sternly replied, "I'm the president, and private accounts will stay on the table until I leave." Mr. Rangel said the president also predicted -- incorrectly, as it happened -- that Democrats would pay politically if they obstructed him.

As Premiums Rise, Social Security's Staffing Level To Be Tested (WP)

By Stephen Barr

The Washington Post, November 22, 2006

Staffing problems at the Social Security Administration could make it difficult for field offices to handle increased telephone calls and visits prompted by an upcoming increase in Medicare premiums, according to the Government Accountability Office.

Social Security began mailing notices of the higher, income-based premiums on Monday and expects all 1.6 million affected enrollees to have them in hand by the end of next week. Enrollees may request a recalculation of their premium if they think incorrect tax data have been used to determine their income and set their premium, or if they have recently experienced an income loss from a spouse's death, a divorce or some other "life-changing event."

In a letter sent last week to the Senate Finance Committee, the GAO warned that Social Security is coping with staff shortages and operating under a hiring freeze just as the agency's workload is expected to jump because of the premium increases. The GAO, the congressional auditing agency, noted that the premium change, though approved by Congress in 2003, may come as a surprise to some beneficiaries.

Mark Lassiter, a Social Security spokesman, said the agency plans to shift workloads among field offices if some offices "are getting disproportionately hit" by telephone calls and visits from Medicare beneficiaries.

He expressed confidence that the agency's 1,300 field offices will be able to handle any surge in work. "We do the work we are assigned to get done," he said.

Congress changed how Medicare Part B premiums are calculated starting next year and reduced the government's contribution toward premiums for higher-income beneficiaries -- defined as individuals with incomes of more than $80,000 and married couples who file joint tax returns showing incomes of more than $160,000. In the past, premiums increased on a uniform basis, regardless of income.

Medicare Part B covers doctors' services, certain outpatient services and some home health care. Most people do not pay a Part A premium, which covers hospitalization, because they or a spouse have 40 or more quarters of Medicare-covered employment.

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For 2007, a person with income of $80,000 or less and a married couple with income of $160,000 or less will pay $1,122 in annual Part B premiums.

Persons with incomes of $80,001 to $100,000 and couples with incomes of $160,001 to $200,000 will pay $1,269.60 in Part B premiums next year.

At the top of the scale, individuals with incomes of more than $200,000 and couples with incomes of more than $400,000 will pay $1,936.80 for Part B coverage.

Premiums are set by the Centers for Medicare & Medicaid Services, and the Social Security Administration is responsible for determining and assessing the Part B income-based premiums.

The GAO said implementing income-based premiums will cost Social Security an additional $200 million in administrative expenses between fiscal 2006 and 2010.

The extra work comes at a tough time for the agency. Social Security has adopted a hiring freeze because Congress has not been able to complete work on the agency's fiscal 2007 appropriations bill. Agency officials also have warned that it could be forced next year to send employees home without pay, perhaps for as long as 10 days, if Congress does not reverse proposed budget cuts.

Jim Manley, a spokesman for Sen. Harry M. Reid (D-Nev.), the incoming Senate majority leader, said Republican leaders had informed Reid's office that the Senate will postpone work on appropriations bills until next year.

A spokeswoman for Sen. Bill Frist (R-Tenn.), the current majority leader, did not return a telephone call or e-mail inquiry.

If spending bills are put off until next year, Congress will have to pass another continuing resolution, or interim spending measure, to keep the government operating into 2007. The current CR expires Dec. 8.

Some cash-strapped agencies will probably have to petition Congress for adjustments in their spending levels before a long-term CR is adopted. Typically, interim funding measures finance agencies at their current level or at a lower level, depending on budget proposals pending in Congress.

"This guarantees there will be a tussle over funding levels," Manley said.Postal Talks to Continue

The U.S. Postal Service and its four largest unions have agreed to extend contract talks in an effort to reach negotiated settlements, postal spokesman Gerald J. McKiernan announced.

The contracts expired at midnight Monday, but their terms and conditions continue until new pacts take hold. More than 616,000 postal employees are covered by the contracts.

Dems Unlikely To Block Gates Nomination (AP-Y)

By Anne Plummer Flaherty

AP, November 22, 2006

When Robert Gates testifies before a Senate panel in two weeks, Democrats will voice their opposition to administration war policies and gauge Gates' willingness to change them. But they probably won't stand in his way to becoming the next defense secretary.

Democrats have begun lining up behind Gates, indicating they are inclined to vote for him if he meets two general criteria: He agrees a new approach in Iraq is needed and demonstrates he will hold sufficient political clout at the White House.

"We really do have to get a strong signal that he has been given a free hand to make whatever changes he thinks appropriate, and that within the administration he will have unimpeded access to the president," said Sen. Jack Reed, D-R.I., in an interview Tuesday. "Those things are critical to success."

The senators say they are not immediately opposing Gates largely because his confirmation would lead to the departure of Donald H. Rumsfeld, the Pentagon chief who led the U.S. invasion in Iraq and staunchly defended the war even as public approval plummeted.

The initial support of Bush's nominee comes even though Gates is the same man once accused of distorting intelligence for political reasons — a primary charge Democrats level against the Bush administration in the war in Iraq.

In 1991, 31 Democrats voted against confirming Gates as CIA director, citing charges he had pressured intelligence analysts to develop conclusions that fit President Reagan's policies and turned a blind eye to the Iran-Contra scandal, in which arms were sold to the Iranians and the cash used to supply the Nicaraguan Contra rebels.

Twelve of the senators who rejected Gates 15 years ago remain today, including Carl Levin, D-Mich., Joseph Biden, D-Del., and Jay Rockefeller, D-W.Va.

Also not working in Gates' favor is a career built more on ending the Cold War than on Middle East expertise, and his lack of experience managing a budget and staff as large as the Pentagon's, the government's biggest.

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But when Bush announced Gates' nomination on Nov. 8, Democrats began extending their support. Sens. Harry Reid, D-Nev., who will be majority leader next year, and Daniel Inouye, D-Hawaii, who will head the panel that oversees the Pentagon's budget, said they hoped Gates was swiftly confirmed, while Biden said he was inclined to vote for him.

Reed and other Democrats say they will focus more of their attention on Gates' views of Iraq than his dealings in the intelligence.

"I will be watching the upcoming confirmation process very carefully to discern whether Mr. Gates has the capacity to both listen to and lead our military in a new direction," said Sen. Christopher Dodd, D-Conn.

Inouye, who with Sen. Ted Stevens met with Gates on Monday, said he had known Gates for at least 30 years and that he would vote for him as he did in 1991. He said he and Stevens, R-Alaska, top members of the defense appropriations subcommittee, used the meeting to assure Gates he would not play politics with military funding.

"I expect him to be confirmed," Inouye said.

Other Democrats — including Levin, who next year will chair the Armed Services Committee, Sen. Hillary Rodham Clinton and Sen. Edward M. Kennedy — are holding their cards close on Gates but say they are eager to see if he is willing to advocate a new Iraq policy. Clinton, D-N.Y., and Kennedy, D-Mass., are expected to meet with Gates in the next few weeks.

"The one thing he has going for him ... is that we want the change to take place very quickly," said Reid. "So it's to our interest to have this change at the head of the Defense Department as soon as possible."

According to an AP-Ipsos poll released Tuesday, only 31 percent of Americans approve of Bush's handling of Iraq.

Democrats say they are impressed by Gates' willingness to work with their party. Gates is a member of the Aspen Strategy Group, a bipartisan group of former senior U.S. officials and policy experts who meet regularly to discuss international affairs. Also, before being nominated by Bush, Gates was a member of a high-profile bipartisan panel assessing options in Iraq.

Reed, a senior member of the Armed Services panel, on Tuesday called Gates a "realistic voice on foreign affairs and somebody who deliberately tries to draw upon a cross section of views." He said he also was impressed Gates was willing to step out of private life to take on the challenge of Iraq.

"Those are all good qualities. There's a huge task facing him," Reed said.

Norman Ornstein, a political scientist at the American Enterprise Institute in Washington, said he was not surprised. To oppose Gates or focus too much on his past at the CIA would be to pick the wrong battle with Bush if Democrats want Iraq policy to change, he said.

"I think they'll want to look forward," Ornstein said.

Draft Viewed As Impractical, Unnecessary (USAT)

By Matt Kelley

USA Today, November 22, 2006

WASHINGTON — Turning conscripts into battle-ready troops would take a year or more in the unlikely event the government revived the draft, military experts say.

Rep. Charles Rangel, D-N.Y., said this week that he will reintroduce a bill he sponsored in 2003 that would reinstate the military draft. Defense Secretary Donald Rumsfeld and other military leaders, however, oppose the plan and call a draft neither necessary nor practical. House Speaker-elect Nancy Pelosi also said Monday that she opposes the plan.

Rangel doesn't expect Congress or President Bush to support reviving the draft, says Emile Milne, the congressman's spokesman. Instead, Rangel wants to spark a “discussion among the people who represent the American people here in Congress.”

If the draft resumed, draftees wouldn't join the military for at least six months. The nation's dormant draft law gives the Selective Service System 193 days to deliver the first inductees following the revival of conscription.

Fully training those troops would take months more. The Army starts with a nine-week basic training course that's followed by individual training that lasts another month for the infantry, two months for tank crews or three months for military police.

The nation has a much smaller military than in 1970, when the transition to an all-volunteer force began. Then, the United States had a population of 205 million and more than 3 million active-duty troops. Now, out of a population of about 300 million, there are fewer than 1.4 million active-duty troops.

A smaller military would have a harder time absorbing tens of thousands of new draftees, says Bernard Rostker, a former Pentagon personnel chief and Selective Service director.

“We don't have the training bases,” says Rostker, now with the independent RAND Corp. think tank. “If you draft people, where are you going to put them?”

The military has closed or realigned dozens of military bases, including several training facilities, since 1988. It has also significantly reduced its number of overseas bases. A 1999 report concluded that the military would have to rebuild some

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buildings at dormant or realigned bases, but could train and field a force equivalent to the 1987 military with the bases it has. The military had about 2.2 million active-duty troops in 1987.

Rangel says a draft would ensure that families of all backgrounds and income levels share in the sacrifices that a war demands. Rostker disagrees. He says that because “there are a lot more poor people than rich people” in the country, the poor would still be disproportionately represented.

“I don't see how that would be considered equitable,” Rostker says.

Volunteers are more reliable in combat, retired brigadier general Nick Halley says. He commanded a unit of mostly draftees as a young officer during the Vietnam War and a larger group of volunteers during Operation Desert Storm in 1991.

The troops in Vietnam were valiant, Halley says, but those in Desert Storm had better skills and motivation. “If the purpose of the military is combat readiness, the draft is not the way to do that.”

Behind Talk Of A New Draft: Equity (CSM)

By Brad Knickerbocker

The Christian Science Monitor, November 22, 2006

The burden of war is never equitable.

Thousands of American troops have been killed and wounded in Iraq and Afghanistan, and many thousands more will bring home at least some of that burden. But most Americans experience no direct or even indirect cost of a war soon to last longer than World War II.

Would reinstituting the military draft even things out, spreading the responsibility while influencing politicians to think twice before sending men and women into harm's way?

Rep. Charles Rangel (D) of New York thinks so. Challenging Iran and North Korea as well as increasing the US force level in Iraq to try to stem the heightened violence there can't be done without a draft, says Mr. Rangel, a Korean War combat vet. He has dusted off his proposal to bring back conscription, which was suspended in 1973.

Rangel's bill is unlikely to go far in Congress, where opposition reflects public opinion. But his proposal does raise important questions about how the armed forces are put together today and how the US military operates.

"I do think we need a draft," says Charles Moskos, military sociologist and professor emeritus at Northwestern University. "Our country is experiencing what I call 'patriotism lite.' Nobody's willing to sacrifice anything. We don't even have gas rationing. Congress votes to go to war, but won't send its own children. We don't have enough troops. We've used reservists and the National Guard in an unprecedented manner."

Then there's the element of economic and social privilege as relates to military service today, says Dr. Moskos. In his 1958 Princeton University class of 750 men, more than 400 served in the military, he says, including many who went on to distinguished careers in business, education, and government. In Princeton's most recent graduating class of about 1,100 men and women, nine entered the military.

"These are not by any means bottom-of-the-barrel soldiers today," says Moskos, who was drafted into the Army after graduation. "But they are working-class and lower-middle-class young men and women."

In congressional testimony last week Army Gen. John Abizaid, top commander of US forces in the Middle East, acknowledged that former Army Chief of Staff Gen. Eric Shinseki was right when he said at the beginning of the war that several hundred thousand troops would be needed to occupy Iraq. But General Abizaid also said that increasing troop levels in Iraq now, as Sen. John McCain (R) of Arizona and others have called for, would put "a tremendous strain" on the military. Most military experts find no legitimate reason to bring back conscription.

"A draft would induct far more people than are needed by the military if it were universal, posing the question of what to do with all the surplus draftees - a million or so," says military analyst John Pike, director of globalsecurity.org. "It would be politically very disruptive if it were a lottery with only 1 in 10 getting called."

Even should there be a draft, it would take many months before new draftees could begin to fill the need in Iraq, says retired Army Col. Dan Smith, senior fellow at the Friends Committee on National Legislation, the Quaker lobby in Washington.

First, there would be prolonged congressional debate, likely followed by legal challenges over exemptions and the general fairness of the system, says Colonel Smith, a West Point graduate and Vietnam War veteran. Then it would take more time to develop training programs and produce equipment.

"These are the practical constraints," he adds. "Sociologically, I don't think the country will stand for reinstituting the draft over a threat that is not mortal."

There are philosophical and ethical issues involved as well.

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A draft "contradicts the principles of a free society by coercing people to fight for freedom," says Ivan Eland, national security analyst at the Independent Institute in Oakland, Calif. "Soldiers who want to be in the military do a better job than those who don't, and the military services know it."

As with Vietnam, public concern about the possibility of conscription is useful to those who oppose the Iraq war.

"It seems to me the issue is about making it more difficult for policymakers to use the military instrument without full support of the American public," says retired Air Force Col. Sam Gardiner.

Retired US Naval Reserve Capt. John Allen Williams agrees.

"Rangel's bringing it up for political reasons," says Dr. Williams, a professor of political science at Loyola University Chicago. "But you know what? He's right. If we have some mechanism that links the military to civilian society in a way that spreads the burden around when you use the military, it's less likely to be used. On the other hand, once it is used it's more likely to be used in a total way - people are going to want to get it over with."

Military sociologist Moskos's answer is a three-tier system of required public service for all young men and women: uniformed military service, homeland security jobs (guarding borders, ports, nuclear plants, and other sites), or civilian tasks such as teaching in poor neighborhoods and helping the elderly.

No school loans or other education benefits should be awarded unless the recipient serves in one of those three areas for a year or two, says Moskos.

Still, at this point in a drawn-out war with no clear light at the end of the political and military tunnel, a return to the draft seems unlikely.

"It is too late to win popular support for conscription," says Loren Thompson, a national security expert at the Lexington Institute in Arlington, Va. "The public has turned against the war. Proposing a draft now will simply hasten the collapse of domestic support for the war effort."

No Sugarcoating 'Hunger' (WP)

By Elizabeth Williamson

The Washington Post, November 22, 2006

It's Thanksgiving, a week since the U.S. Department of Agriculture released its annual hunger -- er, food security -- report, and it's likely that a few folks in the department are ready for a holiday break.

For the first time, the USDA's annual report on Americans' access to food omitted the word "hunger" in describing the condition of 11 million people who at times can't afford to feed themselves. These people, among a group of 35 million who had trouble keeping food on the table at least part of last year, shall heretofore, according to the government, be described as experiencing "very low food security."

That raised hackles on the Hill, where Rep. Joe Baca (D-Calif.) initiated a letter to the USDA signed by 64 lawmakers, all but one of them Democrats, asking to "better appreciate your response" to the following questions:

"1. Before making the decision to replace the term "hunger" with "very low food [security]," did USDA consider the possibility that this decision might influence key nutrition policy debates, media perception, and/or philanthropic efforts?

"2. If so, who did the Department speak with? Were any legislators, policy experts, or anti-hunger advocates involved in this decision?

"3. And if these parties were consulted, what were their recommendations?"

The letter was sent Monday, and the agency has not responded.

Mark Nord, a USDA sociologist and the lead author of the report, repeated this week that "hunger" is not a scientifically quantifiable term. He had made that contention earlier in a Washington Post article, saying that the word was removed after a panel of scientists recommended doing so.

Nord said that the Post story was too "tongue in cheek, given the gravity of the issue," and that it suggested the agency was unsympathetic.

Far from it, he said: "USDA has more money in food assistance than in farming and forestry programs combined."

John Brennan, spokesman for Bread for the World, an anti-hunger advocacy group, said: "It's an issue that a lot of politicians have paid lip service to, but now since it's come front and center . . . it's an issue they're starting to embrace."

Rep. Jim McGovern (D-Mass.), co-chairman of the Congressional Hunger Caucus and a signer of the letter to the USDA, said that especially in countries such as the United States, which grows more food than it needs, "hunger is a political condition." Calling hunger by any other name "makes it more difficult to get that political will and to get the action you need to deal with the issue," he said.

Nord has denied that removing the word from the report was a political act.

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HHS Nominee Has Prescribed Birth Control (WP)

By Christopher Lee

The Washington Post, November 22, 2006

Despite his work for a Christian pregnancy counseling group that opposes contraception, the physician who yesterday began overseeing federal family-planning programs has prescribed birth control for his patients, a Department of Health and Human Services spokeswoman said.

Eric Keroack, a nationally known advocate of abstinence until marriage, served for more than a decade as medical director for A Woman's Concern, a Massachusetts nonprofit group that discourages abortion and does not distribute information promoting birth control. But HHS spokeswoman Christina Pearson said yesterday that most of Keroack's professional time had been devoted to his private practice of 20 years, not the group.

"When he was in private practice as a doctor, he did prescribe birth control," Pearson said. "And he did family planning with patients at their request as part of his private physician role." She said Keroack has prescribed contraceptives for both married and unmarried women.

Democrats and family-planning advocates have panned the Bush administration's selection of Keroack to oversee HHS's $283 million reproductive-health program and a $30 million program that encourages abstinence among teenagers because of his work with A Woman's Concern.

They said that Keroack is a poor choice to lead HHS's Office of Population Affairs, which funds birth control, pregnancy tests, counseling and screenings for sexually transmitted disease and HIV. Fourteen Democratic senators sent a letter yesterday urging HHS Secretary Mike Leavitt to withdraw Keroack's appointment. Seven House Democrats issued a similar call Monday. The job does not require Senate confirmation.

"Unfortunately, this appointment is another example of the administration allowing ideology to trump science, and it could jeopardize vital services on which large numbers of women and families depend," the letter said. Signers included incoming Senate Majority Leader Harry M. Reid (D-Nev.) and Sen. Edward M. Kennedy (D-Mass.), who will be chairman of the Health, Education, Labor and Pensions Committee.

Jackie Payne, director of government relations for the Planned Parenthood Federation of America, said Keroack's record opposing birth control speaks for itself.

"The fact that he's the medical director of an organization that takes that position is, at best, hypocritical if he's doing something different in private practice," she said. "That's not the kind of advocate for birth control that we need. We need someone to head up the family-planning program who is wholeheartedly for family planning."

Pearson also acknowledged yesterday that Keroack is not currently certified as an obstetrician-gynecologist. That is not a requirement for the job, but HHS officials had cited Keroack's expertise in defending his selection.

Keroack was certified by the American Board of Obstetrics and Gynecology in 1995, but that credential expired after 10 years.

"He inadvertently missed the recertification deadline and for 2006 is listed as board-eligible, meaning he is eligible to take the recertification exam," Pearson said. "He plans to seek recertification in the future."

Advocates Expect Democrats To Avoid Culture Wars (USAT)

By Andrea Stone

USA Today, November 22, 2006

WASHINGTON — Advocates for abortion rights, gun control and gay rights say they are thrilled by the Democratic takeover of Congress. Even so, they admit their issues aren't likely to be addressed early — or at all — during the legislative session that begins in January.

“I'm aware of political reality when you're coming up to a presidential election,” says Caroline Fredrickson, Washington legislative director for the American Civil Liberties Union. “I'm afraid (Democrats will) be a little too cautious.”

Illinois Rep. Rahm Emanuel, who headed the Democratic campaign committee and is part of the leadership team setting the agenda for the upcoming term, says his party was “very clear” on its priorities: The Iraq war, ethics reform, health care, jobs and other economic concerns will come first.

That's not likely to deter liberal bloggers and groups such as MoveOn.org, says University of California-Berkeley political scientist Bruce Cain. Those groups will “keep the heat on,” Cain says. He predicts they'll have little success. “The Democratic leadership will completely stifle” debate on issues that could hurt chances to retain the majority or take the White House in 2008, he says.

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Vanderbilt University political scientist Bruce Oppenheimer agrees. "I do not expect either the Democratic House or Senate leadership to bring up things that are going to force members to take tough votes."

Many Democrats still recall 1993, when Bill Clinton, the first Democratic president in 12 years, tried to make good on a campaign vow to allow gays to serve openly in the military. Republicans seized upon the issue, forcing Clinton's compromise, the "don't ask, don't tell" policy. The next year, Republicans gained control of Congress for the first time in 40 years.

Among the liberal causes likely on hold:

·Abortion rights. Although she picked up 22 allies in the House and three in the Senate, Nancy Keenan of NARAL Pro-Choice America says federal efforts to reduce unintended pregnancies by promoting sex education and making contraceptives more available must wait. "We have some bigger issues to be dealt with early on," she says.

·Gun control: Paul Helmke, president of the Brady Campaign to Prevent Gun Violence, says he has seen a list of the top 100 Democratic priorities; reinstating the now-expired ban on military-style assault weapons is "in the 90s." At least, he says, conservatives can't weaken gun-control laws.

·Gay rights. David Smith of the Human Rights Campaign, a gay advocacy group, expects Democrats to push legislation to bar workplace discrimination against gays and amend the federal hate crimes law to include sexual orientation. Still, he says, those changes won't come until "much later" in the session.

"If champagne corks are popping from our perspective, it's because we're not going to be attacked," Smith says. Otherwise, "it's a much more measured can of Budweiser that's being popped."

Dodd's Balancing Act To Get Tougher (NYT)

By Stephen Labaton

The New York Times, November 22, 2006

WASHINGTON, Nov. 21—As Senator Christopher J. Dodd prepares to take over the leadership of the Senate Banking Committee while also considering a run for the presidency, lobbyists and lawmakers are all asking the same question.

"Does he become a populist champion on issues that broadly affect the middle class" asked Travis B. Plunkett, the legislative director of the Consumer Federation of America, "or does he shrink from controversial issues that offend huge donors?"

It is a question facing not only Mr. Dodd, but the Democratic Party more generally as it assumes control of Congress.

In his case, Mr. Dodd has shown through a 25-year record in the Senate that he is adept at going both ways. He has, at various times, broken with big corporate interests in support of a principle. At other times, he has broken ranks with his more liberal party peers to advance causes associated with corporate patrons.

Mr. Dodd takes the gavel at a pivotal moment.

As Enron and WorldCom fade from the news, some of his constituents are seeking to water down the Sarbanes-Oxley Act, passed in 2002 to strengthen the role of corporate gatekeepers in response to a wave of scandals.

The accounting firms have been asking for limits on their legal liability. Large companies are battling against renewed attempts to give shareholders a greater say in corporate affairs and to ward off efforts to curtail high executive pay packages. Hedge funds are resisting calls for greater regulation and transparency.

How Mr. Dodd balances the competing interests of corporations and financial institutions with those of investors will define his chairmanship.

In a recent interview, Mr. Dodd said that he had hoped to be seen as unpredictably independent and willing to listen to both corporate interests and consumers.

Sounding as much like a presidential candidate as a new committee chairman, he said he planned to broaden the agenda of the committee. He proposes to look at issues of national security, including the way the administration reviews foreign investment in vital American companies, and prosperity, by examining everything from affordable housing to the loss of manufacturing jobs in the United States.

He also laid down some early markers for the new legislative session. He said he was satisfied with Sarbanes-Oxley, which he played a significant role in drafting. He said he had not yet reached the same conclusions as the Bush administration and some Democrats that the law, combined with excessive litigation, had driven companies to issue stock in overseas markets instead of on Wall Street.

"I'm open to listening," he said. "But if I get a sense that these new proposals are going to weaken transparency and stability and the competence in the system, then I'm going to be resistant."

A liberal Democrat on many social and foreign policy issues, Mr. Dodd, who is 62 and is the senior senator from Connecticut, has had a reputation for using his skills as a legislative deal maker to benefit many of America's most powerful

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corporate interests, who also happen to be from his home state. They include the insurers, accounting firms, hedge funds and military contractors that are responsible for making Connecticut the state with the highest per capita income in the nation.

The companies have returned the support, pouring millions of dollars into campaigns that have repeatedly returned Mr. Dodd to Washington, the last two times beating opponents by margins of greater than two to one. Over the last 20 years, he has received millions of dollars from Wall Street, the insurance industry and the largest accounting firms. But he has also taken on large corporate interests.

Mr. Dodd worked closely with consumer groups to battle the large banks and credit card companies in their ultimately successful attempt to overhaul the bankruptcy system. While Mr. Dodd and his allies failed to block the legislation, they managed to delay its passage by nearly a decade and to water down some of provisions that were especially tough on debtors.

"There was no payoff for opposing all of the bankruptcy amendments and in fact all of the money was on the other side and there was plenty of political cover to vote for them," recalled Professor Elizabeth Warren of Harvard Law School, a bankruptcy expert who fought the measure. "But Dodd led the push on the other side. He had an abiding interest in the gritty details of the financial instruments that slowly drive money out of the pockets of middle-class families."

In a more recent fight, Mr. Dodd and the consumer groups have promoted a measure to curtail high credit card fees. At a hearing this year, he said that credit cards increasingly were little more than "pocket-sized predatory loans" and he has proposed legislation that would curtail the ability of the companies to market credit cards to students who are not able to afford debt.

On the other hand, Mr. Dodd was on the opposite side from against consumer groups in the 1990s when he sponsored legislation that made it more difficult for investors' lawyers to sue corporations. In that fight, he also broke ranks with many Democrats, including President Bill Clinton, who vetoed the legislation but then did nothing to stop Mr. Dodd from marshaling enough votes to override the veto.

More recently, Mr. Dodd and consumer groups were at odds over a plan supported by the insurance industry to extend a federal terrorism insurance program.

More often than not, Senator Dodd is known for being effective.

"He's been a consumer champion on some issues and opposed to us on some issues," Mr. Plunkett said. "He is extremely effective, so you always want him on your side. When we see he is going to be in the opposition, we definitely wince."

More than a week after the election, Mr. Dodd still seemed surprised that the Democrats had recaptured the Senate and was just beginning to figure out in what direction he hoped to take the committee.

Mr. Dodd, who has formed a presidential exploratory committee and will decide early next year whether to enter the race formally, said a candidacy would help get him out of Washington to hear the views of a wider variety of people. "One of the advantages, if I do this, is that I know who I am," he said. "And I'm not going through some metamorphosis here. This is not a warm-up for something. For me to go around and become someone I'm not would be ridiculous on its face. I wouldn't be comfortable with it anyway."

He said he prided himself on not always taking positions that sided with either business or the consumer.

"We spent a lot of time on the credit card issue from a consumer perspective," he said. "Obviously I've got to pay attention to the provider side. I saw an article describing me and that said I wasn't allergic to business. That's true.

"I've got business interests I've got to pay attention to," he added. "But I also want to make sure that, in the process of doing so, that we recognize there is a consumer at the end of that product."

He said he wants to always be known for "maintaining independence in terms of approach."

"I don't ever want to be a predictable member of that committee," he said, "to be branded somehow, one way or the other, but to be fair and open and listen to arguments."

His support of his home state industries is hardly reflexive. Some of the biggest insurers in his state, for instance, have been lobbying hard for legislation that would permit them to be regulated by Washington instead of the states. But Mr. Dodd has not signed on. He said he was not convinced that Washington could do a better job than state commissioners had been doing.

"Dodd has been a question mark on the proposal," said Frank Keating, the former governor of Oklahoma who is the president of the American Council of Life Insurers. He said the issue of a federal charter for insurers is the single biggest one for the industry. "He has always been very open minded and a fair broker on the issues," Mr. Keating added. "But he's also a tough and questioning legislator."

Mr. Dodd's ascension to the committee chair comes at a moment of transition for the banking panel.

Senator Paul S. Sarbanes, the cerebral senior Democrat of the committee who was the most important lawmaker behind the landmark legislation that is named after him, the Sarbanes-Oxley Act of 2002, is retiring. So is Mr. Sarbanes's top adviser, Steven B. Harris, who has been a senior Democratic aide to the committee for 20 years, and is widely credited with stewarding the legislation through Congress.

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Mr. Dodd will oversee a committee loaded with both Democratic and Republican lawmakers who have also raised millions of dollars and supported the causes of the big banks, Wall Street and the major insurance companies. Some members have begun to publicly question important parts of the Sarbanes-Oxley law.

And the new chairman of the House Financial Services Committee, Barney Frank of Massachusetts, has said that he thinks regulators can make adjustments to the law so that it is less burdensome on small business.

Mr. Dodd's own imprint was on that law. Months before Mr. Sarbanes filed the legislation, Mr. Dodd and a Democratic colleague from the committee, Senator Jon Corzine of New Jersey (now New Jersey's governor), outlined their ideas for legislation over lunch, as Mr. Dodd describes it, "on a napkin in a Senate cafeteria."

"I came away thinking we'll plant a flag," Mr. Dodd recalled. Their proposal, to restrict accountants from offering both auditing and consulting work at the same companies, became a cornerstone of the Sarbanes-Oxley law.

Mr. Dodd said Sarbanes-Oxley had gone far to promote better corporate governance and transparency.

"I've always felt that the most important thing you have to worry about is investor confidence," he said. "I have no obligation whatsoever to guarantee that you're going to make sure that you are going to make money on your investment. But I feel a very strong obligation," he added, that "you didn't lose it because the system broke down. That to me is going to be very important when I listen to these arguments."

Spoils Of Prime Office Space Go To Democrats (NYT)

By Carl Hulse

The New York Times, November 22, 2006

WASHINGTON, Nov. 21 — Forget those pesky leadership fights. The folks who run Congress are now getting down to what really matters on Capitol Hill: dividing up the office space.

In something of a break with recent tradition, the incoming Democratic speaker, Nancy Pelosi of California, is planning to expropriate the second-floor suite of offices now occupied by the current speaker, J. Dennis Hastert — a handful of rooms providing a spectacular view of the Mall.

That space has been in Republican hands for 50 years or so, even when Democrats were in charge. In fact, the main offices are so strongly associated with Republicans that they were officially designated the Robert H. Michel Rooms by the House in 1995 in honor of the popular former Republican leader.

While there might be some private grumbling by Republicans about the Democratic land grab, even Mr. Michel sees nothing wrong with Ms. Pelosi wanting to move into his namesake space.

"The speaker is the speaker," Mr. Michel said in an interview. "They reign supreme over on the House side, and they can pretty much do anything they want to."

While Democrats are moving up, Republicans are downsizing, abandoning their preferred spots and planning to squeeze into the current, tighter digs of the Democrats.

Even as Republicans were voting last week on their new leaders, a couple of top staff members from the office of the current majority leader, Representative John A. Boehner of Ohio, just happened to stop by Ms. Pelosi's office to visit with some Democratic friends — and take a peek at their likely new quarters. Mr. Boehner will be minority leader when the new Congress convenes in January.

And on Monday, the new Democratic majority leader, Steny H. Hoyer of Maryland, toured Mr. Boehner's present offices on the first floor of the Capitol to see where his furniture might go. Note to President Bush: No word on whether any drapes were measured.

Vice President Dick Cheney might also come out a loser in this literal floor fight. Democrats have an eye on an office on the House side that Republicans granted to him as a kind of second home in the Capitol, to complement his office on the other wing of the building, where, by virtue of the Constitution, he presides over the Senate (he has no formal role in the House). Representative Charles B. Rangel, Democrat of New York, is interested in reclaiming Mr. Cheney's House space for the Ways and Means Committee.

Given the finite amount of space in the landmark building and the natural competitiveness of politicians, office space has always been currency in the Capitol. Lawmakers leverage their majority and seniority for the top views, the most convenience and suitably impressive surroundings to dazzle their constituents, supporters and even themselves. To many members of Congress and their equally status-conscious staffs, you are where you sit.

To Democrats, one of the chief fringe benefits of the coming takeover is that they will no longer be at the logistical mercy of Republicans. In fact, one of Ms. Pelosi's best applause lines during last week's leadership elections was when she raised the subject of a room for future Democratic meetings. "We can have any room we want now," she told her approving colleagues.

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Even as it became apparent that Democrats could regain the majority, Republicans were starting to wonder if Ms. Pelosi might be interested in the speaker's rooms. On Monday she toured the offices that Mr. Hastert has called home, and aides said she was inclined to grab them.

Democratic aides say it is mainly a matter of needing more space, especially since the construction of a visitors' center on the east front of the Capitol cut into current Democratic space, including the offices that had been the center of House power when Speaker Thomas P. O'Neill Jr. ruled. Democratic leadership aides are scattered around the building, including a makeshift office in a renovated part of what had been the members' dining room.

"We have offices tucked away on four different floors," said Jennifer Crider, a spokeswoman for Ms. Pelosi, who said the new offices would allow the staff to be consolidated.

But there are other perquisites. The office now occupied by Mr. Hastert faces the Mall and comes with a balcony that has been the scene of many a reception, staff party and occasional marriage proposal while providing great viewing of the Fourth of July fireworks.

Mr. Michel said the offices came under a long-term Republican lease back in the mid-1950s when Sam Rayburn of Texas decided that his Republican counterpart, Joseph Martin of Massachusetts, could stay there after he was ousted as speaker when Democrats regained control.

"When I first got elected in 1956, I went in to see Joe, and it was in one of those little anterooms," said Mr. Michel, who would later occupy the offices for 14 years.

Despite the appeal of the suite, Democrats in those days preferred their rooms along the East Front, closer to the House floor and the better to keep an eye on things before the days of C-Span and instant messaging. After Mr. Martin and before Mr. Michel, the rooms also housed the operations of the Republican leaders Charles Halleck, Gerald R. Ford and John Rhodes.

Republicans were surprised when Democrats did not eventually try to reclaim the offices, particularly when Thomas S. Foley became speaker in 1989. But he decided to stay in the offices he had had redecorated while he served as Democratic majority leader.

Then, when Republicans swept to control in 1994, the offices became the speaker's. Ms. Pelosi appears to believe they should remain that way. And several Republicans said they did not begrudge her the right.

"I am an old-fashioned guy and believe the spoils go to the victor if she wants it," said Representative Jack Kingston, Republican of Georgia.

The election did not set off the same office go-round in the Senate; the leaders there tend to retain their offices no matter which party is in charge.

In the House, the departure of lawmakers also set off a lottery for new quarters for their home-state Congressional offices in the adjacent office buildings. Even veteran lawmakers sought to upgrade their suites.

In fact, Ms. Pelosi received a new office there as well, taking the space to be vacated by Mr. Hastert's Illinois Congressional office when the outgoing speaker decided he needed more room since he would no longer have any in the Capitol.

Financial Crimes Chief Leaving Treasury (AP-Y)

AP, November 22, 2006

The chief of a federal agency that plays a key role in trying to catch terrorist financiers, drug lords and other criminals is stepping down at the end of this year.

Robert Werner, director of the Treasury Department's Financial Crimes Enforcement Network, will take a job with Merrill Lynch & Co. Inc., the department announced Tuesday.

Werner, who took the helm of the network, known as FinCen, in March, also had served as director of the department's Office of Foreign Assets Control, which administers and enforces economic sanctions and is another important player in the administration's efforts to financially paralyze those who bankroll terrorist activities.

FinCen's deputy director, William Baity, will serve as acting director once Werner leaves.

Treasury Secretary Henry Paulson said Werner's leadership at FinCen "has paved new inroads in partnering with the financial community to safeguard against financial crime while promoting the free flow of capital."

A flap ensued earlier this year over a once-secret program the department uses to try to thwart suspected terrorist financiers. The administration insisted that news organizations' disclosure of the program, which gives the government access to a vast data base of international financial records, would hobble its efforts to catch terrorist financiers in the future. The program also stirred some concerns over privacy matters.

Senate Seeks Medicaid Review (WT)

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By Jim Mcelhatton

The Washington Times, November 22, 2006

The Senate Finance Committee is seeking a review of the District's Medicaid program, citing a "troubling" recent city audit of patient transport and reports of questionable billing.

In addition, the D.C. Office of the Inspector General is conducting two audits of the city's Medicaid transportation program -- one examining the background of providers and the other focusing on the legitimacy of claims being submitted by transport companies.

The federal and local scrutiny of the District's Medicaid transportation program follows a report last month in The Washington Times that noted long-standing lapses and concerns about the program.

Sens. Charles E. Grassley, Iowa Republican and chairman of the Senate Finance Committee, and Max Baucus of Montana, the panel's ranking Democrat, sent a letter Friday to D.C. Inspector General Charles Willoughby seeking a confidential briefing on efforts to probe city Medicaid costs.

The letter cites a recent report by Mr. Willoughby's office that found the city's Medicaid transportation program had "a serious breach of basic internal controls."

Mr. Grassley and Mr. Baucus said transportation costs "are often overlooked and represent a major opportunity for abuse."

The letter also expressed concern about reports of transportation providers billing services to patients who were dead when the claims were submitted.

The Times first reported that neither the D.C. Department of Health, which oversees Medicaid, nor the Washington Metropolitan Area Transit Commission, which licenses motor carriers, had conducted background checks of company officials in recent years.

A review of court records and other official documents of transportation companies on the D.C. Medicaid provider directory found company officials with criminal histories and others with numerous driving violations.

Last year, the District spent $22.3 million for nonemergency transportation of Medicaid patients -- slightly more than what the city paid for patients to see individual doctors, according to city records.

D.C. Council member David A. Catania, an at-large independent who has held hearings on the transportation problems, yesterday said that he's satisfied reforms are under way.

"I'm delighted we've taken the steps we've taken so that when this sit-down happens between our inspector general's office and the congressional representatives, they're going to be very impressed with some of the steps we've taken," said Mr. Catania, who has headed the council's health committee.

Medicaid, which provides health insurance for the poor, is funded by the federal government and the states, which also manage their programs.

An official with the D.C. Office of Inspector General yesterday said the office will meet with the Senate Finance Committee by the end of the month.

The Finance Committee letter requests updates on "all ongoing audits, evaluations and investigations that examine the Medicaid program in the District of Columbia."

The letter from Mr. Grassley and Mr. Baucus was similar to one the Finance Committee leaders also sent to the inspector general for the U.S. Department of Health and Human Services.

The federal government's watchdog on public health spending is conducting a nationwide review of Medicaid transportation costs.

According to its recently released 2007 audit plan, nonemergency transportation costs rose nationally by 48 percent from 1999 to 2003, reaching $1.5 billion.

What's more, the Washington-based Community Transportation Association of America says the District trailed only Alaska in how much it has paid for transporting Medicaid patients.

Alaska encompasses more than 581,000 square miles; the District, 63 square miles. Commercial airfares account for more than 90 percent of Alaska's Medicaid transportation costs, while the District relies on a fleet of private van carriers, according to records.

The District pays companies up to $140 per trip. By comparison, a cab ride across the city would cost about $40, plus tip.

The Senate committee letter says previous federal audits have found numerous shortcomings with nonemergency transportation, including "unnecessary trips and excessive claims as well as billing Medicaid for trips never provided."

D.C. officials say they are now conducting background checks of providers.

Mr. Catania said that Robert Maruca, deputy director of the Medical Assistance Administration, has done "extraordinary work" in outlining new measures, including steps to ensure all trips are medically necessary.

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"Everyone was disappointed that the controls did not exist and that money was lost and stolen," Mr. Catania said. "But going forward, I think we'll see a dramatic reduction in the fraud and abuse in the program."

IBM, Cray Win Pentagon Funds To Develop Next Supercomputers (WSJ)

By Don Clark

The Wall Street Journal, November 22, 2006

A Pentagon research agency announced plans to spend nearly $500 million to develop next-generation supercomputers, funding ambitious design efforts at Cray Inc. and International Business Machines Corp.

The Defense Advanced Research Projects Agency said it will award Cray $250 million and IBM $244 million under a new phase of a long-running development program, which hopes to create not only major advances in hardware but also new ways to program massive scientific machines.

Supercomputers have long been purchased by the government to handle complex computing chores, from cracking codes to calculating the trajectories of missile flights. The size of Darpa's research grants is unprecedented, IBM and Cray officials said, reflecting a determination to ensure the U.S. remains in the forefront of the field.

The contract award is particularly significant for Cray, a supercomputer specialist that reported total revenue in 2005 of about $201 million. Cray's Darpa proposal is based on a concept that it calls "adaptive" supercomputing, which involves creating a system with thousands of microprocessor chips of several different kinds that can be simply programmed with a single technique. "It's incredibly difficult to do," said Jan Silverman, a Cray senior vice president.

IBM plans to develop a system around the next generation of its Power chip line, along with a series of its own technologies to make programmers more productive. "This is not a project to serve a single customer or solve a single mission. It's an investment to significantly increase to total use of high-performance computing," said Dave Turek, who holds the title of vice president of "deep computing" at IBM.

An IBM system at Lawrence Livermore National Laboratory is currently the world's fastest, operating at a maximum speed of about 360 trillion calculations a second -- or "teraflops," in industry parlance. The Darpa program is aimed at developing machines that operate at two to four "petaflops," or quadrillion operations a second, with prototype systems expected by 2010.

The one company left out by Darpa is Sun Microsystems Inc., which took part in earlier phases of the program with Cray and IBM. A Sun spokeswoman said the company had nonetheless benefited by the effort so far, developing technologies it will use in commercial systems.

Husband Of Trade Representative Dies (AP-Y)

AP, November 22, 2006

Curtis Carroll, husband of U.S. Trade Representative Susan Schwab, has died, Schwab's office announced Tuesday.

Carroll, a professional magician, died Monday of kidney and liver failure, Schwab spokesman Sean Spicer said.

Schwab, former dean of the University of Maryland School of Public Policy, became President Bush's chief trade negotiator in June, succeeding Rob Portman, who was tapped to become White House budget director.

Deputy U.S. Trade Representative John Veroneau will represent Schwab on Wednesday at the signing ceremony for a free trade agreement with Colombia, Spicer said.

Spellings Finishes 2nd On 'Jeopardy' (AP)

By Nancy Zuckerbrod

AP, November 22, 2006

WASHINGTON -- Education Secretary Margaret Spellings says she studied hard to prepare for Tuesday night's airing of "Celebrity Jeopardy!"

"I didn't want to be the education secretary who didn't know how to spell potato," Spellings joked, describing how she read books and sought advice from a former show contender and her daughters.

In the end, Spellings said she thinks the effort was worth it. She came in second behind the actor Michael McKean, best known for his role as 'Lenny' on the television show "Laverne and Shirley" and for the movie "This Is Spinal Tap."

Placing third was actor Hill Harper, from the television show "CSI: NY."

"I think I held my own," Spellings said in an interview Tuesday, hours before the show aired. She noted McKean had an edge, having been on the show before.

Spellings was the first Cabinet secretary ever to appear on the popular quiz show. She said she'd like to return for another try.

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She said she didn't realize how much skill went into hitting the buzzer at just the right moment after host Alex Trebek read a clue. She said she often hit it too early and as a result didn't get picked to tackle a category.

Spellings' strong subjects included international language and business.

She was asked to appear after the show's producer read a magazine article in which Spellings said she was a "Jeopardy!" fan.

Each celebrity earns at least $25,000 for the charity of his or her choice, and the winner gets $50,000 for a charity.

Spellings' winnings from the show, taped in New York last month, went to ProLiteracy Worldwide _ an international literacy organization.

Trebek said "Jeopardy!" picked the charity for Spellings to comply with government ethics rules.

The Admiral Charts An Unknown Course (WP)

By Linton Weeks

The Washington Post, November 22, 2006

It's a timeless scene: The old salt talking to youngsters, laying out his views about the lessons of war, about its cost and its sacrifices.

In this case, the salt is retired Adm. William J. Crowe Jr., who at 81, with hearing aids and stooped shoulders, is passing along his sea of wisdom to a classful of intense and intrigued midshipmen at the U.S. Naval Academy.

But rather than telling the class that he has all the answers, Crowe says, "I don't know the answer about how to get out of Iraq."

He does have some notions on how to avoid getting into another Iraq-like complication. Amid a growing chorus of antiwar pronouncements from the left and the right, presidential acknowledgment that the war is not going well, a pending report from the Iraq Study Group and a major Pentagon review, Crowe believes it's the perfect moment to craft guidelines that might be used the next time around.

Getting into just about everything -- from sports cars to marriages -- is easier than getting out of them. And Crowe (rhymes with wow), who has been teaching in the academy's political science department since 1999, hopes to engender a sense of caution and reason in the next generation of commanders and help keep the United States from entering unjust -- and unjustified -- interventions.

He knows something about military leadership. A 1946 graduate of the academy, he rose to the top shelf of service in the Navy. In the early 1980s, he was commander in chief of Allied Forces Southern Europe, then of the U.S. Pacific Command. From 1985 to 1989, he was chairman of the Joint Chiefs of Staff -- under Presidents Ronald Reagan and George H.W. Bush. He retired in 1989. He says he is politically independent. He supported John Kerry in 2004.

His eyes are a wintry blue. His mind keen and quick. Distinguished in a green tweed jacket and gold-rims worn low on the nose, he is teaching "Security Decision Making," a popular upper-level seminar. It's a small class today -- 10 men and women are gathered around a table in a drab, windowless room in the Nimitz building on the waterfront campus in Annapolis.

His concern, he tells the students in their dark uniforms, "is what we are going to do in the future, when you people are going to be involved."

In most international rivalries, he says in a soft voice, "the supporting arguments of both sides normally have merits and flaws."

The factions are "driven by history and intense emotions and reason has little to do with resolving such issues."

But, Crowe believes that reason should have a lot to do with such issues. When a nation steps into another country's affairs, he says, there is a price to pay. "Bending another culture to your will can't be done on the cheap. Our resources are not unlimited and we should not be led to believe otherwise."

Every administration "underestimates the cost in time, money and casualties," Crowe says. "Voters should be die-hard cynics when evaluating such predictions."

In order for international interventions "to be successful in a reasonable amount of time, the whole republic should be involved," he says. "We may be dealing with small countries, but to them the stakes are big time and they are willing to make astounding sacrifices."

It's an idealistic approach. But he also knows he is preaching to idealists.

Michael Deboer, 24, of Cleveland, will be graduating in the spring. He hopes to be working on a submarine -- as Crowe once did -- in a couple of years. Deboer says Crowe has taught him that "interventions don't always go the way planners planned."

Deboer says, "I'm a detail-driven guy. He makes you look at the bigger issues."

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Crowe "rewards careful thinking," says junior Fiona McFarland, 21, of New York. McFarland's mother, Kathleen Troia "KT" McFarland, was a Pentagon spokeswoman under Reagan and recently ran unsuccessfully as a Republican candidate for the Senate. Fiona McFarland wants to be a pilot. "He loves it when we take opposing sides," she says of Crowe. "He gets a little grin and a glint in his eye."

Next Phase Of White House Communications System To Begin (GCN)

By Nick Wakeman

Government Computer News, November 22, 2006

The completion of the transition of the White House's external communications system to an Internet protocol-based infrastructure will be done by General Dynamics Corp.'s IT business.

Under a $7 million contract from the White House Communications Agency, General Dynamics of Falls Church, Va., will use a Synchronous Optical Network backbone for connections between the White House and the outside world.

General Dynamics has been working with the White House Communications Agency for more than four years on various communications projects doing analysis, design and infrastructure upgrade work, said company spokesman Mark Meudt.

"This is just the next phase of that work," he said.

The work at the White House, including the most recent win, has been under contracts awarded by the Army Information Systems Engineering Command, which is tasked with supporting the White House Communications Agency, Meudt said.

"The communications capabilities for the White House must sustain critical day-to-day and crisis operations communications without fail," said Zannie Smith, senior vice president of Army solutions for General Dynamics IT, in a statement.

The White House Communications Agency provides the systems for the president, vice president, presidential emissaries, White House staffers and Secret Service. The systems include audiovisual, voice and data capabilities. The White House Communications Agency also supports the president when he travels.

House Staff Member Cleared In Inquiry On Leak Of Iraq Intelligence Estimate (NYT)

By Scott Shane

The New York Times, November 22, 2006

WASHINGTON, Nov. 21 — A Democratic staff member of the House intelligence committee has been cleared of wrongdoing by a Republican-led leak investigation and reinstated in his position, committee officials said Tuesday.

Kate Phillips and The Times's politics staff are analyzing the midterm elections and looking ahead to 2008.

More Politics NewsThe staff member, Larry Hanauer, was suspended last month from access to classified materials at the direction of the committee's chairman, Representative Peter Hoekstra, Republican of Michigan.

Mr. Hoekstra said at the time that he thought Mr. Hanauer might have been a source for an article on Sept. 24 in The New York Times about a National Intelligence Estimate saying the Iraq war had become a cause célèbre for terrorists.

Mr. Hanauer had obtained a copy of the classified study at the request of a Democratic panel member, Representative John F. Tierney of Massachusetts, shortly before it was described in the article.

Democrats on the committee protested that the accusation was groundless and unfair and that Mr. Hanauer had merely properly responded to a routine request from a member.

They said Mr. Hoekstra's action was payback for a decision by the committee's ranking Democrat, Representative Jane Harman of California, to release a report by an outside counsel into actions on the committee by former Representative Randy Cunningham, a California Republican now serving a prison term for taking bribes.

A spokesman for the panel, Jamal D. Ware, confirmed that "the suspended staff member has had his accesses restored at the committee," a development first reported on Tuesday by The Washington Post.

A Congressional official who insisted on anonymity said the internal inquiry, conducted by committee lawyers, involved having Mr. Hanauer sign an affidavit and answer questions.

In a statement, Ms. Harman said, "All of us are pleased that our valued staff member is back at work and that this meritless inquiry is over."

Mr. Hanauer's lawyer, Jonathan Turley, said Mr. Hanauer had been vilified on the Web and by anonymous callers, some of whom threatened him, called him a traitor and said he should face a firing squad.

"We are grateful that this long nightmare for Larry and his family is now over," Mr. Turley said. "It is regrettable that it took this long, given the total absence of any evidence linking Larry to the New York Times articles."

The Times had previously reported that its article was based on interviews with more than 10 government officials and outside specialists.

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Clothes No Longer Make Just The Man (AP-Y)

By Jocelyn Noveck

AP, November 22, 2006

"The emperor has no clothes," House Speaker-elect Nancy Pelosi once famously said about President Bush.

Well, actually he has some fairly decent ones, but it's been Pelosi's clothes — stylish, well-chosen and nicely cut, of the Armani variety — that have garnered attention since she became the most powerful woman in American politics earlier this month.

Why do we focus on Pelosi's clothes and not those of our president, or any male in Washington? Is it inherently sexist, detracting attention from her obvious accomplishments? Or is it merely a reflection of the obvious truth that, while clothes matter for both men and women, female attire is more noticeable, more expressive and more interesting?

It's an easier call when the fashion verdict is negative. Then, it can seem cruel: Recall the harsh response to Bush's one-time Supreme Court nominee Harriet E. Miers, whose attire, accessories and makeup were excoriated in the media. If she'd been a man and her standard navy blue suits were a bit dowdy, one can imagine, no ink would have been wasted.

One person who finds attention to Pelosi's clothes "over the top" is Eleanor Smeal, one of the country's most recognizable feminists.

"Yes, she dresses impeccably and wears clothes beautifully," says Smeal, president of the Feminist Majority Foundation. "But this is a very accomplished woman. Why wasn't there more attention to her achievement of breaking through the marble ceiling (and becoming the first female Speaker in history)? They're trying to keep us on the style pages, the old-fashioned way."

But there is one positive aspect to the attention, Smeal says: "At least it's introducing the speaker to the country. Imagine if they DIDN'T like her clothes!"

Pelosi, a 66-year-old grandmother, isn't the first powerful woman in politics to be put under the sartorial microscope. The choices of Hillary Clinton, perhaps the most visible woman in U.S. politics, have been deconstructed through time, from her changing hairstyles to her inaugural hat in 1993 to the constant dark pantsuits on the Senate campaign trail, often paired with a pink blouse. (Again, imagine her well-dressed husband being criticized for always choosing a dark suit.)

Of course it isn't just in politics: on the night CBS's Katie Couric debuted as the first female solo anchor of a network evening newscast, her short white jacket (post-Labor Day, some critics noted disapprovingly) was analyzed as much as her performance.

One scholar of journalistic ethics argues that a politician's attire is fair game in news coverage — but only under certain circumstances.

"As a society, we look much more carefully at women's appearance than men," says Kelly McBride, a faculty member at the Poynter Institute in Florida. "At the same time, the clothing options for women are so much greater. As journalists, I don't see how we can ignore this."

The task for the media, McBride says, is to do it in proper context, and in a way that doesn't reinforce stereotypes. "It's safer to say, here's the reality: in our society we judge women by different standards — and then dig in to the nuances of that," she says. What's wrong, though, is to inject casual references to Pelosi's clothes into every news story, "which would reinforce the notion that women SHOULD be judged on appearance."

One extensive analysis of Pelosi's clothing came from Pulitzer-prize winning fashion critic Robin Givhan of The Washington Post, who often writes about the attire of major Washington figures — including a much-noticed piece on Vice President Dick Cheney's casual outerwear at a Holocaust memorial service in Poland last year.

Of the blue-gray Armani suit that Pelosi wore at her post-victory news conference, Givhan wrote that she appeared "polished and tasteful in front of the cameras. It is tempting to even go so far as to say that she looked chic, which in the world beyond Washington would be considered a compliment." Of outgoing speaker Dennis Hastert, whose rumpled suits have also been noted in the press, she wrote that there was "nothing chic or particularly polished" about him.

The article appeared in the paper's Style section, not in the political coverage — the kind of context and placement McBride was referring to. By contrast, an example of troubling references, to Smeal for one, are comments by MSNBC host Chris Matthews, who referred in his election-night coverage not to the clothing of the Democratic speaker-in-waiting, but her female voice.

Pelosi, he said, was "going to have to do the big fight with the president over issues" like the minimum wage. "How does she do it without screaming?" he asked. "How does she do it without being grating?" He also compared the sound effect of Sen. Clinton's re-election victory speech to "fingernails on a blackboard."

To David Brady, professor of political science at Stanford University, attention to Pelosi's clothes is a bit silly, but harmless in the long run.

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"The fact is she's an attractive woman and she wears nice clothes — and she's got money," said Brady, deputy director of the Hoover Institution. "There are men who dress well too," he said, singling out Presidents Clinton and Bush (who has his suits made by a French-born tailor in Washington.) "You've got a country where entertainment channels are more heavily watched than news shows, where people care about Kevin Federline and Britney Spears. This is a magnification of that silliness. In the long run it won't harm her effectiveness."

Greta Petty, a 35-year-old artist in Portland, Ore., agrees that attention to Pelosi's clothes is fairly harmless — if only because she believes that only women are interested in such coverage, anyway. "It's not an issue of sexism," she says.

Besides, she adds: "men's attire is just not that interesting."

Paulson May Find Sensible Doesn't Sell (WP)

By Steven Pearlstein

The Washington Post, November 22, 2006

Hank Paulson, the new Treasury secretary, gave a splendid speech this week about the need to re-engineer the financial regulatory structure to make it more efficient and enhance the competitiveness of U.S. markets in the face of stiff new competition from London and Hong Kong.

Paulson is spot on about moving from a hyper-legal, "rules-based" approach to regulation -- with its detailed prescriptions and legal threat -- to a more "prudential" system based on broad general principles and backed by guidance from a regulator with plenary powers.

He's right about the need to throttle back on the rules requiring public companies to test their "internal controls" under the Sarbanes-Oxley reform law and focus only on processes having material impact on the accuracy of financial statements.

With all the consolidation in financial services, and new products that straddle the old regulatory boundaries, Paulson is right in suggesting a single regulator that might combine the work of the Federal Reserve's regulatory function, the Securities and Exchange Commission and the Commodity Futures Trading Commission.

And he's certainly right about the toxic effect of shareholder lawsuits on the way companies are managed.

These aren't new issues for Paulson. In many aspects, his much-anticipated speech this week was simply a reprise of one he gave to the National Press Club in June 2002, in the wake of the Enron and WorldCom scandals. Now, as then, his approach is reasoned, nuanced and pragmatic.

It is also refreshingly naive.

I say refreshing because Paulson comes at these issues as someone who is willing to take the facts and logic wherever they lead, even if it means offending friendly interest groups or running some sacred cows off the road. In speaking to business leaders at New York's Economic Club, or a couple of reporters in his sun-drenched corner office, he comes across as straightforward, candid, without guile.

What Paulson hasn't had time to master is the black art of Washington policy-speak -- and that is where the naive comes in.

When Paulson says implementation of Sarbanes-Oxley has gone too far, he is saying nothing that Sen. Paul S. Sarbanes (D-Md.) and Rep. Michael G. Oxley (R-Ohio) haven't themselves acknowledged, and that the SEC is now fixing. But to the ideologues at the Chamber of Commerce, such sentiments will be read as a tacit embrace of their view that government screws up everything it touches.

Similarly, when Paulson says our tort system amounts to a tax on shareholders, employees and consumers and weakens the competitiveness of U.S. business, he means just that. Unfortunately, those are the same lines used for years by the National Association of Manufacturers, whose real interest isn't in reforming the tort system but in castrating it.

When he points to the absurdity of having multiple state and federal agencies regulating the same company and competing to prosecute corporate misdeeds, Paulson means only to question the efficiency of our regulatory structure. But his old friends on Wall Street are surely interpreting that to mean that ambitious state attorneys general like Eliot Spitzer should never have been allowed to blow the whistle on tainted research and after-hours trading that had been going on for years, right there under the noses of federal regulators.

In time, I'm sure, Paulson will learn that in Washington, "risk-based" regulation is code for "self-regulation" and "materiality" is a moving target that allows executives to hide any embarrassing information from shareholders. And when someone calls for greater trust between the regulators and the regulated, it's really the regulators who are being asked to do the trusting. So if he means something different -- which I'm willing to believe he does -- then he needs a new way of expressing it.

In framing these regulatory issues in terms of international competitiveness, Paulson may also have fallen into the trap of confusing the public interest with the interests of Wall Street -- not surprising for a former head of Goldman Sachs. Certainly it is possible that financial services are moving offshore because of the greater hassles of U.S. regulation. But it is equally plausible

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that what we're seeing is the inevitable end to near-monopoly that has allowed U.S. financial firms to charge outrageous fees and earn outsized salaries and bonuses. A more seasoned Washington hand would have taken care to point out that if government has no business protecting the jobs of auto workers who price themselves out of world markets, it certainly has no business protecting millionaire investment bankers and hedge-fund managers.

Paulson also held Britain up as something of a model for the way financial services should be regulated. But he failed to note that, as part of that package, British corporations must get shareholder approval for executive pay packages and require directors to win support from at least half of all shareholders. By doing so Paulson could have sent a signal that he was really serious about improving corporate governance and protecting shareholder interests, not just carrying water for the Business Roundtable.

Paulson has brought a breath of fresh air to the stale partisan atmosphere of Washington. But if he wants to succeed as the honest broker, he'll need to crack the code on the Washington policy conversation and reassure Democrats and other skeptics that he's got something new to sell.

Capital Rules (WP)

The Washington Post, November 22, 2006

TREASURY SECRETARY Henry M. Paulson Jr. spoke Monday on a subject he knows intimately: the health of U.S. capital markets. The United States has traditionally served as a capital market for the world. U.S. and foreign companies alike sought listings on U.S. stock exchanges so that they could tap into the world's largest and most efficiently managed pool of savings. But this has recently ceased to be true: Fewer companies are seeking U.S. listings; some foreign ones are delisting, preferring to trade on a stock exchange elsewhere; and many U.S. companies are turning their backs on stock exchanges altogether as private-equity funds acquire them. Some interest groups have presented these trends as evidence that the post-Enron reform of corporate governance, through the Sarbanes-Oxley law, overreached. Mr. Paulson rightly refused to swallow that simplification.

Companies are raising less money in the U.S. equity market partly because the alternatives have grown more attractive. Foreign markets are catching up in terms of the efficiency of their trading systems, so foreign companies have less of a need to come to the United States. Low interest rates have rendered borrowing cheap, which explains why private-equity firms can take out eye-popping loans to buy up companies' stock. Neither development is necessarily bad. Efficient equity markets in Asia and Europe will improve growth prospects in those regions, creating opportunities for U.S. exporters. And U.S. companies should be free to make their own judgments about shifting from equity to debt, although the fees earned by private-equity firms seem disproportionate.

The retreat from equity markets is only worrying if it reflects a decline in their efficiency rather than a rise in the appeal of other options. Mr. Paulson suggested that costs imposed by the U.S. tort system may deter companies from listing: As a share of gross domestic product, U.S. tort costs are twice those in Germany and Japan and three times those of Britain. Another deterrent comes from confusingly diffuse regulation. Equity markets are subject to oversight by the stock exchanges themselves, by self-regulatory bodies such as the National Association of Securities Dealers, by the Securities and Exchange Commission, by the Public Company Accounting Oversight Board, and by overlapping federal and state prosecutors. A third deterrent has been created by the Sarbanes-Oxley reform -- not by the law itself, but by its implementation.

Mr. Paulson said new legislation to amend Sarbanes-Oxley is unnecessary. Undoing corporate governance reform in the name of market efficiency would be perverse: Investors will only provide capital cheaply if they are offered reliable investment opportunities, and the scandals involving Enron and other companies demonstrated that company reports had ceased to be reliable. But auditors have insisted on an excessively burdensome implementation of now-infamous Section 404 of the law, which requires companies to check the management systems used to generate numbers on sales, inventory, costs and so on. What's needed is regulatory guidance to dissuade auditors from interpreting this requirement overzealously, particularly for smaller firms. Mr. Paulson has struck the right balance.

Letters (WSJ)

Wall Street Journal, November 21, 2006

LETTERS

'Freedom' Is America's Truth, Sen. Webb -- 'Fairness' Is Subjective

In response to Jim Webb's Nov. 15 editorial-page essay "American Workers Have a Chance To Be Heard":

It is unfortunate, albeit not unexpected, that senator-elect Jim Webb makes the common mistake of using income inequality as a gauge of social injustice in this country. In a free market, income inequality is the inevitable result of individual productivity inequality, and of course productivity inequality exists due to variations in natural ability, industriousness, education, risk-aversion and dumb luck. The reason income equality has grown rapidly (although hardly "infinitely," as Mr. Webb

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hyperbolically asserts) is that productivity inequality has grown. And the reason productivity inequality has grown is that with the advance of technology and globalization, the impact of a good idea or exceptional performance can be leveraged dozens of times more than it could be even one generation ago. J. K. Rowling, the author of the Harry Potter series, has made more than $200 million for each book she has written. Is that too much? Absolutely not, when one considers the benefits that each book brings to tens of millions of children (and adults) around the globe. But the impact of J.K. Rowling's creativity and hard work, and the income she has earned from it, would have been perhaps orders of magnitude smaller 30 years ago.

Mr. Webb misses the point that one of the pillars of a free-market economy is that people should be allowed to earn in proportion to their productivity. To use government to do otherwise would be to impede productivity everywhere. In fact, my guess is that in most of the regrettable cases in which income vastly outstrips productivity, government intervention is probably to blame. The news that the three richest counties in the United States are clustered around Washington, D.C., certainly came as no surprise to me this morning.

In any case, a much better gauge of social injustice is consumption inequality. Of what relevance is it that there is large income inequality? Or wealth inequality for that matter? It only matters to the extent that it translates into unequal consumption of the country's resources, consumption being the true gauge of one's standard of living. I have not seen studies in this area, but my guess is that we are many times less unequal in our rates of consumption than in our levels of income or wealth.

Eric Meyer

Newton, Mass.

Blah, blah, blah. When are we going to actually hear something of substance from the Democrats? You would think they would've begun outlining how to deal with the "inequalities." People will start to think that they might not know what to do next.

Michael S. Woodard

Charlotte, N.C.

Mr. Webb forgets to mention in his diatribe against top wage earners that the top 5% band of earners pay 57% of the country's total income taxes. I guess that kind of data flew out of his mind when he switched sides.

Margaret McGirr

Greenwich, Conn.

Underneath the smooth rhetoric is a frightening message: "Fairness" is emphasized, but "freedom" not at all. Beware of any politician who places fairness over freedom. What is at jeopardy, in his hands, are your life, liberty and property.

Jim Brankin

Southlake, Texas

Mr. Webb asserts that the top 1% of wage earners "takes in" (not earns, mind you) "an astounding 16% of national income." IRS statistics for 2003 show the same top 1% pays a truly "astounding" 34.3% of all income taxes. If Mr. Webb could replace DNC talking points with some thinking and historical perspective, he might contribute rational problem solving rather then tired class envy and nostalgia for Great Society nostrums that led to Jimmy Carteresque stagflation.

Jay S. Haberman

New York

Nowhere does Mr. Webb actually outline what he'll do to benefit the American worker. All he provides is a list of Democrat buzzwords and phrases -- job outsourcing, CEO compensation, Rove, wage gap, Wal-Mart, etc. I have no problem with Democrats addressing issues they perceive to be hurting the American worker, but, please -- offer solutions.

Timothy O. Corkery

South Boston

Mr. Webb is long on class envy and short on facts. Nowhere does he state what he would do to change the status quo. Senator, it is not the politics of the Karl Rove era that are distracting and dividing people -- it's you.

Joe Schroeder

Big Canoe, Ga.

Mr. Webb's rant is right in tune with the heart and soul of his new party. He sounds like Willy Stark.

Douglass M. Holmes

Louisville, Ky.

I'm so glad Mr. Webb opened my eyes to the fact that we mindless rubes, who are concerned only with the issues of "God, guns, gays, abortion and the flag," have merely been victims of seduction by the all powerful "Oz" -- Karl Rove.

Mark Rauschenberger

Washington

The country has changed in the 40 years since Mr. Webb "graduated from college in the 1960s," but apparently he has not. Today, the percentage of home owners has increased from under 20% to about 70%; the stock-owning investor class has

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increased from less than 10% to about 60%. The "top tier" that "has grown richer" has itself increased (as a definition of upper middle class and above) exponentially. All of this is under a program of steady decrease in taxation and regulation.

Lenny Toboroff

New York

If so many jobs are disappearing, as Mr. Webb would have us believe, why is unemployment at a historical low?

Patrick Duffy

Haddon Township, N.J.

Mr. Webb says "manufacturing jobs are disappearing." True. Contrary to his suggestion, though, this fact is unrelated to recent trends in globalization, corporate governance or tax policy. Manufacturing jobs as a percentage of the U.S. work force peaked in 1945 and have declined steadily ever since, even though manufacturing output continues to rise. Today this output is at an all-time high.

Donald J. Boudreaux

Chairman

Department of Economics

George Mason University

Fairfax, Va.

Mr. Webb's discussion of class structure implies that we are locked into a class and cannot escape, something that is simply not true in America. We can all move through various economic situations quite fluidly without any restrictions due to birth. Mr. Webb himself is a fine example: From his days working part time in college to becoming a best selling author to a senator, he has moved dramatically between various "classes" of earnings. Opportunity in America is distinctly classless.

Richard Noble

Eagle, Ind.

Jim Webb expresses a profoundly shocking un-American idea: From each according to his ability, to each according to his need. Our founding principle of individual rights recognizes the sovereignty of the individual in his thoughts and actions and the government as the protector of the individual's life, liberty, property and pursuit of his own individual happiness. The values he creates by his own efforts are his to dispose of as he chooses, not the property of the family, the tribe, or the state. There is no national income.

Ralph C. Whaley, M.D.

Barron, Wis.

Great Plains Drought Is a National Disaster

Your Nov. 15 editorial "Fargonomics" misrepresents the facts on agriculture disaster assistance. My bipartisan legislation would bring badly needed federal aid to the thousands of farm and ranch families whose livelihoods were destroyed by natural disasters including drought, flood, frost and disease.

This country has always responded to disasters, whether hurricanes, wildfires or drought. To represent the deepening drought of the Great Plains as anything but a national disaster is an affront to every farm family in the Midwest. This is the third worst drought in U.S. history, searing millions of acres of crops and livestock forage, and driving producers and the small town businesses that rely on them to the brink of foreclosure. If we do not respond, the drought will be followed by economic disaster across the plains.

You misrepresent the role of crop insurance. Yes, crop insurance is an important risk management tool for farmers and ranchers. But when those losses stack up year to year, as has happened as the drought conditions have worsened year after year, crop insurance loses its effectiveness -- the amount of crop loss covered goes down, while premiums go up. Crop insurance was never designed to cover repeated losses. Crop insurance isn't covering basic farm expenses, and the natural disasters depleting our farms and ranches are breaking the backbone of the Midwest economy.

Sen. Kent Conrad (D., N.D.)

Washington

Suffering in Africa Makes Us See (RED)

Your Nov. 10 editorial "Shopping for the Poor" (Taste page, Weekend Journal) made an astute observation: "Good charity" theory includes (in its DNA) the concept of sacrifice. You suggest that (Product) RED, our venture, is playing a part in questioning the hair shirt thinking. That was great. But alas, you then committed several interpretive misdeeds.

First, you say "too bad" that many (Product) RED items are not made in Africa. Give us a chance! We've been in business in the U.S. only five weeks. But within these weeks, we now have what we never had during our two years developing this project: objective proof that (RED) branded products produce a measured commercial advantage. Because we did not have that proof during development, could you really have expected us to persuade giant multinationals to source 100% of the (RED)

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products in Africa? That said, it is great that Gap has been producing there for years and that Motorola was able to purchase packaging materials in Lesotho.

Now that Gap has proved our theory, you will see many more products manufactured on the continent, not because we proselytized but because companies have seen the commercial advantage in doing so.

Second, you assert that because the Geneva-based Global Fund supports "a range of heath-related projects," our manifesto's assertion that (RED) money will not purchase AIDS medicines is incorrect. I am thrilled to confirm that the fund has accepted that money made by (RED) and will be used only for purchase and delivery of medicines to those suffering from HIV in Africa, with particular emphasis on women and children.

Third, you suggest that our energy might be better spent on promoting trade with poor nations. Because we have a lot of energy, we have made this exact idea part of our work at DATA, a public education/lobbying organization Bono and I co-founded in 2000. In fact, DATA is an acronym for "Debt Aids Trade for Africa" in return for "Democracy, Accountability and Transparency for Africa." Along with many others, we have supported new trade initiatives, including the Millennium Challenge Corp., change to customs regulations and AGOA, the African Growth and Opportunity Act, which allows tremendous new investment and trade between the U.S. and Africa. Our sister entity, one.org, works on trade issues in a grassroots manner.

We created (RED) to bring the marketing brilliance and the budgets of the private sector to bear on the greatest human health-care crisis in history. To make this happen, we needed a device, a brand that would enable the bravest and smartest companies to invest and to make money on that investment. (RED) is that brand.

Gap's campaign has proved our idea not only by its genius advertising and products, but by that fact that all Gap employees have been trained to explain this crisis to customers. In malls across America, young Americans are explaining AIDS to their customers and selling them T-shirts made in Lesotho and denim made in America from African cotton. As success builds on itself, more products will be sourced in Africa.

In addition, Motorola has launched its (Product) RED phones with Sprint and US Cellular -- wait until sales people in Sprint stores are telling stories about the positive effects of America's medicines and the opportunities for investment in Africa. Wow.

The Democrats' Economy Wars (WP)

By Harold Meyerson

The Washington Post, November 22, 2006

When voters went to the polls this month, they registered not only a revulsion with the Republican regime but also a profound -- almost un-American -- anxiety about the nation's future. They ousted incumbents who wanted to stay the economic course, choosing instead Democratic challengers who questioned free-trade orthodoxy. In the exit polling, a plurality said they believed that life for the next generation of Americans would be worse than it is today.

All wings of the Democratic Party seem to understand the extent of America's economic problem. The architects of Bill Clinton's economic and trade policies, as well as their more liberal critics, all agree now, in the words of Clinton Treasury secretary Lawrence Summers, that "the vast global middle is not sharing the benefits of the current period of economic growth -- and that its share of the pie may even be shrinking." The era of globalized free trade that Summers and his iconic predecessor at Treasury, Robert Rubin, sped on its way, Summers admits, has benefited many Asians and, here at home, has been "a golden age for those who already own valuable assets. . . . Everyone else has not fared nearly as well."

Concerned that the American dream is fading for the middle class, and fearful that said middle class may turn against the global free-trade order he helped erect, Rubin has created the Hamilton Project, which, in the spirit of its namesake, our first Treasury secretary, proposes a series of enlightened Tory solutions to address these conundrums. The project has called for greater public investment in education, health care, research and development, and infrastructure; balancing the budget; and wage insurance for workers compelled to take lower-paying jobs in our Wal-Mart-ized economy.

But are these solutions remotely adequate to the problem, which is ultimately that of wage convergence in the globalized economy? Even its proponents seem not to think so. "Let us be frank," Summers wrote in a Financial Times column. "What the anxious global middle is told often feels like pretty thin gruel. . . . [More] education [can't] be a complete answer at a time when skilled computer programmers in India are paid less than $2,000 a month."

When Rubin was pressed by the Nation's William Greider in June as to whether he thought the project's proposals would arrest or offset the global convergence of wages, he said, "I don't know the answer to that. I would guess that the answer to that question is no."

For the Democrats who now run Congress, not to mention those planning to run for president, the fact that the party's economic gurus have devised a policy that they themselves believe isn't up to the challenge at hand can't be greatly heartening. Happily, this is not the only project whose work the Democrats will be able to access. This June, in response to the Hamilton Project's creation, a group of some 50 liberal economists loosely affiliated with the Economic Policy Institute (EPI) began work of

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their own. Their project, yet to be named (its founders have resisted the temptation to call it the Aaron Burr Project), will be unveiled in January.

The fundamental difference between the two projects -- that is, between the two primary schools of Democratic economics -- is that Rubin's largely believes the rules of the market to be immutable and sound (though it's precisely the rules of the market that are depressing American incomes), while EPI's, in the words of economist Mark Levinson, "rejects the notion that what has happened to this economy is inevitable. Policy can turn this around." (Full disclosure: Levinson is an old friend.)

For starters, EPI's project will call for a pay-or-play health insurance system (employers can cover their own employees in private plans or pay taxes into an expanded version of Medicare that will cover everyone else) and for a retirement system in which employers can offer their employees pensions or, with their employees, pay into a system administered by Social Security. It will suggest a series of policies to decouple globalization from downward pressure on wages -- adding some enforceable labor standards, for instance, to the rules of the World Trade Organization.

Less cosmically, economist Jeff Faux pointedly asks, "Why should middle-class taxpayers fund Harvard to dream up new products that will be made overseas? We need to condition greater R&D funding to production here at home."

Over the next two years, both projects will barrage the Democrats with their ideas. At times their perspectives may converge. (Rubin seems to be edging closer to acknowledging a need to reestablish workers' rights to join unions, long a priority of the EPI crowd.) But the creation of EPI's project balances the scales in the Democratic universe. The Hamilton Project is the policy voice of the party's largest business donors. In the project to be unveiled in January, the party's voters get a policy voice, too.

Bush's Daughter Robbed In Argentina (AP)

AP, November 22, 2006

U.S. and Argentine media reported that one of President Bush's 24-year-old twin daughters had her purse stolen while being guarded by the Secret Service during a visit here.

ABC News, citing unidentified law enforcement reports, reported on its Web site Tuesday that Barbara Bush's purse and cell phone were taken while she was dining in a Buenos Aires restaurant.

La Nacion newspaper, citing anonymous government sources, said in its online edition early Wednesday that one of Bush's daughters had her purse taken Sunday afternoon in the popular tourist district of San Telmo.

A pair of thieves removed the purse from under a table while Secret Service agents stood guard at a distance, La Nacion reported. La Nacion said its sources did not reveal which of the Bush daughters had her purse stolen.

Argentine police told The Associated Press they had no complaint of any such incident on file, and the U.S. Embassy in Buenos Aires said it would have no comment. In Washington, the White House, Secret Service and State Department also declined comment.

CNN cited a law-enforcement source who was briefed on the incident as saying that "at no point were the protectees out of visual contact and at no point was there any risk of harm."

Argentina's largest-circulation daily, Clarin, ran an online report citing the government news agency Telam as saying that Barbara Bush had her purse taken along with a cell phone that was inside it. Telam cited an official source who did not wish to be identified by name and who provided no other details.

Barbara's twin, Jenna, visited neighboring Paraguay last month to take part in a UNICEF program for young professionals.

One Syllable Of Civility (WP)

By Ruth Marcus

The Washington Post, November 22, 2006

If he wanted to, President Bush could change the tone in Washington with a single syllable: He could just say "ic." That is, he could stop referring to the opposition as the "Democrat Party" and call the other side, as it prefers, the Democratic Party.

The derisive use of "Democrat" in this way was a Bush staple during the recent campaign. "There are people in the Democrat Party who think they can spend your money far better than you can," he would say in his stump speech, or, "Raising taxes is a Democrat idea of growing the economy," or, "However they put it, the Democrat approach in Iraq comes down to this: The terrorists win and America loses."

But even as he promised to work to change the tone in Washington after the elections, the president couldn't manage to change his language. In his day-after-the-elections news conference, Bush employed this needling locution five times. "This morning, I spoke with Republican and Democrat leadership in the House and Senate," he began, adding, "it is clear the Democrat Party had a good night last night." That was followed by references to "Democrat leaders," "Democrat leadership" and

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"Democrat votes," as in, "We got some tax cuts passed with Democrat votes." Geez, you'd think he'd at least give them the -ic when they vote for his tax cuts.

The president isn't alone in his adjectival aversion to "Democratic" when it comes to the party. The provenance of the sneering label "Democrat Party" stretches back to the Harding administration. William Safire traced an early usage to Harold Stassen, who was managing Wendell Willkie's 1940 campaign against Franklin D. Roosevelt. A party run by political bosses, Stassen told Safire for a 1984 column, "should not be called a 'Democratic Party.' It should be called the 'Democrat party.' "

Democrat Party was used, pardon the phrase, liberally by Wisconsin Sen. Joseph McCarthy. According to the Columbia Guide to Standard American English, " Democrat as an adjective is still sometimes used by some twentieth-century Republicans as a campaign tool but was used with particular virulence" by McCarthy, "who sought by repeatedly calling it the Democrat party to deny it any possible benefit of the suggestion that it might also be democratic." The word also achieved a prominent run with Bob Dole's especially ugly reference to "Democrat wars" during the 1976 vice presidential debate.

But Democrat-as-epithet has seen its fullest flowering -- on talk radio, among congressional leaders and, more than with any of his predecessors, from the president himself -- during the recent Republican heyday. As Hendrik Hertzberg pointed out in the New Yorker in August, the conservative Web site NewsMax.com takes pains to scrub Associated Press copy "to de-'ic' references" to the party.

There is, I concede, a trivial, sticks-and-stones quality to this linguistic bickering. "Two thousand, eight hundred, forty-seven votes in Montana may break your control," the Democrats might taunt the GOP, "but names will never hurt us." As any parent who's ever had to mediate between squabbling siblings could tell them, "He's only doing it because he knows it bothers you. If you don't respond to him, he'll stop." After all, Democrats, what's so terrible about being called Democrat, small "d" or large?

But as a matter of simple politeness -- something the Bush family is famously good at -- it's rude to call people by a term that makes them bristle, even a seemingly innocuous one. There's also something grating and coarse-sounding about this abbreviated appellation, like saying "Jew" instead of "Jewish." It is, conservative wordsmith William F. Buckley wrote in National Review in 2002, "offensive to the ear."

And with reason: It's intended to be. Republican -- Publican? -- politicians drop the -ic both to annoy the opposition and to diminish the big-D Democrats' claim to the small-d democratic virtues. " 'Democrat Party' is a slur, or intended to be -- a handy way to express contempt," Hertzberg wrote. "At a slightly higher level of sophistication, it's an attempt to deny the enemy the positive connotations of its chosen appellation."

In the few weeks since the election, the president has followed up his syrupy rhetoric of cooperation with a series of face slaps: pushing the doomed nomination of John Bolton to be ambassador to the United Nations, resubmitting the equally doomed nominations of a quartet of offensive judicial selections and naming a physician to head the federal family planning program who works for clinics that refuse to offer birth control.

So it's probably naive to give any credence to the presidential happy talk and blue ties. But if, just maybe, the president wants to do more than pay lip service to the notion of a new tone in Washington, he could start by just paying lip service.

OTHER NEWS:

White House Cuts GDP Outlook Amid Slump In Housing Market (WSJ)

By Deborah Solomon

The Wall Street Journal, November 22, 2006

WASHINGTON -- The White House said it expects somewhat slower economic growth this year and next than it forecast six months ago, partly because of a slump in the housing market. It also said it expects a slight increase, both from its earlier forecast and from this year, in inflation in 2007 and 2008.

In an updated economic forecast, the administration said it expects inflation-adjusted gross domestic product, the value of all the goods and services produced in the economy, to increase 3.1% this year, down from its June forecast of 3.6%. Economic growth is expected to slow to 2.9% in 2007, down from its previous estimate of 3.3%.

As for inflation, a decline in record-setting energy prices prompted the White House to lower its 2006 estimate for consumer-price-index growth to 2.3% from its June forecast of 3%. But the administration is predicting a slight increase to 2.6% in 2007 and 2008.

The new economic-growth forecast, on which the president's new budget will be based, is largely in line with private-sector estimates. Private forecasters are predicting GDP growth of 3.4% this year and 2.6% in 2007. On the inflation front, the private sector is less sanguine about 2006, estimating 3.5% CPI growth and 2.5% in 2007.

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Administration officials said the economy is still strong and that they saw no signs for concern about economic growth or inflation. Treasury Secretary Henry Paulson, in a statement, said the revised forecast suggests the economy is "moderating to more sustainable growth levels, firmer labor markets and steady inflation rates."

WALL STREET JOURNAL VIDEO

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The Bush administration's lowering of their 2006 and 2007 economic forecast2 is an official confirmation of the housing sector's impact on the economy, John Harwood reports.

Edward Lazear, chairman of the White House Council of Economic Advisers, said much of the downward revision in growth was due to a faster-than-expected decline in the housing market, which, he said, "has been hit harder than most of us had expected. Most forecasters were expecting a slower decline."

Administration officials pointed to revised forecasts of unemployment as a sign that the economy is going strong, saying they expect the economy to create about 129,000 jobs a month going forward. They now expect the unemployment rate in 2006 to average 4.6%, down from the previous 4.7%. They forecast unemployment will remain at 4.6% in 2007 and rise to 4.8% in 2008.

US Labour Market To Remain Tight In 2007 (FT)

By Krishna Guha In Washington

Financial Times, November 22, 2006

The US labour market will remain tight next year, the White House predicted Tuesday, raising hopes that ordinary Americans will start to feel more of the benefits of the country's economic expansion.

Issuing its twice-yearly economic forecasts, White House economic advisors said unemployment would average about 4.6 per cent in 2007, only a slight bit higher than the present 4.4 per cent.

Jobs growth would average about 129,000 a month – fewer than anticipated in June, but enough to keep unemployment low due to the falling number of people joining the labour market.

Ed Lazear, the chairman of the council of economic advisors, said, "I would anticipate that we will have positive and strongly positive real wage growth in the next year."

The White House forecasts came as Kevin Warsh, a governor of the Federal Reserve, warned that inflation remains "uncomfortably elevated" in spite of the recent deceleration in core inflation.

Mr Warsh said financial market prices suggested that inflation would decline slowly, but added, "There remain, I believe, clear upside risks to that outlook."

After growing slowly for much of the economic cycle, real average hourly wages for non-supervisory workers are up 2.8 per cent year-to-date, taking into account the benefit of the sudden drop in energy prices.

Mr Lazear said Tuesday that providing energy prices now stabilise, real wages will grow strongly into 2007. Critics, though, say the most recent gains are a one-off result of lower oil prices, and will not be sustained.

The White House cut its forecast for economic growth this year, next year and in 2008. Mr Lazear blamed the reduction on a sharper-than-expected correction in the housing market.

However, he said there were few signs that the slowdown in housing was spilling over into the rest of the economy, citing robust figures for consumption and retail spending.

The sharpness of the retrenchment in housing so far could point to a better than expected recovery ahead, he said.

Mr Lazear declined to speculate as to whether the housing market would bottom out this quarter or next, but said he thought growth in the fourth quarter would be stronger than in the third.

The White House raised its estimate for inflation next year, to 2.6 per cent from 2.4 per cent as measured by the consumer price index.

Mr Lazear played down the significance of this increase, highlighting recent favourable readings of headline, core and producer price inflation.

Nonetheless, if the forecast combination of higher than earlier anticipated inflation, plus a stronger than earlier expected jobs market were to materialise, it is hard to see the Federal Reserve in vigorous interest rate-cutting mode next year.

Slower Economy Growth Forecast (WT)

By Stephen Dinan

The Washington Times, November 22, 2006

The Bush administration yesterday predicted slower but steady economic growth over the next year, revising estimates downward because of a sluggish housing market.

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Administration officials also said inflation should remain at a manageable pace, while unemployment has now dropped to 4.4 percent and will remain at 4.6 percent as an annual rate for 2006 and 2007. The forecast was one of the periodic updates released by the administration, and will be the basis for President Bush's 2008 budget he will send to Congress early next year.

In reviewing the numbers, Rob Portman, director of the Office of Management and Budget, said they showed a "strong, growing economy, steady growth, good numbers on inflation in the sense that they're lower again."

The gross domestic product is now expected to grow by 3.1 percent in 2006, down from the 3.6 percent growth predicted in June.

"That's primarily a reflection of the housing market, which as most of you know, has been a bit slower than expected," said Edward P. Lazear, chairman of the Council of Economic Advisers.

But he said the slump seems to be contained in the housing market and hasn't affected other parts of the economy. He said one example is construction, in which nonresidential activity has increased, so construction jobs have shifted there from home building.

In 2007, the White House is now expecting the economy to grow by 2.9 percent -- also lower than its previous forecast for 3.3 percent growth. And, in 2008, the White House is projecting a 3.1 percent growth rate, slightly less than its old forecast for a 3.2 percent growth rate.

"The economic forecast clearly reflects the fact that the U.S. economy is moderating to more sustainable growth levels, firmer labor markets and steady inflation rates," said Treasury Secretary Henry M. Paulson.

Yesterday's forecast does not cover federal revenue, which has surged in recent years, helping reduce the deficit. Revenue grew 11.8 percent in fiscal 2006 and 14.5 percent in 2005, but analysts have said those increases will be difficult to match in the future.

The upcoming budget process will already be challenging for the White House because Democrats will control both houses of Congress for the first time with Mr. Bush as president.

Lower energy prices have also helped on the inflation front. The forecast put the Consumer Price Index for 2006 at 2.3 percent, down from an earlier prediction of 3 percent and well below 2005's actual rate of 3.7 percent. The 2007 forecast is for a 2.6 percent increase.

The forecast was a joint effort by the Treasury Department, the Council of Economic Advisers and OMB.

White House Lowers Forecast For Growth (NYT/AP)

By The Associated Press

The New York Times, November 22, 2006

WASHINGTON, Nov. 21 (AP) — The White House on Tuesday lowered its forecast for economic growth this year and next, reflecting the drag from the housing slump.

The Bush administration is also predicting that the unemployment rate will turn out to be slightly lower than previously thought.

Under the administration's new forecast, gross domestic product will grow by 3.1 percent, as measured from the fourth quarter of last year to the fourth quarter of this year. That is down from a projection of 3.6 percent in early June.

Still, the new forecast would represent decent growth, especially given the strain on overall economic activity from the housing slump.

The housing market has been hit harder than the administration had expected, Edward P. Lazear, chairman of the White House's Council of Economic Advisers, told reporters.

Gross domestic product measures the value of all goods and services produced within the United States and is the best measure of the country's economic standing.

The White House is now expecting the economy to grow by 2.9 percent in 2007 — also lower than its previous forecast of 3.3 percent growth.

The nation's unemployment rate, which averaged 5.1 percent last year, is expected to dip to 4.6 percent this year — a slight improvement from the administration's previous forecast for an unemployment rate of 4.7 percent this year.

Nasdaq, S& P Both Manage 2006 Records (USAT)

USA Today, November 22, 2006

NEW YORK — Stocks crept higher Tuesday as rising oil prices partly smothered euphoria over shares of Internet wunderkind Google cracking the $500 barrier (story, 1B).

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The Nasdaq composite and Standard & Poor's 500 indexes, which include Google among their components, both set 2006 highs: The Nasdaq was up 2.12 points to 2454.84 and the S&P was up 2.31 points to 1402.81. The Google-free Dow Jones industrial average rose 5.05 points to 12,321.59 that left it 21 points shy of its record close on Friday.

Google was the Wall Street story of the day as it rose $14.60 to $509.65 and breached $500 for the first time. But there was plenty else to influence traders, including oil, which rose $1.37 to $60.17 on news of temporary trouble with an Alaskan pipeline and a couple of U.S. refinery outages.

Another factor was the approach of the Thanksgiving holiday Thursday and a shortened trading day on Friday.

"We've been seeing a slow down-trickle in volume over the past few days because of the holiday," says Scott Fullman, director of investment strategy for Hapoalim Securities USA. "The market is just holding here, trying to work off a little bit of its overbought conditions that resulted from the rise that we've had over the past month or so."

Richard Cripps, chief market strategist for Stifel Nicolaus, says choppy market conditions are common at this point in the year. "I won't go so far as to say investors should cancel holiday plans with the family to watch the final tick on Wednesday," he says, "but I'd say this week still presents fresh opportunities. Friday will obviously be much less."

Highlights:

Medtronic gained $4.60 to $53.55 after the biggest maker of heart defibrillators reported earnings above projections late Monday.

·Apple Computer rose $2.13 to $88.60 and set another all-time high amid bullishness about the potential for iPod sales in the holiday season.

·Boeing added $1.98 to $91.10 and also set an all-time high. Korean Air placed an order for 25 Boeing aircraft.

·Spirit AeroSystems closed at $29, up $3.19, or 12%, from the $26 at which it sold 55.1 million shares in an initial public offering. Spirit is a former Boeing unit that makes commercial jet fuselages and wing parts and is now controlled by Canadian buyout firm Onex.

·Brown Shoe gained $6.22, or 16%, to $45.77. The operator of the Famous Footwear chain posted a bigger-than-expected 36% jump in third-quarter profit and raised its full-year forecast.

Weighing In On Wages (NYT)

The New York Times, November 22, 2006

Nearly every month for the past two and a half years, inflation has eaten up whatever wage gains most American workers have managed to eke out. In August, however, the cost of living started to moderate, thanks largely to falling energy prices. As a result, wages outpaced prices substantially in September. And in October, according to a government report last week, average hourly earnings were 2.8 percent higher than a year earlier, after adjusting for inflation — the biggest annual increase since 1998.

A real increase is something to cheer for a broad swath of working Americans — non-managers who make up 80 percent of the labor force and whose wages up until now have not reflected their impressive productivity over the past several years. But behind the headline numbers, the wage picture — and what it says about the economy — is still cloudy.

The gains of September and October were due to declining inflation, not faster wage growth. And with most economists predicting a slower economy through the middle of next year, it's unlikely that American workers will get a sustained pay boost any time soon.

In other words, Americans' purchasing power now depends almost entirely on the up and down of energy prices. That's not encouraging for anyone worried about America's dependency on the countries that produce most of the world's oil. It's also not likely to make for a confident consumer in an economy that has long depended on enthusiastic borrowing and shopping to fuel growth. And sure enough, retail sales have been disappointing even as gas prices have declined. An economic analysis released this week by Merrill Lynch shows that fatter paychecks in September fed into just three spending categories: music, clothing and eating out, rather than big-ticket categories like cars or appliances. In October, consumers backed off even more, with most all of the "extra" pay going into groceries and pharmacy items.

The coming holiday shopping season will be the true test of consumer resiliency. But the modesty of recent purchases — in the face of the best real wage growth in eight years — does not bode well.

There are early signs that Americans, untypically, may choose to pay down debt in the weeks and months ahead, rather than spend their money. The savings rate, though still negative, has improved of late, while bank lending to households has flattened.

Debt reduction would help families clean up their balance sheets, but it risks slowing the economy even further as spending winds down. That may be an inescapable bind. Working Americans, who have yet to participate fully in the Bush-era economic expansion, may not be ready or able to rev up the economy out of its current slow pace.

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Re-election Assured For 2 Republicans (NYT/AP)

By The Associated Press

The New York Times, November 22, 2006

ALBUQUERQUE, Nov. 21 (AP) — More than a week after Representative Heather A. Wilson, Republican of New Mexico, claimed a razor-thin election victory, her Democratic challenger conceded Tuesday, saying that a recount would cost too much and that there was no guarantee it would reverse the result.

In the Second Congressional District of Ohio, Representative Jean Schmidt, a Republican, clinched re-election Tuesday. Additional ballot counts gave her an insurmountable edge of about 3,200 votes over her Democratic challenger, Victoria Wulsin.

In New Mexico, Ms. Wilson, a five-term congresswoman, won by 875 votes, with 105,921 votes to 105,046 votes for the Democrat, Patricia Madrid, the state attorney general.

Giuliani Files To Explore Run For President (NYT)

By Sewell Chan

The New York Times, November 22, 2006

Former Mayor Rudolph W. Giuliani of New York has filed papers with the Federal Election Commission to create a presidential exploratory committee, joining a fellow Republican, Senator John McCain of Arizona.

Mr. Giuliani's filing, hand-delivered to the commission on Monday, says he is still "testing the waters," meaning that for now, he can raise and spend money on polls and travel but not declare himself a candidate or build a substantial war chest.

Mr. Giuliani, 62, who was mayor from 1994 to 2001, created a political committee in New York State on Nov. 10 called the Rudy Giuliani Presidential Exploratory Committee. But he stopped short of filing federal papers, leading to speculation that he had doubts about even weighing a run.

Sunny Mindel, a spokeswoman for Mr. Giuliani, declined to comment.

John H. Gross, a litigation partner and the chief of the insurance coverage practice at Proskauer Rose, a New York law firm, is the treasurer of Mr. Giuliani's federal campaign organization. It has the same name as the New York organization, where Mr. Gross is one of three directors.

On Nov. 15, Mr. Giuliani met in Manhattan with supporters who could form the core of a national fund-raising effort, including Thomas O. Hicks, the owner of the Texas Rangers; Mel M. Immergut, the chairman of the New York law firm Milbank, Tweed, Hadley & McCloy; and William E. Simon Jr., an investor who ran for governor of California in 2002.

Mr. Giuliani crisscrossed the country this year, visiting 25 states to campaign with or raise money for Republican candidates, according to his political action committee, Solutions America. But political analysts say his liberal views on social issues like abortion and gay rights could be a liability in a Republican primary.

"Everyone I've talked to keeps dismissing him for one reason or another: that he's from New York, that he's moderate, that he's wrong on one social issue or another," said Frank I. Luntz, a Republican pollster who worked for Mr. Giuliani in his 1993 and 1997 mayoral campaigns. "They don't know Rudy Giuliani, and they don't understand the electorate. The public is demanding intelligent leadership and is far more focused on personal attributes of the candidates than on specific policy issues."

Mr. Luntz said he believed that the midterm elections, which cost Republicans control of Congress, would lead party members to consider an unorthodox candidate like Mr. Giuliani.

"There's a great fear among the G.O.P. — and it's a legitimate fear — that they could end up losing everything," he said. "In times of genuine crisis, leadership matters a heck of a lot more than anything else."

McCain Defiant As Iraq Fires Early 2008 US Vote Talk (AFP-Y)

By Stephen Collinson

AFP, November 22, 2006

As Americans wonder when the troops will come home from Iraq, Republican White House hopeful John McCain is laying his first big bet of the 2008 campaign: demanding more soldiers for the war.

The US entanglement in Iraq is already driving the run-up to the next presidential polls, and barring a miracle peace, or abrupt US retreat, looks certain to become an even more potent issue.

Potential candidates are putting up trial balloons, as a committee of veteran Washington policymakers and a White House panel probe possible changes in US strategy as violence rages in the occupied country.

At first sight, McCain's position appears to jar with political logic, after the rout of his Republican Party in congressional elections two weeks ago, which exit polls showed were heavily influenced by dismay over Iraq.

It also contrasts sharply with the call of victorious Democrats for a phased withdrawal from Iraq.

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"He doesn't necessarily believe that the signal that was sent in the mid-term elections was an endorsement of withdrawal, per se, as much as it was an endorsement of doing something differently," said Jamie McKown, professor of government at Maine's College of the Atlantic.

"That is a fine line to walk."

McCain, 70, set Washington abuzz with a speech to a Republican political action committee Thursday, just over a week after the elections and on the day he took the first formal steps toward launching a campaign.

"Without additional forces, we cannot win this war," the former Vietnam War prisoner said.

A day earlier, McCain used a congressional hearing to dress down General John Abizaid, the top US commander in the Middle East.

"I regret deeply that you seem to think the status quo and the rate of progress we're making is acceptable. I think most Americans do not," McCain said.

Abizaid said a 20,000-troop increase in the 144,000-member US force would have a temporary effect on violence, but warned the pool of available combat troops was not large enough to sustain such an increase.

On Sunday, McCain was asked on ABC if it was "immoral" to ask US troops to stay in Iraq, when in his view, they were undermanned.

"Yes, it is," McCain answered. "We've got to ask ... some questions. One, are we winning? And I think the answer is no ... Can we still win? Yes, I believe we can."

As Democrats demand a phased withdrawal of US troops, McCain says more men must be poured in to flush out insurgent strongholds, crush militias and sectarian violence and to train Iraqi forces.

He has already differentiated himself from fellow 2008 hopefuls.

Former New York mayor Rudolph Giuliani, a possible Republican candidate, said he was waiting for the congressionally mandated Iraq Study Group to report on possible options, though was quoted last week as saying the United States needed to be "steadfast in Iraq."

Democrat front-runner Senator Hillary Clinton last week warned "hope" was not a strategy in Iraq. Senator Barack Obama, a rising Democratic star also considering a run, Monday called for a phased withdrawal of US troops.

McCain may be tailoring his message to hawkish, pro-military conservative voters who will decide the Republican nominee in primary elections.

"I don't think it dooms him in his primary process. He has a hard right primary he has to go through. My guess is that's part of the calculation," Democrat Senator Joseph Biden, mulling his own White House run, told NBC Monday.

This is merely the latest in a string of maverick stands by McCain, which include challenges to his own party over corporate financing and to the White House over torture.

The downside to his bet appears to be that if he wins the nomination, he may have trouble selling his message to voters nationwide in the 2008 elections.

"If things are getting worse and there is more of a consensus to say bring the troops home, he has to find a way to do that," said McKown.

McCain appeared on NBC last week showing the first signs of a possible exit route.

"So we're at a decision point. We either set up a plan for withdrawal, or withdraw, or whatever it is that is going to prevail," McCain said.

Asked if he would advocate withdrawal without more troops, he replied: "I think that that's pretty much my position."

Romney Forges On, Heedless Of GOP Losses (AP-Y)

By Glen Johnson

AP, November 22, 2006

By almost any measure, Massachusetts Gov. Mitt Romney — a would-be presidential candidate — should be hanging his head right now.

He was chairman of an association supposed to elect Republican governors, but they lost 20 of 36 races on Election Day, which saw widespread GOP losses.

Then, in an issue critical to the GOP's conservative base, the Massachusetts legislature balked at his request to let state voters decide on an anti-gay marriage amendment, forcing him to petition the state's highest court.

In addition, two of his potential rivals, Sen. John McCain of Arizona and former New York Mayor Rudy Giuliani, jumped out and announced they were forming presidential exploratory committees.

Yet true to the business training that earned him hundreds of millions of dollars, Romney has a plan and he's sticking to it.

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The 59-year-old former venture capitalist, who gained fame resurrecting the 2002 Salt Lake City Olympics, is proceeding on a methodical course of fundraising, staff-building and outreach.

If successful, Romney would be the first Mormon elected to the White House.

He plans to file papers establishing some sort of presidential committee by mid-December, one top aide said, so he will be ready to start raising money for it on New Year's Day.

Romney himself said as recently as last Friday that should he decide to run for president — and nearly all his travel and daily events are focused on such a run — he would announce his decision in early 2007. His term as governor ends Jan. 4.

"I have not seen an individual approach this situation with a greater degree of structure or by compiling such a vast database for making it, both on the personal and political sides," said Tom Rath, a veteran New Hampshire political operative who has advised former Republican candidates such as Bob Dole, George H.W. Bush, Lamar Alexander and George W. Bush.

The son of George Romney, the former governor of Michigan and a 1968 presidential candidate, Romney has worked assiduously to position himself as the top alternative to McCain.

A University of New Hampshire poll last month had the Arizona Republican in first with 32 percent, Giuliani second with 19 percent and Romney third with 15 percent.

Romney sought and won the chairmanship of the Republican Governors Association, allowing him to spend this election year traveling the country and dispensing cash to his party's gubernatorial candidates.

He raised a record $20 million and was especially generous with governors association money in early presidential states like Iowa, Florida and his native Michigan. While Republicans surrendered the nation's gubernatorial majority to the Democrats on Election Day, Romney had a ready explanation.

"The job of Republican Governors Association chairman is to raise money," he said. "We're not going to take the credit for any wins we get, nor are we going to take the blame for losses we suffer."

As for his party's broader losses, he — as did McCain last week — blamed his party for straying from its roots.

"We must return to the common sense Reagan Republican ideals of fighting for hardworking Americans," Romney said in a postelection statement.

Where Romney may take some heat, especially from the social conservatives who are instrumental in early primary voting, is over his positions on gay marriage and abortion.

Romney ran as a moderate during his 2002 gubernatorial campaign. Despite saying he personally opposed abortion, he not only pledged to leave the state's abortion laws intact, but noted his mother, Lenore, ran for U.S. Senate in 1970 as a supporter of abortion rights.

He now stresses his opposition to abortion in speeches across the country.

In 2002, Romney's supporters also handed out fliers with well wishes from him and his running mate during Boston's annual Gay Pride Parade. He was endorsed by the Log Cabin Republicans, a group of gay party activists. In 2003, he signed a proclamation hailing a gay youth parade.

Nonetheless, Romney has insisted his opposition to gay marriage has been unflinching. He has lambasted the Supreme Judicial Court for its November 2003 decision making Massachusetts the first state to legalize gay marriage.

He also chastised the Democratically controlled Massachusetts Legislature for voting earlier this month to recess without acting on a proposed constitutional amendment defining marriage as the union between one man and one woman.

Some 170,000 people signed petitions to get the question on the ballot in 2008.

"The issue before us today is whether 109 legislators will follow the constitution," he said Sunday during a rally on the Statehouse steps. "Let us not see the state, which first established constitutional democracy, become the first to abandon it."

The Rev. Jerry Falwell, an evangelical who founded the Moral Majority, said he expects Christian conservatives will focus more on Romney's personal morality and his current views than his past statements or his faith.

"We're not trying to find a Sunday school teacher in chief; we're trying to find a commander in chief," said Falwell, who traveled to Massachusetts last month to meet with Romney. Also attending the meeting were Franklin Graham, Gary Bauer, Lou Sheldon, Richard Land and other conservative social and religious leaders.

"Where he goes to church will not be a factor; how he lives his life will be," said Falwell.

Romney's political action committee, the Commonwealth PAC, raised $8.75 million and gave away $1.3 million in the most recent election cycle — virtually the same dispensed by McCain's much older "Straight Talk America" committee.

The governor's top political advisers, meanwhile, tend to be Bush-heavy. They include Ron Kaufman, the former White House political director under President George H.W. Bush; Alex Castellanos, a media consultant for President George W. Bush; Jan van Lohuizen, a pollster for the president and Republican National Committee, and Alex Gage, a "microtargeting" expert who helped Bush pinpoint pockets of support in the 2004 presidential campaign.

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"The governor expects in the next couple of months he will have an announcement about his future," said Eric Fehrnstrom, Romney's gubernatorial spokesman. "Until that time, he will continue to travel and meet with people as he decides about what is ahead of him."

Brownback To Put Feet To His Faith (KCS)

By Matt Stearns

The Kansas City Star, November 22, 2006

WASHINGTON | Sam Brownback's post-Thanksgiving schedule: an HIV test and reporting to prison.

No, that's not the set-up for a tasteless joke involving the conservative U.S. senator from Kansas. It's further evidence that, as Brownback nears a possible formal announcement he will explore a run for president, he is determined to stake out a unique position in a crowded Republican primary field.

Typically pigeonholed by political analysts as the candidate of the religious right, Brownback hopes to be more.

By highlighting issues like the plight of prisoners and poverty in developing nations, Brownback is trying to broaden his appeal beyond religious conservatives, a powerful force in Republican primaries and his base of support.

It's an effort to show that compassionate conservatism is not an empty motto — that his faith is calling him to deal with such issues.

"There's this great coming together taking place, left and right, on Africa, on global health issues," Brownback said.

"This could be a moment where a broader vision can catch on among people of faith, and among political activists, the further left the better. They care deeply about these issues. Here's a chance to have a broad public basis of support. It's a beautiful moment if we don't mess it up."

On Dec. 1, Brownback and Sen. Barack Obama of Illinois, a possible Democratic presidential candidate, will be at Saddleback Church in Southern California, pastored by best-selling author the Rev. Rick Warren, for the Global Summit on AIDS and the Church. The summit will bring together major faith-based relief organizations, government officials, and church officials from several denominations to discuss responses to the AIDS epidemic, especially in the developing world.

Brownback and Obama will get HIV tests to "de-stigmatize the test and the information" and discuss working across party lines on such issues.

On Dec. 8, Brownback is set to spend the night at the Louisiana State Penitentiary, popularly known as Angola. Since its dark history as one of America's toughest prisons, Angola has emerged as an example of enlightened prison management.

He hopes his visit will highlight the success of faith-based programs. Six evangelical churches work inside the prison walls, and more than 120 prisoners have earned degrees in Christian ministry.

Noting that the U.S. recidivism rate is about 67 percent, Brownback said that "we're not being successful in addressing their problems and needs" and that faith-based initiatives could play a role in helping.

For Brownback, the unifying theme of his post-Thanksgiving trips is simple, if unusual, in the context of a presidential campaign: "Every soul is unique and precious, a child of the living God and should be treated as such, whether they're in prison or suffering from AIDS."

It's not a new notion for Brownback: He has worked with Obama and others, including Hollywood liberal George Clooney, to bring Western attention to — and try to prod action on — the genocide in Darfur, including winning passage of a $50 million emergency aid package for Darfur refugees.

On Tuesday, he and Sen. Richard Durbin, an Illinois Democrat, urged governors to divest state pension funds of investments with companies doing business with Sudan.

Brownback also has introduced legislation urging drug companies to produce drugs that would cure diseases disproportionately affecting the developing world. He helped pass legislation to crack down on human trafficking.

He remains best known for his close association with religious conservatives, and his related stances against abortion rights, embryonic stem cell research, and same-sex marriage.

Linking that social conservatism with calls to action on issues like AIDS and poverty will be part of "fleshing out what a pro-life agenda is," he said.

"That may be the thing he does to set himself apart," said Joe Aistrup, a political scientist at Kansas State University.

Brownback said he would announce within a month whether he would form a presidential exploratory committee.

If, as expected, he does, he will need something to overcome the challenges of money and fame he will cede to frontrunners like U.S. Sen. John McCain of Arizona and Massachusetts Gov. Mitt Romney. Highlighting his unorthodox policy approach may be his best shot.

"Sometimes these approaches fit the mood of the country, and that's why they're successful," Aistrup said, citing Jimmy Carter's post-Watergate, grassroots campaign of 1976.

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One Religious Group Drops Plans For Wal-Mart Boycott (WSJ)

By Kris Hudson

The Wall Street Journal, November 22, 2006

DALLAS -- A religious group that had rallied members to boycott Wal-Mart Stores Inc. this weekend backed off the pledge on Tuesday.

The American Family Association, a Tupelo, Miss., group claiming nearly 3.5 million members, had urged its followers to stay away from Wal-Mart on the Friday and Saturday following Thanksgiving to protest the retailer's recent ties with homosexual groups, including its decision this year to join a national chamber of commerce for gay and lesbian businesses. Another religious group, Operation Save America, intends to "proclaim the Gospel of Jesus Christ at more than 300 Wal-Mart stores" on Friday.

Yet, after Wal-Mart issued a statement on Tuesday outlining its policies on corporate donations and its stance against discrimination, the American Family Association declared itself "pleased" and withdrew its call for a boycott.

In a statement on its Web site, the association credited its decision to withdraw its boycott to Wal-Mart's announcement Tuesday that it will not "make corporate contributions to support or oppose controversial issues unless they directly relate to their ability to serve their customers."

Wal-Mart spokeswoman Mona Williams said the retailer recently made a "clarification" to its policy on corporate giving but the change was not related to the potential boycott. "We are trying to be more thoughtful and focused in our giving," spokeswoman Mona Williams said. "We will not support controversial issues but will continue to partner with a broad range of diverse organizations on individual projects. For example, we will not support issues we do not take a position on, such as same-sex marriage. But I can see us partnering with the same organization on individual initiatives such as one that supports workplace equality or fights against hate crime."

The American Family Association and other groups are up in arms over Wal-Mart's decision earlier this year to join a national chamber of commerce for gay and lesbian businesses, as well as for its donations to other gay and lesbian groups. Wal-Mart on Tuesday issued a statement on the matter on one of its Web sites, www.walmartfacts.com1. The retailer also distributed it to its 1.3 million U.S. employees.

"We take pride in the fact that we treat every customer, every supplier and every member of our individual communities fairly and equally," the statement reads. "We are working hard to make our corporate contributions reflect the values of our customers, communities and associates."

Wal-Mart, Bentonville, Ark., already faces an organized media campaign from one of its biggest critics -- the United Food and Commercial Workers union's WakeUpWalMart.com2 -- to dissuade shoppers from visiting its stores this weekend. And the retailer already anticipates a challenging start to the holiday season: It predicts it will post no gain in same-store sales -- or sales at stores open for at least a year -- for November.

Wal-Mart has made one change that might appeal to Christian groups. It intends to make "Merry Christmas" a prominent theme in its marketing and in-store signs this year, as opposed to the "Happy Holidays" that some retailers have used in the past to the ire of Christian groups.

John Fleming, Wal-Mart's chief marketing officer, said in an interview on Monday that the retailer's "single greatest portion of customers celebrates Christmas, and it is important to them." For example, the section in Wal-Mart stores including Christmas lights and other decorations is now labeled a Christmas shop rather than a holiday shop.

"This is really about listening to our customers and our associates," Mr. Fleming said of the "Merry Christmas" theme. "As one of our associates pointed out last year, 'Why do we call it a holiday shop when it has Christmas trees in it? It's a Christmas tree. We should call it a Christmas tree."

Wal-Mart, which operates nearly 4,000 stores in the U.S. and more than 2,700 abroad, logged more than $312 billion in revenue last year.

Birthrate Among Teenagers Drops To Record Low (USAT)

By Rita Rubin

USA Today, November 22, 2006

The birthrate among U.S. teens, which has been falling since its peak in 1991, dropped to an all-time low in 2005, according to preliminary data released Tuesday by the National Center for Health Statistics, part of the Centers for Disease Control and Prevention.

Among Hispanic teens, though, the birthrate is twice as high as the overall teen birthrate.

Overall, the preliminary 2005 rate for females ages 15-19 was 40.4 births per 1,000, down from 41.1 in 2004 and 61.8 in 1991. The Hispanic rate for teens 15-19 was 81.5, down from 82.6 in 2004 and 104.6 in 1991.

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Abstinence and contraceptive use “are still driving factors” behind the declining teen birthrate, says demographer Stephanie Ventura, co-author of the report.

Fear of contracting a sexually transmitted disease has helped spur teens to use condoms or delay having sex, says Bill Albert, deputy director of the National Campaign to Prevent Teen Pregnancy, a non-profit group based in Washington.

“AIDS has a way of getting a guy's attention in a way pregnancy did not,” Albert says.

Some highly effective contraceptives weren't available in 1991, Albert notes. One, Depo-Provera, requires one shot every three months, he says.

Still, Albert says, citing the Hispanic teen birthrate, “there are some hints here that the impressive progress that the nation has made may be slowing down.”

Language and cultural differences may partly explain why the gap between the Hispanic teen birthrate and the overall teen birthrate is as wide as ever, he says.

To help narrow the gap in Washington, Mary's Center for Maternal and Child Care runs programs for teens and preteens, says Vanessa DeCarbo, director of advocacy and communication.

Program goals include motivating young people to consider the impact a baby would have on their families and on their economic futures, DeCarbo says.

Other record findings in the preliminary 2005 births data:

·The proportion of births to unmarried women rose to 36.8% — or more than 1.5 million babies — in 2005, up from 35.8% in 2004. “It's not a teenage issue,” Ventura notes, “which was the case 20, 30, 40 years ago.” About 40% of unmarried women who had their first baby in 2005 lived with the father. “It's not the same as marriage, but at least it suggests some stability,” Ventura says.

·The proportion of preterm babies — those born at less than 37 weeks of gestation — rose to 12.7%, up from 12.5% in 2004. The preterm birthrate has increased 20% since 1990. In addition, the percentage of low-birth-weight babies rose 8.2% — the highest level since 1968 — up from 8.1% in 2005. That rate has increased more than 20% since the mid-1980s.

·The U.S. C-section rate — up 46% since 1996 — hit an all-time high of 30.2%, an increase of 4% over 2004. “It's really going through the roof,” Ventura says. Rates were up for all age groups and all race and Hispanic-origin subgroups.

Assassination Increases Tensions With Syria, Iran (WP)

By Robin Wright

The Washington Post, November 22, 2006

President Bush blasted Syria and Iran yesterday after the assassination of Christian cabinet minister Pierre Gemayel for trying to destabilize Lebanon, reflecting tensions between Washington and its two Middle Eastern rivals that are increasingly playing out in Lebanon as well as Iraq.

While the president stopped short of blaming Syria for the killing, he warned that the United States remains "fully committed" to supporting Lebanon's democracy despite attempts by Damascus, Tehran and their allies in Lebanon "to foment instability and violence." During remarks to U.S. troops in Hawaii, he also charged that the regime of Syrian President Bashar al-Assad is in violation of two U.N. resolutions for its ongoing meddling in Lebanon.

For the past 21 months, the Bush administration has tried to steer the Mediterranean country toward democracy and away from the grips of long-standing Syrian and Iranian influence. As Iraq imploded, the Bush administration hoped that Lebanon might prove an alternative model for the flowering of freedom in the Middle East.

The massive Lebanese protests during the Cedar Revolution last year -- when more than 1 million Lebanese turned out to demand Syria's withdrawal after the assassination of former Lebanese prime minister Rafiq al-Hariri -- eventually brought down a government and forced Syria to end its 29-year occupation. Elections two months later put in place a parliament dominated by anti-Syrian forces.

But the assassination yesterday of Gemayel, who was a member of the third generation of Lebanon's most prominent Christian political family, signals that the battle for Lebanon is far from over, said U.S. officials and regional experts.

And having the United States as an ally is no protection. "The assassination highlights to what extent the United States is in a position of weakness in the region. . . . It doesn't matter what statements the U.S. makes about coups and assassinations, it still happens," Emile el-Hokayem, an expert on Lebanon at the Henry L. Stimson Center, a defense think tank, said in an interview from Beirut.

Indeed, the bullets that raked Gemayel's car also fired on U.S. policy, analysts say.

"The bullets were meant for an outspoken critic of Syria. The Cedar Revolution is seen as an extension of American power, so the assassination of Gemayel was by extension a way of striking the U.S. as well," said Augustus Richard Norton, a former U.N. peacekeeper in Lebanon and now a professor at Boston University.

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Added Lebanese columnist Rami Khouri, currently on a speaking tour in the United States: "This is the new Cold War."

U.N. Ambassador John R. Bolton said Gemayel's assassination brought new attention to the danger that Syria and Iran are attempting, through Lebanese allies such as Hezbollah, to conduct a coup d'etat against the pro-Western government led by Prime Minister Fouad Siniora.

Over the past week, Hezbollah has threatened to hold large protests to demand more cabinet seats for a bloc that also includes the followers of Christian Michel Aoun.

In an interview with MSNBC, Bolton came the closest of any administration official to blaming Damascus. "One pattern we discern in these political assassinations of Lebanese leaders -- journalists, members of parliament -- they are all anti-Syrian. So I suppose one can draw conclusions from that," he said.

Bashar Jaafari, Syria's U.N. ambassador, denied that his government had a hand in Gemayel's killing. "Syria has nothing to do with this," he said, adding that Damascus condemned the assassination as a "horrible" crime.

In an emergency session yesterday, the U.N. Security Council condemned Gemayel's assassination, expressing "grave concern" that it could undermine Lebanon's effort to consolidate its fledgling democracy.

The council also formally approved plans to create an international tribunal to seek justice for the assassinations of Hariri and other prominent political targets. Most of the killings have been widely linked to Syria.

The tribunal has been a growing flash point between Syria and the international community, as well as among Lebanese. Many U.S. experts say that the recent political turmoil, including the resignation of six Shiite cabinet ministers in an attempt to bring down the government, appears to have been orchestrated by Damascus as way to force a deal with the outside world -- possibly including the survival of the Lebanese government in exchange for dropping the idea of a tribunal that might attempt to try senior Syrian officials.

Staff writers Michael Fletcher, in Hawaii with the president, and Colum Lynch in New York contributed to this report.

Leaders Condemn Assassination Of Lebanese Cabinet Minister (NYT)

By Brian Knowlton

The New York Times, November 22, 2006

WASHINGTON, Nov. 21 — The assassination of the Lebanese cabinet minister Pierre Gemayel was widely condemned today as an act of terrorism that threatens to upend not only Lebanon's stability, but also tentative moves to engage Syria in talks on regional peace initiatives.

"It's going to complicate U.S. efforts both in Lebanon and with Israeli-Palestinian peace and in Iraq," said Hady Amr, a Brookings Institution fellow of Lebanese descent.

Britain, France, Egypt, the European Union and the United States issued powerful condemnations of the killing. King Abdullah of Jordan called it "a cowardly act that targets the security and stability of Lebanon."

Nicholas Burns, the American under secretary of state, described the killing as an act of terrorism and intimidation. "We believe it's the responsibility of all countries to support the Siniora government and to oppose those who would try to divide Lebanon or return violence to political life in Lebanon," he said, referring to Fouad Siniora, the Lebanese prime minister.

The killing was also condemned today by Syria, which is widely believed to have played a role in the February 2005 assassination of former Prime Minister Rafik Hariri, and by spokesmen for Hezbollah, the pro-Syrian Shiite Muslim party and militia in Lebanon, which is pressing for more power in the government there. Hezbollah's demands, and the resignation of its cabinet members when talks over them broke down Nov. 11, have precipitated a political crisis in Beirut.

Many in Lebanon reacted with anger and frustration over the killing of Mr. Gemayel, and pointed accusing fingers at Syria. Among them is Saad Hariri, the son of Rafik Hariri, whose death sparked an enormous outpouring of anti-Syrian anger among Lebanese, dubbed the Cedar Revolution, that helped force Syria to withdraw its troops from Lebanon last year.

Mr. Hariri said the killing would make the Lebanese people more determined to embrace an international tribunal the United Nations wants to establish to investigate his father's death and conduct trials in the case.

The American ambassador to the United Nations, John Bolton, spoke with visible anger about the killing. Asked by a reporter whether the tribunal should now be delayed to avoid fanning instability, he said sharply: "How incredibly wrong that would be.

"Instability? They're killing people in Lebanon, they're assassinating political leaders. Not the time to seek justice?"

Mr. Bolton said he hoped the United Nations would now move quickly to set up the tribunal.

Bernard Reich, a professor of international relations at George Washington University who studies terrorism, suggested that Syria has been trying to keep its apparent involvement in Mr. Hariri's death out of the spotlight.

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"Syria clearly is trying to deflect attention from these reports, by virtue of Hezbollah actions, the link to Iraq, the connection to Iran," he said, referring of recent diplomatic moves by the regime in Damascus. "I think this just makes the entire situation far more complicated."

The killing, Mr. Reich continued, was "a bullet not just into Gemayel, but into Lebanese political stability and political cooperation."

"I see nothing good, nothing positive, in this action for any of the major issues that affect U.S. policy or Lebanon or Israel."

James Steinberg, who was a deputy national security adviser to President Bill Clinton, said that Syria was only one possible suspect in a region where politics amounts to "wheels within wheels within wheels."

"There are so many potential candidates who might have played a role," said Mr. Steinberg, who is now the dean of the school of government at the University of Texas. "If you look at it rationally, the Syrians are on a semi-roll now, so why would they do something like that? It doesn't make sense for government policy, but could it be a rogue element? Yes. Gemayel's had a lot of enemies. Could it be one of them? Could there be a Hezbollah role?"

Still, he said, the presumption of a Syrian role is likely to be so widespread that unless Damascus moves strenuously to establish its innocence, the recent push by Britain and by several prominent figures in Washington to engage Syria in talks with the United States on stabilizing Iraq could be disrupted.

What immediate impact the Gemayel assassination will have on the internal situation in Lebanon was unclear.

"I wouldn't rule out the possibility that it could re-rally the forces of moderation," Mr. Steinberg said. "They may be saying, 'The time has come to stiffen our spines again.' "

Mr. Amr, the Brookings fellow, predicted that the pro-Western Siniora government o would "dig in its heels and say, 'This is a sign that we cannot give in to terror.' "

But Mr. Amr, interviewed by telephone in Doha, Qatar, where he had just spent hours on the phone with Lebanese friends, said he was worried about the popular response.

"The real crisis is not going to be initially in the government side, but in how do the Lebanese people respond," he said. "Are we going to see mass anti-Hezbollah demonstrations and mass pro-Hezbollah demonstrations? I fear there's a potential for that.

"It's clear that Lebanon is in big trouble."

Mr. Bolton, pressed by a CNN reporter on the possibility of conflict erupting in Lebanon, responded, "Don't you think that assassination amounts to civil conflict now?"

U.S., Bush Denounce Slaying In Lebanon (AP)

By Jennifer Loven

AP, November 22, 2006

President Bush denounced Tuesday's assassination of a Lebanese leader as "the vicious face of those who oppose freedom" and said that Syria and Iran are trying to undermine the democratically elected government of Prime Minister Fuad Saniora.

From Washington, the State Department called the murder of Lebanese Christian leader Pierre Gemayel, a foe of Syrian involvement in the country, an act of terrorism and intimidation.

Bush and other U.S. officials stopped short of specifically blaming Iran or Syria for the assassination, although the U.S. ambassador to the United Nations, John R. Bolton, raised the possibility. The president called for a full investigation to identify "those people and those forces" behind it.

"We support the Saniora government and its democracy and we support the Lebanese people's desire to live in peace," Bush said after having breakfast with U.S. troops stationed here. "And we support their efforts to defend their democracy against attempts by Syria, Iran and allies to foment instability and violence in that important country."

An intelligence official, who spoke on condition of anonymity about the evolving situation in Lebanon, said it's not yet clear who is responsible for the assassination. There is no evidence now to substantiate Syrian involvement, although the country remains a suspect. "Nothing is being ruled out," the official said.

Bush said the U.N. Security Council must move quickly to establish a special tribunal to investigate the 2005 assassination of former Prime Minister Rafik Hariri. The Security Council is facing a deadline to approve a letter endorsing an agreement with Lebanon to create a tribunal.

"I strongly believe that the United Nations Security Council ought to act today," Bush said sternly. "For the sake of peace, the free world must reject those who undermine young democracies and murder in the name of their hateful ideology."

Undersecretary of State Nicholas Burns told reporters the administration was shocked by the assassination.

"We view it as an act of terrorism," he said. "We also view it as an act of intimidation."

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Burns took note of recent statements by Hezbollah leader Sheik Hassan Nasrallah and others that he said are meant "to destabilize Lebanon and to divide the country."

Nasrallah has urged his followers to prepare for mass demonstrations to topple the U.S.-supported government headed by Saniora if it ignores Hezbollah's demands to form a national unity Cabinet. Hezbollah, an ally of Syria, gained political strength in the country as a result of the war it fought last summer against Israel.

The U.S. has accused Syria and Iran of plotting to topple Saniora's government, which is dominated by politicians opposed to Syrian influence in Lebanon.

Referring to an investigation into the assassination in 2005 of Hariri, who also tried to limit Syrian influence in the country, Bolton told reporters: "I think people can draw their own conclusions."

Secretary of State Condoleezza Rice telephoned Saniora with condolences and to reiterate U.S. support for democracy in Lebanon, Tom Casey, a State Department spokesman, said.

Burns praised Saniora's 20-month old government, seeing it as a step toward returning Lebanon "to a position of real sovereignty, freeing it from Syria's influence and from "the politics of violence and assassination."

"We believe it is the responsibility of all countries to support the Saniora government," he said. "We will give full support to the Saniora government in the days and weeks ahead."

In brief remarks at the Pentagon, Defense Secretary Donald H. Rumsfeld said of the killing, "It is certainly a tragedy for Lebanon and for those in Lebanon and that part of the world that believe in peace and representative systems."

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Associated Press Writer George Gedda contributed to this story.

Lebanon Official Critical Of Syria Is Assassinated (NYT)

By Michael Slackman

The New York Times, November 22, 2006

BEIRUT, Lebanon, Nov. 21 — Pierre Gemayel, a Lebanese cabinet minister and strong opponent of Syrian influence in Lebanon, was gunned down in his car here on Tuesday afternoon, jolting a nation already paralyzed by political conflict that threatens to topple the government.

The killing of Mr. Gemayel, the 34-year-old scion of a prominent Maronite Christian family, inflamed tensions between the anti-Syria coalition trying to hold its government together and the Syrian-allied opposition, led by Hezbollah. An Iranian-supported Shiite group, Hezbollah has threatened street protests if it is not given more power. The demonstrations were expected Thursday — now, there will be a funeral instead.

Lebanese radio reported that shots were also fired Tuesday into the Beirut office of Michel Pharaon, a Greek Catholic member of the ruling coalition and minister for parliamentary affairs.

Lebanon's prime minister, Fouad Siniora, vowed in a televised speech that his government would hold firm. "I pledge to you that your blood will not go in vain," Mr. Siniora said. "We will not let the murderers control the fate of Lebanon and the future of its children."

In truth, his government may already be on life support. Last week, six pro-Syria ministers aligned with Hezbollah resigned after a failed effort to gain greater control over the government. A seventh minister resigned earlier in an unrelated conflict. With Mr. Gemayel's death, there may now be too few ministers to pass any measures, and it appears that if the government were to lose one more minister it would automatically collapse.

The prime minister's political allies in the so-called March 14 coalition — a pro-Western group of Sunni Muslims, Druse and Christians — blamed Syria for Tuesday's killing. "We believe the hand of Syria is all over the place," Saad Hariri, the son of the assassinated former prime minister, Rafik Hariri, said shortly after Mr. Gemayel was pronounced dead.

Officials in Damascus and Syria's allies in Lebanon condemned the killing.

Mr. Gemayel, the industry minister, was the fifth anti-Syria figure to be killed since Mr. Hariri's assassination rocked Lebanon in February 2005.

The killing reverberated far beyond Lebanon. Condemnations poured in from Britain, Germany, Italy, France, the European Union, Jordan, Egypt and the United States.

President Bush suggested in a statement that the assassination was part of a plan by Syria, Iran and its allies to "foment instability and violence" in Lebanon.

The United States is heavily invested in the survival of Mr. Siniora's government, which has offered Washington a chance — however faded — to thwart the spread of Iranian influence in the region.

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The killing also is likely to complicate any American effort to enlist Syria's help to stabilize Iraq. The United States withdrew its ambassador from Damascus after Mr. Hariri was assassinated nearly two years ago and suspicion fell heavily on Syria. Now the White House is under pressure domestically and abroad to engage with Syria and Iran to quell the violence in Iraq.

But the suspicion that Syria is behind the efforts to destabilize Lebanon will make it nearly impossible for Washington to send a full ambassador back to Damascus without appearing to have abandoned the Siniora government.

At the same time, any allegation of Syria's involvement is likely to antagonize Syrian officials — and make them even more reluctant to back off of a military, political and economic alliance with Iran.

For a time, after the initial occupation of Iraq and the assassination of Mr. Hariri, Syria's ruling elite felt threatened, vulnerable and isolated. Syria was humiliated when it was forced, after the Hariri killing, to withdraw its military forces from Lebanon.

But in recent days, Syria has found its strategic stature in the Middle East bolstered by the surge of violence in Iraq, and the suggestion that the United States might soon ask for its help. While it has denied any role in any of the Lebanon violence, it has not denied its desire to reinsert itself as the primary force in Lebanese affairs.

"This is a crime against Lebanon, all of Lebanon," Hassan Khalil, a pro-Syria member of Parliament and member of the Shiite Amal party, said in a television interview. "This is a crime that we condemn."

In the complex and shadowy world of Lebanon's long-warring factions, conspiracy theories can cut both ways. Syrian officials and their Lebanese allies said the only beneficiaries of Mr. Gemayel's death were anti-Syria forces. They also argued that the newly inflamed environment would make it impossible for Hezbollah to follow through anytime soon with its promised protests.

The United Nations Security Council, spurred by Mr. Gemayel's killing, on Tuesday approved a proposal by Secretary General Kofi Annan for the creation of an international tribunal to try those accused of Mr. Hariri's assassination.

The tribunal still has one major hurdle to clear before it can go to work: it must be approved by the government of Lebanon, which is deeply divided over its existence. Moreover, no one has yet been charged in Mr. Hariri's killing.

While young, Mr. Gemayel was a third-generation politician from a family that founded a far-right, nationalist party called Phalange. The party fielded the largest militia during Lebanon's civil war and sought to unite Christians against all other groups. The party today is very small, yet Mr. Gemayel stood as a potent symbol to a portion of Lebanon's Christian community that is frightened and angered by its loss of primacy in Lebanon's political arena.

"He is not powerful in himself," said Elie Fawaz, a Lebanese political analyst. "But his uncle was president, his father was president, his grandfather founded the Phalange. He's a symbol of all that history much more than he is a power on the streets. This is a great blow to Lebanese Christians in general."

The latest assassination to scar the Gemayel family — Mr. Gemayel's uncle, Bashir, was also killed — occurred in broad daylight, in a brazen attack even for a country weary of political killings. While other anti-Syria figures have been killed in the past two years, Mr. Gemayel was the first to be shot in the head and not blown up with a bomb.

Mr. Gemayel was in the passenger seat of his own silver Kia, driving through the Christian neighborhood of Jdeideh, which he represented in Parliament. At about 4 p.m., a car rammed into Mr. Gemayel's and three gunmen rushed his car, spraying it with bullets from silencer-equipped automatic weapons, Lebanese security officials said. The driver, who was not injured, drove to St. Joseph's Hospital, where Mr. Gemayel was soon declared dead.

Crowds of supporters gathered outside the hospital, weeping, waving their fists and screaming anti-Syria slogans even before the death was confirmed.

Mr. Gemayel's father, Amin, tried to calm tensions. Shocked and drawn, the former president stood in the street outside the hospital, speaking to reporters and supporters.

"I would like to ask those who love Pierre to preserve the cause," he said. "We don't want to do anything instinctively. He was serving the cause, and he died for Lebanon, for freedom and for humanity. And we should not desecrate his memory by any irresponsible acts."

While there was anger in the streets, there was also palpable anxiety. The city slowed down, as it might before a storm. Shops closed early in downtown Beirut; the army began patrolling the streets.

In a cafe in Hamra, a predominantly Muslim neighborhood in western Beirut, the manager went around to each table, quietly telling guests the news and urging them to go straight home and stay off the streets in case there were demonstrations.

On the campus of the American University of Beirut, hundreds of students gathered near the main gate, discussing the news in hushed tones. Ali Hamadeh, 18, a first-year civil engineering student, voiced the fears of many students in describing his anxieties about the future.

"We think it may lead to another civil war," Mr. Hamadeh said. "It's a disaster for Lebanon, on the level of the Hariri assassination. The people will go to the streets — and at the very least the government will change."

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Latest Political Killing In Lebanon Stirs Fears Of Wider Power Struggle (WSJ)

By Andrew Higgins And Jay Solomon

The Wall Street Journal, November 22, 2006

BEIRUT, Lebanon -- The assassination of a prominent Christian cabinet minister inflamed a political crisis in Lebanon, threatening to further destabilize a country buffeted by Washington's struggle for regional influence with Syria and Iran.

The murder of Industry Minister Pierre Gemayel -- who was killed by gunmen who rammed his car and then shot him through its window -- sharpens the divisions between factions backed by Washington and those supporting Hezbollah, the armed militia and Shiite Islamist social movement that fought a war this summer with Israel. Iran and Syria both support Hezbollah -- which, buoyed by what it terms a "victory from God" over Israel, has been gearing up in recent days for big protests to press demands for a new government.

The killing also complicates the policy debate about Iraq in Washington, where some foreign-policy experts have urged the Bush administration to reach out to Syria and Iran in an effort to curb Iraq's violence. Mr. Gemayel was an outspoken critic of Syria, and his allies immediately blamed his murder on Damascus.

While groping for an alternative strategy for Iraq, Washington is also wrestling with a wider issue roiling the entire Middle East: the rise of Shiite Islam. Iran and Hezbollah, the Lebanese militia it helped set up in the 1980s, are predominantly Shiite. Syria's regime, though largely secular, is dominated by members of the Alawite sect, an offshoot of Shiite Islam.

Since spring, say U.S. officials, Washington has been trying to bolster ties with Saudi Arabia, Jordan and other Sunni Arab allies in the Middle East. These efforts range from developing joint maritime patrols to a regional missile-defense shield for these countries. Washington has also given strong backing to Lebanon's government, in which Sunnis and Christians hold most senior posts.

Yesterday's murder in Beirut jeopardized the stability of this government and stirred fears that Syria is seeking to sow chaos. "Their aim is to kill every free person," said parliamentary majority leader Saad Hariri, who interrupted a presentation to announce news of Mr. Gemayel's murder. The audience shouted in anger. He later told CNN that "the hand of Syria is all over the place." 1

Mr. Hariri's father, Rafik Hariri, was murdered in a bomb attack early last year that a United Nations investigation has linked to Syrian officials. Syria denied involvement in the Hariri killing and yesterday's as well. Along with Hezbollah, it condemned the assassinations.

Washington stopped short of directly blaming Syria for the 34-year-old Mr. Gemayel's killing but said it underscored the need to accelerate the U.N. probe into the Hariri murder. President Bush condemned what he called "Syria's refusal to cease and desist from its continuing efforts to destabilize Lebanon's democratically elected government," adding that the U.S. would "resist these efforts." The U.N. Security Council issued a statement expressing grave concern at the possible impact of Mr. Gemayel's assassination on efforts "to solidify democracy" in Lebanon and condemning "any attempt to destabilize Lebanon through political assassination or other terrorist acts."

U.S. officials said a U.N. tribunal being set up to judge Mr. Hariri's killers should also investigate yesterday's slaying. The U.N. Security Council condemned the murder yesterday and also approved an agreement with the Beirut government that formally establishes the guidelines governing the Hariri tribunal. U.S. Ambassador to the U.N. John Bolton bristled at suggestions by some at the U.N. that the Hariri probe should be slowed to reduce the risk of further instability in Lebanon. "They're assassinating political leaders. [It's] not the time to seek justice?" Mr. Bolton said after a meeting at the U.N. "There may be those on the Security Council who say it. Let them step forward and say it."

The flurry of accusations against Syria comes as Damascus has been trying to expand its role as a regional player. Its foreign minister visited Baghdad this week to re-establish diplomatic relations with Iraq after a break of more than two decades, and its regime has worked closely with Iran in recent years.

Pressure meanwhile has mounted on the Bush administration to engage Syria and Iran in an effort to stanch the sectarian violence consuming Iraq. Robert Gates, the recently nominated U.S. secretary of defense, has called in recent months for dialogue with Tehran. And former Secretary of State James Baker and former Rep. Lee Hamilton are heading a commission studying the Iraq war that is expected to recommend talking directly with Syria and Iran.

Lebanon's current round of political turmoil began earlier this month when Hezbollah and its allies withdrew from an otherwise pro-American cabinet. The move was widely seen by Hezbollah's critics as an attempt to derail the Hariri tribunal's formation. When the government approved the tribunal despite the walkout, Hezbollah leader Hassan Nasrallah told supporters to prepare for mass protests to topple a government he derided as a U.S. puppet.

The political showdown between Hezbollah and the government has shattered a brief period of national unity over the summer, when Israel's bombardment of Lebanon enraged and united most of the country's feuding groups. "This is going to be a

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very difficult period....People expected demonstrations, but not a return to assassinations," said Riad Tabbarah, a former Lebanese ambassador to Washington who heads a Beirut research center. "How far it will go, I don't think anyone knows."

Mr. Gemayel's murder is the fifth of a prominent public figure in Lebanon in the past two years. Several other assassination attempts have left their victims badly injured. Most victims have been opponents of Syria. Mr. Gemayel died in the hospital after gunmen opened fire on his car as he drove back from a visit to a church north of Beirut.

The murder stunned Beirut and led to small, scattered protests. The Lebanese army deployed in force on the streets of the capital, manning roadblocks and reinforcing positions around the houses of leading politicians. Beirut's mobile-telephone system, overloaded by calls, spluttered. Politicians mixed calls for calm with angry accusations.

The youngest member of the Lebanese cabinet, Mr. Gemayel wasn't a political heavyweight. But he belonged to one of Lebanon's most powerful and divisive political dynasties. His grandfather, also called Pierre, opposed French colonial rule of Lebanon but, after independence, cultivated close ties with France and other Western states, which he regarded as bulwark against the rising tide of Arab nationalism. He founded the Christian Phalange Party, and served as both a cabinet minister and National Assembly member.

The younger Mr. Gamayel's uncle, who headed a Christian militia that sided with Israel during its 1982 assault on mainly Muslim West Beirut, was murdered. His father, Amin Gemayel, is a former president who battled sectarian foes during Lebanon's civil war with help from U.S. forces sent by President Reagan. The U.S. withdrew from the conflict after a suicide-bomb attack in Beirut killed 241 Marines in 1983 -- which the U.S. blames on Hezbollah.

Today, Washington again is deeply embroiled in Lebanon's volatile political struggles -- and the wider regional rivalries that shape them. The U.S has no troops on the ground, but has boosted financial and military assistance to Lebanon's military as means to build a counterweight to Hezbollah, which Washington condemns as a terrorist organization and wants disarmed. The U.S. has also played an unusually public role in Lebanese domestic politics. Last week, the American Ambassador to Lebanon, Jeffrey D. Feltman, met with Amin Gemayel to assure him the U.S. would back Lebanon's increasingly beleaguered government.

U.S. support for the government of Prime Minister Fuad Siniora, a former banker, has met with mockery from Hezbollah, which repeatedly reminds supporters the U.S. helped arm Israel for its attacks on Lebanon this summer and resisted calls for an early cease-fire. "It is the government of Feltman, not of Prime Minister Fuad Siniora," Mr. Nasrallah, Hezbollah's leader, announced at a rally during the weekend. He vowed protests to either bring down the government or force early elections.

Bracing for trouble, Beirut residents last night retreated to their homes, leaving streets largely deserted. "At the moment we will listen to our leader's call for calm, but it is going to be very, very difficult," said Sami Haddad, a 22-year-old student, "But I can't guarantee what will happen later. Are we expected to just stand by?"

Killing Seen As Bid By Damascus, Tehran To Hit U.S. Role In Mideast (WT)

By Sharon Behn

The Washington Times, November 22, 2006

The brazen assassination yesterday of Christian Cabinet minister Pierre Gemayel has pushed Lebanon's fragile democracy, heralded by the United States as a model for the region, to the brink of collapse.

Coming amid moves by Syria and Iran to improve relations with Iraq, the killing also was seen by analysts as part of a coordinated attempt to push the United States out of the Middle East.

"This is part of a broader effort on the part of Syrians and Iranians in their own isolation to prove they have leverage over events in the region and to minimize the role of the U.S. in the region," said former U.S. ambassador to Morocco, Marc Ginsberg.

Suspicion immediately focused on Syria, which stands to be deeply embarrassed by a proposed international tribunal that would investigate its suspected role in the killing of former Lebanese Prime Minister Rafik Hariri on Feb. 14, 2005.

The U.N. Security Council approved plans for the tribunal hours after the killing yesterday, but it must still be approved by a weakened Lebanese government.

"We can add this to the list of Syrian killings of anti-Syrians in Lebanon," said David Schenker of the Washington Institute for Near East Policy. Mr. Gemayel was the fifth anti-Syrian figure killed in the past two years.

"There is obviously a concern that a U.N. investigation would be so thorough and comprehensive it will get to the bottom of who killed Hariri and the other murders in Lebanon, and obviously there are some people very nervous about that," Mr. Schenker said.

Syrian officials denied any involvement in the latest assassination, which rattled a Lebanese government already battered by a wave of Cabinet resignations and the threat of street demonstrations by Hezbollah.

"Syria had nothing to do with this," said Syria's U.N. Ambassador Bashar Ja'afari.

But Amal Mudallali, foreign affairs adviser to the head of Lebanon's largest parliamentary faction, said Mr. Gemayal's killing had been carefully planned.

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"The assassination is aimed at stopping the international tribunal," she said. "It is the second time they have killed a Lebanese politician when the U.N. Council was meeting on Hariri -- it is not a coincidence. ...

"This is a struggle for the future of Lebanon and it is being written today and the Lebanese people are writing it with their blood," she said.

Following the walkout of five Hezbollah and one Christian minister on Nov. 11, the death of Mr. Gemayal leaves the anti-Syrian Cabinet with just one member more than the minimum to maintain a constitutional quorum.

"In Lebanon you are getting very close to bringing this government down," said Mr. Schenker. "Only two more people out of 17 have to die."

In broader terms, analysts saw the killing as part of a concerted effort by Iran and Syria to flex their muscles just as pressure is mounting in Washington for President Bush to seek their help in stabilizing Iraq.

Syria yesterday formally established diplomatic relations with Baghdad for the first time in 20 years, while Iraqi President Jalal Talabani is expected to travel to Tehran for talks as early as this weekend. Syria may also be represented at that meeting.

"Iran is projecting its power in the region and sending a message to the U.S.," said Robert Rabil, director of graduate studies at the political science department at Florida Atlantic University.

"It is an assertion of Shi'ite politics, and the Islamists, led by Iran, are using Syria to project their power in the region. So now Iran has a say in the Arab-Israeli conflict, and in Iraq now they have a strong say."

Mr. Bush, in Honolulu on his way home from an Asian summit, stopped short of specifically blaming anyone for the assassination but pledged to defend Lebanon's democracy "against attempts by Syria, Iran and allies to foment instability and violence in that important country."

Undersecretary of State R. Nicholas Burns said Washington viewed the murder as "an act of terrorism. We also view it as an act of intimidation."

Hezbollah and its supporters quit Lebanon's Cabinet on Nov. 11 after their demands for a larger role in the government were rejected. Hezbollah's leader, Sheik Hassan Nasrallah, has vowed to take the group's cause to the streets and bring down the government.

Mr. Ginsberg said it would be a fallacy to think that Sheik Nasrallah was acting for strictly domestic reasons.

"He is a pawn of Iran," Mr. Ginsberg said. "It is like watching a chess player -- Iran -- begin playing some very good matches. We had better stop playing checkers or we are going to wind up handing the Middle East over to our adversaries."

Fears Of Civil Strife Rise In Lebanon (WP)

By Anthony Shadid

The Washington Post, November 22, 2006

BEIRUT, Nov. 21 -- One of Lebanon's most pronounced political crises in a generation slid into bloodshed Tuesday when assailants showered gunfire on a car carrying an anti-Syrian politician and scion of the country's most prominent Christian family, killing him and a bodyguard and pushing Lebanon a step closer to civil strife.

The assassination of Pierre Gemayel, a divisive figure in a country riven by sectarian tension, underlined the lack of red lines in the escalating struggle over Lebanon's political future that has followed this summer's war between Hezbollah and Israel. The struggle is crucial not only to the often zero-sum calculations of Lebanese politics but also to the regional ambitions of the United States, Iran, Syria and Israel.

"We will not allow assassins to control Lebanon's destiny and its people's future," Prime Minister Fouad Siniora said.

The shots along a busy street that killed Gemayel, the industry minister, reverberated across Beirut as dusk fell. In the city's Shiite Muslim south, where Gemayel was among the most reviled of Christian politicians, occasional gunfire erupted in celebration and some residents expressed satisfaction at his death. Across town, in Christian East Beirut, his supporters set fires in protest along usually busy intersections, sending smoke eddying over emptied streets. At the hospital where he was taken, scores gathered in the lobby and parking lot. Some hurriedly spoke into phones. Their eyes red, women sobbed and men wailed with grief.

"We want revenge!" a few shouted. "We want revenge!"

"I have one wish," Gemayel's father, former president Amin Gemayel, told them after nightfall, "that tonight be a night of prayer to contemplate the meaning of this martyrdom and how to protect this country. I call on all those who appreciate Pierre's martyrdom to preserve his cause and for all of us to remain in the service of Lebanon. We don't want reactions and revenge."

As he left, the crowd shouted, "Amin, don't frown! If you want soldiers, we'll don their uniforms."

Gemayel, a 34-year-old father of two and an up-and-coming politician, was killed when his car was ambushed by men from one or two cars that collided with it in the suburban neighborhood of Jdeideh. At least three gunmen opened fire with automatic weapons equipped with silencers, hitting him in the head and chest, officials said. Television footage showed the tinted driver's-

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side window pocked with at least eight shots and the glass on the passenger's side shattered. The silver sedan's hood was crumpled from the collision.

Doctors said Gemayel was dead when he arrived at the hospital, and his bodyguard later succumbed to his wounds.

Foreign leaders and officials across the Lebanese divide were unanimous in condemning the assassination. President Bush called for an international investigation to "identity those people and those forces behind the killing."

Gemayel's allies were quick to put his killing in the context of a series of assassinations that followed the death of former prime minister Rafiq al-Hariri in a car bombing in February 2005, a turning point in Lebanese politics that led to the departure of Syrian troops from the country. Gemayel's supporters blamed Syria for his death, as they did with Hariri's and the subsequent assassinations of three other anti-Syrian figures. Gemayel, though, was the first killed since Hariri to have an organized and fervent following.

The Syrian government, in a statement carried by its news agency, denied any role in Gemayel's death, as it has in the previous killings.

Lebanon has been locked in a cold war of sorts since Hariri's assassination and the protests that ensued over Syria's 29-year presence here. The largest demonstration, which took place in Beirut's Martyrs' Square on March 14, 2005, was organized by a coalition of Sunni Muslim, Druze and Christian politicians who would take control of the government in parliamentary elections. The event built momentum for the Syrian withdrawal.

Six days earlier, though, a pro-Syrian protest was convened by Hezbollah, the Shiite Muslim movement that fought Israel this July and August and remains the most powerful ally here of Iran and Syria. Since then, Lebanon has been symbolized by those two protests -- divided by sect, outlook, ideology and foreign policy.

The simmering struggle flared this month when Hezbollah and its Christian ally, Michel Aoun, demanded greater representation in the cabinet. Four rounds of talks failed, and two Hezbollah ministers, three other Shiites and an allied politician resigned on Nov. 11, depriving the cabinet of its Shiite representation and the symbolic sectarian consensus on which Lebanese politics depends.

Two days later, the depleted cabinet endorsed a U.N. proposal for an international tribunal to try suspects in Hariri's death, a step Syria has adamantly resisted. This weekend, in another escalation, Hezbollah leader Hasan Nasrallah insisted that the government resign or hold early parliamentary elections. Otherwise, he said, his followers would conduct days, even weeks of protests to bring the government down.

Gemayel's killing was sure to recalculate the arithmetic of the crisis. Some speculated that, given the tension the killing has unleashed, Hezbollah might pause in its threats to begin protests as early as this week. Nasrallah has called sectarian strife unacceptable, and in a statement Tuesday night, Hezbollah warned of repercussions over the killing.

"There is no doubt that those who carried out this crime want to push Lebanon into chaos, loss and civil war," it said.

Since Nasrallah pressed his demand for a greater share of power in late October, Lebanese have been faced with what amounts to a long wait: sensing that something might happen, but not sure what or when. Last week, a hard-line Christian leader, Samir Geagea, predicted that assassinations might be ahead. Others warned that killing three ministers would deprive the cabinet of one-third of its members and, by law, force it to resign, as Hezbollah has demanded. Partisan television stations have railed at one another, streets are awash with politically loaded posters and emigration is the stuff of everyday conversation.

But the turn to violence Tuesday seemed to scare leaders as much as it angered them. Walid Jumblatt, a Druze leader and one of Hezbollah's most outspoken foes, showed up at St. Joseph's Hospital, where Gemayel's body was taken. He spoke briefly to Gemayel's father, who served as president from 1982 to 1988, then turned to the crowd. "Beware," he said. "Let's not give the opportunity to the killers to lead us to civil strife."

Lebanese television broadcast statement after statement appealing for calm from officials in both camps. Aoun, whose alliance with Hezbollah has deeply split the Christian community, appealed for restraint.

"We call on all blocs to practice wisdom and to not fall into what the perpetrators seek," he said.

Gemayel, a rising star in the right-wing Phalangist Party founded by his grandfather and namesake, was expected to carry the mantle of a family that ascended from humble beginnings to become one of the country's most prominent Christian clans. During Lebanon's 1975-90 civil war, the party fielded the largest Christian militia and was allied with Israel. His uncle, Bashir Gemayel, was elected president in 1982 but was assassinated days before he was to take office in an explosion many blamed on Syria.

Pierre Gemayel was elected to parliament in 2000 and again in 2005, emerging as a pivotal player in the anti-Syrian coalition and winning a reputation as one of the most hard-line of Christian leaders. He was a vocal critic of Hezbollah and its ally, pro-Syrian President Emile Lahoud. Even today, many Shiites recall an interview Gemayel gave to a Christian-owned television station in spring 2005 in which he was dismissive of the Shiites' standing as Lebanon's largest group.

"They threaten with quantity of people," he said. "We have the quality."

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As during the protests in March 2005, Beirut on Tuesday was of two minds over Gemayel's assassination.

At the hospital, his supporters desperately called on cellphones before word of his death was announced.

"Did you see the body?" one onlooker asked. Another approached an ally of Gemayel's and member of parliament, Elias Atallah, and asked, "Is he dead?" Atallah didn't answer.

News quickly spread, unleashing grief. "Only two days ago I was hugging you," one man cried as he beat the wall. A woman standing outside shouted: "There's nothing left to live for. All that remains are Syrian dogs." Every once in a while, others chanted, "All of us are Pierre Gemayel."

Sentiments soon turned to anger, as the crowd shouted obscenities about Aoun and Nasrallah. Others, huddled in knots, talked about marching on Aoun's headquarters, the presidential palace in Baabda or Nasrallah's stronghold in south Beirut.

Supporters lit fires outside the Phalangist Party headquarters near downtown Beirut and at a nearby intersection. Other fires were lit in trash dumpsters along a street that trailed from Sassin Square, where a monument stands to Gemayel's uncle.

"This is the fire in our hearts," said 50-year-old Yusuf Badawi, as he watched five tires burn.

Down the street, Michel Sangari, a 19-year-old draped in the flag of the Phalangist Party, was bleaker. "A war's going to happen," he said. "Our brothers are prostitutes."

Across town in Haret Hreik, a predominantly Shiite neighborhood, sporadic bursts of gunfire pierced the sky, a traditional show of celebration. They upset Anwar Macki, a 45-year-old pharmacist.

"They say, 'Who cares, let him die. There's one less of them.' " He shook his head in dismay. "If you're against him, it's okay, but you don't have to be happy about it."

He cleared the counter of stray boxes of antibiotics and prepared to close, as his son and daughter waited for him near the door. "Really, the future is obscure," he said finally. "You can't see anything."

Special correspondent Alia Ibrahim contributed to this report.

Beirut Murder Puts Spotlight On Damascus (FT)

By Roula Khalaf , Guy Dinmore And Dan Dombey

Financial Times, November 22, 2006

Moves to bring Syria back into the diplomatic fold were dealt a blow on Tuesday by the killing in Beirut of a prominent anti-Syrian Christian government minister.

The assassination of Pierre Gemayel, the 34-year-old minister of industry who hails from one of Lebanon's most prominent Christian families, plunged a tense and divided country into deeper turmoil. Mr Gemayel was shot in his car in a Beirut suburb.

The killing drew strong condemnation from George W. Bush. Though the US president did not say who he blamed for the killing, Mr Bush said the US supported Lebanese government efforts to "defend their democracy against attempts by Syria, Iran and allies to foment instability and violence".

The UN Security Council "unequivocally" condemned the assassination, describing Mr Gemayel as a "symbol of the political independence of Lebanon".

Mr Gemayel's assassination was part of a cycle of killings that Lebanon's parliamentary majority, which controls the government, has blamed on Syrian agents. The assassins first struck in February 2005, killing Rafiq Hariri, the former prime minister and a fierce opponent of Syria.

Supporters of Mr Gemayel gathered on Tuesday night at the hospital in the Christian area of Beirut where his body was kept. His funeral was due to be held in Beirut on Thursday morning. Smaller groups burnt tyres at the roads into Christian districts, near what was the front line in Lebanon's 1975-90 civil war.

Saad Hariri, head of the parliamentary majority and son of the murdered former leader, immediately blamed Damascus – a charge that Syria denied.

Damascus condemned the killing as a "heinous terrorist act". Its embassy in Washington said the murder would undermine international efforts to promote engagement with Syria.

The Gemayel murder came just hours after Syria re-established diplomatic relations with Iraq. A senior US state department official suggested that Mr Gemayel had paid the price for trying to rid Lebanon of Syrian influence. The US stopped short of directly accusing Damascus.

The murder threatens to destabilise a government struggling for unity following the month-long summer conflict between Israel and the Hizbollah militant group. The Shia organisation, backed by Syria and Iran, has been seeking to capitalise on its declared victory against Israel by demanding a greater say in government. Sayyed Hassan Nasrallah, Hizbollah leader, condemned the Gemayel killing, saying the perpetrators "want to push Lebanon into chaos and a civil war".

Beirut has been bracing for street demonstrations called by Hizbollah with the announced aim of bringing down the government or forcing new elections.

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Lebanon's anti-Syrian coalition has warned that ministers could be assassinated as a way of bringing down the cabinet. The government has already been undermined by the resignation of six ministers who belonged to Hizbollah and allied parties.

Western governments have been alarmed by the prospect of the collapse of the Lebanese government at a time when thousands of UN peacekeepers are deployed in the country following the ceasefire that ended the war between Hizbollah and Israel.

Anti-Syrian leaders in Beirut also accused political rivals of seeking to derail plans for a special international tribunal to bring Hariri's killers to justice. Plans for the tribunal were approved by the cabinet last week and are being finalised by the UN.

Key Lebanese Politician Assassinated (AP)

By Zeina Karam And Sam F. Ghattas

AP, November 22, 2006

Pierre Gemayel, scion of Lebanon's most prominent Christian family and a leading opponent of Syria, was gunned down Tuesday in a brazen daytime hit. The assassination threatened to intensify Lebanon's power struggle between the U.S.-allied government and the Syrian-backed Hezbollah.

Gemayel, 34, was leaving church when he fell into a well-coordinated attack: One vehicle cut off his car from the front, another rammed him from behind, then gunmen burst out and sprayed a dozen bullets into his passenger-side window.

The killing sent tensions spiraling at a time when Lebanon was already facing a worsening political crisis. The Shiite Muslim guerrilla group Hezbollah and its pro-Syrian allies have threatened massive protests — as early as Thursday — aimed at bringing down Prime Minister Fuad Saniora's government unless it gives them greater power.

President Bush condemned the assassination and accused Syria and Iran of seeking to undermine Saniora's government. Bush stopped short of specifically blaming them for Gemayel's death, though the U.S. ambassador to the United Nations, John R. Bolton, raised the possibility.

Anti-Syrian politicians in Lebanon, however, directly pointed the finger at Damascus, and some Gemayel supporters demanded revenge against Syria's Lebanese allies.

Bands of young Christians broke car windows and burned tires and garbage cans in their areas of Beirut and the Gemayel family's mountain hometown of Bikfaya to the northeast. But Lebanese troops quickly stopped the unrest and set up checkpoints to prevent demonstrations in the coming days. A funeral was set for Thursday in downtown Beirut, with the anti-Syrian factions calling for mass participation.

Politicians from all sides scrambled to contain the fallout of the assassination, urging calm amid fears of an outbreak of the brutal violence between Lebanon's sharply divided communities that marked the 1975-90 civil war.

A stunned-looking former president Amin Gemayel — Pierre's father and leader of the Phalange Party — urged his supporters to observe a night of "prayer and reflection."

"We don't want an outburst of emotions and revenge," he said outside the hospital where his son died. "He was martyred for the cause of Lebanon, and we want this cause to triumph. ... To all those who love Pierre, we should not be driven by instinct."

Bush called the slaying "the vicious face of those who oppose freedom" and vowed support for Saniora's government.

"We support their efforts to defend their democracy against attempts by Syria, Iran and allies to foment instability and violence in that important country," Bush said after having breakfast with U.S. troops stationed in Hawaii.

Saniora's government is dominated by opponents of Syria. Many see the demands by its opponents as a bid by Damascus to restore its influence in its smaller neighbor — and by Hezbollah to boost its power, riding on increased popularity among Lebanon's Shiite Muslim population following this summer's war with Israel.

Pierre Gemayel, an outspoken opponent of Hezbollah, was the fifth anti-Syrian figure killed in the past two years and the first member of the Saniora government to be slain. Many in Lebanon have accused Damascus in the previous assassinations, including the 2005 bomb blast that killed former prime minister Rafik Hariri, a claim Syria has denied.

Saniora went on national television to call for unity and warned that "sedition" was being planned against Lebanon. He linked Gemayel's slaying to the issue that sparked the recent crisis with Hezbollah: a plan for an international court to try suspects in the Hariri assassination. He said Lebanese should rally behind the government's backing for such a court.

"I pledge to you that your blood will not go in vain," Saniora said, eulogizing Gemayel. "We will not let the murderers control the fate of Lebanon and the future of its children."

Syria and Iran both condemned Gemayel's slaying, and Syria's Information Minister Mohsen Bilal denied Syria had any role. "Those who are accusing Syria in this sick way ... do not have an iota of truth or credibility," he said on Al-Jazeera.

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Tuesday's hit came hours before the U.N. Security Council endorsed a draft document creating the international court to try suspects in the Hariri murder, in which an U.N. investigation has implicated several Syrian officials. The document then goes to the Lebanese government for final approval.

With the possibly explosive atmosphere following Tuesday's assassination, it was not clear whether Hezbollah would go ahead with its threat to hold massive anti-government demonstrations. If it does, it would throw Lebanon deeper into turmoil, putting it into confrontation with many Gemayel supporters now itching for a fight.

Gemayel, the industry minister, was the rising star of his Maronite Christian political family, which has seen four other members killed in the past three decades of Lebanon's violence.

Past attacks on Gemayel's family have sparked brutal reprisals. A 1975 assassination attempt against his grandfather, also named Pierre, prompted Phalangists to attack a busload of Palestinian refugees in what became the spark of a 15-year sectarian civil war. After the killing of Amin Gemayel's brother, Bashir, in a 1982 explosion, his militia supporters stormed Palestinian refugee camps in Beirut, killing hundreds of unarmed civilians in one of the worst atrocities of the Lebanon conflict.

On Tuesday, Gemayel was traveling through his mainly Christian constituency of Jdeideh when a vehicle in front of his slammed to a stop, causing his car to ram into it, security officials said. Witnesses said Gemayel's car was also rammed from behind.

Three gunmen stepped out of the other vehicles and shot Gemayel at point-blank range with automatic weapons fitted with silencers, security officials said.

Video showed Gemayel's car, which apparently had been shot at from both sides: The passenger-side window was shattered and the driver's-side window was dotted with about a dozen bullet holes, and the front hood was crumpled.

Gemayel's driver and another person in the car were wounded. They were rushed to a hospital where Gemayel was pronounced dead. The driver died later Tuesday. The attackers fled.

At the hospital, some 300 supporters called for vengeance, many of them chanting slogans against Hezbollah leader Hassan Nasrallah, pro-Syrian President Emile Lahoud and Hezbollah's Christian ally, Michel Aoun.

"We want revenge from Hezbollah and the General (Aoun)!" young men shouted, shaking their fists in the air.

Other Phalange supporters, including women, screamed and wept. They called on supporters to march to a nearby Shiite neighborhood and Aoun's residence in a Christian suburb east of Beirut.

"Nasrallah, Aoun and Lahoud, they killed him," shouted Antoine Shaaya, a man in his late 20s who wore a large cross around his neck. "And we won't be silent after today."

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Associated Press writer Scheherezade Faramarzi contributed to this report.

Lebanese Cabinet Minister Shot And Killed In Beirut (LAT)

By Megan K. Stack

The Los Angeles Times, November 22, 2006

BEIRUT, Lebanon — A Christian Cabinet minister who had stood against Syrian meddling in Lebanon was shot dead Tuesday, stunning and infuriating a war-haunted nation already teetering on the edge of violence.

Pierre Gemayel, the 34-year-old minister of industry, was gunned down in as he drove through a crowded intersection in the predominantly Christian outskirts of the capital. Witnesses said that at 3:30 p.m. gunmen walked up to the side of the car and shot Gemayel point blank, according to local news reports.

The assassination dealt a hard blow to anti-Syrian leaders, who are struggling to maintain control of the government. To many Lebanese, it was also a symbolically loaded strike against the Christian community.

Gemayel was political heir to one of the most influential — and controversial — Christian dynasties in Lebanon; his family name was shorthand for Christian claims on Lebanon.

As condemnations poured in from Washington, Europe and even Damascus, grave-faced Lebanese leaders took to the airwaves to encourage their people to stay calm — and out of the streets.

"The hand of killers will not terrorize us. Murderers will not control the destiny of Lebanon," Lebanese Prime Minister Fouad Siniora said. "I call on all Lebanese to unite and cling together, to defend the security and safety of their nation and be careful of this conspiracy to create strife."

The assassination stirred visceral rage at a time when the menace of street fights shadows Lebanon. As word of Gemayel's death raced through the Christian neighborhoods, furious men filled the darkening streets, chanting obscene slogans against Hezbollah; setting fire to garbage bins; attacking a Syrian laborer and a Syrian taxi.

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"I hit him and I don't care. What are we waiting for?" a young man shouted hysterically in the darkened street in the Christian neighborhood of Achrifiyeh. He was defending his right to have taken part in beating up a Syrian laborer. "I hit him and anybody who defends Syria is a dog like him."

The other men quieted him down and led him away quickly.

Lebanon was already embroiled in a crisis over who should rule the country. The powerful Hezbollah and its Christian allies have been demanding a greater stake in the government, accusing the anti-Syria government of ruling unconstitutionally and hijacking the country for U.S. and European interests.

Just last week, Hezbollah and its allies quit the Cabinet and declared the remaining government illegitimate. This increasingly outspoken opposition has threatened to stage massive street protests in coming days to topple the government. Many here fear the gatherings could degenerate into brawls and further destabilize a fragile nation.

But it now seems the anti-Syria bloc could well beat Hezbollah into the streets. Late Tuesday, the coalition called upon mourners to turn out en masse for Gemayel's funeral.

Gemayel's death leaves the government dangling on a thread. According to Lebanese law, if one more minister quits, dies or is otherwise unable to work, the Cabinet will automatically lose its right to govern.

Some analysts warned that those seeking to shake the anti-Syria coalition out of power might conspire to eliminate enough ministers to force their downfall.

"This plot started with the resignation of the ministers," said Antoine Haddad, a political analyst affiliated with the anti-Syrian bloc. "It's a bloody game. It's a criminal game."

Patrick Haenni, a Beirut-based analyst with the International Crisis Group, also warned of more political violence.

"We are not far away from the quota that should cause the government to fall," he said. "The continuation of political assassinations should be considered as a possible scenario."

Gemayel's father and uncle were both presidents of Lebanon. His grandfather founded the Kataeb Party, also known as the Phalangist Party.

The family history is a dark one and assassinations of the Gemayels have proven disastrous. After his uncle Bachir was assassinated, the Phalangist militia massacred Palestinians at the Sabra and Shatila refugee camps in Beirut's southern suburbs. The rampage at the Palestinian camps remains one of the most notorious massacres in Lebanon's long and bloody civil war.

But Tuesday, Lebanese leaders seemed desperate to keep the streets quiet. Amin Gemayel, his face pale and slack, made his way slowly through hordes of mourners to the hospital where his son had died. He paused to beg for calm, speaking with his head tilted and his eyes falling shut.

"I have one wish: That tonight be a night for prayer," Gemayel said. "That we think of the value of martyrdom, and think of how we can protect this country from vengeance. We don't want revenge. We want the Lebanese cause to win."

Despite the talk of Lebanese unity, both sides have been hardening their stances. Even as Gemayel's death fueled their sense of outrage, the "anti-Syria" bloc had shown little willingness to bend to the demands of Hezbollah and its allies.

Just as news of Gemayel's death was spreading through a nerve-shot capital, parliamentary majority leader Saad Hariri was sitting before reporters in his mansion — and accusing his enemies of trying to start a "war."

"They say, 'Just do what I say or I will go to the streets,' " Hariri said. "This is a war. They are trying to take us to a war."

Hariri's father, former Prime Minister Rafik Hariri, was the most famous in a string of Lebanese who tangled with Damascus and were assassinated. The Syrian regime was widely blamed in all of the slayings, but it was the elder Hariri's death in a car bomb in 2005 that unleashed a decisive crush of anti-Syria sentiment.

Enormous, angry street demonstrations and international outrage forced Damascus to withdraw its soldiers and end de facto military control over Lebanon.

Saad Hariri, backed by the United States, has been pushing the United Nations to establish an international tribunal to prosecute Hariri's killers. He has also accused Hezbollah and its allies of quitting the government in an effort to block the court, which is awaiting a United Nations vote.

Anti-Syrian Minister's Slaying Stuns Lebanon (USAT)

By Andrew Mills Special For

USA Today, November 22, 2006

BEIRUT — The assassination Tuesday of an anti-Syrian Cabinet minister who was the son of a former president threatened to ignite a confrontation between rival Lebanese factions.

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Pierre Gemayel, 34, the scion of Lebanon's most prominent Christian family, was gunned down at point-blank range in his car near Beirut. Gemayel, industry minister in the U.S.-backed government of Prime Minister Fuad Saniora, was the fifth anti-Syrian figure killed in Lebanon in the past two years. He was the son of former Lebanese president Amin Gemayel.

Anti-Syrian politicians, including Saad Hariri, blamed Syria for Gemayel's murder. A United Nations probe has focused on possible Syrian involvement in the 2005 bomb blast that killed Hariri's father, former prime minister Rafik Hariri.

Lebanon has been on edge since this summer, when the armed radical Shiite movement Hezbollah fought a 34-day war with Israel. The country's anti-Syrian factions — Sunni, Druze and Christian — sat out the war, as did Lebanon's army.

In recent weeks, Hezbollah has threatened to bring down the government unless its allies get a greater share of power, including enough Cabinet seats to veto key decisions.

Speaking to U.S. troops in Hawaii, President Bush reiterated his support for Saniora's 20-month-old government. “We support their efforts to defend their democracy against attempts by Syria, Iran and allies, to foment instability and violence in that important country,” he said

U.S. ambassador to the United Nations John Bolton noted that the White House had warned nearly two weeks ago that Syria and Iran, acting through Hezbollah, might attempt a coup in Lebanon. “One has to wonder whether this despicable assassination is not the first shot,” Bolton told CNN.

Six pro-Syrian ministers resigned from Saniora's Cabinet this month. With Gemayel's death, the departure of two more ministers would bring down the government.

Last month, Hezbollah leader Hassan Nasrallah threatened to call demonstrations to force the Lebanese government to resign and create a new government giving Shiites more power and Cabinet posts. Such protests could provoke unrest and a return to civil war. Various Lebanese factions fought from 1975 to 1990, and many groups including Hezbollah remain armed.

Nasrallah on Sunday reissued his call for protests. The first was scheduled for Thursday.

Kamal Salibi, a Lebanese historian, warned that street demonstrations by Hezbollah now would “make immediate war with the Christians.”

Gemayel was a member of the coalition of Sunni Muslim, Christian and Druze members that governs Lebanon. It is known as the March 14 Coalition for the day in 2005 when anti-Syrian protests prompted the withdrawal of Syrian forces after 29 years in Lebanon.

Syria's troop withdrawal followed massive protests in response to Hariri's assassination. The United Nations Security Council on Tuesday approved the creation of an international court to try suspects in Hariri's death.

Saad Hariri pinned blame for Gemayel's killing on Syria. “We believe the hands of Syria are all over the place,” he said.

Gemayel's funeral was set to be held Thursday in downtown Beirut. Anti-Syrian factions called for mass participation, which could spark protests and violence.

“What's most likely now is that the forces from March 14 will have an angry demonstration of their own, pre-empting the protests that Hezbollah was planning,” said Amal Saad-Ghorayeb of the Carnegie Endowment for International Peace in Beirut.

Several hundred Gemayel supporters stormed through the streets of Christian East Beirut after the shooting. They overturned dumpsters, lit small fires and tore down posters of Michel Aoun, a prominent Christian allied with Hezbollah and pro-Syrian forces. Thousands of Lebanese forces deployed across the city and manned checkpoints on all major routes.

“We are ready. We need clashes,” said Roger Nehme, 19, a computer science student and Gemayel supporter.

Rob Malley, Middle East director for the International Crisis Group, a Brussels-based organization that seeks to prevent conflicts, said the assassination of Gemayel is part of a struggle for power that crosses sectarian lines.

Shibley Telhami, a Middle East expert at the University of Maryland, questioned the accusations against Syria and Hezbollah in Gemayel's death. He noted that both benefited from Hezbollah's summer war with Israel. Telhami suggested Gemayel may have been a victim of infighting among Christian factions. “Don't rush to judgment,” he said.

Saniora appealed for calm: “Lebanon will be a master of its destiny. You have not died in vain, Pierre.”

Anti-Syrian Lebanese Christian Official Slain (WT/AP)

By Sam F. Ghattas

The Washington Times, November 22, 2006

BEIRUT -- Pierre Gemayel, an anti-Syrian politician and scion of Lebanon's most prominent Christian family, was gunned down yesterday in his mainly Christian constituency of Jdeideh, a suburb of Beirut, heightening a growing sense of crisis in the fragile democracy.

An outspoken opponent of the Syrian-allied militia Hezbollah, Mr. Gemayel, 34, was the fifth anti-Syrian figure killed in the past two years and the first member of the government of Prime Minister Fuad Siniora to be slain.

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The industry minister and Phalange Party member had just left a church and was traveling through Jdeideh when a vehicle in front of him slammed to a stop, causing his car to ram it, security officials said. Witnesses said Mr. Gemayel's car was also struck from behind.

Three gunmen stepped out of the vehicles and shot Mr. Gemayel at point-blank range with automatic weapons, security officials said.

Video showed Mr. Gemayel's car, which apparently had been shot at from both sides: the passenger-side window was shattered and the driver's-side window was dotted with about a dozen bullet holes, and the front hood was crumpled.

Mr. Gemayel's driver, who was wounded but survived, rushed the gravely injured politician to a nearby hospital. Soon afterward, Voice of Lebanon -- the Phalange-run radio station -- reported Mr. Gemayel was dead, the fifth member of his family to die in violence.

Damascus' opponents in Lebanon have accused Syria of being behind previous assassinations, particularly that of former Prime Minister Rafik Hariri, who was killed in a bombing in Beirut in February 2005. Syria has denied those claims.

A stunned Amin Gemayel, the slain lawmaker's father and Lebanon's former president, urged his supporters to observe a night of "prayer and reflection over the meaning of martyrdom."

"We don't want an outburst of emotions and revenge," he said outside St. Joseph's hospital, where his son died. "He was martyred for the cause of Lebanon and we want this cause to triumph."

Hundreds gathered at the hospital, and supporters railed against Hezbollah and Michel Aoun, a Hezbollah-allied Christian leader who is a rival of the Phalange.

Wael Abu Faour, an anti-Syrian lawmaker, told Al Jazeera: "We directly accuse the Syrian regime of assassinating Gemayel and hold [Syrian] President Bashar Assad responsible for this assassination ... aimed at sending Lebanon into a civil war."

In an interview with CNN, Saad Hariri, the slain prime minister's son and leader of the anti-Syrian parliamentary majority, implicitly blamed Damascus, saying, "We believe the hand of Syria is all over the place." He said Mr. Gemayel was "a friend, a brother to all of us" and appeared to break down after saying: "We will bring justice to all those who killed him."

Mr. Gemayel's death came hours before the U.N. Security Council voted to endorse an agreement with Lebanon to create a tribunal to prosecute suspects in Mr. Hariri's killing.

Four Lebanese generals, top pro-Syrian security chiefs, have been under arrest for 14 months, accused of involvement in Mr. Hariri's slaying.

Pierre Gemayel had been expected to carry the mantle of his political family. Amin Gemayel, his father and the current Phalange leader, was Lebanon's president between 1982 and 1988. His grandfather, Pierre Gemayel, led the right-wing Christian Phalange Party that fielded the largest Christian militia and was allied with Israel during the 1975-90 civil war between Christians and Muslims.

Amin Gemayel's brother, Bashir, was elected president in 1982 but was assassinated days before taking office. Two of Amin Gemayel's nephews and Bashir's daughter were killed in the 1970s and 1980s.

The slain Pierre Gemayel was a prominent figure in Lebanon's anti-Syrian bloc, which dominates the Cabinet of Mr. Siniora and the parliament -- and which is now locked in a power struggle with the Muslim Shi'ite Hezbollah and its allies. He was elected first in 2000, then re-elected in 2005.

Assassins And Diplomacy (WSJ)

The Wall Street Journal, November 22, 2006

Former Secretary of State James Baker has been saying that, when it comes to diplomacy, you don't "restrict your conversations to your friends" -- shorthand for the view that the U.S. should engage Syria and Iran to find solutions in Iraq and elsewhere in the Middle East. But yesterday's murder of Lebanese Minister Pierre Gemayel might remind even Mr. Baker and his Iraq Study Group what some of those non-friends are all about.

"The hand of Syria is all over" Gemayel's assassination, said Saad Hariri, the leader of the parliamentary bloc that helped evict the Syrian army in the spring of 2005. Mr. Hariri knows whereof he speaks: His father, former Lebanese Prime Minister Rafik Hariri, was blown up with 22 others in February 2005, and the preliminary U.N. investigation offered a trail of evidence pointing to Damascus as the culprit.

A who's who of anti-Syrian Lebanese politicians and journalists have also since been targeted for assassination. In June 2005 journalist Samir Kassir was blown up by a car bomb. Three weeks later, politician George Hawi was killed the same way. The following month, Defense Minister Elias Murr narrowly survived a car bombing; Mr. Murr was considered pro-Syrian but claimed he had been threatened by Rustom Ghazali, the longtime chief of Syrian intelligence in Lebanon.

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In September 2005, TV anchorwoman May Chidiac lost her left leg and arm in a car-bombing. Three months later, Gibran Tueni, a former publisher and editor of the An-Nahar newspaper, was also killed by a car bomb. He had been calling publicly for Syria's withdrawal from Lebanon for nearly six years and had recently been elected to parliament. Tueni's murder coincided with the release of the interim U.N. report on Hariri's murder.

Curiously, Gemayel was killed just as the U.N. agreed on the composition of an international tribunal to try the case. It is no secret that Syrian President Bashar Assad has been pulling out all the stops to quash the trial. Six pro-Syrian politicians in the Lebanese cabinet recently resigned en masse in an attempt to cripple the government, and Hezbollah leader Hassan Nasrallah has been threatening huge demonstrations to bring down the anti-Syrian Prime Minister Fuad Siniora, who is also backed by the U.S. and France. Killing Gemayel removes another obstacle to Syrian dominance in Lebanon.

Which brings us back to Mr. Baker and the rest of the U.S. foreign-policy establishment now urging a new entente with Damascus. It's true that every Administration must deal with the world as it is. But when it comes to Syria, do the sages of the Iraq Study Group really want the Bush Administration to seek the benediction of a country that stirs such mayhem in Beirut?

2 Abducted Red Cross Workers Released (AP-Y)

By Sarah El Deeb

AP, November 22, 2006

Two Italian Red Cross workers kidnapped Tuesday afternoon were released shortly after midnight, Palestinian security officials said.

Just before their release, the Red Cross said it was suspending its activities in the Gaza Strip, fearing for the safety of its workers.

The abductions — the latest in a series of kidnappings of foreigners in the chaotic territory in recent months — dealt a serious blow to aid efforts in the impoverished zone.

Iyad Nasr, a spokesman for the Red Cross's Gaza office, said the organization had ceased all field operations and would intervene only "in matters of life and death." Workers have been ordered to stay in their offices because of fears for their safety, he said.

Over the past two years, there has been a rash of kidnappings of foreign aid workers and journalists in Gaza, usually by groups or families pressing the government for money or job guarantees. In most cases, the hostages were quickly released. None have been seriously harmed.

The Red Cross facilitates movement of ambulances and emergency supplies in the violence-wracked territory. The open-ended suspension of its activities means further hardships.

The Red Cross said Claudio Moroni, 36, and Gianmarco Onorato, 63, were abducted in Deir el-Balah in central Gaza after their car was stopped by gunmen. Palestinian security officials said one of the Red Cross workers was traveling on a Canadian passport. It was not known which one.

There was no immediate word on the conditions of the released aid workers.

Prior to their release, Palestinian security officials said they searched for the two and mediation efforts were carried ouit.

In Rome, Italian Foreign Minister Massimo D'Alema said he had been "constantly informed" about the developments in the kidnapping of the two.

He said in a statement he had given orders to "activate all possible channels" to obtain the release of the two men, and had taken some "personal initiatives" in that direction. He did not elaborate.

West Bank Settlements Often Use Private Palestinian Land, Study Says (WP)

By Scott Wilson

The Washington Post, November 22, 2006

JERUSALEM, Nov. 21 -- An Israeli advocacy group has found that 39 percent of the land used by Jewish settlements in the West Bank is private Palestinian property, which the organization contends is a violation of international and Israeli law guaranteeing property rights in the occupied territories.

In a report released here Tuesday, the Settlement Watch project of Peace Now also disclosed that much of the land that Israeli officials have said would remain part of the Jewish state under any final peace agreement is private Palestinian property.

That includes some of the large settlement blocs inside the barrier that Israel is building to separate Israelis from the Palestinian population in the West Bank. The report states that 86 percent of Maale Adumim on Jerusalem's eastern edge sits on private Palestinian land. A little more than 35 percent of the settlement of Ariel, which cuts deep into the northern West Bank, is also on private property.

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Peace Now is an advocacy group that supports the creation of a Palestinian state alongside Israel and contends that Jewish settlements in the West Bank, where roughly 250,000 Israelis live, represent a major obstacle to achieving one.

Israel's government has long maintained that the settlements, developed in large part with public money, sit on untitled property known as "state land" or on property of unclear legal status. Israeli courts have ruled that unauthorized outposts erected on private Palestinian property must be razed, although those orders are rarely carried out.

The 38-page report offers what appears to be a comprehensive argument against the Israeli government's contention that it avoids building on private land, drawing on the state's own data to make the case. Israeli officials said Tuesday they are studying the findings.

The report's authors, Dror Etkes and Hagit Ofran, note that "it is difficult to assess all of the political and legal implications" of their findings. But "it is clear," they write, "that the settlement enterprise has, since its inception, ignored Israeli law and undermined not only the collective property rights of the Palestinians as a people, but also the private property rights of individual Palestinian landowners." The report states that the settlements occupy a total of 15,271 acres of private Palestinian land.

The report draws on maps and data from the Civil Administration, the military authority Israel established to govern the West Bank following the 1967 Middle East war. Its findings were reported first in Tuesday's New York Times.

The database was also used by a state commission, headed by Talia Sasson, a lawyer, that issued a critical report last year on the expansion of unauthorized Jewish outposts in the West Bank. Peace Now officials said they were leaked the information after Israeli courts delayed a hearing on their petition for the data earlier this year.

The Israeli government did not annex the West Bank after the 1967 war -- keeping the Palestinian population there from voting in the Jewish state -- and soon began sponsoring settlement construction in the territories. International law has been widely interpreted to prohibit civilian settlement or construction on land occupied during war.

As the report notes, the West Bank has been under Ottoman, British, Jordanian and Israeli control over the past century, leaving a highly complicated land registry and murky title in many cases.

The report defines private property in the West Bank as land registered by Palestinians before 1968, when Israel stopped the process, and cultivated land that Israel recognizes as private under Ottoman law. It focuses on the West Bank and does not examine property in East Jerusalem, whose annexation by Israel is not recognized internationally.

Of the land occupied by the settlements, the report found, 54 percent is so-called state land while nearly 6 percent is designated "survey land," meaning its legal status is unclear. The report notes that 1.3 percent of the settlement areas is "Jewish land."

The report says Israel most commonly seizes private land citing "military purposes." That designation leaves the land in the name of its Palestinian owners but gives control to the Israeli army for a period that can be extended indefinitely. In other cases, Palestinians are offered compensation by the Israeli government, something they usually refuse in protest.

Miri Eisin, a spokeswoman for Prime Minister Ehud Olmert, said Tuesday that the government would comment on the report's methods and findings once officials have had time to review it. Olmert won election in March on a pledge to withdraw Israel from much of the West Bank, while holding on to the settlement blocs inside the wall.

"We have to read the full report to understand it," Eisin said. She added that "even if it turns out only 5 percent is private land, that is something we must take note of."

In another development, Israeli troops pushed into the Gaza Strip early Tuesday and killed two Palestinians in fighting near the village of Zeitun. One of them was identified as Ayman Daif Allah, 25, a senior commander of the governing Hamas movement's military wing. Palestinian medical workers said Saadiya Herez, 70, was also killed by gunfire.

The operation is part of Israeli military efforts to stop Palestinian rocket fire into southern Israel that has spiked in recent days. At least four rockets fell Tuesday in and around the Israeli town of Sderot, fatally wounding a factory worker. The U.N. high commissioner for human rights, Louise Arbour, was visiting Sderot at the time of the attack.

Court Says Israel Must Register Same-sex Marriages (LAT)

By Ken Ellingwood

The Los Angeles Times, November 22, 2006

JERUSALEM — The Israeli Supreme Court touched off a fresh controversy over gay rights Tuesday when it ordered the government to register same-sex marriages performed abroad.

The ruling by a seven-judge panel, though limited in scope, reignited a debate over the rights of homosexuals in Israel after ultra-Orthodox religious leaders led protests that resulted in the cancellation of a gay pride parade this month in Jerusalem.

The 6-1 decision was praised by rights advocates as a political advance for gays and lesbians, who have won previous court decisions granting them broader rights in survivor benefits and inheritance. It also was cheered by those who support legalizing civil marriages in Israel, where only religious ceremonies are allowed.

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"I am glad we won and got what we wanted to achieve in this petition, which was the basic right to be registered as married by the Israeli Ministry of Interior, just as any couple marrying abroad does and takes it for granted," Joseph Bar Lev, a 39-year-old dance instructor who was one of the petitioners, told Israel Radio.

"At the same time, this is still the beginning of the road, because the real aspiration is that civil marriage will be possible in Israel too."

The ruling did not legalize same-sex weddings in Israel, where religious authorities by law hold a monopoly on authorizing marriages and divorces.

"We hope that one day any couple who wants to marry in Israel, whether homosexual or heterosexual, will be able to do it," said Yoav Loeff, spokesman for the Assn. for Civil Rights in Israel, which represented two of the five gay couples in the case.

The male couples had wed in Canada, but when they returned to Israel, the Interior Ministry refused to change their marital status from single to married.

The ministry said same-sex marriages were not legally valid in Israel and could not be listed in the government's registry. In its ruling Tuesday, the court ordered the government to register same-sex marriages that are legal abroad.

Activists said that being registered as married could help gay spouses assert the right to decide about medical care for their partners and make it easier for a spouse to gain Israeli citizenship.

Religious conservatives criticized the decision as an erosion of Israel's status as a Jewish state and said it undermined moral teachings.

Some conservatives urged the Israeli parliament, or Knesset, to examine the possible effect on Israeli society.

"This ruling is nothing short of idolatry," Zevulun Orlev, a Knesset member from the National Religious Party, said on Israel's Channel 10 television. "Only 10 days ago we read the weekly Torah portion about Sodom and Gomorrah. How exactly does this ruling reconcile with Israel being a Jewish state? What culture considers people of the same sex to be a family? Not the Jewish one."

Ultra-Orthodox Jewish religious leaders, joined by some Muslim and Christian clerics, protested the gay pride parade as an affront to Jerusalem's sacred standing. For days, protesters rioted, set fires in the streets and vowed to block the gathering.

In the end, parade organizers agreed to hold their rally in a stadium after police expressed concern about their ability to protect marchers. The event proceeded peacefully with a large police presence.

Secular Israelis have long complained about the broad authority wielded by the country's leading Orthodox rabbis. Many couples travel overseas to marry in civil ceremonies, a practice that has spawned a matrimonial cottage industry in the nearby island nation of Cyprus.

The issue of civil marriage is important among emigres from the former Soviet Union, many of whom are not Jewish or can't prove their heritage to the satisfaction of rabbinical authorities in Israel. Several candidates in national elections last spring promised Russian voters that they would try to make it easier for them to marry in Israel, though no reforms have been passed.

The lawyers in the same-sex marriage case cited as a precedent a Supreme Court decision from the 1960s that ordered the government to register civil marriages performed abroad, Loeff said.

Religious liberals said the ruling could help them cut into the clout held by rabbinical leaders in matters of marriage and divorce, as well as in conversions to Judaism.

Members of conservative and reform strains of Judaism have sought for years to have non-Orthodox conversions recognized by Israel's top rabbis.

Although the groups have made inroads in getting official recognition for non-Orthodox conversions done abroad, they are awaiting a court ruling on similar recognition for conversions carried out in Israel.

"The Supreme Court of Israel is the grand hope all liberal Jews have" to check the power of the Orthodox leaders, said Anat Hoffman, a former member of the Jerusalem City Council who directs the Israel Religious Action Center, which advocates religious pluralism in Israel.

Hoffman campaigned in support of the gay pride parade, and said she was appalled by the tone of the protests by religious leaders from all three major faiths.

She said the court's ruling simply recognized the legality of same-sex marriages granted by countries that allowed them.

"If the Canadians recognize these people as a family," Hoffman said, "we can't turn around and say that Israel, as a member of the family of nations, does not."

U.S. Seeks Greater Access To India In Farm Trade (WSJ)

By Sameer Mohindru

The Wall Street Journal, November 22, 2006

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NEW DELHI -- The U.S. is seeking greater market access in India for its agricultural commodities, such as wheat, to ensure balanced farm trade between the two countries, U.S. Agriculture Department Secretary Mike Johanns said.

"We are working on a number of issues...both tariff and nontariff...on commodities such as wheat, edible oils, dairy products...and pet food," Mr. Johanns said in an interview. "There is a trade imbalance in favor of India: It sells more to us.

"We would love to sell wheat to India," he said. India's federal government has imported 5.5 million metric tons of wheat in 2006 amid a decline in local output and granary stocks.

Mr. Johanns said the U.S. hasn't been successful in selling wheat to India despite being a large exporter world-wide, because of stringent sanitary and plant-health norms in India. He favored an approach where India's plant-health norms are protected and wheat trade occurs with the U.S.

He added that discussions on plant-health-related issues are going on so that India will be able to export its mangoes to the U.S. by the next harvest in April.

"We need to be flexible and examine the possibility of how to fit together [issues relating to domestic support, subsidies and market access] to achieve the promises of the Doha round" of global trade talks, he said.

A list of special and sensitive products -- in which countries will be allowed tariff protection -- needs appropriate treatment so that it doesn't slip into an endless list of items, he said. A long list of special or sensitive products can nullify reductions in tariffs of some of the items.

India And China Work On Building Trust (NYT)

By Saritha Rai

The New York Times, November 22, 2006

BANGALORE, India, Nov. 21 — India and China established a 10-point strategy on Tuesday to strengthen economic relations and ease mistrust, agreeing that there is room enough for both to grow.

President Hu Jintao of China was at the start of a four-day visit to India, only the second by a Chinese president. As he and Prime Minister Manmohan Singh of India came face to face on Tuesday, there was evidence that they were trying to define the Asian version of globalization.

At a joint media briefing with Mr. Hu on Tuesday, Mr. Singh said there was enough space for the two countries, which account for a third of the world's population, to grow in a mutually beneficial manner "while remaining sensitive to each other's concerns and aspirations, as befits good neighbors and partners."

The two countries said they would work to double their trade to $40 billion by 2010, which some see as a sign that centuries of Western dominance in global trade may be ending.

The countries also signed 13 pacts covering joint scientific initiatives, tourism promotion and the opening of new consulates.

Despite the symbolism that is typical of such visits, however, there were no breakthroughs at the leadership level on the first day of talks.

As India and China try to broaden their trade with each other and expand their influence in Asia, there is growing anxiety in India that allowing the entry of China's often subsidized manufacturers could send its own industries into oblivion.

As a prelude to Mr. Hu's visit, Sun Yuxi, China's ambassador to India, appealed to India not to discriminate against Chinese companies.

The ambassador said he understood that every country had security concerns, but added, "If you allow other foreign companies in the area, Chinese companies should be treated equally because we are friends and partners."

China wants its companies to be allowed to invest in sectors like ports and telecommunications, which India considers sensitive and regulates tightly.

As a signal that all is not "Hindi Chini Bhai Bhai," an old slogan that translates as "Indians and Chinese are brothers," even routine business relations have been challenging.

For instance, the Chinese telecommunications company Huawei Technologies said its Chinese employees were not being allowed to work at its Indian unit because the government was reluctant to grant visas.

"For the last nine months, no employment visa has been granted," said Gilbert Millicent Nathan, a spokesman for Huawei Technologies India. Mr. Nathan said employment visa applications were pending without explanation.

Huawei currently has 50 Chinese working at its Indian unit, half of them on employment visas and the rest on business visas.

Its marketing subsidiary for telecommunications equipment, Huawei Telecommunications India, based in the northern city of Gurgaon, is facing restrictions imposed by the Indian government on Chinese companies that sell equipment in sectors deemed sensitive.

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This year, India rejected proposals from Hutchison Port Holdings, based in Hong Kong, to build container ports in India.

Political antagonism between India and China dates to 1962, when China soundly defeated India in a brief war that began as a border dispute. It has not been eased since then by India's growing relations with the United States and China's continued closeness with Pakistan. In fact, Mr. Hu is scheduled to head to Pakistan directly after his visit to India.

Clyde V. Prestowitz, an Asia specialist, said he did not expect a partnership to come out of the Hu visit, but perhaps "less hostility, suspicion and confrontation." Mr. Prestowitz, a trade adviser to the Reagan administration, is president of the Economic Strategy Institute in Washington.

"India, China and the rest of Asia will eventually wrest dominance of world trade away from the West," he said, "though not tomorrow."

Vietnam Signs Deals With Cnooc And PetroChina (WSJ)

By David Winning

Wall Street Journal, November 22, 2006

BEIJING -- China National Offshore Oil Corp. and PetroChina Co. have signed deals to ramp up investment in Vietnam as leaders in Beijing and Hanoi set aside a long-running maritime border dispute to forge closer energy ties, state media reported yesterday.

Cnooc signed an agreement with Vietnam Oil & Gas Corp., or PetroVietnam, on Friday to begin exploring for oil in the Gulf of Tonkin in the South China Sea on a 50-50 basis. The exploration period is expected to last three to five years, China Oil News said on its Web site, without specifying when the project would begin or the size of the investment involved.

Expectations of oil and gas finds are high, because the area is ringed by proven natural-gas finds, including Vietnam's Nam Con Son gas project to the west, and oil-rich areas being pumped by Malaysia and Brunei to the south.

Steven Knell of London consultancy Global Insight said the joint venture had been in the cards since August, when China and Vietnam issued a joint communique paving the way for a resolution of the dispute over the maritime border, notably around the Spratly Islands. Military clashes between the two countries took place in 1988 and 1992 over the maritime border.

"A final settlement on the matter of the boundary is expected in 2008, but that will not stand in the way of exploration-and-production work in the meantime," Mr. Knell said.

Separately, PetroChina signed a $432 million deal to become the contractor for a fertilizer plant in Vietnam, representing the largest individual project in terms of investment by a Chinese company in the country, according to China Oil News. This project will produce 320,000 metric tons of synthetic ammonia and 560,000 tons of urea annually as well as involve the construction of a 36 megawatt power station. It is expected to begin operation in about 3½ years.

The deals were concluded during Chinese President Hu Jintao's visit to Vietnam last week for the Asia-Pacific Economic Cooperation forum.

China Buildup Seen Aimed At U.S. Ships (WT)

By Bill Gertz

The Washington Times, November 22, 2006

China's military buildup includes new missiles and naval weapons designed to sink U.S. aircraft carriers and deny U.S. forces access to the Asia-Pacific region, a congressional commission official said yesterday.

Daniel Blumenthal, a former Pentagon defense policy-maker and now a member of the U.S.-China Economic Security Review Commission, said China's military is building up forces to "deny the United States the use of the commons -- the sea, the air, cyber and space."

"The Chinese have been quite successful ... in the area of sea denial, meaning that if we sent a carrier to or outside the [Taiwan] Strait as we did in 1996, it would be a lot riskier and a lot costlier to the United States," Mr. Blumenthal said at a conference held at the Heritage Foundation.

The comments followed disclosure last week that a Chinese submarine sailed undetected to within five miles of the aircraft carrier USS Kitty Hawk near Okinawa, Japan, and surfaced close enough to fire wake-homing torpedos or anti-ship cruise missiles, according to U.S. defense officials.

The Navy said in response to the surprise encounter that it is reviewing anti-submarine warfare defenses for the carrier battle group. The carrier was engaged in exercises when the Song-class submarine surfaced Oct. 26.

China's government denied that the submarine encounter took place, but Adm. Gary Roughead, commander of the Navy's Pacific Fleet, said Friday in Beijing that Chinese military leaders he met told him the submarine was in international waters when it was near the carrier.

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Mr. Blumenthal, commenting on the release of the China commission's latest annual report, said Chinese weapons include 10 different types of ballistic and cruise missiles and up to 800 missiles aimed at Taiwan, five different types of submarines and 15 types of new warships.

"This is a very concerted and sophisticated, diversified effort to build up a military whose goal is the United States and its ability to meet its own commitments and interests," he said.

Beijing's military also is experimenting with new attack concepts, including land-based attacks on ships "through multiple entry concepts" in what Mr. Blumenthal called "a very serious effort to try to basically sink a carrier or battle group."

The commission report, while mainly focused on economic issues, included a chapter on China's military that said China's military buildup is closing a gap with U.S. forces. The trend shows "a window of vulnerability for the United States between 2008 and 2015" before newer U.S. weapons are fielded, the report continued.

The report revealed that China's new DF-21C ballistic missile is being configured with a guidance system that will allow it to attack ships at sea and defeat shipborne missile defenses. The "development efforts are being pursued vigorously," it stated.

The report stated that China's warships and submarines could delay the arrival of U.S. Navy forces called on to defend Taiwan, but they lack integrated command and control needed for "effective joint targeting of a carrier battle group."

In China, Growth At Whose Cost? (WSJ)

By Andrew Batson And Shai Oster

The Wall Street Journal, November 22, 2006

BEIJING -- China's economic miracle has lifted hundreds of millions of people out of poverty, but the country is showing signs that its poorest citizens are falling further behind.

The success of China's transformation into a manufacturing powerhouse has allowed Beijing to dismiss criticism of the downside of Chinese-style economic reform: a dismal environmental record, a repressive political climate and the breakdown of the country's health-care system.

As long as the country's newfound wealth eventually trickled down to everyone, the reasoning went, the benefits outweighed the problems.

But now, as the Chinese government worries about social stability and amid questions about the social costs of China's rapid growth, new figures suggest the poorest of the country's 1.3 billion people are getting even poorer.

From 2001 to 2003, as China's economy expanded nearly 10% a year, average income for the poorest 10% of the country's households fell 2.5%, according to an analysis by the World Bank that has been presented to the Chinese government. Those roughly 130 million Chinese earn $1 a day or less, the World Bank's global benchmark for poverty.

Meanwhile, the nation's total income rose sharply, and other income groups saw gains, suggesting that the rich are getting richer at the expense of the poorest.

The reason for the income decline at the bottom isn't clear. The World Bank hasn't completed its analysis and its conclusions haven't been published. Even so, the data call into question an economic model that economists have held up as an example for other developing nations.

"This finding is very important. If true, it sheds doubt on the argument that a rising tide lifts all boats," said Bert Hofman, the World Bank's chief economist in China.

China's roughly 10% annual growth in the years since it has opened up to foreign trade and investment, dismantled or privatized state-run companies and encouraged entrepreneurship has made it the world's fourth-largest economy. Those gains have helped to persuade development experts that growth is the surest cure for poverty.

But the widening of China's income gap raises questions about the bargain its government made three decades ago when it agreed to accept a measure of social inequality as long as it improved the nation's welfare overall.

Many observers place part of the blame on the way China dismantled its social-welfare system as it phased out state control of the economy -- without building up much to replace it. Health care has become a point of particular concern, as costs shoot up without any widespread system of medical insurance to cover them. Patients who can't pay often-large sums in cash are frequently refused treatment at Chinese hospitals.

"Before the reform period, China's system of social security was already fragile. Now, after the reforms, it has almost entirely disappeared," said Li Zhining, a retired scholar in Beijing. That gives the government few tools to address the income gap, he said. "I think that the disparity between rich and poor in China will be impossible to resolve in a short time."

The World Bank's Mr. Hofman says the bank's analysis shows the majority of China's poorest 10% appear to be only temporarily poor, thrown down by some setback like sudden illness, the loss of a job or the confiscation of land. That suggests that a basic social safety net, like medical insurance or unemployment benefits, could help move them back out of poverty. Only about 20% to 30% of the poorest appear to be long-term poor, and even they have some savings.

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It isn't clear what impact the World Bank data might have on Chinese policy. The World Bank and others are already recommending that China spend more on pensions, health care and other welfare programs.

Still, for the ruling Communist Party, which has staked its legitimacy almost entirely on its ability to make people richer, evidence that incomes are falling could be devastating. During its reform era, China has pulled off one of the greatest economic feats in history, bringing some 400 million people out of poverty in 25 years.

That era dates back to 1978, when former Chinese leader Deng Xiaoping abandoned the egalitarian principles of his Communist predecessors and inaugurated the world's biggest experiment in trickle-down economics. He famously declared that for China to rise out of poverty, some people would be allowed to get rich before others.

Mr. Deng's formula did work: While the manufacturing hubs on the country's south and east coasts got rich first, and are now much better off than the rest of China, average incomes nationwide have risen by about 7% a year since 1978, according to official figures.

In recent years, however, incomes in urban areas have outstripped those in the rest of the country, with city dwellers recording average annual gains of 8% to 9%, compared with less than 5% for rural households. Now, if a large segment of Chinese society has ceased to benefit from economic reforms, it weakens the rationale for continuing down that path.

Other, published figures have also shown that income inequality is rising in China. Its Gini coefficient, a widely used measure of income distribution that starts from zero at perfect equality and tops out at one, last year hit 0.4, up from 0.3 in 1981, according to the Asian Development Bank. That puts socialist China at a level of inequality similar to that of the unabashedly capitalist U.S.

The gap between the highest and lowest incomes is expanding whether one looks at rural and urban residents, inland and coastal cities, or even just high- and low-paying jobs, according to the ADB's analysis of Chinese data.

The rise in inequality has fueled a growing debate among China's intellectuals and politicians about whether the country has swung too far toward capitalism and is leaving behind the Communist Party's core constituency of workers and peasants.

Recognizing that corruption and inequality threaten its authority, China's central leadership has made addressing those issues its top priority. President Hu Jintao's signature slogan is the drive for a "harmonious society" -- one that would bridge the widening income gaps and ease the strains that are causing social unrest.

The World Bank's Mr. Hofman emphasized that the bank's findings, which are based on data collected through a massive household survey by China's National Bureau of Statistics, aren't definitive. For one thing, the survey compares snapshots of the lowest tier of Chinese society at two different points, rather than tracking the same of group of households over time. So, it doesn't necessarily mean that the people who were in the poorest 10% of society in 2001 were all 2.5% worse off in 2003.

Moreover, the World Bank started its analysis in 2005, and so didn't have access to complete figures from that year or 2004. More recent data could help determine whether the decline has continued or was just an isolated phenomenon.

Serving The Nation In Sunny South America (WP)

By Al Kamen

The Washington Post, November 22, 2006

Feeling that blast of winter these past few days? Want a quick trip to sunny climes courtesy of the taxpayers? Then hurry, hurry, hurry. There may still be some seats on an excellent codel to South America right after Thanksgiving. There's chatter that even Rio, where highs are expected to be in the 80s, might be one stop.

Outgoing House Agriculture Committee Chairman Bob Goodlatte (R-Va.) is leading a group of about 10 committee members, plus spouses, military aides and assorted staff -- perhaps up to 40 folks in all -- on this fine journey with stops in several countries down there.

"The delegation will be meeting with various business and government officials in the region," committee spokeswoman Alise Kowalski tells us, "to discuss agricultural trade -- specifically focusing on expanding U.S. agricultural exports."

We asked for an updated itinerary and passenger list, but she told us that, "for security reasons," the committee did not release such information before the trip. (It was not readily apparent how knowing who was onboard would affect security issues, but never mind.)

Depending on the type of military jet being used, move quickly if you want to go. An early list showed that Goodlatte; incoming Chairman Collin Peterson (D-Minn.); Republican Reps. Frank Lucas (Okla.) and Jerry Moran (Kan.); and Democratic Reps. Bob Etheridge (N.C.), Tim Holden (Pa.), Rick Larsen (Wash.), Leonard Boswell (Iowa), David Scott (Ga.) and Stephanie Herseth (S.D.) had made tentative bookings, but these things are fluid. There's always someone dropping off or hopping on, so get moving.

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Note to new members of Congress who become codel-eligible next year: You might ask yourselves, "Why would I want to wander for maybe 10 days going from one boring meeting to another on trade issues?" Well, first, it could be theoretically of importance to your farm constituents.

More important, between meetings, there'll surely be ample time to squeeze in trips to top agricultural sites. For example, during a five-day trip in 2003, a Goodlatte delegation found time to stop at Iguazu Falls, not heretofore known as a major farming site, and trek to the major ecotourist and rain-forest area around Manaus.If No One Publishes a Watchdog's Letters . . .

Just when it seemed Dorrance Smith, assistant secretary of defense for public affairs, had tired in his fight for truth, justice and the American way -- that is, having his "rapid-response team" scour the daily press and demand that perceived mistakes be corrected -- Monday's Pentagon Early Bird features three letters to news organizations demanding corrections.

One went to the Chicago Tribune to take issue with a columnist; another to U.S. News and World Report about what Smith said was a "fairly egregious error" that "requires a correction"; and a third, by press aide Bryan Whitman, notes that USA Today "mischaracterizes" an Army general's comments.

The news outlets did not publish the letters. Undaunted by rejection, Smith self-publishes his views at the top of the Bird, a compilation of news clips distributed throughout the military.

Something endearing about all this. Kinda like that guy Sisyphus with the rock. If only fixing mistakes in Iraq were this simple.You, Too, Can Live Like a President

Another prominent GOP home went up for sale last week in the Clover area of Alexandria. This was home to Gerald R. Ford and his family for almost 20 years, during much of his congressional career, his time as vice president and the first 10 days after he became president after Richard M. Nixon's resignation, according to an ad in Roll Call. It's a four-bedroom house with two full and three half baths and a "gigantic" swimming pool. This National Historic Landmark, yours for $999,000.The Revolving Door of the Senate

Coming full circle? Marshall Wittmann, who gained fame as the highest-ranking Jew in the Christian Coalition, was named communications director for Sen. Joseph Lieberman (D-Conn.) yesterday.

Along the way to his new job, Wittmann was also legislative director for the conservative Heritage Foundation, a senior fellow at the conservative Hudson Institute, a communications director to Sen. John McCain (R-Ariz.) and a senior fellow at the centrist Democratic Leadership Council.Yes, These Officials Are Introducing a Poster

A slow week in Washington . . . From this week's Department of Homeland Security schedule: Monday, November 20 4:00 PM EST Officer for Civil Rights and Civil Liberties Daniel W. Sutherland , along with Dean S. Hunter, Acting Immigration and Customs Enforcement Federal Protective Service Director, will deliver remarks and introduce the Kirpan, a Sikh American religious awareness poster. The National Gurdwara 3801 Massachusetts Avenue, NW Washington, D.C. OPEN PRESS

Going South Populism Loses Appeal For Voters In Latin America (WSJ)

By John Lyons

The Wall Street Journal, November 22, 2006

QUITO, Ecuador -- The populist political tide that seemed to be sweeping through Latin America earlier this year is sputtering.

Although disappointment with free-market reforms still runs deep through the region, voters have been choosing presidential candidates who tap into a more powerful force: economic stability. Across Latin America, inflation has been on a steady decline for the past decade, and has dropped to the low single digits for the first time in decades in Mexico, Peru, Ecuador and Brazil. Economic growth, while far from spectacular, has been solid for the past five years.

With that stability, more working-class voters have been able to buy homes, take out loans and obtain their first credit cards. As voters get a stake in the economic system, they become wary of risking it all on populist nostrums -- debt repudiation, deficit spending, state ownership of industries -- that in the past produced economic disasters and left them worse off.

This dynamic has played out in election after election across the volatile region this year, despite high-profile efforts by Venezuelan President Hugo Chávez to fuel anti-U.S. sentiment. In February, Nobel Prize winner Oscar Arias won the presidency of Costa Rica against a candidate who wanted to scuttle a free-trade deal with the U.S. In June, onetime populist Alan García regained the presidency in Peru by embracing free trade and open markets -- and by playing off voter fears of Mr. Chávez's growing influence. In Mexico a month later, the populist former Mexico City mayor, Andrés Manuel López Obrador, lost after failing to find support among the working classes of fast-growing central and northern cities.

And while longtime socialist politicians won in Brazil and Chile, they did so by championing market-friendly policies. This month in Nicaragua, former Sandinista leader Daniel Ortega won the presidency, but even he positioned himself as a candidate of stability and reconciliation. He used John Lennon's "Give Peace a Chance" as a theme, not Vladimir Lenin's economics. The

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sole presidential candidate who looks likely to win this year on a platform of state intervention, income redistribution and anti-American foreign policy is Venezuela's President Chávez, who has billions of dollars in oil wealth to hand out to supporters.

"We haven't achieved [politically] what we thought was going to be achieved at the beginning of the year," says Efren Andrades, a former agriculture minister in Mr. Chávez's government, who now teaches at the University of the Andes in Mérida, Venezuela.

The diminishing electoral appeal of candidates promising radical economic and political change is on display here in Ecuador, ahead of this Sunday's presidential election. Early this fall, Rafael Correa, a telegenic university professor, leapt ahead of his rivals by wrapping himself closely with Venezuela's Mr. Chávez and vowing to dissolve Congress, redo the constitution and renegotiate the foreign debt. During rallies, he snapped his belt to show how he planned to lash the country's rich into submission to help the poor.

But as voters grew wary of his showmanship, Mr. Correa retreated to the middle. In campaign stops, he now rarely mentions his plans to redesign the economy or rewrite the constitution. Instead, he focuses on issues that even his conservative opponent, banana magnate Alvaro Noboa, embraces, such as improving housing. After moderating his stance, Mr. Correa has regained his footing and is now in a virtual tie with his conservative rival. "Ecuador's economy isn't sustainable," says Mr. Correa. "I am talking about changes to create jobs [and] create productive industries."

Populism is far from dead. Latin America remains fertile territory for politicians who promise a heavy government hand and a retreat from market economics. That's because the benefits of recent economic growth have flowed disproportionately to elites, sustaining income inequality rivaled only by sub-Saharan Africa. Resentment simmers among the working class and poor.

Mexico's conservative president-elect, Felipe Calderón, who won by less than a percentage point, is likely to be dogged during his term by Mr. López Obrador, who claims the election was stolen and swore himself in on Monday as the "legitimate" president. In Argentina, President Nestor Kirchner, who slashed foreign debt payments, set price controls and spent heavily, is the early favorite to win a second term next year.

"Voters are opting for stability, but it would be a big mistake to interpret that as a ringing endorsement of politics as usual in Latin America," says Michael Shifter, vice president of the Inter-American Dialogue, a Washington, D.C., think tank. "There is still a lot of frustration in the region."

Even so, the electoral failure of populists so far has been good news for foreign investors and businesses. U.S. companies such as Citigroup Inc. and Wal-Mart Stores Inc. have poured billions of dollars into the region in the past decade on the expectation that economic stability and growing consumer wealth would expand local markets. U.S. officials can also breathe easier because Mr. Chávez hasn't managed to form a potent anti-U.S. economic and political bloc in Latin America.

There are also powerful constraints on governments seeking to govern as populists. In December, leftist Indian leader Evo Morales won Bolivia's presidential election and set about nationalizing the country's oil and gas industry. But the staunch Chávez ally hasn't been able to complete the nationalizations because the state lacks the managers and resources to run privately owned fields.

Ecuador, an oil-rich nation of 13 million, illustrates the rise and ebb of radical politics in Latin America this year. Even in a region known for instability, this Colorado-size country stands out. It has had seven presidents in the past 10 years, three of whom where exiled, jailed or both. In 1997, Abdalá Bucaram, who recorded a record album -- "The Madman Who Loves" -- during his presidency, was deposed by congress for "mental incapacity."

The economic situation has been equally volatile. A fierce rivalry between the Sierra mountain dwellers and residents of the muggy coast has made it difficult for the Quito government to work out necessary compromises that could limit government spending. Instead, the Central Bank printed more Ecuadorian sucres to pay for salary increases, public-works projects and repeated bank bailouts -- short-term fixes that boosted inflation. Between 1979 and 2000, the sucre plummeted from 25-to-the dollar to 25,000-to-the-dollar, wiping out savings and prompting the government to default on its debts twice.

As in all Latin American currency crises, the working and middle classes suffered especially sharp declines. In the mid-1990s, Nelson Rivadeneira, an auto-parts salesman in Quito, owned a home and two cars, and hoped that his son, who attended an inexpensive private school, would climb higher up the economic ladder.

Then the sucre plunged, interest rates soared, and he lost his job as the economy nosedived. Facing bankruptcy, he sold his cars. One went to pay his loans and the other to pay his son's tuition.

As the country's banks started to fail, Mr. Rivadeneira and thousands of other Ecuadorians lined up at teller windows to withdraw their savings. Burger Kings started selling Whoppers for dollars, setting their own exchange rates as the sucre lost about 65% of its value. A newspaper printed photos of financiers boarding planes to Miami. To stem a run, the government froze deposits and allowed banks to issue savers like Mr. Rivadeneira promissory notes. These proved to be worth less than their face value, since confidence in the banking system had vanished.

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The economy hit bottom in 2000. Desperate to halt inflation, the Ecuador government dumped its own currency and adopted the U.S. dollar. Although many economists criticized the move because it limited the government's ability to manage the economy, the tactic succeeded in slashing inflation, which now runs about 3% annually -- Ecuador's lowest ever. Interest rates have plunged as well.

Over the past few years, consumers have benefited. Home builders are pouring money into projects in the working-class area south of Quito, where a shopping mall called El Recreo has doubled in size. The highway that climbs a mountain pass to connect the southern neighborhoods with jobs in the city center is crammed with traffic each dawn for the first time in memory.

Banks are handing out credit cards, spurring a consumption boom. Sales of television sets and major appliances are growing at a 35% annual clip at Comandato, one of Ecuador's biggest retailers. Spurred by financing, General Motors Corp.'s annual sales of cars and trucks in Ecuador have quadrupled to 87,000 since 2000.

Against this economic backdrop, Mr. Correa mounted his populist campaign. He played on his close ties to Venezuela's Mr. Chávez and on a nationalist backlash against a U.S. military base used to fight Colombian drug lords. Also a big theme: the growing wealth of the elites who escaped much of the hardship of the late 1990s economic crisis.

A 43-year-old economist, with a doctorate from the University of Illinois, Mr. Correa had considered a presidential run since his university days, his colleagues say. He burnished his populist credentials during a four-month stint last year as finance minister when he declared that half of the oil revenue the government set aside in a "rainy-day fund" for debt reduction could instead be spent now on welfare for the poor.

That prompted a fight with the World Bank, which said the move could undermine the country's creditworthiness, and pressured Ecuador to change course by retracting a Bank credit line. In response, Mr. Correa flew to Caracas to arrange $300 million of financing from Mr. Chávez. Wearying of the conflict, Ecuador's president fired Mr. Correa.

The battle, though, lifted Mr. Correa's profile and powered his presidential bid. When Mr. Chávez called U.S. President George Bush "Satan" during a speech to the United Nations in September, Mr. Correa said he considered the comment an insult to Satan.

But that turned out to be Mr. Correa's political high-water mark. His plans to renegotiate foreign debt payments encouraged foreign investors to sell Ecuador's bonds, creating fears of a return to crisis. His ties to Mr. Chávez created concern as Chávez-inspired policies in Bolivia spawned protests there as well as a fight with Brazil. His popularity took another hit when he hinted that he would ditch Ecuador's link to the U.S. dollar when he took office. Polls show most Ecuadorians view the greenback as the central pillar of the newfound stability.

Mr. Correa, who had written academic papers attacking dollarization, quickly tried to assure voters that he wouldn't tamper with the currency.

Mr. Correa's political problems became evident in the first round of voting in October, where he came in second after leading in most polls to the 56-year-old Mr. Noboa, regarded as Ecuador's richest man. Since neither candidate won a majority in the first round, they must face each other in Sunday's runoff.

In many ways, Mr. Noboa embodies the plutocracy that Mr. Correa likes to rail against. Mr. Noboa inherited his business empire from his father and consolidated his position after a nasty fight with his siblings. He has taken positions well to the right of Mr. Correa, including promising a free-trade pact with the U.S.

Mr. Noboa also has skillfully used Mr. Correa's left-wing rhetoric against him, warning that Mr. Correa would endanger the country's newfound stability. Borrowing a page from conservative campaigns in Peru and Mexico, Mr. Noboa ran television and radio ads linking Mr. Correa to Mr. Chávez, suggesting that the Chávez-style anti-U.S. bravado would bring about ruin for the country by turning the U.S. into an enemy. One TV ad featured ordinary voters saying, "We can't have Chávez meddling in our country."

After his poll numbers sank, Mr. Correa put some distance between himself and Caracas. "Look, Chávez is my friend, but I haven't talked to him in months, and he has nothing to do with my campaign," he said.

Mr. Correa denies he is retreating from his principles. "My positions on the constitution and other things are already well known, so it makes sense to now to talk about new issues. I haven't changed a thing," he said as the SUV he campaigns in zipped between a 7 a.m. television interview and his children's French-language private school.

But that's not the message voters are getting. "Correa is coming back to reality," says Mr. Rivadeneira, the former auto-parts salesman who now has a good job selling Chevrolets. He says Mr. Correa's new campaign pitch is more in line with his own views, and that Mr. Correa may even get his vote. "I don't think anyone wants to risk stability," he says.

Maoists Sign Peace Deal In Nepal (NYT)

By Tilak P. Pokharel And Somini Sengupta
The New York Times, November 22, 2006

DOJ_NMG_0097430

KATMANDU, Nepal, Nov. 21 — To end a crippling war that raged for more than 10 years and killed thousands, Maoist rebels in Nepal signed a peace deal with the government on Tuesday night, with a pledge to lock up their guns, at least for now, and let voters decide the future of the country.

The accord promises to bring the rebels, who control vast swaths of the destitute countryside, into the political mainstream. Whether the Maoists, who once functioned as a political party but abandoned the electoral path for armed struggle, will now play by the rules of parliamentary democracy is the most important question.

"It is the beginning of a new beginning," the Maoist leader, known by his nom de guerre, Prachanda, said after signing the agreement in Katmandu, the capital.

Prime Minister Girija Prasad Koirala said: "This has given a message to the international community and terrorists all over the world that no conflict can be resolved by guns. It can be done by dialogue."

The peace agreement paves the way for the fulfillment of one of the Maoists' chief demands: elections to decide whether Nepal will remain a monarchy. The interim government, which the rebels have agreed to join, will organize elections next year for an assembly that will determine whether Nepal will remain a kingdom and if so, what kind.

The Maoists have repeatedly promised to run in the elections and abide by the results. On Saturday, during a visit to New Delhi, Prachanda reiterated that pledge, saying that even if Nepal voted to keep the monarchy, his cadres would continue to press for its abolition — but would do so peacefully.

The agreement signed Tuesday in Katmandu came a year after the rebels teamed up with Nepal's main political parties to topple King Gyanendra, who dismissed the country's elected politicians and took control of the state early last year.

In April, street protests blessed by the Maoists prompted Gyanendra to turn over control to the elected Parliament, which had been suspended four years earlier. This week a government-appointed panel found the king responsible for rights abuses against the pro-democracy protesters and called for him to be punished.

After the king yielded to Parliament, it was swift to take vital powers away from him, including control of the army, and engaged in peace talks with the rebels, who declared a unilateral cease-fire. Under the peace accord, the Maoists will sequester their armed fighters in cantonment sites, and the Nepalese Army will return to its barracks.

Ian Martin, the United Nations envoy to Nepal, said in a statement on Tuesday that agreement had been reached on the locations of the cantonment sites. He added, "Today's agreement promises to convert the cease-fire into long-term peace."

The rebels, still apparently distrustful of politicians and the palace, have not laid down their arms entirely. They have agreed to lock up their weapons but are holding on to the keys. The United Nations is to monitor the safekeeping of weapons through a system of closed-circuit cameras.

Human rights groups have accused the rebels of continuing to recruit members in the countryside, including children, but the Maoists have denied the charge.

The Maoists say they want their troops to be integrated into a new national army. How many and in what fashion remain unclear. "We are not dogmatic Communists, and we are prepared to change and debate our beliefs with anybody," Prachanda was quoted by [a news service] as saying.

The rebels, who called the conflict a "people's war," began with the aim of establishing a Communist state. Maoist insurgencies have blossomed in South Asia long after the demise of Mao and his ideology in China.

In India, a loose confederation of Maoist rebels are active in a swath of territory from the jungles of the far south all the way north to the border with Nepal. The Indian prime minister, Manmohan Singh, recently described them as the country's most pressing internal security threat.

The peace accord in Nepal includes a provision to establish a truth and reconciliation commission "to find facts about those involved in committing serious human rights violations and those involved in crime against humanity during the armed conflict."

Within minutes of its signing, crowds of well-wishers lined the streets and lighted candles as they waited for Prime Minister Koirala's motorcade to pass.

"Both sides give up state of war; it's celebration time," Kanak Dixit, the editor of Himal magazine, said by telephone amid hoots and hollers on the street. "The only challenge that now remains is that the Maoists, in particular their militia, be held to account by the peace deal."

Basanta Sharma, 35, a student, waited for three hours outside the Birendra International Convention Center for news of the signing. "What else can be there which makes us so happy?" he said. "It seems the common man can now live in peace, work and earn their living."

Peace Agreement Nets Guerrillas Seats In Parliament (WT/AP)

By Binaj Gurubacharya

The Washington Times, November 22, 2006

DOJ_NMG_0097431

KATMANDU, Nepal -- The government and rebels signed a peace deal yesterday to end a decadelong insurgency, paving the way for the guerrillas to join Nepal's interim leadership.

Nepalese Prime Minister Girija Prasad Koirala and Maoist rebel leader Prachanda signed the accord at a Katmandu convention hall packed with cheering officials, dignitaries and foreign diplomats.

"This ends the more than one decade of civil war in the country," said Prachanda, who goes by a single name. "We will now turn to a campaign of peace and building a new Nepal."

The rebels' fight for a communist state left more than 13,000 people dead before a cease-fire was declared in April. It came after weeks of mass protests that forced King Gyanendra to end his royal dictatorship and restore parliament, which he had suspended 14 months earlier.

The peace deal "has opened the door for a permanent peace, and Nepal has entered a new era," Mr. Koirala said.

The agreement came after months of negotiations that centered on how to disarm the insurgents and bring them into the government, which they helped bring to power by backing the April protests.

The first issue, disarming the rebels, was solved Nov. 8 when the Maoists agreed to confine their fighters to seven camps and lock up their weapons under U.N. supervision.

Talks then shifted focus to integrating the rebels into the interim parliament and government.

Under yesterday's deal, the rebels are to join the interim parliament by Nov. 26 and will get 73 of the chamber's 330 seats. Mr. Koirala's Nepali Congress will remain the biggest party with 85 seats, and the Maoists will share second place with Communist Party of Nepal (United Marxist-Leninist). The rest of the seats will be held by other, smaller parties.

The rebels' large number will give them a significant role in a new interim government, which will be in place by Dec. 1.

The rebels will also get to play a major part in deciding how and when to elect a constituent assembly that is to rewrite the constitution and decide on the monarchy's fate.

The assembly was a key demand of the hundreds of thousands of ordinary Nepalese who took to the streets in April to demand Gyanendra's ouster.

Centrist parties favor a constitution that preserves the monarchy in a ceremonial role, while the Maoist rebels want the crown abolished.

A 2001 palace massacre, in which the crown prince is accused of gunning down Gyanendra's older brother, King Birendra, and much of the royal family and then killing himself, helped pierce the mystique surrounding Nepal's royalty.

The slaughter brought Gyanendra to the throne. Four years later, he dismissed parliament and seized power, saying he would bring order to a chaotic and corrupt political scene and quell the Maoist insurgency.

Internet Extends Reach Of Bangladeshi Villagers (WP)

By Kevin Sullivan

The Washington Post, November 22, 2006

CHARKHAI, Bangladesh -- The village doctor's diagnosis was dire: Marium needed immediate surgery to replace two heart valves.

The 28-year-old mother of three said she was confused and terrified. She could barely imagine open-heart surgery. She had no idea how her family of farm laborers could pay for an operation that would cost $4,000.

The next day, Sept. 16, her father went to see Mahbubul Ambia, who had recently installed the only Internet connection for 20 miles in far northeastern Bangladesh. Ambia sat down at a computer, connected to the Internet by a cable plugged into his cellphone, and searched for cardiac specialists in Dhaka, the capital, 140 miles away. He found one and made an appointment for Marium, who like many people here goes by just one name. The specialist examined her and said she needed only a routine surgical procedure that cost $500.

"I felt a very deep sense of relief," Marium said.

Villages in one of the world's poorest countries, long isolated by distance and deprivation, are getting their first Internet access, all connected over cellphones. And in the process, millions of people who have no land-line telephones, and often lack electricity and running water, in recent months have gained access to services considered basic in richer countries: weather reports, e-mail, even a doctor's second opinion.

Cellphones have become a new bridge across the digital divide between the world's rich and poor, as innovators use the explosive growth of cellphone networks to connect people to the Internet.

Bangladesh now has about 16 million cellphone subscribers -- and 2 million new users each month -- compared with just 1 million land-line phones to serve a population of nearly 150 million people.

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Since February, Internet centers have opened in well over 100 Bangladeshi villages, and a total of 500 are scheduled to be open by the end of the year. All of them are in places where there are no land lines and the connections will be made exclusively over cellphone networks.

Before February, analysts said, only 370,000 Bangladeshis had access to the Internet. But now millions of villagers have access to information and services that had been available only by walking or taking long and expensive bus rides, or were beyond their reach altogether.

People now download job applications and music, see school exam results, check news and crop prices, make inexpensive Internet phone calls or use Web cameras to see relatives. Students from villages with few books now have access to online dictionaries and encyclopedias.

"We could not imagine where this technology has taken us in such a short time," said Mufizur Rahman, 48, a grocery shop owner in Charkhai, a town of about 40,000 people whose streets are filled with colorful three-wheeled bicycle rickshaws, and where there are almost no cars.

"For the First World, this is minor," he said. "But this is a big thing for us."

The Internet centers are being set up by GrameenPhone, a cellphone provider partly owned by the Grameen Bank, which shared this year's Nobel Peace Prize with its founder, Muhammad Yunus.

The centers are building on a cellphone network created over the past decade by a Grameen Bank program that helped provide more than 250,000 cellphones in villages. When that program started in 1997, only 1.5 percent of the population had access to a telephone; that has risen to more than 10 percent.Staying Connected

Goats grazed on litter outside Ambia's little Internet shop in Charkhai, where merchants sell bright red tomatoes and honking ducks in the crowded central market.

Bangladesh, where the United Nations says average annual income is about $440, is one of the most densely populated countries in the world, with its 150 million people crammed into an area roughly the size of Iowa.

Ambia's shop sits wedged between a stall where men sell huge sacks of rice and one selling cheap plastic shoes. By midmorning on a steamy September day, at least 20 people stood in line waiting to use one of Ambia's two Chinese-made computers.

A woman named Aleya, 55, sat down on a small plastic chair and handed Ambia a scrap of paper with a London phone number. She said that her 18-year-old daughter was getting married and that she was calling her uncle in England to ask him to help pay for it. Aleya said her husband is a construction worker who earns about $70 a month, barely enough to feed their five children.

Ambia dialed the number on the keyboard of his computer, connected by a cable to a Motorola cellphone. The call connected using VoIP (Voice over Internet Protocol) technology, which allows calls to be placed from a computer to another computer or a telephone anywhere in the world -- for little or no cost.

VoIP technology is growing rapidly. One of the biggest brands, Skype, was founded in August 2003 and now has 136 million registered users. Companies such as Vonage and Yahoo also offer the service and are expanding exponentially.

Aleya picked up the small telephone handset connected to the computer and her face lit up. Her uncle, who owns a restaurant in London, promised that he'd make arrangements to send money for the wedding.

The five-minute call cost 8 Bangladeshi taka, about 11 cents.

"An 8-taka call has earned me thousands," Aleya said with a broad smile.

Before Ambia's center opened in February, Aleya said, she would have called her uncle on a borrowed cellphone at a cost of more than $2, her husband's daily wage.

The only other option would have been to take a bumpy bus to Sylhet, a city about 20 miles down the road, to make the call from an Internet cafe there. She said rutted roads and ancient buses making frequent stops often turned that into an all-day errand that would cost her nearly $3.

As Aleya spoke on the phone, Komoruddin, 50, was waiting to make a call to his son, an electrician living in Saudi Arabia. Komoruddin said he and his other son and five daughters live largely on the money his son sends home.

"I used to have to make a plan and spend a whole day to make a call. Now I can just come in here and relax," he said. "I never thought I'd see anything like this here. Some people still don't believe it."Cyber Vows

Ambia, a lanky 26-year-old, said he was running a small shop doing cellphone repairs when he heard about GrameenPhone's plan to create hundreds of village Internet centers.

"I love browsing the Internet, but I used to have to go to Sylhet to do it," he said. "When I saw the opportunity to combine browsing and business, I took it."

He said his business is growing fast, fueled by villagers' delight at being able to connect with a world beyond theirs. Ambia also sells cellphones in his shop, and each month he signs up about 500 new customers, who pay about $4 to activate a phone.

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Ambia said Internet access is a logical next step in Charkhai's digital evolution. In recent months, he noted, local people have been making long walks through the fields and crossing wide rivers to log into cyberspace.

Before, getting a passport application could take weeks, or would require a bus trip to Sylhet. News of overseas job opportunities used to come by word of mouth. But now people browse online employment bulletin boards, then use the center's scanner to submit completed applications for jobs that before they might never have known about.

Students cram into the two-room center to use computers to check results of their standardized exams, instead of walking miles or taking a bus ride to get them.

Ambia has created a database of land and houses for sale around Charkhai, which better-off Bangladeshis in London or the Middle East use to browse for investments in their homeland.

He is working on databases listing doctors and other basic services. He said a program would soon begin to allow local doctors and their patients to hold video conferences to consult with specialists in Dhaka.

"People are just beginning to know about this," he said. "They are excited to get this kind of information."

One of Ambia's most popular services is video conferencing, using the little Hyundai Web camera mounted atop one of his computer monitors.

Entire families crowd in front of the center's camera to hold video conferences with relatives overseas. Ambia said a mother came in recently to hold up a newborn to give the father, working overseas, his first glimpse of his child.

"People even come here to see how things are being cooked in London, how they are cutting the fish," he said.

And Ambia was preparing to add a 21st-century twist to a traditional ritual, by hosting his first video conference wedding.

Aslam Ahmed, 25, said he planned to sit in front of the Web camera in Charkhai and marry his girlfriend, Jasmine, 17, who would be in front of a Web camera in her home in London.

Weddings conducted over the telephone are common in this part of Bangladesh. Many marriages are still arranged between conservative Muslim families, and often the bride or groom is living overseas.

A marriage certificate is also a fast route to getting a work visa to leave Bangladesh -- and conducting the wedding by phone is faster and cheaper than arranging for the overseas partner and family to travel home for a wedding.

An imam is present at both ends of the call, along with a civil official who certifies the vows. Duplicate sets of paperwork are then exchanged by mail for everyone's signatures.

Ahmed and his bride had planned a wedding by cellphone and knew they would have to pay $30 or $40 just for the call. The video conference over the Internet, however, would cost a fraction of that, so the imams conducting the ceremony would not have to rush through the prayers to save money.

Jasmine's family moved to London in 1986. Ahmed said he had met her just once, in 2002, when her family came back to Charkhai to visit. They spoke on the phone and exchanged e-mail regularly after that -- and once Ambia's center opened, they saw each other regularly by video conference, even though they live 5,000 miles apart.

"I don't know what other people say, but as far as I'm concerned she's Miss World," Ahmed said.

Russian Venom (WSJ)

By Boris Volodarsky

The Wall Street Journal, November 22, 2006

On the evening of Feb. 18, 1954, in Frankfurt, a man called on Georgy Okolovich, a leader of an anti-Soviet émigré union. The business at hand was murder. But things took a different turn when Okolovich opened the door. "I'm a captain in the Ministry of State Security and I have been sent from Moscow to organize your assassination," the visitor told him straight out. "I don't want to carry the order out and I need your help." His name was Nikolai Khokhlov. He defected to the U.S. and revealed that the Soviets used assassination as a political instrument.

Three years later, Mr. Khokhlov was at a conference in Germany when, while with friends, he drank a cup of coffee and collapsed hours later. The doctors called it simple food poisoning, but his condition deteriorated until, 10 days into his illness, his hair began to fall out; his bone marrow was found to be severely damaged and his body showed an almost total loss of the white cells that are vital to the proper functioning of the immune system. Later tests uncovered the culprit: deliberate poisoning by a new and previously unknown form of thallium. He lived to tell the tale.

Fast forward to November 1998, in Moscow, when Col. Alexander Litvinenko of the Russian Ministry of State Security -- the old KGB that today goes by FSB -- publicly accused his superiors of ordering him to assassinate Russian tycoon Boris Berezovsky. He was soon arrested and put in the infamous Lefortovo prison. The head of the FSB at the time was Vladimir Putin. A court cleared Mr. Litvinenko the following year of all accusations, including service misconduct and assorted others, but he was rearrested and retried the following year, and cleared again. In 2000, he and his family went to live in exile in Britain.

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There, Mr. Litvinenko published a book that tied the 1999 bombings of Moscow apartment buildings -- which justified Russia's reinvasion of Chechnya -- to the Putin presidential election campaign, which was successfully propelled by that war.

Early this November, Mr. Litvinenko was invited to tea at a London hotel with a Russian man who was familiar to him from his Moscow days. Some hours later, he had a sushi lunch at Piccadilly Circus with an Italian acquaintance, Mario Scaramella, who wanted to give him documents purportedly throwing light on the recent assassination in Moscow of the opposition journalist Anna Politkovskaya, shot dead last month in her apartment building.

That night, he became violently ill. At first, doctors suspected food poisoning. It was only on the 10th day in hospital, when his hair began to fall out, that toxicology tests were performed. His body contained, these tests showed, three times the fatal dose of thallium. John Henry, a clinical toxicologist who was the first to pinpoint the dioxin poisoning of Ukrainian President Viktor Yushchenko, examined Mr. Litvinenko this Saturday and told the BBC, "There's no doubt that he's been poisoned by thallium." According to my sources close to Alexander, whom I've known for a couple years, investigators now suspect that he was poisoned at the tea, not the lunch. The name of the Russian suspect hasn't been made public by the police.

When I heard the other day that Alexander's condition was worsening, I thought that the doctors perhaps made the same mistake as in the Khokhlov case. Thallium has never been known to attack the blood stream, but that's what's happening to Alexander Litvinenko. Specialists at the U.S. military hospital in Frankfurt only later discovered that Mr. Khokhlov was exposed to radioactivated thallium, which initially only results in non-specific gastrointestinal symptoms; and only later did they observe a moderate elevation of blood lipids, leukocytosis and anemia that occurs in most high-level intoxications. By the time the symptoms known to be after-effects of radiation began to appear, the radioactivated thallium had already disintegrated, making it very hard for doctors to find, and for investigators to confirm, the poisoning. The same scenario may be playing out with Mr. Litvinenko. Yesterday the London hospital treating him said it could not confirm that the poison was thallium -- a diagnosis that in the Khokhlov case was only made by a special U.S. military hospital.

I last met Alexander at London's Connaught Hotel to discuss the Khokhlov case, about which I'd published a monograph. He was investigating the death of Yury Shchekochikhin, an opposition Russian parliamentarian and journalist, who died in suspicious circumstances in 2003 after a two-week illness. His symptoms were similar to President Yushchenko's, pointing clearly to exposure to a toxic agent. After his death, no autopsy was performed and access to medical records wasn't allowed.

Mr. Litvinenko is a small thorn in the side of the current Russian regime. He lives abroad and holds a British passport. That didn't protect him, but nor did it Georgi Markov, the Bulgarian dissident who in 1978 was killed by a KGB ricin-tipped umbrella near Waterloo station.

It is perhaps too early to discuss how and why Mr. Litvinenko was poisoned. Some things are clear. This was likely the work of the Russian secret service that had been after him for years. Whether the Russian president, who was often the object of Mr. Litvinenko's fierce and fearless mockery, is involved is open to doubt. I wonder if Mr. Putin is in control of his squabbling entourage. Whatever the truth, this poisoning also looks to be directed against Boris Berezovsky, now in exile in London and campaigning for regime change in Russia. Mr. Litvinenko is one of his advisers.

Russian foreign intelligence denies any involvement in his poisoning. It cannot deny, however, its long history of using poison as a weapon. The "Kamera," or as KGB veterans might remember it, "Laboratory No. 12," was founded in 1921 in a corner of Lenin's Cheka. This office innovated biological and chemical agents as advancing science and the Kremlin dictated. But one thing in their design has stayed constant: To make the victim's death or illness appear natural, or at least produce symptoms that will baffle doctors long enough to delay proper treatment. The Chechen rebel Khattab was poisoned in 2004, as was Trotsky's secretary Wolfgang Salus in 1957. Countless other victims were never identified as such.

Before the Litvinenko case, the most prominent poisoning involved Mr. Yushchenko, whose digestive tract and once-chiseled face were destroyed by a complex, dioxin-based compound during a meal with the top officials of his country's security service. Mr. Yushchenko was an unwelcome candidate for Moscow in Ukraine's 2004 elections. Like Khokhlov, he survived; all leads in that case point to the Kamera. The investigation has been hindered by overt pressure on Mr. Yushchenko's doctors at home and in Austria, where he was treated, and Ukrainian politicians.

At this hour, Alexander Litvinenko is fighting for his life in a London hospital.

Mr. Volodarsky, a former Soviet military intelligence officer who lives in London, is the author, with Oleg Gordievsky, of the forthcoming "KGB: The West Side Story."

Programs Help Reduce HIV Rates In Parts Of Africa, Report Says (WP)

By David Brown

The Washington Post, November 22, 2006

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Seven African countries are experiencing a decline in the prevalence of HIV infection among young, urban adults, finally reaping the benefit of AIDS prevention and treatment, the United Nations said yesterday in its annual report on the global epidemic.

That good news was offset by troubling signs that the first African country to reverse the epidemic, Uganda, is experiencing a resurgence of infection, as is Thailand, another early success story.

Based on hundreds of national and regional surveys, the report stitches a patchwork of progress and setbacks: a successful national treatment program in Brazil and a new, aggressive response by the Chinese government, alongside a worsening HIV epidemic in the former Soviet bloc and a new outbreak among gay men in Europe.

But the pendulum swing underway in Uganda and Thailand appears to mark a new phase in the 25-year-old AIDS epidemic.

"It should not be a surprise that the countries first to show success will be the first to have a rebound and show problems," said Peter Piot, director of UNAIDS, the program run by the United Nations and the World Bank. "It is something that I am really very worried about."

He and other epidemiologists are trying to learn whether the resurgence of infection in the two nations is a demographic copy of the first wave of AIDS cases or represents the spread of infection to new groups. They are also trying to understand how big a part "prevention fatigue" may be playing in the trend.

"We really don't have an idea why it is happening," Piot said.

The findings make clear that vulnerable populations may differ somewhat from country to country, and that entire nations may be at different stages in the epidemic.

"One of the main messages is the need of countries to know their epidemic," said Paul De Lay, director of monitoring and evaluation at UNAIDS. "The epidemics are continuing to evolve."

Worldwide, 39.5 million people are infected by HIV, up 2.6 million from two years ago. This year, an estimated 4.3 million people will become infected and 2.9 million will die, according to the report. Two-thirds of all adults and children with HIV live in sub-Saharan Africa.

In many countries, HIV incidence is uncertain. Estimates based on the infection rate of pregnant women at public clinics are unrealistically high, and estimates based on household surveys (which often miss such high-risk people as commercial sex workers, drug users, soldiers and migrants) are deceptively low.

Most estimates now combine the methods, and although they are generally lower than previously cited rates, they are still shockingly high for many countries. In Zimbabwe, for example, 20 percent of people 15 to 49 are thought to be infected with the AIDS virus.

Prevalence of the disease in city dwellers 15 to 24, who make up a key demographic gauge of the epidemic's trajectory, has fallen by at least 25 percent in Zimbabwe, Malawi, Kenya, Botswana, Burundi, Rwanda and Ivory Coast. In Zimbabwe, Kenya, Botswana and Tanzania, the rate fell a similar amount among rural people.

In Uganda, the national prevalence is 6.7 percent -- a steep decline from a decade ago, attributed to fewer sex partners, later "sexual debut" by teenagers, increased condom use and rising AIDS mortality through the 1990s. Now, however, AIDS prevalence is rising in some populations, such as rural men (up from 5.6 to 6.5 percent) and rural women (6.9 percent to 8.8 percent), according to recent surveys.

Piot said Uganda also suffered from a period of "decreased credibility" of condoms, the consequence of messages by some fundamentalist groups, a run of defective condoms and then a shortage of condoms.

In Thailand, HIV infection used to be seen almost exclusively in prostitutes and their male clients. The spread of the virus was nearly halted by a national campaign for "100 percent condom use" in commercial sex transactions. Now, however, the epidemic is spreading to married women, who accounted for one-third of new infections last year. It is also becoming far more prevalent in male homosexuals -- up from 17 percent in Bangkok in 2003 to 28 percent in 2005.

In Western Europe, just over one-third of the new HIV infections last year occurred in "men who have sex with men," the term preferred by epidemiologists, because many men infected that way do not consider themselves to be homosexual. The Netherlands, Britain, Portugal, Switzerland and Belgium reported steep increases in the number of infections in that population since 2000.

About 55 percent of new infections in Europe were acquired through opposite-sex intercourse, with three-quarters occurring in immigrants or migrants. The report noted the need to target prevention programs to them.

A major sign of progress is that since 2002, 2 million years of life have been gained by the use of antiviral drugs in low- and middle-income countries. In Africa, 790,000 years of life have been gained, most in the past two years.

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Lifesaving combinations of antivirals became widely used in rich countries beginning in 1996. The idea that a decade later they might be used by more than a handful of people in poor countries was viewed by most as unrealistic and possibly dangerous.

Piot said the report demonstrates that policymakers such as himself "need to safeguard early successes like Uganda." He added: "You develop complacency, and the attention moves to something else. That is completely human. The job is never finished, particularly when you have had some successes."

Iran And Arak (NYT)

The New York Times, November 22, 2006

The International Atomic Energy Agency has always had a conflicted mandate. It is supposed to promote the peaceful use of nuclear technology while also restraining the spread of nuclear weapons. The problem is that some peaceful nuclear technology can be too easily used to make a weapon.

That dangerous duality is being played out again this week in Vienna, where the agency's board is debating whether its staff should provide Iran with technical advice on how to safely complete construction of a heavy water nuclear reactor near the town of Arak. Tehran says that it needs the reactor to produce medical isotopes. The United States and the Europeans suspect that what it really wants is the abundant plutonium that can be extracted from the reactor's spent fuel — plutonium that could form the core of a nuclear weapon.

Denying the request should be a no-brainer — especially at a time when Iran is defying a Security Council order that it stop enriching uranium, usable for nuclear reactor fuel or potentially a nuclear bomb. But Tehran is adept at whipping up the suspicions of the board's nuclear have-nots, who jealously guard their right to all civilian nuclear technology, no matter the potential dangers.

The board needs to soundly reject Iran's request. Anything less — some members of the notoriously conflict-averse board are calling for deferring the decision — will only confirm Tehran's belief that the international community is not serious about containing its nuclear ambitions.

Even more worrisome, the Security Council still cannot agree on how to punish Iran for continuing to enrich uranium — nearly three months past a Council-ordered cutoff.

Moscow and Beijing, which have been protecting Tehran at the Council, need to focus less on Iran's oil wealth and more on the dangers of a nuclear-armed Iran. The Bush administration, which has agreed to talk with Iran if it suspends enrichment, needs to go further, offering Tehran explicit security guarantees in exchange for giving up technology that could feed a nuclear weapons program.

Until there are real incentives and equally real punishments there is no chance of changing any minds in Tehran. The Arak episode is one more reminder of why the world needs to find a better way to guarantee countries the benefits of civilian nuclear technology without also dangling the temptations of nuclear weapons.

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USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Friday, November 24, 2006 9:45 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Friday, November 24, 2006
Attachments:	agnb061124.pdf; agnb061124.doc

THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Imams' Removal From Plane Raises Questions Of Profiling. NBC Nightly News (11/23, story 5, 2:25, Curry, 9.87M) reported, "Six Islamic religious leader were taken off their flight to Phoenix in handcuffs after passengers reported what they thought was suspicious behavior. After since 9/11 Americans have been told, 'If you see something, say something.' But just what is the standard?" NBC (Pete Williams) added, "They were Muslim religious leaders ready to fly home from a conference. But to a man waiting for the same flight at the airport gate and who watched them pray and overheard them talking, they were something quite different. In a note he passed to the airline, he described, 'suspicious Arabic men saying Allah, Allah, and cursing US involvement in Iraq.' Dozens of US citizens who are Muslim or come from other countries say passenger suspicions often single them out because of the way they look." Reginald Shuford, ACLU: "They are simply reinforcing stereotypes, and number two, they are not doing anything really to make us any safer, only giving out the illusion that they are taking actions that make us safer." NBC (Williams) added, "US Airways, which asked the six Muslims to leave the plane this week, says it won't tolerate discrimination and is investigating. But airlines say they are obligated to take passenger concerns seriously." Steve Pomerantz, former FBI counter-terrorism official: "There simply aren't enough law enforcement people to spot all suspicious behavior, and the whole system is dependent on the concept that people will come forward and report."

Detainee Tries To Halt Heart Surgery At Guantanamo. The Los Angeles Times (11/23, Williams, 850K) reported that Saifullah Paracha, a businessman detained at Guantanamo Bay for "allegedly providing support to Al Qaeda has refused to have a heart operation at the U.S. military detention center hospital here and instead is seeking a court order for civilian treatment in the U.S. or his native Pakistan." The Times added, "The dispute over who should operate and where has spotlighted questions of medical ethics in the handling of some of the 430 terrorism suspects detained at Guantanamo. … Guantanamo officials say that their 150-person medical team is capable of performing the routine operation and that nearly $400,000 was spent flying in a 24-member team of cardiac specialists and equipment to be on hand in case of complications. But Paracha's lawyers told a U.S. district judge in Washington last week that Guantanamo doctors had left him shackled during previous examinations and treatments. Paracha's request for a court order to halt the operation at the prison was denied Monday, when Judge Paul L. Friedman said he was not convinced Paracha faced a risk of "irreparable injury" at Guantanamo."

Reno, Other Former Justice Officials Criticize Detention Policy In Amicus Brief. United Press International (11/22) reports, "Former U.S. Attorney General Janet Reno and seven other senior Justice Department officials have criticized the Bush administration's terror detention policy. The group filed a friend-of-the-court brief in the case of Qatar native Ali Saleh Kahlah al-Marri, a suspected al-Qaida sympathizer arrested in Illinois. In the brief, the officials suggested indefinite detention of U.S. terrorism suspects could become commonplace unless the courts intervene, the Washington Post reported."

In a brief, the AP (11/22) added, "It was the first time that Reno, attorney general in the Clinton administration, has spoken out against the administration's policies on terrorism

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detainees, underscoring how contentious the court fight over the nation's new military commissions law has become. Former attorneys general rarely file court papers challenging administration policy. The former prosecutors on Monday challenged the department's right to bring the suspect before a military panel."

HOMELAND RESPONSE:

Whistleblowers Report Continued Reprisals From Superiors. USA Today (11/24, Rampell, 2.27M) reports, "Since the terrorist attacks on Sept. 11, 2001, the average number of employees filing whistle-blower disclosures with the government has risen 43%, from an average of 376 annually in the four years before the attacks to 537 annually after. … An increasing number of whistle-blowers allege that rather than being embraced, they're being retaliated against for coming forward. In the four years before the terrorist attacks, whistle-blowers filed an average of 690 reprisal complaints with the OSC annually. Since the attacks, an average of 835 complaints have been filed each year, a 21% increase. The number of whistle-blower reprisal complaints is higher than the number of whistle-blower disclosure complaints because employees can file reprisal complaints with the OSC even if they had not previously filed their disclosure with the OSC." USA Today notes, "Most national security whistle-blowers are not protected from retaliation by law. … Whistle-blowers employed by these agencies must seek recourse within the same agency they are blowing the whistle on. And even if the investigators within their own agency confirm reprisal allegations, the investigators have no power to remedy the situation."

Woman Was Investigated After Reporting "Shoddy" Translations Of 9/11 Material. In a separate article, USA Today (11/24, Rampell, 2.27M) reports on Sibel Edmonds, who "discovered 'shoddy' translations relevant to 9/11 created by translators who had 'failed the proficiency exams,' she says. A report by the Justice Department's inspector general subsequently confirmed that at least one translator had failed the FBI's language proficiency exams. Edmonds says the translator was sent to Guantanamo Bay to translate 'the most sensitive terrorist-related information' from interviews of detainees." USA Today notes that Edmonds "took a polygraph test and was investigated for typing her allegations … on her home computer, even though her supervisor had given permission for her to do so, the inspector general's report said." USA Today adds, "The state secrets privilege — a series of U.S. legal precedents — has been cited by the federal government at least 18 times since 9/11 and at least 81 times since the privilege was first recognized in 1953, according to the Reporters Committee for Freedom of the Press."

Charity Says It's Not Part Of Bin Laden-Linked Sudanese Group. The AP (11/23) reported that the Missouri-based Islamic American Relief Agency of Columbia, a charity "accused of being part of a terrorist organization tried to distance itself in court this week from a Sudanese group suspected of financing al-Qaida. The Treasury Department considers the Islamic American Relief Agency of Columbia to be an arm of the Islamic African Relief Agency, a Sudanese group accused of providing financial support to Osama bin Laden, al-Qaida and Hamas." The group's attorney, Shereff hadi Akeel, "told a U.S. Court of Appeals on Monday that the charity was not part of the Sudanese group. The organizations have independent leaders and separate bank accounts, he said."

New Plan Would Use State Police As "Hubs" For Antiterror Network. UPI (11/24, Waterman) reports, "A new plan from the U.S. intelligence czar will use intelligence centers run by state police as the hubs for a national network of officials from different agencies and levels of government sharing information about terrorism. In a move likely to rattle privacy mavens, the three-year plan for implementing the congressionally mandated Information Sharing Environment (ISE) also lays out policies designed to ease sharing with foreign governments, and proposes to widen the definition of shareable terrorism information."

Seattle Newspaper Calls On Congress to Revise Military Commission Act. The Seattle Post-Intelligencer (11/24, 124K) editorializes, "If congressional Democrats want to exercise the mandate voters gave them in the midterm elections, they'd do well to undo the injury done to civil liberties by the Military Commissions Act passed last month. The law was a controversial response to the U.S. Supreme Court's rejection of the Bush administration using executive power to dictate treatment of so-called 'foreign combatants' at Guantanamo Bay prison in Cuba. … Navy Lt. Cmdr. Charles Swift, who was the defense counsel in the Supreme Court case that spurred

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the new law, said of the Bush administration's assertions of how detainees could be treated, 'There went the Bill of Rights.' A Democratic Congress would do well to get it back."

WAR NEWS:

Attack On Sadr City Kills At Least 160. All three networks led with the attack on Sadr City, commenting about the likelihood of a "tipping point" being reached or exceeded. ABC World News (11/23, lead story, 3:31, Vargas, 8.78M) said, "At least 160 Iraqis are dead. Another 250 hurt, in what may be the deadliest wave of sectarian violence in one day since the start of the war. It was a series of attacks. The targets were Shiite Muslims, in the Baghdad neighborhood of Sadr City." ABC (Brown): "It started at 10 minutes past 3:00, on a busy afternoon. Three cars, each packed with 1,000 pounds of explosives, blew up in 15-minute intervals." Tony Cordesman, Center For Strategic & International Studies: "If you can get sufficient violence, you will have an open civil war. And if you have open civil war, the United States and its allies will probably be forced to leave." Lt. Charles Morton, 1st Cavalry Division: "If you're helping the Sunni, the Shi'a think you're out to kill Shi'a. So, it's a fragile situation."

CBS Evening News (11/23, lead story, 3:10, Mitchell, 7.66M) reported, "Iraq remains on the brink of civil war." CBS (Palmer) added, "The slaughter today stunned Iraqis like never before with the tit for tat murder rate now spiraling up; many think the civil war has finally arrived."

NBC Nightly News (11/23, lead story, 3:01, Curry, 9.87M) reported, "There is high anxiety not only because of the number of casualties, but also because the targets, Shi'ites, quickly struck back." NBC (Aspell) adds, "The curfew here can't last forever. When it eases, many here feel there will be a wave of reprisal killings." Col. Jack Jacobs: "You've got warring factions, both armed, who are working extremely hard to take over control of the country. If that isn't civil war, I don't know what is."

Print sources also reported the violence. The AP (11/24, Hurst) reports, "The bloodshed underlined the impotence of the Iraqi army and police to quell determined sectarian extremists at a time when the Bush administration appears to be considering a move to accelerate the hand-over of security responsibilities." The transport ministry "took the highly unusual step of closing the airport and docks in the southern city of Basra, the country's main outlet to the vital shipping lanes in the Persian Gulf." A later Minneapolis Star Tribune/AP (11/24, Hurst) article updates the death toll to "at least 202."

Bush-Maliki Summit Will Go On. The Los Angeles Times (11/24, Roug, 850K) reports, "The White House said the attacks, which occurred on the anniversary of the death of the cleric for whom Sadr City is named, would not cause the [Bush-Maliki] meeting to be rescheduled." In Iraq, "Even Iraqis hardened by the relentless violence feared the scale of Thursday's attacks marked a turning point, much as the bombing of a Shiite mosque in Samarra early this year sparked unprecedented rounds of sectarian killing."

Attacks Show Increasing Organization; Politicians Fear US Departure. The Wall Street Journal (11/24, Shishkin, 2.04M) reports that the attacks "reflected the increasing sophistication and coordination of combatants. ... As the violence deepens, one thing unites Iraqi politicians across the Sunni-Shia divide: Growing concern about increasing talk in Washington of a possible withdrawal of U.S. troops from Iraq. Mr. Mashadani, the outspoken Sunni Parliament speaker, suggests the U.S. should have some 500,000 troops in Iraq to truly make a difference. Mr. Sagheer, the Shiite lawmaker, also says the U.S. should stay and keep training Iraqi security forces."

Ministries Become Foci Of Violence. Financial Times (11/24, Negus) reports that the attack "coincided with an assault by up to 100 gunmen on the Ministry of Health, which, like Sadr City, is a base for the Shia Mahdi Army militia loyal to the radical cleric Moqtada al-Sadr." The Financial Times adds, "The health ministry assault reflects the growing tendency for ministries in Baghdad, most of which are controlled by sectarian-based parties, to be either the bases for, or the targets of, acts of violence. Sunni say that they risk kidnap and murder if they stray too near to the health ministry, and US troops in August raided the compound looking for hostages."

The New York Times (11/24, Semple, 1.16M), USA Today (11/24, Soriano, 2.27M), AFP (11/23, Karim), and Washington Post (11/24, Raghavan, Trejos, 690K) all reported the bloodshed. The Post observes, "The attack occurred as Sadr's supporters were commemorating the death of his father, Grand Ayatollah Mohammed Sadiq al-Sadr, one of Iraq's most revered ayatollahs, assassinated by agents of then-President Saddam Hussein in 1999."

US Forces Turn To "Vietnam Playbook." The Los Angeles Times (11/24, Spiegel, 850K) reports in a 2,077-

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word article, "New tactics favored by U.S. commanders in Iraq borrow heavily from the end of another war that might seem an unlikely source for a winning strategy: Vietnam. The tactics — an influx of military advisors and a speeded-up handover to indigenous forces followed by a gradual U.S. withdrawal — resemble those in place as the U.S. effort in Vietnam reached its end." Even though the public considers Vietnam an "unwinnable war," many in the armed forces believe "Vietnam as a war actually was on its way to succeeding when the Nixon administration and Congress, bowing to public impatience, pulled the plug: first withdrawing U.S. combat forces and then blocking funding and supplies to the South Vietnamese army. ... For many in the military, the lessons of Vietnam are clear: Maintain public support, and be patient." As a result, "officers steeped in Vietnam's lessons have been brought into the Pentagon by Marine Gen. Peter Pace, chairman of the Joint Chiefs of Staff, as part of his task force rethinking Iraq strategy." Those involved express concern that, "like the Abrams initiatives, which ran from 1968 through 1973, the current move to step up training of the Iraqi forces comes at a time when domestic support for war is on the wane and political winds are blowing in favor of a quick pullout of combat forces." The Times quotes the opinion of historian Stanley Karnow, who disagrees with the quoted military thinkers: "We were up against an enemy that was prepared to take on unlimited losses."

US Involvement In Iraq To Exceed WWII In Length. AFP (11/23, Bernard) reports, "The US involvement in Iraq will pass another sad milestone on Sunday, when it overtakes the length of America's engagement in World War II. ... the Iraq campaign has become a symbol of the pitfalls of the new style of conflict." AFP adds, "Americans still remember Bush proclaiming on May 1, 2003 the end of 'major combat operations' in Iraq on the flight deck of the USS Abraham Lincoln aircraft carrier. Behind him was a banner stating: 'Mission Accomplished'."

USA Today (11/24, 2.27M) also reports the milestone, noting, "Veterans of that war six decades ago describe a very different experience from that of recent veterans." Texas A & M historian Brett Linn says, "Germans knew they were defeated. The Sunnis didn't think they were defeated."

Marines Hand Off Fallujah Despite "Frustration." The Christian Science Monitor (11/24, Peterson, 59K) reports on the shrinking Marine presence in Fallujah, "The marines still patrol key roads. The US military, which still travels boldly through town despite a surge in deadly sniper attacks and roadside bombs, is spending $200 million on 60-plus projects to rebuild the city, heavily damaged in fighting two years ago. But with just 300 marines, the US military footprint is smaller in this Sunni stronghold of more than 300,000 than it has been in two years. As the marine presence shrinks and Iraqis take more control, Fallujah - once a template for counterinsurgency efforts in Iraq, where US forces have controlled all the variables - is likely again to set a standard for the rest of the country." The Monitor stresses the "frustration" of the Marines, with one asking, "What other war would we allow the enemy to broadcast calls [from mosques] for our defeat?" Another complains, "In Fallujah, [insurgents] know our [rules of engagement] - they know when to stop, just before we engage." In addition, "Officers say the number of direct fire incidents against US forces has shot up 650 percent in the past year."

Iraqi Insurgents Adapt To Fight US Forces. The New York Times (11/24, Wong, 1.16M) reports, "Sunni Arab militant groups suspected of having ties to Al Qaeda in Mesopotamia have established training camps east of Baghdad that are turning out well-disciplined units willing to fight American forces in set-piece battles, American military commanders said Thursday. American soldiers fought such units in a pitched battle last week in Turki ... At least 72 insurgents and two American officers ["both West Point graduates"] were killed in more than 40 hours of fighting. American commanders said they called in 12 hours of airstrikes." Officers said the insurgents showed "remarkable discipline" and "perfect military formation." The Times adds, "Insurgents were apparently able to establish a training camp after American forces moved out of the area in the fall of 2005, Colonel [Andrew] Poppas said."

Insurgents Turn To Sniping. The Los Angeles Times (11/24, Perry, 850K) reports, "When he closes his eyes, Marine Cpl. Christopher Shelhamer can feel the bullet that tore through his body when he was ambushed while on routine foot patrol outside Fallouja, Iraq. ... Ambush attempts of the type that felled Shelhamer are becoming more common, Marines say, as insurgents shift tactics away from face-to-face battles or total reliance on hidden roadside bombs. ... Other cases are classic sniper assaults — one shot, one kill — from hundreds of yards away, accomplished with high-power scopes and Chinese- or Russian-made

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sniper rifles." The motive of these attacks "is not to win battles but to inflict casualties, in hopes of undercutting the morale of troops in the field and the American public." Brig. Gen. Douglas Stone "believes the insurgents are switching to snipers and other ambush attacks because of the declining success of roadside bombs." Shelhamer will probably be given "medical retirement" and is "thinking of returning to school."

White House Denies Cheney Went To Iraq. USA Today/AP (11/24) reports, "The White House denied Iraqi television reports that U.S. Vice President Dick Cheney made an unannounced visit to Baghdad on Thursday. David Almacy, a White House spokesman in Washington, said Cheney was not in Iraq and that his only currently planned travel to the region is the previously announced trip he will make to Saudi Arabia on Friday." More than 80 sites carried this story.

DOJ:

Justice Department Collects Record Amount On Fraud Claims. The Federal Times (11/22, Castelli) reported, "The Justice Department collected a record amount of money from false claims lawsuits in fiscal 2006. Case settlements and judgments brought the government $3.1 billion from companies accused of fraud against the government. The previous record was $2.2 billion, set in 2003." Attorney General Alberto Gonzales: "These record recoveries send a clear message that the Justice Department will not tolerate fraud against the government."

WTimes Criticizes Frist, White House For Not Approving Circuit-Court Nominees. The Washington Times (11/24, 88K) editorializes, "As the 109th Congress approaches adjournment, conservatives should once again be aghast over the confirmation record of circuit-court judges. This time, however, much of the blame must be shared by outgoing Senate Majority Leader Bill Frist and the White House. According to data compiled by the Justice Department's Office of Legal Policy, if no more circuit-court nominees are confirmed, the Republican-controlled Senate will adjourn leaving 16 circuit-court vacancies unfilled. Thus, the vacancies of the Frist Senate will exceed by one the number that were returned by the 107th Congress under the control of then-Majority Leader Tom Daschle and then-Judiciary Committee Chairman Patrick Leahy." The Times adds, "Yes, Democrats continued to play an obstructionist role in the 109th. But they were in no position to bottle up appellate-court nominees by refusing to hold hearings for some of them or by declining to cast a committee vote after a hearing or by failing to schedule a nomination for debate on the Senate floor after a favorable committee vote was cast."

Justice Lacks Personnel To Classify Documents, Report Says. The Federal Times (11/22, Hemingway) reported, "The Justice Department doesn't have enough staff to run a program that classifies documents, a shortage that puts sensitive information at risk and limits important information-sharing among agencies, according to congressional auditors. Justice, the third largest classifier of information in the federal government, has 13 full-time positions devoted to information security, according to a Government Accountability Office report. By comparison, the fifth-largest classifier — the Energy Department — has 23 full-time positions. At Justice, one employee oversees classification training programs across the department while three employees oversee compliance at 3,500 department locations."

Gonzales Praises US As "Mature," "Moral" Leader In Air Force Academy Speech. In a press release, the Air Force Link (11/22, Wehry) reported, "U.S. Attorney General Alberto Gonzales told cadets here Nov. 18, that terrorists will not rise to the example of the United States. The judge addressed civil liberties and war on terrorism issues during his lecture to 700 cadets." Gonzales: "The United States has rightfully positioned itself in this conflict and other conflicts throughout history as a mature and moral leader -- an example to follow."

CORPORATE SCANDALS:

Corruption Allegations Tarnish Germany's Image. The Wall Street Journal (11/24, A3, Esterl, 2.04M) reports, "Germany Inc. is churning with charges of corruption and deceit, threatening to undermine perceptions that the world's third-largest economy is one of the cleanest places on earth to do business. Front and center is Siemens AG, the engineering conglomerate enmeshed in a widening cross-border probe into alleged fraud and possible bribery. German prosecutors Wednesday said that they had unearthed €200

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million ($257 million) in suspicious transactions after more than 200 police officers searched about 30 offices and homes of Siemens employees last week and seized 36,000 documents. … The probe comes as several other German industrial titans have been buffeted by corruption probes. Prosecutors yesterday charged a former manager of auto maker DaimlerChrysler AG for allegedly cheating the company out of €40 million. … Wednesday, the European Commission accused German utility E.On AG of tampering with evidence related to an antitrust investigation -- an accusation E.On says is unjustified." The Journal adds, "The recent wave of scandals comes nearly a decade after Germany beefed up its laws and increased sentencing guidelines to crack down on corporate corruption -- moves that included the elimination of legislation that had allowed companies to write off international bribes as expenses."

Eon Faces Fine For Alleged Evidence Violations. The Financial Times (11/23, Parker, Atkins) reported, "Eon, Germany's biggest energy group, was on Wednesday facing a possible fine of hundreds of millions of euros after a sealed room was allegedly entered overnight during a two-day raid by European Union cartel busters. The case is viewed by officials in Brussels as 'a serious violation' of rules designed to prevent a company tampering with evidence, in this case relating to an inquiry into anti-competitive abuses in the energy sector.

Bloomberg (11/22, Newman) reported, "The European Commission, the EU's Brussels-based antitrust regulator, said in a statement that it is pursing a case against E.ON because the company 'intentionally or at least negligently' broke a seal placed on an office by regulators 'to secure documents found in the course of an unannounced inspection.'

Prosecutors Charge Former DaimlerChrysler Official. The New York Times/AP (11/24) reports, "Prosecutors said Thursday they had charged a former DaimlerChrysler AG manager with breach of trust and falsifying documents for allegedly cheating the carmaker out of 40 million euros ($52 million). The 41-year-old, who has been in investigative custody for a year, is accused of filing fake invoices between 2000 and 2005 for computer services that were never delivered, state prosecutors in Stuttgart said. … Prosecutor Bettina Fetter said investigators had seized 20 million euros ($26 million) from the manager. … The case is one of several exposing murky dealings by DaimlerChrysler employees."

Monster Fires lead Lawyer. The AP (11/22, Tong) reported, "Monster Worldwide Inc., the parent of job search site Monster.com, said Wednesday it terminated Myron Olesnyckyj, the company's lead lawyer, as part of its investigation into past stock-option grant practices. Olesnyckyj, the company's general counsel, is the second high-ranking executive to leave the company over backdated stock options. Andrew J. McKelvey resigned his posts as chairman and chief executive on Oct. 9 but at the time retained his seat on the board as chairman emeritus. He resigned fully on Oct. 30, citing an unwillingness to sit for further questions over the company's backdating practices in the past."

CRIMINAL LAW:

Crime Study To Focus On 18 Cities. The AP (11/24) reports, The government selected 18 cities and sprawling suburban regions Wednesday to study for clues on why homicides and other violent crimes are on the rise nationally. The Justice Department study comes after FBI data in September showed violent criminal activity _ including rape, murder, robbery and aggravated assault _ rising by 2.2 percent from last year. That marked the first increase in violent crimes since 2001. Attorney General Alberto Gonzales announced the study at a Boston meeting last month with police chiefs and other law enforcement officials." While newspapers in some targeted communities, including the Houston Chronicle (11/22, 530K), ran versions of the AP story that mentioned their communities in the lead, the Hartford Courant and the Charlotte Observer both offer local versions of the story paired with AP copy.

The Hartford Courant (11/24, Brown, 190K) reports, "The rise in Hartford's violent crime has caught the attention of the federal government, which plans to study why violence is increasing here and in 17 other municipalities across the country, the U.S. Justice Department said. By studying crime patterns in Hartford and elsewhere, U.S. Attorney General Alberto R. Gonzales said, the government hopes to shed light on why violent crime has increased in some cities and metropolitan areas and not in others." The Courant notes, "Hartford's crime rate has climbed steadily over the past two years.".

The Charlotte Observer (11/23, Weir, 219K) reported, "Charlotte was one of 18 areas around the country chosen Wednesday to be part of a government study on why

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homicides and other violent crimes are on the rise nationally. Charlotte-Mecklenburg police welcome being part of the inquiry, said spokeswoman Julie Hill. She noted the department is always looking for clues on what is driving crime increases."

Judge Says WTimes Article Violated Espionage Trial's Grand Jury Rules. The New York Sun (11/24, Gerstein) reports, "Officials involved in investigating a California family's alleged espionage for China apparently violated grand jury secrecy rules by telling a reporter details of plans to seek a new indictment in the case, a federal judge ruled this week. Judge Cormac Carney concluded that defense lawyers were justified in their objection to a May 16 Washington Times story by William Gertz that said prosecutors were preparing to bring more serious charges against three related individuals, Chi Mak, Rebecca Chiu, and Tai Mak, who were charged initially with failing to register as agents of China." The Sun noted, "By the time that article was published, a prosecutor on the case, Gregory Staples, had already said in open court that he expected a new indictment in the case, but the details of the additional charges were not widely known."

Family To Seek Federal Investigation Of Woman's Shooting During Drug Raid. On its Web site, CNN (11/23) reported, "As family members spent Thanksgiving Day boarding up the home of a 92-year-old woman," Kathryn Johnston, "who was shot to death during a police drug raid, their spokesman said they will request a federal investigation" Rev. Markel Hutchins: "Given recent statements by Atlanta's Assistant Police Chief Alan Dreher and Fulton County District Attorney Paul Howard, the family and I have serious and, we believe, founded doubt that absent intense federal oversight, a comprehensive investigation will ever ensue." He "said he planned to travel to Washington next week to hand-deliver a letter to Attorney General Alberto Gonzales' office requesting a federal investigation of the incident."

Houston Woman Accused Of Filing False Katrina Claim. The Houston Chronicle (11/24, George, 530K) reports, "A Houston woman arrested this month joins 30 others in the Houston area who face federal charges for trying to collect money intended for victims of hurricanes Katrina and Rita. An October indictment against Yolanda Yvette Thomas, 27, accused her of filing a false claim for Hurricane Katrina disaster aid, the U.S. Attorney's Office for the Southern District of Texas reported. She was arrested Nov. 6 and is free on $10,000 bail. … The indictment also accuses Thomas of falsely stating that she lost work as a result of Katrina and had an essential need for food, clothing and shelter because of the storm. If convicted, she faces up to five years in prison and a $250,000 fine."

CIVIL LAW:

Judge Rejects Attempt To Pool Federal Vioxx Claims In One Class Action. The AP (11/27, McConnaughey) reports, "Thousands of federal lawsuits claiming the drug Vioxx caused heart attacks and other conditions that killed or injured people cannot be pooled into one national class action, a New Orleans federal judge has ruled. U.S. District Court Judge Eldon Fallon, who was appointed to deal with pretrial matters for all federal suits involving Merck & Co.'s withdrawn painkiller, did not rule on the possibility of separate class action suits for each state and the District of Columbia." His "25-page ruling rejected the plaintiffs' proposal to try all of the cases under New Jersey laws. They argued that the company should reasonably expect to follow the laws of the state where it is headquartered."

CIVIL RIGHTS:

Commissioners "Stunned" At DoJ Proposal For New Elections. The Orlando Sentinel (11/23, Pino, 230K) reported, "All five Osceola County Commission seats would be up for grabs in a special election next year if a federal judge agrees with a proposal submitted Wednesday by the U.S. Department of Justice. The department sued the county last year, alleging that the current at-large system of electing commissioners dilutes the Hispanic vote. … Commissioners, who approved a proposal with five single-member and two at-large districts on Nov. 13, were stunned by the government's proposal." The Sentinel reported, "In addition to seeking elections for all five commission seats, the Justice Department's 21-page memo outlines two different single-member plans centered on a Hispanic-majority district that includes the Buenaventura Lakes community and the adjacent Kissimmee neighborhood of Lakeside."

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ANTITRUST:

Microsoft Hands In Windows Information To EU Antitrust Regulators. The AP (11/23, White) reported, "European Union regulators said Microsoft Corp. handed in on time to meet a Thursday deadline information about its Windows operating software that should help other software companies. The data will now be tested to confirm that the company has finally complied with a 2004 antitrust ruling."

Financial Times (11/24, Parker) reports, "Microsoft yesterday claimed to have met a new Brussels deadline to hand over documents to its rivals, in a move designed to head off the threat of further anti-trust fines of up to €3m ($3.9m) a day. The company said it had completed technical work on more than 100 documents, totalling 8,500 pages, in line with the Thanksgiving Day deadline set by Neelie Kroes, European Union competition commissioner, earlier this month. Ms Kroes's department said the documents would be carefully studied to ensure they provided the required information to rivals."

The AFP (11/23) reported, "If it missed the deadline, Microsoft faced the threat of daily fines of up to three million euros, which could have amounted to as much as 350 million euros (448 million dollars) and bring its total penalty to over one billion euros."

The AFX (11/23) reports, "The European Commission said it will decide on whether interface information submitted by Microsoft Corp achieves full antitrust compliance in 'months rather than weeks'. A spokesman for EU competition commissioner Neelie Kroes commented on the timing of the decision when questioned by reporters."

The Dow Jones Newswire (11/23) reported, "This represents the latest chapter in one of the most high profile, long-lasting antitrust battles. While the U.S. authorities have settled their grievances against the company, European regulators have continued to battle with the software company. In March 2004, the commission fined Microsoft a record EUR497 million, or more than $600 million, and ordered it to change some of its business practices. The company appealed that ruling at an E.U. court. The court's decision is expected next year. The commission fined Microsoft an additional EUR280.5 million in July for defying its antitrust orders."

Bloomberg (11/23, Newman, Lacqua) reported, "The commission accuses the company of abusing its 95 percent share of the personal computer software sales to crush competition in related markets. The EU levied a record 497 million-euro fine in March 2004. Microsoft is appealing the ruling and a judgment by the European Court of First Instance is expected next year."

Cable Dispute Causes Families To Miss Some Thanksgiving NFL Games. The Los Angeles Times (11/23, Stewart, Pugmire, 850K) reported, "The months-long impasse over higher fees and cable tiers comes down to this: 50 million cable television households nationwide won't be able to get tonight's game. With no ongoing talks, an 11th-hour deal seems unlikely. … The dispute has led to a nasty marketing war and even caught the attention of Congress. Time Warner, Charter — which has 374,000 customers in the L.A. market — and New York-based Cablevision are among the companies that want to put the NFL Network on a digital sports tier, which costs about $5 a month more per subscriber. NBA TV, College Sports Television (CSTV) and the Tennis Channel are among the channels already on such a premium tier. The NFL Network is demanding that it be part of the basic cable package, thus reaching more viewers."

Orbach: Prices Suggest Antitrust Violation In Movie Industry. In a column appearing in the Washington Post (11/24, E10, 690K), Steven Pearlstein cites a recent paper by Barak Orbach, a teacher at the University of Arizona law school, and Liran Einav, a Stanford University economist, as he ponders why movie theaters do not vary ticket prices for more popular movies. He writes, "What makes the persistence of uniform pricing all the more curious is that theaters actually pay widely varying fees for the licensing rights to the movies they show. The bigger the expected gross, the higher the percentage of ticket revenue that normally goes to the studio and its distributor. And the formula also includes a per-ticket fee that declines each week of the movie run. My hunch is that these pricing arrangements between the studios and the theater chains, which have always been shrouded in secrecy, are the answer to our puzzle. It is the studios that want to maintain uniform pricing because it is the theater owners who would get the most benefit from variable pricing. … Under the antitrust settlement with the Justice Department in the 1950s, this kind

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of 'vertical price maintenance' was supposed to be prohibited. But in their paper, Orbach and Einav suggest it may still be going strong."

Microsoft Vista Receives Favorable Rating From DoJ. The Dow Jones Newswire (11/22, Boslet, Fleetwood) reported, "Microsoft Corp.'s new Windows Vista operating system for personal computers appears to be in compliance with the company's antitrust judgment with the Department of Justice and state attorneys general, according to a report filed with a District Court judge."

ABA Sees Peril For Companies Under New EU Whistleblower Law. The Wall Street Journal (11/24, A6, 2.04M) reports, "Proposed new European Union rules for corporate whistleblowers would deal an unintended blow to international cartel-busting efforts because they don't guarantee immunity from fines, according to the American Bar Association. The procedures, intended to create a 'one-stop shop' in the 25-nation EU for companies that want to expose illegal price-fixing schemes, could also expose companies to legal jeopardy in the U.S., according to an analysis by the ABA's antitrust and international law section. … Slated for adoption next month, the EU guidelines would for the first time give out 'markers' to companies that are the first to secretly blow the whistle on fellow cartel conspirators. Such markers are offered in the U.S. to assure companies they will be first in line for immunity and not be leapfrogged by other conspirators who approach regulators at a later date."

ENVIRONMENT/INDIAN AFFAIRS:

Environmental Groups Decry Phillips Claims On Clean Air Policy. The New York Times/AP (11/24) reports, "Environmental groups are still angry over an assertion made before the Supreme Court a month ago during arguments in a far-reaching clean air lawsuit. The claim by prominent Washington lawyer Carter Phillips that the federal government had changed course in regulating emissions from coal-fired power plants is simply not true and a paper trail of the industry's own documents proves it, the groups say. … Utility industry attorney Scott Segal jumped to Phillips' defense, saying that "for these environmental groups to go after one of the best lawyers in the country is a travesty. Phillips leads a legal dream team with a spotless record.' Segal was responding to a list of questions a reporter sent to Phillips' office."

FBI/DEA/ATF/USMS:

Authorities Deploy "Fotonovelas" To Battle Meth Trade Among Immigrants. The AP (11/23, Burke) reported, "Fotonovelas — pocket-sized picture books popular in Mexico — have gotten a California makeover that authorities hope persuades immigrant laborers to resist the easy-money temptation of the methamphetamine trade. Thousands in the meth-plagued Central Valley have read the bilingual graphic-novel story of Jose, a farmworker who creates tragedy for his family by working for a drug ring. 'No Vale La Pena,' or 'It's Not Worth It,' has inspired a Spanish-language docudrama, and police from Tennessee to Colorado have requested copies of both projects." The AP noted, "The Central Valley, a broad agricultural swath that runs up the middle of the state, remains a primary distribution point for meth, according to a U.S. Department of Justice report released last month."

Philadelphia: Newspaper Highlights DEA Internet Pharmacy Investigation. In a continuing report on a DEA international, Internet pharmacy case, the Philadelphia Inquirer (11/23, Shiffman, 385K) reported, "Now that agents know Temple grad student Akhil Bansal is Mr. Big - the brains behind the biggest global Internet pharmacy network DEA has ever seen - they call in reinforcements from Washington." This installment "begins as agents try to wiretap Akhil's e-mail. It is January 2005. … When the wiretap did work, it was fabulous. Authorities could track the suspected kingpins in real time, reading each e-mail to and from Temple University graduate student Akhil Bansal and his father, Brij, a doctor in India." The Inquirer continues, "As the stakes rose - suspects on four continents, tens of thousands of U.S. customers, a pressing public-health threat - DEA and FBI agents had begun to fight over control of the case like boys in a sandbox. DEA was wary, fearing FBI's reputation for stealing cases. FBI felt frustrated because agencies such as DEA often asked for help, then resented sharing control."

Federal Drug Sentences Criticized. In the San Francisco Chronicle (11/23, 384K) Debra J. Saunders wrote, "Thanks to draconian federal drug sentences, the number of federal prisoners reached a record 193,989 on Nov. 9 -- that's

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a steep increase from 150,000 in 2003. The prison population is not growing because the feds are locking up drug kingpins. As the U.S. Sentencing Commission noted in a 2002 report, while the 1986 federal drug law promised to go after 'serious' and 'major' traffickers, the majority of federal cocaine offenders performed low-level functions. The percentage of biggies behind bars is shrinking, while the low-life chump class grows." Therefore, according to Saunders, President Bush "should not limit his presidential pardon power to one lucky turkey."

Medical Marijuana User In California Convicted Of Violating Federal Laws. The AP (11/23) reported a medical marijuana user "could face more than two decades in prison after a jury convicted him of violating federal drug laws and other charges. Dustin Costa…was found guilty Wednesday in Fresno federal court of growing marijuana, possession of marijuana for distribution, and possession of a firearm. … A previous U.S. Supreme Court decision prevented Costa from using the phrase "medical marijuana" or relying on a medical defense in court. … Costa said he plans to appeal the decision."

76 Arrested In International Drug Crackdown. The AP (11/23, Goodman) reported authorities in Italy, Spain, the United States, and several South American countries "arrested 76 people Wednesday as part of a major drug crackdown in which a restaurant linked to one of Colombia's most feared warlords was seized. Salvatore Mancuso…was accused by federal prosecutors of investing in an upscale Italian eatery in the Caribbean resort town of Cartagena used by the drug ring to launder profits from cocaine shipments to Europe." Police "seized assets worth upward of $35 million during raids in eight Colombian cities Wednesday. … Mancuso is wanted by a U.S. federal court on charges of being among Colombia's biggest drug traffickers. But President Alvaro Uribe has suspended his extradition order as part of a peace deal that Mancuso helped broker and which has led to the demobilization of more than 30,000 right-wing fighters."

IMMIGRATION:

Somali's Case Highlights Situation Of Deportable Somali Immigrants. The New York Times (11/22, Bernstein, 1.16M) reported that the recent deportation and repatriation of Mohama Rasheed Jama, who had "a history of petty crime," "highlights issues the nation has wrestled with for decades, such as what to do with deportable immigrants who can neither be detained indefinitely nor safely repatriated, and what should limit the government's discretion to decide their fate." The Times added, "Conditions in Somalia have worsened in recent months, moving to the brink of an all-out regional war. In June, Mogadishu was seized by Islamic militias suspected of harboring leaders of Al Qaeda. The militias, after routing warlords backed by the United States, began imposing a Taliban-like regime of strict religious courts. A week before his abrupt departure, Mr. Jama's volunteer lawyers filed a habeas petition on his behalf, arguing that his continued detention in the Middlesex County Jail in New Jersey was unlawful because 'it is simply beyond dispute that effecting his removal to Somalia would be impossible.'"

CONGRESS-ADMINISTRATION:

Senate Democrats To Continue To Seek Information About Detainees. The New York Times (11/24, Johnston, 1.16M) reports, "Seeking information about detention of terrorism suspects, abuse of detainees and government secrecy, Democrats on the Senate Judiciary Committee are reviving dozens of demands for classified documents that until now have been rebuffed or ignored by the Justice Department and other agencies." Vermont Sen. Patrick J. Leahy "expressed hope for greater cooperation from the Bush administration, which he described as having been 'obsessively secretive.'" The Times adds, "Now that they are about to control Congress, what he and other Democrats regard as a record of unresponsiveness has energized their renewal of longstanding requests for information about some of the administration's most hidden and fiercely debated operations. … In a letter last Friday," Leahy "asked Attorney General Alberto R. Gonzales to release two documents whose existence the Central Intelligence Agency, in response to a suit by the American Civil Liberties Union, recently acknowledged for the first time." The Times also notes, "With Democrats in control, it will be harder for executive branch agencies to sidestep requests for documents. Behind each request will be the possibility of Democrats' voting to issue subpoenas that would compel documents or testimony, although Senate aides said they hoped to avoid conflict." However, "[s]o far, few signs have

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emerged that the administration is preparing to be more responsive, even in the absence of a Republican majority's protection."

Levin To Fire "First Shot" In "Subpoena Wars." The New York Sun (11/24, Lake) reports, "The first shot in the coming subpoena wars between congressional Democrats and the Bush administration likely will be fired in January by Senator Levin, a Democrat of Michigan. The Senate Armed Services Committee's Democratic staff, soon to be in the majority, is already preparing to ask the Pentagon for documents related to analysis in the lead-up to the Iraq war from the offices reporting to a former undersecretary of defense for policy, Douglas Feith." The Sun adds, "The initial document request will test an unstated Bush administration policy to presuppose that presidential privilege would shield advice and other internal deliberations in the executive branch, and not just the White House, from congressional subpoena."

Democrats Said To Be Seeking Latin America Policy Changes. From Bogota, the Houston Chronicle (11/22, 530K) reported, "For the past six years, Democrats have accused President Bush and the Republican-controlled Congress of pursuing counter-productive policies in Latin America or of ignoring the region altogether. Now, following their victories in midterm elections giving them control of the House and Senate, many Democratic lawmakers are promising subtle policy changes on immigration, trade and U.S. military aid. … Under the administration's 'Plan Colombia' policy, the U.S. has provided nearly $5 billion in mostly military aid since 2000 to fight the country's narcotics traffickers and Marxist guerrillas. … Many Democrats want to reduce military spending and use the money to boost programs to fight poverty, relocate people displaced by Colombia's 42-year civil war and encourage farmers to plant legal crops."

Future Of Trade Deal Uncertain. The Washington Post (11/23, A1, Brodzinsky, Goodman, 690K) reported Colombia's President Alvaro Uribe "has championed [a] free-trade agreement and cultivated a friendship with President Bush. The death of the deal would undermine his standing and deprive Colombia of a crucial source of livelihood -- export dollars -- as it confronts American pressure to eradicate cocaine production." The Bush administration "signed the proposed deal, but leading Democrats promptly attacked it, underscoring growing doubts in Washington that Congress will approve the pact."

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — At Camp David. No public schedule.

VICE PRESIDENT CHENEY — Departing for Riyadh, Saudi Arabia, to meet with King Abdallah bin Abd al-Aziz al-Saud.

US Senate: No scheduled events.

US House: No scheduled events.

OTHER NEWS:

Former Espionage Prosecutor Dies. The Los Angeles Times (11/24, 850K) reports, "Breckinridge L. Willcox, 62, who as Maryland's top federal prosecutor from 1986 to 1991 had two major espionage convictions, died Nov. 16 of cancer in Santa Paula, in Ventura County. In 1986, President Reagan nominated Willcox, a former chief of the Justice Department's government fraud branch, to be U.S. attorney for Maryland."

Mississippi Juvenile Facilities Still Not Up To Standard, Report Says. The Jackson Clarion Ledger (11/24) reports, "Mississippi's two juvenile training schools have failed to meet the conditions required to bring the facilities up to standards under an agreement that ended a Justice Department lawsuit, a court monitor says. … The report from court monitor Joyce Burrell, filed today, says some progress has been made, but the schools are not yet in compliance. It was the fourth report filed since the agreement and covered the period May 1 through Aug. 31."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Baghdad Reels After String Of Bombings."

"US Strategy In Iraq Could Take A Page From Vietnam."

"Religion Rebounds At YMCA."

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"Camp? Outside? Um, No Thanks."
"Anger Meets Woe On Road To Funeral."
"Gucci And Prada For the Under-13 Crowd."

USA Today:
"Higher Taxes Hit Shoppers."
"Point & Click Holidays."
"Iraq War About To Equal Time US Spent Fighting WWII."

New York Times:
"Bombings Kill 144 In Shiite District; Siege At Ministry."
"A Border Watcher Finds Himself Under Scrutiny."
"Drug Industry Is On Defensive As Power Shifts."
"In Trials For New Cancer Drugs, Family Pets Are Benefiting, Too."
"Money And Violence Hobble Democracy In Nigeria."
"In Board Sports, Insiders' Status Makes Gear Sell."

Washington Post:
"Assault on Iraqi Civilians Is Deadliest Since 2003."
"Yearning to Be Whole Again."
"A Revolution in Air Travel."
"D.C. Neighorhood in Unhealthy Condition."
"Putting the Bite On Pseudo Sushi And Other Insults."

Washington Times:
"Bombs, Mortars Kill 157 In Iraq."
"Causes Of Food Diseases Escape Officials."
"Grandmother A Suicide Bomber."
"'80s Toys Revival Targets Parents."
"Foreigners Flying To Us For Shopping."
"All Eyes On Pelosi For Intelligence Pick."
"New Congress' First Priority: Scarfing A Good Office."

Detroit Free Press:
"Love Prevails, Even In War."
"A Day In Iraq Far Deadlier Than Most."
"Parade Wows Kids Of All Ages."
"This Season, It's About The Decor."

Dallas Morning News:
"Blood Bath Across Iraq."
"Stars Are Smiling On Romo."
"Drug Makers Wooing Dems."
"Bomber, 64, Strikes In Gaza."
"More Than A Feeding: Band Grub Goes A Long Way."

Story Lineup From Last Night's Network News:
ABC: Iraq-Sectarian Violence; Iraq-Analysis; Lebanon-Funeral Turns To Protest; Russian Spy Dies; Thankgiving-Parade; Black Friday Shopping;.Space Station-Golf; Thanksgiving-Iraq.
CBS: Iraq-Analysis; Lebanon-Funeral Turns To Protest; Russian Spy Dies; Thanksgiving-Parade; Banker-Charity; Pope Benedict-Condoms; Automobile-Recall; Thanksgiving-Shopping
NBC: Iraq-Sectarian Violence; Iraq-Analysis; President Bush-Iraq; Thanksgiving-Charities; Thanksgiving-Parade; Airlines-Profiling; Russian Spy; Katrina-Photos; Palestinian-Bomber; River-Fish; Thanksgiving-Afghanistan.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Imams' Removal From Plane Raises Questions Of Profiling. NBC Nightly News (11/23, story 5, 2:25, Curry, 9.87M) reported, "Six Islamic religious leader were taken off their flight to Phoenix in handcuffs after passengers reported what they thought was suspicious behavior. After since 9/11 Americans have been told, 'If you see something, say something.' But just what is the standard?" NBC (Pete Williams) added, "They were Muslim religious leaders ready to fly home from a conference. But to a man waiting for the same flight at the airport gate and who watched them pray and overheard them talking, they were something quite different. In a note he passed to the airline, he described, 'suspicious Arabic men saying Allah, Allah, and cursing US involvement in Iraq.' Dozens of US citizens who are Muslim or come from other countries say passenger suspicions often single them out because of the way they look." Reginald Shuford, ACLU: "They are simply reinforcing stereotypes, and number two, they are not doing anything really to make us any safer, only giving out the illusion that they are taking actions that make us safer." NBC (Williams) added, "US Airways, which asked the six Muslims to leave the plane this week, says it won't tolerate discrimination and is investigating. But airlines say they are obligated to take passenger concerns seriously." Steve Pomerantz, former FBI counter-terrorism official: "There simply aren't enough law enforcement people to spot all suspicious behavior, and the whole system is dependent on the concept that people will come forward and report."

Detainee Tries To Halt Heart Surgery At Guantanamo. The Los Angeles Times (11/23, Williams, 850K) reported that Saifullah Paracha, a businessman detained at Guantanamo Bay for "allegedly providing support to Al Qaeda has refused to have a heart operation at the U.S. military detention center hospital here and instead is seeking a court order for civilian treatment in the U.S. or his native Pakistan." The Times added, "The dispute over who should operate and where has spotlighted questions of medical ethics in the handling of some of the 430 terrorism suspects detained at Guantanamo. … Guantanamo officials say that their 150-person medical team is capable of performing the routine operation and that nearly $400,000 was spent flying in a 24-member team of cardiac specialists and equipment to be on hand in case of complications. But Paracha's lawyers told a U.S. district judge in Washington last week that Guantanamo doctors had left him shackled during previous examinations and treatments. Paracha's request for a court order to halt the operation at the prison was denied Monday, when Judge Paul L. Friedman said he was not convinced Paracha faced a risk of "irreparable injury" at Guantanamo."

Reno, Other Former Justice Officials Criticize Detention Policy In Amicus Brief. United Press International (11/22) reports, "Former U.S. Attorney General Janet Reno and seven other senior Justice Department officials have criticized the Bush administration's terror detention policy. The group filed a friend-of-the-court brief in the case of Qatar native Ali Saleh Kahlah al-Marri, a suspected al-Qaida sympathizer arrested in Illinois. In the brief, the officials suggested indefinite detention of U.S. terrorism suspects could become commonplace unless the courts intervene, the Washington Post reported."

In a brief, the AP (11/22) added, "It was the first time that Reno, attorney general in the Clinton administration, has spoken out against the administration's policies on terrorism detainees, underscoring how contentious the court fight over the nation's new military commissions law has become. Former attorneys general rarely file court papers challenging administration policy. The former prosecutors on Monday challenged the department's right to bring the suspect before a military panel."

HOMELAND RESPONSE:

Whistleblowers Report Continued Reprisals From Superiors. USA Today (11/24, Rampell, 2.27M) reports, "Since the terrorist attacks on Sept. 11, 2001, the average number of employees filing whistle-blower disclosures with the government has risen 43%, from an average of 376 annually in the four years before the attacks to 537 annually after. … An increasing number of whistle-blowers allege that rather than being embraced, they're being retaliated against for coming forward. In the four years before the terrorist attacks, whistle-blowers filed an average of 690 reprisal complaints with the OSC annually. Since the attacks, an average of 835 complaints have been filed each year, a 21% increase. The number of whistle-blower reprisal complaints is higher than the number of whistle-blower disclosure complaints because employees can file reprisal complaints with the OSC even if they had not previously filed their disclosure with the OSC." USA Today notes, "Most national security whistle-blowers are not protected from retaliation by law. … Whistle-blowers employed by these agencies must seek recourse within the same agency they are blowing the whistle on. And even if the investigators

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within their own agency confirm reprisal allegations, the investigators have no power to remedy the situation."

Woman Was Investigated After Reporting "Shoddy" Translations Of 9/11 Material. In a separate article, USA Today (11/24, Rampell, 2.27M) reports on Sibel Edmonds, who "discovered 'shoddy' translations relevant to 9/11 created by translators who had 'failed the proficiency exams,' she says. A report by the Justice Department's inspector general subsequently confirmed that at least one translator had failed the FBI's language proficiency exams. Edmonds says the translator was sent to Guantanamo Bay to translate 'the most sensitive terrorist-related information' from interviews of detainees." USA Today notes that Edmonds "took a polygraph test and was investigated for typing her allegations … on her home computer, even though her supervisor had given permission for her to do so, the inspector general's report said." USA Today adds, "The state secrets privilege — a series of U.S. legal precedents — has been cited by the federal government at least 18 times since 9/11 and at least 81 times since the privilege was first recognized in 1953, according to the Reporters Committee for Freedom of the Press."

Charity Says It's Not Part Of Bin Laden-Linked Sudanese Group. The AP (11/23) reported that the Missouri-based Islamic American Relief Agency of Columbia, a charity "accused of being part of a terrorist organization tried to distance itself in court this week from a Sudanese group suspected of financing al-Qaida. The Treasury Department considers the Islamic American Relief Agency of Columbia to be an arm of the Islamic African Relief Agency, a Sudanese group accused of providing financial support to Osama bin Laden, al-Qaida and Hamas." The group's attorney, Shereff hadi Akeel, "told a U.S. Court of Appeals on Monday that the charity was not part of the Sudanese group. The organizations have independent leaders and separate bank accounts, he said."

New Plan Would Use State Police As "Hubs" For Antiterror Network. UPI (11/24, Waterman) reports, "A new plan from the U.S. intelligence czar will use intelligence centers run by state police as the hubs for a national network of officials from different agencies and levels of government sharing information about terrorism. In a move likely to rattle privacy mavens, the three-year plan for implementing the congressionally mandated Information Sharing Environment (ISE) also lays out policies designed to ease sharing with foreign governments, and proposes to widen the definition of shareable terrorism information."

Seattle Newspaper Calls On Congress to Revise Military Commission Act. The Seattle Post-Intelligencer (11/24, 124K) editorializes, "If congressional Democrats want to exercise the mandate voters gave them in the midterm elections, they'd do well to undo the injury done to civil liberties by the Military Commissions Act passed last month. The law was a controversial response to the U.S. Supreme Court's rejection of the Bush administration using executive power to dictate treatment of so-called 'foreign combatants' at Guantanamo Bay prison in Cuba. … Navy Lt. Cmdr. Charles Swift, who was the defense counsel in the Supreme Court case that spurred the new law, said of the Bush administration's assertions of how detainees could be treated, 'There went the Bill of Rights.' A Democratic Congress would do well to get it back."

WAR NEWS:

Attack On Sadr City Kills At Least 160. All three networks led with the attack on Sadr City, commenting about the likelihood of a "tipping point" being reached or exceeded. ABC World News (11/23, lead story, 3:31, Vargas, 8.78M) said, "At least 160 Iraqis are dead. Another 250 hurt, in what may be the deadliest wave of sectarian violence in one day since the start of the war. It was a series of attacks. The targets were Shiite Muslims, in the Baghdad neighborhood of Sadr City." ABC (Brown): "It started at 10 minutes past 3:00, on a busy afternoon. Three cars, each packed with 1,000 pounds of explosives, blew up in 15-minute intervals." Tony Cordesman, Center For Strategic & International Studies: "If you can get sufficient violence, you will have an open civil war. And if you have open civil war, the United States and its allies will probably be forced to leave." Lt. Charles Morton, 1st Cavalry Division: "If you're helping the Sunni, the Shi'a think you're out to kill Shi'a. So, it's a fragile situation."

CBS Evening News (11/23, lead story, 3:10, Mitchell, 7.66M) reported, "Iraq remains on the brink of civil war." CBS (Palmer) added, "The slaughter today stunned Iraqis like never before with the tit for tat murder rate now spiraling up; many think the civil war has finally arrived."

NBC Nightly News (11/23, lead story, 3:01, Curry, 9.87M) reported, "There is high anxiety not only because of the number of casualties, but also because the targets, Shi'ites, quickly struck back." NBC (Aspell) adds, "The curfew here can't last forever. When it eases, many here feel there will be a wave of reprisal killings." Col. Jack Jacobs: "You've got warring factions, both armed, who are working extremely hard to take over control of the country. If that isn't civil war, I don't know what is."

Print sources also reported the violence. The AP (11/24, Hurst) reports, "The bloodshed underlined the impotence of the Iraqi army and police to quell determined sectarian extremists at a time when the Bush administration appears to be considering a move to accelerate the hand-

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over of security responsibilities." The transport ministry "took the highly unusual step of closing the airport and docks in the southern city of Basra, the country's main outlet to the vital shipping lanes in the Persian Gulf." A later Minneapolis Star Tribune/AP (11/24, Hurst) article updates the death toll to "at least 202."

Bush-Maliki Summit Will Go On. The Los Angeles Times (11/24, Roug, 850K) reports, "The White House said the attacks, which occurred on the anniversary of the death of the cleric for whom Sadr City is named, would not cause the [Bush-Maliki] meeting to be rescheduled." In Iraq, "Even Iraqis hardened by the relentless violence feared the scale of Thursday's attacks marked a turning point, much as the bombing of a Shiite mosque in Samarra early this year sparked unprecedented rounds of sectarian killing."

Attacks Show Increasing Organization; Politicians Fear US Departure. The Wall Street Journal (11/24, Shishkin, 2.04M) reports that the attacks "reflected the increasing sophistication and coordination of combatants. ... As the violence deepens, one thing unites Iraqi politicians across the Sunni-Shia divide: Growing concern about increasing talk in Washington of a possible withdrawal of U.S. troops from Iraq. Mr. Mashadani, the outspoken Sunni Parliament speaker, suggests the U.S. should have some 500,000 troops in Iraq to truly make a difference. Mr. Sagheer, the Shiite lawmaker, also says the U.S. should stay and keep training Iraqi security forces."

Ministries Become Foci Of Violence. Financial Times (11/24, Negus) reports that the attack "coincided with an assault by up to 100 gunmen on the Ministry of Health, which, like Sadr City, is a base for the Shia Mahdi Army militia loyal to the radical cleric Moqtada al-Sadr." The Financial Times adds, "The health ministry assault reflects the growing tendency for ministries in Baghdad, most of which are controlled by sectarian-based parties, to be either the bases for, or the targets of, acts of violence. Sunni say that they risk kidnap and murder if they stray too near to the health ministry, and US troops in August raided the compound looking for hostages."

The New York Times (11/24, Semple, 1.16M), USA Today (11/24, Soriano, 2.27M), AFP (11/23, Karim), and Washington Post (11/24, Raghavan, Trejos, 690K) all reported the bloodshed. The Post observes, "The attack occurred as Sadr's supporters were commemorating the death of his father, Grand Ayatollah Mohammed Sadiq al-Sadr, one of Iraq's most revered ayatollahs, assassinated by agents of then-President Saddam Hussein in 1999."

US Forces Turn To "Vietnam Playbook." The Los Angeles Times (11/24, Spiegel, 850K) reports in a 2,077-word article, "New tactics favored by U.S. commanders in Iraq borrow heavily from the end of another war that might seem an unlikely source for a winning strategy: Vietnam. The tactics — an influx of military advisors and a speeded-up handover to indigenous forces followed by a gradual U.S. withdrawal — resemble those in place as the U.S. effort in Vietnam reached its end." Even though the public considers Vietnam an "unwinnable war," many in the armed forces believe "Vietnam as a war actually was on its way to succeeding when the Nixon administration and Congress, bowing to public impatience, pulled the plug: first withdrawing U.S. combat forces and then blocking funding and supplies to the South Vietnamese army. ... For many in the military, the lessons of Vietnam are clear: Maintain public support, and be patient." As a result, "officers steeped in Vietnam's lessons have been brought into the Pentagon by Marine Gen. Peter Pace, chairman of the Joint Chiefs of Staff, as part of his task force rethinking Iraq strategy." Those involved express concern that, "like the Abrams initiatives, which ran from 1968 through 1973, the current move to step up training of the Iraqi forces comes at a time when domestic support for war is on the wane and political winds are blowing in favor of a quick pullout of combat forces." The Times quotes the opinion of historian Stanley Karnow, who disagrees with the quoted military thinkers: "We were up against an enemy that was prepared to take on unlimited losses."

US Involvement In Iraq To Exceed WWII In Length. AFP (11/23, Bernard) reports, "The US involvement in Iraq will pass another sad milestone on Sunday, when it overtakes the length of America's engagement in World War II. ... the Iraq campaign has become a symbol of the pitfalls of the new style of conflict." AFP adds, "Americans still remember Bush proclaiming on May 1, 2003 the end of 'major combat operations' in Iraq on the flight deck of the USS Abraham Lincoln aircraft carrier. Behind him was a banner stating: 'Mission Accomplished'."

USA Today (11/24, 2.27M) also reports the milestone, noting, "Veterans of that war six decades ago describe a very different experience from that of recent veterans." Texas A & M historian Brett Linn says, "Germans knew they were defeated. The Sunnis didn't think they were defeated."

Marines Hand Off Fallujah Despite "Frustration." The Christian Science Monitor (11/24, Peterson, 59K) reports on the shrinking Marine presence in Fallujah, "The marines still patrol key roads. The US military, which still travels boldly through town despite a surge in deadly sniper attacks and roadside bombs, is spending $200 million on 60-plus projects to rebuild the city, heavily damaged in fighting two years ago. But with just 300 marines, the US military footprint is smaller in this Sunni stronghold of more than 300,000 than it has been in two years. As the marine presence shrinks and Iraqis take more control, Fallujah - once a template for counterinsurgency efforts in Iraq, where US forces have controlled all the

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variables - is likely again to set a standard for the rest of the country." The Monitor stresses the "frustration" of the Marines, with one asking, "What other war would we allow the enemy to broadcast calls [from mosques] for our defeat?" Another complains, "In Fallujah, [insurgents] know our [rules of engagement] - they know when to stop, just before we engage." In addition, "Officers say the number of direct fire incidents against US forces has shot up 650 percent in the past year."

Iraqi Insurgents Adapt To Fight US Forces. The New York Times (11/24, Wong, 1.16M) reports, "Sunni Arab militant groups suspected of having ties to Al Qaeda in Mesopotamia have established training camps east of Baghdad that are turning out well-disciplined units willing to fight American forces in set-piece battles, American military commanders said Thursday. American soldiers fought such units in a pitched battle last week in Turki ... At least 72 insurgents and two American officers ["both West Point graduates"] were killed in more than 40 hours of fighting. American commanders said they called in 12 hours of airstrikes." Officers said the insurgents showed "remarkable discipline" and "perfect military formation." The Times adds, "Insurgents were apparently able to establish a training camp after American forces moved out of the area in the fall of 2005, Colonel [Andrew] Poppas said."

Insurgents Turn To Sniping. The Los Angeles Times (11/24, Perry, 850K) reports, "When he closes his eyes, Marine Cpl. Christopher Shelhamer can feel the bullet that tore through his body when he was ambushed while on routine foot patrol outside Fallouja, Iraq. ... Ambush attempts of the type that felled Shelhamer are becoming more common, Marines say, as insurgents shift tactics away from face-to-face battles or total reliance on hidden roadside bombs. ... Other cases are classic sniper assaults — one shot, one kill — from hundreds of yards away, accomplished with high-power scopes and Chinese- or Russian-made sniper rifles." The motive of these attacks "is not to win battles but to inflict casualties, in hopes of undercutting the morale of troops in the field and the American public." Brig. Gen. Douglas Stone "believes the insurgents are switching to snipers and other ambush attacks because of the declining success of roadside bombs." Shelhamer will probably be given "medical retirement" and is "thinking of returning to school."

White House Denies Cheney Went To Iraq. USA Today/AP (11/24) reports, "The White House denied Iraqi television reports that U.S. Vice President Dick Cheney made an unannounced visit to Baghdad on Thursday. David Almacy, a White House spokesman in Washington, said Cheney was not in Iraq and that his only currently planned travel to the region is the previously announced trip he will make to Saudi Arabia on Friday." More than 80 sites carried this story.

DOJ:

Justice Department Collects Record Amount On Fraud Claims. The Federal Times (11/22, Castelli) reported, "The Justice Department collected a record amount of money from false claims lawsuits in fiscal 2006. Case settlements and judgments brought the government $3.1 billion from companies accused of fraud against the government. The previous record was $2.2 billion, set in 2003." Attorney General Alberto Gonzales: "These record recoveries send a clear message that the Justice Department will not tolerate fraud against the government."

WTimes Criticizes Frist, White House For Not Approving Circuit-Court Nominees. The Washington Times (11/24, 88K) editorializes, "As the 109th Congress approaches adjournment, conservatives should once again be aghast over the confirmation record of circuit-court judges. This time, however, much of the blame must be shared by outgoing Senate Majority Leader Bill Frist and the White House. According to data compiled by the Justice Department's Office of Legal Policy, if no more circuit-court nominees are confirmed, the Republican-controlled Senate will adjourn leaving 16 circuit-court vacancies unfilled. Thus, the vacancies of the Frist Senate will exceed by one the number that were returned by the 107th Congress under the control of then-Majority Leader Tom Daschle and then-Judiciary Committee Chairman Patrick Leahy." The Times adds, "Yes, Democrats continued to play an obstructionist role in the 109th. But they were in no position to bottle up appellate-court nominees by refusing to hold hearings for some of them or by declining to cast a committee vote after a hearing or by failing to schedule a nomination for debate on the Senate floor after a favorable committee vote was cast."

Justice Lacks Personnel To Classify Documents, Report Says. The Federal Times (11/22, Hemingway) reported, "The Justice Department doesn't have enough staff to run a program that classifies documents, a shortage that puts sensitive information at risk and limits important information-sharing among agencies, according to congressional auditors. Justice, the third largest classifier of information in the federal government, has 13 full-time positions devoted to information security, according to a Government Accountability Office report. By comparison, the fifth-largest classifier — the Energy Department — has 23 full-time positions. At Justice, one employee oversees classification training programs across the department while

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three employees oversee compliance at 3,500 department locations."

Gonzales Praises US As "Mature," "Moral" Leader In Air Force Academy Speech. In a press release, the Air Force Link (11/22, Wehry) reported, "U.S. Attorney General Alberto Gonzales told cadets here Nov. 18, that terrorists will not rise to the example of the United States. The judge addressed civil liberties and war on terrorism issues during his lecture to 700 cadets." Gonzales: "The United States has rightfully positioned itself in this conflict and other conflicts throughout history as a mature and moral leader -- an example to follow."

CORPORATE SCANDALS:

Corruption Allegations Tarnish Germany's Image. The Wall Street Journal (11/24, A3, Esterl, 2.04M) reports, "Germany Inc. is churning with charges of corruption and deceit, threatening to undermine perceptions that the world's third-largest economy is one of the cleanest places on earth to do business. Front and center is Siemens AG, the engineering conglomerate enmeshed in a widening cross-border probe into alleged fraud and possible bribery. German prosecutors Wednesday said that they had unearthed €200 million ($257 million) in suspicious transactions after more than 200 police officers searched about 30 offices and homes of Siemens employees last week and seized 36,000 documents. … The probe comes as several other German industrial titans have been buffeted by corruption probes. Prosecutors yesterday charged a former manager of auto maker DaimlerChrysler AG for allegedly cheating the company out of €40 million. … Wednesday, the European Commission accused German utility E.On AG of tampering with evidence related to an antitrust investigation -- an accusation E.On says is unjustified." The Journal adds, "The recent wave of scandals comes nearly a decade after Germany beefed up its laws and increased sentencing guidelines to crack down on corporate corruption -- moves that included the elimination of legislation that had allowed companies to write off international bribes as expenses."

Eon Faces Fine For Alleged Evidence Violations. The Financial Times (11/23, Parker, Atkins) reported, "Eon, Germany's biggest energy group, was on Wednesday facing a possible fine of hundreds of millions of euros after a sealed room was allegedly entered overnight during a two-day raid by European Union cartel busters. The case is viewed by officials in Brussels as 'a serious violation' of rules designed to prevent a company tampering with evidence, in this case relating to an inquiry into anti-competitive abuses in the energy sector.

Bloomberg (11/22, Newman) reported, "The European Commission, the EU's Brussels-based antitrust regulator, said in a statement that it is pursing a case against E.ON because the company 'intentionally or at least negligently' broke a seal placed on an office by regulators 'to secure documents found in the course of an unannounced inspection.'

Prosecutors Charge Former DaimlerChrysler Official. The New York Times/AP (11/24) reports, "Prosecutors said Thursday they had charged a former DaimlerChrysler AG manager with breach of trust and falsifying documents for allegedly cheating the carmaker out of 40 million euros ($52 million). The 41-year-old, who has been in investigative custody for a year, is accused of filing fake invoices between 2000 and 2005 for computer services that were never delivered, state prosecutors in Stuttgart said. … Prosecutor Bettina Fetter said investigators had seized 20 million euros ($26 million) from the manager. … The case is one of several exposing murky dealings by DaimlerChrysler employees."

Monster Fires lead Lawyer. The AP (11/22, Tong) reported, "Monster Worldwide Inc., the parent of job search site Monster.com, said Wednesday it terminated Myron Olesnyckyj, the company's lead lawyer, as part of its investigation into past stock-option grant practices. Olesnyckyj, the company's general counsel, is the second high-ranking executive to leave the company over backdated stock options. Andrew J. McKelvey resigned his posts as chairman and chief executive on Oct. 9 but at the time retained his seat on the board as chairman emeritus. He resigned fully on Oct. 30, citing an unwillingness to sit for further questions over the company's backdating practices in the past."

CRIMINAL LAW:

Crime Study To Focus On 18 Cities. The AP (11/24) reports, The government selected 18 cities and sprawling suburban regions Wednesday to study for clues on why homicides and other violent crimes are on the rise nationally. The Justice Department study comes after FBI data in September showed violent criminal activity _ including rape, murder, robbery and aggravated assault _ rising by 2.2 percent from last year. That marked the first increase in violent crimes since 2001. Attorney General Alberto Gonzales announced the study at a Boston meeting last month with police chiefs and other law enforcement officials." While newspapers in some targeted communities, including the Houston Chronicle (11/22, 530K), ran versions of the AP story that mentioned their communities in the lead, the

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Hartford Courant and the Charlotte Observer both offer local versions of the story paired with AP copy.

The Hartford Courant (11/24, Brown, 190K) reports, "The rise in Hartford's violent crime has caught the attention of the federal government, which plans to study why violence is increasing here and in 17 other municipalities across the country, the U.S. Justice Department said. By studying crime patterns in Hartford and elsewhere, U.S. Attorney General Alberto R. Gonzales said, the government hopes to shed light on why violent crime has increased in some cities and metropolitan areas and not in others." The Courant notes, "Hartford's crime rate has climbed steadily over the past two years.".

The Charlotte Observer (11/23, Weir, 219K) reported, "Charlotte was one of 18 areas around the country chosen Wednesday to be part of a government study on why homicides and other violent crimes are on the rise nationally. Charlotte-Mecklenburg police welcome being part of the inquiry, said spokeswoman Julie Hill. She noted the department is always looking for clues on what is driving crime increases."

Judge Says WTimes Article Violated Espionage Trial's Grand Jury Rules. The New York Sun (11/24, Gerstein) reports, "Officials involved in investigating a California family's alleged espionage for China apparently violated grand jury secrecy rules by telling a reporter details of plans to seek a new indictment in the case, a federal judge ruled this week. Judge Cormac Carney concluded that defense lawyers were justified in their objection to a May 16 Washington Times story by William Gertz that said prosecutors were preparing to bring more serious charges against three related individuals, Chi Mak, Rebecca Chiu, and Tai Mak, who were charged initially with failing to register as agents of China." The Sun noted, "By the time that article was published, a prosecutor on the case, Gregory Staples, had already said in open court that he expected a new indictment in the case, but the details of the additional charges were not widely known."

Family To Seek Federal Investigation Of Woman's Shooting During Drug Raid. On its Web site, CNN (11/23) reported, "As family members spent Thanksgiving Day boarding up the home of a 92-year-old woman," Kathryn Johnston, "who was shot to death during a police drug raid, their spokesman said they will request a federal investigation" Rev. Markel Hutchins: "Given recent statements by Atlanta's Assistant Police Chief Alan Dreher and Fulton County District Attorney Paul Howard, the family and I have serious and, we believe, founded doubt that absent intense federal oversight, a comprehensive investigation will ever ensue." He "said he planned to travel to Washington next week to hand-deliver a letter to Attorney General Alberto Gonzales' office requesting a federal investigation of the incident."

Houston Woman Accused Of Filing False Katrina Claim. The Houston Chronicle (11/24, George, 530K) reports, "A Houston woman arrested this month joins 30 others in the Houston area who face federal charges for trying to collect money intended for victims of hurricanes Katrina and Rita. An October indictment against Yolanda Yvette Thomas, 27, accused her of filing a false claim for Hurricane Katrina disaster aid, the U.S. Attorney's Office for the Southern District of Texas reported. She was arrested Nov. 6 and is free on $10,000 bail. … The indictment also accuses Thomas of falsely stating that she lost work as a result of Katrina and had an essential need for food, clothing and shelter because of the storm. If convicted, she faces up to five years in prison and a $250,000 fine."

CIVIL LAW:

Judge Rejects Attempt To Pool Federal Vioxx Claims In One Class Action. The AP (11/27, McConnaughey) reports, "Thousands of federal lawsuits claiming the drug Vioxx caused heart attacks and other conditions that killed or injured people cannot be pooled into one national class action, a New Orleans federal judge has ruled. U.S. District Court Judge Eldon Fallon, who was appointed to deal with pretrial matters for all federal suits involving Merck & Co.'s withdrawn painkiller, did not rule on the possibility of separate class action suits for each state and the District of Columbia." His "25-page ruling rejected the plaintiffs' proposal to try all of the cases under New Jersey laws. They argued that the company should reasonably expect to follow the laws of the state where it is headquartered."

CIVIL RIGHTS:

Commissioners "Stunned" At DoJ Proposal For New Elections. The Orlando Sentinel (11/23, Pino, 230K) reported, "All five Osceola County Commission seats would be up for grabs in a special election next year if a federal judge agrees with a proposal submitted Wednesday by the U.S. Department of Justice. The department sued the county last year, alleging that the current at-large system of electing commissioners dilutes the Hispanic vote. … Commissioners, who approved a proposal with five single-member and two at-large districts on Nov. 13, were stunned by the government's proposal." The Sentinel reported, "In addition to seeking elections for all five commission seats, the

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Justice Department's 21-page memo outlines two different single-member plans centered on a Hispanic-majority district that includes the Buenaventura Lakes community and the adjacent Kissimmee neighborhood of Lakeside."

ANTITRUST:

Microsoft Hands In Windows Information To EU Antitrust Regulators. The AP (11/23, White) reported, "European Union regulators said Microsoft Corp. handed in on time to meet a Thursday deadline information about its Windows operating software that should help other software companies. The data will now be tested to confirm that the company has finally complied with a 2004 antitrust ruling."

Financial Times (11/24, Parker) reports, "Microsoft yesterday claimed to have met a new Brussels deadline to hand over documents to its rivals, in a move designed to head off the threat of further anti-trust fines of up to €3m ($3.9m) a day. The company said it had completed technical work on more than 100 documents, totalling 8,500 pages, in line with the Thanksgiving Day deadline set by Neelie Kroes, European Union competition commissioner, earlier this month. Ms Kroes's department said the documents would be carefully studied to ensure they provided the required information to rivals."

The AFP (11/23) reported, "If it missed the deadline, Microsoft faced the threat of daily fines of up to three million euros, which could have amounted to as much as 350 million euros (448 million dollars) and bring its total penalty to over one billion euros."

The AFX (11/23) reports, "The European Commission said it will decide on whether interface information submitted by Microsoft Corp achieves full antitrust compliance in 'months rather than weeks'. A spokesman for EU competition commissioner Neelie Kroes commented on the timing of the decision when questioned by reporters."

The Dow Jones Newswire (11/23) reported, "This represents the latest chapter in one of the most high profile, long-lasting antitrust battles. While the U.S. authorities have settled their grievances against the company, European regulators have continued to battle with the software company. In March 2004, the commission fined Microsoft a record EUR497 million, or more than $600 million, and ordered it to change some of its business practices. The company appealed that ruling at an E.U. court. The court's decision is expected next year. The commission fined Microsoft an additional EUR280.5 million in July for defying its antitrust orders."

Bloomberg (11/23, Newman, Lacqua) reported, "The commission accuses the company of abusing its 95 percent share of the personal computer software sales to crush competition in related markets. The EU levied a record 497 million-euro fine in March 2004. Microsoft is appealing the ruling and a judgment by the European Court of First Instance is expected next year."

Cable Dispute Causes Families To Miss Some Thanksgiving NFL Games. The Los Angeles Times (11/23, Stewart, Pugmire, 850K) reported, "The months-long impasse over higher fees and cable tiers comes down to this: 50 million cable television households nationwide won't be able to get tonight's game. With no ongoing talks, an 11th-hour deal seems unlikely. … The dispute has led to a nasty marketing war and even caught the attention of Congress. Time Warner, Charter — which has 374,000 customers in the L.A. market — and New York-based Cablevision are among the companies that want to put the NFL Network on a digital sports tier, which costs about $5 a month more per subscriber. NBA TV, College Sports Television (CSTV) and the Tennis Channel are among the channels already on such a premium tier. The NFL Network is demanding that it be part of the basic cable package, thus reaching more viewers."

Orbach: Prices Suggest Antitrust Violation In Movie Industry. In a column appearing in the Washington Post (11/24, E10, 690K), Steven Pearlstein cites a recent paper by Barak Orbach, a teacher at the University of Arizona law school, and Liran Einav, a Stanford University economist, as he ponders why movie theaters do not vary ticket prices for more popular movies. He writes, "What makes the persistence of uniform pricing all the more curious is that theaters actually pay widely varying fees for the licensing rights to the movies they show. The bigger the expected gross, the higher the percentage of ticket revenue that normally goes to the studio and its distributor. And the formula also includes a per-ticket fee that declines each week of the movie run. My hunch is that these pricing arrangements between the studios and the theater chains, which have always been shrouded in secrecy, are the answer to our puzzle. It is the studios that want to maintain uniform pricing because it is the theater owners who would get the most benefit from variable pricing. … Under the antitrust settlement with the Justice Department in the 1950s, this kind of 'vertical price maintenance' was supposed to be prohibited. But in their paper, Orbach and Einav suggest it may still be going strong."

Microsoft Vista Receives Favorable Rating From DoJ. The Dow Jones Newswire (11/22, Boslet, Fleetwood) reported, "Microsoft Corp.'s new Windows Vista operating system for personal computers appears to be in compliance with the company's antitrust judgment with the Department of Justice and state attorneys general, according to a report filed with a District Court judge."

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ABA Sees Peril For Companies Under New EU Whistleblower Law. The Wall Street Journal (11/24, A6, 2.04M) reports, "Proposed new European Union rules for corporate whistleblowers would deal an unintended blow to international cartel-busting efforts because they don't guarantee immunity from fines, according to the American Bar Association. The procedures, intended to create a 'one-stop shop' in the 25-nation EU for companies that want to expose illegal price-fixing schemes, could also expose companies to legal jeopardy in the U.S., according to an analysis by the ABA's antitrust and international law section. … Slated for adoption next month, the EU guidelines would for the first time give out 'markers' to companies that are the first to secretly blow the whistle on fellow cartel conspirators. Such markers are offered in the U.S. to assure companies they will be first in line for immunity and not be leapfrogged by other conspirators who approach regulators at a later date."

ENVIRONMENT/INDIAN AFFAIRS:

Environmental Groups Decry Phillips Claims On Clean Air Policy. The New York Times/AP (11/24) reports, "Environmental groups are still angry over an assertion made before the Supreme Court a month ago during arguments in a far-reaching clean air lawsuit. The claim by prominent Washington lawyer Carter Phillips that the federal government had changed course in regulating emissions from coal-fired power plants is simply not true and a paper trail of the industry's own documents proves it, the groups say. … Utility industry attorney Scott Segal jumped to Phillips' defense, saying that "for these environmental groups to go after one of the best lawyers in the country is a travesty. Phillips leads a legal dream team with a spotless record.' Segal was responding to a list of questions a reporter sent to Phillips' office."

FBI/DEA/ATF/USMS:

Authorities Deploy "Fotonovelas" To Battle Meth Trade Among Immigrants. The AP (11/23, Burke) reported, "Fotonovelas — pocket-sized picture books popular in Mexico — have gotten a California makeover that authorities hope persuades immigrant laborers to resist the easy-money temptation of the methamphetamine trade. Thousands in the meth-plagued Central Valley have read the bilingual graphic-novel story of Jose, a farmworker who creates tragedy for his family by working for a drug ring. 'No Vale La Pena,' or 'It's Not Worth It,' has inspired a Spanish-language docudrama, and police from Tennessee to Colorado have requested copies of both projects." The AP noted, "The Central Valley, a broad agricultural swath that runs up the middle of the state, remains a primary distribution point for meth, according to a U.S. Department of Justice report released last month."

Philadelphia: Newspaper Highlights DEA Internet Pharmacy Investigation. In a continuing report on a DEA international, Internet pharmacy case, the Philadelphia Inquirer (11/23, Shiffman, 385K) reported, "Now that agents know Temple grad student Akhil Bansal is Mr. Big - the brains behind the biggest global Internet pharmacy network DEA has ever seen - they call in reinforcements from Washington." This installment "begins as agents try to wiretap Akhil's e-mail. It is January 2005. … When the wiretap did work, it was fabulous. Authorities could track the suspected kingpins in real time, reading each e-mail to and from Temple University graduate student Akhil Bansal and his father, Brij, a doctor in India." The Inquirer continues, "As the stakes rose - suspects on four continents, tens of thousands of U.S. customers, a pressing public-health threat - DEA and FBI agents had begun to fight over control of the case like boys in a sandbox. DEA was wary, fearing FBI's reputation for stealing cases. FBI felt frustrated because agencies such as DEA often asked for help, then resented sharing control."

Federal Drug Sentences Criticized. In the San Francisco Chronicle (11/23, 384K) Debra J. Saunders wrote, "Thanks to draconian federal drug sentences, the number of federal prisoners reached a record 193,989 on Nov. 9 -- that's a steep increase from 150,000 in 2003. The prison population is not growing because the feds are locking up drug kingpins. As the U.S. Sentencing Commission noted in a 2002 report, while the 1986 federal drug law promised to go after 'serious' and 'major' traffickers, the majority of federal cocaine offenders performed low-level functions. The percentage of biggies behind bars is shrinking, while the low-life chump class grows." Therefore, according to Saunders, President Bush "should not limit his presidential pardon power to one lucky turkey."

Medical Marijuana User In California Convicted Of Violating Federal Laws. The AP (11/23) reported a medical marijuana user "could face more than two decades in prison after a jury convicted him of violating federal drug laws and other charges. Dustin Costa…was found guilty Wednesday in Fresno federal court of growing marijuana, possession of marijuana for distribution, and possession of a firearm. … A previous U.S. Supreme Court decision prevented Costa from using the phrase "medical marijuana" or relying on a medical defense in court. … Costa said he plans to appeal the decision."

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76 Arrested In International Drug Crackdown. The AP (11/23, Goodman) reported authorities in Italy, Spain, the United States, and several South American countries "arrested 76 people Wednesday as part of a major drug crackdown in which a restaurant linked to one of Colombia's most feared warlords was seized. Salvatore Mancuso…was accused by federal prosecutors of investing in an upscale Italian eatery in the Caribbean resort town of Cartagena used by the drug ring to launder profits from cocaine shipments to Europe." Police "seized assets worth upward of $35 million during raids in eight Colombian cities Wednesday. … Mancuso is wanted by a U.S. federal court on charges of being among Colombia's biggest drug traffickers. But President Alvaro Uribe has suspended his extradition order as part of a peace deal that Mancuso helped broker and which has led to the demobilization of more than 30,000 right-wing fighters."

IMMIGRATION:

Somali's Case Highlights Situation Of Deportable Somali Immigrants. The New York Times (11/22, Bernstein, 1.16M) reported that the recent deportation and repatriation of Mohama Rasheed Jama, who had "a history of petty crime," "highlights issues the nation has wrestled with for decades, such as what to do with deportable immigrants who can neither be detained indefinitely nor safely repatriated, and what should limit the government's discretion to decide their fate." The Times added, "Conditions in Somalia have worsened in recent months, moving to the brink of an all-out regional war. In June, Mogadishu was seized by Islamic militias suspected of harboring leaders of Al Qaeda. The militias, after routing warlords backed by the United States, began imposing a Taliban-like regime of strict religious courts. A week before his abrupt departure, Mr. Jama's volunteer lawyers filed a habeas petition on his behalf, arguing that his continued detention in the Middlesex County Jail in New Jersey was unlawful because 'it is simply beyond dispute that effecting his removal to Somalia would be impossible.'"

CONGRESS-ADMINISTRATION:

Senate Democrats To Continue To Seek Information About Detainees. The New York Times (11/24, Johnston, 1.16M) reports, "Seeking information about detention of terrorism suspects, abuse of detainees and government secrecy, Democrats on the Senate Judiciary Committee are reviving dozens of demands for classified documents that until now have been rebuffed or ignored by the Justice Department and other agencies." Vermont Sen. Patrick J. Leahy "expressed hope for greater cooperation from the Bush administration, which he described as having been 'obsessively secretive.'" The Times adds, "Now that they are about to control Congress, what he and other Democrats regard as a record of unresponsiveness has energized their renewal of longstanding requests for information about some of the administration's most hidden and fiercely debated operations. … In a letter last Friday," Leahy "asked Attorney General Alberto R. Gonzales to release two documents whose existence the Central Intelligence Agency, in response to a suit by the American Civil Liberties Union, recently acknowledged for the first time." The Times also notes, "With Democrats in control, it will be harder for executive branch agencies to sidestep requests for documents. Behind each request will be the possibility of Democrats' voting to issue subpoenas that would compel documents or testimony, although Senate aides said they hoped to avoid conflict." However, "[s]o far, few signs have emerged that the administration is preparing to be more responsive, even in the absence of a Republican majority's protection."

Levin To Fire "First Shot" In "Subpoena Wars." The New York Sun (11/24, Lake) reports, "The first shot in the coming subpoena wars between congressional Democrats and the Bush administration likely will be fired in January by Senator Levin, a Democrat of Michigan. The Senate Armed Services Committee's Democratic staff, soon to be in the majority, is already preparing to ask the Pentagon for documents related to analysis in the lead-up to the Iraq war from the offices reporting to a former undersecretary of defense for policy, Douglas Feith." The Sun adds, "The initial document request will test an unstated Bush administration policy to presuppose that presidential privilege would shield advice and other internal deliberations in the executive branch, and not just the White House, from congressional subpoena."

Democrats Said To Be Seeking Latin America Policy Changes. From Bogota, the Houston Chronicle (11/22, 530K) reported, "For the past six years, Democrats have accused President Bush and the Republican-controlled Congress of pursuing counter-productive policies in Latin America or of ignoring the region altogether. Now, following their victories in midterm elections giving them control of the House and Senate, many Democratic lawmakers are promising subtle policy changes on immigration, trade and U.S. military aid. … Under the administration's 'Plan Colombia' policy, the U.S. has provided nearly $5 billion in mostly military aid since 2000 to fight the country's narcotics traffickers and Marxist guerrillas. … Many Democrats want to reduce military spending and use the money to boost

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programs to fight poverty, relocate people displaced by Colombia's 42-year civil war and encourage farmers to plant legal crops."

Future Of Trade Deal Uncertain. The Washington Post (11/23, A1, Brodzinsky, Goodman, 690K) reported Colombia's President Alvaro Uribe "has championed [a] free-trade agreement and cultivated a friendship with President Bush. The death of the deal would undermine his standing and deprive Colombia of a crucial source of livelihood -- export dollars -- as it confronts American pressure to eradicate cocaine production." The Bush administration "signed the proposed deal, but leading Democrats promptly attacked it, underscoring growing doubts in Washington that Congress will approve the pact."

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — At Camp David. No public schedule.

VICE PRESIDENT CHENEY — Departing for Riyadh, Saudi Arabia, to meet with King Abdallah bin Abd al-Aziz al-Saud.

US Senate: No scheduled events.

US House: No scheduled events.

OTHER NEWS:

Former Espionage Prosecutor Dies. The Los Angeles Times (11/24, 850K) reports, "Breckinridge L. Willcox, 62, who as Maryland's top federal prosecutor from 1986 to 1991 had two major espionage convictions, died Nov. 16 of cancer in Santa Paula, in Ventura County. In 1986, President Reagan nominated Willcox, a former chief of the Justice Department's government fraud branch, to be U.S. attorney for Maryland."

Mississippi Juvenile Facilities Still Not Up To Standard, Report Says. The Jackson Clarion Ledger (11/24) reports, "Mississippi's two juvenile training schools have failed to meet the conditions required to bring the facilities up to standards under an agreement that ended a Justice Department lawsuit, a court monitor says. … The report from court monitor Joyce Burrell, filed today, says some progress has been made, but the schools are not yet in compliance. It was the fourth report filed since the agreement and covered the period May 1 through Aug. 31."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Baghdad Reels After String Of Bombings."
"US Strategy In Iraq Could Take A Page From Vietnam."
"Religion Rebounds At YMCA."
"Camp? Outside? Um, No Thanks."
"Anger Meets Woe On Road To Funeral."
"Gucci And Prada For the Under-13 Crowd."

USA Today:
"Higher Taxes Hit Shoppers."
"Point & Click Holidays."
"Iraq War About To Equal Time US Spent Fighting WWII."

New York Times:
"Bombings Kill 144 In Shiite District; Siege At Ministry."
"A Border Watcher Finds Himself Under Scrutiny."
"Drug Industry Is On Defensive As Power Shifts."
"In Trials For New Cancer Drugs, Family Pets Are Benefiting, Too."
"Money And Violence Hobble Democracy In Nigeria."
"In Board Sports, Insiders' Status Makes Gear Sell."

Washington Post:
"Assault on Iraqi Civilians Is Deadliest Since 2003."
"Yearning to Be Whole Again."
"A Revolution in Air Travel."
"D.C. Neighorhood in Unhealthy Condition."
"Putting the Bite On Pseudo Sushi And Other Insults."

Washington Times:
"Bombs, Mortars Kill 157 In Iraq."
"Causes Of Food Diseases Escape Officials."
"Grandmother A Suicide Bomber."
"'80s Toys Revival Targets Parents."
"Foreigners Flying To Us For Shopping."
"All Eyes On Pelosi For Intelligence Pick."
"New Congress' First Priority: Scarfing A Good Office."

Detroit Free Press:
"Love Prevails, Even In War."
"A Day In Iraq Far Deadlier Than Most."
"Parade Wows Kids Of All Ages."
"This Season, It's About The Decor."

Dallas Morning News:
"Blood Bath Across Iraq."
"Stars Are Smiling On Romo."
"Drug Makers Wooing Dems."
"Bomber, 64, Strikes In Gaza."
"More Than A Feeding: Band Grub Goes A Long Way."

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Story Lineup From Last Night's Network News:
ABC: Iraq-Sectarian Violence; Iraq-Analysis; Lebanon-Funeral Turns To Protest; Russian Spy Dies; Thankgiving-Parade; Black Friday Shopping;.Space Station-Golf; Thanksgiving-Iraq.
CBS: Iraq-Analysis; Lebanon-Funeral Turns To Protest; Russian Spy Dies; Thanksgiving-Parade; Banker-Charity; Pope Benedict-Condoms; Automobile-Recall; Thanksgiving-Shopping
NBC: Iraq-Sectarian Violence; Iraq-Analysis; President Bush-Iraq; Thanksgiving-Charities; Thanksgiving-Parade; Airlines-Profiling; Russian Spy; Katrina-Photos; Palestinian-Bomber; River-Fish; Thanksgiving-Afghanistan.

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USDOJ- Office of Public Affairs

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DEPARTMENT OF JUSTICE *NEWS CLIPS*

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: FRIDAY, NOVEMBER 24, 2006 7:45 AM EST

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TERRORISM NEWS:

Guantanamo Detainee Refuses Heart Operation (LAT)

By Carol J. Williams, Times Staff Writer

The Los Angeles Times, November 23, 2006

Businessman wants to have the procedure away from the prison, but the military says its doctors are able to perform the surgery.

GUANTANAMO BAY, CUBA — A businessman being held for allegedly providing support to Al Qaeda has refused to have a heart operation at the U.S. military detention center hospital here and instead is seeking a court order for civilian treatment in the U.S. or his native Pakistan.

The dispute over who should operate and where has spotlighted questions of medical ethics in the handling of some of the 430 terrorism suspects detained at Guantanamo.

Saifullah Paracha, a 59-year-old real estate and media mogul who lived in the United States for 16 years, was to have undergone a cardiac catheterization this week to explore the cause of recurring chest pains and two previous heart attacks.

Guantanamo officials say that their 150-person medical team is capable of performing the routine operation and that nearly $400,000 was spent flying in a 24-member team of cardiac specialists and equipment to be on hand in case of complications.

But Paracha's lawyers told a U.S. district judge in Washington last week that Guantanamo doctors had left him shackled during previous examinations and treatments. Paracha's request for a court order to halt the operation at the prison was denied Monday, when Judge Paul L. Friedman said he was not convinced Paracha faced a risk of "irreparable injury" at Guantanamo.

Friedman said that government doctors operate on prisoners throughout the U.S. correctional system, but that he was troubled by the reports that Paracha was treated with his arms and legs restrained by metal shackles.

Cardiac catheterization is a diagnostic procedure that involves inserting a thin plastic tube into a vein or artery and threading it to the heart to locate any blockages and measure blood pressure, said Capt. Ronald Sollock, commander of the U.S. Naval Hospital here.

DOJ_NMG_0097466

"We have absolutely all the expertise and equipment here to do the procedure, be it the catheterization or stent replacement or open-heart surgery," Sollock said in an interview, reiterating the assertions he submitted to Friedman through the Justice Department last week. "We would never have suggested doing it here if we didn't have every capability available."

Sollock and Rear Adm. Harry B. Harris Jr., who commands the prison and interrogation network, said Paracha's refusal to allow the surgery would be respected for now.

But, Harris said, he has a responsibility to keep the terrorism suspects in his custody alive to face war-crimes trials or testify against other prisoners. He and his predecessors in the command have previously authorized medical intervention to prevent suicides and halt hunger strikes.

The admiral said in an interview that he sees a clear ethical distinction between preventing self-inflicted harm and forcing a prisoner to have a surgical procedure he doesn't want, even if it could prove to be lifesaving.

"Can we make a detainee or a patient undergo it?" Harris said. "Today the answer to that is no if the patient doesn't want it."

Physicians for Human Rights said that any operation forced on a detainee would be an ethical violation as recognized by the military medical community as well as the American Medical Assn.

"Medicine in the military is set up to ensure that a doctor does not have to take an order that goes against basic medical ethics," said Nathaniel Raymond, a spokesman for the group.

And, Raymond said, military medical professionals at Guantanamo had "clearly violated" rules against force-feeding hunger strikers who are still conscious and capable of deciding for themselves whether to eat.

Paracha and his son are said to be key figures in the case against Majid Khan, one of 14 "high-value" detainees relocated here from secret CIA prisons in September.

Khan, according to U.S. authorities, allegedly researched poisoning U.S. reservoirs and was considered for an Al Qaeda plan to kill Pakistani President Pervez Musharraf. He was captured in 2003.

Paracha has said that he lived in the United States full time from 1971 to 1987, after which he visited frequently to oversee his businesses in New York, Chicago, Washington and San Francisco.

His son, Uzair Paracha, was arrested in the United States in May 2003 and charged with aiding an Al Qaeda operative who intended to bomb U.S. targets. He was sentenced to 30 years in prison earlier this year.

In a January 2005 hearing before a U.S. military panel in Guantanamo Bay, Saifullah Paracha recounted how he was arrested at the Bangkok airport in July 2003 while on a business trip and sent to Afghanistan — where he was held until his transfer here 15 months later.

Paracha told the Combatant Status Review Tribunal that he had met Al Qaeda leader Osama bin Laden twice but described the encounters as news-gathering for Universal Broadcast Ltd., one of seven companies he owns.

He was informed at the tribunal that he is suspected of laundering money for Al Qaeda, plotting to smuggle explosives into the United States and recommending that nuclear weapons be used against U.S. soldiers.

Pakistan's chief coordinator for human rights issues, Khawaja Khalid, told journalists in Islamabad last week that Paracha and Khan were in poor health and could die in detention if they didn't receive treatment soon.

Paracha's attorney, Gaillard T. Hunt, spoke with his client by telephone Tuesday and said that "he still thinks it is unsafe to go ahead [with the operation] at Guantanamo."

Hunt said he was preparing to appeal Friedman's ruling.

*

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Janet Reno Speaks Out Against Detentions (UPI)

United Press International, November 22, 2006

WASHINGTON, Nov. 22 (UPI) -- Former U.S. Attorney General Janet Reno and seven other senior Justice Department officials have criticized the Bush administration's terror detention policy.

The group filed a friend-of-the-court brief in the case of Qatar native Ali Saleh Kahlah al-Marri, a suspected al-Qaida sympathizer arrested in Illinois.

DOJ_NMG_0097467

In the brief, the officials suggested indefinite detention of U.S. terrorism suspects could become commonplace unless the courts intervene, the Washington Post reported.

Reno has kept a low profile since leaving the top job of the Justice Department in 2001, and law professor Carl Tobias of the University of Richmond said her addition to the pool was significant, as other signatories include two U.S. attorneys from the Reagan years along with prosecutors from the Clinton and Carter administrations and Philip Lacovara, a counsel to the Watergate special prosecutor.

"It carries more weight because these are high-ranking officials in several administrations from both parties," Tobias told the Post.

Briefly: Former Justice Officials Oppose Terror Policy (AP)

AP, November 22, 2006

Former Attorney General Janet Reno and seven other former Justice Department officials have filed court papers arguing that the Bush administration is setting a dangerous precedent by trying a suspected terrorist outside the court system.

It was the first time that Reno, attorney general in the Clinton administration, has spoken out against the administration's policies on terrorism detainees, underscoring how contentious the court fight over the nation's new military commissions law has become. Former attorneys general rarely file court papers challenging administration policy. The former prosecutors on Monday challenged the department's right to bring the suspect before a military panel.

Ali Saleh Kahlah al-Marri, a suspected Al Qaeda sleeper agent, is the only detainee being held in the United States. (AP)

WASHINGTON

Staff member cleared over leaked documents

A Democratic staff member of the House Intelligence Committee has been cleared of wrongdoing by a Republican-led leak investigation and reinstated in his position, according to committee officials.

The staff member, Larry Hanauer, was suspended last month from access to classified materials by the committee's chairman, Representative Peter Hoekstra, a Republican from Michigan.

Hoekstra said at the time that he thought Hanauer might have been a source for an article on Sept. 24 in The New York Times about a National Intelligence Estimate saying the Iraq war had become a cause célèbre for terrorists.

Hanauer had obtained a copy of the classified study at the request of a Democratic panel member, Representative John Tierney of Massachusetts, shortly before it was described in the article.

ATLANTA: A police official said narcotics officers were justified in returning fire on a 92-year-old woman they shot and killed after she shot and wounded three of them as they tried to serve a warrant at her house. Neighbors and relatives said it was a case of mistaken identity.(AP)

HOMELAND RESPONSE:

Whistle-blowers Tell Of Cost Of Conscience (USAT)

By Catherine Rampell, Usa Today

USA Today, November 24, 2006

He knew there were problems. He didn't think he was one of them.

In 2002, decorated FBI Special Agent Mike German was investigating meetings between terrorism suspects. When he discovered other officers had jeopardized the investigation by violating wiretapping regulations, he reported what he found to his supervisors, in accordance with FBI policy.

At the time, Coleen Rowley, the FBI agent who had raised concerns about how the pre-9/11 arrest of al-Qaeda conspirator Zacarias Moussaoui was handled, was being hailed as a national hero. German says he had also just received a mass e-mail from FBI Director Robert Mueller, urging other whistle-blowers to come forward.

"I was assuming he'd protect me," German says.

DOJ_NMG_0097468

Instead, German says his accusations were ignored, his reputation ruined and his career obliterated. Although the Justice Department's inspector general confirmed German's allegations that the FBI had "mishandled and mismanaged" the terrorism investigation, he says he was barred from further undercover work and eventually compelled to resign. FBI spokesman Bill Carter declined to comment.

The experience is familiar to other government employees who have blown the whistle on matters of national security since 9/11.

Whistle-blower filings

Since the terrorist attacks on Sept. 11, 2001, the average number of employees filing whistle-blower disclosures with the government has risen 43%, from an average of 376 annually in the four years before the attacks to 537 annually after. The statistics are kept by the Office of the Special Counsel, an independent federal investigative agency that handles whistle-blower cases if employees prefer not to directly confront their bosses about suspicions of wrongdoing.

An increasing number of whistle-blowers allege that rather than being embraced, they're being retaliated against for coming forward.

In the four years before the terrorist attacks, whistle-blowers filed an average of 690 reprisal complaints with the OSC annually. Since the attacks, an average of 835 complaints have been filed each year, a 21% increase.

The number of whistle-blower reprisal complaints is higher than the number of whistle-blower disclosure complaints because employees can file reprisal complaints with the OSC even if they had not previously filed their disclosure with the OSC.

"The sad reality is that rather than learning lessons from 9/11, the government appears to have become more thin-skinned and sensitive," says Tom Devine, legal director of the Government Accountability Project, a non-profit group that offers legal aid to whistle-blowers.

Even advocates have begun to dissuade some government employees from coming forward.

"When I get calls from people thinking of blowing the whistle, I tell them 'Don't do it,' " says William Weaver, a professor at the University of Texas at El Paso and a senior adviser to the National Security whistle-blowers Coalition. "Most of the time they go ahead and do it anyway and end up with their lives destroyed."

Those who come forward often face harassment, investigation, character assassination and firing — not to mention the toll their whistle-blowing takes on their families, Weaver and Devine say.

Lack of protection

For those who are fired or have their security clearances revoked — tantamount to firing in the intelligence agencies — there is little recourse.

Most national security whistle-blowers are not protected from retaliation by law. That's because the intelligence-gathering agencies are exempted from the 1989 whistle-blower Protection Act, which guarantees investigations into disclosures made by federal employees and protects whistle-blowers from retaliation.

Whistle-blowers employed by these agencies must seek recourse within the same agency they are blowing the whistle on. And even if the investigators within their own agency confirm reprisal allegations, the investigators have no power to remedy the situation.

Devine says the U.S. Court of Appeals for the Federal Circuit has ruled against whistle-blowers in 125 of 127 of the reprisal cases seen by the court since 1994. "They've gutted the law," Devine says, "and it's degenerated into a rubber stamp for retaliation."

Lawmakers recently considered two sets of legislation that would affect whistle-blowers. One attempted to extend the whistle-blower Protection Act to cover intelligence agency employees through amendments to the 2007 Defense Authorization Bill.

In October, a conference committee removed the whistle-blower amendments from the final version of the bill.

The other bill that might affect whistle-blowers stiffens penalties for knowingly leaking classified information to those not authorized to receive it. That bill was introduced by Sen. Kit Bond, R-Mo., in response to recent leaks to the media about national security programs, says Bond's press secretary, Rob Ostrander.

DOJ_NMG_0097469

"When classified information is printed in the newspapers, it's not just Americans who read it," Ostrander says. "It's also America's enemies."

Bond's legislation would make prosecuting leakers easier by eliminating the need to prove the disclosure damaged national security. The measure would subject those who leak classified information to a fine and up to three years in prison. It would apply to those who signed a non-disclosure agreement, regardless of their job at the time of the leak.

The bill uses language identical to that in a 2000 bill — dubbed the "Official Secrets Act," after a similar British law — that was vetoed by President Clinton. It has been endorsed by the Association of Intelligence Officers, a 31-year-old group of 4,500 current and former intelligence officers.

Bond's legislation has been referred to the Senate Judiciary Committee. If it does not make it to a floor vote by the end of this session, he will have to resubmit it when the next session begins in January.

The National Security whistle-blowers Coalition, the Government Accountability Project and various media organizations have criticized the legislation and claimed it would deter whistle-blowers from coming forward.

Ostrander says, "There are adequate opportunities for whistle-blowers to contact superiors and the federal inspector general's office or their own representatives" without leaking classified information to outside sources.

National security whistle-blowers who have come forward since 9/11 aren't so sure.

Many had been star employees at the top of the pay scale and had spent decades in civil service before blowing the whistle. The median number of years of government service for National Security whistle-blowers Coalition members is 22 years, says Sibel Edmonds, an FBI whistle-blower who founded the coalition. Edmonds and others worry that fear of committing career suicide may dissuade others from coming forward.

"I'm one of the last people who survived," says Rowley, the former FBI whistle-blower and Time magazine "Person of the Year" who recently lost her bid for a U.S. congressional seat in Minnesota. She says widespread, favorable media coverage saved her FBI career

"But is that the important story here — that one person in the country has been fired or is not being used to their fullest potential?" she asks. "It's the country that's going to suffer from a lack of whistle-blower protections."

'State Secrets Privilege' Blocks Fired Translator From Suing FBI (USAT)

By Catherine Rampell, Usa Today

USA Today, November 24, 2006

Sibel Edmonds, who formed the 100-plus member National Security whistle-blowers Coalition in 2002, began working as a linguist for the FBI the week after the Sept. 11, 2001, terrorist attack.

Several months into her contract, she discovered "shoddy" translations relevant to 9/11 created by translators who had "failed the proficiency exams," she says.

A report by the Justice Department's inspector general subsequently confirmed that at least one translator had failed the FBI's language proficiency exams. Edmonds says the translator was sent to Guantanamo Bay to translate "the most sensitive terrorist-related information" from interviews of detainees.

Edmonds also notified her superiors that a co-worker was responsible for translating wiretaps of a company the latter used to work for. The co-worker "was blocking the intelligence coming from her family members and friends," Edmonds says.

Edmonds took a polygraph test and was investigated for typing her allegations — which contained classified information — on her home computer, even though her supervisor had given permission for her to do so, the inspector general's report said.

The Middle Eastern language specialist was fired in March 2002. When Edmonds asked why, she received a letter saying her contract had been "terminated completely for the government's convenience," according to legal briefings her lawyers filed in the lawsuit contesting her firing.

In its final report, the inspector general concluded that "we believe that many of (Edmonds') allegations were supported, that the FBI did not take them seriously enough, and that her allegations were, in fact, the most significant factor in the FBI's decision to terminate her services."

DOJ_NMG_0097470

The same month the report was released, Edmonds' lawsuit to contest her firing was dismissed. Legal briefs show the government had invoked the so-called state secrets privilege, arguing that the lawsuit would jeopardize national security.

The state secrets privilege — a series of U.S. legal precedents — has been cited by the federal government at least 18 times since 9/11 and at least 81 times since the privilege was first recognized in 1953, according to the Reporters Committee for Freedom of the Press.

"Instead of protecting and standing up for whistle-blowers, this is just giving the complete green light to retaliate," says Edmonds, who lost her appeal.

FBI spokesperson Bill Carter declined to comment, citing privacy concerns.

Missouri Group Denies Terrorist Connections (AP)

AP, November 23, 2006

WASHINGTON | A Missouri-based Islamic charity accused of being part of a terrorist organization tried to distance itself in court this week from a Sudanese group suspected of financing al-Qaida.

The Treasury Department considers the Islamic American Relief Agency of Columbia to be an arm of the Islamic African Relief Agency, a Sudanese group accused of providing financial support to Osama bin Laden, al-Qaida and Hamas.

The FBI raided the charity's office in Missouri and the homes of people affiliated with the group nationwide. Since then, the 20-year-old charity has been unable to raise money.

Attorney Shereef Hadi Akeel told a U.S. Court of Appeals on Monday that the charity was not part of the Sudanese group. The organizations have independent leaders and separate bank accounts, he said.

If the two groups were the same, Akeel said, when the Missouri group wanted to move money into Sudan it would have simply transferred it. Instead, he said, the charity sought U.S. permission.

A federal judge rejected the group's lawsuit in 2005. The three-judge appeals panel seemed hesitant to reject that finding Monday.

The Justice Department pointed to the Missouri charity's own tax and corporate documents, which list the charity as a chapter or affiliate of the Sudanese group.

Akeel said that in the world of aid organizations, charities in the United States frequently became partners with groups in impoverished areas.

The judges heard public and classified testimony Monday and did not rule on the case.

State Police Eyed As Hubs Of Terrorism Data Network (UPI)

By Shaun Waterman, United Press International

UPI, November 24, 2006

A new plan from the U.S. intelligence czar will use intelligence centers run by state police as the hubs for a national network of officials from different agencies and levels of government sharing information about terrorism.

In a move likely to rattle privacy mavens, the three-year plan for implementing the congressionally mandated Information Sharing Environment (ISE) also lays out policies designed to ease sharing with foreign governments, and proposes to widen the definition of shareable terrorism information.

The plan "provides a road map for the successful implementation of the ISE, and responds to the recommendations of the September 11 commission," said Thomas McNamara, program manager for the ISE in the Office of the Director of National Intelligence.

Enacted as part of the 2004 intelligence reform law, ISE tried to create a seamless "network of networks" connecting officials -- and the terrorism-related information to which they have access -- by changing rules across the increasing number of federal, state and local agencies whose mission includes protecting the United States from terrorism.

Mr. McNamara said the aim was to create "a virtual interstate system," and that the law-enforcement "fusion" centers being set up in states and large municipalities would be the "nodes where information can be processed, condensed and evaluated."

DOJ_NMG_0097471

But such information includes personal data about Americans held by government agencies. In the wake of revelations that a Pentagon terrorist threat database contained reports about lawful anti-war protests, questions continue to be raised about the civil liberties and privacy implications of the seamless sharing of information envisaged by the ISE.

John Rollins, an analyst with the Congressional Research Service who formerly worked on information-sharing issues at the Department of Homeland Security, said concerns have been raised about regulations affecting the fusion centers.

He said federal regulations already governed the centers' state and local databases, but it was not clear how much oversight the Justice Department planned to do.

Mr. McNamara argues that the new system will strengthen civil liberties and privacy "if it is done right."

"There is already information sharing going on," he said, adding that ISE systems could add oversight capabilities that would "track, audit and monitor the use of the system" to prevent abuse.

Two contentious areas on which his plan proposes to proceed are the sharing of information with foreign governments and private-sector firms.

The plan says that federal departments and agencies should begin to ensure that their so-called "systems of records" notices and routine disclosures required by the Privacy Act "provide for terrorism information sharing with foreign partners."

It also calls for information sharing with the private sector that is "likely to entail issues requiring executive level decisions or legislative changes."

Mr. Rollins called the plan "a good start" but said that more than five years after September 11, "all we have is a plan. ... The real hard work starts now."

Civil Liberties: New Law Needs Fix (SEAPI)

Seattle Post-Intelligencer, November 24, 2006

If congressional Democrats want to exercise the mandate voters gave them in the midterm elections, they'd do well to undo the injury done to civil liberties by the Military Commissions Act passed last month.

The law was a controversial response to the U.S. Supreme Court's rejection of the Bush administration using executive power to dictate treatment of so-called "foreign combatants" at Guantanamo Bay prison in Cuba.

The law, in essence, codified the Bush administration's evisceration of the Constitution.

Among other things, the law tossed out the time-honored right to challenge in court the legality of one's detention, known as habeas corpus.

Now the Bush administration is claiming in federal court that, under the new law, even immigrants arrested in the United States can be held indefinitely on suspicion of terrorism and may not challenge their detention in civil courts. Former Attorney General Janet Reno and seven other former Justice Department officials have challenged the administration's position in the case.

Navy Lt. Cmdr. Charles Swift, who was the defense counsel in the Supreme Court case that spurred the new law, said of the Bush administration's assertions of how detainees could be treated, "There went the Bill of Rights."

A Democratic Congress would do well to get it back.

WAR NEWS:

Attack On Baghdad Shiite Slum Kills 161 (AP)

By Steven R. Hurst,

AP, November 24, 2006

Sunni Muslim insurgents blew up five car bombs and fired mortars into Baghdad's largest Shiite district Thursday, killing at least 161 people and wounding 257 in a dramatic attack that sent the U.S. ambassador racing to meet with Iraqi leaders in an effort to contain the growing sectarian war.

DOJ_NMG_0097472

Shiite mortar teams quickly retaliated, firing 10 shells at Sunni Islam's most important shrine in Baghdad, badly damaging the Abu Hanifa mosque and killing one person. Eight more rounds slammed down near the offices of the Association of Muslim Scholars, the top Sunni Muslim organization in Iraq, setting nearby houses on fire.

Two other mortar barrages on Sunni neighborhoods in west Baghdad killed nine and wounded 21, police said late Thursday.

The bloodshed underlined the impotence of the Iraqi army and police to quell determined sectarian extremists at a time when the Bush administration appears to be considering a move to accelerate the hand-over of security responsibilities. President Bush plans to visit the region next week to discuss the security situation with Iraqi Prime Minister Nouri al-Maliki.

"We condemn such acts of senseless violence that are clearly aimed at undermining the Iraqi people's hopes for a peaceful and stable Iraq," said Jeanie Mamo, a White House spokeswoman.

On Friday, about 300 mourners chanted as they beat their chests while walking through the Sadr City slum alongside slow-moving the cars and minivans carrying 16 wooden caskets tied to the rooftops.

Once the processions reached the edge of Sadr City in northeastern Baghdad, the cars and minivans left most of the mourners behind for the 100-mile drive south to Najaf, a treacherous journey that passes through many checkpoints and areas controlled by Sunni militants in Iraq's so-called "Triangle of Death."

Iraq's government imposed a curfew in the capital and also closed the international airport. The transport ministry then took the highly unusual step of closing the airport and docks in the southern city of Basra, the country's main outlet to the vital shipping lanes in the Persian Gulf.

Leaders from Iraq's Shiite, Sunni and Kurdish communities issued a televised appeal for calm after a hastily organized meeting with U.S. Ambassador Zalmay Khalilzad. The U.S. Embassy said it had nothing to report about the session.

Al-Maliki, a Shiite, also went on state TV and blamed Sunni radicals and followers of Saddam Hussein for the attacks on Sadr City — the deadliest on a sectarian enclave since the war began.

The coordinated car bombings — three by suicide drivers and two of parked cars — billowed black smoke up into clouds hanging low over blood-smeared streets jammed with twisted and charred cars and buses.

Hospital corridors and waiting rooms were awash in blood and mangled survivors of bombs that struck at 15-minute intervals in the sprawling Shiite slum, which is a stronghold of the Mahdi Army militia of radical anti-American cleric Muqtada al-Sadr, a key al-Maliki backer.

The militia and associated death squads are believed responsible for the slayings of hundreds of Sunnis since suspected al-Qaida in Iraq militants bombed a revered Shiite shrine in the city of Samarra last February.

That attack set off a surge of retaliatory killings between Shiites and Sunnis that have raged all year.

Al-Sadr associates, speaking to The Associated Press on condition of anonymity because of the sensitive nature of the information, said the cleric feared that the Sadr City bombings would make it impossible for him to hold back his heavily armed fighters from a furious round of revenge attacks.

In a television statement read by an aide, al-Sadr urged unity among his followers to end the U.S. "occupation" that he said is causing Iraq's strife. Al-Sadr said the attacks coincided with the seventh anniversary of the assassination of his father, Mohammed Sadiq al-Sadr, a revered Shiite religious leader. The anniversary reckoning was by the Islamic calendar.

"Had the late al-Sadr been among you he would have said preserve your unity," the statement said. "Don't carry out any act before you ask the Hawza (Shiite seminary in Najaf). Be the ones who are unjustly treated and not the ones who treat others unjustly."

Grand Ayatollah Ali al-Sistani, the pre-eminent Shiite religious figure in Iraq, condemned the bombings and issued condolences to family members of those who were killed. He called for self-control among his followers.

Iraq is suffering through a period of unparalleled violence. The United Nations said Wednesday that 3,709 Iraqi civilians were killed in October, the most in any month since the war began 44 months ago, and a figure certain to be eclipsed in November.

DOJ_NMG_0097473

The Sadr City slaughter occurred just moments after U.S. helicopters and Iraqi armor had to intervene to stop an attack by 30 masked Sunni gunmen who tried to storm the Shiite-dominated Health Ministry, about a mile west of the Shiite slum. Seven ministry guards were wounded.

Residents also reported heavy mortar fire and gunbattles in Hurriyah, a now-largely Shiite neighborhood in northwest Baghdad. There were pitched battles between gunmen and the army on Haifa Street, a dangerous thoroughfare running north from the Green Zone, site of the American and British embassies as well as the Iraqi government and parliament.

Iraqis also reported heavy fighting around the Jadriyah Bridge near Baghdad University and AP personnel saw 12 pickup trucks loaded with men armed with rocket-propelled grenade launchers and heavy machine guns driving through the center of the city.

Counting those killed in Sadr City, at least 233 people died or were found dead across Iraq on Thursday.

Before dawn Thursday, U.S. and Iraqi forces searching for a kidnapped American soldier swept through an area of Sadr City, killing four Iraqis, wounding eight and detaining five, police said.

The raid was the fourth time in six days that coalition forces raided the district looking for U.S. soldier Ahmed Qusai al-Taayie, a 41-year-old Ann Arbor, Mich., resident who was snatched from the street while he was visiting his Iraqi wife in Baghdad on Oct. 23.

The Mahdi Army is believed to have grabbed al-Taayie as well as dozens of people during a raid on a Ministry of Higher Education office in Baghdad on Nov. 14. The ministry is predominantly Sunni Arab.

During the 4:30 a.m. raid coalition forces searched houses and opened fire on a minivan carrying Iraqi workers in al-Fallah Street, killing four and wounding eight, said police Capt. Mohammed Ismail. He said coalition forces also detained five Iraqis.

In a statement, the U.S. military confirmed the raid and said it was part of the effort to find al-Taayie. It confirmed the detention of five Iraqis and said a vehicle was shot at by Iraqi troops after "displaying hostile intent." The statement did not report Iraqi casualties.

The military also reported that three Marines were killed during combat in Anbar province, where many Sunni-Arab insurgents are based. That raised the U.S. death toll so far this month to 52.

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Associated Press correspondents Thomas Wagner, Bassem Mroue and Qais al-Bashir contributed to this report.

Baghdad Attack Death Toll Rises To 202 (AP)

By STEVEN R. HURST

Minneapolis Star Tribune/AP, November 24, 2006

BAGHDAD, Iraq (AP) - Sunni Muslim insurgents blew up five car bombs and fired mortars into Baghdad's largest Shiite district Thursday, killing at least 202 people and wounding 252 in a dramatic attack that sent the U.S. ambassador racing to meet with Iraqi leaders in an effort to contain the growing sectarian war.

Shiite mortar teams quickly retaliated, firing 10 shells at Sunni Islam's most important shrine in Baghdad, badly damaging the Abu Hanifa mosque and killing one person. Eight more rounds slammed down near the offices of the Association of Muslim Scholars, the top Sunni Muslim organization in Iraq, setting nearby houses on fire.

Two other mortar barrages on Sunni neighborhoods in west Baghdad killed nine and wounded 21, police said late Thursday.

The bloodshed underlined the impotence of the Iraqi army and police to quell determined sectarian extremists at a time when the Bush administration appears to be considering a move to accelerate the hand-over of security responsibilities. President Bush plans to visit the region next week to discuss the security situation with Iraqi Prime Minister Nouri al-Maliki.

"We condemn such acts of senseless violence that are clearly aimed at undermining the Iraqi people's hopes for a peaceful and stable Iraq," said Jeanie Mamo, a White House spokeswoman.

On Friday, about 300 mourners chanted as they beat their chests while walking through the Sadr City slum alongside slow-moving the cars and minivans carrying 16 wooden caskets tied to the rooftops.

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Once the processions reached the edge of Sadr City in northeastern Baghdad, the cars and minivans left most of the mourners behind for the 100-mile drive south to Najaf, a treacherous journey that passes through many checkpoints and areas controlled by Sunni militants in Iraq's so-called "Triangle of Death."

The death toll, released by Rahim Qassim, a Health Ministry official in Sadr City, and police Col. Hassen Chaloub, was far higher than the one officials had given on Thursday night, when they had said that 161 Iraqis were killed and 257 wounded during the attack with mortar rounds and five car bombs that day.

Iraq's government imposed a curfew in the capital and also closed the international airport. The transport ministry then took the highly unusual step of closing the airport and docks in the southern city of Basra, the country's main outlet to the vital shipping lanes in the Persian Gulf.

Leaders from Iraq's Shiite, Sunni and Kurdish communities issued a televised appeal for calm after a hastily organized meeting with U.S. Ambassador Zalmay Khalilzad. The U.S. Embassy said it had nothing to report about the session.

Al-Maliki, a Shiite, also went on state TV and blamed Sunni radicals and followers of Saddam Hussein for the attacks on Sadr City - the deadliest on a sectarian enclave since the war began.

The coordinated car bombings - three by suicide drivers and two of parked cars - billowed black smoke up into clouds hanging low over blood-smeared streets jammed with twisted and charred cars and buses.

Hospital corridors and waiting rooms were awash in blood and mangled survivors of bombs that struck at 15-minute intervals in the sprawling Shiite slum, which is a stronghold of the Mahdi Army militia of radical anti-American cleric Muqtada al-Sadr, a key al-Maliki backer.

The militia and associated death squads are believed responsible for the slayings of hundreds of Sunnis since suspected al-Qaida in Iraq militants bombed a revered Shiite shrine in the city of Samarra last February.

That attack set off a surge of retaliatory killings between Shiites and Sunnis that have raged all year.

Al-Sadr associates, speaking to The Associated Press on condition of anonymity because of the sensitive nature of the information, said the cleric feared that the Sadr City bombings would make it impossible for him to hold back his heavily armed fighters from a furious round of revenge attacks.

In a television statement read by an aide, al-Sadr urged unity among his followers to end the U.S. "occupation" that he said is causing Iraq's strife. Al-Sadr said the attacks coincided with the seventh anniversary of the assassination of his father, Mohammed Sadiq al-Sadr, a revered Shiite religious leader. The anniversary reckoning was by the Islamic calendar.

"Had the late al-Sadr been among you he would have said preserve your unity," the statement said. "Don't carry out any act before you ask the Hawza (Shiite seminary in Najaf). Be the ones who are unjustly treated and not the ones who treat others unjustly."

Grand Ayatollah Ali al-Sistani, the pre-eminent Shiite religious figure in Iraq, condemned the bombings and issued condolences to family members of those who were killed. He called for self-control among his followers.

Iraq is suffering through a period of unparalleled violence. The United Nations said Wednesday that 3,709 Iraqi civilians were killed in October, the most in any month since the war began 44 months ago, and a figure certain to be eclipsed in November.

The Sadr City slaughter occurred just moments after U.S. helicopters and Iraqi armor had to intervene to stop an attack by 30 masked Sunni gunmen who tried to storm the Shiite-dominated Health Ministry, about a mile west of the Shiite slum. Seven ministry guards were wounded.

Residents also reported heavy mortar fire and gunbattles in Hurriyah, a now-largely Shiite neighborhood in northwest Baghdad. There were pitched battles between gunmen and the army on Haifa Street, a dangerous thoroughfare running north from the Green Zone, site of the American and British embassies as well as the Iraqi government and parliament.

Iraqis also reported heavy fighting around the Jadriyah Bridge near Baghdad University and AP personnel saw 12 pickup trucks loaded with men armed with rocket-propelled grenade launchers and heavy machine guns driving through the center of the city.

Counting those killed in Sadr City, at least 233 people died or were found dead across Iraq on Thursday.

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Before dawn Thursday, U.S. and Iraqi forces searching for a kidnapped American soldier swept through an area of Sadr City, killing four Iraqis, wounding eight and detaining five, police said.

The raid was the fourth time in six days that coalition forces raided the district looking for U.S. soldier Ahmed Qusai al-Taayie, a 41-year-old Ann Arbor, Mich., resident who was snatched from the street while he was visiting his Iraqi wife in Baghdad on Oct. 23.

The Mahdi Army is believed to have grabbed al-Taayie as well as dozens of people during a raid on a Ministry of Higher Education office in Baghdad on Nov. 14. The ministry is predominantly Sunni Arab.

During the 4:30 a.m. raid coalition forces searched houses and opened fire on a minivan carrying Iraqi workers in al-Fallah Street, killing four and wounding eight, said police Capt. Mohammed Ismail. He said coalition forces also detained five Iraqis.

In a statement, the U.S. military confirmed the raid and said it was part of the effort to find al-Taayie. It confirmed the detention of five Iraqis and said a vehicle was shot at by Iraqi troops after "displaying hostile intent." The statement did not report Iraqi casualties.

The military also reported that three Marines were killed during combat in Anbar province, where many Sunni-Arab insurgents are based. That raised the U.S. death toll so far this month to 52.

Baghdad Reels After Bombings (LAT)

By Louise Roug, Times Staff Writer

The Los Angeles Times, November 24, 2006

Death toll is at least 152 in a Shiite district of the capital. Bush and Maliki will meet in Jordan as planned.

BAGHDAD — A series of fiery suicide car bombings killed at least 152 people and wounded 236 others Thursday in the deadliest sectarian attack in Baghdad since the 2003 U.S.-led invasion.

The explosions in the Shiite Muslim neighborhood of Sadr City followed a highly coordinated militant assault on the Shiite-controlled Health Ministry complex, and they were met with almost immediate reprisal attacks in Sunni Arab Muslim neighborhoods that killed at least nine people. Other bombings and shootings killed 18 people in and around the capital, making for one of the deadliest days in Iraq's sectarian war.

The sound of mortar shelling and gunfire echoed throughout the night in the capital, where an open-ended curfew was imposed. The government closed the airport, and the nation's top clerics and political leaders appealed for calm.

The intensified violence came just days before President Bush is to meet with Iraqi Prime Minister Nouri Maliki in Jordan to discuss the rapidly deteriorating security situation. The White House said the attacks, which occurred on the anniversary of the death of the cleric for whom Sadr City is named, would not cause the meeting to be rescheduled.

Starting about 3 p.m., three suicide bombers blew up their cars minutes apart, incinerating commuters inside their vehicles, shredding market stalls and streaking streets with blood, witnesses and police said. Bodies, some of them on fire, lay twisted in the dust.

A couple of inches separated life and death on this afternoon.

Saif Murtadha, 17, a falafel seller, was shielded from shrapnel by a car and escaped unharmed. A man standing near his cart was less fortunate, Murtadha said, and was wounded by the flying debris.

Wedding photographer Ali Hadid, 30, watched through the lens of his video camera as one of the bombs tore through a crowd of revelers, turning the nuptial celebration into a scene of death and despair. He lost six friends, he said.

Witnesses said the first bomb went off near a traffic-control point and ignited a fuel truck, setting off a chain reaction as cars erupted in flames.

"I felt it in my body more than in my ears," said Saad Umran, a 45-year-old grocery shop owner. "Many, many people died. The only thing we could do was cover the dead bodies with blankets."

Fifteen minutes later, he heard the second bomb explode less than a mile away. There, standing at a takeout restaurant, Naeem Jassim, 34, watched as the explosion seared the flesh of bystanders and turned cars into burning wrecks.

"Police and medics were in shock," he said. "They were looking at the dead people. They didn't know what to do or where to start."

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At 3:35 p.m., the third bomb killed Shiites who had sought refuge from the civil war in a temporary housing complex.

After that explosion, police sealed off entrances to Sadr City, and a fourth car bomb detonated outside its gates. A fifth apparently failed to go off and was defused by authorities.

Doctors were overwhelmed by the carnage. At a hospital, dozens of injured lay on the bloodied floors, unattended. As space ran out in the hospital morgue, workers loaded bodies into refrigerated trucks normally used to transport food.

At Imam Ali Hospital in Sadr City, at least 20 relatives and friends mourned the death of Hussam Jassim, a 17-year-old grocery clerk.

"He was always making me laugh," said his cousin, Ali Khali. "I can't believe he is dead."

After the bombings, bystanders pulled a burned corpse from a smoldering bus as angry young men held their handguns and AK-47s high, vowing revenge. Others, standing amid smoking vehicles, cursed U.S. forces and the Iraqi government, saying they had failed to provide security. Some had harsh words for the Sunnis.

"They are killing us to secure their chairs!" one man yelled, referring to Sunni political ambitions. "May God curse the Sunnis and Adnan Dulaimi," another said, referring to a leading politician.

Al Furat, a conservative Shiite television channel, replayed images of the devastation in a slow-motion loop overlaid with religious music: "Our blood, our blood," a popular singer chanted.

Even Iraqis hardened by the relentless violence feared the scale of Thursday's attacks marked a turning point, much as the bombing of a Shiite mosque in Samarra early this year sparked unprecedented rounds of sectarian killing.

"This is a huge escalation and a bad omen," said Jamal Samarra, a Sunni professor of political science at Mustansiriya University. "The situation provokes anxiety and fear. One must be careful, careful, careful."

The Iraqi Islamic Party, the biggest Sunni political group, said that after the Sadr City attacks, 17 mortar rounds hit Sunni neighborhoods. It was unclear whether anyone was killed in the attacks.

The Associated Press reported that separate mortar barrages in west Baghdad killed nine people and wounded 21.

Appearing on national television after the bombings, Maliki said he blamed politicians for provoking civil war. "We condemn these sectarian practices which aim to fragment the unity of the nation," he said.

President Jalal Talabani, a Kurd, appeared on TV with Sunni Vice President Tariq Hashimi and Abdelaziz Hakim, the leader of the largest Shiite bloc in parliament. "We appeal to everybody to show self-restraint," Hashimi read from a joint statement.

Shiite clerics Grand Ayatollah Ali Sistani and Muqtada Sadr urged followers not to retaliate.

An influential Shiite lawmaker, Qusai Abdul-Wahab, said the bloodshed showed that U.S. forces were unable to protect Iraqis and should leave. "What happened today highlights that the Iraqi security forces must take control," he said.

Sadr City is named for Muqtada Sadr's father, a revered cleric believed to have been killed by Saddam Hussein's forces. The slum is home to the country's largest Shiite militia, which is loyal to the younger Sadr.

The attacks were the deadliest since 181 people were killed in coordinated explosions in Baghdad and Karbala in March 2004.

The day's violence began around noon, when mortar rounds pummeled the Health Ministry complex. At least 30 heavily armed militants then surrounded the government building, trapping about 2,000 administrators and officials inside. In a dramatic live interview with an Iraqi TV station, Deputy Health Minister Hakim Zamili charged that Iraqi soldiers stood by while gunmen attacked.

"We can see the terrorists through the windows, moving freely," Zamili said. "Nobody is stopping them."

Later, ministry spokesman Qasim Yahia Allawi said Iraqi soldiers had not responded to calls for help during the three-hour standoff between gunmen and ministry guards. Eventually the assailants scattered when U.S. helicopters arrived, he said.

"We're not provoked by such operations," said Sheik Jaladin Sahir, a spokesman for the ruling Shiite bloc, referring to the attacks. "The political process must continue. Terrorism must be defeated."

But he added, "If the situation continues in this manner, I think the street will explode."

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Times staff writers Suhail Ahmad, Mohammed Rasheed, Raheem Salman and Saif Rasheed in Baghdad and Julian E. Barnes in Washington contributed to this report.

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Begin text of infobox

Major bombings

Here is a list of some of the deadliest bombings in Iraq since the overthrow of Saddam Hussein in April 2003:

Aug. 19, 2003: A truck bomb wrecks United Nations headquarters in Baghdad, killing 22 people, including U.N. envoy Sergio Vieira de Mello.

Aug. 29, 2003: A car bomb kills more than 100 people, including top Shiite Muslim leader Ayatollah Mohammed Bakr Hakim, at the Imam Ali mosque in Najaf.

Feb. 1, 2004: 109 people are killed when two suicide bombers blow themselves up in Irbil at the offices of the two main Kurdish factions.

March 2, 2004: 181 people are killed in coordinated attacks in Baghdad and Karbala.

Feb. 28, 2005: A suicide car bombing in Hillah kills 125 people and wounds 130.

July 16, 2005: A suicide bomber in a fuel truck kills 98 near a Shiite mosque in Musayyib.

Sept. 14, 2005: A suicide bomber kills 114 people and wounds 156 in a Shiite district of Baghdad.

Sept. 29, 2005: 103 people are killed in three coordinated car bomb attacks in the mixed Shiite-Sunni town of Balad.

Jan. 5, 2006: Two suicide bombers kill more than 120 people and wound 200 in Karbala and Ramadi.

July 1, 2006: A car bombing at a crowded market in Baghdad's Sadr City neighborhood kills 77 and wounds 114.

Nov. 23, 2006: Three apparently coordinated car bombings in the Sadr City neighborhood kill at least 152 people and wound 236.

Deadly Iraq Attacks Underscore Militants' Growing Organization (WSJ)

By Philip Shishkin

The Wall Street Journal, November 24, 2006

BAGHDAD, Iraq -- Underscoring the increasingly organized and brutal nature of sectarian violence here, at least 160 people were reported killed and hundreds more injured in the deadliest attacks on civilians in Baghdad since the U.S. invasion in March 2003.

Yesterday's attacks -- a wave of car bombings in a Shiite Muslim area of Baghdad that were followed almost immediately by mortar attacks on Sunni Muslim neighborhoods -- seemed likely to push Iraq further into civil war and to complicate U.S. efforts to bring stability to the country. The attacks also reflected the increasing sophistication and coordination of combatants.

The worst damage came in the teeming Baghdad neighborhood of Sadr City, a stronghold of one of the country's most feared Shiite militias. The Associated Press said at least 160 were left dead by what the U.S. military said were five car bombs and two mortar rounds. The attacks came after a siege against the headquarters of the Shiite-run Health Ministry in northern Baghdad, which was fended off by Iraqi troops and U.S. helicopters.

Shortly afterward, in an apparent revenge attack, militants fired scores of mortars aimed at the overwhelmingly Sunni neighborhood of Adamya, home to one of the holiest Sunni mosques in Baghdad. Several mortar rounds also hit the Association of Muslim Scholars, a hard-line Sunni group in Baghdad. The Interior Ministry imposed an indefinite curfew on vehicles and pedestrians.

With Iraqi security forces widely viewed as inefficient or tainted by sectarianism themselves, many Iraqis still look to the U.S. for protection. But despite stepped-up patrols and security sweeps in Baghdad in recent months, U.S. forces and their Iraqi counterparts have been unable to stem sectarian violence, raising questions of what kind of a security strategy can succeed in stopping what many Iraqis now openly call a civil war.

While the Bush administration has resisted using that term to describe the violence, military leaders have been steadily ringing alarm bells about the worsening sectarian strife. In early August, Gen. John Abizaid, top commander of U.S. forces in the

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Middle East, described the situation this way: "I believe that the sectarian violence is probably as bad as I've seen it, in Baghdad in particular, and that if not stopped, it is possible that Iraq could move towards civil war." The situation has worsened since then.

U.S. forces didn't deploy to Sadr City yesterday, instead leaving the area to Iraqi security forces and armed Shiite militiamen. Top Iraqi politicians, including President Jalal Talabani, held an emergency meeting and issued a statement calling for "a revision of the government's existing security plans for Baghdad to better protect innocent civilians."

Iraqi television showed mangled bodies, charred cars and plumes of smoke and fire in Sadr City. Angry crowds gathered on the streets of the poor Shiite district, with people shouting and brandishing weapons in the air.

Fearing a reprisal from Shiite militias roaming the city, Sunnis across Baghdad hurried home. The ensuing mortar attacks in Adamya left several civilians dead, though the exact death toll remained unclear. "It's very sad to watch such a huge number of civilians, of women and children, who went to the market and died," said Raad Nabil, a 24-year-old Sunni university student, of the Sadr City attack. "The cheapest thing in this country now is human life. It will be another spark for the civil war."

The carnage broadens the sectarian warfare between Sunnis, a minority population but one that dominated the ranks of Saddam Hussein's government, and Shiites, the majority of the population, who often were marginalized by the former regime.

Fighting between Shiite and Sunni militias broke out in earnest after insurgents -- presumed to be Sunnis -- destroyed a landmark Shiite shrine in Samarra in February. Afterward, Shiite militias, often operating from within Iraq's security forces, went on a spree of gruesome killings and torture of Sunnis. The Sunni insurgents ratcheted up attacks against Shiite civilians, alongside their older fight against the U.S. occupation.

The new Shiite-dominated government, which took office in May, has failed either to disarm the Shiite militias or defuse the Sunni insurgency. Both sides instead have grown more recalcitrant and brazen in the ferocity of their attacks.

On Wednesday, the United Nations said 3,709 Iraqi civilians were killed in October, the single deadliest monthly toll since the U.S.-led invasion. "Hundreds of bodies continued to appear in different areas of Baghdad -- handcuffed, blindfolded and bearing signs of torture and execution-style killing," the U.N. said. It attributed much of the violence to sectarian warfare.

The main battleground of this war is Baghdad, a city of some five million where Sunnis and Shiites have long lived in mixed neighborhoods. "If the government doesn't control Baghdad, it will lose this war," says Mahmoud Mashadani, the Sunni speaker of Iraq's Parliament.

The Parliament itself -- dominated by Shiite political parties that were the big winners of last year's elections -- has grown increasingly polarized. Lawmakers trade insults and often divide along sectarian lines on key points of national policy. "The Parliament represents the streets," says Jalaladdin al-Sagheer, an influential Shiite lawmaker. "We have a conflict on the streets, so it's the same inside the Parliament."

After receiving word of the car bombings in Sadr City on his mobile phone, Mr. Sagheer had little doubt as to what would come next: "Of course the Mehdi army will take revenge." The Mehdi army, a powerful Shiite militia that follows radical cleric Moqtada al-Sadr, has been a constant fixture of the Iraq war, turning its weapons twice against the Americans and more recently focusing on sectarian attacks against Sunnis.

Despite its promises to crack down on the Mehdi army and other Shiite militias linked to powerful political parties, the Iraqi government has achieved little success. Ordinary Iraqis have largely despaired in their government, seen as weak and protected from the real Iraq by the fortified walls and checkpoints of the Green Zone, the large, U.S.-protected enclave in the center of the city.

As the violence deepens, one thing unites Iraqi politicians across the Sunni-Shia divide: Growing concern about increasing talk in Washington of a possible withdrawal of U.S. troops from Iraq. Mr. Mashadani, the outspoken Sunni Parliament speaker, suggests the U.S. should have some 500,000 troops in Iraq to truly make a difference. Mr. Sagheer, the Shiite lawmaker, also says the U.S. should stay and keep training Iraqi security forces.

--Munaf Ammar contributed to this article.

Suicide Attacks On Baghdad Shia Kill 160 (FT)

By Steve Negus, Iraq Correspondent

Financial Times, November 24, 2006

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In what may be the single deadliest attack in Iraq since the 2003 US-led invasion, at least 154 people were killed on Thursday in a series of coordinated suicide car bomb attacks in the crowded east Baghdad slum of Sadr City.

According to police sources quoted by wire agencies, at least 257 people were also injured in the bombings, which may escalate Iraq's cycle of violence. They may also harden sectarian attitudes and disrupt efforts by Prime Minister Nouri al-Maliki to oust militia-affiliated ministers from his Shia-dominated government.

The attacks coincided with the Thanksgiving holiday in the US. Mr Maliki is scheduled to meet US president George W Bush next week to discuss how to quell the sectarian violence that saw more than 3,000 civilians killed last month alone.

Police said that at least three car bombers blew up their vehicles at 15 minute intervals in three markets and squares in the city while mortar rounds landed nearby. The attack coincided with an assault by up to 100 gunmen on the Ministry of Health, like Sadr City a base for the Shia Mahdi Army militia loyal to the radical cleric Moqtada al-Sadr.

The assault on the health ministry appeared to be an unusually large-scale operation for a central area of the capital.

Ministry sources said that attackers started the siege with a mortar barrage before opening up with small arms fire from surrounding buildings. Thousands of employees were trapped inside during the attack, which ended when US helicopter gunships and ground forces drove off the attackers.

Iraqi officials complained that Iraqi military forces in the area did not respond quickly enough to the assault.

Both attacks seemed aimed at the radical Shia Sadrist movement, whom Sunnis blame for murder and torture of their co-religionists. The sprawling slum is home to up to 2m people.

The health ministry assault reflects the growing tendency for ministries in Baghdad, most of which are controlled by sectarian-based parties, to be either the bases for, or the targets of, acts of violence.

Sunni say that they risk kidnap and murder if they stray too near to the health ministry, and US troops in August raided the compound looking for hostages. The attacks follow last week's raid on a research institute run by the ministry of higher education – which is in turn contolled by the Sunni-dominated Iraqi Islamic Party – in which dozens were abducted.

Thursday's bloodshed will almost certainly trigger reprisals. Within hours mortar rounds were reported to have been launched from Sadr City aimed at the Abu Hanifa mosque in the predominantly Sunni district of Adhamiya.

Iraqi state television reported that the interior ministry imposed an indefinite curfew on the city after the day's violence.

The attacks came as Mr Maliki plans a reshuffle of his cabinet, which some government sources say is aimed at removing Sadrist ministers who abuse their position as well as partisan Sunnis. Neither side may be in much mood for compromise, however, after this recent round of violence.

The death toll may still rise, and already exceeds the single worst blast in Iraq's postwar history, a February 2005 car bomb in the southern Iraqi city of Hilla which killed 125. It may also exceed a pair of apparently coordinated attacks on Shia religious commemorations in Baghdad and the holy city of Karbala, which killed at least 170.

Bombings Kill 144 In Baghdad Slum; Siege At Ministry (NYT)

By Kirk Semple

The New York Times, November 24, 2006

BAGHDAD, Nov. 23 — In the deadliest sectarian attack in Baghdad since the American-led invasion, explosions from five powerful car bombs and a mortar shell tore through crowded intersections and marketplaces in the teeming Shiite district of Sadr City on Thursday afternoon, killing at least 144 people and wounding 206, the police said.

The coordinated bombings followed a two-hour siege by dozens of Sunni Arab insurgents against the headquarters of the Shiite-run Health Ministry in northeastern Baghdad, about three miles west of Sadr City, according to ministry officials. The gunmen, shooting from nearby buildings and surrounding streets, pelted the ministry with mortar shells and gunfire, though they fled when Iraqi troops and American military helicopters arrived, the officials and witnesses said.

The attacks were the worst in an intensifying series of revenge killings in recent months, in a cycle that has increasingly paralyzed the political process and segregated the capital into Sunni and Shiite enclaves, and threatened to drag Iraq into an all-out civil war.

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Shiite revenge was swift. Shiite fighters fired about a dozen mortar shells into the predominantly Sunni Arab neighborhood of Adhamiya in northern Baghdad, wounding at least 10 people, an Interior Ministry official said. Five more mortar shells were aimed at the former Mother of All Battles Mosque commissioned by Saddam Hussein in Ghazaliya, according to the mosque's imam, Sheik Mahmoud al-Sumaidaie.

Political leaders held an emergency meeting after the attacks and later appeared together, Sunni, Shiite and Kurd, to broadcast an appeal for calm and national unity. Top clerics sent similar messages.

"In this painful tragedy, I call on everybody to practice self-restraint and stay calm," Prime Minister Nuri Kamal al-Maliki said in a separate televised address. "I hope that all political and civic powers will stand together to protect the citizens from criminal action."

The government imposed an indefinite curfew on the capital, banning all vehicles and pedestrians from the streets, and closed Baghdad International Airport as well as the airport and seaport in the southern city of Basra. The Iraqi military command put the army on high alert, beefed up checkpoints throughout the city and established a cordon around Sadr City, according to an Iraqi military spokesman.

The authorities seemed intent on avoiding a repeat of the violent fallout that followed the bombing of a major Shiite shrine in Samarra in late February. That attack set off the eruption of sectarian killings, which has gathered momentum during the year and has spun well beyond the control of Iraqi and American security forces.

The attacks on Thursday came at a critical time for the Iraqi and American governments, which have been struggling to figure out a political and military formula to curb the violence.

American and Sunni Arab officials have argued that a key to peace rests with the aggressive demobilization of the Shiite militias tied to the most powerful Shiite political parties. But Shiite leaders have insisted that the militias remain their final bulwark against the Sunni Arab-led insurgency. And Mr. Maliki, responding to his power base, has chosen a softer, negotiated approach to the militias, frustrating his American partners.

Thursday's bombings will probably harden the Shiites' position on militias and further complicate diplomacy between Mr. Maliki and President Bush, who are scheduled to meet in Amman next Wednesday to discuss strategies for stabilizing Iraq.

"We blame the government for the attacks," said Said Adel al-Nuri, a representative of the Shiite cleric Moktada al-Sadr, echoing the general sentiment of frustration and anger in the working-class district, which has more than two million people. "We have no trust in the government or in the Americans. We have completely lost faith in the government."

According to the police, the Sadr City assault began when a suicide car bomber blew himself up at about 3:15 p.m. at a checkpoint leading into the neighborhood. That blast was followed in quick succession by that of two other suicide car bombers and two unattended car bombs, which exploded at different locations along a main avenue crowded with commuters and shoppers, witnesses said. At least one mortar shell exploded in the neighborhood, the police said, and a sixth car bomb was discovered and defused.

The car bombings destroyed dozens of other vehicles, scattered charred and mangled bodies and sent flames and thick pillars of smoke into the air. Frenzied crowds clawed through the wreckage, pulling bloodied bodies from cars and minibuses and moving them out in wooden carts.

Residents and Shiite militiamen flooded the streets, firing assault rifles into the air, shouting epithets against Sunni Arabs, the American authorities and the Iraqi government, and vowing revenge. Gunmen of the Mahdi Army, the militia loyal to Mr. Sadr, commandeered the district, setting up roadblocks and searching cars.

"The people don't know what to do," said Muhammad Ali Muhammad, a 27-year-old Shiite laborer in Sadr City. "They're going to the hospital to give blood. Some are standing around shocked."

Fighting flared at the Health Ministry earlier Thursday. The attack on the ministry headquarters began around midday when three mortar shells hit the main building, Lt. Ali Muhsin of the Iraqi Police told The Associated Press. Gunmen positioned on the upper floors of surrounding buildings then opened fire on the main building, pinning down hundreds of workers inside, ministry officials said. Ministry security guards with assault rifles fired back and managed to keep the insurgents at bay until Iraqi and American troops responded two hours later, the officials said.

Sabah Chalob, a ministry spokesman, said about 15 mortar shells hit the building over the course of the firefight.

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"The employees stayed inside the ministry, away from the windows that were being targeted by the snipers," said Hakim al-Zamili, a deputy health minister, in an interview on the state-run Al Iraqiya network. "We saw the masked men moving freely, and with no fear, in the streets."

At least seven ministry guards were wounded, First Lt. Maitham Abdul-Razzaq of the Iraqi police told The A.P., though a military spokesman denied that report.

The attack on the Health Ministry building was the fourth against the ministry's employees in less than a week. The health minister, Ali al-Shemari, is an associate of Mr. Sadr, and the ministry is widely perceived by Sunni Arabs as a bastion of Shiite favoritism.

On Nov. 19, gunmen kidnapped a deputy health minister from his home in northern Baghdad. The following day, another deputy health minister narrowly escaped an ambush when gunmen opened fire on his convoy, though two of his bodyguards were killed. On Wednesday, gunmen shot and killed an assistant director general from the ministry, Mr. Zamili said.

The violence had the aspect of sectarian revenge. On Nov. 14, Shiite militiamen raided a building belonging to the Sunni Arab-run Ministry of Higher Education and abducted scores of people, some of whom remain missing, officials said.

As dusk fell on Baghdad, and with Sadr City in turmoil, several top political officials held an emergency meeting, including President Jalal Talabani, a Kurd; Tariq al-Hashemi, a Sunni vice president; and Abdul Aziz al-Hakim, a Shiite leader. Afterward, they appeared together on television to deliver a joint statement that sought to reduce tensions.

"We call on people to act responsibly and to stand together to calm the situation," said the joint statement, read by Mr. Hashemi.

The government's spokesman, Ali al-Dabbagh, also appeared on television with what he said was an appeal from the reclusive Shiite cleric, Grand Ayatollah Ali al-Sistani.

The ayatollah, he said, "denounced the evil attack against Sadr City and expressed his grief for the huge number of dead and injured people caused by the attack, and he is calling the people to control themselves and not to react outside the law."

The American military said Thursday that three marines were killed Wednesday while fighting in Anbar Province, a stronghold of the Sunni Arab insurgency.

Synchronized Bombings Kill 157 Around Baghdad (USAT)

By César G. Soriano,

USA Today, November 24, 2006

BAGHDAD — Gunmen, suicide bombers and mortar teams launched coordinated attacks on strongholds of radical Shiite cleric Muqtada al-Sadr on Thursday, killing 157 and wounding more than 250 in the deadliest such wave of the war.

Attackers detonated three suicide car bombs within minutes of each other in Sadr City, the Shiite slum in northeast Baghdad that is home to al-Sadr's Mahdi Army militia, said Interior Ministry spokesman Brig. Gen. Abdul-Karim Khalaf. Mortar rounds struck in two public squares in Sadr City, he said.

At the same time, bombs exploded in two parked cars in Sadr City, one behind the main office of al-Sadr's political organization, police Col. Hassan Chaloub said.

Earlier, the Health Ministry was attacked by about 30 gunmen. They fled after a 50-minute gun battle with Iraqi security forces, said Lt. Col. Christopher Garver, chief U.S. military spokesman.

Three mortar shells hit the ministry building, police Lt. Ali Muhsin said. Ali al-Shemari, the health minister, is an al-Sadr loyalist.

Before dawn, Iraqi and U.S. forces looking for a kidnapped American soldier conducted a raid through an area of Sadr City, the fourth in six days. Recent U.S. raids there have been condemned by Iraqi Prime Minister Nouri al-Maliki, a Shiite whose coalition government includes al-Sadr loyalists.

Hours after the attacks in Sadr City, Sunni neighborhoods and landmarks came under assault. Mortar rounds fell at the Abu Hanifa mosque, Baghdad's holiest Sunni shrine. One round punched a hole in the dome. Other rounds smashed into the Association of Muslim Scholars, Iraq's top Sunni political organization.

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"I would not classify the violence as escalating when the same kind of attack occurred yesterday and the day before across the country," Garver said. "It's just more sensational because of the size of the attack and where it took place."

The Iraqi government imposed an indefinite curfew in Baghdad, starting at 8 p.m. Thursday. It said all vehicles and people should stay off the streets until the curfew is lifted. Baghdad's airport was closed to commercial flights.

Senior Iraqi leaders held an emergency meeting. In a joint televised news conference afterward, President Jalal Talabani, a Kurd, Shiite leader Abdul-Aziz al-Hakim, and Vice President Tariq al-Hashimi, a Sunni, called for calm.

They said the government must revise current security plans in Baghdad to end sectarian killings and better protect civilians.

President Bush is to meet al-Maliki on Wednesday and Thursday in Jordan to discuss the security situation in Iraq. In other Iraq news:

•U.S. troops marked Thanksgiving by watching NFL football games on bases and eating roast turkey and traditional dishes in mess halls decorated with cardboard turkeys, pumpkins and pilgrims.

"You can't think too much about yourself, get too down or be a disruption to the other guys," said Marine Staff Sgt. Dominco Washington of the 3rd Reconnaissance Military Transition Team in Fallujah.

•The U.S. military on Thursday reported the deaths of three Marines, killed in Anbar province.

•The United Nations on Wednesday said 3,709 Iraqi civilians were killed in October, highest monthly total since the March 2003 U.S. invasion. July's toll — 3,590 — had been the highest.

"Hundreds of bodies continued to appear in different areas of Baghdad handcuffed, blindfolded and bearing signs of torture and execution-style killings," the U.N. Assistance Mission for Iraq report said.

Contributing: The Associated Press

143 Killed In Baghdad Sadr City Bombings (AFP)

By Ammar Karim

AFP, November 24, 2006

Insurgents have killed 143 people and wounded 220 in a series of bombings, including at least three car bombs, in Baghdad's Shiite district of Sadr City, security and medical sources said.

"Of those killed, 88 bodies are in the Imam Ali hospital and 55 in Sadr City hospital," a medic told AFP Thursday.

One car bomb exploded at a market in Sadr City, a regular target for Sunni insurgents in the sectarian conflict that has killed thousands in Iraq.

Minutes before the blasts masked gunmen launched a daring raid on the health ministry, trapping about 2,000 people inside the building.

The explosions that killed 25 people and wounded 75 in Sadr City included three car bombs, the security source said.

He said one device went off at a market, a regular target for Sunni insurgents in the sectarian conflict that has killed thousands in Iraq.

In an audacious raid about 100 masked gunmen also attacked the health ministry in central Baghdad, clashing with guards and Iraqi army soldiers, deputy health minister Hakim al-Zamili told AFP.

He was trapped in the building with around 2,000 employees.

"First a series of mortars were fired at the building from the nearby Al-Fadhel neighbourhood, and then about 100 masked gunmen holding machine guns attacked the building," said Zamili.

"About 2,000 employees are trapped in the building. I am also in the building," he added.

"The gunmen came in civilian cars and pick-up trucks and started shooting at the building and wounded a number of employees."

A security source said: "Fierce clashes are going on at this moment between the gunmen and guards of the building who are backed by Iraqi army soldiers."

"There are casualties but we do not have any details."

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On Sunday gunmen kidnapped deputy health minister Ammar al-Assafar from his home in Baghdad's northern Adhamiyah district, while Zamili himself escaped an assassination bid on Monday.

Two of Zamili's guards were killed in the ambush.

Insurgents have recently stepped up attacks against the government by targeting state-owned institutes and buildings.

On November 14 dozens of men wearing security forces uniforms assaulted a scientific research institute of the ministry of higher education and kidnapped around 150 people.

About 80 people, many of them employees of the ministry, are still believed to be hostages.

Sadr City, the impoverished district of followers loyal to radical Shiite cleric Moqtada al-Sadr, was also the site of an early morning incident involving US troops.

"US troops fired on a minibus carrying workers and killed a number of them in Al-Falah street at 6 am today," Imam Abdel Zahra al-Suwaidi from the Sadr movement told AFP.

"I condemn this shooting that targeted the workers and accuse US forces of repeating such acts which leave many victims every day," Suwaidi said.

A medic at the Sadr City hospital said four people were killed and eight wounded, including two women.

An Iraqi security source also confirmed the incident.

"US forces fired on the minibus as the vehicle was seen on the streets before the dusk-to-dawn curfew was lifted," the source said.

But the US military said that Iraqi forces fired on the vehicle during a raid to detain the leader of a kidnapping cell.

"A vehicle displaying hostile intent was identified as an immediate threat to Iraqi forces. Iraqi forces fired on the vehicle to neutralise the threat," the military said without mentioning civilian casualties.

The security source said the workers were headed to a market in the Jamila neighbourhood near Sadr City at the time.

A daily curfew is imposed on Baghdad from 9:00 pm to 6:00 am (1800 GMT to 0300 GMT).

US forces have regularly raided Sadr City to hunt for leaders of kidnapping cells who the military alleges are militiamen loyal to Sadr.

On Wednesday a UN report said that Iraq's sectarian conflict killed at least 3,709 people in October -- the highest monthly death toll since the 2003 US-led invasion.

The figures, from data provided by the Baghdad health ministry and morgues, compared with a previous high of 3,590 in July, which the United Nations called "unprecedented" at the time.

The report blamed the militias for the bloodshed.

"Hundreds of bodies continued to appear in different areas of Baghdad handcuffed, blindfolded and bearing signs of torture and execution-style killing," the report said.

"Many witnesses reported that perpetrators wear militia attire and even police or army uniforms."

The UN mission regularly received reports that security forces were either "infiltrated or act in collusion with militias, while police and military security operations continued to be based on massive sweeps", the report said.

It came a week before a meeting between US President George W. Bush and Iraqi Prime Minister Nuri al-Maliki in Jordan on November 29.

The US military said Thursday that three more soldiers were killed in Iraq, bringing its losses since the invasion to 2,866, according to Pentagon figures.

Police also recovered eight bodies near the central city of Diwaniyah, while in the restive city of Baquba 12 people were reported killed.

Assault On Iraqi Civilians Is Deadliest Since 2003 (WP)

By Sudarsan Raghavan And Nancy Trejos, Washington Post Foreign Service

The Washington Post, November 24, 2006

DOJ_NMG_0097484

BAGHDAD, Nov. 23 -- A barrage of car bombs, mortar attacks and missiles battered the Shiite Muslim slum of Sadr City on Thursday afternoon, killing at least 138 people and injuring more than 200, in the single deadliest assault on Iraqi civilians since the start of the U.S.-led invasion in March 2003.

The highly orchestrated attacks on the stronghold of anti-American cleric Moqtada al-Sadr threatened to unleash yet another cycle of reprisal killings and push the country closer to all-out civil war. The attacks, targeting the heart of Baghdad's Shiite community, seem designed to stoke the sectarian rage gripping Iraq.

Plumes of black smoke, and anguished screams, rose above a chaotic landscape of flames and charred cars, witnesses said. Bodies littered the streets and the smell of burned flesh filled the air. Relatives searched for loved ones as strangers helped the wounded reach hospitals overflowing with victims.

Meanwhile, angry Shiite residents and men from Sadr's Mahdi Army militia, wielding guns and rocket-propelled grenade launchers, roamed the streets, hurling curses and vowing revenge against Sunni Arabs.

"Our bellies are full of blood," declared Ibrahim Tabour, a resident. "We're going to fight the terrorists until the last breath."

By nightfall, violence had spread to other neighborhoods in retaliatory attacks across Baghdad, even as politicians and senior religious clerics appealed for calm. Mortar shells landed near Abu Hanifa mosque, Baghdad's most important Sunni shrine, killing 22 people and injuring 17, said Bessam al-Sammaraie, a doctor at al-Nouman Hospital in the Sunni neighborhood of Adhamiyah.

In an effort to stop tensions from mushrooming, the Iraqi government locked down the capital with an indefinite curfew and shut down Baghdad International Airport to all commercial flights. Iraqi security forces flooded neighborhoods around Sadr City to contain the violence.

The attack occurred as Sadr's supporters were commemorating the death of his father, Grand Ayatollah Mohammed Sadiq al-Sadr, one of Iraq's most revered ayatollahs, assassinated by agents of then-President Saddam Hussein in 1999. Earlier Thursday, gunmen attacked the Shiite-run Health Ministry, fighting a pitched battle against guards and trapping hundreds of employees inside until Iraqi and U.S. forces intervened two hours later.

Thursday's carnage began around 3:30 p.m., witnesses said. Six parked cars packed with as much as 220 pounds of explosives detonated in three sections of the sprawling working-class area, including a crowded marketplace, said Jihad al-Jabri, an Interior Ministry commander in charge of defusing bombs, in an appearance on state television.

As the bombs started exploding in 10- to 15-minute intervals, Katyusha rockets and several mortar shells rained on Sadr City, Jabri and witnesses said. Residents grabbed the driver of another car before he could detonate a bomb near a police station, Jabri added.

As of Thursday night, police were searching for as many as three cars filled with explosives that were part of the same plot, said Interior Ministry spokesman Abdul Kareem al-Kinani. He said some of the cars bore license plates from majority Sunni regions.

Mahdi Army militiamen sealed off parts of the slum and patrolled the streets, said Ahmed Abu Mohammed, a militiaman who asked that his full name not be used. Army Lt. Col. Christopher C. Garver, a U.S. military spokesman, said U.S. troops were not present in Sadr City at the time of the attacks. U.S. helicopters flew overhead but did not engage any targets, he said.

Shiite political and religious leaders, including Prime Minister Nouri al-Maliki, immediately blamed Sunni insurgents and Hussein's former Baathist Party loyalists for the carnage. Yet they expressed fear that the bloodletting could become a grim turning point in Iraq's post-invasion history, in the same way the February bombing of a Shiite shrine in Samarra triggered cycles of sectarian revenge killings. Since then, the violence has escalated, taking the lives of a record 3,709 Iraqi civilians in October, according to a U.N. report, the highest recorded monthly death toll since the invasion.

Shiite and Sunni leaders delivered statements on state television Thursday night, with some urging Iraq's two main sects to leash their fury.

"They wanted to abolish the memory of our beloved Sadr on the anniversary of his martyrdom," said Moqtada al-Sadr, referring to the Baathists. Addressing his followers, he added that his father would have said to them: " 'Stay united, stay together and keep your patience.' "

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"This land is your responsibility. This sect is your responsibility, and Iraq is your responsibility," Sadr continued. "Please do not lose your right after this incident with irresponsible acts."

A spokesman for the Iraqi government, Ali Dabbagh, read a statement on behalf of the country's most influential Shiite religious figure, Grand Ayatollah Ali Sistani, in which he condemned the "sinful aggression" against Sadr City and expressed "his extreme sadness for the large number of martyrs and wounded." Sistani called upon citizens "to have self-control and not conduct anything against the law," Dabbagh said.

In a show of unity, President Jalal Talabani, a Kurd, Vice President Tariq al-Hashimi, a Sunni, and Abdul Aziz Hakim, a Shiite cleric and leader of Iraq's most powerful religious party, conferred Thursday night in an emergency session. Afterward, they issued a joint statement condemning the attacks.

Describing the attacks as "an attempt to tear the fabric of the Iraqi people," Maliki said in a statement that he would not have tolerance for anyone who inflames sectarian tensions, and he urged Iraqis to have self-restraint.

As the appeals were delivered, retaliatory attacks unfolded in the capital. A dozen mortars pounded the Sunni neighborhood of Ghazaliya, killing three and injuring seven, said police Lt. Mohammad Khalil. In Maalif, a mixed neighborhood, gunmen in cars shot at Sunni houses for about 45 minutes in clashes that killed 13 people and injured 11, authorities said. The battles ended when U.S. forces arrived in 15 vehicles.

In Hay al-Amil, a mixed Sunni and Shiite neighborhood, clashes erupted between Shiite militias and residents on Janabat Street, named for a Sunni tribe. U.S. troops surrounded the Sunni neighborhood of Amiriyah to prevent retaliatory attacks. Armed groups guarded entry points to the area to keep out strangers, residents said.

Shihab Ahmed, a 24-year-old salesman, was walking toward Jamila market when he heard the first explosion Thursday afternoon. He ran to the scene to help the wounded. "There were dead people in the streets, there was blood everywhere," he recalled.

Ahmed and other residents loaded a few of the wounded into his car to take them to the hospital. Ten minutes later, as Ahmed was pulling away, a second car bomb exploded, less than 20 yards from the first bomb. Shrapnel hit Ahmed, slightly injuring his arm. "I looked back, and I saw cars burning," he recalled. "The fire was reaching the sky. A lot of people I know were killed while they were picking up bodies and helping people."

Mahdi Army militiamen helped transport the wounded to hospitals, witnesses said. Outside the overcrowded Khadisiya Hospital, the injured waited on the street for assistance, witnesses said. By the end of the evening, relatives were carrying bodies out in wood coffins, the start of a long journey to the holy city of Najaf, where Shiites are buried.

The dead included women and children, witnesses said. "I saw a child who was totally burned," Abu Mohammed said. "I saw another child who was carried by an old man."

The carnage spoke of the deepening sectarian divide and the dread that has engulfed the capital. "No one believes that any Shiite would kill their Shiite brothers. It's the Sunnis and the Americans who did this," said Kareem Hendul Miyahem, 40, a driver.

Tabour, like so many other Shiites, was thinking about revenge.

"If I catch a terrorist, I will not kill him with a weapon. I will not turn him over to the government," he said. "I'll catch him and cut him to pieces and drink his blood until the last drop."

Special correspondents Saad al-Izzi, Naseer Mehdawi, Waleed Saffar, Salih Dehema and other Washington Post staff in Iraq contributed to this report.

Iraq Strategy Takes Page From Vietnam Playbook (LAT)

By Peter Spiegel, Times Staff Writer

The Los Angeles Times, November 24, 2006

WASHINGTON — New tactics favored by U.S. commanders in Iraq borrow heavily from the end of another war that might seem an unlikely source for a winning strategy: Vietnam.

The tactics — an influx of military advisors and a speeded-up handover to indigenous forces followed by a gradual U.S. withdrawal — resemble those in place as the U.S. effort in Vietnam reached its end.

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In historical assessments and the American recollection, Vietnam was the unwinnable war. But to many in the armed forces, Vietnam as a war actually was on its way to succeeding when the Nixon administration and Congress, bowing to public impatience, pulled the plug: first withdrawing U.S. combat forces and then blocking funding and supplies to the South Vietnamese army.

If they hadn't, the South Vietnamese army, which had been bolstered by U.S. advisors and a more focused "hearts and minds" campaign in the later stages of the war, could have been able to fend off the communist North, many leading military thinkers have argued.

In their view, progress was undermined by President Nixon's decision to begin withdrawing U.S. troops in 1969 in the face of political pressure at home, despite military objections that the South Vietnamese army was not ready to go it alone. Another key U.S. mistake, they contend, was the deep cuts Congress made to military aid to Saigon beginning in 1974.

For many in the military, the lessons of Vietnam are clear: Maintain public support, and be patient.

Consciously or not, President Bush encapsulated that view during his weekend trip to Hanoi, where he was asked whether there were lessons in Vietnam for the war in Iraq. Instead of military tactics or strategy, he answered by talking about the impatience of the American public, and how success in war can be slow. "We'll succeed unless we quit," Bush said.

Differing views

The view that Vietnam could have been won if public opinion and political will had continued to support the war effort is far from universal, particularly among historians outside the military.

Stanley Karnow, a Pulitzer Prize-winning journalist who covered the war from the day the first American was killed in 1959 to its end, said Hanoi was nowhere near capitulation by 1973, when the Paris peace accords were signed.

"They're clutching at some sort of way to justify hanging on in Iraq," said Karnow, whose "Vietnam: A History" is considered by many to be the definitive account of the conflict. "The war in Vietnam, in my estimation, was unwinnable for the simple, basic reason that we were up against an enemy that was prepared to take on unlimited losses. They would have gone on fighting endlessly."

For years, the debate over the end of the Vietnam War occupied students and scholars in the military's academies and war colleges. But with the Pentagon struggling to find answers in Iraq, the lessons of Vietnam have taken on more than just an academic interest.

The course that senior military commanders now appear to be steering in Iraq closely mirrors the "Vietnamization" program implemented by Nixon and his commander in Vietnam, Army Gen. Creighton Abrams, in the late stages of the war.

Army Gen. John P. Abizaid, commander of all U.S. forces in the Middle East, laid out that path at congressional hearings last week. He said the biggest change he anticipated in the coming months was a large-scale increase in U.S. advisors.

He also said he hoped to hand over responsibility for security to Iraqi forces in less than a year — faster than Army Gen. George W. Casey Jr., the U.S. commander in Iraq, had estimated just weeks earlier — and spelled out his resistance to an increase in American combat troops.

"I believe that more American forces prevent the Iraqis from doing more," Abizaid told the Senate Armed Services Committee. "If more troops need to come in, they need to come in to make the Iraqi army stronger."

Familiar strategy

For some military experts and historians, several of whom advise the Pentagon on Iraq policy, that strategy sounded familiar, recalling Abrams' shift in Vietnam after he took over from Army Gen. William C. Westmoreland in 1968. After that revamp, an increased advisory effort and an accelerated pacification program, which included enlarging the South Vietnamese army, was finally beginning to work by the early 1970s, the military scholars argue.

Those efforts were undermined, their thesis goes, by a lack of political will at home, which forced the Army of the Republic of Vietnam (ARVN) and the Saigon government to go it alone before they were ready.

"Gen. Westmoreland preferred to fight the war with American troops; he saw the advisory effort to help the South Vietnamese as very secondary," said Kalev Sepp, a counterinsurgency expert at the Naval Postgraduate School who has traveled to Iraq frequently to advise U.S. commanders. "When Abrams took over, he turned it back around, and he emphasized the advisory system as part of the way the Americans could disengage."

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Abizaid is known to have studied Abrams' conduct of the war. Late last year, he was seen reading "A Better War," a 1999 book by Vietnam veteran Lewis Sorley that argues Abrams was winning before being let down by politicians in Washington.

Army Lt. Gen. David Petraeus, an influential former commander in Iraq who now heads the Army's system of war colleges and training centers, also studied Abrams' strategy early in his own rethinking of Iraq strategy.

Among the administration's Iraq war planners, the influence of the late Gen. Abrams has been felt before. The strategy of "clear, hold and build," in which U.S. forces remain in captured towns to provide security while reconstruction begins, was first articulated by Secretary of State Condoleezza Rice more than a year ago and closely echoes Abrams' "clear and hold" strategy implemented shortly after he took over from Westmoreland. Philip Zelikow, a close aide to Rice, has acknowledged reading Sorley's book as well.

More recently, officers steeped in Vietnam's lessons have been brought into the Pentagon by Marine Gen. Peter Pace, chairman of the Joint Chiefs of Staff, as part of his task force rethinking Iraq strategy.

Among them are Army Col. H.R. McMaster, whose doctoral thesis was on the failures of the military leadership during Vietnam, and Army Col. Peter Mansoor, head of the military's new counterinsurgency center — an organization dedicated, in many ways, to reteaching the "hearts and minds" strategies that Abrams emphasized.

Although possible recommendations are still being debated within the Pentagon, the panel is reportedly leaning toward a short-term increase in U.S. forces, perhaps as many as 20,000, followed by a significant boost in training and advising efforts for Iraqis, including an increase in the size of the Iraqi military.

Andrew Krepinevich, a military analyst and Vietnam veteran who has spoken with members of Pace's panel, noted that McMaster and Mansoor are Iraq combat veterans who are known for their expertise in irregular warfare.

"It wouldn't be a surprise at all that these people would be drawing on the Vietnam experience," Krepinevich said.

The argument that Abrams was on the right track has gained a strong following among influential military thinkers, including Sepp and Krepinevich, who have the ear of many in the Pentagon.

"There's a considerable sentiment of those who really studied Vietnam and, ideally, served there, that the approach to the war after Westmoreland left was on a new track," said retired Army Col. Stuart A. Herrington, another Vietnam veteran who has advised the Pentagon on Iraq policy. "It was a radical change in the approach to the war, and there's no question that even [former North Vietnamese] adversaries now admit that the second approach was extremely, extremely damaging to them."

Veterans of later years of the Vietnam conflict, some of whom are now in positions at the military's leading war colleges, often describe a strategy that was beginning to work even as combat forces began to withdraw in the early 1970s.

James Willbanks, a former military advisor in Vietnam who heads the history department at the U.S. Army's Command and General Staff College, argued that pacification efforts — the strategy of pushing South Vietnamese forces into the countryside to provide a physical and psychological sense of security — had largely succeeded by 1972. He adding that the ARVN was even able to hold its own without American combat troops until Congress decided to withhold military funding to Saigon shortly after U.S. troops withdrew in 1973.

"We trained them to fight like us, and then we pulled all our support out," Willbanks said, echoing sentiments of other military scholars.

Clear difficulties

These same experts acknowledge that, much like 30 years ago, any strategy that relies on U.S. forces serving as the backbone of a nascent indigenous force is fraught with military and political difficulties.

Perhaps most important, much like in Vietnam, the new strategy is being pushed after several years of large-scale combat operations that may have killed thousands of insurgents, but also alienated the local population.

In addition, the Iraqi and South Vietnamese militaries are hardly comparable. Although the ARVN was notoriously corrupt and politicized, it was a functioning institution that had been engaged in fighting the communist North for decades. Conversely, the Iraqi army is being built from scratch, and unlike the ARVN, which was clearly aligned with the government in Saigon, Abizaid noted last week that it remained unclear whether the Iraqi government sees their armed forces — rather than armed militia — as their preferred fighters.

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Perhaps more troubling, however, is that like the Abrams initiatives, which ran from 1968 through 1973, the current move to step up training of the Iraqi forces comes at a time when domestic support for war is on the wane and political winds are blowing in favor of a quick pullout of combat forces.

"There are certain things you just can't do in a military situation like Iraq or Vietnam, and if you violate these tenets, you're at great risk," Herrington said. "One of them is to take too long to figure out what you ought to be doing so the American public falters in its support."

Such fears, and the consequences of losing political backing for the war in Iraq, have colored military strategy. Senior military officials have acknowledged that maintaining domestic support for the war effort is frequently factored into planning discussions.

"Unfortunately, the timeline we see that it would take to build a fully capable, competent [Iraqi] force — and for us to feel comfortable stepping away — is longer than the timeline that we feel now our country will support," said Gen. James T. Conway, the new commandant of the Marine Corps. "So we have a little bit of a mismatch there."

Their fear is that, like the ultimately failed Vietnamization effort, an unwillingness by the American public to support the war could force the Pentagon to pull its backing from the Iraqi military before the developing forces are ready.

"The [Vietnam] war was so far along and the withdrawal was so far along that the U.S. advisory effort was losing its effectiveness," recalled retired Army Col. Walter Clark, who served as a provincial military advisor in the Mekong Delta in 1971 and 1972 before becoming commandant of the Citadel, the private military college in South Carolina. "I couldn't snap my fingers and get a bunch of helicopters the Vietnamese might need."

Lessons learned?

Despite the hurdles, the signs that the administration is heeding the lessons of Vietnam, as prosecuted by Abrams, are increasingly apparent.

Bush himself, as recently as June, told a White House news conference that he saw no parallels between the two wars. More recently, however, in addition to his comments in Hanoi, Bush acknowledged in an interview with ABC News that American setbacks in Baghdad may be comparable to the Tet offensive, the 1968 battle between American forces and Viet Cong guerrillas generally seen as the point where public opinion turned against the war.

But even among Abrams' advocates, there is a nagging concern that, even with the relearning of Vietnam's lessons, it may still turn out to be too little, too late.

"Having wasted more than three years … pursuing a flawed strategy, the Pentagon lost the support of the American population and was not given the time to get it right, even when it was clear that Gen. Creighton Abrams' pacification and Vietnamization approach might have worked," Herrington wrote in a recent issue of Parameters, the journal of the U.S. Army War College.

"Sound familiar?"

*

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Times staff writer Julian E. Barnes contributed to this report.

US Involved For Longer Time In Iraq Than In World War II (AFP)

By Jerome Bernard

AFP, November 24, 2006

The US involvement in Iraq will pass another sad milestone on Sunday, when it overtakes the length of America's engagement in World War II.

While the two wars are far apart in character -- and in their death tolls -- the Iraq campaign has become a symbol of the pitfalls of the new style of conflict.

World War II ended for Americans after 1,348 days. US soldiers facing a still largely unknown enemy in Iraq do not know when their country will leave, more than three years after the US-led invasion.

American politicians have not failed to note the symbolism.

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"I remember the (World War II) period well," Senator John Warner, Republican chairman of the Senate Armed Services committee, who served as a sailor during the war, said at a hearing last week on Iraq.

"I note that on November 26, 2006 this year, but a few days away, our involvement in Iraq will surpass the length of this historic World War II period," Warner said.

The committee's top Democrat, Senator Carl Levin, pointed to the Iraq war's length as he pushed for a phased withdrawal of US troops within four to six months.

"We are three and one-half years into a conflict which has already lasted longer than the Korean conflict and almost as long as World War II. We should put the responsibility for Iraq's future squarely where it belongs: on the Iraqis. We cannot save the Iraqis from themselves," Levin said.

America's involvement in World War II started with Japan's air raid on US Navy ships in Pearl Harbor on December 7, 1941.

The European war ended with Germany's surrender on May 8, 1945, while the Pacific operations ended August 15, 1945 with Japan's surrender.

According to Defense Department figures, more than 2,860 US soldiers have died in Iraq since the March 2003 invasion. More than 21,000 have been wounded, according to the independent website Iraq Coalition Casualties.

The grim figures do not compare with the US military casualties in World War II, when 406,000 American soldiers died and 671,000 were wounded, according to official US statistics.

"It is an entirely different affair, because it is the same length of time but a far smaller level of national effort," Geoffrey Wawro, a history professor at the University of North Texas, told AFP.

"Expenditures have been lower, there has been no conscription, no draft to bring in the bulk of the society, so the experience of the war has been confined to a small professional army," Wawro said.

During World War II, Americans were forced to tighten their belts, while US President George W. Bush has pursued his tax-slashing policy during the Iraq war, he said.

"During the Second World War, you would have had tax increases, you would have had austerity, you would have had rationing, and so the experience of war would have been deeply felt," Wawro said. "Here, it is very superficially felt."

Iraq war critics use Sunday's milestone "to show that this has not been the cakewalk that George W. Bush and his acolytes pretended it would," the historian said.

Americans still remember Bush proclaiming on May 1, 2003 the end of "major combat operations" in Iraq on the flight deck of the USS Abraham Lincoln aircraft carrier. Behind him was a banner stating: "Mission Accomplished".

Wawro said that there was a "sense of amazement and bewilderment at the length of this war" and that its supporters said it would be short and not paid for by US taxpayers.

"In fact, it is long, and it is American-financed," said Wawro. "They are pointing out that this war, that was supposed to be a lightning campaign, has become more like World War II, a war of attrition."

WWII Vets Fought A Different Kind Of Fight Than Those In Iraq (USAT)

By Oren Dorell,

USA Today, November 24, 2006

William Guise, an Army infantrymen in World War II, spent months crawling on his belly to avoid enemy fire while fighting in Europe.

German shells landed so close that shrapnel snapped his rifle in two, destroyed his pistol and slashed the back of his jacket.

MORE: Iraq reaches WWII benchmark

Unlike insurgents in Iraq who often fire on U.S. troops evacuating their wounded, "the Germans treated us pretty decently," says Guise, 82, a resident of Arlington, Va., who fought with the 83rd Infantry Battalion. "When we'd have wounded, they'd have a cease-fire and clean all the wounded off the battlefield."

On Sunday, the Iraq war will have lasted 1,347 days, the length of direct U.S. involvement in WWII. Veterans of that war six decades ago describe a very different experience from that of recent veterans.

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Brian Linn, a historian at Texas A&M University, says the Pentagon used the post-WWII occupation of Germany as a partial model for Iraq. But the swift success of the initial Iraq invasion made this war much different than WWII.

"Germans knew they were defeated," Linn says. "The Sunnis didn't think they were defeated."

In WWII, U.S. forces went toe-to toe against men in uniform with thousands of infantry troops, tanks, ships and planes.

In Iraq, the U.S. military is up against terrorists and fighters who dress and look like civilians. Everyone is a potential enemy.

Civilians were not involved in the fight in WWII like they are in Iraq, but they were often "in the way" and died in great numbers, says Richard Stewart, chief historian at the U.S. Army Center of Military History in Washington.

"We had no choice but to roll over them if we were to accomplish our objectives," Stewart says.

In Iraq, minimizing civilian deaths is crucial to achieving the political objective of the war, he says.

Nathaniel Haynes, 80, of Portland, Ore., manned a 5-inch gun on a destroyer in the Pacific. Battles were different then, he says.

"The Japanese were shooting at the Marines, and they were cutting them down just like grass," Haynes says of beach invasions. "When you're on the ship, you see all those bodies, but you can't do anything about it."

Technology has changed, too. In WWII, hundreds of unguided bombs were dropped from planes to hit a single target. Today, one guided missile can do the job. Communication has gone from Morse code to encrypted satellite radios.

John Mallon, 81, of Arlington, Va., recalled going on beach raids in the Pacific for the Navy, carrying a radio that had a manual generator. "You had to crank it and keep cranking to keep the power up," he says.

Iver Burke, 87, a farmer from Fruitland, Wash., who served with the Army's 106th station hospital in Italy and Okinawa, says getting to the war zone was more perilous.

"We went over on ships and trains and trucks," Burke says. "The submarines were a threat then."

Arno Christopher, 83, of Seymour, Ind., spent nearly three years in Europe with the Army's 264th Field Artillery Battalion. Unlike today, when U.S. troops deploy for periods of several months to more than a year, no one in WWII knew when or how they'd return home, Christopher says.

"They were there until (German) surrender or whatever was going to happen," Christopher says.

World War II looked a lot different on the home front as well, Stewart says. Rationing affected the availability of tires, new cars, nylon stockings and gasoline. In contrast, the Iraq war has done little if any harm to the economy, Stewart says.

Herb Zumhingst, 82, of Seymour, Ind., was a second lieutenant in the Air Force, training to fly B-29 bombers in Texas when World War II ended. His father's lumber mill and construction business in Indiana practically shut down because of government restrictions on new construction.

Women worked in factories to replace men who had gone to war. Ford plants stopped making cars and built B-24 bombers. People planted "victory gardens" to replace farm-raised vegetables that were sent overseas.

"Everybody was for one thing, and that was to win the war," Zumhingst says.

As for the reaction when he made it home: "You couldn't go into a bar and buy a drink ... they'd buy it for you."

Under Fire, US Marines Hand Off Battered Fallujah (CSM)

By Scott Peterson, Staff Writer Of The Christian Science Monitor

The Christian Science Monitor, November 24, 2006

Just 300 marines now patrol key Sunni city as Iraqi military takes over.

FALLUJAH, IRAQ

From Observation Post Blazer, marines view Fallujah through a thick sheet of bullet-proof glass - already tested with numerous impacts. Or they stare through night-vision goggles or a thermal imaging scope that can pick up the heat of a dog hundreds of yards away.

The marines still patrol key roads. The US military, which still travels boldly through town despite a surge in deadly sniper attacks and roadside bombs, is spending $200 million on 60-plus projects to rebuild the city, heavily damaged in fighting two years ago.

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But with just 300 marines, the US military footprint is smaller in this Sunni stronghold of more than 300,000 than it has been in two years. As the marine presence shrinks and Iraqis take more control, Fallujah - once a template for counterinsurgency efforts in Iraq, where US forces have controlled all the variables - is likely again to set a standard for the rest of the country.

"A lot of us feel like we have our hands tied behind our back," says Cpl. Peter Mattice, of Bravo Company, 1st Battalion, 24th Marine Regiment. "In Fallujah, [insurgents] know our [rules of engagement] - they know when to stop, just before we engage."

During this transition, frustration runs deep in this fortified bunker, and at a handful of posts that now dot Fallujah. They are designed to watch the main roads where marines travel, to prevent the laying of roadside bombs.

Here echo the conclusions of a report written by the chief of intelligence for the Marine Corps in August, and first described by The Washington Post, which determined that there is little the military now can do to improve prospects in insurgent-riddled Anbar Province, which includes Fallujah.

"They say we are here to win the hearts and minds of the Iraqi people, but I just don't see that happening," says Corporal Mattice, of Gladwin, Mich. OP Blazer is perched on the northern edge of the city, looking due south down a main street known to the marines as Ethan, site of numerous roadside bombs.

"As soon as we leave, I'm afraid that the insurgents will take over.... They watch us, as we watch them," says Mattice, echoing the fears of Fallujans who, while unhappy with the marine presence, are far more worried that a hurried US departure will leave them vulnerable to Sunni militants, and exposed to sectarian killings.

That fear has been fueled by a spike in insurgent attacks since summer, against both Iraqis and US troops. The 1/24 Marines, a reserve unit headquartered in Detroit and recently arrived, suffered nine dead and more than 40 seriously wounded in their first month in Iraq. Another marine died Sunday from a roadside bomb.

Since August, an assassination and intimidation campaign here has also killed the head of the city council and another prominent member; numerous policemen - including the deputy police chief - and contractors and workers on US-funded projects have also been murdered.

The numbers underscore the dilemma for marines in Fallujah, and for US troops across Iraq, as they begin to pull back and hand more responsibility to Iraqi forces.

The 300 marines here are attacked five to eight times each day. That presence is a significant drop from the 3,000 marines posted here in March 2005, and the 10,000 that took part in the late 2004 invasion.

Another metric: Officers say the number of direct fire incidents against US forces has shot up 650 percent in the past year. Three marines had been hit by snipers in one 48-hour span earlier this week.

"It is no secret," Col. Lawrence Nicholson told the Fallujah City Council during their regular Tuesday meeting. "My mission is to do less, every single day, as Iraqi forces do more."

Fallujah was the test case counter-insurgency invasion in November 2004 - effectively destroying the city to root out insurgents in the biggest urban battle for US marines since Hue City in Vietnam in 1968. Fallujah later became the model for a "go and stay" strategy attempted in cities along the Euphrates in the fall of 2005, which the August intelligence report found to have failed.

Senior officers now refer to Fallujah as a "gated community" - putting a deft gloss on the fact that Fallujah has for two years had only six entry points, and entering Iraqi residents still require US-issued biometric cards with retinal scans and fingerprints on file.

But among those Iraqi residents are 150 newcomers a week, fleeing the sectarian violence in Baghdad to a known "Sunni safe haven," in the words of one officer. Others say hundreds of highly trained insurgents, Iraqis from outside Fallujah, have also recently moved in to step up attacks.

"Fallujah has an iconic value to the Marine Corps," says Colonel Nicholson, commander of the Regimental Combat Team 5, which covers Fallujah and a populated swath of Anbar Province, in an interview. "Fallujah falling [to insurgents] would be like Iwo Jima falling to the Japanese again after World War II - it would be intolerable."

Preventing that from happening is a top priority for the Bravo and Charlie companies of the 1/24 that are now in Fallujah. But local Iraqis know the territory better than US forces ever will.

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"The insurgents are creative and have advantages," says Maj. Jeffrey O'Neill, the Bravo Company commander from Novi, Mich. "If the Chinese invaded your [American] neighborhood, you would know where to hide, which dumpster behind the 7-11 to stash things. If we don't catch them red-handed, they will probably be on the street again."

Many prisoners were released by the Iraqi government in August amnesties, notes Major O'Neill, and the rules are changing: Even if someone is found with a sack full of washing machine timers that could be used to trigger bombs, unless explosives and a black mask are found too, it may not be enough for an arrest.

The insurgents are also proving agile. On Monday, for example, elements of two US battalions - the 1/24 and 2/6 - staged "Operation Talon," which swept a series of garages and rural areas a few miles north of Fallujah. As many as seven cells were thought to work from the area, using it as a staging post for attacks on the city.

A round-up of everybody in the area-776 men - netted just 13 detainees after full processing, and none were considered high-value targets. But two Shiite hostages were found and released; they had been told by their Sunni captors they would be executed later that same day. Some small weapons caches were also found, and several thousand ball bearings, along with steel plate apparently used to test their armor penetration in home-made mines.

"I don't think [insurgents] have succeeded as much as they would like, but they gave it all they had before the US election to influence people," says Maj. Christopher Kolomjec from Grosse Pointe, Mich. "It is hard for us to know the real support [of the US] of the Fallujah people, because if they are seen to support us, they will have their head cut off tomorrow."

"Each precinct in Chicago or Detroit, makes 100 to 150 arrests per night per 300,000 people," says Major Kolomjec, a lawyer who notes that Fallujah's population is similar. "Here you take 12 to 40 people per day, and people are up in arms. You can't expect stability, when you are not even doing the same level of policing as Detroit."

Another source of frustration: Pursuit in mosques is forbidden without the presence of Iraqi Army units. Marines say some of Fallujah's 76 mosques are used to hide weaponry. Some broadcast messages such as, "God help us defeat the Americans."

"Many would ask: What other war would we allow the enemy to broadcast calls for our defeat, for the sake of cultural sensitivity?" says O'Neill.

But even as insurgents step up the violence, marines make themselves harder-to-hit targets.

"No, it's not worth it," says 1st Sgt Andrew Tomelleri, of Kansas City, when news came of the death and injuries from another roadside bomb. The three-time Iraq veteran had been at the exact location a day earlier. Such patrols are seen as "magnets" for IEDs.

"But it would be [worth it], if we could fight them muzzle to muzzle, man to man," says Sergeant Tomelleri. "They know they can't beat us that way."

Some Fighters In Iraq Adopt New Tactics To Battle U.S. (NYT)

By Edward Wong

The New York Times, November 24, 2006

FORWARD OPERATING BASE CALDWELL, Iraq, Nov. 23 — Sunni Arab militant groups suspected of having ties to Al Qaeda in Mesopotamia have established training camps east of Baghdad that are turning out well-disciplined units willing to fight American forces in set-piece battles, American military commanders said Thursday.

American soldiers fought such units in a pitched battle last week in Turki, a village 25 miles south of this Iraqi Army base in volatile Diyala Province, bordering Iran. At least 72 insurgents and two American officers were killed in more than 40 hours of fighting. American commanders said they called in 12 hours of airstrikes while soldiers shot their way through a reed-strewn network of canals in extremely close combat.

Officers said that in that battle, unlike the vast majority of engagements in Diyala, insurgents stood and fought, even deploying a platoon-size unit that showed remarkable discipline. One captain said the unit was in “perfect military formation.”

Insurgents throughout Iraq usually avoid direct confrontation with American troops, preferring to use hit-and-run tactics and melting away at the sight of American armored vehicles.

Lt. Col. Andrew Poppas, commander of the Fifth Squadron, 73rd Cavalry, a unit of the 82nd Airborne Division, said in an interview that the fighters at Turki “were disciplined and well trained, with well-aimed shots.”

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“We hadn’t seen anything like this in years,” he said.

The insurgents had built a labyrinthine network of trenches in the farmland, with sleeping areas and weapons caches. Two antiaircraft guns had been hidden away.

Insurgents were apparently able to establish a training camp after American forces moved out of the area in the fall of 2005, Colonel Poppas said. Sunni Arab militants there belong to the fundamentalist Wahhabi strain of Islam and are believed to be led, at least in part, by a man known as Abu Abdul Rahman, an Iraqi-Canadian who moved from Canada to Iraq in 1995 after marrying a woman from Turki, he said.

Abu Abdul Rahman was mentioned on some jihadist Web sites as a possible contender for the leadership of Al Qaeda in Mesopotamia after the group’s founder, Abu Musab al-Zarqawi, was killed in an American airstrike in Diyala Province in June, said Capt. Mike Few, commander of A Troop, Fifth Squadron.

Senior commanders training Iraqi Army units here say other rural areas of eastern and central Diyala where American forces have had little oversight have been transformed into camps similar to the one at Turki. The “graduates,” many of whom belong to an umbrella group called the Sunni Council, then spread to urban areas like Baquba, the provincial capital, said Maj. Tim Sheridan, an intelligence officer. Sectarian violence is rampant in Diyala, where Sunni and Shiite militants are vying for control.

The battle at Turki began after Colonel Poppas and other soldiers flew over the area on a reconnaissance mission on Nov. 12. From the helicopters, they spotted a white car covered by shrubbery and a hole in the ground that appeared to be a hiding place. The colonel dropped off an eight-man team and later sent other soldiers to sweep the area.

Gunfire erupted on Nov. 15 when one unit ran into an ambush. The fighting eventually became so intense that the Americans called in airstrikes. An American captain and a lieutenant, both West Point graduates, were killed by insurgents in separate firefights.

Searing Memories Of A Brush With Death In Iraq (LAT)

By Tony Perry, Times Staff Writer

The Los Angeles Times, November 24, 2006

A Marine recalls being hit by a bullet during an ambush. Such attacks are rising as insurgents shift from bombings.

CAMP PENDLETON — When he closes his eyes, Marine Cpl. Christopher Shelhamer can feel the bullet that tore through his body when he was ambushed while on routine foot patrol outside Fallouja, Iraq.

"I can feel the red-hot metal ripping me," he said. "It was like being hit from behind by a baseball bat."

Shelhamer fell hard to the ground and his fellow Marines sprayed bullets in a short but furious firefight with the unseen gunman 100 yards or more away.

Ambush attempts of the type that felled Shelhamer are becoming more common, Marines say, as insurgents shift tactics away from face-to-face battles or total reliance on hidden roadside bombs. Some of the attacks, like the one on Shelhamer and his platoon, are "spray and pray" assaults, from concealed positions, with insurgents firing AK-47s or Soviet bloc machine guns.

Other cases are classic sniper assaults — one shot, one kill — from hundreds of yards away, accomplished with high-power scopes and Chinese- or Russian-made sniper rifles.

In both instances, the insurgents' apparent primary aim is not to win battles but to inflict casualties, in hopes of undercutting the morale of troops in the field and the American public.

Much of the insurgent propaganda, including film snippets on the Internet, involves ambush attacks on American troops, U.S. military officials say.

One such snippet showing an insurgent sniper killing an American soldier aired on CNN, angering some politicians who believe it only served to further the insurgents' propaganda.

"He cannot openly oppose us or let his identity be known to his own people," Maj. Sean Riordan said, discussing insurgents in an interview from Fallouja. "He is purely violent for violence's sake and because it plays well on blogs, websites and the new media that are available to him."

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Riordan is executive officer of the 2nd Battalion, 8th Regiment, which has had Marines killed and wounded by sniper attacks. In response, the battalion has stepped up counter-sniper tactics, including raiding sniper nests and killing or capturing snipers and capturing their weapons.

While there is no sure-fire way to neutralize attacks from ambush, Marines are far from defenseless, Riordan said. "First and foremost, we make ourselves hard to kill," he said.

At the Marine base in Twentynine Palms, all Iraq-bound battalions go through a training course called Mojave Viper, which puts an emphasis on the threat posed by insurgent snipers and others who attack from ambush.

"We train very heavily toward this," said Brig. Gen. Douglas M. Stone, commander of the Marine Air-Ground Task Force Training Command, who added that specific tactics and techniques that have been perfected during the Iraq war are classified and cannot be discussed.

Stone believes the insurgents are switching to snipers and other ambush attacks because of the declining success of roadside bombs. "It's a growing threat, but it's one we anticipated," he said. "We're not worrying about it. We're just adapting."

After multiple surgeries and months of arduous rehabilitation, Chris Shelhamer is also adapting. He walked a mile the other day, but he probably never again will be able to carry hundreds of pounds over rough terrain for hours on end.

"I'm pretty much useless to the infantry now," said Shelhamer, 24, who was on his third tour in Iraq with the 3rd Battalion, 5th Regiment.

A personnel board is evaluating Shelhamer's case and will probably recommend that he be given a medical retirement.

He's thinking of returning to school, possibly Williams Baptist College in Arkansas, which he attended for two years before enlisting.

For now, Shelhamer and his wife, Amanda, live in a tidy duplex on the western edge of sprawling Camp Pendleton. Amanda, 23, is pregnant with the couple's first child and works at a local tanning salon.

Chris does four to six hours of therapy a week, stretching and exercising muscles that have been damaged or atrophied. The bullet that ripped through the lower left side of his back narrowly missed his spine. Otherwise he might be paralyzed.

Shot Jan. 20 as his platoon patrolled a rural area outside Fallouja, he was rushed to an emergency aid station and then to a bigger medical facility at one of the larger bases.

As he was being taken to surgery, medical personnel called his wife at her parents' home in rural Arkansas and handed him the cellphone. "I just told her, 'Babe, I've been hit. I got all my limbs. It hurts too much to talk. Goodbye,' " he said. "That's all I remember."

By Jan. 26, Shelhamer had been airlifted to the Naval Medical Center next to San Diego's Balboa Park, where he was reunited with Marines from his battalion who had been wounded in earlier fights. The Marine Corps flew his wife and mother to San Diego the same day.

His recovery is steady but slow. "He can't walk too far before the swelling and pain gets him and he has to stop and sit down," his wife said. "That's hard for any man to accept, especially a Marine."

On Shelhamer's back is a tattoo with the names of five of his buddies killed in Iraq.

He said he would be willing to return to Iraq for a fourth tour.

"I wouldn't mind going back to teach young Marines how to come back alive."

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White House Denies News Reports That Cheney Is Visiting Iraq (USAT/AP)

USA Today/AP, November 24, 2006

BAGDHAD (AP) — The White House denied Iraqi television reports that U.S. Vice President Dick Cheney made an unannounced visit to Baghdad on Thursday.

David Almacy, a White House spokesman in Washington, said Cheney was not in Iraq and that his only currently planned travel to the region is the previously announced trip he will make to Saudi Arabia on Friday to meeting the next day with King Abdullah to discuss developments in the Middle East, including Iraq.

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State-run Iraqiya TV and the private Al-Arabiya TV station reported that Cheney had arrived in the Iraqi capital on Thursday morning, apparently to visit American troops for the Thanksgiving holiday.

But U.S. Embassy and U.S. military officials in Baghdad couldn't confirm that, and it became clear later that the reports were erroneous.

For security reasons, previous visits to Iraq by U.S. President George W. Bush, Cheney and other high administration officials have not been made public in advance, but have been disclosed immediately upon their arrival — regardless of whether they were accompanied by reporters or traveling without a press contingent.

For example, U.S. Attorney General Albert Gonzales traveled unannounced and without reporters to Iraq in August, but his visit was disclosed to the media in Baghdad and Washington immediately upon his arrival.

DOJ:

Justice Takes In Record $3.1 Billion In False Claims Cases (FEDTIMES)

By Elise Castelli

Federal Times, November 22, 2006

The Justice Department collected a record amount of money from false claims lawsuits in fiscal 2006.

Case settlements and judgments brought the government $3.1 billion from companies accused of fraud against the government. The previous record was $2.2 billion, set in 2003.

"These record recoveries send a clear message that the Justice Department will not tolerate fraud against the government," Attorney General Alberto Gonzales said in a statement.

Whistleblower lawsuits accounted for $1.3 billion of the recoveries, with the whistleblowers themselves collecting a total of $190 million for their efforts.

Health care fraud made up 72 percent of recoveries. Included in the $2.2 billion recovered from abuses of Medicare, Medicaid and the federal employees' benefits programs, is a $920 million settlement with Tenet Healthcare Corp., the second largest hospital chain in the country. Tenet was accused of inflating the costs of patient treatment and paying kickbacks to physicians for patient referrals.

The second largest settlement in 2006 was a defense procurement fraud settlement with the aviation giant Boeing Co. for $565 million.

Boeing's settlements stemmed from two cases. The first was the Darleen Druyun case, where the company allegedly offered Druyun a job after her retirement from the Air Force while she was handling the company's procurements, a violation of procurement law. The second case involved allegations Boeing illegally obtained competitor Lockheed Martin's proprietary and competition-sensitive information in order to win defense contracts.

Lost Opportunity (WT)

The Washington Times, November 24, 2006

Regarding the confirmation process of circuit-court nominations, Republicans were rightly aghast over actions of the Democratic-controlled Senate during the 107th Congress (2001-2002). The Senate confirmed only 17 of President Bush's 32 nominations to the circuit courts of appeal. As the 109th Congress approaches adjournment, conservatives should once again be aghast over the confirmation record of circuit-court judges. This time, however, much of the blame must be shared by outgoing Senate Majority Leader Bill Frist and the White House.

According to data compiled by the Justice Department's Office of Legal Policy, if no more circuit-court nominees are confirmed, the Republican-controlled Senate will adjourn leaving 16 circuit-court vacancies unfilled. Thus, the vacancies of the Frist Senate will exceed by one the number that were returned by the 107th Congress under the control of then-Majority Leader Tom Daschle and then-Judiciary Committee Chairman Patrick Leahy. So far, moreover, the Democratic-controlled 107th confirmed more circuit-court nominees (17) than the Republican-controlled 109th (15). And Mr. Frist considers himself presidential timber?

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Yes, Democrats continued to play an obstructionist role in the 109th. But they were in no position to bottle up appellate-court nominees by refusing to hold hearings for some of them or by declining to cast a committee vote after a hearing or by failing to schedule a nomination for debate on the Senate floor after a favorable committee vote was cast. When Democrats regained majority status after Sen. James Jeffords defected from the Republican Party in May 2001, they exploited variations of all three tactics during the 107th Congress. Throughout the 108th Congress (2003-04), after Republicans regained a slight majority (51-49) in the 2002 elections, Democrats resorted to an unprecedented campaign of filibustering to block circuit-court nominees. A major logjam was broken in the late spring of 2005 when the so-called Gang of 14 (seven Democrats and seven Republicans) responded to threats by the Republican leadership to invoke the "nuclear option," which would have used parliamentary tactics to end judicial filibusters. The deal brokered by the Gang of 14 opened the door to the confirmation of five of the 10 nominees filibustered by the Democrats. The Senate confirmed 10 others.

The White House has not even bothered to submit nominations for six of the 16 circuit-court vacancies, including the seat on the 3rd Circuit formerly occupied by Samuel Alito, who was confirmed to the Supreme Court in January. The Senate hasn't bothered to hold hearings for five of the other 10 vacancies. In January, Mr. Leahy will reclaim the gavel at Judiciary, and Harry Reid will be in charge of scheduling floor votes. On the crucial issue of circuit-court nominations, the 109th Congress was a lost opportunity.

Understaffing Impedes Justice Program Classifying Documents (FEDTIMES)

By M.Z. Hemingway

Federal Times, November 22, 2006

The Justice Department doesn't have enough staff to run a program that classifies documents, a shortage that puts sensitive information at risk and limits important information-sharing among agencies, according to congressional auditors.

Justice, the third largest classifier of information in the federal government, has 13 full-time positions devoted to information security, according to a Government Accountability Office report. By comparison, the fifth-largest classifier — the Energy Department — has 23 full-time positions. At Justice, one employee oversees classification training programs across the department while three employees oversee compliance at 3,500 department locations.

In 2004 and 2005, the National Archives' Information Security Oversight Office, which oversees all agencies' classification management programs, recommended 10 changes to correct information-sharing problems at Justice and 12 changes at the FBI. FBI has taken action on 11 of 12 recommendations while Justice has taken action on five of 10.

"DOJ, however, has taken no action on the most important recommendation: addressing its staff shortages, which continue to place its program at risk given that it sets policy, provides training and oversees classification practices departmentwide," the report said.

Justice needs a complete work-force strategy for managing classified information because it hasn't determined how much staff it needs or a plan for where to put additional employees first, the report said. For instance, if Justice were to receive more funds for employees in the classification management division, it doesn't know whether to address training, oversight or other program gaps first.

The department's Security and Emergency Planning Office expects to add nine staff members — five full-time employees and four contract employees — to the 13 it has, pending approval of funds. Justice is also waiting for the results of an interagency working group that sets governmentwide standards for sensitive but unclassified information before considering any changes to its practices. Results are due from the group by the end of the calendar year.

Attorney General Speaks To U.S. Air Force Academy Cadets (AFLINK)

By Butch Wehry

Air Force Link, November 22, 2006

11/22/2006 - U.S. AIR FORCE ACADEMY, Colo. (AFPN) -- U.S. Attorney General Alberto Gonzales told cadets here Nov. 18, that terrorists will not rise to the example of the United States. The judge addressed civil liberties and war on terrorism issues during his lecture to 700 cadets.

"The United States has rightfully positioned itself in this conflict and other conflicts

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throughout history as a mature and moral leader -- an example to follow," the attorney general said.

"Yet we know that the fair and humane treatment of the detainees at Guantanamo will have absolutely no effect on how their confederates treat our soldiers and civilians," he said.

Al qaeda seeks to employ weapons of mass destruction as a means of achieving political goals against both the civilian and military capacity of the United States, Europe and American allies throughout the world, Attorney General Gonzales said.

"Its members continue to fight our Armed Forces on battlefields around the world, and they will continue to do so until we stop them," said Judge Gonzales, who attended the U.S. Air Force Academy for two years in the mid-1970s.

"Al qaeda has committed acts on a scale that transcends mere crime, as recognized by NATO immediately after the attacks of September 11th. Their crimes are therefore nothing less than war crimes. Given the magnitude of the atrocities al qaeda has committed, there can be no comparison between the crimes of its members and that of common civilian criminals."

The terrorist members do not and will not obey international law, the law of war or the moral laws of humanity, he said.

"In treating terrorist detainees humanely, we accept that there will be no reciprocity on

these issues," he said. "But we do it because of our values as a nation, and because the United States has always stood, and continues to stand, for the rule of law in the world."

Today's war is also fought at home by the law enforcement community that he is now a part of, Judge Gonzales told the cadets.

"From the prosecutors and investigators at the Department of Justice and the FBI to state and local police -- for all of us, just as it is for all of you, every day is Sept. 12," he said.

America's surveillance program is not damaging the civil rights of its citizens, Attorney General Gonzales told cadets.

The speaker told the cadets majoring in law and political science that the country's surveillance does not invade Americans' privacy.

"It protects citizens from terrorist attacks," he said. "Critics who say otherwise are perpetuating myths."

Since his time at the academy there have been many important changes, including the admittance of women, he noted.

"But some things have not changed and should not change ... such as the continued value of academy graduates in insuring the safety of our country from enemies across the world," he said.

CORPORATE SCANDALS:

Corruption Probes Threaten Germany's Image (WSJ)

By Mike Esterl

The Wall Street Journal, November 24, 2006

Siemens, DaimlerChrysler Get Caught Up in Inquiries; A Backlog of Court Cases

FRANKFURT -- Germany Inc. is churning with charges of corruption and deceit, threatening to undermine perceptions that the world's third-largest economy is one of the cleanest places on earth to do business.

Front and center is Siemens AG, the engineering conglomerate enmeshed in a widening cross-border probe into alleged fraud and possible bribery. German prosecutors Wednesday said that they had unearthed €200 million ($257 million) in suspicious transactions after more than 200 police officers searched about 30 offices and homes of Siemens employees last week and seized 36,000 documents. Prosecutors say six suspects are being held in jail. Siemens says it is cooperating in the investigation.

The probe comes as several other German industrial titans have been buffeted by corruption probes. Prosecutors yesterday charged a former manager of auto maker DaimlerChrysler AG for allegedly cheating the company out of €40 million. The company itself is under investigation by the Securities and Exchange Commission and the Justice Department amid allegations it maintained secret bank accounts around the world to bribe foreign government officials. The company has acknowledged making "improper payments" in Africa, Asia and Eastern Europe, and has dismissed or suspended several employees.

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Wednesday, the European Commission accused German utility E.On AG of tampering with evidence related to an antitrust investigation -- an accusation E.On says is unjustified.

In September, a Munich court sentenced a former purchasing manager at BMW AG to three years in prison after he admitted accepting bribes from suppliers seeking to do business. A BMW spokesman described the case as an "isolated" matter that didn't represent any trend or reach top management.

The recent wave of scandals comes nearly a decade after Germany beefed up its laws and increased sentencing guidelines to crack down on corporate corruption -- moves that included the elimination of legislation that had allowed companies to write off international bribes as expenses. More than 90% of Germany's publicly listed companies have agreed to follow tougher corporate-governance rules introduced in 2003.

But there are signs white-collar crime in Germany is getting worse. German authorities documented 89,224 corporate crimes in 2005, up 10% from the year before. And German companies surveyed this year by KPMG LLP estimated that about 80% of white-collar crimes go unreported. Wolfgang Schaupensteiner, senior corruption prosecutor in the country's financial capital, Frankfurt, thinks even that number is too conservative and pegs it at closer to 95%.

Mr. Schaupensteiner says his four-person team of special prosecutors has more than 500 suspects in the pipeline. German courts also have a backlog of cases -- including one involving charges that two Siemens officials paid €6 million in bribes to secure business in Italy. "We don't have enough hands," Mr. Schaupensteiner says.

Some industry analysts note that competitive pressures in the auto industry, where Germany is home to several big players, create potential for rising corruption. Auto makers working to keep prices low are increasingly buying more parts from outside suppliers in Eastern Europe and Asia.

"When you owned your own system, who were you going to bribe?" says Lars Holmqvist, chief executive of the European Association of Automotive Suppliers in Brussels. He said roughly 75% of the value of a typical new car today comes from materials or items furnished by suppliers, up from about 20% 50 years ago.

Germany enjoys the 16th-best rating on Transparency International's Corruption Perception Index of 163 countries, putting it behind nations such as Finland and New Zealand but slightly ahead of Japan and the U.S. To date, it hasn't been hit by a scandal on the scale of an Enron Corp., the U.S. energy firm that collapsed amid accounting fraud. But Germany is also the world's leading exporter, and some cases have focused on whether bribes were paid in less-developed countries.

Transparency International recently suspended Siemens's membership in the nongovernmental watchdog group following a string of allegations linking the conglomerate to bribery. "We have to find out if they're really doing their homework," says Caspar von Hauenschild, a Transparency International board member in Germany.

German prosecutors, working in conjunction with Italian and Swiss authorities, said Wednesday that six people were under arrest as part of a suspected criminal ring inside Siemens that carried out repeated fraud through secret bank accounts set up in other countries. Investigators last week said they suspected money was being diverted to pay bribes for business contracts.

Authorities searched the offices of Klaus Kleinfeld, the chief executive, and other members of Siemens's management board last week as part of the probe. Mr. Kleinfeld is being treated as a witness, not a suspect, according to German prosecutors. But prosecutors also have confirmed that one of the employees jailed is Michael Kutschenreuter, the head of Siemens's real-estate division and the former chief financial officer of its telecommunications unit. Mr. Kutschenreuter couldn't be reached for comment.

Siemens yesterday said that it was setting up a task force to improve internal controls, and it plans to strengthen its existing business-conduct code. Last week, it announced it would hire an ombudsman.

Other German companies also are taking additional steps. Car maker Volkswagen AG, fighting fallout from a 17-month investigation into alleged bribery of top union officials, appointed two ombudsmen earlier this year to collect tips on potential wrongdoing from company whistle-blowers. DaimlerChrysler has established a "corporate compliance operations" department to ensure anticorruption laws aren't broken.

---- Stephen Power in Frankfurt, David Crawford in Berlin and Glenn R. Simpson in Brussels contributed to this article.

Eon Faces EU Fine Over Break-in Allegation (FT)

DOJ_NMG_0097499

By George Parker, Ralph Atkins

Financial Times, November 23, 2006

Eon, Germany's biggest energy group, was on Wednesday facing a possible fine of hundreds of millions of euros after a sealed room was allegedly entered overnight during a two-day raid by European Union cartel busters.

The case is viewed by officials in Brussels as "a serious violation" of rules designed to prevent a company tampering with evidence, in this case relating to an inquiry into anti-competitive abuses in the energy sector.

The case comes at a highly sensitive time for Eon, whose powerful position in the German energy market is under scrutiny in Brussels, which is preparing legislation to loosen the grip of incumbent energy suppliers on national networks.

Neelie Kroes, EU competition commissioner, has written to the company saying she believes it "intentionally or at least negligently" broke an official seal fixed on an office door.

Her officials carried out raids on the offices of several German energy groups, including Eon Energie, in May.

Officials scouring Eon offices in Munich for evidence were unable to complete their work in a single day and sealed an office overnight with a "tamper-proof" security label to secure the documents inside.

When they returned in the morning the seal had allegedly been broken, a violation that could cost the company a fine of up to 1 per cent of its annual turnover. Eon last year had total sales of €56.4bn (£37.5bn, $72bn).

Eon said on Wednesday night: "We sent to the European Commission some time ago a comprehensive written comment, according to which the accusation of seal-breaking was unfounded.

"This was supported by an expert opinion. Clarification talks with the EU Commission are envisaged in early December."

A spokesman for Ms Kroes said this was the first case of a company allegedly breaking a Brussels seal, making it impossible to gauge the level at which the European Commission might set any fine, but the matter was deemed serious.

The company has requested an oral hearing to present its case and a final decision will be taken by the 25 members of the European Commission.

Eon could then challenge that decision through the courts.

EU Charges E.ON With Impeding Antitrust Investigation (Update1) (BLOOM)

By Matthew Newman

Bloomberg, November 22, 2006

Nov. 22 (Bloomberg) -- European Union regulators charged E.ON AG, Europe's largest energy utility, with impeding an antitrust investigation into the German electricity market, threatening to fine the company as much as hundreds of millions of euros.

The European Commission, the EU's Brussels-based antitrust regulator, said in a statement that it is pursing a case against E.ON because the company ``intentionally or at least negligently'' broke a seal placed on an office by regulators ``to secure documents found in the course of an unannounced inspection.''

The EU sent the company a statement detailing the allegations on Oct. 2, commission spokesman Jonathan Todd said today. It's the first time the EU has charged a company with tampering with seals after a commission inspection.

EU officials carried out surprise visits at German utilities on May 29 and May 30, searching for evidence of possible market-sharing, price-fixing and unfair business practices. Under EU rules, companies can be fined as much as 1 percent of total sales for the preceding year for breaking seals placed during raids. In 2005, E.ON's total sales were 56.4 billion ($73 billion), meaning the company could face a maximum 564 million-euro penalty.

E.ON spokesman Josef Nelles at the company's headquarters in Dusseldorf didn't immediately reply to voice and e-mail messages from Bloomberg News seeking comment. Gerhard Wiedemann, a lawyer at Freshfields Bruckhaus Deringer in Dusseldorf for E.ON, also didn't immediately reply to a phone message.

Shares of E.ON fell 48 cents, or 0.5 percent, to 96.62 euros as of 4:21 p.m. in Frankfurt.

Legal Action

DOJ_NMG_0097500

EU Competition Commissioner Neelie Kroes on Feb. 16 threatened legal action against utilities that bar rivals from using power grids and pipelines. As part of a bid to lower energy costs, Kroes said she will fine or impose restraints on utilities that abuse their dominance in the power and natural-gas markets. No company has been charged following the May inspections.

In the February report, the commission said electricity markets remain concentrated among monopolies, preventing competitors from offering services. The study found that companies ``can influence prices on certain wholesale markets."

National obstacles risk undermining EU legislation that gave businesses the right to choose power and gas suppliers beginning in July 2004 and will extend that option to households in July next year.

The commission will issue a report on the energy market on Jan. 10.

Ex - DaimlerChrysler Manager Charged (NYT/AP)

The New York Times, November 24, 2006

STUTTGART, Germany (AP) -- Prosecutors said Thursday they had charged a former DaimlerChrysler AG manager with breach of trust and falsifying documents for allegedly cheating the carmaker out of 40 million euros ($52 million).

The 41-year-old, who has been in investigative custody for a year, is accused of filing fake invoices between 2000 and 2005 for computer services that were never delivered, state prosecutors in Stuttgart said.

Three other people are accused as accessories for submitting the false invoices on the instructions of the former manager, who worked at the German-U.S. car maker's finance department.

Prosecutor Bettina Fetter said investigators had seized 20 million euros ($26 million) from the manager.

It was unclear when the manager, whose name was not released, will go on trial.

The case is one of several exposing murky dealings by DaimlerChrysler employees.

On Nov. 13, the company announced that the head of its bus unit, Wolfgang Diez, had resigned after an internal investigation discovered "irregularities" at the division. Several executives have also been suspended.

Meanwhile, the U.S. Securities and Exchange Commission and Department of Justice are investigating whether the firm violated U.S. anti-bribery laws.

DaimlerChrysler has said it found evidence of "improper payments" in Africa, Asia and Eastern Europe. Several employees have been dismissed or suspended in consequence of those investigations.

DaimlerChrysler shares were down 0.6 percent at 46.61 euros ($60.03) on the Frankfurt exchange.

Monster Fires Counsel Amid Options Probe (AP)

By Vinnee Tong, Ap Business Writer

AP, November 22, 2006

Monster Worldwide Inc., the parent of job search site Monster.com, said Wednesday it terminated Myron Olesnyckyj, the company's lead lawyer, as part of its investigation into past stock-option grant practices.

Olesnyckyj, the company's general counsel, is the second high-ranking executive to leave the company over backdated stock options. Andrew J. McKelvey resigned his posts as chairman and chief executive on Oct. 9 but at the time retained his seat on the board as chairman emeritus. He resigned fully on Oct. 30, citing an unwillingness to sit for further questions over the company's backdating practices in the past.

Monster spokesman Robert Jones said Wednesday that no other employees have been suspended.

The U.S. attorney's office in the Southern District of New York has issued a subpoena to the company over options backdating, and a special committee of company directors has said it wants to complete its own investigation by the end of the year.

Olesnyckyj was suspended on Sept. 19. He had held the titles of senior vice president, general counsel and secretary.

The company said on Oct. 25 that it found pricing problems in a "substantial number" of its past option grants, and as a result it expected to restate its results from 1997 through 2005. Monster said it does not expect the restatements to affect its results for this year.

DOJ_NMG_0097501

The company has delayed filing its earnings results for the second and third quarters. Jones said the company would file its second quarter results on Dec. 13. Third-quarter numbers would be issued "as soon as practicable," according to a Nov. 7 statement from the company.

Backdating an option means retroactively setting the option's strike price to a day when the stock traded cheaply. An option with a lower strike price is more valuable because it's less expensive to exercise. The practice is not necessarily illegal, but must be disclosed to shareholders.

In a statement, the company said Olesnyckyj was terminated "for cause."

Monster is one of more than 180 companies conducting internal investigations or subject to probes by the Securities and Exchange Commission or the Department of Justice concerning potential backdating of stock options.

Several top executives at other companies have resigned over options investigations. They include: UnitedHealth Group Inc. Chief Executive William McGuire, KLA-Tencor Corp. Chairman Kenneth Levy, CNet Networks Inc. Chief Executive Shelby Bonnie and McAfee Inc. CEO George Samenuk. McGuire quit as chairman earlier this month and will resign as CEO by Dec. 1.

Shares of Monster rose 8 cents to close at $45.02 on the Nasdaq Stock Market.

CRIMINAL LAW:

18 Cities, Areas Picked For Crime Study (AP)

The Associated Press

AP, November 24, 2006

WASHINGTON -- The government selected 18 cities and sprawling suburban regions Wednesday to study for clues on why homicides and other violent crimes are on the rise nationally.

The Justice Department study comes after FBI data in September showed violent criminal activity _ including rape, murder, robbery and aggravated assault _ rising by 2.2 percent from last year. That marked the first increase in violent crimes since 2001.

Attorney General Alberto Gonzales announced the study at a Boston meeting last month with police chiefs and other law enforcement officials. It will be rolled out in three phases: looking at crime increases in cities, analyzing those results for any trends, and identifying federal programs that can help.

It was not clear whether more federal funding will be available for cities, but Justice Department officials said that "new initiatives" could be created, if necessary.

The cities and regions are: Atlanta; Boston; metropolitan Charlotte, N.C.; Colorado Springs, Colo.; Columbus, Ohio; Hartford, Conn.; Houston; Jersey City, N.J.; metropolitan Kansas City, Mo.; Miami; Minneapolis-St. Paul; Nashville, Tenn.; Oklahoma City; Omaha, Neb.; Portland, Ore.; San Bernardino County, Calif.; San Diego; and the cities constituting the Tidewater, Va., area.

Houston Violent Crime To Be Studied (AP)

AP, November 23, 2006

Houston is among 18 cities and suburban regions selected Wednesday by the federal government to be studied for clues on why homicides and other violent crimes are on the rise nationally.

The Justice Department study comes after FBI data in September showed violent criminal activity — including rape, murder, robbery and aggravated assault — up by 2.2 percent from last year.

That marked the first increase in violent crimes since 2001.

Attorney General Alberto Gonzales announced the study at a meeting last month in Boston with police chiefs and other law enforcement officials.

It will be rolled out in three phases: looking at crime increases in cities, analyzing those results for trends and identifying federal programs that can help.

DOJ_NMG_0097502

Houston has recorded 345 homicides so far this year, already surpassing last year's total of 336 slayings. Earlier this year, the city was on pace to record nearly 400 for the year — which would be the highest number of killings Houston has seen in a year in more than a decade.

In June, the FBI released a preliminary report that showed Houston's violent-crime rate rose 2.4 percent in 2005. Nonviolent crime decreased by 1.7 percent in the city.

Houston Police Department spokesman Gabe Ortiz said the department has been in contact with local congressional leaders but that it is unclear what the federal government will require for its study.

"We don't see that happening until next year," Ortiz said.

The other cities and regions are: Atlanta; Boston; metropolitan Charlotte, N.C.; Colorado Springs, Colo.; Columbus, Ohio; Hartford, Conn.; Jersey City, N.J.; metropolitan Kansas City, Mo.; Miami; Minneapolis-St. Paul; Nashville, Tenn.; Oklahoma City; Omaha, Neb.; Portland, Ore.; San Bernardino County, Calif.; San Diego; and the cities constituting the Tidewater, Va., area.

Violence Merits Closer Look (HARTC)

By Tina A. Brown, Courant Staff Writer

The Hartford Courant, November 24, 2006

Hartford's Rising Crime Rate Leads To City's Inclusion In Federal Study

The rise in Hartford's violent crime has caught the attention of the federal government, which plans to study why violence is increasing here and in 17 other municipalities across the country, the U.S. Justice Department said.

By studying crime patterns in Hartford and elsewhere, U.S. Attorney General Alberto R. Gonzales said, the government hopes to shed light on why violent crime has increased in some cities and metropolitan areas and not in others.

Other areas selected for the Initiative for Safer Communities study are: Atlanta; Boston; Charlotte, N.C.; Colorado Springs, Colo.; Columbus, Ohio; Houston; Jersey City, N.J.; Kansas City, Mo.; Miami; Minneapolis; Nashville; Oklahoma City, Okla.; Omaha, Neb.; Portland, Ore.; San Bernardino County, Calif.; San Diego; and the Tidewater area of Virginia. The cities and metropolitan areas were picked because they represent a cross-section of the country in terms of size, geographic location and rate of violent crime, federal officials say.

Nationally, violent crimes - such as murder, rapes, robberies and aggravated assaults - rose by 2.2 percent last year, the first such increase in five years, according to the Justice Department.

"Although the 2005 rate was significantly lower than it was in 2002, 2001 and 2000 ... even a small uptick in violent crime cannot be ignored," Gonzales said. "The Department of Justice is committed to making sure that every American city and town can share in the success of low violent crime rates," Gonzales told leaders in law enforcement last month in Boston.

"The Initiative for Safer Communities will help us find and use the tools that work most effectively to fight crime and keep our communities safe," Gonzales said.

The study is also intended to find out what other cities are doing to reduce crime and to implement programs that work.

Police officials in Hartford were unavailable Thursday to comment on the study.

Hartford's crime rate has climbed steadily over the past two years. In recent weeks, three teenagers were shot, including one fatally on Garden Street; a mother was accused of stabbing her three young children on Ashley Street; and a woman walking in Bushnell Park in the afternoon was raped.

In 2005, Hartford police reported a 56.2 percent increase in murders, for a total of 25 homicides, while aggravated assaults increased by 22.6 percent. If not for the assaults and murders, violent crimes in the city would have declined by 4.8 percent, according to statistics provided by the Hartford Police Department.

As of Sunday, the number of Hartford homicides stood at 21, about the same number as this time last year, city records show. The city is seeing a decrease in reported rapes. As of Nov. 4, the most recent available statistics reported, there were 44 rapes, a 22.8 percent decrease over the same period last year. There were 628 aggravated assaults, up 11.7 percent from the same period last year. The city also reported 174 shooting victims as of Nov. 4, a 19.2 percent increase over the same period last year.

An Associated Press report is included in this story.

DOJ_NMG_0097503

Contact Tina A. Brown at tabrown@courant.com.

Charlotte Chosen For Crime Study (CO)

By Kytja Weir

The Charlotte Observer, November 23, 2006

Charlotte was one of 18 areas around the country chosen Wednesday to be part of a government study on why homicides and other violent crimes are on the rise nationally.

Charlotte-Mecklenburg police welcome being part of the inquiry, said spokeswoman Julie Hill. She noted the department is always looking clues on what is driving crime increases.

The Justice Department study comes after FBI data in September showed violent criminal activity -- including rape, murder, robbery and aggravated assault -- rising by 2.2 percent from last year. That marked the first increase in violent crimes since 2001.

In Charlotte, crime jumped significantly last year. The number of violent crimes rose 9 percent. Charlotte-Mecklenburg also set a 10-year record for homicides, with 85 killings.

That helped the Queen City earn the dubious title last month of the eighth-most-dangerous big city in the country in the annual Morgan Quitno Press rankings. Charlotte ranked 43rd most dangerous among all 371 cities in the report from the Lawrence, Kan.-based private research firm. The police department and other experts dismiss the rankings as unfair comparisons that don't take into account differences among cities.

The situation may be improving slightly. Robberies are down 11 percent, Hill said. But October was a deadly month. As of Wednesday, police had investigated 74 homicides this year, close to the 76 that police had investigated by the same time last year.

No one has been able to pinpoint why Charlotte and other cities have seen such spikes in crime.

The Associated Press reported that new study will be rolled out in three phases: looking at crime increases in cities, analyzing those results for trends and identifying federal programs that can help. Attorney General Alberto Gonzales announced the new study at a Boston meeting last month that Charlotte-Mecklenburg police Chief Darrel Stephens and other law enforcement officials attended.

Stephens has been pushing for increased federal funding to promote "hometown" security, not just the "homeland" security efforts that have been the focus of federal agencies, Hill said.

It was not clear whether more federal funding will be available for cities as part of the new study, but Justice Department officials said that "new initiatives" could be created.

Judge Finds Grand Jury Secrecy Breach In China Spy Case (NYSUN)

By Josh Gerstein

New York Sun, November 24, 2006

SAN FRANCISCO — Officials involved in investigating a California family's alleged espionage for China apparently violated grand jury secrecy rules by telling a reporter details of plans to seek a new indictment in the case, a federal judge ruled this week.

Judge Cormac Carney concluded that defense lawyers were justified in their objection to a May 16 Washington Times story by William Gertz that said prosecutors were preparing to bring more serious charges against three related individuals, Chi Mak, Rebecca Chiu, and Tai Mak, who were charged initially with failing to register as agents of China.

"The information contained in Mr. Gertz's article clearly raises a prima facie violation," Judge Carney, who sits in Santa Ana, Calif., wrote in an order released Wednesday. The judge said the information in the Times account was attributed to "senior Justice Department officials who have approved the new charges."

On October 25, Chi Mak and his wife, Ms. Chiu, as well as Tai Mak and his wife and son, Fuk Li and Billy Yui Mak, were indicted for conspiracy to export defense technology to China. According to court records, the technology in question involved designs for systems to quiet sounds emitted from American warships. Several other new charges were filed, all essentially as predicted by Mr. Gertz's May 16 report.

DOJ_NMG_0097504

By the time that article was published, a prosecutor on the case, Gregory Staples, had already said in open court that he expected a new indictment in the case, but the details of the additional charges were not widely known.

In his ruling, Judge Carney indicated that the Justice Department has begun an investigation into the apparent leak. He ordered the government to report by January 5 on the status of the leak probe and to describe the prosecution's efforts "to insure that no improper communications take place with Mr. Gertz, or any other member of the public."

The New York Sun reported last month that Judge Carney rejected a defense request to subpoena Mr. Gertz to testify at a pre-trial hearing.

Tai Mak and his wife, Ms. Li, were arrested at Los Angeles International Airport in October 2005 as they prepared to board a flight to Hong Kong. Authorities said the couple had in their luggage a CD-ROM containing details about the Navy propulsion systems. Prosecutors said the data came from Tai Mak's brother, Chi Mak, who worked at a defense contractor, Power Paragon.

All the defendants have pleaded not guilty.

Elderly Woman's Family Seeks Federal Probe Of Shooting (CNN)

CNN.com, November 23, 2006

ATLANTA, Georgia (CNN) -- As family members spent Thanksgiving Day boarding up the home of a 92-year-old woman who was shot to death during a police drug raid, their spokesman said they will request a federal investigation.

"Given recent statements by Atlanta's Assistant Police Chief Alan Dreher and Fulton County District Attorney Paul Howard, the family and I have serious and, we believe, founded doubt that absent intense federal oversight, a comprehensive investigation will ever ensue," said the Rev. Markel Hutchins, who has been advising the family of Kathryn Johnston.

Hutchins said he planned to travel to Washington next week to hand-deliver a letter to Attorney General Alberto Gonzales' office requesting a federal investigation of the incident. (Watch niece's outrage over shooting. -- 2:55)

Meanwhile Thursday, the Atlanta Police Department asserted that the narcotics team who raided the home Tuesday and fatally shot Johnston after she shot and wounded three officers is sure it had the right house.

Police spokesman Joe Cobb said the three officers on that team had made an undercover drug buy earlier in day from a man inside Johnston's home west of downtown Atlanta.

Police said they obtained a "no-knock" search warrant within hours of making the buy and went back to the house to serve it. But Dreher said the officers did announce themselves right before they broke the burglar bars and wood door to get inside.

Johnston, who relatives said lived alone, fired at officers with a revolver as they entered her home, wounding three, Dreher said. At least one of the officers fired back, killing the woman, he said.

The injured officers are expected to fully recover, Dreher said, and are on administrative leave with pay while the investigation is under way.

No-knock warrants allow police to enter a home or building without announcing their presence or identity. They are commonly used in narcotics cases when it is feared that the suspects may try to dispose of drugs or evidence in the time it takes authorities to gain access to the home.

But Dreher said Wednesday that officers had a marked patrol vehicle in the street in front of the home, a uniformed officer in the yard, and the narcotics teams wore vests with "POLICE" marked clearly on the front and back.

Two of Johnston's neighbors, Nina Robinson and Sallie Strickland, said the elderly woman was fearful and never let anyone into her home. Strickland said Johnston wouldn't even let her come in when she brought groceries for her, instead telling Strickland to leave them on the porch.

Police have not released the search warrant or the affidavit supporting it. Cobb said Georgia's open records law allows police to withhold evidence -- including 911 tapes and search warrants -- during an open investigation.

After the shooting, the search was conducted and officers did find suspected narcotics that are being tested at a laboratory, Dreher said.

A warrant has been issued for the arrest of the man who allegedly sold the undercover officers drugs earlier that day in the home, which is in a neighborhood known for drug activity, police said.

DOJ_NMG_0097505

Howard previously has said his office was investigating the shooting, and said he had requested that the Georgia Bureau of Investigation ensure all forensic evidence is collected. Dreher has also promised a "complete, thorough and fair investigation."

Hutchins said he has spoken with Reps. John Lewis and Cynthia McKinney of Georgia regarding the shooting.

"As this horrific incident has all of the signs of an egregious violation of Ms. Johnston's civil and human rights at worst, and police officers using poor judgment and unnecessary force at best, I appealed for both of their support and assistance in our efforts to get an immediate audience with the United States Department of Justice," he said.

Local Woman Accused Of Katrina Relief Fraud (HC)

By Cindy George

Houston Chronicle, November 24, 2006

A Houston woman arrested this month joins 30 others in the Houston area who face federal charges for trying to collect money intended for victims of hurricanes Katrina and Rita.

An October indictment against Yolanda Yvette Thomas, 27, accused her of filing a false claim for Hurricane Katrina disaster aid, the U.S. Attorney's Office for the Southern District of Texas reported. She was arrested Nov. 6 and is free on $10,000 bail.

Thomas is accused of submitting a claim to the Federal Emergency Management Agency that falsely said her primary address was on Cameron Boulevard in New Orleans.

The indictment also accuses Thomas of falsely stating that she lost work as a result of Katrina and had an essential need for food, clothing and shelter because of the storm. If convicted, she faces up to five years in prison and a $250,000 fine.

Katrina and its aftermath devastated the New Orleans area in August 2005. Rita brought its wrath to parts of Southeast Texas the next month.

Shortly after the storms, U.S. Attorney General Alberto Gonzales created the Hurricane Katrina Fraud Task Force to investigate and prosecute the illegal use of hurricane disaster aid.

A Government Accountability Office report released this summer found that FEMA aid paid for football tickets, a Caribbean vacation and a sex change operation.

Those charged in Houston have been accused in various schemes.

In May, a federal grand jury returned a 22-count indictment alleging that Michael James Green, 25, of Houston, received $2,000 in expedited disaster assistance for each of 18 fraudulent applications that said the storms caused him to lose work.

He is accused of filing claims under 18 Social Security numbers and for 18 different addresses in Texas and Louisiana. If convicted, he could go to prison for two decades.

A nine-count indictment handed down in September charged two Houston men with setting up a phony Salvation Army look-alike Web site to raise about $48,000 for their own accounts.

If convicted, Steven Anyanwu Stephens and Bartholomew Stephens face maximum prison terms of 20 years and fines of $250,000.

CIVIL LAW:

Federal Judge Rules Out National Vioxx Class Action (AP)

By Janet McConnaughey

AP, November 27, 2006

Thousands of federal lawsuits claiming the drug Vioxx caused heart attacks and other conditions that killed or injured people cannot be pooled into one national class action, a New Orleans federal judge has ruled.

U.S. District Court Judge Eldon Fallon, who was appointed to deal with pretrial matters for all federal suits involving Merck & Co.'s withdrawn painkiller, did not rule on the possibility of separate class action suits for each state and the District of Columbia.

DOJ_NMG_0097506

"We are pleased with the decision," said Kent Jarrell, a spokesman for Merck, which wants to try every suit individually. He said the company is putting together a more detailed response.

Russ Herman, chairman of a committee of plaintiffs lawyers, said he had expected the decision. "Federal jurisprudence currently tracks an industry theory that thousands of injured people should litigate individually in order to give a single wrongful manufacturer due process," he said.

Fallon's 25-page ruling rejected the plaintiffs' proposal to try all of the cases under New Jersey laws. They argued that the company should reasonably expect to follow the laws of the state where it is headquartered.

"While this is true, it is just as true that Merck, an international corporation providing its drugs to every state in the nation, should expect to abide by every jurisdiction's laws," Fallon wrote.

Since plaintiffs in other states couldn't reasonably expect their personal injury claims to be governed by New Jersey law, it makes more sense to apply the law of each plaintiff's home state to that plaintiff's claims, Fallon ruled.

"Each plaintiff's home jurisdiction has a stronger interest in deterring foreign corporations from personally injuring its citizens and ensuring that its citizens are compensated than New Jersey does in deterring its corporate citizens' wrongdoing," he wrote.

Herman said the plaintiffs' committee will ask Fallon to have one class action suit on the single question of whether Vioxx, which was sold from late 1999 until September 2004, changed the cardiovascular system in ways that caused heart attacks.

Fallon wrote he was "confident that common questions exist" in the 7,000-plus federal lawsuits -- something required for class actions.

But, he said, allegations that Merck failed to warn doctors adequately about the drug's alleged health risk "necessarily turn on numerous individualized issues."

He wrote these issues include "the alleged injury; what Merck knew about the risks of the alleged injury when the patient was prescribed Vioxx; what Merck told physicians and consumers about those risks in the Vioxx label and other media, what the plaintiffs' physicians knew about the risks from other sources, and whether the plaintiffs' physicians would still have prescribed Vioxx had stronger warnings been given."

Merck has vowed to fight each Vioxx case individually. Its shares rose 30 cents to $44.52 in afternoon trading on the New York Stock Exchange.

Merck has won six cases, three each in federal and various state district courts. A fourth state court victory was overturned and a retrial ordered. The company has lost one federal case and three in state courts.

CIVIL RIGHTS:

Feds' Plan In Osceola Criticized As 'absurd' (ORS)

By Mark Pino

The Orlando Sentinel, November 23, 2006

All five Osceola County Commission seats would be up for grabs in a special election next year if a federal judge agrees with a proposal submitted Wednesday by the U.S. Department of Justice.

The department sued the county last year, alleging that the current at-large system of electing commissioners dilutes the Hispanic vote.

The judge last month ordered that proposed remedies be filed by Wednesday after declaring Osceola's system of countywide elections has penalized Hispanics in a "racially polarized" county in violation of the U.S. Voting Rights Act.

Commissioners, who approved a proposal with five single-member and two at-large districts on Nov. 13, were stunned by the government's proposal.

"That's absolutely absurd," commission Chairman Paul Owen said. "It surprises me they had the audacity to do that. All five at one time -- that's a deal-breaker for me. I would definitely appeal if it were up to me, but I'm only one vote."

DOJ_NMG_0097507

Four of five commissioners reached Wednesday said a decision to appeal couldn't be made until U.S. District Judge Gregory A. Presnell issues a final ruling. It is not known when that might happen. Presnell could implement a plan submitted by either side or come up with his own.

The Justice Department asked for a hearing, and it is possible Presnell will want to hear from both parties. A county official said Osceola is not opposed to such a hearing.

In addition to seeking elections for all five commission seats, the Justice Department's 21-page memo outlines two different single-member plans centered on a Hispanic-majority district that includes the Buenaventura Lakes community and the adjacent Kissimmee neighborhood of Lakeside.

Among the department's objections to the county's plan:

It doesn't cure Hispanic "vote dilution."

The districts were created with "fatally flawed" population estimates.

The court lacks the authority to expand the commission from five to seven members.

"[T]he United States believes that all five county BCC [Board of County Commission] seats should be held open for election in the 2007 special BCC elections under the new plan," according to court documents. "Each current incumbent was elected under an ethnically dilutive voting scheme, and thus the equities here militate strongly in favor of holding elections for all BCC seats at the first opportunity."

Hispanics make up about a third of the county population, but only one has ever been elected to the commission, under single-member voting a decade ago. Single-member district proponent and commission candidate Armando Ramirez was pleased with the federal proposal.

"Let all of them run. It will be fair and equitable. This is a new page, a new beginning," he said. "I sincerely believe the U.S. Justice Department's new proposal is an excellent remedy to cure our current electoral process."

The county held a public hearing last week where about two dozen of 125 people attending gave their thoughts on the county's proposal. Sentiment at the meeting ran about 2-to-1 in favor of the combination districts, prompting the county to write that its proposal "was tested in the court of public opinion."

But the Justice Department wrote that "a five single-member district plan with a district in which Hispanic voters can elect a candidate of choice remedies the violation. Adding two at-large districts is incidental to that remedy and adds back in the at-large feature that the court found violated Section 2" of the Voting Rights Act.

Both Justice Department plans leave open for an upcoming election a district where 57 percent of the registered voters are Hispanic. But in one plan, commissioners Ken Shipley and Ken Smith would find themselves in the same district, with a second open seat also before voters. The second plan puts the two incumbents in different districts.

The Justice Department noted that the court might not want all five commissioners to be up for re-election in 2007 and offered staggered elections as an alternative.

"The federal attorneys have turned in their list of unrealistic demands whereas the BCC have provided an honorable legislative solution," Shipley said. He added that the Justice Department's plan, based on 2000 census figures, unfairly means that about 59,000 residents who have moved here since then were not considered in the department's districts.

Osceola has spent nearly $2 million in fees for attorneys and experts defending itself.

State Rep. John Quinones, R-Kissimmee, said there is still time for compromise.

"We have a situation where the Department of Justice is taking a very different position, but I think there's still room to work out a compromise. We haven't given that a chance," said Quinones, who has supported a 5-2 commission setup even before the county proposed it.

ANTITRUST:

Microsoft Makes Deadline On Windows Info (AP-YBIZ)

By Aoife White, Ap Business Writer

AP, November 23, 2006

DOJ_NMG_0097508

EU Says Microsoft Has Handed in Information on Windows Workings by Deadline

BRUSSELS, Belgium (AP) -- European Union regulators said Microsoft Corp. handed in on time to meet a Thursday deadline information about its Windows operating software that should help other software companies.

The data will now be tested to confirm that the company has finally complied with a 2004 antitrust ruling.

The European Commission, which fined Microsoft 280.5 million euros ($357 million) in July for not providing the "complete and accurate" data to allow server software to interface with Windows, said the technical manual can now be reviewed by "potential licensees" -- companies who compete with Microsoft in making software for workgroup servers, such as Sun Microsystems Inc., Novell Inc., International Business Machines Corp. among others.

"In parallel the monitoring trustee will test the documentation in order to verify its accuracy," it said.

"The commission will decide in due course whether or not Microsoft is in compliance with the obligation to provide complete and accurate technical documentation taking into account comments from the potential licensees and advice from the trustee."

EU spokesman Jonathan Todd said this would likely take "months rather than weeks."

Regulators threatened new fines of 3 million euros ($3.87 million) a day last week if Microsoft did not patch up "the remaining omissions and deficiencies." They said the company should have handed over a good set of documents explaining how server protocols work by an original July 2004 deadline.

The software maker was ordered to provide the information after the EU found it guilty of abusing its monopoly by deliberately withholding technical data from rivals, who alleged that Microsoft ended cooperation when it started making its own server software.

Microsoft challenged the immediate sanctions but a judge ordered it to comply in December 2004. It also said the commission's request was unclear and it only received a useful set of guidelines when independent monitor Neil Barrett set out a work program earlier this year.

The company said Thursday's decision was an important milestone.

"The trustee and Microsoft have now completed the technical review and edits to the more than 100 documents, totaling 8,500 pages, that we submitted in July of this year, in accordance with the deadline established by the commission," it said in a statement.

"We will continue to work closely with the commission and the trustee to ensure that we are in full compliance with every aspect of the commission's decision."

The EU fined Microsoft a record 497 million euros ($613 million) in March 2004 and told it both to share interoperability information with rivals and put on sale a copy of Windows without Media Player software.

These conditions will apply to all future versions of Windows -- including the upcoming Vista operating system.

Regulators also highlighted other possible antitrust problems with Vista's wide range of functions, fueled by comments from other information technology companies, warning that Microsoft must take care not to abuse its dominant position by muscling into other markets.

Microsoft Moves To Appease Brussels (FT)

By George Parker In Brussels

Financial Times, November 24, 2006

Microsoft yesterday claimed to have met a new Brussels deadline to hand over documents to its rivals, in a move designed to head off the threat of further anti-trust fines of up to €3m ($3.9m) a day.

The company said it had completed technical work on more than 100 documents, totalling 8,500 pages, in line with the Thanksgiving Day deadline set by Neelie Kroes, European Union competition commissioner, earlier this month.

Ms Kroes's department said the documents would be carefully studied to ensure they provided the required information to rivals.

"We will decide in due course whether or not Microsoft is in compliance with the obligation to provide complete and accurate technical documentation," it said.

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Microsoft was fined €497m by the European Commission in March 2004 forabusing its monopoly position and €280m in July for failing to hand over complete documents to rivals.

The case relates to Microsoft's Windows operating system, which the Commission ruled did not offer enough interoperability for other software.

Ms Kroes has become increasingly agitated by the company's failure to comply fully with the 2004 ruling and will want to ensure the interface documentation meets her requirements.

They will be assessed by a trustee, Professor Neil Barrett, a computer expert suggested by Microsoft and appointed by Ms Kroes to advise the Commission on the company's compliance with the ruling.

She has said she could fine Microsoft up to €3m a dayif the relevant documents are not handed over, backdated to the last deadline of July 31.

Potential rivals to Microsoft can now review the documentation made available by the company to see whether it contains the necessary information to develop interoperable work group server operating system products.

Microsoft said yesterday there had been an unprecedented effort by more than 300 engineers and technical writers to review the technical documents to meet the Brussels deadline.

"We look forward to receiving feedback from the industry," the company said in a statement.

EU Says Microsoft Meets Key Deadline In Antitrust Showdown (AFP)

AFP, November 23, 2006

The European Commission said that Microsoft has met a key deadline in its antitrust standoff with the US software giant, staving off the threat of further fines.

Last week the European Union's executive arm gave Microsoft until November 23 -- Thanksgiving in the United States -- to reveal the secret software protocol for its Windows operating system so that competitors can make rival products.

If it missed the deadline, Microsoft faced the threat of daily fines of up to three million euros, which could have amounted to as much as 350 million euros (448 million dollars) and bring its total penalty to over one billion euros.

"The European Commission can confirm that Microsoft has submitted a revised version of the technical documentation with a view to meeting the requirements of the Commission's March 2004 Decision," the EU executive said in a statement.

Microsoft, which has fought tooth and nail against Brussels regulators in the case, struck a conciliatory note, saying in a statement that it aimed to "work closely" with the Commission.

"We are pleased that the Commission has recognized our efforts to comply with our documentation obligations, and we will continue to work closely with the Commission... to ensure that we are in full compliance with every aspect of the Commission's decision," it said.

The US company has long clashed with the Commission over the crushing market power of its Windows operating system and was fined a record 497 million euros in a landmark March 2004 antitrust ruling.

In addition to fining Microsoft, the EU ordered the company to sell a version of its Windows operating system without Media Player software and to divulge the software protocols underpinning Windows for makers of rival products.

Microsoft challenged the 2004 ruling in the EU's second-highest court in April, but the judges are not expected to hand down a decision before the end of the year at the earliest.

Frustrated with Microsoft's defiance at some of its demands, the Commission in July slapped daily fines adding up to 280.5 million euros over the six-month period of the penalty for failing to fully respect the 2004 antitrust ruling. Microsoft is appealing against the charges.

EU Says Expects Decision On Microsoft Compliance In 'months Rather Than Weeks' (AFX)

AFX, November 23, 2006

BRUSSELS (AFX) - The European Commission said it will decide on whether interface information submitted by Microsoft Corp achieves full antitrust compliance in 'months rather than weeks'.

A spokesman for EU competition commissioner Neelie Kroes commented on the timing of the decision when questioned by reporters.

The US software company is seeking to comply with the EU's antitrust decision of 2004 and thus avoid a daily fine of as much as 3 mln eur.

The commission ordered the group to, among other things, disclose and license interface documentation which would allow non-Microsoft work group servers to achieve full interoperability with Windows PCs and servers.

EU Says Microsoft Has Submitted Requested Data (DOW)

Dow Jones Newswire, November 23, 2006

BRUSSELS (Dow Jones)--Microsoft Corp. (MSFT) has met a deadline to hand over data to European antitrust regulators, the European Commission said Thursday.

The commission will review the information to decide if the U.S. software giant has complied with its order to provide complete and accurate technical specifications to help rivals produce server software that will work smoothly with its Windows operating system.

Microsoft faced the threat of new fines if it hadn't provided the data.

This represents the latest chapter in one of the most high profile, long-lasting antitrust battles. While the U.S. authorities have settled their grievances against the company, European regulators have continued to battle with the software company.

In March 2004, the commission fined Microsoft a record EUR497 million, or more than $600 million, and ordered it to change some of its business practices. The company appealed that ruling at an E.U. court. The court's decision is expected next year. The commission fined Microsoft an additional EUR280.5 million in July for defying its antitrust orders.

Microsoft welcomed the commission's declaration that they had met the deadline. The company said more than 300 engineers and technical writers had worked since July to produce the required data. The data is displayed in more than 100 documents, totaling 8,500 pages.

"This is an important milestone," Microsoft said in a statement. "We are pleased that the Commission has recognized our efforts to comply with our documentation obligations, and we will continue to work closely with the Commission and the Trustee (an appointee who oversees Microsoft's compliance) to ensure that we are in full compliance with every aspect of the Commission's decision."

In its 2004 decision, the commission required Microsoft to hand over the technical data within four months. The Luxembourg-based European Court of First Instance rejected Microsoft's demand to suspend the decision.

Microsoft "missed" a number of deadlines for delivering complete and accurate specifications, the commission said in its statement Thursday. The commission then imposed a daily fine for Microsoft's refusal to comply and last week threatened to increase the fine by EUR1 million a day, bringing the daily fine to EUR3 million.

"Potential licensees can now review the technical documentation," said the commission, before adding that at the same time, the commission's trustee will test the documentation to verify its accuracy.

Regulators will then decide whether or not Microsoft has complied, the commission said.

Microsoft Meets Data Deadline In EU Antitrust Case (Update3) (BLOOM)

By Matthew Newman And Francine Lacqua

Bloomberg, November 23, 2006

Nov. 23 (Bloomberg) -- Microsoft Corp., seeking to avoid a daily fine of as much as 3 million euros ($3.9 million), met a European Union deadline today to provide data on how its Windows operating system communicates over a network.

The European Commission, the EU's antitrust regulator in Brussels, must now decide whether Microsoft has complied with a March 2004 antitrust order. Under that ruling, Microsoft must disclose so-called protocol information to rivals that make software for network servers.

Competition Commissioner Neelie Kroes said in an interview in Istanbul today that she hopes companies such as International Business Machines Corp. and Oracle Corp. will help determine if Microsoft's information is ``solving the problem of interoperability."

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The commission accuses the company of abusing its 95 percent share of the personal computer software sales to crush competition in related markets. The EU levied a record 497 million-euro fine in March 2004. Microsoft is appealing the ruling and a judgment by the European Court of First Instance is expected next year.

In July, the EU fined Redmond, Washington-based Microsoft 280.5 million euros for flouting the EU's 2004 ruling. The July penalty was the first by the commission for failure to comply with an antitrust ruling. Microsoft has also appealed the additional fine.

`Important Milestone'

The commission gave Microsoft a Nov. 23 deadline to submit the data so that competitors can review the documentation by the end of the month. The EU's monitoring trustee, Neil Barrett, will test the information ``to verify its accuracy," the commission said in a statement.

Microsoft said the data submission is an ``important milestone" in the antitrust case.

``We will continue to work closely with the commission and the trustee to ensure that we are in full compliance with every aspect of the commission's decision," Microsoft said in a statement.

When asked when the commission is expected to make a decision, Kroes said, ``It will of course be done in a proper way and as soon as possible we will come up with our decision.

Her spokesman, Jonathan Todd, told reporters today ``I think we're talking months rather than weeks."

NFL Fans' Kicks Are Blocked (LAT)

By Larry Stewart And Lance Pugmire, Times Staff Writers

The Los Angeles Times, November 23, 2006

Many won't see tonight's game because of a cable dispute.

Cindy and Eugene Pacheco are die-hard Denver Broncos fans, like many people who live in Colorado. Eugene, a former Mile High Stadium vendor, proudly sports a Broncos tattoo.

This Thanksgiving, their plans were set. Family members would be coming to their Colorado Springs house for the holiday, and they would all settle in tonight to watch the Broncos take on the host Kansas City Chiefs, the first in an exclusive eight-game package on the NFL Network.

One problem. The Pachecos now can't get the game.

They said their cable company, which is now under the Comcast umbrella, did offer a "silver package" that included the NFL Network on a digital tier but was charging for a digital box.

"I don't want to pay $70 a month for a box just to watch the one game," Cindy said.

"Now we're scrambling. We're trying to find a place to watch it, or we'll just go to a bar. The family will have to leave. Our teenager will have to stay home and watch our little boy. It's unfair. It's some kind of ploy to make money."

It's worse for customers of Time Warner Cable, which has nearly 2 million subscribers in the L.A. market and also covers much of the Kansas City area. They currently can't get NFL Network even if they are willing to pay for a premium tier.

Time Warner is one of three major cable providers mired in a stalemate over carriage issues with the 3-year-old league-owned network.

The months-long impasse over higher fees and cable tiers comes down to this: 50 million cable television households nationwide won't be able to get tonight's game. With no ongoing talks, an 11th-hour deal seems unlikely.

The Pachecos, like other disgruntled cable subscribers, could have switched to satellite — both Dish Network and DirecTV carry the NFL Network — but it's too late for tonight's game.

And though the NFL's exclusivity arrangement allows local broadcasts in the teams' cities, that didn't help the Pachecos. They live in part of a large section of Colorado beyond the reach of Denver's Channel 31.

The dispute has led to a nasty marketing war and even caught the attention of Congress.

Time Warner, Charter — which has 374,000 customers in the L.A. market — and New York-based Cablevision are among the companies that want to put the NFL Network on a digital sports tier, which costs about $5 a month more per subscriber. NBA TV, College Sports Television (CSTV) and the Tennis Channel are among the channels already on such a premium tier.

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The NFL Network is demanding that it be part of the basic cable package, thus reaching more viewers.

Another sticking point is the rights fee the NFL Network is asking from cable companies, now estimated to be about $8.25 per subscriber a year, or about 69 cents a month. Before the NFL Network acquired the eight-game package from its parent company, the rate was around $3.

Time Warner spokesman Mark Harrad said the company simply does not want to pass the cost of carrying the NFL Network to all its customers, since "75% to 80% are not sports fans."

NFL Network officials dispute that number, saying 135 million people watch NFL football each weekend and that last season, 200 million watched the regular season at some point. Yet Comcast, the nation's largest cable company, has carried the NFL Network for two years and still offers it, including in the Denver area, but only as part of a premium digital package.

Cox Communications, which has 243,000 subscribers in the L.A. market, mostly in coastal areas, worked out an arrangement similar to Comcast's to carry the NFL Network on a digital tier.

Steve Bornstein, president of the NFL Network, was asked about the distribution problem during an interview at the network's studios in Culver City.

"I don't see it as a distribution problem," he said. "I look at it as the glass half full. I think the growth we've had — 40 million homes — has been remarkable. I don't think any other network has grown this fast.

"I'm hopeful by the end of the day we'll be broadly distributed."

And when will that be?

"I have a long horizon line," he said.

NFL fans don't.

Although tonight's game will be televised by Fox affiliates in Denver and Kansas City, those teams have fan bases that stretch over multi-state areas beyond the reach of those stations. The outrage is expected to be intense.

The NFL Network is, in fact, counting on that.

Pat Bowlen, owner of the Broncos and chairman of the NFL's Broadcast Committee, was asked by Sports Illustrated recently what he would do.

"Get a dish," he said.

In Los Angeles, where there is no NFL team and thus no local broadcast of any of the eight games, fans expressed anger and dismay months ago.

The fight began when Time Warner Inc. joined with Comcast Corp. to buy the assets of Adelphia Communications Corp. That changed everything.

The fight in Los Angeles began Aug. 1 when Time Warner, which at the time served 400,000 homes in the market, took control of Adelphia's 1.1 million households and Comcast's 500,000 and immediately dropped the NFL Network.

Satellite carriers DirecTV and Dish Network went after those cable customers.

In the last month, millions have been spent on radio, TV and newspaper ads from the warring factions. In one, the NFL Network also publicized its website, iwantnflnetwork.com, that allows users to e-mail the cable company to complain or to click on a link to order satellite.

Dish and DirecTV also have been advertising quick installation, but DirecTV spokesman Robert Mercer concedes that tonight's game is a lost cause.

The satellite company has set its sights on the next game, when the Cincinnati Bengals play host to the Baltimore Ravens on Nov. 30, knowing that the Dec. 7 game between the Cleveland Browns and the Pittsburgh Steelers could create even more demand.

This marketing war got the attention of Congress last week. The Senate Judiciary Committee held a hearing to look into the carriage dispute.

"We're intrigued, to put it mildly, with what the NFL has in mind," said Sen. Arlen Specter (R-Pa.), who asked how cable and satellite rates would be affected and whether the NFL Network's limited distribution violates the antitrust exemption Congress granted the league in 1961.

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Jeffrey Pash, NFL executive vice president and general counsel, told the panel that pro football's popularity was justification for the rate hike. He also argued that the game package does not run afoul of antitrust laws because the games expand choices for consumers. Besides, he said, the league's current television contracts make any significant changes impossible until 2011.

Yet, Time Warner Chief Operating Officer Landel Hobbs also testified, calling the NFL Network's rates "out of whack" when compared with viewership ratings.

That was 10 days ago. And neither side has budged.

"You have to weigh upsetting all of your customers against not having eight games over six weeks," Time Warner's Harrad said, adding that most of its NFL fans probably have already switched to DirecTV because of its exclusive Sunday Ticket pay package that offers out-of-market NFL games.

The number of cable customers who have defected to satellite isn't yet clear, but NFL Network's Bornstein knows he is facing a tough battle.

"It is difficult to characterize the NFL as an underdog," he said, "but we are an independent programmer. In today's day and age, that's a very rare breed.

"We just have to wait and see what happens."

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(INFOBOX BELOW)

Out of their league

A vast majority of cable subscribers in the Los Angeles market do not have access to NFL Network.

Breakdown of L.A.'s 4 million cable and satellite subscribers

Time Warner: 48%

Satellite: 30%

Charter: 9%

Other cable: 7%

Cox: 6%

*

Source: NFL Network. Graphics reporting by Joel Greenberg

It Was Better With Bonzo (WP)

By Steven Pearlstein

The Washington Post, November 24, 2006

Today isn't just the official start of the holiday shopping season. It's also the start of the holiday movie season, when studios try to capitalize on the seasonal urge to get out of the house and take in a flick.

So here's a puzzle: Why will movie theaters charge the same $9.50 to see "Casino Royale" this Saturday night that they charged to see the disappointing remake of "All the King's Men" on a Wednesday night in the middle of September?

Wouldn't they sell more tickets and popcorn, and make more profit, if they increased the price when demand is high, and lowered it when demand is low?

After all, hotels and airlines have long varied pricing by day and season. And you'd think it odd if Macy's charged the same for a cashmere sweater as one made from a polyester blend. Yet the movie industry, facing flat or declining revenues, clings to a uniform pricing model that makes no sense.

It wasn't always so. Back in the golden years of Hollywood, before PG and XXX, there were "A" movies, "B" movies and "C" movies, distinguished not by their sexual content, but by the box-office appeal of their stars. Not only did it cost more to see Clark Gable in "Gone With the Wind" than Ronald Reagan in "Bedtime for Bonzo," but the ticket price also varied depending on

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whether you saw them in a first-run movie house downtown or a second-run theater in the suburbs, and whether you took in a matinee or an evening showing. And "ladies' nights" were a real bargain.

All of this began to fade with the arrival of television, which triggered a long, slow decline in moviegoing, a steady increase in ticket prices, and a switch to uniform pricing. Not long afterward, the movie studios were forced to give up their theater chains in a landmark antitrust settlement with the Justice Department. The arrival of the multiplex and the advent of VCRs, DVDs and movies on demand have also altered the economics of the movie business.

But none of these can fully explain why the industry remains wedded to uniform pricing.

Two academics who have noodled this puzzle are Barak Orbach, who teaches at the University of Arizona law school, and Liran Einav, an economist at Stanford University. Over the past few years, they have studied the literature and talked with dozens of industry executives. Now they have prepared a fascinating paper, which will be published next year by the International Review of Law and Economics.

Among the factors cited most often by theater owners are the cost and hassle involved in charging different prices for different movies on different days. There's the complexity at the box office and the need for some mechanism to make sure that patrons who buy cheap tickets for one theater at the multiplex don't wind up at expensive movies. On the other hand, it's hard to believe there isn't some simple technology that could solve most of these problems.

A more plausible explanation is that consumers might consider variable pricing as somehow unfair. But the experience in other industries suggests that such objections can be overcome, particularly if theater owners would phase in the new prices by introducing discounts for slack periods before raising prices for hit movies on busy weekends.

Obviously, it's not possible to know, in advance, which movies will be hits and which will be flops in order to price them accordingly. But theater owners have a good grasp of how ticket sales vary by season, or day of the week, or how long a movie has been playing. This is precisely the kind of information that could be used to set flexible prices.

What makes the persistence of uniform pricing all the more curious is that theaters actually pay widely varying fees for the licensing rights to the movies they show. The bigger the expected gross, the higher the percentage of ticket revenue that normally goes to the studio and its distributor. And the formula also includes a per-ticket fee that declines each week of the movie run.

My hunch is that these pricing arrangements between the studios and the theater chains, which have always been shrouded in secrecy, are the answer to our puzzle. It is the studios that want to maintain uniform pricing because it is the theater owners who would get the most benefit from variable pricing. And according to Orbach and Einav, when a few chains have tried to experiment with variable pricing, they often found that they lost access to the best movies or faced demands from distributors for higher per-head charges that discouraged them from offering discounts.

If you have any doubt that the studios have the power to dictate uniform retail prices, consider what happened with the introduction of "The Godfather" in 1972. Up to that point, the tradition was that theaters could charge a premium for tickets to the handful of "event" movies that came out every year -- in the modern context, the "Harry Potter" and "Spider-Man" movies. But when "The Godfather" was released in 1972, suddenly every movie theater in the country eliminated its event-movie pricing. That's the kind of "coincidence" Don Vito Corleone would have been proud of.

Under the antitrust settlement with the Justice Department in the 1950s, this kind of "vertical price maintenance" was supposed to be prohibited. But in their paper, Orbach and Einav suggest it may still be going strong. And for good reason. With movie studios making more and more of their profit from after-market sales, they have little interest in ticket discounting by theater owners who make most of their profit, in any case, from popcorn and Milk Duds. As the studios see it, every extra ticket sold because of a discount is one less potential movie rental or sale of a DVD.

It remains an open question whether variable pricing would, on balance, be good or bad for consumers -- discounts for some could well be offset by higher prices for weekend tickets to hit movies. But we'll never find out as long as movie studios use their power to discourage theater owners from giving it a try.

Steven Pearlstein can be reached atpearlsteins@washpost.com.

Microsoft's Vista Gets Upbeat Report From US Regulators (DOW)

By Mark Boslet, Carmen Fleetwood

DOJ_NMG_0097515

Dow Jones Newswire, November 22, 2006

PALO ALTO, Calif. (Dow Jones)--Microsoft Corp.'s (MSFT) new Windows Vista operating system for personal computers appears to be in compliance with the company's antitrust judgment with the Department of Justice and state attorneys general, according to a report filed with a District Court judge.

Issues with European regulators remain outstanding.

In a legal status report file Tuesday, U.S. regulators said Microsoft addressed all outstanding issues regarding Vista's ability to work alongside middleware from other companies.

The software, scheduled for release to business customers on Nov. 30, has been the subject of scrutiny from U.S. and European antitrust regulators.

"Windows Vista was developed under the requirements of the 2001 Consent Decree, and compliance was a priority throughout development," said Guy Esnouf, a Microsoft spokesman. "We worked diligently, both independently and with the Technical Committee, to identify and resolve all known issues before release."

ABA Seeks Immunity Guarantee In New EU Whistleblower Rules (WSJ)

The Wall Street Journal, November 24, 2006

BRUSSELS -- Proposed new European Union rules for corporate whistleblowers would deal an unintended blow to international cartel-busting efforts because they don't guarantee immunity from fines, according to the American Bar Association.

The procedures, intended to create a "one-stop shop" in the 25-nation EU for companies that want to expose illegal price-fixing schemes, could also expose companies to legal jeopardy in the U.S., according to an analysis by the ABA's antitrust and international law section.

Although well-intentioned, the proposed change "deviates substantially from the recent trend in leniency policies around the world by reintroducing a substantial level of unpredictability, discretion, and lack of clarity into the program," the ABA analysis said.

Slated for adoption next month, the EU guidelines would for the first time give out "markers" to companies that are the first to secretly blow the whistle on fellow cartel conspirators. Such markers are offered in the U.S. to assure companies they will be first in line for immunity and not be leapfrogged by other conspirators who approach regulators at a later date.

Joseph Angland, chairman of the ABA section of antitrust law and a partner in New York with the Heller Ehrman LLP law firm, says the EU's proposed wording -- that it "may" give out such markers -- would create uncertainty and encourage companies to remain silent.

"A company that comes forward wants to know that it will be granted immunity. Otherwise, it will go back into the weeds and hope no one discovers" the illegal conduct, Mr. Angland said.

The EU worries that an automatic guarantee of immunity could encourage companies to race to get the marker for immunity but not necessarily to provide regulators with evidence.

"It is important that we retain...discretion in awarding a marker and to grant it on a case-by-case basis," said Jonathan Todd, a spokesman for the EU's antitrust directorate.

Asked if the criticisms might cause regulators to alter the rules before adopting them next month, Mr. Todd said: "Wait and see."

The ABA group says other proposed rule changes in Europe could also expose multinational companies to increased legal jeopardy in the U.S. For example, the EU -- without guaranteeing that a company will be granted immunity -- still wants a detailed corporate statement identifying the cartel's aim, scope, market volumes affected and the dates and locations of cartel meetings. Such statements could provide fodder for U.S. plaintiff's lawyers, who often sue cartel members for damages, U.S. lawyers say.

ENVIRONMENT/INDIAN AFFAIRS:

Groups Upset By Claim In Clean Air Suit (NYT/AP)

DOJ_NMG_0097516

The Associated Press

The New York Times, November 24, 2006

Filed at 3:33 a.m. ET

WASHINGTON (AP) -- Environmental groups are still angry over an assertion made before the Supreme Court a month ago during arguments in a far-reaching clean air lawsuit.

The claim by prominent Washington lawyer Carter Phillips that the federal government had changed course in regulating emissions from coal-fired power plants is simply not true and a paper trail of the industry's own documents proves it, the groups say.

The case, Environmental Defense v. Duke Energy Corp., could determine the fate of an Environmental Protection Agency initiative targeting some of the biggest utilities in the nation. Phillips, representing Duke, is managing partner at the Washington office of the law firm Sidley Austin and has argued more than 50 cases at the Supreme Court.

"These companies are bent on getting away with 20 years of illegal pollution by trying to deceive the Supreme Court," said Natural Resources Defense Council clean air director John Walke, who is a former EPA attorney.

Utility industry attorney Scott Segal jumped to Phillips' defense, saying that "for these environmental groups to go after one of the best lawyers in the country is a travesty. Phillips leads a legal dream team with a spotless record." Segal was responding to a list of questions a reporter sent to Phillips' office.

The government enforcement action against Duke is one of more than a dozen brought by the Clinton administration in 1999 and 2000.

It is aimed at forcing power companies to install the latest pollution-control equipment on aging coal-fired plants which were renovated so they could be operated longer hours.

On Nov. 1, Phillips told the justices: "Our basic argument is that all along" EPA interpreted the regulatory requirements ''in a certain way. And then 19 years later, they reversed course" and suddenly sued the companies.

The environmental groups say internal industry documents clearly show that Duke understood long ago that EPA was interpreting the requirements in the same way it did in 1999 when the government went to court. Some of the documents are part of the record before the Supreme Court and all were brought to light in lawsuits against Duke and other utilities.

Among the documents, according to a Justice Department court filing, are 10 memos from an industry trade association spelling out the EPA's position for Duke starting in the late 1980s. It was the same regulatory approach EPA took a decade later when it sued the company. The Justice Department document was filed publicly in 2003, but at Duke's request it was put under seal, barred from public view.

The day after the Supreme Court argument, the Natural Resources Defense Council provided journalists with copies of industry documents the environmental groups say contradict the tack taken by Duke's lawyer before the high court.

One of them is a Duke company training guide on environmental compliance from 1991 that appears to characterize the EPA's approach in the same way the federal agency did nine years later when it sued Duke.

George Washington University law professor Jonathan Turley reviewed some of the industry files and said, "I find the statements Phillips made hard to square with these documents."

Turley said the complexity of the case makes it easy to suggest uncertainty or confusion, and that "Phillips' comments in court are more likely to be treated as attorneys gilding the lily for their client" rather than attempting to mislead.

The dispute between the utilities and the environmental groups and Justice Department lawyers is whether emissions increases should be measured on an annual basis or under a two-part test.

The industry says EPA regulations always have required an hourly rate increase in emissions before measuring for annual increases. Such an approach would enable the companies to run their revamped coal-fired plants without having to install additional pollution controls, as long as the hourly emissions rate doesn't rise. In his arguments to the justices, Phillips pointed to two EPA officials who in the early 1980s appeared to interpret the rules in the way industry favors.

The EPA and environmental groups say the regulations call for calculating emissions increases annually, which would force the installation of costly pollution controls on plants because of their longer hours of operation. Environmentalists point to a

1988 memo by an attorney representing Duke in the Supreme Court case. The document specifies an annual test "instead of" an hourly test.

But Segal, representing the industry, says focusing on that language in the 42-page document "mischaracterizes the memo." The company documents "all assume that you've already cleared the first hurdle of an hourly rate increase, so it's not surprising that the documents sometimes refer to an annual test."

"That's ridiculous," responded Keri Powell, a staff attorney with the not-for-profit environmental law firm Earthjustice.

It was "depressing to listen to Duke's attorney present a sob story to the Supreme Court about how the power companies had no idea that EPA would interpret its rules the way it did in 1999, when the power companies' own documents from years before so clearly show otherwise."

Duke spokesman Thomas Williams said the environmentalists' criticism is "an after-the-fact, made-for-litigation theory that was correctly rejected by the lower courts."

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On the Net:

Natural Resources Defense Council: http://www.nrdc.org/media/pressreleases/061102a.asp

Electric Reliability Coordinating Council: www.electricreliability.org

FBI/DEA/ATF/USMS:

Laborers Warned About Meth Trade Dangers (AP)

By Garance Burke, Associated Press Writer

AP, November 23, 2006

Fotonovelas — pocket-sized picture books popular in Mexico — have gotten a California makeover that authorities hope persuades immigrant laborers to resist the easy-money temptation of the methamphetamine trade.

Thousands in the meth-plagued Central Valley have read the bilingual graphic-novel story of Jose, a farmworker who creates tragedy for his family by working for a drug ring. "No Vale La Pena," or "It's Not Worth It," has inspired a Spanish-language docudrama, and police from Tennessee to Colorado have requested copies of both projects.

In Mexico, fotonovelas often illustrate life's struggles through recurring characters, like the trucker with a heart of gold, or the secretary trying to get ahead. Community leaders in and around Merced, about 130 miles southeast of San Francisco, saw them as an effective way to reach immigrant workers.

"We were trying to get that message across to a population that has a very low literacy level and that's really isolated," said public relations executive Virginia Madueno, who created the booklet. "So we thought, 'Aha! A fotonovela.'"

The Central Valley, a broad agricultural swath that runs up the middle of the state, remains a primary distribution point for meth, according to a U.S. Department of Justice report released last month.

Mexican drug cartels have begun to dominate the trade in the area: Merced County Sheriff Mark Pazin said they accounted for more than 80 percent of meth-production arrests in 2003. The federal report suggested the cartels are looking to expand into other areas with large populations of illegal immigrants.

Immigrant laborers can see setting up a meth lab as a lucrative alternative to backbreaking work in the fields, but end up exposing their families to the dangerous work. It's so common for meth cooks to be arrested at home in front of spouses and children that Madera County has assigned a social worker to accompany police on drug busts, Pazin said.

"No Vale La Pena" ends even more tragically. Jose, recruited by a drug lord to cook meth, hides his backyard lab from his pregnant wife, Maria, only to expose their young daughter, Raquel, to a fatal dose of chemicals.

"I've known people related to family members who thought cooking meth was an opportunity to get ahead and get a piece of the American dream," Madueno said. "I've seen what it has done."

The first run of 15,000 copies of "No Vale La Pena" was soon exhausted, said Ben Duran, president of Merced College, who helped create the storybook using private-sector donations. More were printed, and it's now available at Hispanic supermarkets across California.

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"Then we thought, 'What if we make the book come alive?'" Duran said.

Last year, Duran started working on a film based on the same story, styled to look like a telenovela, or Mexican soap opera. He played the drug kingpin in the project, made with help from the sheriff and $100,000 in federal funding.

The film has been shown in classrooms, nurses' conventions and at commercial theaters in several states.

When it premiered in the cafeteria of Merced's Margaret Sheehy Elementary School last month, the children sat entranced. As the narrator delivered somber anti-drug declarations in Spanish, a few third-graders wiped away tears.

"Kids, I'm here to tell you we don't make any of this up," Pazin said. "It is happening here in the Central Valley, in California and the U.S. People are getting sick and passing away."

DrugNet, Chapter 5: Wiretaps (PHI)

By John Shiffman

The Philadelphia Inquirer, November 24, 2006

THE STORY SO FAR

Now that agents know Temple grad student Akhil Bansal is Mr. Big - the brains behind the biggest global Internet pharmacy network DEA has ever seen - they call in reinforcements from Washington. Today's installment begins as agents try to wiretap Akhil's e-mail. It is January 2005.

CENTER CITY

Lead prosecutor Barbara Cohan paced her office, red-faced, ponytail flying. She yelled into the phone.

"If it's not ready for prime time, why the hell are we using it?"

Once again, Cool Miner, the wiretapping software, had broken down.

Barb hadn't expected miracles, she told the DEA techie down in Washington, but now that they had arranged for a Hotmail clone account to wiretap e-mail, lugging two PCs up from northern Virginia, she wanted it to work.

DEA had used the program a few times for smaller cases, in other cities - catching bad guys in midsize towns - but never in Philadelphia. With a case this complex, the techie protested, Cool Miner had become overloaded by too many e-mails, too many attachments, too much volume.

The Help Desk was working on it.

Barb seethed. DEA had a new mandate from on high to go after online pharmacies! With a computer program so lame, how did the agency expect to catch such sophisticated criminals, a global network moving 50,000 pills a day? Three years after 9/11 and DEA was still struggling to tap e-mail!

Fix it, she said.

When the wiretap did work, it was fabulous. Authorities could track the suspected kingpins in real time, reading each e-mail to and from Temple University graduate student Akhil Bansal and his father, Brij, a doctor in India. E-mail attachments included spreadsheets of detailed pill orders. Amazingly, the Bansals didn't encrypt most e-mail.

From: Brij Bansal

To: Sanjeev Srivastav

cc: Akhil Bansal

Please send the following order with next-day service:

30,000 tabs - Zolpidem 10 mg.

10,000 tabs - Cialis 20 mg.

10,000 tabs - Viagra 100 mg.

One recently intercepted e-mail put the Bansal network's stock in Queens, N.Y., at four million pills. This e-mail wiretap was going to provide a bounty of evidence - when it worked.

For Barb, a computer-savvy workaholic with an obsession for detail and no patience for incompetence, the wiretap trouble added to growing tension.

DOJ_NMG_0097519

As the stakes rose - suspects on four continents, tens of thousands of U.S. customers, a pressing public-health threat - DEA and FBI agents had begun to fight over control of the case like boys in a sandbox. DEA was wary, fearing FBI's reputation for stealing cases. FBI felt frustrated because agencies such as DEA often asked for help, then resented sharing control.

Barb and fellow prosecutor Wendy Kelly felt the tension, too. Again and again, DEA agents ignored requests to print copies of Web pharmacy home pages - not a minor task, because the printouts would be the only evidence if a Web site disappeared.

The prosecutors began to sense that some agents and supervisors couldn't take orders from women. Barb found this incredible. She had been prosecuting cases since before these guys were born. And Kelly? For God's sake, the woman served as a full colonel in the Army Reserve.

The way the prosecutors saw it, the boys needed to grow up.

NEW DELHI

The Narcotics Control Bureau agent, a thin 30-year-old with a rust-colored goatee, walked down an alley, past the cats and flies, the servants scrubbing dishes, the line of white, government Ambassador sedans.

The wire man ducked into a weathered three-story building and entered a restricted area on the third floor, an air-conditioned, high-tech enclosure with tinted windows. This was the Source Room, where NCB agents listened to wiretaps.

The wire man worked alone, anonymously. Only two others knew who he was taping and why. Everyone understood that a leak could spoil everything. That's why the wiretap paperwork was hand-carried to the home secretary for approval.

Not only was the case NCB's first major international pharmaceutical investigation, but it was also its biggest case with DEA. The Indians were eager to prove they were serious about policing pill-smuggling. It wasn't just about law enforcement, it was about economics and politics, too. Pill-smuggling tainted and imperiled the nation's legitimate manufacturing and export industries. Such a crime also threatened U.S.-Indian diplomatic relations, which had warmed since 9/11.

The wire man sat down and opened his laptop.

He had been listening for two months, ever since DEA asked for help. He knew that Brij and Akhil Bansal often spoke several times a day. Because of the time difference and Akhil's class schedule, they routinely talked when it was morning in India, night in Philadelphia.

The agent picked up his headset and downloaded a new call.

Akhil's voice came on the line.

"Papaji," he said in Hindi. "It's me."

ROXBOROUGH

Sitting on his Value City mattress, Akhil began most mornings with chocolate, a Coke, and a call to his father.

As the enterprise grew, and as Akhil became schooled in the ways of American business, the tenor of the calls changed. Now the son took charge.

"Papaji," he said in one call. "You must slow down. All your hard work will be gone."

Akhil, cocksure and 26, began to realize that his father was a terrible businessman. Brij trusted people too much, overpaid staff. He let the online pharmacies they supplied go weeks without paying.

This drove Akhil nuts. By January, clients owed the Bansals more than $800,000.

Akhil, an MBA student at a prestigious American university, urged his dad to cut off the deadbeats. Brij hesitated. He had trouble saying no.

While he let Akhil control the finances - $4 million stashed in a dozen U.S. and offshore accounts - he questioned some of his son's moves. In one call, Brij erupted in fury after learning that Akhil was selling customer data to spammers. They were using the information to make follow-up calls to pill customers - some of them addicts - pushing them to buy more.

To Brij, this seemed dishonorable. Akhil insisted it was OK.

"It's America, Papaji. Everything is for sale."

NEWNAN, GA.

DEA agent Shawn Ellerman studied the e-mail that had brought him from New York to this rural ranch home not far from the Alabama border:

To: Interphar

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From: Diane Graybeal

Please do not send or charge my credit card for this purchase. My daughter ordered this without my permission and she passed away on the 27th of November from over-medication.

Thank you.

Graybeal's daughter, Sarah, had bought 25 10-milligram tabs of generic Valium for $198. DEA had discovered the order and the mother's message in a stack of e-mails seized from Interphar, the Costa Rican online pharmacy, which the Bansals supplied.

If Ellerman could prove that Bansal pills were killing people, DEA might nail the Indians for murder, not just drug dealing.

In October, Ellerman had flown to Colorado, where another Bansal customer had died. Prosecutors were reviewing Ellerman's report, but that woman's death looked like a suicide.

In Newnan, he met with the first cop on the scene, the paramedics, the coroner, and Mrs. Graybeal. By day's end, Ellerman concluded the death was probably a suicide, too.

Ellerman felt sorry for the mother, so he sat with her at the kitchen table looking at family photographs. Mrs. Graybeal, thrilled that someone cared about her daughter, asked why DEA had sent Ellerman all the way from New York.

Ellerman couldn't discuss the case, but he told her, "Watch the news. You're going to see something big soon."

CENTER CITY

Federal grand juries convene in a restricted area on the sixth floor of the Nix Federal Building, a Moderne structure on Market Street. The secret sessions are often formal affairs, with dry testimony about paperwork and financial minutiae.

But as light snow fell outside on this January morning, jurors inside Room No. 2 seemed anything but bored. From a mahogany witness box, DEA agent Eric Russ explained the scope of the Bansal network. Grand jurors were outraged.

"How can they be so brazen about this?" one asked. "I mean, there's no doctor involved."

Said another: "I used to get spam, I'm pretty sure, and I just ignored it because I don't have a prescription. How do they get people to go for it?"

Russ had already testified twice to these grand jurors, laying out preliminaries - how the trail led to Australia and back, and how the case was growing in complexity and scope. Frankly, Russ would have been satisfied to make the arrests by now. But prosecutors wanted more evidence, more bad guys, an airtight case. They always did.

At this appearance, Russ gave grand jurors the big picture, including some of the seedier clients: Rx-mart.com, pillbasket.com, ourprescriptionsforless.com, bigcitymeds.com, myemeds.com, getsomemeds.com, ezfreescripts.com.

"The majority... look like a professional Web site where you would go and order anything," Russ told the grand jurors. "They will have a list of medications they may classify by painkillers, sleep aids, diet aids, things like that... . No requirement to fill out... description of symptoms... . No place to fax or bring your prescription."

When pills arrive, "there is no doctor's note telling you how to take it or anything like that. It's just the Valium in a box."

One customer merited special notice, Russ said: a guy using the e-mail name "Millerlight." He stood apart for two reasons.

One, Millerlight didn't order pills. He ordered ketamine powder, a sedative abused as a club drug, by the kilo.

Two, while the Web site operators paid Akhil by wiring money into his bank accounts, Millerlight paid cash. He bundled big bills like bricks and shipped them by UPS directly to Akhil.

Just like a street dealer.

ROXBOROUGH

As the total owed to the Bansals by online pharmacies climbed toward $1 million, Akhil began to lose his patience. From the computer in his spartan bedroom, he e-mailed a terse note to longtime customers:

In this business we take all the risk right from buying of medicine from India, sending it to USA, storage in USA and then shipping it to your customer's doors. On the other hand you guys sit in an unknown country, with web servers in a different country and merchant account in yet another different country. You have no risk in this business aside from losing future money.

I wrote the above paragraph to convey that we take all the risk for MONEY. If we are not paid on time or not paid in full, we have no incentive to take all the risks and work with a client.

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After all this I have reached a conclusion that you are a very risky client... . We are in a situation in which we would rather NOT work with you, than be begging for OUR money.

It was a pleasure having done business with you. Wish you luck for your future. Dr. Akhil Bansal.

CENTER CITY

Akhil wasn't the only one struggling with finances.

On a frosty morning, James Pavlock, a money-laundering expert up from Washington, settled into a temporary office on Chestnut Street, half a block from Independence Hall. He knew the city well, having once served as a Philadelphia assistant district attorney, and he kept a home here.

Among his first visitors was Aaron Carp, the eager, 25-year-old IRS agent. Carp opened a thin file - spreadsheets of Akhil's bank records.

The numbers, grouped by account, showed tens of thousands of dollars moving every few days. It was good work, Pavlock told Carp, but just a beginning. There was no pattern. Or apparent motive, or hard evidence of a crime.

Carp was stumped. What should he do?

Pavlock lived for such moments - an agent who wanted to talk spreadsheets. They spoke for two hours.

"OK, now what?" Carp said.

They would subpoena U.S. banks and begin using diplomatic channels to seek foreign bank records. This meant getting cooperation from as many 10 countries. That might take months.

Pavlock didn't have months. Given the public-health threat - addictive pills sold willy-nilly to anyone with a credit card - prosecutors wanted a speedy indictment, maybe by late March.

Finding the money was vital: First, bank records would help prove that the Bansals were drug dealers on a wide scale. Second, the records could prove money-laundering, a charge that would increase any prison sentence. Third, money found could be seized, stripping the Bansals of all profits. Fourth, and not least, agencies seizing the money - millions - would get to keep it.

ROXBOROUGH

Akhil scanned his latest e-mail and fumed.

It came from his best client, Corrina Meherer in Costa Rica.

"There is a leak within your organization," she warned.

She was getting spam, she explained, from a new Web site, one that shipped pills from a familiar address in Queens, N.Y. - 5028 Utopia Parkway.

David Armstrong's house!

Armstrong was a thief! Akhil's shipper was stealing his pills, selling them through his own Web site.

Akhil resisted the urge to confront Armstrong. He needed more than suspicion. He needed irrefutable proof.

There was only one way to get that.

QUEENS

Akhil waited a week, until Armstrong traveled to India.

Akhil used his key to enter the pill depot - the one he paid Armstrong to supervise. It was night. The place was empty.

Akhil walked past the packaging tables, the empty boxes and the pill shelves. He stopped to pour himself a Coke, then entered Armstrong's office and flipped on the computer.

When the Windows password screen appeared, he moved the cursor over a green icon. After a second, the computer displayed a password hint.

"Sequence," it said.

Akhil stared at the screen, sipping his Coke. Sequence? He tried a series of dates, birthdays, numbers he could associate with Armstrong. Nothing. After a while, he figured, what the hell, and typed "12345."

It worked.

Inside, Armstrong had password-protected his e-mail, but Akhil was ready.

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He took a thumb drive he had brought from Philadelpia and plugged it into the back of the computer. The thumb drive automatically began a program called Password Recovery 123.

Within seconds - almost magically - the asterisks hiding the Armstrongs' password fell away. Akhil was in.

He copied the files, then took a quarter-size device called a Key Catcher and connected it between the computer and the cord running to the keyboard. This tiny spy machine would record every stroke Armstrong typed.

It was as good as a wiretap.

What had taken federal agents weeks - and money and court orders and software headaches - to accomplish, Akhil pulled off in an hour.

Pardon More Than The Turkey (SFC)

By Debra J. Saunders

San Francisco Chronicle, November 23, 2006

AFTER the GOP took that thumpin' in the November elections, President Bush wants the voters to give his party and his leadership a second chance. That makes this a good time for Bush to use his presidential pardon power to give others a second chance. This holiday season, Dubya should not limit his presidential pardon power to one lucky turkey.

Thanks to draconian federal drug sentences, the number of federal prisoners reached a record 193,989 on Nov. 9 -- that's a steep increase from 150,000 in 2003. The prison population is not growing because the feds are locking up drug kingpins. As the U.S. Sentencing Commission noted in a 2002 report, while the 1986 federal drug law promised to go after "serious" and "major" traffickers, the majority of federal cocaine offenders performed low-level functions. The percentage of biggies behind bars is shrinking, while the low-life chump class grows.

In 2000, the commission reported, the proportion of importers/high-level suppliers shrank to 1.4 percent of the cocaine offenders, down from 8.8 percent in 1995; the proportion of organizers/leaders fell from 12.7 percent in 1995 to 5.3 percent. It is another sign of too-big government, when taxpayers have to bankroll long sentences for the least culpable criminals.

Clarence Aaron was a college student in 1992 when he introduced two dealers to each other. They paid him $1,500. Nine kilograms of cocaine were traded. A second deal didn't happen. Yet when the feds arrested the group, they charged Aaron with dealing 24 kilograms of crack cocaine, because one dealer was going to turn the cocaine into crack and the second deal had been set up. Aaron failed to cut a deal by pleading guilty and testifying against others.

Aaron's sentence? Life without parole. That's right, Aaron wasn't in charge, he wasn't a professional dealer, he had been charged with a first-time nonviolent drug offense and he's serving the same sentence as the treasonous FBI-agent-turned-spy Robert Hanssen.

You might expect that sort of over-the-top sentence in the Middle Ages or some hellhole dictatorship that does not value human life. An enlightened nation, however, has no business locking up a kid and throwing away the key for life -- because he did something both criminal and stupid when he was, as Bush once described his early years, "young and irresponsible."

I can't help but believe that if a white college kid had screwed up like this, unlike the African-American Aaron, he would have received a more fitting sentence.

Bush should commute Aaron's sentence this year, because it is the right thing to do. He also should work with the U.S. pardon attorney to release other prisoners serving sentences that far exceed their crimes. While in office, Bush has issued 97 pardons and two commutations. Two commutations are too few.

Julie Stewart, the president of Families Against Mandatory Minimums, hears that the Bushies don't want to commute sentences that comply with guidelines, no matter how barbaric they are. "Why have a pardon attorney's office?" she asked rhetorically. "The Founding Fathers gave (the pardon) to the president for the very purpose of exercising it when the punishment doesn't fit the crime."

Politically, Bush could use pardons to show that he cares about people who live outside the GOP circle. Let Bush show America the president who boasted in his 2004 State of the Union speech that America is "the land of the second chance" that he walks the walk.

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Commutations also would appeal to libertarian-leaning Republicans who recoil at drug-war excesses. These are voters who harken to the words of the late economist Milton Friedman, who wrote in an open letter to then-drug czar Bill Bennett in 1989, "Drugs are a tragedy for addicts. But criminalizing their use converts that tragedy into a disaster for society, for users and non-users alike."

As for law-and-order types, who don't mind throwing other people's children behind bars for life, Bush can use mercy to appeal to those voters as well.

Last month, a federal judge in Texas sentenced Border Patrol agents Jose Alonso Compean and Ignacio Ramos to 11 and 12 years in prison for shooting a fleeing drug smuggler in the buttocks, not filing the necessary reports and depriving the smuggler of his Fourth Amendment right to be free from illegal seizure. That's an insane sentence for two men who worked in service to this country and made a split-second mistake. Bush should commute their sentences before either man has to report to prison.

Let me be clear: I support long-sentences for violent criminals and repeat offenders, as well as the ultimate sentence -- lethal injection -- for repeat killers such as Clarence Ray Allen and Stanley Tookie Williams, who rightfully were executed in San Quentin Prison.

But I cannot countenance meting out the harshest sentences to people who can be redeemed and have something to contribute to society. Clarence Aaron has served enough time behind bars. Bush should set him free.

Medical Marijuana User Found Guilty Of Violating Federal Drug Laws (AP)

AP, November 23, 2006

FRESNO, Calif. - A medical marijuana user could face more than two decades in prison after a jury convicted him of violating federal drug laws and other charges.

Dustin Costa, 60, a former Marine turned medical marijuana activist, was found guilty Wednesday in Fresno federal court of growing marijuana, possession of marijuana for distribution, and possession of a firearm.

"The conviction of another medical cannabis patient is a senseless tragedy for all involved," said Steph Sherer, executive director of the medical cannabis advocacy group Americans for Safe Access.

A previous U.S. Supreme Court decision prevented Costa from using the phrase "medical marijuana" or relying on a medical defense in court.

His sentencing date has not been scheduled. Costa said he plans to appeal the decision.

76 Nabbed In International Drug Sweep (AP)

By Joshua Goodman, The Associated Press

AP, November 22, 2006

BOGOTA, Colombia -- Authorities in Italy, Spain, the United States and several South American countries arrested 76 people Wednesday as part of a major drug crackdown in which a restaurant linked to one of Colombia's most feared warlords was seized, officials said.

Salvatore Mancuso, an architect of a peace deal between right-wing paramilitaries and the government, was accused by federal prosecutors of investing in an upscale Italian eatery in the Caribbean resort town of Cartagena used by the drug ring to launder profits from cocaine shipments to Europe.

Authorities said the L'enoteca Restaurant and other assets seized Wednesday, including a nationwide chain of 58 men's clothing stores, were owned by the leaders of the criminal ring: an Italian father and son from Rome _ Giorgio and Christian Sale _ who lived in Colombia.

In total, police seized assets worth upward of $35 million during raids in eight Colombian cities Wednesday. Also confiscated as part of the multi-country police investigation were 220 pounds of cocaine, arms and a villa in Ardea, 25 miles south of Rome, which was being used as a drug refinery, Italian police said in a statement.

The prosecutor's office described L'enoteca's rapid expansion as "exaggerated" _ it has affiliates in Bogota and the Caribbean port town of Barranquilla _ and possible only with proceeds from the drug trade.

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Evidence compiled as part of a three-year investigation involving some 300 police wiretaps in Italy and abroad also indicated that Mancuso was trying to buy two undeveloped properties in Spain from the Sale family, the chief federal prosecutor said.

Mancuso is wanted by a U.S. federal court on charges of being among Colombia's biggest drug traffickers. But President Alvaro Uribe has suspended his extradition order as part of a peace deal that Mancuso helped broker and which has led to the demobilization of more than 30,000 right-wing fighters.

Colombian and Italian authorities wouldn't reveal the identities of those captured, saying only that 45 were Italian and 25 were drug traffickers in the United States, Argentina, Venezuela, Bolivia and Spain. The remaining six were arrested in Columbia, police said.

IMMIGRATION:

Man's Deportation To Somalia Sets Off A Wave Of Concern Over Safety (NYT)

By Nina Bernstein

The New York Times, November 22, 2006

On the evening of Nov. 2, a young corporate lawyer in New Jersey received a frantic call from a charity client, a 46-year-old Harlem grocery clerk with a history of petty crime. He was in custody on an airplane in Newark on his way to Mogadishu, the capital of his native Somalia, a country so dangerous that to the lawyer's knowledge, no one had been deported there in years.

The courts were closed, and a federal judge who heard an emergency motion the next day ruled that the clerk, Mohamad Rasheed Jama, was already outside United States jurisdiction.

So, after a stop in Nairobi, where he was handed over to Kenyans, Mr. Jama stepped off an airplane in Mogadishu — and into the hands of Islamist militants, who soon accused him of being an American spy and began demanding money.

"They were extremely angry," said his lawyer, Emily B. Goldberg, relating the last frightened call she got from Mr. Jama, who had spent four years in immigration detention in New Jersey awaiting deportation to the land he left at 18. "He asked me if there was anything I could do. I told him in the American system, there was nothing more I could do."

Mr. Jama, whose deportation was based on a 1989 conviction for owning an unlicensed gun, is among the first Somalis to be repatriated against his will since the United States Supreme Court ruled 5 to 4 last year that the lack of a functioning central government in Somalia did not bar such deportations. About 4,000 Somalis nationwide are eligible for immediate deportation under the ruling, which turned on the syntax of a Congressional statute.

The case of Mr. Jama, who has a 9-year-old American daughter in Harlem, highlights issues the nation has wrestled with for decades, such as what to do with deportable immigrants who can neither be detained indefinitely nor safely repatriated, and what should limit the government's discretion to decide their fate.

Conditions in Somalia have worsened in recent months, moving to the brink of an all-out regional war. In June, Mogadishu was seized by Islamic militias suspected of harboring leaders of Al Qaeda. The militias, after routing warlords backed by the United States, began imposing a Taliban-like regime of strict religious courts.

A week before his abrupt departure, Mr. Jama's volunteer lawyers filed a habeas petition on his behalf, arguing that his continued detention in the Middlesex County Jail in New Jersey was unlawful because "it is simply beyond dispute that effecting his removal to Somalia would be impossible."

Michael W. Gilhooly, a spokesman for Immigration and Customs Enforcement, confirmed Mr. Jama's deportation, declining to say whether more were under way. But at a federal appeals hearing in Seattle last month, a Justice Department lawyer said that three people had been deported to Somalia since the Supreme Court ruling, after volunteering.

Because an injunction halting most such deportations was lifted in April, the government lawyer, Greg D. Mack, added, the others would be deported at the discretion of the Department of Homeland Security.

The 28 years Mr. Jama spent in New York hardly prepared him for survival under Islamic fanatics. His job history, detailed in an affidavit, includes three summers as a "jack of all trades" at Jewish youth camps in Orange County, long hours as a counter

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man in corner stores on upper Lexington Avenue, as well as garment work in Midtown Manhattan and a stint as a junkyard dealer on 125th Street.

His lengthy rap sheet reflects a drinking problem, he said in the affidavit, and his having adapted too well to Harlem's "street culture." Besides a misdemeanor assault and the gun possession, for which he served three years in prison, his offenses include possession of marijuana, selling beer without a license and riding a bus without paying the fare.

But in his old Harlem neighborhood around West 115th Street, he is mainly remembered as a hard worker and good father brought down by alcohol.

"He was very cool, a good dude," said Lester Robinson, 26, whose sister, Waldrina Robinson, is the mother of Mr. Jama's daughter, Ashante.

Ms. Robinson, a home attendant, said she ended a five-year relationship with Mr. Jama in 2000, but she spoke warmly of the years after Ashante's birth in 1997, when Mr. Jama changed the baby's diapers, often cared for the girl at the grocery store where he worked, and "gave me every dime" he earned.

"He was a good father — when he was there," she said.

From the government's perspective, Mr. Jama should have been gone years earlier. In 1978, when Somalia still had a central government, Mr. Jama entered the United States on a one-year visa to work with his father as a security guard at Somalia's Diplomatic Mission to the United Nations.

Left behind at 19, when his father joined his mother in London, Mr. Jama learned English, earned a high school equivalency diploma and became a permanent legal resident under the immigration amnesty enacted by Congress in 1986. But he bought an illegal handgun for protection after a cousin was killed in a robbery, he said, and was arrested for having it after an alcohol-fueled dispute with other relatives drew the police.

Mr. Jama was ordered deported in 1993. But with no foreseeable chance of deporting him to Somalia, where civil war was raging, the authorities released him under supervision. As was typical at the time, no action was taken when he stopped reporting, even when later infractions led to brief jail time.

After 9/11, attitudes changed. Mr. Jama was picked up in October 2002, as were many other Somalis. But unlike those with comparable records who were provisionally released again when deportations stopped, Mr. Jama had no lawyer until this year. Then the American Civil Liberties Union of New Jersey took the case and enlisted help from the law firm Gibbons, Del Deo, Dolan, Griffinger & Vecchione.

"I want nothing more from life than to be near Ashante and to be involved in her life on a daily basis once again," Mr. Jama wrote in his affidavit, seeking supervised release to a cousin in Queens who had found him a job in a grocery store. "Although my greatest fear is remaining in immigration detention for the rest of my life and never regaining my freedom, I am also frightened about what could happen if the United States tried to remove me to Somalia."

As a member of the Warsengeli clan, Mr. Jama faces special danger in areas dominated by other clans, including Mogadishu, a Somalia expert wrote in an affidavit. Other affidavits cited the failed deportation of Keyse G. Jama (no relation), the Somali man who had lost the Supreme Court case, only to be rejected at gunpoint at a Somalia airport and sent back to Minneapolis in the spring of 2005. A federal judge outraged at that botched operation ordered the government to "slow down its rush to act" and release him.

Keyse Jama is now in Canada, where he fled in January and applied for political asylum, which is granted to the vast majority of Somali applicants, said David Yerzy, his Toronto lawyer. "The Canadian government recognizes that their lives are in danger," he said.

In the United States, lawyers for Somalis are asking whether Mr. Jama's deportation signals the start of a mass deportation or a warning to those facing indefinite detention that "if you use habeas, you'll be on the next flight," said Jeffrey Keyes, the Minneapolis lawyer who argued the Supreme Court case.

In Mogadishu, as far as is known, Mr. Jama is just trying to survive.

"The government demonstrated a complete disregard for my client's safety," Ms. Goldberg said. "I strongly believe that Mr. Jama is simply the first of many that will be placed in a similarly dangerous situation."

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CONGRESS-ADMINISTRATION:

Senate Democrats Revive Demand For Classified Data (NYT)

By David Johnston

The New York Times, November 24, 2006

WASHINGTON, Nov. 23 — Seeking information about detention of terrorism suspects, abuse of detainees and government secrecy, Democrats on the Senate Judiciary Committee are reviving dozens of demands for classified documents that until now have been rebuffed or ignored by the Justice Department and other agencies.

"I expect real answers, or we'll have testimony under oath until we get them," Senator Patrick J. Leahy of Vermont, who will head the committee beginning in January, said in an interview this week. "We're entitled to know these answers, and in many instances we don't get them because people are hiding their mistakes. And that's no excuse."

Mr. Leahy, who has said little about his plans for the committee, expressed hope for greater cooperation from the Bush administration, which he described as having been "obsessively secretive." His aides have identified more than 65 requests he has made to the Justice Department or other agencies in recent years that have been rejected or permitted to languish without reply.

Now that they are about to control Congress, what he and other Democrats regard as a record of unresponsiveness has energized their renewal of longstanding requests for information about some of the administration's most hidden and fiercely debated operations. In addition, other such requests by committee members deal with subjects like voter fraud, immigration and background inquiries on Supreme Court nominees.

With little more than two weeks gone since the elections that gave his party a majority in both houses, Mr. Leahy has already begun pressing the Justice Department for greater openness. In a letter last Friday, he asked Attorney General Alberto R. Gonzales to release two documents whose existence the Central Intelligence Agency, in response to a suit by the American Civil Liberties Union, recently acknowledged for the first time. Although their details are not known, the documents appear to have provided a legal basis for the agency's detention and harsh interrogation of high-level terrorism suspects.

One document is a directive, signed by President Bush shortly after the September 2001 attacks, that granted the C.I.A. authority to set up detention centers outside the United States and outlined allowable interrogation procedures.

The second is a memorandum, written by the Office of Legal Counsel at the Justice Department in 2002, that is thought to have given the C.I.A. specific legal advice about interrogation methods that would not violate a federal statute on torture.

With Democrats in control, it will be harder for executive branch agencies to sidestep requests for documents. Behind each request will be the possibility of Democrats' voting to issue subpoenas that would compel documents or testimony, although Senate aides said they hoped to avoid conflict.

So far, few signs have emerged that the administration is preparing to be more responsive, even in the absence of a Republican majority's protection. Mr. Bush has promised to work with Democrats, but there appears to be little change in the reluctance of the Justice Department's officials to start opening its files to Mr. Leahy's committee.

"The department will continue to work closely with the Congress as they exercise their oversight functions, and we will appropriately respond to all requests in the spirit of that longstanding relationship," said a department spokesman, Brian Roehrkasse. "When making those decisions, it is vital to protect national security information, particularly when they relate to sensitive intelligence programs that are the subject of oversight by the Intelligence Committees. We also must give appropriate weight to the confidentiality of internal executive branch deliberations."

C.I.A. lawyers have sought in the past to avoid any discussion of whether the agency has documents related to its detention and interrogation of leading members of Al Qaeda in secret prisons overseas. The lawyers have said national security would be endangered if the agency was forced to tell in any way of its involvement in such operations.

But in September, the president said 14 high-level terrorism suspects had been transferred from secret locations abroad to the detention center at Guantánamo Bay, Cuba. That effectively confirmed the existence of the prisons, as long reported.

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The two documents requested by Mr. Leahy in his letter of last Friday are among what Congressional aides maintain are perhaps hundreds, crucial to shaping the government's counterterrorism policies, that have never been released or publicly acknowledged.

Justice Department officials have long said they will resist efforts to require disclosure of classified documents that provide legal advice to other agencies. But in the interview this week, Mr. Leahy signaled that he expected the department to provide a fuller documentary history on issues like detention.

The senator's letter to Mr. Gonzales requested "all directives, memoranda, and/or orders including any and all attachments to such documents, regarding C.I.A. interrogation methods or policies for the treatment of detainees." It also sought an index of all documents related to Justice Department inquiries into detainee abuse by "U.S. military or civilian personnel in Guantánamo Bay, Abu Ghraib prison or elsewhere."

It is not known whether the material sought would clarify the origin and evolution of policies on issues like national security wiretaps, detention and interrogation. But there are wide gaps in what is publicly known about these policies, who authorized them and what exactly has been authorized by administration directives and legal advisories.

"The American people," Mr. Leahy's letter said, "deserve to have detailed and accurate information about the role of the Bush administration in developing the interrogation policies and practices that have engendered such deep criticism around the world."

Senator Set To Attack On Iraq Data (NYSUN)

By Eli Lake

New York Sun, November 24, 2006

WASHINGTON — The first shot in the coming subpoena wars between congressional Democrats and the Bush administration likely will be fired in January by Senator Levin, a Democrat of Michigan.

The Senate Armed Services Committee's Democratic staff, soon to be in the majority, is already preparing to ask the Pentagon for documents related to analysis in the lead-up to the Iraq war from the offices reporting to a former undersecretary of defense for policy, Douglas Feith.

At issue so far are some 58 documents Mr. Levin requested as early as 2004 that relate to how the Defense Department's Office of Special Plans may have deviated from the CIA in its view of links between Al Qaeda and Iraq, and whether such deviation constituted pressure on intelligence analysts.

What Mr. Levin intends to do with those documents, should the Pentagon release them, is significant for the president, the ongoing war, and the Democrats.

The initial document request will test an unstated Bush administration policy to presuppose that presidential privilege would shield advice and other internal deliberations in the executive branch, and not just the White House, from congressional subpoena. It is likely, for example, that the privilege defense will be used to attempt to block congressional requests for Justice Department memos that outline interrogation policies for detainees.

While the policy is not mentioned in letters between the Pentagon and Mr. Levin, Defense Department lawyers have conveyed verbally that the 58 documents the senator seeks presumptively fall under presidential privilege.

Should Mr. Levin decide to reopen his inquiry into pre-war intelligence, however, there is a risk that Democrats will be seen as backward-looking. In an interview earlier this month, the head of the centrist Democratic Leadership Council, Al From, said he would caution his party against "relitigating 2003."

Mr. Levin has been pursuing Mr. Feith and the Office of Special Plans almost since the Iraq war began. According to correspondence between the Pentagon and Mr. Levin obtained by The New York Sun, the senator has sought every e-mail, staff review, internal legal opinion, and policy draft related to Iraq and Al Qaeda. The former prosecutor ends a June 30, 2004, letter by asking Mr. Feith to provide "all documents and communications from all persons within your Policy organization from September 2001 through April 2003, related to the relationship between Iraq and al Qaeda."

The requests, according to the correspondence, took Pentagon staffers thousands of hours to fulfill. The sub rosa bureaucratic spat became so testy that Defense Secretary Rumsfeld wrote on October 1, 2004, "Your minority inquiry seems to

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be getting broader and more open-ended in scope." In the letter, the now outgoing Pentagon chief urges Mr. Levin to reconsider his wide-ranging request for documents and to give his inquiry "constructive focus."

At the root of Mr. Levin's probe is his contention that an alternative analysis conducted after the attacks of September 11, 2001, by the Policy Counterterrorism Evaluation Group — and subsequent analysis from the Office of Special Plans, which was created in 2002 to prepare for the Iraq war — distorted and manipulated intelligence provided to policy-makers and Congress in the run-up to the invasion of Iraq.

The Senate select committee on intelligence's bipartisan report on pre-war intelligence, along with the president's own commission that examined the issue, said the intelligence reports were not influenced by the Pentagon team's analysts or the Office of Special Plans.

Despite signing off on the Senate intelligence panel's report, Mr. Levin has pressed on. Three months after the release of the report and two weeks before the 2004 presidential elections, Mr. Levin released his "Inquiry into the Alternative Analysis of the Issue of an Iraq-al Qaeda Relationship." The appendix for the inquiry lists six categories of information requests the Pentagon denied the senator, including documents relating to detainee briefings for Mr. Feith's analysts; contacts between those analysts and a pre-war opposition group, the Iraqi National Congress, and communication between the analysts and other intelligence agencies about assessments on Iraq's ties to Al Qaeda.

A spokeswoman for Mr. Levin said this week the senator had not yet made a decision on whether to subpoena the documents.

In the report, Mr. Levin concluded that Mr. Feith failed to make key changes requested by the CIA in a report he submitted on October 27, 2003, to the Senate intelligence committee regarding that relationship. That memo was the basis of a Weekly Standard cover story by Steven Hayes touting the operational links between Saddam Hussein's Iraq and Al Qaeda.

At the request of Mr. Feith, the CIA's director of congressional affairs at the time, Stanley Moskowitz, checked the 2003 memo against the recommendations from his agency and concluded "after a careful comparison between that submission and what we had requested as our condition for clearance of CIA material, I believe that you made all of the changes we requested," according to a November 1, 2004, letter obtained by the Sun.

Nonetheless, Mr. Levin in a September 22, 2005, letter to the Pentagon's acting inspector general, Tom Gimble requested that the Defense Department watchdog investigate whether Mr. Feith sent CIA material to the Senate intelligence committee without the agency's approval. In that letter, Mr. Levin requested that the inspector general look into 10 specific questions about alternative analysis into Iraq and Al Qaeda. It followed a more modest request from Senator Roberts, the Republican chairman of the Senate intelligence panel, to Mr. Gimble to investigate outstanding questions regarding the Office of Special Plans.

Mr. Levin earlier this month told reporters and Web loggers that he expected the inspector general report would be finished in the coming weeks and that Congress would proceed depending on what that report said.

U.S. Poised To Shift Latin America Policies (HC)

Houston Chronicle, November 22, 2006

BOGOTA, COLOMBIA — For the past six years, Democrats have accused President Bush and the Republican-controlled Congress of pursuing counter-productive policies in Latin America or of ignoring the region altogether.

Now, following their victories in midterm elections giving them control of the House and Senate, many Democratic lawmakers are promising subtle policy changes on immigration, trade and U.S. military aid.

"We will be in a position to try to raise the profile of these issues," said Tim Rieser, an aide to Sen. Patrick Leahy, D-Vt., poised to take the chairmanship of the Appropriations Committee's foreign operations panel. "Congress doesn't drive the ship, but it has a big role in how far it goes and in which direction."

The first sign of a changed U.S. relationship may appear today when, after years of bare-knuckle negotiations, U.S. and Colombian officials gather in Washington to sign a trade agreement.

But congressional passage of the agreement, as well as a similar deal with Peru, now seems in doubt because Democrats are generally more skeptical of trade pacts.

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The most recent trade deal, the Central American Free Trade Agreement, passed by just one vote last year in the Republican-controlled House. In the Nov. 7 election, 34 House and Senate seats switched hands from supporters of the current model of international trade deals to critics, according to a study by Washington-based Global Trade Watch.

Revisions possible

Some Democrats want to rewrite both the Colombia and Peru agreements to include, among other things, more environmental regulations and stronger guarantees for union organizers.

For now, it's unclear whether these issues can be resolved through side agreements or whether the trade deals will have to be renegotiated, which could take years.

"This doesn't mean they're dead on arrival. But they certainly will be delayed," said Chris Sabatini, with the Council of the Americas, a New York-based business organization.

As for Mexico, many Democrats reject the hard-line position of some Republicans on immigration.

"Building a wall is not the symbol that the U.S. should have in its relations with Mexico, and there will certainly be a different tone with the Democrats," said John Walsh of the Washington Office on Latin America think tank.

But John Bailey, a Mexico expert at Georgetown University, said the congressional power shift "will do little in the next biennium to rescue the U.S.-Mexico relationship from the inertia of the past five years."

Bailey said the elections sent a mixed message on immigration, with several conservative Democrats elected in key races.

Farther south, Colombia stands as the largest recipient of U.S. aid outside of Israel and Egypt, but many Democrats are pushing for changes in how the money is spent.

Reaching out to leftists

Under the administration's "Plan Colombia" policy, the U.S. has provided nearly $5 billion in mostly military aid since 2000 to fight the country's narcotics traffickers and Marxist guerrillas. Although security has improved in many areas, the rebels remain a threat while tons of Colombian cocaine and heroin continue to reach the U.S.

"Six years and $4.7 billion later, the drug-control results are meager at best," Rep. Jan Schakowsky, D-Ill., told a congressional hearing last June.

Many Democrats want to reduce military spending and use the money to boost programs to fight poverty, relocate people displaced by Colombia's 42-year civil war and encourage farmers to plant legal crops.

"Democrats don't plan to walk away from Colombia. We just want to make sure that our investment is smart," said Rep. James McGovern, D-Mass., a member of the House Rules Committee.

Elsewhere in the region, analysts say the Democrats will likely urge the Bush administration to foster cordial relations with leftist leaders who have recently been elected, including Evo Morales in Bolivia and Daniel Ortega in Nicaragua.

The goal, they say, is to prevent these governments from getting too cozy with President Hugo Chavez of Venezuela, who stands as Washington's fiercest opponent in the region. Democrats have been almost as critical of Chavez as the Republicans.

Latin Americans Wonder If Democrats Are Traders (WP)

By Sibylla Brodzinsky And Peter S. Goodman, Washington Post Foreign Service

The Washington Post, November 23, 2006

Anxiety High Over Stance of Incoming Congress

MEDELLIN, Colombia -- At the CI Jeans factory, where 3,900 people make their livings turning bolts of denim into trousers bound for the United States, the American market -- land of the customer -- appears to be slipping away.

In September, with a proposed trade deal between Colombia and the United States uncertain and orders flagging, the factory fired 320 workers. Now, the pact appears to be in peril. Democrats are set to take control of the U.S. Congress, speaking for a segment of the American public that is worried about globalization. The incoming leaders have pledged to redraft the terms of global trade.

Yesterday, the Bush administration signed the proposed deal, but leading Democrats promptly attacked it, underscoring growing doubts in Washington that Congress will approve the pact. Here in Colombia and next door in Peru, which awaits congressional approval for its own trade treaty, anxiety runs high.

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"We watch the news and we're nervous about what might happen with what we send to the United States," said Janeth Palacio Ramirez, 35, who supports her 15-year-old daughter and her elderly parents by punching zipper stops onto 7,000 pairs of jeans a day, earning about $200 a month. "Everything we make here goes there, so if there are problems with exports, we'll all lose our jobs."

As Democrats prepare to reshape U.S. trade policy, the impact is being felt far from the Carolina mill towns and rust-belt factories that are a perennial focus of domestic concern.

Addressing fears that too many jobs are being sacrificed at home, the new Democratic leadership wants to slow the worldwide effort, which the United States has led since 1947, to lower import tariffs that hinder trade.

The fortunes of Colombia and Peru -- home to more than 72 million people -- may hang in the balance. So, too, might the nature of American engagement with Latin America, regional experts say. The rejection of trade pacts with these countries would humiliate their leaders at a time when they stand as bulwarks against the anti-American populism pressed by Venezuela's president, Hugo Chavez.

Latin America was already recoiling at the prospect of the United States fencing its southern border against illegal immigration. Now, some see the nation walling off its huge marketplace, rescinding the promise of trade, long proffered by the Bush and Clinton administrations as a means of furthering development.

"If you really look at the U.S. agenda in Latin America, trade is the only positive," said Michael Shifter, vice president for policy at the Inter-American Dialogue in Washington. "The rest is immigration, anti-narcotics. It's all negatives." Latin Americans, he said, may well start to question "how serious Americans are about having a constructive relationship."

President Alvaro Uribe of Colombia has championed the free-trade agreement and cultivated a friendship with President Bush. The death of the deal would undermine his standing and deprive Colombia of a crucial source of livelihood -- export dollars -- as it confronts American pressure to eradicate cocaine production.

"This would be a disaster," said Sergio Clavijo, a former Colombian deputy finance minister, who noted that exports to its neighbor Venezuela are already threatened by continued tensions with Chavez. Without export growth, "narco-trafficking will be the only way out."

In Peru, the trade pact has been embraced by a new president, Alan Garcia, who put aside years of skepticism. Garcia served as Peru's president before, in the late 1980s. Then, he attacked trade deals and derided the United States as an imperial power. Now, Garcia is listening to Hernando de Soto, an economist who preaches liberalized trade as a means of attacking poverty.

De Soto was in Washington last week, lobbying lawmakers to pass the trade pact before Democrats take over. He argued that Latin America's future is on the line: Will the region embrace integration with the global market along with respect for property rights and the rule of law, or will it slide back to the days of capitalism squaring off against Marxist prescriptions?

If the trade deal "does not go through, it will strengthen the hand of the Chavez-type sympathizers we have in Latin America, the very old arguments that we can't rely on you Americans and free trade doesn't really work," De Soto said in an interview.

But to many American workers, that talk sounds far off, as the country grapples with the loss of more than 3 million manufacturing jobs since 2000 and declining average wages in many sectors. The movement of jobs overseas has spread insecurity from the factory floor to the office cubicle.

"The message of this election says to me that all of these trade agreements need to be renegotiated," said Rep. Sherrod Brown (D-Ohio), who gained a Senate seat in large part by promising job protection. "When a plant of 300 people closes in a town of 20,000, it hurts families and destroys communities."

The new atmosphere in Washington was underscored in the House last week with the unexpected rejection of a measure to establish normal trade relations with Vietnam. This week, 16 Democratic members of Congress, including Charles B. Rangel of New York, who is to chair the House Ways and Means Committee, sent a letter to the U.S. trade representative demanding that enforceable labor protections be written into the Peru and Colombia treaties.

After yesterday's signing of the Colombia pact, Rangel issued a statement assailing what he termed "a very counterproductive step by the Bush administration," adding that "by forging ahead despite Democrats' long-standing concerns . . .

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the administration misses a key opportunity to consult and work with the new congressional majority and rebuild a bipartisan foundation for international trade."

Republicans came to the administration's defense, but as of January, Democrats will control the committees overseeing trade policy. "The new mood might simply kill the deals by convincing the administration not to bring them for a vote," said Grant D. Aldonas, a former Bush administration undersecretary of commerce.

In Colombia and Peru, some take solace that Congress is expected to approve an extension of certain trade preferences for the two countries, Ecuador and Bolivia. The preferences -- duty-free access to the American market for a range of goods, including textiles -- have since 1991 been given as a form of aid in the drug eradication campaign. The preferences expire at the end of this year. In Colombia alone, these preferences have nurtured some 600,000 jobs, according to the government.

But many say the preferences, which are generally extended for only a few years at a time, are no substitute for a permanent trade pact. Without duty-free access, garment-makers would be liable for tariffs reaching 19 percent on items shipped to the United States. Colombian leaders say it's hard for companies to secure capital for investment without greater certainty.

"Investors don't risk making investments knowing that market access is not guaranteed," Uribe, the Colombian president, said Saturday at a town hall meeting on agriculture.

Over the past four months, this uncertainty has cost Colombia 7,000 jobs, the government says. "If we lose another six months or one year, we're going to suffer big damage to our exports," said Marta Lucia Ramirez, a former Colombian trade minister.

To be sure, some in Colombia and Peru are pleased the trade deals are in trouble. Small grain and poultry farmers are worried about competing against subsidized American agribusiness, with cheap imports from the United States expected to depress prices. Labor unions have fought the pacts on ideological grounds and as a threat to certain types of jobs.

"The results of the elections have changed everything," said Carlos Rodriguez, president of Colombia's largest union, the Unified Confederation of Workers, who used the term "economic annexation" to describe the proposed Colombian deal. "The treaty is paralyzed." His union planned to send representatives to Washington this week to strategize with the AFL-CIO on how to push for a renegotiation favoring labor interests.

Some farmers, however -- particularly those on the coasts who grow artichokes, asparagus and other vegetables during the North American winter -- see the trade pacts as a prime opportunity. In Peru, between 55 and 70 percent of the population supports a trade deal, recent polls say.

On a dusty plain south of Lima, Textil Del Valle, one of Peru's largest garment-makers, churns out high-end clothing for the American market. The factory has quadrupled its workforce to 2,700 in the past four years.

But as the general manager, Fernando Garibaldi, contemplates the future, he wonders how many will be working in his factory. It all hinges on the trade pact with the United States, he says. Without it, he can't compete with China, where wages are a fraction of Peru's. And he can't compete with Mexico and Central America, which enjoy duty-free access to the American market under their own trade deals.

"We have been investing with the view that the free-trade agreement would be approved," Garibaldi said. "What will happen if hundreds of thousands of people lose their jobs?"

Goodman reported from New York. Special correspondent Lucien Chauvin in Lima, Peru, contributed to this report.

OTHER NEWS:

Breckinridge L. Willcox, 62; Prosecutor Won 2 Major Soviet Spy Cases (LAT)

From Times Wire Reports

The Los Angeles Times, November 24, 2006

Breckinridge L. Willcox, 62, who as Maryland's top federal prosecutor from 1986 to 1991 had two major espionage convictions, died Nov. 16 of cancer in Santa Paula, in Ventura County.

In 1986, President Reagan nominated Willcox, a former chief of the Justice Department's government fraud branch, to be U.S. attorney for Maryland.

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Soon after taking office, he had two major Soviet espionage convictions: that of Ronald Pelton, a former National Security Agency communications expert, and a Navy spy ring led by John Walker. Both men received life sentences.

In the late 1980s, Willcox's investigations led to the conviction of then-Maryland state Sen. Clarence M. Mitchell III and his brother, state Sen. Michael B. Mitchell, as part of the Wedtech defense contracting scandal.

Born in La Jolla, Willcox was raised in Chevy Chase, Md. After graduating from Yale University and Duke University Law School, he spent three years in the Marine Corps as a judge advocate general.

He joined the U.S. Justice Department in 1975 and prosecuted fraud cases stemming from defense contracts.

From 1984 to 1986, he was a partner in the Washington, D.C., law firm of McKenna, Conner & Cuneo and established its white-collar defense practice.

Juvenile Centers Still Not Up To Standard, Monitor Says (AP)

AP, November 22, 2006

Mississippi's two juvenile training schools have failed to meet the conditions required to bring the facilities up to standards under an agreement that ended a Justice Department lawsuit, a court monitor says.

Mississippi in May 2005 entered a four-year decree to end the lawsuits over conditions at Oakley and Columbia training schools.

The report from court monitor Joyce Burrell, filed today, says some progress has been made, but the schools are not yet in compliance. It was the fourth report filed since the agreement and covered the period May 1 through Aug. 31.

Burrell noted improvements in student-to-staff ratios, and found that the facilities were cleaner.

"In the short term, staff are to be commended for pitching in many extra hours to do a thorough cleaning and some painting of the buildings," she wrote.

However, she said, there have been setbacks in education and staffing issues, including difficulty in retaining new hires long enough to get problems under control.

She said officials must address the problem so that the training schools can reach and maintain optimum staffing levels.

Department of Health Services Executive Director Don Taylor was not available for comment Tuesday. He has said in the past that improvements are being made, despite the slow pace.

Burrell's latest report found continued problems in students reporting abuse, noting that the actual student complaints are coming through attorneys from the Department of Justice or the Southern Poverty Law Center.

"The fact that students/cadets are not comfortable reporting issues to staff of the Division of Youth Services is troubling and suggests that they are still either afraid ... or they do not have the skills to effectively use the tools that are available to make reports," she found.

She also found too many allegations of youth-on-youth and staff-on-youth abuse at Oakley, saying a communication problem is to blame for complaints that don't make their way up the chain of command.

Burrell said staffers still don't understand what constitutes abuse at Oakley and recommended that an ombudman join the staff.

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DEPARTMENT OF JUSTICE *NEWS CLIPS*

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Guantanamo Detainee Refuses Heart Operation (LAT)

By Carol J. Williams, Times Staff Writer
The Los Angeles Times, November 23, 2006

Businessman wants to have the procedure away from the prison, but the military says its doctors are able to perform the surgery.

GUANTANAMO BAY, CUBA — A businessman being held for allegedly providing support to Al Qaeda has refused to have a heart operation at the U.S. military detention center hospital here and instead is seeking a court order for civilian treatment in the U.S. or his native Pakistan.

The dispute over who should operate and where has spotlighted questions of medical ethics in the handling of some of the 430 terrorism suspects detained at Guantanamo.

Saifullah Paracha, a 59-year-old real estate and media mogul who lived in the United States for 16 years, was to have undergone a cardiac catheterization this week to explore the cause of recurring chest pains and two previous heart attacks.

Guantanamo officials say that their 150-person medical team is capable of performing the routine operation and that nearly $400,000 was spent flying in a 24-member team of cardiac specialists and equipment to be on hand in case of complications.

But Paracha's lawyers told a U.S. district judge in Washington last week that Guantanamo doctors had left him shackled during previous examinations and treatments. Paracha's request for a court order to halt the operation at the prison was denied Monday, when Judge Paul L. Friedman said he was not convinced Paracha faced a risk of "irreparable injury" at Guantanamo.

Friedman said that government doctors operate on prisoners throughout the U.S. correctional system, but that he was troubled by the reports that Paracha was treated with his arms and legs restrained by metal shackles.

Cardiac catheterization is a diagnostic procedure that involves inserting a thin plastic tube into a vein or artery and threading it to the heart to locate any blockages and measure blood pressure, said Capt. Ronald Sollock, commander of the U.S. Naval Hospital here.

"We have absolutely all the expertise and equipment here to do the procedure, be it the catheterization or stent replacement or open-heart surgery," Sollock said in an interview, reiterating the assertions he submitted to Friedman through the Justice Department last week. "We would never have suggested doing it here if we didn't have every capability available."

Sollock and Rear Adm. Harry B. Harris Jr., who commands the prison and interrogation network, said Paracha's refusal to allow the surgery would be respected for now.

But, Harris said, he has a responsibility to keep the terrorism suspects in his custody alive to face war-crimes trials or testify against other prisoners. He and his predecessors in the command have previously authorized medical intervention to prevent suicides and halt hunger strikes.

The admiral said in an interview that he sees a clear ethical distinction between preventing self-inflicted harm and forcing a prisoner to have a surgical procedure he doesn't want, even if it could prove to be lifesaving.

"Can we make a detainee or a patient undergo it?" Harris said. "Today the answer to that is no if the patient doesn't want it."

Physicians for Human Rights said that any operation forced on a detainee would be an ethical violation as recognized by the military medical community as well as the American Medical Assn.

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"Medicine in the military is set up to ensure that a doctor does not have to take an order that goes against basic medical ethics," said Nathaniel Raymond, a spokesman for the group.

And, Raymond said, military medical professionals at Guantanamo had "clearly violated" rules against force-feeding hunger strikers who are still conscious and capable of deciding for themselves whether to eat.

Paracha and his son are said to be key figures in the case against Majid Khan, one of 14 "high-value" detainees relocated here from secret CIA prisons in September.

Khan, according to U.S. authorities, allegedly researched poisoning U.S. reservoirs and was considered for an Al Qaeda plan to kill Pakistani President Pervez Musharraf. He was captured in 2003.

Paracha has said that he lived in the United States full time from 1971 to 1987, after which he visited frequently to oversee his businesses in New York, Chicago, Washington and San Francisco.

His son, Uzair Paracha, was arrested in the United States in May 2003 and charged with aiding an Al Qaeda operative who intended to bomb U.S. targets. He was sentenced to 30 years in prison earlier this year.

In a January 2005 hearing before a U.S. military panel in Guantanamo Bay, Saifullah Paracha recounted how he was arrested at the Bangkok airport in July 2003 while on a business trip and sent to Afghanistan — where he was held until his transfer here 15 months later.

Paracha told the Combatant Status Review Tribunal that he had met Al Qaeda leader Osama bin Laden twice but described the encounters as news-gathering for Universal Broadcast Ltd., one of seven companies he owns.

He was informed at the tribunal that he is suspected of laundering money for Al Qaeda, plotting to smuggle explosives into the United States and recommending that nuclear weapons be used against U.S. soldiers.

Pakistan's chief coordinator for human rights issues, Khawaja Khalid, told journalists in Islamabad last week that Paracha and Khan were in poor health and could die in detention if they didn't receive treatment soon.

Paracha's attorney, Gaillard T. Hunt, spoke with his client by telephone Tuesday and said that "he still thinks it is unsafe to go ahead [with the operation] at Guantanamo."

Hunt said he was preparing to appeal Friedman's ruling.

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Janet Reno Speaks Out Against Detentions (UPI)

United Press International, November 22, 2006

WASHINGTON, Nov. 22 (UPI) -- Former U.S. Attorney General Janet Reno and seven other senior Justice Department officials have criticized the Bush administration's terror detention policy.

The group filed a friend-of-the-court brief in the case of Qatar native Ali Saleh Kahlah al-Marri, a suspected al-Qaida sympathizer arrested in Illinois.

In the brief, the officials suggested indefinite detention of U.S. terrorism suspects could become commonplace unless the courts intervene, the Washington Post reported.

Reno has kept a low profile since leaving the top job of the Justice Department in 2001, and law professor Carl Tobias of the University of Richmond said her addition to the pool was significant, as other signatories include two U.S. attorneys from the Reagan years along with prosecutors from the Clinton and Carter administrations and Philip Lacovara, a counsel to the Watergate special prosecutor.

"It carries more weight because these are high-ranking officials in several administrations from both parties," Tobias told the Post.

Briefly: Former Justice Officials Oppose Terror Policy (AP)

AP, November 22, 2006

Former Attorney General Janet Reno and seven other former Justice Department officials have filed court papers arguing that the Bush administration is setting a dangerous precedent by trying a suspected terrorist outside the court system.

It was the first time that Reno, attorney general in the Clinton administration, has spoken out against the administration's policies on terrorism detainees, underscoring how contentious the court fight over the nation's new military commissions law has become. Former attorneys general rarely file court papers challenging administration policy. The former prosecutors on Monday challenged the department's right to bring the suspect before a military panel.

Ali Saleh Kahlah al-Marri, a suspected Al Qaeda sleeper agent, is the only detainee being held in the United States. (AP)

WASHINGTON

Staff member cleared over leaked documents

A Democratic staff member of the House Intelligence Committee has been cleared of wrongdoing by a Republican-led leak investigation and reinstated in his position, according to committee officials.

The staff member, Larry Hanauer, was suspended last month from access to classified materials by the committee's chairman, Representative Peter Hoekstra, a Republican from Michigan.

Hoekstra said at the time that he thought Hanauer might have been a source for an article on Sept. 24 in The New York Times about a National Intelligence Estimate saying the Iraq war had become a cause célèbre for terrorists.

Hanauer had obtained a copy of the classified study at the request of a Democratic panel member, Representative John Tierney of Massachusetts, shortly before it was described in the article.

ATLANTA: A police official said narcotics officers were justified in returning fire on a 92-year-old woman they shot and killed after she shot and wounded three of them as they tried to serve a warrant at her house. Neighbors and relatives said it was a case of mistaken identity.(AP)

HOMELAND RESPONSE:

Whistle-blowers Tell Of Cost Of Conscience (USAT)

By Catherine Rampell, Usa Today

USA Today, November 24, 2006

He knew there were problems. He didn't think he was one of them.

In 2002, decorated FBI Special Agent Mike German was investigating meetings between terrorism suspects. When he discovered other officers had jeopardized the investigation by violating wiretapping regulations, he reported what he found to his supervisors, in accordance with FBI policy.

At the time, Coleen Rowley, the FBI agent who had raised concerns about how the pre-9/11 arrest of al-Qaeda conspirator Zacarias Moussaoui was handled, was being hailed as a national hero. German says he had also just received a mass e-mail from FBI Director Robert Mueller, urging other whistle-blowers to come forward.

"I was assuming he'd protect me," German says.

Instead, German says his accusations were ignored, his reputation ruined and his career obliterated. Although the Justice Department's inspector general confirmed German's allegations that the FBI had "mishandled and mismanaged" the terrorism investigation, he says he was barred from further undercover work and eventually compelled to resign. FBI spokesman Bill Carter declined to comment.

The experience is familiar to other government employees who have blown the whistle on matters of national security since 9/11.

Whistle-blower filings

Since the terrorist attacks on Sept. 11, 2001, the average number of employees filing whistle-blower disclosures with the government has risen 43%, from an average of 376 annually in the four years before the attacks to 537 annually after. The statistics are kept by the Office of the Special Counsel, an independent federal investigative agency that handles whistle-blower cases if employees prefer not to directly confront their bosses about suspicions of wrongdoing.

An increasing number of whistle-blowers allege that rather than being embraced, they're being retaliated against for coming forward.

In the four years before the terrorist attacks, whistle-blowers filed an average of 690 reprisal complaints with the OSC annually. Since the attacks, an average of 835 complaints have been filed each year, a 21% increase.

The number of whistle-blower reprisal complaints is higher than the number of whistle-blower disclosure complaints because employees can file reprisal complaints with the OSC even if they had not previously filed their disclosure with the OSC.

"The sad reality is that rather than learning lessons from 9/11, the government appears to have become more thin-skinned and sensitive," says Tom Devine, legal director of the Government Accountability Project, a non-profit group that offers legal aid to whistle-blowers.

Even advocates have begun to dissuade some government employees from coming forward.

"When I get calls from people thinking of blowing the whistle, I tell them 'Don't do it,' " says William Weaver, a professor at the University of Texas at El Paso and a senior adviser to the National Security whistle-blowers Coalition. "Most of the time they go ahead and do it anyway and end up with their lives destroyed."

Those who come forward often face harassment, investigation, character assassination and firing — not to mention the toll their whistle-blowing takes on their families, Weaver and Devine say.

Lack of protection

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For those who are fired or have their security clearances revoked — tantamount to firing in the intelligence agencies — there is little recourse.

Most national security whistle-blowers are not protected from retaliation by law. That's because the intelligence-gathering agencies are exempted from the 1989 whistle-blower Protection Act, which guarantees investigations into disclosures made by federal employees and protects whistle-blowers from retaliation.

Whistle-blowers employed by these agencies must seek recourse within the same agency they are blowing the whistle on. And even if the investigators within their own agency confirm reprisal allegations, the investigators have no power to remedy the situation.

Devine says the U.S. Court of Appeals for the Federal Circuit has ruled against whistle-blowers in 125 of 127 of the reprisal cases seen by the court since 1994. "They've gutted the law," Devine says, "and it's degenerated into a rubber stamp for retaliation."

Lawmakers recently considered two sets of legislation that would affect whistle-blowers. One attempted to extend the whistle-blower Protection Act to cover intelligence agency employees through amendments to the 2007 Defense Authorization Bill.

In October, a conference committee removed the whistle-blower amendments from the final version of the bill.

The other bill that might affect whistle-blowers stiffens penalties for knowingly leaking classified information to those not authorized to receive it. That bill was introduced by Sen. Kit Bond, R-Mo., in response to recent leaks to the media about national security programs, says Bond's press secretary, Rob Ostrander.

"When classified information is printed in the newspapers, it's not just Americans who read it," Ostrander says. "It's also America's enemies."

Bond's legislation would make prosecuting leakers easier by eliminating the need to prove the disclosure damaged national security. The measure would subject those who leak classified information to a fine and up to three years in prison. It would apply to those who signed a non-disclosure agreement, regardless of their job at the time of the leak.

The bill uses language identical to that in a 2000 bill — dubbed the "Official Secrets Act," after a similar British law — that was vetoed by President Clinton. It has been endorsed by the Association of Intelligence Officers, a 31-year-old group of 4,500 current and former intelligence officers.

Bond's legislation has been referred to the Senate Judiciary Committee. If it does not make it to a floor vote by the end of this session, he will have to resubmit it when the next session begins in January.

The National Security whistle-blowers Coalition, the Government Accountability Project and various media organizations have criticized the legislation and claimed it would deter whistle-blowers from coming forward.

Ostrander says, "There are adequate opportunities for whistle-blowers to contact superiors and the federal inspector general's office or their own representatives" without leaking classified information to outside sources.

National security whistle-blowers who have come forward since 9/11 aren't so sure.

Many had been star employees at the top of the pay scale and had spent decades in civil service before blowing the whistle. The median number of years of government service for National Security whistle-blowers Coalition members is 22 years, says Sibel Edmonds, an FBI whistle-blower who founded the coalition. Edmonds and others worry that fear of committing career suicide may dissuade others from coming forward.

"I'm one of the last people who survived," says Rowley, the former FBI whistle-blower and Time magazine "Person of the Year" who recently lost her bid for a U.S. congressional seat in Minnesota. She says widespread, favorable media coverage saved her FBI career

"But is that the important story here — that one person in the country has been fired or is not being used to their fullest potential?" she asks. "It's the country that's going to suffer from a lack of whistle-blower protections."

'State Secrets Privilege' Blocks Fired Translator From Suing FBI (USAT)

By Catherine Rampell, Usa Today

USA Today, November 24, 2006

Sibel Edmonds, who formed the 100-plus member National Security whistle-blowers Coalition in 2002, began working as a linguist for the FBI the week after the Sept. 11, 2001, terrorist attack.

Several months into her contract, she discovered "shoddy" translations relevant to 9/11 created by translators who had "failed the proficiency exams," she says.

A report by the Justice Department's inspector general subsequently confirmed that at least one translator had failed the FBI's language proficiency exams. Edmonds says the translator was sent to Guantanamo Bay to translate "the most sensitive terrorist-related information" from interviews of detainees.

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Edmonds also notified her superiors that a co-worker was responsible for translating wiretaps of a company the latter used to work for. The co-worker "was blocking the intelligence coming from her family members and friends," Edmonds says.

Edmonds took a polygraph test and was investigated for typing her allegations — which contained classified information — on her home computer, even though her supervisor had given permission for her to do so, the inspector general's report said.

The Middle Eastern language specialist was fired in March 2002. When Edmonds asked why, she received a letter saying her contract had been "terminated completely for the government's convenience," according to legal briefings her lawyers filed in the lawsuit contesting her firing.

In its final report, the inspector general concluded that "we believe that many of (Edmonds') allegations were supported, that the FBI did not take them seriously enough, and that her allegations were, in fact, the most significant factor in the FBI's decision to terminate her services."

The same month the report was released, Edmonds' lawsuit to contest her firing was dismissed. Legal briefs show the government had invoked the so-called state secrets privilege, arguing that the lawsuit would jeopardize national security.

The state secrets privilege — a series of U.S. legal precedents — has been cited by the federal government at least 18 times since 9/11 and at least 81 times since the privilege was first recognized in 1953, according to the Reporters Committee for Freedom of the Press.

"Instead of protecting and standing up for whistle-blowers, this is just giving the complete green light to retaliate," says Edmonds, who lost her appeal.

FBI spokesperson Bill Carter declined to comment, citing privacy concerns.

Missouri Group Denies Terrorist Connections (AP)

AP, November 23, 2006

WASHINGTON | A Missouri-based Islamic charity accused of being part of a terrorist organization tried to distance itself in court this week from a Sudanese group suspected of financing al-Qaida.

The Treasury Department considers the Islamic American Relief Agency of Columbia to be an arm of the Islamic African Relief Agency, a Sudanese group accused of providing financial support to Osama bin Laden, al-Qaida and Hamas.

The FBI raided the charity's office in Missouri and the homes of people affiliated with the group nationwide. Since then, the 20-year-old charity has been unable to raise money.

Attorney Shereef Hadi Akeel told a U.S. Court of Appeals on Monday that the charity was not part of the Sudanese group. The organizations have independent leaders and separate bank accounts, he said.

If the two groups were the same, Akeel said, when the Missouri group wanted to move money into Sudan it would have simply transferred it. Instead, he said, the charity sought U.S. permission.

A federal judge rejected the group's lawsuit in 2005. The three-judge appeals panel seemed hesitant to reject that finding Monday.

The Justice Department pointed to the Missouri charity's own tax and corporate documents, which list the charity as a chapter or affiliate of the Sudanese group.

Akeel said that in the world of aid organizations, charities in the United States frequently became partners with groups in impoverished areas.

The judges heard public and classified testimony Monday and did not rule on the case.

State Police Eyed As Hubs Of Terrorism Data Network (UPI)

By Shaun Waterman, United Press International

UPI, November 24, 2006

A new plan from the U.S. intelligence czar will use intelligence centers run by state police as the hubs for a national network of officials from different agencies and levels of government sharing information about terrorism.

In a move likely to rattle privacy mavens, the three-year plan for implementing the congressionally mandated Information Sharing Environment (ISE) also lays out policies designed to ease sharing with foreign governments, and proposes to widen the definition of shareable terrorism information.

The plan "provides a road map for the successful implementation of the ISE, and responds to the recommendations of the September 11 commission," said Thomas McNamara, program manager for the ISE in the Office of the Director of National Intelligence.

Enacted as part of the 2004 intelligence reform law, ISE tried to create a seamless "network of networks" connecting officials -- and the terrorism-related information to which they have access -- by changing rules across the increasing number of federal, state and local agencies whose mission includes protecting the United States from terrorism.

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Mr. McNamara said the aim was to create "a virtual interstate system," and that the law-enforcement "fusion" centers being set up in states and large municipalities would be the "nodes where information can be processed, condensed and evaluated."

But such information includes personal data about Americans held by government agencies. In the wake of revelations that a Pentagon terrorist threat database contained reports about lawful anti-war protests, questions continue to be raised about the civil liberties and privacy implications of the seamless sharing of information envisaged by the ISE.

John Rollins, an analyst with the Congressional Research Service who formerly worked on information-sharing issues at the Department of Homeland Security, said concerns have been raised about regulations affecting the fusion centers.

He said federal regulations already governed the centers' state and local databases, but it was not clear how much oversight the Justice Department planned to do.

Mr. McNamara argues that the new system will strengthen civil liberties and privacy "if it is done right."

"There is already information sharing going on," he said, adding that ISE systems could add oversight capabilities that would "track, audit and monitor the use of the system" to prevent abuse.

Two contentious areas on which his plan proposes to proceed are the sharing of information with foreign governments and private-sector firms.

The plan says that federal departments and agencies should begin to ensure that their so-called "systems of records" notices and routine disclosures required by the Privacy Act "provide for terrorism information sharing with foreign partners."

It also calls for information sharing with the private sector that is "likely to entail issues requiring executive level decisions or legislative changes."

Mr. Rollins called the plan "a good start" but said that more than five years after September 11, "all we have is a plan. ... The real hard work starts now."

Civil Liberties: New Law Needs Fix (SEAPI)

Seattle Post-Intelligencer, November 24, 2006

If congressional Democrats want to exercise the mandate voters gave them in the midterm elections, they'd do well to undo the injury done to civil liberties by the Military Commissions Act passed last month.

The law was a controversial response to the U.S. Supreme Court's rejection of the Bush administration using executive power to dictate treatment of so-called "foreign combatants" at Guantanamo Bay prison in Cuba.

The law, in essence, codified the Bush administration's evisceration of the Constitution.

Among other things, the law tossed out the time-honored right to challenge in court the legality of one's detention, known as habeas corpus.

Now the Bush administration is claiming in federal court that, under the new law, even immigrants arrested in the United States can be held indefinitely on suspicion of terrorism and may not challenge their detention in civil courts. Former Attorney General Janet Reno and seven other former Justice Department officials have challenged the administration's position in the case.

Navy Lt. Cmdr. Charles Swift, who was the defense counsel in the Supreme Court case that spurred the new law, said of the Bush administration's assertions of how detainees could be treated, "There went the Bill of Rights."

A Democratic Congress would do well to get it back.

WAR NEWS:

Attack On Baghdad Shiite Slum Kills 161 (AP)

By Steven R. Hurst,

AP, November 24, 2006

Sunni Muslim insurgents blew up five car bombs and fired mortars into Baghdad's largest Shiite district Thursday, killing at least 161 people and wounding 257 in a dramatic attack that sent the U.S. ambassador racing to meet with Iraqi leaders in an effort to contain the growing sectarian war.

Shiite mortar teams quickly retaliated, firing 10 shells at Sunni Islam's most important shrine in Baghdad, badly damaging the Abu Hanifa mosque and killing one person. Eight more rounds slammed down near the offices of the Association of Muslim Scholars, the top Sunni Muslim organization in Iraq, setting nearby houses on fire.

Two other mortar barrages on Sunni neighborhoods in west Baghdad killed nine and wounded 21, police said late Thursday.

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The bloodshed underlined the impotence of the Iraqi army and police to quell determined sectarian extremists at a time when the Bush administration appears to be considering a move to accelerate the hand-over of security responsibilities. President Bush plans to visit the region next week to discuss the security situation with Iraqi Prime Minister Nouri al-Maliki.

"We condemn such acts of senseless violence that are clearly aimed at undermining the Iraqi people's hopes for a peaceful and stable Iraq," said Jeanie Mamo, a White House spokeswoman.

On Friday, about 300 mourners chanted as they beat their chests while walking through the Sadr City slum alongside slow-moving the cars and minivans carrying 16 wooden caskets tied to the rooftops.

Once the processions reached the edge of Sadr City in northeastern Baghdad, the cars and minivans left most of the mourners behind for the 100-mile drive south to Najaf, a treacherous journey that passes through many checkpoints and areas controlled by Sunni militants in Iraq's so-called "Triangle of Death."

Iraq's government imposed a curfew in the capital and also closed the international airport. The transport ministry then took the highly unusual step of closing the airport and docks in the southern city of Basra, the country's main outlet to the vital shipping lanes in the Persian Gulf.

Leaders from Iraq's Shiite, Sunni and Kurdish communities issued a televised appeal for calm after a hastily organized meeting with U.S. Ambassador Zalmay Khalilzad. The U.S. Embassy said it had nothing to report about the session.

Al-Maliki, a Shiite, also went on state TV and blamed Sunni radicals and followers of Saddam Hussein for the attacks on Sadr City — the deadliest on a sectarian enclave since the war began.

The coordinated car bombings — three by suicide drivers and two of parked cars — billowed black smoke up into clouds hanging low over blood-smeared streets jammed with twisted and charred cars and buses.

Hospital corridors and waiting rooms were awash in blood and mangled survivors of bombs that struck at 15-minute intervals in the sprawling Shiite slum, which is a stronghold of the Mahdi Army militia of radical anti-American cleric Muqtada al-Sadr, a key al-Maliki backer.

The militia and associated death squads are believed responsible for the slayings of hundreds of Sunnis since suspected al-Qaida in Iraq militants bombed a revered Shiite shrine in the city of Samarra last February.

That attack set off a surge of retaliatory killings between Shiites and Sunnis that have raged all year.

Al-Sadr associates, speaking to The Associated Press on condition of anonymity because of the sensitive nature of the information, said the cleric feared that the Sadr City bombings would make it impossible for him to hold back his heavily armed fighters from a furious round of revenge attacks.

In a television statement read by an aide, al-Sadr urged unity among his followers to end the U.S. "occupation" that he said is causing Iraq's strife. Al-Sadr said the attacks coincided with the seventh anniversary of the assassination of his father, Mohammed Sadiq al-Sadr, a revered Shiite religious leader. The anniversary reckoning was by the Islamic calendar.

"Had the late al-Sadr been among you he would have said preserve your unity," the statement said. "Don't carry out any act before you ask the Hawza (Shiite seminary in Najaf). Be the ones who are unjustly treated and not the ones who treat others unjustly."

Grand Ayatollah Ali al-Sistani, the pre-eminent Shiite religious figure in Iraq, condemned the bombings and issued condolences to family members of those who were killed. He called for self-control among his followers.

Iraq is suffering through a period of unparalleled violence. The United Nations said Wednesday that 3,709 Iraqi civilians were killed in October, the most in any month since the war began 44 months ago, and a figure certain to be eclipsed in November.

The Sadr City slaughter occurred just moments after U.S. helicopters and Iraqi armor had to intervene to stop an attack by 30 masked Sunni gunmen who tried to storm the Shiite-dominated Health Ministry, about a mile west of the Shiite slum. Seven ministry guards were wounded.

Residents also reported heavy mortar fire and gunbattles in Hurriyah, a now-largely Shiite neighborhood in northwest Baghdad. There were pitched battles between gunmen and the army on Haifa Street, a dangerous thoroughfare running north from the Green Zone, site of the American and British embassies as well as the Iraqi government and parliament.

Iraqis also reported heavy fighting around the Jadriyah Bridge near Baghdad University and AP personnel saw 12 pickup trucks loaded with men armed with rocket-propelled grenade launchers and heavy machine guns driving through the center of the city.

Counting those killed in Sadr City, at least 233 people died or were found dead across Iraq on Thursday.

Before dawn Thursday, U.S. and Iraqi forces searching for a kidnapped American soldier swept through an area of Sadr City, killing four Iraqis, wounding eight and detaining five, police said.

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The raid was the fourth time in six days that coalition forces raided the district looking for U.S. soldier Ahmed Qusai al-Taayie, a 41-year-old Ann Arbor, Mich., resident who was snatched from the street while he was visiting his Iraqi wife in Baghdad on Oct. 23.

The Mahdi Army is believed to have grabbed al-Taayie as well as dozens of people during a raid on a Ministry of Higher Education office in Baghdad on Nov. 14. The ministry is predominantly Sunni Arab.

During the 4:30 a.m. raid coalition forces searched houses and opened fire on a minivan carrying Iraqi workers in al-Fallah Street, killing four and wounding eight, said police Capt. Mohammed Ismail. He said coalition forces also detained five Iraqis.

In a statement, the U.S. military confirmed the raid and said it was part of the effort to find al-Taayie. It confirmed the detention of five Iraqis and said a vehicle was shot at by Iraqi troops after "displaying hostile intent." The statement did not report Iraqi casualties.

The military also reported that three Marines were killed during combat in Anbar province, where many Sunni-Arab insurgents are based. That raised the U.S. death toll so far this month to 52.

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Associated Press correspondents Thomas Wagner, Bassem Mroue and Qais al-Bashir contributed to this report.

Baghdad Attack Death Toll Rises To 202 (AP)

By STEVEN R. HURST

Minneapolis Star Tribune/AP, November 24, 2006

BAGHDAD, Iraq (AP) - Sunni Muslim insurgents blew up five car bombs and fired mortars into Baghdad's largest Shiite district Thursday, killing at least 202 people and wounding 252 in a dramatic attack that sent the U.S. ambassador racing to meet with Iraqi leaders in an effort to contain the growing sectarian war.

Shiite mortar teams quickly retaliated, firing 10 shells at Sunni Islam's most important shrine in Baghdad, badly damaging the Abu Hanifa mosque and killing one person. Eight more rounds slammed down near the offices of the Association of Muslim Scholars, the top Sunni Muslim organization in Iraq, setting nearby houses on fire.

Two other mortar barrages on Sunni neighborhoods in west Baghdad killed nine and wounded 21, police said late Thursday.

The bloodshed underlined the impotence of the Iraqi army and police to quell determined sectarian extremists at a time when the Bush administration appears to be considering a move to accelerate the hand-over of security responsibilities. President Bush plans to visit the region next week to discuss the security situation with Iraqi Prime Minister Nouri al-Maliki.

"We condemn such acts of senseless violence that are clearly aimed at undermining the Iraqi people's hopes for a peaceful and stable Iraq," said Jeanie Mamo, a White House spokeswoman.

On Friday, about 300 mourners chanted as they beat their chests while walking through the Sadr City slum alongside slow-moving the cars and minivans carrying 16 wooden caskets tied to the rooftops.

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The death toll, released by Rahim Qassim, a Health Ministry official in Sadr City, and police Col. Hassen Chaloub, was far higher than the one officials had given on Thursday night, when they had said that 161 Iraqis were killed and 257 wounded during the attack with mortar rounds and five car bombs that day.

Iraq's government imposed a curfew in the capital and also closed the international airport. The transport ministry then took the highly unusual step of closing the airport and docks in the southern city of Basra, the country's main outlet to the vital shipping lanes in the Persian Gulf.

Leaders from Iraq's Shiite, Sunni and Kurdish communities issued a televised appeal for calm after a hastily organized meeting with U.S. Ambassador Zalmay Khalilzad. The U.S. Embassy said it had nothing to report about the session.

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The militia and associated death squads are believed responsible for the slayings of hundreds of Sunnis since suspected al-Qaida in Iraq militants bombed a revered Shiite shrine in the city of Samarra last February.

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That attack set off a surge of retaliatory killings between Shiites and Sunnis that have raged all year.

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The raid was the fourth time in six days that coalition forces raided the district looking for U.S. soldier Ahmed Qusai al-Taayie, a 41-year-old Ann Arbor, Mich., resident who was snatched from the street while he was visiting his Iraqi wife in Baghdad on Oct. 23.

The Mahdi Army is believed to have grabbed al-Taayie as well as dozens of people during a raid on a Ministry of Higher Education office in Baghdad on Nov. 14. The ministry is predominantly Sunni Arab.

During the 4:30 a.m. raid coalition forces searched houses and opened fire on a minivan carrying Iraqi workers in al-Fallah Street, killing four and wounding eight, said police Capt. Mohammed Ismail. He said coalition forces also detained five Iraqis.

In a statement, the U.S. military confirmed the raid and said it was part of the effort to find al-Taayie. It confirmed the detention of five Iraqis and said a vehicle was shot at by Iraqi troops after "displaying hostile intent." The statement did not report Iraqi casualties.

The military also reported that three Marines were killed during combat in Anbar province, where many Sunni-Arab insurgents are based. That raised the U.S. death toll so far this month to 52.

Baghdad Reels After Bombings (LAT)

By Louise Roug, Times Staff Writer

The Los Angeles Times, November 24, 2006

Death toll is at least 152 in a Shiite district of the capital. Bush and Maliki will meet in Jordan as planned.

BAGHDAD — A series of fiery suicide car bombings killed at least 152 people and wounded 236 others Thursday in the deadliest sectarian attack in Baghdad since the 2003 U.S.-led invasion.

The explosions in the Shiite Muslim neighborhood of Sadr City followed a highly coordinated militant assault on the Shiite-controlled Health Ministry complex, and they were met with almost immediate reprisal attacks in Sunni Arab Muslim neighborhoods that killed at least nine people. Other bombings and shootings killed 18 people in and around the capital, making for one of the deadliest days in Iraq's sectarian war.

The sound of mortar shelling and gunfire echoed throughout the night in the capital, where an open-ended curfew was imposed. The government closed the airport, and the nation's top clerics and political leaders appealed for calm.

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The intensified violence came just days before President Bush is to meet with Iraqi Prime Minister Nouri Maliki in Jordan to discuss the rapidly deteriorating security situation. The White House said the attacks, which occurred on the anniversary of the death of the cleric for whom Sadr City is named, would not cause the meeting to be rescheduled.

Starting about 3 p.m., three suicide bombers blew up their cars minutes apart, incinerating commuters inside their vehicles, shredding market stalls and streaking streets with blood, witnesses and police said. Bodies, some of them on fire, lay twisted in the dust.

A couple of inches separated life and death on this afternoon.

Saif Murtadha, 17, a falafel seller, was shielded from shrapnel by a car and escaped unharmed. A man standing near his cart was less fortunate, Murtadha said, and was wounded by the flying debris.

Wedding photographer Ali Hadid, 30, watched through the lens of his video camera as one of the bombs tore through a crowd of revelers, turning the nuptial celebration into a scene of death and despair. He lost six friends, he said.

Witnesses said the first bomb went off near a traffic-control point and ignited a fuel truck, setting off a chain reaction as cars erupted in flames.

"I felt it in my body more than in my ears," said Saad Umran, a 45-year-old grocery shop owner. "Many, many people died. The only thing we could do was cover the dead bodies with blankets."

Fifteen minutes later, he heard the second bomb explode less than a mile away. There, standing at a takeout restaurant, Naeem Jassim, 34, watched as the explosion seared the flesh of bystanders and turned cars into burning wrecks.

"Police and medics were in shock," he said. "They were looking at the dead people. They didn't know what to do or where to start."

At 3:35 p.m., the third bomb killed Shiites who had sought refuge from the civil war in a temporary housing complex.

After that explosion, police sealed off entrances to Sadr City, and a fourth car bomb detonated outside its gates. A fifth apparently failed to go off and was defused by authorities.

Doctors were overwhelmed by the carnage. At a hospital, dozens of injured lay on the bloodied floors, unattended. As space ran out in the hospital morgue, workers loaded bodies into refrigerated trucks normally used to transport food.

At Imam Ali Hospital in Sadr City, at least 20 relatives and friends mourned the death of Hussam Jassim, a 17-year-old grocery clerk.

"He was always making me laugh," said his cousin, Ali Khali. "I can't believe he is dead."

After the bombings, bystanders pulled a burned corpse from a smoldering bus as angry young men held their handguns and AK-47s high, vowing revenge. Others, standing amid smoking vehicles, cursed U.S. forces and the Iraqi government, saying they had failed to provide security. Some had harsh words for the Sunnis.

"They are killing us to secure their chairs!" one man yelled, referring to Sunni political ambitions. "May God curse the Sunnis and Adnan Dulaimi," another said, referring to a leading politician.

Al Furat, a conservative Shiite television channel, replayed images of the devastation in a slow-motion loop overlaid with religious music: "Our blood, our blood," a popular singer chanted.

Even Iraqis hardened by the relentless violence feared the scale of Thursday's attacks marked a turning point, much as the bombing of a Shiite mosque in Samarra early this year sparked unprecedented rounds of sectarian killing.

"This is a huge escalation and a bad omen," said Jamal Samarra, a Sunni professor of political science at Mustansiriya University. "The situation provokes anxiety and fear. One must be careful, careful, careful."

The Iraqi Islamic Party, the biggest Sunni political group, said that after the Sadr City attacks, 17 mortar rounds hit Sunni neighborhoods. It was unclear whether anyone was killed in the attacks.

The Associated Press reported that separate mortar barrages in west Baghdad killed nine people and wounded 21.

Appearing on national television after the bombings, Maliki said he blamed politicians for provoking civil war. "We condemn these sectarian practices which aim to fragment the unity of the nation," he said.

President Jalal Talabani, a Kurd, appeared on TV with Sunni Vice President Tariq Hashimi and Abdelaziz Hakim, the leader of the largest Shiite bloc in parliament. "We appeal to everybody to show self-restraint," Hashimi read from a joint statement.

Shiite clerics Grand Ayatollah Ali Sistani and Muqtada Sadr urged followers not to retaliate.

An influential Shiite lawmaker, Qusai Abdul-Wahab, said the bloodshed showed that U.S. forces were unable to protect Iraqis and should leave. "What happened today highlights that the Iraqi security forces must take control," he said.

Sadr City is named for Muqtada Sadr's father, a revered cleric believed to have been killed by Saddam Hussein's forces. The slum is home to the country's largest Shiite militia, which is loyal to the younger Sadr.

The attacks were the deadliest since 181 people were killed in coordinated explosions in Baghdad and Karbala in March 2004.

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The day's violence began around noon, when mortar rounds pummeled the Health Ministry complex. At least 30 heavily armed militants then surrounded the government building, trapping about 2,000 administrators and officials inside. In a dramatic live interview with an Iraqi TV station, Deputy Health Minister Hakim Zamili charged that Iraqi soldiers stood by while gunmen attacked.

"We can see the terrorists through the windows, moving freely," Zamili said. "Nobody is stopping them."

Later, ministry spokesman Qasim Yahia Allawi said Iraqi soldiers had not responded to calls for help during the three-hour standoff between gunmen and ministry guards. Eventually the assailants scattered when U.S. helicopters arrived, he said.

"We're not provoked by such operations," said Sheik Jaladin Sahir, a spokesman for the ruling Shiite bloc, referring to the attacks. "The political process must continue. Terrorism must be defeated."

But he added, "If the situation continues in this manner, I think the street will explode."

*

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Times staff writers Suhail Ahmad, Mohammed Rasheed, Raheem Salman and Saif Rasheed in Baghdad and Julian E. Barnes in Washington contributed to this report.

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Begin text of infobox

Major bombings

Here is a list of some of the deadliest bombings in Iraq since the overthrow of Saddam Hussein in April 2003:

Aug. 19, 2003: A truck bomb wrecks United Nations headquarters in Baghdad, killing 22 people, including U.N. envoy Sergio Vieira de Mello.

Aug. 29, 2003: A car bomb kills more than 100 people, including top Shiite Muslim leader Ayatollah Mohammed Bakr Hakim, at the Imam Ali mosque in Najaf.

Feb. 1, 2004: 109 people are killed when two suicide bombers blow themselves up in Irbil at the offices of the two main Kurdish factions.

March 2, 2004: 181 people are killed in coordinated attacks in Baghdad and Karbala.

Feb. 28, 2005: A suicide car bombing in Hillah kills 125 people and wounds 130.

July 16, 2005: A suicide bomber in a fuel truck kills 98 near a Shiite mosque in Musayyib.

Sept. 14, 2005: A suicide bomber kills 114 people and wounds 156 in a Shiite district of Baghdad.

Sept. 29, 2005: 103 people are killed in three coordinated car bomb attacks in the mixed Shiite-Sunni town of Balad.

Jan. 5, 2006: Two suicide bombers kill more than 120 people and wound 200 in Karbala and Ramadi.

July 1, 2006: A car bombing at a crowded market in Baghdad's Sadr City neighborhood kills 77 and wounds 114.

Nov. 23, 2006: Three apparently coordinated car bombings in the Sadr City neighborhood kill at least 152 people and wound 236.

Deadly Iraq Attacks Underscore Militants' Growing Organization (WSJ)

By Philip Shishkin

The Wall Street Journal, November 24, 2006

BAGHDAD, Iraq -- Underscoring the increasingly organized and brutal nature of sectarian violence here, at least 160 people were reported killed and hundreds more injured in the deadliest attacks on civilians in Baghdad since the U.S. invasion in March 2003.

Yesterday's attacks -- a wave of car bombings in a Shiite Muslim area of Baghdad that were followed almost immediately by mortar attacks on Sunni Muslim neighborhoods -- seemed likely to push Iraq further into civil war and to complicate U.S. efforts to bring stability to the country. The attacks also reflected the increasing sophistication and coordination of combatants.

The worst damage came in the teeming Baghdad neighborhood of Sadr City, a stronghold of one of the country's most feared Shiite militias. The Associated Press said at least 160 were left dead by what the U.S. military said were five car bombs and two mortar rounds. The attacks came after a siege against the headquarters of the Shiite-run Health Ministry in northern Baghdad, which was fended off by Iraqi troops and U.S. helicopters.

Shortly afterward, in an apparent revenge attack, militants fired scores of mortars aimed at the overwhelmingly Sunni neighborhood of Adamya, home to one of the holiest Sunni mosques in Baghdad. Several mortar rounds also hit the Association of Muslim Scholars, a hard-line Sunni group in Baghdad. The Interior Ministry imposed an indefinite curfew on vehicles and pedestrians.

With Iraqi security forces widely viewed as inefficient or tainted by sectarianism themselves, many Iraqis still look to the U.S. for protection. But despite stepped-up patrols and security sweeps in Baghdad in recent months, U.S. forces and their Iraqi

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counterparts have been unable to stem sectarian violence, raising questions of what kind of a security strategy can succeed in stopping what many Iraqis now openly call a civil war.

While the Bush administration has resisted using that term to describe the violence, military leaders have been steadily ringing alarm bells about the worsening sectarian strife. In early August, Gen. John Abizaid, top commander of U.S. forces in the Middle East, described the situation this way: "I believe that the sectarian violence is probably as bad as I've seen it, in Baghdad in particular, and that if not stopped, it is possible that Iraq could move towards civil war." The situation has worsened since then.

U.S. forces didn't deploy to Sadr City yesterday, instead leaving the area to Iraqi security forces and armed Shiite militiamen. Top Iraqi politicians, including President Jalal Talabani, held an emergency meeting and issued a statement calling for "a revision of the government's existing security plans for Baghdad to better protect innocent civilians."

Iraqi television showed mangled bodies, charred cars and plumes of smoke and fire in Sadr City. Angry crowds gathered on the streets of the poor Shiite district, with people shouting and brandishing weapons in the air.

Fearing a reprisal from Shiite militias roaming the city, Sunnis across Baghdad hurried home. The ensuing mortar attacks in Adamya left several civilians dead, though the exact death toll remained unclear. "It's very sad to watch such a huge number of civilians, of women and children, who went to the market and died," said Raad Nabil, a 24-year-old Sunni university student, of the Sadr City attack. "The cheapest thing in this country now is human life. It will be another spark for the civil war."

The carnage broadens the sectarian warfare between Sunnis, a minority population but one that dominated the ranks of Saddam Hussein's government, and Shiites, the majority of the population, who often were marginalized by the former regime.

Fighting between Shiite and Sunni militias broke out in earnest after insurgents -- presumed to be Sunnis -- destroyed a landmark Shiite shrine in Samarra in February. Afterward, Shiite militias, often operating from within Iraq's security forces, went on a spree of gruesome killings and torture of Sunnis. The Sunni insurgents ratcheted up attacks against Shiite civilians, alongside their older fight against the U.S. occupation.

The new Shiite-dominated government, which took office in May, has failed either to disarm the Shiite militias or defuse the Sunni insurgency. Both sides instead have grown more recalcitrant and brazen in the ferocity of their attacks.

On Wednesday, the United Nations said 3,709 Iraqi civilians were killed in October, the single deadliest monthly toll since the U.S.-led invasion. "Hundreds of bodies continued to appear in different areas of Baghdad -- handcuffed, blindfolded and bearing signs of torture and execution-style killing," the U.N. said. It attributed much of the violence to sectarian warfare.

The main battleground of this war is Baghdad, a city of some five million where Sunnis and Shiites have long lived in mixed neighborhoods. "If the government doesn't control Baghdad, it will lose this war," says Mahmoud Mashadani, the Sunni speaker of Iraq's Parliament.

The Parliament itself -- dominated by Shiite political parties that were the big winners of last year's elections -- has grown increasingly polarized. Lawmakers trade insults and often divide along sectarian lines on key points of national policy. "The Parliament represents the streets," says Jalaladdin al-Sagheer, an influential Shiite lawmaker. "We have a conflict on the streets, so it's the same inside the Parliament."

After receiving word of the car bombings in Sadr City on his mobile phone, Mr. Sagheer had little doubt as to what would come next: "Of course the Mehdi army will take revenge." The Mehdi army, a powerful Shiite militia that follows radical cleric Moqtada al-Sadr, has been a constant fixture of the Iraq war, turning its weapons twice against the Americans and more recently focusing on sectarian attacks against Sunnis.

Despite its promises to crack down on the Mehdi army and other Shiite militias linked to powerful political parties, the Iraqi government has achieved little success. Ordinary Iraqis have largely despaired in their government, seen as weak and protected from the real Iraq by the fortified walls and checkpoints of the Green Zone, the large, U.S.-protected enclave in the center of the city.

As the violence deepens, one thing unites Iraqi politicians across the Sunni-Shia divide: Growing concern about increasing talk in Washington of a possible withdrawal of U.S. troops from Iraq. Mr. Mashadani, the outspoken Sunni Parliament speaker, suggests the U.S. should have some 500,000 troops in Iraq to truly make a difference. Mr. Sagheer, the Shiite lawmaker, also says the U.S. should stay and keep training Iraqi security forces.

--Munaf Ammar contributed to this article.

Suicide Attacks On Baghdad Shia Kill 160 (FT)

By Steve Negus, Iraq Correspondent

Financial Times, November 24, 2006

In what may be the single deadliest attack in Iraq since the 2003 US-led invasion, at least 154 people were killed on Thursday in a series of coordinated suicide car bomb attacks in the crowded east Baghdad slum of Sadr City.

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According to police sources quoted by wire agencies, at least 257 people were also injured in the bombings, which may escalate Iraq's cycle of violence. They may also harden sectarian attitudes and disrupt efforts by Prime Minister Nouri al-Maliki to oust militia-affiliated ministers from his Shia-dominated government.

The attacks coincided with the Thanksgiving holiday in the US. Mr Maliki is scheduled to meet US president George W Bush next week to discuss how to quell the sectarian violence that saw more than 3,000 civilians killed last month alone.

Police said that at least three car bombers blew up their vehicles at 15 minute intervals in three markets and squares in the city while mortar rounds landed nearby. The attack coincided with an assault by up to 100 gunmen on the Ministry of Health, like Sadr City a base for the Shia Mahdi Army militia loyal to the radical cleric Moqtada al-Sadr.

The assault on the health ministry appeared to be an unusually large-scale operation for a central area of the capital.

Ministry sources said that attackers started the siege with a mortar barrage before opening up with small arms fire from surrounding buildings. Thousands of employees were trapped inside during the attack, which ended when US helicopter gunships and ground forces drove off the attackers.

Iraqi officials complained that Iraqi military forces in the area did not respond quickly enough to the assault.

Both attacks seemed aimed at the radical Shia Sadrist movement, whom Sunnis blame for murder and torture of their co-religionists. The sprawling slum is home to up to 2m people.

The health ministry assault reflects the growing tendency for ministries in Baghdad, most of which are controlled by sectarian-based parties, to be either the bases for, or the targets of, acts of violence.

Sunni say that they risk kidnap and murder if they stray too near to the health ministry, and US troops in August raided the compound looking for hostages. The attacks follow last week's raid on a research institute run by the ministry of higher education – which is in turn contolled by the Sunni-dominated Iraqi Islamic Party – in which dozens were abducted.

Thursday's bloodshed will almost certainly trigger reprisals. Within hours mortar rounds were reported to have been launched from Sadr City aimed at the Abu Hanifa mosque in the predominantly Sunni district of Adhamiya.

Iraqi state television reported that the interior ministry imposed an indefinite curfew on the city after the day's violence.

The attacks came as Mr Maliki plans a reshuffle of his cabinet, which some government sources say is aimed at removing Sadrist ministers who abuse their position as well as partisan Sunnis. Neither side may be in much mood for compromise, however, after this recent round of violence.

The death toll may still rise, and already exceeds the single worst blast in Iraq's postwar history, a February 2005 car bomb in the southern Iraqi city of Hilla which killed 125. It may also exceed a pair of apparently coordinated attacks on Shia religious commemorations in Baghdad and the holy city of Karbala, which killed at least 170.

Bombings Kill 144 In Baghdad Slum; Siege At Ministry (NYT)

By Kirk Semple

The New York Times, November 24, 2006

BAGHDAD, Nov. 23 — In the deadliest sectarian attack in Baghdad since the American-led invasion, explosions from five powerful car bombs and a mortar shell tore through crowded intersections and marketplaces in the teeming Shiite district of Sadr City on Thursday afternoon, killing at least 144 people and wounding 206, the police said.

The coordinated bombings followed a two-hour siege by dozens of Sunni Arab insurgents against the headquarters of the Shiite-run Health Ministry in northeastern Baghdad, about three miles west of Sadr City, according to ministry officials. The gunmen, shooting from nearby buildings and surrounding streets, pelted the ministry with mortar shells and gunfire, though they fled when Iraqi troops and American military helicopters arrived, the officials and witnesses said.

The attacks were the worst in an intensifying series of revenge killings in recent months, in a cycle that has increasingly paralyzed the political process and segregated the capital into Sunni and Shiite enclaves, and threatened to drag Iraq into an all-out civil war.

Shiite revenge was swift. Shiite fighters fired about a dozen mortar shells into the predominantly Sunni Arab neighborhood of Adhamiya in northern Baghdad, wounding at least 10 people, an Interior Ministry official said. Five more mortar shells were aimed at the former Mother of All Battles Mosque commissioned by Saddam Hussein in Ghazaliya, according to the mosque's imam, Sheik Mahmoud al-Sumaidaie.

Political leaders held an emergency meeting after the attacks and later appeared together, Sunni, Shiite and Kurd, to broadcast an appeal for calm and national unity. Top clerics sent similar messages.

"In this painful tragedy, I call on everybody to practice self-restraint and stay calm," Prime Minister Nuri Kamal al-Maliki said in a separate televised address. "I hope that all political and civic powers will stand together to protect the citizens from criminal action."

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The government imposed an indefinite curfew on the capital, banning all vehicles and pedestrians from the streets, and closed Baghdad International Airport as well as the airport and seaport in the southern city of Basra. The Iraqi military command put the army on high alert, beefed up checkpoints throughout the city and established a cordon around Sadr City, according to an Iraqi military spokesman.

The authorities seemed intent on avoiding a repeat of the violent fallout that followed the bombing of a major Shiite shrine in Samarra in late February. That attack set off the eruption of sectarian killings, which has gathered momentum during the year and has spun well beyond the control of Iraqi and American security forces.

The attacks on Thursday came at a critical time for the Iraqi and American governments, which have been struggling to figure out a political and military formula to curb the violence.

American and Sunni Arab officials have argued that a key to peace rests with the aggressive demobilization of the Shiite militias tied to the most powerful Shiite political parties. But Shiite leaders have insisted that the militias remain their final bulwark against the Sunni Arab-led insurgency. And Mr. Maliki, responding to his power base, has chosen a softer, negotiated approach to the militias, frustrating his American partners.

Thursday's bombings will probably harden the Shiites' position on militias and further complicate diplomacy between Mr. Maliki and President Bush, who are scheduled to meet in Amman next Wednesday to discuss strategies for stabilizing Iraq.

"We blame the government for the attacks," said Said Adel al-Nuri, a representative of the Shiite cleric Moktada al-Sadr, echoing the general sentiment of frustration and anger in the working-class district, which has more than two million people. "We have no trust in the government or in the Americans. We have completely lost faith in the government."

According to the police, the Sadr City assault began when a suicide car bomber blew himself up at about 3:15 p.m. at a checkpoint leading into the neighborhood. That blast was followed in quick succession by that of two other suicide car bombers and two unattended car bombs, which exploded at different locations along a main avenue crowded with commuters and shoppers, witnesses said. At least one mortar shell exploded in the neighborhood, the police said, and a sixth car bomb was discovered and defused.

The car bombings destroyed dozens of other vehicles, scattered charred and mangled bodies and sent flames and thick pillars of smoke into the air. Frenzied crowds clawed through the wreckage, pulling bloodied bodies from cars and minibuses and moving them out in wooden carts.

Residents and Shiite militiamen flooded the streets, firing assault rifles into the air, shouting epithets against Sunni Arabs, the American authorities and the Iraqi government, and vowing revenge. Gunmen of the Mahdi Army, the militia loyal to Mr. Sadr, commandeered the district, setting up roadblocks and searching cars.

"The people don't know what to do," said Muhammad Ali Muhammad, a 27-year-old Shiite laborer in Sadr City. "They're going to the hospital to give blood. Some are standing around shocked."

Fighting flared at the Health Ministry earlier Thursday. The attack on the ministry headquarters began around midday when three mortar shells hit the main building, Lt. Ali Muhsin of the Iraqi Police told The Associated Press. Gunmen positioned on the upper floors of surrounding buildings then opened fire on the main building, pinning down hundreds of workers inside, ministry officials said. Ministry security guards with assault rifles fired back and managed to keep the insurgents at bay until Iraqi and American troops responded two hours later, the officials said.

Sabah Chalob, a ministry spokesman, said about 15 mortar shells hit the building over the course of the firefight.

"The employees stayed inside the ministry, away from the windows that were being targeted by the snipers," said Hakim al-Zamili, a deputy health minister, in an interview on the state-run Al Iraqiya network. "We saw the masked men moving freely, and with no fear, in the streets."

At least seven ministry guards were wounded, First Lt. Maitham Abdul-Razzaq of the Iraqi police told The A.P., though a military spokesman denied that report.

The attack on the Health Ministry building was the fourth against the ministry's employees in less than a week. The health minister, Ali al-Shemari, is an associate of Mr. Sadr, and the ministry is widely perceived by Sunni Arabs as a bastion of Shiite favoritism.

On Nov. 19, gunmen kidnapped a deputy health minister from his home in northern Baghdad. The following day, another deputy health minister narrowly escaped an ambush when gunmen opened fire on his convoy, though two of his bodyguards were killed. On Wednesday, gunmen shot and killed an assistant director general from the ministry, Mr. Zamili said.

The violence had the aspect of sectarian revenge. On Nov. 14, Shiite militiamen raided a building belonging to the Sunni Arab-run Ministry of Higher Education and abducted scores of people, some of whom remain missing, officials said.

As dusk fell on Baghdad, and with Sadr City in turmoil, several top political officials held an emergency meeting, including President Jalal Talabani, a Kurd; Tariq al-Hashemi, a Sunni vice president; and Abdul Aziz al-Hakim, a Shiite leader. Afterward, they appeared together on television to deliver a joint statement that sought to reduce tensions.

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"We call on people to act responsibly and to stand together to calm the situation," said the joint statement, read by Mr. Hashemi.

The government's spokesman, Ali al-Dabbagh, also appeared on television with what he said was an appeal from the reclusive Shiite cleric, Grand Ayatollah Ali al-Sistani.

The ayatollah, he said, "denounced the evil attack against Sadr City and expressed his grief for the huge number of dead and injured people caused by the attack, and he is calling the people to control themselves and not to react outside the law."

The American military said Thursday that three marines were killed Wednesday while fighting in Anbar Province, a stronghold of the Sunni Arab insurgency.

Synchronized Bombings Kill 157 Around Baghdad (USAT)

By César G. Soriano,

USA Today, November 24, 2006

BAGHDAD — Gunmen, suicide bombers and mortar teams launched coordinated attacks on strongholds of radical Shiite cleric Muqtada al-Sadr on Thursday, killing 157 and wounding more than 250 in the deadliest such wave of the war.

Attackers detonated three suicide car bombs within minutes of each other in Sadr City, the Shiite slum in northeast Baghdad that is home to al-Sadr's Mahdi Army militia, said Interior Ministry spokesman Brig. Gen. Abdul-Karim Khalaf. Mortar rounds struck in two public squares in Sadr City, he said.

At the same time, bombs exploded in two parked cars in Sadr City, one behind the main office of al-Sadr's political organization, police Col. Hassan Chaloub said.

Earlier, the Health Ministry was attacked by about 30 gunmen. They fled after a 50-minute gun battle with Iraqi security forces, said Lt. Col. Christopher Garver, chief U.S. military spokesman.

Three mortar shells hit the ministry building, police Lt. Ali Muhsin said. Ali al-Shemari, the health minister, is an al-Sadr loyalist.

Before dawn, Iraqi and U.S. forces looking for a kidnapped American soldier conducted a raid through an area of Sadr City, the fourth in six days. Recent U.S. raids there have been condemned by Iraqi Prime Minister Nouri al-Maliki, a Shiite whose coalition government includes al-Sadr loyalists.

Hours after the attacks in Sadr City, Sunni neighborhoods and landmarks came under assault. Mortar rounds fell at the Abu Hanifa mosque, Baghdad's holiest Sunni shrine. One round punched a hole in the dome. Other rounds smashed into the Association of Muslim Scholars, Iraq's top Sunni political organization.

"I would not classify the violence as escalating when the same kind of attack occurred yesterday and the day before across the country," Garver said. "It's just more sensational because of the size of the attack and where it took place."

The Iraqi government imposed an indefinite curfew in Baghdad, starting at 8 p.m. Thursday. It said all vehicles and people should stay off the streets until the curfew is lifted. Baghdad's airport was closed to commercial flights.

Senior Iraqi leaders held an emergency meeting. In a joint televised news conference afterward, President Jalal Talabani, a Kurd, Shiite leader Abdul-Aziz al-Hakim, and Vice President Tariq al-Hashimi, a Sunni, called for calm.

They said the government must revise current security plans in Baghdad to end sectarian killings and better protect civilians.

President Bush is to meet al-Maliki on Wednesday and Thursday in Jordan to discuss the security situation in Iraq. In other Iraq news:

·U.S. troops marked Thanksgiving by watching NFL football games on bases and eating roast turkey and traditional dishes in mess halls decorated with cardboard turkeys, pumpkins and pilgrims.

"You can't think too much about yourself, get too down or be a disruption to the other guys," said Marine Staff Sgt. Dominco Washington of the 3rd Reconnaissance Military Transition Team in Fallujah.

·The U.S. military on Thursday reported the deaths of three Marines, killed in Anbar province.

·The United Nations on Wednesday said 3,709 Iraqi civilians were killed in October, highest monthly total since the March 2003 U.S. invasion. July's toll — 3,590 — had been the highest.

"Hundreds of bodies continued to appear in different areas of Baghdad handcuffed, blindfolded and bearing signs of torture and execution-style killings," the U.N. Assistance Mission for Iraq report said.

Contributing: The Associated Press

143 Killed In Baghdad Sadr City Bombings (AFP)

By Ammar Karim

AFP, November 24, 2006

DOJ_NMG_0097549

Insurgents have killed 143 people and wounded 220 in a series of bombings, including at least three car bombs, in Baghdad's Shiite district of Sadr City, security and medical sources said.

"Of those killed, 88 bodies are in the Imam Ali hospital and 55 in Sadr City hospital," a medic told AFP Thursday.

One car bomb exploded at a market in Sadr City, a regular target for Sunni insurgents in the sectarian conflict that has killed thousands in Iraq.

Minutes before the blasts masked gunmen launched a daring raid on the health ministry, trapping about 2,000 people inside the building.

The explosions that killed 25 people and wounded 75 in Sadr City included three car bombs, the security source said.

He said one device went off at a market, a regular target for Sunni insurgents in the sectarian conflict that has killed thousands in Iraq.

In an audacious raid about 100 masked gunmen also attacked the health ministry in central Baghdad, clashing with guards and Iraqi army soldiers, deputy health minister Hakim al-Zamili told AFP.

He was trapped in the building with around 2,000 employees.

"First a series of mortars were fired at the building from the nearby Al-Fadhel neighbourhood, and then about 100 masked gunmen holding machine guns attacked the building," said Zamili.

"About 2,000 employees are trapped in the building. I am also in the building," he added.

"The gunmen came in civilian cars and pick-up trucks and started shooting at the building and wounded a number of employees."

A security source said: "Fierce clashes are going on at this moment between the gunmen and guards of the building who are backed by Iraqi army soldiers."

"There are casualties but we do not have any details."

On Sunday gunmen kidnapped deputy health minister Ammar al-Assafar from his home in Baghdad's northern Adhamiyah district, while Zamili himself escaped an assassination bid on Monday.

Two of Zamili's guards were killed in the ambush.

Insurgents have recently stepped up attacks against the government by targeting state-owned institutes and buildings.

On November 14 dozens of men wearing security forces uniforms assaulted a scientific research institute of the ministry of higher education and kidnapped around 150 people.

About 80 people, many of them employees of the ministry, are still believed to be hostages.

Sadr City, the impoverished district of followers loyal to radical Shiite cleric Moqtada al-Sadr, was also the site of an early morning incident involving US troops.

"US troops fired on a minibus carrying workers and killed a number of them in Al-Falah street at 6 am today," Imam Abdel Zahra al-Suwaidi from the Sadr movement told AFP.

"I condemn this shooting that targeted the workers and accuse US forces of repeating such acts which leave many victims every day," Suwaidi said.

A medic at the Sadr City hospital said four people were killed and eight wounded, including two women.

An Iraqi security source also confirmed the incident.

"US forces fired on the minibus as the vehicle was seen on the streets before the dusk-to-dawn curfew was lifted," the source said.

But the US military said that Iraqi forces fired on the vehicle during a raid to detain the leader of a kidnapping cell.

"A vehicle displaying hostile intent was identified as an immediate threat to Iraqi forces. Iraqi forces fired on the vehicle to neutralise the threat," the military said without mentioning civilian casualties.

The security source said the workers were headed to a market in the Jamila neighbourhood near Sadr City at the time.

A daily curfew is imposed on Baghdad from 9:00 pm to 6:00 am (1800 GMT to 0300 GMT).

US forces have regularly raided Sadr City to hunt for leaders of kidnapping cells who the military alleges are militiamen loyal to Sadr.

On Wednesday a UN report said that Iraq's sectarian conflict killed at least 3,709 people in October -- the highest monthly death toll since the 2003 US-led invasion.

The figures, from data provided by the Baghdad health ministry and morgues, compared with a previous high of 3,590 in July, which the United Nations called "unprecedented" at the time.

The report blamed the militias for the bloodshed.

"Hundreds of bodies continued to appear in different areas of Baghdad handcuffed, blindfolded and bearing signs of torture and execution-style killing," the report said.

"Many witnesses reported that perpetrators wear militia attire and even police or army uniforms."

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The UN mission regularly received reports that security forces were either "infiltrated or act in collusion with militias, while police and military security operations continued to be based on massive sweeps", the report said.

It came a week before a meeting between US President George W. Bush and Iraqi Prime Minister Nuri al-Maliki in Jordan on November 29.

The US military said Thursday that three more soldiers were killed in Iraq, bringing its losses since the invasion to 2,866, according to Pentagon figures.

Police also recovered eight bodies near the central city of Diwaniyah, while in the restive city of Baquba 12 people were reported killed.

Assault On Iraqi Civilians Is Deadliest Since 2003 (WP)

By Sudarsan Raghavan And Nancy Trejos, Washington Post Foreign Service

The Washington Post, November 24, 2006

BAGHDAD, Nov. 23 -- A barrage of car bombs, mortar attacks and missiles battered the Shiite Muslim slum of Sadr City on Thursday afternoon, killing at least 138 people and injuring more than 200, in the single deadliest assault on Iraqi civilians since the start of the U.S.-led invasion in March 2003.

The highly orchestrated attacks on the stronghold of anti-American cleric Moqtada al-Sadr threatened to unleash yet another cycle of reprisal killings and push the country closer to all-out civil war. The attacks, targeting the heart of Baghdad's Shiite community, seem designed to stoke the sectarian rage gripping Iraq.

Plumes of black smoke, and anguished screams, rose above a chaotic landscape of flames and charred cars, witnesses said. Bodies littered the streets and the smell of burned flesh filled the air. Relatives searched for loved ones as strangers helped the wounded reach hospitals overflowing with victims.

Meanwhile, angry Shiite residents and men from Sadr's Mahdi Army militia, wielding guns and rocket-propelled grenade launchers, roamed the streets, hurling curses and vowing revenge against Sunni Arabs.

"Our bellies are full of blood," declared Ibrahim Tabour, a resident. "We're going to fight the terrorists until the last breath."

By nightfall, violence had spread to other neighborhoods in retaliatory attacks across Baghdad, even as politicians and senior religious clerics appealed for calm. Mortar shells landed near Abu Hanifa mosque, Baghdad's most important Sunni shrine, killing 22 people and injuring 17, said Bessam al-Sammaraie, a doctor at al-Nouman Hospital in the Sunni neighborhood of Adhamiyah.

In an effort to stop tensions from mushrooming, the Iraqi government locked down the capital with an indefinite curfew and shut down Baghdad International Airport to all commercial flights. Iraqi security forces flooded neighborhoods around Sadr City to contain the violence.

The attack occurred as Sadr's supporters were commemorating the death of his father, Grand Ayatollah Mohammed Sadiq al-Sadr, one of Iraq's most revered ayatollahs, assassinated by agents of then-President Saddam Hussein in 1999. Earlier Thursday, gunmen attacked the Shiite-run Health Ministry, fighting a pitched battle against guards and trapping hundreds of employees inside until Iraqi and U.S. forces intervened two hours later.

Thursday's carnage began around 3:30 p.m., witnesses said. Six parked cars packed with as much as 220 pounds of explosives detonated in three sections of the sprawling working-class area, including a crowded marketplace, said Jihad al-Jabri, an Interior Ministry commander in charge of defusing bombs, in an appearance on state television.

As the bombs started exploding in 10- to 15-minute intervals, Katyusha rockets and several mortar shells rained on Sadr City, Jabri and witnesses said. Residents grabbed the driver of another car before he could detonate a bomb near a police station, Jabri added.

As of Thursday night, police were searching for as many as three cars filled with explosives that were part of the same plot, said Interior Ministry spokesman Abdul Kareem al-Kinani. He said some of the cars bore license plates from majority Sunni regions.

Mahdi Army militiamen sealed off parts of the slum and patrolled the streets, said Ahmed Abu Mohammed, a militiaman who asked that his full name not be used. Army Lt. Col. Christopher C. Garver, a U.S. military spokesman, said U.S. troops were not present in Sadr City at the time of the attacks. U.S. helicopters flew overhead but did not engage any targets, he said.

Shiite political and religious leaders, including Prime Minister Nouri al-Maliki, immediately blamed Sunni insurgents and Hussein's former Baathist Party loyalists for the carnage. Yet they expressed fear that the bloodletting could become a grim turning point in Iraq's post-invasion history, in the same way the February bombing of a Shiite shrine in Samarra triggered cycles of sectarian revenge killings. Since then, the violence has escalated, taking the lives of a record 3,709 Iraqi civilians in October, according to a U.N. report, the highest recorded monthly death toll since the invasion.

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Shiite and Sunni leaders delivered statements on state television Thursday night, with some urging Iraq's two main sects to leash their fury.

"They wanted to abolish the memory of our beloved Sadr on the anniversary of his martyrdom," said Moqtada al-Sadr, referring to the Baathists. Addressing his followers, he added that his father would have said to them: " 'Stay united, stay together and keep your patience.' "

"This land is your responsibility. This sect is your responsibility, and Iraq is your responsibility," Sadr continued. "Please do not lose your right after this incident with irresponsible acts."

A spokesman for the Iraqi government, Ali Dabbagh, read a statement on behalf of the country's most influential Shiite religious figure, Grand Ayatollah Ali Sistani, in which he condemned the "sinful aggression" against Sadr City and expressed "his extreme sadness for the large number of martyrs and wounded." Sistani called upon citizens "to have self-control and not conduct anything against the law," Dabbagh said.

In a show of unity, President Jalal Talabani, a Kurd, Vice President Tariq al-Hashimi, a Sunni, and Abdul Aziz Hakim, a Shiite cleric and leader of Iraq's most powerful religious party, conferred Thursday night in an emergency session. Afterward, they issued a joint statement condemning the attacks.

Describing the attacks as "an attempt to tear the fabric of the Iraqi people," Maliki said in a statement that he would not have tolerance for anyone who inflames sectarian tensions, and he urged Iraqis to have self-restraint.

As the appeals were delivered, retaliatory attacks unfolded in the capital. A dozen mortars pounded the Sunni neighborhood of Ghazaliya, killing three and injuring seven, said police Lt. Mohammad Khalil. In Maalif, a mixed neighborhood, gunmen in cars shot at Sunni houses for about 45 minutes in clashes that killed 13 people and injured 11, authorities said. The battles ended when U.S. forces arrived in 15 vehicles.

In Hay al-Amil, a mixed Sunni and Shiite neighborhood, clashes erupted between Shiite militias and residents on Janabat Street, named for a Sunni tribe. U.S. troops surrounded the Sunni neighborhood of Amiriyah to prevent retaliatory attacks. Armed groups guarded entry points to the area to keep out strangers, residents said.

Shihab Ahmed, a 24-year-old salesman, was walking toward Jamila market when he heard the first explosion Thursday afternoon. He ran to the scene to help the wounded. "There were dead people in the streets, there was blood everywhere," he recalled.

Ahmed and other residents loaded a few of the wounded into his car to take them to the hospital. Ten minutes later, as Ahmed was pulling away, a second car bomb exploded, less than 20 yards from the first bomb. Shrapnel hit Ahmed, slightly injuring his arm. "I looked back, and I saw cars burning," he recalled. "The fire was reaching the sky. A lot of people I know were killed while they were picking up bodies and helping people."

Mahdi Army militiamen helped transport the wounded to hospitals, witnesses said. Outside the overcrowded Khadisiya Hospital, the injured waited on the street for assistance, witnesses said. By the end of the evening, relatives were carrying bodies out in wood coffins, the start of a long journey to the holy city of Najaf, where Shiites are buried.

The dead included women and children, witnesses said. "I saw a child who was totally burned," Abu Mohammed said. "I saw another child who was carried by an old man."

The carnage spoke of the deepening sectarian divide and the dread that has engulfed the capital. "No one believes that any Shiite would kill their Shiite brothers. It's the Sunnis and the Americans who did this," said Kareem Hendul Miyahem, 40, a driver.

Tabour, like so many other Shiites, was thinking about revenge.

"If I catch a terrorist, I will not kill him with a weapon. I will not turn him over to the government," he said. "I'll catch him and cut him to pieces and drink his blood until the last drop."

Special correspondents Saad al-Izzi, Naseer Mehdawi, Waleed Saffar, Salih Dehema and other Washington Post staff in Iraq contributed to this report.

Iraq Strategy Takes Page From Vietnam Playbook (LAT)

By Peter Spiegel, Times Staff Writer

The Los Angeles Times, November 24, 2006

WASHINGTON — New tactics favored by U.S. commanders in Iraq borrow heavily from the end of another war that might seem an unlikely source for a winning strategy: Vietnam.

The tactics — an influx of military advisors and a speeded-up handover to indigenous forces followed by a gradual U.S. withdrawal — resemble those in place as the U.S. effort in Vietnam reached its end.

In historical assessments and the American recollection, Vietnam was the unwinnable war. But to many in the armed forces, Vietnam as a war actually was on its way to succeeding when the Nixon administration and Congress, bowing to public

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impatience, pulled the plug: first withdrawing U.S. combat forces and then blocking funding and supplies to the South Vietnamese army.

If they hadn't, the South Vietnamese army, which had been bolstered by U.S. advisors and a more focused "hearts and minds" campaign in the later stages of the war, could have been able to fend off the communist North, many leading military thinkers have argued.

In their view, progress was undermined by President Nixon's decision to begin withdrawing U.S. troops in 1969 in the face of political pressure at home, despite military objections that the South Vietnamese army was not ready to go it alone. Another key U.S. mistake, they contend, was the deep cuts Congress made to military aid to Saigon beginning in 1974.

For many in the military, the lessons of Vietnam are clear: Maintain public support, and be patient.

Consciously or not, President Bush encapsulated that view during his weekend trip to Hanoi, where he was asked whether there were lessons in Vietnam for the war in Iraq. Instead of military tactics or strategy, he answered by talking about the impatience of the American public, and how success in war can be slow. "We'll succeed unless we quit," Bush said.

Differing views

The view that Vietnam could have been won if public opinion and political will had continued to support the war effort is far from universal, particularly among historians outside the military.

Stanley Karnow, a Pulitzer Prize-winning journalist who covered the war from the day the first American was killed in 1959 to its end, said Hanoi was nowhere near capitulation by 1973, when the Paris peace accords were signed.

"They're clutching at some sort of way to justify hanging on in Iraq," said Karnow, whose "Vietnam: A History" is considered by many to be the definitive account of the conflict. "The war in Vietnam, in my estimation, was unwinnable for the simple, basic reason that we were up against an enemy that was prepared to take on unlimited losses. They would have gone on fighting endlessly."

For years, the debate over the end of the Vietnam War occupied students and scholars in the military's academies and war colleges. But with the Pentagon struggling to find answers in Iraq, the lessons of Vietnam have taken on more than just an academic interest.

The course that senior military commanders now appear to be steering in Iraq closely mirrors the "Vietnamization" program implemented by Nixon and his commander in Vietnam, Army Gen. Creighton Abrams, in the late stages of the war.

Army Gen. John P. Abizaid, commander of all U.S. forces in the Middle East, laid out that path at congressional hearings last week. He said the biggest change he anticipated in the coming months was a large-scale increase in U.S. advisors.

He also said he hoped to hand over responsibility for security to Iraqi forces in less than a year — faster than Army Gen. George W. Casey Jr., the U.S. commander in Iraq, had estimated just weeks earlier — and spelled out his resistance to an increase in American combat troops.

"I believe that more American forces prevent the Iraqis from doing more," Abizaid told the Senate Armed Services Committee. "If more troops need to come in, they need to come in to make the Iraqi army stronger."

Familiar strategy

For some military experts and historians, several of whom advise the Pentagon on Iraq policy, that strategy sounded familiar, recalling Abrams' shift in Vietnam after he took over from Army Gen. William C. Westmoreland in 1968. After that revamp, an increased advisory effort and an accelerated pacification program, which included enlarging the South Vietnamese army, was finally beginning to work by the early 1970s, the military scholars argue.

Those efforts were undermined, their thesis goes, by a lack of political will at home, which forced the Army of the Republic of Vietnam (ARVN) and the Saigon government to go it alone before they were ready.

"Gen. Westmoreland preferred to fight the war with American troops; he saw the advisory effort to help the South Vietnamese as very secondary," said Kalev Sepp, a counterinsurgency expert at the Naval Postgraduate School who has traveled to Iraq frequently to advise U.S. commanders. "When Abrams took over, he turned it back around, and he emphasized the advisory system as part of the way the Americans could disengage."

Abizaid is known to have studied Abrams' conduct of the war. Late last year, he was seen reading "A Better War," a 1999 book by Vietnam veteran Lewis Sorley that argues Abrams was winning before being let down by politicians in Washington.

Army Lt. Gen. David Petraeus, an influential former commander in Iraq who now heads the Army's system of war colleges and training centers, also studied Abrams' strategy early in his own rethinking of Iraq strategy.

Among the administration's Iraq war planners, the influence of the late Gen. Abrams has been felt before. The strategy of "clear, hold and build," in which U.S. forces remain in captured towns to provide security while reconstruction begins, was first articulated by Secretary of State Condoleezza Rice more than a year ago and closely echoes Abrams' "clear and hold" strategy implemented shortly after he took over from Westmoreland. Philip Zelikow, a close aide to Rice, has acknowledged reading Sorley's book as well.

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More recently, officers steeped in Vietnam's lessons have been brought into the Pentagon by Marine Gen. Peter Pace, chairman of the Joint Chiefs of Staff, as part of his task force rethinking Iraq strategy.

Among them are Army Col. H.R. McMaster, whose doctoral thesis was on the failures of the military leadership during Vietnam, and Army Col. Peter Mansoor, head of the military's new counterinsurgency center — an organization dedicated, in many ways, to reteaching the "hearts and minds" strategies that Abrams emphasized.

Although possible recommendations are still being debated within the Pentagon, the panel is reportedly leaning toward a short-term increase in U.S. forces, perhaps as many as 20,000, followed by a significant boost in training and advising efforts for Iraqis, including an increase in the size of the Iraqi military.

Andrew Krepinevich, a military analyst and Vietnam veteran who has spoken with members of Pace's panel, noted that McMaster and Mansoor are Iraq combat veterans who are known for their expertise in irregular warfare.

"It wouldn't be a surprise at all that these people would be drawing on the Vietnam experience," Krepinevich said.

The argument that Abrams was on the right track has gained a strong following among influential military thinkers, including Sepp and Krepinevich, who have the ear of many in the Pentagon.

"There's a considerable sentiment of those who really studied Vietnam and, ideally, served there, that the approach to the war after Westmoreland left was on a new track," said retired Army Col. Stuart A. Herrington, another Vietnam veteran who has advised the Pentagon on Iraq policy. "It was a radical change in the approach to the war, and there's no question that even [former North Vietnamese] adversaries now admit that the second approach was extremely, extremely damaging to them."

Veterans of later years of the Vietnam conflict, some of whom are now in positions at the military's leading war colleges, often describe a strategy that was beginning to work even as combat forces began to withdraw in the early 1970s.

James Willbanks, a former military advisor in Vietnam who heads the history department at the U.S. Army's Command and General Staff College, argued that pacification efforts — the strategy of pushing South Vietnamese forces into the countryside to provide a physical and psychological sense of security — had largely succeeded by 1972. He adding that the ARVN was even able to hold its own without American combat troops until Congress decided to withhold military funding to Saigon shortly after U.S. troops withdrew in 1973.

"We trained them to fight like us, and then we pulled all our support out," Willbanks said, echoing sentiments of other military scholars.

Clear difficulties

These same experts acknowledge that, much like 30 years ago, any strategy that relies on U.S. forces serving as the backbone of a nascent indigenous force is fraught with military and political difficulties.

Perhaps most important, much like in Vietnam, the new strategy is being pushed after several years of large-scale combat operations that may have killed thousands of insurgents, but also alienated the local population.

In addition, the Iraqi and South Vietnamese militaries are hardly comparable. Although the ARVN was notoriously corrupt and politicized, it was a functioning institution that had been engaged in fighting the communist North for decades. Conversely, the Iraqi army is being built from scratch, and unlike the ARVN, which was clearly aligned with the government in Saigon, Abizaid noted last week that it remained unclear whether the Iraqi government sees their armed forces — rather than armed militia — as their preferred fighters.

Perhaps more troubling, however, is that like the Abrams initiatives, which ran from 1968 through 1973, the current move to step up training of the Iraqi forces comes at a time when domestic support for war is on the wane and political winds are blowing in favor of a quick pullout of combat forces.

"There are certain things you just can't do in a military situation like Iraq or Vietnam, and if you violate these tenets, you're at great risk," Herrington said. "One of them is to take too long to figure out what you ought to be doing so the American public falters in its support."

Such fears, and the consequences of losing political backing for the war in Iraq, have colored military strategy. Senior military officials have acknowledged that maintaining domestic support for the war effort is frequently factored into planning discussions.

"Unfortunately, the timeline we see that it would take to build a fully capable, competent [Iraqi] force — and for us to feel comfortable stepping away — is longer than the timeline that we feel now our country will support," said Gen. James T. Conway, the new commandant of the Marine Corps. "So we have a little bit of a mismatch there."

Their fear is that, like the ultimately failed Vietnamization effort, an unwillingness by the American public to support the war could force the Pentagon to pull its backing from the Iraqi military before the developing forces are ready.

"The [Vietnam] war was so far along and the withdrawal was so far along that the U.S. advisory effort was losing its effectiveness," recalled retired Army Col. Walter Clark, who served as a provincial military advisor in the Mekong Delta in 1971

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and 1972 before becoming commandant of the Citadel, the private military college in South Carolina. "I couldn't snap my fingers and get a bunch of helicopters the Vietnamese might need."

Lessons learned?

Despite the hurdles, the signs that the administration is heeding the lessons of Vietnam, as prosecuted by Abrams, are increasingly apparent.

Bush himself, as recently as June, told a White House news conference that he saw no parallels between the two wars. More recently, however, in addition to his comments in Hanoi, Bush acknowledged in an interview with ABC News that American setbacks in Baghdad may be comparable to the Tet offensive, the 1968 battle between American forces and Viet Cong guerrillas generally seen as the point where public opinion turned against the war.

But even among Abrams' advocates, there is a nagging concern that, even with the relearning of Vietnam's lessons, it may still turn out to be too little, too late.

"Having wasted more than three years … pursuing a flawed strategy, the Pentagon lost the support of the American population and was not given the time to get it right, even when it was clear that Gen. Creighton Abrams' pacification and Vietnamization approach might have worked," Herrington wrote in a recent issue of Parameters, the journal of the U.S. Army War College.

"Sound familiar?"

*

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Times staff writer Julian E. Barnes contributed to this report.

US Involved For Longer Time In Iraq Than In World War II (AFP)

By Jerome Bernard

AFP, November 24, 2006

The US involvement in Iraq will pass another sad milestone on Sunday, when it overtakes the length of America's engagement in World War II.

While the two wars are far apart in character -- and in their death tolls -- the Iraq campaign has become a symbol of the pitfalls of the new style of conflict.

World War II ended for Americans after 1,348 days. US soldiers facing a still largely unknown enemy in Iraq do not know when their country will leave, more than three years after the US-led invasion.

American politicians have not failed to note the symbolism.

"I remember the (World War II) period well," Senator John Warner, Republican chairman of the Senate Armed Services committee, who served as a sailor during the war, said at a hearing last week on Iraq.

"I note that on November 26, 2006 this year, but a few days away, our involvement in Iraq will surpass the length of this historic World War II period," Warner said.

The committee's top Democrat, Senator Carl Levin, pointed to the Iraq war's length as he pushed for a phased withdrawal of US troops within four to six months.

"We are three and one-half years into a conflict which has already lasted longer than the Korean conflict and almost as long as World War II. We should put the responsibility for Iraq's future squarely where it belongs: on the Iraqis. We cannot save the Iraqis from themselves," Levin said.

America's involvement in World War II started with Japan's air raid on US Navy ships in Pearl Harbor on December 7, 1941.

The European war ended with Germany's surrender on May 8, 1945, while the Pacific operations ended August 15, 1945 with Japan's surrender.

According to Defense Department figures, more than 2,860 US soldiers have died in Iraq since the March 2003 invasion. More than 21,000 have been wounded, according to the independent website Iraq Coalition Casualties.

The grim figures do not compare with the US military casualties in World War II, when 406,000 American soldiers died and 671,000 were wounded, according to official US statistics.

"It is an entirely different affair, because it is the same length of time but a far smaller level of national effort," Geoffrey Wawro, a history professor at the University of North Texas, told AFP.

"Expenditures have been lower, there has been no conscription, no draft to bring in the bulk of the society, so the experience of the war has been confined to a small professional army," Wawro said.

During World War II, Americans were forced to tighten their belts, while US President George W. Bush has pursued his tax-slashing policy during the Iraq war, he said.

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"During the Second World War, you would have had tax increases, you would have had austerity, you would have had rationing, and so the experience of war would have been deeply felt," Wawro said. "Here, it is very superficially felt."

Iraq war critics use Sunday's milestone "to show that this has not been the cakewalk that George W. Bush and his acolytes pretended it would," the historian said.

Americans still remember Bush proclaiming on May 1, 2003 the end of "major combat operations" in Iraq on the flight deck of the USS Abraham Lincoln aircraft carrier. Behind him was a banner stating: "Mission Accomplished".

Wawro said that there was a "sense of amazement and bewilderment at the length of this war" and that its supporters said it would be short and not paid for by US taxpayers.

"In fact, it is long, and it is American-financed," said Wawro. "They are pointing out that this war, that was supposed to be a lightning campaign, has become more like World War II, a war of attrition."

WWII Vets Fought A Different Kind Of Fight Than Those In Iraq (USAT)

By Oren Dorell,

USA Today, November 24, 2006

William Guise, an Army infantrymen in World War II, spent months crawling on his belly to avoid enemy fire while fighting in Europe.

German shells landed so close that shrapnel snapped his rifle in two, destroyed his pistol and slashed the back of his jacket.

MORE: Iraq reaches WWII benchmark

Unlike insurgents in Iraq who often fire on U.S. troops evacuating their wounded, "the Germans treated us pretty decently," says Guise, 82, a resident of Arlington, Va., who fought with the 83rd Infantry Battalion. "When we'd have wounded, they'd have a cease-fire and clean all the wounded off the battlefield."

On Sunday, the Iraq war will have lasted 1,347 days, the length of direct U.S. involvement in WWII. Veterans of that war six decades ago describe a very different experience from that of recent veterans.

Brian Linn, a historian at Texas A&M University, says the Pentagon used the post-WWII occupation of Germany as a partial model for Iraq. But the swift success of the initial Iraq invasion made this war much different than WWII.

"Germans knew they were defeated," Linn says. "The Sunnis didn't think they were defeated."

In WWII, U.S. forces went toe-to toe against men in uniform with thousands of infantry troops, tanks, ships and planes.

In Iraq, the U.S. military is up against terrorists and fighters who dress and look like civilians. Everyone is a potential enemy.

Civilians were not involved in the fight in WWII like they are in Iraq, but they were often "in the way" and died in great numbers, says Richard Stewart, chief historian at the U.S. Army Center of Military History in Washington.

"We had no choice but to roll over them if we were to accomplish our objectives," Stewart says.

In Iraq, minimizing civilian deaths is crucial to achieving the political objective of the war, he says.

Nathaniel Haynes, 80, of Portland, Ore., manned a 5-inch gun on a destroyer in the Pacific. Battles were different then, he says.

"The Japanese were shooting at the Marines, and they were cutting them down just like grass," Haynes says of beach invasions. "When you're on the ship, you see all those bodies, but you can't do anything about it."

Technology has changed, too. In WWII, hundreds of unguided bombs were dropped from planes to hit a single target. Today, one guided missile can do the job. Communication has gone from Morse code to encrypted satellite radios.

John Mallon, 81, of Arlington, Va., recalled going on beach raids in the Pacific for the Navy, carrying a radio that had a manual generator. "You had to crank it and keep cranking to keep the power up," he says.

Iver Burke, 87, a farmer from Fruitland, Wash., who served with the Army's 106th station hospital in Italy and Okinawa, says getting to the war zone was more perilous.

"We went over on ships and trains and trucks," Burke says. "The submarines were a threat then."

Arno Christopher, 83, of Seymour, Ind., spent nearly three years in Europe with the Army's 264th Field Artillery Battalion. Unlike today, when U.S. troops deploy for periods of several months to more than a year, no one in WWII knew when or how they'd return home, Christopher says.

"They were there until (German) surrender or whatever was going to happen," Christopher says.

World War II looked a lot different on the home front as well, Stewart says. Rationing affected the availability of tires, new cars, nylon stockings and gasoline. In contrast, the Iraq war has done little if any harm to the economy, Stewart says.

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Herb Zumhingst, 82, of Seymour, Ind., was a second lieutenant in the Air Force, training to fly B-29 bombers in Texas when World War II ended. His father's lumber mill and construction business in Indiana practically shut down because of government restrictions on new construction.

Women worked in factories to replace men who had gone to war. Ford plants stopped making cars and built B-24 bombers. People planted "victory gardens" to replace farm-raised vegetables that were sent overseas.

"Everybody was for one thing, and that was to win the war," Zumhingst says.

As for the reaction when he made it home: "You couldn't go into a bar and buy a drink ... they'd buy it for you."

Under Fire, US Marines Hand Off Battered Fallujah (CSM)

By Scott Peterson, Staff Writer Of The Christian Science Monitor

The Christian Science Monitor, November 24, 2006

Just 300 marines now patrol key Sunni city as Iraqi military takes over.

FALLUJAH, IRAQ

From Observation Post Blazer, marines view Fallujah through a thick sheet of bullet-proof glass - already tested with numerous impacts. Or they stare through night-vision goggles or a thermal imaging scope that can pick up the heat of a dog hundreds of yards away.

The marines still patrol key roads. The US military, which still travels boldly through town despite a surge in deadly sniper attacks and roadside bombs, is spending $200 million on 60-plus projects to rebuild the city, heavily damaged in fighting two years ago.

But with just 300 marines, the US military footprint is smaller in this Sunni stronghold of more than 300,000 than it has been in two years. As the marine presence shrinks and Iraqis take more control, Fallujah - once a template for counterinsurgency efforts in Iraq, where US forces have controlled all the variables - is likely again to set a standard for the rest of the country.

"A lot of us feel like we have our hands tied behind our back," says Cpl. Peter Mattice, of Bravo Company, 1st Battalion, 24th Marine Regiment. "In Fallujah, [insurgents] know our [rules of engagement] - they know when to stop, just before we engage."

During this transition, frustration runs deep in this fortified bunker, and at a handful of posts that now dot Fallujah. They are designed to watch the main roads where marines travel, to prevent the laying of roadside bombs.

Here echo the conclusions of a report written by the chief of intelligence for the Marine Corps in August, and first described by The Washington Post, which determined that there is little the military now can do to improve prospects in insurgent-riddled Anbar Province, which includes Fallujah.

"They say we are here to win the hearts and minds of the Iraqi people, but I just don't see that happening," says Corporal Mattice, of Gladwin, Mich. OP Blazer is perched on the northern edge of the city, looking due south down a main street known to the marines as Ethan, site of numerous roadside bombs.

"As soon as we leave, I'm afraid that the insurgents will take over.... They watch us, as we watch them," says Mattice, echoing the fears of Fallujans who, while unhappy with the marine presence, are far more worried that a hurried US departure will leave them vulnerable to Sunni militants, and exposed to sectarian killings.

That fear has been fueled by a spike in insurgent attacks since summer, against both Iraqis and US troops. The 1/24 Marines, a reserve unit headquartered in Detroit and recently arrived, suffered nine dead and more than 40 seriously wounded in their first month in Iraq. Another marine died Sunday from a roadside bomb.

Since August, an assassination and intimidation campaign here has also killed the head of the city council and another prominent member; numerous policemen - including the deputy police chief - and contractors and workers on US-funded projects have also been murdered.

The numbers underscore the dilemma for marines in Fallujah, and for US troops across Iraq, as they begin to pull back and hand more responsibility to Iraqi forces.

The 300 marines here are attacked five to eight times each day. That presence is a significant drop from the 3,000 marines posted here in March 2005, and the 10,000 that took part in the late 2004 invasion.

Another metric: Officers say the number of direct fire incidents against US forces has shot up 650 percent in the past year. Three marines had been hit by snipers in one 48-hour span earlier this week.

"It is no secret," Col. Lawrence Nicholson told the Fallujah City Council during their regular Tuesday meeting. "My mission is to do less, every single day, as Iraqi forces do more."

Fallujah was the test case counter-insurgency invasion in November 2004 - effectively destroying the city to root out insurgents in the biggest urban battle for US marines since Hue City in Vietnam in 1968. Fallujah later became the model for a

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"go and stay" strategy attempted in cities along the Euphrates in the fall of 2005, which the August intelligence report found to have failed.

Senior officers now refer to Fallujah as a "gated community" - putting a deft gloss on the fact that Fallujah has for two years had only six entry points, and entering Iraqi residents still require US-issued biometric cards with retinal scans and fingerprints on file.

But among those Iraqi residents are 150 newcomers a week, fleeing the sectarian violence in Baghdad to a known "Sunni safe haven," in the words of one officer. Others say hundreds of highly trained insurgents, Iraqis from outside Fallujah, have also recently moved in to step up attacks.

"Fallujah has an iconic value to the Marine Corps," says Colonel Nicholson, commander of the Regimental Combat Team 5, which covers Fallujah and a populated swath of Anbar Province, in an interview. "Fallujah falling [to insurgents] would be like Iwo Jima falling to the Japanese again after World War II - it would be intolerable."

Preventing that from happening is a top priority for the Bravo and Charlie companies of the 1/24 that are now in Fallujah. But local Iraqis know the territory better than US forces ever will.

"The insurgents are creative and have advantages," says Maj. Jeffrey O'Neill, the Bravo Company commander from Novi, Mich. "If the Chinese invaded your [American] neighborhood, you would know where to hide, which dumpster behind the 7-11 to stash things. If we don't catch them red-handed, they will probably be on the street again."

Many prisoners were released by the Iraqi government in August amnesties, notes Major O'Neill, and the rules are changing: Even if someone is found with a sack full of washing machine timers that could be used to trigger bombs, unless explosives and a black mask are found too, it may not be enough for an arrest.

The insurgents are also proving agile. On Monday, for example, elements of two US battalions - the 1/24 and 2/6 - staged "Operation Talon," which swept a series of garages and rural areas a few miles north of Fallujah. As many as seven cells were thought to work from the area, using it as a staging post for attacks on the city.

A round-up of everybody in the area-776 men - netted just 13 detainees after full processing, and none were considered high-value targets. But two Shiite hostages were found and released; they had been told by their Sunni captors they would be executed later that same day. Some small weapons caches were also found, and several thousand ball bearings, along with steel plate apparently used to test their armor penetration in home-made mines.

"I don't think [insurgents] have succeeded as much as they would like, but they gave it all they had before the US election to influence people," says Maj. Christopher Kolomjec from Grosse Pointe, Mich. "It is hard for us to know the real support [of the US] of the Fallujah people, because if they are seen to support us, they will have their head cut off tomorrow."

"Each precinct in Chicago or Detroit, makes 100 to 150 arrests per night per 300,000 people," says Major Kolomjec, a lawyer who notes that Fallujah's population is similar. "Here you take 12 to 40 people per day, and people are up in arms. You can't expect stability, when you are not even doing the same level of policing as Detroit."

Another source of frustration: Pursuit in mosques is forbidden without the presence of Iraqi Army units. Marines say some of Fallujah's 76 mosques are used to hide weaponry. Some broadcast messages such as, "God help us defeat the Americans."

"Many would ask: What other war would we allow the enemy to broadcast calls for our defeat, for the sake of cultural sensitivity?" says O'Neill.

But even as insurgents step up the violence, marines make themselves harder-to-hit targets.

"No, it's not worth it," says 1st Sgt Andrew Tomelleri, of Kansas City, when news came of the death and injuries from another roadside bomb. The three-time Iraq veteran had been at the exact location a day earlier. Such patrols are seen as "magnets" for IEDs.

"But it would be [worth it], if we could fight them muzzle to muzzle, man to man," says Sergeant Tomelleri. "They know they can't beat us that way."

Some Fighters In Iraq Adopt New Tactics To Battle U.S. (NYT)

By Edward Wong

The New York Times, November 24, 2006

FORWARD OPERATING BASE CALDWELL, Iraq, Nov. 23 — Sunni Arab militant groups suspected of having ties to Al Qaeda in Mesopotamia have established training camps east of Baghdad that are turning out well-disciplined units willing to fight American forces in set-piece battles, American military commanders said Thursday.

American soldiers fought such units in a pitched battle last week in Turki, a village 25 miles south of this Iraqi Army base in volatile Diyala Province, bordering Iran. At least 72 insurgents and two American officers were killed in more than 40 hours of fighting. American commanders said they called in 12 hours of airstrikes while soldiers shot their way through a reed-strewn network of canals in extremely close combat.

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Officers said that in that battle, unlike the vast majority of engagements in Diyala, insurgents stood and fought, even deploying a platoon-size unit that showed remarkable discipline. One captain said the unit was in “perfect military formation.”

Insurgents throughout Iraq usually avoid direct confrontation with American troops, preferring to use hit-and-run tactics and melting away at the sight of American armored vehicles.

Lt. Col. Andrew Poppas, commander of the Fifth Squadron, 73rd Cavalry, a unit of the 82nd Airborne Division, said in an interview that the fighters at Turki “were disciplined and well trained, with well-aimed shots.”

“We hadn’t seen anything like this in years,” he said.

The insurgents had built a labyrinthine network of trenches in the farmland, with sleeping areas and weapons caches. Two antiaircraft guns had been hidden away.

Insurgents were apparently able to establish a training camp after American forces moved out of the area in the fall of 2005, Colonel Poppas said. Sunni Arab militants there belong to the fundamentalist Wahhabi strain of Islam and are believed to be led, at least in part, by a man known as Abu Abdul Rahman, an Iraqi-Canadian who moved from Canada to Iraq in 1995 after marrying a woman from Turki, he said.

Abu Abdul Rahman was mentioned on some jihadist Web sites as a possible contender for the leadership of Al Qaeda in Mesopotamia after the group’s founder, Abu Musab al-Zarqawi, was killed in an American airstrike in Diyala Province in June, said Capt. Mike Few, commander of A Troop, Fifth Squadron.

Senior commanders training Iraqi Army units here say other rural areas of eastern and central Diyala where American forces have had little oversight have been transformed into camps similar to the one at Turki. The “graduates,” many of whom belong to an umbrella group called the Sunni Council, then spread to urban areas like Baquba, the provincial capital, said Maj. Tim Sheridan, an intelligence officer. Sectarian violence is rampant in Diyala, where Sunni and Shiite militants are vying for control.

The battle at Turki began after Colonel Poppas and other soldiers flew over the area on a reconnaissance mission on Nov. 12. From the helicopters, they spotted a white car covered by shrubbery and a hole in the ground that appeared to be a hiding place. The colonel dropped off an eight-man team and later sent other soldiers to sweep the area.

Gunfire erupted on Nov. 15 when one unit ran into an ambush. The fighting eventually became so intense that the Americans called in airstrikes. An American captain and a lieutenant, both West Point graduates, were killed by insurgents in separate firefights.

Searing Memories Of A Brush With Death In Iraq (LAT)

By Tony Perry, Times Staff Writer

The Los Angeles Times, November 24, 2006

A Marine recalls being hit by a bullet during an ambush. Such attacks are rising as insurgents shift from bombings.

CAMP PENDLETON — When he closes his eyes, Marine Cpl. Christopher Shelhamer can feel the bullet that tore through his body when he was ambushed while on routine foot patrol outside Fallouja, Iraq.

"I can feel the red-hot metal ripping me," he said. "It was like being hit from behind by a baseball bat."

Shelhamer fell hard to the ground and his fellow Marines sprayed bullets in a short but furious firefight with the unseen gunman 100 yards or more away.

Ambush attempts of the type that felled Shelhamer are becoming more common, Marines say, as insurgents shift tactics away from face-to-face battles or total reliance on hidden roadside bombs. Some of the attacks, like the one on Shelhamer and his platoon, are "spray and pray" assaults, from concealed positions, with insurgents firing AK-47s or Soviet bloc machine guns.

Other cases are classic sniper assaults — one shot, one kill — from hundreds of yards away, accomplished with high-power scopes and Chinese- or Russian-made sniper rifles.

In both instances, the insurgents' apparent primary aim is not to win battles but to inflict casualties, in hopes of undercutting the morale of troops in the field and the American public.

Much of the insurgent propaganda, including film snippets on the Internet, involves ambush attacks on American troops, U.S. military officials say.

One such snippet showing an insurgent sniper killing an American soldier aired on CNN, angering some politicians who believe it only served to further the insurgents' propaganda.

"He cannot openly oppose us or let his identity be known to his own people," Maj. Sean Riordan said, discussing insurgents in an interview from Fallouja. "He is purely violent for violence's sake and because it plays well on blogs, websites and the new media that are available to him."

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Riordan is executive officer of the 2nd Battalion, 8th Regiment, which has had Marines killed and wounded by sniper attacks. In response, the battalion has stepped up counter-sniper tactics, including raiding sniper nests and killing or capturing snipers and capturing their weapons.

While there is no sure-fire way to neutralize attacks from ambush, Marines are far from defenseless, Riordan said. "First and foremost, we make ourselves hard to kill," he said.

At the Marine base in Twentynine Palms, all Iraq-bound battalions go through a training course called Mojave Viper, which puts an emphasis on the threat posed by insurgent snipers and others who attack from ambush.

"We train very heavily toward this," said Brig. Gen. Douglas M. Stone, commander of the Marine Air-Ground Task Force Training Command, who added that specific tactics and techniques that have been perfected during the Iraq war are classified and cannot be discussed.

Stone believes the insurgents are switching to snipers and other ambush attacks because of the declining success of roadside bombs. "It's a growing threat, but it's one we anticipated," he said. "We're not worrying about it. We're just adapting."

After multiple surgeries and months of arduous rehabilitation, Chris Shelhamer is also adapting. He walked a mile the other day, but he probably never again will be able to carry hundreds of pounds over rough terrain for hours on end.

"I'm pretty much useless to the infantry now," said Shelhamer, 24, who was on his third tour in Iraq with the 3rd Battalion, 5th Regiment.

A personnel board is evaluating Shelhamer's case and will probably recommend that he be given a medical retirement.

He's thinking of returning to school, possibly Williams Baptist College in Arkansas, which he attended for two years before enlisting.

For now, Shelhamer and his wife, Amanda, live in a tidy duplex on the western edge of sprawling Camp Pendleton. Amanda, 23, is pregnant with the couple's first child and works at a local tanning salon.

Chris does four to six hours of therapy a week, stretching and exercising muscles that have been damaged or atrophied. The bullet that ripped through the lower left side of his back narrowly missed his spine. Otherwise he might be paralyzed.

Shot Jan. 20 as his platoon patrolled a rural area outside Fallouja, he was rushed to an emergency aid station and then to a bigger medical facility at one of the larger bases.

As he was being taken to surgery, medical personnel called his wife at her parents' home in rural Arkansas and handed him the cellphone. "I just told her, 'Babe, I've been hit. I got all my limbs. It hurts too much to talk. Goodbye,' " he said. "That's all I remember."

By Jan. 26, Shelhamer had been airlifted to the Naval Medical Center next to San Diego's Balboa Park, where he was reunited with Marines from his battalion who had been wounded in earlier fights. The Marine Corps flew his wife and mother to San Diego the same day.

His recovery is steady but slow. "He can't walk too far before the swelling and pain gets him and he has to stop and sit down," his wife said. "That's hard for any man to accept, especially a Marine."

On Shelhamer's back is a tattoo with the names of five of his buddies killed in Iraq.

He said he would be willing to return to Iraq for a fourth tour.

"I wouldn't mind going back to teach young Marines how to come back alive."

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White House Denies News Reports That Cheney Is Visiting Iraq (USAT/AP)

USA Today/AP, November 24, 2006

BAGDHAD (AP) — The White House denied Iraqi television reports that U.S. Vice President Dick Cheney made an unannounced visit to Baghdad on Thursday.

David Almacy, a White House spokesman in Washington, said Cheney was not in Iraq and that his only currently planned travel to the region is the previously announced trip he will make to Saudi Arabia on Friday to meeting the next day with King Abdullah to discuss developments in the Middle East, including Iraq.

State-run Iraqiya TV and the private Al-Arabiya TV station reported that Cheney had arrived in the Iraqi capital on Thursday morning, apparently to visit American troops for the Thanksgiving holiday.

But U.S. Embassy and U.S. military officials in Baghdad couldn't confirm that, and it became clear later that the reports were erroneous.

For security reasons, previous visits to Iraq by U.S. President George W. Bush, Cheney and other high administration officials have not been made public in advance, but have been disclosed immediately upon their arrival — regardless of whether they were accompanied by reporters or traveling without a press contingent.

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For example, U.S. Attorney General Albert Gonzales traveled unannounced and without reporters to Iraq in August, but his visit was disclosed to the media in Baghdad and Washington immediately upon his arrival.

DOJ:

Justice Takes In Record $3.1 Billion In False Claims Cases (FEDTIMES)

By Elise Castelli

Federal Times, November 22, 2006

The Justice Department collected a record amount of money from false claims lawsuits in fiscal 2006.

Case settlements and judgments brought the government $3.1 billion from companies accused of fraud against the government. The previous record was $2.2 billion, set in 2003.

"These record recoveries send a clear message that the Justice Department will not tolerate fraud against the government," Attorney General Alberto Gonzales said in a statement.

Whistleblower lawsuits accounted for $1.3 billion of the recoveries, with the whistleblowers themselves collecting a total of $190 million for their efforts.

Health care fraud made up 72 percent of recoveries. Included in the $2.2 billion recovered from abuses of Medicare, Medicaid and the federal employees' benefits programs, is a $920 million settlement with Tenet Healthcare Corp., the second largest hospital chain in the country. Tenet was accused of inflating the costs of patient treatment and paying kickbacks to physicians for patient referrals.

The second largest settlement in 2006 was a defense procurement fraud settlement with the aviation giant Boeing Co. for $565 million.

Boeing's settlements stemmed from two cases. The first was the Darleen Druyun case, where the company allegedly offered Druyun a job after her retirement from the Air Force while she was handling the company's procurements, a violation of procurement law. The second case involved allegations Boeing illegally obtained competitor Lockheed Martin's proprietary and competition-sensitive information in order to win defense contracts.

Lost Opportunity (WT)

The Washington Times, November 24, 2006

Regarding the confirmation process of circuit-court nominations, Republicans were rightly aghast over actions of the Democratic-controlled Senate during the 107th Congress (2001-2002). The Senate confirmed only 17 of President Bush's 32 nominations to the circuit courts of appeal. As the 109th Congress approaches adjournment, conservatives should once again be aghast over the confirmation record of circuit-court judges. This time, however, much of the blame must be shared by outgoing Senate Majority Leader Bill Frist and the White House.

According to data compiled by the Justice Department's Office of Legal Policy, if no more circuit-court nominees are confirmed, the Republican-controlled Senate will adjourn leaving 16 circuit-court vacancies unfilled. Thus, the vacancies of the Frist Senate will exceed by one the number that were returned by the 107th Congress under the control of then-Majority Leader Tom Daschle and then-Judiciary Committee Chairman Patrick Leahy. So far, moreover, the Democratic-controlled 107th confirmed more circuit-court nominees (17) than the Republican-controlled 109th (15). And Mr. Frist considers himself presidential timber?

Yes, Democrats continued to play an obstructionist role in the 109th. But they were in no position to bottle up appellate-court nominees by refusing to hold hearings for some of them or by declining to cast a committee vote after a hearing or by failing to schedule a nomination for debate on the Senate floor after a favorable committee vote was cast. When Democrats regained majority status after Sen. James Jeffords defected from the Republican Party in May 2001, they exploited variations of all three tactics during the 107th Congress. Throughout the 108th Congress (2003-04), after Republicans regained a slight majority (51-49) in the 2002 elections, Democrats resorted to an unprecedented campaign of filibustering to block circuit-court nominees. A major logjam was broken in the late spring of 2005 when the so-called Gang of 14 (seven Democrats and seven Republicans) responded to threats by the Republican leadership to invoke the "nuclear option," which would have used parliamentary tactics to end judicial filibusters. The deal brokered by the Gang of 14 opened the door to the confirmation of five of the 10 nominees filibustered by the Democrats. The Senate confirmed 10 others.

The White House has not even bothered to submit nominations for six of the 16 circuit-court vacancies, including the seat on the 3rd Circuit formerly occupied by Samuel Alito, who was confirmed to the Supreme Court in January. The Senate hasn't bothered to hold hearings for five of the other 10 vacancies. In January, Mr. Leahy will reclaim the gavel at Judiciary, and Harry

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Reid will be in charge of scheduling floor votes. On the crucial issue of circuit-court nominations, the 109th Congress was a lost opportunity.

Understaffing Impedes Justice Program Classifying Documents (FEDTIMES)

By M.Z. Hemingway

Federal Times, November 22, 2006

The Justice Department doesn't have enough staff to run a program that classifies documents, a shortage that puts sensitive information at risk and limits important information-sharing among agencies, according to congressional auditors.

Justice, the third largest classifier of information in the federal government, has 13 full-time positions devoted to information security, according to a Government Accountability Office report. By comparison, the fifth-largest classifier — the Energy Department — has 23 full-time positions. At Justice, one employee oversees classification training programs across the department while three employees oversee compliance at 3,500 department locations.

In 2004 and 2005, the National Archives' Information Security Oversight Office, which oversees all agencies' classification management programs, recommended 10 changes to correct information-sharing problems at Justice and 12 changes at the FBI. FBI has taken action on 11 of 12 recommendations while Justice has taken action on five of 10.

"DOJ, however, has taken no action on the most important recommendation: addressing its staff shortages, which continue to place its program at risk given that it sets policy, provides training and oversees classification practices departmentwide," the report said.

Justice needs a complete work-force strategy for managing classified information because it hasn't determined how much staff it needs or a plan for where to put additional employees first, the report said. For instance, if Justice were to receive more funds for employees in the classification management division, it doesn't know whether to address training, oversight or other program gaps first.

The department's Security and Emergency Planning Office expects to add nine staff members — five full-time employees and four contract employees — to the 13 it has, pending approval of funds. Justice is also waiting for the results of an interagency working group that sets governmentwide standards for sensitive but unclassified information before considering any changes to its practices. Results are due from the group by the end of the calendar year.

Attorney General Speaks To U.S. Air Force Academy Cadets (AFLINK)

By Butch Wehry

Air Force Link, November 22, 2006

11/22/2006 - U.S. AIR FORCE ACADEMY, Colo. (AFPN) -- U.S. Attorney General Alberto Gonzales told cadets here Nov. 18, that terrorists will not rise to the example of the United States. The judge addressed civil liberties and war on terrorism issues during his lecture to 700 cadets.

"The United States has rightfully positioned itself in this conflict and other conflicts

throughout history as a mature and moral leader -- an example to follow," the attorney general said.

"Yet we know that the fair and humane treatment of the detainees at Guantanamo will have absolutely no effect on how their confederates treat our soldiers and civilians," he said.

Al qaeda seeks to employ weapons of mass destruction as a means of achieving political goals against both the civilian and military capacity of the United States, Europe and American allies throughout the world, Attorney General Gonzales said.

"Its members continue to fight our Armed Forces on battlefields around the world, and they will continue to do so until we stop them," said Judge Gonzales, who attended the U.S. Air Force Academy for two years in the mid-1970s.

"Al qaeda has committed acts on a scale that transcends mere crime, as recognized by NATO immediately after the attacks of September 11th. Their crimes are therefore nothing less than war crimes. Given the magnitude of the atrocities al qaeda has committed, there can be no comparison between the crimes of its members and that of common civilian criminals."

The terrorist members do not and will not obey international law, the law of war or the moral laws of humanity, he said.

"In treating terrorist detainees humanely, we accept that there will be no reciprocity on

these issues," he said. "But we do it because of our values as a nation, and because the United States has always stood, and continues to stand, for the rule of law in the world."

Today's war is also fought at home by the law enforcement community that he is now a part of, Judge Gonzales told the cadets.

"From the prosecutors and investigators at the Department of Justice and the FBI to state and local police -- for all of us, just as it is for all of you, every day is Sept. 12," he said.

America's surveillance program is not damaging the civil rights of its citizens, Attorney General Gonzales told cadets.

The speaker told the cadets majoring in law and political science that the country's surveillance does not invade Americans' privacy.

"It protects citizens from terrorist attacks," he said. "Critics who say otherwise are perpetuating myths."

Since his time at the academy there have been many important changes, including the admittance of women, he noted.

"But some things have not changed and should not change ... such as the continued value of academy graduates in insuring the safety of our country from enemies across the world," he said.

CORPORATE SCANDALS:

Corruption Probes Threaten Germany's Image (WSJ)

By Mike Esterl

The Wall Street Journal, November 24, 2006

Siemens, DaimlerChrysler Get Caught Up in Inquiries; A Backlog of Court Cases

FRANKFURT -- Germany Inc. is churning with charges of corruption and deceit, threatening to undermine perceptions that the world's third-largest economy is one of the cleanest places on earth to do business.

Front and center is Siemens AG, the engineering conglomerate enmeshed in a widening cross-border probe into alleged fraud and possible bribery. German prosecutors Wednesday said that they had unearthed €200 million ($257 million) in suspicious transactions after more than 200 police officers searched about 30 offices and homes of Siemens employees last week and seized 36,000 documents. Prosecutors say six suspects are being held in jail. Siemens says it is cooperating in the investigation.

The probe comes as several other German industrial titans have been buffeted by corruption probes. Prosecutors yesterday charged a former manager of auto maker DaimlerChrysler AG for allegedly cheating the company out of €40 million. The company itself is under investigation by the Securities and Exchange Commission and the Justice Department amid allegations it maintained secret bank accounts around the world to bribe foreign government officials. The company has acknowledged making "improper payments" in Africa, Asia and Eastern Europe, and has dismissed or suspended several employees.

Wednesday, the European Commission accused German utility E.On AG of tampering with evidence related to an antitrust investigation -- an accusation E.On says is unjustified.

In September, a Munich court sentenced a former purchasing manager at BMW AG to three years in prison after he admitted accepting bribes from suppliers seeking to do business. A BMW spokesman described the case as an "isolated" matter that didn't represent any trend or reach top management.

The recent wave of scandals comes nearly a decade after Germany beefed up its laws and increased sentencing guidelines to crack down on corporate corruption -- moves that included the elimination of legislation that had allowed companies to write off international bribes as expenses. More than 90% of Germany's publicly listed companies have agreed to follow tougher corporate-governance rules introduced in 2003.

But there are signs white-collar crime in Germany is getting worse. German authorities documented 89,224 corporate crimes in 2005, up 10% from the year before. And German companies surveyed this year by KPMG LLP estimated that about 80% of white-collar crimes go unreported. Wolfgang Schaupensteiner, senior corruption prosecutor in the country's financial capital, Frankfurt, thinks even that number is too conservative and pegs it at closer to 95%.

Mr. Schaupensteiner says his four-person team of special prosecutors has more than 500 suspects in the pipeline. German courts also have a backlog of cases -- including one involving charges that two Siemens officials paid €6 million in bribes to secure business in Italy. "We don't have enough hands," Mr. Schaupensteiner says.

Some industry analysts note that competitive pressures in the auto industry, where Germany is home to several big players, create potential for rising corruption. Auto makers working to keep prices low are increasingly buying more parts from outside suppliers in Eastern Europe and Asia.

"When you owned your own system, who were you going to bribe?" says Lars Holmqvist, chief executive of the European Association of Automotive Suppliers in Brussels. He said roughly 75% of the value of a typical new car today comes from materials or items furnished by suppliers, up from about 20% 50 years ago.

Germany enjoys the 16th-best rating on Transparency International's Corruption Perception Index of 163 countries, putting it behind nations such as Finland and New Zealand but slightly ahead of Japan and the U.S. To date, it hasn't been hit by a scandal on the scale of an Enron Corp., the U.S. energy firm that collapsed amid accounting fraud. But Germany is also the world's leading exporter, and some cases have focused on whether bribes were paid in less-developed countries.

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Transparency International recently suspended Siemens's membership in the nongovernmental watchdog group following a string of allegations linking the conglomerate to bribery. "We have to find out if they're really doing their homework," says Caspar von Hauenschild, a Transparency International board member in Germany.

German prosecutors, working in conjunction with Italian and Swiss authorities, said Wednesday that six people were under arrest as part of a suspected criminal ring inside Siemens that carried out repeated fraud through secret bank accounts set up in other countries. Investigators last week said they suspected money was being diverted to pay bribes for business contracts.

Authorities searched the offices of Klaus Kleinfeld, the chief executive, and other members of Siemens's management board last week as part of the probe. Mr. Kleinfeld is being treated as a witness, not a suspect, according to German prosecutors. But prosecutors also have confirmed that one of the employees jailed is Michael Kutschenreuter, the head of Siemens's real-estate division and the former chief financial officer of its telecommunications unit. Mr. Kutschenreuter couldn't be reached for comment.

Siemens yesterday said that it was setting up a task force to improve internal controls, and it plans to strengthen its existing business-conduct code. Last week, it announced it would hire an ombudsman.

Other German companies also are taking additional steps. Car maker Volkswagen AG, fighting fallout from a 17-month investigation into alleged bribery of top union officials, appointed two ombudsmen earlier this year to collect tips on potential wrongdoing from company whistle-blowers. DaimlerChrysler has established a "corporate compliance operations" department to ensure anticorruption laws aren't broken.

---- Stephen Power in Frankfurt, David Crawford in Berlin and Glenn R. Simpson in Brussels contributed to this article.

Eon Faces EU Fine Over Break-in Allegation (FT)

By George Parker, Ralph Atkins

Financial Times, November 23, 2006

Eon, Germany's biggest energy group, was on Wednesday facing a possible fine of hundreds of millions of euros after a sealed room was allegedly entered overnight during a two-day raid by European Union cartel busters.

The case is viewed by officials in Brussels as "a serious violation" of rules designed to prevent a company tampering with evidence, in this case relating to an inquiry into anti-competitive abuses in the energy sector.

The case comes at a highly sensitive time for Eon, whose powerful position in the German energy market is under scrutiny in Brussels, which is preparing legislation to loosen the grip of incumbent energy suppliers on national networks.

Neelie Kroes, EU competition commissioner, has written to the company saying she believes it "intentionally or at least negligently" broke an official seal fixed on an office door.

Her officials carried out raids on the offices of several German energy groups, including Eon Energie, in May.

Officials scouring Eon offices in Munich for evidence were unable to complete their work in a single day and sealed an office overnight with a "tamper-proof" security label to secure the documents inside.

When they returned in the morning the seal had allegedly been broken, a violation that could cost the company a fine of up to 1 per cent of its annual turnover. Eon last year had total sales of €56.4bn (£37.5bn, $72bn).

Eon said on Wednesday night: "We sent to the European Commission some time ago a comprehensive written comment, according to which the accusation of seal-breaking was unfounded.

"This was supported by an expert opinion. Clarification talks with the EU Commission are envisaged in early December."

A spokesman for Ms Kroes said this was the first case of a company allegedly breaking a Brussels seal, making it impossible to gauge the level at which the European Commission might set any fine, but the matter was deemed serious.

The company has requested an oral hearing to present its case and a final decision will be taken by the 25 members of the European Commission.

Eon could then challenge that decision through the courts.

EU Charges E.ON With Impeding Antitrust Investigation (Update1) (BLOOM)

By Matthew Newman

Bloomberg, November 22, 2006

Nov. 22 (Bloomberg) -- European Union regulators charged E.ON AG, Europe's largest energy utility, with impeding an antitrust investigation into the German electricity market, threatening to fine the company as much as hundreds of millions of euros.

The European Commission, the EU's Brussels-based antitrust regulator, said in a statement that it is pursing a case against E.ON because the company ``intentionally or at least negligently" broke a seal placed on an office by regulators ``to secure documents found in the course of an unannounced inspection."

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The EU sent the company a statement detailing the allegations on Oct. 2, commission spokesman Jonathan Todd said today. It's the first time the EU has charged a company with tampering with seals after a commission inspection.

EU officials carried out surprise visits at German utilities on May 29 and May 30, searching for evidence of possible market-sharing, price-fixing and unfair business practices. Under EU rules, companies can be fined as much as 1 percent of total sales for the preceding year for breaking seals placed during raids. In 2005, E.ON's total sales were 56.4 billion ($73 billion), meaning the company could face a maximum 564 million-euro penalty.

E.ON spokesman Josef Nelles at the company's headquarters in Dusseldorf didn't immediately reply to voice and e-mail messages from Bloomberg News seeking comment. Gerhard Wiedemann, a lawyer at Freshfields Bruckhaus Deringer in Dusseldorf for E.ON, also didn't immediately reply to a phone message.

Shares of E.ON fell 48 cents, or 0.5 percent, to 96.62 euros as of 4:21 p.m. in Frankfurt.

Legal Action

EU Competition Commissioner Neelie Kroes on Feb. 16 threatened legal action against utilities that bar rivals from using power grids and pipelines. As part of a bid to lower energy costs, Kroes said she will fine or impose restraints on utilities that abuse their dominance in the power and natural-gas markets. No company has been charged following the May inspections.

In the February report, the commission said electricity markets remain concentrated among monopolies, preventing competitors from offering services. The study found that companies ``can influence prices on certain wholesale markets."

National obstacles risk undermining EU legislation that gave businesses the right to choose power and gas suppliers beginning in July 2004 and will extend that option to households in July next year.

The commission will issue a report on the energy market on Jan. 10.

Ex - DaimlerChrysler Manager Charged (NYT/AP)

The New York Times, November 24, 2006

STUTTGART, Germany (AP) -- Prosecutors said Thursday they had charged a former DaimlerChrysler AG manager with breach of trust and falsifying documents for allegedly cheating the carmaker out of 40 million euros ($52 million).

The 41-year-old, who has been in investigative custody for a year, is accused of filing fake invoices between 2000 and 2005 for computer services that were never delivered, state prosecutors in Stuttgart said.

Three other people are accused as accessories for submitting the false invoices on the instructions of the former manager, who worked at the German-U.S. car maker's finance department.

Prosecutor Bettina Fetter said investigators had seized 20 million euros ($26 million) from the manager.

It was unclear when the manager, whose name was not released, will go on trial.

The case is one of several exposing murky dealings by DaimlerChrysler employees.

On Nov. 13, the company announced that the head of its bus unit, Wolfgang Diez, had resigned after an internal investigation discovered "irregularities" at the division. Several executives have also been suspended.

Meanwhile, the U.S. Securities and Exchange Commission and Department of Justice are investigating whether the firm violated U.S. anti-bribery laws.

DaimlerChrysler has said it found evidence of "improper payments" in Africa, Asia and Eastern Europe. Several employees have been dismissed or suspended in consequence of those investigations.

DaimlerChrysler shares were down 0.6 percent at 46.61 euros ($60.03) on the Frankfurt exchange.

Monster Fires Counsel Amid Options Probe (AP)

By Vinnee Tong, Ap Business Writer

AP, November 22, 2006

Monster Worldwide Inc., the parent of job search site Monster.com, said Wednesday it terminated Myron Olesnyckyj, the company's lead lawyer, as part of its investigation into past stock-option grant practices.

Olesnyckyj, the company's general counsel, is the second high-ranking executive to leave the company over backdated stock options. Andrew J. McKelvey resigned his posts as chairman and chief executive on Oct. 9 but at the time retained his seat on the board as chairman emeritus. He resigned fully on Oct. 30, citing an unwillingness to sit for further questions over the company's backdating practices in the past.

Monster spokesman Robert Jones said Wednesday that no other employees have been suspended.

The U.S. attorney's office in the Southern District of New York has issued a subpoena to the company over options backdating, and a special committee of company directors has said it wants to complete its own investigation by the end of the year.

Olesnyckyj was suspended on Sept. 19. He had held the titles of senior vice president, general counsel and secretary.

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The company said on Oct. 25 that it found pricing problems in a "substantial number" of its past option grants, and as a result it expected to restate its results from 1997 through 2005. Monster said it does not expect the restatements to affect its results for this year.

The company has delayed filing its earnings results for the second and third quarters. Jones said the company would file its second quarter results on Dec. 13. Third-quarter numbers would be issued "as soon as practicable," according to a Nov. 7 statement from the company.

Backdating an option means retroactively setting the option's strike price to a day when the stock traded cheaply. An option with a lower strike price is more valuable because it's less expensive to exercise. The practice is not necessarily illegal, but must be disclosed to shareholders.

In a statement, the company said Olesnyckyj was terminated "for cause."

Monster is one of more than 180 companies conducting internal investigations or subject to probes by the Securities and Exchange Commission or the Department of Justice concerning potential backdating of stock options.

Several top executives at other companies have resigned over options investigations. They include: UnitedHealth Group Inc. Chief Executive William McGuire, KLA-Tencor Corp. Chairman Kenneth Levy, CNet Networks Inc. Chief Executive Shelby Bonnie and McAfee Inc. CEO George Samenuk. McGuire quit as chairman earlier this month and will resign as CEO by Dec. 1.

Shares of Monster rose 8 cents to close at $45.02 on the Nasdaq Stock Market.

CRIMINAL LAW:

18 Cities, Areas Picked For Crime Study (AP)

The Associated Press

AP, November 24, 2006

WASHINGTON -- The government selected 18 cities and sprawling suburban regions Wednesday to study for clues on why homicides and other violent crimes are on the rise nationally.

The Justice Department study comes after FBI data in September showed violent criminal activity _ including rape, murder, robbery and aggravated assault _ rising by 2.2 percent from last year. That marked the first increase in violent crimes since 2001.

Attorney General Alberto Gonzales announced the study at a Boston meeting last month with police chiefs and other law enforcement officials. It will be rolled out in three phases: looking at crime increases in cities, analyzing those results for any trends, and identifying federal programs that can help.

It was not clear whether more federal funding will be available for cities, but Justice Department officials said that "new initiatives" could be created, if necessary.

The cities and regions are: Atlanta; Boston; metropolitan Charlotte, N.C.; Colorado Springs, Colo.; Columbus, Ohio; Hartford, Conn.; Houston; Jersey City, N.J.; metropolitan Kansas City, Mo.; Miami; Minneapolis-St. Paul; Nashville, Tenn.; Oklahoma City; Omaha, Neb.; Portland, Ore.; San Bernardino County, Calif.; San Diego; and the cities constituting the Tidewater, Va., area.

Houston Violent Crime To Be Studied (AP)

AP, November 23, 2006

Houston is among 18 cities and suburban regions selected Wednesday by the federal government to be studied for clues on why homicides and other violent crimes are on the rise nationally.

The Justice Department study comes after FBI data in September showed violent criminal activity — including rape, murder, robbery and aggravated assault — up by 2.2 percent from last year.

That marked the first increase in violent crimes since 2001.

Attorney General Alberto Gonzales announced the study at a meeting last month in Boston with police chiefs and other law enforcement officials.

It will be rolled out in three phases: looking at crime increases in cities, analyzing those results for trends and identifying federal programs that can help.

Houston has recorded 345 homicides so far this year, already surpassing last year's total of 336 slayings. Earlier this year, the city was on pace to record nearly 400 for the year — which would be the highest number of killings Houston has seen in a year in more than a decade.

DOJ_NMG_0097566

In June, the FBI released a preliminary report that showed Houston's violent-crime rate rose 2.4 percent in 2005. Nonviolent crime decreased by 1.7 percent in the city.

Houston Police Department spokesman Gabe Ortiz said the department has been in contact with local congressional leaders but that it is unclear what the federal government will require for its study.

"We don't see that happening until next year," Ortiz said.

The other cities and regions are: Atlanta; Boston; metropolitan Charlotte, N.C.; Colorado Springs, Colo.; Columbus, Ohio; Hartford, Conn.; Jersey City, N.J.; metropolitan Kansas City, Mo.; Miami; Minneapolis-St. Paul; Nashville, Tenn.; Oklahoma City; Omaha, Neb.; Portland, Ore.; San Bernardino County, Calif.; San Diego; and the cities constituting the Tidewater, Va., area.

Violence Merits Closer Look (HARTC)

By Tina A. Brown, Courant Staff Writer

The Hartford Courant, November 24, 2006

Hartford's Rising Crime Rate Leads To City's Inclusion In Federal Study

The rise in Hartford's violent crime has caught the attention of the federal government, which plans to study why violence is increasing here and in 17 other municipalities across the country, the U.S. Justice Department said.

By studying crime patterns in Hartford and elsewhere, U.S. Attorney General Alberto R. Gonzales said, the government hopes to shed light on why violent crime has increased in some cities and metropolitan areas and not in others.

Other areas selected for the Initiative for Safer Communities study are: Atlanta; Boston; Charlotte, N.C.; Colorado Springs, Colo.; Columbus, Ohio; Houston; Jersey City, N.J.; Kansas City, Mo.; Miami; Minneapolis; Nashville; Oklahoma City, Okla.; Omaha, Neb.; Portland, Ore.; San Bernardino County, Calif.; San Diego; and the Tidewater area of Virginia. The cities and metropolitan areas were picked because they represent a cross-section of the country in terms of size, geographic location and rate of violent crime, federal officials say.

Nationally, violent crimes - such as murder, rapes, robberies and aggravated assaults - rose by 2.2 percent last year, the first such increase in five years, according to the Justice Department.

"Although the 2005 rate was significantly lower than it was in 2002, 2001 and 2000 ... even a small uptick in violent crime cannot be ignored," Gonzales said. "The Department of Justice is committed to making sure that every American city and town can share in the success of low violent crime rates," Gonzales told leaders in law enforcement last month in Boston.

"The Initiative for Safer Communities will help us find and use the tools that work most effectively to fight crime and keep our communities safe," Gonzales said.

The study is also intended to find out what other cities are doing to reduce crime and to implement programs that work.

Police officials in Hartford were unavailable Thursday to comment on the study.

Hartford's crime rate has climbed steadily over the past two years. In recent weeks, three teenagers were shot, including one fatally on Garden Street; a mother was accused of stabbing her three young children on Ashley Street; and a woman walking in Bushnell Park in the afternoon was raped.

In 2005, Hartford police reported a 56.2 percent increase in murders, for a total of 25 homicides, while aggravated assaults increased by 22.6 percent. If not for the assaults and murders, violent crimes in the city would have declined by 4.8 percent, according to statistics provided by the Hartford Police Department.

As of Sunday, the number of Hartford homicides stood at 21, about the same number as this time last year, city records show. The city is seeing a decrease in reported rapes. As of Nov. 4, the most recent available statistics reported, there were 44 rapes, a 22.8 percent decrease over the same period last year. There were 628 aggravated assaults, up 11.7 percent from the same period last year. The city also reported 174 shooting victims as of Nov. 4, a 19.2 percent increase over the same period last year.

An Associated Press report is included in this story.

Contact Tina A. Brown at tabrown@courant.com.

Charlotte Chosen For Crime Study (CO)

By Kytja Weir

The Charlotte Observer, November 23, 2006

Charlotte was one of 18 areas around the country chosen Wednesday to be part of a government study on why homicides and other violent crimes are on the rise nationally.

Charlotte-Mecklenburg police welcome being part of the inquiry, said spokeswoman Julie Hill. She noted the department is always looking clues on what is driving crime increases.

DOJ_NMG_0097567

The Justice Department study comes after FBI data in September showed violent criminal activity -- including rape, murder, robbery and aggravated assault -- rising by 2.2 percent from last year. That marked the first increase in violent crimes since 2001.

In Charlotte, crime jumped significantly last year. The number of violent crimes rose 9 percent. Charlotte-Mecklenburg also set a 10-year record for homicides, with 85 killings.

That helped the Queen City earn the dubious title last month of the eighth-most-dangerous big city in the country in the annual Morgan Quitno Press rankings. Charlotte ranked 43rd most dangerous among all 371 cities in the report from the Lawrence, Kan.-based private research firm. The police department and other experts dismiss the rankings as unfair comparisons that don't take into account differences among cities.

The situation may be improving slightly. Robberies are down 11 percent, Hill said. But October was a deadly month. As of Wednesday, police had investigated 74 homicides this year, close to the 76 that police had investigated by the same time last year.

No one has been able to pinpoint why Charlotte and other cities have seen such spikes in crime.

The Associated Press reported that new study will be rolled out in three phases: looking at crime increases in cities, analyzing those results for trends and identifying federal programs that can help. Attorney General Alberto Gonzales announced the new study at a Boston meeting last month that Charlotte-Mecklenburg police Chief Darrel Stephens and other law enforcement officials attended.

Stephens has been pushing for increased federal funding to promote "hometown" security, not just the "homeland" security efforts that have been the focus of federal agencies, Hill said.

It was not clear whether more federal funding will be available for cities as part of the new study, but Justice Department officials said that "new initiatives" could be created.

Judge Finds Grand Jury Secrecy Breach In China Spy Case (NYSUN)

By Josh Gerstein

New York Sun, November 24, 2006

SAN FRANCISCO — Officials involved in investigating a California family's alleged espionage for China apparently violated grand jury secrecy rules by telling a reporter details of plans to seek a new indictment in the case, a federal judge ruled this week.

Judge Cormac Carney concluded that defense lawyers were justified in their objection to a May 16 Washington Times story by William Gertz that said prosecutors were preparing to bring more serious charges against three related individuals, Chi Mak, Rebecca Chiu, and Tai Mak, who were charged initially with failing to register as agents of China.

"The information contained in Mr. Gertz's article clearly raises a prima facie violation," Judge Carney, who sits in Santa Ana, Calif., wrote in an order released Wednesday. The judge said the information in the Times account was attributed to "senior Justice Department officials who have approved the new charges."

On October 25, Chi Mak and his wife, Ms. Chiu, as well as Tai Mak and his wife and son, Fuk Li and Billy Yui Mak, were indicted for conspiracy to export defense technology to China. According to court records, the technology in question involved designs for systems to quiet sounds emitted from American warships. Several other new charges were filed, all essentially as predicted by Mr. Gertz's May 16 report.

By the time that article was published, a prosecutor on the case, Gregory Staples, had already said in open court that he expected a new indictment in the case, but the details of the additional charges were not widely known.

In his ruling, Judge Carney indicated that the Justice Department has begun an investigation into the apparent leak. He ordered the government to report by January 5 on the status of the leak probe and to describe the prosecution's efforts "to insure that no improper communications take place with Mr. Gertz, or any other member of the public."

The New York Sun reported last month that Judge Carney rejected a defense request to subpoena Mr. Gertz to testify at a pre-trial hearing.

Tai Mak and his wife, Ms. Li, were arrested at Los Angeles International Airport in October 2005 as they prepared to board a flight to Hong Kong. Authorities said the couple had in their luggage a CD-ROM containing details about the Navy propulsion systems. Prosecutors said the data came from Tai Mak's brother, Chi Mak, who worked at a defense contractor, Power Paragon.

All the defendants have pleaded not guilty.

Elderly Woman's Family Seeks Federal Probe Of Shooting (CNN)

CNN.com, November 23, 2006

DOJ_NMG_0097568

ATLANTA, Georgia (CNN) -- As family members spent Thanksgiving Day boarding up the home of a 92-year-old woman who was shot to death during a police drug raid, their spokesman said they will request a federal investigation.

"Given recent statements by Atlanta's Assistant Police Chief Alan Dreher and Fulton County District Attorney Paul Howard, the family and I have serious and, we believe, founded doubt that absent intense federal oversight, a comprehensive investigation will ever ensue," said the Rev. Markel Hutchins, who has been advising the family of Kathryn Johnston.

Hutchins said he planned to travel to Washington next week to hand-deliver a letter to Attorney General Alberto Gonzales' office requesting a federal investigation of the incident. (Watch niece's outrage over shooting. -- 2:55)

Meanwhile Thursday, the Atlanta Police Department asserted that the narcotics team who raided the home Tuesday and fatally shot Johnston after she shot and wounded three officers is sure it had the right house.

Police spokesman Joe Cobb said the three officers on that team had made an undercover drug buy earlier in day from a man inside Johnston's home west of downtown Atlanta.

Police said they obtained a "no-knock" search warrant within hours of making the buy and went back to the house to serve it. But Dreher said the officers did announce themselves right before they broke the burglar bars and wood door to get inside.

Johnston, who relatives said lived alone, fired at officers with a revolver as they entered her home, wounding three, Dreher said. At least one of the officers fired back, killing the woman, he said.

The injured officers are expected to fully recover, Dreher said, and are on administrative leave with pay while the investigation is under way.

No-knock warrants allow police to enter a home or building without announcing their presence or identity. They are commonly used in narcotics cases when it is feared that the suspects may try to dispose of drugs or evidence in the time it takes authorities to gain access to the home.

But Dreher said Wednesday that officers had a marked patrol vehicle in the street in front of the home, a uniformed officer in the yard, and the narcotics teams wore vests with "POLICE" marked clearly on the front and back.

Two of Johnston's neighbors, Nina Robinson and Sallie Strickland, said the elderly woman was fearful and never let anyone into her home. Strickland said Johnston wouldn't even let her come in when she brought groceries for her, instead telling Strickland to leave them on the porch.

Police have not released the search warrant or the affidavit supporting it. Cobb said Georgia's open records law allows police to withhold evidence -- including 911 tapes and search warrants -- during an open investigation.

After the shooting, the search was conducted and officers did find suspected narcotics that are being tested at a laboratory, Dreher said.

A warrant has been issued for the arrest of the man who allegedly sold the undercover officers drugs earlier that day in the home, which is in a neighborhood known for drug activity, police said.

Howard previously has said his office was investigating the shooting, and said he had requested that the Georgia Bureau of Investigation ensure all forensic evidence is collected. Dreher has also promised a "complete, thorough and fair investigation."

Hutchins said he has spoken with Reps. John Lewis and Cynthia McKinney of Georgia regarding the shooting.

"As this horrific incident has all of the signs of an egregious violation of Ms. Johnston's civil and human rights at worst, and police officers using poor judgment and unnecessary force at best, I appealed for both of their support and assistance in our efforts to get an immediate audience with the United States Department of Justice," he said.

Local Woman Accused Of Katrina Relief Fraud (HC)

By Cindy George

Houston Chronicle, November 24, 2006

A Houston woman arrested this month joins 30 others in the Houston area who face federal charges for trying to collect money intended for victims of hurricanes Katrina and Rita.

An October indictment against Yolanda Yvette Thomas, 27, accused her of filing a false claim for Hurricane Katrina disaster aid, the U.S. Attorney's Office for the Southern District of Texas reported. She was arrested Nov. 6 and is free on $10,000 bail.

Thomas is accused of submitting a claim to the Federal Emergency Management Agency that falsely said her primary address was on Cameron Boulevard in New Orleans.

The indictment also accuses Thomas of falsely stating that she lost work as a result of Katrina and had an essential need for food, clothing and shelter because of the storm. If convicted, she faces up to five years in prison and a $250,000 fine.

Katrina and its aftermath devastated the New Orleans area in August 2005. Rita brought its wrath to parts of Southeast Texas the next month.

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Shortly after the storms, U.S. Attorney General Alberto Gonzales created the Hurricane Katrina Fraud Task Force to investigate and prosecute the illegal use of hurricane disaster aid.

A Government Accountability Office report released this summer found that FEMA aid paid for football tickets, a Caribbean vacation and a sex change operation.

Those charged in Houston have been accused in various schemes.

In May, a federal grand jury returned a 22-count indictment alleging that Michael James Green, 25, of Houston, received $2,000 in expedited disaster assistance for each of 18 fraudulent applications that said the storms caused him to lose work.

He is accused of filing claims under 18 Social Security numbers and for 18 different addresses in Texas and Louisiana. If convicted, he could go to prison for two decades.

A nine-count indictment handed down in September charged two Houston men with setting up a phony Salvation Army look-alike Web site to raise about $48,000 for their own accounts.

If convicted, Steven Anyanwu Stephens and Bartholomew Stephens face maximum prison terms of 20 years and fines of $250,000.

CIVIL LAW:

Federal Judge Rules Out National Vioxx Class Action (AP)

By Janet McConnaughey

AP, November 27, 2006

Thousands of federal lawsuits claiming the drug Vioxx caused heart attacks and other conditions that killed or injured people cannot be pooled into one national class action, a New Orleans federal judge has ruled.

U.S. District Court Judge Eldon Fallon, who was appointed to deal with pretrial matters for all federal suits involving Merck & Co.'s withdrawn painkiller, did not rule on the possibility of separate class action suits for each state and the District of Columbia.

"We are pleased with the decision," said Kent Jarrell, a spokesman for Merck, which wants to try every suit individually. He said the company is putting together a more detailed response.

Russ Herman, chairman of a committee of plaintiffs lawyers, said he had expected the decision. "Federal jurisprudence currently tracks an industry theory that thousands of injured people should litigate individually in order to give a single wrongful manufacturer due process," he said.

Fallon's 25-page ruling rejected the plaintiffs' proposal to try all of the cases under New Jersey laws. They argued that the company should reasonably expect to follow the laws of the state where it is headquartered.

"While this is true, it is just as true that Merck, an international corporation providing its drugs to every state in the nation, should expect to abide by every jurisdiction's laws," Fallon wrote.

Since plaintiffs in other states couldn't reasonably expect their personal injury claims to be governed by New Jersey law, it makes more sense to apply the law of each plaintiff's home state to that plaintiff's claims, Fallon ruled.

"Each plaintiff's home jurisdiction has a stronger interest in deterring foreign corporations from personally injuring its citizens and ensuring that its citizens are compensated than New Jersey does in deterring its corporate citizens' wrongdoing," he wrote.

Herman said the plaintiffs' committee will ask Fallon to have one class action suit on the single question of whether Vioxx, which was sold from late 1999 until September 2004, changed the cardiovascular system in ways that caused heart attacks.

Fallon wrote he was "confident that common questions exist" in the 7,000-plus federal lawsuits -- something required for class actions.

But, he said, allegations that Merck failed to warn doctors adequately about the drug's alleged health risk "necessarily turn on numerous individualized issues."

He wrote these issues include "the alleged injury; what Merck knew about the risks of the alleged injury when the patient was prescribed Vioxx; what Merck told physicians and consumers about those risks in the Vioxx label and other media, what the plaintiffs' physicians knew about the risks from other sources, and whether the plaintiffs' physicians would still have prescribed Vioxx had stronger warnings been given."

Merck has vowed to fight each Vioxx case individually. Its shares rose 30 cents to $44.52 in afternoon trading on the New York Stock Exchange.

Merck has won six cases, three each in federal and various state district courts. A fourth state court victory was overturned and a retrial ordered. The company has lost one federal case and three in state courts.

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CIVIL RIGHTS:

Feds' Plan In Osceola Criticized As 'absurd' (ORS)

By Mark Pino

The Orlando Sentinel, November 23, 2006

All five Osceola County Commission seats would be up for grabs in a special election next year if a federal judge agrees with a proposal submitted Wednesday by the U.S. Department of Justice.

The department sued the county last year, alleging that the current at-large system of electing commissioners dilutes the Hispanic vote.

The judge last month ordered that proposed remedies be filed by Wednesday after declaring Osceola's system of countywide elections has penalized Hispanics in a "racially polarized" county in violation of the U.S. Voting Rights Act.

Commissioners, who approved a proposal with five single-member and two at-large districts on Nov. 13, were stunned by the government's proposal.

"That's absolutely absurd," commission Chairman Paul Owen said. "It surprises me they had the audacity to do that. All five at one time -- that's a deal-breaker for me. I would definitely appeal if it were up to me, but I'm only one vote."

Four of five commissioners reached Wednesday said a decision to appeal couldn't be made until U.S. District Judge Gregory A. Presnell issues a final ruling. It is not known when that might happen. Presnell could implement a plan submitted by either side or come up with his own.

The Justice Department asked for a hearing, and it is possible Presnell will want to hear from both parties. A county official said Osceola is not opposed to such a hearing.

In addition to seeking elections for all five commission seats, the Justice Department's 21-page memo outlines two different single-member plans centered on a Hispanic-majority district that includes the Buenaventura Lakes community and the adjacent Kissimmee neighborhood of Lakeside.

Among the department's objections to the county's plan:

It doesn't cure Hispanic "vote dilution."

The districts were created with "fatally flawed" population estimates.

The court lacks the authority to expand the commission from five to seven members.

"[T]he United States believes that all five county BCC [Board of County Commission] seats should be held open for election in the 2007 special BCC elections under the new plan," according to court documents. "Each current incumbent was elected under an ethnically dilutive voting scheme, and thus the equities here militate strongly in favor of holding elections for all BCC seats at the first opportunity."

Hispanics make up about a third of the county population, but only one has ever been elected to the commission, under single-member voting a decade ago. Single-member district proponent and commission candidate Armando Ramirez was pleased with the federal proposal.

"Let all of them run. It will be fair and equitable. This is a new page, a new beginning," he said. "I sincerely believe the U.S. Justice Department's new proposal is an excellent remedy to cure our current electoral process."

The county held a public hearing last week where about two dozen of 125 people attending gave their thoughts on the county's proposal. Sentiment at the meeting ran about 2-to-1 in favor of the combination districts, prompting the county to write that its proposal "was tested in the court of public opinion."

But the Justice Department wrote that "a five single-member district plan with a district in which Hispanic voters can elect a candidate of choice remedies the violation. Adding two at-large districts is incidental to that remedy and adds back in the at-large feature that the court found violated Section 2" of the Voting Rights Act.

Both Justice Department plans leave open for an upcoming election a district where 57 percent of the registered voters are Hispanic. But in one plan, commissioners Ken Shipley and Ken Smith would find themselves in the same district, with a second open seat also before voters. The second plan puts the two incumbents in different districts.

The Justice Department noted that the court might not want all five commissioners to be up for re-election in 2007 and offered staggered elections as an alternative.

"The federal attorneys have turned in their list of unrealistic demands whereas the BCC have provided an honorable legislative solution," Shipley said. He added that the Justice Department's plan, based on 2000 census figures, unfairly means that about 59,000 residents who have moved here since then were not considered in the department's districts.

Osceola has spent nearly $2 million in fees for attorneys and experts defending itself.

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State Rep. John Quinones, R-Kissimmee, said there is still time for compromise.

"We have a situation where the Department of Justice is taking a very different position, but I think there's still room to work out a compromise. We haven't given that a chance," said Quinones, who has supported a 5-2 commission setup even before the county proposed it.

ANTITRUST:

Microsoft Makes Deadline On Windows Info (AP-YBIZ)

By Aoife White, Ap Business Writer

AP, November 23, 2006

EU Says Microsoft Has Handed in Information on Windows Workings by Deadline

BRUSSELS, Belgium (AP) -- European Union regulators said Microsoft Corp. handed in on time to meet a Thursday deadline information about its Windows operating software that should help other software companies.

The data will now be tested to confirm that the company has finally complied with a 2004 antitrust ruling.

The European Commission, which fined Microsoft 280.5 million euros ($357 million) in July for not providing the "complete and accurate" data to allow server software to interface with Windows, said the technical manual can now be reviewed by "potential licensees" -- companies who compete with Microsoft in making software for workgroup servers, such as Sun Microsystems Inc., Novell Inc., International Business Machines Corp. among others.

"In parallel the monitoring trustee will test the documentation in order to verify its accuracy," it said.

"The commission will decide in due course whether or not Microsoft is in compliance with the obligation to provide complete and accurate technical documentation taking into account comments from the potential licensees and advice from the trustee."

EU spokesman Jonathan Todd said this would likely take "months rather than weeks."

Regulators threatened new fines of 3 million euros ($3.87 million) a day last week if Microsoft did not patch up "the remaining omissions and deficiencies." They said the company should have handed over a good set of documents explaining how server protocols work by an original July 2004 deadline.

The software maker was ordered to provide the information after the EU found it guilty of abusing its monopoly by deliberately withholding technical data from rivals, who alleged that Microsoft ended cooperation when it started making its own server software.

Microsoft challenged the immediate sanctions but a judge ordered it to comply in December 2004. It also said the commission's request was unclear and it only received a useful set of guidelines when independent monitor Neil Barrett set out a work program earlier this year.

The company said Thursday's decision was an important milestone.

"The trustee and Microsoft have now completed the technical review and edits to the more than 100 documents, totaling 8,500 pages, that we submitted in July of this year, in accordance with the deadline established by the commission," it said in a statement.

"We will continue to work closely with the commission and the trustee to ensure that we are in full compliance with every aspect of the commission's decision."

The EU fined Microsoft a record 497 million euros ($613 million) in March 2004 and told it both to share interoperability information with rivals and put on sale a copy of Windows without Media Player software.

These conditions will apply to all future versions of Windows -- including the upcoming Vista operating system.

Regulators also highlighted other possible antitrust problems with Vista's wide range of functions, fueled by comments from other information technology companies, warning that Microsoft must take care not to abuse its dominant position by muscling into other markets.

Microsoft Moves To Appease Brussels (FT)

By George Parker In Brussels

Financial Times, November 24, 2006

Microsoft yesterday claimed to have met a new Brussels deadline to hand over documents to its rivals, in a move designed to head off the threat of further anti-trust fines of up to €3m ($3.9m) a day.

The company said it had completed technical work on more than 100 documents, totalling 8,500 pages, in line with the Thanksgiving Day deadline set by Neelie Kroes, European Union competition commissioner, earlier this month.

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Ms Kroes's department said the documents would be carefully studied to ensure they provided the required information to rivals.

"We will decide in due course whether or not Microsoft is in compliance with the obligation to provide complete and accurate technical documentation," it said.

Microsoft was fined €497m by the European Commission in March 2004 forabusing its monopoly position and €280m in July for failing to hand over complete documents to rivals.

The case relates to Microsoft's Windows operating system, which the Commission ruled did not offer enough interoperability for other software.

Ms Kroes has become increasingly agitated by the company's failure to comply fully with the 2004 ruling and will want to ensure the interface documentation meets her requirements.

They will be assessed by a trustee, Professor Neil Barrett, a computer expert suggested by Microsoft and appointed by Ms Kroes to advise the Commission on the company's compliance with the ruling.

She has said she could fine Microsoft up to €3m a dayif the relevant documents are not handed over, backdated to the last deadline of July 31.

Potential rivals to Microsoft can now review the documentation made available by the company to see whether it contains the necessary information to develop interoperable work group server operating system products.

Microsoft said yesterday there had been an unprecedented effort by more than 300 engineers and technical writers to review the technical documents to meet the Brussels deadline.

"We look forward to receiving feedback from the industry," the company said in a statement.

EU Says Microsoft Meets Key Deadline In Antitrust Showdown (AFP)

AFP, November 23, 2006

The European Commission said that Microsoft has met a key deadline in its antitrust standoff with the US software giant, staving off the threat of further fines.

Last week the European Union's executive arm gave Microsoft until November 23 -- Thanksgiving in the United States -- to reveal the secret software protocol for its Windows operating system so that competitors can make rival products.

If it missed the deadline, Microsoft faced the threat of daily fines of up to three million euros, which could have amounted to as much as 350 million euros (448 million dollars) and bring its total penalty to over one billion euros.

"The European Commission can confirm that Microsoft has submitted a revised version of the technical documentation with a view to meeting the requirements of the Commission's March 2004 Decision," the EU executive said in a statement.

Microsoft, which has fought tooth and nail against Brussels regulators in the case, struck a conciliatory note, saying in a statement that it aimed to "work closely" with the Commission.

"We are pleased that the Commission has recognized our efforts to comply with our documentation obligations, and we will continue to work closely with the Commission... to ensure that we are in full compliance with every aspect of the Commission's decision," it said.

The US company has long clashed with the Commission over the crushing market power of its Windows operating system and was fined a record 497 million euros in a landmark March 2004 antitrust ruling.

In addition to fining Microsoft, the EU ordered the company to sell a version of its Windows operating system without Media Player software and to divulge the software protocols underpinning Windows for makers of rival products.

Microsoft challenged the 2004 ruling in the EU's second-highest court in April, but the judges are not expected to hand down a decision before the end of the year at the earliest.

Frustrated with Microsoft's defiance at some of its demands, the Commission in July slapped daily fines adding up to 280.5 million euros over the six-month period of the penalty for failing to fully respect the 2004 antitrust ruling. Microsoft is appealing against the charges.

EU Says Expects Decision On Microsoft Compliance In 'months Rather Than Weeks' (AFX)

AFX, November 23, 2006

BRUSSELS (AFX) - The European Commission said it will decide on whether interface information submitted by Microsoft Corp achieves full antitrust compliance in 'months rather than weeks'.

A spokesman for EU competition commissioner Neelie Kroes commented on the timing of the decision when questioned by reporters.

The US software company is seeking to comply with the EU's antitrust decision of 2004 and thus avoid a daily fine of as much as 3 mln eur.

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The commission ordered the group to, among other things, disclose and license interface documentation which would allow non-Microsoft work group servers to achieve full interoperability with Windows PCs and servers.

EU Says Microsoft Has Submitted Requested Data (DOW)

Dow Jones Newswire, November 23, 2006

BRUSSELS (Dow Jones)--Microsoft Corp. (MSFT) has met a deadline to hand over data to European antitrust regulators, the European Commission said Thursday.

The commission will review the information to decide if the U.S. software giant has complied with its order to provide complete and accurate technical specifications to help rivals produce server software that will work smoothly with its Windows operating system.

Microsoft faced the threat of new fines if it hadn't provided the data.

This represents the latest chapter in one of the most high profile, long-lasting antitrust battles. While the U.S. authorities have settled their grievances against the company, European regulators have continued to battle with the software company.

In March 2004, the commission fined Microsoft a record EUR497 million, or more than $600 million, and ordered it to change some of its business practices. The company appealed that ruling at an E.U. court. The court's decision is expected next year. The commission fined Microsoft an additional EUR280.5 million in July for defying its antitrust orders.

Microsoft welcomed the commission's declaration that they had met the deadline. The company said more than 300 engineers and technical writers had worked since July to produce the required data. The data is displayed in more than 100 documents, totaling 8,500 pages.

"This is an important milestone," Microsoft said in a statement. "We are pleased that the Commission has recognized our efforts to comply with our documentation obligations, and we will continue to work closely with the Commission and the Trustee (an appointee who oversees Microsoft's compliance) to ensure that we are in full compliance with every aspect of the Commission's decision."

In its 2004 decision, the commission required Microsoft to hand over the technical data within four months. The Luxembourg-based European Court of First Instance rejected Microsoft's demand to suspend the decision.

Microsoft "missed" a number of deadlines for delivering complete and accurate specifications, the commission said in its statement Thursday. The commission then imposed a daily fine for Microsoft's refusal to comply and last week threatened to increase the fine by EUR1 million a day, bringing the daily fine to EUR3 million.

"Potential licensees can now review the technical documentation," said the commission, before adding that at the same time, the commission's trustee will test the documentation to verify its accuracy.

Regulators will then decide whether or not Microsoft has complied, the commission said.

Microsoft Meets Data Deadline In EU Antitrust Case (Update3) (BLOOM)

By Matthew Newman And Francine Lacqua

Bloomberg, November 23, 2006

Nov. 23 (Bloomberg) -- Microsoft Corp., seeking to avoid a daily fine of as much as 3 million euros ($3.9 million), met a European Union deadline today to provide data on how its Windows operating system communicates over a network.

The European Commission, the EU's antitrust regulator in Brussels, must now decide whether Microsoft has complied with a March 2004 antitrust order. Under that ruling, Microsoft must disclose so-called protocol information to rivals that make software for network servers.

Competition Commissioner Neelie Kroes said in an interview in Istanbul today that she hopes companies such as International Business Machines Corp. and Oracle Corp. will help determine if Microsoft's information is ``solving the problem of interoperability."

The commission accuses the company of abusing its 95 percent share of the personal computer software sales to crush competition in related markets. The EU levied a record 497 million-euro fine in March 2004. Microsoft is appealing the ruling and a judgment by the European Court of First Instance is expected next year.

In July, the EU fined Redmond, Washington-based Microsoft 280.5 million euros for flouting the EU's 2004 ruling. The July penalty was the first by the commission for failure to comply with an antitrust ruling. Microsoft has also appealed the additional fine.

`Important Milestone'

The commission gave Microsoft a Nov. 23 deadline to submit the data so that competitors can review the documentation by the end of the month. The EU's monitoring trustee, Neil Barrett, will test the information ``to verify its accuracy," the commission said in a statement.

Microsoft said the data submission is an ``important milestone" in the antitrust case.

``We will continue to work closely with the commission and the trustee to ensure that we are in full compliance with every aspect of the commission's decision," Microsoft said in a statement.

When asked when the commission is expected to make a decision, Kroes said, ``It will of course be done in a proper way and as soon as possible we will come up with our decision.

Her spokesman, Jonathan Todd, told reporters today ``I think we're talking months rather than weeks."

NFL Fans' Kicks Are Blocked (LAT)

By Larry Stewart And Lance Pugmire, Times Staff Writers

The Los Angeles Times, November 23, 2006

Many won't see tonight's game because of a cable dispute.

Cindy and Eugene Pacheco are die-hard Denver Broncos fans, like many people who live in Colorado. Eugene, a former Mile High Stadium vendor, proudly sports a Broncos tattoo.

This Thanksgiving, their plans were set. Family members would be coming to their Colorado Springs house for the holiday, and they would all settle in tonight to watch the Broncos take on the host Kansas City Chiefs, the first in an exclusive eight-game package on the NFL Network.

One problem. The Pachecos now can't get the game.

They said their cable company, which is now under the Comcast umbrella, did offer a "silver package" that included the NFL Network on a digital tier but was charging for a digital box.

"I don't want to pay $70 a month for a box just to watch the one game," Cindy said.

"Now we're scrambling. We're trying to find a place to watch it, or we'll just go to a bar. The family will have to leave. Our teenager will have to stay home and watch our little boy. It's unfair. It's some kind of ploy to make money."

It's worse for customers of Time Warner Cable, which has nearly 2 million subscribers in the L.A. market and also covers much of the Kansas City area. They currently can't get NFL Network even if they are willing to pay for a premium tier.

Time Warner is one of three major cable providers mired in a stalemate over carriage issues with the 3-year-old league-owned network.

The months-long impasse over higher fees and cable tiers comes down to this: 50 million cable television households nationwide won't be able to get tonight's game. With no ongoing talks, an 11th-hour deal seems unlikely.

The Pachecos, like other disgruntled cable subscribers, could have switched to satellite — both Dish Network and DirecTV carry the NFL Network — but it's too late for tonight's game.

And though the NFL's exclusivity arrangement allows local broadcasts in the teams' cities, that didn't help the Pachecos. They live in part of a large section of Colorado beyond the reach of Denver's Channel 31.

The dispute has led to a nasty marketing war and even caught the attention of Congress.

Time Warner, Charter — which has 374,000 customers in the L.A. market — and New York-based Cablevision are among the companies that want to put the NFL Network on a digital sports tier, which costs about $5 a month more per subscriber. NBA TV, College Sports Television (CSTV) and the Tennis Channel are among the channels already on such a premium tier.

The NFL Network is demanding that it be part of the basic cable package, thus reaching more viewers.

Another sticking point is the rights fee the NFL Network is asking from cable companies, now estimated to be about $8.25 per subscriber a year, or about 69 cents a month. Before the NFL Network acquired the eight-game package from its parent company, the rate was around $3.

Time Warner spokesman Mark Harrad said the company simply does not want to pass the cost of carrying the NFL Network to all its customers, since "75% to 80% are not sports fans."

NFL Network officials dispute that number, saying 135 million people watch NFL football each weekend and that last season, 200 million watched the regular season at some point. Yet Comcast, the nation's largest cable company, has carried the NFL Network for two years and still offers it, including in the Denver area, but only as part of a premium digital package.

Cox Communications, which has 243,000 subscribers in the L.A. market, mostly in coastal areas, worked out an arrangement similar to Comcast's to carry the NFL Network on a digital tier.

Steve Bornstein, president of the NFL Network, was asked about the distribution problem during an interview at the network's studios in Culver City.

"I don't see it as a distribution problem," he said. "I look at it as the glass half full. I think the growth we've had — 40 million homes — has been remarkable. I don't think any other network has grown this fast.

"I'm hopeful by the end of the day we'll be broadly distributed."

And when will that be?

"I have a long horizon line," he said.

NFL fans don't.

Although tonight's game will be televised by Fox affiliates in Denver and Kansas City, those teams have fan bases that stretch over multi-state areas beyond the reach of those stations. The outrage is expected to be intense.

The NFL Network is, in fact, counting on that.

Pat Bowlen, owner of the Broncos and chairman of the NFL's Broadcast Committee, was asked by Sports Illustrated recently what he would do.

"Get a dish," he said.

In Los Angeles, where there is no NFL team and thus no local broadcast of any of the eight games, fans expressed anger and dismay months ago.

The fight began when Time Warner Inc. joined with Comcast Corp. to buy the assets of Adelphia Communications Corp. That changed everything.

The fight in Los Angeles began Aug. 1 when Time Warner, which at the time served 400,000 homes in the market, took control of Adelphia's 1.1 million households and Comcast's 500,000 and immediately dropped the NFL Network.

Satellite carriers DirecTV and Dish Network went after those cable customers.

In the last month, millions have been spent on radio, TV and newspaper ads from the warring factions. In one, the NFL Network also publicized its website, iwantnflnetwork.com, that allows users to e-mail the cable company to complain or to click on a link to order satellite.

Dish and DirecTV also have been advertising quick installation, but DirecTV spokesman Robert Mercer concedes that tonight's game is a lost cause.

The satellite company has set its sights on the next game, when the Cincinnati Bengals play host to the Baltimore Ravens on Nov. 30, knowing that the Dec. 7 game between the Cleveland Browns and the Pittsburgh Steelers could create even more demand.

This marketing war got the attention of Congress last week. The Senate Judiciary Committee held a hearing to look into the carriage dispute.

"We're intrigued, to put it mildly, with what the NFL has in mind," said Sen. Arlen Specter (R-Pa.), who asked how cable and satellite rates would be affected and whether the NFL Network's limited distribution violates the antitrust exemption Congress granted the league in 1961.

Jeffrey Pash, NFL executive vice president and general counsel, told the panel that pro football's popularity was justification for the rate hike. He also argued that the game package does not run afoul of antitrust laws because the games expand choices for consumers. Besides, he said, the league's current television contracts make any significant changes impossible until 2011.

Yet, Time Warner Chief Operating Officer Landel Hobbs also testified, calling the NFL Network's rates "out of whack" when compared with viewership ratings.

That was 10 days ago. And neither side has budged.

"You have to weigh upsetting all of your customers against not having eight games over six weeks," Time Warner's Harrad said, adding that most of its NFL fans probably have already switched to DirecTV because of its exclusive Sunday Ticket pay package that offers out-of-market NFL games.

The number of cable customers who have defected to satellite isn't yet clear, but NFL Network's Bornstein knows he is facing a tough battle.

"It is difficult to characterize the NFL as an underdog," he said, "but we are an independent programmer. In today's day and age, that's a very rare breed.

"We just have to wait and see what happens."

*

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(INFOBOX BELOW)

Out of their league

A vast majority of cable subscribers in the Los Angeles market do not have access to NFL Network.

Breakdown of L.A.'s 4 million cable and satellite subscribers

Time Warner: 48%

Satellite: 30%

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Charter: 9%
Other cable: 7%
Cox: 6%
*

Source: NFL Network. Graphics reporting by Joel Greenberg

It Was Better With Bonzo (WP)

By Steven Pearlstein

The Washington Post, November 24, 2006

Today isn't just the official start of the holiday shopping season. It's also the start of the holiday movie season, when studios try to capitalize on the seasonal urge to get out of the house and take in a flick.

So here's a puzzle: Why will movie theaters charge the same $9.50 to see "Casino Royale" this Saturday night that they charged to see the disappointing remake of "All the King's Men" on a Wednesday night in the middle of September?

Wouldn't they sell more tickets and popcorn, and make more profit, if they increased the price when demand is high, and lowered it when demand is low?

After all, hotels and airlines have long varied pricing by day and season. And you'd think it odd if Macy's charged the same for a cashmere sweater as one made from a polyester blend. Yet the movie industry, facing flat or declining revenues, clings to a uniform pricing model that makes no sense.

It wasn't always so. Back in the golden years of Hollywood, before PG and XXX, there were "A" movies, "B" movies and "C" movies, distinguished not by their sexual content, but by the box-office appeal of their stars. Not only did it cost more to see Clark Gable in "Gone With the Wind" than Ronald Reagan in "Bedtime for Bonzo," but the ticket price also varied depending on whether you saw them in a first-run movie house downtown or a second-run theater in the suburbs, and whether you took in a matinee or an evening showing. And "ladies' nights" were a real bargain.

All of this began to fade with the arrival of television, which triggered a long, slow decline in moviegoing, a steady increase in ticket prices, and a switch to uniform pricing. Not long afterward, the movie studios were forced to give up their theater chains in a landmark antitrust settlement with the Justice Department. The arrival of the multiplex and the advent of VCRs, DVDs and movies on demand have also altered the economics of the movie business.

But none of these can fully explain why the industry remains wedded to uniform pricing.

Two academics who have noodled this puzzle are Barak Orbach, who teaches at the University of Arizona law school, and Liran Einav, an economist at Stanford University. Over the past few years, they have studied the literature and talked with dozens of industry executives. Now they have prepared a fascinating paper, which will be published next year by the International Review of Law and Economics.

Among the factors cited most often by theater owners are the cost and hassle involved in charging different prices for different movies on different days. There's the complexity at the box office and the need for some mechanism to make sure that patrons who buy cheap tickets for one theater at the multiplex don't wind up at expensive movies. On the other hand, it's hard to believe there isn't some simple technology that could solve most of these problems.

A more plausible explanation is that consumers might consider variable pricing as somehow unfair. But the experience in other industries suggests that such objections can be overcome, particularly if theater owners would phase in the new prices by introducing discounts for slack periods before raising prices for hit movies on busy weekends.

Obviously, it's not possible to know, in advance, which movies will be hits and which will be flops in order to price them accordingly. But theater owners have a good grasp of how ticket sales vary by season, or day of the week, or how long a movie has been playing. This is precisely the kind of information that could be used to set flexible prices.

What makes the persistence of uniform pricing all the more curious is that theaters actually pay widely varying fees for the licensing rights to the movies they show. The bigger the expected gross, the higher the percentage of ticket revenue that normally goes to the studio and its distributor. And the formula also includes a per-ticket fee that declines each week of the movie run.

My hunch is that these pricing arrangements between the studios and the theater chains, which have always been shrouded in secrecy, are the answer to our puzzle. It is the studios that want to maintain uniform pricing because it is the theater owners who would get the most benefit from variable pricing. And according to Orbach and Einav, when a few chains have tried to experiment with variable pricing, they often found that they lost access to the best movies or faced demands from distributors for higher per-head charges that discouraged them from offering discounts.

If you have any doubt that the studios have the power to dictate uniform retail prices, consider what happened with the introduction of "The Godfather" in 1972. Up to that point, the tradition was that theaters could charge a premium for tickets to the

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handful of "event" movies that came out every year -- in the modern context, the "Harry Potter" and "Spider-Man" movies. But when "The Godfather" was released in 1972, suddenly every movie theater in the country eliminated its event-movie pricing. That's the kind of "coincidence" Don Vito Corleone would have been proud of.

Under the antitrust settlement with the Justice Department in the 1950s, this kind of "vertical price maintenance" was supposed to be prohibited. But in their paper, Orbach and Einav suggest it may still be going strong. And for good reason. With movie studios making more and more of their profit from after-market sales, they have little interest in ticket discounting by theater owners who make most of their profit, in any case, from popcorn and Milk Duds. As the studios see it, every extra ticket sold because of a discount is one less potential movie rental or sale of a DVD.

It remains an open question whether variable pricing would, on balance, be good or bad for consumers -- discounts for some could well be offset by higher prices for weekend tickets to hit movies. But we'll never find out as long as movie studios use their power to discourage theater owners from giving it a try.

Steven Pearlstein can be reached atpearlsteins@washpost.com.

Microsoft's Vista Gets Upbeat Report From US Regulators (DOW)

By Mark Boslet, Carmen Fleetwood

Dow Jones Newswire, November 22, 2006

PALO ALTO, Calif. (Dow Jones)--Microsoft Corp.'s (MSFT) new Windows Vista operating system for personal computers appears to be in compliance with the company's antitrust judgment with the Department of Justice and state attorneys general, according to a report filed with a District Court judge.

Issues with European regulators remain outstanding.

In a legal status report file Tuesday, U.S. regulators said Microsoft addressed all outstanding issues regarding Vista's ability to work alongside middleware from other companies.

The software, scheduled for release to business customers on Nov. 30, has been the subject of scrutiny from U.S. and European antitrust regulators.

"Windows Vista was developed under the requirements of the 2001 Consent Decree, and compliance was a priority throughout development," said Guy Esnouf, a Microsoft spokesman. "We worked diligently, both independently and with the Technical Committee, to identify and resolve all known issues before release."

ABA Seeks Immunity Guarantee In New EU Whistleblower Rules (WSJ)

The Wall Street Journal, November 24, 2006

BRUSSELS -- Proposed new European Union rules for corporate whistleblowers would deal an unintended blow to international cartel-busting efforts because they don't guarantee immunity from fines, according to the American Bar Association.

The procedures, intended to create a "one-stop shop" in the 25-nation EU for companies that want to expose illegal price-fixing schemes, could also expose companies to legal jeopardy in the U.S., according to an analysis by the ABA's antitrust and international law section.

Although well-intentioned, the proposed change "deviates substantially from the recent trend in leniency policies around the world by reintroducing a substantial level of unpredictability, discretion, and lack of clarity into the program," the ABA analysis said.

Slated for adoption next month, the EU guidelines would for the first time give out "markers" to companies that are the first to secretly blow the whistle on fellow cartel conspirators. Such markers are offered in the U.S. to assure companies they will be first in line for immunity and not be leapfrogged by other conspirators who approach regulators at a later date.

Joseph Angland, chairman of the ABA section of antitrust law and a partner in New York with the Heller Ehrman LLP law firm, says the EU's proposed wording -- that it "may" give out such markers -- would create uncertainty and encourage companies to remain silent.

"A company that comes forward wants to know that it will be granted immunity. Otherwise, it will go back into the weeds and hope no one discovers" the illegal conduct, Mr. Angland said.

The EU worries that an automatic guarantee of immunity could encourage companies to race to get the marker for immunity but not necessarily to provide regulators with evidence.

"It is important that we retain...discretion in awarding a marker and to grant it on a case-by-case basis," said Jonathan Todd, a spokesman for the EU's antitrust directorate.

Asked if the criticisms might cause regulators to alter the rules before adopting them next month, Mr. Todd said: "Wait and see."

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The ABA group says other proposed rule changes in Europe could also expose multinational companies to increased legal jeopardy in the U.S. For example, the EU -- without guaranteeing that a company will be granted immunity -- still wants a detailed corporate statement identifying the cartel's aim, scope, market volumes affected and the dates and locations of cartel meetings. Such statements could provide fodder for U.S. plaintiff's lawyers, who often sue cartel members for damages, U.S. lawyers say.

ENVIRONMENT/INDIAN AFFAIRS:

Groups Upset By Claim In Clean Air Suit (NYT/AP)

The Associated Press

The New York Times, November 24, 2006

Filed at 3:33 a.m. ET

WASHINGTON (AP) -- Environmental groups are still angry over an assertion made before the Supreme Court a month ago during arguments in a far-reaching clean air lawsuit.

The claim by prominent Washington lawyer Carter Phillips that the federal government had changed course in regulating emissions from coal-fired power plants is simply not true and a paper trail of the industry's own documents proves it, the groups say.

The case, Environmental Defense v. Duke Energy Corp., could determine the fate of an Environmental Protection Agency initiative targeting some of the biggest utilities in the nation. Phillips, representing Duke, is managing partner at the Washington office of the law firm Sidley Austin and has argued more than 50 cases at the Supreme Court.

"These companies are bent on getting away with 20 years of illegal pollution by trying to deceive the Supreme Court," said Natural Resources Defense Council clean air director John Walke, who is a former EPA attorney.

Utility industry attorney Scott Segal jumped to Phillips' defense, saying that "for these environmental groups to go after one of the best lawyers in the country is a travesty. Phillips leads a legal dream team with a spotless record." Segal was responding to a list of questions a reporter sent to Phillips' office.

The government enforcement action against Duke is one of more than a dozen brought by the Clinton administration in 1999 and 2000.

It is aimed at forcing power companies to install the latest pollution-control equipment on aging coal-fired plants which were renovated so they could be operated longer hours.

On Nov. 1, Phillips told the justices: "Our basic argument is that all along" EPA interpreted the regulatory requirements "in a certain way. And then 19 years later, they reversed course" and suddenly sued the companies.

The environmental groups say internal industry documents clearly show that Duke understood long ago that EPA was interpreting the requirements in the same way it did in 1999 when the government went to court. Some of the documents are part of the record before the Supreme Court and all were brought to light in lawsuits against Duke and other utilities.

Among the documents, according to a Justice Department court filing, are 10 memos from an industry trade association spelling out the EPA's position for Duke starting in the late 1980s. It was the same regulatory approach EPA took a decade later when it sued the company. The Justice Department document was filed publicly in 2003, but at Duke's request it was put under seal, barred from public view.

The day after the Supreme Court argument, the Natural Resources Defense Council provided journalists with copies of industry documents the environmental groups say contradict the tack taken by Duke's lawyer before the high court.

One of them is a Duke company training guide on environmental compliance from 1991 that appears to characterize the EPA's approach in the same way the federal agency did nine years later when it sued Duke.

George Washington University law professor Jonathan Turley reviewed some of the industry files and said, "I find the statements Phillips made hard to square with these documents."

Turley said the complexity of the case makes it easy to suggest uncertainty or confusion, and that "Phillips' comments in court are more likely to be treated as attorneys gilding the lily for their client" rather than attempting to mislead.

The dispute between the utilities and the environmental groups and Justice Department lawyers is whether emissions increases should be measured on an annual basis or under a two-part test.

The industry says EPA regulations always have required an hourly rate increase in emissions before measuring for annual increases. Such an approach would enable the companies to run their revamped coal-fired plants without having to install additional pollution controls, as long as the hourly emissions rate doesn't rise. In his arguments to the justices, Phillips pointed to two EPA officials who in the early 1980s appeared to interpret the rules in the way industry favors.

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The EPA and environmental groups say the regulations call for calculating emissions increases annually, which would force the installation of costly pollution controls on plants because of their longer hours of operation. Environmentalists point to a 1988 memo by an attorney representing Duke in the Supreme Court case. The document specifies an annual test "instead of" an hourly test.

But Segal, representing the industry, says focusing on that language in the 42-page document "mischaracterizes the memo." The company documents "all assume that you've already cleared the first hurdle of an hourly rate increase, so it's not surprising that the documents sometimes refer to an annual test."

"That's ridiculous," responded Keri Powell, a staff attorney with the not-for-profit environmental law firm Earthjustice.

It was "depressing to listen to Duke's attorney present a sob story to the Supreme Court about how the power companies had no idea that EPA would interpret its rules the way it did in 1999, when the power companies' own documents from years before so clearly show otherwise."

Duke spokesman Thomas Williams said the environmentalists' criticism is "an after-the-fact, made-for-litigation theory that was correctly rejected by the lower courts."

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On the Net:

Natural Resources Defense Council: http://www.nrdc.org/media/pressreleases/061102a.asp

Electric Reliability Coordinating Council: www.electricreliability.org

FBI/DEA/ATF/USMS:

Laborers Warned About Meth Trade Dangers (AP)

By Garance Burke, Associated Press Writer

AP, November 23, 2006

Fotonovelas — pocket-sized picture books popular in Mexico — have gotten a California makeover that authorities hope persuades immigrant laborers to resist the easy-money temptation of the methamphetamine trade.

Thousands in the meth-plagued Central Valley have read the bilingual graphic-novel story of Jose, a farmworker who creates tragedy for his family by working for a drug ring. "No Vale La Pena," or "It's Not Worth It," has inspired a Spanish-language docudrama, and police from Tennessee to Colorado have requested copies of both projects.

In Mexico, fotonovelas often illustrate life's struggles through recurring characters, like the trucker with a heart of gold, or the secretary trying to get ahead. Community leaders in and around Merced, about 130 miles southeast of San Francisco, saw them as an effective way to reach immigrant workers.

"We were trying to get that message across to a population that has a very low literacy level and that's really isolated," said public relations executive Virginia Madueno, who created the booklet. "So we thought, 'Aha! A fotonovela.'"

The Central Valley, a broad agricultural swath that runs up the middle of the state, remains a primary distribution point for meth, according to a U.S. Department of Justice report released last month.

Mexican drug cartels have begun to dominate the trade in the area: Merced County Sheriff Mark Pazin said they accounted for more than 80 percent of meth-production arrests in 2003. The federal report suggested the cartels are looking to expand into other areas with large populations of illegal immigrants.

Immigrant laborers can see setting up a meth lab as a lucrative alternative to backbreaking work in the fields, but end up exposing their families to the dangerous work. It's so common for meth cooks to be arrested at home in front of spouses and children that Madera County has assigned a social worker to accompany police on drug busts, Pazin said.

"No Vale La Pena" ends even more tragically. Jose, recruited by a drug lord to cook meth, hides his backyard lab from his pregnant wife, Maria, only to expose their young daughter, Raquel, to a fatal dose of chemicals.

"I've known people related to family members who thought cooking meth was an opportunity to get ahead and get a piece of the American dream," Madueno said. "I've seen what it has done."

The first run of 15,000 copies of "No Vale La Pena" was soon exhausted, said Ben Duran, president of Merced College, who helped create the storybook using private-sector donations. More were printed, and it's now available at Hispanic supermarkets across California.

"Then we thought, 'What if we make the book come alive?'" Duran said.

Last year, Duran started working on a film based on the same story, styled to look like a telenovela, or Mexican soap opera. He played the drug kingpin in the project, made with help from the sheriff and $100,000 in federal funding.

The film has been shown in classrooms, nurses' conventions and at commercial theaters in several states.

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When it premiered in the cafeteria of Merced's Margaret Sheehy Elementary School last month, the children sat entranced. As the narrator delivered somber anti-drug declarations in Spanish, a few third-graders wiped away tears.

"Kids, I'm here to tell you we don't make any of this up," Pazin said. "It is happening here in the Central Valley, in California and the U.S. People are getting sick and passing away."

DrugNet, Chapter 5: Wiretaps (PHI)

By John Shiffman

The Philadelphia Inquirer, November 24, 2006

THE STORY SO FAR

Now that agents know Temple grad student Akhil Bansal is Mr. Big - the brains behind the biggest global Internet pharmacy network DEA has ever seen - they call in reinforcements from Washington. Today's installment begins as agents try to wiretap Akhil's e-mail. It is January 2005.

CENTER CITY

Lead prosecutor Barbara Cohan paced her office, red-faced, ponytail flying. She yelled into the phone.

"If it's not ready for prime time, why the hell are we using it?"

Once again, Cool Miner, the wiretapping software, had broken down.

Barb hadn't expected miracles, she told the DEA techie down in Washington, but now that they had arranged for a Hotmail clone account to wiretap e-mail, lugging two PCs up from northern Virginia, she wanted it to work.

DEA had used the program a few times for smaller cases, in other cities - catching bad guys in midsize towns - but never in Philadelphia. With a case this complex, the techie protested, Cool Miner had become overloaded by too many e-mails, too many attachments, too much volume.

The Help Desk was working on it.

Barb seethed. DEA had a new mandate from on high to go after online pharmacies! With a computer program so lame, how did the agency expect to catch such sophisticated criminals, a global network moving 50,000 pills a day? Three years after 9/11 and DEA was still struggling to tap e-mail!

Fix it, she said.

When the wiretap did work, it was fabulous. Authorities could track the suspected kingpins in real time, reading each e-mail to and from Temple University graduate student Akhil Bansal and his father, Brij, a doctor in India. E-mail attachments included spreadsheets of detailed pill orders. Amazingly, the Bansals didn't encrypt most e-mail.

From: Brij Bansal

To: Sanjeev Srivastav

cc: Akhil Bansal

Please send the following order with next-day service:

30,000 tabs - Zolpidem 10 mg.

10,000 tabs - Cialis 20 mg.

10,000 tabs - Viagra 100 mg.

One recently intercepted e-mail put the Bansal network's stock in Queens, N.Y., at four million pills. This e-mail wiretap was going to provide a bounty of evidence - when it worked.

For Barb, a computer-savvy workaholic with an obsession for detail and no patience for incompetence, the wiretap trouble added to growing tension.

As the stakes rose - suspects on four continents, tens of thousands of U.S. customers, a pressing public-health threat - DEA and FBI agents had begun to fight over control of the case like boys in a sandbox. DEA was wary, fearing FBI's reputation for stealing cases. FBI felt frustrated because agencies such as DEA often asked for help, then resented sharing control.

Barb and fellow prosecutor Wendy Kelly felt the tension, too. Again and again, DEA agents ignored requests to print copies of Web pharmacy home pages - not a minor task, because the printouts would be the only evidence if a Web site disappeared.

The prosecutors began to sense that some agents and supervisors couldn't take orders from women. Barb found this incredible. She had been prosecuting cases since before these guys were born. And Kelly? For God's sake, the woman served as a full colonel in the Army Reserve.

The way the prosecutors saw it, the boys needed to grow up.

NEW DELHI

The Narcotics Control Bureau agent, a thin 30-year-old with a rust-colored goatee, walked down an alley, past the cats and flies, the servants scrubbing dishes, the line of white, government Ambassador sedans.

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The wire man ducked into a weathered three-story building and entered a restricted area on the third floor, an air-conditioned, high-tech enclosure with tinted windows. This was the Source Room, where NCB agents listened to wiretaps.

The wire man worked alone, anonymously. Only two others knew who he was taping and why. Everyone understood that a leak could spoil everything. That's why the wiretap paperwork was hand-carried to the home secretary for approval.

Not only was the case NCB's first major international pharmaceutical investigation, but it was also its biggest case with DEA. The Indians were eager to prove they were serious about policing pill-smuggling. It wasn't just about law enforcement, it was about economics and politics, too. Pill-smuggling tainted and imperiled the nation's legitimate manufacturing and export industries. Such a crime also threatened U.S.-Indian diplomatic relations, which had warmed since 9/11.

The wire man sat down and opened his laptop.

He had been listening for two months, ever since DEA asked for help. He knew that Brij and Akhil Bansal often spoke several times a day. Because of the time difference and Akhil's class schedule, they routinely talked when it was morning in India, night in Philadelphia.

The agent picked up his headset and downloaded a new call.

Akhil's voice came on the line.

"Papaji," he said in Hindi. "It's me."

ROXBOROUGH

Sitting on his Value City mattress, Akhil began most mornings with chocolate, a Coke, and a call to his father.

As the enterprise grew, and as Akhil became schooled in the ways of American business, the tenor of the calls changed. Now the son took charge.

"Papaji," he said in one call. "You must slow down. All your hard work will be gone."

Akhil, cocksure and 26, began to realize that his father was a terrible businessman. Brij trusted people too much, overpaid staff. He let the online pharmacies they supplied go weeks without paying.

This drove Akhil nuts. By January, clients owed the Bansals more than $800,000.

Akhil, an MBA student at a prestigious American university, urged his dad to cut off the deadbeats. Brij hesitated. He had trouble saying no.

While he let Akhil control the finances - $4 million stashed in a dozen U.S. and offshore accounts - he questioned some of his son's moves. In one call, Brij erupted in fury after learning that Akhil was selling customer data to spammers. They were using the information to make follow-up calls to pill customers - some of them addicts - pushing them to buy more.

To Brij, this seemed dishonorable. Akhil insisted it was OK.

"It's America, Papaji. Everything is for sale."

NEWNAN, GA.

DEA agent Shawn Ellerman studied the e-mail that had brought him from New York to this rural ranch home not far from the Alabama border:

To: Interphar

From: Diane Graybeal

Please do not send or charge my credit card for this purchase. My daughter ordered this without my permission and she passed away on the 27th of November from over-medication.

Thank you.

Graybeal's daughter, Sarah, had bought 25 10-milligram tabs of generic Valium for $198. DEA had discovered the order and the mother's message in a stack of e-mails seized from Interphar, the Costa Rican online pharmacy, which the Bansals supplied.

If Ellerman could prove that Bansal pills were killing people, DEA might nail the Indians for murder, not just drug dealing.

In October, Ellerman had flown to Colorado, where another Bansal customer had died. Prosecutors were reviewing Ellerman's report, but that woman's death looked like a suicide.

In Newnan, he met with the first cop on the scene, the paramedics, the coroner, and Mrs. Graybeal. By day's end, Ellerman concluded the death was probably a suicide, too.

Ellerman felt sorry for the mother, so he sat with her at the kitchen table looking at family photographs. Mrs. Graybeal, thrilled that someone cared about her daughter, asked why DEA had sent Ellerman all the way from New York.

Ellerman couldn't discuss the case, but he told her, "Watch the news. You're going to see something big soon."

CENTER CITY

Federal grand juries convene in a restricted area on the sixth floor of the Nix Federal Building, a Moderne structure on Market Street. The secret sessions are often formal affairs, with dry testimony about paperwork and financial minutiae.

DOJ_NMG_0097582

But as light snow fell outside on this January morning, jurors inside Room No. 2 seemed anything but bored. From a mahogany witness box, DEA agent Eric Russ explained the scope of the Bansal network. Grand jurors were outraged.

"How can they be so brazen about this?" one asked. "I mean, there's no doctor involved."

Said another: "I used to get spam, I'm pretty sure, and I just ignored it because I don't have a prescription. How do they get people to go for it?"

Russ had already testified twice to these grand jurors, laying out preliminaries - how the trail led to Australia and back, and how the case was growing in complexity and scope. Frankly, Russ would have been satisfied to make the arrests by now. But prosecutors wanted more evidence, more bad guys, an airtight case. They always did.

At this appearance, Russ gave grand jurors the big picture, including some of the seedier clients: Rx-mart.com, pillbasket.com, ourprescriptionsforless.com, bigcitymeds.com, myemeds.com, getsomemeds.com, ezfreescripts.com.

"The majority... look like a professional Web site where you would go and order anything," Russ told the grand jurors. "They will have a list of medications they may classify by painkillers, sleep aids, diet aids, things like that... . No requirement to fill out... description of symptoms... . No place to fax or bring your prescription."

When pills arrive, "there is no doctor's note telling you how to take it or anything like that. It's just the Valium in a box."

One customer merited special notice, Russ said: a guy using the e-mail name "Millerlight." He stood apart for two reasons.

One, Millerlight didn't order pills. He ordered ketamine powder, a sedative abused as a club drug, by the kilo.

Two, while the Web site operators paid Akhil by wiring money into his bank accounts, Millerlight paid cash. He bundled big bills like bricks and shipped them by UPS directly to Akhil.

Just like a street dealer.

ROXBOROUGH

As the total owed to the Bansals by online pharmacies climbed toward $1 million, Akhil began to lose his patience. From the computer in his spartan bedroom, he e-mailed a terse note to longtime customers:

In this business we take all the risk right from buying of medicine from India, sending it to USA, storage in USA and then shipping it to your customer's doors. On the other hand you guys sit in an unknown country, with web servers in a different country and merchant account in yet another different country. You have no risk in this business aside from losing future money.

I wrote the above paragraph to convey that we take all the risk for MONEY. If we are not paid on time or not paid in full, we have no incentive to take all the risks and work with a client.

After all this I have reached a conclusion that you are a very risky client... . We are in a situation in which we would rather NOT work with you, than be begging for OUR money.

It was a pleasure having done business with you. Wish you luck for your future. Dr. Akhil Bansal.

CENTER CITY

Akhil wasn't the only one struggling with finances.

On a frosty morning, James Pavlock, a money-laundering expert up from Washington, settled into a temporary office on Chestnut Street, half a block from Independence Hall. He knew the city well, having once served as a Philadelphia assistant district attorney, and he kept a home here.

Among his first visitors was Aaron Carp, the eager, 25-year-old IRS agent. Carp opened a thin file - spreadsheets of Akhil's bank records.

The numbers, grouped by account, showed tens of thousands of dollars moving every few days. It was good work, Pavlock told Carp, but just a beginning. There was no pattern. Or apparent motive, or hard evidence of a crime.

Carp was stumped. What should he do?

Pavlock lived for such moments - an agent who wanted to talk spreadsheets. They spoke for two hours.

"OK, now what?" Carp said.

They would subpoena U.S. banks and begin using diplomatic channels to seek foreign bank records. This meant getting cooperation from as many 10 countries. That might take months.

Pavlock didn't have months. Given the public-health threat - addictive pills sold willy-nilly to anyone with a credit card - prosecutors wanted a speedy indictment, maybe by late March.

Finding the money was vital: First, bank records would help prove that the Bansals were drug dealers on a wide scale. Second, the records could prove money-laundering, a charge that would increase any prison sentence. Third, money found could be seized, stripping the Bansals of all profits. Fourth, and not least, agencies seizing the money - millions - would get to keep it.

ROXBOROUGH

Akhil scanned his latest e-mail and fumed.

It came from his best client, Corrina Meherer in Costa Rica.

DOJ_NMG_0097583

"There is a leak within your organization," she warned.

She was getting spam, she explained, from a new Web site, one that shipped pills from a familiar address in Queens, N.Y. - 5028 Utopia Parkway.

David Armstrong's house!

Armstrong was a thief! Akhil's shipper was stealing his pills, selling them through his own Web site.

Akhil resisted the urge to confront Armstrong. He needed more than suspicion. He needed irrefutable proof.

There was only one way to get that.

QUEENS

Akhil waited a week, until Armstrong traveled to India.

Akhil used his key to enter the pill depot - the one he paid Armstrong to supervise. It was night. The place was empty.

Akhil walked past the packaging tables, the empty boxes and the pill shelves. He stopped to pour himself a Coke, then entered Armstrong's office and flipped on the computer.

When the Windows password screen appeared, he moved the cursor over a green icon. After a second, the computer displayed a password hint.

"Sequence," it said.

Akhil stared at the screen, sipping his Coke. Sequence? He tried a series of dates, birthdays, numbers he could associate with Armstrong. Nothing. After a while, he figured, what the hell, and typed "12345."

It worked.

Inside, Armstrong had password-protected his e-mail, but Akhil was ready.

He took a thumb drive he had brought from Philadelpia and plugged it into the back of the computer. The thumb drive automatically began a program called Password Recovery 123.

Within seconds - almost magically - the asterisks hiding the Armstrongs' password fell away. Akhil was in.

He copied the files, then took a quarter-size device called a Key Catcher and connected it between the computer and the cord running to the keyboard. This tiny spy machine would record every stroke Armstrong typed.

It was as good as a wiretap.

What had taken federal agents weeks - and money and court orders and software headaches - to accomplish, Akhil pulled off in an hour.

Pardon More Than The Turkey (SFC)

By Debra J. Saunders

San Francisco Chronicle, November 23, 2006

AFTER the GOP took that thumpin' in the November elections, President Bush wants the voters to give his party and his leadership a second chance. That makes this a good time for Bush to use his presidential pardon power to give others a second chance. This holiday season, Dubya should not limit his presidential pardon power to one lucky turkey.

Thanks to draconian federal drug sentences, the number of federal prisoners reached a record 193,989 on Nov. 9 -- that's a steep increase from 150,000 in 2003. The prison population is not growing because the feds are locking up drug kingpins. As the U.S. Sentencing Commission noted in a 2002 report, while the 1986 federal drug law promised to go after "serious" and "major" traffickers, the majority of federal cocaine offenders performed low-level functions. The percentage of biggies behind bars is shrinking, while the low-life chump class grows.

In 2000, the commission reported, the proportion of importers/high-level suppliers shrank to 1.4 percent of the cocaine offenders, down from 8.8 percent in 1995; the proportion of organizers/leaders fell from 12.7 percent in 1995 to 5.3 percent. It is another sign of too-big government, when taxpayers have to bankroll long sentences for the least culpable criminals.

Clarence Aaron was a college student in 1992 when he introduced two dealers to each other. They paid him $1,500. Nine kilograms of cocaine were traded. A second deal didn't happen. Yet when the feds arrested the group, they charged Aaron with dealing 24 kilograms of crack cocaine, because one dealer was going to turn the cocaine into crack and the second deal had been set up. Aaron failed to cut a deal by pleading guilty and testifying against others.

Aaron's sentence? Life without parole. That's right, Aaron wasn't in charge, he wasn't a professional dealer, he had been charged with a first-time nonviolent drug offense and he's serving the same sentence as the treasonous FBI-agent-turned-spy Robert Hanssen.

You might expect that sort of over-the-top sentence in the Middle Ages or some hellhole dictatorship that does not value human life. An enlightened nation, however, has no business locking up a kid and throwing away the key for life -- because he did something both criminal and stupid when he was, as Bush once described his early years, "young and irresponsible."

DOJ_NMG_0097584

I can't help but believe that if a white college kid had screwed up like this, unlike the African-American Aaron, he would have received a more fitting sentence.

Bush should commute Aaron's sentence this year, because it is the right thing to do. He also should work with the U.S. pardon attorney to release other prisoners serving sentences that far exceed their crimes. While in office, Bush has issued 97 pardons and two commutations. Two commutations are too few.

Julie Stewart, the president of Families Against Mandatory Minimums, hears that the Bushies don't want to commute sentences that comply with guidelines, no matter how barbaric they are. "Why have a pardon attorney's office?" she asked rhetorically. "The Founding Fathers gave (the pardon) to the president for the very purpose of exercising it when the punishment doesn't fit the crime."

Politically, Bush could use pardons to show that he cares about people who live outside the GOP circle. Let Bush show America the president who boasted in his 2004 State of the Union speech that America is "the land of the second chance" that he walks the walk.

Commutations also would appeal to libertarian-leaning Republicans who recoil at drug-war excesses. These are voters who harken to the words of the late economist Milton Friedman, who wrote in an open letter to then-drug czar Bill Bennett in 1989, "Drugs are a tragedy for addicts. But criminalizing their use converts that tragedy into a disaster for society, for users and non-users alike."

As for law-and-order types, who don't mind throwing other people's children behind bars for life, Bush can use mercy to appeal to those voters as well.

Last month, a federal judge in Texas sentenced Border Patrol agents Jose Alonso Compean and Ignacio Ramos to 11 and 12 years in prison for shooting a fleeing drug smuggler in the buttocks, not filing the necessary reports and depriving the smuggler of his Fourth Amendment right to be free from illegal seizure. That's an insane sentence for two men who worked in service to this country and made a split-second mistake. Bush should commute their sentences before either man has to report to prison.

Let me be clear: I support long-sentences for violent criminals and repeat offenders, as well as the ultimate sentence -- lethal injection -- for repeat killers such as Clarence Ray Allen and Stanley Tookie Williams, who rightfully were executed in San Quentin Prison.

But I cannot countenance meting out the harshest sentences to people who can be redeemed and have something to contribute to society. Clarence Aaron has served enough time behind bars. Bush should set him free.

Medical Marijuana User Found Guilty Of Violating Federal Drug Laws (AP)

AP, November 23, 2006

FRESNO, Calif. - A medical marijuana user could face more than two decades in prison after a jury convicted him of violating federal drug laws and other charges.

Dustin Costa, 60, a former Marine turned medical marijuana activist, was found guilty Wednesday in Fresno federal court of growing marijuana, possession of marijuana for distribution, and possession of a firearm.

"The conviction of another medical cannabis patient is a senseless tragedy for all involved," said Steph Sherer, executive director of the medical cannabis advocacy group Americans for Safe Access.

A previous U.S. Supreme Court decision prevented Costa from using the phrase "medical marijuana" or relying on a medical defense in court.

His sentencing date has not been scheduled. Costa said he plans to appeal the decision.

76 Nabbed In International Drug Sweep (AP)

By Joshua Goodman, The Associated Press

AP, November 22, 2006

BOGOTA, Colombia -- Authorities in Italy, Spain, the United States and several South American countries arrested 76 people Wednesday as part of a major drug crackdown in which a restaurant linked to one of Colombia's most feared warlords was seized, officials said.

Salvatore Mancuso, an architect of a peace deal between right-wing paramilitaries and the government, was accused by federal prosecutors of investing in an upscale Italian eatery in the Caribbean resort town of Cartagena used by the drug ring to launder profits from cocaine shipments to Europe.

Authorities said the L'enoteca Restaurant and other assets seized Wednesday, including a nationwide chain of 58 men's clothing stores, were owned by the leaders of the criminal ring: an Italian father and son from Rome _ Giorgio and Christian Sale _ who lived in Colombia.

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In total, police seized assets worth upward of $35 million during raids in eight Colombian cities Wednesday. Also confiscated as part of the multi-country police investigation were 220 pounds of cocaine, arms and a villa in Ardea, 25 miles south of Rome, which was being used as a drug refinery, Italian police said in a statement.

The prosecutor's office described L'enoteca's rapid expansion as "exaggerated" _ it has affiliates in Bogota and the Caribbean port town of Barranquilla _ and possible only with proceeds from the drug trade.

Evidence compiled as part of a three-year investigation involving some 300 police wiretaps in Italy and abroad also indicated that Mancuso was trying to buy two undeveloped properties in Spain from the Sale family, the chief federal prosecutor said.

Mancuso is wanted by a U.S. federal court on charges of being among Colombia's biggest drug traffickers. But President Alvaro Uribe has suspended his extradition order as part of a peace deal that Mancuso helped broker and which has led to the demobilization of more than 30,000 right-wing fighters.

Colombian and Italian authorities wouldn't reveal the identities of those captured, saying only that 45 were Italian and 25 were drug traffickers in the United States, Argentina, Venezuela, Bolivia and Spain. The remaining six were arrested in Columbia, police said.

IMMIGRATION:

Man's Deportation To Somalia Sets Off A Wave Of Concern Over Safety (NYT)

By Nina Bernstein

The New York Times, November 22, 2006

On the evening of Nov. 2, a young corporate lawyer in New Jersey received a frantic call from a charity client, a 46-year-old Harlem grocery clerk with a history of petty crime. He was in custody on an airplane in Newark on his way to Mogadishu, the capital of his native Somalia, a country so dangerous that to the lawyer's knowledge, no one had been deported there in years.

The courts were closed, and a federal judge who heard an emergency motion the next day ruled that the clerk, Mohamad Rasheed Jama, was already outside United States jurisdiction.

So, after a stop in Nairobi, where he was handed over to Kenyans, Mr. Jama stepped off an airplane in Mogadishu — and into the hands of Islamist militants, who soon accused him of being an American spy and began demanding money.

"They were extremely angry," said his lawyer, Emily B. Goldberg, relating the last frightened call she got from Mr. Jama, who had spent four years in immigration detention in New Jersey awaiting deportation to the land he left at 18. "He asked me if there was anything I could do. I told him in the American system, there was nothing more I could do."

Mr. Jama, whose deportation was based on a 1989 conviction for owning an unlicensed gun, is among the first Somalis to be repatriated against his will since the United States Supreme Court ruled 5 to 4 last year that the lack of a functioning central government in Somalia did not bar such deportations. About 4,000 Somalis nationwide are eligible for immediate deportation under the ruling, which turned on the syntax of a Congressional statute.

The case of Mr. Jama, who has a 9-year-old American daughter in Harlem, highlights issues the nation has wrestled with for decades, such as what to do with deportable immigrants who can neither be detained indefinitely nor safely repatriated, and what should limit the government's discretion to decide their fate.

Conditions in Somalia have worsened in recent months, moving to the brink of an all-out regional war. In June, Mogadishu was seized by Islamic militias suspected of harboring leaders of Al Qaeda. The militias, after routing warlords backed by the United States, began imposing a Taliban-like regime of strict religious courts.

A week before his abrupt departure, Mr. Jama's volunteer lawyers filed a habeas petition on his behalf, arguing that his continued detention in the Middlesex County Jail in New Jersey was unlawful because "it is simply beyond dispute that effecting his removal to Somalia would be impossible."

Michael W. Gilhooly, a spokesman for Immigration and Customs Enforcement, confirmed Mr. Jama's deportation, declining to say whether more were under way. But at a federal appeals hearing in Seattle last month, a Justice Department lawyer said that three people had been deported to Somalia since the Supreme Court ruling, after volunteering.

Because an injunction halting most such deportations was lifted in April, the government lawyer, Greg D. Mack, added, the others would be deported at the discretion of the Department of Homeland Security.

The 28 years Mr. Jama spent in New York hardly prepared him for survival under Islamic fanatics. His job history, detailed in an affidavit, includes three summers as a "jack of all trades" at Jewish youth camps in Orange County, long hours as a counter man in corner stores on upper Lexington Avenue, as well as garment work in Midtown Manhattan and a stint as a junkyard dealer on 125th Street.

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His lengthy rap sheet reflects a drinking problem, he said in the affidavit, and his having adapted too well to Harlem's "street culture." Besides a misdemeanor assault and the gun possession, for which he served three years in prison, his offenses include possession of marijuana, selling beer without a license and riding a bus without paying the fare.

But in his old Harlem neighborhood around West 115th Street, he is mainly remembered as a hard worker and good father brought down by alcohol.

"He was very cool, a good dude," said Lester Robinson, 26, whose sister, Waldrina Robinson, is the mother of Mr. Jama's daughter, Ashante.

Ms. Robinson, a home attendant, said she ended a five-year relationship with Mr. Jama in 2000, but she spoke warmly of the years after Ashante's birth in 1997, when Mr. Jama changed the baby's diapers, often cared for the girl at the grocery store where he worked, and "gave me every dime" he earned.

"He was a good father — when he was there," she said.

From the government's perspective, Mr. Jama should have been gone years earlier. In 1978, when Somalia still had a central government, Mr. Jama entered the United States on a one-year visa to work with his father as a security guard at Somalia's Diplomatic Mission to the United Nations.

Left behind at 19, when his father joined his mother in London, Mr. Jama learned English, earned a high school equivalency diploma and became a permanent legal resident under the immigration amnesty enacted by Congress in 1986. But he bought an illegal handgun for protection after a cousin was killed in a robbery, he said, and was arrested for having it after an alcohol-fueled dispute with other relatives drew the police.

Mr. Jama was ordered deported in 1993. But with no foreseeable chance of deporting him to Somalia, where civil war was raging, the authorities released him under supervision. As was typical at the time, no action was taken when he stopped reporting, even when later infractions led to brief jail time.

After 9/11, attitudes changed. Mr. Jama was picked up in October 2002, as were many other Somalis. But unlike those with comparable records who were provisionally released again when deportations stopped, Mr. Jama had no lawyer until this year. Then the American Civil Liberties Union of New Jersey took the case and enlisted help from the law firm Gibbons, Del Deo, Dolan, Griffinger & Vecchione.

"I want nothing more from life than to be near Ashante and to be involved in her life on a daily basis once again," Mr. Jama wrote in his affidavit, seeking supervised release to a cousin in Queens who had found him a job in a grocery store. "Although my greatest fear is remaining in immigration detention for the rest of my life and never regaining my freedom, I am also frightened about what could happen if the United States tried to remove me to Somalia."

As a member of the Warsengeli clan, Mr. Jama faces special danger in areas dominated by other clans, including Mogadishu, a Somalia expert wrote in an affidavit. Other affidavits cited the failed deportation of Keyse G. Jama (no relation), the Somali man who had lost the Supreme Court case, only to be rejected at gunpoint at a Somalia airport and sent back to Minneapolis in the spring of 2005. A federal judge outraged at that botched operation ordered the government to "slow down its rush to act" and release him.

Keyse Jama is now in Canada, where he fled in January and applied for political asylum, which is granted to the vast majority of Somali applicants, said David Yerzy, his Toronto lawyer. "The Canadian government recognizes that their lives are in danger," he said.

In the United States, lawyers for Somalis are asking whether Mr. Jama's deportation signals the start of a mass deportation or a warning to those facing indefinite detention that "if you use habeas, you'll be on the next flight," said Jeffrey Keyes, the Minneapolis lawyer who argued the Supreme Court case.

In Mogadishu, as far as is known, Mr. Jama is just trying to survive.

"The government demonstrated a complete disregard for my client's safety," Ms. Goldberg said. "I strongly believe that Mr. Jama is simply the first of many that will be placed in a similarly dangerous situation."

CONGRESS-ADMINISTRATION:

Senate Democrats Revive Demand For Classified Data (NYT)

By David Johnston

The New York Times, November 24, 2006

WASHINGTON, Nov. 23 — Seeking information about detention of terrorism suspects, abuse of detainees and government secrecy, Democrats on the Senate Judiciary Committee are reviving dozens of demands for classified documents that until now have been rebuffed or ignored by the Justice Department and other agencies.

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"I expect real answers, or we'll have testimony under oath until we get them," Senator Patrick J. Leahy of Vermont, who will head the committee beginning in January, said in an interview this week. "We're entitled to know these answers, and in many instances we don't get them because people are hiding their mistakes. And that's no excuse."

Mr. Leahy, who has said little about his plans for the committee, expressed hope for greater cooperation from the Bush administration, which he described as having been "obsessively secretive." His aides have identified more than 65 requests he has made to the Justice Department or other agencies in recent years that have been rejected or permitted to languish without reply.

Now that they are about to control Congress, what he and other Democrats regard as a record of unresponsiveness has energized their renewal of longstanding requests for information about some of the administration's most hidden and fiercely debated operations. In addition, other such requests by committee members deal with subjects like voter fraud, immigration and background inquiries on Supreme Court nominees.

With little more than two weeks gone since the elections that gave his party a majority in both houses, Mr. Leahy has already begun pressing the Justice Department for greater openness. In a letter last Friday, he asked Attorney General Alberto R. Gonzales to release two documents whose existence the Central Intelligence Agency, in response to a suit by the American Civil Liberties Union, recently acknowledged for the first time. Although their details are not known, the documents appear to have provided a legal basis for the agency's detention and harsh interrogation of high-level terrorism suspects.

One document is a directive, signed by President Bush shortly after the September 2001 attacks, that granted the C.I.A. authority to set up detention centers outside the United States and outlined allowable interrogation procedures.

The second is a memorandum, written by the Office of Legal Counsel at the Justice Department in 2002, that is thought to have given the C.I.A. specific legal advice about interrogation methods that would not violate a federal statute on torture.

With Democrats in control, it will be harder for executive branch agencies to sidestep requests for documents. Behind each request will be the possibility of Democrats' voting to issue subpoenas that would compel documents or testimony, although Senate aides said they hoped to avoid conflict.

So far, few signs have emerged that the administration is preparing to be more responsive, even in the absence of a Republican majority's protection. Mr. Bush has promised to work with Democrats, but there appears to be little change in the reluctance of the Justice Department's officials to start opening its files to Mr. Leahy's committee.

"The department will continue to work closely with the Congress as they exercise their oversight functions, and we will appropriately respond to all requests in the spirit of that longstanding relationship," said a department spokesman, Brian Roehrkasse. "When making those decisions, it is vital to protect national security information, particularly when they relate to sensitive intelligence programs that are the subject of oversight by the Intelligence Committees. We also must give appropriate weight to the confidentiality of internal executive branch deliberations."

C.I.A. lawyers have sought in the past to avoid any discussion of whether the agency has documents related to its detention and interrogation of leading members of Al Qaeda in secret prisons overseas. The lawyers have said national security would be endangered if the agency was forced to tell in any way of its involvement in such operations.

But in September, the president said 14 high-level terrorism suspects had been transferred from secret locations abroad to the detention center at Guantánamo Bay, Cuba. That effectively confirmed the existence of the prisons, as long reported.

The two documents requested by Mr. Leahy in his letter of last Friday are among what Congressional aides maintain are perhaps hundreds, crucial to shaping the government's counterterrorism policies, that have never been released or publicly acknowledged.

Justice Department officials have long said they will resist efforts to require disclosure of classified documents that provide legal advice to other agencies. But in the interview this week, Mr. Leahy signaled that he expected the department to provide a fuller documentary history on issues like detention.

The senator's letter to Mr. Gonzales requested "all directives, memoranda, and/or orders including any and all attachments to such documents, regarding C.I.A. interrogation methods or policies for the treatment of detainees." It also sought an index of all documents related to Justice Department inquiries into detainee abuse by "U.S. military or civilian personnel in Guantánamo Bay, Abu Ghraib prison or elsewhere."

It is not known whether the material sought would clarify the origin and evolution of policies on issues like national security wiretaps, detention and interrogation. But there are wide gaps in what is publicly known about these policies, who authorized them and what exactly has been authorized by administration directives and legal advisories.

"The American people," Mr. Leahy's letter said, "deserve to have detailed and accurate information about the role of the Bush administration in developing the interrogation policies and practices that have engendered such deep criticism around the world."

DOJ_NMG_0097588

Senator Set To Attack On Iraq Data (NYSUN)

By Eli Lake

New York Sun, November 24, 2006

WASHINGTON — The first shot in the coming subpoena wars between congressional Democrats and the Bush administration likely will be fired in January by Senator Levin, a Democrat of Michigan.

The Senate Armed Services Committee's Democratic staff, soon to be in the majority, is already preparing to ask the Pentagon for documents related to analysis in the lead-up to the Iraq war from the offices reporting to a former undersecretary of defense for policy, Douglas Feith.

At issue so far are some 58 documents Mr. Levin requested as early as 2004 that relate to how the Defense Department's Office of Special Plans may have deviated from the CIA in its view of links between Al Qaeda and Iraq, and whether such deviation constituted pressure on intelligence analysts.

What Mr. Levin intends to do with those documents, should the Pentagon release them, is significant for the president, the ongoing war, and the Democrats.

The initial document request will test an unstated Bush administration policy to presuppose that presidential privilege would shield advice and other internal deliberations in the executive branch, and not just the White House, from congressional subpoena. It is likely, for example, that the privilege defense will be used to attempt to block congressional requests for Justice Department memos that outline interrogation policies for detainees.

While the policy is not mentioned in letters between the Pentagon and Mr. Levin, Defense Department lawyers have conveyed verbally that the 58 documents the senator seeks presumptively fall under presidential privilege.

Should Mr. Levin decide to reopen his inquiry into pre-war intelligence, however, there is a risk that Democrats will be seen as backward-looking. In an interview earlier this month, the head of the centrist Democratic Leadership Council, Al From, said he would caution his party against "relitigating 2003."

Mr. Levin has been pursuing Mr. Feith and the Office of Special Plans almost since the Iraq war began. According to correspondence between the Pentagon and Mr. Levin obtained byThe New York Sun, the senator has sought every e-mail, staff review, internal legal opinion, and policy draft related to Iraq and Al Qaeda. The former prosecutor ends a June 30, 2004, letter by asking Mr. Feith to provide "all documents and communications from all persons within your Policy organization from September 2001 through April 2003, related to the relationship between Iraq and al Qaeda."

The requests, according to the correspondence, took Pentagon staffers thousands of hours to fulfill. The sub rosa bureaucratic spat became so testy that Defense Secretary Rumsfeld wrote on October 1, 2004, "Your minority inquiry seems to be getting broader and more open-ended in scope." In the letter, the now outgoing Pentagon chief urges Mr. Levin to reconsider his wide-ranging request for documents and to give his inquiry "constructive focus."

At the root of Mr. Levin's probe is his contention that an alternative analysis conducted after the attacks of September 11, 2001, by the Policy Counterterrorism Evaluation Group — and subsequent analysis from the Office of Special Plans, which was created in 2002 to prepare for the Iraq war — distorted and manipulated intelligence provided to policy-makers and Congress in the run-up to the invasion of Iraq.

The Senate select committee on intelligence's bipartisan report on pre-war intelligence, along with the president's own commission that examined the issue, said the intelligence reports were not influenced by the Pentagon team's analysts or the Office of Special Plans.

Despite signing off on the Senate intelligence panel's report, Mr. Levin has pressed on. Three months after the release of the report and two weeks before the 2004 presidential elections, Mr. Levin released his "Inquiry into the Alternative Analysis of the Issue of an Iraq-al Qaeda Relationship." The appendix for the inquiry lists six categories of information requests the Pentagon denied the senator, including documents relating to detainee briefings for Mr. Feith's analysts; contacts between those analysts and a pre-war opposition group, the Iraqi National Congress, and communication between the analysts and other intelligence agencies about assessments on Iraq's ties to Al Qaeda.

A spokeswoman for Mr. Levin said this week the senator had not yet made a decision on whether to subpoena the documents.

In the report, Mr. Levin concluded that Mr. Feith failed to make key changes requested by the CIA in a report he submitted on October 27, 2003, to the Senate intelligence committee regarding that relationship. That memo was the basis of a Weekly Standard cover story by Steven Hayes touting the operational links between Saddam Hussein's Iraq and Al Qaeda.

At the request of Mr. Feith, the CIA's director of congressional affairs at the time, Stanley Moskowitz, checked the 2003 memo against the recommendations from his agency and concluded "after a careful comparison between that submission and

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what we had requested as our condition for clearance of CIA material, I believe that you made all of the changes we requested," according to a November 1, 2004, letter obtained by the Sun.

Nonetheless, Mr. Levin in a September 22, 2005, letter to the Pentagon's acting inspector general, Tom Gimble requested that the Defense Department watchdog investigate whether Mr. Feith sent CIA material to the Senate intelligence committee without the agency's approval. In that letter, Mr. Levin requested that the inspector general look into 10 specific questions about alternative analysis into Iraq and Al Qaeda. It followed a more modest request from Senator Roberts, the Republican chairman of the Senate intelligence panel, to Mr. Gimble to investigate outstanding questions regarding the Office of Special Plans.

Mr. Levin earlier this month told reporters and Web loggers that he expected the inspector general report would be finished in the coming weeks and that Congress would proceed depending on what that report said.

U.S. Poised To Shift Latin America Policies (HC)

Houston Chronicle, November 22, 2006

BOGOTA, COLOMBIA — For the past six years, Democrats have accused President Bush and the Republican-controlled Congress of pursuing counter-productive policies in Latin America or of ignoring the region altogether.

Now, following their victories in midterm elections giving them control of the House and Senate, many Democratic lawmakers are promising subtle policy changes on immigration, trade and U.S. military aid.

"We will be in a position to try to raise the profile of these issues," said Tim Rieser, an aide to Sen. Patrick Leahy, D-Vt., poised to take the chairmanship of the Appropriations Committee's foreign operations panel. "Congress doesn't drive the ship, but it has a big role in how far it goes and in which direction."

The first sign of a changed U.S. relationship may appear today when, after years of bare-knuckle negotiations, U.S. and Colombian officials gather in Washington to sign a trade agreement.

But congressional passage of the agreement, as well as a similar deal with Peru, now seems in doubt because Democrats are generally more skeptical of trade pacts.

The most recent trade deal, the Central American Free Trade Agreement, passed by just one vote last year in the Republican-controlled House. In the Nov. 7 election, 34 House and Senate seats switched hands from supporters of the current model of international trade deals to critics, according to a study by Washington-based Global Trade Watch.

Revisions possible

Some Democrats want to rewrite both the Colombia and Peru agreements to include, among other things, more environmental regulations and stronger guarantees for union organizers.

For now, it's unclear whether these issues can be resolved through side agreements or whether the trade deals will have to be renegotiated, which could take years.

"This doesn't mean they're dead on arrival. But they certainly will be delayed," said Chris Sabatini, with the Council of the Americas, a New York-based business organization.

As for Mexico, many Democrats reject the hard-line position of some Republicans on immigration.

"Building a wall is not the symbol that the U.S. should have in its relations with Mexico, and there will certainly be a different tone with the Democrats," said John Walsh of the Washington Office on Latin America think tank.

But John Bailey, a Mexico expert at Georgetown University, said the congressional power shift "will do little in the next biennium to rescue the U.S.-Mexico relationship from the inertia of the past five years."

Bailey said the elections sent a mixed message on immigration, with several conservative Democrats elected in key races.

Farther south, Colombia stands as the largest recipient of U.S. aid outside of Israel and Egypt, but many Democrats are pushing for changes in how the money is spent.

Reaching out to leftists

Under the administration's "Plan Colombia" policy, the U.S. has provided nearly $5 billion in mostly military aid since 2000 to fight the country's narcotics traffickers and Marxist guerrillas. Although security has improved in many areas, the rebels remain a threat while tons of Colombian cocaine and heroin continue to reach the U.S.

"Six years and $4.7 billion later, the drug-control results are meager at best," Rep. Jan Schakowsky, D-Ill., told a congressional hearing last June.

Many Democrats want to reduce military spending and use the money to boost programs to fight poverty, relocate people displaced by Colombia's 42-year civil war and encourage farmers to plant legal crops.

"Democrats don't plan to walk away from Colombia. We just want to make sure that our investment is smart," said Rep. James McGovern, D-Mass., a member of the House Rules Committee.

Elsewhere in the region, analysts say the Democrats will likely urge the Bush administration to foster cordial relations with leftist leaders who have recently been elected, including Evo Morales in Bolivia and Daniel Ortega in Nicaragua.

The goal, they say, is to prevent these governments from getting too cozy with President Hugo Chavez of Venezuela, who stands as Washington's fiercest opponent in the region. Democrats have been almost as critical of Chavez as the Republicans.

Latin Americans Wonder If Democrats Are Traders (WP)

By Sibylla Brodzinsky And Peter S. Goodman, Washington Post Foreign Service

The Washington Post, November 23, 2006

Anxiety High Over Stance of Incoming Congress

MEDELLIN, Colombia -- At the CI Jeans factory, where 3,900 people make their livings turning bolts of denim into trousers bound for the United States, the American market -- land of the customer -- appears to be slipping away.

In September, with a proposed trade deal between Colombia and the United States uncertain and orders flagging, the factory fired 320 workers. Now, the pact appears to be in peril. Democrats are set to take control of the U.S. Congress, speaking for a segment of the American public that is worried about globalization. The incoming leaders have pledged to redraft the terms of global trade.

Yesterday, the Bush administration signed the proposed deal, but leading Democrats promptly attacked it, underscoring growing doubts in Washington that Congress will approve the pact. Here in Colombia and next door in Peru, which awaits congressional approval for its own trade treaty, anxiety runs high.

"We watch the news and we're nervous about what might happen with what we send to the United States," said Janeth Palacio Ramirez, 35, who supports her 15-year-old daughter and her elderly parents by punching zipper stops onto 7,000 pairs of jeans a day, earning about $200 a month. "Everything we make here goes there, so if there are problems with exports, we'll all lose our jobs."

As Democrats prepare to reshape U.S. trade policy, the impact is being felt far from the Carolina mill towns and rust-belt factories that are a perennial focus of domestic concern.

Addressing fears that too many jobs are being sacrificed at home, the new Democratic leadership wants to slow the worldwide effort, which the United States has led since 1947, to lower import tariffs that hinder trade.

The fortunes of Colombia and Peru -- home to more than 72 million people -- may hang in the balance. So, too, might the nature of American engagement with Latin America, regional experts say. The rejection of trade pacts with these countries would humiliate their leaders at a time when they stand as bulwarks against the anti-American populism pressed by Venezuela's president, Hugo Chavez.

Latin America was already recoiling at the prospect of the United States fencing its southern border against illegal immigration. Now, some see the nation walling off its huge marketplace, rescinding the promise of trade, long proffered by the Bush and Clinton administrations as a means of furthering development.

"If you really look at the U.S. agenda in Latin America, trade is the only positive," said Michael Shifter, vice president for policy at the Inter-American Dialogue in Washington. "The rest is immigration, anti-narcotics. It's all negatives." Latin Americans, he said, may well start to question "how serious Americans are about having a constructive relationship."

President Alvaro Uribe of Colombia has championed the free-trade agreement and cultivated a friendship with President Bush. The death of the deal would undermine his standing and deprive Colombia of a crucial source of livelihood -- export dollars -- as it confronts American pressure to eradicate cocaine production.

"This would be a disaster," said Sergio Clavijo, a former Colombian deputy finance minister, who noted that exports to its neighbor Venezuela are already threatened by continued tensions with Chavez. Without export growth, "narco-trafficking will be the only way out."

In Peru, the trade pact has been embraced by a new president, Alan Garcia, who put aside years of skepticism. Garcia served as Peru's president before, in the late 1980s. Then, he attacked trade deals and derided the United States as an imperial power. Now, Garcia is listening to Hernando de Soto, an economist who preaches liberalized trade as a means of attacking poverty.

De Soto was in Washington last week, lobbying lawmakers to pass the trade pact before Democrats take over. He argued that Latin America's future is on the line: Will the region embrace integration with the global market along with respect for property rights and the rule of law, or will it slide back to the days of capitalism squaring off against Marxist prescriptions?

If the trade deal "does not go through, it will strengthen the hand of the Chavez-type sympathizers we have in Latin America, the very old arguments that we can't rely on you Americans and free trade doesn't really work," De Soto said in an interview.

But to many American workers, that talk sounds far off, as the country grapples with the loss of more than 3 million manufacturing jobs since 2000 and declining average wages in many sectors. The movement of jobs overseas has spread insecurity from the factory floor to the office cubicle.

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"The message of this election says to me that all of these trade agreements need to be renegotiated," said Rep. Sherrod Brown (D-Ohio), who gained a Senate seat in large part by promising job protection. "When a plant of 300 people closes in a town of 20,000, it hurts families and destroys communities."

The new atmosphere in Washington was underscored in the House last week with the unexpected rejection of a measure to establish normal trade relations with Vietnam. This week, 16 Democratic members of Congress, including Charles B. Rangel of New York, who is to chair the House Ways and Means Committee, sent a letter to the U.S. trade representative demanding that enforceable labor protections be written into the Peru and Colombia treaties.

After yesterday's signing of the Colombia pact, Rangel issued a statement assailing what he termed "a very counterproductive step by the Bush administration," adding that "by forging ahead despite Democrats' long-standing concerns . . . the administration misses a key opportunity to consult and work with the new congressional majority and rebuild a bipartisan foundation for international trade."

Republicans came to the administration's defense, but as of January, Democrats will control the committees overseeing trade policy. "The new mood might simply kill the deals by convincing the administration not to bring them for a vote," said Grant D. Aldonas, a former Bush administration undersecretary of commerce.

In Colombia and Peru, some take solace that Congress is expected to approve an extension of certain trade preferences for the two countries, Ecuador and Bolivia. The preferences -- duty-free access to the American market for a range of goods, including textiles -- have since 1991 been given as a form of aid in the drug eradication campaign. The preferences expire at the end of this year. In Colombia alone, these preferences have nurtured some 600,000 jobs, according to the government.

But many say the preferences, which are generally extended for only a few years at a time, are no substitute for a permanent trade pact. Without duty-free access, garment-makers would be liable for tariffs reaching 19 percent on items shipped to the United States. Colombian leaders say it's hard for companies to secure capital for investment without greater certainty.

"Investors don't risk making investments knowing that market access is not guaranteed," Uribe, the Colombian president, said Saturday at a town hall meeting on agriculture.

Over the past four months, this uncertainty has cost Colombia 7,000 jobs, the government says. "If we lose another six months or one year, we're going to suffer big damage to our exports," said Marta Lucia Ramirez, a former Colombian trade minister.

To be sure, some in Colombia and Peru are pleased the trade deals are in trouble. Small grain and poultry farmers are worried about competing against subsidized American agribusiness, with cheap imports from the United States expected to depress prices. Labor unions have fought the pacts on ideological grounds and as a threat to certain types of jobs.

"The results of the elections have changed everything," said Carlos Rodriguez, president of Colombia's largest union, the Unified Confederation of Workers, who used the term "economic annexation" to describe the proposed Colombian deal. "The treaty is paralyzed." His union planned to send representatives to Washington this week to strategize with the AFL-CIO on how to push for a renegotiation favoring labor interests.

Some farmers, however -- particularly those on the coasts who grow artichokes, asparagus and other vegetables during the North American winter -- see the trade pacts as a prime opportunity. In Peru, between 55 and 70 percent of the population supports a trade deal, recent polls say.

On a dusty plain south of Lima, Textil Del Valle, one of Peru's largest garment-makers, churns out high-end clothing for the American market. The factory has quadrupled its workforce to 2,700 in the past four years.

But as the general manager, Fernando Garibaldi, contemplates the future, he wonders how many will be working in his factory. It all hinges on the trade pact with the United States, he says. Without it, he can't compete with China, where wages are a fraction of Peru's. And he can't compete with Mexico and Central America, which enjoy duty-free access to the American market under their own trade deals.

"We have been investing with the view that the free-trade agreement would be approved," Garibaldi said. "What will happen if hundreds of thousands of people lose their jobs?"

Goodman reported from New York. Special correspondent Lucien Chauvin in Lima, Peru, contributed to this report.

OTHER NEWS:

Breckinridge L. Willcox, 62; Prosecutor Won 2 Major Soviet Spy Cases (LAT)

From Times Wire Reports

The Los Angeles Times, November 24, 2006

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Breckinridge L. Willcox, 62, who as Maryland's top federal prosecutor from 1986 to 1991 had two major espionage convictions, died Nov. 16 of cancer in Santa Paula, in Ventura County.

In 1986, President Reagan nominated Willcox, a former chief of the Justice Department's government fraud branch, to be U.S. attorney for Maryland.

Soon after taking office, he had two major Soviet espionage convictions: that of Ronald Pelton, a former National Security Agency communications expert, and a Navy spy ring led by John Walker. Both men received life sentences.

In the late 1980s, Willcox's investigations led to the conviction of then-Maryland state Sen. Clarence M. Mitchell III and his brother, state Sen. Michael B. Mitchell, as part of the Wedtech defense contracting scandal.

Born in La Jolla, Willcox was raised in Chevy Chase, Md. After graduating from Yale University and Duke University Law School, he spent three years in the Marine Corps as a judge advocate general.

He joined the U.S. Justice Department in 1975 and prosecuted fraud cases stemming from defense contracts.

From 1984 to 1986, he was a partner in the Washington, D.C., law firm of McKenna, Conner & Cuneo and established its white-collar defense practice.

Juvenile Centers Still Not Up To Standard, Monitor Says (AP)

AP, November 22, 2006

Mississippi's two juvenile training schools have failed to meet the conditions required to bring the facilities up to standards under an agreement that ended a Justice Department lawsuit, a court monitor says.

Mississippi in May 2005 entered a four-year decree to end the lawsuits over conditions at Oakley and Columbia training schools.

The report from court monitor Joyce Burrell, filed today, says some progress has been made, but the schools are not yet in compliance. It was the fourth report filed since the agreement and covered the period May 1 through Aug. 31.

Burrell noted improvements in student-to-staff ratios, and found that the facilities were cleaner.

"In the short term, staff are to be commended for pitching in many extra hours to do a thorough cleaning and some painting of the buildings," she wrote.

However, she said, there have been setbacks in education and staffing issues, including difficulty in retaining new hires long enough to get problems under control.

She said officials must address the problem so that the training schools can reach and maintain optimum staffing levels.

Department of Health Services Executive Director Don Taylor was not available for comment Tuesday. He has said in the past that improvements are being made, despite the slow pace.

Burrell's latest report found continued problems in students reporting abuse, noting that the actual student complaints are coming through attorneys from the Department of Justice or the Southern Poverty Law Center.

"The fact that students/cadets are not comfortable reporting issues to staff of the Division of Youth Services is troubling and suggests that they are still either afraid ... or they do not have the skills to effectively use the tools that are available to make reports," she found.

She also found too many allegations of youth-on-youth and staff-on-youth abuse at Oakley, saying a communication problem is to blame for complaints that don't make their way up the chain of command.

Burrell said staffers still don't understand what constitutes abuse at Oakley and recommended that an ombudman join the staff.

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USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Monday, November 27, 2006 8:24 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Monday, November 27, 2006
Attachments:	agnb061127.pdf; agnb061127.doc

THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: MONDAY, NOVEMBER 27, 2006 7:45 AM EST

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TERRORISM NEWS:

Muslim Spy Says EU Intelligence Agencies Underestimated Al Qaeda Threat. The Washington Times/UPI (11/27, Waterman) reports, "A Muslim man who was a spy in the mid-1990s for several European intelligence services inside the global jihad network that later became al Qaeda has written a memoir saying the agencies did not understand the nature of the threat the group posed. 'Inside the Jihad,' written under the pseudonym Omar Nasiri, is a copiously detailed account of a young man's journey from the fringes of the Islamist movement in Belgium to a terrorist training camp in Afghanistan." UPI notes, "Several former senior U.S. officials told United Press International that the account rang true. … Nasiri doesn't claim to have been in al Qaeda's inner circles, and says he never met bin Laden, which al Qaeda analyst and author Peter Bergen says increases his comfort level about its credibility."

Specter's Shift On Habeas Corpus For Detainees Examined. The New Yorker (12/4, Toobin) describes GOP Sen. Arlen Specter's "shift" on habeas corpus for suspected terrorist detainees. The "iconoclast" Specter "who [led] the fight to preserve habeas corpus, at the last moment voted for the Administration's plan restricting it." Specter initially clashed with Sen. Lindsey Graham, "a former lawyer for the Air Force, who became Specter's most determined adversary" on habeas corpus. Graham expressed doubt that judges were "competent" to decide who was an "enemy combatant," saying, "I think that decision belongs to the military." Specter unexpectedly voted on September 28 with Graham and every other Republican (except Lincoln Chafee) to pass the Military Commissions Act; "on the next day" the government "began filing court papers" to dismiss all habeas corpus petitions submitted by Guantanamo detainees. Specter explained his reversal by saying, "If we had not passed the bill, we would" lack a procedure "to try these people." The New Yorker comments that he "forestalled" a conservative revolt against his Judiciary Committee chairmanship, which he lost in the election. However, detainees might not see a change in the law from Senate Democrats, who seem reluctant to propose "legislation that will principally benefit" accused terrorists. One Democratic Senate staffer said, "[Like Specter] we're basically leaving it up to the Courts."

HOMELAND RESPONSE:

DHS, FBI Striving To Build Trust With US Muslim, Arab Communities. The Christian Science Monitor (11/27, Marks, 59K) reports, "Across the country…officials of the Department of Homeland Security (DHS) and FBI are reaching out to Muslim-Americans in an attempt to bridge the huge gap of mistrust that developed on both sides after 9/11. It's sometimes an uncomfortable process," and "it's also not being applied consistently across the country, working well in some places -- like New York, where the Muslim Advisory Council meets regularly -- and not so well in others." The Monitor notes that "as the bureau began a concentrated effort to reach out to the Muslim community, education became one of its first priorities. At the FBI Academy and in ongoing field training, agents are now taught about the Muslim faith - its basic tenets and things like the difference between Shiites and Sunnis." The FBI also has "made recruiting a top priority in the Arab- and Muslim-American communities," although that effort has "met with some skepticism" among Muslim-American youth.

Little Tolerance For Unruly Incidents On Planes Since 9/11. Citing a recent incident in which a breast-feeding mother was ordered off a plane "for refusing to corporate" after she wouldn't cover up, and another in which "a couple whose snuggling may have gone too far got arrested for violating the Patriot Act," ABC World News (11/26, story 6, 2:35, Jamieson, 8.78M) reported, "Since 9/11, there is little tolerance for things once ignored. Flight attendants say they are the ones who must keep order on packed planes." Flight attendant Michelle Reaves was shown saying, "You can tell the captain that something makes us feel uncomfortable. And that's pretty much all we need to kick somebody off the plane." Jamieson: "Passengers may be getting the message. The number of unruly incidents peaked two years ago at 304. There have been fewer than 100 this year. … But a recent incident in Minneapolis, where six Muslim community leaders were kicked off a US Airways flight, apparently without provocation, means the problem hasn't gone away."

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Editorial, Columnist Praise Removal Of Imams From US Flight. The Pittsburgh Tribune-Review (11/27) editorializes, "US Airways Flight 300 from Minneapolis-St. Paul International Airport to Phoenix one week ago tonight was a reassuring statement about America's commitment to Homeland Security and the civil rights of suspects. Six passengers were Muslim religious leaders (Imams) whose demeanor and discussion were very suspicious. … The six were taken off the plane and interviewed separately for five hours by airport police, air marshals and FBI and Secret Service agents before being released." The Tribune-Review adds, "Proactive passengers and crew and thorough investigations by government agencies suggest the system worked well. Yes, a few were inconvenienced. How does one say 'better safe than sorry' in Arabic?"

In a Minneapolis Star Tribune (11/27, 395K) column distributed by Creators Syndicate, Mona Charen writes of the incident, "Now comes the nonsense. The Associated Press declares that this is a case of 'flying while Muslim,' and a TV anchor compares the imams to Rosa Parks. Nihad Awad of the Council on American-Islamic Relations denounced the incident as an example of 'Islamophobia,'" and DHS "has announced that its Office of Civil Rights and Civil Liberties is opening an inquiry into the incident." Charen adds, "Is it discrimination? Well, of course it is. … But Islam presents a problem. While we would love to think that Islam is as pacific as Christianity, Judaism, Buddhism or Hinduism, the facts suggest otherwise. Time and again, terrorists who have committed or attempted to commit murder on a large scale have done so after becoming serious Muslims."

WAR NEWS:

Bush Prepares To Visit Middle East As Abdullah Warns Of "Three Civil Wars."

Reports on President Bush's trip to the Middle East this week are juxtaposed with pessimistic accounts of the situation in Iraq and the warning by Jordan's King Abdullah on ABC's This Week (11/26, Stephanopoulos) of the "strong potential of three civil wars in the region, whether it's the Palestinians, that of Lebanon or of Iraq."

ABC World News (11/26, lead story, 2:50, Harris, 8.78M) reported, "As of today, the US has been at war in Iraq for three years, eight months and seven days. This is a military milestone, the exact length of American involvement in World War II. President Bush leaves tomorrow for a round of global diplomacy, part of an unprecedented White House push to try to stop the savagery in Iraq. Last week was one of the bloodiest yet. One Middle East leader warns the future of the entire region hangs in the balance." ABC (Morrell) added, "Desperate for help with Iraq, the Bush Administration is fanning out across the Middle East. Vice President Cheney called on the Saudis Saturday. This week, Secretary of State Rice meets with the Egyptians. And President Bush travels to Jordan. ... President Bush is meeting with Iraqi Prime Minister Nouri al Maliki and Jordan's King Abdullah." Abdullah's "three civil wars" comment was aired, and Morrell added, "Abdullah believes Iraq needs to be addressed in conjunction with the Palestinian-Israeli conflict and the turmoil in Lebanon."

NBC Nightly News (11/26, lead story, 3:00, Corke, 9.87M) reported, "A key US ally is expressing serious concern the war in Iraq is a tipping point that could have a domino effect on the entire region. Jordan's King delivered a stark warning to the Bush Administration. ... The King said the United States must deal with the conflict in Iraq, but also in Lebanon and between the Israelis and Palestinians, a regional approach, analysts say, is necessary." In addition, "this week, the 10-member Iraq Study Group reconvenes. Among the possible recommendations in its report due out in December: seek more help from the Saudis; encourage a dialogue with Iran and Syria; and send more troops."

The Washington Post (11/27, A14, Kaufman, 690K) and the Financial Times (11/27, Callan, Sevastopulo) both have stories dealing exclusively with the "three civil wars" comment. USA Today (11/27, Soriano, 2.27M) also highlights the remark and adds that "high-level meetings on solving the crisis were in the works." Abdullah expanded on the comment in the ABC's This Week (11/26, Stephanopoulos) interview, saying, "The emotional impact that the Israeli-Palestinian problem has on the ground can be translated to the insecurity and the frustrations throughout the Middle East and the Arab world. For me, that is the priority. When it comes to things exploding out of control, I would put today, as we stand, Palestine and probably a close tie with Lebanon. Iraq, funny enough, although as concerned as I am with Iraq and the major problems that might bring to us, is in third position."

The AP (11/26, Raum) reports Bush "reaches out to allies this week for help in quelling violence in Iraq and Afghanistan, in a burst of diplomacy from a Baltic summit of NATO partners to Mideast talks with Iraq's prime minister.

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Just back from an eight-day trip to Asia, Bush was leaving on Monday on another overseas trip as pressure builds at home for a change in his administration's Iraq strategy amid deepening tensions and violence in that country." The AP says the Bush-Maliki talks were set for Amman because "Jordan was deemed a less dangerous setting for the meeting than Baghdad."

Bush Foreign Policy Said To Leave Many Questions For Next President. In his Washington Post (11/27, A19, 690K) column, Jackson Diehl writes, "The reopened debate on Iraq will now rage for months or years, consuming most of the oxygen for foreign policy in Washington. Even if the result is a better strategy for rescuing (or ending) that beleaguered mission, larger questions about President Bush's post-Sept. 11 foreign policy will remain to be sorted out -- ideally by the time the next president takes office. For example: Is the fight against 'Islamofacism,' as Bush has taken to calling it, really the defining struggle of the 21st century, comparable to the Cold War against communism? Is the president's 'freedom agenda' of pressing for democratic change around the world, and especially in Muslim countries, still worth pursuing, given the failures (so far) of U.S.-backed democratic experiments in Iraq and the Palestinian Authority? Can the United Nations be salvaged as a forum for addressing threats such as Iran and North Korea, despite Bush's failure (so far) to make it work?"

More Commentary On Iraq And Diplomacy. In a USA Today (11/27, 2.27M) op-ed, Michael Rubin of the American Enterprise Institute writes, "Iraq was undercut by naive faith, not in democracy but in diplomacy. ... Bush was right to liberate Iraq. Saddam Hussein had started two wars, used chemical weapons and subsidized suicide bombers. He claimed to have weapons of mass destruction. Sanctions had collapsed; containment failed. ... Iraqis greeted U.S. troops as liberators, but the Bush administration fumbled the occupation. Blaming democracy does not address the cause of strife; rather, it absolves policymakers for poor decisions and implementation. Too much is at stake, not only for Iraq but also for U.S. national security, if policymakers learn the wrong lessons."

USA Today (11/27, 2.27M) editorializes, "Yes, the occupation was bungled -- but so was decision to invade. ... The neoconservative version of history is that the Iraq war was good idea undone by Bush administration incompetence after Saddam Hussein fell. ... To blame administration bungling exclusively for the Iraq debacle, however, is to learn the wrong lesson. It's true that the occupation of Iraq was mismanaged from the outset. By failing to guard massive munitions stockpiles, the administration helped arm the insurgency. And by disbanding the Iraqi army, it gave the insurgency men to use those arms. But the mistakes began with the decision to go war itself, a naive and arrogant exercise in wishful thinking that the nation can't afford to repeat."

US Lawmakers Frustrated By Progress In Iraq, Maliki Government. The AP (11/26, Feller) reports lawmakers appearing on Sunday morning talk shows "displayed eroding patience in the Iraqi government on Sunday, adding pressure on President Bush and Iraqi Prime Minister Nouri al-Maliki to find a faster path to peace when they meet this week." The Washington Post (11/27, A15, Pincus, 690K) reports Rep. Duncan Hunter said "33 trained Iraqi army battalions, now serving in provinces that are relatively peaceful, should be moved into Baghdad or other areas where there is fighting. 'Saddle those guys up, move them into the fight,' Hunter said on NBC's 'Meet the Press.' He added, 'Nothing trains a combat unit better than actually being in military operations.'"

Sen. Trent Lott said on Fox News Sunday (11/26, Wallace), said, "I don't know whether the [Iraqi] government is going to be able to survive if the circumstances don't change there. If the insurgency continues to grow, I don't know whether [Maliki] can survive or not. … I think we're going to have to be very aggressive and specific with him. And if he doesn't show real leadership, doesn't try to bring the situation under control; if, in fact, he becomes a part of the problem; we're going to have to make some tough decisions."

Sen. Richard Durbin, on ABC's This Week (11/26, Stephanopoulos), said, "150,000 of our best and bravest American soldiers are caught smack dab in the middle of a civil war in Iraq. That isn't what we bargained for. … It is time to tell the Iraqis that unless they're willing to disband the militias and the death squads, unless they're willing to stand up and govern their country in a responsible fashion, America is not going to stay there indefinitely."

Sen. Sam Brownback, on ABC's This Week (11/26, Stephanopoulos), commenting on calls for US withdrawal from Iraq, said, "When we threaten to withdraw and on a very short timeframe, people start saying, 'well, what am I going to do when this security vacuum is present?' And the answer is, 'well, we're going to have to form up militias.' I think, though,

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realistically…clearly we are in a short timeframe. We cannot face the public again in 2008 with the current situation still in hand for the United States. We have to get to a political solution in the region."

Asked on NBC's Meet the Press (11/26, Russert) if he believes Iraq is in the midst of a civil war, Rep. Ike Skelton responded, "Scholars will say no. I will say yes. Because the violence is so heavy. … Insofar as peace and decorum is concerned, it's a civil war in my book."

Sen. John Cornyn, on CNN's Late Edition (11/26, Blitzer) contended, "I believe we have to 'go big,' in the terms of the Pentagon. We have to surge additional force there so that we cannot only clear areas in Baghdad but we can actually hold them. … I think we're talking about 20 to 50,000 additional troops to embed them with the Iraqis, so that when we clear areas, we can actually secure them. Then we need to disarm the militias. We need to arrest al-Sadr and make sure the government has a monopoly on the use of legal force."

Sen. Jack Reed, also on CNN's Late Edition (11/26, Blitzer), said of Sadr: "I think he should be marginalized. … If you can arrest him, you can arrest him" or "put him out of the political spectrum without arresting him. But he's not a positive force in the government. And I think that has to be done."

Freshman Lawmakers Eager To Visit Iraq. The Washington Times (11/27, Bellantoni, 88K) reports, "Capitol Hill freshmen considering changes to Iraq policy next year are scrambling to take trips to the region in order to understand better the consequences of the promise of troop withdrawal, which many of them used to win their elections. Most freshman Democrats, who appealed to voters frustrated with the war, said they are trying to get onto congressional delegations to Iraq ... All the freshman lawmakers interviewed by The Washington Times -- seven personally and several more via spokesmen -- said that the trips are a priority, though none have been scheduled in advance of the 110th Congress' January swearing-in."

Iraq Study Group Draft Report Suggests Talks With Iran, Syria. The New York Times (11/27, Sanger, 1.16M) reports on its front page that the draft report of the Iraq Study Group "urges an aggressive regional diplomatic initiative that includes direct talks with Iran and Syria but sets no timetables for a military withdrawal, according to officials who have seen all or parts of the document." While the "diplomatic strategy appears likely to be accepted, with some amendments, by the 10-member Iraq Study Group, members of the commission and outsiders involved in its work said they expected a potentially divisive debate about timetables for beginning an American withdrawal." The draft "seems to link American withdrawal to the performance of the Iraqi military, as President Bush has done. But details of the performance benchmarks, which were described as not specific, could not be obtained, and it is this section of the report that is most likely to be revised."

Ahmadinejad Says Iran "Ready To Help" US In Iraq. The AP (11/26, Karimi) reports Iranian President Mahmoud Ahmadinejad said his country "is willing to help Washington calm Iraq's escalating sectarian violence if the U.S. drops its 'bullying' policy toward Tehran, but denied organizing a summit with the leaders of Iraq and Syria to discuss the troubles in its neighbor." Ahmadinejad said Iran "is 'ready to help' the United States, saying the Americans are 'trapped in a quagmire' in Iraq."

Summit Said To Be Aimed At Cutting Tehran's Influence. The Washington Times (11/27, De Quetteville, 88K) says the "high-stakes diplomatic offensive for control of the Middle East is gathering steam as the Bush administration rallies allies against Iran's growing influence in the region." The goal "is to marshal a force of friendly Sunni regimes against the radical leadership of Shi'ite Iran, which Washington thinks is trying to develop a nuclear bomb."

Burton Compares Moscow-Tehran Dealings With Nazi-Soviet Pact. In a Washington Times (11/27, 88K) op-ed, Rep. Dan Burton compares the Nazi-Soviet Non-Aggression Pact with current dealings between Moscow and Tehran, saying it "seems that once again Russia has yielded to the destructive ambitions of a tyrant and an anti-Semite. By refusing to support tough sanctions on Iran over its dangerous nuclear enrichment program, Russia is once again exposing the world to unimaginable carnage, certainly much worse than that of World War II. ... No one cared to imagine the worst in 1939, and many seem unprepared to imagine the worst now. Once again, millions of innocent people could pay the price for our folly."

WSJournal Says Bush Should Not "Appease The Assad Clan" In Syria. The Wall Street Journal (11/27, 2.04M) editorializes, "The greatest failure is that the Administration has never really settled on a policy toward Syria. Mr. Bush signed the Syria Accountability and Lebanese Sovereignty Restoration Act in 2003 but opted to impose only

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the two weakest sanctions on the list provided by Congress. The U.S. has repeatedly accused Damascus of providing material support for the insurgency in Iraq, but it has never acted in a way that would show Mr. Assad it is serious about stopping him. Predator strikes against terrorist bases in Syria were ruled out. ... Now the U.S. foreign-policy establishment is talking about the need to 'engage' Damascus, and a weakened Bush Administration might be tempted to appease the Assad clan. The result is likely to be more of 'the new Middle East' now on display in Lebanon."

Maliki's Motorcade Stoned In Sadr City. ABC World News (11/26, story 2, 1:50, Harris, 8.78M) reported Iraq's "most powerful politicians, led by the Prime Minister Nouri al Maliki, went on national television to call for calm, and it did not seem to have much effect." ABC (Brown) added, "In an act of desperation," Maliki "pleaded with the country's politicians today to stop the bloodshed, since he himself seems unable to do so. This afternoon, he visited Sadr City, the scene of Thursday's car bomb massacre by Sunni insurgents, to express condolences to the relatives of some of the 230 victims. As he drove away, his motorcade was stoned. Sadr City, a Shia stronghold, is where he's supposed to draw his support. Earlier, Maliki went on national television, along with Kurdish and Sunni leaders, promising to track down those responsible for the outrage."

The Los Angeles Times (11/27, Roug, 850K) reports, "The heckling by Maliki's fellow Shiites came after a Baghdad meeting at which he appealed for peace, standing alongside Iraq's Kurdish president, Jalal Talabani, as well as the speaker of parliament and a vice president, both Sunnis. However, even state television on today substituted its usual placid rhetoric with footage of the Shiite deputy health minister lashed out at residents of various Sunni neighborhoods, accusing them of fostering violence."

The Christian Science Monitor (11/27, Peterson, 59K) reports Maliki "blasted politicians Sunday for divisions that encourage carnage and called for unity in the face of deepening civil war. 'The ones who can stop further deterioration and bloodshed are the politicians,' he said, adding that all must first realize there 'are no winners and losers in this battle.'" The New York Times (11/27, Wong, 1.16M) reports Maliki "spoke after a meeting of an advisory security council of Iraq's top politicians, including himself, the president and the speaker of Parliament."

Mahdi Army Wins Popularity In Sadr City. In a front-page story, the Washington Post (11/27, Raghavan, 690K) examines the "Mahdi Army's less-publicized roles in Iraqi society." During last week's Sadr City violence, one member "strode confidently through streets littered with burning cars and charred bodies. At one moment, he was guiding an ambulance carrying bomb victims through traffic. At another, he was searching cars at a checkpoint. By evening, he had helped to seize a would-be car bomber and to retrieve corpses. By nightfall, he was patrolling the streets of his neighborhood. ... The militiamen were heroes that day, Sadr City residents said in interviews. They did everything that Iraq's fragile unity government did not, or could not, do."

"Tit-For-Tat" Violence Continues. The Washington Post (11/27, A14, Trejos, Al-Izzi, 690K) reports, "Gunfights broke out and mortar shells came crashing down on parts of the capital Sunday despite a three-day-old curfew and appeals for calm from Iraq's top Shiite, Sunni and Kurdish political leaders. ... Tit-for-tat violence continued Sunday, as a gun battle erupted following afternoon prayers in the Sunni Arab neighborhood of Ghazaliya in west Baghdad."

Herbert Says Americans "Shopping While Iraq Burns." In his New York Times (11/27, 1.16M) column, Bob Herbert writes, "Americans are shopping while Iraq burns. The competing television news images on the morning after Thanksgiving were of the unspeakable carnage in Sadr City -- where more than 200 Iraqi civilians were killed by a series of coordinated car bombs -- and the long lines of cars filled with holiday shopping zealots that jammed the highway approaches to American malls that had opened for business at midnight. ... There is something terribly wrong with this juxtaposition of gleeful Americans with fistfuls of dollars storming the department store barricades and the slaughter by the thousands of innocent Iraqi civilians, including old people, children and babies. The war was started by the U.S., but most Americans feel absolutely no sense of personal responsibility for it."

Increasingly Popular Sadr Said To "Control US Fate" In Iraq. Newsweek (12/4, Bartholet, 3.12M), in its cover-story titled, "How Moqtada al-Sadr Controls U.S. Fate in Iraq," reports Sadr "is a unique force in Iraq: a leader from the majority Shiites who has resisted American occupation from the start. He's a populist, a nationalist and an Islamic radical rolled into one. Part of his power is simply that he's powerful. Large numbers of impoverished Shiites view Sadr

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as their guardian — the one leader who is willing not just to stand up for them but to strike back on their behalf. … The longer Sadr has survived, the greater his prestige has grown. Iraqis and foreigners who meet him are impressed by the transformation. He's more diplomatic and commands more respect." According to Newsweek, Sadr "is now a primary target of Sunni insurgents bent on provoking all-out civil war. … More than anyone, Sadr personifies the dilemma Washington faces: If American troops leave Iraq quickly, militia leaders like Sadr will be unleashed as never before, and full-scale civil war could follow. But the longer the American occupation lasts, the less popular America gets — and the more popular Sadr and his ilk become."

"Shiite Zarqawi" Agrees To Written Interview. Time (12/4, Ghosh, 4.03M) reports, "Few Americans have ever heard of him and most Iraqis don't know what he looks like. But such is the reputation of Abu Deraa, 48, that all of Baghdad's biggest, most brazen attacks against Sunni targets are almost automatically assumed to be his handiwork. Iraqi and U.S. officials say Abu Deraa is the mastermind behind the killing of thousands of Sunnis this year. Loosely affiliated with the Mahdi Army of the radical cleric Muqtada al-Sadr, Abu Deraa's death squad is suspected of involvement in some of the most daring kidnappings in the capital." Abu Deraa "has largely operated in the shadows, avoiding public appearances and almost never giving interviews. But now he has. Abu Deraa agreed last week to provide written responses to TIME's questions, which were passed to him by intermediaries. He says he is 'honored' by comparisons to al-Zarqawi and claimed, implausibly, to have no ill will toward ordinary Sunnis. He says his fight is against 'occupiers, their supporters and takfiris' -- a reference to Sunni insurgents linked to al-Qaeda."

Zakaria Says US Soldiers Attacked By Those They Are Defending. Newsweek's Fareed Zakaria (12/4) writes, "If you want to understand the futility of America's current situation in Iraq, last week provided a vivid microcosm. On Thursday, just hours before a series of car bombs killed more than 200 people in the Shia stronghold of Sadr City, Sunni militants attacked the Ministry of Health, which is run by one of Moqtada al-Sadr's followers. Within a couple of hours, American units arrived at the scene and chased off the attackers. The next day, Sadr's men began reprisals against Sunnis, firing RPGs at several mosques. When U.S. forces tried to stop the carnage and restore order, goons from Sadr's Mahdi Army began firing on American helicopters. In other words, one day the U.S. Army was defending Sadr's militia and, the next day, was attacked by it. We're in the middle of a civil war and are being shot at by both sides."

Waxman Scrutinizing Halliburton Contract For Services In Iraq. Time (12/4, Tumulty, 4.03M) reports, "In the altered landscape that is Washington, there's a new contender for the title of Scariest Guy in Town." As chairman of the House Government Reform Committee, Rep. Henry Waxman "will have free rein to investigate, as he puts it, 'everything that the government is involved with.' And the funny thing is, Waxman can thank the Republicans for the unique set of levers he will hold. Under a rules change they put through in the days when they used the panel to make Bill Clinton's life miserable, the leader of Government Reform is the only chairman who can issue subpoenas without a committee vote." According to Time, "Iraq will get new attention with Waxman in power. This week he plans to send a letter to Defense Secretary Donald Rumsfeld demanding information on Halliburton's $16 billion contract to provide services to troops there. Waxman's staff has been poring over the fine print of that deal for more than two years, and is convinced that much of the money is slipping between layer upon layer of subcontractors."

Afghanistan Violence Continues As NATO Meeting Nears. NBC Nightly News (11/26, story 7, 2:40, Seigenthaler, 9.87M) reported that it has "been a deadly weekend with attacks on two fronts" in Afghanistan. Fighting "in the southeast left one NATO soldier and at least 55 insurgents dead. A suicide bombing killed 15 people." But "in another part of Afghanistan...the US appears to be winning the battle for local support." NBC (Maceda) added, "Six months ago just entering the Peche River Valley in eastern Afghanistan meant a firefight for US forces. Today the 10th Mountain Division routinely patrols the valley, visits the villages and even the homes. The fight in Afghanistan has intensified but here US soldiers believe they have made progress." Capt. Rob Stanton: "We see incredible success. A big portion is because of the way that we interact and live with the people."

The New York Times (11/27, Gall, 1.16M) reports a suicide bomber "walked into a packed restaurant in southeastern Afghanistan on Sunday morning and set off his explosives, killing 15 other people and wounding 25, Afghan officials said. The attack, after a few weeks of relative quiet, raised fears that insurgents were resuming their campaign of

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suicide bombings." The AP (11/26, Tang) says the attacker, a Pakistani, "was believed to be targeting the military commander and the district chief."

NATO Faces "Rift" Over Afghanistan Mission. The New York Times (11/27, Shanker, 1.16M) reports that though "NATO is bigger than ever, and it is reaching further than ever before," its mission in Afghanistan "threatens a rift" between member nations "willing and able to participate fully in combat operations in Afghanistan and those nations that are not." Most nations "have imposed restrictions on their member troops that NATO commanders say hamper their ability to move forces for missions and rescue other NATO forces that may get into trouble." President Bush "is expected to push for easing the restrictions when he meets with NATO leaders" in Latvia this week.

Dutch Withdrawal From Afghanistan Possible. In a report on possible changes in Dutch government policies after last week's elections, the Financial Times (11/27, Bickerton) says the inclusion of the Socialists in a possible coalition "could trigger a foreign policy shift. The party demands a withdrawal of Dutch troops from Afghanistan."

NATO Tries To Regain Trust In Afghan Town. The Washington Post (11/27, A12, Constable, 690K) writes about the situation in the town of Panjwai, its name now "synonymous with the physical destruction and political mayhem wrought by months of Taliban attacks and NATO bombing." In an effort to "regain public trust, NATO forces have moved into Panjwai with bricks, bulldozers and lots of cash."

Bush Presses Karzai On Drug Production. AFP (11/26) reports President Bush called Afghan President Hamid Karzai Saturday "to demand more action against Afghanistan's world-leading drugs trade and reiterate continued US support." Karzai's office said the US "would 'reiterate its commitment at the NATO summit to the strengthening of security and reconstruction in Afghanistan'" at the NATO summit,

Anti-Poppy Farming Effort Could Endanger UK Troops. The Financial Times (11/27, Burns, Morarjee) reports plans by Afghanistan's government to eradicate poppy farming in the southern Helmand province "risk drawing British troops into fierce fighting with an already embittered local population." Helmand's governor "has promised to push ahead with a drug eradication programme early in the new year in the southern province where British troops faced unexpectedly fierce battles during the summer."

Military Researchers Seek Non-Lethal Ways To Stop Vehicles In Iraq. USA Today (11/27, Welch, 2.27M) reports, "Two teams of military engineers competed to come up with a solution to a problem U.S. troops face daily in Iraq -- how to stop civilian vehicles that blunder past checkpoints without destroying the vehicles or killing their occupants." In August, Air Force Research Laboratory engineers, working at an Arizona test range, "used remote-controlled automobiles and high-speed cameras to test four devices they designed to halt oncoming traffic by non-lethal means."

Professor Says Iraq's Academics Targeted By Terrorists. In a Washington Post (11/27, A19, 690K) op-ed, Duke University visiting professor Abdul Sattar Jawad writes, "The mass kidnappings of scholars in Iraq underscore the chilling fact that the most dangerous place in Iraq is not the mosque, the marketplace or the military checkpoint, but the classroom. More than 250 academics have been killed since 2003, targeted by so many warring factions that it seems to be the only issue they can agree on. To date, not one person has been arrested for these murders. Fundamentalist Sunni, Shiite, Baathist, anti-Baathist and other anti-American militants all have taken credit for these murders. Some are groups of students doing the Mahdi Army's bidding and willing to take matters into their own violent hands. But they all share a common feature: the use of terrorism as a weapon to murder academics, plunge university life into chaos and threaten learning at its source."

CORPORATE SCANDALS:

New York Federal Prosecutors Seen As Slumping In White-Collar Cases. USA Today (11/27, Farrell) reports, "When it comes to securities fraud cases, not all U.S. Attorneys are created equal. Defense lawyers, as well as many federal prosecutors across the country, acknowledge that the U.S. Attorney's Office in Manhattan has the most experience in the field, and is best positioned to bring complicated white-collar criminal cases. … But if federal prosecutors in Manhattan are the New York Yankees of their field, they've been on what seems to be a losing streak lately." USA continues, "Consider: … After an appeals court overturned a guilty verdict against investment banker Frank Quattrone, prosecutors in Manhattan decided

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to drop the case. The office accused Quattrone in 2003 of obstructing an investigation into whether his bank rewarded prominent clients with hot IPO stocks, a practice known as 'spinning.' … A federal judge publicly rebuked two Manhattan prosecutors in June for their conduct in the government's investigation of tax shelter abuse by partners from KPMG. U.S. District Judge Lewis Kaplan said statements submitted to the court by prosecutors from the office were 'misleading.' … Last week, prosecutors dropped five cases against specialists at the New York Stock Exchange. In 2005, the U.S. Attorney's Office in Manhattan accused 15 specialists, who are responsible for buying and selling stocks on the NYSE floor, of putting their own interests ahead of those of the investors. Since then, charges against two of the specialists have been dropped, and a jury has acquitted two others. Two specialists have pleaded guilty, three were convicted and the final charged specialist fled the country and is a fugitive." USA adds, "Despite the setbacks, no one's willing to say the office has lost its fastball. In fact, the decision to drop cases can be viewed as a sign of strength, say some observers."

ACS Officers Step Down Amid Options Probe. The Wall Street Journal (11/27, A3, Bandler, Forelle) reports, "The options-backdating scandal claimed more high-level officials, as the top two executives at a large technology-outsourcing company resigned after an internal investigation concluded they were closely involved in manipulation of stock options at their company." The Journal continues, "Mark King, chief executive of Affiliated Computer Services Inc., and Warren Edwards, the company's finance chief, stepped down from their posts yesterday but will remain employees until June, the company said. Dallas-based ACS is one of the world's largest providers of back-office computer services to companies and governments, and has 55,000 employees world-wide. … The departures bring to more than 60 the number of corporate officials who have lost their posts as the options scandal continues to grow. It already has sparked one of the largest executive-suite housecleanings in memory, and more officials are likely to lose their jobs in coming weeks." The Journal adds, "In releasing the results of its internal probe, ACS said its investigators determined that Messrs. King and Edwards, along with Jeffrey Rich, a former ACS CEO who resigned in September 2005 before the options issues surfaced, intentionally backdated options in a 'significant number of cases,' increasing their own potential for profit, and prepared memos with phony dates to document the misdated grants. … Messrs. King and Edwards also misled the company's own directors and lawyers, the internal probe concluded, telling them earlier this year that there wasn't any backdating. ACS said that led the company to make an 'inaccurate' securities filing in May that denied any serious backdating issues. … The company said it will face a charge of around $51 million to fix the faulty accounting caused by the misdating. The company said it hasn't yet determined how the adjustment will affect past and current financial statements or whether restatements would be required."

SEC Urged To Crack Down On Former San Diego Officials. In a Wall Street Journal op-ed (11/27, A12), Nicole Gelinas, contributing editor at City Journal, says, "The SEC has announced that it has resolved its pension-fund fraud case against San Diego, with the city agreeing not to commit illegal shenanigans in the future and to hire an 'independent monitor' to help it avoid doing so. Although the SEC went easy on the residents and taxpayers of San Diego in its settlement, it still has an opportunity to make an example of the former officials who the SEC determined committed the fraud. The feds should seize that chance to show they're serious about policing a sector of the investment world that remains vulnerable to similar fraud."

Zuckerman Warns Sarbanes-Oxley Threatens US Markets' Primacy. U.S. News and World Report's Mortimer Zuckerman (12/4) writes, "since 1950, nobody could argue with New York's claim to have replaced London as the world's financial capital. … Now, however, New York is challenged-and the evidence is in the numbers. Last year, only two of the 25 largest international initial public offerings were issued by firms using American capital markets. London's Alternative Investment Market, instead, has become the exchange of choice for listings by small companies, with 433 new IPOs last year alone, versus just 155 on New York's Nasdaq." Zuckerman asks, "What's going on? It's called Sarbanes-Oxley. … The law offers benefits of transparency, accountability, and investor protection. Fine, but as our insightful new treasury secretary, Henry Paulson, pointed out just last week, the law also has a seemingly innocuous section, known as 404, that has proved to be real corporate overkill." Zuckerman adds that Sarbanes-Oxley "has also created a sharper adversarial relationship between corporate boards and management.

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Boards now tend to focus more on regulatory-compliance issues than on competitive strategies, with members less worried about falling behind than falling afoul of the complex rules of Section 404."

WSJournal Says SEC Should Reject "Direct Access" Proposal. The Wall Street Journal (11/27, 2.04M) says in an editorial, "The Hewlett-Packard meltdown has offered some poignant lessons in corporate board dysfunction, and with any luck the Securities and Exchange Commission has been taking notes. One way to create more HP-like storylines would be for the nation's top financial regulator to appease the latest political agitation for greater 'shareholder democracy.' That's what the SEC will consider at a December hearing to discuss 'direct access,' or the idea of giving shareholders more power in determining the makeup of corporate boards. What makes the 'democracy' campaign so ironic is that this proposal isn't designed to make companies more responsive to most shareholders. It is instead a costly, divisive and deeply unfair proposal that would force many companies to bend to special-interests."

CRIMINAL LAW:

FBI Probe Target Defends Weldon's Help With Moldova, Russia Deals. The Philadelphia Inquirer (11/27, Shiffman, Fazlollah, 385K) reports, "When Center City lawyer and Russian trade expert John J. Gallagher lost a $2.5 million investment in a cognac distillery in a former Soviet republic, a family friend stepped up to help -- in a big way. The friend, U.S. Rep. Curt Weldon, first called the president of Moldova. When that didn't work, Weldon went to the House and proposed cutting all U.S. aid to Moldova until Gallagher got his money back. That deal, now part of an FBI corruption investigation, wasn't the only time that Weldon used his office to help Gallagher, a lawyer who specializes in putting together business deals -- from Philadelphia City Hall to the U.S. Capitol to the Kremlin." The Inquirer adds, "In the first interview given by one of the subjects of the FBI probe, Gallagher said his relationship with Weldon went back 30 years. Their careers, he said, dovetailed in Russia. … Gallagher said Weldon, in trying to help him in Moldova, was simply providing good constituent service. … Gallagher declined to give details of the FBI raid last month, other than to acknowledge that agents took his Moldova file, among others. He said he was cooperating with the investigation."

Philadelphia Politicians Anxious About Corruption Probes, Prosecutions. The Philadelphia Daily News (11/27, Davies, 106K) reports, "As the 2007 mayoral election season begins and Philadelphia pols engage in the predictable frenzy of raising money, spreading rumors, begging and bluffing for support, talking trash and trading gossip, something is different from past campaign chatter: They're not sure who else may be listening. Over the past four years, the FBI and federal prosecutors have gone on an anti-corruption crusade, nailing more than two dozen people on corruption charges and shaking the city's Democratic power structure to its core." The Daily News notes, "One question embedded in discussions of the probes is why U.S. Attorney Patrick Meehan has been so actively going after Philadelphia politicians. Meehan says when he came into the job…he made public corruption a priority," and "another explanation is a new focus from the FBI on public corruption. Spokeswoman Jerri Williams said that when Robert Mueller became FBI director in 2001, 'we shifted our priorities... . Public corruption became the number-one criminal priority.'"

DOJ Finds South Florida Is US Corruption Capital. The Palm Beach Post (FL) (11/27, Musgrave) reports, "South Florida is the public corruption capital of the country, according to the U.S. Department of Justice." The Post continues, "Between 1996 and 2005, a record-setting 576 people were convicted of federal corruption charges in the district that extends from Key West to Sebastian, according to the agency's most recent annual report. … That's far more than the 402 convicted during the same 10 years in Washington, D.C. or the 453 convicted in Chicago, where political machines have been rolling for decades." The Post adds, "New York City, another hotbed of government scandal, didn't even come close. A mere 374 people were convicted of public corruption charges during the last decade, the report shows. .. Some political scientists said they were surprised South Florida beat out its more time-honored counterparts for the dubious distinction. But, having watched scandals rock the airport, numerous cities and other government agencies in Miami-Dade County, they said they expected it would be high on the list. … The reasons South Florida has been plagued by public corruption are many and varied, observers say. Rapid growth, an influx of immigrants who may have a different view of how government business is run, skyrocketing land values and aggressive prosecution are all factors, political scientists said."

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US To Appeal Reversal Of San Diego Official's Conviction. The San Diego Union-Tribune (11/27, Thornton) reports, "The government will appeal a federal judge's controversial decision to overturn a jury's guilty verdicts against former San Diego City Councilman Michael Zucchet." The Union-Tribune continues, "San Diego U.S. Attorney Carol Lam, who lobbied heavily for permission to appeal, waited an unusually long time for approval from the Solicitor General's Office, an arm of the Justice Department that makes all decisions about appeals and represents the United States before the U.S. Supreme Court. … The approval, which took about a year, means Justice Department lawyers have concluded that the jury's verdict was correct, that there was sufficient evidence to convict Zucchet of trading political favors for money, and that it's likely a panel of the 9th U.S. Circuit Court of Appeals will agree." The Union-Tribune adds, "A lawyer connected to the case said those involved were informed of the development by overnight letter late last week, but the Thanksgiving holiday might have delayed some notifications. … Zucchet and his lawyer, Jerry Coughlan, said yesterday that they had not yet been notified of the government's decision. Zucchet declined to comment, but Coughlan called the move 'a dumb mistake.' … 'They'll lose again because (U.S. District Judge Jeffrey T.) Miller was absolutely right. If the solicitor general made the decision on the law and the facts, it wasn't even a close call, but I also know this U.S. attorney's office put a lot of pressure on the solicitor general,' Coughlan said. Zucchet was indicted in 2003 along with former Councilmen Ralph Inzunza, Charles Lewis and strip club associates on extortion and honest-services wire-fraud charges. They were accused of scheming to deprive citizens of honest services by surreptitiously trading efforts to repeal a law banning touching between strippers and patrons for campaign contributions. … Zucchet, Inzunza and Las Vegas lobbyist Lance Malone were convicted by a jury July 18, 2005. Lewis died before trial. Malone's boss, strip club owner Michael Galardi, made a deal with the government and testified against the others. Galardi is scheduled to be sentenced in January. … In a stunning move a few months later, in November, Miller overturned a jury's guilty verdicts against Zucchet, acquitting him of seven corruption counts and granting a new trial on the remaining two counts."

Illinois Alderman Describes Stressful Role As FBI Mole. The Chicago Tribune (11/23, O'Connor, 617K) reported that Alex Bojovic of Berwyn, "it turned out, was more than an alderman -- he was an FBI mole. … Bojovic worked nearly two years undercover, pocketing at least $15,000 in payoffs made public so far and tape-recording more than 400 calls and meetings. Bojovic said he secretly tape-recorded others, in addition to the two men charged, and is hopeful that federal prosecutors will bring additional charges." The Tribune noted, "Bojovic doesn't regret his decision to work undercover for the FBI, he said, but it came at a price. He said he grew increasingly nervous at being wired, fearful that the hidden recorder would be discovered. The stress mounted as he juggled his work, political and undercover schedules. He slept fitfully and broke down crying at least half a dozen times from the stress, he said."

Chicago Tribune Lauds FBI, Prosecutors, Jurors For Corruption Convictions. The Chicago Tribune (11/25, 617K) editorialized, "Owing to the work of FBI agents, federal prosecutors and jurors courageous enough to assign guilt to the guilty, the struggle against Illinois' culture of political sleaze advanced another step this week: Once-clouted Chicago City Hall insider Robert Sorich was sentenced to spend 46 months in a federal prison." The Tribune added, "The stir that Monday's sentencing caused tipped our memory back to July 18 of 2005, when U.S. Atty. Patrick Fitzgerald announced the charges in the case. The feds had prepared their evidence with the help of 30 cooperating witnesses," and "Robert Grant, the special agent in charge of the FBI's Chicago office, urged others who know about City Hall crimes to come forward. 'Now is the time to cooperate because this train is leaving,' he said. 'You're either on the train or on the tracks.' Where the train stops, though, nobody knows. … Thanks to the agents, prosecutors and jurors who've led us this far."

Former Michigan County Aide Charged In Ongoing Corruption Probe. The Detroit News (11/23, Egan) reported, "The federal government brought a criminal charge Wednesday against an aide to former Wayne County Executive Edward H. McNamara, four years to the day after agents raided the Old Wayne County Building and allegedly found political materials on the aide's computer. Robert S. Wisler of Livonia is charged with theft of government property under $1,000. He is the third Wayne County official charged since the Nov. 22, 2002, raid on the seat of county government. The charge is a misdemeanor, but allegations in the complaint suggest federal officials have linked political

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activity on county time to officials for whom Wisler worked as well as those he directed." The News noted, "County officials said earlier this month the grand jury investigation continues."

FBI Says KeyBank Executive Embezzled $29 Million Over 10 Years. In a widely-distributed story, the AP (11/27) reports, "A former KeyBank vice president accused of embezzling $29 million bought a multimillion dollar home on Long Island and spent $1.1 million on his fiancee's engagement ring, investigators say." David F. Verhotz "also lived a double life, according to pretrial statements made by U.S. Attorney Justin Roberts. He said Verhotz had recently divorced his wife in Ohio but told his fiancee, who lived with him in New York, that the marriage had ended 10 years ago." The AP adds, "Verhotz, who has been fired as the head of the bank's international loans unit, carried out his financial scheme for 10 years, according to the FBI. … The alleged scheme began when Verhotz, who made $110,000 a year working at the bank, apparently got a fraudulent loan to pay the $30,000 to $40,000 he owed in back taxes, FBI supervisor Scott Gilbert said. Over the years, Verhotz would take out more loans to make payments on previous loans to avoid suspicion, according to the FBI."

Zoning Laws Aimed At Banning Pedophiles Come Under Fire. The New York Times (11/27, Mansnerus) reports from Franklin Township, NJ, "The man identified in court documents as A. B. does not talk to his neighbors or tarry at the convenience store. Seventy-seven years old, soft-spoken and sometimes confused, he hardly ever leaves the little ranch house he bought in 1969. 'People know what's what with me,' he said." The Times continues, "What's what with A. B. is that he moved back here last year after serving seven years in prison for sexually molesting two grandchildren and another youngster. And because his home is in a 'child safety zone' drawn by the township, he may be forced to leave it. … But the public defender's office in New Jersey, a state government agency, filed suit against the township on his behalf last month, claiming that the ordinance not only violates his right to due process, but also conflicts with a state law requiring that parole officers decide where registered sex offenders live. It is the first such case the agency has taken up, and could herald a curb on the rapidly proliferating local ordinances that threaten to push pedophiles to the fringes of civilization." The Times adds, "Such regulations — more than 100 have been enacted in New Jersey municipalities — are popular around the nation. More than 20 states have broad laws keeping sex offenders from schools, churches, playgrounds and the like. This month 70 percent of California voters approved expanding statewide restrictions to include more sex offenders, and authorized towns to designate even stricter limits."

Maryland Man Charged With Sexual Abuse. The Washington Post (11/27, B1, Ernesto Londoã±o) reports, "Before he was charged in recent weeks with abusing three minors, Stanley D. Schwartz had a clean record. … But allegations of sexual misconduct with underage boys by the 64-year-old patent lawyer were first made more than a decade ago, a Montgomery County detective said." The Post continues, "Jordan Satinsky said fellow detectives opened an investigation in 1992 after the Rockville man was accused of sexually touching at least nine Thomas S. Wootton High School male basketball players, whom he coached. … Schwartz also has been accused of inappropriate sexual conduct with boys between the ages of 13 and 16, whom he chaperoned on ski trips and hosted at his home as foreign exchange students, the detective said." The Post adds, "Satinsky said none of the previous allegations brought to the attention of police led to charges because they couldn't be corroborated and no alleged victims wanted to come forward. … Schwartz's attorney, Sanford Berman, would not comment on the allegations or the supervisory roles that have placed Schwartz in close contact with male teenagers. He said his client should be presumed innocent unless proved guilty in court. He also said his client would not be available for an interview."

New DC Police Chief To Focus On Community Policing, Collaboration. The Washington Post (11/27, A1, Klein) reports, "Cathy L. Lanier, chosen last week to lead the D.C. police force, said she plans to use 'precision patrol teams' to reduce crime in certain parts of the city, focusing on the places and times when criminals are most apt to strike." The Post continues, "The patrols are part of a broader community policing strategy that Lanier hopes to push as head of the 3,800-member department. In an interview, she said she intends to give more authority to commanders and beat officers to customize their own crime-fighting programs." The Post adds, "Targeted patrols have been used by police departments for years to combat spikes in crime. D.C. police have more than a dozen

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hot spots that get increased attention -- although not to the degree that Lanier is proposing. She created a model in 2002 when she was commander of the 4th Police District in upper Northwest and Northeast Washington. It reduced crime there, she said, and could have an impact citywide." The Post notes, "The precision patrol teams focus on crime hot spots and the 'hot times' in which they occur, Lanier said. In the model Lanier used, officers blanketed areas in marked police cars with flashing lights to maximize visibility. The hot spots were relatively small -- about six square blocks each. But they were accounting for large shares of robberies, burglaries, vehicle thefts and other crimes. Crime dipped within 90 days, she said. … Lanier, 39, a 16-year force veteran, was selected by Mayor-elect Adrian M. Fenty (D) to replace Charles H. Ramsey in a job that is often a lightning rod for criticism and complaints. A protege of Ramsey's, she said she plans to build on his successes in reducing crime while making the department more responsive to residents. If confirmed by the D.C. Council, Lanier would become chief in January, soon after Fenty takes office."

Spain Struggles To Combat Spousal Abuse. The Christian Science Monitor (11/27, Pingree, Abend) reports from Madrid, "Margarita's partner - a university ethics professor - had abused her from the beginning of their 14-year relationship. But after she got pregnant with their first daughter, the violence became intolerable. Still, she didn't file her first police complaint for six years. … 'Domestic violence kills your self-esteem, and I needed help,' says Margarita (not her real name). 'But there's not much of a tradition in Spain of protecting women or of punishing offenders.'" The Monitor continues, "In 2005, the country seemed ready to chart a different path when its newly elected Socialist government introduced sweeping domestic-violence legislation. Yet almost two years after the law went into effect, Spanish courts are flooded with spousal-abuse cases and the number of women killed by their partners has risen. … Indeed, as officials from around Europe convene at a Madrid conference Monday to kick off a continentwide campaign against domestic violence, many in Spain have realized that legislation alone can't solve the problem." The Monitor adds, "Last Thursday, the number of women killed by their partners this year reached 61, surpassing 2005's total of 60. That number is lower than the 95 women killed so far this year in France, or the roughly two women killed each week in Britain. It also falls proportionately below rates in Denmark, Finland, and Sweden. But the problem is severe enough that Spain approved unusually comprehensive legislation to combat it. … The Law for Comprehensive Protection Against Domestic Violence, which went into effect in January 2005, stiffened penalties against abusers, provided greater social assistance to abused women, and created special courts and a government delegation dedicated to combating 'gender violence.' Unlike legislation in other European countries that treats prevention, punishment, and aid to victims as separate concerns, Spain's law does everything from appointing special prosecutors to providing victims with financial support to calling for less sexism in advertising."

FBI, Minnesota Police End Ground Search For Missing Boys. In a widely-distributed story, the AP (11/27) reports, "Authorities called off a major ground search Sunday on the Red Lake Indian Reservation after they turned up no sign of two young brothers who have been missing since they went out to play Wednesday morning. But FBI Special Agent Paul McCabe said authorities would continue pursing leads, and the effort to find 4-year-old Tristan White and 2-year-old Avery Stately was not over. 'We will not stop looking for Tristan and Avery until they are found,' McCabe said. … McCabe said it's still unclear whether they wandered off or were taken." The AP notes, "The FBI last week offered a $20,000 reward for information that leads to the boys." The Minneapolis Star Tribune (11/27, Collins, 395K) adds, "'There is some disappointment that they couldn't help bring the kids home,' McCabe said about the search parties. 'But we feel confident that the search has been extensive and thorough.' McCabe said authorities will continue to investigate whether the boys wandered off or whether foul play was involved." The Star Tribune notes, "A hot line set up Friday has led to about 70 tips, double the total announced on Saturday, McCabe said Sunday. However, the tips have not led to any substantial leads."

Death Of California Child Raises Concerns About Federal Crime Priorities. The Los Angeles Times (11/27) editorializes, "Who could bear to write an epitaph for Ethan Esparza? Ethan was celebrating at his 4th birthday party Nov. 19, playing with a new toy car in the frontyard of his Pomona home, when a gunman stepped out of an SUV and began spraying bullets into the crowd of children. After being shot, Ethan lived long enough to scramble to his mother's room and spend his last moments

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gasping for breath in her arms. There are no words strong enough to express her agony or the depths of a community's sympathy." The Times continues, "Police departments don't have any words for such tragedies either, but they do have numbers. Statistics compiled by the FBI show that violent crimes nationwide rose 2.3% in 2005, the first such increase since 2001. Homicides were up 3.4%, and a separate report issued in September by the Justice Department showed a marked increase in gun violence last year." The Times adds, "A one-year statistical bump doesn't necessarily signal a trend, and crime statistics are always problematic because they're based on reported incidents; a jump might simply mean more people are going to the police, not that more crime is occurring. Further, nationwide crime patterns are extremely uneven: Violence is down in New York but up in Boston. Locally, police are concerned about a rash of gang attacks in the San Fernando Valley, but violent crime in Los Angeles as a whole has been declining for years. … But the country's top cops don't think the statistics are an anomaly. At a conference in August, about 300 police chiefs complained to FBI officials that a shift in national priorities toward fighting domestic terrorism was compromising their ability to fight conventional crime. Federal funding for municipal police work has been cut nearly in half since 9/11, diverted instead to anti-terrorism programs. At the same time, the Bush administration and Congress have significantly loosened federal gun-control measures such as the now-expired assault weapons ban." The Times concludes, "It would be absurd to say that Ethan or the other victims of senseless violence died because of federal crime policies, but it's equally absurd to think one can make it easier for criminals to obtain deadly weapons without having an effect on the murder rate. Last year, there were nearly 17,000 homicides in the United States, five times the death toll from 9/11. It may be that our focus on Middle Eastern terrorists has distracted our attention away from a bigger, entirely homegrown threat."

WPost Criticizes Maryland Court Ruling On Rape Law. The Washington Post (11/27, A18, 690K) says in an editorial, "Is it rape if a woman agrees to have sex, then changes her mind after the act has begun and tells the man to stop? Not in Maryland, no matter how clear it is that the woman has withdrawn her consent. According to a ruling last month by the Maryland Court of Special Appeals, the state's intermediate appellate court, forcing a woman to continue to have sex against her will is not rape under common law and state court precedents. If this is a correct interpretation of the law, the law should be changed."

CIVIL LAW:

SCOTUS To Consider Landmark State-Power Case. Bloomberg (11/27, Vekshin, Stohr) reports, "A lineup of legal heavyweights unusual even by Supreme Court standards is doing battle in a case pitting Wachovia Corp. against Michigan banking regulators." Bloomberg continues, "Wachovia's side includes Walter Dellinger, Seth Waxman and Theodore Olson, all of whom served as solicitor general of the United States -- the government's top courtroom lawyer. Backing Michigan in its arguments to the court Nov. 29 are the other 49 states, led by New York Attorney General Eliot Spitzer, the state's governor-elect." Bloomberg adds, "At stake is what Dellinger, 65, calls 'the single most important legal doctrine' for many U.S. industries: how free states are to impose stricter regulations than those set by the federal government. If Michigan and Spitzer prevail, says Dellinger, who served under President Bill Clinton, 'we're in danger of switching roles, where Europe has the great common market and we have the Balkanized economy.'" Bloomberg notes, "The high court is being asked to decide whether federal oversight of Wachovia and other national banks extends to their state-chartered subsidiaries, immunizing them from state regulation of their mortgage businesses. … A decision favoring Michigan may lead some national banks to close their subsidiaries and move the services they perform into the bank, restricting the availability of credit and increasing its cost, banking industry officials say. … The dispute also has implications beyond the banking industry, testing federal regulators' power to block more aggressive state oversight. A broad court ruling might affect the regulation of prescription drugs, autos and other consumer products -- all fields governed by federal agencies that have sought to curtail suits by individuals under state laws."

Philip Morris Criticized For Ineffectual Anti-Smoking Campaign. The New York Times (11/27, 1.16M) says in an editorial, "Philip Morris has adopted the role of good citizen these days. Its Web site brims with information on the dangers of smoking, and it has mounted a campaign of television spots that urge parents, oh so earnestly, to warn their children against smoking." But "in practice, it turns out, these industry-run campaigns are

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notably ineffective and possibly even a sham. New research shows that the ads aimed at youths had no discernible effect in discouraging smoking and that the ads currently aimed at parents may be counterproductive." Philip Morris, "the industry's biggest and most influential company, is renowned for its marketing savvy. If it really wanted to prevent youth smoking — and cut off new recruits to its death-dealing products — it could surely mount a more effective campaign to do so."

CIVIL RIGHTS:

New York Police Shooting Under Review. The New York Times (11/27, Wilson) reports, "It is known in police parlance as 'contagious shooting' — gunfire that spreads among officers who believe that they, or their colleagues, are facing a threat. It spreads like germs, like laughter, or fear. An officer fires, so his colleagues do, too." The Times continues, "The phenomenon appears to have happened last year, when eight officers fired 43 shots at an armed man in Queens, killing him. In July, three officers fired 26 shots at a pit bull that had bitten a chunk out of an officer's leg in a Bronx apartment building. And there have been other episodes: in 1995, in the Bronx, officers fired 125 bullets during a bodega robbery, with one officer firing 45 rounds." The Times adds, "Just what happened on Saturday is still being investigated. Police experts, however, suggested in interviews yesterday that contagious shooting played a role in a fatal police shooting in Queens Saturday morning. According to the police account, five officers fired 50 shots at a bridegroom who, leaving his bachelor party at a strip club, twice drove his car into a minivan carrying plainclothes police officers investigating the club. … The bridegroom, Sean Bell, who was to be married hours later, was killed, and two of his friends were wounded, one critically." The Times notes, "To the layman, and to the loved ones of those who were shot, 50 shots seems a startlingly high number, especially since the men were found to be unarmed. And police experts concede that the number was high. Yet they also note that in those chaotic and frightening fractions of a second between quiet and gunfire, nothing is clear-cut, and blood is pumping furiously. Even 50 shots can be squeezed off in a matter of seconds. … The five officers involved in the shooting were placed on administrative duty yesterday — without their guns — as the Police Department and the Queens district attorney investigated the circumstances surrounding the shooting, and relatives of Mr. Bell, joined by the Rev. Al Sharpton, staged a rally and a march to demand answers."

The Washington Post/AP (11/27, A3, Hajela) reports, "Paul Browne, chief spokesman for the New York Police Department, said Sunday, 'We are continuing to look for additional witnesses to shed light on the incident, and assisting the district attorney's office with its investigation.' … The shootings occurred at about 4 a.m. Saturday outside Kalua Cabaret, a strip club where Bell's bachelor party was held. The survivors were Joseph Guzman, 31, who was shot at least 11 times, and Trent Benefield, 23, who was hit three times. Guzman was in critical condition Sunday and Benefield was stable."

ABC World News (11/26, story 4, 2:40, Harris) reported, "Several hundred people turned out to protest the police shootings outside the hospital where two of the wounded men are being treated. One of them is critical condition with 11 bullet wounds." ABC continues, "For some, this is reminiscent of the 1999 police shooting of Amadou Diallo, a young black man shot 41 times by police officers who said they thought he had a weapon. He didn't. The police commissioner says it is too early to tell whether these shootings were justified. But officers on the scene who did not fire their weapons say one of their undercover colleagues overheard the men saying they had a gun in the car."

Atlanta Police Chief Vows Review Of Shooting. The Atlanta Journal-Constitution (11/27, Ahmed) reports, "Five days after an elderly woman was killed in a gunbattle that left three officers wounded, Atlanta police Chief Richard Pennington said Sunday night his department will review its policy on 'no knock' warrants and its use of confidential informants." The AJC continues, "Speaking for the first time since the Tuesday night shooting death of Kathryn Johnston at her home in northwest Atlanta, Pennington said his office 'will turn over every stone to make sure we get to the reason why this tragic incident happened.' … Pennington provided little new information on what led to the confrontation at 933 Neal St. when narcotics officers seeking to serve a warrant broke down the front door and exchanged gunfire with Johnston." The AJC adds, "Earlier that day, a man named 'Sam' had sold drugs from inside the house to an informant, police said, prompting officers to seek a 'no-knock' warrant. Such warrants are frequently issued so police can get inside a home before suspects can destroy or flush drugs. .. .Johnston — described by neighbors and family

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as a frightened woman who had burglar bars on her windows and door and rarely let friends and neighbors into her home — had lived at the one-story brick home near the Georgia Dome for 17 years. … The police chief said officers found marijuana inside the house but 'not a large quantity.' Previously, police only said drugs were seized at Johnston's home. … The Georgia Bureau of Investigation, at the request of the Fulton County District Attorney's Office, is looking into the incident, including examining the home to determine how many gunshots were fired in the confrontation. GBI spokesman John Bankhead said it will take several more weeks before results are available. … Pennington spoke with reporters at Lindsay Street Baptist Church after a meeting with civil rights activist the Rev. Markell Hutchins. … Hutchins leaves for Washington this morning to deliver a letter to the U.S. Justice Department calling for a federal investigation into 'what we believe are at worst, gross violations of this woman's life, and at best, poor judgment on the part of the police officers.'"

High Court To Rule On Louisville Desegregation System. Time (12/4, Rawe, 4.03M) reports, "Louisville's racial guidelines keep its schools from having too many or too few black students. Most parents like the policy. Will the Supreme Court strike it down? … The system, which has been in place for a decade, has made Jefferson County one of the most integrated school districts in the country. But if Crystal Meredith, a single mom who was told her son could not transfer to another elementary school because he is white, has her way, the whole thing will be dismantled. And plenty of critics agree that it should be. Meredith and others contend that the guidelines amount to an unconstitutional quota system. So Jefferson County finds itself in an ironic position. After years of court-ordered desegregation, the school district will appear before the U.S. Supreme Court next Monday, arguing that it should be allowed to use the same system voluntarily."

Frank Intends To Seek Repeal Of "Don't Ask, Don't Tell." Asked on Fox News Sunday (11/26, Wallace) about his support for repealing the "don't ask, don't tell policy" on gays in the military, Rep. Barney Frank said, "I don't think it's inflammatory to say that the young men and women ought to be able to join the military. … One of the things I do want to address, yes, is discrimination based on sexual orientation. In fact, what we have is a shortfall in the military. And I think when you have people being fired who can read Arabic and understand Arabic because of what they do when they're off-duty, that that's a grave error."

ANTITRUST:

US Airways-Delta Deal May Face DOJ Hurdle. The Houston Chronicle (11/27, Ivanovich) reports, "A consolidation craze has taken off in the airline industry. But federal antitrust-busters may not be so keen to get on board. … With the nation's planes packed full and air fares flying high, US Airways Group's hostile bid to take over financially troubled Delta Air Lines could face a cool reception at the U.S. Justice Department. … 'It's going to be a difficult deal to get through,' warned Mark Schechter, a Washington antitrust lawyer and the former head of the Justice Department's Transportation, Energy and Agriculture Section. 'If they do get it through, it's going to make the next deal even more difficult.'" The Chronicle continues, "Wall Street is more optimistic the deal will fly. If so, many investors anticipate another proposal will arrive in short order. … 'You may see some defensive plays ... as other carriers start looking down the road at who they could pair up with to protect their own market share,' said Washington aviation attorney Josh Romanow." The Chronicle adds, "Other airlines have certainly taken notice. … Larry Kellner, Continental Airlines' chief executive officer, already has said the Houston-based carrier might have to act if the airline industry changes. … And a Continental deal with, say, United Airlines, might prove less problematic with regulators than a US Airways-Delta union, JPMorgan analysts say." The Chronicle notes, "When evaluating a merger, regulators try to ensure consumers aren't harmed by allowing air service in particular markets to be concentrated in so few hands the remaining carriers have the power to raise ticket prices dramatically. … But they must balance that aim with the need to help stabilize the U.S. airline industry in the post-9/11 world. … Knowing business travelers don't like layovers, regulators will pay particular attention to nonstop service between cities. A carrier offering the only nonstop flights between a pair of cities can afford to hike fares significantly. … Five years ago, for instance, the Justice Department moved to block United's proposed takeover of the old US Airways. … That deal made regulators uncomfortable because United and US Airways were the only carriers offering nonstop service from Washington to a number of cities. Those two also offered the only nonstop

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service from hub cities such as Philadelphia to Los Angeles. … But when America West declared its affection for US Airways, Justice officials gave that merger its blessing."

Mutual Funds Have Many Advantages In Merger Environment. In an op-ed in the Wall Street Journal (11/27, A13), Donald Gogel, president and chief executive of Clayton, Dubilier & Rice, Inc., a private equity firm, writes, "What's so good about private equity? A lot. That's why private equity has emerged as a large, successful and growing asset class that attracted more than $300 billion in new investor commitments this year and that is responsible for more than 20% of total merger and acquisition activity in the U.S. and Europe in 2006." Gogel continues, "Unfortunately, there are many reasons that public companies can't 'just do it.' Many public CEOs tell me that they feel like Gulliver bound by a thousand ropes: It is extremely difficult for public company CEOs and their management teams to focus and execute long-term strategies that require fundamental changes in business practices at the same time as they are responding to the cacophony of their many, multiple constituencies. In an economic environment riddled with land mines, then, private equity has several compelling structural advantages," including better governance, a more stable shareholder base, opportunity to upgrade management talent, and more efficient capital structures." Gogel concludes, "These are powerful advantages that are only compounded by the ways that professionals in private-equity firms have learned to deploy capital. Supremely opportunistic, they recognize that the flexible and transitional nature of their capital means that they can fill spots in the global restructuring environment that public company capital cannot. They have established a highly effective form of financing and governance that enables large struggling corporations to remain competitive in response to the rapid changes in the global economy."

Chiniatrust Official Resigns Amid Purchase Probe. The Wall Street Journal (11/27, B9, Siong) reports from Taipei, Taiwan, "Chinatrust Financial Holding Co., a banking company and major credit-card issuer, said its vice chairman, Jeffrey Koo Jr., resigned Friday." The Journal continues, "The company didn't give a reason for the resignation, but Mr. Koo's departure comes as Taiwan prosecutors probe his role in the financial group's unauthorized purchase of rival Mega Financial Holding Co.'s shares. … A Chinatrust Financial public-relations official wouldn't say whether Mr. Koo is still abroad. Company officials had said earlier that he would return to Taiwan on Nov. 18." The Journal adds, "The Taipei Prosecutors Office issued an arrest warrant for Mr. Koo on Thursday after investigating the transaction for more than a month. Fred Lin, a spokesman for the prosecutors office, wasn't available for comment Friday. … The investigation has led to detentions of senior company officials and resulted in a management shuffle at the financial group."

Lone Star Funds Abandons Deal With South Korean Bank Amid Probe. The Washington Times (11/27, Salmon) reports from Seoul, "A U.S. company has pulled out of a multibillion-dollar deal with a leading South Korean bank, citing an extended criminal probe that some investment analysts view as a dangerous outburst of hostility toward foreign investment." The Times continues, "At stake is a deal that would have netted the Dallas-based Lone Star Funds an estimated $4 billion with the sale of the once-ailing Korean Exchange Bank (KEB), which it purchased three years ago, rehabilitated and had planned to sell to Kookmin Bank. … 'We have concluded that we cannot move forward with the sale of KEB to Kookmin Bank due to the continuing investigations, which have been extended several times and now have no firm completion date,' Lone Star Chairman John Grayken said in announcing the decision late last week." The Times adds, "Lone Star acquired the near-bankrupt KEB in 2003 for $1.2 billion. In March, Lone Star agreed to sell its controlling stake in KEB, whose financial status has turned around dramatically, to Kookmin Bank, Korea's biggest lender. … The sale was expected to be completed by the summer, but has been indefinitely delayed by a massive investigation into the deal." The Times notes, "Prosecutors say they are probing whether Lone Star colluded with government officials and former executives of KEB to overstate the bank's financial woes to drive down the purchase price. Prosecutors say they also suspect that Loan Star and KEB manipulated the stock price of a KEB credit-card subsidiary prior to the original purchase. … Foreign investors and financial analysts view the investigation as a warning to outsiders interested in doing business in South Korea, raising objections that echo arguments heard when political pressure forced Dubai Ports World to back out of a deal to manage six U.S. ports earlier this year."

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ENVIRONMENT:

High Court To Hear Case On Global Warming. The AP (11/27, Hebert) reports, "The Supreme Court hears arguments this week in a case that could determine whether the Bush administration must change course in how it deals with the threat of global warming. A dozen states as well as environmental groups and large cities are trying to convince the court that the Environmental Protection Agency must regulate, as a matter of public health, the amount of carbon dioxide that comes from vehicles." The Bush Administration "intends to argue before the court on Wednesday that the EPA lacks the power under the Clean Air Act to regulate carbon dioxide as a pollutant. The agency contends that even if it did have such authority, it would have discretion under the law on how to address the problem without imposing emissions controls." The states, led by Massachusetts, "and more than a dozen environmental groups insist the 1970 law makes clear that carbon dioxide is a pollutant -- much like lead and smog-causing chemicals -- that is subject to regulation because its poses a threat to public health."

Schwarzenegger Touts States' Leadership In Fighting Global Warming. Gov. Arnold Schwarzenegger, on NBC's Meet the Press (11/26, Russert) commented on Sen. James Inhofe's skeptical comments regarding global warming, "There's always in history been people that are back with thinking in the Stone Age. And I think the key thing for us is not to pay any attention to those things, because as I said, the science is in. We know the facts. There's not any more debate is there global warming or not. We have global warming. … California, the states in the United States are not waiting anymore for the federal government to provide leadership. We are going off on our own. We are providing leadership to northeastern states. Pataki and all those guys are providing leadership in northeastern states."

Coal Plant Construction Boom Seen Hedge Against Potential Emissions Curbs. U.S. News and World Report (12/4, Schulte, 2.03M) reports Texas "is seeking permits to build some 16 new coal-fired power plants. And the Lone Star State isn't alone. Though talk of clean energy dominates the headlines, cheap, plentiful coal is staging a quiet comeback. According to the Department of Energy, 154 coal plants are being proposed nationwide, enough to power 93 million homes. … Analysts say the rush to build new plants is a calculated gamble by utilities that the federal government is poised to impose historic curbs on greenhouse gases-particularly with Democrats ensconced in Congress. By building now, utilities may grandfather in a new generation of plants that won't be required to bear the full brunt of future laws. Utilities say they're simply trying to meet the burgeoning demands of a growing country. But environmentalists aren't buying, and they vow to fight the coal plant expansion in every available forum.

Gore Belittles Climate Change Skeptics. In an interview with Time (12/4, Miranda, 4.03M) former vice president Al Gore, responding to comments concerning global warming from Sen. James Inhofe, chairman of the Senate's environmental committee, said, "There's some good news here. Senator Inhofe will soon be replaced by Senator Barbara Boxer, an advocate of solving the crisis, as chairwoman of that committee. As to why there are still skeptics -- there are people who believe that the moon landing was staged in a movie lot in Arizona. Another reason is that some of the largest polluters are still putting millions of dollars a year to hire pseudo scientists to confuse people into thinking that this crisis isn't real."

Solar Energy Pioneer Catches President's Attention. The Wall Street Journal (11/27, A1, Fialka, 2.04M) profiles Stanford R. Ovshinsky and his company, Energy Conversion Devices Inc., which is "the largest US-owned maker of photovoltaic materials, which convert sunlight to electricity." The firm "is a pioneer in an exploding global industry selling $15 billion a year of what's called 'PV.'" The Journal also reports, "As energy costs rise, along with concerns about global warming, PV is in demand." Ovshinsky's "product has caught the attention of President Bush ... . In February -- after calling for a doubling of the government's current solar-research budget of $83 million a year in his State of the Union speech -- Mr. Bush visited Mr. Ovshinsky's factory." He "spoke glowingly about how a consumer with a PV system on his roof could produce his own power and even sell it to the local utility in times of peak demand. For many U.S. consumers, however, the idea is more theoretical than practical."

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FBI/DEA/ATF/USMS:

Federal Sentencing Guidelines Expected To Remain Unchanged For Cocaine Offenses. The AP (11/27) reports Congress "is headed toward adjournment again this year without acting on what is widely viewed as an indefensible sentencing disparity between federal drug offenses involving crack and powder cocaine. Although nearly everyone agrees that the uneven treatment the two drugs receive under federal sentencing laws is unfair, Democrats and Republicans have been locked in a stalemate for more than a decade over the proper fix. … Law enforcement groups as well as the Justice Department continue to argue that stiffer penalties for crack are warranted because of the drug's strong connection with violent crime in poor neighborhoods."

Convicted "Operation Soda Pop" Conspirators Are Sentenced. The Kansas City Kansan (11/24) reported leaders of a Kansas City drug ring "targeted by a federal drug enforcement investigation called 'Operation Soda Pop' are drawing sentences of 10 years or more in prison. The government has seized more than $1.8 million in cash and property from the members of this far-reaching conspiracy to flood the market in the Kansas City metropolitan area with marijuana and cocaine from Mexico,' said U.S. Attorney Eric Melgren." Operation Soda Pop "was an 18-month investigation coordinated by the Drug Enforcement Administration with the assistance of the Kansas City…Police Department, the Internal Revenue Service's Criminal Investigation Division and other federal, state and local law enforcement agencies."

Former Massachusetts Drug Investigator Sentenced In Cocaine Case. The Malden (MA) Observer (11/24) reported, "David Jordan, a 19-year veteran of the Malden Police Department and a former narcotics investigator, was sentenced last Wednesday to 15 years in federal prison for his role in a 2003 cocaine heist. Jordan, 45, who lives in Stoneham, was sentenced along with co-conspirator and reported heist ringleader Anthony Bucci, 44, of Wakefield. … Jordan was to receive a $30,000 kickback in the [drug] deal, but was unaware that federal drug investigators had set up a tap on [a] phone prior to the transaction as part of a much larger investigation in the area."

Myrtle Beach Draws Its Share Of Fugitives Among Tourist Throngs. The AP (11/27) reports, "Myrtle Beach draws tourists every year by the millions. But when the sunbathing throngs thin out in the fall and winter, another group of travelers is easier to spot - fugitives." The AP continues, "About 14 wanted criminals are arrested each month in city of Myrtle Beach, said Investigator Brenda Christy of the Myrtle Beach Police Department. … 'Mainly, it's because we're a tourist destination,' said Christy, who also is a special deputy with the U.S. Marshals Service. 'We grow from about 26,000 people to about 300,0000 on any given weekend.'" The AP adds, "She said fugitives go to Myrtle Beach - and other tourist destinations across the country - hoping to blend in with those large numbers. … 'If I'm wanted, it would be nice to come here, soak up some sun, lay on the beach, blend in and feel like I'm not a wanted criminal,' Christy said." The AP notes, "Marshals Service spokesman Deputy Tim Stec said an average of 240 fugitives a month are captured throughout South Carolina. … 'We see a lot of people come to South Carolina because they obviously don't want to get caught,' Stec said. 'We see a lot of people coming from, say, New York City, just wanting to lay low with a relative who lives out in the country.' … But as summer turns to fall and winter, it becomes harder for those out-of-towners to hide in Myrtle Beach. … 'Businesses also tend to close earlier this time of year, so a fugitive who maybe usually hangs around the bars until all hours of the morning now has to leave them earlier and find someplace else to go,' Christy said."

TAX:

IRS Looking At Corporate Profit Disparity. The Wall Street Journal (11/27, C1, Drucker) reports, "Publicly traded companies reduced their U.S. taxable income by at least $34.8 billion in 2004 through potentially abusive tax transactions without taking a similar hit on profits reported to shareholders, new Internal Revenue Service data show." The Journal continues, "The vagaries of accounting rules and tax laws allow public companies to keep two sets of books: one for shareholders and another for the Internal Revenue Service. Not surprisingly, companies tend to report higher profits to investors than to the tax man." The Journal adds, "For 2004, the IRS started requiring companies to give it more detail about the reasons behind that gap. Companies

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that year reported roughly 40% higher profits to Wall Street -- known as book income -- than to tax authorities. The IRS also asked companies to reveal what portion of the difference between taxable income and profits reported to shareholders was attributed to deals the IRS defines as having some hallmarks of questionable tax shelters, known as 'reportable transactions.' … The IRS is collecting the data on reportable transactions in part to help decide which companies' returns deserve more scrutiny as part of a broader drive to crack down on corporate tax shelters."

Long Term Impact Of Tax Increases Assessed. The Wall Street Journal (11/27, lp, 2.04M) reports that despite Bush Administration warnings to the contrary, tax increases "probably wouldn't do much short-term harm, many economists say, because the Federal Reserve could offset the chilling effect on consumer spending with lower interest rates. A much trickier question is whether raising taxes would do long-term damage, and that would depend on which taxes were raised and how bond markets responded." It is "hardly certain that Democrats could raise taxes in the face of a veto by President Bush. Still, about half the 41 newly elected Democratic congressmen favor reversing the tax cuts for the richest taxpayers right away, rather than waiting until they expire at the end of 2010." Higher taxes "would impose a drag, and 'in our view of the world -- which is that growth is resilient -- that would be welcome,' says Michael Feroli, an economist at J.P. Morgan Chase & Co." The Journal adds one "risk is that by the time taxes went up, the economy could be weaker, and rate cuts might come too late to help." Ed McKelvey at Goldman Sachs "thinks growth will be relatively weak next year, so a tax increase 'would certainly raise the risk [of recession] considerably.'" The Journal adds the "bigger controversy is whether raising taxes would make good long-term sense. While the administration has often touted its tax cuts' role in boosting consumer spending, and thus pulling the economy out of a slump in 2003, Macroeconomic Advisers, a forecasting firm, estimates that benefit had fully faded by early last year."

CONGRESS-ADMINISTRATION:

Democrats Plan Investigations Of Administration On Several Fronts. USA Today/AP (11/27, Freking) reports incoming House Energy and Commerce Committee Chairman John Dingell is "promising an array of oversight investigations that could provoke sharp disagreement with Republicans and the White House." Dingell "pledged that Democrats, swept to power in the Nov. 7 elections, would govern 'in the middle' next year. But the veteran lawmaker has a reputation as one who has never avoided a fight and he did not back away from that reputation on Sunday." Dingell said he plans to conduct oversight on "the new Medicare drug benefit," "spending on government contractors in Iraq, including Halliburton Co.," the "energy task force overseen by Cheney," and a "review of food and drug safety, particularly in the area of nutritional supplements." The AP adds incoming House Ways and Means Committee Chairman Charles Rangel "said Democrats do not want a fight with President Bush and want to prove they can govern." And Rep. Barney Frank, "set to lead the House Financial Services Committee, said issues such as raising the minimum wage will be popular, even thought the idea has been identified with liberals." Frank "also said he wants to modify the military's 'don't ask, don't tell' policy."

GAO Head Gives Democrats "To Do List" For Government Oversight. In the Washington Post's Federal Diary column (11/27), Stephen Barr says, "If the next Congress follows through on Democratic leadership promises to conduct aggressive oversight of the government, a to-do list will be waiting, courtesy of Comptroller General David M. Walker, the head of the Government Accountability Office." For the "first time, Walker has sent congressional leaders a letter pointing to areas where he thinks oversight is needed. His list, drawn from years of research by the watchdog agency, is intended to give Congress 'a jump-start on your planning,' he said." Walker lists "36 topics for investigation and oversight hearings, and many of them involve daunting political issues, such as Social Security and Medicare, immigration policy, and the costs and benefits of environmental and energy policies. Some of his recommendations touch on how federal employees conduct the government's business and deliver services to the public."

Gates Expected To Implement Baker Commission Proposals. Time (12/4, Duffy, 4.03M) reports, "Bob Gates is all things to all people in Washington these days. … To the new realists, who want to tear up this Administration's failing bid to bring democracy to Iraq and replace it with a strategy for an exit, Gates is a secret ally, an

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agent of change who rocked the CIA he grew up in by shifting it out of covert action and into open-source programs at the cold war's end." Gates "brings to the task one advantage: he was a key member of" the Iraq Study Group. Gates "was involved in the military end of the commission's work -- which means, says a colleague, that 'not only will he understand the proposals, he will know the origins of them.' … Although Baker has said the commission will develop its proposals by consensus, there were signs last week that the group had hit some speed bumps. Sources say renewed pressure from both political flanks in the U.S. is making it difficult for the commission's center to hold. Emboldened by their takeover of Congress, Democrats have sent unmistakable signals that they favor some movement, if not reduction, of forces at the earliest possible date. Meanwhile, present and former government officials say Vice President Cheney intends to oppose any proposal that would make regional talks with Iran or Syria a key part of the U.S.'s Iraq strategy, even though Baker favors such an opening."

U.S. News and World Report (12/4, Robinson, 2.03M) reports, "There is wide agreement on the desirability of enlisting Iraq's neighbors to support a political accord there or reduce their assistance to insurgent and militia groups. The new Democratic leadership on Capitol Hill advocates convening an international conference to gain greater cooperation. U.S. officials say that Syria is allowing Sunni insurgents across its border, and they say Iran is helping Shiite militia groups in a bid for wider regional influence. Proponents of dialogue argue that while these countries are U.S. adversaries, neither wants Iraq to become a failed state. … Baker has not taken a public stand on the merits of negotiating with Syria and Iran, but as a matter of principle he said: 'Personally, I believe in talking to your enemies.'" US News notes, "In the past few days, the administration has appeared to open the door a crack. The State Department's David Satterfield, its top official on Iraq, said that the administration is prepared to talk to Iran but not to Syria." According to US News, "The Democratic leadership's embrace of political negotiations and more active diplomacy makes it even more likely that these elements will be part of the Iraq Study Group recommendations."

In a column for Time (12/4, 4.03M) Walter Isaacson writes, "Iran last week decided to play power broker. It invited Iraq's President to visit Tehran to discuss regional stability, and it sought to bring Syria into the process as well. This was not greeted with glee in Washington. But it should have been. … Step two should involve the U.S. talking, directly and seriously, to Iran. Our current conceit, which is that Iran should be denied the honor of our direct discourse until it suspends its nuclear-enrichment programs, hurts us more than it hurts Iran. For 27 years we have relied on unilateral sanctions and diplomatic chilliness to persuade Iran to moderate its behavior and forsake its nuclear ambitions. That hasn't exactly worked."

Writings Show Gates To Be "Cautious And Pragmatic." The Washington Times (11/27, Scarborough, 88K) reports Defense Secretary-designate Robert Gates "in the past decade opposed big changes at the CIA in the face of terror attacks and expressed doubt that Washington could assemble an alliance of nations against al Qaeda. His writings, mostly in the op-ed pages of the New York Times, also revealed a former CIA director who was protective of the agency and opposed to intelligence inroads by the Pentagon" under Secretary Donald Rumsfeld. The writings "show Mr. Gates to be more cautious and pragmatic" than Rumsfeld, "who has transformed the military and aggressively hunted al Qaeda members."

Timing Of Gates' Confirmation Creates Speculation. Newsweek (12/4, Barry, Kovach, 3.12M) reports, "A White House spokesperson confirms that Gates will be sworn in as the new Defense secretary 'in the new year,' a good two weeks after his confirmation. According to the White House, Gates needs extra time to wind up affairs as president of Texas A&M University. But that's news in College Station, Texas, where Gates has been handing everything over to" an aide. Newsweek adds, "The mixed messages have fueled speculation over the delayed departure. One source close to the White House, who spoke anonymously in order to keep his job, believes President George W. Bush has decided to wait until after Dec. 29 'as a personal gesture to Rumsfeld.' On that date Rumsfeld would become the longest-serving Defense secretary. … At the Pentagon, a senior official who admits that he doesn't know 'what the president's intentions are' insists that Rumsfeld pays no heed to such things."

Abrams Characterized As Administration's Leading Neocon. Newsweek (12/4, Hirsh, Ephron, 3.12M), in an article subtitled, "With the neocons in disarray, Elliott Abrams may be their best hope for keeping President Bush onboard," reports, "It's been a rough season for neoconservatives. … They've been largely run out of the Bush administration, beset by infighting, and mocked by a foreign-

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policy establishment that hailed their power just a few years ago." However, according to Newsweek, "there's already a small backlash against the backlash. At the State Department, supposedly the bastion of realism, some officials are sounding defiant. 'There are a lot of people throughout the ranks who believe in the democracy agenda,' says one senior official who would only discuss policy issues anonymously. 'If the result of the Baker report is that we have to make any deal necessary ... to get out of Iraq, I don't think that's going to fly.' Their hopes, and the hopes of neocons everywhere, may rest on the shoulders of Elliott Abrams, the number-two official at the National Security Council — who remains in charge of promoting democracy in the Middle East, a linchpin of the neocon agenda."

Ajami Claims "Realism" No Longer An Option In The Mideast. In a column for U.S. News and World Report (12/4, 2.03M) Fouad Ajami writes, "For decades, we had lived with Arab autocracies, befriended them, taken their rule as the age-old dominion in lands unfit for freedom. Then came this Wilsonian moment proclaimed in the course of the war on Iraq. To the 'realists,' it had been naive and foolhardy to hold out to the Arabs the promise of freedom. … On the surface of things, it is the moment of the 'realists,' then: They speak with greater confidence. The world had lived down, as it were, to their expectations. And now they wish to return history to its old rhythm. But in truth there can be no return to the bosom of the old order. American power and the very force of what had played out in the Arab-Islamic lands in recent years have rendered the old order hollow, mocked its claims to primacy and coherence. The moment our soldiers flushed Saddam Hussein from his filthy spider hole, we had put on display the farce and swindle of Arab authority."

Bush Portrayed As Increasingly Marginalized. U.S. News and World Report (12/4, Walsh, 2.03M) reports President Bush "appears to be bogged down with no clear path out of the political swamp. The feisty new Democratic majority in Congress is preparing to challenge him on everything from Iraq policy to the minimum wage, and many Republicans are setting their own course as Bush's job-approval ratings hover below 40 percent. To be sure, Bush isn't quite a lame duck. … But many in official Washington and around the world are ready to turn a page on the Bush presidency. His trip to Asia last week didn't accomplish much of substance. And, to the chagrin of White House officials, his visit to Vietnam generated a rash of news stories comparing the Iraq war to America's quagmire in Southeast Asia three decades ago."

History Seen As Offering Bush Hope For Revival. The Washington Post (11/27, A1, Baker, 690K) reports in a front page story that it "took Bill Clinton months to get his feet planted again after the 1994 defeat. But he did recover and went on to win reelection two years later. So too did Ronald Reagan bounce back from the 1986 midterm elections, which cost his party the Senate. As President Bush struggles to recover from a similar thrashing, his advisers are studying the Clinton and Reagan models for lessons to revive his presidency." Veterans of "past administrations see patterns that offer hope even to badly weakened presidents such as Bush. Adversaries who assume that Bush has been permanently crippled by the Democratic takeover of Congress, they say, misunderstand the opportunities still available to him." Both Reagan and Clinton "found that the power of the bully pulpit still gave them an advantage over a Congress controlled by the other party. Both Reagan and Clinton used a mix of cooperation and confrontation, moving to the middle on selected issues to pass legislation while standing firm on others that touched on core principles. Both pounced when the other side overreached." Whether Bush "could emulate those examples is an open question. He points to his time as Texas governor, when he worked with Democratic legislators. But since winning the White House, he has only sporadically reached out to the other side. And unlike Reagan or Clinton, he presides over an unpopular war with no end in sight."

Democrats Not Planning Immediate Action On Iraq, Immigration Or Wiretapping. The Washington Post (11/27, A3, Babington, 690K) reports, "Democratic lawmakers vow to come roaring out of the blocks when they assume control of the next Congress, passing several top-priority bills in the first 100 hours. Absent from that list, however, are the knottiest problems that bedeviled the outgoing Congress, including immigration, domestic surveillance and the war in Iraq." According to the Post, "Party insiders said top Democrats are unlikely to make more specific proposals" regarding Iraq "until next month's scheduled release of findings by the Iraq Study Group, led by former secretary of state James A. Baker III." The Post adds the Senate immigration bill from last year "would seem to have momentum. But party leaders have made no promises about when or how they might move an immigration package,

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which would involve at least five House committees. Moreover, it is clear that the election did not eliminate the nation's deep divisions over what to do about illegal immigrants. … Congressional Democrats also are moving carefully on Bush's policy of allowing the National Security Agency to eavesdrop without obtaining warrants on communications between the United States and abroad in the name of combating terrorism."

Border Patrol Agents' Group Backs Guest Worker Program. The Washington Times (11/27, Seper, 88K) reports the National Association of Former Border Patrol Agents "says it could support a guest-worker program to let foreigners work in the U.S., if the program is limited, tightly controlled and available only to those aliens who have entered the country legally." Association coordinator Kent Lundgren said, "We support a guest-worker program in principle, believing it can serve the national interest. However, we also believe guest workers must be limited in what they may do, what they may benefit from under immigration law, and the program must be tightly controlled." The Times adds Lundgren's "organization has circulated a position paper signed by 250 former Border Patrol senior executives, supervisors and field agents, saying that while prior efforts at reforming immigration law -- including the Immigration Reform and Control Act of 1986 that granted amnesty to 2.7 million illegal aliens – 'may have changed immigration for this country, it neither reformed nor controlled it.'"

House GOP's Tough Line On Immigration Could Determine Bonilla's Fate. The Wall Street Journal (11/27, Millman, 2.04M) reports, "Are Hispanics so angry at the Republicans' tough line on immigration that one of the party's most prominent Hispanic lawmakers may go down to defeat in a heavily Latino district?" That is "the question in Texas' 23rd District, where Republican Rep. Henry Bonilla has been forced into a runoff against former Democratic Rep. Ciro Rodriguez, set for Dec. 12, which was triggered by state election rules after he failed to get a majority of votes on Election Day." Bonilla's seat is "one of five House races nationwide -- the others are in Florida, Louisiana, Ohio and North Carolina -- that remained unresolved, due, respectively, to a legal challenge, another runoff, uncounted ballots and a recount." In 2004, Bonilla "won his seventh term with 69% of the vote" with the "help of then-House Majority Leader Tom DeLay, who had guided the Texas legislature in rejiggering Mr. Bonilla's district to remove some Democratic strongholds -- including a large number of Democratic-leaning Hispanics." But the Supreme Court "rejected the map this summer, saying it violated the Voting Rights Act by disenfranchising Hispanics. The new district drawn after the high-court ruling left Mr. Bonilla with a district that was 50% Democratic and 61% Latino." Bonilla has "had to rely on wealthier, predominantly Anglo voters to carry him to victory. Mr. DeLay's re-engineering of Mr. Bonilla's district boundaries in 2003 was seen as an attempt to protect a Hispanic incumbent by removing Hispanic constituents. In his 2002 re-election campaign, just 8% of Hispanic voters favored him."

Pelosi Said To Be Considering Reyes, Dicks For Intelligence Post. Newsweek (12/4, Isikoff, 3.12M) reports House Speaker-designate Nancy Pelosi is exploring compromise candidates to resolve the furious lobbying fight over who should chair the House intelligence committee. Pelosi has agreed to meet this week with Rep. Alcee Hastings, who has been pressing hard for the post despite his 1988 impeachment as a federal judge over an alleged bribery scheme." But "even Hastings…now concedes it's unlikely he'll get the post." Pelosi is "looking at two compromise picks. One is Rep. Norm Dicks, a onetime strong Iraq-war backer who has since joined ranks with Murtha and now wants a phased troop withdrawal. The other is Rep. Silvestre Reyes, a quiet Texas lawmaker and former Border Patrol official who opposed the Iraq war from the outset. The aforementioned leadership aide notes that Reyes may now have the upper hand for 'political' reasons: the Hispanic Caucus is angry because it has no members in the new House leadership or chairing major committees."

Borger Calls Pelosi's Support For Murtha "Self-Defeating." U.S. News and World Report's Gloria Borger (12/4) writes, "The facts: Nancy Pelosi is making history. As a woman, she will be held to a different standard, so she needs to set her standards high. It's not fair, but that's the way it is, and we all know it. And it's why choosing Murtha (over a well-regarded man already in place as her No. 2) was ultimately so self-defeating-and more revealing than she probably intended."

Will Counsels Pelosi To Restore Civility To The House. George Will, in his column for Newsweek (12/4, 3.12M), writes, "What the House needs from Pelosi" is "statesmanship, which often, and in this instance, means not fully pressing an advantage. Many Democrats are eager to pay Republicans back for their overbearing behavior when

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they were in the majority. … By restoring some of the procedural civilities that both parties have traduced, Pelosi could revive the House to fulfill its intended role as a rival to the executive. Her interests, and those of her institution, converge."

Veteran Civil Servant's Role In Making Medicare Drug Benefit Work Noted. The New York Times (11/27, Pear, 1.16M) reports that "early this year, while top Bush administration officials were boasting about the success of the new Medicare drug benefit, a middle-level manager named Abby L. Block held a telephone conference call with insurance companies." Block, "noting that many Medicare beneficiaries had been unable to fill prescriptions at their pharmacies," said, "We have a real crisis situation looming here. We truly cannot let this situation go on much longer. I cannot stress enough how urgent this is." The Times adds Block, "a 75-year-old civil servant, is director of the Center for Beneficiary Choices at the federal Centers for Medicare and Medicaid Services. While some officials toured the country as cheerleaders for the drug benefit, Ms. Block stayed at her desk in Washington and made it work." Block "solved many problems that plagued the program in its first weeks, when low-income people were often overcharged and some were turned away from drugstores without getting their medications. By September, according to several market research firms, three-fourths of the people receiving drug coverage through Medicare said they were satisfied."

Brownback Questions Judicial Nominee's Appearance At Lesbian Ceremony. The AP (11/27) reports Sen. Sam Brownback "is considering whether to stop blocking a judicial nominee over concerns her appearance at a lesbian commitment ceremony betrayed her legal views on gay marriage." Brownback, "a potential presidential candidate in 2008, said Michigan Court of Appeals Judge Janet T. Neff should not be disqualified automatically for having attended the ceremony. But Brownback, R-Kan., made clear it raised doubts in his mind." On ABC's "This Week," Brownback said, "But what I want to know is what does it do to her look at the law? What does she consider the law on same-sex marriage, on civil unions, and I'd want to consider that." The AP adds President Bush "nominated Neff, who has a liberal reputation, to be a U.S. District Court judge as part of a compromise struck with Democrats." The AP adds Sen. Dick Durbin also on "This Week," "urged taking a step back, away from 'the political agenda,' in considering judicial appointees."

Despite Impeachment Role, Rogan Has Bipartisan Support For Judgeship. In the Washington Post's "In the Loop" column (11/27), Al Kamen says, "Outgoing Senate Judiciary Committee Chairman Arlen Specter (R-Pa.) got a rousing ovation recently from the conservative Federalist Society when he said he would push for confirmation next month of a group of stalled Bush judicial nominees." But Specter "had to acknowledge that he was 'not optimistic' about securing approval for most of the controversial names President Bush kicked back to the Senate -- a White House move that rankled Democrats." Part of the problem "is that when Congress waddles back for a quick lame-duck session next month, consensus nominations, not contentious ones, are the ones that are likely to get through." One of Bush's nominees, "a former House member from California and a 'manager' in the effort to impeach and remove President Bill Clinton from office, could very well be confirmed to a federal judgeship, even under a Democratic Senate next year." James Rogan, "who lost his seat in 2000 because of voter unhappiness over his impeachment efforts, was later confirmed by the Senate to head the Patent and Trademark Office. He's now a Los Angeles lawyer." Rogan's has "support from an unusual group of Clinton backers, including a California judicial vetting committee with members picked by liberal Democratic Sens. Dianne Feinstein and Barbara Boxer."

Medicaid Spending Down In 2006. USA Today (11/27, Cauchon, 2.27M) reports, "Medicaid spending has declined unexpectedly this year, the first drop since the health program for the poor was created in 1965. The historic reversal will free up billions of dollars in state budgets. Medicaid has been the fastest-growing expense for states over the past 10 years." Medicaid spending "fell 1.4% in the first nine months of the year compared with the same period a year ago, according to the Bureau of Economic Analysis. The drop was even greater -- an unprecedented a 5.4% decline -- after adjusting for the rate of health care inflation. … The program is on track to spend $300 billion in federal and state money in 2006, the Bureau of Economic Analysis reports."

New Hope Seen For Consensus On Social Security Reform. Sebastian Mallaby writes in the Washington Post (11/27, A19, 690K), "The next six months

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could be a productive time for economic policy. After a wasted 2005-06 cycle, in which the Bush administration approached entitlement reform too confidently and Democrats refused to talk, both sides may return to the table. The administration, now led by a practical Treasury secretary with the heft to sideline ideologues, may be willing to make concessions. The Democrats, faced with the challenge of living up to their unexpectedly clear election victory, may decide it's time to make policy rather than just block it." Mallaby adds "the most interesting debate will revolve around retirement. This will start with a rerun of the Social Security argument of 2005; but it could easily blossom into a discussion about the inequality and income volatility that's grown with globalization. … Personal accounts need not be merely the alternative to the traditional Social Security benefit. They can simultaneously be the alternative to the nation's outrageously regressive system of tax breaks for saving and a way to help ordinary people build nest eggs. When personal accounts become both of these things, perhaps Republicans and Democrats alike will back them."

Meanwhile, the Washington Post (11/27, A18, 690K) editorializes, "Unless they want to define themselves as unbendingly partisan, the Democrats should accept the administration's invitation to discuss reform." If the Democrats "engage on Social Security, they may find themselves discussing some form of personal retirement accounts. This should not be confused with 'privatization': Personal accounts that are added to the Social Security system are different from ones that are funded with money carved out from existing payroll revenue. ... As they respond to the administration's overtures, Democrats should not foreclose this option."

Schumer's Performance In 2006 Cycle Earns Praise. In his syndicated column, appearing in this morning's Washington Post (11/27, A19, 690K), Robert Novak writes, "A staple Republican tactic for several years has been to get Chuck Schumer on television. His whiny New York accent exhaling liberal dogma was music to GOP ears. Yet his omnipresence on TV since the midterm elections has not been cause for Republican jubilation. That's because Schumer, for once, has not been talking -- just beaming." Novak adds, "Because of his soaring ambition, Schumer had been in danger of becoming a comic figure and the subject of a cliche: The most dangerous place to be in Washington or New York is caught between Schumer and a TV camera. But far from the attention hog or reflexive liberal he often has seemed in a 32-year legislative career, Schumer at the DSCC was a coolly pragmatic decision maker. He far outdid his Republican counterpart, Sen. Elizabeth Dole, in fundraising, recruitment and strategy. … While he agreed to continue heading the DSCC in the 2008 cycle, Schumer's role in his party's leadership was enhanced. Senate Majority Leader Harry Reid, by tradition chairman of the Democratic Conference, created the role of conference vice chairman for Schumer. He no longer is the GOP's favorite television personality."

White House Aide Returns To Utah To Start Consulting Business. Thomas Burr and Robert Gehrke reported in their "DC Notebook" column in the Salt Lake Tribune (11/26), "Utah's **Peter Watkins**, who was one of President Bush's message men for the past year, is leaving the White House." He "is one of a small group of regional spokespeople who respond on behalf of the White House to hundreds of newspapers around the globe, including The Tribune." He "is returning to Utah and starting a consulting business. One would think that a former Bush spokesman will do pretty well in the reddest state in the nation."

LATimes Criticizes Bush Nominee To Family Planning Post. The Los Angeles Times (11/27, 850K) says in an editorial, "President Bush made some winningly conciliatory remarks the day after his party's Nov. 7 electoral drubbing, saying he looked forward to governing in a more bipartisan fashion. Then he turned around and started naming kooky ideologues to key posts. The latest recess appointment, Eric Keroack as head of the federal government's family planning office, is an extremist so out of line with scientific thought that it is difficult to describe his views without laughing."

NYTimes Says Eligibility For Stamp Should Remain 10 Years. The New York Times (11/27, 1.16M) says in an editorial, "The Postal Service announced recently that it was cutting the length of time between a person's death and his or her eligibility to appear on a stamp from 10 years to 5. This is one case where we think delayed gratification is a virtue." While "placement on a postage stamp is hardly of earth-shattering import (there are stamps of ducks, motorcycles and antique toys, after all), American society has made it a high honor for a person. As Postmaster General

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John Potter noted when he announced the change, the 10-year rule was to ensure that a person's legacy 'stood the test of time.' The test just got a lot shorter. Now candidates can be considered just three years after they die. The first few years after the deaths of prominent people are rife with revelations, often unflattering. Tongues loosen. Memoirs are written, archives unsealed, letters published. The shorter the window, the more likely a regrettable choice will be made."

OTHER NEWS:

Job Market Strongest In Four Years For College Graduates. USA Today (11/27, Armour, 2.27M) reports college graduates are "experiencing the best job market in four years as a stronger economy leads more employers to ramp up hiring." Employers "expect to hire 17.4% more new college graduates in 2006 and 2007 than in 2005 and 2006, according to a new survey by the Bethlehem, Pa.-based National Association of Colleges and Employers (NACE)." Signing bonuses "range from $1,000 to $10,000, with the average at $3,568. And employers reported plans to boost their starting salary offers by 4.6% over last year, nearly a full percentage point higher than increases for the classes of 2006 and 2005."

Commercial Construction Offsets Falloff In Housing Sector. The Washington Post (11/27, D1, Henderson, 690K) reports commercial building has increased "enough over the past year to more than offset the decline in home construction. That boom is helping to cushion the impact of the housing slump on the economy." The "nation's harshest housing downturn in 15 years has unquestionably inflicted pain on many homeowners, builders and their suppliers. The plunge in new home construction was severe enough alone to slice a full percentage point off the nation's economic growth in the July-through-September period, depressing the increase in total economic output to a sluggish 1.6 percent annual rate. And the housing market hasn't hit bottom, according to the figures since then." But the "rest of the economy outside of housing remains largely healthy. With unemployment low, wages and stock prices rising and fuel prices ebbing, consumers continue to boost their spending. And businesses are increasing their capital investment, spending more on buildings, equipment and providing new fuel for the economic expansion." Builders of "non-residential projects say they are simply playing catch-up. So many new neighborhoods filled up during the housing boom that they're still building the stores, offices, restaurants, bank branches, hotels and hospitals needed to serve the influx of residents."

Housing Slump Could Hurt US Automakers. The Wall Street Journal (11/27, A3, Spector, McCracken, Boudette, 2.04M) reports, "Detroit's beleaguered Big Three auto makers face a new risk to their turnaround plans: After a string of strong years, U.S. auto sales are slowing and an increasing number of forecasts say sales could fall next year to their lowest level in nearly a decade." The "slowing growth in the overall U.S. economy and the slump in the housing industry, particularly in big markets such as California, are hitting at a bad time for General Motors Corp., Ford Motor Co. and DaimlerChrysler AG's Chrysler Group. All three are losing money in North America at current sales volumes. A downturn in vehicle demand would make it even more difficult to regain profitability -- and to clear out bulging inventories of unsold vehicles without costly production cuts or discounts." But "even some strong Japanese and European players face pressure. Toyota Motor Corp. and BMW AG, for example, could be hurt by any downturn in California, where they control a large chunk of the market."

Fewer Shoppers Spent More On Holiday Gifts. The Washington Post (11/27, A3, Mui, 690K) reports, "Fewer consumers turned out for the post-Thanksgiving shopping bonanza this year, but they spent more than last year as they stocked their carts with expensive electronics, according to a retail trade group." The National Retail Federation "estimated that 140 million people hit the stores and shopped online over the past four days, down about 5 million from last year. Black Friday, the symbolic kickoff of the holiday season for retailers, drew about 58.9 million people, down more than 1 million." But shoppers "spent an average of $360.15 this year, up 18.9 percent from last year, according to a survey conducted by BIGresearch. Scott Krugman, a spokesman for the National Retail Federation, said spending was driven by high-priced technology items such as flat screen TVs."

Democratic Lobbyists Prepare To Retake K Street. Time (12/4, Calabresi, 4.03M) reports, "The reception thrown by Nancy Pelosi at the Capitol a week after the Democrats prevailed in congressional elections was a party some power players had been waiting more than a decade to attend. The fete was for newly elected freshmen lawmakers, but Pelosi's invited guests included big-name Democratic lobbyists like Jack Quinn, Tony Podesta and

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Steve Elmendorf. … There's one hitch. It's not supposed to be like old times. In an election in which exit polls identified corruption as the No. 1 voting issue and Washington's biggest corruption scandal involved lobbying, Democrats won in part by promising to curtail K Street's excesses. Pelosi has said her first act as Speaker of the House in January will be to pass new rules limiting contact between lobbyists and lawmakers." Time asks, "Who will win the coming battle between reformers and revanchists? The market is betting against reform. Demand for anyone with access to powerful Democrats on the Hill is soaring."

Democrats Made Gains In Suburbia. USA Today (11/27, Lawrence, 2.27M) reports Democrats "made large gains in suburbia in this month's elections, pushing Republican turf to the outer edges of major population centers in a trend that could signal trouble for the GOP, an analysis shows." The analysis by the Metropolitan Institute at Virginia Tech shows Democrats "carried nearly 60% of the U.S. House vote in inner suburbs in the nation's 50 largest metropolitan areas, up from about 53% in 2002." The Democrats "received nearly 55% of the vote in the next ring of 'mature' 20- and 30-year-old suburbs, with 45% going to Republicans and third-party candidates. In 2002, the last midterm election, Democrats received 50% of the vote there." Sociologist Robert Lang said, "Republicans are getting pushed to the fringes of the metropolis. They simply have to be more competitive in more suburbs." USA adds Republicans "this year continued to win in small cities up to 50,000, as well as fast-growing exurban and rural areas. Lang called the exurbs and 'emerging suburbs' volatile, noting Democrats had been losing ground there but cut GOP victory margins in half this year."

Republicans Become Endangered In Northeast. The New York Times (11/27, Belluck, 1.16M) reports "the moderate Yankee Republican[s]" were "politicians in the mold of Roosevelt and Rockefeller: socially tolerant, environmentally enthusiastic, people who liked government to keep its wallet close to its vest and its hands out of social issues like abortion and, in recent years, same-sex marriage." But this midterm election "dealt the already-fading New England Republican an especially strong blow, one that some fear will increase the divide between the two parties nationally by removing a longstanding bridge between them." Of 22 members "of the newly elected House of Representatives from New England, only one is a Republican: Christopher Shays of Connecticut, who eked out a victory while two other Republicans from his state, Representatives Nancy L. Johnson and Rob Simmons, lost to Democrats." In New Hampshire, "the state's two congressmen, Charles Bass and Jeb Bradley, both Republicans, were ousted; Mr. Bradley was defeated by a virtual unknown with a virtually empty bank account. And for the first time since 1874, both houses of the state legislature now have Democratic majorities." Former Sen. Warren Rudman said, "That to me is one of the most astounding things that happened on Election Day. What that tells me is that huge numbers of people in New Hampshire who are either moderate Republicans or independents voted a straight Democratic ticket. They turned out people who had served long and well in the New Hampshire legislature."

USA Today Lists "Lessons" From Exit Polling Data. USA Today (11/27, 2.27M) lists five "Lessons Learned" based on exit polling data, saying the national political environment "really did shift -- establishing a solidly Democratic Northeast to counter the Republican South and propelling a new battleground region in the Mountain West." The election "demonstrated the limits of President Bush's strategy of appealing to base voters: This time, there was a revolt in the center of the electorate. And even as the stock market set records and unemployment fell, unease about the economy rivaled opposition to the Iraq war as a voting issue in some key states."

In its first "Lesson Learned," USA Today (11/27, A6, 2.27M) notes, "This time, election foment was driven by independents and moderates who had supported Republicans, particularly in the aftermath of the Sept. 11 attacks, but now turned against the GOP. Republican pollster Frank Luntz calls them 'Republican Rejecters,' about 15% of the electorate." USA Today (11/27, A6, 2.27M) includes a chart of exit poll data showing that "Partisans were loyal; independents swung left" by 9 percent compared with the 2002 midterm elections.

In its second "Lesson Learned," USA Today (11/27, A6, 2.27M) notes that GOP outreach to African-Americans and Hispanics failed. Political consultant Scott Reed blames that on Hurricane Katrina and the debate over immigration reform. Outgoing RNC chairman Ken Mehlman "notes that some Republicans, including California Gov. Arnold Schwarzenegger, garnered significant support from Hispanics. But Mehlman acknowledges the GOP share generally was disappointing -- and worrisome. With an

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increasingly diverse population in the United States, he says of Republicans, 'we rely too much on white guys for our voters.'" USA Today (11/27, A6, 2.27M) includes a chart of exit poll data showing the percentage of Hispanics voting for GOP candidates dropping from 44% in 2004 to 30% in 2006.

In its third "Lesson Learned," USA Today (11/27, A6, 2.27M) says the country's "political geography is shifting" with increasing support for Democratic candidates in the Northeast and Mountain West which will "alter some of the strategic calculations in the 2008 presidential race." Election analyst Rhodes Cook said, "Democrats consolidated their hold on the Northeast so firmly that it now provides a greater building block for the Democrats than the South provides for the GOP." USA Today (11/27, A6, 2.27M) includes a chart of exit poll data showing the percentage of the GOP vote dropping across all regions, particularly in the Northeast.

In its fourth "Lesson Learned," USA Today (11/27, A6, 2.27M) says "Democratic Senate challengers who won -- Sherrod Brown in Ohio, Bob Casey in Pennsylvania, Claire McCaskill in Missouri, Jim Webb in Virginia and Jon Tester in Montana -- all struck populist themes in their campaigns. Particularly in the nation's heartland, anxiety about slow-rising wages, outsourced jobs, imperiled pensions and the rising costs of health care and college tuition overwhelmed relatively good economic news on corporate earnings, productivity and employment." Campaign for America's Future's Robert Borosage said, "There was more money spent on campaign ads painting Big Oil and Big Pharma as enemies than painting (Osama) bin Laden as a threat -- and that's when the economy is good." USA Today (11/27, A6, 2.27M) includes a chart of exit poll data showing voters who thought their economic situation was "the same" as two years ago favored Democrats 56%-42%.

In its fifth "Lesson Learned," USA Today (11/27, A6, 2.27M) says, "It was a decisive election but not an ideological sweep." The US "continues to be almost evenly divided politically. Neither party has won more than 53% of the U.S. House vote since 1990, and neither has carried more than 51% of the popular vote for president since 1988." And "On the rise: none-of-the-above. The proportion of Democratic voters in the 27 states with party registration has declined from 1994 to 2006, but the Republican share hasn't risen. Instead, the ranks of independents have swelled."

Returning Freshmen Lawmakers Say Bipartisan Approach Key. USA Today (11/27, Kiely, 2.27M) reports that as they "move into the final days of their first Congress, the eight freshmen" Representatives and Senators highlighted by USA TODAY in 2005 "on their first day in office say they remain committed to bipartisanship. It's their top piece of advice to new legislators: Make friends with your political enemies." Sen. Mel Martinez said, "In order to get something done, you have to work across party lines." USA adds, "All eight freshmen profiled on their first day in Congress last year will be returning for the legislative session that begins in January. Even though they are rookie members of a club where seniority counts, they compiled a record of accomplishment." Martinez "just won" President Bush's "backing to become the next general chairman of the national Republican Party. Sen. Barack Obama of Illinois says he's thinking about running for the Democratic Party's 2008 presidential nomination and is 'getting a lot of encouragement.'"

Hunter Wants To Rebuild GOP "Blue Collar Coalition." The Washington Times (11/27, Dinan, 88K) reports Rep. Duncan Hunter "considers himself the Republicans' best bet to reconstitute the blue-collar coalition that helped the party win the White House in the 1980s." Hunter "says he can rebuild that coalition by campaigning on defense, traditional values and fair trade." Hunter said, "Keeping American jobs in this country is a strong tie between the Republican Party and working America, Main Street America -- that's a portion of our constituency I aim to retrieve, because I stand strong with them." The Times adds Hunter, "the first to announce officially that he is exploring a run for president, presents a curious figure among better-known candidates. Combined with a tough stance on border security -- he was the author of the original amendment proposing 700 miles of border fence included in the House's 2005 immigration bill -- he fills a niche among the candidates lining up for a presidential run." Hunter is "the most conservative candidate to enter the field so far, and is as conservative as any of the others mentioned as potential candidates. He touts his sponsorship of the Right to Life Act, which effectively would outlaw abortion by specifying that a person exists at the moment of fertilization, for the purposes of 14th Amendment protections."

Hispanics' Abandonment Of GOP Blamed On Immigration Politics. Newsweek (12/4, Campo-Flores, 3.12M) reports, "After making gains among Latino voters for three election cycles in a row, the GOP suffered a

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sobering reversal in this month's midterm elections. Exit polls show that Republican candidates won only 30 percent of the Hispanic vote — the fastest-growing segment of the electorate — while Democrats garnered 69 percent. Compare that with 2004, when President George W. Bush captured at least 40 percent of that vote. While Latinos were just as concerned about Iraq and the economy as the electorate generally, according to surveys, they were more driven than usual by immigration. A poll by Lake Research Partners found that half of Latino voters considered immigration important to their vote this year. Many Hispanics were clearly turned off by GOP congressional candidates like Randy Graf in Arizona, who vilified illegal immigrants." Newsweek notes, "Reeling from the results, Bush quickly named a Hispanic, Sen. Mel Martinez, as the national party's next general chairman."

Younger Voters Seen As Increasingly Aligned With Democrats. U.S. News and World Report (12/4, Sullivan, 2.03M) reports, "In surveys and exit polls, generation Y is increasingly turning left. And with voters' earliest choices thought to be key to their future party identification, the GOP could be running out of chances to win back a generation. Young people aren't just voting more Democratic; they're voting more in general. Over 2 million more people ages 18 to 29 voted in this election than in 2002, and their 24 percent turnout was the highest for a midterm election since 1994. Much of this turnout increase and the greater support for Democrats can be traced to the war in Iraq, but that doesn't mean either trend will disappear once the war is over, since early voting is a strong predictor of future behavior. … Young voters' top concerns-including Iraq, the cost of college, and healthcare-bode well for Democrats, while issues that tend to favor Republicans, including moral values, taxes, and terrorism, scored low."

Brownback Questions Romney's Conservative Credentials. U.S. News and World Report's "Washington Whispers" (12/4, Gilgoff) reports Sen. Sam Brownback "says he'll announce whether or not he's seeking the White House in '08 within a month, but it sounds to us like he's in. His calculus: None of the current crop of GOP presidential candidates have strong backing from religious conservatives who make up the party's base. 'There is room in the Republican primary for somebody who is unapologetic about being pro-growth, pro-limited government, pro-life, and pro-marriage,' he tells us. Gov. Mitt Romney "has stepped up outreach to religious conservatives," but "until recently, Romney had a pro-abortion-rights stance. 'There has been some mixed record in [Romney's] background,' says Brownback."

Brownback Hints At 2008 Run. The Washington Times (11/27, Pfeiffer, 88K) reports Brownback "strongly hinted yesterday that he would run for president in 2008, saying the Republican field was open for a 'full-scale conservative' and that he would make an official announcement soon." In his "This Week" appearance, Brownback "outlined what he called a 'compassionate conservative' agenda, including a willingness to open diplomatic ties with Iran and Syria." While "declining to endorse a timetable for withdrawal, Mr. Brownback implied that Republican electoral hopes will hinge on a substantial change of fortunes in Iraq in the next two years. He added that Iran and Syria, two nations listed as supporters of terrorism by the United States, should be included in the process."

Romney Campaign Could Bring Mormon Church Unwanted Attention. Time (12/4, Allen, 4.03M) reports Mormon church officials "are wary of the impact [Gov. Mitt] Romney's candidacy could have on them -- and on the portrayal of their faith. Yes, his campaign will bring attention and credibility to the Church of Jesus Christ of Latter-day Saints (LDS), as the Mormons are formally known, and give them a chance to demystify their theology and customs. But church officials also calculate that Romney's bid…could remind some mainstream Christians just how different Mormonism is from their faith and perhaps expose their flock to more…discrimination. … A poll conducted in June by the Los Angeles Times and Bloomberg found that 35% of registered voters said they would not consider voting for a Mormon for President. Only Islam would be a more damaging faith for a candidate, the poll found."

Clark Seen As Potential VP Pick For Clinton. U.S. News and World Report's "Washington Whispers" (12/4, Gilgoff) reports, "Clintonites are whispering about a new dream ticket: Hillary Rodham Clinton/Wes Clark. The way they see it, Clinton is the celeb fundraiser who needs national security credentials. The former NATO commander has been promoting a federal 'Department of Failed States' or 'Department of Preventive Diplomacy' to head off 'impending conflict' around the globe and make friends abroad."

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Anti-Clinton Website Unveiled. U.S. News and World Report's "Washington Whispers" (12/4, Gilgoff) reports, "She hasn't said she's running yet, but that's not stopping Sen. Hillary Rodham Clinton's foes from trying to keep her out of the White House with a new website, www.stophernow.com. Launched this week, the site features the animated Hillary Show, with new episodes planned for when Clinton makes news. The show's first cartoon guests: Sen. John Kerry, whom the animated Clinton calls 'loser,' and a screaming Democratic National Committee Chair Howard Dean." Dick Collins is "the Dallas-based moneyman who ponied up most of the $250,000 that the site launch required."

Vilsack To Stress His Commitment To Energy Independence. U.S. News and World Report's "Washington Whispers" (12/4, Gilgoff) reports Gov. Tom Vilsack "tells us that when he formally declares his candidacy this week, his message to the nation will be that it's time for tough love. Exhibit A: weaning the United States off foreign oil. Vilsack helped boost the Hawkeye State's ethanol production by 300 percent, making it the nation's top producer."

Obama Seeks To Form Iowa Campaign Network. The Des Moines Register (11/26, 160K) reported yesterday that Illinois Sen. Barack Obama (D) "has sought the advice of top campaign workers in Iowa and has established a seedling support network in this state as he prepares to decide whether to seek the 2008 presidential nomination. The first-term Illinois senator has surrounded himself with advisers rich in experience in Iowa, the leadoff caucus state." Obama "has vaulted to the top tier among prospective candidates for the Democratic Party's nomination, even as the new star in the party says he has not made up his mind about running." The Register adds, "Shortly after the Nov. 7 election, Obama telephoned John Norris, the Des Moines Democrat who ran John Kerry's winning campaign in the 2004 Iowa caucuses. 'He basically called to talk about the lay of the land in Iowa,' said Norris, who described Obama's inquiries as 'earnest' and reflecting genuine uncertainty about his future."

Police Officer Injured In Bush Motorcade Dies. The AP (11/27, Godvin) reports, "A motorcycle officer injured last week while escorting President Bush in the islands died Sunday, police said." Steve Favela, 30, "and two other officers crashed their cycles as the presidential motorcade was traveling across Hickam Air Force Base to meet troops for breakfast early Tuesday. The other officers were treated at The Queen's Medical Center and released." Favela, "an eight-year veteran of the Honolulu Police Department and father of four, had suffered internal injuries and had been in critical condition at the medical center." In a statement, the President said "that he and the first lady were 'deeply saddened' by the death, and sent their condolences."

Merger Of Stocks And Bonds Shops Creates One Of DC's Largest Lobbying Groups. In his "K Street Confidential" column, Jeffrey Birnbaum writes in the Washington Post (11/27, D1, 690K), "The organization's acronym, SIFMA, sounds like a terrible skin condition. But the group, created through the recent merger of associations that represent the sellers of stocks and bonds, is one of Washington's most powerful lobbies." The Securities Industry and Financial Markets Association, "with a budget of $80 million, is the main mouthpiece for the financial services industry, the biggest corporate player in national politics. Only organized labor donates more to candidates for federal offices. When added together, SIFMA's political action committees gave more than $1 million during the 2006 election season, putting the organization in the top 25 of all PACs. Its combined $8.5 million in spending on federal lobbying last year placed it in the top 30. … 'The merger simplifies things and simple is always better,' said Steve Bartlett, chief executive of the Financial Services Roundtable, yet another of the dozen or so financial-services lobbying groups. 'It presents an opportunity for the companies to develop stronger and more coherent policy positions and articulate them with one voice."

Research Highlights Impact Of US Charitable Giving. The Christian Science Monitor (11/27, Trumbull, 59K) reports Americans' "charitable impulses keep generating surprises." Recent research shows "charitable giving plays an even larger role in the economy than is suggested by some $260 billion in annual contributions. Each dollar of giving appears to create $19 of extra national income, according to a book released this past weekend." The demand "for nonprofit services gets proportionately bigger, not smaller, as a locality's income rises, a Federal Reserve economist finds." The philanthropy "of the wealthy may not hinge on tax incentives to the degree many believe.

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In one new survey, a majority of wealthy givers say they would contribute the same amount if the estate tax were abolished. Ditto, they said, if they could no longer deduct the value of gifts from their taxable income." The studies are "shedding light not just on who gives but also on why they give and what their actions mean to society. Often, the conclusions run counter to expectations." One thing "that's long been known: The US leads the world in levels of charitable activity. The pattern runs from the rich, steeped in long tradition of philanthropy, to the poor. Those making $20,000 or less a year give away more, as a share of their income, than do higher income groups."

Inclination To Charitable Giving Linked To Values, Not Economics. In a Wall Street Journal op-ed (11/27, A12), Arthur C. Brooks of Syracuse University says, "Our mailboxes are filling with appeals from fine organizations and worthy causes, competing for our holiday spirit and tax-deductible dollars. Millions of Americans will answer the call, donating in December as much as a third of the quarter-trillion dollars we give away each year. Per capita, Americans give more in this single month than most nations give all year long." But "charity is not a virtue shared by all. While 85 million American households give away money each year to nonprofit organizations, another 30 million do not. And this distinction goes beyond 'formal' giving. Recent survey data reveal that people who fail to donate money to charities are only a third as likely as donors to give money to friends and strangers. Non-donors are half as likely as donors to give blood. They even are less honest: Non-donors are much less likely than donors to return change mistakenly given to them by a cashier. When it comes to charity, we are two nations." The "charity gap is driven not by economics but by values." The "Social Capital Community Benchmark Survey indicates that Americans who weekly attend a house of worship are 25 percentage points more likely to give than people who go to church rarely or never. These religious folks also give nearly four times more dollars per year than secularists, on average, and volunteer more than twice as frequently."

New Divide Seen As Growing Between Rich, Very Rich. The New York Times (11/27, Uchitelle, 1.16M) reports the "opportunity to become abundantly rich is a recent phenomenon not only in medicine, but in a growing number of other professions and occupations. In each case, the great majority still earn fairly uniform six-figure incomes, usually less than $400,000 a year, government data show. But starting in the 1990s, a significant number began to earn much more, creating a two-tier income stratum within such occupations." Some lawyers and bankers, "for example, collect much larger fees than others in their fields for their work on business deals and cases. Others have moved to different, higher-paying fields — from academia to Wall Street, for example — and a growing number of entrepreneurs have seen windfalls tied largely to expanding financial markets, which draw on capital from around the world. The latter phenomenon has allowed, say, the owner of a small mail-order business to sell his enterprise for tens of millions instead of the hundreds of thousands that such a sale might have brought 15 years ago."

DNA Matches Give Closure To Families Of Vietnam MIAs. The Washington Post (11/27, A1, Vargas, 690K) reports in a front page story that military scientists "recently compared the bone recovered in a North Vietnamese jungle where an Air Force pilot's plane went down 40 years ago to saliva on letters he had sent his wife. It was a DNA match, they announced. At last, they said, the remains of Col. Charles J. Scharf had been found." His widow, Patricia Scharf, "72, of Northern Virginia, has never remarried, has never had children and still considers the Vietnam War officer the love of her life. For her, the announcement was the gentle rub across the shoulder she had waited four decades to feel, one that let her know it was all right to let go." For Barbara Scharf Lowerison, 72, "his sister in California, the announcement was a slap. It meant she was losing -- if she had not already lost -- her fight to convince officials that her brother is alive, a prisoner of war." The remains "of more than 1,300 lost U.S. service members have been identified over the years, with 850 of those from the Vietnam War alone, according to military officials. Usually when remains are identified, relatives emotionally embrace the finding, said Larry Greer of the Department of Defense POW/Missing Personnel Office. And among the few who reject it, most eventually come around 'because the science is so overwhelming,' he said."

Culture's Criticism Of Religion Seen As Sign Of Anxiety. In a New York Times op-ed (11/27), Richard Schweder of the University of Chicago says, "Among the cosmopolites who live in secular enclaves, religion is automatically associated with darkness, superstition,

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irrationality and an antique or pre-modern cast of mind. It has long been assumed that religion is opposed to science, reason and human progress; and the death of gods is simply taken for granted as a deeply ingrained Darwinian article of faith. Why, then, are the enlightened so conspicuously up in arms these days, reiterating every possible argument against the existence of God? Why are they indulging in books — Daniel Dennett's 'Breaking the Spell,' Sam Harris's 'Letter to a Christian Nation,' and Richard Dawkins's 'God Delusion' — in which authors lampoon religion or rail against the devout under the banner of a crusading atheism?" The "most obvious answer is that the armies of disbelief have been provoked," but a "deeper and far more unsettling answer, however, is that the popularity of the current counterattack on religion cloaks a renewed and intense anxiety within secular society that it is not the story of religion but rather the story of the Enlightenment that may be more illusory than real."

Appeals Court Case Could Erode Ban On Gratuities For Public Officials. In a New York Times editorial observer (11/27), Dorothy Samuels says, "If you think Washington's culture of corruption is bad now and couldn't get appreciably worse, my hunch is you don't know about United States v. Valdes. This pending federal case could end up making it legal for public officials to accept gratuities for granting certain types of favored government treatment." Last February, a "three-judge panel of the United States Court of Appeals in Washington, splitting 2 to 1, overturned the conviction of a former District of Columbia police detective named Nelson Valdes." Valdes "became an apparent violator by accepting hundreds of dollars in cash as reward for delving into computerized police records to obtain vehicle-registration and arrest-warrant information on drivers at the request of someone who — surprise — turned out to be an F.B.I. informant. Indicted for bribery, the detective was convicted by a jury of the 'lesser-included offense' of receiving an illegal gratuity." The appellate panel "tossed out the conviction, finding the anti-gratuities prohibition didn't apply because Mr. Valdes's granting of preferential access to police information lacked a sufficiently 'formal' relationship to a decision or action in fulfillment of his 'official' public duties." No "matter the outcome, revisiting the illegal gratuities law to achieve some overdue clarity and tightening should be part of the ethics reform agenda pursued by Congress's new Democratic majority. Government needs to be a no-tipping zone."

Hopes Rise For New Talks As Gaza Ceasefire Appears To Hold. The AP (11/27, Barzak) reports, "Rocket fire from Gaza died down Sunday after a daybreak cease-fire, raising hopes for an end to five months of bloody destruction and a new opening toward peace talks." The "surprise truce was supposed to take effect at 6 a.m., but in the four hours that followed, 11 rockets were fired from Gaza at Israeli towns and villages and some Palestinian militants threatened to keep up the attacks." Israel "did not retaliate, saying it wanted to give the truce a chance."

NBC Nightly News (11/26, story 4, 0:20, Seigenthaler, 9.87M) reported "Israeli officials say there were homes damaged and fires started when militants in Gaza fired nine rockets into Israel. They promised to show patience and not to retaliate." The Washington Times (11/27, Mitnick, 88K) reports, "The truce, which started at 6 a.m. local time, reflects recognition by the hobbled governments of Israeli Prime Minister Ehud Olmert and the Hamas-led Palestinian Authority that the five months of fighting touched off by the Gaza kidnapping of Israeli Cpl. Gilad Shalit is eroding public support for both administrations, analysts said."

The Los Angeles Times (11/27, Boudreaux, 850K) reports, "The truce was holding Sunday -- after Israeli forces withdrew from Gaza overnight -- despite a ragged start." Palestinian Authority President Mahmoud Abbas "instructed his security chiefs to enforce the cease-fire. Officials said 13,000 Palestinian police officers in flak jackets and helmets were patrolling Gaza's borders to discourage new rocket attacks."

The New York Times (11/27, A3, Kraft, 1.16M) reports that while some say they think the ceasefire will be "short-lived, like previous cease-fires, others say it is the most important chance so far to end the fighting." Israeli Prime Minister Ehud Olmert "even suggested it might set off a revival of peace efforts after years of stalemate." The Financial Times (11/27, Devi) notes that a White House spokesman said the ceasefire was "a positive step." The Christian Science Monitor (11/27, Mitnick, 59K) runs a similar report under the headline "Truce May Restart Israeli-Palestinian Talks."

Regional Instabilities Seen As Weighing On Lebanon. In a front page article news analysis, the New York Times (11/27, A1, Slackman, 1.16M) reports that "an unnerving question is emerging" in Lebanon: "As the battle

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between the Iranian-backed group Hezbollah and the Western-backed governing coalition reaches a crescendo, is it in fact the prelude to a civil war?" Calling the country "a barometer for the region," the Times says it is "no coincidence that Lebanon is suffering its worst political crisis in decades at a time when Iraq has descended into sectarian war, the Israeli-Palestinian conflict in the past few months reached new heights and power seems to be shifting away from the Western-allied Sunni Muslim countries of Egypt and Saudi Arabia to the Shiite state of Iran." At the same time, the Times writes that "events in Iraq, Lebanon and the Palestinian areas have demonstrated the diminished status of the United States and its allies. In Iraq, the powerful Shiite cleric Moktada al-Sadr has threatened to stop supporting the government if the prime minister meets with President Bush, as he is scheduled to do Wednesday in Jordan. In Gaza, mediation by Egypt has failed to stem the rising tide of violence or negotiate the release of an Israeli solider despite its intense efforts. In Lebanon, the American-backed government is hanging on by a thread as Hezbollah and its allies push for more power." These "forces" have "come to bear on Lebanon, a weak state with weak institutions unable to shield itself from the volley of disruptions jolting the region," the newspaper adds.

Shiite Opposition Makes Gains In Bahraini Elections. The New York Times (11/27, A3, Fattah, 1.16M) reports Shiite opposition candidates "won 16 of the 17 seats they contested in Saturday's parliamentary elections in Bahrain," the country's election commission said Sunday. The opposition "now holds 40 percent of the elected Parliament's 40 seats, with the 17th contested seat to be decided in a runoff on Dec. 2. But leaders of the predominantly Shiite opposition party, the Wefaq National Islamic Society, said the gains, which were expected, might not translate into much political power." The Times notes that "government loyalists may retain control of much of the remainder of the lower house, depending on the outcome of the runoff. Furthermore, the upper house, which is appointed by King Hamad al-Khalifa, can overrule any act of the lower house."

Correa Declares Victory In Ecuadorian Election. The New York Times (11/27, A8, Romero, 1.16M) reports Rafael Correa, "an urbane economist who has rattled nerves in Washington with plans to limit American military activities in Ecuador and renegotiate the country's foreign debt, seemed headed to an easy victory on Sunday in the presidential election, according to several exit polls." The Times says a win by Correa "could bring Ecuador into a group of Latin American nations with leftist presidents, including Bolivia, Cuba and Nicaragua, which are allied with President Hugo Chávez of Venezuela." The results of the runoff election were "not certain" Sunday night, "though preliminary figures pointed to a strong victory" for Correa. Although he has "fiercely criticized President Bush, calling him 'dimwitted' at one point," Correa says he "hoped to maintain cordial relations" with the United States.

The Financial Times (11/27, Weitzman) says a victory by Correa "will also affect the Andean country's relationship with Washington," because he "has vowed to close down the US military base at Manta, the only one in South America, and to shelve permanently talks on a bilateral trade deal with the US." Similarly, the Wall Street Journal (11/27, A4, Lyons, 2.04M) notes that during "a jubilant news conference claiming that exit polls showed he had won," Correa "vowed to renegotiate payments on the country's $16 billion of foreign debt and to scrap the constitution" and "reiterated his longtime opposition to a new free-trade pact with the US."

The Washington Post (11/27, A12, Reel, 690K) notes that Correa finished second behind banana magnate Alvaro Noboa in a first-round vote last month, "but since has toned down his revolutionary rhetoric, reassuring some who feared that his more radical proposals -- including a pledge to convene a constituent assembly and dismantle the National Congress -- could result in more instability." His surge in support "after muting his rhetoric coincided with his emphasis on specific proposals to alleviate poverty, such as plans to increase welfare payments and construct more low-cost housing for Ecuador's poor."

Turkish Protestors Rally Against Pope's Visit. NBC Nightly News (11/26, story 5, 2:10, Seigenthaler, 9.87M) reported, "On Tuesday Pope Benedict XVI is scheduled to visit Turkey. It will be his first visit to a Muslim country." NBC (Miller) added, "'No to the Pope' was the chant among 20,000 demonstrators. Many of them still angry over a papal speech last September they say insulted the prophet Muhammad. … The Pope offered an olive branch to Turkey, expressing his feelings of sincere friendship. No apology."

ABC World News (11/26, story 3, 2:15, Wright, 8.78M) reported, "This is not only his first trip to a Muslim country, but

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his first trip abroad since the speech erupted in violence. Today, about 25,000 people took to the streets to say the Pope is not welcome here. Benedict has been on the defensive since a speech he gave November 12th. In it, he suggested that Islam is inherently violent. He quoted a medieval theologian, saying the prophet Mohammed spread his faith at the point of a sword. Benedict has distanced himself from the quote. But not from the sentiment."

The AP (11/27, Murphy) reports "the protest, organized by an Islamist political party, was the largest mass gathering so far against Benedict's four-day visit scheduled to begin Tuesday." Turkish officials "hope to use the visit to promote their ambitions of becoming the first Muslim nation in the European Union and showcase Turkey's secular political system. But Islamic groups, which have been gaining strength, see Benedict as a symbol of Western intolerance and injustices against Muslims."

The Washington Post (11/27, A12, Moore, 690K) notes that "during his regular Sunday address at the Vatican, Benedict told the crowd beneath his window, 'Starting right now, I want to send a cordial greeting to the dear Turkish people, rich in history and culture.'" He added, "To these people and their representatives, I express feelings of esteem and sincere friendship."

Chadian Forces Retake City From Rebels. The New York Times (11/27, A4, Polgreen, 1.16M) reports that rebels who overran the largest city in eastern Chad Saturday "disappeared almost as quickly as they had arrived, melting away Sunday as government soldiers re-established control of the looted city center. But even as the government forces retook the city, Abéché, apparently without bloodshed, a rebel column headed toward the capital, Ndjamena," according to Western diplomats. While Chad's government "denied reports of rebels moving on Ndjamena," the AP reported that Chadian soldiers had been "massing along a strategic road as a rebel convoy had been spotted advancing toward the city."

Berlusconi Hospitalized. NBC Nightly News (11/26, story 9, 0:15, Seigenthaler, 9.87M) reported, "In Italy a health scare for the former Italian Prime Minister Silvio Berlusconi. The 70-year-old head of the political opposition became ill during a speech in Milan. He is now in a hospital being tested for heart problems."

China Seen As Making Progress Against Piracy. The Wall Street Journal (11/27, B2, Batson, 2.04M) reports, "China is beginning to make some progress on containing the epidemic of piracy and counterfeiting that foreign businesses have long complained robs them of sales in a crucial market. But some of its trading partners, seeking faster action, are calling for a harsher approach." The Journal adds, "Foreign-company executives, surveys and government officials all note improvements. The biggest change has been at the top: Senior leaders including Premier Wen Jiabao now declare that improving the protection of intellectual property is a 'strategic policy' for the nation." The piracy issue "is likely to be on the table next month when Treasury Secretary Henry Paulson and Federal Reserve Chairman Ben Bernanke visit Beijing for the first round of a new US-China dialogue intended to address outstanding economic tensions. The talks are also expected to address US calls for China to open its markets further to American financial-services companies, as well as U.S. demands that Beijing allow the yuan to rise against the dollar."

Poisoning Of Ex-KGB Spy Straining Britain's Ties To Russia. The Washington Times/AP (11/27, Lawless) reports "a British Cabinet minister yesterday accused Russian President Vladimir Putin of 'attacks on individual liberty and on democracy' as relations between Britain and Russia grew increasingly strained in the wake of the fatal poisoning of a former KGB agent who became a British citizen." Peter Hain, Britain's Northern Ireland secretary, "said Mr. Putin's tenure has been clouded by incidents 'including an extremely murky murder of the senior Russian journalist' Anna Politkovskaya." Hain was "harsh in his assessment of the Russian president. 'His success in binding what is a disintegrating nation together with an economy that was collapsing into Mafioso-style chaos, his success in that must be balanced against the fact there have been huge attacks on individual liberty and on democracy,' he told a BBC interviewer. 'And it's important that he retakes the democratic road in my view.'"

USA Today (11/27, Stinson, 2.27M) says that yesterday, "New Scotland Yard, the headquarters of police for greater London, said it had nothing new to say about the case. British Home Secretary John Reid said the death had been ruled suspicious and police would 'follow the evidence.'" He "rejected the opposition Conservative Party's call for a House of Commons statement condemning the death." The

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Russian government "denies any involvement. Putin called Litvinenko's death a tragedy and offered his government's help investigating the case. He also said the case should not spoil Anglo-Russian relations."

The New York Times (11/27, Cowell, 1.16M), meanwhile, reports the British police "sought to retrace the movements of…Litvinenko…before he fell ill from the radiation poisoning that killed him last week. … It remained unclear how polonium 210, the radioactive substance that killed Mr. Litvinenko, 43, entered his body. Although he and his associates accused Russia of poisoning him, the British authorities apparently do not want to turn the episode into a diplomatic incident and have pointedly refrained from leveling accusations about who may be behind the killing.

Litvinenko Assassin Said To Have Had Access To Nuclear Lab. Time (12/4, Gumbel, 4.03M) reports, "It wasn't until after his death that Scotland Yard realized that the rare compound killing Alexander Litvinenko, 43, had left traces of radioactivity nearly everywhere he had been on Nov. 1… Whoever did kill Litvinenko wasn't an amateur." Polonium 210 "is so rare and volatile that the assassin would have needed access to a high-security nuclear laboratory to obtain it." Newsweek (12/4, Hosenball, Isikoff, Matthews, 3.12M) reports, "Until a few days ago, U.S. and British government investigators had never heard of anyone being poisoned by the obscure and unstable isotope polonium-210. Now its extreme rarity is adding to the riddles in the death of" Litvinenko.

More Commentary. Author David Satter writes in the Wall Street Journal (11/27, A12, 2.04M), "Beginning with the Yeltsin era, two US administrations have muted their criticism of Russia. … But if Litvinenko, a British subject, was murdered by Russian intelligence on British soil, self-censorship is no longer an option. Unless we want to give the Putin regime carte blanche to dispose of its enemies on our soil, we now have no choice but to react. … In the wake of Litvinenko's death, the West must insist on cooperation from the FSB in finding his killers. If that is not forthcoming, it should be assumed that the murder of Litvinenko was ordered by the Russian regime. Under those circumstances, not only should Russia be expelled from the G-8 but the whole structure of mutual consultation and cooperation would need to be re-evaluated. This is not just a matter of refusing to trivialize a murder. It is also a vital political obligation."

The New York Times (11/27, 1.16M) editorializes that "the real problem is that Mr. Putin, a former KGB agent himself, has given no indication that he is dismayed by the political killings, or that he is doing much to stop them. He seems mainly concerned with deflecting blame."

Bush Urged To Pressure Putin On Georgia. Richard Holbrooke, a former US ambassador to the United Nations, writes in his monthly Washington Post column (11/27, A19), "The European Union and the United States must make the continued freedom and independence of Georgia a test case of the Western relationship with Russia." Putin "must learn that we will not sacrifice the interests of a small country that has put its faith in Western values for the sake of energy supplies or UN votes. If Bush's freedom rhetoric has any meaning, let him prove it in Georgia, not just with polite calls for mutual restraint, but with real pressure on Moscow and the assembling of a united front with the European Union to make clear to Putin that he must cease his attempts to destabilize Georgia and overthrow Saakashvili." Holbooke adds, "In the age of Iraq we must show that our nation can continue to have influence elsewhere in the world and that we will not abandon our friends or our values."

Japan Remains Committed To Nuclear Disarmament. U.S. News and World Report (12/4, Fang, 2.03M) reports, "Ever since its defeat in World War II, which ended with the American atomic bombs dropped on Hiroshima and Nagasaki, Japan has been governed by a constitution-written by U.S. occupation forces-that renounces war as a sovereign right and allows for only limited self-defense. Japan's hawkish new prime minister, Shinzo Abe, is seeking constitutional revisions expanding the definition of self-defense, in part because of regional threats such as North Korea. Then, too, Japan's potential shift is itself causing unease in a region that remembers brutal Japanese occupation during World War II. Inevitably, some politicians-including Foreign Minister Taro Aso-say Japan also should re-examine its rejection of nuclear weapons. However, at the end of the recent Asian economic summit in Vietnam, Abe vowed to keep Japan nonnuclear and a leading voice for nuclear disarmament."

Bush Daughters Attend Soccer Game In Argentina. The AP (11/27) reports, "President Bush's twin daughters reveled Sunday in a soccer game in Argentina, sitting across the stadium from soccer star Diego Maradona -- a fierce critic of their father. Jenna and Barbara Bush,

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wearing the blue-and-yellow jerseys of the South American squad Boca Juniors, did not wave to television cameras that sporadically panned in on them during the game." Maradona "is a forceful critic of US policy in the region and joined a leftist protest led by Venezuela President Hugo Chavez last year against President Bush's appearance at the Summit of the Americas at the seaside resort of Mar del Plata."

WPost Urges Congress To Pass HOPE Bill For Haiti. The Washington Post (11/27, A18, 690K) editorializes, "When it comes to Haiti, the hemisphere's poorest country, the United States has a perverse history of being more generous with its troop deployments than its terms of trade. The time is ripe for a new approach. For the past two years, Congress has turned a deaf ear to pleas that Washington extend trade preferences to Haitian-manufactured T-shirts, hospital scrubs and other apparel. The effect has been devastating for the nation's garment industry, once one of the few bright spots in an otherwise supine economy. … A rescue package pending in Congress would allow duty-free access to US markets for garments assembled in Haiti using fabrics from third countries. The legislation, known as the Haitian Hemispheric Opportunity through Partnership Encouragement Act, also called the HOPE bill, is a modest measure; it is certainly no panacea for the Haitian economy. But apparel-making plants that close are relatively easy to reopen, and HOPE, if enacted, could help kick-start the Haitian economy by quickly getting 10,000 or more people working again."

LATimes Urges Congress To Reauthorize Africa Textile Provision. The Los Angeles Times (11/27, 850K) says in an editorial, "Of all the free-trade pacts signed by the United States over the last decade, perhaps none is as uncontroversial as the African Growth and Opportunity Act. Providing duty-free access to exporters in sub-Saharan Africa threatens few if any American jobs while spurring industry in some of the poorest countries in the world. Yet a vital provision of the act is set to expire, and, for the moment, Congress appears more interested in political gamesmanship than in making a painless decision to help some of the world's neediest people." If the "provision is not renewed in September 2007, as many as 150,000 jobs in Africa's fledgling apparel industry might be lost. Ten months might seem a long time away, but an extension is urgently needed now because apparel companies typically place their orders from nine to 12 months in advance."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Israeli And Palestinian Leaders Committed To Gaza Cease-Fire"
"Caring Is A Man's Job Too"
"Booming Belfast Puts Its Blasts In The Past"
"Student Loan Bankers On Edge"
"A Long, Dry Wait Is Nearly Over For The Owens River"
"Cell, TV Towers Pose Risk For Birds"

New York Times:

"Panel To Weigh Overture By U.S. To Iran And Syria"
"Chilling Echo For Lebanon, Mirror Of Regional Tension"
"Very Rich Are Leaving The Merely Rich Behind"
"Zoning Laws That Bar Pedophiles Raise Concerns"
"City That Takes Rain In Stride Puts On Hip Boots"

Washington Post:

"Separate Truths"
"Lanier To Focus On Crime Hot Spots"
"History Offers Post-Midterm Survival Tips For President"
"A Day When Mahdi Army Showed Its Other Side"
"A GOP Maverick Prepares To Lead Anne Arundel"

Washington Times:

"Writings Reveal Cautious Gates"
"Britain's Relations With Putin Poisoned"
"Retailers Find The Nose Knows It's Dollars And Scents"
"Cease-Fire Calms Gaza"
"Talks Aim To Counter Tehran"
"Red '08 Hopeful Targets Blue Collars"

Atlanta Journal-Constitution:

"If Walls Could Talk"
"Twins Whip Cancer With Bond, Beads"
"Iraqi Leader Put On Notice"
"Chief Vows To Review Shooting"
"25,000 Denounce Pope"

Houston Chronicle:

"Case May Shape Future Of U.S. Global Warming Policy"
"Closing Arguments Begin Today In Smuggler Retrial"

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"Texas Lawmakers To Address Possible End To TAKS"
"Texas, 11 Others Outlaw Breed-Specific Dog Bans"
"US Airways, Delta Merger Must Clear Regulators"
"Study Claims Money Can Buy Limited Happiness"

Story Lineup From Last Night's Network News:

ABC: Middle East Unrest; Maliki Calls For Calm; Pope Visits Muslim Country; Police Shooting-NYC; Michael Richard's Apologizes; Airline Safety; 20 Year Olds Moving Back Home; North Carolina Goes Wine.

CBS: Evening news was preempted by sports.

NBC: Middle East Summit-Jordan; Middle East Summit-Analysis; Veterans Compare Two Wars; Veterans Compare Two Wars; Middle East Cease Fire; Pope Visits Middle East; Michael Richards' Apology; Afghanistan Violence-Decreases; Holiday Shoplifting; Former Italian Prime Minister Hospitalized; Over Weight Pets.

Story Lineup From This Morning's Radio News Broadcasts:

ABC: Bush, Maliki Meeting; Iraq Study Group-Draft Report; Iraq-Curfew Lifted; NYC-Police Shooting; Holiday Shopping-Spending Up; Michael Richards-Back On Stage; College Football Bet-Murder Charges; CO-Christmas Wreath Dispute.

CBS: Holiday Shopping-Spending Up; Iraq Study Group-Alternatives Being Discussed; Democrats-Plans For Congress-Weekend Box Office; Holiday Travel; Ecuador's Presidential Run-Off Election.

NPR: King Abdullah of Jordan-Iraq; Bush-NATO Summit; Bush, Maliki Meeting; NATO Soldiers Die In Afghanistan; Iraq Study Group-Draft Report; Britain-Death Of Former KGB Agent; Oil Prices; Tokyo Stock Market; Pacific Northwest Snowstorm; Bush Offers Condolences Following Death Of Honolulu Police Officer.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Departs White House on Marine One, South Lawn.

VICE PRESIDENT CHENEY — No public schedule.

LAURA BUSH — Receives the official White House Christmas tree, North Portico.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: IMAM OMAR SHAHIN _ 8:15 a.m. Imam Omar Shahin, one of the six imams removed from US Airways Flight 300, joins interfaith leaders and Hilary Shelton, director of the NAACP-Washington National Office for a press conference, prayer, and flight on US Airways. Location: US Airways ticket counter, Washington Reagan Airport.

CYBER SHOPPING _ 11:30 a.m. - 2 p.m. The National Retail Federation, the worlds largest retail trade group, marks, Cyber Monday this year with a ShopLunch event in its Board Room. Laptops and lunch will be provided to encourage people to shop for holiday gifts over their lunch hour. NRF will also have personal shoppers available to help guests in their holiday purchasing decisions. Catalogs will also be available to assist shoppers with choosing their holiday gifts. Location: National Retail Federation, 325 7th St. NW, 11th floor.

US-SYRIA _ 1:30 p.m. The US Institute of Peace holds an event on US policy options regarding Syria, with Scott Lasensky of the institute, Robert Malley of the National Security Council and Robert Satloff of the Washington Institute for Near East Policy. Location: 2nd floor conference room, 1200 17th St. NW.

SOMALIA _ 3 p.m. Omar Jamal, executive director, Somali Justice and Advocacy Center, speaks at the National Press Club Afternoon Newsmaker news conference on how Jihadists in Somalia and US policy could lead to a Taliban-type government. Location: National Press Club.

HEALTH CARE _ 4 p.m. The Cato Institute hosts a Policy Forum, ``Improving Health Care Quality: Is Medicare a Good Candidate for Pay-for-Performance?: Participants are: David Cutler, Professor, Harvard University; Dr. Sandra Gadson, President, National Medical Association; Michael F. Cannon, Director of Health Policy Studies, Cato Institute; and Gail Wilensky, Co-Chair. Institute of Medicine Pay-for-Performance Advisory Committee. The insurers and government agencies that purchase 80 percent of medical care in America have traditionally ignored quality. Location: Cato Institute, 1000 Massachusetts Ave. NW.

COUNTERTERRORISM-INTELLIGENCE _ 5:30 p.m. US 7th Circuit Court of Appeals Judge Richard Posner speaks at the School of Advanced International Studies on the role of intelligence in counterterrorism. Location: Kenney Auditorium, 1740 Massachusetts Ave. NW.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: MONDAY, NOVEMBER 27, 2006 7:45 AM EST

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TERRORISM NEWS:

Muslim Spy Says EU Intelligence Agencies Underestimated Al Qaeda Threat. The Washington Times/UPI (11/27, Waterman) reports, "A Muslim man who was a spy in the mid-1990s for several European intelligence services inside the global jihad network that later became al Qaeda has written a memoir saying the agencies did not understand the nature of the threat the group posed. 'Inside the Jihad,' written under the pseudonym Omar Nasiri, is a copiously detailed account of a young man's journey from the fringes of the Islamist movement in Belgium to a terrorist training camp in Afghanistan." UPI notes, "Several former senior U.S. officials told United Press International that the account rang true. … Nasiri doesn't claim to have been in al Qaeda's inner circles, and says he never met bin Laden, which al Qaeda analyst and author Peter Bergen says increases his comfort level about its credibility."

Specter's Shift On Habeas Corpus For Detainees Examined. The New Yorker (12/4, Toobin) describes GOP Sen. Arlen Specter's "shift" on habeas corpus for suspected terrorist detainees. The "iconoclast" Specter "who [led] the fight to preserve habeas corpus, at the last moment voted for the Administration's plan restricting it." Specter initially clashed with Sen. Lindsey Graham, "a former lawyer for the Air Force, who became Specter's most determined adversary" on habeas corpus. Graham expressed doubt that judges were "competent" to decide who was an "enemy combatant," saying, "I think that decision belongs to the military." Specter unexpectedly voted on September 28 with Graham and every other Republican (except Lincoln Chafee) to pass the Military Commissions Act; "on the next day" the government "began filing court papers" to dismiss all habeas corpus petitions submitted by Guantanamo detainees. Specter explained his reversal by saying, "If we had not passed the bill, we would" lack a procedure "to try these people." The New Yorker comments that he "forestalled" a conservative revolt against his Judiciary Committee chairmanship, which he lost in the election. However, detainees might not see a change in the law from Senate Democrats, who seem reluctant to propose "legislation that will principally benefit" accused terrorists. One Democratic Senate staffer said, "[Like Specter] we're basically leaving it up to the Courts."

HOMELAND RESPONSE:

DHS, FBI Striving To Build Trust With US Muslim, Arab Communities. The Christian Science Monitor (11/27, Marks, 59K) reports, "Across the country…officials of the Department of Homeland Security (DHS) and FBI are reaching out to Muslim-Americans in an attempt to bridge the huge gap of mistrust that developed on both sides after 9/11. It's sometimes an uncomfortable process," and "it's also not being applied consistently across the country, working well in some places -- like New York, where the Muslim Advisory Council meets regularly -- and not so well in others." The Monitor notes that "as the bureau began a concentrated effort to reach out to the Muslim community, education became one of its first priorities. At the FBI Academy and in ongoing field training, agents are now taught about the Muslim faith - its basic tenets and things like the difference between Shiites and Sunnis." The FBI also has "made recruiting a top priority in the Arab- and Muslim-American communities," although that effort has "met with some skepticism" among Muslim-American youth.

Little Tolerance For Unruly Incidents On Planes Since 9/11. Citing a recent incident in which a breast-feeding mother was ordered off a plane "for refusing to corporate" after she wouldn't cover up, and another in which "a couple whose snuggling may have gone too far got arrested for violating the Patriot Act," ABC World News (11/26, story 6, 2:35, Jamieson, 8.78M) reported, "Since 9/11, there is little tolerance for things once ignored. Flight attendants say they are the ones who must keep order on packed planes." Flight attendant Michelle Reaves was shown saying, "You can tell the captain that something makes us feel uncomfortable. And that's pretty much all we need to kick somebody off the plane." Jamieson: "Passengers may be getting the message. The number of unruly incidents peaked two years ago at 304. There have been fewer than 100 this year. … But a recent incident in Minneapolis, where six Muslim community leaders were kicked off a US Airways flight, apparently without provocation, means the problem hasn't gone away."

Editorial, Columnist Praise Removal Of Imams From US Flight. The Pittsburgh Tribune-Review (11/27) editorializes, "US Airways Flight 300 from Minneapolis-St. Paul International Airport to Phoenix one week ago tonight was a reassuring statement about America's commitment to Homeland Security and the civil rights of suspects. Six passengers were Muslim religious leaders (Imams) whose demeanor and discussion were very suspicious. … The six

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were taken off the plane and interviewed separately for five hours by airport police, air marshals and FBI and Secret Service agents before being released." The Tribune-Review adds, "Proactive passengers and crew and thorough investigations by government agencies suggest the system worked well. Yes, a few were inconvenienced. How does one say 'better safe than sorry' in Arabic?"

In a Minneapolis Star Tribune (11/27, 395K) column distributed by Creators Syndicate, Mona Charen writes of the incident, "Now comes the nonsense. The Associated Press declares that this is a case of 'flying while Muslim,' and a TV anchor compares the imams to Rosa Parks. Nihad Awad of the Council on American-Islamic Relations denounced the incident as an example of 'Islamophobia,'" and DHS "has announced that its Office of Civil Rights and Civil Liberties is opening an inquiry into the incident." Charen adds, "Is it discrimination? Well, of course it is. … But Islam presents a problem. While we would love to think that Islam is as pacific as Christianity, Judaism, Buddhism or Hinduism, the facts suggest otherwise. Time and again, terrorists who have committed or attempted to commit murder on a large scale have done so after becoming serious Muslims."

WAR NEWS:

Bush Prepares To Visit Middle East As Abdullah Warns Of "Three Civil Wars." Reports on President Bush's trip to the Middle East this week are juxtaposed with pessimistic accounts of the situation in Iraq and the warning by Jordan's King Abdullah on ABC's This Week (11/26, Stephanopoulos) of the "strong potential of three civil wars in the region, whether it's the Palestinians, that of Lebanon or of Iraq."

ABC World News (11/26, lead story, 2:50, Harris, 8.78M) reported, "As of today, the US has been at war in Iraq for three years, eight months and seven days. This is a military milestone, the exact length of American involvement in World War II. President Bush leaves tomorrow for a round of global diplomacy, part of an unprecedented White House push to try to stop the savagery in Iraq. Last week was one of the bloodiest yet. One Middle East leader warns the future of the entire region hangs in the balance." ABC (Morrell) added, "Desperate for help with Iraq, the Bush Administration is fanning out across the Middle East. Vice President Cheney called on the Saudis Saturday. This week, Secretary of State Rice meets with the Egyptians. And President Bush travels to Jordan. ... President Bush is meeting with Iraqi Prime Minister Nouri al Maliki and Jordan's King Abdullah." Abdullah's "three civil wars" comment was aired, and Morrell added, "Abdullah believes Iraq needs to be addressed in conjunction with the Palestinian-Israeli conflict and the turmoil in Lebanon."

NBC Nightly News (11/26, lead story, 3:00, Corke, 9.87M) reported, "A key US ally is expressing serious concern the war in Iraq is a tipping point that could have a domino effect on the entire region. Jordan's King delivered a stark warning to the Bush Administration. ... The King said the United States must deal with the conflict in Iraq, but also in Lebanon and between the Israelis and Palestinians, a regional approach, analysts say, is necessary." In addition, "this week, the 10-member Iraq Study Group reconvenes. Among the possible recommendations in its report due out in December: seek more help from the Saudis; encourage a dialogue with Iran and Syria; and send more troops."

The Washington Post (11/27, A14, Kaufman, 690K) and the Financial Times (11/27, Callan, Sevastopulo) both have stories dealing exclusively with the "three civil wars" comment. USA Today (11/27, Soriano, 2.27M) also highlights the remark and adds that "high-level meetings on solving the crisis were in the works." Abdullah expanded on the comment in the ABC's This Week (11/26, Stephanopoulos) interview, saying, "The emotional impact that the Israeli-Palestinian problem has on the ground can be translated to the insecurity and the frustrations throughout the Middle East and the Arab world. For me, that is the priority. When it comes to things exploding out of control, I would put today, as we stand, Palestine and probably a close tie with Lebanon. Iraq, funny enough, although as concerned as I am with Iraq and the major problems that might bring to us, is in third position."

The AP (11/26, Raum) reports Bush "reaches out to allies this week for help in quelling violence in Iraq and Afghanistan, in a burst of diplomacy from a Baltic summit of NATO partners to Mideast talks with Iraq's prime minister. Just back from an eight-day trip to Asia, Bush was leaving on Monday on another overseas trip as pressure builds at home for a change in his administration's Iraq strategy amid deepening tensions and violence in that country." The AP says the Bush-Maliki talks were set for Amman because "Jordan was deemed a less dangerous setting for the meeting than Baghdad."

Bush Foreign Policy Said To Leave Many Questions For Next President. In his Washington Post (11/27, A19, 690K) column, Jackson Diehl writes, "The reopened debate on Iraq will now rage for months or years, consuming most of the oxygen for foreign policy in Washington. Even if the result is a better strategy for rescuing (or ending) that beleaguered mission, larger questions about President Bush's post-Sept. 11 foreign policy will remain to be sorted out -- ideally by the time the next president takes office. For example: Is the fight against 'Islamofacism,' as Bush has taken to calling it, really the defining struggle of the 21st century, comparable to the Cold War against communism? Is the president's 'freedom agenda' of pressing for democratic change around the world, and especially in Muslim countries,

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still worth pursuing, given the failures (so far) of U.S.-backed democratic experiments in Iraq and the Palestinian Authority? Can the United Nations be salvaged as a forum for addressing threats such as Iran and North Korea, despite Bush's failure (so far) to make it work?"

More Commentary On Iraq And Diplomacy. In a USA Today (11/27, 2.27M) op-ed, Michael Rubin of the American Enterprise Institute writes, "Iraq was undercut by naive faith, not in democracy but in diplomacy. ... Bush was right to liberate Iraq. Saddam Hussein had started two wars, used chemical weapons and subsidized suicide bombers. He claimed to have weapons of mass destruction. Sanctions had collapsed; containment failed. ... Iraqis greeted U.S. troops as liberators, but the Bush administration fumbled the occupation. Blaming democracy does not address the cause of strife; rather, it absolves policymakers for poor decisions and implementation. Too much is at stake, not only for Iraq but also for U.S. national security, if policymakers learn the wrong lessons."

USA Today (11/27, 2.27M) editorializes, "Yes, the occupation was bungled -- but so was decision to invade. ... The neoconservative version of history is that the Iraq war was good idea undone by Bush administration incompetence after Saddam Hussein fell. ... To blame administration bungling exclusively for the Iraq debacle, however, is to learn the wrong lesson. It's true that the occupation of Iraq was mismanaged from the outset. By failing to guard massive munitions stockpiles, the administration helped arm the insurgency. And by disbanding the Iraqi army, it gave the insurgency men to use those arms. But the mistakes began with the decision to go war itself, a naive and arrogant exercise in wishful thinking that the nation can't afford to repeat."

US Lawmakers Frustrated By Progress In Iraq, Maliki Government. The AP (11/26, Feller) reports lawmakers appearing on Sunday morning talk shows "displayed eroding patience in the Iraqi government on Sunday, adding pressure on President Bush and Iraqi Prime Minister Nouri al-Maliki to find a faster path to peace when they meet this week." The Washington Post (11/27, A15, Pincus, 690K) reports Rep. Duncan Hunter said "33 trained Iraqi army battalions, now serving in provinces that are relatively peaceful, should be moved into Baghdad or other areas where there is fighting. 'Saddle those guys up, move them into the fight,' Hunter said on NBC's 'Meet the Press.' He added, 'Nothing trains a combat unit better than actually being in military operations.'"

Sen. Trent Lott said on Fox News Sunday (11/26, Wallace), said, "I don't know whether the [Iraqi] government is going to be able to survive if the circumstances don't change there. If the insurgency continues to grow, I don't know whether [Maliki] can survive or not. … I think we're going to have to be very aggressive and specific with him. And if he doesn't show real leadership, doesn't try to bring the situation under control; if, in fact, he becomes a part of the problem; we're going to have to make some tough decisions."

Sen. Richard Durbin, on ABC's This Week (11/26, Stephanopoulos), said, "150,000 of our best and bravest American soldiers are caught smack dab in the middle of a civil war in Iraq. That isn't what we bargained for. … It is time to tell the Iraqis that unless they're willing to disband the militias and the death squads, unless they're willing to stand up and govern their country in a responsible fashion, America is not going to stay there indefinitely."

Sen. Sam Brownback, on ABC's This Week (11/26, Stephanopoulos), commenting on calls for US withdrawal from Iraq, said, "When we threaten to withdraw and on a very short timeframe, people start saying, 'well, what am I going to do when this security vacuum is present?' And the answer is, 'well, we're going to have to form up militias.' I think, though, realistically…clearly we are in a short timeframe. We cannot face the public again in 2008 with the current situation still in hand for the United States. We have to get to a political solution in the region."

Asked on NBC's Meet the Press (11/26, Russert) if he believes Iraq is in the midst of a civil war, Rep. Ike Skelton responded, "Scholars will say no. I will say yes. Because the violence is so heavy. … Insofar as peace and decorum is concerned, it's a civil war in my book."

Sen. John Cornyn, on CNN's Late Edition (11/26, Blitzer) contended, "I believe we have to 'go big,' in the terms of the Pentagon. We have to surge additional force there so that we cannot only clear areas in Baghdad but we can actually hold them. … I think we're talking about 20 to 50,000 additional troops to embed them with the Iraqis, so that when we clear areas, we can actually secure them. Then we need to disarm the militias. We need to arrest al-Sadr and make sure the government has a monopoly on the use of legal force."

Sen. Jack Reed, also on CNN's Late Edition (11/26, Blitzer), said of Sadr: "I think he should be marginalized. … If you can arrest him, you can arrest him" or "put him out of the political spectrum without arresting him. But he's not a positive force in the government. And I think that has to be done."

Freshman Lawmakers Eager To Visit Iraq. The Washington Times (11/27, Bellantoni, 88K) reports, "Capitol Hill freshmen considering changes to Iraq policy next year are scrambling to take trips to the region in order to understand better the consequences of the promise of troop withdrawal, which many of them used to win their elections. Most freshman Democrats, who appealed to voters frustrated with the war, said they are trying to get onto congressional delegations to Iraq ... All the freshman lawmakers

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interviewed by The Washington Times -- seven personally and several more via spokesmen -- said that the trips are a priority, though none have been scheduled in advance of the 110th Congress' January swearing-in."

Iraq Study Group Draft Report Suggests Talks With Iran, Syria. The New York Times (11/27, Sanger, 1.16M) reports on its front page that the draft report of the Iraq Study Group "urges an aggressive regional diplomatic initiative that includes direct talks with Iran and Syria but sets no timetables for a military withdrawal, according to officials who have seen all or parts of the document." While the "diplomatic strategy appears likely to be accepted, with some amendments, by the 10-member Iraq Study Group, members of the commission and outsiders involved in its work said they expected a potentially divisive debate about timetables for beginning an American withdrawal." The draft "seems to link American withdrawal to the performance of the Iraqi military, as President Bush has done. But details of the performance benchmarks, which were described as not specific, could not be obtained, and it is this section of the report that is most likely to be revised."

Ahmadinejad Says Iran "Ready To Help" US In Iraq. The AP (11/26, Karimi) reports Iranian President Mahmoud Ahmadinejad said his country "is willing to help Washington calm Iraq's escalating sectarian violence if the U.S. drops its 'bullying' policy toward Tehran, but denied organizing a summit with the leaders of Iraq and Syria to discuss the troubles in its neighbor." Ahmadinejad said Iran "is 'ready to help' the United States, saying the Americans are 'trapped in a quagmire' in Iraq."

Summit Said To Be Aimed At Cutting Tehran's Influence. The Washington Times (11/27, De Quetteville, 88K) says the "high-stakes diplomatic offensive for control of the Middle East is gathering steam as the Bush administration rallies allies against Iran's growing influence in the region." The goal "is to marshal a force of friendly Sunni regimes against the radical leadership of Shi'ite Iran, which Washington thinks is trying to develop a nuclear bomb."

Burton Compares Moscow-Tehran Dealings With Nazi-Soviet Pact. In a Washington Times (11/27, 88K) op-ed, Rep. Dan Burton compares the Nazi-Soviet Non-Aggression Pact with current dealings between Moscow and Tehran, saying it "seems that once again Russia has yielded to the destructive ambitions of a tyrant and an anti-Semite. By refusing to support tough sanctions on Iran over its dangerous nuclear enrichment program, Russia is once again exposing the world to unimaginable carnage, certainly much worse than that of World War II. ... No one cared to imagine the worst in 1939, and many seem unprepared to imagine the worst now. Once again, millions of innocent people could pay the price for our folly."

WSJournal Says Bush Should Not "Appease The Assad Clan" In Syria. The Wall Street Journal (11/27, 2.04M) editorializes, "The greatest failure is that the Administration has never really settled on a policy toward Syria. Mr. Bush signed the Syria Accountability and Lebanese Sovereignty Restoration Act in 2003 but opted to impose only the two weakest sanctions on the list provided by Congress. The U.S. has repeatedly accused Damascus of providing material support for the insurgency in Iraq, but it has never acted in a way that would show Mr. Assad it is serious about stopping him. Predator strikes against terrorist bases in Syria were ruled out. ... Now the U.S. foreign-policy establishment is talking about the need to 'engage' Damascus, and a weakened Bush Administration might be tempted to appease the Assad clan. The result is likely to be more of 'the new Middle East' now on display in Lebanon."

Maliki's Motorcade Stoned In Sadr City. ABC World News (11/26, story 2, 1:50, Harris, 8.78M) reported Iraq's "most powerful politicians, led by the Prime Minister Nouri al Maliki, went on national television to call for calm, and it did not seem to have much effect." ABC (Brown) added, "In an act of desperation," Maliki "pleaded with the country's politicians today to stop the bloodshed, since he himself seems unable to do so. This afternoon, he visited Sadr City, the scene of Thursday's car bomb massacre by Sunni insurgents, to express condolences to the relatives of some of the 230 victims. As he drove away, his motorcade was stoned. Sadr City, a Shia stronghold, is where he's supposed to draw his support. Earlier, Maliki went on national television, along with Kurdish and Sunni leaders, promising to track down those responsible for the outrage."

The Los Angeles Times (11/27, Roug, 850K) reports, "The heckling by Maliki's fellow Shiites came after a Baghdad meeting at which he appealed for peace, standing alongside Iraq's Kurdish president, Jalal Talabani, as well as the speaker of parliament and a vice president, both Sunnis. However, even state television on today substituted its usual placid rhetoric with footage of the Shiite deputy health minister lashed out at residents of various Sunni neighborhoods, accusing them of fostering violence."

The Christian Science Monitor (11/27, Peterson, 59K) reports Maliki "blasted politicians Sunday for divisions that encourage carnage and called for unity in the face of deepening civil war. 'The ones who can stop further deterioration and bloodshed are the politicians,' he said, adding that all must first realize there 'are no winners and losers in this battle.'" The New York Times (11/27, Wong, 1.16M) reports Maliki "spoke after a meeting of an advisory security council of Iraq's top politicians, including himself, the president and the speaker of Parliament."

Mahdi Army Wins Popularity In Sadr City. In a front-page story, the Washington Post (11/27, Raghavan, 690K)

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examines the "Mahdi Army's less-publicized roles in Iraqi society." During last week's Sadr City violence, one member "strode confidently through streets littered with burning cars and charred bodies. At one moment, he was guiding an ambulance carrying bomb victims through traffic. At another, he was searching cars at a checkpoint. By evening, he had helped to seize a would-be car bomber and to retrieve corpses. By nightfall, he was patrolling the streets of his neighborhood. ... The militiamen were heroes that day, Sadr City residents said in interviews. They did everything that Iraq's fragile unity government did not, or could not, do."

"Tit-For-Tat" Violence Continues. The Washington Post (11/27, A14, Trejos, Al-Izzi, 690K) reports, "Gunfights broke out and mortar shells came crashing down on parts of the capital Sunday despite a three-day-old curfew and appeals for calm from Iraq's top Shiite, Sunni and Kurdish political leaders. ... Tit-for-tat violence continued Sunday, as a gun battle erupted following afternoon prayers in the Sunni Arab neighborhood of Ghazaliya in west Baghdad."

Herbert Says Americans "Shopping While Iraq Burns." In his New York Times (11/27, 1.16M) column, Bob Herbert writes, "Americans are shopping while Iraq burns. The competing television news images on the morning after Thanksgiving were of the unspeakable carnage in Sadr City -- where more than 200 Iraqi civilians were killed by a series of coordinated car bombs -- and the long lines of cars filled with holiday shopping zealots that jammed the highway approaches to American malls that had opened for business at midnight. ... There is something terribly wrong with this juxtaposition of gleeful Americans with fistfuls of dollars storming the department store barricades and the slaughter by the thousands of innocent Iraqi civilians, including old people, children and babies. The war was started by the U.S., but most Americans feel absolutely no sense of personal responsibility for it."

Increasingly Popular Sadr Said To "Control US Fate" In Iraq. Newsweek (12/4, Bartholet, 3.12M), in its cover-story titled, "How Moqtada al-Sadr Controls U.S. Fate in Iraq," reports Sadr "is a unique force in Iraq: a leader from the majority Shiites who has resisted American occupation from the start. He's a populist, a nationalist and an Islamic radical rolled into one. Part of his power is simply that he's powerful. Large numbers of impoverished Shiites view Sadr as their guardian — the one leader who is willing not just to stand up for them but to strike back on their behalf. … The longer Sadr has survived, the greater his prestige has grown. Iraqis and foreigners who meet him are impressed by the transformation. He's more diplomatic and commands more respect." According to Newsweek, Sadr "is now a primary target of Sunni insurgents bent on provoking all-out civil war. … More than anyone, Sadr personifies the dilemma Washington faces: If American troops leave Iraq quickly, militia leaders like Sadr will be unleashed as never before, and full-scale civil war could follow. But the longer the American occupation lasts, the less popular America gets — and the more popular Sadr and his ilk become."

"Shiite Zarqawi" Agrees To Written Interview. Time (12/4, Ghosh, 4.03M) reports, "Few Americans have ever heard of him and most Iraqis don't know what he looks like. But such is the reputation of Abu Deraa, 48, that all of Baghdad's biggest, most brazen attacks against Sunni targets are almost automatically assumed to be his handiwork. Iraqi and U.S. officials say Abu Deraa is the mastermind behind the killing of thousands of Sunnis this year. Loosely affiliated with the Mahdi Army of the radical cleric Muqtada al-Sadr, Abu Deraa's death squad is suspected of involvement in some of the most daring kidnappings in the capital." Abu Deraa "has largely operated in the shadows, avoiding public appearances and almost never giving interviews. But now he has. Abu Deraa agreed last week to provide written responses to TIME's questions, which were passed to him by intermediaries. He says he is 'honored' by comparisons to al-Zarqawi and claimed, implausibly, to have no ill will toward ordinary Sunnis. He says his fight is against 'occupiers, their supporters and takfiris' -- a reference to Sunni insurgents linked to al-Qaeda."

Zakaria Says US Soldiers Attacked By Those They Are Defending. Newsweek's Fareed Zakaria (12/4) writes, "If you want to understand the futility of America's current situation in Iraq, last week provided a vivid microcosm. On Thursday, just hours before a series of car bombs killed more than 200 people in the Shia stronghold of Sadr City, Sunni militants attacked the Ministry of Health, which is run by one of Moqtada al-Sadr's followers. Within a couple of hours, American units arrived at the scene and chased off the attackers. The next day, Sadr's men began reprisals against Sunnis, firing RPGs at several mosques. When U.S. forces tried to stop the carnage and restore order, goons from Sadr's Mahdi Army began firing on American helicopters. In other words, one day the U.S. Army was defending Sadr's militia and, the next day, was attacked by it. We're in the middle of a civil war and are being shot at by both sides."

Waxman Scrutinizing Halliburton Contract For Services In Iraq. Time (12/4, Tumulty, 4.03M) reports, "In the altered landscape that is Washington, there's a new contender for the title of Scariest Guy in Town." As chairman of the House Government Reform Committee, Rep. Henry Waxman "will have free rein to investigate, as he puts it, 'everything that the government is involved with.' And the funny thing is, Waxman can thank the Republicans for the unique set of levers he will hold. Under a rules change they put through in the days when they used the panel to make Bill

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Clinton's life miserable, the leader of Government Reform is the only chairman who can issue subpoenas without a committee vote." According to Time, "Iraq will get new attention with Waxman in power. This week he plans to send a letter to Defense Secretary Donald Rumsfeld demanding information on Halliburton's $16 billion contract to provide services to troops there. Waxman's staff has been poring over the fine print of that deal for more than two years, and is convinced that much of the money is slipping between layer upon layer of subcontractors."

Afghanistan Violence Continues As NATO Meeting Nears. NBC Nightly News (11/26, story 7, 2:40, Seigenthaler, 9.87M) reported that it has "been a deadly weekend with attacks on two fronts" in Afghanistan. Fighting "in the southeast left one NATO soldier and at least 55 insurgents dead. A suicide bombing killed 15 people." But "in another part of Afghanistan...the US appears to be winning the battle for local support." NBC (Maceda) added, "Six months ago just entering the Peche River Valley in eastern Afghanistan meant a firefight for US forces. Today the 10th Mountain Division routinely patrols the valley, visits the villages and even the homes. The fight in Afghanistan has intensified but here US soldiers believe they have made progress." Capt. Rob Stanton: "We see incredible success. A big portion is because of the way that we interact and live with the people."

The New York Times (11/27, Gall, 1.16M) reports a suicide bomber "walked into a packed restaurant in southeastern Afghanistan on Sunday morning and set off his explosives, killing 15 other people and wounding 25, Afghan officials said. The attack, after a few weeks of relative quiet, raised fears that insurgents were resuming their campaign of suicide bombings." The AP (11/26, Tang) says the attacker, a Pakistani, "was believed to be targeting the military commander and the district chief."

NATO Faces "Rift" Over Afghanistan Mission. The New York Times (11/27, Shanker, 1.16M) reports that though "NATO is bigger than ever, and it is reaching further than ever before," its mission in Afghanistan "threatens a rift" between member nations "willing and able to participate fully in combat operations in Afghanistan and those nations that are not." Most nations "have imposed restrictions on their member troops that NATO commanders say hamper their ability to move forces for missions and rescue other NATO forces that may get into trouble." President Bush "is expected to push for easing the restrictions when he meets with NATO leaders" in Latvia this week.

Dutch Withdrawal From Afghanistan Possible. In a report on possible changes in Dutch government policies after last week's elections, the Financial Times (11/27, Bickerton) says the inclusion of the Socialists in a possible coalition "could trigger a foreign policy shift. The party demands a withdrawal of Dutch troops from Afghanistan."

NATO Tries To Regain Trust In Afghan Town. The Washington Post (11/27, A12, Constable, 690K) writes about the situation in the town of Panjwai, its name now "synonymous with the physical destruction and political mayhem wrought by months of Taliban attacks and NATO bombing." In an effort to "regain public trust, NATO forces have moved into Panjwai with bricks, bulldozers and lots of cash."

Bush Presses Karzai On Drug Production. AFP (11/26) reports President Bush called Afghan President Hamid Karzai Saturday "to demand more action against Afghanistan's world-leading drugs trade and reiterate continued US support." Karzai's office said the US "would 'reiterate its commitment at the NATO summit to the strengthening of security and reconstruction in Afghanistan'" at the NATO summit,

Anti-Poppy Farming Effort Could Endanger UK Troops. The Financial Times (11/27, Burns, Morarjee) reports plans by Afghanistan's government to eradicate poppy farming in the southern Helmand province "risk drawing British troops into fierce fighting with an already embittered local population." Helmand's governor "has promised to push ahead with a drug eradication programme early in the new year in the southern province where British troops faced unexpectedly fierce battles during the summer."

Military Researchers Seek Non-Lethal Ways To Stop Vehicles In Iraq. USA Today (11/27, Welch, 2.27M) reports, "Two teams of military engineers competed to come up with a solution to a problem U.S. troops face daily in Iraq -- how to stop civilian vehicles that blunder past checkpoints without destroying the vehicles or killing their occupants." In August, Air Force Research Laboratory engineers, working at an Arizona test range, "used remote-controlled automobiles and high-speed cameras to test four devices they designed to halt oncoming traffic by non-lethal means."

Professor Says Iraq's Academics Targeted By Terrorists. In a Washington Post (11/27, A19, 690K) op-ed, Duke University visiting professor Abdul Sattar Jawad writes, "The mass kidnappings of scholars in Iraq underscore the chilling fact that the most dangerous place in Iraq is not the mosque, the marketplace or the military checkpoint, but the classroom. More than 250 academics have been killed since 2003, targeted by so many warring factions that it seems to be the only issue they can agree on. To date, not one person has been arrested for these murders. Fundamentalist Sunni, Shiite, Baathist, anti-Baathist and other anti-American militants all have taken credit for these

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murders. Some are groups of students doing the Mahdi Army's bidding and willing to take matters into their own violent hands. But they all share a common feature: the use of terrorism as a weapon to murder academics, plunge university life into chaos and threaten learning at its source."

CORPORATE SCANDALS:

New York Federal Prosecutors Seen As Slumping In White-Collar Cases. USA Today (11/27, Farrell) reports, "When it comes to securities fraud cases, not all U.S. Attorneys are created equal. Defense lawyers, as well as many federal prosecutors across the country, acknowledge that the U.S. Attorney's Office in Manhattan has the most experience in the field, and is best positioned to bring complicated white-collar criminal cases. … But if federal prosecutors in Manhattan are the New York Yankees of their field, they've been on what seems to be a losing streak lately." USA continues, "Consider: … After an appeals court overturned a guilty verdict against investment banker Frank Quattrone, prosecutors in Manhattan decided to drop the case. The office accused Quattrone in 2003 of obstructing an investigation into whether his bank rewarded prominent clients with hot IPO stocks, a practice known as 'spinning.' … A federal judge publicly rebuked two Manhattan prosecutors in June for their conduct in the government's investigation of tax shelter abuse by partners from KPMG. U.S. District Judge Lewis Kaplan said statements submitted to the court by prosecutors from the office were 'misleading.' … Last week, prosecutors dropped five cases against specialists at the New York Stock Exchange. In 2005, the U.S. Attorney's Office in Manhattan accused 15 specialists, who are responsible for buying and selling stocks on the NYSE floor, of putting their own interests ahead of those of the investors. Since then, charges against two of the specialists have been dropped, and a jury has acquitted two others. Two specialists have pleaded guilty, three were convicted and the final charged specialist fled the country and is a fugitive." USA adds, "Despite the setbacks, no one's willing to say the office has lost its fastball. In fact, the decision to drop cases can be viewed as a sign of strength, say some observers."

ACS Officers Step Down Amid Options Probe. The Wall Street Journal (11/27, A3, Bandler, Forelle) reports, "The options-backdating scandal claimed more high-level officials, as the top two executives at a large technology-outsourcing company resigned after an internal investigation concluded they were closely involved in manipulation of stock options at their company." The Journal continues, "Mark King, chief executive of Affiliated Computer Services Inc., and Warren Edwards, the company's finance chief, stepped down from their posts yesterday but will remain employees until June, the company said. Dallas-based ACS is one of the world's largest providers of back-office computer services to companies and governments, and has 55,000 employees world-wide. … The departures bring to more than 60 the number of corporate officials who have lost their posts as the options scandal continues to grow. It already has sparked one of the largest executive-suite housecleanings in memory, and more officials are likely to lose their jobs in coming weeks." The Journal adds, "In releasing the results of its internal probe, ACS said its investigators determined that Messrs. King and Edwards, along with Jeffrey Rich, a former ACS CEO who resigned in September 2005 before the options issues surfaced, intentionally backdated options in a 'significant number of cases,' increasing their own potential for profit, and prepared memos with phony dates to document the misdated grants. … Messrs. King and Edwards also misled the company's own directors and lawyers, the internal probe concluded, telling them earlier this year that there wasn't any backdating. ACS said that led the company to make an 'inaccurate' securities filing in May that denied any serious backdating issues. … The company said it will face a charge of around $51 million to fix the faulty accounting caused by the misdating. The company said it hasn't yet determined how the adjustment will affect past and current financial statements or whether restatements would be required."

SEC Urged To Crack Down On Former San Diego Officials. In a Wall Street Journal op-ed (11/27, A12), Nicole Gelinas, contributing editor at City Journal, says, "The SEC has announced that it has resolved its pension-fund fraud case against San Diego, with the city agreeing not to commit illegal shenanigans in the future and to hire an 'independent monitor' to help it avoid doing so. Although the SEC went easy on the residents and taxpayers of San Diego in its settlement, it still has an opportunity to make an example of the former officials who the SEC determined committed the fraud. The feds should seize that chance to show they're serious about policing a sector of the investment world that remains vulnerable to similar fraud."

Zuckerman Warns Sarbanes-Oxley Threatens US Markets' Primacy. U.S. News and World Report's Mortimer Zuckerman (12/4) writes, "since 1950, nobody could argue with New York's claim to have replaced London as the world's financial capital. … Now, however, New York is challenged-and the evidence is in the numbers. Last year, only two of the 25 largest international initial public offerings were issued by firms using American capital markets. London's Alternative Investment Market, instead, has become the exchange of choice for listings by small companies, with

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433 new IPOs last year alone, versus just 155 on New York's Nasdaq." Zuckerman asks, "What's going on? It's called Sarbanes-Oxley. … The law offers benefits of transparency, accountability, and investor protection. Fine, but as our insightful new treasury secretary, Henry Paulson, pointed out just last week, the law also has a seemingly innocuous section, known as 404, that has proved to be real corporate overkill." Zuckerman adds that Sarbanes-Oxley "has also created a sharper adversarial relationship between corporate boards and management. Boards now tend to focus more on regulatory-compliance issues than on competitive strategies, with members less worried about falling behind than falling afoul of the complex rules of Section 404."

WSJournal Says SEC Should Reject "Direct Access" Proposal. The Wall Street Journal (11/27, 2.04M) says in an editorial, "The Hewlett-Packard meltdown has offered some poignant lessons in corporate board dysfunction, and with any luck the Securities and Exchange Commission has been taking notes. One way to create more HP-like storylines would be for the nation's top financial regulator to appease the latest political agitation for greater 'shareholder democracy.' That's what the SEC will consider at a December hearing to discuss 'direct access,' or the idea of giving shareholders more power in determining the makeup of corporate boards. What makes the 'democracy' campaign so ironic is that this proposal isn't designed to make companies more responsive to most shareholders. It is instead a costly, divisive and deeply unfair proposal that would force many companies to bend to special-interests."

CRIMINAL LAW:

FBI Probe Target Defends Weldon's Help With Moldova, Russia Deals. The Philadelphia Inquirer (11/27, Shiffman, Fazlollah, 385K) reports, "When Center City lawyer and Russian trade expert John J. Gallagher lost a $2.5 million investment in a cognac distillery in a former Soviet republic, a family friend stepped up to help -- in a big way. The friend, U.S. Rep. Curt Weldon, first called the president of Moldova. When that didn't work, Weldon went to the House and proposed cutting all U.S. aid to Moldova until Gallagher got his money back. That deal, now part of an FBI corruption investigation, wasn't the only time that Weldon used his office to help Gallagher, a lawyer who specializes in putting together business deals -- from Philadelphia City Hall to the U.S. Capitol to the Kremlin." The Inquirer adds, "In the first interview given by one of the subjects of the FBI probe, Gallagher said his relationship with Weldon went back 30 years. Their careers, he said, dovetailed in Russia. … Gallagher said Weldon, in trying to help him in Moldova, was simply providing good constituent service. … Gallagher declined to give details of the FBI raid last month, other than to acknowledge that agents took his Moldova file, among others. He said he was cooperating with the investigation."

Philadelphia Politicians Anxious About Corruption Probes, Prosecutions. The Philadelphia Daily News (11/27, Davies, 106K) reports, "As the 2007 mayoral election season begins and Philadelphia pols engage in the predictable frenzy of raising money, spreading rumors, begging and bluffing for support, talking trash and trading gossip, something is different from past campaign chatter: They're not sure who else may be listening. Over the past four years, the FBI and federal prosecutors have gone on an anti-corruption crusade, nailing more than two dozen people on corruption charges and shaking the city's Democratic power structure to its core." The Daily News notes, "One question embedded in discussions of the probes is why U.S. Attorney Patrick Meehan has been so actively going after Philadelphia politicians. Meehan says when he came into the job…he made public corruption a priority," and "another explanation is a new focus from the FBI on public corruption. Spokeswoman Jerri Williams said that when Robert Mueller became FBI director in 2001, 'we shifted our priorities... . Public corruption became the number-one criminal priority.'"

DOJ Finds South Florida Is US Corruption Capital. The Palm Beach Post (FL) (11/27, Musgrave) reports, "South Florida is the public corruption capital of the country, according to the U.S. Department of Justice." The Post continues, "Between 1996 and 2005, a record-setting 576 people were convicted of federal corruption charges in the district that extends from Key West to Sebastian, according to the agency's most recent annual report. … That's far more than the 402 convicted during the same 10 years in Washington, D.C. or the 453 convicted in Chicago, where political machines have been rolling for decades." The Post adds, "New York City, another hotbed of government scandal, didn't even come close. A mere 374 people were convicted of public corruption charges during the last decade, the report shows. .. Some political scientists said they were surprised South Florida beat out its more time-honored counterparts for the dubious distinction. But, having watched scandals rock the airport, numerous cities and other government agencies in Miami-Dade County, they said they expected it would be high on the list. … The reasons South Florida has been plagued by public corruption are many and varied, observers say. Rapid growth, an influx of immigrants who may have a different view of how government business is run, skyrocketing land values and aggressive prosecution are all factors, political scientists said."

US To Appeal Reversal Of San Diego Official's Conviction. The San Diego Union-Tribune (11/27, Thornton) reports, "The government will appeal a federal judge's controversial decision to overturn a jury's guilty

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verdicts against former San Diego City Councilman Michael Zucchet." The Union-Tribune continues, "San Diego U.S. Attorney Carol Lam, who lobbied heavily for permission to appeal, waited an unusually long time for approval from the Solicitor General's Office, an arm of the Justice Department that makes all decisions about appeals and represents the United States before the U.S. Supreme Court. … The approval, which took about a year, means Justice Department lawyers have concluded that the jury's verdict was correct, that there was sufficient evidence to convict Zucchet of trading political favors for money, and that it's likely a panel of the 9th U.S. Circuit Court of Appeals will agree." The Union-Tribune adds, "A lawyer connected to the case said those involved were informed of the development by overnight letter late last week, but the Thanksgiving holiday might have delayed some notifications. … Zucchet and his lawyer, Jerry Coughlan, said yesterday that they had not yet been notified of the government's decision. Zucchet declined to comment, but Coughlan called the move 'a dumb mistake.' … 'They'll lose again because (U.S. District Judge Jeffrey T.) Miller was absolutely right. If the solicitor general made the decision on the law and the facts, it wasn't even a close call, but I also know this U.S. attorney's office put a lot of pressure on the solicitor general,' Coughlan said. Zucchet was indicted in 2003 along with former Councilmen Ralph Inzunza, Charles Lewis and strip club associates on extortion and honest-services wire-fraud charges. They were accused of scheming to deprive citizens of honest services by surreptitiously trading efforts to repeal a law banning touching between strippers and patrons for campaign contributions. … Zucchet, Inzunza and Las Vegas lobbyist Lance Malone were convicted by a jury July 18, 2005. Lewis died before trial. Malone's boss, strip club owner Michael Galardi, made a deal with the government and testified against the others. Galardi is scheduled to be sentenced in January. … In a stunning move a few months later, in November, Miller overturned a jury's guilty verdicts against Zucchet, acquitting him of seven corruption counts and granting a new trial on the remaining two counts."

Illinois Alderman Describes Stressful Role As FBI Mole. The Chicago Tribune (11/23, O'Connor, 617K) reported that Alex Bojovic of Berwyn, "it turned out, was more than an alderman -- he was an FBI mole. … Bojovic worked nearly two years undercover, pocketing at least $15,000 in payoffs made public so far and tape-recording more than 400 calls and meetings. Bojovic said he secretly tape-recorded others, in addition to the two men charged, and is hopeful that federal prosecutors will bring additional charges." The Tribune noted, "Bojovic doesn't regret his decision to work undercover for the FBI, he said, but it came at a price. He said he grew increasingly nervous at being wired, fearful that the hidden recorder would be discovered. The stress mounted as he juggled his work, political and undercover schedules. He slept fitfully and broke down crying at least half a dozen times from the stress, he said."

Chicago Tribune Lauds FBI, Prosecutors, Jurors For Corruption Convictions. The Chicago Tribune (11/25, 617K) editorialized, "Owing to the work of FBI agents, federal prosecutors and jurors courageous enough to assign guilt to the guilty, the struggle against Illinois' culture of political sleaze advanced another step this week: Once-clouted Chicago City Hall insider Robert Sorich was sentenced to spend 46 months in a federal prison." The Tribune added, "The stir that Monday's sentencing caused tipped our memory back to July 18 of 2005, when U.S. Atty. Patrick Fitzgerald announced the charges in the case. The feds had prepared their evidence with the help of 30 cooperating witnesses," and "Robert Grant, the special agent in charge of the FBI's Chicago office, urged others who know about City Hall crimes to come forward. 'Now is the time to cooperate because this train is leaving,' he said. 'You're either on the train or on the tracks.' Where the train stops, though, nobody knows. … Thanks to the agents, prosecutors and jurors who've led us this far."

Former Michigan County Aide Charged In Ongoing Corruption Probe. The Detroit News (11/23, Egan) reported, "The federal government brought a criminal charge Wednesday against an aide to former Wayne County Executive Edward H. McNamara, four years to the day after agents raided the Old Wayne County Building and allegedly found political materials on the aide's computer. Robert S. Wisler of Livonia is charged with theft of government property under $1,000. He is the third Wayne County official charged since the Nov. 22, 2002, raid on the seat of county government. The charge is a misdemeanor, but allegations in the complaint suggest federal officials have linked political activity on county time to officials for whom Wisler worked as well as those he directed." The News noted, "County officials said earlier this month the grand jury investigation continues."

FBI Says KeyBank Executive Embezzled $29 Million Over 10 Years. In a widely-distributed story, the AP (11/27) reports, "A former KeyBank vice president accused of embezzling $29 million bought a multimillion dollar home on Long Island and spent $1.1 million on his fiancee's engagement ring, investigators say." David F. Verhotz "also lived a double life, according to pretrial statements made by U.S. Attorney Justin Roberts. He said Verhotz had recently divorced his wife in Ohio but told his fiancee, who lived with him in New York, that the marriage had ended 10 years ago." The AP adds, "Verhotz, who has been fired as the head of the bank's international loans unit, carried out his financial

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scheme for 10 years, according to the FBI. … The alleged scheme began when Verhotz, who made $110,000 a year working at the bank, apparently got a fraudulent loan to pay the $30,000 to $40,000 he owed in back taxes, FBI supervisor Scott Gilbert said. Over the years, Verhotz would take out more loans to make payments on previous loans to avoid suspicion, according to the FBI."

Zoning Laws Aimed At Banning Pedophiles Come Under Fire. The New York Times (11/27, Mansnerus) reports from Franklin Township, NJ, "The man identified in court documents as A. B. does not talk to his neighbors or tarry at the convenience store. Seventy-seven years old, soft-spoken and sometimes confused, he hardly ever leaves the little ranch house he bought in 1969. 'People know what's what with me,' he said." The Times continues, "What's what with A. B. is that he moved back here last year after serving seven years in prison for sexually molesting two grandchildren and another youngster. And because his home is in a 'child safety zone' drawn by the township, he may be forced to leave it. … But the public defender's office in New Jersey, a state government agency, filed suit against the township on his behalf last month, claiming that the ordinance not only violates his right to due process, but also conflicts with a state law requiring that parole officers decide where registered sex offenders live. It is the first such case the agency has taken up, and could herald a curb on the rapidly proliferating local ordinances that threaten to push pedophiles to the fringes of civilization." The Times adds, "Such regulations — more than 100 have been enacted in New Jersey municipalities — are popular around the nation. More than 20 states have broad laws keeping sex offenders from schools, churches, playgrounds and the like. This month 70 percent of California voters approved expanding statewide restrictions to include more sex offenders, and authorized towns to designate even stricter limits."

Maryland Man Charged With Sexual Abuse. The Washington Post (11/27, B1, Ernesto Londoã±o) reports, "Before he was charged in recent weeks with abusing three minors, Stanley D. Schwartz had a clean record. … But allegations of sexual misconduct with underage boys by the 64-year-old patent lawyer were first made more than a decade ago, a Montgomery County detective said." The Post continues, "Jordan Satinsky said fellow detectives opened an investigation in 1992 after the Rockville man was accused of sexually touching at least nine Thomas S. Wootton High School male basketball players, whom he coached. … Schwartz also has been accused of inappropriate sexual conduct with boys between the ages of 13 and 16, whom he chaperoned on ski trips and hosted at his home as foreign exchange students, the detective said." The Post adds, "Satinsky said none of the previous allegations brought to the attention of police led to charges because they couldn't be corroborated and no alleged victims wanted to come forward. … Schwartz's attorney, Sanford Berman, would not comment on the allegations or the supervisory roles that have placed Schwartz in close contact with male teenagers. He said his client should be presumed innocent unless proved guilty in court. He also said his client would not be available for an interview."

New DC Police Chief To Focus On Community Policing, Collaboration. The Washington Post (11/27, A1, Klein) reports, "Cathy L. Lanier, chosen last week to lead the D.C. police force, said she plans to use 'precision patrol teams' to reduce crime in certain parts of the city, focusing on the places and times when criminals are most apt to strike." The Post continues, "The patrols are part of a broader community policing strategy that Lanier hopes to push as head of the 3,800-member department. In an interview, she said she intends to give more authority to commanders and beat officers to customize their own crime-fighting programs." The Post adds, "Targeted patrols have been used by police departments for years to combat spikes in crime. D.C. police have more than a dozen hot spots that get increased attention -- although not to the degree that Lanier is proposing. She created a model in 2002 when she was commander of the 4th Police District in upper Northwest and Northeast Washington. It reduced crime there, she said, and could have an impact citywide." The Post notes, "The precision patrol teams focus on crime hot spots and the 'hot times' in which they occur, Lanier said. In the model Lanier used, officers blanketed areas in marked police cars with flashing lights to maximize visibility. The hot spots were relatively small -- about six square blocks each. But they were accounting for large shares of robberies, burglaries, vehicle thefts and other crimes. Crime dipped within 90 days, she said. … Lanier, 39, a 16-year force veteran, was selected by Mayor-elect Adrian M. Fenty (D) to replace Charles H. Ramsey in a job that is often a lightning rod for criticism and complaints. A protege of Ramsey's, she said she plans to build on his successes in reducing crime while making the department more responsive to residents. If confirmed by the D.C. Council, Lanier would become chief in January, soon after Fenty takes office."

Spain Struggles To Combat Spousal Abuse. The Christian Science Monitor (11/27, Pingree, Abend) reports from Madrid, "Margarita's partner - a university ethics professor - had abused her from the beginning of their 14-year relationship. But after she got pregnant with their first daughter, the violence became intolerable. Still, she didn't file her first police complaint for six years. … 'Domestic violence kills your self-esteem, and I needed help,' says Margarita (not her real name). 'But there's not much of a tradition in Spain of

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protecting women or of punishing offenders.'" The Monitor continues, "In 2005, the country seemed ready to chart a different path when its newly elected Socialist government introduced sweeping domestic-violence legislation. Yet almost two years after the law went into effect, Spanish courts are flooded with spousal-abuse cases and the number of women killed by their partners has risen. … Indeed, as officials from around Europe convene at a Madrid conference Monday to kick off a continentwide campaign against domestic violence, many in Spain have realized that legislation alone can't solve the problem." The Monitor adds, "Last Thursday, the number of women killed by their partners this year reached 61, surpassing 2005's total of 60. That number is lower than the 95 women killed so far this year in France, or the roughly two women killed each week in Britain. It also falls proportionately below rates in Denmark, Finland, and Sweden. But the problem is severe enough that Spain approved unusually comprehensive legislation to combat it. … The Law for Comprehensive Protection Against Domestic Violence, which went into effect in January 2005, stiffened penalties against abusers, provided greater social assistance to abused women, and created special courts and a government delegation dedicated to combating 'gender violence.' Unlike legislation in other European countries that treats prevention, punishment, and aid to victims as separate concerns, Spain's law does everything from appointing special prosecutors to providing victims with financial support to calling for less sexism in advertising."

FBI, Minnesota Police End Ground Search For Missing Boys. In a widely-distributed story, the AP (11/27) reports, "Authorities called off a major ground search Sunday on the Red Lake Indian Reservation after they turned up no sign of two young brothers who have been missing since they went out to play Wednesday morning. But FBI Special Agent Paul McCabe said authorities would continue pursing leads, and the effort to find 4-year-old Tristan White and 2-year-old Avery Stately was not over. 'We will not stop looking for Tristan and Avery until they are found,' McCabe said. … McCabe said it's still unclear whether they wandered off or were taken." The AP notes, "The FBI last week offered a $20,000 reward for information that leads to the boys." The Minneapolis Star Tribune (11/27, Collins, 395K) adds, "'There is some disappointment that they couldn't help bring the kids home,' McCabe said about the search parties. 'But we feel confident that the search has been extensive and thorough.' McCabe said authorities will continue to investigate whether the boys wandered off or whether foul play was involved." The Star Tribune notes, "A hot line set up Friday has led to about 70 tips, double the total announced on Saturday, McCabe said Sunday. However, the tips have not led to any substantial leads."

Death Of California Child Raises Concerns About Federal Crime Priorities. The Los Angeles Times (11/27) editorializes, "Who could bear to write an epitaph for Ethan Esparza? Ethan was celebrating at his 4th birthday party Nov. 19, playing with a new toy car in the frontyard of his Pomona home, when a gunman stepped out of an SUV and began spraying bullets into the crowd of children. After being shot, Ethan lived long enough to scramble to his mother's room and spend his last moments gasping for breath in her arms. There are no words strong enough to express her agony or the depths of a community's sympathy." The Times continues, "Police departments don't have any words for such tragedies either, but they do have numbers. Statistics compiled by the FBI show that violent crimes nationwide rose 2.3% in 2005, the first such increase since 2001. Homicides were up 3.4%, and a separate report issued in September by the Justice Department showed a marked increase in gun violence last year." The Times adds, "A one-year statistical bump doesn't necessarily signal a trend, and crime statistics are always problematic because they're based on reported incidents; a jump might simply mean more people are going to the police, not that more crime is occurring. Further, nationwide crime patterns are extremely uneven: Violence is down in New York but up in Boston. Locally, police are concerned about a rash of gang attacks in the San Fernando Valley, but violent crime in Los Angeles as a whole has been declining for years. … But the country's top cops don't think the statistics are an anomaly. At a conference in August, about 300 police chiefs complained to FBI officials that a shift in national priorities toward fighting domestic terrorism was compromising their ability to fight conventional crime. Federal funding for municipal police work has been cut nearly in half since 9/11, diverted instead to anti-terrorism programs. At the same time, the Bush administration and Congress have significantly loosened federal gun-control measures such as the now-expired assault weapons ban." The Times concludes, "It would be absurd to say that Ethan or the other victims of senseless violence died because of federal crime policies, but it's equally absurd to think one can make it easier for criminals to obtain deadly weapons without having an effect on the murder rate. Last year, there were nearly 17,000 homicides in the United States, five times the death toll from 9/11. It may be that our focus on Middle Eastern terrorists has distracted our attention away from a bigger, entirely homegrown threat."

WPost Criticizes Maryland Court Ruling On Rape Law. The Washington Post (11/27, A18, 690K) says in an editorial, "Is it rape if a woman agrees to have sex, then changes her mind after the act has begun and tells the man to stop? Not in Maryland, no matter how clear it is that the woman has withdrawn her consent. According to a ruling last

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month by the Maryland Court of Special Appeals, the state's intermediate appellate court, forcing a woman to continue to have sex against her will is not rape under common law and state court precedents. If this is a correct interpretation of the law, the law should be changed."

CIVIL LAW:

SCOTUS To Consider Landmark State-Power Case. Bloomberg (11/27, Vekshin, Stohr) reports, "A lineup of legal heavyweights unusual even by Supreme Court standards is doing battle in a case pitting Wachovia Corp. against Michigan banking regulators." Bloomberg continues, "Wachovia's side includes Walter Dellinger, Seth Waxman and Theodore Olson, all of whom served as solicitor general of the United States -- the government's top courtroom lawyer. Backing Michigan in its arguments to the court Nov. 29 are the other 49 states, led by New York Attorney General Eliot Spitzer, the state's governor-elect." Bloomberg adds, "At stake is what Dellinger, 65, calls 'the single most important legal doctrine' for many U.S. industries: how free states are to impose stricter regulations than those set by the federal government. If Michigan and Spitzer prevail, says Dellinger, who served under President Bill Clinton, 'we're in danger of switching roles, where Europe has the great common market and we have the Balkanized economy.'" Bloomberg notes, "The high court is being asked to decide whether federal oversight of Wachovia and other national banks extends to their state-chartered subsidiaries, immunizing them from state regulation of their mortgage businesses. … A decision favoring Michigan may lead some national banks to close their subsidiaries and move the services they perform into the bank, restricting the availability of credit and increasing its cost, banking industry officials say. … The dispute also has implications beyond the banking industry, testing federal regulators' power to block more aggressive state oversight. A broad court ruling might affect the regulation of prescription drugs, autos and other consumer products -- all fields governed by federal agencies that have sought to curtail suits by individuals under state laws."

Philip Morris Criticized For Ineffectual Anti-Smoking Campaign. The New York Times (11/27, 1.16M) says in an editorial, "Philip Morris has adopted the role of good citizen these days. Its Web site brims with information on the dangers of smoking, and it has mounted a campaign of television spots that urge parents, oh so earnestly, to warn their children against smoking." But "in practice, it turns out, these industry-run campaigns are notably ineffective and possibly even a sham. New research shows that the ads aimed at youths had no discernible effect in discouraging smoking and that the ads currently aimed at parents may be counterproductive." Philip Morris, "the industry's biggest and most influential company, is renowned for its marketing savvy. If it really wanted to prevent youth smoking — and cut off new recruits to its death-dealing products — it could surely mount a more effective campaign to do so."

CIVIL RIGHTS:

New York Police Shooting Under Review. The New York Times (11/27, Wilson) reports, "It is known in police parlance as 'contagious shooting' — gunfire that spreads among officers who believe that they, or their colleagues, are facing a threat. It spreads like germs, like laughter, or fear. An officer fires, so his colleagues do, too." The Times continues, "The phenomenon appears to have happened last year, when eight officers fired 43 shots at an armed man in Queens, killing him. In July, three officers fired 26 shots at a pit bull that had bitten a chunk out of an officer's leg in a Bronx apartment building. And there have been other episodes: in 1995, in the Bronx, officers fired 125 bullets during a bodega robbery, with one officer firing 45 rounds." The Times adds, "Just what happened on Saturday is still being investigated. Police experts, however, suggested in interviews yesterday that contagious shooting played a role in a fatal police shooting in Queens Saturday morning. According to the police account, five officers fired 50 shots at a bridegroom who, leaving his bachelor party at a strip club, twice drove his car into a minivan carrying plainclothes police officers investigating the club. … The bridegroom, Sean Bell, who was to be married hours later, was killed, and two of his friends were wounded, one critically." The Times notes, "To the layman, and to the loved ones of those who were shot, 50 shots seems a startlingly high number, especially since the men were found to be unarmed. And police experts concede that the number was high. Yet they also note that in those chaotic and frightening fractions of a second between quiet and gunfire, nothing is clear-cut, and blood is pumping furiously. Even 50 shots can be squeezed off in a matter of seconds. … The five officers involved in the shooting were placed on administrative duty yesterday — without their guns — as the Police Department and the Queens district attorney investigated the circumstances surrounding the shooting, and relatives of Mr. Bell, joined by the Rev. Al Sharpton, staged a rally and a march to demand answers."

The Washington Post/AP (11/27, A3, Hajela) reports, "Paul Browne, chief spokesman for the New York Police Department, said Sunday, 'We are continuing to look for additional witnesses to shed light on the incident, and assisting the district attorney's office with its investigation.' … The shootings occurred at about 4 a.m. Saturday outside Kalua Cabaret, a strip club where Bell's bachelor party was

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held. The survivors were Joseph Guzman, 31, who was shot at least 11 times, and Trent Benefield, 23, who was hit three times. Guzman was in critical condition Sunday and Benefield was stable."

ABC World News (11/26, story 4, 2:40, Harris) reported, "Several hundred people turned out to protest the police shootings outside the hospital where two of the wounded men are being treated. One of them is critical condition with 11 bullet wounds." ABC continues, "For some, this is reminiscent of the 1999 police shooting of Amadou Diallo, a young black man shot 41 times by police officers who said they thought he had a weapon. He didn't. The police commissioner says it is too early to tell whether these shootings were justified. But officers on the scene who did not fire their weapons say one of their undercover colleagues overheard the men saying they had a gun in the car."

Atlanta Police Chief Vows Review Of Shooting. The Atlanta Journal-Constitution (11/27, Ahmed) reports, "Five days after an elderly woman was killed in a gunbattle that left three officers wounded, Atlanta police Chief Richard Pennington said Sunday night his department will review its policy on 'no knock' warrants and its use of confidential informants." The AJC continues, "Speaking for the first time since the Tuesday night shooting death of Kathryn Johnston at her home in northwest Atlanta, Pennington said his office 'will turn over every stone to make sure we get to the reason why this tragic incident happened.' … Pennington provided little new information on what led to the confrontation at 933 Neal St. when narcotics officers seeking to serve a warrant broke down the front door and exchanged gunfire with Johnston." The AJC adds, "Earlier that day, a man named 'Sam' had sold drugs from inside the house to an informant, police said, prompting officers to seek a 'no-knock' warrant. Such warrants are frequently issued so police can get inside a home before suspects can destroy or flush drugs. .. .Johnston — described by neighbors and family as a frightened woman who had burglar bars on her windows and door and rarely let friends and neighbors into her home — had lived at the one-story brick home near the Georgia Dome for 17 years. … The police chief said officers found marijuana inside the house but 'not a large quantity.' Previously, police only said drugs were seized at Johnston's home. … The Georgia Bureau of Investigation, at the request of the Fulton County District Attorney's Office, is looking into the incident, including examining the home to determine how many gunshots were fired in the confrontation. GBI spokesman John Bankhead said it will take several more weeks before results are available. … Pennington spoke with reporters at Lindsay Street Baptist Church after a meeting with civil rights activist the Rev. Markell Hutchins. … Hutchins leaves for Washington this morning to deliver a letter to the U.S. Justice Department calling for a federal investigation into 'what we believe are at worst, gross violations of this woman's life, and at best, poor judgment on the part of the police officers.'"

High Court To Rule On Louisville Desegregation System. Time (12/4, Rawe, 4.03M) reports, "Louisville's racial guidelines keep its schools from having too many or too few black students. Most parents like the policy. Will the Supreme Court strike it down? … The system, which has been in place for a decade, has made Jefferson County one of the most integrated school districts in the country. But if Crystal Meredith, a single mom who was told her son could not transfer to another elementary school because he is white, has her way, the whole thing will be dismantled. And plenty of critics agree that it should be. Meredith and others contend that the guidelines amount to an unconstitutional quota system. So Jefferson County finds itself in an ironic position. After years of court-ordered desegregation, the school district will appear before the U.S. Supreme Court next Monday, arguing that it should be allowed to use the same system voluntarily."

Frank Intends To Seek Repeal Of "Don't Ask, Don't Tell." Asked on Fox News Sunday (11/26, Wallace) about his support for repealing the "don't ask, don't tell policy" on gays in the military, Rep. Barney Frank said, "I don't think it's inflammatory to say that the young men and women ought to be able to join the military. … One of the things I do want to address, yes, is discrimination based on sexual orientation. In fact, what we have is a shortfall in the military. And I think when you have people being fired who can read Arabic and understand Arabic because of what they do when they're off-duty, that that's a grave error."

ANTITRUST:

US Airways-Delta Deal May Face DOJ Hurdle. The Houston Chronicle (11/27, Ivanovich) reports, "A consolidation craze has taken off in the airline industry. But federal antitrust-busters may not be so keen to get on board. … With the nation's planes packed full and air fares flying high, US Airways Group's hostile bid to take over financially troubled Delta Air Lines could face a cool reception at the U.S. Justice Department. … 'It's going to be a difficult deal to get through,' warned Mark Schechter, a Washington antitrust lawyer and the former head of the Justice Department's Transportation, Energy and Agriculture Section. 'If they do get it through, it's going to make the next deal even more difficult.'" The Chronicle continues, "Wall Street is more optimistic the deal will fly. If so, many investors anticipate another proposal will arrive in short order. … 'You may see some defensive plays ... as other carriers start looking down

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the road at who they could pair up with to protect their own market share,' said Washington aviation attorney Josh Romanow." The Chronicle adds, "Other airlines have certainly taken notice. … Larry Kellner, Continental Airlines' chief executive officer, already has said the Houston-based carrier might have to act if the airline industry changes. … And a Continental deal with, say, United Airlines, might prove less problematic with regulators than a US Airways-Delta union, JPMorgan analysts say." The Chronicle notes, "When evaluating a merger, regulators try to ensure consumers aren't harmed by allowing air service in particular markets to be concentrated in so few hands the remaining carriers have the power to raise ticket prices dramatically. … But they must balance that aim with the need to help stabilize the U.S. airline industry in the post-9/11 world. … Knowing business travelers don't like layovers, regulators will pay particular attention to nonstop service between cities. A carrier offering the only nonstop flights between a pair of cities can afford to hike fares significantly. … Five years ago, for instance, the Justice Department moved to block United's proposed takeover of the old US Airways. … That deal made regulators uncomfortable because United and US Airways were the only carriers offering nonstop service from Washington to a number of cities. Those two also offered the only nonstop service from hub cities such as Philadelphia to Los Angeles. … But when America West declared its affection for US Airways, Justice officials gave that merger its blessing."

Mutual Funds Have Many Advantages In Merger Environment. In an op-ed in the Wall Street Journal (11/27, A13), Donald Gogel, president and chief executive of Clayton, Dubilier & Rice, Inc., a private equity firm, writes, "What's so good about private equity? A lot. That's why private equity has emerged as a large, successful and growing asset class that attracted more than $300 billion in new investor commitments this year and that is responsible for more than 20% of total merger and acquisition activity in the U.S. and Europe in 2006." Gogel continues, "Unfortunately, there are many reasons that public companies can't 'just do it.' Many public CEOs tell me that they feel like Gulliver bound by a thousand ropes: It is extremely difficult for public company CEOs and their management teams to focus and execute long-term strategies that require fundamental changes in business practices at the same time as they are responding to the cacophony of their many, multiple constituencies. In an economic environment riddled with land mines, then, private equity has several compelling structural advantages," including better governance, a more stable shareholder base, opportunity to upgrade management talent, and more efficient capital structures." Gogel concludes, "These are powerful advantages that are only compounded by the ways that professionals in private-equity firms have learned to deploy capital. Supremely opportunistic, they recognize that the flexible and transitional nature of their capital means that they can fill spots in the global restructuring environment that public company capital cannot. They have established a highly effective form of financing and governance that enables large struggling corporations to remain competitive in response to the rapid changes in the global economy."

Chiniatrust Official Resigns Amid Purchase Probe. The Wall Street Journal (11/27, B9, Siong) reports from Taipei, Taiwan, "Chinatrust Financial Holding Co., a banking company and major credit-card issuer, said its vice chairman, Jeffrey Koo Jr., resigned Friday." The Journal continues, "The company didn't give a reason for the resignation, but Mr. Koo's departure comes as Taiwan prosecutors probe his role in the financial group's unauthorized purchase of rival Mega Financial Holding Co.'s shares. … A Chinatrust Financial public-relations official wouldn't say whether Mr. Koo is still abroad. Company officials had said earlier that he would return to Taiwan on Nov. 18." The Journal adds, "The Taipei Prosecutors Office issued an arrest warrant for Mr. Koo on Thursday after investigating the transaction for more than a month. Fred Lin, a spokesman for the prosecutors office, wasn't available for comment Friday. … The investigation has led to detentions of senior company officials and resulted in a management shuffle at the financial group."

Lone Star Funds Abandons Deal With South Korean Bank Amid Probe. The Washington Times (11/27, Salmon) reports from Seoul, "A U.S. company has pulled out of a multibillion-dollar deal with a leading South Korean bank, citing an extended criminal probe that some investment analysts view as a dangerous outburst of hostility toward foreign investment." The Times continues, "At stake is a deal that would have netted the Dallas-based Lone Star Funds an estimated $4 billion with the sale of the once-ailing Korean Exchange Bank (KEB), which it purchased three years ago, rehabilitated and had planned to sell to Kookmin Bank. … 'We have concluded that we cannot move forward with the sale of KEB to Kookmin Bank due to the continuing investigations, which have been extended several times and now have no firm completion date,' Lone Star Chairman John Grayken said in announcing the decision late last week." The Times adds, "Lone Star acquired the near-bankrupt KEB in 2003 for $1.2 billion. In March, Lone Star agreed to sell its controlling stake in KEB, whose financial status has turned around dramatically, to Kookmin Bank, Korea's biggest lender. … The sale was expected to be completed by the summer, but has been indefinitely delayed by a massive investigation into the deal." The Times notes, "Prosecutors

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say they are probing whether Lone Star colluded with government officials and former executives of KEB to overstate the bank's financial woes to drive down the purchase price. Prosecutors say they also suspect that Loan Star and KEB manipulated the stock price of a KEB credit-card subsidiary prior to the original purchase. … Foreign investors and financial analysts view the investigation as a warning to outsiders interested in doing business in South Korea, raising objections that echo arguments heard when political pressure forced Dubai Ports World to back out of a deal to manage six U.S. ports earlier this year."

ENVIRONMENT:

High Court To Hear Case On Global Warming. The AP (11/27, Hebert) reports, "The Supreme Court hears arguments this week in a case that could determine whether the Bush administration must change course in how it deals with the threat of global warming. A dozen states as well as environmental groups and large cities are trying to convince the court that the Environmental Protection Agency must regulate, as a matter of public health, the amount of carbon dioxide that comes from vehicles." The Bush Administration "intends to argue before the court on Wednesday that the EPA lacks the power under the Clean Air Act to regulate carbon dioxide as a pollutant. The agency contends that even if it did have such authority, it would have discretion under the law on how to address the problem without imposing emissions controls." The states, led by Massachusetts, "and more than a dozen environmental groups insist the 1970 law makes clear that carbon dioxide is a pollutant -- much like lead and smog-causing chemicals -- that is subject to regulation because its poses a threat to public health."

Schwarzenegger Touts States' Leadership In Fighting Global Warming. Gov. Arnold Schwarzenegger, on NBC's Meet the Press (11/26, Russert) commented on Sen. James Inhofe's skeptical comments regarding global warming, "There's always in history been people that are back with thinking in the Stone Age. And I think the key thing for us is not to pay any attention to those things, because as I said, the science is in. We know the facts. There's not any more debate is there global warming or not. We have global warming. … California, the states in the United States are not waiting anymore for the federal government to provide leadership. We are going off on our own. We are providing leadership to northeastern states. Pataki and all those guys are providing leadership in northeastern states."

Coal Plant Construction Boom Seen Hedge Against Potential Emissions Curbs. U.S. News and World Report (12/4, Schulte, 2.03M) reports Texas "is seeking permits to build some 16 new coal-fired power plants. And the Lone Star State isn't alone. Though talk of clean energy dominates the headlines, cheap, plentiful coal is staging a quiet comeback. According to the Department of Energy, 154 coal plants are being proposed nationwide, enough to power 93 million homes. … Analysts say the rush to build new plants is a calculated gamble by utilities that the federal government is poised to impose historic curbs on greenhouse gases-particularly with Democrats ensconced in Congress. By building now, utilities may grandfather in a new generation of plants that won't be required to bear the full brunt of future laws. Utilities say they're simply trying to meet the burgeoning demands of a growing country. But environmentalists aren't buying, and they vow to fight the coal plant expansion in every available forum.

Gore Belittles Climate Change Skeptics. In an interview with Time (12/4, Miranda, 4.03M) former vice president Al Gore, responding to comments concerning global warming from Sen. James Inhofe, chairman of the Senate's environmental committee, said, "There's some good news here. Senator Inhofe will soon be replaced by Senator Barbara Boxer, an advocate of solving the crisis, as chairwoman of that committee. As to why there are still skeptics -- there are people who believe that the moon landing was staged in a movie lot in Arizona. Another reason is that some of the largest polluters are still putting millions of dollars a year to hire pseudo scientists to confuse people into thinking that this crisis isn't real."

Solar Energy Pioneer Catches President's Attention. The Wall Street Journal (11/27, A1, Fialka, 2.04M) profiles Stanford R. Ovshinsky and his company, Energy Conversion Devices Inc., which is "the largest US-owned maker of photovoltaic materials, which convert sunlight to electricity." The firm "is a pioneer in an exploding global industry selling $15 billion a year of what's called 'PV.'" The Journal also reports, "As energy costs rise, along with concerns about global warming, PV is in demand." Ovshinsky's "product has caught the attention of President Bush ... . In February -- after calling for a doubling of the government's current solar-research budget of $83 million a year in his State of the Union speech -- Mr. Bush visited Mr. Ovshinsky's factory." He "spoke glowingly about how a consumer with a PV system on his roof could produce his own power and even sell it to the local utility in times of peak demand. For many U.S. consumers, however, the idea is more theoretical than practical."

FBI/DEA/ATF/USMS:

Federal Sentencing Guidelines Expected To Remain Unchanged For Cocaine Offenses. The

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AP (11/27) reports Congress "is headed toward adjournment again this year without acting on what is widely viewed as an indefensible sentencing disparity between federal drug offenses involving crack and powder cocaine. Although nearly everyone agrees that the uneven treatment the two drugs receive under federal sentencing laws is unfair, Democrats and Republicans have been locked in a stalemate for more than a decade over the proper fix. … Law enforcement groups as well as the Justice Department continue to argue that stiffer penalties for crack are warranted because of the drug's strong connection with violent crime in poor neighborhoods."

Convicted "Operation Soda Pop" Conspirators Are Sentenced. The Kansas City Kansan (11/24) reported leaders of a Kansas City drug ring "targeted by a federal drug enforcement investigation called 'Operation Soda Pop' are drawing sentences of 10 years or more in prison. The government has seized more than $1.8 million in cash and property from the members of this far-reaching conspiracy to flood the market in the Kansas City metropolitan area with marijuana and cocaine from Mexico,' said U.S. Attorney Eric Melgren." Operation Soda Pop "was an 18-month investigation coordinated by the Drug Enforcement Administration with the assistance of the Kansas City…Police Department, the Internal Revenue Service's Criminal Investigation Division and other federal, state and local law enforcement agencies."

Former Massachusetts Drug Investigator Sentenced In Cocaine Case. The Malden (MA) Observer (11/24) reported, "David Jordan, a 19-year veteran of the Malden Police Department and a former narcotics investigator, was sentenced last Wednesday to 15 years in federal prison for his role in a 2003 cocaine heist. Jordan, 45, who lives in Stoneham, was sentenced along with co-conspirator and reported heist ringleader Anthony Bucci, 44, of Wakefield. … Jordan was to receive a $30,000 kickback in the [drug] deal, but was unaware that federal drug investigators had set up a tap on [a] phone prior to the transaction as part of a much larger investigation in the area."

Myrtle Beach Draws Its Share Of Fugitives Among Tourist Throngs. The AP (11/27) reports, "Myrtle Beach draws tourists every year by the millions. But when the sunbathing throngs thin out in the fall and winter, another group of travelers is easier to spot - fugitives." The AP continues, "About 14 wanted criminals are arrested each month in city of Myrtle Beach, said Investigator Brenda Christy of the Myrtle Beach Police Department. … 'Mainly, it's because we're a tourist destination,' said Christy, who also is a special deputy with the U.S. Marshals Service. 'We grow from about 26,000 people to about 300,0000 on any given weekend.'" The AP adds, "She said fugitives go to Myrtle Beach - and other tourist destinations across the country - hoping to blend in with those large numbers. … 'If I'm wanted, it would be nice to come here, soak up some sun, lay on the beach, blend in and feel like I'm not a wanted criminal,' Christy said." The AP notes, "Marshals Service spokesman Deputy Tim Stec said an average of 240 fugitives a month are captured throughout South Carolina. … 'We see a lot of people come to South Carolina because they obviously don't want to get caught,' Stec said. 'We see a lot of people coming from, say, New York City, just wanting to lay low with a relative who lives out in the country.' … But as summer turns to fall and winter, it becomes harder for those out-of-towners to hide in Myrtle Beach. … 'Businesses also tend to close earlier this time of year, so a fugitive who maybe usually hangs around the bars until all hours of the morning now has to leave them earlier and find someplace else to go,' Christy said."

TAX:

IRS Looking At Corporate Profit Disparity. The Wall Street Journal (11/27, C1, Drucker) reports, "Publicly traded companies reduced their U.S. taxable income by at least $34.8 billion in 2004 through potentially abusive tax transactions without taking a similar hit on profits reported to shareholders, new Internal Revenue Service data show." The Journal continues, "The vagaries of accounting rules and tax laws allow public companies to keep two sets of books: one for shareholders and another for the Internal Revenue Service. Not surprisingly, companies tend to report higher profits to investors than to the tax man." The Journal adds, "For 2004, the IRS started requiring companies to give it more detail about the reasons behind that gap. Companies that year reported roughly 40% higher profits to Wall Street -- known as book income -- than to tax authorities. The IRS also asked companies to reveal what portion of the difference between taxable income and profits reported to shareholders was attributed to deals the IRS defines as having some hallmarks of questionable tax shelters, known as 'reportable transactions.' … The IRS is collecting the data on reportable transactions in part to help decide which companies' returns deserve more scrutiny as part of a broader drive to crack down on corporate tax shelters."

Long Term Impact Of Tax Increases Assessed. The Wall Street Journal (11/27, Ip, 2.04M) reports that despite Bush Administration warnings to the contrary, tax increases "probably wouldn't do much short-term harm, many economists say, because the Federal Reserve could offset the chilling effect on consumer spending with lower interest

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rates. A much trickier question is whether raising taxes would do long-term damage, and that would depend on which taxes were raised and how bond markets responded." It is "hardly certain that Democrats could raise taxes in the face of a veto by President Bush. Still, about half the 41 newly elected Democratic congressmen favor reversing the tax cuts for the richest taxpayers right away, rather than waiting until they expire at the end of 2010." Higher taxes "would impose a drag, and 'in our view of the world -- which is that growth is resilient -- that would be welcome,' says Michael Feroli, an economist at J.P. Morgan Chase & Co." The Journal adds one "risk is that by the time taxes went up, the economy could be weaker, and rate cuts might come too late to help." Ed McKelvey at Goldman Sachs "thinks growth will be relatively weak next year, so a tax increase 'would certainly raise the risk [of recession] considerably.'" The Journal adds the "bigger controversy is whether raising taxes would make good long-term sense. While the administration has often touted its tax cuts' role in boosting consumer spending, and thus pulling the economy out of a slump in 2003, Macroeconomic Advisers, a forecasting firm, estimates that benefit had fully faded by early last year."

CONGRESS-ADMINISTRATION:

Democrats Plan Investigations Of Administration On Several Fronts. USA Today/AP (11/27, Freking) reports incoming House Energy and Commerce Committee Chairman John Dingell is "promising an array of oversight investigations that could provoke sharp disagreement with Republicans and the White House." Dingell "pledged that Democrats, swept to power in the Nov. 7 elections, would govern 'in the middle' next year. But the veteran lawmaker has a reputation as one who has never avoided a fight and he did not back away from that reputation on Sunday." Dingell said he plans to conduct oversight on "the new Medicare drug benefit," "spending on government contractors in Iraq, including Halliburton Co.," the "energy task force overseen by Cheney," and a "review of food and drug safety, particularly in the area of nutritional supplements." The AP adds incoming House Ways and Means Committee Chairman Charles Rangel "said Democrats do not want a fight with President Bush and want to prove they can govern." And Rep. Barney Frank, "set to lead the House Financial Services Committee, said issues such as raising the minimum wage will be popular, even thought the idea has been identified with liberals." Frank "also said he wants to modify the military's 'don't ask, don't tell' policy."

GAO Head Gives Democrats "To Do List" For Government Oversight. In the Washington Post's Federal Diary column (11/27), Stephen Barr says, "If the next Congress follows through on Democratic leadership promises to conduct aggressive oversight of the government, a to-do list will be waiting, courtesy of Comptroller General David M. Walker, the head of the Government Accountability Office." For the "first time, Walker has sent congressional leaders a letter pointing to areas where he thinks oversight is needed. His list, drawn from years of research by the watchdog agency, is intended to give Congress 'a jump-start on your planning,' he said." Walker lists "36 topics for investigation and oversight hearings, and many of them involve daunting political issues, such as Social Security and Medicare, immigration policy, and the costs and benefits of environmental and energy policies. Some of his recommendations touch on how federal employees conduct the government's business and deliver services to the public."

Gates Expected To Implement Baker Commission Proposals. Time (12/4, Duffy, 4.03M) reports, "Bob Gates is all things to all people in Washington these days. … To the new realists, who want to tear up this Administration's failing bid to bring democracy to Iraq and replace it with a strategy for an exit, Gates is a secret ally, an agent of change who rocked the CIA he grew up in by shifting it out of covert action and into open-source programs at the cold war's end." Gates "brings to the task one advantage: he was a key member of" the Iraq Study Group. Gates "was involved in the military end of the commission's work -- which means, says a colleague, that 'not only will he understand the proposals, he will know the origins of them.' … Although Baker has said the commission will develop its proposals by consensus, there were signs last week that the group had hit some speed bumps. Sources say renewed pressure from both political flanks in the U.S. is making it difficult for the commission's center to hold. Emboldened by their takeover of Congress, Democrats have sent unmistakable signals that they favor some movement, if not reduction, of forces at the earliest possible date. Meanwhile, present and former government officials say Vice President Cheney intends to oppose any proposal that would make regional talks with Iran or Syria a key part of the U.S.'s Iraq strategy, even though Baker favors such an opening."

U.S. News and World Report (12/4, Robinson, 2.03M) reports, "There is wide agreement on the desirability of enlisting Iraq's neighbors to support a political accord there or reduce their assistance to insurgent and militia groups. The new Democratic leadership on Capitol Hill advocates convening an international conference to gain greater cooperation. U.S. officials say that Syria is allowing Sunni insurgents across its border, and they say Iran is helping Shiite militia groups in a bid for wider regional influence. Proponents of dialogue argue that while these countries are U.S. adversaries, neither wants Iraq to become a failed state.

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… Baker has not taken a public stand on the merits of negotiating with Syria and Iran, but as a matter of principle he said: 'Personally, I believe in talking to your enemies.'" US News notes, "In the past few days, the administration has appeared to open the door a crack. The State Department's David Satterfield, its top official on Iraq, said that the administration is prepared to talk to Iran but not to Syria." According to US News, "The Democratic leadership's embrace of political negotiations and more active diplomacy makes it even more likely that these elements will be part of the Iraq Study Group recommendations."

In a column for Time (12/4, 4.03M) Walter Isaacson writes, "Iran last week decided to play power broker. It invited Iraq's President to visit Tehran to discuss regional stability, and it sought to bring Syria into the process as well. This was not greeted with glee in Washington. But it should have been. … Step two should involve the U.S. talking, directly and seriously, to Iran. Our current conceit, which is that Iran should be denied the honor of our direct discourse until it suspends its nuclear-enrichment programs, hurts us more than it hurts Iran. For 27 years we have relied on unilateral sanctions and diplomatic chilliness to persuade Iran to moderate its behavior and forsake its nuclear ambitions. That hasn't exactly worked."

Writings Show Gates To Be "Cautious And Pragmatic." The Washington Times (11/27, Scarborough, 88K) reports Defense Secretary-designate Robert Gates "in the past decade opposed big changes at the CIA in the face of terror attacks and expressed doubt that Washington could assemble an alliance of nations against al Qaeda. His writings, mostly in the op-ed pages of the New York Times, also revealed a former CIA director who was protective of the agency and opposed to intelligence inroads by the Pentagon" under Secretary Donald Rumsfeld. The writings "show Mr. Gates to be more cautious and pragmatic" than Rumsfeld, "who has transformed the military and aggressively hunted al Qaeda members."

Timing Of Gates' Confirmation Creates Speculation. Newsweek (12/4, Barry, Kovach, 3.12M) reports, "A White House spokesperson confirms that Gates will be sworn in as the new Defense secretary 'in the new year,' a good two weeks after his confirmation. According to the White House, Gates needs extra time to wind up affairs as president of Texas A&M University. But that's news in College Station, Texas, where Gates has been handing everything over to" an aide. Newsweek adds, "The mixed messages have fueled speculation over the delayed departure. One source close to the White House, who spoke anonymously in order to keep his job, believes President George W. Bush has decided to wait until after Dec. 29 'as a personal gesture to Rumsfeld.' On that date Rumsfeld would become the longest-serving Defense secretary. … At the Pentagon, a senior official who admits that he doesn't know 'what the president's intentions are' insists that Rumsfeld pays no heed to such things."

Abrams Characterized As Administration's Leading Neocon. Newsweek (12/4, Hirsh, Ephron, 3.12M), in an article subtitled, "With the neocons in disarray, Elliott Abrams may be their best hope for keeping President Bush onboard," reports, "It's been a rough season for neoconservatives. … They've been largely run out of the Bush administration, beset by infighting, and mocked by a foreign-policy establishment that hailed their power just a few years ago." However, according to Newsweek, "there's already a small backlash against the backlash. At the State Department, supposedly the bastion of realism, some officials are sounding defiant. 'There are a lot of people throughout the ranks who believe in the democracy agenda,' says one senior official who would only discuss policy issues anonymously. 'If the result of the Baker report is that we have to make any deal necessary ... to get out of Iraq, I don't think that's going to fly.' Their hopes, and the hopes of neocons everywhere, may rest on the shoulders of Elliott Abrams, the number-two official at the National Security Council — who remains in charge of promoting democracy in the Middle East, a linchpin of the neocon agenda."

Ajami Claims "Realism" No Longer An Option In The Mideast. In a column for U.S. News and World Report (12/4, 2.03M) Fouad Ajami writes, "For decades, we had lived with Arab autocracies, befriended them, taken their rule as the age-old dominion in lands unfit for freedom. Then came this Wilsonian moment proclaimed in the course of the war on Iraq. To the 'realists,' it had been naive and foolhardy to hold out to the Arabs the promise of freedom. … On the surface of things, it is the moment of the 'realists,' then: They speak with greater confidence. The world had lived down, as it were, to their expectations. And now they wish to return history to its old rhythm. But in truth there can be no return to the bosom of the old order. American power and the very force of what had played out in the Arab-Islamic lands in recent years have rendered the old order hollow, mocked its claims to primacy and coherence. The moment our soldiers flushed Saddam Hussein from his filthy spider hole, we had put on display the farce and swindle of Arab authority."

Bush Portrayed As Increasingly Marginalized.

U.S. News and World Report (12/4, Walsh, 2.03M) reports President Bush "appears to be bogged down with no clear path out of the political swamp. The feisty new Democratic majority in Congress is preparing to challenge him on everything from Iraq policy to the minimum wage, and many Republicans are setting their own course as Bush's job-approval ratings hover below 40 percent. To be sure, Bush isn't quite a lame duck. … But many in official Washington and around the world are ready to turn a page on the Bush presidency. His trip to Asia last week didn't accomplish much

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of substance. And, to the chagrin of White House officials, his visit to Vietnam generated a rash of news stories comparing the Iraq war to America's quagmire in Southeast Asia three decades ago."

History Seen As Offering Bush Hope For Revival. The Washington Post (11/27, A1, Baker, 690K) reports in a front page story that it "took Bill Clinton months to get his feet planted again after the 1994 defeat. But he did recover and went on to win reelection two years later. So too did Ronald Reagan bounce back from the 1986 midterm elections, which cost his party the Senate. As President Bush struggles to recover from a similar thrashing, his advisers are studying the Clinton and Reagan models for lessons to revive his presidency." Veterans of "past administrations see patterns that offer hope even to badly weakened presidents such as Bush. Adversaries who assume that Bush has been permanently crippled by the Democratic takeover of Congress, they say, misunderstand the opportunities still available to him." Both Reagan and Clinton "found that the power of the bully pulpit still gave them an advantage over a Congress controlled by the other party. Both Reagan and Clinton used a mix of cooperation and confrontation, moving to the middle on selected issues to pass legislation while standing firm on others that touched on core principles. Both pounced when the other side overreached." Whether Bush "could emulate those examples is an open question. He points to his time as Texas governor, when he worked with Democratic legislators. But since winning the White House, he has only sporadically reached out to the other side. And unlike Reagan or Clinton, he presides over an unpopular war with no end in sight."

Democrats Not Planning Immediate Action On Iraq, Immigration Or Wiretapping. The Washington Post (11/27, A3, Babington, 690K) reports, "Democratic lawmakers vow to come roaring out of the blocks when they assume control of the next Congress, passing several top-priority bills in the first 100 hours. Absent from that list, however, are the knottiest problems that bedeviled the outgoing Congress, including immigration, domestic surveillance and the war in Iraq." According to the Post, "Party insiders said top Democrats are unlikely to make more specific proposals" regarding Iraq "until next month's scheduled release of findings by the Iraq Study Group, led by former secretary of state James A. Baker III." The Post adds the Senate immigration bill from last year "would seem to have momentum. But party leaders have made no promises about when or how they might move an immigration package, which would involve at least five House committees. Moreover, it is clear that the election did not eliminate the nation's deep divisions over what to do about illegal immigrants. … Congressional Democrats also are moving carefully on Bush's policy of allowing the National Security Agency to eavesdrop without obtaining warrants on communications between the United States and abroad in the name of combating terrorism."

Border Patrol Agents' Group Backs Guest Worker Program. The Washington Times (11/27, Seper, 88K) reports the National Association of Former Border Patrol Agents "says it could support a guest-worker program to let foreigners work in the U.S., if the program is limited, tightly controlled and available only to those aliens who have entered the country legally." Association coordinator Kent Lundgren said, "We support a guest-worker program in principle, believing it can serve the national interest. However, we also believe guest workers must be limited in what they may do, what they may benefit from under immigration law, and the program must be tightly controlled." The Times adds Lundgren's "organization has circulated a position paper signed by 250 former Border Patrol senior executives, supervisors and field agents, saying that while prior efforts at reforming immigration law -- including the Immigration Reform and Control Act of 1986 that granted amnesty to 2.7 million illegal aliens – 'may have changed immigration for this country, it neither reformed nor controlled it.'"

House GOP's Tough Line On Immigration Could Determine Bonilla's Fate. The Wall Street Journal (11/27, Millman, 2.04M) reports, "Are Hispanics so angry at the Republicans' tough line on immigration that one of the party's most prominent Hispanic lawmakers may go down to defeat in a heavily Latino district?" That is "the question in Texas' 23rd District, where Republican Rep. Henry Bonilla has been forced into a runoff against former Democratic Rep. Ciro Rodriguez, set for Dec. 12, which was triggered by state election rules after he failed to get a majority of votes on Election Day." Bonilla's seat is "one of five House races nationwide -- the others are in Florida, Louisiana, Ohio and North Carolina -- that remained unresolved, due, respectively, to a legal challenge, another runoff, uncounted ballots and a recount." In 2004, Bonilla "won his seventh term with 69% of the vote" with the "help of then-House Majority Leader Tom DeLay, who had guided the Texas legislature in rejiggering Mr. Bonilla's district to remove some Democratic strongholds -- including a large number of Democratic-leaning Hispanics." But the Supreme Court "rejected the map this summer, saying it violated the Voting Rights Act by disenfranchising Hispanics. The new district drawn after the high-court ruling left Mr. Bonilla with a district that was 50% Democratic and 61% Latino." Bonilla has "had to rely on wealthier, predominantly Anglo voters to carry him to victory. Mr. DeLay's re-engineering of Mr. Bonilla's district boundaries in 2003 was seen as an attempt to protect a Hispanic incumbent by removing Hispanic constituents. In his 2002 re-election campaign, just 8% of Hispanic voters favored him."

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Pelosi Said To Be Considering Reyes, Dicks For Intelligence Post. Newsweek (12/4, Isikoff, 3.12M) reports House Speaker-designate Nancy Pelosi is exploring compromise candidates to resolve the furious lobbying fight over who should chair the House intelligence committee. Pelosi has agreed to meet this week with Rep. Alcee Hastings, who has been pressing hard for the post despite his 1988 impeachment as a federal judge over an alleged bribery scheme." But "even Hastings…now concedes it's unlikely he'll get the post." Pelosi is "looking at two compromise picks. One is Rep. Norm Dicks, a onetime strong Iraq-war backer who has since joined ranks with Murtha and now wants a phased troop withdrawal. The other is Rep. Silvestre Reyes, a quiet Texas lawmaker and former Border Patrol official who opposed the Iraq war from the outset. The aforementioned leadership aide notes that Reyes may now have the upper hand for 'political' reasons: the Hispanic Caucus is angry because it has no members in the new House leadership or chairing major committees."

Borger Calls Pelosi's Support For Murtha "Self-Defeating." U.S. News and World Report's Gloria Borger (12/4) writes, "The facts: Nancy Pelosi is making history. As a woman, she will be held to a different standard, so she needs to set her standards high. It's not fair, but that's the way it is, and we all know it. And it's why choosing Murtha (over a well-regarded man already in place as her No. 2) was ultimately so self-defeating-and more revealing than she probably intended."

Will Counsels Pelosi To Restore Civility To The House. George Will, in his column for Newsweek (12/4, 3.12M), writes, "What the House needs from Pelosi" is "statesmanship, which often, and in this instance, means not fully pressing an advantage. Many Democrats are eager to pay Republicans back for their overbearing behavior when they were in the majority. … By restoring some of the procedural civilities that both parties have traduced, Pelosi could revive the House to fulfill its intended role as a rival to the executive. Her interests, and those of her institution, converge."

Veteran Civil Servant's Role In Making Medicare Drug Benefit Work Noted. The New York Times (11/27, Pear, 1.16M) reports that "early this year, while top Bush administration officials were boasting about the success of the new Medicare drug benefit, a middle-level manager named Abby L. Block held a telephone conference call with insurance companies." Block, "noting that many Medicare beneficiaries had been unable to fill prescriptions at their pharmacies," said, "We have a real crisis situation looming here. We truly cannot let this situation go on much longer. I cannot stress enough how urgent this is." The Times adds Block, "a 75-year-old civil servant, is director of the Center for Beneficiary Choices at the federal Centers for Medicare and Medicaid Services. While some officials toured the country as cheerleaders for the drug benefit, Ms. Block stayed at her desk in Washington and made it work." Block "solved many problems that plagued the program in its first weeks, when low-income people were often overcharged and some were turned away from drugstores without getting their medications. By September, according to several market research firms, three-fourths of the people receiving drug coverage through Medicare said they were satisfied."

Brownback Questions Judicial Nominee's Appearance At Lesbian Ceremony. The AP (11/27) reports Sen. Sam Brownback "is considering whether to stop blocking a judicial nominee over concerns her appearance at a lesbian commitment ceremony betrayed her legal views on gay marriage." Brownback, "a potential presidential candidate in 2008, said Michigan Court of Appeals Judge Janet T. Neff should not be disqualified automatically for having attended the ceremony. But Brownback, R-Kan., made clear it raised doubts in his mind." On ABC's "This Week," Brownback said, "But what I want to know is what does it do to her look at the law? What does she consider the law on same-sex marriage, on civil unions, and I'd want to consider that." The AP adds President Bush "nominated Neff, who has a liberal reputation, to be a U.S. District Court judge as part of a compromise struck with Democrats." The AP adds Sen. Dick Durbin also on "This Week," "urged taking a step back, away from 'the political agenda,' in considering judicial appointees."

Despite Impeachment Role, Rogan Has Bipartisan Support For Judgeship. In the Washington Post's "In the Loop" column (11/27), Al Kamen says, "Outgoing Senate Judiciary Committee Chairman Arlen Specter (R-Pa.) got a rousing ovation recently from the conservative Federalist Society when he said he would push for confirmation next month of a group of stalled Bush judicial nominees." But Specter "had to acknowledge that he was 'not optimistic' about securing approval for most of the controversial names President Bush kicked back to the Senate -- a White House move that rankled Democrats." Part of the problem "is that when Congress waddles back for a quick lame-duck session next month, consensus nominations, not contentious ones, are the ones that are likely to get through." One of Bush's nominees, "a former House member from California and a 'manager' in the effort to impeach and remove President Bill Clinton from office, could very well be confirmed to a federal judgeship, even under a Democratic Senate next year." James Rogan, "who lost his seat in 2000 because of voter unhappiness over his impeachment efforts, was later confirmed by the Senate to

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head the Patent and Trademark Office. He's now a Los Angeles lawyer." Rogan's has "support from an unusual group of Clinton backers, including a California judicial vetting committee with members picked by liberal Democratic Sens. Dianne Feinstein and Barbara Boxer."

Medicaid Spending Down In 2006. USA Today (11/27, Cauchon, 2.27M) reports, "Medicaid spending has declined unexpectedly this year, the first drop since the health program for the poor was created in 1965. The historic reversal will free up billions of dollars in state budgets. Medicaid has been the fastest-growing expense for states over the past 10 years." Medicaid spending "fell 1.4% in the first nine months of the year compared with the same period a year ago, according to the Bureau of Economic Analysis. The drop was even greater -- an unprecedented a 5.4% decline -- after adjusting for the rate of health care inflation. … The program is on track to spend $300 billion in federal and state money in 2006, the Bureau of Economic Analysis reports."

New Hope Seen For Consensus On Social Security Reform. Sebastian Mallaby writes in the Washington Post (11/27, A19, 690K), "The next six months could be a productive time for economic policy. After a wasted 2005-06 cycle, in which the Bush administration approached entitlement reform too confidently and Democrats refused to talk, both sides may return to the table. The administration, now led by a practical Treasury secretary with the heft to sideline ideologues, may be willing to make concessions. The Democrats, faced with the challenge of living up to their unexpectedly clear election victory, may decide it's time to make policy rather than just block it." Mallaby adds "the most interesting debate will revolve around retirement. This will start with a rerun of the Social Security argument of 2005; but it could easily blossom into a discussion about the inequality and income volatility that's grown with globalization. … Personal accounts need not be merely the alternative to the traditional Social Security benefit. They can simultaneously be the alternative to the nation's outrageously regressive system of tax breaks for saving and a way to help ordinary people build nest eggs. When personal accounts become both of these things, perhaps Republicans and Democrats alike will back them."

Meanwhile, the Washington Post (11/27, A18, 690K) editorializes, "Unless they want to define themselves as unbendingly partisan, the Democrats should accept the administration's invitation to discuss reform." If the Democrats "engage on Social Security, they may find themselves discussing some form of personal retirement accounts. This should not be confused with 'privatization': Personal accounts that are added to the Social Security system are different from ones that are funded with money carved out from existing payroll revenue. ... As they respond to the administration's overtures, Democrats should not foreclose this option."

Schumer's Performance In 2006 Cycle Earns Praise. In his syndicated column, appearing in this morning's Washington Post (11/27, A19, 690K), Robert Novak writes, "A staple Republican tactic for several years has been to get Chuck Schumer on television. His whiny New York accent exhaling liberal dogma was music to GOP ears. Yet his omnipresence on TV since the midterm elections has not been cause for Republican jubilation. That's because Schumer, for once, has not been talking -- just beaming." Novak adds, "Because of his soaring ambition, Schumer had been in danger of becoming a comic figure and the subject of a cliche: The most dangerous place to be in Washington or New York is caught between Schumer and a TV camera. But far from the attention hog or reflexive liberal he often has seemed in a 32-year legislative career, Schumer at the DSCC was a coolly pragmatic decision maker. He far outdid his Republican counterpart, Sen. Elizabeth Dole, in fundraising, recruitment and strategy. … While he agreed to continue heading the DSCC in the 2008 cycle, Schumer's role in his party's leadership was enhanced. Senate Majority Leader Harry Reid, by tradition chairman of the Democratic Conference, created the role of conference vice chairman for Schumer. He no longer is the GOP's favorite television personality."

White House Aide Returns To Utah To Start Consulting Business. Thomas Burr and Robert Gehrke reported in their "DC Notebook" column in the Salt Lake Tribune (11/26), "Utah's **Peter Watkins**, who was one of President Bush's message men for the past year, is leaving the White House." He "is one of a small group of regional spokespeople who respond on behalf of the White House to hundreds of newspapers around the globe, including The Tribune." He "is returning to Utah and starting a consulting business. One would think that a former Bush spokesman will do pretty well in the reddest state in the nation."

LATimes Criticizes Bush Nominee To Family Planning Post. The Los Angeles Times (11/27, 850K) says in an editorial, "President Bush made some winningly conciliatory remarks the day after his party's Nov. 7 electoral drubbing, saying he looked forward to governing in a more bipartisan fashion. Then he turned around and started naming kooky ideologues to key posts. The latest recess appointment, Eric Keroack as head of the federal government's family planning office, is an extremist so out of

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line with scientific thought that it is difficult to describe his views without laughing."

NYTimes Says Eligibility For Stamp Should Remain 10 Years. The New York Times (11/27, 1.16M) says in an editorial, "The Postal Service announced recently that it was cutting the length of time between a person's death and his or her eligibility to appear on a stamp from 10 years to 5. This is one case where we think delayed gratification is a virtue." While "placement on a postage stamp is hardly of earth-shattering import (there are stamps of ducks, motorcycles and antique toys, after all), American society has made it a high honor for a person. As Postmaster General John Potter noted when he announced the change, the 10-year rule was to ensure that a person's legacy 'stood the test of time.' The test just got a lot shorter. Now candidates can be considered just three years after they die. The first few years after the deaths of prominent people are rife with revelations, often unflattering. Tongues loosen. Memoirs are written, archives unsealed, letters published. The shorter the window, the more likely a regrettable choice will be made."

OTHER NEWS:

Job Market Strongest In Four Years For College Graduates. USA Today (11/27, Armour, 2.27M) reports college graduates are "experiencing the best job market in four years as a stronger economy leads more employers to ramp up hiring." Employers "expect to hire 17.4% more new college graduates in 2006 and 2007 than in 2005 and 2006, according to a new survey by the Bethlehem, Pa.-based National Association of Colleges and Employers (NACE)." Signing bonuses "range from $1,000 to $10,000, with the average at $3,568. And employers reported plans to boost their starting salary offers by 4.6% over last year, nearly a full percentage point higher than increases for the classes of 2006 and 2005."

Commercial Construction Offsets Falloff In Housing Sector. The Washington Post (11/27, D1, Henderson, 690K) reports commercial building has increased "enough over the past year to more than offset the decline in home construction. That boom is helping to cushion the impact of the housing slump on the economy." The "nation's harshest housing downturn in 15 years has unquestionably inflicted pain on many homeowners, builders and their suppliers. The plunge in new home construction was severe enough alone to slice a full percentage point off the nation's economic growth in the July-through-September period, depressing the increase in total economic output to a sluggish 1.6 percent annual rate. And the housing market hasn't hit bottom, according to the figures since then." But the "rest of the economy outside of housing remains largely healthy. With unemployment low, wages and stock prices rising and fuel prices ebbing, consumers continue to boost their spending. And businesses are increasing their capital investment, spending more on buildings, equipment and providing new fuel for the economic expansion." Builders of "non-residential projects say they are simply playing catch-up. So many new neighborhoods filled up during the housing boom that they're still building the stores, offices, restaurants, bank branches, hotels and hospitals needed to serve the influx of residents."

Housing Slump Could Hurt US Automakers. The Wall Street Journal (11/27, A3, Spector, McCracken, Boudette, 2.04M) reports, "Detroit's beleaguered Big Three auto makers face a new risk to their turnaround plans: After a string of strong years, U.S. auto sales are slowing and an increasing number of forecasts say sales could fall next year to their lowest level in nearly a decade." The "slowing growth in the overall U.S. economy and the slump in the housing industry, particularly in big markets such as California, are hitting at a bad time for General Motors Corp., Ford Motor Co. and DaimlerChrysler AG's Chrysler Group. All three are losing money in North America at current sales volumes. A downturn in vehicle demand would make it even more difficult to regain profitability -- and to clear out bulging inventories of unsold vehicles without costly production cuts or discounts." But "even some strong Japanese and European players face pressure. Toyota Motor Corp. and BMW AG, for example, could be hurt by any downturn in California, where they control a large chunk of the market."

Fewer Shoppers Spent More On Holiday Gifts. The Washington Post (11/27, A3, Mui, 690K) reports, "Fewer consumers turned out for the post-Thanksgiving shopping bonanza this year, but they spent more than last year as they stocked their carts with expensive electronics, according to a retail trade group." The National Retail Federation "estimated that 140 million people hit the stores and shopped online over the past four days, down about 5 million from last year. Black Friday, the symbolic kickoff of the holiday season for retailers, drew about 58.9 million people, down more than 1 million." But shoppers "spent an average of $360.15 this year, up 18.9 percent from last year, according to a survey conducted by BIGresearch. Scott Krugman, a spokesman for the National Retail Federation, said spending was driven by high-priced technology items such as flat screen TVs."

Democratic Lobbyists Prepare To Retake K Street. Time (12/4, Calabresi, 4.03M) reports, "The reception thrown by Nancy Pelosi at the Capitol a week after the Democrats prevailed in congressional elections was a party some power players had been waiting more than a decade to attend. The fete was for newly elected freshmen lawmakers, but Pelosi's invited guests included big-name

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Democratic lobbyists like Jack Quinn, Tony Podesta and Steve Elmendorf. … There's one hitch. It's not supposed to be like old times. In an election in which exit polls identified corruption as the No. 1 voting issue and Washington's biggest corruption scandal involved lobbying, Democrats won in part by promising to curtail K Street's excesses. Pelosi has said her first act as Speaker of the House in January will be to pass new rules limiting contact between lobbyists and lawmakers." Time asks, "Who will win the coming battle between reformers and revanchists? The market is betting against reform. Demand for anyone with access to powerful Democrats on the Hill is soaring."

Democrats Made Gains In Suburbia. USA Today (11/27, Lawrence, 2.27M) reports Democrats "made large gains in suburbia in this month's elections, pushing Republican turf to the outer edges of major population centers in a trend that could signal trouble for the GOP, an analysis shows." The analysis by the Metropolitan Institute at Virginia Tech shows Democrats "carried nearly 60% of the U.S. House vote in inner suburbs in the nation's 50 largest metropolitan areas, up from about 53% in 2002." The Democrats "received nearly 55% of the vote in the next ring of 'mature' 20- and 30-year-old suburbs, with 45% going to Republicans and third-party candidates. In 2002, the last midterm election, Democrats received 50% of the vote there." Sociologist Robert Lang said, "Republicans are getting pushed to the fringes of the metropolis. They simply have to be more competitive in more suburbs." USA adds Republicans "this year continued to win in small cities up to 50,000, as well as fast-growing exurban and rural areas. Lang called the exurbs and 'emerging suburbs' volatile, noting Democrats had been losing ground there but cut GOP victory margins in half this year."

Republicans Become Endangered In Northeast. The New York Times (11/27, Belluck, 1.16M) reports "the moderate Yankee Republican[s]" were "politicians in the mold of Roosevelt and Rockefeller: socially tolerant, environmentally enthusiastic, people who liked government to keep its wallet close to its vest and its hands out of social issues like abortion and, in recent years, same-sex marriage." But this midterm election "dealt the already-fading New England Republican an especially strong blow, one that some fear will increase the divide between the two parties nationally by removing a longstanding bridge between them." Of 22 members "of the newly elected House of Representatives from New England, only one is a Republican: Christopher Shays of Connecticut, who eked out a victory while two other Republicans from his state, Representatives Nancy L. Johnson and Rob Simmons, lost to Democrats." In New Hampshire, "the state's two congressmen, Charles Bass and Jeb Bradley, both Republicans, were ousted; Mr. Bradley was defeated by a virtual unknown with a virtually empty bank account. And for the first time since 1874, both houses of the state legislature now have Democratic majorities." Former Sen. Warren Rudman said, "That to me is one of the most astounding things that happened on Election Day. What that tells me is that huge numbers of people in New Hampshire who are either moderate Republicans or independents voted a straight Democratic ticket. They turned out people who had served long and well in the New Hampshire legislature."

USA Today Lists "Lessons" From Exit Polling Data. USA Today (11/27, 2.27M) lists five "Lessons Learned" based on exit polling data, saying the national political environment "really did shift -- establishing a solidly Democratic Northeast to counter the Republican South and propelling a new battleground region in the Mountain West." The election "demonstrated the limits of President Bush's strategy of appealing to base voters: This time, there was a revolt in the center of the electorate. And even as the stock market set records and unemployment fell, unease about the economy rivaled opposition to the Iraq war as a voting issue in some key states."

In its first "Lesson Learned," USA Today (11/27, A6, 2.27M) notes, "This time, election foment was driven by independents and moderates who had supported Republicans, particularly in the aftermath of the Sept. 11 attacks, but now turned against the GOP. Republican pollster Frank Luntz calls them 'Republican Rejecters,' about 15% of the electorate." USA Today (11/27, A6, 2.27M) includes a chart of exit poll data showing that "Partisans were loyal; independents swung left" by 9 percent compared with the 2002 midterm elections.

In its second "Lesson Learned," USA Today (11/27, A6, 2.27M) notes that GOP outreach to African-Americans and Hispanics failed. Political consultant Scott Reed blames that on Hurricane Katrina and the debate over immigration reform. Outgoing RNC chairman Ken Mehlman "notes that some Republicans, including California Gov. Arnold Schwarzenegger, garnered significant support from Hispanics. But Mehlman acknowledges the GOP share generally was disappointing -- and worrisome. With an increasingly diverse population in the United States, he says of Republicans, 'we rely too much on white guys for our voters.'" USA Today (11/27, A6, 2.27M) includes a chart of exit poll data showing the percentage of Hispanics voting for GOP candidates dropping from 44% in 2004 to 30% in 2006.

In its third "Lesson Learned," USA Today (11/27, A6, 2.27M) says the country's "political geography is shifting" with increasing support for Democratic candidates in the Northeast and Mountain West which will "alter some of the strategic calculations in the 2008 presidential race." Election analyst Rhodes Cook said, "Democrats consolidated their hold on the Northeast so firmly that it now provides a greater building block for the Democrats than the South provides for the GOP." USA Today (11/27, A6, 2.27M) includes a chart of

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exit poll data showing the percentage of the GOP vote dropping across all regions, particularly in the Northeast.

In its fourth "Lesson Learned," USA Today (11/27, A6, 2.27M) says "Democratic Senate challengers who won -- Sherrod Brown in Ohio, Bob Casey in Pennsylvania, Claire McCaskill in Missouri, Jim Webb in Virginia and Jon Tester in Montana -- all struck populist themes in their campaigns. Particularly in the nation's heartland, anxiety about slow-rising wages, outsourced jobs, imperiled pensions and the rising costs of health care and college tuition overwhelmed relatively good economic news on corporate earnings, productivity and employment." Campaign for America's Future's Robert Borosage said, "There was more money spent on campaign ads painting Big Oil and Big Pharma as enemies than painting (Osama) bin Laden as a threat -- and that's when the economy is good." USA Today (11/27, A6, 2.27M) includes a chart of exit poll data showing voters who thought their economic situation was "the same" as two years ago favored Democrats 56%-42%.

In its fifth "Lesson Learned," USA Today (11/27, A6, 2.27M) says, "It was a decisive election but not an ideological sweep." The US "continues to be almost evenly divided politically. Neither party has won more than 53% of the U.S. House vote since 1990, and neither has carried more than 51% of the popular vote for president since 1988." And "On the rise: none-of-the-above. The proportion of Democratic voters in the 27 states with party registration has declined from 1994 to 2006, but the Republican share hasn't risen. Instead, the ranks of independents have swelled."

Returning Freshmen Lawmakers Say Bipartisan Approach Key. USA Today (11/27, Kiely, 2.27M) reports that as they "move into the final days of their first Congress, the eight freshmen" Representatives and Senators highlighted by USA TODAY in 2005 "on their first day in office say they remain committed to bipartisanship. It's their top piece of advice to new legislators: Make friends with your political enemies." Sen. Mel Martinez said, "In order to get something done, you have to work across party lines." USA adds, "All eight freshmen profiled on their first day in Congress last year will be returning for the legislative session that begins in January. Even though they are rookie members of a club where seniority counts, they compiled a record of accomplishment." Martinez "just won" President Bush's "backing to become the next general chairman of the national Republican Party. Sen. Barack Obama of Illinois says he's thinking about running for the Democratic Party's 2008 presidential nomination and is 'getting a lot of encouragement.'"

Hunter Wants To Rebuild GOP "Blue Collar Coalition." The Washington Times (11/27, Dinan, 88K) reports Rep. Duncan Hunter "considers himself the Republicans' best bet to reconstitute the blue-collar coalition that helped the party win the White House in the 1980s." Hunter "says he can rebuild that coalition by campaigning on defense, traditional values and fair trade." Hunter said, "Keeping American jobs in this country is a strong tie between the Republican Party and working America, Main Street America -- that's a portion of our constituency I aim to retrieve, because I stand strong with them." The Times adds Hunter, "the first to announce officially that he is exploring a run for president, presents a curious figure among better-known candidates. Combined with a tough stance on border security -- he was the author of the original amendment proposing 700 miles of border fence included in the House's 2005 immigration bill -- he fills a niche among the candidates lining up for a presidential run." Hunter is "the most conservative candidate to enter the field so far, and is as conservative as any of the others mentioned as potential candidates. He touts his sponsorship of the Right to Life Act, which effectively would outlaw abortion by specifying that a person exists at the moment of fertilization, for the purposes of 14th Amendment protections."

Hispanics' Abandonment Of GOP Blamed On Immigration Politics. Newsweek (12/4, Campo-Flores, 3.12M) reports, "After making gains among Latino voters for three election cycles in a row, the GOP suffered a sobering reversal in this month's midterm elections. Exit polls show that Republican candidates won only 30 percent of the Hispanic vote — the fastest-growing segment of the electorate — while Democrats garnered 69 percent. Compare that with 2004, when President George W. Bush captured at least 40 percent of that vote. While Latinos were just as concerned about Iraq and the economy as the electorate generally, according to surveys, they were more driven than usual by immigration. A poll by Lake Research Partners found that half of Latino voters considered immigration important to their vote this year. Many Hispanics were clearly turned off by GOP congressional candidates like Randy Graf in Arizona, who vilified illegal immigrants." Newsweek notes, "Reeling from the results, Bush quickly named a Hispanic, Sen. Mel Martinez, as the national party's next general chairman."

Younger Voters Seen As Increasingly Aligned With Democrats. U.S. News and World Report (12/4, Sullivan, 2.03M) reports, "In surveys and exit polls, generation Y is increasingly turning left. And with voters' earliest choices thought to be key to their future party identification, the GOP could be running out of chances to win back a generation. Young people aren't just voting more Democratic; they're voting more in general. Over 2 million more people ages 18 to 29 voted in this election than in 2002, and their 24 percent turnout was the highest for a midterm election since 1994.

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Much of this turnout increase and the greater support for Democrats can be traced to the war in Iraq, but that doesn't mean either trend will disappear once the war is over, since early voting is a strong predictor of future behavior. … Young voters' top concerns-including Iraq, the cost of college, and healthcare-bode well for Democrats, while issues that tend to favor Republicans, including moral values, taxes, and terrorism, scored low."

Brownback Questions Romney's Conservative Credentials. U.S. News and World Report's "Washington Whispers" (12/4, Gilgoff) reports Sen. Sam Brownback "says he'll announce whether or not he's seeking the White House in '08 within a month, but it sounds to us like he's in. His calculus: None of the current crop of GOP presidential candidates have strong backing from religious conservatives who make up the party's base. 'There is room in the Republican primary for somebody who is unapologetic about being pro-growth, pro-limited government, pro-life, and pro-marriage,' he tells us. Gov. Mitt Romney "has stepped up outreach to religious conservatives," but "until recently, Romney had a pro-abortion-rights stance. 'There has been some mixed record in [Romney's] background,' says Brownback."

Brownback Hints At 2008 Run. The Washington Times (11/27, Pfeiffer, 88K) reports Brownback "strongly hinted yesterday that he would run for president in 2008, saying the Republican field was open for a 'full-scale conservative' and that he would make an official announcement soon." In his "This Week" appearance, Brownback "outlined what he called a 'compassionate conservative' agenda, including a willingness to open diplomatic ties with Iran and Syria." While "declining to endorse a timetable for withdrawal, Mr. Brownback implied that Republican electoral hopes will hinge on a substantial change of fortunes in Iraq in the next two years. He added that Iran and Syria, two nations listed as supporters of terrorism by the United States, should be included in the process."

Romney Campaign Could Bring Mormon Church Unwanted Attention. Time (12/4, Allen, 4.03M) reports Mormon church officials "are wary of the impact [Gov. Mitt] Romney's candidacy could have on them -- and on the portrayal of their faith. Yes, his campaign will bring attention and credibility to the Church of Jesus Christ of Latter-day Saints (LDS), as the Mormons are formally known, and give them a chance to demystify their theology and customs. But church officials also calculate that Romney's bid…could remind some mainstream Christians just how different Mormonism is from their faith and perhaps expose their flock to more…discrimination. … A poll conducted in June by the Los Angeles Times and Bloomberg found that 35% of registered voters said they would not consider voting for a Mormon for President. Only Islam would be a more damaging faith for a candidate, the poll found."

Clark Seen As Potential VP Pick For Clinton. U.S. News and World Report's "Washington Whispers" (12/4, Gilgoff) reports, "Clintonites are whispering about a new dream ticket: Hillary Rodham Clinton/Wes Clark. The way they see it, Clinton is the celeb fundraiser who needs national security credentials. The former NATO commander has been promoting a federal 'Department of Failed States' or 'Department of Preventive Diplomacy' to head off 'impending conflict' around the globe and make friends abroad."

Anti-Clinton Website Unveiled. U.S. News and World Report's "Washington Whispers" (12/4, Gilgoff) reports, "She hasn't said she's running yet, but that's not stopping Sen. Hillary Rodham Clinton's foes from trying to keep her out of the White House with a new website, www.stophernow.com. Launched this week, the site features the animated Hillary Show, with new episodes planned for when Clinton makes news. The show's first cartoon guests: Sen. John Kerry, whom the animated Clinton calls 'loser,' and a screaming Democratic National Committee Chair Howard Dean." Dick Collins is "the Dallas-based moneyman who ponied up most of the $250,000 that the site launch required."

Vilsack To Stress His Commitment To Energy Independence. U.S. News and World Report's "Washington Whispers" (12/4, Gilgoff) reports Gov. Tom Vilsack "tells us that when he formally declares his candidacy this week, his message to the nation will be that it's time for tough love. Exhibit A: weaning the United States off foreign oil. Vilsack helped boost the Hawkeye State's ethanol production by 300 percent, making it the nation's top producer."

Obama Seeks To Form Iowa Campaign Network. The Des Moines Register (11/26, 160K) reported yesterday that Illinois Sen. Barack Obama (D) "has sought the advice of top campaign workers in Iowa and has established a seedling support network in this state as he prepares to decide whether to seek the 2008 presidential nomination. The first-term Illinois senator has surrounded himself with advisers rich in experience in Iowa, the leadoff caucus state." Obama "has vaulted to the top tier among prospective candidates for the Democratic Party's nomination, even as the new star in the party says he has not made up his mind about running." The Register adds, "Shortly after the Nov. 7 election, Obama telephoned John Norris, the Des Moines Democrat who ran John Kerry's winning campaign in the 2004 Iowa caucuses. 'He basically called to talk about the lay of the land in Iowa,' said Norris,

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who described Obama's inquiries as 'earnest' and reflecting genuine uncertainty about his future."

Police Officer Injured In Bush Motorcade Dies. The AP (11/27, Godvin) reports, "A motorcycle officer injured last week while escorting President Bush in the islands died Sunday, police said." Steve Favela, 30, "and two other officers crashed their cycles as the presidential motorcade was traveling across Hickam Air Force Base to meet troops for breakfast early Tuesday. The other officers were treated at The Queen's Medical Center and released." Favela, "an eight-year veteran of the Honolulu Police Department and father of four, had suffered internal injuries and had been in critical condition at the medical center." In a statement, the President said "that he and the first lady were 'deeply saddened' by the death, and sent their condolences."

Merger Of Stocks And Bonds Shops Creates One Of DC's Largest Lobbying Groups. In his "K Street Confidential" column, Jeffrey Birnbaum writes in the Washington Post (11/27, D1, 690K), "The organization's acronym, SIFMA, sounds like a terrible skin condition. But the group, created through the recent merger of associations that represent the sellers of stocks and bonds, is one of Washington's most powerful lobbies." The Securities Industry and Financial Markets Association, "with a budget of $80 million, is the main mouthpiece for the financial services industry, the biggest corporate player in national politics. Only organized labor donates more to candidates for federal offices. When added together, SIFMA's political action committees gave more than $1 million during the 2006 election season, putting the organization in the top 25 of all PACs. Its combined $8.5 million in spending on federal lobbying last year placed it in the top 30. … 'The merger simplifies things and simple is always better,' said Steve Bartlett, chief executive of the Financial Services Roundtable, yet another of the dozen or so financial-services lobbying groups. 'It presents an opportunity for the companies to develop stronger and more coherent policy positions and articulate them with one voice."

Research Highlights Impact Of US Charitable Giving. The Christian Science Monitor (11/27, Trumbull, 59K) reports Americans' "charitable impulses keep generating surprises." Recent research shows "charitable giving plays an even larger role in the economy than is suggested by some $260 billion in annual contributions. Each dollar of giving appears to create $19 of extra national income, according to a book released this past weekend." The demand "for nonprofit services gets proportionately bigger, not smaller, as a locality's income rises, a Federal Reserve economist finds." The philanthropy "of the wealthy may not hinge on tax incentives to the degree many believe. In one new survey, a majority of wealthy givers say they would contribute the same amount if the estate tax were abolished. Ditto, they said, if they could no longer deduct the value of gifts from their taxable income." The studies are "shedding light not just on who gives but also on why they give and what their actions mean to society. Often, the conclusions run counter to expectations." One thing "that's long been known: The US leads the world in levels of charitable activity. The pattern runs from the rich, steeped in long tradition of philanthropy, to the poor. Those making $20,000 or less a year give away more, as a share of their income, than do higher income groups."

Inclination To Charitable Giving Linked To Values, Not Economics. In a Wall Street Journal op-ed (11/27, A12), Arthur C. Brooks of Syracuse University says, "Our mailboxes are filling with appeals from fine organizations and worthy causes, competing for our holiday spirit and tax-deductible dollars. Millions of Americans will answer the call, donating in December as much as a third of the quarter-trillion dollars we give away each year. Per capita, Americans give more in this single month than most nations give all year long." But "charity is not a virtue shared by all. While 85 million American households give away money each year to nonprofit organizations, another 30 million do not. And this distinction goes beyond 'formal' giving. Recent survey data reveal that people who fail to donate money to charities are only a third as likely as donors to give money to friends and strangers. Non-donors are half as likely as donors to give blood. They even are less honest: Non-donors are much less likely than donors to return change mistakenly given to them by a cashier. When it comes to charity, we are two nations." The "charity gap is driven not by economics but by values." The "Social Capital Community Benchmark Survey indicates that Americans who weekly attend a house of worship are 25 percentage points more likely to give than people who go to church rarely or never. These religious folks also give nearly four times more dollars per year than secularists, on average, and volunteer more than twice as frequently."

New Divide Seen As Growing Between Rich, Very Rich. The New York Times (11/27, Uchitelle, 1.16M) reports the "opportunity to become abundantly rich is a recent phenomenon not only in medicine, but in a growing number of other professions and occupations. In each case, the great majority still earn fairly uniform six-figure incomes, usually less than $400,000 a year, government data show. But starting in the 1990s, a significant number began to earn much more, creating a two-tier income stratum within such occupations." Some lawyers and bankers, "for example, collect much larger fees than others in their fields for their work on business deals and cases. Others have moved to

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different, higher-paying fields — from academia to Wall Street, for example — and a growing number of entrepreneurs have seen windfalls tied largely to expanding financial markets, which draw on capital from around the world. The latter phenomenon has allowed, say, the owner of a small mail-order business to sell his enterprise for tens of millions instead of the hundreds of thousands that such a sale might have brought 15 years ago."

DNA Matches Give Closure To Families Of Vietnam MIAs. The Washington Post (11/27, A1, Vargas, 690K) reports in a front page story that military scientists "recently compared the bone recovered in a North Vietnamese jungle where an Air Force pilot's plane went down 40 years ago to saliva on letters he had sent his wife. It was a DNA match, they announced. At last, they said, the remains of Col. Charles J. Scharf had been found." His widow, Patricia Scharf, "72, of Northern Virginia, has never remarried, has never had children and still considers the Vietnam War officer the love of her life. For her, the announcement was the gentle rub across the shoulder she had waited four decades to feel, one that let her know it was all right to let go." For Barbara Scharf Lowerison, 72, "his sister in California, the announcement was a slap. It meant she was losing -- if she had not already lost -- her fight to convince officials that her brother is alive, a prisoner of war." The remains "of more than 1,300 lost U.S. service members have been identified over the years, with 850 of those from the Vietnam War alone, according to military officials. Usually when remains are identified, relatives emotionally embrace the finding, said Larry Greer of the Department of Defense POW/Missing Personnel Office. And among the few who reject it, most eventually come around 'because the science is so overwhelming,' he said."

Culture's Criticism Of Religion Seen As Sign Of Anxiety. In a New York Times op-ed (11/27), Richard Schweder of the University of Chicago says, "Among the cosmopolites who live in secular enclaves, religion is automatically associated with darkness, superstition, irrationality and an antique or pre-modern cast of mind. It has long been assumed that religion is opposed to science, reason and human progress; and the death of gods is simply taken for granted as a deeply ingrained Darwinian article of faith. Why, then, are the enlightened so conspicuously up in arms these days, reiterating every possible argument against the existence of God? Why are they indulging in books — Daniel Dennett's 'Breaking the Spell,' Sam Harris's 'Letter to a Christian Nation,' and Richard Dawkins's 'God Delusion' — in which authors lampoon religion or rail against the devout under the banner of a crusading atheism?" The "most obvious answer is that the armies of disbelief have been provoked," but a "deeper and far more unsettling answer, however, is that the popularity of the current counterattack on religion cloaks a renewed and intense anxiety within secular society that it is not the story of religion but rather the story of the Enlightenment that may be more illusory than real."

Appeals Court Case Could Erode Ban On Gratuities For Public Officials. In a New York Times editorial observer (11/27), Dorothy Samuels says, "If you think Washington's culture of corruption is bad now and couldn't get appreciably worse, my hunch is you don't know about United States v. Valdes. This pending federal case could end up making it legal for public officials to accept gratuities for granting certain types of favored government treatment." Last February, a "three-judge panel of the United States Court of Appeals in Washington, splitting 2 to 1, overturned the conviction of a former District of Columbia police detective named Nelson Valdes." Valdes "became an apparent violator by accepting hundreds of dollars in cash as reward for delving into computerized police records to obtain vehicle-registration and arrest-warrant information on drivers at the request of someone who — surprise — turned out to be an F.B.I. informant. Indicted for bribery, the detective was convicted by a jury of the 'lesser-included offense' of receiving an illegal gratuity." The appellate panel "tossed out the conviction, finding the anti-gratuities prohibition didn't apply because Mr. Valdes's granting of preferential access to police information lacked a sufficiently 'formal' relationship to a decision or action in fulfillment of his 'official' public duties." No "matter the outcome, revisiting the illegal gratuities law to achieve some overdue clarity and tightening should be part of the ethics reform agenda pursued by Congress's new Democratic majority. Government needs to be a no-tipping zone."

Hopes Rise For New Talks As Gaza Ceasefire Appears To Hold. The AP (11/27, Barzak) reports, "Rocket fire from Gaza died down Sunday after a daybreak cease-fire, raising hopes for an end to five months of bloody destruction and a new opening toward peace talks." The "surprise truce was supposed to take effect at 6 a.m., but in the four hours that followed, 11 rockets were fired from Gaza at Israeli towns and villages and some Palestinian militants threatened to keep up the attacks." Israel "did not retaliate, saying it wanted to give the truce a chance."

NBC Nightly News (11/26, story 4, 0:20, Seigenthaler, 9.87M) reported "Israeli officials say there were homes damaged and fires started when militants in Gaza fired nine rockets into Israel. They promised to show patience and not to retaliate." The Washington Times (11/27, Mitnick, 88K) reports, "The truce, which started at 6 a.m. local time, reflects recognition by the hobbled governments of Israeli Prime

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Minister Ehud Olmert and the Hamas-led Palestinian Authority that the five months of fighting touched off by the Gaza kidnapping of Israeli Cpl. Gilad Shalit is eroding public support for both administrations, analysts said."

The Los Angeles Times (11/27, Boudreaux, 850K) reports, "The truce was holding Sunday -- after Israeli forces withdrew from Gaza overnight -- despite a ragged start." Palestinian Authority President Mahmoud Abbas "instructed his security chiefs to enforce the cease-fire. Officials said 13,000 Palestinian police officers in flak jackets and helmets were patrolling Gaza's borders to discourage new rocket attacks."

The New York Times (11/27, A3, Kraft, 1.16M) reports that while some say they think the ceasefire will be "short-lived, like previous cease-fires, others say it is the most important chance so far to end the fighting." Israeli Prime Minister Ehud Olmert "even suggested it might set off a revival of peace efforts after years of stalemate." The Financial Times (11/27, Devi) notes that a White House spokesman said the ceasefire was "a positive step." The Christian Science Monitor (11/27, Mitnick, 59K) runs a similar report under the headline "Truce May Restart Israeli-Palestinian Talks."

Regional Instabilities Seen As Weighing On Lebanon. In a front page article news analysis, the New York Times (11/27, A1, Slackman, 1.16M) reports that "an unnerving question is emerging" in Lebanon: "As the battle between the Iranian-backed group Hezbollah and the Western-backed governing coalition reaches a crescendo, is it in fact the prelude to a civil war?" Calling the country "a barometer for the region," the Times says it is "no coincidence that Lebanon is suffering its worst political crisis in decades at a time when Iraq has descended into sectarian war, the Israeli-Palestinian conflict in the past few months reached new heights and power seems to be shifting away from the Western-allied Sunni Muslim countries of Egypt and Saudi Arabia to the Shiite state of Iran." At the same time, the Times writes that "events in Iraq, Lebanon and the Palestinian areas have demonstrated the diminished status of the United States and its allies. In Iraq, the powerful Shiite cleric Moktada al-Sadr has threatened to stop supporting the government if the prime minister meets with President Bush, as he is scheduled to do Wednesday in Jordan. In Gaza, mediation by Egypt has failed to stem the rising tide of violence or negotiate the release of an Israeli solider despite its intense efforts. In Lebanon, the American-backed government is hanging on by a thread as Hezbollah and its allies push for more power." These "forces" have "come to bear on Lebanon, a weak state with weak institutions unable to shield itself from the volley of disruptions jolting the region," the newspaper adds.

Shiite Opposition Makes Gains In Bahraini Elections. The New York Times (11/27, A3, Fattah, 1.16M) reports Shiite opposition candidates "won 16 of the 17 seats they contested in Saturday's parliamentary elections in Bahrain," the country's election commission said Sunday. The opposition "now holds 40 percent of the elected Parliament's 40 seats, with the 17th contested seat to be decided in a runoff on Dec. 2. But leaders of the predominantly Shiite opposition party, the Wefaq National Islamic Society, said the gains, which were expected, might not translate into much political power." The Times notes that "government loyalists may retain control of much of the remainder of the lower house, depending on the outcome of the runoff. Furthermore, the upper house, which is appointed by King Hamad al-Khalifa, can overrule any act of the lower house."

Correa Declares Victory In Ecuadorian Election. The New York Times (11/27, A8, Romero, 1.16M) reports Rafael Correa, "an urbane economist who has rattled nerves in Washington with plans to limit American military activities in Ecuador and renegotiate the country's foreign debt, seemed headed to an easy victory on Sunday in the presidential election, according to several exit polls." The Times says a win by Correa "could bring Ecuador into a group of Latin American nations with leftist presidents, including Bolivia, Cuba and Nicaragua, which are allied with President Hugo Chávez of Venezuela." The results of the runoff election were "not certain" Sunday night, "though preliminary figures pointed to a strong victory" for Correa. Although he has "fiercely criticized President Bush, calling him 'dimwitted' at one point," Correa says he "hoped to maintain cordial relations" with the United States.

The Financial Times (11/27, Weitzman) says a victory by Correa "will also affect the Andean country's relationship with Washington," because he "has vowed to close down the US military base at Manta, the only one in South America, and to shelve permanently talks on a bilateral trade deal with the US." Similarly, the Wall Street Journal (11/27, A4, Lyons, 2.04M) notes that during "a jubilant news conference claiming that exit polls showed he had won," Correa "vowed to renegotiate payments on the country's $16 billion of foreign debt and to scrap the constitution" and "reiterated his longtime opposition to a new free-trade pact with the US."

The Washington Post (11/27, A12, Reel, 690K) notes that Correa finished second behind banana magnate Alvaro Noboa in a first-round vote last month, "but since has toned down his revolutionary rhetoric, reassuring some who feared that his more radical proposals -- including a pledge to convene a constituent assembly and dismantle the National Congress -- could result in more instability." His surge in support "after muting his rhetoric coincided with his emphasis

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on specific proposals to alleviate poverty, such as plans to increase welfare payments and construct more low-cost housing for Ecuador's poor."

Turkish Protestors Rally Against Pope's Visit. NBC Nightly News (11/26, story 5, 2:10, Seigenthaler, 9.87M) reported, "On Tuesday Pope Benedict XVI is scheduled to visit Turkey. It will be his first visit to a Muslim country." NBC (Miller) added, "'No to the Pope' was the chant among 20,000 demonstrators. Many of them still angry over a papal speech last September they say insulted the prophet Muhammad. … The Pope offered an olive branch to Turkey, expressing his feelings of sincere friendship. No apology."

ABC World News (11/26, story 3, 2:15, Wright, 8.78M) reported, "This is not only his first trip to a Muslim country, but his first trip abroad since the speech erupted in violence. Today, about 25,000 people took to the streets to say the Pope is not welcome here. Benedict has been on the defensive since a speech he gave November 12th. In it, he suggested that Islam is inherently violent. He quoted a medieval theologian, saying the prophet Mohammed spread his faith at the point of a sword. Benedict has distanced himself from the quote. But not from the sentiment."

The AP (11/27, Murphy) reports "the protest, organized by an Islamist political party, was the largest mass gathering so far against Benedict's four-day visit scheduled to begin Tuesday." Turkish officials "hope to use the visit to promote their ambitions of becoming the first Muslim nation in the European Union and showcase Turkey's secular political system. But Islamic groups, which have been gaining strength, see Benedict as a symbol of Western intolerance and injustices against Muslims."

The Washington Post (11/27, A12, Moore, 690K) notes that "during his regular Sunday address at the Vatican, Benedict told the crowd beneath his window, 'Starting right now, I want to send a cordial greeting to the dear Turkish people, rich in history and culture.'" He added, "To these people and their representatives, I express feelings of esteem and sincere friendship."

Chadian Forces Retake City From Rebels. The New York Times (11/27, A4, Polgreen, 1.16M) reports that rebels who overran the largest city in eastern Chad Saturday "disappeared almost as quickly as they had arrived, melting away Sunday as government soldiers re-established control of the looted city center. But even as the government forces retook the city, Abéché, apparently without bloodshed, a rebel column headed toward the capital, Ndjamena," according to Western diplomats. While Chad's government "denied reports of rebels moving on Ndjamena," the AP reported that Chadian soldiers had been "massing along a strategic road as a rebel convoy had been spotted advancing toward the city."

Berlusconi Hospitalized. NBC Nightly News (11/26, story 9, 0:15, Seigenthaler, 9.87M) reported, "In Italy a health scare for the former Italian Prime Minister Silvio Berlusconi. The 70-year-old head of the political opposition became ill during a speech in Milan. He is now in a hospital being tested for heart problems."

China Seen As Making Progress Against Piracy. The Wall Street Journal (11/27, B2, Batson, 2.04M) reports, "China is beginning to make some progress on containing the epidemic of piracy and counterfeiting that foreign businesses have long complained robs them of sales in a crucial market. But some of its trading partners, seeking faster action, are calling for a harsher approach." The Journal adds, "Foreign-company executives, surveys and government officials all note improvements. The biggest change has been at the top: Senior leaders including Premier Wen Jiabao now declare that improving the protection of intellectual property is a 'strategic policy' for the nation." The piracy issue "is likely to be on the table next month when Treasury Secretary Henry Paulson and Federal Reserve Chairman Ben Bernanke visit Beijing for the first round of a new US-China dialogue intended to address outstanding economic tensions. The talks are also expected to address US calls for China to open its markets further to American financial-services companies, as well as U.S. demands that Beijing allow the yuan to rise against the dollar."

Poisoning Of Ex-KGB Spy Straining Britain's Ties To Russia. The Washington Times/AP (11/27, Lawless) reports "a British Cabinet minister yesterday accused Russian President Vladimir Putin of 'attacks on individual liberty and on democracy' as relations between Britain and Russia grew increasingly strained in the wake of the fatal poisoning of a former KGB agent who became a British citizen." Peter Hain, Britain's Northern Ireland secretary, "said Mr. Putin's tenure has been clouded by incidents 'including an extremely murky murder of the senior Russian journalist' Anna Politkovskaya." Hain was "harsh in his assessment of the Russian president. 'His success in binding what is a disintegrating nation together with an economy that was collapsing into Mafioso-style chaos, his success in that must be balanced against the fact there have been huge attacks on individual liberty and on democracy,' he told a BBC interviewer. 'And it's important that he retakes the democratic road in my view.'"

USA Today (11/27, Stinson, 2.27M) says that yesterday, "New Scotland Yard, the headquarters of police for greater London, said it had nothing new to say about the case. British Home Secretary John Reid said the death had been ruled suspicious and police would 'follow the evidence.'" He "rejected the opposition Conservative Party's call for a

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House of Commons statement condemning the death." The Russian government "denies any involvement. Putin called Litvinenko's death a tragedy and offered his government's help investigating the case. He also said the case should not spoil Anglo-Russian relations."

The New York Times (11/27, Cowell, 1.16M), meanwhile, reports the British police "sought to retrace the movements of…Litvinenko…before he fell ill from the radiation poisoning that killed him last week. … It remained unclear how polonium 210, the radioactive substance that killed Mr. Litvinenko, 43, entered his body. Although he and his associates accused Russia of poisoning him, the British authorities apparently do not want to turn the episode into a diplomatic incident and have pointedly refrained from leveling accusations about who may be behind the killing.

Litvinenko Assassin Said To Have Had Access To Nuclear Lab. Time (12/4, Gumbel, 4.03M) reports, "It wasn't until after his death that Scotland Yard realized that the rare compound killing Alexander Litvinenko, 43, had left traces of radioactivity nearly everywhere he had been on Nov. 1… Whoever did kill Litvinenko wasn't an amateur." Polonium 210 "is so rare and volatile that the assassin would have needed access to a high-security nuclear laboratory to obtain it." Newsweek (12/4, Hosenball, Isikoff, Matthews, 3.12M) reports, "Until a few days ago, U.S. and British government investigators had never heard of anyone being poisoned by the obscure and unstable isotope polonium-210. Now its extreme rarity is adding to the riddles in the death of" Litvinenko.

More Commentary. Author David Satter writes in the Wall Street Journal (11/27, A12, 2.04M), "Beginning with the Yeltsin era, two US administrations have muted their criticism of Russia. … But if Litvinenko, a British subject, was murdered by Russian intelligence on British soil, self-censorship is no longer an option. Unless we want to give the Putin regime carte blanche to dispose of its enemies on our soil, we now have no choice but to react. … In the wake of Litvinenko's death, the West must insist on cooperation from the FSB in finding his killers. If that is not forthcoming, it should be assumed that the murder of Litvinenko was ordered by the Russian regime. Under those circumstances, not only should Russia be expelled from the G-8 but the whole structure of mutual consultation and cooperation would need to be re-evaluated. This is not just a matter of refusing to trivialize a murder. It is also a vital political obligation."

The New York Times (11/27, 1.16M) editorializes that "the real problem is that Mr. Putin, a former KGB agent himself, has given no indication that he is dismayed by the political killings, or that he is doing much to stop them. He seems mainly concerned with deflecting blame."

Bush Urged To Pressure Putin On Georgia. Richard Holbrooke, a former US ambassador to the United Nations, writes in his monthly Washington Post column (11/27, A19), "The European Union and the United States must make the continued freedom and independence of Georgia a test case of the Western relationship with Russia." Putin "must learn that we will not sacrifice the interests of a small country that has put its faith in Western values for the sake of energy supplies or UN votes. If Bush's freedom rhetoric has any meaning, let him prove it in Georgia, not just with polite calls for mutual restraint, but with real pressure on Moscow and the assembling of a united front with the European Union to make clear to Putin that he must cease his attempts to destabilize Georgia and overthrow Saakashvili." Holbooke adds, "In the age of Iraq we must show that our nation can continue to have influence elsewhere in the world and that we will not abandon our friends or our values."

Japan Remains Committed To Nuclear Disarmament. U.S. News and World Report (12/4, Fang, 2.03M) reports, "Ever since its defeat in World War II, which ended with the American atomic bombs dropped on Hiroshima and Nagasaki, Japan has been governed by a constitution-written by U.S. occupation forces-that renounces war as a sovereign right and allows for only limited self-defense. Japan's hawkish new prime minister, Shinzo Abe, is seeking constitutional revisions expanding the definition of self-defense, in part because of regional threats such as North Korea. Then, too, Japan's potential shift is itself causing unease in a region that remembers brutal Japanese occupation during World War II. Inevitably, some politicians-including Foreign Minister Taro Aso-say Japan also should re-examine its rejection of nuclear weapons. However, at the end of the recent Asian economic summit in Vietnam, Abe vowed to keep Japan nonnuclear and a leading voice for nuclear disarmament."

Bush Daughters Attend Soccer Game In Argentina. The AP (11/27) reports, "President Bush's twin daughters reveled Sunday in a soccer game in Argentina, sitting across the stadium from soccer star Diego Maradona -- a fierce critic of their father. Jenna and Barbara Bush, wearing the blue-and-yellow jerseys of the South American squad Boca Juniors, did not wave to television cameras that sporadically panned in on them during the game." Maradona "is a forceful critic of US policy in the region and joined a leftist protest led by Venezuela President Hugo Chavez last year against President Bush's appearance at the Summit of the Americas at the seaside resort of Mar del Plata."

WPost Urges Congress To Pass HOPE Bill For Haiti. The Washington Post (11/27, A18, 690K) editorializes, "When it comes to Haiti, the hemisphere's poorest country, the United States has a perverse history of being more generous with its troop deployments than its

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terms of trade. The time is ripe for a new approach. For the past two years, Congress has turned a deaf ear to pleas that Washington extend trade preferences to Haitian-manufactured T-shirts, hospital scrubs and other apparel. The effect has been devastating for the nation's garment industry, once one of the few bright spots in an otherwise supine economy. … A rescue package pending in Congress would allow duty-free access to US markets for garments assembled in Haiti using fabrics from third countries. The legislation, known as the Haitian Hemispheric Opportunity through Partnership Encouragement Act, also called the HOPE bill, is a modest measure; it is certainly no panacea for the Haitian economy. But apparel-making plants that close are relatively easy to reopen, and HOPE, if enacted, could help kick-start the Haitian economy by quickly getting 10,000 or more people working again."

LATimes Urges Congress To Reauthorize Africa Textile Provision. The Los Angeles Times (11/27, 850K) says in an editorial, "Of all the free-trade pacts signed by the United States over the last decade, perhaps none is as uncontroversial as the African Growth and Opportunity Act. Providing duty-free access to exporters in sub-Saharan Africa threatens few if any American jobs while spurring industry in some of the poorest countries in the world. Yet a vital provision of the act is set to expire, and, for the moment, Congress appears more interested in political gamesmanship than in making a painless decision to help some of the world's neediest people." If the "provision is not renewed in September 2007, as many as 150,000 jobs in Africa's fledgling apparel industry might be lost. Ten months might seem a long time away, but an extension is urgently needed now because apparel companies typically place their orders from nine to 12 months in advance."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Israeli And Palestinian Leaders Committed To Gaza Cease-Fire"
"Caring Is A Man's Job Too"
"Booming Belfast Puts Its Blasts In The Past"
"Student Loan Bankers On Edge"
"A Long, Dry Wait Is Nearly Over For The Owens River"
"Cell, TV Towers Pose Risk For Birds"

New York Times:
"Panel To Weigh Overture By U.S. To Iran And Syria"
"Chilling Echo For Lebanon, Mirror Of Regional Tension"
"Very Rich Are Leaving The Merely Rich Behind"
"Zoning Laws That Bar Pedophiles Raise Concerns"
"City That Takes Rain In Stride Puts On Hip Boots"

Washington Post:
"Separate Truths"
"Lanier To Focus On Crime Hot Spots"
"History Offers Post-Midterm Survival Tips For President"
"A Day When Mahdi Army Showed Its Other Side"
"A GOP Maverick Prepares To Lead Anne Arundel"

Washington Times:
"Writings Reveal Cautious Gates"
"Britain's Relations With Putin Poisoned"
"Retailers Find The Nose Knows It's Dollars And Scents"
"Cease-Fire Calms Gaza"
"Talks Aim To Counter Tehran"
"Red '08 Hopeful Targets Blue Collars"

Atlanta Journal-Constitution:
"If Walls Could Talk"
"Twins Whip Cancer With Bond, Beads"
"Iraqi Leader Put On Notice"
"Chief Vows To Review Shooting"
"25,000 Denounce Pope"

Houston Chronicle:
"Case May Shape Future Of U.S. Global Warming Policy"
"Closing Arguments Begin Today In Smuggler Retrial"
"Texas Lawmakers To Address Possible End To TAKS"
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"US Airways, Delta Merger Must Clear Regulators"
"Study Claims Money Can Buy Limited Happiness"

Story Lineup From Last Night's Network News:
ABC: Middle East Unrest; Maliki Calls For Calm; Pope Visits Muslim Country; Police Shooting-NYC; Michael Richard's Apologizes; Airline Safety; 20 Year Olds Moving Back Home; North Carolina Goes Wine.
CBS: Evening news was preempted by sports.
NBC: Middle East Summit-Jordan; Middle East Summit-Analysis; Veterans Compare Two Wars; Veterans Compare Two Wars; Middle East Cease Fire; Pope Visits Middle East; Michael Richards' Apology; Afghanistan Violence-Decreases; Holiday Shoplifting; Former Italian Prime Minister Hospitalized; Over Weight Pets.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Bush, Maliki Meeting; Iraq Study Group-Draft Report; Iraq-Curfew Lifted; NYC-Police Shooting; Holiday Shopping-Spending Up; Michael Richards-Back On Stage; College Football Bet-Murder Charges; CO-Christmas Wreath Dispute.
CBS: Holiday Shopping-Spending Up; Iraq Study Group-Alternatives Being Discussed; Democrats-Plans For Congress-Weekend Box Office; Holiday Travel; Ecuador's Presidential Run-Off Election.

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NPR: King Abdullah of Jordan-Iraq; Bush-NATO Summit; Bush, Maliki Meeting; NATO Soldiers Die In Afghanistan; Iraq Study Group-Draft Report; Britain-Death Of Former KGB Agent; Oil Prices; Tokyo Stock Market; Pacific Northwest Snowstorm; Bush Offers Condolences Following Death Of Honolulu Police Officer.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Departs White House on Marine One, South Lawn.

VICE PRESIDENT CHENEY — No public schedule.

LAURA BUSH — Receives the official White House Christmas tree, North Portico.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: IMAM OMAR SHAHIN _ 8:15 a.m. Imam Omar Shahin, one of the six imams removed from US Airways Flight 300, joins interfaith leaders and Hilary Shelton, director of the NAACP-Washington National Office for a press conference, prayer, and flight on US Airways. Location: US Airways ticket counter, Washington Reagan Airport.

CYBER SHOPPING _ 11:30 a.m. - 2 p.m. The National Retail Federation, the worlds largest retail trade group, marks, Cyber Monday this year with a ShopLunch event in its Board Room. Laptops and lunch will be provided to encourage people to shop for holiday gifts over their lunch hour. NRF will also have personal shoppers available to help guests in their holiday purchasing decisions. Catalogs will also be available to assist shoppers with choosing their holiday gifts. Location: National Retail Federation, 325 7th St. NW, 11th floor.

US-SYRIA _ 1:30 p.m. The US Institute of Peace holds an event on US policy options regarding Syria, with Scott Lasensky of the institute, Robert Malley of the National Security Council and Robert Satloff of the Washington Institute for Near East Policy. Location: 2nd floor conference room, 1200 17th St. NW.

SOMALIA _ 3 p.m. Omar Jamal, executive director, Somali Justice and Advocacy Center, speaks at the National Press Club Afternoon Newsmaker news conference on how Jihadists in Somalia and US policy could lead to a Taliban-type government. Location: National Press Club.

HEALTH CARE _ 4 p.m. The Cato Institute hosts a Policy Forum, ``Improving Health Care Quality: Is Medicare a Good Candidate for Pay-for-Performance?: Participants are: David Cutler, Professor, Harvard University; Dr. Sandra Gadson, President, National Medical Association; Michael F. Cannon, Director of Health Policy Studies, Cato Institute; and Gail Wilensky, Co-Chair. Institute of Medicine Pay-for-Performance Advisory Committee. The insurers and government agencies that purchase 80 percent of medical care in America have traditionally ignored quality. Location: Cato Institute, 1000 Massachusetts Ave. NW.

COUNTERTERRORISM-INTELLIGENCE _ 5:30 p.m. US 7th Circuit Court of Appeals Judge Richard Posner speaks at the School of Advanced International Studies on the role of intelligence in counterterrorism. Location: Kenney Auditorium, 1740 Massachusetts Ave. NW.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

SCOTUS To Rule On NYTimes' Reporters' Phone Records. The New York Times (11/26, A34, Andrews, 1.16M) reports the Justice Department "asked the Supreme Court on Saturday not to prevent a federal prosecutor from examining the telephone records of two reporters at The New York Times, warning that time is running out in an investigation of leaks about two Islamic charities. At issue is a Chicago grand jury investigation into information learned by two reporters in 2001 about the government's plan to freeze the assets of two charities that were suspected of having ties to terrorist groups. Patrick J. Fitzgerald, the United States attorney in Chicago, is seeking to review the telephone records of the two reporters — Judith Miller, who retired from The Times last year, and Philip Shenon."

The AP (11/26, Yost) reports, "The case involves a leak probe by Fitzgerald to track down the confidential sources of Times reporters Judith Miller and Philip Shenon for stories in 2001. Miller, who spent 85 days in jail in 2005 in connection with Fitzgerald's separate CIA leak probe in the Valerie Plame case, retired from the newspaper a year ago. … In the current case, the 2nd U.S. Circuit Court of Appeals has said prosecutors can see the journalists' phone records. Earlier, a federal judge had ruled in the newspaper's favor, saying the First Amendment supplied a qualified privilege to reporters to protect confidential sources." The AP adds, "On Friday, the newspaper asked Justice Ruth Bader Ginsburg to temporarily block the government from going through the records and said it was prepared to file a petition by Dec. 24 asking the court to take up the case. .. .In a filing requested by Ginsburg, the government cites a declaration by Fitzgerald on Nov. 13 that says the time for filing criminal charges will expire in the next three weeks. .. .Temporarily blocking the government from reviewing the phone records would cause 'irreparable harm to a significant criminal investigation,' the Justice Department told the Supreme Court in a 40-page filing."

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Terror Cells' Workings Described During London Trial. The New York Times (11/26, A1, Sciolino, Grey, 1.16M) reports, "For eight months, the tale of the Operation Crevice Seven has been unfolding in a cramped, windowless courtroom in the Old Bailey in London. On trial are seven men, ages 19 to 34, six of them with family roots in Pakistan. Arrested in 2004, they are charged with involvement in a criminal conspiracy to make explosives to commit murder, allegations that they all deny. Their target, the authorities say, was unclear — a nightclub, perhaps, or a shopping mall, public utilities, a British airliner or even the House of Commons. But investigators say the evidence reveals the workings of the kind of cell most feared by officials in Europe. Young Muslims, radicalized by local imams and trained at military camps in Pakistan with vague connections to Al Qaeda, plan an attack at home with help from outside terrorists."

Scalia Said To Play Surprising Role In Deciding Terror Cases. In a piece for the New York Times Magazine (11/26) novelist Scott Turow writes, "in carrying out its first priority, the war on terror, the White House has encountered unwelcome resistance from the court. Objections to Bush's sweeping view of executive power have come not only from liberals and centrists, like Justice Anthony Kennedy but, more remarkably, from Justice Antonin Scalia, who may end up playing a pivotal role in future war-on-terror cases." Turow notes, "In adjudicating the war on terror, Scalia has come down strongly on behalf of the administration and its prisoners in a number of cases. … It thus verged on the breathtaking when Justice Scalia wrote in Hamdi v. Rumsfeld: 'Many think it not only inevitable but entirely proper that liberty give way to security in times of national crisis. .. Whatever the general merits of the view that war silences law or modulates its voice, that view has no place in the interpretation and application of a Constitution designed precisely to confront war and, in a manner that accords with democratic principles, to accommodate it.'" Turow goes on to write, "Now the looming question is where Scalia will settle as future war-on-terror cases come before the court, and whether his unique jurisprudence will accord him a leading role."

HOMELAND RESPONSE:

Bush Honors Hurricane Responders, US Troops In Radio Address. ABC World News (11/25, story 5, 0:10, Weir, 8.78M) reported, "President Bush is using Thanksgiving weekend to reach out to hurricane victims on the Gulf Coast. The President used his weekly radio address to renew the commitment to help victims of Hurricane Katrina and Rita rebuild their lives. He also offered thanks to all the people who pitched in along the Gulf Coast in the past 15 months."

The Washington Post/AP (11/26, A4, Riechmann) reports Bush "said Americans are grateful to those who rallied after hurricanes Katrina and Rita to bring food, water and hope to people who lost everything." Bush also "reminded Americans that many U.S. troops are spending the holiday weekend far from their families. 'We know that their service makes it possible for us to live in freedom,' Bush said."

CIA's Tongue-In-Cheek Ad Campaign Part Of Hiring Push. The Washington Times/AP (11/26, Shrader) reports, "The CIA scrapped a ho-hum test for steering job applicants toward mysterious careers, replacing it with one that's cloaked in jest. … The results from the CIA's online personality quiz are just a few clicks away. Test-takers are diagnosed as daring thrill-seekers, thoughtful observers, curious adventurers, innovative pioneers or impressive masterminds. The CIA wants to hire them all. The quiz (https://www.cia.gov/ careers/CIAMyths.html) was designed to encourage job applications while dispelling myths about the agency, some of them born of the James Bond stereotype." The AP goes on to report, "the hiring push began almost immediately after the September 11 terrorist attacks. The effort picked up steam in November 2004, when President Bush called for a 50 percent increase in the agency's ranks of operatives and analysts. … One in seven of the CIA's current employees signed up in the past year, and nearly 40 percent began working after the September 11 attacks -- statistics at once helpful and troubling."

WAR NEWS:

Baghdad Braces For Reprisals. The Washington Post (11/26, A1, Raghavan, Trejos, 690K) reports in a 1,860 word front page article, "A new level of fear and foreboding

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has gripped Baghdad, fueled in part by sectarian text messages and Internet sites, deepening tensions in an already divided capital." Since the attacks of Thursday on Sadr City, "quasi-armies of residents in mixed and majority-Sunni Arab neighborhoods have formed to protect their streets. Sunni Web sites are offering advice on how to kill Shiite militiamen. College students and executives pace at their homes, clutching rifles and handguns around the clock. Iraqis are posting pleas on Internet message boards to buy extra ammunition and weapons." However, "there were also signs of Iraq's famous cohesiveness, even as the sectarian divide widened. In some mixed neighborhoods, Shiites provided shelter to Sunnis targeted by Shiite militiamen, even though they risked being branded as collaborators. Others took care of Sunni children or bought groceries for Sunni neighbors who feared walking to the local market."

NBC Nightly News (11/25, lead story, 9.87M, Askell, 9.87M) reported, "Iraqi police said they recovered the bodies of 21 Shiite men from one extended family ... Many blame American troops for not stopping the violence. ... A US government report says corruption, along with oil smuggling and kidnapping for ransom, may be sustaining insurgents fighting American soldiers, providing up to $200 million a year."

ABC World News (11/25, story 2, 1:50, Weir, 8.78M) reported, "The tightened curfew is helping to quell some of the worst violence since the start of the war. But even with the crackdown, there are reports of scattered killing." ABC (Hilary Brown): "There is a kind of ominous calm here ... Twelve mortars landed in Sadr City. No reported casualties. ... the very influential Sadr party has threatened to pull its members out of the cabinet, if Maliki goes ahead with this meeting with President Bush in Jordan next Wednesday. ... the government could collapse. So Maliki is really damned if he does and damned if he doesn't."

At Least 47 Sunnis Killed In Fighting. The New York Times (11/26, Semple, al-Neami, 1.16M) reports, "At least 47 Sunni Arab insurgents were killed Saturday during long gun battles with Iraqi security forces in and around Baquba, the capital of Diyala Province, a police spokesman in Baquba said. In the largest and deadliest fight, scores of insurgents, using assault rifles and rocket-propelled grenades, laid siege to several government buildings in the center of the city, according to the spokesman. At least 36 of the Sunni Arab insurgents were killed in that clash, which raged for about four hours, according to the official." Diyala is called "an increasingly bloody battleground between Sunni and Shiite death squads vying for sectarian domination. Shiite militiamen have recently mobilized there in large numbers in defense of its Shiite inhabitants against the Sunni Arab-led insurgency."

Twenty-One Shiites Killed In Front Of Families. CNN.com (11/26) reports, "Sunni gunmen stormed two Shiite homes in Diyala province overnight and slaughtered 21 men in front of their families, Diyala authorities said Saturday. Also on Saturday, a suicide car bomber at a checkpoint northwest of Khalidiya in Anbar province killed two children, an adult and a U.S. Marine ... The attacks add to the series of sectarian reprisals since Thursday's assault on the Baghdad Shiite enclave of Sadr City, considered the single worst attack in Iraq since the war began."

Iraqi Government Extends Curfew. BBC.com (11/25) reports, "The Iraqi authorities have extended until Monday a curfew imposed on Baghdad in response to recent killings. The measure was intended to prevent reprisals for bomb attacks on the Sadr City area which killed more than 200," but "violence continued across Iraq however, with 21 bodies found in a village north of Baghdad. US and Iraqi forces said more than 50 insurgents died in raids."

Clerics Call For End To Fighting, Blame US. The Los Angeles Times (11/26, A1, Moore, 850K) reports in a front page article, "Shiite and Sunni clerics, among the last vestige of authority in a country rapidly losing faith in politicians, charged Saturday that Iraq's plight was the result of U.S. mistakes and pleaded with their faithful to stem the bloodshed that followed a devastating attack on a mainly Shiite Baghdad neighborhood. In interviews Saturday and in recent sermons, clerics articulated one message that appears to be gaining traction on both sides of Iraq's civil war: The U.S. presence is making matters worse, and the Americans should go home. ... Some prominent religious and political leaders accuse the U.S. military of conspiring with their enemies. Sunni Arabs say U.S. troops are raiding their communities in coordination with Shiite militias. And Shiites say that U.S. forces are working with Sunni terrorist groups to conduct strikes such as the devastating car bomb barrage in Sadr City."

More Commentary On Iraq Violence. The New York Times (11/26, 1.16M) editorializes that the Army is "figuring out why the Bush administration's military plans worked out so badly and drawing lessons for future conflicts. ... Two hopeful examples are the latest draft of a new Army field manual ... and a series of oral history interviews conducted with Iraqi

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and American officers involved in the disappointing efforts to establish and train Iraqi security forces." The new field manual "quietly jettisons ... the misconceived notion that the size and composition of an American intervention force should be based only on what is needed to defeat the organized armed forces of an enemy government ... Almost every post-invasion problem in Iraq can be directly traced to this one catastrophic planning failure ... Correcting deficiencies in American military training [of Iraqis] is also essential"; however, insights from interviewees "can only go so far when a host government lacks the will to rid its security forces of sectarian militia fighters more intent on waging civil war than achieving national stability."

In the New York Times (11/26, 1.16M), James Glanz writes, "If the United States seeks to establish stability so its troops can leave, it must answer the question: whom does it talk to? ... For the Americans, the disintegration of order has complicated any effort to deal with the armed groups, said Joost Hiltermann, Middle East project director of the International Crisis Group." In part, the US created its own problem when it "invaded the country with the help of a strategically placed militia: the fighters who were loyal to two Kurdish clans in the north. In the aftermath, the United States had little appetite for disarming the Kurds."

In the New York Times Magazine (11/26, 1.16M) Sunday magazine, David Rieff writes, "It is worth remembering that all wars do end eventually, and that postwar relationships between the bitterest of enemies can turn out surprisingly well. ... [Many] worry that the harm that has been done in Iraq to relations between the U.S. and the Islamic world will be almost impossible to undo. And yet the example of Vietnam suggests otherwise. ... It is conceivable that 30 years from now, one of President Bush's successors will travel to Baghdad ... to talk about peacetime matters like trade, tourism and the environment. Yet given America's inability to guarantee the security of ordinary Iraqis after an occupation that has lasted almost as long as our participation in World War II, it is possible to speculate that the sooner American forces leave Iraq, the sooner such a trip is likely to happen."

In the Washington Post (11/26, B2, 690K), retired Marine Col. and author T. X. Hammes writes, "You don't outfight the insurgent. You outgovern him. This was one of the real sources of frustration during my brief tour of duty in Iraq in 2004. ... We were focused on killing insurgents rather than providing security and governance. Fortunately, we're now showing signs of learning -- thanks to some smart people who are both practitioners and students of counterinsurgency."

US Finds Iraq Insurgency Now Financially Self-Sustaining. The New York Times (11/26, Burns, Semple, 1.16M) reports in a 1,907 word front page article, "The insurgency in Iraq is now self-sustaining financially, raising tens of millions of dollars a year from oil smuggling, kidnapping, counterfeiting, connivance by corrupt Islamic charities and other crimes that the Iraqi government and its American patrons have been largely unable to prevent, a classified United States government report has concluded." The Times obtained the report from "American officials who said the findings could improve understanding of the challenges the United States faces in Iraq." Some outside experts criticized the report as "imprecise and speculative" and "just guessing" about the "funds available" to insurgents. The Times contends pessimistically, "For Washington, the report's most dismaying finding may be that the insurgency now survives off money generated from activities inside Iraq, and no longer depends on sums Mr. Hussein and his associates seized as his government collapsed." Analyst Jeffrey White states about the insurgents, ""They keep coming back, and I think the same thing has happened to the financial system."

Sunni Leader Rallies Arabs Against Iraqi Government. The AP (11/25, Sinan) reports, "A prominent Sunni religious leader accused in Baghdad of inciting terrorism warned Saturday that Iraq's escalating sectarian violence will spread throughout the Middle East unless the international community ends support for the Shiite-led Iraqi government. Sheik Harith al-Dhari said, "I call on the Arab states and the Arab League and the United Nations to stop this government and withdraw its support from it." The AP continues, "Sunnis charge Iraqi Prime Minister Nouri al-Maliki is not serious about disbanding Shiite militias accused of sectarian killings. Sunni groups and politicians recently said the [outstanding Iraqi arrest] warrant for al-Dhari put an end to the national reconciliation program presented by al-Maliki in June."

Iraq Is Now On Baker's Agenda. The New York Times (11/26, Stolberg, 1.16M) reports that James Baker "is in high diplomat mode, on a mission, friends and supporters say, to aid his country and his president — and, while he is at

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it, seal his legacy in the realm of statesmen, a sphere he cares about far more than politics." His group "has conducted hundreds of interviews, but some question whether even the most thorough report can have any effect on the ground in Iraq, where sectarian violence is escalating. The panel remains deeply divided over several critical issues, most notably whether to accede to calls by Democrats for a phased withdrawal of troops." The Times states pessimistically, "But foreign policy experts and politicians alike say there is no miracle elixir for Iraq; if there were, someone would have thought of it already."

The Boston Globe (11/26, Hedges, 413K) asks in an analysis piece, "Enter Baker, the man who so often has entered a room with a problem and left with a solution. The question is, can he do it again? ... Baker offered hints of the group's discussions during book tour interviews. He casually suggested, for instance, that Bush needed 'alternative views' on Iraq, an implication that those around Bush, such as Vice President Dick Cheney and outgoing Defense Secretary Donald H. Rumsfeld, were not serving him well. Baker has also suggested that rather than vilify Iraqi's neighbors Syria and Iran, the administration ought to hold discussions with them."

Pros And Cons Of Iraq Study Group Outlined. Under the headline, "Iraq Group A Study In Secrecy, Centrism," the Washington Post (11/26, A21, Wright, 690K) reports, "In the history of U.S. foreign policy, there's been nothing like it: a panel outside government trying to bail the United States out of a prolonged and messy war. The innocuously titled Iraq Study Group, which has evolved into a parallel policy establishment over the past eight months, is also unique in the way it operates. For one thing, it's even more secretive than the Bush administration." The Post outlines individual members' contributions and the atmospherics of the Group's hearings. "All the experts wanted to make sure [former Secretary Baker], who is still closely connected to the Bush family, was in the room when they spoke. Several noted his telltale body language, which could dismiss a comment with as little as a raised eyebrow." Some of the expert contributors "said the Iraq Study Group should be a model of how to bring the nation's wise men and women together to inject fresh perspective in solving the country's biggest problems. But others said that it, too, had serious flaws." Describing the Group's "deliberate pace," the Post notes "some experts were disgruntled that their ideas did not make it out of the [subdivided] working groups." The Group "was deliberately skewed toward a centrist course for Iraq, participants said. Organizers avoided experts with extreme views on either side of the Iraq war debate."

Troops Endure Repeated Tours. The Washington Post (11/26, Tyson, 690K) reports in a bleak 1,556 word front page article from Fort Stewart, Georgia, "This week, U.S. troops will have been fighting in Iraq longer than they did in World War II, with no relief in sight. Soldiers from 1st Brigade preparing at Fort Stewart for their third Iraq tour have been spending as much time in Iraq as at home. The rotations -- a year in Iraq followed by a year at home -- dictate soldiers' most intimate decisions ... From courtship to parenting to divorce, the time away at war is having a profound impact on the families of active-duty soldiers, according to interviews with dozens of soldiers from the 3rd Infantry Division and their relatives." The Post adds, "Even the most stoic soldiers, like Gee, who reenlisted on his most recent tour, say the Army cannot keep up this pace. The Army is not big enough, and the quality of new recruits has dropped, they say. Many worry pressure to pull out of Iraq will spell chaos and mean their comrades died in vain, but other soldiers and their spouses now say the war was a mistake."

CNN (11/25, McIntyre) reported, "With some Marine units headed back for a fourth tour of duty in Iraq, the grind has prompted the new Marine Corps commandant, just one week into the job, to warn the burden on Marine families is too much." USMC Gen. James Conway: "I think we may lose some of those folks. ... And it could have some negative consequences for us in that regard." McIntyre: "Currently, there are roughly 180,000 Marines on active duty. And unlike ground troops in Army, they serve seven-month combat tours, not a year. They're supposed to get 14 months to recover. But the interval is more like seven or eight months, basically because the unrelenting violence in Iraq has prevented planned US troop withdrawals."

Stryker Brigade Returns To Alaska After 16 Months. The Los Angeles Times/AP (11/26) reports, "Friends and family gathered at Ft. Wainwright near Fairbanks to welcome about 625 members of the brigade who served an extended tour in Iraq. An additional 200 soldiers with the 4th Battalion, 23rd Infantry Regiment of the brigade arrived at Ft. Richardson near Anchorage. ... Brigade members will be arriving each day until Dec. 5, according to Army officials." The troops served 16 months in Iraq, including a four-month extension to "help quell violence in

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Baghdad. About 300 soldiers had already returned from Iraq and were sent back after the extension. Seven brigade soldiers died during the extension, which followed the deaths of 19 brigade soldiers during the original deployment."

Married Couple Both Fly Army Apaches. ABC World News (11/25, story 9, 2:30, Weir, 8.78M) reported, "For two Army pilots who fly the deadly, precision Apache helicopters, the war is the reason they're together." ABC (Aaron Katersky): "This rocket was fired last night from Sadr City. Moments later, a US Army Apache helicopter destroyed the launcher. For Brande and Adam Reeves, this could be a home video. They are both Apache pilots. They are also husband and wife." Brande Reeves: "The wives back home, I know they worry about their husbands. Here, sometimes it's harder because I actually know what threats are." Adam Reeves: "The first thing you think of when you hear something bad, an incoming round impacts close, the first thing I think of is I hope Brande's okay." Katersky: "The couple cannot fly together. The Army won't allow it."

Iraqi Palestinians Find Themselves In "Bull's-Eye." The Los Angeles Times (11/26, Ellingwood, 850K) reports, "Palestinians in Iraq, many of whom fled here as refugees more than half a century ago, are on the run again. The civil war convulsing the country has raised worries about the fate of the approximately 20,000 Palestinians in Iraq, who are targeted by kidnappers and Shiite Muslim death squads because of what many Iraqis see as the group's favored status [as Sunnis] under former President Saddam Hussein. Community leaders say more than 60 Palestinians have been killed since early last year, and thousands have left the country." International officials "warn that Palestinians are in an especially precarious position because they are considered outsiders, even after decades of living in Iraq, and have difficulty gaining admission to other countries because they do not carry Iraqi passports." Israel blocked "a bid to move Palestinians to the West Bank or Gaza Strip," while "Arab nations have shown little interest in absorbing them."

Iraqi Allegedly Wounded For Helping Americans Awaits Surgery. Newsday (11/26, Macgowan) reports in a human interest article, "Uday nearly lost his life because, he said, he helped U.S. troops in the early days of the Iraq war. Now the Baghdad native is in New York awaiting the second of three operations to rebuild his face. If all goes well, Uday could receive a prosthetic eye when the last surgery is completed early next year. And if Uday's fondest hopes are realized, his wife and four children will join him in the United States. ... The effort by two Garden City plastic surgeons to repair his broken visage completes a three-year odyssey for Uday, who wins friends with a gentle demeanor in stark contrast to the upheaval in his native land." In 2003 Uday "was hired as an Arab linguist by the Army's 626th Forward Support Battalion, 101st Airborne" but was then shot by gunmen "in the face point-blank."

Hagel Calls For "Honorable" Departure From Iraq. In the Washington Post (11/26, 690K), Sen. Chuck Hagel writes, "The time for more U.S. troops in Iraq has passed. ... We are once again learning a very hard lesson in foreign affairs: America cannot impose a democracy on any nation -- regardless of our noble purpose. We have misunderstood, misread, misplanned and mismanaged our honorable intentions in Iraq with an arrogant self-delusion reminiscent of Vietnam." Hagel calls the Iraq war "this blunder" and Afghanistan the location of the "real terrorist threat." He further writes, "The United States must begin planning for a phased troop withdrawal from Iraq. ... We are destroying our force structure, which took 30 years to build. We've been funding this war dishonestly, mainly through supplemental appropriations, which minimizes responsible congressional oversight and allows the administration to duck tough questions in defending its policies."

Chait Suggests Reinstalling Saddam. In his Los Angeles Times (11/26, 850K) column, Jonathan Chait writes, "The disadvantages of reinstalling Hussein are obvious, but consider some of the upside. He would not allow the country to be dominated by Iran, which is the United States' major regional enemy, a sponsor of terrorism and an instigator of warfare between Lebanon and Israel. Hussein was extremely difficult to deal with before the war, in large part because he apparently believed that he could defeat any U.S. invasion if it came to that. Now he knows he can't. And he'd probably be amenable because his alternative is death by hanging. ... Somebody explain to me why [this idea is] worse than all the others."

WPost Reviews "Circle In The Sand." In the Washington Post (11/26, BW5, 690K), Book World senior editor Warren Bass reviews "Circle in the Sand" by Christian Alfonsi: "The book works best as a retelling of the 1990-91

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Gulf crisis with the benefit of new documents and on-the-record interviews with senior officials then and now. Unfortunately, Alfonsi skitters around in the period between Iraq's 1990 invasion of Kuwait and America's 2003 invasion of Iraq. And his take on the early 1990s is shot through with what historians call 'presentism' -- seeing the past through contemporary lenses."

Commander Says NATO Short On Troops In Afghanistan. CNN (11/25, Pilgrim) reported, "NATO's top commander in Afghanistan says the alliance doesn't have enough troops to keep the country secure." Lt. Gen. Karl Eikenberry "said NATO nations have to provide more troops to keep the country secure. He wouldn't predict if the US would send more troops to Afghanistan if NATO nations placed too many restrictions on the use of their troops."

NATO Soldier Killed In Afghanistan. The AP (11/26) reports, "One NATO soldier and an estimated 57 insurgents were killed in four separate attacks in southern Afghanistan, while a suicide bomb attack at a restaurant killed seven Afghans and wounded 20, officials said." The NATO soldier was killed in fighting after "Insurgents attacked NATO-led forces Saturday near the Tirin Kot district of Uruzgan province. NATO returned fire and called in attack aircraft, killing approximately 50 insurgents."

Taliban Members, Criminals May Have Infiltrated Counterinsurgency Program. The AP (11/25, Abrashi) reports, "Taliban militants and common criminals may have infiltrated an Afghan program that trains thousands of men affiliated with local militias to fight the country's growing insurgency. The formation of the Afghanistan National Auxiliary Police reflects the growing questions about the ability of the existing security forces to beat resurgent Taliban rebels and other militants challenging government authority in parts of the country." Canadian trainer Ross Davies said, "We know that we are probably training some of the bad guys."

Veterans' Disability Claims Could Create Budgetary Crisis. ABC World News (11/25, story 7, 3:30, Weir, 8.78M) took "A Closer Look" at what "some leading economists call a pending crisis for America's wounded warriors. More than one-quarter of the veterans of the wars in Iraq and Afghanistan are filing claims for permanent disabilities. That number is unexpectedly high, and it's one of the factors fueling concern about whether the government has enough money to give these vets the care they deserve." ABC (Stone): "According to recent research by Harvard economist Linda Bilmes, caring for Iraq's wounded will cost the government $127 billion. … The Department of Veterans Affairs has made great improvements in recent years. Its hospitals now offer some of the best medical care in the world. But not everyone is getting that care. Bilmes says VA hospitals fall further behind every year." Bilmes: "Now, the backlog is 600,000 cases. And the big wave of returning Iraqi War veterans has not yet even hit." Stone: "The VA strongly disputes the study. In a statement, it told ABC News, it carefully prepares for future costs, so that they can continue to deliver the services veterans need."

CORPORATE SCANDALS:

"Enron, The Musical" Opens In Houston. The New York Times (11/26, Murphy) reports, "First came the books, then the television docudramas and feature-length films. And now 'Enron: The Musical.' Opening on Friday on a stage way, way off Broadway — at Lambert Hall in Houston — the revue is a send-up of the rise and fall of the infamous energy company." The Times continues, "In two acts, six local actors each play up to 10 roles, including those of the former chief executives Kenneth L. Lay and Jeffrey K. Skilling, and the former finance chief Andrew S. Fastow. The songs are show-tune parodies — 'Thank Heaven for Off The Books Deals,' for example, instead of 'Thank Heaven for Little Girls.' The writer-director-producer is Mark Fraser, whose day job is selling janitorial supplies. … 'I did a lot of research because even though it's satire I wanted it to be factually correct,' said Mr. Fraser, adding that his sources included the memo in which an Enron vice president, Sherron S. Watkins, warned Mr. Lay about its accounting. … 'A lot of the stuff in the play people will think I made up because it's so ludicrous,' Mr. Fraser said. 'But it's actually all true.'"

Peer Pressure Seen As Inflating Executive Salaries. In a column for the New York Times (11/26), Gretchen Morgenson writes, "Like Lake Wobegon, Garrison Keillor's fictitious Minnesota town where all the children are above average, executive compensation practices often assume that corporate managers are equally superlative. When shareholders question lush pay, they are invariably met with a laundry list of reasons that businesses use to justify

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such packages. Among that data, no item is more crucial than the "peer group," a collection of companies that corporations measure themselves against when calculating compensation. … But according to a handful of pay experts who are privy to the design of pay practices at the nation's largest corporations, many of these peer groups are populated with companies that are anything but comparable. They also say corporate managers themselves — who have an interest in higher pay — are selecting which companies make it into a peer group. And because these companies are often inappropriate for comparison purposes, their use has helped inflate executive pay in recent years." Morgenson continues, "The use of peer groups to calculate executive pay has become ubiquitous in recent years. This is partly in response to the Securities and Exchange Commission's requirement that companies compare their stock performance with a peer group in tables in the section of their proxy filings devoted to shareholder returns. Theoretically, these tables allow investors to compare their company's performance against objective benchmarks. … But as is true with much about executive pay, details about exactly how peer groups are compiled have been kept under wraps. The worry among investors, of course, is that executives, consultants and directors simply cherry-pick peer-group members, thereby pumping up pay packages."

National Consumer Mortgage Charged With Running California Ponzi Scheme. The New York Times (11/26, Creswell, Bajaj) reports, "As the red-hot California real estate market sizzled in recent years, National Consumer Mortgage looked like just another residential mortgage company successfully riding the boom. It had lush offices in downtown Orange; the former baseball great Steve Garvey promoted its products in radio spots; and its founder, Salvatore Favata, a former local baseball hero himself, lived in a $1.7 million mansion in tony Yorba Linda and zipped around in a Mercedes roadster. An annual 'Favata Fest' at the founder's home featured live music and photo ops with Mr. Garvey." The Times continues, "The little mortgage company was also ambitious. N.C.M. ran an investment arm that offered high-yielding notes to preferred clients, promising to use customers' funds to make short-term, high-interest loans to individuals and companies that needed money quickly. For customers like Bryan F. Downey, a 41-year-old father of three, it was a tantalizing pitch. Mr. Downey had a $125,000 inheritance that he wanted to put to work, and his younger brother had already invested his inheritance with N.C.M." The Times adds, "In April 2005, Mr. Downey invested the entire $125,000 in N.C.M. notes guaranteeing annual interest payments of 12.5 percent for two years. After the contracts were signed, Mr. Downey recalls, Mr. Favata, 46, tan and trim, glided into the conference room, which had a view of Angel Stadium, nearby in Anaheim. Mr. Favata greeted him like an old friend and shook his hand, saying, 'Welcome to the family.' It's a relationship Mr. Downey now wishes he could disown. .. .Earlier this spring, Mr. Downey, along with more than 200 others living mostly in California and Colorado, found out they were victims of a long-running Ponzi scheme that pulled in about $30 million before N.C.M. sought bankruptcy this spring, according to a Securities and Exchange Commission civil complaint and filings in a federal criminal case, both filed in United States District Court for the Central District of California in Santa Ana. Rather than using the money to make loans, authorities say, Mr. Favata wagered away about $10 million of it in Las Vegas and plowed through much of the rest in his business dealings and lavish lifestyle."

CRIMINAL LAW:

Federal Probe Puts End To Pennsylvania Corruption Scheme. The Pittsburgh Tribune-Review (11/26, Wereschagin, Vellucci) reports, "Former Allegheny County Sheriff Pete DeFazio's guilty plea to a misdemeanor macing charge is one of the last gasps of old machine-style politics that ruled Pennsylvania for a century, political experts say." The PTR continues, "Macing -- the once-common practice of forcing public employees to contribute to political campaigns -- nearly vanished during the last 30 years or so. Macing was forced out by the rise of civil-service rules, unions and a public no longer willing to subsidize political paybacks, say experts. … The practices that snared DeFazio and three others in the Sheriff's Office are the same as those that powered the careers of people such as Gov. George Howard Earle III, who was indicted for macing in the 1930s, and Westmoreland County political boss Egidio Cerilli, who went to prison in 1980 for extortion and conspiracy. … 'Human nature is such that corrupt individuals are always going to find a way to work the system. I think people can take some comfort in the fact that nowadays, people don't get away with it as much as they did in the old days,' said former Pennsylvania Gov. and U.S. Attorney General Dick Thornburgh." The PTR adds, "DeFazio's plea Tuesday

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marked the end of a five-year investigation of the Sheriff's Office by U.S. Attorney Mary Beth Buchanan. Two high ranking officials -- including DeFazio's chief deputy, Dennis Skosnik -- are serving time in federal prisons and another is on a year's probation. DeFazio will be sentenced Feb. 23, though he is not expected to get jail time. … The investigation centered on officials who pressured workers to buy tickets to DeFazio's fund-raisers. Those who didn't were punished with undesirable assignments or denied vacation requests."

Memphis Business Community Seeks Business Plan To Curb Crime. The Memphis Commercial Appeal (11/26, Contact) reports, "The Memphis business community is 'looking for a good old-fashioned business plan' that sets priorities on how to deploy resources and 'move the needle on crime, violent crime in particular,' says Blair Taylor, executive director of the business group Memphis Tomorrow." The Appeal continues, "To that end, an invited group of stakeholders on the crime-fighting front will conduct a summit Wednesday at the University of Memphis Holiday Inn to plot the implementation of a wide-ranging strategic plan. … It's not that Memphis and Shelby County haven't already been employing strategies to battle crime that go beyond routine law enforcement and prosecutorial tasks. .. .There's Project Safe Neighborhoods, a coordinated effort by federal and state officials to crack down on the possession of guns by convicted felons. There's the Crime Stoppers cash award program for tipsters. There's Blue Crush, a data-based, crime-mapping program that tells police where to deploy." The Appeal adds, "The district attorney general has a no-deals policy. There are various juvenile court programs involving volunteer probation officers and the like, a drug treatment court for nonviolent cases, public nuisance laws, anti-gang units, a multi-jurisdictional drug task force -- the list goes on. .. .Presumably, all those elements and others will find their way into Operation: Safe Community's strategic crime-fighting plan, which as of its most recent revision, included 15 strategies:"

California, Virginia Localities Among Those Chosen For Federal Crime Study. The San Bernardino County (CA) Sun (11/26, Horwitz) reports, "San Bernardino County is one of 18 areas chosen last week to be part of a federal program seeking to stem a nationwide rise in violent crime." The Sun continues, "The Initiative for Safer Communities, sponsored by the Department of Justice, intends to 'seek honest answers about what works, what doesn't, and why,' Attorney General Alberto Gonzales said in a speech last month before announcing the 18 target jurisdictions." The Sun adds, "According to state crime data, the San Bernardino County Sheriff's Department documented increases in homicide, rape, and aggravated assault between January and June compared with the same period last year. Violent crime rose by 5.9 percent in that six-month stretch. … During that same time period, sheriff's departments in Los Angeles, Riverside and San Diego counties reported overall decreases in violent crime. … But San Bernardino County was not included based solely on its increasing crime. Other jurisdictions in California, such as Sacramento County, saw far greater increases in violent crime but were not included. Rather, the jurisdictions were chosen because they 'represent a cross-section of the country in terms of size, geographic location and rate of violent crime,' according to a statement from the Justice Department."

The Virginian-Pilot (11/26) reports, "Hampton Roads is one of 18 metropolitan areas the government has selected to study for clues on why homicides and other violent crimes are on the rise nationally." The V-P continues, "The Justice Department study comes after FBI data in September showed violent criminal activity - including rape, murder, robbery and aggravated assault - rose by 2.2 percent from last year. That marked the first increase since 2001. … U.S. Attorney General Alberto Gonzales announced the study last month in Boston at a meeting of police chiefs and other law enforcement officials." The V-P adds, "It will be rolled out in three phases: looking at crime increases in cities, analyzing those results for any trends and identifying federal programs that can help. … It was not clear whether more federal money will be available for cities, but federal officials said new initiatives could be created if necessary." The V-P notes, "Locally, homicides were up in four of the five South Hampton Roads cities - Chesapeake being the exception - and aggravated assaults were up in all five between 2004 and 2005. … The trends with other violent crimes were mixed."

CIVIL RIGHTS:

NAACP Seeks DOJ Probe Of Georgia Police Shooting. The Moultrie (GA) Observer (11/26, Hall) reports, "A state leader of the National Association for the Advancement of Colored People on Saturday came to Moultrie and questioned accounts of the fatal shooting of

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Moultrian Willie James Banks." The Observer continues, "Banks, who was shot by police Nov. 16, was buried Saturday afternoon, and the president of the NAACP's Georgia State Conference held a press conference prior to the funeral service. … Edward Dubose said the NAACP is beginning its own investigation into the events that surrounded Banks' death, and the organization calls for action on the parts of the Federal Bureau of Investigation, the U.S. Justice Department, the District Attorney's Office and the City of Moultrie police chief." The Observer adds, "Banks, 43, who was mentally deficient, was working at a convenience store on First Avenue at Fifth Street Southeast when three Moultrie police officers arrived to arrest him in connection with a bench warrant. The officers said Banks resisted arrest, pulled a knife and ran toward one of them. One or more of the officers fired at Banks; he was hit three times in the chest. … The Georgia Bureau of Investigation is still investigating the incident, but Dubose expressed doubts Saturday about the officers' version of events. … Dubose said the NAACP is calling on the FBI and Justice Department to investigate the shooting as an excessive and unnecessary use of deadly force. It also wants the district attorney's office to convene a grand jury inquiry into the incident."

Voting Problems May Have Been More Widespread Than First Thought. The New York Times (11/26, Urbina, Drew, 1.16M) reports on its front page that "after six years of technological research, more than $4 billion spent by Washington on new machinery and a widespread overhaul of the nation's voting system, this month's midterm election revealed that the country is still far from able to ensure that every vote counts. Tens of thousands of voters, scattered across more than 25 states, encountered serious problems at the polls, including failures in sophisticated new voting machines and confusion over new identification rules, according to interviews with election experts and officials." While post-election attention "has been focused on a few close races affected by voting problems," since "most of this year's races were not close, election experts say voting problems may actually have been wider than initially estimated, with many malfunctions simply overlooked."

NYTimes Calls For "Full Array Of Protections." The New York Times (11/26, WK9, 1.16M) editorializes, "Voting machines in a Congressional race in Florida -- where else? -- may have swallowed about 18,000 votes, far more than the nominal winner's razor-thin margin of victory. Because those votes were in the loser's strongest county, if there was a computer glitch it probably changed the outcome of the race. … We should learn more about what, if anything, went wrong, and what the options are if any remedies are needed. But one verdict is already in: electronic voting without the full array of protections, including a voter-verified paper trail, is unacceptable."

ANTITRUST:

DOJ Probes Chicago Exchange Merger. Crain's Chicago Business (11/26) reports, "Justice Department investigators probing the Chicago Mercantile Exchange's $8-billion acquisition of the Chicago Board of Trade are looking at the exchanges' clearing operation, a key profit center that some traders — and apparently regulators — fear could wield monopolistic pricing power." Crain's continues, "Three people interviewed by lawyers from the DOJ's antitrust division in recent weeks said that interview questions focused on whether the Merc's clearinghouse, which guarantees $4.2 trillion in trades per day, functions as a limit on competition in futures trading. Investigators also asked whether the Merc could use its self-regulatory power to make rules that deter traders from using rival exchanges, according to the same sources, who spoke on condition of anonymity because the interviews were confidential." Crain's adds, "Last year the CME clearinghouse guaranteed 90% of all futures contracts traded in the U.S., according to company filings. Clearing and transaction fees accounted for 76% of its $920.5 million in revenue. … The sources also identified the lead federal investigator on the case as George Baranko, the same Justice Department lawyer who six years ago put together a settlement that forced competition among the four U.S. options exchanges. … A DOJ spokeswoman confirmed the investigation but otherwise refused to comment."

Columnist Examines Current Merger Boom. In a column for the San Francisco Chronicle (11/26), Kathleen Pender writes, "Shoppers went a little crazy last week, and I'm not talking about consumers camping out in the dark for doorbuster deals. … I'm talking about companies and private equity firms gobbling up corporations, in whole or part, in a pre-Thanksgiving buyout binge. Last week alone, there were 379 deals valued at $118.6 billion announced worldwide, according to Dealogic. This includes $78.5 billion

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in deals for U.S. firms." Pender continues, "Among them: The Blackstone Group agreed to buy Equity Office Properties Trust for $20 billion, Freeport-McMoRan Copper & Gold offered $26 billion for copper miner Phelps Dodge, Bank of America said it would buy U.S. Trust from Charles Schwab for $3.3 billion, Russian steelmaker Evraz Group agreed to pay $2.5 billion for Oregon Steel Mills, and Nasdaq made a $5.1 billion hostile offer for the London Stock Exchange, which was rejected. … Last week's deals brought this year's total to $3.51 trillion worldwide, eclipsing the previous record of $3.3 trillion in 2000." Pender adds, "Although strategic mergers -- where one company buys another to expand or complement its business -- are strong, the real growth is merger activity in financial deals, where an investment firm buys a public company and takes it private, usually with loads of debt. … In 2006, takeovers by financial companies accounted for 17 percent of all global mergers, compared with only 4 percent in 2000, according to Dealogic." Pender notes that strong global economies, low interest rates, reasonable stock prices, and the growth of private equity funds are factors in the merger boom.

FCC To Consider Cable Broadcast Dispute. The Des Moines Register (11/26) reports, "Treasure your football, Fox 17 viewers, because today could bring your last viewable NFL game on central Iowa cable for a long while." The Register continues, "A 12-state, Iowa-based game of broadcasting chicken between Mediacom Communications Corp. and Sinclair Broadcasting Group is scheduled to come to a head Thursday night. And so far, a last-minute meeting called by a federal communications official seems to be the only hope of stopping a crash." The Register adds, "According to Barry Faber, corporate attorney and vice president of Maryland-based Sinclair, Mediacom and Sinclair officials have been summoned to a Monday meeting in the Washington, D.C., office of Robert McDowell, a member of the Federal Communications Commission, to discuss the year-long battle between the companies that threatens to leave 250,000 Iowa households with no immediate access to some popular television programs. … The still-unresolved squabble means Mediacom, which operates cable television systems in 23 states, will lose the right to rebroadcast signals of 22 of Sinclair's television stations, including two in Iowa, beginning Friday morning. … Mediacom officials say the company provides television to roughly 450,000 households across Iowa, although roughly 200,000 of those homes - in areas outside the Des Moines and Cedar Rapids markets - receive multiple Fox or CBS channels and would not lose any network programming if Sinclair stations go dark. … The long-standing financial dispute, which also has grown to become a legal battle and a public relations war, involves a gap of roughly $1 million, according to the last numbers disclosed by either side."

Oil Industry Denies Manipulating Supplies To Boost Profits. The AP (11/26, Donn) reports, "You'd think it was Texas. Dusty roads course the scrubland toward oil tanks and warehouses. Beefy men talk oil over burritos at lunch. Like grazing herds, oil wells dip nonstop amid the tumbleweed -- or even into the asphalt of a parking lot. … That's why the rumor sounded so wrong here in California's lower San Joaquin Valley, where petroleum has gushed up more riches than the whole gold rush. Why would Shell Oil Co. simply close its Bakersfield refinery? Why scrap a profit maker?" The AP continues, "The rumor seemed to make no sense. Yet it was true. … The company says it could make more money on other projects. It denies it intended to squeeze the market, as its critics would claim, to drive up gasoline profits at its other refineries in the region." The AP adds, "Whatever the truth in Bakersfield, an Associated Press analysis suggests that big oil companies have been crimping supplies in subtler ways across the country for years. And tighter supplies tend to drive up prices. … The analysis, based on data from the U.S. Energy Information Administration, indicates that the industry slacked off supplying oil and gasoline during the prolonged price boom between early 1999 and last summer, when prices began to fall. .. .The industry counters that it's been working hard to meet untiring demand. It faults output quotas set by Mideast oil powers, global competition for oil from booming economies like China's, and domestic challenges like depleting wells, clean-air rules, and hurricanes. They do make things harder. … Yet the AP analysis found evidence of at least an underwhelming industry performance in supplying the domestic market, when profits should have made investment capital plentiful:"

Mergers Can Mean Quick Profits For Mutual Funds. The Washington Post/AP (11/26, F3, Paradis) reports, "Investors observing the seemingly uninterrupted parade of corporate buyout announcements might wonder how much the deals and the attendant rise in stock prices will

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boost returns in their mutual funds. The answer depends on the type of funds they own." The AP continues, "Acquisition announcements often inspire investor confidence because the deals generally reflect a sense that the stock market offers bargains on desirable businesses. That notion can send stocks up in general, which benefits many mutual funds. And while the many merger announcements have prompted questions about whether the market is overvaluing some properties, mutual funds returns for the year are likely to get a boost from all the dealmaking." The AP adds, "One way investors can benefit from an acquisition is if a fund they own holds shares in a company being acquired. The fund's return can grow from the jump in a stock that often accompanies a buyout announcement. Shares of the company doing the acquiring typically fall, though generally only temporarily, as investors tend to frown upon the risk those companies are taking."

Airline Mergers Could Have Effect On Consumer Choices. The Houston Chronicle (11/26, Hensel) reports, "If you could take two big airlines and put them together to make one really big airline, which ones would you pick? … This has become a serious question since US Airways made a hostile bid for Delta Air Lines." The Chronicle continues, "If it succeeds — and that's far from certain — it could trigger further industry consolidation. .. .If Houston-based Continental Airlines were left behind, it could find itself at a competitive disadvantage to far bigger competitors." The Chronicle adds, "Consolidation in the airline industry has long been a topic on Wall Street. … 'This has been waiting to happen for long time, everyone has been expecting consolidation,' said Alan Sbarra, an industry consultant with Roach & Sbarra. 'Nobody considered US Airways a player, but this clearly is a signal that everybody is in play.'" The Chronicle notes, "Last year's merger of US Airways and America West — which has had promising results so far, but there is still difficult work to be done — revitalized the view that there are huge profits to be made through mergers and acquisitions, De- Paul University professor Joe Schwieterman said. .. .'The possibilities now are enormous, and every airline will be feverishly studying their options,' Schwieterman said."

ENVIRONMENT/INDIAN AFFAIRS:

Bush Administration Portrayed As Out-Of-Step On Climate Change. The Washington Post (11/26, A3, Harden, Eilperin, 690K) reports, "As the Bush administration debates much of the world about what to do about global warming, butterflies and ski-lift operators, polar bears and hydroelectric planners are on the move. In their separate ways, wild creatures, business executives and regional planners are responding to climate changes that are rapidly recalibrating their chances for survival, for profit and for effective delivery of public services. …. With the issue of a warming planet shifting rapidly from scientific projection to on-the-ground reality, animals and plants are being compelled, along with businesses and bureaucracies, to take action aimed at self-preservation. They are doing so even as the Bush administration eschews regulations, laws or international treaties that would require limits on carbon dioxide emissions, which scientists say are the main cause of global warming." The Post adds, "Though President Bush has said that human activity has contributed to climate change, he has consistently rejected the idea of imposing mandatory curbs on carbon dioxide emissions. In an interview shortly after this month's congressional elections, James L. Connaughton, chairman of the White House Council on Environmental Quality, said the country would be better off setting a voluntary goal -- such as increasing the use of renewable fuels -- than dictating industrial greenhouse-gas emission levels." According to the Post, "The Bush administration has outlined a strategic plan that calls for developing technology that would reduce carbon dioxide pollution. It now spends $3 billion a year on energy research and development. But when adjusted for inflation, this money is a fraction of what the federal government spent in the past."

WPost Questions Administration's Reading Of Clean Air Act. The Washington Post (11/26, B6, 690K), in an editorial, writes, "On Wednesday, the Supreme Court will hear oral arguments in what could prove to be one of the most fateful environmental cases in a generation -- or not, depending on what the justices do with it. Massachusetts v. Environmental Protection Agency is a challenge by states and environmental groups to the Bush administration's refusal to regulate greenhouse gases as pollution. The question of how to handle global warming is the chief environmental issue of our era. Yet the Environmental Protection Agency

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has refused to assume regulatory authority over greenhouse emissions. … Nowhere is this administration's resistance to action on global climate change more aggravating than in its persistent refusal to use the legal powers already at hand."

LATimes Blames EPA, BIA For Uranium Contamination On Navajo Reservations. The Los Angeles Times (11/26, 850K) editorializes, "During World War II, the federal government made a deal with Navajos: If the tribe allowed uranium mining on its 27,000-square-mile reservation, the land eventually would be returned 'in as good condition as received.' Instead, when the diggers left by the mid-1960s, the land was scarred by open shafts, contaminated well water and radioactive piles — often without fences or warning signs." As a Times series "reported last week, federal inspectors knew about the damage but did little to prevent or fix it. What followed was unconscionable. Navajos drank from contaminated pools, slept on radioactive floors and fed their herds on land irrigated with death. Children suffered mysterious, painful illnesses and died young. … Blame can be laid at the feet of the mining companies and even the tribal government. But it is the job of the Environmental Protection Agency and the Bureau of Indian Affairs to prevent environmental wreckage and safeguard the tribe's interests. Both fell down on the job spectacularly."

FBI/DEA/ATF/USMS:

Large-Scale Meth Production Moved To Mexico After US Crackdown. The Los Angeles Times (11/26, A1, Marosi, 850K) reports, "The methamphetamine laboratories that once plagued California's hinterlands and powered a national explosion of drug abuse have been replaced by an increasing supply from Mexico, U.S. law enforcement officials say. Methamphetamine production has surged south of the border, from Baja California ranches to the highlands of Michoacan to the industrial parks here in Mexico's second largest city, where authorities in January busted the largest laboratory ever discovered in the Americas. The fortress-like compound ringed by high brick walls housed 11 custom-designed pressure cookers that could produce 400 pounds of the drug per day. It dwarfed anything ever found in California, where the standard cooking tool is a 23-quart beaker and a 20-pound batch is considered a good production day. .. The boom in Mexican methamphetamine production stems from successful efforts in the U.S. to control the sale of chemicals used to produce the drug, including the cold medicine pseudoephedrine."

Indianapolis Officials Concerned About Rising Heroin Use. The Indianapolis Star (11/26, Higgins) reports, "Heroin, the scourge of the '70s, is back. … While the drug still makes up a minority of the cases at Indianapolis' drug court, heroin is increasingly easy to find on the city's streets, according to police, as it is elsewhere in Indiana and the nation . … 'I'm seeing a lot, lot more heroin,' said Jamie Guilfoy, an IPD narcotics detective since 2001. 'I never saw any up until the last year.'" The Star continues, "Guilfoy and other Indianapolis Police Department narcotics investigators have confiscated nearly 1,000 grams -- about 2.2 pounds -- of heroin this year, more than 10 times what they seized in 2005. … Indiana State Police project they will investigate close to 700 heroin cases this year, twice as many as last year and three times as many as in 2004." The Star adds, "Another possible indicator: A 2006 Indiana University survey found that 2.2 percent of Indiana high school seniors have tried intravenous drugs -- a 25 percent jump from the previous year. The needle is the preferred method of heroin users. … The emerging trend is nationwide, with cities such as Minneapolis; Dallas; Covington, Ky.; and Salt Lake City also reporting heroin upswings. The U.S. Drug Enforcement Administration has confiscated heroin in slightly declining amounts the past two years, but from 2001 to 2005, seizures were up more than 50 percent compared with the previous five years. … The trend is alarming, noted a U.S. Justice Department study released last week, because heroin, more than other abused drugs, is a multifaceted plague. … 'Although overall abuse levels for heroin are lower than levels for other drugs, including cocaine and marijuana, the consequences of heroin abuse are far-reaching in terms of heroin-related deaths, treatment admissions and emergency department mentions,' said the National Drug Threat Assessment 2007."

IMMIGRATION:

Minutemen Finances Draw Scrutiny. The Houston Chronicle (11/26, Carroll, 530K) reports, "For the first time, the Minuteman Civil Defense Corps has revealed a smattering of intriguing details on its finances, but some

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former Texas members say they're still not sure how the group has spent hundreds of thousands of dollars in contributors' money. Chris Simcox, founder of the nonprofit border watch group, posted IRS forms and an audit on his Internet site Nov. 15 in response to media reports raising concerns about how the organization was handling its contributions." The Chronicle adds, "The new documents offer a glimpse into the group's finances, former Minuteman loyalists say, but leave unanswered questions. Among them: How is the group spending thousands of dollars in membership fees they've collected in the past 19 months? And what companies or other nonprofits received $277,000 — amounting to more than half the group's contributions in 2005 — for unspecified 'personnel services?'"

CONGRESS-ADMINISTRATION:

Cheney's Views On Presidential Power Seen As Likely To Frustrate Democrats. The Boston Globe (11/26, Savage, 413K) reports, "In July 1987, then-Representative Dick Cheney, the top Republican on the committee investigating the Iran-contra scandal, turned on his hearing room microphone and delivered, in his characteristically measured tone, a revolutionary claim. President Reagan and his top aides, he asserted, were free to ignore a 1982 law at the center of the scandal. Known as the Boland Amendment, it banned US assistance to anti-Marxist militants in Nicaragua. … The Iran-contra scandal was not the first time the future vice president articulated a philosophy of unfettered executive power." Cheney "came to believe that the modern world is too dangerous and complex for a president's hands to be tied. He embraced a belief that presidents have vast 'inherent' powers, not spelled out in the Constitution, that allow them to defy Congress. Cheney bypassed acts of Congress as defense secretary in the first Bush administration. … A close look at key moments in Cheney's career -- from his political apprenticeship in the Nixon and Ford administrations to his decade in Congress and his tenure as secretary of defense under the first President Bush -- suggests that the newly empowered Democrats in Congress should not expect the White House to cooperate when they demand classified information or attempt to exert oversight in areas such as domestic surveillance or the treatment of terrorism suspects."

Senate Democrats Ready To Thwart Earmark Reform Attempts. The New York Times (11/26, A1, Kirkpatrick, 1.16M), in a front-page story, reports Rep. Nancy Pelosi "and many Democratic candidates have railed for months against wasteful 'special interest earmarks' inserted into bills 'in the dark of night.' Now their party's electoral victories mean that" Sen. Ted Stevens "will hand" Sen. Daniel Inouye "the gavel of the Senate defense appropriations subcommittee, which presides over the largest pool of discretionary spending and earmarks. But if the Democratic leaders are talking about 'earmark reform,' that may be news to Mr. Inouye. 'I don't see any monumental changes,' Mr. Inouye said in a recent interview. He plans to continue his subcommittee's approach to earmarks, he said. 'If something is wrong we should clean house,' he said, 'but if they can explain it and justify it, I will look at it.'" The Times adds that Sen. Patty Murray, "who is set to become chairwoman of the transportation subcommittee," defended Stevens' "allocation of more than $200 million in federal money for" the "notorious…'Bridge to Nowhere.' … To anyone who might vote against the bridge, Ms. Murray threatened that her subcommittee would be 'taking a long, serious look at their projects.' Every Democrat on the Appropriations Committee voted against an amendment to strike the bridge, and after threats from Ms. Murray." Sen. Tom Harkin, set to become the next chairman of the appropriations subcommittee for labor, health and human services, is quoted as saying, "I happen to be a supporter of earmarks, unabashedly. … But I don't call them earmarks. It is 'Congressional directed funding.'"

Veteran Chairmen Present Risk For Democrats. The Los Angeles Times (11/26, Reynolds, 850K) reports, "In the four decades that Democrats were the dominant party, chairmen's foibles, however egregious, did not threaten the party's grip on power. But with narrower margins of control and an electorate willing to switch allegiances, there is no such assumption these days. The question now is whether the 'old bulls' like" Rep. John Dingell "know it, and if they know it, whether they can adjust. … It was in part because of the reputation of longtime chairmen like Dingell that former Speaker Newt Gingrich, who led the Republican insurgency that took control of Congress in 1995, imposed term limits for committee chairs, restricting them to three consecutive two-year terms. But the Democrats have kept the tradition of assigning committee chairmanships by seniority. And that will elevate some of the most veteran — and oldest —

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members of Congress to committee leadership posts. All but one of the new Senate chairmen are at least 60, and three are in their 80s. Three also have served for more than four decades. The oldest is Sen. Robert C. Byrd (D-W.Va.), who is 89 and is about to retake the helm of the Senate Appropriations Committee. He sometimes tires, aides say, but he still has full command of his senses and the respect of his peers.

Medicare Drug Benefit Proves Popular, Less Costly Than Expected. The Washington Post (11/26, A1, Montgomery, Lee, 690K), in a front-page story titled, "Success of Drug Plan Challenges Democrats: Medicare Benefit's Cost Beat Estimates," reports, "It sounded simple enough on the campaign trail: Free the government to negotiate lower drug prices and use the savings to plug a big gap in Medicare's new prescription-drug benefit. But as Democrats prepare to take control of Congress, they are struggling to keep that promise without wrecking a program that has proven cheaper and more popular than anyone imagined. House Democrats have vowed to act quickly after taking power in January to lift a ban on Medicare negotiations with drugmakers" but "acknowledge that negotiation is…unlikely to generate sufficient savings to fill the 'doughnut hole,' the much-criticized gap in coverage that forces millions of seniors to pay 100 percent of drug costs for a few weeks or months each year." According to the Post, "Drug-company lobbyists, Bush administration officials and many congressional Republicans are preparing to block any effort to increase federal control over drug prices, saying the Medicare benefit is working well. … Polls indicate that more than 80 percent of enrollees are satisfied, even though nearly half chose plans with no coverage in the doughnut hole." The Post adds, "The cost of the program has been lower than expected, about $26 billion in 2006, according to the nonpartisan Congressional Budget Office."

VA Model May Not Suit Medicare. The Los Angeles Times (11/26, Alonso-Zaldivar, 850K) reports, "With millions of seniors facing premium hikes for their Medicare prescription plans, Democrats say they have a solution: Use the government's massive buying power to bargain for rock-bottom drug prices. The Department of Veterans Affairs does it for 5 million patients, they point out, so why not Medicare with its 43 million? … But the VA model may not be readily adaptable to Medicare, some independent experts say. And policy differences among Democrats, along with the Bush administration's opposition to government price-setting, may further complicate the task of reaching a goal that Democrats have set for themselves when they take over Congress in January."

Democrats' "Economic Populists" Challenge Clinton-Rubin Orthodoxies On Trade. In a New York Times (11/26, WK1, 1.16M) "Week in Review" piece Louis Uchitelle writes, "With the Democrats now a majority in Congress, and disquiet over globalization growing, a party faction that has been powerless — the economic populists — is emerging and strongly promoting an alternative to Rubinomics." Uchitelle adds, "The split is not over the damage from globalization." Former Treasury Secretary Robert Rubin "and his followers increasingly say that globalization has not brought job security or rising incomes to millions of Americans. The 'share of the pie may even be shrinking' for vast segments of the middle class, Mr. Rubin's successor as Treasury secretary under President Clinton, Lawrence H. Summers, recently wrote in an op-ed in The Financial Times. And the populists certainly agree. But the Rubin camp argues that regulating trade, or imposing other market restrictions, would be self-defeating. … The economic populists argue that the trade agreements themselves are the problem." Economic populists "are organizing to push their proposals, coalescing around the Economic Policy Institute. The A.F.L.-C.I.O. is a very visible member of this coalition."

OTHER NEWS:

Democratic State Chairs Say Dean Strategy Led To Gains. The Washington Times (11/26, Lambro, 88K) reports on its front page that Democratic state chairs, "decrying postelection bickering," say their party's victories this month "were in large part a result of National Chairman Howard Dean's 50-state strategy, which helped make deep inroads into Republican territory. The state chairmen, describing themselves as angered by infighting among party leaders in the House" and criticism of Dean by campaign consultants James Carville and Stan Greenberg, "credited the Dean strategy for their victories."

GOP Faces Uphill Fight To Retake Congress In 2008. Under the headline "The Hill May Look Steep For Republicans In 2008," the Washington Post (11/26, A5,

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Goldfarb, 690K) writes that while Republicans may be able to retake Democratic House seats won "squarely in Republican territory" this year, Democratic gains "in swing districts in the Midwest and Democratic-leaning districts in the Northeast will be much tougher for Republicans to seize." And in the Senate, 22 Republican seats must be defended in 2008, compared to just 12 Democratic seats, and just a few incumbents of either party are considered vulnerable -- Tim Johnson and Mary Landrieu on the Democratic side; and Wayne Allard, Norm Coleman, and John E. Sununu on the GOP side.

Denver Finds "Momentum" In Bid To Host 2008 Democratic Convention. The Washington Times (11/26, Richardson, 88K) reports Denver "is enjoying a surge of momentum in its bid for the 2008 Democratic National Convention, thanks to Colorado's electoral tilt to the left and a well-timed burst of union activity." DNC Chairman Howard Dean "is expected to announce the convention site in early December, and some Denver residents already are predicting their city will trump New York as the party's pick."

Romney Leaving Massachusetts Governorship With "Mixed" Record. Under the Washington Post (11/26, A6, 690K) headline "Romney Leaving Mass. With Mixed Record," David Broder examines Gov. Mitt Romney's tenure in Boston as Romney moves toward a presidential run, saying that Romney "has been a successful venture capitalist and management consultant, and he saved the tainted 2002 Salt Lake City Winter Olympics from scandal," but it is his gubernatorial term that is "Romney's chief credential in his bid for the Republican nomination for president." While he "began his term four years ago on a high note, rescuing the state from an inherited budget deficit," his term is now "being viewed in a more mixed fashion. While he can point to a major policy success in health care, his relationship with the Democratic-controlled legislature that made it possible is in tatters. His efforts to challenge the Democrats and promote Republican candidates for the legislature failed. His partner in the statehouse, Lt. Gov. Kerry Healey, lost a bid to succeed him. And Romney is leaving office with the state GOP weaker than when he arrived."

Romney Tries To "Cast Himself In The Reagan Mold." The Boston Globe (11/25, Helman, 413K) ran a story yesterday on Romney's efforts to link himself to Ronald Reagan. Romney "is increasingly trying to cast himself in the Reagan mold -- as a patriotic, small-government conservative from outside the Beltway who's bent on repelling taxes, moral relativism, and foreign threats."

McCain Said To Offer "Dangerous Brew Of Government Activism." In the Los Angeles Times (11/26, 850K), assistant editorial page editor Matt Welch writes, "You can read 1,000 profiles of GOP presidential front-runner John McCain without encountering a single paragraph examining his core ideological philosophy." But "sifting through McCain's four bestselling books and nearly three decades of work on Capitol Hill, a distinct approach toward governance begins to emerge. And it's one that the electorate ought to be particularly worried about right now. McCain, it turns out, wants to restore your faith in the U.S. government by any means necessary, even if that requires thousands of more military deaths, national service for civilians and federal micromanaging of innumerable private transactions. He'll kick down the doors of boardroom and bedroom, mixing Democrats' nanny-state regulations with the GOP's red-meat paternalism in a dangerous brew of government activism."

New Hampshire Goes "Bright Blue" In Lead-Up To Primary Campaign. In his Washington Post (11/26, B7, 690K) column, David Broder writes, "When the pack of presidential hopefuls and the reporters who follow them descend on New Hampshire in January, as the 2008 campaign begins, a surprise awaits them. For the first time in anyone's life, New Hampshire has turned into a bright blue Democratic state." Gov. John Lynch winning re-election with 74% of the vote this month, and both houses of the state legislature, the state Executive Council, and both New Hampshire US House seats all switching from Republican to Democratic control. And New Hampshire "was not alone. Iowa, whose presidential caucuses come even earlier than the New Hampshire primary, also elected a Democrat as governor and saw both houses of its legislature flip to the Democrats."

Democrats Study Montana Successes For Clues On How To Win. The Denver Post (11/26, Crummy, 256K) writes that in Montana, "where voters backed a Republican candidate in nine of the past 10 presidential elections, Democrats suddenly find themselves in control of

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almost everything. In the past two years, the party has taken control of the governor's office, the state Senate, and - depending on a Tuesday recount -- has maintained a split in the state House." And this month, Democrat Jon Tester defeated GOP Sen. Conrad Burns. All of this "makes Montana a political laboratory for national Democrats trying to determine what elements are needed for retaking the White House in 2008. And when sorting through the reasons Democrats have taken hold in a conservative state, fingers frequently point first at Democratic Gov. Brian Schweitzer," whose "prairie populist message, gift for storytelling and homespun charm have won him approval ratings upward of 70 percent."

Unexpected House Seat Winner Shea-Porter Profiled. The Los Angeles Times (11/26, Mehren, 850K) profiles NH1 Rep.-elect Carol Shea-Porter, the Democrat who upset Republican Rep. Jeb Bradley this month. Shea-Porter spent just $206,000, "ran all of two TV ads," and had a medieval historian managing her campaign. Shea-Porter "eceived little attention from the national Democratic Party. The day after the election, which she won with 52% of the vote, party Chairman Howard Dean could not remember all of her last name, though he knew it was hyphenated. Dean praised Shea-Porter's win as 'an entirely grass-roots effort without support from the party, including us.'"

Religious Left Leader Wallis Profiled. The Washington Post Magazine (11/26, W20, Kuhn) runs a nearly 5,000-word feature entitled "The Gospel According To Jim Wallis" that profiles "America's leading progressive evangelical," the author of "God's Politics: Why the Right Gets It Wrong and the Left Doesn't Get It."

Latino Community Becoming "Significant Contributor" To US Economy. As part of a series on immigration, NBC Nightly News (11/25, story 7, 2:15, Seigenthaler, 9.87M) examined the US Latino community, which "is working together to find economic success and is thriving." NBC (Tibbles): "More than 50% of America's immigrant population is Hispanic, a dynamic economic force. … Last year advertisers spent more than $3 billion catering to a market expected to pump a trillion into the economy by the end of the decade." The Latino community "is fast becoming a significant contributor to the American economy."

US Students Turn To Outsourced Internet "E-Tutoring." ABC World News (11/25, story 8, 2:10, Marlantes, 8.78M) ran a report on "e-tutoring" of US students over the Internet by instructors in India, the "outsourcing of education. Just like manufacturing or service jobs, the task of teaching America's youth, is no longer limited by borders. The appeal is clear: It's home work help that's available anytime of the day or night. And it's cheap. Private tutoring in the US can cost as much as $100 an hour. An online session with a tutor in India, costs around $20 an hour. … Under the No Child Left Behind Act, the government is now paying for private tutoring in students in underperforming schools. But according to a recent report" from the GAO, "only 19% of students who qualify are getting that help. But critics worry foreign tutors aren't well-equipped to teach American students."

Al-Jazeera English Not Yet Available On Most US Screens. NBC Nightly News (11/25, story 6, 2:45, Seigenthaler, 9.87M) ran a feature on "a new player in international news: Al-Jazeera English. It made its debut earlier this month with the intention of bringing a different perspective to an English speaking audience. But it is already facing a challenge: finding a broadcast home and viewers here in the States." Al-Jazeera English "debuted 10 days ago," but "you would be hard pressed to find it on cable in the US -- no major American cable companies carry it. It is only available on one satellite network, although it is streamed live on the Internet."

Will Describes US Economic Supremacy Of The 1950s. In his column for the Washington Post (11/26, B7, 690K) George Will writes, "In 1951…the average American ate 50 percent more than the average European." Americans…controlled two-thirds of the world's productive capacity, owned 80 percent of the world's electrical goods, and produced more than 40 percent of its electricity, 60 percent of its oil and 66 percent of its steel. America's 5 percent of the world's population had more wealth than the other 95 percent, and Americans made almost all of what they consumed: 99.93 percent of new cars sold in this country in 1954 were U.S. brands."

Brooks Contemplates RFK's Stoicism Following Brother's Death. With the release of the film "Bobby," David Brooks uses his New York Times (11/26,

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WK10, 1.16M) column to examine Robert Kennedy's stoicism in the wake of his brother's assassination, saying that RFK "found in the Greeks a sensibility similar to his own -- heroic and battle-scarred but also mystical. … The story of Kennedy's grief is the story of a man stepping out of his time and fetching from the past a sturdier ethic."

Cheney Visits Saudi Arabia As President's Own Mideast Trip Nears. Vice President Cheney's trip to Saudi Arabia is portrayed as the prelude to President Bush's own upcoming trip to the Middle East. ABC and NBC both ran long reports on the trips; CBS was pre-empted for sports coverage. The tone of the reporting is mixed, showing the Administration as taking positive action while at the same time suggesting that the situation in the region is getting worse. The brevity of the Vice President's time on the ground in Saudi Arabia is also frequently mentioned.

ABC World News (11/25, lead story, 3:10, Weir, 8.78M) opened with the story, saying that "against the backdrop of savage, new violence in Iraq, the Bush Administration is launching a week of whirlwind crisis talks. The diplomatic push got underway today" with Cheney "leaning on the friendship and influence of a traditional ally." ABC (Morrell): "Vice President Cheney was in Saudi Arabia, just seven hours, half as long as it took him to fly there. But during that brief stay, he met with a slew of high-ranking Saudis, including King Abdullah. Old friends and close allies, the two men, once again, need each other's help. The White House would like the Saudi royal family to use its influence with fellow Sunnis in Iraq, to help end the sectarian violence and begin political reconciliation."

Leading in to its report, NBC Nightly News (11/25, story 2, 2:40, Seigenthaler, 9.87M) asked, "Has the conflict in Iraq become a full-fledged civil war?" NBC (Cork): "As the President prepares for his trip next week, today the Vice President traveled all the way to Saudi Arabia for a meeting that lasted just a few hours, a clear sign of the growing concern among leaders in that part of the world and here in Washington as well. The Vice President's brief trip to Saudi Arabia to meet with the King underscores the Administration's urgent efforts to get help to stem the violence in Iraq. It comes days before the President's own meeting" with Iraqi PM Nouri al-Maliki. Bush "will likely pressure Iraq's leaders to do more to end the sectarian killing." Maliki "is not the only one facing pressure to show progress in Iraq; President Bush is facing pressure here at home from an impatient Democratic Congress. They said America's commitment, while great in Iraq, is not unending."

CNN (11/25, Robertson) reported Cheney's office "has been very, very quiet" about the Vice President's trip. They "have not raised expectations, they have not laid out an agenda for this meeting. They said the Vice President was only coming here to talk about issues that had happened in the Middle East, that are of mutual concern to Saudi Arabia and the United States. But the Vice President spent barely eight hours on the ground in the country after he was greeted when he got off his aircraft. He had perhaps just a couple of hours meeting late in the afternoon with King Abdullah, then went immediately to the airport. … The very fact, though, that Dick Cheney came here for a three- hour meeting with the King, and then left again, there is a big concern in this region that perhaps the United States is setting up its allies at this time for some bad news on Iraq, in the near future."

The New York Times (11/26, 1.16M) reports Cheney "was met in Riyadh by the king's brother, Crown Prince Sultan, and government ministers and leaders of the Saudi armed forces, the official Saudi Press Agency reported." Cheney "left the country shortly after the meeting to return to the United States." The Times says "high-level visits to the region" by Cheney and Bush "come at a time when the administration is considering how to adjust its policies in Iraq, where deadly sectarian violence has been escalating."

The AP (11/25) notes Cheney "sought Saudi help on Saturday in dealing with Iraq's spiraling violence and other regional trouble spots where U.S. policy is on the line: Iran, Lebanon and the Palestinian territories." The AP calls Bush's upcoming summit meeting in Amman "a sign of the urgency of the U.S. concern," adding, "The unusual succession of visits by the two U.S. leaders was planned before outbursts of violence this week dramatically worsened the situation in two countries of key American interest — Iraq and Lebanon."

AFP (11/25, Nimr) calls the Cheney and Bush trips "a new diplomatic thrust, and says Cheney and Abdullah discussed "ways of boosting cooperation between" their countries.

Maliki Called Weakened Ahead Of Bush Meeting. In an analysis piece, the AP (11/25, Wagner) says Maliki, "struggling to prevent sectarian violence from sending Iraq into full-fledged civil war, is facing strong criticism from top Shiite and Sunni Arab leaders alike as he prepares for a summit" with Bush. Noting Maliki's eroding support among regional Sunni leaders and among prominent Iraqi Shiites

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including supporters of Moqtada al-Sadr, the AP says his "government has been unable to prevent revenge attacks by Shiite militias and Sunni Arab insurgents."

Opinions Differ On Existence Of Iraqi "Civil War." The New York Times (11/26, A14, Wong, 1.16M) reports, "Though the Bush administration continues to insist that it is not, a growing number of American and Iraqi scholars, leaders and policy analysts say the fighting in Iraq meets the standard definition of civil war. The common scholarly definition has two main criteria. The first says that the warring groups must be from the same country and fighting for control of the political center, control over a separatist state or to force a major change in policy. The second says that at least 1,000 people must have been killed in total, with at least 100 from each side. American professors who specialize in the study of civil wars say that most of their number are in agreement that Iraq's conflict is a civil war. ... In the United States, the debate over the term rages because many politicians, especially those who support the war, believe there would be domestic political implications to declaring it a civil war. They fear that an acknowledgment by the White House and its allies would be seen as an admission of a failure of President Bush's Iraq policy. They also worry that the American people might not see a role for American troops in an Iraqi civil war and would more loudly demand a withdrawal."

CNN (11/25, Damon) reported, "If you ask US and Iraqi officials, they will not say that the situation here is spiraling out of control, nor will they call it a civil war. But if you speak to most Iraqis that are living with the violence here every day, they will just tell you that the civil war here started long ago."

Gaza Ceasefire Accord Prompts Israeli Withdrawal. ABC World News (11/25, story 3, 0:15, Weir, 8.78M) reported, "Five months of fighting between Israel and the Palestinians could come to an end tomorrow morning in the Gaza strip. Late today, both sides announced a cease-fire agreement. Under the deal, Israel is promising to end its military offenses in Gaza, and Palestinian militant groups will stop launching rocket attacks into Israel."

The New York Times (11/26, Myre, 1.16M) reports Israeli and Palestinian leaders "agreed late Saturday night to a cease-fire in the Gaza Strip that is to include the withdrawal of Israeli troops who have been battling Palestinian militants for the past five months." The Times calls the move a "surprise," and says President Mahmoud Abbas and Prime Minister Ehud Olmert agreed by telephone last night to a ceasefire that commenced this morning. "The agreement is the most serious effort to end the fighting in Gaza. However, it is not clear whether it will take effect and hold," and the deal does not include conflict in the West Bank.

The Washington Post (11/26, A19, Wilson, 690K) adds Israel "agreed late Saturday to cease military operations in the Gaza Strip in exchange for a pledge by Palestinian armed groups to stop firing rockets into southern Israel, a tentative deal that leaders on both sides said could end months of violence in and around the Palestinian enclave." Leaders on both sides "warned that the next few days would determine the durability of the cease-fire," because "similar agreements have been announced since Israel withdrew its settlers and soldiers from Gaza 14 months ago, only to collapse within hours."

An extensive AP (11/25, Teibel, Barzak) piece notes, "A truce meant to end five months of deadly Israeli-Palestinian clashes went into effect throughout the Gaza Strip early Sunday, significantly bolstering hopes of coaxing moribund peace talks back to life." The deal, which saw Israel forces evacuate Gaza early today, "was a coup for [Abbas] as he tries to form a more moderate government than the one currently led by Islamic Hamas radicals." The AP adds, "A cease-fire in Gaza is part of a broad package Abbas is trying to put together in the hope of" having international aid restored. "The centerpiece of that package would be the formation of a new government less inimical to Israel. Another major element is a prisoner swap."

The Los Angeles Times (11/26, Boudreaux, 850K) adds, "If the indefinite cease-fire holds, it will end five months of punishing Israeli military incursions into Gaza as well as the daily firing of rockets by Palestinian militants at cities and towns in Israel. It also could create momentum toward a resumption of peace talks that collapsed six years ago." The Times notes Palestinian claims that both Hamas and Islamic Jihad are parties to the deal, which it calls "a major achievement for Abbas."

CNN.com (11/25) calls the deal "a total cease-fire," and adds, "Just before the cease-fire took effect, militants fired three rockets into Israel, according to Israel Defense Forces. No one was injured, but a building was damaged." The White House "called the cease-fire a 'a positive step forward. We welcome the announcement,' said spokesman Alex Conant. "We hope it leads to less violence for the Israeli and Palestinian people.'" BBC.com (11/26) notes its

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"correspondents say the agreement is unexpected and a major development. The United States has welcomed what a White House spokesman called 'a positive step forward.'"

Lebanese Cabinet Endorses UN-Led Hariri Tribunal. The Washington Post (11/26, A19, Shadid, 690K) reports, "Lebanon's fragile government, defying warnings from Hezbollah, on Saturday approved an international tribunal to try suspects in the 2005 assassination of former prime minister Rafiq al-Hariri, an enormously symbolic step for a country paralyzed by division and anticipation." The Cabinet vote "set the stage for the country's month-long political crisis, which has so far escalated almost in slow motion, to enter a much less predictable period. In effect, the approval of the tribunal pits a coalition underpinning the Lebanese government, backed by the United States and France, against the radical Shiite movement Hezbollah and its allies, supported by Iran and Syria." The Post says Hezbollah "read the vote as a blunt challenge, denouncing the cabinet as illegitimate and renewing its threat to take to the streets to bring it down." This "crisis … is playing out at levels that extend far beyond the borders of the small Mediterranean country." The tribunal still needs the approval of either President Emile Lahoud, "an ally of Syria who has said the decision was unconstitutional," or the Parliament, led by Hezbollah ally Nabih Berri. The Post adds, "The prospect of sending the crisis into the streets has unsettled Beirut," and "has paralyzed Lebanon, still reeling from last summer's" Israeli-Hezbollah conflict.

McClatchy (11/26, Nissenbaum) adds, "Nearly two years after the Cedar Revolution propelled pro-Western leaders into power and created a brief period of fragile national unity, attempts to find out the truth are threatening to create dangerous new political fissures." The government "set the stage for a political showdown by unanimously approving the" tribunal," and "the vote throws the issue in the hands of the country's pro-Syria opposition leaders who consider the action an unconstitutional and provocative act." McClatchy says the "dispute is about much more than finding out who killed Hariri. It is about the role of outside forces in Lebanese politics and whether the country's growing Shiite community should be given a greater role in the government."

The AP (11/25, Dakroub) notes the "U.S.-backed" Cabinet "approved" the tribunal, "overriding the objections of Hezbollah amid a political crisis that threatens to spin Lebanon into violence." Lahoud "denounced the vote as did Hezbollah officials, who warned that the Shiite Muslim militant group would go ahead with threatened mass street protests seeking to force the government from power." The AP calls the international inquiry the "key in the struggle between allies and opponents of Syria."

WPost Says US Must Use "Sticks" As Well As "Carrots." A Washington Post (11/26, B6, 690K) editorial says the "deteriorating situation in the Middle East" can be understood by contrasting Gemayel's murder "with the response to it. The assassination was a shockingly audacious attack on Lebanon's democratic forces and their U.S. and European allies. But those Western governments remain in a profound muddle about how to address Iran and Syria, which have been fomenting the destabilization of Lebanon, Iraq and the Palestinian territories." While Tehran and Damascus work to create a Middle East "in which their influence and radical ideology will predominate," Washington "has apparently resolved . . . to intensively negotiate with itself and its chief European allies about how it might 'engage' Mr. Ahmadinejad and Mr. Assad." The Post says "no attempt to reason with Mr. Assad and the Iranian mullahs will succeed unless they perceive that the United States and its allies wield sticks as well as carrots." It concludes, "Iran and Syria are ruthlessly waging war against Western interests in the Middle East. Offering to talk is only a small part of what it will take to stop them."

Hoagland Says US Should Not "Trade" Lebanon For Iraq's Stability. In his Washington Post (11/26, B7, 690K) column, Jim Hoagland says the "sickening series of murders of Lebanese politicians and journalists opposed to Syrian control of their country is a new sign of desperation in Damascus that the United States and other nations must not misread or mishandle." Noting the murders may be an offer to negotiate, he adds, "It is an offer that must be refused." The Administration is "foolishly allowing a secondary issue -- its refusal to have unconditional diplomatic contacts with Syria and Iran, to avoid 'rewarding bad behavior' -- to obscure the growing international concern with those two nations." However, Hoagland adds, "the opening of communications channels with Damascus and Tehran must be handled with great care and clarity." Noting the coincidence of Gemayel's murder and the reestablishment of Damascus' diplomatic relations with Baghdad, he says, "This translation of Syrian actions quickly made its way through the Middle East: 'You want help in Iraq? It will cost you Lebanon. For starters.'" The US "must avoid giving the impression that it is willing to

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allow Syria to regain hegemony over Lebanon in return for smoothing the U.S. path in Iraq." Noting that "it is fashionable at the moment to decry black-and-white, evil-vs.-good visions of foreign policy," Hoagland conclude that "any 'realistic' deal that undermines Lebanon's hard-won freedom from Syrian control and protects murderers in Damascus would quickly become a fool's bargain."

LAT Says Damascus Should Not Capitalize On Gemayel's Murder. In an editorial, the Los Angeles Times (11/26, 850K) says Gemayel's assassination "could lead to other casualties: the collapse of a pro-Western government in Beirut, a resurgence of noxious Syrian influence and the deflation of a trial balloon — only recently floated in Washington — for holding discussions with Syria and Iran about the future of Iraq. The worst-case scenario is another civil war." Washington "should try to rally other nations — including Syria, which denies any complicity in Gemayel's death — around the fragile government of Lebanese Prime Minister Fouad Siniora." Noting that "not all the support for Hezbollah among Lebanon's Shiite Muslims is the result of Syrian subversion," the Times say the "Lebanese political system is imperfect, to say the least. But it should not be overthrown by an assassin's bullet, whoever gave the orders." It concludes, "Any talk of the U.S. giving Syria a role in a regional peace process should be put on hold if Damascus had anything to do with the assassination, or uses it as an opportunity to ratchet up its influence in Lebanon."

Breakaway Georgian Province Counterfeiting US Dollars. A front-page Washington Post (11/26, Finn, 690K) story notes the "Secret Service and Georgian police are investigating an international counterfeiting operation that stretches from a separatist enclave in [the Republic of Georgia] to Maryland, where fake $100 bills have been seized." Counterfeiters in South Ossetia have "transported to Israel and the" US "more than $20 million in the fake bills," and "counterfeit $100 notes have also surfaced in Georgia and Russia." A report to Congress indicates that "the fake notes have been passed at numerous businesses throughout the Baltimore area and have also surfaced in New York, Newark and Buffalo." That report "also said the number of counterfeit notes produced in [the Caucuses] and passed in the United States has 'increased dramatically' in recent years." The Post adds, "The presence in South Ossetia of an international counterfeiting ring capable of producing thousands of bills, according to investigators, is a stark example of how organized crime has flourished, sometimes through the neglect or alleged involvement of officials, in areas of the former Soviet Union whose territorial status remains unresolved 15 years after the fall of communism."

Litvinenko Claimed He Recruited Assassins For Kremlin. ABC World News (11/25, story 4, 2:10, Weir, 8.78M) reported, "In London, pathologists are still trying to figure out how to safely perform an autopsy on the former KGB spy murdered by poisoning. He died two days ago. The poison used is so toxic, anyone handling the body could be at risk. So could those who came in contact with him while he was alive." NBC Nightly News (11/25, story 5, 2:20, Kosinski, 9.87M) reported, "British investigators spent all day in three key locations around London. A house, hotel and a restaurant. They looked for clues in the mysterious poisoning of a former KGB Agent Alexander Litvinenko earlier this month. They urged anyone that was in those places to call a special hot ine."

The Washington Post (11/26, A18, Stringer, 690K) reports Litvinenko "described in interviews before his death how he was ordered to hire assassins to neutralize potential rivals and whistle-blowers who threatened the Kremlin, according to excerpts published and broadcast Saturday." Litvinenko "spoke to academics James Heartfield and Julia Svetlichnaja from the University of Westminster in three interviews that lasted a total of about six hours in April and May. The Daily Telegraph published a version of the interviews Saturday. … In another deathbed conversation, Litvinenko alleged that a Russian Foreign Intelligence Service chief previously stationed in London had been assigned by Moscow to watch him, Britain's Sunday Times newspaper reported."

Britain Unnerved By Poisoning. The New York Times (11/26, A13, Cowell, 1.16M) reports, "The British authorities said Saturday that they did not expect a major threat to public health after the disclosure that a former Russian K.G.B. officer and enemy of the Kremlin had been killed by radiation poisoning in London…. The nature of the death evoked cold war spy thrillers as much as it kindled animosity between some Russian exiles and the Kremlin. And it left Britons pondering whether their capital had become a theater for a long-range conflict between them. British diplomats have generally sought to play down the incident, calling it a police matter. On Saturday, the British

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government's crisis management committee, called Cobra for Cabinet Office Briefing Room A, met to debate the matter." The AP (11/25) reports, "Polonium-210 is usually made artificially in a nuclear reactor or particle accelerator, and would likely come from a country with a significant nuclear program. With several nuclear research facilities, Russia fits the bill — and it also has a major space program, another sector in which the element has been used."

Northern Ireland Unionist Charged With Attempted Murder. The New York Times (11/26, A4, Quinn, 1.16M) reports convicted murdered and Northern Ireland unionist Michael Stone "was charged with attempted murder on Saturday, a day after being arrested in an attempt to attack Gerry Adams and Martin McGuinness, leaders of the main Roman Catholic party Sinn Fein, as they and other legislators worked toward a power-sharing agreement to restore local rule to Northern Ireland." Stone had attempted to throw "a bag of homemade pipe bombs" into the parliament building in Stormont. Pending charges include "five counts of attempted murder and possession of articles for terrorist purposes." The Times adds the leaders' "meeting itself was a failure before the attack, as Rev. Ian Paisley, a Protestant leader, declined to nominate himself to be first minister, a post in which he would have served with Mr. McGuinness. That failure technically broke a deadline set by the British and Irish governments to organize a new power-sharing government. Prime Minister Tony Blair of Britain has said that the overall goal of putting a government in place by next March still stands."

Today's Ecuador Presidential Vote Could Realign Region. Both the New York Times (11/26, Romero, 1.16M) and the Washington Post (11/26, A15, Reel, 690K) preview today's presidential runoff election in Ecuador. The Times says "no one can accuse Ecuador, which will elect its eighth president in 10 years on Sunday, of dull politics." However, the "contest" between Rafael Correa and Alvaro Noboa "is far more than entertaining; the outcome could actually redraw power relations in Latin America." A win for Noboa, who leads in many polls, "would align Ecuador … with Andean countries like Colombia and Peru that have strengthened ties with the United States." For his part, Correa "has moderated his radical talk somewhat in recent weeks, meeting with the American ambassador in Quito and saying his harsh comments about President Bush were 'imprudent.'" The Post notes, "No matter who wins Ecuador's presidential election on Sunday, many outside the country will view it as a decision between dueling political stereotypes: Venezuelan President Hugo Chávez's dream of a unified region liberated from U.S. influence, or that of free-market backers embracing a globalized economy. For most who will actually make the choice, it's nothing of the sort." The "ideological rhetoric" of both candidates "has given way to specific promises of concrete and cash. Each candidate has tried to one-up the other with vows of massive government housing projects, new jobs and low-interest loans." The Post adds, "In a country where no president has served a full term in more than a decade, voters want to see some tangible results from their next leader, and it matters little what overarching political philosophy stands behind his pledges."

The Los Angeles Times (11/26, Kraul, 850K) adds, "Divided and disenchanted, Ecuadoreans vote today for a new president, choosing between two populists who seemed to spend more time during the campaign trading insults than offering ideas." That "ugly rhetoric has turned off voters and deepened the divide between right and left, analysts say." The Times says polling suggests "that the outcome of today's vote would be too close to predict. To avoid miscues that could set off civil disturbances, Ecuador's electoral tribunal said it could take two days to review and certify the result."

BBC.com (11/26) calls the election "a tight run-off vote with the two candidates running neck-and-neck." Election "observers have urged both candidates to be restrained when early results start to come in," and the OAS "wants all results to be officially counted before a victor is proclaimed." The BBC's local reporter says "Ecuador is in a delicate state," and "is becoming increasingly polarised," because its "people are disillusioned with its politicians and are impatient for change."

Police, Protesters Clash In Oaxaca. The AP (11/25, Romero) reports Mexican "police fired tear gas at dozens of protesters hurling gasoline bombs, rocks and powerful fireworks near the main square" in Oaxaca. "The clashes erupted as some 4,000 leftist protesters marched to within two blocks of the main square. They had announced plans to 'encircle' police forces who dislodged demonstrators from the main square in a raid a month ago." Mexican media "reported that nine people suffered minor injuries in the confrontation, and that the fireworks — large bottle rockets fired from shoulder-mounted tubes — started fires in several houses near the plaza."

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Pinochet Defends Overthrow Of Allende, Actions Of His Regime. Under the headline, "Pinochet Takes Responsibility For Regime," the AP (11/25, Gallardo) notes former Chilean leader Gen. Augusto Pinochet "took full responsibility for the first time Saturday for the actions of his 1973-90 dictatorship, which carried out thousands of political killings and is blamed for widespread torture and illegal imprisonment." He "also defended the bloody military coup that toppled freely elected Marxist President Salvador Allende, in a statement read aloud by his wife as he sat by her side." The AP adds, "In his statement, Pinochet claimed the military had to act against Allende's government because the social and political convulsions at the time were threatening the country's integrity. He also sent 'a message of support to my comrades in arms, many of whom are imprisoned, suffering persecution and revenge,' in a clear reference to the scores of trials of military officers for rights abuses."

Chadian Rebels Claim Seizure Of Two Eastern Towns. The New York Times (11/26, A8, Polgreen, 1.16M) notes, "Rebels seeking to topple the government of Chad seized a crucial eastern city early on Saturday, according to aid workers based in the region." Abeche is "the largest city in eastern Chad and the operating base for dozens of aid organizations looking after 200,000 Sudanese refugees and 50,000 displaced Chadians." One aid worker said the rebel takeover was preceded by "several hours of artillery and gunfire," after which "several government buildings" were looted. "The rebels instructed city residents and aid workers to remain in their homes and offices and said that they did not intend to harm any civilians." Incomplete casualty reports put the wounded at 13. The Times says the rebels appear to belong to Sudan-based UFDD, which seeks "to overthrow Idriss Déby, the president of Chad."

BBC.com (11/25) adds the rebels "say they have captured the eastern town of Biltine, hours after another group said it had taken control of nearby Abeche. The government has denied that either town is under rebel control, although the army said it had withdrawn troops from Abeche for tactical reasons." The BBC's local reporter "says this could prove a turning point in Chad's rebellion." Also, "a spokesman for UN Secretary General Kofi Annan said he was concerned by the reports of violence in Chad."

Kristof Highlights "Courage, Nobility And Compassion" Of Darfur Genocide Victims. In his New York Times (11/26, 1.16M) column about his travels in Africa, Nicholas Kristof describes "the uplifting side of genocide." He says he sees "examples all the time, from the aid workers who persevere against impossible odds (13 have been murdered in Darfur since May) to the children who carry bows and arrows to try to protect their parents from men with machine guns." He calls Darfur "a land of numbing brutality, scarred by what may be the ugliest crime of all, genocide — abetted by indifference abroad. But it has elicited the best of humanity along with the worst." He concludes that, in many of the Sudanese he's met, he has found "a courage, nobility and compassion that offer a perfect contrast to the fecklessness of the rest of the world."

August Murder Has Repercussions On Sri Lanka Peace Efforts. The New York Times (11/26, A8, Sengupta, 1.16M) details the implications of the August murder of Tamil activist Kethesh Loganathan on the Tamil Tiger movement and the prospects for peace in Sri Lanka. "In his death lay a vital lesson for outspoken Tamils, the country's largest ethnic minority and a group whose political rights are at the center of Sri Lanka's intensifying, nearly 25-year conflict." He "was among the fiercest critics of the ethnic separatist Liberation Tigers of Tamil Eelam, and they are widely blamed for his death." The Tigers "have likewise been blamed for the killings of some of Sri Lanka's most prominent Tamil intellectuals, especially those who ally themselves with the government, as Mr. Loganathan did this year when he became deputy secretary general of the government agency coordinating the peace process." The Times adds, "Dissent, as critics of the Tamil Tigers are fond of reminding, is decidedly unwelcome in the rebel playbook."

North Korea's Kim Could Be Time's "Person Of The Year." CNN (11/25, O'Brien) reported, "The atom blast heard round the world. North Korea stunned the international community by testing it's first nuclear device. North Korea's Kim Jong-Il is a candidate for Time magazine's 'Person of the Year.'" Time World Editor Romesh Ratnesar: "The testing of a nuclear weapon by North Korea, in some ways, was the single biggest news even if you could point to just one event, because not only is that a major disruption in the balance of power in Asia, but it also has kind of

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crystallized this larger danger that the world faces from nuclear proliferation."

Bird Flu Experts Push For Accurate And Rapid Testing. The New York Times (11/26, A24, McNeil, 1.16M) details two medical studies, of Turkish and Indonesian bird flu clusters respectively. Published in Thursday's New England Journal of Medicine, the studies claim that, "because detecting Avian flu with standard tests is so difficult and time-consuming, waiting for laboratory confirmation of an outbreak would cause dangerous treatment delays." Immediate testing using "nose and throat swabs failed every time, and in Turkey, so did all follow-up tests known as Elisas. The only tests that consistently worked were polymerase chain reaction tests, or PCRs, which can be done only in advanced laboratories and take several hours."

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:

"Not Enough Fish In The Sea."
"Mandarin Speaks To A Growing Audience."
"U.S. Crackdown Sends Meth Labs South Of Border."
"On Drug Prices, Are Democrats In A Fix?"
"Back To Location, Location, Location."

New York Times:

"U.S. Finds Iraq Insurgency Has Funds To Sustain Itself."
"Now It's Iraq On The Agenda For Mr. Fix-It Of The G.O.P."
"As Power Shifts In New Congress, Pork May Linger."
"British Terror Trial Traces A Path To Militant Islam."
"Home Schoolers Content To Take Children's Lead."
"Police Kill Man After A Queens Bachelor Party."
"Experts Concerned As Ballot Problems Persist."
"Israel And Palestinians Reach Truce After Months Of Fighting In Gaza."
"Overhauling New York's Health Care: Forces Align, For Now."
"Gilded Paychecks: Peer Pressure: Inflating Executive Pay."

Washington Post:

"Baghdad Braces For More Reprisals."
"Long Stints In Iraq Fracture Families."
"Success Of Drug Plan Challenges Democrats."
"Golf Carts Veer Off Course."
"Probe Traces Global Reach Of Counterfeiting Ring."

Washington Times:

"Factions Press Iraqi Leader To Snub Bush."
"State Chiefs Credit Dean For Victory."
"Terps Fans Gather Early To Root For Winner."
"CIA Recruiting Comes Out Of The Shadows."

Atlanta Journal-Constitution:

"Iraqi Insurgents Rolling In Cash."
"Ft. Stewart Gis Go Back To War."
"Vigil For A Fallen Firefighter."
"Hosea's Influence Endures."
"Cheney, Saudi King Meet."
"Black Friday Sales Up 6 Percent."

Houston Chronicle:

"GOP May Have To Alter Strategy In '07 Session."
"U.S. Report: Iraq Insurgency Able To Sustain Itself."
"East Texas' Economic Hopes Hinge On Retirees."
"Killer First To Be Treated Under Texas Predator Law."
"Family Buries East Harris Boy Killed By Dogs."
"Landry's CEO Gambles On Las Vegas Casino."
"Israel, Palestinians Agree To Cease-Fire In Gaza."
"Yao, T-Mac Show Memphis Who's Boss."
"Continental Considers Pairing To Stay Competitive."
"W. Texas Towns Hope To See Trade Route Benefits."
"For Latin America's Poor, Democracy Has A Price."

Story Lineup From Last Night's Network News:

ABC: Cheney In Saudi Arabia; Curfew In Baghdad; Israeli/ Palestinian Cease-Fire Agreement; Investigation Into Litvinenko's Death; President Bush Helping Katrina Victims; Holiday Shopping; Taking Care Of Veterans After The War; Outsourcing Tutoring For American Students; Married And Fighting In Iraq Together.
CBS: Evening news was preempted by sports.
NBC: Sectarian Violence In Iraq; Cheney Visits Saudi Arabia; Politics In The Middle East- Palestinian/ Israeli Cease-Fire-Lebanese Special Tribunal; Holiday Shopping; Investigation Into Litvinnenko's Poisoning Death; Al-Jazeera English Channel; Hispanic Immigrants In The Community; Birding.

WASHINGTON'S SCHEDULE

Today's Events In Washington.

White House: PRESIDENT BUSH -- No public schedule.
VICE PRESIDENT CHENEY -- No public schedule.

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US Senate: No scheduled events.

US House: No scheduled events.

Other: Nov. 20 - 26. HOLOCAUST MUSEUM-DARFUR _ The United States Holocaust Memorial Museum will project building-sized images of the genocide in Darfur onto the Museums exterior walls to make a dramatic statement about the need for action in Darfur. Location: United States Holocaust Memorial Museum, 100 Raoul Wallenberg Place SW. Contacts: Andy Hollinger, 202-488-6133

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

SCOTUS To Rule On NYTimes' Reporters' Phone Records. The New York Times (11/26, A34, Andrews, 1.16M) reports the Justice Department "asked the Supreme Court on Saturday not to prevent a federal prosecutor from examining the telephone records of two reporters at The New York Times, warning that time is running out in an investigation of leaks about two Islamic charities. At issue is a Chicago grand jury investigation into information learned by two reporters in 2001 about the government's plan to freeze the assets of two charities that were suspected of having ties to terrorist groups. Patrick J. Fitzgerald, the United States attorney in Chicago, is seeking to review the telephone records of the two reporters — Judith Miller, who retired from The Times last year, and Philip Shenon."

The AP (11/26, Yost) reports, "The case involves a leak probe by Fitzgerald to track down the confidential sources of Times reporters Judith Miller and Philip Shenon for stories in 2001. Miller, who spent 85 days in jail in 2005 in connection with Fitzgerald's separate CIA leak probe in the Valerie Plame case, retired from the newspaper a year ago. … In the current case, the 2nd U.S. Circuit Court of Appeals has said prosecutors can see the journalists' phone records. Earlier, a federal judge had ruled in the newspaper's favor, saying the First Amendment supplied a qualified privilege to reporters to protect confidential sources." The AP adds, "On Friday, the newspaper asked Justice Ruth Bader Ginsburg to temporarily block the government from going through the records and said it was prepared to file a petition by Dec. 24 asking the court to take up the case. .. .In a filing requested by Ginsburg, the government cites a declaration by Fitzgerald on Nov. 13 that says the time for filing criminal charges will expire in the next three weeks. .. .Temporarily blocking the government from reviewing the phone records would cause 'irreparable harm to a significant criminal investigation,' the Justice Department told the Supreme Court in a 40-page filing."

Terror Cells' Workings Described During London Trial. The New York Times (11/26, A1, Sciolino, Grey, 1.16M) reports, "For eight months, the tale of the Operation Crevice Seven has been unfolding in a cramped, windowless courtroom in the Old Bailey in London. On trial are seven men, ages 19 to 34, six of them with family roots in Pakistan. Arrested in 2004, they are charged with involvement in a criminal conspiracy to make explosives to commit murder, allegations that they all deny. Their target, the authorities say, was unclear — a nightclub, perhaps, or a shopping mall, public utilities, a British airliner or even the House of Commons. But investigators say the evidence reveals the workings of the kind of cell most feared by officials in Europe. Young Muslims, radicalized by local imams and trained at military camps in Pakistan with vague connections to Al Qaeda, plan an attack at home with help from outside terrorists."

Scalia Said To Play Surprising Role In Deciding Terror Cases. In a piece for the New York Times Magazine (11/26) novelist Scott Turow writes, "in carrying out its first priority, the war on terror, the White House has encountered unwelcome resistance from the court. Objections to Bush's sweeping view of executive power have come not only from liberals and centrists, like Justice Anthony Kennedy but, more remarkably, from Justice Antonin Scalia, who may end up playing a pivotal role in future war-on-terror cases." Turow notes, "In adjudicating the war on terror, Scalia has come down strongly on behalf of the administration and its prisoners in a number of cases. … It

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thus verged on the breathtaking when Justice Scalia wrote in Hamdi v. Rumsfeld: 'Many think it not only inevitable but entirely proper that liberty give way to security in times of national crisis. .. Whatever the general merits of the view that war silences law or modulates its voice, that view has no place in the interpretation and application of a Constitution designed precisely to confront war and, in a manner that accords with democratic principles, to accommodate it.'" Turow goes on to write, "Now the looming question is where Scalia will settle as future war-on-terror cases come before the court, and whether his unique jurisprudence will accord him a leading role."

HOMELAND RESPONSE:

Bush Honors Hurricane Responders, US Troops In Radio Address. ABC World News (11/25, story 5, 0:10, Weir, 8.78M) reported, "President Bush is using Thanksgiving weekend to reach out to hurricane victims on the Gulf Coast. The President used his weekly radio address to renew the commitment to help victims of Hurricane Katrina and Rita rebuild their lives. He also offered thanks to all the people who pitched in along the Gulf Coast in the past 15 months."

The Washington Post/AP (11/26, A4, Riechmann) reports Bush "said Americans are grateful to those who rallied after hurricanes Katrina and Rita to bring food, water and hope to people who lost everything." Bush also "reminded Americans that many U.S. troops are spending the holiday weekend far from their families. 'We know that their service makes it possible for us to live in freedom,' Bush said."

CIA's Tongue-In-Cheek Ad Campaign Part Of Hiring Push. The Washington Times/AP (11/26, Shrader) reports, "The CIA scrapped a ho-hum test for steering job applicants toward mysterious careers, replacing it with one that's cloaked in jest. … The results from the CIA's online personality quiz are just a few clicks away. Test-takers are diagnosed as daring thrill-seekers, thoughtful observers, curious adventurers, innovative pioneers or impressive masterminds. The CIA wants to hire them all. The quiz (https://www.cia.gov/ careers/CIAMyths.html) was designed to encourage job applications while dispelling myths about the agency, some of them born of the James Bond stereotype." The AP goes on to report, "the hiring push began almost immediately after the September 11 terrorist attacks. The effort picked up steam in November 2004, when President Bush called for a 50 percent increase in the agency's ranks of operatives and analysts. … One in seven of the CIA's current employees signed up in the past year, and nearly 40 percent began working after the September 11 attacks -- statistics at once helpful and troubling."

WAR NEWS:

Baghdad Braces For Reprisals. The Washington Post (11/26, A1, Raghavan, Trejos, 690K) reports in a 1,860 word front page article, "A new level of fear and foreboding has gripped Baghdad, fueled in part by sectarian text messages and Internet sites, deepening tensions in an already divided capital." Since the attacks of Thursday on Sadr City, "quasi-armies of residents in mixed and majority-Sunni Arab neighborhoods have formed to protect their streets. Sunni Web sites are offering advice on how to kill Shiite militiamen. College students and executives pace at their homes, clutching rifles and handguns around the clock. Iraqis are posting pleas on Internet message boards to buy extra ammunition and weapons." However, "there were also signs of Iraq's famous cohesiveness, even as the sectarian divide widened. In some mixed neighborhoods, Shiites provided shelter to Sunnis targeted by Shiite militiamen, even though they risked being branded as collaborators. Others took care of Sunni children or bought groceries for Sunni neighbors who feared walking to the local market."

NBC Nightly News (11/25, lead story, 9.87M, Askell, 9.87M) reported, "Iraqi police said they recovered the bodies of 21 Shiite men from one extended family ... Many blame American troops for not stopping the violence. ... A US government report says corruption, along with oil smuggling and kidnapping for ransom, may be sustaining insurgents fighting American soldiers, providing up to $200 million a year."

ABC World News (11/25, story 2, 1:50, Weir, 8.78M) reported, "The tightened curfew is helping to quell some of the worst violence since the start of the war. But even with the crackdown, there are reports of scattered killing." ABC (Hilary Brown): "There is a kind of ominous calm here ... Twelve mortars landed in Sadr City. No reported casualties. ... the very influential Sadr party has threatened to pull its members out of the cabinet, if Maliki goes ahead with this meeting with President Bush in Jordan next Wednesday. ... the government could collapse. So Maliki is really damned if he does and damned if he doesn't."

At Least 47 Sunnis Killed In Fighting. The New York Times (11/26, Semple, al-Neami, 1.16M) reports, "At least 47 Sunni Arab insurgents were killed Saturday during long gun battles with Iraqi security forces in and around Baquba, the capital of Diyala Province, a police spokesman in Baquba said. In the largest and deadliest fight, scores of insurgents, using assault rifles and rocket-propelled grenades, laid siege to several government buildings in the center of the city, according to the spokesman. At least 36 of the Sunni Arab insurgents were killed in that clash, which raged for about four hours, according to the official." Diyala is called "an

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increasingly bloody battleground between Sunni and Shiite death squads vying for sectarian domination. Shiite militiamen have recently mobilized there in large numbers in defense of its Shiite inhabitants against the Sunni Arab-led insurgency."

Twenty-One Shiites Killed In Front Of Families. CNN.com (11/26) reports, "Sunni gunmen stormed two Shiite homes in Diyala province overnight and slaughtered 21 men in front of their families, Diyala authorities said Saturday. Also on Saturday, a suicide car bomber at a checkpoint northwest of Khalidiya in Anbar province killed two children, an adult and a U.S. Marine ... The attacks add to the series of sectarian reprisals since Thursday's assault on the Baghdad Shiite enclave of Sadr City, considered the single worst attack in Iraq since the war began."

Iraqi Government Extends Curfew. BBC.com (11/25) reports, "The Iraqi authorities have extended until Monday a curfew imposed on Baghdad in response to recent killings. The measure was intended to prevent reprisals for bomb attacks on the Sadr City area which killed more than 200," but "violence continued across Iraq however, with 21 bodies found in a village north of Baghdad. US and Iraqi forces said more than 50 insurgents died in raids."

Clerics Call For End To Fighting, Blame US. The Los Angeles Times (11/26, A1, Moore, 850K) reports in a front page article, "Shiite and Sunni clerics, among the last vestige of authority in a country rapidly losing faith in politicians, charged Saturday that Iraq's plight was the result of U.S. mistakes and pleaded with their faithful to stem the bloodshed that followed a devastating attack on a mainly Shiite Baghdad neighborhood. In interviews Saturday and in recent sermons, clerics articulated one message that appears to be gaining traction on both sides of Iraq's civil war: The U.S. presence is making matters worse, and the Americans should go home. ... Some prominent religious and political leaders accuse the U.S. military of conspiring with their enemies. Sunni Arabs say U.S. troops are raiding their communities in coordination with Shiite militias. And Shiites say that U.S. forces are working with Sunni terrorist groups to conduct strikes such as the devastating car bomb barrage in Sadr City."

More Commentary On Iraq Violence. The New York Times (11/26, 1.16M) editorializes that the Army is "figuring out why the Bush administration's military plans worked out so badly and drawing lessons for future conflicts. ... Two hopeful examples are the latest draft of a new Army field manual ... and a series of oral history interviews conducted with Iraqi and American officers involved in the disappointing efforts to establish and train Iraqi security forces." The new field manual "quietly jettisons ... the misconceived notion that the size and composition of an American intervention force should be based only on what is needed to defeat the organized armed forces of an enemy government ... Almost every post-invasion problem in Iraq can be directly traced to this one catastrophic planning failure ... Correcting deficiencies in American military training [of Iraqis] is also essential"; however, insights from interviewees "can only go so far when a host government lacks the will to rid its security forces of sectarian militia fighters more intent on waging civil war than achieving national stability."

In the New York Times (11/26, 1.16M), James Glanz writes, "If the United States seeks to establish stability so its troops can leave, it must answer the question: whom does it talk to? ... For the Americans, the disintegration of order has complicated any effort to deal with the armed groups, said Joost Hiltermann, Middle East project director of the International Crisis Group." In part, the US created its own problem when it "invaded the country with the help of a strategically placed militia: the fighters who were loyal to two Kurdish clans in the north. In the aftermath, the United States had little appetite for disarming the Kurds."

In the New York Times Magazine (11/26, 1.16M) Sunday magazine, David Rieff writes, "It is worth remembering that all wars do end eventually, and that postwar relationships between the bitterest of enemies can turn out surprisingly well. ... [Many] worry that the harm that has been done in Iraq to relations between the U.S. and the Islamic world will be almost impossible to undo. And yet the example of Vietnam suggests otherwise. ... It is conceivable that 30 years from now, one of President Bush's successors will travel to Baghdad ... to talk about peacetime matters like trade, tourism and the environment. Yet given America's inability to guarantee the security of ordinary Iraqis after an occupation that has lasted almost as long as our participation in World War II, it is possible to speculate that the sooner American forces leave Iraq, the sooner such a trip is likely to happen."

In the Washington Post (11/26, B2, 690K), retired Marine Col. and author T. X. Hammes writes, "You don't outfight the insurgent. You outgovern him. This was one of the real sources of frustration during my brief tour of duty in Iraq in 2004. ... We were focused on killing insurgents rather than providing security and governance. Fortunately, we're now showing signs of learning -- thanks to some smart people who are both practitioners and students of counterinsurgency."

US Finds Iraq Insurgency Now Financially Self-Sustaining. The New York Times (11/26, Burns, Semple, 1.16M) reports in a 1,907 word front page article, "The insurgency in Iraq is now self-sustaining financially, raising tens of millions of dollars a year from oil smuggling, kidnapping, counterfeiting, connivance by corrupt Islamic charities and other crimes that the Iraqi government and its American patrons have been largely unable to prevent, a

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classified United States government report has concluded." The Times obtained the report from "American officials who said the findings could improve understanding of the challenges the United States faces in Iraq." Some outside experts criticized the report as "imprecise and speculative" and "just guessing" about the "funds available" to insurgents. The Times contends pessimistically, "For Washington, the report's most dismaying finding may be that the insurgency now survives off money generated from activities inside Iraq, and no longer depends on sums Mr. Hussein and his associates seized as his government collapsed." Analyst Jeffrey White states about the insurgents, ""They keep coming back, and I think the same thing has happened to the financial system."

Sunni Leader Rallies Arabs Against Iraqi Government. The AP (11/25, Sinan) reports, "A prominent Sunni religious leader accused in Baghdad of inciting terrorism warned Saturday that Iraq's escalating sectarian violence will spread throughout the Middle East unless the international community ends support for the Shiite-led Iraqi government. Sheik Harith al-Dhari said, "I call on the Arab states and the Arab League and the United Nations to stop this government and withdraw its support from it." The AP continues, "Sunnis charge Iraqi Prime Minister Nouri al-Maliki is not serious about disbanding Shiite militias accused of sectarian killings. Sunni groups and politicians recently said the [outstanding Iraqi arrest] warrant for al-Dhari put an end to the national reconciliation program presented by al-Maliki in June."

Iraq Is Now On Baker's Agenda. The New York Times (11/26, Stolberg, 1.16M) reports that James Baker "is in high diplomat mode, on a mission, friends and supporters say, to aid his country and his president — and, while he is at it, seal his legacy in the realm of statesmen, a sphere he cares about far more than politics." His group "has conducted hundreds of interviews, but some question whether even the most thorough report can have any effect on the ground in Iraq, where sectarian violence is escalating. The panel remains deeply divided over several critical issues, most notably whether to accede to calls by Democrats for a phased withdrawal of troops." The Times states pessimistically, "But foreign policy experts and politicians alike say there is no miracle elixir for Iraq; if there were, someone would have thought of it already."

The Boston Globe (11/26, Hedges, 413K) asks in an analysis piece, "Enter Baker, the man who so often has entered a room with a problem and left with a solution. The question is, can he do it again? ... Baker offered hints of the group's discussions during book tour interviews. He casually suggested, for instance, that Bush needed 'alternative views' on Iraq, an implication that those around Bush, such as Vice President Dick Cheney and outgoing Defense Secretary Donald H. Rumsfeld, were not serving him well. Baker has also suggested that rather than vilify Iraqi's neighbors Syria and Iran, the administration ought to hold discussions with them."

Pros And Cons Of Iraq Study Group Outlined. Under the headline, "Iraq Group A Study In Secrecy, Centrism," the Washington Post (11/26, A21, Wright, 690K) reports, "In the history of U.S. foreign policy, there's been nothing like it: a panel outside government trying to bail the United States out of a prolonged and messy war. The innocuously titled Iraq Study Group, which has evolved into a parallel policy establishment over the past eight months, is also unique in the way it operates. For one thing, it's even more secretive than the Bush administration." The Post outlines individual members' contributions and the atmospherics of the Group's hearings. "All the experts wanted to make sure [former Secretary Baker], who is still closely connected to the Bush family, was in the room when they spoke. Several noted his telltale body language, which could dismiss a comment with as little as a raised eyebrow." Some of the expert contributors "said the Iraq Study Group should be a model of how to bring the nation's wise men and women together to inject fresh perspective in solving the country's biggest problems. But others said that it, too, had serious flaws." Describing the Group's "deliberate pace," the Post notes "some experts were disgruntled that their ideas did not make it out of the [subdivided] working groups." The Group "was deliberately skewed toward a centrist course for Iraq, participants said. Organizers avoided experts with extreme views on either side of the Iraq war debate."

Troops Endure Repeated Tours. The Washington Post (11/26, Tyson, 690K) reports in a bleak 1,556 word front page article from Fort Stewart, Georgia, "This week, U.S. troops will have been fighting in Iraq longer than they did in World War II, with no relief in sight. Soldiers from 1st Brigade preparing at Fort Stewart for their third Iraq tour have been spending as much time in Iraq as at home. The rotations -- a year in Iraq followed by a year at home -- dictate soldiers' most intimate decisions ... From courtship to parenting to divorce, the time away at war is having a profound impact on the families of active-duty soldiers, according to interviews with dozens of soldiers from the 3rd Infantry Division and their relatives." The Post adds, "Even the most stoic soldiers, like Gee, who reenlisted on his most recent tour, say the Army cannot keep up this pace. The Army is not big enough, and the quality of new recruits has dropped, they say. Many worry pressure to pull out of Iraq will spell chaos and mean their comrades died in vain, but other soldiers and their spouses now say the war was a mistake."

CNN (11/25, McIntyre) reported, "With some Marine units headed back for a fourth tour of duty in Iraq, the grind

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has prompted the new Marine Corps commandant, just one week into the job, to warn the burden on Marine families is too much." USMC Gen. James Conway: "I think we may lose some of those folks. ... And it could have some negative consequences for us in that regard." McIntyre: "Currently, there are roughly 180,000 Marines on active duty. And unlike ground troops in Army, they serve seven-month combat tours, not a year. They're supposed to get 14 months to recover. But the interval is more like seven or eight months, basically because the unrelenting violence in Iraq has prevented planned US troop withdrawals."

Stryker Brigade Returns To Alaska After 16 Months. The Los Angeles Times/AP (11/26) reports, "Friends and family gathered at Ft. Wainwright near Fairbanks to welcome about 625 members of the brigade who served an extended tour in Iraq. An additional 200 soldiers with the 4th Battalion, 23rd Infantry Regiment of the brigade arrived at Ft. Richardson near Anchorage. ... Brigade members will be arriving each day until Dec. 5, according to Army officials." The troops served 16 months in Iraq, including a four-month extension to "help quell violence in Baghdad. About 300 soldiers had already returned from Iraq and were sent back after the extension. Seven brigade soldiers died during the extension, which followed the deaths of 19 brigade soldiers during the original deployment."

Married Couple Both Fly Army Apaches. ABC World News (11/25, story 9, 2:30, Weir, 8.78M) reported, "For two Army pilots who fly the deadly, precision Apache helicopters, the war is the reason they're together." ABC (Aaron Katersky): "This rocket was fired last night from Sadr City. Moments later, a US Army Apache helicopter destroyed the launcher. For Brande and Adam Reeves, this could be a home video. They are both Apache pilots. They are also husband and wife." Brande Reeves: "The wives back home, I know they worry about their husbands. Here, sometimes it's harder because I actually know what threats are." Adam Reeves: "The first thing you think of when you hear something bad, an incoming round impacts close, the first thing I think of is I hope Brande's okay." Katersky: "The couple cannot fly together. The Army won't allow it."

Iraqi Palestinians Find Themselves In "Bull's-Eye." The Los Angeles Times (11/26, Ellingwood, 850K) reports, "Palestinians in Iraq, many of whom fled here as refugees more than half a century ago, are on the run again. The civil war convulsing the country has raised worries about the fate of the approximately 20,000 Palestinians in Iraq, who are targeted by kidnappers and Shiite Muslim death squads because of what many Iraqis see as the group's favored status [as Sunnis] under former President Saddam Hussein. Community leaders say more than 60 Palestinians have been killed since early last year, and thousands have left the country." International officials "warn that Palestinians are in an especially precarious position because they are considered outsiders, even after decades of living in Iraq, and have difficulty gaining admission to other countries because they do not carry Iraqi passports." Israel blocked "a bid to move Palestinians to the West Bank or Gaza Strip," while "Arab nations have shown little interest in absorbing them."

Iraqi Allegedly Wounded For Helping Americans Awaits Surgery. Newsday (11/26, Macgowan) reports in a human interest article, "Uday nearly lost his life because, he said, he helped U.S. troops in the early days of the Iraq war. Now the Baghdad native is in New York awaiting the second of three operations to rebuild his face. If all goes well, Uday could receive a prosthetic eye when the last surgery is completed early next year. And if Uday's fondest hopes are realized, his wife and four children will join him in the United States. ... The effort by two Garden City plastic surgeons to repair his broken visage completes a three-year odyssey for Uday, who wins friends with a gentle demeanor in stark contrast to the upheaval in his native land." In 2003 Uday "was hired as an Arab linguist by the Army's 626th Forward Support Battalion, 101st Airborne" but was then shot by gunmen "in the face point-blank."

Hagel Calls For "Honorable" Departure From Iraq. In the Washington Post (11/26, 690K), Sen. Chuck Hagel writes, "The time for more U.S. troops in Iraq has passed. ... We are once again learning a very hard lesson in foreign affairs: America cannot impose a democracy on any nation -- regardless of our noble purpose. We have misunderstood, misread, misplanned and mismanaged our honorable intentions in Iraq with an arrogant self-delusion reminiscent of Vietnam." Hagel calls the Iraq war "this blunder" and Afghanistan the location of the "real terrorist threat." He further writes, "The United States must begin planning for a phased troop withdrawal from Iraq. ... We are destroying our force structure, which took 30 years to build. We've been funding this war dishonestly, mainly through supplemental appropriations, which minimizes responsible congressional oversight and allows the administration to duck tough questions in defending its policies."

Chait Suggests Reinstalling Saddam. In his Los Angeles Times (11/26, 850K) column, Jonathan Chait writes, "The disadvantages of reinstalling Hussein are obvious, but consider some of the upside. He would not allow the country to be dominated by Iran, which is the United States' major regional enemy, a sponsor of terrorism and an instigator of warfare between Lebanon and Israel. Hussein was extremely difficult to deal with before the war, in large part because he apparently believed that he could defeat any U.S. invasion if it came to that. Now he knows he can't. And he'd probably be

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amenable because his alternative is death by hanging. ... Somebody explain to me why [this idea is] worse than all the others."

WPost Reviews "Circle In The Sand." In the Washington Post (11/26, BW5, 690K), Book World senior editor Warren Bass reviews "Circle in the Sand" by Christian Alfonsi: "The book works best as a retelling of the 1990-91 Gulf crisis with the benefit of new documents and on-the-record interviews with senior officials then and now. Unfortunately, Alfonsi skitters around in the period between Iraq's 1990 invasion of Kuwait and America's 2003 invasion of Iraq. And his take on the early 1990s is shot through with what historians call 'presentism' -- seeing the past through contemporary lenses."

Commander Says NATO Short On Troops In Afghanistan. CNN (11/25, Pilgrim) reported, "NATO's top commander in Afghanistan says the alliance doesn't have enough troops to keep the country secure." Lt. Gen. Karl Eikenberry "said NATO nations have to provide more troops to keep the country secure. He wouldn't predict if the US would send more troops to Afghanistan if NATO nations placed too many restrictions on the use of their troops."

NATO Soldier Killed In Afghanistan. The AP (11/26) reports, "One NATO soldier and an estimated 57 insurgents were killed in four separate attacks in southern Afghanistan, while a suicide bomb attack at a restaurant killed seven Afghans and wounded 20, officials said." The NATO soldier was killed in fighting after "Insurgents attacked NATO-led forces Saturday near the Tirin Kot district of Uruzgan province. NATO returned fire and called in attack aircraft, killing approximately 50 insurgents."

Taliban Members, Criminals May Have Infiltrated Counterinsurgency Program. The AP (11/25, Abrashi) reports, "Taliban militants and common criminals may have infiltrated an Afghan program that trains thousands of men affiliated with local militias to fight the country's growing insurgency. The formation of the Afghanistan National Auxiliary Police reflects the growing questions about the ability of the existing security forces to beat resurgent Taliban rebels and other militants challenging government authority in parts of the country." Canadian trainer Ross Davies said, "We know that we are probably training some of the bad guys."

Veterans' Disability Claims Could Create Budgetary Crisis. ABC World News (11/25, story 7, 3:30, Weir, 8.78M) took "A Closer Look" at what "some leading economists call a pending crisis for America's wounded warriors. More than one-quarter of the veterans of the wars in Iraq and Afghanistan are filing claims for permanent disabilities. That number is unexpectedly high, and it's one of the factors fueling concern about whether the government has enough money to give these vets the care they deserve." ABC (Stone): "According to recent research by Harvard economist Linda Bilmes, caring for Iraq's wounded will cost the government $127 billion. … The Department of Veterans Affairs has made great improvements in recent years. Its hospitals now offer some of the best medical care in the world. But not everyone is getting that care. Bilmes says VA hospitals fall further behind every year." Bilmes: "Now, the backlog is 600,000 cases. And the big wave of returning Iraqi War veterans has not yet even hit." Stone: "The VA strongly disputes the study. In a statement, it told ABC News, it carefully prepares for future costs, so that they can continue to deliver the services veterans need."

CORPORATE SCANDALS:

"Enron, The Musical" Opens In Houston. The New York Times (11/26, Murphy) reports, "First came the books, then the television docudramas and feature-length films. And now 'Enron: The Musical.' Opening on Friday on a stage way, way off Broadway — at Lambert Hall in Houston — the revue is a send-up of the rise and fall of the infamous energy company." The Times continues, "In two acts, six local actors each play up to 10 roles, including those of the former chief executives Kenneth L. Lay and Jeffrey K. Skilling, and the former finance chief Andrew S. Fastow. The songs are show-tune parodies — 'Thank Heaven for Off The Books Deals,' for example, instead of 'Thank Heaven for Little Girls.' The writer-director-producer is Mark Fraser, whose day job is selling janitorial supplies. … 'I did a lot of research because even though it's satire I wanted it to be factually correct,' said Mr. Fraser, adding that his sources included the memo in which an Enron vice president, Sherron S. Watkins, warned Mr. Lay about its accounting. … 'A lot of the stuff in the play people will think I made up because it's so ludicrous,' Mr. Fraser said. 'But it's actually all true.'"

Peer Pressure Seen As Inflating Executive Salaries. In a column for the New York Times (11/26), Gretchen Morgenson writes, "Like Lake Wobegon, Garrison Keillor's fictitious Minnesota town where all the children are above average, executive compensation practices often assume that corporate managers are equally superlative. When shareholders question lush pay, they are invariably met with a laundry list of reasons that businesses use to justify such packages. Among that data, no item is more crucial than the "peer group," a collection of companies that corporations measure themselves against when calculating compensation. … But according to a handful of pay experts

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who are privy to the design of pay practices at the nation's largest corporations, many of these peer groups are populated with companies that are anything but comparable. They also say corporate managers themselves — who have an interest in higher pay — are selecting which companies make it into a peer group. And because these companies are often inappropriate for comparison purposes, their use has helped inflate executive pay in recent years." Morgenson continues, "The use of peer groups to calculate executive pay has become ubiquitous in recent years. This is partly in response to the Securities and Exchange Commission's requirement that companies compare their stock performance with a peer group in tables in the section of their proxy filings devoted to shareholder returns. Theoretically, these tables allow investors to compare their company's performance against objective benchmarks. … But as is true with much about executive pay, details about exactly how peer groups are compiled have been kept under wraps. The worry among investors, of course, is that executives, consultants and directors simply cherry-pick peer-group members, thereby pumping up pay packages."

National Consumer Mortgage Charged With Running California Ponzi Scheme. The New York Times (11/26, Creswell, Bajaj) reports, "As the red-hot California real estate market sizzled in recent years, National Consumer Mortgage looked like just another residential mortgage company successfully riding the boom. It had lush offices in downtown Orange; the former baseball great Steve Garvey promoted its products in radio spots; and its founder, Salvatore Favata, a former local baseball hero himself, lived in a $1.7 million mansion in tony Yorba Linda and zipped around in a Mercedes roadster. An annual 'Favata Fest' at the founder's home featured live music and photo ops with Mr. Garvey." The Times continues, "The little mortgage company was also ambitious. N.C.M. ran an investment arm that offered high-yielding notes to preferred clients, promising to use customers' funds to make short-term, high-interest loans to individuals and companies that needed money quickly. For customers like Bryan F. Downey, a 41-year-old father of three, it was a tantalizing pitch. Mr. Downey had a $125,000 inheritance that he wanted to put to work, and his younger brother had already invested his inheritance with N.C.M." The Times adds, "In April 2005, Mr. Downey invested the entire $125,000 in N.C.M. notes guaranteeing annual interest payments of 12.5 percent for two years. After the contracts were signed, Mr. Downey recalls, Mr. Favata, 46, tan and trim, glided into the conference room, which had a view of Angel Stadium, nearby in Anaheim. Mr. Favata greeted him like an old friend and shook his hand, saying, 'Welcome to the family.' It's a relationship Mr. Downey now wishes he could disown. .. .Earlier this spring, Mr. Downey, along with more than 200 others living mostly in California and Colorado, found out they were victims of a long-running Ponzi scheme that pulled in about $30 million before N.C.M. sought bankruptcy this spring, according to a Securities and Exchange Commission civil complaint and filings in a federal criminal case, both filed in United States District Court for the Central District of California in Santa Ana. Rather than using the money to make loans, authorities say, Mr. Favata wagered away about $10 million of it in Las Vegas and plowed through much of the rest in his business dealings and lavish lifestyle."

CRIMINAL LAW:

Federal Probe Puts End To Pennsylvania Corruption Scheme. The Pittsburgh Tribune-Review (11/26, Wereschagin, Vellucci) reports, "Former Allegheny County Sheriff Pete DeFazio's guilty plea to a misdemeanor macing charge is one of the last gasps of old machine-style politics that ruled Pennsylvania for a century, political experts say." The PTR continues, "Macing -- the once-common practice of forcing public employees to contribute to political campaigns -- nearly vanished during the last 30 years or so. Macing was forced out by the rise of civil-service rules, unions and a public no longer willing to subsidize political paybacks, say experts. … The practices that snared DeFazio and three others in the Sheriff's Office are the same as those that powered the careers of people such as Gov. George Howard Earle III, who was indicted for macing in the 1930s, and Westmoreland County political boss Egidio Cerilli, who went to prison in 1980 for extortion and conspiracy. … 'Human nature is such that corrupt individuals are always going to find a way to work the system. I think people can take some comfort in the fact that nowadays, people don't get away with it as much as they did in the old days,' said former Pennsylvania Gov. and U.S. Attorney General Dick Thornburgh." The PTR adds, "DeFazio's plea Tuesday marked the end of a five-year investigation of the Sheriff's Office by U.S. Attorney Mary Beth Buchanan. Two high ranking officials -- including DeFazio's chief deputy, Dennis Skosnik -- are serving time in federal prisons and another is on a year's probation. DeFazio will be sentenced Feb. 23, though he is not expected to get jail time. … The investigation centered on officials who pressured workers to buy tickets to DeFazio's fund-raisers. Those who didn't were punished with undesirable assignments or denied vacation requests."

Memphis Business Community Seeks Business Plan To Curb Crime. The Memphis Commercial Appeal (11/26, Contact) reports, "The Memphis business community is 'looking for a good old-fashioned business plan' that sets priorities on how to deploy resources

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and 'move the needle on crime, violent crime in particular,' says Blair Taylor, executive director of the business group Memphis Tomorrow." The Appeal continues, "To that end, an invited group of stakeholders on the crime-fighting front will conduct a summit Wednesday at the University of Memphis Holiday Inn to plot the implementation of a wide-ranging strategic plan. … It's not that Memphis and Shelby County haven't already been employing strategies to battle crime that go beyond routine law enforcement and prosecutorial tasks. .. .There's Project Safe Neighborhoods, a coordinated effort by federal and state officials to crack down on the possession of guns by convicted felons. There's the Crime Stoppers cash award program for tipsters. There's Blue Crush, a data-based, crime-mapping program that tells police where to deploy." The Appeal adds, "The district attorney general has a no-deals policy. There are various juvenile court programs involving volunteer probation officers and the like, a drug treatment court for nonviolent cases, public nuisance laws, anti-gang units, a multi-jurisdictional drug task force -- the list goes on. .. .Presumably, all those elements and others will find their way into Operation: Safe Community's strategic crime-fighting plan, which as of its most recent revision, included 15 strategies:"

California, Virginia Localities Among Those Chosen For Federal Crime Study. The San Bernardino County (CA) Sun (11/26, Horwitz) reports, "San Bernardino County is one of 18 areas chosen last week to be part of a federal program seeking to stem a nationwide rise in violent crime." The Sun continues, "The Initiative for Safer Communities, sponsored by the Department of Justice, intends to 'seek honest answers about what works, what doesn't, and why,' Attorney General Alberto Gonzales said in a speech last month before announcing the 18 target jurisdictions." The Sun adds, "According to state crime data, the San Bernardino County Sheriff's Department documented increases in homicide, rape, and aggravated assault between January and June compared with the same period last year. Violent crime rose by 5.9 percent in that six-month stretch. … During that same time period, sheriff's departments in Los Angeles, Riverside and San Diego counties reported overall decreases in violent crime. … But San Bernardino County was not included based solely on its increasing crime. Other jurisdictions in California, such as Sacramento County, saw far greater increases in violent crime but were not included. Rather, the jurisdictions were chosen because they 'represent a cross-section of the country in terms of size, geographic location and rate of violent crime,' according to a statement from the Justice Department."

The Virginian-Pilot (11/26) reports, "Hampton Roads is one of 18 metropolitan areas the government has selected to study for clues on why homicides and other violent crimes are on the rise nationally." The V-P continues, "The Justice Department study comes after FBI data in September showed violent criminal activity - including rape, murder, robbery and aggravated assault - rose by 2.2 percent from last year. That marked the first increase since 2001. … U.S. Attorney General Alberto Gonzales announced the study last month in Boston at a meeting of police chiefs and other law enforcement officials." The V-P adds, "It will be rolled out in three phases: looking at crime increases in cities, analyzing those results for any trends and identifying federal programs that can help. … It was not clear whether more federal money will be available for cities, but federal officials said new initiatives could be created if necessary." The V-P notes, "Locally, homicides were up in four of the five South Hampton Roads cities - Chesapeake being the exception - and aggravated assaults were up in all five between 2004 and 2005. … The trends with other violent crimes were mixed."

CIVIL RIGHTS:

NAACP Seeks DOJ Probe Of Georgia Police Shooting. The Moultrie (GA) Observer (11/26, Hall) reports, "A state leader of the National Association for the Advancement of Colored People on Saturday came to Moultrie and questioned accounts of the fatal shooting of Moultrian Willie James Banks." The Observer continues, "Banks, who was shot by police Nov. 16, was buried Saturday afternoon, and the president of the NAACP's Georgia State Conference held a press conference prior to the funeral service. … Edward Dubose said the NAACP is beginning its own investigation into the events that surrounded Banks' death, and the organization calls for action on the parts of the Federal Bureau of Investigation, the U.S. Justice Department, the District Attorney's Office and the City of Moultrie police chief." The Observer adds, "Banks, 43, who was mentally deficient, was working at a convenience store on First Avenue at Fifth Street Southeast when three Moultrie police officers arrived to arrest him in connection with a bench warrant. The officers said Banks resisted arrest, pulled a knife and ran toward one of them. One or more of the officers fired at Banks; he was hit three times in the chest. … The Georgia Bureau of Investigation is still investigating the incident, but Dubose expressed doubts Saturday about the officers' version of events. … Dubose said the NAACP is calling on the FBI and Justice Department to investigate the shooting as an excessive and unnecessary use of deadly force. It also wants the district attorney's office to convene a grand jury inquiry into the incident."

Voting Problems May Have Been More Widespread Than First Thought. The New York Times (11/26, Urbina, Drew, 1.16M) reports on its front page

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that "after six years of technological research, more than $4 billion spent by Washington on new machinery and a widespread overhaul of the nation's voting system, this month's midterm election revealed that the country is still far from able to ensure that every vote counts. Tens of thousands of voters, scattered across more than 25 states, encountered serious problems at the polls, including failures in sophisticated new voting machines and confusion over new identification rules, according to interviews with election experts and officials." While post-election attention "has been focused on a few close races affected by voting problems," since "most of this year's races were not close, election experts say voting problems may actually have been wider than initially estimated, with many malfunctions simply overlooked."

NYTimes Calls For "Full Array Of Protections." The New York Times (11/26, WK9, 1.16M) editorializes, "Voting machines in a Congressional race in Florida -- where else? -- may have swallowed about 18,000 votes, far more than the nominal winner's razor-thin margin of victory. Because those votes were in the loser's strongest county, if there was a computer glitch it probably changed the outcome of the race. … We should learn more about what, if anything, went wrong, and what the options are if any remedies are needed. But one verdict is already in: electronic voting without the full array of protections, including a voter-verified paper trail, is unacceptable."

ANTITRUST:

DOJ Probes Chicago Exchange Merger. Crain's Chicago Business (11/26) reports, "Justice Department investigators probing the Chicago Mercantile Exchange's $8-billion acquisition of the Chicago Board of Trade are looking at the exchanges' clearing operation, a key profit center that some traders — and apparently regulators — fear could wield monopolistic pricing power." Crain's continues, "Three people interviewed by lawyers from the DOJ's antitrust division in recent weeks said that interview questions focused on whether the Merc's clearinghouse, which guarantees $4.2 trillion in trades per day, functions as a limit on competition in futures trading. Investigators also asked whether the Merc could use its self-regulatory power to make rules that deter traders from using rival exchanges, according to the same sources, who spoke on condition of anonymity because the interviews were confidential." Crain's adds, "Last year the CME clearinghouse guaranteed 90% of all futures contracts traded in the U.S., according to company filings. Clearing and transaction fees accounted for 76% of its $920.5 million in revenue. … The sources also identified the lead federal investigator on the case as George Baranko, the same Justice Department lawyer who six years ago put together a settlement that forced competition among the four U.S. options exchanges. … A DOJ spokeswoman confirmed the investigation but otherwise refused to comment."

Columnist Examines Current Merger Boom. In a column for the San Francisco Chronicle (11/26), Kathleen Pender writes, "Shoppers went a little crazy last week, and I'm not talking about consumers camping out in the dark for doorbuster deals. … I'm talking about companies and private equity firms gobbling up corporations, in whole or part, in a pre-Thanksgiving buyout binge. Last week alone, there were 379 deals valued at $118.6 billion announced worldwide, according to Dealogic. This includes $78.5 billion in deals for U.S. firms." Pender continues, "Among them: The Blackstone Group agreed to buy Equity Office Properties Trust for $20 billion, Freeport-McMoRan Copper & Gold offered $26 billion for copper miner Phelps Dodge, Bank of America said it would buy U.S. Trust from Charles Schwab for $3.3 billion, Russian steelmaker Evraz Group agreed to pay $2.5 billion for Oregon Steel Mills, and Nasdaq made a $5.1 billion hostile offer for the London Stock Exchange, which was rejected. … Last week's deals brought this year's total to $3.51 trillion worldwide, eclipsing the previous record of $3.3 trillion in 2000." Pender adds, "Although strategic mergers -- where one company buys another to expand or complement its business -- are strong, the real growth is merger activity in financial deals, where an investment firm buys a public company and takes it private, usually with loads of debt. … In 2006, takeovers by financial companies accounted for 17 percent of all global mergers, compared with only 4 percent in 2000, according to Dealogic." Pender notes that strong global economies, low interest rates, reasonable stock prices, and the growth of private equity funds are factors in the merger boom.

FCC To Consider Cable Broadcast Dispute. The Des Moines Register (11/26) reports, "Treasure your football, Fox 17 viewers, because today could bring your last viewable NFL game on central Iowa cable for a long while." The Register continues, "A 12-state, Iowa-based game of broadcasting chicken between Mediacom Communications Corp. and Sinclair Broadcasting Group is scheduled to come to a head Thursday night. And so far, a last-minute meeting called by a federal communications official seems to be the only hope of stopping a crash." The Register adds, "According to Barry Faber, corporate attorney and vice president of Maryland-based Sinclair, Mediacom and Sinclair officials have been summoned to a Monday meeting in the Washington, D.C., office of Robert McDowell, a member of the Federal Communications Commission, to discuss the year-long battle between the companies that threatens to leave 250,000 Iowa households with no immediate access to some popular television programs. … The still-unresolved

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squabble means Mediacom, which operates cable television systems in 23 states, will lose the right to rebroadcast signals of 22 of Sinclair's television stations, including two in Iowa, beginning Friday morning. … Mediacom officials say the company provides television to roughly 450,000 households across Iowa, although roughly 200,000 of those homes - in areas outside the Des Moines and Cedar Rapids markets - receive multiple Fox or CBS channels and would not lose any network programming if Sinclair stations go dark. … The long-standing financial dispute, which also has grown to become a legal battle and a public relations war, involves a gap of roughly $1 million, according to the last numbers disclosed by either side."

Oil Industry Denies Manipulating Supplies To Boost Profits. The AP (11/26, Donn) reports, "You'd think it was Texas. Dusty roads course the scrubland toward oil tanks and warehouses. Beefy men talk oil over burritos at lunch. Like grazing herds, oil wells dip nonstop amid the tumbleweed -- or even into the asphalt of a parking lot. … That's why the rumor sounded so wrong here in California's lower San Joaquin Valley, where petroleum has gushed up more riches than the whole gold rush. Why would Shell Oil Co. simply close its Bakersfield refinery? Why scrap a profit maker?" The AP continues, "The rumor seemed to make no sense. Yet it was true. … The company says it could make more money on other projects. It denies it intended to squeeze the market, as its critics would claim, to drive up gasoline profits at its other refineries in the region." The AP adds, "Whatever the truth in Bakersfield, an Associated Press analysis suggests that big oil companies have been crimping supplies in subtler ways across the country for years. And tighter supplies tend to drive up prices. … The analysis, based on data from the U.S. Energy Information Administration, indicates that the industry slacked off supplying oil and gasoline during the prolonged price boom between early 1999 and last summer, when prices began to fall. .. .The industry counters that it's been working hard to meet untiring demand. It faults output quotas set by Mideast oil powers, global competition for oil from booming economies like China's, and domestic challenges like depleting wells, clean-air rules, and hurricanes. They do make things harder. … Yet the AP analysis found evidence of at least an underwhelming industry performance in supplying the domestic market, when profits should have made investment capital plentiful:"

Mergers Can Mean Quick Profits For Mutual Funds. The Washington Post/AP (11/26, F3, Paradis) reports, "Investors observing the seemingly uninterrupted parade of corporate buyout announcements might wonder how much the deals and the attendant rise in stock prices will boost returns in their mutual funds. The answer depends on the type of funds they own." The AP continues, "Acquisition announcements often inspire investor confidence because the deals generally reflect a sense that the stock market offers bargains on desirable businesses. That notion can send stocks up in general, which benefits many mutual funds. And while the many merger announcements have prompted questions about whether the market is overvaluing some properties, mutual funds returns for the year are likely to get a boost from all the dealmaking." The AP adds, "One way investors can benefit from an acquisition is if a fund they own holds shares in a company being acquired. The fund's return can grow from the jump in a stock that often accompanies a buyout announcement. Shares of the company doing the acquiring typically fall, though generally only temporarily, as investors tend to frown upon the risk those companies are taking."

Airline Mergers Could Have Effect On Consumer Choices. The Houston Chronicle (11/26, Hensel) reports, "If you could take two big airlines and put them together to make one really big airline, which ones would you pick? … This has become a serious question since US Airways made a hostile bid for Delta Air Lines." The Chronicle continues, "If it succeeds — and that's far from certain — it could trigger further industry consolidation. .. .If Houston-based Continental Airlines were left behind, it could find itself at a competitive disadvantage to far bigger competitors." The Chronicle adds, "Consolidation in the airline industry has long been a topic on Wall Street. … 'This has been waiting to happen for long time, everyone has been expecting consolidation,' said Alan Sbarra, an industry consultant with Roach & Sbarra. 'Nobody considered US Airways a player, but this clearly is a signal that everybody is in play.'" The Chronicle notes, "Last year's merger of US Airways and America West — which has had promising results so far, but there is still difficult work to be done — revitalized the view that there are huge profits to be made through mergers and acquisitions, De- Paul University professor Joe Schwieterman said. .. .'The possibilities now are enormous, and every airline will be feverishly studying their options,' Schwieterman said."

ENVIRONMENT/INDIAN AFFAIRS:

Bush Administration Portrayed As Out-Of-Step On Climate Change. The Washington Post (11/26, A3, Harden, Eilperin, 690K) reports, "As the Bush administration debates much of the world about what to do about global warming, butterflies and ski-lift operators, polar bears and hydroelectric planners are on the move. In their separate

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ways, wild creatures, business executives and regional planners are responding to climate changes that are rapidly recalibrating their chances for survival, for profit and for effective delivery of public services. …. With the issue of a warming planet shifting rapidly from scientific projection to on-the-ground reality, animals and plants are being compelled, along with businesses and bureaucracies, to take action aimed at self-preservation. They are doing so even as the Bush administration eschews regulations, laws or international treaties that would require limits on carbon dioxide emissions, which scientists say are the main cause of global warming." The Post adds, "Though President Bush has said that human activity has contributed to climate change, he has consistently rejected the idea of imposing mandatory curbs on carbon dioxide emissions. In an interview shortly after this month's congressional elections, James L. Connaughton, chairman of the White House Council on Environmental Quality, said the country would be better off setting a voluntary goal -- such as increasing the use of renewable fuels -- than dictating industrial greenhouse-gas emission levels." According to the Post, "The Bush administration has outlined a strategic plan that calls for developing technology that would reduce carbon dioxide pollution. It now spends $3 billion a year on energy research and development. But when adjusted for inflation, this money is a fraction of what the federal government spent in the past."

WPost Questions Administration's Reading Of Clean Air Act. The Washington Post (11/26, B6, 690K), in an editorial, writes, "On Wednesday, the Supreme Court will hear oral arguments in what could prove to be one of the most fateful environmental cases in a generation -- or not, depending on what the justices do with it. Massachusetts v. Environmental Protection Agency is a challenge by states and environmental groups to the Bush administration's refusal to regulate greenhouse gases as pollution. The question of how to handle global warming is the chief environmental issue of our era. Yet the Environmental Protection Agency has refused to assume regulatory authority over greenhouse emissions. … Nowhere is this administration's resistance to action on global climate change more aggravating than in its persistent refusal to use the legal powers already at hand."

LATimes Blames EPA, BIA For Uranium Contamination On Navajo Reservations. The Los Angeles Times (11/26, 850K) editorializes, "During World War II, the federal government made a deal with Navajos: If the tribe allowed uranium mining on its 27,000-square-mile reservation, the land eventually would be returned 'in as good condition as received.' Instead, when the diggers left by the mid-1960s, the land was scarred by open shafts, contaminated well water and radioactive piles — often without fences or warning signs." As a Times series "reported last week, federal inspectors knew about the damage but did little to prevent or fix it. What followed was unconscionable. Navajos drank from contaminated pools, slept on radioactive floors and fed their herds on land irrigated with death. Children suffered mysterious, painful illnesses and died young. … Blame can be laid at the feet of the mining companies and even the tribal government. But it is the job of the Environmental Protection Agency and the Bureau of Indian Affairs to prevent environmental wreckage and safeguard the tribe's interests. Both fell down on the job spectacularly."

FBI/DEA/ATF/USMS:

Large-Scale Meth Production Moved To Mexico After US Crackdown. The Los Angeles Times (11/26, A1, Marosi, 850K) reports, "The methamphetamine laboratories that once plagued California's hinterlands and powered a national explosion of drug abuse have been replaced by an increasing supply from Mexico, U.S. law enforcement officials say. Methamphetamine production has surged south of the border, from Baja California ranches to the highlands of Michoacan to the industrial parks here in Mexico's second largest city, where authorities in January busted the largest laboratory ever discovered in the Americas. The fortress-like compound ringed by high brick walls housed 11 custom-designed pressure cookers that could produce 400 pounds of the drug per day. It dwarfed anything ever found in California, where the standard cooking tool is a 23-quart beaker and a 20-pound batch is considered a good production day. .. The boom in Mexican methamphetamine production stems from successful efforts in the U.S. to control the sale of chemicals used to produce the drug, including the cold medicine pseudoephedrine."

Indianapolis Officials Concerned About Rising Heroin Use. The Indianapolis Star (11/26, Higgins) reports, "Heroin, the scourge of the '70s, is back. … While the drug still makes up a minority of the cases at Indianapolis' drug court, heroin is increasingly easy to find on the city's streets, according to police, as it is elsewhere in Indiana and the nation . … 'I'm seeing a lot, lot more heroin,' said Jamie Guilfoy, an IPD narcotics detective since 2001. 'I never saw any up until the last year.'" The Star continues, "Guilfoy and other Indianapolis Police Department narcotics investigators have confiscated nearly 1,000 grams -- about 2.2 pounds -- of heroin this year, more than 10 times what they seized in 2005. … Indiana State Police project they will investigate close to 700 heroin cases this year, twice as many as last year and three times as many as in 2004." The Star adds,

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"Another possible indicator: A 2006 Indiana University survey found that 2.2 percent of Indiana high school seniors have tried intravenous drugs -- a 25 percent jump from the previous year. The needle is the preferred method of heroin users. … The emerging trend is nationwide, with cities such as Minneapolis; Dallas; Covington, Ky.; and Salt Lake City also reporting heroin upswings. The U.S. Drug Enforcement Administration has confiscated heroin in slightly declining amounts the past two years, but from 2001 to 2005, seizures were up more than 50 percent compared with the previous five years. … The trend is alarming, noted a U.S. Justice Department study released last week, because heroin, more than other abused drugs, is a multifaceted plague. … 'Although overall abuse levels for heroin are lower than levels for other drugs, including cocaine and marijuana, the consequences of heroin abuse are far-reaching in terms of heroin-related deaths, treatment admissions and emergency department mentions,' said the National Drug Threat Assessment 2007."

IMMIGRATION:

Minutemen Finances Draw Scrutiny. The Houston Chronicle (11/26, Carroll, 530K) reports, "For the first time, the Minuteman Civil Defense Corps has revealed a smattering of intriguing details on its finances, but some former Texas members say they're still not sure how the group has spent hundreds of thousands of dollars in contributors' money. Chris Simcox, founder of the nonprofit border watch group, posted IRS forms and an audit on his Internet site Nov. 15 in response to media reports raising concerns about how the organization was handling its contributions." The Chronicle adds, "The new documents offer a glimpse into the group's finances, former Minuteman loyalists say, but leave unanswered questions. Among them: How is the group spending thousands of dollars in membership fees they've collected in the past 19 months? And what companies or other nonprofits received $277,000 — amounting to more than half the group's contributions in 2005 — for unspecified 'personnel services?'"

CONGRESS-ADMINISTRATION:

Cheney's Views On Presidential Power Seen As Likely To Frustrate Democrats. The Boston Globe (11/26, Savage, 413K) reports, "In July 1987, then-Representative Dick Cheney, the top Republican on the committee investigating the Iran-contra scandal, turned on his hearing room microphone and delivered, in his characteristically measured tone, a revolutionary claim. President Reagan and his top aides, he asserted, were free to ignore a 1982 law at the center of the scandal. Known as the Boland Amendment, it banned US assistance to anti-Marxist militants in Nicaragua. … The Iran-contra scandal was not the first time the future vice president articulated a philosophy of unfettered executive power." Cheney "came to believe that the modern world is too dangerous and complex for a president's hands to be tied. He embraced a belief that presidents have vast 'inherent' powers, not spelled out in the Constitution, that allow them to defy Congress. Cheney bypassed acts of Congress as defense secretary in the first Bush administration. … A close look at key moments in Cheney's career -- from his political apprenticeship in the Nixon and Ford administrations to his decade in Congress and his tenure as secretary of defense under the first President Bush -- suggests that the newly empowered Democrats in Congress should not expect the White House to cooperate when they demand classified information or attempt to exert oversight in areas such as domestic surveillance or the treatment of terrorism suspects."

Senate Democrats Ready To Thwart Earmark Reform Attempts. The New York Times (11/26, A1, Kirkpatrick, 1.16M), in a front-page story, reports Rep. Nancy Pelosi "and many Democratic candidates have railed for months against wasteful 'special interest earmarks' inserted into bills 'in the dark of night.' Now their party's electoral victories mean that" Sen. Ted Stevens "will hand" Sen. Daniel Inouye "the gavel of the Senate defense appropriations subcommittee, which presides over the largest pool of discretionary spending and earmarks. But if the Democratic leaders are talking about 'earmark reform,' that may be news to Mr. Inouye. 'I don't see any monumental changes,' Mr. Inouye said in a recent interview. He plans to continue his subcommittee's approach to earmarks, he said. 'If something is wrong we should clean house,' he said, 'but if they can explain it and justify it, I will look at it.'" The Times adds that Sen. Patty Murray, "who is set to become chairwoman of the transportation subcommittee," defended Stevens' "allocation of more than $200 million in federal money for" the "notorious…'Bridge to Nowhere.' … To anyone who might vote against the bridge, Ms. Murray threatened that her subcommittee would be 'taking a long, serious look at their projects.' Every Democrat on the Appropriations Committee voted against an amendment to strike the bridge, and after threats from Ms. Murray." Sen. Tom Harkin, set to become the next chairman of the appropriations subcommittee for labor, health and human services, is quoted as saying, "I happen to be a supporter of earmarks, unabashedly. … But I don't call them earmarks. It is 'Congressional directed funding.'"

Veteran Chairmen Present Risk For Democrats. The Los Angeles Times (11/26, Reynolds, 850K) reports, "In

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the four decades that Democrats were the dominant party, chairmen's foibles, however egregious, did not threaten the party's grip on power. But with narrower margins of control and an electorate willing to switch allegiances, there is no such assumption these days. The question now is whether the 'old bulls' like" Rep. John Dingell "know it, and if they know it, whether they can adjust. … It was in part because of the reputation of longtime chairmen like Dingell that former Speaker Newt Gingrich, who led the Republican insurgency that took control of Congress in 1995, imposed term limits for committee chairs, restricting them to three consecutive two-year terms. But the Democrats have kept the tradition of assigning committee chairmanships by seniority. And that will elevate some of the most veteran — and oldest — members of Congress to committee leadership posts. All but one of the new Senate chairmen are at least 60, and three are in their 80s. Three also have served for more than four decades. The oldest is Sen. Robert C. Byrd (D-W.Va.), who is 89 and is about to retake the helm of the Senate Appropriations Committee. He sometimes tires, aides say, but he still has full command of his senses and the respect of his peers.

Medicare Drug Benefit Proves Popular, Less Costly Than Expected. The Washington Post (11/26, A1, Montgomery, Lee, 690K), in a front-page story titled, "Success of Drug Plan Challenges Democrats: Medicare Benefit's Cost Beat Estimates," reports, "It sounded simple enough on the campaign trail: Free the government to negotiate lower drug prices and use the savings to plug a big gap in Medicare's new prescription-drug benefit. But as Democrats prepare to take control of Congress, they are struggling to keep that promise without wrecking a program that has proven cheaper and more popular than anyone imagined. House Democrats have vowed to act quickly after taking power in January to lift a ban on Medicare negotiations with drugmakers" but "acknowledge that negotiation is…unlikely to generate sufficient savings to fill the 'doughnut hole,' the much-criticized gap in coverage that forces millions of seniors to pay 100 percent of drug costs for a few weeks or months each year." According to the Post, "Drug-company lobbyists, Bush administration officials and many congressional Republicans are preparing to block any effort to increase federal control over drug prices, saying the Medicare benefit is working well. … Polls indicate that more than 80 percent of enrollees are satisfied, even though nearly half chose plans with no coverage in the doughnut hole." The Post adds, "The cost of the program has been lower than expected, about $26 billion in 2006, according to the nonpartisan Congressional Budget Office."

VA Model May Not Suit Medicare. The Los Angeles Times (11/26, Alonso-Zaldivar, 850K) reports, "With millions of seniors facing premium hikes for their Medicare prescription plans, Democrats say they have a solution: Use the government's massive buying power to bargain for rock-bottom drug prices. The Department of Veterans Affairs does it for 5 million patients, they point out, so why not Medicare with its 43 million? … But the VA model may not be readily adaptable to Medicare, some independent experts say. And policy differences among Democrats, along with the Bush administration's opposition to government price-setting, may further complicate the task of reaching a goal that Democrats have set for themselves when they take over Congress in January."

Democrats' "Economic Populists" Challenge Clinton-Rubin Orthodoxies On Trade. In a New York Times (11/26, WK1, 1.16M) "Week in Review" piece Louis Uchitelle writes, "With the Democrats now a majority in Congress, and disquiet over globalization growing, a party faction that has been powerless — the economic populists — is emerging and strongly promoting an alternative to Rubinomics." Uchitelle adds, "The split is not over the damage from globalization." Former Treasury Secretary Robert Rubin "and his followers increasingly say that globalization has not brought job security or rising incomes to millions of Americans. The 'share of the pie may even be shrinking' for vast segments of the middle class, Mr. Rubin's successor as Treasury secretary under President Clinton, Lawrence H. Summers, recently wrote in an op-ed in The Financial Times. And the populists certainly agree. But the Rubin camp argues that regulating trade, or imposing other market restrictions, would be self-defeating. … The economic populists argue that the trade agreements themselves are the problem." Economic populists "are organizing to push their proposals, coalescing around the Economic Policy Institute. The A.F.L.-C.I.O. is a very visible member of this coalition."

OTHER NEWS:

Democratic State Chairs Say Dean Strategy Led To Gains. The Washington Times (11/26, Lambro, 88K) reports on its front page that Democratic state chairs, "decrying postelection bickering," say their party's victories this month "were in large part a result of National Chairman Howard Dean's 50-state strategy, which helped make deep inroads into Republican territory. The state chairmen, describing themselves as angered by infighting among party leaders in the House" and criticism of Dean by campaign consultants James Carville and Stan Greenberg, "credited the Dean strategy for their victories."

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GOP Faces Uphill Fight To Retake Congress In 2008. Under the headline "The Hill May Look Steep For Republicans In 2008," the Washington Post (11/26, A5, Goldfarb, 690K) writes that while Republicans may be able to retake Democratic House seats won "squarely in Republican territory" this year, Democratic gains "in swing districts in the Midwest and Democratic-leaning districts in the Northeast will be much tougher for Republicans to seize." And in the Senate, 22 Republican seats must be defended in 2008, compared to just 12 Democratic seats, and just a few incumbents of either party are considered vulnerable -- Tim Johnson and Mary Landrieu on the Democratic side; and Wayne Allard, Norm Coleman, and John E. Sununu on the GOP side.

Denver Finds "Momentum" In Bid To Host 2008 Democratic Convention. The Washington Times (11/26, Richardson, 88K) reports Denver "is enjoying a surge of momentum in its bid for the 2008 Democratic National Convention, thanks to Colorado's electoral tilt to the left and a well-timed burst of union activity." DNC Chairman Howard Dean "is expected to announce the convention site in early December, and some Denver residents already are predicting their city will trump New York as the party's pick."

Romney Leaving Massachusetts Governorship With "Mixed" Record. Under the Washington Post (11/26, A6, 690K) headline "Romney Leaving Mass. With Mixed Record," David Broder examines Gov. Mitt Romney's tenure in Boston as Romney moves toward a presidential run, saying that Romney "has been a successful venture capitalist and management consultant, and he saved the tainted 2002 Salt Lake City Winter Olympics from scandal," but it is his gubernatorial term that is "Romney's chief credential in his bid for the Republican nomination for president." While he "began his term four years ago on a high note, rescuing the state from an inherited budget deficit," his term is now "being viewed in a more mixed fashion. While he can point to a major policy success in health care, his relationship with the Democratic-controlled legislature that made it possible is in tatters. His efforts to challenge the Democrats and promote Republican candidates for the legislature failed. His partner in the statehouse, Lt. Gov. Kerry Healey, lost a bid to succeed him. And Romney is leaving office with the state GOP weaker than when he arrived."

Romney Tries To "Cast Himself In The Reagan Mold." The Boston Globe (11/25, Helman, 413K) ran a story yesterday on Romney's efforts to link himself to Ronald Reagan. Romney "is increasingly trying to cast himself in the Reagan mold -- as a patriotic, small-government conservative from outside the Beltway who's bent on repelling taxes, moral relativism, and foreign threats."

McCain Said To Offer "Dangerous Brew Of Government Activism." In the Los Angeles Times (11/26, 850K), assistant editorial page editor Matt Welch writes, "You can read 1,000 profiles of GOP presidential front-runner John McCain without encountering a single paragraph examining his core ideological philosophy." But "sifting through McCain's four bestselling books and nearly three decades of work on Capitol Hill, a distinct approach toward governance begins to emerge. And it's one that the electorate ought to be particularly worried about right now. McCain, it turns out, wants to restore your faith in the U.S. government by any means necessary, even if that requires thousands of more military deaths, national service for civilians and federal micromanaging of innumerable private transactions. He'll kick down the doors of boardroom and bedroom, mixing Democrats' nanny-state regulations with the GOP's red-meat paternalism in a dangerous brew of government activism."

New Hampshire Goes "Bright Blue" In Lead-Up To Primary Campaign. In his Washington Post (11/26, B7, 690K) column, David Broder writes, "When the pack of presidential hopefuls and the reporters who follow them descend on New Hampshire in January, as the 2008 campaign begins, a surprise awaits them. For the first time in anyone's life, New Hampshire has turned into a bright blue Democratic state." Gov. John Lynch winning re-election with 74% of the vote this month, and both houses of the state legislature, the state Executive Council, and both New Hampshire US House seats all switching from Republican to Democratic control. And New Hampshire "was not alone. Iowa, whose presidential caucuses come even earlier than the New Hampshire primary, also elected a Democrat as governor and saw both houses of its legislature flip to the Democrats."

Democrats Study Montana Successes For Clues On How To Win. The Denver Post (11/26, Crummy, 256K) writes that in Montana, "where voters backed a Republican candidate in nine of the past 10 presidential elections, Democrats suddenly find themselves in control of almost everything. In the past two years, the party has taken control of the governor's office, the state Senate, and - depending on a Tuesday recount -- has maintained a split in the state House." And this month, Democrat Jon Tester defeated GOP Sen. Conrad Burns. All of this "makes Montana a political laboratory for national Democrats trying to determine what elements are needed for retaking the White House in 2008. And when sorting through the reasons

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Democrats have taken hold in a conservative state, fingers frequently point first at Democratic Gov. Brian Schweitzer," whose "prairie populist message, gift for storytelling and homespun charm have won him approval ratings upward of 70 percent."

Unexpected House Seat Winner Shea-Porter Profiled. The Los Angeles Times (11/26, Mehren, 850K) profiles NH1 Rep.-elect Carol Shea-Porter, the Democrat who upset Republican Rep. Jeb Bradley this month. Shea-Porter spent just $206,000, "ran all of two TV ads," and had a medieval historian managing her campaign. Shea-Porter "eceived little attention from the national Democratic Party. The day after the election, which she won with 52% of the vote, party Chairman Howard Dean could not remember all of her last name, though he knew it was hyphenated. Dean praised Shea-Porter's win as 'an entirely grass-roots effort without support from the party, including us.'"

Religious Left Leader Wallis Profiled. The Washington Post Magazine (11/26, W20, Kuhn) runs a nearly 5,000-word feature entitled "The Gospel According To Jim Wallis" that profiles "America's leading progressive evangelical," the author of "God's Politics: Why the Right Gets It Wrong and the Left Doesn't Get It."

Latino Community Becoming "Significant Contributor" To US Economy. As part of a series on immigration, NBC Nightly News (11/25, story 7, 2:15, Seigenthaler, 9.87M) examined the US Latino community, which "is working together to find economic success and is thriving." NBC (Tibbles): "More than 50% of America's immigrant population is Hispanic, a dynamic economic force. … Last year advertisers spent more than $3 billion catering to a market expected to pump a trillion into the economy by the end of the decade." The Latino community "is fast becoming a significant contributor to the American economy."

US Students Turn To Outsourced Internet "E-Tutoring." ABC World News (11/25, story 8, 2:10, Marlantes, 8.78M) ran a report on "e-tutoring" of US students over the Internet by instructors in India, the "outsourcing of education. Just like manufacturing or service jobs, the task of teaching America's youth, is no longer limited by borders. The appeal is clear: It's home work help that's available anytime of the day or night. And it's cheap. Private tutoring in the US can cost as much as $100 an hour. An online session with a tutor in India, costs around $20 an hour. … Under the No Child Left Behind Act, the government is now paying for private tutoring in students in underperforming schools. But according to a recent report" from the GAO, "only 19% of students who qualify are getting that help. But critics worry foreign tutors aren't well-equipped to teach American students."

Al-Jazeera English Not Yet Available On Most US Screens. NBC Nightly News (11/25, story 6, 2:45, Seigenthaler, 9.87M) ran a feature on "a new player in international news: Al-Jazeera English. It made its debut earlier this month with the intention of bringing a different perspective to an English speaking audience. But it is already facing a challenge: finding a broadcast home and viewers here in the States." Al-Jazeera English "debuted 10 days ago," but "you would be hard pressed to find it on cable in the US -- no major American cable companies carry it. It is only available on one satellite network, although it is streamed live on the Internet."

Will Describes US Economic Supremacy Of The 1950s. In his column for the Washington Post (11/26, B7, 690K) George Will writes, "In 1951…the average American ate 50 percent more than the average European." Americans…controlled two-thirds of the world's productive capacity, owned 80 percent of the world's electrical goods, and produced more than 40 percent of its electricity, 60 percent of its oil and 66 percent of its steel. America's 5 percent of the world's population had more wealth than the other 95 percent, and Americans made almost all of what they consumed: 99.93 percent of new cars sold in this country in 1954 were U.S. brands."

Brooks Contemplates RFK's Stoicism Following Brother's Death. With the release of the film "Bobby," David Brooks uses his New York Times (11/26, WK10, 1.16M) column to examine Robert Kennedy's stoicism in the wake of his brother's assassination, saying that RFK "found in the Greeks a sensibility similar to his own -- heroic and battle-scarred but also mystical. … The story of Kennedy's grief is the story of a man stepping out of his time and fetching from the past a sturdier ethic."

Cheney Visits Saudi Arabia As President's Own Mideast Trip Nears. Vice President Cheney's trip to Saudi Arabia is portrayed as the prelude to President Bush's own upcoming trip to the Middle East. ABC and NBC both ran long reports on the trips; CBS was pre-empted for sports coverage. The tone of the reporting is mixed, showing the Administration as taking positive action while at the same time suggesting that the situation in the region is getting worse. The brevity of the Vice President's time on the ground in Saudi Arabia is also frequently mentioned.

ABC World News (11/25, lead story, 3:10, Weir, 8.78M) opened with the story, saying that "against the backdrop of savage, new violence in Iraq, the Bush Administration is

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launching a week of whirlwind crisis talks. The diplomatic push got underway today" with Cheney "leaning on the friendship and influence of a traditional ally." ABC (Morrell): "Vice President Cheney was in Saudi Arabia, just seven hours, half as long as it took him to fly there. But during that brief stay, he met with a slew of high-ranking Saudis, including King Abdullah. Old friends and close allies, the two men, once again, need each other's help. The White House would like the Saudi royal family to use its influence with fellow Sunnis in Iraq, to help end the sectarian violence and begin political reconciliation."

Leading in to its report, NBC Nightly News (11/25, story 2, 2:40, Seigenthaler, 9.87M) asked, "Has the conflict in Iraq become a full-fledged civil war?" NBC (Cork): "As the President prepares for his trip next week, today the Vice President traveled all the way to Saudi Arabia for a meeting that lasted just a few hours, a clear sign of the growing concern among leaders in that part of the world and here in Washington as well. The Vice President's brief trip to Saudi Arabia to meet with the King underscores the Administration's urgent efforts to get help to stem the violence in Iraq. It comes days before the President's own meeting" with Iraqi PM Nouri al-Maliki. Bush "will likely pressure Iraq's leaders to do more to end the sectarian killing." Maliki "is not the only one facing pressure to show progress in Iraq; President Bush is facing pressure here at home from an impatient Democratic Congress. They said America's commitment, while great in Iraq, is not unending."

CNN (11/25, Robertson) reported Cheney's office "has been very, very quiet" about the Vice President's trip. They "have not raised expectations, they have not laid out an agenda for this meeting. They said the Vice President was only coming here to talk about issues that had happened in the Middle East, that are of mutual concern to Saudi Arabia and the United States. But the Vice President spent barely eight hours on the ground in the country after he was greeted when he got off his aircraft. He had perhaps just a couple of hours meeting late in the afternoon with King Abdullah, then went immediately to the airport. … The very fact, though, that Dick Cheney came here for a three- hour meeting with the King, and then left again, there is a big concern in this region that perhaps the United States is setting up its allies at this time for some bad news on Iraq, in the near future."

The New York Times (11/26, 1.16M) reports Cheney "was met in Riyadh by the king's brother, Crown Prince Sultan, and government ministers and leaders of the Saudi armed forces, the official Saudi Press Agency reported." Cheney "left the country shortly after the meeting to return to the United States." The Times says "high-level visits to the region" by Cheney and Bush "come at a time when the administration is considering how to adjust its policies in Iraq, where deadly sectarian violence has been escalating."

The AP (11/25) notes Cheney "sought Saudi help on Saturday in dealing with Iraq's spiraling violence and other regional trouble spots where U.S. policy is on the line: Iran, Lebanon and the Palestinian territories." The AP calls Bush's upcoming summit meeting in Amman "a sign of the urgency of the U.S. concern," adding, "The unusual succession of visits by the two U.S. leaders was planned before outbursts of violence this week dramatically worsened the situation in two countries of key American interest — Iraq and Lebanon."

AFP (11/25, Nimr) calls the Cheney and Bush trips "a new diplomatic thrust, and says Cheney and Abdullah discussed "ways of boosting cooperation between" their countries.

Maliki Called Weakened Ahead Of Bush Meeting. In an analysis piece, the AP (11/25, Wagner) says Maliki, "struggling to prevent sectarian violence from sending Iraq into full-fledged civil war, is facing strong criticism from top Shiite and Sunni Arab leaders alike as he prepares for a summit" with Bush. Noting Maliki's eroding support among regional Sunni leaders and among prominent Iraqi Shiites including supporters of Moqtada al-Sadr, the AP says his "government has been unable to prevent revenge attacks by Shiite militias and Sunni Arab insurgents."

Opinions Differ On Existence Of Iraqi "Civil War." The New York Times (11/26, A14, Wong, 1.16M) reports, "Though the Bush administration continues to insist that it is not, a growing number of American and Iraqi scholars, leaders and policy analysts say the fighting in Iraq meets the standard definition of civil war. The common scholarly definition has two main criteria. The first says that the warring groups must be from the same country and fighting for control of the political center, control over a separatist state or to force a major change in policy. The second says that at least 1,000 people must have been killed in total, with at least 100 from each side. American professors who specialize in the study of civil wars say that most of their number are in agreement that Iraq's conflict is a civil war. ... In the United States, the debate over the term rages because many politicians, especially those who support the war, believe there would be domestic political implications to declaring it a civil war. They fear that an acknowledgment by the White House and its allies would be seen as an admission of a failure of President Bush's Iraq policy. They also worry that the American people might not see a role for American troops in an Iraqi civil war and would more loudly demand a withdrawal."

CNN (11/25, Damon) reported, "If you ask US and Iraqi officials, they will not say that the situation here is spiraling out of control, nor will they call it a civil war. But if you speak to most Iraqis that are living with the violence here every day, they will just tell you that the civil war here started long ago."

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Gaza Ceasefire Accord Prompts Israeli Withdrawal. ABC World News (11/25, story 3, 0:15, Weir, 8.78M) reported, "Five months of fighting between Israel and the Palestinians could come to an end tomorrow morning in the Gaza strip. Late today, both sides announced a cease-fire agreement. Under the deal, Israel is promising to end its military offenses in Gaza, and Palestinian militant groups will stop launching rocket attacks into Israel."

The New York Times (11/26, Myre, 1.16M) reports Israeli and Palestinian leaders "agreed late Saturday night to a cease-fire in the Gaza Strip that is to include the withdrawal of Israeli troops who have been battling Palestinian militants for the past five months." The Times calls the move a "surprise," and says President Mahmoud Abbas and Prime Minister Ehud Olmert agreed by telephone last night to a ceasefire that commenced this morning. "The agreement is the most serious effort to end the fighting in Gaza. However, it is not clear whether it will take effect and hold," and the deal does not include conflict in the West Bank.

The Washington Post (11/26, A19, Wilson, 690K) adds Israel "agreed late Saturday to cease military operations in the Gaza Strip in exchange for a pledge by Palestinian armed groups to stop firing rockets into southern Israel, a tentative deal that leaders on both sides said could end months of violence in and around the Palestinian enclave." Leaders on both sides "warned that the next few days would determine the durability of the cease-fire," because "similar agreements have been announced since Israel withdrew its settlers and soldiers from Gaza 14 months ago, only to collapse within hours."

An extensive AP (11/25, Teibel, Barzak) piece notes, "A truce meant to end five months of deadly Israeli-Palestinian clashes went into effect throughout the Gaza Strip early Sunday, significantly bolstering hopes of coaxing moribund peace talks back to life." The deal, which saw Israel forces evacuate Gaza early today, "was a coup for [Abbas] as he tries to form a more moderate government than the one currently led by Islamic Hamas radicals." The AP adds, "A cease-fire in Gaza is part of a broad package Abbas is trying to put together in the hope of" having international aid restored. "The centerpiece of that package would be the formation of a new government less inimical to Israel. Another major element is a prisoner swap."

The Los Angeles Times (11/26, Boudreaux, 850K) adds, "If the indefinite cease-fire holds, it will end five months of punishing Israeli military incursions into Gaza as well as the daily firing of rockets by Palestinian militants at cities and towns in Israel. It also could create momentum toward a resumption of peace talks that collapsed six years ago." The Times notes Palestinian claims that both Hamas and Islamic Jihad are parties to the deal, which it calls "a major achievement for Abbas."

CNN.com (11/25) calls the deal "a total cease-fire," and adds, "Just before the cease-fire took effect, militants fired three rockets into Israel, according to Israel Defense Forces. No one was injured, but a building was damaged." The White House "called the cease-fire a 'a positive step forward. We welcome the announcement,' said spokesman Alex Conant. "We hope it leads to less violence for the Israeli and Palestinian people.'" BBC.com (11/26) notes its "correspondents say the agreement is unexpected and a major development. The United States has welcomed what a White House spokesman called 'a positive step forward.'"

Lebanese Cabinet Endorses UN-Led Hariri Tribunal. The Washington Post (11/26, A19, Shadid, 690K) reports, "Lebanon's fragile government, defying warnings from Hezbollah, on Saturday approved an international tribunal to try suspects in the 2005 assassination of former prime minister Rafiq al-Hariri, an enormously symbolic step for a country paralyzed by division and anticipation." The Cabinet vote "set the stage for the country's month-long political crisis, which has so far escalated almost in slow motion, to enter a much less predictable period. In effect, the approval of the tribunal pits a coalition underpinning the Lebanese government, backed by the United States and France, against the radical Shiite movement Hezbollah and its allies, supported by Iran and Syria." The Post says Hezbollah "read the vote as a blunt challenge, denouncing the cabinet as illegitimate and renewing its threat to take to the streets to bring it down." This "crisis … is playing out at levels that extend far beyond the borders of the small Mediterranean country." The tribunal still needs the approval of either President Emile Lahoud, "an ally of Syria who has said the decision was unconstitutional," or the Parliament, led by Hezbollah ally Nabih Berri. The Post adds, "The prospect of sending the crisis into the streets has unsettled Beirut," and "has paralyzed Lebanon, still reeling from last summer's" Israeli-Hezbollah conflict.

McClatchy (11/26, Nissenbaum) adds, "Nearly two years after the Cedar Revolution propelled pro-Western leaders into power and created a brief period of fragile national unity, attempts to find out the truth are threatening to create dangerous new political fissures." The government "set the stage for a political showdown by unanimously approving the" tribunal," and "the vote throws the issue in the hands of the country's pro-Syria opposition leaders who consider the action an unconstitutional and provocative act." McClatchy says the "dispute is about much more than finding out who killed Hariri. It is about the role of outside forces in Lebanese politics and whether the country's growing Shiite community should be given a greater role in the government."

The AP (11/25, Dakroub) notes the "U.S.-backed" Cabinet "approved" the tribunal, "overriding the objections of

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Hezbollah amid a political crisis that threatens to spin Lebanon into violence." Lahoud "denounced the vote as did Hezbollah officials, who warned that the Shiite Muslim militant group would go ahead with threatened mass street protests seeking to force the government from power." The AP calls the international inquiry the "key in the struggle between allies and opponents of Syria."

WPost Says US Must Use "Sticks" As Well As "Carrots." A Washington Post (11/26, B6, 690K) editorial says the "deteriorating situation in the Middle East" can be understood by contrasting Gemayel's murder "with the response to it. The assassination was a shockingly audacious attack on Lebanon's democratic forces and their U.S. and European allies. But those Western governments remain in a profound muddle about how to address Iran and Syria, which have been fomenting the destabilization of Lebanon, Iraq and the Palestinian territories." While Tehran and Damascus work to create a Middle East "in which their influence and radical ideology will predominate," Washington "has apparently resolved . . . to intensively negotiate with itself and its chief European allies about how it might 'engage' Mr. Ahmadinejad and Mr. Assad." The Post says "no attempt to reason with Mr. Assad and the Iranian mullahs will succeed unless they perceive that the United States and its allies wield sticks as well as carrots." It concludes, "Iran and Syria are ruthlessly waging war against Western interests in the Middle East. Offering to talk is only a small part of what it will take to stop them."

Hoagland Says US Should Not "Trade" Lebanon For Iraq's Stability. In his Washington Post (11/26, B7, 690K) column, Jim Hoagland says the "sickening series of murders of Lebanese politicians and journalists opposed to Syrian control of their country is a new sign of desperation in Damascus that the United States and other nations must not misread or mishandle." Noting the murders may be an offer to negotiate, he adds, "It is an offer that must be refused." The Administration is "foolishly allowing a secondary issue -- its refusal to have unconditional diplomatic contacts with Syria and Iran, to avoid 'rewarding bad behavior' -- to obscure the growing international concern with those two nations." However, Hoagland adds, "the opening of communications channels with Damascus and Tehran must be handled with great care and clarity." Noting the coincidence of Gemayel's murder and the reestablishment of Damascus' diplomatic relations with Baghdad, he says, "This translation of Syrian actions quickly made its way through the Middle East: 'You want help in Iraq? It will cost you Lebanon. For starters.'" The US "must avoid giving the impression that it is willing to allow Syria to regain hegemony over Lebanon in return for smoothing the U.S. path in Iraq." Noting that "it is fashionable at the moment to decry black-and-white, evil-vs.-good visions of foreign policy," Hoagland conclude that "any 'realistic' deal that undermines Lebanon's hard-won freedom from Syrian control and protects murderers in Damascus would quickly become a fool's bargain."

LAT Says Damascus Should Not Capitalize On Gemayel's Murder. In an editorial, the Los Angeles Times (11/26, 850K) says Gemayel's assassination "could lead to other casualties: the collapse of a pro-Western government in Beirut, a resurgence of noxious Syrian influence and the deflation of a trial balloon — only recently floated in Washington — for holding discussions with Syria and Iran about the future of Iraq. The worst-case scenario is another civil war." Washington "should try to rally other nations — including Syria, which denies any complicity in Gemayel's death — around the fragile government of Lebanese Prime Minister Fouad Siniora." Noting that "not all the support for Hezbollah among Lebanon's Shiite Muslims is the result of Syrian subversion," the Times say the "Lebanese political system is imperfect, to say the least. But it should not be overthrown by an assassin's bullet, whoever gave the orders." It concludes, "Any talk of the U.S. giving Syria a role in a regional peace process should be put on hold if Damascus had anything to do with the assassination, or uses it as an opportunity to ratchet up its influence in Lebanon."

Breakaway Georgian Province Counterfeiting US Dollars. A front-page Washington Post (11/26, Finn, 690K) story notes the "Secret Service and Georgian police are investigating an international counterfeiting operation that stretches from a separatist enclave in [the Republic of Georgia] to Maryland, where fake $100 bills have been seized." Counterfeiters in South Ossetia have "transported to Israel and the" US "more than $20 million in the fake bills," and "counterfeit $100 notes have also surfaced in Georgia and Russia." A report to Congress indicates that "the fake notes have been passed at numerous businesses throughout the Baltimore area and have also surfaced in New York, Newark and Buffalo." That report "also said the number of counterfeit notes produced in [the Caucuses] and passed in the United States has 'increased dramatically' in recent years." The Post adds, "The presence in South Ossetia of an international counterfeiting ring capable of producing thousands of bills, according to investigators, is a stark example of how organized crime has flourished, sometimes through the neglect or alleged involvement of officials, in areas of the former Soviet Union whose territorial status remains unresolved 15 years after the fall of communism."

Litvinenko Claimed He Recruited Assassins For Kremlin. ABC World News (11/25, story 4, 2:10, Weir, 8.78M) reported, "In London, pathologists are still trying to figure out how to safely perform an autopsy on the former KGB spy murdered by poisoning. He died two days ago. The poison used is so toxic, anyone handling the body could

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be at risk. So could those who came in contact with him while he was alive." NBC Nightly News (11/25, story 5, 2:20, Kosinski, 9.87M) reported, "British investigators spent all day in three key locations around London. A house, hotel and a restaurant. They looked for clues in the mysterious poisoning of a former KGB Agent Alexander Litvinenko earlier this month. They urged anyone that was in those places to call a special hot ine."

The Washington Post (11/26, A18, Stringer, 690K) reports Litvinenko "described in interviews before his death how he was ordered to hire assassins to neutralize potential rivals and whistle-blowers who threatened the Kremlin, according to excerpts published and broadcast Saturday." Litvinenko "spoke to academics James Heartfield and Julia Svetlichnaja from the University of Westminster in three interviews that lasted a total of about six hours in April and May. The Daily Telegraph published a version of the interviews Saturday. … In another deathbed conversation, Litvinenko alleged that a Russian Foreign Intelligence Service chief previously stationed in London had been assigned by Moscow to watch him, Britain's Sunday Times newspaper reported."

Britain Unnerved By Poisoning. The New York Times (11/26, A13, Cowell, 1.16M) reports, "The British authorities said Saturday that they did not expect a major threat to public health after the disclosure that a former Russian K.G.B. officer and enemy of the Kremlin had been killed by radiation poisoning in London…. The nature of the death evoked cold war spy thrillers as much as it kindled animosity between some Russian exiles and the Kremlin. And it left Britons pondering whether their capital had become a theater for a long-range conflict between them. British diplomats have generally sought to play down the incident, calling it a police matter. On Saturday, the British government's crisis management committee, called Cobra for Cabinet Office Briefing Room A, met to debate the matter." The AP (11/25) reports, "Polonium-210 is usually made artificially in a nuclear reactor or particle accelerator, and would likely come from a country with a significant nuclear program. With several nuclear research facilities, Russia fits the bill — and it also has a major space program, another sector in which the element has been used."

Northern Ireland Unionist Charged With Attempted Murder. The New York Times (11/26, A4, Quinn, 1.16M) reports convicted murdered and Northern Ireland unionist Michael Stone "was charged with attempted murder on Saturday, a day after being arrested in an attempt to attack Gerry Adams and Martin McGuinness, leaders of the main Roman Catholic party Sinn Fein, as they and other legislators worked toward a power-sharing agreement to restore local rule to Northern Ireland." Stone had attempted to throw "a bag of homemade pipe bombs" into the parliament building in Stormont. Pending charges include "five counts of attempted murder and possession of articles for terrorist purposes." The Times adds the leaders' "meeting itself was a failure before the attack, as Rev. Ian Paisley, a Protestant leader, declined to nominate himself to be first minister, a post in which he would have served with Mr. McGuinness. That failure technically broke a deadline set by the British and Irish governments to organize a new power-sharing government. Prime Minister Tony Blair of Britain has said that the overall goal of putting a government in place by next March still stands."

Today's Ecuador Presidential Vote Could Realign Region. Both the New York Times (11/26, Romero, 1.16M) and the Washington Post (11/26, A15, Reel, 690K) preview today's presidential runoff election in Ecuador. The Times says "no one can accuse Ecuador, which will elect its eighth president in 10 years on Sunday, of dull politics." However, the "contest" between Rafael Correa and Alvaro Noboa "is far more than entertaining; the outcome could actually redraw power relations in Latin America." A win for Noboa, who leads in many polls, "would align Ecuador … with Andean countries like Colombia and Peru that have strengthened ties with the United States." For his part, Correa "has moderated his radical talk somewhat in recent weeks, meeting with the American ambassador in Quito and saying his harsh comments about President Bush were 'imprudent.'" The Post notes, "No matter who wins Ecuador's presidential election on Sunday, many outside the country will view it as a decision between dueling political stereotypes: Venezuelan President Hugo Chávez's dream of a unified region liberated from U.S. influence, or that of free-market backers embracing a globalized economy. For most who will actually make the choice, it's nothing of the sort." The "ideological rhetoric" of both candidates "has given way to specific promises of concrete and cash. Each candidate has tried to one-up the other with vows of massive government housing projects, new jobs and low-interest loans." The Post adds, "In a country where no president has served a full term in more than a decade, voters want to see some tangible results from their next leader, and it matters little what overarching political philosophy stands behind his pledges."

The Los Angeles Times (11/26, Kraul, 850K) adds, "Divided and disenchanted, Ecuadoreans vote today for a new president, choosing between two populists who seemed to spend more time during the campaign trading insults than offering ideas." That "ugly rhetoric has turned off voters and deepened the divide between right and left, analysts say." The Times says polling suggests "that the outcome of today's vote would be too close to predict. To avoid miscues that

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could set off civil disturbances, Ecuador's electoral tribunal said it could take two days to review and certify the result."

BBC.com (11/26) calls the election "a tight run-off vote with the two candidates running neck-and-neck." Election "observers have urged both candidates to be restrained when early results start to come in," and the OAS "wants all results to be officially counted before a victor is proclaimed." The BBC's local reporter says "Ecuador is in a delicate state," and "is becoming increasingly polarised," because its "people are disillusioned with its politicians and are impatient for change."

Police, Protesters Clash In Oaxaca. The AP (11/25, Romero) reports Mexican "police fired tear gas at dozens of protesters hurling gasoline bombs, rocks and powerful fireworks near the main square" in Oaxaca. "The clashes erupted as some 4,000 leftist protesters marched to within two blocks of the main square. They had announced plans to 'encircle' police forces who dislodged demonstrators from the main square in a raid a month ago." Mexican media "reported that nine people suffered minor injuries in the confrontation, and that the fireworks — large bottle rockets fired from shoulder-mounted tubes — started fires in several houses near the plaza."

Pinochet Defends Overthrow Of Allende, Actions Of His Regime. Under the headline, "Pinochet Takes Responsibility For Regime," the AP (11/25, Gallardo) notes former Chilean leader Gen. Augusto Pinochet "took full responsibility for the first time Saturday for the actions of his 1973-90 dictatorship, which carried out thousands of political killings and is blamed for widespread torture and illegal imprisonment." He "also defended the bloody military coup that toppled freely elected Marxist President Salvador Allende, in a statement read aloud by his wife as he sat by her side." The AP adds, "In his statement, Pinochet claimed the military had to act against Allende's government because the social and political convulsions at the time were threatening the country's integrity. He also sent 'a message of support to my comrades in arms, many of whom are imprisoned, suffering persecution and revenge,' in a clear reference to the scores of trials of military officers for rights abuses."

Chadian Rebels Claim Seizure Of Two Eastern Towns. The New York Times (11/26, A8, Polgreen, 1.16M) notes, "Rebels seeking to topple the government of Chad seized a crucial eastern city early on Saturday, according to aid workers based in the region." Abeche is "the largest city in eastern Chad and the operating base for dozens of aid organizations looking after 200,000 Sudanese refugees and 50,000 displaced Chadians." One aid worker said the rebel takeover was preceded by "several hours of artillery and gunfire," after which "several government buildings" were looted. "The rebels instructed city residents and aid workers to remain in their homes and offices and said that they did not intend to harm any civilians." Incomplete casualty reports put the wounded at 13. The Times says the rebels appear to belong to Sudan-based UFDD, which seeks "to overthrow Idriss Déby, the president of Chad."

BBC.com (11/25) adds the rebels "say they have captured the eastern town of Biltine, hours after another group said it had taken control of nearby Abeche. The government has denied that either town is under rebel control, although the army said it had withdrawn troops from Abeche for tactical reasons." The BBC's local reporter "says this could prove a turning point in Chad's rebellion." Also, "a spokesman for UN Secretary General Kofi Annan said he was concerned by the reports of violence in Chad."

Kristof Highlights "Courage, Nobility And Compassion" Of Darfur Genocide Victims. In his New York Times (11/26, 1.16M) column about his travels in Africa, Nicholas Kristof describes "the uplifting side of genocide." He says he sees "examples all the time, from the aid workers who persevere against impossible odds (13 have been murdered in Darfur since May) to the children who carry bows and arrows to try to protect their parents from men with machine guns." He calls Darfur "a land of numbing brutality, scarred by what may be the ugliest crime of all, genocide — abetted by indifference abroad. But it has elicited the best of humanity along with the worst." He concludes that, in many of the Sudanese he's met, he has found "a courage, nobility and compassion that offer a perfect contrast to the fecklessness of the rest of the world."

August Murder Has Repercussions On Sri Lanka Peace Efforts. The New York Times (11/26, A8, Sengupta, 1.16M) details the implications of the August murder of Tamil activist Kethesh Loganathan on the Tamil Tiger movement and the prospects for peace in Sri Lanka. "In his death lay a vital lesson for outspoken Tamils, the country's largest ethnic minority and a group whose political rights are at the center of Sri Lanka's intensifying, nearly 25-year conflict." He "was among the fiercest critics of the ethnic separatist Liberation Tigers of Tamil Eelam, and they are widely blamed for his death." The Tigers "have likewise been blamed for the killings of some of Sri Lanka's most prominent Tamil intellectuals, especially those who ally themselves with the government, as Mr. Loganathan did this year when he became deputy secretary general of the government agency coordinating the peace process." The Times adds, "Dissent, as critics of the Tamil Tigers are fond of reminding, is decidedly unwelcome in the rebel playbook."

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North Korea's Kim Could Be Time's "Person Of The Year." CNN (11/25, O'Brien) reported, "The atom blast heard round the world. North Korea stunned the international community by testing it's first nuclear device. North Korea's Kim Jong-Il is a candidate for Time magazine's 'Person of the Year.'" Time World Editor Romesh Ratnesar: "The testing of a nuclear weapon by North Korea, in some ways, was the single biggest news even if you could point to just one event, because not only is that a major disruption in the balance of power in Asia, but it also has kind of crystallized this larger danger that the world faces from nuclear proliferation."

Bird Flu Experts Push For Accurate And Rapid Testing. The New York Times (11/26, A24, McNeil, 1.16M) details two medical studies, of Turkish and Indonesian bird flu clusters respectively. Published in Thursday's New England Journal of Medicine, the studies claim that, "because detecting Avian flu with standard tests is so difficult and time-consuming, waiting for laboratory confirmation of an outbreak would cause dangerous treatment delays." Immediate testing using "nose and throat swabs failed every time, and in Turkey, so did all follow-up tests known as Elisas. The only tests that consistently worked were polymerase chain reaction tests, or PCRs, which can be done only in advanced laboratories and take several hours."

THE BIG PICTURE

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"U.S. Crackdown Sends Meth Labs South Of Border."
"On Drug Prices, Are Democrats In A Fix?"
"Back To Location, Location, Location."

New York Times:
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"Now It's Iraq On The Agenda For Mr. Fix-It Of The G.O.P."
"As Power Shifts In New Congress, Pork May Linger."
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"Israel And Palestinians Reach Truce After Months Of Fighting In Gaza."
"Overhauling New York's Health Care: Forces Align, For Now."
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Washington Post:
"Baghdad Braces For More Reprisals."
"Long Stints In Iraq Fracture Families."
"Success Of Drug Plan Challenges Democrats."
"Golf Carts Veer Off Course."
"Probe Traces Global Reach Of Counterfeiting Ring."

Washington Times:
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"State Chiefs Credit Dean For Victory."
"Terps Fans Gather Early To Root For Winner."
"CIA Recruiting Comes Out Of The Shadows."

Atlanta Journal-Constitution:
"Iraqi Insurgents Rolling In Cash."
"Ft. Stewart Gis Go Back To War."
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"Black Friday Sales Up 6 Percent."

Houston Chronicle:
"GOP May Have To Alter Strategy In '07 Session."
"U.S. Report: Iraq Insurgency Able To Sustain Itself."
"East Texas' Economic Hopes Hinge On Retirees."
"Killer First To Be Treated Under Texas Predator Law."
"Family Buries East Harris Boy Killed By Dogs."
"Landry's CEO Gambles On Las Vegas Casino."
"Israel, Palestinians Agree To Cease-Fire In Gaza."
"Yao, T-Mac Show Memphis Who's Boss."
"Continental Considers Pairing To Stay Competitive."
"W. Texas Towns Hope To See Trade Route Benefits."
"For Latin America's Poor, Democracy Has A Price."

Story Lineup From Last Night's Network News:
ABC: Cheney In Saudi Arabia; Curfew In Baghdad; Israeli/ Palestinian Cease-Fire Agreement; Investigation Into Litvinenko's Death; President Bush Helping Katrina Victims; Holiday Shopping; Taking Care Of Veterans After The War; Outsourcing Tutoring For American Students; Married And Fighting In Iraq Together.
CBS: Evening news was preempted by sports.
NBC: Sectarian Violence In Iraq; Cheney Visits Saudi Arabia; Politics In The Middle East- Palestinian/ Israeli Cease-Fire- Lebanese Special Tribunal; Holiday Shopping; Investigation Into Litvinnenko's Poisoning Death; Al-Jazeera English Channel; Hispanic Immigrants In The Community; Birding.

WASHINGTON'S SCHEDULE

Today's Events In Washington.

White House: PRESIDENT BUSH -- No public schedule.

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VICE PRESIDENT CHENEY -- No public schedule.

US Senate: No scheduled events.

US House: No scheduled events.

Other: Nov. 20 - 26. HOLOCAUST MUSEUM-DARFUR _ The United States Holocaust Memorial Museum will project building-sized images of the genocide in Darfur onto the Museums exterior walls to make a dramatic statement about the need for action in Darfur. Location: United States Holocaust Memorial Museum, 100 Raoul Wallenberg Place SW. Contacts: Andy Hollinger, 202-488-6133

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Congressional Democrats Unable To Agree On Wiretapping Oversight. The New York Times (11/25, A1, Lichtblau, 1.16M), in a front-page article, reports, "When President Bush went on national television one Saturday morning last December to acknowledge the existence of a secret wiretapping program outside the courts, the fallout was fierce and immediate. … But as Democrats prepare to take over on Capitol Hill, not much has really changed. For all the sound and fury in the last year, the National Security Agency's wiretapping program continues uninterrupted, with no definitive action by either Congress or the courts on what, if anything, to do about it, and little chance of a breakthrough in the lame-duck Congress. While the Democrats have vowed to press for more facts about the operation, they are of mixed minds about additional steps.

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Some favor an aggressive strategy that would brand the program illegal and move to ban it even as the courts consider its legality. Others are more cautious, emphasizing the rule of law but not giving Republicans the chance to accuse them of depriving the government of important anti-terrorism tools."

NYTimes Asks Ginsburg To Stay Ruling On Reporters' Sources. The New York Times (11/25, A12, Liptak, 1.16M) reports that the Times "asked the Supreme Court yesterday to bar a federal prosecutor from reviewing the phone records of two of its reporters. The records, lawyers for The Times said, would allow the government to learn the identities of many of the reporters' confidential sources. The case arose from a Chicago grand jury's investigation into who told the two reporters, Judith Miller and Philip Shenon, about actions the government was planning to take in 2001 against two Islamic charities." US Attorney Patrick Fitzgerald "sought the reporters' records directly from their phone companies, and The Times filed suit to stop him. In August, a divided three-judge panel of the federal appeals court in Manhattan ruled in favor of Mr. Fitzgerald, saying the reporters were not entitled to shield their sources." The newspaper's filing "was a limited one, seeking an order from Justice Ruth Bader Ginsburg staying the appeals court decision until the Supreme Court has an opportunity to decide whether to hear the case." The Washington Post (11/25, A6, 690K) reports, "The government says phone calls placed by the reporters seeking comment for a story tipped off the charities to planned government raids. A federal judge who ruled in the newspaper's favor said there is no evidence in the record suggesting the reporters even knew of the government's plans to raid either charity."

SEC Questions Ford Over Business In States That Sponsor Terrorism. The Financial Times (11/25) reports, "The Securities and Exchange Commission has raised concern about the investment risks of US companies doing business in countries deemed to be terrorist-supporting states by asking Ford Motor, and possibly others, about its dealings in Iran, Sudan and Syria. The enquiries emerged in a series of letters dating back to July between the SEC and Ford's chief financial officer, Don Leclair. The SEC asked the Detroit-based carmaker to demonstrate that its 'reputation and share value' were not at risk as a result of business dealings in the three countries. All three countries are designated as state sponsors of terrorism by the US state Department." Ford "replied that its interests, comprising mainly Ford, Land Rover and Mazda dealerships, were small relative to its worldwide operations."

HOMELAND RESPONSE:

WPost Calls DHS Oversight Of Contractors "Embarrassingly Poor." The Washington Post (11/25, A20, 690K), in an editorial, notes the "embarrassingly poor oversight of the billions of dollars" DHS "has paid to private contractors. The Post's Robert O'Harrow Jr. and Scott Higham obtained an internal review of the department's Office of Procurement Operations. … According to the review, which was drafted by outside specialists on government contracting, almost none of the contract files examined met standards of quality or even completeness. The documentation for 33 of 72 contracts the investigators sought to evaluate could not even be located, which makes you wonder how DHS ensures that contractors aren't wasting government money." The Post concludes, "The story isn't as bad these days, a department spokesman says. The fact that Homeland Security hired consultants to review its contracting indicates that managers want to improve the process, and the spokesman says the procurement office is working to implement each of the report's recommendations, which officials received in March. But according to the department's inspector general, poor contract management persists. Money and security alike are put at risk."

WAR NEWS:

As Iraq Violence Swells, Bush Stands By Plans To Meet With Maliki. The upswing in violence in Iraq over the past few days led the evening newscasts on both CBS and NBC; ABC was pre-empted for sports coverage. While the reports briefly mentioned President Bush's upcoming trip to Jordan to meet with Iraqi PM Nouri al-Maliki, the stories primarily deal with the latest threats from Mahdi Army chief Muqtada al-Sadr and the growing speculation that Iraq is in a state of civil war.

The CBS Evening News (11/24, lead story, 3:14, Mitchell, 7.66M) reported, "The death toll from those attacks has risen to at least 215 with hundreds of others wounded. At one point, US helicopters traded fire with armed insurgents in

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Baghdad." CBS (Palmer): "But today the man whose word could do more than any other to prevent reprisal killings didn't deliver. At Friday prayers, Moqtada al-Sadr did not forbid his followers to take revenge. Instead, he made a series of hard-line demands." CBS adds that Vice President Cheney "will be in Saudi Arabia over the weekend for talks with the King, and next week President George Bush is due to meet Iraqi Prime Minister Nouri al-Maliki in Jordan."

NBC Nightly News (11/24, lead story, 2:50, Williams, 9.87M) reported, "All of this has prompted some serious talk now that that nation is indeed descending into a state of all-out civil war." NBC (Aspell): "In his Friday sermon, radical Shi'ite cleric Muqtada al-Sadr demanded Sunnis stop killing Shi'ites. Sadr, who controls the powerful militia, the Mahdi army, is also a political force. Today his supporters in the Iraqi parliament threatened to quit Prime Minister Maliki's coalition if the Prime Minister meets with President Bush next week in Jordan. Such a walkout could bring down Iraq's fragile government."

AFP (11/25, Lozano) reports the White House "reiterated" that Bush would meet Maliki in Jordan next week "amid a sharp rise in Shiite-Sunni violence." AFP says the issue of "how to quell the violence will likely be the focal topic in talks" Cheney holds with Saudi Arabia's King Abdullah and Crown Prince Sultan bin Abdul Aziz this weekend, as well as during the Bush-Maliki meeting. Cheney "could ask Abdullah to use his influence to help foster reconciliation between warring factions in Iraq, and also press for Riyadh to come through with its promised reconstruction aid."

The Washington Post (11/25, A15, Wright, 690K) notes the White House "charged yesterday that the escalating violence in Iraq committed by both Shiites and Sunnis over the past two days is a 'brazen effort' to bring down" Maliki's "fragile government." The "White House also said President Bush has no intention of backing out of talks next week with the Iraqi leader, despite threats yesterday" from followers of Sadr to "pull out of the government if Maliki goes ahead with the meeting. The talks, set for Thursday in Amman, Jordan, have suddenly taken on the air of a crisis summit, as Iraq slides closer to all-out civil war." The Post says the Administration "has been increasingly frustrated by Maliki's leadership, particularly his inability or unwillingness to rein in fellow Shiites, including militias such as Sadr's. But the White House has limited alternatives because the Iraqi leader was democratically selected and the next election is not due until 2009."

Syria Could Be "Wild Card" In Talks. A lengthy AP (11/25, Dareini) analysis piece says Damascus may be the "wild card" in upcoming Middle East talks. "Iran and the United States are playing a complicated diplomatic game, jockeying for influence in Iraq as violence there spirals out of control. But there is one major wild-card in dueling summits planned for coming days: Syria." The AP calls the Bush, Cheney and Rice visits "an unusual succession of trips that reflects U.S. determination to rally allies at a time when Washington is considering overhauling its Iraq policy."

On the CBS Evening News (11/24, story 2, 2:00, Mitchell, 7.66M), Gen. John Abizaid said, "My greatest fear is that neighboring countries like Iran and Syria decide that they will destabilize the country more as opposed to help it come together."

Iraq's "Civil War" Said To Be Getting Worse. The Los Angeles Times (11/25, Barnes, 850K) leads its report by bluntly stating that "Iraq's civil war worsened Friday." The Times continues, "A main Shiite political faction threatened to quit the government, a move that probably would cause its collapse and plunge the nation deeper into disarray. ... By Friday night, at least 65 deaths had been reported in the capital and elsewhere." A policeman who witnessed sectarian fighting said, "The army did not interfere. And we [the police] didn't receive any orders to interfere. We would not have interfered even in the event that we were ordered to do so, because this is the Iraqi army's turf."

On NBC Nightly News (11/24, story 2, 9.87M), correspondent Jim Miklaszewski said, "According to military and Pentagon officials, their definition of 'civil war' would entail a total collapse of the government and right now, they're confident at least that the central government itself and particularly the security force, especially the army, have not become directly involved in the sectarian violence. When that happens, they will acknowledge it is a civil war." Later on MSNBC's Hardball (11/24, O'Donnell), Miklaszewski said, "I think any number of military experts, foreign policy experts, and any number of the kind of images we're seeing coming out of Baghdad all tell us that Iraq is in a civil war at some level, clearly. And the best that the U.S. military can do at this point is to try to just keep a lid on the current violence there in Baghdad."

Asked on MSNBC's Hardball (11/24, O'Donnell) if "something has changed" in Iraq "in the past 48 hours," retired USMC Gen. Bernard Trainor said, "Something certainly has changed and that is this thing has become a

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full-blown bloodbath out there. While it was bad enough earlier, you have never had the catastrophic results that we have seen here both yesterday and now again today. So the idea of trying to put a lid on this becomes that much more difficult because the quest for blood revenge is going to be enormous out there."

On CNN's Lou Dobbs Tonight (11/24, Pilgrim), correspondent Michael Ware said, "Perhaps it's easier to deny that this is a civil war, when essentially you live in the most heavily fortified place in the country within the Green Zone. … If this is not civil war, where there is, on average, 40 to 50 tortured, mutilated, executed bodies showing up on the capital streets each morning, where we have thousands of unaccounted for dead bodies mounting up every month, and where the list of those who have simply disappeared for the sake of the fact that they have the wrong name, a name that is either Sunni or Shia…then, goodness, me, I don't want to see what a civil war looks like."

In her New York Times (11/25, 1.16M) column, Maureen Dowd writes, "After the Thanksgiving Day Massacre of Shiites by Sunnis, President Bush should go on Rupert Murdoch's Fox News and give an interview headlined: 'If I did it, here's how the civil war in Iraq happened.' He could describe, hypothetically, a series of naïve, arrogant and self-defeating blunders, including his team's failure to comprehend that in the Arab world, revenge and religious zealotry can be stronger compulsions than democracy and prosperity. But W. is not yet able to view his actions in subjunctive terms, much less objective ones. … W. declined to tear himself away from his free-range turkey and pumpkin mousse trifle at Camp David and reassure Americans about the deadliest sectarian attack in Baghdad since the U.S. invaded."

Reprisals Embolden Militias, Occurrence Of Immolations Denied. The Washington Post (11/25, Raghavan, 690K) reports in a front page article that "two local imams" denied the reports of six Sunnis being burned alive. However, "Friday's attacks illustrated Iraqi security forces' inability to rein in violence, at a time when U.S. leaders want them to take greater responsibility for the country's security, a vital benchmark for any strategy to withdraw U.S. troops. In the mixed Hurriyah neighborhood, Shiite militiamen torched at least five Sunni mosques on Islam's holiest prayer day, police and residents reported." The Post adds, "The attacks on Sadr City appeared to embolden Sadr and his followers as they try to capitalize on Thursday's carnage, which Shiite leaders, including Maliki, have blamed on Sunni Arab insurgents."

The New York Times (11/25, A1, Wong, 1.16M) reports in a front page article, "Iraqi security forces were absent, unwilling or unable to stop the attackers. ... Mr. Sadr effectively controls Sadr City, and the attacks on Thursday appeared to have strengthened his standing and emboldened him." Like the Post, it denies the occurrence of the immolations. But Newsday (11/25, Phelps) referred to "Friday's gruesome immolations -- a seemingly new method of brutality in the sectarian fighting." Newsday says of Maliki's predicament, "Al-Sadr is his biggest supporter and his government would likely fall if the cleric fully withdrew his support. On the other hand, Maliki can hardly afford to offend Bush at this precarious moment, either."

CNN.com (11/24) reports that, according to witnesses, Shiites "on Friday attacked two mosques with rocket-propelled grenades and burned two other Sunni mosques in the largely Shiite area of Hurriya in northwestern Baghdad. They reported people attacking Sunni houses with hand grenades and rocket-propelled grenades." Al-Sadr "challenged a top Sunni leader -- Sheikh Hareth al-Dhari, the head of the Association of Muslim Scholars -- to take steps to end the violence, including the issuance of fatwas, or Islamic decrees." BBC.com (11/24) also reports the bloodshed.

WSJournal Examines Various Iraq Proposals. The Wall Street Journal (11/25, A7, Etter, 2.04M) reports, "It is clear the administration is in search of a new strategy. The electoral shake-up in Congress and recent sharp rise in sectarian violence in Iraq have served as a powerful wake-up call." The Journal lists Rep. John Murtha's idea of "withdrawal," Sen. John McCain's idea of "more troops," Rep. Charles Rangel's idea of a reinstated draft, and the "middle-road option" of "unchanged troop levels." The Journal adds, "Public opinion polls, however, show that about 52% of Americans want to see the number of troops in Iraq reduced, while 39% of Americans would like to see troop levels maintained."

US Army Expands Training For Iraqi Forces' Future Advisors. The New York Times (11/25, Gordon, 1.16M) reports from Fort Riley, "Following a disappointing performance by many Iraqi units and complaints that earlier efforts to train American advisers had been handicapped by bureaucratic inertia, the Army has handed the mission to Maj. Gen. Carter F. Ham, who had a

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previous stint as a commander in Iraq. ... The revamped effort began with little fanfare this summer, but has gained prominence in recent weeks as experts inside and outside the government have recommended that the military expand the advisers' ranks as part of a renewed push to strengthen the Iraqi security forces." The program "lasts a jam-packed 60 days. Soldiers practice a variety of combat skills, including how to counter the ever-present roadside bombs. They also receive some cultural training and, for those headed to Iraq, 50 hours of Arabic language instruction — enough to provide only the most rudimentary skills but more training than most advisers had previously received. There is additional training in Kuwait and at the sprawling American military base at Taji, Iraq." The Times observes skeptically, "It remains far from clear whether increasing the number and caliber of American advisers can provide enough of the security gains the United States is seeking."

Coalition Forces Kill 23 In Baghdad Raids. The AP (11/24, Hurst) reports, "Coalition forces killed 22 insurgents and an Iraqi civilian in three simultaneous raids north of Baghdad on Saturday and destroyed a factory used to make roadside bombs, the U.S. military said. ... Coalition forces called in U.S. aircraft to destroy the factory after discovering rocket-propelled grenades, machine guns, anti-aircraft weapons and pipe bombs hidden there, the military said."

More US Forces Die In Anbar Than In Baghdad. The AP (11/24, Baldor) reports, "In the three months since thousands of U.S. forces poured into Baghdad to quash escalating violence, far more American troops have died in Iraq's volatile western Anbar province than in the capital city. ... Four in 10 deaths over those three months [August 7 to November 7] have been in Anbar province, a Sunni insurgency stronghold where U.S. Marines have largely taken the lead." Marines, "only about 15 percent of the 141,000 U.S. forces currently in Iraq, accounted for nearly 28 percent of the fatalities over the three-month period." The AP remarks pessimistically, "The death count in Anbar, combined with the deadly spike in sectarian attacks in Baghdad this week, paints a picture of an Iraq still teetering on the brink of civil war, battered by religious divisions, al-Qaida terrorists and a stubborn and diverse insurgency."

Pre-Invasion Footage Shows Saddam With Primitive Weapons. The CBS Evening News (11/24, story 3, 0:10, Mitchell, 7.66M) reported, "Meanwhile, just-released footage of Saddam Hussein from just before the US invasion has historians and military experts shaking their heads. This shot was taken from videotape seized by US forces. It shows Saddam firing a crossbow and other primitive weapons. He tells an aide to start mass production of them. It is not clear if he expected to use them against the US military or to rally Iraqis for an insurgent campaign."

Brzezinski Calls Iraq Troop Increase "A Gimmick." Bloomberg (11/24) reports that former National Security Adviser Zbigniew Brzezinski "said it would be 'a gimmick' for the Defense Department to increase the number of troops in Iraq temporarily before beginning to withdraw them." He added that the idea is a gimmick because it "satisfies [John] McCain, it satisfies the hardliners." Brzezinski "said U.S. and Iraqi officials should jointly announce a withdrawal date for American troops that comes before the end of 2007. Even in the best possible outcome, though, Iraq isn't likely to be secular or democratic, he said."

Soldier Serves To Honor Fallen Brother. The CBS Evening News (11/24, story 11, 2:45, Mitchell, 7.66M) reported, "Every member of the service understands the danger involved in serving there, but one soldier's mission in Iraq is a personal one. He's finishing his brother's work." CBS (Hartman): ""The somebody Sanchez lost, lost to a roadside bomb, was his best friend and little brother Ledesma." Staff Sergeant Sanchez: "When he passed away everybody who knew him [said] you guys were inseparable and now you're separated. ... Captain Lexy Gibbs is the commanding officer. You can't lose both." Captain Gibbs: "He's my Private Ryan. I've got to keep an extra eye on him." Staff Sergeant Sanchez: "When I wear his uniform, he's there. He's my right hand man."

WSJournal Criticizes Rangel Draft Measure. The Wall Street Journal (11/25, 2.04M) editorializes, "In [Rep. Charles Rangel's] mythology, the military is overly reliant on uneducated dupes from poor communities because those from more affluent backgrounds don't want to serve. But the truth is closer to the opposite, according to a recent Heritage Foundation report on the demographic characteristics of the military. ... What about Mr. Rangel's point that conscription would have made intervention in Iraq less likely? It's impossible to know, but this is a dangerous argument for the future in any case. The main reason for having an effective

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Army is to deter enemies by making them believe we have the will to fight if we must. Mr. Rangel is saying the U.S. needs a conscript Army precisely to show an adversary we'll never use it.

Bommer Calls For UN Inspections In Baluchistan. In a commentary for the Wall Street Journal (11/25, 2.04M), Ashley Bommer (who "worked at the US Mission to the UN during the Clinton Administration") writes, "Hamid Karzai and Pervez Musharraf are arguing about the Pakistani province of Baluchistan. ... The frontline of the Taliban and al Qaeda insurgency has a backline in Pakistan. But U.S. troops cannot go into Pakistan -- precisely where al Qaeda and the Taliban are. So there is a simple next step: Gen. Musharraf should agree to U.N. inspectors." Bommer believes, "An independent evaluation of the facts is necessary. The only system in the world that can do this is the U.N.'s Monitoring, Verification, and Inspection Committee (Unmovic). With over 300 experts, it can conduct a comprehensive fact-finding mission in Baluchistan immediately. ... Unmovic's record of independence speaks for itself. At no time, for instance, did it find WMD or the continuation of such programs in Iraq. ... International observers will not only deter efforts by al Qaeda and the Taliban, they will verify if Taliban hubs are providing military, financial and propaganda to operatives in Afghanistan."

DOJ:

Gonzales Defends Anti-Terror Policy At Air Force Academy. The Air Force Times (11/24) reports, "Attorney General Alberto Gonzales told Air Force Academy cadets recently that terrorists will not rise to the example of the U.S. when it comes to treatment of prisoners." The Times continues, "In a lecture on civil liberties and the war on terrorism to about 700 cadets, Gonzales said the U.S. has 'rightfully positioned itself in this conflict and other conflicts throughout history as a mature and moral leader — an example to follow,' according to an Air Force press release. … 'Yet we know that the fair and humane treatment of the detainees at [the U.S. military's detention facility in] Guantanamo [Bay, Cuba] will have absolutely no effect on how their confederates treat our soldiers and civilians,' he said." The Times adds, "Gonzales is one of a dozen Bush administration officials named Nov. 14 in a lawsuit brought in Germany by civil rights groups for abuses of prisoners at Abu Ghraib prison in Iraq and at Guantanamo. .. The release did not say whether Gonzales addressed the charges made against him and others, including departing Defense Secretary Donald Rumsfeld." The Times notes, "During his lecture, Gonzales defended the domestic surveillance program that the Bush administration began in secret, saying it is not damaging the civil rights of American citizens. … 'It protects citizens from terrorist attacks,' he said. 'Critics who say otherwise are perpetuating myths.' … Gonzales was an enlisted airman from 1973 to 1975 before being accepted at the Air Force Academy. He was a cadet from 1975 to 1977 before transferring to Rice University in Houston."

CORPORATE SCANDALS:

DOJ Mulls Options In Enron Barge Case. The Houston Chronicle (11/25, Hays) reports, "Federal prosecutors are pondering their next step after an appeals panel last August threw out fraud and conspiracy convictions against several ex-Merrill Lynch & Co. executives in a 2004 Enron case." The Chronicle continues, "They have asked a judge to waive the men's right to a speedy trial so the government can decide whether to appeal to the U.S. Supreme Court to reinstate their convictions or move forward with a retrial. … Otherwise, a retrial would have to start a few days after Christmas. … 'As long as the possibility exists that the government may seek Supreme Court review, it would be impractical to begin trial or hold pretrial proceedings,' prosecutors said in a recent court filing. … They want U.S. District Judge Ewing Werlein, who presided over the original case, to schedule a status conference in the case for February next year. The judge has yet to rule." The Chronicle adds, "The trial of four former Merrill Lynch & Co. executives and two former Enron executives centered on a year-end 1999 sale of power barges moored off the coast of Nigeria to the brokerage so the energy company could appear to have met earnings targets. … The case was the only Enron-related criminal trial to ensnare a chunk of Wall Street, accusing the Merrill executives of participating in a crime to curry favor and gain more lucrative investment banking business from the energy company."

Allied Capital Accused Of Pretexting In Protracted Corporate Dispute. The Washington Post (11/25, D1, Klein) reports, "They call it the Hundred Years' War. … Not because it involves brutish medieval

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unpleasantries like the battle axe. It involves only the sharp edge of cutting words between a Washington area company and a New York investor in a war of Wall Street that merely feels like it has lasted a century." The Post continues, "In the latest salvo, hedge fund manager David Einhorn has accused Allied Capital Corp., a company that lends money to and invests in private businesses, of fraud. He also suspects that Allied may have broken into his personal records in a mode of corporate espionage called 'pretexting.' Some unknown party, Einhorn said, illegally gained access to his telephone records and those of other Allied critics. 'The only group of individuals with any motive to access my phone records and the records of four other prominent Allied critics is Allied management,' Einhorn wrote in a Sept. 15 letter to Allied's board of directors." The Post adds, "Allied denied authorizing someone to use pretexting to access Einhorn's phone records. Rather, it continued its long-standing position that Einhorn has malevolent intent, saying he is trying to spread false information in an attempt to drive down the company's stock price. Einhorn is a well-known short seller of Allied, meaning that he's betting that the company's stock will fall. Short sellers borrow shares and sell them in anticipation of buying the shares later at a lower price, hoping to pocket the profit. … The basic plot of this battle begins in May 2002, when Einhorn told a conference in New York that he was shorting Allied's stock because he believed the company had overvalued some of its assets. Allied's stock price plunged, but then recovered when the company denied wrongdoing and continued paying high dividends to shareholders. … Einhorn and others who questioned Allied's accounting for some of its loans did not go away. They were joined in 2004 by the Securities and Exchange Commission and the Justice Department, which opened inquiries that neither will comment on but appear to be ongoing. Allied disclosed in its latest federal filing that the Small Business Administration's Office of the Inspector General has begun its own investigation into Business Loan Express, the same Allied unit that has drawn the attention of just about everyone else. BLX, as it is known, makes loans backed by the SBA to other businesses."

Survey Examines Sources Of US Corporate Law Litigation. In an op-ed in the Wall Street Journal (11/25, A9), Stephen C. Dillard, global chair of the litigation department at Fulbright & Jaworski, writes, "For the past three years our law firm has surveyed U.S. corporate law departments to better understand which kinds of disputes keep general counsels awake at night, and which ones are most likely to lead to all-out litigation. We also ask companies how many lawsuits they face and how much of their overall legal budgets they spend on disputes. … The latest Litigation Trends Survey makes it plain that litigation is now a major feature of the business landscape -- even we were surprised by the volume and scope of legal actions across all major industries and regardless of company size. Consider a few key findings based on reporting by 310 in-house counsel, more than half of whom work for public companies with revenues over $1 billion:" Dillard continues, "Some 89% of companies report being hit with at least one new lawsuit in the past year, compared with only two-thirds in the 2005 survey. Meanwhile, U.S. companies face an average of 305 lawsuits pending world-wide. For companies with sales of $1 billion or more, the average number of cases jumps to 556, with 50 fresh suits emerging each year for nearly half of these firms. While the majority of actions are in U.S. courts, a third of the respondents said that at least 20% of their litigation now originates in foreign venues." Dillard adds, "One byproduct of America's litigation and enforcement culture is the internal investigation. Some 63% of the law departments surveyed said their companies had launched at least one internal probe requiring outside counsel in the past year alone -- more than a quarter of the billion-dollar companies undertook three or more investigations. And our survey was completed before the recent rash of investigations into stock options backdating." Dillard notes, "So what is tops on the corporate lawyer worry-list? Securities-related cases may grab the headlines, but more than half of the in-house counsel cited employment as their top litigation concern. The workplace has become a legal minefield over issues ranging from pay and promotion to harassment and discrimination, and claims of wrongful termination. Disgruntled workers are a fact of life, with aggrieved employees quicker to sue than almost any other group -- and disputes over wages and hours can be brought as class actions in many jurisdictions, creating more waves of litigation."

CRIMINAL LAW:

Court Launches Probe Of "Improper Communications" With WTimes Reporter. The AP (11/25, Marquez) reports from Los Angeles, "A federal court plans to investigate whether government officials

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illegally supplied grand jury information in a U.S. military secrets case to a Washington Times reporter." The AP continues, "Court papers show the investigation seeks to uncover a possible source and content of 'improper communications' with Times reporter William Gertz for a story he wrote in May. … The order, entered Wednesday by a federal judge in Orange County, comes at the request of a defense attorney for Rebecca Laiwah Chiu, one of five family members indicted in an alleged scheme to send sensitive information about Navy warships to China. The request was joined by the other defendants." The AP adds, "The defense argued Gertz received information about a then-pending grand jury indictment of Chiu and the others on additional charges in violation of grand jury secrecy rules. Some of the charges cited in Gertz's May 16 story are contained in an indictment returned last month. … The story was sourced to 'senior Justice Department officials (who) have approved the new charges,' court papers said. … U.S. District Judge Cormac Carney said in court papers the alleged violation 'triggers the duty of the court to investigate further.' … Carney ordered the government to submit a status report by early January on 'the investigation it has undertaken to determine whether any government official had improper communications with Mr. Gertz,' according to court papers. … The government was also told to report measures it's taking to prevent such communications with the public."

DOJ Criticized For Declining To Probe Rep Porter's Fundraising Calls. The Las Vegas Sun (11/25) editorializes, "The Justice Department has declined to pursue an investigation into allegations that Rep. Jon Porter, R-Nev., made fundraising calls from his office, a serious charge. … All a Justice Department spokesman would say is that the FBI referred the investigation to the department and it was 'declined.'" The Sun continues, "Unfortunately, that doesn't give any indication as to whether there's any truth to the allegation. … Former Republican National Committee general counsel Jan Witold Baran told reporter Tony Cook in Wednesday's Las Vegas Sun that the Justice Department 'doesn't devote its limited resources to something that is relatively very minor and that is unlikely to occur again.' … If those are the reasons for dropping the investigation, that's a shame. We don't consider violations of federal law 'minor' - the law carries a penalty of up to three years in prison and a fine of $5,000 - and it shouldn't ever be an issue. Members of Congress know this law well. They are taught to leave federal buildings to make fundraising calls." The Sun concludes, "If he has done nothing wrong, Porter should welcome such action that would clear his name, as the Justice Department probe did not."

Cartoonist Arrested After Siege At Miami Newspaper Ends Peacefully. The AP (11/25) reports from Miami, "A cartoonist carrying a toy gun that looked real surrendered to police at The Miami Herald's building Friday, more than two hours after arriving and demanding to see an editor of the newspaper's Spanish-language sister paper, police said." The AP continues, "Jose Varela, 50, carried a knife and a black plastic toy gun that resembled a real semiautomatic weapon, police said. He was charged with three counts of aggravated assault with a firearm. He was being held on $22,500 bond, jail officials said. … Varela had problems with El Nuevo Herald, where he worked as a contractor, including its position on Cuban emigres, said Police Chief John Timoney." The AP adds, "A police negotiator talked Varela into surrendering peacefully about 2:45 p.m., Timoney said. No injuries were reported."

The Washington Post (11/25, A3, Whoriskey) reports that Varela demanded "to see the editor, with whom he had unspecified grievances over ethics and what he told police were censorship issues" and that he then "set off a tense 3 1/2 -hour standoff at the offices of the Spanish newspaper and the Miami Herald, which share a six-story building on the northern outskirts of downtown. … 'He said, "Just bring me the editor,"' said Gus Perez, director of operations for the newspapers, who confronted Varela on the sixth floor. 'He said, "I have 30 rounds." I said, "I'm really asking you to point that at the floor," and he did.' … Perez said he had been told that Varela was carrying a 'toy gun,' and police corroborated that later, saying it resembled a MAC-11. Authorities added that Varela was also carrying a knife."

The New York Times (11/25, Newman) reports, "The cartoonist, José Varela, 50, was charged with three counts of aggravated assault, the police said. No one was hurt. … Mr. Varela, a Cuban-born freelancer who until February had worked as a staff cartoonist at the paper, El Nuevo Herald, claimed to be upset about biased coverage of Cuban-Americans in both El Nuevo Herald and its sister paper, The Miami Herald, said the Miami police chief, John F. Timoney. … 'One of his demands was he wanted that the truth be told,' he said." The Times adds, "The newspapers, which are owned by the McClatchy Company and published in the

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same building, have been engulfed in Cuban-American politics and intrigue of late. … Last month, The Miami Herald broke the story that some reporters for El Nuevo Herald were also working for and being paid by Radio and TV Martí, the Bush administration's anti-Castro propaganda radio station broadcast to Cuba. Relations between the two papers, often tense, became outright hostile, and the publisher of both papers resigned. … According to The Herald's Web site, Mr. Varela, a Cuban immigrant, demanded the resignations of its executive editor, Tom Fiedler, and El Nuevo Herald's executive editor, Humberto Castelló, accusing him of backing Mr. Fiedler."

FBI Leads Search For Missing Minnesota Boys. The Washington Post/AP (11/25, A2) reports from Red Lake, MN, "Dozens of trained searchers took to the woods, lakes and air Friday to continue searching for two preschool-age brothers, missing for two days in the remote Red Lake Indian Reservation in northern Minnesota." The AP continues, "Tristan Anthony White, 4, and Avery Lee Stately, 2, disappeared Wednesday from a yard in a heavily wooded area in the town of Red Lake. … 'They were just playing outside the last time I seen them, just playing outside,' Alicia White, the boys' mother, told reporters. … She appealed for anyone who knows or has seen anything to come forward." The AP adds, "FBI Special Agent Paul McCabe said authorities are trying to determine whether the boys wandered off or whether foul play was involved. … Family members said they were preparing for the worst because it has been cold and searchers have found nothing since the boys disappeared. Temperatures were expected to drop below freezing overnight, weather forecasters said."

The Minneapolis Star Tribune (11/25, Haga) and Minneapolis Star Tribune (11/26, Collins, Haga) reported on the search over the weekend, noting the FBI reward, and CNN's American Morning (11/24, S. O'Brien) reported, "The FBI and local police and volunteers are combing the area." CNN (Goldberg) added, "Searchers began their work shortly after the children went missing Wednesday morning. … FBI Special Agent Paul McCabe says investigators are talking with neighbors and potential witnesses about the possibility of a crime, like an abduction." McCabe: "There is no evidence at this time that leads us there is foul play. We just want to make sure we are not being narrow minded. And that we're pursuing that angle as well." Goldberg: "More than 100 law enforcement and volunteers from the reservation and surrounding communities are committed to finding the boys." McCabe: "People want to help. … And it is for a good cause. We need to find two young boys that aren't at home." CNN, MSNBC and Fox News similarly reported on the search throughout their weekend news programming.

FBI Assessing Claims For Pennsylvania Cop-Killer Reward. The Buffalo News (11/25, Pignataro) reported, "FBI officials in Washington are reviewing 'several claims' made by individuals who say their help led to Ralph 'Bucky' Phillips' capture Sept. 8 in Akeley, Pa. Determining the merit of claims for the FBI's portion of the Phillips' reward -- $100,000 -- is a 'multitiered, multifaceted process,' said local FBI spokesman Paul Moskal. 'This is the public's money, so the FBI wants to make sure…these claims are meritorious and not frivolous,' Moskal said. … Moskal did say, however, that there doesn't appear to be any one claim that directly led to Phillips' capture." The News noted, "Phillips -- wanted in connection with the shootings of three state troopers, including one who died -- was added to the FBI's 'Ten Most Wanted List' Sept. 7."

FBI Launches Utah Corruption Hotline. The Deseret Morning News (11/25) reported, "The On the day that the indictments of three Davis County School District employees were announced, federal agents also unveiled a special toll-free tip line where the public can report suspected corruption by public officials. 'Currently, there are more than 2,000 public corruption investigations pending' nationwide, FBI Special Agent in Charge Tim Fuhrman said. … Tips can also be reported via the FBI Salt Lake City Field Office Web site."

Meanwhile, the Salt Lake Tribune (11/25, Stricker, Manson) reported, "Davis County parents and administrators face numerous unanswered questions about Wednesday's allegations that a Layton couple stole $4.3 million over five years from Davis County schools that receive federal funding for disadvantaged students -- and possibly much more. … Because the board learned Wednesday of the indictment charging Susan G. Ross, 62, and her husband John Ross, 64, with 47 counts of theft, fraud, copyright infringement and other crimes, members haven't yet met to evaluate what they might be able to do to provide more safeguards against fraud. … The delay in recognizing a problem may be a result of

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misplaced trust in employees who came up with explanations for discrepancies, Fuhrman said."

NYTimes Lauds "Technical Fix" For Drunk Driving. The New York Times (11/25, A14, 1.16M) editorializes, "There aren't many social problems that can be solved with a 'technical fix,' but drunken driving may be one of the most amenable. Technologies that are already in limited use can lock the ignitions of cars whose drivers have high alcohol levels in their breath, thus preventing them from turning their vehicles into lethal unguided weapons."

CIVIL LAW:

SCOTUS To Rule On State Regulation Of National Banks. The Washington Post (11/25, D1, Downey, 690K) reports, "The federal government and the banking industry will square off next week in the Supreme Court against all 50 states and the District of Columbia in a mortgage-lending case that could have broad implications for business regulation. The case, Watters v. Wachovia Bank, focuses on the lending industry. But the broader question it addresses is whether federal regulators can essentially tell state regulators to go away. It's a debate over what is called 'preemption.' … For more than two decades, states have regulated the mortgage-lending practices of state-chartered subsidiaries of national banks. The parent national banks are regulated by a federal agency, the Office of the Comptroller of the Currency. In 2001, the OCC ruled that state regulation was improper, saying that under federal law those lenders should be overseen by the federal government." In 2003, Wachovia Bank "decided that it wanted to be regulated solely by the OCC. It told the states where it runs mortgage lending companies that those firms would no longer register with state officials or abide by local rules."

CIVIL RIGHTS:

FBI To Probe Florida Police Shooting. Central Florida News 13 (11/25) reports, "The FBI will investigate whether authorities used excessive force when they shot a fugitive 68 times after he fatally shot a Polk County sheriff's deputy. The Justice Department made the request to the FBI on Friday, after the Florida Civil Rights Association filed a complaint alleging authorities showed disregard for human life when they shot Angilo Freeland after an all-night manhunt. A total of more than 100 shots were fired at Freeland, with 68 finding their target." News 13 continues, "David Allred, deputy chief of the Justice Department's criminal section, said in a letter to the civil rights group that action will be taken if events occurred that violated federal law. … The FBI would be the sixth agency to investigate the shooting." News 13 adds, "Police say Angilo Freeland shot and killed Deputy Vernon Matthew Williams, a 39-year-old father of three, and his K-9 partner, Diogi, during a routine traffic stop in September. He also shot Deputy Doug Speirs in the leg and tried to shoot two other officers."

The AP (11/25) reports, "The FBI will investigate whether authorities used excessive force when they shot a fugitive 68 times after he fatally shot a Polk County sheriff's deputy, a spokesman for the bureau said." The AP continues, "The Justice Department made the request to the FBI after the Florida Civil Rights Association filed a complaint alleging authorities showed disregard for human life when they shot Angilo Freeland after an all-night manhunt. … 'In cases where the DOJ refers a case to the FBI, we will conduct the appropriate investigation,' FBI spokesman Richard Kolko wrote in an e-mail. 'The results will then be provided back to DOJ for their review and further action if warranted.'" The AP adds, "David Allred, deputy chief of the Justice Department's criminal section, said in a letter to the civil rights group that action will be taken if events occurred that violated federal law. … Allred said the letter was a standard response to civil-rights complaints. … 'We are determined to see an objective review of this matter,' J. Willie David III, president of the civil-rights group, said. 'Shooting anyone 110 times is more than a little extreme. We live in America, and that kind of atrocity cannot be condoned here.' … The FBI would be the sixth agency to investigate the shooting, which is already being reviewed by the Florida Department of Law Enforcement and the Polk State Attorney's Office."

WESH-TV, NBC 2, Orlando, FL (11/25) reports, "The probe comes at the request of the Orlando-based Florida Civil Rights Association. … 'There could have been a possibility that this person could have surrendered without any unnecessary force,' said the group's president J. Willie David."

The Orlando Sentinel (11/24, Mahoney) reported, "The FBI would be the sixth agency to investigate the shooting. Among others, the case also is being reviewed by the Florida Department of Law Enforcement and the State Attorney's Office in Polk, standard procedure in police-involved

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shootings in Polk County. But the possibility that the nation's highest law-enforcement agency may get involved didn't faze Polk County Sheriff Grady Judd, who said Thursday that he was 'completely comfortable' with the scrutiny and that his deputies had nothing to apologize for."

DOJ Asked To Probe Police Shooting Of 92-Year-Old Atlanta Woman. The Atlanta Journal-Constitution (11/25, Montgomery) reports, "An Atlanta civil rights activist is calling for a federal investigation into the fatal shooting by Atlanta police of a 92-year-old woman during a drug raid at the woman's home." The AJC continues, "Police contend they wanted to search Kathryn Johnston's house because an undercover drug purchase had been made there earlier on Tuesday, the day of the shooting. Johnston wounded three officers, emptying a six-shot revolver before being shot to death, police said." The AJC adds, "The Rev. Markell Hutchins, the civil rights activist, said he will deliver a letter to the Justice Department on Monday urging the agency to investigate 'what we believe are at worst, gross violations of this woman's life, and at best, poor judgment on the part of the police officers.' … Hutchins said he talked Friday morning with police Chief Richard Pennington, who was out of town when the shootout occurred. … Police contend they obtained a no-knock search warrant for the Neal Street house after buying drugs Tuesday afternoon from a man inside the home."

The AP (11/25) reports, "A civil rights activist representing the family of an elderly woman killed in a gunfight with police is calling for a federal investigation into her death. … The Rev. Markel Hutchins will go to Washington on Monday to deliver a letter to Attorney General Alberto Gonzales requesting that the Justice Department and FBI review the shootout, Hutchins said in a news release Thursday. … 'This horrific incident has all the signs of an egregious violation of Ms. Johnston's civil and human rights at worst and police officers using poor judgment and unnecessary force at best,' Hutchins said. … Fulton County District Attorney Paul Howard said his office has begun its own investigation but said a preliminary review of the case shows the officers had a legal right to search the home."

California Human Trafficking Law Seen As Difficult To Enforce. The Los Angeles Times (11/25, Therolf) reports, "When Westminster police raided the apartment, they were convinced they were freeing the eight women inside from modern-day slavery. … Police said the women had agreed to come to the United States from villages in Malaysia and Singapore on vague promises of a better life, but instead found themselves forced into prostitution. … Their pimps seized their passports and kept the women locked in a series of bleak apartments, with video cameras monitoring their movements and furniture barricading the doors. On the rare occasions the women were allowed outside, police said, it was with an escort." The Times continues, "Cases like this one prompted California last year to become the first state to enact a federally drafted law cracking down on human trafficking. Despite some well-publicized cases, authorities said existing law did not provide the legal tools to fight the crime, instead forcing them to use other charges, which often carry little or no jail time." The Times adds, "When Gov. Arnold Schwarzenegger signed the bill into law amid much fanfare and with the hope that it would become a national model, he said it would help put an end to 'a horrific crime that our society cannot abide.' … But in the 11 months since the law went into effect, not a single human trafficking case has been prosecuted, according to the law's sponsor, Assemblywoman Sally Lieber (D-Mountain View). Police complain the law makes it too difficult to prove that human trafficking has taken place." The Times notes, "The problem is that seldom is the evidence black and white. Were the workers being kept against their will, or were they enduring their hardships willingly as a step up the economic pecking order? .. .Another problem is persuading people to tell their stories of involuntary servitude. Authorities said victims often fear police because of bad experiences in their homelands and because their captors have told them their families would suffer retaliation if they talked."

The AP (11/25) reports that "authorities say the law makes it too difficult to prove immigrant workers were being held against their will, one of the criteria for classifying victims of human trafficking. Investigators also said victims often are reluctant to testify against their captors for fear of retaliation against family abroad, making it difficult to build a case. … 'We certainly can see that the fear (on the part) of immigrants particularly has been even deeper than we expected,' said San Francisco District Attorney Kamala D. Harris, a co-sponsor of the law. … Some 17,500 immigrants are enslaved in U.S. brothels, farms and factories - with a large share in California, according to rough estimates by the U.S. Justice Department. … Harris maintains the state law will be a valuable tool in cutting down on human trafficking in the

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future. It provides penalties of three to five years in prison for traffickers - four to eight if the victim is a minor. And an increase in California investigations after the law passed has led to tens of thousands in federal grants for local authorities."

Romney Files Suit To Force Vote On Gay Marriage Ban. The New York Times (11/25, A10, Zezima, 1.16M) reports Gov. Mitt Romney "filed a lawsuit Friday asking the state's highest court to order the legislature to vote on a constitutional amendment banning same-sex marriage or to place it on the 2008 ballot if lawmakers do not take up the provision. … More than 170,000 people have signed a petition asking the legislature to amend the state's Constitution to prohibit same-sex marriage." Romney "announced plans to file the lawsuit at a rally of same-sex marriage opponents on Sunday. The next day he sent a letter to the 109 lawmakers who had voted to recess, saying they were 'frustrating the democratic process and subverting the plain meaning of the Constitution' by refusing to vote."

The AP (11/24) reports, "Opponents of the question, including powerful House Speaker Salvatore DiMasi, feared they didn't have the 151 votes needed to kill the measure and instead called for a vote to recess the joint House-Senate session until Jan. 2. Lawmakers approved the recess vote by 109-87."

Catholic Bishops Reaffirm Opposition To Birth Control. The Washington Post (11/25, B9, Townsend, 690K) reports the U.S. Conference of Catholic Bishops approved "a new document from the U.S. church's anti-abortion committee aimed at young Catholics who are engaged or recently married. Called 'Married Love and the Gift of Life,' the document reaffirms the church's stance that artificial contraception is immoral, even between husband and wife. The document passed with 95 percent of bishops voting in its favor and no debate on the floor."

ANTITRUST:

Carlyle Group In Talks To Purchase Taiwanese Chip Maker ASE. The Wall Street Journal (11/25, A7, Sender) reports, "The Carlyle Group is in talks with the management of Advanced Semiconductor Engineering Inc. of Taiwan to make an offer for the publicly listed company in what would be a buyout valued at between $5 and $6 billion." The Journal continues, "A deal of that size would mean Asia is joining the private-equity wave that has hit the U.S. and Europe. ASE, a chip-testing and packaging company, is listed both in Taiwan and on the New York Stock Exchange. … 'A Carlyle-led consortium acknowledges that it has submitted an indication of interest to the Board of Directors regarding a potential acquisition.' Carlyle, a firm that specializes in the buyout of public companies, said in a prepared statement." The Journal adds, "The Carlyle announcement added that the investment firm had signed an agreement with Jason Chang, the chairman of ASE and its largest shareholder, with 18.4% of the outstanding shares, to buy out other shareholders at NT$39 (US$1.19) a share. That price represents a 24% premium above the 30-day average closing price of the stock. … The success of the deal depends on the willingness of shareholders to tender shares. This type of public-to-private offer with the support of management has been a feature of recent deals in the U.S., including those involving Kinder Morgan Inc. and HCA Inc."

The Financial Times (11/25, Hille) reports, "Carlyle and ASE said on Friday that the US private equity group had submitted an indication of interest to ASE regarding a potential acquisition at T$39 a share, and that Jason Chang, ASE's single largest shareholder and chairman, had already agreed to roll his 18.4 per cent stake into a Carlyle-controlled holding company that would own ASE. … Carlyle said the deal could greatly enhance ASE's market position, because other semiconductor firms in the group's portfolio and even those owned by other private equity firms were likely to increase outsourcing volumes."

The Washington Post/BLOOM (11/25, D1, Chan) reports, "Carlyle's proposed purchase would add to recent acquisitions the firm has made in the semiconductor business. In September, it was part of a group that agreed to buy Freescale Semiconductor for $17.6 billion, in the biggest technology buyout ever. Global chip sales could increase 9.4 percent this year, the Semiconductor Industry Association said." The Post adds, "Advanced Semiconductor, which was founded in 1984, packages chips in plastic or ceramic housings and adds connectors so they can be assembled as part of computers, game consoles, cellphones and other electronic instruments. The company employs more than 30,000 people. .. .Advanced Semiconductor confirmed the Carlyle offer and Chang's participation in the bid."

Pork Giant Smithfield Pushing Into Beef, Turkey Industries. The Virginian-Pilot (11/25,

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Mcwilliams) reports that Smithfield Foods Inc. "is the world's largest hog-raiser and pork processor. And it plans to further fatten its pork portfolio. But the company, with sales of $11.4 billion in its fiscal year ended April 30, also is growing aggressively beyond its roots in hogs and ham. … A recent deal gave Smithfield a 49 percent stake in Butterball LLC, the nation's largest turkey producer. And a planned Oklahoma beef plant will make the Smithfield-based company the fourth-largest beef processor in the United States." The V-P continues, "Smithfield, which appears to be testing antitrust limits with growth in its core pig and pork business, is trying to buy or build its way into bigger positions in nearly every type of meat except chicken, which it has avoided so far. … 'This is the most active period in Smithfield's history,' chief executive C. Larry Pope told analysts at a Boston conference in September. 'In virtually every segment of our business today, something very significant is going on.... Smithfield is not just in the pork business.'" The V-P adds, "Smithfield is betting that the vertically integrated model it honed in pork - controlling production from animal-raising to meat-packing - will translate well to beef. … Smithfield has just 6 percent of the U.S. beef-processing market. But the company is dwarfed by the top four players, which together control 83 percent, according to its estimates. … In addition to the Butterball acquisition, Smithfield paid $246 million in cash for the rest of ConAgra's branded meats business, which included Armour and LunchMakers." The V-P notes, "While it expands in beef and turkey, Smithfield is running into opposition as it tries to complete a strategic buy in its core business: the planned $810 million deal for Premium Standard Farms, a Kansas City-based hog raiser and processor. … The proposal, announced in September, sparked protests from farming groups and Midwest politicians who argued that the merger of the nation's top two hog-raisers would give Smithfield too much power over small hog farmers. … The Department of Justice this month asked Smithfield and Premium Standard for more information on the merger - a move that will delay the deal until the companies comply. Such requests occurred in only 3.1 percent of transactions in fiscal 2005, according to a Department of Justice report."

FTC Clears Merger Of Real Estate Firms. The AP (11/25) reports, "CB Richard Ellis Group Inc., the world's largest commercial real estate services company, has been cleared by federal regulators to acquire rival Trammell Crow Co. for nearly $1.8 billion." The AP continues, "Dallas-based Trammell Crow announced Friday that the final regulatory step was completed when the Federal Trade Commission approved early termination of a waiting period required under antitrust law. The deal is expected to close next month." The AP adds, "El Segundo, Calif.-based CB Richard Ellis agreed in October to buy Trammell Crow for about $1.79 billion, or $49.51 a share. … The deal will create a company with about $4.4 billion in annual revenue, more than 10 percent of the commercial real estate market, and let CB Richard Ellis tap Trammell Crow's list of corporate clients. … Trammell Crow shareholders must still approve the deal at a special meeting Dec. 18."

Microsoft Complies With EU Demand For Antitrust Documents. The New York Times (11/24, Meller) reports, "Microsoft submitted a new batch of technical information about its Windows operating system to the European Commission on Thursday, meeting the latest deadline to provide information on whether it is complying with a 2004 antitrust ruling. … 'This is an important milestone,' Microsoft said in a statement. Final edits and technical review of the information already submitted in July have now been completed, it added, insisting that it had not broken the summer deadline." The Times continues, "The commission, which fined Microsoft $357 million in July for failing to comply with the antitrust order, disagrees. Last week, the European competition commissioner, Neelie Kroes, expressed growing impatience with Microsoft when she imposed the latest deadline. She described the dossier submitted in July as incomplete and warned Microsoft that it faced daily fines of 3 million euros ($3.9 million) if it did not hand over all the technical information about Windows that the commission had requested. … Her department welcomed the company's submission. 'Now the dossier from Microsoft is worth testing,' her spokesman, Jonathan Todd, said in a telephone interview on Thursday. 'Potential licensees of the technical information will be invited to Microsoft's headquarters in Redmond to look at it.' … In the meantime, the commission and the trustee chosen by Microsoft to oversee the process of compliance with the 2004 ruling will examine the newly submitted information, Mr. Todd said."

The Los Angeles Times/AP (11/25) reports, "The European Commission, which fined Microsoft 280.5 million euros ($357 million) in July for not providing 'complete and accurate' data to allow server software to interface with

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Windows, said the technical manual could now be reviewed by 'potential licensees' — companies that compete with Microsoft in software for work-group servers, such as Sun Microsystems Inc., Novell Inc. and IBM Corp. … 'In parallel, the monitoring trustee will test the documentation in order to verify its accuracy,' the EC said. 'The commission will decide in due course whether or not Microsoft is in compliance with the obligation to provide complete and accurate technical documentation, taking into account comments from the potential licensees and advice from the trustee.' … EU spokesman Jonathan Todd said this was likely to take 'months rather than weeks.'"

Google Reaches Copyright Settlement With Belgian Photographers, Journalists. Bloomberg (11/25) reports, "Google, the world's most-used Internet search engine, reached a settlement with Belgian photographers and journalists yesterday in a copyright dispute over how Google's news service links to newspaper content." Bloomberg continues, "The agreement was made with the Belgian copyright groups Sofam, representing about 3,700 photographers, and Scam, on behalf of journalists. In September, Google lost a copyright suit initially filed by Copiepresse, a group representing French- and German-language newspapers in Belgium. That case is being reheard, but the company has removed links to 17 papers from its Google News page." Bloomberg adds, "Copyright disputes with Google compelled Microsoft to remove Web site links to Belgian newspapers last month and highlighted the global issue of whether traditional copyright protections apply to Internet search services. … 'We reached an agreement with Sofam and Scam that will help us make extensive use of their content,' Jessica Powell, a spokeswoman for Google, said in a phone interview yesterday. She declined to give details of the agreement or say whether it involved paying the groups for the content, and declined to say whether Google, based in Mountain View, Calif., was considering similar accords with the newspapers."

WSJournal Criticizes FCC's Martin Over Cable Box Regulation. The Wall Street Journal (11/25, A8, 2.04M), in an editorial, writes, "you'd think the Federal Communications Commission would have better things to do than micromanage the market for cable boxes -- a market that mostly doesn't exist anyway. No such luck. Like much of the trouble in telecom these days, this problem goes back to the supposedly de-regulatory 1996 Telecommunications Act. … The cable industry has had run-ins with FCC Chairman Kevin Martin over 'a la carte' pricing and the expansion of obscenity rules to cable channels. This lends the cablecard shakedown a flavor of political payback -- especially coming from what is supposed to be a deregulatory, free-market-oriented FCC. Mr. Martin, who long bemoaned the absence of a Republican majority on the Commission, now has one, but there's still too little evidence of the Commission acting like it."

ENVIRONMENT:

SCOTUS To Hear States' Suit Over Federal Regulation Of Greenhouse Gases. The Wall Street Journal (11/25, A2, Bravin, 2.04M) reports, "Things are bound to heat up at the Supreme Court Wednesday, when justices weigh whether the Clean Air Act requires the Bush administration to do something about global warming. In the late 1990s, the Clinton administration determined that greenhouse gasses…fell under the Environmental Protection Agency's jurisdiction. … Environmental groups asked the EPA to act. But the agency, moving at its glacial pace, didn't respond until 2003, when a different regulatory climate prevailed in Washington. The Bush administration rejected the petition, along with the Clinton EPA's legal opinion. Carbon dioxide and other greenhouse gasses aren't 'air pollutants' as defined by the Clean Air Act and, even if they were, Congress hadn't authorized the EPA to do anything about them, the administration concluded." The Journal notes, "That upset not only ecology groups, but also environmentally conscious states, which argued that federal law required EPA action, particularly since they couldn't individually regulate emissions to a degree that would affect global warming."

The first sentence of the Los Angeles Times (11/25, Savage, 850K) article on the case reads: "The polar icecaps are melting, summers growing hotter and hurricanes becoming more powerful, but the Bush administration has insisted it cannot regulate the gases that many believe are responsible." The Times goes on to report, "a coalition of 12 states, led by California and Massachusetts, will try to persuade the Supreme Court that the nation's environmental regulators have the legal authority and responsibility to control greenhouse gas emissions linked to global warming — which many scientists describe as the biggest environmental threat

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to the planet. … Bush administration lawyers do not discount the importance of global warming, but they argue it is not covered by the Clean Air Act. That measure, they say, targets pollutants, such as ozone, that are dangerous to breathe — not ones that occur in nature and are essentially harmless to breathe, such as carbon dioxide."

Energy Executives Anticipate Emissions Regulations From New Congress. The Washington Post (11/25, A1, Mufson, Eilperin, 690K) reports that "top executives at many of the nation's largest energy companies have accepted the scientific consensus about climate change and see federal regulation to cut greenhouse gas emissions as inevitable. The Democratic takeover of Congress makes it more likely that the federal government will attempt to regulate emissions. The companies have been hiring new lobbyists who they hope can help fashion a national approach that would avert a patchwork of state plans now in the works. They are also working to change some company practices in anticipation of the regulation. 'We have to deal with greenhouse gases,' John Hofmeister, president of Shell Oil Co., said in a recent speech at the National Press Club." Hofmeister "and other top energy company leaders, such as Duke Energy Corp.'s chief executive, James E. Rogers, back a proposal that would cap greenhouse gas emissions and allow firms to trade their quotas. Paul M. Anderson, Duke Energy's chairman and a member of the president's Council of Advisors on Science and Technology, favors a tax on emissions of carbon dioxide, the most prevalent greenhouse gas."

NYTimes Bemoans Construction Of Coal Plants In US, China. The New York Times (11/25, A14, 1.16M) editorializes, "Already, China uses more coal than the United States, the European Union and Japan combined. … What's frightening about this for those worried about the long-term consequences of warming is that nearly all of these plants are being built along traditional lines, burning pulverized coal to make electricity. And what's sad about it is that there's a much cleaner coal-burning technology available. Known as I.G.C.C. — for integrated gasification combined cycle — this cleaner technology coverts coal into a gas before it is burned. … This new technology is not readily available in China, but it is available to utilities in the United States. Which brings us to…an announcement by TXU, a giant Texas energy company, that it intends to build 11 new coal-fired power plants in Texas, plus another dozen or so coal-fired monsters elsewhere in the country. … Is TXU availing itself of the cleaner technology? No. TXU will use the old pulverized coal model."

DOJ Files Motion To Resolve Texas Alcoa Dispute. The Elgin (TX) Courier (11/25) reports, "The Justice Department on the EPA's behalf, filed a motion in US District Court in Austin seeking to resolve issues related to a Consent Decree entered into by Alcoa, the U. S. Government and Citizens groups in 2003, concerning alleged violations in the operation of Alcoa's generating units, reported Jim Hodson, Public Affairs and Environmental Manager of Alcoa." The Courier continues, "TXU is proposing to build a new, 630 megawatt (MW) power plant -- Sandow 5. A ruling is expected within a few weeks which if approved will add TXU to the Consent Decree and keep the project moving forward. … The court is being asked to approve a stipulated order that includes: … A payment of $859,000 to resolve Alcoa's anticipated failure to begin operation of Sandow 5 by the April 25, 2007 deadline. … Alcoa's Sandow Units 1-3 would be shut down by December 31, 2006, roughly 4 months earlier than the original consent decree. … A commitment by Alcoa and TXU to begin operation of Sandow 5 with full emission controls by August 31, 2009. … A commitment by Alcoa and TXU to strive for a Sandow 5 emission rate for nitrogen oxides 20 percent lower than the rate currently provided for in the consent decree. … TXU would be added as a party to the Consent Decree … And a commitment by TXU to install selective catalytic reduction system to substantially reduce nitrogen oxide emissions from Sandow Unit 4." The Courier adds, "The motion filed by the government is the outcome of prolonged negotiations but is a workable compromise and Alcoa and TXU are hopeful that the court will approve it. The project has been well supported by the local community."

Groups Decry Remarks By Attorney In Duke Power Case. The AP (11/25, Yost) reports, "A prominent member of the Supreme Court bar, the small circle of lawyers who regularly appear before the justices, infuriated environmental groups by presenting an argument the groups say is demonstrably incorrect." The AP continues, "The claim a month ago by Washington attorney Carter Phillips that the federal government had changed course in regulating emissions from coal-fired power plants is simply not true and a paper trail of the industry's own documents proves it, the groups say. … The case, Environmental Defense v. Duke Energy Corp., could determine the fate of an Environmental

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Protection Agency initiative targeting some of the biggest utilities in the nation. Phillips, representing Duke, is managing partner at the Washington office of the law firm Sidley Austin and has argued more than 50 cases at the Supreme Court. … 'These companies are bent on getting away with 20 years of illegal pollution by trying to deceive the Supreme Court,' said Natural Resources Defense Council clean air director John Walke, who is a former EPA attorney." The AP adds, "Utility industry attorney Scott Segal jumped to Phillips' defense, saying that 'for these environmental groups to go after one of the best lawyers in the country is a travesty. Phillips leads a legal dream team with a spotless record.' Segal, a partner at the law firm Bracewell & Giuliani, was responding to a list of questions a reporter sent to Phillips' office at Sidley Austin. With the case pending before the Supreme Court, Phillips did not respond." The AP notes, "The government enforcement action against Duke is one of more than a dozen brought by the Clinton administration in 1999 and 2000. … It is aimed at forcing power companies to install the latest pollution-control equipment on aging coal-fired plants which were renovated so they could be operated longer hours."

FBI/DEA/ATF/USMS:

Wyoming Man Convicted Of Drug, Weapons Charges. The Casper (WY) Tribune (11/23, Morton) reports, "A Casper man who led police on a door-to-door search in a Sunrise subdivision in January was found guilty on multiple drug and weapons charges in federal court in Cheyenne on Wednesday." The Tribune continues, "Armour Lyle Jolley, 32, faces at least 135 years and not more than 180 years of federal imprisonment, according to the second of two indictments filed this year. … He also could be punished with a fine up to $9,250,000, according to the second indictment." The Tribune adds, "The eight-day, 12-member jury trial began on Nov. 13 before U.S. District Court Judge Clarence Brimmer. … On the first day of the trial, Jolley pleaded guilty to the indictment filed Jan. 24 with the single count of being a felon in possession of a firearm, Justice Department spokesman John Powell said. … The conviction on Wednesday was on all 14 counts of the second indictment filed on July 19:"

IMMIGRATION:

Arizona Rancher Beset By Illegal Immigrants Fined For Accosting Trespassers. The Washington Times (11/25, Seper, 88K) reports, "An Arizona rancher who has waged a five-year campaign to stop a flood of illegal aliens from crossing his property has been ordered by a civil jury to pay nearly $100,000 for a 2004 incident during which he confronted a family hunting on his land. Roger Barnett, 62, who began rounding up illegal aliens after he said they destroyed his property, killed calves and broke into his home, was ordered to pay Ronald Morales, his father, his two young daughters and their friend on claims of negligence, false imprisonment and emotional distress. … The Morales family had sought $210,000 damages in a lawsuit sponsored by two civil rights groups, the Border Action Network and the Southern Poverty Law Center, which accused Mr. Barnett of vigilantism and abusing the illegal aliens he detained."

CONGRESS-ADMINISTRATION:

Independent Office Debate Tests Democrats' Commitment To Ethics Reform. The Wall Street Journal (11/25, A7, Cummings, 2.04M) reports, "Democrats are promising big changes in lobbying rules to combat congressional corruption. But they're divided over whether to create an outside investigative office to review ethics complaints or leave enforcement to members. … Opponents say such an office would encroach on Congress's responsibility to police itself and could create an unnecessary and expensive bureaucracy. Many senators have resisted changing oversight rules since most congressional scandals this year involved House members." Sen. Joseph Lieberman is quoted as saying, "This is an area where there is an opportunity to make the rhetoric of self-reform of Congress real by having the guts to set up an independent office." Lieberman and Sen. Susan Collins "co-sponsored a measure earlier this year…establishing an independent Office of Public Integrity that would vet Senate ethics complaints and conduct investigations of those it deemed serious. Under the proposal, the ethics committee would oversee the integrity office and could end a probe with a majority vote. The committee also would decide whether to impose penalties on a member. It was defeated in a bipartisan landslide, 70-30.

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Among those opposing the office was incoming Democratic Senate Majority Leader Harry Reid."

Hoyer's Contributions From Lobbyists Draw Scrutiny. The Washington Times (11/25, Pfeiffer, 88K) reports, "House Democrats put lobbying reform near the top of their agenda, but their incoming majority leader was one of the biggest recipients of special-interest money. A new report states that Rep. Steny H. Hoyer, Maryland Democrat, was the 'most dependent' on special-interest funding and received the fifth-highest total in lobbying contributions among members of Congress. According to public financing records, Mr. Hoyer has received $609,836 from lobbyists, $2.46 million from out-of-state donors and $5.67 million in political action committee contributions since 2000." Craig Holman, legislative director of Public Citizen -- which put out the report -- said, "Much of the reason he's at the top of the list is because he's in leadership. … It does not necessarily mean he'll be reluctant to support lobbying reform."

Pelosi's Ties To Miller Worry Some Centrist Democrats. The New York Times (11/25, A12, Zernike, 1.16M) reports Reps Nancy Pelosi and George Miller "have become so close that, as colleagues say, they finish each others' sentences. So it was not surprising that, when Mrs. Pelosi faced the first test of her role as speaker-elect of the House of Representatives, Mr. Miller was in the background, pushing her to back Representative John P. Murtha of Pennsylvania to replace her as Democratic leader. … Miller's role raised fears that after carefully nudging her party to the center, which many say helped the Democrats retake the majority, Mrs. Pelosi would let her liberal allies have too much influence. In the concerns of some Democrats — and the I-told-you-so's of some Republicans — Mr. Miller represents Mrs. Pelosi's true liberal soul, and his pushing for Mr. Murtha a sign that the far left would dominate and destabilize the Democrats." However, according to the Times, "those who know them both say that he, and his influence, have been wrongly judged."

Pelosi Seen As Potentially Undermining Democrats' Momentum. In his New York Times (11/25, A15, 1.16M) guest column, Thomas Edsall writes, "For the Democratic Party to revive, major tenets of American liberalism, economic and sociocultural, will have to be discarded. The party…can trudge along as No. 2, or it can undergo a painful transformation — without guarantee of success. … Very liberal senior House Democrats now have vastly enhanced power to add inflammatory provisions to bills moving through their committees (think Rangel and the draft). Nancy Pelosi and her closest advisers in the House are more likely to support such radioactive amendments than to serve as guard dogs protecting a slender Democratic majority. The first test of Pelosi's ability to distinguish between broad-based and special interests will be when she decides whether to appoint Alcee Hastings, the once-impeached federal judge, to head the House Intelligence Committee."

Three Texas Universities Vie For Bush Library. The Wall Street Journal (11/25, Levine, 2.04M), in a front-page story, reports, "The biggest college rivalry in Texas these days isn't only over football. It is the battle to score President Bush's presidential library. Southern Methodist University, the University of Dallas and Baylor University are the three finalists to house Mr. Bush's presidential library. In efforts to snag the prize, they have bought up hundreds of acres of land, awarded honorary degrees to Bush family members, and even named a highway after the president. A decision by the George W. Bush Presidential Library Site Selection Committee is expected in December or January." According to the Journal, SMU "is the betting favorite. It is Laura Bush's alma mater, she serves on its board of trustees, and the Bushes' church, United Methodist Church, is next to the college. But the University of Dallas and Baylor have fought back with lavish proposals that pay homage to themes of the Bush presidency."

Gates Advocated Bombing Nicaragua In 1984, Say Documents. The Los Angeles Times (11/25, Barnes, 850K) reports that Secretary-designate Gates "advocated a bombing campaign against Nicaragua in 1984 in order to 'bring down' the leftist government, according to a declassified memo released by a nonprofit research group. The memo from Gates to his then-boss, CIA Director William J. Casey, was among a selection of declassified documents from the 1980s Iran-Contra scandal posted Friday on the website of the National Security Archive, http://www.gwu.edu/nsarchiv/ ." Gates prescribed "that the United States withdraw diplomatic recognition of the Sandinista government, provide overt assistance to a government in exile, impose economic sanctions or a quarantine, and use airstrikes to destroy Nicaragua's 'military buildup.'" Archive director Thomas Blanton said, "It sounds like Donald Rumsfeld. It shows the same kind of arrogance

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and hubris that got us into Iraq"; however, he also commented that Gates "seems to have changed after his nomination for CIA director was withdrawn in 1987."

The AP (11/24) reports that Gates's "proposals were never adopted but the administration attempted to circumvent the Contra aid ban by secretly funneling money to the rebels that had been obtained through arms sales to Iran. Democrat says they will question Gates during his Senate confirmation about his knowledge of the Iran-Contra scandal." Another AP (11/24, Yost) article reports the 20th anniversary of Iran-Contra, which "temporarily damaged" Gates's career prospects. About six sites have carried the story so far.

Sowell Defends Rumsfeld, Other Public Servants. In his syndicated column, appearing in the Washington Times (11/25, 88K), Thomas Sowell writes, "Whatever history's verdict on the Iraq war and on Mr. Rumsfeld, both deserved to be discussed and debated far more seriously and responsibly than the all-too-common media sound bites, political spin and venomous cheap shots. Whether Donald Rumsfeld's policies were mistaken or not, that is no reason to accept superficial and even gutter-level discourse on momentous national issues. ... This country needs to be able to draw on its best people from every walk of life and from every part of the political spectrum. But the nation will not get them if going to Washington means seeing the honorable reputation of a lifetime dragged through the mud just because someone disagrees on a political issue."

GAO Calls DOD Business Practices Risky. UPI (11/24) reports, "The GAO has identified 26 federal programs or activities that are at risk for waste, fraud and abuse because of lax oversight. Eight of them are in the Defense Department and six are programs for which the DOD bears some responsibility. ... The high-risk areas include DOD's overall management approach to business transformation, business systems modernization, financial management, the personnel security clearance process, supply chain management, support infrastructure management, weapon systems acquisition, and contract management."

Polls Rate Approval Of All 100 Senators. SurveyUSA (11/24) has released its latest polling data on approval ratings of all 100 US senators, based on mid-November polls of 600 adults in each of their states. The 10 highest-rated senators are Olympia Snowe (79% approval, 18% disapproval), Kent Conrad (77%/20%), Byron Dorgan (75%/21%), Susan Collins (73%/23%), Hillary Clinton (74%/24%), Max Baucus (72%/23%), Barack Obama (71%/22%), Patrick Leahy (71%/25%), Jeff Bingaman (69%/25), and Tim Johnson (70%/26%). The 10 lowest-rated senators are Mike DeWine (34%/60%), Jim Talent (37%/60%), Rick Santorum (37%/58%), Conrad Burns (41%/56%), Frank Lautenberg (39%/45%), Mel Martinez (43%/46%), Jim Bunning (44%/47%), Jon Kyl (46%/48%), John Kerry (48%/50%), and Mark Dayton (44%/45%). Of the 10 at the bottom, four (Burns, DeWine, Santorum, Talent) were defeated this month, one (Kyl) was re-elected, and one (Dayton) is retiring.

Veterans Hampered By Lost Documents In Quest For Benefits. The Los Angeles Times (11/25, Lade, 850K) reports, "Almost a million veterans a year ask federal officials about retrieving lost military documents, papers they need to apply for valuable veterans benefits like housing loans and low-cost healthcare. The process now can be expedited by applying online. But some veterans and their families still find it cumbersome and confusing." The Times advises veterans "to fill out the Standard Form SF-180."

Mars Global Surveyor Falls Silent. The CBS Evening News (11/24, story 6, ,0:30, Mitchell, 7.66M) reported, "There may be no tomorrow for the Mars Global Surveyor, the spacecraft that's been mapping the red planet for NASA. For 10 years it sent images of Mars back to earth, but its signal fell silent three weeks ago. NASA tried several times to get it to respond but to no avail."

LATimes Sees New Coins As Substitute For Dollar Bill. The Los Angeles Times (11/25, 850K) editorializes, "there's no better way to replace the outdated dollar bill than with the commemorative $1 coins introduced this week. … Actually, we can't conceive of any situation in which a dollar bill makes more sense than a dollar coin, once vending machines are retrofitted to accept the new money. But overcoming Americans' sentimental attachment to the dollar bill may require a stealth strategy of flooding the country with attractive coins that look like real money."

Expatriate Who Moved To Canada After 2004 Election Blasts Bush. In an op-ed for the Los Angeles Times (11/25, 850K) David Drucker, an information architect in Vancouver, writes about moving to Canada after President

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Bush's reelection. Drucker notes, "We've come to the conclusion that the United States has drifted so far to the right that any self-respecting Canadian Conservative would be considered a raving liberal in Washington. Stephen Harper is no George W. Bush. We may not agree with him, but we don't feel ashamed every time he opens his mouth. … So we're staying in Canada."

OTHER NEWS:

Shoppers Turn Out As Anxious Retailers Open Holiday Buying Season. With the day after Thanksgiving marking the traditional start of the holiday shopping season, many newspapers report on the impact of the "Black Friday" shopping day. On its front page, the Wall Street Journal (11/25, A1, Whitehouse, Aeppel, 2.04M) pessimistically writes that "the latest readings on the U.S. economy suggest a less-than-festive picture as this holiday shopping season begins: Unless consumers turn in a stellar performance at the mall, the recent sluggish growth could last through year's end." And while "many retailers reported stronger-than-expected turnout" yesterday, "some economists and analysts worry that it is only deep discounts that are drawing shoppers out, not underlying strength." In a related story, the Wall Street Journal (11/25, A4, O'Connell, Kang, Zimmerman, 2.04M) quotes analyst Michael Niemira saying, "When the dust settles, we'll say, 'Hey, gee, what a good Black Friday.' But the big question is, how much momentum is there?"

The CBS Evening News (11/24, story 4, 2:28, Mitchell, 7.66M) reported, "The holiday shopping season got off to a bang and a kick and a punch as well. Here's one reason why: 137 million people are expected to elbow their way into a mall between now and Sunday." CBS (Alfonsi): "This year analysts say shoppers will each spend about $790 on gifts, compared to about $740 last year. And that would increase holiday sales to about $457 billion, more than $23 billion of it spent this weekend alone." NBC Nightly News (11/24, story 3, 3:00, Wells, 9.87M) reported, "Retailers expect two million more shoppers to hit stores this weekend compared to a year ago, and stores are opening longer, offering generous discounts. Some even through opening their doors at midnight -- not to beat the rush, but to start it."

The Financial Times (11/25, Birchall) said shoppers "launched their frantic traditional post-Thanksgiving Day assault on stores and malls across the country, amid predictions of a solid but not spectacular holiday season for the retail sector." The Chicago Tribune (11/25, Jones, 617K) says the National Retail Federation "predicts a 5 percent gain in holiday sales this year, less than the 6 percent of a year ago but on par with the 4.8 percent average annual increase of the past decade." The Dallas Morning News (11/25, Halkias, 500K) quotes retail expert Edward Fox saying, "Retailers are trying to get people to buy early. The point is to get the shopper early in the cycle." The AP (11/24, D'Innocenzio) also has a report.

The Washington Post (11/25, Mui, 690K) and Washington Times (11/25, Haberkorn, 88K) have front-page features on shopper turnout in the D.C. area, while the New York Times (11/25, Barbaro, 1.16M) has a front-page story on how sometimes the frenzy turns into physical violence between shoppers. Meanwhile, the Wall Street Journal (11/25, B1, Vascellaro, 2.04M) looks past "Black Friday" to "Cyber Monday," when "the online-shopping frenzy can begin in earnest." Nearly 115 million Americans are expected to do some holiday shopping online this year, "up 6% from a year ago."

Stocks Take Slight Dip As Dollar Falls Sharply. The Wall Street Journal (11/25, B1, Civils, 2.04M) reports, "As shoppers hit stores in the post-Thanksgiving tradition, the stock market was rattled by a decline in the U.S. dollar, spurred in part by uncertainty about the economy's health." The Dow Jones Industrial Average closed down 46.78 points Friday at 12280.17, while the Nasdaq dropped 5.72 points to 2460.26 and the S&P 500 fell 5.14 to 1400.95.

The Wall Street Journal (11/25, A4, Slater, Walker, 2.04M) says the dollar "fell sharply, breaking out of a recent tight trading range and hitting a 20-month low against the euro." The New York Times (11/25, C1, Peters, Dougherty, 1.16M) says the European currency "traded at $1.3079 yesterday afternoon, up from $1.2941 on Thursday. The pound was trading at $1.9317, up from $1.9156." The Financial Times (11/25, Dennis, Giles, Atkins) also says the "sharpening slide in the US dollar unnerved global markets."

Subprime Borrowers Hurt By Housing Slump. The Wall Street Journal (11/25, A2, Hagerty) reports, "While economists debate whether the U.S. housing slump is almost over or just getting started, one corner of the market is showing rapid deterioration: Many recent subprime borrowers are falling behind on their payments." The Journal

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continues, "The latest snapshot of the housing market will come Tuesday, when the National Association of Realtors is due to report on October sales of previously occupied homes. Thomas Lawler, a housing economist in Vienna, Va., believes the Realtors will report a decline in median prices of as much as 5% from a year before. On Wednesday, the government will issue its monthly report on new-home sales." The Journal adds, "So far, the economy has weathered the housing downturn with few problems. Rising incomes and stock prices, low interest rates and falling energy costs have helped consumers cope with the psychological blow of declining home prices in many parts of the country. The more bullish analysts believe house prices will start rising again before the end of 2007. … Even if the housing downturn is brief, though, the pain will linger for people who borrowed too heavily to buy homes near the top of the market. … The weak housing market makes life tougher for subprime borrowers. If they run into financial trouble, it's no longer so easy to sell their homes for enough money to repay the loan, meaning more face foreclosure."

New Yorkers Missing More Mortgage Payments. The New York Times (11/25, Haughney) reports, "In the third quarter of this year, the number of city residents who had missed more than three months of mortgage payments jumped by 20 percent compared with the same quarter a year ago. Still, New Yorkers often have more time to try to hold onto their homes than homeowners in the rest of the country." The Times continues, "Data collected by PropertyShark .com, a real estate data company based in Brooklyn, shows that 1,468 city homeowners missed mortgage payments from July to September, compared with 1,220 in the comparable period last year. That puts them in what is commonly known as preforeclosure, when banks typically warn people that they are at risk of foreclosure so the homeowner will take steps to catch up on the payments. But while more homeowners are in the danger zone, more have also been able to avoid foreclosure. In New York City, lenders foreclosed on 425 homes in the third quarter of 2006, compared with 545 in the year-ago period. (The city has 3,018,000 homeowners.)" The Times adds, "State laws give New Yorkers an advantage over homeowners elsewhere. According to PropertyShark's chief executive, Ryan Slack, New York courts typically consider the buyer of the property to be the owner, while California treats the bank that holds that mortgage as the owner. … Banks in California can foreclose on a property and take it back in roughly seven months, but banks in New York have to go through a legal battle that can take more than two years. … That means that New Yorkers have more time to find ways to hold onto their homes."

Ontario Pension Plan To Purchase Ports In US, Canada. The New York Times/AP (11/25, Press) reports, "The Ontario Teachers' Pension Plan agreed to buy two marine container terminals in the New York area and two in British Columbia from Orient Overseas (International) for $2.4 billion." The AP continues, "The Ontario Teachers' Pension Plan, one of Canada's largest institutional investors, said the deal with Orient Overseas, based in Hong Kong, is still subject to Canadian and United States regulatory approvals." The AP adds, "The terminals involved are the New York Container Terminal on Staten Island and Global Terminal and Container Systems at Bayonne, N.J. The deal also includes TSI Terminal Systems' Deltaport and Vanterm facilities on Canada's Pacific coast. … Once the deal is completed, the terminals will nearly double the value of the plan's infrastructure and timber portfolio to $6.5 billion — about 8 percent of the plan's total assets."

Pundits Discuss Early Line On 2008 Presidential Race. On MSNBC's Hardball (11/24), Norah O'Donnell hosted a discussion on the 2008 presidential race. CQ's Craig Crawford and Newsweek's Richard Wolffe agreed that Rudy Giuliani, Sen. John McCain, and Gov. Mitt Romney are the three leading Republican candidates. Wolffe said what "really sets" Romney "apart here is his organization, the way he's got a structure moving, financing in the key states, Michigan, New Hampshire, Iowa, South Carolina, he's already up and running." But Larry Sabato of the University of Virginia cautioned that for Romney, "the Mormonism question is a serious one." On the Democratic side, Sabato put Sen. Hillary Clinton, John Edwards, and Sen. Barack Obama at the top of the list, "and maybe as a dark horse with real potential" Sen. Evan Bayh. Wolffe said Obama "is a game changer for both parties." He "not only makes Hillary look like a very different kind of candidate, he really makes John McCain look like a very different kind of candidate. Because of that skipping a generation, you'll be moving not just from the pre-boomer generation, which is John McCain, past the boomers, the Clinton folks and the Bushes, and into a whole new realm."

Elizabeth Edwards Offers Commentary On CBS. Edwards' wife Elizabeth was the featured commentator on the

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CBS Evening News (11/24, story 10, 1:50, Mitchell, 7.66M) "Free Speech" segment, where she said, "As a country Americans have gotten used to treating those in service positions as if they were part of the cash register, part of the conveyor belt. They aren't. They are mothers, fathers, daughters and sons working hard to provide for their families. And they're working harder and earning less than most Americans who work behind a desk. Everyone in America who works hard deserves our respect."

Strickland Says Democrats Must "Produce" To Win In 2008. On CNN's The Situation Room (11/24, King), Ohio Gov.-elect Ted Strickland was asked what is his "message to the national Democratic Party." Strickland said, "My message is this: focus on the important issues, the issues of education, the issues of health care, the issues of economic growth, and living-wage job creation. If the Democrats, and if I do that here at the state level, we will be successful in '08 in electing a Democrat to the presidency. But we have an obligation to produce. The people have given us this opportunity. And now the burden, as I said, is upon our shoulders. And we have got to work honestly and ethically."

House Race Again Places Florida At Center Of Election Firestorm. NBC Nightly News (11/24, story 5, 2:40, Williams, 9.87M) ran an "In Depth" report on electronic voting machines, focused on the FL13 race where "with 238,000 votes cast," Republican Vern Buchanan "beat his Democratic opponent by fewer than 400 votes." But Christine Jennings "isn't conceding. In one county, thousands of voters, enough to tilt the difference, appeared to cast no vote at all and many are now blaming new electronic voting machines. As often happens in Florida elections, this one has gone to court."

Ex-KGB Spy Was Poisoned By Rare Radioactive Substance. The CBS Evening News (11/24, story 7, 2:00, Mitchell, 7.66M) reported, "The mystery is deepening over the death in London of a former KGB spy who was an outspoken critic of Russian President Putin. British officials said he was poisoned by an extremely rare radioactive substance and they pressed their hunt for the killer." NBC Nightly News (11/24, story 4, 2:10, Williams, 9.87M) reported Alexander Litvinenko "was killed by a rare and deadly radioactive poison." Litvinenko "left behind a death-bed statement leaving no doubt who he thought had killed him." NBC (Friesen): "As he lay dying, Alexander Litvinenko, a once imposing Russian spy and outspoken Kremlin critic, dictated a final statement to his friend, blaming one man for his plight -- Russian President Vladimir Putin."

Major newspapers and wire services report at length on Litvinenko's death. The Wall Street Journal (11/25, Cullison, 2.04M) notes his death, "coming weeks after the killing of a well-known independent journalist in Moscow and the harassment of opposition politicians, is fueling fears that opponents of Russian President Vladimir Putin could face even more pressure before a transfer of presidential power in 2008." Putin "denied the Kremlin played a role in" Litvinenko's death, "which Mr. Putin called tragic. But at the same time, he accused his critics of a 'political provocation.'" The poisoning "comes amid a deepening chill in relations with the West -- which has been uneasy with the Kremlin's steady tightening of control over Russian society -- and irritated by Moscow's foreign-policy moves."

In over 1,600 words, the New York Times (11/25, Cowell, 1.16M) says the use of polonium-210 to kill Litvinenko is "further complicating a case that has taken on all the mystery and menace of a political thriller." Noting that "alarm spread across London after the police found traces of radiation in three places the former spy had been," the Times says "scientists were astounded at the use of the rare and hard-to-produce substance." The "cause" of Litvinenko's death "was so unusual, so baffling and so chilling that a senior British official called it 'unprecedented.' The government called a high-level meeting restricted to the most senior ministers — codenamed Cobra — and the Russian ambassador was summoned to the Foreign Office. Rebutting the accusations of foul play, Russian officials hinted at a devious conspiracy to discredit President Putin."

On its front page, the Washington Post (11/25, A1, Jordan, Finn, 690K) reports, "Coming after the mysterious poisoning of another prominent opponent of the Kremlin, Ukrainian politician Viktor Yushchenko, the death provoked accusations that Russia continues to use Cold War-style tactics to eliminate critics abroad." Litvinenko's "death complicated a summit in Helsinki between Putin and European Union leaders. Speaking there, the Russian president called Litvinenko's death a tragedy, expressing his condolences and pledging his country's cooperation in the investigation." The Financial Times (11/25, Burns, Fidler, Studemann) says Putin was "forced into a public denial of responsibility for the death," as "Kremlin officials vigorously

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denied official Russian involvement." A 1,657-word AP (11/25, Lawless) piece adds, "In a dramatic statement written before he died, [Litvinenko] called [Putin] 'barbaric and ruthless' and blamed him personally for the poisoning." He "accused Putin of having 'no respect for life, liberty or any civilized value.'" Putin "strongly denied involvement by his government."

The Los Angeles Times (11/25, Rotella, Stobart, 850K) reports, "Scotland Yard's elite counter-terrorism unit is leading the investigation. … A British official knowledgeable about the case, who asked not to be identified, said police conducted in-depth interviews of the hospitalized Litvinenko, four or five sessions lasting about four hours each. In addition, they are reconstructing his movements through interviews of witnesses and analysis of footage from London's widespread surveillance camera network, Deputy Assistant Commissioner Peter Clarke, head of the Counter Terrorism Command, said in a statement."

Russia Proceeding With Sale Of Missiles To Iran. The CBS Evening News (11/24, story 8, 0:16, Mitchell, 7.66M) reported, "Russia announced today it has begun delivering sophisticated missiles to Iran despite US opposition. Iran reportedly brought 29 of the air defense systems for $700 million. The US has called for a ban on arms sales to Iran over its nuclear program." The AP (11/25, Ingram) says Moscow "has begun delivery of Tor-M1 air defense missile systems to Iran, confirming that Moscow would proceed with arms deals with Tehran in spite of Western criticism."

Lebanese Two-Day Strike Aimed At Calming Rising Tensions. The AP (11/24, Ghattas) reports Lebanon's political crisis "worsened Friday with government ministers fearing for their lives after the murder of one of their own, businesses on strike and Hezbollah renewing threats of protests." Beirut has been "tense" this week, after Pierre Gemayel's assassination "added to Lebanon's political uncertainty" and "reignited anger at Syria." In addition, the Cabinet will meet to today "to give its final approval to a U.N.-created international court to try suspects in the February 2005 killing of former prime minister Rafik Hariri." The AP adds, "Fearing a meltdown, business leaders called a two-day strike starting Friday to urge the rival leaders to 'take national decisions ... engage in dialogue and stop making threats of street protests.' … Efforts to break the deadlock — and even the outpouring of grief over the slaying of the young Christian politician — have failed to soften the entrenched positions."

Under the headline, "Lebanon's Ominous Sense Of Déjà vu," the Los Angeles Times (11/25, Stack, 850K) says of the post-funeral situation, "A cycle of violence, with uncomfortable echoes of Lebanon's past, was getting underway." The Times adds, "Brawls and vandalism with sectarian overtones have erupted in the Lebanese capital in recent days, especially where rival sects or political parties live side by side. Gangs roamed the streets, looking for a place to vent their rage." Even minor incidents "reveal a precarious mood. This is just the sort of low-level violence that has sparked clashes and fueled Lebanon's internal religious fighting for generations. A political rift has grown steadily more serious."

BBC.com (11/25) carries analysis by US Ambassador to the UN John Bolton that Gemayel's murder "may be the first shot in a coup against the government." He further claimed that "recent probes into political killings in Lebanon suggested Syrian involvement," and "he told the BBC that if Syria was deemed to have been involved, the implications were serious." Bolton further "said he did not want to pre-judge any investigation into Mr Gemayel's death," and "said that Washington would have to take such things into account when deciding whether to deal with Syria. He said the Americans talked to the Syrians all the time - the issue was whether Syria was going to listen."

Iran Said To Smuggle Arms Into Lebanon Through Syria. On its website, Time (11/24, Shannon, 4.03M) carries Saudi and Israeli intelligence reports that Iran "is smuggling weapons through Syria to re-arm Lebanese allies Hizballah, despite renewed efforts by United Nations peacekeepers and the Lebanese army to seal off the mountain borders with Syria." Israeli officials "say that Hizballah replenished nearly half of its pre-war stockpiles of short-range missiles and small arms. But western diplomats in Beirut say these calculations under-estimate the weapons flow and that Hizballah has now filled its war chest with over 20,000 short-range missiles -- a similar amount to what they had at the start of the [Israel-Hezbollah conflict], during which the group is believed to have fired over 3,000 rockets at Israel." A Saudi source is cited claiming "Iranian Revolutionary Guard officers have been operating out of a military base on the outskirts of Damascus. The Iranian government has dispatched shipments of small arms and what appear to be missile components to this

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military base," which are then "shipped by truck across the border into Lebanon." Time adds, "Iran's apparent efforts to destabilize Lebanon and to expand Shi'ite influence in Iraq and throughout the region are of major concern to the Saudi government, a leading power in the Sunni Muslim world that presumably would like to see the U.S. take a more active stance in Lebanon against its regional rivals."

Israel Rejects Haniyeh's Cease Fire Offer. The New York Times (11/25, Erlanger, 1.16M) reports, "After another surge of violence in and around the Gaza Strip over the past month, Israel and the Palestinians moved gingerly on Friday toward reinstating an often-broken cease-fire between them." Palestinian Prime Minister Ismail Haniyeh "confirmed that the Palestinian factions … would halt their rocket fire if Israel halted its military operations in both the West Bank and Gaza. Israel called the offer a media presentation, but said it was open to a more serious, formal proposal." Secretary Rice "is expected to make an unannounced visit here to see" Israeli Prime Minister Ehud Olmert and President Mahmoud Abbas. "The United States is eager to break the bloody stalemate and at least have Mr. Olmert and Mr. Abbas talking again." In negative tones, the AP (11/24, El Deeb) adds Haniyeh "said Friday that militants were prepared to stop firing rockets at Israel if it would halt all military action in Palestinian territories. Israel rejected the offer, saying it would respond positively only to a total truce."

Ahead Of Turkey Trip, Pope Called "Pessimistic" About Christian-Muslim Divide. In a 2,300-word story on its front page today under the headline, "A Tumultuous World Tests A Rigid Pope, "the Wall Street Journal (11/25, Kahn, Meichtry, 2.04M) reports, "Nineteen months after being selected pope, Benedict is transforming the Vatican with a different style and a different stance. Beneath his blunt words and rigid style lies a profound divergence from John Paul's buoyant optimism. Pope Benedict believes that the Roman Catholic Church must stand apart from the world of today rather than embrace it." While John Paul II "was the master of the grand overture," Benedict believes "the modern age is defined by growing secularism in the West and the rise of religious fanaticism most everywhere else. In order to fulfill its mission, he believes, the Church needs to shun both forces." Benedict's "emphasis on tradition risks alienating a broad cross-section of Catholics who argue the Church needs to become more accessible to maintain its increasingly diverse flock." His "public call to arms fires the imaginations of many of the cardinals who elected him pope. They share Benedict's view of a Church that is under siege, and they want a leader who is ready to confront the dual challenges of secularism and Islam, even if such confrontation brings danger." The Journal says "Benedict's approach faces the biggest test of his young pontificate as he travels to Turkey this coming week, his first papal trip to a Muslim nation."

The Los Angeles Times (11/25, Wilkinson, 850K) notes, "When Pope Benedict XVI travels to Turkey next week, he will be making his first trip to a predominantly Muslim country at a moment of diplomatic fragility. He also will be traversing some of the most ancient and revered milestones of Christianity, in a land where Christianity is disappearing and where non-Muslim minorities complain of systemic discrimination, harassment and violence against them." Benedict has "a complex agenda" – his "main purpose is to meet with the Istanbul-based spiritual leader of the world's 250 million Eastern Orthodox Christians in a show of ecumenical solidarity. But he must also use the visit to attempt to repair the damage from comments he has made that cast Islam in a negative light." Benedict's "controversial presence in Turkey represents a balancing act for the government of Prime Minister Recep Tayyip Erdogan, which regards itself a vital bridge between the West and East, a way for Westerners to deal with a modern and democratic Islam. But it also cannot appear too cozy with a pontiff who, in the view of many, is not fond of Muslims or Turks."

Sunni-Shiite Tensions Shadow Bahrain Vote Today. The Washington Post (11/25, A8, Ambah, 690K) previews today's Bahraini parliamentary elections. "Friction between Sunni and Shiite Muslims in this strategic Persian Gulf kingdom … has clouded" today's vote. "The campaign for the National Assembly's 40-member lower house has been marred by an alleged plot by a senior government official to rig the elections in favor of the ruling Sunni minority," and those accusations have "sparked demonstrations and calls for the prime minister's resignation and an international investigation." That controversy "coincides with simmering tensions caused by the sectarian violence in Iraq, fears of neighboring Iran's regional ambitions and the birth of a conservative Sunni political movement here."

The New York Times (11/25, A3, Fattah, 1.16M) calls the vote "a referendum on promises" of "better housing, better

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jobs, higher salaries, and better services." However, "the one thing that many [candidates] were not prepared to promise was far-reaching political change." Bahrainis will vote "in an atmosphere of growing sectarian division and disillusionment. Tensions have been running high here, fueled by a widening economic disparity between the country's minority Sunni population and its Shiite majority, as well as a growing frustration that long-promised changes have yet to materialize."

Weakened Chen Survives Taiwan Removal Vote. The Washington Post (11/25, A17, Rickards, 690K) reports Taiwanese President Chen Shui-bian "easily survived an impeachment vote" yesterday "despite his wife's indictment on embezzlement charges and a prosecutor's statement that Chen could be indicted as well if he did not have presidential immunity." The parliamentary "vote signaled that Chen, a combative champion of Taiwanese independence, is likely to remain in office until the end of his second four-year term in 2008 unless new irregularities are brought to light or new charges are filed." The Post says Chen's "mandate has been seriously undermined by the corruption indictment against his wife and similar indictments against his son-in-law and several senior aides. As a result, the political storm buffeting his leadership seemed unlikely to subside anytime soon." The vote was the third failed attempt to impeach Chen since June, and "indicated that most lawmakers from Chen's Democratic Progressive Party and the allied Taiwan Solidarity Union remained loyal to the president, despite widespread discontent over the embezzlement scandal, including among his most loyal followers."

A lengthy analysis piece in the New York Times (11/25, A6, Yardley, 1.16M) notes, "At times, Taiwanese politics is a blend of opera and blood sport, and this is one of those times. Scandal and outrage, lying and humiliation — all of it messy and delivered in a loud, public fashion — are consuming political life here, as a virtual death watch has settled over" Chen's presidency. The media "have been filled with so many suggestive details — a reportedly ill-gotten Tiffany diamond ring, to name one — that the noise and acrimony have obscured the more elemental issue that the island's young democracy is being severely tested." The Times adds, "Politically, Taiwan's symbolic power has always been as a democratic counterpoint to China. But democracy in Taiwan remains a work in progress that has been repeatedly challenged during Mr. Chen's tenure."

China, Pakistan Ink Free Trade Agreement. The Los Angeles Times (11/25, Chu, Zaidi, 850K) notes Chinese President Hu Jintao, "visiting his country's staunchest ally in Asia, signed a free-trade deal [in Islamabad] Friday and pledged to continue helping Pakistan build its civilian nuclear program." However, Hu "stopped short of announcing the wide-ranging nuclear cooperation deal that many observers had expected him to unveil as a counterweight to a similar accord being hammered out between the United States and India, Pakistan's archrival." Hu, who is conducting "a weeklong tour of South Asia that began with a four-day visit to India," is "eager to expand [China's] political influence in the region and to improve its access to the area's abundant natural resources, including metals and natural gas."

Chinese Court Upholds Singaporean Reporter's Spying Conviction. The New York Times (11/25, A6, Yardley, 1.16M) reports, "A Beijing appeals court on Friday upheld a spying conviction of a prominent Hong Kong journalist in a case that has elicited criticism of China from human rights and press advocacy groups." Ching Cheong, the chief China reporter for the Straits Times, could be imprisoned for five years for "taking payoffs in exchange for gathering information for Taiwan." Ching's "family continues to dispute the charges," and the Times says "his case, as well as the detention of a Chinese researcher for The New York Times, has prompted international concern about China's crackdown on press freedom." Ching's "arrest also raised questions about whether the Chinese authorities were trying to prevent him from writing about delicate political issues."

Blair Maintains Hopes Of Restoring Local Rule In Ulster. The New York Times (11/25, Quinn, 1.16M) reports British Prime Minister Tony Blair "held on to his hopes of restoring local rule across Northern Ireland next March, despite a day of high drama in which Protestant and Roman Catholic politicians failed to reach agreement on nominating leaders to a future power-sharing executive." The Democratic Unionist Party's Rev. Ian Paisley "refused to nominate himself as first minister of Northern Ireland to serve alongside Martin McGuinness of Sinn Fein." He "explained his resistance by saying that Sinn Fein had yet to endorse Northern Ireland's police force and its courts. Friday was the

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nominal deadline to do so." Blair "indicated that despite the setback the British and Irish governments would continue their efforts to restore local rule, a process that is contingent on the divided parties resolving crucial differences over power sharing and support for the police." He "also spoke of the need for the province to get away from its 'wretched and divisive past.'" The Times says "the level of distrust between political parties has remained high in the eight years since" the Good Friday accords, and particularly since local rule disintegrated in 2002. Yesterday's meetings were disrupted when convicted killed and Unionist Michael Stone entered the Parliament building in Stormont with a bag of explosives. He was detained without injury.

The AP (11/25, Pogatchnik) focuses its reporting on Stone's aborted attack, noting his bag "contained at least six explosive devices that British army experts safely dismantled." Blair and Irish Prime Minister Bertie Ahern "said Stone's threat illustrated why rival British Protestant and Irish Catholic politicians should compromise and form a stable coalition as the Good Friday peace accord intended." Both men "shrugged off" their "commitment" to yesterday as a firm deadline "and insisted that Paisley's statement contained the hope of future progress."

Conservative Maintains Slight Lead On Eve Of Ecuador Election. AFP (11/24, Moser) reports a poll suggesting "leftist Rafael Correa gained ground over conservative Alvaro Noboa, but the margin remains too narrow to predict a presidential winner." Noboa led Correa 59-41 less than one month ago, but recent polling shows "a dramatic surge" for Correa, putting him four points behind. "Each has warned that his rival's victory will have disastrous consequences for the South American country, which has had seven presidents over the past 10 years." Both men "have run populist campaigns, vowing to improve the lot of the millions of Ecuadoreans who live on less than $2 a day in a country that pumps out more than half a million barrels of crude daily." Voting will take place tomorrow.

Bolivia's Morales Implores Farmers To Press Senate For Land Reform. The Washington Times (11/25, Arostegui, 88K) reports, "Indians, coca farmers and landless peasants are heeding a call by leftist President Evo Morales to surround Congress to press for radical land redistribution that is opposed by landowners and farmers." The Times calls the legislation "a centerpiece of government plans to redistribute millions of acres to Indian supporters," and says "it has been approved by the lower house of Congress, but the Senate has refused." The proposal "is strongly opposed by landowners and farmers in Bolivia's fertile eastern lowlands." Morales' allies control 12 of the Senate's 27 seats, and the Times notes Morales' party "is drafting a new constitution that would abolish the upper chamber."

Colombian Senator Crusades Against Public Corruption. The Los Angeles Times (11/25, Kraul, 850K) profiles Colombian Senator Gustavo Petro, "whose five-year campaign to prod the government into investigating elected officials' links to illegal paramilitary groups finally bore fruit this month." Petro, "a former guerrilla, has declared repeatedly that members of Congress are up to their necks in illegal activities with the right-wing militias in Sucre state and has called on President Alvaro Uribe's government to investigate them." The Supreme Court "issued arrest orders for three sitting members of Congress and one former member as well as an ex-governor on charges including murder, electoral fraud and diversion of public funds in collusion with right-wing militia leaders." Petro's work "has come at great personal risk in a country where opposition to the militias often is a death sentence."

Chile's High School Seniors Called "Powerful" Political Force. On its front page, the Washington Post (11/25, Reel, 690K) profiles the growing influence of student activists in Chile. "In their black and white school uniforms, they launched what became known here as the 'Penguin Revolution,' filling the streets, calling for educational reforms, occupying school buildings and sparking a nationwide debate that was quickly labeled a milestone for the nation's young democracy." The Post says their "actions turned them into the most powerful social movement since the strict military dictatorship of Gen. Augusto Pinochet was replaced by democracy 16 years ago."

Canada Arrests Deep-Cover Russian Spy. The Washington Times (11/25, Gertz, 88K) reports Canadian security officials "recently arrested a deep-cover Russian intelligence officer posing as a Canadian citizen in what officials say is a rare capture of an 'illegal' spy." Paul William Hampel, who does note have the benefit of any official cover in Canada, is described in court papers by intelligence officials as "a danger to the security of Canada." Hampel,

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who was arrested on November 14 at the Montreal airport, "is being held on a little-used national security law and faces deportation or prosecution for fraud in a secret trial. A U.S. official said the capture was a coup for the Canadians, since deep-cover spies are very hard to find."

Quebecois Separatists Will Back Canadian PM's Recognition Motion. BBC.com (11/24) reports Bloc Quebecois leader Gilles Duceppe "said his party will back a government motion that Quebecers form a 'nation within a united Canada.'" He called "Prime Minister Stephen Harper's motion was a victory for separatist aspirations in Quebec," and "said the Bloc will join Canada's other opposition parties in supporting the motion that Mr. Harper announced on Wednesday." Harper "welcomed the Bloc's decision to back the government," and "said the motion would not amend the constitution. 'This is merely a declaration of recognition and an act of reconciliation.'" BBC adds, "Constitutional experts say the motion carries no legal weight and would be unlikely to give Quebec separatists a lever to extract more political powers from Ottawa."

Rwanda Severs Diplomatic Relations With France. The AP (11/24, Doland) notes Kigali "severed diplomatic ties with France on Friday in response to a French judge's decision to issue international arrest warrants for nine ranking Rwandans suspected of plotting the 1994 killing of" former President Juvenal Habyarimana. The AP notes, "The officials targeted by the French judge are close to Rwanda's current president, Paul Kagame, and the decision has enflamed tensions." French judge Jean-Louis Bruguiere claims jurisdiction because Habyarimana's aircrew were French, and their families sued in French court in 1998 for damages. The French Foreign Ministry "said it regretted Rwanda's decision and was 'taking all necessary arrangements.'" French Ambassador Dominique Decherf will depart Kigali today, and his staff plan to depart on Monday. Rwanda's envoy in Paris was withdrawn on Thursday.

ICC Prosecutor Ready To Identify Darfur Genocide's "Perpetrators." The Washington Post (11/25, A8, Boustany, 690K) reports a presentation by the International Criminal Court's chief prosecutor, Luis Moreno-Ocampo, that the ICC "has found sufficient evidence to identify the perpetrators of some of the worst atrocities in Sudan's Darfur region, and the probe offers 'reasonable grounds to believe' that crimes against humanity were committed." He "did not name the targets of the investigation, which he said is nearly complete," but he "said the atrocities included 'rape, torture, willful murder, sexual and inhuman violent acts, extra-judicial killings and the forcible transfer and persecution of civilians.'" The Post notes Moreno-Ocampo's "investigators have collected thousands of documents and conducted 70 visits in 17 countries, including Sudan, since June 2005. His teams have interviewed judges, prosecutors and Sudanese investigators, as well as a top Sudanese military official and a senior political official. Sudanese officials shared the outcome of a government inquiry, and the Sudanese army provided its analysis of what had happened, he said."

UN Investigates Three Congolese Mass Graves. The AP (11/24, Isango) notes a statement by UN spokesman Kemal Saiki that the UN "had discovered three mass graves at a northeast Congo military camp containing the bodies of 30 persons -- including women and children -- who were thought to have been killed by soldiers." The Ituri Province "graves had been opened and the bodies would be exhumed for a team of investigators that includes U.N. human rights officials and Congolese military authorities." The AP says Ituri Province "has remained lawless and violent despite peace deals to end the" civil war, and "Congo's army has been accused by rights groups and residents of rape, pillage and forcing civilians into labor."

NYTimes Says US Should Preserve Anti-Poverty Foreign Aid Programs. The New York Times (11/25, A15, 1.16M) editorializes that foreign aid "programs sorely need better coordination and predictability — and a clear way to measure whether they are working. Randall Tobias, the new director of foreign assistance, is a good manager and could impose much-needed coherence." However, the Times notes "worrisome signs that the administration is also planning deep cuts in antipoverty spending as aid is supposedly reoriented to promote democracy and fight terrorism." The one billion dollars currently spent on democracy programs 'is likely to rise substantially in next year's budget request, while the roughly $3.7 billion devoted to antipoverty programs — fighting disease, promoting education, providing microcredit loans — is likely to fall to make up the difference." The Times calls it

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"a worrisome sign" that "money for programs to address childhood disease and maternal mortality is down by one-third in this year's budget request. The administration is also cutting antipoverty spending in Latin America and Africa to pay for programs in Islamic countries, considered to be front-line states in the war against terror." Noting that democracy promotion "needs to come on top of — not instead of — financing antipoverty programs," the Times concludes, "This is no time to cut off the world's poor, especially for programs with such an uncertain record. If the administration will not restore a sensible balance to foreign aid, the new Congress should."

WPost Pans Netherlands "Prejudice" Against Islam. In an editorial, the Washington Post (11/25, A20, 690K) says that, despite European governments' efforts to promote tolerance of Muslims, there is a "dangerous increase in tensions between Europeans and Muslims" caused by "the blatant bigotry of many mainstream political leaders, journalists and other elites against Islam and its followers." While some "bigots portray their crude attacks on Muslim beliefs and culture as a defense of freedom of speech," the Dutch government "no longer bothers to disguise its ugly prejudice." The "point" of the government's promise to outlaw burqas "is symbolic: A country famous for tolerating prostitution, drug use, euthanasia and public nudity considers Muslim veiling beyond the pale." The Post concedes that "the Dutch have reason to worry about terrorism," but says "attacking Muslim culture -- as opposed to those who practice or promote violent acts -- is no way to diminish the threat. It won't be surprising if more Dutch Muslims respond to their government by putting on burqas -- or by answering intolerance with intolerance."

Author Says US Must Support Democratizing Mexico. In the Washington Post (11/25, A21, 690K), author and editor Enrique Krauze calls unsuccessful leftist presidential candidate Andres Manuel Lopez Obrador "the charismatic caudillo who has come to believe himself Mexico's messiah incarnate," and says his efforts to "harass incoming President Felipe Calderon and his cabinet" are "an enemy of democratic life and may even make dead letters of laws eventually passed in the National Congress." Lopez Obrador seeks "to make the country ungovernable and to achieve the eventual resignation of" Calderon. "The postmodern spectacle that took place in the historical center of Mexico City is bizarre and ominous but also very serious." If the "nightmarish scenario" of a destabilized Calderon regime occurred, "the implications for the United States could be ominous too: a stream of refugees that would dwarf the current illegal migration, pushed by the collapsing Mexican economy, capital flight and spreading Oaxaca-style violence." Krauze concludes, "The United States would do well to remember that there is a country, not on the Persian Gulf but on the Gulf of Mexico, that has taken a giant step toward political maturity by adopting a democratic system in the space of just one generation -- and has done so practically without historical experience. And it would do well to find tangible, direct ways to support Mexico's economy," by building "bridges, not walls. Winning Mexico for democracy is the same thing as winning democracy for all of Latin America -- no small triumph in today's world and the world to come."

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:

"Day 1 For Deputies: Go To Jail."
"Poisoning Of Ex-Spy Ignites Health Scare."
"Look Who's Stalking: A New Cougar Killer."
"Wave Of Retaliation Sweeps Iraq."
"A Tense Time For A Papal Visit."
"States Will Tell Supreme Court Feds Must Act On Warming."

New York Times:

"Shiite Militia In Iraq Strike At Sunni Mosques."
"Army Expands Training To Improve Iraq's Security Forces."
"London Riddle: A Russian Spy, A Lethal Dose."
"Attention, Holiday Shoppers: We Have Fisticuffs In Aisle 2."
"In Diabetes Fight, Raising Cash And Keeping Trust."
"Despite A Year Of Ire And Angst, Little Has Changed On Wiretaps."
"Cities Compete In Hipness Battle To Attract Young."
"Dollar Falls Sharply Against Euro And Pound."
"Corruption Scandal At Top Tests Taiwan's Democracy."

Washington Post:

"In Iraq, Reprisals Embolden Militias."
"Eager Shoppers Ring It Up Early."
"Energy Firms Come To Terms With Climate Change."
"Chile's Student Activists: A Course In Democracy."

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"Radioactive Poison Killed Ex-Spy."

Washington Times:

"Vengeful Shi'ites Kill 25."
"Lebanese Cabinet Retreats To Safety."
"Getting Head Start On Black Friday."
"Many Americans Obese But Oblivious, Survey Finds."
"Toxic 'Bomb' Killed Ex-Spy."
"German Film Farce Plays Hitler For Laughs."

Dallas Morning News:

"Fuel Costs Pump Up Southwest Fare Prices."
"Hamm Declines Hall Of Fame Induction."
"Britain Says Radiation Killed Ex-Russian Spy."
"Cartoonist Goes On Rampage At Miami Herald."

Story Lineup From Last Night's Network News:

ABC: Evening News Was Preempted By Sports.

CBS: Violence In Iraq; General Abizaid On Sectarian Violence In Iraq; Hussein Video Footage; Black Friday; Credit In America; Mars Global Surveyor Falls Silent; Poisoning Death Of Litvinenko; Russia's Sale Of Missiles To Iran; Elderly Palestinian Suicide Bomber; Free Speech With Elizabeth Edwards; A Brother's Military Mission

NBC: Violence In Iraq; Iraqi Sectarian Violence; Milestone In The War; Black Friday; Litvenenko Poisoning Death; Florida Electronic Voting Machines; Listeriosis Threat; School Dedicated To Bobby Kennedy's Memory; Betty Comden Dies; Making A Difference With Reading.

WASHINGTON'S SCHEDULE

Today's Events In Washington.

White House: PRESIDENT BUSH -- 1:45 p.m. Returns from Camp David to Washington. No public schedule.
VICE PRESIDENT CHENEY -- Meets with King Abdullah bin Abd al-Aziz Al Saud in Saudi Arabia.

US Senate: No scheduled events.

US House: No scheduled events.

Other: HOLOCAUST MUSEUM-DARFUR _ The United States Holocaust Memorial Museum will project building-sized images of the genocide in Darfur onto the Museums exterior walls to make a dramatic statement about the need for action in Darfur. Location: United States Holocaust Memorial Museum, 100 Raoul Wallenberg Place SW. Contacts: Andy Hollinger, 202-488-6133

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Congressional Democrats Unable To Agree On Wiretapping Oversight. The New York Times (11/25, A1, Lichtblau, 1.16M), in a front-page article, reports, "When President Bush went on national television one Saturday morning last December to acknowledge the existence of a secret wiretapping program outside the courts, the fallout was fierce and immediate. … But as Democrats prepare to take over on Capitol Hill, not much has really changed. For all the sound and fury in the last year, the National Security Agency's wiretapping program continues uninterrupted, with no definitive action by either Congress or the courts on what, if anything, to do about it, and little chance of a breakthrough in the lame-duck Congress. While the Democrats have vowed to press for more facts about the operation, they are of mixed minds about additional steps. Some favor an aggressive strategy that would brand the program illegal and move to ban it even as the courts consider its legality. Others are more cautious, emphasizing the rule of law but not giving Republicans the chance to accuse them of depriving the government of important anti-terrorism tools."

NYTimes Asks Ginsburg To Stay Ruling On Reporters' Sources. The New York Times (11/25, A12, Liptak, 1.16M) reports that the Times "asked the Supreme Court yesterday to bar a federal prosecutor from reviewing the phone records of two of its reporters. The records, lawyers for The Times said, would allow the government to learn the identities of many of the reporters' confidential sources. The case arose from a Chicago grand jury's investigation into who told the two reporters, Judith Miller and Philip Shenon, about actions the government was planning to take in 2001 against two Islamic charities." US Attorney Patrick Fitzgerald "sought the reporters' records directly from their phone companies, and The Times filed suit to stop him. In August, a divided three-judge panel of the federal appeals court in Manhattan ruled in favor of Mr. Fitzgerald, saying the reporters were not entitled to shield their sources." The newspaper's filing "was a limited one, seeking an order from Justice Ruth Bader Ginsburg staying the appeals court decision until the Supreme Court has an opportunity to decide whether to hear the case." The Washington Post (11/25, A6, 690K) reports, "The government says phone calls placed by the reporters seeking comment for a story tipped off the charities to planned government raids. A federal judge who ruled in the newspaper's favor said there is no evidence in the record suggesting the reporters even knew of the government's plans to raid either charity."

SEC Questions Ford Over Business In States That Sponsor Terrorism. The Financial Times (11/25) reports, "The Securities and Exchange Commission has

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raised concern about the investment risks of US companies doing business in countries deemed to be terrorist-supporting states by asking Ford Motor, and possibly others, about its dealings in Iran, Sudan and Syria. The enquiries emerged in a series of letters dating back to July between the SEC and Ford's chief financial officer, Don Leclair. The SEC asked the Detroit-based carmaker to demonstrate that its 'reputation and share value' were not at risk as a result of business dealings in the three countries. All three countries are designated as state sponsors of terrorism by the US state Department." Ford "replied that its interests, comprising mainly Ford, Land Rover and Mazda dealerships, were small relative to its worldwide operations."

HOMELAND RESPONSE:

WPost Calls DHS Oversight Of Contractors "Embarrassingly Poor." The Washington Post (11/25, A20, 690K), in an editorial, notes the "embarrassingly poor oversight of the billions of dollars" DHS "has paid to private contractors. The Post's Robert O'Harrow Jr. and Scott Higham obtained an internal review of the department's Office of Procurement Operations. … According to the review, which was drafted by outside specialists on government contracting, almost none of the contract files examined met standards of quality or even completeness. The documentation for 33 of 72 contracts the investigators sought to evaluate could not even be located, which makes you wonder how DHS ensures that contractors aren't wasting government money." The Post concludes, "The story isn't as bad these days, a department spokesman says. The fact that Homeland Security hired consultants to review its contracting indicates that managers want to improve the process, and the spokesman says the procurement office is working to implement each of the report's recommendations, which officials received in March. But according to the department's inspector general, poor contract management persists. Money and security alike are put at risk."

WAR NEWS:

As Iraq Violence Swells, Bush Stands By Plans To Meet With Maliki. The upswing in violence in Iraq over the past few days led the evening newscasts on both CBS and NBC; ABC was pre-empted for sports coverage. While the reports briefly mentioned President Bush's upcoming trip to Jordan to meet with Iraqi PM Nouri al-Maliki, the stories primarily deal with the latest threats from Mahdi Army chief Muqtada al-Sadr and the growing speculation that Iraq is in a state of civil war.

The CBS Evening News (11/24, lead story, 3:14, Mitchell, 7.66M) reported, "The death toll from those attacks has risen to at least 215 with hundreds of others wounded. At one point, US helicopters traded fire with armed insurgents in Baghdad." CBS (Palmer): "But today the man whose word could do more than any other to prevent reprisal killings didn't deliver. At Friday prayers, Moqtada al-Sadr did not forbid his followers to take revenge. Instead, he made a series of hard-line demands." CBS adds that Vice President Cheney "will be in Saudi Arabia over the weekend for talks with the King, and next week President George Bush is due to meet Iraqi Prime Minister Nouri al-Maliki in Jordan."

NBC Nightly News (11/24, lead story, 2:50, Williams, 9.87M) reported, "All of this has prompted some serious talk now that that nation is indeed descending into a state of all-out civil war." NBC (Aspell): "In his Friday sermon, radical Shi'ite cleric Muqtada al-Sadr demanded Sunnis stop killing Shi'ites. Sadr, who controls the powerful militia, the Mahdi army, is also a political force. Today his supporters in the Iraqi parliament threatened to quit Prime Minister Maliki's coalition if the Prime Minister meets with President Bush next week in Jordan. Such a walkout could bring down Iraq's fragile government."

AFP (11/25, Lozano) reports the White House "reiterated" that Bush would meet Maliki in Jordan next week "amid a sharp rise in Shiite-Sunni violence." AFP says the issue of "how to quell the violence will likely be the focal topic in talks" Cheney holds with Saudi Arabia's King Abdullah and Crown Prince Sultan bin Abdul Aziz this weekend, as well as during the Bush-Maliki meeting. Cheney "could ask Abdullah to use his influence to help foster reconciliation between warring factions in Iraq, and also press for Riyadh to come through with its promised reconstruction aid."

The Washington Post (11/25, A15, Wright, 690K) notes the White House "charged yesterday that the escalating violence in Iraq committed by both Shiites and Sunnis over the past two days is a 'brazen effort' to bring down" Maliki's "fragile government." The "White House also said President Bush has no intention of backing out of talks next week with the Iraqi leader, despite threats yesterday" from followers of Sadr to "pull out of the government if Maliki goes ahead with the meeting. The talks, set for Thursday in Amman, Jordan, have suddenly taken on the air of a crisis summit, as Iraq slides closer to all-out civil war." The Post says the Administration "has been increasingly frustrated by Maliki's leadership, particularly his inability or unwillingness to rein in fellow Shiites, including militias such as Sadr's. But the White House has limited alternatives because the Iraqi leader was democratically selected and the next election is not due until 2009."

Syria Could Be "Wild Card" In Talks. A lengthy AP (11/25, Dareini) analysis piece says Damascus may be the "wild card" in upcoming Middle East talks. "Iran and the

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United States are playing a complicated diplomatic game, jockeying for influence in Iraq as violence there spirals out of control. But there is one major wild-card in dueling summits planned for coming days: Syria." The AP calls the Bush, Cheney and Rice visits "an unusual succession of trips that reflects U.S. determination to rally allies at a time when Washington is considering overhauling its Iraq policy."

On the CBS Evening News (11/24, story 2, 2:00, Mitchell, 7.66M), Gen. John Abizaid said, "My greatest fear is that neighboring countries like Iran and Syria decide that they will destabilize the country more as opposed to help it come together."

Iraq's "Civil War" Said To Be Getting Worse. The Los Angeles Times (11/25, Barnes, 850K) leads its report by bluntly stating that "Iraq's civil war worsened Friday." The Times continues, "A main Shiite political faction threatened to quit the government, a move that probably would cause its collapse and plunge the nation deeper into disarray. ... By Friday night, at least 65 deaths had been reported in the capital and elsewhere." A policeman who witnessed sectarian fighting said, "The army did not interfere. And we [the police] didn't receive any orders to interfere. We would not have interfered even in the event that we were ordered to do so, because this is the Iraqi army's turf."

On NBC Nightly News (11/24, story 2, 9.87M), correspondent Jim Miklaszewski said, "According to military and Pentagon officials, their definition of 'civil war' would entail a total collapse of the government and right now, they're confident at least that the central government itself and particularly the security force, especially the army, have not become directly involved in the sectarian violence. When that happens, they will acknowledge it is a civil war." Later on MSNBC's Hardball (11/24, O'Donnell), Miklaszewski said, "I think any number of military experts, foreign policy experts, and any number of the kind of images we're seeing coming out of Baghdad all tell us that Iraq is in a civil war at some level, clearly. And the best that the U.S. military can do at this point is to try to just keep a lid on the current violence there in Baghdad."

Asked on MSNBC's Hardball (11/24, O'Donnell) if "something has changed" in Iraq "in the past 48 hours," retired USMC Gen. Bernard Trainor said, "Something certainly has changed and that is this thing has become a full-blown bloodbath out there. While it was bad enough earlier, you have never had the catastrophic results that we have seen here both yesterday and now again today. So the idea of trying to put a lid on this becomes that much more difficult because the quest for blood revenge is going to be enormous out there."

On CNN's Lou Dobbs Tonight (11/24, Pilgrim), correspondent Michael Ware said, "Perhaps it's easier to deny that this is a civil war, when essentially you live in the most heavily fortified place in the country within the Green Zone. … If this is not civil war, where there is, on average, 40 to 50 tortured, mutilated, executed bodies showing up on the capital streets each morning, where we have thousands of unaccounted for dead bodies mounting up every month, and where the list of those who have simply disappeared for the sake of the fact that they have the wrong name, a name that is either Sunni or Shia…then, goodness, me, I don't want to see what a civil war looks like."

In her New York Times (11/25, 1.16M) column, Maureen Dowd writes, "After the Thanksgiving Day Massacre of Shiites by Sunnis, President Bush should go on Rupert Murdoch's Fox News and give an interview headlined: 'If I did it, here's how the civil war in Iraq happened.' He could describe, hypothetically, a series of naïve, arrogant and self-defeating blunders, including his team's failure to comprehend that in the Arab world, revenge and religious zealotry can be stronger compulsions than democracy and prosperity. But W. is not yet able to view his actions in subjunctive terms, much less objective ones. … W. declined to tear himself away from his free-range turkey and pumpkin mousse trifle at Camp David and reassure Americans about the deadliest sectarian attack in Baghdad since the U.S. invaded."

Reprisals Embolden Militias, Occurrence Of Immolations Denied. The Washington Post (11/25, Raghavan, 690K) reports in a front page article that "two local imams" denied the reports of six Sunnis being burned alive. However, "Friday's attacks illustrated Iraqi security forces' inability to rein in violence, at a time when U.S. leaders want them to take greater responsibility for the country's security, a vital benchmark for any strategy to withdraw U.S. troops. In the mixed Hurriyah neighborhood, Shiite militiamen torched at least five Sunni mosques on Islam's holiest prayer day, police and residents reported." The Post adds, "The attacks on Sadr City appeared to embolden Sadr and his followers as they try to capitalize on Thursday's carnage, which Shiite leaders, including Maliki, have blamed on Sunni Arab insurgents."

The New York Times (11/25, A1, Wong, 1.16M) reports in a front page article, "Iraqi security forces were absent, unwilling or unable to stop the attackers. ... Mr. Sadr effectively controls Sadr City, and the attacks on Thursday appeared to have strengthened his standing and emboldened him." Like the Post, it denies the occurrence of the immolations. But Newsday (11/25, Phelps) referred to "Friday's gruesome immolations -- a seemingly new method of brutality in the sectarian fighting." Newsday says of Maliki's predicament, "Al-Sadr is his biggest supporter and his government would likely fall if the cleric fully withdrew his support. On the other hand, Maliki can hardly afford to offend Bush at this precarious moment, either."

CNN.com (11/24) reports that, according to witnesses, Shiites "on Friday attacked two mosques with rocket-

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propelled grenades and burned two other Sunni mosques in the largely Shiite area of Hurriya in northwestern Baghdad. They reported people attacking Sunni houses with hand grenades and rocket-propelled grenades." Al-Sadr "challenged a top Sunni leader -- Sheikh Hareth al-Dhari, the head of the Association of Muslim Scholars -- to take steps to end the violence, including the issuance of fatwas, or Islamic decrees." BBC.com (11/24) also reports the bloodshed.

WSJournal Examines Various Iraq Proposals. The Wall Street Journal (11/25, A7, Etter, 2.04M) reports, "It is clear the administration is in search of a new strategy. The electoral shake-up in Congress and recent sharp rise in sectarian violence in Iraq have served as a powerful wake-up call." The Journal lists Rep. John Murtha's idea of "withdrawal," Sen. John McCain's idea of "more troops," Rep. Charles Rangel's idea of a reinstated draft, and the "middle-road option" of "unchanged troop levels." The Journal adds, "Public opinion polls, however, show that about 52% of Americans want to see the number of troops in Iraq reduced, while 39% of Americans would like to see troop levels maintained."

US Army Expands Training For Iraqi Forces' Future Advisors. The New York Times (11/25, Gordon, 1.16M) reports from Fort Riley, "Following a disappointing performance by many Iraqi units and complaints that earlier efforts to train American advisers had been handicapped by bureaucratic inertia, the Army has handed the mission to Maj. Gen. Carter F. Ham, who had a previous stint as a commander in Iraq. ... The revamped effort began with little fanfare this summer, but has gained prominence in recent weeks as experts inside and outside the government have recommended that the military expand the advisers' ranks as part of a renewed push to strengthen the Iraqi security forces." The program "lasts a jam-packed 60 days. Soldiers practice a variety of combat skills, including how to counter the ever-present roadside bombs. They also receive some cultural training and, for those headed to Iraq, 50 hours of Arabic language instruction — enough to provide only the most rudimentary skills but more training than most advisers had previously received. There is additional training in Kuwait and at the sprawling American military base at Taji, Iraq." The Times observes skeptically, "It remains far from clear whether increasing the number and caliber of American advisers can provide enough of the security gains the United States is seeking."

Coalition Forces Kill 23 In Baghdad Raids. The AP (11/24, Hurst) reports, "Coalition forces killed 22 insurgents and an Iraqi civilian in three simultaneous raids north of Baghdad on Saturday and destroyed a factory used to make roadside bombs, the U.S. military said. ... Coalition forces called in U.S. aircraft to destroy the factory after discovering rocket-propelled grenades, machine guns, anti-aircraft weapons and pipe bombs hidden there, the military said."

More US Forces Die In Anbar Than In Baghdad. The AP (11/24, Baldor) reports, "In the three months since thousands of U.S. forces poured into Baghdad to quash escalating violence, far more American troops have died in Iraq's volatile western Anbar province than in the capital city. ... Four in 10 deaths over those three months [August 7 to November 7] have been in Anbar province, a Sunni insurgency stronghold where U.S. Marines have largely taken the lead." Marines, "only about 15 percent of the 141,000 U.S. forces currently in Iraq, accounted for nearly 28 percent of the fatalities over the three-month period." The AP remarks pessimistically, "The death count in Anbar, combined with the deadly spike in sectarian attacks in Baghdad this week, paints a picture of an Iraq still teetering on the brink of civil war, battered by religious divisions, al-Qaida terrorists and a stubborn and diverse insurgency."

Pre-Invasion Footage Shows Saddam With Primitive Weapons. The CBS Evening News (11/24, story 3, 0:10, Mitchell, 7.66M) reported, "Meanwhile, just-released footage of Saddam Hussein from just before the US invasion has historians and military experts shaking their heads. This shot was taken from videotape seized by US forces. It shows Saddam firing a crossbow and other primitive weapons. He tells an aide to start mass production of them. It is not clear if he expected to use them against the US military or to rally Iraqis for an insurgent campaign."

Brzezinski Calls Iraq Troop Increase "A Gimmick." Bloomberg (11/24) reports that former National Security Adviser Zbigniew Brzezinski "said it would be 'a gimmick' for the Defense Department to increase the number of troops in Iraq temporarily before beginning to withdraw them." He added that the idea is a gimmick because it "satisfies [John] McCain, it satisfies the hardliners." Brzezinski "said U.S. and Iraqi officials should jointly announce a withdrawal date for American troops that comes before the end of 2007. Even in the best possible outcome, though, Iraq isn't likely to be secular or democratic, he said."

Soldier Serves To Honor Fallen Brother. The CBS Evening News (11/24, story 11, 2:45, Mitchell, 7.66M) reported, "Every member of the service understands the danger involved in serving there, but one soldier's mission in Iraq is a personal one. He's finishing his brother's work." CBS (Hartman): ""The somebody Sanchez lost, lost to a roadside bomb, was his best friend and little brother Ledesma." Staff Sergeant Sanchez: "When he passed away everybody who knew him [said] you guys were inseparable and now you're

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separated. ... Captain Lexy Gibbs is the commanding officer. You can't lose both." Captain Gibbs: "He's my Private Ryan. I've got to keep an extra eye on him." Staff Sergeant Sanchez: "When I wear his uniform, he's there. He's my right hand man."

WSJournal Criticizes Rangel Draft Measure. The Wall Street Journal (11/25, 2.04M) editorializes, "In [Rep. Charles Rangel's] mythology, the military is overly reliant on uneducated dupes from poor communities because those from more affluent backgrounds don't want to serve. But the truth is closer to the opposite, according to a recent Heritage Foundation report on the demographic characteristics of the military. ... What about Mr. Rangel's point that conscription would have made intervention in Iraq less likely? It's impossible to know, but this is a dangerous argument for the future in any case. The main reason for having an effective Army is to deter enemies by making them believe we have the will to fight if we must. Mr. Rangel is saying the U.S. needs a conscript Army precisely to show an adversary we'll never use it.

Bommer Calls For UN Inspections In Baluchistan. In a commentary for the Wall Street Journal (11/25, 2.04M), Ashley Bommer (who "worked at the US Mission to the UN during the Clinton Administration") writes, "Hamid Karzai and Pervez Musharraf are arguing about the Pakistani province of Baluchistan. ... The frontline of the Taliban and al Qaeda insurgency has a backline in Pakistan. But U.S. troops cannot go into Pakistan -- precisely where al Qaeda and the Taliban are. So there is a simple next step: Gen. Musharraf should agree to U.N. inspectors." Bommer believes, "An independent evaluation of the facts is necessary. The only system in the world that can do this is the U.N.'s Monitoring, Verification, and Inspection Committee (Unmovic). With over 300 experts, it can conduct a comprehensive fact-finding mission in Baluchistan immediately. ... Unmovic's record of independence speaks for itself. At no time, for instance, did it find WMD or the continuation of such programs in Iraq. ... International observers will not only deter efforts by al Qaeda and the Taliban, they will verify if Taliban hubs are providing military, financial and propaganda to operatives in Afghanistan."

DOJ:

Gonzales Defends Anti-Terror Policy At Air Force Academy. The Air Force Times (11/24) reports, "Attorney General Alberto Gonzales told Air Force Academy cadets recently that terrorists will not rise to the example of the U.S. when it comes to treatment of prisoners." The Times continues, "In a lecture on civil liberties and the war on terrorism to about 700 cadets, Gonzales said the U.S. has 'rightfully positioned itself in this conflict and other conflicts throughout history as a mature and moral leader — an example to follow,' according to an Air Force press release. … 'Yet we know that the fair and humane treatment of the detainees at [the U.S. military's detention facility in] Guantanamo [Bay, Cuba] will have absolutely no effect on how their confederates treat our soldiers and civilians,' he said." The Times adds, "Gonzales is one of a dozen Bush administration officials named Nov. 14 in a lawsuit brought in Germany by civil rights groups for abuses of prisoners at Abu Ghraib prison in Iraq and at Guantanamo. .. The release did not say whether Gonzales addressed the charges made against him and others, including departing Defense Secretary Donald Rumsfeld." The Times notes, "During his lecture, Gonzales defended the domestic surveillance program that the Bush administration began in secret, saying it is not damaging the civil rights of American citizens. … 'It protects citizens from terrorist attacks,' he said. 'Critics who say otherwise are perpetuating myths.' … Gonzales was an enlisted airman from 1973 to 1975 before being accepted at the Air Force Academy. He was a cadet from 1975 to 1977 before transferring to Rice University in Houston."

CORPORATE SCANDALS:

DOJ Mulls Options In Enron Barge Case. The Houston Chronicle (11/25, Hays) reports, "Federal prosecutors are pondering their next step after an appeals panel last August threw out fraud and conspiracy convictions against several ex-Merrill Lynch & Co. executives in a 2004 Enron case." The Chronicle continues, "They have asked a judge to waive the men's right to a speedy trial so the government can decide whether to appeal to the U.S. Supreme Court to reinstate their convictions or move forward with a retrial. … Otherwise, a retrial would have to start a few days after Christmas. … 'As long as the possibility exists that the government may seek Supreme Court review, it would be impractical to begin trial or hold pretrial proceedings,' prosecutors said in a recent court filing. … They want U.S. District Judge Ewing Werlein, who presided over the original case, to schedule a status conference in the case for February next year. The judge has yet to rule." The Chronicle adds, "The trial of four former Merrill Lynch & Co. executives and two former Enron executives centered on a year-end 1999 sale of power barges moored off the coast of Nigeria to the brokerage so the energy company could appear to have met earnings targets. … The case was the only Enron-related criminal trial to ensnare a chunk of Wall Street, accusing the Merrill executives of participating in a crime to curry favor and gain more lucrative investment banking business from the energy company."

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Allied Capital Accused Of Pretexting In Protracted Corporate Dispute. The Washington Post (11/25, D1, Klein) reports, "They call it the Hundred Years' War. … Not because it involves brutish medieval unpleasantries like the battle axe. It involves only the sharp edge of cutting words between a Washington area company and a New York investor in a war of Wall Street that merely feels like it has lasted a century." The Post continues, "In the latest salvo, hedge fund manager David Einhorn has accused Allied Capital Corp., a company that lends money to and invests in private businesses, of fraud. He also suspects that Allied may have broken into his personal records in a mode of corporate espionage called 'pretexting.' Some unknown party, Einhorn said, illegally gained access to his telephone records and those of other Allied critics. 'The only group of individuals with any motive to access my phone records and the records of four other prominent Allied critics is Allied management,' Einhorn wrote in a Sept. 15 letter to Allied's board of directors." The Post adds, "Allied denied authorizing someone to use pretexting to access Einhorn's phone records. Rather, it continued its long-standing position that Einhorn has malevolent intent, saying he is trying to spread false information in an attempt to drive down the company's stock price. Einhorn is a well-known short seller of Allied, meaning that he's betting that the company's stock will fall. Short sellers borrow shares and sell them in anticipation of buying the shares later at a lower price, hoping to pocket the profit. … The basic plot of this battle begins in May 2002, when Einhorn told a conference in New York that he was shorting Allied's stock because he believed the company had overvalued some of its assets. Allied's stock price plunged, but then recovered when the company denied wrongdoing and continued paying high dividends to shareholders. … Einhorn and others who questioned Allied's accounting for some of its loans did not go away. They were joined in 2004 by the Securities and Exchange Commission and the Justice Department, which opened inquiries that neither will comment on but appear to be ongoing. Allied disclosed in its latest federal filing that the Small Business Administration's Office of the Inspector General has begun its own investigation into Business Loan Express, the same Allied unit that has drawn the attention of just about everyone else. BLX, as it is known, makes loans backed by the SBA to other businesses."

Survey Examines Sources Of US Corporate Law Litigation. In an op-ed in the Wall Street Journal (11/25, A9), Stephen C. Dillard, global chair of the litigation department at Fulbright & Jaworski, writes, "For the past three years our law firm has surveyed U.S. corporate law departments to better understand which kinds of disputes keep general counsels awake at night, and which ones are most likely to lead to all-out litigation. We also ask companies how many lawsuits they face and how much of their overall legal budgets they spend on disputes. … The latest Litigation Trends Survey makes it plain that litigation is now a major feature of the business landscape -- even we were surprised by the volume and scope of legal actions across all major industries and regardless of company size. Consider a few key findings based on reporting by 310 in-house counsel, more than half of whom work for public companies with revenues over $1 billion:" Dillard continues, "Some 89% of companies report being hit with at least one new lawsuit in the past year, compared with only two-thirds in the 2005 survey. Meanwhile, U.S. companies face an average of 305 lawsuits pending world-wide. For companies with sales of $1 billion or more, the average number of cases jumps to 556, with 50 fresh suits emerging each year for nearly half of these firms. While the majority of actions are in U.S. courts, a third of the respondents said that at least 20% of their litigation now originates in foreign venues." Dillard adds, "One byproduct of America's litigation and enforcement culture is the internal investigation. Some 63% of the law departments surveyed said their companies had launched at least one internal probe requiring outside counsel in the past year alone -- more than a quarter of the billion-dollar companies undertook three or more investigations. And our survey was completed before the recent rash of investigations into stock options backdating." Dillard notes, "So what is tops on the corporate lawyer worry-list? Securities-related cases may grab the headlines, but more than half of the in-house counsel cited employment as their top litigation concern. The workplace has become a legal minefield over issues ranging from pay and promotion to harassment and discrimination, and claims of wrongful termination. Disgruntled workers are a fact of life, with aggrieved employees quicker to sue than almost any other group -- and disputes over wages and hours can be brought as class actions in many jurisdictions, creating more waves of litigation."

CRIMINAL LAW:

Court Launches Probe Of "Improper Communications" With WTimes Reporter. The AP (11/25, Marquez) reports from Los Angeles, "A federal court plans to investigate whether government officials illegally supplied grand jury information in a U.S. military secrets case to a Washington Times reporter." The AP continues, "Court papers show the investigation seeks to uncover a possible source and content of 'improper communications' with Times reporter William Gertz for a story he wrote in May. … The order, entered Wednesday by a federal judge in Orange County, comes at the request of a defense attorney for Rebecca Laiwah Chiu, one of five family members indicted in an alleged scheme to send sensitive

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information about Navy warships to China. The request was joined by the other defendants." The AP adds, "The defense argued Gertz received information about a then-pending grand jury indictment of Chiu and the others on additional charges in violation of grand jury secrecy rules. Some of the charges cited in Gertz's May 16 story are contained in an indictment returned last month. … The story was sourced to 'senior Justice Department officials (who) have approved the new charges,' court papers said. … U.S. District Judge Cormac Carney said in court papers the alleged violation 'triggers the duty of the court to investigate further.' … Carney ordered the government to submit a status report by early January on 'the investigation it has undertaken to determine whether any government official had improper communications with Mr. Gertz,' according to court papers. … The government was also told to report measures it's taking to prevent such communications with the public."

DOJ Criticized For Declining To Probe Rep Porter's Fundraising Calls. The Las Vegas Sun (11/25) editorializes, "The Justice Department has declined to pursue an investigation into allegations that Rep. Jon Porter, R-Nev., made fundraising calls from his office, a serious charge. … All a Justice Department spokesman would say is that the FBI referred the investigation to the department and it was 'declined.'" The Sun continues, "Unfortunately, that doesn't give any indication as to whether there's any truth to the allegation. … Former Republican National Committee general counsel Jan Witold Baran told reporter Tony Cook in Wednesday's Las Vegas Sun that the Justice Department 'doesn't devote its limited resources to something that is relatively very minor and that is unlikely to occur again.' … If those are the reasons for dropping the investigation, that's a shame. We don't consider violations of federal law 'minor' - the law carries a penalty of up to three years in prison and a fine of $5,000 - and it shouldn't ever be an issue. Members of Congress know this law well. They are taught to leave federal buildings to make fundraising calls." The Sun concludes, "If he has done nothing wrong, Porter should welcome such action that would clear his name, as the Justice Department probe did not."

Cartoonist Arrested After Siege At Miami Newspaper Ends Peacefully. The AP (11/25) reports from Miami, "A cartoonist carrying a toy gun that looked real surrendered to police at The Miami Herald's building Friday, more than two hours after arriving and demanding to see an editor of the newspaper's Spanish-language sister paper, police said." The AP continues, "Jose Varela, 50, carried a knife and a black plastic toy gun that resembled a real semiautomatic weapon, police said. He was charged with three counts of aggravated assault with a firearm. He was being held on $22,500 bond, jail officials said. … Varela had problems with El Nuevo Herald, where he worked as a contractor, including its position on Cuban emigres, said Police Chief John Timoney." The AP adds, "A police negotiator talked Varela into surrendering peacefully about 2:45 p.m., Timoney said. No injuries were reported."

The Washington Post (11/25, A3, Whoriskey) reports that Varela demanded "to see the editor, with whom he had unspecified grievances over ethics and what he told police were censorship issues" and that he then "set off a tense 3 1/2 -hour standoff at the offices of the Spanish newspaper and the Miami Herald, which share a six-story building on the northern outskirts of downtown. … 'He said, "Just bring me the editor,"' said Gus Perez, director of operations for the newspapers, who confronted Varela on the sixth floor. 'He said, "I have 30 rounds." I said, "I'm really asking you to point that at the floor," and he did.' … Perez said he had been told that Varela was carrying a 'toy gun,' and police corroborated that later, saying it resembled a MAC-11. Authorities added that Varela was also carrying a knife."

The New York Times (11/25, Newman) reports, "The cartoonist, José Varela, 50, was charged with three counts of aggravated assault, the police said. No one was hurt. … Mr. Varela, a Cuban-born freelancer who until February had worked as a staff cartoonist at the paper, El Nuevo Herald, claimed to be upset about biased coverage of Cuban-Americans in both El Nuevo Herald and its sister paper, The Miami Herald, said the Miami police chief, John F. Timoney. … 'One of his demands was he wanted that the truth be told,' he said." The Times adds, "The newspapers, which are owned by the McClatchy Company and published in the same building, have been engulfed in Cuban-American politics and intrigue of late. … Last month, The Miami Herald broke the story that some reporters for El Nuevo Herald were also working for and being paid by Radio and TV Martí, the Bush administration's anti-Castro propaganda radio station broadcast to Cuba. Relations between the two papers, often tense, became outright hostile, and the publisher of both papers resigned. … According to The Herald's Web site, Mr. Varela, a Cuban immigrant, demanded the resignations of its executive editor, Tom Fiedler, and El Nuevo Herald's executive editor, Humberto Castelló, accusing him of backing Mr. Fiedler."

FBI Leads Search For Missing Minnesota Boys. The Washington Post/AP (11/25, A2) reports from Red Lake, MN, "Dozens of trained searchers took to the woods, lakes and air Friday to continue searching for two preschool-age brothers, missing for two days in the remote Red Lake Indian Reservation in northern Minnesota." The AP continues, "Tristan Anthony White, 4, and Avery Lee Stately, 2, disappeared Wednesday from a yard in a heavily wooded area in the town of Red Lake. … 'They were just playing

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outside the last time I seen them, just playing outside,' Alicia White, the boys' mother, told reporters. … She appealed for anyone who knows or has seen anything to come forward." The AP adds, "FBI Special Agent Paul McCabe said authorities are trying to determine whether the boys wandered off or whether foul play was involved. … Family members said they were preparing for the worst because it has been cold and searchers have found nothing since the boys disappeared. Temperatures were expected to drop below freezing overnight, weather forecasters said."

The Minneapolis Star Tribune (11/25, Haga) and Minneapolis Star Tribune (11/26, Collins, Haga) reported on the search over the weekend, noting the FBI reward, and CNN's American Morning (11/24, S. O'Brien) reported, "The FBI and local police and volunteers are combing the area." CNN (Goldberg) added, "Searchers began their work shortly after the children went missing Wednesday morning. … FBI Special Agent Paul McCabe says investigators are talking with neighbors and potential witnesses about the possibility of a crime, like an abduction." McCabe: "There is no evidence at this time that leads us there is foul play. We just want to make sure we are not being narrow minded. And that we're pursuing that angle as well." Goldberg: "More than 100 law enforcement and volunteers from the reservation and surrounding communities are committed to finding the boys." McCabe: "People want to help. … And it is for a good cause. We need to find two young boys that aren't at home." CNN, MSNBC and Fox News similarly reported on the search throughout their weekend news programming.

FBI Assessing Claims For Pennsylvania Cop-Killer Reward. The Buffalo News (11/25, Pignataro) reported, "FBI officials in Washington are reviewing 'several claims' made by individuals who say their help led to Ralph 'Bucky' Phillips' capture Sept. 8 in Akeley, Pa. Determining the merit of claims for the FBI's portion of the Phillips' reward -- $100,000 -- is a 'multitiered, multifaceted process,' said local FBI spokesman Paul Moskal. 'This is the public's money, so the FBI wants to make sure…these claims are meritorious and not frivolous,' Moskal said. … Moskal did say, however, that there doesn't appear to be any one claim that directly led to Phillips' capture." The News noted, "Phillips -- wanted in connection with the shootings of three state troopers, including one who died -- was added to the FBI's 'Ten Most Wanted List' Sept. 7."

FBI Launches Utah Corruption Hotline. The Deseret Morning News (11/25) reported, "The On the day that the indictments of three Davis County School District employees were announced, federal agents also unveiled a special toll-free tip line where the public can report suspected corruption by public officials. 'Currently, there are more than 2,000 public corruption investigations pending' nationwide, FBI Special Agent in Charge Tim Fuhrman said. … Tips can also be reported via the FBI Salt Lake City Field Office Web site."

Meanwhile, the Salt Lake Tribune (11/25, Stricker, Manson) reported, "Davis County parents and administrators face numerous unanswered questions about Wednesday's allegations that a Layton couple stole $4.3 million over five years from Davis County schools that receive federal funding for disadvantaged students -- and possibly much more. … Because the board learned Wednesday of the indictment charging Susan G. Ross, 62, and her husband John Ross, 64, with 47 counts of theft, fraud, copyright infringement and other crimes, members haven't yet met to evaluate what they might be able to do to provide more safeguards against fraud. … The delay in recognizing a problem may be a result of misplaced trust in employees who came up with explanations for discrepancies, Fuhrman said."

NYTimes Lauds "Technical Fix" For Drunk Driving. The New York Times (11/25, A14, 1.16M) editorializes, "There aren't many social problems that can be solved with a 'technical fix,' but drunken driving may be one of the most amenable. Technologies that are already in limited use can lock the ignitions of cars whose drivers have high alcohol levels in their breath, thus preventing them from turning their vehicles into lethal unguided weapons."

CIVIL LAW:

SCOTUS To Rule On State Regulation Of National Banks. The Washington Post (11/25, D1, Downey, 690K) reports, "The federal government and the banking industry will square off next week in the Supreme Court against all 50 states and the District of Columbia in a mortgage-lending case that could have broad implications for business regulation. The case, Watters v. Wachovia Bank, focuses on the lending industry. But the broader question it addresses is whether federal regulators can essentially tell state regulators to go away. It's a debate over what is called 'preemption.' … For more than two decades, states have regulated the mortgage-lending practices of state-chartered subsidiaries of national banks. The parent national banks are regulated by a federal agency, the Office of the Comptroller of the Currency. In 2001, the OCC ruled that state regulation was improper, saying that under federal law those lenders should be overseen by the federal government." In 2003, Wachovia Bank "decided that it wanted to be regulated solely by the OCC. It told the states where it runs mortgage lending companies that those firms would no longer register with state officials or abide by local rules."

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CIVIL RIGHTS:

FBI To Probe Florida Police Shooting. Central Florida News 13 (11/25) reports, "The FBI will investigate whether authorities used excessive force when they shot a fugitive 68 times after he fatally shot a Polk County sheriff's deputy. The Justice Department made the request to the FBI on Friday, after the Florida Civil Rights Association filed a complaint alleging authorities showed disregard for human life when they shot Angilo Freeland after an all-night manhunt. A total of more than 100 shots were fired at Freeland, with 68 finding their target." News 13 continues, "David Allred, deputy chief of the Justice Department's criminal section, said in a letter to the civil rights group that action will be taken if events occurred that violated federal law. … The FBI would be the sixth agency to investigate the shooting." News 13 adds, "Police say Angilo Freeland shot and killed Deputy Vernon Matthew Williams, a 39-year-old father of three, and his K-9 partner, Diogi, during a routine traffic stop in September. He also shot Deputy Doug Speirs in the leg and tried to shoot two other officers."

The AP (11/25) reports, "The FBI will investigate whether authorities used excessive force when they shot a fugitive 68 times after he fatally shot a Polk County sheriff's deputy, a spokesman for the bureau said." The AP continues, "The Justice Department made the request to the FBI after the Florida Civil Rights Association filed a complaint alleging authorities showed disregard for human life when they shot Angilo Freeland after an all-night manhunt. … 'In cases where the DOJ refers a case to the FBI, we will conduct the appropriate investigation,' FBI spokesman Richard Kolko wrote in an e-mail. 'The results will then be provided back to DOJ for their review and further action if warranted.'" The AP adds, "David Allred, deputy chief of the Justice Department's criminal section, said in a letter to the civil rights group that action will be taken if events occurred that violated federal law. … Allred said the letter was a standard response to civil-rights complaints. … 'We are determined to see an objective review of this matter,' J. Willie David III, president of the civil-rights group, said. 'Shooting anyone 110 times is more than a little extreme. We live in America, and that kind of atrocity cannot be condoned here.' … The FBI would be the sixth agency to investigate the shooting, which is already being reviewed by the Florida Department of Law Enforcement and the Polk State Attorney's Office."

WESH-TV, NBC 2, Orlando, FL (11/25) reports, "The probe comes at the request of the Orlando-based Florida Civil Rights Association. … 'There could have been a possibility that this person could have surrendered without any unnecessary force,' said the group's president J. Willie David."

The Orlando Sentinel (11/24, Mahoney) reported, "The FBI would be the sixth agency to investigate the shooting. Among others, the case also is being reviewed by the Florida Department of Law Enforcement and the State Attorney's Office in Polk, standard procedure in police-involved shootings in Polk County. But the possibility that the nation's highest law-enforcement agency may get involved didn't faze Polk County Sheriff Grady Judd, who said Thursday that he was 'completely comfortable' with the scrutiny and that his deputies had nothing to apologize for."

DOJ Asked To Probe Police Shooting Of 92-Year-Old Atlanta Woman. The Atlanta Journal-Constitution (11/25, Montgomery) reports, "An Atlanta civil rights activist is calling for a federal investigation into the fatal shooting by Atlanta police of a 92-year-old woman during a drug raid at the woman's home." The AJC continues, "Police contend they wanted to search Kathryn Johnston's house because an undercover drug purchase had been made there earlier on Tuesday, the day of the shooting. Johnston wounded three officers, emptying a six-shot revolver before being shot to death, police said." The AJC adds, "The Rev. Markell Hutchins, the civil rights activist, said he will deliver a letter to the Justice Department on Monday urging the agency to investigate 'what we believe are at worst, gross violations of this woman's life, and at best, poor judgment on the part of the police officers.' … Hutchins said he talked Friday morning with police Chief Richard Pennington, who was out of town when the shootout occurred. … Police contend they obtained a no-knock search warrant for the Neal Street house after buying drugs Tuesday afternoon from a man inside the home."

The AP (11/25) reports, "A civil rights activist representing the family of an elderly woman killed in a gunfight with police is calling for a federal investigation into her death. … The Rev. Markel Hutchins will go to Washington on Monday to deliver a letter to Attorney General Alberto Gonzales requesting that the Justice Department and FBI review the shootout, Hutchins said in a news release Thursday. … 'This horrific incident has all the signs of an egregious violation of Ms. Johnston's civil and human rights at worst and police officers using poor judgment and unnecessary force at best,' Hutchins said. … Fulton County District Attorney Paul Howard said his office has begun its own investigation but said a preliminary review of the case shows the officers had a legal right to search the home."

California Human Trafficking Law Seen As Difficult To Enforce. The Los Angeles Times (11/25, Therolf) reports, "When Westminster police raided the apartment, they were convinced they were freeing the eight women inside from modern-day slavery. … Police said the

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women had agreed to come to the United States from villages in Malaysia and Singapore on vague promises of a better life, but instead found themselves forced into prostitution. … Their pimps seized their passports and kept the women locked in a series of bleak apartments, with video cameras monitoring their movements and furniture barricading the doors. On the rare occasions the women were allowed outside, police said, it was with an escort." The Times continues, "Cases like this one prompted California last year to become the first state to enact a federally drafted law cracking down on human trafficking. Despite some well-publicized cases, authorities said existing law did not provide the legal tools to fight the crime, instead forcing them to use other charges, which often carry little or no jail time." The Times adds, "When Gov. Arnold Schwarzenegger signed the bill into law amid much fanfare and with the hope that it would become a national model, he said it would help put an end to 'a horrific crime that our society cannot abide.' … But in the 11 months since the law went into effect, not a single human trafficking case has been prosecuted, according to the law's sponsor, Assemblywoman Sally Lieber (D-Mountain View). Police complain the law makes it too difficult to prove that human trafficking has taken place." The Times notes, "The problem is that seldom is the evidence black and white. Were the workers being kept against their will, or were they enduring their hardships willingly as a step up the economic pecking order? .. .Another problem is persuading people to tell their stories of involuntary servitude. Authorities said victims often fear police because of bad experiences in their homelands and because their captors have told them their families would suffer retaliation if they talked."

The AP (11/25) reports that "authorities say the law makes it too difficult to prove immigrant workers were being held against their will, one of the criteria for classifying victims of human trafficking. Investigators also said victims often are reluctant to testify against their captors for fear of retaliation against family abroad, making it difficult to build a case. … 'We certainly can see that the fear (on the part) of immigrants particularly has been even deeper than we expected,' said San Francisco District Attorney Kamala D. Harris, a co-sponsor of the law. … Some 17,500 immigrants are enslaved in U.S. brothels, farms and factories - with a large share in California, according to rough estimates by the U.S. Justice Department. … Harris maintains the state law will be a valuable tool in cutting down on human trafficking in the future. It provides penalties of three to five years in prison for traffickers - four to eight if the victim is a minor. And an increase in California investigations after the law passed has led to tens of thousands in federal grants for local authorities."

Romney Files Suit To Force Vote On Gay Marriage Ban. The New York Times (11/25, A10, Zezima, 1.16M) reports Gov. Mitt Romney "filed a lawsuit Friday asking the state's highest court to order the legislature to vote on a constitutional amendment banning same-sex marriage or to place it on the 2008 ballot if lawmakers do not take up the provision. … More than 170,000 people have signed a petition asking the legislature to amend the state's Constitution to prohibit same-sex marriage." Romney "announced plans to file the lawsuit at a rally of same-sex marriage opponents on Sunday. The next day he sent a letter to the 109 lawmakers who had voted to recess, saying they were 'frustrating the democratic process and subverting the plain meaning of the Constitution' by refusing to vote."

The AP (11/24) reports, "Opponents of the question, including powerful House Speaker Salvatore DiMasi, feared they didn't have the 151 votes needed to kill the measure and instead called for a vote to recess the joint House-Senate session until Jan. 2. Lawmakers approved the recess vote by 109-87."

Catholic Bishops Reaffirm Opposition To Birth Control. The Washington Post (11/25, B9, Townsend, 690K) reports the U.S. Conference of Catholic Bishops approved "a new document from the U.S. church's anti-abortion committee aimed at young Catholics who are engaged or recently married. Called 'Married Love and the Gift of Life,' the document reaffirms the church's stance that artificial contraception is immoral, even between husband and wife. The document passed with 95 percent of bishops voting in its favor and no debate on the floor."

ANTITRUST:

Carlyle Group In Talks To Purchase Taiwanese Chip Maker ASE. The Wall Street Journal (11/25, A7, Sender) reports, "The Carlyle Group is in talks with the management of Advanced Semiconductor Engineering Inc. of Taiwan to make an offer for the publicly listed company in what would be a buyout valued at between $5 and $6 billion." The Journal continues, "A deal of that size would mean Asia is joining the private-equity wave that has hit the U.S. and Europe. ASE, a chip-testing and packaging company, is listed both in Taiwan and on the New York Stock Exchange. … 'A Carlyle-led consortium acknowledges that it has submitted an indication of interest to the Board of Directors regarding a potential acquisition.' Carlyle, a firm that specializes in the buyout of public companies, said in a prepared statement." The Journal adds, "The Carlyle announcement added that the investment firm had signed an agreement with Jason Chang, the chairman of ASE and its largest shareholder, with 18.4% of the outstanding shares, to buy out other shareholders at NT$39 (US$1.19) a share. That price represents a 24% premium above the 30-day average closing price of the stock.

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… The success of the deal depends on the willingness of shareholders to tender shares. This type of public-to-private offer with the support of management has been a feature of recent deals in the U.S., including those involving Kinder Morgan Inc. and HCA Inc."

The Financial Times (11/25, Hille) reports, "Carlyle and ASE said on Friday that the US private equity group had submitted an indication of interest to ASE regarding a potential acquisition at T$39 a share, and that Jason Chang, ASE's single largest shareholder and chairman, had already agreed to roll his 18.4 per cent stake into a Carlyle-controlled holding company that would own ASE. … Carlyle said the deal could greatly enhance ASE's market position, because other semiconductor firms in the group's portfolio and even those owned by other private equity firms were likely to increase outsourcing volumes."

The Washington Post/BLOOM (11/25, D1, Chan) reports, "Carlyle's proposed purchase would add to recent acquisitions the firm has made in the semiconductor business. In September, it was part of a group that agreed to buy Freescale Semiconductor for $17.6 billion, in the biggest technology buyout ever. Global chip sales could increase 9.4 percent this year, the Semiconductor Industry Association said." The Post adds, "Advanced Semiconductor, which was founded in 1984, packages chips in plastic or ceramic housings and adds connectors so they can be assembled as part of computers, game consoles, cellphones and other electronic instruments. The company employs more than 30,000 people. .. .Advanced Semiconductor confirmed the Carlyle offer and Chang's participation in the bid."

Pork Giant Smithfield Pushing Into Beef, Turkey Industries. The Virginian-Pilot (11/25, Mcwilliams) reports that Smithfield Foods Inc. "is the world's largest hog-raiser and pork processor. And it plans to further fatten its pork portfolio. But the company, with sales of $11.4 billion in its fiscal year ended April 30, also is growing aggressively beyond its roots in hogs and ham. … A recent deal gave Smithfield a 49 percent stake in Butterball LLC, the nation's largest turkey producer. And a planned Oklahoma beef plant will make the Smithfield-based company the fourth-largest beef processor in the United States." The V-P continues, "Smithfield, which appears to be testing antitrust limits with growth in its core pig and pork business, is trying to buy or build its way into bigger positions in nearly every type of meat except chicken, which it has avoided so far. … 'This is the most active period in Smithfield's history,' chief executive C. Larry Pope told analysts at a Boston conference in September. 'In virtually every segment of our business today, something very significant is going on.... Smithfield is not just in the pork business.'" The V-P adds, "Smithfield is betting that the vertically integrated model it honed in pork - controlling production from animal-raising to meat-packing - will translate well to beef. … Smithfield has just 6 percent of the U.S. beef-processing market. But the company is dwarfed by the top four players, which together control 83 percent, according to its estimates. … In addition to the Butterball acquisition, Smithfield paid $246 million in cash for the rest of ConAgra's branded meats business, which included Armour and LunchMakers." The V-P notes, "While it expands in beef and turkey, Smithfield is running into opposition as it tries to complete a strategic buy in its core business: the planned $810 million deal for Premium Standard Farms, a Kansas City-based hog raiser and processor. … The proposal, announced in September, sparked protests from farming groups and Midwest politicians who argued that the merger of the nation's top two hog-raisers would give Smithfield too much power over small hog farmers. … The Department of Justice this month asked Smithfield and Premium Standard for more information on the merger - a move that will delay the deal until the companies comply. Such requests occurred in only 3.1 percent of transactions in fiscal 2005, according to a Department of Justice report."

FTC Clears Merger Of Real Estate Firms. The AP (11/25) reports, "CB Richard Ellis Group Inc., the world's largest commercial real estate services company, has been cleared by federal regulators to acquire rival Trammell Crow Co. for nearly $1.8 billion." The AP continues, "Dallas-based Trammell Crow announced Friday that the final regulatory step was completed when the Federal Trade Commission approved early termination of a waiting period required under antitrust law. The deal is expected to close next month." The AP adds, "El Segundo, Calif.-based CB Richard Ellis agreed in October to buy Trammell Crow for about $1.79 billion, or $49.51 a share. … The deal will create a company with about $4.4 billion in annual revenue, more than 10 percent of the commercial real estate market, and let CB Richard Ellis tap Trammell Crow's list of corporate clients. … Trammell Crow shareholders must still approve the deal at a special meeting Dec. 18."

Microsoft Complies With EU Demand For Antitrust Documents. The New York Times (11/24, Meller) reports, "Microsoft submitted a new batch of technical information about its Windows operating system to the European Commission on Thursday, meeting the latest deadline to provide information on whether it is complying with a 2004 antitrust ruling. … 'This is an important milestone,' Microsoft said in a statement. Final edits and technical review of the information already submitted in July have now been completed, it added, insisting that it had not broken the summer deadline." The Times continues, "The commission, which fined Microsoft $357 million in July for failing to comply with the antitrust order, disagrees. Last

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week, the European competition commissioner, Neelie Kroes, expressed growing impatience with Microsoft when she imposed the latest deadline. She described the dossier submitted in July as incomplete and warned Microsoft that it faced daily fines of 3 million euros ($3.9 million) if it did not hand over all the technical information about Windows that the commission had requested. … Her department welcomed the company's submission. 'Now the dossier from Microsoft is worth testing,' her spokesman, Jonathan Todd, said in a telephone interview on Thursday. 'Potential licensees of the technical information will be invited to Microsoft's headquarters in Redmond to look at it.' … In the meantime, the commission and the trustee chosen by Microsoft to oversee the process of compliance with the 2004 ruling will examine the newly submitted information, Mr. Todd said."

The Los Angeles Times/AP (11/25) reports, "The European Commission, which fined Microsoft 280.5 million euros ($357 million) in July for not providing 'complete and accurate' data to allow server software to interface with Windows, said the technical manual could now be reviewed by 'potential licensees' — companies that compete with Microsoft in software for work-group servers, such as Sun Microsystems Inc., Novell Inc. and IBM Corp. … 'In parallel, the monitoring trustee will test the documentation in order to verify its accuracy,' the EC said. 'The commission will decide in due course whether or not Microsoft is in compliance with the obligation to provide complete and accurate technical documentation, taking into account comments from the potential licensees and advice from the trustee.' … EU spokesman Jonathan Todd said this was likely to take 'months rather than weeks.'"

Google Reaches Copyright Settlement With Belgian Photographers, Journalists. Bloomberg (11/25) reports, "Google, the world's most-used Internet search engine, reached a settlement with Belgian photographers and journalists yesterday in a copyright dispute over how Google's news service links to newspaper content." Bloomberg continues, "The agreement was made with the Belgian copyright groups Sofam, representing about 3,700 photographers, and Scam, on behalf of journalists. In September, Google lost a copyright suit initially filed by Copiepresse, a group representing French- and German-language newspapers in Belgium. That case is being reheard, but the company has removed links to 17 papers from its Google News page." Bloomberg adds, "Copyright disputes with Google compelled Microsoft to remove Web site links to Belgian newspapers last month and highlighted the global issue of whether traditional copyright protections apply to Internet search services. … 'We reached an agreement with Sofam and Scam that will help us make extensive use of their content,' Jessica Powell, a spokeswoman for Google, said in a phone interview yesterday. She declined to give details of the agreement or say whether it involved paying the groups for the content, and declined to say whether Google, based in Mountain View, Calif., was considering similar accords with the newspapers."

WSJournal Criticizes FCC's Martin Over Cable Box Regulation. The Wall Street Journal (11/25, A8, 2.04M), in an editorial, writes, "you'd think the Federal Communications Commission would have better things to do than micromanage the market for cable boxes -- a market that mostly doesn't exist anyway. No such luck. Like much of the trouble in telecom these days, this problem goes back to the supposedly de-regulatory 1996 Telecommunications Act. … The cable industry has had run-ins with FCC Chairman Kevin Martin over 'a la carte' pricing and the expansion of obscenity rules to cable channels. This lends the cablecard shakedown a flavor of political payback -- especially coming from what is supposed to be a deregulatory, free-market-oriented FCC. Mr. Martin, who long bemoaned the absence of a Republican majority on the Commission, now has one, but there's still too little evidence of the Commission acting like it."

ENVIRONMENT:

SCOTUS To Hear States' Suit Over Federal Regulation Of Greenhouse Gases. The Wall Street Journal (11/25, A2, Bravin, 2.04M) reports, "Things are bound to heat up at the Supreme Court Wednesday, when justices weigh whether the Clean Air Act requires the Bush administration to do something about global warming. In the late 1990s, the Clinton administration determined that greenhouse gasses…fell under the Environmental Protection Agency's jurisdiction. … Environmental groups asked the EPA to act. But the agency, moving at its glacial pace, didn't respond until 2003, when a different regulatory climate prevailed in Washington. The Bush administration rejected the petition, along with the Clinton EPA's legal opinion. Carbon dioxide and other greenhouse gasses aren't 'air pollutants' as defined by the Clean Air Act and, even if they were, Congress hadn't authorized the EPA to do anything about them, the administration concluded." The Journal notes, "That upset not only ecology groups, but also environmentally conscious states, which argued that federal law required EPA action, particularly since they couldn't individually regulate emissions to a degree that would affect global warming."

The first sentence of the Los Angeles Times (11/25, Savage, 850K) article on the case reads: "The polar icecaps are melting, summers growing hotter and hurricanes becoming more powerful, but the Bush administration has

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insisted it cannot regulate the gases that many believe are responsible." The Times goes on to report, "a coalition of 12 states, led by California and Massachusetts, will try to persuade the Supreme Court that the nation's environmental regulators have the legal authority and responsibility to control greenhouse gas emissions linked to global warming — which many scientists describe as the biggest environmental threat to the planet. … Bush administration lawyers do not discount the importance of global warming, but they argue it is not covered by the Clean Air Act. That measure, they say, targets pollutants, such as ozone, that are dangerous to breathe — not ones that occur in nature and are essentially harmless to breathe, such as carbon dioxide."

Energy Executives Anticipate Emissions Regulations From New Congress. The Washington Post (11/25, A1, Mufson, Eilperin, 690K) reports that "top executives at many of the nation's largest energy companies have accepted the scientific consensus about climate change and see federal regulation to cut greenhouse gas emissions as inevitable. The Democratic takeover of Congress makes it more likely that the federal government will attempt to regulate emissions. The companies have been hiring new lobbyists who they hope can help fashion a national approach that would avert a patchwork of state plans now in the works. They are also working to change some company practices in anticipation of the regulation. 'We have to deal with greenhouse gases,' John Hofmeister, president of Shell Oil Co., said in a recent speech at the National Press Club." Hofmeister "and other top energy company leaders, such as Duke Energy Corp.'s chief executive, James E. Rogers, back a proposal that would cap greenhouse gas emissions and allow firms to trade their quotas. Paul M. Anderson, Duke Energy's chairman and a member of the president's Council of Advisors on Science and Technology, favors a tax on emissions of carbon dioxide, the most prevalent greenhouse gas."

NYTimes Bemoans Construction Of Coal Plants In US, China. The New York Times (11/25, A14, 1.16M) editorializes, "Already, China uses more coal than the United States, the European Union and Japan combined. … What's frightening about this for those worried about the long-term consequences of warming is that nearly all of these plants are being built along traditional lines, burning pulverized coal to make electricity. And what's sad about it is that there's a much cleaner coal-burning technology available. Known as I.G.C.C. — for integrated gasification combined cycle — this cleaner technology coverts coal into a gas before it is burned. … This new technology is not readily available in China, but it is available to utilities in the United States. Which brings us to…an announcement by TXU, a giant Texas energy company, that it intends to build 11 new coal-fired power plants in Texas, plus another dozen or so coal-fired monsters elsewhere in the country. … Is TXU availing itself of the cleaner technology? No. TXU will use the old pulverized coal model."

DOJ Files Motion To Resolve Texas Alcoa Dispute. The Elgin (TX) Courier (11/25) reports, "The Justice Department on the EPA's behalf, filed a motion in US District Court in Austin seeking to resolve issues related to a Consent Decree entered into by Alcoa, the U. S. Government and Citizens groups in 2003, concerning alleged violations in the operation of Alcoa's generating units, reported Jim Hodson, Public Affairs and Environmental Manager of Alcoa." The Courier continues, "TXU is proposing to build a new, 630 megawatt (MW) power plant -- Sandow 5. A ruling is expected within a few weeks which if approved will add TXU to the Consent Decree and keep the project moving forward. … The court is being asked to approve a stipulated order that includes: … A payment of $859,000 to resolve Alcoa's anticipated failure to begin operation of Sandow 5 by the April 25, 2007 deadline. … Alcoa's Sandow Units 1-3 would be shut down by December 31, 2006, roughly 4 months earlier than the original consent decree. … A commitment by Alcoa and TXU to begin operation of Sandow 5 with full emission controls by August 31, 2009. … A commitment by Alcoa and TXU to strive for a Sandow 5 emission rate for nitrogen oxides 20 percent lower than the rate currently provided for in the consent decree. … TXU would be added as a party to the Consent Decree … And a commitment by TXU to install selective catalytic reduction system to substantially reduce nitrogen oxide emissions from Sandow Unit 4." The Courier adds, "The motion filed by the government is the outcome of prolonged negotiations but is a workable compromise and Alcoa and TXU are hopeful that the court will approve it. The project has been well supported by the local community."

Groups Decry Remarks By Attorney In Duke Power Case. The AP (11/25, Yost) reports, "A prominent member of the Supreme Court bar, the small circle of lawyers who regularly appear before the justices, infuriated environmental groups by presenting an argument the groups say is demonstrably incorrect." The AP continues, "The claim a month ago by Washington attorney Carter Phillips that the federal government had changed course in regulating emissions from coal-fired power plants is simply not true and a paper trail of the industry's own documents proves it, the groups say. … The case, Environmental Defense v. Duke Energy Corp., could determine the fate of an Environmental Protection Agency initiative targeting some of the biggest utilities in the nation. Phillips, representing Duke, is managing partner at the Washington office of the law firm Sidley Austin and has argued more than 50 cases at the Supreme Court. … 'These companies are bent on getting away with 20 years of illegal pollution by trying to deceive the Supreme Court,'

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said Natural Resources Defense Council clean air director John Walke, who is a former EPA attorney." The AP adds, "Utility industry attorney Scott Segal jumped to Phillips' defense, saying that 'for these environmental groups to go after one of the best lawyers in the country is a travesty. Phillips leads a legal dream team with a spotless record.' Segal, a partner at the law firm Bracewell & Giuliani, was responding to a list of questions a reporter sent to Phillips' office at Sidley Austin. With the case pending before the Supreme Court, Phillips did not respond." The AP notes, "The government enforcement action against Duke is one of more than a dozen brought by the Clinton administration in 1999 and 2000. … It is aimed at forcing power companies to install the latest pollution-control equipment on aging coal-fired plants which were renovated so they could be operated longer hours."

FBI/DEA/ATF/USMS:

Wyoming Man Convicted Of Drug, Weapons Charges. The Casper (WY) Tribune (11/23, Morton) reports, "A Casper man who led police on a door-to-door search in a Sunrise subdivision in January was found guilty on multiple drug and weapons charges in federal court in Cheyenne on Wednesday." The Tribune continues, "Armour Lyle Jolley, 32, faces at least 135 years and not more than 180 years of federal imprisonment, according to the second of two indictments filed this year. … He also could be punished with a fine up to $9,250,000, according to the second indictment." The Tribune adds, "The eight-day, 12-member jury trial began on Nov. 13 before U.S. District Court Judge Clarence Brimmer. … On the first day of the trial, Jolley pleaded guilty to the indictment filed Jan. 24 with the single count of being a felon in possession of a firearm, Justice Department spokesman John Powell said. … The conviction on Wednesday was on all 14 counts of the second indictment filed on July 19:"

IMMIGRATION:

Arizona Rancher Beset By Illegal Immigrants Fined For Accosting Trespassers. The Washington Times (11/25, Seper, 88K) reports, "An Arizona rancher who has waged a five-year campaign to stop a flood of illegal aliens from crossing his property has been ordered by a civil jury to pay nearly $100,000 for a 2004 incident during which he confronted a family hunting on his land. Roger Barnett, 62, who began rounding up illegal aliens after he said they destroyed his property, killed calves and broke into his home, was ordered to pay Ronald Morales, his father, his two young daughters and their friend on claims of negligence, false imprisonment and emotional distress. … The Morales family had sought $210,000 damages in a lawsuit sponsored by two civil rights groups, the Border Action Network and the Southern Poverty Law Center, which accused Mr. Barnett of vigilantism and abusing the illegal aliens he detained."

CONGRESS-ADMINISTRATION:

Independent Office Debate Tests Democrats' Commitment To Ethics Reform. The Wall Street Journal (11/25, A7, Cummings, 2.04M) reports, "Democrats are promising big changes in lobbying rules to combat congressional corruption. But they're divided over whether to create an outside investigative office to review ethics complaints or leave enforcement to members. … Opponents say such an office would encroach on Congress's responsibility to police itself and could create an unnecessary and expensive bureaucracy. Many senators have resisted changing oversight rules since most congressional scandals this year involved House members." Sen. Joseph Lieberman is quoted as saying, "This is an area where there is an opportunity to make the rhetoric of self-reform of Congress real by having the guts to set up an independent office." Lieberman and Sen. Susan Collins "co-sponsored a measure earlier this year…establishing an independent Office of Public Integrity that would vet Senate ethics complaints and conduct investigations of those it deemed serious. Under the proposal, the ethics committee would oversee the integrity office and could end a probe with a majority vote. The committee also would decide whether to impose penalties on a member. It was defeated in a bipartisan landslide, 70-30. Among those opposing the office was incoming Democratic Senate Majority Leader Harry Reid."

Hoyer's Contributions From Lobbyists Draw Scrutiny. The Washington Times (11/25, Pfeiffer, 88K) reports, "House Democrats put lobbying reform near the top of their agenda, but their incoming majority leader was one of the biggest recipients of special-interest money. A new report states that Rep. Steny H. Hoyer, Maryland Democrat, was the 'most dependent' on special-interest funding and received the fifth-highest total in lobbying contributions among members of Congress. According to public financing records, Mr. Hoyer has received $609,836 from lobbyists, $2.46 million from out-of-state donors and $5.67 million in political action committee contributions since 2000." Craig Holman, legislative director of Public Citizen -- which put out the report -- said, "Much of the reason he's at the top of the list is because he's in leadership. … It does not necessarily mean he'll be reluctant to support lobbying reform."

Pelosi's Ties To Miller Worry Some Centrist Democrats. The New York Times (11/25, A12, Zernike,

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1.16M) reports Reps Nancy Pelosi and George Miller "have become so close that, as colleagues say, they finish each others' sentences. So it was not surprising that, when Mrs. Pelosi faced the first test of her role as speaker-elect of the House of Representatives, Mr. Miller was in the background, pushing her to back Representative John P. Murtha of Pennsylvania to replace her as Democratic leader. … Miller's role raised fears that after carefully nudging her party to the center, which many say helped the Democrats retake the majority, Mrs. Pelosi would let her liberal allies have too much influence. In the concerns of some Democrats — and the I-told-you-so's of some Republicans — Mr. Miller represents Mrs. Pelosi's true liberal soul, and his pushing for Mr. Murtha a sign that the far left would dominate and destabilize the Democrats." However, according to the Times, "those who know them both say that he, and his influence, have been wrongly judged."

Pelosi Seen As Potentially Undermining Democrats' Momentum. In his New York Times (11/25, A15, 1.16M) guest column, Thomas Edsall writes, "For the Democratic Party to revive, major tenets of American liberalism, economic and sociocultural, will have to be discarded. The party…can trudge along as No. 2, or it can undergo a painful transformation — without guarantee of success. … Very liberal senior House Democrats now have vastly enhanced power to add inflammatory provisions to bills moving through their committees (think Rangel and the draft). Nancy Pelosi and her closest advisers in the House are more likely to support such radioactive amendments than to serve as guard dogs protecting a slender Democratic majority. The first test of Pelosi's ability to distinguish between broad-based and special interests will be when she decides whether to appoint Alcee Hastings, the once-impeached federal judge, to head the House Intelligence Committee."

Three Texas Universities Vie For Bush Library. The Wall Street Journal (11/25, Levine, 2.04M), in a front-page story, reports, "The biggest college rivalry in Texas these days isn't only over football. It is the battle to score President Bush's presidential library. Southern Methodist University, the University of Dallas and Baylor University are the three finalists to house Mr. Bush's presidential library. In efforts to snag the prize, they have bought up hundreds of acres of land, awarded honorary degrees to Bush family members, and even named a highway after the president. A decision by the George W. Bush Presidential Library Site Selection Committee is expected in December or January." According to the Journal, SMU "is the betting favorite. It is Laura Bush's alma mater, she serves on its board of trustees, and the Bushes' church, United Methodist Church, is next to the college. But the University of Dallas and Baylor have fought back with lavish proposals that pay homage to themes of the Bush presidency."

Gates Advocated Bombing Nicaragua In 1984, Say Documents. The Los Angeles Times (11/25, Barnes, 850K) reports that Secretary-designate Gates "advocated a bombing campaign against Nicaragua in 1984 in order to 'bring down' the leftist government, according to a declassified memo released by a nonprofit research group. The memo from Gates to his then-boss, CIA Director William J. Casey, was among a selection of declassified documents from the 1980s Iran-Contra scandal posted Friday on the website of the National Security Archive, http://www.gwu.edu/nsarchiv/ ." Gates prescribed "that the United States withdraw diplomatic recognition of the Sandinista government, provide overt assistance to a government in exile, impose economic sanctions or a quarantine, and use airstrikes to destroy Nicaragua's 'military buildup.'" Archive director Thomas Blanton said, "It sounds like Donald Rumsfeld. It shows the same kind of arrogance and hubris that got us into Iraq"; however, he also commented that Gates "seems to have changed after his nomination for CIA director was withdrawn in 1987."

The AP (11/24) reports that Gates's "proposals were never adopted but the administration attempted to circumvent the Contra aid ban by secretly funneling money to the rebels that had been obtained through arms sales to Iran. Democrat says they will question Gates during his Senate confirmation about his knowledge of the Iran-Contra scandal." Another AP (11/24, Yost) article reports the 20th anniversary of Iran-Contra, which "temporarily damaged" Gates's career prospects. About six sites have carried the story so far.

Sowell Defends Rumsfeld, Other Public Servants. In his syndicated column, appearing in the Washington Times (11/25, 88K), Thomas Sowell writes, "Whatever history's verdict on the Iraq war and on Mr. Rumsfeld, both deserved to be discussed and debated far more seriously and responsibly than the all-too-common media sound bites, political spin and venomous cheap shots. Whether Donald Rumsfeld's policies were mistaken or not, that is no reason to accept superficial and even gutter-level discourse on momentous national issues. ... This country needs to be able to draw on its best people from every walk of life and from every part of the political spectrum. But the nation will not get them if going to Washington means seeing the honorable reputation of a lifetime dragged through the mud just because someone disagrees on a political issue."

GAO Calls DOD Business Practices Risky. UPI (11/24) reports, "The GAO has identified 26 federal programs or activities that are at risk for waste, fraud and abuse because of lax oversight. Eight of them are in the Defense Department and six are programs for which the DOD bears some responsibility. ... The high-risk areas include DOD's overall management approach to business transformation,

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business systems modernization, financial management, the personnel security clearance process, supply chain management, support infrastructure management, weapon systems acquisition, and contract management."

Polls Rate Approval Of All 100 Senators. SurveyUSA (11/24) has released its latest polling data on approval ratings of all 100 US senators, based on mid-November polls of 600 adults in each of their states. The 10 highest-rated senators are Olympia Snowe (79% approval, 18% disapproval), Kent Conrad (77%/20%), Byron Dorgan (75%/21%), Susan Collins (73%/23%), Hillary Clinton (74%/24%), Max Baucus (72%/23%), Barack Obama (71%/22%), Patrick Leahy (71%/25%), Jeff Bingaman (69%/25), and Tim Johnson (70%/26%). The 10 lowest-rated senators are Mike DeWine (34%/60%), Jim Talent (37%/60%), Rick Santorum (37%/58%), Conrad Burns (41%/56%), Frank Lautenberg (39%/45%), Mel Martinez (43%/46%), Jim Bunning (44%/47%), Jon Kyl (46%/48%), John Kerry (48%/50%), and Mark Dayton (44%/45%). Of the 10 at the bottom, four (Burns, DeWine, Santorum, Talent) were defeated this month, one (Kyl) was re-elected, and one (Dayton) is retiring.

Veterans Hampered By Lost Documents In Quest For Benefits. The Los Angeles Times (11/25, Lade, 850K) reports, "Almost a million veterans a year ask federal officials about retrieving lost military documents, papers they need to apply for valuable veterans benefits like housing loans and low-cost healthcare. The process now can be expedited by applying online. But some veterans and their families still find it cumbersome and confusing." The Times advises veterans "to fill out the Standard Form SF-180."

Mars Global Surveyor Falls Silent. The CBS Evening News (11/24, story 6, ,0:30, Mitchell, 7.66M) reported, "There may be no tomorrow for the Mars Global Surveyor, the spacecraft that's been mapping the red planet for NASA. For 10 years it sent images of Mars back to earth, but its signal fell silent three weeks ago. NASA tried several times to get it to respond but to no avail."

LATimes Sees New Coins As Substitute For Dollar Bill. The Los Angeles Times (11/25, 850K) editorializes, "there's no better way to replace the outdated dollar bill than with the commemorative $1 coins introduced this week. … Actually, we can't conceive of any situation in which a dollar bill makes more sense than a dollar coin, once vending machines are retrofitted to accept the new money. But overcoming Americans' sentimental attachment to the dollar bill may require a stealth strategy of flooding the country with attractive coins that look like real money."

Expatriate Who Moved To Canada After 2004 Election Blasts Bush. In an op-ed for the Los Angeles Times (11/25, 850K) David Drucker, an information architect in Vancouver, writes about moving to Canada after President Bush's reelection. Drucker notes, "We've come to the conclusion that the United States has drifted so far to the right that any self-respecting Canadian Conservative would be considered a raving liberal in Washington. Stephen Harper is no George W. Bush. We may not agree with him, but we don't feel ashamed every time he opens his mouth. … So we're staying in Canada."

OTHER NEWS:

Shoppers Turn Out As Anxious Retailers Open Holiday Buying Season. With the day after Thanksgiving marking the traditional start of the holiday shopping season, many newspapers report on the impact of the "Black Friday" shopping day. On its front page, the Wall Street Journal (11/25, A1, Whitehouse, Aeppel, 2.04M) pessimistically writes that "the latest readings on the U.S. economy suggest a less-than-festive picture as this holiday shopping season begins: Unless consumers turn in a stellar performance at the mall, the recent sluggish growth could last through year's end." And while "many retailers reported stronger-than-expected turnout" yesterday, "some economists and analysts worry that it is only deep discounts that are drawing shoppers out, not underlying strength." In a related story, the Wall Street Journal (11/25, A4, O'Connell, Kang, Zimmerman, 2.04M) quotes analyst Michael Niemira saying, "When the dust settles, we'll say, 'Hey, gee, what a good Black Friday.' But the big question is, how much momentum is there?"

The CBS Evening News (11/24, story 4, 2:28, Mitchell, 7.66M) reported, "The holiday shopping season got off to a bang and a kick and a punch as well. Here's one reason why: 137 million people are expected to elbow their way into a mall between now and Sunday." CBS (Alfonsi): "This year analysts say shoppers will each spend about $790 on gifts, compared to about $740 last year. And that would increase holiday sales to about $457 billion, more than $23 billion of it spent this weekend alone." NBC Nightly News (11/24, story 3, 3:00, Wells, 9.87M) reported, "Retailers expect two million more shoppers to hit stores this weekend compared to a year ago, and stores are opening longer, offering generous discounts. Some even through opening their doors at midnight -- not to beat the rush, but to start it."

The Financial Times (11/25, Birchall) said shoppers "launched their frantic traditional post-Thanksgiving Day assault on stores and malls across the country, amid predictions of a solid but not spectacular holiday season for

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the retail sector." The Chicago Tribune (11/25, Jones, 617K) says the National Retail Federation "predicts a 5 percent gain in holiday sales this year, less than the 6 percent of a year ago but on par with the 4.8 percent average annual increase of the past decade." The Dallas Morning News (11/25, Halkias, 500K) quotes retail expert Edward Fox saying, "Retailers are trying to get people to buy early. The point is to get the shopper early in the cycle." The AP (11/24, D'Innocenzio) also has a report.

The Washington Post (11/25, Mui, 690K) and Washington Times (11/25, Haberkorn, 88K) have front-page features on shopper turnout in the D.C. area, while the New York Times (11/25, Barbaro, 1.16M) has a front-page story on how sometimes the frenzy turns into physical violence between shoppers. Meanwhile, the Wall Street Journal (11/25, B1, Vascellaro, 2.04M) looks past "Black Friday" to "Cyber Monday," when "the online-shopping frenzy can begin in earnest." Nearly 115 million Americans are expected to do some holiday shopping online this year, "up 6% from a year ago."

Stocks Take Slight Dip As Dollar Falls Sharply. The Wall Street Journal (11/25, B1, Civils, 2.04M) reports, "As shoppers hit stores in the post-Thanksgiving tradition, the stock market was rattled by a decline in the U.S. dollar, spurred in part by uncertainty about the economy's health." The Dow Jones Industrial Average closed down 46.78 points Friday at 12280.17, while the Nasdaq dropped 5.72 points to 2460.26 and the S&P 500 fell 5.14 to 1400.95.

The Wall Street Journal (11/25, A4, Slater, Walker, 2.04M) says the dollar "fell sharply, breaking out of a recent tight trading range and hitting a 20-month low against the euro." The New York Times (11/25, C1, Peters, Dougherty, 1.16M) says the European currency "traded at $1.3079 yesterday afternoon, up from $1.2941 on Thursday. The pound was trading at $1.9317, up from $1.9156." The Financial Times (11/25, Dennis, Giles, Atkins) also says the "sharpening slide in the US dollar unnerved global markets."

Subprime Borrowers Hurt By Housing Slump. The Wall Street Journal (11/25, A2, Hagerty) reports, "While economists debate whether the U.S. housing slump is almost over or just getting started, one corner of the market is showing rapid deterioration: Many recent subprime borrowers are falling behind on their payments." The Journal continues, "The latest snapshot of the housing market will come Tuesday, when the National Association of Realtors is due to report on October sales of previously occupied homes. Thomas Lawler, a housing economist in Vienna, Va., believes the Realtors will report a decline in median prices of as much as 5% from a year before. On Wednesday, the government will issue its monthly report on new-home sales." The Journal adds, "So far, the economy has weathered the housing downturn with few problems. Rising incomes and stock prices, low interest rates and falling energy costs have helped consumers cope with the psychological blow of declining home prices in many parts of the country. The more bullish analysts believe house prices will start rising again before the end of 2007. … Even if the housing downturn is brief, though, the pain will linger for people who borrowed too heavily to buy homes near the top of the market. … The weak housing market makes life tougher for subprime borrowers. If they run into financial trouble, it's no longer so easy to sell their homes for enough money to repay the loan, meaning more face foreclosure."

New Yorkers Missing More Mortgage Payments. The New York Times (11/25, Haughney) reports, "In the third quarter of this year, the number of city residents who had missed more than three months of mortgage payments jumped by 20 percent compared with the same quarter a year ago. Still, New Yorkers often have more time to try to hold onto their homes than homeowners in the rest of the country." The Times continues, "Data collected by PropertyShark .com, a real estate data company based in Brooklyn, shows that 1,468 city homeowners missed mortgage payments from July to September, compared with 1,220 in the comparable period last year. That puts them in what is commonly known as preforeclosure, when banks typically warn people that they are at risk of foreclosure so the homeowner will take steps to catch up on the payments. But while more homeowners are in the danger zone, more have also been able to avoid foreclosure. In New York City, lenders foreclosed on 425 homes in the third quarter of 2006, compared with 545 in the year-ago period. (The city has 3,018,000 homeowners.)" The Times adds, "State laws give New Yorkers an advantage over homeowners elsewhere. According to PropertyShark's chief executive, Ryan Slack, New York courts typically consider the buyer of the property to be the owner, while California treats the bank that holds that mortgage as the owner. … Banks in California can foreclose on a property and take it back in roughly seven months, but banks in New York have to go through a legal battle that can take more than two years. … That means that New Yorkers have more time to find ways to hold onto their homes."

Ontario Pension Plan To Purchase Ports In US, Canada. The New York Times/AP (11/25, Press) reports, "The Ontario Teachers' Pension Plan agreed to buy two marine container terminals in the New York area and two in British Columbia from Orient Overseas (International) for $2.4 billion." The AP continues, "The Ontario Teachers' Pension Plan, one of Canada's largest institutional investors, said the deal with Orient Overseas, based in Hong Kong, is still subject to Canadian and United States regulatory approvals." The AP adds, "The terminals involved are the New York

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Container Terminal on Staten Island and Global Terminal and Container Systems at Bayonne, N.J. The deal also includes TSI Terminal Systems' Deltaport and Vanterm facilities on Canada's Pacific coast. … Once the deal is completed, the terminals will nearly double the value of the plan's infrastructure and timber portfolio to $6.5 billion — about 8 percent of the plan's total assets."

Pundits Discuss Early Line On 2008 Presidential Race. On MSNBC's Hardball (11/24), Norah O'Donnell hosted a discussion on the 2008 presidential race. CQ's Craig Crawford and Newsweek's Richard Wolffe agreed that Rudy Giuliani, Sen. John McCain, and Gov. Mitt Romney are the three leading Republican candidates. Wolffe said what "really sets" Romney "apart here is his organization, the way he's got a structure moving, financing in the key states, Michigan, New Hampshire, Iowa, South Carolina, he's already up and running." But Larry Sabato of the University of Virginia cautioned that for Romney, "the Mormonism question is a serious one." On the Democratic side, Sabato put Sen. Hillary Clinton, John Edwards, and Sen. Barack Obama at the top of the list, "and maybe as a dark horse with real potential" Sen. Evan Bayh. Wolffe said Obama "is a game changer for both parties." He "not only makes Hillary look like a very different kind of candidate, he really makes John McCain look like a very different kind of candidate. Because of that skipping a generation, you'll be moving not just from the pre-boomer generation, which is John McCain, past the boomers, the Clinton folks and the Bushes, and into a whole new realm."

Elizabeth Edwards Offers Commentary On CBS. Edwards' wife Elizabeth was the featured commentator on the CBS Evening News (11/24, story 10, 1:50, Mitchell, 7.66M) "Free Speech" segment, where she said, "As a country Americans have gotten used to treating those in service positions as if they were part of the cash register, part of the conveyor belt. They aren't. They are mothers, fathers, daughters and sons working hard to provide for their families. And they're working harder and earning less than most Americans who work behind a desk. Everyone in America who works hard deserves our respect."

Strickland Says Democrats Must "Produce" To Win In 2008. On CNN's The Situation Room (11/24, King), Ohio Gov.-elect Ted Strickland was asked what is his "message to the national Democratic Party." Strickland said, "My message is this: focus on the important issues, the issues of education, the issues of health care, the issues of economic growth, and living-wage job creation. If the Democrats, and if I do that here at the state level, we will be successful in '08 in electing a Democrat to the presidency. But we have an obligation to produce. The people have given us this opportunity. And now the burden, as I said, is upon our shoulders. And we have got to work honestly and ethically."

House Race Again Places Florida At Center Of Election Firestorm. NBC Nightly News (11/24, story 5, 2:40, Williams, 9.87M) ran an "In Depth" report on electronic voting machines, focused on the FL13 race where "with 238,000 votes cast," Republican Vern Buchanan "beat his Democratic opponent by fewer than 400 votes." But Christine Jennings "isn't conceding. In one county, thousands of voters, enough to tilt the difference, appeared to cast no vote at all and many are now blaming new electronic voting machines. As often happens in Florida elections, this one has gone to court."

Ex-KGB Spy Was Poisoned By Rare Radioactive Substance. The CBS Evening News (11/24, story 7, 2:00, Mitchell, 7.66M) reported, "The mystery is deepening over the death in London of a former KGB spy who was an outspoken critic of Russian President Putin. British officials said he was poisoned by an extremely rare radioactive substance and they pressed their hunt for the killer." NBC Nightly News (11/24, story 4, 2:10, Williams, 9.87M) reported Alexander Litvinenko "was killed by a rare and deadly radioactive poison." Litvinenko "left behind a death-bed statement leaving no doubt who he thought had killed him." NBC (Friesen): "As he lay dying, Alexander Litvinenko, a once imposing Russian spy and outspoken Kremlin critic, dictated a final statement to his friend, blaming one man for his plight -- Russian President Vladimir Putin."

Major newspapers and wire services report at length on Litvinenko's death. The Wall Street Journal (11/25, Cullison, 2.04M) notes his death, "coming weeks after the killing of a well-known independent journalist in Moscow and the harassment of opposition politicians, is fueling fears that opponents of Russian President Vladimir Putin could face even more pressure before a transfer of presidential power in 2008." Putin "denied the Kremlin played a role in" Litvinenko's death, "which Mr. Putin called tragic. But at the same time, he accused his critics of a 'political provocation.'" The poisoning "comes amid a deepening chill in relations with the West -- which has been uneasy with the Kremlin's steady tightening of control over Russian society -- and irritated by Moscow's foreign-policy moves."

In over 1,600 words, the New York Times (11/25, Cowell, 1.16M) says the use of polonium-210 to kill Litvinenko is "further complicating a case that has taken on all the mystery and menace of a political thriller." Noting that "alarm spread across London after the police found traces of radiation in three places the former spy had been," the Times says "scientists were astounded at the use of the rare and

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hard-to-produce substance." The "cause" of Litvinenko's death "was so unusual, so baffling and so chilling that a senior British official called it 'unprecedented.' The government called a high-level meeting restricted to the most senior ministers — codenamed Cobra — and the Russian ambassador was summoned to the Foreign Office. Rebutting the accusations of foul play, Russian officials hinted at a devious conspiracy to discredit President Putin."

On its front page, the Washington Post (11/25, A1, Jordan, Finn, 690K) reports, "Coming after the mysterious poisoning of another prominent opponent of the Kremlin, Ukrainian politician Viktor Yushchenko, the death provoked accusations that Russia continues to use Cold War-style tactics to eliminate critics abroad." Litvinenko's "death complicated a summit in Helsinki between Putin and European Union leaders. Speaking there, the Russian president called Litvinenko's death a tragedy, expressing his condolences and pledging his country's cooperation in the investigation." The Financial Times (11/25, Burns, Fidler, Studemann) says Putin was "forced into a public denial of responsibility for the death," as "Kremlin officials vigorously denied official Russian involvement." A 1,657-word AP (11/25, Lawless) piece adds, "In a dramatic statement written before he died, [Litvinenko] called [Putin] 'barbaric and ruthless' and blamed him personally for the poisoning." He "accused Putin of having 'no respect for life, liberty or any civilized value.'" Putin "strongly denied involvement by his government."

The Los Angeles Times (11/25, Rotella, Stobart, 850K) reports, "Scotland Yard's elite counter-terrorism unit is leading the investigation. … A British official knowledgeable about the case, who asked not to be identified, said police conducted in-depth interviews of the hospitalized Litvinenko, four or five sessions lasting about four hours each. In addition, they are reconstructing his movements through interviews of witnesses and analysis of footage from London's widespread surveillance camera network, Deputy Assistant Commissioner Peter Clarke, head of the Counter Terrorism Command, said in a statement."

Russia Proceeding With Sale Of Missiles To Iran. The CBS Evening News (11/24, story 8, 0:16, Mitchell, 7.66M) reported, "Russia announced today it has begun delivering sophisticated missiles to Iran despite US opposition. Iran reportedly brought 29 of the air defense systems for $700 million. The US has called for a ban on arms sales to Iran over its nuclear program." The AP (11/25, Ingram) says Moscow "has begun delivery of Tor-M1 air defense missile systems to Iran, confirming that Moscow would proceed with arms deals with Tehran in spite of Western criticism."

Lebanese Two-Day Strike Aimed At Calming Rising Tensions. The AP (11/24, Ghattas) reports Lebanon's political crisis "worsened Friday with government ministers fearing for their lives after the murder of one of their own, businesses on strike and Hezbollah renewing threats of protests." Beirut has been "tense" this week, after Pierre Gemayel's assassination "added to Lebanon's political uncertainty" and "reignited anger at Syria." In addition, the Cabinet will meet to today "to give its final approval to a U.N.-created international court to try suspects in the February 2005 killing of former prime minister Rafik Hariri." The AP adds, "Fearing a meltdown, business leaders called a two-day strike starting Friday to urge the rival leaders to 'take national decisions ... engage in dialogue and stop making threats of street protests.' … Efforts to break the deadlock — and even the outpouring of grief over the slaying of the young Christian politician — have failed to soften the entrenched positions."

Under the headline, "Lebanon's Ominous Sense Of Déjà vu," the Los Angeles Times (11/25, Stack, 850K) says of the post-funeral situation, "A cycle of violence, with uncomfortable echoes of Lebanon's past, was getting underway." The Times adds, "Brawls and vandalism with sectarian overtones have erupted in the Lebanese capital in recent days, especially where rival sects or political parties live side by side. Gangs roamed the streets, looking for a place to vent their rage." Even minor incidents "reveal a precarious mood. This is just the sort of low-level violence that has sparked clashes and fueled Lebanon's internal religious fighting for generations. A political rift has grown steadily more serious."

BBC.com (11/25) carries analysis by US Ambassador to the UN John Bolton that Gemayel's murder "may be the first shot in a coup against the government." He further claimed that "recent probes into political killings in Lebanon suggested Syrian involvement," and "he told the BBC that if Syria was deemed to have been involved, the implications were serious." Bolton further "said he did not want to pre-judge any investigation into Mr Gemayel's death," and "said that Washington would have to take such things into account when deciding whether to deal with Syria. He said the Americans talked to the Syrians all the time - the issue was whether Syria was going to listen."

Iran Said To Smuggle Arms Into Lebanon Through Syria. On its website, Time (11/24, Shannon, 4.03M) carries Saudi and Israeli intelligence reports that Iran "is smuggling weapons through Syria to re-arm Lebanese allies Hizballah, despite renewed efforts by United Nations peacekeepers and the Lebanese army to seal off the mountain borders with Syria." Israeli officials "say that Hizballah replenished nearly half of its pre-war stockpiles of short-range missiles and small arms. But western diplomats in Beirut say these calculations

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under-estimate the weapons flow and that Hizballah has now filled its war chest with over 20,000 short-range missiles -- a similar amount to what they had at the start of the [Israel-Hezbollah conflict], during which the group is believed to have fired over 3,000 rockets at Israel." A Saudi source is cited claiming "Iranian Revolutionary Guard officers have been operating out of a military base on the outskirts of Damascus. The Iranian government has dispatched shipments of small arms and what appear to be missile components to this military base," which are then "shipped by truck across the border into Lebanon." Time adds, "Iran's apparent efforts to destabilize Lebanon and to expand Shi'ite influence in Iraq and throughout the region are of major concern to the Saudi government, a leading power in the Sunni Muslim world that presumably would like to see the U.S. take a more active stance in Lebanon against its regional rivals."

Israel Rejects Haniyeh's Cease Fire Offer. The New York Times (11/25, Erlanger, 1.16M) reports, "After another surge of violence in and around the Gaza Strip over the past month, Israel and the Palestinians moved gingerly on Friday toward reinstating an often-broken cease-fire between them." Palestinian Prime Minister Ismail Haniyeh "confirmed that the Palestinian factions … would halt their rocket fire if Israel halted its military operations in both the West Bank and Gaza. Israel called the offer a media presentation, but said it was open to a more serious, formal proposal." Secretary Rice "is expected to make an unannounced visit here to see" Israeli Prime Minister Ehud Olmert and President Mahmoud Abbas. "The United States is eager to break the bloody stalemate and at least have Mr. Olmert and Mr. Abbas talking again." In negative tones, the AP (11/24, El Deeb) adds Haniyeh "said Friday that militants were prepared to stop firing rockets at Israel if it would halt all military action in Palestinian territories. Israel rejected the offer, saying it would respond positively only to a total truce."

Ahead Of Turkey Trip, Pope Called "Pessimistic" About Christian-Muslim Divide. In a 2,300-word story on its front page today under the headline, "A Tumultuous World Tests A Rigid Pope, "the Wall Street Journal (11/25, Kahn, Meichtry, 2.04M) reports, "Nineteen months after being selected pope, Benedict is transforming the Vatican with a different style and a different stance. Beneath his blunt words and rigid style lies a profound divergence from John Paul's buoyant optimism. Pope Benedict believes that the Roman Catholic Church must stand apart from the world of today rather than embrace it." While John Paul II "was the master of the grand overture," Benedict believes "the modern age is defined by growing secularism in the West and the rise of religious fanaticism most everywhere else. In order to fulfill its mission, he believes, the Church needs to shun both forces." Benedict's "emphasis on tradition risks alienating a broad cross-section of Catholics who argue the Church needs to become more accessible to maintain its increasingly diverse flock." His "public call to arms fires the imaginations of many of the cardinals who elected him pope. They share Benedict's view of a Church that is under siege, and they want a leader who is ready to confront the dual challenges of secularism and Islam, even if such confrontation brings danger." The Journal says "Benedict's approach faces the biggest test of his young pontificate as he travels to Turkey this coming week, his first papal trip to a Muslim nation."

The Los Angeles Times (11/25, Wilkinson, 850K) notes, "When Pope Benedict XVI travels to Turkey next week, he will be making his first trip to a predominantly Muslim country at a moment of diplomatic fragility. He also will be traversing some of the most ancient and revered milestones of Christianity, in a land where Christianity is disappearing and where non-Muslim minorities complain of systemic discrimination, harassment and violence against them." Benedict has "a complex agenda" – his "main purpose is to meet with the Istanbul-based spiritual leader of the world's 250 million Eastern Orthodox Christians in a show of ecumenical solidarity. But he must also use the visit to attempt to repair the damage from comments he has made that cast Islam in a negative light." Benedict's "controversial presence in Turkey represents a balancing act for the government of Prime Minister Recep Tayyip Erdogan, which regards itself a vital bridge between the West and East, a way for Westerners to deal with a modern and democratic Islam. But it also cannot appear too cozy with a pontiff who, in the view of many, is not fond of Muslims or Turks."

Sunni-Shiite Tensions Shadow Bahrain Vote Today. The Washington Post (11/25, A8, Ambah, 690K) previews today's Bahraini parliamentary elections. "Friction between Sunni and Shiite Muslims in this strategic Persian Gulf kingdom … has clouded" today's vote. "The campaign for the National Assembly's 40-member lower house has been marred by an alleged plot by a senior government official to rig the elections in favor of the ruling Sunni minority," and those accusations have "sparked demonstrations and calls for the prime minister's resignation and an international investigation." That controversy "coincides with simmering tensions caused by the sectarian violence in Iraq, fears of neighboring Iran's regional ambitions and the birth of a conservative Sunni political movement here."

The New York Times (11/25, A3, Fattah, 1.16M) calls the vote "a referendum on promises" of "better housing, better jobs, higher salaries, and better services." However, "the one thing that many [candidates] were not prepared to promise was far-reaching political change." Bahrainis will vote "in an

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atmosphere of growing sectarian division and disillusionment. Tensions have been running high here, fueled by a widening economic disparity between the country's minority Sunni population and its Shiite majority, as well as a growing frustration that long-promised changes have yet to materialize."

Weakened Chen Survives Taiwan Removal Vote. The Washington Post (11/25, A17, Rickards, 690K) reports Taiwanese President Chen Shui-bian "easily survived an impeachment vote" yesterday "despite his wife's indictment on embezzlement charges and a prosecutor's statement that Chen could be indicted as well if he did not have presidential immunity." The parliamentary "vote signaled that Chen, a combative champion of Taiwanese independence, is likely to remain in office until the end of his second four-year term in 2008 unless new irregularities are brought to light or new charges are filed." The Post says Chen's "mandate has been seriously undermined by the corruption indictment against his wife and similar indictments against his son-in-law and several senior aides. As a result, the political storm buffeting his leadership seemed unlikely to subside anytime soon." The vote was the third failed attempt to impeach Chen since June, and "indicated that most lawmakers from Chen's Democratic Progressive Party and the allied Taiwan Solidarity Union remained loyal to the president, despite widespread discontent over the embezzlement scandal, including among his most loyal followers."

A lengthy analysis piece in the New York Times (11/25, A6, Yardley, 1.16M) notes, "At times, Taiwanese politics is a blend of opera and blood sport, and this is one of those times. Scandal and outrage, lying and humiliation — all of it messy and delivered in a loud, public fashion — are consuming political life here, as a virtual death watch has settled over" Chen's presidency. The media "have been filled with so many suggestive details — a reportedly ill-gotten Tiffany diamond ring, to name one — that the noise and acrimony have obscured the more elemental issue that the island's young democracy is being severely tested." The Times adds, "Politically, Taiwan's symbolic power has always been as a democratic counterpoint to China. But democracy in Taiwan remains a work in progress that has been repeatedly challenged during Mr. Chen's tenure."

China, Pakistan Ink Free Trade Agreement. The Los Angeles Times (11/25, Chu, Zaidi, 850K) notes Chinese President Hu Jintao, "visiting his country's staunchest ally in Asia, signed a free-trade deal [in Islamabad] Friday and pledged to continue helping Pakistan build its civilian nuclear program." However, Hu "stopped short of announcing the wide-ranging nuclear cooperation deal that many observers had expected him to unveil as a counterweight to a similar accord being hammered out between the United States and India, Pakistan's archrival." Hu, who is conducting "a weeklong tour of South Asia that began with a four-day visit to India," is "eager to expand [China's] political influence in the region and to improve its access to the area's abundant natural resources, including metals and natural gas."

Chinese Court Upholds Singaporean Reporter's Spying Conviction. The New York Times (11/25, A6, Yardley, 1.16M) reports, "A Beijing appeals court on Friday upheld a spying conviction of a prominent Hong Kong journalist in a case that has elicited criticism of China from human rights and press advocacy groups." Ching Cheong, the chief China reporter for the Straits Times, could be imprisoned for five years for "taking payoffs in exchange for gathering information for Taiwan." Ching's "family continues to dispute the charges," and the Times says "his case, as well as the detention of a Chinese researcher for The New York Times, has prompted international concern about China's crackdown on press freedom." Ching's "arrest also raised questions about whether the Chinese authorities were trying to prevent him from writing about delicate political issues."

Blair Maintains Hopes Of Restoring Local Rule In Ulster. The New York Times (11/25, Quinn, 1.16M) reports British Prime Minister Tony Blair "held on to his hopes of restoring local rule across Northern Ireland next March, despite a day of high drama in which Protestant and Roman Catholic politicians failed to reach agreement on nominating leaders to a future power-sharing executive." The Democratic Unionist Party's Rev. Ian Paisley "refused to nominate himself as first minister of Northern Ireland to serve alongside Martin McGuinness of Sinn Fein." He "explained his resistance by saying that Sinn Fein had yet to endorse Northern Ireland's police force and its courts. Friday was the nominal deadline to do so." Blair "indicated that despite the setback the British and Irish governments would continue their efforts to restore local rule, a process that is contingent on the divided parties resolving crucial differences over power sharing and support for the police." He "also spoke of the need for the province to get away from its 'wretched and divisive past.'" The Times says "the level of distrust between political parties has remained high in the eight years since" the Good Friday accords, and particularly since local rule disintegrated in 2002. Yesterday's meetings were disrupted when convicted killed and Unionist Michael Stone entered the Parliament building in Stormont with a bag of explosives. He was detained without injury.

The AP (11/25, Pogatchnik) focuses its reporting on Stone's aborted attack, noting his bag "contained at least six explosive devices that British army experts safely

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dismantled." Blair and Irish Prime Minister Bertie Ahern "said Stone's threat illustrated why rival British Protestant and Irish Catholic politicians should compromise and form a stable coalition as the Good Friday peace accord intended." Both men "shrugged off" their "commitment" to yesterday as a firm deadline "and insisted that Paisley's statement contained the hope of future progress."

Conservative Maintains Slight Lead On Eve Of Ecuador Election. AFP (11/24, Moser) reports a poll suggesting "leftist Rafael Correa gained ground over conservative Alvaro Noboa, but the margin remains too narrow to predict a presidential winner." Noboa led Correa 59-41 less than one month ago, but recent polling shows "a dramatic surge" for Correa, putting him four points behind. "Each has warned that his rival's victory will have disastrous consequences for the South American country, which has had seven presidents over the past 10 years." Both men "have run populist campaigns, vowing to improve the lot of the millions of Ecuadoreans who live on less than $2 a day in a country that pumps out more than half a million barrels of crude daily." Voting will take place tomorrow.

Bolivia's Morales Implores Farmers To Press Senate For Land Reform. The Washington Times (11/25, Arostegui, 88K) reports, "Indians, coca farmers and landless peasants are heeding a call by leftist President Evo Morales to surround Congress to press for radical land redistribution that is opposed by landowners and farmers." The Times calls the legislation "a centerpiece of government plans to redistribute millions of acres to Indian supporters," and says "it has been approved by the lower house of Congress, but the Senate has refused." The proposal "is strongly opposed by landowners and farmers in Bolivia's fertile eastern lowlands." Morales' allies control 12 of the Senate's 27 seats, and the Times notes Morales' party "is drafting a new constitution that would abolish the upper chamber."

Colombian Senator Crusades Against Public Corruption. The Los Angeles Times (11/25, Kraul, 850K) profiles Colombian Senator Gustavo Petro, "whose five-year campaign to prod the government into investigating elected officials' links to illegal paramilitary groups finally bore fruit this month." Petro, "a former guerrilla, has declared repeatedly that members of Congress are up to their necks in illegal activities with the right-wing militias in Sucre state and has called on President Alvaro Uribe's government to investigate them." The Supreme Court "issued arrest orders for three sitting members of Congress and one former member as well as an ex-governor on charges including murder, electoral fraud and diversion of public funds in collusion with right-wing militia leaders." Petro's work "has come at great personal risk in a country where opposition to the militias often is a death sentence."

Chile's High School Seniors Called "Powerful" Political Force. On its front page, the Washington Post (11/25, Reel, 690K) profiles the growing influence of student activists in Chile. "In their black and white school uniforms, they launched what became known here as the 'Penguin Revolution,' filling the streets, calling for educational reforms, occupying school buildings and sparking a nationwide debate that was quickly labeled a milestone for the nation's young democracy." The Post says their "actions turned them into the most powerful social movement since the strict military dictatorship of Gen. Augusto Pinochet was replaced by democracy 16 years ago."

Canada Arrests Deep-Cover Russian Spy. The Washington Times (11/25, Gertz, 88K) reports Canadian security officials "recently arrested a deep-cover Russian intelligence officer posing as a Canadian citizen in what officials say is a rare capture of an 'illegal' spy." Paul William Hampel, who does note have the benefit of any official cover in Canada, is described in court papers by intelligence officials as "a danger to the security of Canada." Hampel, who was arrested on November 14 at the Montreal airport, "is being held on a little-used national security law and faces deportation or prosecution for fraud in a secret trial. A U.S. official said the capture was a coup for the Canadians, since deep-cover spies are very hard to find."

Quebecois Separatists Will Back Canadian PM's Recognition Motion. BBC.com (11/24) reports Bloc Quebecois leader Gilles Duceppe "said his party will back a government motion that Quebecers form a 'nation within a united Canada.'" He called "Prime Minister Stephen Harper's motion was a victory for separatist aspirations in Quebec," and "said the Bloc will join Canada's other opposition parties in supporting the motion that Mr. Harper announced on Wednesday." Harper "welcomed the Bloc's decision to back the government," and "said the motion would not amend the constitution. 'This is merely a declaration of recognition and an act of reconciliation.'" BBC adds, "Constitutional experts say the motion carries no legal weight and would be unlikely to give Quebec separatists a lever to extract more political powers from Ottawa."

Rwanda Severs Diplomatic Relations With France. The AP (11/24, Doland) notes Kigali "severed diplomatic ties with France on Friday in response to a French judge's decision to issue international arrest warrants for nine ranking Rwandans suspected of plotting the 1994 killing of" former President Juvenal Habyarimana. The AP notes, "The

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officials targeted by the French judge are close to Rwanda's current president, Paul Kagame, and the decision has enflamed tensions." French judge Jean-Louis Bruguiere claims jurisdiction because Habyarimana's aircrew were French, and their families sued in French court in 1998 for damages. The French Foreign Ministry "said it regretted Rwanda's decision and was 'taking all necessary arrangements.'" French Ambassador Dominique Decherf will depart Kigali today, and his staff plan to depart on Monday. Rwanda's envoy in Paris was withdrawn on Thursday.

ICC Prosecutor Ready To Identify Darfur Genocide's "Perpetrators." The Washington Post (11/25, A8, Boustany, 690K) reports a presentation by the International Criminal Court's chief prosecutor, Luis Moreno-Ocampo, that the ICC "has found sufficient evidence to identify the perpetrators of some of the worst atrocities in Sudan's Darfur region, and the probe offers 'reasonable grounds to believe' that crimes against humanity were committed." He "did not name the targets of the investigation, which he said is nearly complete," but he "said the atrocities included 'rape, torture, willful murder, sexual and inhuman violent acts, extra-judicial killings and the forcible transfer and persecution of civilians.'" The Post notes Moreno-Ocampo's "investigators have collected thousands of documents and conducted 70 visits in 17 countries, including Sudan, since June 2005. His teams have interviewed judges, prosecutors and Sudanese investigators, as well as a top Sudanese military official and a senior political official. Sudanese officials shared the outcome of a government inquiry, and the Sudanese army provided its analysis of what had happened, he said."

UN Investigates Three Congolese Mass Graves. The AP (11/24, Isango) notes a statement by UN spokesman Kemal Saiki that the UN "had discovered three mass graves at a northeast Congo military camp containing the bodies of 30 persons -- including women and children -- who were thought to have been killed by soldiers." The Ituri Province "graves had been opened and the bodies would be exhumed for a team of investigators that includes U.N. human rights officials and Congolese military authorities." The AP says Ituri Province "has remained lawless and violent despite peace deals to end the" civil war, and "Congo's army has been accused by rights groups and residents of rape, pillage and forcing civilians into labor."

NYTimes Says US Should Preserve Anti-Poverty Foreign Aid Programs. The New York Times (11/25, A15, 1.16M) editorializes that foreign aid "programs sorely need better coordination and predictability — and a clear way to measure whether they are working. Randall Tobias, the new director of foreign assistance, is a good manager and could impose much-needed coherence." However, the Times notes "worrisome signs that the administration is also planning deep cuts in antipoverty spending as aid is supposedly reoriented to promote democracy and fight terrorism." The one billion dollars currently spent on democracy programs 'is likely to rise substantially in next year's budget request, while the roughly $3.7 billion devoted to antipoverty programs — fighting disease, promoting education, providing microcredit loans — is likely to fall to make up the difference." The Times calls it "a worrisome sign" that "money for programs to address childhood disease and maternal mortality is down by one-third in this year's budget request. The administration is also cutting antipoverty spending in Latin America and Africa to pay for programs in Islamic countries, considered to be front-line states in the war against terror." Noting that democracy promotion "needs to come on top of — not instead of — financing antipoverty programs," the Times concludes, "This is no time to cut off the world's poor, especially for programs with such an uncertain record. If the administration will not restore a sensible balance to foreign aid, the new Congress should."

WPost Pans Netherlands "Prejudice" Against Islam. In an editorial, the Washington Post (11/25, A20, 690K) says that, despite European governments' efforts to promote tolerance of Muslims, there is a "dangerous increase in tensions between Europeans and Muslims" caused by "the blatant bigotry of many mainstream political leaders, journalists and other elites against Islam and its followers." While some "bigots portray their crude attacks on Muslim beliefs and culture as a defense of freedom of speech," the Dutch government "no longer bothers to disguise its ugly prejudice." The "point" of the government's promise to outlaw burqas "is symbolic: A country famous for tolerating prostitution, drug use, euthanasia and public nudity considers Muslim veiling beyond the pale." The Post concedes that "the Dutch have reason to worry about terrorism," but says "attacking Muslim culture -- as opposed to those who practice or promote violent acts -- is no way to diminish the threat. It won't be surprising if more Dutch Muslims respond to their government by putting on burqas -- or by answering intolerance with intolerance."

Author Says US Must Support Democratizing Mexico. In the Washington Post (11/25, A21, 690K), author and editor Enrique Krauze calls unsuccessful leftist presidential candidate Andres Manuel Lopez Obrador "the charismatic caudillo who has come to believe himself Mexico's messiah incarnate," and says his efforts to "harass incoming President Felipe Calderon and his cabinet" are "an enemy of democratic life and may even make dead letters of

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laws eventually passed in the National Congress." Lopez Obrador seeks "to make the country ungovernable and to achieve the eventual resignation of" Calderon. "The postmodern spectacle that took place in the historical center of Mexico City is bizarre and ominous but also very serious." If the "nightmarish scenario" of a destabilized Calderon regime occurred, "the implications for the United States could be ominous too: a stream of refugees that would dwarf the current illegal migration, pushed by the collapsing Mexican economy, capital flight and spreading Oaxaca-style violence." Krauze concludes, "The United States would do well to remember that there is a country, not on the Persian Gulf but on the Gulf of Mexico, that has taken a giant step toward political maturity by adopting a democratic system in the space of just one generation -- and has done so practically without historical experience. And it would do well to find tangible, direct ways to support Mexico's economy," by building "bridges, not walls. Winning Mexico for democracy is the same thing as winning democracy for all of Latin America -- no small triumph in today's world and the world to come."

THE BIG PICTURE

Headlines From Today's Front Pages.

Los Angeles Times:
"Day 1 For Deputies: Go To Jail."
"Poisoning Of Ex-Spy Ignites Health Scare."
"Look Who's Stalking: A New Cougar Killer."
"Wave Of Retaliation Sweeps Iraq."
"A Tense Time For A Papal Visit."
"States Will Tell Supreme Court Feds Must Act On Warming."

New York Times:
"Shiite Militia In Iraq Strike At Sunni Mosques."
"Army Expands Training To Improve Iraq's Security Forces."
"London Riddle: A Russian Spy, A Lethal Dose."
"Attention, Holiday Shoppers: We Have Fisticuffs In Aisle 2."
"In Diabetes Fight, Raising Cash And Keeping Trust."
"Despite A Year Of Ire And Angst, Little Has Changed On Wiretaps."
"Cities Compete In Hipness Battle To Attract Young."
"Dollar Falls Sharply Against Euro And Pound."
"Corruption Scandal At Top Tests Taiwan's Democracy."

Washington Post:
"In Iraq, Reprisals Embolden Militias."
"Eager Shoppers Ring It Up Early."
"Energy Firms Come To Terms With Climate Change."
"Chile's Student Activists: A Course In Democracy."
"Radioactive Poison Killed Ex-Spy."

Washington Times:
"Vengeful Shi'ites Kill 25."
"Lebanese Cabinet Retreats To Safety."
"Getting Head Start On Black Friday."
"Many Americans Obese But Oblivious, Survey Finds."
"Toxic 'Bomb' Killed Ex-Spy."
"German Film Farce Plays Hitler For Laughs."

Dallas Morning News:
"Fuel Costs Pump Up Southwest Fare Prices."
"Hamm Declines Hall Of Fame Induction."
"Britain Says Radiation Killed Ex-Russian Spy."
"Cartoonist Goes On Rampage At Miami Herald."

Story Lineup From Last Night's Network News:
ABC: Evening News Was Preempted By Sports.
CBS: Violence In Iraq; General Abizaid On Sectarian Violence In Iraq; Hussein Video Footage; Black Friday; Credit In America; Mars Global Surveyor Falls Silent; Poisoning Death Of Litvinenko; Russia's Sale Of Missiles To Iran; Elderly Palestinian Suicide Bomber; Free Speech With Elizabeth Edwards; A Brother's Military Mission
NBC: Violence In Iraq; Iraqi Sectarian Violence; Milestone In The War; Black Friday; Litvenenko Poisoning Death; Florida Electronic Voting Machines; Listeriosis Threat; School Dedicated To Bobby Kennedy's Memory; Betty Comden Dies; Making A Difference With Reading.

WASHINGTON'S SCHEDULE

Today's Events In Washington.

White House: PRESIDENT BUSH -- 1:45 p.m. Returns from Camp David to Washington. No public schedule.
VICE PRESIDENT CHENEY -- Meets with King Abdullah bin Abd al-Aziz Al Saud in Saudi Arabia.
US Senate: No scheduled events.
US House: No scheduled events.
Other: HOLOCAUST MUSEUM-DARFUR _ The United States Holocaust Memorial Museum will project building-sized images of the genocide in Darfur onto the Museums exterior walls to make a dramatic statement about the need for action in Darfur. Location: United States Holocaust Memorial Museum, 100 Raoul Wallenberg Place SW. Contacts: Andy Hollinger, 202-488-6133

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From:	USDOJ- Office of Public Affairs
Sent:	Monday, November 27, 2006 8:25 AM
To:	USDOJ- Office of Public Affairs
Subject:	Department of Justice News Clips for Monday, November 27, 2006
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DEPARTMENT OF JUSTICE *NEWS CLIPS*

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Muslim Ex-spy Shows 'Inside Jihad' (WT)

By Shaun Waterman

The Washington Times, November 27, 2006

A Muslim man who was a spy in the mid-1990s for several European intelligence services inside the global jihad network that later became al Qaeda has written a memoir saying the agencies did not understand the nature of the threat the group posed.

"Inside the Jihad," written under the pseudonym Omar Nasiri, is a copiously detailed account of a young man's journey from the fringes of the Islamist movement in Belgium to a terrorist training camp in Afghanistan.

Along the way, Nasiri says he smuggled a carload of explosives from Brussels to Morocco, fingered one of the organizers of the 1995 Paris metro bomb attacks, and met Abu Zubaydah, who later became one of Osama bin Laden's top recruiters of Western jihadis at training camps in Afghanistan.

"The broad outlines of the story have been confirmed to me, and to a growing list of other major media outlets, by intelligence officials from several European countries," said Gordon Corera, a British Broadcasting Corp. correspondent whom Nasiri first approached with his story after the London subway bombings last year.

The account has also been deemed credible by several scholars and reporters that had advance access to the tightly held manuscript before its publication this week, including Michael Scheuer, who led Alec Station, the CIA's bin Laden hunting unit, from 1996 to 1999. He called the account of life in the camps the most detailed and complete he had seen.

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Several former senior U.S. officials told United Press International that the account rang true.

"It's very plausible," said Roger Cressey, former deputy White House counterterrorism czar.

"There were agents run into the camps," said Jack Cloonan, a retired FBI agent who led the bureau's efforts against al Qaeda. "But most of them were not very well placed" and lacked access to the network's inner circles.

Nasiri doesn't claim to have been in al Qaeda's inner circles, and says he never met bin Laden, which al Qaeda analyst and author Peter Bergen says increases his comfort level about its credibility.

"If you were going to make something up, you'd include a bin Laden meeting, wouldn't you?" he said.

Nasiri, who says he is a Moroccan raised in Belgium, first approached the French intelligence service, DGSE, after stealing money from a Brussels-based cell of the Algerian terrorist group GIA, with which he had become involved through his brother.

The DGSE helped him out, and in return he became their agent. While working for them, he says, he drove a carload of explosives, money and other materiel from Brussels to Morocco. He thinks that the explosives may have been used in a subsequent bomb attack in Algeria that killed 40 persons.

If true, that would prove highly embarrassing to the DGSE, and the first challenge to detail of the account came Wednesday from a former official of the French service, who said on Belgian TV that colleagues still at the agency said Nasiri was mischaracterizing his relationship with it.

In spring 1995, Nasiri says, the French sent him to Pakistan and Afghanistan to try and infiltrate the training camps that were blooming there in the chaos following the victory of the U.S.-backed mujahideen over the Soviets.

KILLING HABEAS CORPUS (NYER)

By Jeffrey Toobin

New Yorker, November 27, 2006

President Abraham Lincoln suspended habeas corpus in Maryland on April 27, 1861, two weeks after the Confederate attack on the Union garrison at Fort Sumter. “Lincoln could look out his window at the White House and see Robert E. Lee’s plantation in Virginia,” Akhil Reed Amar, a professor at Yale Law School and the author of “America’s Constitution,” said. “He was also facing a rebellion of so-called Peace Democrats in Maryland, meaning there was a real chance that Washington would be surrounded and a real threat that the White House would be captured.” On Lincoln’s order, federal troops arrested Baltimore’s mayor and chief of police, as well as several members of the Maryland legislature, who were jailed so that they couldn’t vote to secede from the Union.

Since the Middle Ages, habeas corpus—“You should have the body”—has been the principal means in Anglo-American jurisprudence by which prisoners can challenge their incarceration. In habeas-corpus proceedings, the government is required to bring a prisoner—the body—before a judge and provide a legal rationale for his continued imprisonment. The concept was so well established at the time of the founding of the American Republic that the framers of the Constitution allowed suspensions of the right only under narrow circumstances. Article I, Section 9, states, “The Privilege of the Writ of Habeas Corpus shall not be suspended, unless when in Cases of Rebellion or Invasion the public Safety may require it.” Such suspensions have been rare in American history. The most recent occasion was in 1871, when President Ulysses S. Grant sent federal troops to South Carolina to stop attacks by the Ku Klux Klan against newly emancipated black citizens. This fall, however, Congress passed, and President Bush signed, a new law banning the four hundred and thirty detainees held at the American naval base at Guantánamo Bay, and other enemy combatants, from filing writs of habeas corpus.

The law, known as the Military Commissions Act of 2006, was a logical culmination of an era of one-party rule in Washington. During the Presidency of George W. Bush, the executive branch, with the eager acquiescence of its Republican allies in Congress, has essentially dared the courts to defend the rights of the suspected Al Qaeda terrorists, who have been held at Guantánamo, some for as long as four years. The Supreme Court has twice taken up that challenge and forced the Administration to change tactics; the new law represented a final attempt to remove the detainees from the purview of the Court. Now, of course, Republicans no longer control Congress, but the change in the law of habeas corpus may be permanent.

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Arlen Specter was an unlikely steward of the demise of habeas corpus. The Pennsylvania Republican, a senator since 1980, has long been known as a moderate in his caucus, one of the few remaining in a party that has shifted sharply to the right during his career. (The Wednesday Lunch Club, a group of liberal and moderate Republican senators, once had a dozen members. Now, after the defeat in this month's election of Senator Lincoln Chafee, of Rhode Island, it will have three: Specter and the two senators from Maine, Olympia Snowe and Susan Collins.) Moreover, for all his years as a legislator, Specter remains by temperament a litigator and an iconoclast. In his autobiography, "Passion for Truth" (2000), he writes with pride about his work as a young investigator for the Warren Commission; as a crusading Philadelphia district attorney; and as an aggressive cross-examiner of Anita Hill in Clarence Thomas's Supreme Court confirmation hearings. He has, he wrote, a "fetish for facts," and faith in proceedings like habeas corpus to protect individual rights.

Yet it was Specter who, as chairman of the Judiciary Committee, after leading the fight to preserve habeas corpus, at the last moment voted for the Administration's plan restricting it. At seventy-six, Specter, having survived several bouts of life-threatening illness, has lost some of the abrasiveness that earned him the nickname Snarlin' Arlen, but he generally says what he means, even when it might give offense. His self-confidence sometimes verges on arrogance; his most common expression is a knowing smirk. (It is evident in the cover photograph of his autobiography.) With some justification, and with typical bravado, Specter asserts that the debate over habeas corpus could have been avoided, if only his Republican colleagues had listened to him.

Shortly after September 11, 2001, and the American invasion of Afghanistan, Specter proposed that Congress develop a set of rules for handling the prisoners—the so-called "enemy combatants"—who were captured there. Along with Richard J. Durbin, the Illinois Democrat, Specter introduced the Military Commission Procedures Act of 2002, which would have established a system of trials for the alleged Al Qaeda detainees, with defendants guaranteed, among other things, the presumption of innocence and the right to counsel. "The whole idea never really went anywhere," Specter told me. "Nobody was much interested in it."

The Bush Administration, believing that the treatment of the detainees was a matter that belonged under the exclusive control of the executive branch, was disdainful of attempts by Congress to address the issue. "I went down to Guantánamo with a group of senators shortly after it opened, and Dave Addington was also on the trip," Lindsey Graham, the Republican senator from South Carolina, recalled, referring to Vice-President Dick Cheney's counsel, who has been a leading advocate in the Administration for a broad view of Presidential power. "As we were flying back to the States, I pulled Dave aside on the plane and said, 'You really need to come over and draft some legislation with us, and, if you do that, the Supreme Court will be much more likely to uphold what we do. It would be better to work in concert with each other when it comes to wartime decision-making about how you try and interrogate a prisoner.'

"I remember Dave had a copy of the Constitution he carried around with him," Graham went on. "He took it out, and he said the Administration didn't need congressional authorization for what it was doing. The President had the inherent authority to handle the prisoners any way he wanted. And I said, 'That may be a good legal argument, but it's not a good political argument. The more united the nation, the better it is for everyone.' But Dave said, 'Thanks but no thanks.' And after that we never had much dialogue." Or, as Specter put it, "We still had discussions with the Department of Defense—perhaps in part because the general counsel was interested in a judgeship—but they didn't go anywhere."

In the meantime, though, some of the detainees at Guantánamo, in an effort to force the government to provide legal justification for the incarcerations, began filing petitions for habeas corpus in federal courts. The first group of cases reached the Supreme Court in the spring of 2004, and the government's position was clear: the detainees had no right even to bring such cases in federal court. As Theodore B. Olson, the Solicitor General at the time, put it in the oral argument, for "an alien who had never had any relationship to the United States and who was being held as a result of a combat situation or a war situation in a foreign jurisdiction, there was no jurisdiction under the habeas statute."

But the Supreme Court soundly rejected the Administration's argument, ruling in June, 2004, that the detainees had the right to sue for their freedom. Justice John Paul Stevens, in his opinion in Rasul v. Bush, observed pointedly, "Executive imprisonment has been considered oppressive and lawless since John, at Runnymede, pledged that no free man should be imprisoned, dispossessed, outlawed, or exiled save by the judgment of his peers or by the law of the land. The judges of England

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developed the writ of habeas corpus largely to preserve these immunities from executive restraint." Or, as Justice Sandra Day O'Connor wrote in Hamdi v. Rumsfeld, a related case that was also decided in 2004, "We have long since made clear that a state of war is not a blank check for the President."

In her opinion, O'Connor all but invited the Bush Administration to collaborate with Congress on a plan for the detainees. "Whatever power the United States Constitution envisions for the Executive in its exchanges with other nations or with enemy organizations in times of conflict, it most assuredly envisions a role for all three branches when individual liberties are at stake," she wrote. But, in the months that followed, the Bush Administration continued to ignore proposals for legislation on Guantánamo by Specter and others in Congress. Addington's view—that the executive branch alone could dictate the detainees' treatment and define the rules of their trials—remained the government's position. (Addington declined to comment for this article.)

The Administration, meanwhile, drafted a plan for military commissions or tribunals for the prisoners, which could, of course, result in the imposition of the death penalty. The detainees challenged this plan, too, and another group of habeas-corpus petitions arrived at the Court last spring. The Administration's views had hardly changed since Rasul and Hamdi. As the government argued in its brief, "one of the powers inherent in military command was the authority to institute tribunals for punishing enemy violations of the law of war."

But the Court again rejected the White House's position, ruling, in Hamdan v. Rumsfeld, that Congress, and not just the President, must establish the rules for trying the prisoners. The decision in Hamdan was announced on June 29, 2006, and Specter had been waiting for it. "I pretty much knew what it was going to say, or thought I did. And we had legislation all ready to go," Specter told me. "It came down in the morning, and I introduced the legislation in the afternoon."

In crafting legislation, especially legislation related to the war on terror, Specter had less room to maneuver than most Republican committee chairmen. His record as a moderate nearly cost him the leadership of the Judiciary Committee before he had a chance to assume it. At a press conference on the day after he was reëlected in 2004, Specter repeated a view he had expressed many times, saying that he regarded the protection of abortion rights established by Roe v. Wade as "inviolate," and suggesting that "nobody can be confirmed today" who didn't share that opinion. Almost immediately, conservative groups in the Republican Party demanded that Specter be denied the chairmanship. Protesters chanted outside his office and inundated the Senate switchboard with telephone calls.

After a series of tense meetings with his Republican colleagues, Specter was allowed to take over as chairman of the committee, but he had to make certain promises, especially about Bush's nominations to the Supreme Court. "I have voted for all of President Bush's judicial nominees in committee and on the floor," Specter said in a carefully worded statement at the time. "And I have no reason to believe that I'll be unable to support any individual President Bush finds worthy of nomination." In the subsequent two years, Specter was as good as his word, shepherding the nominations of John G. Roberts, Jr., and Samuel A. Alito, Jr., to confirmation to the Supreme Court. Nearly two decades earlier, Specter had provided a key vote against Ronald Reagan's nomination of Robert H. Bork to the Court, but as chairman of the Judiciary Committee he became an advocate for two new Justices whose views resembled Bork's. (In a speech earlier this month to the Federalist Society, the conservative lawyers' organization, Specter said of the confirmation of Roberts and Alito, "Certainly it was the highlight of the Judiciary Committee under my chairmanship, and it may turn out to be the highlight, certainly one of the highlights, of the Presidency of George Bush.")

Specter's own beliefs appear to have changed little over the years, but he has been forced to work in an environment in which the Republican Party, especially in Congress, has imposed ever-tighter discipline. "When Lyndon Johnson became Vice-President, he wasn't welcome at Senate Democratic caucus meetings anymore, because it was for senators only," Patrick Leahy, the ranking Democrat on the Judiciary Committee, told me. "But every Tuesday since Bush has been President it's been like a Mafia funeral around here. There are, like, fifteen cars with lights and sirens, and Cheney and Karl Rove come to the Republican caucus meetings and tell those guys what to do. It's all 'Yes, sir, yes, sir.' I bet there is not a lot of dissent that goes on in that room. In thirty-two years in the Senate, I have never seen a Congress roll over and play dead like this one."

Specter is about to begin his twenty-seventh year in the Senate, and, as its sixteenth most senior member, he has one of the grander offices in the Capitol. His elegant hideaway, behind an unmarked door a few steps from the Senate floor, includes the customary grip-and-grin politician's photographs, but the space is dominated by a more peculiar display: a large blowup of an Op-Ed piece that Specter wrote for the Times just before President Clinton's impeachment trial. In the article, Specter proposed

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a novel solution to the Lewinsky scandal. Congress should abandon its impeachment investigation, Specter asserted; instead, Clinton should face a possible criminal prosecution after his term ended. During the impeachment trial in the Senate, Clinton's lawyers presented Specter's article as a defense exhibit, to encourage Congress to drop its case against the President. "You should have heard the gasps among my colleagues on the Republican side when they introduced it," Specter told me with a laugh.

Specter played a characteristically quirky role in the impeachment saga and, in the process, managed to irritate nearly everyone. Once it was clear that the Senate was going to weigh Clinton's fate, Specter argued in favor of holding a full trial, with witnesses, among them Lewinsky, appearing in front of all the senators. (Democrats, who wanted a quick trial, objected to this idea.) But Specter also appeared unimpressed by the Republican congressmen who served as prosecutors, or managers, of the case against Clinton. He even referred to Lindsey Graham, then a congressman, as "Congressman Lindsey." In the end, Specter cast the most famous vote at Clinton's trial, neither "guilty" nor "not guilty" but, rather, what he called the "Scottish verdict" of "not proven." (It was recorded as a vote against conviction and, thus, for Clinton.) As Specter recounted in his autobiography, a reporter asked him when he left the Senate floor after casting his vote, "Did you anger both sides by doing it this way?"

" 'I've had some experience with that,' I replied," he wrote. "The room broke out in laughter."

For Specter, there was another postscript to the Clinton trial. The congressman to whom Specter had condescended during the testimony soon became his colleague in the Senate. And Graham, a former lawyer for the Air Force, became Specter's most determined adversary on the issue of habeas corpus.

"The war on terror is not like any other war," Graham told me. "It's a war without end. There are no capitals to conquer, no navies to sink. The Geneva Conventions say that you need a procedure in place with an independent arbiter making a decision about whether detainees belong in prison. My goal was to create that kind of process, but not in a way that has federal judges making determinations about who is an enemy combatant. I don't think they're competent to make those decisions in a war that is going to go on for a long time. I think that decision belongs to the military."

Unlike Specter, Graham has little apparent reverence for the Senate's recondite procedures and seniority rules. In 2005, as a freshman senator, he bypassed the Judiciary Committee and went straight to the Senate floor with a proposal to ban habeas cases by Guantánamo detainees. After the Supreme Court issued its decision in Hamdan, earlier this year, Graham raised the issue again.

This time, Graham sought to ban habeas cases by the detainees at a moment when Congress was considering a host of other legal changes pertaining to their treatment. Under the Administration's initial plan to hold military trials at Guantánamo, evidence obtained through torture could be admissible. Graham, along with his Republican colleagues John Warner and John McCain, rejected that notion and proposed an alternative. The Bush Administration responded by offering several concessions, including allowing detainees to see all the evidence against them and outlawing the use of evidence that had been obtained by torture or "cruel, inhuman or degrading treatment"—a change meant to assure compliance with the Geneva Conventions. (In the final version of that measure, however, the three Republican legislators agreed to let the military determine whether the conventions had been violated, a significant concession to the Bush Administration.)

In light of these new rules for trials at Guantánamo, Graham thought that the habeas-corpus filings by the prisoners should stop. "My goal was to create some form of due process that was not as invasive as a habeas trial, because I do believe they impede the running of the jail," he said. Graham proposed that rulings against the detainees be appealed only to the United States Court of Appeals for the D.C. Circuit. (His legislation thus avoided the district court for the D.C. Circuit, which has generally looked more favorably on detainee claims than has the court of appeals.) In Graham's view, the court of appeals is an adequate substitute for habeas corpus. "The way I read what the Supreme Court said was that, if there was no system in place to decide someone's confinement status, you had to let them file habeas petitions," Graham said. "But I think if you give them the D.C. Circuit, that's enough. That's a legitimate alternative. Arlen disagrees. He thinks it's a constitutional right to file a habeas case. I think our statute gives you enough. That's what Specter v. Graham is about."

"That's just ridiculous," Specter told me, referring to Graham's position. "Graham's legislation does not allow the D.C. Circuit to make any fact-finding at all about what happened to the detainees and whether they are, in fact, enemy combatants. It's not a 'streamline' review; it's no kind of review at all." The legislation will almost certainly come before the Supreme Court, but it's

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impossible to know whether the Court will uphold it. "The D.C. Circuit would have to be an adequate and effective judicial remedy for reviewing the lawfulness of any detention, because that's the basic definition of habeas corpus," Gerald L. Neuman, a professor at Harvard Law School, said. "The law itself isn't very clear about what the D.C. Circuit should do."

The scene in the hearing room of the Dirksen Senate Office Building anticipated, in a small way, the spirit of rebellion that would animate the electorate seven weeks later. The session began with bipartisan expressions of outrage at the Administration's (and Graham's) plan. "It is inexplicable to me how someone can seek to divest the federal courts of jurisdiction on constitutional issues, just inexplicable to me," Specter said in his introductory remarks. "If the courts are not open to decide constitutional issues, how is constitutionality going to be tested?" Patrick Leahy, the ranking Democrat, spoke next. "Today we're addressing the single most consequential provision in this much discussed bill," he said. "This provision would perpetuate the indefinite detention of hundreds of individuals, against whom the government has brought no charges and presented no evidence and without any recourse to justice whatsoever. That is un-American. This is un-American." At that moment, a group of protesters wearing T-shirts saying "Shame," "End Torture," and "Save Habeas Corpus" rose from their seats and cheered.

Specter rebuked them gently. "There will be no demonstrations from the people in the room," he said. "We want you to be here. We want you to listen. But that's out of order."

Until this point, the debate over the Senate bill had focussed on the rules for the commissions, or trials. But Thomas Sullivan, a veteran Chicago lawyer and former United States Attorney, turned the senators' attention to a different subject. Sullivan, who represents several Saudi nationals held at Guantánamo, pointed out that the government planned to give about eighty of the four hundred and thirty detainees full trials. The rest would receive only an abbreviated hearing known as a Combatant Status Review Tribunal (C.S.R.T.). At these proceedings, detainees are not allowed to call witnesses (unless the witnesses are other detainees at Guantánamo), have no attorneys present, and are presumed guilty of being an enemy combatant based on evidence that they are not allowed to see.

With barely concealed rage, Sullivan lectured Senator John Cornyn, the Texas Republican who was defending the Administration's position at the hearing. "The question is whether they are enemy combatants. And when they started out in these hearings, these C.S.R.T.s, they were presumed guilty. There had already been a finding they were enemy combatants. The determination had been made. No witness or evidence was presented by the government. They would call in and they'd say, 'O.K., Mr. Cornyn, here's the charge against you. What have you got to say about it?' That was it. That was all that they did. And then they put in some classified evidence. I've been down to the secure facility. It's a joke. It's a sham."

The ban on habeas cases was likely to have a dramatic effect on the detainees at Guantánamo, but for a less than obvious reason. The procedure for military trials, brokered by Graham, Warner, and McCain, has won a measure of support from some of the human-rights advocates and lawyers who have been representing the prisoners. "If they were to charge them under the military commissions, it's a pretty good substitute for a criminal trial," Sullivan told me later. "They have to put evidence on the stand, right to a lawyer, subpoena power, and you can see and confront the evidence against you. But what most people don't understand is that the government has said they are not going to try more than about eighty of the prisoners who are there. The real question is what happens to the three hundred other detainees? All they got are those pathetic C.S.R.T.s."

In introducing the C.S.R.T.s, in 2004, the Department of Defense announced that, as part of the process, "detainees will also be notified of their right to seek a writ of habeas corpus in the courts of the United States." Because of the new bill, this will no longer be the case. "You're talking about people who have been in custody for four years, some of them haven't even been questioned in two years, and the C.S.R.T. is all they have got in terms of a hearing, and it's all they're likely ever to get," Sullivan said. "Their only hope was habeas, where the government would have to justify in some way why they're being held year after year."

Kyl asserted that "the consequences of the Specter amendment are unimaginable. We cannot allow enemy war prisoners to sue us in our own courts. Such a system would make it simply impossible for the United States to fight a war." But Specter had an answer. "Mr. President," he said, addressing the chair. "I only need one sentence to refute the arguments of the senator from Arizona, and it comes back to Justice O'Connor's opinion again: 'All agree that, absent suspension, the writ of habeas corpus remains available to every individual'—every individual—'detained within the United States.' Guantánamo was held to be within that concept. But she talks about 'every individual.' That includes citizens and noncitizens."

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The outcome of the Specter amendment was in doubt until the day the vote was cast. The final tally was fifty-one to forty-eight against Specter. (Olympia Snowe was absent, attending a funeral.) When the result was announced, Specter, visibly angry, left the Senate chamber. He told reporters that he thought the habeas ban was "patently unconstitutional" and vowed to vote against the detainee bill.

In the chaotic few days before the vote, the Administration's allies in the Senate had toughened the habeas provision of the law. The bill had originally applied only to alleged enemy combatants who were held at Guantánamo. The final version stated that any alien (that is, non-American citizen) who had been seized anywhere and charged with being an enemy combatant would be denied the right to petition for habeas corpus. The definition of "enemy combatant" was also expanded, to include not just those who took up arms but financial supporters of the terrorist cause as well. Accordingly, the bill made clear that aliens arrested in the United States and charged with knowingly giving money to an alleged terrorist organization would be forbidden to sue for their freedom.

Nevertheless, on September 28th, Specter joined all his Republican colleagues (except Lincoln Chafee) in voting for the Military Commissions Act, which passed by a vote of sixty-five to thirty-four. President Bush signed the law on October 17th, and the next day the government began filing court papers asking for the dismissal of all the petitions for habeas corpus filed by detainees at Guantánamo Bay.

It is hard to believe that the Arlen Specter of the nineteen-eighties—the maverick who defied his party on an issue of the magnitude of the Bork nomination—would have considered yielding on a question as fundamental as habeas corpus. "I was madder than hell when the habeas-corpus amendment went down and was a little hot and spoke prematurely on the vote," Specter told me. "If we had not passed the bill, we would be going on into next year without having a procedure to try these people." Thus, he said, he felt obligated to vote for the bill.

If Specter has accommodated his views to his party's, his leisure habits have not changed: he still plays squash seven days a week, a routine that he has maintained since the nineteen-seventies. "I think of playing squash as making deposits in the 'health bank,' " Specter told me shortly after dawn one recent morning in the locker room of the gym at the Federal Reserve bank, in Washington. "That's a good thing, because I've made a lot of withdrawals, too." In 1993, Specter was found to have a brain tumor and was told that he had three to six weeks to live. However, he recovered quickly after surgery. Then, just after his reëlection in 2004, he was given a diagnosis of Hodgkin's disease, and during the first several months of his tenure as chairman of the Judiciary Committee he received chemotherapy.

Specter completed his treatment in 2005, and never stopped playing squash. The therapy cost him his bushy curls, but his hair is full again, only straight this time. Wearing a ratty sweatshirt, a souvenir from the 1984 Olympic Games in Los Angeles, he looked at least a decade younger than his age. He still bears the scars of his years as a bruiser on the squash court—Senator Robert Packwood once gave him a swat that took six stitches to close—but he now plays more of a finesse game, built around a deadly drop shot. I won our first game, 16–14, but Specter took the next three, to win the match. He plays the same old-school, hardball version of the game as the capital's other celebrated septuagenarian squash enthusiast, Donald Rumsfeld, but the two men have never met on the court.

Specter was about to head to Rhode Island, to campaign for Lincoln Chafee. "I'm going up there to say that Chafee could hold the balance of power in our caucus," Specter told me. "That's what those of us in the middle can do." But in the habeas debate, at the crucial moment, Specter tipped the balance of power toward those who, at the time, already had it. Some Democrats on Capitol Hill are calling the debate Specter's "John Kerry moment." (He was against the habeas bill before he was for it.)

Of course, Specter's vote on habeas, like his support of Roberts and Alito, forestalled another possible conservative revolt against his chairmanship (which, in the event, the election cost him). Specter is hoping the courts will restore the rights of the detainees to bring habeas cases. "The bill was severable. It has a severability clause. And I think the courts will invalidate it," he told me. "They're not going to give up authority to decide habeas-corpus cases, not a chance." Others are less sure.

"It's a pretty odd position for Specter to take," Amar, of Yale Law School, said. "He trusts the courts to take care of a problem when he's voting for something that strips them of their jurisdiction to do it. It's like saying, 'I shot at her, but I knew I was going to

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miss.' Still, he may be right. The Court might strike it down." According to Amar, the election that cost Specter so much of his clout makes it more likely that his legal position will ultimately be vindicated on habeas corpus.

"The Justices always want to protect their own power, and they hate the idea of any kind of jurisdiction-stripping," Amar said. "But if they can avoid it they also don't want to pick fights with the President and the Congress, especially about anything related to national security. But, with the Democrats in control of Congress, the Court will know that if they strike this down it'll never get passed again in anything like this form. The Republicans would just come back at them and pass the same thing again and again. The Democrats never will. The irony is, thanks to the election, the Court now has plenty of running room to do the right thing."

In the meantime, however, the Administration has moved swiftly to use the new powers granted by Congress in the Military Commissions Act. In acting to dismiss the pending habeas cases filed by Guantánamo detainees, the Justice Department has adopted Lindsey Graham's reasoning, that the bill does not amount to a "suspension" under the Constitution but merely substitutes the D.C. Circuit appeals court for the habeas cases. In a brief filed on November 13th in the D.C. Circuit, the government asserted that the new law "plainly affords an adequate and effective substitute for any applicable habeas right."

The Administration has sought to apply the new law outside Guantánamo. Ali Saleh Kahlah al-Marri, a forty-one-year-old citizen of Qatar, was studying at Bradley University, in Peoria, Illinois, when he was detained shortly after September 11, 2001. He has been held in a Navy brig as an enemy combatant for more than three years, and had filed a petition for a writ of habeas corpus, asking to be freed. On November 13th, the government filed a brief saying that the new law bars Marri's lawsuit: the act "removes federal court jurisdiction over pending and future habeas corpus actions and any other actions filed by or on behalf of detained aliens determined by the United States to be enemy combatants." If this motion is granted, Marri could remain in custody on American soil indefinitely, without any further legal recourse.

Leahy, the incoming chairman of the Judiciary Committee, voted against the Military Commissions Act and denounced its habeas provisions in especially harsh terms. But there are no signs that the new Democratic majority will take on habeas corpus anytime soon. Few Democratic politicians seem enthusiastic about proposing legislation that will principally benefit accused Al Qaeda terrorists, and, in the unlikely event that Democrats passed such a bill, it would face a certain veto from President Bush. The Supreme Court—not Congress—is likely to be the only hope for a change in the law. "This is definitely not going to be the first thing out of the box for us," one Democratic Senate staffer said. "We make fun of Specter, but we're basically leaving it up to the Courts, too."

HOMELAND RESPONSE:

US Works To Bridge Its Muslim Trust Gap (CSM)

By Alexandra Marks

The Christian Science Monitor, November 27, 2006

NEW YORK

It was an awkward moment for Martin Ficke, the special agent in charge of US Immigration and Customs Enforcement in New York.

He was seated next to a member of the British Parliament for a panel on the "War on Terror and the Clash of Civilizations." Why, the moderator asked Mr. Ficke, was this prominent British citizen with a diplomatic passport questioned for almost an hour when he landed at the airport?

To the audience, filled with Muslim-American students, the answer was obvious. His name is Shahid Malik, a Muslim name. "I've already talked to him about it privately and apologized," Ficke said. "It shouldn't have happened."

Across the country in conference rooms like this, as well as in local cafes and community meeting halls, officials of the Department of Homeland Security (DHS) and FBI are reaching out to Muslim-Americans in an attempt to bridge the huge gap of mistrust that developed on both sides after 9/11. It's sometimes an uncomfortable process, as Ficke found. It's also not being applied consistently across the country, working well in some places - like New York, where the Muslim Advisory Council meets

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regularly - and not so well in others. But homeland-security experts and Arab- and Muslim-American leaders believe such outreach is crucial to maintaining the nation's security and strengthening its social fabric.

"9/11 created a pretty big divide and we still have a ways to go, but there has been progress," says Arsalan Iftikhar, national legal director for the Council on American-Islamic Relations in Washington. "With five years of retrospect at our disposal now, we as a nation are able to see more accurately what are and what are not effective law-enforcement initiatives and how it is important to reach out to the Muslim-American community and make them feel as partners in our society."

There's no question the US Muslim community felt the brunt of the FBI's counterterrorism and law-enforcement initiatives after 9/11, say experts. More than 1,200 immigrants, mostly Arab and Muslim males, were detained and denied due process for months. The Justice Department's own inspector general concluded that their detentions were "indiscriminate and haphazard," with no clear distinction made between those held for immigration violations and those who were suspected terrorists. The report also found "a pattern of physical and verbal abuse" by correction officers. Ultimately, only a handful of those detained were charged with a terrorism-related offense, and 231 were deported. Registration requirements for males

The Justice Department also set up a special program that required male visitors from 24 Arab and Muslim countries to register with local immigration offices. More than 80,000 men did so. Immigration officials found an estimated 13,000 were "out of status," which means there were problems with their visas. They're now awaiting deportation hearings. But experts say many of the visa problems were caused by inaccurate data and long delays in processing applications for permanent status. The Justice Department eventually canceled the program.

"By singling out a large group of mostly Arabs and Muslims, [these programs] involved a massive investment of law-enforcement resources with negligible return," says James Zogby, president of the Arab American Institute in Washington.

In the immediate aftermath of 9/11, discrimination against Muslim- and Arab-Americans also soared. In 2001, the FBI reported a 1,600 percent increase in anti-Muslim hate crimes and an almost 500 percent increase in ethnic-based hate crimes against persons of Arab descent, according to Mr. Zogby.

Last week, six imams returning from a conference on religious tolerance were removed in handcuffs from a US Airways flight from Minneapolis to Phoenix after a passenger raised concerns about "suspicious behavior." Three of them were seen praying in the waiting area and a fourth reportedly asked for a seat-belt extension. DHS's Office of Civil Rights and Civil Liberties has opened an investigation. Efforts to bridge the gap

"One of the most disturbing things is that [polls show] more than half of the country views Islam as a violent or an extreme religion," says Faiza Ali, a student at Pace University, who spoke at the conference in New York.

The FBI found many such misperceptions about Islam among its agents as well, according to Andrew Arena, the special agent in charge of the New York FBI office. And so, as as the bureau began a concentrated effort to reach out to the Muslim community, education became one of its first priorities. At the FBI Academy and in ongoing field training, agents are now taught about the Muslim faith - its basic tenets and things like the difference between Shiites and Sunnis.

"It's helped to make our agents more culturally sensitive to the concerns of not only the Muslim community, but all of the communities that we deal with," says Mr. Arena.

Although the outreach and educational efforts have had some success in New York, they are inconsistent nationally: Quality is dependent on the priority that local federal offices give to such outreach. For instance in New York, members of the local Muslim Advisory Council are in weekly contact with FBI and DHS officials. They meet formally each quarter. But in other places, similar efforts are floundering. It's been two years since the Arab American Advisory Board has met with top officials at FBI headquarters in Washington, according Zogby, who is a member.

"I don't understand why it's dropped off, but I want better cooperation," he says.

Still, federal officials are trying to place emphasis on other concerns in the Muslim-American community. The FBI, for one, has stepped up its investigation of anti-Islamic hate crimes. In 2005, it probed 128 of them, compared with 28 in 2000.

And it's made recruiting a top priority in the Arab- and Muslim-American communities. In fact, outside the New York conference, both the FBI and DHS had tables staffed with recruiters. Arena made it a point to pitch the bureau when he spoke to the students.

"You could have a great career and really make a difference," he told them.

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That was met with some skepticism. One student told Arena that she was interested in law enforcement, but because of her experiences since 9/11, she's afraid she'd face hostility at the FBI because she is a Muslim. Arena said she would not, noting the changes in FBI training as well as the importance it now places on having good relations with the Muslim-American community.

The process of reaching out can also be a two-way street. Suhail Muzaffar, chairman of Muslim Majlis of Staten Island, who organized the conference, is one who in the aftermath of 9/11 let the FBI know that some of its tactics were doing more harm than good in New York's Muslim community. He said that was particularly true on immigration matters.

"Before 9/11, the procedure was simple: You never saw an agent, you never talked to an agent, it was all paper," he says. "Suddenly, it became personal. People would visit you, they would call you. It created a lot of confusion and fear."

So agents at Immigration and Customs Enforcement (ICE) created what they call "calling cards" in English and Arabic that explain their procedures and why they've come. They also started intensive cultural training of their agents in terms of Muslim customs, as well as others, according to Ficke. For instance, the traditional Sikh dress includes a ceremonial dagger. In the immediate aftermath of 9/11, Sikhs were routinely challenged for carrying them. But the blades are blunt, Ficke says, and officers have been trained to recognize them and let them go.

Editorial: Better Safe Than ... (PTR)

Pittsburgh Tribune-Review, November 27, 2006

US Airways Flight 300 from Minneapolis-St. Paul International Airport to Phoenix one week ago tonight was a reassuring statement about America's commitment to Homeland Security and the civil rights of suspects.

Six passengers were Muslim religious leaders (Imams) whose demeanor and discussion were very suspicious. Other passengers -- including one who understands Arabic and another whose travels include Turkey -- were concerned about the loud chanting of "Allah" and the anti-American remarks about Iraq.

The Imams said they were traveling together, yet two were seated at the front, two in the middle and two at the back. Three had one-way tickets and did not check any luggage. One wanted a seat belt extension even though a flight attendant said he was not overweight.

The flight crew received a note from a passenger about the "6 Suspicious Arabic men on plane."

The six were taken off the plane and interviewed separately for five hours by airport police, air marshals and FBI and Secret Service agents before being released.

US Airways refused to let them on another flight, but they found seats on Northwest Airlines and departed Tuesday morning.

Proactive passengers and crew and thorough investigations by government agencies suggest the system worked well. Yes, a few were inconvenienced. How does one say "better safe than sorry" in Arabic?

Mona Charen: What Happened Was A Shame, But Necessary (MINNST)

By Mona Charen

Minneapolis Star Tribune, November 27, 2006

Media were quick to call it a case of "flying while Muslim," but did they ask what was going through the minds of the other passengers?

Six imams got on a plane in Minneapolis. Accounts vary, but it seems that they were speaking in Arabic before boarding of their disgust with the U.S. war in Iraq and with American policy in general. One was heard to declare that he would do whatever was necessary to fulfill his obligations under the Qur'an.. Another repeated, "Allah, Allah." Once aboard, they aroused suspicion by requesting seat-belt extenders that they did not appear to require and took seats not together but scattered throughout the plane.

Several people contacted the flight attendants, and the men were asked to leave.

Now comes the nonsense. The Associated Press declares that this is a case of "flying while Muslim," and a TV anchor compares the imams to Rosa Parks. Nihad Awad of the Council on American-Islamic Relations denounced the incident as an example of "Islamophobia," adding, "We are concerned that crew members, passengers and security personnel may have succumbed to fear and prejudice based on stereotyping of Muslims and Islam."

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The Department of Homeland Security has announced that its Office of Civil Rights and Civil Liberties is opening an inquiry into the incident. And talk radio is abuzz. "Would they have done the same to a group of priests?" asked one talk radio host. "Or rabbis?"

Let us assume, for the sake of argument, that the person who was overheard chanting "Allah, Allah" was actually saying something else. Let's go ahead and allow that there was nothing suspicious about the request for seat-belt extenders, as several of the imams were a bit rotund. Let's even agree that the six imams were "victims" of discrimination.

It's a shame. But it's absolutely necessary. It cannot have been pleasant to be denied the opportunity to fly, to be singled out, to be embarrassed in front of a plane full of strangers. But this knee-jerk reaction to the word "discrimination" is completely out of place in this discussion.

When passengers see six Arab men praying, talking animatedly in Arabic (a fellow passenger understood Arabic and was one of those who contacted a flight attendant), and then boarding an airplane and sitting in different places, I wonder what goes through their minds. Is it: "I sure don't like Muslims. Think I'll just harass and annoy them"? Or could it possibly be: "Oh dear God, this is what the 9/11 hijackers must have looked like"?

Is it discrimination? Well, of course it is. But that cannot be the end of the discussion. We are so robotic in America whenever the word "discrimination" is used that we shut down thought and genuflect in the direction of whoever is complaining. But the proper question is not whether it is discrimination but whether it is justified.

Of course passengers would not be nervous in the presence of six priests or six rabbis. Neither of these groups has any history of blowing up innocent people. Nor do Americans despise those who pray. In fact, uniquely among Western democracies, we are great fans of religion.

But Islam presents a problem. While we would love to think that Islam is as pacific as Christianity, Judaism, Buddhism or Hinduism, the facts suggest otherwise. Time and again, terrorists who have committed or attempted to commit murder on a large scale have done so after becoming serious Muslims.

This is a hijacking of a great faith, you say? Maybe so. I'm inclined to believe it since I do not think that a billion people would be drawn to a religion of hate. But that much having been said, the haters within Islam are certainly having a heck of a run at the moment. Maybe they are only 10 percent of the worldwide total, but that still leaves us with 100 million very religious fellows who believe they have divine sanction to blow us up.

One final note: If Robert Spencer, director of Jihad Watch, is correct, one of the imams ejected from that plane, Omar Shahin, was involved with the Islamic charity Kind Hearts, which has had its assets frozen by the U.S. Treasury Department because of its connections to the terrorist group Hamas.

Mona Charen's column is distributed by Creators Syndicate.

WAR NEWS:

Jordan Fears Three Middle East Civil Wars (WP)

By Marc Kaufman

The Washington Post, November 27, 2006

Jordan's King Abdullah, who will host President Bush this week during emergency talks on Iraq, said yesterday that the Middle East faces the prospect of three simultaneous civil wars erupting.

"We're juggling with the strong potential of three civil wars in the region, whether it's the Palestinians, that of Lebanon, or of Iraq," the Jordanian king said on ABC's "This Week."

He said that as a result, "something dramatic" had to come out of this week's Amman meetings between Bush and Iraqi Prime Minister Nouri al-Maliki. "I don't think we're in a position where we can come back and revisit the problem in early 2007," he told interviewer George Stephanopoulos.

However dire the situation in Iraq, Abdullah said he's more worried about the escalating violence in Lebanon and the battles between the Israelis and Palestinians.

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"When it comes to things exploding out of control, I would put today, as we stand, Palestine and probably a close tie with Lebanon," he said. "Iraq, funny enough, although as concerned as I am with Iraq and the major problems that might bring to us, is in third position."

The United States, he said, needs to look at the "total picture" and be ready to talk with all parties in the area -- including Syria and Iran -- about a wide range of issues.

"We can possibly imagine going into 2007 and having three civil wars on our hands," Abdullah said. "And therefore, it is time that we really take a strong step forward as part of the international community and make sure we avert the Middle East from a tremendous crisis that I fear."

With parts of Iraq approaching, or already in, a state of anarchy or civil war, the Bush administration is reaching out to traditional Arab allies in an effort to help stem the violence. Vice President Cheney flew to Saudi Arabia this weekend for three hours of talks with its King Abdullah. Bush was briefed yesterday by Cheney about his trip to Saudi Arabia and by other administration officials about the status of their Iraq policy initiatives. Aides said the meeting was not intended to be a decision-making session. Bush is to leave today for a NATO summit before flying to Jordan to meet with Maliki for crisis talks Wednesday and Thursday.

Meanwhile, the 10-member Iraq Study Group will meet today and Tuesday in Washington. A discussion about regional diplomacy is expected to be on the agenda.

Saudi Arabia, Jordan and other Sunni Arab nations with close ties to the United States have voiced concern about Shiite Iran's growing influence and its involvement in the three regional conflicts. Many Iraqi leaders, as well as Shiite militants there, have close ties with Iran, which also provides funds and support for Hezbollah in Lebanon and Hamas in the Palestinian territories.

The rising power of Iran has the governments especially concerned about any possible U.S. withdrawal from Iraq, a development that some think could lead to a regional war between Sunnis and Shiites.

Also on "This Week," Sens. Richard J. Durbin (D-Ill.) and Sam Brownback (R-Kan.) voiced frustration with Iraq's leaders. Durbin said that the United States should tell Maliki to disband the largely Shiite militias and death squads, and to govern the country "in a responsible fashion" or face an eventual U.S. withdrawal. Brownback said that he opposes setting a timetable for withdrawing troops, but that "I think what we've got to do is go around the Maliki government in certain situations."

Jordan's Abdullah also said that the Maliki government has to improve immediately.

"There needs to be some very strong action taken on the ground there today," he said.

On CNN's "Late Edition," Mowaffak al-Rubaie, Iraq's national security adviser, yesterday cast the growing conflict as one against extremism. He said many Islamic movements in the region were already sending funds and fighters into Iraq to take on the government and the American forces.

"This is a fight, or this is a war, between the extremists and the moderates in the whole region," he said.

On the same show, Lebanese parliament member Saad Hariri said he thought Syria "had a hand" in last week's assassination of Lebanese cabinet member Pierre Gemayel. Syria has denied this, as it has denied any responsibility for the death of Hariri's father, former prime minister Rafik Hariri.

"They will keep on denying all these killings until they kill us all," Saad Hariri said.

King Of Jordan Warns Of 'Three Civil Wars' (FT)

By Eoin Callan And Demetri Sevastopulo

Financial Times, November 27, 2006

The Middle East is on the verge of three civil wars - in Iraq, Lebanon and the Palestinian territories - King Abdullah of Jordan warned Sunday ahead of crisis talks with US President George W. Bush and the Iraqi prime minister.

The Jordanian king said that "something dramatic" needed to come out of the meeting between President Bush and Nourial-Maliki, prime minister,at the tripartite summit being hosted in Amman this week.

The warning of impending civil war adds to the intensifying pressure on the Bush administration to map out a fresh strategy for ending the war in Iraq, which today enters its 1,347th day.

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King Abdullah said the US needed to see the "big picture" and pursue a regional solution, indicating his support for American engagement with Iran and Syria in pursuit of an end to worsening violence.

"They need to do it now, because, obviously, as we are seeing, things are beginning to spiral out of control," he told CNN.

"We're juggling with the strong potential of three civil wars in the region."

Engagement with Iran and Syria is widely expected to be a key recommendation from the Iraq Study Group,a congress-mandated bipartisan commission led by former secretary of state James Baker and former Democrat congressman Lee Hamilton.

The commission is expected to meet today for two days of deliberations before delivering its report to the White House in December.

The president of Iran, Mahmoud Ahmadi-Nejad, Sunday offered to "help" America get out of Iraq,in an apparent response to overtures from interlocutors.

"The Iranian nation is ready to help you to get out of the quagmire - on condition that you resume behaving in a just manner and avoid bullying and invading," he reportedly said in a speech.

The diplomatic push fora co-ordinated regional approach to the conflict in Iraq is expected to gain momentum when Jalal Talabani, the Iraqi president, today makes a visit to Tehran for talks on easing sectarian tensions.

President Bush first indicated his administration was ready to consider a radical change in direction of its Iraq policy in the wake of Republican defeats in mid-term elections.

Democrats, emboldened by their sweep of Congress, Sunday stepped up pressure on the administration to announce a timetable for withdrawing troops.

Congressman Ike Skelton, the incoming chairman of the House armed services committee, called for troop withdrawals to begin within the next year.

Leaders Boost Efforts To Quell Iraq Violence (USAT)

By César G. Soriano

USA Today, November 27, 2006

BAGHDAD — A week of unprecedented violence that claimed hundreds of Iraqi lives is prompting intensified efforts to develop a regional solution for the sectarian divisions rippling across the Middle East.

The violence also triggered more calls Sunday from U.S. lawmakers for a withdrawal of American troops, as the length of the U.S. engagement in Iraq surpassed that of World War II.

A key U.S. ally warned Sunday that conditions are deteriorating not only in Iraq but also throughout the Middle East. “Things are beginning to spiral out of control,” King Abdullah of Jordan said on ABC's This Week. He warned of “the strong potential of three civil wars in the region” and called for action to quell violence in Iraq, Lebanon and the Palestinian territories.

High-level meetings on solving the crisis were in the works. President Bush will travel to the region Wednesday for a summit with Iraqi Prime Minister Nouri al-Maliki, hosted by Abdullah in Amman, Jordan. Vice President Cheney made a brief visit to Saudi Arabia over the weekend. Iraqi President Jalal Talabani flies to Tehran today to meet with officials of the Iranian government, suspected of aiding militias in Iraq.

The talks follow a series of bombings Thursday that killed more than 215 people in Baghdad's Sadr City slum, a Shiite area. It was the deadliest single attack since the Iraq war began in March 2003. Iraq's top politicians issued a joint statement vowing to end the bloodshed and the divisions among the country's religious and ethnic factions. Al-Maliki, a Shiite, appeared on national television with Talabani, a Kurd, and Mahmoud al-Mashhadani, the speaker of the Iraqi parliament and a member of the Sunni minority.

In recent days, al-Maliki has been criticized by Sunni and Shiite leaders for not doing enough. Among the critics is anti-American Shiite cleric Muqtada al-Sadr, whose Mahdi Army is one of Iraq's most powerful militias. Al-Sadr has vowed to withdraw his support for al-Maliki if the prime minister meets Bush this week.

The political chaos is deepening the security crisis, said Col. Talib Abdul Razzaq, commander of the 2nd Battalion, 2nd Brigade, 6th Iraqi army. He said his unit is and beholden to orders based more on politics than military tactics. “Our orders are to

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kill or arrest anyone carrying illegal weapons, but these orders are just ink on paper," he said. "If we attack anyone, they accuse us of sectarianism. And the weapons of the terrorists and militias are more powerful than ours."

The U.S. military is trying to pick up the slack. Over the weekend, U.S. forces killed more than 23 terrorism suspects in several raids and destroyed a bombmaking factory. But some U.S. lawmakers insist it's time for the Iraqis to tackle the violence themselves.

"Unless they're willing to stand up and govern their country in a responsible fashion, America is not going to stay indefinitely," said Sen. Dick Durbin of Illinois, the second-ranking Democratic leader in the Senate.

Sen. Trent Lott of Mississippi, who will be the deputy Republican leader in the Senate next year, questioned al-Maliki's ability to run Iraq. "I don't know whether the government is going to be able to survive," Lott said on Fox News Sunday.

Bush Set For High-stakes Diplomatic Trip (AP-Y)

By Tom Raum

AP, November 27, 2006

President Bush reaches out to allies this week for help in quelling violence in Iraq and Afghanistan, in a burst of diplomacy from a Baltic summit of NATO partners to Mideast talks with Iraq's prime minister.

Just back from an eight-day trip to Asia, Bush was leaving on Monday on another overseas trip as pressure builds at home for a change in his administration's Iraq strategy amid deepening tensions and violence in that country.

The president stops first in Estonia en route to a NATO summit in neighboring Latvia where a debate over peacekeeping operations in Afghanistan is expected to dominate.

Estonia and Latvia have sent troops to both Iraq and Afghanistan and the U.S. considers the two former Soviet republics important allies.

From Latvia, the president heads to Amman, Jordan, for two days of talks with Iraqi Prime Minister Nouri al-Maliki. Jordan was deemed a less dangerous setting for the meeting than Baghdad.

White House aides said the meeting, a late addition to Bush's itinerary, was part of the president's process of sounding out various parties as he ponders how to proceed in Iraq.

Iran and Syria are trying to assert influence in stabilizing Iraq without American involvement, and tensions in the region increased further last week with the assassination of a Cabinet member in the U.S.-backed democratic government of Lebanese Prime Minister Fuad Saniora — a killing some have blamed on Syria. Also, sectarian attacks in Iraq have surged in recent days.

Jordan's King Abdullah said Sunday that tensions in the Middle East go beyond the war in Iraq and that much of the region soon could become engulfed in violence unless the central issues are addressed quickly.

"We could possibly imagine going into 2007 and having three civil wars on our hands," he said on ABC's "This Week," citing conflicts in Iraq, Lebanon and the decades-long strife between the Palestinians and Israelis.

At the NATO gathering Tuesday and Wednesday in Riga, Latvia, Bush will press for a heavier financial and military commitment from many of the alliance's 26 members and urge an easing of restrictions by individual countries on what their troops can and cannot do, according to administration officials.

The president also will call for inviting major non-NATO members Australia, Japan and South Korea to play a larger role in the alliance's activities.

Widespread public dismay over the war in Iraq helped sweep control of Congress away from Bush's Republicans this month and put Democrats in power. Democrats and some Republicans want Bush to begin withdrawing U.S. troops.

Violence also has flared in Afghanistan as a result of a resurgent Taliban and difficulties by the central government to maintain control, especially in the turbulent south.

The NATO summit will focus heavily on Afghanistan "because NATO is now in charge of security throughout the country" and because the alliance has recently been challenged by the Taliban, said Judy Ansley, director of European affairs at the White House National Security Council.

"The main thing now is to make sure that the alliance remains committed to this mission, which is important not only to Afghanistan but to our security in the West," she said.

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Retired Air Force Gen. Joseph Ralston, a former NATO Supreme Allied Commander, said that "events in Afghanistan are reaching a critical juncture, and European politics and perceptions, as well as U.S. commitments in Iraq may prevent NATO from getting the assets necessary to ensure victory."

"A military failure in Afghanistan would be catastrophic for the alliance," Ralston said.

There are currently just over 30,000 NATO troops in Afghanistan.

Bush's meeting with the Iraqi prime minister will be the first time the two have met since al-Maliki's visit to Washington in late July. They also met during Bush's unannounced visit to Baghdad in June.

Conditions have deteriorated since those meetings, and Bush is pondering whether to decrease or increase the 140,000 U.S. troops now in Iraq. The president is awaiting recommendations from a top-to-bottom Pentagon review and from a blue-ribbon bipartisan study group headed by former Secretary of State James A. Baker III and Democratic Rep. Lee Hamilton of Indiana.

The assassination in Lebanon last week will make it even harder for Bush to solicit the help of Syria and Iran in stabilizing Iraq, as many political figures in the U.S. and abroad have recommended.

The Bush-al-Maliki meeting was widely seen as an attempt by Bush to signal that the U.S. still was engaged in an effort to find a solution to the spiraling violence in Iraq after more than three years and eight months — longer than the U.S. involvement in World War II, as of Sunday.

"Sometimes, in the Middle East, you do diplomacy just to keep things from getting worse," said Michael O'Hanlon, a foreign policy analyst at the Brookings Institution.

Bush decided to go ahead with the meeting despite the opposition of some prominent Shiites in Iraq. Ahead of Bush's visit, Vice President Dick Cheney went to Saudi Arabia over the weekend in hopes of enlisting that government's help in involving more Arab countries in a regional solution.

The president was under pressure at home both from Democrats and some Republicans to take a new direction in Iraq.

"Changes are going to have to occur," Sen. Trent Lott, R-Miss., the incoming No. 2 GOP leader in the Senate, told "Fox News Sunday."

Shaping Post-Bush Policy (WP)

By Jackson Diehl

The Washington Post, November 27, 2006

The reopened debate on Iraq will now rage for months or years, consuming most of the oxygen for foreign policy in Washington. Even if the result is a better strategy for rescuing (or ending) that beleaguered mission, larger questions about President Bush's post-Sept. 11 foreign policy will remain to be sorted out -- ideally by the time the next president takes office.

For example: Is the fight against "Islamofacism," as Bush has taken to calling it, really the defining struggle of the 21st century, comparable to the Cold War against communism? Is the president's "freedom agenda" of pressing for democratic change around the world, and especially in Muslim countries, still worth pursuing, given the failures (so far) of U.S.-backed democratic experiments in Iraq and the Palestinian Authority? Can the United Nations be salvaged as a forum for addressing threats such as Iran and North Korea, despite Bush's failure (so far) to make it work?

Right now the most audible discussion of such issues, by candidates in the midterm elections, suggests that many Republicans and Democrats would like to jettison any foreign policy connected to the Bush administration as quickly as possible. "Realists" such as James A. Baker III and Henry Kissinger are suddenly back in fashion, their own manifold failings in past administrations obscured by the panic over Iraq.

Encouragingly, however, there is also some fresh thinking going on -- strategizing that tries to rewrite the Bush administration's first cut at a 21st-century foreign policy without returning to the 20th-century nostrums that preceded it. The most impressive example of this that I've seen is something called the Princeton Project, a massive 2 1/2 year effort to formulate a bipartisan approach to the post-Cold War, post-9/11 world conducted by Princeton's Woodrow Wilson School of Public and International Affairs.

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The Wilson school's dean, Anne-Marie Slaughter, and politics professor G. John Ikenberry, who jointly directed the project, convened hundreds of experts from across the political spectrum in nine separate conferences; they consulted Kissinger and Madeleine Albright, George Shultz and Zbigniew Brzezinski, among many others. They then wrote a report that, refreshingly, would confound both Bush and many of their fellow Democrats -- but contains ideas that ought to have broad appeal across both parties.

So: Bush's "defining" war against Islamic extremism? "Absolutely wrong," says Slaughter, a rising star in the foreign policy world who would be a likely candidate for a top position in a future Democratic administration. "It's an attempt to simplify a world that won't be so simplified." The Princeton Project argues that the coming century will offer not one overriding threat but a "Rubik's cube" of diverse yet sometimes interlocking challenges, such as the spread of nuclear weapons, global warming, and the rise of India and China as great powers. Also, pandemics: Slaughter says she's more worried about the risk that a strain of avian flu will kill millions of Americans than about another terrorist attack.

As for the problem of terrorism, Slaughter says "it shouldn't be called Islamo-anything," because that merely invites a civilizational conflict and gives al-Qaeda and other criminal networks more credit than they deserve. They should be hunted down through an aggressive global counterterrorism campaign, she says, but not placed at the center of global politics.

What about democracy? Here Slaughter and Ikenberry refuse to buckle under the anti-Bush backlash. At the center of their strategy is the goal of "a world of liberty under law" -- a phrase that first appeared in Ronald Reagan's platform. They argue that the United States should "develop a much more sophisticated strategy of creating the deeper preconditions for successful liberal democracy" extending "far beyond the simple holding of elections."

One of the most intriguing Princeton ideas is the creation of a treaty-based "Concert of Democracies" that, like the European Union or NATO, would admit members only if they met strict requirements. The new institution would allow the democracies to work together as a concerted force within such institutions as the United Nations -- as mostly undemocratic groups such as the Organization of the Islamic Conference already do -- and could eventually replace the United Nations as a forum for legitimizing international security actions if the United Nations itself proved resistant to reform. Ideally, emerging powers such as India and Brazil would seek membership and influence in the democracy alliance, rather than allying with "nonaligned" dictatorships.

There is much more: an overhaul of every major global institution, from the International Monetary Fund to NATO; construction of a better "protective infrastructure" in the United States; a national gasoline tax and a new U.S. international initiative on climate change. Yes, it's far-reaching and none of it will happen while Bush is president. It could, however, be a start at what comes afterward.

Right War, Botched Occupation (USAT)

By Michael Rubin

USA Today, November 27, 2006

As U.S. troops entered Iraq, President Bush promised freedom and democracy. But rather than establish a stable democracy, today terrorists and militias tear the country apart. After billions spent and the sacrifice of almost 3,000 U.S. troops, it is right to ask whether democracy in Iraq was not a fool's dream.

It was not. President Truman faced similar questions about Korea. Critics accused him of embroiling America in open-ended war, ignoring his generals and losing touch with reality. They said democracy was alien to Korean culture. Time proved them wrong. Any juxtaposition of nuclear North Korea with democratic South Korea shows the value of Truman's policy.

Bush was right to liberate Iraq. Saddam Hussein had started two wars, used chemical weapons and subsidized suicide bombers. He claimed to have weapons of mass destruction. Sanctions had collapsed; containment failed.

With military action inevitable, the White House was right to pursue democracy. Cynical realism created Saddam. Iraqis who fled their country, meanwhile, had no problem accepting democracy; Iraq's problem was both its rule of law and its dictator's unaccountability.

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What went wrong? Iraq's transformation was undercut by naive faith, not in democracy but rather in diplomacy. Instead of securing Iraq's borders, the Bush administration accepted Syrian and Iranian pledges of non-interference. They believed the canard that Iraq's neighbors sought a stable, secure Iraq. Both countries exploited U.S. trust.

Then, to win United Nations support, the White House defined itself as an occupying power. Overnight, liberation became occupation, and Iraqi democrats became collaborators. To appease Paris and Berlin, the Bush administration justified insurgent rhetoric.

Iraqis embraced democracy, but the wrong kind. U.N. experts sold the White House an election system based on party slates rather than on districts. Any system in which politicians are more accountable to party leaders than constituents, though, encourages ethnic nationalism and sectarian populism. Add militias to the mix, and the result is explosive.

Iraqis greeted U.S. troops as liberators, but the Bush administration fumbled the occupation. Blaming democracy does not address the cause of strife; rather, it absolves policymakers for poor decisions and implementation. Too much is at stake, not only for Iraq but also for U.S. national security, if policymakers learn the wrong lessons.

Michael Rubin is a resident scholar at the American Enterprise Institute.

'Neocons' Abandon Iraq War At White House Front Door (USAT)

USA Today, November 27, 2006

President John F. Kennedy's famous remark that victory has a thousand fathers and that defeat is an orphan couldn't be more apt these days. The intellectual godfathers of the ruinous Iraq war — "neoconservatives" who insisted it would be a breeze to invade Iraq and transform it into a beacon of democracy in the Middle East — are jumping ship and pointing fingers.

Their scurrying defection is a telling measure of how poorly the war is going and how bleak the outlook is. As of today, U.S. involvement in Iraq will have lasted longer than American participation in World War II. The price in American lives is approaching 3,000; the cost in dollars exceeds $300 billion. The Thanksgiving Day massacre in Baghdad, in which bombings killed and wounded hundreds in a Shiite neighborhood, only underscored Iraq's descent into chaos.

The neoconservative version of history is that the Iraq war was good idea undone by Bush administration incompetence after Saddam Hussein fell. Influential adviser Kenneth Adelman, who famously predicted Iraq would be a "cakewalk," now says, "This didn't have to be managed this bad; it's just awful." Another prime mover behind the war, former assistant Defense secretary Richard Perle, told Vanity Fair: "The decisions did not get made that should have been. … At the end of the day, you have to hold the president responsible."

To blame administration bungling exclusively for the Iraq debacle, however, is to learn the wrong lesson. It's true that the occupation of Iraq was mismanaged from the outset. By failing to guard massive munitions stockpiles, the administration helped arm the insurgency. And by disbanding the Iraqi army, it gave the insurgency men to use those arms. But the mistakes began with the decision to go war itself, a naive and arrogant exercise in wishful thinking that the nation can't afford to repeat.

The pretext, of course, was that Saddam had weapons of mass destruction that represented an imminent threat to U.S. security. In large part, however, the motivation was the neocons' belief — adopted by the administration — that ousting Saddam would create a beachhead for democracy in the Middle East. The effects, the neocons argued, would ripple through the region. The Arab public, inspired by U.S. ideals, would marginalize extremists and dictators alike, bringing peace.

U.S. policymakers would have benefited from more time reading history and less concocting rosy scenarios. In the 1920s, the British similarly believed that democracy could be imposed on a tribal culture accustomed to rule by strongmen. After a few massacres, the British learned their lesson, installed a king and retreated.

Now a bipartisan Iraq Study Group, the Bush administration and Congress are all scrambling to find a way out of the Iraq quagmire. None of the options is appealing or offers the sort of outcome the war's architects envisioned.

It's important not to buy the new self-serving line from the neoconservatives, some of whom are already beating the drums for a pre-emptive attack on Iran's nuclear program. Recovering the international goodwill squandered in Iraq, and dealing wisely with the threats from Iran and North Korea, requires facing the mistakes squarely.

Although, on Sunday, the 1,347-day-old Iraq war was being compared in duration to WWII, the lessons are better drawn from Vietnam. Gen. Colin Powell, secretary of State in President Bush's first term, said his Vietnam generation learned from that

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experience to go into conflicts only with a defined mission, an overwhelming force and a clear exit strategy — and to reassess quickly if the mission changes. Unfortunately, in Iraq, the Powell Doctrine took a back seat to neoconservative fantasies.

Lawmakers Lose Patience With Iraq Gov't (AP)

By Ben Feller

AP, November 27, 2006

Congressional leaders displayed eroding patience in the Iraqi government on Sunday, adding pressure on President Bush and Iraqi Prime Minister Nouri al-Maliki to find a faster path to peace when they meet this week.

"It is not too late. The United States can still extricate itself honorably from an impending disaster in Iraq," Republican Sen. Chuck Hagel of Nebraska, a potential presidential contender in 2008, said in urging for a planned withdrawal of U.S. troops.

"If the president fails to build a bipartisan foundation for an exit strategy, America will pay a high price for this blunder — one that we will have difficulty recovering from in the years ahead," Hagel wrote in Sunday's Washington Post.

As the U.S. involvement in Iraq surpassed the length of America's participation in World War II, lawmakers have dwindling confidence in the U.S.-supported Iraqi government. It was the deadliest week of sectarian fighting in Baghdad since the war began in March 2003.

"I think what we've got to do is go around the Maliki government in certain situations," said Republican Sen. Sam Brownback of Kansas, another possible presidential candidate. "Let's work with other groups, and let's get regional buy-in into this."

Bush, after a NATO summit in Europe, plans to meet with al-Maliki on Wednesday and Thursday in Jordan. That summit, coupled with Vice President Dick Cheney's trip to Saudi Arabia on Saturday, is evidence of the administration's stepped-up effort to bring stability to the region.

The host of the meeting, Jordan's King Abdullah, said Sunday the problems in the Middle East go beyond the war in Iraq. He said much of the region soon could become engulfed in violence unless the central issues are addressed quickly.

The king said he was hopeful the leaders will find a way to reduce the level of violence.

"We hope there will be something dramatic. The challenges, obviously, in front of both of them are immense," he said.

Iraq's leaders promised Sunday to track down those responsible for the recent attacks, and al-Maliki urged his national unity government of Sunnis, Shiites and Kurds to curb the violence by stopping their public disputes.

The Iraqi prime minister is under pressure from Shiite politicians loyal to the radical anti-American Shiite cleric Muqtada al-Sadr who have threatened to boycott parliament and the Cabinet if al-Maliki meets with Bush.

"This is all political posturing. It's all red herring. It's an anti-threat. This is a very stable government," responded Iraq's national security adviser, Mouwafak al-Rubaie. He said he had no doubt the prime minister would meet with Bush in Jordan.

As for Bush, some of the toughest criticism is coming from within his own party.

"We have misunderstood, misread, misplanned and mismanaged our honorable intentions in Iraq with an arrogant self-delusion reminiscent of Vietnam," said Hagel, a combat veteran of that war. "Honorable intentions are not policies and plans."

Sen. Richard Durbin of Illinois, the No. 2 Senate Democrat, called Iraq the worst U.S. foreign policy decision since Vietnam. He said Democrats do not have a quick answer and any solution must be bipartisan.

"It is time to tell the Iraqis that unless they're willing to disband the militias and the death squads, unless they're willing to stand up and govern their country in a responsible fashion, America is not going to stay there indefinitely," Durbin said.

That theme — pressuring al-Maliki and his government — seemed to unify Republicans and Democrats.

"I think we're going to have to be very aggressive and specific with him," said Sen. Trent Lott, R-Miss., the incoming No. 2 GOP leader. "And if he doesn't show real leadership, doesn't try to bring the situation under control — if, in fact, he becomes a part of the problem — we're going to have to make some tough decisions."

Yet Rep. Duncan Hunter, the outgoing chairman of the Armed Services Committee, said the United States will win the conflict in the long run by supporting a free government in Iraq. Before any decisions are made on reducing U.S. troop levels, he said, more U.S.-trained Iraqi battalions should be moved into the heavy-fighting areas of Baghdad.

"Saddle those guys up," Hunter said. "Move them into the fight."

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Durbin, Brownback and King Abdullah were on "This Week" on ABC. Lott appeared on "Fox News Sunday" and Hunter on "Meet the Press" on NBC. Al-Rubaie was on CNN's "Late Edition."

Lawmakers Criticize Training And Deployment Of Iraqi Forces (WP)

By Walter Pincus

The Washington Post, November 27, 2006

Two senior members of the House Armed Services Committee and several former Defense Department officials yesterday criticized poor U.S. training and deployment of the Iraqi army and police as a major reason the Baghdad government cannot provide security to its people.

Rep. Duncan Hunter (R-Calif.), chairman of the panel, said that 33 trained Iraqi army battalions, now serving in provinces that are relatively peaceful, should be moved into Baghdad or other areas where there is fighting. "Saddle those guys up, move them into the fight," Hunter said on NBC's "Meet the Press." He added, "Nothing trains a combat unit better than actually being in military operations."

Rep. Ike Skelton (D-Mo.), who next year will take over as chairman of the Armed Services Committee, focused on the Army training of Iraqi units. He said that in many instances "the wrong types" of trainers were given the job.

"I would hope we could stand up their brigades, their battalions, and that they would be effective, and the way to do this is for us to train them better, to have advisers that understand them," Skelton said on NBC.

"What's really fallen down . . . has been the police," said retired Gen. Wayne A. Downing, who headed the Army's Special Operations Command and briefly served after the Sept. 11, 2001, attacks in the Bush White House handling counterterrorism.

"We reconstituted the Iraqi police pretty much in their old image," he told NBC's Tim Russert. "They are corrupt, they are feared by the people, and we recognize this." Downing said that once a Baghdad neighborhood is cleaned up, "we turn it over to the Iraqi police, Tim, and within weeks it's right back to the way it was before."

"We've got to get the Iraqi army and police better equipped, better trained, and into the fight. And I think we've got 24 months," said retired Gen. Barry R. McCaffrey, also on "Meet the Press." He said the Iraqis, now armed with light trucks and small arms, need armored vehicles and air force and support helicopters "to sustain a major internal battle."

Yesterday's criticisms were expanded upon in the latest study by Anthony H. Cordesman, who holds the Arleigh A. Burke Chair in Strategy at the Center for Strategic and International Studies. A Pentagon official in the Reagan administration and a specialist in Middle East intelligence and military matters, Cordesman just returned from Iraq, where he received briefings from military and civilian officials.

One of Cordesman's central issues is that public statements by the Defense Department "severely distorted the true nature of Iraqi force development in ways that grossly exaggerate Iraqi readiness and capability to assume security tasks and replace U.S. forces." He also writes that "U.S. official reporting is so misleading that there is no way to determine just how serious the problem is and what resources will be required."

Cordesman says the Pentagon's Aug. 31 status report, which was sent to Congress, lists 312,400 men "trained and equipped" among the Iraqi army and national and regular police. But it adds that "no one knows how many . . . are actually still in service." At the same time, he writes, "all unclassified reporting on unit effectiveness has been cancelled."

Criticizing statements about how many Iraqi army units are "in the lead," Cordesman notes that the Iraqi army "lacks armor, heavy firepower, tactical mobility and an Iraqi Air Force capable of providing combat support" -- the same points McCaffrey made yesterday.

"No administration official has presented any plan to properly equip the Iraqi forces to stand on their own or give them the necessary funding to phase out U.S. combat and air support in 12 to 18 months," Cordesman says. He writes that the Iraqi army could need U.S. support through 2010.

The August Pentagon report says that the Iraqi Ministry of Interior (MOI), which controls the National Police, does not have "an effective management system" and therefore "it is unknown how many of the forces . . . are still employed by the MOI."

Cordesman says attrition is put at "at least 20 percent per year." The Pentagon report also notes problems with the police having ties to militias and warns about "unprofessional and at times criminal behavior" by some units.

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Cordesman described the situation as "far worse" with the regular police, where "desertion rates are far higher than with the regular [Army] forces and National Police. He cites the Pentagon report as saying "there is currently no screening process to ascertain militia allegiance" and "no method exists to track the success rate of these or other police officers."

As with the army, Cordesman says he believes it will take three to five years to adequately train Iraqi police officers. He notes, though, that the Pentagon report "makes clear there is no meaningful database on where the maintained and equipped for the regular police actually are, or on the effectiveness of individual units."

Freshman Lawmakers Vow Iraq Visits (WT)

By Christina Bellantoni

The Washington Times, November 27, 2006

Capitol Hill freshmen considering changes to Iraq policy next year are scrambling to take trips to the region in order to understand better the consequences of the promise of troop withdrawal, which many of them used to win their elections.

Most freshman Democrats, who appealed to voters frustrated with the war, said they are trying to get onto congressional delegations to Iraq, known as "codels." All the freshman lawmakers interviewed by The Washington Times -- seven personally and several more via spokesmen -- said that the trips are a priority, though none have been scheduled in advance of the 110th Congress' January swearing-in.

"I am anxious to get over there as soon as I can," said Rep.-elect Jerry McNerney, California Democrat. "Iraq is a critical issue that really needs to be resolved, and the more I know about it the more I'll be able to contribute to the solution."

Rep.-elect Tim Walz, Minnesota Democrat, said he knows what it is like to leave a family and life behind when serving in the military.

"I would love to go tomorrow if they would send me," he said. "I need to get there. For me it's very, very personal."

Mr. Walz, a National Guardsman, provided base security for the troops during Operation Enduring Freedom in Afghanistan.

In addition to visiting Iraq, he promises to be a voice for troops, having worked for years to train Guard members and watch over their families. He will support legislation helping veterans and their families with health care and dealing with payday lenders.

Rep. Christopher Shays, who has been to Iraq 14 times, said a more-regular presence of U.S. politicians in the war zone would have prevented many of the worst blunders, including the Abu Ghraib prison scandal.

"All members should go to Iraq, and they should go with an open mind," the Connecticut Republican said. "They should be willing to reevaluate their basic conclusions."

Mr. Shays won re-election despite a tough political environment, in part because he reevaluated his own positions on the war. He said he "saw a lot of mistakes," when visiting, including troops without enough body armor and a lack of money in the field.

"You should go, and not just once," said Mr. Shays, who is making another trip to Iraq in the next few days. "Whether you support it, oppose it or are ambivalent, you absolutely need to go."

Rep.-elect Ed Perlmutter, Colorado Democrat, agreed that a firsthand observation will help incoming freshmen. "Being there would give me a more complete picture," he said.

"I'd like to go right away," said Rep.-elect Keith Ellison, a Minnesota Democrat who will become the first Muslim congressman in the U.S. "It is up to politicians to make sure that soldiers are in the right place, and to withdraw soldiers when it's clear there is a military operation that has not been successful."

But freshmen must wait for their January swearings-in before congressional offices can arrange a codel.

"I'm not prepared to tell people what they ought to do," said Rep. Frank R. Wolf of Virginia, a Republican who suggested the formation of the Iraq Study Group.

"It isn't like going to see a field if you are surveying agriculture policy," he said, while adding that "you learn a lot. There's nothing like actually seeing, listening, hearing and experiencing."

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Mr. Wolf, who has been to Iraq three times, said he always worries about placing others in the delegation in danger. On his first trip, he traveled privately outside of military escort and remembers riding in a beat-up car with a broken windshield and "blood all over the place."

Democrat Rep.-elect Steve Cohen of Tennessee said of visiting Iraq: "I suspect it's something that I should do as part of my duty. I don't look forward to it, but it's a duty probably one should do."

It's unlikely all the freshmen will get to go to Iraq, especially if they are assigned to committees that do not handle war policy or defense issues. Still, even though the freshmen haven't yet seen Iraq with their own eyes, they have strong opinions about what the U.S. should do with the troops.

"Our soldiers are sitting ducks," Mr. Cohen said. "I cannot comprehend a successful resolution, no matter how much money, no matter how many troops we amass. We have created a mess."

"I'd like to see a complete redeployment," Mr. McNerney said.

The freshmen said they are eager to vote on such domestic matters as embryonic stem-cell research and the minimum wage, but said no issue is more pressing than the war.

"It's the big elephant in the room," said Rep.-elect Hank Johnson, Georgia Democrat. "People are ready for the war to come to an end as quickly as it is prudent."

Iraq Study Group Weighs Overture To Iran And Syria (NYT)

By David E. Sanger

The New York Times, November 27, 2006

WASHINGTON, Nov. 26 — A draft report on strategies for Iraq, which will be debated here by a bipartisan commission beginning Monday, urges an aggressive regional diplomatic initiative that includes direct talks with Iran and Syria but sets no timetables for a military withdrawal, according to officials who have seen all or parts of the document.

While the diplomatic strategy appears likely to be accepted, with some amendments, by the 10-member Iraq Study Group, members of the commission and outsiders involved in its work said they expected a potentially divisive debate about timetables for beginning an American withdrawal.

In interviews, several officials said announcing a major withdrawal was the only way to persuade the government of Iraq's prime minister, Nuri Kamal al-Maliki, to focus on creating an effective Iraqi military force.

Several commission members, including some Democrats, are discussing proposals that call for a declaration that within a specified period of time, perhaps as short as a year, a significant number of American troops should be withdrawn, regardless of whether the Iraqi government's forces are declared ready to defend the country.

One proposal would involve embedding far more American training teams into Iraqi military units in a last-ditch improvement effort, coupled with a withdrawal that in a year would leave 70,000 to 80,000 American troops in the country, compared with about 150,000 now.

"It's not at all clear that we can reach consensus on the military questions," one member of the commission said late last week.

The draft report, according to those who have seen it, seems to link American withdrawal to the performance of the Iraqi military, as President Bush has done. But details of the performance benchmarks, which were described as not specific, could not be obtained, and it is this section of the report that is most likely to be revised.

While the commission is scheduled to meet here for two days this week, officials say the session may be extended if members have trouble reaching consensus.

Meanwhile, Mr. Bush will be visiting Latvia and Estonia, then will head to Amman, Jordan, on Wednesday for two days of meetings with Mr. Maliki and King Abdullah II of Jordan.

The recommendations of the commission, an independent advisory group created at the suggestion of several members of Congress, are expected to carry unusual weight because its members, drawn from both political parties, have deep experience in foreign policy. They include its co-chairmen, former Secretary of State James A. Baker III, a Republican, and Lee H. Hamilton, a former Democratic congressman.

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Though the commission has met many times, interviewing administration officials, policy experts, military officers and others, the meeting here on Monday will be the first time that members have gathered to hash out the most difficult issues.

The basis for their discussion will be a draft report that Mr. Baker and Mr. Hamilton directed the commission staff to prepare, based on informal conversations among the members.

The group is expected to present its final report to President Bush and to Congress in December.

The commission's co-chairmen have urged members and staff not to discuss their deliberations. As a result, those who were willing to talk about the commission's work and the draft reports did so on the condition of anonymity.

President Bush is not bound by the commission's recommendations, and during a trip to Southeast Asia that ended just before Thanksgiving, he made it clear that he would also give considerable weight to studies under way by the Joint Chiefs of Staff and his own National Security Council.

Last Monday in Bogor, Indonesia, he said he planned to make no decisions on troop increases or decreases "until I hear from a variety of sources, including our own United States military."

But privately, administration officials seem deeply concerned about the weight of the findings of the Baker-Hamilton commission.

"I think there is fear that anything they say will seem like they are etched in stone tablets," said a senior American diplomat. "It's going to be hard for the president to argue that a group this distinguished, and this bipartisan, has got it wrong."

Mr. Bush's nominee for secretary of defense, Robert M. Gates, resigned from the commission after his nomination this month, and was replaced by Lawrence S. Eagleburger, another Republican who once was secretary of state. Mr. Gates has said little about his thoughts on military strategy, other than to express amazement when he visited Iraq with the study group over Labor Day that the administration had let the situation spin so far out of control.

Mr. Bush spent 90 minutes with commission members in a closed session at the White House two weeks ago "essentially arguing why we should embrace what amounts to a 'stay the course' strategy," said one commission official who was present.

Officials said that the draft of the section on diplomatic strategy, which was heavily influenced by Mr. Baker, seemed to reflect his public criticism of the administration for its unwillingness to talk with nations like Iran and Syria.

But senior administration officials, including Stephen J. Hadley, the president's national security adviser, have expressed skepticism that either of those nations would go along, especially while Iran is locked in a confrontation with the United States over its nuclear program. "Talking isn't a strategy," he said in an interview in October.

"The issue is how can we condition the environment so that Iran and Syria will make a 180-degree turn, so that rather than undermining the Iraqi government, they will support it."

Administration officials appear to be taking steps that will enable them to declare that they are already implementing parts of the Baker-Hamilton report, even before its release. On Saturday, Vice President Dick Cheney flew to Saudi Arabia for a meeting with King Abdullah, whom he has known for 17 years.

An official who was briefed on the vice president's trip, and who requested anonymity because he was not authorized to speak about it with reporters, said discussion at the two-hour meeting had covered all the crises in the Middle East.

"The best way to describe it is as a consultation, on a number of issues," that official said. "But because Iraq is such a big issue, it obviously took up a major part of the conversation."

The official said Mr. Cheney had not gone to Riyadh to enlist Saudi help for any specific proposals on Iraq.

During an interview on the ABC News program "This Week" on Sunday, King Abdullah said that his agenda with the president extended beyond Iraq, and that his top concern in the region was the conflict between the Israelis and the Palestinians — which he called the "core issue" in the Middle East — along with tensions in Lebanon.

But, he said, he was hoping that Mr. Bush's meeting with Mr. Maliki would bring about "something dramatic" to stop the violence in Iraq.

Last week, administration officials played down expectations for the meeting with Mr. Maliki. But they are clearly hoping that Mr. Maliki will show a greater willingness to crack down on the Shiite militias, including the militia run by the powerful cleric Moktada al-Sadr.

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While it is unclear what private messages Mr. Bush was preparing for Mr. Maliki, the public message will be an eagerness to turn more operational control over to the Iraqis, as soon as they are prepared to handle it.

“Any disarming of the militias — in large part because there is such a political element to that — is most effectively carried out by the Iraqi security forces,” said Dan Bartlett, the White House counselor.

Iran Says It's Set To Help U.S. On Iraq (AP)

By Nasser Karimi

AP, November 27, 2006

Iran said Sunday it is willing to help Washington calm Iraq's escalating sectarian violence if the U.S. drops its "bullying" policy toward Tehran, but denied organizing a summit with the leaders of Iraq and Syria to discuss the troubles in its neighbor.

Hardline President Mahmoud Ahmadinejad said Iran is "ready to help" the United States, saying the Americans are "trapped in a quagmire" in Iraq.

"The Iranian nation is ready to help you to get out of the quagmire — on condition that you resume behaving in a just manner and avoid bullying and invading," he said while addressing members of the Basij paramilitary group, which is affiliated with Iran's Revolutionary Guard.

The White House, which is under pressure at home and abroad to approach Iran and Syria for help with Iraq, played down Ahmadinejad's offer.

"The Iranians have made comments similar to this in the past. There's nothing new there," State Department spokeswoman Julie Reside said in Washington.

Engaging with Iraq's neighbors is believed to be one of the recommendations by a panel on Iraq led by former Secretary of State James A. Baker III.

Iranian Foreign Ministry spokesman Mohammed Ali Hosseini, meanwhile, denied reports of a summit involving Iraq and Syria, saying it was never on Iran's agenda.

"Such a summit needs certain preliminaries," he said, but did not give details.

Iraqi President Jalal Talabani was scheduled to visit Tehran on Saturday, but had to postpone his trip because Baghdad's airport was closed in a security clampdown after an upsurge in violence. Syria never said whether President Bashar Assad had intended to go.

Hosseini confirmed Iran had invited Assad for an official visit and said Talabani would visit at some point.

Iran is believed to back Iraqi Shiite militias blamed for sectarian attacks that have killed thousands this year. Iran has repeatedly denied the charges.

Had the summit been held, it would have preceded President Bush's scheduled meeting with Iraqi Prime Minister Nouri al-Maliki in Jordan on Wednesday and Thursday.

Vice President Dick Cheney was in Saudi Arabia, a U.S. ally and another one of Iraq's neighbors, over the weekend.

The unusual succession of trips appeared to reflect U.S. determination to rally allies at a time when Washington is considering changing its Iraq policy.

But one of the major sources of tension between Tehran and Washington — Iran's nuclear program — appears at a standstill. The U.S. alleges Iran is secretly developing atomic weapons, while Tehran claims its program is for peaceful purposes including generating electricity.

Iran has repeatedly refused to suspend uranium enrichment, defying an Aug. 31 deadline set by the U.N. Security Council, and has said it will not halt the process as a precondition to negotiations over its nuclear program.

Hosseini on Sunday promised improved cooperation with the International Atomic Energy Agency if the U.N. nuclear watchdog, rather than the Security Council, takes charge of Iran's nuclear dossier. Iran has made similar promises in the past.

"If the case is returned to the agency itself, it would be possible to review current ambiguities better than before," Hosseini said. "The agency is the best and the most qualified body for the case."

The IAEA officially turned over Iran's dossier to the Security Council last February after Iran failed to answer key questions about its nuclear activities.

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Last week, the IAEA rejected Iran's request for assistance building a heavy-water nuclear reactor because of the dispute.

"It is part of the agency's duties to help member countries. None of our activities have been illegal. Inspectors can inspect them," Hosseini said.

The Security Council, meanwhile, is deadlocked over how to sanction Iran for ignoring demands to stop uranium enrichment. Russia and China, both trade partners with Iran, have called for a diplomatic resolution rather than punitive measures, which Washington is urging.

Talks Aim To Counter Tehran (WT)

By Harry De Quetteville

The Washington Times, November 27, 2006

JERUSALEM -- A weeklong, high-stakes diplomatic offensive for control of the Middle East is gathering steam as the Bush administration rallies allies against Iran's growing influence in the region.

The diplomatic push, which began with Vice President Dick Cheney's visit to Saudi Arabia on Saturday, will climax with President Bush's meeting later this week with Iraqi Prime Minister Nouri al-Maliki in Amman, Jordan.

The goal is to marshal a force of friendly Sunni regimes against the radical leadership of Shi'ite Iran, which Washington thinks is trying to develop a nuclear bomb.

Leaders from two crucial members of that Sunni bloc -- Jordan and Turkey -- met for emergency talks Saturday to discuss the implications of the diplomatic drive. After the meetings, held in Amman, Turkish Prime Minister Recep Tayyip Erdogan said the Bush and al-Maliki summit was crucial for the fate of the region.

Jordan's King Abdullah II said yesterday on ABC's "This Week" that something "dramatic" must come out of the summit. He said the two leaders must find ways to reconcile Iraq's various factions "and they need to do it now, because, obviously, as we're seeing, things are beginning to spiral out of control."

The U.S.-led alliance is attempting to mobilize a "Sunni crescent" of friendly countries, running from Oman in the east of the Persian Gulf, through Yemen and Saudi Arabia westward to Jordan, Turkey and Egypt.

It is designed to counter what many Sunni states fear is a rapidly emerging "Shi'ite crescent" of influence, that runs from Iran to Lebanon and could spread by inciting revolt among Shi'ite elements of their own populations.

The rivalry and mistrust between Sunnis and Shi'ites was exemplified in elections Saturday in Bahrain, which -- like Iraq before the U.S. invasion -- is a majority-Shi'ite country led by a Sunni minority.

In a sign of increasing Shi'ite self-confidence, parliamentary elections under way there have been racked by vocal opposition from the Shi'ites, who say the election was rigged to favor Sunnis.

But it is mixed-faith Iraq that lies at the heart of the weeklong diplomatic drive.

Caught between the jaws of the two sectarian crescents, Iraq was torn apart last week by bombs and tit-for-tat killings that threaten to devolve into an all-out civil war between its Sunni and Shi'ite communities.

In a signal of Iran's own diplomatic ambitions for the region, Iraqi President Jalal Talabani had been scheduled to meet his Iranian counterpart, Mahmoud Ahmadinejad, at a summit in Tehran on Saturday, possibly with Syria attending.

But while the summit was postponed because of a curfew that means even Mr. Talabani cannot fly out of Baghdad, Iranian sources say Tehran feels it is holding all the cards as it squares up to the United States in the battle for regional influence.

"Iran is able to end the bombing campaign in Iraq and is willing to use its force to call it off -- if the world gives it the future role that it expects in Iraq," said one seasoned observer in the Iranian capital, who spoke on the condition of anonymity.

"It's a big give-and-take situation, in which no matter where you look, Iran ends up with much more in her basket than the USA."

Despite Iranian boasts that it can control Shi'ite violence in Iraq, the dominant militia force on the streets of Baghdad remains the Mahdi's Army militia of the radical cleric Muqtada al-Sadr.

While Sheik al-Sadr is Shi'ite, he is not directly loyal to Tehran, and it remains unlikely that he will cheaply call off the force that has made him, both militarily and politically, one of the most powerful voices in Iraq.

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He has threatened to exert that authority by withdrawing his support from the Iraqi government, effectively bringing it down, if the Bush and al-Maliki summit is held as planned. But the White House has insisted that the summit will go ahead.

The '39 Parallel? (WT)

By Dan Burton

The Washington Times, November 27, 2006

On Aug. 23, 1939, Soviet Foreign Minister Vyacheslav Molotov stunned the world by signing the Nazi-Soviet Non-aggression Pact under the watchful eyes of German Foreign Minister Joachim Von Ribbentrop and Soviet leader Josef Stalin. With the sweep of a pen Soviet Russia paved the way for the beginning of World War II by assuring Hitler he would not have to fight a war on two fronts. That error in judgment cost roughly 62 million people across the globe their lives; including 6 million Jews and 23 million Russians.

Sixty-seven years later it seems that once again Russia has yielded to the destructive ambitions of a tyrant and an anti-Semite. By refusing to support tough sanctions on Iran over its dangerous nuclear enrichment program, Russia is once again exposing the world to unimaginable carnage, certainly much worse than that of World War II. While Russia's failure to learn from history is particularly shocking, and has made it the chief stumbling block to the U.N. confronting Iran, it is not alone in averting its gaze from the pending disaster, as detailed below.

Tehran claims its nuclear program is a peaceful one, designed to generate electricity, but many outside experts and leaders acknowledge that Iran is attempting to achieve a nuclear weapons capability. Even the International Atomic Energy Agency (IAEA) says it cannot verify that Iran's program -- concealed from U.N. inspectors for many years -- is purely peaceful. In fact, the IAEA stated in its Jan. 31 and Feb. 27 reports that documents found by IAEA inspectors show a possible "military nuclear dimension" to Iran's program.

But is the world acting to end this threat? Clearly not. Instead, the United Nations, Russia, China, the European Union, many in Congress and some high-ranking officials in the State Department all believe that we can negotiate with Iranian President Mahmoud Ahmadinejad. Of greater concern, the Iraq Study Group, chaired by James Baker and Lee Hamilton, is expected to make similar recommendations as the centerpiece of its broadly anticipated blueprint for turning the course in Iraq. All of these people seem to believe that Mr. Ahmadinejad can be persuaded to give up his nuclear ambitions. Similarly, in September 1938, the great European powers and the League of Nations believed that Hitler could be persuaded to give up his ambition of conquest by simply giving him Czechoslovakia's Sudetenland. However, almost exactly a year later Hitler derided the agreement as just a "scrap of paper" and invaded Poland igniting World War II.

The proponents of appeasement failed the world in 1939 and they will also fail today. Namely, those political leaders here at home and abroad who preach "dialogue" with Iran and rapid redeployment from Iraq -- based on an artificial timetable, and regardless of the situation left behind -- are risking the same big mistake. Such a move will undoubtedly be viewed as a victory in Tehran, just as Hitler viewed the Munich Agreement as a major victory that confirmed his impression of a world unwilling to stop his march. Unfortunately for the world, this is the nuclear age and the consequences of failure this time around could literally bring the end of civilization.

To Hitler, the process of diplomacy was only a farce to prevent sanctions that would constrain Germany's rearmament and preparations for war. Every withdrawal by the allies simply served to strengthen Hitler's determination to conquer. Similarly, to Mr. Ahmadinejad, the process of diplomacy is simply a facade meant to prevent sanctions that would constrain Iran's nuclear weapons development and its preparations for war. Make no mistake, Iran is not only preparing for war, but preparing to carry out a new holocaust, perhaps more destructive than the last one (which Mr. Ahmadinejad despicably denies, even while the last of its survivors still walk the Earth).

The proof can be found in Mr. Ahmadinejad's own words. On Oct. 26, 2005, he stated at a Tehran conference titled "A World Without Zionism" that "Israel should be wiped off the map" and that "anybody who recognizes Israel will burn in the fire of the Islamic nations' fury." On Dec. 9 and Dec. 14, 2005, and again on May 28, he questioned the veracity of the Holocaust. In the Dec. 14 case, he called it a "myth" -- and stated that Europe should create a Jewish state in Europe, not in the Middle East.

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To mark "Quds" day on Oct. 20 -- an Iranian "holiday" calling for war against Israel under the premise of "liberating" Jerusalem -- Iranian newspapers Kehyan and Resalat, both controlled by the government, published editorials urging Muslims around the world to prepare for a "great war" to destroy Israel.

I agree with Israeli Likud leader Benjamin Netanyahu, who said recently that Tehran's nuclear and missile program "goes way beyond the destruction of Israel -- it is directed to achieve world-wide range. It's a global program in the service of a mad ideology." He went on to say: "Israel would certainly be the first stop on Iran's tour of destruction, but at the planned production rate of 25 nuclear bombs a year ... [the arsenal] will be directed against 'the big Satan,' the U.S., and the 'moderate Satan,' Europe."

No one cared to imagine the worst in 1939, and many seem unprepared to imagine the worst now. Once again, millions of innocent people could pay the price for our folly. History has looked back upon 1938 and 1939 as one of the great "ifs" of the 20th century: If only the Allies had stood up to Hitler; if only the Soviet Union hadn't signed the non-aggression pact with Hitler. I do not want history to look back upon 2006 and 2007 -- assuming there is a civilization capable of looking back -- as the great "if" of the 21st century. Have we not learned from so recent a history with so many parallels?

There is still time for the world to wake up and realize that no conceivable carrot will persuade the leadership in Tehran not to acquire nuclear weapons. If allowed to, it will surely use them as leverage to impose its will and, in the end, deploy them to unleash an apocalypse. We must summon the political will and vision to do whatever it takes to eliminate Tehran's nuclear program now. If we wait additional years, our capability to stop these nuclear madmen will simply cease to exist.

The New Middle East (WSJ)

The Wall Street Journal, November 27, 2006

Last week's murder in Beirut of Lebanese cabinet minister Pierre Gemayel was followed by demonstrations by Sunnis and Christians denouncing the likeliest culprits: Hezbollah leader Hassan Nasrallah and Syrian President Bashar Assad. This week, Hezbollah is expected to hold mass rallies of its own against the anti-Syrian government of Prime Minister Fuad Siniora. The stage is now set for a showdown between the two sides, and perhaps civil war.

It's worth recalling how we got to this point, and the role that Bush Administration policies have played since the Cedar Revolution evicted Mr. Assad's army from Lebanon in the spring of 2005. President Bush withdrew his ambassador to Damascus following the February 2005 assassination of former Lebanese premier Rafik Hariri and later gave diplomatic support to the anti-Syrian coalition that came to power three months later. The Administration has also backed the U.N. investigation into the Hariri murder that implicates Syria and which, if Mr. Siniora's government can survive, will lead to a trial sometime next year.

Those were the successes. The mistakes include a decision not to respond to Hariri's murder by seeking regime change in Syria, as none other than the French were urging at the time. Mr. Assad has repaid this restraint by maneuvering for nearly two years to overturn the results of the Cedar Revolution, and somehow his opponents in Lebanon keep being murdered.

Nor were matters helped by the U.N. ceasefire resolution arranged by Secretary of State Condoleezza Rice that ended the war Hezbollah started against Israel last summer. The war was incompetently prosecuted by the Israelis, but a few more weeks of fighting might have destroyed the Shiite group as a military organization and thus spared Lebanon its current predicament. Instead, Ms. Rice intervened with a resolution that allowed Hezbollah to emerge claiming victory while offering no real guarantees that it will ever be disarmed.

Worse, the Administration acquiesced in a deal arranged between Mr. Assad and U.N. Secretary General Kofi Annan whereby Syria -- hitherto the principal conduit of arms to Hezbollah -- is supposed to prevent the flow of weapons to the group. The Jerusalem Post recently reported that arms are moving across the Syria-Lebanon border "by the truckload."

But the greatest failure is that the Administration has never really settled on a policy toward Syria. Mr. Bush signed the Syria Accountability and Lebanese Sovereignty Restoration Act in 2003 but opted to impose only the two weakest sanctions on the list provided by Congress. The U.S. has repeatedly accused Damascus of providing material support for the insurgency in Iraq, but it has never acted in a way that would show Mr. Assad it is serious about stopping him. Predator strikes against terrorist bases in Syria were ruled out.

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The Administration has also failed to lend any meaningful support to the National Salvation Front, the leading Syrian opposition group, apparently because it includes members of the Muslim Brotherhood as well as former regime elements. But as Ammar Abdulhamid, a leading member of the NSF who is also a secular democrat, points out, "controversial figures will always be involved in opposition work. You can't look at [the NSF] as a change to the most wonderful democratic system in the world. But you do need to break the stalemate and introduce a new dynamic."

Now the U.S. foreign-policy establishment is talking about the need to "engage" Damascus, and a weakened Bush Administration might be tempted to appease the Assad clan. The result is likely to be more of "the new Middle East" now on display in Lebanon.

Angry Shiites Hurl Stones At Maliki's Motorcade (LAT)

By Louise Roug

The Los Angeles Times, November 27, 2006

BAGHDAD — Angry Shiite Muslims pelted Prime Minister Nouri Maliki's motorcade with stones today after the Iraqi leader pleaded for national reconciliation at a memorial in Sadr City held for victims of a large-scale bombing attack last week.

Maliki, who is also a Shiite, left the scene after he tried without success to calm a crowd of mourners calling for revenge against Sunni Arabs. His pleas were met with shouts of "coward" and "collaborator."

Thursday's series of suicide and car bombings killed at least 215 people inside the Shiite neighborhood on the eastern edge of Baghdad, worsening the country's civil war.

Iraqi political leaders have sought to rein in the violence. Baghdad's international airport was closed on Thursday and a general curfew imposed, and the measures continued today.

The heckling by Maliki's fellow Shiites came after a Baghdad meeting at which he appealed for peace, standing alongside Iraq's Kurdish president, Jalal Talabani, as well as the speaker of parliament and a vice president, both Sunnis. However, even state television on today substituted its usual placid rhetoric with footage of the Shiite deputy health minister lashed out at residents of various Sunni neighborhoods, accusing them of fostering violence.

Mortars fired from the southern edge of Sadr City today hit an American military base, starting a fire. Others were directed at the predominantly Sunni neighborhood of Amariyah, a U.S. military spokesman said.

"I can confirm there was a strike, but I'm not going to give out any assessment," said Lt. Col. Scott Bleichwehl, the spokesman for U.S. forces in Baghdad.

When asked about what the U.S. military is doing to counter the violence in the capital, he said he would not comment for "operational reasons." He added that American forces are "working hand-in-hand with the Iraqi security forces [to create] the most secure environment."

But Sunnis in several Baghdad neighborhoods say they have seen few American patrols and that Iraqi security forces are either not doing anything to protect the Sunnis or are even complicit in the killing of Sunnis.

In Hurriya, one neighborhood where Shiite militias have driven out most of the Sunni residents, Iraqi police and soldiers stood by Friday as other uniformed men in police vehicles launched rocket-propelled grenades into houses and fired their guns at Sunni mosques, according to a policeman who was present.

The head of the Sunni bloc, Adnan Dulaimi, came under attack in Baghdad's Adel neighborhood today. For an hour, his guards held off armed men who had already lobbed mortar shells toward his house but missed. Eventually, Iraqi and American forces arrived and the gunmen fled, Dulaimi said in an interview later.

Mortar shells continued to slam down on other Baghdad neighborhoods today, inflicting death and injury on both sides of the sectarian divide, Iraqi authorities reported. In the mainly Shiite neighborhood of Karada, two shells killed four civilians and injured five, including the imam of the Zuwiya Mosque. The wounded were taken to Ibn Nafis Hospital, where armed men later tried to break in. Police guarding the hospital fought the attackers, eventually repelling them as reinforcements arrived.

In Mashtal, a mixed area in eastern Baghdad, a mortar shell injured four. Another hit the Sunni enclave of Ghazaliya, west of the Tigris River, but there were no reports of injuries.

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In fighting elsewhere, Iraqi authorities reported that a car bomb in Haswah, about 40 miles south of Baghdad, killed seven civilians. Two local council members were gunned down by drive by assassins in Hillah, about 55 miles south of the capital.

The continued fighting also took a bloody toll in Diyala province, just north of Baghdad.

Twelve police officers were kidnapped after they ran out of ammunition during a shootout at a checkpoint near the Shiite village of Dujayl.

In a raid near Kanan on Saturday night, men wearing Iraqi military uniforms seized 25 Shiite men. In the Sunni city of Baqubah, seven teenagers were found handcuffed, blindfolded and executed with bullets to their forehead. Gangs also looted the city's library, stealing computers, books and furniture.

Meanwhile, the U.S. military announced that American forces had killed four suspected insurgents and detained eleven others. One insurgent was found hiding in a house, dressed as a woman and pretending to nurse a baby.

On Saturday, a soldier assigned to the 3rd Brigade Combat Team, 1st Cavalry Division was killed by a roadside bomb in the province. Two U.S. Marines were killed in separate attacks in Al Anbar province on Saturday, according to a U.S. military statement.

The American military also announced the discovery of 11 bodies in Al Anbar last week. "The 10 men and one youth died from apparent gunshots," the statement said. A burned-out van was found nearby.

Police in Ramadi reported bloody clashes between local tribes and groups affiliated with Al Qaeda. It was unclear how many, if any, were killed.

When Will Iraqi Troops Be Ready? (CSM)

By Scott Peterson

The Christian Science Monitor, November 27, 2006

FALLUJAH AND BAGHDAD, IRAQ

After the most lethal string of attacks on Shiites since 2003 over the weekend, Iraqi Prime Minister Nouri al-Maliki blasted politicians Sunday for divisions that encourage carnage and called for unity in the face of deepening civil war. "The ones who can stop further deterioration and bloodshed are the politicians," he said, adding that all must first realize there "are no winners and losers in this battle."

When he meets with President Bush in Jordan this week, both leaders will be looking for signs that the Iraqi forces are closer to being able to ensure calm, without leaning on the US military.

While the Iraqi police and army are dominated by Shiites, Iraq's forces may be the last, imperfect hope of preventing all-out civil war. But if the difficulties the US military faces in training Iraqi soldiers in Fallujah is any indication, future stability is uncertain.

Despite three days of blanket curfew that has tempered revenge violence, expectations are growing among Iraqis that the death toll of more than 200 last Thursday will prompt an irreversible slide. Even under the curfew, scores of Iraqis have turned up dead, in clear Shiite vs. Sunni murders. Mortars continued to slam into parts of Baghdad on Sunday.

In a reflection of the popular anger over the killings, Mr. Maliki's motorcade was stoned and the premier jostled by fellow Shiites during a visit to the scene of the carnage in Baghdad's Sadr City Sunday. US 'transition teams'

To better prepare Iraqi forces to deal with the escalating security situation, more than 400 US military "transition teams" are living with and advising Iraqi units across the country, including in Fallujah, the former insurgent stronghold west of Baghdad.

"I've seen progress go from OK to somewhat better, [but] we're nowhere near done," says US Army Capt. Jonathan Stewart, a member of the team advising the Iraqi Army's 1st Battalion, 2nd Brigade, 1st Division, deployed in Fallujah.

"These guys can fight, but in terms of logistics they need us," says Captain Stewart, from Rogersville, Ala. "They are not capable of taking control of the fight."

US efforts to build Iraqi forces from scratch have been plagued by problems in the 3-1/2 years since US occupation authorities decreed the disbanding of Iraq's 400,000-strong military forces. Fledgling units have been targeted repeatedly by insurgents, resulting in the deaths of several thousand recruits. Sectarianism in the forces

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Sectarianism has defined some forces, too, as Shiite militiamen and Sunni insurgents infiltrated the ranks. During times of unrest, entire units have simply melted away, rather than face down Shiite gunmen during a 2004 uprising in Najaf, south of Baghdad, and Baghdad's Sadr City slum, or Sunni militants during fighting that year in Fallujah.

"They could have very good military and police forces, but if the population is not behind you, it won't work," says US Army Major Patrick Semon, a Fallujah-training team member from Pittsburgh, Pa. His team has worked with the Iraqi battalion for five months. Other US advisers began with the unit some 18 months before that.

In some areas of Fallujah, such as Jolan, where insurgents are making a comeback, "they hate us all, Americans and Iraqi Army alike, [and] will cut your throat just as soon as look at you," says US Army Maj. Michael Mundell, from Radcliff, Ky. Other areas of Fallujah, he says, range from "indifference to grudging acceptance, to 'Hi, how are you?' "

But in Fallujah, the Iraqi Army is made up largely of Shiites, and deeply distrusts the police - which are all local Sunnis. The first boot camp earlier this year, aimed at ushering Sunnis into the Iraqi Army and staged in Al-Anbar Province which includes Fallujah, was "disastrous," says one senior US marine officer.

Of nearly 800 recruits in the five-week course, up to 500 decided to leave when they learned they could be deployed anywhere in Iraq, and not just Sunni areas, says the officer. The two or three subsequent classes have had higher rates of retention, but US advisers say many more troops are needed.

"They don't have enough soldiers," says Major Mundell, noting that the 2,500 Iraqi soldiers in Fallujah - at least, that is the number deployed on paper - should have double the strength to be effective. "We need another brigade in this city; another two brigades to clean it out [of insurgents]."

But those numbers are not likely to change before US forces pull out of Fallujah in coming months. Except for the 11-man US training teams, less than 300 US marines now work in Fallujah. And already, for months, insurgents have targeted policemen - many of which have been slain - and Army units.

The army positions are routinely mortared. A popular company commander was killed by a roadside bomb a few weeks ago, which shook up some units. One captain did not return to duty last week, after his family was threatened. A battalion surgeon was recently murdered, and when an officer went to identify the body, he, too, was shot.

"These guys are never going to be a US infantry battalion, but they've got to be good enough," says Mundell.

"It can be successful, but they need more resources," says Major Semon.

The challenge is growing. Insurgent attacks have spiked in Fallujah, as they have taken an increasing toll on Iraqis. The United Nations puts the number at more than 3,700 dead nationwide in October alone. The New York Times reported Sunday that a secret US government report found that the insurgency has become self-sustaining, with an income from oil smuggling, kidnapping, and other criminal activity estimated between $70 million to $200 million.

Aware of the battles ahead, the government on Sunday appealed for calm in a joint statement from Shiite, Sunni, and ethnic Kurdish leaders: "Do not let those who are depriving you of security impinge on your unity," the statement read. "They want to drag you all into angry reactions."

Leaders also made a vow: "We promise the great martyrs that we will chase the killers and criminals, the terrorists, Saddamists and Takfiri (Sunni extremists) for viciously trying to divide you."

Iraqi Premier Blames Politicians For Violence (NYT)

By Edward Wong

The New York Times, November 27, 2006

BAGHDAD, Nov. 26 — Prime Minister Nuri Kamal al-Maliki said Sunday that Iraq's politicians were largely responsible for the surge in violence that engulfed the country over the past week, a departure from his previous assertions blaming militants for inciting the mayhem.

"These actions are at most the reflection of political backgrounds and wills and sometimes the reflection of dogmatic, perverted backgrounds and wills," Mr. Maliki said. "The crisis is political, and the ones who can stop the cycle of aggravation and bloodletting of innocents are the politicians." He said politicians must work harder to stop the violence.

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Mr. Maliki spoke at a news conference just a few days before he was to meet with President Bush to discuss the deteriorating security situation in Iraq. The remarks were an acknowledgment of the political nature of the war here and placed responsibility on political leaders for achieving peace.

The war is being driven by leaders of Sunni and Shiite militias vying for dominance and has spiraled into a pattern of revenge killings and rival sects driving each other out of neighborhoods.

Mr. Maliki spoke after a meeting of an advisory security council of Iraq's top politicians, including himself, the president and the speaker of Parliament. The council has met in recent days in an attempt to quell the tensions after the killings of more than 200 people by bombings in a Shiite district of Baghdad on Thursday, the deadliest single attack since the American invasion. The next day, vengeful Shiite militiamen attacked Sunni mosques in Baghdad and in the nearby city of Baquba.

Mr. Maliki said the members of the security council would work to bring together clashing political groups in Iraq. He did not identify the specific groups. In a show of unity, Mr. Maliki, a Shiite, appeared at the news conference alongside President Jalal Talabani, a Kurd, and Vice President Tariq al-Hashemi, a conservative Sunni Arab.

Mr. Maliki is scheduled to meet with President Bush in Amman, Jordan, on Wednesday and Thursday. The two are expected to talk about the widening sectarian war in Iraq and to try to reach agreement on ways to stop it. Tension has been rising between their governments, as officials from each have debated pursuing different policies in the face of continuing violence.

In the afternoon, Mr. Maliki attended a funeral in Sadr City, the district bombed Thursday and a base of support for Moktada al-Sadr, the anti-American Shiite cleric who lends political support to Mr. Maliki. The funeral was for four brothers killed in the bombings, a Sadr official said. Mr. Sadr's militia, the Mahdi Army, is believed responsible for many of the directed killings here.

Despite a curfew in Baghdad in effect since the Thursday bombings, deadly violence continued. Mortar rounds landed near a Shiite mosque downtown, killing two and wounding at least two others, an Interior Ministry official said. An American military spokesman said indirect fire — meaning mortar shells or rockets — landed near an American base, but he gave no report of casualties. The projectiles came from an area near Sadr City, the military said.

Violence erupted in other parts of the country. A suicide car bomb exploded at a police checkpoint in the town of Iskandariya, killing at least eight people and wounding at least 26 others, a police official said. In Diyala Province, east of Baghdad, the police found at least eight bodies, while gunmen kidnapped at least 25 people from Hadaf village. On a highway south of Tikrit, Saddam Hussein's hometown, gunmen abducted eight policemen from a checkpoint.

The American military announced Sunday that a patrol found 11 bodies on Wednesday about 18 miles west of Haqlaniya, in Anbar Province. There were 10 men and one child or teenager, and all had apparently died from gunfire, the military said. A burned-out van was found nearby.

An American soldier was killed and two were wounded by a roadside bomb explosion in Diyala Province on Saturday, the military said. Two marines died in separate attacks in Anbar Province on Saturday.

The military also said a detainee died Saturday at Camp Bucca, an American-run detention center in southern Iraq, from what appeared to be natural causes.

In Basra, gunmen killed at least three people on Sunday, police officials said, and a roadside bomb south of the city killed one person.

A Day When Mahdi Army Showed Its Other Side (WP)

By Sudarsan Raghavan

The Washington Post, November 27, 2006

BAGHDAD, Nov 26 -- In the chaos, Ayad al-Fartoosi thrived.

Against a backdrop of death and panic in Sadr City last Thursday, he strode confidently through streets littered with burning cars and charred bodies. At one moment, he was guiding an ambulance carrying bomb victims through traffic. At another, he was searching cars at a checkpoint. By evening, he had helped to seize a would-be car bomber and to retrieve corpses. By nightfall, he was patrolling the streets of his neighborhood.

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Since the U.S.-led invasion in 2003, Fartoosi has been a militiaman with the Shiite Muslim Mahdi Army of firebrand cleric Moqtada al-Sadr. Last week, he also served as a relief worker, a policeman, a traffic controller and a guard.

So did thousands of his militia comrades who mobilized to assist victims of the deadliest attack on Iraqis since the invasion, highlighting the power associated with the Mahdi Army's less-publicized roles in Iraqi society.

"We do even more than what the government should do," said Fartoosi, 21, as he recalled the eight grueling hours after a barrage of car bombs, mortars and missiles killed more than 200 people in Baghdad's Shiite heartland.

For U.S. officials, dismantling the Mahdi Army and other Shiite militias that have fomented sectarian strife in Iraq is a cornerstone of their calculus to stabilize Iraq and bring U.S. troops home. They view it as a crucial step toward isolating the Sunni Arab insurgency and reconciling the nation.

But the attacks Thursday illustrated the immense difficulties involved in tackling the Mahdi Army, the country's largest and most violent militia, in today 's Iraq. The militiamen were heroes that day, Sadr City residents said in interviews. They did everything that Iraq's fragile unity government did not, or could not, do. In the days since, their actions have boosted Sadr's popularity and emboldened him.

"The Mahdi Army are the people who helped us after the explosion," said Shihab Ahmed, 24, a salesman who was wounded by flying shrapnel. "They saved us."

Against this backdrop, President Bush is scheduled to meet with Iraqi Prime Minister Nouri al-Maliki on Wednesday in Amman, Jordan. U.S. officials have grown increasingly impatient with Maliki for his inability, or lack of will, to confront the Mahdi Army and other militias, who operate unchallenged. Some U.S. lawmakers on Sunday television talk shows called for Sadr's arrest and for Bush to urge Maliki to take stronger measures against the militias.

But Maliki, faced with his own domestic pressures, has opted for a softer approach, preferring political discussions over military muscle. The support of Sadr, whose party controls four ministries and 30 parliamentary seats, is vital to his remaining in power. Other powerful political blocs, capable of staging his downfall, also operate militias.

Maliki and other Shiite leaders have said they will not go after the Shiite militias as long as the Sunni insurgency remains a threat. In recent months, Maliki has publicly chastised U.S. forces for conducting raids in Sadr City, arguing that they disrupt his efforts at national reconciliation. Many Shiites view the militias as their last bastion of protection against Sunni extremists and loyalists of Saddam Hussein.

Thursday's attacks, which Maliki blamed on Sunni insurgents, has bolstered this view and ratcheted up pressure on the prime minister. The next day, Sadr politicians vowed to walk out of the government if Maliki did not back out of a meeting with Bush.

On Sunday, Maliki was met with small protests when he visited Sadr City to offer his condolences to the families of those killed in Thursday's bombings. As he drove off, several youths threw stones at his motorcade, according to local newscasts.

"Maliki, we know, is under pressure from the Americans," said Kareem Hendul, a Sadr official. "But he should realize who brought him to the chair of government. We brought him to power."

The Mahdi Army's response to the bombings suggests that diplomatic pressure alone will not be enough to dismantle the militias. As long as Iraq's security forces are ineffective and the government and its U.S. patrons are unable to provide basic services and jobs, Sadr and his army are vital to Shiites.

Sadr is widely believed to be modeling his movement after Lebanon's Shiite Muslim Hezbollah, which has both an armed and a political wing and provides social services to its followers.

"It has proved there is no need to disarm the Mahdi Army," Salim Faisal Abid, 36, a Sadr City resident, said Friday. "If they were not there yesterday, it would have been a disaster."

On Thursday afternoon, bombs in six parked cars began detonating at 15-minute intervals in three sections of Sadr City, including the crowded Jamila Market. Mahdi Army militiamen quickly spread out around the vast slum, residents said.

They helped the injured into cars and carted the dead to funeral homes, where the corpses would be cleansed according to Muslim rituals. Some donated blood and helped fire fighters douse flames. Other militiamen, some clutching AK-47 assault rifles or rocket-propelled grenades, searched for the perpetrators of the bombings. They found one more car, filled with explosives, and took the driver into custody.

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At Khadisiya Hospital, militiamen assisted doctors and nurses, carrying patients into emergency rooms, Abid said. With hospital supplies thin, Sadr officials sent over syringes, medicines and other equipment donated by merchants. And with only four ambulances in circulation, most of the wounded were being brought in cars.

"Most of the cars were Mahdi Army, or Mahdi Army men were inside to carry in the wounded," Abid said.

Others fanned out to protect their neighborhoods. On nearly every street, heavily armed militiamen stood guard, residents said. Concrete barriers and barbed wire were quickly erected, closing off streets to unfamiliar cars to prevent further attacks.

Entry and exit into Sadr City were controlled. When he learned of the bombings, Hendul said, he rushed to Sadr City. But the militiamen at the checkpoints refused to let him enter. He showed his Sadr identification cards, but they wouldn't budge.

"They prevented me from coming inside until they made phone calls to check who I was," Hendul recalled Friday. "Yesterday was a good example of how we can handle security. Our city can protect itself better than the government."

In interviews, residents said they did not see Iraqi army units entering Sadr City after the bombings. Nor were there any American soldiers, they said. Members of Iraq's majority Shiite police force were working hand in hand with the militiamen, residents said. "Eighty percent of them are the people who fight the Americans when they come," Abid said. "I haven't seen any Iraqi troops. I heard Iraqi troops were in other areas, but only setting up checkpoints and not helping move the wounded and the dead."

On Friday morning, Mahdi Army and Sadr officials arranged a massive funeral procession to the southern holy city of Najaf, the burial ground for Shiites. The militiamen secured the highway from Baghdad to Najaf, a road on which criminal gangs often prey on travelers. Most of the funeral expenses were paid by Sadr's office.

The Mahdi Army "had a very respectful position, and they were with us throughout the whole thing," said Ali Abu Karar, who came to Najaf to bury his 16-year-old cousin, Ammar. "We arrived here, and we found every thing ready and the graves already dug."

More than 100 people helped dig graves, said one of the volunteers, Abu Mustafa, adding that Sadr had given the order. "Now the coffins are arriving, and whatever the people need we have orders to provide it to them," he said.

Over the weekend, groups of Sadr officials and Mahdi Army militiamen visited the relatives of victims in large funeral tents erected in front of their houses, a tradition across Iraq. They brought food and envelopes of money, Fartoosi said.

They promised the families of the dead and wounded that Sadr's office would give them financial support, food and clothing in the coming months. "And because of the bad conditions of the hospitals in the city, the Sadr office will be providing medicines, medical equipment like needles, syringes, to those who cannot afford it," Fartoosi said. "We give them respect so they feel someone is taking care of them."

Now, like many militiamen, Fartoosi is certain the Mahdi Army cannot be dismantled.

"It is not possible to disarm the Mahdi Army because these weapons we are using are to defend the innocent people and not to kill the innocent, to help the persecuted people against the persecutors," he said. "I would not hand over my gun to Maliki, or to that damned Bush, even if they ask me to."

Dozens Killed In Iraq Attacks (WP)

By Nancy Trejos And Saad Al-Izzi

The Washington Post, November 27, 2006

BAGHDAD, Nov. 26 -- Gunfights broke out and mortar shells came crashing down on parts of the capital Sunday despite a three-day-old curfew and appeals for calm from Iraq's top Shiite, Sunni and Kurdish political leaders.

"Don't give those who are depriving you of security a chance to impinge on your unity," the leaders said in a joint statement broadcast on national television, vowing to find out who was responsible for car bombings Thursday that killed more than 200 residents in Sadr City, a Shiite Muslim stronghold in Baghdad. "They want to drag you to angry reactions."

Tit-for-tat violence continued Sunday, as a gun battle erupted following afternoon prayers in the Sunni Arab neighborhood of Ghazaliya in west Baghdad. Shiite militiamen have attacked Sunni mosques in Baghdad and other parts of Iraq since the Sadr City bombings.

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Residents in Ghazaliya described a harrowing scene in which Shiite militiamen opened fire with machine guns and lobbed mortars and grenades at the al-Hadithi and al-Muhajirin Sunni mosques and at a nearby market. They said the militiamen were aided in the attack by Iraqi security forces. As many as 45 people were killed and several houses destroyed, residents said.

In Baqubah, north of Baghdad, Iraqi security forces battled Sunni insurgents for a second day. Southwest of Baqubah, armed men took over a police station and burned six vehicles as police fled. They then replaced the Iraqi flag with that of a Sunni Arab insurgent group.

In Baghdad, two mortar shells hit a U.S. military post in the mostly Shiite neighborhood of Baladiyat. Two shells fell on a house across the street from a Shiite mosque in the central Baghdad neighborhood of Karrada, not far from the Green Zone, where the U.S. Embassy and the Iraqi government are located. Abdul Kareem al-Kinani, an Interior Ministry spokesman, said four people were injured in the attack.

The government planned to lift the curfew Monday. But fear ran high that the fighting would not end, as clashes in Ghazaliya and elsewhere illustrated the inability of Iraqi security forces to rein in the violence that has propelled the country closer to full-blown civil war. U.S. leaders are hoping that the Iraqi government can soon take over responsibility for securing its own land, considered a key to any U.S. troop withdrawal.

The problem with security forces goes beyond ineffectiveness, as many are widely believed to be operating in collusion with the militias and death squads.

The battle in Ghazaliya illustrated the challenges U.S. and Iraqi leaders face. Residents, speaking by telephone with the sound of gunfire audible in the background, said that hundreds of militiamen arrived in Toyotas at about 4 p.m., then marched through the streets accompanied by Iraqi policemen and National Guardsmen. The residents fought to keep them out of their mosques, witnesses said.

Abu Ahmed al-Duleimi, 55, a former Iraqi army officer, said he was helping a 16-year-old boy with cuts on his thighs, abdomen and face after a mortar shell fell near the boy's house. Unable to get him to a hospital, Duleimi took him to his home and called a neighbor who is a doctor.

"The government should be neutral and should eliminate these militias, and not give them the opportunity to inflame the situation," he said as he waited for the doctor to arrive.

Abu Ghazwan, 63, said ambulances were unable to get into the neighborhood because they, too, were being attacked. Many of the injured were taken to a nearby mosque, he said.

Ghazwan had armed himself with an AK-47 assault rifle and an ammunition belt, but Iraqi forces confiscated weapons from residents, he said.

"We do not know how we will defend our area if they keep doing this," he said.

Residents said they took back the mosques after a few hours, after U.S. forces arrived.

A U.S. military spokesman said he could not confirm U.S. involvement in the battle. An Iraqi government spokesman denied that any such fight took place.

As fighting on the ground continued, so did a flurry of diplomatic activity that started even before last week's attacks. On Monday, Iraqi President Jalal Talabani is scheduled to leave for Tehran to discuss with Iranian leaders a regional solution to his country's problems. Prime Minister Nouri al-Maliki, meanwhile, reiterated his plans to meet Wednesday with President Bush in Amman, Jordan, despite threats from powerful politicians linked to radical Shiite cleric Moqtada al-Sadr to pull out of Iraq's coalition government if he goes through with it.

Maliki, a Shiite, called on his government to stop the infighting that has paralyzed it.

"The whole crisis is political, and it is the politicians who must stop the cycle of violence and bloodletting," he said at a news conference. "The terrorist acts are a reflection of the lack of political consensus."

U.S. forces also suffered casualties over the weekend. Two Marines were killed and one was wounded in action in Anbar province Saturday, the U.S. military said. One soldier was killed and two were wounded in Diyala province when a roadside bomb exploded near their vehicle.

While Iraq Burns (NYT)

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By Bob Herbert

The New York Times, November 27, 2006

Americans are shopping while Iraq burns.

The competing television news images on the morning after Thanksgiving were of the unspeakable carnage in Sadr City — where more than 200 Iraqi civilians were killed by a series of coordinated car bombs — and the long lines of cars filled with holiday shopping zealots that jammed the highway approaches to American malls that had opened for business at midnight.

A Wal-Mart in Union, N.J., was besieged by customers even before it opened its doors at 5 a.m. on Friday. "All I can tell you," said a Wal-Mart employee, "is that they were fired up and ready to spend money."

There is something terribly wrong with this juxtaposition of gleeful Americans with fistfuls of dollars storming the department store barricades and the slaughter by the thousands of innocent Iraqi civilians, including old people, children and babies. The war was started by the U.S., but most Americans feel absolutely no sense of personal responsibility for it.

Representative Charles Rangel recently proposed that the draft be reinstated, suggesting that politicians would be more reluctant to take the country to war if they understood that their constituents might be called up to fight. What struck me was not the uniform opposition to the congressman's proposal — it has long been clear that there is zero sentiment in favor of a draft in the U.S. — but the fact that it never provoked even the briefest discussion of the responsibilities and obligations of ordinary Americans in a time of war.

With no obvious personal stake in the war in Iraq, most Americans are indifferent to its consequences. In an interview last week, Alex Racheotes, a 19-year-old history major at Wesleyan University in Connecticut, said: "I definitely don't know anyone who would want to fight in Iraq. But beyond that, I get the feeling that most people at school don't even think about the war. They're more concerned with what grade they got on yesterday's test."

His thoughts were echoed by other students, including John Cafarelli, a 19-year-old sophomore at the University of New Hampshire, who was asked if he had any friends who would be willing to join the Army. "No, definitely not," he said. "None of my friends even really care about what's going on in Iraq."

This indifference is widespread. It enables most Americans to go about their daily lives completely unconcerned about the atrocities resulting from a war being waged in their name. While shoppers here are scrambling to put the perfect touch to their holidays with the purchase of a giant flat-screen TV or a PlayStation 3, the news out of Baghdad is of a society in the midst of a meltdown.

According to the United Nations, more than 7,000 Iraqi civilians were killed in September and October. Nearly 5,000 of those killings occurred in Baghdad, a staggering figure.

In a demoralizing reprise of life in Afghanistan under Taliban rule, the U.N. reported that in Iraq: "The situation of women has continued to deteriorate. Increasing numbers of women were recorded to be either victims of religious extremists or 'honor killings.' Some non-Muslim women are forced to wear a headscarf and to be accompanied by spouses or male relatives."

Journalists in Iraq are being "assassinated with utmost impunity," the U.N. report said, with 18 murdered in the last two months.

Iraq burns. We shop. The Americans dying in Iraq are barely mentioned in the press anymore. They warrant maybe one sentence in a long roundup article out of Baghdad, or a passing reference — no longer than a few seconds — in a television news account of the latest political ditherings.

Since the vast majority of Americans do not want anything to do with the military or the war, the burden of fighting has fallen on a small cadre of volunteers who are being sent into the war zone again and again. Nearly 3,000 have been killed, and many thousands more have been maimed.

The war has now lasted as long as the American involvement in World War II. But there is no sense of collective sacrifice in this war, no shared burden of responsibility. The soldiers in Iraq are fighting, suffering and dying in a war in which there are no clear objectives and no end in sight, and which a majority of Americans do not support.

They are dying anonymously and pointlessly, while the rest of us are free to buckle ourselves into the family vehicle and head off to the malls and shop.

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How Moqtada Al-Sadr Controls U.S. Fate In Iraq (NSWK)

By Jeffrey Bartholet

Newsweek, November 27, 2006

Dec. 4, 2006 issue - One way to understand Moqtada al-Sadr is to think of him as a young Mafia don. He aims for respectability, and is willing to kill for it. Yet the extent of his power isn't obvious to the untrained eye. He has no standing army or police force, and the Mahdi Army gunmen he employs have no tanks or aircraft. You could mistake him—at your peril—for a common thug or gang leader. And if he or his people were to kill you for your ignorance, he wouldn't claim credit. But the message would be clear to those who understand the brutal language of the Iraqi Street.

American soldiers who patrol Sadr's turf in Baghdad understand. They can spot his men. "They look like they're pulling security," says First Lt. Robert Hartley, a 25-year-old who plays cat and mouse with the Mahdi Army in the Iraqi capital. The Sadrists use children and young men as lookouts. When GIs get out of their Humvees to patrol on foot, one of the watchers will fly a kite, or release a flock of pigeons. Some of Sadr's people have even infiltrated top ranks of the Iraqi police. Capt. Tom Kapla, 29, says he knows who they are: "They look at you, and you can tell they want to kill you."

Sadr is a unique force in Iraq: a leader from the majority Shiites who has resisted American occupation from the start. He's a populist, a nationalist and an Islamic radical rolled into one. Part of his power is simply that he's powerful. Large numbers of impoverished Shiites view Sadr as their guardian—the one leader who is willing not just to stand up for them but to strike back on their behalf. "People count on the militias," says Lieutenant Hartley, who deals with Sadr's thugs on a regular basis. "It's like the mob—they keep people safe."

The longer Sadr has survived, the greater his prestige has grown. Iraqis and foreigners who meet him are impressed by the transformation. He's more diplomatic and commands more respect. He used to greet visitors at his Najaf office sitting on pillows on the floor. Now he has a couch set. His concerns are high-minded: he speaks of fuel shortages and cabinet politics. In the past, Sadr was shrugged off as a rabble-rouser and a nuisance. Now he is undeniably one of the most popular leaders in the country. He is also its most dangerous, for he has the means to wage political or actual war against any solution that is not precisely to his liking. He is driven by forces America has long misread in Iraq: religious sentiment, economic resentment and enduring sectarian passions.

And he is now a primary target of Sunni insurgents bent on provoking all-out civil war. Last Thursday, Sunni militants carried out their deadliest attack since 2003. Multiple car bombs, accompanied by mortars, killed more than 200 people in Sadr City, a Shiite slum of 2 million people in Baghdad that is dominated by the Mahdi Army. Shiite forces responded immediately by firing mortars at a revered Sunni mosque in Baghdad, and by torching other holy places. Only the presence of U.S. troops—and a wide curfew over the city—prevented far bloodier revenge attacks.

More than anyone, Sadr personifies the dilemma Washington faces: If American troops leave Iraq quickly, militia leaders like Sadr will be unleashed as never before, and full-scale civil war could follow. But the longer the American occupation lasts, the less popular America gets—and the more popular Sadr and his ilk become.

To many, Sadr's brand of Shiite politics—homegrown, populist and ruthless—seems a natural outgrowth of the ruin left in Saddam Hussein's wake, and a powerful part of what Iraq has become. The United Nations calculates that an unprecedented 3,709 Iraqi civilians were killed in October. Death squads connected to the Mahdi Army, as well as to other Shia and Sunni groups, capture and execute civilians in cold blood, sometimes dragging them out of hospitals or government ministries. Corpses turn up on the street with acid burns on their backs, or electric-drill holes in their knees, stomachs and heads. Among ordinary Iraqis, the United States bears much of the blame for the bloodshed—just for being there. As Sadr put it to NEWSWEEK earlier this year, "The occupation is the decision maker ... any attack is [America's] responsibility."

The story of the U.S. confrontation with Moqtada al-Sadr is, in many ways, the story of American folly in Iraq. It's a story of ignorance and poor planning, missteps and confusion. Key policymakers often disagreed about the importance of Sadr and about how to deal with him. The result was half-measures and hesitation. But the story isn't just about past failures. It also contains lessons—and warnings—about the future.

Little More Than 'Mullah Atari'

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Moqtada al-Sadr did not appearon anyone's radar screen ahead of the 2003 invasion. Even among Iraqis, although he came from an important clerical family he was seen as a weak figure. Moqtada's father, Muhammad Sadiq al-Sadr, had been a leading ayatollah, a rival to Grand Ayatollah Ali Sistani and other top clerics. But gunmen—assumed to be working for Saddam—murdered the elder Sadr along with two of his sons in 1999. Moqtada was 25 at the time.

On the evening after his father's funeral, Moqtada presided over a memorial service at the Safi al-Safa Mosque in Najaf. A storm was raging outside. At about 8 p.m., three men wearing suits and ties swaggered into the mosque. Their jackets bulged where handguns were holstered. They were smirking, recalls Fatah al-Sheikh, a family friend who was present. Everyone in the mosque knew they were Saddam's men. One of the visitors offered Moqtada a package: a brick of bank notes wrapped in crisp white paper. "It was a message from Saddam Hussein," Sheikh recalls. "They wanted to tell Sayyid Moqtada, 'We killed your father.' They wanted to see if Sayyid Moqtada could be bought."

Moqtada declined the money, refused to shake hands and told the men to leave the mosque. A cleric followed the men out, apologized on Moqtada's behalf and accepted the money—knowing that to refuse it would mean a death sentence. Fearing immediate retribution anyway, Moqtada cut short the memorial and canceled two days of official mourning.

Sheikh says that for the next four years, Saddam's secret police followed Sadr wherever he went. One hot summer day, Sheikh recalls seeing Sadr leave the Imam Ali Shrine in Najaf. Sheikh walked up and said hello. Sadr squeezed Sheikh's hand tight and opened his eyes wide. "He was trying to give me a signal." Then Sheikh saw why: two men dressed in dishdashas, standing behind Sadr and near a Toyota with tinted windows, were watching.

Saddam kept a close eye on Sadr because the young man inherited a wide network of mosques, schools and social centers built up by his father. The network was focused on the impoverished masses of Iraqi Shiites—the sort of people other religious and secular leaders didn't have much time for. Even some educated Shiites dismissed Moqtada as a zatut, or ignorant child. Some called him "Mullah Atari," because he apparently enjoyed videogames as a kid. He certainly lacked his father's stature: in his theological studies, Moqtada never reached beyond the level of bahth al-kharij (pregraduation research), according to a study by the International Crisis Group. But it's clear now that most everybody underestimated him.

The Time Bomb Starts to Tick

Top American officials may have been misled, as in so many other things, by depending heavily on well-heeled Iraqi exiles for advice. The outsiders, who had lived for many years in London or Washington or Tehran, disagreed vehemently with each other on what an invasion would mean. But some told Americans what they wanted to hear: you will be greeted as liberators, especially by the Shiites and Kurds long oppressed by Saddam.

American officials listened to Ahmad Chalabi, the well-known scion of a secular Shiite banking family. Another prominent exile was Abdul Majid al-Khoei, who was supposed to be a key guide to the Shia religious community. Both had been away from Iraq for many years, and were strangers to the place they had left behind.

Al-Khoei paid with his life. The London-based exile returned to the holy city of Najaf, where he was born and raised, under U.S. military protection. He quickly organized a local council to get electricity and water flowing again, apparently with CIA money. (The CIA declined to comment.) But al-Khoei's father had been Iraq's top ayatollah—and a bitter rival of Sadr's father—during Saddam's rule. Now the sons were competing for power and influence. Sadr castigated al-Khoei as a U.S. agent, and demanded that he turn over the keys to the tomb of Imam Ali, the Prophet Muhammad's son-in-law. A gilded cage surrounding the tomb contains a box for pilgrims' donations, a huge and vital source of income for religious leaders.

As al-Khoei and a colleague visited the shrine on the morning of April 10, 2003, an angry mob attacked them with grenades, guns and swords. "Long live Moqtada al-Sadr!" the mob cried out. Al-Khoei was stabbed repeatedly, then tied up and dragged to the doorstep of Sadr's headquarters in Najaf, where he was still alive. A subsequent investigation by an Iraqi judge found that Sadr himself gave the order to finish him off: "Take him away and kill him in your own special way."

Yet it wasn't clear at the time of the killing what Sadr's personal role was, and "we didn't want one of our first acts in country to be taking out one of the most popular leaders," says a U.S. military officer familiar with Army intelligence on Sadr. The officer, who did not want to be named discussing intelligence matters, says the Army was worried about provoking riots. When Sadr's father was killed in 1999, Saddam violently crushed protests by angry Shia mobs. "We thought that tens of thousands would take to the streets in Nasiriya, Karbala and Baghdad. It always comes back to that—not enough guys on the ground."

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One courageous Iraqi judge, Raid Juhi, doggedly investigated the case. He exhumed the bodies of al-Khoei and his colleague, and wrote up a confidential arrest warrant for Sadr in August 2003. "From that moment through April 2004, the issue was whether we were going to enforce the arrest warrant," says Dan Senor, a senior official in the Coalition Provisional Authority at the time.

The CPA, the Pentagon and the military on the ground were in disagreement. The Marines in southern Iraq were particularly wary of stirring up trouble. As it was, the United States was preparing to hand off the area around Najaf to a multinational force with troops from Spain and Central America. Still, the Coalition had a secret arrest plan, and momentum toward nabbing Sadr was building. "The pivotal moment was Aug. 19, 2003," says Senor. "We were down to figuring out the mechanisms of ensuring that the operation was seen as Iraqi, executed on an Iraqi arrest warrant. I remember it was late afternoon and we had just received a snowflake from [U.S. Defense Secretary Donald] Rumsfeld ... with nine different questions, rehashing how we were going to do this, to make sure it was not seen as an American operation." (A "snowflake" was a Rumsfeld memo.)

Suddenly word came that insurgents had detonated a massive truck bomb at the United Nations headquarters in Baghdad. Senor recalls rushing to the scene with Hume Horan, a top U.S. diplomat and Arabist. Horan leaned over to Senor and said, "We should take down Sadr now, when no one's looking." But there was enough chaos to deal with already. The U.N. bombing was "a huge distraction," says Senor, "and the Sadr operation was forgotten."

Taking On Iraq's New Taliban

The U.S. invasion had destroyed an economy already crippled by years of international sanctions. Countless young men were unemployed, invigorated by the atmosphere of violent change but also poor and fearful. They wanted to be part of the new order—whatever it would be. The country was also awash in guns and other weapons, including those looted from Saddam's vast and unsecured arms depots. The Sadrist network was perfectly positioned to capitalize on the situation. Sadr himself wasdetermined to lead a national movement—using a potent mixture of anti-occupation militancy and millennial preaching about the coming of the mysterious 12th imam, who Shiites believe will save mankind. "Moqtada is absolutely hooked on the concept of the reappearance of the Mahdi," says Amatzia Baram, the director of the Ezri Center at Haifa University.

The first sighting of black-clad militiamen identifying themselves as part of Mahdi Army seems to have come in September 2003 in the southern town of Kufah. "I do not care what the Americans have to say about this, and I never did," said Sadr when asked about the new militia by reporters later that month. "Only the Iraqi people can choose who they want to protect their country." The U.S. military, fighting an ever-growing insurgency by the minority Sunnis, who had lost power with Saddam's downfall, didn't want to instigate a two-front war. But that left the United States without a strategy. If American forces weren't going to fight Sadr, it made sense to try to entice him into a political process. But other Iraqi leaders, including prominent Shiites, may have opposed that idea.

In the winter of 2004, a senior adviser to Ambassador Paul Bremer, the American proconsul in Iraq, was traveling in the south, meeting with friendly clerics and community leaders. "I could see how frightened they were of [Sadr] and his Mahdi Army," recalls the aide, Larry Diamond. "I was driven past an area, a kind of compound where his black-clad army was training for the upcoming revolution to seize power and take over. It just dawned on me that these people were going to make this place an authoritarian hell of a new sort, Taliban style, and would murder a lot of our allies in the process."

Diamond went to Bremer and gave him his assessment: the United States urgently needed to act against Sadr. Bremer responded that he was waiting for a new plan from Coalition forces. "I first wanted to go after him when he had probably fewer than 200 followers," Bremer recalled in an interview with NEWSWEEK last week. "I couldn't make it happen ... the Marines were resisting doing anything." But in the meantime, on March 28, 2004, Bremer suspended publication of Sadr's newspaper after it ran an editorial praising the 9/11 attacks on America as a "blessing from God."

The response was swift: mass demonstrations, which led to the first of two Sadr uprisings in 2004. In a final meeting between Diamond and Bremer on April 1, Diamond pressed the point that the United States needed more troops in Iraq. It was around 8 p.m., and Bremer's dinner was sitting on a tray uneaten. He looked exhausted. "And he just didn't want to hear it," says Diamond. "In retrospect, I think he had gone to the well on this issue of more troops during 2003, had gotten nowhere ... and had just resigned himself to the fact that these troops just weren't going to come. I think the tragedy is that everyone just gave up."

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When fighting did break out, American forces hammered the Mahdi Army in Baghdad and Najaf—first in the spring and then again, after a broken ceasefire, in the late summer. Some of the worst fighting came in August, as Sadr's militiamen made their stand around the Imam Ali Shrine in Najaf. They turned the area into a no-go zone, sniping at any sign of movement. U.S. forces retaliated by laying waste to large swaths of central Najaf. In the end, Ayatollah Sistani brought his influence to bear on the renegade cleric and encouraged a ceasefire. Attempts to enforce the arrest warrant against Sadr and several aides were dropped, and Sadr's forces disarmed in Najaf or headed out of town. They were badly bloodied, and some militants were shellshocked. Others bragged about how they had fought back tanks with AK-47s, or disabled Humvees with a single grenade. Scores of militiamen were dead, but Sadr's prestige was, if anything, enhanced: he had fought the mighty United States to a stalemate.

Getting Sadr Inside The Tent

Sadr needed a new strategy, however. He wasn't strong enough to defeat the occupier head-on, nor could he eliminate his Iraqi rivals. So he took up what he calls "political resistance"—working from within the system. Chalabi played an important role here. Washington's favorite Iraqi had found that he had little popularity in his homeland, so he was seeking alliances. Chalabi also felt, as did many other Iraqis and Americans, that it was better to bring Sadr inside the process than to have him trying to destroy it. "Sadr is respected because of his lineage and because he speaks for the disenfranchised, the scared and the angry," says a Chalabi aide, who did not want to be named because of the sensitivity of the subject. "In that sort of situation, it makes absolute sense to try to get him inside the system."

Sadr made the most of the opening. Politicians in his Sadr bloc won 23 of 275 seats in the January 2005 elections and, after fresh voting nearly a year later, now hold 30 seats. In both cases, because of divisions between other large Shiite, Kurdish and Sunni parties, Sadr was able to play kingmaker. Two prime ministers since 2005—Ibrahim Jaafari and the current Iraqi leader, Nuri al-Maliki—have depended on his swing votes for their majority. But Sadr himself stayed out of government, and kept his distance. That way he could pursue a dual strategy—rebuilding his militia even as he capitalized on his control of key ministries, like Health and Transportation, to provide services to the poor and jobs to his followers.

The Sunni insurgents were pursuing a new strategy, too. In early 2004, U.S. forces had intercepted a worried letter from the Qaeda leader in Iraq, Abu Mussab al-Zarqawi, to Osama bin Laden. Zarqawi fretted that his fight against American forces was going poorly. But he had a plan: "If we succeed in dragging [the Shiites] into the arena of sectarian war, it will become possible to awaken the inattentive Sunnis as they feel imminent danger," he wrote.

Throughout 2005, Sunni insurgents launched increasingly vicious attacks on Shiite civilians and holy places. Sistani regularly called on his followers to exercise restraint, which they did with remarkable forbearance. But Sadr, who had long positioned himself as an Iraqi nationalist—and who had cooperated with Sunni fighters in the early stages of the insurgency—now publicly called for Sunnis to disavow Zarqawi. New battle lines were being drawn.

The turning point came on Feb. 22, 2006, when assailants bombed the golden-domed Askariya Shrine in Samarra. This was the burial place of the 10th and 11th imams, and one of the holiest sites of the Shia faith. After the Samarra bombing, many Shiites felt compelled to lash back. Caught in a vicious street fight against Sunnis, they decided that they'd rather have a dirty brawler in their corner (like Sadr) than a gray-bearded holy man (like Sistani). "We have courage, large amounts of ammunition, good leaders, and it is a religious duty," says Ali Mijbil, a 26-year-old mechanic who serves in the Mahdi Army. "So why don't we fight them? We've been kept under Sunni rule for more than 14 centuries. It is the proper time to rule ourselves now."

Sadr still insists his main fight is with foreign invaders. He's the one Shia leader who has opposed the U.S. occupation from the beginning, and who has continued to call for a strict timetable for American withdrawal. An overwhelming majority of Iraq is now agree with him. A September poll by WorldPublicOpinion.org found that 63 percent of 501 Iraqi Shiites surveyed supported attacks against Americans. Even in Baghdad, where ethnic tensions are worst, Shiites agree with Sunnis on one thing: the poll found that 80 percent of the capital's Shiites wanted U.S. forces to leave within a year. That number has changed dramatically in a matter of months. A January poll found that most Shiites wanted U.S.-led troops to be reduced only "as the security situation improves."

In Washington, some politicians still talk about "victory," while others aim only to stabilize the country and leave with some semblance of dignity. Many in the U.S. capital are dusting off yesterday's proposals for tomorrow's problems—more training,

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more troops, disarming the militias, more stability in Baghdad. The GOP presidential front runner for 2008, John McCain, would prefer to increase the number of U.S. troops in Iraq by 20,000, at least temporarily. He has also called for Sadr to be "taken out." But it may be too late.

The movement may now be more important than the man. Sadr "is faced with a common problem," says Toby Dodge of the International Institute for Strategic Studies in London. "He can't control the use of his brand name, the use of his legitimacy." Some elder followers of Sadr's father have broken away, disillusioned with the son. And some young toughs seem to be freelancing where they can. Renegade factions could eventually threaten Sadr's power. If he were to fall, "you'll end up with 30 different movements," says Vali Nasr, a scholar and author who has briefed the Bush administration on Iraq. "There are 30 chieftains who have a tremendous amount of local power. If you remove him, there will be a scramble for who will inherit this movement ... It's a great danger doing that. You may actually make your life much more difficult."

How the Mahdi Army Works

For now, Sadr and his Mahdi Army have the initiative. They can stir up trouble without much fear of retribution. A case in point: When kidnappers grabbed an Iraqi-American translator in Baghdad last month, U.S. soldiers sealed off the Sadr City neighborhood where they believed he was being held. But Prime Minister Maliki—who depends on Sadr for political support—quickly ordered the Americans to remove their roadblocks. Maliki has also forced the U.S. military to release men picked up during raids in Sadr City on suspicion of belonging to Shiite death squads.

When the U.S. fails to respond to provocation, it loses credibility. And when it does respond, it can also lose. Last week, before the massive car-bomb attacks, U.S. and Iraqi forces carried out a pinprick raid in Sadr City to get intelligence on the kidnapped military translator, Ahmed Qusai al-Taayie. Like so many other U.S. military strikes in Iraq, however, it came at a price. American forces captured seven militiamen, including one who might have information on al-Taayie. But police said a young boy was among three people killed in the raid. A member of Parliament from Sadr's movement promptly showed up at the morgue, and held the corpse of the boy in his arms as he railed against the American occupation.

U.S. forces have tried hard to win hearts and minds. They've spent $120.9 million on completed construction projects in Sadr City, for instance—building new sewers and power lines—and projects worth an additional $197 million are underway. But the United States doesn't always get credit for the good works. When the Americans doled out cash to construct four health clinics in Sadr City during the past year, Sadr's men quickly removed any hint of U.S. involvement. They also put up signs giving all credit to their boss, according to Lt. Zeroy Lawson, an Army intelligence officer who works in the area.

The Mahdi Army has other sources of cash. It's taken control of gas stations throughout large parts of Baghdad, and dominates the Shia trade in propane-gas canisters, which Iraqis use for cooking. Sometimes the militiamen sell the propane at a premium, earning healthy profits; at other times they sell it at well below market rates, earning gratitude from the poor and unemployed.

A key source of Sadr's income is Muslim tithes—or khoms—collected at mosques. But his militiamen also run extortion and protection rackets—demanding money to keep certain businesses and individuals "safe." One Iraqi in a tough neighborhood, who did not want to reveal his name out of fear, says he pays the local Mahdi Army the equivalent of $13 a month for protection.

Analysts believe that Iran has also provided support to Sadr, but not much. Tehran began supplying Shia insurgents, including the Mahdi Army, with a special type of roadside bomb, using a shaped charge, in May 2005. These are often disguised as rocks and are easy to manufacture locally. But diplomats say they are made to the exact design perfected by Iranian intelligence and supplied to Lebanese Hizbullah in the 1980s.

Yet Tehran's main Shiite clients in Iraq are rivals of Sadr, who is often critical of Persian influence. Sadr worries that Iran may be trying to infiltrate his movement, and he's almost surely right. Fatah al-Sheikh, who is close to Sadr, says the boss sent a private letter to loyal imams around Baghdad in the past two weeks identifying 10 followers he believed were suspect. They had been using the Mahdi Army name, but Sadr believes they're really tools of Iranian intelligence, says Sheikh.

Sadr has tried to distance himself from atrocities, insisting that they're carried out by renegades or impostors. Many Sunnis, to whom Sadr has become a dark symbol of Shiite perfidy, don't buy it. "If he says, 'Kill Alusi,' I will be killed," says Mithal al-Alusi, a moderate Sunni member of Parliament. "If he says, 'Don't kill Alusi,' I will not be killed ... Nobody can go against his orders or

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wishes." The Association of Muslim Scholars, which is loosely linked with Sunni insurgents, says the Mahdi Army has attacked some 200 Sunni mosques, and killed more than 260 imams and mosque workers.

All the killings will be remembered, and it will be a miracle if they go unanswered. Memories of martyrdom—and the desire for revenge—can last forever. Last Friday marked the anniversary, on the Islamic calendar, of the killing of Muhammad Sadiq al-Sadr and his two eldest sons. After the previous day's bombings, Moqtada told government officials that he was out of the country. But that seems to have been a feint—to keep possible enemiesoff balance. In fact, heappeared at the Kufah Mosque, where his father used to lead worshipers in chants of "No, no to America; no, no to Israel; no, no to the Devil!"

As word spread that Moqtada would lead prayers, people crowded into the mosque, most of them clad in black as a sign of mourning. Sadr asked worshipers to pray for his dead relatives, and also for those who had been killed in Sadr City. He again called for the United States to set a timetable for withdrawal from Iraq. He urged a top Sunni sheik to issue three fatwas: one against the killing of Shiites, another against joining Al Qaeda and the third to rebuild the shrine in Samarra. He compared his father's followers to those of the Prophet Muhammad. "After the prophet died," he intoned, "some of his followers deviated from his teachings, and the same has happened with followers of my father." The "cursed trio"—Americans, British and Israelis—were trying to divide Iraq. "We Iraqis—Sunnis and Shia—will always be brothers."

No one in Iraq talks about arresting Sadr for the murder of al-Khoei anymore. That seems like ages ago—back when Sadr's armed supporters were estimated in the hundreds, compared with many thousands today. Now diplomats speak of trying to keep Sadr inside the political system, hoping he can tame his followers. He's a militant Islamist and anti-occupation, they say, but he's also a nationalist, and not as close to Iran as some of his rivals. Nobody knows whether Sadr is dissembling when he speaks about Iraqi unity, or preparing for all-out war. What is clear—more today than ever before—is that it's time to stop underestimating him.

This story was written by Jeffrey Bartholet with reporting from Kevin Peraino and Sarah Childress in Baghdad; Michael Hastings in Amman; Dan Ephron, Michael Hirsh and John Barry in Washington; Christopher Dickey in Paris; Melinda Liu in Beijing; Rod Nordland, Stryker McGuire, Mark Hosenball and Rebecca Hall in London; Babak Dehghanpisheh in Beirut; Scott Johnson in Cape Town; Christian Carylin Tokyo, and Malcolm Beith and Karen Fragala Smith in New York

The Face Of Brutality (TIME)

By Aparisim Ghosh

Time, November 27, 2006

It was one of the most audaciousÂ operations, although not a single shot was fired. On the morning of Nov. 14, dozens of men wearing police commando uniforms pulled up in a fleet of pickup trucks at a building belonging to Iraq's Ministry of Higher Education. They fanned out across the four floors and herded everybody--staff and visitors--into a single room. All of them were ordered to hand over their cell phones. Then the women were taken into another room and locked in. About 150 men were marched outside, bundled into the pickup trucks and driven away. The whole operation took just 15 minutes.

When word of the kidnappings reached the control room of the Ministry of the Interior, an officer on duty there suspected immediately that the perps were acting on the orders of a fearsome Shi'ite militia warlord whose deeds the officer had been tracking for three years. "A ministry of mainly Sunni staff, 150 people taken captive--it can only be one thing," he says. "It had to be the work of Abu Deraa."

Few Americans have ever heard of him, and most Iraqis don't know what he looks like. But such is the reputation of Abu Deraa, 48, that all of Baghdad's biggest, most brazen attacks against Sunni targets are almost automatically assumed to be his handiwork. Iraqi and U.S. officials say Abu Deraa is the mastermind behind the killing of thousands of Sunnis this year. Loosely affiliated with the Mahdi Army of the radical cleric Muqtada al-Sadr, Abu Deraa's death squad is suspected of involvement in some of the most daring kidnappings in the capital--including the Oct. 23 snatch of the U.S. soldier Ahmed Qusai al-Taie and the Nov. 14 raid on the Ministry of Higher Education. (Although more than half of the 150 abductees were released, many remain unaccounted for.) Abu Deraa has a personal fondness for gruesome torture. One of his signature techniques is running a drill into the skull of his live victim. His appetite for mayhem is so vast that Iraqis call him the "Shi'ite Zarqawi"; and like the al-Qaeda-

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in-Iraq leader, who was killed by a U.S. air strike last June, Abu Deraa has largely operated in the shadows, avoiding public appearances and almost never giving interviews.

But now he has. Abu Deraa agreed last week to provide written responses to TIME's questions, which were passed to him by intermediaries. He says he is "honored" by comparisons to al-Zarqawi and claimed, implausibly, to have no ill will toward ordinary Sunnis. He says his fight is against "occupiers, their supporters and takfiris"--a reference to Sunni insurgents linked to al-Qaeda. He denied that he had kidnapped al-Taie, the missing U.S. soldier, but added, "I would be very proud if it was me who kidnapped that soldier, and I am very proud of any kind of accusation against me, especially related to [acts against] the occupiers and those who serve the occupation." He said he was motivated by a "sense of holy duty toward my faith [to fight] against any hostile enemy of my faith."

Abu Deraa was born Ismail al-Zarjawi to a poor family in Sadr City. After a career in petty crime during the Saddam Hussein years, he became one of the first recruits of al-Sadr's Mahdi Army after the dictator's fall. "When the Americans entered the country and kicked Saddam out, we were very happy," Abu Deraa says. "But then we discovered their bad intentions against Iraq, so we started attacking the occupation forces." In the spring of 2004 he participated in the Shi'ite uprising against U.S. forces in Sadr City. That was also when he earned his nom de guerre Abu Deraa, or "Father of the Shield," a reference to his penchant for attacking U.S. armored vehicles.

He saw more action that summer in Najaf and that fall in Fallujah, when a small detachment of Shi'ites fought alongside Sunni insurgents against U.S. forces. Back then, he says, "it was a real resistance, and there was no sectarian affiliation." Abu Deraa spent the next year consolidating his position as a Mahdi Army leader, first among equals of three commanders in Sadr City. Iraqi officials say this was when he turned to kidnapping for cash, which he used to buy weapons and lure recruits.

It is the atrocities he is suspected of perpetrating against Sunnis that have earned him notoriety and helped plunge Iraq into civil war. Sunni leaders and some government officials blame him for the June 21 murder of one of Saddam's lawyers, the July 9 daylight slaughter of up to 50 Sunnis and the July 15 kidnapping of 30 officials from the Iraqi Olympic Committee. Unlike al-Zarqawi, Abu Deraa issued no statements and released no videos, except for a semicomic webcast, available on YouTube, that shows him offering a Pepsi to a camel. Still, his renown has spread beyond Iraq. On Internet bulletin boards he is hailed as a Shi'ite hero. A typical message reads, "Abu Deraa is a hero to all oppressed people on earth, fighting international tyranny of U.S. forces and fighting domestic tyranny."

The ruthlessness of Abu Deraa--and perhaps his growing fame on the Shi'ite street--has caused even al-Sadr to distance himself from his former protÃ©gÃ©. Last month al-Sadr put Abu Deraa on a list of people no longer part of the Mahdi Army. U.S. officials began to describe Abu Deraa as a "rogue militia leader" and a "free agent" no longer in al-Sadr's control. But some of al-Sadr's associates continue to praise Abu Deraa. Falah Shansal, a member of parliament from the al-Sadr bloc, told TIME last week that Abu Deraa was still "a fighter in the Mahdi Army."

As long as Abu Deraa enjoys al-Sadr's tacit protection, he won't be easy to run down. U.S. forces believed they had him surrounded in Sadr City last month, but the militia leader narrowly escaped. A U.S. air strike is believed to have killed several of his closest fighters and severed an arm of one of his sons. "This is an honor for him, me and the family," Abu Deraa told TIME. The victims of Abu Deraa's brutality can only hope there are more such honors in store.

Zakaria: The Next Step? Think Vietnam (NSWK)

By Fareed Zakaria

Newsweek, November 27, 2006

Dec. 4, 2006 issue - If you want to understand the futility of America's current situation in Iraq, last week provided a vivid microcosm. On Thursday, just hours before a series of car bombs killed more than 200 people in the Shia stronghold of Sadr City, Sunni militants attacked the Ministry of Health, which is run by one of Moqtada al-Sadr's followers. Within a couple of hours, American units arrived at the scene and chased off the attackers. The next day, Sadr's men began reprisals against Sunnis, firing RPGs at several mosques. When U.S. forces tried to stop the carnage and restore order, goons from Sadr's Mahdi Army began firing on American helicopters. In other words, one day the U.S. Army was defending Sadr's militia and, the next day, was attacked by it. We're in the middle of a civil war and are being shot at by both sides.

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There can be no more doubt that Iraq is in a civil war, in which leaders of both its main communities, Sunnis and Shiites, are fomenting violence. The assault on Sadr's Ministry of Health was likely retaliation for a recent mass kidnapping at the Ministry of Education, which still retains some Sunnis. The Ministry of the Interior houses the deadliest killers from the Badr Brigades, the other large Shiite militia. Badr's Bayan Jabr built the death squads when he ran the ministry; he's now Iraq's Finance minister, in charge of its resources. This is the Iraqi government we are protecting, funding and attempting to strengthen. To speak, as the White House deputy press secretary did last week, of "terrorists ... targeting innocents in a brazen effort to topple a democratically elected government" totally misses the reality of Iraq today. Who are the terrorists and who are the innocents? Among the most pro-American voices to emerge from the new Iraq have been two young Baghdadis, Omar and Mohammed Fadhlil, whose three-year-old blog, Iraq the Model, has promoted a relentlessly upbeat and hopeful message. Last week they threw in the towel. "I believe that America would like to see Iraq emerge as a model for the region," Mohammed wrote. "But that cannot be done without having a cooperative Iraqi partner on the ground who shares similar views for Iraq and the Middle East. And that's the point—that partner does not exist, at least not in the government."

The American Army has more than enough troops to confront the Mahdi Army. The problem is political, not military. U.S. forces have been repeatedly blocked from going after Mahdi leaders. This month they were forced by the Iraqi government to abandon raids into Sadr City in search of a kidnapped American soldier. They were not even allowed to stop traffic in the neighborhood. Will more troops change that?

To the contrary, both sides now see American troops as the problem. The Shiite ruling coalition and the Sunni insurgency both believe that if only the United States were to get out of the way, they could defeat their enemies outright. That's why, in the most recent poll of Iraqis, taken in September, 91 percent of Sunnis and 74 percent of Shiites said they wanted American forces to leave within a year.

While these are not conditions that suggest a political deal is likely, there is nothing to be lost in trying. When President Bush meets with Prime Minister Nuri al-Maliki in Jordan this week, he should make clear that Iraq's leaders need to come to an agreement that meets both sides' key demands on such issues as autonomy, oil revenues and amnesty. But he needs to deliver an ultimatum: either the government begins implementing such a deal by January or American troops will begin a drawdown, leaving the core tasks of security to Iraqi forces.

There is much moaning in Washington about the return of the "realists," like James Baker, who are allegedly pushing to surrender America's ideals as the price of bringing stability to the situation in Iraq. In fact, even stability in Iraq is unattainable. What we will soon need is a supreme act of realism, dictated not by the ascendancy of a school of thought in Washington but by events on the ground in Iraq. We will need a Kissingerian effort to extricate the United States from the catastrophe that Iraq has become.

Iraq is not Vietnam. But America's predicament in Iraq is becoming increasingly similar to the one it faced in Southeast Asia more than 30 years ago. Henry Kissinger's negotiations to end the Vietnam War have been criticized from both the left and right. One side thought he moved too slowly to get us out, the other that he gave up too much. But looking at our circumstances in Iraq should give us some appreciation for the difficulty of his task. With a losing hand and deteriorating conditions on the ground, Kissinger maneuvered to extricate the United States from a situation in which it could not achieve its objectives, while at the same time limiting the damage, shoring up regional allies and maintaining some measure of American credibility. A version of such a strategy is the only one that has any chance of success in Iraq today.

The Scariest Guy In Town (TIME)

By Karen Tumulty

Time, November 27, 2006

In the altered landscape that is Washington, there's a new contender for the title of Scariest Guy in Town. He stands 5 ft. 5, speaks softly and has all the panache of your parents' dentist. But when it comes to putting powerful people on the hot seat, there's no one tougher and more tenacious than veteran California Congressman Henry Waxman. In the Democrats' wilderness years, Waxman fashioned himself as his party's chief inquisitor. Working with one of the most highly regarded staffs on Capitol Hill, he has spent the past eight years churning out some 2,000 headline-grabbing reports, blasting the Bush Administration and

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the Republican Congress on everything from faulty prewar intelligence and flaws in missile defense to the flu-vaccine shortage and arsenic in drinking water.

Come January, however, the man that the liberal Nation magazine once called the "Eliot Ness of the Democrats" can do even more, thanks to the two words that strike fear in the heart of every government official: subpoena power. As the new chairman of the House Government Reform Committee, Waxman will have free rein to investigate, as he puts it, "everything that the government is involved with." And the funny thing is, Waxman can thank the Republicans for the unique set of levers he will hold. Under a rules change they put through in the days when they used the panel to make Bill Clinton's life miserable, the leader of Government Reform is the only chairman who can issue subpoenas without a committee vote. Then Chairman Dan Burton--who famously re-enacted the suicide of Clinton deputy White House counsel Vince Foster by shooting at what he called a "head-like thing" (later widely reported to be a melon) in his backyard--issued 1,089 such unilateral subpoenas in six years. Since a Republican entered the White House, the G.O.P. Congress has been far less enthusiastic in its oversight. Waxman likes to point out that the House took 140 hours of sworn testimony to get to the bottom of whether Clinton had misused the White House Christmas-card list for political purposes, but only 12 hours on prisoner abuse at Abu Ghraib.

Iraq will get new attention with Waxman in power. This week he plans to send a letter to Defense Secretary Donald Rumsfeld demanding information on Halliburton's $16 billion contract to provide services to troops there. Waxman's staff has been poring over the fine print of that deal for more than two years, and is convinced that much of the money is slipping between layer upon layer of subcontractors.

Waxman, 67, is a most unlikely character to represent the glitzy congressional district that includes Beverly Hills. Nearly every profile of him points out that the hometown Congressman for the Chateau Marmont on Sunset Boulevard has never attended the Academy Awards. "It's such a long night," he says. "When I watch it on TV, I can get a snack." Waxman grew up over his family's grocery store near Watts, got his political start in the state assembly and came to Washington among the storied post-Watergate reformers known as the Class of 1974. Asked to name a hobby, he draws a blank.

What Waxman does love to do is write laws, and he has been extraordinarily good at it. The walls of his Washington office are covered with framed pens that Presidents from Ronald Reagan to Bill Clinton used to sign the laws that Waxman helped make a reality: the Clean Air Act, generic-drug legislation, food- and toy-safety laws, and Medicare catastrophic coverage, to name a few. In 1994, as chairman of the health and environment subcommittee, he lined up the chief executives of the nation's biggest tobacco companies, had them raise their right hands and then shredded them as finely as their own products. His hearings helped pave the way for the lawsuits that followed, which led to a landmark $246 billion legal settlement with the industry.

Opponents have noted that Waxman is hardly an equal-opportunity muckraker. Republicans and industry groups say his investigatory zeal is limited to conservative targets: he spent the Clinton years trying to fend off congressional investigations, including the ones into the White House's questionable campaign fund-raising practices, and once led a Democratic walkout when Republicans released a report on the firing of White House travel-office workers. While Waxman promises what he calls oversight, the Republicans say it'll be more like a witch hunt, and the Administration is promising to fight him all the way to the Supreme Court to protect itself against what it expects to be a frontal assault on Executive power. Waxman says the G.O.P. should take comfort in the fact that he has historical perspective. "I've seen a good example of overreaching," he says, referring to the committee's treatment of Clinton. "It's not the way to behave."

Suicide Bomber Kills 15 People In Afghanistan (NYT)

By Carlotta Gall

The New York Times, November 27, 2006

KABUL, Afghanistan, Nov. 26 — A suicide bomber walked into a packed restaurant in southeastern Afghanistan on Sunday morning and set off his explosives, killing 15 other people and wounding 25, Afghan officials said.

The attack, after a few weeks of relative quiet, raised fears that insurgents were resuming their campaign of suicide bombings.

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Most of those killed were civilians inside the restaurant, which was in the central bazaar of Urgun, a small town in the mountainous Paktika Province, which borders Pakistan. The explosion destroyed the building and damaged adjoining shops, said the provincial chief of police security, Gen. Shah Alam Spand. He said that militia members were often seen in the area.

He said he suspected that the bomber's intended targets had been a local official and the chief of a militia that works with American forces in the province, who were having breakfast together. Both men were wounded, but survived, said an Interior Ministry spokesman, Dad Muhammad Rasa. Three bodyguards with the militia chief were also among the wounded, he said.

The attack was the deadliest since 16 people were killed in a suicide car bombing in Kabul on Sept. 8.

President Hamid Karzai denounced the attack. "The enemies of Afghanistan revealed their non-Islamic and inhuman face by killing the innocent civilians who were working hard to support their families," he said in a statement.

A NATO soldier was also killed in fighting in the southern province of Oruzgan, when his unit came under fire from insurgents, according to a statement from NATO released in Kabul. The statement did not reveal his nationality, but most of the troops stationed in Oruzgan are Dutch or Australian.

NATO estimated that as many as 50 insurgents were killed when its forces called for an airstrike on insurgent positions. There was no independent confirmation of the toll.

In another clash, in Kandahar Province, three NATO soldiers were wounded. Local residents said 10 civilians were killed by subsequent NATO bombing, [a news service] reported.

The violence in Afghanistan this year has been the heaviest since the fall of the Taliban, in late 2001, with especially heavy fighting in the southern part of the country, and suicide attacks and roadside bombs. The bombing on Sunday ended a comparative lull in fighting in recent weeks, with the onset of wintry weather, which makes the mountainous terrain that is home to the insurgents difficult.

Suicide Bomber Kills 15 In Afghanistan (AP)

By Alisa Tang

AP, November 27, 2006

A Pakistani suicide bomber detonated himself in a crowded restaurant Sunday, killing 15 people and wounding 24, including an Afghan special forces commander and a district chief, the provincial governor said.

The restaurant, located in the southeastern province of Paktika, was destroyed, said Gov. Mohammad Akram Akhpelwak. The attacker was believed to be targeting the military commander and the district chief, he said.

The suicide strike was the 102nd in Afghanistan this year, attacks that have killed 241 people, said Maj. Luke Knittig, a spokesman for NATO's International Security Assistance Force

Akhpelwak said the suicide bomber was from Pakistan, but he gave no further details. Afghan officials say the majority of suicide bombers there come from neighboring Pakistan.

Violence has risen sharply in Afghanistan this year, and Taliban militants have launched a record number of suicide and roadside bombs. Militants launched only about 20 suicide bomb attacks last year.

Meanwhile, one NATO soldier and an estimated 57 insurgents were killed in four separate attacks in violence-plagued southern Afghanistan, the former Taliban stronghold where the Afghan government wields little power.

Insurgents attacked NATO-led forces Saturday near the Tirin Kot district of Uruzgan province. NATO returned fire and called in aircraft, killing approximately 50 insurgents, NATO's International Security Assistance Force said Sunday. One NATO soldier was also killed. The nationality of the soldier was not released.

In the Panjwayi district of Kandahar province on Saturday, insurgents fired on Afghan army and NATO soldiers. A retaliatory air strike killed approximately five insurgents, said the ISAF statement. Three NATO soldiers were injured.

In neighboring Zabul province, about 50 Taliban fighters attacked the Arghandab district chief's compound on Saturday and clashed with police for about an hour, leaving one Taliban dead and three wounded, said district chief Fazal Bari. He said the police suffered no casualties.

On the main Kabul-Kandahar highway in Zabul province, Taliban fighters ambushed a police convoy Saturday night and exchanged gunfire with police, said Zabul highway police commander Jainani Khan. One Taliban was killed.

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President Bush, meanwhile, called Afghan President Hamid Karzai Saturday evening to assure him that the U.S. will reiterate its commitment to Afghanistan at the upcoming NATO summit in Latvia, Karzai's office said. The summit starts Tuesday.

The two presidents also discussed proposed plans for an upcoming meeting involving tribal leaders from Afghanistan and Pakistan. Karzai had proposed the idea during a White House dinner with Bush and Pakistani President Pervez Musharraf.

Karzai hopes the meeting, called a jirga, can help solve the problem of militants crossing from Pakistan to launch attacks in Afghanistan.

The U.S. military on Sunday said it was spending $34.5 million to build four new regional hospitals and the refurbishment of the National Military Hospital. It is also spending $70 million on first aid kits for the Afghan army.

Rift Over Afghan Mission Looms For NATO (NYT)

By Thom Shanker

The New York Times, November 27, 2006

WASHINGTON, Nov. 26 — NATO is bigger than ever, and it is reaching further than ever before, by taking the lead in the war in Afghanistan. But the Afghan mission threatens a rift within the Atlantic alliance between those nations willing and able to participate fully in combat operations in Afghanistan and those nations that are not.

The challenge represents a third generational test for the allies — one fraught with argument and angst like the others were. The first test was how best to face off against the Soviet threat, a challenge that gave birth to NATO in 1949. The second was whether to move beyond the boundaries of NATO's members in the 1990s to halt ethnic bloodshed in the Balkans.

NATO's 26 members and 11 non-alliance partners have committed 32,000 troops to Afghanistan, with 12,000 Americans assigned to the NATO portion of the mission. (Another 8,000 American troops are in Afghanistan carrying out counterterrorism missions solely under American command.)

Most nations have imposed restrictions on their member troops that NATO commanders say hamper their ability to move forces for missions and rescue other NATO forces that may get into trouble. The restrictions include whether troops are allowed to conduct missions at night, which parts of Afghanistan they may patrol and whether they are permitted to conduct offensive operations against the Taliban.

Pentagon and military officers say the list of nations with caveats, and the exact restrictions they have imposed, remains classified, to avoid helping Taliban fighters assess alliance weak points.

President Bush is expected to push for easing the restrictions when he meets with NATO leaders on Tuesday and Wednesday at an alliance summit meeting in Riga, Latvia.

Bush administration officials, diplomats from NATO nations and military officers said that how the alliance resolved the question of caveats would determine whether NATO's leading role in Afghanistan represented a first step toward a broader future for the alliance — or a peak that, once attained, might never be scaled again.

Gen. James L. Jones, NATO's supreme allied commander, told the Council on Foreign Relations in October that "there are about 50 restrictions that have an operational impact, that impact on the commander" in Afghanistan.

While NATO officials said progress had been made in easing restrictions since then, the senior American officer in Afghanistan, Lt. Gen. Karl Eikenberry, said this week that problems remained, and that NATO nations needed to fulfill their commitments to send troops, as well.

General Eikenberry, chief of the Combined Forces Command-Afghanistan, said Tuesday that NATO nations had contributed only "85 percent of the level of what was promised." Speaking at the Pentagon, he also said "there does remain the question of some countries that have particular caveats — that is, restrictions on their ability to commit to all missions of Afghanistan."

Experts on alliance relations now in the private sector say the Afghanistan experience actually may raise the level of combat competence among those nations that entered the mission with caveats and reluctance to take on a heavy role in the fighting.

"I fall into the category of the half-full glass more than the half-empty," said Gen. Joseph W. Ralston, who retired after serving as NATO's supreme allied commander.

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"We have seen a maturation in the past 11 years," said General Ralston, now a distinguished senior adviser at the Center for Strategic and International Studies, a policy institute here. "And I think as the nations encounter the high-intensity conflict of Afghanistan, there will in fact be a positive outcome that comes from that."

Daniel Fried, the assistant secretary of state for European and Eurasian affairs, said that even nations with troops in Afghanistan under combat caveats contributed to reconstruction and overall security, and that the system, however difficult, was better than a wholly unilateral American mission.

"It is a success for the trans-Atlantic community that despite disagreements about Iraq, despite politics and partisanship, that NATO has undertaken a set of new missions with Afghanistan front and center that changed the nature of the organization," Mr. Fried said.

He emphasized that the summit meeting's work would be to respond to current security challenges and improve the alliance's responses.

NATO is not scheduled to accept any new members at the Riga meeting. Even so, words of encouragement are expected for three nations — Croatia, Macedonia and Albania — in line for membership, perhaps as early as 2008.

And in an expansion of NATO's relations with nations far from its traditional geographic sphere, members are expected to propose establishing an initiative for a global partnership to acknowledge the role that nations like Australia, Japan, South Korea, Sweden and Finland play in NATO missions.

These countries "do not seek NATO membership, but we seek a partnership with them so that we can train more intensively from a military point of view and grow closer to them because we are deployed with them," said R. Nicholas Burns, the under secretary of state for political affairs.

"Australia, South Korea and Japan are in Afghanistan," he said. "They have all been in Iraq, as you know. They have all been in the Balkans."

But Mr. Burns acknowledged that "for us, the No. 1 issue is Afghanistan."

In a telephone interview, NATO's secretary general, Jaap de Hoop Scheffer, said, "The threats and challenges facing NATO as we speak are of a global nature: terrorism, proliferation of weapons of mass destruction." He added: "NATO today is transforming and adapting itself. We need 21st-century answers to 21st- century threats and challenges."

Dutch Parties To Demand Changes In Policies (FT)

By Ian Bickerton In Amsterdam

Financial Times, November 27, 2006

As Jan Peter Balkenende sets about building a coalition government in the Netherlands after last week's general election, he faces the prospect of a shift in government policy.

The election reflected a surge in support for parties on the far right and left, and a fall in the number of seats held by centrist parties. While Mr Balkenende, as the head of the single largest party, the Christian Democrat Alliance, is likely to continue as prime minister, a coalition of at least three political parties is inevitable.

The most likely outcome is a coalition of CDA, Social Democrats [PvdA] and either ChristenUnie, a small religious party, or the leftwing Socialist party.

The inclusion of the Socialist party could trigger a foreign policy shift. The party demands a withdrawal of Dutch troops from Afghanistan, where they are part of a Nato mission, and opposes an attempt to revive the European Union's constitutional treaty, rejected in a referendum last year.

The PvdA wants to halt plans to privatise Amsterdam's Schiphol airport and Dutch involvement in the US-led production of the Joint Strike Fighter aircraft, in which Dutch business has invested hundreds of millions of euros.

There are deep divisions over taxes, which have made Dutch employers wary of a leftwing government bias, people close to the employers' federation have said.

A CDA, PvdA and SP coalition was the public's preferred choice in a weekend opinion poll for Dutch television. The Socialists won 25 seats, compared with nine in 2003, after the final tally of votes. PvdA won 33, nine fewer than in 2003.

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De Volkskrant, the left-leaning newspaper, warned in a weekend editorial that a cabinet including the CDA and SP would mean a "powerless, bickering" government. The newspaper said the only viable option was a CDA, PvdA and Christen-Unie coalition.

But political commentators said the process of building a coalition could drag on into the new year.

At the weekend Queen Beatrix appointed Rein Jan Hoekstra, a 65-year-old civil servant, as "informateur". Mr Hoekstra, who advised Ruud Lubbers, the former Dutch prime minister, and heads a CDA research institute, must mediate among party leaders and attempt to reach agreement on the shape of a coalition.

If Mr Balkenende's fourth government in less than five years is to fare better than his previous administrations, which were dogged by political feuding, he will have to compromise.

The process will test the Dutch "polder model", a consensus-based system in which rivals co-operate in times of crisis. Even if the Socialists do not make it to government, Mr Balken-ende's new allies will level tough demands.

Both PvdA and Christen-Unie want a general pardon for 26,000 failed asylum seekers resident in the Netherlands, a move resisted by Mr Balkenende's previous centre-right government.

To further complicate matters, Geert Wilders, the far-right anti-Islam politician whose one-man party won nine seats, is likely to insist on talks to form a centre-right alliance with CDA, his Freedom party, the liberal VVD, and ChristenUnie.

A NATO Bid To Regain Afghans' Trust (WP)

By Pamela Constable

The Washington Post, November 27, 2006

PANJWAI, Afghanistan -- The road to this southern Afghan farming town is wide, smooth and utterly empty, except for an occasional old man on a bicycle or a meandering herd of baby camels.

It was paved last year with Japanese funds to help farmers send their grapes to market and patients reach hospitals in the city of Kandahar, 20 miles to the east. But that was before war came to Panjwai, making its name synonymous with the physical destruction and political mayhem wrought by months of Taliban attacks and NATO bombing.

Now almost no one dares to drive on the road. NATO forces declared victory here in late September, claiming to have killed about 1,500 insurgents in a campaign named Operation Medusa. Yet Taliban fighters still linger in the surrounding orchards and launch sporadic attacks. On Monday, insurgents fired at several NATO bases in the district, although no one was injured.

Many shops in Panjwai remain shuttered, and most of the estimated 80,000 people who fled nearby villages have not returned. Some harbor bitter memories of NATO bombings that destroyed their homes and fruit crops. At least 50 civilians were killed over several weeks of bombing, and President Hamid Karzai last month ordered an investigation into the deaths. NATO officials have said the insurgents used villagers' homes as shelter, provoking the deadly airstrikes.

"I lost three of my sons, my brother, my wife, two daughters-in-law and many grandchildren," said Abdullah Shah, a white-haired farmer, wiping his eyes with a dirty shawl. "I moved the whole family into a tent for safety when the fighting started. The international forces said there were 20 Taliban in that tent, but it was not true. How could there be, when we were so crowded already?"

In an effort to regain public trust, NATO forces have moved into Panjwai with bricks, bulldozers and lots of cash. Local men have been hired to repair damaged buildings, the renovated high school reopened last week, and a new road is being laid from the town to several grape-growing villages that suffered the heaviest bombing damage.

NATO has pledged $8 million to improve Panjwai and the adjacent Zhari district, in hopes of creating a Taliban-proof development zone and a model for other post-conflict areas. Canadian troops have set up a base above the town and patrol the bazaar in armored convoys, while NATO officers meet often with local elders.

"Panjwai is a microcosm. The key is to move fast once the fighting stops, work with local institutions, get development projects going and get local people involved in their own security," said Maj. Steve Murray, deputy commander of a military reconstruction team in Kandahar. "We can fight the Taliban until the cows come home, but we can't make the area safe if we don't deal with the other issues."

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Last Tuesday, a Canadian officer arrived as bulldozers were clearing land for the new road. He was soon surrounded by frowning farmers who demanded extra money to let the road cross their fields. The mayor joined the negotiations, calculating acreage on a pad of paper. The officer politely insisted on the previously agreed price.

In the chilly Panjwai bazaar, turbaned men huddling around sidewalk teapots raised more serious issues. They expressed deep ambivalence about the presence of international troops and both fear of and admiration for the Taliban insurgents.

"The coalition forces have brought us nothing but problems. They enter our houses and mosques without permission," said Abdul Jan Mohammed, a grape grower whose vineyards were damaged by NATO airstrikes. "The Taliban don't want to fight. They are just tired of all the corruption, as we are."

Bismillah, 45, whose farm is a half-hour walk from town, said his neighbors had begun to return home since the bombing ended but that insurgents were still lurking nearby. Like many Afghans, Bismillah uses just one name.

"Everything is confused now," he said. "At night we hear shooting and rockets, and we cannot light our lamps for fear of the Taliban. But if a mine explodes on the road, the army and coalition forces come and pressure us to find out who did it. The best thing to do is negotiate, but the Taliban will never negotiate as long as the foreign troops stay here."

One obstacle to security is the shortage of Afghan police and soldiers in the region. In terms of size and competence, the new national army and police force have lagged far behind what officials hoped for, so the government recently began recruiting and training local auxiliary police officers to serve in conflict zones such as Kandahar province.

The program has drawn praise and criticism. It gives men in poor rural areas an income and a vested interest in protecting their communities. But recruitment standards are low, training is cursory, and many who sign up are rejected because of hashish use or other habits.

Commander Ehsanullah Alizai, the provincial police chief, said local elders and district officials are choosing applicants for the new force and that each recruit is further vetted by his office. But he acknowledged that the two weeks of training they will get are far from adequate.

"Of course it is not enough. It takes a lot of time and education to become a police officer. But this is an emergency," Alizai said, adding that 250 of the expected 1,000 new police officers have completed training and started work. "The security situation in Panjwai and Zhari was getting worse, and the government had to take action."

But the threat of further NATO bombing has not stopped the Taliban from launching new attacks, often against civilians. Last month, two insurgents on a motorbike ambushed Fazel Mahmad, a Panjwai elder, as he was taking his daughter to a doctor in Kandahar. Mahmad, who works with a government program that helps local insurgents return to civilian life, was shot in the neck and throat but survived after surgery at a NATO base.

"The local Taliban are sons of our soil, but the Taliban trained by al-Qaeda see all Afghans as infidels and Americans. They do not want any reconciliation," said Mahmad, who now speaks with a lisp. He said he saw many wounded Taliban fighters being treated at the NATO field hospital, where he said they cursed the medical staff and refused to eat.

In a second recent attack, insurgents opened fire on a clinic at a camp for nomads and refugees beside the highway from Kandahar to Panjwai and briefly kidnapped the doctor. Now the clinic building sits abandoned beside the colony of patched tents and thorn-bush camel corrals.

On Tuesday, several women in the refugee camp said they had fled there after airstrikes on their villages near Panjwai. One woman, Badro, shrieked and wept, saying two of her brothers and all the family's sheep and camels had been killed.

"Everyone is a witness. There were no Taliban there at all," she cried, shaking a fist. "The dead bodies of my family are still there. It is not safe to collect the pieces."

[On Sunday, a Pakistani suicide bomber detonated himself in Paktika province, killing 15 people and wounding 24, including an Afghan special forces commander, the Associated Press reported.]

The Afghan government has made efforts to console and aid survivors in Panjwai. Abdullah Shah said he was paid about $8,000 as compensation for his dead relatives. He was also taken to Kabul, where he said Karzai gave him a hug and promised him a new house.

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Last week, the minister of rural development flew to Kandahar and met with a large group of elders from Panjwai, asking what they needed most. He was accompanied by Christopher Alexander, deputy U.N. representative for Afghanistan, who told them the goal was to transform their region "from this year's battlefield to next year's construction ground."

The delegation did not visit Panjwai because it was considered too dangerous, but Alexander said elders from several villages told him security was better because young men who had been fighting for the Taliban were now earning money on NATO construction projects. He also noted that several elders did not attend the Kandahar meeting, suggesting that they were suspicious of the government and sympathetic to the insurgents.

Mahmad, a fruit grower who remained in Panjwai that day, complained bitterly that the residents were trodden upon by everyone.

"We don't support the Taliban, but we don't want the foreign troops here, either," he said. "I blame President Karzai, too. If we had laws and honest government in this country, the Taliban wouldn't be fighting."

Bush Demands Afghan Action On Drugs (AFP-Y)

AFP, November 27, 2006

President George W. Bush called Hamid Karzai to demand more action against Afghanistan's world-leading drugs trade and reiterate continued US support, the Afghan president's office said.

Bush telephoned Karzai on Saturday, ahead of the NATO summit in Latvia next week where he is expected to press European allies for more support for Afghanistan's battle against the resurgent Taliban.

He said the United States would "reiterate its commitment at the NATO summit to the strengthening of security and reconstruction in Afghanistan."

He also assured Karzai "of the continued assistance of the international community and the United States of America in all areas and at the same time wanted Afghanistan to take effective measures in fighting narcotics."

This country's poppy crop yields about 90 percent of the world's opium, used to make heroin.

Despite internationally backed efforts costing millions of dollars, production jumped by nearly 50 percent this year to a record 6,100 tonnes, according to the United Nations' drug office.

Some analysts allege the booming production is a result of widespread corruption that assures impunity for kingpins of the trade, some of whom are alleged to hold senior positions in the government.

The two presidents also discussed preparations for traditional gatherings planned in Afghanistan and Pakistan in a new initiative to attack the Taliban insurgency that is most active in the border area.

The 26-member NATO alliance will discuss in Riga its mission in Afghanistan at the helm of the 37-nation International Security Assistance Force.

The operation is the most ambitious in NATO's history and has seen some of the nations involved suffer their highest battle casualties in years. Commanders have called for more troops and equipment, especially in the south.

Nearly 40,000 foreign soldiers, most of them with ISAF and some with a separate US-led coalition, are in Afghanistan to help its police and army fight the Taliban, removed from government in 2001, and its allies.

UK Troops At Risk Over Plan To Stop Afghan Opium Crop (FT)

By Jimmy Burns In London And Rachel Morarjee In Kabul

Financial Times, November 27, 2006

Afghan government plans to eradicate poppy farming in southern Afghanistan risk drawing British troops into fierce fighting with an already embittered localpopulation, military officials and diplomats in the country have warned.

The governor of Helmand has promised to push ahead with a drug eradication programme early in the new year in the southern province where British troops faced unexpectedly fierce battles during the summer.

Local farmers have this month begun to plant for a new opium harvest as fears grow that the Taliban may exploit tensions developing between Nato and the local drugs barons and the farmers who work for them.

Brigadier Jerry Thomas, the UK's Camp Bastion commander, told the Financial Times that while he had the troops he needed in the Task Force's southern base, the drug eradication programme risked putting new strains on security.

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"It is important that the programme is carefully targeted at the needy not the greedy . . . it will be a challenge to our hearts and minds campaign," he said.

Helmand province, where the bulk of Britain's 5,200 troops are based, saw a 162 per cent increase in the area used to cultivate opium poppy last year as a result of local officials profiting from the trade and efforts by insurgents to encourage opium cultivation.

A US official said this year's opium harvest inHelmand could be almost as large as last year and, without successful eradicationof the crop, international funding for future counter-narcotics efforts could be in doubt.

"The military is very focused on stability, but we have to look at the benefits of having some eradication when up to one-third of the UK's heroin comes fromHelmand province," said a western official in Kabul.

"Could anyone justify going to the Afghan government and asking to have no eradication In Helmand? It would look very suspicious."

Helmand has been relatively quiet since British troops withdrew from Musa Qala, a district in the north of the province, in late September, but eradication of the crop that many Afghan farmers depend on for their livelihood could reignite tensions.

The onset of colder weather has failed to reduce the violence in the country's restive south. A suicide bomber blew himself up at a crowded restaurant in south-eastern Patika province, killing 15 people and injuring24 yesterday. Separately, one Nato soldier and an estimated 57 insurgents were killed in fighting in four areas of southern Afghanistan at the weekend.

The destruction of poppy crops would centre on the districts of Nad Ali, Nawa and Nari Seraj, along the Helmand River and not far from the provincial capital of Lashkar Gah, whichBritish troops are hopingto use as a showcase forreconstruction and development.

Major Luke Knittig, a Nato spokesman, said that troops from the Nato-led Inter-national Security Assistance Force would assist the government with the eradication programme. But he cautioned: "You will not see Isaf troops in the fields lopping off the tops of poppies."

Military Tests Non-fatal Ways To Halt Vehicles (USAT)

By William M. Welch

USA Today, November 27, 2006

Two teams of military engineers competed to come up with a solution to a problem U.S. troops face daily in Iraq — how to stop civilian vehicles that blunder past checkpoints without destroying the vehicles or killing their occupants.

Maj. Gen. Ted Bowlds, commander of the Air Force Research Laboratory, said that after a little refinement, the teams' devices probably will be used in Iraq.

“These young researchers have come up with some pretty good, innovative ideas,” Bowlds said. “My guess is, based on what I've seen, bits and pieces of what we've found here will find their way out there (to Iraq) in some fashion.”

On a test range in the Arizona desert Nov. 10, Air Force Research Laboratory engineers used remote-controlled automobiles and high-speed cameras to test four devices they designed to halt oncoming traffic by non-lethal means.

A team of junior officers and civilian military engineers from Kirtland Air Force Base in New Mexico was declared the winner for a pair of devices that literally lift an onrushing car off the ground, bringing it to an almost instant stop from a speed of 35 mph.

Bowlds said the Kirtland team's devices might be used in combination with elements of the designs produced by the competing team from Wright Patterson Air Force Base in Ohio.

The teams of six engineers and scientists, all with less than five years' military experience, were given six months and $60,000 to come up with prototypes to help solve a frequent problem on the ground in Iraq.

Hundreds of cars and pickups pass through U.S. military checkpoints every day. Civilians have been injured and killed when they failed to stop as requested and were fired on.

Troops trying to halt such vehicles are told to shoot at the engine block to disable the car, and if they miss, “they might hit something more important,” said Capt. Chris Rehm, leader of the winning team from Kirtland.

“We're looking for some kind of non-lethal device we could give them,” he said.

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The teams came up with relatively similar solutions, despite working without knowing what the other was doing, said Mark Lewis, chief scientist of the Air Force.

They included:

•A wooden wedge placed in the roadway with barricades channeling traffic directly to it. If the vehicle does not stop and strikes the wedge, it is lifted up and slides to a stop, leaving the wheels of the vehicle off the ground and its undercarriage resting on the wooden wedge.

•A "sled" consisting of two low-lying aluminum boxes with air bags inside and grappling hooks at one end. When a vehicle passes over it, a soldier controlling the checkpoint can remotely activate the device, causing the hooks to latch to the front bumper and the airbags to deploy. The car is lifted off the ground by the airbags as the device drags along underneath the vehicle.

•A pair of devices made of steel tubing, one of them shaped like a triangle that rises up when struck, lifting the car's wheels off the ground.

The first two solutions won. The tests were conducted on sedans, an SUV and a van — typical civilian vehicles encountered by troops in Iraq.

They were carried out at a proving ground near Sierra Vista, Ariz., operated by Raytheon. The southern Arizona site was selected both to replicate Iraqi conditions and because the facility is a hub for the development of vehicles operated by remote control. Because the stops can be violent, the military did not want to use manned vehicles.

In addition to seeking a solution to a frequent problem, the Air Force conducted the competition as part of a program to develop expertise among junior military and civilian researchers and engineers who work for the research laboratory.

Lewis, the service's top scientist at the Pentagon, said the Air Force Research Laboratory tries to anticipate technologies of the future, and "at the same time, we've got folks out in the battlefield now whose needs we are trying to answer.

"One of the things the lab is looking at is how we can respond more immediately to problems we're facing today," Lewis said.

"We're concerned about saving as many lives as we can."

Iraq's Deadliest Zone: Schools (WP)

By Abdul Sattar Jawad

The Washington Post, November 27, 2006

The mass kidnappings of scholars in Iraq underscore the chilling fact that the most dangerous place in Iraq is not the mosque, the marketplace or the military checkpoint, but the classroom. More than 250 academics have been killed since 2003, targeted by so many warring factions that it seems to be the only issue they can agree on. To date, not one person has been arrested for these murders.

Fundamentalist Sunni, Shiite, Baathist, anti-Baathist and other anti-American militants all have taken credit for these murders. Some are groups of students doing the Mahdi Army's bidding and willing to take matters into their own violent hands. But they all share a common feature: the use of terrorism as a weapon to murder academics, plunge university life into chaos and threaten learning at its source.

Fanatics targeting Iraqi academics are wreaking havoc on the educational system by threatening, kidnapping and killing innocent professors. I know well the nature of the threat. In seeking to bring education, debate and intellectual curiosity to Iraq, I was forced to flee when my life was threatened.

I became a target for a variety of twisted reasons. I was editor of the Baghdad Mirror, the only English-language weekly. Zealots who mistakenly assumed we were aligned with Western sensibilities bombed our building in March 2005, causing extensive damage but, mercifully, no loss of life. It was too dangerous to continue operating, and I reluctantly closed the paper the next day.

At the time, I had just started as dean of the College of Arts at Mustansiriya University in Baghdad. Several weeks after the newspaper bombing, I was surrounded by students dressed in white shrouds and chanting death threats at me. Being a secular person, like most scholars, I was getting a chilling message of intimidation and violence.

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Today the Mahdi Army is running university life in Baghdad, installing its political agenda by canceling classes, altering syllabuses to include its version of religion courses and ultimately driving away professors and students alike.

Virtually overnight I became an editor without a newspaper and a professor without students or a university. And the army of murderers continued to pursue me. One morning in April 2005 I was about to leave my home in Baghdad when I saw my terrified driver gesture for me to stay inside. There were two cars waiting outside, Kalashnikov rifles pointing out their windows. It was clear that the threats were going to escalate, placing my family, my colleagues and me at risk. I knew I had to leave.

My decision to flee was incredibly painful but necessary. I had to leave my wife and three children, and students whom I cherish. Before daybreak on a summer morning in 2005, a driver who knew how to avoid routes peppered with armed insurgents took me to Jordan.

That summer I was granted a visiting fellowship through a partnership between the Scholar Rescue Fund at the Institute of International Education and Duke University. The fund matches scholars, such as professors, doctors and journalists, with host institutions where they can continue their vital work free from fear. At Duke, I am teaching courses in Arabic literature. I am one of the lucky ones.

The Scholar Rescue Fund is grimly conscious that it cannot dedicate its work to Iraqi scholars alone. Despots around the world are waging terror campaigns against intellectuals and academicians. By year's end, perhaps as many as 500 scholars across the globe will be dead, targeted by groups that range from narco-terrorists to religious fundamentalists fighting in suicide and "martyr" brigades. In the struggle to save lives threatened on the classroom battleground, the Scholar Rescue Fund has much to do and little in the way of time or resources to do it.

I am determined to return to Iraq as soon as it is safe for me. Without an open and unfettered educational system, there can be no democracy. We cannot rebuild our country without academic freedom. We will never be able to provide an incubator for a new nation unless professors and students can freely discuss and debate literature and culture or listen to controversial positions on social, economic and political issues.

We are fighting not only for the streets of Baghdad but also for the classrooms. Rescuing our scholars has become as crucial in determining the future of Iraq as disarming the insurgents.

We may ultimately view victory in Iraq as the ability to restore Baghdad to its historical role as a home to intellectual greatness so that universities may once again buzz with the energy of our culture and literature and the celebration of the human mind. Until then, we must continue to find a "lifeboat" for every scholar who faces the murderous mob.

The writer is a visiting professor at the John Hope Franklin Center for Interdisciplinary and International Studies at Duke University.

CORPORATE SCANDALS:

White-collar Crime Prosecutors In Slump (USAT)

By Greg Farrell

USA Today, November 27, 2006

NEW YORK — When it comes to securities fraud cases, not all U.S. Attorneys are created equal. Defense lawyers, as well as many federal prosecutors across the country, acknowledge that the U.S. Attorney's Office in Manhattan has the most experience in the field, and is best positioned to bring complicated white-collar criminal cases.

But if federal prosecutors in Manhattan are the New York Yankees of their field, they've been on what seems to be a losing streak lately. Consider:

•After an appeals court overturned a guilty verdict against investment banker Frank Quattrone, prosecutors in Manhattan decided to drop the case. The office accused Quattrone in 2003 of obstructing an investigation into whether his bank rewarded prominent clients with hot IPO stocks, a practice known as “spinning.”

•A federal judge publicly rebuked two Manhattan prosecutors in June for their conduct in the government's investigation of tax shelter abuse by partners from KPMG. U.S. District Judge Lewis Kaplan said statements submitted to the court by prosecutors from the office were “misleading.”

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•Last week, prosecutors dropped five cases against specialists at the New York Stock Exchange. In 2005, the U.S. Attorney's Office in Manhattan accused 15 specialists, who are responsible for buying and selling stocks on the NYSE floor, of putting their own interests ahead of those of the investors. Since then, charges against two of the specialists have been dropped, and a jury has acquitted two others. Two specialists have pleaded guilty, three were convicted and the final charged specialist fled the country and is a fugitive.

Despite the setbacks, no one's willing to say the office has lost its fastball. In fact, the decision to drop cases can be viewed as a sign of strength, say some observers.

In the specialist cases, a jury's willingness to acquit two men this year sent a powerful message. “If you're a good prosecutor and you're interested in doing the right thing, you listen to juries,” says Richard Owens, who recently left the Manhattan prosecutor's office for Latham & Watkins. “If you see what fact pattern juries will convict on and what they won't, there's little reason to proceed when there's little chance of success.”

“If you're an aggressive prosecutor and you bring aggressive cases, you're going to lose some,” says David Gourevitch, a white-collar criminal attorney in Manhattan. “It strikes me as the classy and quality thing to do.”

A spokeswoman for Michael Garcia, the U.S. Attorney in Manhattan, said there would be no comment on the matter.

ACS Officers Quit After Internal Options Probe (WSJ)

By James Bandler And Charles Forelle

The Wall Street Journal, November 27, 2006

Finding of Backdating Snags CEO, Finance Chief As Scandal Fallout Spreads

The options-backdating scandal claimed more high-level officials, as the top two executives at a large technology-outsourcing company resigned after an internal investigation concluded they were closely involved in manipulation of stock options at their company.

Mark King, chief executive of Affiliated Computer Services Inc., and Warren Edwards, the company's finance chief, stepped down from their posts yesterday but will remain employees until June, the company said. Dallas-based ACS is one of the world's largest providers of back-office computer services to companies and governments, and has 55,000 employees world-wide.

The departures bring to more than 60 the number of corporate officials who have lost their posts as the options scandal continues to grow. It already has sparked one of the largest executive-suite housecleanings in memory, and more officials are likely to lose their jobs in coming weeks.

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In releasing the results of its internal probe, ACS said its investigators determined that Messrs. King and Edwards, along with Jeffrey Rich, a former ACS CEO who resigned in September 2005 before the options issues surfaced, intentionally backdated options in a "significant number of cases," increasing their own potential for profit, and prepared memos with phony dates to document the misdated grants.

Messrs. King and Edwards also misled the company's own directors and lawyers, the internal probe concluded, telling them earlier this year that there wasn't any backdating. ACS said that led the company to make an "inaccurate" securities filing in May that denied any serious backdating issues.

The company said it will face a charge of around $51 million to fix the faulty accounting caused by the misdating. The company said it hasn't yet determined how the adjustment will affect past and current financial statements or whether restatements would be required.

In a statement, Mr. King's lawyer, Karen Seymour, said her client voluntarily resigned as CEO and "cooperated fully" with the investigation. She added: "He acted at all times in good faith and did not engage in any intentional misconduct."

Gary P. Naftalis, a lawyer for Mr. Edwards, said his client cooperated "fully and forthrightly" with the probe and helped find and guide the investigators to relevant documents. Mr. Naftalis noted that Mr. Edwards didn't become chief financial officer until

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2001, years after the problems apparently started. "He engaged in no intentional misconduct," Mr. Naftalis said, "and acted in good faith at all times in connection with the company's longstanding and historic options granting practices."

Aitan Goelman, a lawyer for Mr. Rich, said he couldn't comment, because he hadn't seen the probe's findings.

According to the company, only Messrs. Rich, King, and Edwards and one other lower-level management employee, whom the company declined to name, knew of the intentional misdating.

ACS named Lynn Blodgett, its chief operating officer, as its new president and CEO. John Rexford, an executive vice president, was named chief financial officer.

More than 130 companies, including titans such as Apple Computer Inc. and UnitedHealth Group Inc., are facing scrutiny from federal prosecutors and regulators examining whether executives improperly backdated stock-option grants. Options typically are designed to give recipients an incentive to see their company's share price rise, by allowing them to purchase shares in the future at the market price on the day the option was granted. Grants that are backdated to more favorable, lower-priced days give recipients an instant, built-in profit. So far, criminal charges have been brought against five ex-executives in two of the cases, with more charges expected.

ACS's internal investigation, which reviewed grants from 1994 to 2005, was conducted by Marc L. Mukasey of Bracewell & Giuliani LLP, a former federal prosecutor in Manhattan. It absolved ACS directors, including ACS's founder and chairman, Darwin Deason, of any responsibility for backdating. Mr. Deason, who himself received two grants with particularly favorable dates, escaped blame even though he was CEO until 1999, and was chairman of the board's compensation committee from 1994 through August 2003. A company spokesman said Mr. Deason never exercised his options.

The probe described a convoluted process for awarding options, which began when Mr. Deason would give a "broad authorization" to the company's CEO for the grants. For grants to senior executives, the probe found, the "historical practice" was for Mr. Deason to call all of the board's compensation-committee members "on or about" the same date that he authorized the grants.

The internal probe found that the company's CEO or finance chief then selected the dates on which the grants would be awarded and prepared the paperwork. In a "significant number of cases," Messrs. Rich, King or Edwards used "hindsight" to select the grants, often by waiting until after the company's stock price hit bottom and then started to rise again, then picking the lowest price in the period, the probe found. Memos recommending the grants "were intentionally misdated" by one or more of the men "to make it appear as if the memoranda had been created at or about the time of the chosen grant date, when in fact they had been created afterwards," the company said the probe found.

The company said its board, unaware of the backdating, subsequently approved the grants via written consent documents that carried the improper dates.

ACS was among several companies included in a March article in The Wall Street Journal that used statistical analysis to identify executives who likely received backdated grants. The Journal analysis concluded that the odds were one in 300 billion that the pattern of past stock-option grants to Mr. Rich, the company's former CEO, was chosen by chance. At the time, the company denied backdating was the reason for the pattern of fortunate grants, in which Mr. Rich and other top executives received their options dated just ahead of steep rises in ACS's stock price.

In a conference call with analysts in April, Mr. King said preliminary results of an internal probe indicated that there hadn't been "intentional" backdating of stock options to senior executives and described any problems as a "procedural matter" that would get sorted out in a matter of months.

In a May securities filing, the company said it would likely need to take a $32 million charge against its earnings to rectify accounting from misdated grants, but said it "does not believe that any director or officer" of ACS had "engaged in the intentional backdating of stock-option grants in order to achieve a more advantageous exercise price."

In August, the company backtracked, saying its statements in May could no longer be relied upon.

ACS specializes in cutting cost out of corporate back-office functions such as payroll processing and document scanning. ACS also has scores of government clients, handling such chores as electronic record-keeping for county clerks and administration of cities' automated systems that ticket drivers who run red lights. Through the ups and downs of the tech industry,

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ACS has seen relatively steady success, though its share price has stagnated over the past five years. ACS shares traded Friday at $50.74 on the New York Stock Exchange.

ACS is being investigated by the Securities and Exchange Commission and by the U.S. attorney for the Southern District of New York.

Mr. King joined ACS shortly after it was founded in 1988. He served as chief financial officer from 1995 to 2001, when he was appointed chief operating officer. He was named CEO in 2005 after Mr. Rich's resignation. Mr. Edwards, who joined ACS in 1996, replaced Mr. King as chief financial officer in 2001.

Mr. King received several options with the same unusual dates that plumped up Mr. Rich's paycheck -- including one purportedly granted on the very day the stock touched its lowest closing price of the quarter in July 2002, and another for a split-adjusted 100,000 shares that is dated at the annual low in 1998. Mr. King has so far cashed in 32,000 of the shares from that grant.

Options have represented the bulk of his compensation. All told, from ACS's 2001 fiscal year through last fiscal year, Mr. King has reaped $17.9 million in profits from exercising options -- more than three times his combined salary and bonus over that period, according to Standard & Poor's ExecuComp, which tracks executive pay.

ACS said the improper grants increased the potential profit of Mr. King's options by some $4.5 million -- a sum greater than he has been paid in salary for the past 10 years combined. He will have the exercise prices of his options outstanding adjusted upward by that amount. Mr. Edwards will also have some options repriced, the company said.

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San Diego Charges (WSJ)

By Nicole Gelinas

The Wall Street Journal, November 27, 2006

The SEC has announced that it has resolved its pension-fund fraud case against San Diego, with the city agreeing not to commit illegal shenanigans in the future and to hire an "independent monitor" to help it avoid doing so. Although the SEC went easy on the residents and taxpayers of San Diego in its settlement, it still has an opportunity to make an example of the former officials who the SEC determined committed the fraud. The feds should seize that chance to show they're serious about policing a sector of the investment world that remains vulnerable to similar fraud.

San Diego ran into legal trouble with its pension fund because elected officials wanted to keep its municipal workers happy by awarding them more generous pension and health-care benefits, but also wanted to keep taxpayers happy by sticking to a lean budget. The two goals were mathematically irreconcilable. So San Diego officials, with the cooperation of the board members of the city employees' retirement system (the majority of whom were also city officials), intentionally underfunded the pension plan for years. They used the "savings" to award workers and retirees more benefits, some retroactive. Because taxpayers couldn't see how much retirement benefits for public employees eventually would cost them, they couldn't protest against those high future costs. The fund also violated sound investment principles by using "surplus" earnings in boom years to pay extra benefits to retirees, including a "13th check" in some years. Trustees should have put such "surpluses" aside for years in which the market was down.

But the alleged escalated in 2002 and 2003, when city officials brushed aside warnings from outside groups, as well as from an analyst it had itself commissioned, about the fund's parlous financial straits. Although figures clearly showed that the pension fund would face a seven-fold increase in its deficit, to more than $2 billion, over less than a decade, San Diego didn't disclose what, according to the SEC, it "knew or was reckless in not knowing" was an inevitability, instead maintaining its charade. City officials disclosed not a word of the fund's financial troubles to potential investors or bond analysts as it raised nearly $300 million in new municipal securities during those two years.

The SEC elected to go easy on the city. The feds won't levy a fine against it, reasoning that it would end up being the taxpayers who would pay. This argument has merit, since these taxpayers are already on the hook for the $1.5 billion deficit -- roughly equal to the city's operating budget -- the pension-fund fraud had concealed. Taxpayers could face fallout if wronged investors sue the city. But while SEC won't punish taxpayers, it can't afford to go so easy on the officials it's still investigating. (The

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SEC doesn't name the current and former officials under its scrutiny, but former Mayor Dick Murphy, former city manager Michael Uberuaga and former auditor Ed Ryan, as well as members of the City Council, all had degrees of responsibility for and knowledge of the pension fund's operations.) The SEC must demonstrate that it considers the fraud officials committed against the city's bondholders to be just as grave as similar frauds in the private sector.

People who invest in municipal bonds do so because they feel that such investments are safer than investing in the common stocks of corporations. That's why cities and states enjoy access to capital at affordable interest rates. And, for tax reasons, municipal-bond investors often invest in the bonds of the city in which they reside, so they face double jeopardy. In the first place, if city officials are committing fraud, their bonds will turn out not to be as sound (and thus not as valuable) as they thought they were. The second risk is that they will have to pay higher taxes, or suffer lower government services, to cover pension-funding shortfalls in their city's budget if that is the case.

The SEC's settlement with San Diego doesn't preclude it from levying fines or recommending criminal charges against culpable high-level city officials. The SEC mustn't pass up this chance to hold up San Diego as a warning to other municipal officials who may be tempted to treat taxpayer-guaranteed pension funds as slush funds whose resources can be used to curry favor with public employees.

Ms. Gelinas is a contributing editor at City Journal.

A Big Apple Strategy (USNEWS)

By Mortimer B. Zuckerman

U.S. News and World Report, November 27, 2006

New York City has long considered itself the capital of the world. Some may think that a prideful conceit, even though some 45 million visitors descend on it each year. But since 1950, nobody could argue with New York's claim to have replaced London as the world's financial capital. New York is home to the broadest, most efficient, and liquid capital markets and boasts the highest concentration of the world's largest financial firms.

Now, however, New York is challenged-and the evidence is in the numbers. Last year, only two of the 25 largest international initial public offerings were issued by firms using American capital markets. London's Alternative Investment Market, instead, has become the exchange of choice for listings by small companies, with 433 new IPOs last year alone, versus just 155 on New York's Nasdaq. In 2000, by contrast, 90 percent of the funds raised by large foreign companies in new IPOs were raised in the United States.

Today those numbers have been stood on their heads: Just 10 percent of new offerings are issued in the United States while 90 percent are raised outside. Over the past six years, the number of non-U.S. IPOs listed here has fallen by almost 75 percent. At the same time, a number of foreign companies have left the New York Stock and Nasdaq exchanges while more and more American companies are opting to leave the public markets and take themselves private.

What's going on? It's called Sarbanes-Oxley. That's the federal law that was enacted in the wake of the Enron, Tyco, and WorldCom scandals. The law offers benefits of transparency, accountability, and investor protection. Fine, but as our insightful new treasury secretary, Henry Paulson, pointed out just last week, the law also has a seemingly innocuous section, known as 404, that has proved to be real corporate overkill.

Sarbanes-Oxley was intended to prevent a repeat of the terrible corporate scandals we have seen over the past few years, but the exhaustive audits the law requires have more than doubled the costs for outside auditors. Large companies, in one study, fund nearly 70,000 man-hours of audit time-an average of $2.4 million more per year than expected.

It is reasonable to ask whether doubling the costs has yielded double the benefits-except for providing a bonanza and a fat retirement plan for accountants, auditors, and lawyers. The onerous costs of Sarbanes-Oxley, moreover, fall disproportionately on small- and midcap companies-the very ones that provide the innovations and entrepreneurship we rely on for economic growth. That one straw might not break the camel's back, but there are more. According to a recent Ernst & Young survey, Sarbanes-Oxley has also created a sharper adversarial relationship between corporate boards and management. Boards now tend to focus more on regulatory-compliance issues than on competitive strategies, with members less worried about falling behind than falling afoul of the complex rules of Section 404.

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Repression. There's also a third straw on the poor camel's back. Last year, class action lawsuits cost American corporations an astonishing $9.6 billion, compared with just $150 million in 1997. We must stop so many frivolous lawsuits. On top of this, we have at least 10 federal, state, and regulatory bodies compared with only one in Britain, with each more aggressive than the next. Britain's single oversight body has found ways to reduce the cost of doing business there to less than 10 percent of what it is here. Can we not learn from this?

Board Games (WSJ)

The Wall Street Journal, November 27, 2006

The Hewlett-Packard meltdown has offered some poignant lessons in corporate board dysfunction, and with any luck the Securities and Exchange Commission has been taking notes. One way to create more HP-like storylines would be for the nation's top financial regulator to appease the latest political agitation for greater "shareholder democracy."

That's what the SEC will consider at a December hearing to discuss "direct access," or the idea of giving shareholders more power in determining the makeup of corporate boards. What makes the "democracy" campaign so ironic is that this proposal isn't designed to make companies more responsive to most shareholders. It is instead a costly, divisive and deeply unfair proposal that would force many companies to bend to special-interests. * * *

It's also an idea that we'd hoped had vanished with former SEC Chairman Bill Donaldson, who failed to push through a direct access rule in 2003. The idea looked dead until September, when the Second Circuit Court of Appeals got into the act. The SEC has for years allowed companies to reject requests by shareholders to have their own slate of directors included on a company's official election materials, and insurer AIG had blocked such a move by union giant Afscme. The union sued and the court ruled against the SEC, in part because its policy statements were contradictory.

That's true, if only because the SEC has been reluctant to be seen as against "shareholder rights." The result has been a confused string of opinions and public comments. The SEC would be doing itself, and shareholders, a favor if it now used this opportunity to explain why "shareholder democracy" is both misnamed and overrated.

Companies aren't mini-nations. A corporation has no governing powers over its shareholders. Management and boards do not exist as antagonistic "checks" on each other but are supposed to operate together to achieve business and financial success. Shareholders who feel a company is underperforming already have the ultimate "vote," which is to sell their stock.

The direct access rule, in contrast, would give a small group of activists unreasonable influence. The Donaldson-era access rule would have allowed "major" shareholders the right to nominate their own candidates on the company ballot if 35% of proxy votes are withheld from the company's nominees. So in this "democracy," only big shareholders get privileges.

Those large shareholders tend to be union-dominated pension funds, with ambitions for turning board rooms into new political battlegrounds. For an inkling of their agenda, consider the war the California public employees' pension fund (Calpers) waged in 2004 against Safeway, when it withheld its support for the CEO in retaliation for his tough bargaining with unions. More recently, some pension funds threatened to move investments out of financial firms that supported Social Security reform. This was an attempt to muzzle corporate speech masquerading as "shareholder rights."

Or consider the 350 shareholder proposals that members of the Business Roundtable fielded last year, most forwarded by the very groups that now want a seat at the board table. DuPont was asked to link executive pay to social criteria. General Electric was asked to report on the feasibility of ending its nuclear energy business. Merck was supposed to adopt a drug-price restraint policy, and Pepsi to report its political contributions in newspapers. Most of these proposals are rejected by shareholders who understand they have little to do with achieving higher returns on their investment. Yet companies are still required to spend shareholder money to address each proposal.

Imagine the costs if the SEC gives pension funds special rights to elect board members beholden to these agendas. One probable result would be the balkanization of boards, especially because the funds that exercise sway do not owe any fiduciary duties to other shareholders. Director dysfunction -- rival camps, leaks, obstruction -- was precisely what happened at Hewlett-Packard, distracting management and harming the company's public image.

The SEC might also look at Europe, where "codetermination" -- in which unions are guaranteed seats on corporate boards -- has allowed unions to redirect capital to labor (rather than business) priorities. Such a rule would also give managers one

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more reason to take their companies private (see the article on the opposite page), or to float their shares in Hong Kong or Shanghai, or somewhere other than in the United States.

Pension funds claim they should have more control, because many are invested in indexed mutual funds and are thus "stuck" with companies. Yet many pension managers simply replicate index funds by making their own investments in a basket of companies, and nothing stops them from selling individual companies they believe are performing poorly. Another complaint is that it is too costly under today's rules to mount a proxy campaign. Yet while proxies can be expensive, those costs are presumably justified if an alternative slate of directors would truly do a better job. * * *

The fallout from the Enron-WorldCom scandals has already spurred companies to become more responsive to shareholders. The most important steps have included the dismantling of anti-takeover provisions, such as poison pills. Takeovers are a far more effective method of turning around companies than board shuffles, and shareholders are benefiting from this more open market for corporate control. The ever-rising CEO churn rate backs up that point. Some companies are also experimenting with new "majority voting" rules in director elections, which set the bar higher for the support directors must get to stay in place.

If the SEC feels obliged to respond to the direct access clamor, it could call for better disclosure and some tweaking of the proxy process. Chairman Chris Cox has been talking up Internet use to lower costs, simplify forms and get more shareholders involved. That would give all shareholders more of a voice, rather than a select few whose goals are partisan, not "democratic."

CRIMINAL LAW:

Subject Of FBI Probe Tells Of Weldon Ties (PHI)

By John Shiffman And Mark Fazlollah

The Philadelphia Inquirer, November 27, 2006

When Center City lawyer and Russian trade expert John J. Gallagher lost a $2.5 million investment in a cognac distillery in a former Soviet republic, a family friend stepped up to help - in a big way.

The friend, U.S. Rep. Curt Weldon, first called the president of Moldova. When that didn't work, Weldon went to the House and proposed cutting all U.S. aid to Moldova until Gallagher got his money back.

That deal, now part of an FBI corruption investigation, wasn't the only time that Weldon used his office to help Gallagher, a lawyer who specializes in putting together business deals - from Philadelphia City Hall to the U.S. Capitol to the Kremlin.

Weldon also backed an effort that funneled federal money to former Soviet scientists working for a partnership between Gallagher and a Russian firm.

Gallagher's software firm apparently had no workers and did little in the partnership, The Inquirer found.

Weldon lost his congressional seat to Democrat Joe Sestak three weeks ago. But there was no letup in the FBI corruption investigation involving Weldon, his daughter Karen's consulting firm, and Gallagher.

In the first interview given by one of the subjects of the FBI probe, Gallagher said his relationship with Weldon went back 30 years. Their careers, he said, dovetailed in Russia.

"I was very lucky to have my representative also have an interest in Russia," Gallagher, a resident of Weldon's district, said in his spacious office at 18th and Market Streets in Center City.

Gallagher said Weldon, in trying to help him in Moldova, was simply providing good constituent service. "It's my congressman's job," Gallagher said. "He represents me, and a foreign country wronged me."

Agents who searched his law office were investigating possible violations of a federal bribery law, Gallagher said. "Of course I didn't pay Curt Weldon," he said.

Gallagher declined to give details of the FBI raid last month, other than to acknowledge that agents took his Moldova file, among others. He said he was cooperating with the investigation.

For years, Gallagher and the Weldon family have constantly crossed paths in the network of U.S.-Russian trade groups.

Gallagher, who says he has made more than 100 business trips to Russia, helped Karen Weldon's firm there. He said he introduced her firm, Solutions Worldwide, to officials from a Russian company that makes drone spy planes.

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The aviation firm gave Solutions a $12,000-a-month contract. Curt Weldon pushed the Navy to buy the drone, and officials got as far signing a contract with the Russian company.

But Gallagher said the deal ended because of news coverage of Karen Weldon's contract.

The first client of Solutions Worldwide was the Russian natural-gas giant Itera International Energy. The FBI also raided its Florida office last month.

Weldon set up a Library of Congress dinner for Itera in 2002 and, on the floor of Congress, pushed for a federal grant to the firm. A month later, Itera hired Solutions for $500,000 a year.

Weldon and his daughter, as well as Itera officials, have denied wrongdoing.

Gallagher said he met Itera officials but declined to elaborate, saying only that he did no business with them. "If it's part of the grand jury investigation, unfortunately I can't speak."

Until recently, Gallagher may have been better known in Russian trade circles than in his own hometown. A graduate of La Salle University and the University of Pennsylvania law school, Gallagher, 54, started his own law firm in 1980.

Gallagher also knew his way around City Hall.

During the City Hall corruption investigation, the FBI recorded him talking to the late power broker Ronald A. White about raising money for Mayor Street and trying to win city deals, sources said.

On one such 2003 call, Gallagher phoned White from Russia to complain that he wasn't getting his share of city legal work. White said he'd take care of it. "Relax," White told him. "Everyone knows who you are."

Gallagher said in the interview that he and White had been friends since they attended law school together three decades ago.

He said he never paid White to help him with the Street administration. For "all good friends," he said, White "would lend a hand."

Gallagher said in the interview that he held two Street fund-raisers with White - one raised about $25,000 - because he was "a lifelong Democrat."

Gallagher also is close to top Republicans in Delaware County, where he lives.

He has given $48,000 to the Springfield Republican Party over the last six years - three times more than any other donor, campaign records show. The Springfield party is run by Charles Sexton, Karen Weldon's partner in Solutions Worldwide.

Gallagher said he contributed because he had known Sexton for 25 years. He said he never got work from Delaware County.

In 2003, Gallagher and Delaware County Republican chief Thomas J. Judge Sr. traveled to Serbia to see Sexton get an honorary doctorate. Gallagher said the degree was arranged by the wealthy Karics, who were banned from the United States because of their ties to the late dictator Slobodan Milosevic.

The Karics also hired Karen Weldon to try to improve their image. Gallagher said he did no business with the Karics.

In his forays to Russia and Eastern Europe, Gallagher wears many hats: sometimes private lawyer, other times an agent of U.S. antinuclear policy. Sometimes, the roles blur.

One example: Gallagher now serves as chairman of the United States Industry Coalition, a Weldon-backed, government-financed group that lines up private business ventures in Russia.

Shortly before Gallagher became a board member, the agency in 2001 helped set up a deal for him with one of Russia's leading software companies.

Gallagher's firm, CTG Software Inc., had no address, other than his law office, and apparently no employees. It was founded two days before the Energy Department announced it would fund the venture, which aimed to find software jobs for former weapons scientists.

About 12 months later, Gallagher dropped out without getting any of the federal money. The endeavor fell short of expectations, hiring far fewer scientists than planned.

Gallagher gets strong support from the industry coalition's former CEO, Victor Alessi.

"I am convinced that his involvement in this project was altruistic," Alessi said.

Some coalition board members said Gallagher had helped the organization as chairman.

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"One of the very strongest suits was his relationship with Curt Weldon," said former coalition chairman David C. Bell, president of Phygen Inc., a high-tech Minneapolis firm doing business in Russia. "Curt has been a friend of [the coalition]. It's nice to have friends in positions of power."

The former director of the Energy Department's nonproliferation programs said he "would not have chosen someone with a known close relationship with Weldon to be chairman of the board with [the coalition]."

"My goodness, it raises the appearance of a conflict of interest," said John Hnatio, who called Weldon a "major funder" of the program.

Weldon also was at Gallagher's side in a fight to help a young Russian crippled in an accident with a U.S. diplomat.

In 1998, U.S. Consul General Douglas Kent was uninsured when his SUV hit a Toyota in the Russian city of Vladivostok. Passenger Alexander Kashin, then 23, was left paralyzed.

Gallagher filed a federal suit in Philadelphia and gained wide attention in Russia. Protesters picketed the U.S. consulate in Vladivostok. "I thought... if we initiated suit, it could be settled very quickly," Gallagher said.

But the case lingered.

In May 2004, Weldon pushed Congress for a settlement, describing the case as a human-rights issue. He said the suit was filed by a "very prominent Russian lawyer in Philadelphia by the name of John Gallagher."

Congress took no action, and a federal court dismissed the case against Kent last month.

Kashin will never walk again, Gallagher said, but he hasn't given up trying for help from the U.S. or Russian governments.

Kent said he was confused by Weldon's role. "I could never tell whether Gallagher was working for Weldon or Weldon was working for Gallagher," Kent said.

The FBI is clearly interested in Weldon's actions in the Moldova affair, Gallagher said.

In that venture, Gallagher said he put up $500,000 of his own money and gathered the rest from a group of investors, several from Delaware County.

At first, he said, he received assurances from top Moldovan officials that the sale had the government's blessing.

He met with Moldova's prime minister and the man who later allegedly scammed him. The prime minister said, "deal with him," Gallagher said. He cited that incident in a 2004 deposition in a suit investors filed against him.

After Gallagher deposited the money in an Eastern European bank, he said, it disappeared. When Gallagher returned to Moldova, he said officials acted as though they didn't know him.

In 2003, Gallagher went to Weldon, who offered the amendment to cut off foreign aid.

"A longtime constituent of mine invested $2.5 million in Moldova," Weldon told Congress. "I have taken this matter to the president of Moldova on several occasions."

Weldon demanded that Moldovan officials recover the lost money. But he later withdrew the amendment to cut off aid.

Gallagher vowed to continue fighting to get the money back from Moldova because some investors are "dear friends."

"This isn't something I'm forgetting about because the FBI took the file," he said.

To view the U.S. Industry Coalition Web site for John J. Gallagher's firm, go to http://go.philly.com/usic

CORRUPTION'S SCENT (PHI)

By Dave Davies

The Philadelphia Inquirer, November 27, 2006

AS THE 2007 mayoral election season begins and Philadelphia pols engage in the predictable frenzy of raising money, spreading rumors, begging and bluffing for support, talking trash and trading gossip, something is different from past campaign chatter:

They're not sure who else may be listening.

Over the past four years, the FBI and federal prosecutors have gone on an anti-corruption crusade, nailing more than two dozen people on corruption charges and shaking the city's Democratic power structure to its core.

"I assume I have no confidential communications now. Everybody is mindful," said a politically active lawyer, who like many interviewed, spoke only on condition of anonymity.

Besides stirring uneasiness about who investigators are listening to, the probes and their legislative fallout have dramatically altered the rules for political fundraisers and donors.

The combined effect is an altered political climate for 2007.

"I think it's changed everything," said one Democratic ward leader, who also spoke on condition that he not be named. "Contributors are much more skittish. Out-of-town contributors just don't like to get involved in Philadelphia campaigns.

"There's new contribution rules, and a general sense of bad karma, bad weather, bad things happening, so maybe you should just stay away from Philadelphia."

The anxiety is widespread because the feds haven't focused on just one political organization in town. They've investigated - and, in two cases in particular, successfully prosecuted - a number of prominent pols from throughout Philadelphia's political landscape:

• The City Hall corruption probe nailed two of Mayor Street's friends and fundraisers as well as his city treasurer, several private businessmen and others.

• An investigation continues into State Sen. Vincent Fumo and a community nonprofit group he's associated with. So far, only two state Senate employees have been charged.

• City Councilman Rick Mariano and five businessmen were indicted and convicted. Mariano is now serving time in a federal prison.

• Authorities recently executed a search warrant at the home of labor leader and potential mayoral candidate John Dougherty. The exact nature of that investigation is unclear.

The investigations occur at the same time as national scandals involving congressional leaders in trouble for everything from campaign-finance violations to improprieties with congressional pages.

And in Philadelphia, pols are edgy.

"There's a shunning effect when somebody's name gets mentioned in an investigation," said one prominent Democrat. "There's a kind of guilt by association, then after a period of time, if nothing happens, it begins to heal."

U.S. Rep. and Democratic city committee chairman Bob Brady said if politicians are apprehensive about investigators, it's for good reason.

"It's devastating to an elected official," Brady said in an interview. "A rumor gets started that you're under investigation, and if the FBI says they'll neither confirm nor deny, you're in trouble."

In February, Brady fielded calls from numerous reporters who'd been tipped by political sources that his Washington office had been raided by the feds.

No media carried the story, and the FBI quickly issued a statement clearing Brady. But the episode demonstrated how prominently federal investigations figure in the city's political life now.

Another clear way that corruption probes have changed Philadelphia politics is the presence of new laws driven by the perceived need for reform.

Campaign contribution limits for city elections were enacted shortly after the 2003 election and modified in 2005, and other City Council ordinances now restrict contributions among those who want no-bid city contracts or financial assistance for development projects.

"That's a very tangible impact that will play itself out in this [mayoral] campaign," said Zack Stalberg, president of the Committee of Seventy, the nonpartisan political watchdog group. "Candidates will probably be raising and spending less money, and if you have to buy fewer TV commercials you'll have to figure out other ways to get your message across."

Brett Mandel, director of Philadelphia Forward, said the probe and ensuing reforms have pushed candidates in the right direction.

"You've seen candidates working to comply with the contribution limits, even when it's not so clear what they mean," Mandel said. "And when they cut corners, there are lawsuits and at the very least a shame factor that's made them defensive about it. The shame factor is something that's been missing in Philadelphia politics for a long time."

One question embedded in discussions of the probes is why U.S. Attorney Patrick Meehan has been so actively going after Philadelphia politicians.

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Meehan says when he came into the job in November 2001, he made public corruption a priority, and he notes that success in public-corruption cases tends to bring in more information about alleged wrongdoing.

"When it occurs to people involved in the [political] process that something will actually be done, they're more likely to bring issues to our attention," Meehan said.

Meehan has also gone after politicians in Norristown and elsewhere.

Another explanation is a new focus from the FBI on public corruption. Spokeswoman Jerri Williams said that when Robert Mueller became FBI director in 2001, "we shifted our priorities... . Public corruption became the number-one criminal priority."

"The cases aren't made by the U.S. attorney," said Peter Vaira, who was U.S. attorney here under Presidents Carter and Reagan. "You need agents, people on the street to follow up on leads."

In the end, Meehan said, politicians who do the right thing have nothing to worry about.

"It's conduct that invites scrutiny," Meehan said. "The investigations are determined by the actions of those who are investigated."

South Florida Corruption Capital Of U.S. (PALMBEACHP)

By Jane Musgrave, Palm Beach Post Staff Writer

Palm Beach Post (FL), November 27, 2006

South Florida is the public corruption capital of the country, according to the U.S. Department of Justice.

Between 1996 and 2005, a record-setting 576 people were convicted of federal corruption charges in the district that extends from Key West to Sebastian, according to the agency's most recent annual report.

That's far more than the 402 convicted during the same 10 years in Washington, D.C. or the 453 convicted in Chicago, where political machines have been rolling for decades.

New York City, another hotbed of government scandal, didn't even come close. A mere 374 people were convicted of public corruption charges during the last decade, the report shows.

Some political scientists said they were surprised South Florida beat out its more time-honored counterparts for the dubious distinction. But, having watched scandals rock the airport, numerous cities and other government agencies in Miami-Dade County, they said they expected it would be high on the list.

"If you had given me a multiple choice test and South Florida was one of the choices, I probably wouldn't have checked it," said Stephen Craig, a University of Florida political science professor. But if "all of the above" were an option, he said he would have recognized it as a player on the corruption scene.

The reasons South Florida has been plagued by public corruption are many and varied, observers say. Rapid growth, an influx of immigrants who may have a different view of how government business is run, skyrocketing land values and aggressive prosecution are all factors, political scientists said.

But attitudes are key, most say. "It reflects the political culture of the area," Craig said.

In the wake of the wide-ranging influence-peddling scandal involving lobbyist Jack Abramoff, it appears that prosecution of political corruption is increasing.

However, justice department officials say perception isn't reality.

"There's not been a sudden explosion in these types of cases," said Bryan Sierra, a justice department spokesman. "They've been there all the time."

The Abramoff scandal, with tentacles that reached dozens of members of Congress, was huge news across the nation.

"The profile of the cases increased, if not the volume," Sierra said.

Agency numbers shore up his claims.

From 1986 to 2005, the agency says, 23,602 federal, state and local officials and private citizens were charged with some form of public corruption. The most - 1,276 - were charged in 1987. Only 984 were charged in 1996.

The numbers increased steadily each year until 2004, when 1,213 people were charged. The number dropped slightly in 2005, when 1,163 people were charged with a variety of public corruption offenses.

Government To Appeal Acquittal Of Zucchet (SDUT)

By Kelly Thornton, Staff Writer

The San Diego Union-Tribune, November 27, 2006

Ex-councilman's lawyer calls move a 'mistake'

The government will appeal a federal judge's controversial decision to overturn a jury's guilty verdicts against former San Diego City Councilman Michael Zucchet.

San Diego U.S. Attorney Carol Lam, who lobbied heavily for permission to appeal, waited an unusually long time for approval from the Solicitor General's Office, an arm of the Justice Department that makes all decisions about appeals and represents the United States before the U.S. Supreme Court.

The approval, which took about a year, means Justice Department lawyers have concluded that the jury's verdict was correct, that there was sufficient evidence to convict Zucchet of trading political favors for money, and that it's likely a panel of the 9th U.S. Circuit Court of Appeals will agree.

A lawyer connected to the case said those involved were informed of the development by overnight letter late last week, but the Thanksgiving holiday might have delayed some notifications.

Zucchet and his lawyer, Jerry Coughlan, said yesterday that they had not yet been notified of the government's decision. Zucchet declined to comment, but Coughlan called the move “a dumb mistake.”

“They'll lose again because (U.S. District Judge Jeffrey T.) Miller was absolutely right. If the solicitor general made the decision on the law and the facts, it wasn't even a close call, but I also know this U.S. attorney's office put a lot of pressure on the solicitor general,” Coughlan said. Zucchet was indicted in 2003 along with former Councilmen Ralph Inzunza, Charles Lewis and strip club associates on extortion and honest-services wire-fraud charges. They were accused of scheming to deprive citizens of honest services by surreptitiously trading efforts to repeal a law banning touching between strippers and patrons for campaign contributions.

Zucchet, Inzunza and Las Vegas lobbyist Lance Malone were convicted by a jury July 18, 2005. Lewis died before trial. Malone's boss, strip club owner Michael Galardi, made a deal with the government and testified against the others. Galardi is scheduled to be sentenced in January.

In a stunning move a few months later, in November, Miller overturned a jury's guilty verdicts against Zucchet, acquitting him of seven corruption counts and granting a new trial on the remaining two counts.

During the same hearing, Miller also sentenced Inzunza to 21 months in prison, and Malone to 36 months in prison. Inzunza is free on bond pending appeal; Malone has agreed to drop his appeal as a condition of a subsequent plea bargain in a parallel corruption case in Las Vegas.

The government's opening briefs are due January 17. A response from the defense is due April 17, and the government has a month to reply. After that, it could be several months before arguments take place before a three-judge panel, and then up to a year for a decision.

The circuit panel could uphold or reverse the district court judge's decision to overturn the guilty verdicts. Or, it could split the decision by upholding some counts and reversing others.

In case of reversal, the jury's original verdict would stand. If the acquittal is upheld, the government then would have to decide whether tore-try Zucchet on the remaining two counts.

In making its decision on the San Diego case, the Solicitor General's Office assessed the likelihood that Miller's decision would be reversed, and evaluated the consequences should the government lose.

It's likely the government's appeal will focus in part on the controversial honest-services fraud statute and an instruction Miller gave to the jury that caused debate behind the scenes between prosecutors and the defense.

The defense argued that the statute is vague and jurors could mistake typical conduct of politicians – such as receiving contributions and later voting on matters affecting the contributors – for criminal conduct.

To protect the defendants from being unfairly convicted, the defense said the jury should be instructed that they can only convict on the honest-services wire fraud counts if they find evidence of a quid-pro-quo agreement between the defendant and the strip club employees.

The government argued that unlike the crime of extortion, which requires a jury to find a quid-pro-quo agreement, honest-services fraud does not require such proof.

The judge ruled in favor of the defense.

Miller reversed the conviction in part because he found no evidence of a quid-pro-quo agreement, and the prosecution has indicated that Miller's instruction to the jury will be an element of its appeal. The government is likely to argue that Miller erred when issuing this instruction.

To prove wire fraud under the statute, the government must show that the defendants planned to deprive citizens of honest services, it must show intent, and it must show that defendants used or caused someone else to use the mail or a wire communication – such as a telephone – to carry out the plan, according to a book of standard jury instructions by the 9th Circuit Court of Appeals in San Francisco.

Coughlan has said he would not be surprised if the case went to the U.S. Supreme Court based on the controversy over the honest-services statute.

While pursuing that angle, the government is also likely to appeal on grounds that the judge was simply wrong, that there was plenty of evidence of a quid-pro-quo agreement.

The jury convicted Zucchet of three extortion counts, one count of conspiracy, and five wire fraud counts. Miller, the district court judge,acquitted Zucchet of the three extortion counts and four of the wire-fraud counts. The judge granted a new trial on the remaining charges of wire fraud conspiracy and wire fraud.

Miller sided with Zucchet's lawyers, who argued that he could not be convicted because there was insufficient evidence of a quid-pro-quo agreement between Zucchet and the strip club owner or his representatives. Miller ruled there was no clear relationship between campaign contributions Zucchet received in 2001 and 2002 from Malone and the action he took on behalf of Malone in 2003.

At Malone's behest, Zucchet referred adult entertainment matters to the City Attorney's Office for review. The referral happened at a public meeting of the Public Safety and Neighborhood Services committee.

The councilmen and Malone arranged for a man posing as a concerned citizen to appear before the committee, asking that the politicians increase the required distances separating strip clubs from schools, churches and other clubs. The man, who gave a bogus address, was an employee of one of Galardi's Las Vegas strip clubs.

The distance requirement was intended to be a distraction for other council members and the media, the government maintained. The real plan was to sneak the no-touching matter onto the agenda.

Zucchet resigned his council seat after his conviction. Soon after his acquittal, he took a job with the Utility Consumers' Action Network, and he recently became vice president for development for downtown developer and former Port Commissioner Peter Janopaul.

Meanwhile, Inzunza's appeal is on the same schedule as the Zucchet matter.

Life As An FBI Mole In Berwyn (CHIT)

By Matt O'connor, Tribune Staff Reporter

Chicago Tribune, November 27, 2006

Former alderman brings bribery to light, but he lost his job and faced a mental breakdown

The Berwyn assistant mayor nodded toward Ald. Alex Bojovic and the two stepped into a City Hall bathroom near the council chambers, just as they had arranged.

The official, Sonny Stillo, handed $500 in cash, the first of two scheduled payoffs, to the alderman to vote for a controversial redevelopment.

And the whole transaction was captured on video.

Bojovic, it turned out, was more than an alderman--he was an FBI mole. He now explains that he had a tiny camera hidden in his clothes.

Earlier this month, Stillo was sentenced to 2 1/2 years in prison after pleading guilty to bribery in the case. Clifford Josefik, a developer also snared by Bojovic, is expected to plead guilty, possibly next month, according to court records.

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Because the cases didn't go to trial, Bojovic never was called as a witness to tell his story in detail. In his first interview since the probe of public corruption came to light, Bojovic (pronounced Boy-o-vich) described for the Tribune a tension-filled double life that he had to keep confidential even from his wife.

"Maybe my career is not in government; maybe it's in acting," he quipped of his success in winning the trust of corrupt insiders.

Bojovic worked nearly two years undercover, pocketing at least $15,000 in payoffs made public so far and tape-recording more than 400 calls and meetings.

Bojovic said he secretly tape-recorded others, in addition to the two men charged, and is hopeful that federal prosecutors will bring additional charges.

For face-to-face conversations, he was usually "wired" with a recorder strapped to the small of his back, its microphone sewn into the lapel of his navy-blue sports jacket, he said.

The Tribune interview of Bojovic, 45, took place in his heated garage, which he used as his political campaign office and was the scene of many of his undercover meetings.

Bojovic asked a reporter for identification. His son, Chris, 22, still concerned about his father's safety, stood nearby.

After his undercover role came to light, Bojovic had a security system installed at his residence.

`Rebel Yell'

Code-named "Rebel Yell" by the FBI (in apparent reference to his status as an outspoken maverick alderman), Bojovic seemed an unlikely government mole on the surface. A product of Berwyn's Regular Democratic Organization, he had become a staunch opponent of then-Mayor Thomas Shaughnessy's administration. He was a politically ambitious alderman with a penchant for publicity.

Current Berwyn Mayor Michael O'Connor, a former Bojovic political ally, said he was stunned that Stillo even talked to Bojovic, let alone grew to trust him. "Alex had a reputation of being an honest person," O'Connor said.

"Obviously, [Bojovic] had to take on the persona of someone they could trust," O'Connor said.

Bojovic said Stillo and an elected official who hasn't been charged were initially wary of him. In a restaurant meeting, he said both urged him to quit going to the news media with complaints, a favorite Bojovic tactic.

"I was told, `Keep your mouth shut. We'll make you a rich man,'" Bojovic said.

Bojovic said he convinced them that he was tired of fighting with them. He also toned down his rhetoric and less frequently questioned Shaughnessy administration policies and expenditures.

Bojovic doesn't regret his decision to work undercover for the FBI, he said, but it came at a price. He said he grew increasingly nervous at being wired, fearful that the hidden recorder would be discovered.

The stress mounted as he juggled his work, political and undercover schedules. He slept fitfully and broke down crying at least half a dozen times from the stress, he said.

Bojovic said his outgoing personality ebbed. Friends and family noticed a change, but he couldn't explain what was going on because of the confidentiality of the investigation.

"I wanted so bad to talk to my wife, Diane, or my brothers," said Bojovic, who has six brothers, including Branko, who was a Berwyn alderman at the time. "The agents I worked with were great. But I felt like I had no one to talk to."

The FBI even brought in therapists once to try to help him cope with the anxiety.

Feeling overwhelmed, he abruptly quit his job as public works director for the Village of Lyons.

According to a government affidavit, federal agents approached Bojovic in summer 2001 after an undisclosed intermediary had contacted the FBI and suggested Bojovic knew of corruption and would be willing to help.

Bojovic said he agreed to cooperate in his first face-to-face meeting with the FBI.

In the interview, Bojovic struggled a bit to explain his motivations for working undercover. He said he had grown frustrated that thefts of political signs during his re-election fight earlier in 2001 hadn't been investigated by police.

Pressed further, he expressed unhappiness that his calls on the council floor for action on illegal dumping and other problems went ignored.

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According to court records, Bojovic first won Josefik's trust. Over several months, Josefik sought the help of Bojovic, chairman of the council's Building, Zoning and Planning Committee, in his bid to buy the former Berwyn police station.

Swing vote

For an alleged $10,000 kickback from Josefik, Bojovic cast the swing vote as the council backed the sale, even though a church bid almost twice as much money for the property.

Bojovic described the vote as the toughest of his undercover role because it went against public sentiment. Many residents wanted the city to build a parking lot there, he said.

Next, Josefik set his sights on a dilapidated city-owned residence, charges alleged. In pleading guilty, Stillo admitted he rigged bids on the purchase to ensure Josefik would be the winner.

`Flip and flop'

In conversations recorded by Bojovic, Stillo laid out in detail his bid-rigging plans. "I know how to flip and flop," court records quoted Stillo as saying.

Armed with the tape-recorded evidence, federal prosecutors won court permission to hide a closed-circuit TV camera in the city clerk's office, the records show.

Bojovic said he supplied agents with a key to City Hall's front door to install the camera overnight.

The closed-circuit TV captured Stillo pulling four sealed bids inside a closed City Hall on a Saturday in November 2003. He returned them a couple of hours later. The highest bid was for $55,000, he later told Bojovic in a recorded call.

Five days later, on Nov. 13, Stillo returned to City Hall before it opened to the public and added Josefik's revised $56,000 bid to the pile, ensuring his would win.

It was that same day that Stillo met with Bojovic in his garage and offered $1,000 for the alderman's vote on the controversial plan to tear down a historic former bank building as part of the city's Super Block project, a major revitalization effort along Cermak Road.

That night, shortly before a scheduled council meeting, Stillo nodded at Bojovic, their pre-arranged signal to meet in the men's room. Stillo quickly handed over the first payoff--five $100 bills stuffed in an envelope.

At the council meeting, Bojovic delayed the Super Block vote after telling Stillo that he had to explain his flip-flop on the issue with constituents. But the council voted to accept Josefik's secretly rigged bid to buy the city-owned residence.

The undercover project ended less than two weeks later with Stillo's arrest. Bojovic said he forced the issue with the FBI because he refused to vote for the Super Block project in his undercover role. Bojovic said he feared the historic building would have been quickly razed if the vote had passed.

"They had the cranes ready," he said.

After Bojovic's undercover role became public, he said he struggled for more than two years to find another job in local, county or state government. "I made a name for myself--a rat," he said.

Lyons hired him back as public works director earlier this year.

Bojovic ran for mayor in 2005, making his undercover work the centerpiece of his campaign, but he lost handily in the Democratic primary.

He believes his undercover efforts, though, contributed to Shaughnessy's decision not to seek re-election.

While he has been out of public office since his 2005 defeat, Bojovic said he plans to run again for mayor in 2009.

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Undercover crime fighters

In the last quarter-century, moles have played a pivotal role in gathering evidence for federal authorities in some of Chicago's most successful corruption investigations:

JOHN CHRISTOPHER: A mob-connected contractor doled out more than $150,000 in bribes in 3 1/2 years of undercover work during the 1990s. The Operation Silver Shovel probe led to the convictions of former Chicago Ald. Lawrence Bloom, once the council's conscience, as well as five aldermen and six others. But Christopher received among the stiffest prison terms for engaging in wrongdoing while he cooperated with authorities.

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ROBERT COOLEY: A corrupt lawyer walked into the U.S. attorney's office in 1986 and said he wanted to help the government bring down the mob. His 3 1/2 years of undercover work in Operation Gambat exposed mob influence in City Hall and resulted in more than two dozen convictions of judges, mobsters, politicians, police officers and lawyers. In 1997 Cooley's testimony helped convict alleged mob hit man Harry Aleman in a historic retrial; Cooley had bribed a judge to acquit Aleman in the original trial.

TERRENCE HAKE: An idealistic assistant state's attorney upset over corruption in the Cook County court system. His cooperation in the early 1980s led to the landmark Operation Greylord investigation. In 3 1/2 years of undercover work, he fixed drunken driving, narcotics, robbery and other cases for FBI agents posing as criminals. Fifteen judges and dozens of lawyers and court personnel were convicted. As part of the probe, authorities bugged a judge's chambers for the first time in U.S. history.

MICHAEL RAYMOND: A con man who agreed to pose for the FBI as a corrupt business representative after his arrest in 1984 on a weapons charge. The FBI set Raymond up in a posh apartment in Lake Point Tower after installing cameras and listening devices. The Operation Incubator probe led to the convictions of 15 people, including Chicago aldermen, city and county officials and business people. Raymond died in a federal prison in 1996 while serving a life sentence for masterminding a murder in New York.

WILLIAM `B.J.' JAHODA: Managed a lucrative gambling business for one of the Chicago Outfit's most violent street crews when he decided to turn his life around in 1989. The government moved Jahoda into a Chicago apartment wired with video and audio recording equipment from which he operated undercover for six months. His testimony in 1991 led to the first convictions of organized crime figures in a murder-related case in Chicago history.

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Ex-McNamara Aide Faces Charge Over Campaign Work (DEN)

By Paul Egan

Detroit News, November 27, 2006

The federal government brought a criminal charge Wednesday against an aide to former Wayne County Executive Edward H. McNamara, four years to the day after agents raided the Old Wayne County Building and allegedly found political materials on the aide's computer.

Robert S. Wisler of Livonia is charged with theft of government property under $1,000. He is the third Wayne County official charged since the Nov. 22, 2002, raid on the seat of county government.

The charge is a misdemeanor, but allegations in the complaint suggest federal officials have linked political activity on county time to officials for whom Wisler worked as well as those he directed.

Wisler "assisted in election campaigns (and) received campaign assignments from his county superiors as well as requests from political candidates," the complaint alleges.

"He delegated campaign work to other county employees who helped him perform such work during normal business hours."

Wisler, knowing it was illegal, "used county-supplied equipment and infrastructure," and "spent a substantial amount of the normal business hours doing campaign work without taking time off to do so."

The alleged offenses occurred between January 1987 and December 2002. Wisler could not be reached for comment Wednesday.

Wisler worked on "special projects" in the office of McNamara, the longtime Wayne County executive who died in February. McNamara spokeswoman June West confirmed in December 2002 that Wisler was subpoenaed to appear before a grand jury in the McNamara investigation.

Wilbourne Kelley III, a former airport official, is serving a prison term on bribery and extortion-related charges.

Wade McCann, a former Wayne County assistant prosecutor who reported to the prosecutor, not McNamara, pleaded guilty to a misdemeanor for directing an intern to assemble a database of political donors on county time.

County officials said earlier this month the grand jury investigation continues.

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FBI: Verhotz Embezzled For 10 Years (AP)

AP, November 27, 2006

CLEVELAND - A former KeyBank vice president accused of embezzling $29 million bought a multimillion dollar home on Long Island and spent $1.1 million on his fiancee's engagement ring, investigators say.

David F. Verhotz, 56, also lived a double life, according to pretrial statements made by U.S. Attorney Justin Roberts. He said Verhotz had recently divorced his wife in Ohio but told his fiancee, who lived with him in New York, that the marriage had ended 10 years ago.

"Mr. Verhotz can't even be honest with his family and his fiancee," Roberts said at a hearing earlier this month. He said Verhotz also told his fiancee, Kim Chen, that he had two children instead of four.

Verhotz, who has been fired as the head of the bank's international loans unit, carried out his financial scheme for 10 years, according to the FBI. He had worked at the bank for 11 years.

According to prosecutors, Verhotz used fake names to steal the money and support a lavish lifestyle that included the purchase of a $5.7 million home on Long Island. He also had $2.2 million in an escrow account to buy a town house on New York City's Park Avenue.

Investigators said he poured money into his New York home, including spending $30,000 for a chandelier and $50,000 for landscaping.

The money authorities say he embezzled also went toward his children's college tuition, which, along with some of the other funds, can't be recovered. About $10 million of the $29 million he is accused of stealing over the last three years has been repaid, and investigators say they have accounted for another $11 million in property, bank accounts, jewelry and other purchases.

Investigators believe the rest of the money may be in accounts under fake names, Roberts said.

Verhotz's attorney, Carlos Warner, a federal public defender in Akron, did not immediately return a call Sunday.

The alleged scheme began when Verhotz, who made $110,000 a year working at the bank, apparently got a fraudulent loan to pay the $30,000 to $40,000 he owed in back taxes, FBI supervisor Scott Gilbert said. Over the years, Verhotz would take out more loans to make payments on previous loans to avoid suspicion, according to the FBI.

That pattern continued without detection until this month, according to prosecutors, although it's unclear how it was uncovered. Bank officials are auditing seven more years of his activities to determine how much they believe he stole.

"I'm not going to speculate what the number might be," KeyBank spokesman Mike Monroe said. "Our investigation is now working backward to those earlier years."

Verhotz committed at least some of the fraud using the made-up identity of a European bank executive named Thomas Henderson, who supposedly borrowed millions from KeyBank, Roberts said.

Verhotz was arrested Nov. 11 at Cleveland Hopkins International Airport after getting off a flight from Dallas.

He could face six to eight years in prison if convicted on charges of bank fraud and embezzlement from a federally insured bank. A federal magistrate has denied bail while Verhotz awaits trial.

KeyBank is owned by KeyCorp., which has more than 900 branches in Alaska, Colorado, Idaho, Indiana, Kentucky, Maine, Michigan, New York, Ohio, Oregon, Utah, Vermont and Washington.

Zoning Laws That Bar Pedophiles Raise Concerns (NYT)

By Laura Mansnerus

The New York Times, November 27, 2006

FRANKLIN TOWNSHIP, N.J., Nov. 21 — The man identified in court documents as A. B. does not talk to his neighbors or tarry at the convenience store. Seventy-seven years old, soft-spoken and sometimes confused, he hardly ever leaves the little ranch house he bought in 1969. “People know what’s what with me,” he said.

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What's what with A. B. is that he moved back here last year after serving seven years in prison for sexually molesting two grandchildren and another youngster. And because his home is in a "child safety zone" drawn by the township, he may be forced to leave it.

But the public defender's office in New Jersey, a state government agency, filed suit against the township on his behalf last month, claiming that the ordinance not only violates his right to due process, but also conflicts with a state law requiring that parole officers decide where registered sex offenders live. It is the first such case the agency has taken up, and could herald a curb on the rapidly proliferating local ordinances that threaten to push pedophiles to the fringes of civilization.

Such regulations — more than 100 have been enacted in New Jersey municipalities — are popular around the nation. More than 20 states have broad laws keeping sex offenders from schools, churches, playgrounds and the like. This month 70 percent of California voters approved expanding statewide restrictions to include more sex offenders, and authorized towns to designate even stricter limits.

On Long Island, the East Rockaway Village Board voted on Nov. 13 to add areas in which sex offenders are barred: Now they cannot live within 1,000 feet of day care centers, community centers, places of worship, libraries and recreational facilities. And the Village of Babylon announced Tuesday that it had evicted seven offenders who were violating its residency restrictions.

The steady march of more and more restrictive regulations, though, is sending sex offenders into rural territory, which in New Jersey and on Long Island is scarce — or worse, into vagrancy, law enforcement officials say. Now these officials fear that uprooting sex offenders makes them less stable and harder to track.

"It certainly makes our job difficult," said Thomas James, New Jersey's director of parole, explaining that because his officers often have to find housing and social services for offenders, their banishment by local governments is "an ever-increasing problem."

But Michael DiGiorgio, chief of police here in Franklin Township, said, "We're not telling any of these individuals they can't live in Franklin Township; they just can't live where the children are."

"That's the whole purpose of the ordinance," he added. "To protect children."

A. B.'s name is on the state's registry — "I'm broadcast on the Internet," he said — but he was identified by randomly chosen initials in court papers, and granted anonymity for this article, so as not to expose his victims. His lawsuit, filed in State Superior Court in Gloucester County, is one of a handful filed across New Jersey in recent months to overturn the local rules, part of a national wave of litigation that is beginning to follow the multiplying new laws.

An Ohio court ruled in October that the state's buffer-zone law could not be enforced against offenders who lived in such zones before it took effect. Citing several constitutional concerns, a federal judge in California issued a temporary restraining order barring enforcement of the residency restrictions set forth in the state's recent ballot proposition.

In Georgia, plaintiffs in a class-action suit include several offenders who would seem to pose little further threat: an elderly man with Alzheimer's disease and another living in a hospice, along with a woman whose long-ago conviction was for having consensual oral sex with a 15-year-old boy when she was 17.

Sex Allegations Swirled Around Md. Man Before (WP)

By Ernesto Londoã±o

The Washington Post, November 27, 2006

Before he was charged in recent weeks with abusing three minors, Stanley D. Schwartz had a clean record.

But allegations of sexual misconduct with underage boys by the 64-year-old patent lawyer were first made more than a decade ago, a Montgomery County detective said.

Jordan Satinsky said fellow detectives opened an investigation in 1992 after the Rockville man was accused of sexually touching at least nine Thomas S. Wootton High School male basketball players, whom he coached.

Schwartz also has been accused of inappropriate sexual conduct with boys between the ages of 13 and 16, whom he chaperoned on ski trips and hosted at his home as foreign exchange students, the detective said.

Satinsky said none of the previous allegations brought to the attention of police led to charges because they couldn't be corroborated and no alleged victims wanted to come forward.

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Schwartz's attorney, Sanford Berman, would not comment on the allegations or the supervisory roles that have placed Schwartz in close contact with male teenagers. He said his client should be presumed innocent unless proved guilty in court. He also said his client would not be available for an interview.

"We have no response to police allegations in the press," Berman said. "We respond to them in the courtroom."

Satinsky said he chose to disclose information about the earlier investigations because he believes others might be willing to come forward now that some have formally accused Schwartz of molesting them.

"I think he has been doing this for a very long time," Satinsky said.

Satinsky said Schwartz, a longtime Montgomery resident who has a law practice in Arlington County, has been estranged from most of his close relatives for more than a decade. He was married for nearly 30 years before his wife filed for divorce in 1997, according to court records.

Some of the teenagers said inappropriate sexual touching occurred after Schwartz had given them alcohol, the detective said.

Schwartz was apparently a volunteer coach at Wootton; a school system spokesman said he had never been on the system's payroll. Some of the allegations involving Wootton students were made to police after Schwartz took teenagers on out-of-state trips to help him do legal research, the detective said.

The ski trips Schwartz chaperoned also took place in the early 1990s, Satinsky said. They were apparently sponsored by a Fairfax-based program, the detective said. Its name could not be immediately determined.

Satinsky said it is not clear how far the past investigations got because they were conducted by detectives who no longer work at the department. He said he found notes in the investigation folder indicating that some teenagers came forward but were later asked by their parents not to pursue the matter.

Schwartz was arrested in October after a 15-year-old exchange student from Kuwait told detectives that Schwartz fondled him Aug. 27, according to a charging document. The document provides the following account:

Schwartz, who was acting as a surrogate guardian because the teenager's host parents couldn't take care of him that night, told the teenager he could sleep in Schwartz's bed. Later that night, Schwartz got in bed with him while he was sleeping.

Schwartz fondled him and told him that "American boys sleep in their underwear, not T-shirt and shorts."

The teenager left the bedroom, knelt to pray and later called his host parents, who picked him up and called police.

Satinsky said Schwartz has hosted about 30 foreign-exchange students at his home in recent years. All have been white or light-skinned male teenagers -- most are from Europe -- and were ages 13 to 16.

Satinsky said officials of San Francisco-based AYUSA International, the company that used Schwartz as a host parent for foreign-exchange students, have cooperated with investigators. A phone message left Wednesday for an AYUSA employee who handles media inquiries was not returned.

Schwartz was charged with sexual abuse of a minor, sex offense and assault in the exchange-student case.

Schwartz was arrested again Nov. 15 and charged with child abuse and sex offense after a woman and a man separately told police that he molested them in the 1980s when they were 13 and 15, respectively. He posted $100,000 bond in the first case, two $50,000 bonds in the second and third and was released awaiting the resolution of the cases.

Anyone with information may call Satinsky at 240-773-5421.

Lanier To Focus On Crime Hot Spots (WP)

By Allison Klein

The Washington Post, November 27, 2006

Cathy L. Lanier, chosen last week to lead the D.C. police force, said she plans to use "precision patrol teams" to reduce crime in certain parts of the city, focusing on the places and times when criminals are most apt to strike.

The patrols are part of a broader community policing strategy that Lanier hopes to push as head of the 3,800-member department. In an interview, she said she intends to give more authority to commanders and beat officers to customize their own crime-fighting programs.

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Targeted patrols have been used by police departments for years to combat spikes in crime. D.C. police have more than a dozen hot spots that get increased attention -- although not to the degree that Lanier is proposing. She created a model in 2002 when she was commander of the 4th Police District in upper Northwest and Northeast Washington. It reduced crime there, she said, and could have an impact citywide.

The precision patrol teams focus on crime hot spots and the "hot times" in which they occur, Lanier said. In the model Lanier used, officers blanketed areas in marked police cars with flashing lights to maximize visibility. The hot spots were relatively small -- about six square blocks each. But they were accounting for large shares of robberies, burglaries, vehicle thefts and other crimes. Crime dipped within 90 days, she said.

"What will make or break this is engaging the people who have to carry it out and engaging the people who have to live with it," Lanier said.

Lanier, 39, a 16-year force veteran, was selected by Mayor-elect Adrian M. Fenty (D) to replace Charles H. Ramsey in a job that is often a lightning rod for criticism and complaints. A protege of Ramsey's, she said she plans to build on his successes in reducing crime while making the department more responsive to residents. If confirmed by the D.C. Council, Lanier would become chief in January, soon after Fenty takes office.

"With community policing, there is not one template you can implement across the city," Lanier said in the interview last week. "Every neighborhood is different."

Lanier, who was offered the position by Fenty earlier this month, said she still is crafting her plans and provided few details about how the precision patrols will work. She has not yet assembled her command team.

She said that she wants to put more officers on the streets, but not necessarily by increasing the size of the force. First she wants to explore increasing efficiency. But in any event, she said, the police must do more: be more visible on the streets, address neighborhood concerns in all parts of the city and simply be more polite to the public.

"I want us to be innovative," she said. "I want us to change the way we do this to mirror a successful business."

Lanier most recently headed the force's homeland security division, a subject in which she holds a master's degree. But she has more than a decade of experience in patrol work, including stretches as an officer in the 6th District and as a commander in the 4th District.

She said she plans to rely on district commanders and officers to develop their own plans for dealing with disparate needs. Beat officers will get more freedom to work directly with residents and solve the problems they face -- a hallmark of community policing.

Some neighborhoods, especially those with an active night life, need a heavy presence of foot patrols at midnight. Others, mostly residential areas, need less, she said.

Residents in some high-crime neighborhoods have welcomed emergency tactics, including the occasional use of klieg lights to illuminate streets. People in other areas find the lights a nuisance and offensive, she said.

Wherever they are, Lanier said, police must be attuned to the people they serve. People walking into police stations should be greeted by someone who is polite and helpful, she said. Neighbors worried about yellow crime tape on their block should be able to get an answer from officers about what is happening there, Lanier said.

Fenty crisscrossed the city for two years before his election as mayor, listening to residents who at times fumed about crime, fear and their frustrations with police. Throughout the mayoral campaign, he touted his public safety fix: better community policing. He met Lanier while serving as the council member for Ward 4 and believed she shared his vision.

"Community policing" is a decades-old concept that has a broad meaning of building bridges to people and increasing police presence.

"Community policing has become a motherhood, apple pie catchphrase," said Brian Forst, a professor of criminal justice at American University. "It means different things in different places. If you look in New York City, it means arresting the turnstile jumpers. In Seattle it means bringing back Officer Friendly."

Lanier's talk of viewing the police force as a business is a staple of community policing, Forst said. "Managers have to manage by walking around; they have to get to know the customer," Forst said, and police must do the same.

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In Washington, officials have been promoting community policing since before Ramsey arrived in 1998. The city has more than 40 Police Service Areas, each with teams of officers who are expected to know community members and their concerns.

Lanier said she wants to "go to the next level" and cited her experience with the precision patrol teams as an example.

Neighborhood activist Sara Green, who lives in Takoma Park, said she thought Lanier did a fine job when she headed the 4th District, from 2000 to 2002. But Green wished she had stayed longer, saying the district has had too much turnover.

"I thought she was a real human being, as opposed to someone in a uniform who walked a bureaucratic line," Green said. "Some of these top police are very military. You have a feeling that no matter what your human problem is, they are long past an understanding of it."

Andrew Karmen, a criminologist and sociology professor at John Jay College of Criminal Justice in New York, said Lanier's goals seem attuned to victims' concerns. Karmen, who has written books about crime and victimology, said victims want police to show up quickly when they call, to be treated with sensitivity, for their case to be solved and for police to be transparent about what they're doing.

Lanier said she hopes to make better use of community resources and tap into local universities to have academics study police procedures. As with Ramsey, she wants to push officers to continue their educations, as she did in her own career.

She credited Ramsey for moving the department forward and said she will make her own imprint. "I think everything he's done is great," she said. "But I want to do things differently."

Spain's Lesson On Fighting Spousal Abuse (CSM)

By Geoff Pingree And Lisa Abend

The Christian Science Monitor, November 27, 2006

MADRID

Margarita's partner - a university ethics professor - had abused her from the beginning of their 14-year relationship. But after she got pregnant with their first daughter, the violence became intolerable. Still, she didn't file her first police complaint for six years.

"Domestic violence kills your self-esteem, and I needed help," says Margarita (not her real name). "But there's not much of a tradition in Spain of protecting women or of punishing offenders."

In 2005, the country seemed ready to chart a different path when its newly elected Socialist government introduced sweeping domestic-violence legislation. Yet almost two years after the law went into effect, Spanish courts are flooded with spousal-abuse cases and the number of women killed by their partners has risen.

Indeed, as officials from around Europe convene at a Madrid conference Monday to kick off a continentwide campaign against domestic violence, many in Spain have realized that legislation alone can't solve the problem.

"The law was a big step forward," says Eva Suarez, head of Amnesty International's domestic-violence project in Spain. "But a lot remains to be done before the rights that women have on paper become a reality."

Last Thursday, the number of women killed by their partners this year reached 61, surpassing 2005's total of 60. That number is lower than the 95 women killed so far this year in France, or the roughly two women killed each week in Britain. It also falls proportionately below rates in Denmark, Finland, and Sweden. But the problem is severe enough that Spain approved unusually comprehensive legislation to combat it.

The Law for Comprehensive Protection Against Domestic Violence, which went into effect in January 2005, stiffened penalties against abusers, provided greater social assistance to abused women, and created special courts and a government delegation dedicated to combating "gender violence." Unlike legislation in other European countries that treats prevention, punishment, and aid to victims as separate concerns, Spain's law does everything from appointing special prosecutors to providing victims with financial support to calling for less sexism in advertising.

That holistic approach was singled out in a report this year to the Council of Europe, the body organizing Monday's conference. In the latest of its efforts to secure the rights of women across the continent, the council is using the conference as a springboard for its "Campaign to Combat Violence against Women, including Domestic Violence." Through the campaign, which will run through March 2008, the council hopes to raise awareness, urge member states to deliver concrete results, and

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promote the implementation of effective measures for preventing and combating violence against women. Is the Spanish law one such measure? To be sure, it has had its successes.

"Before, there were no specific resources for domestic-violence victims. Now, there are," says Ana Herranz, a social worker who administers the Program for Abused Women under the direction of the Women's Institute in Madrid. "The fact that you can now denounce your abuser and get a restraining order, and that the man has to leave the house is an important change; it diminishes the degree to which women have to hide."

Better awareness of the problem has also dramatically augmented the numbers of women who report abuse; more than 100,000 have done so this year.

"We've seen a fourfold rise in the number of complaints filed by women in the past decade, yet just a small increase in the number of deaths," says Ángeles Álvarez, director of the domestic violence task force at Madrid's Women's Foundation. "So the situation has actually improved."

Nevertheless, there are clear failures. Thirty percent of the women killed this year had filed complaints against their partners. And the fact that Spain's death toll this year surpasses that of prelegislation years (50 victims in 2001; 54 in 2002), has many suggesting that the law has not been adequately enforced. Speaking at the Women's Foundation offices, which buzz with activity as staff members work phones at shared desks, Ms. Álvarez contends that the legal, social, and medical workers provided for by the law have not been adequately trained.

"We haven't seen real enforcement of the restraining orders," she adds. "And without enforcement, the orders are worthless." The jump in the number of legal complaints has also overwhelmed the 27 courts created to deal with domestic violence. "It's hard work taking care of this avalanche of abused women," says Ana Eisman, one of 260 court workers who earlier this month protested "intolerable" labor conditions.

"The government didn't foresee all the problems that would be involved in applying the new law, and we workers have been exploited," she says. "Our shifts are supposed to end at 3 p.m., but we usually have to stay until 7."

Yet this scarcity of resources may be less an obstacle than entrenched attitudes toward women. "We have to educate and reeducate an entire society," said Soledad Cazorla, prosecutor in Madrid's domestic-violence court, in an interview with El País newspaper. "We have to learn to believe in equality."

Ana María Pérez del Campo, president of the Foundation for Separated and Divorced Women, adds that Spaniards still resist taking domestic violence seriously. "Women here are denied credibility. For years, women have been denouncing domestic abuse, yet only 10 percent of their complaints are processed [in the courts]."

Margarita, who has lived free of her partner's abuse for three years, agrees that there is much to be done. "Domestic violence is a crime now," she says. "But that doesn't resolve the problem. The law is more talk than reality."

Ground Search For Minn. Boys Called Off (AP)

AP, November 27, 2006

RED LAKE, Minn. (AP) — Authorities called off a major ground search Sunday on the Red Lake Indian Reservation after they turned up no sign of two young brothers who have been missing since they went out to play Wednesday morning.

But FBI Special Agent Paul McCabe said authorities would continue pursing leads, and the effort to find 4-year-old Tristan White and 2-year-old Avery Stately was not over.

"We will not stop looking for Tristan and Avery until they are found," McCabe said.

McCabe said it's still unclear whether they wandered off or were taken. "We don't have any indication at this time that foul play is involved," he said.

Investigators had received around 70 phone tips, McCabe said, but none led to the boys so far.

The FBI last week offered a $20,000 reward for information that leads to the boys.

Falling temperatures had dimmed hopes that the boys could have survived in the woods. By Sunday, afternoon temperatures in the area were in the 20s, and there was a chilly wind out of the northwest.

McCabe acknowledged that the hundreds of searchers and volunteers were disappointed with the decision to call off the ground search.

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"They've all been so focused and so dedicated to finding these two children that it's somewhat discouraging for them to have to leave," he said. "They really wanted to find these boys."

Officials Call End To Air, Land Search For Red Lake Boys (MINNST)

By Terry Collins

Minneapolis Star Tribune, November 27, 2006

RED LAKE, MINN. - After five days of expansive searching, authorities called off the air and ground search Sunday for two young brothers who have been missing on this northern Minnesota reservation since Wednesday.

The investigation, however, will continue in the baffling disappearance of Tristan A. White, 4, and Avery Lee Stately, 2, last seen playing outside their home in the remote Walking Shield area.

"That's a promise," FBI special agent Paul McCabe said during a news briefing. "We won't stop until they are found."

Those sentiments were later echoed by Red Lake Chairman Floyd (Buck) Jourdain to dozens of people at a post-search gathering at the tribe's Humanities Center on Sunday evening.

Jourdain said that tribal officials are expected to meet today to "restrategize" their efforts, which will likely include searching on a much smaller scale.

"I can't say how much I've appreciated you taking the time from your families and your lives to help us try finding these two boys," Jourdain said. "Your efforts were not done in vain. ... It's not over."

The decision to halt the massive search, at times in freezing temperatures, came after scores of people -- including dive teams from three neighboring counties, unmanned aerial vehicles flying overhead and teams of search dogs that grew with each passing day -- came up empty.

"There is some disappointment that they couldn't help bring the kids home," McCabe said about the search parties. "But we feel confident that the search has been extensive and thorough."

McCabe said authorities will continue to investigate whether the boys wandered off or whether foul play was involved.

No evidence of foul play has been discovered, Jourdain said. He also said there has been no sign the boys were attacked by wild animals or fell into nearby small lakes. Other areas such as log piles were triple-checked, as were three bear dens discovered during the searches.

A hot line set up Friday has led to about 70 tips, double the total announced on Saturday, McCabe said Sunday. However, the tips have not led to any substantial leads.

Investigators will continue to pursue any possible leads, he added.

Meanwhile, several weary and befuddled volunteers attending the post-search gathering listened to what the next steps would be. They were assured repeatedly that the search to find Tristan and Avery won't stop.

"What will happen is what we call a limited continuance search," said Paul Burke, a consultant with the National Center for Missing and Exploited Children. If there is a significant piece of evidence or information, another large-scale search could commence, Burke said.

"If you hear or see something, tell the authorities so they can check it out," Burke urged them.

Burke also thanked them for the thousands of hours of going through woodsy areas, trying to find anything to provide clues to where the boys are.

"I gotta tell you, it's going to be hard for me to leave this place. The effort and energy put into this search for these two boys is deserving, and I know that the family appreciates it," Burke said. "Stick together."

Several Red Lake citizens could be seen comforting each other. Judy Roy, a former tribal secretary who lost to Jourdain in a hotly contested battle for chairman this summer, hugged her onetime opponent.

"Just call me if you need anything," Roy said to Jourdain, who nodded in appreciation.

Others, such as Red Laker Pete Neadeau, who'd spent the past four days searching, told Jourdain he'd be ready to search again if needed.

"If that's what the community wants to do," Neadeau said. "I'll be there."

Unbearable Tragedy In Pomona (LAT)

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The Los Angeles Times, November 27, 2006

The senseless death of a child raises concerns about the priorities of federal crime policies.

WHO COULD BEAR to write an epitaph for Ethan Esparza? Ethan was celebrating at his 4th birthday party Nov. 19, playing with a new toy car in the frontyard of his Pomona home, when a gunman stepped out of an SUV and began spraying bullets into the crowd of children. After being shot, Ethan lived long enough to scramble to his mother's room and spend his last moments gasping for breath in her arms. There are no words strong enough to express her agony or the depths of a community's sympathy.

Police departments don't have any words for such tragedies either, but they do have numbers. Statistics compiled by the FBI show that violent crimes nationwide rose 2.3% in 2005, the first such increase since 2001. Homicides were up 3.4%, and a separate report issued in September by the Justice Department showed a marked increase in gun violence last year.

A one-year statistical bump doesn't necessarily signal a trend, and crime statistics are always problematic because they're based on reported incidents; a jump might simply mean more people are going to the police, not that more crime is occurring. Further, nationwide crime patterns are extremely uneven: Violence is down in New York but up in Boston. Locally, police are concerned about a rash of gang attacks in the San Fernando Valley, but violent crime in Los Angeles as a whole has been declining for years.

But the country's top cops don't think the statistics are an anomaly. At a conference in August, about 300 police chiefs complained to FBI officials that a shift in national priorities toward fighting domestic terrorism was compromising their ability to fight conventional crime. Federal funding for municipal police work has been cut nearly in half since 9/11, diverted instead to anti-terrorism programs. At the same time, the Bush administration and Congress have significantly loosened federal gun-control measures such as the now-expired assault weapons ban.

On Wednesday, the Justice Department chose 18 regions for a study on why homicides are on the rise, including San Bernardino County and San Diego. Police chiefs hope this will lead to an increase in funding, but that's not likely. Atty. Gen. Alberto R. Gonzales has made it clear that they shouldn't expect much more help from the federal government.

It would be absurd to say that Ethan or the other victims of senseless violence died because of federal crime policies, but it's equally absurd to think one can make it easier for criminals to obtain deadly weapons without having an effect on the murder rate. Last year, there were nearly 17,000 homicides in the United States, five times the death toll from 9/11. It may be that our focus on Middle Eastern terrorists has distracted our attention away from a bigger, entirely homegrown threat.

Rape Is Rape (WP)

The Washington Post, November 27, 2006

IS IT RAPE if a woman agrees to have sex, then changes her mind after the act has begun and tells the man to stop? Not in Maryland, no matter how clear it is that the woman has withdrawn her consent. According to a ruling last month by the Maryland Court of Special Appeals, the state's intermediate appellate court, forcing a woman to continue to have sex against her will is not rape under common law and state court precedents. If this is a correct interpretation of the law, the law should be changed.

Perhaps the facts of the case produced this repugnant result. An 18-year-old Montgomery College student gave a ride to Maouloud Baby, then 16, and his friend. The friend -- who later pleaded guilty to rape in the incident -- had sex with the young woman in the back seat of her car. Then Mr. Baby said it was his turn. "He was like, 'I don't want to rape you,' " the student testified. She said she felt as if she couldn't refuse and agreed to have intercourse "as long as he stops when I tell him to." They began to have sex, she pushed him away and told him to stop, and, she testified, after "about five or so seconds," he did. Mr. Baby was convicted of first-degree rape and sentenced to five years in prison.

This isn't the strongest set of facts for a rape conviction, and a new trial for Mr. Baby seems warranted. But what's troubling is that, in granting the new trial, the court found that once consent is given and penetration occurs, no set of facts, however egregious, could produce a rape conviction. The court said it was bound by a 1980 ruling in which the Court of Appeals found that "ordinarily if [the woman] consents prior to penetration and withdraws the consent following penetration, there is no rape" -- though that case involved the opposite situation, where the woman refused to agree to have sex but gave consent afterward.

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Its conclusion, the court said, was further required by the common law understanding of rape, under which the crime is viewed as an infringement on the property rights of the woman's husband or father. The common law, the court said, "views the initial 'de-flowering' of a woman as the real harm or insult . . . after this initial infringement upon [her husband or father's] interest in a woman's sexual and reproductive functions, any further injury was considered to be less consequential. The damage was done."

The real damage is done by this ruling, which promotes an offensively archaic view of women and is out of line with other states that have considered the question. Only one state court (North Carolina) has agreed with Maryland, seven state courts have found to the contrary, and Illinois has passed a statute making clear that consent can be withdrawn. The Court of Appeals or the legislature should overturn this decision.

CIVIL LAW:

Spitzer Battles Wachovia's Dream Team In State-Power Court Case (BLOOM)

By Alison Vekshin And Greg Stohr

Bloomberg, November 27, 2006

Nov. 27 (Bloomberg) -- A lineup of legal heavyweights unusual even by Supreme Court standards is doing battle in a case pitting Wachovia Corp. against Michigan banking regulators.

Wachovia's side includes Walter Dellinger, Seth Waxman and Theodore Olson, all of whom served as solicitor general of the United States -- the government's top courtroom lawyer. Backing Michigan in its arguments to the court Nov. 29 are the other 49 states, led by New York Attorney General Eliot Spitzer, the state's governor-elect.

At stake is what Dellinger, 65, calls ``the single most important legal doctrine" for many U.S. industries: how free states are to impose stricter regulations than those set by the federal government. If Michigan and Spitzer prevail, says Dellinger, who served under President Bill Clinton, ``we're in danger of switching roles, where Europe has the great common market and we have the Balkanized economy."

The high court is being asked to decide whether federal oversight of Wachovia and other national banks extends to their state-chartered subsidiaries, immunizing them from state regulation of their mortgage businesses.

A decision favoring Michigan may lead some national banks to close their subsidiaries and move the services they perform into the bank, restricting the availability of credit and increasing its cost, banking industry officials say.

Drugs and Autos

The dispute also has implications beyond the banking industry, testing federal regulators' power to block more aggressive state oversight. A broad court ruling might affect the regulation of prescription drugs, autos and other consumer products -- all fields governed by federal agencies that have sought to curtail suits by individuals under state laws.

``It has potentially broad ramifications for the ability of state attorneys general to enforce consumer-protection laws," says Stephen D. Houck, executive director of the Center for State Enforcement of Antitrust and Consumer Protection Laws in New York.

Like Dellinger, Waxman, 54, served under Clinton, while Olson served under President George W. Bush and was part of the team that helped secure his legal victory following the disputed 2000 presidential election. All three were retained by groups backing Charlotte, North Carolina-based Wachovia, the nation's fourth-largest bank by assets.

Backed by Bush

Also lining up behind Wachovia is the Bush administration, which is urging the high court to give federal agencies wide latitude to override their state counterparts.

In recent years, the Food and Drug Administration, National Highway Transportation Safety Administration and Consumer Product Safety Commission all have sought to use their regulatory power to limit suits by consumers. Earlier this year, the FDA put a preamble on a product-labeling rule that would give the agency final say on what warnings drugmakers must provide to patients.

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Those efforts would get a boost if Wachovia wins a ruling that expands the authority of federal agencies, says Thomas W. Merrill, an administrative law professor at Columbia University in New York.

``This has become an issue of pretty considerable significance," Merrill says. ``There's been a lot of effort by federal agencies to make noise about pre-emption" as an indirect way of limiting injury lawsuits.

Stemming States' Efforts

A Wachovia victory potentially would stem the aggressiveness that has become a hallmark of Spitzer, 47, and other state attorneys general. In the past decade, state officials took the lead in pressing high-profile cases against the tobacco and securities industries and played a role in the government antitrust battle against Redmond, Washington-based Microsoft Corp.

State officials say they are alarmed by the prospect that the high court might let an administrative agency, the U.S. Office of the Comptroller of the Currency, or OCC, displace traditional state regulatory powers without explicit authorization from Congress.

``We are contending Wachovia Bank and Wachovia Mortgage are very distinct corporate entities," says Ari Faneuil, a spokesman for Michigan Attorney General Mike Cox. ``Congress has not given the OCC the authority to preempt state corporations."

Wachovia says its subsidiary, Wachovia Mortgage Corp., should be supervised by the OCC, the Treasury Department agency that oversees national banks.

`Inconsistent and Conflicting'

Wachovia argues that the National Bank Act and OCC regulations pre-empt state law governing operating subsidiaries in the same way as for national banks.

``From a practical standpoint, a decision for the states would result in a very difficult, inconsistent and conflicting regulatory environment for national bank operating subsidiaries," says Van Beck, senior vice president and attorney at Wachovia.

Michigan laws require a mortgage lender to register with the state, pay annual fees, submit financial statements and keep records for examination purposes.

``States very understandably desire to have jurisdiction over transactions within their borders and protect their citizens," says Peter Heyward, a partner in the financial services group at the Venable LLP law firm in Washington. ``National banks want to operate nationwide through their subsidiaries without having to deal with a patchwork of state laws."

Predatory Lending

Consumer advocates argue that states are better equipped to protect their consumers against predatory lending and other potential abuses because they are more familiar with and accountable to their constituencies.

``States should be allowed to play a role in protecting consumers against abuses by operating subsidiaries," says Amy Quester, a lawyer in the Washington office of the Center for Responsible Lending, a consumer-rights group. ``The OCC's focus is safety and soundness, but not protecting consumers."

The case began in 2003 when Wachovia Mortgage became an operating subsidiary of Wachovia Bank. After the mortgage lender said it would comply only with federal regulations, state officials banned it from operating in Michigan, prompting Wachovia to sue.

Precedent

Two federal appeals courts have ruled that the Wachovia subsidiary isn't subject to state banking regulation, and the Supreme Court in past years has tended to rule in favor of national banks and the comptroller of the currency.

``The comptroller has a very strong record in the Supreme Court," says Jonathan Macey, a Yale Law School professor specializing in corporate law and finance. ``When there are cases like this challenging the comptroller's power, the comptroller has tended to win."

At the same time, since Supreme Court intervention wasn't necessary to clear up lower-court disagreement, some attorneys suggest the justices might have taken up the matter in order to reinvigorate the regulatory rights of states.

``One possibility is that the Supreme Court is going to radically change pre-emption law and is going to reverse the lower courts' decisions," says Brian Brooks, a partner in the financial services group at Los Angeles-based O'Melveny & Myers LLP. ``The effect of that would reverse 200 years of banking law."

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When Don't Smoke Means Do (NYT)

The New York Times, November 27, 2006

Philip Morris has adopted the role of good citizen these days. Its Web site brims with information on the dangers of smoking, and it has mounted a campaign of television spots that urge parents, oh so earnestly, to warn their children against smoking. That follows an earlier $100 million campaign warning young people to "Think. Don't Smoke," analogous to the "just say no" admonitions against drugs.

All this seems to fly against the economic interests of the company, which presumably depends on a continuing crop of new smokers to replace those who drop out or die from their habit. But in practice, it turns out, these industry-run campaigns are notably ineffective and possibly even a sham. New research shows that the ads aimed at youths had no discernible effect in discouraging smoking and that the ads currently aimed at parents may be counterproductive.

That disturbing insight comes from a study just published in The American Journal of Public Health by respected academic researchers who were supported by the National Cancer Institute, the National Institute on Drug Abuse and the Robert Wood Johnson Foundation. Using sophisticated analytical techniques, the researchers concluded that the ads aimed directly at young people had no beneficial effect, while those aimed at parents were actually harmful to young people apt to see them, especially older teenagers. The greater the teenagers' potential exposure to the ads, the stronger their intention to smoke and the greater their likelihood of having smoked in the past 30 days.

Just why the costly advertising campaigns produce no health benefits is a rich subject for exploration. The ads are fuzzy-warm, which could actually generate favorable feelings for the tobacco industry and, by extension, its products. And their theme — that adults should tell young people not to smoke mostly because they are young people — is exactly the sort of message that would make many teenagers feel like lighting up. (Trial testimony has made it clear that the goal of Philip Morris's youth smoking prevention programs is to delay smoking until adulthood, not to discourage it for a lifetime.)

The most exhaustive judicial analysis of the industry's tactics, by Judge Gladys Kessler of the Federal District Court for the District of Columbia, concluded that the youth smoking prevention programs were not really designed to effectively prevent youth smoking but rather to head off a government crackdown. They are minimally financed compared with the vast sums spent on cigarette marketing and promotion; they are understaffed and run by people with no expertise; and they ignore the strategies that have proved effective in preventing adolescent smoking. The television ads, for example, do not stress the deadly and addictive impacts of smoking, an emphasis that has been shown to work in other antitobacco campaigns.

Philip Morris says it has spent more than $1 billion on its youth smoking prevention programs since 1998 and that it devised its current advertising campaign on the advice of experts who deem parental influence extremely important. But the company has done only the skimpiest research on how the campaign is working. It cites June 2006 data indicating that 37 percent of parents with children age 10 to 17 were both aware of its ads and spoke to their children about not smoking. How the children reacted has not been explored. And somehow the company forgot to tell the parents, as role models, to stop smoking themselves.

Philip Morris, the industry's biggest and most influential company, is renowned for its marketing savvy. If it really wanted to prevent youth smoking — and cut off new recruits to its death-dealing products — it could surely mount a more effective campaign to do so.

CIVIL RIGHTS:

50 Shots Fired, And The Experts Offer A Theory (NYT)

By Michael Wilson

The New York Times, November 27, 2006

It is known in police parlance as "contagious shooting" — gunfire that spreads among officers who believe that they, or their colleagues, are facing a threat. It spreads like germs, like laughter, or fear. An officer fires, so his colleagues do, too.

The phenomenon appears to have happened last year, when eight officers fired 43 shots at an armed man in Queens, killing him. In July, three officers fired 26 shots at a pit bull that had bitten a chunk out of an officer's leg in a Bronx apartment

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building. And there have been other episodes: in 1995, in the Bronx, officers fired 125 bullets during a bodega robbery, with one officer firing 45 rounds.

Just what happened on Saturday is still being investigated. Police experts, however, suggested in interviews yesterday that contagious shooting played a role in a fatal police shooting in Queens Saturday morning. According to the police account, five officers fired 50 shots at a bridegroom who, leaving his bachelor party at a strip club, twice drove his car into a minivan carrying plainclothes police officers investigating the club.

The bridegroom, Sean Bell, who was to be married hours later, was killed, and two of his friends were wounded, one critically.

To the layman, and to the loved ones of those who were shot, 50 shots seems a startlingly high number, especially since the men were found to be unarmed. And police experts concede that the number was high. Yet they also note that in those chaotic and frightening fractions of a second between quiet and gunfire, nothing is clear-cut, and blood is pumping furiously. Even 50 shots can be squeezed off in a matter of seconds.

"We can teach as much as we can," said John C. Cerar, a retired commander of the Police Department's firearms training section. "The fog of the moment happens. Different things happen that people don't understand. Most people really believe what it's like in television, that a police officer can take a gun and shoot someone out of the saddle."

The five officers involved in the shooting were placed on administrative duty yesterday — without their guns — as the Police Department and the Queens district attorney investigated the circumstances surrounding the shooting, and relatives of Mr. Bell, joined by the Rev. Al Sharpton, staged a rally and a march to demand answers.

The officers have not yet been interviewed by police investigators or prosecutors to give their account.

Again and again, the focus of the day returned to the number of bullets that went flying.

One of the officers fired more than half the rounds, pausing to reload, and then emptying it again, 31 shots in all, according to the police. Another officer fired 11 shots. The others fired four shots, three shots and one shot apiece, the police said.

But it is the total number of shots that shook and angered the families of the men and community leaders. "How many shots?" Mr. Sharpton asked yesterday, over and over, in a chant at a rally in a park near Mary Immaculate Hospital, where the wounded men were being treated. The crowd called back, "Fifty!"

Statistically, the shooting is an aberration. The number of shots fired per officer who acted in the 112 shooting incidents this year, through Nov. 19, is 3.2, said Paul J. Browne, a department spokesman. Last year, that number was 3.7 shots fired per officer in 109 incidents. They are down from 4.6 in 2000 and 5.0 in 1995.

But shootings with high numbers of shots fired, however rare, call to mind dark events of the city's past, like the 1999 killing of Gidone Busch, who was clutching a hammer when officers fired 12 times, and, most notably, the shooting of Amadou Diallo, an unarmed West African immigrant who died in a hail of 41 bullets, also in 1999.

In the 1995 Bronx bodega robbery in which officers fired 125 shots, the suspects did not fire back. "They were shooting to the echo of their own gunfire," a former police official said at the time.

The shooting on Saturday unfolded in a flash. An undercover officer posted inside the Club Kalua, a site of frequent drug, weapon and prostitution complaints in Jamaica, overheard an exchange between a stripper and a man that led the officer to suspect the man was armed, Police Commissioner Raymond W. Kelly said on Saturday. The undercover officer alerted the officers acting as backup outside — there were seven officers in all — about 4 a.m., setting into motion the events to follow later.

Eight men left the club and argued briefly with another man, with one from the group saying, "Yo, get my gun," Mr. Kelly said.

The eight men apparently split into two groups of four, with one group piling into a Nissan Altima driven by Mr. Bell, Commissioner Kelly said. As an undercover detective who had been following the group on foot approached the vehicle, Mr. Bell drove into him, striking his leg, before plowing into a minivan carrying two backup officers, the commissioner said.

The Altima reversed, mounting a sidewalk and hitting the lowered gate of a building before going forward and striking the van again. The officers opened fire, striking Mr. Bell, 23, twice, in the right arm and neck, Commissioner Kelly said. The critically wounded man, Joseph Guzman, 31, was struck 11 times, and the third man, Trent Benefield, 23, three times. Mr. Kelly said it was unclear whether there was a fourth man in the car and what became of him.

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A person familiar with the case who knows the detectives' version of events said yesterday that it was Mr. Guzman who asked for his gun, and that the first undercover detective on foot clearly identified himself to the occupants of the car and, gun drawn, told them to get out. Instead, the person said, they roared toward him. That detective fired the first shot.

In the ensuing barrage, one shot struck the window of a house, another a window at an AirTrain platform, injuring two Port Authority police officers with flying glass. It appeared that the Altima was struck by 21 shots, fewer than half of the number fired, the police said.

The whole thing most likely took less than a minute. The officer who fired 31 times could have done so in fewer than 20 seconds, with the act of reloading taking less than one second, Mr. Cerar said. The 49 shots that followed the undercover detective's first may have been contagious shooting, said one former police official who insisted on anonymity because the investigation is continuing.

"He shoots, and you shoot, and the assumption is he has a good reason for shooting. You saw it in Diallo. You see it in a lot of shootings," the official said. "You just chime in. I don't mean the term loosely. But you see your partner, and your reflexes take over."

The phenomenon of officers' firing dozens of shots at a time dates back in part to 1993 and the department's switch from six-shot .38-caliber revolvers, cumbersome to reload, to semiautomatic pistols that hold 15 rounds in the magazine and one in the chamber. The change, like any of its magnitude, followed years of studies and differences of opinion, and finally came in to effect after the 1986 murder of a police officer, Scott Gadell, who was reloading his six-shooter when he was fatally shot.

Commissioner Kelly, during his first term in the office, in 1992 and 1993, ordered a switch to semiautomatics, but ordered the clips modified to hold only 10 rounds. That modification was later undone, prompting him, after Mr. Diallo's shooting six years later, to speculate in a New York Times op-ed article, "Now may be the time to re-impose it and to intensify training that teaches police officers to hold their fire until they know why they are shooting."

Eugene O'Donnell, a professor of police studies at John Jay College, said a high number of shots fired underscores the threat the officers felt.

"The only reason to be shooting in New York City is that you or someone else is going to be killed and it's going to be imminent," he said. "It's highly unlikely you fire a shot or two shots. You fire as many shots as you have to, to extinguish the threat. You don't fire one round and say: 'Did I hit him? Is he hit?' "

Mr. Cerar said, "Until we have some substitute for a firearm, there will always be a situation where more rounds are fired than in other situations."

N.Y. Police Assailed For Bachelor Party Shootings (WP/AP)

By Deepti Hajela

The Washington Post, November 27, 2006

NEW YORK, Nov. 26 -- An angry crowd demanded Sunday to know why police officers killed an unarmed man on the day of his wedding, firing dozens of shots that also wounded two of the man's friends. Some called for the ouster of the city's police commissioner.

At a vigil and rally the day after 23-year-old Sean Bell was supposed to have married the mother of his two young children, a crowd of a few hundred counted off to 50, the number of rounds fired by the five officers.

At the gathering outside Mary Immaculate Hospital, where one of the wounded men was in critical condition, some in the crowd yelled, "Kelly must go," a reference to Police Commissioner Raymond W. Kelly.

The police officers' group 100 Blacks in Law Enforcement Who Care said it was issuing a vote of no confidence in Kelly over the shooting.

Paul Browne, chief spokesman for the New York Police Department, said Sunday, "We are continuing to look for additional witnesses to shed light on the incident, and assisting the district attorney's office with its investigation."

The five officers were placed on paid administrative leave pending the investigation, Browne said.

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The shootings occurred at about 4 a.m. Saturday outside Kalua Cabaret, a strip club where Bell's bachelor party was held. The survivors were Joseph Guzman, 31, who was shot at least 11 times, and Trent Benefield, 23, who was hit three times. Guzman was in critical condition Sunday and Benefield was stable.

The car, driven by Bell, was struck by 21 police bullets after the vehicle rammed an undercover officer and hit an unmarked NYPD minivan. It was unclear what prompted police to open fire or whether the shooters had identified themselves as police, Kelly said.

According to Kelly, the groom was involved in a verbal dispute outside the club and one of his friends made a reference to a gun.

An officer dressed in plain clothes and working an undercover operation inside the strip club walked closely behind Bell and his friends as they headed for their car. As the officer walked toward the front of the vehicle, the car drove forward -- striking him and a nearby undercover police vehicle, Kelly said.

That officer, who had served on the force for five years, was apparently the first to open fire, Kelly said. One 12-year veteran fired his weapon 31 times, emptying two full magazines, the commissioner said.

Bell backed the car onto a sidewalk, hitting a building gate, authorities said. He then drove forward, striking the police vehicle a second time, Kelly said.

The New York Police Department's policy on shooting at moving vehicles states, "Police officers shall not discharge their firearms at or from a moving vehicle unless deadly force is being used against the police officers or another person present, by means other than a moving vehicle."

Chief Vows To Review Shooting (AJC)

By Saeed Ahmed, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, November 27, 2006

Five days after an elderly woman was killed in a gunbattle that left three officers wounded, Atlanta police Chief Richard Pennington said Sunday night his department will review its policy on "no knock" warrants and its use of confidential informants.

Speaking for the first time since the Tuesday night shooting death of Kathryn Johnston at her home in northwest Atlanta, Pennington said his office "will turn over every stone to make sure we get to the reason why this tragic incident happened."

Pennington provided little new information on what led to the confrontation at 933 Neal St. when narcotics officers seeking to serve a warrant broke down the front door and exchanged gunfire with Johnston.

Earlier that day, a man named "Sam" had sold drugs from inside the house to an informant, police said, prompting officers to seek a "no-knock" warrant. Such warrants are frequently issued so police can get inside a home before suspects can destroy or flush drugs.

Johnston — described by neighbors and family as a frightened woman who had burglar bars on her windows and door and rarely let friends and neighbors into her home — had lived at the one-story brick home near the Georgia Dome for 17 years.

The police chief said officers found marijuana inside the house but "not a large quantity." Previously, police only said drugs were seized at Johnston's home.

Pennington was out of town last week for the Thanksgiving holiday and said he was unable to get a flight back to Atlanta earlier. He said he had not talked to the officers involved in the shooting, but he had been briefed by his commanders.

The chief said he did not know the contents of the sworn statement that police provided to a judge to obtain the warrant. "I will have it [Monday]," he said.

The Georgia Bureau of Investigation, at the request of the Fulton County District Attorney's Office, is looking into the incident, including examining the home to determine how many gunshots were fired in the confrontation. GBI spokesman John Bankhead said it will take several more weeks before results are available.

Pennington spoke with reporters at Lindsay Street Baptist Church after a meeting with civil rights activist the Rev. Markell Hutchins.

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Hutchins leaves for Washington this morning to deliver a letter to the U.S. Justice Department calling for a federal investigation into "what we believe are at worst, gross violations of this woman's life, and at best, poor judgment on the part of the police officers."

Pennington said he welcomes any investigation into the shooting.

Sunday night, Hutchins said he was satisfied with what Pennington shared, citing a law enforcement agency's "right to protect the integrity of its investigation."

"I did not ask him any confidential questions that I should not be privy to," he said. "I appreciated that he came down to reassure us that he will do everything that needs to be done to look into this."

Johnston's family could not be reached for comment. Hutchins, who is acting as their spokesman, said he had not had a chance to speak with them after he met with Pennington.

Also Sunday, the Fulton County Medical Examiner's Office corrected reports on Johnston's age. The family had said that Johnston was 92, but the medical examiner's office said records show she was 88.

Police described their suspect as a 6-foot-tall man weighing 250 to 260 pounds. Johnston's niece, Sarah Dozier, has said her aunt lived alone.

The officers were not wearing uniforms but had on bulletproof vests with "Police" emblazoned across the front and back. And they identified themselves as they burst through the doors, police said.

Johnston grabbed a rusty six-shot revolver and emptied it. Five shots struck the officers, hitting one of them three times. The other two were each hit once. The officers returned fire, shooting Johnston twice in the chest and elsewhere, police have said.

The three officers were released from the hospital the next day. They are on leave with pay.

Funeral plans for Johnston have not been made.

Staff writer Jeffry Scott contributed to this article.

When Public Schools Aren't Color-Blind (TIME)

By Julie Rawe

Time, November 27, 2006

Stephanie Brown admits thatÂ moving from a small Kentucky town into sprawling Louisville made her a "very paranoid" mother-- so much so that she won't let her kids play in the front yard unless she's with them. But she willingly puts Joe, 8, and Julianna, 6, on a bus every day for the 75-min. ride to a school in a rundown, mostly black neighborhood. The bus picks her kids up in their mostly white suburb at 7:30 a.m. and doesn't bring them back until 5 p.m. "It was a very hard thing to put my baby girl on a bus and let her go out into the world with people I don't know," says Brown, who is white.

Some 58,000 children crisscross Jefferson County on school buses in much the same manner, with 1 out of 7 of these kids traveling an hour or more each way. What's more, most of their parents--Brown included --are happy with the system. So much to-ing and fro-ing is a result of the school district's generally popular racial guidelines, which aim to keep the percentage of African Americans in any one school from falling below 15% or rising above 50%. The district as a whole is about one-third black.

Parents aren't simply bystanders in this numbers game. They can apply for the schools they want their child to attend--many have magnet programs that make it worth going that extra mile--and 92% of families wind up with their first or second choice. Even if some don't get what they ask for, race is never the sole factor in how assignments are made. "We look at choices first, we look at siblings, we look at capacity," says Pat Todd, the district's student-assignment director. "Race is way down the list."

The system, which has been in place for a decade, has made Jefferson County one of the most integrated school districts in the country. But if Crystal Meredith, a single mom who was told her son could not transfer to another elementary school because he is white, has her way, the whole thing will be dismantled. And plenty of critics agree that it should be. Meredith and others contend that the guidelines amount to an unconstitutional quota system. So Jefferson County finds itself in an ironic position. After years of court-ordered desegregation, the school district will appear before the U.S. Supreme Court next Monday, arguing that it should be allowed to use the same system voluntarily.

Jefferson County is one of two cases that will help the Supreme Court decide how--or if--race can be used to deploy kids across a school district. The court next week will also consider whether Seattle can continue to use a student's race as one of

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several tiebreakers when too many kids seek admission to the same high school. Taken together, these cases could represent, as Georgetown law professor James Forman puts it, "the last gasp of the integration movement."

The Jefferson County dispute has in some ways been brewing for more than a half century, ever since the Supreme Court in its 1954 Brown v. Board of Education decision outlawed school segregation. The busing battles that followed this landmark ruling were the stuff of civil rights lore. But in 1991 the court ruled that school districts could abandon that unpopular strategy and return to neighborhood schooling, even if that meant some schools would resegregate. That's what happened in many districts, and the proportion of black students attending nonwhite-majority schools has increased over the past dozen years from 66% to 73%. In some parts of the country, Latino segregation is even higher, according to Harvard University's Civil Rights Project. Many school districts have given up trying to break up racial concentrations and instead are working to deal with the achievement gaps that accompany largely segregated schools-- a de facto return to the separate-but-equal idea that Brown v. Board of Ed. sought to abolish.

Jefferson County has worked hard to avoid this first by racially gerrymandering school- attendance zones in the 1980s and then by instituting its 15/50 "managed choice" program in the '90s. This system has maintained not only integrated schools but also community peace. Despite all the long bus trips--the average ride for Jefferson County students is about 45 min.--77% of Jefferson County parents agreed that guidelines should be used to ensure diversity, according to a survey conducted in 2000 by the University of Kentucky. The district also assiduously tracks the percentage of the county's school-age children who attend public school, and in recent years, when private schools were gaining students nationwide, Jefferson County's public schools were inching up in "market share," from 76% in 2001 to 80% last year.

To keep things moving in that direction, the school district emphasizes customer service. In many neighborhoods, the buses stop every fifth of a mile. "Legally, we only have to put a stop every two miles, but we wouldn't be very popular if we did," says Mike Mulheirn, who oversees the school district's transportation system. "The seats," he notes, "are well padded."

All of this is paying off where elected officials feel it most--at the ballot box. School-board members who are pro-guidelines keep getting re-elected. Two years ago, when Meredith's lawyer, Teddy Gordon, ran for the school board, promising a return to neighborhood schools, he came in--as guideline advocates like to point out-- dead last. "I don't care if my children go to school on the moon as long as they are getting a good education," says Ronald Thomas, who lives downtown and sends his three children to school on a half-hour bus ride via the Interstate.

But critics offer a lot of complaints about the system, not the least being that some just find it galling. Why should schools that are more black than white be inherently suspect, even if they don't reflect the racial breakdown of the district as a whole? "It doesn't make sense," local PTA-board member Dreema Jackson says of the guidelines. "It's O.K. for the minority to be between 15% and 50%, but if you flip those percentages, a school is no longer diverse?"

Worse, by stressing racial balancing, critics say, you take the focus off improving educational outcome. Thirty years of seating black students next to white ones has failed to close Jefferson County's achievement gap. Black high school students still trail their white counterparts by 25% in reading-proficiency tests and by 34% in math. The gap is closely linked to factors like parents' education level and income, which no amount of school balancing is likely to fix. "We have the most integrated school system in the country," says Carmen Weathers, a retired Jefferson County schoolteacher. "That sounds good on a business brochure, but it has nothing to do with education."

Weathers, who is black, favors a return to schools that are all or mostly black because he thinks the teachers would be more attuned to the particular needs and learning styles of some black students. But where are those teachers supposed to come from? Raoul Cunningham, who heads the local chapter of the N.A.A.C.P., points out that it is harder to recruit experienced teachers to work in largely minority schools. Critics "blame all the ills of the current system on desegregation," he says. "Desegregation did not cause the achievement gap."

One challenge facing the Jefferson County school district is to convince the Supreme Court that racial integration not only does no harm but offers concrete benefits that would be lost without the guidelines. To help make this case, 553 social scientists--including professors at Harvard, the University of Hawaii and myriad institutions in between--have submitted a friend-of-the-court brief detailing how racial integration in schools reduces prejudice and prepares students to enter a diverse workforce. More support will come from a study to be released this week showing that blacks and Latinos perform better

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academically in integrated schools. Based on an analysis of No Child Left Behind data conducted by Doug Harris, an assistant professor at Florida State University, the study reveals that test scores of minority students in high-minority schools fall about 4 percentile points a year behind those of minority students in lower-minority schools.

Meredith's lawsuit seeks an end to the guidelines (and $25,000 in damages for her son, who was eventually admitted to the school that originally rejected him and is now a fourth-grader there). While dozens of civic organizations, the Louisville Chamber of Commerce and five former Secretaries of Education have sided with the school district, the Bush Administration has taken up Meredith's cause. The Solicitor General submitted a brief arguing that schools should not be in the business of racial balancing and that even Brown v. Board Ed. declared that public schools should ultimately admit students "on a nonracial basis."

The district fears that if the guidelines are overturned, the schools will quickly return to sorting themselves by race. PTA-board member Mary Myers is so concerned that she is organizing a bus trip to Washington so Louisville parents can protest outside the Supreme Court next week. "What in the world are we trying to go backward for?" she asks. In a sign of what might be coming, a judge in 2000 forced Jefferson County to stop applying the district's guidelines at an inner-city magnet school because the career academy offers unique programs--like legal services and veterinary science--that students can't get anywhere else. Since then, Central High, a historically black school, has seen its white population shrink from 51% to 18%. And this shift could mark the beginning of a vicious cycle. "The greater the racial isolation," says district administrator Pat Todd, "the more difficult it is to recruit children of different races."

Whatever the merits of Meredith's case, even her supporters can admit she is hardly the ideal plaintiff. She didn't attempt to sign her son up for kindergarten until August, despite numerous radio and TV announcements and signs posted in day-care centers and Laundromats reminding parents to apply for their choice of school by March. By the time Meredith (who declined to be interviewed for this article) did apply, most of the seats had been allocated. Cheryl Wirth, a waitress at Waffle House whose son attends a magnet school, thinks this alone ought to be enough to dispose of the case. "It's like life," she says. "You gotta stay on top of things." Myers, like many mystified locals, can't believe the suit has even gone this far. "In the end, [Meredith's] son is where she wants him to be," she says. "Would you dismantle a whole system over that?" With reporting by With reporting by Deirdre van Dyk / New York

ANTITRUST:

Airline Merger May Not Take Off (HC)

By David Ivanovich, Houston Chronicle Washington Bureau

Houston Chronicle, November 27, 2006

US Airways bid for Delta must clear regulators

WASHINGTON — A consolidation craze has taken off in the airline industry. But federal antitrust-busters may not be so keen to get on board.

With the nation's planes packed full and air fares flying high, US Airways Group's hostile bid to take over financially troubled Delta Air Lines could face a cool reception at the U.S. Justice Department.

"It's going to be a difficult deal to get through," warned Mark Schechter, a Washington antitrust lawyer and the former head of the Justice Department's Transportation, Energy and Agriculture Section. "If they do get it through, it's going to make the next deal even more difficult."

Wall Street is more optimistic the deal will fly. If so, many investors anticipate another proposal will arrive in short order.

"You may see some defensive plays ... as other carriers start looking down the road at who they could pair up with to protect their own market share," said Washington aviation attorney Josh Romanow.

Other airlines have certainly taken notice.

Larry Kellner, Continental Airlines' chief executive officer, already has said the Houston-based carrier might have to act if the airline industry changes.

And a Continental deal with, say, United Airlines, might prove less problematic with regulators than a US Airways-Delta union, JPMorgan analysts say.

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Earlier merger blockedWhen evaluating a merger, regulators try to ensure consumers aren't harmed by allowing air service in particular markets to be concentrated in so few hands the remaining carriers have the power to raise ticket prices dramatically.

But they must balance that aim with the need to help stabilize the U.S. airline industry in the post-9/11 world.

Knowing business travelers don't like layovers, regulators will pay particular attention to nonstop service between cities. A carrier offering the only nonstop flights between a pair of cities can afford to hike fares significantly.

Five years ago, for instance, the Justice Department moved to block United's proposed takeover of the old US Airways.

That deal made regulators uncomfortable because United and US Airways were the only carriers offering nonstop service from Washington to a number of cities. Those two also offered the only nonstop service from hub cities such as Philadelphia to Los Angeles.

But when America West declared its affection for US Airways, Justice officials gave that merger its blessing.

That's because the two carriers' route systems had little overlap. America West's operations were concentrated in the West, with hubs in Phoenix and Las Vegas, while US Airways focused on the East, with hubs in Philadelphia, Pittsburgh and Charlotte, N.C.

In a speech to regional air carriers last year, J. Bruce McDonald, deputy assistant attorney general for the Justice Department's antitrust division, called that merger, which created what is now US Airways, "an example of the kinds of mergers that may easily avoid antitrust problems."

US Airways and Delta's networks overlap significantly more — about 18 percent for service among the top 500 city pairs, a JPMorgan analyst team noted in a recent report. That deal would also reduce competition to a potentially unacceptable degree in about 11 city pairs, the JPMorgan analysts noted.

A combination of Continental's and United's route systems, in contrast, would overlap about 16 percent but would spark competitive concerns in only four cities — New York, San Francisco, Seattle and Kansas City, the report said.

Factors in favorUS Airways has said it thinks any antitrust concerns can be resolved.

In the last quarter of a century, US Airways officials say, no merger in which the purchaser had such a small share of the overall market — about 8 percent — has been challenged. And, they point out, of the 11 markets with overlapping nonstop routes, seven have competing service from nearby airports.

Delta's financial difficulties could also play a role. Regulators would prefer to allow a takeover reducing competition to go through than watch an airline be liquidated. That's why Justice officials cleared American Airlines' pickup of TWA.

Delta is operating under Chapter 11 bankruptcy court protection, but the carrier has said it plans to emerge from bankruptcy next year as a "strong, stand-alone carrier."

Despite US Airways and Delta's route overlap, the JPMorgan analysts peg the chance of obtaining approvals from both creditors and regulators at 80 percent.

But with seats more than 80 percent full and the airlines having been successful in raising fares repeatedly this year, Mike Boyd of The Boyd Group, a Colorado-based aviation consulting firm, doesn't believe regulators will be in any mood to open the door to a new merger wave.

"I think it'll get stopped here," Boyd said.

Facing new CongressIf Delta agrees to a takeover, US Airways will also have to face a new, Democratically controlled Congress. Lawmakers on Capitol Hill — virtually all of whom are frequent fliers — don't hesitate to express their displeasure about airline deals they fear could hurt their constituents.

Rep. James Oberstar, D-Minn., who will soon chair the House Transportation and Infrastructure Committee in the new Congress, hasn't taken a position on the proposal.

But he'll be asking "what is the impact on fares," noted Oberstar spokesman Jim Berard. "What is the impact on service, and what is the impact on competition? If you have US Airways and Delta merge and fewer seats serving the market, that normally drives up the prices."

"No airline merger will ever go under the radar screen," Schechter said.

What's So Great About Private Equity (WSJ)

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By Donald J. Gogel

The Wall Street Journal, November 27, 2006

What's so good about private equity? A lot. That's why private equity has emerged as a large, successful and growing asset class that attracted more than $300 billion in new investor commitments this year and that is responsible for more than 20% of total merger and acquisition activity in the U.S. and Europe in 2006. Put another way, as a chief executive once chided me, "Why can't a public company management team do every damn thing that you guys do when the company is private?"

Unfortunately, there are many reasons that public companies can't "just do it." Many public CEOs tell me that they feel like Gulliver bound by a thousand ropes: It is extremely difficult for public company CEOs and their management teams to focus and execute long-term strategies that require fundamental changes in business practices at the same time as they are responding to the cacophony of their many, multiple constituencies. In an economic environment riddled with land mines, then, private equity has several compelling structural advantages.

Better governance. This is a bold statement, but I believe private-equity firms today have a better governance model than public corporations. The "agency problem" fades away because the owners are a team of focused professionals who directly control (but do not manage) the business. Private-equity firms recruit industry and functional experts as directors who want tangible engagement with the business rather than a social forum; start off with a well-defined set of objectives to change business performance; insist on tight reporting requirements; and run board meetings that are issue-oriented, not show-and-tell.

A more stable shareholder base. The largely institutional investors that comprise most of the private-equity limited partner base define themselves as long-term investors. State and corporate pension funds and endowments for universities and charitable foundations have very long-term missions -- think 50 years or more -- and look to private equity to provide returns that are superior to the public markets. At least for these investors, who can select private-equity firms that routinely deliver top quartile performance, returns have not disappointed. Although recent internal rates of return have been exceptionally high due to faster-than-usual realizations, the long-term top performers in private equity have been able to outperform the major indices by well over 500 basis points. Accordingly, many sophisticated institutions have increased their allocations to "alternatives" to 15% to 20% and have reduced their traditional allocations to public equities and bonds by the same amount or more. Compound that out-performance over many years and the results are startling.

Opportunity to upgrade management talent. Private-equity firms recognize that people make all the difference and so have a relentless focus on drafting the very best talent. Private-equity firms today are a magnet for talent, and they typically seek to add several new managers in "skill positions" that really matter. Depending on the company, that could mean one or more new executives to head sales or marketing, finance or, sometimes, the entire business. I speak with two or three great managers a week, each seeking a position in a private equity-sponsored company. They are uniformly competitive, winning executives who are anxious to get back to what they love to do -- build businesses. Today more than ever, it is easy for private-equity firms to attract world-class managers, offering both management freedom and innovative, stock-based compensation plans. More job satisfaction and more money are hard to beat.

Resetting Expectations. A change in ownership offers a great opportunity to reconsider assumptions about how a company gains and sustains its competitive advantage. A fresh look at the business, unencumbered by legacy strategies and investments, is usually the starting point for good private-equity investors, and often leads to reallocation of capital, new research and product priorities, emphasis on different market segments and sharper understanding of a company's competitive cost position.

When a buyout occurs, it is a big event, and everyone from the CEO to first line supervisors in the field to vendors and customers expects change and a higher bar for performance. As the industrial sociologists have known for years, this period of heightened expectations creates a wonderful climate for innovation. The first year of a buyout is an unparalleled chance for the management team, backed by the new owners, to demonstrate that things will change.

More efficient capital structures. Private-equity firms are comfortable using significant -- but safe -- levels of debt to finance a significant portion of their investments. As a period of unequalled liquidity has swept the world capital markets in the past few years, private-equity firms have capitalized on low interest rates and relatively loose covenants to shape capital structures that improve likely returns on equity. Public companies could do the same -- but are reluctant to do so, clinging to more conservative goals of maintaining historical debt ratings.

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A sense of urgency. Private equity owners bring a sense of urgency to the entire business. This reflects a realization that global forces erode a company's competitive position every day that the management does not act to deliver more value to its customers. Speed of execution itself becomes a competitive advantage that is squandered by companies that manage by committee and fail to seize opportunities.

These are powerful advantages that are only compounded by the ways that professionals in private-equity firms have learned to deploy capital. Supremely opportunistic, they recognize that the flexible and transitional nature of their capital means that they can fill spots in the global restructuring environment that public company capital cannot. They have established a highly effective form of financing and governance that enables large struggling corporations to remain competitive in response to the rapid changes in the global economy. They "just do it." Many public companies struggle to keep up.

Mr. Gogel is president and chief executive of Clayton, Dubilier & Rice, Inc., a private equity firm.

Chinatrust Official Resigns As Inquiry Probes Role In Deal (WSJ)

By Perris Lee Choon Siong

The Wall Street Journal, November 27, 2006

TAIPEI, Taiwan -- Chinatrust Financial Holding Co., a banking company and major credit-card issuer, said its vice chairman, Jeffrey Koo Jr., resigned Friday.

The company didn't give a reason for the resignation, but Mr. Koo's departure comes as Taiwan prosecutors probe his role in the financial group's unauthorized purchase of rival Mega Financial Holding Co.'s shares.

A Chinatrust Financial public-relations official wouldn't say whether Mr. Koo is still abroad. Company officials had said earlier that he would return to Taiwan on Nov. 18.

The Taipei Prosecutors Office issued an arrest warrant for Mr. Koo on Thursday after investigating the transaction for more than a month. Fred Lin, a spokesman for the prosecutors office, wasn't available for comment Friday.

The investigation has led to detentions of senior company officials and resulted in a management shuffle at the financial group.

In October, prosecutors detained Chinatrust Financial General Counsel Y.D. Deng, Financial Investment Division Vice President Sean Lin and former Chief Financial Officer Perry Chang on alleged breach of trust and violation of banking law. Chief Strategic Officer Lin Shiaw-pin resigned this month, while the general auditor, Thomas Chen, was moved to a different position.

U.S. Firm Shelves Deal Amid Probe (WT)

By Andrew Salmon, The Washington Times

The Washington Times, November 27, 2006

SEOUL -- A U.S. company has pulled out of a multibillion-dollar deal with a leading South Korean bank, citing an extended criminal probe that some investment analysts view as a dangerous outburst of hostility toward foreign investment.

At stake is a deal that would have netted the Dallas-based Lone Star Funds an estimated $4 billion with the sale of the once-ailing Korean Exchange Bank (KEB), which it purchased three years ago, rehabilitated and had planned to sell to Kookmin Bank.

"We have concluded that we cannot move forward with the sale of KEB to Kookmin Bank due to the continuing investigations, which have been extended several times and now have no firm completion date," Lone Star Chairman John Grayken said in announcing the decision late last week.

Lone Star acquired the near-bankrupt KEB in 2003 for $1.2 billion. In March, Lone Star agreed to sell its controlling stake in KEB, whose financial status has turned around dramatically, to Kookmin Bank, Korea's biggest lender.

The sale was expected to be completed by the summer, but has been indefinitely delayed by a massive investigation into the deal.

Prosecutors say they are probing whether Lone Star colluded with government officials and former executives of KEB to overstate the bank's financial woes to drive down the purchase price. Prosecutors say they also suspect that Loan Star and KEB manipulated the stock price of a KEB credit-card subsidiary prior to the original purchase.

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Foreign investors and financial analysts view the investigation as a warning to outsiders interested in doing business in South Korea, raising objections that echo arguments heard when political pressure forced Dubai Ports World to back out of a deal to manage six U.S. ports earlier this year.

"I think it's a disturbing development as foreign investors are not convinced that this is a predictable market," said Tami Overby, president of the American Chamber of Commerce in Korea. "It is troubling."

"There needs to be alacrity by the authorities," said Hank Morris, a finance specialist at the Seoul-based consulting firm IRC Ltd. "They have to say there is a case or no case, and proceedings must be fair."

The investigation involving 70 prosecutors has lasted for eight months with no indictments issued. South Korean courts last week turned down prosecutors' fifth request for an arrest warrant for Paul Yoo, Lone Star's top executive in South Korea. That hasn't stopped prosecutors from hauling Mr. Yoo in for questioning -- 24 times since the investigation began.

Some analysts expect Lone Star to extract dividends from KEB until investigations are complete, then put out a renewed tender to sell.

Kookmin CEO Kang Chung-won told reporters that he expected Lone Star to sell KEB "eventually," and said Kookmin might rebid.

In the wake of the 1997-98 Asian financial crisis, U.S.-based private-equity funds snapped up, turned around and resold a number of distressed South Korean assets, leading newspapers here to dub them "vulture funds."

Lone Star's KEB deal was slated to make the biggest profit of all, though many attributed the KEB turnaround more to a Korean economic upturn than to Lone Star's management. But against a background of public anger at Lone Star's anticipated windfall, Kookmin refused to pay until all the investigations are concluded.

"Once the investigation is finally completed, we will again consider our strategic options," Mr. Grayken said. "Until then, we will continue to vigorously defend our company and officers against the prosecutors' groundless accusations."

Mr. Grayken spoke on Thursday, a week after a Seoul court issued detention warrants for the fund's vice chairman and its legal counsel, both of whom are in the United States. An extradition process has reportedly begun, though few expect a U.S. court to extradite the two.

ENVIRONMENT:

High Court To Weigh Climate Change Case (AP-Y)

By H. Josef Hebert

AP, November 27, 2006

The Supreme Court hears arguments this week in a case that could determine whether the Bush administration must change course in how it deals with the threat of global warming.

A dozen states as well as environmental groups and large cities are trying to convince the court that the Environmental Protection Agency must regulate, as a matter of public health, the amount of carbon dioxide that comes from vehicles.

Carbon dioxide is produced when fossil fuels such as oil and natural gas are burned. It is the principal "greenhouse" gas that many scientists believe is flowing into the atmosphere at an unprecedented rate, leading to a warming of the earth and widespread ecological changes. One way to reduce those emissions is to have cleaner-burning cars.

The Bush administration intends to argue before the court on Wednesday that the EPA lacks the power under the Clean Air Act to regulate carbon dioxide as a pollutant. The agency contends that even if it did have such authority, it would have discretion under the law on how to address the problem without imposing emissions controls.

The states, led by Massachusetts, and more than a dozen environmental groups insist the 1970 law makes clear that carbon dioxide is a pollutant — much like lead and smog-causing chemicals — that is subject to regulation because its poses a threat to public health.

A sharply divided federal appeals court ruled in favor of the government in 2005. But last June, the Supreme Court decided to take up the case, plunging for the first time into the politically charged debate over global warming. The ruling next year is expected to be one of the court's most important ever involving the environment.

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"Global warming is the most pressing environmental issue of our time and the decision by the court on this case will make a deep and lasting impact for generations to come," says Massachusetts' attorney general, Thomas Reilly.

David Bookbinder, a lawyer for the Sierra Club, says a legal clarification of the EPA's authority could determine whether the current administration must regulate carbon dioxide emissions and whether a future one will be able to demand such limits.

At issue for now is pollution from automobiles. But the ruling indirectly may affect how the agency deals with carbon dioxide that comes from electric power plants.

In a separate lawsuit, the EPA says the Clean Air Act also prevents it from regulating such emissions from those plants. That claim would be undercut, Bookbinder says, if the high court rules in the states' favor in the auto emissions case.

President Bush has rejected calls to regulate carbon dioxide. He favors voluntary steps by industry and development of new technologies to reduce the amount of greenhouse gases released into the atmosphere.

"We still have very strong reservations about an overarching, one-size-fits-all mandate about carbon," James Connaughton, chairman of the White House Council on Environmental Quality, recently told a group of reporters.

The administration says in court papers the EPA should not be required to "embark on the extraordinarily complex and scientifically uncertain task of addressing the global issue of greenhouse gas emissions" when other ways are available to tackle climate change.

The United States accounts for about one-quarter of the world's greenhouse gas emissions. The amount of carbon dioxide from U.S. motor vehicles, power plants and other industry has increased on average by about 1 percent a year since 1990.

Now that Democrats will control the House and Senate in January after their election victories this month, there is expected to be increased pressure in Congress for mandatory limits on carbon emissions.

The election results "have signaled a need to change direction" on dealing with global warming, three Democratic senators who will play leading roles on environmental issues recently wrote the president.

But whether there is such a shift actually may depend, in the end, on the Supreme Court.

Plaintiffs in the suit are California, Connecticut, Illinois, Maine, Massachusetts, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont and Washington. They were joined by cities such as Baltimore, New York and the District of Columbia; the Pacific island of America Samoa; the Sierra Club; the Union of Concerned Scientists; Greenpeace; and Friends of the Earth.

The case is Massachusetts v. Environmental Protection Agency, 05-1120.

A Texas Mess Over Coal (USNEWS)

By Bret Schulte

U.S. News and World Report, November 27, 2006

Proposed plants have stirred a clean-air uproar

That mantra of Lone Star State toughness, "Don't mess with Texas," actually began as an antilittering campaign back in the 1980s. While the campaign saw some success, the energy-producing state has proved less capable in cutting back on other pollutants. According to the American Lung Association, both the Houston and Dallas-Fort Worth areas are in the nation's top 10 for highest ozone levels, a major component of smog.

Now, some Texans fear their air will be further, well, messed with. The state is seeking permits to build some 16 new coal-fired power plants. And the Lone Star State isn't alone. Though talk of clean energy dominates the headlines, cheap, plentiful coal is staging a quiet comeback. According to the Department of Energy, 154 coal plants are being proposed nationwide, enough to power 93 million homes. While power grids nationwide are surely strained, the crush of new coal plants--typically dirtier than natural gas--is sparking brawls at state and local levels.

Gamble. But the old not-in-my-backyard fight over power plants has a new wrinkle, global warming-potential ammo for environmentalists and motivation for utilities. Analysts say the rush to build new plants is a calculated gamble by utilities that the federal government is poised to impose historic curbs on greenhouse gases-particularly with Democrats ensconced in Congress. By building now, utilities may grandfather in a new generation of plants that won't be required to bear the full brunt of

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future laws. Utilities say they're simply trying to meet the burgeoning demands of a growing country. But environmentalists aren't buying, and they vow to fight the coal plant expansion in every available forum.

In something of a twist, energy-friendly Texas has become the closely watched ground zero in this battle. Gov. Rick Perry expedited the permitting of the coal plants in October 2005, when he was under pressure from energy price hikes that came about in the wake of deregulation of the state's energy market back in 2002. Some customers saw electric bills jump 80 percent, in part because of rising natural gas prices and, some say, a botched formula that determines the rates charged by the biggest providers. Coal plants, Perry argued, would drive down costs and give a much-needed boost to the state's power grid. Earlier this fall, a report by the North American Electric Reliability Council buttressed at least part of Perry's argument, saying Texas is among regions most at risk for grid failure because future demands are expected to exceed capacity. "We need to make sure Texas stays ahead of the demand for energy," says Perry spokesperson Kathy Walt.

Green groups. But a bipartisan coalition of 21 Texas cities and counties, as well as environmental groups, says conservation and renewable energy could reduce the strain on the grid. And the groups argue that the proposed fleet of pulverized-coal plants-standard technology but short of cutting-edge-isn't the answer for an already polluted state. Plus, pulverized coal releases more carbon dioxide, a greenhouse gas, than do other options. Dallas Mayor Laura Miller, who leads the coalition, called the proposal "just mind boggling." Miller has "panhandled" across the state recruiting supporters and raising money for a fight to block the plants as currently proposed. Miller is using the $500,000 that's been raised to hire health and air-quality experts to testify before the Texas Commission on Environmental Quality, which oversees permitting for the plants. At hearings beginning this week, Miller's coalition may argue that the commission didn't force energy companies to review all "best available technology," as required by federal law. The coalition believes that fledgling coal-gasification technology--producing a dramatically lower level of pollutants--should be considered.

10 Questions For Al Gore (TIME)

By Carolina A. Miranda

Time, November 27, 2006

Al Gore's reinvention keeps rolling. His interactive cable network for young people, Current TV, is available in 30 million homes in the U.S. An Inconvenient Truth, Gore's global-warming slide show turned hit film, is the third highest grossing documentary of all time and debuted on DVD last week. Gore, 58, talked with TIME's Carolina A. Miranda about his Hollywood role models, the steps he has taken to be carbon neutral and whether he'll run for President in 2008.

Given your star turns at Cannes and Sundance and the success of your documentary, should Brad Pitt worry?

Nah! I'm trying to follow in the tradition of Rin Tin Tin. I would like to have my paw print in front of [Grauman's] Chinese Theater. But I'll have to hold a lot more slide shows before that's possible.

Can audiences expect more show-business credits in the future?

My previous work, as you may know, was as a disembodied head in Futurama. I played opposite Richard Nixon. They're making a movie version where I will reprise my role. There are a number of people clustered in a certain age group who are quite taken with the fact that I once uttered the immortal line "I have ridden the mighty moon worm!"

How did a lecture on climate change become such a hit?

I've had a powerful ally in reality. Global warming is now clearly the overriding challenge of our time. Nations around the world are waking up to it and putting in place new policies. Of course, much more is needed, but the good news is that much more change is on the way.

There are many people who still doubt the science. Senator James Inhofe, head of the Senate's environmental committee, has condemned global-warming science as "hoax."

There's some good news here. Senator Inhofe will soon be replaced by Senator Barbara Boxer, an advocate of solving the crisis, as chairwoman of that committee. As to why there are still skeptics--there are people who believe that the moon landing was staged in a movie lot in Arizona. Another reason is that some of the largest polluters are still putting millions of dollars a year to hire pseudo scientists to confuse people into thinking that this crisis isn't real.

In proposing a solution to this problem, you are asking people to change their lifestyles. How feasible is that?

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The grass-roots response has been impressive. There are 330 U.S. cities that have independently embraced the Kyoto treaty. And millions of Americans are deciding to become carbon neutral.

Your critics on the right say that with all your jet-setting, you don't live as carbon neutral as you preach.

That's just not true. Two years ago we became a carbon-neutral family. I purchase Green Power [electricity from renewable sources], have installed new lightbulbs and clock thermostats, and I'm installing solar panels. We switched to a hybrid car. I am not recommending actions that I haven't already taken myself.

Soon there will be a new Democratic Congress in town. Do you think it will seriously tackle this issue?

Yes, I do. It remains to be seen, of course--in deeds, not only words. It will be difficult. But I think that the odds of meaningful change in U.S. policy have improved quite dramatically since the election.

Should ratifying the Kyoto Protocol be a priority?

We should ratify it, but this will be very difficult so long as Bush and Cheney remain in the White House and there is a narrow majority in the Senate.

Speaking of that narrow majority, there is talk that your former running mate, Joe Lieberman, will defect to the Republican Party. Do you think that's likely?

I'd be surprised, but I really don't know. Joe has always been a leader on the issue of global warming. It's one of several issues where he would find himself in uncomfortable company if he changed parties.

You have stated repeatedly that you are not currently planning to run for President in 2008. Do you have a more creative denial?

I don't have any plans to run. Nor do I have any creative denials. I'm using the same ones. They'll soon be out on DVD.

Power Surge After Decades, A Solar Pioneer Sees Spark In Sales (WSJ)

By John J. Fialka

Wall Street Journal, November 27, 2006

AUBURN HILLS, Mich. -- Stanford R. Ovshinsky has spent 40 years -- and millions of dollars in backing from various partners -- pursuing his dream. He wanted to build a huge machine that would make giant sheets of material that can generate solar power.

"I said we are going to make it by the mile," he recalls. "Nobody believed me, not even in my own company."

Today, Mr. Ovshinsky, 84 years old, finds himself running his factory at full capacity and overwhelmed with orders. His company, Energy Conversion Devices Inc., is the largest U.S.-owned maker of photovoltaic materials, which convert sunlight to electricity. The company is a pioneer in an exploding global industry selling $15 billion a year of what's called "PV."

The company's mammoth machine extends the length of a football field. It runs much like a printing press, spooling out thin sheets of the PV material, which can be used on roofs of homes or businesses. As energy costs rise, along with concerns about global warming, PV is in demand.

For decades, solar power -- invented in the U.S. in the 1950s and improved on in the space program in the 1960s -- was a made-in-America product with a tiny market. U.S. companies dominated until the late 1990s, when Japanese and German companies took the lead. Today, the U.S. holds third place in solar-power production, but China is closing fast.

Mr. Ovshinsky, a thin, nattily dressed inventor who never progressed beyond high school, is a big reason why the U.S. remains in this high-tech race. He has a six-month backlog of PV orders, selling about half his production to Germany, and is building three new plants. His PV is thinner, cheaper and more flexible than that of many competitors, and can be used directly as a roofing material.

"Stan Ovshinsky has shown the world that there is a robust market for thin film panels," says Rhone Resch, president of the Solar Energy Industries Association, based in Washington, D.C., which represents U.S. manufacturers.

Along the way, critics have seen Mr. Ovshinsky's ideas as marginal or far-fetched. His plans have cost a succession of business partners millions of dollars. And even today, while sales of his solar products are booming, his company is still losing money because of his other unconventional projects, such as a system that can store hydrogen fuel in cars.

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"His thinking is different than most of us," says Robert Stempel, who was chairman of General Motors Corp. when he first became intrigued with Mr. Ovshinsky's approach. In 1995, after being forced out at GM, Mr. Stempel took his current job as chairman and chief executive of Energy Conversion Devices.

Mr. Ovshinsky's PV product has caught the attention of President Bush, who earlier this year decried the U.S.'s "addiction" to oil and vowed to expand domestic energy resources.

In February -- after calling for a doubling of the government's current solar-research budget of $83 million a year in his State of the Union speech -- Mr. Bush visited Mr. Ovshinsky's factory. After meeting privately with the inventor, the president spoke glowingly about how a consumer with a PV system on his roof could produce his own power and even sell it to the local utility in times of peak demand. For many U.S. consumers, however, the idea is more theoretical than practical, given a welter of conflicting state laws and utility practices.

Photovoltaic materials come in a variety of forms. What they have in common is that sunlight excites their atomic structures, creating electricity. Most producers make PV from expensive silicon crystals and cover their panels with protective sheets of glass. These materials depend on a uniform crystalline structure.

In the 1960s, Mr. Ovshinsky began working with cheaper materials that require a relatively tiny amount of silicon. In 1977, his work with these materials prompted him to begin thinking about a machine that would make a paper-thin film of PV. By this time, challenges weren't new to him.

Growing up in Akron, Ohio, Mr. Ovshinsky did odd jobs to help support his family during the Depression. He attended trade school at night, where he learned to run a machine shop. Building and fixing big machines became his passion. He soon wanted to know about the physics and chemistry that made machines run and the electronics needed to automate them. On weekends, he spent much of his time in Akron's libraries. "To me, school wasn't the place where I did most of my learning," he says.

He came to Detroit in the 1940s to sell his first invention, an automated lathe. In 1960, he and his wife, Iris, who had a doctorate in biochemistry from Boston University, set up Energy Conversion Devices. The purpose: to exploit the potential of amorphous materials, which include combinations of cesium, tellurium, germanium and other elements. "We wanted to start new industries and solve serious societal problems," says Mr. Ovshinsky.

His wife, who died in August, helped drive the business. "She was a very strong technical person and very strong in organizing him," says Larry Kazmerski, who manages the solar-energy program for the Department of Energy's National Renewable Energy Laboratory. "When you bought Ovshinsky, you got two Ovshinskys." One of their skills, he notes, was the ability to attract a steady stream of financial backers.

The Ovshinskys planned a factory that would make thin-film solar PV. Mr. Ovshinsky envisioned a machine that would deposit layers of the electricity-producing film on flexible materials, such as stainless steel, plastic membranes and even shingles. "Other products you put on your roof," he says. "Mine is the roof."

Support for solar took a nosedive in 1982, when the Reagan Administration cut the government's solar research budget in half, sending entrepreneurs and scientists to other fields. Meanwhile, Wall Street investors, burned by over-hyped solar projects, were skeptical. The electricity produced by solar power was far more expensive than that generated by coal or natural-gas power plants.

None of this deterred Mr. Ovshinsky. His goal was to make PV so cheap that it would be competitive with fossil fuels. Some backers wound up disappointed because it took him decades to build the big PV-producing machine. Others learned from his ideas, while providing him with funds to pursue his project.

The first company to take the plunge was Atlantic Richfield Oil Corp., which gave him $25 million in 1980. But after a three-year contract expired, it wasn't renewed. Then came Sharp Electronics Corp. The Japanese company was interested in using solar-powered cells to run its calculators and other electronic devices. That pact ended in 1987, Mr. Ovshinsky says. Sharp later returned to solar energy and is now considered the world's leading manufacturer of silicon crystal panels.

Standard Oil of Ohio became a partner in 1981. Mr. Ovshinsky recalls the company wanted to build only small PV machines. "I said you have to have a big machine to bring down your costs," he says. That pact ended after BP PLC, the British oil company, took over the Ohio company in 1986.

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Eric Daniels, vice president of technology for BP's solar division, says the company saw merit in Mr. Ovshinsky's thin-film approach, but decided to commercialize silicon crystal panels instead. BP is now one of the world's leading PV producers. Some customers prefer the heavier silicon product because they say it makes electricity more efficiently in areas where there is strong sunlight.

Mr. Daniels says BP is still doing research on thin-film PV, but in order to gear up to manufacture solar panels "there were some tough decisions taken" to focus on making and selling one initial product.

In 1999, Mr. Ovshinsky formed a joint venture with Canon USA, a subsidiary of the Japanese camera and copier maker. Canon later sold its interest to a Belgian company, Bekaert NV, which agreed to invest some $50 million to construct the big machine Mr. Ovshinsky had in mind.

Bekaert's engineers helped design and build the PV machine, which began running in 2002. But in May 2003, Mr. Stempel says, a new team of Bekaert managers concluded the machine was too big and expensive to make a profit.

"We didn't want a reluctant partner, so we bought them out," says Mr. Stempel. Energy Conversion Devices paid Bekaert about $6 million, he says. Francoise Vanthemsche, a spokesperson for the Belgian company said: "Bekaert considers this as a closed file and will not provide any additional comment."

About that time, demand for PV panels began to rise as the result of incentive programs in Germany and Japan. Both countries were preparing restrictions on carbon dioxide and other emissions believed to cause global warming. In 2000, Japan began offering incentives that paid 50% of the costs of buying and installing solar panels.

That same year Germany launched a program that allows solar users to pay for their systems by selling excess electricity back to utilities at a generous, fixed rate. Some homeowners even rented neighbors' rooftops to expand production of solar power and their income.

These days, the global market for PV has grown so much that silicon is in short supply. To counter demand from PV makers, the computer industry and other users of silicon chips are bidding the price up, hampering companies like BP and Sharp that need lots of silicon crystals. That's good for Mr. Ovshinsky. Because his process uses relatively little silicon, he is selling all the PV he can make.

Sales for the solar division of his company, called United Solar Ovonic, have quadrupled since 2003, now running at $90 million a year. About 50% of its products are headed to Germany, where sunlight is relatively thin. "Germany has the average solar exposure of Anchorage, Alaska," says Mr. Resch, of the U.S. solar-industry association. But Germans get fat incentives for installing Mr. Ovshinsky's product.

Last year, for example, Michael Schindler's apartment building in downtown Berlin invested its reserve fund in a local bank, which paid 2.5% interest. This year, it has invested part of the fund in a new solar membrane on the roof -- made by Mr. Ovshinsky's company -- which is making enough electricity to raise the rate of return to about 5% for the money invested in solar.

Mr. Schindler says he had questions about the project at first, but electricians installed a voltage meter that shows him and other unit owners when they are making juice. "Overall, I am optimistic that it is a good system," he says.

Biohaus PV Handels GmbH, one of Germany's biggest distributors of solar products, likes Mr. Ovshinsky's PV because it can produce energy on older buildings with flat roofs and sometimes on walls of large buildings. "Business with this material is picking up strongly and continues to grow," says Manuela Schafers, spokeswoman for the company.

Some states are trying to prime the solar pump. Earlier this year, California launched an 11-year, $2.85 billion incentive program that, among other things, provides rebates to consumers to reduce by as much as 30% the cost of solar rooftop installations. Other states are working on similar programs.

The rising cost of natural gas sometimes pushes peak electricity prices in California and other areas above 20 cents a kilowatt hour -- a range where solar can compete without government incentives.

Thirty-four states have laws that permit homeowners to produce and sell solar energy, but many have limitations that discourage the practice, and utilities often make it difficult. "It's like having 50 different rules for plugging in your telephones," says Mr. Resch.

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FBI/DEA/ATF/USMS:

Sentencing Disparity Continues (AP)

By Ben Evans, The Associated Press

AP, November 27, 2006

WASHINGTON -- Congress is headed toward adjournment again this year without acting on what is widely viewed as an indefensible sentencing disparity between federal drug offenses involving crack and powder cocaine.

Although nearly everyone agrees that the uneven treatment the two drugs receive under federal sentencing laws is unfair, Democrats and Republicans have been locked in a stalemate for more than a decade over the proper fix.

That stalemate, unlikely to break before Democrats regain control of Congress, has left in place a system that frequently sends black, inner-city defendants to jail for more than a decade over quantities of crack that would fetch far shorter sentence for powder-cocaine offenders.

"It can't be sustained on public policy arguments," said Sen. Jeff Sessions, an Alabama Republican and former federal prosecutor who has co-sponsored a bill to address the issue since 2001. "Congress has mandated these sentences, and we should constantly monitor what we did and adjust it for fairness."

Sessions' bill has stalled because many Democrats believe it doesn't go far enough to address the problem, and could in part aggravate it.

Under the current law, passed amid the crack epidemic of the 1980s, trafficking in 5 grams of crack cocaine -- about the weight of a nickel -- calls for a mandatory minimum five-year prison sentence. The same sentence for powder cocaine requires 500 grams.

Sessions' bill, which he plans to reintroduce next year, would increase the amount of crack triggering the five-year sentence from 5 grams to 20 grams, while raising the trigger for an automatic 10-year sentence from 50 grams to 200 grams.

At the same time, the bill would lower the quantities of powder cocaine warranting such sentences, from 500 grams to 400 grams for a five-year sentence and from 5 kilograms to 4 kilograms for a 10-year sentence.

Although Sessions' bill has two Democratic co-sponsors, many Democrats say it would perpetuate significant inequities while creating more arbitrary and unnecessarily long sentences for powder cocaine offenders. With backing from the legal community, Democrats instead have called for further reducing the mandatory sentences or for getting rid of mandatory minimums for drug offenses altogether and giving judges more discretion.

With Democrats taking control of Congress, incoming Senate Judiciary Committee Chairman Patrick Leahy of Vermont and fellow committee Democrats will likely take up the issue soon, said Tracy Schmaler, Leahy's spokeswoman. But with narrow majorities in both the House and Senate, it remains unclear whether any of the Democratic proposals could pass.

Law enforcement groups as well as the Justice Department continue to argue that stiffer penalties for crack are warranted because of the drug's strong connection with violent crime in poor neighborhoods.

"There's violence associated with both, but the nature of the way crack cocaine is retailed lends it to a higher degree of local street violence than powder cocaine does," said Jim Pasco, executive director of the national Fraternal Order of Police, which supports raising penalties for powder cocaine to balance the sentencing gap.

Sessions acknowledged that many of his colleagues are wary of appearing soft on crime by reducing penalties.

But critics of the current system, including many federal judges and legal groups such as the American Bar Association, argue that it is devastating inner-city neighborhoods -- more than 80 percent of the crack offenders are black -- while clogging federal prisons with low-level drug dealers.

In testimony before the U.S. Sentencing Commission earlier this month, U.S. District Judge Reggie B. Walton, a former deputy drug czar for the first President Bush, called the disparity "unconscionable."

The commission, an independent agency created by Congress to monitor federal sentencing laws, has recommended changes to the current structure three times since 1995, including an initial recommendation to eliminate the disparity by lowering crack sentences.

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The commission is again reviewing the disparity.

According to the commission, 25,762 drug offenders were prosecuted under the federal sentencing laws in 2005. Almost half of those cases involved crack or powder cocaine.

'Soda Pop' Targets Draw Long Sentences (KCK)

Kansas City Kansan, November 24, 2006

Leaders of a Kansas City, Kan., drug ring targeted by a federal drug enforcement investigation called "Operation Soda Pop" are drawing sentences of 10 years or more in prison.

"The government has seized more than $1.8 million in cash and property from the members of this far-reaching conspiracy to flood the market in the Kansas City metropolitan area with marijuana and cocaine from Mexico," said U.S. Attorney Eric Melgren. "This was a carefully planned and executed criminal enterprise in which the conspirators tried to disguise their conduct behind seemingly legitimate storefronts, frequent trips to Mexico in vehicles modified with hidden compartments and furtive cellular phone conversations conducted in a coded language."

Operation Soda Pop, an organized crime drug enforcement task force operation announced Sept. 4, 2004, has resulted so far in the convictions of 16 conspirators. Among those who have been sentenced:

Dennis Goyer was sentenced to 300 months in prison.

Gerardo Reyes-Lopez was sentenced Nov. 21 to 151 months.

Bill Joe Antle was sentenced Nov. 15 to 108 months.

Oswaldo F. Pozo was sentenced in September to 151 months.

Daniel Moreno was sentenced in August to 135 months.

Norma J. Renteria was sentenced in July to 120 months.

Upcoming sentencing hearings include: Lewis Lamonte Smith (2/5/07); Maria Hernandez (1/8/07); Sigfredo Paez (1/8/07); Jacinto E. Hernandez (1/2/07); Sandra Etters (12/18/06); Carlos Roberto Ortega (11/27/06); Eduardo Agramon-Castro (11/27/06); and Mauricio A. Garces (12/18/06).

Others charged in the case who already have been sentenced include Jesus Casteaneda (33 months); and Germain Devia (time served).

Operation Soda Pop was an 18-month investigation coordinated by the Drug Enforcement Administration with the assistance of the Kansas City, 0Kan., Police Department, the Internal Revenue Service's Criminal Investigation Division and other federal, state and local law enforcement agencies.

A federal grand jury indictment returned in August 2004 charged that from Jan. 1, 2002, through Aug. 11, 2004, a multi-national drug transportation and distribution organization organized the shipment of marijuana and cocaine from Mexico through El Paso, Texas, into the Kansas City area. The indictment alleged that the organization transported marijuana and cocaine using commercial trucks, passenger vehicles, and trailers and that cash derived from the sale and distribution of the cocaine and marijuana was collected, packaged, concealed in motor vehicles and transported to El Paso, Texas, and then on to various locations in Mexico. The indictment alleged that proceeds from the sale of the cocaine and marijuana were also used to purchase personal and real property in Texas, Kansas, Missouri, and Mexico.

According to court documents:

Conspirators purchased an automobile repair business, Anaco Transmission, in Merriam, Kan., where marijuana and cocaine was received and distributed.

Marijuana also was delivered from El Paso, Texas, to a turf farm in Stillwell, Kan.

Members of the organization traveled to El Paso, Texas, to coordinate the shipments of marijuana and cocaine to the Kansas City area. They conspired to distribute approximately 11,272 kilograms (approximately 24,798 pounds) of marijuana and approximately 293 kilograms (approximately 644 pounds) of cocaine from Jan. 1, 2002, through Aug. 11, 2004.

Melgren said the Drug Enforcement Administration received assistance in the investigation from the Internal Revenue Service, Criminal Investigation; the Bureau of Immigration and Custom Enforcement; the KCK Police Department; the Johnson County Sheriff's Office; and the Overland Park Police Department. Other agencies also assisted with the investigation and the

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execution of search warrants including the FBI; the Missouri Highway Patrol; the Kansas City, Mo., Police Department; the Kansas Highway Patrol; the Jackson County Drug Task Force; the U.S. Marshals Service; and the U.S. Attorney's Office for the Western District of Missouri.

Melgren commended Assistant U.S. Attorney Tris Hunt, Assistant U.S. Attorney Marietta Parker, Assistant U.S. Attorney Mike Christensen and Special Assistant U.S. Attorney David Zabel, who prosecuted the case.

Popular Ex-Malden Detective Sentenced: Jordan To Serve 15 Years For Role In 2003 Cocaine Case (MO)

Malden (MA) Observer, November 24, 2006

David Jordan, a 19-year veteran of the Malden Police Department and a former narcotics investigator, was sentenced last Wednesday to 15 years in federal prison for his role in a 2003 cocaine heist.

Jordan, 45, who lives in Stoneham, was sentenced along with co-conspirator and reported heist ringleader Anthony Bucci, 44, of Wakefield.

Judge Reginald Lindsay said Bucci would spend the next 21 years in federal prison, serving six years more than his accomplice because of Bucci's role in masterminding the operation, according to U.S. District Court Clerk Stephen York.

Two other men - Francis Muolo and Jon Minotti, who testified against Jordan in the case - have already been sentenced to terms of 57 and 59 months, respectively, for their roles in the conspiracy.

The charges stem from a staged raid on Dec. 24, 2003, in which Minotti, who was a drug informant for Jordan, set up a meeting between Bucci and known area cocaine mogul Carlos Ruiz in the parking lot of the former Malden Hospital.

According to investigators, the deal was worth $80,000.

As the deal went down, Jordan intervened and, as planned, Minotti swiped the cocaine and escaped through the woods to a waiting vehicle driven by Muolo. Jordan then allegedly told Bucci and Ruiz to leave the scene with the money.

Jordan was to receive a $30,000 kickback in the deal, but was unaware that federal drug investigators had set up a tap on Ruiz' phone prior to the transaction as part of a much larger investigation in the area.

As a result, DEA agents witnessed the incident, which they immediately believed was staged, and began investigating Jordan and his counterparts.

Prosecutors said that Jordan continued to meet with Minotti on several occasions during the investigation. In one interview, Minotti reportedly wore a wire and recorded a conversation in which Jordan threatened his former friend and accused him of setting him up.

Jordan, who was also a contract painter, claimed that his conversations with Minotti continued because the men had a business relationship outside of the police force and had done some contracting work together.

Both Jordan and Bucci were convicted on charges of conspiracy and cocaine distribution in April of this year, although both have maintained their innocence throughout the judicial process. Jordan also reportedly pulled a gun on Ruiz during the incident, earning him additional charges in the case.

Jordan was a third generation Malden detective and the department's lead narcotics investigator at the time of his arrest. It is unclear whether either party plans to appeal the sentence.

Fugitives Among The Millions Lured To The Grand Strand Each Year (AP)

AP, November 27, 2006

MYRTLE BEACH, S.C. - Myrtle Beach draws tourists every year by the millions. But when the sunbathing throngs thin out in the fall and winter, another group of travelers is easier to spot - fugitives.

About 14 wanted criminals are arrested each month in city of Myrtle Beach, said Investigator Brenda Christy of the Myrtle Beach Police Department.

"Mainly, it's because we're a tourist destination," said Christy, who also is a special deputy with the U.S. Marshals Service. "We grow from about 26,000 people to about 300,0000 on any given weekend."

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She said fugitives go to Myrtle Beach - and other tourist destinations across the country - hoping to blend in with those large numbers.

"If I'm wanted, it would be nice to come here, soak up some sun, lay on the beach, blend in and feel like I'm not a wanted criminal," Christy said.

Marshals Service spokesman Deputy Tim Stec said an average of 240 fugitives a month are captured throughout South Carolina.

"We see a lot of people come to South Carolina because they obviously don't want to get caught," Stec said. "We see a lot of people coming from, say, New York City, just wanting to lay low with a relative who lives out in the country."

But as summer turns to fall and winter, it becomes harder for those out-of-towners to hide in Myrtle Beach.

"Businesses also tend to close earlier this time of year, so a fugitive who maybe usually hangs around the bars until all hours of the morning now has to leave them earlier and find someplace else to go," Christy said.

And they may try to go home for the holidays.

"A fugitive may at one of these times say 'Hey, I haven't seen mom and dad in 10 years and I know they're having dinner at home' and there's a good chance that's when you'll be able to find them," Christy said.

Christy and Stec said finding wanted men and women can be dangerous.

"We see people go to extraordinary means not to get caught," Stec said. "We see them hide in attics, under beds and run out the back door as we're approaching the front, and we have had incidents where someone has pulled a weapon."

Christy said she has been in some pretty tricky situations.

"I've been in a lot of situations and I've been really, really blessed that someone hasn't turned on me, tried to kill me," she said. "These guys you're looking for are going to jail for murder and we're standing between them and freedom. It can be pretty daunting."

TAX:

Outside Audit Minding The Gap: IRS Looks Closer At Profit Disparity (WSJ)

By Jesse Drucker

The Wall Street Journal, November 27, 2006

Publicly traded companies reduced their U.S. taxable income by at least $34.8 billion in 2004 through potentially abusive tax transactions without taking a similar hit on profits reported to shareholders, new Internal Revenue Service data show.

The vagaries of accounting rules and tax laws allow public companies to keep two sets of books: one for shareholders and another for the Internal Revenue Service. Not surprisingly, companies tend to report higher profits to investors than to the tax man.

For 2004, the IRS started requiring companies to give it more detail about the reasons behind that gap. Companies that year reported roughly 40% higher profits to Wall Street -- known as book income -- than to tax authorities. The IRS also asked companies to reveal what portion of the difference between taxable income and profits reported to shareholders was attributed to deals the IRS defines as having some hallmarks of questionable tax shelters, known as "reportable transactions."

The IRS is collecting the data on reportable transactions in part to help decide which companies' returns deserve more scrutiny as part of a broader drive to crack down on corporate tax shelters.

"These items are all hints that they warrant further review," said Bob Adams, a senior adviser at the IRS. "Some of the transactions that fall in this category may be perfectly fine, but many times they're not."

All told, U.S. public companies included in the data reported about $554 billion in pretax profits to Wall Street in 2004, but only about $394 billion to the IRS. (It's difficult to compare 2004, the most recently available year, with prior years, because of changes in reporting requirements.) For all companies required to report such figures -- not just the publicly traded ones -- the gap was even bigger: They reported $707 billion in pretax profits to their investors, but $523 billion to the IRS.

The biggest reason for the disparity is depreciation. Companies often can write off the cost of equipment faster for tax purpose than for financial statements. Other large factors include differences between tax and accounting rules for expensing stock options.

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Such data on individual companies, if publicly available, would be of interest to many investors. Companies being audited by the IRS with book income that was much higher than their taxable income were more likely to be ordered to pay bigger back-tax bills, according to a 1998 paper by Lillian F. Mills, now a University of Texas accounting professor. The bigger the gap, she found, the higher the adjustment.

Other studies have concluded that companies with big gaps are more likely to be aggressive with their accounting, which can result in restatements and legal problems that can hurt share prices. A 2005 study by Michelle Hanlon, a University of Michigan accounting professor, found that big-gap companies had less-consistent earnings than those with smaller gaps.

Tax disputes recently have saddled several big companies with costly bills, including GlaxoSmithKline PLC, which agreed to pay the U.S. government $3.4 billion for taxes stemming from transactions between the British pharmaceutical maker and a U.S. subsidiary.

It's difficult to ascertain a company's tax situation from quarterly disclosures to investors, in part because items like tax reserves obscure the picture. IRS Commissioner Mark Everson has floated the idea of making corporate tax returns, or part of them, public. Companies confidentially explain the gap to the IRS on a form now called "Schedule M-3," which is a revised version of an earlier form.

"Transparency is an important underpinning of our financial markets, [but] transparency is quite limited in the area of tax, which remains largely a black box," Mr. Everson said in an interview. "Looking at the M-3 and the information it provides as a source of public discourse certainly should be considered."

At a Senate hearing in June, well-known tax lawyer Edward Kleinbard testified in favor of making the forms public. "Investors today know shockingly little about the actual cash tax liabilities of public companies," he said. Disclosing such information also "might dampen some corporate enthusiasm for tax-shelter transactions."

The IRS data are based on filings by 4,195 U.S. public companies with fiscal years that ended between December and June. Available only in aggregate, the data were contained in tables accompanying an article by IRS researchers published in the trade journal Tax Notes. Only companies with assets of $10 million or more were required to file the new forms. Figures from about 2% of the public companies weren't included because of flaws in their submissions.

The two sets of books vary because they measure different things. Companies report financial results to investors according to generally accepted accounting principles, a set of standards promulgated by the Financial Accounting Standards Board. For taxes, however, income is calculated according to laws passed by Congress -- which are peppered with sweeteners to encourage certain types of corporate behavior, such as increased research spending, and loopholes requested by lobbyists for industries and even individual companies.

The IRS has long required companies to file a form reconciling the gap. The previous form required far less detail, and gave companies significant leeway in defining book income. The new form requires thousands of companies to give far more information, including dozens of new categories to explain the gap.

But one of the biggest is the category for reportable transactions. The category includes transactions pitched by advisers who are paid with fees based on tax benefits or who require that the deals' structures remain confidential. Confidential tax advice is "troublesome," said the IRS's Mr. Adams. "If it's OK, then why is it so confidential?"

The reportable-transactions category also includes deals that have been explicitly forbidden by the IRS -- so-called "listed transactions."

Some corporate tax experts advocate making the rules more uniform to reduce the gap and discourage the use of improper shelters.

"The only solution that I have confidence will work to shut this stuff down is to say: 'If you're going to claim a tax loss, book it,' " said Michael J. Graetz, a tax-law professor at Yale Law School.

Many accountants oppose such a move, arguing that shareholders shouldn't be given understated pictures of companies' true value simply because Congress allowed tax deductions to encourage some type of economic activity.

The Thorny Question About Tax Increases Concerns Economic Risks Over The Long Term (WSJ)

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By Greg Ip

The Wall Street Journal, November 27, 2006

Would higher taxes cripple the U.S. economic expansion?

That's what the Bush administration is warning, with the Democrats set to control Congress.

But, in fact, such a tax increase probably wouldn't do much short-term harm, many economists say, because the Federal Reserve could offset the chilling effect on consumer spending with lower interest rates. A much trickier question is whether raising taxes would do long-term damage, and that would depend on which taxes were raised and how bond markets responded.

It is hardly certain that Democrats could raise taxes in the face of a veto by President Bush. Still, about half the 41 newly elected Democratic congressmen favor reversing the tax cuts for the richest taxpayers right away, rather than waiting until they expire at the end of 2010. Clinton Treasury Secretary Robert Rubin said three weeks ago that raising taxes now would have "about zero negative effect on the economy."

Last week, Edward Lazear, chairman of Mr. Bush's Council of Economic Advisers, disagreed, warning that a tax increase would be "very risky" and "endanger the kind of economic growth that we've had over the past couple of years."

Economists on Wall Street, though, are sanguine. Despite a recent slowdown, the economy is strong. The unemployment rate, at 4.4%, is even lower than the 4.8% the White House considers sustainable in the long run. The Fed is worried enough about inflation that it says another rate increase remains on the table. Tighter fiscal policy -- either higher taxes or lower spending -- could ease inflation pressure and allow the Fed to cut rates sooner than otherwise.

Higher taxes would impose a drag, and "in our view of the world -- which is that growth is resilient -- that would be welcome," says Michael Feroli, an economist at J.P. Morgan Chase & Co.

Richard Berner, chief U.S. economist at Morgan Stanley, says with interest rates already high enough to slow growth a bit, the Fed "definitely" has the wherewithal to offset a tax increase, though that depends in part on its type, timing and size.

One risk is that by the time taxes went up, the economy could be weaker, and rate cuts might come too late to help. Timing is one reason economists generally recommend against using fiscal policy to modulate the business cycle. Ed McKelvey at Goldman Sachs thinks growth will be relatively weak next year, so a tax increase "would certainly raise the risk [of recession] considerably."

The bigger controversy is whether raising taxes would make good long-term sense. While the administration has often touted its tax cuts' role in boosting consumer spending, and thus pulling the economy out of a slump in 2003, Macroeconomic Advisers, a forecasting firm, estimates that benefit had fully faded by early last year. The Treasury Department estimates the tax cuts will eventually raise annual gross domestic product by 0.7%, by increasing the incentive to work and invest.

Whether those benefits would be lost depends on which taxes were to be raised, says Glenn Hubbard, dean of Columbia University's graduate business school, who as a White House adviser from 2001 to 2003 helped design the tax cuts. "A lot of the tax cuts weren't pro-growth," he says.

Treasury estimates the biggest boost to economic growth comes from the cuts in capital gains and dividend taxes, and to the upper marginal income-tax rates. Those are the cuts the Democrats most want to reverse. On the other hand, the expanded child tax credit is relatively uncontroversial and thus unlikely to be reversed. Gregory Mankiw, economist at Harvard University and a former White House adviser, says, while that "might be good for social purposes, there's no economic case for it," because the credit doesn't increase the incentive to work or invest.

Still, many of those supply-side benefits have yet to be realized. Alan Auerbach, an economist specializing in tax policy at the University of California at Berkeley, says that in the relatively short time since their passage, the capital-gains and dividend tax cuts have mostly rewarded business investments made years earlier, rather than spurred new investment. They won't "do much for capital formation or for economic activity generally" until many more years have passed, he says. He adds that while preserving the top tax-rate cuts and not those at the bottom may be better for long-term growth, it would aggravate the widening gap in after-tax incomes between the rich and the rest.

Treasury's estimates depend on the tax cuts being financed by lower government spending. In fact, the tax cuts have been financed by increased borrowing, which in theory "crowds out" private borrowing and investment, depressing growth. Mr. Rubin

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has argued the economy did well in the 1990s because after President Clinton raised taxes in 1993, the deficit fell, and that brought down long-term interest rates, "crowding in" private investment.

However, with long-term rates already so low, Mr. Berner says, "it's hard to argue that you get quite the same response."

Furthermore, reversing Mr. Bush's tax cuts would do little to address the coming surge in spending on Medicare and Social Security benefits for retiring baby boomers. Investment banker Pete Peterson, chairman of the Peterson Institute for International Economics, says that increase over the next 35 years equals 9% of gross domestic product, while scrapping the Bush tax cuts equals 1% of GDP. "The minute you start looking at a tax increase as the primary solution, you're confronted with tax increases that are clearly beyond anything anyone can imagine."

CONGRESS-ADMINISTRATION:

Dem Inquiries Could Provoke Divisions (USAT/AP)

USA Today, November 27, 2006

WASHINGTON — The incoming chairman of the House Energy and Commerce Committee promises an array of oversight investigations that could provoke sharp disagreement with Republicans and the White House.

Rep. John Dingell, D-Mich., said Democrats, who took power in the elections Nov. 7, would govern "in the middle" next year. But the veteran lawmaker has a reputation as one who has never avoided a fight, and he did not back away from that reputation Sunday.

Among the investigations Dingell said he wants the committee to undertake:

•The new Medicare drug benefit. "There are lots and lots and lots of scandals," he said without citing specifics.

•Spending on government contractors in Iraq, including Halliburton, the Texas-based oil services conglomerate once led by Vice President Cheney.

•An energy task force overseen by Cheney. It "was carefully cooked to provide only participation by oil companies and energy companies," Dingell said.

•A review of food and drug safety, particularly in the area of nutritional supplements.

The incoming chairman of the tax-writing House Ways and Means Committee said his committee would not take on contentious issues, such as extending expiring tax cuts or overhauling Social Security, at the beginning of the year. Rep. Charles Rangel, D-N.Y., said Democrats do not want a fight with President Bush and want to prove they can govern.

"The first thing we're going to do is try to work together on things we know we can accomplish," Rangel said.

"Rather than have the committee against the president, it's not going to happen."

Rep. Barney Frank, D-Mass., set to lead the House Financial Services Committee, said issues such as raising the minimum wage will be popular.

"In my own committee, the biggest difference you're going to see is we're going to return to try to help deal with the housing crisis that blights so many parts of our country socially and economically," Frank said.

Mississippi Sen. Trent Lott, who will become the Senate's second-ranking GOP leader, said Republicans can block legislation "if it's really bad, not in the country's best interest." He said he wanted to find areas where the two sides can compromise.

"The people, I think, sent us a message. I think we've got it," Lott said. "We're going to be working hard together."

The lawmakers appeared on Fox News Sunday.

GAO Chief Sends Long Wish List To The New Congress (WP)

By Stephen Barr

The Washington Post, November 27, 2006

If the next Congress follows through on Democratic leadership promises to conduct aggressive oversight of the government, a to-do list will be waiting, courtesy of Comptroller General David M. Walker, the head of the Government Accountability Office.

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For the first time, Walker has sent congressional leaders a letter pointing to areas where he thinks oversight is needed. His list, drawn from years of research by the watchdog agency, is intended to give Congress "a jump-start on your planning," he said.

"We cannot afford to continue business as usual in Washington, given our current deficit and growing long-term fiscal challenges," Walker said in the letter, sent this month.

In addition, Walker wrote, most of the government's policies and programs "are based on conditions that existed decades ago," suggesting that it is time for "a fundamental review, reprioritization and re-engineering of the base of government."

Walker lists 36 topics for investigation and oversight hearings, and many of them involve daunting political issues, such as Social Security and Medicare, immigration policy, and the costs and benefits of environmental and energy policies.

Some of his recommendations touch on how federal employees conduct the government's business and deliver services to the public. For example, Walker's letter calls for:

Â· Addressing the government's contracting problems.

The GAO estimates that about a quarter of the government's discretionary spending is for products and services from contractors (more than $338 billion in fiscal 2005).

Walker recommends that Congress require agencies to report on how they ensure that contractors "are playing appropriate roles." He also urges Congress to ensure that agencies are adequately staffed to monitor contract costs and performance, particularly at critical times, such as hurricane response and the war in Iraq.

Â· Improving federal computer security to deter identity theft. Special attention needs to be paid to protecting Social Security numbers, including the methods used to issue and replace Social Security cards, Walker says.

Â· Transforming Defense Department business methods. Billions of dollars are wasted annually because of poor management decisions in such areas as weapons acquisition, supplies and technology, GAO studies have found.

Â· Assessing the progress of the government's largest recent merger -- the consolidation of 22 agencies into the Department of Homeland Security. Attention should be paid to the department's strategic planning capabilities and the steps being taken to improve border security, Walker recommends.

Â· Reviewing coordination and information-sharing in the intelligence community, focusing on the National Counterterrorism Center and the National Counterproliferation Center.

Â· Reorganizing the U.S. Postal Service, which is under increasing pressure from the Internet and competition from private delivery companies. That raises questions about whether the Postal Service "can remain a self-financing government provider of affordable universal postal services in the 21st century," according to Walker.

Â· Modernizing federal employee performance management and compensation systems. Congress should consider market-based, performance-oriented pay systems in government, based on a "show me" test that demonstrates employees will be treated fairly when their pay raises are tied to more rigorous job performance ratings.

Â· Examining the presidential appointment process. Congress needs to look at whether some political jobs require certain qualifications and experience, such as those involved in national and homeland security, and whether other political jobs need to be given independence from the White House to ensure professionalism and objectivity.

Walker, in his letter, says oversight hearings would help agencies share ideas for innovation while holding federal officials accountable for how they spend taxpayer dollars.

"This balanced approach is likely to help accelerate progress while avoiding a further erosion of the public's trust and confidence in government," Walker wrote.

Mr. Gates' Options (TIME)

By Michael Duffy

Time, November 27, 2006

Bob Gates is all things to all people in Washington these days. To the hard-liners who want to preserve what's left of George W. Bush's policy in Iraq, Gates is an ardent patriot, a determined anticommunist who thought the Soviet Union was an evil empire, who backed aggressive measures against the Sandinistas in Nicaragua in the early 1980s--and who during the first Bush Administration sided most often with a Defense Secretary named Dick Cheney.

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To the new realists, who want to tear up this Administration's failing bid to bring democracy to Iraq and replace it with a strategy for an exit, Gates is a secret ally, an agent of change who rocked the CIA he grew up in by shifting it out of covert action and into open-source programs at the cold war's end--and then became a reformist president of Texas A&M, tossing a beloved football coach and reducing admissions.

If Gates had been talking to reporters instead of preparing for his confirmation hearings next week to become Secretary of Defense, he would have found all this amusing, if not absurd. The man with the Kansas-flat voice and a weakness for hiking, hayrides and roller coasters would have got a kick out of saying that both sides are right--and that absolutely none of it matters.

That would be the analyst in Gates talking, the man who developed a reputation during more than 25 years at the CIA and White House for making cold calculations not only about the intelligence he was poring over but also about how to choose his allies as he zipped to the top ranks of the CIA in record time. Now in a late-inning gig that no one expected--least of all Gates--he is about to take over the Pentagon and the day-to-day responsibilities for a war gone bad. He brings to the task one advantage: he was a key member of the special commission headed by former Secretary of State James Baker and former Indiana Representative Lee Hamilton that has been cooking up options for what to do next. Gates was involved in the military end of the commission's work--which means, says a colleague, that "not only will he understand the proposals, he will know the origins of them."

The problem facing Gates is that the options being considered may already be obsolete. The conditions on the ground in Iraq are deteriorating so rapidly that even the Baker commission is struggling to keep up, several well-placed national-security sources told TIME. October was the deadliest month yet for Iraqi civilians since the start of the war, and November seems destined to surpass it. A Thanksgiving Day onslaught by Sunni militants killed more than 200 Iraqis, wounded hundreds and spurred a round of Shi'ite reprisals. As the Iraqi capital erupted in another frenzy of sectarian violence, the U.S. lost eight service members in a span of six days, bringing its death toll to nearly 2,900.

Although Baker has said the commission will develop its proposals by consensus, there were signs last week that the group had hit some speed bumps. Sources say renewed pressure from both political flanks in the U.S. is making it difficult for the commission's center to hold. Emboldened by their takeover of Congress, Democrats have sent unmistakable signals that they favor some movement, if not reduction, of forces at the earliest possible date. Meanwhile, present and former government officials say Vice President Cheney intends to oppose any proposal that would make regional talks with Iran or Syria a key part of the U.S.'s Iraq strategy, even though Baker favors such an opening. As the commission broke for Thanksgiving, the partisan pincer movement was beginning to provoke some talk of stalemate. "The impulse toward consensus has diminished somewhat," a close panel observer told TIME. "Everything that is happening--the election, the postelection, the situation in Baghdad--makes it more difficult."

Baker and Hamilton held dozens of listening sessions this summer and fall, but members for the most part were careful not to stake out their positions. With a tentative mid-December deadline just a couple of weeks away, the decision-making process is just beginning. Commission members, said a close adviser, "are just now trying to make sense of what they heard, what the choices are and who stands where on those choices." While a Baker-led deal is still a good bet, several sources said, the odds that the commission will be unable to provide a clear user's guide for cleaning up Iraq are narrowing. And that means Gates may need to sort out the options on his own.

So, what are they? No matter who is running the tabletop exercise, the choices are almost always the same. And practically the only thing everyone agrees on is that none are great. Here are the big four:

Get out fast. This option is the most tantalizing--and least likely--of all those under consideration by the armies of experts trying pick the Iraqi lock. While some Democrats, like Senator Barack Obama, have called on Bush to begin troop withdrawals within four to six months, there is almost no support for the idea within the Administration. The biggest problem is that the Iraqi army isn't ready to take over. U.S. Central Command boss John Abizaid told Congress two weeks ago that none of the Iraqi combat units are ready to operate independently of U.S. forces, and he says it will be a year to 18 months before the army is fully operational.

Without an army to keep the peace, a quick withdrawal would doom the country to chaos at best, and several years of violent civil war at worst. The balance of power inside Iraq is such that a withdrawal in the short term would strengthen the

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Administration's other nemesis in the region, Iran, at a time when Tehran is ignoring the world's objections and is suspected of steaming ahead with plans to build a nuclear bomb. "If the U.S. withdraws, Iran takes over," says Medhi al-Hafedh, one of Iraq's most respected politicians. "The Americans have to ask themselves if such an outcome is acceptable to them." So far, at least, the answer is no.

Surge forward. Among some active and retired generals, as well as some officers inside Baghdad's Green Zone, there is support for the idea of a temporary surge--boosting U.S. troops levels by 20,000 to 30,000 to stabilize the country. Under this plan, the extra U.S. forces would be deployed to try to quell the sectarian slaughter in Baghdad as well as subdue the jihadists of Anbar province. It is a step that, almost everyone agrees, should have been taken years ago.

The question is whether it is simply too late. There is, for starters, the zero-sum problem. Yes, the more troops we send, the more stability we can buy. But when the troops are withdrawn, instability will return. The second problem is logistics. The U.S. does not have the kinds of reserves that would allow it to beef up its Iraq forces for very long without a further decline in readiness, morale and troop retention. The Army's brigade combat teams are already ragged from fighting two wars; speeding their rotations back into battle would put some units at unacceptable risk. The new Marine Corps commandant said in effect last week he could not maintain the current "operating tempo" without increasing the corps' size--something the Bush Administration has opposed.

Even if the troops were available, there are formidable political barriers to sending them. The Democrats have made it clear that the idea is a nonstarter. While that sentiment could change if Baker and Hamilton support a surge, Abizaid has said he opposes more troops because it would discourage Iraqis from taking responsibility for their own security. "Iraqis will decide Iraq's future," says Major General William Caldwell, the top Army spokesman in Iraq. "Additional coalition troops may produce short-term effects, and we may execute that option, but they are not a long-term solution."

Train and retreat. Quietly gaining favor in military circles, this approach is designed to balance the need for more U.S. forces with a desire to decrease the rate of U.S. casualties. Here's how it would work in theory. First, Washington would boost the number of troops in Iraq and, more specifically, increase the number of G.I.s on military-training teams. The goal is to get the Iraqi army--which is beset by a weak officer corps, weapon shortages and an almost total inability to move around--ready to take over the country as the Americans start to pull out.

If all goes as planned, the U.S. could reduce troops levels as much as 60% within a year. Even if that were possible, "train and retreat" still envisions leaving some 50,000 U.S. troops in Iraq for years. These forces would be dispersed into four or five large garrisons or cantonment zones, far from urban areas. While U.S. troops patrolled the perimeter and guarded against mortar attacks from outside, Iraqi recruits would be trained inside. "You train 'em up and push 'em out," says a well-placed Baker-commission source. "That's what's happening."

No one knows whether, with all the military trainers in the world, the Iraqis will ever be ready to take on the militias. But the plan has political advantages. It relieves some of the pressure for withdrawals but boosts the overall footprint temporarily. Abizaid told lawmakers he is considering the "repositioning of forces in different ways," something Bush has hinted at as well. "It's a face-saver," says a foreign policy expert who has been involved in the Baker commission from the start. "It says, Let's go in hard, and if we can't solve Baghdad, we're going in the other direction."

Dig in. Although the military and political establishments are desperate for a new approach in Iraq, it's also possible that little will change. If the Baker commission falters or political stalemate ensues after the group reports, the U.S. may well keep troop levels the same, continue training Iraqis--and hope for the best. Sticking it out is the preferred course not just of the Commander in Chief but also of many of the top generals who report to him. To them, Iraq remains a fight that can be won--as long as political support for the enterprise doesn't bottom out completely. "I believe in the mission," says Lieut. General Peter Chiarelli, commander of the coalition forces, who ends his second tour of duty in Iraq this month. "It is what it is, and it's not going to lend itself to a timetable."

It is difficult to say where Gates willÂ come down among these options. His years working for Bush's father can be read two ways. Gates often took the hardest line in internal debates about how to manage the end of the cold war, pushing for radical change when the President; his top adviser, Brent Scowcroft; and Baker, then Secretary of State, favored more moderate steps. As the U.S.S.R. teetered on the brink of collapse, Gates (along with Cheney) usually argued for the fastest route to bring it about.

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They almost always lost out to Baker and Scowcroft, who argued that the Gates-Cheney approach was bad policy and worse politics. Gates can be bold, but bold isn't always wise.

That instinct helps explain why Gates thinks of himself as a transformational leader. After the CIA missed the fall of the Soviet Union, Gates launched reforms of 14 parts of the agency's operations, from analysis to satellite imagery to language study. Although not all these reforms bore fruit, CIA spending on Soviet collection and analysis shrank from 60% of its budget to less than 15%. Gates tried the same thing at Texas A&M, a school with an almost stubborn resistance to change--ending admissions preference for children of alumni, hiring hundreds of new faculty members and firing veteran football coach R.C. Slocum.

Still, compared with what waits for Gates, those challenges were small. He will probably follow Baker's lead in emphasizing regional diplomacy and will support any commission proposal to open direct talks with Damascus and Tehran. But that will immediately put him at odds with Cheney. One who has worked at Gates' side says the old analyst in Gates will overrule the old ideologue. "He knows that you cannot solve this problem within the four corners of the country," said this former hand. "It's going to take a regional approach. I don't think he's going to look for the most graceful way to exit. That won't be his approach."

The last time Gates faced a confirmation hearing, he took his son Brad to the Blue Ridge Mountains for a weekend of camping. He said later that was "better preparation for the battle that was about to begin" than anything else he could have done. But the battles he faces now are more likely to be with his new bosses at the White House--and perhaps with his own instincts. The Bush team has only a limited amount of time to decide what to do about Iraq. Sooner rather than later, Bob Gates will cease being all things to all people. With reporting by With reporting by Mike Allen, SALLY B. DONNELLY, Elaine Shannon, MARK THOMPSON, Douglas Waller / Washington, Aparisim Ghosh, Mark Kukis / Baghdad

Getting Out (USNEWS)

By Linda Robinson

U.S. News and World Report, December 4, 2006

James A. Baker III delights in delivering the long-ball play. In his newly released memoir, he describes the "sweet payoff" of getting Syria and other recalcitrant Arab nations to attend the 1991 Madrid peace conference. After putting together a broad Arab and international coalition to wage the first Gulf War, Baker, secretary of state for President George H.W. Bush, wanted to "capitalize on the momentum of this first-ever experience with regional cooperation in the Middle East." In many ways, Baker is taking up old business again today in his job as cochair of the Iraq Study Group that is soon to present its formula for stopping the bleeding from the sucking chest wound that the Iraq war has become.

The difficulties are even more daunting this time as violence threatens to spiral out of control. The Iraq Study Group--10 former cabinet officials, senators, counselors, and retired Supreme Court Justice Sandra Day O'Connor--is evenly divided between Democrats and Republicans and is "at loggerheads" in its deliberations, says a Baker aide. But Baker and his cochair, longtime Democratic legislator Lee Hamilton, remain committed to reaching a bipartisan consensus on their recommendations to find a way to end the 3 ÃÂƒÂÂƒÃÂ‚ÂÂ‚ÃÂƒÂÂ‚ÃÂ‚Â½-year-old war that has cost nearly 3,000 American lives and taken tens of thousands of Iraqi lives. President Bush has said he looks forward to the group's report, and he has launched his own review of Iraq policy. The Pentagon is also conducting a review of its military options.

The debate over Iraq has spawned a welter of proposals for new policies, but something like a consensus position has begun to emerge on some key issues, including the need for a political settlement and diplomatic overtures to Iraq's neighbors. On the hot-button issue of U.S. troop levels, however--whether, when, and how many should be withdrawn from Iraq--sharp disagreement remains. Yet even there, a middle-ground position might be fashioned to win support from moderates on both sides of the aisle and from the White House. With a new Iraq policy, almost inevitably, will come new faces. The Pentagon is getting a new boss, and replacements for the U.S. ambassador and top military commander in Iraq are being discussed. Even with a new policy, however, one sober-minded former U.S. official cautions, "it may be too late for any strategy to work."

If the Baker group fails, it won't be for lack of trying. For the past six months, dozens of academic experts provided proposals and analysis to the group. The experts lined up behind two main options and wrote papers titled "Stability First" and "Redeploy and Contain." According to experts interviewed by U.S. News, the former paper called for a focus on stabilizing Baghdad and an

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effort to reach an accommodation with the insurgents rather than defeating them. The latter favored withdrawing U.S. troops on a timetable and taking military and diplomatic steps to contain Iraq's violence within its borders.

When word of the two papers leaked, Baker and Hamilton reacted immediately. The experts were cut out of the loop and thereafter used as a resource to provide further information to commissioners in writing. Baker, who had been out promoting his memoir, stopped granting interviews. The rest of the panel also stopped talking to the press. The cochairs and their aides wrote their own draft report and guarded its contents closely. Nonetheless, in several dozen interviews, U.S. News has pieced together this account of the group's deliberations, the evolving search for an alternative policy, and the administration's response to the mounting pressure for an exit strategy.

Why We Need To Talk To Iran (TIME)

By Walter Isaacson

Time, November 27, 2006

Iran last week decided to play power broker. It invitedÂ Iraq's President to visit Tehran to discuss regional stability, and it sought to bring Syria into the process as well. This was not greeted with glee in Washington. But it should have been. One of America's top strategic interests is to get Iran to behave less like a revolutionary cauldron and more like a traditional nation-state. For the mullahs and their mad President to express a desire for a stable neighborhood is a good first step.

Step two should involve the U.S. talking, directly and seriously, to Iran. Our current conceit, which is that Iran should be denied the honor of our direct discourse until it suspends its nuclear-enrichment programs, hurts us more than it hurts Iran. For 27 years we have relied on unilateral sanctions and diplomatic chilliness to persuade Iran to moderate its behavior and forsake its nuclear ambitions. That hasn't exactly worked.

Direct talks with Iran will not persuade it to abandon its nuclear dreams right away. Even the slightly saner predecessors of President Ahmadinejad surreptitiously proceeded down the nuclear path despite pledges to do otherwise. Given Persia's precarious location and imperial impulses, I dare say that even our late unlamented friend the Shah was and would be doing the same.

When a problem is for the moment unsolvable, then enlarge it. (O.K., this is a Donald Rumsfeld maxim, but that doesn't make it inoperative.) One precedent is the opening to China negotiated by Henry Kissinger, which did not try to settle such intractable issues as the status of Taiwan but instead created a framework for a realistic long-term relationship involving both cooperation and contention.

Talks with Tehran should begin, without preconditions, by discussing such a framework while getting Iran involved in keeping the chaos in Iraq from ripping apart the region, just as Iran helped stabilize Afghanistan after the defeat of our mutual enemy the Taliban. We should then permit commercial deals with Iran's small private sector, which could build a middle-class constituency for stability and greater integration into the world economy. Who knows? Perhaps this could even lead to accession talks with the World Trade Organization. In the process, Iranians will see more clearly the benefits of being treated as a responsible global player. Only then might we have enough leverage to convince the nation's leaders that there's a downside to flouting the world on the nuclear issue.

President Ahmadinejad has the advantage of looking like a poet, sounding like a lunatic and not caring whether the West likes him. But Iran has multiple power centers. There's an election next month, for example, in which a reformist former President is challenging a fundamentalist cleric to join the Assembly of Experts that oversees Supreme Leader Ayatullah Ali Khamenei. About 70% of the population is under 30, and there are at least 70,000 active blogs expressing all sorts of aspirations of a diverse people, including ones by the President (ahmadinejad.ir) and Supreme Leader (khamenei.ir).

That is why, in addition to government talks, it's useful to have informal contacts with the Iranian people. I was with President Bush in New Orleans a month ago, and he got to talking about the ravings of Ahmadinejad, but he knows not to personify relations the way he once did with Russia's Vladimir Putin. That is why he has called for, and Congress has funded, citizen exchanges with Iran. A delegation of health experts from Iran, whose AIDS program is one of the best in the region, will soon visit the U.S. under the auspices of the State Department's international visitors program and the Aspen Institute, where I work.

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Engagement with Iran should be done in partnership with our allies in the region, namely Egypt, Jordan and Saudi Arabia. They can help keep the Iranians (and Syrians) in check and look after Sunni interests. That requires one other ingredient: reigniting efforts to reach an Israeli-Palestinian peace, if and when the Palestinians form a new government willing to deal with Israel. The Israelis understand this; Prime Minister Ehud Olmert has informally talked to the Saudis about relaunching their Arab peace plan.

Who best to choreograph all this? Jim Baker. The Iraq Study Group, which he chairs with Lee Hamilton, plans to recommend a process along these lines, and his associates say that Baker would be willing to help implement it as a special envoy if the President offers him enough authority. That might be resisted by Elliott Abrams, the National Security Council staffer who coordinates Middle East policy, and Baker would not accept the job unless this is resolved. But Condoleezza Rice, who has pushed for a comprehensive diplomatic approach to the region, might be supportive, even enthusiastic. She knows that the Administration needs to salvage a foreign policy legacy beyond the botched war in Iraq.

Writings Reveal Cautious Gates (WT)

By Rowan Scarborough

The Washington Times, November 27, 2006

Defense Secretary-designate Robert M. Gates in the past decade opposed big changes at the CIA in the face of terror attacks and expressed doubt that Washington could assemble an alliance of nations against al Qaeda.

His writings, mostly in the op-ed pages of the New York Times, also revealed a former CIA director who was protective of the agency and opposed to intelligence inroads by the Pentagon at the behest of Defense Secretary Donald H. Rumsfeld. He opposed creating a budget line for the White House Office of Homeland Defense after al Qaeda's September 11 attacks on the United States.

The writings show Mr. Gates to be more cautious and pragmatic than his predecessor, Mr. Rumsfeld, who has transformed the military and aggressively hunted al Qaeda members.

The Senate Armed Services Committee convenes confirmation hearings on Mr. Gates next week. The central questioning promises to focus on how Mr. Gates will change policy in Iraq. The bogged-down war is the reason President Bush nudged Mr. Rumsfeld aside after six years and turned to the Texas A&M University president for a "fresh perspective."

A sample of Mr. Gates' views after leaving Washington in 1993:

• He advocated military action against Iraqi President Saddam Hussein in 1997 after his regime continued to block U.N. inspectors.

"Surely, we know now that force is the only thing Mr. Hussein understands," Mr. Gates wrote in the New York Times, a frequent venue for his opinions. "We have known since 1990 that faintheartedness disguised as reasonableness in dealing with him is an invitation to further depredations." The next year, President Clinton ordered five days of bombings against suspected weapons sites.

• After al Qaeda bombed two American embassies in East Africa in 1998, Mr. Gates warned against a transformation of counterterror agencies, including the CIA.

"The great deficiency in American counterterrorism efforts in the summer of 1998 is not strictures against assassination, nor inadequacies in intelligence and law enforcement," he wrote in the New York Times. "The deficiency is political and strategic."

He added, "In truth, Americans can take pride in already existing C.I.A. and F.B.I. counterterrorism capabilities."

After the September 11 attacks, congressional and independent inquiries found widespread inadequacies in intelligence collection and analysis.

• In the same 1998 New York Times piece, Mr. Gates doubted other nations would join the U.S. in a violent retaliation against terrorists.

"Another unacknowledged and unpleasant reality is that a more militant approach toward terrorism would, in virtually all cases, require us to act violently and alone," he wrote. "No other power will join us in a crusade against terrorism -- in fact, some

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'friendly' governments protect their countries against terrorism by cutting deals with the groups, allowing them operational freedom."

The Bush administration contends it has arrayed a long list of allies for fighting al Qaeda, including most European nations as well as predominantly Muslim countries, such as Pakistan.

• A month after the September 11 attacks, he wrote in the New York Times that he opposed giving the homeland security office its own budget. Congress went a lot further, creating a new Cabinet post, with a budget and thousands of employees.

"Some in the executive branch suggest that the office be given its own special budget line," Mr. Gates wrote. "As a veteran of interagency warfare under six presidents, I believe this wouldn't work."

• In May 2006, he wrote an op-ed in The Washington Post in which he criticized Mr. Rumsfeld's initiatives to get the military more involved in intelligence. "More than a few CIA veterans -- including me -- are unhappy about the dominance of the Defense Department in the intelligence arena and the decline in the CIA's central role," Mr. Gates wrote.

Mr. Gates, a career CIA analyst who rose to be its director under the administration of the first President Bush, was so protective of the agency that he opposed Congress' decision to create a director for national intelligence, who now oversees the CIA.

"I publicly opposed the establishment of the DNI position," he wrote. "But the change has been made, and we who were in the CIA during its halcyon days must adjust to a new world."

New perspectives on Iraq are already coming from what could be competing ideas on Iraq. The Iraq Study Group, led by former Secretary of State James A. Baker III and former Rep. Lee Hamilton, Indiana Democrat, is due to meet this week to discuss the first draft of a report on Iraq options. But at the same time, the Pentagon is doing its own separate review culminating in Gen. Peter Pace, Joint Chiefs chairman, making proposals to the president.

Defense: The Pentagon Handoff (NSWK)

Newsweek, November 27, 2006

Dec. 4, 2006 issue - It's "The Long Goodbye"—Pentagon style. Donald Rumsfeld's successor as Defense secretary, Robert Gates, is due to have his confirmation hearing in early December—a process Senate Democratic leader Harry Reid of Nevada predicted would be swift. "We want the change to take place very quickly," Reid said.

Not so quickly, after all. A White House spokesperson confirms that Gates will be sworn in as the new Defense secretary "in the new year," a good two weeks after his confirmation. According to the White House, Gates needs extra time to wind up affairs as president of Texas A&M University. But that's news in College Station, Texas, where Gates has been handing everything over to the man he calls "my strong right arm," the executive vice president and provost, David Pratt. Gates has publicly announced that he will quit A&M on "completion of the confirmation process and a Senate vote."

The mixed messages have fueled speculation over the delayed departure. One source close to the White House, who spoke anonymously in order to keep his job, believes President George W. Bush has decided to wait until after Dec. 29 "as a personal gesture to Rumsfeld." On that date Rumsfeld would become the longest-serving Defense secretary, beating Robert McNamara's record of 85 months. At the Pentagon, a senior official who admits that he doesn't know "what the president's intentions are" insists that Rumsfeld pays no heed to such things. "I know the secretary has said he thinks Mr. Gates ought to be sworn in as soon as possible after he is confirmed, and that they should not wait for some arbitrary date on his behalf," he says, speaking anonymously due to the sensitivity of White House matters.

Elliott Abrams: The Last Neocon Standing (NSWK)

By Michael Hirsh And Dan Ephron

Newsweek, November 27, 2006

Dec. 4, 2006 issue - It's been a rough season for neoconservatives, the group that has dominated U.S. foreign policy since the attacks of September 11. They've been largely run out of the Bush administration, beset by infighting, and mocked by a foreign-policy establishment that hailed their power just a few years ago. Last month was particularly brutal. They looked on helplessly as Democrats took both houses of Congress. They had to grit their teeth when President Bush met with Washington dealmakers James Baker and Lee Hamilton, whose bipartisan group is charged with extricating America from the mess the

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neocon-influenced policy created in Iraq. Then, insult to injury: they watched their cold-war nemesis in Central America circa 1986, Daniel Ortega, rise again to be president of Nicaragua.

The neocons are reeling, but they're not dead yet. A few stalwarts are digging in their wing-tips. And there's already a small backlash against the backlash. At the State Department, supposedly the bastion of realism, some officials are sounding defiant. "There are a lot of people throughout the ranks who believe in the democracy agenda," says one senior official who would only discuss policy issues anonymously. "If the result of the Baker report is that we have to make any deal necessary ... to get out of Iraq, I don't think that's going to fly." Their hopes, and the hopes of neocons everywhere, may rest on the shoulders of Elliott Abrams, the number-two official at the National Security Council—who remains in charge of promoting democracy in the Middle East, a linchpin of the neocon agenda.

Abrams, who declined an interview request from NEWSWEEK, has his work cut out for him. A Harvard-trained lawyer, Abrams handles the Middle East, though not Iraq. Earlier this year, Abrams pushed for an $85 million expansion of TV and radio programming beamed into Iran to gently promote regime change. Now, toppling the mullahs might be off the table. The same goes for the policy of pushing reforms on Arab allies like Egypt's Hosni Mubarak, who has kept a key opposition figure in jail for more than 11 months and scaled back rights. Michael Gerson, who served until recently as Bush's speechwriter (and who is now a NEWSWEEK contributor), says Abrams must be troubled by the swing. "People who support the democracy agenda are deeply concerned that Mubarak is significantly backtracking," Gerson says. And Abrams has to cope with the fallout of his push for Palestinian elections—the rise of Hamas, and the breakdown of the peace process. But Abrams has one powerful advantage. "Bush has enormous regard for him," says a senior administration official who would not speak about their relationship on the record. "One, because he knows Elliott is keeper of the flame. And also, he's the only one who doesn't draw any attention to himself." (Abrams has been somewhat press-shy ever since he admitted to withholding information from Congress about the Iran-contra affair two decades ago; he was later pardoned.)

The biggest dogfight is still ahead: whether to cut a deal with regimes like Iran, North Korea and Syria. Bush's approach has been to counter threats from oppressive regimes by trying to change them. Bill Kristol, editor of the Weekly Standard and the punditocracy's best-known neocon, says it's hard to imagine the president turning his back on all that. "I think Bush is the last neocon in power," he says. "The truth is, it was always Bush."

Kristol acknowledges the neoconservatives are turning on each other. Francis Fukuyama, the "End of History" sage, has broken with the neocons publicly and believes that they are discredited. Richard Perle, the former Pentagon adviser, now says he probably wouldn't have invaded Iraq at all (Perle refused to talk to NEWSWEEK). Kristol dismisses what he calls the "confessional mode" of his old friend Perle. But Kristol also believes the infighting is natural. "Every intellectual group, every political group, goes through a period of mini crackup and reassembles in slightly different ways," he told NEWSWEEK. "For a group that's discredited, an awful lot of people are spending an awful lot of time discrediting us." Kristol's allies are looking to Abrams to pick up the pieces.

Back To The Future (USNEWS)

By Fouad Ajami

U.S. News and World Report, November 27, 2006

The sin of George W. Bush, to hear his critics tell it, is that he unleashed the forces of freedom in Arab-Islamic lands only to beget a terrible storm. In Iraq and in Lebanon, the furies of sectarianism are on the loose; and in that greater Middle East stretching from Pakistan to Morocco, the forces of freedom and reform appear chastened. Autocracy is fashionable once again, and that bet on freedom made in the aftermath of the American venture into Iraq now seems, to the skeptics, fatally compromised. For decades, we had lived with Arab autocracies, befriended them, taken their rule as the age-old dominion in lands unfit for freedom. Then came this Wilsonian moment proclaimed in the course of the war on Iraq. To the "realists," it had been naive and foolhardy to hold out to the Arabs the promise of freedom. We had bet on the Cedar Revolution in Lebanon, thrilled to these young people in Beirut's plazas reclaiming their country from Syrian tyranny. But that promise, too, has been battered, and in the shadows, the old policy of ceding Lebanon to the rule of Syria's informers and policemen now claims a

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measure of vindication. On the surface of things, it is the moment of the "realists," then: They speak with greater confidence. The world had lived down, as it were, to their expectations. And now they wish to return history to its old rhythm.

But in truth there can be no return to the bosom of the old order. American power and the very force of what had played out in the Arab-Islamic lands in recent years have rendered the old order hollow, mocked its claims to primacy and coherence. The moment our soldiers flushed Saddam Hussein from his filthy spider hole, we had put on display the farce and swindle of Arab authority.

Primacy and power. We can't shy away from the very history we unleashed. We had demonstrated to the Arabs that the rulers are not deities; we had given birth to the principle of political accountability. In the same vein, we may not be comfortable with all the manifestations of an emancipated Arab Shiism--we recoil, as we should, from the Mahdi Army in Iraq and from Hezbollah's Hassan Nasrallah in Beirut--but the Shiite stepchildren of the Arab world have been given a new claim on the Arab political order of primacy and power. In the annals of Arab history, this is nothing short of revolutionary. The Sunni Arab regimes have a dread of the emancipation of the Shiites. But American power is under no obligation to protect their phobias and privileges. History has served notice on their world and their biases. We can't fall for their legends, and we ought to remember that the road to all these perditions, and the terrors of 9/11, had led through Sunni movements that originated in Egypt and Saudi Arabia. Terror and ruin can come in Sunni and Shiite drapings alike.

It was not naive idealism, it should be recalled, that gave birth to Bush's diplomacy of freedom. That diplomacy issued out of a reading of the Arab-Muslim political condition and of America's vulnerability to the disorder of Arab politics. The ruling regimes in the region had displaced their troubles onto America; their stability had come at America's expense, as the scapegoating and the anti-Americanism had poisoned Arab political life. Iraq and the struggle for a decent polity in it had been America's way of trying to extirpate these Arab troubles. The American project in Iraq has been unimaginably difficult, its heartbreak a grim daily affair. But the impulse that gave rise to the war was shrewd and justified.

Nowadays, more and more people despair of the Iraq venture. And voices could be heard counseling that the matter of Iraq is, for all practical purposes, sealed and that failure is around the corner. Now and then, the memory of the Vietnam War is summoned. America had lost the battle for Vietnam but had won the war for East Asia. That American defeat had brought ruin to Vietnam and Cambodia, but the systems of political and economic freedom in Asia had held, and the region had cushioned the American defeat, and left a huge protective role for American power. Fair enough: There was Japan in East Asia, providing political anchorage and an example of economic success. There is no Japan in that arc of trouble in the Middle East and the Persian Gulf. Saudi Arabia and Egypt are poor pillars, themselves prey to forces of radicalism--the first weak in the scales of military power, the second a brittle, crowded land with immense troubles of its own. That overall strategic landscape, too, should be considered as we debate and anguish over Iraq.

Reign Clouds (USNEWS)

By Kenneth T. Walsh

U.S. News and World Report, November 27, 2006

Air Force One was briefly grounded in Ho Chi Minh City last week because of a brake malfunction-not the most auspicious way for President Bush to end his first trip to Vietnam. But to many in Washington, the metaphor of a presidency stuck in place had a telling ring of truth.

The problem is that, in one area after another, Bush appears to be bogged down with no clear path out of the political swamp. The feisty new Democratic majority in Congress is preparing to challenge him on everything from Iraq policy to the minimum wage, and many Republicans are setting their own course as Bush's job-approval ratings hover below 40 percent.

To be sure, Bush isn't quite a lame duck. He plans to meet with Iraqi Prime Minister Nouri al-Maliki in Jordan this week to bolster the Baghdad government and perhaps generate some good news, and his aides are casting about for fresh ideas to rejuvenate the president's second term. But many in official Washington and around the world are ready to turn a page on the Bush presidency. His trip to Asia last week didn't accomplish much of substance. And, to the chagrin of White House officials, his visit to Vietnam generated a rash of news stories comparing the Iraq war to America's quagmire in Southeast Asia three decades ago.

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As usual, Iraq is Job 1. But as sectarian violence spreads, two developments further unsettled U.S. policymakers last week. Syria re-established diplomatic relations with Iraq, even as the Bush administration accused the Damascus regime of fueling the Iraqi insurgency. And the Shiite-dominated government of Iran-once described by Bush as part of an "axis of evil"-offered to help "stabilize" Iraq by convening an international conference. This came as the Bush administration was trying to isolate Tehran because of its growing nuclear program. If nothing else, these moves showed that the Mideast remains a complicated region, often resistant to U.S. influences. And all this comes as the new Democratic majority in Congress prepares hearings into Iraq policy early next year, as the Pentagon formally reviews its options, as the bipartisan Iraq Study Group readies its own report, and as incoming Defense Secretary Robert Gates tries to find a way out of the morass.

Assault. Bush's approach--which he framed last week as "We'll succeed unless we quit"--is now under assault as never before, even among senior Republicans. Sen. John McCain of Arizona, a hawk on Iraq and a front-runner for the 2008 GOP presidential nomination, says he still favors sending thousands more troops into the war zone in one last attempt to stabilize the country. But McCain now concedes that the war as it is being fought is unwinnable. Even former Secretary of State Henry Kissinger, who advocated nothing short of victory, has changed his tune. Kissinger, an architect of the Vietnam policies under Richard Nixon and Gerald Ford, said the goal as envisioned by President Bush--creation of a democratic government without sectarian warfare--is no longer achievable.

The Pentagon's internal review apparently involves three options, none of which the president was willing to consider a year ago: "go big" with a large infusion of U.S. troops, perhaps tens of thousands, to win the conflict outright; "go long" with a modest addition of 20,000 to 30,000 troops to improve training of the Iraqis while continuing a lengthy American occupation; and, finally, "go home." Bush said he hasn't decided future troop levels.

History Offers Post-Midterm Survival Tips For President (WP)

By Peter Baker

The Washington Post, November 27, 2006

The president was in a funk. Morose from midterm elections that handed Congress to the opposition, he stewed in private, vented to friends, turned on aides and summoned self-help gurus to help him understand just what went wrong. He was left to argue with reporters that he was still "relevant."

It took Bill Clinton months to get his feet planted again after the 1994 defeat. But he did recover and went on to win reelection two years later. So too did Ronald Reagan bounce back from the 1986 midterm elections, which cost his party the Senate. As President Bush struggles to recover from a similar thrashing, his advisers are studying the Clinton and Reagan models for lessons to revive his presidency.

Historical comparisons are always fraught with peril, since each president faces his own distinct challenges and brings unique faculties and flaws to the task. But veterans of past administrations see patterns that offer hope even to badly weakened presidents such as Bush. Adversaries who assume that Bush has been permanently crippled by the Democratic takeover of Congress, they say, misunderstand the opportunities still available to him.

Both Reagan and Clinton found that the power of the bully pulpit still gave them an advantage over a Congress controlled by the other party. Both Reagan and Clinton used a mix of cooperation and confrontation, moving to the middle on selected issues to pass legislation while standing firm on others that touched on core principles. Both pounced when the other side overreached.

Whether Bush could emulate those examples is an open question. He points to his time as Texas governor, when he worked with Democratic legislators. But since winning the White House, he has only sporadically reached out to the other side. And unlike Reagan or Clinton, he presides over an unpopular war with no end in sight.

"He really has to make a fundamental decision, and if he hasn't made it by now, it may be too late," said Leon E. Panetta, who was Clinton's chief of staff in 1994 and now serves on a bipartisan commission on Iraq. "He has to decide whether he's going to be willing to sit down with the Democratic leadership and cut deals and get things done. And he has to decide whether Iraq is going to be his whole legacy, good or bad, or whether he wants to get other things done."

Bush's opening message since the election has been one of conciliation, in firing Defense Secretary Donald H. Rumsfeld, as many critics had urged, and in reaching out to incoming House Speaker Nancy Pelosi (Calif.) and Senate Majority Leader

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Harry M. Reid (Nev.). "Let's let the election go," White House Deputy Chief of Staff Karl Rove said in a recent interview. "Let's say, 'Okay, where are some places where we can work together?' "

At the same time, Bush may wait for the right moment to take on Democrats. He has issued only one veto in six years in office but would be eager to veto Democratic spending bills. "The question is if they want to test him on the veto," said a senior administration official who spoke on the condition of anonymity to discuss strategy. "If I were them, I wouldn't. If they're trying to present themselves as the party of fiscal discipline," it would be a mistake to let a spending bill be vetoed.

Another senior official said Reagan and Clinton showed that carefully choosing battles is a fruitful strategy after a midterm defeat. "The broad lesson is that presidents can come back from setbacks," he said. "There are some things you control and some things you can't control, and you have to try to take advantage of both."

While Democrats controlled the House throughout Reagan's presidency, Republicans held the Senate for six years, and the 1986 loss was a sharp blow. Even worse, it was followed by revelations that the White House sold arms to Iran to gain the release of hostages and diverted some proceeds to contra rebels in Nicaragua. "The president was very down," recalled John C. Tuck, an aide at the time. Reagan's approval rating plummeted. "It was south, south, south in the spring of '87. It was scary south, and it wasn't improving," Tuck said.

Reagan dumped Chief of Staff Donald T. Regan and brought in former senator Howard H. Baker Jr. (R-Tenn.) and deputy Kenneth Duberstein. Baker insisted on a new agenda for Reagan -- any agenda -- to allow him to seize the initiative again.

Reagan accommodated congressional Democrats. "I don't think Reagan consciously said, 'I've got to become more moderate,' but the goals became different," said Frank J. Donatelli, his White House political director. "I don't think there was any thought after '87 that we were going to get any new major conservative social legislation through."

Reagan turned his attention overseas, and overtures to Soviet leader Mikhail Gorbachev led to a thaw in the Cold War and a major arms-control treaty. By 1988, Reagan was ready to challenge Congress, showing up at his State of the Union address with 3,300 pages in budget bills and vowing to veto any more like them. He left office with his popularity, and presidency, resurrected. "There's no question Reagan was buried by a lot of people," Donatelli said, "and it's pretty remarkable where he was a year and a half later."

Clinton's trial by ballot box came earlier in his tenure and sent him into a tailspin. "He really took it very personally," said Harold Ickes, who was his deputy chief of staff.

Not only did Clinton seek out self-help experts, he reopened a secret channel to an old adviser, Dick Morris, without telling his aides. He groped for a strategy as new Speaker Newt Gingrich (R-Ga.) dominated Washington. Five months after the election, Clinton was still on his heels, insisting at a news conference that "the Constitution gives me relevance."

If that was the low point, the recovery arguably began the next day. After a federal building was bombed in Oklahoma City, Clinton gave voice to the nation's grief and resolve, serving as chaplain-in-chief. "In my view, he really became the president at that point," Ickes said. "He really struck a chord with the country that crossed party lines."

His confidence restored, Clinton began to maneuver with Gingrich, reaching a handshake deal in New Hampshire to review campaign finance and lobbying rules. Clinton wanted a budget deal, too, but Gingrich rejected him. Finally, Clinton called his bluff and the government briefly shut down. Clinton ended up looking strong again, while Gingrich was hurt by his complaints that he was made to disembark from Air Force One from the rear.

"That was a real turnaround for Bill Clinton," Panetta said. "Not only did it send the message to the American people about the real differences . . . but it gave him real momentum to move into the reelection effort." Clinton hit the campaign trail and crushed GOP Sen. Robert J. Dole (Kan.) to win a second term.

In the weeks since the Nov. 7 elections, Bush has already started down the paths forged by Reagan and Clinton. Just as Reagan fired Regan, Bush deferred to the Washington elite by ousting Rumsfeld and choosing Establishment favorite Robert M. Gates to replace him. He has left town to focus on foreign policy; he just got back from Asia and leaves today for Europe and the Middle East. By design or happenstance, he will have slept in the White House just 10 nights out of the first 25 after the elections.

Like Clinton, he has identified issues on which he thinks he can meet the opposition in the middle, including the minimum wage, education, immigration, energy and lobbying. But Bush has also signaled that he will fight over issues such as judicial nominations.

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"Clinton had an imperative in '96 to get reelected," said Steve Elmendorf, a top House Democratic strategist at the time. "Bush, his imperative is more about his legacy. That gives him more running room to move to the center if he wants to and leave his party behind, because he doesn't have to run for reelection."

And yes, the Constitution gives him relevance. Now Bush's future depends on how he uses it. "You can never underestimate the power of the presidency because the president has the bully pulpit," said former representative Robert S. Walker (R-Pa.), a Gingrich ally. "And no matter how powerful you are on Capitol Hill, you can't really match that."

New Congress Unlikely To Rush Toughest Issues (WP)

By Charles Babington

The Washington Post, November 27, 2006

Democratic lawmakers vow to come roaring out of the blocks when they assume control of the next Congress, passing several top-priority bills in the first 100 hours. Absent from that list, however, are the knottiest problems that bedeviled the outgoing Congress, including immigration, domestic surveillance and the war in Iraq.

Voters handed Democrats a mandate for change on Nov. 7, politicians and analysts agree. But party leaders are drawing a sharp distinction between popular, comparatively simple issues, such as raising the minimum wage, and more complex matters for which they have yet to propose solutions or even outline a plan for hearings.

The go-slow strategy carries some risks, the analysts say, because restless voters may see the new Congress as having no more boldness or problem-solving skills than the "do-nothing Congress" denounced in many political ads this fall. But Democratic leaders probably are correct in sensing that Americans will give them several months to tackle the stickiest issues, such as Iraq and immigration, provided something is done before the next election, these observers said.

Moving deliberately and cautiously on difficult issues "is a reasonable game plan," said Norman J. Ornstein of the American Enterprise Institute, co-author of the book "The Broken Branch," a critical assessment of Congress. "You've got to come in and signal that you're about change," he said, but "you also want to show that you have your own agenda."

Congressional Democrats seem to be following that strategy with their plan for the 110th Congress's first 100 hours. The items include raising the minimum wage, enacting the Sept. 11 commission's recommendations, cutting interest rates on college loans and ending what the speaker-elect called "tax giveaways for Big Oil."

All those goals appear simpler than unraveling the nation's most contentious issues, chief among them Iraq.

"I think the Democrats are right to proceed cautiously on issues they cannot possibly resolve on their own," said Thomas E. Mann of the Brookings Institution. "The public wants a change of course in Iraq but is far from settling on a clear alternative."

Congressional hearings, debates and reports are needed as a means of "leveraging public unhappiness and expert opinion to put enormous pressure on the president for a change of course in Iraq," said Mann, co-author of "The Broken Branch."

The Democrats' "Six for '06" campaign agenda included proposals for Iraq, but only in general terms. "Require the Iraqis to take responsibility for their country," it stated, "and begin the phased redeployment of U.S. forces from Iraq in 2006." Party insiders said top Democrats are unlikely to make more specific proposals until next month's scheduled release of findings by the Iraq Study Group, led by former secretary of state James A. Baker III.

Immigration is another area in which Democrats are proceeding cautiously even though the Nov. 7 elections appeared to remove a major roadblock. The current Congress reached an impasse on illegal immigration, with the House Republican majority insisting on an approach that strongly emphasizes enforcement, while a bipartisan Senate group -- backed by President Bush -- sought broader changes, including guest-worker programs and pathways to legal status for illegal workers.

With Democrats poised to take over both houses -- and Bush in office for two more years -- the Senate approach would seem to have momentum. But party leaders have made no promises about when or how they might move an immigration package, which would involve at least five House committees. Moreover, it is clear that the election did not eliminate the nation's deep divisions over what to do about illegal immigrants.

"The elections definitely have raised expectations in immigrant communities that real reform is possible," said Josh Bernstein of the National Immigration Law Center, which supports broad-based changes to help illegal workers. "But it's still too early to say whether that will translate into actual legislation."

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A major rewrite of immigration laws "is enormously complicated," Bernstein said, "and has deep effects on our economy, our identity, the kind of country we're going to be. There are a lot of interests that are very legitimate, whether it's business, worker unions or immigrants from different countries. . . . It's highly emotionally charged on all sides."

Congressional Democrats also are moving carefully on Bush's policy of allowing the National Security Agency to eavesdrop without obtaining warrants on communications between the United States and abroad in the name of combating terrorism. Sen. John D. Rockefeller IV (D-W.Va.), who will chair the Senate intelligence committee, recently said he will have the panel sift through information and arguments before taking any legislative steps.

"We must insist on full access to the NSA warrantless surveillance program and the CIA detention and interrogation program," Rockefeller said. "Only then can we conduct thorough oversight of these programs and determine whether they are legal, appropriate and effective and what, if any, legislative action must be taken."

But Rockefeller is not ready to schedule hearings, draw up witness lists or indicate who might be subpoenaed, said his spokeswoman, Wendy Morigi. "We're not there yet," she said.

"There is a frustration level" about the lack of information provided by the administration to the Republican-led 109th Congress, Morigi said, adding that in the next Congress, "you'll see a much greater push for information."

But she indicated it will be consistent with the step-by-step, deliberative approach that congressional Democrats -- though flush with victory -- are adopting for the nation's most difficult issues.

Ex-agents OK Guest-worker Plan (WT)

By Jerry Seper

The Washington Times, November 27, 2006

The National Association of Former Border Patrol Agents says it could support a guest-worker program to let foreigners work in the U.S., if the program is limited, tightly controlled and available only to those aliens who have entered the country legally.

"We support a guest-worker program in principle, believing it can serve the national interest," said Kent Lundgren, the association's coordinator. "However, we also believe guest workers must be limited in what they may do, what they may benefit from under immigration law, and the program must be tightly controlled.

"No alien in any illegal status should be allowed to participate," said Mr. Lundgren, a former Border Patrol assistant chief. "Application for the program must take place outside the United States, and the applicant must remain outside the country while the application is pending."

Mr. Lundgren, in a telephone interview, called immigration reform "an issue that arises periodically in the national consciousness" but said Congress and the White House are attempting to pass reform efforts that have failed in the past.

His organization has circulated a position paper signed by 250 former Border Patrol senior executives, supervisors and field agents, saying that while prior efforts at reforming immigration law -- including the Immigration Reform and Control Act of 1986 that granted amnesty to 2.7 million illegal aliens -- "may have changed immigration for this country, it neither reformed nor controlled it.

"It appears there is a move under way to saddle the nation once again with law containing the same flaws found in the 1986 act, but now on scale unimagined at that time," he said. "We believe the result for the nation will be disastrous if anything is passed that resembles what has been under debate in the Senate.

"The nation has made demonstrable mistakes in the past in its efforts to control immigration," he said. "Let us, who were there to see them, remind the nation of the outcome and make suggestions for change."

President Bush pledged earlier this month to join with Democrats to pass an immigration bill with a guest-worker program his own party blocked this year. His Republican opponents say they cannot stop such a bill from passing.

The Senate passed a broad immigration bill that included a guest-worker program and citizenship rights for some of the estimated 12 million to 20 million illegal aliens now in the United States. House Republicans blocked the bill, calling it an offer of amnesty. Instead, they forced through a bill to erect 698 miles of fences along the U.S.-Mexico border.

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Several veteran law-enforcement authorities, including immigration agents and inspectors, have told The Washington Times that passage of a guest-worker or amnesty program will open the country to an even greater flood of illegal aliens than the 1986 law did.

That law, in addition to granting legal status to 2.7 million illegal aliens, paved the way for hundreds of thousands of their relatives to join them. Although the law contained increased enforcement and sanctions aimed at ending illegal immigration, the illegal alien population in the U.S. today has been estimated at more than quadruple the 1986 total.

In its position paper, the association said:

•Aliens now in the United States must be here with permission or they should leave or be removed. It said that can be achieved only by securing the borders and passing legislation establishing "meaningful processes" for the screening of those who wish to enter legally.

•It "absolutely opposes" any legislation giving legal status to those who entered the country illegally or who entered legally and remained in the country illegally.

•It supports "meaningful employer sanctions," adding that current laws are adequate although their use "has been subverted to meaninglessness through political and legal pressure initiated by those who benefit from the presence of illegal aliens."

•Congress and the White House need to direct the Homeland Security and Justice departments to aggressively enforce existing immigration laws.

Why A Texas Lawmaker Is Facing A Runoff (WSJ)

By Joel Millman

The Wall Street Journal, November 27, 2006

SAN ANTONIO -- Are Hispanics so angry at the Republicans' tough line on immigration that one of the party's most prominent Hispanic lawmakers may go down to defeat in a heavily Latino district?

That's the question in Texas' 23rd District, where Republican Rep. Henry Bonilla has been forced into a runoff against former Democratic Rep. Ciro Rodriguez, set for Dec. 12, which was triggered by state election rules after he failed to get a majority of votes on Election Day.

Mr. Bonilla's seat is one of five House races nationwide -- the others are in Florida, Louisiana, Ohio and North Carolina -- that remained unresolved, due, respectively, to a legal challenge, another runoff, uncounted ballots and a recount.

Two years ago, Mr. Bonilla won his seventh term with 69% of the vote. He ran up the big margin with the help of then-House Majority Leader Tom DeLay, who had guided the Texas legislature in rejiggering Mr. Bonilla's district to remove some Democratic strongholds -- including a large number of Democratic-leaning Hispanics. In the 2004 election, Democrats made up about 40% of the voters in the district, and about half of the households were Latino.

But the Supreme Court rejected the map this summer, saying it violated the Voting Rights Act by disenfranchising Hispanics. The new district drawn after the high-court ruling left Mr. Bonilla with a district that was 50% Democratic and 61% Latino.

The high number of Hispanics isn't an advantage for the 52-year-old Mr. Bonilla, who has had a complicated relationship with low-income Hispanics in South Texas, even though many are proud of their shared ethnicity. Some voters "call him Henry Vanilla," says Ruben Espronceda, a Latino activist and publisher of an alternative newspaper in San Antonio. The congressman has had to rely on wealthier, predominantly Anglo voters to carry him to victory. Mr. DeLay's re-engineering of Mr. Bonilla's district boundaries in 2003 was seen as an attempt to protect a Hispanic incumbent by removing Hispanic constituents. In his 2002 re-election campaign, just 8% of Hispanic voters favored him.

For years, Mr. Bonilla has been one of the Texas Republican Party's celebrity Latinos. Together with Alberto Gonzales, a former Texas Supreme Court justice now the U.S. attorney general, he put a public face on a party that historically has been shunned by Latinos, just as cabinet members Condoleezza Rice and Colin Powell helped to soften hostility to the party among African-American voters. Mr. Bonilla, the grandson of Mexican immigrants, is the lone Mexican-American Republican in the House.

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Since at least 1994, when George W. Bush became governor of Texas, the state's Republicans have been building ties to Hispanic voters, a strategy that helped Mr. Bush increase his party's share of Spanish-speakers to more than 50% when he was re-elected governor in 1998.

As president, Mr. Bush hoped Republicans would make further progress by appealing to church-going Latinos' religious values and by promoting an overhaul of U.S. immigration laws that would legalize millions of undocumented immigrants from Mexico. The strategy reaped dividends: The Republican share of Latino voters jumped to 44% in 2004, from about 30% in the previous cycle.

Mr. Bonilla benefited from the party's Latino drive, and he helped corral some new Hispanic voters for Republicans. He won a coveted seat on the House appropriations committee, where he in chairman of the agriculture panel and has a seat on the defense subcommittee. Both are important perches for his heavily agricultural district, which includes several military bases. The congressman was featured prominently at three Republican national conventions.

But the Republican gains among Latinos were reversed this year, when party hard-liners scuttled the president's immigration overhaul, and chose to reach out to a mostly Anglo base with a law-and-order, "protect the border" appeal. As a result, Democrats took about 70% of the Latino vote in the midterm elections, leaving Republicans with their worst showing among Hispanics in two decades.

That may hurt Mr. Bonilla, who faces a tough fight from a re-energized Democratic Party. His opponent is Mr. Rodriguez, a 59-year-old former congressman, who also is Mexican-American and who represented South San Antonio for four terms. Mr. Rodriguez lost that seat in 2004 after the DeLay-engineered redistricting. "Any time an incumbent can't get above 50%, he's in trouble," Mr. Rodriguez told a roomful of supporters last week.

Mr. Bonilla still has formidable advantages. Aside from his well-established campaign machinery, he has $1.4 million in his coffers. In rural counties, where he has delivered millions of dollars in projects for roads and other improvements, his name is ubiquitous on billboards. "Community Health Centers Thank Rep. Henry Bonilla," reads a sign on Highway 90, paid for by a group calling itself the Committee for Accessible Health Care. "Runoffs are different," he says, because voter turnout is low, and incumbents can often turn out supporters more easily than challengers.

Indeed, independent handicappers say Mr. Bonilla has the edge. "Rodriguez isn't known for his campaign proficiency," says Nathan Gonzales of the nonpartisan Rothenberg Political Report. "He'll need to step it up significantly to pull it out."

Democrats say another factor that could aid Mr. Bonilla is the fact that the runoff coincides with Dia de la Virgen de Guadalupe, a holy day on the Mexican Catholic calendar. "You have to question the Republicans' decision to not only schedule the election with just a few days notice, but also to schedule it on a day of worship celebrated by thousands of Mexican-Americans throughout the district," Mr. Rodriguez says.

In the primary, Mr. Rodriguez was one of seven Democrats running and managed to raise just $125,000. Now, the 21-member Hispanic Caucus, all of them Democrats, is pressing incoming House Speaker Nancy Pelosi to make winning the district a priority, says California congresswoman Loretta Sanchez. "If Democrats want that seat, the national money base can turn on a dime," she says.

Mr. Rodriguez figures ethnicity will play to his advantage. Speaking to a group of Hispanic elected officials at the Mi Pueblo restaurant in Uvalde, he switches back and forth between Spanish and English, emphasizing his 2002 vote against the Iraq war and a record of supporting the poor. He paints his opponent as a friend to bankers who reap higher interest payments on student loans, and to pharmaceuticals companies, "who don't allow you to go to Mexico" to buy medicine.

The reference stirs the group, with one man asking why Mr. Bonilla's vote authorizing a 700-mile border fence to keep Mexicans out isn't a bigger issue in the campaign. "That whole fence vote was offensive," says Ronnie Garza, a local junior-college administrator who says he comes from a family of Bonilla supporters, but who is working this year for Mr. Bonilla's defeat.

Mr. Bonilla says his stance will be a plus, given voters' concerns about crime spilling over from Mexico. "People in my district are for border security," he says.

Alcee Hastings: Out Of The Running? (NSWK)

Newsweek, November 27, 2006

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Dec. 4, 2006 issue - House Speaker-designate Nancy Pelosi is exploring compromise candidates to resolve the furious lobbying fight over who should chair the House intelligence committee. Pelosi has agreed to meet this week with Rep. Alcee Hastings, who has been pressing hard for the post despite his 1988 impeachment as a federal judge over an alleged bribery scheme. But advisers have warned Pelosi that naming Hastings could be a public-relations "disaster," especially after ethics questions were also raised about Rep. John Murtha, whom she unsuccessfully backed to be majority leader, according to congressional aides who asked not to be identified talking about internal matters. Even Hastings, who insists he is innocent of the dated charges (he was acquitted in a criminal case), now concedes it's unlikely he'll get the post.

"I still have hope, but it's diminishing," he tells NEWSWEEK. (Hastings still wants Pelosi to make a public statement absolving him of any wrongdoing.) But Pelosi also remains resistant to giving the job to the other main contender, Rep. Jane Harman, in part because she thinks Harman got "rolled" by the White House over Iraq-war oversight, says one leadership aide who also asked not to be identified talking about sensitive matters. (A Harman aide did not respond to requests for comment.) That leaves Pelosi looking at two compromise picks. One is Rep. Norm Dicks, a onetime strong Iraq-war backer who has since joined ranks with Murtha and now wants a phased troop withdrawal. The other is Rep. Silvestre Reyes, a quiet Texas lawmaker and former Border Patrol official who opposed the Iraq war from the outset. The aforementioned leadership aide notes that Reyes may now have the upper hand for "political" reasons: the Hispanic Caucus is angry because it has no members in the new House leadership or chairing major committees. Pelosi appears to be "leaning toward" Reyes, the aide says, but "the truth is, nobody knows what she is going to do."

The Lady Of The House (USNEWS)

By Gloria Borger

U.S. News and World Report, November 27, 2006

Women recognize that kind of smile: pasted, forced, painful. When it appears-say, to hide heartbreak or sadness-there's a natural sympathy, even admiration, for the spirit of the woman wearing it. But when the soon-to-be Madame Speaker emerged from a closed-door Democratic caucus recently wearing that anguished grin, there was none of that friendly sense of embrace. None whatsoever.

Instead, there was mostly this question: What was the woman thinking? That we would simply accept the toothy smile as evidence of her newfound comity with Steny Hoyer, the new majority leader whom she had just attempted to knock off? That we would think it was a good idea to make her maiden leadership power play-in supporting Jack Murtha over her foe Steny Hoyer for the job-an act of revenge instead of reconciliation? That the woman about to become the first female speaker of the House was smart to look like a girl eager to "get back" at the guy she didn't like? That stepping on your own big story by trying to big-foot your membership is inspirational bridge-building? Or even good politics?

The facts: Nancy Pelosi is making history. As a woman, she will be held to a different standard, so she needs to set her standards high. It's not fair, but that's the way it is, and we all know it. And it's why choosing Murtha (over a well-regarded man already in place as her No. 2) was ultimately so self-defeating-and more revealing than she probably intended. A Pelosi ally told me that she was just playing by the tough rules of the old male pols in trying to deep-six her antagonist, Hoyer. If so, she forgot something: You might be forgiven if you employ a low tactic in the service of higher purpose. But threatening committee assignments so freshmen vote for Jack Murtha just doesn't qualify.

Pelosi's main job is to tee up the Democrats for 2008. It's a tough task, largely because she's a leader of a party perpetually at war with itself. The unity the Democrats found in the last election was rooted in one simple truth: They weren't the Republicans running the Congress or the White House. There was no national Democratic conversion, just a sense that the other guys ought to get a shot at governing. So while the Democrats won, they still remain a motley crew: rich and poor, culturally conservative and liberal, big spenders and budget-balancers.

Tacky. And divided on the best way to end the war. Pelosi has taken sides: She supports the Murtha withdraw-now scenario. And she's about to demote her more moderate fellow Californian, Jane Harman-denying her the chairmanship of the House Intelligence Committee, even kicking her off the panel. Why demote Harman? If it's a policy dispute over the war, why not welcome Harman's voice-generally regarded as credible, even if it veers from the liberal line? If it's a personal dispute, get over it.

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Any member of the California delegation will tell you that the two women don't get along-and that both have probably been right over the years. But if you're speaker, why demean your exalted position by engaging in a publicly ugly, even tacky, fight? Particularly when the possible alternative to Harman is Alcee Hastings of Florida, once impeached by the Senatefor ethical lapses. "If Pelosi starts acting like the second coming of George McGovern," says one top Democratic strategist, "we will lose much of what we have gained."

There are some hopeful signs: Despite the suggestion by Rep. Charles Rangel that Congress ought to reinstitute the draft, Pelosi made it clear the idea is a nonstarter. It might actually be an interesting debate that would engage the nation, but it's never going to happen-so Pelosi is wise to avoid it. Then there's the decision to roll out a bunch of ethics reform measures at the start of the next Congress. It's the issue that tipped the balance towards the Democrats-and they're going to take their time debating it. Each proposal-whether it's a gift ban, lobbying reform, or eliminating pork-barrel-spending "earmarks"-will be in a separate bill, providing plenty of votes and attention for an issue that mattered to the public.

That's smart. And it's an agenda House Democrats want. So far, in fact, it's the flock that has been serving the leader well: pushing for reforms and refusing to rubber-stamp Murtha because he's Pelosi's friend. If they begin to actually get something done, the smiles may finally be for real.

Will: How Speaker Pelosi Could Restore Congressional Values (NSWK)

By George F. Will

Newsweek, November 27, 2006

Dec. 4, 2006 issue - There has been an admirable absence of chivalry in assessments of Nancy Pelosi's stumbling steps toward the speakership. She dismayed colleagues by saying that in order for her to be an effective leader she needed John Murtha as majority leader. Try to imagine Speaker Sam Rayburn confessing such dependency. And a columnist in The Economist says that "often she talks drivel" (the speaker's gavel "is in the hands of special interests, and now it will be in the hands of America's children") couched in "clumsy alliteration" (Democrats have "idealism, intellect and integrity.") Says the columnist, "It's like listening to a cross between a Stepford wife and Jesse Jackson." Or like listening to Rumpelstiltskin discuss economics: Pelosi sees increased taxes on oil companies as part of a program of "energy independence."

What the House needs from Pelosi, however, is not rhetorical flair or scintillating thought, but statesmanship, which often, and in this instance, means not fully pressing an advantage. Many Democrats are eager to pay Republicans back for their overbearing behavior when they were in the majority—behavior that Republicans say was retribution for Democrats' behavior before 1994. Last year, Michigan Rep. John Dingell, the most senior House member (he just won a 26th full term), told The Washington Post's Juliet Eilperin that when Democrats regained control, some of them would say: "We're not going back to the fair way of doing things. Democrats will say to [Republicans], you did it, now you bastards enjoy it."

But in her new book "Fight Club Politics: How Partisanship Is Poisoning the House of Representatives," Eilperin notes that before Republicans captured the House in 1994, Dingell's "fair way" was to give Democrats 82 percent of the staff and 77 percent of the budget of his Energy and Commerce Committee. So Republicans, having won 52.4 percent of the House seats in 1994, retaliated by giving themselves about two thirds of all committee seats.

In the 1980s, says Eilperin, Speakers Tip O'Neill and then Jim Wright began bullying House Republicans "even when it did not make the difference between winning or losing a vote. They limited opportunities for debate, publicly mocked members of the minority and frequently denied Republicans the chance to make their mark on legislation." In 1987, Wright passed a budget bill by adjourning the House and then calling it back into session a few minutes later, and calling it a "new" legislative day. Republicans were enraged when Wright held open a vote for 10 minutes longer than the normal 15 minutes. But in 2003, Speaker Dennis Hastert, needing time to browbeat reluctant Republicans, held open the vote on the prescription-drug entitlement for two hours and 51 minutes, until almost 6 a.m.

Democrats began the practice of routinely bringing bills to the floor under closed rules, meaning the legislation could not be amended. Republicans smoldered when in the 103rd Congress (1993-94) 70 percent of all rules were partly or completely closed. But in the Republican 108th (2003-4), 78 percent were. Some Republicans have disregarded the tradition of allowing the

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minority party to select the members it sends to conference committees that resolve differences between House and Senate versions of a bill.

"The House of Representatives, as controlled in recent years by the Republican party, has ceased to be a deliberative and legislative body, responsive to the will of a majority of its members, but has come under the absolute domination of the Speaker, who has entire control of its deliberations and powers of legislation." So read the Democratic Party platform in 1908.

Recently, the House has been run the way presidential campaigns have been run, by the politics of mobilization rather than persuasion. That is, by energizing one's base of true believers rather than attracting persons who might be temporarily attracted by compromises that blur partisan clarities. Hence Hastert's "majority of the majority" rule: No bill should pass unless it is supported by a majority of the party that controls the chamber.

This marginalizes the minority as a legislative force, so its members pour all their energies into the bitter politics of bringing down the majority. The House often works Tuesday to Thursday, and many members do not move their families to Washington, so there is less of the socializing that leavens partisanship with friendship.

Mickey Edwards, former GOP congressman from Oklahoma, says that in today's polarized Washington, House members "tend to see themselves less as members of a separate and equal institution, with its own oath of office and obligations, and more as either a part of the president's team or a part of the opposition to the president." By restoring some of the procedural civilities that both parties have traduced, Pelosi could revive the House to fulfill its intended role as a rival to the executive. Her interests, and those of her institution, converge.

As Drug Benefit Tottered, A Veteran Buckled Down (NYT)

By Robert Pear

The New York Times, November 27, 2006

WASHINGTON, Nov. 26 — Early this year, while top Bush administration officials were boasting about the success of the new Medicare drug benefit, a middle-level manager named Abby L. Block held a telephone conference call with insurance companies.

“We have a real crisis situation looming here,” Ms. Block told the insurers, noting that many Medicare beneficiaries had been unable to fill prescriptions at their pharmacies. “We truly cannot let this situation go on much longer. I cannot stress enough how urgent this is.”

Ms. Block, a 75-year-old civil servant, is director of the Center for Beneficiary Choices at the federal Centers for Medicare and Medicaid Services. While some officials toured the country as cheerleaders for the drug benefit, Ms. Block stayed at her desk in Washington and made it work.

She solved many problems that plagued the program in its first weeks, when low-income people were often overcharged and some were turned away from drugstores without getting their medications. By September, according to several market research firms, three-fourths of the people receiving drug coverage through Medicare said they were satisfied.

Dr. Mark B. McClellan, former administrator of the Centers for Medicare and Medicaid Services, said that recruiting Ms. Block had been one of his priorities after he took charge of Medicare in the spring of 2004. “No one on the planet has as much experience providing access to a full range of health plan choices under a government program,” Dr. McClellan said.

For 25 years, Ms. Block had worked at the federal Office of Personnel Management, running the health insurance program for federal employees. Despite some criticism, the federal employee program is generally popular with government workers, and Congress used it as a model for Medicare’s drug benefit.

Janice R. Lachance, who was director of the personnel agency under President Bill Clinton, said: “Abby is the ultimate public servant. I don’t know her politics. I was always very careful not to ask.”

“When Abby took the Medicare job,” Ms. Lachance said, “many wondered why she would do this at her age, when most people are going off into retirement. That’s who she is. If there’s a big, thorny problem, Abby wants to be part of the solution.”

If Congress directs Medicare to negotiate with drug companies and seek lower drug prices, pharmaceutical executives could find themselves dealing with Ms. Block, as insurers already do.

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The Federal Employees Health Benefits Program is, in effect, a supermarket through which more than 280 private health plans are offered to more than eight million federal employees, retirees and dependents.

Many insurers, like Humana, participate in Medicare and the federal employee program. They respected Ms. Block, so when she expressed alarm about the operation of Medicare's drug benefit, they paid heed.

"We called on the plans to take extraordinary steps to meet the needs of beneficiaries," Ms. Block said in an interview.

The government told insurers they must provide a temporary supply of any prescription that a person was taking prior to the start of the Medicare drug benefit on Jan. 1. The transition period was originally 30 days, but when problems persisted, Ms. Block extended it through March 31.

"When I was at the Office of Personnel Management," Ms. Block said, "I viewed myself as a purchaser, like any other employer buying health insurance for its employees. Congress set up the program to offer choice. We never had standardized benefits. People could choose a plan that met their needs.

"In the federal employee program," Ms. Block said, "the primary focus is to get the best deal for federal employees and retirees. In Medicare, the primary focus is to get the best deal for beneficiaries. The key, I think, is to treat the plans as partners, rather than adversaries, and to establish a mutual goal. This is a business relationship."

That represents a radical change. For 40 years, Medicare has been a regulator and a payer but has not been seen as a reliable business partner.

Some observers suggest that the government may be too cozy with insurers, in Medicare and in the federal employees' health program.

Jacqueline Simon, policy director at the American Federation of Government Employees, a union representing 600,000 federal workers, said Ms. Block could have obtained better benefits at lower cost had she taken "a more adversarial position" in negotiating with insurers.

"Our impression is that she was very indulgent and very inclined to let them have their way," Ms. Simon said.

If Ms. Block has an aptitude for insurance, she may have inherited it. She grew up in Brooklyn and in Merrick, N.Y., on Long Island. Her father, Irving Barbanell, was in the insurance business.

A first cousin, Alexander S. Barbanell, recalled recently that her father "sold life insurance and went door to door collecting premiums of 25 to 50 cents a week in the Depression."

Alexander Barbanell's wife, Gloria Feldt, a former president of the Planned Parenthood Federation of America, said: "I related to Abby as one feminist to another. We both had to assert our abilities at a time when our society did not welcome women as executives."

At the Medicare agency, Ms. Block's job is ordinarily held by a political appointee, but she is a civil servant, a member of the Senior Executive Service.

"Sometimes a career civil servant can do the job better than a political appointee," said Kay Coles James, who directed the Office of Personnel Management from 2001 to 2005.

Behind her desk, Ms. Block has several busts of Theodore Roosevelt, a champion of the Civil Service. She received them for outstanding performance in her prior job.

Medicare drug coverage, like health benefits for federal employees, is offered through private plans. But Medicare beneficiaries are, on average, older, sicker and more vulnerable. Insurers are more tightly regulated under Medicare, which has a much higher political profile than the federal employee program.

The 2003 Medicare law says that Medicare officials can negotiate with insurers on the "terms and conditions" of the drug benefit, just as the government negotiates with insurers on behalf of federal employees.

But it appears that Medicare has made only limited use of this authority in the first year of the drug benefit. "Under Medicare," Ms. Block said, "some negotiations do occur, but there were only a few situations where the final price was different from the bid price."

More than half of federal employees are in Blue Cross and Blue Shield.

Stephen W. Gammarino, senior vice president of the Blue Cross and Blue Shield Association, said: "What's impressive about Abby is that she listens. She really wants to understand the industry she's working with. She does not assume that the

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government always knows best. She sets out her expectations. How plans get there is less important to Abby than the overall objective, which is to provide better value and better service for beneficiaries."

Lawmaker Leaves Judge Nominee In Limbo (AP-Y)

AP, November 27, 2006

A conservative Republican lawmaker is considering whether to stop blocking a judicial nominee over concerns her appearance at a lesbian commitment ceremony betrayed her legal views on gay marriage.

Sen. Sam Brownback, a potential presidential candidate in 2008, said Michigan Court of Appeals Judge Janet T. Neff should not be disqualified automatically for having attended the ceremony. But Brownback, R-Kan., made clear it raised doubts in his mind.

"But what I want to know is what does it do to her look at the law? What does she consider the law on same-sex marriage, on civil unions, and I'd want to consider that," Brownback said Sunday.

President Bush nominated Neff, who has a liberal reputation, to be a U.S. District Court judge as part of a compromise struck with Democrats.

Neff's nomination is pending before the full Senate; Brownback has stalled it because of her attendance at the 2002 ceremony in Massachusetts.

"I'm still looking at the Neff situation, and I will in the future," Brownback said.

Neff has said she attended as a friend of one of the two women, a longtime neighbor.

Neff has declined to answer Brownback's queries on whether the Constitution guarantees a right to same-sex marriage or civil unions, saying it would be improper to address questions that might come before her as a federal judge.

Brownback called gay marriage a developing area of the law best not left to the judiciary anyway.

"To me these issues should be decided by the legislative bodies, not by the judicial bodies, and it seems to me this may indicate some view of hers on the legal issue. And that's what I'm concerned about here, is her view of the legal issue involving same-sex marriage," Brownback said.

Sen. Dick Durbin, D-Ill., urged taking a step back, away from "the political agenda," in considering judicial appointees.

"You know, these are important lifetime appointments. These men and women who serve on the bench, we really trust their judgment and their wisdom and giving these political litmus tests I don't think is in the best interest of justice in America," said Durbin, who will be the No. 2 Democrat in the Senate.

In an Oct. 12 letter to Brownback, Neff said a minister presided over the ceremony and she insisted her attendance would not affect her ability to act fairly as a federal judge.

"The ceremony, which was entirely private, took place in Massachusetts, where I had no authority to act in any official capacity and where, in any event, the ceremony had no legal effect," Neff wrote.

Brownback and Durbin appeared on "This Week" on ABC.

On Deck Again: One Of Democrats' Favorite Clinton Foes (WP)

By Al Kamen

The Washington Post, November 27, 2006

Outgoing Senate Judiciary Committee Chairman Arlen Specter (R-Pa.) got a rousing ovation recently from the conservative Federalist Society when he said he would push for confirmation next month of a group of stalled Bush judicial nominees.

But Specter had to acknowledge that he was "not optimistic" about securing approval for most of the controversial names President Bush kicked back to the Senate -- a White House move that rankled Democrats.

Part of the problem is that when Congress waddles back for a quick lame-duck session next month, consensus nominations, not contentious ones, are the ones that are likely to get through.

Yet one of Bush's nominees, a former House member from California and a "manager" in the effort to impeach and remove President Bill Clinton from office, could very well be confirmed to a federal judgeship, even under a Democratic Senate next year.

James Rogan, who lost his seat in 2000 because of voter unhappiness over his impeachment efforts, was later confirmed by the Senate to head the Patent and Trademark Office. He's now a Los Angeles lawyer.

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And, oddly enough, Rogan's got support from an unusual group of Clinton backers, including a California judicial vetting committee with members picked by liberal Democratic Sens. Dianne Feinstein and Barbara Boxer.

Rogan even lists as references two of Clinton's lawyers in the impeachment battle, Lanny J. Davis and Lanny A. Breuer, who worked in the White House counsel's office.

Asked about this most unusual "kumbaya" spirit -- something long missing in this town -- Breuer said Rogan is "basically a good guy and a good public servant. Jim Rogan was dead wrong on the impeachment, but over the years I've gotten to know him and he's a fair and decent man, and I think he'll be a fine judge."

Davis, who was one of Clinton's most vociferous defenders back then, said Rogan called him "early on, not recently, and I said I would help him and I volunteered to call" the Judiciary Committee's ranking Democrat, Sen. Patrick Leahy (Vt.), on his behalf. Rogan showed "poor judgment" on impeachment, "I haven't changed my mind on that," Davis said, but "he's a good Republican with unquestionable integrity, and I'm willing to step up."

On the other hand, there's a senator named Clinton who's going to have to approve the nomination. No word on her views; spokesman Philippe Reines said, in what the New York Daily News called "an icy statement," only that she'd take a look at it.

But even in the heat of House impeachment action seven years ago, we received a fine photo, we recall, of the Clintons and the Rogans getting close during a White House Christmas party. Look at all those grins.'Now That We're Relevant . . .'

Despite all their talk about global warming, enviros are just this month coming in from years in a frigid political winter. And they're discovering that they are in need of some serious refresher drills if they hope to play in the big leagues.

Consider an internal e-mail to "Environmental Communications Professional" from Peter A. Rafle Jr., a communications director at the Wilderness Society, to his counterparts at a couple dozen organizations that form what's called the Green Group. The e-mail, titled "Lessons Learned," results from some apparent unhappiness with a Nov. 13 enviro news conference "resulting in less-than-ideal headlines."

Enviros need to understand they are "now viewed as relevant," Rafle said, something "we haven't been for more than a decade." That means smoother news conferences, coordinated messages and so on.

"As a result of the elections, the press is more interested than ever in what we have to say," he wrote, noting huge reporter turnout at media events. "We no longer have the luxury of hiding our quotes in the 10th paragraph of a newspaper article," he said.

So "message discipline" is critical, and "improvising or ad-libbing can cost us friends on the Hill and in the public," Rafle said. "The press will leap on the least hint of conflict or inconsistency," he predicted, "and the resulting story is unlikely to be helpful."

You can count on that.Turks, Kurds Have Something in Common

Remember retired Gen. Joseph Ralston, the former NATO commander who was named a few months back as special envoy to try to work through Turkey's concerns that Kurdish separatists are being supported by their cousins in Iraqi Kurdistan?

The Turkish press has been reporting that there doesn't seem to be much happening from his efforts and that the Turks are unhappy.

A Loop Fan who was in Lebanon the week before last reports that Ralston was back in the news because the Kurds are also unhappy with him. Seems he's a member of the board of Lockheed Martin, which, it appears, is supplying nifty new combat jets to the Turks, who may well use them on the Kurds.

Medicaid Spending Sees First Decline (USAT)

By Dennis Cauchon

USA Today, November 27, 2006

Medicaid spending has declined unexpectedly this year, the first drop since the health program for the poor was created in 1965.

The historic reversal will free up billions of dollars in state budgets. Medicaid has been the fastest-growing expense for states over the past 10 years.

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Medicaid spending fell 1.4% in the first nine months of the year compared with the same period a year ago, according to the Bureau of Economic Analysis. The drop was even greater — an unprecedented a 5.4% decline — after adjusting for the rate of health care inflation.

The spending has been reduced by cost-controlling efforts and a shift of some prescription-drug expenses to Medicare, the federal health program for the elderly.

"States have made really aggressive changes in how care is managed in Medicaid," Arizona Medicaid Director Anthony Rodgers said. "Every state has taken a different approach, but the success can be seen almost everywhere."

Medicaid provides health care to 56 million poor Americans. The federal government sets broad rules for the program and pays 57% of the expense. States run the program and pay 43% of the cost.

The program is on track to spend $300 billion in federal and state money in 2006, the Bureau of Economic Analysis reports.

Medicaid is separate from Medicare, which insures 42.5 million elderly and disabled. That program — run entirely by the federal government — will spend about $384 billion this year, up 15.6%.

Some Medicaid savings are the result of shifting costs to the federal government's Medicare program. The new Medicare prescription-drug benefit pays most pharmaceutical costs for 6 million elderly poor who used to have their bills paid by Medicaid. Under the new drug plan, states reimburse Medicare for some money saved, but not all.

This complicated cost shifting between the two programs makes it impossible to know precisely how much Medicaid cost cutting is simply shifting expenses to the federal program. A USA TODAY analysis estimates that Medicaid spending would have been about flat — or down 4% after adjusting for inflation — without the new federal drug benefit.

Substantial Medicaid savings resulted from many small cost-containment policies adopted in recent years. The changes include shifting the elderly from nursing homes to less-costly home health care, cracking down on fraud, refining the management of high-cost patients (such as those with AIDS or hemophilia) and cutting some payments to hospitals and doctors.

"This is a unique event. No doubt about it. And there are a lot of reasons for it," said Vic Miller, senior fellow at the Federal Funds Information for States, a research group sponsored by states.

Key examples:

•Ohio spent about 10% less on Medicaid from July through October than a year earlier. The $310 million reduction includes $37 million less paid to nursing homes and $32 million less to hospitals. "It's many things, not one sea change," Ohio Medicaid spokesman Jon Allen said.

•Michigan spent $1 billion less than budgeted and $311 million less than it spent a year earlier.

•New York planned for a 7% spending increase this year but now predicts a 3.8% increase.

A Fix For Social Security? (WP)

By Sebastian Mallaby

The Washington Post, November 27, 2006

The next six months could be a productive time for economic policy. After a wasted 2005-06 cycle, in which the Bush administration approached entitlement reform too confidently and Democrats refused to talk, both sides may return to the table. The administration, now led by a practical Treasury secretary with the heft to sideline ideologues, may be willing to make concessions. The Democrats, faced with the challenge of living up to their unexpectedly clear election victory, may decide it's time to make policy rather than just block it.

The most interesting debate will revolve around retirement. This will start with a rerun of the Social Security argument of 2005; but it could easily blossom into a discussion about the inequality and income volatility that's grown with globalization.

Top administration officials have already signaled that they want to return to the question of Social Security. They no longer regard "privatization" -- the diversion of payroll taxes into personal accounts -- as the starting point for negotiation. The solvency of Social Security, not a desire to promote an "ownership society," is their main concern.

A solvency fix will involve some cuts in future benefits. Democrats won't love this, but there are ways to do it progressively. During the 2005 debate, President Bush endorsed an idea that would inflict no cuts whatsoever on low-income workers and

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would allow the value of middle-class retirees' benefits to rise, albeit less quickly than now scheduled. Because this formula (devised by a Democrat named Robert Pozen) spreads the burden fairly, Democrats who worry about rising inequality should be open to it.

The solvency fix will also require increases in revenue. Again, during the last Social Security debate Bush left open the possibility of doing this in an extremely progressive way -- by lifting the cap on the payroll tax, which currently exempts income above $90,000. This reform would raise revenue exclusively from the richest 6 percent of taxpayers. It's hard to see how Democrats could object to that.

The next question is where to put the extra revenue: into the notional Social Security trust fund or into personal accounts. The administration will prefer private accounts, partly because it would like a face-saving link to the president's 2005 proposal but also because personal accounts provide a way of walling the revenue off from the general budget and so reduce the government's tendency to spend it. Meanwhile, Democrats will prefer to put the money into the trust fund. They reason that any personal account created as part of a reform that cuts Social Security benefits is headed the wrong way: toward replacing the security of the traditional guaranteed benefit with the uncertainty of 401(k)-type investments.

Judging from the hints flying around Washington, the administration sees how to bridge this divide. Democrats may be allergic to personal Social Security accounts, but they are enthusiastic about other ideas for personal retirement accounts that just don't have "Social Security" in the title. For example, Gene Sperling, a former Clinton adviser, has called for a "Universal 401(k)" that would extend the benefits of 401(k) saving to workers whose companies don't offer such accounts. In Sperling's vision, everyone would get the chance to contribute to an account and receive a government contribution as a match, with the most generous match going to low-income workers. To pay for this program, the government could prune the existing $150 billion patchwork of tax breaks for saving. This patchwork is extraordinarily, scandalously regressive: 90 percent of the tax breaks go to the richest 40 percent of taxpayers.

Sperling is motivated by a desire to help low-income people. As he writes in his book, "The Pro-Growth Progressive," 85 percent of workers in the bottom fifth of the labor force have no access to a company 401(k), nor do 75 percent of Hispanic workers or 60 percent of black workers. Globalization, which has boosted the volatility of family incomes, makes it especially important to help workers build assets that can cushion them against job loss, illness or the financial fallout from divorce. Although the Universal 401(k) would be primarily aimed at retirement security, there could be limited earlier withdrawals at times of misfortune.

So while Republicans have been pushing personal retirement accounts as part of an entitlement fix, Democrats have been pushing personal retirement accounts because they worry about worker insecurity. By enlarging the debate so that it's about savings in the era of globalization rather than just Social Security, negotiators can conjure up the common ground that was missing during the 2005 train wreck. Personal accounts need not be merely the alternative to the traditional Social Security benefit. They can simultaneously be the alternative to the nation's outrageously regressive system of tax breaks for saving and a way to help ordinary people build nest eggs. When personal accounts become both of these things, perhaps Republicans and Democrats alike will back them.

Up From The Depths (WP)

The Washington Post, November 27, 2006

THE BUSH administration has signaled that it wants to discuss Social Security reform with the incoming Democratic majority in Congress. This may sound quixotic: President Bush failed to secure reform when his own party controlled the legislature, so what hope does he have now? But the president's top economic advisers, including his Treasury secretary, his chief of staff and his budget director, appear ready to drop what Democrats call privatization -- the diversion of payroll tax revenue into personal retirement accounts. Unless they want to define themselves as unbendingly partisan, the Democrats should accept the administration's invitation to discuss reform.

Democrats who want to avoid such talks will assert that the administration is not acting in good faith. In a news story in Wednesday's Post, Rep. Sander M. Levin (D-Mich.), the incoming chairman of a House subcommittee on Social Security, cited the nomination of Andrew G. Biggs, a proponent of personal accounts, to the No. 2 slot at the Social Security Administration. "The

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president is sending signals that what he's really after is privatization," Mr. Levin asserted. "And that's just a non-starter." But Mr. Biggs is respected and liked by Democratic economists, who have no trouble discussing reform ideas with him. The administration has recently acquired a pragmatic, deal-oriented Treasury chief. Refusing even to discuss reform with him would be to pass up an opportunity to fix a pressing

problem.

Some Democrats dispute the urgency of the problem, arguing that the notional assets in the Social Security trust fund are sufficient to pay all the benefits promised to retirees for the next 40 years. But a retirement system needs to make credible promises that last longer than that: A worker who is 30 can't entrust her retirement to a program that will run short of money as she turns 70. Moreover, a solvency fix for Social Security requires a long lead time. Cuts in benefits must be signaled years ahead so that workers have time to plan for them. Any increase in the payroll tax needs to be implemented soon in order to keep the size of the increase to an acceptable level.

Another argument against addressing Social Security is that health care is more pressing. It's true that the budget challenge Social Security presents, which is the result of the retirement of the baby boomers plus rising life expectancy, pales next to the budget challenge Medicare presents, which is the result of those two factors multiplied by galloping inflation in health-care costs. But it makes sense to start with whichever part of the entitlement problem can be tackled most readily, and that is likely to mean Social Security. The administration has indicated that it is ready to do a deal on the retirement system, and much of the technical groundwork has been done. There is nothing to stop Democratic leaders from advancing health proposals too, but for the moment neither they nor the administration have a plausible blueprint for reining in Medicare costs.

If the Democrats engage on Social Security, they may find themselves discussing some form of personal retirement accounts. This should not be confused with "privatization": Personal accounts that are added to the Social Security system are different from ones that are funded with money carved out from existing payroll revenue. Creating such add-on accounts could boost national savings, allow workers to build nest eggs and cushion them from the benefit cuts that are inevitably part of a reform. As they respond to the administration's overtures, Democrats should not foreclose this option.

Winning Personality (WP)

By Robert D. Novak

The Washington Post, November 27, 2006

A staple Republican tactic for several years has been to get Chuck Schumer on television. His whiny New York accent exhaling liberal dogma was music to GOP ears. Yet his omnipresence on TV since the midterm elections has not been cause for Republican jubilation.

That's because Schumer, for once, has not been talking -- just beaming. In every televised tableau of victorious Democrats, the long, smiling face of Sen. Charles Schumer has been positioned beside the next House speaker or Senate majority leader. He deserved the place of honor for his paramount role as chairman of the Democratic Senatorial Campaign Committee (DSCC) in achieving a Senate majority that nobody expected.

Because of his soaring ambition, Schumer had been in danger of becoming a comic figure and the subject of a cliche: The most dangerous place to be in Washington or New York is caught between Schumer and a TV camera. But far from the attention hog or reflexive liberal he often has seemed in a 32-year legislative career, Schumer at the DSCC was a coolly pragmatic decision maker. He far outdid his Republican counterpart, Sen. Elizabeth Dole, in fundraising, recruitment and strategy.

After easily winning Senate reelection in 2004, Schumer considered a race for governor of New York as integral to his dream of becoming the nation's first Jewish president. But state Attorney General Eliot Spitzer stood in the way, and Schumer instead agreed to head the DSCC.

He faced a daunting task. Of the three Senate election cycles, 2006 was easily the most hazardous for Democrats. Far from achieving the net gain of six seats needed to take control, Democrats were in danger of losing seats in Nebraska, Florida, West Virginia, Washington, Minnesota and North Dakota.

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Schumer, using his New York connections, raised $23 million from the metropolitan area alone. For the first time, the DSCC outraised the National Republican Senatorial Committee (NRSC) in both years of the election cycle. As of mid-October, the DSCC had outspent the NRSC, $94.6 million to $70 million.

Ending the old DSCC practice of sending money to incumbents in safe seats, Schumer said to donors: "I've told Ted [Kennedy] and Hillary [Clinton] that they're getting nothing." He stressed fundraising for Democratic senators from states carried by George W. Bush. Early war chests built by Sens. Ben Nelson in Nebraska, Bill Nelson in Florida and Robert Byrd in West Virginia frightened off serious contenders.

While Dole was striking out in recruiting, Schumer succeeded in preventing the retirement of incumbent Democrats, which had led to many losses in 2004. He also displayed pragmatism in candidate selection that belied his left-wing stereotype. Pennsylvania Gov. Ed Rendell (D) told Schumer that he didn't think Schumer would want the best candidate against Republican Sen. Rick Santorum -- because he was pro-life and pro-gun. "If he can win, I don't care," Schumer replied. He also took the unusual step of intervening in the Virginia primary by endorsing Jim Webb against liberal stalwart Harris Miller, even though Webb had backed Bush and Republican Sen. George Allen in 2000.

Fundraising and recruitment have been traditional duties for DSCC chairmen, but Schumer also entered the realm of overall strategy. Here, too, he contradicted his image of the panting ideologue demanding a litmus test for judicial nominees and grossly exaggerating the Valerie Plame leak. He pressed Democratic candidates not to flatly oppose extension of the USA Patriot Act but to work for a bipartisan compromise. Earlier, he threatened to cut off funds to Democratic candidates if they crippled each other in bloody, negative primaries, as they had done in Florida in 2002.

While Schumer takes credit for helping make the Tennessee Senate race competitive, the DSCC at the end pulled the plug on Democratic candidate Harold Ford Jr. because the money could be used more effectively elsewhere. The endgame strategy of concentrating on Montana, Missouri and Virginia produced a Democratic majority.

While he agreed to continue heading the DSCC in the 2008 cycle, Schumer's role in his party's leadership was enhanced. Senate Majority Leader Harry Reid, by tradition chairman of the Democratic Conference, created the role of conference vice chairman for Schumer. He no longer is the GOP's favorite television personality.

D.C. Notebook: Matheson Is Moving On Up; Reid Loses His Direction (SLT)

By Thomas Burr And Robert Gehrke

The Salt Lake Tribune, November 27, 2006

It has long been rumored that Rep. Jim Matheson has aspirations for a higher office.

Now he has one.

One floor higher, to be exact.

With retirements and election casualties, House office space got shuffled recently, and Matheson is moving from the second floor of the Longworth House Office Building to the third.

He will be moving into the space now occupied by Washington Rep. Doc Hastings, which has 10 square feet more space and a window view . . . of Interstate 395.

Maybe in another 15 years he could get former Rep. Jim Hansen's old office, which was one of just a few with a balcony and a stunning view of the Capitol. When Hansen retired, House Majority Leader Tom DeLay moved in. Now he's gone, and the swank pad will have a new tenant come January.

Follow the Leader

It appears that incoming Senate Majority Leader Harry Reid may need to work on his leadership skills.

Shortly after a Senate hearing on the Washington County and White Pine County, Nev., land-management bills got going this week, senators were summoned to a vote. So Nevada Sen. John Ensign strolled out of the committee room, followed by Sen. Bob Bennett, Reid and a herd of staffers and reporters.

They got about halfway down the hall when Ensign stopped and realized they were headed the wrong direction. "Why are we going this way?" he asked. "Are you guys just following me?"

"Don't I always follow you?" asked Reid.

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Rude Rudy

Sometimes digs are so obvious you can't let them go by. For example, a New York magazine profile of presidential hopeful Rudy Giuliani this month opens with the former mayor in a swank hotel room: "The television is tuned to CNN. Giuliani laughs at Sens. Orrin Hatch and Chris Dodd. 'Look at Hatch's tie!' he says, pointing at a particularly garish combination of orange, gold, and blue. The aides in the shadows laugh, too."

Seems a little cruel, doesn't it? Obviously, the Utah senator sometimes wears bad ties. OK, horrendous ties. But we didn't make fun of Hizzonah when he was still sporting that ridiculous hairpiece . . . at least not in anything that ever appeared in print.

Um. Until now.

No Comment

Utah's Peter Watkins, who was one of President Bush's message men for the past year, is leaving the White House.

Watkins, a native of Davis County, is one of a small group of regional spokespeople who respond on behalf of the White House to hundreds of newspapers around the globe, including The Tribune. Watkins was peppered with calls every day from reporters in 16 or 17 states, trying to pin down the president on this stand or that. But after six years working at the White House, including several as a spokesman for first lady Laura Bush, Watkins is hanging up his spokes-hat and leaving Washington. The newly married Watkins is returning to Utah and starting a consulting business.

One would think that a former Bush spokesman will do pretty well in the reddest state in the nation.

Bush's Bizarre Appointment (LAT)

The Los Angeles Times, November 27, 2006

Erick Keroack is too extreme to head the federal office for family planning.

PRESIDENT BUsh made some winningly conciliatory remarks the day after his party's Nov. 7 electoral drubbing, saying he looked forward to governing in a more bipartisan fashion. Then he turned around and started naming kooky ideologues to key posts.

The latest recess appointment, Eric Keroack as head of the federal government's family planning office, is an extremist so out of line with scientific thought that it is difficult to describe his views without laughing.

As medical director of A Woman's Concern, a small chain of nonprofit pregnancy counseling clinics that offer no information on birth control, Keroack has agitated against abortion and even contraception — including for married women. The organization continues to push the discredited nonsense that abortion increases a woman's chances of breast cancer and is more dangerous during the first eight weeks of pregnancy (when, in fact, the risk of complication is actually at its lowest). Birth control, according to A Woman's Concern's tortured logic, is somehow "demeaning to women." And Keroack has argued that women who have sex with multiple partners alter their brain chemistry in the process, making it harder for them to form close relationships.

This is the man who will oversee $283 million in annual Department of Health and Human Services grants for providing access to family planning education and contraceptives "to all who want and need them."

The administration is still wasting $158 million a year on abstinence-only education programs that the Government Accountability Office concluded this month have not been shown to work and at times put forth misleading information about condoms and AIDS.

Keroack does not need Senate confirmation, so there is little Congress can do about a president who continues to select anti-scientific ideology over basic competence, aside from making it clear that funding for these programs depends on HHS using the money as intended.

But the real check on Bush's silliness comes from voters. On Nov. 7, efforts to limit women's reproductive rights were routed not only in California and Oregon but in South Dakota and Kansas. Appeasing social conservatives is not just bad policy, it's becoming losing politics as well.

The Test Of Time (NYT)

The New York Times, November 27, 2006

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The Postal Service announced recently that it was cutting the length of time between a person's death and his or her eligibility to appear on a stamp from 10 years to 5. This is one case where we think delayed gratification is a virtue.

Americans love to dedicate and commemorate. Whether for plates, pens, pins or hats, there is an entire industry devoted to commemorative items. If it doesn't have a corporate sponsor, like Citigroup for the new Mets stadium, chances are that it has someone's name in front of it or face plastered on it.

While placement on a postage stamp is hardly of earth-shattering import (there are stamps of ducks, motorcycles and antique toys, after all), American society has made it a high honor for a person. As Postmaster General John Potter noted when he announced the change, the 10-year rule was to ensure that a person's legacy "stood the test of time." The test just got a lot shorter. Now candidates can be considered just three years after they die.

The first few years after the deaths of prominent people are rife with revelations, often unflattering. Tongues loosen. Memoirs are written, archives unsealed, letters published. The shorter the window, the more likely a regrettable choice will be made.

Dedicating something to a living person is particularly fraught with peril. Ohio University learned this the hard way when an advisory panel recommended that Representative Bob Ney's name be removed from a university building. While a member of the State Legislature, Mr. Ney helped steer funds to the project. That was before he pleaded guilty to corruption charges in the Jack Abramoff scandal.

A prohibition on legislators' putting their names on their own pork products strikes us as an excellent idea. In the meantime, we wish that the Postal Service's advisory committee would be content with honoring historical figures. If anyone is desperate to put a particular face on a stamp, Stamps.com does custom jobs, provided they aren't "obscene, offensive, blasphemous" and so on. It's a useful stopgap for a truly impatient era.

OTHER NEWS:

Jobs For College Grads Plentiful (USAT)

By Stephanie Armour

USA Today, November 27, 2006

College graduates are experiencing the best job market in four years as a stronger economy leads more employers to ramp up hiring.

Employers expect to hire 17.4% more new college graduates in 2006 and 2007 than in 2005 and 2006, according to a new survey by the Bethlehem, Pa.-based National Association of Colleges and Employers (NACE).

Signing bonuses range from $1,000 to $10,000, with the average at $3,568. And employers reported plans to boost their starting salary offers by 4.6% over last year, nearly a full percentage point higher than increases for the classes of 2006 and 2005.

"This is the fourth year in a row that employers have predicted an increase in hiring," says Andrea Koncz at NACE. "It really is because of the economy and more demand. Companies are growing."

For example:

•Companies are ramping up hiring. Accounting and tax firm KPMG typically hires about 2,500 new graduates, but they expect to boost that by about 10% in 2007. Manny Fernandez, national managing partner-campus recruiting, says competition for students is intensifying. Signing bonuses are being used in some markets, he says.

•Some colleges and universities are also seeing more employers offering internship programs for current students: Employers extended job offers to more than 70% of their interns, according to a separate study by NACE.

At St. Olaf College in Northfield, Minn., students are landing internships at large companies such as General Mills.

"It's optimistic," says Sandy Amy, assistant director of internships in the center for experiential learning at St. Olaf. "They're finding opportunities. (Internships) give them the background they need."

•Some soon-to-be graduates are finding they can be pickier about the jobs they accept and can take into account other priorities such as flexible work schedules or similar benefits.

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Ashley Hall, 21, is graduating in May from Boston College with a B.A. in accounting and already has a full-time position lined up with KPMG. She earlier had an internship with the company and was drawn there in part because she says they value work-life balance.

"As long as you are willing to put in the effort to interview and network, there's definitely a job market out there," Hall says.

Stephanie Lee, 20, of Milwaukee, is a junior at Marquette University who has already gotten some contacts from potential employers. She expects to graduate in May 2008 with a major in information technology and marketing.

"The outlook for IT grads is going to be great. I get numerous e-mails from IT professors with opportunities," Lee says. "It's very positive."

Commercial Boom Softens Housing Bust (WP)

By Nell Henderson

The Washington Post, November 27, 2006

To understand why the housing slump hasn't dragged the economy into a recession, it helps to visit the Smoketown Plaza in Woodbridge, where the thumping of hammers signals the healthy pulse of a building boom that's still going strong.

Just two miles off Interstate 95, hard-hatted construction workers clamber up dusty ladders and scaffolding, hanging wallboard, laying bricks and drilling metal frames in a buzz of activity aimed at completing a new Arby's drive-through restaurant in time to open by mid-December.

Inspecting the progress as she crosses the bare concrete floor, stepping around the pipes and exposed wires and pointing with pleasure to the gleaming metal frame where the menu board will hang, Christy Gilligan envisions how the place will look when hungry commuters rush in after work for a quick bite, entering through a glass foyer with a two-story cathedral ceiling into a dining room seating 84.

"I see opportunity," said Gilligan, vice president of development with ACW Corp., of Wilmington, Del., a family-owned Arby's franchiser building the restaurant, its fourth in Prince William County.

Many other executives are making similar calculations across the Washington area and throughout the country, boosting non-residential construction enough over the past year to more than offset the decline in home construction. That boom is helping to cushion the impact of the housing slump on the economy.

The nation's harshest housing downturn in 15 years has unquestionably inflicted pain on many homeowners, builders and their suppliers. The plunge in new home construction was severe enough alone to slice a full percentage point off the nation's economic growth in the July-through-September period, depressing the increase in total economic output to a sluggish 1.6 percent annual rate. And the housing market hasn't hit bottom, according to the figures since then.

But the rest of the economy outside of housing remains largely healthy. With unemployment low, wages and stock prices rising and fuel prices ebbing, consumers continue to boost their spending. And businesses are increasing their capital investment, spending more on buildings, equipment and providing new fuel for the economic expansion.

Builders of non-residential projects say they are simply playing catch-up. So many new neighborhoods filled up during the housing boom that they're still building the stores, offices, restaurants, bank branches, hotels and hospitals needed to serve the influx of residents.

In Prince William County, for example, the population surged by 23 percent in the past five years, during the peak of the home-building boom, to 374,678 people. Now, many residents complain they have to drive too far, often to Fairfax County, for basic business services.

The companies that provide those services "don't build until they see the rooftops" over new customers, said Bill Fairchild, president of R.W. Murray Co., a construction contractor in Manassas that's overseeing the Arby's on Minnieville Road and a dozen other non-residential projects in Northern Virginia. "People have got to get groceries. They've got to get their hair cut. They need to go to the cleaners."

Nationwide, building contractors are expanding factories to crank out more exports to meet rising demand from overseas. Others are modernizing refineries to squeeze more fuel out of oil. And the recent volatility in world oil prices has spurred a wave of

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investment in alternative fuel plants, said Kenneth Simonson, chief economist of the Associated General Contractors of America. Scores of ethanol plants are under construction or being planned across the country.

The money spent on private non-residential construction nationally rose a sizzling 19.2 percent over the 12 months that ended in September, according to Census data. In addition, state and local governments are building roads, schools and other public buildings. Public construction rose a robust 11.6 percent in the year ended in September.

Add it all up and the increase in non-residential work more than offset the 6.7 percent decline in home building over the same period, so the value of all construction rose a net 2.9 percent.

These figures have heartened many analysts, who predict the housing slump will continue to dampen economic growth through next year but will not lead to a recession.

"The expected further weakening in housing activity is likely to be largely offset by business capital spending," Jeffrey M. Lacker, president of the Federal Reserve Bank of Richmond, said in a speech last month.

More pessimistic analysts say it is too soon to know how far or for how long the housing market will slide, or how much it might hurt the rest of the economy. They note that total construction spending fell 0.3 percent from August to September, a trend that would be worrisome if it continued. But so far, they agree, the economy is holding up pretty well.

"The problems in housing have not bled into the rest of the job market, at least not yet," said Mark Zandi, chief economist at Moody's Economy.com.

On the contrary, job growth has been so strong that the national unemployment rate fell in October to 4.4 percent, the lowest in more than five years. The Washington area job market is even tighter, with a jobless rate of 3 percent in September, the latest month for which figures are available.

And "if you're any kind of construction worker in the Washington area, it's not hard to find work," said Gene Pinder, business manager for the Baltimore-Washington Laborers' District Council, which represents 7,000 laborers, the workers who pour concrete and asphalt, prepare sites and handle building materials for both residential and non-residential construction projects. "The industry is still red-hot."

At general contractor R.W. Murray, for example, "we never stop hiring," Fairchild said. "There's just a shortage in our industry, nationally" of skilled workers.

Lacker, the Richmond Fed President, whose territory includes metropolitan Washington, predicted that "further increases in non-residential construction will allow many workers to simply change construction jobs rather than become unemployed."

That is at least partly true, builders said. Some, but not all, residential construction workers can shift to non-residential projects, which typically pay more and require higher skill levels. Among those who can make the change are project managers, site supervisors, accountants and other office workers involved in design, engineering, legal and financial work.

For example, R.W. Murray's site supervisor on the Arby's project, Scott Merryman, previously worked for a home-building company.

But much of the work in non-residential construction is more specialized and more complicated than in housing. Such tasks include electrical wiring, installing heating and air conditioning systems, operating multi-story tower cranes and erecting metal frames.

Even installing wallboard in a fast-food restaurant requires different skills than doing so in a house, Merryman said.

Companies, too, are suffering different fates depending on how strongly they specialize in housing compared to commercial work.

Home builders KB Home and Ryland Group Inc. have cut hundreds of jobs. Mortgage lenders Countrywide Financial Corp., Washington Mutual Inc. and Ameriquest Mortgage Co. are laying off thousands.

Masco Corp. reported a 4 percent decline in its third-quarter profits because of lower sales of its cabinets, faucets, bathtubs, windows, doors and other home fixtures.

Weyerhaeuser Co. said its third-quarter earnings fell 26 percent because of lower wood product sales, lumber prices and log prices.

The companies feeling a little less pain are those that also supply or transport materials for non-residential construction.

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In Chicago, for example, USG Corp., the nation's largest maker of gypsum wallboard, suffered a 3 percent drop in earnings in the third quarter because of the housing slowdown. But the results would have been worse if not for the non-residential market, which accounts for about 40 percent of the company's business, said spokesman Robert Williams.

The growing commercial market "certainly does cushion the impact of the softening of the residential market," Williams said.

Many people who live in the neighborhoods that arose during the boom say they're happy to see commercial construction catch up, bringing more services to their neighborhoods.

"I remember when I was growing up, it was nothing but houses being built," said Melissa Rook, 20, of Manassas, a college student tapping on her laptop in a Panera restaurant at the Signal Hill Shopping Center. "Now they're always building another restaurant, another place to go."

And Rook said she wants more places to go. "I would definitely be happier if there was a bigger mall in Manassas," Rook said, explaining that she often treks to the malls in neighboring Fairfax County for serious shopping.

It was consumers like Rook who prompted Arby's corporate marketing people to advise Gilligan's company to move into Northern Virginia in the late 1990s as the population was expanding.

"There was definite potential here," Gilligan said, recalling what she found when she moved to Manassas in 1998.

Gilligan said she chose the site at Smoketown Plaza because it is near both new homes and new workplaces, full of hungry suburbanites. She is already planning two more Arby's elsewhere in the county -- jobs that will help keep the construction industry busy.

"We're doing very well," Gilligan said. "We're seeing growth."

How Housing Slump Is Risk To Big Three Rebound (WSJ)

By Mike Spector, Jeffrey C. Mccracken And Neal E. Boudette

The Wall Street Journal, November 27, 2006

DETROIT -- Detroit's beleaguered Big Three auto makers face a new risk to their turnaround plans: After a string of strong years, U.S. auto sales are slowing and an increasing number of forecasts say sales could fall next year to their lowest level in nearly a decade.

Slowing growth in the overall U.S. economy and the slump in the housing industry, particularly in big markets such as California, are hitting at a bad time for General Motors Corp., Ford Motor Co. and DaimlerChrysler AG's Chrysler Group. All three are losing money in North America at current sales volumes. A downturn in vehicle demand would make it even more difficult to regain profitability -- and to clear out bulging inventories of unsold vehicles without costly production cuts or discounts.

"A softer market really stresses the Big Three out," said David Cole, president of the Center for Automotive Research in Ann Arbor, Mich. "For them, lower volume is not good."

But even some strong Japanese and European players face pressure. Toyota Motor Corp. and BMW AG, for example, could be hurt by any downturn in California, where they control a large chunk of the market.

Toyota has spent billions of dollars building a plant in Texas to assemble a new full-size pickup truck due to hit showrooms early next year. But the housing slowdown and high gas prices have damped pickup-truck sales in the past few months. That could make it harder for Toyota to hit its sales targets with its new truck, the Tundra.

IRN, a Michigan market researcher, is now forecasting U.S. 2007 sales of 16.3 million light vehicles, or cars and trucks. That would be the lowest level since 1998 and a drop of 300,000 from this year's expected sales of 16.6 million vehicles.

"To be honest, there is a lot more downside risk to that than there is a chance it gets better," said Erich Merkle, IRN's director of forecasting.

Some auto makers are more optimistic. Both GM and Toyota are forecasting sales of 16.5 million cars and trucks in 2007. The market "feels a little soft right now, but our forecasts say [sales] will get better through [2007]," especially if gasoline prices and interest rates remain stable, said Troy Clarke, GM president for North America.

Analysts at Bank of America, Wachovia Corp. and Citigroup are expecting a sharper decline, as is investor Wilbur Ross, who has spent hundreds of millions of dollars in the past 18 months buying battered auto suppliers.

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Mr. Ross thinks 2007 sales will be about 16.2 million light vehicles, noting that U.S. consumers bought 50 million cars and trucks in the past three years. "How many more can you sell?" he said.

The Detroit auto makers are also now less willing to use expensive rebates to prop up demand than they were a few years ago, Mr. Ross said, adding that "these deals went on for longer than I expected, frankly, but I think they are done now."

A big factor, most forecasters said, is the decline in home values and the recent string of U.S. interest-rate increases.

In California, where many people have adjustable-rate mortgages on pricey homes, the interest-rate increases have saddled them with higher monthly mortgage payments, leaving them with less disposable income to spend on new cars.

Auto sales in California plunged 16% in the third quarter and show little sign of bouncing back soon. Bert Boeckmann, owner of a huge Ford dealership in North Hills, Calif., said he sold about 300 fewer cars and trucks in October than a year ago. It is "a case of just not having the traffic," he said.

For 2007, the California Motor Car Dealers Association is forecasting a 2.5% drop in new-car registrations.

In addition to California, big dealer groups say south Florida, Arizona and other areas where home values are down are also seeing declines in vehicle sales.

The impact of the housing slump is likely to be hard on the Big Three because slower housing starts cause builders to defer purchases of pickup trucks, which are Detroit's most profitable models.

GM, Ford and Chrysler have also seen their collective market share slip a few points to 54% so far this year. If their share remains steady and 2007 sales come in under 16.6 million vehicles, the Big Three would end up selling fewer than nine million cars and trucks next year.

On Black Friday, Fewer People, More Spent (WP)

By Ylan Q. Mui

The Washington Post, November 27, 2006

Fewer consumers turned out for the post-Thanksgiving shopping bonanza this year, but they spent more than last year as they stocked their carts with expensive electronics, according to a retail trade group.

The National Retail Federation estimated that 140 million people hit the stores and shopped online over the past four days, down about 5 million from last year. Black Friday, the symbolic kickoff of the holiday season for retailers, drew about 58.9 million people, down more than 1 million.

Thanksgiving weekend has become an important marker for retailers, as they battle to offer the biggest discounts to shoppers and, in the process, generate the most buzz. This year, many stores opened at midnight on Thursday. CompUSA beat that, opening for three hours Thanksgiving night.

Shoppers responded by pulling out their wallets. People spent an average of $360.15 this year, up 18.9 percent from last year, according to a survey conducted by BIGresearch. Scott Krugman, a spokesman for the National Retail Federation, said spending was driven by high-priced technology items such as flat screen TVs.

"This year, stores did not disappoint, as deals on high definition televisions and apparel were just too good to pass up, bringing millions of people out of their Thanksgiving cocoons," said the retail federation president, Tracy Mullin.

The credit card company Visa USA also reported strong sales in electronics on Friday, along with furniture and home furnishings. Average spending, including gasoline and restaurant purchases, was up 8.7 percent, the company said.

The retail research firm ShopperTrak estimated total spending on Friday reached $8.96 billion, up 6 percent from last year. It attributed the boost in part to declining energy costs and extended discounts that day.

"Retailers need to remain cautious," said Bill Martin, co-founder of ShopperTrak. "But undoubtedly this type of a season opening is a nice shot in the arm for the industry."

The National Retail Federation predicts retail sales during November and December to grow at a modest 5 percent compared to last year, reaching $457.4 billion. As of Sunday, consumers reported having completed about 35 percent of their holiday shopping, according to the BIGresearch survey. Just less than 9 percent said they were finished.

When The Democrats Take Back K Street (TIME)

By Massimo Calabresi

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Time, November 27, 2006

The reception thrown by Nancy Pelosi at the Capitol a week after the Democrats prevailed in congressional elections was a party some power players had been waiting more than a decade to attend. The fÃªte was for newly elected freshmen lawmakers, but Pelosi's invited guests included big-name Democratic lobbyists like Jack Quinn, Tony Podesta and Steve Elmendorf. Said a partygoer: "I thought to myself, they're all back, all the same old faces. It was just like old times."

For 12 years, Democratic lobbyists lost influence--and money--as Republicans tightened their hold on power. G.O.P. leaders amplified the effect by launching an overt effort to push Democrats out of trade associations and lobbying firms, with the aim of increasing the G.O.P.'s share of campaign contributions from the groups' clients. G.O.P. leaders also punished firms that were too Democrat-friendly by excluding them from meetings on the Hill. The combined effect of power and persuasion added up to a decade of Republican domination in the business of influence peddling.

But the Democrats are making their comeback on K Street, the metonymic home of Washington's $2.36 billion lobbying business. A gold rush is under way for lobbyists who have an in with the winning team. Firms are hiring away key Democratic congressional staff members and bidding up the salaries of Democrats already in the business. And companies that tilt Democratic are signing clients from industries that previously relied on Republican outfits.

There's one hitch. It's not supposed to be like old times. In an election in which exit polls identified corruption as the No. 1 voting issue and Washington's biggest corruption scandal involved lobbying, Democrats won in part by promising to curtail K Street's excesses. Pelosi has said her first act as Speaker of the House in January will be to pass new rules limiting contact between lobbyists and lawmakers. Later in 2007, Pelosi plans to rewrite the laws on pork-barrel spending. She promises that the overall effect of her reforms will be "to break the link between lobbyists and legislation" in Washington.

Who will win the coming battle between reformers and revanchists? The market is betting against reform. Demand for anyone with access to powerful Democrats on the Hill is soaring. Lobbyists who couldn't get a meeting are suddenly a hot commodity. "I've gotten a lot of calls from headhunters in the last two months," says Florence Prioleau, a lobbyist who has maintained close ties with her former boss, New York's Charles Rangel, incoming chairman of the Ways and Means Committee. Pelosi's former chief of staff, George Crawford, has just been hired by Amgen, a biotech company, to represent its interests with the new Congress. Toby Moffett, a former Democratic Congressman from Connecticut now with the Livingston Group, says he recently told a Republican lobbyist desperate to hire Democrats that he had two options: "One is to go after [congressional] staff members who are thinking of leaving, maybe someone with tuitions to pay. The second is to overpay for people who weren't thinking of leaving."

Lobbying firms can gross multimillions-- Livingston takes in some $10.9 million a year--by winning annual contracts worth $180,000 to $600,000 from businesses, individuals, churches, universities, states and municipalities. Those clients are willing to pay because of the large sums of money that lobbyists can help them obtain from Congress. Earmarks, the targeted handouts that have dramatically expanded over the past decade, now total in the tens of billions a year. And everyone wants a piece. "The key thing for me," says a Democratic lobbyist at a top K Street firm, "is don't miss the moment. It's a big opportunity here."

All that money will be working against Pelosi's link-breaking efforts. The Speaker's proposed rule changes would ban lobbyist-paid meals, gifts and travel for lawmakers of the sort that made superlobbyist Jack Abramoff a household name. She also proposes to double to two years the cooling-off period during which former staff members are barred from lobbying their ex-bosses. And Pelosi has pledged to open the earmarking process to public scrutiny so that tax money could no longer be funneled secretly to special interests. Reform-minded Republican Representative Jeff Flake of Arizona says the Democrats' plans, if fully implemented, would in fact be "definitive" and "preferable" to the changes the G.O.P. pushed through Congress in the wake of the Abramoff scandal.

But even if Pelosi delivers the particulars of what she has so far pledged, it's not exactly a revolution she's offering. The gifts, free meals and travel she proposes to ban are largely symbolic perks to lawmakers. Serious oversight, of the kind proposed by some reformers, would include a new office of public integrity and an independent investigator to shine a light on greedy congressional rule breakers. And Pelosi's promised transparency on earmarks is a step down from Democratic campaign vows to ban earmarks sponsored by a lawmaker if the spending benefits the member, his or her spouse, relatives or firms that employ any of them. What's more, Pelosi has tapped Wisconsin's David Obey, a 37-year veteran of the House who is the top Democratic

appropriator, with drafting the actual earmark reforms, a troubling choice given that Obey was responsible for approximately 40% of the past earmarks under an informal system established by both parties, according to Scott Lilly, Obey's former chief of staff.

Some Democrats have openly resisted even mild reform. Representative Jim Moran of Virginia announced at a campaign stop in June that he would "earmark the [expletive]" out of spending bills if he got the chance. John Murtha, a Pelosi confidant, told centrist lawmakers the week after the election that he thought her reform measures were "total crap." Democratic lobbyists are doing what they can to fuel the naysaying. "Republican lobbyists have been writing legislation that needs to be reformed, so are we just going to cut off lobbying completely now that we have the chance to fix things?" asks a top Democratic lobbyist.

But the biggest obstacle to lobbying reform may be that in an electoral system almost entirely dependent on campaign donations, lawmakers and wealthy interests will always find a way to connect. Members of Congress know their job security depends on the money they raise before each election, and much of that comes from K Street. "The dirty little secret is that the biggest lobby in town is members of Congress lobbying us," says the Livingston Group's Moffett. Moffett says he bumped into a powerful Senator last spring. They sat on a bench overlooking the city and talked about Moffett's clients. After a few minutes, Moffett gave the Senator his card. By the time the lobbyist got back to his office, the Senator's campaign staff had sent him an invitation to a $1,000-a-plate fund raiser. "When you're holding the chum," says Flake, the Arizona Representative seeking reform, "you can't complain about the sharks."

Democratic Gains In Suburbs Spell Trouble For GOP (USAT)

By Jill Lawrence

USA Today, November 27, 2006

WASHINGTON — Democrats made large gains in suburbia in this month's elections, pushing Republican turf to the outer edges of major population centers in a trend that could signal trouble for the GOP, an analysis shows.

Democrats carried nearly 60% of the U.S. House vote in inner suburbs in the nation's 50 largest metropolitan areas, up from about 53% in 2002, according to the analysis by the Metropolitan Institute at Virginia Tech.

They received nearly 55% of the vote in the next ring of “mature” 20- and 30-year-old suburbs, with 45% going to Republicans and third-party candidates. In 2002, the last midterm election, Democrats received 50% of the vote there.

“Republicans are getting pushed to the fringes of the metropolis,” said sociologist Robert Lang, director of the institute. “They simply have to be more competitive in more suburbs,” he said, to win statewide and presidential races.

The line between blue Democratic and red Republican territory used to be drawn at the outer boundaries of close-in “streetcar suburbs” with older housing and signs of decline, Lang said. They've become steadily more Democratic in the four elections since 2000, he said, and now are “solid blue.”

Well-established or “mature” suburbs increasingly are turning Democratic, Lang said. He said the trend probably is permanent because such suburbs have become denser and have drawn more foreign-born residents as Republicans have moved farther from urban cores.

Republicans this year continued to win in small cities up to 50,000, as well as fast-growing exurban and rural areas. Lang called the exurbs and “emerging suburbs” volatile, noting Democrats had been losing ground there but cut GOP victory margins in half this year.

Suburban strength helped Democrats win House and Senate seats across the country. Democrat Patrick Murphy's win over GOP Rep. Michael Fitzpatrick in Pennsylvania's Bucks County is one example.

In 2002, the Democratic candidate won 36.9% of the vote against Republican Rep. Jim Greenwood in the county, an emerging Philadelphia suburb. This year, Democrat Murphy received 49.8% of the vote to Fitzpatrick's 50.2%. Fitzpatrick, a 10-year county commissioner, won the House seat in 2004.

Murphy also raised the Democratic victory margin by 14 percentage points in slivers of two other counties in the district. The gains allowed him to squeak to a 1,521-vote victory in unofficial returns.

Neil Newhouse, a GOP pollster whose firm handled more than 75 House and Senate races, said Republicans lost all kinds of voters, not just suburbanites. The main reason was Iraq, he said, and “I assume by the next midterm election in 2010 this will be resolved.”

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Democratic pollster Geoffrey Garin said Republican appeal is waning in the inner suburbs, due in part to socially conservative positions, while Democrats are getting better at reaching suburban voters. They have "doubled, tripled and quadrupled" their efforts to be competitive in exurbs and emerging suburbs, Garin said, since the "huge shock" of losing 97 of the country's 100 fastest-growing counties in 2004.

A G.O.P. Breed Loses Its Place In New England (NYT)

By Pam Belluck

The New York Times, November 27, 2006

BOSTON, Nov. 26 — It was a species as endemic to New England as craggy seascapes and creamy clam chowder: the moderate Yankee Republican.

Dignified in demeanor, independent in ideology and frequently blue in blood, they were politicians in the mold of Roosevelt and Rockefeller: socially tolerant, environmentally enthusiastic, people who liked government to keep its wallet close to its vest and its hands out of social issues like abortion and, in recent years, same-sex marriage.

But this election dealt the already-fading New England Republican an especially strong blow, one that some fear will increase the divide between the two parties nationally by removing a longstanding bridge between them.

Of 22 members of the newly elected House of Representatives from New England, only one is a Republican: Christopher Shays of Connecticut, who eked out a victory while two other Republicans from his state, Representatives Nancy L. Johnson and Rob Simmons, lost to Democrats.

In Massachusetts, where the Statehouse in Boston had been steeped in Republican governors for 16 years, voters threw the party overboard like so much tea.

In Rhode Island, exit polls gave Senator Lincoln Chafee, a popular moderate Republican from a long-admired political family, a 62 percent approval rating. But before they exited the polls, most voters rejected him, many feeling it was more important to give the Democrats a chance at controlling the Senate.

In New Hampshire, the state's two congressmen, Charles Bass and Jeb Bradley, both Republicans, were ousted; Mr. Bradley was defeated by a virtual unknown with a virtually empty bank account. And for the first time since 1874, both houses of the state legislature now have Democratic majorities.

"That to me is one of the most astounding things that happened on Election Day," said Warren Rudman, the former New Hampshire senator who embodies the essence of the New England Republican. "What that tells me is that huge numbers of people in New Hampshire who are either moderate Republicans or independents voted a straight Democratic ticket. They turned out people who had served long and well in the New Hampshire legislature."

Yankee Republican is "a label that's almost lost its meaning in 2006," said Gary L. Rose, a professor of politics at Sacred Heart University in Fairfield, Conn. "The Republican Party has lost a very important voice internally, too, and that only further exacerbates the polarization between the parties. Something's going to be lost here in American politics without their voice."

In New England, Republican losses were partly because of the filtering down of anti-Bush and antiwar sentiment, but other factors played a role as well, including some that had been simmering for years, experts and local Republicans say.

Walter Peterson, a former New Hampshire governor and lifelong Republican, this year became the co-chairman of Republicans for John Lynch, the incumbent Democratic governor.

"What the people want is basically to feel like the candidates of a political party are working for the people, not just following some niche issues," Mr. Peterson said. "The old traditional Republican Party was conservative on small government, efficient government; believed in supporting people to give them a chance at life but not having people on the dole; wanted a balanced budget; and on social issues they were moderate, tolerant, live and let live. They didn't dislike somebody from other religious viewpoints."

He continued, "That was the old-fashioned conservative, but the word conservative today has been bastardized."

Of course, not all elected Republicans in New England are moderate. New Hampshire's senators, John E. Sununu and Judd Gregg, whose terms were not up this year, are more to the right of their counterparts in the region. The departing governor

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of Massachusetts, Mitt Romney, was elected in 2002 as a moderate, but has emphasized more conservative views in the last year as he considers a run for president.

Other remaining Republicans include Maine's senators, Olympia J. Snowe and Susan Collins, both moderate mavericks. The Republican governors of Vermont, Rhode Island and Connecticut, all of whom were returned to office, are not considered conservative.

Even so, in Rhode Island, city council members across the state lost longtime Republican seats, and in the Connecticut legislature, Democrats achieved a veto-proof majority for the first time in 25 years.

"Several states in New England have fairly high numbers of independent voters, and those folks broke 2 to 1 for Democrats," said Constantine J. Spiliotes, director of research for the New Hampshire Institute of Politics at St. Anselm College in Manchester, N.H. "They usually split pretty evenly."

At their height, New England Republicans wielded powerful political influence, "dominating the Northeast at the turn of the 20th century, just as Democrats used to dominate the South," said Julian E. Zelizer, a history professor at Boston University.

Prominent examples of their brand of independent-minded pragmatism included senators like Lowell P. Weicker Jr. of Connecticut, William S. Cohen of Maine, James M. Jeffords of Vermont, and Mr. Chafee and his father, John Chafee, who served in the Senate for more than 20 years.

But in recent decades, the ranks of such Republicans have gradually thinned. Professor Rose dates it to the "historic 1964 national Republican convention when Goldwater won the presidential nomination against Rockefeller."

Professor Zelizer cites a "strategy since the 1970s when the Republicans went South, went after the core Democratic voters and began to be very closely allied with the conservative moment, which wasn't rooted in the Northeast at all."

People like Mr. Weicker and Mr. Jeffords left the Republican Party. Mr. Chafee said he was weighing whether to do the same.

"I'm caught between the state party, which I'm very comfortable in, and the national party, which I'm not," said Mr. Chafee, adding that he was considering the merits of "sticking it out and hoping the pendulum swings back."

In Massachusetts, Deval L. Patrick, a Democrat, was elected governor, defeating Lt. Gov. Kerry Healey in what was partly considered a rebuke of Governor Romney.

The executive director of the Massachusetts Republican Party, Brian Dodge, said New England Republicans often faced challenges because the region had many centrists.

"Moderate Republicans tend to represent moderate districts," Mr. Dodge said. "Therefore they're more susceptible to the varying inclinations of independently minded voters. If there is a national perception that all things Republican are bad, you're going to have a hard time convincing independents to come your way."

Jody Dow, the Republican national committeewoman for Massachusetts, said she thought the scope of the Republican defeat this month came as a surprise to many in the party. "People are looking and saying to themselves, we need to have a moderate approach to things," Ms. Dow said. "We need to find people who really can win races," she continued. "We need to go back and do more grass roots."

In New Hampshire, before the election, the State House of Representatives had had a majority of Democrats only once in 132 years, in 1922; the Senate had been Democratic only twice, in 1912 and 1998. Registered Republicans still outnumber Democrats, but increasing numbers of voters are independent, and the election results were shaped not just by the war and the national party's conservative bent, experts and Republicans said.

Mr. Lynch, the Democratic governor, appealed to a broad spectrum of voters because of his opposition to raising taxes. Demographic changes also played a role, especially the influx of people from out of state, mostly retirees and employees of New Hampshire's burgeoning technology industry.

Most newcomers are independent, "trying to figure out which party is more welcoming, and that's clearly the Democratic Party right now," Mr. Peterson said. "If the national party doesn't make a home for independents, the Republicans are going to start losing. I don't think they realize it yet, but I think they're going to have to throw out their whole playbook."

Wayne Semprini, chairman of the Republican Party in New Hampshire, said he planned to travel the state on a listening tour, holding focus groups with independents.

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"We really have to get our arms around those people," Mr. Semprini said. "The Yankee Republican may be slipping away to some degree. There's no question right now that the Republicans are going to have to stand up and step up to the plate and try and turn this around immediately."

Election '06: Lessons Learned By Dissecting Votes (USAT)

USA Today, November 27, 2006

Political scientists and campaign strategists are studying voting returns and exit polls for lessons from the election this month that upended 12 years of predominantly Republican rule on Capitol Hill.

In this seismic campaign, the ground really did shift — establishing a solidly Democratic Northeast to counter the Republican South and propelling a new battleground region in the Mountain West.

The results demonstrated the limits of President Bush's strategy of appealing to base voters: This time, there was a revolt in the center of the electorate. And even as the stock market set records and unemployment fell, unease about the economy rivaled opposition to the Iraq war as a voting issue in some key states.

USA TODAY's Susan Page looks at what we learned in 2006 — and what it might mean for next time.

Lesson 1 The Center Didn't Hold (USAT)

USA Today, November 27, 2006

The last midterm election that brought upheavals in Congress was in 1994, when Republicans ousted Democrats from control of the House and Senate courtesy of a voter pundits dubbed "the angry white man." This time, election foment was driven by independents and moderates who had supported Republicans, particularly in the aftermath of the Sept. 11 attacks, but now turned against the GOP. Republican pollster Frank Luntz calls them "Republican Rejecters," about 15% of the electorate.

They included a broad swath of the nation's demography, among them younger people, women, the liberal-leaning and less-religious voters — that is, those who attend church no more than occasionally.

"The people who made the biggest difference overall were the least ideological and partisan people," says Andy Kohut, director of the non-partisan Pew Research Center. Democratic strategist Steve Elmendorf, who spent 12 years as a top House aide, calls it "a triumph of the center."

One victim: The approach successfully pursued by Bush's top strategist, Karl Rove, in the 2000 and 2004 presidential elections — driving up turnout among the economic and social conservatives who make up the GOP's base. Nine of 10 Republicans still supported the party's candidates for the U.S. House. But independents, who make up a quarter of the electorate, swung decisively toward Democrats, 57%-39%.

That's a drop of 9 percentage points for the GOP compared with the last midterm election, in 2002.

Those voters-in-the-middle, not tethered to either party, are likely to be the focus of attention for candidates in both parties in 2008.

Partisans Were Loyal; Independents Swung Left (USAT)

USA Today, November 27, 2006

Source: Exit polls Nov. 7 conducted for the Associated Press and TV networks

Lesson 2 Reaching Out Is Hard To Do (USAT)

USA Today, November 27, 2006

George W. Bush appealed to Hispanic voters as the two-term governor of Texas, and he has made a concerted effort to do the same as president. In an effort to cut into Democrats' solid support among African-Americans, the GOP with some fanfare nominated black candidates this year for governorships in Ohio and Pennsylvania and a U.S. Senate seat in Maryland.

Even so, Republican support among black voters didn't budge. Republican candidates for the U.S. House received 10%, one percentage point lower than when Bush was first elected in 2000. Among Hispanics, Republican support fell by nearly a third compared with 2004. Republicans received 44% of the support among the nation's fastest-growing ethnic group then; it dropped to 30% this year.

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For these voters, actions spoke louder than words, says Republican strategist Scott Reed, who ran Bob Dole's presidential campaign in 1996. Resistance among African-Americans "was 100% related to Katrina," he says, amid dismay at the Bush administration's faltering response to victims of the 2005 hurricane, many of whom were black. Reed sees a backlash among Hispanics to GOP actions on immigration, including legislation Bush signed two weeks before the election to build a 700-mile fence along the U.S.-Mexican border.

The outgoing Republican national chairman, Ken Mehlman, notes that some Republicans, including California Gov. Arnold Schwarzenegger, garnered significant support from Hispanics. But Mehlman acknowledges the GOP share generally was disappointing — and worrisome. With an increasingly diverse population in the United States, he says of Republicans, "we rely too much on white guys for our voters."

Lesson 3 It's Not Your Father's USA (USAT)

USA Today, November 27, 2006

The nation's political geography is shifting.

The East and West coasts continue to be mostly Democratic, and the South is still Republican territory. But the Northeast became a Democratic stronghold this year as Republicans lost nearly a third of their U.S. House seats in those 12 states. Connecticut's Christopher Shays is now the only Republican House member from New England.

And the Mountain West, so Republican that President Bush carried all eight of its states in 2004, now has four Democratic governors. In Montana, Democrat Jon Tester's victory over three-term GOP Sen. Conrad Burns helped clinch Democratic control of the Senate.

Those regional changes alter some of the strategic calculations in the 2008 presidential race.

"Democrats consolidated their hold on the Northeast so firmly that it now provides a greater building block for the Democrats than the South provides for the GOP," says Rhodes Cook, a non-partisan analyst who studies voting trends.

Thomas Schaller, a political scientist at the University of Maryland, Baltimore County, argues in his book Whistling Past Dixie that Democrats now can win a presidential election without carrying a single Southern state — something that has never happened.

Lesson 4 Economic Statistics Didn't Persuade Voters (USAT)

USA Today, November 27, 2006

The Democratic Senate challengers who won — Sherrod Brown in Ohio, Bob Casey in Pennsylvania, Claire McCaskill in Missouri, Jim Webb in Virginia and Jon Tester in Montana — all struck populist themes in their campaigns. Particularly in the nation's heartland, anxiety about slow-rising wages, outsourced jobs, imperiled pensions and the rising costs of health care and college tuition overwhelmed relatively good economic news on corporate earnings, productivity and employment.

"There was more money spent on campaign ads painting Big Oil and Big Pharma as enemies than painting (Osama) bin Laden as a threat — and that's when the economy is good," says Robert Borosage of the left-leaning Campaign for America's Future. "The reality of the insecurity that is very widespread in this society economically, the unraveling of the social compact with workers, is going to frame a lot of the debate in '08, I would suspect."

Nearly four of 10 voters said in exit polls that the economy was extremely important to their vote. They favored Democratic House candidates 59%-39%. For many Americans, pollster Frank Luntz says, "a desired quality of life seems more and more difficult to attain every day."

Free-trade agreements that the Bush administration backs will now face a cooler reception in Congress. That includes a planned free-trade area of the Americas and a separate deal with Peru. In the week after the elections, House GOP leaders were unable to push through a relatively uncontroversial bill to establish permanent trading with Vietnam.

Lesson 5 A Vote For Change, But To What? (USAT)

USA Today, November 27, 2006

It was a decisive election but not an ideological sweep.

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Anxious about the Iraq war and the direction of the country, voters gave Democrats their biggest congressional victory in a generation. Voters supported change, yes. But change to what? That's not so clear. "There's a large turn against where we've been and no clarity about where we're going," says Robert Borosage of Campaign for America's Future.

"Democrats basically ran as … 'We're not them,' " says Rhodes Cook, editor of The Rhodes Cook Letter, which tracks election results. Democrats prevailed by accusing the governing Republican Party of mishandling Iraq and domestic challenges but generally didn't outline clear solutions.

What's more, the nation continues to be almost evenly divided politically. Neither party has won more than 53% of the U.S. House vote since 1990, and neither has carried more than 51% of the popular vote for president since 1988.

On the rise: none-of-the-above. The proportion of Democratic voters in the 27 states with party registration has declined from 1994 to 2006, but the Republican share hasn't risen. Instead, the ranks of independents have swelled.

"The growing independent center can swing either way, and it happened to swing Democrats' way this time," Cook says. "It's still a very volatile, almost-even period where you can't say either party has the advantage — and the growth is not with either party, it's with the mass of independents. In other words: To be continued."

Returning Rookies Reflect On Lessons Learned (USAT)

By Kathy Kiely

USA Today, November 27, 2006

WASHINGTON — On the day nearly two years ago when they were sworn into office, liberal Democrat Debbie Wasserman Schultz of Florida and conservative Republican Patrick McHenry from North Carolina found themselves symbols of Congress' diversity and its potential for discord.

"We were portrayed as the yin and the yang of the 109th Congress," says McHenry, recalling a USA TODAY story from January 2005 in which the two were featured with six other newly elected members of Congress.

McHenry and Wasserman Schultz proved opposites could work together. On Nov. 15, the pair won approval for a bill they wrote on how certain assets are handled in a bankruptcy. Their measure passed, 395-0, and is on its way to President Bush's desk for his signature.

"If Patrick McHenry and I can find common ground, anybody can," Wasserman Schultz says.

As they move into the final days of their first Congress, the eight freshmen USA TODAY spotlighted on their first day in office say they remain committed to bipartisanship. It's their top piece of advice to new legislators: Make friends with your political enemies.

"In order to get something done," says Sen. Mel Martinez, R-Fla., "you have to work across party lines."

All eight freshmen profiled on their first day in Congress last year will be returning for the legislative session that begins in January. Even though they are rookie members of a club where seniority counts, they compiled a record of accomplishment.

For example, Martinez just won Bush's backing to become the next general chairman of the national Republican Party. Sen. Barack Obama of Illinois says he's thinking about running for the Democratic Party's 2008 presidential nomination and is "getting a lot of encouragement."

The Democrats' sweep of both chambers in the Nov. 7 elections elated Rep. Al Green. "This will be the first time in my life I've been in the majority," says the Texas Democrat.

He's looking forward to a chance to increase the minimum wage and expand health insurance coverage, two issues important to his Houston district, home to many low-income households.

Rep. Mike Conaway, a Texan from the other side of the state and the other end of the political spectrum from Green, is undaunted by the GOP losses.

The Republican accountant was George W. Bush's business partner when the president headed the Texas Rangers baseball team. Conaway spent much of his first term working on Bush's proposed overhaul of the Social Security system.

"Then Katrina happened," Conaway said, referring to the 2005 hurricane that ravaged New Orleans and the Gulf Coast.

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Conaway hopes the new Congress will turn its attention to Social Security's long-term solvency problems. He says he's confident he'll have allies in the new majority because he went out of his way in his first term to befriend some Democrats, such as Oklahoma Rep. Dan Boren and fellow Texan Henry Cuellar.

Like Conaway, several of the other freshmen from the 109th Congress made friends across party lines. Some used their new friendships to score legislative victories:

•Sen. John Thune, R-S.D., combined forces with Sen. Tim Johnson, a Democrat from his home state whom he once tried to unseat, to save Ellsworth Air Force Base from being closed.

•Sen. Ken Salazar, D-Colo., joined the bipartisan group of 14 senators who struck a deal to allow confirmation of some of Bush's controversial judicial nominees.

•Obama and Sen. Tom Coburn, a conservative Republican from Oklahoma, reached an agreement with House Republican leaders to require that all federal contracts be logged into a public database. The two senators believe that disclosure will help prevent the waste of taxpayer dollars. "This bill is a small but significant step toward changing the culture in Washington," Coburn said.

The Obama-Coburn friendship grew out of a freshman orientation program for senators designed by three former governors and a former state attorney general now serving in the chamber.

"All of us had our roots outside of Washington and were accustomed to working together," says Sen. Lamar Alexander, R-Tenn., one of the Senate's ex-governors.

This year, Senate freshmen orientation began with a presentation by Sens. Ted Stevens, R-Alaska, and Daniel Inouye, D-Hawaii, on how they work together on defense issues. Alexander describes them as "two World War II veterans who put the Senate and the country first." The goal, Alexander says, was to show the new senators "how the Senate is supposed to work."

Besides working across party lines, the freshmen from the 109th Congress say their other piece of advice to the newly elected is to make time for their lives outside of work. For Obama, that meant telling his staff that Sunday would be the day he devoted to his family.

"You have to lay down some very strict parameters for your scheduler if you want to have a family life," says Obama, father of two young girls.

Wasserman Shultz agrees. Her datebook includes time blocked for holiday shows, soccer games and dance classes.

"I put my kids' entire schedule on my schedule, and schedule around it," says the mother of three. "I've gotten so good that I'm my 7-year-old's Brownie troop leader, and I've only missed three meetings."

Red '08 Hopeful Targets Blue Collars (WT)

By Stephen Dinan

The Washington Times, November 27, 2006

Rep. Duncan Hunter considers himself the Republicans' best bet to reconstitute the blue-collar coalition that helped the party win the White House in the 1980s.

Mr. Hunter, who is seeking the presidential nomination in 2008, says he can rebuild that coalition by campaigning on defense, traditional values and fair trade.

"Keeping American jobs in this country is a strong tie between the Republican Party and working America, Main Street America -- that's a portion of our constituency I aim to retrieve, because I stand strong with them," the 13-term congressman from California said in a recent interview, pointing to votes against almost every free-trade agreement during his 26 years in the Capitol.

Mr. Hunter, the first to announce officially that he is exploring a run for president, presents a curious figure among better-known candidates.

Combined with a tough stance on border security -- he was the author of the original amendment proposing 700 miles of border fence included in the House's 2005 immigration bill -- he fills a niche among the candidates lining up for a presidential run.

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"I stand for a strong national defense, strong border enforcement, fiscal conservatism and traditional values, and lastly, keeping American jobs onshore," he said as he sprawled in an armchair in his Capitol Hill office during the interview, propping one foot on the edge of his cluttered desk.

Mr. Hunter said he expects the next election to turn on security. He said his experience as an Army Ranger during the Vietnam War and as the top Republican on the House Armed Services Committee puts him squarely in the middle of that debate.

"I think it's going to be a dangerous world. I think that's going to have our attention, and I think we're going to see a dangerous century," he said.

Mr. Hunter is the most conservative candidate to enter the field so far, and is as conservative as any of the others mentioned as potential candidates. He touts his sponsorship of the Right to Life Act, which effectively would outlaw abortion by specifying that a person exists at the moment of fertilization, for the purposes of 14th Amendment protections.

Mr. Hunter easily has won re-election in his San Diego-based congressional district every election since his first, with the exception of a tight race in 1992 after redistricting and revelations of overdrafts at the now-defunct House bank.

His biggest challenges will be gaining name recognition and raising money. He has not been known as a prolific fundraiser on the scale of other announced candidates, but he has pledged to make a serious effort in early primary and caucus states.

Mr. Hunter made his preliminary announcement before the midterm elections Nov. 7 and, in the weeks since, raised his profile on television and in radio interviews.

Since the elections, both Sen. John McCain, Arizona Republican, and former New York Mayor Rudolph W. Giuliani have formed exploratory committees on races for president.

Mr. Hunter said he will make a formal announcement later, joking that this way he gets two press conferences out of it.

Mr. Hunter has been involved in many big defense-policy fights of the past few years. He was one of the strongest supporters of the way U.S. troops performed at the detention center at U.S. Naval Base Guantanamo Bay, Cuba.

In one memorable press conference at the Capitol, he brought a plate with lemon chicken, rice and the rest of the food that terror-war detainees were fed.

Mr. Hunter also took on the White House over women in combat and helped lead the opposition that blocked passage of the intelligence-overhaul bill in 2004 until the White House agreed to allow the defense intelligence agencies continued latitude to operate.

He has collected the endorsement of Rep. Trent Franks, Arizona Republican, who noted the move was curious given that his home-state colleague, Mr. McCain, has formed his own exploratory bid and is widely considered the candidate to beat.

But Mr. Franks said Mr. Hunter is the right man to lead the nation in a time of war and has his "wholehearted support."

The GOP: A Latino 'Spanking' (NSWK)

By Arian Campo-Flores

Newsweek, November 27, 2006

Dec. 4, 2006 issue - Until recently, Jane Barbosa was as reliable a Republican as they come. A Mexican native who arrived in the United States at the age of 2, Barbosa, 60, first got involved in politics as a teenager, attending neighborhood coffee klatches in Elgin, Ill. In the decades since becoming a citizen, she has almost always voted for GOP candidates, and even worked as a precinct committeewoman for the party. "I always felt that the Republican Party stood for what Latino values are," she says. "Belief in God, belief in family, a good work ethic." But this year, Barbosa was appalled by what she considered shrill anti-immigrant rhetoric used by some GOP hard-liners. "I couldn't just sit there and let it go by," she says. So for the first time in recent memory, she voted Democratic.

Barbosa had plenty of company. After making gains among Latino voters for three election cycles in a row, the GOP suffered a sobering reversal in this month's midterm elections. Exit polls show that Republican candidates won only 30 percent of the Hispanic vote—the fastest-growing segment of the electorate—while Democrats garnered 69 percent. Compare that with 2004, when President George W. Bush captured at least 40 percent of that vote. While Latinos were just as concerned about Iraq and the economy as the electorate generally, according to surveys, they were more driven than usual by immigration. A poll by

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Lake Research Partners found that half of Latino voters considered immigration important to their vote this year. Many Hispanics were clearly turned off by GOP congressional candidates like Randy Graf in Arizona, who vilified illegal immigrants. "Those candidates got the spanking they needed," says Lionel Sosa, Bush's longtime Latino ad man. "We as a party got the spanking we needed."

Reeling from the results, Bush quickly named a Hispanic, Sen. Mel Martinez, as the national party's next general chairman. Martinez, who is hanging on to his Senate seat, has his work cut out for him. A president who has often promoted himself as simpático to Latinos now has worse approval ratings among them than among the public as a whole. The GOP's hard-line voices especially alienated immigrant Latinos who only recently became citizens and have yet to form fixed party loyalties. Martinez must now refocus the GOP on the positive, aspirational message that once served Bush so well, says Al Cardenas, former head of the Florida Republican Party. It helps that Martinez is Latino; but as a Cuban-American from Florida, he won't necessarily connect with, say, Mexican-Americans in the Southwest. And many conservatives decried his selection, citing his support for legalizing most undocumented immigrants. (Martinez declined repeated requests for an interview and hasn't spoken much publicly about his appointment.)

But Democrats can't assume that Latinos now form a pillar of their party's base. "It could absolutely swing again next cycle," says Cecilia Muñoz of the National Council of La Raza. "What this really reflects is a vote away from Republicans, which is not the same thing as a vote affirmatively for Democrats." The Democrats face their own internal schisms over immigration. But Simon Rosenberg of the New Democrat Network argues that Hispanics will loom large in the party's presidential nomination process for 2008: Latino-rich Nevada has moved up the primary calendar, and Hispanics like Gov. Bill Richardson of New Mexico will be highly visible.

Immigration will continue to shape the parties' fates. Though lawmakers failed to strike a deal this year, they may take up the issue again next year, now that Democrats are in charge on Capitol Hill. A likely starting point: a compromise bill passed by the Senate that combines border enforcement with legalization of most undocumented immigrants. In the wake of the midterm elections, "demagoguery was soundly defeated," says La Raza's Muñoz. "But we have no illusions about immigration becoming an easy debate." Voters like Barbosa in Illinois will be watching closely—and may well cast their vote accordingly come 2008.

Generation Y Takes A Whirl With The Left (USNEWS)

By Will Sullivan

U.S. News and World Report, November 27, 2006

Will Selph's family has known defeated Montana Sen. Conrad Burns for years, and Selph, a University of Montana sophomore and chair of the state's college Republicans, did everything he could to turn out the vote for the senator. Selph supported Burns's stands on national security and gay marriage, and he calls Burns "youthful" and "spry"-never mind his age, which is 71. The way Selph sees it, Burns shouldn't have been a difficult sell for younger voters.

But to hear Bryce Bennett, a senior and chair of the state's college Democrats, describe him, Conrad Burns might as well have been Mr. Burns, the scheming, century-old billionaire from the television show The Simpsons. Burns's votes to cut student loans angered Bennett, who has also seen a friend come home injured from Iraq and worries about getting health insurance after he graduates.

Judging from the recent election, there may be a lot more young people like Bennett than like Selph. In surveys and exit polls, generation Y is increasingly turning left. And with voters' earliest choices thought to be key to their future party identification, the GOP could be running out of chances to win back a generation.

Young people aren't just voting more Democratic; they're voting more in general. Over 2 million more people ages 18 to 29 voted in this election than in 2002, and their 24 percent turnout was the highest for a midterm election since 1994. Much of this turnout increase and the greater support for Democrats can be traced to the war in Iraq, but that doesn't mean either trend will disappear once the war is over, since early voting is a strong predictor of future behavior.

Leading indicators. Republicans "are looking down the barrel of a long gun because this is a demographic that will be around for a long time," says Democratic pollster Celinda Lake, who conducted an analysis of exit polls with Republican Ed Goeas. The polls show voters ages 18 to 30 favored Democrats by 50 percent to 35 percent in House races. Young voters' top

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concerns-including Iraq, the cost of college, and healthcare-bode well for Democrats, while issues that tend to favor Republicans, including moral values, taxes, and terrorism, scored low. Other studies tell a similar story. Results from a survey of incoming college freshmen, conducted annually by the University of California-Los Angeles and compiled last week, shows falling support for military spending and growing acceptance of homosexuality and abortion, a reversal from the conservatism seen in the years following 9/11.

But Democrats shouldn't breathe easy, says Curtis Gans, a voter participation expert at American University, who says the 2006 election signaled anger at the GOP more than long-term allegiance to the Democrats. "It really depends on what the Democrats do and whether the Republicans change," he says. To secure the youth vote, Democrats have plans to lower interest rates on student loans and restore funding for Pell grants. Democratic National Committee Chairman Howard Dean suggested the party might push for universal healthcare for all citizens younger than 25.

Boone Does D.C., Don Quixote Style (USNEWS)

U.S. News and World Report, November 27, 2006

Teen-idol-cum-aging-crooner Pat Boone comes to Washington this week for his first address to a group he has long helped fund: the conservative Heritage Foundation. Boone says it will be a welcome change of venue from his home base in Beverly Hills, where, he says, "I feel like a Don Quixote tilting at windmills." The windmills? Hollywood's entertainment studios. "They've force-fed rap music to kids," he says, "selling them the idea that if you want to be a recording artist, you have to have been to prison, worked as a pimp, and have been shot at." Boone just finished an album of R&B duets with the likes of James Brown and Smokey Robinson, but he says he steered clear of political talk during those recording sessions: "Many people say to me, 'I believe everything you say, Boone.' But the entertainment industry is overwhelmingly liberal; most artists just go with the flow."

At Heritage, Boone will talk up his memoir, Pat Boone's America: 50 years. Then the man who once battled Elvis for chart space is off to Congress to lobby for a flag-desecration ban and higher obscenity fines and check on pals like outgoing Majority Leader Bill Frist and Utah Sen. Orrin Hatch. Boone is hunting for new beltway buddies, too, trying to land a face-to-face with Karl Rove, who recently sent him a thank-you note for releasing a multimedia package called For My Country: Ballad of the National Guard.

Brownback Hints At '08 Presidential Bid (WT)

By Eric Pfeiffer

The Washington Times, November 27, 2006

Sen. Sam Brownback of Kansas strongly hinted yesterday that he would run for president in 2008, saying the Republican field was open for a "full-scale conservative" and that he would make an official announcement soon.

During an appearance on ABC's "This Week," the Republican outlined what he called a "compassionate conservative" agenda, including a willingness to open diplomatic ties with Iran and Syria.

"I think there is room, on the Republican side, for somebody that's a full-scale conservative, that's an economic and fiscal and social conservative," Mr. Brownback said. "I think there's room on our side, and need on our side, to develop some new plays, particularly on the compassionate conservative agenda. So we'll be making some announcements, soon, about that."

Moderator George Stephanopoulos joked that Mr. Brownback already seemed intent on running.

"Well, I can tell from that smile that 'you're in,' " Mr. Stephanopoulos said. "That's not very coy at all."

Mr. Brownback replied: "We'll see."

While declining to endorse a timetable for withdrawal, Mr. Brownback implied that Republican electoral hopes will hinge on a substantial change of fortunes in Iraq in the next two years. He added that Iran and Syria, two nations listed as supporters of terrorism by the United States, should be included in the process.

"We cannot face the public again in 2008 with the current situation still in hand for the United States," he said. "We may have had problems or difficulties on issues in the past, but we've got to start dealing with the new realities that are here on the ground and bring everybody, including, if we can, the Iranians and Syrians, together in some sort of discussion how we deal with all of these issues in a political, a political framework."

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In contrast to other Republicans seeking to cultivate the conservative base for a 2008 run, Mr. Brownback attempted a more bipartisan tone while stressing his support for conservative judges such as Supreme Court Justice Samuel A. Alito Jr.

Mr. Brownback also announced that he and Sen. Barack Obama, Illinois Democrat, plan to attend a conference by well-known pastor Rick Warren. Mr. Obama also is considering a 2008 presidential campaign.

"That brings together the left and the right to discuss issues of poverty in Africa and global health care issues," Mr. Brownback said. "One of the things I'm going to do is to take an AIDS test to show to people that we should be doing that particularly, if you're in particular areas that may have had the exposure."

In addition to taking an AIDS test, Mr. Brownback also plans to spend a night in jail to highlight what he calls a need for prison reform.

"This is an issue that I've dealt with for some period of time. Right now in America, if you go to prison, two-thirds of the individuals that go in once will be in a second or more times," he said. "We really need to reduce that recidivism rate, so I've been trying to highlight alternatives, particularly faith-based prisons that have got that recidivism rate down below 10 percent."

Can A Mormon Be President? (TIME)

By Mike Allen

Time, November 27, 2006

A mormon church official and a public relations executive shuttled recently from the Fox News Washington bureau to the Washington Post to the online political digest the Hotline. The two were engaging in a little pre-emptive rearguard action, gearing up for the impending Republican presidential campaign of Massachusetts Governor (Willard) Mitt Romney, 59, whose family has long been part of the church's Ã©lite.

Like other minorities--ethnic or religious--Mormons are proud of those among them who make it big. When Steve Young, a descendant of church leader Brigham Young and a quarterback for the San Francisco 49ers, was taking snaps on Monday Night Football in the 1990s, his fellow Mormons took to calling Family Home Evening, their weekly togetherness meeting, Family Home Halftime instead.

But church officials are wary of the impact Romney's candidacy could have on them--and on the portrayal of their faith. Yes, his campaign will bring attention and credibility to the Church of Jesus Christ of Latter-day Saints (LDS), as the Mormons are formally known, and give them a chance to demystify their theology and customs. But church officials also calculate that Romney's bid to succeed George W. Bush could remind some mainstream Christians just how different Mormonism is from their faith and perhaps expose their flock to more of the sort of discrimination that drove their founders west by handcart and covered wagon into the Great Salt Lake Valley.

Although Mormons are known for family centeredness, hard work and clean living, many Americans remain suspicious of them, maybe because so many aspects of their faith remain mysterious. A poll conducted in June by the Los Angeles Times and Bloomberg found that 35% of registered voters said they would not consider voting for a Mormon for President. Only Islam would be a more damaging faith for a candidate, the poll found. That's why Michael Otterson, a Mormon convert who is now the church's director of media relations, was calling on political reporters when he visited Washington from Utah in October. He wants them to know that in its 176-year history, the church has never endorsed a presidential candidate and that much of the folklore surrounding its beliefs just isn't true. "The message in a nutshell is, Remember that we're politically neutral as an institution," he says. "The church is about preaching the gospel of Jesus Christ. Anything else is a distraction." Otterson says he has a "no dumb questions" policy and urges journalists to call his cell phone, day or night.

The church used a similar strategy successfully when Romney, who became wealthy building a venture-capital firm in Boston, was brought in as president of the Salt Lake Organizing Committee when it needed to rescue the 2002 Winter Olympics from a bribery scandal. Some critics wondered if the games would become the "Molympics," and Otterson says he met with a stream of sports reporters to try to "put some of the myths to rest--polygamy being the most enduring."

That task is never done. Even though the church has not allowed members to have multiple wives since 1890, that's not how it comes across on TV, in books or even in the courts. The popular HBO series Big Love shows a Utah family trying to "live the principle" of plural marriage; at the end of every episode, the network's defensive disclaimer informs the audience that the

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Mormon church, in fact, rejects polygamy. Similarly, the nonfiction best seller Under the Banner of Heaven by Jon Krakauer chronicles shocking murders within a Mormon splinter group, though it was probably lost on many readers that the sect has no connection to the church. More recently, the 50-year-old leader of the Fundamentalist Church of Jesus Christ of Latter-day Saints, a sect that has been disavowed by the LDS, has been on trial on two first-degree felony counts of rape. He is accused of helping arrange the marriage of a 14-year-old girl and her 19-year-old cousin in 2001.

Even if the church succeeds in its public relations offensive, Romney still has some explaining of his own to do, particularly to the Republican evangelical base, which now makes up nearly a third of the party's electorate and can wield huge power in primary states, most notably South Carolina. That's because some Evangelicals hold the view that Mormonism is not a Christian faith. Because Mormons acknowledge works of Scripture that are not in the Bible, believe that their prophets have received revelations directly from God and teach that God has a physical body, Evangelicals consider them heretics. The Southern Baptist Convention lists the LDS church under Cults and Sects, along with Scientology. In late October, Romney and his wife Ann, balancing lunch trays on their laps in the den of their Belmont, Mass., home, met with about 15 evangelical leaders from as far away as Alaska, including Jerry Falwell, Franklin Graham and Southern Baptist leader Richard Land. The three-hour meeting was set up by Mark DeMoss, a p.r. consultant who specializes in Evangelicals. Charles Colson, the former Nixon official and convicted Watergate conspirator who founded a prison ministry and now hosts a popular evangelical radio show, told TIME that Romney's faith should not disqualify him. "You wouldn't vote for a man just because he is a Christian, nor would you vote against a man just because he was a Mormon," Colson says.

Still, when it comes to managing the message about Romney's relationship with his church, his team has already shown vulnerability. The Boston Globe reported in October that Jeffrey R. Holland, one of the church's 12 apostles, had discussed the campaign at church headquarters with one of Romney's sons as well as with a key Romney donor and a paid consultant to his political action committee. The church says it was just a courtesy call, one of many such meetings Holland holds. But the Globe also described e-mails from two administrators of the business school at Brigham Young University, the Mormon school that is Romney's alma mater, who used office computers to solicit support for the campaign. The two were told by B.Y.U.'s counsel to knock it off, although Romney later said it made sense to raise money from people he knows, including alumni.

Senate Democratic leader Harry Reid rarely gets questions about his Mormonism, and Romney has tried deflect them by focusing on the broad principles of his faith, as well as family values and traditional marriage. A writer for the Atlantic Monthly asked Romney last year if he wears Temple Garments--white underclothing, with the "Marks of the Holy Priesthood" sewn in, donned with reverence by the most faithful Mormons. "I'll just say those sorts of things I'll keep private," he sensibly replied. Will that dodge work for other theological questions? Calling himself "a religious person," Romney in June used the Charlie Rose Show on PBS to test-drive an answer that keeps him from getting into the nitty-gritty of his religious heritage. "I believe that Jesus Christ is my savior," he said. "But then as you get into the details of doctrines, I'd probably say, 'Look, time out. Let's focus on the values that we share.'" That kind of high-mindedness proved effective during Romney's unsuccessful challenge to Senator Edward Kennedy in 1994 after Kennedy tried to make an issue of the Mormon's attitude toward blacks and women. Romney said he was not running "to be a spokesman for my church," and Kennedy backed off.

Romney advisers are debating whether he will need to give a big speech in the tradition of John F. Kennedy, who told Protestant church leaders in Houston 46 years ago that he was "not the Catholic candidate for President" but instead was "the Democratic Party's candidate for President, who happens also to be Catholic." After the G.O.P.'s defeat in the midterms, that may be a speech Republicans are prepared to hear. A big tent, even one stretching all the way to Salt Lake City, could be what gets them back into power in Washington two years from now.

Obama Talks With Top Advisers In Iowa (DMR)

By Thomas Beaumont

Des Moines Register, November 27, 2006

Democrat Barack Obama has sought the advice of top campaign workers in Iowa and has established a seedling support network in this state as he prepares to decide whether to seek the 2008 presidential nomination.

The first-term Illinois senator has surrounded himself with advisers rich in experience in Iowa, the leadoff caucus state.

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Obama has vaulted to the top tier among prospective candidates for the Democratic Party's nomination, even as the new star in the party says he has not made up his mind about running.

The Iowa connections of Obama's campaign advisers and the senator's behind-the-scenes inquiry into the Iowa caucuses are hardly an announcement that he is running for president. But they show he is visualizing the presidential campaign process, in the event he decides to run.

Obama said last month he was considering a campaign for president, as enthusiastic crowds turned out for his political appearances on behalf of other candidates and as he traveled the country promoting his best-selling book.

Shortly after the Nov. 7 election, Obama telephoned John Norris, the Des Moines Democrat who ran John Kerry's winning campaign in the 2004 Iowa caucuses.

"He basically called to talk about the lay of the land in Iowa," said Norris, who described Obama's inquiries as "earnest" and reflecting genuine uncertainty about his future.

Iowa's presidential precinct caucuses are scheduled as the first nominating event of the 2008 campaign. Several Democrats have already expressed interest in competing in Iowa, although only Gov. Tom Vilsack has declared his candidacy for the nomination.

Vilsack, who filed papers forming a campaign organization on Nov. 9, plans a public kickoff of his campaign this week, with events in Mount Pleasant, which he calls home, and in New Hampshire, Pennsylvania, Nevada and South Carolina.

Besides Vilsack, the Democrats who have spent the most time courting the party's activists in Iowa include Indiana Sen. Evan Bayh, Delaware Sen. Joe Biden, former North Carolina Sen. John Edwards and Kerry, a Massachusetts senator.

New York Sen. Hillary Clinton is believed to be weighing a campaign for the Democratic nomination.

However, she has steered clear of Iowa since the 2004 presidential election while she has campaigned for re-election in New York.

Clinton was re-elected handily this month, but she had not begun reaching out to Iowa activists as of last week.

Norris told Obama during their recent telephone conversation that the 2008 Iowa campaign would be lively and that Vilsack's presence in the race likely would not deter participation.

"I said I think it's obvious other candidates are going to compete," Norris said. "Other people are getting in, and Iowa will be a factor. The outcome will be a factor."

Obama did not ask if Norris would be willing to advise him, should he decide to run.

Obama's three trips to Iowa since his election to the Senate in 2004 came this fall, beginning with his appearance at U.S. Sen. Tom Harkin's annual steak fry in mid-September.

That event brought thousands of Iowa Democrats and dozens of journalists from Chicago and around the nation to Indianola, where the steak fry was held.

Obama spent little time during the visit, or the two subsequent stops this fall, meeting privately with party leaders.

Des Moines Democrat George Appleby saw Obama at Harkin's event and noted the appeal he seemed to have with the crowd of 3,000 at the Warren County fairgrounds.

Appleby had been helping former Virginia Gov. Mark Warner make the rounds in Iowa.

After Warner decided in October that he would not run for president, Appleby got in touch with Obama's people.

"I have talked with the Obama people, and I have agreed to do some initial stuff for him, pending his making the decision to go or not to go," Appleby said.

"They tell me he will make a decision within a couple of weeks."

Since acknowledging interest in the 2008 race, Obama's name has shot to the second spot, behind Clinton, on most national preference polls for the Democratic nomination.

Iowa City Democrat Dick Myers, the former minority leader in the Iowa House, has also agreed to serve as a caucus contact for Obama, should he decide to run, aides said.

Obama also would have campaign workers at his disposal with institutional knowledge of Iowa politics.

Acting as a key contact for Obama in Iowa is Steve Hildebrand, a longtime aide to former South Dakota Sen. Tom Daschle. Hildebrand ran Al Gore's campaign for the 2000 Iowa caucuses.

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Also part of Obama's team is David Axelrod, a Chicago-based media consultant who produced Vilsack's ads during his 1998 and 2002 gubernatorial campaigns.

Axelrod also produced ads for Edwards, including for his 2004 Iowa caucus campaign.

Longtime Democratic pollster Paul Harsted, who has worked for Harkin and Vilsack, is also signed on with Obama.

The group of advisers suggests that Obama could mount a credible Iowa caucus campaign, said his spokesman, Robert Gibbs, who was Kerry's national spokesman for a time during the 2004 presidential campaign.

"Obviously, should he choose to run, he'll have a team that's very talented with good knowledge of the state," Gibbs said.

Officer In Bush Motorcade Accident Dies (AP-Y)

By Tara Godvin

AP, November 27, 2006

A motorcycle officer injured last week while escorting President Bush in the islands died Sunday, police said.

Steve Favela, 30, and two other officers crashed their cycles as the presidential motorcade was traveling across Hickam Air Force Base to meet troops for breakfast early Tuesday. The other officers were treated at The Queen's Medical Center and released.

Favela, an eight-year veteran of the Honolulu Police Department and father of four, had suffered internal injuries and had been in critical condition at the medical center.

Bush said in a statement that he and the first lady were "deeply saddened" by the death, and sent their condolences.

"Officer Favela risked his life every day to protect the people of his community," Bush said in the statement. "In this time of great sadness, we give thanks for his life of service."

Police Capt. Frank Fujii said police officers across the state would place black bands across their badges in honor of Favela.

"When I received the phone call that Steve had passed away, quite frankly my heart just sank to the guts of my stomach," Fujii said.

Light rain had been falling on the partly cloudy morning of the crash, and some roads on the base were slick.

Members of the White House medical team — including an ambulance — were cut loose from the motorcade to help. Local ambulance and fire units also responded.

Bush had spent the night on the base on his way back from a trip to Indonesia and Vietnam.

In a separate incident, a fourth solo motorcycle officer crashed and injured his wrist when attempting a U-turn on loose gravel while escorting the president on Monday night. He was also treated and released.

Also during the president's 16-hour stopover, a White House staff member was hospitalized early Tuesday after being mugged by three assailants near Waikiki Beach.

Merger Of Wall Street Groups Creates A Lobbying Powerhouse (WP)

By Jeffrey H. Birnbaum

The Washington Post, November 27, 2006

The organization's acronym, SIFMA, sounds like a terrible skin condition.

But the group, created through the recent merger of associations that represent the sellers of stocks and bonds, is one of Washington's most powerful lobbies.

The Securities Industry and Financial Markets Association, with a budget of $80 million, is the main mouthpiece for the financial services industry, the biggest corporate player in national politics. Only organized labor donates more to candidates for federal offices.

When added together, SIFMA's political action committees gave more than $1 million during the 2006 election season, putting the organization in the top 25 of all PACs. Its combined $8.5 million in spending on federal lobbying last year placed it in the top 30.

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The association will need all that and more. It's already at the center of some of the most heated, high-stakes battles on Capitol Hill. It has begun to question the regulatory requirements under the Sarbanes-Oxley Act and wants to extend the temporary, multibillion-dollar tax breaks for profits garnered from stocks and bonds.

To take on such monumental tasks, SIFMA was designed to be large, though not quite as large as it is today. For example, it has two chief executives. (Not exactly the model of corporate efficiency.) The heads of the two groups that merged -- the Securities Industry Association and the Bond Market Association -- are now co-chief executives of the combined organization.

Marc Lackritz of the Securities Industry Association and Micah S. Green of Bond Market Association said in an interview that they are happy with the arrangement. And why wouldn't they be? Headhunters have been trying all year to recruit a "big name" from Wall Street or Capitol Hill to take over SIFMA but couldn't settle on one, industry insiders said. Among the early contenders was apparently soon-to-retire Rep. Michael G. Oxley (R-Ohio), chairman of the House Financial Services Committee.

Instead, SIFMA is sticking with Lackritz and Green, a duo that may not have much star power but who have worked together well for two decades. "We finish each other's sentences," Lackritz said.

Lackritz hired Green as a lobbyist in 1987 when Lackritz headed the Washington office of the Public Securities Association, a predecessor of the Bond Market Association. When Lackritz took over the Washington office of the Securities Industry Association in 1990, Green took his job at Public Securities.

Lackritz went on to become chief executive of the Securities Industry Association in 1992, and Green became chief executive of the Bond Market Association in 2001. Clearly there is a pattern here. No one would be surprised if Green, 49, is named SIFMA's sole chief executive when Lackritz, 60, retires.

Then again, keeping up with changing times is what the SIFMA merger is all about. Recent federal laws and market forces have all but erased the old distinctions between the companies that deal in stocks and those that deal in bonds. Lots of companies now sell both instruments thanks to serial consolidations on Wall Street. By the time SIFMA was created this year, 80 major companies, including Citigroup and Merrill Lynch, belonged to both the Securities Industry Association and the Bond Market Association.

That didn't make much economic sense, of course, so negotiations were initiated to blend the two organizations. Or to be more precise, to reblend them.

The Securities Industry Association was formed in 1972 after a merger between Investment Bankers Association of America and the Association of Stock Exchange Firms. The organization that later became the Bond Market Association split off from the Securities Industry Association four years later.

Lackritz and Green said talks about reuniting the two entities started as early as the 1980s. "You saw the process beginning to chip away at the distinctions between us," Green said.

Merger negotiations were reattempted in the late 1990s and again 3 1/2 years ago. They finally clicked this year. The main driver behind the effort, financial services denizens said, was Goldman Sachs, with an assist from fellow investment banking heavyweight Morgan Stanley. Both companies wanted to wield more influence over the groups and saw the combination as a way to make that happen.

Advocates for the merger wanted to increase their influence in Washington. They wanted to establish "a large, exciting and hopefully powerful organization," Green said. They also intend to save some dues money (by paying just one organization rather than two).

By all accounts, their ambition to accumulate more clout has begun to take hold. "The two of them have been very effective working together representing the securities industry, and I think they'll be even more effective now," said Edward L. Yingling, president of the American Bankers Association.

"By forming this new organization, this sector of the financial services industry will speak with a single, shared voice, and their influence in policymaking can only grow," agreed Robert S. Nichols, president of the Financial Services Forum, a group of 22 chief executives of the largest financial services companies.

The cost savings haven't happened yet. Lackritz and Green, who are both million-dollar executives, are keeping their jobs. They also have not yet shrunk the two staffs (which now total 250 people) or begun to consolidate office space. This will happen

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eventually, the chief executives said, and is a considerable source of stress for them and their employees. Trade reports indicate that the combined organization will produce savings of $14 million or more a year.

SIFMA has offices in Washington, New York, London and Hong Kong. Its members are more than 650 securities firms, banks and asset managers. And they have a lot of scratch. Last year, the securities industry raised a record $5.8 trillion of debt and equity capital in the United States and $11.4 trillion around the world.

Although stocks and bonds are very different instruments -- one tends to go up when the other goes down -- the companies that underwrite or sell them rarely diverge on matters of public policy. SIFMA's goals are to expand markets generally, to foster the development of new financial instruments and to cut costs for the industry, partly through regulatory relief.

None of that will be easy. But with a new high-octane lobby in Washington behind it, the industry clearly will have a better shot.

"The merger simplifies things and simple is always better," said Steve Bartlett, chief executive of the Financial Services Roundtable, yet another of the dozen or so financial-services lobbying groups. "It presents an opportunity for the companies to develop stronger and more coherent policy positions and articulate them with one voice."Lobbyists' Holiday Cheer

It's that time of year again. Please e-mail examples of pro bono lobbying that you've done or that you know about for a special holiday column. Send examples early and often, and no later than mid-December, please. Thanks and cheers!

America The Charitable: A Few Surprises (CSM)

By Mark Trumbull

The Christian Science Monitor, November 27, 2006

Everybody knows Americans are big givers. But their charitable impulses keep generating surprises.

Consider just a few conclusions from recent research:

• Charitable giving plays an even larger role in the economy than is suggested by some $260 billion in annual contributions. Each dollar of giving appears to create $19 of extra national income, according to a book released this past weekend.

• Demand for nonprofit services gets proportionately bigger, not smaller, as a locality's income rises, a Federal Reserve economist finds.

• The philanthropy of the wealthy may not hinge on tax incentives to the degree many believe. In one new survey, a majority of wealthy givers say they would contribute the same amount if the estate tax were abolished. Ditto, they said, if they could no longer deduct the value of gifts from their taxable income.

These disparate studies are shedding light not just on who gives but also on why they give and what their actions mean to society. Often, the conclusions run counter to expectations.

"This is supposed to be the start of a conversation. It's the first word, not the last word," says Arthur Brooks, referring to his new book on charity, called "Who Really Cares." "We need more people thinking about [the study of charitable giving] in a serious way."

He and other experts say that by understanding charity better, Americans can learn how to encourage more giving. The result would probably be a healthier and wealthier society.

Of course, it's not as if American philanthropy has never been studied before. A number of institutions track the nonprofit sector full-time in one way or another. But the data on charity-linked activities are far less complete - and less systematically analyzed - than for areas such as government and private industry.

One thing that's long been known: The US leads the world in levels of charitable activity. The pattern runs from the rich, steeped in long tradition of philanthropy, to the poor. Those making $20,000 or less a year give away more, as a share of their income, than do higher income groups.

Americans donate their time as well as money - some $150 billion worth annually (measured by using an estimated average value of $18.04 per hour).

"I see a great commitment," says Karen Rivers, who recruits helpers for the Colorado branch of Volunteers of America in Denver. "We just were inundated with people who wanted to volunteer for Thanksgiving Day."

She had to turn volunteers away as the group served holiday meals to about 3,000 homeless and others in need.

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Some experts see charity as a defining trait of the US, more than consumerism or business. But those forces may be intertwined.

For one thing, many nonprofits are selling services - from healthcare to classical music - in a marketplace alongside for-profit rivals. By many measures, they are successful.

For example: As personal incomes rise in a given county, the income of nonprofits seems to rise even faster, says Rob Grunewald, an associate economist at the Federal Reserve Bank of Minneapolis, who has analyzed counties in 47 states. This suggests that not-for-profit activities are what economists call a "superior good," something people want to buy more of (or donate more to) as their incomes rise.

But ties between charitable ventures and the economy hardly end there.

In his new book, Dr. Brooks points to evidence that charity is no mere peripheral activity. It pays off for society in ways that may transcend the rates of return on many traditional investments. Why?

It's not just that charity helps those on the receiving end, says Brooks, an economist at Syracuse University in New York. It also strengthens the cohesion of society at large. Moreover, it appears to make the givers themselves more successful, possibly because the activity transforms them somewhat into better or happier people. Whatever the reasons, he finds that higher income tends to push up charity - and that greater charity tends to push up income.

Another provocative conclusion is that conservatives are better givers than liberals - a theme that is likely to draw close scrutiny. This pattern is less about politics, he says, than about charity-linked lifestyles that are most common to people who call themselves conservatives: religious commitment, marriage and children, and entrepreneurship.

Still, Brooks's main point is that more Americans, regardless of ideology, should embrace giving as a tool for progress. He quotes Proverbs: "One man gives freely, yet gains even more; another withholds unduly, but comes to poverty."

Many who do charitable work can relate to that. Pier Penic works in public relations, but her passion is what she does for free as the founder of Culture at Home, a support group near Washington, D.C., for mothers who are home-schooling their kids. "I'm doing more here than I would at a corporate job," she says. "I love to see results."

Her story echoes some of the common forces that motivate people to give time or money to charity: First, she identifies with challenges facing home-school moms. In her case, the feeling is amplified because she herself is one of those moms. Second, she wants to make a difference. Third, she draws satisfaction from the effort to help.

These forces are among the core motivations that foster actions of generosity beyond the sphere of one's family circle, says Paul Schervish, who heads the Boston College Center on Wealth and Philanthropy. "There would still be a need for philanthropy, even if our economic needs were all taken care of."

The urge to make a difference, and to take satisfaction in it, outweighs monetary considerations. For example, a survey of 945 ultrarich individuals released last month by Bank of America and the Center on Philanthropy at Indiana University found that slightly more than half would give the same amount regardless of whether the estate tax or deductions for charitable giving were repealed.

None of this means that tax policy is trivial for charitable giving. But the survey suggests that Americans' penchant for giving isn't driven primarily by tax breaks.

Charitable Explanation (WSJ)

By Arthur C. Brooks

The Wall Street Journal, November 27, 2006

'Tis the season to give. Our mailboxes are filling with appeals from fine organizations and worthy causes, competing for our holiday spirit and tax-deductible dollars. Millions of Americans will answer the call, donating in December as much as a third of the quarter-trillion dollars we give away each year. Per capita, Americans give more in this single month than most nations give all year long.

Before congratulating ourselves too heartily, however, note that charity is not a virtue shared by all. While 85 million American households give away money each year to nonprofit organizations, another 30 million do not. And this distinction goes beyond "formal" giving. Recent survey data reveal that people who fail to donate money to charities are only a third as likely as

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donors to give money to friends and strangers. Non-donors are half as likely as donors to give blood. They even are less honest: Non-donors are much less likely than donors to return change mistakenly given to them by a cashier. When it comes to charity, we are two nations.

Why does Giving America behave so differently from Non-Giving America? The answer, contrary to what you might be thinking, is not income; America's working poor give away at least as large a percentage of their incomes as the rich, and a lot more than the middle class. The charity gap is driven not by economics but by values.

Nowhere is the divide in values more on display than in religion, the frontline in our so-called "culture war." And the relationship between religion and charity is nothing short of extraordinary. The Social Capital Community Benchmark Survey indicates that Americans who weekly attend a house of worship are 25 percentage points more likely to give than people who go to church rarely or never. These religious folks also give nearly four times more dollars per year than secularists, on average, and volunteer more than twice as frequently.

It is not the case that these enormous differences are due simply to religious people giving to their churches. Religious people are more charitable with all sorts of nonreligious causes as well. They are 10 percentage points likelier than secularists to give money to explicitly nonreligious charities like the United Way, and 25 points more likely to volunteer for secular groups such as the PTA. Churchgoers were far likelier in 2001 to give to 9/11-related causes. On average, people of faith give more than 50% more money each year to non-church social welfare organizations than secularists do.

A second core value affecting charity shows up in the belief citizens have about the government's role in their lives. Some Americans (about a third) believe the government should do more to reduce income differences between the rich and poor -- largely through higher taxation and social spending. Others (about 40%) do not favor greater forced income redistribution. This is a major difference in worldview -- not just about taxation, but also about the perceived duty of individuals to take personal responsibility for themselves and others. This difference affects people's likelihood of voluntarily giving to charity. The General Social Survey shows that people who oppose government income redistribution donate four times as much money each year as do redistribution supporters.

Note that the charity gap is not due to anything the government is actually doing; rather, to what people think the government should be doing -- in other words, nothing more than a political opinion. This fact throws a wrench into the traditional stereotype that conservatives in America are hardhearted while liberals are the compassionate ones. In the words of one common 2004 campaign yard sign in my town, "Bush Must Go! Human need, not corporate greed." However, the General Social Survey indicates that people who opine that government is "spending too little money on welfare" -- not a viewpoint typically associated with George W. Bush's supposedly venal supporters -- are less likely to give food or money to a homeless person than people who oppose greater welfare spending. Regardless of which view on welfare is superior, ask yourself this: Who will personally do more for a poor person today?

A third key value affecting charity is reflected in family life. Couples, even when they earn the same amount as single people, are more likely to give to charity, and the simple act of raising children appears to stimulate giving as well -- children help us fill the collection plate even as they drain our wallets. Further, family life is the ideal transmission mechanism for charitable values: Data show that people who see their parents behave charitably are far likelier to be charitable themselves as adults.

As you probably noticed, the values predicting private charity in America tend to smile on the political right. Conservatives are twice as likely as liberals to attend a house of worship regularly; conservatives are one third as likely as liberals to say the government should "do more" to reduce income inequality; conservatives also have about 40% more children than liberals. Furthermore, there is a fringe on today's political left that goes beyond simple neglect of charity, and openly condemns it, claiming it lets governments off the hook from having to pay for services. So while there may be nothing inherently charitable about political conservatism, today's conservatives do outperform liberals on most measures of private giving.

What does this mean in the wake of the Democratic takeover of Congress this month? Will the new Democratic majority look for ways to protect and expand private giving? Or will they allow cultural forces to manifest themselves in policies uncongenial to private giving -- such as punitive regulation on private foundations, expanded public subsidies to nonprofits that squeeze out charity, and various schemes that lower disposable income among major givers?

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But an even greater moral test is personal, not political. Left or right, secular or religious, single or married, the cultural forces of giving and non-giving are not destiny for any of us. Private charity is a choice: a choice to express our values in a private and singularly humane way. This is worth remembering as we hold requests for charitable support in our hands this month -- and make the right choice.

Mr. Brooks, a professor at Syracuse University's Maxwell School of Public Affairs, is the author of "Who Really Cares: The Surprising Truth About Compassionate Conservatism," published this week by Basic Books.

Very Rich Are Leaving The Merely Rich Behind (NYT)

By Louis Uchitelle

The New York Times, November 27, 2006

A decade into the practice of medicine, still striving to become "a well regarded physician-scientist," Robert H. Glassman concluded that he was not making enough money. So he answered an ad in the New England Journal of Medicine from a business consulting firm hiring doctors.

And today, after moving on to Wall Street as an adviser on medical investments, he is a multimillionaire.

Such routes to great wealth were just opening up to physicians when Dr. Glassman was in school, graduating from Harvard College in 1983 and Harvard Medical School four years later. Hoping to achieve breakthroughs in curing cancer, his specialty, he plunged into research, even dreaming of a Nobel Prize, until Wall Street reordered his life.

Just how far he had come from a doctor's traditional upper-middle-class expectations struck home at the 20th reunion of his college class. By then he was working for Merrill Lynch and soon would become a managing director of health care investment banking.

"There were doctors at the reunion — very, very smart people," Dr. Glassman recalled in a recent interview. "They went to the top programs, they remained true to their ethics and really had very pure goals. And then they went to the 20th-year reunion and saw that somebody else who was 10 times less smart was making much more money."

The opportunity to become abundantly rich is a recent phenomenon not only in medicine, but in a growing number of other professions and occupations. In each case, the great majority still earn fairly uniform six-figure incomes, usually less than $400,000 a year, government data show. But starting in the 1990s, a significant number began to earn much more, creating a two-tier income stratum within such occupations.

The divide has emerged as people like Dr. Glassman, who is 45, latched onto opportunities within their fields that offered significantly higher incomes. Some lawyers and bankers, for example, collect much larger fees than others in their fields for their work on business deals and cases.

Others have moved to different, higher-paying fields — from academia to Wall Street, for example — and a growing number of entrepreneurs have seen windfalls tied largely to expanding financial markets, which draw on capital from around the world. The latter phenomenon has allowed, say, the owner of a small mail-order business to sell his enterprise for tens of millions instead of the hundreds of thousands that such a sale might have brought 15 years ago.

Three decades ago, compensation among occupations differed far less than it does today. That growing difference is diverting people from some critical fields, experts say. The American Bar Foundation, a research group, has found in its surveys, for instance, that fewer law school graduates are going into public-interest law or government jobs and filling all the openings is becoming harder.

Something similar is happening in academia, where newly minted Ph.D.'s migrate from teaching or research to more lucrative fields. Similarly, many business school graduates shun careers as experts in, say, manufacturing or consumer products for much higher pay on Wall Street.

And in medicine, where some specialties now pay far more than others, young doctors often bypass the lower-paying fields. The Medical Group Management Association, for example, says the nation lacks enough doctors in family practice, where the median income last year was $161,000.

"The bigger the prize, the greater the effort that people are making to get it," said Edward N. Wolff, a New York University economist who studies income and wealth. "That effort is draining people away from more useful work."

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What kind of work is most useful is a matter of opinion, of course, but there is no doubt that a new group of the very rich have risen today far above their merely affluent colleagues.

Turning to Philanthropy

One in every 825 households earned at least $2 million last year, nearly double the percentage in 1989, adjusted for inflation, Mr. Wolff found in an analysis of government data. When it comes to wealth, one in every 325 households had a net worth of $10 million or more in 2004, the latest year for which data is available, more than four times as many as in 1989.

As some have grown enormously rich, they are turning to philanthropy in a competition that is well beyond the means of their less wealthy peers. "The ones with $100 million are setting the standard for their own circles, but no longer for me," said Robert Frank, a Cornell University economist who described the early stages of the phenomenon in a 1995 book, "The Winner-Take-All Society," which he co-authored.

Fighting AIDS and poverty in Africa are favorite causes, and so is financing education, particularly at one's alma mater.

"It is astonishing how many gifts of $100 million have been made in the last year," said Inge Reichenbach, vice president for development at Yale University, which like other schools tracks the net worth of its alumni and assiduously pursues the richest among them.

Dr. Glassman hopes to enter this circle someday. At 35, he was making $150,000 in 1996 (about $190,000 in today's dollars) as a hematology-oncology specialist. That's when, recently married and with virtually no savings, he made the switch that brought him to management consulting.

He won't say just how much he earns now on Wall Street or his current net worth. But compensation experts, among them Johnson Associates, say the annual income of those in his position is easily in the seven figures and net worth often rises to more than $20 million.

"He is on his way," said Alan Johnson, managing director of the firm, speaking of people on career tracks similar to Dr. Glassman's. "He is destined to riches."

Indeed, doctors have become so interested in the business side of medicine that more than 40 medical schools have added, over the last 20 years, an optional fifth year of schooling for those who want to earn an M.B.A. degree as well as an M.D. Some go directly to Wall Street or into health care management without ever practicing medicine.

"It was not our goal to create masters of the universe," said James Aisner, a spokesman for Harvard Business School, whose joint program with the medical school started last year. "It was to train people to do useful work."

Dr. Glassman still makes hospital rounds two or three days a month, usually on free weekends. Treating patients, he said, is "a wonderful feeling." But he sees his present work as also a valuable aspect of medicine.

One of his tasks is to evaluate the numerous drugs that start-up companies, particularly in biotechnology, are developing. These companies often turn to firms like Merrill Lynch for an investment or to sponsor an initial public stock offering. Dr. Glassman is a critical gatekeeper in this process, evaluating, among other things, whether promising drugs live up to their claims.

What Dr. Glassman represents, along with other very rich people interviewed for this article, is the growing number of Americans who acknowledge that they have accumulated, or soon will, more than enough money to live comfortably, even luxuriously, and also enough so that their children, as adults, will then be free to pursue careers "they have a hunger for," as Dr. Glassman put it, "and not feel a need to do something just to pay the bills."

In an earlier Gilded Age, Andrew Carnegie argued that talented managers who accumulate great wealth were morally obligated to redistribute their wealth through philanthropy. The estate tax and the progressive income tax later took over most of that function — imposing tax rates of more than 70 percent as recently as 1980 on incomes above a certain level.

Now, with this marginal rate at half that much and the estate tax fading in importance, many of the new rich engage in the conspicuous consumption that their wealth allows. Others, while certainly not stinting on comfort, are embracing philanthropy as an alternative to a life of professional accomplishment.

Bill Gates and Warren Buffett are held up as models, certainly by Dr. Glassman. "They are going to make much greater contributions by having made money and then giving it away than most, almost all, scientists," he said, adding that he is drawn to philanthropy as a means of achieving a meaningful legacy.

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"It has to be easier than the chance of becoming a Nobel Prize winner," he said, explaining his decision to give up research, "and I think that goes through the minds of highly educated, high performing individuals."

As Bush administration officials see it — and conservative economists often agree — philanthropy is a better means of redistributing the nation's wealth than higher taxes on the rich. They argue that higher marginal tax rates would discourage entrepreneurship and risk-taking. But some among the newly rich have misgivings.

Mark M. Zandi is one. He was a founder of Economy.com, a forecasting and data gathering service in West Chester, Pa. His net worth vaulted into eight figures with the company's sale last year to Moody's Investor Service.

"Our tax policies should be redesigned through the prism that wealth is being increasingly skewed," Mr. Zandi said, arguing that higher taxes on the rich could help restore a sense of fairness to the system and blunt a backlash from a middle class that feels increasingly squeezed by the costs of health care, higher education, and a secure retirement. The Federal Reserve's Survey of Consumer Finances, a principal government source of income and wealth data, does not single out the occupations and professions generating so much wealth today. But Forbes magazine offers a rough idea in its annual surveys of the richest Americans, those approaching and crossing the billion dollar mark.

Some routes are of long standing. Inheritance plays a role. So do the earnings of Wall Street investment bankers and the super incomes of sports stars and celebrities. All of these routes swell the ranks of the very rich, as they did in 1989.

But among new occupations, the winners include numerous partners in recently formed hedge funds and private equity firms that invest or acquire companies. Real estate developers and lawyers are more in evidence today among the very rich. So are dot-com entrepreneurs as well as scientists who start a company to market an invention or discovery, soon selling it for many millions. And from corporate America come many more chief executives than in the past.

Seventy-five percent of the chief executives in a sample of 100 publicly traded companies had a net worth in 2004 of more than $25 million mainly from stock and options in the companies they ran, according to a study by Carola Frydman, a finance professor at the Massachusetts Institute of Technology's Sloan School of Management. That was up from 31 percent for the same sample in 1989, adjusted for inflation.

Chief executives were not alone among corporate executives in rising to great wealth. There were similar or even greater increases in the percentage of lower-ranking executives — presidents, executive vice presidents, chief financial officers — also advancing into the $25 million-plus category.

The growing use of options as a form of pay helps to explain the sharp rise in the number of very wealthy households. But so does the gradual dismantling of the progressive income tax, Ms. Frydman concluded in a recent study.

"Our simulation results suggest that, had taxes been at their low 2000 level throughout the past 60 years, chief executive compensation would have been 35 percent higher during the 1950s and 1960s," she wrote.

Trying Not to Live Ostentatiously

Finally, the owners of a variety of ordinary businesses — a small chain of coffee shops or temporary help agencies, for example — manage to expand these family operations with the help of venture capital and private equity firms, eventually selling them or taking them public in a marketplace that rewards them with huge sums.

John J. Moon, a managing director of Metalmark Capital, a private equity firm, explains how this process works.

"Let's say we buy a small pizza parlor chain from an entrepreneur for $10 million," said Mr. Moon, who at 39, is already among the very rich. "We make it more efficient, we build it from 10 stores to 100 and we sell it to Domino's for $50 million."

As a result, not only the entrepreneur gets rich; so do Mr. Moon and his colleagues, who make money from putting together such deals and from managing the money they raise from wealthy investors who provide much of the capital.

By his own account, Mr. Moon, like Dr. Glassman, came reluctantly to the accumulation of wealth. Having earned a Ph.D. in business economics from Harvard in 1994, he set out to be a professor of finance, landing a job at Dartmouth's Tuck Graduate School of Business, with a starting salary in the low six figures.

To this day, teaching tugs at Mr. Moon, whose parents immigrated to the United States from South Korea. He steals enough time from Metalmark Capital to teach one course in finance each semester at Columbia University's business school. "If Wall Street was not there as an alternative," Mr. Moon said, "I would have gone into academia."

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Academia, of course, turned out to be no match for the job offers that came Mr. Moon's way from several Wall Street firms. He joined Goldman Sachs, moved on to Morgan Stanley's private equity operation in 1998 and stayed on when the unit separated from Morgan Stanley in 2004 and became Metalmark Capital.

As his income and net worth grew, the Harvard alumni association made contact and he started to give money, not just to Harvard, but to various causes. His growing charitable activities have brought him a leadership role in Harvard alumni activities, including a seat on the graduate school alumni council.

Still, Mr. Moon tries to live unostentatiously. "The trick is not to want more as your income and wealth grow," he said. "You fly coach and then you fly first class and then it is fractional ownership of a jet and then owning a jet. I still struggle with first class. My partners make fun of me."

His reluctance to show his wealth has a basis in his religion. "My wife and I are committed Presbyterians," he said. "I would like to think that my faith informs my career decisions even more than financial considerations. That is not always easy because money is not unimportant."

It has a momentum of its own. Mr. Moon and his wife, Hee-Jung, who gave up law to raise their two sons, are renovating a newly purchased Park Avenue co-op. "On an absolute scale it is lavish," he said, "but on a relative scale, relative to my peers, it is small."

Behavior is gradually changing in the Glassman household, too. Not that the doctor and his wife, Denise, 41, seem to crave change. Nothing in his off-the-rack suits, or the cafes and nondescript restaurants that he prefers for interviews, or the family's comparatively modest four-bedroom home in suburban Short Hills, N.J., or their two cars (an Acura S.U.V. and a Honda Accord) suggests that wealth has altered the way the family lives.

But it is opening up "choices," as Mrs. Glassman put it. They enjoy annual ski vacations in Utah now. The Glassmans are shopping for a larger house — not as large as the family could afford, Mrs. Glassman said, but large enough to accommodate a wood-paneled study where her husband could put all his books and his diplomas and "feel that it is his own." Right now, a glassed-in porch, without book shelves, serves as a workplace for both of them.

Starting out, Dr. Glassman's $150,000 a year was a bit less than that of his wife, then a marketing executive with an M.B.A. from Northwestern. Their plan was for her to stop working once they had children. To build up their income, she encouraged him to set up or join a medical practice to treat patients. Dr. Glassman initially balked, but he was coming to realize that his devotion to research would not necessarily deliver a big scientific payoff.

"I wasn't sure that I was willing to take the risk of spending many years applying for grants and working long hours for the very slim chance of winning at the roulette table and making a significant contribution to the scientific literature," he said.

In this mood, he was drawn to the ad that McKinsey & Company, the giant consulting firm, had placed in the New England Journal of Medicine. McKinsey was increasingly working among biomedical and pharmaceutical companies and it needed more physicians on staff as consultants. Dr. Glassman, absorbed in the world of medicine, did not know what McKinsey was. His wife enlightened him. "The way she explained it, McKinsey was like a Massachusetts General Hospital for M.B.A.'s," he said. "It was really prestigious, which I liked, and I heard that it was very intellectually charged."

He soon joined as a consultant, earning a starting salary that was roughly the same as he was earning as a researcher — and soon $100,000 more. He stayed four years, traveling constantly and during that time the family made the move to Short Hills from rented quarters in Manhattan.

Dr. Glassman migrated to Merrill Lynch in 2001, first in private equity, which he found to be more at the forefront of innovation than consulting at McKinsey, and then gradually to investment banking, going full time there in 2004.

Linking Security to Income

Casey McCullar hopes to follow a similar circuit. Now 29, he joined the Marconi Corporation, a big telecommunications company, in 1999 right out of the University of Texas in Dallas, his hometown. Over the next six years he worked up to project manager at $42,000 a year, becoming quite skilled in electronic mapmaking.

A trip to India for his company introduced him to the wonders of outsourcing and the money he might make as an entrepreneur facilitating the process. As a first step, he applied to the Tuck business school at Dartmouth, got in and quit his

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Texas job, despite his mother's concern that he was giving up future promotions and very good health insurance, particularly Marconi's dental plan.

His life at Tuck soon sent him in still another direction. When he graduates next June he will probably go to work for Mercer Management Consulting, he says. Mercer recruited him at a starting salary of $150,000, including bonus. "If you had told me a couple of years ago that I would be making three times my Marconi salary, I would not have believed you," Mr. McCullar said.

Nearly 70 percent of Tuck's graduates go directly to consulting firms or Wall Street investment houses. He may pursue finance later, Mr. McCullar says, always keeping in mind an entrepreneurial venture that could really leverage his talent.

"When my mom talks of Marconi's dental plan and a safe retirement," he said, "she really means lifestyle security based on job security."

But "for my generation," Mr. McCullar said, "lifestyle security comes from financial independence. I'm doing what I want to do and it just so happens that is where the money is."

Separate Truths (WP)

By Theresa Vargas

The Washington Post, November 27, 2006

For two women, so much comes down to this: a fragment of bone and the lick of a love letter.

Military scientists recently compared the bone recovered in a North Vietnamese jungle where an Air Force pilot's plane went down 40 years ago to saliva on letters he had sent his wife. It was a DNA match, they announced. At last, they said, the remains of Col. Charles J. Scharf had been found.

What they couldn't have known, however, was how differently that announcement would affect two women he left behind.

His widow, Patricia Scharf, 72, of Northern Virginia, has never remarried, has never had children and still considers the Vietnam War officer the love of her life. For her, the announcement was the gentle rub across the shoulder she had waited four decades to feel, one that let her know it was all right to let go.

For Barbara Scharf Lowerison, 72, his sister in California, the announcement was a slap. It meant she was losing -- if she had not already lost -- her fight to convince officials that her brother is alive, a prisoner of war.

The remains of more than 1,300 lost U.S. service members have been identified over the years, with 850 of those from the Vietnam War alone, according to military officials. Usually when remains are identified, relatives emotionally embrace the finding, said Larry Greer of the Department of Defense POW/Missing Personnel Office. And among the few who reject it, most eventually come around "because the science is so overwhelming," he said.

"One of the things it does do for all of us, and we hope for the families, is it helps write the closing chapters of this story that has been painfully open for 40 or 60 years," Greer said.

If that is true, then the story of Charles Scharf, it seems, has two endings.'What Kept You?'

Patricia Scharf wears the same shade of vibrant red lipstick as in the photos of her youth. After "Chuck" didn't come home with the rest of the POWs, she spent years fantasizing about how he might swoop back into her life.

"If he was to walk in that door right now, I could love him like when I was young," Scharf said. "And I'd say, 'What kept you so long?' "

But the proof that he is gone, really gone, lay across her Falls Church dining room table one recent night, separated into small plastic bags labeled with black marker.

There was the burnt, tattered wallet he was carrying the day his plane was shot down in October 1965. A singed identification card, with his name decipherable, was inside. There were his dog tags. His silver captain's bars. (He was promoted posthumously to colonel.) The torn, worn scapular, or cloth religious pendant, he received on their wedding day. Scharf has an identical one.

"Nobody has that. What other pilot has that? That is ours. That is ours," she said.

The items, officials said, were found during several excavations of the crash site.

"Now I'm convinced," Scharf said. "I really am."

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They met when she was 16 and married two years later. They had 13 years together before he left for war. She remembers standing among the other Air Force wives on a runway in Florida the day the men flew away. She waved a scarf so Chuck would see her, and he saluted back. A pilot's pregnant wife stood next to her, crying.

"She was saying she knew she wasn't going to see her husband again," Scharf said. "I said: 'Yes we are. We're going to meet them with champagne when they come back.'

"Well," she started, then stopped.

"It was a beautiful life," she said. "It had glory in it. It had strength in it. It had romance in it."

The love letters he sent, about 75 over three months, are addressed to "Mrs. Charles Scharf" outside and to "darling" and "sweetheart" inside. In one, he talks about the family they would start when he returned. They had lost a baby, a girl, at birth.

If she had lived, she would have been almost 50 today, Scharf said. "I would have been a grandma."

After her husband disappeared, Scharf said, she had to learn to take care of herself. She sells jewelry in the Pentagon, and the people there are her family, she said. But when she comes home, she is alone. She talks about her life with Chuck separately from her life without him.

She said that, unlike his sister, she had to let him go.

"I was the wife. It was our life. It was us who lived together. She still has a family. She has everybody there," she said of his sister.

Scharf first held a memorial for her husband in 1978, when the Air Force technically declared him dead. It was a memorial with an empty box. When she buries him Thursday at Arlington National Cemetery, the coffin will carry the bone fragment and a uniform, complete with badges and medals, as if he were wearing it. She also will place the items from the crash site and the love letters in the coffin.

She plans to be buried there with him eventually.

"I now know where I'll be," she said.'Not My Brother'

Barbara Scharf Lowerison would stop the funeral if she could. And she certainly won't be there for it, she said.

"I don't know what they are burying," she said. "That is not my brother."

Charles Scharf was older by a year-and-a-half, and he was her protector before he was his wife's.

"I'll never forget when I had my first baby. I was 18 years old, and he wanted to take over," she said, laughing. "We had a brother-and-sister rivalry at times, but there was nothing I wouldn't do for him."

About 25 boxes sit in her Hemet, Calif., home filled with letters, witness statements and scientific reports. She thinks he survived the crash, and if he isn't alive, he was until this year. For four decades, she fought to bring him home.

"I think I've been a pain in a neck to everybody. But that's okay. I'm fighting for my brother," she said.

Before he disappeared, Lowerison was a housewife raising five boys and had no involvement in politics.

Since then, she has established sources in Vietnam and Russia whom she has asked for help. She has lobbied presidents from Richard M. Nixon on, giving each a POW bracelet with her brother's name. And for every piece of evidence Pentagon officials have put forth to prove they found Scharf, she has fired back questions:

Why were the items at the excavation site not burned beyond recognition like the bodies?

Why did he have anything on him when most Air Force officers had to store personal effects in a locker before a mission?

Why was the bone fragment not good enough to establish a match with the blood sample she gave in 1992 but now can be matched with the letters?

"No one is telling the truth in this story," she said. "That's the bottom line. No one is telling the truth."

Her proof, she said, includes statements from a former POW who was in her brother's squadron. He told her that he saw photographs of Scharf after the crash. There is also a propaganda film in which a man can be seen for only seconds but walks exactly like her brother, she said.

"I used to say he swiveled when he walked," Lowerison said. "He had a little bit of a sway to him."

About two weeks before he disappeared, she received a letter from him. In it, he told her that he was sending her a ring for her birthday and that he had "some good war stories" to tell her boys when he got home, she said.

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She thinks he would appreciate the fight she has launched in his name. "He would have a smile on his face and give me a thumbs-up sign," she said.

If she had never seen the evidence, never heard from others who think he didn't die in the crash, she said, she might have gone along with the military's version, might have been able to bury him long ago. She still might be able to, she said, but not this way.

"If they come and tell me he died six months ago, I'd go along with it," she said. "I would go to that burial."

Lowerison and Patricia Scharf don't speak ill of each other. They don't speak much of each other at all, each dismissing the other's beliefs in short, neutral sentences. "That's her prerogative," Lowerison said of Scharf. "Everyone has different ways of grieving," Scharf said of Lowerison.

So on Thursday, Scharf will stand before her husband's plot at Arlington, content that she has a place now to lay flowers. Lowerison will remain in California, not saying goodbye, not letting go.

Atheists Agonistes (NYT)

By Richard A. Schweder

The New York Times, November 27, 2006

Chicago

ONE of the surest ways to bring a certain type of dinner party to a halt is to speak piously about "God." Earnest reference to sinners, apostates or blasphemers, or to the promise of salvation offered in evangelical churches, is likely to produce the same effect. Among the cosmopolites who live in secular enclaves, religion is automatically associated with darkness, superstition, irrationality and an antique or pre-modern cast of mind. It has long been assumed that religion is opposed to science, reason and human progress; and the death of gods is simply taken for granted as a deeply ingrained Darwinian article of faith.

Why, then, are the enlightened so conspicuously up in arms these days, reiterating every possible argument against the existence of God? Why are they indulging in books — Daniel Dennett's "Breaking the Spell," Sam Harris's "Letter to a Christian Nation," and Richard Dawkins's "God Delusion" — in which authors lampoon religion or rail against the devout under the banner of a crusading atheism? Books dictated or co-written by God sell quite well among the 2.1 billion self-declared Christians and 1.3 billion self-declared Muslims of the world. What explains the current interest among secularists in absolutely, positively establishing that the author is a fraud?

The most obvious answer is that the armies of disbelief have been provoked. Articulate secularists may be merely reacting to the many recent incitements from religious zealots at home and abroad, as fanatics and infidels have their ways of keeping each other in business.

A deeper and far more unsettling answer, however, is that the popularity of the current counterattack on religion cloaks a renewed and intense anxiety within secular society that it is not the story of religion but rather the story of the Enlightenment that may be more illusory than real.

The Enlightenment story has its own version of Genesis, and the themes are well known: The world woke up from the slumber of the "dark ages," finally got in touch with the truth and became good about 300 years ago in Northern and Western Europe.

As people opened their eyes, religion (equated with ignorance and superstition) gave way to science (equated with fact and reason). Parochialism and tribal allegiances gave way to ecumenism, cosmopolitanism and individualism. Top-down command systems gave way to the separation of church from state, of politics from science. The story provides a blueprint for how to remake and better the world in the image and interests of the West's secular elites.

Unfortunately, as a theory of history, that story has had a predictive utility of approximately zero. At the turn of the millennium it was pretty hard not to notice that the 20th century was probably the worst one yet, and that the big causes of all the death and destruction had rather little to do with religion. Much to everyone's surprise, that great dance on the Berlin Wall back in 1989 turned out not to be the apotheosis of the Enlightenment.

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Science has not replaced religion; group loyalties have intensified, not eroded. The collapse of the cold war's balance of power has not resulted in the end of collective faiths or a rush to democracy and individualism. In Iraq, the "West is best" default (and its discourse about universal human rights) has provided a foundation for chaos.

Even some children within the enclave are retreating from the Enlightenment in their quest for a spiritual revival; one discovers perfectly rational and devout Jews or Hindus in one's own family, or living down the block. If religion is a delusion, it is a delusion with a future, which it may be hazardous for us to deny. A shared conception of the soul, the sacred and transcendental values may be a prerequisite for any viable society.

John Locke, who was almost everyone's favorite political philosopher at the time of the founding of our nation, was a very tolerant man. In his 1689 "Letter Concerning Toleration," he advocated a policy of live and let live for believers in many faiths, even heretics. But he drew the line at atheists. He wrote: "Lastly, those are not at all to be tolerated who deny the being of God. Promises, covenants and oaths, which are the bonds of human societies, can have no hold upon an atheist. The taking away of God, though but even in thought, dissolves all."

Instead of waging intellectual battles over the existence of god(s), those of us who live in secular society might profit by being slower to judge others and by trying very hard to understand how it is possible for John Locke and our many atheist friends to continue to gaze at each other in such a state of mutual misunderstanding.

What, No Tipping The People's Servants? (NYT)

By Dorothy Samuels

The New York Times, November 27, 2006

If you think Washington's culture of corruption is bad now and couldn't get appreciably worse, my hunch is you don't know about United States v. Valdes. This pending federal case could end up making it legal for public officials to accept gratuities for granting certain types of favored government treatment.

I know, you're thinking that I must be exaggerating. Stuffing the pockets of government officials with cash to gain some sort of edge is plainly against the law, right? I've always thought so. That is, I did until last February, when a three-judge panel of the United States Court of Appeals in Washington, splitting 2 to 1, overturned the conviction of a former District of Columbia police detective named Nelson Valdes.

The basic facts are not in dispute. In an effort to cover influence-peddling that may not rise to bribery, the federal gratuities law makes it a crime for a public official to seek or receive "anything of value personally for or because of any official act performed or to be performed."

Mr. Valdes became an apparent violator by accepting hundreds of dollars in cash as reward for delving into computerized police records to obtain vehicle-registration and arrest-warrant information on drivers at the request of someone who — surprise — turned out to be an F.B.I. informant. Indicted for bribery, the detective was convicted by a jury of the "lesser-included offense" of receiving an illegal gratuity.

Incredibly, the appellate panel tossed out the conviction, finding the anti-gratuities prohibition didn't apply because Mr. Valdes's granting of preferential access to police information lacked a sufficiently "formal" relationship to a decision or action in fulfillment of his "official" public duties. Huh? Mr. Valdes enjoyed access to the police database only because of his official status. And it's not as if researching the background of individuals is removed from a cop's day-to-day job. Police officers do it every time they write a traffic ticket.

Making matters worse, the majority did not just read into the illegal gratuities statute a kooky distinction between "formal" actions and "casual and informal" use of government resources not amenable to criminal prosecution. It provided zero in the way of real guidance for determining which is which. Under the majority's odd formulation, slipping lawmakers or their aides money as reward or incentive for promoting favorable legislation would clearly be illegal. But if a lawmaker, straying from her "formal" everyday legislative duties, accepted a fat wad of bills from a contract-seeking corporate executive as thanks for using her influence to open doors at a government agency, it might not be.

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In her dissenting opinion, Judge Karen LeCraft Henderson did not mince words about the ethics disaster achieved by the misapplication by her two colleagues of the Supreme Court's unanimous 1999 decision tossing out, on different grounds, a gratuities case involving former Agriculture Secretary Mike Espy.

"In Mexico," she wrote, "they call it 'la mordida' (literally, 'the bite'); in Iran, 'bakhshish'; and in France, 'pot-de-vin.' Here in America, we call it a 'payoff' and, today, the majority calls it lawful."

While the nation's attention was riveted on the election and other things in late September, an appeal of the damaging Valdes decision was heard by the full bench of the Court of Appeals in Washington. No matter the outcome, revisiting the illegal gratuities law to achieve some overdue clarity and tightening should be part of the ethics reform agenda pursued by Congress's new Democratic majority. Government needs to be a no-tipping zone.

Gaza Cease-fire Raises Hopes For Peace (AP-Y)

By Ibrahim Barzak, Associated Press Writer

AP, November 27, 2006

Rocket fire from Gaza died down Sunday after a daybreak cease-fire, raising hopes for an end to five months of bloody destruction and a new opening toward peace talks.

The surprise truce was supposed to take effect at 6 a.m., but in the four hours that followed, 11 rockets were fired from Gaza at Israeli towns and villages and some Palestinian militants threatened to keep up the attacks.

Israel did not retaliate, saying it wanted to give the truce a chance.

"Even though there are still violations of the cease-fire by the Palestinian side, I have instructed our defense officials not to respond, to show restraint, and to give this cease-fire a chance to take full effect," Prime Minister Ehud Olmert said during a ceremony at a high school in southern Israel.

Rivals Hamas and Fatah, the two main factions in the Palestinian government, also publicly backed the truce and by nightfall, it appeared to take hold. Palestinian Prime Minister Ismail Haniyeh of the ruling Hamas movement said he had contacted the leaders of all Palestinian factions Sunday and they reassured him they were committed to the cease-fire.

Palestinian President Mahmoud Abbas of Fatah, who has been pressing for a reopening of peace talks with Israel, ordered his security forces to patrol the Gaza border on Sunday to stop rocket attacks. Security officers fanned out across northern Gaza, taking up positions at major intersections with orders to stop anyone suspicious and the salvos stopped by the afternoon.

"The instructions are clear. Anyone violating the national agreement will be considered to be breaking the law," said Lt. Gen. Abdel Razek Mejaidie, Abbas' security adviser.

Battle-hardened Israelis and Palestinians were wary, having seen similar truces and peace efforts disintegrate and slip back into violence.

In the Gaza town of Beit Hanoun, the source of most of the rocket fire and target of punishing Israeli reprisals, Rafik Gaish was bitter because the Israelis tore up his fields.

"My potatoes were apparently launching rockets," the farmer scoffed. "We are for this agreement, we want peace — but what will stop the Jews?"

Many residents of Beit Hanoun returning to their damaged homes after the Israeli withdrawal lashed out in anger.

"The Israelis need no pretext to cause destruction, for killing and bloodshed," said Ayoub Kafarna, 65. "Nothing can compensate us for our losses."

Just 1 1/2 miles away and across the border fence, many of the 22,000 residents of the working-class Israeli town of Sderot, targeted by hundreds of rockets from Gaza, were pessimistic.

"I was optimistic, but that optimism lasted only a few minutes until another rocket landed," 20-year-old Neta Ammar said Sunday after two homes near hers were struck.

"It's a joke," said Dudu Cohen, a 37-year-old convenience store owner in Sderot. "There is no one to talk to on the other side, there is no one to have a cease-fire with."

If the truce holds, it would be a coup for Abbas who has been trying for months to end the violence in Gaza that has killed 300 Palestinians, scores of them civilians, and five Israelis.

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Israeli Foreign Minister Tzipi Livni stressed the need to follow the truce with diplomatic steps.

"History teaches us that if this kind of cease-fire with the Palestinians isn't accompanied by something else, it will deteriorate," she said.

The cease-fire was worked out late Saturday night when Abbas called Olmert with an agreement from Palestinian militant groups to halt rocket fire and other violence from Gaza.

Olmert pledged in turn to end the military offensive Israel launched in June after Hamas-linked militants from Gaza captured an Israeli soldier in a cross-border raid. The soldier has not been seen since, but Hamas' leader said Saturday he is still alive.

Word of the cease-fire came shortly after Hamas' Damascus-based supreme leader Khaled Mashaal held several days of talks in Cairo with Egyptian mediators. Palestinian officials said those talks played a role in speeding up the agreement.

In a television interview aired Sunday, Mashaal said Hamas would be willing to give negotiations eight months or a year before launching a new uprising against Israel, backing away from a six-month deadline he set the day before.

Mashaal, who spoke by telephone during a taped show on Egypt's Channel One, was responding to a question from the Palestinian information minister and member of Fatah, who said it was not logical for Palestinians to be talking about an uprising.

"I said six months, but do you want more than six months? Maybe we can take eight months or a year," Mashaal said. But he warned, "If the door is sealed and the horizon is closed (for creating a Palestinian state) then we have to look for another choice."

Israeli troops withdrew from Gaza ahead of the 6 a.m. Sunday deadline. Dozens of tanks and armored vehicles were parked just over the border in a staging ground in southern Israel early Sunday.

But Palestinian militants, including those linked to Hamas, kept up rocket fire into Israel throughout the morning.

"(We) reiterate that our attacks against the enemy continue," Hamas militants said in a statement on their Web site claiming responsibility for several of the rocket attacks.

Islamic Jihad also claimed responsibility for firing rockets at Israel. However, after nightfall Sunday, an official from the militant faction, Khaled al-Batch, said the group was on board. "We will respect this (national) agreement so long as Israel is committed," he said.

Israel has no ties with the Hamas-led Palestinian government, which rejects the Jewish state's right to exist. But it considers Abbas, a moderate who was elected separately last year, an acceptable negotiating partner.

A cease-fire in Gaza is part of a broad package Abbas is trying to put together in the hope of restoring hundreds of millions of dollars in funding Western donors cut off to pressure Hamas to recognize Israel and renounce violence.

Cease-fire Calms Gaza (WT)

By Joshua Mitnick

The Washington Times, November 27, 2006

TEL AVIV -- A fragile Israeli-Palestinian cease-fire took effect yesterday, stoking faint hopes for a resumption of peace negotiations even though it was breached by five rockets fired from the Gaza Strip into southern Israel.

The truce, which started at 6 a.m. local time, reflects recognition by the hobbled governments of Israeli Prime Minister Ehud Olmert and the Hamas-led Palestinian Authority that the five months of fighting touched off by the Gaza kidnapping of Israeli Cpl. Gilad Shalit is eroding public support for both administrations, analysts said.

Whether the cease-fire takes hold or goes the way of at least three failed truces in six years depends on whether it can spur momentum toward a prisoner exchange and an agreement on a Palestinian unity government that could win an end to the international boycott on the Palestinian Authority.

On a visit to a Bedouin town in southern Israel yesterday, Mr. Olmert said Israel would demonstrate restraint and patience despite the early breach of the truce, which applies only to the Gaza Strip.

"Of course the cease-fire doesn't offer an answer to all of the issues on the agenda between us and the Palestinian Authority. I believe this understanding is very liable to contribute to the release of Gilad Shalit," he said.

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"All of these things are likely to lead to one thing: the opening of serious, genuine, direct negotiations between us and the Palestinian Authority, and between me" and Palestinian Authority President Mahmoud Abbas.

Having coaxed Palestinian militant groups in Gaza into a unilateral moratorium on rocket fire, attacks against Israeli military targets and arms-smuggling activity, Mr. Abbas then negotiated the truce in which Mr. Olmert pledged to recall Israeli forces from Gaza. Israel also is expected to halt assassinations of militants in Gaza.

The rocket fire yesterday morning was a reminder of the spoiler role that independent Palestinian militias such as Islamic Jihad can play as long as security branches of Mr. Abbas' Fatah party and Hamas fail to collect their weapons and enforce the law in Gaza.

Sheik Yazeeb Khader, a Hamas spokesman, said the Islamic militants agreed to the truce because they want progress on a "national unity government, the prisoners exchange, and relieving our people from the political and economic siege."

Since Cpl. Shalit was kidnapped in a June raid on an Israeli unit patrolling the Gaza border, Israeli offensives have left 375 Palestinians dead in Gaza -- including 199 noncombatants, according to the Israeli human rights monitor B'tselem. In the same period, two soldiers were killed in Gaza.

But two Israeli civilians were killed by rockets in Sderot in the past two weeks, bringing pressure on Mr. Olmert's government for a massive offensive in Gaza.

The truce reflects an acknowledgment by Israeli political and military leaders that the military campaign has not succeeded in halting the rocket attacks.

Mr. Olmert "has no choice," said Reuven Hazan, a political scientist at Jerusalem's Hebrew University. "There is no military response to firing of Qassam rockets, just like there is no military response to firing of Katyusha rockets" from Lebanon.

"This gets Sderot off the front pages," he said.

The fighting, meanwhile, has prevented Hamas from trying to stabilize Gaza, where anger is rising as the economy remains choked by an international aid freeze.

In addition to giving new momentum to talks to release Cpl. Shalit, a period of calm would allow Hamas and Fatah to complete talks on a power-sharing government that might meet international requirements for a resumption of aid.

For the first time, Hamas' hard-line leadership in exile showed signs of moderation this weekend. Speaking at a Palestinian summit in Cairo, Hamas politburo chief Khalid Mashaal said Hamas would give six months for talks with Israel on establishing a state in the West Bank and Gaza.

Even though Mr. Mashaal threatened a new Palestinian uprising if such talks failed, observers said the offer could signal a willingness by Islamic militants to part with an ideology that rejects any idea of a peace agreement with Israel.

Israeli And Palestinian Leaders Committed To Gaza Cease-fire (LAT)

By Richard Boudreaux

The Los Angeles Times, November 27, 2006

JERUSALEM — After five months of fighting in the Gaza Strip, Israeli and Palestinian leaders moved Sunday to shore up a cease-fire that both sides had sought as relief from a politically costly conflict that has left more than 300 people dead.

The truce was holding Sunday — after Israeli forces withdrew from Gaza overnight — despite a ragged start. At least seven rockets fired from Gaza landed in Israel after the accord took effect at 6 a.m. By 10:15 a.m., the rocket fire had stopped, and the silence continued into the early hours today.

Palestinian Authority President Mahmoud Abbas instructed his security chiefs to enforce the cease-fire. Officials said 13,000 Palestinian police officers in flak jackets and helmets were patrolling Gaza's borders to discourage new rocket attacks.

Israeli Prime Minister Ehud Olmert ordered the army to show restraint, "even though there are still violations by the Palestinian side." He added, "I have instructed our defense officials … to give this cease-fire a chance."

The accord, arranged late Saturday, followed months of Israeli military pressure on Hamas, which governs the Palestinian Authority. Since taking control after January elections, the militant Islamist movement has refused to recognize Israel or renounce its hostility toward the Jewish state. It also started stockpiling weapons.

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Faced with the threat of an Israeli invasion and demands by Palestinian rivals to give up a government crippled by international economic sanctions, Hamas last week authorized Abbas to phone Olmert with a cease-fire offer and persuaded other militant groups to go along.

Olmert, damaged politically by the summer war against the Hezbollah militia in Lebanon, quickly accepted.

Israel again found itself unable to deal a decisive blow to an aggressive enemy. After five months of incursions into Gaza, the army could not stop the daily rain of crude Kassam rockets on Israeli border towns, particularly Sderot, where two civilians were killed in the last two weeks.

"Israel and Hamas, like two bruised boxers swaying in front of each other, were desperately waiting to be saved by the bell," political analyst Ben Caspit wrote in the Israeli newspaper Maariv. "Hamas was under pressure from Israel. And Israel was in an insufferable situation; citizens in one town were hostages, and no one could do anything about it."

The incursions also served as a bitter reminder of the failure of Israel's landmark withdrawal of troops and settlers last year, which both sides had hoped would help make the Gaza Strip a prototype for Palestinian statehood.

The truce grew from weeks of discreet phone contacts between Olmert and Abbas, the Fatah Party leader who remained as president when Hamas took over the government.

Israel refuses to talk to Hamas, but considers the more moderate Abbas an acceptable negotiating partner. Both sides said Sunday that they hoped the truce would be extended to the West Bank and pave the way for a revival of Israeli-Palestinian peace talks that collapsed six years ago with the Palestinian uprising.

Before the knotty issues of a peace settlement can be broached, Israel wants Hamas to free Cpl. Gilad Shalit, whose capture in a cross-border raid June 25 set off the latest round of fighting. Palestinian leaders want Israel to release millions of dollars in tax revenue and duties it has collected on behalf of their government.

Abbas has pressed Hamas to stop firing rockets into Israel, free the corporal and turn the government over to a team of nonpolitical technocrats — concessions aimed at ending military and economic pressure from Israel and a freeze on Western aid that has left the Palestinian government unable to pay its 165,000 workers.

For months, Hamas showed little interest in a deal. It demanded the release of 1,400 prisoners in exchange for the soldier and declined to recognize Israel or renounce violence, conditions set by Western nations to end the sanctions.

But Hamas' battlefield losses have taken a toll. Most of the 300 or so Palestinians killed in the fighting were armed militants, including 25 who died in a four-day stretch last week. The Israelis, who lost three soldiers in five months, threatened a large-scale offensive to disrupt Hamas' weapons buildup.

"Hamas has been dragging its feet for nearly a year, but now perhaps there are buds of understanding that they cannot go on like this," Israeli Foreign Minister Tzipi Livni said Sunday.

In addition to accepting a truce, Hamas made it known to Egyptian mediators last week that it would settle for the release of "several hundred" prisoners in exchange for Shalit, Israeli newspapers reported.

Giora Eiland, an Israeli army reserve general and former head of the National Security Council, said a truce could help speed a prisoner exchange for which Hamas could claim credit, helping it to fend off pressure to relinquish the government.

"This political aspect of being able to continue their control of the Palestinian Authority is far more important than any kind of shooting," Eiland said. "This truce is the best Hamas can achieve. It serves their interests for now."

Many Israelis were quick to warn Sunday that Hamas might use the cease-fire to continue stockpiling weapons, as Hezbollah, its role model, did in Lebanon in the years preceding the summer war. Of all the cease-fire conditions, a halt to weapons smuggling from Egypt into Gaza is the hardest to enforce.

"This fictitious cease-fire will have only one clear outcome: Hamas will use the timeout to regroup," said Effi Eitam, a conservative member of the Israeli parliament.

That is if the timeout lasts.

Although the accord is the most serious effort to end the Gaza fighting, its acceptance by all Palestinian militants is tentative at best.

In the early hours of the truce, militants speaking in the name of Hamas, Fatah and Islamic Jihad each claimed responsibility for the continued rocket fire, one of which smashed a home in Sderot after its owners safely fled to the basement.

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Palestinian Authority Prime Minister Ismail Haniyeh of Hamas contacted the leaders of all armed factions Sunday, and a government spokesman said they had reaffirmed their commitment to the cease-fire.

"There is a 100% effort to make this work, but there is no guarantee of 100% results," said Ghazi Hamad, the spokesman.

Israel Withdraws From Gaza As Truce Begins, Unsteadily (NYT)

By Dina Kraft

The New York Times, November 27, 2006

SDEROT, Israel, Nov. 26 — A cease-fire in Gaza appeared to be holding on Sunday after Palestinian factions stopped firing rockets at Israel in exchange for an Israeli troop withdrawal from the territory.

The cease-fire, part of an agreement reached late Saturday by Israeli and Palestinian leaders to end five months of fighting in the territory, was to have taken effect at 6 a.m. but got off to a shaky start when Palestinian militants belonging to Hamas and Islamic Jihad launched nine rockets into southern Israel.

One rocket crashed through the roof of a house in this Israeli border town but caused no injuries. The other rockets landed in open areas. By 10:15 a.m., the rocket fire had stopped.

Prime Minister Ehud Olmert of Israel, who had been under intense domestic pressure to authorize an even bigger military operation in Gaza to stop the rocket attacks, spoke of restraint.

“The state of Israel is a very strong country,” Mr. Olmert said. “It is strong enough to fight terror, and it is strong enough to show restraint in order to give an opportunity for the cease-fire to come into full comprehensive and practical effect.”

In Sderot, which has borne the brunt of the Qassam rocket attacks, residents ventured out in the streets to shop and get some air, some of them for the first time in days.

On a street of spacious private homes in this largely working-class town, Daniel Gigi, 45, oversaw friends and neighbors helping clean up glass and broken tiles after a rocket crashed through his roof at dawn. They were also helping him, his wife and four children pack up boxes of belongings.

Having endured rocket fire for six years, they had decided to move farther north, out of range, and had already sold their home. But the rocket strike accelerated their plans.

“The tension is always in the air,” said Mr. Gigi, a forester. “We call the children 10 times a day, tell them to stay inside all the time. It simply takes its toll.”

The agreement to stop the rocket fire was brokered with the various Palestinian factions by the Palestinian Authority president, Mahmoud Abbas of the Fatah faction. While some say they think it will be short-lived, like previous cease-fires, others say it is the most important chance so far to end the fighting. Mr. Olmert even suggested it might set off a revival of peace efforts after years of stalemate.

Mr. Abbas fanned his security forces out across the Gaza border with Israel Sunday in a bid to prevent further rocket fire. He has taken such actions in the past, with mixed results. The numerous and unruly factions that have claimed responsibility for launching Qassam rockets have rarely been reined in by the Palestinian Authority for long.

From the Israeli perspective, the cease-fire, which does not cover the West Bank, is a result of its military tactics and pressure in Gaza. After withdrawing all its settlers and soldiers from the Gaza Strip in September 2005, Israel re-entered parts of Gaza in late June after the capture of one of its soldiers in a cross-border raid by Palestinian militants, including members of Hamas, which runs the Palestinian Authority.

Mr. Olmert said the re-entry was to win the release of the captured soldier, Cpl. Gilad Shalit, but many Israelis said they viewed the move as a chance to quash the rocket fire.

Hamas has justified its capture of the soldier and its involvement in the rocket attacks as a response to Israeli shelling that has killed civilians. Israel has consistently countered that all its military actions were in response to Palestinian aggression, like the Qassam rockets fired almost randomly into towns and farms.

Before Israel’s previous withdrawal in 2005, most of the rocket fire was aimed at Jewish settlements in Gaza. Since then, at least 1,100 rockets have been fired into Israel itself. With the escalation of the fighting in June, about 400 Palestinians have been

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killed, a number of them militants, along with three Israeli soldiers. Four Israelis have been killed by rocket fire in the past 14 months, two of them in the past two weeks as the rocket barrages have intensified and become more accurate.

This cease-fire is noteworthy also for including Islamic Jihad, which has rarely respected such agreements in the past. Its representatives said Sunday that Islamic Jihad would abide by the truce but vowed to respond to any Israeli attacks on Palestinians, the customary formulation.

The truce, if it holds, could be part of a larger effort to break the stalemate, including an exchange of Palestinian prisoners for Corporal Shalit and the formation of a national unity government for the Palestinian Authority. A unity government could end the economic and political embargo imposed by Western countries after Hamas was elected in January.

"If the cease-fire is to be anything more than a temporary fragile arrangement, the West Bank also has to be a factor, and I think that on this issue our interests and those of Hamas coincide," Giora Eiland, a former Israeli general and former director of the national security council, told Israel Radio.

A second barrage of rockets was shot toward Sderot around the time school began on Sunday. An alarm sounded across the city and children scrambled under desks and tables.

Parents in both southern Israel and Gaza reported anxious and fearful children, many showing signs of trauma and regression like bed-wetting and nightmares after the long months of back and forth fighting, rockets, shelling and airstrikes.

"My friends and I talk about the Qassams, how close we have all been to them at different times," said Avi Grunov, 11, who was treated for shock last week after seeing a rocket fall just 50 feet away as he walked to school. "I'm still scared because I don't think this is a real cease-fire. They are still shooting at us."

Gaza Ceasefire Raises Hopes Of Talks (FT)

By Sharmila Devi

Financial Times, November 27, 2006

Israel and Palestinian militants began a ceasefire in the Gaza Strip on Sunday, raising hopes for a meeting soon between Ehud Olmert, Israeli prime minister, and Mahmoud Abbas, Palestinian president.

Israeli troops withdrew from Gaza on Sunday morning, ending an offensive launched in June after Hamas militants captured an Israeli soldier. Around 400 Palestinians, including many civilians, have been killed in army operations and raids during the last few months.

The soldier, Corporal Gilad Shalit, is still in captivity. Mr Abbas hopes talks on a Palestinian unity government, to replace the Hamas-led administration, can be concluded soon along with a wider exchange of prisoners with Israel.

Mr Abbas ordered his security chiefs to monitor the Gaza border area to stop militants launching rocket attacks, which killed two Israelis in the last week.

"Anyone violating the national agreement will be considered to be breaking the law," said Lt Gen Abdel Razek Mejaidie, an Abbas security adviser.

Some militants, including those from Islamic Jihad, said they were not part of the ceasefire agreement brokered by Mr Abbas. But Ismail Haniyeh, the Hamas prime minister, said leaders of all the Palestinian factions told him they were committed to the truce.

"There is a 100 per cent effort to make this work but there is no guarantee of 100 per cent results," said Ghazi Hamad, a Hamas spokesman.

Mr Olmert urged restraint when a volley of rocket fire was launched after the truce went into effect.

"Even though there are still violations of the ceasefire by the Palestinian side, I have instructed our defence officials not to respond, to show restraint, and to give the ceasefire a chance to take full effect," said the Israeli prime minister.

He also said: "This could be the beginning of a serious, real, open and direct negotiation between Israel and the Palestinian Authority... leading towards a full settlement between Israel and the Palestinians."

Mr Olmert has been under harsh domestic criticism since Cpl Shalit was captured, focused on the army's failure to achieve a resounding success either during the summer war against Hizbollah in Lebanon or in Gaza.

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Meanwhile, the Hamas-run Palestinian Authority has been under a western aid embargo since taking office in March. Mr Abbas, of the Fatah party, is hoping an eventual national unity government composed of technocrats will trigger the release of aid.

A White House spokesman said the ceasefire was a positive step. Some moderate Arab states have been pushing Washington to make greater efforts in the Israeli-Palestinian conflict, saying this would make it easier to forge alliances, for example against Iran's nuclear ambitions and in Iraq.

President George W. Bush will be in the region this week but there were no plans for him to meet any Israeli ministers, an Israeli official said last week. Mr Bush will travel to the Jordanian capital Amman for talks with Nouri al-Maliki, Iraqi prime minister.

Truce May Restart Israeli-Palestinian Talks (CSM)

By Joshua Mitnick

The Christian Science Monitor, November 27, 2006

TEL AVIV

Bolstering optimism for the resumption of peace talks, a fragile Israeli-Palestinian cease-fire took effect Sunday even as it was breached by at least nine militant rockets.

The truce reflects recognition by the hobbled governments of Israeli Prime Minister Ehud Olmert and the Hamas-led Palestinian Authority (PA) that months of fighting sparked by an Israeli soldier's capture is eroding their public support, analysts say.

But whether the cease-fire will gain traction or go the way of previous failures may depend on its ability to spur a prisoner exchange and an agreement on a new Palestinian unity government that could lead to an end of the international boycott of the PA.

On a visit to a Bedouin town in southern Israel, Mr. Olmert said Israel would demonstrate restraint and patience despite the early breach of the truce.

"Of course the cease-fire doesn't offer an answer to all of the issues on the agenda between us and the Palestinian Authority. I believe this understanding is very liable to contribute to the release of [the captured Israeli soldier] Gilad Shalit," he said, expressing hope the truce would also be extended to the West Bank. "All of these things are likely to lead to one thing: the opening of serious, genuine, direct negotiations between us and the Palestinian Authority, and between me" and Palestinian President Mahmoud Abbas, he said.

Having coaxed Palestinian militant groups in Gaza into a unilateral moratorium on rocket fire, attacks against Israeli military targets, and arms-smuggling activity, President Abbas then mediated a truce with Olmert in which the prime minister pledged to recall forces that had returned to Gaza less than year after a September 2005 withdrawal. Israel is also expected to halt assassinations on militants in Gaza.

Still, the rocket fire Sunday morning was a reminder of the spoiler role that independent Palestinian militias like Islamic Jihad can play as long as security branches of Abbas's Fatah Party and Hamas demur from weapons collections and law enforcement in Gaza.

Hamas spokesman Sheikh Yazeeb Khader said his party agreed to the truce because it wants progress on a "national unity government, the prisoners exchange, and relieving our people from the political and economic siege."

Since Corporal Shalit was captured in a June raid on an Israeli unit patrolling the Gaza border, Israeli offensives have left at least 375 Palestinians dead in Gaza - including 199 noncombatants, according to the Israeli human rights monitoring group Btselem. In the same period, two Israeli soldiers were killed in Gaza.

The cease-fire comes after two Israelis were killed in the southern Israeli town of Sderot in the past two weeks, and as pressure mounted on Olmert's government to launch a massive offensive in Gaza reminiscent of the 2002 Defense Shield campaign in the West Bank.

The truce reflects an acknowledgment by Israeli leaders that in the absence of a guaranteed military solution to the Gaza rockets, the cease-fire is worth the political risk.

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Olmert "has no choice. There is no military response to firing of Qassam rockets, just like there is no military response to firing of Katyusha rockets" from Lebanon, says Reuven Hazan, a political scientist at Jerusalem's Hebrew university. "This gets Sderot off the front pages."

Though Hamas has reasserted its militant credentials in the recent weeks of rocket attacks on Israel, the fighting has prevented it from any attempt at stabilizing Gaza while an international aid boycott against the Islamic militants has severely choked the Palestinian economy.

In addition to giving new momentum to talks to release Shalit, a calm in the violence would allow Hamas and the rival Fatah Party to complete talks on power sharing and meeting the international requirements for talks with Israel.

And for the first time this past weekend, Hamas's hard-line leadership in exile showed signs of moderation. Speaking at a Palestinian summit in Cairo, Hamas politburo chief Khaled Mashaal said Hamas would allow six months for talks with Israel on establishing a state in the West Bank and Gaza.

While Mr. Mashaal threatened a new Palestinian uprising if the talks fail, observers say it could signal a willingness by Islamic militants to part with ideology that negates the idea of a peace agreement with Israel.

Hamas is "realizing the old views and old opinions haven't borne any fruits," says Bassem Ezbeidi, a political science professor at Bir Zeit University.

But Yossi Alpher, the editor of the Web journal bitterlemons.org, cautions that "You still have serious government weakness on both sides. It's very fragile at this point."

Chilling Echo For Lebanon, Mirror Of Regional Tension (NYT)

By Michael Slackman

The New York Times, November 27, 2006

BEIRUT, Lebanon, Nov. 26 — In April 1975, gunmen fired on a church in East Beirut in what appeared to be an attempt to kill Pierre Gemayel, founder of the main right-wing Lebanese Christian militia. He was not killed, but the shooting set off a cycle of revenge that became a 15-year civil war.

Last week, three gunmen assassinated Mr. Gemayel's grandson and namesake, a government minister and symbol of Lebanon's besieged Christian, pro-Western community. Now an unnerving question is emerging here: as the battle between the Iranian-backed group Hezbollah and the Western-backed governing coalition reaches a crescendo, is it in fact the prelude to a civil war?

Lebanon's seeming slide toward civil conflict is not just a symbol of unfortunate historic symmetry. This country is a barometer for the region, serving as a measure of tensions and rivalries.

It is no coincidence that Lebanon is suffering its worst political crisis in decades at a time when Iraq has descended into sectarian war, the Israeli-Palestinian conflict in the past few months reached new heights and power seems to be shifting away from the Western-allied Sunni Muslim countries of Egypt and Saudi Arabia to the Shiite state of Iran.

"Generally, the regional situation at the time was very much what it is today," said Kamal Salibi, a historian and author from Beirut, speaking of the start of the 1975-90 civil war.

Then as now, a major Arab military humiliation prompted radicalism, hostility and questions of legitimacy for Arab governments from Morocco to Bahrain. Then it was the 1967 war in which Israel defeated four armies, and the spreading ideology was secular nationalism. Today, it is the American military presence in Iraq and the ideology is Islamism. In both cases, rising oil prices and terrorism serve as fuel and tool for the conflicts.

In May 2003, with Baghdad occupied by American forces, Colin L. Powell, then the secretary of state, visited Damascus and warned Syrian and Lebanese leaders that there was a "new strategic situation" in the Middle East. He said they had to end support for groups the West considered terrorist, including Hamas and Hezbollah.

Today, events in Iraq, Lebanon and the Palestinian areas have demonstrated the diminished status of the United States and its allies. In Iraq, the powerful Shiite cleric Moktada al-Sadr has threatened to stop supporting the government if the prime minister meets with President Bush, as he is scheduled to do Wednesday in Jordan. In Gaza, mediation by Egypt has failed to

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stem the rising tide of violence or negotiate the release of an Israeli solider despite its intense efforts. In Lebanon, the American-backed government is hanging on by a thread as Hezbollah and its allies push for more power.

"The army will first protect us, but if we find ourselves obliged we will take to the streets, and a peaceful confrontation will be faced with a peaceful confrontation, and clashes will be faced with clashes," said Walid Eido, a judge and member of Lebanon's Parliament in the governing coalition, speaking of the challenge from Hezbollah. "We will sell our blood to buy weapons and confront them. We will never let them control the country."

The Bush administration is worried about Lebanon as well as the other flashpoints, and it suddenly appears to be considering opening a dialogue with Iran and Syria to win help in stabilizing Iraq. In Gaza, Arab and Western diplomats said, Syria has used its relationship with Hamas to block Egypt's efforts to mediate talks on the return of the Israeli solider captured by Hamas.

These forces have come to bear on Lebanon, a weak state with weak institutions unable to shield itself from the volley of disruptions jolting the region. Lebanon is in crisis because of its unique brand of power sharing, divided largely along sectarian lines, but also arranged by geography and political needs of individual players.

Lebanon is also in crisis because of regional uncertainty, which has spawned an intense flurry of geopoliticking between adversaries looking for a leg up. While Saudi Arabia and Egypt struggle to maintain the status quo, Iran presses to rewrite it, defying the West with its nuclear program.

Egypt and Saudi Arabia have been trying to defuse the crisis in Lebanon. Saudi Arabia has tried to protect its financial holdings here and to safeguard Lebanon's Sunni population. Saudi officials in Lebanon have met with Hezbollah's general secretary, Sheik Hassan Nasrallah, hoping to orchestrate a compromise, officials here said. Egypt's interest in Lebanon is aimed at preserving its national dignity and a role as a regional power broker.

"Part of this is purely made in Lebanon," said Mr. Salibi, the historian. "But it draws in the anti-Syrian and the pro-Syrian dichotomy, the Sunni-Shia dichotomy, the pro-Iranian-pro-Western dichotomy. All of this is drawn into Lebanon."

The specific Lebanese crisis is about who will control the government — and so hold the power to direct the country's interests toward the West, or Iran and Syria. Right now, the government is in the hands of what is called the March 14th coalition, a mix of Sunni, Druse and some Christian political parties aligned with the United States and France. Six pro-Syrian ministers recently resigned from the cabinet after talks aimed at building a so-called national unity government collapsed.

While the government was already on the verge brink of collapse, Mr. Gemayel was assassinated in broad daylight in an attack that left even hardened political leaders shaken.

Despite the rising tension, many political analysts say that Lebanon is a different place from what it was in 1975, less prone to violence. Political leaders also say they will do what they can to avoid a civil war — but will fight if pressed to.

There are at least two major regional differences between the 1970s and now. Syria is not the Syria of the past. There is no Soviet Union to support it, and the president, Bashar al-Assad, is viewed as far less effective than his father, Hafez. When Syria first broke with its Arab neighbors and made an alliance with Iran — Syria was the only Arab country allied with Iran during the 1980-88 Iran-Iraq war — Syria was a more senior partner. Iran is now the senior partner, spreading its economic and military influence throughout Syria. And it has replaced Syria as Hezbollah's main contact point in Lebanon.

"Look at all this mess," said Timur Goksel, a former longtime spokesman for United Nations Forces in Lebanon. "The only one who has overall influence in the region with their military, ideology, money and propensity to cause mischief, are the Iranians."

In Damascus, there is a certain pride that its leaders bet on the right player, Tehran, in the regional jockeying for power. But there is also some anxiety emerging in Damascus over Iran's spreading influence. One Arab diplomat said one of the reasons Syria renewed its diplomatic ties with Iraq after so many years was fear that if the United States were to withdraw, Iran would quickly fill the power vacuum. Syria wants to make sure it has a foothold in the neighboring country so that it, too, can have some influence, said the diplomat, who spoke on the condition of anonymity, which is standard diplomatic practice.

The changing role of Iran and Syria in the region, and their diverging interests, come to bear in Lebanon.

One Arab diplomat in Lebanon said that Syria felt very strongly that it should be the prime player in Lebanon.

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That, the diplomat said, may have prompted Syria to press for chaos in Lebanon, feeling that it may derail the international tribunal investigating the death of Rafik Hariri, a former prime minister, but also put it in a position where it may, once again, be asked to use its power and influence in Lebanon to maintain the peace.

And there is a fear in the country that if the United States is desperate enough about Iraq it might be willing to accept a deal that restores Syrian hegemony over Lebanon. But they also say that tensions are high — and neither side is willing to back down. "This government threatens internal stability and civil peace, therefore it is essential to get rid of it through any possible medium," said Ahmad Malli, a Hezbollah politburo member. "I am assured there will be no civil war because the Lebanese today are more mature than they were in 1975."

Many agree. Yet Mr. Goksel, the former United Nations forces spokesman, said he sensed a risk for renewed conflict that was not negligible.

"There are still people in this country who are nostalgic for the civil war," he said. "They miss the days when they were somebody, when they had militias."

Strong Showing For Opposition Party In Bahrain Elections (NYT)

By Hassan M. Fattah

The New York Times, November 27, 2006

DUBAI, United Arab Emirates, Nov. 26 — Shiite opposition candidates won 16 of the 17 seats they contested in Saturday's parliamentary elections in Bahrain, the country's election commission said Sunday.

The opposition now holds 40 percent of the elected Parliament's 40 seats, with the 17th contested seat to be decided in a runoff on Dec. 2.

But leaders of the predominantly Shiite opposition party, the Wefaq National Islamic Society, said the gains, which were expected, might not translate into much political power. Government loyalists may retain control of much of the remainder of the lower house, depending on the outcome of the runoff. Furthermore, the upper house, which is appointed by King Hamad al-Khalifa, can overrule any act of the lower house.

Still, they expressed satisfaction at the outcome. "What happened was no surprise," said Fahim Abdullah, a spokesman for Al Wefaq. "We just never contested an election before."

Mr. Abdullah emphasized that under fairer districting, his party would have garnered even more seats. "We succeeded in preparing the country for major changes," he said, "but we used to protest on the streets. Now we will be asking for real changes from within the Parliament. That is a notable advance."

Al Wefaq boycotted the 2002 parliamentary elections after King Hamad imposed a new Constitution that created the appointed chamber.

Bahrain's Shiites, who make up about 60 percent of the population, say they have been sidelined. They contend that the government has backed Sunni Islamists and encouraged increasingly sectarian politics. Tensions rose in September when a government adviser published a report outlining a conspiracy by senior government officials, including members of the royal family, to undermine Shiite power.

Only 1 of 18 women who ran won a seat, and the winner ran uncontested. The two largest Sunni Islamist blocks, the National Islamic Tribune Association and the Salafi Asala Association, won eight seats, with another three candidates in the runoff. Three candidates of the National Democratic Action Association, a Wefaq ally, are also in the runoff.

Leftist Candidate In Ecuador Is Ahead In Vote, Exit Polls Show (NYT)

By Simon Romero

The New York Times, November 27, 2006

QUITO, Ecuador, Nov. 26 — Rafael Correa, an urbane economist who has rattled nerves in Washington with plans to limit American military activities in Ecuador and renegotiate the country's foreign debt, seemed headed to an easy victory on Sunday in the presidential election, according to several exit polls.

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A win by Mr. Correa, 43, could bring Ecuador into a group of Latin American nations with leftist presidents, including Bolivia, Cuba and Nicaragua, which are allied with President Hugo Chávez of Venezuela. Mr. Correa has close ties to Mr. Chávez, whose government is prepared to offer Ecuador assistance to strengthen its national oil company.

"Chávez must be smiling in Caracas," said Vicente Albornoz, director of Cordes, an economic research group here. "But what I'm more worried about is Ecuador going through a period of conflict and instability."

The results of the runoff election were not certain on Sunday night, though preliminary figures pointed to a strong victory by Mr. Correa. Álvaro Noboa, the banana tycoon who was Mr. Correa's rival, would not accept the exit poll results, setting the stage for days of political tension. Official results were not expected until Tuesday or Wednesday, election officials said.

Still, several exit polls by private companies and an early count by the nongovernmental observer group Participación Ciudadana pointed to a wide margin of victory for Mr. Correa, who promises a "citizen's revolution" by convening a constitutional assembly that would diminish the influence of Ecuador's fractious Congress and give greater power to the president.

Three exit polls announced on Ecuadorean television and radio gave Mr. Correa about 57 percent of the vote as opposed to 43 percent for Mr. Noboa. The wide commercial avenues of Quito, a stronghold for Mr. Correa, were filled with cars honking their horns as voters began celebrating on Sunday night.

Mr. Correa ran as an outsider, portraying Mr. Noboa, 56, a Bible-quoting scion of a Guayaquil family who is Ecuador's richest man, as someone who would use the presidency to advance his economic interests. The race was symbolized by insults, with Mr. Noboa describing Mr. Correa as a "devil" and a lackey of Venezuela and Cuba.

"Noboa is a vulgar man who uses God's name to expand his power," said Clemencia Pozo, 39, a street vendor here who said he voted for Mr. Correa.

Mr. Correa also spoke of his Roman Catholic faith during the campaign, but in relatively quiet contrast to Mr. Noboa, who sank to his knees at rallies in an attempt to connect with poor voters. Mr. Correa fiercely criticized President Bush, calling him "dimwitted" at one point, while supporting an end to an agreement that allows the American military to use a base on the Pacific coast for drug surveillance operations.

In an interview, Mr. Correa said he hoped to maintain cordial relations with the United States, where more than a million Ecuadorean immigrants live, largely in New York, New Jersey and Florida.

"We love the American people and its government, aside from the criticism we might have of that government," said Mr. Correa, pointing to the war in Iraq as an obstacle to stronger ties. Mr. Correa said he would welcome the opportunity to shake Mr. Bush's hand, describing him as the "representative of the American people."

"It's nothing personal against Bush," he said. "I just don't agree with his thinking."

Mr. Correa said he wanted to reconfigure Ecuador's economy with policies inspired by economists wary of overexposing developing countries to market forces, like Joseph E. Stiglitz of Columbia University. Mr. Correa, who got a doctorate in economics from the University of Illinois, added that he was no fan of Milton Friedman, the economist who died this month and whose influential work favored minimizing the role of government in the global economy.

Citing the example of Chile, where a state-controlled copper producer contributes much to the country's economic growth, Mr. Correa said he hoped to strengthen Ecuador's national oil company. He positioned a more nationalistic energy policy within a regional project to strengthen ties among South American nations, along the lines of what Mr. Chávez advocates in his "Bolivarian Revolution."

"The dream of Bolívar in the 21st century is more than a dream," Mr. Correa said. "It's a decision of survival."

In the first election round in mid-October, Mr. Correa appeared to have suffered because of his ties to Mr. Chávez. After Mr. Noboa won that vote, Mr. Correa shifted the emphasis of his campaign to focus on domestic issues like affordable housing and cash subsidies for the poor.

It remains to be seen how Mr. Correa will interact with Congress, which ousts presidents with ease in Ecuador. Analysts said much would depend on how quickly he moved to convene a constitutional assembly that would expand his powers. Unlike Mr. Noboa, who has allies in Congress, Mr. Correa has almost none.

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Equally daunting, analysts say, is Ecuador's reliance on high oil prices to maintain economic stability. Government spending is climbing about 15 percent a year, compared with economic growth of about 4 percent a year, according to private economists here, following policies that Mr. Correa pushed for during a brief stint as finance minister.

Correa Set For Ecuador Election Win (FT)

By Hal Weitzman

Financial Times, November 27, 2006

A leftwing radical allied to Hugo Chávez, the anti-American Venezuelan leader, will be Ecuador's next president, according to exit polls from Sunday's election.

The surveys projected that Rafael Correa, a former finance minister, had won the contest with some 57 per cent of the vote, well ahead of Alvaro Noboa, the right-leaning banana magnate who was his rival.

The election is the second this month to be won by allies of Mr Chávez, coming weeks after Daniel Ortega was re-elected president of Nicaragua.

"This is a new moment for Ecuador," said Gustavo Larrea, Mr Correa's chief campaign spokesman and a likely cabinet minister. "We thank the Ecuadorean people and call for national unity to effect the changes that the country needs."

Mr Correa did predictably well in highland areas, winning 75 per cent of the vote in Azuay, the southern province that includes Cuenca, the third-largest city in the country. He also appeared to be on course to win the banana-growing area of El Oro, with some 66 per cent of the vote.

Mr Noboa maintained that the real count would show he had won the election, citing one outlying poll, by Consultar, a local pollster, that showed him the victor.

If confirmed, the result is likely to hit the value of Ecuadoran debt: the country's benchmark bonds fell to a six-week low last week on concern that Mr Correa could win. The leftwinger has promised to restructure debt and increase government spending.

The result is also likely to signal a period of political strife: Mr Correa has promised to take on Congress with an assembly to rewrite the constitution.

It will also affect the Andean country's relationship with Washington. Mr Correa has vowed to close down the US military base at Manta, the only one in South America, and to shelve permanently talks on a bilateral trade deal with the US.

Correa Claims Ecuador Victory, Promises To Renegotiate Debt (WSJ)

By John Lyons

The Wall Street Journal, November 27, 2006

After pulling ahead in the presidential campaign by focusing on centrist issues, Ecuador presidential candidate Rafael Correa said he would govern from the populist left if he were to win yesterday's election.

While official results had yet to be released last night, Mr. Correa, a 43-year-old economist, held a jubilant news conference claiming that exit polls showed he had won by a margin that gave him wide latitude to push a radical agenda. He vowed to renegotiate payments on the country's $16 billion of foreign debt and to scrap the constitution -- proposals that he barely mentioned during the final weeks of his campaign. He also reiterated his longtime opposition to a new free-trade pact with the U.S.

"This is a clear message that the people want change," Mr. Correa said. "This is a clear message to the traditional political class that there has to be change."

Three separate exit polls gave Mr. Correa a lead of at least 13 percentage points, including one poll partly paid for by his opponent, Alvaro Noboa, who hadn't conceded defeat last night. Official poll results weren't expected until later last night or early today.

Mr. Correa, who came in second in an initial round of voting after once holding a large lead, was hoping for a comeback. To do it, he tacked to the center to win support from working-class and poor voters who had been uneasy with his self-described "revolutionary" agenda, including closing a U.S. military base in the country. Instead, he focused on run-of-the-mill issues like increasing low-cost housing and raising the minimum wage.

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Mr. Correa's move to the center reflected the waning momentum of Latin American populists since a victory in December by Bolivia's Evo Morales, who tried to nationalize the country's oil and gas industry. Populists lost in Mexico, Peru and Costa Rica. Although former communist rebel Daniel Ortega won in Nicaragua this month, he did so by stressing moderation and reconciliation.

It is too soon to tell how much of Mr. Correa's agenda would be feasible if his election victory is confirmed. Ecuadorians have often expelled presidents who don't govern as they campaign, and Mr. Correa faces strong opposition in Congress. The new president will be Ecuador's eighth in a decade.

But no proposal carries more risk than Mr. Correa's plan to renegotiate Ecuador's $16.1 billion of debt. Even talk of debt negotiations has sent the price of default insurance on Ecuador's bonds soaring to the same levels as Iraq's.

Whitney Kane Gomez, a Morgan Stanley Fixed Income analyst who covers Ecuador, expects the country's bonds to sell off today on the likelihood that Mr. Correa's victory will be upheld. "There is a strong probability that some external debt will not be paid," she said.

Although renegotiation would hardly be new for Ecuador, which has renegotiated its debts in each of the last two decades, it could backfire by reducing the nation's ability to obtain new international financing. Unlike Argentina, which renegotiated its debts after committing the biggest sovereign debt default in history in 2001, Ecuador isn't running out of money. Rather, Mr. Correa wants to renegotiate for what he considers moral reasons: He believes part of the $3 billion debt service should be spent on the poor.

Exit Polls Indicate Win For Ecuadoran Reformer (WP)

By Monte Reel

The Washington Post, November 27, 2006

QUITO, Ecuador, Nov. 26 -- Unofficial exit polls and quick counts suggested that a young reformer promising to break free from the country's traditional power brokers defeated the nation's wealthiest man in Sunday's election to become Ecuador's eighth president in a decade.

The race between economist Rafael Correa, 43, and banana magnate Alvaro Noboa, 56, offered voters a choice between conflicting views of the nation's role in a globalized world. If Correa wins, Ecuador will join Venezuela and Bolivia as Andean countries led by presidents who are critical of U.S. influence in the region and advocate a greater state role in the economy.

Correa opposes U.S.-backed trade pacts that he says work against Ecuador's interests. He promises not to renew U.S. rights to a military base used for anti-drug operations. And he has threatened to not pay foreign debts he considers illegitimate and to instead use the money to increase social spending. Noboa had argued that an unrestrained free market was key to wooing foreign investment, and he pledged to cut ties with Venezuela's Hugo Ch?vez, whom Correa considers a friend.

Claiming victory before the official results, Correa called his win a defeat for a "political mafia" that he said had ruled the country for decades and implemented free-market, neo-liberal economic policies that the United States promoted in Latin America in the 1980s and '90s.

"This is a change to improve, to overcome 20 years of the long, sad, neo-liberal night that for so many years has defined us," Correa said during a televised news conference.

Correa, who received a doctorate at the University of Illinois, emerged as an attractive outsider for those voters who were seeking change after congressional conflicts and public unrest had ousted the last three elected presidents. He finished second behind Noboa in a first-round vote last month, but since has toned down his revolutionary rhetoric, reassuring some who feared that his more radical proposals -- including a pledge to convene a constituent assembly and dismantle the National Congress -- could result in more instability.

His surge in support after muting his rhetoric coincided with his emphasis on specific proposals to alleviate poverty, such as plans to increase welfare payments and construct more low-cost housing for Ecuador's poor, who make up the majority of its 13.4 million citizens. But after exit polls showed him with a comfortable lead, Correa reiterated his pledge to convene the assembly, which analysts say would require either congressional support or public approval.

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"I believe the election result is a clear message that citizens want profound change and want a national constituent assembly," Correa said.

Some who cast ballots for the charismatic young economist Sunday said Correa's promises to ease unemployment and combat poverty earned their votes.

"He's young, but he's prepared for the job because he's knowledgeable about the economy and how to fix it," said Luis Chicaiza, 53, an industrial mechanic who has been unemployed for six months, shortly after voting for Correa at a Quito polling station Sunday. "Noboa was born rich, and he doesn't know anything about what it takes to fight against unemployment and poverty."

Noboa, who had been leading most polls until about a week ago, told a local television station Sunday evening that he was not prepared to accept defeat based on exit polls and quick counts. Few political observers put much stake in the exit polls, which had predicted that Correa would finish ahead of Noboa in the first round.

Noboa inherited one of the world's largest banana exporting companies and has since expanded his empire to include more than 110 businesses. He controls almost every aspect of a process that takes bananas from the leafy fields of his plantations to supermarkets in the United States and Europe.

Noboa stuck closely to an old-fashioned variety of populism by promising voters material benefits if they voted for him, and he handed out wheelchairs and other gifts to supporters at rallies. He regularly dropped to his knees and raised a Bible over his head during his speeches, invoking God while promising that his government would build 300,000 houses a year for the poor -- a promise many analysts dismissed as unrealistic.

Voting for Noboa at a polling station in Quito's city center on Sunday, Pedro Escudero said he thought that Correa's lack of congressional support made the banana magnate -- whose party holds 28 of 100 congressional seats -- a safer option. "Correa will almost certainly be in constant confrontation if he's elected," said Escudero, 47, a securities analyst.

An important player in the next government is expected to be Lucio Guti?rrez, who was ousted from the presidency last year after Congress accused him of meddling with the Supreme Court. Although he was banned from running for president this year, Guti?rrez's party won 24 seats in Congress last month, meaning that he could join forces with Noboa's party to form a majority bloc against Correa -- or provide important support for Correa.

In an interview in Quito last week, Guti?rrez said he decided not to endorse either candidate to preserve the opportunity to work closely with either one. He said that if Correa was elected, his party would serve as a watchdog if Correa attempts to go forward with his most controversial policies.

"We're ready to have a dialogue with Rafael Correa," Gutierrez said.

Thousands In Turkey Denounce Papal Visit (AP)

By Brian Murphy

AP, November 27, 2006

Tens of thousands of protesters denounced Pope Benedict XVI as an enemy of Islam at a rally Sunday that underlined deep divisions straining Turkey ahead of the pontiff's visit this week.

Officials hoping to promote closer ties with the West urged calm, but Islamic groups wary of Western ways are united in anger over a speech Benedict gave two months ago in which he quoted a medieval text that linked Islam to violence.

Chants of "No to the pope!" rose among nearly 25,000 demonstrators at every mention of his remarks on violence and the Prophet Muhammad. Many protesters wore headbands with anti-pope slogans and waved placards that included a depiction of Benedict as the grim reaper.

The protest, organized by an Islamist political party, was the largest mass gathering so far against Benedict's four-day visit scheduled to begin Tuesday — his first papal journey to a mostly Muslim nation. The outcry also was designed to rattle Turkey's establishment.

Turkish officials hope to use the visit to promote their ambitions of becoming the first Muslim nation in the European Union and showcase Turkey's secular political system. But Islamic groups, which have been gaining strength, see Benedict as a symbol of Western intolerance and injustices against Muslims.

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"The pope is not wanted here," said Kubra Yigitoglu, a 20-year-old protester wearing a head scarf, ankle-length coat and cowboy boots.

Nearby, a large banner was raised amid a sea of red flags of the Saadet, or Felicity, party. It called the Vatican "a source of terror."

Security forces are on full alert for the pope's visit. Nearly 4,000 police, including units in full riot guard, watched over the protest. Surveillance helicopters buzzed overhead and protesters were frisked before entering the square in a conservative stronghold of Istanbul.

The pope's visit has two distinct — and difficult — objectives: calming Muslim ire and advancing efforts to heal a nearly 1,000-year divide in Christianity between the Vatican and Orthodox churches.

Benedict plans to meet first with political and Muslim religious leaders in the capital, Ankara, including Turkey's president and the Islamic cleric who oversees the country's religious affairs. Prime Minister Recep Tayyip Erdogan is scheduled to attend a NATO meeting in Latvia during the papal visit, but could briefly greet the pontiff at the airport.

The pope then heads to Istanbul — the ancient Byzantine capital of Constantinople — to be hosted by the spiritual leader of the world's Orthodox Christians, Ecumenical Patriarch Bartholomew I.

The pope strongly backs efforts for closer bonds between the two ancient branches of Christianity, which formally split in the 11th century over disputes including papal primacy. But some Orthodox leaders, including Russia's powerful Patriarch Alexy II, are wary of deepening ties too fast.

While in Istanbul, Benedict also plans to visit the famous 17th century Blue Mosque. The Vatican spokesman, the Rev. Federico Lombardi, called it a "sign of respect" toward Muslims.

The mosque is one of the city's major tourist sites and its slender minarets are a prominent landmark in Istanbul's ancient center. Tradition says it was built to show Islamic architects could rival the glories of the nearby Haghia Sophia, a church that was converted to a mosque after the city fell to Muslim armies in 1453. It is now a museum.

Benedict may also use his time in Turkey as a forum to demand that Islamic nations offer greater rights and protection to Christian minorities, such as the remnants of the once-thriving Greek Orthodox community in Istanbul.

Turkey's foreign minister, Abdullah Gul, said Benedict's visit could help "remove some misunderstandings" between Christians and Muslims.

"The messages the pope gives here will, of course, be very important," Gul said at a news conference.

But the protesters sent a loud signal that the pope is not welcome until he offers a full apology for his remarks in September, in which he quoted a medieval Christian emperor characterizing some of Muhammad's teachings as "evil and inhuman."

The Vatican has expressed regret for offending Muslims and sorrow for the violent backlash that included attacks on churches in the Holy Land. The intent of the remarks, the Vatican said, was to draw attention to the incompatibility of faith and violence.

"The pope was disrespectful to us and he needs to apologize," said one banner at the demonstration.

Seafetin Tuleg, 70, wrapped himself in the flag of rally organizers and said Muslims revere the Jewish and Christian prophets, but do not receive the same respect for their own. "We love Moses, Jesus and Muhammad, but the pope doesn't love Muhammad and Islam," he said.

Officially, Turkey is a rigidly secular republic, though around 99 percent of its population is Muslim.

In 2004 — before becoming pope — the then-Cardinal Joseph Ratzinger cast doubt on whether Turkey has a place among EU nations. "Turkey has always represented a different continent, in permanent contrast to Europe," he was quoted by the French magazine Le Figaro as saying.

The Vatican spokesman, Lombardi, played down those comments Sunday in an interview with Turkey's state-run Anatolia news agency, saying the Vatican was not against Turkey joining the EU if it fulfilled membership criteria.

Also at the Vatican, Benedict expressed his "feelings of esteem and of sincere friendship" for Turks and their leaders.

Turks Protest Pope's Coming Visit (WP)

By Molly Moore

DOJ_NMG_0097949

The Washington Post, November 27, 2006

ANKARA, Turkey, Nov. 26 -- Thousands of chanting, flag-waving protesters on Sunday denounced Pope Benedict XVI as anti-Islamic, demanding that he cancel a trip to Turkey this week that the Vatican hopes will help mend relations between the pontiff and Muslims.

An estimated 25,000 protesters jammed a large square in Istanbul in one of the largest public demonstrations against the visit so far in this predominantly Muslim country, where secular voices are battling growing Islamic forces at a critical moment in Turkey's relations with the West.

The pope's visit has infuriated many Muslims because of remarks he made 2 1/2 months ago in which he quoted a medieval Christian emperor equating some of the prophet Muhammad's teachings with violence and evil. The pope has not apologized for making the remarks but has said he regretted the pain they may have caused Muslims.

Protesters waved signs declaring "Go home, pope" and shouted, "No to the pope!" as about 4,000 police, many in riot gear, ringed the square and helicopters monitored the crowd from overhead.

"We don't want the pope here," said Mustafa Demir, 50, as he gripped the hands of his two elementary-school-age daughters. "He insulted our prophet."

Although many Turks oppose the papal visit, some government authorities and business leaders see it as a chance to promote Turkey's efforts to join the European Union and to highlight the country's secular political system.

Turkish officials attempted to play down the protest. Foreign Minister Abdullah Gul said at a news conference that the pope's visit could help "remove some misunderstandings" between Christians and Muslims and that his messages would "be very important."

During his regular Sunday address at the Vatican, Benedict told the crowd beneath his window, "Starting right now, I want to send a cordial greeting to the dear Turkish people, rich in history and culture."

He added, "To these people and their representatives, I express feelings of esteem and sincere friendship."

The Vatican also confirmed Sunday that the pope will visit Istanbul's famous Blue Mosque, the Sultanahmet, in his first visit to a mosque as pope.

Turkish authorities said security will be extremely tight during the papal trip, which begins in the capital, Ankara, includes a visit to the shrine near Ephesus, where many Catholics believe the Virgin Mary lived her final days, and ends in Istanbul.

Although Vatican-Muslim relations have dominated the headlines about it, the trip was originally scheduled to help repair a centuries-old divide between the Vatican and Orthodox Christian churches. The pope will have two meetings with the Orthodox Patriarch Bartholomew I, who is based in Istanbul and has waged his own religious battles with the Turkish government.

Many of the protesters at the rally Sunday in Istanbul were just as distressed by the pope's planned meeting with the Orthodox patriarch as they were by what they see as his attitude toward Muslims.

"We are here to prevent the visit of the pope," said Gulnihal Yildirim, 38, who wore a head scarf and was accompanied by her two daughters, ages 6 and 11, each sporting green headbands reading, "The pope should not come."

"He will be the guest of the state for one day and of the patriarch for three days," added Yildirim, who said she opposed the pope's efforts to enhance the status of the patriarch in this Muslim country.

Rebels Leave As Chad Retakes City (NYT)

By Lydia Polgreen

The New York Times, November 27, 2006

PARIS, Nov. 26 — Rebels who overran the largest city in eastern Chad on Saturday disappeared almost as quickly as they had arrived, melting away Sunday as government soldiers re-established control of the looted city center.

But even as the government forces retook the city, Abéché, apparently without bloodshed, a rebel column headed toward the capital, Ndjamena, Western diplomats there said on the condition of anonymity.

The French Embassy in Ndjamena said a column of rebel troops was headed toward Ndjamena, but it was impossible to say if it had left Abéché or was another group of rebels.

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Later in the day, news agencies gave conflicting reports about the location of the rebel column. [A news service] reported that France had said the column was no longer advancing but was in Batha Province, which would put the rebels 150 to 375 miles from the capital. It also said Chad's government had denied reports of rebels moving on Ndjamena. But The Associated Press reported that Chadian soldiers had been massing along a strategic road as a rebel convoy had been spotted advancing toward the city.

For more than a year, several rebel groups have been seeking to overthrow Idriss Déby, who has been president of Chad since he seized power in a coup in 1990. Chad, one of the poorest and least stable countries in Africa, has been further destabilized by the chaos in Darfur, the region of western Sudan just across the border.

At least 200,000 people have died and 2.5 million have been pushed from their homes in Darfur in a battle over land, ethnicity and self-determination that the Bush administration has called genocide.

The government of Chad accuses Sudan of supporting the rebel groups menacing Mr. Déby's rule, and Sudan contends that Chad has helped non-Arab rebel groups in Darfur that are fighting the Arab-dominated government and its allied Arab tribal militias.

Mr. Déby was re-elected president this spring after he forced through an amendment to the Constitution to allow him to run for a third term. Most opposition parties boycotted the election.

As China Reins In Piracy, Some Seek Faster Results (WSJ)

By Andrew Batson

The Wall Street Journal, November 27, 2006

BEIJING -- China is beginning to make some progress on containing the epidemic of piracy and counterfeiting that foreign businesses have long complained robs them of sales in a crucial market. But some of its trading partners, seeking faster action, are calling for a harsher approach.

Foreign-company executives, surveys and government officials all note improvements. The biggest change has been at the top: Senior leaders including Premier Wen Jiabao now declare that improving the protection of intellectual property is a "strategic policy" for the nation. That is because they want Chinese companies to climb out of low-end manufacturing and develop their own technologies and brands -- which will need protecting. Software producers like Microsoft Corp. have seen some of the clearest early benefits.

Enforcing such a shift on the ground isn't happening as quickly, however, and the scale of the problem is still enormous. Hollywood studios and makers of luxury goods continue to fret about the widespread availability of illegal knockoffs of their wares on Chinese streets.

The mixed results have caused a split in the trade community on how to proceed, with some U.S. and European officials increasingly arguing a more combative approach is needed to ensure further action.

The piracy issue is likely to be on the table next month when Treasury Secretary Henry Paulson and Federal Reserve Chairman Ben Bernanke visit Beijing for the first round of a new U.S.-China dialogue intended to address outstanding economic tensions. The talks are also expected to address U.S. calls for China to open its markets further to American financial-services companies, as well as U.S. demands that Beijing allow the yuan to rise against the dollar.

Still, some companies are saying the direction of change is now clear enough to allow them to invest for the future in the confidence that improvements will continue. Pharmaceutical giants AstraZeneca PLC and Novartis AG this year each committed to spending $100 million on research and development in China. Drug companies depend on selling patented products, and both companies cited China's strengthening protection of such rights in support of their decision to invest.

"The positive momentum leads us to believe that things can only get better," said Keith Feldman, general manager of the international home-entertainment unit of News Corp.'s Twentieth Century Fox studio. He said the improving enforcement of intellectual-property rights is one reason Fox decided to try to start selling DVDs in China, even though it must still compete with illegal copies that can sell for less than a dollar.

"There's no question they have made progress," Secretary of Commerce Carlos Gutierrez said in an interview this month during a visit to Beijing.

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Surveys this year by the American Chamber of Commerce in China and the U.S.-China Business Council found that roughly a third of each of their members reported an improvement in enforcement of trademarks, patents and copyrights.

Many of the changes started to happen after the government put together a high-level task force on the issue in early 2005. Headed by Vice Premier Wu Yi, the group in March produced an "action plan" committing the government to several changes in legislation and practice.

One shift brought about by the plan has been a requirement that all new computers sold in China come with legitimate operating-system software already installed. Previously, most computers in China were sold as empty boxes, and retailers often added illicit copies of software like Microsoft's Windows and Office. Microsoft executives say they have seen a significant pickup in sales since the new rule went through early this year.

China hasn't been able to make much progress in controlling the many thousands of producers of illicit goods located across the country, ranging from DVD factories hidden in chicken farms to car-parts plants that produce knockoffs on the night shift.

Laws on the books prohibiting such activity are poorly enforced. Moreover, financial penalties aren't heavy, and few piracy or counterfeiting cases are criminally prosecuted, allowing many violators to stay in business after repeated crackdowns. That is why the top priority for foreign businesses has become tougher law enforcement and more criminal sanctions.

U.S. and European officials are also feeling increased political pressure to do something about what critics call China's unfair trade practices. That is creating division among businesspeople and government officials on the best way to tackle one of the most significant trade issues they confront.

Some want to continue an approach they credit for much of the recent progress: stressing to Chinese policy makers how piracy endangers China's own prosperity, rather than how much it hits the bottom lines of multinational companies. The more hawkish, however, feel negotiations have produced too much talk and not enough action and increasingly want to use international trade law to force more changes.

"There is no division on the goals: tougher enforcement, revision of the criminal code and more criminal sanctions. But there is some division on tactics, on how we reach those goals," said Myron Brilliant, vice president for Asia at the U.S. Chamber of Commerce.

A congressional commission in October called on the Bush administration to take a case against China's intellectual-property practices at the World Trade Organization -- an action considered the weapon of last resort in international trade disputes.

U.S. trade officials say they have been preparing for a case but for the moment want to continue with negotiations.

The European Union in October also publicly threatened China with a WTO case if it doesn't crack down further on piracy and counterfeiting. But EU trade officials say privately that they aren't prepared to support a WTO action, as they believe the current course of negotiations is producing results and shouldn't be abandoned.

That position could leave the U.S. isolated if it does eventually pursue a case, as many observers expect. A WTO case -- in essence, a highly public and official statement that China is violating treaties it signed -- could also cost the plaintiff a lot of goodwill in Beijing.

Chinese Minister of Commerce Bo Xilai said this month that a WTO case by the U.S. would have a "very negative impact" on its relationship with China. China will make further improvements, he said, but the process will take time. Chinese officials have told visiting negotiators that a WTO dispute would weaken those within their government who are pushing for more action to protect on intellectual property.

Britain's Relations With Putin Poisoned (WT/AP)

By Jill Lawless

The Washington Times, November 27, 2006

LONDON -- A British Cabinet minister yesterday accused Russian President Vladimir Putin of "attacks on individual liberty and on democracy" as relations between Britain and Russia grew increasingly strained in the wake of the fatal poisoning of a former KGB agent who became a British citizen.

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Peter Hain, the government's Northern Ireland secretary, said Mr. Putin's tenure has been clouded by incidents "including an extremely murky murder of the senior Russian journalist" Anna Politkovskaya.

His are the strongest comments leveled at Moscow since Alexander Litvinenko, the one-time KGB agent who has lived in London with his family for several years, died Thursday from poisoning by the radioactive element polonium 210. He had been investigating the death of Mrs. Politkovskaya. In a dramatic statement dictated from his hospital bed and read outside the hospital shortly after his death, he accused the "barbaric and ruthless" Mr. Putin of ordering his poisoning.

Mr. Hain was similarly harsh in his assessment of the Russian president. "His success in binding what is a disintegrating nation together with an economy that was collapsing into Mafioso-style chaos, his success in that must be balanced against the fact there have been huge attacks on individual liberty and on democracy," he told a BBC interviewer. "And it's important that he retakes the democratic road in my view."

British officials have so far avoided blaming Moscow for Mr. Litvinenko's death, and Mr. Hain did not comment directly on the case.

[London's Guardian newspaper reported last night that a senior source at the United Nations' nuclear watchdog, the International Atomic Energy Agency, said that "he had no doubt that the killing of Litvinenko was an organized 'operation' which bore all the hallmarks of a foreign intelligence agency. The expert in radioactive materials said the ability to obtain polonium 210 and the knowledge needed to use it to kill Litvinenko meant that the attack could not have been carried out by a 'lone assassin.' "]

Opposition Conservative Party leaders demanded yesterday that the government explain what it knows about the poisoning and, in particular, how the deadly nuclear material used to poison the 43-year-old Mr. Litvinenko, perhaps sprayed or sprinkled on his food in a London sushi restaurant, got into Britain.

Mr. Litvinenko told police he thought he was poisoned Nov. 1 while investigating the October slaying of Mrs. Politkovskaya by a person or persons unknown. Mr. Litvinenko was moved to intensive care last week after his hair fell out, his throat became swollen, and his immune and nervous systems suffered severe damage.

London Metropolitan Police say they are investigating a "suspicious death," carefully not calling it murder. They have not even ruled out the possibility, however unlikely, that Mr. Litvinenko poisoned himself. His death was described as "agonizing."

Mr. Litvinenko's friends and allies in London's Russian emigre community blame Mr. Putin, who has denied his government's involvement. After first denying that it was "a violent death," Mr. Putin has called Mr. Litvinenko's death a "tragedy".

Russian officials could not be reached for comment yesterday on Mr. Hain's remarks. Home Secretary John Reid, Britain's top law-and-order official, has declined to speculate about who might have killed Mr. Litvinenko. "I don't think it's for me as a politician to be making judgments that a policeman should make," he told Scotland's Radio Clyde.

The Conservatives demanded the government make a statement in the House of Commons today outlining what it knows about the death and how polonium 210 -- a rare radioactive element usually produced in a nuclear reactor or particle accelerator -- got into Britain.

Mr. Litvinenko's contaminated body was released to a coroner late Saturday, and government pathologists await recommendations on whether it is safe for them to perform an autopsy.

Mystery Could Strain Anglo-Russian Relations (USAT)

By Jeffrey Stinson

USA Today, November 27, 2006

LONDON — Britain's biggest spy thriller isn't the new James Bond film but the mystery surrounding the poisoning death of ex-Soviet KGB officer Alexander Litvinenko.

Litvinenko, 43, a Kremlin critic, died Thursday night of heart failure from what doctors said was poisoning from polonium-210 — a radioactive element usually produced in a nuclear reactor or particle accelerator.

In a statement dictated two days before he died, Litvinenko accused Russian President Vladimir Putin of orchestrating his poisoning. The statement was read posthumously Friday by his family. The government's Health Protection Agency called the poisoning unprecedented.

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On Sunday, New Scotland Yard, the headquarters of police for greater London, said it had nothing new to say about the case. British Home Secretary John Reid said the death had been ruled suspicious and police would "follow the evidence." He rejected the opposition Conservative Party's call for a House of Commons statement condemning the death.

The Kremlin denies any involvement. Putin called Litvinenko's death a tragedy and offered his government's help investigating the case. He also said the case should not spoil Anglo-Russian relations.

There were signs that the case could do that. British Cabinet member Peter Hain, the secretary for Northern Ireland, said relations with Russia were "tricky" and urged Putin to recommit himself to democracy.

In an interview with the British Broadcasting Corp.'s Sunday AM, Hain said that in Putin's Russia, "there have been huge attacks on individual liberty and on democracy." He added, "It's important (Putin) retakes the democratic road."

David Davis, a Conservative spokesman on law-and-order issues, said the government needs to take steps so "other dissidents living in Britain are reassured about their safety."

In a BBC television interview, Reid urged politicians to leave the case to police "to make their judgments."

There were other signs the government was taking the case seriously. The emergency planning committee, known as COBRA, met Saturday for the second time in 24 hours to discuss the situation. COBRA, which includes ranking ministers, police and intelligence officials, has met on high-level emergencies such as the London transit bombings in July 2005.

Litvinenko had told friends and family he was poisoned because he was investigating the killing in Moscow last month of Russian journalist Anna Politkovskaya, a vocal Kremlin critic.

Litvinenko was a specialist in counterterrorism and organized crime for the Soviet-era KGB and its successor agency, the Federal Security Service (FSB).

In the 1990s, he alleged that the FSB was involved in executing businessmen and other public officials opposed by the government. After a nine-month stint in prison in 1999 for abuse of office, he moved to Britain. He was granted asylum in 2000 and became a British citizen.

Litvinenko became ill after meetings with two Russian men at the Millennium Hotel near the U.S. Embassy and with Mario Scaramella, an Italian security expert and academic, at a sushi restaurant in Piccadilly. Scaramella told reporters that he showed Litvinenko a list of dissidents targeted by Russia's security services. He said Litvinenko's name was on the list.

Hospitalized Nov. 1, Litvinenko was moved to an intensive care unit at London's University College Hospital after he lost weight and his hair fell out. Once they determined the cause of his illness, police followed Litvinenko's movements on the day he became ill. On Saturday, they found traces of radiation at his north London house, at the Millennium hotel bar and at the sushi restaurant.

The Health Protection Agency encouraged anyone who had a concern about exposure to be tested. Polonium-210 is toxic if it is inhaled, swallowed or injected into a wound. About 300 people contacted the agency.

Reid said the radioactive substance did not pose a big risk. "I have no indication that there is a widespread threat here," he told Sky television.

The sushi restaurant was boarded up Sunday while it underwent decontamination.

Among the passersby stopping to check out the scene of possible spy intrigue: Jim and Sarah Rankin of Oxford. "It harkens back to the Cold War, and cloak and dagger and espionage," Jim Rankin, 38, said of Litvinenko's mysterious death. "There is an air of 007 about it."

In the new James Bond film, Casino Royale, Bond escapes death by poisoning.

Litvinenko, the real-life spy, was not as lucky. In his deathbed statement, he wrote, "You may succeed in silencing one man, but the howl of protest from around the world will reverberate, Mr. Putin, in your ears for the rest of your life."

British Police Retrace Steps Of Poison Victim (NYT)

By Alan Cowell

The New York Times, November 27, 2006

LONDON, Nov. 26 — The British police on Sunday sought to retrace the movements of Alexander V. Litvinenko, a former Russian secret agent, before he fell ill from the radiation poisoning that killed him last week.

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But the police insisted, as they have for several days, that Mr. Litvinenko's macabre death on Thursday remained in the "suspicious" category and that they were not at this time treating the case as a murder inquiry.

It remained unclear how polonium 210, the radioactive substance that killed Mr. Litvinenko, 43, entered his body. Although he and his associates accused Russia of poisoning him, the British authorities apparently do not want to turn the episode into a diplomatic incident and have pointedly refrained from leveling accusations about who may be behind the killing.

"I don't think it's for me as a politician to be making judgments that a policeman should make," John Reid, the home secretary and Britain's most senior law enforcement official, said in a radio interview. "I think it's known that the particular nature of these circumstances don't appear to have happened before. That's why we're doing everything we can on the health side as well as the police side to get as much information to people as we can."

Peter Hain, the British Northern Ireland secretary and a former human rights campaigner, did not comment directly on Mr. Litvinenko's death, but he said Sunday that President Vladimir V. Putin's rule had been clouded by incidents like the killing of Anna Politkovskaya, an investigative journalist fatally shot in Moscow last month. Mr. Litvinenko had been making inquiries about her death when he became ill.

Referring to Mr. Putin, Mr. Hain said, "His success in binding a disintegrating nation together must be balanced against the fact that there have been huge attacks on individual liberty and on democracy, and it's important that he retakes the democratic view."

Britain's relationship with Russia is built in part on concerns here that the British economy will be increasingly reliant on Russian energy. The remarks by Mr. Hain were by far the most critical of the Kremlin by a high-ranking British official since Mr. Litvinenko died.

Mr. Putin has denied that Mr. Litvinenko was the victim of an officially approved assassination by Russian agents.

Mr. Litvinenko's family and friends have said that he began to feel ill on Nov. 1 after visiting a sushi bar in central London.

He also spent time that day at a five-star hotel in the Mayfair district, close to the American Embassy in Grosvenor Square. The police said Friday that radioactive traces had been found at each location. On Sunday, they said they had completed an investigation at the sushi bar but were still examining Mr. Litvinenko's north London home and part of the hotel in Grosvenor Square.

Police officials declined to comment on British news media reports that officers planned to go to Moscow and Rome to interview two Russians and an Italian who met with Mr. Litvinenko on or after Nov. 1. But, the police said, officers were scrutinizing closed-circuit television images from security cameras of the places Mr. Litvinenko visited before he fell ill.

The British government has said it is unlikely that other people would have been poisoned from contact with Mr. Litvinenko or from the radiation traces found in those places. "In terms of the type of material used, this case is pretty unique," Mr. Reid said. "I have no indication that there is a widespread threat."

However, the Health Protection Agency said Sunday that 300 people had responded to an appeal for those who visited the same places Mr. Litvinenko did on Nov. 1 to come forward for urinalysis — the kind of test that first indicated the cause of his illness.

Russian officials have repeatedly said that Mr. Litvinenko's death was part of a choreographed effort to discredit Mr. Putin.

Despite Russian denials, the British news media continued to point the finger at Russia. The Sunday Times of London said Mr. Litvinenko had said in an interview as he lay dying that Russia had sent an agent using diplomatic cover to keep track of his movements. The police declined to say whether officers would question the man, identified by The Sunday Times as Viktor Kirov.

The newspaper News of the World reported that a 46-year-old trained assassin whose middle name was Igor had been linked to the poisoning.

The Russian Roulette (TIME)

By Peter Gumbel

Time, November 27, 2006

The former spy lay dying in a LondonÂ hospital--of what he didn't know. (It wasn't until after his death that Scotland Yard realized that the rare compound killing Alexander Litvinenko, 43, had left traces of radioactivity nearly everywhere he had been on

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Nov. 1.) But Litvinenko wanted the world to know who killed him, not how it was done or where. In a statement released after he died last week, the fierce critic of Russia's government directly addressed the man he said was responsible for his death: "You may succeed in silencing one man, but the howl of protest from around the world will reverberate, Mr. Putin, in your ears for the rest of your life."

Whoever did kill Litvinenko wasn't an amateur. British authorities announced last Friday that he had ingested a radioactive toxin, polonium 210, and that police had found traces of it in three locations: a sushi bar where Litvinenko had eaten lunch, a hotel he had visited on the same day and his home. Polonium 210 is so rare and volatile that the assassin would have needed access to a high-security nuclear laboratory to obtain it. Moscow denies that it had anything to do with the death. At a meeting with European officials in Helsinki, Vladimir Putin called the death a tragedy but also questioned the authenticity of Litvinenko's deathbed accusation and stated bluntly, "There is no issue to discuss."

Whether or not anyone in the Kremlin had targeted Litvinenko, his death, coming just weeks after the murder of investigative journalist Anna Politkovskaya in her Moscow apartment block, has sent a subzero chill over Russia's already frosty civil society. Human-rights campaigners and other Putin critics see the killing as the latest blow to democracy and free speech, part of a steady erosion of civil liberties. Russian democracy was chaotically vibrant just a decade ago, after the collapse of communism in 1991. But these days it is looking fragile. New legislation annuls independent candidates for the Duma (parliament's lower house), and no political party can exist without the Kremlin's approval. Regional governors and members of the upper house of parliament are no longer elected but appointed. Most key national media are in the hands of state or state-controlled corporations, and Russian activists live in fear of the consequences when they openly criticize Putin. "There may no longer be shortages of groceries and long lines at every street corner," says Ludmilla Alexeyeva, the doyen of human-rights activists in Moscow, "but Russia today is still a place where human rights and freedom are in short supply."

Litvinenko, for one, was unafraid to speak out. A former lieutenant colonel in the Russian federal security service (FSB), the successor agency to the KGB, Litvinenko gained notoriety in the 1990s for claiming to have refused a Kremlin order to assassinate the Russian oligarch Boris Berezovsky. He had long accused Putin of backtracking on democracy and, in a 2001 book he co-wrote, went so far as to allege that Russian security services organized apartment-block bombings in 1999 that stoked support for a resurgence of the war in Chechnya. He had most recently made public statements tying the Kremlin to the murder of Politkovskaya. Litvinenko was reportedly meeting contacts in London in the hope of gaining information on the case when he was poisoned. "The bastards got me, but they won't get everybody," he told his friend Andrei Nekrasov shortly before his death.

The Litvinenko case revived memories of perhaps the most notorious assassination carried out during the cold war, the 1978 murder in London of Georgi Markov, a Bulgarian dissident who was working for the BBC. He was killed with a ricin-tipped umbrella while waiting for a bus, in a case that has never been solved. Just like the Markov murder, the death of Litvinenko has already given rise to a flurry of conspiracy theories, including speculation among defenders of the government that the poisoning was arranged by Russian Ã©migrÃ©s or Western intelligence agencies to discredit Moscow. But for many Russian Ã©lites, the whole macabre spectacle has heightened anxieties about the Putin government's backsliding into communist-era intrigue and repression. "People who question the policies of our government are increasingly targeted. People who work for human rights are increasingly under attack," says Alexeyeva. "And even people who support this work are potentially in danger of being singled out by the government. So are we in Russia? Are we back in the U.S.S.R.?" It's becoming harder to tell the difference. With reporting by Reported by Yuri Zarakhovich/Moscow

Investigations: Putin, Russia And An Ex-Spy's Mysterious Death (NSWK)

Newsweek, November 27, 2006

Dec. 4, 2006 issue - Until a few days ago, U.S. and British government investigators had never heard of anyone being poisoned by the obscure and unstable isotope polonium-210. Now its extreme rarity is adding to the riddles in the death of exiled former Russian spy Alexander Litvinenko, an outspoken critic of Russian President Vladimir Putin. Just before falling ill, the dissident received a document that seemed to warn of threats from an alleged secret fraternity of former KGB men calling themselves "Dignity and Honor," says Lord Tim Bell, a former Margaret Thatcher adviser close to Litvinenko's circle.

Who silenced Litvinenko? His family and supporters insist Russian agents did it. Investigators in London think such a lethal dose must have been industrially produced—a job that usually takes not only bismuth metal for raw material but a nuclear reactor to bombard it with neutrons. "It's not something you can go into a drugstore and get off a shelf," says a nuclear-agency official, asking to be nameless because of the sensitive topic. "To get this amount of highly concentrated radioactivity would take a very sophisticated operation, access to nuclear materials and support systems," Litvinenko's friend and fellow Russian exile Alex Goldfarb told NEWSWEEK. Last week he released a statement he says was dictated by Litvinenko as he died, blaming Putin for the poisoning: "The howl of protest from around the world will reverberate, Mr. Putin, in your ears for the rest of your life."

Putin denied that he or his government had anything to do with Litvinenko's death. British officials say Moscow has made a serious effort recently to improve ties with London, and Litvinenko was not a big enough threat or nuisance for Putin to jeopardize so much hard work. Still, exotic poisons have been a favorite weapon of Moscow's spy services and their allies ever since Soviet times. The Brits are especially unlikely to forget the Bulgarian dissident who was murdered with a ricin-tipped umbrella on a London street in 1978.

The Soviet collapse did not end the sneak tactics. In 2002 a Saudi-born rebel leader in Chechnya known as Khattab reportedly died after being given a poison-soaked letter. A massive dose of dioxin disfigured and nearly killed the then Ukrainian presidential candidate Viktor Yushchenko in 2004. That same year, the Russian investigative journalist Anna Politkovskaya nearly died after drinking a cup of tea she later said had been poisoned. This October she was found shot dead in Moscow. Litvinenko publicly blamed Putin for her death—and fell ill less than two weeks later. Earlier this year, the Russian Parliament explicitly authorized the use of force against enemies living abroad. It's hard to think why Russian agents would use such a distinctive poison. But if they didn't, who did?

Who Killed Litvinenko? (WSJ)

By David Satter

The Wall Street Journal, November 27, 2006

MOSCOW -- Until a week ago, Alexander Litvinenko, a former colonel in the Russian Federal Security Service, the FSB, was virtually unknown outside the murky world of Russian intelligence. With his death in London from a massive dose of the radioactive element polonium 210, however, his fate may lead to a fundamentally different relationship between Russia and the West.

Beginning with the Yeltsin era, two U.S. administrations have muted their criticism of Russia. This was the case even in the face of a series of political murders in Russia. But if Litvinenko, a British subject, was murdered by Russian intelligence on British soil, self-censorship is no longer an option. Unless we want to give the Putin regime carte blanche to dispose of its enemies on our soil, we now have no choice but to react.

Russian television has given an explanation for the murder of Litvinenko as surrealistic as any offered by the Soviets during the Cold War. It attributed his death to intrigues in the entourage of the exiled Russian oligarch, Boris Berezovsky. An announcer on the evening news said Litvinenko was "a pawn in a game whose significance he did not understand."

Mr. Berezovsky, however, had no reason to kill Litvinenko, whose views he shared and whom he had helped since his arrival in the U.K. in 2000. In November 1998, Litvinenko revealed a plot to kill Mr. Berezovsky who, at the time, was the deputy head of the Russian security council. The evidence points instead to Litvinenko having been murdered by the FSB, which, together with the other "force ministries," has become the dominant political force in Russia today.

The FSB has always had a strong interest in Vladimir Putin's critics abroad. In December 2001, a Russian police official, in announcing a warrant for Mr. Berezovsky's arrest, said, "We know what he eats for breakfast, where he has lunch and where he buys his groceries." This was followed up in September 2003 with an unsuccessful attempt to kill Mr. Berezovsky with a needle camouflaged as a pen. The British reacted by granting Mr. Berezovsky political asylum. In 2004, a stranger threw a Molotov cocktail at Litvinenko and Akhmed Zakaev, the London representative of the separatist government of Chechnya, as they stood on the street near Litvinenko's residence. Besides a history of tracking Mr. Putin's opponents, the FSB could have been encouraged to kill Litvinenko because in June the Russian State Duma passed a law allowing the president to authorize attacks by the FSB on "terrorists" in foreign countries. In fact, the Russian intelligence services do not need a law to attack persons they regard as

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terrorists abroad. On Feb. 13, 2004, the former Chechen president, Zelimkhan Yandarbiyev, was killed and his 12-year-old son seriously injured when a bomb attached by Russian agents ripped apart their SUV. The new law, however, gives a seal of legitimacy to such operations and guarantees that those who carried them out will not be disowned or forgotten in the event of failure (or possibly even prosecuted in a post-Putin democratic dispensation).

In the last six years, the makeup of the ruling elite in Russia has undergone a dramatic change. Once in power, Mr. Putin filled the majority of important posts with veterans of the security services, many with ties to him dating back to his work in St. Petersburg. By 2003, the top ministers, half of the members of the Russian security council and 70% of all senior regional officials in Russia were former members of the security services. At the same time, many of these persons gained access to great wealth. Russia was already highly corrupt under Boris Yeltsin but, according to IDEM, an independent Russian think tank, with the rise in oil prices the level of corruption in Russia between 2002 and 2005 increased 900%.

The result of these developments was that Mr. Putin created an FSB ruling class. As this class became rooted, the victims of contract killers in Russia began to include some of the most prominent political figures in the country.

The most sensitive question in Russia is the provenance of the 1999 apartment bombings in Moscow, Volgodonsk and Buinaksk in which 300 persons died. As a result of the bombings, the second Chechen war was launched and, in his role as wartime leader, Mr. Putin, then the prime minister, achieved enough popularity to be elected president. There is widespread belief that the real authors of the bombings were the FSB. Two of the political figures murdered in Russia in recent years were trying to investigate the bombings.

The first victim was Sergei Yushenkov, a co-chairman of the Liberal Russia Party and member of the commission on the apartment bombings. He was shot on April 17, 2003. Mikhail Kodanev, the other leader of the Liberal Russia Party, was tried and sentenced to 20 years in prison for organizing the murder. Two years later, however, Igor Korolkov, a reporter for Moscow News, learned that a video camera near the building where Yushenkov was shot captured two persons running from the building immediately after the killing. The police collected the tape but it was never included in the case filed against Kodanev.

In July 2003, Duma deputy Yuri Shchekochikhin, another member of the commission on the 1999 bombings, died after contracting an unexplained illness. Shchekochikhin, who was also a reporter for Novaya Gazeta, had been investigating the "Three Whales" furniture stores that reportedly evaded millions of dollars in import duties. A co-founder of the stores was the father of Yuri Zaostrovtsev, then a deputy director of the FSB. Shchekochikhin's illness progressed catastrophically from peeling skin to "edemas of the respiratory system and brain" and death. When Novaya Gazeta tried to investigate whether he had been poisoned, they were told that all information was a "medical secret" that could not be disclosed even to family members.

Finally, Anna Politkovskaya, perhaps Russia's best-known journalist, was murdered last month. She traveled to Chechnya regularly despite the risk and was sought out by people from all over the North Caucasus in the hope that she would tell the world about their situation. It used to be said in Russia that no one is killed for politics. Politkovskaya, however, was clearly the victim of a political killing because she wrote only about politics.

Litvinenko resembles the others in this list in all respects except one. He lived in England. His book, "Blowing Up Russia," accused the FSB of the 1999 apartment bombings. He received visitors from Russia, was able to comment knowledgably on the actions of the FSB in Moscow, and refused to be intimidated. * * *

In the wake of Litvinenko's death, the West must insist on cooperation from the FSB in finding his killers. If that is not forthcoming, it should be assumed that the murder of Litvinenko was ordered by the Russian regime.

Under those circumstances, not only should Russia be expelled from the G-8 but the whole structure of mutual consultation and cooperation would need to be re-evaluated. This is not just a matter of refusing to trivialize a murder. It is also a vital political obligation. Russians of all types are watching to see whether the West will simply swallow this crime or finally react to the rampant criminalization of Russian society. There are forces in Russia that want the country to be part of the West. But to back them, we need to demonstrate that we have moral values that we defend. To do less would be to abandon Russia to the forces of nihilism and obscurantism.

Mr. Satter is affiliated with the Hoover Institution, the Hudson Institute and Johns Hopkins. His most recent book is "Darkness at Dawn: The Rise of the Russian Criminal State" (Yale, 2003).

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A Poisoned Spy (NYT)

The New York Times, November 27, 2006

Despite the utter lack of evidence about who poisoned Alexander Litvinenko, the former Russian spy who died last week in a London hospital, it was hardly surprising that suspicion fell immediately on the Russian government and President Vladimir Putin. Mr. Litvinenko was a defector with many enemies in Russia, official and otherwise, and Mr. Putin's record on justice and human rights has left many people prepared to believe the worst.

It did not help that the Kremlin quickly went on the defensive. Government spokesmen declared that any suggestion of Kremlin complicity was "sheer nonsense" and that the Soviet and Russian intelligence services hadn't assassinated anyone since 1959. Talk about sheer nonsense.

How much better it would have been had Mr. Putin's people said something like, "Let us help find out who did this outrageous thing!" That's also what Mr. Putin might have said when Anna Politkovskaya, an investigative reporter, was murdered or when all the other reformers were killed.

Words like that might not end the violence. The struggle for wealth and power in Russia is out of control. Mr. Litvinenko also certainly had a long list of highly motivated enemies. He was a defector who claimed he had been ordered to kill the exiled oligarch Boris Berezovsky. He wrote a book alleging that his fellow Russian agents had organized a lethal bombing and accused Chechen terrorists. At the time he was poisoned, he was said to be looking into the death of Ms. Politkovskaya.

But the real problem is that Mr. Putin, a former K.G.B. agent himself, has given no indication that he is dismayed by the political killings, or that he is doing much to stop them. He seems mainly concerned with deflecting blame.

David And Goliath (WP)

By Richard Holbrooke

The Washington Post, November 27, 2006

TBILISI, Georgia -- While the United States is otherwise preoccupied, this small former Soviet republic has become the stage for a blatant effort at regime change, Russian-style. Vladimir Putin is going all out to undermine and get rid of Georgia's young, pro-American, pro-democracy president, Mikheil Saakashvili. Putin is assuming that the United States, overwhelmed by Iraq and needing Moscow's support on North Korea and Iran, will not make Georgia a "red-line" issue and that the European Union, fearful of endangering energy supplies from Russia, will similarly play it down.

Much is at stake: Putin's long-term strategic goal is to create a sphere of Russian dominance and hegemony in the vast area the Soviet Union and the czars once ruled. If he succeeds in bringing down the most independent and pro-Western leader in the former Soviet space outside the Baltics, he will have gone a long way toward his goal. Also at stake: President Bush's "freedom agenda," stability in the Caucasus and the European Union's attitude toward a small European country on the edge of the world's most volatile region.

Putin's methods are brutal. He has expelled at least 1,700 Georgians since October, cracked down on Georgian-owned businesses, made repeated statements about preserving the Russian market for real Russians and demonized Georgians as a criminal class. He has doubled natural gas prices two years running and cut off all direct rail, air, road, sea and postal links between the two countries. Russia has also waged an aggressive international disinformation campaign to raise doubts about Saakashvili -- I have heard astonishing, wholly undocumented charges about his alleged corruption and his "hot-headed" style in Berlin, Brussels and even Washington. In Tbilisi today, you can hear an ugly word for this that rises out of the depths of 19th-century Russian history: pogrom.

In fact, the 38-year-old Saakashvili represents almost everything the United States and the European Union should support. He led the peaceful 2003 Rose Revolution that overthrew the corrupt regime of Eduard Shevardnadze. He then opened the country to Western investment, presided over a dramatic turnaround in a once-hopeless economy, and instituted massive reforms of the police and civil service. While these efforts have not been perfect -- Freedom House and other nongovernmental organizations have expressed concern about an overly cozy relationship between the government and the main media, for example -- Georgia has climbed further up the World Bank's latest annual reform survey than any other country.

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In 2004 Saakashvili peacefully seized control of Ajaria, one of the three areas that, with Moscow's encouragement, refused to accept Georgian rule after the crackup of the Soviet Union in 1991. Ajaria, which lies on the Black Sea, has since become a booming tourist center. Now Saakashvili has his eye on regaining two remaining "frozen conflict" areas in Georgia, South Ossetia and Abkhazia, where impoverished breakaway regimes, heavily backed by Moscow and Russian troops, claim to be independent countries.

Despite international resolutions that affirm the territorial integrity of Georgia, it will be difficult for Saakashvili to regain Abkhazia and South Ossetia, especially without strong Western support. Putin would be happy to fight for them again if necessary and to overthrow Saakashvili if possible.

This is not just a strategic issue. It is also deeply personal: Saakashvili as David and Putin as Goliath. Their face-to-face meetings have been electric with anger. When President Bush brought Georgia up with Putin on the margins of the Asian-Pacific summit in Hanoi last weekend, Putin went into a rant, as he does every time the subject arises. His tirades may be designed to discourage further discussion, but for the most part it is, according to people who have heard Putin, real, irrational anger.

Bush's visit to Tbilisi last year was a triumph; today the main road from the airport into the city is proudly named President George W. Bush Street. Bush and Saakashvili genuinely like each other, and there is hardly a country left in the world where Bush is still so popular. Saakashvili's best American friends are Sen. John McCain, who has made support of democracy in the former Soviet Union a major theme, and George Soros, who helped pay salaries for the bankrupt Georgian civil service system in 2004. This cannot please Putin.

But why the relatively muted international response to Putin's outrageous behavior? The main reason is Washington's weakened state as a result of Iraq, Iran, Afghanistan and North Korea. This is Putin's moment, especially with oil prices high. For the first time since the end of the Cold War, Washington needs Moscow more than Moscow needs Washington. During the 1990s President Bill Clinton used America's undisputed primacy to enlarge NATO (Saakashvili wants membership, of course) and conduct successful military actions in Bosnia and Kosovo over Russian objections. Today, by contrast, Russia has threatened to veto a U.N. Security Council resolution that would give Kosovo independence and has spuriously linked Kosovo's status to that of Abkhazia and South Ossetia.

The European Union and the United States must make the continued freedom and independence of Georgia a test case of the Western relationship with Russia. Putin must learn that we will not sacrifice the interests of a small country that has put its faith in Western values for the sake of energy supplies or U.N. votes. If Bush's freedom rhetoric has any meaning, let him prove it in Georgia, not just with polite calls for mutual restraint, but with real pressure on Moscow and the assembling of a united front with the European Union to make clear to Putin that he must cease his attempts to destabilize Georgia and overthrow Saakashvili. In the age of Iraq we must show that our nation can continue to have influence elsewhere in the world and that we will not abandon our friends or our values.

Richard Holbrooke, a former U.S. ambassador to the United Nations, writes a monthly column for The Post.

Rethinking The Bomb (USNEWS)

By Bay Fang

U.S. News and World Report, November 27, 2006

It was Aug. 6, 1945, and Setsuko Iwamoto had just gotten to school. The morning bell rang, and the 13-year-old girl was running to assemble on the school grounds, when from the corner of her eye she saw a very bright flash-and her world changed forever. When she regained consciousness, she was trapped under a collapsed building and could hear the screams of classmates nearby. She somehow crawled out from the rubble, stood up, and looked around. Her world was dark, the sun blocked by soot and dust whirling in the air. Aside from the weakening screams, the city was eerily silent, and Iwamoto thought for a minute that she might be the last living creature on Earth.

All her life, Iwamoto, now 74, has tried to keep alive the memory of that day. But she is losing confidence that the world still remembers-and understands-the full horror of the atomic bomb. Just under two months ago, North Korea broke into the nuclear weapons club with a test explosion, which, though weak, sent political shock waves throughout the region. In reaction, pacifist Japan is cautiously opening a debate on a subject long taboo: whether to start its own nuclear weapons program. "I strongly

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believe that nuclear weapons and humans cannot coexist," Iwamoto says. "I'm very concerned about the direction Japan is heading in now."

Ever since its defeat in World War II, which ended with the American atomic bombs dropped on Hiroshima and Nagasaki, Japan has been governed by a constitution-written by U.S. occupation forces-that renounces war as a sovereign right and allows for only limited self-defense. Japan's hawkish new prime minister, Shinzo Abe, is seeking constitutional revisions expanding the definition of self-defense, in part because of regional threats such as North Korea. Then, too, Japan's potential shift is itself causing unease in a region that remembers brutal Japanese occupation during World War II. Inevitably, some politicians-including Foreign Minister Taro Aso-say Japan also should re-examine its rejection of nuclear weapons. However, at the end of the recent Asian economic summit in Vietnam, Abe vowed to keep Japan nonnuclear and a leading voice for nuclear disarmament. "Japan," he said, "is different from other countries in that it has suffered a nuclear attack."

This week, the director-general of the International Atomic Energy Agency, Mohamed ElBaradei, visits Japan to talk about efforts to turn back the North Korean and Iranian nuclear programs and to step up international nonproliferation efforts.

Memorials. Some six decades after its nuclear devastation, Hiroshima is a sparkling city, with wide boulevards and the newest department stores. But the past is remembered and marked by the small shrines to the dead that dot the city, built by different work groups, civic organizations, or individuals. At the Hiroshima Peace Memorial Museum, a perky, matter-of-fact narrator tells the story of the B-29 Superfortress bomber Enola Gay and the fireball that exploded roughly 1,900 feet above the city at 8:15 a.m. on Aug. 6, 1945, releasing heat of over 1 million degrees Celsius. In the background are images of women and children with skin melting off their bodies, hair standing on end.

Bush Twins, Maradona Attend Soccer Game (AP)

AP, November 27, 2006

President Bush's twin daughters reveled Sunday in a soccer game in Argentina, sitting across the stadium from soccer star Diego Maradona — a fierce critic of their father.

Jenna and Barbara Bush, wearing the blue-and-yellow jerseys of the South American squad Boca Juniors, did not wave to television cameras that sporadically panned in on them during the game.

Watching from Boca's skybox at "La Bombonera" stadium, the twins were kept far from the fans and journalists seated below them.

Maradona watched the match from his own VIP box on the opposite side of the stadium. He was honored with the unveiling of a statue in his honor before the match.

Maradona is a forceful critic of U.S. policy in the region and joined a leftist protest led by Venezuela President Hugo Chavez last year against President Bush's appearance at the Summit of the Americas at the seaside resort of Mar del Plata.

Last Sunday, one of the twins had her purse stolen while touring the historic Buenos Aires district of San Telmo, garnering widespread public attention and dominating local TV newscasts.

Argentine officials did not say which twin was robbed. ABC News, citing unidentified law enforcement reports, reported that Barbara Bush's purse and cell phone were taken.

Help For Haiti (WP)

The Washington Post, November 27, 2006

WHEN IT COMES to Haiti, the hemisphere's poorest country, the United States has a perverse history of being more generous with its troop deployments than its terms of trade. The time is ripe for a new approach.

For the past two years, Congress has turned a deaf ear to pleas that Washington extend trade preferences to Haitian-manufactured T-shirts, hospital scrubs and other apparel. The effect has been devastating for the nation's garment industry, once one of the few bright spots in an otherwise supine economy. Clothing assembly plants, already hit hard by the political violence of recent years, are closing nearly every month as customers move their business to Asia. A sector that once provided 100,000 jobs now employs only 12,000 to 20,000 and stands in peril of disappearing entirely.

A rescue package pending in Congress would allow duty-free access to U.S. markets for garments assembled in Haiti using fabrics from third countries. The legislation, known as the Haitian Hemispheric Opportunity through Partnership

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Encouragement Act, also called the HOPE bill, is a modest measure; it is certainly no panacea for the Haitian economy. But apparel-making plants that close are relatively easy to reopen, and HOPE, if enacted, could help kick-start the Haitian economy by quickly getting 10,000 or more people working again. In a country as poor as Haiti, where a majority of the population survives on less than $2 a day and four out of five adults are jobless or underemployed, those jobs would be a lifeline for thousands of families.

Predictably, HOPE is opposed by textile industry lobbyists and Southern lawmakers who are doing their bidding. But among HOPE's advocates on the House Ways and Means Committee are both the top Republican (California Rep. Bill Thomas) and the top Democrat (New York Rep. Charles B. Rangel); the bill is also backed by Haitian President Rene Preval. Timing is crucial. After two interventions by U.S. forces in the past 12 years, Haiti inaugurated a democratically elected president this year and has lately enjoyed what passes there for relative political stability. After 15 years of political turmoil, violent unrest and economic mismanagement, this looks like a rare opportunity to consolidate tentative progress in Haiti. Congress shouldn't miss it.

Don't Punish African Clothesmakers (LAT)

The Los Angeles Times, November 27, 2006

Congress should avoid the political entanglements and extend trade legislation vital to the poorest continent.

OF ALL THE free-trade pacts signed by the United States over the last decade, perhaps none is as uncontroversial as the African Growth and Opportunity Act. Providing duty-free access to exporters in sub-Saharan Africa threatens few if any American jobs while spurring industry in some of the poorest countries in the world. Yet a vital provision of the act is set to expire, and, for the moment, Congress appears more interested in political gamesmanship than in making a painless decision to help some of the world's neediest people.

The language in question involves African clothing made from non-African fabric. Because of a scarcity of fabric mills, apparel makers in countries such as Kenya and Lesotho have to import most of their raw material from elsewhere — usually Asia. That adds considerable expense and time, so duty-free status is about the only thing that keeps African clothing makers competitive in the U.S. market.

If that provision is not renewed in September 2007, as many as 150,000 jobs in Africa's fledgling apparel industry might be lost. Ten months might seem a long time away, but an extension is urgently needed now because apparel companies typically place their orders from nine to 12 months in advance.

The last time an extension of an AGOA provision came up, in 2004, it passed unanimously in both houses of Congress. This time, things have become more political. Though extending the third-country fabric provision still enjoys broad bipartisan support — even the fiercely protectionist U.S. textile industry isn't opposing it — the bill may be folded into a much broader and more controversial piece of trade legislation.

Republican Rep. Bill Thomas of Bakersfield, outgoing chairman of the House Ways and Means Committee, is said to be working on a package that would bundle the AGOA with various tax breaks and trade priorities, such as a free-trade pact with Andean nations and new preferences for Haitian apparel, that are heavily opposed by American textile producers. It's a mostly worthwhile package that will face serious opposition in an increasingly protectionist House — one that will get even more anti-trade when the Democrats take control in January.

The livelihoods of too many people are at stake. Thomas should expedite the AGOA bill as is, rather than allow it to be held hostage by his other priorities. And the Democrats who will be taking over the House need to understand that poverty isn't confined to Africa; trade deals with Haiti and the Andes are just as important, even if they stir more opposition from U.S. unions and manufacturers. You cannot credibly claim to weep for the poor while simultaneously blocking them from selling you shirts. Trade is exponentially more powerful than aid, and deeds mean more than words.

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TERRORISM NEWS:

Muslim Ex-spy Shows 'Inside Jihad' (WT)

By Shaun Waterman

The Washington Times, November 27, 2006

A Muslim man who was a spy in the mid-1990s for several European intelligence services inside the global jihad network that later became al Qaeda has written a memoir saying the agencies did not understand the nature of the threat the group posed.

"Inside the Jihad," written under the pseudonym Omar Nasiri, is a copiously detailed account of a young man's journey from the fringes of the Islamist movement in Belgium to a terrorist training camp in Afghanistan.

Along the way, Nasiri says he smuggled a carload of explosives from Brussels to Morocco, fingered one of the organizers of the 1995 Paris metro bomb attacks, and met Abu Zubaydah, who later became one of Osama bin Laden's top recruiters of Western jihadis at training camps in Afghanistan.

"The broad outlines of the story have been confirmed to me, and to a growing list of other major media outlets, by intelligence officials from several European countries," said Gordon Corera, a British Broadcasting Corp. correspondent whom Nasiri first approached with his story after the London subway bombings last year.

The account has also been deemed credible by several scholars and reporters that had advance access to the tightly held manuscript before its publication this week, including Michael Scheuer, who led Alec Station, the CIA's bin Laden hunting unit, from 1996 to 1999. He called the account of life in the camps the most detailed and complete he had seen.

Several former senior U.S. officials told United Press International that the account rang true.

"It's very plausible," said Roger Cressey, former deputy White House counterterrorism czar.

"There were agents run into the camps," said Jack Cloonan, a retired FBI agent who led the bureau's efforts against al Qaeda. "But most of them were not very well placed" and lacked access to the network's inner circles.

Nasiri doesn't claim to have been in al Qaeda's inner circles, and says he never met bin Laden, which al Qaeda analyst and author Peter Bergen says increases his comfort level about its credibility.

"If you were going to make something up, you'd include a bin Laden meeting, wouldn't you?" he said.

Nasiri, who says he is a Moroccan raised in Belgium, first approached the French intelligence service, DGSE, after stealing money from a Brussels-based cell of the Algerian terrorist group GIA, with which he had become involved through his brother.

The DGSE helped him out, and in return he became their agent. While working for them, he says, he drove a carload of explosives, money and other materiel from Brussels to Morocco. He thinks that the explosives may have been used in a subsequent bomb attack in Algeria that killed 40 persons.

If true, that would prove highly embarrassing to the DGSE, and the first challenge to detail of the account came Wednesday from a former official of the French service, who said on Belgian TV that colleagues still at the agency said Nasiri was mischaracterizing his relationship with it.

In spring 1995, Nasiri says, the French sent him to Pakistan and Afghanistan to try and infiltrate the training camps that were blooming there in the chaos following the victory of the U.S.-backed mujahideen over the Soviets.

KILLING HABEAS CORPUS (NYER)

By Jeffrey Toobin

New Yorker, November 27, 2006

President Abraham Lincoln suspended habeas corpus in Maryland on April 27, 1861, two weeks after the Confederate attack on the Union garrison at Fort Sumter. “Lincoln could look out his window at the White House and see Robert E. Lee’s plantation in Virginia,” Akhil Reed Amar, a professor at Yale Law School and the author of “America’s Constitution,” said. “He

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was also facing a rebellion of so-called Peace Democrats in Maryland, meaning there was a real chance that Washington would be surrounded and a real threat that the White House would be captured." On Lincoln's order, federal troops arrested Baltimore's mayor and chief of police, as well as several members of the Maryland legislature, who were jailed so that they couldn't vote to secede from the Union.

Since the Middle Ages, habeas corpus—"You should have the body"—has been the principal means in Anglo-American jurisprudence by which prisoners can challenge their incarceration. In habeas-corpus proceedings, the government is required to bring a prisoner—the body—before a judge and provide a legal rationale for his continued imprisonment. The concept was so well established at the time of the founding of the American Republic that the framers of the Constitution allowed suspensions of the right only under narrow circumstances. Article I, Section 9, states, "The Privilege of the Writ of Habeas Corpus shall not be suspended, unless when in Cases of Rebellion or Invasion the public Safety may require it." Such suspensions have been rare in American history. The most recent occasion was in 1871, when President Ulysses S. Grant sent federal troops to South Carolina to stop attacks by the Ku Klux Klan against newly emancipated black citizens. This fall, however, Congress passed, and President Bush signed, a new law banning the four hundred and thirty detainees held at the American naval base at Guantánamo Bay, and other enemy combatants, from filing writs of habeas corpus.

The law, known as the Military Commissions Act of 2006, was a logical culmination of an era of one-party rule in Washington. During the Presidency of George W. Bush, the executive branch, with the eager acquiescence of its Republican allies in Congress, has essentially dared the courts to defend the rights of the suspected Al Qaeda terrorists, who have been held at Guantánamo, some for as long as four years. The Supreme Court has twice taken up that challenge and forced the Administration to change tactics; the new law represented a final attempt to remove the detainees from the purview of the Court. Now, of course, Republicans no longer control Congress, but the change in the law of habeas corpus may be permanent.

Arlen Specter was an unlikely steward of the demise of habeas corpus. The Pennsylvania Republican, a senator since 1980, has long been known as a moderate in his caucus, one of the few remaining in a party that has shifted sharply to the right during his career. (The Wednesday Lunch Club, a group of liberal and moderate Republican senators, once had a dozen members. Now, after the defeat in this month's election of Senator Lincoln Chafee, of Rhode Island, it will have three: Specter and the two senators from Maine, Olympia Snowe and Susan Collins.) Moreover, for all his years as a legislator, Specter remains by temperament a litigator and an iconoclast. In his autobiography, "Passion for Truth" (2000), he writes with pride about his work as a young investigator for the Warren Commission; as a crusading Philadelphia district attorney; and as an aggressive cross-examiner of Anita Hill in Clarence Thomas's Supreme Court confirmation hearings. He has, he wrote, a "fetish for facts," and faith in proceedings like habeas corpus to protect individual rights.

Yet it was Specter who, as chairman of the Judiciary Committee, after leading the fight to preserve habeas corpus, at the last moment voted for the Administration's plan restricting it. At seventy-six, Specter, having survived several bouts of life-threatening illness, has lost some of the abrasiveness that earned him the nickname Snarlin' Arlen, but he generally says what he means, even when it might give offense. His self-confidence sometimes verges on arrogance; his most common expression is a knowing smirk. (It is evident in the cover photograph of his autobiography.) With some justification, and with typical bravado, Specter asserts that the debate over habeas corpus could have been avoided, if only his Republican colleagues had listened to him.

Shortly after September 11, 2001, and the American invasion of Afghanistan, Specter proposed that Congress develop a set of rules for handling the prisoners—the so-called "enemy combatants"—who were captured there. Along with Richard J. Durbin, the Illinois Democrat, Specter introduced the Military Commission Procedures Act of 2002, which would have established a system of trials for the alleged Al Qaeda detainees, with defendants guaranteed, among other things, the presumption of innocence and the right to counsel. "The whole idea never really went anywhere," Specter told me. "Nobody was much interested in it."

The Bush Administration, believing that the treatment of the detainees was a matter that belonged under the exclusive control of the executive branch, was disdainful of attempts by Congress to address the issue. "I went down to Guantánamo with a group of senators shortly after it opened, and Dave Addington was also on the trip," Lindsey Graham, the Republican senator from South Carolina, recalled, referring to Vice-President Dick Cheney's counsel, who has been a leading advocate in the Administration for a broad view of Presidential power. "As we were flying back to the States, I pulled Dave aside on the plane and said, 'You really need to come over and draft some legislation with us, and, if you do that, the Supreme Court will be much more likely to uphold what we do. It would be better to work in concert with each other when it comes to wartime decision-making about how you try and interrogate a prisoner.'

"I remember Dave had a copy of the Constitution he carried around with him," Graham went on. "He took it out, and he said the Administration didn't need congressional authorization for what it was doing. The President had the inherent authority to handle the prisoners any way he wanted. And I said, ' That may be a good legal argument, but it's not a good political argument.

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The more united the nation, the better it is for everyone.' But Dave said, ' Thanks but no thanks.' And after that we never had much dialogue." Or, as Specter put it, "We still had discussions with the Department of Defense—perhaps in part because the general counsel was interested in a judgeship—but they didn't go anywhere."

In the meantime, though, some of the detainees at Guantánamo, in an effort to force the government to provide legal justification for the incarcerations, began filing petitions for habeas corpus in federal courts. The first group of cases reached the Supreme Court in the spring of 2004, and the government's position was clear: the detainees had no right even to bring such cases in federal court. As Theodore B. Olson, the Solicitor General at the time, put it in the oral argument, for "an alien who had never had any relationship to the United States and who was being held as a result of a combat situation or a war situation in a foreign jurisdiction, there was no jurisdiction under the habeas statute."

But the Supreme Court soundly rejected the Administration's argument, ruling in June, 2004, that the detainees had the right to sue for their freedom. Justice John Paul Stevens, in his opinion in Rasul v. Bush, observed pointedly, "Executive imprisonment has been considered oppressive and lawless since John, at Runnymede, pledged that no free man should be imprisoned, dispossessed, outlawed, or exiled save by the judgment of his peers or by the law of the land. The judges of England developed the writ of habeas corpus largely to preserve these immunities from executive restraint." Or, as Justice Sandra Day O'Connor wrote in Hamdi v. Rumsfeld, a related case that was also decided in 2004, "We have long since made clear that a state of war is not a blank check for the President."

In her opinion, O'Connor all but invited the Bush Administration to collaborate with Congress on a plan for the detainees. "Whatever power the United States Constitution envisions for the Executive in its exchanges with other nations or with enemy organizations in times of conflict, it most assuredly envisions a role for all three branches when individual liberties are at stake," she wrote. But, in the months that followed, the Bush Administration continued to ignore proposals for legislation on Guantánamo by Specter and others in Congress. Addington's view—that the executive branch alone could dictate the detainees' treatment and define the rules of their trials—remained the government's position. (Addington declined to comment for this article.)

The Administration, meanwhile, drafted a plan for military commissions or tribunals for the prisoners, which could, of course, result in the imposition of the death penalty. The detainees challenged this plan, too, and another group of habeas-corpus petitions arrived at the Court last spring. The Administration's views had hardly changed since Rasul and Hamdi. As the government argued in its brief, "one of the powers inherent in military command was the authority to institute tribunals for punishing enemy violations of the law of war."

But the Court again rejected the White House's position, ruling, in Hamdan v. Rumsfeld, that Congress, and not just the President, must establish the rules for trying the prisoners. The decision in Hamdan was announced on June 29, 2006, and Specter had been waiting for it. "I pretty much knew what it was going to say, or thought I did. And we had legislation all ready to go," Specter told me. "It came down in the morning, and I introduced the legislation in the afternoon."

In crafting legislation, especially legislation related to the war on terror, Specter had less room to maneuver than most Republican committee chairmen. His record as a moderate nearly cost him the leadership of the Judiciary Committee before he had a chance to assume it. At a press conference on the day after he was reëlected in 2004, Specter repeated a view he had expressed many times, saying that he regarded the protection of abortion rights established by Roe v. Wade as "inviolate," and suggesting that "nobody can be confirmed today" who didn't share that opinion. Almost immediately, conservative groups in the Republican Party demanded that Specter be denied the chairmanship. Protesters chanted outside his office and inundated the Senate switchboard with telephone calls.

After a series of tense meetings with his Republican colleagues, Specter was allowed to take over as chairman of the committee, but he had to make certain promises, especially about Bush's nominations to the Supreme Court. "I have voted for all of President Bush's judicial nominees in committee and on the floor," Specter said in a carefully worded statement at the time. "And I have no reason to believe that I'll be unable to support any individual President Bush finds worthy of nomination." In the subsequent two years, Specter was as good as his word, shepherding the nominations of John G. Roberts, Jr., and Samuel A. Alito, Jr., to confirmation to the Supreme Court. Nearly two decades earlier, Specter had provided a key vote against Ronald Reagan's nomination of Robert H. Bork to the Court, but as chairman of the Judiciary Committee he became an advocate for two new Justices whose views resembled Bork's. (In a speech earlier this month to the Federalist Society, the conservative lawyers' organization, Specter said of the confirmation of Roberts and Alito, "Certainly it was the highlight of the Judiciary Committee under my chairmanship, and it may turn out to be the highlight, certainly one of the highlights, of the Presidency of George Bush.")

Specter's own beliefs appear to have changed little over the years, but he has been forced to work in an environment in which the Republican Party, especially in Congress, has imposed ever-tighter discipline. "When Lyndon Johnson became Vice-President, he wasn't welcome at Senate Democratic caucus meetings anymore, because it was for senators only," Patrick Leahy, the ranking Democrat on the Judiciary Committee, told me. "But every Tuesday since Bush has been President it's been

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like a Mafia funeral around here. There are, like, fifteen cars with lights and sirens, and Cheney and Karl Rove come to the Republican caucus meetings and tell those guys what to do. It's all 'Yes, sir, yes, sir.' I bet there is not a lot of dissent that goes on in that room. In thirty-two years in the Senate, I have never seen a Congress roll over and play dead like this one."

Specter is about to begin his twenty-seventh year in the Senate, and, as its sixteenth most senior member, he has one of the grander offices in the Capitol. His elegant hideaway, behind an unmarked door a few steps from the Senate floor, includes the customary grip-and-grin politician's photographs, but the space is dominated by a more peculiar display: a large blowup of an Op-Ed piece that Specter wrote for the Times just before President Clinton's impeachment trial. In the article, Specter proposed a novel solution to the Lewinsky scandal. Congress should abandon its impeachment investigation, Specter asserted; instead, Clinton should face a possible criminal prosecution after his term ended. During the impeachment trial in the Senate, Clinton's lawyers presented Specter's article as a defense exhibit, to encourage Congress to drop its case against the President. "You should have heard the gasps among my colleagues on the Republican side when they introduced it," Specter told me with a laugh.

Specter played a characteristically quirky role in the impeachment saga and, in the process, managed to irritate nearly everyone. Once it was clear that the Senate was going to weigh Clinton's fate, Specter argued in favor of holding a full trial, with witnesses, among them Lewinsky, appearing in front of all the senators. (Democrats, who wanted a quick trial, objected to this idea.) But Specter also appeared unimpressed by the Republican congressmen who served as prosecutors, or managers, of the case against Clinton. He even referred to Lindsey Graham, then a congressman, as "Congressman Lindsey." In the end, Specter cast the most famous vote at Clinton's trial, neither "guilty" nor "not guilty" but, rather, what he called the "Scottish verdict" of "not proven." (It was recorded as a vote against conviction and, thus, for Clinton.) As Specter recounted in his autobiography, a reporter asked him when he left the Senate floor after casting his vote, "Did you anger both sides by doing it this way?"

" 'I've had some experience with that,' I replied," he wrote. "The room broke out in laughter."

For Specter, there was another postscript to the Clinton trial. The congressman to whom Specter had condescended during the testimony soon became his colleague in the Senate. And Graham, a former lawyer for the Air Force, became Specter's most determined adversary on the issue of habeas corpus.

"The war on terror is not like any other war," Graham told me. "It's a war without end. There are no capitals to conquer, no navies to sink. The Geneva Conventions say that you need a procedure in place with an independent arbiter making a decision about whether detainees belong in prison. My goal was to create that kind of process, but not in a way that has federal judges making determinations about who is an enemy combatant. I don't think they're competent to make those decisions in a war that is going to go on for a long time. I think that decision belongs to the military."

Unlike Specter, Graham has little apparent reverence for the Senate's recondite procedures and seniority rules. In 2005, as a freshman senator, he bypassed the Judiciary Committee and went straight to the Senate floor with a proposal to ban habeas cases by Guantánamo detainees. After the Supreme Court issued its decision in Hamdan, earlier this year, Graham raised the issue again.

This time, Graham sought to ban habeas cases by the detainees at a moment when Congress was considering a host of other legal changes pertaining to their treatment. Under the Administration's initial plan to hold military trials at Guantánamo, evidence obtained through torture could be admissible. Graham, along with his Republican colleagues John Warner and John McCain, rejected that notion and proposed an alternative. The Bush Administration responded by offering several concessions, including allowing detainees to see all the evidence against them and outlawing the use of evidence that had been obtained by torture or "cruel, inhuman or degrading treatment"—a change meant to assure compliance with the Geneva Conventions. (In the final version of that measure, however, the three Republican legislators agreed to let the military determine whether the conventions had been violated, a significant concession to the Bush Administration.)

In light of these new rules for trials at Guantánamo, Graham thought that the habeas-corpus filings by the prisoners should stop. "My goal was to create some form of due process that was not as invasive as a habeas trial, because I do believe they impede the running of the jail," he said. Graham proposed that rulings against the detainees be appealed only to the United States Court of Appeals for the D.C. Circuit. (His legislation thus avoided the district court for the D.C. Circuit, which has generally looked more favorably on detainee claims than has the court of appeals.) In Graham's view, the court of appeals is an adequate substitute for habeas corpus. "The way I read what the Supreme Court said was that, if there was no system in place to decide someone's confinement status, you had to let them file habeas petitions," Graham said. "But I think if you give them the D.C. Circuit, that's enough. That's a legitimate alternative. Arlen disagrees. He thinks it's a constitutional right to file a habeas case. I think our statute gives you enough. That's what Specter v. Graham is about."

"That's just ridiculous," Specter told me, referring to Graham's position. "Graham's legislation does not allow the D.C. Circuit to make any fact-finding at all about what happened to the detainees and whether they are, in fact, enemy combatants. It's not a 'streamline' review; it's no kind of review at all." The legislation will almost certainly come before the Supreme Court, but

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it's impossible to know whether the Court will uphold it. "The D.C. Circuit would have to be an adequate and effective judicial remedy for reviewing the lawfulness of any detention, because that's the basic definition of habeas corpus," Gerald L. Neuman, a professor at Harvard Law School, said. "The law itself isn't very clear about what the D.C. Circuit should do."

The scene in the hearing room of the Dirksen Senate Office Building anticipated, in a small way, the spirit of rebellion that would animate the electorate seven weeks later. The session began with bipartisan expressions of outrage at the Administration's (and Graham's) plan. "It is inexplicable to me how someone can seek to divest the federal courts of jurisdiction on constitutional issues, just inexplicable to me," Specter said in his introductory remarks. "If the courts are not open to decide constitutional issues, how is constitutionality going to be tested?" Patrick Leahy, the ranking Democrat, spoke next. "Today we're addressing the single most consequential provision in this much discussed bill," he said. "This provision would perpetuate the indefinite detention of hundreds of individuals, against whom the government has brought no charges and presented no evidence and without any recourse to justice whatsoever. That is un-American. This is un-American." At that moment, a group of protesters wearing T-shirts saying "Shame," "End Torture," and "Save Habeas Corpus" rose from their seats and cheered.

Specter rebuked them gently. "There will be no demonstrations from the people in the room," he said. "We want you to be here. We want you to listen. But that's out of order."

Until this point, the debate over the Senate bill had focussed on the rules for the commissions, or trials. But Thomas Sullivan, a veteran Chicago lawyer and former United States Attorney, turned the senators' attention to a different subject. Sullivan, who represents several Saudi nationals held at Guantánamo, pointed out that the government planned to give about eighty of the four hundred and thirty detainees full trials. The rest would receive only an abbreviated hearing known as a Combatant Status Review Tribunal (C.S.R.T.). At these proceedings, detainees are not allowed to call witnesses (unless the witnesses are other detainees at Guantánamo), have no attorneys present, and are presumed guilty of being an enemy combatant based on evidence that they are not allowed to see.

With barely concealed rage, Sullivan lectured Senator John Cornyn, the Texas Republican who was defending the Administration's position at the hearing. "The question is whether they are enemy combatants. And when they started out in these hearings, these C.S.R.T.s, they were presumed guilty. There had already been a finding they were enemy combatants. The determination had been made. No witness or evidence was presented by the government. They would call in and they'd say, 'O.K., Mr. Cornyn, here's the charge against you. What have you got to say about it?' That was it. That was all that they did. And then they put in some classified evidence. I've been down to the secure facility. It's a joke. It's a sham."

The ban on habeas cases was likely to have a dramatic effect on the detainees at Guantánamo, but for a less than obvious reason. The procedure for military trials, brokered by Graham, Warner, and McCain, has won a measure of support from some of the human-rights advocates and lawyers who have been representing the prisoners. "If they were to charge them under the military commissions, it's a pretty good substitute for a criminal trial," Sullivan told me later. "They have to put evidence on the stand, right to a lawyer, subpoena power, and you can see and confront the evidence against you. But what most people don't understand is that the government has said they are not going to try more than about eighty of the prisoners who are there. The real question is what happens to the three hundred other detainees? All they got are those pathetic C.S.R.T.s."

In introducing the C.S.R.T.s, in 2004, the Department of Defense announced that, as part of the process, "detainees will also be notified of their right to seek a writ of habeas corpus in the courts of the United States." Because of the new bill, this will no longer be the case. "You're talking about people who have been in custody for four years, some of them haven't even been questioned in two years, and the C.S.R.T. is all they have got in terms of a hearing, and it's all they're likely ever to get," Sullivan said. "Their only hope was habeas, where the government would have to justify in some way why they're being held year after year."

Kyl asserted that "the consequences of the Specter amendment are unimaginable. We cannot allow enemy war prisoners to sue us in our own courts. Such a system would make it simply impossible for the United States to fight a war." But Specter had an answer. "Mr. President," he said, addressing the chair. "I only need one sentence to refute the arguments of the senator from Arizona, and it comes back to Justice O'Connor's opinion again: 'All agree that, absent suspension, the writ of habeas corpus remains available to every individual'—every individual—'detained within the United States.' Guantánamo was held to be within that concept. But she talks about 'every individual.' That includes citizens and noncitizens."

The outcome of the Specter amendment was in doubt until the day the vote was cast. The final tally was fifty-one to forty-eight against Specter. (Olympia Snowe was absent, attending a funeral.) When the result was announced, Specter, visibly angry, left the Senate chamber. He told reporters that he thought the habeas ban was "patently unconstitutional" and vowed to vote against the detainee bill.

In the chaotic few days before the vote, the Administration's allies in the Senate had toughened the habeas provision of the law. The bill had originally applied only to alleged enemy combatants who were held at Guantánamo. The final version stated that any alien (that is, non-American citizen) who had been seized anywhere and charged with being an enemy combatant would

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be denied the right to petition for habeas corpus. The definition of "enemy combatant" was also expanded, to include not just those who took up arms but financial supporters of the terrorist cause as well. Accordingly, the bill made clear that aliens arrested in the United States and charged with knowingly giving money to an alleged terrorist organization would be forbidden to sue for their freedom.

Nevertheless, on September 28th, Specter joined all his Republican colleagues (except Lincoln Chafee) in voting for the Military Commissions Act, which passed by a vote of sixty-five to thirty-four. President Bush signed the law on October 17th, and the next day the government began filing court papers asking for the dismissal of all the petitions for habeas corpus filed by detainees at Guantánamo Bay.

It is hard to believe that the Arlen Specter of the nineteen-eighties—the maverick who defied his party on an issue of the magnitude of the Bork nomination—would have considered yielding on a question as fundamental as habeas corpus. "I was madder than hell when the habeas-corpus amendment went down and was a little hot and spoke prematurely on the vote," Specter told me. "If we had not passed the bill, we would be going on into next year without having a procedure to try these people." Thus, he said, he felt obligated to vote for the bill.

If Specter has accommodated his views to his party's, his leisure habits have not changed: he still plays squash seven days a week, a routine that he has maintained since the nineteen-seventies. "I think of playing squash as making deposits in the 'health bank,' " Specter told me shortly after dawn one recent morning in the locker room of the gym at the Federal Reserve bank, in Washington. "That's a good thing, because I've made a lot of withdrawals, too." In 1993, Specter was found to have a brain tumor and was told that he had three to six weeks to live. However, he recovered quickly after surgery. Then, just after his reëlection in 2004, he was given a diagnosis of Hodgkin's disease, and during the first several months of his tenure as chairman of the Judiciary Committee he received chemotherapy.

Specter completed his treatment in 2005, and never stopped playing squash. The therapy cost him his bushy curls, but his hair is full again, only straight this time. Wearing a ratty sweatshirt, a souvenir from the 1984 Olympic Games in Los Angeles, he looked at least a decade younger than his age. He still bears the scars of his years as a bruiser on the squash court—Senator Robert Packwood once gave him a swat that took six stitches to close—but he now plays more of a finesse game, built around a deadly drop shot. I won our first game, 16–14, but Specter took the next three, to win the match. He plays the same old-school, hardball version of the game as the capital's other celebrated septuagenarian squash enthusiast, Donald Rumsfeld, but the two men have never met on the court.

Specter was about to head to Rhode Island, to campaign for Lincoln Chafee. "I'm going up there to say that Chafee could hold the balance of power in our caucus," Specter told me. "That's what those of us in the middle can do." But in the habeas debate, at the crucial moment, Specter tipped the balance of power toward those who, at the time, already had it. Some Democrats on Capitol Hill are calling the debate Specter's "John Kerry moment." (He was against the habeas bill before he was for it.)

Of course, Specter's vote on habeas, like his support of Roberts and Alito, forestalled another possible conservative revolt against his chairmanship (which, in the event, the election cost him). Specter is hoping the courts will restore the rights of the detainees to bring habeas cases. "The bill was severable. It has a severability clause. And I think the courts will invalidate it," he told me. "They're not going to give up authority to decide habeas-corpus cases, not a chance." Others are less sure.

"It's a pretty odd position for Specter to take," Amar, of Yale Law School, said. "He trusts the courts to take care of a problem when he's voting for something that strips them of their jurisdiction to do it. It's like saying, 'I shot at her, but I knew I was going to miss.' Still, he may be right. The Court might strike it down." According to Amar, the election that cost Specter so much of his clout makes it more likely that his legal position will ultimately be vindicated on habeas corpus.

"The Justices always want to protect their own power, and they hate the idea of any kind of jurisdiction-stripping," Amar said. "But if they can avoid it they also don't want to pick fights with the President and the Congress, especially about anything related to national security. But, with the Democrats in control of Congress, the Court will know that if they strike this down it'll never get passed again in anything like this form. The Republicans would just come back at them and pass the same thing again and again. The Democrats never will. The irony is, thanks to the election, the Court now has plenty of running room to do the right thing."

In the meantime, however, the Administration has moved swiftly to use the new powers granted by Congress in the Military Commissions Act. In acting to dismiss the pending habeas cases filed by Guantánamo detainees, the Justice Department has adopted Lindsey Graham's reasoning, that the bill does not amount to a "suspension" under the Constitution but merely substitutes the D.C. Circuit appeals court for the habeas cases. In a brief filed on November 13th in the D.C. Circuit, the government asserted that the new law "plainly affords an adequate and effective substitute for any applicable habeas right."

The Administration has sought to apply the new law outside Guantánamo. Ali Saleh Kahlah al-Marri, a forty-one-year-old citizen of Qatar, was studying at Bradley University, in Peoria, Illinois, when he was detained shortly after September 11, 2001.

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He has been held in a Navy brig as an enemy combatant for more than three years, and had filed a petition for a writ of habeas corpus, asking to be freed. On November 13th, the government filed a brief saying that the new law bars Marri's lawsuit: the act "removes federal court jurisdiction over pending and future habeas corpus actions and any other actions filed by or on behalf of detained aliens determined by the United States to be enemy combatants." If this motion is granted, Marri could remain in custody on American soil indefinitely, without any further legal recourse.

Leahy, the incoming chairman of the Judiciary Committee, voted against the Military Commissions Act and denounced its habeas provisions in especially harsh terms. But there are no signs that the new Democratic majority will take on habeas corpus anytime soon. Few Democratic politicians seem enthusiastic about proposing legislation that will principally benefit accused Al Qaeda terrorists, and, in the unlikely event that Democrats passed such a bill, it would face a certain veto from President Bush. The Supreme Court—not Congress—is likely to be the only hope for a change in the law. "This is definitely not going to be the first thing out of the box for us," one Democratic Senate staffer said. "We make fun of Specter, but we're basically leaving it up to the Courts, too."

HOMELAND RESPONSE:

US Works To Bridge Its Muslim Trust Gap (CSM)

By Alexandra Marks

The Christian Science Monitor, November 27, 2006

NEW YORK

It was an awkward moment for Martin Ficke, the special agent in charge of US Immigration and Customs Enforcement in New York.

He was seated next to a member of the British Parliament for a panel on the "War on Terror and the Clash of Civilizations." Why, the moderator asked Mr. Ficke, was this prominent British citizen with a diplomatic passport questioned for almost an hour when he landed at the airport?

To the audience, filled with Muslim-American students, the answer was obvious. His name is Shahid Malik, a Muslim name. "I've already talked to him about it privately and apologized," Ficke said. "It shouldn't have happened."

Across the country in conference rooms like this, as well as in local cafes and community meeting halls, officials of the Department of Homeland Security (DHS) and FBI are reaching out to Muslim-Americans in an attempt to bridge the huge gap of mistrust that developed on both sides after 9/11. It's sometimes an uncomfortable process, as Ficke found. It's also not being applied consistently across the country, working well in some places - like New York, where the Muslim Advisory Council meets regularly - and not so well in others. But homeland-security experts and Arab- and Muslim-American leaders believe such outreach is crucial to maintaining the nation's security and strengthening its social fabric.

"9/11 created a pretty big divide and we still have a ways to go, but there has been progress," says Arsalan Iftikhar, national legal director for the Council on American-Islamic Relations in Washington. "With five years of retrospect at our disposal now, we as a nation are able to see more accurately what are and what are not effective law-enforcement initiatives and how it is important to reach out to the Muslim-American community and make them feel as partners in our society."

There's no question the US Muslim community felt the brunt of the FBI's counterterrorism and law-enforcement initiatives after 9/11, say experts. More than 1,200 immigrants, mostly Arab and Muslim males, were detained and denied due process for months. The Justice Department's own inspector general concluded that their detentions were "indiscriminate and haphazard," with no clear distinction made between those held for immigration violations and those who were suspected terrorists. The report also found "a pattern of physical and verbal abuse" by correction officers. Ultimately, only a handful of those detained were charged with a terrorism-related offense, and 231 were deported. Registration requirements for males

The Justice Department also set up a special program that required male visitors from 24 Arab and Muslim countries to register with local immigration offices. More than 80,000 men did so. Immigration officials found an estimated 13,000 were "out of status," which means there were problems with their visas. They're now awaiting deportation hearings. But experts say many of the visa problems were caused by inaccurate data and long delays in processing applications for permanent status. The Justice Department eventually canceled the program.

"By singling out a large group of mostly Arabs and Muslims, [these programs] involved a massive investment of law-enforcement resources with negligible return," says James Zogby, president of the Arab American Institute in Washington.

In the immediate aftermath of 9/11, discrimination against Muslim- and Arab-Americans also soared. In 2001, the FBI reported a 1,600 percent increase in anti-Muslim hate crimes and an almost 500 percent increase in ethnic-based hate crimes against persons of Arab descent, according to Mr. Zogby.

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Last week, six imams returning from a conference on religious tolerance were removed in handcuffs from a US Airways flight from Minneapolis to Phoenix after a passenger raised concerns about "suspicious behavior." Three of them were seen praying in the waiting area and a fourth reportedly asked for a seat-belt extension. DHS's Office of Civil Rights and Civil Liberties has opened an investigation. Efforts to bridge the gap

"One of the most disturbing things is that [polls show] more than half of the country views Islam as a violent or an extreme religion," says Faiza Ali, a student at Pace University, who spoke at the conference in New York.

The FBI found many such misperceptions about Islam among its agents as well, according to Andrew Arena, the special agent in charge of the New York FBI office. And so, as as the bureau began a concentrated effort to reach out to the Muslim community, education became one of its first priorities. At the FBI Academy and in ongoing field training, agents are now taught about the Muslim faith - its basic tenets and things like the difference between Shiites and Sunnis.

"It's helped to make our agents more culturally sensitive to the concerns of not only the Muslim community, but all of the communities that we deal with," says Mr. Arena.

Although the outreach and educational efforts have had some success in New York, they are inconsistent nationally: Quality is dependent on the priority that local federal offices give to such outreach. For instance in New York, members of the local Muslim Advisory Council are in weekly contact with FBI and DHS officials. They meet formally each quarter. But in other places, similar efforts are floundering. It's been two years since the Arab American Advisory Board has met with top officials at FBI headquarters in Washington, according Zogby, who is a member.

"I don't understand why it's dropped off, but I want better cooperation," he says.

Still, federal officials are trying to place emphasis on other concerns in the Muslim-American community. The FBI, for one, has stepped up its investigation of anti-Islamic hate crimes. In 2005, it probed 128 of them, compared with 28 in 2000.

And it's made recruiting a top priority in the Arab- and Muslim-American communities. In fact, outside the New York conference, both the FBI and DHS had tables staffed with recruiters. Arena made it a point to pitch the bureau when he spoke to the students.

"You could have a great career and really make a difference," he told them.

That was met with some skepticism. One student told Arena that she was interested in law enforcement, but because of her experiences since 9/11, she's afraid she'd face hostility at the FBI because she is a Muslim. Arena said she would not, noting the changes in FBI training as well as the importance it now places on having good relations with the Muslim-American community.

The process of reaching out can also be a two-way street. Suhail Muzaffar, chairman of Muslim Majlis of Staten Island, who organized the conference, is one who in the aftermath of 9/11 let the FBI know that some of its tactics were doing more harm than good in New York's Muslim community. He said that was particularly true on immigration matters.

"Before 9/11, the procedure was simple: You never saw an agent, you never talked to an agent, it was all paper," he says. "Suddenly, it became personal. People would visit you, they would call you. It created a lot of confusion and fear."

So agents at Immigration and Customs Enforcement (ICE) created what they call "calling cards" in English and Arabic that explain their procedures and why they've come. They also started intensive cultural training of their agents in terms of Muslim customs, as well as others, according to Ficke. For instance, the traditional Sikh dress includes a ceremonial dagger. In the immediate aftermath of 9/11, Sikhs were routinely challenged for carrying them. But the blades are blunt, Ficke says, and officers have been trained to recognize them and let them go.

Editorial: Better Safe Than ... (PTR)

Pittsburgh Tribune-Review, November 27, 2006

US Airways Flight 300 from Minneapolis-St. Paul International Airport to Phoenix one week ago tonight was a reassuring statement about America's commitment to Homeland Security and the civil rights of suspects.

Six passengers were Muslim religious leaders (Imams) whose demeanor and discussion were very suspicious. Other passengers -- including one who understands Arabic and another whose travels include Turkey -- were concerned about the loud chanting of "Allah" and the anti-American remarks about Iraq.

The Imams said they were traveling together, yet two were seated at the front, two in the middle and two at the back. Three had one-way tickets and did not check any luggage. One wanted a seat belt extension even though a flight attendant said he was not overweight.

The flight crew received a note from a passenger about the "6 Suspicious Arabic men on plane."

The six were taken off the plane and interviewed separately for five hours by airport police, air marshals and FBI and Secret Service agents before being released.

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US Airways refused to let them on another flight, but they found seats on Northwest Airlines and departed Tuesday morning.

Proactive passengers and crew and thorough investigations by government agencies suggest the system worked well. Yes, a few were inconvenienced. How does one say "better safe than sorry" in Arabic?

Mona Charen: What Happened Was A Shame, But Necessary (MINNST)

By Mona Charen

Minneapolis Star Tribune, November 27, 2006

Media were quick to call it a case of "flying while Muslim," but did they ask what was going through the minds of the other passengers?

Six imams got on a plane in Minneapolis. Accounts vary, but it seems that they were speaking in Arabic before boarding of their disgust with the U.S. war in Iraq and with American policy in general. One was heard to declare that he would do whatever was necessary to fulfill his obligations under the Qur'an.. Another repeated, "Allah, Allah." Once aboard, they aroused suspicion by requesting seat-belt extenders that they did not appear to require and took seats not together but scattered throughout the plane.

Several people contacted the flight attendants, and the men were asked to leave.

Now comes the nonsense. The Associated Press declares that this is a case of "flying while Muslim," and a TV anchor compares the imams to Rosa Parks. Nihad Awad of the Council on American-Islamic Relations denounced the incident as an example of "Islamophobia," adding, "We are concerned that crew members, passengers and security personnel may have succumbed to fear and prejudice based on stereotyping of Muslims and Islam."

The Department of Homeland Security has announced that its Office of Civil Rights and Civil Liberties is opening an inquiry into the incident. And talk radio is abuzz. "Would they have done the same to a group of priests?" asked one talk radio host. "Or rabbis?"

Let us assume, for the sake of argument, that the person who was overheard chanting "Allah, Allah" was actually saying something else. Let's go ahead and allow that there was nothing suspicious about the request for seat-belt extenders, as several of the imams were a bit rotund. Let's even agree that the six imams were "victims" of discrimination.

It's a shame. But it's absolutely necessary. It cannot have been pleasant to be denied the opportunity to fly, to be singled out, to be embarrassed in front of a plane full of strangers. But this knee-jerk reaction to the word "discrimination" is completely out of place in this discussion.

When passengers see six Arab men praying, talking animatedly in Arabic (a fellow passenger understood Arabic and was one of those who contacted a flight attendant), and then boarding an airplane and sitting in different places, I wonder what goes through their minds. Is it: "I sure don't like Muslims. Think I'll just harass and annoy them"? Or could it possibly be: "Oh dear God, this is what the 9/11 hijackers must have looked like"?

Is it discrimination? Well, of course it is. But that cannot be the end of the discussion. We are so robotic in America whenever the word "discrimination" is used that we shut down thought and genuflect in the direction of whoever is complaining. But the proper question is not whether it is discrimination but whether it is justified.

Of course passengers would not be nervous in the presence of six priests or six rabbis. Neither of these groups has any history of blowing up innocent people. Nor do Americans despise those who pray. In fact, uniquely among Western democracies, we are great fans of religion.

But Islam presents a problem. While we would love to think that Islam is as pacific as Christianity, Judaism, Buddhism or Hinduism, the facts suggest otherwise. Time and again, terrorists who have committed or attempted to commit murder on a large scale have done so after becoming serious Muslims.

This is a hijacking of a great faith, you say? Maybe so. I'm inclined to believe it since I do not think that a billion people would be drawn to a religion of hate. But that much having been said, the haters within Islam are certainly having a heck of a run at the moment. Maybe they are only 10 percent of the worldwide total, but that still leaves us with 100 million very religious fellows who believe they have divine sanction to blow us up.

One final note: If Robert Spencer, director of Jihad Watch, is correct, one of the imams ejected from that plane, Omar Shahin, was involved with the Islamic charity Kind Hearts, which has had its assets frozen by the U.S. Treasury Department because of its connections to the terrorist group Hamas.

Mona Charen's column is distributed by Creators Syndicate.

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WAR NEWS:

Jordan Fears Three Middle East Civil Wars (WP)

By Marc Kaufman

The Washington Post, November 27, 2006

Jordan's King Abdullah, who will host President Bush this week during emergency talks on Iraq, said yesterday that the Middle East faces the prospect of three simultaneous civil wars erupting.

"We're juggling with the strong potential of three civil wars in the region, whether it's the Palestinians, that of Lebanon, or of Iraq," the Jordanian king said on ABC's "This Week."

He said that as a result, "something dramatic" had to come out of this week's Amman meetings between Bush and Iraqi Prime Minister Nouri al-Maliki. "I don't think we're in a position where we can come back and revisit the problem in early 2007," he told interviewer George Stephanopoulos.

However dire the situation in Iraq, Abdullah said he's more worried about the escalating violence in Lebanon and the battles between the Israelis and Palestinians.

"When it comes to things exploding out of control, I would put today, as we stand, Palestine and probably a close tie with Lebanon," he said. "Iraq, funny enough, although as concerned as I am with Iraq and the major problems that might bring to us, is in third position."

The United States, he said, needs to look at the "total picture" and be ready to talk with all parties in the area -- including Syria and Iran -- about a wide range of issues.

"We can possibly imagine going into 2007 and having three civil wars on our hands," Abdullah said. "And therefore, it is time that we really take a strong step forward as part of the international community and make sure we avert the Middle East from a tremendous crisis that I fear."

With parts of Iraq approaching, or already in, a state of anarchy or civil war, the Bush administration is reaching out to traditional Arab allies in an effort to help stem the violence. Vice President Cheney flew to Saudi Arabia this weekend for three hours of talks with its King Abdullah. Bush was briefed yesterday by Cheney about his trip to Saudi Arabia and by other administration officials about the status of their Iraq policy initiatives. Aides said the meeting was not intended to be a decision-making session. Bush is to leave today for a NATO summit before flying to Jordan to meet with Maliki for crisis talks Wednesday and Thursday.

Meanwhile, the 10-member Iraq Study Group will meet today and Tuesday in Washington. A discussion about regional diplomacy is expected to be on the agenda.

Saudi Arabia, Jordan and other Sunni Arab nations with close ties to the United States have voiced concern about Shiite Iran's growing influence and its involvement in the three regional conflicts. Many Iraqi leaders, as well as Shiite militants there, have close ties with Iran, which also provides funds and support for Hezbollah in Lebanon and Hamas in the Palestinian territories.

The rising power of Iran has the governments especially concerned about any possible U.S. withdrawal from Iraq, a development that some think could lead to a regional war between Sunnis and Shiites.

Also on "This Week," Sens. Richard J. Durbin (D-Ill.) and Sam Brownback (R-Kan.) voiced frustration with Iraq's leaders. Durbin said that the United States should tell Maliki to disband the largely Shiite militias and death squads, and to govern the country "in a responsible fashion" or face an eventual U.S. withdrawal. Brownback said that he opposes setting a timetable for withdrawing troops, but that "I think what we've got to do is go around the Maliki government in certain situations."

Jordan's Abdullah also said that the Maliki government has to improve immediately.

"There needs to be some very strong action taken on the ground there today," he said.

On CNN's "Late Edition," Mowaffak al-Rubaie, Iraq's national security adviser, yesterday cast the growing conflict as one against extremism. He said many Islamic movements in the region were already sending funds and fighters into Iraq to take on the government and the American forces.

"This is a fight, or this is a war, between the extremists and the moderates in the whole region," he said.

On the same show, Lebanese parliament member Saad Hariri said he thought Syria "had a hand" in last week's assassination of Lebanese cabinet member Pierre Gemayel. Syria has denied this, as it has denied any responsibility for the death of Hariri's father, former prime minister Rafik Hariri.

"They will keep on denying all these killings until they kill us all," Saad Hariri said.

King Of Jordan Warns Of 'Three Civil Wars' (FT)

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By Eoin Callan And Demetri Sevastopulo

Financial Times, November 27, 2006

The Middle East is on the verge of three civil wars - in Iraq, Lebanon and the Palestinian territories - King Abdullah of Jordan warned Sunday ahead of crisis talks with US President George W. Bush and the Iraqi prime minister.

The Jordanian king said that "something dramatic" needed to come out of the meeting between President Bush and Nourial-Maliki, prime minister,at the tripartite summit being hosted in Amman this week.

The warning of impending civil war adds to the intensifying pressure on the Bush administration to map out a fresh strategy for ending the war in Iraq, which today enters its 1,347th day.

King Abdullah said the US needed to see the "big picture" and pursue a regional solution, indicating his support for American engagement with Iran and Syria in pursuit of an end to worsening violence.

"They need to do it now, because, obviously, as we are seeing, things are beginning to spiral out of control," he told CNN.

"We're juggling with the strong potential of three civil wars in the region."

Engagement with Iran and Syria is widely expected to be a key recommendation from the Iraq Study Group,a congress-mandated bipartisan commission led by former secretary of state James Baker and former Democrat congressman Lee Hamilton.

The commission is expected to meet today for two days of deliberations before delivering its report to the White House in December.

The president of Iran, Mahmoud Ahmadi-Nejad, Sunday offered to "help" America get out of Iraq,in an apparent response to overtures from interlocutors.

"The Iranian nation is ready to help you to get out of the quagmire - on condition that you resume behaving in a just manner and avoid bullying and invading," he reportedly said in a speech.

The diplomatic push fora co-ordinated regional approach to the conflict in Iraq is expected to gain momentum when Jalal Talabani, the Iraqi president, today makes a visit to Tehran for talks on easing sectarian tensions.

President Bush first indicated his administration was ready to consider a radical change in direction of its Iraq policy in the wake of Republican defeats in mid-term elections.

Democrats, emboldened by their sweep of Congress, Sunday stepped up pressure on the administration to announce a timetable for withdrawing troops.

Congressman Ike Skelton, the incoming chairman of the House armed services committee, called for troop withdrawals to begin within the next year.

Leaders Boost Efforts To Quell Iraq Violence (USAT)

By César G. Soriano

USA Today, November 27, 2006

BAGHDAD — A week of unprecedented violence that claimed hundreds of Iraqi lives is prompting intensified efforts to develop a regional solution for the sectarian divisions rippling across the Middle East.

The violence also triggered more calls Sunday from U.S. lawmakers for a withdrawal of American troops, as the length of the U.S. engagement in Iraq surpassed that of World War II.

A key U.S. ally warned Sunday that conditions are deteriorating not only in Iraq but also throughout the Middle East. “Things are beginning to spiral out of control,” King Abdullah of Jordan said on ABC's This Week. He warned of “the strong potential of three civil wars in the region” and called for action to quell violence in Iraq, Lebanon and the Palestinian territories.

High-level meetings on solving the crisis were in the works. President Bush will travel to the region Wednesday for a summit with Iraqi Prime Minister Nouri al-Maliki, hosted by Abdullah in Amman, Jordan. Vice President Cheney made a brief visit to Saudi Arabia over the weekend. Iraqi President Jalal Talabani flies to Tehran today to meet with officials of the Iranian government, suspected of aiding militias in Iraq.

The talks follow a series of bombings Thursday that killed more than 215 people in Baghdad's Sadr City slum, a Shiite area. It was the deadliest single attack since the Iraq war began in March 2003. Iraq's top politicians issued a joint statement vowing to end the bloodshed and the divisions among the country's religious and ethnic factions. Al-Maliki, a Shiite, appeared on national television with Talabani, a Kurd, and Mahmoud al-Mashhadani, the speaker of the Iraqi parliament and a member of the Sunni minority.

In recent days, al-Maliki has been criticized by Sunni and Shiite leaders for not doing enough. Among the critics is anti-American Shiite cleric Muqtada al-Sadr, whose Mahdi Army is one of Iraq's most powerful militias. Al-Sadr has vowed to withdraw his support for al-Maliki if the prime minister meets Bush this week.

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The political chaos is deepening the security crisis, said Col. Talib Abdul Razzaq, commander of the 2nd Battalion, 2nd Brigade, 6th Iraqi army. He said his unit is and beholden to orders based more on politics than military tactics. “Our orders are to kill or arrest anyone carrying illegal weapons, but these orders are just ink on paper,” he said. “If we attack anyone, they accuse us of sectarianism. And the weapons of the terrorists and militias are more powerful than ours.”

The U.S. military is trying to pick up the slack. Over the weekend, U.S. forces killed more than 23 terrorism suspects in several raids and destroyed a bombmaking factory. But some U.S. lawmakers insist it's time for the Iraqis to tackle the violence themselves.

“Unless they're willing to stand up and govern their country in a responsible fashion, America is not going to stay indefinitely,” said Sen. Dick Durbin of Illinois, the second-ranking Democratic leader in the Senate.

Sen. Trent Lott of Mississippi, who will be the deputy Republican leader in the Senate next year, questioned al-Maliki's ability to run Iraq. “I don't know whether the government is going to be able to survive,” Lott said on Fox News Sunday.

Bush Set For High-stakes Diplomatic Trip (AP-Y)

By Tom Raum

AP, November 27, 2006

President Bush reaches out to allies this week for help in quelling violence in Iraq and Afghanistan, in a burst of diplomacy from a Baltic summit of NATO partners to Mideast talks with Iraq's prime minister.

Just back from an eight-day trip to Asia, Bush was leaving on Monday on another overseas trip as pressure builds at home for a change in his administration's Iraq strategy amid deepening tensions and violence in that country.

The president stops first in Estonia en route to a NATO summit in neighboring Latvia where a debate over peacekeeping operations in Afghanistan is expected to dominate.

Estonia and Latvia have sent troops to both Iraq and Afghanistan and the U.S. considers the two former Soviet republics important allies.

From Latvia, the president heads to Amman, Jordan, for two days of talks with Iraqi Prime Minister Nouri al-Maliki. Jordan was deemed a less dangerous setting for the meeting than Baghdad.

White House aides said the meeting, a late addition to Bush's itinerary, was part of the president's process of sounding out various parties as he ponders how to proceed in Iraq.

Iran and Syria are trying to assert influence in stabilizing Iraq without American involvement, and tensions in the region increased further last week with the assassination of a Cabinet member in the U.S.-backed democratic government of Lebanese Prime Minister Fuad Saniora — a killing some have blamed on Syria. Also, sectarian attacks in Iraq have surged in recent days.

Jordan's King Abdullah said Sunday that tensions in the Middle East go beyond the war in Iraq and that much of the region soon could become engulfed in violence unless the central issues are addressed quickly.

"We could possibly imagine going into 2007 and having three civil wars on our hands," he said on ABC's "This Week," citing conflicts in Iraq, Lebanon and the decades-long strife between the Palestinians and Israelis.

At the NATO gathering Tuesday and Wednesday in Riga, Latvia, Bush will press for a heavier financial and military commitment from many of the alliance's 26 members and urge an easing of restrictions by individual countries on what their troops can and cannot do, according to administration officials.

The president also will call for inviting major non-NATO members Australia, Japan and South Korea to play a larger role in the alliance's activities.

Widespread public dismay over the war in Iraq helped sweep control of Congress away from Bush's Republicans this month and put Democrats in power. Democrats and some Republicans want Bush to begin withdrawing U.S. troops.

Violence also has flared in Afghanistan as a result of a resurgent Taliban and difficulties by the central government to maintain control, especially in the turbulent south.

The NATO summit will focus heavily on Afghanistan "because NATO is now in charge of security throughout the country" and because the alliance has recently been challenged by the Taliban, said Judy Ansley, director of European affairs at the White House National Security Council.

"The main thing now is to make sure that the alliance remains committed to this mission, which is important not only to Afghanistan but to our security in the West," she said.

Retired Air Force Gen. Joseph Ralston, a former NATO Supreme Allied Commander, said that "events in Afghanistan are reaching a critical juncture, and European politics and perceptions, as well as U.S. commitments in Iraq may prevent NATO from getting the assets necessary to ensure victory."

"A military failure in Afghanistan would be catastrophic for the alliance," Ralston said.

There are currently just over 30,000 NATO troops in Afghanistan.

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Bush's meeting with the Iraqi prime minister will be the first time the two have met since al-Maliki's visit to Washington in late July. They also met during Bush's unannounced visit to Baghdad in June.

Conditions have deteriorated since those meetings, and Bush is pondering whether to decrease or increase the 140,000 U.S. troops now in Iraq. The president is awaiting recommendations from a top-to-bottom Pentagon review and from a blue-ribbon bipartisan study group headed by former Secretary of State James A. Baker III and Democratic Rep. Lee Hamilton of Indiana.

The assassination in Lebanon last week will make it even harder for Bush to solicit the help of Syria and Iran in stabilizing Iraq, as many political figures in the U.S. and abroad have recommended.

The Bush-al-Maliki meeting was widely seen as an attempt by Bush to signal that the U.S. still was engaged in an effort to find a solution to the spiraling violence in Iraq after more than three years and eight months — longer than the U.S. involvement in World War II, as of Sunday.

"Sometimes, in the Middle East, you do diplomacy just to keep things from getting worse," said Michael O'Hanlon, a foreign policy analyst at the Brookings Institution.

Bush decided to go ahead with the meeting despite the opposition of some prominent Shiites in Iraq. Ahead of Bush's visit, Vice President Dick Cheney went to Saudi Arabia over the weekend in hopes of enlisting that government's help in involving more Arab countries in a regional solution.

The president was under pressure at home both from Democrats and some Republicans to take a new direction in Iraq.

"Changes are going to have to occur," Sen. Trent Lott, R-Miss., the incoming No. 2 GOP leader in the Senate, told "Fox News Sunday."

Shaping Post-Bush Policy (WP)

By Jackson Diehl

The Washington Post, November 27, 2006

The reopened debate on Iraq will now rage for months or years, consuming most of the oxygen for foreign policy in Washington. Even if the result is a better strategy for rescuing (or ending) that beleaguered mission, larger questions about President Bush's post-Sept. 11 foreign policy will remain to be sorted out -- ideally by the time the next president takes office.

For example: Is the fight against "Islamofacism," as Bush has taken to calling it, really the defining struggle of the 21st century, comparable to the Cold War against communism? Is the president's "freedom agenda" of pressing for democratic change around the world, and especially in Muslim countries, still worth pursuing, given the failures (so far) of U.S.-backed democratic experiments in Iraq and the Palestinian Authority? Can the United Nations be salvaged as a forum for addressing threats such as Iran and North Korea, despite Bush's failure (so far) to make it work?

Right now the most audible discussion of such issues, by candidates in the midterm elections, suggests that many Republicans and Democrats would like to jettison any foreign policy connected to the Bush administration as quickly as possible. "Realists" such as James A. Baker III and Henry Kissinger are suddenly back in fashion, their own manifold failings in past administrations obscured by the panic over Iraq.

Encouragingly, however, there is also some fresh thinking going on -- strategizing that tries to rewrite the Bush administration's first cut at a 21st-century foreign policy without returning to the 20th-century nostrums that preceded it. The most impressive example of this that I've seen is something called the Princeton Project, a massive 2 1/2 year effort to formulate a bipartisan approach to the post-Cold War, post-9/11 world conducted by Princeton's Woodrow Wilson School of Public and International Affairs.

The Wilson school's dean, Anne-Marie Slaughter, and politics professor G. John Ikenberry, who jointly directed the project, convened hundreds of experts from across the political spectrum in nine separate conferences; they consulted Kissinger and Madeleine Albright, George Shultz and Zbigniew Brzezinski, among many others. They then wrote a report that, refreshingly, would confound both Bush and many of their fellow Democrats -- but contains ideas that ought to have broad appeal across both parties.

So: Bush's "defining" war against Islamic extremism? "Absolutely wrong," says Slaughter, a rising star in the foreign policy world who would be a likely candidate for a top position in a future Democratic administration. "It's an attempt to simplify a world that won't be so simplified." The Princeton Project argues that the coming century will offer not one overriding threat but a "Rubik's cube" of diverse yet sometimes interlocking challenges, such as the spread of nuclear weapons, global warming, and the rise of India and China as great powers. Also, pandemics: Slaughter says she's more worried about the risk that a strain of avian flu will kill millions of Americans than about another terrorist attack.

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As for the problem of terrorism, Slaughter says "it shouldn't be called Islamo-anything," because that merely invites a civilizational conflict and gives al-Qaeda and other criminal networks more credit than they deserve. They should be hunted down through an aggressive global counterterrorism campaign, she says, but not placed at the center of global politics.

What about democracy? Here Slaughter and Ikenberry refuse to buckle under the anti-Bush backlash. At the center of their strategy is the goal of "a world of liberty under law" -- a phrase that first appeared in Ronald Reagan's platform. They argue that the United States should "develop a much more sophisticated strategy of creating the deeper preconditions for successful liberal democracy" extending "far beyond the simple holding of elections."

One of the most intriguing Princeton ideas is the creation of a treaty-based "Concert of Democracies" that, like the European Union or NATO, would admit members only if they met strict requirements. The new institution would allow the democracies to work together as a concerted force within such institutions as the United Nations -- as mostly undemocratic groups such as the Organization of the Islamic Conference already do -- and could eventually replace the United Nations as a forum for legitimizing international security actions if the United Nations itself proved resistant to reform. Ideally, emerging powers such as India and Brazil would seek membership and influence in the democracy alliance, rather than allying with "nonaligned" dictatorships.

There is much more: an overhaul of every major global institution, from the International Monetary Fund to NATO; construction of a better "protective infrastructure" in the United States; a national gasoline tax and a new U.S. international initiative on climate change. Yes, it's far-reaching and none of it will happen while Bush is president. It could, however, be a start at what comes afterward.

Right War, Botched Occupation (USAT)

By Michael Rubin

USA Today, November 27, 2006

As U.S. troops entered Iraq, President Bush promised freedom and democracy. But rather than establish a stable democracy, today terrorists and militias tear the country apart. After billions spent and the sacrifice of almost 3,000 U.S. troops, it is right to ask whether democracy in Iraq was not a fool's dream.

It was not. President Truman faced similar questions about Korea. Critics accused him of embroiling America in open-ended war, ignoring his generals and losing touch with reality. They said democracy was alien to Korean culture. Time proved them wrong. Any juxtaposition of nuclear North Korea with democratic South Korea shows the value of Truman's policy.

Bush was right to liberate Iraq. Saddam Hussein had started two wars, used chemical weapons and subsidized suicide bombers. He claimed to have weapons of mass destruction. Sanctions had collapsed; containment failed.

With military action inevitable, the White House was right to pursue democracy. Cynical realism created Saddam. Iraqis who fled their country, meanwhile, had no problem accepting democracy; Iraq's problem was both its rule of law and its dictator's unaccountability.

What went wrong? Iraq's transformation was undercut by naive faith, not in democracy but rather in diplomacy. Instead of securing Iraq's borders, the Bush administration accepted Syrian and Iranian pledges of non-interference. They believed the canard that Iraq's neighbors sought a stable, secure Iraq. Both countries exploited U.S. trust.

Then, to win United Nations support, the White House defined itself as an occupying power. Overnight, liberation became occupation, and Iraqi democrats became collaborators. To appease Paris and Berlin, the Bush administration justified insurgent rhetoric.

Iraqis embraced democracy, but the wrong kind. U.N. experts sold the White House an election system based on party slates rather than on districts. Any system in which politicians are more accountable to party leaders than constituents, though, encourages ethnic nationalism and sectarian populism. Add militias to the mix, and the result is explosive.

Iraqis greeted U.S. troops as liberators, but the Bush administration fumbled the occupation. Blaming democracy does not address the cause of strife; rather, it absolves policymakers for poor decisions and implementation. Too much is at stake, not only for Iraq but also for U.S. national security, if policymakers learn the wrong lessons.

Michael Rubin is a resident scholar at the American Enterprise Institute.

'Neocons' Abandon Iraq War At White House Front Door (USAT)

USA Today, November 27, 2006

President John F. Kennedy's famous remark that victory has a thousand fathers and that defeat is an orphan couldn't be more apt these days. The intellectual godfathers of the ruinous Iraq war — "neoconservatives" who insisted it would be a breeze to invade Iraq and transform it into a beacon of democracy in the Middle East — are jumping ship and pointing fingers.

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Their scurrying defection is a telling measure of how poorly the war is going and how bleak the outlook is. As of today, U.S. involvement in Iraq will have lasted longer than American participation in World War II. The price in American lives is approaching 3,000; the cost in dollars exceeds $300 billion. The Thanksgiving Day massacre in Baghdad, in which bombings killed and wounded hundreds in a Shiite neighborhood, only underscored Iraq's descent into chaos.

The neoconservative version of history is that the Iraq war was good idea undone by Bush administration incompetence after Saddam Hussein fell. Influential adviser Kenneth Adelman, who famously predicted Iraq would be a "cakewalk," now says, "This didn't have to be managed this bad; it's just awful." Another prime mover behind the war, former assistantDefense secretary Richard Perle, told Vanity Fair: "The decisions did not get made that should have been. … At the end of the day, you have to hold the president responsible."

To blame administration bungling exclusively for the Iraq debacle, however, is to learn the wrong lesson. It's true that the occupation of Iraq was mismanaged from the outset. By failing to guard massive munitions stockpiles, the administration helped arm the insurgency. And by disbanding the Iraqi army, it gave the insurgency men to use those arms. But the mistakes began with the decision to go war itself, a naive and arrogant exercise in wishful thinking that the nation can't afford to repeat.

The pretext, of course, was that Saddam had weapons of mass destruction that represented an imminent threat to U.S. security. In large part, however, the motivation was the neocons' belief — adopted by the administration — that ousting Saddam would create a beachhead for democracy in the Middle East. The effects, the neocons argued, would ripple through the region. The Arab public, inspired by U.S. ideals, would marginalize extremists and dictators alike, bringing peace.

U.S. policymakers would have benefited from more time reading history and less concocting rosy scenarios. In the 1920s, the British similarly believed that democracy could be imposed on a tribal culture accustomed to rule by strongmen. After a few massacres, the British learned their lesson, installed a king and retreated.

Now a bipartisan Iraq Study Group, the Bush administration and Congress are all scrambling to find a way out of the Iraq quagmire. None of the options is appealing or offers the sort of outcome the war's architects envisioned.

It's important not to buy the new self-serving line from the neoconservatives, some of whom are already beating the drums for a pre-emptive attack on Iran's nuclear program. Recovering the international goodwill squandered in Iraq, and dealing wisely with the threats from Iran and North Korea, requires facing the mistakes squarely.

Although, on Sunday, the 1,347-day-old Iraq war was being compared in duration to WWII, the lessons are better drawn from Vietnam. Gen. Colin Powell, secretary of State in President Bush's first term, said his Vietnam generation learned from that experience to go into conflicts only with a defined mission, an overwhelming force and a clear exit strategy — and to reassess quickly if the mission changes. Unfortunately, in Iraq, the Powell Doctrine took a back seat to neoconservative fantasies.

Lawmakers Lose Patience With Iraq Gov't (AP)

By Ben Feller

AP, November 27, 2006

Congressional leaders displayed eroding patience in the Iraqi government on Sunday, adding pressure on President Bush and Iraqi Prime Minister Nouri al-Maliki to find a faster path to peace when they meet this week.

"It is not too late. The United States can still extricate itself honorably from an impending disaster in Iraq," Republican Sen. Chuck Hagel of Nebraska, a potential presidential contender in 2008, said in urging for a planned withdrawal of U.S. troops.

"If the president fails to build a bipartisan foundation for an exit strategy, America will pay a high price for this blunder — one that we will have difficulty recovering from in the years ahead," Hagel wrote in Sunday's Washington Post.

As the U.S. involvement in Iraq surpassed the length of America's participation in World War II, lawmakers have dwindling confidence in the U.S.-supported Iraqi government. It was the deadliest week of sectarian fighting in Baghdad since the war began in March 2003.

"I think what we've got to do is go around the Maliki government in certain situations," said Republican Sen. Sam Brownback of Kansas, another possible presidential candidate. "Let's work with other groups, and let's get regional buy-in into this."

Bush, after a NATO summit in Europe, plans to meet with al-Maliki on Wednesday and Thursday in Jordan. That summit, coupled with Vice President Dick Cheney's trip to Saudi Arabia on Saturday, is evidence of the administration's stepped-up effort to bring stability to the region.

The host of the meeting, Jordan's King Abdullah, said Sunday the problems in the Middle East go beyond the war in Iraq. He said much of the region soon could become engulfed in violence unless the central issues are addressed quickly.

The king said he was hopeful the leaders will find a way to reduce the level of violence.

"We hope there will be something dramatic. The challenges, obviously, in front of both of them are immense," he said.

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Iraq's leaders promised Sunday to track down those responsible for the recent attacks, and al-Maliki urged his national unity government of Sunnis, Shiites and Kurds to curb the violence by stopping their public disputes.

The Iraqi prime minister is under pressure from Shiite politicians loyal to the radical anti-American Shiite cleric Muqtada al-Sadr who have threatened to boycott parliament and the Cabinet if al-Maliki meets with Bush.

"This is all political posturing. It's all red herring. It's an anti-threat. This is a very stable government," responded Iraq's national security adviser, Mouwafak al-Rubaie. He said he had no doubt the prime minister would meet with Bush in Jordan.

As for Bush, some of the toughest criticism is coming from within his own party.

"We have misunderstood, misread, misplanned and mismanaged our honorable intentions in Iraq with an arrogant self-delusion reminiscent of Vietnam," said Hagel, a combat veteran of that war. "Honorable intentions are not policies and plans."

Sen. Richard Durbin of Illinois, the No. 2 Senate Democrat, called Iraq the worst U.S. foreign policy decision since Vietnam. He said Democrats do not have a quick answer and any solution must be bipartisan.

"It is time to tell the Iraqis that unless they're willing to disband the militias and the death squads, unless they're willing to stand up and govern their country in a responsible fashion, America is not going to stay there indefinitely," Durbin said.

That theme — pressuring al-Maliki and his government — seemed to unify Republicans and Democrats.

"I think we're going to have to be very aggressive and specific with him," said Sen. Trent Lott, R-Miss., the incoming No. 2 GOP leader. "And if he doesn't show real leadership, doesn't try to bring the situation under control — if, in fact, he becomes a part of the problem — we're going to have to make some tough decisions."

Yet Rep. Duncan Hunter, the outgoing chairman of the Armed Services Committee, said the United States will win the conflict in the long run by supporting a free government in Iraq. Before any decisions are made on reducing U.S. troop levels, he said, more U.S.-trained Iraqi battalions should be moved into the heavy-fighting areas of Baghdad.

"Saddle those guys up," Hunter said. "Move them into the fight."

Durbin, Brownback and King Abdullah were on "This Week" on ABC. Lott appeared on "Fox News Sunday" and Hunter on "Meet the Press" on NBC. Al-Rubaie was on CNN's "Late Edition."

Lawmakers Criticize Training And Deployment Of Iraqi Forces (WP)

By Walter Pincus

The Washington Post, November 27, 2006

Two senior members of the House Armed Services Committee and several former Defense Department officials yesterday criticized poor U.S. training and deployment of the Iraqi army and police as a major reason the Baghdad government cannot provide security to its people.

Rep. Duncan Hunter (R-Calif.), chairman of the panel, said that 33 trained Iraqi army battalions, now serving in provinces that are relatively peaceful, should be moved into Baghdad or other areas where there is fighting. "Saddle those guys up, move them into the fight," Hunter said on NBC's "Meet the Press." He added, "Nothing trains a combat unit better than actually being in military operations."

Rep. Ike Skelton (D-Mo.), who next year will take over as chairman of the Armed Services Committee, focused on the Army training of Iraqi units. He said that in many instances "the wrong types" of trainers were given the job.

"I would hope we could stand up their brigades, their battalions, and that they would be effective, and the way to do this is for us to train them better, to have advisers that understand them," Skelton said on NBC.

"What's really fallen down . . . has been the police," said retired Gen. Wayne A. Downing, who headed the Army's Special Operations Command and briefly served after the Sept. 11, 2001, attacks in the Bush White House handling counterterrorism.

"We reconstituted the Iraqi police pretty much in their old image," he told NBC's Tim Russert. "They are corrupt, they are feared by the people, and we recognize this." Downing said that once a Baghdad neighborhood is cleaned up, "we turn it over to the Iraqi police, Tim, and within weeks it's right back to the way it was before."

"We've got to get the Iraqi army and police better equipped, better trained, and into the fight. And I think we've got 24 months," said retired Gen. Barry R. McCaffrey, also on "Meet the Press." He said the Iraqis, now armed with light trucks and small arms, need armored vehicles and air force and support helicopters "to sustain a major internal battle."

Yesterday's criticisms were expanded upon in the latest study by Anthony H. Cordesman, who holds the Arleigh A. Burke Chair in Strategy at the Center for Strategic and International Studies. A Pentagon official in the Reagan administration and a specialist in Middle East intelligence and military matters, Cordesman just returned from Iraq, where he received briefings from military and civilian officials.

One of Cordesman's central issues is that public statements by the Defense Department "severely distorted the true nature of Iraqi force development in ways that grossly exaggerate Iraqi readiness and capability to assume security tasks and replace

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U.S. forces." He also writes that "U.S. official reporting is so misleading that there is no way to determine just how serious the problem is and what resources will be required."

Cordesman says the Pentagon's Aug. 31 status report, which was sent to Congress, lists 312,400 men "trained and equipped" among the Iraqi army and national and regular police. But it adds that "no one knows how many . . . are actually still in service." At the same time, he writes, "all unclassified reporting on unit effectiveness has been cancelled."

Criticizing statements about how many Iraqi army units are "in the lead," Cordesman notes that the Iraqi army "lacks armor, heavy firepower, tactical mobility and an Iraqi Air Force capable of providing combat support" -- the same points McCaffrey made yesterday.

"No administration official has presented any plan to properly equip the Iraqi forces to stand on their own or give them the necessary funding to phase out U.S. combat and air support in 12 to 18 months," Cordesman says. He writes that the Iraqi army could need U.S. support through 2010.

The August Pentagon report says that the Iraqi Ministry of Interior (MOI), which controls the National Police, does not have "an effective management system" and therefore "it is unknown how many of the forces . . . are still employed by the MOI."

Cordesman says attrition is put at "at least 20 percent per year." The Pentagon report also notes problems with the police having ties to militias and warns about "unprofessional and at times criminal behavior" by some units.

Cordesman described the situation as "far worse" with the regular police, where "desertion rates are far higher than with the regular [Army] forces and National Police. He cites the Pentagon report as saying "there is currently no screening process to ascertain militia allegiance" and "no method exists to track the success rate of these or other police officers."

As with the army, Cordesman says he believes it will take three to five years to adequately train Iraqi police officers. He notes, though, that the Pentagon report "makes clear there is no meaningful database on where the maintained and equipped for the regular police actually are, or on the effectiveness of individual units."

Freshman Lawmakers Vow Iraq Visits (WT)

By Christina Bellantoni

The Washington Times, November 27, 2006

Capitol Hill freshmen considering changes to Iraq policy next year are scrambling to take trips to the region in order to understand better the consequences of the promise of troop withdrawal, which many of them used to win their elections.

Most freshman Democrats, who appealed to voters frustrated with the war, said they are trying to get onto congressional delegations to Iraq, known as "codels." All the freshman lawmakers interviewed by The Washington Times -- seven personally and several more via spokesmen -- said that the trips are a priority, though none have been scheduled in advance of the 110th Congress' January swearing-in.

"I am anxious to get over there as soon as I can," said Rep.-elect Jerry McNerney, California Democrat. "Iraq is a critical issue that really needs to be resolved, and the more I know about it the more I'll be able to contribute to the solution."

Rep.-elect Tim Walz, Minnesota Democrat, said he knows what it is like to leave a family and life behind when serving in the military.

"I would love to go tomorrow if they would send me," he said. "I need to get there. For me it's very, very personal."

Mr. Walz, a National Guardsman, provided base security for the troops during Operation Enduring Freedom in Afghanistan.

In addition to visiting Iraq, he promises to be a voice for troops, having worked for years to train Guard members and watch over their families. He will support legislation helping veterans and their families with health care and dealing with payday lenders.

Rep. Christopher Shays, who has been to Iraq 14 times, said a more-regular presence of U.S. politicians in the war zone would have prevented many of the worst blunders, including the Abu Ghraib prison scandal.

"All members should go to Iraq, and they should go with an open mind," the Connecticut Republican said. "They should be willing to reevaluate their basic conclusions."

Mr. Shays won re-election despite a tough political environment, in part because he reevaluated his own positions on the war. He said he "saw a lot of mistakes," when visiting, including troops without enough body armor and a lack of money in the field.

"You should go, and not just once," said Mr. Shays, who is making another trip to Iraq in the next few days. "Whether you support it, oppose it or are ambivalent, you absolutely need to go."

Rep.-elect Ed Perlmutter, Colorado Democrat, agreed that a firsthand observation will help incoming freshmen. "Being there would give me a more complete picture," he said.

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"I'd like to go right away," said Rep.-elect Keith Ellison, a Minnesota Democrat who will become the first Muslim congressman in the U.S. "It is up to politicians to make sure that soldiers are in the right place, and to withdraw soldiers when it's clear there is a military operation that has not been successful."

But freshmen must wait for their January swearings-in before congressional offices can arrange a codel.

"I'm not prepared to tell people what they ought to do," said Rep. Frank R. Wolf of Virginia, a Republican who suggested the formation of the Iraq Study Group.

"It isn't like going to see a field if you are surveying agriculture policy," he said, while adding that "you learn a lot. There's nothing like actually seeing, listening, hearing and experiencing."

Mr. Wolf, who has been to Iraq three times, said he always worries about placing others in the delegation in danger. On his first trip, he traveled privately outside of military escort and remembers riding in a beat-up car with a broken windshield and "blood all over the place."

Democrat Rep.-elect Steve Cohen of Tennessee said of visiting Iraq: "I suspect it's something that I should do as part of my duty. I don't look forward to it, but it's a duty probably one should do."

It's unlikely all the freshmen will get to go to Iraq, especially if they are assigned to committees that do not handle war policy or defense issues. Still, even though the freshmen haven't yet seen Iraq with their own eyes, they have strong opinions about what the U.S. should do with the troops.

"Our soldiers are sitting ducks," Mr. Cohen said. "I cannot comprehend a successful resolution, no matter how much money, no matter how many troops we amass. We have created a mess."

"I'd like to see a complete redeployment," Mr. McNerney said.

The freshmen said they are eager to vote on such domestic matters as embryonic stem-cell research and the minimum wage, but said no issue is more pressing than the war.

"It's the big elephant in the room," said Rep.-elect Hank Johnson, Georgia Democrat. "People are ready for the war to come to an end as quickly as it is prudent."

Iraq Study Group Weighs Overture To Iran And Syria (NYT)

By David E. Sanger

The New York Times, November 27, 2006

WASHINGTON, Nov. 26 — A draft report on strategies for Iraq, which will be debated here by a bipartisan commission beginning Monday, urges an aggressive regional diplomatic initiative that includes direct talks with Iran and Syria but sets no timetables for a military withdrawal, according to officials who have seen all or parts of the document.

While the diplomatic strategy appears likely to be accepted, with some amendments, by the 10-member Iraq Study Group, members of the commission and outsiders involved in its work said they expected a potentially divisive debate about timetables for beginning an American withdrawal.

In interviews, several officials said announcing a major withdrawal was the only way to persuade the government of Iraq's prime minister, Nuri Kamal al-Maliki, to focus on creating an effective Iraqi military force.

Several commission members, including some Democrats, are discussing proposals that call for a declaration that within a specified period of time, perhaps as short as a year, a significant number of American troops should be withdrawn, regardless of whether the Iraqi government's forces are declared ready to defend the country.

One proposal would involve embedding far more American training teams into Iraqi military units in a last-ditch improvement effort, coupled with a withdrawal that in a year would leave 70,000 to 80,000 American troops in the country, compared with about 150,000 now.

"It's not at all clear that we can reach consensus on the military questions," one member of the commission said late last week.

The draft report, according to those who have seen it, seems to link American withdrawal to the performance of the Iraqi military, as President Bush has done. But details of the performance benchmarks, which were described as not specific, could not be obtained, and it is this section of the report that is most likely to be revised.

While the commission is scheduled to meet here for two days this week, officials say the session may be extended if members have trouble reaching consensus.

Meanwhile, Mr. Bush will be visiting Latvia and Estonia, then will head to Amman, Jordan, on Wednesday for two days of meetings with Mr. Maliki and King Abdullah II of Jordan.

The recommendations of the commission, an independent advisory group created at the suggestion of several members of Congress, are expected to carry unusual weight because its members, drawn from both political parties, have deep experience

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in foreign policy. They include its co-chairmen, former Secretary of State James A. Baker III, a Republican, and Lee H. Hamilton, a former Democratic congressman.

Though the commission has met many times, interviewing administration officials, policy experts, military officers and others, the meeting here on Monday will be the first time that members have gathered to hash out the most difficult issues.

The basis for their discussion will be a draft report that Mr. Baker and Mr. Hamilton directed the commission staff to prepare, based on informal conversations among the members.

The group is expected to present its final report to President Bush and to Congress in December.

The commission's co-chairmen have urged members and staff not to discuss their deliberations. As a result, those who were willing to talk about the commission's work and the draft reports did so on the condition of anonymity.

President Bush is not bound by the commission's recommendations, and during a trip to Southeast Asia that ended just before Thanksgiving, he made it clear that he would also give considerable weight to studies under way by the Joint Chiefs of Staff and his own National Security Council.

Last Monday in Bogor, Indonesia, he said he planned to make no decisions on troop increases or decreases "until I hear from a variety of sources, including our own United States military."

But privately, administration officials seem deeply concerned about the weight of the findings of the Baker-Hamilton commission.

"I think there is fear that anything they say will seem like they are etched in stone tablets," said a senior American diplomat. "It's going to be hard for the president to argue that a group this distinguished, and this bipartisan, has got it wrong."

Mr. Bush's nominee for secretary of defense, Robert M. Gates, resigned from the commission after his nomination this month, and was replaced by Lawrence S. Eagleburger, another Republican who once was secretary of state. Mr. Gates has said little about his thoughts on military strategy, other than to express amazement when he visited Iraq with the study group over Labor Day that the administration had let the situation spin so far out of control.

Mr. Bush spent 90 minutes with commission members in a closed session at the White House two weeks ago "essentially arguing why we should embrace what amounts to a 'stay the course' strategy," said one commission official who was present.

Officials said that the draft of the section on diplomatic strategy, which was heavily influenced by Mr. Baker, seemed to reflect his public criticism of the administration for its unwillingness to talk with nations like Iran and Syria.

But senior administration officials, including Stephen J. Hadley, the president's national security adviser, have expressed skepticism that either of those nations would go along, especially while Iran is locked in a confrontation with the United States over its nuclear program. "Talking isn't a strategy," he said in an interview in October.

"The issue is how can we condition the environment so that Iran and Syria will make a 180-degree turn, so that rather than undermining the Iraqi government, they will support it."

Administration officials appear to be taking steps that will enable them to declare that they are already implementing parts of the Baker-Hamilton report, even before its release. On Saturday, Vice President Dick Cheney flew to Saudi Arabia for a meeting with King Abdullah, whom he has known for 17 years.

An official who was briefed on the vice president's trip, and who requested anonymity because he was not authorized to speak about it with reporters, said discussion at the two-hour meeting had covered all the crises in the Middle East.

"The best way to describe it is as a consultation, on a number of issues," that official said. "But because Iraq is such a big issue, it obviously took up a major part of the conversation."

The official said Mr. Cheney had not gone to Riyadh to enlist Saudi help for any specific proposals on Iraq.

During an interview on the ABC News program "This Week" on Sunday, King Abdullah said that his agenda with the president extended beyond Iraq, and that his top concern in the region was the conflict between the Israelis and the Palestinians — which he called the "core issue" in the Middle East — along with tensions in Lebanon.

But, he said, he was hoping that Mr. Bush's meeting with Mr. Maliki would bring about "something dramatic" to stop the violence in Iraq.

Last week, administration officials played down expectations for the meeting with Mr. Maliki. But they are clearly hoping that Mr. Maliki will show a greater willingness to crack down on the Shiite militias, including the militia run by the powerful cleric Moktada al-Sadr.

While it is unclear what private messages Mr. Bush was preparing for Mr. Maliki, the public message will be an eagerness to turn more operational control over to the Iraqis, as soon as they are prepared to handle it.

"Any disarming of the militias — in large part because there is such a political element to that — is most effectively carried out by the Iraqi security forces," said Dan Bartlett, the White House counselor.

Iran Says It's Set To Help U.S. On Iraq (AP)

DOJ_NMG_0097983

By Nasser Karimi

AP, November 27, 2006

Iran said Sunday it is willing to help Washington calm Iraq's escalating sectarian violence if the U.S. drops its "bullying" policy toward Tehran, but denied organizing a summit with the leaders of Iraq and Syria to discuss the troubles in its neighbor.

Hardline President Mahmoud Ahmadinejad said Iran is "ready to help" the United States, saying the Americans are "trapped in a quagmire" in Iraq.

"The Iranian nation is ready to help you to get out of the quagmire — on condition that you resume behaving in a just manner and avoid bullying and invading," he said while addressing members of the Basij paramilitary group, which is affiliated with Iran's Revolutionary Guard.

The White House, which is under pressure at home and abroad to approach Iran and Syria for help with Iraq, played down Ahmadinejad's offer.

"The Iranians have made comments similar to this in the past. There's nothing new there," State Department spokeswoman Julie Reside said in Washington.

Engaging with Iraq's neighbors is believed to be one of the recommendations by a panel on Iraq led by former Secretary of State James A. Baker III.

Iranian Foreign Ministry spokesman Mohammed Ali Hosseini, meanwhile, denied reports of a summit involving Iraq and Syria, saying it was never on Iran's agenda.

"Such a summit needs certain preliminaries," he said, but did not give details.

Iraqi President Jalal Talabani was scheduled to visit Tehran on Saturday, but had to postpone his trip because Baghdad's airport was closed in a security clampdown after an upsurge in violence. Syria never said whether President Bashar Assad had intended to go.

Hosseini confirmed Iran had invited Assad for an official visit and said Talabani would visit at some point.

Iran is believed to back Iraqi Shiite militias blamed for sectarian attacks that have killed thousands this year. Iran has repeatedly denied the charges.

Had the summit been held, it would have preceded President Bush's scheduled meeting with Iraqi Prime Minister Nouri al-Maliki in Jordan on Wednesday and Thursday.

Vice President Dick Cheney was in Saudi Arabia, a U.S. ally and another one of Iraq's neighbors, over the weekend.

The unusual succession of trips appeared to reflect U.S. determination to rally allies at a time when Washington is considering changing its Iraq policy.

But one of the major sources of tension between Tehran and Washington — Iran's nuclear program — appears at a standstill. The U.S. alleges Iran is secretly developing atomic weapons, while Tehran claims its program is for peaceful purposes including generating electricity.

Iran has repeatedly refused to suspend uranium enrichment, defying an Aug. 31 deadline set by the U.N. Security Council, and has said it will not halt the process as a precondition to negotiations over its nuclear program.

Hosseini on Sunday promised improved cooperation with the International Atomic Energy Agency if the U.N. nuclear watchdog, rather than the Security Council, takes charge of Iran's nuclear dossier. Iran has made similar promises in the past.

"If the case is returned to the agency itself, it would be possible to review current ambiguities better than before," Hosseini said. "The agency is the best and the most qualified body for the case."

The IAEA officially turned over Iran's dossier to the Security Council last February after Iran failed to answer key questions about its nuclear activities.

Last week, the IAEA rejected Iran's request for assistance building a heavy-water nuclear reactor because of the dispute.

"It is part of the agency's duties to help member countries. None of our activities have been illegal. Inspectors can inspect them," Hosseini said.

The Security Council, meanwhile, is deadlocked over how to sanction Iran for ignoring demands to stop uranium enrichment. Russia and China, both trade partners with Iran, have called for a diplomatic resolution rather than punitive measures, which Washington is urging.

Talks Aim To Counter Tehran (WT)

By Harry De Quetteville

The Washington Times, November 27, 2006

JERUSALEM -- A weeklong, high-stakes diplomatic offensive for control of the Middle East is gathering steam as the Bush administration rallies allies against Iran's growing influence in the region.

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The diplomatic push, which began with Vice President Dick Cheney's visit to Saudi Arabia on Saturday, will climax with President Bush's meeting later this week with Iraqi Prime Minister Nouri al-Maliki in Amman, Jordan.

The goal is to marshal a force of friendly Sunni regimes against the radical leadership of Shi'ite Iran, which Washington thinks is trying to develop a nuclear bomb.

Leaders from two crucial members of that Sunni bloc -- Jordan and Turkey -- met for emergency talks Saturday to discuss the implications of the diplomatic drive. After the meetings, held in Amman, Turkish Prime Minister Recep Tayyip Erdogan said the Bush and al-Maliki summit was crucial for the fate of the region.

Jordan's King Abdullah II said yesterday on ABC's "This Week" that something "dramatic" must come out of the summit. He said the two leaders must find ways to reconcile Iraq's various factions "and they need to do it now, because, obviously, as we're seeing, things are beginning to spiral out of control."

The U.S.-led alliance is attempting to mobilize a "Sunni crescent" of friendly countries, running from Oman in the east of the Persian Gulf, through Yemen and Saudi Arabia westward to Jordan, Turkey and Egypt.

It is designed to counter what many Sunni states fear is a rapidly emerging "Shi'ite crescent" of influence, that runs from Iran to Lebanon and could spread by inciting revolt among Shi'ite elements of their own populations.

The rivalry and mistrust between Sunnis and Shi'ites was exemplified in elections Saturday in Bahrain, which -- like Iraq before the U.S. invasion -- is a majority-Shi'ite country led by a Sunni minority.

In a sign of increasing Shi'ite self-confidence, parliamentary elections under way there have been racked by vocal opposition from the Shi'ites, who say the election was rigged to favor Sunnis.

But it is mixed-faith Iraq that lies at the heart of the weeklong diplomatic drive.

Caught between the jaws of the two sectarian crescents, Iraq was torn apart last week by bombs and tit-for-tat killings that threaten to devolve into an all-out civil war between its Sunni and Shi'ite communities.

In a signal of Iran's own diplomatic ambitions for the region, Iraqi President Jalal Talabani had been scheduled to meet his Iranian counterpart, Mahmoud Ahmadinejad, at a summit in Tehran on Saturday, possibly with Syria attending.

But while the summit was postponed because of a curfew that means even Mr. Talabani cannot fly out of Baghdad, Iranian sources say Tehran feels it is holding all the cards as it squares up to the United States in the battle for regional influence.

"Iran is able to end the bombing campaign in Iraq and is willing to use its force to call it off -- if the world gives it the future role that it expects in Iraq," said one seasoned observer in the Iranian capital, who spoke on the condition of anonymity.

"It's a big give-and-take situation, in which no matter where you look, Iran ends up with much more in her basket than the USA."

Despite Iranian boasts that it can control Shi'ite violence in Iraq, the dominant militia force on the streets of Baghdad remains the Mahdi's Army militia of the radical cleric Muqtada al-Sadr.

While Sheik al-Sadr is Shi'ite, he is not directly loyal to Tehran, and it remains unlikely that he will cheaply call off the force that has made him, both militarily and politically, one of the most powerful voices in Iraq.

He has threatened to exert that authority by withdrawing his support from the Iraqi government, effectively bringing it down, if the Bush and al-Maliki summit is held as planned. But the White House has insisted that the summit will go ahead.

The '39 Parallel? (WT)

By Dan Burton

The Washington Times, November 27, 2006

On Aug. 23, 1939, Soviet Foreign Minister Vyacheslav Molotov stunned the world by signing the Nazi-Soviet Non-aggression Pact under the watchful eyes of German Foreign Minister Joachim Von Ribbentrop and Soviet leader Josef Stalin. With the sweep of a pen Soviet Russia paved the way for the beginning of World War II by assuring Hitler he would not have to fight a war on two fronts. That error in judgment cost roughly 62 million people across the globe their lives; including 6 million Jews and 23 million Russians.

Sixty-seven years later it seems that once again Russia has yielded to the destructive ambitions of a tyrant and an anti-Semite. By refusing to support tough sanctions on Iran over its dangerous nuclear enrichment program, Russia is once again exposing the world to unimaginable carnage, certainly much worse than that of World War II. While Russia's failure to learn from history is particularly shocking, and has made it the chief stumbling block to the U.N. confronting Iran, it is not alone in averting its gaze from the pending disaster, as detailed below.

Tehran claims its nuclear program is a peaceful one, designed to generate electricity, but many outside experts and leaders acknowledge that Iran is attempting to achieve a nuclear weapons capability. Even the International Atomic Energy Agency (IAEA) says it cannot verify that Iran's program -- concealed from U.N. inspectors for many years -- is purely peaceful. In

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fact, the IAEA stated in its Jan. 31 and Feb. 27 reports that documents found by IAEA inspectors show a possible "military nuclear dimension" to Iran's program.

But is the world acting to end this threat? Clearly not. Instead, the United Nations, Russia, China, the European Union, many in Congress and some high-ranking officials in the State Department all believe that we can negotiate with Iranian President Mahmoud Ahmadinejad. Of greater concern, the Iraq Study Group, chaired by James Baker and Lee Hamilton, is expected to make similar recommendations as the centerpiece of its broadly anticipated blueprint for turning the course in Iraq. All of these people seem to believe that Mr. Ahmadinejad can be persuaded to give up his nuclear ambitions. Similarly, in September 1938, the great European powers and the League of Nations believed that Hitler could be persuaded to give up his ambition of conquest by simply giving him Czechoslovakia's Sudetenland. However, almost exactly a year later Hitler derided the agreement as just a "scrap of paper" and invaded Poland igniting World War II.

The proponents of appeasement failed the world in 1939 and they will also fail today. Namely, those political leaders here at home and abroad who preach "dialogue" with Iran and rapid redeployment from Iraq -- based on an artificial timetable, and regardless of the situation left behind -- are risking the same big mistake. Such a move will undoubtedly be viewed as a victory in Tehran, just as Hitler viewed the Munich Agreement as a major victory that confirmed his impression of a world unwilling to stop his march. Unfortunately for the world, this is the nuclear age and the consequences of failure this time around could literally bring the end of civilization.

To Hitler, the process of diplomacy was only a farce to prevent sanctions that would constrain Germany's rearmament and preparations for war. Every withdrawal by the allies simply served to strengthen Hitler's determination to conquer. Similarly, to Mr. Ahmadinejad, the process of diplomacy is simply a facade meant to prevent sanctions that would constrain Iran's nuclear weapons development and its preparations for war. Make no mistake, Iran is not only preparing for war, but preparing to carry out a new holocaust, perhaps more destructive than the last one (which Mr. Ahmadinejad despicably denies, even while the last of its survivors still walk the Earth).

The proof can be found in Mr. Ahmadinejad's own words. On Oct. 26, 2005, he stated at a Tehran conference titled "A World Without Zionism" that "Israel should be wiped off the map" and that "anybody who recognizes Israel will burn in the fire of the Islamic nations' fury." On Dec. 9 and Dec. 14, 2005, and again on May 28, he questioned the veracity of the Holocaust. In the Dec. 14 case, he called it a "myth" -- and stated that Europe should create a Jewish state in Europe, not in the Middle East.

To mark "Quds" day on Oct. 20 -- an Iranian "holiday" calling for war against Israel under the premise of "liberating" Jerusalem -- Iranian newspapers Kehyan and Resalat, both controlled by the government, published editorials urging Muslims around the world to prepare for a "great war" to destroy Israel.

I agree with Israeli Likud leader Benjamin Netanyahu, who said recently that Tehran's nuclear and missile program "goes way beyond the destruction of Israel -- it is directed to achieve world-wide range. It's a global program in the service of a mad ideology." He went on to say: "Israel would certainly be the first stop on Iran's tour of destruction, but at the planned production rate of 25 nuclear bombs a year ... [the arsenal] will be directed against 'the big Satan,' the U.S., and the 'moderate Satan,' Europe."

No one cared to imagine the worst in 1939, and many seem unprepared to imagine the worst now. Once again, millions of innocent people could pay the price for our folly. History has looked back upon 1938 and 1939 as one of the great "ifs" of the 20th century: If only the Allies had stood up to Hitler; if only the Soviet Union hadn't signed the non-aggression pact with Hitler. I do not want history to look back upon 2006 and 2007 -- assuming there is a civilization capable of looking back -- as the great "if" of the 21st century. Have we not learned from so recent a history with so many parallels?

There is still time for the world to wake up and realize that no conceivable carrot will persuade the leadership in Tehran not to acquire nuclear weapons. If allowed to, it will surely use them as leverage to impose its will and, in the end, deploy them to unleash an apocalypse. We must summon the political will and vision to do whatever it takes to eliminate Tehran's nuclear program now. If we wait additional years, our capability to stop these nuclear madmen will simply cease to exist.

The New Middle East (WSJ)

The Wall Street Journal, November 27, 2006

Last week's murder in Beirut of Lebanese cabinet minister Pierre Gemayel was followed by demonstrations by Sunnis and Christians denouncing the likeliest culprits: Hezbollah leader Hassan Nasrallah and Syrian President Bashar Assad. This week, Hezbollah is expected to hold mass rallies of its own against the anti-Syrian government of Prime Minister Fuad Siniora. The stage is now set for a showdown between the two sides, and perhaps civil war.

It's worth recalling how we got to this point, and the role that Bush Administration policies have played since the Cedar Revolution evicted Mr. Assad's army from Lebanon in the spring of 2005. President Bush withdrew his ambassador to Damascus following the February 2005 assassination of former Lebanese premier Rafik Hariri and later gave diplomatic support to the anti-

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Syrian coalition that came to power three months later. The Administration has also backed the U.N. investigation into the Hariri murder that implicates Syria and which, if Mr. Siniora's government can survive, will lead to a trial sometime next year.

Those were the successes. The mistakes include a decision not to respond to Hariri's murder by seeking regime change in Syria, as none other than the French were urging at the time. Mr. Assad has repaid this restraint by maneuvering for nearly two years to overturn the results of the Cedar Revolution, and somehow his opponents in Lebanon keep being murdered.

Nor were matters helped by the U.N. ceasefire resolution arranged by Secretary of State Condoleezza Rice that ended the war Hezbollah started against Israel last summer. The war was incompetently prosecuted by the Israelis, but a few more weeks of fighting might have destroyed the Shiite group as a military organization and thus spared Lebanon its current predicament. Instead, Ms. Rice intervened with a resolution that allowed Hezbollah to emerge claiming victory while offering no real guarantees that it will ever be disarmed.

Worse, the Administration acquiesced in a deal arranged between Mr. Assad and U.N. Secretary General Kofi Annan whereby Syria -- hitherto the principal conduit of arms to Hezbollah -- is supposed to prevent the flow of weapons to the group. The Jerusalem Post recently reported that arms are moving across the Syria-Lebanon border "by the truckload."

But the greatest failure is that the Administration has never really settled on a policy toward Syria. Mr. Bush signed the Syria Accountability and Lebanese Sovereignty Restoration Act in 2003 but opted to impose only the two weakest sanctions on the list provided by Congress. The U.S. has repeatedly accused Damascus of providing material support for the insurgency in Iraq, but it has never acted in a way that would show Mr. Assad it is serious about stopping him. Predator strikes against terrorist bases in Syria were ruled out.

The Administration has also failed to lend any meaningful support to the National Salvation Front, the leading Syrian opposition group, apparently because it includes members of the Muslim Brotherhood as well as former regime elements. But as Ammar Abdulhamid, a leading member of the NSF who is also a secular democrat, points out, "controversial figures will always be involved in opposition work. You can't look at [the NSF] as a change to the most wonderful democratic system in the world. But you do need to break the stalemate and introduce a new dynamic."

Now the U.S. foreign-policy establishment is talking about the need to "engage" Damascus, and a weakened Bush Administration might be tempted to appease the Assad clan. The result is likely to be more of "the new Middle East" now on display in Lebanon.

Angry Shiites Hurl Stones At Maliki's Motorcade (LAT)

By Louise Roug

The Los Angeles Times, November 27, 2006

BAGHDAD — Angry Shiite Muslims pelted Prime Minister Nouri Maliki's motorcade with stones today after the Iraqi leader pleaded for national reconciliation at a memorial in Sadr City held for victims of a large-scale bombing attack last week.

Maliki, who is also a Shiite, left the scene after he tried without success to calm a crowd of mourners calling for revenge against Sunni Arabs. His pleas were met with shouts of "coward" and "collaborator."

Thursday's series of suicide and car bombings killed at least 215 people inside the Shiite neighborhood on the eastern edge of Baghdad, worsening the country's civil war.

Iraqi political leaders have sought to rein in the violence. Baghdad's international airport was closed on Thursday and a general curfew imposed, and the measures continued today.

The heckling by Maliki's fellow Shiites came after a Baghdad meeting at which he appealed for peace, standing alongside Iraq's Kurdish president, Jalal Talabani, as well as the speaker of parliament and a vice president, both Sunnis. However, even state television on today substituted its usual placid rhetoric with footage of the Shiite deputy health minister lashed out at residents of various Sunni neighborhoods, accusing them of fostering violence.

Mortars fired from the southern edge of Sadr City today hit an American military base, starting a fire. Others were directed at the predominantly Sunni neighborhood of Amariyah, a U.S. military spokesman said.

"I can confirm there was a strike, but I'm not going to give out any assessment," said Lt. Col. Scott Bleichwehl, the spokesman for U.S. forces in Baghdad.

When asked about what the U.S. military is doing to counter the violence in the capital, he said he would not comment for "operational reasons." He added that American forces are "working hand-in-hand with the Iraqi security forces [to create] the most secure environment."

But Sunnis in several Baghdad neighborhoods say they have seen few American patrols and that Iraqi security forces are either not doing anything to protect the Sunnis or are even complicit in the killing of Sunnis.

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In Hurriya, one neighborhood where Shiite militias have driven out most of the Sunni residents, Iraqi police and soldiers stood by Friday as other uniformed men in police vehicles launched rocket-propelled grenades into houses and fired their guns at Sunni mosques, according to a policeman who was present.

The head of the Sunni bloc, Adnan Dulaimi, came under attack in Baghdad's Adel neighborhood today. For an hour, his guards held off armed men who had already lobbed mortar shells toward his house but missed. Eventually, Iraqi and American forces arrived and the gunmen fled, Dulaimi said in an interview later.

Mortar shells continued to slam down on other Baghdad neighborhoods today, inflicting death and injury on both sides of the sectarian divide, Iraqi authorities reported. In the mainly Shiite neighborhood of Karada, two shells killed four civilians and injured five, including the imam of the Zuwiya Mosque. The wounded were taken to Ibn Nafis Hospital, where armed men later tried to break in. Police guarding the hospital fought the attackers, eventually repelling them as reinforcements arrived.

In Mashtal, a mixed area in eastern Baghdad, a mortar shell injured four. Another hit the Sunni enclave of Ghazaliya, west of the Tigris River, but there were no reports of injuries.

In fighting elsewhere, Iraqi authorities reported that a car bomb in Haswah, about 40 miles south of Baghdad, killed seven civilians. Two local council members were gunned down by drive by assassins in Hillah, about 55 miles south of the capital.

The continued fighting also took a bloody toll in Diyala province, just north of Baghdad.

Twelve police officers were kidnapped after they ran out of ammunition during a shootout at a checkpoint near the Shiite village of Dujayl.

In a raid near Kanan on Saturday night, men wearing Iraqi military uniforms seized 25 Shiite men. In the Sunni city of Baqubah, seven teenagers were found handcuffed, blindfolded and executed with bullets to their forehead. Gangs also looted the city's library, stealing computers, books and furniture.

Meanwhile, the U.S. military announced that American forces had killed four suspected insurgents and detained eleven others. One insurgent was found hiding in a house, dressed as a woman and pretending to nurse a baby.

On Saturday, a soldier assigned to the 3rd Brigade Combat Team, 1st Cavalry Division was killed by a roadside bomb in the province. Two U.S. Marines were killed in separate attacks in Al Anbar province on Saturday, according to a U.S. military statement.

The American military also announced the discovery of 11 bodies in Al Anbar last week. "The 10 men and one youth died from apparent gunshots," the statement said. A burned-out van was found nearby.

Police in Ramadi reported bloody clashes between local tribes and groups affiliated with Al Qaeda. It was unclear how many, if any, were killed.

When Will Iraqi Troops Be Ready? (CSM)

By Scott Peterson

The Christian Science Monitor, November 27, 2006

FALLUJAH AND BAGHDAD, IRAQ

After the most lethal string of attacks on Shiites since 2003 over the weekend, Iraqi Prime Minister Nouri al-Maliki blasted politicians Sunday for divisions that encourage carnage and called for unity in the face of deepening civil war. "The ones who can stop further deterioration and bloodshed are the politicians," he said, adding that all must first realize there "are no winners and losers in this battle."

When he meets with President Bush in Jordan this week, both leaders will be looking for signs that the Iraqi forces are closer to being able to ensure calm, without leaning on the US military.

While the Iraqi police and army are dominated by Shiites, Iraq's forces may be the last, imperfect hope of preventing all-out civil war. But if the difficulties the US military faces in training Iraqi soldiers in Fallujah is any indication, future stability is uncertain.

Despite three days of blanket curfew that has tempered revenge violence, expectations are growing among Iraqis that the death toll of more than 200 last Thursday will prompt an irreversible slide. Even under the curfew, scores of Iraqis have turned up dead, in clear Shiite vs. Sunni murders. Mortars continued to slam into parts of Baghdad on Sunday.

In a reflection of the popular anger over the killings, Mr. Maliki's motorcade was stoned and the premier jostled by fellow Shiites during a visit to the scene of the carnage in Baghdad's Sadr City Sunday. US 'transition teams'

To better prepare Iraqi forces to deal with the escalating security situation, more than 400 US military "transition teams" are living with and advising Iraqi units across the country, including in Fallujah, the former insurgent stronghold west of Baghdad.

"I've seen progress go from OK to somewhat better, [but] we're nowhere near done," says US Army Capt. Jonathan Stewart, a member of the team advising the Iraqi Army's 1st Battalion, 2nd Brigade, 1st Division, deployed in Fallujah.

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"These guys can fight, but in terms of logistics they need us," says Captain Stewart, from Rogersville, Ala. "They are not capable of taking control of the fight."

US efforts to build Iraqi forces from scratch have been plagued by problems in the 3-1/2 years since US occupation authorities decreed the disbanding of Iraq's 400,000-strong military forces. Fledgling units have been targeted repeatedly by insurgents, resulting in the deaths of several thousand recruits. Sectarianism in the forces

Sectarianism has defined some forces, too, as Shiite militiamen and Sunni insurgents infiltrated the ranks. During times of unrest, entire units have simply melted away, rather than face down Shiite gunmen during a 2004 uprising in Najaf, south of Baghdad, and Baghdad's Sadr City slum, or Sunni militants during fighting that year in Fallujah.

"They could have very good military and police forces, but if the population is not behind you, it won't work," says US Army Major Patrick Semon, a Fallujah-training team member from Pittsburgh, Pa. His team has worked with the Iraqi battalion for five months. Other US advisers began with the unit some 18 months before that.

In some areas of Fallujah, such as Jolan, where insurgents are making a comeback, "they hate us all, Americans and Iraqi Army alike, [and] will cut your throat just as soon as look at you," says US Army Maj. Michael Mundell, from Radcliff, Ky. Other areas of Fallujah, he says, range from "indifference to grudging acceptance, to 'Hi, how are you?' "

But in Fallujah, the Iraqi Army is made up largely of Shiites, and deeply distrusts the police - which are all local Sunnis. The first boot camp earlier this year, aimed at ushering Sunnis into the Iraqi Army and staged in Al-Anbar Province which includes Fallujah, was "disastrous," says one senior US marine officer.

Of nearly 800 recruits in the five-week course, up to 500 decided to leave when they learned they could be deployed anywhere in Iraq, and not just Sunni areas, says the officer. The two or three subsequent classes have had higher rates of retention, but US advisers say many more troops are needed.

"They don't have enough soldiers," says Major Mundell, noting that the 2,500 Iraqi soldiers in Fallujah - at least, that is the number deployed on paper - should have double the strength to be effective. "We need another brigade in this city; another two brigades to clean it out [of insurgents]."

But those numbers are not likely to change before US forces pull out of Fallujah in coming months. Except for the 11-man US training teams, less than 300 US marines now work in Fallujah. And already, for months, insurgents have targeted policemen - many of which have been slain - and Army units.

The army positions are routinely mortared. A popular company commander was killed by a roadside bomb a few weeks ago, which shook up some units. One captain did not return to duty last week, after his family was threatened. A battalion surgeon was recently murdered, and when an officer went to identify the body, he, too, was shot.

"These guys are never going to be a US infantry battalion, but they've got to be good enough," says Mundell.

"It can be successful, but they need more resources," says Major Semon.

The challenge is growing. Insurgent attacks have spiked in Fallujah, as they have taken an increasing toll on Iraqis. The United Nations puts the number at more than 3,700 dead nationwide in October alone. The New York Times reported Sunday that a secret US government report found that the insurgency has become self-sustaining, with an income from oil smuggling, kidnapping, and other criminal activity estimated between $70 million to $200 million.

Aware of the battles ahead, the government on Sunday appealed for calm in a joint statement from Shiite, Sunni, and ethnic Kurdish leaders: "Do not let those who are depriving you of security impinge on your unity," the statement read. "They want to drag you all into angry reactions."

Leaders also made a vow: "We promise the great martyrs that we will chase the killers and criminals, the terrorists, Saddamists and Takfiri (Sunni extremists) for viciously trying to divide you."

Iraqi Premier Blames Politicians For Violence (NYT)

By Edward Wong

The New York Times, November 27, 2006

BAGHDAD, Nov. 26 — Prime Minister Nuri Kamal al-Maliki said Sunday that Iraq's politicians were largely responsible for the surge in violence that engulfed the country over the past week, a departure from his previous assertions blaming militants for inciting the mayhem.

"These actions are at most the reflection of political backgrounds and wills and sometimes the reflection of dogmatic, perverted backgrounds and wills," Mr. Maliki said. "The crisis is political, and the ones who can stop the cycle of aggravation and bloodletting of innocents are the politicians." He said politicians must work harder to stop the violence.

Mr. Maliki spoke at a news conference just a few days before he was to meet with President Bush to discuss the deteriorating security situation in Iraq. The remarks were an acknowledgment of the political nature of the war here and placed responsibility on political leaders for achieving peace.

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The war is being driven by leaders of Sunni and Shiite militias vying for dominance and has spiraled into a pattern of revenge killings and rival sects driving each other out of neighborhoods.

Mr. Maliki spoke after a meeting of an advisory security council of Iraq's top politicians, including himself, the president and the speaker of Parliament. The council has met in recent days in an attempt to quell the tensions after the killings of more than 200 people by bombings in a Shiite district of Baghdad on Thursday, the deadliest single attack since the American invasion. The next day, vengeful Shiite militiamen attacked Sunni mosques in Baghdad and in the nearby city of Baquba.

Mr. Maliki said the members of the security council would work to bring together clashing political groups in Iraq. He did not identify the specific groups. In a show of unity, Mr. Maliki, a Shiite, appeared at the news conference alongside President Jalal Talabani, a Kurd, and Vice President Tariq al-Hashemi, a conservative Sunni Arab.

Mr. Maliki is scheduled to meet with President Bush in Amman, Jordan, on Wednesday and Thursday. The two are expected to talk about the widening sectarian war in Iraq and to try to reach agreement on ways to stop it. Tension has been rising between their governments, as officials from each have debated pursuing different policies in the face of continuing violence.

In the afternoon, Mr. Maliki attended a funeral in Sadr City, the district bombed Thursday and a base of support for Moktada al-Sadr, the anti-American Shiite cleric who lends political support to Mr. Maliki. The funeral was for four brothers killed in the bombings, a Sadr official said. Mr. Sadr's militia, the Mahdi Army, is believed responsible for many of the directed killings here.

Despite a curfew in Baghdad in effect since the Thursday bombings, deadly violence continued. Mortar rounds landed near a Shiite mosque downtown, killing two and wounding at least two others, an Interior Ministry official said. An American military spokesman said indirect fire — meaning mortar shells or rockets — landed near an American base, but he gave no report of casualties. The projectiles came from an area near Sadr City, the military said.

Violence erupted in other parts of the country. A suicide car bomb exploded at a police checkpoint in the town of Iskandariya, killing at least eight people and wounding at least 26 others, a police official said. In Diyala Province, east of Baghdad, the police found at least eight bodies, while gunmen kidnapped at least 25 people from Hadaf village. On a highway south of Tikrit, Saddam Hussein's hometown, gunmen abducted eight policemen from a checkpoint.

The American military announced Sunday that a patrol found 11 bodies on Wednesday about 18 miles west of Haqlaniya, in Anbar Province. There were 10 men and one child or teenager, and all had apparently died from gunfire, the military said. A burned-out van was found nearby.

An American soldier was killed and two were wounded by a roadside bomb explosion in Diyala Province on Saturday, the military said. Two marines died in separate attacks in Anbar Province on Saturday.

The military also said a detainee died Saturday at Camp Bucca, an American-run detention center in southern Iraq, from what appeared to be natural causes.

In Basra, gunmen killed at least three people on Sunday, police officials said, and a roadside bomb south of the city killed one person.

A Day When Mahdi Army Showed Its Other Side (WP)

By Sudarsan Raghavan

The Washington Post, November 27, 2006

BAGHDAD, Nov 26 -- In the chaos, Ayad al-Fartoosi thrived.

Against a backdrop of death and panic in Sadr City last Thursday, he strode confidently through streets littered with burning cars and charred bodies. At one moment, he was guiding an ambulance carrying bomb victims through traffic. At another, he was searching cars at a checkpoint. By evening, he had helped to seize a would-be car bomber and to retrieve corpses. By nightfall, he was patrolling the streets of his neighborhood.

Since the U.S.-led invasion in 2003, Fartoosi has been a militiaman with the Shiite Muslim Mahdi Army of firebrand cleric Moqtada al-Sadr. Last week, he also served as a relief worker, a policeman, a traffic controller and a guard.

So did thousands of his militia comrades who mobilized to assist victims of the deadliest attack on Iraqis since the invasion, highlighting the power associated with the Mahdi Army's less-publicized roles in Iraqi society.

"We do even more than what the government should do," said Fartoosi, 21, as he recalled the eight grueling hours after a barrage of car bombs, mortars and missiles killed more than 200 people in Baghdad's Shiite heartland.

For U.S. officials, dismantling the Mahdi Army and other Shiite militias that have fomented sectarian strife in Iraq is a cornerstone of their calculus to stabilize Iraq and bring U.S. troops home. They view it as a crucial step toward isolating the Sunni Arab insurgency and reconciling the nation.

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But the attacks Thursday illustrated the immense difficulties involved in tackling the Mahdi Army, the country's largest and most violent militia, in today 's Iraq. The militiamen were heroes that day, Sadr City residents said in interviews. They did everything that Iraq's fragile unity government did not, or could not, do. In the days since, their actions have boosted Sadr's popularity and emboldened him.

"The Mahdi Army are the people who helped us after the explosion," said Shihab Ahmed, 24, a salesman who was wounded by flying shrapnel. "They saved us."

Against this backdrop, President Bush is scheduled to meet with Iraqi Prime Minister Nouri al-Maliki on Wednesday in Amman, Jordan. U.S. officials have grown increasingly impatient with Maliki for his inability, or lack of will, to confront the Mahdi Army and other militias, who operate unchallenged. Some U.S. lawmakers on Sunday television talk shows called for Sadr's arrest and for Bush to urge Maliki to take stronger measures against the militias.

But Maliki, faced with his own domestic pressures, has opted for a softer approach, preferring political discussions over military muscle. The support of Sadr, whose party controls four ministries and 30 parliamentary seats, is vital to his remaining in power. Other powerful political blocs, capable of staging his downfall, also operate militias.

Maliki and other Shiite leaders have said they will not go after the Shiite militias as long as the Sunni insurgency remains a threat. In recent months, Maliki has publicly chastised U.S. forces for conducting raids in Sadr City, arguing that they disrupt his efforts at national reconciliation. Many Shiites view the militias as their last bastion of protection against Sunni extremists and loyalists of Saddam Hussein.

Thursday's attacks, which Maliki blamed on Sunni insurgents, has bolstered this view and ratcheted up pressure on the prime minister. The next day, Sadr politicians vowed to walk out of the government if Maliki did not back out of a meeting with Bush.

On Sunday, Maliki was met with small protests when he visited Sadr City to offer his condolences to the families of those killed in Thursday's bombings. As he drove off, several youths threw stones at his motorcade, according to local newscasts.

"Maliki, we know, is under pressure from the Americans," said Kareem Hendul, a Sadr official. "But he should realize who brought him to the chair of government. We brought him to power."

The Mahdi Army's response to the bombings suggests that diplomatic pressure alone will not be enough to dismantle the militias. As long as Iraq's security forces are ineffective and the government and its U.S. patrons are unable to provide basic services and jobs, Sadr and his army are vital to Shiites.

Sadr is widely believed to be modeling his movement after Lebanon's Shiite Muslim Hezbollah, which has both an armed and a political wing and provides social services to its followers.

"It has proved there is no need to disarm the Mahdi Army," Salim Faisal Abid, 36, a Sadr City resident, said Friday. "If they were not there yesterday, it would have been a disaster."

On Thursday afternoon, bombs in six parked cars began detonating at 15-minute intervals in three sections of Sadr City, including the crowded Jamila Market. Mahdi Army militiamen quickly spread out around the vast slum, residents said.

They helped the injured into cars and carted the dead to funeral homes, where the corpses would be cleansed according to Muslim rituals. Some donated blood and helped fire fighters douse flames. Other militiamen, some clutching AK-47 assault rifles or rocket-propelled grenades, searched for the perpetrators of the bombings. They found one more car, filled with explosives, and took the driver into custody.

At Khadisiya Hospital, militiamen assisted doctors and nurses, carrying patients into emergency rooms, Abid said. With hospital supplies thin, Sadr officials sent over syringes, medicines and other equipment donated by merchants. And with only four ambulances in circulation, most of the wounded were being brought in cars.

"Most of the cars were Mahdi Army, or Mahdi Army men were inside to carry in the wounded," Abid said.

Others fanned out to protect their neighborhoods. On nearly every street, heavily armed militiamen stood guard, residents said. Concrete barriers and barbed wire were quickly erected, closing off streets to unfamiliar cars to prevent further attacks.

Entry and exit into Sadr City were controlled. When he learned of the bombings, Hendul said, he rushed to Sadr City. But the militiamen at the checkpoints refused to let him enter. He showed his Sadr identification cards, but they wouldn't budge.

"They prevented me from coming inside until they made phone calls to check who I was," Hendul recalled Friday. "Yesterday was a good example of how we can handle security. Our city can protect itself better than the government."

In interviews, residents said they did not see Iraqi army units entering Sadr City after the bombings. Nor were there any American soldiers, they said. Members of Iraq's majority Shiite police force were working hand in hand with the militiamen, residents said. "Eighty percent of them are the people who fight the Americans when they come," Abid said. "I haven't seen any Iraqi troops. I heard Iraqi troops were in other areas, but only setting up checkpoints and not helping move the wounded and the dead."

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On Friday morning, Mahdi Army and Sadr officials arranged a massive funeral procession to the southern holy city of Najaf, the burial ground for Shiites. The militiamen secured the highway from Baghdad to Najaf, a road on which criminal gangs often prey on travelers. Most of the funeral expenses were paid by Sadr's office.

The Mahdi Army "had a very respectful position, and they were with us throughout the whole thing," said Ali Abu Karar, who came to Najaf to bury his 16-year-old cousin, Ammar. "We arrived here, and we found every thing ready and the graves already dug."

More than 100 people helped dig graves, said one of the volunteers, Abu Mustafa, adding that Sadr had given the order. "Now the coffins are arriving, and whatever the people need we have orders to provide it to them," he said.

Over the weekend, groups of Sadr officials and Mahdi Army militiamen visited the relatives of victims in large funeral tents erected in front of their houses, a tradition across Iraq. They brought food and envelopes of money, Fartoosi said.

They promised the families of the dead and wounded that Sadr's office would give them financial support, food and clothing in the coming months. "And because of the bad conditions of the hospitals in the city, the Sadr office will be providing medicines, medical equipment like needles, syringes, to those who cannot afford it," Fartoosi said. "We give them respect so they feel someone is taking care of them."

Now, like many militiamen, Fartoosi is certain the Mahdi Army cannot be dismantled.

"It is not possible to disarm the Mahdi Army because these weapons we are using are to defend the innocent people and not to kill the innocent, to help the persecuted people against the persecutors," he said. "I would not hand over my gun to Maliki, or to that damned Bush, even if they ask me to."

Dozens Killed In Iraq Attacks (WP)

By Nancy Trejos And Saad Al-Izzi

The Washington Post, November 27, 2006

BAGHDAD, Nov. 26 -- Gunfights broke out and mortar shells came crashing down on parts of the capital Sunday despite a three-day-old curfew and appeals for calm from Iraq's top Shiite, Sunni and Kurdish political leaders.

"Don't give those who are depriving you of security a chance to impinge on your unity," the leaders said in a joint statement broadcast on national television, vowing to find out who was responsible for car bombings Thursday that killed more than 200 residents in Sadr City, a Shiite Muslim stronghold in Baghdad. "They want to drag you to angry reactions."

Tit-for-tat violence continued Sunday, as a gun battle erupted following afternoon prayers in the Sunni Arab neighborhood of Ghazaliya in west Baghdad. Shiite militiamen have attacked Sunni mosques in Baghdad and other parts of Iraq since the Sadr City bombings.

Residents in Ghazaliya described a harrowing scene in which Shiite militiamen opened fire with machine guns and lobbed mortars and grenades at the al-Hadithi and al-Muhajirin Sunni mosques and at a nearby market. They said the militiamen were aided in the attack by Iraqi security forces. As many as 45 people were killed and several houses destroyed, residents said.

In Baqubah, north of Baghdad, Iraqi security forces battled Sunni insurgents for a second day. Southwest of Baqubah, armed men took over a police station and burned six vehicles as police fled. They then replaced the Iraqi flag with that of a Sunni Arab insurgent group.

In Baghdad, two mortar shells hit a U.S. military post in the mostly Shiite neighborhood of Baladiyat. Two shells fell on a house across the street from a Shiite mosque in the central Baghdad neighborhood of Karrada, not far from the Green Zone, where the U.S. Embassy and the Iraqi government are located. Abdul Kareem al-Kinani, an Interior Ministry spokesman, said four people were injured in the attack.

The government planned to lift the curfew Monday. But fear ran high that the fighting would not end, as clashes in Ghazaliya and elsewhere illustrated the inability of Iraqi security forces to rein in the violence that has propelled the country closer to full-blown civil war. U.S. leaders are hoping that the Iraqi government can soon take over responsibility for securing its own land, considered a key to any U.S. troop withdrawal.

The problem with security forces goes beyond ineffectiveness, as many are widely believed to be operating in collusion with the militias and death squads.

The battle in Ghazaliya illustrated the challenges U.S. and Iraqi leaders face. Residents, speaking by telephone with the sound of gunfire audible in the background, said that hundreds of militiamen arrived in Toyotas at about 4 p.m., then marched through the streets accompanied by Iraqi policemen and National Guardsmen. The residents fought to keep them out of their mosques, witnesses said.

Abu Ahmed al-Duleimi, 55, a former Iraqi army officer, said he was helping a 16-year-old boy with cuts on his thighs, abdomen and face after a mortar shell fell near the boy's house. Unable to get him to a hospital, Duleimi took him to his home and called a neighbor who is a doctor.

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"The government should be neutral and should eliminate these militias, and not give them the opportunity to inflame the situation," he said as he waited for the doctor to arrive.

Abu Ghazwan, 63, said ambulances were unable to get into the neighborhood because they, too, were being attacked. Many of the injured were taken to a nearby mosque, he said.

Ghazwan had armed himself with an AK-47 assault rifle and an ammunition belt, but Iraqi forces confiscated weapons from residents, he said.

"We do not know how we will defend our area if they keep doing this," he said.

Residents said they took back the mosques after a few hours, after U.S. forces arrived.

A U.S. military spokesman said he could not confirm U.S. involvement in the battle. An Iraqi government spokesman denied that any such fight took place.

As fighting on the ground continued, so did a flurry of diplomatic activity that started even before last week's attacks. On Monday, Iraqi President Jalal Talabani is scheduled to leave for Tehran to discuss with Iranian leaders a regional solution to his country's problems. Prime Minister Nouri al-Maliki, meanwhile, reiterated his plans to meet Wednesday with President Bush in Amman, Jordan, despite threats from powerful politicians linked to radical Shiite cleric Moqtada al-Sadr to pull out of Iraq's coalition government if he goes through with it.

Maliki, a Shiite, called on his government to stop the infighting that has paralyzed it.

"The whole crisis is political, and it is the politicians who must stop the cycle of violence and bloodletting," he said at a news conference. "The terrorist acts are a reflection of the lack of political consensus."

U.S. forces also suffered casualties over the weekend. Two Marines were killed and one was wounded in action in Anbar province Saturday, the U.S. military said. One soldier was killed and two were wounded in Diyala province when a roadside bomb exploded near their vehicle.

While Iraq Burns (NYT)

By Bob Herbert

The New York Times, November 27, 2006

Americans are shopping while Iraq burns.

The competing television news images on the morning after Thanksgiving were of the unspeakable carnage in Sadr City — where more than 200 Iraqi civilians were killed by a series of coordinated car bombs — and the long lines of cars filled with holiday shopping zealots that jammed the highway approaches to American malls that had opened for business at midnight.

A Wal-Mart in Union, N.J., was besieged by customers even before it opened its doors at 5 a.m. on Friday. “All I can tell you,” said a Wal-Mart employee, “is that they were fired up and ready to spend money.”

There is something terribly wrong with this juxtaposition of gleeful Americans with fistfuls of dollars storming the department store barricades and the slaughter by the thousands of innocent Iraqi civilians, including old people, children and babies. The war was started by the U.S., but most Americans feel absolutely no sense of personal responsibility for it.

Representative Charles Rangel recently proposed that the draft be reinstated, suggesting that politicians would be more reluctant to take the country to war if they understood that their constituents might be called up to fight. What struck me was not the uniform opposition to the congressman’s proposal — it has long been clear that there is zero sentiment in favor of a draft in the U.S. — but the fact that it never provoked even the briefest discussion of the responsibilities and obligations of ordinary Americans in a time of war.

With no obvious personal stake in the war in Iraq, most Americans are indifferent to its consequences. In an interview last week, Alex Racheotes, a 19-year-old history major at Wesleyan University in Connecticut, said: “I definitely don’t know anyone who would want to fight in Iraq. But beyond that, I get the feeling that most people at school don’t even think about the war. They’re more concerned with what grade they got on yesterday’s test.”

His thoughts were echoed by other students, including John Cafarelli, a 19-year-old sophomore at the University of New Hampshire, who was asked if he had any friends who would be willing to join the Army. “No, definitely not,” he said. “None of my friends even really care about what’s going on in Iraq.”

This indifference is widespread. It enables most Americans to go about their daily lives completely unconcerned about the atrocities resulting from a war being waged in their name. While shoppers here are scrambling to put the perfect touch to their holidays with the purchase of a giant flat-screen TV or a PlayStation 3, the news out of Baghdad is of a society in the midst of a meltdown.

According to the United Nations, more than 7,000 Iraqi civilians were killed in September and October. Nearly 5,000 of those killings occurred in Baghdad, a staggering figure.

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In a demoralizing reprise of life in Afghanistan under Taliban rule, the U.N. reported that in Iraq: “The situation of women has continued to deteriorate. Increasing numbers of women were recorded to be either victims of religious extremists or ‘honor killings.’ Some non-Muslim women are forced to wear a headscarf and to be accompanied by spouses or male relatives.”

Journalists in Iraq are being “assassinated with utmost impunity,” the U.N. report said, with 18 murdered in the last two months.

Iraq burns. We shop. The Americans dying in Iraq are barely mentioned in the press anymore. They warrant maybe one sentence in a long roundup article out of Baghdad, or a passing reference — no longer than a few seconds — in a television news account of the latest political ditherings.

Since the vast majority of Americans do not want anything to do with the military or the war, the burden of fighting has fallen on a small cadre of volunteers who are being sent into the war zone again and again. Nearly 3,000 have been killed, and many thousands more have been maimed.

The war has now lasted as long as the American involvement in World War II. But there is no sense of collective sacrifice in this war, no shared burden of responsibility. The soldiers in Iraq are fighting, suffering and dying in a war in which there are no clear objectives and no end in sight, and which a majority of Americans do not support.

They are dying anonymously and pointlessly, while the rest of us are free to buckle ourselves into the family vehicle and head off to the malls and shop.

How Moqtada Al-Sadr Controls U.S. Fate In Iraq (NSWK)

By Jeffrey Bartholet

Newsweek, November 27, 2006

Dec. 4, 2006 issue - One way to understand Moqtada al-Sadr is to think of him as a young Mafia don. He aims for respectability, and is willing to kill for it. Yet the extent of his power isn't obvious to the untrained eye. He has no standing army or police force, and the Mahdi Army gunmen he employs have no tanks or aircraft. You could mistake him—at your peril—for a common thug or gang leader. And if he or his people were to kill you for your ignorance, he wouldn't claim credit. But the message would be clear to those who understand the brutal language of the Iraqi Street.

American soldiers who patrol Sadr's turf in Baghdad understand. They can spot his men. "They look like they're pulling security," says First Lt. Robert Hartley, a 25-year-old who plays cat and mouse with the Mahdi Army in the Iraqi capital. The Sadrists use children and young men as lookouts. When GIs get out of their Humvees to patrol on foot, one of the watchers will fly a kite, or release a flock of pigeons. Some of Sadr's people have even infiltrated top ranks of the Iraqi police. Capt. Tom Kapla, 29, says he knows who they are: "They look at you, and you can tell they want to kill you."

Sadr is a unique force in Iraq: a leader from the majority Shiites who has resisted American occupation from the start. He's a populist, a nationalist and an Islamic radical rolled into one. Part of his power is simply that he's powerful. Large numbers of impoverished Shiites view Sadr as their guardian—the one leader who is willing not just to stand up for them but to strike back on their behalf. "People count on the militias," says Lieutenant Hartley, who deals with Sadr's thugs on a regular basis. "It's like the mob—they keep people safe."

The longer Sadr has survived, the greater his prestige has grown. Iraqis and foreigners who meet him are impressed by the transformation. He's more diplomatic and commands more respect. He used to greet visitors at his Najaf office sitting on pillows on the floor. Now he has a couch set. His concerns are high-minded: he speaks of fuel shortages and cabinet politics. In the past, Sadr was shrugged off as a rabble-rouser and a nuisance. Now he is undeniably one of the most popular leaders in the country. He is also its most dangerous, for he has the means to wage political or actual war against any solution that is not precisely to his liking. He is driven by forces America has long misread in Iraq: religious sentiment, economic resentment and enduring sectarian passions.

And he is now a primary target of Sunni insurgents bent on provoking all-out civil war. Last Thursday, Sunni militants carried out their deadliest attack since 2003. Multiple car bombs, accompanied by mortars, killed more than 200 people in Sadr City, a Shiite slum of 2 million people in Baghdad that is dominated by the Mahdi Army. Shiite forces responded immediately by firing mortars at a revered Sunni mosque in Baghdad, and by torching other holy places. Only the presence of U.S. troops—and a wide curfew over the city—prevented far bloodier revenge attacks.

More than anyone, Sadr personifies the dilemma Washington faces: If American troops leave Iraq quickly, militia leaders like Sadr will be unleashed as never before, and full-scale civil war could follow. But the longer the American occupation lasts, the less popular America gets—and the more popular Sadr and his ilk become.

To many, Sadr's brand of Shiite politics—homegrown, populist and ruthless—seems a natural outgrowth of the ruin left in Saddam Hussein's wake, and a powerful part of what Iraq has become. The United Nations calculates that an unprecedented 3,709 Iraqi civilians were killed in October. Death squads connected to the Mahdi Army, as well as to other Shia and Sunni

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groups, capture and execute civilians in cold blood, sometimes dragging them out of hospitals or government ministries. Corpses turn up on the street with acid burns on their backs, or electric-drill holes in their knees, stomachs and heads. Among ordinary Iraqis, the United States bears much of the blame for the bloodshed—just for being there. As Sadr put it to NEWSWEEK earlier this year, "The occupation is the decision maker ... any attack is [America's] responsibility."

The story of the U.S. confrontation with Moqtada al-Sadr is, in many ways, the story of American folly in Iraq. It's a story of ignorance and poor planning, missteps and confusion. Key policymakers often disagreed about the importance of Sadr and about how to deal with him. The result was half-measures and hesitation. But the story isn't just about past failures. It also contains lessons—and warnings—about the future.

Little More Than 'Mullah Atari'

Moqtada al-Sadr did not appearon anyone's radar screen ahead of the 2003 invasion. Even among Iraqis, although he came from an important clerical family he was seen as a weak figure. Moqtada's father, Muhammad Sadiq al-Sadr, had been a leading ayatollah, a rival to Grand Ayatollah Ali Sistani and other top clerics. But gunmen—assumed to be working for Saddam—murdered the elder Sadr along with two of his sons in 1999. Moqtada was 25 at the time.

On the evening after his father's funeral, Moqtada presided over a memorial service at the Safi al-Safa Mosque in Najaf. A storm was raging outside. At about 8 p.m., three men wearing suits and ties swaggered into the mosque. Their jackets bulged where handguns were holstered. They were smirking, recalls Fatah al-Sheikh, a family friend who was present. Everyone in the mosque knew they were Saddam's men. One of the visitors offered Moqtada a package: a brick of bank notes wrapped in crisp white paper. "It was a message from Saddam Hussein," Sheikh recalls. "They wanted to tell Sayyid Moqtada, 'We killed your father.' They wanted to see if Sayyid Moqtada could be bought."

Moqtada declined the money, refused to shake hands and told the men to leave the mosque. A cleric followed the men out, apologized on Moqtada's behalf and accepted the money—knowing that to refuse it would mean a death sentence. Fearing immediate retribution anyway, Moqtada cut short the memorial and canceled two days of official mourning.

Sheikh says that for the next four years, Saddam's secret police followed Sadr wherever he went. One hot summer day, Sheikh recalls seeing Sadr leave the Imam Ali Shrine in Najaf. Sheikh walked up and said hello. Sadr squeezed Sheikh's hand tight and opened his eyes wide. "He was trying to give me a signal." Then Sheikh saw why: two men dressed in dishdashas, standing behind Sadr and near a Toyota with tinted windows, were watching.

Saddam kept a close eye on Sadr because the young man inherited a wide network of mosques, schools and social centers built up by his father. The network was focused on the impoverished masses of Iraqi Shiites—the sort of people other religious and secular leaders didn't have much time for. Even some educated Shiites dismissed Moqtada as a zatut, or ignorant child. Some called him "Mullah Atari," because he apparently enjoyed videogames as a kid. He certainly lacked his father's stature: in his theological studies, Moqtada never reached beyond the level of bahth al-kharij (pregraduation research), according to a study by the International Crisis Group. But it's clear now that most everybody underestimated him.

The Time Bomb Starts to Tick

Top American officials may have been misled, as in so many other things, by depending heavily on well-heeled Iraqi exiles for advice. The outsiders, who had lived for many years in London or Washington or Tehran, disagreed vehemently with each other on what an invasion would mean. But some told Americans what they wanted to hear: you will be greeted as liberators, especially by the Shiites and Kurds long oppressed by Saddam.

American officials listened to Ahmad Chalabi, the well-known scion of a secular Shiite banking family. Another prominent exile was Abdul Majid al-Khoei, who was supposed to be a key guide to the Shia religious community. Both had been away from Iraq for many years, and were strangers to the place they had left behind.

Al-Khoei paid with his life. The London-based exile returned to the holy city of Najaf, where he was born and raised, under U.S. military protection. He quickly organized a local council to get electricity and water flowing again, apparently with CIA money. (The CIA declined to comment.) But al-Khoei's father had been Iraq's top ayatollah—and a bitter rival of Sadr's father—during Saddam's rule. Now the sons were competing for power and influence. Sadr castigated al-Khoei as a U.S. agent, and demanded that he turn over the keys to the tomb of Imam Ali, the Prophet Muhammad's son-in-law. A gilded cage surrounding the tomb contains a box for pilgrims' donations, a huge and vital source of income for religious leaders.

As al-Khoei and a colleague visited the shrine on the morning of April 10, 2003, an angry mob attacked them with grenades, guns and swords. "Long live Moqtada al-Sadr!" the mob cried out. Al-Khoei was stabbed repeatedly, then tied up and dragged to the doorstep of Sadr's headquarters in Najaf, where he was still alive. A subsequent investigation by an Iraqi judge found that Sadr himself gave the order to finish him off: "Take him away and kill him in your own special way."

Yet it wasn't clear at the time of the killing what Sadr's personal role was, and "we didn't want one of our first acts in country to be taking out one of the most popular leaders," says a U.S. military officer familiar with Army intelligence on Sadr. The officer, who did not want to be named discussing intelligence matters, says the Army was worried about provoking riots. When Sadr's

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father was killed in 1999, Saddam violently crushed protests by angry Shia mobs. "We thought that tens of thousands would take to the streets in Nasiriya, Karbala and Baghdad. It always comes back to that—not enough guys on the ground."

One courageous Iraqi judge, Raid Juhi, doggedly investigated the case. He exhumed the bodies of al-Khoei and his colleague, and wrote up a confidential arrest warrant for Sadr in August 2003. "From that moment through April 2004, the issue was whether we were going to enforce the arrest warrant," says Dan Senor, a senior official in the Coalition Provisional Authority at the time.

The CPA, the Pentagon and the military on the ground were in disagreement. The Marines in southern Iraq were particularly wary of stirring up trouble. As it was, the United States was preparing to hand off the area around Najaf to a multinational force with troops from Spain and Central America. Still, the Coalition had a secret arrest plan, and momentum toward nabbing Sadr was building. "The pivotal moment was Aug. 19, 2003," says Senor. "We were down to figuring out the mechanisms of ensuring that the operation was seen as Iraqi, executed on an Iraqi arrest warrant. I remember it was late afternoon and we had just received a snowflake from [U.S. Defense Secretary Donald] Rumsfeld ... with nine different questions, rehashing how we were going to do this, to make sure it was not seen as an American operation." (A "snowflake" was a Rumsfeld memo.)

Suddenly word came that insurgents had detonated a massive truck bomb at the United Nations headquarters in Baghdad. Senor recalls rushing to the scene with Hume Horan, a top U.S. diplomat and Arabist. Horan leaned over to Senor and said, "We should take down Sadr now, when no one's looking." But there was enough chaos to deal with already. The U.N. bombing was "a huge distraction," says Senor, "and the Sadr operation was forgotten."

Taking On Iraq's New Taliban

The U.S. invasion had destroyed an economy already crippled by years of international sanctions. Countless young men were unemployed, invigorated by the atmosphere of violent change but also poor and fearful. They wanted to be part of the new order—whatever it would be. The country was also awash in guns and other weapons, including those looted from Saddam's vast and unsecured arms depots. The Sadrist network was perfectly positioned to capitalize on the situation. Sadr himself wasdetermined to lead a national movement—using a potent mixture of anti-occupation militancy and millennial preaching about the coming of the mysterious 12th imam, who Shiites believe will save mankind. "Moqtada is absolutely hooked on the concept of the reappearance of the Mahdi," says Amatzia Baram, the director of the Ezri Center at Haifa University.

The first sighting of black-clad militiamen identifying themselves as part of Mahdi Army seems to have come in September 2003 in the southern town of Kufah. "I do not care what the Americans have to say about this, and I never did," said Sadr when asked about the new militia by reporters later that month. "Only the Iraqi people can choose who they want to protect their country." The U.S. military, fighting an ever-growing insurgency by the minority Sunnis, who had lost power with Saddam's downfall, didn't want to instigate a two-front war. But that left the United States without a strategy. If American forces weren't going to fight Sadr, it made sense to try to entice him into a political process. But other Iraqi leaders, including prominent Shiites, may have opposed that idea.

In the winter of 2004, a senior adviser to Ambassador Paul Bremer, the American proconsul in Iraq, was traveling in the south, meeting with friendly clerics and community leaders. "I could see how frightened they were of [Sadr] and his Mahdi Army," recalls the aide, Larry Diamond. "I was driven past an area, a kind of compound where his black-clad army was training for the upcoming revolution to seize power and take over. It just dawned on me that these people were going to make this place an authoritarian hell of a new sort, Taliban style, and would murder a lot of our allies in the process."

Diamond went to Bremer and gave him his assessment: the United States urgently needed to act against Sadr. Bremer responded that he was waiting for a new plan from Coalition forces. "I first wanted to go after him when he had probably fewer than 200 followers," Bremer recalled in an interview with NEWSWEEK last week. "I couldn't make it happen ... the Marines were resisting doing anything." But in the meantime, on March 28, 2004, Bremer suspended publication of Sadr's newspaper after it ran an editorial praising the 9/11 attacks on America as a "blessing from God."

The response was swift: mass demonstrations, which led to the first of two Sadr uprisings in 2004. In a final meeting between Diamond and Bremer on April 1, Diamond pressed the point that the United States needed more troops in Iraq. It was around 8 p.m., and Bremer's dinner was sitting on a tray uneaten. He looked exhausted. "And he just didn't want to hear it," says Diamond. "In retrospect, I think he had gone to the well on this issue of more troops during 2003, had gotten nowhere ... and had just resigned himself to the fact that these troops just weren't going to come. I think the tragedy is that everyone just gave up."

When fighting did break out, American forces hammered the Mahdi Army in Baghdad and Najaf—first in the spring and then again, after a broken ceasefire, in the late summer. Some of the worst fighting came in August, as Sadr's militiamen made their stand around the Imam Ali Shrine in Najaf. They turned the area into a no-go zone, sniping at any sign of movement. U.S. forces retaliated by laying waste to large swaths of central Najaf. In the end, Ayatollah Sistani brought his influence to bear on the renegade cleric and encouraged a ceasefire. Attempts to enforce the arrest warrant against Sadr and several aides were

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dropped, and Sadr's forces disarmed in Najaf or headed out of town. They were badly bloodied, and some militants were shellshocked. Others bragged about how they had fought back tanks with AK-47s, or disabled Humvees with a single grenade. Scores of militiamen were dead, but Sadr's prestige was, if anything, enhanced: he had fought the mighty United States to a stalemate.

Getting Sadr Inside The Tent

Sadr needed a new strategy, however. He wasn't strong enough to defeat the occupier head-on, nor could he eliminate his Iraqi rivals. So he took up what he calls "political resistance"—working from within the system. Chalabi played an important role here. Washington's favorite Iraqi had found that he had little popularity in his homeland, so he was seeking alliances. Chalabi also felt, as did many other Iraqis and Americans, that it was better to bring Sadr inside the process than to have him trying to destroy it. "Sadr is respected because of his lineage and because he speaks for the disenfranchised, the scared and the angry," says a Chalabi aide, who did not want to be named because of the sensitivity of the subject. "In that sort of situation, it makes absolute sense to try to get him inside the system."

Sadr made the most of the opening. Politicians in his Sadr bloc won 23 of 275 seats in the January 2005 elections and, after fresh voting nearly a year later, now hold 30 seats. In both cases, because of divisions between other large Shiite, Kurdish and Sunni parties, Sadr was able to play kingmaker. Two prime ministers since 2005—Ibrahim Jaafari and the current Iraqi leader, Nuri al-Maliki—have depended on his swing votes for their majority. But Sadr himself stayed out of government, and kept his distance. That way he could pursue a dual strategy—rebuilding his militia even as he capitalized on his control of key ministries, like Health and Transportation, to provide services to the poor and jobs to his followers.

The Sunni insurgents were pursuing a new strategy, too. In early 2004, U.S. forces had intercepted a worried letter from the Qaeda leader in Iraq, Abu Mussab al-Zarqawi, to Osama bin Laden. Zarqawi fretted that his fight against American forces was going poorly. But he had a plan: "If we succeed in dragging [the Shiites] into the arena of sectarian war, it will become possible to awaken the inattentive Sunnis as they feel imminent danger," he wrote.

Throughout 2005, Sunni insurgents launched increasingly vicious attacks on Shiite civilians and holy places. Sistani regularly called on his followers to exercise restraint, which they did with remarkable forbearance. But Sadr, who had long positioned himself as an Iraqi nationalist—and who had cooperated with Sunni fighters in the early stages of the insurgency—now publicly called for Sunnis to disavow Zarqawi. New battle lines were being drawn.

The turning point came on Feb. 22, 2006, when assailants bombed the golden-domed Askariya Shrine in Samarra. This was the burial place of the 10th and 11th imams, and one of the holiest sites of the Shia faith. After the Samarra bombing, many Shiites felt compelled to lash back. Caught in a vicious street fight against Sunnis, they decided that they'd rather have a dirty brawler in their corner (like Sadr) than a gray-bearded holy man (like Sistani). "We have courage, large amounts of ammunition, good leaders, and it is a religious duty," says Ali Mijbil, a 26-year-old mechanic who serves in the Mahdi Army. "So why don't we fight them? We've been kept under Sunni rule for more than 14 centuries. It is the proper time to rule ourselves now."

Sadr still insists his main fight is with foreign invaders. He's the one Shia leader who has opposed the U.S. occupation from the beginning, and who has continued to call for a strict timetable for American withdrawal. An overwhelming majority of Iraqis now agree with him. A September poll by WorldPublicOpinion.org found that 63 percent of 501 Iraqi Shiites surveyed supported attacks against Americans. Even in Baghdad, where ethnic tensions are worst, Shiites agree with Sunnis on one thing: the poll found that 80 percent of the capital's Shiites wanted U.S. forces to leave within a year. That number has changed dramatically in a matter of months. A January poll found that most Shiites wanted U.S.-led troops to be reduced only "as the security situation improves."

In Washington, some politicians still talk about "victory," while others aim only to stabilize the country and leave with some semblance of dignity. Many in the U.S. capital are dusting off yesterday's proposals for tomorrow's problems—more training, more troops, disarming the militias, more stability in Baghdad. The GOP presidential front runner for 2008, John McCain, would prefer to increase the number of U.S. troops in Iraq by 20,000, at least temporarily. He has also called for Sadr to be "taken out." But it may be too late.

The movement may now be more important than the man. Sadr "is faced with a common problem," says Toby Dodge of the International Institute for Strategic Studies in London. "He can't control the use of his brand name, the use of his legitimacy." Some elder followers of Sadr's father have broken away, disillusioned with the son. And some young toughs seem to be freelancing where they can. Renegade factions could eventually threaten Sadr's power. If he were to fall, "you'll end up with 30 different movements," says Vali Nasr, a scholar and author who has briefed the Bush administration on Iraq. "There are 30 chieftains who have a tremendous amount of local power. If you remove him, there will be a scramble for who will inherit this movement ... It's a great danger doing that. You may actually make your life much more difficult."

How the Mahdi Army Works

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For now, Sadr and his Mahdi Army have the initiative. They can stir up trouble without much fear of retribution. A case in point: When kidnappers grabbed an Iraqi-American translator in Baghdad last month, U.S. soldiers sealed off the Sadr City neighborhood where they believed he was being held. But Prime Minister Maliki—who depends on Sadr for political support—quickly ordered the Americans to remove their roadblocks. Maliki has also forced the U.S. military to release men picked up during raids in Sadr City on suspicion of belonging to Shiite death squads.

When the U.S. fails to respond to provocation, it loses credibility. And when it does respond, it can also lose. Last week, before the massive car-bomb attacks, U.S. and Iraqi forces carried out a pinprick raid in Sadr City to get intelligence on the kidnapped military translator, Ahmed Qusai al-Taayie. Like so many other U.S. military strikes in Iraq, however, it came at a price. American forces captured seven militiamen, including one who might have information on al-Taayie. But police said a young boy was among three people killed in the raid. A member of Parliament from Sadr's movement promptly showed up at the morgue, and held the corpse of the boy in his arms as he railed against the American occupation.

U.S. forces have tried hard to win hearts and minds. They've spent $120.9 million on completed construction projects in Sadr City, for instance—building new sewers and power lines—and projects worth an additional $197 million are underway. But the United States doesn't always get credit for the good works. When the Americans doled out cash to construct four health clinics in Sadr City during the past year, Sadr's men quickly removed any hint of U.S. involvement. They also put up signs giving all credit to their boss, according to Lt. Zeroy Lawson, an Army intelligence officer who works in the area.

The Mahdi Army has other sources of cash. It's taken control of gas stations throughout large parts of Baghdad, and dominates the Shia trade in propane-gas canisters, which Iraqis use for cooking. Sometimes the militiamen sell the propane at a premium, earning healthy profits; at other times they sell it at well below market rates, earning gratitude from the poor and unemployed.

A key source of Sadr's income is Muslim tithes—or khoms—collected at mosques. But his militiamen also run extortion and protection rackets—demanding money to keep certain businesses and individuals "safe." One Iraqi in a tough neighborhood, who did not want to reveal his name out of fear, says he pays the local Mahdi Army the equivalent of $13 a month for protection.

Analysts believe that Iran has also provided support to Sadr, but not much. Tehran began supplying Shia insurgents, including the Mahdi Army, with a special type of roadside bomb, using a shaped charge, in May 2005. These are often disguised as rocks and are easy to manufacture locally. But diplomats say they are made to the exact design perfected by Iranian intelligence and supplied to Lebanese Hizbullah in the 1980s.

Yet Tehran's main Shiite clients in Iraq are rivals of Sadr, who is often critical of Persian influence. Sadr worries that Iran may be trying to infiltrate his movement, and he's almost surely right. Fatah al-Sheikh, who is close to Sadr, says the boss sent a private letter to loyal imams around Baghdad in the past two weeks identifying 10 followers he believed were suspect. They had been using the Mahdi Army name, but Sadr believes they're really tools of Iranian intelligence, says Sheikh.

Sadr has tried to distance himself from atrocities, insisting that they're carried out by renegades or impostors. Many Sunnis, to whom Sadr has become a dark symbol of Shiite perfidy, don't buy it. "If he says, 'Kill Alusi,' I will be killed," says Mithal al-Alusi, a moderate Sunni member of Parliament. "If he says, 'Don't kill Alusi,' I will not be killed ... Nobody can go against his orders or wishes." The Association of Muslim Scholars, which is loosely linked with Sunni insurgents, says the Mahdi Army has attacked some 200 Sunni mosques, and killed more than 260 imams and mosque workers.

All the killings will be remembered, and it will be a miracle if they go unanswered. Memories of martyrdom—and the desire for revenge—can last forever. Last Friday marked the anniversary, on the Islamic calendar, of the killing of Muhammad Sadiq al-Sadr and his two eldest sons. After the previous day's bombings, Moqtada told government officials that he was out of the country. But that seems to have been a feint—to keep possible enemiesoff balance. In fact, heappeared at the Kufah Mosque, where his father used to lead worshipers in chants of "No, no to America; no, no to Israel; no, no to the Devil!"

As word spread that Moqtada would lead prayers, people crowded into the mosque, most of them clad in black as a sign of mourning. Sadr asked worshipers to pray for his dead relatives, and also for those who had been killed in Sadr City. He again called for the United States to set a timetable for withdrawal from Iraq. He urged a top Sunni sheik to issue three fatwas: one against the killing of Shiites, another against joining Al Qaeda and the third to rebuild the shrine in Samarra. He compared his father's followers to those of the Prophet Muhammad. "After the prophet died," he intoned, "some of his followers deviated from his teachings, and the same has happened with followers of my father." The "cursed trio"—Americans, British and Israelis—were trying to divide Iraq. "We Iraqis—Sunnis and Shia—will always be brothers."

No one in Iraq talks about arresting Sadr for the murder of al-Khoei anymore. That seems like ages ago—back when Sadr's armed supporters were estimated in the hundreds, compared with many thousands today. Now diplomats speak of trying to keep Sadr inside the political system, hoping he can tame his followers. He's a militant Islamist and anti-occupation, they say, but he's also a nationalist, and not as close to Iran as some of his rivals. Nobody knows whether Sadr is dissembling when he

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speaks about Iraqi unity, or preparing for all-out war. What is clear—more today than ever before—is that it's time to stop underestimating him.

This story was written by Jeffrey Bartholet with reporting from Kevin Peraino and Sarah Childress in Baghdad; Michael Hastings in Amman; Dan Ephron, Michael Hirsh and John Barry in Washington; Christopher Dickey in Paris; Melinda Liu in Beijing; Rod Nordland, Stryker McGuire, Mark Hosenball and Rebecca Hall in London; Babak Dehghanpisheh in Beirut; Scott Johnson in Cape Town; Christian Carylin Tokyo, and Malcolm Beith and Karen Fragala Smith in New York

The Face Of Brutality (TIME)

By Aparisim Ghosh

Time, November 27, 2006

It was one of the most audaciousÂ operations, although not a single shot was fired. On the morning of Nov. 14, dozens of men wearing police commando uniforms pulled up in a fleet of pickup trucks at a building belonging to Iraq's Ministry of Higher Education. They fanned out across the four floors and herded everybody--staff and visitors--into a single room. All of them were ordered to hand over their cell phones. Then the women were taken into another room and locked in. About 150 men were marched outside, bundled into the pickup trucks and driven away. The whole operation took just 15 minutes.

When word of the kidnappings reached the control room of the Ministry of the Interior, an officer on duty there suspected immediately that the perps were acting on the orders of a fearsome Shi'ite militia warlord whose deeds the officer had been tracking for three years. "A ministry of mainly Sunni staff, 150 people taken captive--it can only be one thing," he says. "It had to be the work of Abu Deraa."

Few Americans have ever heard of him, and most Iraqis don't know what he looks like. But such is the reputation of Abu Deraa, 48, that all of Baghdad's biggest, most brazen attacks against Sunni targets are almost automatically assumed to be his handiwork. Iraqi and U.S. officials say Abu Deraa is the mastermind behind the killing of thousands of Sunnis this year. Loosely affiliated with the Mahdi Army of the radical cleric Muqtada al-Sadr, Abu Deraa's death squad is suspected of involvement in some of the most daring kidnappings in the capital--including the Oct. 23 snatch of the U.S. soldier Ahmed Qusai al-Taie and the Nov. 14 raid on the Ministry of Higher Education. (Although more than half of the 150 abductees were released, many remain unaccounted for.) Abu Deraa has a personal fondness for gruesome torture. One of his signature techniques is running a drill into the skull of his live victim. His appetite for mayhem is so vast that Iraqis call him the "Shi'ite Zarqawi"; and like the al-Qaeda-in-Iraq leader, who was killed by a U.S. air strike last June, Abu Deraa has largely operated in the shadows, avoiding public appearances and almost never giving interviews.

But now he has. Abu Deraa agreed last week to provide written responses to TIME's questions, which were passed to him by intermediaries. He says he is "honored" by comparisons to al-Zarqawi and claimed, implausibly, to have no ill will toward ordinary Sunnis. He says his fight is against "occupiers, their supporters and takfiris"--a reference to Sunni insurgents linked to al-Qaeda. He denied that he had kidnapped al-Taie, the missing U.S. soldier, but added, "I would be very proud if it was me who kidnapped that soldier, and I am very proud of any kind of accusation against me, especially related to [acts against] the occupiers and those who serve the occupation." He said he was motivated by a "sense of holy duty toward my faith [to fight] against any hostile enemy of my faith."

Abu Deraa was born Ismail al-Zarjawi to a poor family in Sadr City. After a career in petty crime during the Saddam Hussein years, he became one of the first recruits of al-Sadr's Mahdi Army after the dictator's fall. "When the Americans entered the country and kicked Saddam out, we were very happy," Abu Deraa says. "But then we discovered their bad intentions against Iraq, so we started attacking the occupation forces." In the spring of 2004 he participated in the Shi'ite uprising against U.S. forces in Sadr City. That was also when he earned his nom de guerre Abu Deraa, or "Father of the Shield," a reference to his penchant for attacking U.S. armored vehicles.

He saw more action that summer in Najaf and that fall in Fallujah, when a small detachment of Shi'ites fought alongside Sunni insurgents against U.S. forces. Back then, he says, "it was a real resistance, and there was no sectarian affiliation." Abu Deraa spent the next year consolidating his position as a Mahdi Army leader, first among equals of three commanders in Sadr City. Iraqi officials say this was when he turned to kidnapping for cash, which he used to buy weapons and lure recruits.

It is the atrocities he is suspected of perpetrating against Sunnis that have earned him notoriety and helped plunge Iraq into civil war. Sunni leaders and some government officials blame him for the June 21 murder of one of Saddam's lawyers, the July 9 daylight slaughter of up to 50 Sunnis and the July 15 kidnapping of 30 officials from the Iraqi Olympic Committee. Unlike al-Zarqawi, Abu Deraa issued no statements and released no videos, except for a semicomic webcast, available on YouTube, that shows him offering a Pepsi to a camel. Still, his renown has spread beyond Iraq. On Internet bulletin boards he is hailed as a Shi'ite hero. A typical message reads, "Abu Deraa is a hero to all oppressed people on earth, fighting international tyranny of U.S. forces and fighting domestic tyranny."

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The ruthlessness of Abu Deraa--and perhaps his growing fame on the Shi'ite street--has caused even al-Sadr to distance himself from his former protÃ©gÃ©. Last month al-Sadr put Abu Deraa on a list of people no longer part of the Mahdi Army. U.S. officials began to describe Abu Deraa as a "rogue militia leader" and a "free agent" no longer in al-Sadr's control. But some of al-Sadr's associates continue to praise Abu Deraa. Falah Shansal, a member of parliament from the al-Sadr bloc, told TIME last week that Abu Deraa was still "a fighter in the Mahdi Army."

As long as Abu Deraa enjoys al-Sadr's tacit protection, he won't be easy to run down. U.S. forces believed they had him surrounded in Sadr City last month, but the militia leader narrowly escaped. A U.S. air strike is believed to have killed several of his closest fighters and severed an arm of one of his sons. "This is an honor for him, me and the family," Abu Deraa told TIME. The victims of Abu Deraa's brutality can only hope there are more such honors in store.

Zakaria: The Next Step? Think Vietnam (NSWK)

By Fareed Zakaria

Newsweek, November 27, 2006

Dec. 4, 2006 issue - If you want to understand the futility of America's current situation in Iraq, last week provided a vivid microcosm. On Thursday, just hours before a series of car bombs killed more than 200 people in the Shia stronghold of Sadr City, Sunni militants attacked the Ministry of Health, which is run by one of Moqtada al-Sadr's followers. Within a couple of hours, American units arrived at the scene and chased off the attackers. The next day, Sadr's men began reprisals against Sunnis, firing RPGs at several mosques. When U.S. forces tried to stop the carnage and restore order, goons from Sadr's Mahdi Army began firing on American helicopters. In other words, one day the U.S. Army was defending Sadr's militia and, the next day, was attacked by it. We're in the middle of a civil war and are being shot at by both sides.

There can be no more doubt that Iraq is in a civil war, in which leaders of both its main communities, Sunnis and Shiites, are fomenting violence. The assault on Sadr's Ministry of Health was likely retaliation for a recent mass kidnapping at the Ministry of Education, which still retains some Sunnis. The Ministry of the Interior houses the deadliest killers from the Badr Brigades, the other large Shiite militia. Badr's Bayan Jabr built the death squads when he ran the ministry; he's now Iraq's Finance minister, in charge of its resources. This is the Iraqi government we are protecting, funding and attempting to strengthen. To speak, as the White House deputy press secretary did last week, of "terrorists ... targeting innocents in a brazen effort to topple a democratically elected government" totally misses the reality of Iraq today. Who are the terrorists and who are the innocents? Among the most pro-American voices to emerge from the new Iraq have been two young Baghdadis, Omar and Mohammed Fadhlil, whose three-year-old blog, Iraq the Model, has promoted a relentlessly upbeat and hopeful message. Last week they threw in the towel. "I believe that America would like to see Iraq emerge as a model for the region," Mohammed wrote. "But that cannot be done without having a cooperative Iraqi partner on the ground who shares similar views for Iraq and the Middle East. And that's the point—that partner does not exist, at least not in the government."

The American Army has more than enough troops to confront the Mahdi Army. The problem is political, not military. U.S. forces have been repeatedly blocked from going after Mahdi leaders. This month they were forced by the Iraqi government to abandon raids into Sadr City in search of a kidnapped American soldier. They were not even allowed to stop traffic in the neighborhood. Will more troops change that?

To the contrary, both sides now see American troops as the problem. The Shiite ruling coalition and the Sunni insurgency both believe that if only the United States were to get out of the way, they could defeat their enemies outright. That's why, in the most recent poll of Iraqis, taken in September, 91 percent of Sunnis and 74 percent of Shiites said they wanted American forces to leave within a year.

While these are not conditions that suggest a political deal is likely, there is nothing to be lost in trying. When President Bush meets with Prime Minister Nuri al-Maliki in Jordan this week, he should make clear that Iraq's leaders need to come to an agreement that meets both sides' key demands on such issues as autonomy, oil revenues and amnesty. But he needs to deliver an ultimatum: either the government begins implementing such a deal by January or American troops will begin a drawdown, leaving the core tasks of security to Iraqi forces.

There is much moaning in Washington about the return of the "realists," like James Baker, who are allegedly pushing to surrender America's ideals as the price of bringing stability to the situation in Iraq. In fact, even stability in Iraq is unattainable. What we will soon need is a supreme act of realism, dictated not by the ascendancy of a school of thought in Washington but by events on the ground in Iraq. We will need a Kissingerian effort to extricate the United States from the catastrophe that Iraq has become.

Iraq is not Vietnam. But America's predicament in Iraq is becoming increasingly similar to the one it faced in Southeast Asia more than 30 years ago. Henry Kissinger's negotiations to end the Vietnam War have been criticized from both the left and right. One side thought he moved too slowly to get us out, the other that he gave up too much. But looking at our circumstances in Iraq

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should give us some appreciation for the difficulty of his task. With a losing hand and deteriorating conditions on the ground, Kissinger maneuvered to extricate the United States from a situation in which it could not achieve its objectives, while at the same time limiting the damage, shoring up regional allies and maintaining some measure of American credibility. A version of such a strategy is the only one that has any chance of success in Iraq today.

The Scariest Guy In Town (TIME)

By Karen Tumulty

Time, November 27, 2006

In the altered landscape that is Washington, there's a new contender for the title of Scariest Guy in Town. He stands 5 ft. 5, speaks softly and has all the panache of your parents' dentist. But when it comes to putting powerful people on the hot seat, there's no one tougher and more tenacious than veteran California Congressman Henry Waxman. In the Democrats' wilderness years, Waxman fashioned himself as his party's chief inquisitor. Working with one of the most highly regarded staffs on Capitol Hill, he has spent the past eight years churning out some 2,000 headline-grabbing reports, blasting the Bush Administration and the Republican Congress on everything from faulty prewar intelligence and flaws in missile defense to the flu-vaccine shortage and arsenic in drinking water.

Come January, however, the man that the liberal Nation magazine once called the "Eliot Ness of the Democrats" can do even more, thanks to the two words that strike fear in the heart of every government official: subpoena power. As the new chairman of the House Government Reform Committee, Waxman will have free rein to investigate, as he puts it, "everything that the government is involved with." And the funny thing is, Waxman can thank the Republicans for the unique set of levers he will hold. Under a rules change they put through in the days when they used the panel to make Bill Clinton's life miserable, the leader of Government Reform is the only chairman who can issue subpoenas without a committee vote. Then Chairman Dan Burton--who famously re-enacted the suicide of Clinton deputy White House counsel Vince Foster by shooting at what he called a "head-like thing" (later widely reported to be a melon) in his backyard--issued 1,089 such unilateral subpoenas in six years. Since a Republican entered the White House, the G.O.P. Congress has been far less enthusiastic in its oversight. Waxman likes to point out that the House took 140 hours of sworn testimony to get to the bottom of whether Clinton had misused the White House Christmas-card list for political purposes, but only 12 hours on prisoner abuse at Abu Ghraib.

Iraq will get new attention with Waxman in power. This week he plans to send a letter to Defense Secretary Donald Rumsfeld demanding information on Halliburton's $16 billion contract to provide services to troops there. Waxman's staff has been poring over the fine print of that deal for more than two years, and is convinced that much of the money is slipping between layer upon layer of subcontractors.

Waxman, 67, is a most unlikely character to represent the glitzy congressional district that includes Beverly Hills. Nearly every profile of him points out that the hometown Congressman for the Chateau Marmont on Sunset Boulevard has never attended the Academy Awards. "It's such a long night," he says. "When I watch it on TV, I can get a snack." Waxman grew up over his family's grocery store near Watts, got his political start in the state assembly and came to Washington among the storied post-Watergate reformers known as the Class of 1974. Asked to name a hobby, he draws a blank.

What Waxman does love to do is write laws, and he has been extraordinarily good at it. The walls of his Washington office are covered with framed pens that Presidents from Ronald Reagan to Bill Clinton used to sign the laws that Waxman helped make a reality: the Clean Air Act, generic-drug legislation, food- and toy-safety laws, and Medicare catastrophic coverage, to name a few. In 1994, as chairman of the health and environment subcommittee, he lined up the chief executives of the nation's biggest tobacco companies, had them raise their right hands and then shredded them as finely as their own products. His hearings helped pave the way for the lawsuits that followed, which led to a landmark $246 billion legal settlement with the industry.

Opponents have noted that Waxman is hardly an equal-opportunity muckraker. Republicans and industry groups say his investigatory zeal is limited to conservative targets: he spent the Clinton years trying to fend off congressional investigations, including the ones into the White House's questionable campaign fund-raising practices, and once led a Democratic walkout when Republicans released a report on the firing of White House travel-office workers. While Waxman promises what he calls oversight, the Republicans say it'll be more like a witch hunt, and the Administration is promising to fight him all the way to the Supreme Court to protect itself against what it expects to be a frontal assault on Executive power. Waxman says the G.O.P. should take comfort in the fact that he has historical perspective. "I've seen a good example of overreaching," he says, referring to the committee's treatment of Clinton. "It's not the way to behave."

Suicide Bomber Kills 15 People In Afghanistan (NYT)

By Carlotta Gall

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The New York Times, November 27, 2006

KABUL, Afghanistan, Nov. 26 — A suicide bomber walked into a packed restaurant in southeastern Afghanistan on Sunday morning and set off his explosives, killing 15 other people and wounding 25, Afghan officials said.

The attack, after a few weeks of relative quiet, raised fears that insurgents were resuming their campaign of suicide bombings.

Most of those killed were civilians inside the restaurant, which was in the central bazaar of Urgun, a small town in the mountainous Paktika Province, which borders Pakistan. The explosion destroyed the building and damaged adjoining shops, said the provincial chief of police security, Gen. Shah Alam Spand. He said that militia members were often seen in the area.

He said he suspected that the bomber's intended targets had been a local official and the chief of a militia that works with American forces in the province, who were having breakfast together. Both men were wounded, but survived, said an Interior Ministry spokesman, Dad Muhammad Rasa. Three bodyguards with the militia chief were also among the wounded, he said.

The attack was the deadliest since 16 people were killed in a suicide car bombing in Kabul on Sept. 8.

President Hamid Karzai denounced the attack. "The enemies of Afghanistan revealed their non-Islamic and inhuman face by killing the innocent civilians who were working hard to support their families," he said in a statement.

A NATO soldier was also killed in fighting in the southern province of Oruzgan, when his unit came under fire from insurgents, according to a statement from NATO released in Kabul. The statement did not reveal his nationality, but most of the troops stationed in Oruzgan are Dutch or Australian.

NATO estimated that as many as 50 insurgents were killed when its forces called for an airstrike on insurgent positions. There was no independent confirmation of the toll.

In another clash, in Kandahar Province, three NATO soldiers were wounded. Local residents said 10 civilians were killed by subsequent NATO bombing, [a news service] reported.

The violence in Afghanistan this year has been the heaviest since the fall of the Taliban, in late 2001, with especially heavy fighting in the southern part of the country, and suicide attacks and roadside bombs. The bombing on Sunday ended a comparative lull in fighting in recent weeks, with the onset of wintry weather, which makes the mountainous terrain that is home to the insurgents difficult.

Suicide Bomber Kills 15 In Afghanistan (AP)

By Alisa Tang

AP, November 27, 2006

A Pakistani suicide bomber detonated himself in a crowded restaurant Sunday, killing 15 people and wounding 24, including an Afghan special forces commander and a district chief, the provincial governor said.

The restaurant, located in the southeastern province of Paktika, was destroyed, said Gov. Mohammad Akram Akhpelwak. The attacker was believed to be targeting the military commander and the district chief, he said.

The suicide strike was the 102nd in Afghanistan this year, attacks that have killed 241 people, said Maj. Luke Knittig, a spokesman for NATO's International Security Assistance Force

Akhpelwak said the suicide bomber was from Pakistan, but he gave no further details. Afghan officials say the majority of suicide bombers there come from neighboring Pakistan.

Violence has risen sharply in Afghanistan this year, and Taliban militants have launched a record number of suicide and roadside bombs. Militants launched only about 20 suicide bomb attacks last year.

Meanwhile, one NATO soldier and an estimated 57 insurgents were killed in four separate attacks in violence-plagued southern Afghanistan, the former Taliban stronghold where the Afghan government wields little power.

Insurgents attacked NATO-led forces Saturday near the Tirin Kot district of Uruzgan province. NATO returned fire and called in aircraft, killing approximately 50 insurgents, NATO's International Security Assistance Force said Sunday. One NATO soldier was also killed. The nationality of the soldier was not released.

In the Panjwayi district of Kandahar province on Saturday, insurgents fired on Afghan army and NATO soldiers. A retaliatory air strike killed approximately five insurgents, said the ISAF statement. Three NATO soldiers were injured.

In neighboring Zabul province, about 50 Taliban fighters attacked the Arghandab district chief's compound on Saturday and clashed with police for about an hour, leaving one Taliban dead and three wounded, said district chief Fazal Bari. He said the police suffered no casualties.

On the main Kabul-Kandahar highway in Zabul province, Taliban fighters ambushed a police convoy Saturday night and exchanged gunfire with police, said Zabul highway police commander Jainani Khan. One Taliban was killed.

President Bush, meanwhile, called Afghan President Hamid Karzai Saturday evening to assure him that the U.S. will reiterate its commitment to Afghanistan at the upcoming NATO summit in Latvia, Karzai's office said. The summit starts Tuesday.

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The two presidents also discussed proposed plans for an upcoming meeting involving tribal leaders from Afghanistan and Pakistan. Karzai had proposed the idea during a White House dinner with Bush and Pakistani President Pervez Musharraf.

Karzai hopes the meeting, called a jirga, can help solve the problem of militants crossing from Pakistan to launch attacks in Afghanistan.

The U.S. military on Sunday said it was spending $34.5 million to build four new regional hospitals and the refurbishment of the National Military Hospital. It is also spending $70 million on first aid kits for the Afghan army.

Rift Over Afghan Mission Looms For NATO (NYT)

By Thom Shanker

The New York Times, November 27, 2006

WASHINGTON, Nov. 26 — NATO is bigger than ever, and it is reaching further than ever before, by taking the lead in the war in Afghanistan. But the Afghan mission threatens a rift within the Atlantic alliance between those nations willing and able to participate fully in combat operations in Afghanistan and those nations that are not.

The challenge represents a third generational test for the allies — one fraught with argument and angst like the others were. The first test was how best to face off against the Soviet threat, a challenge that gave birth to NATO in 1949. The second was whether to move beyond the boundaries of NATO's members in the 1990s to halt ethnic bloodshed in the Balkans.

NATO's 26 members and 11 non-alliance partners have committed 32,000 troops to Afghanistan, with 12,000 Americans assigned to the NATO portion of the mission. (Another 8,000 American troops are in Afghanistan carrying out counterterrorism missions solely under American command.)

Most nations have imposed restrictions on their member troops that NATO commanders say hamper their ability to move forces for missions and rescue other NATO forces that may get into trouble. The restrictions include whether troops are allowed to conduct missions at night, which parts of Afghanistan they may patrol and whether they are permitted to conduct offensive operations against the Taliban.

Pentagon and military officers say the list of nations with caveats, and the exact restrictions they have imposed, remains classified, to avoid helping Taliban fighters assess alliance weak points.

President Bush is expected to push for easing the restrictions when he meets with NATO leaders on Tuesday and Wednesday at an alliance summit meeting in Riga, Latvia.

Bush administration officials, diplomats from NATO nations and military officers said that how the alliance resolved the question of caveats would determine whether NATO's leading role in Afghanistan represented a first step toward a broader future for the alliance — or a peak that, once attained, might never be scaled again.

Gen. James L. Jones, NATO's supreme allied commander, told the Council on Foreign Relations in October that "there are about 50 restrictions that have an operational impact, that impact on the commander" in Afghanistan.

While NATO officials said progress had been made in easing restrictions since then, the senior American officer in Afghanistan, Lt. Gen. Karl Eikenberry, said this week that problems remained, and that NATO nations needed to fulfill their commitments to send troops, as well.

General Eikenberry, chief of the Combined Forces Command-Afghanistan, said Tuesday that NATO nations had contributed only "85 percent of the level of what was promised." Speaking at the Pentagon, he also said "there does remain the question of some countries that have particular caveats — that is, restrictions on their ability to commit to all missions of Afghanistan."

Experts on alliance relations now in the private sector say the Afghanistan experience actually may raise the level of combat competence among those nations that entered the mission with caveats and reluctance to take on a heavy role in the fighting.

"I fall into the category of the half-full glass more than the half-empty," said Gen. Joseph W. Ralston, who retired after serving as NATO's supreme allied commander.

"We have seen a maturation in the past 11 years," said General Ralston, now a distinguished senior adviser at the Center for Strategic and International Studies, a policy institute here. "And I think as the nations encounter the high-intensity conflict of Afghanistan, there will in fact be a positive outcome that comes from that."

Daniel Fried, the assistant secretary of state for European and Eurasian affairs, said that even nations with troops in Afghanistan under combat caveats contributed to reconstruction and overall security, and that the system, however difficult, was better than a wholly unilateral American mission.

"It is a success for the trans-Atlantic community that despite disagreements about Iraq, despite politics and partisanship, that NATO has undertaken a set of new missions with Afghanistan front and center that changed the nature of the organization," Mr. Fried said.

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He emphasized that the summit meeting's work would be to respond to current security challenges and improve the alliance's responses.

NATO is not scheduled to accept any new members at the Riga meeting. Even so, words of encouragement are expected for three nations — Croatia, Macedonia and Albania — in line for membership, perhaps as early as 2008.

And in an expansion of NATO's relations with nations far from its traditional geographic sphere, members are expected to propose establishing an initiative for a global partnership to acknowledge the role that nations like Australia, Japan, South Korea, Sweden and Finland play in NATO missions.

These countries "do not seek NATO membership, but we seek a partnership with them so that we can train more intensively from a military point of view and grow closer to them because we are deployed with them," said R. Nicholas Burns, the under secretary of state for political affairs.

"Australia, South Korea and Japan are in Afghanistan," he said. "They have all been in Iraq, as you know. They have all been in the Balkans."

But Mr. Burns acknowledged that "for us, the No. 1 issue is Afghanistan."

In a telephone interview, NATO's secretary general, Jaap de Hoop Scheffer, said, "The threats and challenges facing NATO as we speak are of a global nature: terrorism, proliferation of weapons of mass destruction." He added: "NATO today is transforming and adapting itself. We need 21st-century answers to 21st- century threats and challenges."

Dutch Parties To Demand Changes In Policies (FT)

By Ian Bickerton In Amsterdam

Financial Times, November 27, 2006

As Jan Peter Balkenende sets about building a coalition government in the Netherlands after last week's general election, he faces the prospect of a shift in government policy.

The election reflected a surge in support for parties on the far right and left, and a fall in the number of seats held by centrist parties. While Mr Balkenende, as the head of the single largest party, the Christian Democrat Alliance, is likely to continue as prime minister, a coalition of at least three political parties is inevitable.

The most likely outcome is a coalition of CDA, Social Democrats [PvdA] and either ChristenUnie, a small religious party, or the leftwing Socialist party.

The inclusion of the Socialist party could trigger a foreign policy shift. The party demands a withdrawal of Dutch troops from Afghanistan, where they are part of a Nato mission, and opposes an attempt to revive the European Union's constitutional treaty, rejected in a referendum last year.

The PvdA wants to halt plans to privatise Amsterdam's Schiphol airport and Dutch involvement in the US-led production of the Joint Strike Fighter aircraft, in which Dutch business has invested hundreds of millions of euros.

There are deep divisions over taxes, which have made Dutch employers wary of a leftwing government bias, people close to the employers' federation have said.

A CDA, PvdA and SP coalition was the public's preferred choice in a weekend opinion poll for Dutch television. The Socialists won 25 seats, compared with nine in 2003, after the final tally of votes. PvdA won 33, nine fewer than in 2003.

De Volkskrant, the left-leaning newspaper, warned in a weekend editorial that a cabinet including the CDA and SP would mean a "powerless, bickering" government. The newspaper said the only viable option was a CDA, PvdA and Christen-Unie coalition.

But political commentators said the process of building a coalition could drag on into the new year.

At the weekend Queen Beatrix appointed Rein Jan Hoekstra, a 65-year-old civil servant, as "informateur". Mr Hoekstra, who advised Ruud Lubbers, the former Dutch prime minister, and heads a CDA research institute, must mediate among party leaders and attempt to reach agreement on the shape of a coalition.

If Mr Balkenende's fourth government in less than five years is to fare better than his previous administrations, which were dogged by political feuding, he will have to compromise.

The process will test the Dutch "polder model", a consensus-based system in which rivals co-operate in times of crisis. Even if the Socialists do not make it to government, Mr Balken-ende's new allies will level tough demands.

Both PvdA and Christen-Unie want a general pardon for 26,000 failed asylum seekers resident in the Netherlands, a move resisted by Mr Balkenende's previous centre-right government.

To further complicate matters, Geert Wilders, the far-right anti-Islam politician whose one-man party won nine seats, is likely to insist on talks to form a centre-right alliance with CDA, his Freedom party, the liberal VVD, and ChristenUnie.

A NATO Bid To Regain Afghans' Trust (WP)

DOJ_NMG_0098004

By Pamela Constable

The Washington Post, November 27, 2006

PANJWAI, Afghanistan -- The road to this southern Afghan farming town is wide, smooth and utterly empty, except for an occasional old man on a bicycle or a meandering herd of baby camels.

It was paved last year with Japanese funds to help farmers send their grapes to market and patients reach hospitals in the city of Kandahar, 20 miles to the east. But that was before war came to Panjwai, making its name synonymous with the physical destruction and political mayhem wrought by months of Taliban attacks and NATO bombing.

Now almost no one dares to drive on the road. NATO forces declared victory here in late September, claiming to have killed about 1,500 insurgents in a campaign named Operation Medusa. Yet Taliban fighters still linger in the surrounding orchards and launch sporadic attacks. On Monday, insurgents fired at several NATO bases in the district, although no one was injured.

Many shops in Panjwai remain shuttered, and most of the estimated 80,000 people who fled nearby villages have not returned. Some harbor bitter memories of NATO bombings that destroyed their homes and fruit crops. At least 50 civilians were killed over several weeks of bombing, and President Hamid Karzai last month ordered an investigation into the deaths. NATO officials have said the insurgents used villagers' homes as shelter, provoking the deadly airstrikes.

"I lost three of my sons, my brother, my wife, two daughters-in-law and many grandchildren," said Abdullah Shah, a white-haired farmer, wiping his eyes with a dirty shawl. "I moved the whole family into a tent for safety when the fighting started. The international forces said there were 20 Taliban in that tent, but it was not true. How could there be, when we were so crowded already?"

In an effort to regain public trust, NATO forces have moved into Panjwai with bricks, bulldozers and lots of cash. Local men have been hired to repair damaged buildings, the renovated high school reopened last week, and a new road is being laid from the town to several grape-growing villages that suffered the heaviest bombing damage.

NATO has pledged $8 million to improve Panjwai and the adjacent Zhari district, in hopes of creating a Taliban-proof development zone and a model for other post-conflict areas. Canadian troops have set up a base above the town and patrol the bazaar in armored convoys, while NATO officers meet often with local elders.

"Panjwai is a microcosm. The key is to move fast once the fighting stops, work with local institutions, get development projects going and get local people involved in their own security," said Maj. Steve Murray, deputy commander of a military reconstruction team in Kandahar. "We can fight the Taliban until the cows come home, but we can't make the area safe if we don't deal with the other issues."

Last Tuesday, a Canadian officer arrived as bulldozers were clearing land for the new road. He was soon surrounded by frowning farmers who demanded extra money to let the road cross their fields. The mayor joined the negotiations, calculating acreage on a pad of paper. The officer politely insisted on the previously agreed price.

In the chilly Panjwai bazaar, turbaned men huddling around sidewalk teapots raised more serious issues. They expressed deep ambivalence about the presence of international troops and both fear of and admiration for the Taliban insurgents.

"The coalition forces have brought us nothing but problems. They enter our houses and mosques without permission," said Abdul Jan Mohammed, a grape grower whose vineyards were damaged by NATO airstrikes. "The Taliban don't want to fight. They are just tired of all the corruption, as we are."

Bismillah, 45, whose farm is a half-hour walk from town, said his neighbors had begun to return home since the bombing ended but that insurgents were still lurking nearby. Like many Afghans, Bismillah uses just one name.

"Everything is confused now," he said. "At night we hear shooting and rockets, and we cannot light our lamps for fear of the Taliban. But if a mine explodes on the road, the army and coalition forces come and pressure us to find out who did it. The best thing to do is negotiate, but the Taliban will never negotiate as long as the foreign troops stay here."

One obstacle to security is the shortage of Afghan police and soldiers in the region. In terms of size and competence, the new national army and police force have lagged far behind what officials hoped for, so the government recently began recruiting and training local auxiliary police officers to serve in conflict zones such as Kandahar province.

The program has drawn praise and criticism. It gives men in poor rural areas an income and a vested interest in protecting their communities. But recruitment standards are low, training is cursory, and many who sign up are rejected because of hashish use or other habits.

Commander Ehsanullah Alizai, the provincial police chief, said local elders and district officials are choosing applicants for the new force and that each recruit is further vetted by his office. But he acknowledged that the two weeks of training they will get are far from adequate.

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"Of course it is not enough. It takes a lot of time and education to become a police officer. But this is an emergency," Alizai said, adding that 250 of the expected 1,000 new police officers have completed training and started work. "The security situation in Panjwai and Zhari was getting worse, and the government had to take action."

But the threat of further NATO bombing has not stopped the Taliban from launching new attacks, often against civilians. Last month, two insurgents on a motorbike ambushed Fazel Mahmad, a Panjwai elder, as he was taking his daughter to a doctor in Kandahar. Mahmad, who works with a government program that helps local insurgents return to civilian life, was shot in the neck and throat but survived after surgery at a NATO base.

"The local Taliban are sons of our soil, but the Taliban trained by al-Qaeda see all Afghans as infidels and Americans. They do not want any reconciliation," said Mahmad, who now speaks with a lisp. He said he saw many wounded Taliban fighters being treated at the NATO field hospital, where he said they cursed the medical staff and refused to eat.

In a second recent attack, insurgents opened fire on a clinic at a camp for nomads and refugees beside the highway from Kandahar to Panjwai and briefly kidnapped the doctor. Now the clinic building sits abandoned beside the colony of patched tents and thorn-bush camel corrals.

On Tuesday, several women in the refugee camp said they had fled there after airstrikes on their villages near Panjwai. One woman, Badro, shrieked and wept, saying two of her brothers and all the family's sheep and camels had been killed.

"Everyone is a witness. There were no Taliban there at all," she cried, shaking a fist. "The dead bodies of my family are still there. It is not safe to collect the pieces."

[On Sunday, a Pakistani suicide bomber detonated himself in Paktika province, killing 15 people and wounding 24, including an Afghan special forces commander, the Associated Press reported.]

The Afghan government has made efforts to console and aid survivors in Panjwai. Abdullah Shah said he was paid about $8,000 as compensation for his dead relatives. He was also taken to Kabul, where he said Karzai gave him a hug and promised him a new house.

Last week, the minister of rural development flew to Kandahar and met with a large group of elders from Panjwai, asking what they needed most. He was accompanied by Christopher Alexander, deputy U.N. representative for Afghanistan, who told them the goal was to transform their region "from this year's battlefield to next year's construction ground."

The delegation did not visit Panjwai because it was considered too dangerous, but Alexander said elders from several villages told him security was better because young men who had been fighting for the Taliban were now earning money on NATO construction projects. He also noted that several elders did not attend the Kandahar meeting, suggesting that they were suspicious of the government and sympathetic to the insurgents.

Mahmad, a fruit grower who remained in Panjwai that day, complained bitterly that the residents were trodden upon by everyone.

"We don't support the Taliban, but we don't want the foreign troops here, either," he said. "I blame President Karzai, too. If we had laws and honest government in this country, the Taliban wouldn't be fighting."

Bush Demands Afghan Action On Drugs (AFP-Y)

AFP, November 27, 2006

President George W. Bush called Hamid Karzai to demand more action against Afghanistan's world-leading drugs trade and reiterate continued US support, the Afghan president's office said.

Bush telephoned Karzai on Saturday, ahead of the NATO summit in Latvia next week where he is expected to press European allies for more support for Afghanistan's battle against the resurgent Taliban.

He said the United States would "reiterate its commitment at the NATO summit to the strengthening of security and reconstruction in Afghanistan."

He also assured Karzai "of the continued assistance of the international community and the United States of America in all areas and at the same time wanted Afghanistan to take effective measures in fighting narcotics."

This country's poppy crop yields about 90 percent of the world's opium, used to make heroin.

Despite internationally backed efforts costing millions of dollars, production jumped by nearly 50 percent this year to a record 6,100 tonnes, according to the United Nations' drug office.

Some analysts allege the booming production is a result of widespread corruption that assures impunity for kingpins of the trade, some of whom are alleged to hold senior positions in the government.

The two presidents also discussed preparations for traditional gatherings planned in Afghanistan and Pakistan in a new initiative to attack the Taliban insurgency that is most active in the border area.

The 26-member NATO alliance will discuss in Riga its mission in Afghanistan at the helm of the 37-nation International Security Assistance Force.

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The operation is the most ambitious in NATO's history and has seen some of the nations involved suffer their highest battle casualties in years. Commanders have called for more troops and equipment, especially in the south.

Nearly 40,000 foreign soldiers, most of them with ISAF and some with a separate US-led coalition, are in Afghanistan to help its police and army fight the Taliban, removed from government in 2001, and its allies.

UK Troops At Risk Over Plan To Stop Afghan Opium Crop (FT)

By Jimmy Burns In London And Rachel Morarjee In Kabul

Financial Times, November 27, 2006

Afghan government plans to eradicate poppy farming in southern Afghanistan risk drawing British troops into fierce fighting with an already embittered localpopulation, military officials and diplomats in the country have warned.

The governor of Helmand has promised to push ahead with a drug eradication programme early in the new year in the southern province where British troops faced unexpectedly fierce battles during the summer.

Local farmers have this month begun to plant for a new opium harvest as fears grow that the Taliban may exploit tensions developing between Nato and the local drugs barons and the farmers who work for them.

Brigadier Jerry Thomas, the UK's Camp Bastion commander, told the Financial Times that while he had the troops he needed in the Task Force's southern base, the drug eradication programme risked putting new strains on security.

"It is important that the programme is carefully targeted at the needy not the greedy . . . it will be a challenge to our hearts and minds campaign," he said.

Helmand province, where the bulk of Britain's 5,200 troops are based, saw a 162 per cent increase in the area used to cultivate opium poppy last year as a result of local officials profiting from the trade and efforts by insurgents to encourage opium cultivation.

A US official said this year's opium harvest inHelmand could be almost as large as last year and, without successful eradicationof the crop, international funding for future counter-narcotics efforts could be in doubt.

"The military is very focused on stability, but we have to look at the benefits of having some eradication when up to one-third of the UK's heroin comes fromHelmand province," said a western official in Kabul.

"Could anyone justify going to the Afghan government and asking to have no eradication In Helmand? It would look very suspicious."

Helmand has been relatively quiet since British troops withdrew from Musa Qala, a district in the north of the province, in late September, but eradication of the crop that many Afghan farmers depend on for their livelihood could reignite tensions.

The onset of colder weather has failed to reduce the violence in the country's restive south. A suicide bomber blew himself up at a crowded restaurant in south-eastern Patika province, killing 15 people and injuring24 yesterday. Separately, one Nato soldier and an estimated 57 insurgents were killed in fighting in four areas of southern Afghanistan at the weekend.

The destruction of poppy crops would centre on the districts of Nad Ali, Nawa and Nari Seraj, along the Helmand River and not far from the provincial capital of Lashkar Gah, whichBritish troops are hopingto use as a showcase forreconstruction and development.

Major Luke Knittig, a Nato spokesman, said that troops from the Nato-led Inter-national Security Assistance Force would assist the government with the eradication programme. But he cautioned: "You will not see Isaf troops in the fields lopping off the tops of poppies."

Military Tests Non-fatal Ways To Halt Vehicles (USAT)

By William M. Welch

USA Today, November 27, 2006

Two teams of military engineers competed to come up with a solution to a problem U.S. troops face daily in Iraq — how to stop civilian vehicles that blunder past checkpoints without destroying the vehicles or killing their occupants.

Maj. Gen. Ted Bowlds, commander of the Air Force Research Laboratory, said that after a little refinement, the teams' devices probably will be used in Iraq.

“These young researchers have come up with some pretty good, innovative ideas,” Bowlds said. “My guess is, based on what I've seen, bits and pieces of what we've found here will find their way out there (to Iraq) in some fashion.”

On a test range in the Arizona desert Nov. 10, Air Force Research Laboratory engineers used remote-controlled automobiles and high-speed cameras to test four devices they designed to halt oncoming traffic by non-lethal means.

A team of junior officers and civilian military engineers from Kirtland Air Force Base in New Mexico was declared the winner for a pair of devices that literally lift an onrushing car off the ground, bringing it to an almost instant stop from a speed of 35 mph.

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Bowlds said the Kirtland team's devices might be used in combination with elements of the designs produced by the competing team from Wright Patterson Air Force Base in Ohio.

The teams of six engineers and scientists, all with less than five years' military experience, were given six months and $60,000 to come up with prototypes to help solve a frequent problem on the ground in Iraq.

Hundreds of cars and pickups pass through U.S. military checkpoints every day. Civilians have been injured and killed when they failed to stop as requested and were fired on.

Troops trying to halt such vehicles are told to shoot at the engine block to disable the car, and if they miss, "they might hit something more important," said Capt. Chris Rehm, leader of the winning team from Kirtland.

"We're looking for some kind of non-lethal device we could give them," he said.

The teams came up with relatively similar solutions, despite working without knowing what the other was doing, said Mark Lewis, chief scientist of the Air Force.

They included:

·A wooden wedge placed in the roadway with barricades channeling traffic directly to it. If the vehicle does not stop and strikes the wedge, it is lifted up and slides to a stop, leaving the wheels of the vehicle off the ground and its undercarriage resting on the wooden wedge.

·A "sled" consisting of two low-lying aluminum boxes with air bags inside and grappling hooks at one end. When a vehicle passes over it, a soldier controlling the checkpoint can remotely activate the device, causing the hooks to latch to the front bumper and the airbags to deploy. The car is lifted off the ground by the airbags as the device drags along underneath the vehicle.

·A pair of devices made of steel tubing, one of them shaped like a triangle that rises up when struck, lifting the car's wheels off the ground.

The first two solutions won. The tests were conducted on sedans, an SUV and a van — typical civilian vehicles encountered by troops in Iraq.

They were carried out at a proving ground near Sierra Vista, Ariz., operated by Raytheon. The southern Arizona site was selected both to replicate Iraqi conditions and because the facility is a hub for the development of vehicles operated by remote control. Because the stops can be violent, the military did not want to use manned vehicles.

In addition to seeking a solution to a frequent problem, the Air Force conducted the competition as part of a program to develop expertise among junior military and civilian researchers and engineers who work for the research laboratory.

Lewis, the service's top scientist at the Pentagon, said the Air Force Research Laboratory tries to anticipate technologies of the future, and "at the same time, we've got folks out in the battlefield now whose needs we are trying to answer.

"One of the things the lab is looking at is how we can respond more immediately to problems we're facing today," Lewis said.

"We're concerned about saving as many lives as we can."

Iraq's Deadliest Zone: Schools (WP)

By Abdul Sattar Jawad

The Washington Post, November 27, 2006

The mass kidnappings of scholars in Iraq underscore the chilling fact that the most dangerous place in Iraq is not the mosque, the marketplace or the military checkpoint, but the classroom. More than 250 academics have been killed since 2003, targeted by so many warring factions that it seems to be the only issue they can agree on. To date, not one person has been arrested for these murders.

Fundamentalist Sunni, Shiite, Baathist, anti-Baathist and other anti-American militants all have taken credit for these murders. Some are groups of students doing the Mahdi Army's bidding and willing to take matters into their own violent hands. But they all share a common feature: the use of terrorism as a weapon to murder academics, plunge university life into chaos and threaten learning at its source.

Fanatics targeting Iraqi academics are wreaking havoc on the educational system by threatening, kidnapping and killing innocent professors. I know well the nature of the threat. In seeking to bring education, debate and intellectual curiosity to Iraq, I was forced to flee when my life was threatened.

I became a target for a variety of twisted reasons. I was editor of the Baghdad Mirror, the only English-language weekly. Zealots who mistakenly assumed we were aligned with Western sensibilities bombed our building in March 2005, causing extensive damage but, mercifully, no loss of life. It was too dangerous to continue operating, and I reluctantly closed the paper the next day.

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At the time, I had just started as dean of the College of Arts at Mustansiriya University in Baghdad. Several weeks after the newspaper bombing, I was surrounded by students dressed in white shrouds and chanting death threats at me. Being a secular person, like most scholars, I was getting a chilling message of intimidation and violence.

Today the Mahdi Army is running university life in Baghdad, installing its political agenda by canceling classes, altering syllabuses to include its version of religion courses and ultimately driving away professors and students alike.

Virtually overnight I became an editor without a newspaper and a professor without students or a university. And the army of murderers continued to pursue me. One morning in April 2005 I was about to leave my home in Baghdad when I saw my terrified driver gesture for me to stay inside. There were two cars waiting outside, Kalashnikov rifles pointing out their windows. It was clear that the threats were going to escalate, placing my family, my colleagues and me at risk. I knew I had to leave.

My decision to flee was incredibly painful but necessary. I had to leave my wife and three children, and students whom I cherish. Before daybreak on a summer morning in 2005, a driver who knew how to avoid routes peppered with armed insurgents took me to Jordan.

That summer I was granted a visiting fellowship through a partnership between the Scholar Rescue Fund at the Institute of International Education and Duke University. The fund matches scholars, such as professors, doctors and journalists, with host institutions where they can continue their vital work free from fear. At Duke, I am teaching courses in Arabic literature. I am one of the lucky ones.

The Scholar Rescue Fund is grimly conscious that it cannot dedicate its work to Iraqi scholars alone. Despots around the world are waging terror campaigns against intellectuals and academicians. By year's end, perhaps as many as 500 scholars across the globe will be dead, targeted by groups that range from narco-terrorists to religious fundamentalists fighting in suicide and "martyr" brigades. In the struggle to save lives threatened on the classroom battleground, the Scholar Rescue Fund has much to do and little in the way of time or resources to do it.

I am determined to return to Iraq as soon as it is safe for me. Without an open and unfettered educational system, there can be no democracy. We cannot rebuild our country without academic freedom. We will never be able to provide an incubator for a new nation unless professors and students can freely discuss and debate literature and culture or listen to controversial positions on social, economic and political issues.

We are fighting not only for the streets of Baghdad but also for the classrooms. Rescuing our scholars has become as crucial in determining the future of Iraq as disarming the insurgents.

We may ultimately view victory in Iraq as the ability to restore Baghdad to its historical role as a home to intellectual greatness so that universities may once again buzz with the energy of our culture and literature and the celebration of the human mind. Until then, we must continue to find a "lifeboat" for every scholar who faces the murderous mob.

The writer is a visiting professor at the John Hope Franklin Center for Interdisciplinary and International Studies at Duke University.

CORPORATE SCANDALS:

White-collar Crime Prosecutors In Slump (USAT)

By Greg Farrell

USA Today, November 27, 2006

NEW YORK — When it comes to securities fraud cases, not all U.S. Attorneys are created equal. Defense lawyers, as well as many federal prosecutors across the country, acknowledge that the U.S. Attorney's Office in Manhattan has the most experience in the field, and is best positioned to bring complicated white-collar criminal cases.

But if federal prosecutors in Manhattan are the New York Yankees of their field, they've been on what seems to be a losing streak lately. Consider:

·After an appeals court overturned a guilty verdict against investment banker Frank Quattrone, prosecutors in Manhattan decided to drop the case. The office accused Quattrone in 2003 of obstructing an investigation into whether his bank rewarded prominent clients with hot IPO stocks, a practice known as “spinning.”

·A federal judge publicly rebuked two Manhattan prosecutors in June for their conduct in the government's investigation of tax shelter abuse by partners from KPMG. U.S. District Judge Lewis Kaplan said statements submitted to the court by prosecutors from the office were “misleading.”

·Last week, prosecutors dropped five cases against specialists at the New York Stock Exchange. In 2005, the U.S. Attorney's Office in Manhattan accused 15 specialists, who are responsible for buying and selling stocks on the NYSE floor, of putting their own interests ahead of those of the investors. Since then, charges against two of the specialists have been dropped,

and a jury has acquitted two others. Two specialists have pleaded guilty, three were convicted and the final charged specialist fled the country and is a fugitive.

Despite the setbacks, no one's willing to say the office has lost its fastball. In fact, the decision to drop cases can be viewed as a sign of strength, say some observers.

In the specialist cases, a jury's willingness to acquit two men this year sent a powerful message. “If you're a good prosecutor and you're interested in doing the right thing, you listen to juries,” says Richard Owens, who recently left the Manhattan prosecutor's office for Latham & Watkins. “If you see what fact pattern juries will convict on and what they won't, there's little reason to proceed when there's little chance of success.”

“If you're an aggressive prosecutor and you bring aggressive cases, you're going to lose some,” says David Gourevitch, a white-collar criminal attorney in Manhattan. “It strikes me as the classy and quality thing to do.”

A spokeswoman for Michael Garcia, the U.S. Attorney in Manhattan, said there would be no comment on the matter.

ACS Officers Quit After Internal Options Probe (WSJ)

By James Bandler And Charles Forelle

The Wall Street Journal, November 27, 2006

Finding of Backdating Snags CEO, Finance Chief As Scandal Fallout Spreads

The options-backdating scandal claimed more high-level officials, as the top two executives at a large technology-outsourcing company resigned after an internal investigation concluded they were closely involved in manipulation of stock options at their company.

Mark King, chief executive of Affiliated Computer Services Inc., and Warren Edwards, the company's finance chief, stepped down from their posts yesterday but will remain employees until June, the company said. Dallas-based ACS is one of the world's largest providers of back-office computer services to companies and governments, and has 55,000 employees world-wide.

The departures bring to more than 60 the number of corporate officials who have lost their posts as the options scandal continues to grow. It already has sparked one of the largest executive-suite housecleanings in memory, and more officials are likely to lose their jobs in coming weeks.

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In releasing the results of its internal probe, ACS said its investigators determined that Messrs. King and Edwards, along with Jeffrey Rich, a former ACS CEO who resigned in September 2005 before the options issues surfaced, intentionally backdated options in a "significant number of cases," increasing their own potential for profit, and prepared memos with phony dates to document the misdated grants.

Messrs. King and Edwards also misled the company's own directors and lawyers, the internal probe concluded, telling them earlier this year that there wasn't any backdating. ACS said that led the company to make an "inaccurate" securities filing in May that denied any serious backdating issues.

The company said it will face a charge of around $51 million to fix the faulty accounting caused by the misdating. The company said it hasn't yet determined how the adjustment will affect past and current financial statements or whether restatements would be required.

In a statement, Mr. King's lawyer, Karen Seymour, said her client voluntarily resigned as CEO and "cooperated fully" with the investigation. She added: "He acted at all times in good faith and did not engage in any intentional misconduct."

Gary P. Naftalis, a lawyer for Mr. Edwards, said his client cooperated "fully and forthrightly" with the probe and helped find and guide the investigators to relevant documents. Mr. Naftalis noted that Mr. Edwards didn't become chief financial officer until 2001, years after the problems apparently started. "He engaged in no intentional misconduct," Mr. Naftalis said, "and acted in good faith at all times in connection with the company's longstanding and historic options granting practices."

Aitan Goelman, a lawyer for Mr. Rich, said he couldn't comment, because he hadn't seen the probe's findings.

According to the company, only Messrs. Rich, King, and Edwards and one other lower-level management employee, whom the company declined to name, knew of the intentional misdating.

ACS named Lynn Blodgett, its chief operating officer, as its new president and CEO. John Rexford, an executive vice president, was named chief financial officer.

More than 130 companies, including titans such as Apple Computer Inc. and UnitedHealth Group Inc., are facing scrutiny from federal prosecutors and regulators examining whether executives improperly backdated stock-option grants. Options typically are designed to give recipients an incentive to see their company's share price rise, by allowing them to purchase

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shares in the future at the market price on the day the option was granted. Grants that are backdated to more favorable, lower-priced days give recipients an instant, built-in profit. So far, criminal charges have been brought against five ex-executives in two of the cases, with more charges expected.

ACS's internal investigation, which reviewed grants from 1994 to 2005, was conducted by Marc L. Mukasey of Bracewell & Giuliani LLP, a former federal prosecutor in Manhattan. It absolved ACS directors, including ACS's founder and chairman, Darwin Deason, of any responsibility for backdating. Mr. Deason, who himself received two grants with particularly favorable dates, escaped blame even though he was CEO until 1999, and was chairman of the board's compensation committee from 1994 through August 2003. A company spokesman said Mr. Deason never exercised his options.

The probe described a convoluted process for awarding options, which began when Mr. Deason would give a "broad authorization" to the company's CEO for the grants. For grants to senior executives, the probe found, the "historical practice" was for Mr. Deason to call all of the board's compensation-committee members "on or about" the same date that he authorized the grants.

The internal probe found that the company's CEO or finance chief then selected the dates on which the grants would be awarded and prepared the paperwork. In a "significant number of cases," Messrs. Rich, King or Edwards used "hindsight" to select the grants, often by waiting until after the company's stock price hit bottom and then started to rise again, then picking the lowest price in the period, the probe found. Memos recommending the grants "were intentionally misdated" by one or more of the men "to make it appear as if the memoranda had been created at or about the time of the chosen grant date, when in fact they had been created afterwards," the company said the probe found.

The company said its board, unaware of the backdating, subsequently approved the grants via written consent documents that carried the improper dates.

ACS was among several companies included in a March article in The Wall Street Journal that used statistical analysis to identify executives who likely received backdated grants. The Journal analysis concluded that the odds were one in 300 billion that the pattern of past stock-option grants to Mr. Rich, the company's former CEO, was chosen by chance. At the time, the company denied backdating was the reason for the pattern of fortunate grants, in which Mr. Rich and other top executives received their options dated just ahead of steep rises in ACS's stock price.

In a conference call with analysts in April, Mr. King said preliminary results of an internal probe indicated that there hadn't been "intentional" backdating of stock options to senior executives and described any problems as a "procedural matter" that would get sorted out in a matter of months.

In a May securities filing, the company said it would likely need to take a $32 million charge against its earnings to rectify accounting from misdated grants, but said it "does not believe that any director or officer" of ACS had "engaged in the intentional backdating of stock-option grants in order to achieve a more advantageous exercise price."

In August, the company backtracked, saying its statements in May could no longer be relied upon.

ACS specializes in cutting cost out of corporate back-office functions such as payroll processing and document scanning. ACS also has scores of government clients, handling such chores as electronic record-keeping for county clerks and administration of cities' automated systems that ticket drivers who run red lights. Through the ups and downs of the tech industry, ACS has seen relatively steady success, though its share price has stagnated over the past five years. ACS shares traded Friday at $50.74 on the New York Stock Exchange.

ACS is being investigated by the Securities and Exchange Commission and by the U.S. attorney for the Southern District of New York.

Mr. King joined ACS shortly after it was founded in 1988. He served as chief financial officer from 1995 to 2001, when he was appointed chief operating officer. He was named CEO in 2005 after Mr. Rich's resignation. Mr. Edwards, who joined ACS in 1996, replaced Mr. King as chief financial officer in 2001.

Mr. King received several options with the same unusual dates that plumped up Mr. Rich's paycheck -- including one purportedly granted on the very day the stock touched its lowest closing price of the quarter in July 2002, and another for a split-adjusted 100,000 shares that is dated at the annual low in 1998. Mr. King has so far cashed in 32,000 of the shares from that grant.

Options have represented the bulk of his compensation. All told, from ACS's 2001 fiscal year through last fiscal year, Mr. King has reaped $17.9 million in profits from exercising options -- more than three times his combined salary and bonus over that period, according to Standard & Poor's ExecuComp, which tracks executive pay.

ACS said the improper grants increased the potential profit of Mr. King's options by some $4.5 million -- a sum greater than he has been paid in salary for the past 10 years combined. He will have the exercise prices of his options outstanding adjusted upward by that amount. Mr. Edwards will also have some options repriced, the company said.

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San Diego Charges (WSJ)

By Nicole Gelinas

The Wall Street Journal, November 27, 2006

The SEC has announced that it has resolved its pension-fund fraud case against San Diego, with the city agreeing not to commit illegal shenanigans in the future and to hire an "independent monitor" to help it avoid doing so. Although the SEC went easy on the residents and taxpayers of San Diego in its settlement, it still has an opportunity to make an example of the former officials who the SEC determined committed the fraud. The feds should seize that chance to show they're serious about policing a sector of the investment world that remains vulnerable to similar fraud.

San Diego ran into legal trouble with its pension fund because elected officials wanted to keep its municipal workers happy by awarding them more generous pension and health-care benefits, but also wanted to keep taxpayers happy by sticking to a lean budget. The two goals were mathematically irreconcilable. So San Diego officials, with the cooperation of the board members of the city employees' retirement system (the majority of whom were also city officials), intentionally underfunded the pension plan for years. They used the "savings" to award workers and retirees more benefits, some retroactive. Because taxpayers couldn't see how much retirement benefits for public employees eventually would cost them, they couldn't protest against those high future costs. The fund also violated sound investment principles by using "surplus" earnings in boom years to pay extra benefits to retirees, including a "13th check" in some years. Trustees should have put such "surpluses" aside for years in which the market was down.

But the alleged escalated in 2002 and 2003, when city officials brushed aside warnings from outside groups, as well as from an analyst it had itself commissioned, about the fund's parlous financial straits. Although figures clearly showed that the pension fund would face a seven-fold increase in its deficit, to more than $2 billion, over less than a decade, San Diego didn't disclose what, according to the SEC, it "knew or was reckless in not knowing" was an inevitability, instead maintaining its charade. City officials disclosed not a word of the fund's financial troubles to potential investors or bond analysts as it raised nearly $300 million in new municipal securities during those two years.

The SEC elected to go easy on the city. The feds won't levy a fine against it, reasoning that it would end up being the taxpayers who would pay. This argument has merit, since these taxpayers are already on the hook for the $1.5 billion deficit -- roughly equal to the city's operating budget -- the pension-fund fraud had concealed. Taxpayers could face fallout if wronged investors sue the city. But while SEC won't punish taxpayers, it can't afford to go so easy on the officials it's still investigating. (The SEC doesn't name the current and former officials under its scrutiny, but former Mayor Dick Murphy, former city manager Michael Uberuaga and former auditor Ed Ryan, as well as members of the City Council, all had degrees of responsibility for and knowledge of the pension fund's operations.) The SEC must demonstrate that it considers the fraud officials committed against the city's bondholders to be just as grave as similar frauds in the private sector.

People who invest in municipal bonds do so because they feel that such investments are safer than investing in the common stocks of corporations. That's why cities and states enjoy access to capital at affordable interest rates. And, for tax reasons, municipal-bond investors often invest in the bonds of the city in which they reside, so they face double jeopardy. In the first place, if city officials are committing fraud, their bonds will turn out not to be as sound (and thus not as valuable) as they thought they were. The second risk is that they will have to pay higher taxes, or suffer lower government services, to cover pension-funding shortfalls in their city's budget if that is the case.

The SEC's settlement with San Diego doesn't preclude it from levying fines or recommending criminal charges against culpable high-level city officials. The SEC mustn't pass up this chance to hold up San Diego as a warning to other municipal officials who may be tempted to treat taxpayer-guaranteed pension funds as slush funds whose resources can be used to curry favor with public employees.

Ms. Gelinas is a contributing editor at City Journal.

A Big Apple Strategy (USNEWS)

By Mortimer B. Zuckerman

U.S. News and World Report, November 27, 2006

New York City has long considered itself the capital of the world. Some may think that a prideful conceit, even though some 45 million visitors descend on it each year. But since 1950, nobody could argue with New York's claim to have replaced London as the world's financial capital. New York is home to the broadest, most efficient, and liquid capital markets and boasts the highest concentration of the world's largest financial firms.

Now, however, New York is challenged-and the evidence is in the numbers. Last year, only two of the 25 largest international initial public offerings were issued by firms using American capital markets. London's Alternative Investment Market,

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instead, has become the exchange of choice for listings by small companies, with 433 new IPOs last year alone, versus just 155 on New York's Nasdaq. In 2000, by contrast, 90 percent of the funds raised by large foreign companies in new IPOs were raised in the United States.

Today those numbers have been stood on their heads: Just 10 percent of new offerings are issued in the United States while 90 percent are raised outside. Over the past six years, the number of non-U.S. IPOs listed here has fallen by almost 75 percent. At the same time, a number of foreign companies have left the New York Stock and Nasdaq exchanges while more and more American companies are opting to leave the public markets and take themselves private.

What's going on? It's called Sarbanes-Oxley. That's the federal law that was enacted in the wake of the Enron, Tyco, and WorldCom scandals. The law offers benefits of transparency, accountability, and investor protection. Fine, but as our insightful new treasury secretary, Henry Paulson, pointed out just last week, the law also has a seemingly innocuous section, known as 404, that has proved to be real corporate overkill.

Sarbanes-Oxley was intended to prevent a repeat of the terrible corporate scandals we have seen over the past few years, but the exhaustive audits the law requires have more than doubled the costs for outside auditors. Large companies, in one study, fund nearly 70,000 man-hours of audit time-an average of $2.4 million more per year than expected.

It is reasonable to ask whether doubling the costs has yielded double the benefits-except for providing a bonanza and a fat retirement plan for accountants, auditors, and lawyers. The onerous costs of Sarbanes-Oxley, moreover, fall disproportionately on small- and midcap companies-the very ones that provide the innovations and entrepreneurship we rely on for economic growth. That one straw might not break the camel's back, but there are more. According to a recent Ernst & Young survey, Sarbanes-Oxley has also created a sharper adversarial relationship between corporate boards and management. Boards now tend to focus more on regulatory-compliance issues than on competitive strategies, with members less worried about falling behind than falling afoul of the complex rules of Section 404.

Repression. There's also a third straw on the poor camel's back. Last year, class action lawsuits cost American corporations an astonishing $9.6 billion, compared with just $150 million in 1997. We must stop so many frivolous lawsuits. On top of this, we have at least 10 federal, state, and regulatory bodies compared with only one in Britain, with each more aggressive than the next. Britain's single oversight body has found ways to reduce the cost of doing business there to less than 10 percent of what it is here. Can we not learn from this?

Board Games (WSJ)

The Wall Street Journal, November 27, 2006

The Hewlett-Packard meltdown has offered some poignant lessons in corporate board dysfunction, and with any luck the Securities and Exchange Commission has been taking notes. One way to create more HP-like storylines would be for the nation's top financial regulator to appease the latest political agitation for greater "shareholder democracy."

That's what the SEC will consider at a December hearing to discuss "direct access," or the idea of giving shareholders more power in determining the makeup of corporate boards. What makes the "democracy" campaign so ironic is that this proposal isn't designed to make companies more responsive to most shareholders. It is instead a costly, divisive and deeply unfair proposal that would force many companies to bend to special-interests. * * *

It's also an idea that we'd hoped had vanished with former SEC Chairman Bill Donaldson, who failed to push through a direct access rule in 2003. The idea looked dead until September, when the Second Circuit Court of Appeals got into the act. The SEC has for years allowed companies to reject requests by shareholders to have their own slate of directors included on a company's official election materials, and insurer AIG had blocked such a move by union giant Afscme. The union sued and the court ruled against the SEC, in part because its policy statements were contradictory.

That's true, if only because the SEC has been reluctant to be seen as against "shareholder rights." The result has been a confused string of opinions and public comments. The SEC would be doing itself, and shareholders, a favor if it now used this opportunity to explain why "shareholder democracy" is both misnamed and overrated.

Companies aren't mini-nations. A corporation has no governing powers over its shareholders. Management and boards do not exist as antagonistic "checks" on each other but are supposed to operate together to achieve business and financial success. Shareholders who feel a company is underperforming already have the ultimate "vote," which is to sell their stock.

The direct access rule, in contrast, would give a small group of activists unreasonable influence. The Donaldson-era access rule would have allowed "major" shareholders the right to nominate their own candidates on the company ballot if 35% of proxy votes are withheld from the company's nominees. So in this "democracy," only big shareholders get privileges.

Those large shareholders tend to be union-dominated pension funds, with ambitions for turning board rooms into new political battlegrounds. For an inkling of their agenda, consider the war the California public employees' pension fund (Calpers) waged in 2004 against Safeway, when it withheld its support for the CEO in retaliation for his tough bargaining with unions. More

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recently, some pension funds threatened to move investments out of financial firms that supported Social Security reform. This was an attempt to muzzle corporate speech masquerading as "shareholder rights."

Or consider the 350 shareholder proposals that members of the Business Roundtable fielded last year, most forwarded by the very groups that now want a seat at the board table. DuPont was asked to link executive pay to social criteria. General Electric was asked to report on the feasibility of ending its nuclear energy business. Merck was supposed to adopt a drug-price restraint policy, and Pepsi to report its political contributions in newspapers. Most of these proposals are rejected by shareholders who understand they have little to do with achieving higher returns on their investment. Yet companies are still required to spend shareholder money to address each proposal.

Imagine the costs if the SEC gives pension funds special rights to elect board members beholden to these agendas. One probable result would be the balkanization of boards, especially because the funds that exercise sway do not owe any fiduciary duties to other shareholders. Director dysfunction -- rival camps, leaks, obstruction -- was precisely what happened at Hewlett-Packard, distracting management and harming the company's public image.

The SEC might also look at Europe, where "codetermination" -- in which unions are guaranteed seats on corporate boards -- has allowed unions to redirect capital to labor (rather than business) priorities. Such a rule would also give managers one more reason to take their companies private (see the article on the opposite page), or to float their shares in Hong Kong or Shanghai, or somewhere other than in the United States.

Pension funds claim they should have more control, because many are invested in indexed mutual funds and are thus "stuck" with companies. Yet many pension managers simply replicate index funds by making their own investments in a basket of companies, and nothing stops them from selling individual companies they believe are performing poorly. Another complaint is that it is too costly under today's rules to mount a proxy campaign. Yet while proxies can be expensive, those costs are presumably justified if an alternative slate of directors would truly do a better job. * * *

The fallout from the Enron-WorldCom scandals has already spurred companies to become more responsive to shareholders. The most important steps have included the dismantling of anti-takeover provisions, such as poison pills. Takeovers are a far more effective method of turning around companies than board shuffles, and shareholders are benefiting from this more open market for corporate control. The ever-rising CEO churn rate backs up that point. Some companies are also experimenting with new "majority voting" rules in director elections, which set the bar higher for the support directors must get to stay in place.

If the SEC feels obliged to respond to the direct access clamor, it could call for better disclosure and some tweaking of the proxy process. Chairman Chris Cox has been talking up Internet use to lower costs, simplify forms and get more shareholders involved. That would give all shareholders more of a voice, rather than a select few whose goals are partisan, not "democratic."

CRIMINAL LAW:

Subject Of FBI Probe Tells Of Weldon Ties (PHI)

By John Shiffman And Mark Fazlollah

The Philadelphia Inquirer, November 27, 2006

When Center City lawyer and Russian trade expert John J. Gallagher lost a $2.5 million investment in a cognac distillery in a former Soviet republic, a family friend stepped up to help - in a big way.

The friend, U.S. Rep. Curt Weldon, first called the president of Moldova. When that didn't work, Weldon went to the House and proposed cutting all U.S. aid to Moldova until Gallagher got his money back.

That deal, now part of an FBI corruption investigation, wasn't the only time that Weldon used his office to help Gallagher, a lawyer who specializes in putting together business deals - from Philadelphia City Hall to the U.S. Capitol to the Kremlin.

Weldon also backed an effort that funneled federal money to former Soviet scientists working for a partnership between Gallagher and a Russian firm.

Gallagher's software firm apparently had no workers and did little in the partnership, The Inquirer found.

Weldon lost his congressional seat to Democrat Joe Sestak three weeks ago. But there was no letup in the FBI corruption investigation involving Weldon, his daughter Karen's consulting firm, and Gallagher.

In the first interview given by one of the subjects of the FBI probe, Gallagher said his relationship with Weldon went back 30 years. Their careers, he said, dovetailed in Russia.

"I was very lucky to have my representative also have an interest in Russia," Gallagher, a resident of Weldon's district, said in his spacious office at 18th and Market Streets in Center City.

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Gallagher said Weldon, in trying to help him in Moldova, was simply providing good constituent service. "It's my congressman's job," Gallagher said. "He represents me, and a foreign country wronged me."

Agents who searched his law office were investigating possible violations of a federal bribery law, Gallagher said. "Of course I didn't pay Curt Weldon," he said.

Gallagher declined to give details of the FBI raid last month, other than to acknowledge that agents took his Moldova file, among others. He said he was cooperating with the investigation.

For years, Gallagher and the Weldon family have constantly crossed paths in the network of U.S.-Russian trade groups.

Gallagher, who says he has made more than 100 business trips to Russia, helped Karen Weldon's firm there. He said he introduced her firm, Solutions Worldwide, to officials from a Russian company that makes drone spy planes.

The aviation firm gave Solutions a $12,000-a-month contract. Curt Weldon pushed the Navy to buy the drone, and officials got as far signing a contract with the Russian company.

But Gallagher said the deal ended because of news coverage of Karen Weldon's contract.

The first client of Solutions Worldwide was the Russian natural-gas giant Itera International Energy. The FBI also raided its Florida office last month.

Weldon set up a Library of Congress dinner for Itera in 2002 and, on the floor of Congress, pushed for a federal grant to the firm. A month later, Itera hired Solutions for $500,000 a year.

Weldon and his daughter, as well as Itera officials, have denied wrongdoing.

Gallagher said he met Itera officials but declined to elaborate, saying only that he did no business with them. "If it's part of the grand jury investigation, unfortunately I can't speak."

Until recently, Gallagher may have been better known in Russian trade circles than in his own hometown. A graduate of La Salle University and the University of Pennsylvania law school, Gallagher, 54, started his own law firm in 1980.

Gallagher also knew his way around City Hall.

During the City Hall corruption investigation, the FBI recorded him talking to the late power broker Ronald A. White about raising money for Mayor Street and trying to win city deals, sources said.

On one such 2003 call, Gallagher phoned White from Russia to complain that he wasn't getting his share of city legal work. White said he'd take care of it. "Relax," White told him. "Everyone knows who you are."

Gallagher said in the interview that he and White had been friends since they attended law school together three decades ago.

He said he never paid White to help him with the Street administration. For "all good friends," he said, White "would lend a hand."

Gallagher said in the interview that he held two Street fund-raisers with White - one raised about $25,000 - because he was "a lifelong Democrat."

Gallagher also is close to top Republicans in Delaware County, where he lives.

He has given $48,000 to the Springfield Republican Party over the last six years - three times more than any other donor, campaign records show. The Springfield party is run by Charles Sexton, Karen Weldon's partner in Solutions Worldwide.

Gallagher said he contributed because he had known Sexton for 25 years. He said he never got work from Delaware County.

In 2003, Gallagher and Delaware County Republican chief Thomas J. Judge Sr. traveled to Serbia to see Sexton get an honorary doctorate. Gallagher said the degree was arranged by the wealthy Karics, who were banned from the United States because of their ties to the late dictator Slobodan Milosevic.

The Karics also hired Karen Weldon to try to improve their image. Gallagher said he did no business with the Karics.

In his forays to Russia and Eastern Europe, Gallagher wears many hats: sometimes private lawyer, other times an agent of U.S. antinuclear policy. Sometimes, the roles blur.

One example: Gallagher now serves as chairman of the United States Industry Coalition, a Weldon-backed, government-financed group that lines up private business ventures in Russia.

Shortly before Gallagher became a board member, the agency in 2001 helped set up a deal for him with one of Russia's leading software companies.

Gallagher's firm, CTG Software Inc., had no address, other than his law office, and apparently no employees. It was founded two days before the Energy Department announced it would fund the venture, which aimed to find software jobs for former weapons scientists.

About 12 months later, Gallagher dropped out without getting any of the federal money. The endeavor fell short of expectations, hiring far fewer scientists than planned.

Gallagher gets strong support from the industry coalition's former CEO, Victor Alessi.

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"I am convinced that his involvement in this project was altruistic," Alessi said.

Some coalition board members said Gallagher had helped the organization as chairman.

"One of the very strongest suits was his relationship with Curt Weldon," said former coalition chairman David C. Bell, president of Phygen Inc., a high-tech Minneapolis firm doing business in Russia. "Curt has been a friend of [the coalition]. It's nice to have friends in positions of power."

The former director of the Energy Department's nonproliferation programs said he "would not have chosen someone with a known close relationship with Weldon to be chairman of the board with [the coalition]."

"My goodness, it raises the appearance of a conflict of interest," said John Hnatio, who called Weldon a "major funder" of the program.

Weldon also was at Gallagher's side in a fight to help a young Russian crippled in an accident with a U.S. diplomat.

In 1998, U.S. Consul General Douglas Kent was uninsured when his SUV hit a Toyota in the Russian city of Vladivostok. Passenger Alexander Kashin, then 23, was left paralyzed.

Gallagher filed a federal suit in Philadelphia and gained wide attention in Russia. Protesters picketed the U.S. consulate in Vladivostok. "I thought... if we initiated suit, it could be settled very quickly," Gallagher said.

But the case lingered.

In May 2004, Weldon pushed Congress for a settlement, describing the case as a human-rights issue. He said the suit was filed by a "very prominent Russian lawyer in Philadelphia by the name of John Gallagher."

Congress took no action, and a federal court dismissed the case against Kent last month.

Kashin will never walk again, Gallagher said, but he hasn't given up trying for help from the U.S. or Russian governments.

Kent said he was confused by Weldon's role. "I could never tell whether Gallagher was working for Weldon or Weldon was working for Gallagher," Kent said.

The FBI is clearly interested in Weldon's actions in the Moldova affair, Gallagher said.

In that venture, Gallagher said he put up $500,000 of his own money and gathered the rest from a group of investors, several from Delaware County.

At first, he said, he received assurances from top Moldovan officials that the sale had the government's blessing.

He met with Moldova's prime minister and the man who later allegedly scammed him. The prime minister said, "deal with him," Gallagher said. He cited that incident in a 2004 deposition in a suit investors filed against him.

After Gallagher deposited the money in an Eastern European bank, he said, it disappeared. When Gallagher returned to Moldova, he said officials acted as though they didn't know him.

In 2003, Gallagher went to Weldon, who offered the amendment to cut off foreign aid.

"A longtime constituent of mine invested $2.5 million in Moldova," Weldon told Congress. "I have taken this matter to the president of Moldova on several occasions."

Weldon demanded that Moldovan officials recover the lost money. But he later withdrew the amendment to cut off aid.

Gallagher vowed to continue fighting to get the money back from Moldova because some investors are "dear friends."

"This isn't something I'm forgetting about because the FBI took the file," he said.

To view the U.S. Industry Coalition Web site for John J. Gallagher's firm, go to http://go.philly.com/usic

CORRUPTION'S SCENT (PHI)

By Dave Davies

The Philadelphia Inquirer, November 27, 2006

AS THE 2007 mayoral election season begins and Philadelphia pols engage in the predictable frenzy of raising money, spreading rumors, begging and bluffing for support, talking trash and trading gossip, something is different from past campaign chatter:

They're not sure who else may be listening.

Over the past four years, the FBI and federal prosecutors have gone on an anti-corruption crusade, nailing more than two dozen people on corruption charges and shaking the city's Democratic power structure to its core.

"I assume I have no confidential communications now. Everybody is mindful," said a politically active lawyer, who like many interviewed, spoke only on condition of anonymity.

Besides stirring uneasiness about who investigators are listening to, the probes and their legislative fallout have dramatically altered the rules for political fundraisers and donors.

The combined effect is an altered political climate for 2007.

"I think it's changed everything," said one Democratic ward leader, who also spoke on condition that he not be named. "Contributors are much more skittish. Out-of-town contributors just don't like to get involved in Philadelphia campaigns.

"There's new contribution rules, and a general sense of bad karma, bad weather, bad things happening, so maybe you should just stay away from Philadelphia."

The anxiety is widespread because the feds haven't focused on just one political organization in town. They've investigated - and, in two cases in particular, successfully prosecuted - a number of prominent pols from throughout Philadelphia's political landscape:

· The City Hall corruption probe nailed two of Mayor Street's friends and fundraisers as well as his city treasurer, several private businessmen and others.

· An investigation continues into State Sen. Vincent Fumo and a community nonprofit group he's associated with. So far, only two state Senate employees have been charged.

· City Councilman Rick Mariano and five businessmen were indicted and convicted. Mariano is now serving time in a federal prison.

· Authorities recently executed a search warrant at the home of labor leader and potential mayoral candidate John Dougherty. The exact nature of that investigation is unclear.

The investigations occur at the same time as national scandals involving congressional leaders in trouble for everything from campaign-finance violations to improprieties with congressional pages.

And in Philadelphia, pols are edgy.

"There's a shunning effect when somebody's name gets mentioned in an investigation," said one prominent Democrat. "There's a kind of guilt by association, then after a period of time, if nothing happens, it begins to heal."

U.S. Rep. and Democratic city committee chairman Bob Brady said if politicians are apprehensive about investigators, it's for good reason.

"It's devastating to an elected official," Brady said in an interview. "A rumor gets started that you're under investigation, and if the FBI says they'll neither confirm nor deny, you're in trouble."

In February, Brady fielded calls from numerous reporters who'd been tipped by political sources that his Washington office had been raided by the feds.

No media carried the story, and the FBI quickly issued a statement clearing Brady. But the episode demonstrated how prominently federal investigations figure in the city's political life now.

Another clear way that corruption probes have changed Philadelphia politics is the presence of new laws driven by the perceived need for reform.

Campaign contribution limits for city elections were enacted shortly after the 2003 election and modified in 2005, and other City Council ordinances now restrict contributions among those who want no-bid city contracts or financial assistance for development projects.

"That's a very tangible impact that will play itself out in this [mayoral] campaign," said Zack Stalberg, president of the Committee of Seventy, the nonpartisan political watchdog group. "Candidates will probably be raising and spending less money, and if you have to buy fewer TV commercials you'll have to figure out other ways to get your message across."

Brett Mandel, director of Philadelphia Forward, said the probe and ensuing reforms have pushed candidates in the right direction.

"You've seen candidates working to comply with the contribution limits, even when it's not so clear what they mean," Mandel said. "And when they cut corners, there are lawsuits and at the very least a shame factor that's made them defensive about it. The shame factor is something that's been missing in Philadelphia politics for a long time."

One question embedded in discussions of the probes is why U.S. Attorney Patrick Meehan has been so actively going after Philadelphia politicians.

Meehan says when he came into the job in November 2001, he made public corruption a priority, and he notes that success in public-corruption cases tends to bring in more information about alleged wrongdoing.

"When it occurs to people involved in the [political] process that something will actually be done, they're more likely to bring issues to our attention," Meehan said.

Meehan has also gone after politicians in Norristown and elsewhere.

Another explanation is a new focus from the FBI on public corruption. Spokeswoman Jerri Williams said that when Robert Mueller became FBI director in 2001, "we shifted our priorities... . Public corruption became the number-one criminal priority."

"The cases aren't made by the U.S. attorney," said Peter Vaira, who was U.S. attorney here under Presidents Carter and Reagan. "You need agents, people on the street to follow up on leads."

In the end, Meehan said, politicians who do the right thing have nothing to worry about.

"It's conduct that invites scrutiny," Meehan said. "The investigations are determined by the actions of those who are investigated."

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South Florida Corruption Capital Of U.S. (PALMBEACHP)

By Jane Musgrave, Palm Beach Post Staff Writer

Palm Beach Post (FL), November 27, 2006

South Florida is the public corruption capital of the country, according to the U.S. Department of Justice.

Between 1996 and 2005, a record-setting 576 people were convicted of federal corruption charges in the district that extends from Key West to Sebastian, according to the agency's most recent annual report.

That's far more than the 402 convicted during the same 10 years in Washington, D.C. or the 453 convicted in Chicago, where political machines have been rolling for decades.

New York City, another hotbed of government scandal, didn't even come close. A mere 374 people were convicted of public corruption charges during the last decade, the report shows.

Some political scientists said they were surprised South Florida beat out its more time-honored counterparts for the dubious distinction. But, having watched scandals rock the airport, numerous cities and other government agencies in Miami-Dade County, they said they expected it would be high on the list.

"If you had given me a multiple choice test and South Florida was one of the choices, I probably wouldn't have checked it," said Stephen Craig, a University of Florida political science professor. But if "all of the above" were an option, he said he would have recognized it as a player on the corruption scene.

The reasons South Florida has been plagued by public corruption are many and varied, observers say. Rapid growth, an influx of immigrants who may have a different view of how government business is run, skyrocketing land values and aggressive prosecution are all factors, political scientists said.

But attitudes are key, most say. "It reflects the political culture of the area," Craig said.

In the wake of the wide-ranging influence-peddling scandal involving lobbyist Jack Abramoff, it appears that prosecution of political corruption is increasing.

However, justice department officials say perception isn't reality.

"There's not been a sudden explosion in these types of cases," said Bryan Sierra, a justice department spokesman. "They've been there all the time."

The Abramoff scandal, with tentacles that reached dozens of members of Congress, was huge news across the nation.

"The profile of the cases increased, if not the volume," Sierra said.

Agency numbers shore up his claims.

From 1986 to 2005, the agency says, 23,602 federal, state and local officials and private citizens were charged with some form of public corruption. The most - 1,276 - were charged in 1987. Only 984 were charged in 1996.

The numbers increased steadily each year until 2004, when 1,213 people were charged. The number dropped slightly in 2005, when 1,163 people were charged with a variety of public corruption offenses.

Government To Appeal Acquittal Of Zucchet (SDUT)

By Kelly Thornton, Staff Writer

The San Diego Union-Tribune, November 27, 2006

Ex-councilman's lawyer calls move a 'mistake'

The government will appeal a federal judge's controversial decision to overturn a jury's guilty verdicts against former San Diego City Councilman Michael Zucchet.

San Diego U.S. Attorney Carol Lam, who lobbied heavily for permission to appeal, waited an unusually long time for approval from the Solicitor General's Office, an arm of the Justice Department that makes all decisions about appeals and represents the United States before the U.S. Supreme Court.

The approval, which took about a year, means Justice Department lawyers have concluded that the jury's verdict was correct, that there was sufficient evidence to convict Zucchet of trading political favors for money, and that it's likely a panel of the 9th U.S. Circuit Court of Appeals will agree.

A lawyer connected to the case said those involved were informed of the development by overnight letter late last week, but the Thanksgiving holiday might have delayed some notifications.

Zucchet and his lawyer, Jerry Coughlan, said yesterday that they had not yet been notified of the government's decision. Zucchet declined to comment, but Coughlan called the move “a dumb mistake.”

“They'll lose again because (U.S. District Judge Jeffrey T.) Miller was absolutely right. If the solicitor general made the decision on the law and the facts, it wasn't even a close call, but I also know this U.S. attorney's office put a lot of pressure on the solicitor general,” Coughlan said. Zucchet was indicted in 2003 along with former Councilmen Ralph Inzunza, Charles Lewis and

strip club associates on extortion and honest-services wire-fraud charges. They were accused of scheming to deprive citizens of honest services by surreptitiously trading efforts to repeal a law banning touching between strippers and patrons for campaign contributions.

Zucchet, Inzunza and Las Vegas lobbyist Lance Malone were convicted by a jury July 18, 2005. Lewis died before trial. Malone's boss, strip club owner Michael Galardi, made a deal with the government and testified against the others. Galardi is scheduled to be sentenced in January.

In a stunning move a few months later, in November, Miller overturned a jury's guilty verdicts against Zucchet, acquitting him of seven corruption counts and granting a new trial on the remaining two counts.

During the same hearing, Miller also sentenced Inzunza to 21 months in prison, and Malone to 36 months in prison. Inzunza is free on bond pending appeal; Malone has agreed to drop his appeal as a condition of a subsequent plea bargain in a parallel corruption case in Las Vegas.

The government's opening briefs are due January 17. A response from the defense is due April 17, and the government has a month to reply. After that, it could be several months before arguments take place before a three-judge panel, and then up to a year for a decision.

The circuit panel could uphold or reverse the district court judge's decision to overturn the guilty verdicts. Or, it could split the decision by upholding some counts and reversing others.

In case of reversal, the jury's original verdict would stand. If the acquittal is upheld, the government then would have to decide whether tore-try Zucchet on the remaining two counts.

In making its decision on the San Diego case, the Solicitor General's Office assessed the likelihood that Miller's decision would be reversed, and evaluated the consequences should the government lose.

It's likely the government's appeal will focus in part on the controversial honest-services fraud statute and an instruction Miller gave to the jury that caused debate behind the scenes between prosecutors and the defense.

The defense argued that the statute is vague and jurors could mistake typical conduct of politicians – such as receiving contributions and later voting on matters affecting the contributors – for criminal conduct.

To protect the defendants from being unfairly convicted, the defense said the jury should be instructed that they can only convict on the honest-services wire fraud counts if they find evidence of a quid-pro-quo agreement between the defendant and the strip club employees.

The government argued that unlike the crime of extortion, which requires a jury to find a quid-pro-quo agreement, honest-services fraud does not require such proof.

The judge ruled in favor of the defense.

Miller reversed the conviction in part because he found no evidence of a quid-pro-quo agreement, and the prosecution has indicated that Miller's instruction to the jury will be an element of its appeal. The government is likely to argue that Miller erred when issuing this instruction.

To prove wire fraud under the statute, the government must show that the defendants planned to deprive citizens of honest services, it must show intent, and it must show that defendants used or caused someone else to use the mail or a wire communication – such as a telephone – to carry out the plan, according to a book of standard jury instructions by the 9th Circuit Court of Appeals in San Francisco.

Coughlan has said he would not be surprised if the case went to the U.S. Supreme Court based on the controversy over the honest-services statute.

While pursuing that angle, the government is also likely to appeal on grounds that the judge was simply wrong, that there was plenty of evidence of a quid-pro-quo agreement.

The jury convicted Zucchet of three extortion counts, one count of conspiracy, and five wire fraud counts. Miller, the district court judge,acquitted Zucchet of the three extortion counts and four of the wire-fraud counts. The judge granted a new trial on the remaining charges of wire fraud conspiracy and wire fraud.

Miller sided with Zucchet's lawyers, who argued that he could not be convicted because there was insufficient evidence of a quid-pro-quo agreement between Zucchet and the strip club owner or his representatives. Miller ruled there was no clear relationship between campaign contributions Zucchet received in 2001 and 2002 from Malone and the action he took on behalf of Malone in 2003.

At Malone's behest, Zucchet referred adult entertainment matters to the City Attorney's Office for review. The referral happened at a public meeting of the Public Safety and Neighborhood Services committee.

The councilmen and Malone arranged for a man posing as a concerned citizen to appear before the committee, asking that the politicians increase the required distances separating strip clubs from schools, churches and other clubs. The man, who gave a bogus address, was an employee of one of Galardi's Las Vegas strip clubs.

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The distance requirement was intended to be a distraction for other council members and the media, the government maintained. The real plan was to sneak the no-touching matter onto the agenda.

Zucchet resigned his council seat after his conviction. Soon after his acquittal, he took a job with the Utility Consumers' Action Network, and he recently became vice president for development for downtown developer and former Port Commissioner Peter Janopaul.

Meanwhile, Inzunza's appeal is on the same schedule as the Zucchet matter.

Life As An FBI Mole In Berwyn (CHIT)

By Matt O'connor, Tribune Staff Reporter

Chicago Tribune, November 27, 2006

Former alderman brings bribery to light, but he lost his job and faced a mental breakdown

The Berwyn assistant mayor nodded toward Ald. Alex Bojovic and the two stepped into a City Hall bathroom near the council chambers, just as they had arranged.

The official, Sonny Stillo, handed $500 in cash, the first of two scheduled payoffs, to the alderman to vote for a controversial redevelopment.

And the whole transaction was captured on video.

Bojovic, it turned out, was more than an alderman--he was an FBI mole. He now explains that he had a tiny camera hidden in his clothes.

Earlier this month, Stillo was sentenced to 2 1/2 years in prison after pleading guilty to bribery in the case. Clifford Josefik, a developer also snared by Bojovic, is expected to plead guilty, possibly next month, according to court records.

Because the cases didn't go to trial, Bojovic never was called as a witness to tell his story in detail. In his first interview since the probe of public corruption came to light, Bojovic (pronounced Boy-o-vich) described for the Tribune a tension-filled double life that he had to keep confidential even from his wife.

"Maybe my career is not in government; maybe it's in acting," he quipped of his success in winning the trust of corrupt insiders.

Bojovic worked nearly two years undercover, pocketing at least $15,000 in payoffs made public so far and tape-recording more than 400 calls and meetings.

Bojovic said he secretly tape-recorded others, in addition to the two men charged, and is hopeful that federal prosecutors will bring additional charges.

For face-to-face conversations, he was usually "wired" with a recorder strapped to the small of his back, its microphone sewn into the lapel of his navy-blue sports jacket, he said.

The Tribune interview of Bojovic, 45, took place in his heated garage, which he used as his political campaign office and was the scene of many of his undercover meetings.

Bojovic asked a reporter for identification. His son, Chris, 22, still concerned about his father's safety, stood nearby.

After his undercover role came to light, Bojovic had a security system installed at his residence.

`Rebel Yell'

Code-named "Rebel Yell" by the FBI (in apparent reference to his status as an outspoken maverick alderman), Bojovic seemed an unlikely government mole on the surface. A product of Berwyn's Regular Democratic Organization, he had become a staunch opponent of then-Mayor Thomas Shaughnessy's administration. He was a politically ambitious alderman with a penchant for publicity.

Current Berwyn Mayor Michael O'Connor, a former Bojovic political ally, said he was stunned that Stillo even talked to Bojovic, let alone grew to trust him. "Alex had a reputation of being an honest person," O'Connor said.

"Obviously, [Bojovic] had to take on the persona of someone they could trust," O'Connor said.

Bojovic said Stillo and an elected official who hasn't been charged were initially wary of him. In a restaurant meeting, he said both urged him to quit going to the news media with complaints, a favorite Bojovic tactic.

"I was told, `Keep your mouth shut. We'll make you a rich man,'" Bojovic said.

Bojovic said he convinced them that he was tired of fighting with them. He also toned down his rhetoric and less frequently questioned Shaughnessy administration policies and expenditures.

Bojovic doesn't regret his decision to work undercover for the FBI, he said, but it came at a price. He said he grew increasingly nervous at being wired, fearful that the hidden recorder would be discovered.

The stress mounted as he juggled his work, political and undercover schedules. He slept fitfully and broke down crying at least half a dozen times from the stress, he said.

Bojovic said his outgoing personality ebbed. Friends and family noticed a change, but he couldn't explain what was going on because of the confidentiality of the investigation.

"I wanted so bad to talk to my wife, Diane, or my brothers," said Bojovic, who has six brothers, including Branko, who was a Berwyn alderman at the time. "The agents I worked with were great. But I felt like I had no one to talk to."

The FBI even brought in therapists once to try to help him cope with the anxiety.

Feeling overwhelmed, he abruptly quit his job as public works director for the Village of Lyons.

According to a government affidavit, federal agents approached Bojovic in summer 2001 after an undisclosed intermediary had contacted the FBI and suggested Bojovic knew of corruption and would be willing to help.

Bojovic said he agreed to cooperate in his first face-to-face meeting with the FBI.

In the interview, Bojovic struggled a bit to explain his motivations for working undercover. He said he had grown frustrated that thefts of political signs during his re-election fight earlier in 2001 hadn't been investigated by police.

Pressed further, he expressed unhappiness that his calls on the council floor for action on illegal dumping and other problems went ignored.

According to court records, Bojovic first won Josefik's trust. Over several months, Josefik sought the help of Bojovic, chairman of the council's Building, Zoning and Planning Committee, in his bid to buy the former Berwyn police station.

Swing vote

For an alleged $10,000 kickback from Josefik, Bojovic cast the swing vote as the council backed the sale, even though a church bid almost twice as much money for the property.

Bojovic described the vote as the toughest of his undercover role because it went against public sentiment. Many residents wanted the city to build a parking lot there, he said.

Next, Josefik set his sights on a dilapidated city-owned residence, charges alleged. In pleading guilty, Stillo admitted he rigged bids on the purchase to ensure Josefik would be the winner.

`Flip and flop'

In conversations recorded by Bojovic, Stillo laid out in detail his bid-rigging plans. "I know how to flip and flop," court records quoted Stillo as saying.

Armed with the tape-recorded evidence, federal prosecutors won court permission to hide a closed-circuit TV camera in the city clerk's office, the records show.

Bojovic said he supplied agents with a key to City Hall's front door to install the camera overnight.

The closed-circuit TV captured Stillo pulling four sealed bids inside a closed City Hall on a Saturday in November 2003. He returned them a couple of hours later. The highest bid was for $55,000, he later told Bojovic in a recorded call.

Five days later, on Nov. 13, Stillo returned to City Hall before it opened to the public and added Josefik's revised $56,000 bid to the pile, ensuring his would win.

It was that same day that Stillo met with Bojovic in his garage and offered $1,000 for the alderman's vote on the controversial plan to tear down a historic former bank building as part of the city's Super Block project, a major revitalization effort along Cermak Road.

That night, shortly before a scheduled council meeting, Stillo nodded at Bojovic, their pre-arranged signal to meet in the men's room. Stillo quickly handed over the first payoff--five $100 bills stuffed in an envelope.

At the council meeting, Bojovic delayed the Super Block vote after telling Stillo that he had to explain his flip-flop on the issue with constituents. But the council voted to accept Josefik's secretly rigged bid to buy the city-owned residence.

The undercover project ended less than two weeks later with Stillo's arrest. Bojovic said he forced the issue with the FBI because he refused to vote for the Super Block project in his undercover role. Bojovic said he feared the historic building would have been quickly razed if the vote had passed.

"They had the cranes ready," he said.

After Bojovic's undercover role became public, he said he struggled for more than two years to find another job in local, county or state government. "I made a name for myself--a rat," he said.

Lyons hired him back as public works director earlier this year.

Bojovic ran for mayor in 2005, making his undercover work the centerpiece of his campaign, but he lost handily in the Democratic primary.

He believes his undercover efforts, though, contributed to Shaughnessy's decision not to seek re-election.

While he has been out of public office since his 2005 defeat, Bojovic said he plans to run again for mayor in 2009.

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Undercover crime fighters

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In the last quarter-century, moles have played a pivotal role in gathering evidence for federal authorities in some of Chicago's most successful corruption investigations:

JOHN CHRISTOPHER: A mob-connected contractor doled out more than $150,000 in bribes in 3 1/2 years of undercover work during the 1990s. The Operation Silver Shovel probe led to the convictions of former Chicago Ald. Lawrence Bloom, once the council's conscience, as well as five aldermen and six others. But Christopher received among the stiffest prison terms for engaging in wrongdoing while he cooperated with authorities.

ROBERT COOLEY: A corrupt lawyer walked into the U.S. attorney's office in 1986 and said he wanted to help the government bring down the mob. His 3 1/2 years of undercover work in Operation Gambat exposed mob influence in City Hall and resulted in more than two dozen convictions of judges, mobsters, politicians, police officers and lawyers. In 1997 Cooley's testimony helped convict alleged mob hit man Harry Aleman in a historic retrial; Cooley had bribed a judge to acquit Aleman in the original trial.

TERRENCE HAKE: An idealistic assistant state's attorney upset over corruption in the Cook County court system. His cooperation in the early 1980s led to the landmark Operation Greylord investigation. In 3 1/2 years of undercover work, he fixed drunken driving, narcotics, robbery and other cases for FBI agents posing as criminals. Fifteen judges and dozens of lawyers and court personnel were convicted. As part of the probe, authorities bugged a judge's chambers for the first time in U.S. history.

MICHAEL RAYMOND: A con man who agreed to pose for the FBI as a corrupt business representative after his arrest in 1984 on a weapons charge. The FBI set Raymond up in a posh apartment in Lake Point Tower after installing cameras and listening devices. The Operation Incubator probe led to the convictions of 15 people, including Chicago aldermen, city and county officials and business people. Raymond died in a federal prison in 1996 while serving a life sentence for masterminding a murder in New York.

WILLIAM `B.J.' JAHODA: Managed a lucrative gambling business for one of the Chicago Outfit's most violent street crews when he decided to turn his life around in 1989. The government moved Jahoda into a Chicago apartment wired with video and audio recording equipment from which he operated undercover for six months. His testimony in 1991 led to the first convictions of organized crime figures in a murder-related case in Chicago history.

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Ex-McNamara Aide Faces Charge Over Campaign Work (DEN)

By Paul Egan

Detroit News, November 27, 2006

The federal government brought a criminal charge Wednesday against an aide to former Wayne County Executive Edward H. McNamara, four years to the day after agents raided the Old Wayne County Building and allegedly found political materials on the aide's computer.

Robert S. Wisler of Livonia is charged with theft of government property under $1,000. He is the third Wayne County official charged since the Nov. 22, 2002, raid on the seat of county government.

The charge is a misdemeanor, but allegations in the complaint suggest federal officials have linked political activity on county time to officials for whom Wisler worked as well as those he directed.

Wisler "assisted in election campaigns (and) received campaign assignments from his county superiors as well as requests from political candidates," the complaint alleges.

"He delegated campaign work to other county employees who helped him perform such work during normal business hours."

Wisler, knowing it was illegal, "used county-supplied equipment and infrastructure," and "spent a substantial amount of the normal business hours doing campaign work without taking time off to do so."

The alleged offenses occurred between January 1987 and December 2002. Wisler could not be reached for comment Wednesday.

Wisler worked on "special projects" in the office of McNamara, the longtime Wayne County executive who died in February. McNamara spokeswoman June West confirmed in December 2002 that Wisler was subpoenaed to appear before a grand jury in the McNamara investigation.

Wilbourne Kelley III, a former airport official, is serving a prison term on bribery and extortion-related charges.

Wade McCann, a former Wayne County assistant prosecutor who reported to the prosecutor, not McNamara, pleaded guilty to a misdemeanor for directing an intern to assemble a database of political donors on county time.

County officials said earlier this month the grand jury investigation continues.

You can reach Paul Egan at (313) 222-2069 or pegan@detnews.com.

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FBI: Verhotz Embezzled For 10 Years (AP)

AP, November 27, 2006

CLEVELAND - A former KeyBank vice president accused of embezzling $29 million bought a multimillion dollar home on Long Island and spent $1.1 million on his fiancee's engagement ring, investigators say.

David F. Verhotz, 56, also lived a double life, according to pretrial statements made by U.S. Attorney Justin Roberts. He said Verhotz had recently divorced his wife in Ohio but told his fiancee, who lived with him in New York, that the marriage had ended 10 years ago.

"Mr. Verhotz can't even be honest with his family and his fiancee," Roberts said at a hearing earlier this month. He said Verhotz also told his fiancee, Kim Chen, that he had two children instead of four.

Verhotz, who has been fired as the head of the bank's international loans unit, carried out his financial scheme for 10 years, according to the FBI. He had worked at the bank for 11 years.

According to prosecutors, Verhotz used fake names to steal the money and support a lavish lifestyle that included the purchase of a $5.7 million home on Long Island. He also had $2.2 million in an escrow account to buy a town house on New York City's Park Avenue.

Investigators said he poured money into his New York home, including spending $30,000 for a chandelier and $50,000 for landscaping.

The money authorities say he embezzled also went toward his children's college tuition, which, along with some of the other funds, can't be recovered. About $10 million of the $29 million he is accused of stealing over the last three years has been repaid, and investigators say they have accounted for another $11 million in property, bank accounts, jewelry and other purchases.

Investigators believe the rest of the money may be in accounts under fake names, Roberts said.

Verhotz's attorney, Carlos Warner, a federal public defender in Akron, did not immediately return a call Sunday.

The alleged scheme began when Verhotz, who made $110,000 a year working at the bank, apparently got a fraudulent loan to pay the $30,000 to $40,000 he owed in back taxes, FBI supervisor Scott Gilbert said. Over the years, Verhotz would take out more loans to make payments on previous loans to avoid suspicion, according to the FBI.

That pattern continued without detection until this month, according to prosecutors, although it's unclear how it was uncovered. Bank officials are auditing seven more years of his activities to determine how much they believe he stole.

"I'm not going to speculate what the number might be," KeyBank spokesman Mike Monroe said. "Our investigation is now working backward to those earlier years."

Verhotz committed at least some of the fraud using the made-up identity of a European bank executive named Thomas Henderson, who supposedly borrowed millions from KeyBank, Roberts said.

Verhotz was arrested Nov. 11 at Cleveland Hopkins International Airport after getting off a flight from Dallas.

He could face six to eight years in prison if convicted on charges of bank fraud and embezzlement from a federally insured bank. A federal magistrate has denied bail while Verhotz awaits trial.

KeyBank is owned by KeyCorp., which has more than 900 branches in Alaska, Colorado, Idaho, Indiana, Kentucky, Maine, Michigan, New York, Ohio, Oregon, Utah, Vermont and Washington.

Zoning Laws That Bar Pedophiles Raise Concerns (NYT)

By Laura Mansnerus

The New York Times, November 27, 2006

FRANKLIN TOWNSHIP, N.J., Nov. 21 — The man identified in court documents as A. B. does not talk to his neighbors or tarry at the convenience store. Seventy-seven years old, soft-spoken and sometimes confused, he hardly ever leaves the little ranch house he bought in 1969. “People know what’s what with me,” he said.

What’s what with A. B. is that he moved back here last year after serving seven years in prison for sexually molesting two grandchildren and another youngster. And because his home is in a “child safety zone” drawn by the township, he may be forced to leave it.

But the public defender’s office in New Jersey, a state government agency, filed suit against the township on his behalf last month, claiming that the ordinance not only violates his right to due process, but also conflicts with a state law requiring that parole officers decide where registered sex offenders live. It is the first such case the agency has taken up, and could herald a curb on the rapidly proliferating local ordinances that threaten to push pedophiles to the fringes of civilization.

Such regulations — more than 100 have been enacted in New Jersey municipalities — are popular around the nation. More than 20 states have broad laws keeping sex offenders from schools, churches, playgrounds and the like. This month 70

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percent of California voters approved expanding statewide restrictions to include more sex offenders, and authorized towns to designate even stricter limits.

On Long Island, the East Rockaway Village Board voted on Nov. 13 to add areas in which sex offenders are barred: Now they cannot live within 1,000 feet of day care centers, community centers, places of worship, libraries and recreational facilities. And the Village of Babylon announced Tuesday that it had evicted seven offenders who were violating its residency restrictions.

The steady march of more and more restrictive regulations, though, is sending sex offenders into rural territory, which in New Jersey and on Long Island is scarce — or worse, into vagrancy, law enforcement officials say. Now these officials fear that uprooting sex offenders makes them less stable and harder to track.

"It certainly makes our job difficult," said Thomas James, New Jersey's director of parole, explaining that because his officers often have to find housing and social services for offenders, their banishment by local governments is "an ever-increasing problem."

But Michael DiGiorgio, chief of police here in Franklin Township, said, "We're not telling any of these individuals they can't live in Franklin Township; they just can't live where the children are."

"That's the whole purpose of the ordinance," he added. "To protect children."

A. B.'s name is on the state's registry — "I'm broadcast on the Internet," he said — but he was identified by randomly chosen initials in court papers, and granted anonymity for this article, so as not to expose his victims. His lawsuit, filed in State Superior Court in Gloucester County, is one of a handful filed across New Jersey in recent months to overturn the local rules, part of a national wave of litigation that is beginning to follow the multiplying new laws.

An Ohio court ruled in October that the state's buffer-zone law could not be enforced against offenders who lived in such zones before it took effect. Citing several constitutional concerns, a federal judge in California issued a temporary restraining order barring enforcement of the residency restrictions set forth in the state's recent ballot proposition.

In Georgia, plaintiffs in a class-action suit include several offenders who would seem to pose little further threat: an elderly man with Alzheimer's disease and another living in a hospice, along with a woman whose long-ago conviction was for having consensual oral sex with a 15-year-old boy when she was 17.

Sex Allegations Swirled Around Md. Man Before (WP)

By Ernesto Londoã±o

The Washington Post, November 27, 2006

Before he was charged in recent weeks with abusing three minors, Stanley D. Schwartz had a clean record.

But allegations of sexual misconduct with underage boys by the 64-year-old patent lawyer were first made more than a decade ago, a Montgomery County detective said.

Jordan Satinsky said fellow detectives opened an investigation in 1992 after the Rockville man was accused of sexually touching at least nine Thomas S. Wootton High School male basketball players, whom he coached.

Schwartz also has been accused of inappropriate sexual conduct with boys between the ages of 13 and 16, whom he chaperoned on ski trips and hosted at his home as foreign exchange students, the detective said.

Satinsky said none of the previous allegations brought to the attention of police led to charges because they couldn't be corroborated and no alleged victims wanted to come forward.

Schwartz's attorney, Sanford Berman, would not comment on the allegations or the supervisory roles that have placed Schwartz in close contact with male teenagers. He said his client should be presumed innocent unless proved guilty in court. He also said his client would not be available for an interview.

"We have no response to police allegations in the press," Berman said. "We respond to them in the courtroom."

Satinsky said he chose to disclose information about the earlier investigations because he believes others might be willing to come forward now that some have formally accused Schwartz of molesting them.

"I think he has been doing this for a very long time," Satinsky said.

Satinsky said Schwartz, a longtime Montgomery resident who has a law practice in Arlington County, has been estranged from most of his close relatives for more than a decade. He was married for nearly 30 years before his wife filed for divorce in 1997, according to court records.

Some of the teenagers said inappropriate sexual touching occurred after Schwartz had given them alcohol, the detective said.

Schwartz was apparently a volunteer coach at Wootton; a school system spokesman said he had never been on the system's payroll. Some of the allegations involving Wootton students were made to police after Schwartz took teenagers on out-of-state trips to help him do legal research, the detective said.

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The ski trips Schwartz chaperoned also took place in the early 1990s, Satinsky said. They were apparently sponsored by a Fairfax-based program, the detective said. Its name could not be immediately determined.

Satinsky said it is not clear how far the past investigations got because they were conducted by detectives who no longer work at the department. He said he found notes in the investigation folder indicating that some teenagers came forward but were later asked by their parents not to pursue the matter.

Schwartz was arrested in October after a 15-year-old exchange student from Kuwait told detectives that Schwartz fondled him Aug. 27, according to a charging document. The document provides the following account:

Schwartz, who was acting as a surrogate guardian because the teenager's host parents couldn't take care of him that night, told the teenager he could sleep in Schwartz's bed. Later that night, Schwartz got in bed with him while he was sleeping.

Schwartz fondled him and told him that "American boys sleep in their underwear, not T-shirt and shorts."

The teenager left the bedroom, knelt to pray and later called his host parents, who picked him up and called police.

Satinsky said Schwartz has hosted about 30 foreign-exchange students at his home in recent years. All have been white or light-skinned male teenagers -- most are from Europe -- and were ages 13 to 16.

Satinsky said officials of San Francisco-based AYUSA International, the company that used Schwartz as a host parent for foreign-exchange students, have cooperated with investigators. A phone message left Wednesday for an AYUSA employee who handles media inquiries was not returned.

Schwartz was charged with sexual abuse of a minor, sex offense and assault in the exchange-student case.

Schwartz was arrested again Nov. 15 and charged with child abuse and sex offense after a woman and a man separately told police that he molested them in the 1980s when they were 13 and 15, respectively. He posted $100,000 bond in the first case, two $50,000 bonds in the second and third and was released awaiting the resolution of the cases.

Anyone with information may call Satinsky at 240-773-5421.

Lanier To Focus On Crime Hot Spots (WP)

By Allison Klein

The Washington Post, November 27, 2006

Cathy L. Lanier, chosen last week to lead the D.C. police force, said she plans to use "precision patrol teams" to reduce crime in certain parts of the city, focusing on the places and times when criminals are most apt to strike.

The patrols are part of a broader community policing strategy that Lanier hopes to push as head of the 3,800-member department. In an interview, she said she intends to give more authority to commanders and beat officers to customize their own crime-fighting programs.

Targeted patrols have been used by police departments for years to combat spikes in crime. D.C. police have more than a dozen hot spots that get increased attention -- although not to the degree that Lanier is proposing. She created a model in 2002 when she was commander of the 4th Police District in upper Northwest and Northeast Washington. It reduced crime there, she said, and could have an impact citywide.

The precision patrol teams focus on crime hot spots and the "hot times" in which they occur, Lanier said. In the model Lanier used, officers blanketed areas in marked police cars with flashing lights to maximize visibility. The hot spots were relatively small -- about six square blocks each. But they were accounting for large shares of robberies, burglaries, vehicle thefts and other crimes. Crime dipped within 90 days, she said.

"What will make or break this is engaging the people who have to carry it out and engaging the people who have to live with it," Lanier said.

Lanier, 39, a 16-year force veteran, was selected by Mayor-elect Adrian M. Fenty (D) to replace Charles H. Ramsey in a job that is often a lightning rod for criticism and complaints. A protege of Ramsey's, she said she plans to build on his successes in reducing crime while making the department more responsive to residents. If confirmed by the D.C. Council, Lanier would become chief in January, soon after Fenty takes office.

"With community policing, there is not one template you can implement across the city," Lanier said in the interview last week. "Every neighborhood is different."

Lanier, who was offered the position by Fenty earlier this month, said she still is crafting her plans and provided few details about how the precision patrols will work. She has not yet assembled her command team.

She said that she wants to put more officers on the streets, but not necessarily by increasing the size of the force. First she wants to explore increasing efficiency. But in any event, she said, the police must do more: be more visible on the streets, address neighborhood concerns in all parts of the city and simply be more polite to the public.

"I want us to be innovative," she said. "I want us to change the way we do this to mirror a successful business."

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Lanier most recently headed the force's homeland security division, a subject in which she holds a master's degree. But she has more than a decade of experience in patrol work, including stretches as an officer in the 6th District and as a commander in the 4th District.

She said she plans to rely on district commanders and officers to develop their own plans for dealing with disparate needs. Beat officers will get more freedom to work directly with residents and solve the problems they face -- a hallmark of community policing.

Some neighborhoods, especially those with an active night life, need a heavy presence of foot patrols at midnight. Others, mostly residential areas, need less, she said.

Residents in some high-crime neighborhoods have welcomed emergency tactics, including the occasional use of klieg lights to illuminate streets. People in other areas find the lights a nuisance and offensive, she said.

Wherever they are, Lanier said, police must be attuned to the people they serve. People walking into police stations should be greeted by someone who is polite and helpful, she said. Neighbors worried about yellow crime tape on their block should be able to get an answer from officers about what is happening there, Lanier said.

Fenty crisscrossed the city for two years before his election as mayor, listening to residents who at times fumed about crime, fear and their frustrations with police. Throughout the mayoral campaign, he touted his public safety fix: better community policing. He met Lanier while serving as the council member for Ward 4 and believed she shared his vision.

"Community policing" is a decades-old concept that has a broad meaning of building bridges to people and increasing police presence.

"Community policing has become a motherhood, apple pie catchphrase," said Brian Forst, a professor of criminal justice at American University. "It means different things in different places. If you look in New York City, it means arresting the turnstile jumpers. In Seattle it means bringing back Officer Friendly."

Lanier's talk of viewing the police force as a business is a staple of community policing, Forst said. "Managers have to manage by walking around; they have to get to know the customer," Forst said, and police must do the same.

In Washington, officials have been promoting community policing since before Ramsey arrived in 1998. The city has more than 40 Police Service Areas, each with teams of officers who are expected to know community members and their concerns.

Lanier said she wants to "go to the next level" and cited her experience with the precision patrol teams as an example.

Neighborhood activist Sara Green, who lives in Takoma Park, said she thought Lanier did a fine job when she headed the 4th District, from 2000 to 2002. But Green wished she had stayed longer, saying the district has had too much turnover.

"I thought she was a real human being, as opposed to someone in a uniform who walked a bureaucratic line," Green said. "Some of these top police are very military. You have a feeling that no matter what your human problem is, they are long past an understanding of it."

Andrew Karmen, a criminologist and sociology professor at John Jay College of Criminal Justice in New York, said Lanier's goals seem attuned to victims' concerns. Karmen, who has written books about crime and victimology, said victims want police to show up quickly when they call, to be treated with sensitivity, for their case to be solved and for police to be transparent about what they're doing.

Lanier said she hopes to make better use of community resources and tap into local universities to have academics study police procedures. As with Ramsey, she wants to push officers to continue their educations, as she did in her own career.

She credited Ramsey for moving the department forward and said she will make her own imprint. "I think everything he's done is great," she said. "But I want to do things differently."

Spain's Lesson On Fighting Spousal Abuse (CSM)

By Geoff Pingree And Lisa Abend

The Christian Science Monitor, November 27, 2006

MADRID

Margarita's partner - a university ethics professor - had abused her from the beginning of their 14-year relationship. But after she got pregnant with their first daughter, the violence became intolerable. Still, she didn't file her first police complaint for six years.

"Domestic violence kills your self-esteem, and I needed help," says Margarita (not her real name). "But there's not much of a tradition in Spain of protecting women or of punishing offenders."

In 2005, the country seemed ready to chart a different path when its newly elected Socialist government introduced sweeping domestic-violence legislation. Yet almost two years after the law went into effect, Spanish courts are flooded with spousal-abuse cases and the number of women killed by their partners has risen.

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Indeed, as officials from around Europe convene at a Madrid conference Monday to kick off a continentwide campaign against domestic violence, many in Spain have realized that legislation alone can't solve the problem.

"The law was a big step forward," says Eva Suarez, head of Amnesty International's domestic-violence project in Spain. "But a lot remains to be done before the rights that women have on paper become a reality."

Last Thursday, the number of women killed by their partners this year reached 61, surpassing 2005's total of 60. That number is lower than the 95 women killed so far this year in France, or the roughly two women killed each week in Britain. It also falls proportionately below rates in Denmark, Finland, and Sweden. But the problem is severe enough that Spain approved unusually comprehensive legislation to combat it.

The Law for Comprehensive Protection Against Domestic Violence, which went into effect in January 2005, stiffened penalties against abusers, provided greater social assistance to abused women, and created special courts and a government delegation dedicated to combating "gender violence." Unlike legislation in other European countries that treats prevention, punishment, and aid to victims as separate concerns, Spain's law does everything from appointing special prosecutors to providing victims with financial support to calling for less sexism in advertising.

That holistic approach was singled out in a report this year to the Council of Europe, the body organizing Monday's conference. In the latest of its efforts to secure the rights of women across the continent, the council is using the conference as a springboard for its "Campaign to Combat Violence against Women, including Domestic Violence." Through the campaign, which will run through March 2008, the council hopes to raise awareness, urge member states to deliver concrete results, and promote the implementation of effective measures for preventing and combating violence against women. Is the Spanish law one such measure? To be sure, it has had its successes.

"Before, there were no specific resources for domestic-violence victims. Now, there are," says Ana Herranz, a social worker who administers the Program for Abused Women under the direction of the Women's Institute in Madrid. "The fact that you can now denounce your abuser and get a restraining order, and that the man has to leave the house is an important change; it diminishes the degree to which women have to hide."

Better awareness of the problem has also dramatically augmented the numbers of women who report abuse; more than 100,000 have done so this year.

"We've seen a fourfold rise in the number of complaints filed by women in the past decade, yet just a small increase in the number of deaths," says Ángeles Álvarez, director of the domestic violence task force at Madrid's Women's Foundation. "So the situation has actually improved."

Nevertheless, there are clear failures. Thirty percent of the women killed this year had filed complaints against their partners. And the fact that Spain's death toll this year surpasses that of prelegislation years (50 victims in 2001; 54 in 2002), has many suggesting that the law has not been adequately enforced. Speaking at the Women's Foundation offices, which buzz with activity as staff members work phones at shared desks, Ms. Álvarez contends that the legal, social, and medical workers provided for by the law have not been adequately trained.

"We haven't seen real enforcement of the restraining orders," she adds. "And without enforcement, the orders are worthless." The jump in the number of legal complaints has also overwhelmed the 27 courts created to deal with domestic violence. "It's hard work taking care of this avalanche of abused women," says Ana Eisman, one of 260 court workers who earlier this month protested "intolerable" labor conditions.

"The government didn't foresee all the problems that would be involved in applying the new law, and we workers have been exploited," she says. "Our shifts are supposed to end at 3 p.m., but we usually have to stay until 7."

Yet this scarcity of resources may be less an obstacle than entrenched attitudes toward women. "We have to educate and reeducate an entire society," said Soledad Cazorla, prosecutor in Madrid's domestic-violence court, in an interview with El País newspaper. "We have to learn to believe in equality."

Ana María Pérez del Campo, president of the Foundation for Separated and Divorced Women, adds that Spaniards still resist taking domestic violence seriously. "Women here are denied credibility. For years, women have been denouncing domestic abuse, yet only 10 percent of their complaints are processed [in the courts]."

Margarita, who has lived free of her partner's abuse for three years, agrees that there is much to be done. "Domestic violence is a crime now," she says. "But that doesn't resolve the problem. The law is more talk than reality."

Ground Search For Minn. Boys Called Off (AP)

AP, November 27, 2006

RED LAKE, Minn. (AP) — Authorities called off a major ground search Sunday on the Red Lake Indian Reservation after they turned up no sign of two young brothers who have been missing since they went out to play Wednesday morning.

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But FBI Special Agent Paul McCabe said authorities would continue pursing leads, and the effort to find 4-year-old Tristan White and 2-year-old Avery Stately was not over.

"We will not stop looking for Tristan and Avery until they are found," McCabe said.

McCabe said it's still unclear whether they wandered off or were taken. "We don't have any indication at this time that foul play is involved," he said.

Investigators had received around 70 phone tips, McCabe said, but none led to the boys so far.

The FBI last week offered a $20,000 reward for information that leads to the boys.

Falling temperatures had dimmed hopes that the boys could have survived in the woods. By Sunday, afternoon temperatures in the area were in the 20s, and there was a chilly wind out of the northwest.

McCabe acknowledged that the hundreds of searchers and volunteers were disappointed with the decision to call off the ground search.

"They've all been so focused and so dedicated to finding these two children that it's somewhat discouraging for them to have to leave," he said. "They really wanted to find these boys."

Officials Call End To Air, Land Search For Red Lake Boys (MINNST)

By Terry Collins

Minneapolis Star Tribune, November 27, 2006

RED LAKE, MINN. - After five days of expansive searching, authorities called off the air and ground search Sunday for two young brothers who have been missing on this northern Minnesota reservation since Wednesday.

The investigation, however, will continue in the baffling disappearance of Tristan A. White, 4, and Avery Lee Stately, 2, last seen playing outside their home in the remote Walking Shield area.

"That's a promise," FBI special agent Paul McCabe said during a news briefing. "We won't stop until they are found."

Those sentiments were later echoed by Red Lake Chairman Floyd (Buck) Jourdain to dozens of people at a post-search gathering at the tribe's Humanities Center on Sunday evening.

Jourdain said that tribal officials are expected to meet today to "restrategize" their efforts, which will likely include searching on a much smaller scale.

"I can't say how much I've appreciated you taking the time from your families and your lives to help us try finding these two boys," Jourdain said. "Your efforts were not done in vain. ... It's not over."

The decision to halt the massive search, at times in freezing temperatures, came after scores of people -- including dive teams from three neighboring counties, unmanned aerial vehicles flying overhead and teams of search dogs that grew with each passing day -- came up empty.

"There is some disappointment that they couldn't help bring the kids home," McCabe said about the search parties. "But we feel confident that the search has been extensive and thorough."

McCabe said authorities will continue to investigate whether the boys wandered off or whether foul play was involved.

No evidence of foul play has been discovered, Jourdain said. He also said there has been no sign the boys were attacked by wild animals or fell into nearby small lakes. Other areas such as log piles were triple-checked, as were three bear dens discovered during the searches.

A hot line set up Friday has led to about 70 tips, double the total announced on Saturday, McCabe said Sunday. However, the tips have not led to any substantial leads.

Investigators will continue to pursue any possible leads, he added.

Meanwhile, several weary and befuddled volunteers attending the post-search gathering listened to what the next steps would be. They were assured repeatedly that the search to find Tristan and Avery won't stop.

"What will happen is what we call a limited continuance search," said Paul Burke, a consultant with the National Center for Missing and Exploited Children. If there is a significant piece of evidence or information, another large-scale search could commence, Burke said.

"If you hear or see something, tell the authorities so they can check it out," Burke urged them.

Burke also thanked them for the thousands of hours of going through woodsy areas, trying to find anything to provide clues to where the boys are.

"I gotta tell you, it's going to be hard for me to leave this place. The effort and energy put into this search for these two boys is deserving, and I know that the family appreciates it," Burke said. "Stick together."

Several Red Lake citizens could be seen comforting each other. Judy Roy, a former tribal secretary who lost to Jourdain in a hotly contested battle for chairman this summer, hugged her onetime opponent.

"Just call me if you need anything," Roy said to Jourdain, who nodded in appreciation.

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Others, such as Red Laker Pete Neadeau, who'd spent the past four days searching, told Jourdain he'd be ready to search again if needed.

"If that's what the community wants to do," Neadeau said. "I'll be there."

Unbearable Tragedy In Pomona (LAT)

The Los Angeles Times, November 27, 2006

The senseless death of a child raises concerns about the priorities of federal crime policies.

WHO COULD BEAR to write an epitaph for Ethan Esparza? Ethan was celebrating at his 4th birthday party Nov. 19, playing with a new toy car in the frontyard of his Pomona home, when a gunman stepped out of an SUV and began spraying bullets into the crowd of children. After being shot, Ethan lived long enough to scramble to his mother's room and spend his last moments gasping for breath in her arms. There are no words strong enough to express her agony or the depths of a community's sympathy.

Police departments don't have any words for such tragedies either, but they do have numbers. Statistics compiled by the FBI show that violent crimes nationwide rose 2.3% in 2005, the first such increase since 2001. Homicides were up 3.4%, and a separate report issued in September by the Justice Department showed a marked increase in gun violence last year.

A one-year statistical bump doesn't necessarily signal a trend, and crime statistics are always problematic because they're based on reported incidents; a jump might simply mean more people are going to the police, not that more crime is occurring. Further, nationwide crime patterns are extremely uneven: Violence is down in New York but up in Boston. Locally, police are concerned about a rash of gang attacks in the San Fernando Valley, but violent crime in Los Angeles as a whole has been declining for years.

But the country's top cops don't think the statistics are an anomaly. At a conference in August, about 300 police chiefs complained to FBI officials that a shift in national priorities toward fighting domestic terrorism was compromising their ability to fight conventional crime. Federal funding for municipal police work has been cut nearly in half since 9/11, diverted instead to anti-terrorism programs. At the same time, the Bush administration and Congress have significantly loosened federal gun-control measures such as the now-expired assault weapons ban.

On Wednesday, the Justice Department chose 18 regions for a study on why homicides are on the rise, including San Bernardino County and San Diego. Police chiefs hope this will lead to an increase in funding, but that's not likely. Atty. Gen. Alberto R. Gonzales has made it clear that they shouldn't expect much more help from the federal government.

It would be absurd to say that Ethan or the other victims of senseless violence died because of federal crime policies, but it's equally absurd to think one can make it easier for criminals to obtain deadly weapons without having an effect on the murder rate. Last year, there were nearly 17,000 homicides in the United States, five times the death toll from 9/11. It may be that our focus on Middle Eastern terrorists has distracted our attention away from a bigger, entirely homegrown threat.

Rape Is Rape (WP)

The Washington Post, November 27, 2006

IS IT RAPE if a woman agrees to have sex, then changes her mind after the act has begun and tells the man to stop? Not in Maryland, no matter how clear it is that the woman has withdrawn her consent. According to a ruling last month by the Maryland Court of Special Appeals, the state's intermediate appellate court, forcing a woman to continue to have sex against her will is not rape under common law and state court precedents. If this is a correct interpretation of the law, the law should be changed.

Perhaps the facts of the case produced this repugnant result. An 18-year-old Montgomery College student gave a ride to Maouloud Baby, then 16, and his friend. The friend -- who later pleaded guilty to rape in the incident -- had sex with the young woman in the back seat of her car. Then Mr. Baby said it was his turn. "He was like, 'I don't want to rape you,' " the student testified. She said she felt as if she couldn't refuse and agreed to have intercourse "as long as he stops when I tell him to." They began to have sex, she pushed him away and told him to stop, and, she testified, after "about five or so seconds," he did. Mr. Baby was convicted of first-degree rape and sentenced to five years in prison.

This isn't the strongest set of facts for a rape conviction, and a new trial for Mr. Baby seems warranted. But what's troubling is that, in granting the new trial, the court found that once consent is given and penetration occurs, no set of facts, however egregious, could produce a rape conviction. The court said it was bound by a 1980 ruling in which the Court of Appeals found that "ordinarily if [the woman] consents prior to penetration and withdraws the consent following penetration, there is no rape" -- though that case involved the opposite situation, where the woman refused to agree to have sex but gave consent afterward.

Its conclusion, the court said, was further required by the common law understanding of rape, under which the crime is viewed as an infringement on the property rights of the woman's husband or father. The common law, the court said, "views the

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initial 'de-flowering' of a woman as the real harm or insult . . . after this initial infringement upon [her husband or father's] interest in a woman's sexual and reproductive functions, any further injury was considered to be less consequential. The damage was done."

The real damage is done by this ruling, which promotes an offensively archaic view of women and is out of line with other states that have considered the question. Only one state court (North Carolina) has agreed with Maryland, seven state courts have found to the contrary, and Illinois has passed a statute making clear that consent can be withdrawn. The Court of Appeals or the legislature should overturn this decision.

CIVIL LAW:

Spitzer Battles Wachovia's Dream Team In State-Power Court Case (BLOOM)

By Alison Vekshin And Greg Stohr

Bloomberg, November 27, 2006

Nov. 27 (Bloomberg) -- A lineup of legal heavyweights unusual even by Supreme Court standards is doing battle in a case pitting Wachovia Corp. against Michigan banking regulators.

Wachovia's side includes Walter Dellinger, Seth Waxman and Theodore Olson, all of whom served as solicitor general of the United States -- the government's top courtroom lawyer. Backing Michigan in its arguments to the court Nov. 29 are the other 49 states, led by New York Attorney General Eliot Spitzer, the state's governor-elect.

At stake is what Dellinger, 65, calls ``the single most important legal doctrine" for many U.S. industries: how free states are to impose stricter regulations than those set by the federal government. If Michigan and Spitzer prevail, says Dellinger, who served under President Bill Clinton, ``we're in danger of switching roles, where Europe has the great common market and we have the Balkanized economy."

The high court is being asked to decide whether federal oversight of Wachovia and other national banks extends to their state-chartered subsidiaries, immunizing them from state regulation of their mortgage businesses.

A decision favoring Michigan may lead some national banks to close their subsidiaries and move the services they perform into the bank, restricting the availability of credit and increasing its cost, banking industry officials say.

Drugs and Autos

The dispute also has implications beyond the banking industry, testing federal regulators' power to block more aggressive state oversight. A broad court ruling might affect the regulation of prescription drugs, autos and other consumer products -- all fields governed by federal agencies that have sought to curtail suits by individuals under state laws.

``It has potentially broad ramifications for the ability of state attorneys general to enforce consumer-protection laws," says Stephen D. Houck, executive director of the Center for State Enforcement of Antitrust and Consumer Protection Laws in New York.

Like Dellinger, Waxman, 54, served under Clinton, while Olson served under President George W. Bush and was part of the team that helped secure his legal victory following the disputed 2000 presidential election. All three were retained by groups backing Charlotte, North Carolina-based Wachovia, the nation's fourth-largest bank by assets.

Backed by Bush

Also lining up behind Wachovia is the Bush administration, which is urging the high court to give federal agencies wide latitude to override their state counterparts.

In recent years, the Food and Drug Administration, National Highway Transportation Safety Administration and Consumer Product Safety Commission all have sought to use their regulatory power to limit suits by consumers. Earlier this year, the FDA put a preamble on a product-labeling rule that would give the agency final say on what warnings drugmakers must provide to patients.

Those efforts would get a boost if Wachovia wins a ruling that expands the authority of federal agencies, says Thomas W. Merrill, an administrative law professor at Columbia University in New York.

``This has become an issue of pretty considerable significance," Merrill says. ``There's been a lot of effort by federal agencies to make noise about pre-emption" as an indirect way of limiting injury lawsuits.

Stemming States' Efforts

A Wachovia victory potentially would stem the aggressiveness that has become a hallmark of Spitzer, 47, and other state attorneys general. In the past decade, state officials took the lead in pressing high-profile cases against the tobacco and securities industries and played a role in the government antitrust battle against Redmond, Washington-based Microsoft Corp.

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State officials say they are alarmed by the prospect that the high court might let an administrative agency, the U.S. Office of the Comptroller of the Currency, or OCC, displace traditional state regulatory powers without explicit authorization from Congress.

``We are contending Wachovia Bank and Wachovia Mortgage are very distinct corporate entities," says Ari Faneuil, a spokesman for Michigan Attorney General Mike Cox. ``Congress has not given the OCC the authority to preempt state corporations."

Wachovia says its subsidiary, Wachovia Mortgage Corp., should be supervised by the OCC, the Treasury Department agency that oversees national banks.

`Inconsistent and Conflicting'

Wachovia argues that the National Bank Act and OCC regulations pre-empt state law governing operating subsidiaries in the same way as for national banks.

``From a practical standpoint, a decision for the states would result in a very difficult, inconsistent and conflicting regulatory environment for national bank operating subsidiaries," says Van Beck, senior vice president and attorney at Wachovia.

Michigan laws require a mortgage lender to register with the state, pay annual fees, submit financial statements and keep records for examination purposes.

``States very understandably desire to have jurisdiction over transactions within their borders and protect their citizens," says Peter Heyward, a partner in the financial services group at the Venable LLP law firm in Washington. ``National banks want to operate nationwide through their subsidiaries without having to deal with a patchwork of state laws."

Predatory Lending

Consumer advocates argue that states are better equipped to protect their consumers against predatory lending and other potential abuses because they are more familiar with and accountable to their constituencies.

``States should be allowed to play a role in protecting consumers against abuses by operating subsidiaries," says Amy Quester, a lawyer in the Washington office of the Center for Responsible Lending, a consumer-rights group. ``The OCC's focus is safety and soundness, but not protecting consumers."

The case began in 2003 when Wachovia Mortgage became an operating subsidiary of Wachovia Bank. After the mortgage lender said it would comply only with federal regulations, state officials banned it from operating in Michigan, prompting Wachovia to sue.

Precedent

Two federal appeals courts have ruled that the Wachovia subsidiary isn't subject to state banking regulation, and the Supreme Court in past years has tended to rule in favor of national banks and the comptroller of the currency.

``The comptroller has a very strong record in the Supreme Court," says Jonathan Macey, a Yale Law School professor specializing in corporate law and finance. ``When there are cases like this challenging the comptroller's power, the comptroller has tended to win."

At the same time, since Supreme Court intervention wasn't necessary to clear up lower-court disagreement, some attorneys suggest the justices might have taken up the matter in order to reinvigorate the regulatory rights of states.

``One possibility is that the Supreme Court is going to radically change pre-emption law and is going to reverse the lower courts' decisions," says Brian Brooks, a partner in the financial services group at Los Angeles-based O'Melveny & Myers LLP. ``The effect of that would reverse 200 years of banking law."

When Don't Smoke Means Do (NYT)

The New York Times, November 27, 2006

Philip Morris has adopted the role of good citizen these days. Its Web site brims with information on the dangers of smoking, and it has mounted a campaign of television spots that urge parents, oh so earnestly, to warn their children against smoking. That follows an earlier $100 million campaign warning young people to "Think. Don't Smoke," analogous to the "just say no" admonitions against drugs.

All this seems to fly against the economic interests of the company, which presumably depends on a continuing crop of new smokers to replace those who drop out or die from their habit. But in practice, it turns out, these industry-run campaigns are notably ineffective and possibly even a sham. New research shows that the ads aimed at youths had no discernible effect in discouraging smoking and that the ads currently aimed at parents may be counterproductive.

That disturbing insight comes from a study just published in The American Journal of Public Health by respected academic researchers who were supported by the National Cancer Institute, the National Institute on Drug Abuse and the Robert Wood Johnson Foundation. Using sophisticated analytical techniques, the researchers concluded that the ads aimed directly at young people had no beneficial effect, while those aimed at parents were actually harmful to young people apt to see them, especially

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older teenagers. The greater the teenagers' potential exposure to the ads, the stronger their intention to smoke and the greater their likelihood of having smoked in the past 30 days.

Just why the costly advertising campaigns produce no health benefits is a rich subject for exploration. The ads are fuzzy-warm, which could actually generate favorable feelings for the tobacco industry and, by extension, its products. And their theme — that adults should tell young people not to smoke mostly because they are young people — is exactly the sort of message that would make many teenagers feel like lighting up. (Trial testimony has made it clear that the goal of Philip Morris's youth smoking prevention programs is to delay smoking until adulthood, not to discourage it for a lifetime.)

The most exhaustive judicial analysis of the industry's tactics, by Judge Gladys Kessler of the Federal District Court for the District of Columbia, concluded that the youth smoking prevention programs were not really designed to effectively prevent youth smoking but rather to head off a government crackdown. They are minimally financed compared with the vast sums spent on cigarette marketing and promotion; they are understaffed and run by people with no expertise; and they ignore the strategies that have proved effective in preventing adolescent smoking. The television ads, for example, do not stress the deadly and addictive impacts of smoking, an emphasis that has been shown to work in other antitobacco campaigns.

Philip Morris says it has spent more than $1 billion on its youth smoking prevention programs since 1998 and that it devised its current advertising campaign on the advice of experts who deem parental influence extremely important. But the company has done only the skimpiest research on how the campaign is working. It cites June 2006 data indicating that 37 percent of parents with children age 10 to 17 were both aware of its ads and spoke to their children about not smoking. How the children reacted has not been explored. And somehow the company forgot to tell the parents, as role models, to stop smoking themselves.

Philip Morris, the industry's biggest and most influential company, is renowned for its marketing savvy. If it really wanted to prevent youth smoking — and cut off new recruits to its death-dealing products — it could surely mount a more effective campaign to do so.

CIVIL RIGHTS:

50 Shots Fired, And The Experts Offer A Theory (NYT)

By Michael Wilson

The New York Times, November 27, 2006

It is known in police parlance as "contagious shooting" — gunfire that spreads among officers who believe that they, or their colleagues, are facing a threat. It spreads like germs, like laughter, or fear. An officer fires, so his colleagues do, too.

The phenomenon appears to have happened last year, when eight officers fired 43 shots at an armed man in Queens, killing him. In July, three officers fired 26 shots at a pit bull that had bitten a chunk out of an officer's leg in a Bronx apartment building. And there have been other episodes: in 1995, in the Bronx, officers fired 125 bullets during a bodega robbery, with one officer firing 45 rounds.

Just what happened on Saturday is still being investigated. Police experts, however, suggested in interviews yesterday that contagious shooting played a role in a fatal police shooting in Queens Saturday morning. According to the police account, five officers fired 50 shots at a bridegroom who, leaving his bachelor party at a strip club, twice drove his car into a minivan carrying plainclothes police officers investigating the club.

The bridegroom, Sean Bell, who was to be married hours later, was killed, and two of his friends were wounded, one critically.

To the layman, and to the loved ones of those who were shot, 50 shots seems a startlingly high number, especially since the men were found to be unarmed. And police experts concede that the number was high. Yet they also note that in those chaotic and frightening fractions of a second between quiet and gunfire, nothing is clear-cut, and blood is pumping furiously. Even 50 shots can be squeezed off in a matter of seconds.

"We can teach as much as we can," said John C. Cerar, a retired commander of the Police Department's firearms training section. "The fog of the moment happens. Different things happen that people don't understand. Most people really believe what it's like in television, that a police officer can take a gun and shoot someone out of the saddle."

The five officers involved in the shooting were placed on administrative duty yesterday — without their guns — as the Police Department and the Queens district attorney investigated the circumstances surrounding the shooting, and relatives of Mr. Bell, joined by the Rev. Al Sharpton, staged a rally and a march to demand answers.

The officers have not yet been interviewed by police investigators or prosecutors to give their account.

Again and again, the focus of the day returned to the number of bullets that went flying.

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One of the officers fired more than half the rounds, pausing to reload, and then emptying it again, 31 shots in all, according to the police. Another officer fired 11 shots. The others fired four shots, three shots and one shot apiece, the police said.

But it is the total number of shots that shook and angered the families of the men and community leaders. "How many shots?" Mr. Sharpton asked yesterday, over and over, in a chant at a rally in a park near Mary Immaculate Hospital, where the wounded men were being treated. The crowd called back, "Fifty!"

Statistically, the shooting is an aberration. The number of shots fired per officer who acted in the 112 shooting incidents this year, through Nov. 19, is 3.2, said Paul J. Browne, a department spokesman. Last year, that number was 3.7 shots fired per officer in 109 incidents. They are down from 4.6 in 2000 and 5.0 in 1995.

But shootings with high numbers of shots fired, however rare, call to mind dark events of the city's past, like the 1999 killing of Gidone Busch, who was clutching a hammer when officers fired 12 times, and, most notably, the shooting of Amadou Diallo, an unarmed West African immigrant who died in a hail of 41 bullets, also in 1999.

In the 1995 Bronx bodega robbery in which officers fired 125 shots, the suspects did not fire back. "They were shooting to the echo of their own gunfire," a former police official said at the time.

The shooting on Saturday unfolded in a flash. An undercover officer posted inside the Club Kalua, a site of frequent drug, weapon and prostitution complaints in Jamaica, overheard an exchange between a stripper and a man that led the officer to suspect the man was armed, Police Commissioner Raymond W. Kelly said on Saturday. The undercover officer alerted the officers acting as backup outside — there were seven officers in all — about 4 a.m., setting into motion the events to follow later.

Eight men left the club and argued briefly with another man, with one from the group saying, "Yo, get my gun," Mr. Kelly said.

The eight men apparently split into two groups of four, with one group piling into a Nissan Altima driven by Mr. Bell, Commissioner Kelly said. As an undercover detective who had been following the group on foot approached the vehicle, Mr. Bell drove into him, striking his leg, before plowing into a minivan carrying two backup officers, the commissioner said.

The Altima reversed, mounting a sidewalk and hitting the lowered gate of a building before going forward and striking the van again. The officers opened fire, striking Mr. Bell, 23, twice, in the right arm and neck, Commissioner Kelly said. The critically wounded man, Joseph Guzman, 31, was struck 11 times, and the third man, Trent Benefield, 23, three times. Mr. Kelly said it was unclear whether there was a fourth man in the car and what became of him.

A person familiar with the case who knows the detectives' version of events said yesterday that it was Mr. Guzman who asked for his gun, and that the first undercover detective on foot clearly identified himself to the occupants of the car and, gun drawn, told them to get out. Instead, the person said, they roared toward him. That detective fired the first shot.

In the ensuing barrage, one shot struck the window of a house, another a window at an AirTrain platform, injuring two Port Authority police officers with flying glass. It appeared that the Altima was struck by 21 shots, fewer than half of the number fired, the police said.

The whole thing most likely took less than a minute. The officer who fired 31 times could have done so in fewer than 20 seconds, with the act of reloading taking less than one second, Mr. Cerar said. The 49 shots that followed the undercover detective's first may have been contagious shooting, said one former police official who insisted on anonymity because the investigation is continuing.

"He shoots, and you shoot, and the assumption is he has a good reason for shooting. You saw it in Diallo. You see it in a lot of shootings," the official said. "You just chime in. I don't mean the term loosely. But you see your partner, and your reflexes take over."

The phenomenon of officers' firing dozens of shots at a time dates back in part to 1993 and the department's switch from six-shot .38-caliber revolvers, cumbersome to reload, to semiautomatic pistols that hold 15 rounds in the magazine and one in the chamber. The change, like any of its magnitude, followed years of studies and differences of opinion, and finally came into effect after the 1986 murder of a police officer, Scott Gadell, who was reloading his six-shooter when he was fatally shot.

Commissioner Kelly, during his first term in the office, in 1992 and 1993, ordered a switch to semiautomatics, but ordered the clips modified to hold only 10 rounds. That modification was later undone, prompting him, after Mr. Diallo's shooting six years later, to speculate in a New York Times op-ed article, "Now may be the time to re-impose it and to intensify training that teaches police officers to hold their fire until they know why they are shooting."

Eugene O'Donnell, a professor of police studies at John Jay College, said a high number of shots fired underscores the threat the officers felt.

"The only reason to be shooting in New York City is that you or someone else is going to be killed and it's going to be imminent," he said. "It's highly unlikely you fire a shot or two shots. You fire as many shots as you have to, to extinguish the threat. You don't fire one round and say: 'Did I hit him? Is he hit?' "

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Mr. Cerar said, “Until we have some substitute for a firearm, there will always be a situation where more rounds are fired than in other situations.”

N.Y. Police Assailed For Bachelor Party Shootings (WP/AP)

By Deepti Hajela

The Washington Post, November 27, 2006

NEW YORK, Nov. 26 -- An angry crowd demanded Sunday to know why police officers killed an unarmed man on the day of his wedding, firing dozens of shots that also wounded two of the man's friends. Some called for the ouster of the city's police commissioner.

At a vigil and rally the day after 23-year-old Sean Bell was supposed to have married the mother of his two young children, a crowd of a few hundred counted off to 50, the number of rounds fired by the five officers.

At the gathering outside Mary Immaculate Hospital, where one of the wounded men was in critical condition, some in the crowd yelled, "Kelly must go," a reference to Police Commissioner Raymond W. Kelly.

The police officers' group 100 Blacks in Law Enforcement Who Care said it was issuing a vote of no confidence in Kelly over the shooting.

Paul Browne, chief spokesman for the New York Police Department, said Sunday, "We are continuing to look for additional witnesses to shed light on the incident, and assisting the district attorney's office with its investigation."

The five officers were placed on paid administrative leave pending the investigation, Browne said.

The shootings occurred at about 4 a.m. Saturday outside Kalua Cabaret, a strip club where Bell's bachelor party was held. The survivors were Joseph Guzman, 31, who was shot at least 11 times, and Trent Benefield, 23, who was hit three times. Guzman was in critical condition Sunday and Benefield was stable.

The car, driven by Bell, was struck by 21 police bullets after the vehicle rammed an undercover officer and hit an unmarked NYPD minivan. It was unclear what prompted police to open fire or whether the shooters had identified themselves as police, Kelly said.

According to Kelly, the groom was involved in a verbal dispute outside the club and one of his friends made a reference to a gun.

An officer dressed in plain clothes and working an undercover operation inside the strip club walked closely behind Bell and his friends as they headed for their car. As the officer walked toward the front of the vehicle, the car drove forward -- striking him and a nearby undercover police vehicle, Kelly said.

That officer, who had served on the force for five years, was apparently the first to open fire, Kelly said. One 12-year veteran fired his weapon 31 times, emptying two full magazines, the commissioner said.

Bell backed the car onto a sidewalk, hitting a building gate, authorities said. He then drove forward, striking the police vehicle a second time, Kelly said.

The New York Police Department's policy on shooting at moving vehicles states, "Police officers shall not discharge their firearms at or from a moving vehicle unless deadly force is being used against the police officers or another person present, by means other than a moving vehicle."

Chief Vows To Review Shooting (AJC)

By Saeed Ahmed, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, November 27, 2006

Five days after an elderly woman was killed in a gunbattle that left three officers wounded, Atlanta police Chief Richard Pennington said Sunday night his department will review its policy on "no knock" warrants and its use of confidential informants.

Speaking for the first time since the Tuesday night shooting death of Kathryn Johnston at her home in northwest Atlanta, Pennington said his office "will turn over every stone to make sure we get to the reason why this tragic incident happened."

Pennington provided little new information on what led to the confrontation at 933 Neal St. when narcotics officers seeking to serve a warrant broke down the front door and exchanged gunfire with Johnston.

Earlier that day, a man named "Sam" had sold drugs from inside the house to an informant, police said, prompting officers to seek a "no-knock" warrant. Such warrants are frequently issued so police can get inside a home before suspects can destroy or flush drugs.

Johnston — described by neighbors and family as a frightened woman who had burglar bars on her windows and door and rarely let friends and neighbors into her home — had lived at the one-story brick home near the Georgia Dome for 17 years.

The police chief said officers found marijuana inside the house but "not a large quantity." Previously, police only said drugs were seized at Johnston's home.

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Pennington was out of town last week for the Thanksgiving holiday and said he was unable to get a flight back to Atlanta earlier. He said he had not talked to the officers involved in the shooting, but he had been briefed by his commanders.

The chief said he did not know the contents of the sworn statement that police provided to a judge to obtain the warrant. "I will have it [Monday]," he said.

The Georgia Bureau of Investigation, at the request of the Fulton County District Attorney's Office, is looking into the incident, including examining the home to determine how many gunshots were fired in the confrontation. GBI spokesman John Bankhead said it will take several more weeks before results are available.

Pennington spoke with reporters at Lindsay Street Baptist Church after a meeting with civil rights activist the Rev. Markell Hutchins.

Hutchins leaves for Washington this morning to deliver a letter to the U.S. Justice Department calling for a federal investigation into "what we believe are at worst, gross violations of this woman's life, and at best, poor judgment on the part of the police officers."

Pennington said he welcomes any investigation into the shooting.

Sunday night, Hutchins said he was satisfied with what Pennington shared, citing a law enforcement agency's "right to protect the integrity of its investigation."

"I did not ask him any confidential questions that I should not be privy to," he said. "I appreciated that he came down to reassure us that he will do everything that needs to be done to look into this."

Johnston's family could not be reached for comment. Hutchins, who is acting as their spokesman, said he had not had a chance to speak with them after he met with Pennington.

Also Sunday, the Fulton County Medical Examiner's Office corrected reports on Johnston's age. The family had said that Johnston was 92, but the medical examiner's office said records show she was 88.

Police described their suspect as a 6-foot-tall man weighing 250 to 260 pounds. Johnston's niece, Sarah Dozier, has said her aunt lived alone.

The officers were not wearing uniforms but had on bulletproof vests with "Police" emblazoned across the front and back. And they identified themselves as they burst through the doors, police said.

Johnston grabbed a rusty six-shot revolver and emptied it. Five shots struck the officers, hitting one of them three times. The other two were each hit once. The officers returned fire, shooting Johnston twice in the chest and elsewhere, police have said.

The three officers were released from the hospital the next day. They are on leave with pay.

Funeral plans for Johnston have not been made.

Staff writer Jeffry Scott contributed to this article.

When Public Schools Aren't Color-Blind (TIME)

By Julie Rawe

Time, November 27, 2006

Stephanie Brown admits thatÂ moving from a small Kentucky town into sprawling Louisville made her a "very paranoid" mother-- so much so that she won't let her kids play in the front yard unless she's with them. But she willingly puts Joe, 8, and Julianna, 6, on a bus every day for the 75-min. ride to a school in a rundown, mostly black neighborhood. The bus picks her kids up in their mostly white suburb at 7:30 a.m. and doesn't bring them back until 5 p.m. "It was a very hard thing to put my baby girl on a bus and let her go out into the world with people I don't know," says Brown, who is white.

Some 58,000 children crisscross Jefferson County on school buses in much the same manner, with 1 out of 7 of these kids traveling an hour or more each way. What's more, most of their parents--Brown included --are happy with the system. So much to-ing and fro-ing is a result of the school district's generally popular racial guidelines, which aim to keep the percentage of African Americans in any one school from falling below 15% or rising above 50%. The district as a whole is about one-third black.

Parents aren't simply bystanders in this numbers game. They can apply for the schools they want their child to attend--many have magnet programs that make it worth going that extra mile--and 92% of families wind up with their first or second choice. Even if some don't get what they ask for, race is never the sole factor in how assignments are made. "We look at choices first, we look at siblings, we look at capacity," says Pat Todd, the district's student-assignment director. "Race is way down the list."

The system, which has been in place for a decade, has made Jefferson County one of the most integrated school districts in the country. But if Crystal Meredith, a single mom who was told her son could not transfer to another elementary school because he is white, has her way, the whole thing will be dismantled. And plenty of critics agree that it should be. Meredith and others contend that the guidelines amount to an unconstitutional quota system. So Jefferson County finds itself in an ironic

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position. After years of court-ordered desegregation, the school district will appear before the U.S. Supreme Court next Monday, arguing that it should be allowed to use the same system voluntarily.

Jefferson County is one of two cases that will help the Supreme Court decide how--or if--race can be used to deploy kids across a school district. The court next week will also consider whether Seattle can continue to use a student's race as one of several tiebreakers when too many kids seek admission to the same high school. Taken together, these cases could represent, as Georgetown law professor James Forman puts it, "the last gasp of the integration movement."

The Jefferson County dispute has in some ways been brewing for more than a half century, ever since the Supreme Court in its 1954 Brown v. Board of Education decision outlawed school segregation. The busing battles that followed this landmark ruling were the stuff of civil rights lore. But in 1991 the court ruled that school districts could abandon that unpopular strategy and return to neighborhood schooling, even if that meant some schools would resegregate. That's what happened in many districts, and the proportion of black students attending nonwhite-majority schools has increased over the past dozen years from 66% to 73%. In some parts of the country, Latino segregation is even higher, according to Harvard University's Civil Rights Project. Many school districts have given up trying to break up racial concentrations and instead are working to deal with the achievement gaps that accompany largely segregated schools-- a de facto return to the separate-but-equal idea that Brown v. Board of Ed. sought to abolish.

Jefferson County has worked hard to avoid this first by racially gerrymandering school- attendance zones in the 1980s and then by instituting its 15/50 "managed choice" program in the '90s. This system has maintained not only integrated schools but also community peace. Despite all the long bus trips--the average ride for Jefferson County students is about 45 min.--77% of Jefferson County parents agreed that guidelines should be used to ensure diversity, according to a survey conducted in 2000 by the University of Kentucky. The district also assiduously tracks the percentage of the county's school-age children who attend public school, and in recent years, when private schools were gaining students nationwide, Jefferson County's public schools were inching up in "market share," from 76% in 2001 to 80% last year.

To keep things moving in that direction, the school district emphasizes customer service. In many neighborhoods, the buses stop every fifth of a mile. "Legally, we only have to put a stop every two miles, but we wouldn't be very popular if we did," says Mike Mulheirn, who oversees the school district's transportation system. "The seats," he notes, "are well padded."

All of this is paying off where elected officials feel it most--at the ballot box. School-board members who are pro-guidelines keep getting re-elected. Two years ago, when Meredith's lawyer, Teddy Gordon, ran for the school board, promising a return to neighborhood schools, he came in--as guideline advocates like to point out-- dead last. "I don't care if my children go to school on the moon as long as they are getting a good education," says Ronald Thomas, who lives downtown and sends his three children to school on a half-hour bus ride via the Interstate.

But critics offer a lot of complaints about the system, not the least being that some just find it galling. Why should schools that are more black than white be inherently suspect, even if they don't reflect the racial breakdown of the district as a whole? "It doesn't make sense," local PTA-board member Dreema Jackson says of the guidelines. "It's O.K. for the minority to be between 15% and 50%, but if you flip those percentages, a school is no longer diverse?"

Worse, by stressing racial balancing, critics say, you take the focus off improving educational outcome. Thirty years of seating black students next to white ones has failed to close Jefferson County's achievement gap. Black high school students still trail their white counterparts by 25% in reading-proficiency tests and by 34% in math. The gap is closely linked to factors like parents' education level and income, which no amount of school balancing is likely to fix. "We have the most integrated school system in the country," says Carmen Weathers, a retired Jefferson County schoolteacher. "That sounds good on a business brochure, but it has nothing to do with education."

Weathers, who is black, favors a return to schools that are all or mostly black because he thinks the teachers would be more attuned to the particular needs and learning styles of some black students. But where are those teachers supposed to come from? Raoul Cunningham, who heads the local chapter of the N.A.A.C.P., points out that it is harder to recruit experienced teachers to work in largely minority schools. Critics "blame all the ills of the current system on desegregation," he says. "Desegregation did not cause the achievement gap."

One challenge facing the Jefferson County school district is to convince the Supreme Court that racial integration not only does no harm but offers concrete benefits that would be lost without the guidelines. To help make this case, 553 social scientists--including professors at Harvard, the University of Hawaii and myriad institutions in between--have submitted a friend- of-the-court brief detailing how racial integration in schools reduces prejudice and prepares students to enter a diverse workforce. More support will come from a study to be released this week showing that blacks and Latinos perform better academically in integrated schools. Based on an analysis of No Child Left Behind data conducted by Doug Harris, an assistant professor at Florida State University, the study reveals that test scores of minority students in high-minority schools fall about 4 percentile points a year behind those of minority students in lower-minority schools.

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Meredith's lawsuit seeks an end to the guidelines (and $25,000 in damages for her son, who was eventually admitted to the school that originally rejected him and is now a fourth-grader there). While dozens of civic organizations, the Louisville Chamber of Commerce and five former Secretaries of Education have sided with the school district, the Bush Administration has taken up Meredith's cause. The Solicitor General submitted a brief arguing that schools should not be in the business of racial balancing and that even Brown v. Board Ed. declared that public schools should ultimately admit students "on a nonracial basis."

The district fears that if the guidelines are overturned, the schools will quickly return to sorting themselves by race. PTA-board member Mary Myers is so concerned that she is organizing a bus trip to Washington so Louisville parents can protest outside the Supreme Court next week. "What in the world are we trying to go backward for?" she asks. In a sign of what might be coming, a judge in 2000 forced Jefferson County to stop applying the district's guidelines at an inner-city magnet school because the career academy offers unique programs--like legal services and veterinary science--that students can't get anywhere else. Since then, Central High, a historically black school, has seen its white population shrink from 51% to 18%. And this shift could mark the beginning of a vicious cycle. "The greater the racial isolation," says district administrator Pat Todd, "the more difficult it is to recruit children of different races."

Whatever the merits of Meredith's case, even her supporters can admit she is hardly the ideal plaintiff. She didn't attempt to sign her son up for kindergarten until August, despite numerous radio and TV announcements and signs posted in day-care centers and Laundromats reminding parents to apply for their choice of school by March. By the time Meredith (who declined to be interviewed for this article) did apply, most of the seats had been allocated. Cheryl Wirth, a waitress at Waffle House whose son attends a magnet school, thinks this alone ought to be enough to dispose of the case. "It's like life," she says. "You gotta stay on top of things." Myers, like many mystified locals, can't believe the suit has even gone this far. "In the end, [Meredith's] son is where she wants him to be," she says. "Would you dismantle a whole system over that?" With reporting by With reporting by Deirdre van Dyk / New York

ANTITRUST:

Airline Merger May Not Take Off (HC)

By David Ivanovich, Houston Chronicle Washington Bureau

Houston Chronicle, November 27, 2006

US Airways bid for Delta must clear regulators

WASHINGTON — A consolidation craze has taken off in the airline industry. But federal antitrust-busters may not be so keen to get on board.

With the nation's planes packed full and air fares flying high, US Airways Group's hostile bid to take over financially troubled Delta Air Lines could face a cool reception at the U.S. Justice Department.

"It's going to be a difficult deal to get through," warned Mark Schechter, a Washington antitrust lawyer and the former head of the Justice Department's Transportation, Energy and Agriculture Section. "If they do get it through, it's going to make the next deal even more difficult."

Wall Street is more optimistic the deal will fly. If so, many investors anticipate another proposal will arrive in short order.

"You may see some defensive plays ... as other carriers start looking down the road at who they could pair up with to protect their own market share," said Washington aviation attorney Josh Romanow.

Other airlines have certainly taken notice.

Larry Kellner, Continental Airlines' chief executive officer, already has said the Houston-based carrier might have to act if the airline industry changes.

And a Continental deal with, say, United Airlines, might prove less problematic with regulators than a US Airways-Delta union, JPMorgan analysts say.

Earlier merger blockedWhen evaluating a merger, regulators try to ensure consumers aren't harmed by allowing air service in particular markets to be concentrated in so few hands the remaining carriers have the power to raise ticket prices dramatically.

But they must balance that aim with the need to help stabilize the U.S. airline industry in the post-9/11 world.

Knowing business travelers don't like layovers, regulators will pay particular attention to nonstop service between cities. A carrier offering the only nonstop flights between a pair of cities can afford to hike fares significantly.

Five years ago, for instance, the Justice Department moved to block United's proposed takeover of the old US Airways.

That deal made regulators uncomfortable because United and US Airways were the only carriers offering nonstop service from Washington to a number of cities. Those two also offered the only nonstop service from hub cities such as Philadelphia to Los Angeles.

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But when America West declared its affection for US Airways, Justice officials gave that merger its blessing.

That's because the two carriers' route systems had little overlap. America West's operations were concentrated in the West, with hubs in Phoenix and Las Vegas, while US Airways focused on the East, with hubs in Philadelphia, Pittsburgh and Charlotte, N.C.

In a speech to regional air carriers last year, J. Bruce McDonald, deputy assistant attorney general for the Justice Department's antitrust division, called that merger, which created what is now US Airways, "an example of the kinds of mergers that may easily avoid antitrust problems."

US Airways and Delta's networks overlap significantly more — about 18 percent for service among the top 500 city pairs, a JPMorgan analyst team noted in a recent report. That deal would also reduce competition to a potentially unacceptable degree in about 11 city pairs, the JPMorgan analysts noted.

A combination of Continental's and United's route systems, in contrast, would overlap about 16 percent but would spark competitive concerns in only four cities — New York, San Francisco, Seattle and Kansas City, the report said.

Factors in favorUS Airways has said it thinks any antitrust concerns can be resolved.

In the last quarter of a century, US Airways officials say, no merger in which the purchaser had such a small share of the overall market — about 8 percent — has been challenged. And, they point out, of the 11 markets with overlapping nonstop routes, seven have competing service from nearby airports.

Delta's financial difficulties could also play a role. Regulators would prefer to allow a takeover reducing competition to go through than watch an airline be liquidated. That's why Justice officials cleared American Airlines' pickup of TWA.

Delta is operating under Chapter 11 bankruptcy court protection, but the carrier has said it plans to emerge from bankruptcy next year as a "strong, stand-alone carrier."

Despite US Airways and Delta's route overlap, the JPMorgan analysts peg the chance of obtaining approvals from both creditors and regulators at 80 percent.

But with seats more than 80 percent full and the airlines having been successful in raising fares repeatedly this year, Mike Boyd of The Boyd Group, a Colorado-based aviation consulting firm, doesn't believe regulators will be in any mood to open the door to a new merger wave.

"I think it'll get stopped here," Boyd said.

Facing new CongressIf Delta agrees to a takeover, US Airways will also have to face a new, Democratically controlled Congress. Lawmakers on Capitol Hill — virtually all of whom are frequent fliers — don't hesitate to express their displeasure about airline deals they fear could hurt their constituents.

Rep. James Oberstar, D-Minn., who will soon chair the House Transportation and Infrastructure Committee in the new Congress, hasn't taken a position on the proposal.

But he'll be asking "what is the impact on fares," noted Oberstar spokesman Jim Berard. "What is the impact on service, and what is the impact on competition? If you have US Airways and Delta merge and fewer seats serving the market, that normally drives up the prices."

"No airline merger will ever go under the radar screen," Schechter said.

What's So Great About Private Equity (WSJ)

By Donald J. Gogel

The Wall Street Journal, November 27, 2006

What's so good about private equity? A lot. That's why private equity has emerged as a large, successful and growing asset class that attracted more than $300 billion in new investor commitments this year and that is responsible for more than 20% of total merger and acquisition activity in the U.S. and Europe in 2006. Put another way, as a chief executive once chided me, "Why can't a public company management team do every damn thing that you guys do when the company is private?"

Unfortunately, there are many reasons that public companies can't "just do it." Many public CEOs tell me that they feel like Gulliver bound by a thousand ropes: It is extremely difficult for public company CEOs and their management teams to focus and execute long-term strategies that require fundamental changes in business practices at the same time as they are responding to the cacophony of their many, multiple constituencies. In an economic environment riddled with land mines, then, private equity has several compelling structural advantages.

Better governance. This is a bold statement, but I believe private-equity firms today have a better governance model than public corporations. The "agency problem" fades away because the owners are a team of focused professionals who directly control (but do not manage) the business. Private-equity firms recruit industry and functional experts as directors who want tangible engagement with the business rather than a social forum; start off with a well-defined set of objectives to change business performance; insist on tight reporting requirements; and run board meetings that are issue-oriented, not show-and-tell.

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A more stable shareholder base. The largely institutional investors that comprise most of the private-equity limited partner base define themselves as long-term investors. State and corporate pension funds and endowments for universities and charitable foundations have very long-term missions -- think 50 years or more -- and look to private equity to provide returns that are superior to the public markets. At least for these investors, who can select private-equity firms that routinely deliver top quartile performance, returns have not disappointed. Although recent internal rates of return have been exceptionally high due to faster-than-usual realizations, the long-term top performers in private equity have been able to outperform the major indices by well over 500 basis points. Accordingly, many sophisticated institutions have increased their allocations to "alternatives" to 15% to 20% and have reduced their traditional allocations to public equities and bonds by the same amount or more. Compound that out-performance over many years and the results are startling.

Opportunity to upgrade management talent. Private-equity firms recognize that people make all the difference and so have a relentless focus on drafting the very best talent. Private-equity firms today are a magnet for talent, and they typically seek to add several new managers in "skill positions" that really matter. Depending on the company, that could mean one or more new executives to head sales or marketing, finance or, sometimes, the entire business. I speak with two or three great managers a week, each seeking a position in a private equity-sponsored company. They are uniformly competitive, winning executives who are anxious to get back to what they love to do -- build businesses. Today more than ever, it is easy for private-equity firms to attract world-class managers, offering both management freedom and innovative, stock-based compensation plans. More job satisfaction and more money are hard to beat.

Resetting Expectations. A change in ownership offers a great opportunity to reconsider assumptions about how a company gains and sustains its competitive advantage. A fresh look at the business, unencumbered by legacy strategies and investments, is usually the starting point for good private-equity investors, and often leads to reallocation of capital, new research and product priorities, emphasis on different market segments and sharper understanding of a company's competitive cost position.

When a buyout occurs, it is a big event, and everyone from the CEO to first line supervisors in the field to vendors and customers expects change and a higher bar for performance. As the industrial sociologists have known for years, this period of heightened expectations creates a wonderful climate for innovation. The first year of a buyout is an unparalleled chance for the management team, backed by the new owners, to demonstrate that things will change.

More efficient capital structures. Private-equity firms are comfortable using significant -- but safe -- levels of debt to finance a significant portion of their investments. As a period of unequalled liquidity has swept the world capital markets in the past few years, private-equity firms have capitalized on low interest rates and relatively loose covenants to shape capital structures that improve likely returns on equity. Public companies could do the same -- but are reluctant to do so, clinging to more conservative goals of maintaining historical debt ratings.

A sense of urgency. Private equity owners bring a sense of urgency to the entire business. This reflects a realization that global forces erode a company's competitive position every day that the management does not act to deliver more value to its customers. Speed of execution itself becomes a competitive advantage that is squandered by companies that manage by committee and fail to seize opportunities.

These are powerful advantages that are only compounded by the ways that professionals in private-equity firms have learned to deploy capital. Supremely opportunistic, they recognize that the flexible and transitional nature of their capital means that they can fill spots in the global restructuring environment that public company capital cannot. They have established a highly effective form of financing and governance that enables large struggling corporations to remain competitive in response to the rapid changes in the global economy. They "just do it." Many public companies struggle to keep up.

Mr. Gogel is president and chief executive of Clayton, Dubilier & Rice, Inc., a private equity firm.

Chinatrust Official Resigns As Inquiry Probes Role In Deal (WSJ)

By Perris Lee Choon Siong

The Wall Street Journal, November 27, 2006

TAIPEI, Taiwan -- Chinatrust Financial Holding Co., a banking company and major credit-card issuer, said its vice chairman, Jeffrey Koo Jr., resigned Friday.

The company didn't give a reason for the resignation, but Mr. Koo's departure comes as Taiwan prosecutors probe his role in the financial group's unauthorized purchase of rival Mega Financial Holding Co.'s shares.

A Chinatrust Financial public-relations official wouldn't say whether Mr. Koo is still abroad. Company officials had said earlier that he would return to Taiwan on Nov. 18.

The Taipei Prosecutors Office issued an arrest warrant for Mr. Koo on Thursday after investigating the transaction for more than a month. Fred Lin, a spokesman for the prosecutors office, wasn't available for comment Friday.

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The investigation has led to detentions of senior company officials and resulted in a management shuffle at the financial group.

In October, prosecutors detained Chinatrust Financial General Counsel Y.D. Deng, Financial Investment Division Vice President Sean Lin and former Chief Financial Officer Perry Chang on alleged breach of trust and violation of banking law. Chief Strategic Officer Lin Shiaw-pin resigned this month, while the general auditor, Thomas Chen, was moved to a different position.

U.S. Firm Shelves Deal Amid Probe (WT)

By Andrew Salmon, The Washington Times

The Washington Times, November 27, 2006

SEOUL -- A U.S. company has pulled out of a multibillion-dollar deal with a leading South Korean bank, citing an extended criminal probe that some investment analysts view as a dangerous outburst of hostility toward foreign investment.

At stake is a deal that would have netted the Dallas-based Lone Star Funds an estimated $4 billion with the sale of the once-ailing Korean Exchange Bank (KEB), which it purchased three years ago, rehabilitated and had planned to sell to Kookmin Bank.

"We have concluded that we cannot move forward with the sale of KEB to Kookmin Bank due to the continuing investigations, which have been extended several times and now have no firm completion date," Lone Star Chairman John Grayken said in announcing the decision late last week.

Lone Star acquired the near-bankrupt KEB in 2003 for $1.2 billion. In March, Lone Star agreed to sell its controlling stake in KEB, whose financial status has turned around dramatically, to Kookmin Bank, Korea's biggest lender.

The sale was expected to be completed by the summer, but has been indefinitely delayed by a massive investigation into the deal.

Prosecutors say they are probing whether Lone Star colluded with government officials and former executives of KEB to overstate the bank's financial woes to drive down the purchase price. Prosecutors say they also suspect that Loan Star and KEB manipulated the stock price of a KEB credit-card subsidiary prior to the original purchase.

Foreign investors and financial analysts view the investigation as a warning to outsiders interested in doing business in South Korea, raising objections that echo arguments heard when political pressure forced Dubai Ports World to back out of a deal to manage six U.S. ports earlier this year.

"I think it's a disturbing development as foreign investors are not convinced that this is a predictable market," said Tami Overby, president of the American Chamber of Commerce in Korea. "It is troubling."

"There needs to be alacrity by the authorities," said Hank Morris, a finance specialist at the Seoul-based consulting firm IRC Ltd. "They have to say there is a case or no case, and proceedings must be fair."

The investigation involving 70 prosecutors has lasted for eight months with no indictments issued. South Korean courts last week turned down prosecutors' fifth request for an arrest warrant for Paul Yoo, Lone Star's top executive in South Korea. That hasn't stopped prosecutors from hauling Mr. Yoo in for questioning -- 24 times since the investigation began.

Some analysts expect Lone Star to extract dividends from KEB until investigations are complete, then put out a renewed tender to sell.

Kookmin CEO Kang Chung-won told reporters that he expected Lone Star to sell KEB "eventually," and said Kookmin might rebid.

In the wake of the 1997-98 Asian financial crisis, U.S.-based private-equity funds snapped up, turned around and resold a number of distressed South Korean assets, leading newspapers here to dub them "vulture funds."

Lone Star's KEB deal was slated to make the biggest profit of all, though many attributed the KEB turnaround more to a Korean economic upturn than to Lone Star's management. But against a background of public anger at Lone Star's anticipated windfall, Kookmin refused to pay until all the investigations are concluded.

"Once the investigation is finally completed, we will again consider our strategic options," Mr. Grayken said. "Until then, we will continue to vigorously defend our company and officers against the prosecutors' groundless accusations."

Mr. Grayken spoke on Thursday, a week after a Seoul court issued detention warrants for the fund's vice chairman and its legal counsel, both of whom are in the United States. An extradition process has reportedly begun, though few expect a U.S. court to extradite the two.

ENVIRONMENT:

High Court To Weigh Climate Change Case (AP-Y)

By H. Josef Hebert

AP, November 27, 2006

The Supreme Court hears arguments this week in a case that could determine whether the Bush administration must change course in how it deals with the threat of global warming.

A dozen states as well as environmental groups and large cities are trying to convince the court that the Environmental Protection Agency must regulate, as a matter of public health, the amount of carbon dioxide that comes from vehicles.

Carbon dioxide is produced when fossil fuels such as oil and natural gas are burned. It is the principal "greenhouse" gas that many scientists believe is flowing into the atmosphere at an unprecedented rate, leading to a warming of the earth and widespread ecological changes. One way to reduce those emissions is to have cleaner-burning cars.

The Bush administration intends to argue before the court on Wednesday that the EPA lacks the power under the Clean Air Act to regulate carbon dioxide as a pollutant. The agency contends that even if it did have such authority, it would have discretion under the law on how to address the problem without imposing emissions controls.

The states, led by Massachusetts, and more than a dozen environmental groups insist the 1970 law makes clear that carbon dioxide is a pollutant — much like lead and smog-causing chemicals — that is subject to regulation because its poses a threat to public health.

A sharply divided federal appeals court ruled in favor of the government in 2005. But last June, the Supreme Court decided to take up the case, plunging for the first time into the politically charged debate over global warming. The ruling next year is expected to be one of the court's most important ever involving the environment.

"Global warming is the most pressing environmental issue of our time and the decision by the court on this case will make a deep and lasting impact for generations to come," says Massachusetts' attorney general, Thomas Reilly.

David Bookbinder, a lawyer for the Sierra Club, says a legal clarification of the EPA's authority could determine whether the current administration must regulate carbon dioxide emissions and whether a future one will be able to demand such limits.

At issue for now is pollution from automobiles. But the ruling indirectly may affect how the agency deals with carbon dioxide that comes from electric power plants.

In a separate lawsuit, the EPA says the Clean Air Act also prevents it from regulating such emissions from those plants. That claim would be undercut, Bookbinder says, if the high court rules in the states' favor in the auto emissions case.

President Bush has rejected calls to regulate carbon dioxide. He favors voluntary steps by industry and development of new technologies to reduce the amount of greenhouse gases released into the atmosphere.

"We still have very strong reservations about an overarching, one-size-fits-all mandate about carbon," James Connaughton, chairman of the White House Council on Environmental Quality, recently told a group of reporters.

The administration says in court papers the EPA should not be required to "embark on the extraordinarily complex and scientifically uncertain task of addressing the global issue of greenhouse gas emissions" when other ways are available to tackle climate change.

The United States accounts for about one-quarter of the world's greenhouse gas emissions. The amount of carbon dioxide from U.S. motor vehicles, power plants and other industry has increased on average by about 1 percent a year since 1990.

Now that Democrats will control the House and Senate in January after their election victories this month, there is expected to be increased pressure in Congress for mandatory limits on carbon emissions.

The election results "have signaled a need to change direction" on dealing with global warming, three Democratic senators who will play leading roles on environmental issues recently wrote the president.

But whether there is such a shift actually may depend, in the end, on the Supreme Court.

Plaintiffs in the suit are California, Connecticut, Illinois, Maine, Massachusetts, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont and Washington. They were joined by cities such as Baltimore, New York and the District of Columbia; the Pacific island of America Samoa; the Sierra Club; the Union of Concerned Scientists; Greenpeace; and Friends of the Earth.

The case is Massachusetts v. Environmental Protection Agency, 05-1120.

A Texas Mess Over Coal (USNEWS)

By Bret Schulte

U.S. News and World Report, November 27, 2006

Proposed plants have stirred a clean-air uproar

That mantra of Lone Star State toughness, "Don't mess with Texas," actually began as an antilittering campaign back in the 1980s. While the campaign saw some success, the energy-producing state has proved less capable in cutting back on other

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pollutants. According to the American Lung Association, both the Houston and Dallas-Fort Worth areas are in the nation's top 10 for highest ozone levels, a major component of smog.

Now, some Texans fear their air will be further, well, messed with. The state is seeking permits to build some 16 new coal-fired power plants. And the Lone Star State isn't alone. Though talk of clean energy dominates the headlines, cheap, plentiful coal is staging a quiet comeback. According to the Department of Energy, 154 coal plants are being proposed nationwide, enough to power 93 million homes. While power grids nationwide are surely strained, the crush of new coal plants--typically dirtier than natural gas--is sparking brawls at state and local levels.

Gamble. But the old not-in-my-backyard fight over power plants has a new wrinkle, global warming-potential ammo for environmentalists and motivation for utilities. Analysts say the rush to build new plants is a calculated gamble by utilities that the federal government is poised to impose historic curbs on greenhouse gases-particularly with Democrats ensconced in Congress. By building now, utilities may grandfather in a new generation of plants that won't be required to bear the full brunt of future laws. Utilities say they're simply trying to meet the burgeoning demands of a growing country. But environmentalists aren't buying, and they vow to fight the coal plant expansion in every available forum.

In something of a twist, energy-friendly Texas has become the closely watched ground zero in this battle. Gov. Rick Perry expedited the permitting of the coal plants in October 2005, when he was under pressure from energy price hikes that came about in the wake of deregulation of the state's energy market back in 2002. Some customers saw electric bills jump 80 percent, in part because of rising natural gas prices and, some say, a botched formula that determines the rates charged by the biggest providers. Coal plants, Perry argued, would drive down costs and give a much-needed boost to the state's power grid. Earlier this fall, a report by the North American Electric Reliability Council buttressed at least part of Perry's argument, saying Texas is among regions most at risk for grid failure because future demands are expected to exceed capacity. "We need to make sure Texas stays ahead of the demand for energy," says Perry spokesperson Kathy Walt.

Green groups. But a bipartisan coalition of 21 Texas cities and counties, as well as environmental groups, says conservation and renewable energy could reduce the strain on the grid. And the groups argue that the proposed fleet of pulverized-coal plants-standard technology but short of cutting-edge-isn't the answer for an already polluted state. Plus, pulverized coal releases more carbon dioxide, a greenhouse gas, than do other options. Dallas Mayor Laura Miller, who leads the coalition, called the proposal "just mind boggling." Miller has "panhandled" across the state recruiting supporters and raising money for a fight to block the plants as currently proposed. Miller is using the $500,000 that's been raised to hire health and air-quality experts to testify before the Texas Commission on Environmental Quality, which oversees permitting for the plants. At hearings beginning this week, Miller's coalition may argue that the commission didn't force energy companies to review all "best available technology," as required by federal law. The coalition believes that fledgling coal-gasification technology--producing a dramatically lower level of pollutants--should be considered.

10 Questions For Al Gore (TIME)

By Carolina A. Miranda

Time, November 27, 2006

Al Gore's reinvention keeps rolling. His interactive cable network for young people, Current TV, is available in 30 million homes in the U.S. An Inconvenient Truth, Gore's global-warming slide show turned hit film, is the third highest grossing documentary of all time and debuted on DVD last week. Gore, 58, talked with TIME's Carolina A. Miranda about his Hollywood role models, the steps he has taken to be carbon neutral and whether he'll run for President in 2008.

Given your star turns at Cannes and Sundance and the success of your documentary, should Brad Pitt worry?

Nah! I'm trying to follow in the tradition of Rin Tin Tin. I would like to have my paw print in front of [Grauman's] Chinese Theater. But I'll have to hold a lot more slide shows before that's possible.

Can audiences expect more show-business credits in the future?

My previous work, as you may know, was as a disembodied head in Futurama. I played opposite Richard Nixon. They're making a movie version where I will reprise my role. There are a number of people clustered in a certain age group who are quite taken with the fact that I once uttered the immortal line "I have ridden the mighty moon worm!"

How did a lecture on climate change become such a hit?

I've had a powerful ally in reality. Global warming is now clearly the overriding challenge of our time. Nations around the world are waking up to it and putting in place new policies. Of course, much more is needed, but the good news is that much more change is on the way.

There are many people who still doubt the science. Senator James Inhofe, head of the Senate's environmental committee, has condemned global-warming science as "hoax."

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There's some good news here. Senator Inhofe will soon be replaced by Senator Barbara Boxer, an advocate of solving the crisis, as chairwoman of that committee. As to why there are still skeptics--there are people who believe that the moon landing was staged in a movie lot in Arizona. Another reason is that some of the largest polluters are still putting millions of dollars a year to hire pseudo scientists to confuse people into thinking that this crisis isn't real.

In proposing a solution to this problem, you are asking people to change their lifestyles. How feasible is that?

The grass-roots response has been impressive. There are 330 U.S. cities that have independently embraced the Kyoto treaty. And millions of Americans are deciding to become carbon neutral.

Your critics on the right say that with all your jet-setting, you don't live as carbon neutral as you preach.

That's just not true. Two years ago we became a carbon-neutral family. I purchase Green Power [electricity from renewable sources], have installed new lightbulbs and clock thermostats, and I'm installing solar panels. We switched to a hybrid car. I am not recommending actions that I haven't already taken myself.

Soon there will be a new Democratic Congress in town. Do you think it will seriously tackle this issue?

Yes, I do. It remains to be seen, of course--in deeds, not only words. It will be difficult. But I think that the odds of meaningful change in U.S. policy have improved quite dramatically since the election.

Should ratifying the Kyoto Protocol be a priority?

We should ratify it, but this will be very difficult so long as Bush and Cheney remain in the White House and there is a narrow majority in the Senate.

Speaking of that narrow majority, there is talk that your former running mate, Joe Lieberman, will defect to the Republican Party. Do you think that's likely?

I'd be surprised, but I really don't know. Joe has always been a leader on the issue of global warming. It's one of several issues where he would find himself in uncomfortable company if he changed parties.

You have stated repeatedly that you are not currently planning to run for President in 2008. Do you have a more creative denial?

I don't have any plans to run. Nor do I have any creative denials. I'm using the same ones. They'll soon be out on DVD.

Power Surge After Decades, A Solar Pioneer Sees Spark In Sales (WSJ)

By John J. Fialka

Wall Street Journal, November 27, 2006

AUBURN HILLS, Mich. -- Stanford R. Ovshinsky has spent 40 years -- and millions of dollars in backing from various partners -- pursuing his dream. He wanted to build a huge machine that would make giant sheets of material that can generate solar power.

"I said we are going to make it by the mile," he recalls. "Nobody believed me, not even in my own company."

Today, Mr. Ovshinsky, 84 years old, finds himself running his factory at full capacity and overwhelmed with orders. His company, Energy Conversion Devices Inc., is the largest U.S.-owned maker of photovoltaic materials, which convert sunlight to electricity. The company is a pioneer in an exploding global industry selling $15 billion a year of what's called "PV."

The company's mammoth machine extends the length of a football field. It runs much like a printing press, spooling out thin sheets of the PV material, which can be used on roofs of homes or businesses. As energy costs rise, along with concerns about global warming, PV is in demand.

For decades, solar power -- invented in the U.S. in the 1950s and improved on in the space program in the 1960s -- was a made-in-America product with a tiny market. U.S. companies dominated until the late 1990s, when Japanese and German companies took the lead. Today, the U.S. holds third place in solar-power production, but China is closing fast.

Mr. Ovshinsky, a thin, nattily dressed inventor who never progressed beyond high school, is a big reason why the U.S. remains in this high-tech race. He has a six-month backlog of PV orders, selling about half his production to Germany, and is building three new plants. His PV is thinner, cheaper and more flexible than that of many competitors, and can be used directly as a roofing material.

"Stan Ovshinsky has shown the world that there is a robust market for thin film panels," says Rhone Resch, president of the Solar Energy Industries Association, based in Washington, D.C., which represents U.S. manufacturers.

Along the way, critics have seen Mr. Ovshinsky's ideas as marginal or far-fetched. His plans have cost a succession of business partners millions of dollars. And even today, while sales of his solar products are booming, his company is still losing money because of his other unconventional projects, such as a system that can store hydrogen fuel in cars.

"His thinking is different than most of us," says Robert Stempel, who was chairman of General Motors Corp. when he first became intrigued with Mr. Ovshinsky's approach. In 1995, after being forced out at GM, Mr. Stempel took his current job as chairman and chief executive of Energy Conversion Devices.

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Mr. Ovshinsky's PV product has caught the attention of President Bush, who earlier this year decried the U.S.'s "addiction" to oil and vowed to expand domestic energy resources.

In February -- after calling for a doubling of the government's current solar-research budget of $83 million a year in his State of the Union speech -- Mr. Bush visited Mr. Ovshinsky's factory. After meeting privately with the inventor, the president spoke glowingly about how a consumer with a PV system on his roof could produce his own power and even sell it to the local utility in times of peak demand. For many U.S. consumers, however, the idea is more theoretical than practical, given a welter of conflicting state laws and utility practices.

Photovoltaic materials come in a variety of forms. What they have in common is that sunlight excites their atomic structures, creating electricity. Most producers make PV from expensive silicon crystals and cover their panels with protective sheets of glass. These materials depend on a uniform crystalline structure.

In the 1960s, Mr. Ovshinsky began working with cheaper materials that require a relatively tiny amount of silicon. In 1977, his work with these materials prompted him to begin thinking about a machine that would make a paper-thin film of PV. By this time, challenges weren't new to him.

Growing up in Akron, Ohio, Mr. Ovshinsky did odd jobs to help support his family during the Depression. He attended trade school at night, where he learned to run a machine shop. Building and fixing big machines became his passion. He soon wanted to know about the physics and chemistry that made machines run and the electronics needed to automate them. On weekends, he spent much of his time in Akron's libraries. "To me, school wasn't the place where I did most of my learning," he says.

He came to Detroit in the 1940s to sell his first invention, an automated lathe. In 1960, he and his wife, Iris, who had a doctorate in biochemistry from Boston University, set up Energy Conversion Devices. The purpose: to exploit the potential of amorphous materials, which include combinations of cesium, tellurium, germanium and other elements. "We wanted to start new industries and solve serious societal problems," says Mr. Ovshinsky.

His wife, who died in August, helped drive the business. "She was a very strong technical person and very strong in organizing him," says Larry Kazmerski, who manages the solar-energy program for the Department of Energy's National Renewable Energy Laboratory. "When you bought Ovshinsky, you got two Ovshinskys." One of their skills, he notes, was the ability to attract a steady stream of financial backers.

The Ovshinskys planned a factory that would make thin-film solar PV. Mr. Ovshinsky envisioned a machine that would deposit layers of the electricity-producing film on flexible materials, such as stainless steel, plastic membranes and even shingles. "Other products you put on your roof," he says. "Mine is the roof."

Support for solar took a nosedive in 1982, when the Reagan Administration cut the government's solar research budget in half, sending entrepreneurs and scientists to other fields. Meanwhile, Wall Street investors, burned by over-hyped solar projects, were skeptical. The electricity produced by solar power was far more expensive than that generated by coal or natural-gas power plants.

None of this deterred Mr. Ovshinsky. His goal was to make PV so cheap that it would be competitive with fossil fuels. Some backers wound up disappointed because it took him decades to build the big PV-producing machine. Others learned from his ideas, while providing him with funds to pursue his project.

The first company to take the plunge was Atlantic Richfield Oil Corp., which gave him $25 million in 1980. But after a three-year contract expired, it wasn't renewed. Then came Sharp Electronics Corp. The Japanese company was interested in using solar-powered cells to run its calculators and other electronic devices. That pact ended in 1987, Mr. Ovshinsky says. Sharp later returned to solar energy and is now considered the world's leading manufacturer of silicon crystal panels.

Standard Oil of Ohio became a partner in 1981. Mr. Ovshinsky recalls the company wanted to build only small PV machines. "I said you have to have a big machine to bring down your costs," he says. That pact ended after BP PLC, the British oil company, took over the Ohio company in 1986.

Eric Daniels, vice president of technology for BP's solar division, says the company saw merit in Mr. Ovshinsky's thin-film approach, but decided to commercialize silicon crystal panels instead. BP is now one of the world's leading PV producers. Some customers prefer the heavier silicon product because they say it makes electricity more efficiently in areas where there is strong sunlight.

Mr. Daniels says BP is still doing research on thin-film PV, but in order to gear up to manufacture solar panels "there were some tough decisions taken" to focus on making and selling one initial product.

In 1999, Mr. Ovshinsky formed a joint venture with Canon USA, a subsidiary of the Japanese camera and copier maker. Canon later sold its interest to a Belgian company, Bekaert NV, which agreed to invest some $50 million to construct the big machine Mr. Ovshinsky had in mind.

Bekaert's engineers helped design and build the PV machine, which began running in 2002. But in May 2003, Mr. Stempel says, a new team of Bekaert managers concluded the machine was too big and expensive to make a profit.

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"We didn't want a reluctant partner, so we bought them out," says Mr. Stempel. Energy Conversion Devices paid Bekaert about $6 million, he says. Francoise Vanthemsche, a spokesperson for the Belgian company said: "Bekaert considers this as a closed file and will not provide any additional comment."

About that time, demand for PV panels began to rise as the result of incentive programs in Germany and Japan. Both countries were preparing restrictions on carbon dioxide and other emissions believed to cause global warming. In 2000, Japan began offering incentives that paid 50% of the costs of buying and installing solar panels.

That same year Germany launched a program that allows solar users to pay for their systems by selling excess electricity back to utilities at a generous, fixed rate. Some homeowners even rented neighbors' rooftops to expand production of solar power and their income.

These days, the global market for PV has grown so much that silicon is in short supply. To counter demand from PV makers, the computer industry and other users of silicon chips are bidding the price up, hampering companies like BP and Sharp that need lots of silicon crystals. That's good for Mr. Ovshinsky. Because his process uses relatively little silicon, he is selling all the PV he can make.

Sales for the solar division of his company, called United Solar Ovonic, have quadrupled since 2003, now running at $90 million a year. About 50% of its products are headed to Germany, where sunlight is relatively thin. "Germany has the average solar exposure of Anchorage, Alaska," says Mr. Resch, of the U.S. solar-industry association. But Germans get fat incentives for installing Mr. Ovshinsky's product.

Last year, for example, Michael Schindler's apartment building in downtown Berlin invested its reserve fund in a local bank, which paid 2.5% interest. This year, it has invested part of the fund in a new solar membrane on the roof -- made by Mr. Ovshinsky's company -- which is making enough electricity to raise the rate of return to about 5% for the money invested in solar.

Mr. Schindler says he had questions about the project at first, but electricians installed a voltage meter that shows him and other unit owners when they are making juice. "Overall, I am optimistic that it is a good system," he says.

Biohaus PV Handels GmbH, one of Germany's biggest distributors of solar products, likes Mr. Ovshinsky's PV because it can produce energy on older buildings with flat roofs and sometimes on walls of large buildings. "Business with this material is picking up strongly and continues to grow," says Manuela Schafers, spokeswoman for the company.

Some states are trying to prime the solar pump. Earlier this year, California launched an 11-year, $2.85 billion incentive program that, among other things, provides rebates to consumers to reduce by as much as 30% the cost of solar rooftop installations. Other states are working on similar programs.

The rising cost of natural gas sometimes pushes peak electricity prices in California and other areas above 20 cents a kilowatt hour -- a range where solar can compete without government incentives.

Thirty-four states have laws that permit homeowners to produce and sell solar energy, but many have limitations that discourage the practice, and utilities often make it difficult. "It's like having 50 different rules for plugging in your telephones," says Mr. Resch.

FBI/DEA/ATF/USMS:

Sentencing Disparity Continues (AP)

By Ben Evans, The Associated Press

AP, November 27, 2006

WASHINGTON -- Congress is headed toward adjournment again this year without acting on what is widely viewed as an indefensible sentencing disparity between federal drug offenses involving crack and powder cocaine.

Although nearly everyone agrees that the uneven treatment the two drugs receive under federal sentencing laws is unfair, Democrats and Republicans have been locked in a stalemate for more than a decade over the proper fix.

That stalemate, unlikely to break before Democrats regain control of Congress, has left in place a system that frequently sends black, inner-city defendants to jail for more than a decade over quantities of crack that would fetch far shorter sentence for powder-cocaine offenders.

"It can't be sustained on public policy arguments," said Sen. Jeff Sessions, an Alabama Republican and former federal prosecutor who has co-sponsored a bill to address the issue since 2001. "Congress has mandated these sentences, and we should constantly monitor what we did and adjust it for fairness."

Sessions' bill has stalled because many Democrats believe it doesn't go far enough to address the problem, and could in part aggravate it.

Under the current law, passed amid the crack epidemic of the 1980s, trafficking in 5 grams of crack cocaine -- about the weight of a nickel -- calls for a mandatory minimum five-year prison sentence. The same sentence for powder cocaine requires 500 grams.

Sessions' bill, which he plans to reintroduce next year, would increase the amount of crack triggering the five-year sentence from 5 grams to 20 grams, while raising the trigger for an automatic 10-year sentence from 50 grams to 200 grams.

At the same time, the bill would lower the quantities of powder cocaine warranting such sentences, from 500 grams to 400 grams for a five-year sentence and from 5 kilograms to 4 kilograms for a 10-year sentence.

Although Sessions' bill has two Democratic co-sponsors, many Democrats say it would perpetuate significant inequities while creating more arbitrary and unnecessarily long sentences for powder cocaine offenders. With backing from the legal community, Democrats instead have called for further reducing the mandatory sentences or for getting rid of mandatory minimums for drug offenses altogether and giving judges more discretion.

With Democrats taking control of Congress, incoming Senate Judiciary Committee Chairman Patrick Leahy of Vermont and fellow committee Democrats will likely take up the issue soon, said Tracy Schmaler, Leahy's spokeswoman. But with narrow majorities in both the House and Senate, it remains unclear whether any of the Democratic proposals could pass.

Law enforcement groups as well as the Justice Department continue to argue that stiffer penalties for crack are warranted because of the drug's strong connection with violent crime in poor neighborhoods.

"There's violence associated with both, but the nature of the way crack cocaine is retailed lends it to a higher degree of local street violence than powder cocaine does," said Jim Pasco, executive director of the national Fraternal Order of Police, which supports raising penalties for powder cocaine to balance the sentencing gap.

Sessions acknowledged that many of his colleagues are wary of appearing soft on crime by reducing penalties.

But critics of the current system, including many federal judges and legal groups such as the American Bar Association, argue that it is devastating inner-city neighborhoods -- more than 80 percent of the crack offenders are black -- while clogging federal prisons with low-level drug dealers.

In testimony before the U.S. Sentencing Commission earlier this month, U.S. District Judge Reggie B. Walton, a former deputy drug czar for the first President Bush, called the disparity "unconscionable."

The commission, an independent agency created by Congress to monitor federal sentencing laws, has recommended changes to the current structure three times since 1995, including an initial recommendation to eliminate the disparity by lowering crack sentences.

The commission is again reviewing the disparity.

According to the commission, 25,762 drug offenders were prosecuted under the federal sentencing laws in 2005. Almost half of those cases involved crack or powder cocaine.

'Soda Pop' Targets Draw Long Sentences (KCK)

Kansas City Kansan, November 24, 2006

Leaders of a Kansas City, Kan., drug ring targeted by a federal drug enforcement investigation called "Operation Soda Pop" are drawing sentences of 10 years or more in prison.

"The government has seized more than $1.8 million in cash and property from the members of this far-reaching conspiracy to flood the market in the Kansas City metropolitan area with marijuana and cocaine from Mexico," said U.S. Attorney Eric Melgren. "This was a carefully planned and executed criminal enterprise in which the conspirators tried to disguise their conduct behind seemingly legitimate storefronts, frequent trips to Mexico in vehicles modified with hidden compartments and furtive cellular phone conversations conducted in a coded language."

Operation Soda Pop, an organized crime drug enforcement task force operation announced Sept. 4, 2004, has resulted so far in the convictions of 16 conspirators. Among those who have been sentenced:

Dennis Goyer was sentenced to 300 months in prison.

Gerardo Reyes-Lopez was sentenced Nov. 21 to 151 months.

Bill Joe Antle was sentenced Nov. 15 to 108 months.

Oswaldo F. Pozo was sentenced in September to 151 months.

Daniel Moreno was sentenced in August to 135 months.

Norma J. Renteria was sentenced in July to 120 months.

Upcoming sentencing hearings include: Lewis Lamonte Smith (2/5/07); Maria Hernandez (1/8/07); Sigfredo Paez (1/8/07); Jacinto E. Hernandez (1/2/07); Sandra Etters (12/18/06); Carlos Roberto Ortega (11/27/06); Eduardo Agramon-Castro (11/27/06); and Mauricio A. Garces (12/18/06).

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Others charged in the case who already have been sentenced include Jesus Casteaneda (33 months); and Germain Devia (time served).

Operation Soda Pop was an 18-month investigation coordinated by the Drug Enforcement Administration with the assistance of the Kansas City, 0Kan., Police Department, the Internal Revenue Service's Criminal Investigation Division and other federal, state and local law enforcement agencies.

A federal grand jury indictment returned in August 2004 charged that from Jan. 1, 2002, through Aug. 11, 2004, a multi-national drug transportation and distribution organization organized the shipment of marijuana and cocaine from Mexico through El Paso, Texas, into the Kansas City area. The indictment alleged that the organization transported marijuana and cocaine using commercial trucks, passenger vehicles, and trailers and that cash derived from the sale and distribution of the cocaine and marijuana was collected, packaged, concealed in motor vehicles and transported to El Paso, Texas, and then on to various locations in Mexico. The indictment alleged that proceeds from the sale of the cocaine and marijuana were also used to purchase personal and real property in Texas, Kansas, Missouri, and Mexico.

According to court documents:

Conspirators purchased an automobile repair business, Anaco Transmission, in Merriam, Kan., where marijuana and cocaine was received and distributed.

Marijuana also was delivered from El Paso, Texas, to a turf farm in Stillwell, Kan.

Members of the organization traveled to El Paso, Texas, to coordinate the shipments of marijuana and cocaine to the Kansas City area. They conspired to distribute approximately 11,272 kilograms (approximately 24,798 pounds) of marijuana and approximately 293 kilograms (approximately 644 pounds) of cocaine from Jan. 1, 2002, through Aug. 11, 2004.

Melgren said the Drug Enforcement Administration received assistance in the investigation from the Internal Revenue Service, Criminal Investigation; the Bureau of Immigration and Custom Enforcement; the KCK Police Department; the Johnson County Sheriff's Office; and the Overland Park Police Department. Other agencies also assisted with the investigation and the execution of search warrants including the FBI; the Missouri Highway Patrol; the Kansas City, Mo., Police Department; the Kansas Highway Patrol; the Jackson County Drug Task Force; the U.S. Marshals Service; and the U.S. Attorney's Office for the Western District of Missouri.

Melgren commended Assistant U.S. Attorney Tris Hunt, Assistant U.S. Attorney Marietta Parker, Assistant U.S. Attorney Mike Christensen and Special Assistant U.S. Attorney David Zabel, who prosecuted the case.

Popular Ex-Malden Detective Sentenced: Jordan To Serve 15 Years For Role In 2003 Cocaine Case (MO)

Malden (MA) Observer, November 24, 2006

David Jordan, a 19-year veteran of the Malden Police Department and a former narcotics investigator, was sentenced last Wednesday to 15 years in federal prison for his role in a 2003 cocaine heist.

Jordan, 45, who lives in Stoneham, was sentenced along with co-conspirator and reported heist ringleader Anthony Bucci, 44, of Wakefield.

Judge Reginald Lindsay said Bucci would spend the next 21 years in federal prison, serving six years more than his accomplice because of Bucci's role in masterminding the operation, according to U.S. District Court Clerk Stephen York.

Two other men - Francis Muolo and Jon Minotti, who testified against Jordan in the case - have already been sentenced to terms of 57 and 59 months, respectively, for their roles in the conspiracy.

The charges stem from a staged raid on Dec. 24, 2003, in which Minotti, who was a drug informant for Jordan, set up a meeting between Bucci and known area cocaine mogul Carlos Ruiz in the parking lot of the former Malden Hospital.

According to investigators, the deal was worth $80,000.

As the deal went down, Jordan intervened and, as planned, Minotti swiped the cocaine and escaped through the woods to a waiting vehicle driven by Muolo. Jordan then allegedly told Bucci and Ruiz to leave the scene with the money.

Jordan was to receive a $30,000 kickback in the deal, but was unaware that federal drug investigators had set up a tap on Ruiz' phone prior to the transaction as part of a much larger investigation in the area.

As a result, DEA agents witnessed the incident, which they immediately believed was staged, and began investigating Jordan and his counterparts.

Prosecutors said that Jordan continued to meet with Minotti on several occasions during the investigation. In one interview, Minotti reportedly wore a wire and recorded a conversation in which Jordan threatened his former friend and accused him of setting him up.

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Jordan, who was also a contract painter, claimed that his conversations with Minotti continued because the men had a business relationship outside of the police force and had done some contracting work together.

Both Jordan and Bucci were convicted on charges of conspiracy and cocaine distribution in April of this year, although both have maintained their innocence throughout the judicial process. Jordan also reportedly pulled a gun on Ruiz during the incident, earning him additional charges in the case.

Jordan was a third generation Malden detective and the department's lead narcotics investigator at the time of his arrest. It is unclear whether either party plans to appeal the sentence.

Fugitives Among The Millions Lured To The Grand Strand Each Year (AP)

AP, November 27, 2006

MYRTLE BEACH, S.C. - Myrtle Beach draws tourists every year by the millions. But when the sunbathing throngs thin out in the fall and winter, another group of travelers is easier to spot - fugitives.

About 14 wanted criminals are arrested each month in city of Myrtle Beach, said Investigator Brenda Christy of the Myrtle Beach Police Department.

"Mainly, it's because we're a tourist destination," said Christy, who also is a special deputy with the U.S. Marshals Service. "We grow from about 26,000 people to about 300,0000 on any given weekend."

She said fugitives go to Myrtle Beach - and other tourist destinations across the country - hoping to blend in with those large numbers.

"If I'm wanted, it would be nice to come here, soak up some sun, lay on the beach, blend in and feel like I'm not a wanted criminal," Christy said.

Marshals Service spokesman Deputy Tim Stec said an average of 240 fugitives a month are captured throughout South Carolina.

"We see a lot of people come to South Carolina because they obviously don't want to get caught," Stec said. "We see a lot of people coming from, say, New York City, just wanting to lay low with a relative who lives out in the country."

But as summer turns to fall and winter, it becomes harder for those out-of-towners to hide in Myrtle Beach.

"Businesses also tend to close earlier this time of year, so a fugitive who maybe usually hangs around the bars until all hours of the morning now has to leave them earlier and find someplace else to go," Christy said.

And they may try to go home for the holidays.

"A fugitive may at one of these times say 'Hey, I haven't seen mom and dad in 10 years and I know they're having dinner at home' and there's a good chance that's when you'll be able to find them," Christy said.

Christy and Stec said finding wanted men and women can be dangerous.

"We see people go to extraordinary means not to get caught," Stec said. "We see them hide in attics, under beds and run out the back door as we're approaching the front, and we have had incidents where someone has pulled a weapon."

Christy said she has been in some pretty tricky situations.

"I've been in a lot of situations and I've been really, really blessed that someone hasn't turned on me, tried to kill me," she said. "These guys you're looking for are going to jail for murder and we're standing between them and freedom. It can be pretty daunting."

TAX:

Outside Audit Minding The Gap: IRS Looks Closer At Profit Disparity (WSJ)

By Jesse Drucker

The Wall Street Journal, November 27, 2006

Publicly traded companies reduced their U.S. taxable income by at least $34.8 billion in 2004 through potentially abusive tax transactions without taking a similar hit on profits reported to shareholders, new Internal Revenue Service data show.

The vagaries of accounting rules and tax laws allow public companies to keep two sets of books: one for shareholders and another for the Internal Revenue Service. Not surprisingly, companies tend to report higher profits to investors than to the tax man.

For 2004, the IRS started requiring companies to give it more detail about the reasons behind that gap. Companies that year reported roughly 40% higher profits to Wall Street -- known as book income -- than to tax authorities. The IRS also asked companies to reveal what portion of the difference between taxable income and profits reported to shareholders was attributed to deals the IRS defines as having some hallmarks of questionable tax shelters, known as "reportable transactions."

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The IRS is collecting the data on reportable transactions in part to help decide which companies' returns deserve more scrutiny as part of a broader drive to crack down on corporate tax shelters.

"These items are all hints that they warrant further review," said Bob Adams, a senior adviser at the IRS. "Some of the transactions that fall in this category may be perfectly fine, but many times they're not."

All told, U.S. public companies included in the data reported about $554 billion in pretax profits to Wall Street in 2004, but only about $394 billion to the IRS. (It's difficult to compare 2004, the most recently available year, with prior years, because of changes in reporting requirements.) For all companies required to report such figures -- not just the publicly traded ones -- the gap was even bigger: They reported $707 billion in pretax profits to their investors, but $523 billion to the IRS.

The biggest reason for the disparity is depreciation. Companies often can write off the cost of equipment faster for tax purpose than for financial statements. Other large factors include differences between tax and accounting rules for expensing stock options.

Such data on individual companies, if publicly available, would be of interest to many investors. Companies being audited by the IRS with book income that was much higher than their taxable income were more likely to be ordered to pay bigger back-tax bills, according to a 1998 paper by Lillian F. Mills, now a University of Texas accounting professor. The bigger the gap, she found, the higher the adjustment.

Other studies have concluded that companies with big gaps are more likely to be aggressive with their accounting, which can result in restatements and legal problems that can hurt share prices. A 2005 study by Michelle Hanlon, a University of Michigan accounting professor, found that big-gap companies had less-consistent earnings than those with smaller gaps.

Tax disputes recently have saddled several big companies with costly bills, including GlaxoSmithKline PLC, which agreed to pay the U.S. government $3.4 billion for taxes stemming from transactions between the British pharmaceutical maker and a U.S. subsidiary.

It's difficult to ascertain a company's tax situation from quarterly disclosures to investors, in part because items like tax reserves obscure the picture. IRS Commissioner Mark Everson has floated the idea of making corporate tax returns, or part of them, public. Companies confidentially explain the gap to the IRS on a form now called "Schedule M-3," which is a revised version of an earlier form.

"Transparency is an important underpinning of our financial markets, [but] transparency is quite limited in the area of tax, which remains largely a black box," Mr. Everson said in an interview. "Looking at the M-3 and the information it provides as a source of public discourse certainly should be considered."

At a Senate hearing in June, well-known tax lawyer Edward Kleinbard testified in favor of making the forms public. "Investors today know shockingly little about the actual cash tax liabilities of public companies," he said. Disclosing such information also "might dampen some corporate enthusiasm for tax-shelter transactions."

The IRS data are based on filings by 4,195 U.S. public companies with fiscal years that ended between December and June. Available only in aggregate, the data were contained in tables accompanying an article by IRS researchers published in the trade journal Tax Notes. Only companies with assets of $10 million or more were required to file the new forms. Figures from about 2% of the public companies weren't included because of flaws in their submissions.

The two sets of books vary because they measure different things. Companies report financial results to investors according to generally accepted accounting principles, a set of standards promulgated by the Financial Accounting Standards Board. For taxes, however, income is calculated according to laws passed by Congress -- which are peppered with sweeteners to encourage certain types of corporate behavior, such as increased research spending, and loopholes requested by lobbyists for industries and even individual companies.

The IRS has long required companies to file a form reconciling the gap. The previous form required far less detail, and gave companies significant leeway in defining book income. The new form requires thousands of companies to give far more information, including dozens of new categories to explain the gap.

But one of the biggest is the category for reportable transactions. The category includes transactions pitched by advisers who are paid with fees based on tax benefits or who require that the deals' structures remain confidential. Confidential tax advice is "troublesome," said the IRS's Mr. Adams. "If it's OK, then why is it so confidential?"

The reportable-transactions category also includes deals that have been explicitly forbidden by the IRS -- so-called "listed transactions."

Some corporate tax experts advocate making the rules more uniform to reduce the gap and discourage the use of improper shelters.

"The only solution that I have confidence will work to shut this stuff down is to say: 'If you're going to claim a tax loss, book it,' " said Michael J. Graetz, a tax-law professor at Yale Law School.

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Many accountants oppose such a move, arguing that shareholders shouldn't be given understated pictures of companies' true value simply because Congress allowed tax deductions to encourage some type of economic activity.

The Thorny Question About Tax Increases Concerns Economic Risks Over The Long Term (WSJ)

By Greg Ip

The Wall Street Journal, November 27, 2006

Would higher taxes cripple the U.S. economic expansion?

That's what the Bush administration is warning, with the Democrats set to control Congress.

But, in fact, such a tax increase probably wouldn't do much short-term harm, many economists say, because the Federal Reserve could offset the chilling effect on consumer spending with lower interest rates. A much trickier question is whether raising taxes would do long-term damage, and that would depend on which taxes were raised and how bond markets responded.

It is hardly certain that Democrats could raise taxes in the face of a veto by President Bush. Still, about half the 41 newly elected Democratic congressmen favor reversing the tax cuts for the richest taxpayers right away, rather than waiting until they expire at the end of 2010. Clinton Treasury Secretary Robert Rubin said three weeks ago that raising taxes now would have "about zero negative effect on the economy."

Last week, Edward Lazear, chairman of Mr. Bush's Council of Economic Advisers, disagreed, warning that a tax increase would be "very risky" and "endanger the kind of economic growth that we've had over the past couple of years."

Economists on Wall Street, though, are sanguine. Despite a recent slowdown, the economy is strong. The unemployment rate, at 4.4%, is even lower than the 4.8% the White House considers sustainable in the long run. The Fed is worried enough about inflation that it says another rate increase remains on the table. Tighter fiscal policy -- either higher taxes or lower spending -- could ease inflation pressure and allow the Fed to cut rates sooner than otherwise.

Higher taxes would impose a drag, and "in our view of the world -- which is that growth is resilient -- that would be welcome," says Michael Feroli, an economist at J.P. Morgan Chase & Co.

Richard Berner, chief U.S. economist at Morgan Stanley, says with interest rates already high enough to slow growth a bit, the Fed "definitely" has the wherewithal to offset a tax increase, though that depends in part on its type, timing and size.

One risk is that by the time taxes went up, the economy could be weaker, and rate cuts might come too late to help. Timing is one reason economists generally recommend against using fiscal policy to modulate the business cycle. Ed McKelvey at Goldman Sachs thinks growth will be relatively weak next year, so a tax increase "would certainly raise the risk [of recession] considerably."

The bigger controversy is whether raising taxes would make good long-term sense. While the administration has often touted its tax cuts' role in boosting consumer spending, and thus pulling the economy out of a slump in 2003, Macroeconomic Advisers, a forecasting firm, estimates that benefit had fully faded by early last year. The Treasury Department estimates the tax cuts will eventually raise annual gross domestic product by 0.7%, by increasing the incentive to work and invest.

Whether those benefits would be lost depends on which taxes were to be raised, says Glenn Hubbard, dean of Columbia University's graduate business school, who as a White House adviser from 2001 to 2003 helped design the tax cuts. "A lot of the tax cuts weren't pro-growth," he says.

Treasury estimates the biggest boost to economic growth comes from the cuts in capital gains and dividend taxes, and to the upper marginal income-tax rates. Those are the cuts the Democrats most want to reverse. On the other hand, the expanded child tax credit is relatively uncontroversial and thus unlikely to be reversed. Gregory Mankiw, economist at Harvard University and a former White House adviser, says, while that "might be good for social purposes, there's no economic case for it," because the credit doesn't increase the incentive to work or invest.

Still, many of those supply-side benefits have yet to be realized. Alan Auerbach, an economist specializing in tax policy at the University of California at Berkeley, says that in the relatively short time since their passage, the capital-gains and dividend tax cuts have mostly rewarded business investments made years earlier, rather than spurred new investment. They won't "do much for capital formation or for economic activity generally" until many more years have passed, he says. He adds that while preserving the top tax-rate cuts and not those at the bottom may be better for long-term growth, it would aggravate the widening gap in after-tax incomes between the rich and the rest.

Treasury's estimates depend on the tax cuts being financed by lower government spending. In fact, the tax cuts have been financed by increased borrowing, which in theory "crowds out" private borrowing and investment, depressing growth. Mr. Rubin has argued the economy did well in the 1990s because after President Clinton raised taxes in 1993, the deficit fell, and that brought down long-term interest rates, "crowding in" private investment.

However, with long-term rates already so low, Mr. Berner says, "it's hard to argue that you get quite the same response."

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Furthermore, reversing Mr. Bush's tax cuts would do little to address the coming surge in spending on Medicare and Social Security benefits for retiring baby boomers. Investment banker Pete Peterson, chairman of the Peterson Institute for International Economics, says that increase over the next 35 years equals 9% of gross domestic product, while scrapping the Bush tax cuts equals 1% of GDP. "The minute you start looking at a tax increase as the primary solution, you're confronted with tax increases that are clearly beyond anything anyone can imagine."

CONGRESS-ADMINISTRATION:

Dem Inquiries Could Provoke Divisions (USAT/AP)

USA Today, November 27, 2006

WASHINGTON — The incoming chairman of the House Energy and Commerce Committee promises an array of oversight investigations that could provoke sharp disagreement with Republicans and the White House.

Rep. John Dingell, D-Mich., said Democrats, who took power in the elections Nov. 7, would govern "in the middle" next year. But the veteran lawmaker has a reputation as one who has never avoided a fight, and he did not back away from that reputation Sunday.

Among the investigations Dingell said he wants the committee to undertake:

·The new Medicare drug benefit. "There are lots and lots and lots of scandals," he said without citing specifics.

·Spending on government contractors in Iraq, including Halliburton, the Texas-based oil services conglomerate once led by Vice President Cheney.

·An energy task force overseen by Cheney. It "was carefully cooked to provide only participation by oil companies and energy companies," Dingell said.

·A review of food and drug safety, particularly in the area of nutritional supplements.

The incoming chairman of the tax-writing House Ways and Means Committee said his committee would not take on contentious issues, such as extending expiring tax cuts or overhauling Social Security, at the beginning of the year. Rep. Charles Rangel, D-N.Y., said Democrats do not want a fight with President Bush and want to prove they can govern.

"The first thing we're going to do is try to work together on things we know we can accomplish," Rangel said.

"Rather than have the committee against the president, it's not going to happen."

Rep. Barney Frank, D-Mass., set to lead the House Financial Services Committee, said issues such as raising the minimum wage will be popular.

"In my own committee, the biggest difference you're going to see is we're going to return to try to help deal with the housing crisis that blights so many parts of our country socially and economically," Frank said.

Mississippi Sen. Trent Lott, who will become the Senate's second-ranking GOP leader, said Republicans can block legislation "if it's really bad, not in the country's best interest." He said he wanted to find areas where the two sides can compromise.

"The people, I think, sent us a message. I think we've got it," Lott said. "We're going to be working hard together."

The lawmakers appeared on Fox News Sunday.

GAO Chief Sends Long Wish List To The New Congress (WP)

By Stephen Barr

The Washington Post, November 27, 2006

If the next Congress follows through on Democratic leadership promises to conduct aggressive oversight of the government, a to-do list will be waiting, courtesy of Comptroller General David M. Walker, the head of the Government Accountability Office.

For the first time, Walker has sent congressional leaders a letter pointing to areas where he thinks oversight is needed. His list, drawn from years of research by the watchdog agency, is intended to give Congress "a jump-start on your planning," he said.

"We cannot afford to continue business as usual in Washington, given our current deficit and growing long-term fiscal challenges," Walker said in the letter, sent this month.

In addition, Walker wrote, most of the government's policies and programs "are based on conditions that existed decades ago," suggesting that it is time for "a fundamental review, reprioritization and re-engineering of the base of government."

Walker lists 36 topics for investigation and oversight hearings, and many of them involve daunting political issues, such as Social Security and Medicare, immigration policy, and the costs and benefits of environmental and energy policies.

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Some of his recommendations touch on how federal employees conduct the government's business and deliver services to the public. For example, Walker's letter calls for:

Â· Addressing the government's contracting problems.

The GAO estimates that about a quarter of the government's discretionary spending is for products and services from contractors (more than $338 billion in fiscal 2005).

Walker recommends that Congress require agencies to report on how they ensure that contractors "are playing appropriate roles." He also urges Congress to ensure that agencies are adequately staffed to monitor contract costs and performance, particularly at critical times, such as hurricane response and the war in Iraq.

Â· Improving federal computer security to deter identity theft. Special attention needs to be paid to protecting Social Security numbers, including the methods used to issue and replace Social Security cards, Walker says.

Â· Transforming Defense Department business methods. Billions of dollars are wasted annually because of poor management decisions in such areas as weapons acquisition, supplies and technology, GAO studies have found.

Â· Assessing the progress of the government's largest recent merger -- the consolidation of 22 agencies into the Department of Homeland Security. Attention should be paid to the department's strategic planning capabilities and the steps being taken to improve border security, Walker recommends.

Â· Reviewing coordination and information-sharing in the intelligence community, focusing on the National Counterterrorism Center and the National Counterproliferation Center.

Â· Reorganizing the U.S. Postal Service, which is under increasing pressure from the Internet and competition from private delivery companies. That raises questions about whether the Postal Service "can remain a self-financing government provider of affordable universal postal services in the 21st century," according to Walker.

Â· Modernizing federal employee performance management and compensation systems. Congress should consider market-based, performance-oriented pay systems in government, based on a "show me" test that demonstrates employees will be treated fairly when their pay raises are tied to more rigorous job performance ratings.

Â· Examining the presidential appointment process. Congress needs to look at whether some political jobs require certain qualifications and experience, such as those involved in national and homeland security, and whether other political jobs need to be given independence from the White House to ensure professionalism and objectivity.

Walker, in his letter, says oversight hearings would help agencies share ideas for innovation while holding federal officials accountable for how they spend taxpayer dollars.

"This balanced approach is likely to help accelerate progress while avoiding a further erosion of the public's trust and confidence in government," Walker wrote.

Mr. Gates' Options (TIME)

By Michael Duffy

Time, November 27, 2006

Bob Gates is all things to all people in Washington these days. To the hard-liners who want to preserve what's left of George W. Bush's policy in Iraq, Gates is an ardent patriot, a determined anticommunist who thought the Soviet Union was an evil empire, who backed aggressive measures against the Sandinistas in Nicaragua in the early 1980s--and who during the first Bush Administration sided most often with a Defense Secretary named Dick Cheney.

To the new realists, who want to tear up this Administration's failing bid to bring democracy to Iraq and replace it with a strategy for an exit, Gates is a secret ally, an agent of change who rocked the CIA he grew up in by shifting it out of covert action and into open-source programs at the cold war's end--and then became a reformist president of Texas A&M, tossing a beloved football coach and reducing admissions.

If Gates had been talking to reporters instead of preparing for his confirmation hearings next week to become Secretary of Defense, he would have found all this amusing, if not absurd. The man with the Kansas-flat voice and a weakness for hiking, hayrides and roller coasters would have got a kick out of saying that both sides are right--and that absolutely none of it matters.

That would be the analyst in Gates talking, the man who developed a reputation during more than 25 years at the CIA and White House for making cold calculations not only about the intelligence he was poring over but also about how to choose his allies as he zipped to the top ranks of the CIA in record time. Now in a late-inning gig that no one expected--least of all Gates--he is about to take over the Pentagon and the day-to-day responsibilities for a war gone bad. He brings to the task one advantage: he was a key member of the special commission headed by former Secretary of State James Baker and former Indiana Representative Lee Hamilton that has been cooking up options for what to do next. Gates was involved in the military end of the commission's work--which means, says a colleague, that "not only will he understand the proposals, he will know the origins of them."

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The problem facing Gates is that the options being considered may already be obsolete. The conditions on the ground in Iraq are deteriorating so rapidly that even the Baker commission is struggling to keep up, several well-placed national-security sources told TIME. October was the deadliest month yet for Iraqi civilians since the start of the war, and November seems destined to surpass it. A Thanksgiving Day onslaught by Sunni militants killed more than 200 Iraqis, wounded hundreds and spurred a round of Shi'ite reprisals. As the Iraqi capital erupted in another frenzy of sectarian violence, the U.S. lost eight service members in a span of six days, bringing its death toll to nearly 2,900.

Although Baker has said the commission will develop its proposals by consensus, there were signs last week that the group had hit some speed bumps. Sources say renewed pressure from both political flanks in the U.S. is making it difficult for the commission's center to hold. Emboldened by their takeover of Congress, Democrats have sent unmistakable signals that they favor some movement, if not reduction, of forces at the earliest possible date. Meanwhile, present and former government officials say Vice President Cheney intends to oppose any proposal that would make regional talks with Iran or Syria a key part of the U.S.'s Iraq strategy, even though Baker favors such an opening. As the commission broke for Thanksgiving, the partisan pincer movement was beginning to provoke some talk of stalemate. "The impulse toward consensus has diminished somewhat," a close panel observer told TIME. "Everything that is happening--the election, the postelection, the situation in Baghdad--makes it more difficult."

Baker and Hamilton held dozens of listening sessions this summer and fall, but members for the most part were careful not to stake out their positions. With a tentative mid-December deadline just a couple of weeks away, the decision-making process is just beginning. Commission members, said a close adviser, "are just now trying to make sense of what they heard, what the choices are and who stands where on those choices." While a Baker-led deal is still a good bet, several sources said, the odds that the commission will be unable to provide a clear user's guide for cleaning up Iraq are narrowing. And that means Gates may need to sort out the options on his own.

So, what are they? No matter who is running the tabletop exercise, the choices are almost always the same. And practically the only thing everyone agrees on is that none are great. Here are the big four:

Get out fast. This option is the most tantalizing--and least likely--of all those under consideration by the armies of experts trying pick the Iraqi lock. While some Democrats, like Senator Barack Obama, have called on Bush to begin troop withdrawals within four to six months, there is almost no support for the idea within the Administration. The biggest problem is that the Iraqi army isn't ready to take over. U.S. Central Command boss John Abizaid told Congress two weeks ago that none of the Iraqi combat units are ready to operate independently of U.S. forces, and he says it will be a year to 18 months before the army is fully operational.

Without an army to keep the peace, a quick withdrawal would doom the country to chaos at best, and several years of violent civil war at worst. The balance of power inside Iraq is such that a withdrawal in the short term would strengthen the Administration's other nemesis in the region, Iran, at a time when Tehran is ignoring the world's objections and is suspected of steaming ahead with plans to build a nuclear bomb. "If the U.S. withdraws, Iran takes over," says Medhi al-Hafedh, one of Iraq's most respected politicians. "The Americans have to ask themselves if such an outcome is acceptable to them." So far, at least, the answer is no.

Surge forward. Among some active and retired generals, as well as some officers inside Baghdad's Green Zone, there is support for the idea of a temporary surge--boosting U.S. troops levels by 20,000 to 30,000 to stabilize the country. Under this plan, the extra U.S. forces would be deployed to try to quell the sectarian slaughter in Baghdad as well as subdue the jihadists of Anbar province. It is a step that, almost everyone agrees, should have been taken years ago.

The question is whether it is simply too late. There is, for starters, the zero-sum problem. Yes, the more troops we send, the more stability we can buy. But when the troops are withdrawn, instability will return. The second problem is logistics. The U.S. does not have the kinds of reserves that would allow it to beef up its Iraq forces for very long without a further decline in readiness, morale and troop retention. The Army's brigade combat teams are already ragged from fighting two wars; speeding their rotations back into battle would put some units at unacceptable risk. The new Marine Corps commandant said in effect last week he could not maintain the current "operating tempo" without increasing the corps' size--something the Bush Administration has opposed.

Even if the troops were available, there are formidable political barriers to sending them. The Democrats have made it clear that the idea is a nonstarter. While that sentiment could change if Baker and Hamilton support a surge, Abizaid has said he opposes more troops because it would discourage Iraqis from taking responsibility for their own security. "Iraqis will decide Iraq's future," says Major General William Caldwell, the top Army spokesman in Iraq. "Additional coalition troops may produce short-term effects, and we may execute that option, but they are not a long-term solution."

Train and retreat. Quietly gaining favor in military circles, this approach is designed to balance the need for more U.S. forces with a desire to decrease the rate of U.S. casualties. Here's how it would work in theory. First, Washington would boost

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the number of troops in Iraq and, more specifically, increase the number of G.I.s on military-training teams. The goal is to get the Iraqi army--which is beset by a weak officer corps, weapon shortages and an almost total inability to move around--ready to take over the country as the Americans start to pull out.

If all goes as planned, the U.S. could reduce troops levels as much as 60% within a year. Even if that were possible, "train and retreat" still envisions leaving some 50,000 U.S. troops in Iraq for years. These forces would be dispersed into four or five large garrisons or cantonment zones, far from urban areas. While U.S. troops patrolled the perimeter and guarded against mortar attacks from outside, Iraqi recruits would be trained inside. "You train 'em up and push 'em out," says a well-placed Baker-commission source. "That's what's happening."

No one knows whether, with all the military trainers in the world, the Iraqis will ever be ready to take on the militias. But the plan has political advantages. It relieves some of the pressure for withdrawals but boosts the overall footprint temporarily. Abizaid told lawmakers he is considering the "repositioning of forces in different ways," something Bush has hinted at as well. "It's a face-saver," says a foreign policy expert who has been involved in the Baker commission from the start. "It says, Let's go in hard, and if we can't solve Baghdad, we're going in the other direction."

Dig in. Although the military and political establishments are desperate for a new approach in Iraq, it's also possible that little will change. If the Baker commission falters or political stalemate ensues after the group reports, the U.S. may well keep troop levels the same, continue training Iraqis--and hope for the best. Sticking it out is the preferred course not just of the Commander in Chief but also of many of the top generals who report to him. To them, Iraq remains a fight that can be won--as long as political support for the enterprise doesn't bottom out completely. "I believe in the mission," says Lieut. General Peter Chiarelli, commander of the coalition forces, who ends his second tour of duty in Iraq this month. "It is what it is, and it's not going to lend itself to a timetable."

It is difficult to say where Gates willÂ come down among these options. His years working for Bush's father can be read two ways. Gates often took the hardest line in internal debates about how to manage the end of the cold war, pushing for radical change when the President; his top adviser, Brent Scowcroft; and Baker, then Secretary of State, favored more moderate steps. As the U.S.S.R. teetered on the brink of collapse, Gates (along with Cheney) usually argued for the fastest route to bring it about. They almost always lost out to Baker and Scowcroft, who argued that the Gates-Cheney approach was bad policy and worse politics. Gates can be bold, but bold isn't always wise.

That instinct helps explain why Gates thinks of himself as a transformational leader. After the CIA missed the fall of the Soviet Union, Gates launched reforms of 14 parts of the agency's operations, from analysis to satellite imagery to language study. Although not all these reforms bore fruit, CIA spending on Soviet collection and analysis shrank from 60% of its budget to less than 15%. Gates tried the same thing at Texas A&M, a school with an almost stubborn resistance to change--ending admissions preference for children of alumni, hiring hundreds of new faculty members and firing veteran football coach R.C. Slocum.

Still, compared with what waits for Gates, those challenges were small. He will probably follow Baker's lead in emphasizing regional diplomacy and will support any commission proposal to open direct talks with Damascus and Tehran. But that will immediately put him at odds with Cheney. One who has worked at Gates' side says the old analyst in Gates will overrule the old ideologue. "He knows that you cannot solve this problem within the four corners of the country," said this former hand. "It's going to take a regional approach. I don't think he's going to look for the most graceful way to exit. That won't be his approach."

The last time Gates faced a confirmation hearing, he took his son Brad to the Blue Ridge Mountains for a weekend of camping. He said later that was "better preparation for the battle that was about to begin" than anything else he could have done. But the battles he faces now are more likely to be with his new bosses at the White House--and perhaps with his own instincts. The Bush team has only a limited amount of time to decide what to do about Iraq. Sooner rather than later, Bob Gates will cease being all things to all people. With reporting by With reporting by Mike Allen, SALLY B. DONNELLY, Elaine Shannon, MARK THOMPSON, Douglas Waller / Washington, Aparisim Ghosh, Mark Kukis / Baghdad

Getting Out (USNEWS)

By Linda Robinson

U.S. News and World Report, December 4, 2006

James A. Baker III delights in delivering the long-ball play. In his newly released memoir, he describes the "sweet payoff" of getting Syria and other recalcitrant Arab nations to attend the 1991 Madrid peace conference. After putting together a broad Arab and international coalition to wage the first Gulf War, Baker, secretary of state for President George H.W. Bush, wanted to "capitalize on the momentum of this first-ever experience with regional cooperation in the Middle East." In many ways, Baker is taking up old business again today in his job as cochair of the Iraq Study Group that is soon to present its formula for stopping the bleeding from the sucking chest wound that the Iraq war has become.

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The difficulties are even more daunting this time as violence threatens to spiral out of control. The Iraq Study Group--10 former cabinet officials, senators, counselors, and retired Supreme Court Justice Sandra Day O'Connor--is evenly divided between Democrats and Republicans and is "at loggerheads" in its deliberations, says a Baker aide. But Baker and his cochair, longtime Democratic legislator Lee Hamilton, remain committed to reaching a bipartisan consensus on their recommendations to find a way to end the 3 ÃÂƒÂÂƒÃÂ‚ÂÂ‚ÃÂƒÂÂ‚ÃÂ‚Â½-year-old war that has cost nearly 3,000 American lives and taken tens of thousands of Iraqi lives. President Bush has said he looks forward to the group's report, and he has launched his own review of Iraq policy. The Pentagon is also conducting a review of its military options.

The debate over Iraq has spawned a welter of proposals for new policies, but something like a consensus position has begun to emerge on some key issues, including the need for a political settlement and diplomatic overtures to Iraq's neighbors. On the hot-button issue of U.S. troop levels, however--whether, when, and how many should be withdrawn from Iraq--sharp disagreement remains. Yet even there, a middle-ground position might be fashioned to win support from moderates on both sides of the aisle and from the White House. With a new Iraq policy, almost inevitably, will come new faces. The Pentagon is getting a new boss, and replacements for the U.S. ambassador and top military commander in Iraq are being discussed. Even with a new policy, however, one sober-minded former U.S. official cautions, "it may be too late for any strategy to work."

If the Baker group fails, it won't be for lack of trying. For the past six months, dozens of academic experts provided proposals and analysis to the group. The experts lined up behind two main options and wrote papers titled "Stability First" and "Redeploy and Contain." According to experts interviewed by U.S. News, the former paper called for a focus on stabilizing Baghdad and an effort to reach an accommodation with the insurgents rather than defeating them. The latter favored withdrawing U.S. troops on a timetable and taking military and diplomatic steps to contain Iraq's violence within its borders.

When word of the two papers leaked, Baker and Hamilton reacted immediately. The experts were cut out of the loop and thereafter used as a resource to provide further information to commissioners in writing. Baker, who had been out promoting his memoir, stopped granting interviews. The rest of the panel also stopped talking to the press. The cochairs and their aides wrote their own draft report and guarded its contents closely. Nonetheless, in several dozen interviews, U.S. News has pieced together this account of the group's deliberations, the evolving search for an alternative policy, and the administration's response to the mounting pressure for an exit strategy.

Why We Need To Talk To Iran (TIME)

By Walter Isaacson

Time, November 27, 2006

Iran last week decided to play power broker. It invitedÂ Iraq's President to visit Tehran to discuss regional stability, and it sought to bring Syria into the process as well. This was not greeted with glee in Washington. But it should have been. One of America's top strategic interests is to get Iran to behave less like a revolutionary cauldron and more like a traditional nation-state. For the mullahs and their mad President to express a desire for a stable neighborhood is a good first step.

Step two should involve the U.S. talking, directly and seriously, to Iran. Our current conceit, which is that Iran should be denied the honor of our direct discourse until it suspends its nuclear-enrichment programs, hurts us more than it hurts Iran. For 27 years we have relied on unilateral sanctions and diplomatic chilliness to persuade Iran to moderate its behavior and forsake its nuclear ambitions. That hasn't exactly worked.

Direct talks with Iran will not persuade it to abandon its nuclear dreams right away. Even the slightly saner predecessors of President Ahmadinejad surreptitiously proceeded down the nuclear path despite pledges to do otherwise. Given Persia's precarious location and imperial impulses, I dare say that even our late unlamented friend the Shah was and would be doing the same.

When a problem is for the moment unsolvable, then enlarge it. (O.K., this is a Donald Rumsfeld maxim, but that doesn't make it inoperative.) One precedent is the opening to China negotiated by Henry Kissinger, which did not try to settle such intractable issues as the status of Taiwan but instead created a framework for a realistic long-term relationship involving both cooperation and contention.

Talks with Tehran should begin, without preconditions, by discussing such a framework while getting Iran involved in keeping the chaos in Iraq from ripping apart the region, just as Iran helped stabilize Afghanistan after the defeat of our mutual enemy the Taliban. We should then permit commercial deals with Iran's small private sector, which could build a middle-class constituency for stability and greater integration into the world economy. Who knows? Perhaps this could even lead to accession talks with the World Trade Organization. In the process, Iranians will see more clearly the benefits of being treated as a responsible global player. Only then might we have enough leverage to convince the nation's leaders that there's a downside to flouting the world on the nuclear issue.

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President Ahmadinejad has the advantage of looking like a poet, sounding like a lunatic and not caring whether the West likes him. But Iran has multiple power centers. There's an election next month, for example, in which a reformist former President is challenging a fundamentalist cleric to join the Assembly of Experts that oversees Supreme Leader Ayatullah Ali Khamenei. About 70% of the population is under 30, and there are at least 70,000 active blogs expressing all sorts of aspirations of a diverse people, including ones by the President (ahmadinejad.ir) and Supreme Leader (khamenei.ir).

That is why, in addition to government talks, it's useful to have informal contacts with the Iranian people. I was with President Bush in New Orleans a month ago, and he got to talking about the ravings of Ahmadinejad, but he knows not to personify relations the way he once did with Russia's Vladimir Putin. That is why he has called for, and Congress has funded, citizen exchanges with Iran. A delegation of health experts from Iran, whose AIDS program is one of the best in the region, will soon visit the U.S. under the auspices of the State Department's international visitors program and the Aspen Institute, where I work.

Engagement with Iran should be done in partnership with our allies in the region, namely Egypt, Jordan and Saudi Arabia. They can help keep the Iranians (and Syrians) in check and look after Sunni interests. That requires one other ingredient: reigniting efforts to reach an Israeli-Palestinian peace, if and when the Palestinians form a new government willing to deal with Israel. The Israelis understand this; Prime Minister Ehud Olmert has informally talked to the Saudis about relaunching their Arab peace plan.

Who best to choreograph all this? Jim Baker. The Iraq Study Group, which he chairs with Lee Hamilton, plans to recommend a process along these lines, and his associates say that Baker would be willing to help implement it as a special envoy if the President offers him enough authority. That might be resisted by Elliott Abrams, the National Security Council staffer who coordinates Middle East policy, and Baker would not accept the job unless this is resolved. But Condoleezza Rice, who has pushed for a comprehensive diplomatic approach to the region, might be supportive, even enthusiastic. She knows that the Administration needs to salvage a foreign policy legacy beyond the botched war in Iraq.

Writings Reveal Cautious Gates (WT)

By Rowan Scarborough

The Washington Times, November 27, 2006

Defense Secretary-designate Robert M. Gates in the past decade opposed big changes at the CIA in the face of terror attacks and expressed doubt that Washington could assemble an alliance of nations against al Qaeda.

His writings, mostly in the op-ed pages of the New York Times, also revealed a former CIA director who was protective of the agency and opposed to intelligence inroads by the Pentagon at the behest of Defense Secretary Donald H. Rumsfeld. He opposed creating a budget line for the White House Office of Homeland Defense after al Qaeda's September 11 attacks on the United States.

The writings show Mr. Gates to be more cautious and pragmatic than his predecessor, Mr. Rumsfeld, who has transformed the military and aggressively hunted al Qaeda members.

The Senate Armed Services Committee convenes confirmation hearings on Mr. Gates next week. The central questioning promises to focus on how Mr. Gates will change policy in Iraq. The bogged-down war is the reason President Bush nudged Mr. Rumsfeld aside after six years and turned to the Texas A&M University president for a "fresh perspective."

A sample of Mr. Gates' views after leaving Washington in 1993:

· He advocated military action against Iraqi President Saddam Hussein in 1997 after his regime continued to block U.N. inspectors.

"Surely, we know now that force is the only thing Mr. Hussein understands," Mr. Gates wrote in the New York Times, a frequent venue for his opinions. "We have known since 1990 that faintheartedness disguised as reasonableness in dealing with him is an invitation to further depredations." The next year, President Clinton ordered five days of bombings against suspected weapons sites.

· After al Qaeda bombed two American embassies in East Africa in 1998, Mr. Gates warned against a transformation of counterterror agencies, including the CIA.

"The great deficiency in American counterterrorism efforts in the summer of 1998 is not strictures against assassination, nor inadequacies in intelligence and law enforcement," he wrote in the New York Times. "The deficiency is political and strategic."

He added, "In truth, Americans can take pride in already existing C.I.A. and F.B.I. counterterrorism capabilities."

After the September 11 attacks, congressional and independent inquiries found widespread inadequacies in intelligence collection and analysis.

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· In the same 1998 New York Times piece, Mr. Gates doubted other nations would join the U.S. in a violent retaliation against terrorists.

"Another unacknowledged and unpleasant reality is that a more militant approach toward terrorism would, in virtually all cases, require us to act violently and alone," he wrote. "No other power will join us in a crusade against terrorism -- in fact, some 'friendly' governments protect their countries against terrorism by cutting deals with the groups, allowing them operational freedom."

The Bush administration contends it has arrayed a long list of allies for fighting al Qaeda, including most European nations as well as predominantly Muslim countries, such as Pakistan.

· A month after the September 11 attacks, he wrote in the New York Times that he opposed giving the homeland security office its own budget. Congress went a lot further, creating a new Cabinet post, with a budget and thousands of employees.

"Some in the executive branch suggest that the office be given its own special budget line," Mr. Gates wrote. "As a veteran of interagency warfare under six presidents, I believe this wouldn't work."

· In May 2006, he wrote an op-ed in The Washington Post in which he criticized Mr. Rumsfeld's initiatives to get the military more involved in intelligence. "More than a few CIA veterans -- including me -- are unhappy about the dominance of the Defense Department in the intelligence arena and the decline in the CIA's central role," Mr. Gates wrote.

Mr. Gates, a career CIA analyst who rose to be its director under the administration of the first President Bush, was so protective of the agency that he opposed Congress' decision to create a director for national intelligence, who now oversees the CIA.

"I publicly opposed the establishment of the DNI position," he wrote. "But the change has been made, and we who were in the CIA during its halcyon days must adjust to a new world."

New perspectives on Iraq are already coming from what could be competing ideas on Iraq. The Iraq Study Group, led by former Secretary of State James A. Baker III and former Rep. Lee Hamilton, Indiana Democrat, is due to meet this week to discuss the first draft of a report on Iraq options. But at the same time, the Pentagon is doing its own separate review culminating in Gen. Peter Pace, Joint Chiefs chairman, making proposals to the president.

Defense: The Pentagon Handoff (NSWK)

Newsweek, November 27, 2006

Dec. 4, 2006 issue - It's "The Long Goodbye"—Pentagon style. Donald Rumsfeld's successor as Defense secretary, Robert Gates, is due to have his confirmation hearing in early December—a process Senate Democratic leader Harry Reid of Nevada predicted would be swift. "We want the change to take place very quickly," Reid said.

Not so quickly, after all. A White House spokesperson confirms that Gates will be sworn in as the new Defense secretary "in the new year," a good two weeks after his confirmation. According to the White House, Gates needs extra time to wind up affairs as president of Texas A&M University. But that's news in College Station, Texas, where Gates has been handing everything over to the man he calls "my strong right arm," the executive vice president and provost, David Pratt. Gates has publicly announced that he will quit A&M on "completion of the confirmation process and a Senate vote."

The mixed messages have fueled speculation over the delayed departure. One source close to the White House, who spoke anonymously in order to keep his job, believes President George W. Bush has decided to wait until after Dec. 29 "as a personal gesture to Rumsfeld." On that date Rumsfeld would become the longest-serving Defense secretary, beating Robert McNamara's record of 85 months. At the Pentagon, a senior official who admits that he doesn't know "what the president's intentions are" insists that Rumsfeld pays no heed to such things. "I know the secretary has said he thinks Mr. Gates ought to be sworn in as soon as possible after he is confirmed, and that they should not wait for some arbitrary date on his behalf," he says, speaking anonymously due to the sensitivity of White House matters.

Elliott Abrams: The Last Neocon Standing (NSWK)

By Michael Hirsh And Dan Ephron

Newsweek, November 27, 2006

Dec. 4, 2006 issue - It's been a rough season for neoconservatives, the group that has dominated U.S. foreign policy since the attacks of September 11. They've been largely run out of the Bush administration, beset by infighting, and mocked by a foreign-policy establishment that hailed their power just a few years ago. Last month was particularly brutal. They looked on helplessly as Democrats took both houses of Congress. They had to grit their teeth when President Bush met with Washington dealmakers James Baker and Lee Hamilton, whose bipartisan group is charged with extricating America from the mess the neocon-influenced policy created in Iraq. Then, insult to injury: they watched their cold-war nemesis in Central America circa 1986, Daniel Ortega, rise again to be president of Nicaragua.

The neocons are reeling, but they're not dead yet. A few stalwarts are digging in their wing-tips. And there's already a small backlash against the backlash. At the State Department, supposedly the bastion of realism, some officials are sounding defiant. "There are a lot of people throughout the ranks who believe in the democracy agenda," says one senior official who would only discuss policy issues anonymously. "If the result of the Baker report is that we have to make any deal necessary ... to get out of Iraq, I don't think that's going to fly." Their hopes, and the hopes of neocons everywhere, may rest on the shoulders of Elliott Abrams, the number-two official at the National Security Council—who remains in charge of promoting democracy in the Middle East, a linchpin of the neocon agenda.

Abrams, who declined an interview request from NEWSWEEK, has his work cut out for him. A Harvard-trained lawyer, Abrams handles the Middle East, though not Iraq. Earlier this year, Abrams pushed for an $85 million expansion of TV and radio programming beamed into Iran to gently promote regime change. Now, toppling the mullahs might be off the table. The same goes for the policy of pushing reforms on Arab allies like Egypt's Hosni Mubarak, who has kept a key opposition figure in jail for more than 11 months and scaled back rights. Michael Gerson, who served until recently as Bush's speechwriter (and who is now a NEWSWEEK contributor), says Abrams must be troubled by the swing. "People who support the democracy agenda are deeply concerned that Mubarak is significantly backtracking," Gerson says. And Abrams has to cope with the fallout of his push for Palestinian elections—the rise of Hamas, and the breakdown of the peace process. But Abrams has one powerful advantage. "Bush has enormous regard for him," says a senior administration official who would not speak about their relationship on the record. "One, because he knows Elliott is keeper of the flame. And also, he's the only one who doesn't draw any attention to himself." (Abrams has been somewhat press-shy ever since he admitted to withholding information from Congress about the Iran-contra affair two decades ago; he was later pardoned.)

The biggest dogfight is still ahead: whether to cut a deal with regimes like Iran, North Korea and Syria. Bush's approach has been to counter threats from oppressive regimes by trying to change them. Bill Kristol, editor of the Weekly Standard and the punditocracy's best-known neocon, says it's hard to imagine the president turning his back on all that. "I think Bush is the last neocon in power," he says. "The truth is, it was always Bush."

Kristol acknowledges the neoconservatives are turn-ing on each other. Francis Fukuyama, the "End of History" sage, has broken with the neocons publicly and believes that they are discredited. Richard Perle, the former Pentagon adviser, now says he probably wouldn't have invaded Iraq at all (Perle refused to talk to NEWSWEEK). Kristol dismisses what he calls the "confessional mode" of his old friend Perle. But Kristol also believes the infighting is natural. "Every intellectual group, every political group, goes through a period of mini crackup and reassembles in slightly different ways," he told NEWSWEEK. "For a group that's discredited, an awful lot of people are spending an awful lot of time discrediting us." Kristol's allies are looking to Abrams to pick up the pieces.

Back To The Future (USNEWS)

By Fouad Ajami

U.S. News and World Report, November 27, 2006

The sin of George W. Bush, to hear his critics tell it, is that he unleashed the forces of freedom in Arab-Islamic lands only to beget a terrible storm. In Iraq and in Lebanon, the furies of sectarianism are on the loose; and in that greater Middle East stretching from Pakistan to Morocco, the forces of freedom and reform appear chastened. Autocracy is fashionable once again, and that bet on freedom made in the aftermath of the American venture into Iraq now seems, to the skeptics, fatally compromised. For decades, we had lived with Arab autocracies, befriended them, taken their rule as the age-old dominion in lands unfit for freedom. Then came this Wilsonian moment proclaimed in the course of the war on Iraq. To the "realists," it had been naive and foolhardy to hold out to the Arabs the promise of freedom. We had bet on the Cedar Revolution in Lebanon, thrilled to these young people in Beirut's plazas reclaiming their country from Syrian tyranny. But that promise, too, has been battered, and in the shadows, the old policy of ceding Lebanon to the rule of Syria's informers and policemen now claims a measure of vindication. On the surface of things, it is the moment of the "realists," then: They speak with greater confidence. The world had lived down, as it were, to their expectations. And now they wish to return history to its old rhythm.

But in truth there can be no return to the bosom of the old order. American power and the very force of what had played out in the Arab-Islamic lands in recent years have rendered the old order hollow, mocked its claims to primacy and coherence. The moment our soldiers flushed Saddam Hussein from his filthy spider hole, we had put on display the farce and swindle of Arab authority.

Primacy and power. We can't shy away from the very history we unleashed. We had demonstrated to the Arabs that the rulers are not deities; we had given birth to the principle of political accountability. In the same vein, we may not be comfortable with all the manifestations of an emancipated Arab Shiism--we recoil, as we should, from the Mahdi Army in Iraq and from Hezbollah's Hassan Nasrallah in Beirut--but the Shiite stepchildren of the Arab world have been given a new claim on the Arab

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political order of primacy and power. In the annals of Arab history, this is nothing short of revolutionary. The Sunni Arab regimes have a dread of the emancipation of the Shiites. But American power is under no obligation to protect their phobias and privileges. History has served notice on their world and their biases. We can't fall for their legends, and we ought to remember that the road to all these perditions, and the terrors of 9/11, had led through Sunni movements that originated in Egypt and Saudi Arabia. Terror and ruin can come in Sunni and Shiite drapings alike.

It was not naive idealism, it should be recalled, that gave birth to Bush's diplomacy of freedom. That diplomacy issued out of a reading of the Arab-Muslim political condition and of America's vulnerability to the disorder of Arab politics. The ruling regimes in the region had displaced their troubles onto America; their stability had come at America's expense, as the scapegoating and the anti-Americanism had poisoned Arab political life. Iraq and the struggle for a decent polity in it had been America's way of trying to extirpate these Arab troubles. The American project in Iraq has been unimaginably difficult, its heartbreak a grim daily affair. But the impulse that gave rise to the war was shrewd and justified.

Nowadays, more and more people despair of the Iraq venture. And voices could be heard counseling that the matter of Iraq is, for all practical purposes, sealed and that failure is around the corner. Now and then, the memory of the Vietnam War is summoned. America had lost the battle for Vietnam but had won the war for East Asia. That American defeat had brought ruin to Vietnam and Cambodia, but the systems of political and economic freedom in Asia had held, and the region had cushioned the American defeat, and left a huge protective role for American power. Fair enough: There was Japan in East Asia, providing political anchorage and an example of economic success. There is no Japan in that arc of trouble in the Middle East and the Persian Gulf. Saudi Arabia and Egypt are poor pillars, themselves prey to forces of radicalism--the first weak in the scales of military power, the second a brittle, crowded land with immense troubles of its own. That overall strategic landscape, too, should be considered as we debate and anguish over Iraq.

Reign Clouds (USNEWS)

By Kenneth T. Walsh

U.S. News and World Report, November 27, 2006

Air Force One was briefly grounded in Ho Chi Minh City last week because of a brake malfunction-not the most auspicious way for President Bush to end his first trip to Vietnam. But to many in Washington, the metaphor of a presidency stuck in place had a telling ring of truth.

The problem is that, in one area after another, Bush appears to be bogged down with no clear path out of the political swamp. The feisty new Democratic majority in Congress is preparing to challenge him on everything from Iraq policy to the minimum wage, and many Republicans are setting their own course as Bush's job-approval ratings hover below 40 percent.

To be sure, Bush isn't quite a lame duck. He plans to meet with Iraqi Prime Minister Nouri al-Maliki in Jordan this week to bolster the Baghdad government and perhaps generate some good news, and his aides are casting about for fresh ideas to rejuvenate the president's second term. But many in official Washington and around the world are ready to turn a page on the Bush presidency. His trip to Asia last week didn't accomplish much of substance. And, to the chagrin of White House officials, his visit to Vietnam generated a rash of news stories comparing the Iraq war to America's quagmire in Southeast Asia three decades ago.

As usual, Iraq is Job 1. But as sectarian violence spreads, two developments further unsettled U.S. policymakers last week. Syria re-established diplomatic relations with Iraq, even as the Bush administration accused the Damascus regime of fueling the Iraqi insurgency. And the Shiite-dominated government of Iran-once described by Bush as part of an "axis of evil"-offered to help "stabilize" Iraq by convening an international conference. This came as the Bush administration was trying to isolate Tehran because of its growing nuclear program. If nothing else, these moves showed that the Mideast remains a complicated region, often resistant to U.S. influences. And all this comes as the new Democratic majority in Congress prepares hearings into Iraq policy early next year, as the Pentagon formally reviews its options, as the bipartisan Iraq Study Group readies its own report, and as incoming Defense Secretary Robert Gates tries to find a way out of the morass.

Assault. Bush's approach--which he framed last week as "We'll succeed unless we quit"--is now under assault as never before, even among senior Republicans. Sen. John McCain of Arizona, a hawk on Iraq and a front-runner for the 2008 GOP presidential nomination, says he still favors sending thousands more troops into the war zone in one last attempt to stabilize the country. But McCain now concedes that the war as it is being fought is unwinnable. Even former Secretary of State Henry Kissinger, who advocated nothing short of victory, has changed his tune. Kissinger, an architect of the Vietnam policies under Richard Nixon and Gerald Ford, said the goal as envisioned by President Bush--creation of a democratic government without sectarian warfare--is no longer achievable.

The Pentagon's internal review apparently involves three options, none of which the president was willing to consider a year ago: "go big" with a large infusion of U.S. troops, perhaps tens of thousands, to win the conflict outright; "go long" with a

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modest addition of 20,000 to 30,000 troops to improve training of the Iraqis while continuing a lengthy American occupation; and, finally, "go home." Bush said he hasn't decided future troop levels.

History Offers Post-Midterm Survival Tips For President (WP)

By Peter Baker

The Washington Post, November 27, 2006

The president was in a funk. Morose from midterm elections that handed Congress to the opposition, he stewed in private, vented to friends, turned on aides and summoned self-help gurus to help him understand just what went wrong. He was left to argue with reporters that he was still "relevant."

It took Bill Clinton months to get his feet planted again after the 1994 defeat. But he did recover and went on to win reelection two years later. So too did Ronald Reagan bounce back from the 1986 midterm elections, which cost his party the Senate. As President Bush struggles to recover from a similar thrashing, his advisers are studying the Clinton and Reagan models for lessons to revive his presidency.

Historical comparisons are always fraught with peril, since each president faces his own distinct challenges and brings unique faculties and flaws to the task. But veterans of past administrations see patterns that offer hope even to badly weakened presidents such as Bush. Adversaries who assume that Bush has been permanently crippled by the Democratic takeover of Congress, they say, misunderstand the opportunities still available to him.

Both Reagan and Clinton found that the power of the bully pulpit still gave them an advantage over a Congress controlled by the other party. Both Reagan and Clinton used a mix of cooperation and confrontation, moving to the middle on selected issues to pass legislation while standing firm on others that touched on core principles. Both pounced when the other side overreached.

Whether Bush could emulate those examples is an open question. He points to his time as Texas governor, when he worked with Democratic legislators. But since winning the White House, he has only sporadically reached out to the other side. And unlike Reagan or Clinton, he presides over an unpopular war with no end in sight.

"He really has to make a fundamental decision, and if he hasn't made it by now, it may be too late," said Leon E. Panetta, who was Clinton's chief of staff in 1994 and now serves on a bipartisan commission on Iraq. "He has to decide whether he's going to be willing to sit down with the Democratic leadership and cut deals and get things done. And he has to decide whether Iraq is going to be his whole legacy, good or bad, or whether he wants to get other things done."

Bush's opening message since the election has been one of conciliation, in firing Defense Secretary Donald H. Rumsfeld, as many critics had urged, and in reaching out to incoming House Speaker Nancy Pelosi (Calif.) and Senate Majority Leader Harry M. Reid (Nev.). "Let's let the election go," White House Deputy Chief of Staff Karl Rove said in a recent interview. "Let's say, 'Okay, where are some places where we can work together?' "

At the same time, Bush may wait for the right moment to take on Democrats. He has issued only one veto in six years in office but would be eager to veto Democratic spending bills. "The question is if they want to test him on the veto," said a senior administration official who spoke on the condition of anonymity to discuss strategy. "If I were them, I wouldn't. If they're trying to present themselves as the party of fiscal discipline," it would be a mistake to let a spending bill be vetoed.

Another senior official said Reagan and Clinton showed that carefully choosing battles is a fruitful strategy after a midterm defeat. "The broad lesson is that presidents can come back from setbacks," he said. "There are some things you control and some things you can't control, and you have to try to take advantage of both."

While Democrats controlled the House throughout Reagan's presidency, Republicans held the Senate for six years, and the 1986 loss was a sharp blow. Even worse, it was followed by revelations that the White House sold arms to Iran to gain the release of hostages and diverted some proceeds to contra rebels in Nicaragua. "The president was very down," recalled John C. Tuck, an aide at the time. Reagan's approval rating plummeted. "It was south, south, south in the spring of '87. It was scary south, and it wasn't improving," Tuck said.

Reagan dumped Chief of Staff Donald T. Regan and brought in former senator Howard H. Baker Jr. (R-Tenn.) and deputy Kenneth Duberstein. Baker insisted on a new agenda for Reagan -- any agenda -- to allow him to seize the initiative again.

Reagan accommodated congressional Democrats. "I don't think Reagan consciously said, 'I've got to become more moderate,' but the goals became different," said Frank J. Donatelli, his White House political director. "I don't think there was any thought after '87 that we were going to get any new major conservative social legislation through."

Reagan turned his attention overseas, and overtures to Soviet leader Mikhail Gorbachev led to a thaw in the Cold War and a major arms-control treaty. By 1988, Reagan was ready to challenge Congress, showing up at his State of the Union address with 3,300 pages in budget bills and vowing to veto any more like them. He left office with his popularity, and presidency,

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resurrected. "There's no question Reagan was buried by a lot of people," Donatelli said, "and it's pretty remarkable where he was a year and a half later."

Clinton's trial by ballot box came earlier in his tenure and sent him into a tailspin. "He really took it very personally," said Harold Ickes, who was his deputy chief of staff.

Not only did Clinton seek out self-help experts, he reopened a secret channel to an old adviser, Dick Morris, without telling his aides. He groped for a strategy as new Speaker Newt Gingrich (R-Ga.) dominated Washington. Five months after the election, Clinton was still on his heels, insisting at a news conference that "the Constitution gives me relevance."

If that was the low point, the recovery arguably began the next day. After a federal building was bombed in Oklahoma City, Clinton gave voice to the nation's grief and resolve, serving as chaplain-in-chief. "In my view, he really became the president at that point," Ickes said. "He really struck a chord with the country that crossed party lines."

His confidence restored, Clinton began to maneuver with Gingrich, reaching a handshake deal in New Hampshire to review campaign finance and lobbying rules. Clinton wanted a budget deal, too, but Gingrich rejected him. Finally, Clinton called his bluff and the government briefly shut down. Clinton ended up looking strong again, while Gingrich was hurt by his complaints that he was made to disembark from Air Force One from the rear.

"That was a real turnaround for Bill Clinton," Panetta said. "Not only did it send the message to the American people about the real differences . . . but it gave him real momentum to move into the reelection effort." Clinton hit the campaign trail and crushed GOP Sen. Robert J. Dole (Kan.) to win a second term.

In the weeks since the Nov. 7 elections, Bush has already started down the paths forged by Reagan and Clinton. Just as Reagan fired Regan, Bush deferred to the Washington elite by ousting Rumsfeld and choosing Establishment favorite Robert M. Gates to replace him. He has left town to focus on foreign policy; he just got back from Asia and leaves today for Europe and the Middle East. By design or happenstance, he will have slept in the White House just 10 nights out of the first 25 after the elections.

Like Clinton, he has identified issues on which he thinks he can meet the opposition in the middle, including the minimum wage, education, immigration, energy and lobbying. But Bush has also signaled that he will fight over issues such as judicial nominations.

"Clinton had an imperative in '96 to get reelected," said Steve Elmendorf, a top House Democratic strategist at the time. "Bush, his imperative is more about his legacy. That gives him more running room to move to the center if he wants to and leave his party behind, because he doesn't have to run for reelection."

And yes, the Constitution gives him relevance. Now Bush's future depends on how he uses it. "You can never underestimate the power of the presidency because the president has the bully pulpit," said former representative Robert S. Walker (R-Pa.), a Gingrich ally. "And no matter how powerful you are on Capitol Hill, you can't really match that."

New Congress Unlikely To Rush Toughest Issues (WP)

By Charles Babington

The Washington Post, November 27, 2006

Democratic lawmakers vow to come roaring out of the blocks when they assume control of the next Congress, passing several top-priority bills in the first 100 hours. Absent from that list, however, are the knottiest problems that bedeviled the outgoing Congress, including immigration, domestic surveillance and the war in Iraq.

Voters handed Democrats a mandate for change on Nov. 7, politicians and analysts agree. But party leaders are drawing a sharp distinction between popular, comparatively simple issues, such as raising the minimum wage, and more complex matters for which they have yet to propose solutions or even outline a plan for hearings.

The go-slow strategy carries some risks, the analysts say, because restless voters may see the new Congress as having no more boldness or problem-solving skills than the "do-nothing Congress" denounced in many political ads this fall. But Democratic leaders probably are correct in sensing that Americans will give them several months to tackle the stickiest issues, such as Iraq and immigration, provided something is done before the next election, these observers said.

Moving deliberately and cautiously on difficult issues "is a reasonable game plan," said Norman J. Ornstein of the American Enterprise Institute, co-author of the book "The Broken Branch," a critical assessment of Congress. "You've got to come in and signal that you're about change," he said, but "you also want to show that you have your own agenda."

Congressional Democrats seem to be following that strategy with their plan for the 110th Congress's first 100 hours. The items include raising the minimum wage, enacting the Sept. 11 commission's recommendations, cutting interest rates on college loans and ending what the speaker-elect called "tax giveaways for Big Oil."

All those goals appear simpler than unraveling the nation's most contentious issues, chief among them Iraq.

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"I think the Democrats are right to proceed cautiously on issues they cannot possibly resolve on their own," said Thomas E. Mann of the Brookings Institution. "The public wants a change of course in Iraq but is far from settling on a clear alternative."

Congressional hearings, debates and reports are needed as a means of "leveraging public unhappiness and expert opinion to put enormous pressure on the president for a change of course in Iraq," said Mann, co-author of "The Broken Branch."

The Democrats' "Six for '06" campaign agenda included proposals for Iraq, but only in general terms. "Require the Iraqis to take responsibility for their country," it stated, "and begin the phased redeployment of U.S. forces from Iraq in 2006." Party insiders said top Democrats are unlikely to make more specific proposals until next month's scheduled release of findings by the Iraq Study Group, led by former secretary of state James A. Baker III.

Immigration is another area in which Democrats are proceeding cautiously even though the Nov. 7 elections appeared to remove a major roadblock. The current Congress reached an impasse on illegal immigration, with the House Republican majority insisting on an approach that strongly emphasizes enforcement, while a bipartisan Senate group -- backed by President Bush -- sought broader changes, including guest-worker programs and pathways to legal status for illegal workers.

With Democrats poised to take over both houses -- and Bush in office for two more years -- the Senate approach would seem to have momentum. But party leaders have made no promises about when or how they might move an immigration package, which would involve at least five House committees. Moreover, it is clear that the election did not eliminate the nation's deep divisions over what to do about illegal immigrants.

"The elections definitely have raised expectations in immigrant communities that real reform is possible," said Josh Bernstein of the National Immigration Law Center, which supports broad-based changes to help illegal workers. "But it's still too early to say whether that will translate into actual legislation."

A major rewrite of immigration laws "is enormously complicated," Bernstein said, "and has deep effects on our economy, our identity, the kind of country we're going to be. There are a lot of interests that are very legitimate, whether it's business, worker unions or immigrants from different countries. . . . It's highly emotionally charged on all sides."

Congressional Democrats also are moving carefully on Bush's policy of allowing the National Security Agency to eavesdrop without obtaining warrants on communications between the United States and abroad in the name of combating terrorism. Sen. John D. Rockefeller IV (D-W.Va.), who will chair the Senate intelligence committee, recently said he will have the panel sift through information and arguments before taking any legislative steps.

"We must insist on full access to the NSA warrantless surveillance program and the CIA detention and interrogation program," Rockefeller said. "Only then can we conduct thorough oversight of these programs and determine whether they are legal, appropriate and effective and what, if any, legislative action must be taken."

But Rockefeller is not ready to schedule hearings, draw up witness lists or indicate who might be subpoenaed, said his spokeswoman, Wendy Morigi. "We're not there yet," she said.

"There is a frustration level" about the lack of information provided by the administration to the Republican-led 109th Congress, Morigi said, adding that in the next Congress, "you'll see a much greater push for information."

But she indicated it will be consistent with the step-by-step, deliberative approach that congressional Democrats -- though flush with victory -- are adopting for the nation's most difficult issues.

Ex-agents OK Guest-worker Plan (WT)

By Jerry Seper

The Washington Times, November 27, 2006

The National Association of Former Border Patrol Agents says it could support a guest-worker program to let foreigners work in the U.S., if the program is limited, tightly controlled and available only to those aliens who have entered the country legally.

"We support a guest-worker program in principle, believing it can serve the national interest," said Kent Lundgren, the association's coordinator. "However, we also believe guest workers must be limited in what they may do, what they may benefit from under immigration law, and the program must be tightly controlled.

"No alien in any illegal status should be allowed to participate," said Mr. Lundgren, a former Border Patrol assistant chief. "Application for the program must take place outside the United States, and the applicant must remain outside the country while the application is pending."

Mr. Lundgren, in a telephone interview, called immigration reform "an issue that arises periodically in the national consciousness" but said Congress and the White House are attempting to pass reform efforts that have failed in the past.

His organization has circulated a position paper signed by 250 former Border Patrol senior executives, supervisors and field agents, saying that while prior efforts at reforming immigration law -- including the Immigration Reform and Control Act of

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1986 that granted amnesty to 2.7 million illegal aliens -- "may have changed immigration for this country, it neither reformed nor controlled it.

"It appears there is a move under way to saddle the nation once again with law containing the same flaws found in the 1986 act, but now on scale unimagined at that time," he said. "We believe the result for the nation will be disastrous if anything is passed that resembles what has been under debate in the Senate.

"The nation has made demonstrable mistakes in the past in its efforts to control immigration," he said. "Let us, who were there to see them, remind the nation of the outcome and make suggestions for change."

President Bush pledged earlier this month to join with Democrats to pass an immigration bill with a guest-worker program his own party blocked this year. His Republican opponents say they cannot stop such a bill from passing.

The Senate passed a broad immigration bill that included a guest-worker program and citizenship rights for some of the estimated 12 million to 20 million illegal aliens now in the United States. House Republicans blocked the bill, calling it an offer of amnesty. Instead, they forced through a bill to erect 698 miles of fences along the U.S.-Mexico border.

Several veteran law-enforcement authorities, including immigration agents and inspectors, have told The Washington Times that passage of a guest-worker or amnesty program will open the country to an even greater flood of illegal aliens than the 1986 law did.

That law, in addition to granting legal status to 2.7 million illegal aliens, paved the way for hundreds of thousands of their relatives to join them. Although the law contained increased enforcement and sanctions aimed at ending illegal immigration, the illegal alien population in the U.S. today has been estimated at more than quadruple the 1986 total.

In its position paper, the association said:

·Aliens now in the United States must be here with permission or they should leave or be removed. It said that can be achieved only by securing the borders and passing legislation establishing "meaningful processes" for the screening of those who wish to enter legally.

·It "absolutely opposes" any legislation giving legal status to those who entered the country illegally or who entered legally and remained in the country illegally.

·It supports "meaningful employer sanctions," adding that current laws are adequate although their use "has been subverted to meaninglessness through political and legal pressure initiated by those who benefit from the presence of illegal aliens."

·Congress and the White House need to direct the Homeland Security and Justice departments to aggressively enforce existing immigration laws.

Why A Texas Lawmaker Is Facing A Runoff (WSJ)

By Joel Millman

The Wall Street Journal, November 27, 2006

SAN ANTONIO -- Are Hispanics so angry at the Republicans' tough line on immigration that one of the party's most prominent Hispanic lawmakers may go down to defeat in a heavily Latino district?

That's the question in Texas' 23rd District, where Republican Rep. Henry Bonilla has been forced into a runoff against former Democratic Rep. Ciro Rodriguez, set for Dec. 12, which was triggered by state election rules after he failed to get a majority of votes on Election Day.

Mr. Bonilla's seat is one of five House races nationwide -- the others are in Florida, Louisiana, Ohio and North Carolina -- that remained unresolved, due, respectively, to a legal challenge, another runoff, uncounted ballots and a recount.

Two years ago, Mr. Bonilla won his seventh term with 69% of the vote. He ran up the big margin with the help of then-House Majority Leader Tom DeLay, who had guided the Texas legislature in rejiggering Mr. Bonilla's district to remove some Democratic strongholds -- including a large number of Democratic-leaning Hispanics. In the 2004 election, Democrats made up about 40% of the voters in the district, and about half of the households were Latino.

But the Supreme Court rejected the map this summer, saying it violated the Voting Rights Act by disenfranchising Hispanics. The new district drawn after the high-court ruling left Mr. Bonilla with a district that was 50% Democratic and 61% Latino.

The high number of Hispanics isn't an advantage for the 52-year-old Mr. Bonilla, who has had a complicated relationship with low-income Hispanics in South Texas, even though many are proud of their shared ethnicity. Some voters "call him Henry Vanilla," says Ruben Espronceda, a Latino activist and publisher of an alternative newspaper in San Antonio. The congressman has had to rely on wealthier, predominantly Anglo voters to carry him to victory. Mr. DeLay's re-engineering of Mr. Bonilla's district boundaries in 2003 was seen as an attempt to protect a Hispanic incumbent by removing Hispanic constituents. In his 2002 re-election campaign, just 8% of Hispanic voters favored him.

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For years, Mr. Bonilla has been one of the Texas Republican Party's celebrity Latinos. Together with Alberto Gonzales, a former Texas Supreme Court justice now the U.S. attorney general, he put a public face on a party that historically has been shunned by Latinos, just as cabinet members Condoleezza Rice and Colin Powell helped to soften hostility to the party among African-American voters. Mr. Bonilla, the grandson of Mexican immigrants, is the lone Mexican-American Republican in the House.

Since at least 1994, when George W. Bush became governor of Texas, the state's Republicans have been building ties to Hispanic voters, a strategy that helped Mr. Bush increase his party's share of Spanish-speakers to more than 50% when he was re-elected governor in 1998.

As president, Mr. Bush hoped Republicans would make further progress by appealing to church-going Latinos' religious values and by promoting an overhaul of U.S. immigration laws that would legalize millions of undocumented immigrants from Mexico. The strategy reaped dividends: The Republican share of Latino voters jumped to 44% in 2004, from about 30% in the previous cycle.

Mr. Bonilla benefited from the party's Latino drive, and he helped corral some new Hispanic voters for Republicans. He won a coveted seat on the House appropriations committee, where he in chairman of the agriculture panel and has a seat on the defense subcommittee. Both are important perches for his heavily agricultural district, which includes several military bases. The congressman was featured prominently at three Republican national conventions.

But the Republican gains among Latinos were reversed this year, when party hard-liners scuttled the president's immigration overhaul, and chose to reach out to a mostly Anglo base with a law-and-order, "protect the border" appeal. As a result, Democrats took about 70% of the Latino vote in the midterm elections, leaving Republicans with their worst showing among Hispanics in two decades.

That may hurt Mr. Bonilla, who faces a tough fight from a re-energized Democratic Party. His opponent is Mr. Rodriguez, a 59-year-old former congressman, who also is Mexican-American and who represented South San Antonio for four terms. Mr. Rodriguez lost that seat in 2004 after the DeLay-engineered redistricting. "Any time an incumbent can't get above 50%, he's in trouble," Mr. Rodriguez told a roomful of supporters last week.

Mr. Bonilla still has formidable advantages. Aside from his well-established campaign machinery, he has $1.4 million in his coffers. In rural counties, where he has delivered millions of dollars in projects for roads and other improvements, his name is ubiquitous on billboards. "Community Health Centers Thank Rep. Henry Bonilla," reads a sign on Highway 90, paid for by a group calling itself the Committee for Accessible Health Care. "Runoffs are different," he says, because voter turnout is low, and incumbents can often turn out supporters more easily than challengers.

Indeed, independent handicappers say Mr. Bonilla has the edge. "Rodriguez isn't known for his campaign proficiency," says Nathan Gonzales of the nonpartisan Rothenberg Political Report. "He'll need to step it up significantly to pull it out."

Democrats say another factor that could aid Mr. Bonilla is the fact that the runoff coincides with Dia de la Virgen de Guadalupe, a holy day on the Mexican Catholic calendar. "You have to question the Republicans' decision to not only schedule the election with just a few days notice, but also to schedule it on a day of worship celebrated by thousands of Mexican-Americans throughout the district," Mr. Rodriguez says.

In the primary, Mr. Rodriguez was one of seven Democrats running and managed to raise just $125,000. Now, the 21-member Hispanic Caucus, all of them Democrats, is pressing incoming House Speaker Nancy Pelosi to make winning the district a priority, says California congresswoman Loretta Sanchez. "If Democrats want that seat, the national money base can turn on a dime," she says.

Mr. Rodriguez figures ethnicity will play to his advantage. Speaking to a group of Hispanic elected officials at the Mi Pueblo restaurant in Uvalde, he switches back and forth between Spanish and English, emphasizing his 2002 vote against the Iraq war and a record of supporting the poor. He paints his opponent as a friend to bankers who reap higher interest payments on student loans, and to pharmaceuticals companies, "who don't allow you to go to Mexico" to buy medicine.

The reference stirs the group, with one man asking why Mr. Bonilla's vote authorizing a 700-mile border fence to keep Mexicans out isn't a bigger issue in the campaign. "That whole fence vote was offensive," says Ronnie Garza, a local junior-college administrator who says he comes from a family of Bonilla supporters, but who is working this year for Mr. Bonilla's defeat.

Mr. Bonilla says his stance will be a plus, given voters' concerns about crime spilling over from Mexico. "People in my district are for border security," he says.

Alcee Hastings: Out Of The Running? (NSWK)

Newsweek, November 27, 2006

Dec. 4, 2006 issue - House Speaker-designate Nancy Pelosi is exploring compromise candidates to resolve the furious lobbying fight over who should chair the House intelligence committee. Pelosi has agreed to meet this week with Rep. Alcee

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Hastings, who has been pressing hard for the post despite his 1988 impeachment as a federal judge over an alleged bribery scheme. But advisers have warned Pelosi that naming Hastings could be a public-relations "disaster," especially after ethics questions were also raised about Rep. John Murtha, whom she unsuccessfully backed to be majority leader, according to congressional aides who asked not to be identified talking about internal matters. Even Hastings, who insists he is innocent of the dated charges (he was acquitted in a criminal case), now concedes it's unlikely he'll get the post.

"I still have hope, but it's diminishing," he tells NEWSWEEK. (Hastings still wants Pelosi to make a public statement absolving him of any wrongdoing.) But Pelosi also remains resistant to giving the job to the other main contender, Rep. Jane Harman, in part because she thinks Harman got "rolled" by the White House over Iraq-war oversight, says one leadership aide who also asked not to be identified talking about sensitive matters. (A Harman aide did not respond to requests for comment.) That leaves Pelosi looking at two compromise picks. One is Rep. Norm Dicks, a onetime strong Iraq-war backer who has since joined ranks with Murtha and now wants a phased troop withdrawal. The other is Rep. Silvestre Reyes, a quiet Texas lawmaker and former Border Patrol official who opposed the Iraq war from the outset. The aforementioned leadership aide notes that Reyes may now have the upper hand for "political" reasons: the Hispanic Caucus is angry because it has no members in the new House leadership or chairing major committees. Pelosi appears to be "leaning toward" Reyes, the aide says, but "the truth is, nobody knows what she is going to do."

The Lady Of The House (USNEWS)

By Gloria Borger

U.S. News and World Report, November 27, 2006

Women recognize that kind of smile: pasted, forced, painful. When it appears-say, to hide heartbreak or sadness-there's a natural sympathy, even admiration, for the spirit of the woman wearing it. But when the soon-to-be Madame Speaker emerged from a closed-door Democratic caucus recently wearing that anguished grin, there was none of that friendly sense of embrace. None whatsoever.

Instead, there was mostly this question: What was the woman thinking? That we would simply accept the toothy smile as evidence of her newfound comity with Steny Hoyer, the new majority leader whom she had just attempted to knock off? That we would think it was a good idea to make her maiden leadership power play-in supporting Jack Murtha over her foe Steny Hoyer for the job-an act of revenge instead of reconciliation? That the woman about to become the first female speaker of the House was smart to look like a girl eager to "get back" at the guy she didn't like? That stepping on your own big story by trying to big-foot your membership is inspirational bridge-building? Or even good politics?

The facts: Nancy Pelosi is making history. As a woman, she will be held to a different standard, so she needs to set her standards high. It's not fair, but that's the way it is, and we all know it. And it's why choosing Murtha (over a well-regarded man already in place as her No. 2) was ultimately so self-defeating-and more revealing than she probably intended. A Pelosi ally told me that she was just playing by the tough rules of the old male pols in trying to deep-six her antagonist, Hoyer. If so, she forgot something: You might be forgiven if you employ a low tactic in the service of higher purpose. But threatening committee assignments so freshmen vote for Jack Murtha just doesn't qualify.

Pelosi's main job is to tee up the Democrats for 2008. It's a tough task, largely because she's a leader of a party perpetually at war with itself. The unity the Democrats found in the last election was rooted in one simple truth: They weren't the Republicans running the Congress or the White House. There was no national Democratic conversion, just a sense that the other guys ought to get a shot at governing. So while the Democrats won, they still remain a motley crew: rich and poor, culturally conservative and liberal, big spenders and budget-balancers.

Tacky. And divided on the best way to end the war. Pelosi has taken sides: She supports the Murtha withdraw-now scenario. And she's about to demote her more moderate fellow Californian, Jane Harman-denying her the chairmanship of the House Intelligence Committee, even kicking her off the panel. Why demote Harman? If it's a policy dispute over the war, why not welcome Harman's voice-generally regarded as credible, even if it veers from the liberal line? If it's a personal dispute, get over it. Any member of the California delegation will tell you that the two women don't get along-and that both have probably been right over the years. But if you're speaker, why demean your exalted position by engaging in a publicly ugly, even tacky, fight? Particularly when the possible alternative to Harman is Alcee Hastings of Florida, once impeached by the Senatefor ethical lapses. "If Pelosi starts acting like the second coming of George McGovern," says one top Democratic strategist, "we will lose much of what we have gained."

There are some hopeful signs: Despite the suggestion by Rep. Charles Rangel that Congress ought to reinstitute the draft, Pelosi made it clear the idea is a nonstarter. It might actually be an interesting debate that would engage the nation, but it's never going to happen-so Pelosi is wise to avoid it. Then there's the decision to roll out a bunch of ethics reform measures at the start of the next Congress. It's the issue that tipped the balance towards the Democrats-and they're going to take their time debating it.

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Each proposal-whether it's a gift ban, lobbying reform, or eliminating pork-barrel-spending "earmarks"-will be in a separate bill, providing plenty of votes and attention for an issue that mattered to the public.

That's smart. And it's an agenda House Democrats want. So far, in fact, it's the flock that has been serving the leader well: pushing for reforms and refusing to rubber-stamp Murtha because he's Pelosi's friend. If they begin to actually get something done, the smiles may finally be for real.

Will: How Speaker Pelosi Could Restore Congressional Values (NSWK)

By George F. Will

Newsweek, November 27, 2006

Dec. 4, 2006 issue - There has been an admirable absence of chivalry in assessments of Nancy Pelosi's stumbling steps toward the speakership. She dismayed colleagues by saying that in order for her to be an effective leader she needed John Murtha as majority leader. Try to imagine Speaker Sam Rayburn confessing such dependency. And a columnist in The Economist says that "often she talks drivel" (the speaker's gavel "is in the hands of special interests, and now it will be in the hands of America's children") couched in "clumsy alliteration" (Democrats have "idealism, intellect and integrity.") Says the columnist, "It's like listening to a cross between a Stepford wife and Jesse Jackson." Or like listening to Rumpelstiltskin discuss economics: Pelosi sees increased taxes on oil companies as part of a program of "energy independence."

What the House needs from Pelosi, however, is not rhetorical flair or scintillating thought, but statesmanship, which often, and in this instance, means not fully pressing an advantage. Many Democrats are eager to pay Republicans back for their overbearing behavior when they were in the majority—behavior that Republicans say was retribution for Democrats' behavior before 1994. Last year, Michigan Rep. John Dingell, the most senior House member (he just won a 26th full term), told The Washington Post's Juliet Eilperin that when Democrats regained control, some of them would say: "We're not going back to the fair way of doing things. Democrats will say to [Republicans], you did it, now you bastards enjoy it."

But in her new book "Fight Club Politics: How Partisanship Is Poisoning the House of Representatives," Eilperin notes that before Republicans captured the House in 1994, Dingell's "fair way" was to give Democrats 82 percent of the staff and 77 percent of the budget of his Energy and Commerce Committee. So Republicans, having won 52.4 percent of the House seats in 1994, retaliated by giving themselves about two thirds of all committee seats.

In the 1980s, says Eilperin, Speakers Tip O'Neill and then Jim Wright began bullying House Republicans "even when it did not make the difference between winning or losing a vote. They limited opportunities for debate, publicly mocked members of the minority and frequently denied Republicans the chance to make their mark on legislation." In 1987, Wright passed a budget bill by adjourning the House and then calling it back into session a few minutes later, and calling it a "new" legislative day. Republicans were enraged when Wright held open a vote for 10 minutes longer than the normal 15 minutes. But in 2003, Speaker Dennis Hastert, needing time to browbeat reluctant Republicans, held open the vote on the prescription-drug entitlement for two hours and 51 minutes, until almost 6 a.m.

Democrats began the practice of routinely bringing bills to the floor under closed rules, meaning the legislation could not be amended. Republicans smoldered when in the 103rd Congress (1993-94) 70 percent of all rules were partly or completely closed. But in the Republican 108th (2003-4), 78 percent were. Some Republicans have disregarded the tradition of allowing the minority party to select the members it sends to conference committees that resolve differences between House and Senate versions of a bill.

"The House of Representatives, as controlled in recent years by the Republican party, has ceased to be a deliberative and legislative body, responsive to the will of a majority of its members, but has come under the absolute domination of the Speaker, who has entire control of its deliberations and powers of legislation." So read the Democratic Party platform in 1908.

Recently, the House has been run the way presidential campaigns have been run, by the politics of mobilization rather than persuasion. That is, by energizing one's base of true believers rather than attracting persons who might be temporarily attracted by compromises that blur partisan clarities. Hence Hastert's "majority of the majority" rule: No bill should pass unless it is supported by a majority of the party that controls the chamber.

This marginalizes the minority as a legislative force, so its members pour all their energies into the bitter politics of bringing down the majority. The House often works Tuesday to Thursday, and many members do not move their families to Washington, so there is less of the socializing that leavens partisanship with friendship.

Mickey Edwards, former GOP congressman from Oklahoma, says that in today's polarized Washington, House members "tend to see themselves less as members of a separate and equal institution, with its own oath of office and obligations, and more as either a part of the president's team or a part of the opposition to the president." By restoring some of the procedural civilities that both parties have traduced, Pelosi could revive the House to fulfill its intended role as a rival to the executive. Her interests, and those of her institution, converge.

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As Drug Benefit Tottered, A Veteran Buckled Down (NYT)

By Robert Pear

The New York Times, November 27, 2006

WASHINGTON, Nov. 26 — Early this year, while top Bush administration officials were boasting about the success of the new Medicare drug benefit, a middle-level manager named Abby L. Block held a telephone conference call with insurance companies.

"We have a real crisis situation looming here," Ms. Block told the insurers, noting that many Medicare beneficiaries had been unable to fill prescriptions at their pharmacies. "We truly cannot let this situation go on much longer. I cannot stress enough how urgent this is."

Ms. Block, a 75-year-old civil servant, is director of the Center for Beneficiary Choices at the federal Centers for Medicare and Medicaid Services. While some officials toured the country as cheerleaders for the drug benefit, Ms. Block stayed at her desk in Washington and made it work.

She solved many problems that plagued the program in its first weeks, when low-income people were often overcharged and some were turned away from drugstores without getting their medications. By September, according to several market research firms, three-fourths of the people receiving drug coverage through Medicare said they were satisfied.

Dr. Mark B. McClellan, former administrator of the Centers for Medicare and Medicaid Services, said that recruiting Ms. Block had been one of his priorities after he took charge of Medicare in the spring of 2004. "No one on the planet has as much experience providing access to a full range of health plan choices under a government program," Dr. McClellan said.

For 25 years, Ms. Block had worked at the federal Office of Personnel Management, running the health insurance program for federal employees. Despite some criticism, the federal employee program is generally popular with government workers, and Congress used it as a model for Medicare's drug benefit.

Janice R. Lachance, who was director of the personnel agency under President Bill Clinton, said: "Abby is the ultimate public servant. I don't know her politics. I was always very careful not to ask."

"When Abby took the Medicare job," Ms. Lachance said, "many wondered why she would do this at her age, when most people are going off into retirement. That's who she is. If there's a big, thorny problem, Abby wants to be part of the solution."

If Congress directs Medicare to negotiate with drug companies and seek lower drug prices, pharmaceutical executives could find themselves dealing with Ms. Block, as insurers already do.

The Federal Employees Health Benefits Program is, in effect, a supermarket through which more than 280 private health plans are offered to more than eight million federal employees, retirees and dependents.

Many insurers, like Humana, participate in Medicare and the federal employee program. They respected Ms. Block, so when she expressed alarm about the operation of Medicare's drug benefit, they paid heed.

"We called on the plans to take extraordinary steps to meet the needs of beneficiaries," Ms. Block said in an interview.

The government told insurers they must provide a temporary supply of any prescription that a person was taking prior to the start of the Medicare drug benefit on Jan. 1. The transition period was originally 30 days, but when problems persisted, Ms. Block extended it through March 31.

"When I was at the Office of Personnel Management," Ms. Block said, "I viewed myself as a purchaser, like any other employer buying health insurance for its employees. Congress set up the program to offer choice. We never had standardized benefits. People could choose a plan that met their needs.

"In the federal employee program," Ms. Block said, "the primary focus is to get the best deal for federal employees and retirees. In Medicare, the primary focus is to get the best deal for beneficiaries. The key, I think, is to treat the plans as partners, rather than adversaries, and to establish a mutual goal. This is a business relationship."

That represents a radical change. For 40 years, Medicare has been a regulator and a payer but has not been seen as a reliable business partner.

Some observers suggest that the government may be too cozy with insurers, in Medicare and in the federal employees' health program.

Jacqueline Simon, policy director at the American Federation of Government Employees, a union representing 600,000 federal workers, said Ms. Block could have obtained better benefits at lower cost had she taken "a more adversarial position" in negotiating with insurers.

"Our impression is that she was very indulgent and very inclined to let them have their way," Ms. Simon said.

If Ms. Block has an aptitude for insurance, she may have inherited it. She grew up in Brooklyn and in Merrick, N.Y., on Long Island. Her father, Irving Barbanell, was in the insurance business.

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A first cousin, Alexander S. Barbanell, recalled recently that her father “sold life insurance and went door to door collecting premiums of 25 to 50 cents a week in the Depression.”

Alexander Barbanell’s wife, Gloria Feldt, a former president of the Planned Parenthood Federation of America, said: “I related to Abby as one feminist to another. We both had to assert our abilities at a time when our society did not welcome women as executives.”

At the Medicare agency, Ms. Block’s job is ordinarily held by a political appointee, but she is a civil servant, a member of the Senior Executive Service.

“Sometimes a career civil servant can do the job better than a political appointee,” said Kay Coles James, who directed the Office of Personnel Management from 2001 to 2005.

Behind her desk, Ms. Block has several busts of Theodore Roosevelt, a champion of the Civil Service. She received them for outstanding performance in her prior job.

Medicare drug coverage, like health benefits for federal employees, is offered through private plans. But Medicare beneficiaries are, on average, older, sicker and more vulnerable. Insurers are more tightly regulated under Medicare, which has a much higher political profile than the federal employee program.

The 2003 Medicare law says that Medicare officials can negotiate with insurers on the “terms and conditions” of the drug benefit, just as the government negotiates with insurers on behalf of federal employees.

But it appears that Medicare has made only limited use of this authority in the first year of the drug benefit. “Under Medicare,” Ms. Block said, “some negotiations do occur, but there were only a few situations where the final price was different from the bid price.”

More than half of federal employees are in Blue Cross and Blue Shield.

Stephen W. Gammarino, senior vice president of the Blue Cross and Blue Shield Association, said: “What’s impressive about Abby is that she listens. She really wants to understand the industry she’s working with. She does not assume that the government always knows best. She sets out her expectations. How plans get there is less important to Abby than the overall objective, which is to provide better value and better service for beneficiaries.”

Lawmaker Leaves Judge Nominee In Limbo (AP-Y)

AP, November 27, 2006

A conservative Republican lawmaker is considering whether to stop blocking a judicial nominee over concerns her appearance at a lesbian commitment ceremony betrayed her legal views on gay marriage.

Sen. Sam Brownback, a potential presidential candidate in 2008, said Michigan Court of Appeals Judge Janet T. Neff should not be disqualified automatically for having attended the ceremony. But Brownback, R-Kan., made clear it raised doubts in his mind.

"But what I want to know is what does it do to her look at the law? What does she consider the law on same-sex marriage, on civil unions, and I'd want to consider that," Brownback said Sunday.

President Bush nominated Neff, who has a liberal reputation, to be a U.S. District Court judge as part of a compromise struck with Democrats.

Neff's nomination is pending before the full Senate; Brownback has stalled it because of her attendance at the 2002 ceremony in Massachusetts.

"I'm still looking at the Neff situation, and I will in the future," Brownback said.

Neff has said she attended as a friend of one of the two women, a longtime neighbor.

Neff has declined to answer Brownback's queries on whether the Constitution guarantees a right to same-sex marriage or civil unions, saying it would be improper to address questions that might come before her as a federal judge.

Brownback called gay marriage a developing area of the law best not left to the judiciary anyway.

"To me these issues should be decided by the legislative bodies, not by the judicial bodies, and it seems to me this may indicate some view of hers on the legal issue. And that's what I'm concerned about here, is her view of the legal issue involving same-sex marriage," Brownback said.

Sen. Dick Durbin, D-Ill., urged taking a step back, away from "the political agenda," in considering judicial appointees.

"You know, these are important lifetime appointments. These men and women who serve on the bench, we really trust their judgment and their wisdom and giving these political litmus tests I don't think is in the best interest of justice in America," said Durbin, who will be the No. 2 Democrat in the Senate.

In an Oct. 12 letter to Brownback, Neff said a minister presided over the ceremony and she insisted her attendance would not affect her ability to act fairly as a federal judge.

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"The ceremony, which was entirely private, took place in Massachusetts, where I had no authority to act in any official capacity and where, in any event, the ceremony had no legal effect," Neff wrote.

Brownback and Durbin appeared on "This Week" on ABC.

On Deck Again: One Of Democrats' Favorite Clinton Foes (WP)

By Al Kamen

The Washington Post, November 27, 2006

Outgoing Senate Judiciary Committee Chairman Arlen Specter (R-Pa.) got a rousing ovation recently from the conservative Federalist Society when he said he would push for confirmation next month of a group of stalled Bush judicial nominees.

But Specter had to acknowledge that he was "not optimistic" about securing approval for most of the controversial names President Bush kicked back to the Senate -- a White House move that rankled Democrats.

Part of the problem is that when Congress waddles back for a quick lame-duck session next month, consensus nominations, not contentious ones, are the ones that are likely to get through.

Yet one of Bush's nominees, a former House member from California and a "manager" in the effort to impeach and remove President Bill Clinton from office, could very well be confirmed to a federal judgeship, even under a Democratic Senate next year.

James Rogan, who lost his seat in 2000 because of voter unhappiness over his impeachment efforts, was later confirmed by the Senate to head the Patent and Trademark Office. He's now a Los Angeles lawyer.

And, oddly enough, Rogan's got support from an unusual group of Clinton backers, including a California judicial vetting committee with members picked by liberal Democratic Sens. Dianne Feinstein and Barbara Boxer.

Rogan even lists as references two of Clinton's lawyers in the impeachment battle, Lanny J. Davis and Lanny A. Breuer, who worked in the White House counsel's office.

Asked about this most unusual "kumbaya" spirit -- something long missing in this town -- Breuer said Rogan is "basically a good guy and a good public servant. Jim Rogan was dead wrong on the impeachment, but over the years I've gotten to know him and he's a fair and decent man, and I think he'll be a fine judge."

Davis, who was one of Clinton's most vociferous defenders back then, said Rogan called him "early on, not recently, and I said I would help him and I volunteered to call" the Judiciary Committee's ranking Democrat, Sen. Patrick Leahy (Vt.), on his behalf. Rogan showed "poor judgment" on impeachment, "I haven't changed my mind on that," Davis said, but "he's a good Republican with unquestionable integrity, and I'm willing to step up."

On the other hand, there's a senator named Clinton who's going to have to approve the nomination. No word on her views; spokesman Philippe Reines said, in what the New York Daily News called "an icy statement," only that she'd take a look at it.

But even in the heat of House impeachment action seven years ago, we received a fine photo, we recall, of the Clintons and the Rogans getting close during a White House Christmas party. Look at all those grins.'Now That We're Relevant . . .'

Despite all their talk about global warming, enviros are just this month coming in from years in a frigid political winter. And they're discovering that they are in need of some serious refresher drills if they hope to play in the big leagues.

Consider an internal e-mail to "Environmental Communications Professional" from Peter A. Rafle Jr., a communications director at the Wilderness Society, to his counterparts at a couple dozen organizations that form what's called the Green Group. The e-mail, titled "Lessons Learned," results from some apparent unhappiness with a Nov. 13 enviro news conference "resulting in less-than-ideal headlines."

Enviros need to understand they are "now viewed as relevant," Rafle said, something "we haven't been for more than a decade." That means smoother news conferences, coordinated messages and so on.

"As a result of the elections, the press is more interested than ever in what we have to say," he wrote, noting huge reporter turnout at media events. "We no longer have the luxury of hiding our quotes in the 10th paragraph of a newspaper article," he said.

So "message discipline" is critical, and "improvising or ad-libbing can cost us friends on the Hill and in the public," Rafle said. "The press will leap on the least hint of conflict or inconsistency," he predicted, "and the resulting story is unlikely to be helpful."

You can count on that.Turks, Kurds Have Something in Common

Remember retired Gen. Joseph Ralston, the former NATO commander who was named a few months back as special envoy to try to work through Turkey's concerns that Kurdish separatists are being supported by their cousins in Iraqi Kurdistan?

The Turkish press has been reporting that there doesn't seem to be much happening from his efforts and that the Turks are unhappy.

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A Loop Fan who was in Lebanon the week before last reports that Ralston was back in the news because the Kurds are also unhappy with him. Seems he's a member of the board of Lockheed Martin, which, it appears, is supplying nifty new combat jets to the Turks, who may well use them on the Kurds.

Medicaid Spending Sees First Decline (USAT)

By Dennis Cauchon

USA Today, November 27, 2006

Medicaid spending has declined unexpectedly this year, the first drop since the health program for the poor was created in 1965.

The historic reversal will free up billions of dollars in state budgets. Medicaid has been the fastest-growing expense for states over the past 10 years.

Medicaid spending fell 1.4% in the first nine months of the year compared with the same period a year ago, according to the Bureau of Economic Analysis. The drop was even greater — an unprecedented a 5.4% decline — after adjusting for the rate of health care inflation.

The spending has been reduced by cost-controlling efforts and a shift of some prescription-drug expenses to Medicare, the federal health program for the elderly.

"States have made really aggressive changes in how care is managed in Medicaid," Arizona Medicaid Director Anthony Rodgers said. "Every state has taken a different approach, but the success can be seen almost everywhere."

Medicaid provides health care to 56 million poor Americans. The federal government sets broad rules for the program and pays 57% of the expense. States run the program and pay 43% of the cost.

The program is on track to spend $300 billion in federal and state money in 2006, the Bureau of Economic Analysis reports.

Medicaid is separate from Medicare, which insures 42.5 million elderly and disabled. That program — run entirely by the federal government — will spend about $384 billion this year, up 15.6%.

Some Medicaid savings are the result of shifting costs to the federal government's Medicare program. The new Medicare prescription-drug benefit pays most pharmaceutical costs for 6 million elderly poor who used to have their bills paid by Medicaid. Under the new drug plan, states reimburse Medicare for some money saved, but not all.

This complicated cost shifting between the two programs makes it impossible to know precisely how much Medicaid cost cutting is simply shifting expenses to the federal program. A USA TODAY analysis estimates that Medicaid spending would have been about flat — or down 4% after adjusting for inflation — without the new federal drug benefit.

Substantial Medicaid savings resulted from many small cost-containment policies adopted in recent years. The changes include shifting the elderly from nursing homes to less-costly home health care, cracking down on fraud, refining the management of high-cost patients (such as those with AIDS or hemophilia) and cutting some payments to hospitals and doctors.

"This is a unique event. No doubt about it. And there are a lot of reasons for it," said Vic Miller, senior fellow at the Federal Funds Information for States, a research group sponsored by states.

Key examples:

·Ohio spent about 10% less on Medicaid from July through October than a year earlier. The $310 million reduction includes $37 million less paid to nursing homes and $32 million less to hospitals. "It's many things, not one sea change," Ohio Medicaid spokesman Jon Allen said.

·Michigan spent $1 billion less than budgeted and $311 million less than it spent a year earlier.

·New York planned for a 7% spending increase this year but now predicts a 3.8% increase.

A Fix For Social Security? (WP)

By Sebastian Mallaby

The Washington Post, November 27, 2006

The next six months could be a productive time for economic policy. After a wasted 2005-06 cycle, in which the Bush administration approached entitlement reform too confidently and Democrats refused to talk, both sides may return to the table. The administration, now led by a practical Treasury secretary with the heft to sideline ideologues, may be willing to make concessions. The Democrats, faced with the challenge of living up to their unexpectedly clear election victory, may decide it's time to make policy rather than just block it.

The most interesting debate will revolve around retirement. This will start with a rerun of the Social Security argument of 2005; but it could easily blossom into a discussion about the inequality and income volatility that's grown with globalization.

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Top administration officials have already signaled that they want to return to the question of Social Security. They no longer regard "privatization" -- the diversion of payroll taxes into personal accounts -- as the starting point for negotiation. The solvency of Social Security, not a desire to promote an "ownership society," is their main concern.

A solvency fix will involve some cuts in future benefits. Democrats won't love this, but there are ways to do it progressively. During the 2005 debate, President Bush endorsed an idea that would inflict no cuts whatsoever on low-income workers and would allow the value of middle-class retirees' benefits to rise, albeit less quickly than now scheduled. Because this formula (devised by a Democrat named Robert Pozen) spreads the burden fairly, Democrats who worry about rising inequality should be open to it.

The solvency fix will also require increases in revenue. Again, during the last Social Security debate Bush left open the possibility of doing this in an extremely progressive way -- by lifting the cap on the payroll tax, which currently exempts income above $90,000. This reform would raise revenue exclusively from the richest 6 percent of taxpayers. It's hard to see how Democrats could object to that.

The next question is where to put the extra revenue: into the notional Social Security trust fund or into personal accounts. The administration will prefer private accounts, partly because it would like a face-saving link to the president's 2005 proposal but also because personal accounts provide a way of walling the revenue off from the general budget and so reduce the government's tendency to spend it. Meanwhile, Democrats will prefer to put the money into the trust fund. They reason that any personal account created as part of a reform that cuts Social Security benefits is headed the wrong way: toward replacing the security of the traditional guaranteed benefit with the uncertainty of 401(k)-type investments.

Judging from the hints flying around Washington, the administration sees how to bridge this divide. Democrats may be allergic to personal Social Security accounts, but they are enthusiastic about other ideas for personal retirement accounts that just don't have "Social Security" in the title. For example, Gene Sperling, a former Clinton adviser, has called for a "Universal 401(k)" that would extend the benefits of 401(k) saving to workers whose companies don't offer such accounts. In Sperling's vision, everyone would get the chance to contribute to an account and receive a government contribution as a match, with the most generous match going to low-income workers. To pay for this program, the government could prune the existing $150 billion patchwork of tax breaks for saving. This patchwork is extraordinarily, scandalously regressive: 90 percent of the tax breaks go to the richest 40 percent of taxpayers.

Sperling is motivated by a desire to help low-income people. As he writes in his book, "The Pro-Growth Progressive," 85 percent of workers in the bottom fifth of the labor force have no access to a company 401(k), nor do 75 percent of Hispanic workers or 60 percent of black workers. Globalization, which has boosted the volatility of family incomes, makes it especially important to help workers build assets that can cushion them against job loss, illness or the financial fallout from divorce. Although the Universal 401(k) would be primarily aimed at retirement security, there could be limited earlier withdrawals at times of misfortune.

So while Republicans have been pushing personal retirement accounts as part of an entitlement fix, Democrats have been pushing personal retirement accounts because they worry about worker insecurity. By enlarging the debate so that it's about savings in the era of globalization rather than just Social Security, negotiators can conjure up the common ground that was missing during the 2005 train wreck. Personal accounts need not be merely the alternative to the traditional Social Security benefit. They can simultaneously be the alternative to the nation's outrageously regressive system of tax breaks for saving and a way to help ordinary people build nest eggs. When personal accounts become both of these things, perhaps Republicans and Democrats alike will back them.

Up From The Depths (WP)

The Washington Post, November 27, 2006

THE BUSH administration has signaled that it wants to discuss Social Security reform with the incoming Democratic majority in Congress. This may sound quixotic: President Bush failed to secure reform when his own party controlled the legislature, so what hope does he have now? But the president's top economic advisers, including his Treasury secretary, his chief of staff and his budget director, appear ready to drop what Democrats call privatization -- the diversion of payroll tax revenue into personal retirement accounts. Unless they want to define themselves as unbendingly partisan, the Democrats should accept the administration's invitation to discuss reform.

Democrats who want to avoid such talks will assert that the administration is not acting in good faith. In a news story in Wednesday's Post, Rep. Sander M. Levin (D-Mich.), the incoming chairman of a House subcommittee on Social Security, cited the nomination of Andrew G. Biggs, a proponent of personal accounts, to the No. 2 slot at the Social Security Administration. "The president is sending signals that what he's really after is privatization," Mr. Levin asserted. "And that's just a non-starter." But Mr. Biggs is respected and liked by Democratic economists, who have no trouble discussing reform ideas with him. The

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administration has recently acquired a pragmatic, deal-oriented Treasury chief. Refusing even to discuss reform with him would be to pass up an opportunity to fix a pressing

problem.

Some Democrats dispute the urgency of the problem, arguing that the notional assets in the Social Security trust fund are sufficient to pay all the benefits promised to retirees for the next 40 years. But a retirement system needs to make credible promises that last longer than that: A worker who is 30 can't entrust her retirement to a program that will run short of money as she turns 70. Moreover, a solvency fix for Social Security requires a long lead time. Cuts in benefits must be signaled years ahead so that workers have time to plan for them. Any increase in the payroll tax needs to be implemented soon in order to keep the size of the increase to an acceptable level.

Another argument against addressing Social Security is that health care is more pressing. It's true that the budget challenge Social Security presents, which is the result of the retirement of the baby boomers plus rising life expectancy, pales next to the budget challenge Medicare presents, which is the result of those two factors multiplied by galloping inflation in health-care costs. But it makes sense to start with whichever part of the entitlement problem can be tackled most readily, and that is likely to mean Social Security. The administration has indicated that it is ready to do a deal on the retirement system, and much of the technical groundwork has been done. There is nothing to stop Democratic leaders from advancing health proposals too, but for the moment neither they nor the administration have a plausible blueprint for reining in Medicare costs.

If the Democrats engage on Social Security, they may find themselves discussing some form of personal retirement accounts. This should not be confused with "privatization": Personal accounts that are added to the Social Security system are different from ones that are funded with money carved out from existing payroll revenue. Creating such add-on accounts could boost national savings, allow workers to build nest eggs and cushion them from the benefit cuts that are inevitably part of a reform. As they respond to the administration's overtures, Democrats should not foreclose this option.

Winning Personality (WP)

By Robert D. Novak

The Washington Post, November 27, 2006

A staple Republican tactic for several years has been to get Chuck Schumer on television. His whiny New York accent exhaling liberal dogma was music to GOP ears. Yet his omnipresence on TV since the midterm elections has not been cause for Republican jubilation.

That's because Schumer, for once, has not been talking -- just beaming. In every televised tableau of victorious Democrats, the long, smiling face of Sen. Charles Schumer has been positioned beside the next House speaker or Senate majority leader. He deserved the place of honor for his paramount role as chairman of the Democratic Senatorial Campaign Committee (DSCC) in achieving a Senate majority that nobody expected.

Because of his soaring ambition, Schumer had been in danger of becoming a comic figure and the subject of a cliche: The most dangerous place to be in Washington or New York is caught between Schumer and a TV camera. But far from the attention hog or reflexive liberal he often has seemed in a 32-year legislative career, Schumer at the DSCC was a coolly pragmatic decision maker. He far outdid his Republican counterpart, Sen. Elizabeth Dole, in fundraising, recruitment and strategy.

After easily winning Senate reelection in 2004, Schumer considered a race for governor of New York as integral to his dream of becoming the nation's first Jewish president. But state Attorney General Eliot Spitzer stood in the way, and Schumer instead agreed to head the DSCC.

He faced a daunting task. Of the three Senate election cycles, 2006 was easily the most hazardous for Democrats. Far from achieving the net gain of six seats needed to take control, Democrats were in danger of losing seats in Nebraska, Florida, West Virginia, Washington, Minnesota and North Dakota.

Schumer, using his New York connections, raised $23 million from the metropolitan area alone. For the first time, the DSCC outraised the National Republican Senatorial Committee (NRSC) in both years of the election cycle. As of mid-October, the DSCC had outspent the NRSC, $94.6 million to $70 million.

Ending the old DSCC practice of sending money to incumbents in safe seats, Schumer said to donors: "I've told Ted [Kennedy] and Hillary [Clinton] that they're getting nothing." He stressed fundraising for Democratic senators from states carried by George W. Bush. Early war chests built by Sens. Ben Nelson in Nebraska, Bill Nelson in Florida and Robert Byrd in West Virginia frightened off serious contenders.

While Dole was striking out in recruiting, Schumer succeeded in preventing the retirement of incumbent Democrats, which had led to many losses in 2004. He also displayed pragmatism in candidate selection that belied his left-wing stereotype. Pennsylvania Gov. Ed Rendell (D) told Schumer that he didn't think Schumer would want the best candidate against Republican Sen. Rick Santorum -- because he was pro-life and pro-gun. "If he can win, I don't care," Schumer replied. He also took the

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unusual step of intervening in the Virginia primary by endorsing Jim Webb against liberal stalwart Harris Miller, even though Webb had backed Bush and Republican Sen. George Allen in 2000.

Fundraising and recruitment have been traditional duties for DSCC chairmen, but Schumer also entered the realm of overall strategy. Here, too, he contradicted his image of the panting ideologue demanding a litmus test for judicial nominees and grossly exaggerating the Valerie Plame leak. He pressed Democratic candidates not to flatly oppose extension of the USA Patriot Act but to work for a bipartisan compromise. Earlier, he threatened to cut off funds to Democratic candidates if they crippled each other in bloody, negative primaries, as they had done in Florida in 2002.

While Schumer takes credit for helping make the Tennessee Senate race competitive, the DSCC at the end pulled the plug on Democratic candidate Harold Ford Jr. because the money could be used more effectively elsewhere. The endgame strategy of concentrating on Montana, Missouri and Virginia produced a Democratic majority.

While he agreed to continue heading the DSCC in the 2008 cycle, Schumer's role in his party's leadership was enhanced. Senate Majority Leader Harry Reid, by tradition chairman of the Democratic Conference, created the role of conference vice chairman for Schumer. He no longer is the GOP's favorite television personality.

D.C. Notebook: Matheson Is Moving On Up; Reid Loses His Direction (SLT)

By Thomas Burr And Robert Gehrke

The Salt Lake Tribune, November 27, 2006

It has long been rumored that Rep. Jim Matheson has aspirations for a higher office.

Now he has one.

One floor higher, to be exact.

With retirements and election casualties, House office space got shuffled recently, and Matheson is moving from the second floor of the Longworth House Office Building to the third.

He will be moving into the space now occupied by Washington Rep. Doc Hastings, which has 10 square feet more space and a window view . . . of Interstate 395.

Maybe in another 15 years he could get former Rep. Jim Hansen's old office, which was one of just a few with a balcony and a stunning view of the Capitol. When Hansen retired, House Majority Leader Tom DeLay moved in. Now he's gone, and the swank pad will have a new tenant come January.

Follow the Leader

It appears that incoming Senate Majority Leader Harry Reid may need to work on his leadership skills.

Shortly after a Senate hearing on the Washington County and White Pine County, Nev., land-management bills got going this week, senators were summoned to a vote. So Nevada Sen. John Ensign strolled out of the committee room, followed by Sen. Bob Bennett, Reid and a herd of staffers and reporters.

They got about halfway down the hall when Ensign stopped and realized they were headed the wrong direction. "Why are we going this way?" he asked. "Are you guys just following me?"

"Don't I always follow you?" asked Reid.

Rude Rudy

Sometimes digs are so obvious you can't let them go by. For example, a New York magazine profile of presidential hopeful Rudy Giuliani this month opens with the former mayor in a swank hotel room: "The television is tuned to CNN. Giuliani laughs at Sens. Orrin Hatch and Chris Dodd. 'Look at Hatch's tie!' he says, pointing at a particularly garish combination of orange, gold, and blue. The aides in the shadows laugh, too."

Seems a little cruel, doesn't it? Obviously, the Utah senator sometimes wears bad ties. OK, horrendous ties. But we didn't make fun of Hizzonah when he was still sporting that ridiculous hairpiece . . . at least not in anything that ever appeared in print.

Um. Until now.

No Comment

Utah's Peter Watkins, who was one of President Bush's message men for the past year, is leaving the White House.

Watkins, a native of Davis County, is one of a small group of regional spokespeople who respond on behalf of the White House to hundreds of newspapers around the globe, including The Tribune. Watkins was peppered with calls every day from reporters in 16 or 17 states, trying to pin down the president on this stand or that. But after six years working at the White House, including several as a spokesman for first lady Laura Bush, Watkins is hanging up his spokes-hat and leaving Washington. The newly married Watkins is returning to Utah and starting a consulting business.

One would think that a former Bush spokesman will do pretty well in the reddest state in the nation.

Bush's Bizarre Appointment (LAT)

DOJ_NMG_0098073

The Los Angeles Times, November 27, 2006

Erick Keroack is too extreme to head the federal office for family planning.

PRESIDENT BUsh made some winningly conciliatory remarks the day after his party's Nov. 7 electoral drubbing, saying he looked forward to governing in a more bipartisan fashion. Then he turned around and started naming kooky ideologues to key posts.

The latest recess appointment, Eric Keroack as head of the federal government's family planning office, is an extremist so out of line with scientific thought that it is difficult to describe his views without laughing.

As medical director of A Woman's Concern, a small chain of nonprofit pregnancy counseling clinics that offer no information on birth control, Keroack has agitated against abortion and even contraception — including for married women. The organization continues to push the discredited nonsense that abortion increases a woman's chances of breast cancer and is more dangerous during the first eight weeks of pregnancy (when, in fact, the risk of complication is actually at its lowest). Birth control, according to A Woman's Concern's tortured logic, is somehow "demeaning to women." And Keroack has argued that women who have sex with multiple partners alter their brain chemistry in the process, making it harder for them to form close relationships.

This is the man who will oversee $283 million in annual Department of Health and Human Services grants for providing access to family planning education and contraceptives "to all who want and need them."

The administration is still wasting $158 million a year on abstinence-only education programs that the Government Accountability Office concluded this month have not been shown to work and at times put forth misleading information about condoms and AIDS.

Keroack does not need Senate confirmation, so there is little Congress can do about a president who continues to select anti-scientific ideology over basic competence, aside from making it clear that funding for these programs depends on HHS using the money as intended.

But the real check on Bush's silliness comes from voters. On Nov. 7, efforts to limit women's reproductive rights were routed not only in California and Oregon but in South Dakota and Kansas. Appeasing social conservatives is not just bad policy, it's becoming losing politics as well.

The Test Of Time (NYT)

The New York Times, November 27, 2006

The Postal Service announced recently that it was cutting the length of time between a person's death and his or her eligibility to appear on a stamp from 10 years to 5. This is one case where we think delayed gratification is a virtue.

Americans love to dedicate and commemorate. Whether for plates, pens, pins or hats, there is an entire industry devoted to commemorative items. If it doesn't have a corporate sponsor, like Citigroup for the new Mets stadium, chances are that it has someone's name in front of it or face plastered on it.

While placement on a postage stamp is hardly of earth-shattering import (there are stamps of ducks, motorcycles and antique toys, after all), American society has made it a high honor for a person. As Postmaster General John Potter noted when he announced the change, the 10-year rule was to ensure that a person's legacy "stood the test of time." The test just got a lot shorter. Now candidates can be considered just three years after they die.

The first few years after the deaths of prominent people are rife with revelations, often unflattering. Tongues loosen. Memoirs are written, archives unsealed, letters published. The shorter the window, the more likely a regrettable choice will be made.

Dedicating something to a living person is particularly fraught with peril. Ohio University learned this the hard way when an advisory panel recommended that Representative Bob Ney's name be removed from a university building. While a member of the State Legislature, Mr. Ney helped steer funds to the project. That was before he pleaded guilty to corruption charges in the Jack Abramoff scandal.

A prohibition on legislators' putting their names on their own pork products strikes us as an excellent idea. In the meantime, we wish that the Postal Service's advisory committee would be content with honoring historical figures. If anyone is desperate to put a particular face on a stamp, Stamps.com does custom jobs, provided they aren't "obscene, offensive, blasphemous" and so on. It's a useful stopgap for a truly impatient era.

OTHER NEWS:

Jobs For College Grads Plentiful (USAT)

DOJ_NMG_0098074

By Stephanie Armour
USA Today, November 27, 2006

College graduates are experiencing the best job market in four years as a stronger economy leads more employers to ramp up hiring.

Employers expect to hire 17.4% more new college graduates in 2006 and 2007 than in 2005 and 2006, according to a new survey by the Bethlehem, Pa.-based National Association of Colleges and Employers (NACE).

Signing bonuses range from $1,000 to $10,000, with the average at $3,568. And employers reported plans to boost their starting salary offers by 4.6% over last year, nearly a full percentage point higher than increases for the classes of 2006 and 2005.

"This is the fourth year in a row that employers have predicted an increase in hiring," says Andrea Koncz at NACE. "It really is because of the economy and more demand. Companies are growing."

For example:

·Companies are ramping up hiring. Accounting and tax firm KPMG typically hires about 2,500 new graduates, but they expect to boost that by about 10% in 2007. Manny Fernandez, national managing partner-campus recruiting, says competition for students is intensifying. Signing bonuses are being used in some markets, he says.

·Some colleges and universities are also seeing more employers offering internship programs for current students: Employers extended job offers to more than 70% of their interns, according to a separate study by NACE.

At St. Olaf College in Northfield, Minn., students are landing internships at large companies such as General Mills.

"It's optimistic," says Sandy Amy, assistant director of internships in the center for experiential learning at St. Olaf. "They're finding opportunities. (Internships) give them the background they need."

·Some soon-to-be graduates are finding they can be pickier about the jobs they accept and can take into account other priorities such as flexible work schedules or similar benefits.

Ashley Hall, 21, is graduating in May from Boston College with a B.A. in accounting and already has a full-time position lined up with KPMG. She earlier had an internship with the company and was drawn there in part because she says they value work-life balance.

"As long as you are willing to put in the effort to interview and network, there's definitely a job market out there," Hall says.

Stephanie Lee, 20, of Milwaukee, is a junior at Marquette University who has already gotten some contacts from potential employers. She expects to graduate in May 2008 with a major in information technology and marketing.

"The outlook for IT grads is going to be great. I get numerous e-mails from IT professors with opportunities," Lee says. "It's very positive."

Commercial Boom Softens Housing Bust (WP)

By Nell Henderson
The Washington Post, November 27, 2006

To understand why the housing slump hasn't dragged the economy into a recession, it helps to visit the Smoketown Plaza in Woodbridge, where the thumping of hammers signals the healthy pulse of a building boom that's still going strong.

Just two miles off Interstate 95, hard-hatted construction workers clamber up dusty ladders and scaffolding, hanging wallboard, laying bricks and drilling metal frames in a buzz of activity aimed at completing a new Arby's drive-through restaurant in time to open by mid-December.

Inspecting the progress as she crosses the bare concrete floor, stepping around the pipes and exposed wires and pointing with pleasure to the gleaming metal frame where the menu board will hang, Christy Gilligan envisions how the place will look when hungry commuters rush in after work for a quick bite, entering through a glass foyer with a two-story cathedral ceiling into a dining room seating 84.

"I see opportunity," said Gilligan, vice president of development with ACW Corp., of Wilmington, Del., a family-owned Arby's franchiser building the restaurant, its fourth in Prince William County.

Many other executives are making similar calculations across the Washington area and throughout the country, boosting non-residential construction enough over the past year to more than offset the decline in home construction. That boom is helping to cushion the impact of the housing slump on the economy.

The nation's harshest housing downturn in 15 years has unquestionably inflicted pain on many homeowners, builders and their suppliers. The plunge in new home construction was severe enough alone to slice a full percentage point off the nation's economic growth in the July-through-September period, depressing the increase in total economic output to a sluggish 1.6 percent annual rate. And the housing market hasn't hit bottom, according to the figures since then.

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But the rest of the economy outside of housing remains largely healthy. With unemployment low, wages and stock prices rising and fuel prices ebbing, consumers continue to boost their spending. And businesses are increasing their capital investment, spending more on buildings, equipment and providing new fuel for the economic expansion.

Builders of non-residential projects say they are simply playing catch-up. So many new neighborhoods filled up during the housing boom that they're still building the stores, offices, restaurants, bank branches, hotels and hospitals needed to serve the influx of residents.

In Prince William County, for example, the population surged by 23 percent in the past five years, during the peak of the home-building boom, to 374,678 people. Now, many residents complain they have to drive too far, often to Fairfax County, for basic business services.

The companies that provide those services "don't build until they see the rooftops" over new customers, said Bill Fairchild, president of R.W. Murray Co., a construction contractor in Manassas that's overseeing the Arby's on Minnieville Road and a dozen other non-residential projects in Northern Virginia. "People have got to get groceries. They've got to get their hair cut. They need to go to the cleaners."

Nationwide, building contractors are expanding factories to crank out more exports to meet rising demand from overseas. Others are modernizing refineries to squeeze more fuel out of oil. And the recent volatility in world oil prices has spurred a wave of investment in alternative fuel plants, said Kenneth Simonson, chief economist of the Associated General Contractors of America. Scores of ethanol plants are under construction or being planned across the country.

The money spent on private non-residential construction nationally rose a sizzling 19.2 percent over the 12 months that ended in September, according to Census data. In addition, state and local governments are building roads, schools and other public buildings. Public construction rose a robust 11.6 percent in the year ended in September.

Add it all up and the increase in non-residential work more than offset the 6.7 percent decline in home building over the same period, so the value of all construction rose a net 2.9 percent.

These figures have heartened many analysts, who predict the housing slump will continue to dampen economic growth through next year but will not lead to a recession.

"The expected further weakening in housing activity is likely to be largely offset by business capital spending," Jeffrey M. Lacker, president of the Federal Reserve Bank of Richmond, said in a speech last month.

More pessimistic analysts say it is too soon to know how far or for how long the housing market will slide, or how much it might hurt the rest of the economy. They note that total construction spending fell 0.3 percent from August to September, a trend that would be worrisome if it continued. But so far, they agree, the economy is holding up pretty well.

"The problems in housing have not bled into the rest of the job market, at least not yet," said Mark Zandi, chief economist at Moody's Economy.com.

On the contrary, job growth has been so strong that the national unemployment rate fell in October to 4.4 percent, the lowest in more than five years. The Washington area job market is even tighter, with a jobless rate of 3 percent in September, the latest month for which figures are available.

And "if you're any kind of construction worker in the Washington area, it's not hard to find work," said Gene Pinder, business manager for the Baltimore-Washington Laborers' District Council, which represents 7,000 laborers, the workers who pour concrete and asphalt, prepare sites and handle building materials for both residential and non-residential construction projects. "The industry is still red-hot."

At general contractor R.W. Murray, for example, "we never stop hiring," Fairchild said. "There's just a shortage in our industry, nationally" of skilled workers.

Lacker, the Richmond Fed President, whose territory includes metropolitan Washington, predicted that "further increases in non-residential construction will allow many workers to simply change construction jobs rather than become unemployed."

That is at least partly true, builders said. Some, but not all, residential construction workers can shift to non-residential projects, which typically pay more and require higher skill levels. Among those who can make the change are project managers, site supervisors, accountants and other office workers involved in design, engineering, legal and financial work.

For example, R.W. Murray's site supervisor on the Arby's project, Scott Merryman, previously worked for a home-building company.

But much of the work in non-residential construction is more specialized and more complicated than in housing. Such tasks include electrical wiring, installing heating and air conditioning systems, operating multi-story tower cranes and erecting metal frames.

Even installing wallboard in a fast-food restaurant requires different skills than doing so in a house, Merryman said.

Companies, too, are suffering different fates depending on how strongly they specialize in housing compared to commercial work.

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Home builders KB Home and Ryland Group Inc. have cut hundreds of jobs. Mortgage lenders Countrywide Financial Corp., Washington Mutual Inc. and Ameriquest Mortgage Co. are laying off thousands.

Masco Corp. reported a 4 percent decline in its third-quarter profits because of lower sales of its cabinets, faucets, bathtubs, windows, doors and other home fixtures.

Weyerhaeuser Co. said its third-quarter earnings fell 26 percent because of lower wood product sales, lumber prices and log prices.

The companies feeling a little less pain are those that also supply or transport materials for non-residential construction.

In Chicago, for example, USG Corp., the nation's largest maker of gypsum wallboard, suffered a 3 percent drop in earnings in the third quarter because of the housing slowdown. But the results would have been worse if not for the non-residential market, which accounts for about 40 percent of the company's business, said spokesman Robert Williams.

The growing commercial market "certainly does cushion the impact of the softening of the residential market," Williams said.

Many people who live in the neighborhoods that arose during the boom say they're happy to see commercial construction catch up, bringing more services to their neighborhoods.

"I remember when I was growing up, it was nothing but houses being built," said Melissa Rook, 20, of Manassas, a college student tapping on her laptop in a Panera restaurant at the Signal Hill Shopping Center. "Now they're always building another restaurant, another place to go."

And Rook said she wants more places to go. "I would definitely be happier if there was a bigger mall in Manassas," Rook said, explaining that she often treks to the malls in neighboring Fairfax County for serious shopping.

It was consumers like Rook who prompted Arby's corporate marketing people to advise Gilligan's company to move into Northern Virginia in the late 1990s as the population was expanding.

"There was definite potential here," Gilligan said, recalling what she found when she moved to Manassas in 1998.

Gilligan said she chose the site at Smoketown Plaza because it is near both new homes and new workplaces, full of hungry suburbanites. She is already planning two more Arby's elsewhere in the county -- jobs that will help keep the construction industry busy.

"We're doing very well," Gilligan said. "We're seeing growth."

How Housing Slump Is Risk To Big Three Rebound (WSJ)

By Mike Spector, Jeffrey C. Mccracken And Neal E. Boudette

The Wall Street Journal, November 27, 2006

DETROIT -- Detroit's beleaguered Big Three auto makers face a new risk to their turnaround plans: After a string of strong years, U.S. auto sales are slowing and an increasing number of forecasts say sales could fall next year to their lowest level in nearly a decade.

Slowing growth in the overall U.S. economy and the slump in the housing industry, particularly in big markets such as California, are hitting at a bad time for General Motors Corp., Ford Motor Co. and DaimlerChrysler AG's Chrysler Group. All three are losing money in North America at current sales volumes. A downturn in vehicle demand would make it even more difficult to regain profitability -- and to clear out bulging inventories of unsold vehicles without costly production cuts or discounts.

"A softer market really stresses the Big Three out," said David Cole, president of the Center for Automotive Research in Ann Arbor, Mich. "For them, lower volume is not good."

But even some strong Japanese and European players face pressure. Toyota Motor Corp. and BMW AG, for example, could be hurt by any downturn in California, where they control a large chunk of the market.

Toyota has spent billions of dollars building a plant in Texas to assemble a new full-size pickup truck due to hit showrooms early next year. But the housing slowdown and high gas prices have damped pickup-truck sales in the past few months. That could make it harder for Toyota to hit its sales targets with its new truck, the Tundra.

IRN, a Michigan market researcher, is now forecasting U.S. 2007 sales of 16.3 million light vehicles, or cars and trucks. That would be the lowest level since 1998 and a drop of 300,000 from this year's expected sales of 16.6 million vehicles.

"To be honest, there is a lot more downside risk to that than there is a chance it gets better," said Erich Merkle, IRN's director of forecasting.

Some auto makers are more optimistic. Both GM and Toyota are forecasting sales of 16.5 million cars and trucks in 2007. The market "feels a little soft right now, but our forecasts say [sales] will get better through [2007]," especially if gasoline prices and interest rates remain stable, said Troy Clarke, GM president for North America.

Analysts at Bank of America, Wachovia Corp. and Citigroup are expecting a sharper decline, as is investor Wilbur Ross, who has spent hundreds of millions of dollars in the past 18 months buying battered auto suppliers.

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Mr. Ross thinks 2007 sales will be about 16.2 million light vehicles, noting that U.S. consumers bought 50 million cars and trucks in the past three years. "How many more can you sell?" he said.

The Detroit auto makers are also now less willing to use expensive rebates to prop up demand than they were a few years ago, Mr. Ross said, adding that "these deals went on for longer than I expected, frankly, but I think they are done now."

A big factor, most forecasters said, is the decline in home values and the recent string of U.S. interest-rate increases.

In California, where many people have adjustable-rate mortgages on pricey homes, the interest-rate increases have saddled them with higher monthly mortgage payments, leaving them with less disposable income to spend on new cars.

Auto sales in California plunged 16% in the third quarter and show little sign of bouncing back soon. Bert Boeckmann, owner of a huge Ford dealership in North Hills, Calif., said he sold about 300 fewer cars and trucks in October than a year ago. It is "a case of just not having the traffic," he said.

For 2007, the California Motor Car Dealers Association is forecasting a 2.5% drop in new-car registrations.

In addition to California, big dealer groups say south Florida, Arizona and other areas where home values are down are also seeing declines in vehicle sales.

The impact of the housing slump is likely to be hard on the Big Three because slower housing starts cause builders to defer purchases of pickup trucks, which are Detroit's most profitable models.

GM, Ford and Chrysler have also seen their collective market share slip a few points to 54% so far this year. If their share remains steady and 2007 sales come in under 16.6 million vehicles, the Big Three would end up selling fewer than nine million cars and trucks next year.

On Black Friday, Fewer People, More Spent (WP)

By Ylan Q. Mui

The Washington Post, November 27, 2006

Fewer consumers turned out for the post-Thanksgiving shopping bonanza this year, but they spent more than last year as they stocked their carts with expensive electronics, according to a retail trade group.

The National Retail Federation estimated that 140 million people hit the stores and shopped online over the past four days, down about 5 million from last year. Black Friday, the symbolic kickoff of the holiday season for retailers, drew about 58.9 million people, down more than 1 million.

Thanksgiving weekend has become an important marker for retailers, as they battle to offer the biggest discounts to shoppers and, in the process, generate the most buzz. This year, many stores opened at midnight on Thursday. CompUSA beat that, opening for three hours Thanksgiving night.

Shoppers responded by pulling out their wallets. People spent an average of $360.15 this year, up 18.9 percent from last year, according to a survey conducted by BIGresearch. Scott Krugman, a spokesman for the National Retail Federation, said spending was driven by high-priced technology items such as flat screen TVs.

"This year, stores did not disappoint, as deals on high definition televisions and apparel were just too good to pass up, bringing millions of people out of their Thanksgiving cocoons," said the retail federation president, Tracy Mullin.

The credit card company Visa USA also reported strong sales in electronics on Friday, along with furniture and home furnishings. Average spending, including gasoline and restaurant purchases, was up 8.7 percent, the company said.

The retail research firm ShopperTrak estimated total spending on Friday reached $8.96 billion, up 6 percent from last year. It attributed the boost in part to declining energy costs and extended discounts that day.

"Retailers need to remain cautious," said Bill Martin, co-founder of ShopperTrak. "But undoubtedly this type of a season opening is a nice shot in the arm for the industry."

The National Retail Federation predicts retail sales during November and December to grow at a modest 5 percent compared to last year, reaching $457.4 billion. As of Sunday, consumers reported having completed about 35 percent of their holiday shopping, according to the BIGresearch survey. Just less than 9 percent said they were finished.

When The Democrats Take Back K Street (TIME)

By Massimo Calabresi

Time, November 27, 2006

The reception thrown by Nancy Pelosi at the Capitol a week after the Democrats prevailed in congressional elections was a party some power players had been waiting more than a decade to attend. The fÃªte was for newly elected freshmen lawmakers, but Pelosi's invited guests included big-name Democratic lobbyists like Jack Quinn, Tony Podesta and Steve Elmendorf. Said a partygoer: "I thought to myself, they're all back, all the same old faces. It was just like old times."

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For 12 years, Democratic lobbyists lost influence--and money--as Republicans tightened their hold on power. G.O.P. leaders amplified the effect by launching an overt effort to push Democrats out of trade associations and lobbying firms, with the aim of increasing the G.O.P.'s share of campaign contributions from the groups' clients. G.O.P. leaders also punished firms that were too Democrat-friendly by excluding them from meetings on the Hill. The combined effect of power and persuasion added up to a decade of Republican domination in the business of influence peddling.

But the Democrats are making their comeback on K Street, the metonymic home of Washington's $2.36 billion lobbying business. A gold rush is under way for lobbyists who have an in with the winning team. Firms are hiring away key Democratic congressional staff members and bidding up the salaries of Democrats already in the business. And companies that tilt Democratic are signing clients from industries that previously relied on Republican outfits.

There's one hitch. It's not supposed to be like old times. In an election in which exit polls identified corruption as the No. 1 voting issue and Washington's biggest corruption scandal involved lobbying, Democrats won in part by promising to curtail K Street's excesses. Pelosi has said her first act as Speaker of the House in January will be to pass new rules limiting contact between lobbyists and lawmakers. Later in 2007, Pelosi plans to rewrite the laws on pork-barrel spending. She promises that the overall effect of her reforms will be "to break the link between lobbyists and legislation" in Washington.

Who will win the coming battle between reformers and revanchists? The market is betting against reform. Demand for anyone with access to powerful Democrats on the Hill is soaring. Lobbyists who couldn't get a meeting are suddenly a hot commodity. "I've gotten a lot of calls from headhunters in the last two months," says Florence Prioleau, a lobbyist who has maintained close ties with her former boss, New York's Charles Rangel, incoming chairman of the Ways and Means Committee. Pelosi's former chief of staff, George Crawford, has just been hired by Amgen, a biotech company, to represent its interests with the new Congress. Toby Moffett, a former Democratic Congressman from Connecticut now with the Livingston Group, says he recently told a Republican lobbyist desperate to hire Democrats that he had two options: "One is to go after [congressional] staff members who are thinking of leaving, maybe someone with tuitions to pay. The second is to overpay for people who weren't thinking of leaving."

Lobbying firms can gross multimillions-- Livingston takes in some $10.9 million a year--by winning annual contracts worth $180,000 to $600,000 from businesses, individuals, churches, universities, states and municipalities. Those clients are willing to pay because of the large sums of money that lobbyists can help them obtain from Congress. Earmarks, the targeted handouts that have dramatically expanded over the past decade, now total in the tens of billions a year. And everyone wants a piece. "The key thing for me," says a Democratic lobbyist at a top K Street firm, "is don't miss the moment. It's a big opportunity here."

All that money will be working against Pelosi's link-breaking efforts. The Speaker's proposed rule changes would ban lobbyist-paid meals, gifts and travel for lawmakers of the sort that made superlobbyist Jack Abramoff a household name. She also proposes to double to two years the cooling-off period during which former staff members are barred from lobbying their ex-bosses. And Pelosi has pledged to open the earmarking process to public scrutiny so that tax money could no longer be funneled secretly to special interests. Reform-minded Republican Representative Jeff Flake of Arizona says the Democrats' plans, if fully implemented, would in fact be "definitive" and "preferable" to the changes the G.O.P. pushed through Congress in the wake of the Abramoff scandal.

But even if Pelosi delivers the particulars of what she has so far pledged, it's not exactly a revolution she's offering. The gifts, free meals and travel she proposes to ban are largely symbolic perks to lawmakers. Serious oversight, of the kind proposed by some reformers, would include a new office of public integrity and an independent investigator to shine a light on greedy congressional rule breakers. And Pelosi's promised transparency on earmarks is a step down from Democratic campaign vows to ban earmarks sponsored by a lawmaker if the spending benefits the member, his or her spouse, relatives or firms that employ any of them. What's more, Pelosi has tapped Wisconsin's David Obey, a 37-year veteran of the House who is the top Democratic appropriator, with drafting the actual earmark reforms, a troubling choice given that Obey was responsible for approximately 40% of the past earmarks under an informal system established by both parties, according to Scott Lilly, Obey's former chief of staff.

Some Democrats have openly resisted even mild reform. Representative Jim Moran of Virginia announced at a campaign stop in June that he would "earmark the [expletive]" out of spending bills if he got the chance. John Murtha, a Pelosi confidant, told centrist lawmakers the week after the election that he thought her reform measures were "total crap." Democratic lobbyists are doing what they can to fuel the naysaying. "Republican lobbyists have been writing legislation that needs to be reformed, so are we just going to cut off lobbying completely now that we have the chance to fix things?" asks a top Democratic lobbyist.

But the biggest obstacle to lobbying reform may be that in an electoral system almost entirely dependent on campaign donations, lawmakers and wealthy interests will always find a way to connect. Members of Congress know their job security depends on the money they raise before each election, and much of that comes from K Street. "The dirty little secret is that the biggest lobby in town is members of Congress lobbying us," says the Livingston Group's Moffett. Moffett says he bumped into a

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powerful Senator last spring. They sat on a bench overlooking the city and talked about Moffett's clients. After a few minutes, Moffett gave the Senator his card. By the time the lobbyist got back to his office, the Senator's campaign staff had sent him an invitation to a $1,000-a-plate fund raiser. "When you're holding the chum," says Flake, the Arizona Representative seeking reform, "you can't complain about the sharks."

Democratic Gains In Suburbs Spell Trouble For GOP (USAT)

By Jill Lawrence

USA Today, November 27, 2006

WASHINGTON — Democrats made large gains in suburbia in this month's elections, pushing Republican turf to the outer edges of major population centers in a trend that could signal trouble for the GOP, an analysis shows.

Democrats carried nearly 60% of the U.S. House vote in inner suburbs in the nation's 50 largest metropolitan areas, up from about 53% in 2002, according to the analysis by the Metropolitan Institute at Virginia Tech.

They received nearly 55% of the vote in the next ring of "mature" 20- and 30-year-old suburbs, with 45% going to Republicans and third-party candidates. In 2002, the last midterm election, Democrats received 50% of the vote there.

"Republicans are getting pushed to the fringes of the metropolis," said sociologist Robert Lang, director of the institute. "They simply have to be more competitive in more suburbs," he said, to win statewide and presidential races.

The line between blue Democratic and red Republican territory used to be drawn at the outer boundaries of close-in "streetcar suburbs" with older housing and signs of decline, Lang said. They've become steadily more Democratic in the four elections since 2000, he said, and now are "solid blue."

Well-established or "mature" suburbs increasingly are turning Democratic, Lang said. He said the trend probably is permanent because such suburbs have become denser and have drawn more foreign-born residents as Republicans have moved farther from urban cores.

Republicans this year continued to win in small cities up to 50,000, as well as fast-growing exurban and rural areas. Lang called the exurbs and "emerging suburbs" volatile, noting Democrats had been losing ground there but cut GOP victory margins in half this year.

Suburban strength helped Democrats win House and Senate seats across the country. Democrat Patrick Murphy's win over GOP Rep. Michael Fitzpatrick in Pennsylvania's Bucks County is one example.

In 2002, the Democratic candidate won 36.9% of the vote against Republican Rep. Jim Greenwood in the county, an emerging Philadelphia suburb. This year, Democrat Murphy received 49.8% of the vote to Fitzpatrick's 50.2%. Fitzpatrick, a 10-year county commissioner, won the House seat in 2004.

Murphy also raised the Democratic victory margin by 14 percentage points in slivers of two other counties in the district. The gains allowed him to squeak to a 1,521-vote victory in unofficial returns.

Neil Newhouse, a GOP pollster whose firm handled more than 75 House and Senate races, said Republicans lost all kinds of voters, not just suburbanites. The main reason was Iraq, he said, and "I assume by the next midterm election in 2010 this will be resolved."

Democratic pollster Geoffrey Garin said Republican appeal is waning in the inner suburbs, due in part to socially conservative positions, while Democrats are getting better at reaching suburban voters. They have "doubled, tripled and quadrupled" their efforts to be competitive in exurbs and emerging suburbs, Garin said, since the "huge shock" of losing 97 of the country's 100 fastest-growing counties in 2004.

A G.O.P. Breed Loses Its Place In New England (NYT)

By Pam Belluck

The New York Times, November 27, 2006

BOSTON, Nov. 26 — It was a species as endemic to New England as craggy seascapes and creamy clam chowder: the moderate Yankee Republican.

Dignified in demeanor, independent in ideology and frequently blue in blood, they were politicians in the mold of Roosevelt and Rockefeller: socially tolerant, environmentally enthusiastic, people who liked government to keep its wallet close to its vest and its hands out of social issues like abortion and, in recent years, same-sex marriage.

But this election dealt the already-fading New England Republican an especially strong blow, one that some fear will increase the divide between the two parties nationally by removing a longstanding bridge between them.

Of 22 members of the newly elected House of Representatives from New England, only one is a Republican: Christopher Shays of Connecticut, who eked out a victory while two other Republicans from his state, Representatives Nancy L. Johnson and Rob Simmons, lost to Democrats.

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In Massachusetts, where the Statehouse in Boston had been steeped in Republican governors for 16 years, voters threw the party overboard like so much tea.

In Rhode Island, exit polls gave Senator Lincoln Chafee, a popular moderate Republican from a long-admired political family, a 62 percent approval rating. But before they exited the polls, most voters rejected him, many feeling it was more important to give the Democrats a chance at controlling the Senate.

In New Hampshire, the state's two congressmen, Charles Bass and Jeb Bradley, both Republicans, were ousted; Mr. Bradley was defeated by a virtual unknown with a virtually empty bank account. And for the first time since 1874, both houses of the state legislature now have Democratic majorities.

"That to me is one of the most astounding things that happened on Election Day," said Warren Rudman, the former New Hampshire senator who embodies the essence of the New England Republican. "What that tells me is that huge numbers of people in New Hampshire who are either moderate Republicans or independents voted a straight Democratic ticket. They turned out people who had served long and well in the New Hampshire legislature."

Yankee Republican is "a label that's almost lost its meaning in 2006," said Gary L. Rose, a professor of politics at Sacred Heart University in Fairfield, Conn. "The Republican Party has lost a very important voice internally, too, and that only further exacerbates the polarization between the parties. Something's going to be lost here in American politics without their voice."

In New England, Republican losses were partly because of the filtering down of anti-Bush and antiwar sentiment, but other factors played a role as well, including some that had been simmering for years, experts and local Republicans say.

Walter Peterson, a former New Hampshire governor and lifelong Republican, this year became the co-chairman of Republicans for John Lynch, the incumbent Democratic governor.

"What the people want is basically to feel like the candidates of a political party are working for the people, not just following some niche issues," Mr. Peterson said. "The old traditional Republican Party was conservative on small government, efficient government; believed in supporting people to give them a chance at life but not having people on the dole; wanted a balanced budget; and on social issues they were moderate, tolerant, live and let live. They didn't dislike somebody from other religious viewpoints."

He continued, "That was the old-fashioned conservative, but the word conservative today has been bastardized."

Of course, not all elected Republicans in New England are moderate. New Hampshire's senators, John E. Sununu and Judd Gregg, whose terms were not up this year, are more to the right of their counterparts in the region. The departing governor of Massachusetts, Mitt Romney, was elected in 2002 as a moderate, but has emphasized more conservative views in the last year as he considers a run for president.

Other remaining Republicans include Maine's senators, Olympia J. Snowe and Susan Collins, both moderate mavericks. The Republican governors of Vermont, Rhode Island and Connecticut, all of whom were returned to office, are not considered conservative.

Even so, in Rhode Island, city council members across the state lost longtime Republican seats, and in the Connecticut legislature, Democrats achieved a veto-proof majority for the first time in 25 years.

"Several states in New England have fairly high numbers of independent voters, and those folks broke 2 to 1 for Democrats," said Constantine J. Spiliotes, director of research for the New Hampshire Institute of Politics at St. Anselm College in Manchester, N.H. "They usually split pretty evenly."

At their height, New England Republicans wielded powerful political influence, "dominating the Northeast at the turn of the 20th century, just as Democrats used to dominate the South," said Julian E. Zelizer, a history professor at Boston University.

Prominent examples of their brand of independent-minded pragmatism included senators like Lowell P. Weicker Jr. of Connecticut, William S. Cohen of Maine, James M. Jeffords of Vermont, and Mr. Chafee and his father, John Chafee, who served in the Senate for more than 20 years.

But in recent decades, the ranks of such Republicans have gradually thinned. Professor Rose dates it to the "historic 1964 national Republican convention when Goldwater won the presidential nomination against Rockefeller."

Professor Zelizer cites a "strategy since the 1970s when the Republicans went South, went after the core Democratic voters and began to be very closely allied with the conservative moment, which wasn't rooted in the Northeast at all."

People like Mr. Weicker and Mr. Jeffords left the Republican Party. Mr. Chafee said he was weighing whether to do the same.

"I'm caught between the state party, which I'm very comfortable in, and the national party, which I'm not," said Mr. Chafee, adding that he was considering the merits of "sticking it out and hoping the pendulum swings back."

In Massachusetts, Deval L. Patrick, a Democrat, was elected governor, defeating Lt. Gov. Kerry Healey in what was partly considered a rebuke of Governor Romney.

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The executive director of the Massachusetts Republican Party, Brian Dodge, said New England Republicans often faced challenges because the region had many centrists.

"Moderate Republicans tend to represent moderate districts," Mr. Dodge said. "Therefore they're more susceptible to the varying inclinations of independently minded voters. If there is a national perception that all things Republican are bad, you're going to have a hard time convincing independents to come your way."

Jody Dow, the Republican national committeewoman for Massachusetts, said she thought the scope of the Republican defeat this month came as a surprise to many in the party. "People are looking and saying to themselves, we need to have a moderate approach to things," Ms. Dow said. "We need to find people who really can win races," she continued. "We need to go back and do more grass roots."

In New Hampshire, before the election, the State House of Representatives had had a majority of Democrats only once in 132 years, in 1922; the Senate had been Democratic only twice, in 1912 and 1998. Registered Republicans still outnumber Democrats, but increasing numbers of voters are independent, and the election results were shaped not just by the war and the national party's conservative bent, experts and Republicans said.

Mr. Lynch, the Democratic governor, appealed to a broad spectrum of voters because of his opposition to raising taxes. Demographic changes also played a role, especially the influx of people from out of state, mostly retirees and employees of New Hampshire's burgeoning technology industry.

Most newcomers are independent, "trying to figure out which party is more welcoming, and that's clearly the Democratic Party right now," Mr. Peterson said. "If the national party doesn't make a home for independents, the Republicans are going to start losing. I don't think they realize it yet, but I think they're going to have to throw out their whole playbook."

Wayne Semprini, chairman of the Republican Party in New Hampshire, said he planned to travel the state on a listening tour, holding focus groups with independents.

"We really have to get our arms around those people," Mr. Semprini said. "The Yankee Republican may be slipping away to some degree. There's no question right now that the Republicans are going to have to stand up and step up to the plate and try and turn this around immediately."

Election '06: Lessons Learned By Dissecting Votes (USAT)

USA Today, November 27, 2006

Political scientists and campaign strategists are studying voting returns and exit polls for lessons from the election this month that upended 12 years of predominantly Republican rule on Capitol Hill.

In this seismic campaign, the ground really did shift — establishing a solidly Democratic Northeast to counter the Republican South and propelling a new battleground region in the Mountain West.

The results demonstrated the limits of President Bush's strategy of appealing to base voters: This time, there was a revolt in the center of the electorate. And even as the stock market set records and unemployment fell, unease about the economy rivaled opposition to the Iraq war as a voting issue in some key states.

USA TODAY's Susan Page looks at what we learned in 2006 — and what it might mean for next time.

Lesson 1 The Center Didn't Hold (USAT)

USA Today, November 27, 2006

The last midterm election that brought upheavals in Congress was in 1994, when Republicans ousted Democrats from control of the House and Senate courtesy of a voter pundits dubbed "the angry white man." This time, election foment was driven by independents and moderates who had supported Republicans, particularly in the aftermath of the Sept. 11 attacks, but now turned against the GOP. Republican pollster Frank Luntz calls them "Republican Rejecters," about 15% of the electorate.

They included a broad swath of the nation's demography, among them younger people, women, the liberal-leaning and less-religious voters — that is, those who attend church no more than occasionally.

"The people who made the biggest difference overall were the least ideological and partisan people," says Andy Kohut, director of the non-partisan Pew Research Center. Democratic strategist Steve Elmendorf, who spent 12 years as a top House aide, calls it "a triumph of the center."

One victim: The approach successfully pursued by Bush's top strategist, Karl Rove, in the 2000 and 2004 presidential elections — driving up turnout among the economic and social conservatives who make up the GOP's base. Nine of 10 Republicans still supported the party's candidates for the U.S. House. But independents, who make up a quarter of the electorate, swung decisively toward Democrats, 57%-39%.

That's a drop of 9 percentage points for the GOP compared with the last midterm election, in 2002.

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Those voters-in-the-middle, not tethered to either party, are likely to be the focus of attention for candidates in both parties in 2008.

Partisans Were Loyal; Independents Swung Left (USAT)

USA Today, November 27, 2006

Source: Exit polls Nov. 7 conducted for the Associated Press and TV networks

Lesson 2 Reaching Out Is Hard To Do (USAT)

USA Today, November 27, 2006

George W. Bush appealed to Hispanic voters as the two-term governor of Texas, and he has made a concerted effort to do the same as president. In an effort to cut into Democrats' solid support among African-Americans, the GOP with some fanfare nominated black candidates this year for governorships in Ohio and Pennsylvania and a U.S. Senate seat in Maryland.

Even so, Republican support among black voters didn't budge. Republican candidates for the U.S. House received 10%, one percentage point lower than when Bush was first elected in 2000. Among Hispanics, Republican support fell by nearly a third compared with 2004. Republicans received 44% of the support among the nation's fastest-growing ethnic group then; it dropped to 30% this year.

For these voters, actions spoke louder than words, says Republican strategist Scott Reed, who ran Bob Dole's presidential campaign in 1996. Resistance among African-Americans "was 100% related to Katrina," he says, amid dismay at the Bush administration's faltering response to victims of the 2005 hurricane, many of whom were black. Reed sees a backlash among Hispanics to GOP actions on immigration, including legislation Bush signed two weeks before the election to build a 700-mile fence along the U.S.-Mexican border.

The outgoing Republican national chairman, Ken Mehlman, notes that some Republicans, including California Gov. Arnold Schwarzenegger, garnered significant support from Hispanics. But Mehlman acknowledges the GOP share generally was disappointing — and worrisome. With an increasingly diverse population in the United States, he says of Republicans, "we rely too much on white guys for our voters."

Lesson 3 It's Not Your Father's USA (USAT)

USA Today, November 27, 2006

The nation's political geography is shifting.

The East and West coasts continue to be mostly Democratic, and the South is still Republican territory. But the Northeast became a Democratic stronghold this year as Republicans lost nearly a third of their U.S. House seats in those 12 states. Connecticut's Christopher Shays is now the only Republican House member from New England.

And the Mountain West, so Republican that President Bush carried all eight of its states in 2004, now has four Democratic governors. In Montana, Democrat Jon Tester's victory over three-term GOP Sen. Conrad Burns helped clinch Democratic control of the Senate.

Those regional changes alter some of the strategic calculations in the 2008 presidential race.

"Democrats consolidated their hold on the Northeast so firmly that it now provides a greater building block for the Democrats than the South provides for the GOP," says Rhodes Cook, a non-partisan analyst who studies voting trends.

Thomas Schaller, a political scientist at the University of Maryland, Baltimore County, argues in his book Whistling Past Dixie that Democrats now can win a presidential election without carrying a single Southern state — something that has never happened.

Lesson 4 Economic Statistics Didn't Persuade Voters (USAT)

USA Today, November 27, 2006

The Democratic Senate challengers who won — Sherrod Brown in Ohio, Bob Casey in Pennsylvania, Claire McCaskill in Missouri, Jim Webb in Virginia and Jon Tester in Montana — all struck populist themes in their campaigns. Particularly in the nation's heartland, anxiety about slow-rising wages, outsourced jobs, imperiled pensions and the rising costs of health care and college tuition overwhelmed relatively good economic news on corporate earnings, productivity and employment.

"There was more money spent on campaign ads painting Big Oil and Big Pharma as enemies than painting (Osama) bin Laden as a threat — and that's when the economy is good," says Robert Borosage of the left-leaning Campaign for America's Future. "The reality of the insecurity that is very widespread in this society economically, the unraveling of the social compact with workers, is going to frame a lot of the debate in '08, I would suspect."

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Nearly four of 10 voters said in exit polls that the economy was extremely important to their vote. They favored Democratic House candidates 59%-39%. For many Americans, pollster Frank Luntz says, "a desired quality of life seems more and more difficult to attain every day."

Free-trade agreements that the Bush administration backs will now face a cooler reception in Congress. That includes a planned free-trade area of the Americas and a separate deal with Peru. In the week after the elections, House GOP leaders were unable to push through a relatively uncontroversial bill to establish permanent trading with Vietnam.

Lesson 5 A Vote For Change, But To What? (USAT)

USA Today, November 27, 2006

It was a decisive election but not an ideological sweep.

Anxious about the Iraq war and the direction of the country, voters gave Democrats their biggest congressional victory in a generation. Voters supported change, yes. But change to what? That's not so clear. "There's a large turn against where we've been and no clarity about where we're going," says Robert Borosage of Campaign for America's Future.

"Democrats basically ran as … 'We're not them,' " says Rhodes Cook, editor of The Rhodes Cook Letter, which tracks election results. Democrats prevailed by accusing the governing Republican Party of mishandling Iraq and domestic challenges but generally didn't outline clear solutions.

What's more, the nation continues to be almost evenly divided politically. Neither party has won more than 53% of the U.S. House vote since 1990, and neither has carried more than 51% of the popular vote for president since 1988.

On the rise: none-of-the-above. The proportion of Democratic voters in the 27 states with party registration has declined from 1994 to 2006, but the Republican share hasn't risen. Instead, the ranks of independents have swelled.

"The growing independent center can swing either way, and it happened to swing Democrats' way this time," Cook says. "It's still a very volatile, almost-even period where you can't say either party has the advantage — and the growth is not with either party, it's with the mass of independents. In other words: To be continued."

Returning Rookies Reflect On Lessons Learned (USAT)

By Kathy Kiely

USA Today, November 27, 2006

WASHINGTON — On the day nearly two years ago when they were sworn into office, liberal Democrat Debbie Wasserman Schultz of Florida and conservative Republican Patrick McHenry from North Carolina found themselves symbols of Congress' diversity and its potential for discord.

"We were portrayed as the yin and the yang of the 109th Congress," says McHenry, recalling a USA TODAY story from January 2005 in which the two were featured with six other newly elected members of Congress.

McHenry and Wasserman Schultz proved opposites could work together. On Nov. 15, the pair won approval for a bill they wrote on how certain assets are handled in a bankruptcy. Their measure passed, 395-0, and is on its way to President Bush's desk for his signature.

"If Patrick McHenry and I can find common ground, anybody can," Wasserman Schultz says.

As they move into the final days of their first Congress, the eight freshmen USA TODAY spotlighted on their first day in office say they remain committed to bipartisanship. It's their top piece of advice to new legislators: Make friends with your political enemies.

"In order to get something done," says Sen. Mel Martinez, R-Fla., "you have to work across party lines."

All eight freshmen profiled on their first day in Congress last year will be returning for the legislative session that begins in January. Even though they are rookie members of a club where seniority counts, they compiled a record of accomplishment.

For example, Martinez just won Bush's backing to become the next general chairman of the national Republican Party. Sen. Barack Obama of Illinois says he's thinking about running for the Democratic Party's 2008 presidential nomination and is "getting a lot of encouragement."

The Democrats' sweep of both chambers in the Nov. 7 elections elated Rep. Al Green. "This will be the first time in my life I've been in the majority," says the Texas Democrat.

He's looking forward to a chance to increase the minimum wage and expand health insurance coverage, two issues important to his Houston district, home to many low-income households.

Rep. Mike Conaway, a Texan from the other side of the state and the other end of the political spectrum from Green, is undaunted by the GOP losses.

The Republican accountant was George W. Bush's business partner when the president headed the Texas Rangers baseball team. Conaway spent much of his first term working on Bush's proposed overhaul of the Social Security system.

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"Then Katrina happened," Conaway said, referring to the 2005 hurricane that ravaged New Orleans and the Gulf Coast.

Conaway hopes the new Congress will turn its attention to Social Security's long-term solvency problems. He says he's confident he'll have allies in the new majority because he went out of his way in his first term to befriend some Democrats, such as Oklahoma Rep. Dan Boren and fellow Texan Henry Cuellar.

Like Conaway, several of the other freshmen from the 109th Congress made friends across party lines. Some used their new friendships to score legislative victories:

·Sen. John Thune, R-S.D., combined forces with Sen. Tim Johnson, a Democrat from his home state whom he once tried to unseat, to save Ellsworth Air Force Base from being closed.

·Sen. Ken Salazar, D-Colo., joined the bipartisan group of 14 senators who struck a deal to allow confirmation of some of Bush's controversial judicial nominees.

·Obama and Sen. Tom Coburn, a conservative Republican from Oklahoma, reached an agreement with House Republican leaders to require that all federal contracts be logged into a public database. The two senators believe that disclosure will help prevent the waste of taxpayer dollars. "This bill is a small but significant step toward changing the culture in Washington," Coburn said.

The Obama-Coburn friendship grew out of a freshman orientation program for senators designed by three former governors and a former state attorney general now serving in the chamber.

"All of us had our roots outside of Washington and were accustomed to working together," says Sen. Lamar Alexander, R-Tenn., one of the Senate's ex-governors.

This year, Senate freshmen orientation began with a presentation by Sens. Ted Stevens, R-Alaska, and Daniel Inouye, D-Hawaii, on how they work together on defense issues. Alexander describes them as "two World War II veterans who put the Senate and the country first." The goal, Alexander says, was to show the new senators "how the Senate is supposed to work."

Besides working across party lines, the freshmen from the 109th Congress say their other piece of advice to the newly elected is to make time for their lives outside of work. For Obama, that meant telling his staff that Sunday would be the day he devoted to his family.

"You have to lay down some very strict parameters for your scheduler if you want to have a family life," says Obama, father of two young girls.

Wasserman Shultz agrees. Her datebook includes time blocked for holiday shows, soccer games and dance classes.

"I put my kids' entire schedule on my schedule, and schedule around it," says the mother of three. "I've gotten so good that I'm my 7-year-old's Brownie troop leader, and I've only missed three meetings."

Red '08 Hopeful Targets Blue Collars (WT)

By Stephen Dinan

The Washington Times, November 27, 2006

Rep. Duncan Hunter considers himself the Republicans' best bet to reconstitute the blue-collar coalition that helped the party win the White House in the 1980s.

Mr. Hunter, who is seeking the presidential nomination in 2008, says he can rebuild that coalition by campaigning on defense, traditional values and fair trade.

"Keeping American jobs in this country is a strong tie between the Republican Party and working America, Main Street America -- that's a portion of our constituency I aim to retrieve, because I stand strong with them," the 13-term congressman from California said in a recent interview, pointing to votes against almost every free-trade agreement during his 26 years in the Capitol.

Mr. Hunter, the first to announce officially that he is exploring a run for president, presents a curious figure among better-known candidates.

Combined with a tough stance on border security -- he was the author of the original amendment proposing 700 miles of border fence included in the House's 2005 immigration bill -- he fills a niche among the candidates lining up for a presidential run.

"I stand for a strong national defense, strong border enforcement, fiscal conservatism and traditional values, and lastly, keeping American jobs onshore," he said as he sprawled in an armchair in his Capitol Hill office during the interview, propping one foot on the edge of his cluttered desk.

Mr. Hunter said he expects the next election to turn on security. He said his experience as an Army Ranger during the Vietnam War and as the top Republican on the House Armed Services Committee puts him squarely in the middle of that debate.

"I think it's going to be a dangerous world. I think that's going to have our attention, and I think we're going to see a dangerous century," he said.

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Mr. Hunter is the most conservative candidate to enter the field so far, and is as conservative as any of the others mentioned as potential candidates. He touts his sponsorship of the Right to Life Act, which effectively would outlaw abortion by specifying that a person exists at the moment of fertilization, for the purposes of 14th Amendment protections.

Mr. Hunter easily has won re-election in his San Diego-based congressional district every election since his first, with the exception of a tight race in 1992 after redistricting and revelations of overdrafts at the now-defunct House bank.

His biggest challenges will be gaining name recognition and raising money. He has not been known as a prolific fundraiser on the scale of other announced candidates, but he has pledged to make a serious effort in early primary and caucus states.

Mr. Hunter made his preliminary announcement before the midterm elections Nov. 7 and, in the weeks since, raised his profile on television and in radio interviews.

Since the elections, both Sen. John McCain, Arizona Republican, and former New York Mayor Rudolph W. Giuliani have formed exploratory committees on races for president.

Mr. Hunter said he will make a formal announcement later, joking that this way he gets two press conferences out of it.

Mr. Hunter has been involved in many big defense-policy fights of the past few years. He was one of the strongest supporters of the way U.S. troops performed at the detention center at U.S. Naval Base Guantanamo Bay, Cuba.

In one memorable press conference at the Capitol, he brought a plate with lemon chicken, rice and the rest of the food that terror-war detainees were fed.

Mr. Hunter also took on the White House over women in combat and helped lead the opposition that blocked passage of the intelligence-overhaul bill in 2004 until the White House agreed to allow the defense intelligence agencies continued latitude to operate.

He has collected the endorsement of Rep. Trent Franks, Arizona Republican, who noted the move was curious given that his home-state colleague, Mr. McCain, has formed his own exploratory bid and is widely considered the candidate to beat.

But Mr. Franks said Mr. Hunter is the right man to lead the nation in a time of war and has his "wholehearted support."

The GOP: A Latino 'Spanking' (NSWK)

By Arian Campo-Flores

Newsweek, November 27, 2006

Dec. 4, 2006 issue - Until recently, Jane Barbosa was as reliable a Republican as they come. A Mexican native who arrived in the United States at the age of 2, Barbosa, 60, first got involved in politics as a teenager, attending neighborhood coffee klatches in Elgin, Ill. In the decades since becoming a citizen, she has almost always voted for GOP candidates, and even worked as a precinct committeewoman for the party. "I always felt that the Republican Party stood for what Latino values are," she says. "Belief in God, belief in family, a good work ethic." But this year, Barbosa was appalled by what she considered shrill anti-immigrant rhetoric used by some GOP hard-liners. "I couldn't just sit there and let it go by," she says. So for the first time in recent memory, she voted Democratic.

Barbosa had plenty of company. After making gains among Latino voters for three election cycles in a row, the GOP suffered a sobering reversal in this month's midterm elections. Exit polls show that Republican candidates won only 30 percent of the Hispanic vote—the fastest-growing segment of the electorate—while Democrats garnered 69 percent. Compare that with 2004, when President George W. Bush captured at least 40 percent of that vote. While Latinos were just as concerned about Iraq and the economy as the electorate generally, according to surveys, they were more driven than usual by immigration. A poll by Lake Research Partners found that half of Latino voters considered immigration important to their vote this year. Many Hispanics were clearly turned off by GOP congressional candidates like Randy Graf in Arizona, who vilified illegal immigrants. "Those candidates got the spanking they needed," says Lionel Sosa, Bush's longtime Latino ad man. "We as a party got the spanking we needed."

Reeling from the results, Bush quickly named a Hispanic, Sen. Mel Martinez, as the national party's next general chairman. Martinez, who is hanging on to his Senate seat, has his work cut out for him. A president who has often promoted himself as simpático to Latinos now has worse approval ratings among them than among the public as a whole. The GOP's hard-line voices especially alienated immigrant Latinos who only recently became citizens and have yet to form fixed party loyalties. Martinez must now refocus the GOP on the positive, aspirational message that once served Bush so well, says Al Cardenas, former head of the Florida Republican Party. It helps that Martinez is Latino; but as a Cuban-American from Florida, he won't necessarily connect with, say, Mexican-Americans in the Southwest. And many conservatives decried his selection, citing his support for legalizing most undocumented immigrants. (Martinez declined repeated requests for an interview and hasn't spoken much publicly about his appointment.)

But Democrats can't assume that Latinos now form a pillar of their party's base. "It could absolutely swing again next cycle," says Cecilia Muñoz of the National Council of La Raza. "What this really reflects is a vote away from Republicans, which

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is not the same thing as a vote affirmatively for Democrats." The Democrats face their own internal schisms over immigration. But Simon Rosenberg of the New Democrat Network argues that Hispanics will loom large in the party's presidential nomination process for 2008: Latino-rich Nevada has moved up the primary calendar, and Hispanics like Gov. Bill Richardson of New Mexico will be highly visible.

Immigration will continue to shape the parties' fates. Though lawmakers failed to strike a deal this year, they may take up the issue again next year, now that Democrats are in charge on Capitol Hill. A likely starting point: a compromise bill passed by the Senate that combines border enforcement with legalization of most undocumented immigrants. In the wake of the midterm elections, "demagoguery was soundly defeated," says La Raza's Muñoz. "But we have no illusions about immigration becoming an easy debate." Voters like Barbosa in Illinois will be watching closely—and may well cast their vote accordingly come 2008.

Generation Y Takes A Whirl With The Left (USNEWS)

By Will Sullivan

U.S. News and World Report, November 27, 2006

Will Selph's family has known defeated Montana Sen. Conrad Burns for years, and Selph, a University of Montana sophomore and chair of the state's college Republicans, did everything he could to turn out the vote for the senator. Selph supported Burns's stands on national security and gay marriage, and he calls Burns "youthful" and "spry"-never mind his age, which is 71. The way Selph sees it, Burns shouldn't have been a difficult sell for younger voters.

But to hear Bryce Bennett, a senior and chair of the state's college Democrats, describe him, Conrad Burns might as well have been Mr. Burns, the scheming, century-old billionaire from the television show The Simpsons. Burns's votes to cut student loans angered Bennett, who has also seen a friend come home injured from Iraq and worries about getting health insurance after he graduates.

Judging from the recent election, there may be a lot more young people like Bennett than like Selph. In surveys and exit polls, generation Y is increasingly turning left. And with voters' earliest choices thought to be key to their future party identification, the GOP could be running out of chances to win back a generation.

Young people aren't just voting more Democratic; they're voting more in general. Over 2 million more people ages 18 to 29 voted in this election than in 2002, and their 24 percent turnout was the highest for a midterm election since 1994. Much of this turnout increase and the greater support for Democrats can be traced to the war in Iraq, but that doesn't mean either trend will disappear once the war is over, since early voting is a strong predictor of future behavior.

Leading indicators. Republicans "are looking down the barrel of a long gun because this is a demographic that will be around for a long time," says Democratic pollster Celinda Lake, who conducted an analysis of exit polls with Republican Ed Goeas. The polls show voters ages 18 to 30 favored Democrats by 50 percent to 35 percent in House races. Young voters' top concerns-including Iraq, the cost of college, and healthcare-bode well for Democrats, while issues that tend to favor Republicans, including moral values, taxes, and terrorism, scored low. Other studies tell a similar story. Results from a survey of incoming college freshmen, conducted annually by the University of California-Los Angeles and compiled last week, shows falling support for military spending and growing acceptance of homosexuality and abortion, a reversal from the conservatism seen in the years following 9/11.

But Democrats shouldn't breathe easy, says Curtis Gans, a voter participation expert at American University, who says the 2006 election signaled anger at the GOP more than long-term allegiance to the Democrats. "It really depends on what the Democrats do and whether the Republicans change," he says. To secure the youth vote, Democrats have plans to lower interest rates on student loans and restore funding for Pell grants. Democratic National Committee Chairman Howard Dean suggested the party might push for universal healthcare for all citizens younger than 25.

Boone Does D.C., Don Quixote Style (USNEWS)

U.S. News and World Report, November 27, 2006

Teen-idol-cum-aging-crooner Pat Boone comes to Washington this week for his first address to a group he has long helped fund: the conservative Heritage Foundation. Boone says it will be a welcome change of venue from his home base in Beverly Hills, where, he says, "I feel like a Don Quixote tilting at windmills." The windmills? Hollywood's entertainment studios. "They've force-fed rap music to kids," he says, "selling them the idea that if you want to be a recording artist, you have to have been to prison, worked as a pimp, and have been shot at." Boone just finished an album of R&B duets with the likes of James Brown and Smokey Robinson, but he says he steered clear of political talk during those recording sessions: "Many people say to me, 'I believe everything you say, Boone.' But the entertainment industry is overwhelmingly liberal; most artists just go with the flow."

At Heritage, Boone will talk up his memoir, Pat Boone's America: 50 years. Then the man who once battled Elvis for chart space is off to Congress to lobby for a flag-desecration ban and higher obscenity fines and check on pals like outgoing Majority

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Leader Bill Frist and Utah Sen. Orrin Hatch. Boone is hunting for new beltway buddies, too, trying to land a face-to-face with Karl Rove, who recently sent him a thank-you note for releasing a multimedia package called For My Country: Ballad of the National Guard.

Brownback Hints At '08 Presidential Bid (WT)

By Eric Pfeiffer

The Washington Times, November 27, 2006

Sen. Sam Brownback of Kansas strongly hinted yesterday that he would run for president in 2008, saying the Republican field was open for a "full-scale conservative" and that he would make an official announcement soon.

During an appearance on ABC's "This Week," the Republican outlined what he called a "compassionate conservative" agenda, including a willingness to open diplomatic ties with Iran and Syria.

"I think there is room, on the Republican side, for somebody that's a full-scale conservative, that's an economic and fiscal and social conservative," Mr. Brownback said. "I think there's room on our side, and need on our side, to develop some new plays, particularly on the compassionate conservative agenda. So we'll be making some announcements, soon, about that."

Moderator George Stephanopoulos joked that Mr. Brownback already seemed intent on running.

"Well, I can tell from that smile that 'you're in,' " Mr. Stephanopoulos said. "That's not very coy at all."

Mr. Brownback replied: "We'll see."

While declining to endorse a timetable for withdrawal, Mr. Brownback implied that Republican electoral hopes will hinge on a substantial change of fortunes in Iraq in the next two years. He added that Iran and Syria, two nations listed as supporters of terrorism by the United States, should be included in the process.

"We cannot face the public again in 2008 with the current situation still in hand for the United States," he said. "We may have had problems or difficulties on issues in the past, but we've got to start dealing with the new realities that are here on the ground and bring everybody, including, if we can, the Iranians and Syrians, together in some sort of discussion how we deal with all of these issues in a political, a political framework."

In contrast to other Republicans seeking to cultivate the conservative base for a 2008 run, Mr. Brownback attempted a more bipartisan tone while stressing his support for conservative judges such as Supreme Court Justice Samuel A. Alito Jr.

Mr. Brownback also announced that he and Sen. Barack Obama, Illinois Democrat, plan to attend a conference by well-known pastor Rick Warren. Mr. Obama also is considering a 2008 presidential campaign.

"That brings together the left and the right to discuss issues of poverty in Africa and global health care issues," Mr. Brownback said. "One of the things I'm going to do is to take an AIDS test to show to people that we should be doing that particularly, if you're in particular areas that may have had the exposure."

In addition to taking an AIDS test, Mr. Brownback also plans to spend a night in jail to highlight what he calls a need for prison reform.

"This is an issue that I've dealt with for some period of time. Right now in America, if you go to prison, two-thirds of the individuals that go in once will be in a second or more times," he said. "We really need to reduce that recidivism rate, so I've been trying to highlight alternatives, particularly faith-based prisons that have got that recidivism rate down below 10 percent."

Can A Mormon Be President? (TIME)

By Mike Allen

Time, November 27, 2006

A mormon church official and a public relations executive shuttled recently from the Fox News Washington bureau to the Washington Post to the online political digest the Hotline. The two were engaging in a little pre-emptive rearguard action, gearing up for the impending Republican presidential campaign of Massachusetts Governor (Willard) Mitt Romney, 59, whose family has long been part of the church's Ã©lite.

Like other minorities--ethnic or religious--Mormons are proud of those among them who make it big. When Steve Young, a descendant of church leader Brigham Young and a quarterback for the San Francisco 49ers, was taking snaps on Monday Night Football in the 1990s, his fellow Mormons took to calling Family Home Evening, their weekly togetherness meeting, Family Home Halftime instead.

But church officials are wary of the impact Romney's candidacy could have on them--and on the portrayal of their faith. Yes, his campaign will bring attention and credibility to the Church of Jesus Christ of Latter-day Saints (LDS), as the Mormons are formally known, and give them a chance to demystify their theology and customs. But church officials also calculate that Romney's bid to succeed George W. Bush could remind some mainstream Christians just how different Mormonism is from their

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faith and perhaps expose their flock to more of the sort of discrimination that drove their founders west by handcart and covered wagon into the Great Salt Lake Valley.

Although Mormons are known for family centeredness, hard work and clean living, many Americans remain suspicious of them, maybe because so many aspects of their faith remain mysterious. A poll conducted in June by the Los Angeles Times and Bloomberg found that 35% of registered voters said they would not consider voting for a Mormon for President. Only Islam would be a more damaging faith for a candidate, the poll found. That's why Michael Otterson, a Mormon convert who is now the church's director of media relations, was calling on political reporters when he visited Washington from Utah in October. He wants them to know that in its 176-year history, the church has never endorsed a presidential candidate and that much of the folklore surrounding its beliefs just isn't true. "The message in a nutshell is, Remember that we're politically neutral as an institution," he says. "The church is about preaching the gospel of Jesus Christ. Anything else is a distraction." Otterson says he has a "no dumb questions" policy and urges journalists to call his cell phone, day or night.

The church used a similar strategy successfully when Romney, who became wealthy building a venture-capital firm in Boston, was brought in as president of the Salt Lake Organizing Committee when it needed to rescue the 2002 Winter Olympics from a bribery scandal. Some critics wondered if the games would become the "Molympics," and Otterson says he met with a stream of sports reporters to try to "put some of the myths to rest--polygamy being the most enduring."

That task is never done. Even though the church has not allowed members to have multiple wives since 1890, that's not how it comes across on TV, in books or even in the courts. The popular HBO series Big Love shows a Utah family trying to "live the principle" of plural marriage; at the end of every episode, the network's defensive disclaimer informs the audience that the Mormon church, in fact, rejects polygamy. Similarly, the nonfiction best seller Under the Banner of Heaven by Jon Krakauer chronicles shocking murders within a Mormon splinter group, though it was probably lost on many readers that the sect has no connection to the church. More recently, the 50-year-old leader of the Fundamentalist Church of Jesus Christ of Latter-day Saints, a sect that has been disavowed by the LDS, has been on trial on two first-degree felony counts of rape. He is accused of helping arrange the marriage of a 14-year-old girl and her 19-year-old cousin in 2001.

Even if the church succeeds in its public relations offensive, Romney still has some explaining of his own to do, particularly to the Republican evangelical base, which now makes up nearly a third of the party's electorate and can wield huge power in primary states, most notably South Carolina. That's because some Evangelicals hold the view that Mormonism is not a Christian faith. Because Mormons acknowledge works of Scripture that are not in the Bible, believe that their prophets have received revelations directly from God and teach that God has a physical body, Evangelicals consider them heretics. The Southern Baptist Convention lists the LDS church under Cults and Sects, along with Scientology. In late October, Romney and his wife Ann, balancing lunch trays on their laps in the den of their Belmont, Mass., home, met with about 15 evangelical leaders from as far away as Alaska, including Jerry Falwell, Franklin Graham and Southern Baptist leader Richard Land. The three-hour meeting was set up by Mark DeMoss, a p.r. consultant who specializes in Evangelicals. Charles Colson, the former Nixon official and convicted Watergate conspirator who founded a prison ministry and now hosts a popular evangelical radio show, told TIME that Romney's faith should not disqualify him. "You wouldn't vote for a man just because he is a Christian, nor would you vote against a man just because he was a Mormon," Colson says.

Still, when it comes to managing the message about Romney's relationship with his church, his team has already shown vulnerability. The Boston Globe reported in October that Jeffrey R. Holland, one of the church's 12 apostles, had discussed the campaign at church headquarters with one of Romney's sons as well as with a key Romney donor and a paid consultant to his political action committee. The church says it was just a courtesy call, one of many such meetings Holland holds. But the Globe also described e-mails from two administrators of the business school at Brigham Young University, the Mormon school that is Romney's alma mater, who used office computers to solicit support for the campaign. The two were told by B.Y.U.'s counsel to knock it off, although Romney later said it made sense to raise money from people he knows, including alumni.

Senate Democratic leader Harry Reid rarely gets questions about his Mormonism, and Romney has tried deflect them by focusing on the broad principles of his faith, as well as family values and traditional marriage. A writer for the Atlantic Monthly asked Romney last year if he wears Temple Garments--white underclothing, with the "Marks of the Holy Priesthood" sewn in, donned with reverence by the most faithful Mormons. "I'll just say those sorts of things I'll keep private," he sensibly replied. Will that dodge work for other theological questions? Calling himself "a religious person," Romney in June used the Charlie Rose Show on PBS to test-drive an answer that keeps him from getting into the nitty-gritty of his religious heritage. "I believe that Jesus Christ is my savior," he said. "But then as you get into the details of doctrines, I'd probably say, 'Look, time out. Let's focus on the values that we share.'" That kind of high-mindedness proved effective during Romney's unsuccessful challenge to Senator Edward Kennedy in 1994 after Kennedy tried to make an issue of the Mormon's attitude toward blacks and women. Romney said he was not running "to be a spokesman for my church," and Kennedy backed off.

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Romney advisers are debating whether he will need to give a big speech in the tradition of John F. Kennedy, who told Protestant church leaders in Houston 46 years ago that he was "not the Catholic candidate for President" but instead was "the Democratic Party's candidate for President, who happens also to be Catholic." After the G.O.P.'s defeat in the midterms, that may be a speech Republicans are prepared to hear. A big tent, even one stretching all the way to Salt Lake City, could be what gets them back into power in Washington two years from now.

Obama Talks With Top Advisers In Iowa (DMR)

By Thomas Beaumont

Des Moines Register, November 27, 2006

Democrat Barack Obama has sought the advice of top campaign workers in Iowa and has established a seedling support network in this state as he prepares to decide whether to seek the 2008 presidential nomination.

The first-term Illinois senator has surrounded himself with advisers rich in experience in Iowa, the leadoff caucus state.

Obama has vaulted to the top tier among prospective candidates for the Democratic Party's nomination, even as the new star in the party says he has not made up his mind about running.

The Iowa connections of Obama's campaign advisers and the senator's behind-the-scenes inquiry into the Iowa caucuses are hardly an announcement that he is running for president. But they show he is visualizing the presidential campaign process, in the event he decides to run.

Obama said last month he was considering a campaign for president, as enthusiastic crowds turned out for his political appearances on behalf of other candidates and as he traveled the country promoting his best-selling book.

Shortly after the Nov. 7 election, Obama telephoned John Norris, the Des Moines Democrat who ran John Kerry's winning campaign in the 2004 Iowa caucuses.

"He basically called to talk about the lay of the land in Iowa," said Norris, who described Obama's inquiries as "earnest" and reflecting genuine uncertainty about his future.

Iowa's presidential precinct caucuses are scheduled as the first nominating event of the 2008 campaign. Several Democrats have already expressed interest in competing in Iowa, although only Gov. Tom Vilsack has declared his candidacy for the nomination.

Vilsack, who filed papers forming a campaign organization on Nov. 9, plans a public kickoff of his campaign this week, with events in Mount Pleasant, which he calls home, and in New Hampshire, Pennsylvania, Nevada and South Carolina.

Besides Vilsack, the Democrats who have spent the most time courting the party's activists in Iowa include Indiana Sen. Evan Bayh, Delaware Sen. Joe Biden, former North Carolina Sen. John Edwards and Kerry, a Massachusetts senator.

New York Sen. Hillary Clinton is believed to be weighing a campaign for the Democratic nomination.

However, she has steered clear of Iowa since the 2004 presidential election while she has campaigned for re-election in New York.

Clinton was re-elected handily this month, but she had not begun reaching out to Iowa activists as of last week.

Norris told Obama during their recent telephone conversation that the 2008 Iowa campaign would be lively and that Vilsack's presence in the race likely would not deter participation.

"I said I think it's obvious other candidates are going to compete," Norris said. "Other people are getting in, and Iowa will be a factor. The outcome will be a factor."

Obama did not ask if Norris would be willing to advise him, should he decide to run.

Obama's three trips to Iowa since his election to the Senate in 2004 came this fall, beginning with his appearance at U.S. Sen. Tom Harkin's annual steak fry in mid-September.

That event brought thousands of Iowa Democrats and dozens of journalists from Chicago and around the nation to Indianola, where the steak fry was held.

Obama spent little time during the visit, or the two subsequent stops this fall, meeting privately with party leaders.

Des Moines Democrat George Appleby saw Obama at Harkin's event and noted the appeal he seemed to have with the crowd of 3,000 at the Warren County fairgrounds.

Appleby had been helping former Virginia Gov. Mark Warner make the rounds in Iowa.

After Warner decided in October that he would not run for president, Appleby got in touch with Obama's people.

"I have talked with the Obama people, and I have agreed to do some initial stuff for him, pending his making the decision to go or not to go," Appleby said.

"They tell me he will make a decision within a couple of weeks."

Since acknowledging interest in the 2008 race, Obama's name has shot to the second spot, behind Clinton, on most national preference polls for the Democratic nomination.

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Iowa City Democrat Dick Myers, the former minority leader in the Iowa House, has also agreed to serve as a caucus contact for Obama, should he decide to run, aides said.

Obama also would have campaign workers at his disposal with institutional knowledge of Iowa politics.

Acting as a key contact for Obama in Iowa is Steve Hildebrand, a longtime aide to former South Dakota Sen. Tom Daschle. Hildebrand ran Al Gore's campaign for the 2000 Iowa caucuses.

Also part of Obama's team is David Axelrod, a Chicago-based media consultant who produced Vilsack's ads during his 1998 and 2002 gubernatorial campaigns.

Axelrod also produced ads for Edwards, including for his 2004 Iowa caucus campaign.

Longtime Democratic pollster Paul Harsted, who has worked for Harkin and Vilsack, is also signed on with Obama.

The group of advisers suggests that Obama could mount a credible Iowa caucus campaign, said his spokesman, Robert Gibbs, who was Kerry's national spokesman for a time during the 2004 presidential campaign.

"Obviously, should he choose to run, he'll have a team that's very talented with good knowledge of the state," Gibbs said.

Officer In Bush Motorcade Accident Dies (AP-Y)

By Tara Godvin

AP, November 27, 2006

A motorcycle officer injured last week while escorting President Bush in the islands died Sunday, police said.

Steve Favela, 30, and two other officers crashed their cycles as the presidential motorcade was traveling across Hickam Air Force Base to meet troops for breakfast early Tuesday. The other officers were treated at The Queen's Medical Center and released.

Favela, an eight-year veteran of the Honolulu Police Department and father of four, had suffered internal injuries and had been in critical condition at the medical center.

Bush said in a statement that he and the first lady were "deeply saddened" by the death, and sent their condolences.

"Officer Favela risked his life every day to protect the people of his community," Bush said in the statement. "In this time of great sadness, we give thanks for his life of service."

Police Capt. Frank Fujii said police officers across the state would place black bands across their badges in honor of Favela.

"When I received the phone call that Steve had passed away, quite frankly my heart just sank to the guts of my stomach," Fujii said.

Light rain had been falling on the partly cloudy morning of the crash, and some roads on the base were slick.

Members of the White House medical team — including an ambulance — were cut loose from the motorcade to help. Local ambulance and fire units also responded.

Bush had spent the night on the base on his way back from a trip to Indonesia and Vietnam.

In a separate incident, a fourth solo motorcycle officer crashed and injured his wrist when attempting a U-turn on loose gravel while escorting the president on Monday night. He was also treated and released.

Also during the president's 16-hour stopover, a White House staff member was hospitalized early Tuesday after being mugged by three assailants near Waikiki Beach.

Merger Of Wall Street Groups Creates A Lobbying Powerhouse (WP)

By Jeffrey H. Birnbaum

The Washington Post, November 27, 2006

The organization's acronym, SIFMA, sounds like a terrible skin condition.

But the group, created through the recent merger of associations that represent the sellers of stocks and bonds, is one of Washington's most powerful lobbies.

The Securities Industry and Financial Markets Association, with a budget of $80 million, is the main mouthpiece for the financial services industry, the biggest corporate player in national politics. Only organized labor donates more to candidates for federal offices.

When added together, SIFMA's political action committees gave more than $1 million during the 2006 election season, putting the organization in the top 25 of all PACs. Its combined $8.5 million in spending on federal lobbying last year placed it in the top 30.

The association will need all that and more. It's already at the center of some of the most heated, high-stakes battles on Capitol Hill. It has begun to question the regulatory requirements under the Sarbanes-Oxley Act and wants to extend the temporary, multibillion-dollar tax breaks for profits garnered from stocks and bonds.

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To take on such monumental tasks, SIFMA was designed to be large, though not quite as large as it is today. For example, it has two chief executives. (Not exactly the model of corporate efficiency.) The heads of the two groups that merged -- the Securities Industry Association and the Bond Market Association -- are now co-chief executives of the combined organization.

Marc Lackritz of the Securities Industry Association and Micah S. Green of Bond Market Association said in an interview that they are happy with the arrangement. And why wouldn't they be? Headhunters have been trying all year to recruit a "big name" from Wall Street or Capitol Hill to take over SIFMA but couldn't settle on one, industry insiders said. Among the early contenders was apparently soon-to-retire Rep. Michael G. Oxley (R-Ohio), chairman of the House Financial Services Committee.

Instead, SIFMA is sticking with Lackritz and Green, a duo that may not have much star power but who have worked together well for two decades. "We finish each other's sentences," Lackritz said.

Lackritz hired Green as a lobbyist in 1987 when Lackritz headed the Washington office of the Public Securities Association, a predecessor of the Bond Market Association. When Lackritz took over the Washington office of the Securities Industry Association in 1990, Green took his job at Public Securities.

Lackritz went on to become chief executive of the Securities Industry Association in 1992, and Green became chief executive of the Bond Market Association in 2001. Clearly there is a pattern here. No one would be surprised if Green, 49, is named SIFMA's sole chief executive when Lackritz, 60, retires.

Then again, keeping up with changing times is what the SIFMA merger is all about. Recent federal laws and market forces have all but erased the old distinctions between the companies that deal in stocks and those that deal in bonds. Lots of companies now sell both instruments thanks to serial consolidations on Wall Street. By the time SIFMA was created this year, 80 major companies, including Citigroup and Merrill Lynch, belonged to both the Securities Industry Association and the Bond Market Association.

That didn't make much economic sense, of course, so negotiations were initiated to blend the two organizations. Or to be more precise, to reblend them.

The Securities Industry Association was formed in 1972 after a merger between Investment Bankers Association of America and the Association of Stock Exchange Firms. The organization that later became the Bond Market Association split off from the Securities Industry Association four years later.

Lackritz and Green said talks about reuniting the two entities started as early as the 1980s. "You saw the process beginning to chip away at the distinctions between us," Green said.

Merger negotiations were reattempted in the late 1990s and again 3 1/2 years ago. They finally clicked this year. The main driver behind the effort, financial services denizens said, was Goldman Sachs, with an assist from fellow investment banking heavyweight Morgan Stanley. Both companies wanted to wield more influence over the groups and saw the combination as a way to make that happen.

Advocates for the merger wanted to increase their influence in Washington. They wanted to establish "a large, exciting and hopefully powerful organization," Green said. They also intend to save some dues money (by paying just one organization rather than two).

By all accounts, their ambition to accumulate more clout has begun to take hold. "The two of them have been very effective working together representing the securities industry, and I think they'll be even more effective now," said Edward L. Yingling, president of the American Bankers Association.

"By forming this new organization, this sector of the financial services industry will speak with a single, shared voice, and their influence in policymaking can only grow," agreed Robert S. Nichols, president of the Financial Services Forum, a group of 22 chief executives of the largest financial services companies.

The cost savings haven't happened yet. Lackritz and Green, who are both million-dollar executives, are keeping their jobs. They also have not yet shrunk the two staffs (which now total 250 people) or begun to consolidate office space. This will happen eventually, the chief executives said, and is a considerable source of stress for them and their employees. Trade reports indicate that the combined organization will produce savings of $14 million or more a year.

SIFMA has offices in Washington, New York, London and Hong Kong. Its members are more than 650 securities firms, banks and asset managers. And they have a lot of scratch. Last year, the securities industry raised a record $5.8 trillion of debt and equity capital in the United States and $11.4 trillion around the world.

Although stocks and bonds are very different instruments -- one tends to go up when the other goes down -- the companies that underwrite or sell them rarely diverge on matters of public policy. SIFMA's goals are to expand markets generally, to foster the development of new financial instruments and to cut costs for the industry, partly through regulatory relief.

None of that will be easy. But with a new high-octane lobby in Washington behind it, the industry clearly will have a better shot.

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"The merger simplifies things and simple is always better," said Steve Bartlett, chief executive of the Financial Services Roundtable, yet another of the dozen or so financial-services lobbying groups. "It presents an opportunity for the companies to develop stronger and more coherent policy positions and articulate them with one voice."Lobbyists' Holiday Cheer

It's that time of year again. Please e-mail examples of pro bono lobbying that you've done or that you know about for a special holiday column. Send examples early and often, and no later than mid-December, please. Thanks and cheers!

America The Charitable: A Few Surprises (CSM)

By Mark Trumbull

The Christian Science Monitor, November 27, 2006

Everybody knows Americans are big givers. But their charitable impulses keep generating surprises.

Consider just a few conclusions from recent research:

· Charitable giving plays an even larger role in the economy than is suggested by some $260 billion in annual contributions. Each dollar of giving appears to create $19 of extra national income, according to a book released this past weekend.

· Demand for nonprofit services gets proportionately bigger, not smaller, as a locality's income rises, a Federal Reserve economist finds.

· The philanthropy of the wealthy may not hinge on tax incentives to the degree many believe. In one new survey, a majority of wealthy givers say they would contribute the same amount if the estate tax were abolished. Ditto, they said, if they could no longer deduct the value of gifts from their taxable income.

These disparate studies are shedding light not just on who gives but also on why they give and what their actions mean to society. Often, the conclusions run counter to expectations.

"This is supposed to be the start of a conversation. It's the first word, not the last word," says Arthur Brooks, referring to his new book on charity, called "Who Really Cares." "We need more people thinking about [the study of charitable giving] in a serious way."

He and other experts say that by understanding charity better, Americans can learn how to encourage more giving. The result would probably be a healthier and wealthier society.

Of course, it's not as if American philanthropy has never been studied before. A number of institutions track the nonprofit sector full-time in one way or another. But the data on charity-linked activities are far less complete - and less systematically analyzed - than for areas such as government and private industry.

One thing that's long been known: The US leads the world in levels of charitable activity. The pattern runs from the rich, steeped in long tradition of philanthropy, to the poor. Those making $20,000 or less a year give away more, as a share of their income, than do higher income groups.

Americans donate their time as well as money - some $150 billion worth annually (measured by using an estimated average value of $18.04 per hour).

"I see a great commitment," says Karen Rivers, who recruits helpers for the Colorado branch of Volunteers of America in Denver. "We just were inundated with people who wanted to volunteer for Thanksgiving Day."

She had to turn volunteers away as the group served holiday meals to about 3,000 homeless and others in need.

Some experts see charity as a defining trait of the US, more than consumerism or business. But those forces may be intertwined.

For one thing, many nonprofits are selling services - from healthcare to classical music - in a marketplace alongside for-profit rivals. By many measures, they are successful.

For example: As personal incomes rise in a given county, the income of nonprofits seems to rise even faster, says Rob Grunewald, an associate economist at the Federal Reserve Bank of Minneapolis, who has analyzed counties in 47 states. This suggests that not-for-profit activities are what economists call a "superior good," something people want to buy more of (or donate more to) as their incomes rise.

But ties between charitable ventures and the economy hardly end there.

In his new book, Dr. Brooks points to evidence that charity is no mere peripheral activity. It pays off for society in ways that may transcend the rates of return on many traditional investments. Why?

It's not just that charity helps those on the receiving end, says Brooks, an economist at Syracuse University in New York. It also strengthens the cohesion of society at large. Moreover, it appears to make the givers themselves more successful, possibly because the activity transforms them somewhat into better or happier people. Whatever the reasons, he finds that higher income tends to push up charity - and that greater charity tends to push up income.

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Another provocative conclusion is that conservatives are better givers than liberals - a theme that is likely to draw close scrutiny. This pattern is less about politics, he says, than about charity-linked lifestyles that are most common to people who call themselves conservatives: religious commitment, marriage and children, and entrepreneurship.

Still, Brooks's main point is that more Americans, regardless of ideology, should embrace giving as a tool for progress. He quotes Proverbs: "One man gives freely, yet gains even more; another withholds unduly, but comes to poverty."

Many who do charitable work can relate to that. Pier Penic works in public relations, but her passion is what she does for free as the founder of Culture at Home, a support group near Washington, D.C., for mothers who are home-schooling their kids. "I'm doing more here than I would at a corporate job," she says. "I love to see results."

Her story echoes some of the common forces that motivate people to give time or money to charity: First, she identifies with challenges facing home-school moms. In her case, the feeling is amplified because she herself is one of those moms. Second, she wants to make a difference. Third, she draws satisfaction from the effort to help.

These forces are among the core motivations that foster actions of generosity beyond the sphere of one's family circle, says Paul Schervish, who heads the Boston College Center on Wealth and Philanthropy. "There would still be a need for philanthropy, even if our economic needs were all taken care of."

The urge to make a difference, and to take satisfaction in it, outweighs monetary considerations. For example, a survey of 945 ultrarich individuals released last month by Bank of America and the Center on Philanthropy at Indiana University found that slightly more than half would give the same amount regardless of whether the estate tax or deductions for charitable giving were repealed.

None of this means that tax policy is trivial for charitable giving. But the survey suggests that Americans' penchant for giving isn't driven primarily by tax breaks.

Charitable Explanation (WSJ)

By Arthur C. Brooks

The Wall Street Journal, November 27, 2006

'Tis the season to give. Our mailboxes are filling with appeals from fine organizations and worthy causes, competing for our holiday spirit and tax-deductible dollars. Millions of Americans will answer the call, donating in December as much as a third of the quarter-trillion dollars we give away each year. Per capita, Americans give more in this single month than most nations give all year long.

Before congratulating ourselves too heartily, however, note that charity is not a virtue shared by all. While 85 million American households give away money each year to nonprofit organizations, another 30 million do not. And this distinction goes beyond "formal" giving. Recent survey data reveal that people who fail to donate money to charities are only a third as likely as donors to give money to friends and strangers. Non-donors are half as likely as donors to give blood. They even are less honest: Non-donors are much less likely than donors to return change mistakenly given to them by a cashier. When it comes to charity, we are two nations.

Why does Giving America behave so differently from Non-Giving America? The answer, contrary to what you might be thinking, is not income; America's working poor give away at least as large a percentage of their incomes as the rich, and a lot more than the middle class. The charity gap is driven not by economics but by values.

Nowhere is the divide in values more on display than in religion, the frontline in our so-called "culture war." And the relationship between religion and charity is nothing short of extraordinary. The Social Capital Community Benchmark Survey indicates that Americans who weekly attend a house of worship are 25 percentage points more likely to give than people who go to church rarely or never. These religious folks also give nearly four times more dollars per year than secularists, on average, and volunteer more than twice as frequently.

It is not the case that these enormous differences are due simply to religious people giving to their churches. Religious people are more charitable with all sorts of nonreligious causes as well. They are 10 percentage points likelier than secularists to give money to explicitly nonreligious charities like the United Way, and 25 points more likely to volunteer for secular groups such as the PTA. Churchgoers were far likelier in 2001 to give to 9/11-related causes. On average, people of faith give more than 50% more money each year to non-church social welfare organizations than secularists do.

A second core value affecting charity shows up in the belief citizens have about the government's role in their lives. Some Americans (about a third) believe the government should do more to reduce income differences between the rich and poor -- largely through higher taxation and social spending. Others (about 40%) do not favor greater forced income redistribution. This is a major difference in worldview -- not just about taxation, but also about the perceived duty of individuals to take personal responsibility for themselves and others. This difference affects people's likelihood of voluntarily giving to charity. The General

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Social Survey shows that people who oppose government income redistribution donate four times as much money each year as do redistribution supporters.

Note that the charity gap is not due to anything the government is actually doing; rather, to what people think the government should be doing -- in other words, nothing more than a political opinion. This fact throws a wrench into the traditional stereotype that conservatives in America are hardhearted while liberals are the compassionate ones. In the words of one common 2004 campaign yard sign in my town, "Bush Must Go! Human need, not corporate greed." However, the General Social Survey indicates that people who opine that government is "spending too little money on welfare" -- not a viewpoint typically associated with George W. Bush's supposedly venal supporters -- are less likely to give food or money to a homeless person than people who oppose greater welfare spending. Regardless of which view on welfare is superior, ask yourself this: Who will personally do more for a poor person today?

A third key value affecting charity is reflected in family life. Couples, even when they earn the same amount as single people, are more likely to give to charity, and the simple act of raising children appears to stimulate giving as well -- children help us fill the collection plate even as they drain our wallets. Further, family life is the ideal transmission mechanism for charitable values: Data show that people who see their parents behave charitably are far likelier to be charitable themselves as adults.

As you probably noticed, the values predicting private charity in America tend to smile on the political right. Conservatives are twice as likely as liberals to attend a house of worship regularly; conservatives are one third as likely as liberals to say the government should "do more" to reduce income inequality; conservatives also have about 40% more children than liberals. Furthermore, there is a fringe on today's political left that goes beyond simple neglect of charity, and openly condemns it, claiming it lets governments off the hook from having to pay for services. So while there may be nothing inherently charitable about political conservatism, today's conservatives do outperform liberals on most measures of private giving.

What does this mean in the wake of the Democratic takeover of Congress this month? Will the new Democratic majority look for ways to protect and expand private giving? Or will they allow cultural forces to manifest themselves in policies uncongenial to private giving -- such as punitive regulation on private foundations, expanded public subsidies to nonprofits that squeeze out charity, and various schemes that lower disposable income among major givers?

But an even greater moral test is personal, not political. Left or right, secular or religious, single or married, the cultural forces of giving and non-giving are not destiny for any of us. Private charity is a choice: a choice to express our values in a private and singularly humane way. This is worth remembering as we hold requests for charitable support in our hands this month -- and make the right choice.

Mr. Brooks, a professor at Syracuse University's Maxwell School of Public Affairs, is the author of "Who Really Cares: The Surprising Truth About Compassionate Conservatism," published this week by Basic Books.

Very Rich Are Leaving The Merely Rich Behind (NYT)

By Louis Uchitelle

The New York Times, November 27, 2006

A decade into the practice of medicine, still striving to become “a well regarded physician-scientist,” Robert H. Glassman concluded that he was not making enough money. So he answered an ad in the New England Journal of Medicine from a business consulting firm hiring doctors.

And today, after moving on to Wall Street as an adviser on medical investments, he is a multimillionaire.

Such routes to great wealth were just opening up to physicians when Dr. Glassman was in school, graduating from Harvard College in 1983 and Harvard Medical School four years later. Hoping to achieve breakthroughs in curing cancer, his specialty, he plunged into research, even dreaming of a Nobel Prize, until Wall Street reordered his life.

Just how far he had come from a doctor’s traditional upper-middle-class expectations struck home at the 20th reunion of his college class. By then he was working for Merrill Lynch and soon would become a managing director of health care investment banking.

“There were doctors at the reunion — very, very smart people,” Dr. Glassman recalled in a recent interview. “They went to the top programs, they remained true to their ethics and really had very pure goals. And then they went to the 20th-year reunion and saw that somebody else who was 10 times less smart was making much more money.”

The opportunity to become abundantly rich is a recent phenomenon not only in medicine, but in a growing number of other professions and occupations. In each case, the great majority still earn fairly uniform six-figure incomes, usually less than $400,000 a year, government data show. But starting in the 1990s, a significant number began to earn much more, creating a two-tier income stratum within such occupations.

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The divide has emerged as people like Dr. Glassman, who is 45, latched onto opportunities within their fields that offered significantly higher incomes. Some lawyers and bankers, for example, collect much larger fees than others in their fields for their work on business deals and cases.

Others have moved to different, higher-paying fields — from academia to Wall Street, for example — and a growing number of entrepreneurs have seen windfalls tied largely to expanding financial markets, which draw on capital from around the world. The latter phenomenon has allowed, say, the owner of a small mail-order business to sell his enterprise for tens of millions instead of the hundreds of thousands that such a sale might have brought 15 years ago.

Three decades ago, compensation among occupations differed far less than it does today. That growing difference is diverting people from some critical fields, experts say. The American Bar Foundation, a research group, has found in its surveys, for instance, that fewer law school graduates are going into public-interest law or government jobs and filling all the openings is becoming harder.

Something similar is happening in academia, where newly minted Ph.D.'s migrate from teaching or research to more lucrative fields. Similarly, many business school graduates shun careers as experts in, say, manufacturing or consumer products for much higher pay on Wall Street.

And in medicine, where some specialties now pay far more than others, young doctors often bypass the lower-paying fields. The Medical Group Management Association, for example, says the nation lacks enough doctors in family practice, where the median income last year was $161,000.

"The bigger the prize, the greater the effort that people are making to get it," said Edward N. Wolff, a New York University economist who studies income and wealth. "That effort is draining people away from more useful work."

What kind of work is most useful is a matter of opinion, of course, but there is no doubt that a new group of the very rich have risen today far above their merely affluent colleagues.

Turning to Philanthropy

One in every 825 households earned at least $2 million last year, nearly double the percentage in 1989, adjusted for inflation, Mr. Wolff found in an analysis of government data. When it comes to wealth, one in every 325 households had a net worth of $10 million or more in 2004, the latest year for which data is available, more than four times as many as in 1989.

As some have grown enormously rich, they are turning to philanthropy in a competition that is well beyond the means of their less wealthy peers. "The ones with $100 million are setting the standard for their own circles, but no longer for me," said Robert Frank, a Cornell University economist who described the early stages of the phenomenon in a 1995 book, "The Winner-Take-All Society," which he co-authored.

Fighting AIDS and poverty in Africa are favorite causes, and so is financing education, particularly at one's alma mater.

"It is astonishing how many gifts of $100 million have been made in the last year," said Inge Reichenbach, vice president for development at Yale University, which like other schools tracks the net worth of its alumni and assiduously pursues the richest among them.

Dr. Glassman hopes to enter this circle someday. At 35, he was making $150,000 in 1996 (about $190,000 in today's dollars) as a hematology-oncology specialist. That's when, recently married and with virtually no savings, he made the switch that brought him to management consulting.

He won't say just how much he earns now on Wall Street or his current net worth. But compensation experts, among them Johnson Associates, say the annual income of those in his position is easily in the seven figures and net worth often rises to more than $20 million.

"He is on his way," said Alan Johnson, managing director of the firm, speaking of people on career tracks similar to Dr. Glassman's. "He is destined to riches."

Indeed, doctors have become so interested in the business side of medicine that more than 40 medical schools have added, over the last 20 years, an optional fifth year of schooling for those who want to earn an M.B.A. degree as well as an M.D. Some go directly to Wall Street or into health care management without ever practicing medicine.

"It was not our goal to create masters of the universe," said James Aisner, a spokesman for Harvard Business School, whose joint program with the medical school started last year. "It was to train people to do useful work."

Dr. Glassman still makes hospital rounds two or three days a month, usually on free weekends. Treating patients, he said, is "a wonderful feeling." But he sees his present work as also a valuable aspect of medicine.

One of his tasks is to evaluate the numerous drugs that start-up companies, particularly in biotechnology, are developing. These companies often turn to firms like Merrill Lynch for an investment or to sponsor an initial public stock offering. Dr. Glassman is a critical gatekeeper in this process, evaluating, among other things, whether promising drugs live up to their claims.

What Dr. Glassman represents, along with other very rich people interviewed for this article, is the growing number of Americans who acknowledge that they have accumulated, or soon will, more than enough money to live comfortably, even

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luxuriously, and also enough so that their children, as adults, will then be free to pursue careers "they have a hunger for," as Dr. Glassman put it, "and not feel a need to do something just to pay the bills."

In an earlier Gilded Age, Andrew Carnegie argued that talented managers who accumulate great wealth were morally obligated to redistribute their wealth through philanthropy. The estate tax and the progressive income tax later took over most of that function — imposing tax rates of more than 70 percent as recently as 1980 on incomes above a certain level.

Now, with this marginal rate at half that much and the estate tax fading in importance, many of the new rich engage in the conspicuous consumption that their wealth allows. Others, while certainly not stinting on comfort, are embracing philanthropy as an alternative to a life of professional accomplishment.

Bill Gates and Warren Buffett are held up as models, certainly by Dr. Glassman. "They are going to make much greater contributions by having made money and then giving it away than most, almost all, scientists," he said, adding that he is drawn to philanthropy as a means of achieving a meaningful legacy.

"It has to be easier than the chance of becoming a Nobel Prize winner," he said, explaining his decision to give up research, "and I think that goes through the minds of highly educated, high performing individuals."

As Bush administration officials see it — and conservative economists often agree — philanthropy is a better means of redistributing the nation's wealth than higher taxes on the rich. They argue that higher marginal tax rates would discourage entrepreneurship and risk-taking. But some among the newly rich have misgivings.

Mark M. Zandi is one. He was a founder of Economy.com, a forecasting and data gathering service in West Chester, Pa. His net worth vaulted into eight figures with the company's sale last year to Moody's Investor Service.

"Our tax policies should be redesigned through the prism that wealth is being increasingly skewed," Mr. Zandi said, arguing that higher taxes on the rich could help restore a sense of fairness to the system and blunt a backlash from a middle class that feels increasingly squeezed by the costs of health care, higher education, and a secure retirement. The Federal Reserve's Survey of Consumer Finances, a principal government source of income and wealth data, does not single out the occupations and professions generating so much wealth today. But Forbes magazine offers a rough idea in its annual surveys of the richest Americans, those approaching and crossing the billion dollar mark.

Some routes are of long standing. Inheritance plays a role. So do the earnings of Wall Street investment bankers and the super incomes of sports stars and celebrities. All of these routes swell the ranks of the very rich, as they did in 1989.

But among new occupations, the winners include numerous partners in recently formed hedge funds and private equity firms that invest or acquire companies. Real estate developers and lawyers are more in evidence today among the very rich. So are dot-com entrepreneurs as well as scientists who start a company to market an invention or discovery, soon selling it for many millions. And from corporate America come many more chief executives than in the past.

Seventy-five percent of the chief executives in a sample of 100 publicly traded companies had a net worth in 2004 of more than $25 million mainly from stock and options in the companies they ran, according to a study by Carola Frydman, a finance professor at the Massachusetts Institute of Technology's Sloan School of Management. That was up from 31 percent for the same sample in 1989, adjusted for inflation.

Chief executives were not alone among corporate executives in rising to great wealth. There were similar or even greater increases in the percentage of lower-ranking executives — presidents, executive vice presidents, chief financial officers — also advancing into the $25 million-plus category.

The growing use of options as a form of pay helps to explain the sharp rise in the number of very wealthy households. But so does the gradual dismantling of the progressive income tax, Ms. Frydman concluded in a recent study.

"Our simulation results suggest that, had taxes been at their low 2000 level throughout the past 60 years, chief executive compensation would have been 35 percent higher during the 1950s and 1960s," she wrote.

Trying Not to Live Ostentatiously

Finally, the owners of a variety of ordinary businesses — a small chain of coffee shops or temporary help agencies, for example — manage to expand these family operations with the help of venture capital and private equity firms, eventually selling them or taking them public in a marketplace that rewards them with huge sums.

John J. Moon, a managing director of Metalmark Capital, a private equity firm, explains how this process works.

"Let's say we buy a small pizza parlor chain from an entrepreneur for $10 million," said Mr. Moon, who at 39, is already among the very rich. "We make it more efficient, we build it from 10 stores to 100 and we sell it to Domino's for $50 million."

As a result, not only the entrepreneur gets rich; so do Mr. Moon and his colleagues, who make money from putting together such deals and from managing the money they raise from wealthy investors who provide much of the capital.

By his own account, Mr. Moon, like Dr. Glassman, came reluctantly to the accumulation of wealth. Having earned a Ph.D. in business economics from Harvard in 1994, he set out to be a professor of finance, landing a job at Dartmouth's Tuck Graduate School of Business, with a starting salary in the low six figures.

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To this day, teaching tugs at Mr. Moon, whose parents immigrated to the United States from South Korea. He steals enough time from Metalmark Capital to teach one course in finance each semester at Columbia University's business school. "If Wall Street was not there as an alternative," Mr. Moon said, "I would have gone into academia."

Academia, of course, turned out to be no match for the job offers that came Mr. Moon's way from several Wall Street firms. He joined Goldman Sachs, moved on to Morgan Stanley's private equity operation in 1998 and stayed on when the unit separated from Morgan Stanley in 2004 and became Metalmark Capital.

As his income and net worth grew, the Harvard alumni association made contact and he started to give money, not just to Harvard, but to various causes. His growing charitable activities have brought him a leadership role in Harvard alumni activities, including a seat on the graduate school alumni council.

Still, Mr. Moon tries to live unostentatiously. "The trick is not to want more as your income and wealth grow," he said. "You fly coach and then you fly first class and then it is fractional ownership of a jet and then owning a jet. I still struggle with first class. My partners make fun of me."

His reluctance to show his wealth has a basis in his religion. "My wife and I are committed Presbyterians," he said. "I would like to think that my faith informs my career decisions even more than financial considerations. That is not always easy because money is not unimportant."

It has a momentum of its own. Mr. Moon and his wife, Hee-Jung, who gave up law to raise their two sons, are renovating a newly purchased Park Avenue co-op. "On an absolute scale it is lavish," he said, "but on a relative scale, relative to my peers, it is small."

Behavior is gradually changing in the Glassman household, too. Not that the doctor and his wife, Denise, 41, seem to crave change. Nothing in his off-the-rack suits, or the cafes and nondescript restaurants that he prefers for interviews, or the family's comparatively modest four-bedroom home in suburban Short Hills, N.J., or their two cars (an Acura S.U.V. and a Honda Accord) suggests that wealth has altered the way the family lives.

But it is opening up "choices," as Mrs. Glassman put it. They enjoy annual ski vacations in Utah now. The Glassmans are shopping for a larger house — not as large as the family could afford, Mrs. Glassman said, but large enough to accommodate a wood-paneled study where her husband could put all his books and his diplomas and "feel that it is his own." Right now, a glassed-in porch, without book shelves, serves as a workplace for both of them.

Starting out, Dr. Glassman's $150,000 a year was a bit less than that of his wife, then a marketing executive with an M.B.A. from Northwestern. Their plan was for her to stop working once they had children. To build up their income, she encouraged him to set up or join a medical practice to treat patients. Dr. Glassman initially balked, but he was coming to realize that his devotion to research would not necessarily deliver a big scientific payoff.

"I wasn't sure that I was willing to take the risk of spending many years applying for grants and working long hours for the very slim chance of winning at the roulette table and making a significant contribution to the scientific literature," he said.

In this mood, he was drawn to the ad that McKinsey & Company, the giant consulting firm, had placed in the New England Journal of Medicine. McKinsey was increasingly working among biomedical and pharmaceutical companies and it needed more physicians on staff as consultants. Dr. Glassman, absorbed in the world of medicine, did not know what McKinsey was. His wife enlightened him. "The way she explained it, McKinsey was like a Massachusetts General Hospital for M.B.A.'s," he said. "It was really prestigious, which I liked, and I heard that it was very intellectually charged."

He soon joined as a consultant, earning a starting salary that was roughly the same as he was earning as a researcher — and soon $100,000 more. He stayed four years, traveling constantly and during that time the family made the move to Short Hills from rented quarters in Manhattan.

Dr. Glassman migrated to Merrill Lynch in 2001, first in private equity, which he found to be more at the forefront of innovation than consulting at McKinsey, and then gradually to investment banking, going full time there in 2004.

Linking Security to Income

Casey McCullar hopes to follow a similar circuit. Now 29, he joined the Marconi Corporation, a big telecommunications company, in 1999 right out of the University of Texas in Dallas, his hometown. Over the next six years he worked up to project manager at $42,000 a year, becoming quite skilled in electronic mapmaking.

A trip to India for his company introduced him to the wonders of outsourcing and the money he might make as an entrepreneur facilitating the process. As a first step, he applied to the Tuck business school at Dartmouth, got in and quit his Texas job, despite his mother's concern that he was giving up future promotions and very good health insurance, particularly Marconi's dental plan.

His life at Tuck soon sent him in still another direction. When he graduates next June he will probably go to work for Mercer Management Consulting, he says. Mercer recruited him at a starting salary of $150,000, including bonus. "If you had told me a couple of years ago that I would be making three times my Marconi salary, I would not have believed you," Mr. McCullar said.

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Nearly 70 percent of Tuck's graduates go directly to consulting firms or Wall Street investment houses. He may pursue finance later, Mr. McCullar says, always keeping in mind an entrepreneurial venture that could really leverage his talent.

"When my mom talks of Marconi's dental plan and a safe retirement," he said, "she really means lifestyle security based on job security."

But "for my generation," Mr. McCullar said, "lifestyle security comes from financial independence. I'm doing what I want to do and it just so happens that is where the money is."

Separate Truths (WP)

By Theresa Vargas

The Washington Post, November 27, 2006

For two women, so much comes down to this: a fragment of bone and the lick of a love letter.

Military scientists recently compared the bone recovered in a North Vietnamese jungle where an Air Force pilot's plane went down 40 years ago to saliva on letters he had sent his wife. It was a DNA match, they announced. At last, they said, the remains of Col. Charles J. Scharf had been found.

What they couldn't have known, however, was how differently that announcement would affect two women he left behind.

His widow, Patricia Scharf, 72, of Northern Virginia, has never remarried, has never had children and still considers the Vietnam War officer the love of her life. For her, the announcement was the gentle rub across the shoulder she had waited four decades to feel, one that let her know it was all right to let go.

For Barbara Scharf Lowerison, 72, his sister in California, the announcement was a slap. It meant she was losing -- if she had not already lost -- her fight to convince officials that her brother is alive, a prisoner of war.

The remains of more than 1,300 lost U.S. service members have been identified over the years, with 850 of those from the Vietnam War alone, according to military officials. Usually when remains are identified, relatives emotionally embrace the finding, said Larry Greer of the Department of Defense POW/Missing Personnel Office. And among the few who reject it, most eventually come around "because the science is so overwhelming," he said.

"One of the things it does do for all of us, and we hope for the families, is it helps write the closing chapters of this story that has been painfully open for 40 or 60 years," Greer said.

If that is true, then the story of Charles Scharf, it seems, has two endings.'What Kept You?'

Patricia Scharf wears the same shade of vibrant red lipstick as in the photos of her youth. After "Chuck" didn't come home with the rest of the POWs, she spent years fantasizing about how he might swoop back into her life.

"If he was to walk in that door right now, I could love him like when I was young," Scharf said. "And I'd say, 'What kept you so long?' "

But the proof that he is gone, really gone, lay across her Falls Church dining room table one recent night, separated into small plastic bags labeled with black marker.

There was the burnt, tattered wallet he was carrying the day his plane was shot down in October 1965. A singed identification card, with his name decipherable, was inside. There were his dog tags. His silver captain's bars. (He was promoted posthumously to colonel.) The torn, worn scapular, or cloth religious pendant, he received on their wedding day. Scharf has an identical one.

"Nobody has that. What other pilot has that? That is ours. That is ours," she said.

The items, officials said, were found during several excavations of the crash site.

"Now I'm convinced," Scharf said. "I really am."

They met when she was 16 and married two years later. They had 13 years together before he left for war. She remembers standing among the other Air Force wives on a runway in Florida the day the men flew away. She waved a scarf so Chuck would see her, and he saluted back. A pilot's pregnant wife stood next to her, crying.

"She was saying she knew she wasn't going to see her husband again," Scharf said. "I said: 'Yes we are. We're going to meet them with champagne when they come back.'

"Well," she started, then stopped.

"It was a beautiful life," she said. "It had glory in it. It had strength in it. It had romance in it."

The love letters he sent, about 75 over three months, are addressed to "Mrs. Charles Scharf" outside and to "darling" and "sweetheart" inside. In one, he talks about the family they would start when he returned. They had lost a baby, a girl, at birth.

If she had lived, she would have been almost 50 today, Scharf said. "I would have been a grandma."

After her husband disappeared, Scharf said, she had to learn to take care of herself. She sells jewelry in the Pentagon, and the people there are her family, she said. But when she comes home, she is alone. She talks about her life with Chuck separately from her life without him.

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She said that, unlike his sister, she had to let him go.

"I was the wife. It was our life. It was us who lived together. She still has a family. She has everybody there," she said of his sister.

Scharf first held a memorial for her husband in 1978, when the Air Force technically declared him dead. It was a memorial with an empty box. When she buries him Thursday at Arlington National Cemetery, the coffin will carry the bone fragment and a uniform, complete with badges and medals, as if he were wearing it. She also will place the items from the crash site and the love letters in the coffin.

She plans to be buried there with him eventually.

"I now know where I'll be," she said.'Not My Brother'

Barbara Scharf Lowerison would stop the funeral if she could. And she certainly won't be there for it, she said.

"I don't know what they are burying," she said. "That is not my brother."

Charles Scharf was older by a year-and-a-half, and he was her protector before he was his wife's.

"I'll never forget when I had my first baby. I was 18 years old, and he wanted to take over," she said, laughing. "We had a brother-and-sister rivalry at times, but there was nothing I wouldn't do for him."

About 25 boxes sit in her Hemet, Calif., home filled with letters, witness statements and scientific reports. She thinks he survived the crash, and if he isn't alive, he was until this year. For four decades, she fought to bring him home.

"I think I've been a pain in a neck to everybody. But that's okay. I'm fighting for my brother," she said.

Before he disappeared, Lowerison was a housewife raising five boys and had no involvement in politics.

Since then, she has established sources in Vietnam and Russia whom she has asked for help. She has lobbied presidents from Richard M. Nixon on, giving each a POW bracelet with her brother's name. And for every piece of evidence Pentagon officials have put forth to prove they found Scharf, she has fired back questions:

Why were the items at the excavation site not burned beyond recognition like the bodies?

Why did he have anything on him when most Air Force officers had to store personal effects in a locker before a mission?

Why was the bone fragment not good enough to establish a match with the blood sample she gave in 1992 but now can be matched with the letters?

"No one is telling the truth in this story," she said. "That's the bottom line. No one is telling the truth."

Her proof, she said, includes statements from a former POW who was in her brother's squadron. He told her that he saw photographs of Scharf after the crash. There is also a propaganda film in which a man can be seen for only seconds but walks exactly like her brother, she said.

"I used to say he swiveled when he walked," Lowerison said. "He had a little bit of a sway to him."

About two weeks before he disappeared, she received a letter from him. In it, he told her that he was sending her a ring for her birthday and that he had "some good war stories" to tell her boys when he got home, she said.

She thinks he would appreciate the fight she has launched in his name. "He would have a smile on his face and give me a thumbs-up sign," she said.

If she had never seen the evidence, never heard from others who think he didn't die in the crash, she said, she might have gone along with the military's version, might have been able to bury him long ago. She still might be able to, she said, but not this way.

"If they come and tell me he died six months ago, I'd go along with it," she said. "I would go to that burial."

Lowerison and Patricia Scharf don't speak ill of each other. They don't speak much of each other at all, each dismissing the other's beliefs in short, neutral sentences. "That's her prerogative," Lowerison said of Scharf. "Everyone has different ways of grieving," Scharf said of Lowerison.

So on Thursday, Scharf will stand before her husband's plot at Arlington, content that she has a place now to lay flowers. Lowerison will remain in California, not saying goodbye, not letting go.

Atheists Agonistes (NYT)

By Richard A. Schweder

The New York Times, November 27, 2006

Chicago

ONE of the surest ways to bring a certain type of dinner party to a halt is to speak piously about “God.” Earnest reference to sinners, apostates or blasphemers, or to the promise of salvation offered in evangelical churches, is likely to produce the same effect. Among the cosmopolites who live in secular enclaves, religion is automatically associated with darkness, superstition, irrationality and an antique or pre-modern cast of mind. It has long been assumed that religion is opposed to science, reason and human progress; and the death of gods is simply taken for granted as a deeply ingrained Darwinian article of faith.

Why, then, are the enlightened so conspicuously up in arms these days, reiterating every possible argument against the existence of God? Why are they indulging in books — Daniel Dennett's "Breaking the Spell," Sam Harris's "Letter to a Christian Nation," and Richard Dawkins's "God Delusion" — in which authors lampoon religion or rail against the devout under the banner of a crusading atheism? Books dictated or co-written by God sell quite well among the 2.1 billion self-declared Christians and 1.3 billion self-declared Muslims of the world. What explains the current interest among secularists in absolutely, positively establishing that the author is a fraud?

The most obvious answer is that the armies of disbelief have been provoked. Articulate secularists may be merely reacting to the many recent incitements from religious zealots at home and abroad, as fanatics and infidels have their ways of keeping each other in business.

A deeper and far more unsettling answer, however, is that the popularity of the current counterattack on religion cloaks a renewed and intense anxiety within secular society that it is not the story of religion but rather the story of the Enlightenment that may be more illusory than real.

The Enlightenment story has its own version of Genesis, and the themes are well known: The world woke up from the slumber of the "dark ages," finally got in touch with the truth and became good about 300 years ago in Northern and Western Europe.

As people opened their eyes, religion (equated with ignorance and superstition) gave way to science (equated with fact and reason). Parochialism and tribal allegiances gave way to ecumenism, cosmopolitanism and individualism. Top-down command systems gave way to the separation of church from state, of politics from science. The story provides a blueprint for how to remake and better the world in the image and interests of the West's secular elites.

Unfortunately, as a theory of history, that story has had a predictive utility of approximately zero. At the turn of the millennium it was pretty hard not to notice that the 20th century was probably the worst one yet, and that the big causes of all the death and destruction had rather little to do with religion. Much to everyone's surprise, that great dance on the Berlin Wall back in 1989 turned out not to be the apotheosis of the Enlightenment.

Science has not replaced religion; group loyalties have intensified, not eroded. The collapse of the cold war's balance of power has not resulted in the end of collective faiths or a rush to democracy and individualism. In Iraq, the "West is best" default (and its discourse about universal human rights) has provided a foundation for chaos.

Even some children within the enclave are retreating from the Enlightenment in their quest for a spiritual revival; one discovers perfectly rational and devout Jews or Hindus in one's own family, or living down the block. If religion is a delusion, it is a delusion with a future, which it may be hazardous for us to deny. A shared conception of the soul, the sacred and transcendental values may be a prerequisite for any viable society.

John Locke, who was almost everyone's favorite political philosopher at the time of the founding of our nation, was a very tolerant man. In his 1689 "Letter Concerning Toleration," he advocated a policy of live and let live for believers in many faiths, even heretics. But he drew the line at atheists. He wrote: "Lastly, those are not at all to be tolerated who deny the being of God. Promises, covenants and oaths, which are the bonds of human societies, can have no hold upon an atheist. The taking away of God, though but even in thought, dissolves all."

Instead of waging intellectual battles over the existence of god(s), those of us who live in secular society might profit by being slower to judge others and by trying very hard to understand how it is possible for John Locke and our many atheist friends to continue to gaze at each other in such a state of mutual misunderstanding.

What, No Tipping The People's Servants? (NYT)

By Dorothy Samuels

The New York Times, November 27, 2006

If you think Washington's culture of corruption is bad now and couldn't get appreciably worse, my hunch is you don't know about United States v. Valdes. This pending federal case could end up making it legal for public officials to accept gratuities for granting certain types of favored government treatment.

I know, you're thinking that I must be exaggerating. Stuffing the pockets of government officials with cash to gain some sort of edge is plainly against the law, right? I've always thought so. That is, I did until last February, when a three-judge panel of the United States Court of Appeals in Washington, splitting 2 to 1, overturned the conviction of a former District of Columbia police detective named Nelson Valdes.

The basic facts are not in dispute. In an effort to cover influence-peddling that may not rise to bribery, the federal gratuities law makes it a crime for a public official to seek or receive "anything of value personally for or because of any official act performed or to be performed."

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Mr. Valdes became an apparent violator by accepting hundreds of dollars in cash as reward for delving into computerized police records to obtain vehicle-registration and arrest-warrant information on drivers at the request of someone who — surprise — turned out to be an F.B.I. informant. Indicted for bribery, the detective was convicted by a jury of the "lesser-included offense" of receiving an illegal gratuity.

Incredibly, the appellate panel tossed out the conviction, finding the anti-gratuities prohibition didn't apply because Mr. Valdes's granting of preferential access to police information lacked a sufficiently "formal" relationship to a decision or action in fulfillment of his "official" public duties. Huh? Mr. Valdes enjoyed access to the police database only because of his official status. And it's not as if researching the background of individuals is removed from a cop's day-to-day job. Police officers do it every time they write a traffic ticket.

Making matters worse, the majority did not just read into the illegal gratuities statute a kooky distinction between "formal" actions and "casual and informal" use of government resources not amenable to criminal prosecution. It provided zero in the way of real guidance for determining which is which. Under the majority's odd formulation, slipping lawmakers or their aides money as reward or incentive for promoting favorable legislation would clearly be illegal. But if a lawmaker, straying from her "formal" everyday legislative duties, accepted a fat wad of bills from a contract-seeking corporate executive as thanks for using her influence to open doors at a government agency, it might not be.

In her dissenting opinion, Judge Karen LeCraft Henderson did not mince words about the ethics disaster achieved by the misapplication by her two colleagues of the Supreme Court's unanimous 1999 decision tossing out, on different grounds, a gratuities case involving former Agriculture Secretary Mike Espy.

"In Mexico," she wrote, "they call it 'la mordida' (literally, 'the bite'); in Iran, 'bakhshish'; and in France, 'pot-de-vin.' Here in America, we call it a 'payoff' and, today, the majority calls it lawful."

While the nation's attention was riveted on the election and other things in late September, an appeal of the damaging Valdes decision was heard by the full bench of the Court of Appeals in Washington. No matter the outcome, revisiting the illegal gratuities law to achieve some overdue clarity and tightening should be part of the ethics reform agenda pursued by Congress's new Democratic majority. Government needs to be a no-tipping zone.

Gaza Cease-fire Raises Hopes For Peace (AP-Y)

By Ibrahim Barzak, Associated Press Writer

AP, November 27, 2006

Rocket fire from Gaza died down Sunday after a daybreak cease-fire, raising hopes for an end to five months of bloody destruction and a new opening toward peace talks.

The surprise truce was supposed to take effect at 6 a.m., but in the four hours that followed, 11 rockets were fired from Gaza at Israeli towns and villages and some Palestinian militants threatened to keep up the attacks.

Israel did not retaliate, saying it wanted to give the truce a chance.

"Even though there are still violations of the cease-fire by the Palestinian side, I have instructed our defense officials not to respond, to show restraint, and to give this cease-fire a chance to take full effect," Prime Minister Ehud Olmert said during a ceremony at a high school in southern Israel.

Rivals Hamas and Fatah, the two main factions in the Palestinian government, also publicly backed the truce and by nightfall, it appeared to take hold. Palestinian Prime Minister Ismail Haniyeh of the ruling Hamas movement said he had contacted the leaders of all Palestinian factions Sunday and they reassured him they were committed to the cease-fire.

Palestinian President Mahmoud Abbas of Fatah, who has been pressing for a reopening of peace talks with Israel, ordered his security forces to patrol the Gaza border on Sunday to stop rocket attacks. Security officers fanned out across northern Gaza, taking up positions at major intersections with orders to stop anyone suspicious and the salvos stopped by the afternoon.

"The instructions are clear. Anyone violating the national agreement will be considered to be breaking the law," said Lt. Gen. Abdel Razek Mejaidie, Abbas' security adviser.

Battle-hardened Israelis and Palestinians were wary, having seen similar truces and peace efforts disintegrate and slip back into violence.

In the Gaza town of Beit Hanoun, the source of most of the rocket fire and target of punishing Israeli reprisals, Rafik Gaish was bitter because the Israelis tore up his fields.

"My potatoes were apparently launching rockets," the farmer scoffed. "We are for this agreement, we want peace — but what will stop the Jews?"

Many residents of Beit Hanoun returning to their damaged homes after the Israeli withdrawal lashed out in anger.

"The Israelis need no pretext to cause destruction, for killing and bloodshed," said Ayoub Kafarna, 65. "Nothing can compensate us for our losses."

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Just 1 1/2 miles away and across the border fence, many of the 22,000 residents of the working-class Israeli town of Sderot, targeted by hundreds of rockets from Gaza, were pessimistic.

"I was optimistic, but that optimism lasted only a few minutes until another rocket landed," 20-year-old Neta Ammar said Sunday after two homes near hers were struck.

"It's a joke," said Dudu Cohen, a 37-year-old convenience store owner in Sderot. "There is no one to talk to on the other side, there is no one to have a cease-fire with."

If the truce holds, it would be a coup for Abbas who has been trying for months to end the violence in Gaza that has killed 300 Palestinians, scores of them civilians, and five Israelis.

Israeli Foreign Minister Tzipi Livni stressed the need to follow the truce with diplomatic steps.

"History teaches us that if this kind of cease-fire with the Palestinians isn't accompanied by something else, it will deteriorate," she said.

The cease-fire was worked out late Saturday night when Abbas called Olmert with an agreement from Palestinian militant groups to halt rocket fire and other violence from Gaza.

Olmert pledged in turn to end the military offensive Israel launched in June after Hamas-linked militants from Gaza captured an Israeli soldier in a cross-border raid. The soldier has not been seen since, but Hamas' leader said Saturday he is still alive.

Word of the cease-fire came shortly after Hamas' Damascus-based supreme leader Khaled Mashaal held several days of talks in Cairo with Egyptian mediators. Palestinian officials said those talks played a role in speeding up the agreement.

In a television interview aired Sunday, Mashaal said Hamas would be willing to give negotiations eight months or a year before launching a new uprising against Israel, backing away from a six-month deadline he set the day before.

Mashaal, who spoke by telephone during a taped show on Egypt's Channel One, was responding to a question from the Palestinian information minister and member of Fatah, who said it was not logical for Palestinians to be talking about an uprising.

"I said six months, but do you want more than six months? Maybe we can take eight months or a year," Mashaal said. But he warned, "If the door is sealed and the horizon is closed (for creating a Palestinian state) then we have to look for another choice."

Israeli troops withdrew from Gaza ahead of the 6 a.m. Sunday deadline. Dozens of tanks and armored vehicles were parked just over the border in a staging ground in southern Israel early Sunday.

But Palestinian militants, including those linked to Hamas, kept up rocket fire into Israel throughout the morning.

"(We) reiterate that our attacks against the enemy continue," Hamas militants said in a statement on their Web site claiming responsibility for several of the rocket attacks.

Islamic Jihad also claimed responsibility for firing rockets at Israel. However, after nightfall Sunday, an official from the militant faction, Khaled al-Batch, said the group was on board. "We will respect this (national) agreement so long as Israel is committed," he said.

Israel has no ties with the Hamas-led Palestinian government, which rejects the Jewish state's right to exist. But it considers Abbas, a moderate who was elected separately last year, an acceptable negotiating partner.

A cease-fire in Gaza is part of a broad package Abbas is trying to put together in the hope of restoring hundreds of millions of dollars in funding Western donors cut off to pressure Hamas to recognize Israel and renounce violence.

Cease-fire Calms Gaza (WT)

By Joshua Mitnick

The Washington Times, November 27, 2006

TEL AVIV -- A fragile Israeli-Palestinian cease-fire took effect yesterday, stoking faint hopes for a resumption of peace negotiations even though it was breached by five rockets fired from the Gaza Strip into southern Israel.

The truce, which started at 6 a.m. local time, reflects recognition by the hobbled governments of Israeli Prime Minister Ehud Olmert and the Hamas-led Palestinian Authority that the five months of fighting touched off by the Gaza kidnapping of Israeli Cpl. Gilad Shalit is eroding public support for both administrations, analysts said.

Whether the cease-fire takes hold or goes the way of at least three failed truces in six years depends on whether it can spur momentum toward a prisoner exchange and an agreement on a Palestinian unity government that could win an end to the international boycott on the Palestinian Authority.

On a visit to a Bedouin town in southern Israel yesterday, Mr. Olmert said Israel would demonstrate restraint and patience despite the early breach of the truce, which applies only to the Gaza Strip.

"Of course the cease-fire doesn't offer an answer to all of the issues on the agenda between us and the Palestinian Authority. I believe this understanding is very liable to contribute to the release of Gilad Shalit," he said.

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"All of these things are likely to lead to one thing: the opening of serious, genuine, direct negotiations between us and the Palestinian Authority, and between me" and Palestinian Authority President Mahmoud Abbas.

Having coaxed Palestinian militant groups in Gaza into a unilateral moratorium on rocket fire, attacks against Israeli military targets and arms-smuggling activity, Mr. Abbas then negotiated the truce in which Mr. Olmert pledged to recall Israeli forces from Gaza. Israel also is expected to halt assassinations of militants in Gaza.

The rocket fire yesterday morning was a reminder of the spoiler role that independent Palestinian militias such as Islamic Jihad can play as long as security branches of Mr. Abbas' Fatah party and Hamas fail to collect their weapons and enforce the law in Gaza.

Sheik Yazeeb Khader, a Hamas spokesman, said the Islamic militants agreed to the truce because they want progress on a "national unity government, the prisoners exchange, and relieving our people from the political and economic siege."

Since Cpl. Shalit was kidnapped in a June raid on an Israeli unit patrolling the Gaza border, Israeli offensives have left 375 Palestinians dead in Gaza -- including 199 noncombatants, according to the Israeli human rights monitor B'tselem. In the same period, two soldiers were killed in Gaza.

But two Israeli civilians were killed by rockets in Sderot in the past two weeks, bringing pressure on Mr. Olmert's government for a massive offensive in Gaza.

The truce reflects an acknowledgment by Israeli political and military leaders that the military campaign has not succeeded in halting the rocket attacks.

Mr. Olmert "has no choice," said Reuven Hazan, a political scientist at Jerusalem's Hebrew University. "There is no military response to firing of Qassam rockets, just like there is no military response to firing of Katyusha rockets" from Lebanon.

"This gets Sderot off the front pages," he said.

The fighting, meanwhile, has prevented Hamas from trying to stabilize Gaza, where anger is rising as the economy remains choked by an international aid freeze.

In addition to giving new momentum to talks to release Cpl. Shalit, a period of calm would allow Hamas and Fatah to complete talks on a power-sharing government that might meet international requirements for a resumption of aid.

For the first time, Hamas' hard-line leadership in exile showed signs of moderation this weekend. Speaking at a Palestinian summit in Cairo, Hamas politburo chief Khalid Mashaal said Hamas would give six months for talks with Israel on establishing a state in the West Bank and Gaza.

Even though Mr. Mashaal threatened a new Palestinian uprising if such talks failed, observers said the offer could signal a willingness by Islamic militants to part with an ideology that rejects any idea of a peace agreement with Israel.

Israeli And Palestinian Leaders Committed To Gaza Cease-fire (LAT)

By Richard Boudreaux

The Los Angeles Times, November 27, 2006

JERUSALEM — After five months of fighting in the Gaza Strip, Israeli and Palestinian leaders moved Sunday to shore up a cease-fire that both sides had sought as relief from a politically costly conflict that has left more than 300 people dead.

The truce was holding Sunday — after Israeli forces withdrew from Gaza overnight — despite a ragged start. At least seven rockets fired from Gaza landed in Israel after the accord took effect at 6 a.m. By 10:15 a.m., the rocket fire had stopped, and the silence continued into the early hours today.

Palestinian Authority President Mahmoud Abbas instructed his security chiefs to enforce the cease-fire. Officials said 13,000 Palestinian police officers in flak jackets and helmets were patrolling Gaza's borders to discourage new rocket attacks.

Israeli Prime Minister Ehud Olmert ordered the army to show restraint, "even though there are still violations by the Palestinian side." He added, "I have instructed our defense officials … to give this cease-fire a chance."

The accord, arranged late Saturday, followed months of Israeli military pressure on Hamas, which governs the Palestinian Authority. Since taking control after January elections, the militant Islamist movement has refused to recognize Israel or renounce its hostility toward the Jewish state. It also started stockpiling weapons.

Faced with the threat of an Israeli invasion and demands by Palestinian rivals to give up a government crippled by international economic sanctions, Hamas last week authorized Abbas to phone Olmert with a cease-fire offer and persuaded other militant groups to go along.

Olmert, damaged politically by the summer war against the Hezbollah militia in Lebanon, quickly accepted.

Israel again found itself unable to deal a decisive blow to an aggressive enemy. After five months of incursions into Gaza, the army could not stop the daily rain of crude Kassam rockets on Israeli border towns, particularly Sderot, where two civilians were killed in the last two weeks.

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"Israel and Hamas, like two bruised boxers swaying in front of each other, were desperately waiting to be saved by the bell," political analyst Ben Caspit wrote in the Israeli newspaper Maariv. "Hamas was under pressure from Israel. And Israel was in an insufferable situation; citizens in one town were hostages, and no one could do anything about it."

The incursions also served as a bitter reminder of the failure of Israel's landmark withdrawal of troops and settlers last year, which both sides had hoped would help make the Gaza Strip a prototype for Palestinian statehood.

The truce grew from weeks of discreet phone contacts between Olmert and Abbas, the Fatah Party leader who remained as president when Hamas took over the government.

Israel refuses to talk to Hamas, but considers the more moderate Abbas an acceptable negotiating partner. Both sides said Sunday that they hoped the truce would be extended to the West Bank and pave the way for a revival of Israeli-Palestinian peace talks that collapsed six years ago with the Palestinian uprising.

Before the knotty issues of a peace settlement can be broached, Israel wants Hamas to free Cpl. Gilad Shalit, whose capture in a cross-border raid June 25 set off the latest round of fighting. Palestinian leaders want Israel to release millions of dollars in tax revenue and duties it has collected on behalf of their government.

Abbas has pressed Hamas to stop firing rockets into Israel, free the corporal and turn the government over to a team of nonpolitical technocrats — concessions aimed at ending military and economic pressure from Israel and a freeze on Western aid that has left the Palestinian government unable to pay its 165,000 workers.

For months, Hamas showed little interest in a deal. It demanded the release of 1,400 prisoners in exchange for the soldier and declined to recognize Israel or renounce violence, conditions set by Western nations to end the sanctions.

But Hamas' battlefield losses have taken a toll. Most of the 300 or so Palestinians killed in the fighting were armed militants, including 25 who died in a four-day stretch last week. The Israelis, who lost three soldiers in five months, threatened a large-scale offensive to disrupt Hamas' weapons buildup.

"Hamas has been dragging its feet for nearly a year, but now perhaps there are buds of understanding that they cannot go on like this," Israeli Foreign Minister Tzipi Livni said Sunday.

In addition to accepting a truce, Hamas made it known to Egyptian mediators last week that it would settle for the release of "several hundred" prisoners in exchange for Shalit, Israeli newspapers reported.

Giora Eiland, an Israeli army reserve general and former head of the National Security Council, said a truce could help speed a prisoner exchange for which Hamas could claim credit, helping it to fend off pressure to relinquish the government.

"This political aspect of being able to continue their control of the Palestinian Authority is far more important than any kind of shooting," Eiland said. "This truce is the best Hamas can achieve. It serves their interests for now."

Many Israelis were quick to warn Sunday that Hamas might use the cease-fire to continue stockpiling weapons, as Hezbollah, its role model, did in Lebanon in the years preceding the summer war. Of all the cease-fire conditions, a halt to weapons smuggling from Egypt into Gaza is the hardest to enforce.

"This fictitious cease-fire will have only one clear outcome: Hamas will use the timeout to regroup," said Effi Eitam, a conservative member of the Israeli parliament.

That is if the timeout lasts.

Although the accord is the most serious effort to end the Gaza fighting, its acceptance by all Palestinian militants is tentative at best.

In the early hours of the truce, militants speaking in the name of Hamas, Fatah and Islamic Jihad each claimed responsibility for the continued rocket fire, one of which smashed a home in Sderot after its owners safely fled to the basement.

Palestinian Authority Prime Minister Ismail Haniyeh of Hamas contacted the leaders of all armed factions Sunday, and a government spokesman said they had reaffirmed their commitment to the cease-fire.

"There is a 100% effort to make this work, but there is no guarantee of 100% results," said Ghazi Hamad, the spokesman.

Israel Withdraws From Gaza As Truce Begins, Unsteadily (NYT)

By Dina Kraft

The New York Times, November 27, 2006

SDEROT, Israel, Nov. 26 — A cease-fire in Gaza appeared to be holding on Sunday after Palestinian factions stopped firing rockets at Israel in exchange for an Israeli troop withdrawal from the territory.

The cease-fire, part of an agreement reached late Saturday by Israeli and Palestinian leaders to end five months of fighting in the territory, was to have taken effect at 6 a.m. but got off to a shaky start when Palestinian militants belonging to Hamas and Islamic Jihad launched nine rockets into southern Israel.

One rocket crashed through the roof of a house in this Israeli border town but caused no injuries. The other rockets landed in open areas. By 10:15 a.m., the rocket fire had stopped.

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Prime Minister Ehud Olmert of Israel, who had been under intense domestic pressure to authorize an even bigger military operation in Gaza to stop the rocket attacks, spoke of restraint.

"The state of Israel is a very strong country," Mr. Olmert said. "It is strong enough to fight terror, and it is strong enough to show restraint in order to give an opportunity for the cease-fire to come into full comprehensive and practical effect."

In Sderot, which has borne the brunt of the Qassam rocket attacks, residents ventured out in the streets to shop and get some air, some of them for the first time in days.

On a street of spacious private homes in this largely working-class town, Daniel Gigi, 45, oversaw friends and neighbors helping clean up glass and broken tiles after a rocket crashed through his roof at dawn. They were also helping him, his wife and four children pack up boxes of belongings.

Having endured rocket fire for six years, they had decided to move farther north, out of range, and had already sold their home. But the rocket strike accelerated their plans.

"The tension is always in the air," said Mr. Gigi, a forester. "We call the children 10 times a day, tell them to stay inside all the time. It simply takes its toll."

The agreement to stop the rocket fire was brokered with the various Palestinian factions by the Palestinian Authority president, Mahmoud Abbas of the Fatah faction. While some say they think it will be short-lived, like previous cease-fires, others say it is the most important chance so far to end the fighting. Mr. Olmert even suggested it might set off a revival of peace efforts after years of stalemate.

Mr. Abbas fanned his security forces out across the Gaza border with Israel Sunday in a bid to prevent further rocket fire. He has taken such actions in the past, with mixed results. The numerous and unruly factions that have claimed responsibility for launching Qassam rockets have rarely been reined in by the Palestinian Authority for long.

From the Israeli perspective, the cease-fire, which does not cover the West Bank, is a result of its military tactics and pressure in Gaza. After withdrawing all its settlers and soldiers from the Gaza Strip in September 2005, Israel re-entered parts of Gaza in late June after the capture of one of its soldiers in a cross-border raid by Palestinian militants, including members of Hamas, which runs the Palestinian Authority.

Mr. Olmert said the re-entry was to win the release of the captured soldier, Cpl. Gilad Shalit, but many Israelis said they viewed the move as a chance to quash the rocket fire.

Hamas has justified its capture of the soldier and its involvement in the rocket attacks as a response to Israeli shelling that has killed civilians. Israel has consistently countered that all its military actions were in response to Palestinian aggression, like the Qassam rockets fired almost randomly into towns and farms.

Before Israel's previous withdrawal in 2005, most of the rocket fire was aimed at Jewish settlements in Gaza. Since then, at least 1,100 rockets have been fired into Israel itself. With the escalation of the fighting in June, about 400 Palestinians have been killed, a number of them militants, along with three Israeli soldiers. Four Israelis have been killed by rocket fire in the past 14 months, two of them in the past two weeks as the rocket barrages have intensified and become more accurate.

This cease-fire is noteworthy also for including Islamic Jihad, which has rarely respected such agreements in the past. Its representatives said Sunday that Islamic Jihad would abide by the truce but vowed to respond to any Israeli attacks on Palestinians, the customary formulation.

The truce, if it holds, could be part of a larger effort to break the stalemate, including an exchange of Palestinian prisoners for Corporal Shalit and the formation of a national unity government for the Palestinian Authority. A unity government could end the economic and political embargo imposed by Western countries after Hamas was elected in January.

"If the cease-fire is to be anything more than a temporary fragile arrangement, the West Bank also has to be a factor, and I think that on this issue our interests and those of Hamas coincide," Giora Eiland, a former Israeli general and former director of the national security council, told Israel Radio.

A second barrage of rockets was shot toward Sderot around the time school began on Sunday. An alarm sounded across the city and children scrambled under desks and tables.

Parents in both southern Israel and Gaza reported anxious and fearful children, many showing signs of trauma and regression like bed-wetting and nightmares after the long months of back and forth fighting, rockets, shelling and airstrikes.

"My friends and I talk about the Qassams, how close we have all been to them at different times," said Avi Grunov, 11, who was treated for shock last week after seeing a rocket fall just 50 feet away as he walked to school. "I'm still scared because I don't think this is a real cease-fire. They are still shooting at us."

Gaza Ceasefire Raises Hopes Of Talks (FT)

By Sharmila Devi

Financial Times, November 27, 2006

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Israel and Palestinian militants began a ceasefire in the Gaza Strip on Sunday, raising hopes for a meeting soon between Ehud Olmert, Israeli prime minister, and Mahmoud Abbas, Palestinian president.

Israeli troops withdrew from Gaza on Sunday morning, ending an offensive launched in June after Hamas militants captured an Israeli soldier. Around 400 Palestinians, including many civilians, have been killed in army operations and raids during the last few months.

The soldier, Corporal Gilad Shalit, is still in captivity. Mr Abbas hopes talks on a Palestinian unity government, to replace the Hamas-led administration, can be concluded soon along with a wider exchange of prisoners with Israel.

Mr Abbas ordered his security chiefs to monitor the Gaza border area to stop militants launching rocket attacks, which killed two Israelis in the last week.

"Anyone violating the national agreement will be considered to be breaking the law," said Lt Gen Abdel Razek Mejaidie, an Abbas security adviser.

Some militants, including those from Islamic Jihad, said they were not part of the ceasefire agreement brokered by Mr Abbas. But Ismail Haniyeh, the Hamas prime minister, said leaders of all the Palestinian factions told him they were committed to the truce.

"There is a 100 per cent effort to make this work but there is no guarantee of 100 per cent results," said Ghazi Hamad, a Hamas spokesman.

Mr Olmert urged restraint when a volley of rocket fire was launched after the truce went into effect.

"Even though there are still violations of the ceasefire by the Palestinian side, I have instructed our defence officials not to respond, to show restraint, and to give the ceasefire a chance to take full effect," said the Israeli prime minister.

He also said: "This could be the beginning of a serious, real, open and direct negotiation between Israel and the Palestinian Authority... leading towards a full settlement between Israel and the Palestinians."

Mr Olmert has been under harsh domestic criticism since Cpl Shalit was captured, focused on the army's failure to achieve a resounding success either during the summer war against Hizbollah in Lebanon or in Gaza.

Meanwhile, the Hamas-run Palestinian Authority has been under a western aid embargo since taking office in March. Mr Abbas, of the Fatah party, is hoping an eventual national unity government composed of technocrats will trigger the release of aid.

A White House spokesman said the ceasefire was a positive step. Some moderate Arab states have been pushing Washington to make greater efforts in the Israeli-Palestinian conflict, saying this would make it easier to forge alliances, for example against Iran's nuclear ambitions and in Iraq.

President George W. Bush will be in the region this week but there were no plans for him to meet any Israeli ministers, an Israeli official said last week. Mr Bush will travel to the Jordanian capital Amman for talks with Nouri al-Maliki, Iraqi prime minister.

Truce May Restart Israeli-Palestinian Talks (CSM)

By Joshua Mitnick

The Christian Science Monitor, November 27, 2006

TEL AVIV

Bolstering optimism for the resumption of peace talks, a fragile Israeli-Palestinian cease-fire took effect Sunday even as it was breached by at least nine militant rockets.

The truce reflects recognition by the hobbled governments of Israeli Prime Minister Ehud Olmert and the Hamas-led Palestinian Authority (PA) that months of fighting sparked by an Israeli soldier's capture is eroding their public support, analysts say.

But whether the cease-fire will gain traction or go the way of previous failures may depend on its ability to spur a prisoner exchange and an agreement on a new Palestinian unity government that could lead to an end of the international boycott of the PA.

On a visit to a Bedouin town in southern Israel, Mr. Olmert said Israel would demonstrate restraint and patience despite the early breach of the truce.

"Of course the cease-fire doesn't offer an answer to all of the issues on the agenda between us and the Palestinian Authority. I believe this understanding is very liable to contribute to the release of [the captured Israeli soldier] Gilad Shalit," he said, expressing hope the truce would also be extended to the West Bank. "All of these things are likely to lead to one thing: the opening of serious, genuine, direct negotiations between us and the Palestinian Authority, and between me" and Palestinian President Mahmoud Abbas, he said.

Having coaxed Palestinian militant groups in Gaza into a unilateral moratorium on rocket fire, attacks against Israeli military targets, and arms-smuggling activity, President Abbas then mediated a truce with Olmert in which the prime minister pledged to

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recall forces that had returned to Gaza less than year after a September 2005 withdrawal. Israel is also expected to halt assassinations on militants in Gaza.

Still, the rocket fire Sunday morning was a reminder of the spoiler role that independent Palestinian militias like Islamic Jihad can play as long as security branches of Abbas's Fatah Party and Hamas demur from weapons collections and law enforcement in Gaza.

Hamas spokesman Sheikh Yazeeb Khader said his party agreed to the truce because it wants progress on a "national unity government, the prisoners exchange, and relieving our people from the political and economic siege."

Since Corporal Shalit was captured in a June raid on an Israeli unit patrolling the Gaza border, Israeli offensives have left at least 375 Palestinians dead in Gaza - including 199 noncombatants, according to the Israeli human rights monitoring group Btselem. In the same period, two Israeli soldiers were killed in Gaza.

The cease-fire comes after two Israelis were killed in the southern Israeli town of Sderot in the past two weeks, and as pressure mounted on Olmert's government to launch a massive offensive in Gaza reminiscent of the 2002 Defense Shield campaign in the West Bank.

The truce reflects an acknowledgment by Israeli leaders that in the absence of a guaranteed military solution to the Gaza rockets, the cease-fire is worth the political risk.

Olmert "has no choice. There is no military response to firing of Qassam rockets, just like there is no military response to firing of Katyusha rockets" from Lebanon, says Reuven Hazan, a political scientist at Jerusalem's Hebrew university. "This gets Sderot off the front pages."

Though Hamas has reasserted its militant credentials in the recent weeks of rocket attacks on Israel, the fighting has prevented it from any attempt at stabilizing Gaza while an international aid boycott against the Islamic militants has severely choked the Palestinian economy.

In addition to giving new momentum to talks to release Shalit, a calm in the violence would allow Hamas and the rival Fatah Party to complete talks on power sharing and meeting the international requirements for talks with Israel.

And for the first time this past weekend, Hamas's hard-line leadership in exile showed signs of moderation. Speaking at a Palestinian summit in Cairo, Hamas politburo chief Khaled Mashaal said Hamas would allow six months for talks with Israel on establishing a state in the West Bank and Gaza.

While Mr. Mashaal threatened a new Palestinian uprising if the talks fail, observers say it could signal a willingness by Islamic militants to part with ideology that negates the idea of a peace agreement with Israel.

Hamas is "realizing the old views and old opinions haven't borne any fruits," says Bassem Ezbeidi, a political science professor at Bir Zeit University.

But Yossi Alpher, the editor of the Web journal bitterlemons.org, cautions that "You still have serious government weakness on both sides. It's very fragile at this point."

Chilling Echo For Lebanon, Mirror Of Regional Tension (NYT)

By Michael Slackman

The New York Times, November 27, 2006

BEIRUT, Lebanon, Nov. 26 — In April 1975, gunmen fired on a church in East Beirut in what appeared to be an attempt to kill Pierre Gemayel, founder of the main right-wing Lebanese Christian militia. He was not killed, but the shooting set off a cycle of revenge that became a 15-year civil war.

Last week, three gunmen assassinated Mr. Gemayel's grandson and namesake, a government minister and symbol of Lebanon's besieged Christian, pro-Western community. Now an unnerving question is emerging here: as the battle between the Iranian-backed group Hezbollah and the Western-backed governing coalition reaches a crescendo, is it in fact the prelude to a civil war?

Lebanon's seeming slide toward civil conflict is not just a symbol of unfortunate historic symmetry. This country is a barometer for the region, serving as a measure of tensions and rivalries.

It is no coincidence that Lebanon is suffering its worst political crisis in decades at a time when Iraq has descended into sectarian war, the Israeli-Palestinian conflict in the past few months reached new heights and power seems to be shifting away from the Western-allied Sunni Muslim countries of Egypt and Saudi Arabia to the Shiite state of Iran.

"Generally, the regional situation at the time was very much what it is today," said Kamal Salibi, a historian and author from Beirut, speaking of the start of the 1975-90 civil war.

Then as now, a major Arab military humiliation prompted radicalism, hostility and questions of legitimacy for Arab governments from Morocco to Bahrain. Then it was the 1967 war in which Israel defeated four armies, and the spreading

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ideology was secular nationalism. Today, it is the American military presence in Iraq and the ideology is Islamism. In both cases, rising oil prices and terrorism serve as fuel and tool for the conflicts.

In May 2003, with Baghdad occupied by American forces, Colin L. Powell, then the secretary of state, visited Damascus and warned Syrian and Lebanese leaders that there was a "new strategic situation" in the Middle East. He said they had to end support for groups the West considered terrorist, including Hamas and Hezbollah.

Today, events in Iraq, Lebanon and the Palestinian areas have demonstrated the diminished status of the United States and its allies. In Iraq, the powerful Shiite cleric Moktada al-Sadr has threatened to stop supporting the government if the prime minister meets with President Bush, as he is scheduled to do Wednesday in Jordan. In Gaza, mediation by Egypt has failed to stem the rising tide of violence or negotiate the release of an Israeli solider despite its intense efforts. In Lebanon, the American-backed government is hanging on by a thread as Hezbollah and its allies push for more power.

"The army will first protect us, but if we find ourselves obliged we will take to the streets, and a peaceful confrontation will be faced with a peaceful confrontation, and clashes will be faced with clashes," said Walid Eido, a judge and member of Lebanon's Parliament in the governing coalition, speaking of the challenge from Hezbollah. "We will sell our blood to buy weapons and confront them. We will never let them control the country."

The Bush administration is worried about Lebanon as well as the other flashpoints, and it suddenly appears to be considering opening a dialogue with Iran and Syria to win help in stabilizing Iraq. In Gaza, Arab and Western diplomats said, Syria has used its relationship with Hamas to block Egypt's efforts to mediate talks on the return of the Israeli solider captured by Hamas.

These forces have come to bear on Lebanon, a weak state with weak institutions unable to shield itself from the volley of disruptions jolting the region. Lebanon is in crisis because of its unique brand of power sharing, divided largely along sectarian lines, but also arranged by geography and political needs of individual players.

Lebanon is also in crisis because of regional uncertainty, which has spawned an intense flurry of geopoliticking between adversaries looking for a leg up. While Saudi Arabia and Egypt struggle to maintain the status quo, Iran presses to rewrite it, defying the West with its nuclear program.

Egypt and Saudi Arabia have been trying to defuse the crisis in Lebanon. Saudi Arabia has tried to protect its financial holdings here and to safeguard Lebanon's Sunni population. Saudi officials in Lebanon have met with Hezbollah's general secretary, Sheik Hassan Nasrallah, hoping to orchestrate a compromise, officials here said. Egypt's interest in Lebanon is aimed at preserving its national dignity and a role as a regional power broker.

"Part of this is purely made in Lebanon," said Mr. Salibi, the historian. "But it draws in the anti-Syrian and the pro-Syrian dichotomy, the Sunni-Shia dichotomy, the pro-Iranian-pro-Western dichotomy. All of this is drawn into Lebanon."

The specific Lebanese crisis is about who will control the government — and so hold the power to direct the country's interests toward the West, or Iran and Syria. Right now, the government is in the hands of what is called the March 14th coalition, a mix of Sunni, Druse and some Christian political parties aligned with the United States and France. Six pro-Syrian ministers recently resigned from the cabinet after talks aimed at building a so-called national unity government collapsed.

While the government was already on the verge brink of collapse, Mr. Gemayel was assassinated in broad daylight in an attack that left even hardened political leaders shaken.

Despite the rising tension, many political analysts say that Lebanon is a different place from what it was in 1975, less prone to violence. Political leaders also say they will do what they can to avoid a civil war — but will fight if pressed to.

There are at least two major regional differences between the 1970s and now. Syria is not the Syria of the past. There is no Soviet Union to support it, and the president, Bashar al-Assad, is viewed as far less effective than his father, Hafez. When Syria first broke with its Arab neighbors and made an alliance with Iran — Syria was the only Arab country allied with Iran during the 1980-88 Iran-Iraq war — Syria was a more senior partner. Iran is now the senior partner, spreading its economic and military influence throughout Syria. And it has replaced Syria as Hezbollah's main contact point in Lebanon.

"Look at all this mess," said Timur Goksel, a former longtime spokesman for United Nations Forces in Lebanon. "The only one who has overall influence in the region with their military, ideology, money and propensity to cause mischief, are the Iranians."

In Damascus, there is a certain pride that its leaders bet on the right player, Tehran, in the regional jockeying for power. But there is also some anxiety emerging in Damascus over Iran's spreading influence. One Arab diplomat said one of the reasons Syria renewed its diplomatic ties with Iraq after so many years was fear that if the United States were to withdraw, Iran would quickly fill the power vacuum. Syria wants to make sure it has a foothold in the neighboring country so that it, too, can have some influence, said the diplomat, who spoke on the condition of anonymity, which is standard diplomatic practice.

The changing role of Iran and Syria in the region, and their diverging interests, come to bear in Lebanon.

One Arab diplomat in Lebanon said that Syria felt very strongly that it should be the prime player in Lebanon.

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That, the diplomat said, may have prompted Syria to press for chaos in Lebanon, feeling that it may derail the international tribunal investigating the death of Rafik Hariri, a former prime minister, but also put it in a position where it may, once again, be asked to use its power and influence in Lebanon to maintain the peace.

And there is a fear in the country that if the United States is desperate enough about Iraq it might be willing to accept a deal that restores Syrian hegemony over Lebanon. But they also say that tensions are high — and neither side is willing to back down. "This government threatens internal stability and civil peace, therefore it is essential to get rid of it through any possible medium," said Ahmad Malli, a Hezbollah politburo member. "I am assured there will be no civil war because the Lebanese today are more mature than they were in 1975."

Many agree. Yet Mr. Goksel, the former United Nations forces spokesman, said he sensed a risk for renewed conflict that was not negligible.

"There are still people in this country who are nostalgic for the civil war," he said. "They miss the days when they were somebody, when they had militias."

Strong Showing For Opposition Party In Bahrain Elections (NYT)

By Hassan M. Fattah

The New York Times, November 27, 2006

DUBAI, United Arab Emirates, Nov. 26 — Shiite opposition candidates won 16 of the 17 seats they contested in Saturday's parliamentary elections in Bahrain, the country's election commission said Sunday.

The opposition now holds 40 percent of the elected Parliament's 40 seats, with the 17th contested seat to be decided in a runoff on Dec. 2.

But leaders of the predominantly Shiite opposition party, the Wefaq National Islamic Society, said the gains, which were expected, might not translate into much political power. Government loyalists may retain control of much of the remainder of the lower house, depending on the outcome of the runoff. Furthermore, the upper house, which is appointed by King Hamad al-Khalifa, can overrule any act of the lower house.

Still, they expressed satisfaction at the outcome. "What happened was no surprise," said Fahim Abdullah, a spokesman for Al Wefaq. "We just never contested an election before."

Mr. Abdullah emphasized that under fairer districting, his party would have garnered even more seats. "We succeeded in preparing the country for major changes," he said, "but we used to protest on the streets. Now we will be asking for real changes from within the Parliament. That is a notable advance."

Al Wefaq boycotted the 2002 parliamentary elections after King Hamad imposed a new Constitution that created the appointed chamber.

Bahrain's Shiites, who make up about 60 percent of the population, say they have been sidelined. They contend that the government has backed Sunni Islamists and encouraged increasingly sectarian politics. Tensions rose in September when a government adviser published a report outlining a conspiracy by senior government officials, including members of the royal family, to undermine Shiite power.

Only 1 of 18 women who ran won a seat, and the winner ran uncontested. The two largest Sunni Islamist blocks, the National Islamic Tribune Association and the Salafi Asala Association, won eight seats, with another three candidates in the runoff. Three candidates of the National Democratic Action Association, a Wefaq ally, are also in the runoff.

Leftist Candidate In Ecuador Is Ahead In Vote, Exit Polls Show (NYT)

By Simon Romero

The New York Times, November 27, 2006

QUITO, Ecuador, Nov. 26 — Rafael Correa, an urbane economist who has rattled nerves in Washington with plans to limit American military activities in Ecuador and renegotiate the country's foreign debt, seemed headed to an easy victory on Sunday in the presidential election, according to several exit polls.

A win by Mr. Correa, 43, could bring Ecuador into a group of Latin American nations with leftist presidents, including Bolivia, Cuba and Nicaragua, which are allied with President Hugo Chávez of Venezuela. Mr. Correa has close ties to Mr. Chávez, whose government is prepared to offer Ecuador assistance to strengthen its national oil company.

"Chávez must be smiling in Caracas," said Vicente Albornoz, director of Cordes, an economic research group here. "But what I'm more worried about is Ecuador going through a period of conflict and instability."

The results of the runoff election were not certain on Sunday night, though preliminary figures pointed to a strong victory by Mr. Correa. Álvaro Noboa, the banana tycoon who was Mr. Correa's rival, would not accept the exit poll results, setting the stage for days of political tension. Official results were not expected until Tuesday or Wednesday, election officials said.

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Still, several exit polls by private companies and an early count by the nongovernmental observer group Participación Ciudadana pointed to a wide margin of victory for Mr. Correa, who promises a "citizen's revolution" by convening a constitutional assembly that would diminish the influence of Ecuador's fractious Congress and give greater power to the president.

Three exit polls announced on Ecuadorean television and radio gave Mr. Correa about 57 percent of the vote as opposed to 43 percent for Mr. Noboa. The wide commercial avenues of Quito, a stronghold for Mr. Correa, were filled with cars honking their horns as voters began celebrating on Sunday night.

Mr. Correa ran as an outsider, portraying Mr. Noboa, 56, a Bible-quoting scion of a Guayaquil family who is Ecuador's richest man, as someone who would use the presidency to advance his economic interests. The race was symbolized by insults, with Mr. Noboa describing Mr. Correa as a "devil" and a lackey of Venezuela and Cuba.

"Noboa is a vulgar man who uses God's name to expand his power," said Clemencia Pozo, 39, a street vendor here who said he voted for Mr. Correa.

Mr. Correa also spoke of his Roman Catholic faith during the campaign, but in relatively quiet contrast to Mr. Noboa, who sank to his knees at rallies in an attempt to connect with poor voters. Mr. Correa fiercely criticized President Bush, calling him "dimwitted" at one point, while supporting an end to an agreement that allows the American military to use a base on the Pacific coast for drug surveillance operations.

In an interview, Mr. Correa said he hoped to maintain cordial relations with the United States, where more than a million Ecuadorean immigrants live, largely in New York, New Jersey and Florida.

"We love the American people and its government, aside from the criticism we might have of that government," said Mr. Correa, pointing to the war in Iraq as an obstacle to stronger ties. Mr. Correa said he would welcome the opportunity to shake Mr. Bush's hand, describing him as the "representative of the American people."

"It's nothing personal against Bush," he said. "I just don't agree with his thinking."

Mr. Correa said he wanted to reconfigure Ecuador's economy with policies inspired by economists wary of overexposing developing countries to market forces, like Joseph E. Stiglitz of Columbia University. Mr. Correa, who got a doctorate in economics from the University of Illinois, added that he was no fan of Milton Friedman, the economist who died this month and whose influential work favored minimizing the role of government in the global economy.

Citing the example of Chile, where a state-controlled copper producer contributes much to the country's economic growth, Mr. Correa said he hoped to strengthen Ecuador's national oil company. He positioned a more nationalistic energy policy within a regional project to strengthen ties among South American nations, along the lines of what Mr. Chávez advocates in his "Bolivarian Revolution."

"The dream of Bolívar in the 21st century is more than a dream," Mr. Correa said. "It's a decision of survival."

In the first election round in mid-October, Mr. Correa appeared to have suffered because of his ties to Mr. Chávez. After Mr. Noboa won that vote, Mr. Correa shifted the emphasis of his campaign to focus on domestic issues like affordable housing and cash subsidies for the poor.

It remains to be seen how Mr. Correa will interact with Congress, which ousts presidents with ease in Ecuador. Analysts said much would depend on how quickly he moved to convene a constitutional assembly that would expand his powers. Unlike Mr. Noboa, who has allies in Congress, Mr. Correa has almost none.

Equally daunting, analysts say, is Ecuador's reliance on high oil prices to maintain economic stability. Government spending is climbing about 15 percent a year, compared with economic growth of about 4 percent a year, according to private economists here, following policies that Mr. Correa pushed for during a brief stint as finance minister.

Correa Set For Ecuador Election Win (FT)

By Hal Weitzman

Financial Times, November 27, 2006

A leftwing radical allied to Hugo Chávez, the anti-American Venezuelan leader, will be Ecuador's next president, according to exit polls from Sunday's election.

The surveys projected that Rafael Correa, a former finance minister, had won the contest with some 57 per cent of the vote, well ahead of Alvaro Noboa, the right-leaning banana magnate who was his rival.

The election is the second this month to be won by allies of Mr Chávez, coming weeks after Daniel Ortega was re-elected president of Nicaragua.

"This is a new moment for Ecuador," said Gustavo Larrea, Mr Correa's chief campaign spokesman and a likely cabinet minister. "We thank the Ecuadorean people and call for national unity to effect the changes that the country needs."

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Mr Correa did predictably well in highland areas, winning 75 per cent of the vote in Azuay, the southern province that includes Cuenca, the third-largest city in the country. He also appeared to be on course to win the banana-growing area of El Oro, with some 66 per cent of the vote.

Mr Noboa maintained that the real count would show he had won the election, citing one outlying poll, by Consultar, a local pollster, that showed him the victor.

If confirmed, the result is likely to hit the value of Ecuadoran debt: the country's benchmark bonds fell to a six-week low last week on concern that Mr Correa could win. The leftwinger has promised to restructure debt and increase government spending.

The result is also likely to signal a period of political strife: Mr Correa has promised to take on Congress with an assembly to rewrite the constitution.

It will also affect the Andean country's relationship with Washington. Mr Correa has vowed to close down the US military base at Manta, the only one in South America, and to shelve permanently talks on a bilateral trade deal with the US.

Correa Claims Ecuador Victory, Promises To Renegotiate Debt (WSJ)

By John Lyons

The Wall Street Journal, November 27, 2006

After pulling ahead in the presidential campaign by focusing on centrist issues, Ecuador presidential candidate Rafael Correa said he would govern from the populist left if he were to win yesterday's election.

While official results had yet to be released last night, Mr. Correa, a 43-year-old economist, held a jubilant news conference claiming that exit polls showed he had won by a margin that gave him wide latitude to push a radical agenda. He vowed to renegotiate payments on the country's $16 billion of foreign debt and to scrap the constitution -- proposals that he barely mentioned during the final weeks of his campaign. He also reiterated his longtime opposition to a new free-trade pact with the U.S.

"This is a clear message that the people want change," Mr. Correa said. "This is a clear message to the traditional political class that there has to be change."

Three separate exit polls gave Mr. Correa a lead of at least 13 percentage points, including one poll partly paid for by his opponent, Alvaro Noboa, who hadn't conceded defeat last night. Official poll results weren't expected until later last night or early today.

Mr. Correa, who came in second in an initial round of voting after once holding a large lead, was hoping for a comeback. To do it, he tacked to the center to win support from working-class and poor voters who had been uneasy with his self-described "revolutionary" agenda, including closing a U.S. military base in the country. Instead, he focused on run-of-the-mill issues like increasing low-cost housing and raising the minimum wage.

Mr. Correa's move to the center reflected the waning momentum of Latin American populists since a victory in December by Bolivia's Evo Morales, who tried to nationalize the country's oil and gas industry. Populists lost in Mexico, Peru and Costa Rica. Although former communist rebel Daniel Ortega won in Nicaragua this month, he did so by stressing moderation and reconciliation.

It is too soon to tell how much of Mr. Correa's agenda would be feasible if his election victory is confirmed. Ecuadorians have often expelled presidents who don't govern as they campaign, and Mr. Correa faces strong opposition in Congress. The new president will be Ecuador's eighth in a decade.

But no proposal carries more risk than Mr. Correa's plan to renegotiate Ecuador's $16.1 billion of debt. Even talk of debt negotiations has sent the price of default insurance on Ecuador's bonds soaring to the same levels as Iraq's.

Whitney Kane Gomez, a Morgan Stanley Fixed Income analyst who covers Ecuador, expects the country's bonds to sell off today on the likelihood that Mr. Correa's victory will be upheld. "There is a strong probability that some external debt will not be paid," she said.

Although renegotiation would hardly be new for Ecuador, which has renegotiated its debts in each of the last two decades, it could backfire by reducing the nation's ability to obtain new international financing. Unlike Argentina, which renegotiated its debts after committing the biggest sovereign debt default in history in 2001, Ecuador isn't running out of money. Rather, Mr. Correa wants to renegotiate for what he considers moral reasons: He believes part of the $3 billion debt service should be spent on the poor.

Exit Polls Indicate Win For Ecuadoran Reformer (WP)

By Monte Reel

The Washington Post, November 27, 2006

DOJ_NMG_0098112

QUITO, Ecuador, Nov. 26 -- Unofficial exit polls and quick counts suggested that a young reformer promising to break free from the country's traditional power brokers defeated the nation's wealthiest man in Sunday's election to become Ecuador's eighth president in a decade.

The race between economist Rafael Correa, 43, and banana magnate Alvaro Noboa, 56, offered voters a choice between conflicting views of the nation's role in a globalized world. If Correa wins, Ecuador will join Venezuela and Bolivia as Andean countries led by presidents who are critical of U.S. influence in the region and advocate a greater state role in the economy.

Correa opposes U.S.-backed trade pacts that he says work against Ecuador's interests. He promises not to renew U.S. rights to a military base used for anti-drug operations. And he has threatened to not pay foreign debts he considers illegitimate and to instead use the money to increase social spending. Noboa had argued that an unrestrained free market was key to wooing foreign investment, and he pledged to cut ties with Venezuela's Hugo Ch?vez, whom Correa considers a friend.

Claiming victory before the official results, Correa called his win a defeat for a "political mafia" that he said had ruled the country for decades and implemented free-market, neo-liberal economic policies that the United States promoted in Latin America in the 1980s and '90s.

"This is a change to improve, to overcome 20 years of the long, sad, neo-liberal night that for so many years has defined us," Correa said during a televised news conference.

Correa, who received a doctorate at the University of Illinois, emerged as an attractive outsider for those voters who were seeking change after congressional conflicts and public unrest had ousted the last three elected presidents. He finished second behind Noboa in a first-round vote last month, but since has toned down his revolutionary rhetoric, reassuring some who feared that his more radical proposals -- including a pledge to convene a constituent assembly and dismantle the National Congress -- could result in more instability.

His surge in support after muting his rhetoric coincided with his emphasis on specific proposals to alleviate poverty, such as plans to increase welfare payments and construct more low-cost housing for Ecuador's poor, who make up the majority of its 13.4 million citizens. But after exit polls showed him with a comfortable lead, Correa reiterated his pledge to convene the assembly, which analysts say would require either congressional support or public approval.

"I believe the election result is a clear message that citizens want profound change and want a national constituent assembly," Correa said.

Some who cast ballots for the charismatic young economist Sunday said Correa's promises to ease unemployment and combat poverty earned their votes.

"He's young, but he's prepared for the job because he's knowledgeable about the economy and how to fix it," said Luis Chicaiza, 53, an industrial mechanic who has been unemployed for six months, shortly after voting for Correa at a Quito polling station Sunday. "Noboa was born rich, and he doesn't know anything about what it takes to fight against unemployment and poverty."

Noboa, who had been leading most polls until about a week ago, told a local television station Sunday evening that he was not prepared to accept defeat based on exit polls and quick counts. Few political observers put much stake in the exit polls, which had predicted that Correa would finish ahead of Noboa in the first round.

Noboa inherited one of the world's largest banana exporting companies and has since expanded his empire to include more than 110 businesses. He controls almost every aspect of a process that takes bananas from the leafy fields of his plantations to supermarkets in the United States and Europe.

Noboa stuck closely to an old-fashioned variety of populism by promising voters material benefits if they voted for him, and he handed out wheelchairs and other gifts to supporters at rallies. He regularly dropped to his knees and raised a Bible over his head during his speeches, invoking God while promising that his government would build 300,000 houses a year for the poor -- a promise many analysts dismissed as unrealistic.

Voting for Noboa at a polling station in Quito's city center on Sunday, Pedro Escudero said he thought that Correa's lack of congressional support made the banana magnate -- whose party holds 28 of 100 congressional seats -- a safer option. "Correa will almost certainly be in constant confrontation if he's elected," said Escudero, 47, a securities analyst.

An important player in the next government is expected to be Lucio Guti?rrez, who was ousted from the presidency last year after Congress accused him of meddling with the Supreme Court. Although he was banned from running for president this year, Guti?rrez's party won 24 seats in Congress last month, meaning that he could join forces with Noboa's party to form a majority bloc against Correa -- or provide important support for Correa.

In an interview in Quito last week, Guti?rrez said he decided not to endorse either candidate to preserve the opportunity to work closely with either one. He said that if Correa was elected, his party would serve as a watchdog if Correa attempts to go forward with his most controversial policies.

"We're ready to have a dialogue with Rafael Correa," Gutierrez said.

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Thousands In Turkey Denounce Papal Visit (AP)

By Brian Murphy

AP, November 27, 2006

Tens of thousands of protesters denounced Pope Benedict XVI as an enemy of Islam at a rally Sunday that underlined deep divisions straining Turkey ahead of the pontiff's visit this week.

Officials hoping to promote closer ties with the West urged calm, but Islamic groups wary of Western ways are united in anger over a speech Benedict gave two months ago in which he quoted a medieval text that linked Islam to violence.

Chants of "No to the pope!" rose among nearly 25,000 demonstrators at every mention of his remarks on violence and the Prophet Muhammad. Many protesters wore headbands with anti-pope slogans and waved placards that included a depiction of Benedict as the grim reaper.

The protest, organized by an Islamist political party, was the largest mass gathering so far against Benedict's four-day visit scheduled to begin Tuesday — his first papal journey to a mostly Muslim nation. The outcry also was designed to rattle Turkey's establishment.

Turkish officials hope to use the visit to promote their ambitions of becoming the first Muslim nation in the European Union and showcase Turkey's secular political system. But Islamic groups, which have been gaining strength, see Benedict as a symbol of Western intolerance and injustices against Muslims.

"The pope is not wanted here," said Kubra Yigitoglu, a 20-year-old protester wearing a head scarf, ankle-length coat and cowboy boots.

Nearby, a large banner was raised amid a sea of red flags of the Saadet, or Felicity, party. It called the Vatican "a source of terror."

Security forces are on full alert for the pope's visit. Nearly 4,000 police, including units in full riot guard, watched over the protest. Surveillance helicopters buzzed overhead and protesters were frisked before entering the square in a conservative stronghold of Istanbul.

The pope's visit has two distinct — and difficult — objectives: calming Muslim ire and advancing efforts to heal a nearly 1,000-year divide in Christianity between the Vatican and Orthodox churches.

Benedict plans to meet first with political and Muslim religious leaders in the capital, Ankara, including Turkey's president and the Islamic cleric who oversees the country's religious affairs. Prime Minister Recep Tayyip Erdogan is scheduled to attend a NATO meeting in Latvia during the papal visit, but could briefly greet the pontiff at the airport.

The pope then heads to Istanbul — the ancient Byzantine capital of Constantinople — to be hosted by the spiritual leader of the world's Orthodox Christians, Ecumenical Patriarch Bartholomew I.

The pope strongly backs efforts for closer bonds between the two ancient branches of Christianity, which formally split in the 11th century over disputes including papal primacy. But some Orthodox leaders, including Russia's powerful Patriarch Alexy II, are wary of deepening ties too fast.

While in Istanbul, Benedict also plans to visit the famous 17th century Blue Mosque. The Vatican spokesman, the Rev. Federico Lombardi, called it a "sign of respect" toward Muslims.

The mosque is one of the city's major tourist sites and its slender minarets are a prominent landmark in Istanbul's ancient center. Tradition says it was built to show Islamic architects could rival the glories of the nearby Haghia Sophia, a church that was converted to a mosque after the city fell to Muslim armies in 1453. It is now a museum.

Benedict may also use his time in Turkey as a forum to demand that Islamic nations offer greater rights and protection to Christian minorities, such as the remnants of the once-thriving Greek Orthodox community in Istanbul.

Turkey's foreign minister, Abdullah Gul, said Benedict's visit could help "remove some misunderstandings" between Christians and Muslims.

"The messages the pope gives here will, of course, be very important," Gul said at a news conference.

But the protesters sent a loud signal that the pope is not welcome until he offers a full apology for his remarks in September, in which he quoted a medieval Christian emperor characterizing some of Muhammad's teachings as "evil and inhuman."

The Vatican has expressed regret for offending Muslims and sorrow for the violent backlash that included attacks on churches in the Holy Land. The intent of the remarks, the Vatican said, was to draw attention to the incompatibility of faith and violence.

"The pope was disrespectful to us and he needs to apologize," said one banner at the demonstration.

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Seafetin Tuleg, 70, wrapped himself in the flag of rally organizers and said Muslims revere the Jewish and Christian prophets, but do not receive the same respect for their own. "We love Moses, Jesus and Muhammad, but the pope doesn't love Muhammad and Islam," he said.

Officially, Turkey is a rigidly secular republic, though around 99 percent of its population is Muslim.

In 2004 — before becoming pope — the then-Cardinal Joseph Ratzinger cast doubt on whether Turkey has a place among EU nations. "Turkey has always represented a different continent, in permanent contrast to Europe," he was quoted by the French magazine Le Figaro as saying.

The Vatican spokesman, Lombardi, played down those comments Sunday in an interview with Turkey's state-run Anatolia news agency, saying the Vatican was not against Turkey joining the EU if it fulfilled membership criteria.

Also at the Vatican, Benedict expressed his "feelings of esteem and of sincere friendship" for Turks and their leaders.

Turks Protest Pope's Coming Visit (WP)

By Molly Moore

The Washington Post, November 27, 2006

ANKARA, Turkey, Nov. 26 -- Thousands of chanting, flag-waving protesters on Sunday denounced Pope Benedict XVI as anti-Islamic, demanding that he cancel a trip to Turkey this week that the Vatican hopes will help mend relations between the pontiff and Muslims.

An estimated 25,000 protesters jammed a large square in Istanbul in one of the largest public demonstrations against the visit so far in this predominantly Muslim country, where secular voices are battling growing Islamic forces at a critical moment in Turkey's relations with the West.

The pope's visit has infuriated many Muslims because of remarks he made 2 1/2 months ago in which he quoted a medieval Christian emperor equating some of the prophet Muhammad's teachings with violence and evil. The pope has not apologized for making the remarks but has said he regretted the pain they may have caused Muslims.

Protesters waved signs declaring "Go home, pope" and shouted, "No to the pope!" as about 4,000 police, many in riot gear, ringed the square and helicopters monitored the crowd from overhead.

"We don't want the pope here," said Mustafa Demir, 50, as he gripped the hands of his two elementary-school-age daughters. "He insulted our prophet."

Although many Turks oppose the papal visit, some government authorities and business leaders see it as a chance to promote Turkey's efforts to join the European Union and to highlight the country's secular political system.

Turkish officials attempted to play down the protest. Foreign Minister Abdullah Gul said at a news conference that the pope's visit could help "remove some misunderstandings" between Christians and Muslims and that his messages would "be very important."

During his regular Sunday address at the Vatican, Benedict told the crowd beneath his window, "Starting right now, I want to send a cordial greeting to the dear Turkish people, rich in history and culture."

He added, "To these people and their representatives, I express feelings of esteem and sincere friendship."

The Vatican also confirmed Sunday that the pope will visit Istanbul's famous Blue Mosque, the Sultanahmet, in his first visit to a mosque as pope.

Turkish authorities said security will be extremely tight during the papal trip, which begins in the capital, Ankara, includes a visit to the shrine near Ephesus, where many Catholics believe the Virgin Mary lived her final days, and ends in Istanbul.

Although Vatican-Muslim relations have dominated the headlines about it, the trip was originally scheduled to help repair a centuries-old divide between the Vatican and Orthodox Christian churches. The pope will have two meetings with the Orthodox Patriarch Bartholomew I, who is based in Istanbul and has waged his own religious battles with the Turkish government.

Many of the protesters at the rally Sunday in Istanbul were just as distressed by the pope's planned meeting with the Orthodox patriarch as they were by what they see as his attitude toward Muslims.

"We are here to prevent the visit of the pope," said Gulnihal Yildirim, 38, who wore a head scarf and was accompanied by her two daughters, ages 6 and 11, each sporting green headbands reading, "The pope should not come."

"He will be the guest of the state for one day and of the patriarch for three days," added Yildirim, who said she opposed the pope's efforts to enhance the status of the patriarch in this Muslim country.

Rebels Leave As Chad Retakes City (NYT)

By Lydia Polgreen

The New York Times, November 27, 2006

DOJ_NMG_0098115

PARIS, Nov. 26 — Rebels who overran the largest city in eastern Chad on Saturday disappeared almost as quickly as they had arrived, melting away Sunday as government soldiers re-established control of the looted city center.

But even as the government forces retook the city, Abéché, apparently without bloodshed, a rebel column headed toward the capital, Ndjamena, Western diplomats there said on the condition of anonymity.

The French Embassy in Ndjamena said a column of rebel troops was headed toward Ndjamena, but it was impossible to say if it had left Abéché or was another group of rebels.

Later in the day, news agencies gave conflicting reports about the location of the rebel column. [A news service] reported that France had said the column was no longer advancing but was in Batha Province, which would put the rebels 150 to 375 miles from the capital. It also said Chad's government had denied reports of rebels moving on Ndjamena. But The Associated Press reported that Chadian soldiers had been massing along a strategic road as a rebel convoy had been spotted advancing toward the city.

For more than a year, several rebel groups have been seeking to overthrow Idriss Déby, who has been president of Chad since he seized power in a coup in 1990. Chad, one of the poorest and least stable countries in Africa, has been further destabilized by the chaos in Darfur, the region of western Sudan just across the border.

At least 200,000 people have died and 2.5 million have been pushed from their homes in Darfur in a battle over land, ethnicity and self-determination that the Bush administration has called genocide.

The government of Chad accuses Sudan of supporting the rebel groups menacing Mr. Déby's rule, and Sudan contends that Chad has helped non-Arab rebel groups in Darfur that are fighting the Arab-dominated government and its allied Arab tribal militias.

Mr. Déby was re-elected president this spring after he forced through an amendment to the Constitution to allow him to run for a third term. Most opposition parties boycotted the election.

As China Reins In Piracy, Some Seek Faster Results (WSJ)

By Andrew Batson

The Wall Street Journal, November 27, 2006

BEIJING -- China is beginning to make some progress on containing the epidemic of piracy and counterfeiting that foreign businesses have long complained robs them of sales in a crucial market. But some of its trading partners, seeking faster action, are calling for a harsher approach.

Foreign-company executives, surveys and government officials all note improvements. The biggest change has been at the top: Senior leaders including Premier Wen Jiabao now declare that improving the protection of intellectual property is a "strategic policy" for the nation. That is because they want Chinese companies to climb out of low-end manufacturing and develop their own technologies and brands -- which will need protecting. Software producers like Microsoft Corp. have seen some of the clearest early benefits.

Enforcing such a shift on the ground isn't happening as quickly, however, and the scale of the problem is still enormous. Hollywood studios and makers of luxury goods continue to fret about the widespread availability of illegal knockoffs of their wares on Chinese streets.

The mixed results have caused a split in the trade community on how to proceed, with some U.S. and European officials increasingly arguing a more combative approach is needed to ensure further action.

The piracy issue is likely to be on the table next month when Treasury Secretary Henry Paulson and Federal Reserve Chairman Ben Bernanke visit Beijing for the first round of a new U.S.-China dialogue intended to address outstanding economic tensions. The talks are also expected to address U.S. calls for China to open its markets further to American financial-services companies, as well as U.S. demands that Beijing allow the yuan to rise against the dollar.

Still, some companies are saying the direction of change is now clear enough to allow them to invest for the future in the confidence that improvements will continue. Pharmaceutical giants AstraZeneca PLC and Novartis AG this year each committed to spending $100 million on research and development in China. Drug companies depend on selling patented products, and both companies cited China's strengthening protection of such rights in support of their decision to invest.

"The positive momentum leads us to believe that things can only get better," said Keith Feldman, general manager of the international home-entertainment unit of News Corp.'s Twentieth Century Fox studio. He said the improving enforcement of intellectual-property rights is one reason Fox decided to try to start selling DVDs in China, even though it must still compete with illegal copies that can sell for less than a dollar.

"There's no question they have made progress," Secretary of Commerce Carlos Gutierrez said in an interview this month during a visit to Beijing.

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Surveys this year by the American Chamber of Commerce in China and the U.S.-China Business Council found that roughly a third of each of their members reported an improvement in enforcement of trademarks, patents and copyrights.

Many of the changes started to happen after the government put together a high-level task force on the issue in early 2005. Headed by Vice Premier Wu Yi, the group in March produced an "action plan" committing the government to several changes in legislation and practice.

One shift brought about by the plan has been a requirement that all new computers sold in China come with legitimate operating-system software already installed. Previously, most computers in China were sold as empty boxes, and retailers often added illicit copies of software like Microsoft's Windows and Office. Microsoft executives say they have seen a significant pickup in sales since the new rule went through early this year.

China hasn't been able to make much progress in controlling the many thousands of producers of illicit goods located across the country, ranging from DVD factories hidden in chicken farms to car-parts plants that produce knockoffs on the night shift.

Laws on the books prohibiting such activity are poorly enforced. Moreover, financial penalties aren't heavy, and few piracy or counterfeiting cases are criminally prosecuted, allowing many violators to stay in business after repeated crackdowns. That is why the top priority for foreign businesses has become tougher law enforcement and more criminal sanctions.

U.S. and European officials are also feeling increased political pressure to do something about what critics call China's unfair trade practices. That is creating division among businesspeople and government officials on the best way to tackle one of the most significant trade issues they confront.

Some want to continue an approach they credit for much of the recent progress: stressing to Chinese policy makers how piracy endangers China's own prosperity, rather than how much it hits the bottom lines of multinational companies. The more hawkish, however, feel negotiations have produced too much talk and not enough action and increasingly want to use international trade law to force more changes.

"There is no division on the goals: tougher enforcement, revision of the criminal code and more criminal sanctions. But there is some division on tactics, on how we reach those goals," said Myron Brilliant, vice president for Asia at the U.S. Chamber of Commerce.

A congressional commission in October called on the Bush administration to take a case against China's intellectual-property practices at the World Trade Organization -- an action considered the weapon of last resort in international trade disputes.

U.S. trade officials say they have been preparing for a case but for the moment want to continue with negotiations.

The European Union in October also publicly threatened China with a WTO case if it doesn't crack down further on piracy and counterfeiting. But EU trade officials say privately that they aren't prepared to support a WTO action, as they believe the current course of negotiations is producing results and shouldn't be abandoned.

That position could leave the U.S. isolated if it does eventually pursue a case, as many observers expect. A WTO case -- in essence, a highly public and official statement that China is violating treaties it signed -- could also cost the plaintiff a lot of goodwill in Beijing.

Chinese Minister of Commerce Bo Xilai said this month that a WTO case by the U.S. would have a "very negative impact" on its relationship with China. China will make further improvements, he said, but the process will take time. Chinese officials have told visiting negotiators that a WTO dispute would weaken those within their government who are pushing for more action to protect on intellectual property.

Britain's Relations With Putin Poisoned (WT/AP)

By Jill Lawless

The Washington Times, November 27, 2006

LONDON -- A British Cabinet minister yesterday accused Russian President Vladimir Putin of "attacks on individual liberty and on democracy" as relations between Britain and Russia grew increasingly strained in the wake of the fatal poisoning of a former KGB agent who became a British citizen.

Peter Hain, the government's Northern Ireland secretary, said Mr. Putin's tenure has been clouded by incidents "including an extremely murky murder of the senior Russian journalist" Anna Politkovskaya.

His are the strongest comments leveled at Moscow since Alexander Litvinenko, the one-time KGB agent who has lived in London with his family for several years, died Thursday from poisoning by the radioactive element polonium 210. He had been investigating the death of Mrs. Politkovskaya. In a dramatic statement dictated from his hospital bed and read outside the hospital shortly after his death, he accused the "barbaric and ruthless" Mr. Putin of ordering his poisoning.

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Mr. Hain was similarly harsh in his assessment of the Russian president. "His success in binding what is a disintegrating nation together with an economy that was collapsing into Mafioso-style chaos, his success in that must be balanced against the fact there have been huge attacks on individual liberty and on democracy," he told a BBC interviewer. "And it's important that he retakes the democratic road in my view."

British officials have so far avoided blaming Moscow for Mr. Litvinenko's death, and Mr. Hain did not comment directly on the case.

[London's Guardian newspaper reported last night that a senior source at the United Nations' nuclear watchdog, the International Atomic Energy Agency, said that "he had no doubt that the killing of Litvinenko was an organized 'operation' which bore all the hallmarks of a foreign intelligence agency. The expert in radioactive materials said the ability to obtain polonium 210 and the knowledge needed to use it to kill Litvinenko meant that the attack could not have been carried out by a 'lone assassin.' "]

Opposition Conservative Party leaders demanded yesterday that the government explain what it knows about the poisoning and, in particular, how the deadly nuclear material used to poison the 43-year-old Mr. Litvinenko, perhaps sprayed or sprinkled on his food in a London sushi restaurant, got into Britain.

Mr. Litvinenko told police he thought he was poisoned Nov. 1 while investigating the October slaying of Mrs. Politkovskaya by a person or persons unknown. Mr. Litvinenko was moved to intensive care last week after his hair fell out, his throat became swollen, and his immune and nervous systems suffered severe damage.

London Metropolitan Police say they are investigating a "suspicious death," carefully not calling it murder. They have not even ruled out the possibility, however unlikely, that Mr. Litvinenko poisoned himself. His death was described as "agonizing."

Mr. Litvinenko's friends and allies in London's Russian emigre community blame Mr. Putin, who has denied his government's involvement. After first denying that it was "a violent death," Mr. Putin has called Mr. Litvinenko's death a "tragedy".

Russian officials could not be reached for comment yesterday on Mr. Hain's remarks. Home Secretary John Reid, Britain's top law-and-order official, has declined to speculate about who might have killed Mr. Litvinenko. "I don't think it's for me as a politician to be making judgments that a policeman should make," he told Scotland's Radio Clyde.

The Conservatives demanded the government make a statement in the House of Commons today outlining what it knows about the death and how polonium 210 -- a rare radioactive element usually produced in a nuclear reactor or particle accelerator -- got into Britain.

Mr. Litvinenko's contaminated body was released to a coroner late Saturday, and government pathologists await recommendations on whether it is safe for them to perform an autopsy.

Mystery Could Strain Anglo-Russian Relations (USAT)

By Jeffrey Stinson

USA Today, November 27, 2006

LONDON — Britain's biggest spy thriller isn't the new James Bond film but the mystery surrounding the poisoning death of ex-Soviet KGB officer Alexander Litvinenko.

Litvinenko, 43, a Kremlin critic, died Thursday night of heart failure from what doctors said was poisoning from polonium-210 — a radioactive element usually produced in a nuclear reactor or particle accelerator.

In a statement dictated two days before he died, Litvinenko accused Russian President Vladimir Putin of orchestrating his poisoning. The statement was read posthumously Friday by his family. The government's Health Protection Agency called the poisoning unprecedented.

On Sunday, New Scotland Yard, the headquarters of police for greater London, said it had nothing new to say about the case. British Home Secretary John Reid said the death had been ruled suspicious and police would “follow the evidence.” He rejected the opposition Conservative Party's call for a House of Commons statement condemning the death.

The Kremlin denies any involvement. Putin called Litvinenko's death a tragedy and offered his government's help investigating the case. He also said the case should not spoil Anglo-Russian relations.

There were signs that the case could do that. British Cabinet member Peter Hain, the secretary for Northern Ireland, said relations with Russia were “tricky” and urged Putin to recommit himself to democracy.

In an interview with the British Broadcasting Corp.'s Sunday AM, Hain said that in Putin's Russia, “there have been huge attacks on individual liberty and on democracy.” He added, “It's important (Putin) retakes the democratic road.”

David Davis, a Conservative spokesman on law-and-order issues, said the government needs to take steps so “other dissidents living in Britain are reassured about their safety.”

In a BBC television interview, Reid urged politicians to leave the case to police “to make their judgments.”

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There were other signs the government was taking the case seriously. The emergency planning committee, known as COBRA, met Saturday for the second time in 24 hours to discuss the situation. COBRA, which includes ranking ministers, police and intelligence officials, has met on high-level emergencies such as the London transit bombings in July 2005.

Litvinenko had told friends and family he was poisoned because he was investigating the killing in Moscow last month of Russian journalist Anna Politkovskaya, a vocal Kremlin critic.

Litvinenko was a specialist in counterterrorism and organized crime for the Soviet-era KGB and its successor agency, the Federal Security Service (FSB).

In the 1990s, he alleged that the FSB was involved in executing businessmen and other public officials opposed by the government. After a nine-month stint in prison in 1999 for abuse of office, he moved to Britain. He was granted asylum in 2000 and became a British citizen.

Litvinenko became ill after meetings with two Russian men at the Millennium Hotel near the U.S. Embassy and with Mario Scaramella, an Italian security expert and academic, at a sushi restaurant in Piccadilly. Scaramella told reporters that he showed Litvinenko a list of dissidents targeted by Russia's security services. He said Litvinenko's name was on the list.

Hospitalized Nov. 1, Litvinenko was moved to an intensive care unit at London's University College Hospital after he lost weight and his hair fell out. Once they determined the cause of his illness, police followed Litvinenko's movements on the day he became ill. On Saturday, they found traces of radiation at his north London house, at the Millennium hotel bar and at the sushi restaurant.

The Health Protection Agency encouraged anyone who had a concern about exposure to be tested. Polonium-210 is toxic if it is inhaled, swallowed or injected into a wound. About 300 people contacted the agency.

Reid said the radioactive substance did not pose a big risk. “I have no indication that there is a widespread threat here,” he told Sky television.

The sushi restaurant was boarded up Sunday while it underwent decontamination.

Among the passersby stopping to check out the scene of possible spy intrigue: Jim and Sarah Rankin of Oxford. “It harkens back to the Cold War, and cloak and dagger and espionage,” Jim Rankin, 38, said of Litvinenko's mysterious death. “There is an air of 007 about it.”

In the new James Bond film, Casino Royale, Bond escapes death by poisoning.

Litvinenko, the real-life spy, was not as lucky. In his deathbed statement, he wrote, “You may succeed in silencing one man, but the howl of protest from around the world will reverberate, Mr. Putin, in your ears for the rest of your life.”

British Police Retrace Steps Of Poison Victim (NYT)

By Alan Cowell

The New York Times, November 27, 2006

LONDON, Nov. 26 — The British police on Sunday sought to retrace the movements of Alexander V. Litvinenko, a former Russian secret agent, before he fell ill from the radiation poisoning that killed him last week.

But the police insisted, as they have for several days, that Mr. Litvinenko’s macabre death on Thursday remained in the “suspicious” category and that they were not at this time treating the case as a murder inquiry.

It remained unclear how polonium 210, the radioactive substance that killed Mr. Litvinenko, 43, entered his body. Although he and his associates accused Russia of poisoning him, the British authorities apparently do not want to turn the episode into a diplomatic incident and have pointedly refrained from leveling accusations about who may be behind the killing.

“I don’t think it’s for me as a politician to be making judgments that a policeman should make,” John Reid, the home secretary and Britain’s most senior law enforcement official, said in a radio interview. “I think it’s known that the particular nature of these circumstances don’t appear to have happened before. That’s why we’re doing everything we can on the health side as well as the police side to get as much information to people as we can.”

Peter Hain, the British Northern Ireland secretary and a former human rights campaigner, did not comment directly on Mr. Litvinenko’s death, but he said Sunday that President Vladimir V. Putin’s rule had been clouded by incidents like the killing of Anna Politkovskaya, an investigative journalist fatally shot in Moscow last month. Mr. Litvinenko had been making inquiries about her death when he became ill.

Referring to Mr. Putin, Mr. Hain said, “His success in binding a disintegrating nation together must be balanced against the fact that there have been huge attacks on individual liberty and on democracy, and it’s important that he retakes the democratic view.”

Britain’s relationship with Russia is built in part on concerns here that the British economy will be increasingly reliant on Russian energy. The remarks by Mr. Hain were by far the most critical of the Kremlin by a high-ranking British official since Mr. Litvinenko died.

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Mr. Putin has denied that Mr. Litvinenko was the victim of an officially approved assassination by Russian agents.

Mr. Litvinenko's family and friends have said that he began to feel ill on Nov. 1 after visiting a sushi bar in central London.

He also spent time that day at a five-star hotel in the Mayfair district, close to the American Embassy in Grosvenor Square. The police said Friday that radioactive traces had been found at each location. On Sunday, they said they had completed an investigation at the sushi bar but were still examining Mr. Litvinenko's north London home and part of the hotel in Grosvenor Square.

Police officials declined to comment on British news media reports that officers planned to go to Moscow and Rome to interview two Russians and an Italian who met with Mr. Litvinenko on or after Nov. 1. But, the police said, officers were scrutinizing closed-circuit television images from security cameras of the places Mr. Litvinenko visited before he fell ill.

The British government has said it is unlikely that other people would have been poisoned from contact with Mr. Litvinenko or from the radiation traces found in those places. "In terms of the type of material used, this case is pretty unique," Mr. Reid said. "I have no indication that there is a widespread threat."

However, the Health Protection Agency said Sunday that 300 people had responded to an appeal for those who visited the same places Mr. Litvinenko did on Nov. 1 to come forward for urinalysis — the kind of test that first indicated the cause of his illness.

Russian officials have repeatedly said that Mr. Litvinenko's death was part of a choreographed effort to discredit Mr. Putin.

Despite Russian denials, the British news media continued to point the finger at Russia. The Sunday Times of London said Mr. Litvinenko had said in an interview as he lay dying that Russia had sent an agent using diplomatic cover to keep track of his movements. The police declined to say whether officers would question the man, identified by The Sunday Times as Viktor Kirov.

The newspaper News of the World reported that a 46-year-old trained assassin whose middle name was Igor had been linked to the poisoning.

The Russian Roulette (TIME)

By Peter Gumbel

Time, November 27, 2006

The former spy lay dying in a LondonÂ hospital--of what he didn't know. (It wasn't until after his death that Scotland Yard realized that the rare compound killing Alexander Litvinenko, 43, had left traces of radioactivity nearly everywhere he had been on Nov. 1.) But Litvinenko wanted the world to know who killed him, not how it was done or where. In a statement released after he died last week, the fierce critic of Russia's government directly addressed the man he said was responsible for his death: "You may succeed in silencing one man, but the howl of protest from around the world will reverberate, Mr. Putin, in your ears for the rest of your life."

Whoever did kill Litvinenko wasn't an amateur. British authorities announced last Friday that he had ingested a radioactive toxin, polonium 210, and that police had found traces of it in three locations: a sushi bar where Litvinenko had eaten lunch, a hotel he had visited on the same day and his home. Polonium 210 is so rare and volatile that the assassin would have needed access to a high-security nuclear laboratory to obtain it. Moscow denies that it had anything to do with the death. At a meeting with European officials in Helsinki, Vladimir Putin called the death a tragedy but also questioned the authenticity of Litvinenko's deathbed accusation and stated bluntly, "There is no issue to discuss."

Whether or not anyone in the Kremlin had targeted Litvinenko, his death, coming just weeks after the murder of investigative journalist Anna Politkovskaya in her Moscow apartment block, has sent a subzero chill over Russia's already frosty civil society. Human-rights campaigners and other Putin critics see the killing as the latest blow to democracy and free speech, part of a steady erosion of civil liberties. Russian democracy was chaotically vibrant just a decade ago, after the collapse of communism in 1991. But these days it is looking fragile. New legislation annuls independent candidates for the Duma (parliament's lower house), and no political party can exist without the Kremlin's approval. Regional governors and members of the upper house of parliament are no longer elected but appointed. Most key national media are in the hands of state or state-controlled corporations, and Russian activists live in fear of the consequences when they openly criticize Putin. "There may no longer be shortages of groceries and long lines at every street corner," says Ludmilla Alexeyeva, the doyen of human-rights activists in Moscow, "but Russia today is still a place where human rights and freedom are in short supply."

Litvinenko, for one, was unafraid to speak out. A former lieutenant colonel in the Russian federal security service (FSB), the successor agency to the KGB, Litvinenko gained notoriety in the 1990s for claiming to have refused a Kremlin order to assassinate the Russian oligarch Boris Berezovsky. He had long accused Putin of backtracking on democracy and, in a 2001 book he co-wrote, went so far as to allege that Russian security services organized apartment-block bombings in 1999 that stoked support for a resurgence of the war in Chechnya. He had most recently made public statements tying the Kremlin to the murder of Politkovskaya. Litvinenko was reportedly meeting contacts in London in the hope of gaining information on the case

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when he was poisoned. "The bastards got me, but they won't get everybody," he told his friend Andrei Nekrasov shortly before his death.

The Litvinenko case revived memories of perhaps the most notorious assassination carried out during the cold war, the 1978 murder in London of Georgi Markov, a Bulgarian dissident who was working for the BBC. He was killed with a ricin-tipped umbrella while waiting for a bus, in a case that has never been solved. Just like the Markov murder, the death of Litvinenko has already given rise to a flurry of conspiracy theories, including speculation among defenders of the government that the poisoning was arranged by Russian Ã©migrÃ©s or Western intelligence agencies to discredit Moscow. But for many Russian Ã©lites, the whole macabre spectacle has heightened anxieties about the Putin government's backsliding into communist-era intrigue and repression. "People who question the policies of our government are increasingly targeted. People who work for human rights are increasingly under attack," says Alexeyeva. "And even people who support this work are potentially in danger of being singled out by the government. So are we in Russia? Are we back in the U.S.S.R.?" It's becoming harder to tell the difference. With reporting by Reported by Yuri Zarakhovich/Moscow

Investigations: Putin, Russia And An Ex-Spy's Mysterious Death (NSWK)

Newsweek, November 27, 2006

Dec. 4, 2006 issue - Until a few days ago, U.S. and British government investigators had never heard of anyone being poisoned by the obscure and unstable isotope polonium-210. Now its extreme rarity is adding to the riddles in the death of exiled former Russian spy Alexander Litvinenko, an outspoken critic of Russian President Vladimir Putin. Just before falling ill, the dissident received a document that seemed to warn of threats from an alleged secret fraternity of former KGB men calling themselves "Dignity and Honor," says Lord Tim Bell, a former Margaret Thatcher adviser close to Litvinenko's circle.

Who silenced Litvinenko? His family and supporters insist Russian agents did it. Investigators in London think such a lethal dose must have been industrially produced—a job that usually takes not only bismuth metal for raw material but a nuclear reactor to bombard it with neutrons. "It's not something you can go into a drugstore and get off a shelf," says a nuclear-agency official, asking to be nameless because of the sensitive topic. "To get this amount of highly concentrated radioactivity would take a very sophisticated operation, access to nuclear materials and support systems," Litvinenko's friend and fellow Russian exile Alex Goldfarb told NEWSWEEK. Last week he released a statement he says was dictated by Litvinenko as he died, blaming Putin for the poisoning: "The howl of protest from around the world will reverberate, Mr. Putin, in your ears for the rest of your life."

Putin denied that he or his government had anything to do with Litvinenko's death. British officials say Moscow has made a serious effort recently to improve ties with London, and Litvinenko was not a big enough threat or nuisance for Putin to jeopardize so much hard work. Still, exotic poisons have been a favorite weapon of Moscow's spy services and their allies ever since Soviet times. The Brits are especially unlikely to forget the Bulgarian dissident who was murdered with a ricin-tipped umbrella on a London street in 1978.

The Soviet collapse did not end the sneak tactics. In 2002 a Saudi-born rebel leader in Chechnya known as Khattab reportedly died after being given a poison-soaked letter. A massive dose of dioxin disfigured and nearly killed the then Ukrainian presidential candidate Viktor Yushchenko in 2004. That same year, the Russian investigative journalist Anna Politkovskaya nearly died after drinking a cup of tea she later said had been poisoned. This October she was found shot dead in Moscow. Litvinenko publicly blamed Putin for her death—and fell ill less than two weeks later. Earlier this year, the Russian Parliament explicitly authorized the use of force against enemies living abroad. It's hard to think why Russian agents would use such a distinctive poison. But if they didn't, who did?

Who Killed Litvinenko? (WSJ)

By David Satter

The Wall Street Journal, November 27, 2006

MOSCOW -- Until a week ago, Alexander Litvinenko, a former colonel in the Russian Federal Security Service, the FSB, was virtually unknown outside the murky world of Russian intelligence. With his death in London from a massive dose of the radioactive element polonium 210, however, his fate may lead to a fundamentally different relationship between Russia and the West.

Beginning with the Yeltsin era, two U.S. administrations have muted their criticism of Russia. This was the case even in the face of a series of political murders in Russia. But if Litvinenko, a British subject, was murdered by Russian intelligence on British soil, self-censorship is no longer an option. Unless we want to give the Putin regime carte blanche to dispose of its enemies on our soil, we now have no choice but to react.

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Russian television has given an explanation for the murder of Litvinenko as surrealistic as any offered by the Soviets during the Cold War. It attributed his death to intrigues in the entourage of the exiled Russian oligarch, Boris Berezovsky. An announcer on the evening news said Litvinenko was "a pawn in a game whose significance he did not understand."

Mr. Berezovsky, however, had no reason to kill Litvinenko, whose views he shared and whom he had helped since his arrival in the U.K. in 2000. In November 1998, Litvinenko revealed a plot to kill Mr. Berezovsky who, at the time, was the deputy head of the Russian security council. The evidence points instead to Litvinenko having been murdered by the FSB, which, together with the other "force ministries," has become the dominant political force in Russia today.

The FSB has always had a strong interest in Vladimir Putin's critics abroad. In December 2001, a Russian police official, in announcing a warrant for Mr. Berezovsky's arrest, said, "We know what he eats for breakfast, where he has lunch and where he buys his groceries." This was followed up in September 2003 with an unsuccessful attempt to kill Mr. Berezovsky with a needle camouflaged as a pen. The British reacted by granting Mr. Berezovsky political asylum. In 2004, a stranger threw a Molotov cocktail at Litvinenko and Akhmed Zakaev, the London representative of the separatist government of Chechnya, as they stood on the street near Litvinenko's residence. Besides a history of tracking Mr. Putin's opponents, the FSB could have been encouraged to kill Litvinenko because in June the Russian State Duma passed a law allowing the president to authorize attacks by the FSB on "terrorists" in foreign countries. In fact, the Russian intelligence services do not need a law to attack persons they regard as terrorists abroad. On Feb. 13, 2004, the former Chechen president, Zelimkhan Yandarbiyev, was killed and his 12-year-old son seriously injured when a bomb attached by Russian agents ripped apart their SUV. The new law, however, gives a seal of legitimacy to such operations and guarantees that those who carried them out will not be disowned or forgotten in the event of failure (or possibly even prosecuted in a post-Putin democratic dispensation).

In the last six years, the makeup of the ruling elite in Russia has undergone a dramatic change. Once in power, Mr. Putin filled the majority of important posts with veterans of the security services, many with ties to him dating back to his work in St. Petersburg. By 2003, the top ministers, half of the members of the Russian security council and 70% of all senior regional officials in Russia were former members of the security services. At the same time, many of these persons gained access to great wealth. Russia was already highly corrupt under Boris Yeltsin but, according to IDEM, an independent Russian think tank, with the rise in oil prices the level of corruption in Russia between 2002 and 2005 increased 900%.

The result of these developments was that Mr. Putin created an FSB ruling class. As this class became rooted, the victims of contract killers in Russia began to include some of the most prominent political figures in the country.

The most sensitive question in Russia is the provenance of the 1999 apartment bombings in Moscow, Volgodonsk and Buinaksk in which 300 persons died. As a result of the bombings, the second Chechen war was launched and, in his role as wartime leader, Mr. Putin, then the prime minister, achieved enough popularity to be elected president. There is widespread belief that the real authors of the bombings were the FSB. Two of the political figures murdered in Russia in recent years were trying to investigate the bombings.

The first victim was Sergei Yushenkov, a co-chairman of the Liberal Russia Party and member of the commission on the apartment bombings. He was shot on April 17, 2003. Mikhail Kodanev, the other leader of the Liberal Russia Party, was tried and sentenced to 20 years in prison for organizing the murder. Two years later, however, Igor Korolkov, a reporter for Moscow News, learned that a video camera near the building where Yushenkov was shot captured two persons running from the building immediately after the killing. The police collected the tape but it was never included in the case filed against Kodanev.

In July 2003, Duma deputy Yuri Shchekochikhin, another member of the commission on the 1999 bombings, died after contracting an unexplained illness. Shchekochikhin, who was also a reporter for Novaya Gazeta, had been investigating the "Three Whales" furniture stores that reportedly evaded millions of dollars in import duties. A co-founder of the stores was the father of Yuri Zaostrovtsev, then a deputy director of the FSB. Shchekochikhin's illness progressed catastrophically from peeling skin to "edemas of the respiratory system and brain" and death. When Novaya Gazeta tried to investigate whether he had been poisoned, they were told that all information was a "medical secret" that could not be disclosed even to family members.

Finally, Anna Politkovskaya, perhaps Russia's best-known journalist, was murdered last month. She traveled to Chechnya regularly despite the risk and was sought out by people from all over the North Caucasus in the hope that she would tell the world about their situation. It used to be said in Russia that no one is killed for politics. Politkovskaya, however, was clearly the victim of a political killing because she wrote only about politics.

Litvinenko resembles the others in this list in all respects except one. He lived in England. His book, "Blowing Up Russia," accused the FSB of the 1999 apartment bombings. He received visitors from Russia, was able to comment knowledgably on the actions of the FSB in Moscow, and refused to be intimidated. * * *

In the wake of Litvinenko's death, the West must insist on cooperation from the FSB in finding his killers. If that is not forthcoming, it should be assumed that the murder of Litvinenko was ordered by the Russian regime.

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Under those circumstances, not only should Russia be expelled from the G-8 but the whole structure of mutual consultation and cooperation would need to be re-evaluated. This is not just a matter of refusing to trivialize a murder. It is also a vital political obligation. Russians of all types are watching to see whether the West will simply swallow this crime or finally react to the rampant criminalization of Russian society. There are forces in Russia that want the country to be part of the West. But to back them, we need to demonstrate that we have moral values that we defend. To do less would be to abandon Russia to the forces of nihilism and obscurantism.

Mr. Satter is affiliated with the Hoover Institution, the Hudson Institute and Johns Hopkins. His most recent book is "Darkness at Dawn: The Rise of the Russian Criminal State" (Yale, 2003).

A Poisoned Spy (NYT)

The New York Times, November 27, 2006

Despite the utter lack of evidence about who poisoned Alexander Litvinenko, the former Russian spy who died last week in a London hospital, it was hardly surprising that suspicion fell immediately on the Russian government and President Vladimir Putin. Mr. Litvinenko was a defector with many enemies in Russia, official and otherwise, and Mr. Putin's record on justice and human rights has left many people prepared to believe the worst.

It did not help that the Kremlin quickly went on the defensive. Government spokesmen declared that any suggestion of Kremlin complicity was "sheer nonsense" and that the Soviet and Russian intelligence services hadn't assassinated anyone since 1959. Talk about sheer nonsense.

How much better it would have been had Mr. Putin's people said something like, "Let us help find out who did this outrageous thing!" That's also what Mr. Putin might have said when Anna Politkovskaya, an investigative reporter, was murdered or when all the other reformers were killed.

Words like that might not end the violence. The struggle for wealth and power in Russia is out of control. Mr. Litvinenko also certainly had a long list of highly motivated enemies. He was a defector who claimed he had been ordered to kill the exiled oligarch Boris Berezovsky. He wrote a book alleging that his fellow Russian agents had organized a lethal bombing and accused Chechen terrorists. At the time he was poisoned, he was said to be looking into the death of Ms. Politkovskaya.

But the real problem is that Mr. Putin, a former K.G.B. agent himself, has given no indication that he is dismayed by the political killings, or that he is doing much to stop them. He seems mainly concerned with deflecting blame.

David And Goliath (WP)

By Richard Holbrooke

The Washington Post, November 27, 2006

TBILISI, Georgia -- While the United States is otherwise preoccupied, this small former Soviet republic has become the stage for a blatant effort at regime change, Russian-style. Vladimir Putin is going all out to undermine and get rid of Georgia's young, pro-American, pro-democracy president, Mikheil Saakashvili. Putin is assuming that the United States, overwhelmed by Iraq and needing Moscow's support on North Korea and Iran, will not make Georgia a "red-line" issue and that the European Union, fearful of endangering energy supplies from Russia, will similarly play it down.

Much is at stake: Putin's long-term strategic goal is to create a sphere of Russian dominance and hegemony in the vast area the Soviet Union and the czars once ruled. If he succeeds in bringing down the most independent and pro-Western leader in the former Soviet space outside the Baltics, he will have gone a long way toward his goal. Also at stake: President Bush's "freedom agenda," stability in the Caucasus and the European Union's attitude toward a small European country on the edge of the world's most volatile region.

Putin's methods are brutal. He has expelled at least 1,700 Georgians since October, cracked down on Georgian-owned businesses, made repeated statements about preserving the Russian market for real Russians and demonized Georgians as a criminal class. He has doubled natural gas prices two years running and cut off all direct rail, air, road, sea and postal links between the two countries. Russia has also waged an aggressive international disinformation campaign to raise doubts about Saakashvili -- I have heard astonishing, wholly undocumented charges about his alleged corruption and his "hot-headed" style in Berlin, Brussels and even Washington. In Tbilisi today, you can hear an ugly word for this that rises out of the depths of 19th-century Russian history: pogrom.

In fact, the 38-year-old Saakashvili represents almost everything the United States and the European Union should support. He led the peaceful 2003 Rose Revolution that overthrew the corrupt regime of Eduard Shevardnadze. He then opened the country to Western investment, presided over a dramatic turnaround in a once-hopeless economy, and instituted massive reforms of the police and civil service. While these efforts have not been perfect -- Freedom House and other nongovernmental

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organizations have expressed concern about an overly cozy relationship between the government and the main media, for example -- Georgia has climbed further up the World Bank's latest annual reform survey than any other country.

In 2004 Saakashvili peacefully seized control of Ajaria, one of the three areas that, with Moscow's encouragement, refused to accept Georgian rule after the crackup of the Soviet Union in 1991. Ajaria, which lies on the Black Sea, has since become a booming tourist center. Now Saakashvili has his eye on regaining two remaining "frozen conflict" areas in Georgia, South Ossetia and Abkhazia, where impoverished breakaway regimes, heavily backed by Moscow and Russian troops, claim to be independent countries.

Despite international resolutions that affirm the territorial integrity of Georgia, it will be difficult for Saakashvili to regain Abkhazia and South Ossetia, especially without strong Western support. Putin would be happy to fight for them again if necessary and to overthrow Saakashvili if possible.

This is not just a strategic issue. It is also deeply personal: Saakashvili as David and Putin as Goliath. Their face-to-face meetings have been electric with anger. When President Bush brought Georgia up with Putin on the margins of the Asian-Pacific summit in Hanoi last weekend, Putin went into a rant, as he does every time the subject arises. His tirades may be designed to discourage further discussion, but for the most part it is, according to people who have heard Putin, real, irrational anger.

Bush's visit to Tbilisi last year was a triumph; today the main road from the airport into the city is proudly named President George W. Bush Street. Bush and Saakashvili genuinely like each other, and there is hardly a country left in the world where Bush is still so popular. Saakashvili's best American friends are Sen. John McCain, who has made support of democracy in the former Soviet Union a major theme, and George Soros, who helped pay salaries for the bankrupt Georgian civil service system in 2004. This cannot please Putin.

But why the relatively muted international response to Putin's outrageous behavior? The main reason is Washington's weakened state as a result of Iraq, Iran, Afghanistan and North Korea. This is Putin's moment, especially with oil prices high. For the first time since the end of the Cold War, Washington needs Moscow more than Moscow needs Washington. During the 1990s President Bill Clinton used America's undisputed primacy to enlarge NATO (Saakashvili wants membership, of course) and conduct successful military actions in Bosnia and Kosovo over Russian objections. Today, by contrast, Russia has threatened to veto a U.N. Security Council resolution that would give Kosovo independence and has spuriously linked Kosovo's status to that of Abkhazia and South Ossetia.

The European Union and the United States must make the continued freedom and independence of Georgia a test case of the Western relationship with Russia. Putin must learn that we will not sacrifice the interests of a small country that has put its faith in Western values for the sake of energy supplies or U.N. votes. If Bush's freedom rhetoric has any meaning, let him prove it in Georgia, not just with polite calls for mutual restraint, but with real pressure on Moscow and the assembling of a united front with the European Union to make clear to Putin that he must cease his attempts to destabilize Georgia and overthrow Saakashvili. In the age of Iraq we must show that our nation can continue to have influence elsewhere in the world and that we will not abandon our friends or our values.

Richard Holbrooke, a former U.S. ambassador to the United Nations, writes a monthly column for The Post.

Rethinking The Bomb (USNEWS)

By Bay Fang

U.S. News and World Report, November 27, 2006

It was Aug. 6, 1945, and Setsuko Iwamoto had just gotten to school. The morning bell rang, and the 13-year-old girl was running to assemble on the school grounds, when from the corner of her eye she saw a very bright flash-and her world changed forever. When she regained consciousness, she was trapped under a collapsed building and could hear the screams of classmates nearby. She somehow crawled out from the rubble, stood up, and looked around. Her world was dark, the sun blocked by soot and dust whirling in the air. Aside from the weakening screams, the city was eerily silent, and Iwamoto thought for a minute that she might be the last living creature on Earth.

All her life, Iwamoto, now 74, has tried to keep alive the memory of that day. But she is losing confidence that the world still remembers-and understands-the full horror of the atomic bomb. Just under two months ago, North Korea broke into the nuclear weapons club with a test explosion, which, though weak, sent political shock waves throughout the region. In reaction, pacifist Japan is cautiously opening a debate on a subject long taboo: whether to start its own nuclear weapons program. "I strongly believe that nuclear weapons and humans cannot coexist," Iwamoto says. "I'm very concerned about the direction Japan is heading in now."

Ever since its defeat in World War II, which ended with the American atomic bombs dropped on Hiroshima and Nagasaki, Japan has been governed by a constitution-written by U.S. occupation forces-that renounces war as a sovereign right and allows for only limited self-defense. Japan's hawkish new prime minister, Shinzo Abe, is seeking constitutional revisions expanding the

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definition of self-defense, in part because of regional threats such as North Korea. Then, too, Japan's potential shift is itself causing unease in a region that remembers brutal Japanese occupation during World War II. Inevitably, some politicians-including Foreign Minister Taro Aso-say Japan also should re-examine its rejection of nuclear weapons. However, at the end of the recent Asian economic summit in Vietnam, Abe vowed to keep Japan nonnuclear and a leading voice for nuclear disarmament. "Japan," he said, "is different from other countries in that it has suffered a nuclear attack."

This week, the director-general of the International Atomic Energy Agency, Mohamed ElBaradei, visits Japan to talk about efforts to turn back the North Korean and Iranian nuclear programs and to step up international nonproliferation efforts.

Memorials. Some six decades after its nuclear devastation, Hiroshima is a sparkling city, with wide boulevards and the newest department stores. But the past is remembered and marked by the small shrines to the dead that dot the city, built by different work groups, civic organizations, or individuals. At the Hiroshima Peace Memorial Museum, a perky, matter-of-fact narrator tells the story of the B-29 Superfortress bomber Enola Gay and the fireball that exploded roughly 1,900 feet above the city at 8:15 a.m. on Aug. 6, 1945, releasing heat of over 1 million degrees Celsius. In the background are images of women and children with skin melting off their bodies, hair standing on end.

Bush Twins, Maradona Attend Soccer Game (AP)

AP, November 27, 2006

President Bush's twin daughters reveled Sunday in a soccer game in Argentina, sitting across the stadium from soccer star Diego Maradona — a fierce critic of their father.

Jenna and Barbara Bush, wearing the blue-and-yellow jerseys of the South American squad Boca Juniors, did not wave to television cameras that sporadically panned in on them during the game.

Watching from Boca's skybox at "La Bombonera" stadium, the twins were kept far from the fans and journalists seated below them.

Maradona watched the match from his own VIP box on the opposite side of the stadium. He was honored with the unveiling of a statue in his honor before the match.

Maradona is a forceful critic of U.S. policy in the region and joined a leftist protest led by Venezuela President Hugo Chavez last year against President Bush's appearance at the Summit of the Americas at the seaside resort of Mar del Plata.

Last Sunday, one of the twins had her purse stolen while touring the historic Buenos Aires district of San Telmo, garnering widespread public attention and dominating local TV newscasts.

Argentine officials did not say which twin was robbed. ABC News, citing unidentified law enforcement reports, reported that Barbara Bush's purse and cell phone were taken.

Help For Haiti (WP)

The Washington Post, November 27, 2006

WHEN IT COMES to Haiti, the hemisphere's poorest country, the United States has a perverse history of being more generous with its troop deployments than its terms of trade. The time is ripe for a new approach.

For the past two years, Congress has turned a deaf ear to pleas that Washington extend trade preferences to Haitian-manufactured T-shirts, hospital scrubs and other apparel. The effect has been devastating for the nation's garment industry, once one of the few bright spots in an otherwise supine economy. Clothing assembly plants, already hit hard by the political violence of recent years, are closing nearly every month as customers move their business to Asia. A sector that once provided 100,000 jobs now employs only 12,000 to 20,000 and stands in peril of disappearing entirely.

A rescue package pending in Congress would allow duty-free access to U.S. markets for garments assembled in Haiti using fabrics from third countries. The legislation, known as the Haitian Hemispheric Opportunity through Partnership Encouragement Act, also called the HOPE bill, is a modest measure; it is certainly no panacea for the Haitian economy. But apparel-making plants that close are relatively easy to reopen, and HOPE, if enacted, could help kick-start the Haitian economy by quickly getting 10,000 or more people working again. In a country as poor as Haiti, where a majority of the population survives on less than $2 a day and four out of five adults are jobless or underemployed, those jobs would be a lifeline for thousands of families.

Predictably, HOPE is opposed by textile industry lobbyists and Southern lawmakers who are doing their bidding. But among HOPE's advocates on the House Ways and Means Committee are both the top Republican (California Rep. Bill Thomas) and the top Democrat (New York Rep. Charles B. Rangel); the bill is also backed by Haitian President Rene Preval. Timing is crucial. After two interventions by U.S. forces in the past 12 years, Haiti inaugurated a democratically elected president this year and has lately enjoyed what passes there for relative political stability. After 15 years of political turmoil, violent unrest and economic mismanagement, this looks like a rare opportunity to consolidate tentative progress in Haiti. Congress shouldn't miss it.

DOJ_NMG_0098125

Don't Punish African Clothesmakers (LAT)

The Los Angeles Times, November 27, 2006

Congress should avoid the political entanglements and extend trade legislation vital to the poorest continent.

OF ALL THE free-trade pacts signed by the United States over the last decade, perhaps none is as uncontroversial as the African Growth and Opportunity Act. Providing duty-free access to exporters in sub-Saharan Africa threatens few if any American jobs while spurring industry in some of the poorest countries in the world. Yet a vital provision of the act is set to expire, and, for the moment, Congress appears more interested in political gamesmanship than in making a painless decision to help some of the world's neediest people.

The language in question involves African clothing made from non-African fabric. Because of a scarcity of fabric mills, apparel makers in countries such as Kenya and Lesotho have to import most of their raw material from elsewhere — usually Asia. That adds considerable expense and time, so duty-free status is about the only thing that keeps African clothing makers competitive in the U.S. market.

If that provision is not renewed in September 2007, as many as 150,000 jobs in Africa's fledgling apparel industry might be lost. Ten months might seem a long time away, but an extension is urgently needed now because apparel companies typically place their orders from nine to 12 months in advance.

The last time an extension of an AGOA provision came up, in 2004, it passed unanimously in both houses of Congress. This time, things have become more political. Though extending the third-country fabric provision still enjoys broad bipartisan support — even the fiercely protectionist U.S. textile industry isn't opposing it — the bill may be folded into a much broader and more controversial piece of trade legislation.

Republican Rep. Bill Thomas of Bakersfield, outgoing chairman of the House Ways and Means Committee, is said to be working on a package that would bundle the AGOA with various tax breaks and trade priorities, such as a free-trade pact with Andean nations and new preferences for Haitian apparel, that are heavily opposed by American textile producers. It's a mostly worthwhile package that will face serious opposition in an increasingly protectionist House — one that will get even more anti-trade when the Democrats take control in January.

The livelihoods of too many people are at stake. Thomas should expedite the AGOA bill as is, rather than allow it to be held hostage by his other priorities. And the Democrats who will be taking over the House need to understand that poverty isn't confined to Africa; trade deals with Haiti and the Andes are just as important, even if they stir more opposition from U.S. unions and manufacturers. You cannot credibly claim to weep for the poor while simultaneously blocking them from selling you shirts. Trade is exponentially more powerful than aid, and deeds mean more than words.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Government Urges Supreme Court To Stay Out Of Times Case (NYT)

By Edmund L. Andrews

The New York Times, November 26, 2006

WASHINGTON, Nov. 25 — The Justice Department asked the Supreme Court on Saturday not to prevent a federal prosecutor from examining the telephone records of two reporters at The New York Times, warning that time is running out in an investigation of leaks about two Islamic charities.

At issue is a Chicago grand jury investigation into information learned by two reporters in 2001 about the government's plan to freeze the assets of two charities that were suspected of having ties to terrorist groups.

Patrick J. Fitzgerald, the United States attorney in Chicago, is seeking to review the telephone records of the two reporters — Judith Miller, who retired from The Times last year, and Philip Shenon. Prosecutors say the reporters asked for comment from both charities in a way that tipped them off to the coming raids.

The case originated in December 2001, when government officials were preparing to raid the offices of the two charities, the Holy Land Foundation and the Global Relief Foundation.

According to the Justice Department, the reporters contacted both charities and asked questions one day before the raids had been planned. The questions reduced the effectiveness of the searches and endangered the federal agents who carried them out, the government said.

In August, a panel on the federal appeals court in Manhattan ruled 2 to 1 that the reporters were not entitled to shield their sources under the First Amendment or under precedents established in common law.

On Friday, The Times asked Justice Ruth Bader Ginsburg of the Supreme Court to delay Mr. Fitzgerald from reviewing the telephone records until the court has an opportunity to decide whether to hear the case. The court gave the government until Saturday to submit a formal response.

On Saturday, the Justice Department urged the Supreme Court not to get involved in the case, saying that even a temporary stay of the earlier court decision would harm a significant criminal investigation.

The department said prosecutors had less than three weeks left to file charges on some of the possible crimes, because important statutes of limitations will expire on Dec. 13 and Dec. 14 — five years after the two separate raids took place.

The department also contended that the facts of the case were unusual and would not create a far-reaching precedent allowing the disclosure of a reporter's confidential sources.

This case is separate from an earlier battle between Mr. Fitzgerald and The Times over leaks about the identity of a covert C.I.A. operative.

Court Asked To Stay Out Of Leak Case (AP)

By Pete Yost

AP, November 26, 2006

Justice Department wants justices to refrain from entering probe

WASHINGTON -- The Justice Department on Saturday asked the Supreme Court to refrain from stepping into another First Amendment battle featuring federal prosecutor Patrick Fitzgerald and The New York Times.

The case involves a leak probe by Fitzgerald to track down the confidential sources of Times reporters Judith Miller and Philip Shenon for stories in 2001. Miller, who spent 85 days in jail in 2005 in connection with Fitzgerald's separate CIA leak probe in the Valerie Plame case, retired from the newspaper a year ago.

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In the current case, the 2nd U.S. Circuit Court of Appeals has said prosecutors can see the journalists' phone records. Earlier, a federal judge had ruled in the newspaper's favor, saying the First Amendment supplied a qualified privilege to reporters to protect confidential sources.

On Friday, the newspaper asked Justice Ruth Bader Ginsburg to temporarily block the government from going through the records and said it was prepared to file a petition by Dec. 24 asking the court to take up the case.

In a filing requested by Ginsburg, the government cites a declaration by Fitzgerald on Nov. 13 that says the time for filing criminal charges will expire in the next three weeks.

Temporarily blocking the government from reviewing the phone records would cause "irreparable harm to a significant criminal investigation," the Justice Department told the Supreme Court in a 40-page filing.

The reporters' stories disclosed the government's plans to freeze the assets of two Islamic charities, the Holy Land Foundation and the Global Relief Foundation. The freezing of assets was in connection with a terrorism-funding probe.

Shenon and Miller called the two organizations for comment about the information on freezing assets, a move the government says tipped off the charities of planned government raids. The federal judge who ruled in the Times' favor said there is no evidence in the case even suggesting the reporters tipped off the charities about the raids or that the reporters even knew of the government's plans to raid either charity.

The Justice Department replied that "the fact that the reporters here relayed disclosures from a government source to targets of an imminent law enforcement action substantially weakens any claim of freedom of the press."

At issue are 11 days of phone records the government wants to review for the two reporters in 2001 -- Sept. 27-30, Dec. 1-3 and Dec. 10-13. In his declaration this month, Fitzgerald says the statute of limitations "on certain substantive offenses that the grand jury is investigating" will expire on Dec. 3 and Dec. 13 of this year. Those dates are five years to the day after the second and third set of phone records the prosecutor wants to review, pointing to the deadline for filing criminal charges.

In June 2005, the Supreme Court refused to take up a separate case involving the First Amendment in which Fitzgerald sought to compel Miller to reveal her sources in the leak of Plame's CIA identity.

That leak probe led to Miller's jailing before eventually agreeing to testify in Fitzgerald's investigation. Her testimony was critical in the indictment of Vice President Dick Cheney's former chief of staff, I. Lewis Libby.

The current leak probe is in Fitzgerald's capacity as U.S. attorney in Chicago. The Libby prosecution is in Fitzgerald's role as a special counsel who was selected by a Justice Department superior to conduct that particular investigation.

British Terror Trial Traces A Path To Militant Islam (NYT)

By Elaine Sciolino, Stephen Grey

The New York Times, November 26, 2006

LONDON, Nov. 25 — More than half a ton of ammonium nitrate fertilizer suitable for making bombs was locked in a rented storage warehouse. A cookie tin of aluminum powder was hidden behind a garden shed. Young British Muslims underwent military training at guerrilla camps in remote parts of Pakistan. Suspects, surreptitiously taped by the police, talked about bombing targets in Britain.

Enter a computer technician in Canada experimenting with remote-controlled detonation devices and a collaborator-turned-informer from Queens testifying about secret meetings with operatives of Al Qaeda.

For eight months, the tale of the Operation Crevice Seven has been unfolding in a cramped, windowless courtroom in the Old Bailey in London.

On trial are seven men, ages 19 to 34, six of them with family roots in Pakistan. Arrested in 2004, they are charged with involvement in a criminal conspiracy to make explosives to commit murder, allegations that they all deny. Their target, the authorities say, was unclear — a nightclub, perhaps, or a shopping mall, public utilities, a British airliner or even the House of Commons.

But investigators say the evidence reveals the workings of the kind of cell most feared by officials in Europe. Young Muslims, radicalized by local imams and trained at military camps in Pakistan with vague connections to Al Qaeda, plan an attack at home with help from outside terrorists.

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The July 7, 2005, London transit bombings and the alleged London-based plot uncovered last August to blow up airliners also involved disaffected British youths of Pakistani descent, some of whom had traveled to Pakistan for family visits, study and perhaps training.

In a speech this month, Dame Eliza Manningham-Buller, the director general of the British security service known as MI5, disclosed that intelligence officers were watching 1,600 people "who are actively engaged in plotting, or facilitating, terrorist acts here and overseas."

She said they had identified nearly 30 plots that "often have links back to Al Qaeda in Pakistan and through those links Al Qaeda gives guidance and training to its largely British foot soldiers here." She said other countries — Spain, France, Canada and Germany — faced similar threats.

Dame Eliza's comments echo concerns among intelligence officials throughout Europe that remnants of Al Qaeda's network, disrupted after Sept. 11, were reconstituting in the tribal areas on the border between Pakistan and Afghanistan.

The Crevice defendants deny they were a conspiratorial cell. Some admit to training in Pakistan but insist they had a goal other than attacking Britain, notwithstanding the fertilizer stored near London. They said they supported jihad in Afghanistan and the liberation of Kashmir, a disputed area between Pakistan and India.

One defendant, Salahuddin Amin, a 31-year-old part-time taxi driver from Luton, testified Tuesday that he started donating money to help Kashmir in 1999. Then he moved to Pakistan in 2001 and became a conduit directing assistance from Britain to Afghan refugees in Pakistan, he said.

But prosecutors charge that Mr. Amin, who knew some of the other Crevice defendants from Britain, became a link between them and militants in Pakistan. They said he and others attended a two-day course in Pakistan to learn to make fertilizer-based explosives. In videotaped confessions to the British police after his arrest in 2005, he admitted being "mixed up with terrorists" and said he provided a formula for explosives to one of his co-defendants through an Internet chat room.

On the witness stand, Mr. Amin proclaimed his innocence, saying he confessed only after being jailed for 10 months in Pakistan, where he said he was beaten and threatened with a whirring electric drill. "I would never take part in plots like that," he testified.

Heeding the Call to Jihad

Omar Khyam, 24, considered by prosecutors to be the ringleader of the group, began his journey to extremism as a teenager in Crawley, just south of London.

Mr. Khyam, a standout cricket player, planned to study electrical engineering in college, but when he was 16 he began spending time with members of Al Muhajiroun, a radical group active in Crawley and dedicated to a global Islamic community under Shariah, the legal code based on the Koran. The group, led by Omar Bakri Mohammed, is now banned in Britain.

Two years later, instead of preparing for his high school exams, Mr. Khyam ran away, leaving a note saying he was off to join Islamic freedom fighters in Kashmir.

His uncle told a British newspaper that ran an article in 2000 about Mr. Khyam's sudden departure that his nephew had been indoctrinated by Al Muhajiroun. Mr. Khyam's family persuaded him to return home, but not before he had attended a training camp.

"They taught me everything I needed for guerrilla warfare in Kashmir, AK47s, pistols, RPGs, sniper rifles, climbing and crawling techniques, reconnaissance and light machine guns," Mr. Khyam testified in the Crevice trial in September.

After enrolling in college in Britain, Mr. Khyam returned to Pakistan in 2001 for a friend's wedding and crossed into Afghanistan to meet members of the Taliban movement before it was overthrown after 9/11. "They were soft, kind and humble, but harsh with their enemies," he recalled in court.

Meanwhile, in Luton, a town on the other side of London and another center of Al Muhajiroun recruitment, Mr. Amin also heeded the call to jihad.

His videotaped confessions to the police tell the story of his rejection of his Western way of life, his turn to prayer and the rules of Islam and his political radicalization.

It was in a Luton prayer center that he first met some of the men accused of being Crevice conspirators, including Mr. Khyam and a man accused of being a Qaeda operative, Abu Munthir, who was visiting from Pakistan.

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Videos showing the slaughter of Muslims in Chechnya and Bosnia jolted Mr. Amin into sending money to "freedom fighters" in Kashmir to buy arms and ammunition. The lectures of the radical Muslim cleric Abu Hamza al-Masri at the Finsbury Park mosque in London shortly before 9/11 and the American-led invasion of Afghanistan helped persuade him that he should join the Afghan fight.

Two months after 9/11, Mr. Amin sold his house in Luton and went to Pakistan in search of training with militants, according to his confessions. The prosecution argues that over the next three years, Mr. Amin, Mr. Khyam and their associates entered a hidden world of terrorism with tentacles on three continents.

Secrecy was maintained by using aliases and coded language. Cellphone conversations were avoided. Rather than using e-mail messages, communications were passed through Internet chats or by electronic messages stored for others to pick up later with passwords. Computer hard drives and cellphone SIM cards were discarded and replaced often.

The prosecution's guide through that world was a Pakistani-American named Mohammed Junaid Babar, who said he worked for the New York chapter of Al Muhajiroun.

Defense lawyers portray Mr. Babar as a fabricator and possibly an agent for the United States government. "You are a liar, a deceitful, self-centered, arrogant fantasist," Michel Massih, a lawyer for one of the defendants, told Mr. Babar during cross-examination last April.

Mr. Babar acknowledged having lied when first questioned by the F.B.I. He pleaded guilty in New York in June 2004 to providing material support for terrorists, and he said in court that he was testifying against the Crevice suspects to reduce his sentence.

Yet during 17 days on the witness stand, Mr. Babar, the star witness for the prosecution, told a riveting story.

A militant networker, Mr. Babar said he moved to Pakistan in November 2001 with money and instructions from Al Muhajiroun. A year later, on a fund-raising trip to London, Mr. Babar said, he first met members of what he called the "Crawley lot," including Mr. Khyam and Anthony Garcia, an Algerian-born aspiring fashion model who had changed his name and is now accused of purchasing the secreted fertilizer.

Mr. Babar said Mr. Khyam told him that he and other "brothers" from Crawley were not just a local operation but reported to a man called Abdul Hadi, described by Mr. Khyam as the "No. 3" in Al Qaeda.

In mid-2003, the prosecution said, the Crevice suspects began coming together in Pakistan where Mr. Babar's home in Lahore was a haven for young, radical Britons of Pakistani descent.

Bomb-related equipment like detonators, fertilizer and aluminum powder that can be used to fuel an explosion, and beans to make the poison ricin were stored in a bedroom cupboard, he said. The backyard was used for small-scale experiments with explosives, including the detonation of a spice jar packed with chemicals.

Mr. Amin, meanwhile, was living close by. He said in his police confessions that he had been collecting money and materials for fighters in Afghanistan and passing them on to the man accused of being a Qaeda operative, Abu Munthir, who had once visited the Luton prayer center.

When Mr. Khyam arrived in Pakistan in 2003, hoping to train to fight in Afghanistan, he was told there were enough fighters there, according to Mr. Amin's confessions. Instead, Abu Munthir sent word that if he was really serious, he should "do something" in Britain, Mr. Amin told the police.

Later that year, Mr. Khyam, Mr. Amin and another man traveled to a safe house in Kohat, Pakistan, for two days of training in making explosives, including fertilizer bombs, Mr. Amin said. Mr. Khyam then organized a session in the mountains around Malakand near the Afghan border, allegedly to teach others what he had learned.

Mr. Khyam and a core group of three other Crevice suspects, including Mr. Babar, made their way there by posing as Western tourists looking to visit lakes and glaciers.

Mr. Babar said one of the men he brought along was a Canadian named Mohammed Momin Khawaja, a computer engineer, now 27, who is accused of being the detonator-maker in the plot.

Mr. Babar recalled in court that the first test with fertilizer-based explosives failed; the second was moderately successful.

"It created a U in the ground," Mr. Babar testified. "It went down, sideways and back up the other way." The group videotaped the scene, he added, hoping to produce a "a minimovie-type thing" with Koranic verses or songs, to inspire others.

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If Mr. Babar is to be believed, Mr. Khyam became so determined to carry out an attack in Britain that during this time he also took a 10-day trip to seek more guidance from Qaeda operatives.

Mr. Babar said Mr. Khyam told him that the instructions from Abu Munthir were for "multiple bombings," either "simultaneously or one after the other on the same day."

Mr. Babar recalled Mr. Khyam saying that Britain was as responsible as the United States for what was happening in the Middle East and should be attacked. "He said we need to hit certain spots like pubs, nightclubs and trains," Mr. Babar said.

An Undercover Investigation

Precisely how and when the authorities learned of the group's activities is unclear, but by early February 2004, they had begun one of Britain's largest antiterrorist undercover investigations. Operation Crevice, aided by the United States, Canada and Pakistan, involved round-the-clock human surveillance, audio wiretaps in cars and homes and video surveillance.

On Feb. 20, investigators got an extraordinarily lucky break: a suspicious employee at a self-storage warehouse outside of London called the police to report that someone named Nabeel Hussain was storing a large amount of fertilizer.

The police inserted an undercover officer called Amanda as the receptionist and secretly replaced the fertilizer with a benign substance. A hidden camera was installed and filmed Mr. Khyam when he showed up to check the contents.

The police continued to watch and listen, and their 3,500 hours of surveillance tapes are at the core of the prosecution case. Some of the most chilling conversations played in court are between Mr. Khyam, whose Suzuki sport utility vehicle and apartment had been bugged, and Jawad Akbar, 23, a college student whose apartment had been bugged.

In a conversation recorded in February 2004, Mr. Akbar talked of an "easy" target, like a nightclub, "where you don't need no experience and nothing and you could get a job." In such a place, he said, "no one can even turn round and say, 'Oh, they were innocent,' those slags dancing around," using a slang term for loose women.

When Mr. Khyam asked what he would do if he got a job at a place like the Ministry of Sound, London's largest nightclub, Mr. Akbar replied, "Blow the whole thing up."

In March, Mr. Khyam talked about a simultaneous attack of Britain's gas, electricity and water systems.

"The electrics go off so it's a blackout, and then the gas lot move in and bang," he said. "Then something goes wrong with the water, a simultaneous attack."

In late March, when Mr. Khyam and his younger brother, Shujah Mahmood, 19, also a defendant, bought tickets to fly to Pakistan on April 6, the police feared that an attack in Britain was imminent.

On March 30, 700 police officers raided two dozen locations, shutting down what they suspected was a cell and arresting six of the defendants.

They found the cookie tin containing aluminum powder behind a shed at Mr. Khyam's family home in Crawley. They also found a dozen CD-ROMs giving detailed plans of Britain's electricity and gas systems that they charged had been stolen from the National Grid Transco utility company by an employee, Waheed Mahmood. At 34, Mr. Mahmood, a father of four, is the oldest Crevice defendant.

The police seized a list of British synagogues and computer video files containing parts of an explosives handbook and a military training manual. Investigators also found instructions for how to react if contacted by counterterrorism authorities.

Meanwhile, Mr. Khawaja, who had recently returned from visiting Crevice suspects in Britain, was arrested in Canada. Electrical equipment, described by British authorities as remote-control devices that could be connected to bomb detonators, as well as guns and ammunition, were found at his home. He is awaiting trial in Canada, the first suspect to be tried under Canada's 2001 Antiterrorism Act.

The Prosecution's Case

Prosecutors acknowledge that they have not been able to identify either a fixed target or a date for an attack, but they do not have to. To win convictions, they only have to prove that the seven defendants conspired to cause an explosion "likely to endanger life" in Britain.

Mr. Khyam, Mr. Garcia and Mr. Hussain are also charged with possessing 600 kilograms, or about 1,320 pounds, of ammonium nitrate fertilizer, and Mr. Khyam and Mr. Mahmood with possessing aluminum powder, in both cases with the intent to use the ingredients to commit an act of terrorism.

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In considering the surveillance tapes, defense lawyers argue that their clients may have been doing a lot of talking about deadly chaos, but that it was nothing more than talk. Some of the schemes seemed like fantasy, like injecting poison into beer cans at soccer games. Others were more frightening, if true: Mr. Amin is accused of making inquiries about buying a radioactive "dirty bomb" from the Russian mafia in Belgium.

As in other criminal cases in Britain, some of the evidence against the suspects is not permitted to be disclosed — either to the jury or the public — until the trials are over for fear that juries will be improperly swayed. Even the news media is under a strict order by the judge to avoid revealing certain information about the case.

The evidence presented shows that the radicalization of the defendants began years ago, raising questions about how well the British security services monitored militants in their midst before last year's transit bombings. The authorities continue to investigate any links between the Crevice defendants and the 2005 bombers, one of whom, the government says, had visited a training camp in Pakistan before the attack.

Investigators closely watch traffic between Britain and Pakistan. But that is a significant challenge with nearly 400,000 visits by residents of Britain to Pakistan in 2004, of an average length of 41 days. And it is even more difficult to determine which, if any, of those visitors are militants following the dangerous route of traveling to Pakistan for indoctrination and training.

"Counterterrorism efforts haven't been able to penetrate the process of radicalization and recruitment," said Sajjan M. Gohel, director for international security at the London-based Asia-Pacific Foundation. "For every individual captured or killed, there are at least five more coming down the assembly line."

Scalia The Civil Libertarian? (NYT)

By Scott Turow

The New York Times Magazine, November 26, 2006

The conservative ideological majority on the U.S. Supreme Court that determined the 2000 election in favor of President Bush should have grown stronger when Bush chose Justice Samuel Alito to replace the moderate Sandra Day O'Connor. Yet in carrying out its first priority, the war on terror, the White House has encountered unwelcome resistance from the court. Objections to Bush's sweeping view of executive power have come not only from liberals and centrists, like Justice Anthony Kennedy but, more remarkably, from Justice Antonin Scalia, who may end up playing a pivotal role in future war-on-terror cases.

Scalia has long been regarded as an administration favorite. Bush suggested during the 2000 campaign that Scalia was his idea of a model justice. In the court's Bush v. Gore decision, which brought that campaign to an end, Scalia ventured the opaque claim that candidate Bush would experience "irreparable harm" if the recount continued in Florida. Not long after, the justice's son was appointed by the president to a top position in the Labor Department. In January 2004, Scalia took a free ride on Vice President Cheney's plane to go duck hunting with him; later he refused to step aside in a major case involving Cheney.

Even beyond these affiliations, Justice Scalia's flamethrowing rhetoric and his hostility to whole chapters of 20th-century jurisprudence have made him a conservative icon and a favorite face on liberal dart boards. The justice has declared that the Constitution not only creates no right to abortion but does not even protect private adult sexual conduct, blasting the court's 2003 decision to strike down a Texas sodomy law as "largely sign[ing] on to the so-called homosexual agenda." He has scaled back the exclusionary rule, which bars evidence obtained by unlawful police searches, and made it clear that he would like to do away with Miranda warnings.

Less noted, however, is the fact that Justice Scalia, especially in the last decade, has frequently taken an expansive view of the Bill of Rights, thus supporting defendants in criminal cases. Scalia is one of the intellectual godfathers of a strand of Supreme Court decisions, crystallized by Apprendi v. New Jersey, that revolutionized sentencing laws. Following a strict interpretation of the Fifth Amendment's guarantee of due process of law and the Sixth Amendment's right to trial by jury, Scalia has insisted that any fact used to extend punishment beyond normal statutory limits must be specified and proved to a jury beyond a reasonable doubt. Despite his fevered support for capital punishment, Scalia also joined a court majority in holding that the Constitution requires a death sentence to be decided by a jury, rather than by a judge, effectively setting aside every capital sentence still on direct appeal in five states.

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Nor are Scalia's pro-rights decisions limited to one arcane area. In Kyllo v. U.S. (2001), Justice Scalia, writing for the court, deemed police use of heat-seeking technology to detect whether marijuana was being grown inside a house a violation of the Fourth Amendment's prohibition on unreasonable searches. In a 2004 opinion, Scalia spoke for a court majority in finding unconstitutional the widespread practice of using recordings or prepared statements to the police as a substitute for the testimony of unavailable witnesses. And last term, supported by the court's four more liberal justices, Scalia held that a defendant wrongly deprived of the lawyer of his choice gets a new trial, no matter how overwhelming the evidence of his guilt.

Justice Scalia is led to these seemingly divergent positions by his unyielding adherence to a school of constitutional interpretation called originalism. To Scalia, the Bill of Rights means exactly what it did in 1791, no more, no less. The needs of an evolving society, he says, should be addressed by legislation rather than the courts.

In all of this, Scalia is first and foremost a legal formalist — meaning that to him, the rules are the rules. He did not sign on to the Apprendi cases out of any special sympathy for criminal defendants — indeed, he once wrote an opinion refusing to uphold an acquittal on the grounds that the defendant's motion for acquittal was filed one day too late. Rather, he was motivated by the assumption that, as he put it in the capital-punishment case, "the right of trial by jury is in perilous decline." In other words, over the years the right had come to be interpreted more narrowly than in 1791.

In adjudicating the war on terror, Scalia has come down strongly on behalf of the administration and its prisoners in a number of cases. The extensive powers claimed by the Bush administration would seem to pose a problem for originalists, because the Bill of Rights was indubitably added to the Constitution to keep the new American executive from repeating the monarchal abuses of King George. Yet in a speech in suburban Cleveland in March 2003, just before the invasion of Iraq (where one of his sons would serve), Justice Scalia told his audience that "most of the rights that you enjoy go way beyond what the Constitution requires" and predicted that in war time "the protections will be ratcheted right down to the constitutional minimum." In one of the first war-on-terror cases to reach the court, Rasul v. Bush, a majority agreed that the foreign detainees at Guantánamo had a right to file habeas corpus petitions. Scalia strongly dissented, as one might have expected given the fact that the Constitution's protections are generally intended for only American citizens.

It thus verged on the breathtaking when Justice Scalia wrote in Hamdi v. Rumsfeld: "Many think it not only inevitable but entirely proper that liberty give way to security in times of national crisis. ... Whatever the general merits of the view that war silences law or modulates its voice, that view has no place in the interpretation and application of a Constitution designed precisely to confront war and, in a manner that accords with democratic principles, to accommodate it."

Hamdi, an American citizen, was supposedly captured among Taliban forces in Afghanistan. Four justices thought that the Congressional resolution passed immediately after 9/11, authorizing the use of force against Al Qaeda, permitted the president to detain Hamdi as an enemy combatant. A majority ruled, however, that Hamdi could not be held indefinitely simply on the president's say-so and was entitled to a meaningful hearing. Justice Scalia would not even concede the first point. Instead, he declared Congress has not given the president the power to hold any American, even one who has taken up arms against his country, as an enemy combatant and instead must press criminal charges or let him go.

Now the looming question is where Scalia will settle as future war-on-terror cases come before the court, and whether his unique jurisprudence will accord him a leading role. The court's centrists, most notably Justices Kennedy and Breyer, are inclined to apply nuanced balancing tests. Weighing, for example, the need to hold battlefield captives like Hamdi against the reality that such a detention could last most of the detainee's lifetime, both justices voted to create a right to a hearing for citizen-combatants. Yet their war-on-terror decisions have been so factbound that they offer little future guidance on the meaning of the rights involved. For instance, what happens when a citizen who is a supposed enemy combatant is captured in this country rather than on the battlefield? The other conservatives on the court — Justice Thomas and, in their limited times, Justices Alito and Roberts — have shown an inclination to defer blankly to executive power. Scalia's originalism, too, tends to view executive power expansively, but only when it is applied to the many areas beyond the narrow preserves created by the Bill of Rights. As the Apprendi cases demonstrate, Scalia is more like the court's liberal members in seeing the Bill of Rights as a constitutional trump when it collides with government power.

Apparently unsure about what the future holds, the administration recently has been trying to sidestep the Supreme Court altogether. It persuaded Congress to remove the habeas corpus rights the court had previously granted foreign detainees at

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Guantánamo. The White House also wants to rewrite the wiretapping laws to bolster the president's assertions that he had the constitutional power to wiretap certain calls without a warrant. The president has asked the lame-duck Republican Congress to push through the change, but the newly emboldened Senate Democrats say they will block it. It appears most likely that when the wiretapping program inevitably reaches the court, the justices will have to weigh the president's claim of inherent authority against the statute in place when the program began. The statute explicitly says its warrant procedure is "the exclusive means" to wiretap calls to or from the U.S. for national security reasons.

Scalia has seldom been a consensus builder on the court, preferring to stick with his own views rather than troll for votes. But his occasional alliance with the court's more liberal justices could be struck again in future terror cases. The result would be an unequivocal declaration that executive power must yield to constitutional liberties, even when the nation is on the prolonged war footing we seem to have adopted.

HOMELAND RESPONSE:

Bush Vows Continued Aid To Gulf Hurricane Victims (WP/AP)

By Deb Riechmann

The Washington Post, November 26, 2006

President Bush yesterday renewed the nation's commitment to help victims of last year's Gulf Coast hurricanes and thanked U.S. troops fighting abroad.

In his Saturday radio address, Bush said Americans are grateful to those who rallied after hurricanes Katrina and Rita to bring food, water and hope to people who lost everything.

"We renew our commitment to help those who are still suffering and to rebuild our nation's Gulf Coast," Bush said.

Next week, the president will attend a NATO summit in Europe and will meet in Jordan with Iraqi Prime Minister Nouri al-Maliki. On Saturday, he reminded Americans that many U.S. troops are spending the holiday weekend far from their families.

"We know that their service makes it possible for us to live in freedom," Bush said.

He said the desire for freedom that led pilgrims to America still guides the nation today. "While they were only a shivering few, we are now a strong and growing nation of more than 300 million."

On Tuesday, Bush visited U.S. troops stationed at Hickam Air Force Base in Honolulu. He stopped there on his way back from a trip to Indonesia, Singapore and Vietnam.

"Our service members there have deployed around the world to fight the terrorists in Afghanistan and Iraq, conduct important maritime exercises in the Pacific, help deliver humanitarian aid to the victims of disaster and fight drug trafficking," Bush said.

He singled out Marine Cpl. Jason Dunham of Scio, N.Y., who died after throwing himself on an enemy grenade, saving two of his fellow Marines in Iraq. The Medal of Honor -- the nation's highest decoration for valor -- will be given posthumously to Dunham, who died April 22, 2004, after an ambush near the Syrian border.

"This Thanksgiving, our thoughts and prayers are with his family and with all military families, especially those mourning the loss of a loved one," Bush said.

CIA Recruiting Comes Out Of The Shadows (WT/AP)

By Katherine Shrader

The Washington Times, November 26, 2006

The CIA scrapped a ho-hum test for steering job applicants toward mysterious careers, replacing it with one that's cloaked in jest.

Invisibility or ESP? Jet pack or amphibious sports car? Walk the Great Wall of China or sip champagne at a New York gala?

The results from the CIA's online personality quiz are just a few clicks away. Test-takers are diagnosed as daring thrill-seekers, thoughtful observers, curious adventurers, innovative pioneers or impressive masterminds.

The CIA wants to hire them all.

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The quiz (https://www.cia.gov/ careers/CIAMyths.html) was designed to encourage job applications while dispelling myths about the agency, some of them born of the James Bond stereotype.

For instance, the CIA wants applicants to know that no one who works there drives a sports car with machine guns in the tailpipes. Successful applicants will, in fact, see family and friends again.

Also, according to the quiz, "you don't have to know karate or look good in a tuxedo to work at the CIA."

All fun aside, the hiring push began almost immediately after the September 11 terrorist attacks. The effort picked up steam in November 2004, when President Bush called for a 50 percent increase in the agency's ranks of operatives and analysts.

The president wanted twice as many scientists whose research combats terrorism and the spread of weapons of mass destruction. The agency hopes to meet those goals by 2011.

One in seven of the CIA's current employees signed up in the past year, and nearly 40 percent began working after the September 11 attacks -- statistics at once helpful and troubling.

"This is the youngest analytic work force in the history of the Central Intelligence Agency," CIA Director Michael V. Hayden said at his confirmation hearings in May. "In more disappointing language, this is the least experienced analytic work force in the history of CIA."

The CIA stumbled as it stepped out of the shadows to recruit.

The agency rolled out black-and-white ads in 2002. Its television ads last year, aired during Washington Nationals baseball games, were so unassuming that fans might have thought their cable went out for 30 seconds if they headed to the kitchen for a snack.

Officials in charge of hiring realized they needed a new plan. They hired an ad agency, TMP Worldwide.

The "Bug Spot" was born. A snooping dragonfly zooms through the ad, showing how scientists at the CIA's Directorate of Science and Technology develop Bond-esque devices -- "technology so advanced, it's classified," the ad boasts.

The ad debuted on the Discovery Channel. The agency shortly received 3,500 resumes from applicants who said they had seen the spot.

An ad for the National Clandestine Service, the agency's secret operatives, followed.

Now, the CIA is revamping its Web site. It is buying space on airport billboards and in movie trailers. It is taking out ads in publications from the Locksmith Ledger to Women's Wear Daily to Arab Times, seeking applicants who can crack locks, create disguises and speak polished Arabic. It is reaching out to soon-to-be retired military officers.

The CIA also created the updated personality quiz, with a disclaimer straight from the legal department: "The Myths Quiz is for educational entertainment purposes only. ... This quiz will not affect your ability to get a job with the CIA."

The lawyers have company in not taking the quiz lightly. Some of the CIA's traditionalists fear the agency is bruising proud, exclusive roots to meet the presidential directive. They worry that the CIA quiz and ads during "MythBusters" and other cable shows are too gimmicky.

In short, the traditionalists worry that the agency is sacrificing quality to get quantity. Last year alone, the CIA received 135,000 applications -- more than double the number before the September 11 attacks.

Tom McCluskey, the CIA's chief of hiring and employee development, heard the concerns firsthand at a recent gathering of the Florida chapter of the agency's retirees association.

"Some of the old-timers grumbled, 'Where's the mystique? Where is the aura of mystery around what we do?' " Mr. McCluskey said.

Meanwhile, Congress is watching the recruitment efforts. The incoming chairman of the Senate Intelligence Committee, Sen. John D. Rockefeller IV, West Virginia Democrat, has said one priority is investigating whether the CIA has the right workers in the right jobs and ensuring the CIA has enough employees who are fluent in Arabic and other crucial languages.

Even if Congress holds agency officials' feet to the fire in public, odds are it could help.

"We see spikes in applicants after bad stories," said Betsy Davis, deputy chief of the CIA's recruitment and advertising. "We see spikes in applicants after good stories."

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WAR NEWS:

Baghdad Braces For More Reprisals (WP)

By Sudarsan Raghavan, Nancy Trejos

The Washington Post, November 26, 2006

BAGHDAD, Nov. 25 -- In the aftermath of one of the deadliest spasms of violence, a new level of fear and foreboding has gripped Baghdad, fueled in part by sectarian text messages and Internet sites, deepening tensions in an already divided capital.

In interviews across Baghdad on Saturday, Sunnis and Shiites said they were preparing themselves for upheaval, both violent and psychological. They viewed the bombings that killed more than 200 people Thursday in the heart of Baghdad's Shiite Muslim community of Sadr City as a trigger for more reprisal killings.

"We feel our world has become narrow, and we are being squeezed," said Karar al-Zuheari, 31, a Shiite taxi driver. "We have no place to run."

Since those attacks, quasi-armies of residents in mixed and majority-Sunni Arab neighborhoods have formed to protect their streets. Sunni Web sites are offering advice on how to kill Shiite militiamen. College students and executives pace at their homes, clutching rifles and handguns around the clock. Iraqis are posting pleas on Internet message boards to buy extra ammunition and weapons.

Despite a government-imposed curfew, Iraqis described Shiite militiamen murdering Sunnis at checkpoints, controlling neighborhoods with impunity and conspiring with Iraq's majority-Shiite police force, which the Interior Ministry controls. Other Iraqis spoke of mortar shells raining on their mosques and gun battles outside their houses, deepening their mistrust of Iraq's security forces and elected politicians.

Over the past two days, warnings have spread through messages delivered to the cellphones of Sunni Muslims. In Arabic, they read:

"Very big armed groups are being formed in Sadr City, backed up by the Interior Ministry, to kill great numbers of the citizens of Baghdad once the curfew is lifted. Spread the word among our people."

It signed off: "A reliable source."

Yet amid the fear gripping this city of 7 million, there were also signs of Iraq's famous cohesiveness, even as the sectarian divide widened. In some mixed neighborhoods, Shiites provided shelter to Sunnis targeted by Shiite militiamen, even though they risked being branded as collaborators. Others took care of Sunni children or bought groceries for Sunni neighbors who feared walking to the local market.

Outside their houses, the revenge attacks raged on. Gunmen wearing Iraqi army uniforms rounded up 21 men, including a 12-year-old boy, from two Shiite homes in the village of Balad Ruz, 45 miles northeast of Baghdad in Diyala province. On Saturday morning, their bodies were found, all handcuffed, blindfolded and shot to death, said Bahaa al-Sodani, a provincial police official. The attacks were in apparent retaliation for assaults by Shiite militiamen on Sunni mosques in Baghdad and Baqubah the previous day.An Informant's Nod

"This is taking a turn for the worse," Hussam Sammaraie, a Sunni Muslim cellphone company executive, said on Saturday.

Less than two hours after car bombs, mortar shells and missiles bombarded Sadr City on Thursday, Shiite militiamen had taken over a checkpoint in front of his house in the New Baghdad neighborhood. The gunmen, clutching AK-47 assault rifles and rocket-propelled grenade launchers, were members of the Mahdi Army, the militia run by Moqtada al-Sadr, the Shiite cleric who controls Sadr City.

As Sammaraie watched from his front gate, two militiamen stopped a Sunni man who worked in an electrical shop. A local informant looked at him and nodded. Then one of the gunmen shot him dead and left. Two weeks ago, the electrician had complained loudly when Shiite gunmen attacked a nearby Sunni mosque.

Zuheari, Sammaraie's Shiite neighbor, also witnessed the killing. At that moment, he felt hatred for his own sect. "We don't accept this behavior from our own people," he said.

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Sammaraie also shook, not out of anger but fear. New Baghdad was once a mixed neighborhood, but its Sunni population has left in droves since February, when the bombing of a Shiite shrine in the town of Samarra set off waves of sectarian violence. Now Sammaraie and his family are the only Sunnis on his block.

A half-hour after the electrician was killed, police arrived to investigate. The militiamen who committed the crime came along.

"It was the same murderers -- I saw it with my own eyes," Sammaraie said.

Since Thursday, he said, he has stayed inside his home. He carries his AK-47 and 60 bullets everywhere, even to bed. "I hug my AK-47 more than my wife," Sammaraie said.

His two small daughters don't understand. His 14-year-old asked him why he carried a gun all the time. He replied: "Do you want your dad to get killed?"

At night, he heads to the roof of his house, a cup of coffee in one hand, his AK-47 in the other. From there, he scans the streets for militiamen.

But if his house gets attacked, he will turn to Zuheari for help. Zuheari said he can't forget when Sammaraie's relatives offered shelter to his family during the U.S.-led invasion in 2003. Now it's his turn to return the favor. The men placed a ladder against a wall in Sammaraie's back yard. If Shiite militiamen appear, Sammaraie and 16 relatives will use it to climb over the wall and into Zuheari's home.

"If the Mahdi Army finds out we are supporting a Sunni, maybe they will turn against us," Zuheari said. "They will think we are collaborators. This is a big problem. We don't know what will happen. I have one AK-47. We cannot do anything."

Still, Zuheari warned Sammaraie on Friday when he received a text message from a Shiite friend in Sadr City saying that the "young people of the Mahdi Army have taken revenge on the Sunnis." Without revealing the message, "I told him he should move his family inside my house," Zuheari said.Defending the Neighborhood

Luaa Abdul Hade, 21, knew it was his job to protect his sisters and mother. So he grabbed the family's only gun -- an AK-47 -- and joined the approximately 300 young men who have formed a quasi-army to guard the neighborhood of Ghazaliya since violence erupted there on Thursday after the Sadr City bombings.

Since then, the full-time student has slept just four hours. The nights have been cold, but he makes do with a coat. People in the neighborhood cook meals for the guards. Some of the men go back home for rest. Others sleep at a nearby mosque. If any major attack takes place, the mosque will announce it.

"It's our neighborhood," Abdul Hade said. "If they want to attack us, we're going to go out and defend our neighborhood."

Abdul Hade said that he and the other men his age did not know how to defend the neighborhood, so residents with war experience became their advisers, telling them where to stand and what to do. Four or five young men stand on every street corner or roof. Older men guard their houses. They have blocked off entrances to the community with stones, branches and other materials.

In the meantime, Abdul Hade's three sisters and mother remain home, praying regularly and keeping themselves busy by surfing the Internet, talking to friends on the phone and watching TV. A mortar blast already destroyed one of their windows, so now they have blankets on the windows to prevent glass from flying around.

On Friday, gunmen in more than 40 cars drove into Ghazaliya to shoot at houses, he said. The neighborhood army shot back, until U.S. forces intervened. It happened again Saturday morning.

"If they came into our neighborhoods, what would they do with our families?" Abdul Hade said. He said he is not afraid to die to protect his family and home: "We do believe in destiny. We do believe in God."Recipe for Civil War

On the Iraq Rabita Web site, created for Iraq's Sunni Arab minority, is a big black square with red Arabic lettering.

It reads: "Defend Yourself."

Click on it and a message appears.

"The curfew will not affect the sectarian killing militias. The Americans will not rush to help you," it says. "The entire world around you is not concerned about what happens to you. The evil people want to pluck you off one by one. So rush to your weapons and defend yourselves and use this page to inform us of what's going on in your areas and launch rescue calls."

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On Saturday, the Web site displayed a recipe for civil war. It recommended protecting Sunni neighborhoods by "spreading snipers on the roof of buildings," planting roadside bombs at neighborhood entrances and distributing grenades. It advised "antitank missile holders" to make trenches and to attack the first and last vehicles of any convoy.

At the end were instructions for preparing ambushes by "attracting the enemy by using small cars as bait so they would chase them and be dragged to the killing zones.'"To Whom It May Concern'

In the Wihda district on Baghdad's southern outskirts, Haqi Ismaeil's brother called him at work Thursday to tell him not to come home. Their family, and 30 other Sunni families in the area, had received a letter that morning signed by something called "the punishment committee." It was addressed to Sunni extremists and loyalists of Saddam Hussein, but in fact it referred to all Sunnis.

"Warning, warning, to whom it may concern," it read. "The Wahhabis and Baathists and Saddamists, leave our country or we will punish you."

Their small Sunni enclave is surrounded by a large Shiite community. But the Sunni and Shiite families generally have gotten along. When they had problems, the Sunni families would invite local Mahdi Army representatives to dinner to smooth relations. It usually worked, Ismaeil said.

After the letters arrived, Shiite residents visited the Sunni families to offer them support. "They've become more like family to us," he said.

Heeding his brother's advice, Ismaeil, 24, spent Thursday night at a friend's car dealership outside Baghdad. He sneaked back to check on his family the next day, and does not intend to go back to work.

The family has one weapon, an AK-47, and it will remain next to Ismaeil's bed until the family can find another place to stay. But it won't be easy, he said. There are 11 of them living together.

The Mahdi Army has set up checkpoints across the town. "We are really terrified and living in horror," he said.A Rupture of Trust

On Palestine Street, Fehad Galib heard the rumors. The Mahdi Army had rounded up 150 young Sunni men like him and taken them to Jamila Market, the area in Sadr City where two of Thursday's car bombs exploded. Then they executed them. There was another rumor -- that the Interior Ministry was handing out police uniforms to the Mahdi Army.

That is why Galib was reluctant to allow his kid brothers to stay with Shiite neighbors his family has known for decades. "We don't have complete trust in them," said Galib, 21, a college student who carries an AK-47. His 17-year-old brother carries a Smith and Wesson handgun.

The family, he said, plans to move. "When they lift the curfew, we're going to move straight to Tikrit," Galib said, referring to ousted president Hussein's home town. "Maybe the next day the Mahdi Army may storm our house."

47 Sunni Militants Die In Iraq Gunfights (NYT)

By Kirk Semple, Omar Al-Neami

The New York Times, November 26, 2006

BAGHDAD, Nov. 25 — At least 47 Sunni Arab insurgents were killed Saturday during long gun battles with Iraqi security forces in and around Baquba, the capital of Diyala Province, a police spokesman in Baquba said.

In the largest and deadliest fight, scores of insurgents, using assault rifles and rocket-propelled grenades, laid siege to several government buildings in the center of the city, according to the spokesman. At least 36 of the Sunni Arab insurgents were killed in that clash, which raged for about four hours, according to the official, who said he did not yet know if any Iraqi security forces had been wounded.

Gun battles also broke out in Buhruz, a predominantly Sunni village just south of Baquba, when gunmen assaulted the main police station from three directions using mortars, rocket-propelled grenades and assault rifles, the police spokesman in Baquba reported.

The gunmen began their attack using the cover of date palm orchards that surround the village and retreated after two hours of fighting, the official said. No immediate word of casualties on either side was available. After nightfall, clashes broke out

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between gunmen and Iraqi Army troops in the Al Tahrir neighborhood in Baquba, according to the police spokesman there. At least 11 insurgents were killed in the fighting, he said.

An American military spokeswoman in Baghdad also said there had been an attack in Buhruz, but had no details, and she was unable to confirm the Iraqi accounts of other gun battles.

Diyala has been an increasingly bloody battleground between Sunni and Shiite death squads vying for sectarian domination. Shiite militiamen have recently mobilized there in large numbers in defense of its Shiite inhabitants against the Sunni Arab-led insurgency, which has long made the province a redoubt in its campaign to topple the Iraqi government and drive American forces out of the country. American officials have accused the province's police and military forces of siding with the Shiite militias.

The police in Baladruz, a rural village in Diyala, recovered the bullet-ridden corpses of 21 men who had been dragged from their homes by gunmen wearing Iraqi military uniforms and then abducted in pickup trucks, the Diyala police spokesman said. The men, all farmers, were from two extended Shiite families and were taken Friday evening from two neighboring houses in Baladruz, about 45 miles northeast of Baghdad, the police spokesman said. The motive for the attack remained unclear.

The Iraqi security forces have been accused of protecting sectarian death squads, though Iraqi officials have also contended that gunmen sometimes disguise themselves in military and police uniforms, which are readily available on the black market. Efforts to reach the spokesman for Iraq's Defense Ministry were unsuccessful.

The United Nations' special representative for Iraq, Ashraf Qazi, urged the Iraqi government on Saturday to stop the "cancer" of sectarianism from destroying the country and warned that a retributive cycle of violent revenge was "tearing apart the very political and social fabric of Iraq."

"No country could tolerate such a cancer in its body politic," Mr. Qazi said in a statement.

A series of car bombs killed more than 200 people in the Shiite enclave of Sadr City on Thursday and, in apparent retaliation, Shiite militiamen attacked Sunni mosques in Baghdad and Baquba on Friday. Four of the mosques were in the mixed Baghdad neighborhood of Hurriya, according to Iraqi officials.

But the United States military said on Saturday that Iraqi soldiers patrolling the Hurriya neighborhood found only one mosque that had been damaged during Friday's violence.

Relatively little violence was reported in Baghdad on Saturday amid a curfew that was imposed here on Thursday after the car bombings.

Shiite and Sunni militants traded volleys of mortar fire on Saturday evening. A mortar shell exploded in Hurriya, killing a woman and wounding three other people, an Interior Ministry official said, and at least one mortar round fell in Sadr City, wounding a woman.

Later in the evening, several mortar rounds landed in the Shiite neighborhood of Al Mustansiriya in eastern Baghdad, wounding seven people, according to the ministry official, and five mortar rounds exploded in the predominantly Sunni Arab neighborhood of Ghazaliya, wounding five. At least 17 bodies with bullet holes in their heads were recovered in various places around the city, the official added.

Sheik Harith al-Dhari, the Sunni Arab leader who is under investigation by the Iraqi government for allegedly abetting the insurgency, accused the Shiite-led government of sectarian bias and of "trying to stir up the situation."

Speaking at a televised news conference in Cairo, Mr. Dhari called on other Arab countries, the Arab League and the United Nations "to withdraw their support for Iraq's government, otherwise there will be disaster in Iraq."

The United States military command reported that American forces killed 22 insurgents and an Iraqi civilian, and destroyed a bomb-making factory during several operations north of Baghdad on Saturday. A marine assigned to Regimental Combat Team Five died Friday from wounds sustained in fighting in Anbar Province, the military said.

The Iraqi government announced the partial lifting of the curfew in Baghdad to permit pedestrians in the streets beginning Sunday and said the airport would reopen on Monday.

21 Shiites Gunned Down In Front Of Families (CNN)

CNN.com, November 26, 2006

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BAGHDAD, Iraq (CNN) -- Sunni gunmen stormed two Shiite homes in Diyala province overnight and slaughtered 21 men in front of their families, Diyala authorities said Saturday.

Also on Saturday, a suicide car bomber at a checkpoint northwest of Khalidiya in Anbar province killed two children, an adult and a U.S. Marine, the U.S. military said. Ten other people, including a coalition service member, were wounded.

The attacks add to the series of sectarian reprisals since Thursday's assault on the Baghdad Shiite enclave of Sadr City, considered the single worst attack in Iraq since the war began.

At least 200 people were killed and 250 wounded in that attack, which many balme on Sunni militants.

In response, officials have imposed a strict curfew and ban on traffic until Monday, and shut down Baghdad's airport, forcing Iraqi President Jalal Talabani on Saturday to postpone a trip to Iran.

He was to meet with Iranian President Mahmoud Ahmadinejad to discuss ways Iran might help stabilize Iraq.

Vice President Dick Cheney was on his way back to Washington on Saturday after a daylong whirlwind meeting with Saudi Arabian King Abdullah.

They discussed developments in Iraq, Iran's growing influence in the region, the status of Hamas in Gaza, and Syria's influence in Lebanon's government, a Saudi adviser told CNN.

The political efforts come as a top Sunni leader urged the world community, including Arab nations, to help end the hostilities and rein in what he said was the Shiite-dominated government's backing of militias.

Hareth al-Dhari called the government "biased" and an "excellent sectarian government" and said that "what is going on in Iraq is a political crisis and not a sectarian crisis -- like some politicians like to say."

His group, the Association of Muslim Scholars, had swiftly condemned the Sadr City attack and sent "condolences to the martyrs," a reference to those killed. It called the bloodbath a "repeated scene to agitate sectarian sedition."

Al-Dhari's appeal, which was made in Egypt, came a day after anti-U.S. Shiite cleric Muqtada al-Sadr's bloc threatened to withdraw support for Iraq's prime minister if a meeting with President Bush goes ahead as planned.

Since the Sadr City attack, enraged Shiites have retaliated by burning people to death and torching Sunni mosques, witnesses told CNN.

The violence threatens to bring Iraq to all-out civil warfare, a run-up toward chaos that has been escalating since February when a Shiite shrine was bombed in Samarra.

That shrine attack prompted Sunni-Shiite vendettas that have continued throughout the year.

On Saturday, mortar rounds landed on two houses in the northwestern Baghdad neighborhood of Hurriya, killing one person and wounding three others.

The Shiite majority neighborhood, which includes Sunnis, was also the scene of violence Friday, when Shiites attacked two Sunni mosques with rocket-propelled grenades and torched two other Sunni mosques.

Shiite militiamen are reported to have doused Sunnis with kerosene and burned them, while shooting at other people.

Mortar rounds also hit the Shiite district of Abu Dshir in southeastern Baghdad, wounding four people, and Sadr City on Saturday afternoon, wounding a woman.

Thirteen were wounded by mortar rounds in the neighborhood of Adhamiya, a Baghdad police official said Saturday.

Police on Saturday said they found 17 bullet-riddled bodies in Baghdad neighborhoods, apparently killed in Sunni-Shiite fighting.

The U.S. military set up additional security checkpoints Saturday around Baghdad bases where Iraqi military operations are being conducted, he said.Insurgents targeted

The U.S. military said coalition forces killed 22 insurgents and launched three airstrikes on a bomb-making factory during two separate operations north of Iraq's capital Saturday.

In an operation conducted in Taji, 10 insurgents and a teenage boy were killed in a firefight.

In a written statement, the military said a pregnant woman was wounded and taken to a hospital for treatment. She is expected to be released Sunday.

Coalition forces said they found rocket-propelled grenades, machine guns, anti-aircraft weaponry, pipe bombs and more than 3,000 feet of detonation cord in the area.

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In another operation, the military said, coalition forces killed 12 insurgents in fighting north of Baghdad.

U.S. forces opened fire on a suspected militant traveling in an entourage of three vehicles when the vehicles would not stop.

The military also said the terrorist suspect makes bombs and channels foreign fighters into the northern Baghdad area. During the operation, the coalition approached three vehicles carrying the militant and his associates.

"Twelve armed terrorists ignored warning shots and attempted to maneuver on the ground force," a military statement said.

The coalition forces then opened fire on the vehicles and killed them.U.S. soldier dies

A U.S. Marine died Friday after being wounded in fighting in Anbar province, the U.S. military said Saturday.

The Marine was assigned to Regimental Combat Team 5, and the death brings the number of U.S. troop deaths in the Iraq war to 2,867.

Seven military contractors have also died in the war.

Iraq Extends Curfew Amid Violence (BBC)

BBC.com, November 25, 2006

The Iraqi authorities have extended until Monday a curfew imposed on Baghdad in response to recent killings.

The measure was intended to prevent reprisals for bomb attacks on the Sadr City area which killed more than 200.

Violence continued across Iraq however, with 21 bodies found in a village north of Baghdad. US and Iraqi forces said more than 50 insurgents died in raids.

President Jalal Talabani has also had to postpone a much-anticipated trip to Iran, as Baghdad's airport is closed.

Mr Talabani had been due to meet Iranian President Mahmoud Ahmadinejad for talks on Iraq's security situation.

A spokesman for Mr Talabani said he would travel when the airport re-opened.

Separately, US Vice-President Dick Cheney has arrived in the Saudi capital, Riyadh, for talks with King Abdullah on the situation in the Middle East, particularly Iraq.

Despite the heavy police presence in the capital, there were reports that the Shia Sadr City district had been hit by a barrage of mortars on Saturday, says the BBC's Andy Gallacher in Baghdad.

An Iraqi journalists living in the area said he had heard 12 explosions but there have been no immediate reports of casualties, our correspondent adds.

Moqtada Sadr's group is calling for US forces to leave The US military said the 22 insurgents killed by its forces had died in clashes to the north of Baghdad.

Ten insurgents died in a raid on a bomb-making factory in the town of Taji, it said, while a teenage boy was killed in the crossfire and a pregnant woman was wounded.

US forces said they had discovered caches of rocket-propelled grenades, machine guns, pipe bombs and anti-aircraft weapons in the area. These were later destroyed in an air strike.

In another incident, US forces said they had killed 12 insurgents in a convoy of cars that ignored warning shots.

Iraqi security services said they had killed more than 30 insurgents in a series of raids in Diyala province.

Earlier in the day, the bodies of 21 Iraqis were discovered in the same province, in a village about 80km (50 miles) north-east of Baghdad.

Police said gunmen had raided the homes of two Shia families, dragged out 21 males and shot them dead. It is thought the youngest victim was a 12-year-old boy.

In central Anbar province, a suicide car bomber attacked a checkpoint and killed three Iraqis, two of them children, and a US serviceman, the US military said.

Meanwhile, leading Sunni cleric Harith al-Dhari, head of Iraq's Association of Muslim Scholars, called on Saturday for Arab countries to withdraw their recognition of the Iraqi government.

Mr Dhari, who spoke in Cairo, faces questioning if he returns to Iraq for allegedly inciting sectarian violence.

Earlier this week, at least 230 people were killed in two days of violence in Baghdad.

DOJ_NMG_0098144

Several blasts struck Sadr City in quick succession In one incident, gunmen attacked Hurriya, a Sunni Arab area of Baghdad, burning mosques and homes, and at least 30 people were reported killed.

The attacks were in apparent revenge for Thursday's bombings that killed more than 200 people in the Shia Sadr City district.

There is a real feeling that the situation is moving to the brink amid the cycle of attacks, says the BBC's David Loyn in Baghdad.

To add to the Iraqi government's woes, a key Shia group loyal to cleric Moqtada al-Sadr threatened to quit parliament and the cabinet if the prime minister goes ahead with a planned meeting with US President George W Bush next week.

The withdrawal of the group headed by Mr Sadr would deal a major blow to an already unstable government.

In a sermon on Friday, the young cleric appealed for Muslim unity, but also demanded that the leading religious figure from the Sunni minority issue a fatwa against al-Qaeda members.

Moqtada al-Sadr's Mehdi Army militia dominates the sprawling Sadr City slum in east Baghdad.

Thursday's multiple car bomb attacks in Sadr City - in which 250 people were also wounded - were the deadliest in Iraq since the US-led invasion of 2003.

Iraqi Clerics Call For End To Hostilities (LAT)

By Solomon Moore

The Los Angeles Times, November 26, 2006

BAGHDAD — Shiite and Sunni clerics, among the last vestige of authority in a country rapidly losing faith in politicians, charged Saturday that Iraq's plight was the result of U.S. mistakes and pleaded with their faithful to stem the bloodshed that followed a devastating attack on a mainly Shiite Baghdad neighborhood.

In interviews Saturday and in recent sermons, clerics articulated one message that appears to be gaining traction on both sides of Iraq's civil war: The U.S. presence is making matters worse, and the Americans should go home.

"The roots of our problems lie in the mistakes of the Americans committed right from the beginning of their occupation," said Sheik Ali Merza, a Shiite cleric in Najaf who is a leader of the Islamic Dawa Party.

Iraq's most prominent Sunni cleric expressed a similar viewpoint. At a Cairo news conference, Harith Dhari demanded that American troops withdraw.

"Since the beginning, the U.S. occupation drove Iraq from bad to worse," said Dhari, who became a fugitive this month after the Shiite-led government issued a warrant for his arrest on allegations that he has supported terrorism.

The increased focus by the clerics on the U.S. presence in Iraq comes as U.S. officials review a broad range of options to address the increasing violence and dwindling domestic support for the war. Options range from a short-term increase in the number of troops — which stands at 144,000 — to a phased withdrawal.

Vice President Dick Cheney made a quick visit Saturday to Saudi Arabia, a neighbor of Iraq and a regional power. Saudi Arabia also is a source of funds for Sunni Arab insurgents in Iraq.

President Bush is scheduled to meet with Iraqi Prime Minister Nouri Maliki in Jordan this week.

The clerics appealed for an end to retaliatory killings and kidnappings in the wake of a series of bombings Thursday in the Sadr City neighborhood of Baghdad that killed more than 200 people.

"The explosions we are witnessing and this series of attacks and killings only aim at triggering a sectarian war, which neither Shiites nor Sunnis will win," Sheik Abdul Aziz Mohammed, a Shiite cleric in Kirkuk, said in his most recent sermon. "The prophet Muhammad said religious strife is dead, and condemned anyone who attempts to resurrect it."

Khalil Maliki, a Shiite cleric based in the southern port city of Basra, also blamed the United States.

"We have all concluded that the primary party responsible for all these massacres is the American occupation," said Maliki, a representative of anti-U.S. cleric Muqtada Sadr.

Most here expect Iraq's civil war to deepen as the government lifts curfew restrictions today, and it is unclear whether the clerics' appeals for calm are being heard.

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Some prominent religious and political leaders accuse the U.S. military of conspiring with their enemies. Sunni Arabs say U.S. troops are raiding their communities in coordination with Shiite militias.

And Shiites say that U.S. forces are working with Sunni terrorist groups to conduct strikes such as the devastating car bomb barrage in Sadr City.

U.S. troops seeking a missing American serviceman believed to be held by Muqtada Sadr's Al Mahdi militia raided Sadr City only hours before Thursday's insurgent car bomb attack. Some Shiite clerics and politicians cited those raids as evidence of American involvement in the attack.

"Recently, it has become obvious that there is cooperation between the occupation forces, Al Qaeda and the Baathists," said Sahib Amry, a Sadr representative in Najaf.

Although U.S. military officials acknowledge that they have increased attacks in Shiite areas in Baghdad in pursuit of Army Spc. Ahmed Qusai Taei, they dismiss the conspiracy theories as ridiculous. But the fact that so many influential Iraqis find them credible complicates U.S. efforts to stop the bloodletting.

Sadr, whose representatives make up a key element in Maliki's Shiite coalition, threatened Friday to stage a walkout and bring down the government if Maliki went ahead with his meeting with Bush. U.S. and Iraqi officials said Saturday that there were no plans to cancel the meeting.

Iraqi President Jalal Talabani canceled a trip to Tehran today, where he had planned to discuss an Iranian proposal for a three-way summit with Syria.

Reports emerged Saturday that Sunni Arab gunmen, using tactics usually attributed to Shiite militiamen, donned Iraqi army uniforms and kidnapped 21 men from a Shiite neighborhood in Balad Ruz, about 45 miles northeast of Baghdad. Police later found their corpses. Eleven of the dead were men from the same family.

In west Baghdad, where most of Friday's sectarian fighting took place, at least two dozen mortar shells pounded a single block in the Sunni Arab-dominated Ghazaliya neighborhood, where residents remained inside their concrete and brick houses. One person was killed.

After the mortar barrage, U.S. forces swept into the neighborhood and arrested at least 10 people, a resident said.

Projectiles also hit Sadr City and the neighborhood of Mustansiriya, crashing into a house and an open-air market; 14 people were injured.

The U.S. military announced that it had killed 22 suspected insurgents in the north Baghdad area in three separate incidents, which included an airstrike on a suspected bomb construction site.

A pregnant woman and a male teenager were injured in one fight, the military said.

"It is always a shame when terrorists hide among civilian women and children, putting them in harm's way," the military said in a statement.

Police in Baghdad found 17 bodies, all of them stripped of identification papers and riddled with bullet holes.

In Baqubah, gun battles between Iraqi police and suspected insurgents left at least 30 dead.

In the northern city of Kirkuk, Iraqi police said they had killed two insurgents who were attempting to plant a bomb, and that four police officers were injured by a roadside explosive.

The U.S. military announced that a Marine was killed by enemy fire in the western province of Al Anbar.

Many Iraqis said they expected violence to increase in the coming days.

"I don't think these attacks against Sadr City will be the last," said Diyadhin Fayadh, a Shiite cleric in Baghdad. "There will be more explosions."

"What happened in Sadr City is a very grave development, and I think the real reaction to it has not started yet," said Adnan Abo-Shabbot, 52, a Najaf supermarket owner. "I think that Baghdad will become an open battlefield. The worst is yet to come."

"The clerics and political leaders are insisting that people must be quiet and patient, because the consequences will be dire if the Muslim is killing his brother," said Ibrahim Hassan, 26, an engineering student in Sadr City. "But if someone loses two or three family members, he will never stay peaceful. Nobody can stop him. Not the clerics nor the politicians."

Learning From Iraq (NYT)

DOJ_NMG_0098146

The New York Times, November 26, 2006

While politicians from both parties spin out their versions of Iraqs that should have been, could have been and just maybe still might be, the Army has taken on a far more useful project: figuring out why the Bush administration's military plans worked out so badly and drawing lessons for future conflicts.

That effort is a welcome sign that despite six years of ideologically driven dictates from Donald Rumsfeld's Pentagon, Army leaders remain usefully focused on the real world, where actual soldiers daily put their lives on the line for their country and where the quality of military planning goes a long way toward determining whether their sacrifices help achieve America's national purposes.

Two hopeful examples are the latest draft of a new Army field manual that will be taught to officers at all levels beginning next year and a series of oral history interviews conducted with Iraqi and American officers involved in the disappointing efforts to establish and train Iraqi security forces. Last week, The Los Angeles Times published details of some of the major changes being incorporated into the new field manual, while The Washington Post reported on some of the lessons learned in the Iraqi training programs.

The field manual, the Army's basic guidebook for war, peacekeeping and counterinsurgency, quietly jettisons the single most disastrous innovation of the Rumsfeld era. That is the misconceived notion that the size and composition of an American intervention force should be based only on what is needed to defeat the organized armed forces of an enemy government, instead of also taking into account the needs of providing security and stability for the civilian population for which the United States will then be responsible.

Almost every post-invasion problem in Iraq can be directly traced to this one catastrophic planning failure, which left too few troops in Iraq to prevent rampant looting, restore basic services and move decisively against the insurgency before it took root and spread.

Modern innovations in warfare make it possible for America's technologically proficient forces to vanquish an opposing army quickly and with relatively few troops. But re-establishing order in a defeated, decapitated society demands a much larger force for a much longer time.

The new field manual will rightly call for stabilization efforts to start as soon as American troops arrive. And it will legally require American field commanders to request sufficient forces to successfully carry out these stability operations. That should short-circuit future debates about whether Pentagon policy makers are providing all the troops that the generals on the spot honestly feel they need.

Correcting deficiencies in American military training is also essential, since the biggest reason the United States has not been able to withdraw significant numbers of its own troops over the past three years has been the lack of adequately prepared and reliable Iraqi security forces.

Iraqi officers interviewed for the oral history complained that their American trainers were often junior officers without combat experience. American officers expressed unhappiness about how their own training teams had been selected and prepared. One major tellingly remarked that "I went there with the wrong attitude and I thought I understood Iraq and the history because I had seen PowerPoint slides, but I really didn't."

These are useful insights. But they can only go so far when a host government lacks the will to rid its security forces of sectarian militia fighters more intent on waging civil war than achieving national stability. That so far has been the biggest obstacle in Iraq.

Transforming American forces to fight 21st-century conflicts was the ubiquitous but largely empty slogan of the Rumsfeld era. Incorporating the hard lessons learned in Iraq into future military planning and training operations would constitute a far more practical variety of transformation.

In Search Of The Fixers (NYT)

By James Glanz

The New York Times, November 26, 2006

BAGHDAD

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ARMED militias are stalking the streets of Iraq's cities and towns, but that only begins to describe the problem that the United States faces here. As the violence on those streets increases, there seem to be more and more militias or armed gangs — smaller and more loosely controlled fragments of armed groups — than ever before, and in many ways that is the most serious part of the picture. It would be far easier for the United States if these groups, no matter how antagonistic they are to the Americans, had stuck together; then, at least, they could negotiate, make binding agreements and help knit together a nation.

In America, generals, congressmen and commentators across the political spectrum are embroiled in a debate over troop levels and exit timetables. But if the United States seeks to establish stability so its troops can leave, it must answer the question: whom does it talk to?

Which Sunni and Shiite militias, armed tribal groups and even criminal gangs need to be fought? Which can be bargained with? Which are potential allies as the United States seeks to break the increasingly chaotic cycles of attack, revenge and rivalry for turf and spoils?

Last week, it was Sunni militiamen who staged deadly attacks on the Shiite-led Health Ministry and Sadr City, presumably in retaliation for a mass kidnapping from the Sunni-dominated Higher Education Ministry the week before. Those kidnappings, in turn, were carried out by men in official uniforms who were thought to be Shiite militiamen who had infiltrated the army and police force. But, as always, it was unclear which militia was responsible, or whether the kidnappers were from a breakaway group.

The largest Shiite militia, led by Moktada al-Sadr and called the Mahdi Army, has been widely reported to be splintering. But there is also a growing profusion of other groups: in addition to longstanding rival Shiite militias like the Iranian-trained Badr Organization and the Fadhila militia, both of which are powerful in the south, there are Sunni fighters attached to tribal leaders, ex-Baathists or Al Qaeda cells; Iraqi private security contractors; quasi-government militias originally assembled to guard oil pipelines and power lines; criminal gangs; and neighborhood watch groups.

For the Americans, the disintegration of order has complicated any effort to deal with the armed groups, said Joost Hiltermann, Middle East project director of the International Crisis Group, an organization of experts on dealing with conflicts that is formulating its own last-ditch plan to salvage peace in Iraq. "Now you have purveyors of violence that are completely independent of everyone else," Mr. Hiltermann said.

With one or two exceptions, he added, the politicians who nominally head some of the larger militias that are now splintering "don't control anything."

The most violent militia is the Mahdi Army, led by Mr. Sadr. Recent conversations with American military commanders in Iraq indicate that the United States ultimately may have to attempt to disarm it in its base in Baghdad — and it will be some time, if ever, before Prime Minister Nuri Kamal al-Maliki, who needs Mr. Sadr's support in Parliament, will be a willing partner.

But because there have been so many reports that freelance commanders have broken away from Mr. Sadr's group and are operating on their own, carrying out their own kidnappings, executions and paramilitary operations, the impact of such an operation is difficult to calculate. For one thing, nobody knows exactly how much Mr. Sadr controls his group. For another, nobody knows to what extent commanders who have seemed to operate on their own might retain loyalty to Mr. Sadr in a major fight.

Some American commanders believe that Mr. Sadr retains influence over some groups he has declared to be renegades. If that were the case, the splinter groups would be functioning like the Salvadoran death squads of the 1980s; those operated quasi-independently and gave their government a measure of deniability even when it almost certainly had ordered killings.

If a similar situation applies here, it could lend credence to the arguments of American commanders who believe that the United States military may ultimately have to go in force to Mr. Sadr's base of power, a place where it has trod lightly for the past three years, in order to disarm militiamen who remain defiant. Mr. Sadr's base is a northeastern Baghdad slum populated with two million Shiite Arabs and named after his father.

But Iraqis mostly believe that such a step would be folly because it could inflame Shiites in general. No matter how unruly the groups in the Mahdi Army have or have not become, this argument goes, Mr. Sadr's own popularity, as well as the number of men in the Mahdi Army, has soared throughout Baghdad and the south as the American military has worn out its welcome.

"This is actually very dangerous," said Qasim Daoud, a former Iraqi national security advisor who is now a member of Parliament representing the southern holy city of Najaf. "It will go to a flare-up of the whole southern area."

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The roots of the problem with independent armed groups in Iraq trace back to when the United States invaded the country with the help of a strategically placed militia: the fighters who were loyal to two Kurdish clans in the north. In the aftermath, the United States had little appetite for disarming the Kurds, especially since their fighters are under the firm control of their leaders.

Less well known is that before the invasion, the United States also cozied up to some of the Shiite militias, who were then expatriates, with promises that they would not be immediately disbanded if they returned to Iraq, said Amatzia Baram, director of the Ezri Center of Iran and Gulf Studies at the University of Haifa in Israel. Before the invasion, when he was a scholar based in Washington, he warned of the dangers of letting the militias keep their arms.

The problem, Mr. Baram said, was that the most powerful of those groups, the Badr Organization, never really returned the warmth. The Badr leadership, Mr. Baram said, "never wanted to be engaged more than, 'Yes, when you kick Saddam out, we will be there.' They were very standoffish."

With those precedents, the United States had little standing to disarm the other militias after the invasion, and they gained steadily in power.

There is, however, a temptation for American officials to see the possibility of working with some armed groups, even today. Travels with American military units and a reading of recent embassy initiatives in Iraq indicate that along with preparations for potential military activity against the Mahdi Army, the United States is stepping up efforts to identify militias associated with Iraqi tribes, political parties, geographic regions and even insurgent groups — to placate and co-opt those they can, and even play some off against each other.

In an indication of that strategy, some local American field commanders now give snap analyses of differences between the Janabi, Juburi and Duleimi tribes, an arresting shift from the early days of the conflict when words like those would have drawn blank stares in an American Humvee rumbling through the desert.

Such efforts have sometimes seemed promising. In September, 25 tribes in the Sunni-dominated Anbar province agreed to cooperate militarily in order to combat the local influence of Al Qaeda. But so far, that agreement seems to have had little influence on security; American and Iraqi troops continue to die at a disheartening rate in Anbar.

Looking forward, Representative Ike Skelton, the Missouri Democrat who is expected to become chairman of the House Armed Services Committee in January, says the cultural importance of guns in Iraqi society, combined with the practical need for Iraqis to protect themselves, makes it all but impossible for the prime minister to disarm the militias, despite his pledges to do so.

"I don't know how he's going to do it," Mr. Skelton said.

Mr. Daoud, the former security adviser, said that a better strategy would be to absorb militias loyal to the elected government into the official armed forces and give the rest jobs under the civilian government if they take appropriate training courses.

"I prefer, really, to make a sort of evaluation of each single person," Mr. Daoud said.

That approach, which would amount to absorbing many of the militias into the government, may bring less order than hoped, said Marina Ottaway, director of the Middle East program at the Carnegie Endowment for International Peace.

"The question is not whether the militias can rule much of the country, which I don't think they can," Ms. Ottaway said. "The question is whether they can make it impossible for anyone else to rule the country."

Long After We Withdraw (NYT)

By David Rieff

The New York Times Magazine, November 26, 2006

As the situation in Iraq continues to deteriorate and as policy makers debate how to extricate the United States honorably from what increasingly appears a war without end, it is worth remembering that all wars do end eventually, and that postwar relationships between the bitterest of enemies can turn out surprisingly well. President Bush's recent trip to Vietnam, where he attended the annual meeting of APEC — the Asia-Pacific Economic Cooperation organization — illustrates this reality and even offers a measure of hope at a time when battlefront reports are almost unrelievedly bad and when America's foreign policy seems to lurch from crisis to crisis.

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It often seems as if the U.S. presence in Iraq has created so many new enemies in the Muslim world that the clash of civilizations described by Prof. Samuel Huntington has gone from being the hypothesis of a Harvard political scientist to a historical inevitability. Even many of those who resist the notion that Islam and the West are on a collision course still worry that the harm that has been done in Iraq to relations between the U.S. and the Islamic world will be almost impossible to undo.

And yet the example of Vietnam suggests otherwise. If anything, the trauma of the Vietnam War on the American psyche was and for some still is far deeper than anything the Iraq war has yet produced. These days we speak — probably too glibly — of an America almost evenly divided between so-called red and blue states. But for anyone who remembers what this country was like during the Vietnam era and in its immediate aftermath, these contemporary divisions seem rather shallow. Vietnam truly split the country and brought millions of people into the streets against their own government. People died protesting the Vietnam War on campuses like Kent State. On the battlefield, there was also tremendous savagery. Think of the C.I.A.-run Phoenix program of targeted assassination or the systematic torture of American prisoners of war by the North Vietnamese.

Nevertheless, 30 years after the end of a war that left Vietnam in ruins and America in turmoil and confusion, the issues left over — accounting for the missing in action, reuniting families and even paying compensation for Agent Orange-induced maladies — are far less central to U.S.-Vietnamese relations than issues of trade and investment. America is now Vietnam's leading trading partner, and Intel has just announced the expansion of its factory near Ho Chi Minh City. While Congress dealt a temporary setback to President Bush's efforts to promote trade with Vietnam, few doubt that such efforts will succeed. As Stephen Hadley, the national security adviser, has put it, Vietnam is "reforming" and "booming." (Of course, he might have added that it is hardly a paragon of human rights.)

Remarkably, President Bush's cordial reception to Prime Minister Phan Van Khai in 2005 was accepted with little protest except from small groups of Vietnamese-Americans. On the Vietnamese side, the dour commissars who fought the French and then the Americans, at the cost of more than a million of their own dead — "born in the North, die in the South" was a well-known saying in the North Vietnamese Army at the time — have given way to proud capitalists who, despite their Communist affiliations, are far more interested in deepening trade relations with America and in warding off their historic rival China than in pulling the scabs off old wounds.

Is there a lesson here for Iraq? The answer is that, in fact, there are many. The first, and perhaps the most important, is that history is not predictable and even the most deep-seated enmities can evaporate over time when the conditions are right. As President Bush himself said when he was in Hanoi last week: "History has a long march to it. Societies change, and relationships can constantly be altered to the good." There is no iron law of history that says that the bad relations between America and the Islamic world, and even between the United States and radical Shiite groups like the one led by the militant cleric, Moktada al-Sadr, are fated to continue this way indefinitely and immutably. Nor is there any reason to believe that an American withdrawal from Iraq will harm these relations any more than the U.S. withdrawal from Vietnam permanently damaged U.S.-Vietnamese relations.

After the searing experience of Iraq, few among us believe that outsiders can impose democracy at the point of a gun. Nations and peoples simply have to find their own way. Of course, it is crucial not to romanticize this process. For the Vietnamese, the first decade after the fall of Saigon in 1975 was an appalling one — an era of mass repression and mass hunger. It is entirely possible, likely even, that in Iraq the situation will get considerably worse after a U.S. withdrawal, as it did in Vietnam. To put it starkly, however, the effort to foster democracy in Iraq has failed, and with that failure, short-term suffering may have to be the price of long-term coexistence. Is this perspective harsh to the point of cruelty? Perhaps. But it may be a necessary and sober one as well.

No one in his right mind should imagine a rosy future for Iraq — regardless of whether American commanders choose to preserve the status quo, start withdrawing or even add more troops to try a "final push" this spring. But again, all wars do end eventually. And in their aftermath, in the peace that follows, possibilities arise that seem almost unimaginable as people lie bleeding. It is conceivable that 30 years from now, one of President Bush's successors will travel to Baghdad not for crisis meetings in the Green Zone or to serve Thanksgiving turkey to the troops but to talk about peacetime matters like trade, tourism and the environment. Yet given America's inability to guarantee the security of ordinary Iraqis after an occupation that has lasted

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almost as long as our participation in World War II, it is possible to speculate that the sooner American forces leave Iraq, the sooner such a trip is likely to happen.

The Way To Win A Guerrilla War (WP)

By T.X. Hammes

The Washington Post, November 26, 2006

In all the barrels of ink being spilled in the argument over whether the United States can or can't possibly win the war against the insurgency in Iraq, one critical aspect is often overlooked: how the nature of insurgency has changed over the past few decades, and what that means for the counterinsurgent.

Insurgencies are still based on Mao Zedong's fundamental precept that superior political will, properly employed, can defeat greater economic and military power. Because insurgents organize to ensure political rather than military success, an opponent cannot defeat them with military force alone. But complicating our problem today is the fact that insurgencies are no longer the unified, hierarchical organizations that the Chinese, and later the Vietnamese, developed from the 1920s to the 1960s. Rather, they are loose coalitions unified only by the desire to drive out an outside power. All elements of the insurgency know that when the outside power is gone, they will fight a civil war to resolve their differences. Learning to adjust is the key to success in counterinsurgency. Conventional military weakness forces insurgents to be adaptable, so defeating them requires coherent, patient action -- encompassing a range of political, economic, social and military activities -- that can only be executed by a team drawn from all parts of government. You don't outfight the insurgent. You outgovern him.

This was one of the real sources of frustration during my brief tour of duty in Iraq in 2004. The United States had clearly failed to learn from previous insurgencies. We were focused on killing insurgents rather than providing security and governance. Fortunately, we're now showing signs of learning -- thanks to some smart people who are both practitioners and students of counterinsurgency.

Any study of modern insurgency has to start with Mao. The communist leader who defeated China's nationalist forces not only succeeded as an insurgent but also wrote about how he won. "On Guerrilla Warfare " is a how-to guide for insurgent leaders that has been quoted by nearly every insurgent strategist since, including al-Qaeda's. The best translation is by Marine Brig. Gen. Samuel B. Griffith, whose fluency in Chinese and extensive travel in China during its civil war enabled him to provide unique insights into Mao's work.

No American discussion of insurgency could ignore Vietnam. Gen. Vo Nguyen Giap's "People's War, People's Army" is still the basic reference on the North Vietnamese view of the war and an illustration of how warfare continually changes. While Mao was able to confront his opponent on the Chinese mainland, Ho Chi Minh and Giap had to defeat the French and the Americans without ever being able to threaten their home bases. They expanded on Mao's concept by using the media and peace activists to convince the American people that we couldn't win the war. They won not by defeating our armed forces but by breaking our political will.

In the 30 years since the fall of Saigon, insurgency has continued to evolve. For an up-to-date overview, National Defense University professor Bard O'Neill's "Insurgency and Terrorism: From Revolution to Apocalypse," published in 2005, is hard to beat.

Counterinsurgency is a very different animal. Insurgents practice the art of destruction, which is easy; counterinsurgents have the far more difficult task of creating a functioning government. Written in 1964, David Galula's "Counterinsurgency Warfare: Theory and Practice" is still one of the best books to make this case. Galula, who was a French army officer during World War II and later in Indochina and Algeria, makes it clear that counterinsurgency is not about killing insurgents but about providing security and the hope for a better future. If a government can't give its people both, the insurgents will overthrow it.

"Learning to Eat Soup with a Knife: Counterinsurgency Lessons from Malaya and Vietnam," by Lt. Col. John Nagl, is a comparison between the British experience in Malaya from 1948 to 1960 and the U.S. experience in Vietnam. The British army, Nagl says, managed to created a "learning institution" that was able to understand the type of war it was in and adjust accordingly. In contrast, the U.S. Army in Vietnam kept trying to apply conventional warfare doctrine to an unconventional war. By the time it finally did adjust, it was too late.

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Journal articles offer another rich vein of enlightenment on the conduct of counterinsurgency. In "Best Practices in Counterinsurgency," in the May-June 2005 issue of Military Review, Kalev I. Sepp, a former Special Forces officer and now professor at the Naval Postgraduate School, studied 51 recent counterinsurgencies to develop a list of 12 "best practices" common to all successful ones, and nine "worst practices" of the unsuccessful ones. Sadly, in Iraq, the United States scores below 50 percent on the first and above 50 percent on the second.

David Kilcullen's "Counterinsurgency Redux" appears in the current issue of Survival. I've found it the best discussion of insurgency's evolution from classical Maoist to the modern transnational, multilateral "coalitions of the willing" that challenge the United States today. "In modern counter-insurgency," Kilcullen writes, "the security force must control a complex 'conflict ecosystem' -- rather than defeating a single specific insurgent adversary." This is a long way from the monolithic organizations Galula fought.

Two important articles are written from the unique perspective of a senior military officer fighting an active counterinsurgency. In "Challenges in Fighting a Global Insurgency," in the summer 2006 issue of Parameters, Lt. Gen. David W. Barno, commander of U.S. and Coalition forces in Afghanistan from October 2003 to April 2005, highlights the insurgents' ability to think in terms of 25-year wars. "The Americans may have all the wristwatches," he quotes the Taliban reminding villagers, "but we have all the time." And in his influential "Winning the Peace: The Requirement for Full-Spectrum Operations" in the July-August 2005 Military Review, Maj. Gen. Peter Chiarelli describes how his division in Baghdad not only had to conduct combat operations but also train Iraqi security forces, provide essential services, promote Iraqi efforts to establish an effective government and foster economic competition in what had been a controlled economy.

All these sources influenced the new Army/Marine Corps Field Manual 3-24, "Counterinsurgency." Posted on the Internet in draft form, it updates the badly outdated doctrine based on U.S. experiences in the 1960s, offering thought-provoking observations such as "The best weapons for counterinsurgency do not shoot bullets" and "The more force you use, the less effective you are." It's already influencing both how the military is fighting in Iraq and Afghanistan and how it is preparing for future wars.

If you're not inclined to read an Army field manual, three notable movies provide an insight into at least one aspect of counterinsurgency. David Lean's 1962 epic "Lawrence of Arabia," based on T.E. Lawrence's experiences in the Arab World War I uprising against the Turks, illustrates how hard it is for an outsider to understand another culture well enough to advise effectively. The 1966 classic "Battle of Algiers" shows how French brutality lost the war in Algeria. And 1993's "In the Name of the Father" reinforces that message, showing how "aggressive interrogation" techniques came back to haunt the British in their campaign against the Irish Republican Army -- a valuable insight for those trying to win these most difficult of wars.

T. X. Hammes, a retired Marine colonel, is author of "The Sling and the Stone: On War in the 21st Century" (Zenith Press).

U.S. Finds Iraq Insurgency Has Funds To Sustain Itself (NYT)

By John F. Burns, Kirk Semple

The New York Times, November 26, 2006

BAGHDAD, Nov. 25 — The insurgency in Iraq is now self-sustaining financially, raising tens of millions of dollars a year from oil smuggling, kidnapping, counterfeiting, connivance by corrupt Islamic charities and other crimes that the Iraqi government and its American patrons have been largely unable to prevent, a classified United States government report has concluded.

The report, obtained by The New York Times, estimates that groups responsible for many insurgent and terrorist attacks are raising $70 million to $200 million a year from illegal activities. It says $25 million to $100 million of that comes from oil smuggling and other criminal activity involving the state-owned oil industry, aided by “corrupt and complicit” Iraqi officials.

As much as $36 million a year comes from ransoms paid for hundreds of kidnap victims, the report says. It estimates that unnamed foreign governments — previously identified by American officials as including France and Italy — paid $30 million in ransom last year.

A copy of the seven-page report was made available to The Times by American officials who said the findings could improve understanding of the challenges the United States faces in Iraq.

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The report offers little hope that much can be done, at least soon, to choke off insurgent revenues. For one thing, it acknowledges how little the American authorities in Iraq know — three and a half years after the invasion that toppled Saddam Hussein — about crucial aspects of insurgent operations. For another, it paints an almost despairing picture of the Iraqi government's ability, or willingness, to take steps to tamp down the insurgency's financing.

"If accurate," the report says, its estimates indicate that these "sources of terrorist and insurgent finance within Iraq — independent of foreign sources — are currently sufficient to sustain the groups' existence and operation." To this, it adds what may be its most surprising conclusion: "In fact, if recent revenue and expense estimates are correct, terrorist and insurgent groups in Iraq may have surplus funds with which to support other terrorist organizations outside of Iraq."

Some terrorism experts outside the government who were given an outline of the report by The Times criticized it as imprecise and speculative. Completed in June, the report was compiled by an interagency working group investigating the financing of militant groups in Iraq.

A Bush administration official, who spoke on condition of anonymity, confirmed the group's existence. He said it was led by Juan Zarate, deputy national security adviser for combating terrorism, and was made up of about a dozen people, drawn from the C.I.A., the F.B.I., the Defense Intelligence Agency, the State Department, the Treasury Department and the United States Central Command.

The group's estimate of the financing for the insurgency, even taking the higher figure of $200 million, underscores the David and Goliath nature of the war. American, Iraqi and other coalition forces are fighting an array of shadowy Sunni and Shiite groups that can draw on huge armories left over from Mr. Hussein's days, and benefit from the willingness of many insurgents to fight with little or no pay. If the $200 million a year estimate is close to the mark, it amounts to less than what it costs the Pentagon, with an $8 billion monthly budget for Iraq, to sustain the American war effort here for a single day.

But other estimates suggest the sums involved could be far higher. The oil ministry in Baghdad, for example, estimated earlier this year that 10 percent to 30 percent of the $4 billion to $5 billion in fuel imported for public consumption in 2005 was smuggled back out of the country for resale. At that time, the finance minister estimated that close to half of all smuggling profits was going to insurgents. If true, that would be $200 million or more from fuel smuggling alone.

For Washington, the report's most dismaying finding may be that the insurgency now survives off money generated from activities inside Iraq, and no longer depends on sums Mr. Hussein and his associates seized as his government collapsed. American officials said that as American troops entered Baghdad, Mr. Hussein's oldest son, Qusay, took more than $1 billion in cash from the Central Bank of Iraq and stashed it in steel trunks aboard a flatbed truck. Large sums of cash were found in Mr. Hussein's briefcase when he was captured in December 2003.

But the report says Mr. Hussein's loyalists "are no longer a major source of funding for terrorist or insurgent groups in Iraq." Part of the reason, the report says, is that an American-led international effort has frozen $3.6 billion in "former regime assets." Another reason, it says, is that Mr. Hussein's erstwhile loyalists, realizing that "it is increasingly obvious that a Baathist regime will not regain power in Iraq," have turned increasingly to spending the money on their own living expenses. The trail to these assets "has grown cold," the report adds.

The document says the pattern of insurgent financing changed after the first 18 months of the war, from the Hussein loyalists who financed it in 2003 to "foreign fighters and couriers" smuggling cash in bulk across Iraq's porous borders in 2004, to the present reliance on a complex array of indigenous sources. "Currently, we assess that these groups garner most of their funding from petroleum-related criminal activity, kidnapping and other criminal pursuits within Iraq," the report concludes.

One section of the report is dedicated to the role played by "sympathetic donors," including Islamic charities and nongovernmental organizations. It says that "intelligence reporting" indicates that only 10 to 15 of the 4,000 nongovernmental groups support terrorist and insurgent groups, but that those few take advantage of lax Iraqi regulation to divert funds to insurgent and other armed groups and, in some cases, "to provide cover for insurgent recruitment and the transport of weapons and personnel."

The possibility that Iraq-based terrorist groups could finance attacks outside Iraq appeared to echo Bush administration assertions that prevailing in the war here is essential to preventing Iraq from becoming a terrorist haven, as Afghanistan became

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under the Taliban. But that suggestion was one of several aspects of the report that drew criticism from Western terrorism and counterinsurgency experts working outside the government who were given the outline of the findings.

While noting that the report appeared to reflect a major effort by the administration to learn more about the murky world of insurgent financing in Iraq, the experts said the seven-page document appeared to be speculative, at least in its estimates of the funds available to the insurgent and terror groups. They noted the wide spread of the estimates, particularly the $70 million to $200 million figure for overall financing, the report's failure to specify which groups the estimates covered and the absence of documentation of how authors had arrived at their estimates.

While such data may have been omitted to protect the group's clandestine sources and methods — the document has a bold heading on the front page saying "secret" and a warning that it is not to be shared with foreign governments — several security and intelligence consultants said in telephone interviews that the vagueness of the estimates reflected how little American intelligence agencies knew about the opaque and complex world of Iraq's militant groups.

"They're just guessing," said W. Patrick Lang, a former chief of Middle East intelligence at the Defense Intelligence Agency, who now runs a security and intelligence consultancy. "They really have no idea." He added, "They've been very unsuccessful in penetrating these organizations." He said he was equally skeptical about the report's assertion that the insurgent and militant groups may have surpluses to finance terrorism outside Iraq. "That's another guess," he said.

"A judgment like that, coming from an N.S.C.-generated document," he said, is not an analytical assessment as much as it is a political statement to support the administration's contention that Iraq is a central front in the war on terrorism. "It's a statement put in there to support a policy judgment," he said.

Several analysts said that, except for the possibility that Al Qaeda of Mesopotamia might be transferring money to Qaeda factions elsewhere, the assertion that insurgent money might be flowing out of the country was doubtful considering the single-minded regional focus of most of the militants operating here.

Dr. Magnus Ranstorp of the Swedish National Defense College, an author of extensive studies of the Iraqi insurgency, said he doubted Iraqi groups were ready to finance terrorism outside the country. "There's very little evidence that they're preparing to export terrorism from Iraq to the West," he said. "I think it's much too early for that."

The document tracing the money flows acknowledges that investigators have had limited success in penetrating or choking off terrorist financing networks. The report says American efforts to follow the financing trails have been hamstrung by several factors. They include a weak Iraqi government and its nascent intelligence agencies; a lack of communication between American agencies, and between the Americans and the Iraqis; and the nature of the insurgent economy itself, primarily sustained by couriers carrying cash rather than more easily traceable means involving banks and the hawala money transfer networks traditional in the Middle East.

"Efforts to identify key financial facilitators, funding sources and transfer mechanisms are yielding some results, but we need to improve our understanding of how terrorist and insurgent cells interact, how their financial networks vary from province to province or city to city and how they use their funds," the report says. It also says the United States must help the Iraqi government "to excise corrupt officials from its law enforcement and security services and its ministries" and "to prevent smuggled Iraqi oil from being sold within their borders."

Another challenge for the United States, the report says, was to persuade foreign governments to "stop paying ransoms." It gives no details, but American officials have said previously that France paid a multimillion-dollar ransom for the release in December 2004 of two French reporters held hostage by an insurgent group. Italy, these officials have said, paid ransoms on at least two occasions, in September 2004 for the release of two women, both aid workers, and in March 2005, a reported $5 million for the release of Giuliana Sgrena, a journalist for the Rome newspaper Il Manifesto.

Several American security consultants, all former members of government intelligence agencies that deal with terrorism, said in interviews that the ineffectiveness of efforts to impede the revenues to the insurgents was reflected in the continuing, if not growing, strength of Iraq's militants. "You have to look at what the insurgency is doing," Mr. Lang said. "Are they hampered by a lack of funds? I see no evidence that they are."

Jeffrey White, a defense fellow with the Washington Institute for Near East Policy, also a former Middle East analyst with the Defense Intelligence Agency, agreed. "We've had some tactical successes where we've picked off a financier or whatever, but

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we haven't been able to unravel a major component of the system," he said. "I've never seen any indication that they're strapped for cash, never seen any indication that they were short on weapons."

He said the insurgency had demonstrated tremendous regenerative properties. "The networks fix themselves, they heal themselves," he said. He pointed to the success of Al Qaeda in Mesopotamia in withstanding the loss of hundreds of combatants and dozens of major leaders. "They keep coming back," he said, "and I think the same thing has happened to the financial system."

Sunni Urges Arabs Against Iraq Gov't (AP)

By Omar Sinan, Associated Press Writer

AP, November 26, 2006

A prominent Sunni religious leader accused in Baghdad of inciting terrorism warned Saturday that Iraq's escalating sectarian violence will spread throughout the Middle East unless the international community ends support for the Shiite-led Iraqi government.

"I call on the Arab states and the Arab League and the United Nations to stop this government and withdraw its support from it. Otherwise, the disaster will occur and the turmoil will happen in Iraq and other countries," said Sheik Harith al-Dhari, who heads the Association of Muslim Scholars in Iraq.

The Iraqi Interior Ministry issued an arrest warrant for al-Dhari earlier this month, accusing him of inciting terrorism and sectarian violence. The Sunni leader, who lives in Jordan and was in Cairo to meet with Arab officials, said he does not "take this warrant seriously."

Al-Dhari's comments came as Iraq is being wracked by an upsurge in sectarian violence between Sunnis and Shiites, including a bombing onslaught Thursday that killed 215 people in Baghdad's biggest Shiite neighborhood.

Sunnis charge Iraqi Prime Minister Nouri al-Maliki is not serious about disbanding Shiite militias accused of sectarian killings. Sunni groups and politicians recently said the warrant for al-Dhari put an end to the national reconciliation program presented by al-Maliki in June.

Al-Dhari, who is an outspoken critic of al-Maliki's government and the presence of U.S.-led foreign troops, charged that the Shiite-dominated administration is using a curfew declared in Baghdad after the bombings as a way to carry out attacks on Sunnis.

"The government and the occupation forces are preparing the suitable environments to the militias and killing gangs, by imposing the curfew once or twice a week to attack our people (Sunnis)," al-Dhari said.

But he also urged Iraqis not to join in violence, which he said threatens to tear the country apart.

"Be patient and practice steadfastness and don't be lured into this sedition that aims to destroy" Iraq, he said.

Now It's Iraq On The Agenda For Mr. Fix-It Of The G.O.P. (NYT)

By Sheryl Gay Stolberg

The New York Times, November 26, 2006

WASHINGTON, Nov. 25 — Everyone in Washington knows that President Bush has a lot riding on the Iraq Study Group, the bipartisan panel searching for a fresh strategy in Iraq. But so has the man whose name has become synonymous with the group: its Republican co-chairman, James A. Baker III.

The last time he dominated the news was in 2000, in Florida, when Mr. Baker — a former secretary of state who has been a friend and a tennis partner of the first President Bush since the current president was 13 years old — led the legal team that delivered the White House to its current occupant. That was Mr. Baker in partisan mode, cementing his reputation as Bush family confidant and Republican fix-it man.

Now, at 76, Mr. Baker is in high diplomat mode, on a mission, friends and supporters say, to aid his country and his president — and, while he is at it, seal his legacy in the realm of statesmen, a sphere he cares about far more than politics.

"I think he'd like to be remembered as a 21st-century Disraeli," said Leon Panetta, a Democratic member of the group, referring to the 19th-century British statesman and prime minister. "I think deep down he is someone who believes that his diplomatic career, in many ways, helped change the world."

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On Monday, the 10 members of the Iraq Study Group — five Republicans and five Democrats — will convene in Washington for two days of deliberations, to try to produce a report by mid-December. The panel, formed at the urging of a bipartisan group in Congress, has a broad mandate to conduct an analysis of the situation in Iraq, including military, economic and political issues.

The group has conducted hundreds of interviews, but some question whether even the most thorough report can have any effect on the ground in Iraq, where sectarian violence is escalating.

The panel remains deeply divided over several critical issues, most notably whether to accede to calls by Democrats for a phased withdrawal of troops. Mr. Baker, who would not be interviewed for this article, has said he wants bipartisan consensus, but the panel's Democratic co-chairman, Lee H. Hamilton, acknowledges it will be difficult.

"It's not a guaranteed result," Mr. Hamilton said. "There is a lot of focus on our work, and a lot of attention to it, and high expectation from it. I think Jim and I both feel that pressure."

Mr. Baker is no stranger to world affairs; he presided over the end of the cold war, the 1991 invasion of Iraq (arguing famously against ousting Saddam Hussein) and was an aggressive dealmaker in the Middle East. He has always been "the quintessential pragmatist," in Mr. Panetta's words, a master at intertwining politics with diplomacy, at consulting everyone in the beginning so no one feels left out in the end.

That has been his modus operandi at the commission, where he has functioned almost as a shadow secretary of state, using his vast personal Rolodex to reach out to international figures the Bush administration has shunned — while testing the political waters at home.

He has made ample use of his Bush connections, dropping in on the president for private Oval Office tête-à-têtes. He led the study group on a mission to Baghdad, where they donned helmets and flak jackets to meet leaders of every political stripe. ("A lot of them knew him," Mr. Panetta said.)

He has included Mr. Hamilton on every decision, going so far as to reject a photo shoot at Newsweek unless it included Mr. Hamilton, colleagues said. He insisted the report be released after the November election. He has let information slip out when it has suited him — like news of his quiet rendezvous with officials from Syria and Iran, rogue nations in the White House's view — but has demanded absolute secrecy about the substance of the panel's work.

"We've all been issued cyanide pills," said Edward P. Djerejian, who is helping Mr. Baker write the draft and is director of the James A. Baker III Institute for Public Policy at Rice University, a university Mr. Baker's grandfather helped found.

As a two-time former cabinet secretary (at Treasury under President Ronald Reagan and the State Department under the first President Bush) and a two-time former White House chief of staff (Reagan and the first President Bush), Mr. Baker has been around Washington long enough to know how to play the expectations game. Right now, he is playing it to the hilt, putting out the word that Iraq 2006 is hardly Florida 2000.

"The expectations have gotten well beyond where he wanted them to get," said one person close to Mr. Baker, who spoke on condition of anonymity. "You're talking about a political equation as much as you are a strategic and diplomatic one. And one of the things that's making the situation difficult is this image that Baker's coming in, Baker's riding to the rescue. There are some very smart and very strong Democrats on this panel, and they're not going to do what Baker tells them to do."

Nor will President Bush; his press secretary, Tony Snow, insisted that the White House would not "outsource this problem to the Baker commission." The White House is already pushing back against the report, even before it is issued. The Pentagon is doing its own review of Iraq policy, and the White House has commissioned another. President Bush, meanwhile, is traveling to Jordan this week to meet Prime Minister Nouri al-Maliki of Iraq, where he is expected to reassure the prime minister that the United States is not pulling out anytime soon.

Mr. Baker's relationship with the president is one of the great curiosities of Washington, and many here are trying to divine how he will use that tie to advance the Iraq Study Group. The two are not nearly as close as Mr. Baker is with Mr. Bush's father; Mr. Baker's recent autobiography, "Work Hard, Study and Keep Out of Politics," suggests tension just under the surface.

Mr. Baker writes that he did not mind being left out of the current administration: "We had our turn. Now it was his." Though people in Washington see a certain irony in his return to manage a new Iraq war gone wrong, he insists he is not "implicitly criticizing" Mr. Bush for the invasion. Yet Mr. Baker takes pains to point out, in a one-sentence footnote, that Mr. Bush is "an

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alumnus" of the "office boy pool" at Baker Botts, Mr. Baker's law firm in Houston. In one scene from the elder Mr. Bush's 1988 presidential campaign, he refers to "the ever-playful presidential son, George W."

These days Mr. Baker refers to that son as "Mr. President." The president calls Mr. Baker, 16 years his senior, "Jimmy." Aides to both insist Mr. Baker has not used his private Oval Office meetings to tip the president off to the commission's work. But then, Mr. Baker would never be that unsubtle.

"He's treating the president just like he is everyone else, as somebody to be co-opted, and brought into the process," said one outside adviser to the study group, who was granted anonymity to talk about the process.

Some Democrats consider that a good thing. "Baker has the great good possibility of success because he's so close to the president," said Senator Joseph R. Biden Jr., the Delaware Democrat and incoming chairman of the Senate Foreign Relations Committee. "He's able to give the president a way out, a way of saying, 'I didn't do what the Democrats said. I listened to Baker, my old buddy, Jim Baker.' "

By all accounts, Mr. Baker relishes his encore as elder statesmen.

"Look, he was certainly a very effective politician, a wise political strategist," said Donald L. Evans, a close friend of Mr. Baker's who served as commerce secretary in President Bush's first term. "But that was a means to an end. He's playing, I think, the role that he should be playing at this moment in life — the distinguished statesman that is there for leaders to go to, and listen to."

The study group, formed in March, operated below radar for months. But the assignment just happened to overlap with Mr. Baker's October book tour. Mr. Baker left no media outlet unturned, even appearing on "The Daily Show with Jon Stewart." ("Don't think for one minute they don't sell books," he later told The Houston Chronicle.)

Mr. Baker used the appearances artfully, promoting the book and setting the stage for public acceptance of the Iraq Study Group. He made clear his differences with the White House, telling the ABC news program "This Week" that "it's not appeasement to talk to your enemies" and that his panel would search for a middle ground between " 'stay the course' and 'cut and run.' "

The political landscape, though, has changed dramatically since then. If Mr. Baker can guide his group toward recommendations that are accepted by the White House and Democrats, and that yield real improvement in Iraq, he will be more than a Republican fix-it man. Mr. Evans, the former commerce secretary, said he would be remembered as "America's fix-it man."

But foreign policy experts and politicians alike say there is no miracle elixir for Iraq; if there were, someone would have thought of it already. Ivo Daalder, a scholar at the Brookings Institution, says the real test for Mr. Baker is to pull the White House "out of the quicksand" in a way that has lasting political effects at home and strategic effects in Iraq.

"This is an impossible job," said Mr. Daalder, adding wryly: "Even God couldn't meet those expectations. Perhaps Jim Baker can."

Turning To Baker For New Iraq Plan (BOS/CHT)

By Stephen J. Hedges, Chicago Tribune

The Boston Globe/Chicago Tribune, November 26, 2006

Problem-solving prowess is noted

WASHINGTON -- To his Republican colleagues, James A. Baker III has always represented sensible stability and a steel spine.

He brought his calm, courtly efficiency to the Reagan and Bush administrations in the 1980s, serving as a White House chief of staff and secretary of state and treasury. He headed George H.W. Bush's two presidential campaigns. And when George W. Bush faced a historic legal challenge in the 2000 election, Baker quickly and successfully came to his aid.

The Houston attorney had a knack for making most problems appear as if they could be solved like a neighbor leaning over a fence post to talk things over. Now he faces a challenge like few others in his career, which has spanned five decades, namely how to help the president chart a new course in Iraq.

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Officially, Baker is cochairman of a congressionally mandated, bipartisan Iraq Study Group. Unofficially, he is the Bush family consigliere. He knows all of Washington's levers of power, and he knows that much of what needs to be said should be said behind closed doors.

When he talks publicly, as he has by gently nudging the president toward a strategic change in Iraq, it is almost certainly by design and probably with Bush family consent.

"After all, he is a Bush family guy," said Peter Galbraith, a former US ambassador to Croatia and author of the book "The End of Iraq." "The genesis of this came at a time when the Republican sponsors of his Iraq Study Group basically were hoping it would develop a bipartisan support of the Republican Iraq strategy of staying the course. It has now morphed into something different."

The Iraq occupation and its attendant problems have become defining events of Bush's presidency. Now the president needs a way out of Iraq and the political and diplomatic trouble it has brought him.

Enter Baker, the man who so often has entered a room with a problem and left with a solution. The question is, can he do it again?

The Iraq Study Group that Baker leads with Lee Hamilton, a former Democratic representative from Indiana, is expected to forward its recommendations for a new US strategy sometime in early December.

The group also includes retired Supreme Court justice Sandra Day O'Connor, former secretary of state Lawrence S. Eagleburger, lobbyist Vernon E. Jordan, former attorney general Edwin A. Meese III, former Clinton aide Leon E. Panetta, former defense secretary William J. Perry, and former senators Charles S. Robb and Alan Simpson .

Baker began a solo public relations offensive last month, with the publication of his book "Work Hard, Study. . . and Keep Out of Politics!" While he and Hamilton said early on that they would not discuss the study group's recommendations before the elections, Baker offered hints of the group's discussions during book tour interviews.

He casually suggested, for instance, that Bush needed "alternative views" on Iraq, an implication that those around Bush, such as Vice President Dick Cheney and outgoing Defense Secretary Donald H. Rumsfeld, were not serving him well.

Baker has also suggested that rather than vilify Iraqi's neighbors Syria and Iran, the administration ought to hold discussions with them. "It's got to be hard-nosed, it's got to be determined," he said. "You don't give away anything, but in my view it is not appeasement to talk to your enemies."

Iraq Group A Study In Secrecy, Centrism (WP)

By Robin Wright

The Washington Post, November 26, 2006

In the history of U.S. foreign policy, there's been nothing like it: a panel outside government trying to bail the United States out of a prolonged and messy war.

The innocuously titled Iraq Study Group, which has evolved into a parallel policy establishment over the past eight months, is also unique in the way it operates. For one thing, it's even more secretive than the Bush administration.

Forty experts -- on warfare, the Middle East, reconstruction and Islamic militancy -- were asked to craft options for the commission but have nary a clue what proposals will come out of the 10-member panel, led by former secretary of state James A. Baker III and former representative Lee H. Hamilton (D-Ind.).

"It doesn't have to take any of our recommendations," said Clifford D. May of the Foundation for the Defense of Democracies. "They can come up with something entirely different. I wouldn't be surprised if that's what they do."

Interviews with a dozen participants offer insights into the process and the possible outcome of the bipartisan commission, which was organized jointly by four think tanks, was funded with $1 million by Congress and is run by the United States Institute of Peace. It was at times an intellectual free-for-all, participants said.

"I was fascinated by how the big names just let the discussion develop among the experts," said Frederick Barton of the Center for Strategic and International Studies. "It was anything but a congressional hearing. They really just said, 'Let us know what you think.' "

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During a meeting between experts and the panel, participants said they were struck by former Supreme Court justice Sandra Day O'Connor's thoughtful questions. "At the first open meeting, it was very moving, as she was the only one who spoke to daily reality. She wanted to know what could be done to help the lives of Iraqis at a time when everything was slipping into killing and decay," said Judith S. Yaphe of National Defense University.

Others recalled how another panel member, Charles S. Robb (D-Va.), a former senator and a former Marine, probed the ethnic divide in the Iraqi army.

All the experts wanted to make sure Baker, who is still closely connected to the Bush family, was in the room when they spoke. Several noted his telltale body language, which could dismiss a comment with as little as a raised eyebrow.

"We were all reading his face. If someone was expounding on something, Baker would get a distant look. He made clear he was not willing to go down that road," said an expert who spoke on the condition of anonymity because the final report has not been released. "He doesn't tolerate fools."

Some participants said the Iraq Study Group should be a model of how to bring the nation's wise men and women together to inject fresh perspective in solving the country's biggest problems. But others said that it, too, had serious flaws.

Despite Iraq's steady deterioration since the panel began its work in April, it moved at a deliberate pace -- too slow, in the view of some participants. The panel spent months analyzing U.S. policy and Iraq's situation. Experts, who were divided into four subgroups, met among themselves to answer a list of questions from the 10 commissioners -- five Republicans and five Democrats.

The panel will reconvene early this week to begin final deliberations. Its report is still weeks away.

Some experts were disgruntled that their ideas did not make it out of the working groups. Brookings Institution fellow Michael E. O'Hanlon advocates the "soft partition" of Iraq's Shiite, Sunni and Kurdish communities with land swaps and help with housing and jobs, so people could relocate to places where they are less threatened. He said he wishes he had testified before the panel so that his suggestion was not filtered out. "Some good ideas were killed in the cradle," he said.

Besides the experts, the commission also heard from others, including President Bush, former president Bill Clinton, Syrian Foreign Minister Walid Moallem and Javad Zarif, the Iranian ambassador to the United Nations.

The panel was deliberately skewed toward a centrist course for Iraq, participants said. Organizers avoided experts with extreme views on either side of the Iraq war debate.

Neoconservatives, who supported and crafted much of the original Iraq strategy, say the panel was stacked against them. Michael Rubin, political adviser to the Coalition Provisional Authority, resigned because he said he was a token.

"Many appointees appeared to be selected less for expertise than for their hostility to President Bush's war on terrorism and emphasis on democracy," Rubin wrote in the Weekly Standard. Baker and Hamilton "gerrymandered" the experts only "to ratify predetermined recommendations," he wrote. "Rather than prime the debate they sought to stifle it."

Only two of the 40 experts -- May and former CIA analyst Reuel Marc Gerecht -- are neoconservatives.

"My frustration was that there was often a feeling in the [experts'] room that President Bush should have asked them for their advice much earlier but didn't, so now they were all going to say, 'I told you so,' " May said. "I said, 'If you're going to say that this mission can't succeed and will face defeat, let's not have a failure of imagination.' "

In an interview, Gerecht said the goal of consensus among 10 Republicans and Democrats means that there will be no dramatic recommendations. In an op-ed piece in the Wall Street Journal, he wrote: "Its recommendations will probably be the least helpful of all the blue-ribbon commissions in Washington since World War II because it cannot escape from an unavoidable reality: We either declare defeat and withdraw completely tout de suite, or we surge troops into Baghdad and fight."

Although the experts have had their last meeting, the debate continues in what one participant described as "catty chatting" in a Web chat room. The panel also gets copies of those discussions.

"Unfortunately, our deliberations have been degenerating lately into petty squabbling over picayune issues of tactics, and I'm afraid I show that I have lost my patience a little bit here," wrote former CIA analyst Ray Close in an e-mail about the experts' deliberations. "Some of our most obstinate neocon diehards are still trying to fashion a strategy that is no more than an ersatz version of 'stay the course until victory.' They have been wasting our time, in my view."

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The only hint of a possible outcome came during an ad hoc vote. On Sept. 18, experts assembled to present two options to the panel: "Stability First," to stabilize Baghdad and make intense reconciliation efforts with insurgents, and "Redeploy and Contain," to gradually withdraw troops while containing terrorist threats.

The chairmen then called for a quick vote by the experts. Accounts vary, though most agree that the "Stability First" option won -- by a large margin, some said.

In a reflection of shifting U.S. sentiments on the war, the chairmen called for a second vote at their last meeting with the experts in October. This time, participants said, the vote was almost evenly divided between stability and gradual withdrawal. Sticking around to stabilize Iraq won by only a tiny margin.

Long Stints In Iraq Fracture Families (WP)

By Ann Scott Tyson

The Washington Post, November 26, 2006

FORT STEWART, Ga. -- As a gray dawn broke, hundreds of 3rd Infantry Division soldiers gathered on a Georgia marching ground this month and listened to a long list of names of fallen comrades. Taps rose mournfully above rows of young redbud trees planted for each of the division's 317 soldiers who have died in Iraq.

Col. John Charlton, commander of the division's 1st Brigade, which next month begins its third Iraq tour in four years, stepped forward. "Be thankful for your families, your health, and for every day that you're alive," he advised. The brigade's mission, he said, is to bring peace to Iraq's volatile western Anbar province and its capital, Ramadi, which he said despite progress remain "a dangerous area, a very dangerous area."

"Take this time . . . to be thinking about those soldiers represented behind or in front of you," he said, "and as you'll notice, there's still some space on the sidewalk there for more trees."

This week, U.S. troops will have been fighting in Iraq longer than they did in World War II, with no relief in sight. Soldiers from 1st Brigade preparing at Fort Stewart for their third Iraq tour have been spending as much time in Iraq as at home. The rotations -- a year in Iraq followed by a year at home -- dictate soldiers' most intimate decisions: They mandate when troops can marry and have children. They sever relationships that cannot sustain the stress of absence or danger. And they lead some couples to pray for the war to end.

After the memorial service, Lt. Col. Doug Crissman gathered his 1st Brigade soldiers and sent them on leave with a warning not to get hurt, go to jail or go AWOL.

"You're all a little bit nervous. Hell, I'm nervous," said Crissman, of Burke, Va., who commands the 2nd Battalion, 7th Infantry Regiment. "The Army is asking us to do some tough stuff."

Then his voice softened as he nudged his troops to be attentive to their families. "I need you to think about this visit a little differently," he said. "Spend time with them. . . . Tell them you love them."Strained Relationships

In the living room of his Savannah home, Capt. Thom Frohnhoefer tumbled with his daughter Maggie, 2, as she jangled and waved his metal dog tags.

"She's the one I had after the first deployment," Frohnhoefer said. "It will be harder this time because she knows Daddy is leaving."

From courtship to parenting to divorce, the time away at war is having a profound impact on the families of active-duty soldiers, according to interviews with dozens of soldiers from the 3rd Infantry Division and their relatives. The division spearheaded the U.S. invasion of Iraq in March 2003 and returned for a second, year-long tour in January 2005.

For 1st Brigade soldiers such as Frohnhoefer, having children poses a wrenching choice: Leave your wife alone in pregnancy and birth, or miss your newborn's first year.

Frohnhoefer and several others in his brigade opted to start pregnancies soon after returning in January, creating a mini baby boom. Frohnhoefer's second daughter, Haley, was born three weeks ago. Another soldier in the unit had a baby last week.

"We take a lot of pictures," said Frohnhoefer, 28, of Queens, N.Y., as his wife, Audrey, quieted Haley with a pacifier. His biggest fear, he said, is "my kids not knowing me if something were to happen to me."

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Sgt. 1st Class Jonathan Harper, 37, of Wichita, has two children and wanted more, but his wife gave him what he calls "the ultimatum": He had to be home for the pregnancy and beyond. The result: no more kids. "With me being gone, it's too much of a burden," he said.

For single soldiers, finding a spouse is difficult. Spec. Christian Brown, 25, of New Smyrna Beach, Fla., is afraid that when he leaves next month he will lose the girlfriend he met earlier this year. "She doesn't know if she can handle me being gone," he said, adding that he no longer plans to reenlist.

Other soldiers are arranging hasty marriages before they leave -- for added benefits and to provide for their spouses if they die -- a trend officers discourage because they say it makes soldiers more vulnerable to divorce.

Capt. Neil Johnson, 25, of Crystal River, Fla., said that he wed in November 2004 but that the uncertainty and fear surrounding his Army job led to his divorce in June. "If I had been in Florida, I'd probably still be married," he said. Army divorce rates surged after 2001 and remain elevated, although they fell somewhat last year. Johnson sees more divorces coming. "It seems normal," he said. "No one is surprised."

Anxiety, depression and psychological trauma from repeated exposure to combat add to the stress, affecting 15 percent to 20 percent of soldiers, said Maj. Christopher H. Warner, a 3rd Infantry Division psychiatrist. Those factors contribute to drinking, drug use and domestic violence among a small percentage of soldiers, officers said.

While some GIs grow more resilient to combat stress, others get worse, Warner said. One soldier attacked by gunfire and bombs repeatedly at Iraqi bridges found himself afraid to drive through underpasses at home. Some soldiers under treatment for combat stress return to war but are screened to see if they pose a risk, Warner said.

Still, the bulk of psychological problems for soldiers relate to home-front issues such as separation and infidelity, he said.

Many soldiers doubt civilians can understand the pressures they face, and they see a widening gap between Army life and what some call "the outside world." "There are times you feel like, 'Why is it us?' " Audrey said. Civilians, she said, "don't have a concept of what we go through."A Changing Army

Sgt. 1st Class Kevin Bullock takes a break from loading up Bradley Fighting Vehicles and other equipment for shipping to Iraq. A divorced father of two, he had custody of his children all summer but was so busy he saw them for just two weeks. Next year he will not see them "unless luck is there and I get R and R in the summer."

Life for the roughly 3,800 soldiers of 1st Brigade is almost as hectic at Fort Stewart as it is in the desert, because their unit has only a year off the battlefield to rebuild lost manpower and equipment, train, and get ready for another deployment.

Escalating violence has kept troop levels in Iraq at more than 140,000, scuttling the Army's plans to shorten tours or give active-duty soldiers two years at home between combat duties. Given the size of today's active-duty Army compared with the high demand -- at least 17 out of 36 available combat brigades are in Iraq or Afghanistan -- the Army cannot keep all its units steadily filled with people and gear but instead "turns on the tap" for brigades first in line to deploy.

Last spring and summer, 1st Brigade began receiving hundreds of new soldiers and pieces of equipment and had to rush to complete a year's training in four months. An additional 100 soldiers will arrive next month just in time to deploy and train in Kuwait.

"We had to train on weekends, train on many a night," Crissman said. The pressure to meet deadlines was so great that the division commander, Maj. Gen. Rick Lynch, ordered that soldiers take off certain hours each week to spend with their families.

The stress is fundamentally changing Army culture, some officers say. "I am worried . . . you will see a more single Army, very combat-focused, 'get on the team or get out,' " a senior officer said.Worried Soldiers, Worried Families

Staff Sgt. Wendell Gee, 29, of Knoxville, Tenn., has had his share of close scrapes in Iraq. During the invasion, an Iraqi T-72 tank fired a round through Gee's Bradley.

Asked last week what helps him get through the deployments, the father of three answered: "Not dying has helped get me through it."

Even the most stoic soldiers, like Gee, who reenlisted on his most recent tour, say the Army cannot keep up this pace. The Army is not big enough, and the quality of new recruits has dropped, they say. Many worry pressure to pull out of Iraq will spell chaos and mean their comrades died in vain, but other soldiers and their spouses now say the war was a mistake.

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"I look at this as a duty. You're in it for the long haul," said the brigade commander, Charlton. "Are we able to do this for the next 10 years? I don't know."

Gee's wife, Tracy, grows misty-eyed recalling hearing that the brigade would return to Iraq so quickly. "We cried. . . . We just weren't ready," she said over a fast-food lunch. Tracy, who juggles a 1-year-old and two older children with a job selling vacuums, said she has asked her husband to leave the Army.

What most disturbed her, she said, was when her 12-year-old son, Christopher, wrote in a school paper that he wanted to be just like his dad. "I don't want him to do that," Tracy said, tears welling in her eyes. "Hopefully, the war will be over by the time our children are grown."

In Alaska, Troops Return Home To Chills And Cheers (LAT/AP)

The Los Angeles Times, November 26, 2006

FAIRBANKS, ALASKA — The first soldiers with the 172nd Stryker Brigade returning from Iraq arrived in Alaska on Saturday to bone-chilling weather and welcoming cheers.

Friends and family gathered at Ft. Wainwright near Fairbanks to welcome about 625 members of the brigade who served an extended tour in Iraq. An additional 200 soldiers with the 4th Battalion, 23rd Infantry Regiment of the brigade arrived at Ft. Richardson near Anchorage.

As buses pulled into a cavernous building at Ft. Wainwright, cheers went up from the waiting crowd. The roar continued as soldiers got out and lined up in formation. Soon after, they were hugging their loved ones.

"Go easy on them. They're tired and a little chilly," Col. Robert Ball — the second highest-ranking Army officer in Alaska — told the families earlier.

Brigade members will be arriving each day until Dec. 5, according to Army officials.

Most of about 3,800 soldiers will return to Ft. Wainwright, where the brigade is stationed.

The soldiers are returning after 16 months in Iraq. They served their first year in northern Iraq, based out of Mosul, in what was the largest combat deployment of Alaska-based troops since the Vietnam War. The 172nd worked with Iraqi army and police forces, training them and conducting searches and patrols.

After the brigade began returning to Alaska in July, its tour was extended four more months to help quell violence in Baghdad. About 300 soldiers had already returned from Iraq and were sent back after the extension.

Seven brigade soldiers died during the extension, which followed the deaths of 19 brigade soldiers during the original deployment.

Many families at Ft. Wainwright on Saturday brought warm clothing for the soldiers, who came home to temperatures as cold as minus 32 degrees — a 102-degree difference from Baghdad. Reunions varied between romantic and boisterous.

"Oh, he's here!" said Tamatha Zavodsky, jumping up to get a glimpse of her husband, Sgt. Maj. Dennis Zavodsky.

Soldiers embraced toddlers or cradled infants they were meeting for the first time. Some single soldiers were met by families of other soldiers.

Some of the crowd, like Sue Ulibarri, didn't have a soldier returning on the first flights, but came anyway to gear up for their own reunions. Ulibarri's husband, Sgt. Maj. William Ulibarri, isn't due in Fairbanks until later in the week.

"But this is the most exciting thing happening in Fairbanks," she said.

Iraq's Palestinians In Bull's-eye (LAT)

By Ken Ellingwood, Times Staff Writer

The Los Angeles Times, November 26, 2006

Accused of being favored by Hussein, many take refuge in an ethnic enclave or try to flee the country, which isn't easy.

BAGHDAD — Palestinians in Iraq, many of whom fled here as refugees more than half a century ago, are on the run again.

The civil war convulsing the country has raised worries about the fate of the approximately 20,000 Palestinians in Iraq, who are targeted by kidnappers and Shiite Muslim death squads because of what many Iraqis see as the group's favored status under former President Saddam Hussein.

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Community leaders say more than 60 Palestinians have been killed since early last year, and thousands have left the country. Many of the Palestinians who have stayed behind, mainly in Baghdad, have been chased from their homes and taken refuge in a largely Palestinian neighborhood here called Baladiyat.

"We are living in a state of fear," said Lena Shaheen, 27, who fled the mainly Shiite Dora neighborhood with her family in September after gunmen announced through loudspeakers that Palestinian residents had 72 hours to get out.

Since then, some of the Palestinians' apartments have been taken over by members of the militia tied to the firebrand Shiite cleric Muqtada Sadr, residents said.

Palestinians, of course, have not been alone in suffering from the months of bloodletting, largely between armed bands of Shiite and Sunni Muslim Arabs. But international officials warn that Palestinians are in an especially precarious position because they are considered outsiders, even after decades of living in Iraq, and have difficulty gaining admission to other countries because they do not carry Iraqi passports.

Palestinians have also been targeted because they are predominantly Sunni and perceived as having received preferential treatment under Hussein, who sought to burnish his credentials as a pan-Arab leader by voicing support for the Palestinian quest for nationhood.

"They are a more vulnerable group than anybody else in Iraq," said Gianni Magazzeni, who heads the United Nations human rights office here.

Palestinians deny they received special treatment from Hussein, including jobs and government payouts, or that they support the Sunni-led insurgency.

The U.N. refugee agency has appealed to the Iraqi government and U.S.-led forces to offer protection to Palestinians in Iraq, whose population has dropped from about 34,000 before the 2003 invasion that toppled Hussein.

"They haven't had much option, and we are extremely concerned over the plight of those remaining, and the inability to provide them with protection," the Office of the U.N. High Commissioner for Refugees said last month.

Some Palestinians have been killed during mortar attacks against Baladiyat and in market bombings. Others were seized by gunmen and later found dead, showing signs of torture.

Uday Abu Hayja, a 32-year-old Palestinian, disappeared June 7 after going to work at a Baghdad flour mill in a Shiite neighborhood where he had been employed for two years. Abu Hayja and his Egyptian brother-in-law, who also worked at the mill, were taken aside by militiamen who said they needed to investigate the pair, family members said.

After more than a week, the family learned that the men had been killed on the day of their disappearance. It took days to find the bodies in the city's overcrowded morgue. They bore gunshot wounds.

The victims' relatives were too afraid to fetch the bodies for burial; some Shiite neighbors did so instead.

A month ago, the rest of the Abu Hayja family fled Baghdad, taking a bus to the Syrian border. One of Uday Abu Hayja's sisters, Muna, was allowed to cross into Syria because she carried Egyptian travel documents from her marriage.

But the others, lacking passports, have been living for weeks in a no man's land at the border in side-by-side tents, shivering at night as the temperatures drop. They and more than 300 other Palestinians stuck there have been tended by U.N. and other relief workers.

"We have suffered enough, quite enough," another sister, Maha, said by telephone from the border encampment. "Every family here has its own story of suffering."

She said the family's plans would hinge on whether Syria took them in. In May, Syria let in nearly 300 Palestinians who had languished for months along Iraq's border with Jordan. But it has not allowed any more Palestinians to enter.

Some Palestinians say they would be happy to be moved en masse from Iraq if another country would agree to take them. Many came to Iraq as small children at the time of the 1948 war that broke out as Israel was being established; others were born here but never granted full Iraqi citizenship.

International refugee workers say a bid to move Palestinians to the West Bank or Gaza Strip ran into opposition from Israel, and Arab nations have shown little interest in absorbing them.

A 57-year-old Palestinian attorney in Baladiyat who has promoted the rights of Palestinians said the neighborhood had taken on the air of a refugee camp because so many had flocked there for protection.

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Residents are now afraid to venture out to other parts of Baghdad, and most would gladly move anywhere else they felt safe, said the lawyer, who asked not to be named out of fear he would be targeted.

"Even if they would put us in the desert, we would plant seeds and turn it green," he said. "As long as they provide us with security."

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Local Surgeons Helping Iraqi Who Helped U.S. (NSDY)

By Carl Macgowan

Newsday, November 26, 2006

The right side of Uday's face is shattered. There's a hole where his cheekbone used to be and his eye is gone. His nose is crooked and bloated.

Uday nearly lost his life because, he said, he helped U.S. troops in the early days of the Iraq war.

Now the Baghdad native is in New York awaiting the second of three operations to rebuild his face. If all goes well, Uday could receive a prosthetic eye when the last surgery is completed early next year. And if Uday's fondest hopes are realized, his wife and four children will join him in the United States.

"My family wants to see my face after the surgery," Uday, 47, said.

The effort by two Garden City plastic surgeons to repair his broken visage completes a three-year odyssey for Uday, who wins friends with a gentle demeanor in stark contrast to the upheaval in his native land.

Because his family remains in Baghdad, where sectarian violence has led to hundreds of deaths in recent weeks, Newsday agreed to withhold Uday's last name.

Before the war, Uday, a Shia Muslim, was a mechanical supervisor for the government of Iraqi President Saddam Hussein. When U.S. troops stormed the capital in April 2003, Uday, who speaks choppy but passable English, was hired as an Arab linguist by the Army's 626th Forward Support Battalion, 101st Airborne. He was kept on when that unit was replaced by the 407th Forward Support Battalion, 82nd Airborne. "I believe they came to help us," Uday said. "So I wanted to help them."

On May 12, Uday said, he was returning to a base in south-central Baghdad after picking up soda and ice for the troops when he was approached by two or three men. He did not know them but believed they were supporters of Saddam Hussein.

"They waiting for me," Uday said. "They stopped me and ask, 'Why you work with them? Why you help them?'

"They shoot. ... They hurt anybody who help [Americans] like that."

Col. Jeffrey Douville, then a lieutenant colonel with the 407th Forward Support Battalion, said Uday was "car-jacked" around midday. "Our soldiers heard the gunfire, saw the commotion and provided immediate aid," Douville, 43, said. The attackers ran off before they could be caught. They left Uday to die.

"He was shot in the face point-blank and required extensive, immediate medical and life support," said Douville, now attending the Army War College in Carlisle, Pa. "Our medics and treatment professionals performed initial treatment to save his life and then we evacuated him to the next level of Army medical care, where initial surgery was performed."

Uday said he woke up in a Kuwait hospital five or six days after the attack. The right side of his face was blown away. His left arm had been disfigured by bullets when he lifted his arm to protect himself.

He remained in Kuwait for seven months, enduring 14 surgeries on his arm and face. Uday returned to Baghdad but after three months returned to Kuwait for more treatment. There he met Elissa Montanti, founder of Staten Island-based Global Medical Relief Fund.

"She told me she would try to help me make surgery which I need," Uday said.

Searching for help

Montanti said she met Uday in May 2004 while searching for children in need of surgery.

"I went to the hospital and met Uday, and I was just totally ... overwhelmed," Montanti, 49, said. "He nearly gave his life for our country."

When she returned to the United States, Montanti said, she spoke to doctors who wanted to help but couldn't get clearance from their hospitals. Her fortunes turned in January of this year when she met plastic surgeon Thomas Davenport at a charity

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event. Davenport approached Michael Dowling, chief executive and president of North Shore-Long Island Jewish Health System, who said green-lighting the surgery was "an absolute no-brainer."

"Here's a guy who put his life on the line and his family's life on the line to help U.S. troops," Dowling said. "There are times when you do what's right, and this is one of them."

Montanti, her sister and a friend raised about $1,700 to cover Uday's travel costs and other expenses. Uday arrived in the United States on Sept. 17 and is living at Mount Manresa, a Jesuit retreat on Staten Island.

On Oct. 27, Davenport and Dr. Kaveh Alizadeh, partners at Long Island Plastic Surgical Group in Garden City, implanted a "tissue expander," essentially a balloon that puffs up the right side of Uday's face, causing the overlying skin to grow. Subsequent surgeries next month and in January will involve stretching the new skin to rebuild Uday's face, Alizadeh said.

Uday's prognosis is good, Alizadeh said. "Once you lose the tissue on your face, it can never be perfect," he said. "When he [Uday] sits there with you, he's self-conscious. We want him to not feel self-conscious."

The doctors are not charging Uday a fee. The surgeries normally cost $100,000, Alizadeh said.

'Better than before'

On a recent visit to Alizadeh's office, Uday was unfailingly polite, perpetually cheerful -- and studiously apolitical. He was circumspect when asked if Hussein's Nov. 5 conviction for crimes against humanity would help or hurt Iraq.

"I don't know about that," he said. "Maybe it will help. Maybe it don't."

His assessment of Iraq's future seems contradictory. His wife and children endure daily hardship in Baghdad -- "They're afraid," he said, "their lives are not normal" -- yet he exudes the optimism of people who survived a dictatorship and can find reasons for hope.

"It's better than before," he said.

He wants to remain in the United States and hopes to be joined by his family. Between medical appointments, Uday said he visits fellow Iraqis he's met since arriving in New York. It's a long way from Baghdad, where his injuries prevented him from going outside.

"When I was there ... I'm feeling that it's very difficult. Difficult every day. Difficult life, yes," Uday said. "Now here I'm feeling peace."

Leaving Iraq, Honorably (WP)

By Chuck Hagel

The Washington Post, November 26, 2006

There will be no victory or defeat for the United States in Iraq. These terms do not reflect the reality of what is going to happen there. The future of Iraq was always going to be determined by the Iraqis -- not the Americans.

Iraq is not a prize to be won or lost. It is part of the ongoing global struggle against instability, brutality, intolerance, extremism and terrorism. There will be no military victory or military solution for Iraq. Former secretary of state Henry Kissinger made this point last weekend.

The time for more U.S. troops in Iraq has passed. We do not have more troops to send and, even if we did, they would not bring a resolution to Iraq. Militaries are built to fight and win wars, not bind together failing nations. We are once again learning a very hard lesson in foreign affairs: America cannot impose a democracy on any nation -- regardless of our noble purpose.

We have misunderstood, misread, misplanned and mismanaged our honorable intentions in Iraq with an arrogant self-delusion reminiscent of Vietnam. Honorable intentions are not policies and plans. Iraq belongs to the 25 million Iraqis who live there. They will decide their fate and form of government.

It may take many years before there is a cohesive political center in Iraq. America's options on this point have always been limited. There will be a new center of gravity in the Middle East that will include Iraq. That process began over the past few days with the Syrians and Iraqis restoring diplomatic relations after 20 years of having no formal communication.

What does this tell us? It tells us that regional powers will fill regional vacuums, and they will move to work in their own self-interest -- without the United States. This is the most encouraging set of actions for the Middle East in years. The Middle East is

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more combustible today than ever before, and until we are able to lead a renewal of the Israeli-Palestinian peace process, mindless destruction and slaughter will continue in Lebanon, Israel and across the Middle East.

We are a long way from a sustained peaceful resolution to the anarchy in Iraq. But this latest set of events is moving the Middle East in the only direction it can go with any hope of lasting progress and peace. The movement will be imperfect, stuttering and difficult.

America finds itself in a dangerous and isolated position in the world. We are perceived as a nation at war with Muslims. Unfortunately, that perception is gaining credibility in the Muslim world and for many years will complicate America's global credibility, purpose and leadership. This debilitating and dangerous perception must be reversed as the world seeks a new geopolitical, trade and economic center that will accommodate the interests of billions of people over the next 25 years. The world will continue to require realistic, clear-headed American leadership -- not an American divine mission.

The United States must begin planning for a phased troop withdrawal from Iraq. The cost of combat in Iraq in terms of American lives, dollars and world standing has been devastating. We've already spent more than $300 billion there to prosecute an almost four-year-old war and are still spending $8 billion per month. The United States has spent more than $500 billion on our wars in Iraq and Afghanistan. And our effort in Afghanistan continues to deteriorate, partly because we took our focus off the real terrorist threat, which was there, and not in Iraq.

We are destroying our force structure, which took 30 years to build. We've been funding this war dishonestly, mainly through supplemental appropriations, which minimizes responsible congressional oversight and allows the administration to duck tough questions in defending its policies. Congress has abdicated its oversight responsibility in the past four years.

It is not too late. The United States can still extricate itself honorably from an impending disaster in Iraq. The Baker-Hamilton commission gives the president a new opportunity to form a bipartisan consensus to get out of Iraq. If the president fails to build a bipartisan foundation for an exit strategy, America will pay a high price for this blunder -- one that we will have difficulty recovering from in the years ahead.

To squander this moment would be to squander future possibilities for the Middle East and the world. That is what is at stake over the next few months.

The writer is a Republican senator from Nebraska.

Bring Back Saddam Hussein (LAT)

By Jonathan Chait

The Los Angeles Times, November 26, 2006

THE DEBATE about Iraq has moved past the question of whether it was a mistake (everybody knows it was) to the more depressing question of whether it is possible to avert total disaster. Every self-respecting foreign policy analyst has his own plan for Iraq. The trouble is that these tracts are inevitably unconvincing, except when they argue why all the other plans would fail. It's all terribly grim.

So allow me to propose the unthinkable: Maybe, just maybe, our best option is to restore Saddam Hussein to power.

Yes, I know. Hussein is a psychotic mass murderer. Under his rule, Iraqis were shot, tortured and lived in constant fear. Bringing the dictator back would sound cruel if it weren't for the fact that all those things are also happening now, probably on a wider scale.

At the outset of the war, I had no high hopes for Iraqi democracy, but I paid no attention to the possibility that the Iraqis would end up with a worse government than the one they had. It turns out, however, that there is something more awful than totalitarianism, and that is endless chaos and civil war.

Nobody seems to foresee the possibility of restoring order to Iraq. Here is the basic dilemma: The government is run by Shiites, and the security agencies have been overrun by militias and death squads. The government is strong enough to terrorize the Sunnis into rebellion but not strong enough to crush this rebellion.

Meanwhile, we have admirably directed our efforts into training a professional and nonsectarian Iraqi police force and encouraging reconciliation between Sunnis and Shiites. But we haven't succeeded. We may be strong enough to stop large-scale warfare or genocide, but we're not strong enough to stop pervasive chaos.

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Hussein, however, has a proven record in that department. It may well be possible to reconstitute the Iraqi army and state bureaucracy we disbanded, and if so, that may be the only force capable of imposing order in Iraq.

Chaos and order each have a powerful self-sustaining logic. When people perceive a lack of order, they act in ways that further the disorder. If a Sunni believes that he is in danger of being killed by Shiites, he will throw his support to Sunni insurgents who he sees as the only force that can protect him. The Sunni insurgents, in turn, will scare Shiites into supporting their own anti-Sunni militias.

And it's not just Iraqis who act this way. You could find a smaller-scale version of this dynamic in an urban riot here in the United States. But when there's an expectation of social order, people will act in a civilized fashion.

Restoring the expectation of order in Iraq will take some kind of large-scale psychological shock. The Iraqi elections were expected to offer that shock, but they didn't. The return of Saddam Hussein — a man every Iraqi knows, and whom many of them fear — would do the trick.

The disadvantages of reinstalling Hussein are obvious, but consider some of the upside. He would not allow the country to be dominated by Iran, which is the United States' major regional enemy, a sponsor of terrorism and an instigator of warfare between Lebanon and Israel. Hussein was extremely difficult to deal with before the war, in large part because he apparently believed that he could defeat any U.S. invasion if it came to that. Now he knows he can't. And he'd probably be amenable because his alternative is death by hanging.

I know why restoring a brutal tyrant to power is a bad idea. Somebody explain to me why it's worse than all the others.

A Tale Of Two Bushes (WP)

By Warren Bass

The Washington Post, November 26, 2006

CIRCLE IN THE SAND

Why We Went Back to Iraq

By Christian Alfonsi

Doubleday. 466 pp. $26.95

This isn't the first time Robert Gates has worried about an American occupation of Iraq. In December 1991, with the first Bush administration on the brink of war to expel Iraq from Kuwait, then-Deputy National Security Adviser Gates led the high-ranking committee that unanimously urged President George H.W. Bush not to make regime change one of Operation Desert Storm's war objectives. Toppling the Baathist regime could lead to "the Vietnam scenario," warned the man now nominated to replace Donald Rumsfeld as defense secretary. "Our concern was that if we had been in occupation, having bombed bridges and everything else, we would be expected to fix it all, and we didn't want any part of that."

But the unseen cataclysm looming in September 2001 would unleash a wave of conservative scorn for that decision. In 1990-91, Bush and National Security Adviser Brent Scowcroft -- Gates's boss and the president's foreign policy alter ego -- thought that humbling an aggressive Iraq without marching on Baghdad would help create a stable balance of power in the Middle East. But in 2001-03, the president's son and his quite different national security team would conclude that their gimlet-eyed, unsentimental predecessors should have tried not to stabilize the region but to remake it.

That long pivot in Republican foreign policy thinking -- from a power-balancing Bush administration to a power-flexing Bush administration -- is the subject of Christian Alfonsi's Circle in the Sand. The book works best as a retelling of the 1990-91 Gulf crisis with the benefit of new documents and on-the-record interviews with senior officials then and now. Unfortunately, Alfonsi skitters around in the period between Iraq's 1990 invasion of Kuwait and America's 2003 invasion of Iraq. And his take on the early 1990s is shot through with what historians call "presentism" -- seeing the past through contemporary lenses, with the inevitable distorting effects of reading the history of Operation Desert Storm in the light of Operation Iraqi Freedom.

Alfonsi, who formerly worked at Young & Rubicam Brands, cherrypicks his data here, harvesting snippets of meetings that help explain the earlier thinking or actions of officials who served in both administrations. That means that Circle in the Sand is in no danger of displacing more methodologically sober classics on the Gulf War, such as Michael R. Gordon and Bernard E.

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Trainor's The Generals' War, Rick Atkinson's Crusade or Michael Kelly's dazzling Martyrs' Day. But it does have plenty of juicy tidbits about the once and future Bushies; Senate staffers will no doubt scour its pages before Gates's confirmation hearings.

It's delicious to learn, for instance, that President Bush asked his staff for talking points on Aug. 1, 1990, for "the next world leader on his call list: Saddam Hussein," who would conquer Kuwait on Aug. 2. (Somehow, Alfonsi gets the invasion's date wrong.) That day, at the first National Security Council meeting of the crisis, the biggest hawks came from the State Department, despite its reputation for preferring jaw-jaw over war-war. "You must kick Saddam out of Kuwait and wreck him in the process," Deputy Secretary of State Lawrence Eagleburger urged the president. But Paul Wolfowitz, then undersecretary of defense for policy, sat in stunned silence as the principals argued. He recalls leaving the meeting "deeply disturbed" by the Bush team's early indecision about whether to let Iraq's aggression stand. Surprisingly, it was Scowcroft -- now the neoconservatives' favorite bÃªte noire -- who rode to the hawkish Wolfowitz's rescue. At the next NSC meeting, the national security adviser slammed the door on the idea of leaving Iraq in control of Kuwait, having coordinated his "eruption" with Wolfowitz's boss, Defense Secretary Dick Cheney.

The detail gets even better when it comes to questions of regime change -- which in 1990-91 meant not U.S. nation-building but hammering Baghdad until another mustachioed Baathist strongman took over. "Iraq could fall apart," Scowcroft warned Gen. Colin Powell, then chairman of the Joint Chiefs of Staff. Fascinatingly, Gates and his fellow postwar planners worried both about another Vietnam and another Panama -- a replay of the embarrassingly protracted 1989 hunt for Manuel Noriega. Realism prevailed and, after Iraq surrendered, the battered dictatorship crushed rebellions by its much-abused Kurdish and Shiite subjects, eliciting calls for America to get off the sidelines. "I am not going to involve any American troops in a civil war in Iraq," the president lectured in April 1991. Wolfowitz seethed.

Substance and echoes aside, it's also something of an eye-opener to see the elder Bush's foreign policy team back in action. During the Gulf crisis, the policy apparatus moves decisively, snapping down loose ends with hospital corners. The Scowcroft-led interagency policymaking process hums along; the secretary of state and the secretary of defense work amicably together; and the vice president's staff is almost entirely irrelevant, minus the occasional episode where Vice President Dan Quayle or his chief of staff, William Kristol, wanders off the reservation and needs to be herded back on message. Senior U.S. officials even trust the French. The decisions weren't always right, but the process was impeccably professional.

All of which underscores how dissimilar these two Bush administrations have proven, in both style and strategy. But the seeds of conservative dissatisfaction were already evident under the first President Bush. "I do not think the United States wants to have U.S. military forces accept casualties and accept the responsibility of trying to govern Iraq," Cheney said on "This Week with David Brinkley" on April 7, 1991. "I think it makes no sense at all." That's a nice "gotcha" moment for Alfonsi. But later in the show, the defense secretary added: "If you don't have a clear-cut military objective, if you're not prepared to use overwhelming force to achieve it, then we don't have any business committing U.S. military forces into that civil war." Thanks to Alfonsi's presentism, it's not hard to hear Cheney's hint that he might have seen a massive U.S. invasion of Iraq aimed forthrightly at regime change as a viable option even back in 1991. Cheney's first comment now sounds like a display of loyalty to a realist president; his second now sounds like foreshadowing.

Warren Bass, a senior editor at Book World, was a contributor to "Triumph Without Victory: The History of the Persian Gulf War," by the staff of U.S. News & World Report.

NATO Soldier Among Dead In Afghanistan (AP)

AP, November 26, 2006

One NATO soldier and about 57 insurgents were killed in four separate attacks in southern Afghanistan, officials said Sunday.

Insurgents attacked NATO-led forces Saturday near Tirin Kot district in Uruzgan province. NATO returned fire and requested air support, killing approximately 50 insurgents, said the International Security Assistance Force of Afghanistan. One NATO soldier was also killed in the incident.

Also on Sunday, a suicide bomber attacked a restaurant in southeastern Afghanistan, leaving seven Afghans dead and 20 injured, the provincial governor said.

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The restaurant, located in Paktika province, was completely destroyed, said provincial governor Mohammad Akram Akhpelwak.

Akhpelwak told The Associated Press that the attacker was believed to be targeting an Afghan special forces commander and a district chief who were at the restaurant Sunday morning and were among the injured.

Paktika, which borders Pakistan, has been plagued by Taliban violence.

NATO said that as of mid-November, 97 suicide attacks this year in Afghanistan have killed 217 people.

In the Panjwayi district of Kandahar province, insurgents fired upon Afghan National Army and NATO soldiers Saturday. A retaliatory air strike killed approximately five insurgents, said the ISAF statement. Three NATO soldiers were injured.

In neighboring Zabul province, about 50 Taliban fighters attacked the Arghandab district chief compound on Saturday and clashed with police for about an hour, leaving one Taliban dead and three wounded, said district chief Fazal Bari.

On the Kabul-Kandahar highway in Zabul, Taliban fighters ambushed a police convoy Saturday night and exchanged gunfire with police for about 20 minutes, said Zabul highway police commander Jainani Khan. One Taliban was killed.

Attacks and clashes occur almost daily in the lawless southern provinces — the Taliban stronghold where the Afghan government wields little power.

Taliban, Convicts May Be Afghan Recruits (AP)

By Fisnik Abrashi, Associated Press Writer

AP, November 26, 2006

Taliban militants and common criminals may have infiltrated an Afghan program that trains thousands of men affiliated with local militias to fight the country's growing insurgency.

The formation of the Afghanistan National Auxiliary Police reflects the growing questions about the ability of the existing security force's to beat resurgent Taliban rebels and other militants challenging government authority in parts of the country.

But though the training of the local militia members could give Afghanistan up to 11,000 on-call policemen to increase the ranks of security forces during times of need, some question the quality of the recruits and their effectiveness.

"There are criminals and drug users among them," said Col. Mohammed Hussain Andiwall, a senior police official in Kandahar province who coordinates between the Ministry of Interior and foreign experts training the auxiliary police force.

"Our constitution does not really provide "for these sort of people in our security forces," Andiwall said earlier this week. "The fact that they wear the same uniform as a regular police is very problematic."

Fighting between insurgents and NATO-led and Afghan government troops have halted development and reconstruction and endangered the efforts to normalize a country that once provided shelter for Osama bin Laden and his al-Qaida network.

Afghanistan, with its weak central government whose authority does not extend to some regions, has throughout years of war and conflict relied on its militias and warlords to serve as de facto regional security forces. That changed when the Taliban rose to power in 1996 and promised to rid the country of warlords.

Ross Davies, a Canadian police officer involved in the training of the auxiliary force in Kandahar province, said that despite a vetting process conducted by Afghan authorities, police trainers still "do not know really who these people are."

"We know that we are probably training some of the bad guys," he said, using an expression reserved mainly for the insurgents.

When Kandahar province held its first training session for the auxiliary police last month, some 200 men — most with long beards and turbans — showed up. But by the end of the 10-day course, only 77 remained.

Some were kicked out after they were found with hashish and heroin. Others had marks on their hands from injecting the drugs. Others refused orders to clean toilets, make their beds or take care of common areas. Dozens went back home for a religious holiday and never returned.

The 77 who did complete the training committed to a one-year contract with the auxiliary force. They can join the regular police force after a year if they choose.

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The 10-day training course includes lessons on the Afghan constitution, human rights, the use of weapons and basic police tactics. At the end of the course the recruits are given an automatic gun and sent to their home districts, largely in provinces most affected by the insurgency, in the country's south and east.

Village elders and local strongmen eager to protect their own interests in the face of the growing insurgency are providing the men for the new force, which will wear regular police uniforms and is meant to have 11,000 members by next year.

The auxiliary officers will receive $70 a month, the same amount the regular police receives, Zarifi said.

Gen. Nasrullah Zarifi, the commander of southern Afghanistan's police training center, asked cadets at the end of their training in Kandahar to swear on Islam's holy book that they will serve their country and not harass its people. The fear of God is Zarifi's only leverage.

"They swear on the holy Quran that they will behave when they go to their home districts," he said.

CORPORATE SCANDALS:

First Time As Tragedy, Second As A Musical (NYT)

By Kate Murphy

The New York Times, November 26, 2006

First came the books, then the television docudramas and feature-length films. And now "Enron: The Musical." Opening on Friday on a stage way, way off Broadway — at Lambert Hall in Houston — the revue is a send-up of the rise and fall of the infamous energy company.

In two acts, six local actors each play up to 10 roles, including those of the former chief executives Kenneth L. Lay and Jeffrey K. Skilling, and the former finance chief Andrew S. Fastow. The songs are show-tune parodies — "Thank Heaven for Off The Books Deals," for example, instead of "Thank Heaven for Little Girls." The writer-director-producer is Mark Fraser, whose day job is selling janitorial supplies.

"I did a lot of research because even though it's satire I wanted it to be factually correct," said Mr. Fraser, adding that his sources included the memo in which an Enron vice president, Sherron S. Watkins, warned Mr. Lay about its accounting.

"A lot of the stuff in the play people will think I made up because it's so ludicrous," Mr. Fraser said. "But it's actually all true." KATE MURPHY

WHAT'S IN HIS WALLET It's great to be honored by one's peers, but even better to be paid top dollar. Richard D. Fairbank, the founder, chairman and chief executive of Capital One Financial, is enjoying both. He will be given the 2006 Banker of the Year Award on Thursday.

American Banker, the daily financial industry newspaper and sponsor of the award, says it is recognizing Mr. Fairbank for making credit more accessible, transforming lending practices and diversifying his bank's balance sheet.

Not that Mr. Fairbank need worry about his personal balance sheet. Last year, he was paid an eye-catching $249 million, making him the second-highest-paid executive in America, after only the home-shopping-channel magnate Barry Diller, according to the Corporate Library, a firm that examines executive compensation. ELIZABETH OLSON

BOARDROOM MULLIGAN Why should corporate directors be expected to monitor how executives handle stock options if they can't keep track of their own?

At Bally Total Fitness, five directors failed to notice that a deadline loomed last year for them to exercise all of their options on Bally stock. Then in December, Bally "erroneously permitted" two directors, James F. McAnally and J. Kenneth Looloian, to exercise options, according to a proxy statement filed last week. Dr. McAnally received $8,246 and Mr. Looloian $7,554.

After that misstep, the board blamed the directors' collective oversight on an "administrative error" and, in March, handed out $63,000 more in cash for then-worthless options held by the five directors — all of them members of the board's compensation committee.

John W. Rogers Jr. received $26,100; Eric Langshur, the only one of the five still on Bally's board, $16,500; Barry Deutsch, $14,300; Mr. Looloian, an additional $3,396; and Dr. McAnally, an additional $2,704. PATRICK McGEEHAN

STOCKS AND BOND Just how evil are short-sellers? Ask James Bond.

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In the new Bond movie, "Casino Royale," an odious villain — Le Chiffre, portrayed by the Danish actor Mads Mikkelsen — tries to make $100 million by short-selling a stock, then forcing the company into bankruptcy by blowing up its prototype product. Bond, played by Daniel Craig, foils the plot.

Along the way, the movie indicates that short-selling was somehow related to the Sept. 11, 2001, terrorist attacks, an idea raised at the time but never substantiated.

A generation ago, Bond villains plotted to start nuclear wars or to obtain world domination. Now they kill just to make a killing in the stock market. FLOYD NORRIS

NOT ON THE BLOCK Age may have slowed A. Alfred Taubman, the shopping mall tycoon and patron of the arts, but it has not dimmed his passion for business. The auction business, in particular.

Mr. Taubman, 82, pooh-poohed rumors that his recent sale of a controlling stake in Sotheby's means that he might quit the company entirely. (In 2001, a New York jury convicted Mr. Taubman of conspiring with a competitor, Christie's, to fix art-sale commissions. He spent 101/2 months in jail.)

"We have no plans for that," he said recently, dismissing talk of a sale. "We love the company. I went to prison for them." C. J. SATTERWHITE

AND THEY'RE OFF When the Museum of Modern Art announced the opening of its new education and research building in Midtown Manhattan last week, its patron, the retired investor Lewis B. Cullman, used the opportunity to speak up for his favorite cause — and his favorite candidates.

"I worry education has been put on the back burner," he said. "Every middle-class person I speak to has the same concern: 'I want to give my kids a good education, but I can't afford it.' "

To address the issue, Mr. Cullman said he would support Gov. Tom Vilsack of Iowa for president in 2008 and Gen. Wesley K. Clark, the retired NATO commander, for vice president.

The Museum of Modern Art celebrates the opening of the Lewis B. and Dorothy Cullman Education and Research Building on Tuesday. JANE L. LEVERE

Peer Pressure: Inflating Executive Pay (NYT)

By Gretchen Morgenson

The New York Times, November 26, 2006

LIKE Lake Wobegon, Garrison Keillor's fictitious Minnesota town where all the children are above average, executive compensation practices often assume that corporate managers are equally superlative. When shareholders question lush pay, they are invariably met with a laundry list of reasons that businesses use to justify such packages. Among that data, no item is more crucial than the "peer group," a collection of companies that corporations measure themselves against when calculating compensation.

But according to a handful of pay experts who are privy to the design of pay practices at the nation's largest corporations, many of these peer groups are populated with companies that are anything but comparable. They also say corporate managers themselves — who have an interest in higher pay — are selecting which companies make it into a peer group. And because these companies are often inappropriate for comparison purposes, their use has helped inflate executive pay in recent years.

"The peer group is the bedrock of the compensation philosophy at a company," said James F. Reda, an independent compensation consultant in New York. "But a lot of people do it by the seat of their pants, and that is part of the reason why executive pay has really skyrocketed."

The use of peer groups to calculate executive pay has become ubiquitous in recent years. This is partly in response to the Securities and Exchange Commission's requirement that companies compare their stock performance with a peer group in tables in the section of their proxy filings devoted to shareholder returns. Theoretically, these tables allow investors to compare their company's performance against objective benchmarks.

But as is true with much about executive pay, details about exactly how peer groups are compiled have been kept under wraps. The worry among investors, of course, is that executives, consultants and directors simply cherry-pick peer-group members, thereby pumping up pay packages.

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Current disclosure rules require neither the identification of companies in a compensation-related peer group nor the rationale behind their selection. Usually, the most a shareholder learns about companies in a compensation peer group is that they are in the same industry or of a similar size.

This ambiguity will change when new Securities and Exchange Commission disclosure rules go into effect on Dec. 15. The rules will require a corporation to reveal which companies it uses in its peer group and to provide an extensive description of its compensation philosophy.

Under the new rules, company officials will also have to certify the accuracy of their pay disclosures. As a result, peer groups are likely to attract increased scrutiny, said Mark Van Clieaf, managing director of MVC Associates International, a consulting firm that specializes in organization design and pay-for-performance standards.

"Is benchmarking pay across companies truly comparing apples to apples?" Mr. Van Clieaf asked. "Failure to have a legally defensible process" can lead to "materially false" disclosures, he said.

POSSIBLE problems with the use of peer groups burst onto the scene in 2003, when the New York Stock Exchange disclosed that it had paid its chairman, Richard A. Grasso, about $140 million in total compensation. Amid a firestorm over the pay, Mr. Grasso resigned.

One reason for the outcry was the makeup of the peer group that the exchange's compensation committee used to determine Mr. Grasso's pay. The group included highly profitable investment banks and financial institutions that were far larger and more complex than the Big Board, which, at that time, was a nonprofit organization.

Brian J. Hall, a Harvard Business School professor and an expert on management incentive systems, conducted an analysis of Mr. Grasso's compensation and provided it to the judge overseeing the case that the New York attorney general's office filed against Mr. Grasso.

Mr. Hall, hired by the attorney general as an expert witness, found that the companies the New York Stock Exchange board used in its peer group had median revenue of $26 billion, more than 25 times that of the exchange. Median assets of companies in the group were 125 times the Big Board's assets, and the median number of employees in the peer-group companies was 50,000, or roughly 30 times that of the exchange.

The peer group was flawed, Mr. Hall contended, resulting in unreasonably high compensation for Mr. Grasso. Experts hired by Mr. Grasso concluded that his pay was, in fact, reasonable. But the judge presiding over the case ruled last month that Mr. Grasso must return as much as $100 million to the exchange. Mr. Grasso has continued to defend his pay as appropriate; earlier this month, he asked a state appeals court to block the judge from requiring him to return the money. A hearing on the matter is set for Wednesday.

Some state pension officials have become concerned that certain companies in their portfolios may be relying on peer groups that are flawed. "Peer-group comparisons assume that job responsibilities and job skills of the peer groups are similar and they may not be," said Denise L. Nappier, the treasurer of Connecticut and fiduciary of the state's $23 billion Retirement Plans and Trust Funds. "The thing about looking at C.E.O. pay of competitive companies, often companies will want a C.E.O. to be paid in the top quartile of his peers. But not everyone can be above average and this tends to ratchet pay up."

Peer groups typically appear twice in proxies: first, in portions of the reports disclosing the annual comparison of total stockholder returns at a company versus its peers, and, second, in a section devoted to the calculation of executive pay. In the pay section, shareholders are sometimes told the peer-group percentile in which their top executives' compensation falls. Typically, the filings state that corporate executives' pay was in the 50th or 75th percentile of the benchmark group. If an executive is in the 50th percentile, he or she is in the middle of the pack; the 75th percentile means that only one-quarter of the group is paid more.

Compensation experts note that when a majority of companies in any given industry are in the 75th compensation percentile, pay packages may be subject to the Lake Wobegon effect: that all chief executives are suddenly above average. Corporate directors argue that comparing pay practices with those of competitors is only fitting, given that those are the companies they usually look to when recruiting employees and executives. But pay critics contend that an unquestioning reliance on the use of such peer groups is too simplistic and contributes to a one-size-fits-all mentality in pay.

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"Sometimes it doesn't matter what the other guy is doing," said Brian Foley, an independent pay consultant in White Plains. "First and foremost is what makes sense for this company. If you're in a turnaround and you are comparing yourself to guys who never had a dip and are quite successful, it's a question not just of comparison based on size but also based on circumstances. I think these questions are asked sometimes, but sometimes they seem to be glossed over."

Ms. Nappier said her office was looking at how Eli Lilly used a peer group in its executive compensation practices. According to Lilly's 2006 proxy statement, the company judges itself against a group of eight companies: Abbott Laboratories; Bristol-Myers Squibb; GlaxoSmithKline; Johnson & Johnson; Merck; Pfizer; Schering-Plough and Wyeth. Lilly's stock underperformed the peer-group average in 2004 and 2005.

Comparing Eli Lilly with Johnson & Johnson, Ms. Nappier said, shows a stark difference, particularly when you look at the number of profit centers at J. & J. and the complexity of its business.

An official at Lilly did not return a phone call seeking comment.

Sometimes, compensation peer groups include companies that are not even in the same industry or are not of a similar size. An example is the peer group used by the Company">Ford Motor Company, which described its selection this way in its 2006 proxy: "The consultant develops compensation data using a survey of several leading companies picked by the consultant and Ford. General Motors and DaimlerChrysler were included in the survey. Twenty leading companies in other industries also were included." Ford, however, did not identify those companies.

Ford's proxy also stated that the peer group it used in the compensation section of its filing was larger than the peer group it used in the stock performance portion of the same filing because "the job market for executives goes beyond the auto industry." Ford said it chose the companies based on "size, reputation and business complexity" and said that over time, its goal was to peg its pay roughly at the median of the peer group, adjusted for company size and performance.

A Ford spokeswoman, Marcey Evans, declined to comment.

Mr. Reda, the compensation consultant, has a different perspective on how Ford uses peer groups. "That is just not appropriate," he said. "A peer group should be based on size, profit margin — financial success, perhaps — but you can't pick a company that has 15 percent profit margins when Ford is doing 8" percent.

Ford is by no means alone in extending its peer group well beyond its industry, Mr. Reda said. He noted that about 10 years ago, big brand-name companies began measuring themselves against other household-name companies, even though they were not in the same industry. Companies that made it onto Fortune magazine's list of "most admired companies," for instance, began to compare their pay to others on the roster.

Never mind that the connection was irrelevant, Mr. Reda said. "The result was a lot of pay got jacked up," he said, "because companies in low-margin industries that didn't do too well got pay hikes because they were in the 'most admired' candy store."

EVEN companies that have won kudos for corporate governance can fall prey to peer-group traps. Consider the proxy filed last month by Campbell Soup, which provides continuing education programs for its directors. The filing, made after the S.E.C.'s 2007 proxy rules were issued but before they took effect, noted that its compensation committee compared total pay levels at 29 companies "in the food and consumer products industries with which Campbell competes for attraction and retention of talent." Campbell's compensation committee approved the companies in the peer group but did not identify them.

In computing Campbell's total shareholder return, however, the company did not use the 29-company pay peer group as a benchmark. Instead, it used the Standard & Poor's 500-stock index and the S.& P. 500 Packaged Foods Index, a subset of the S.& P. 500 that consists of only 11 companies, including Campbell. The company outperformed both benchmarks last year.

The use of dueling peer groups — one to measure stockholder return, another to calibrate executive pay — is common in corporate America. But Paul Hodgson, author of "Building Value Through Compensation," questions the practice. "Best practice would dictate that, if a compensation committee report is to include a graph showing the company's relative performance to peers, those peers should be the same as the group actually used to test performance," he wrote in his book.

Anthony J. Sanzio, a Campbell Soup spokesman, said: "In terms of recruitment, we believe the landscape needs to be broader to attract and retain the best talent. For talent, we compete with a much broader group of companies that are much larger." Mr. Sanzio declined to identify the 29 companies in the peer group but said Coca-Cola, Anheuser-Busch, Procter & Gamble and Johnson & Johnson were among them.

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Mr. Van Clieaf, the compensation consultant, said the composition of peer groups is usually more heavily weighted to larger companies, even though corporations typically look to companies smaller than themselves when they are recruiting top executives. This reality calls into question the oft-heard argument that outsized pay is based on market forces and that because companies have to jockey for the very best, enormous compensation deals are reasonable.

"Where would you really go to look for talent," Mr. Van Clieaf asked. "Either at the second or third layer down at bigger companies or the No. 1 role at smaller companies. Do you really think the C.E.O. of Johnson & Johnson is going to go to work at Eli Lilly?"

Even so, the pay handed out to executives at smaller companies — or to lower-level managers at larger concerns — are rarely included in peer groups, compensation experts and analysts say. Consider the pay awarded to the former Hewlett-Packard chief executive, Carleton S. Fiorina, which was based on a peer-group analysis. Although Hewlett hired Mark V. Hurd, the chief executive of the data processing giant NCR to succeed Ms. Fiorina as chief executive in 2005, Hewlett never included NCR in its peer group when calculating Ms. Fiorina's compensation, according to Mr. Van Clieaf.

In fact, Mr. Van Clieaf said, Mr. Hurd's pay while at NCR pay was 40 percent of Ms. Fiorina's compensation at Hewlett. If Hewlett had included NCR in its peer group — thus adding Mr. Hurd's lower compensation into the mix — Ms. Fiorina's compensation would have wound up in a far higher percentile of the peer group than the median percentile that Hewlett reported, Mr. Van Clieaf said.

THIS year, Hewlett-Packard changed its peer group from a so-called blended one that included technology concerns as well as those from other industries, to a group that is limited to technology companies alone. They are I.B.M., Dell, Apple Computer, Cisco Systems, Electronic Data Systems, EMC, Intel, Lexmark International, Microsoft, Motorola, Oracle, Sun Microsystems and Xerox.

"This ensures that the cost structures that we create will enable us to remain competitive in our markets," Hewlett's 2006 filing said of its switch.

While Hewlett also noted in the filing that it believed that the design of its compensation plan was appropriate, it — like Campbell and Ford — used a different set of companies to compare its stock performance for shareholders. This shareholder peer group does not contain Intel, Oracle or Cisco. The company declined to comment further.

In the meantime, analysts say, compensation practices continue to be built on the same cheery performance assumptions found at Lake Wobegon.

"I think it is safe to say that in various situations the peer-group analysis has been soft," said Mr. Foley, the compensation consultant. "And because it's been soft, the determinations made about pay have been somewhat soft as well."

The High Cost Of Too Good To Be True (NYT)

By Julie Creswell And Vikas Bajaj

The New York Times, November 26, 2006

AS the red-hot California real estate market sizzled in recent years, National Consumer Mortgage looked like just another residential mortgage company successfully riding the boom. It had lush offices in downtown Orange; the former baseball great Steve Garvey promoted its products in radio spots; and its founder, Salvatore Favata, a former local baseball hero himself, lived in a $1.7 million mansion in tony Yorba Linda and zipped around in a Mercedes roadster. An annual "Favata Fest" at the founder's home featured live music and photo ops with Mr. Garvey.

The little mortgage company was also ambitious. N.C.M. ran an investment arm that offered high-yielding notes to preferred clients, promising to use customers' funds to make short-term, high-interest loans to individuals and companies that needed money quickly. For customers like Bryan F. Downey, a 41-year-old father of three, it was a tantalizing pitch. Mr. Downey had a $125,000 inheritance that he wanted to put to work, and his younger brother had already invested his inheritance with N.C.M.

In April 2005, Mr. Downey invested the entire $125,000 in N.C.M. notes guaranteeing annual interest payments of 12.5 percent for two years. After the contracts were signed, Mr. Downey recalls, Mr. Favata, 46, tan and trim, glided into the

conference room, which had a view of Angel Stadium, nearby in Anaheim. Mr. Favata greeted him like an old friend and shook his hand, saying, "Welcome to the family." It's a relationship Mr. Downey now wishes he could disown.

Earlier this spring, Mr. Downey, along with more than 200 others living mostly in California and Colorado, found out they were victims of a long-running Ponzi scheme that pulled in about $30 million before N.C.M. sought bankruptcy this spring, according to a Securities and Exchange Commission civil complaint and filings in a federal criminal case, both filed in United States District Court for the Central District of California in Santa Ana. Rather than using the money to make loans, authorities say, Mr. Favata wagered away about $10 million of it in Las Vegas and plowed through much of the rest in his business dealings and lavish lifestyle.

The N.C.M. scheme, of course, is hardly novel. It is not even all that big by recent standards. But it bears all the hallmarks that have made financial scams possible for generations: naïve trust, a speculative market offering seemingly easy riches, and gilded lures hitched to people's unending desire to keep up with the Joneses. So why is it that year after year, century after century, certain people fall for financial dodges, regardless of their provenance?

"You would think living in an information age it would be easier for people to sort out the fact that these schemes exist," says James H. Burrus, assistant director with the Federal Bureau of Investigation in Washington. "But so much information is available and coming at people at different ways that the fraudsters are much better at adapting to the environment to defraud the victims out their money.

"People believe their next-door neighbor is investing in property, flipping it and getting rich quick," Mr. Burrus added. "Everybody seems to be doing it. Fraudsters take advantage of those types of cycles."

But con artists don't use greed alone. Analysts say a variety of factors come into play when scams are afoot, many of which revolve around a fear of financial and emotional vulnerability — concerns about not having saved enough to send your children to college; the isolation and loneliness of the elderly; the stress that accompanies career changes; or the loss of a loved one.

MONEY, especially fast money, offers a buffer of sorts in an uncertain world. And con artists are only too happy to wear the guise of the market sage or guardian angel.

"The best scams start with a kernel of truth that are ripped right out of the headlines," explained Joseph P. Borg, director of the Alabama Securities Commission and president of the North American Securities Administrators Association. "Oil prices are up. There's a war in Afghanistan and Iraq. Tainted spinach. All of these can spawn frauds."

Faced with the opportunity to invest on the ground floor of something completely plausible and, better yet, exclusive, some jump in with both feet. "It's a combination of greed and a feeling of, 'If somebody is going to make money, why not me?' " Mr. Borg said.

The inner workings of the N.C.M. scheme, which snared wealthy professionals as well as retirees on fixed incomes, suggest that the common perception that only the elderly, less sophisticated or less well-off investors can be duped may be flawed — that a large cross-section of society can be swindled out of large sums.

Mr. Favata used existing investors, to whom he was faithfully making interest payments, to recruit their friends and family members. The promised returns were not so outsize as to raise the suspicions of more sophisticated investors. Payments, which came monthly or quarterly, lulled many into believing that their investments were safe and solid — at least for a while.

"They were really slick in how they presented themselves, how they looked, even where the building was located," recalled Mr. Downey, who attended college for two years and now licenses consumer products for a private company. "They looked like they were making lots of money and that they had lots of good investors."

Mr. Favata, who struck a plea deal with prosecutors in the federal district court in Santa Ana, declined to comment. "Mr. Favata has fully accepted responsibility for his actions," said his lawyer, Nathan J. Hochman, from Beverly Hills. "He is completely cooperating with federal and state authorities and will devote the rest of his life toward paying back the people he has taken money from."

Regulators have not accused Mr. Garvey of wrongdoing, and he does not appear to have invested in the scheme. Messages left for him with his agent were not returned.

Experts say that for those caught up in financial scams, especially schemes similar to the one Mr. Favata has acknowledged engineering at N.C.M., the early stages are exhilarating and therefore magnetic. Indeed, until the moment

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investors finally absorb the fact that they may have been duped and their money gone forever, speculating on a "sure thing" has all of the warm and fuzzy benefits of a freewheeling joy ride.

In its purest form, being involved in a bogus get-rich-quick scheme is like a trip to Disneyland, says Anthony Pratkanis, a psychology professor at the University of California, Santa Cruz, and co-author of "Weapons of Fraud: A Source Book for Fraud Fighters." Professor Pratkanis equates being taken in by a fraud to riding the Pirates of the Caribbean attraction.

"You're experiencing the ride, singing, 'Yo ho ho! It's a pirate's life for me,' but you never see any of the trappings of the ride itself," he said. "Criminals call it, 'putting the victim under the ether.' "

In other words, once they have taken the bait, victims typically stop asking questions. While there are various estimates of how many people are taken in by cons and how much money they lose, experts and law enforcement authorities acknowledge that their best guesses are just that. The F.B.I., for instance, believes that more than $1 billion was lost to mortgage fraud last year. While that number seems substantial, experts note that it represents a minute fraction of the $3 trillion in mortgages issued last year.

There may never be a comprehensive tally of fraud, in large part because it is one of the most underreported crimes, authorities say. Some victims deny, even to themselves, that they have been defrauded, while others are simply too embarrassed to tell anyone. No demographic group is immune to fraud, and sophisticated con artists tailor their pitches to their audience.

A younger victim may be motivated by a rich payday, while the elderly appear to fall for schemes that claim to involve the government or a charity, said Sid Kirchheimer, author of "Scam-Proof Your Life," a book published by AARP.

"None of them say they wanted to get rich," Mr. Kirchheimer said of the elderly he counsels through his work at AARP. "They tell me that their grandson wants to go to college and they wanted to help him — at least that's what they tell me."

Fraud operators are also deft at using middlemen to become associated with a community group or religious organization. The authorities label these schemes "affinity frauds," because they take in people who have a common interest.

"Whether in a religious group or any other community-based organization, all you may need to do is scam one person very aggressively, in hope that this 'centerpoint' will start peddling the scheme to other members," said John Reed Stark, chief of the office of Internet enforcement at the S.E.C. "The centerpoint may not even profit or be at all complicit in the scheme, but he or she nonetheless becomes an important part of the overall con."

ONE investment pitch under investigation occurred in Indianapolis and involved Robert Penn, who owned several property management and real estate businesses and cut a charming figure in the community. Mr. Penn has been accused in a lawsuit — filed in Marion County Circuit Court in Indianapolis by the mortgage giant Countrywide Financial and other lenders — of orchestrating a scheme to use straw buyers to file hundreds of fraudulent mortgages worth upwards of $40 million.

In a response filed in court, Mr. Penn denied the allegations; he and his lawyers did not return phone calls seeking comment. Countrywide is contending that Mr. Penn and his associates sold it overpriced mortgages they took out in the names of his investors. Federal prosecutors are looking into the allegations.

Mr. Penn came across as savvy and self-assured, yet always concerned for the well-being of those around him, recall people who worked and invested with him. One of those people was Cynthia K. Hancock, who met Mr. Penn through her former colleagues in 2003.

Ms. Hancock, then an aide at an animal research lab at the Indiana University School of Medicine, describes herself as unsophisticated about finance and real estate. "I don't carry a Coach handbag; I have never had a manicure," she said. "I have just worked all my life and paid my bills. That's why I had such a great credit score. I thought for once my credit score could help me get a little ahead."

Ms. Hancock said Mr. Penn told her — as well as many individuals in rural Virginia, where his sister lived and his mother served as a lay minister to a small congregation — that their credit scores could help them make money the way rich people do: in real estate.

To Ms. Hancock and the others who heard the stories of easy money in real estate or read them in newspapers, it was a credible pitch. All they had to do was put their names on multiple mortgage applications, thereby "investing" their credit scores, they said Mr. Penn told them. The borrowers saw little downside; they were not asked to put any money down. They said Mr. Penn told them that he and his business associates would do that on each borrower's behalf.

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When some received a check for several thousand dollars, it seemed that the investment was paying off as it was billed. Then, they said, they discovered that they were on the hook for hundreds of thousands of dollars in inflated mortgages taken out on homes in Indiana, some of them in rundown neighborhoods. Ms. Hancock, who worked at Mr. Penn's property management company for a year and a half, owned five homes. Her daughter — a law student — was named as the buyer for four homes. All of the homes have been foreclosed on, and Ms. Hancock and her daughter are considering filing for bankruptcy protection.

IN hindsight, it is easy to see where Mr. Penn's investors made their mistakes: they were hurried through paperwork and did not read what they were signing. No one asked to see the properties they were buying or pressed for confirmation that rents were being collected and mortgages were being paid. And the investors said Mr. Penn also tapped into key vulnerabilities, particul arly those among the largely African-American, working-class investor group in Virginia. By investing in real estate, they said he told them, they could start to close the financial gap between them and white middle-class investors.

Many investors also dropped their guards because Mr. Penn's family, and his mother in particular, were viewed as religious leaders in the area. Spirituality and predatory practices never intermingle, investors believed.

"The whole basis of church affiliation is a sense of morality," Mr. Kirchheimer said. "Your natural resistance, your armor will probably be a little less because you are assuming people there are more moral."

Establishing — and ultimately violating — a bond of trust is at the heart of many frauds, whether it comes through a religious affiliation or a longstanding business relationship.

If there was one person whom Melissa A. Miller of Parker, Colo., thought she could trust, it was Robert O. Bryant, a friend and her insurance agent for 10 years. When Ms. Miller sold her dental practice in 2005, she said, she was not sure what to do with her money.

A fairly conservative investor, she said she was skeptical when Mr. Bryant first told her about Mr. Favata's private notes. She talked with her friends in the real estate business as well as her father, who owned rental property and had experience with similar instruments, eventually concluding that the notes were a safe bet because the properties served as collateral.

Ms. Miller, 39, and her husband, Sam, an airline pilot, who have three daughters and a son, invested $575,000 in N.C.M. notes. She recruited her father, Dennly R. Becker, and he invested $250,000. Aside from the few interest payments they received, the father and daughter believe that most of that money is lost.

"Yes, I am embarrassed," Ms. Miller said. "I am ashamed that I got my family involved in this. But it could absolutely happen to everybody.

"They seemed so trustworthy," Ms. Miller said of Mr. Favata and Mr. Bryant, "which is what got everybody.

"They were knowledgeable," she added. "They had every answer to every question you could ask about this scheme."

OR almost every answer. John P. Brincko, a management consultant advising the creditors committee in N.C.M.'s bankruptcy, said that none of the investors, to his knowledge, asked to see the deeds of trust that ostensibly backed their investments. Ms. Miller said that she asked to see them several times, but that Mr. Bryant rebuffed her with excuses: the dee ds would be available after the loans had been made; he would pick up the deeds when he visited Mr. Favata next; and, just before the scheme collapsed, he said he had forgotten to bring them back from California.

Mr. Bryant has not been charged with any crime. He did not respond to an interview request and is listed in N.C.M.'s bankruptcy filing as having lost close to $1 million of his own money.

In October, Mr. Favata agreed to plead guilty to one count of mail fraud in exchange for a five-year sentence, a $250,000 fine and repayment of more than $20 million to the victims, all of which is still to be approved by a judge. But it is unclear whether the victims will receive much beyond pennies on the dollar. His mansion in Yorba Linda will be sold to pay victims, but he appears to have few other hard assets, the authorities say. The Mercedes roadster and a Lincoln Town Car that he drove, for instance, were leased by N.C.M.

Brent G. Tabacchi, an assistant United States attorney based in Santa Ana, said the investigation was continuing but that the prosecutors had decided to settle with Mr. Favata because, among other reasons, he turned himself in, gave up his assets and agreed to a restitution plan.

But for the victims of fraud, there are some losses that can never be repaid.

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"I lost a lot of faith in human beings — I will really not trust someone with my money now," said Mr. Downey, who regrets losing his father's money. "He worked hard to become middle class, he left us a nice home that we sold, and we all got taken in by a clown in Orange County.

"I foolishly fell for this because I went into their beautiful building that was overlooking Angel Stadium," he added. "They even promised me box seats."

CRIMINAL LAW:

DeFazio Macing A Relic Of Old Style Of Pa. Corruption (PTR)

By Mike Wereschagin And Justin Vellucci, TRIBUNE-REVIEW

Pittsburgh Tribune-Review, November 26, 2006

Former Allegheny County Sheriff Pete DeFazio's guilty plea to a misdemeanor macing charge is one of the last gasps of old machine-style politics that ruled Pennsylvania for a century, political experts say.

Macing -- the once-common practice of forcing public employees to contribute to political campaigns -- nearly vanished during the last 30 years or so. Macing was forced out by the rise of civil-service rules, unions and a public no longer willing to subsidize political paybacks, say experts.

The practices that snared DeFazio and three others in the Sheriff's Office are the same as those that powered the careers of people such as Gov. George Howard Earle III, who was indicted for macing in the 1930s, and Westmoreland County political boss Egidio Cerilli, who went to prison in 1980 for extortion and conspiracy.

"Human nature is such that corrupt individuals are always going to find a way to work the system. I think people can take some comfort in the fact that nowadays, people don't get away with it as much as they did in the old days," said former Pennsylvania Gov. and U.S. Attorney General Dick Thornburgh.

DeFazio's plea Tuesday marked the end of a five-year investigation of the Sheriff's Office by U.S. Attorney Mary Beth Buchanan. Two high ranking officials -- including DeFazio's chief deputy, Dennis Skosnik -- are serving time in federal prisons and another is on a year's probation. DeFazio will be sentenced Feb. 23, though he is not expected to get jail time.

The investigation centered on officials who pressured workers to buy tickets to DeFazio's fund-raisers. Those who didn't were punished with undesirable assignments or denied vacation requests.

"Really, the sad part about the sheriff is he probably didn't think he was doing anything wrong," said former county Chief Executive Jim Roddey, who clashed repeatedly with DeFazio over budget and management issues when the two shared the County Courthouse.

Were DeFazio sheriff 40 years ago, he probably would have gotten away with it, said G. Terry Madonna, political science professor at Franklin & Marshall College in Lancaster County.

"That was a real common practice in courthouses around the state," Madonna said. "Courthouse gangs" of county officials ran Pennsylvania's local governments from around the end of the Civil War until the 1960s, he said.

Those who wanted a government job needed a local ward chairman's approval. Then they had to give as much as 6 percent of their salaries to the ruling party's campaign coffers, Madonna said.

Party chairmen who were successful macers in county governments sometimes were given a chance to ply their trade at the state level.

Then-Gov. Milton Shapp appointed Cerilli to run PennDOT, which was "a cesspool of corruption," said Thornburgh, who as U.S. attorney in Pittsburgh prosecuted Cerilli on extortion and conspiracy charges in the late 1970s. Thornburgh won the governor's office in 1979.

"The reason I was elected was I had a track record dealing effectively with public corruption. People were concerned about it," said Thornburgh, who became the first governor in decades to avoid a major corruption scandal in his administration.

Several high-ranking officials in the state Legislature and elected state row officers were indicted for corruption during his tenure. The most famous was R.Budd Dwyer, a state treasurer who was found guilty of accepting a bribe and shot himself in the head during a televised news conference the day before he was to be sentenced.

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"The tide kind of turned when it was clear that these kinds of activities weren't going to be tolerated," Thornburgh said. Prosecutors were emboldened to go after crooked politicians by a series of federal laws enacted in 1967, including one that allowed public-corruption cases to be prosecuted like racketeering cases.

"Parties became weaker. Unions got a toe-hold in municipal government," and civil-service rules became more widely used, Madonna said.

Many current politicians came of age while watching high-profile officials, such as former state Auditor General Al Benedict, go to jail, Roddey said. Benedict was sentenced to six years in prison in 1988 for tax evasion and racketeering.

"People that have gotten elected in the last few years are not part of that old machine," Roddey said.

In the 1970s, the Justice Department called Pennsylvania the most corrupt state. The department doesn't rank state corruption anymore, but a newsletter called "Corporate Crime Reporter" ranked Pennsylvania as the 14th most corrupt in 2004, based on the number of public-corruption convictions per 100,000 people.

Most corruption today involves politicians enriching themselves, rather than a political machine, said Nils Frederickson, spokesman for state Attorney General Tom Corbett. Instead of employees paying for a job, it's contractors and lobbyists.

"The glory days of Tammany Hall and other things like that -- maybe they have, indeed, gone the way of the dinosaur," Frederickson said. "That doesn't mean there aren't a few dinosaurs still wandering around."

The number of corruption cases nationwide rose sharply in the last six years, as the FBI increased the number of agents in its public-corruption task force from 358 in 2002 to 618 this year. Convictions rose from 584 in 2002 to 759 in 2005, according to the FBI. Of the number of public-corruption convictions this year, roughly 258 -- or 34 percent -- involved local-level government officials.

Pennsylvania Common Cause Executive Director Barry Kauffman won't say whether he believes macing is becoming less common.

"To what degree something is common or not common -- you're kind of playing with fire there," Kauffman said. "What's 'common?' Is it 10 percent? Is it 80 percent?

"One case of corruption's too much."

Getting About The Business Of Fighting Crime (MCA)

By Michael Kelley Contact

Memphis Commercial Appeal, November 26, 2006

The Memphis business community is "looking for a good old-fashioned business plan" that sets priorities on how to deploy resources and "move the needle on crime, violent crime in particular," says Blair Taylor, executive director of the business group Memphis Tomorrow.

To that end, an invited group of stakeholders on the crime-fighting front will conduct a summit Wednesday at the University of Memphis Holiday Inn to plot the implementation of a wide-ranging strategic plan.

It's not that Memphis and Shelby County haven't already been employing strategies to battle crime that go beyond routine law enforcement and prosecutorial tasks.

There's Project Safe Neighborhoods, a coordinated effort by federal and state officials to crack down on the possession of guns by convicted felons. There's the Crime Stoppers cash award program for tipsters. There's Blue Crush, a data-based, crime-mapping program that tells police where to deploy.

The district attorney general has a no-deals policy. There are various juvenile court programs involving volunteer probation officers and the like, a drug treatment court for nonviolent cases, public nuisance laws, anti-gang units, a multi-jurisdictional drug task force -- the list goes on.

Presumably, all those elements and others will find their way into Operation: Safe Community's strategic crime-fighting plan, which as of its most recent revision, included 15 strategies:

Expand data-driven police deployment, an extension of the Blue Crush program developed by Memphis police and University of Memphis professor Richard Janikowski that sends extra police officers to crime hot spots.

Expand effective law enforcement partnerships using as a model Project Safe Neighborhood.

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Toughen Tennessee laws dealing with illegal possession of firearms and gang-related violence.

Expand vertical prosecution of serious offenders -- assigning a single attorney to handle every step of a case as it makes its way through the system rather than using the current assembly-line approach.

Strengthen and expand the Shelby County Drug Court, now operating at about half capacity.

Design and implement a comprehensive gang intervention strategy that builds on the U.S. Justice Department's gang initiative.

Improve school safety, one part of a larger plan to design and implement a comprehensive youth violence intervention initiative.

Reduce truancy, another youth violence initiative that would start with a district attorney general's office pilot program under way at three Memphis middle schools.

Youth violence intervention, a comprehensive and coordinated approach to working with at-risk youth using various community resources.

A juvenile offender re-entry program aimed at reducing repeat offenses that would build on programs already in place at Juvenile Court.

Expand and coordinate adult offender re-entry programs to reduce repeat offenses of violent crime.

Establish a proactive, coordinated "problem properties" system to reduce crime by addressing neighborhood blight.

Develop a communication campaign that reinforces the message that there are tough consequences for committing crimes.

Implement a new domestic violence initiative.

Implement a local version of the Fugitive Safe Surrender program, developed in Cleveland, which allows suspects accused of committing nonviolent crimes to turn themselves in at a church.

The Commercial Appeal plans to examine each element of the plan in a series of articles to be published over the next several months. The list may change as the plan continues to develop. But the overarching goal will be the same: to reduce the crime rate and ease fears about crime that have contributed to middle-class flight and the city's image problems on the national stage.

These are trends that can't be turned around on a moment's notice. But organizers hope that the "business plan" on the table this Wednesday will be the catalyst to set positive change in motion.

Federal Crime Survey To Include SB County (SBCS)

By Jeff Horwitz, Staff Writer

San Bernardino County (CA) Sun, November 26, 2006

San Bernardino County is one of 18 areas chosen last week to be part of a federal program seeking to stem a nationwide rise in violent crime.

The Initiative for Safer Communities, sponsored by the Department of Justice, intends to "seek honest answers about what works, what doesn't, and why," Attorney General Alberto Gonzales said in a speech last month before announcing the 18 target jurisdictions.

According to state crime data, the San Bernardino County Sheriff's Department documented increases in homicide, rape, and aggravated assault between January and June compared with the same period last year. Violent crime rose by 5.9 percent in that six-month stretch.

During that same time period, sheriff's departments in Los Angeles, Riverside and San Diego counties reported overall decreases in violent crime.

But San Bernardino County was not included based solely on its increasing crime. Other jurisdictions in California, such as Sacramento County, saw far greater increases in violent crime but were not included. Rather, the jurisdictions were chosen because they "represent a cross-section of the country in terms of size, geographic location and rate of violent crime," according to a statement from the Justice Department.

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Sheriff's spokeswoman Cindy Beavers said it was likely that the diversity of her department's operations drew federal attention.

"We have so many different areas to deal with, from cities like Rancho Cucamonga to the Colorado River," Beavers said. "The Sheriff's Department has so many resources, we are able to support other resources that are much smaller within our county."

The program is slated to begin immediately. In a series of surveys and meetings with local law-enforcement departments, officials say, the Department of Justice will review problems such as the spread of gangs and the distribution of methamphetamine. The Department of Justice will then document successful approaches to tackling them, with the goal of developing better practices.

The program's launch follows a slight increase in violent crime nationwide after a decade of gradual decline. Between 2004 and 2005, the last full year Department of Justice data is available, violent crime rose 1.3 percent.

"Even a small up-tick in violent crime cannot be ignored, especially when we have made such great progress," Gonzales said in the speech announcing the program.

Hampton Roads One Of 18 Metro Areas In U.S. Crime Study (VP)

Virginian-Pilot, November 26, 2006

Hampton Roads is one of 18 metropolitan areas the government has selected to study for clues on why homicides and other violent crimes are on the rise nationally.

The Justice Department study comes after FBI data in September showed violent criminal activity - including rape, murder, robbery and aggravated assault - rose by 2.2 percent from last year. That marked the first increase since 2001.

U.S. Attorney General Alberto Gonzales announced the study last month in Boston at a meeting of police chiefs and other law enforcement officials.

It will be rolled out in three phases: looking at crime increases in cities, analyzing those results for any trends and identifying federal programs that can help.

It was not clear whether more federal money will be available for cities, but federal officials said new initiatives could be created if necessary.

Locally, homicides were up in four of the five South Hampton Roads cities - Chesapeake being the exception - and aggravated assaults were up in all five between 2004 and 2005.

The trends with other violent crimes were mixed.

Amanda Howie, spokeswoman for Norfolk Commonwealth's Attorney Jack Doyle, said Friday that if the Justice Department contacts Doyle's office about the study, he will contribute what he can.

"It appears the idea here is to understand what has happened in order to prevent repeat performances," she said. "That's a concept we could support."

In addition to Hampton Roads, the cities and regions participating in the study are: Atlanta; Boston; Charlotte, N.C.; Colorado Springs, Colo.; Columbus, Ohio; Hartford, Conn.; Houston; Jersey City, N.J.; Kansas City, Mo.; Miami; Minneapolis-St. Paul; Nashville, Tenn.; Oklahoma City; Omaha, Neb.; Portland, Ore.; San Bernardino County, Calif.; and San Diego.

The Associated Press and staff writers Matthew Jones and Michelle Washington contributed to this report.

CIVIL RIGHTS:

NAACP Wants FBI Probe Of Shooting (MOULTO)

By Kevin Hall

Moultrie (GA) Observer, November 26, 2006

MOULTRIE — A state leader of the National Association for the Advancement of Colored People on Saturday came to Moultrie and questioned accounts of the fatal shooting of Moultrian Willie James Banks.

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Banks, who was shot by police Nov. 16, was buried Saturday afternoon, and the president of the NAACP's Georgia State Conference held a press conference prior to the funeral service.

Edward Dubose said the NAACP is beginning its own investigation into the events that surrounded Banks' death, and the organization calls for action on the parts of the Federal Bureau of Investigation, the U.S. Justice Department, the District Attorney's Office and the City of Moultrie police chief.

Banks, 43, who was mentally deficient, was working at a convenience store on First Avenue at Fifth Street Southeast when three Moultrie police officers arrived to arrest him in connection with a bench warrant. The officers said Banks resisted arrest, pulled a knife and ran toward one of them. One or more of the officers fired at Banks; he was hit three times in the chest.

The Georgia Bureau of Investigation is still investigating the incident, but Dubose expressed doubts Saturday about the officers' version of events.

"We are not convinced by the alleged statement of police officers that Willie J. Banks brandished a knife and ran towards police officers," Dubose said. "We are also not convinced that police officers felt that their lives were in danger prompting them to shoot and kill Willie J. Banks."

Dubose said Banks had no reputation for violence, and he said he would even be unlikely to disobey an officer.

"This was not ever a violent man," Dubose said.

Dubose said the NAACP is calling on the FBI and Justice Department to investigate the shooting as an excessive and unnecessary use of deadly force. It also wants the district attorney's office to convene a grand jury inquiry into the incident.

In addition, Dubose said, Moultrie Police Chief Frank Lang has avenues open to him that he has not explored, including an independent investigation to see if the officers' actions followed department policy and procedures.

"He doesn't have to take a complete hands-off [approach]," he said.

Pointing to the recent shooting of a 92-year-old woman by police in Atlanta, Dubose urged black people to stand up to police brutality.

"Today as Willie J. Banks is laid to rest our message is clear," he said. "We will not allow the continued shooting of innocent blacks by law enforcement officers for no other reason than being black."

Experts Concerned As Ballot Problems Persist (NYT)

By Ian Urbina, Christopher Drew

The New York Times, November 26, 2006

After six years of technological research, more than $4 billion spent by Washington on new machinery and a widespread overhaul of the nation's voting system, this month's midterm election revealed that the country is still far from able to ensure that every vote counts.

Tens of thousands of voters, scattered across more than 25 states, encountered serious problems at the polls, including failures in sophisticated new voting machines and confusion over new identification rules, according to interviews with election experts and officials.

In many places, the difficulties led to shortages of substitute paper ballots and long lines that caused many voters to leave without casting ballots. Still, an association of top state election officials concluded that for the most part, voting went as smoothly as expected.

Over the last three weeks, attention has been focused on a few close races affected by voting problems, including those in Florida and Ohio where counting dragged on for days. But because most of this year's races were not close, election experts say voting problems may actually have been wider than initially estimated, with many malfunctions simply overlooked.

That oversight may not be possible in the presidential election of 2008, when turnout will be higher and every vote will matter in what experts say will probably be a close race.

Voting experts say it is impossible to say how many votes were not counted that should have been. But in Florida alone, the discrepancies reported across Sarasota County and three others amount to more than 60,000 votes. In Colorado, as many as 20,000 people gave up trying to vote, election officials say, as new online systems for verifying voter registrations crashed

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repeatedly. And in Arkansas, election officials tallied votes three times in one county, and each time the number of ballots cast changed by more than 30,000.

"If the success of an election is to be measured according to whether each voter's voice is heard, then we would have to conclude that this past election was not entirely a success," said Doug Chapin, director of Electionline.org, a nonpartisan election group that plans to release a report Wednesday with a state-by-state assessment of voting. "In places where the margin of victory was bigger than the margin of error, we looked away from the problems, but in 2008 we might not have that luxury."

Accusations of missing ballots and vote stuffing were not uncommon with mechanical voting machines. But election experts say that with electronic voting machines, the potential consequences of misdeeds or errors are of a greater magnitude. A single software error can affect thousands of votes, especially with machines that keep no paper record.

There were a few signs of progress this month. Several states that faced computer difficulties in the primaries fixed the kinks by Election Day and were better stocked with backup paper ballots. Fears that more stringent identification laws in Indiana and Arizona would create confusion at the polls did not pan out.

And though recent test runs of new computerized voter registration rolls in Indiana and Missouri revealed large numbers of errors, on Election Day reports of problems with the databases were few and isolated. The National Association of Secretaries of States, which represents top election officials from across the country, has said Nov. 7 was generally "a good day."

But some of the biggest states have not been able to overcome problems with new technology or rules and the lightly trained poll workers who must oversee them. In Ohio, thousands of voters were turned away or forced to file provisional ballots by poll workers puzzled by voter-identification rules. In Pennsylvania, the machines crashed or refused to start, producing many reports of vote-flipping, which means that voters press the button for one candidate but a different candidate's name appears on the screen.

Perhaps most notoriously, officials in Sarasota County say nearly 18,000 votes may never have been recorded by electronic machines in a Congressional race, even though many voters said they tried to vote.

The recent problems will probably help propel legislation that has stalled for months in Congress mandating that electronic voting machines have a paper trail to better enable recounts. Less clear, experts say, is whether anything will be done to address concerns about the lack of technicians to troubleshoot machines, polling places with too few machines and poorly trained workers, and a system run by partisan election officials who may decide conflicts based on politics rather than policy.

"These types of low-tech problems threaten to disenfranchise just as many people, if not more, but they tend to get less attention," said Tova Wang, an elections expert with the Century Foundation, a nonpartisan research group in New York. "We still have a long way to go toward fixing the biggest problems with our election system."

Election workers and experts say the advances in technology have simply overwhelmed many of the people trying to run things on the ground. At a hearing in Denver last week, one focus was on how hard it has become for the poll workers, often retirees getting paid $100 for a 14-hour day, and what it would take to attract younger people who are perhaps more savvy about computers.

"It used to be that you would come in, set up the machines, make a cup of coffee and say hello to your neighbors," said Sigrid Freese, who has worked at Denver polling places for more than 20 years. Now, she said, the job is complicated and stressful, and "I know a lot of people who said, 'Never again.' "

After widespread confusion and controversy caused by the hanging chads of the 2000 presidential election, Congress passed the Help America Vote Act in 2002 to help states phase out old-fashioned lever and punch-card machines and to introduce electronic voting equipment. But with malfunctions reported from a handful of states in the primaries earlier this year, many voting experts and state officials feared that the new technology might have only swapped old problems for newer, more complicated ones.

On Election Day, two voting-rights groups, Common Cause and the Election Protection Coalition, fielded nearly 40,000 telephone calls on two national hot lines from voters' reporting of problems or seeking information, and both groups are due to release their findings within the next two weeks. An initial review of their data, along with interviews with officials and experts, reveals that Florida, Maryland, Ohio and Pennsylvania were among the states with the most calls reporting trouble, including long lines, names missing from voter registration rolls, poll worker confusion and computer failures.

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In a few places, the difficulties started as soon as voters walked up to the sign-in tables.

In Ohio, even a congressman, Steve Chabot, a Republican, was turned away from his polling place because the address listed on his driver's license was different than his home address. Mr. Chabot was able to vote only after he returned with a utility bill. The state's top election official had to fax a midday notice to all precincts that such minor discrepancies were acceptable.

In Denver, the culprit was a new electronic poll book, which workers had to consult through laptop computers. The system was supposed to verify each voter's name in less than a minute. But it started slowing at 7 a.m. and eventually had to be turned off and rebooted, after taking up to 20 minutes to find each name.

As a result, voters waited in line for two to three hours. Liz Prescott, a computer industry executive, said she twice tried to vote but was deterred by the lines. "I'm just flabbergasted that this system at all levels failed," Ms. Prescott said.

John Gaydeski, Denver's election director, acknowledged that the system had not been tested properly before the election.

In Arkansas, Florida and Pennsylvania, the questions were about the voting machines themselves. In addition to the Sarasota issue, which may have been caused by a software problem, there were similar problems in the Florida counties of Charlotte, Lee and Sumter. In those counties, said Barbara Burt, vice president and director for election reform at Common Cause, more than 40,000 voters who used touch-screen machines seemed not to have chosen a candidate in the attorney general's race. But since one candidate won by 250,000 votes, the anomaly has been generally overlooked.

On election night in Arkansas, officials discovered that erroneous results had been tallied in Benton County. After retabulating the votes, they announced that the total number of ballots cast had jumped to 79,331 from 47,134, which meant a turnout of more than 100 percent in some precincts. After a third tallying, the total dropped to 48,681.

In Pennsylvania, computer problems forced polling places in Lancaster and Lebanon Counties to stay open late. In Westmoreland County, a programming error in at least 800 machines caused long lines.

Mary Beth Kuznik, a poll worker in that county, said she had to reset every machine after each voter, or more than 500 times, because the machines kept trying to shut down.

Howard Shaub, the elections board chairman in Lancaster County, counseled patience. "We used those old lever machines for 20, 30 years," Mr. Shaub said. "We just have to have better quality control and the new machines will work fine."

But Ms. Kuznik said one man refused to vote on the electronic machines and demanded a provisional ballot. "At least my vote will be on a piece of paper," Ms. Kuznik recalled his saying.

Déjà Vu In Florida (NYT)

The New York Times, November 26, 2006

One of the great hazards of the way electronic voting has been introduced in the United States is that it could end up undermining democracy by producing unreliable election results that cannot be truly audited or corrected. This month, that nightmare became a reality. Voting machines in a Congressional race in Florida — where else? — may have swallowed about 18,000 votes, far more than the nominal winner's razor-thin margin of victory. Because those votes were in the loser's strongest county, if there was a computer glitch it probably changed the outcome of the race.

Vern Buchanan, the Republican candidate in Florida's 13th Congressional District, was certified the winner, with 369 more votes than the Democrat, Christine Jennings. But voting machines in Sarasota County produced about 18,000 "undervotes," ballots on which the voter made other choices, but did not vote in the Congressional race. There have been reports of voters saying that their votes did not register when they chose Ms. Jennings, or that the race did not appear on their machines.

If the machines are to be believed — a big if — an extraordinary 14.9 percent of Sarasota County voters using the machines decided to skip the Congressional race, a highly publicized contest that voters knew could help decide which party controlled the House of Representatives. Among the absentee ballots, which were cast on paper, the undervotes were a more plausible 2.5 percent. The undervote rates in the district's other counties were far less than in Sarasota County.

There is a good chance that if something went wrong it changed the result. Sarasota was Ms. Jennings's strongest county, and The Orlando Sentinel's analysis of the ballots that did not register a choice in the Congressional race found that the votes cast in other races were more Democratic than Republican — and by a margin of more than the 369 votes separating Mr. Buchanan and Ms. Jennings.

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The Jennings campaign has filed a lawsuit challenging the results. There are, unfortunately, no voter-verified paper ballots, so all that can be done is to try to figure out what went on inside the "black boxes," as critics call electronic voting machines that do not produce a paper record for each vote.

The campaign wants its experts to review the machines' secret computer source code, the programming that runs the computer inside the machine, to look for problems. Election Systems and Software, the company that made the machines, is not saying whether it will allow this. If it resists, the courts should order the company to hand over the code — a requirement that should, in fact, be routine in all places where electronic voting machines are used.

As Ms. Jennings's suit proceeds, we should learn more about what, if anything, went wrong, and what the options are if any remedies are needed. But one verdict is already in: electronic voting without the full array of protections, including a voter-verified paper trail, is unacceptable.

ANTITRUST:

Justice Dept. Probe Eyes CME Clearing Operation (CRAINCB)

Crain's Chicago Business, November 26, 2006

Antitrust investigators target pricing power of merged CME/CBOT

Justice Department investigators probing the Chicago Mercantile Exchange's $8-billion acquisition of the Chicago Board of Trade are looking at the exchanges' clearing operation, a key profit center that some traders — and apparently regulators — fear could wield monopolistic pricing power.

Three people interviewed by lawyers from the DOJ's antitrust division in recent weeks said that interview questions focused on whether the Merc's clearinghouse, which guarantees $4.2 trillion in trades per day, functions as a limit on competition in futures trading. Investigators also asked whether the Merc could use its self-regulatory power to make rules that deter traders from using rival exchanges, according to the same sources, who spoke on condition of anonymity because the interviews were confidential.

Last year the CME clearinghouse guaranteed 90% of all futures contracts traded in the U.S., according to company filings. Clearing and transaction fees accounted for 76% of its $920.5 million in revenue.

The sources also identified the lead federal investigator on the case as George Baranko, the same Justice Department lawyer who six years ago put together a settlement that forced competition among the four U.S. options exchanges.

ENFORCING EXCLUSIVITY

In the options case, the exchanges agreed to list and trade each other's contracts. Futures exchanges still have the right to trade their own contracts exclusively. So, unlike stocks or options, futures contracts can't be bought at one exchange and sold at another, making it difficult for new entrants to break into the market.

The Merc's clearinghouse enforces its exclusivity by refusing to honor contracts from any other exchange except the Board of Trade.

"There is some analogy" between the former lack of competition among options exchanges and the exclusivity at futures exchanges, says Sandy Frucher, chief executive of the Philadelphia Stock Exchange, a signatory to the options settlement.

Philadelphia also runs a small futures market that has tried, unsuccessfully, to compete with the Merc's interest rate products.

"The clearing issue should be looked at, and the question of a regulatory monopoly," Mr. Frucher says. "If you deal with those issues, it's a good merger."

A DOJ spokeswoman confirmed the investigation but otherwise refused to comment. Mr. Baranko declined to comment.

The Justice Department routinely reviews big corporate mergers and can sue to block the deals if it believes they'll be anti-competitive.

'CONCERN' AMONG BROKERAGES

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The Merc already clears Board of Trade contracts under a 2003 agreement. The merger, though, would make that relationship permanent. A Merc spokesman says, "We're excited about this transaction and we don't think there are any obstacles that we wouldn't be able to overcome."

But the specter of a Chicago futures monopoly appears to have spooked some exchange customers.

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Today's Headlines | Related Article Topics | Related Industry News "There is a concern in the broker community that the merger will result in pricing power returning to the exchanges," says Russell Andersson, a vice-president for HedgeStreet Inc., an electronic futures exchange based in San Mateo, Calif.

Column: Biggest Year Ever For Deals (SFC)

By Kathleen Pender

San Francisco Chronicle, November 26, 2006

Shoppers went a little crazy last week, and I'm not talking about consumers camping out in the dark for doorbuster deals.

I'm talking about companies and private equity firms gobbling up corporations, in whole or part, in a pre-Thanksgiving buyout binge. Last week alone, there were 379 deals valued at $118.6 billion announced worldwide, according to Dealogic. This includes $78.5 billion in deals for U.S. firms.

Among them: The Blackstone Group agreed to buy Equity Office Properties Trust for $20 billion, Freeport-McMoRan Copper & Gold offered $26 billion for copper miner Phelps Dodge, Bank of America said it would buy U.S. Trust from Charles Schwab for $3.3 billion, Russian steelmaker Evraz Group agreed to pay $2.5 billion for Oregon Steel Mills, and Nasdaq made a $5.1 billion hostile offer for the London Stock Exchange, which was rejected.

Last week's deals brought this year's total to $3.51 trillion worldwide, eclipsing the previous record of $3.3 trillion in 2000.

Although strategic mergers -- where one company buys another to expand or complement its business -- are strong, the real growth is merger activity in financial deals, where an investment firm buys a public company and takes it private, usually with loads of debt.

In 2006, takeovers by financial companies accounted for 17 percent of all global mergers, compared with only 4 percent in 2000, according to Dealogic.

What's fueling this merger mania, and why is it not generating the kind of backlash that the leveraged buyout craze did in the early 1980s, when takeover artists were called raiders or barbarians?

Here's a look at some factors:

-- Booming economies. "On a very basic level, it's the economic growth we're seeing both at home and abroad" that's driving merger activity, says John Orrico, manager of the Arbitrage Fund, which invests in companies involved in mergers.

As the U.S. economy recovered from its latest slump, many companies cut costs and refrained from making major investments, building up piles of cash. Now that demand is strong, companies are using their cash to expand by buying, not building.

"It's usually cheaper to buy a product line than taking time to build it," says Roy Behren, who helps manage the Merger Fund, which also invests in companies in the midst of takeovers.

"When you combine companies, there are synergies. The cost savings are very often real. The top-line synergies (such as increasing revenues by selling to the target company's customers) are harder to achieve."

Demand for energy and other commodities is especially strong, thanks to booming growth in countries like China and India. Companies that provide these products are making record profits and many are using it to buy competitors with the hope of cutting costs. In the commodity business, price is everything.

Also, Orrico points out, investment firms such as Morgan Stanley, Goldman Sachs and Lehman trade commodities. To augment this business, many are buying pipelines, barges and storage facilities.

"It gives them an edge if they control or have a hand in the distribution, supply and storage of energy (and other) products," says Orrico.

-- Low interest rates. Interest rates are still low by historical standards and relatively stable.

In addition, the difference in yield between safe U.S. Treasury bonds and risky corporate junk bonds is unusually small. That makes it easier to swallow a large company by putting a little money down and borrowing the rest (a leveraged buyout).

"The credit markets have been pretty friendly to these kinds of deals," says Matthew Toole, an analyst with Thomson Financial.

This month, Freescale Semiconductor sold almost $6 billion in junk bonds, and hospital firm HCA sold $5.7 billion worth to finance their takeovers by private-equity firms. Those were the two biggest high-yield bond sales ever after the $8.5 billion sold to finance the takeover of RJR Nabisco by Kohlberg Kravis Roberts in 1989.

-- Reasonable stock prices. Stock valuations are high enough that acquiring companies can use their shares to buy other companies, but they're not so high that target companies seem overpriced.

"The stock market has returned to levels at which target companies are not reluctant to sell themselves," says Behren. "When the market first cratered as a result of the tech bubble bursting, companies that would have been targets didn't want to sell at those depressed levels. Likewise, companies didn't want to use their low-priced stock to make acquisitions (because they would have had to issue more shares to reach a certain dollar price). Now that the market has rebounded, companies have more valuable currency to use to make acquisitions."

-- Private equity. Although private equity firms have been around for decades, their recent growth is helping fuel the merger boom.

Private equity firms -- such as Kohlberg Kravis Roberts, the Blackstone Group and the Carlyle Group -- raise money from pension funds, other institutional investors and wealthy individuals. They often use this money to buy out the shareholders of public companies, thus taking them private.

Typically, the buyers might put down 25 to 30 percent of the purchase price in cash and borrow the rest, often by selling high-yield bonds backed by the acquired company's assets. The private equity firm oversees the acquired firm, sometimes with the help of its old management.

The new owners try to improve the acquired company by cutting costs, shedding unprofitable operations and perhaps merging it with other companies they have purchased. It uses the acquired firm's cash flow to repay the bonds. The firm might pay dividends to investors but the real money is made when the acquired company is sold to another firm or back to the public in an initial public offering.

This process used to take years, but nowadays it can be done in months. PanAmSat, FTD Group and Celanese were all sold to the public within a year of going private via leveraged buyouts.

In recent years, private equity firms have been making outsize returns on their investments. Naturally, this has attracted billions of dollars into private equity and much of it is being used to buy out public companies.

"You have a ton, I mean a ton of private equity money on the sidelines waiting to be deployed. If you have $3 billion in private equity, that's going to buy $10 billion worth of companies," says Behren.

At some point the returns from private equity will fall, but nobody knows when or why. It could happen if private equity firms, so eager to put their money to work, pay too much for acquisitions.

When Sam Zell, founder and chairman of Equity Office Properties Trust and one of the smartest real estate guys on the planet, agreed to sell his company to Blackstone last week, some analysts took it as a sign that private equity firms were overpaying for assets, at least in real estate.

On the other hand, the premiums being paid for public companies do not seem out of control, especially given the surge in takeover deals.

This year, private equity firms paid 28.6 percent on average over the public company's market price, compared with 35.3 percent in 2003 and 43.6 percent in 2000, according to Thomson Financial.

That could be because "private equity players need to deliver a certain percentage return to their general partners, so they are probably much more aware of 'overpaying' and will walk away if the purchase price gets too high," says Thomson's Toole.

Or could it be that private equity firms are keeping prices in check by forming clubs to buy companies with each other rather than bidding against each other?

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The U.S. Justice Department's antitrust division has launched an informal investigation to determine whether private equity clubs are anti-competitive.

-- Why no backlash? Other than the DOJ investigation, private equity firms and buyouts in general are not generating the kind of negative publicity they got in the 1980s.

Back then, stocks in general were undervalued and selling for less than the sum of their parts in many cases. So-called corporate raiders could gain control of companies and sell them off in pieces, resulting in large layoffs and the disappearance of many venerable corporate names.

Sometimes all the raiders had to was buy a piece of the company, threaten to take it over, then sit back and wait until management paid them a higher price to go away. This tactic, known as greenmail, has since been outlawed.

Today, "public shareholders aren't complaining because they feel they are getting closer to full valuation," Orrico says.

Employees, by and large, aren't complaining because the big deals so far have not resulted in mass layoffs. That could change, especially if the economy turns down.

"If you're an HCA employee, you're not concerned, especially if you owned stock in HCA," Orrico says. But if HCA falters "and you get laid off in a year, you're going to get politicians pissed off, you're going to get unions angry."

Patient care could also suffer. "What are they going to do first? Pay interest or buy new equipment?" Orrico says.

"I think this can have some serious negative consequences for the economy down the road," he adds. "We haven't heard a lot of complaints yet because we don't know what the final outcome is going to be."

Net Worth runs Tuesdays, Thursdays and Sundays. E-mail Kathleen Pender at kpender@sfchronicle.com.

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As Cable, Broadcast Snit Boils, FCC Calls A Meeting (DMR)

Des Moines Register, November 26, 2006

Unless the situation is resolved, this is the last week for KDSM's Fox programs on Mediacom.

Treasure your football, Fox 17 viewers, because today could bring your last viewable NFL game on central Iowa cable for a long while.

A 12-state, Iowa-based game of broadcasting chicken between Mediacom Communications Corp. and Sinclair Broadcasting Group is scheduled to come to a head Thursday night. And so far, a last-minute meeting called by a federal communications official seems to be the only hope of stopping a crash.

According to Barry Faber, corporate attorney and vice president of Maryland-based Sinclair, Mediacom and Sinclair officials have been summoned to a Monday meeting in the Washington, D.C., office of Robert McDowell, a member of the Federal Communications Commission, to discuss the year-long battle between the companies that threatens to leave 250,000 Iowa households with no immediate access to some popular television programs.

The still-unresolved squabble means Mediacom, which operates cable television systems in 23 states, will lose the right to rebroadcast signals of 22 of Sinclair's television stations, including two in Iowa, beginning Friday morning.

For cable customers in Des Moines, that would mean an end to some NFL football games, no more "The Simpsons" and no more "American Idol" on KDSM, the local Fox TV affiliate.

Likewise, no more "Survivor" or "CSI" for cable customers who watch KGAN-TV, the CBS affiliate in Cedar Rapids.

Mediacom officials say the company provides television to roughly 450,000 households across Iowa, although roughly 200,000 of those homes - in areas outside the Des Moines and Cedar Rapids markets - receive multiple Fox or CBS channels and would not lose any network programming if Sinclair stations go dark.

The long-standing financial dispute, which also has grown to become a legal battle and a public relations war, involves a gap of roughly $1 million, according to the last numbers disclosed by either side.

"I would say it's extremely unlikely that we're going to be able to work anything out," Faber said. "There have not been any substantive conversations at all."

A Mediacom executive echoed that sentiment but sounded optimistic that his company would succeed on a series of complaints filed with the FCC, including charges that Sinclair has refused to negotiate with the cable company in good faith.

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Ed Pardini, Mediacom's senior vice president for its Des Moines offices, said he was hopeful the Federal Communications Commission would be able to force some sort of resolution, even if only temporarily. "Both parties are regulated by the FCC, and both parties have a lot to gain by creating a win-win scenario," Pardini said.

McDowell, the FCC commissioner, could not be reached for comment.

Failed negotiations

Mediacom has accused Sinclair in federal court papers of breaking U.S. antitrust laws by linking fee negotiations for 13 television stations that Mediacom wants to carry over its cable systems with nine other stations that it does not.

Sinclair, meanwhile, insists the cable company simply is unwilling to pay broadcasters on the same scale that it pays cable networks for signals such as the History Channel.

The two companies, which agree that Sinclair deserves some sort of payment, negotiated for roughly a year before Sinclair announced in September that it planned to take its stations off Mediacom.

Mediacom's lawsuit was filed in October, followed by repeated public statements from each company blaming the other for the deadlock.

In recent weeks, a Mediacom newspaper ad has accused Sinclair of "strong-arm tactics," while a Sinclair news release referred to Mediacom as a "near monopolist."

Drew McLellan, chief executive officer of McLellan Marketing Group of Des Moines, says much of the campaign has amounted to "sniping at each other," while not offering enough information for any observer to decide who's right or who's wrong.

Company executives say the ferocity of the licensing dispute is being driven largely by Sinclair's determination to raise the price that cable companies everywhere must pay to carry its signals.

Meanwhile, Sinclair's Des Moines and Cedar Rapids stations reportedly are ranked in the middle or bottom of their local markets.

"We're willing to pay a market rate of compensation," Pardini of Mediacom said. "But Sinclair is discriminating against Iowa consumers because it believes that the Des Moines market and the Cedar Rapids market are insignificant to its bottom line."

Said Faber, the Sinclair lawyer: "This is a long-term project to get paid appropriate compensation. So we have to be, and we are, willing to come off" of cable.

Satellite invitation

Faber's company has spent much of the last month urging Mediacom customers to jump ship with them. Throughout November, Sinclair has offered cable customers $150 to dump Mediacom in favor of a DirecTV satellite system.

Company officials plan to announce early this week that the $150 rebate offer, originally scheduled to expire on Wednesday, now will be extended to Dec. 31.

Pardini said earlier this month that he had seen no increase in cable disconnections attributed to the dispute.

A DirecTV spokeswoman last week said that "a nice number" of Iowans had taken advantage of the rebate. She declined to disclose a number.

DirecTV did provide the names of several customers who recently had switched from cable, but the only one who could be reached on Friday said the Fox 17 issue had no impact on his decision.

"I did not change because of this issue on TV programming," said Matt Anderson of West Des Moines. "I changed because my Internet service was not working, and I could not get anybody from Mediacom to answer the phone."

Josh Garrett of Des Moines, however, is pleased with Mediacom cable and has no intention of switching.

"I don't want a satellite dish," he said. "I just don't want it on my house."

Regardless of what happens Thursday at midnight, all Sinclair-owned stations will continue to be available for free in Iowa for viewers who own a broadcast antenna.

As for cable customers, Mediacom officials say federal law would keep them from offering replacement network programming in Des Moines or Cedar Rapids if Sinclair removes its channels from cable.

However, the company already has found an alternative for at least one key offering on Fox 17 - University of Iowa basketball games.

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Pardini said the cable company recently cut a deal with ESPN to rebroadcast any basketball games that are slated to air on KDSM. The tape-delayed games will air on Mediacom's Channel 22 roughly 30 minutes after their conclusion on KDSM and will be replayed the following day.

Reporter Jeff Eckhoff can be reached at (515) 284-8271 or jeckhoff@dmreg.com

Industry Denies Manipulation To Boost Profits (AP)

By Jeff Donn

AP, November 26, 2006

Oil companies face questions about creating tight supplies

BAKERSFIELD -- You'd think it was Texas. Dusty roads course the scrubland toward oil tanks and warehouses. Beefy men talk oil over burritos at lunch. Like grazing herds, oil wells dip nonstop amid the tumbleweed -- or even into the asphalt of a parking lot.

That's why the rumor sounded so wrong here in California's lower San Joaquin Valley, where petroleum has gushed up more riches than the whole gold rush. Why would Shell Oil Co. simply close its Bakersfield refinery? Why scrap a profit maker?

The rumor seemed to make no sense. Yet it was true.

The company says it could make more money on other projects. It denies it intended to squeeze the market, as its critics would claim, to drive up gasoline profits at its other refineries in the region.

Whatever the truth in Bakersfield, an Associated Press analysis suggests that big oil companies have been crimping supplies in subtler ways across the country for years. And tighter supplies tend to drive up prices.

The analysis, based on data from the U.S. Energy Information Administration, indicates that the industry slacked off supplying oil and gasoline during the prolonged price boom between early 1999 and last summer, when prices began to fall.

The industry counters that it's been working hard to meet untiring demand. It faults output quotas set by Mideast oil powers, global competition for oil from booming economies like China's, and domestic challenges like depleting wells, clean-air rules, and hurricanes. They do make things harder.

Yet the AP analysis found evidence of at least an underwhelming industry performance in supplying the domestic market, when profits should have made investment capital plentiful:

During the 1999-2006 price boom, the industry drilled an average of 7 percent fewer new wells monthly than in the seven preceding years of low, stable prices.

The national supply of unrefined oil, including imports, grew an average of only 6 percent during the high-priced years, down from 14 percent during the previous span.

The gasoline supply expanded by only 10 percent from 1999 to 2006, down from 15 percent in the earlier period.

The findings support a conclusion already reached by many motorists. Fifty-five percent of Americans think gas prices are high because oil companies manipulate them, a Pew Research Center poll found in October.

Even in Bakersfield, which lives off oil, many suspect that the industry goes easy on supply for its own reasons. "They ain't trying; that's more money for them," snorted JaRayle Madden, a construction worker filling up his little sedan recently at a local Shell station.

Shutting down

This fast-growing city of 300,000 shuddered in November 2003, when Shell confirmed it would soon close its local refinery. Plant workers, consumer activists and public officials rose up in resistance, firing off letters and demanding meetings.

The 70-year-old refinery only produced 2 percent of California's gasoline and 6 percent of its diesel fuel. Yet opponents feared its demise would push up prices in the tight markets all along the West Coast.

In these circumstances, surely the plant was worth something to someone, if not to Shell. After losing $57 million mostly in the aftermath of the Sept. 11, 2001, terrorist attacks, the refinery was making money again, Shell acknowledged.

Though set back temporarily by the attacks, the oil business has profited handsomely since then. For example, the biggest six refiners -- Shell is only No. 12 nationally but powerful in California -- rang up $400 billion in profits since 2001, according to

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the consumer group Public Citizen and corporate reports. Even compliance with complex clean-air rules hasn't spoiled business.

The industry also protected profits by not building any new refineries, instead expanding existing ones when it could.

Shell portrayed its Bakersfield refinery as old and unfit. One executive said there was "simply no longer an adequate supply of crude oil" nearby.

Growing demand

Drillers across the country complain of maturing wells that are slowly running low. Gas or liquid is sometimes injected into reservoirs at higher cost to keep up the flow.

However, oil reserves are expected to last for decades around Bakersfield and elsewhere, according to industry and government estimates. Fresh national reserves are found each year. To make up for older wells, oil companies regularly drill new ones -- about 9,800 last year. Underground discoveries and technological strides have kept domestic reserves at the same level as in 1999.

With demand growing, though, the United States has imported an expanding share of its oil from abroad -- and quotas kept by Mideast nations do lift its price.

It's also true there's a new big buyer of oil: China, with its flourishing economy. Yet even China hasn't outstripped the world's capacity to deliver more oil, at least so far. Since 1999, world supplies grew four times more than China's imports, federal data show.

Imports were impractical at inland Bakersfield, Shell explained. Lynn Laverty Elsenhans, the head of Shell Oil Products US, said the refinery here just wasn't viable anymore.

Shell's blunt tone began to trouble opponents of the plan. Union officer Ed Huhn, a former refinery worker who was trying to keep the place open, began to wonder if it was folly. "They were trying to discourage anybody from buying it," he says.

Skeptics like U.S. Sen. Ron Wyden, D-Ore., got more vocal. They began to suspect that Shell wanted to shut the refinery to sell pricier gas from its bigger refineries elsewhere in the region. By taking a hit at Bakersfield, maybe Shell could come out ahead.

"They were trying to squeeze the market in every possible way," Wyden insists.

Shell spokesman Stan Mays denies that. He says it's "impossible to speculate" on whether Shell would have profited from closing the plant.

But he indirectly acknowledges that Shell didn't intend to make the refinery attractive for a competitor: "Who's going to want to buy it? We're not going to give crude supply with it."

Market manipulation

It turns out that the industry exerts quite a bit of control over supply.

For one thing, it decides to invest in new wells and refining equipment -- or not to. Though reserves have kept pretty steady, the oil industry taps those resources to varying degrees from year to year. The long price run-up first took off as the number of new wells abruptly dropped by a total of 59 percent in 1998-1999, federal records show.

One consumer advocate, Mark Cooper, refers to industry-induced supply bottlenecks as "strategic underinvestment." He views references to "discipline" in annual corporate reports as a code word for going easy on supplies.

"Anytime someone talks about 'discipline,' this suggests to me that they have market power. They're choosing what investments to make," said Cooper, research director for Consumer Federation of America.

There's evidence he may be right. A 2001 study by the Federal Trade Commission reported that some firms were deciding to "maximize their profits" by crimping supply during a Midwestern gasoline price spike. One executive told regulators "he would rather sell less gasoline and earn a higher margin on each gallon sold."

This year, the FTC reported that some oil companies were storing oil, instead of selling it right away, to await higher prices anticipated in the future.

The industry has shelved an average of 21 percent more unrefined oil from the start of 2004 through last June, the AP analysis indicates. Last spring, stocks of shelved crude reached their highest level in eight years, despite the fabulous riches at hand in high prices then.

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Such a strategy could conceivably extend to drilling, too. "If you think prices 10 years from now are going to be $100 a barrel, you might not be that enthused about producing as much as you can now," suggests energy economist Allan Pulsipher at Louisiana State University.

However upsetting to drivers, such tactics are usually viewed as legal. "A decision to limit supply does not violate the antitrust laws, absent some agreement among firms," regulators wrote in one FTC report.

Mergers Mean Quick Gains For Funds (WP/AP)

By Tim Paradis, Associated Press

The Washington Post, November 26, 2006

The Trick Is Figuring Out Which Companies Will Be Sold Next

NEW YORK -- Investors observing the seemingly uninterrupted parade of corporate buyout announcements might wonder how much the deals and the attendant rise in stock prices will boost returns in their mutual funds. The answer depends on the type of funds they own.

Acquisition announcements often inspire investor confidence because the deals generally reflect a sense that the stock market offers bargains on desirable businesses. That notion can send stocks up in general, which benefits many mutual funds. And while the many merger announcements have prompted questions about whether the market is overvaluing some properties, mutual funds returns for the year are likely to get a boost from all the dealmaking.

One way investors can benefit from an acquisition is if a fund they own holds shares in a company being acquired. The fund's return can grow from the jump in a stock that often accompanies a buyout announcement. Shares of the company doing the acquiring typically fall, though generally only temporarily, as investors tend to frown upon the risk those companies are taking.

For Barry R. James, a portfolio manager at James Investment Research and president of the James Advantage Funds, the benefits of the buyouts are apparent, though he is quick to note potential pitfalls. The James Small Cap Fund, which has assets of $266 million and is up 13.5 percent this year, has advanced as five of the companies whose stock the fund holds were acquired in the past couple of months.

"Companies are awash in cash and they're just scratching their heads as to what do," James said of the recent flurry of deals. But he noted that even funds with narrow investment parameters can stray from a disciplined investing strategy and put returns at risk if they focus too much on anticipating the next acquisition target.

"We hope all our companies are bought out," he said. "We don't mind that at all but we're not trying to target ones that are going to be purchased."

The inherent diversity of a mutual fund, however, can limit the degree to which a jump in the price of a single stock can help the fund's return. The James funds' shares in companies that are being acquired generally rise 25 percent to 33 percent, but with positions of generally 2 percent to 4 percent, the overall effect on a fund's return is limited, James said.

Other funds seek to profit by buying shares of a company being acquired and, in a tactic known as shorting, bet that the stock price of the acquiring company will fall. Such arbitrage merger funds generally show little correlation to the overall direction of the stock market and instead benefit from an increase in acquisitions simply because that means there are more deals from which to choose.

John S. Orrico, who runs the Arbitrage Fund, said that as the world's economies grow, the possibilities increase for funds that capitalize on the spreads between stock prices and acquisition prices.

"We can cherry-pick through deals from across the globe," Orrico said. "Globalization is going to continue to be the fuel that feeds consolidation."

The Arbitrage Fund has assets of $173 million and a return this year of 5.4 percent. While the returns haven't matched those of other funds that have benefited from surging stock prices, he noted that the fund has gained during down years in the stock market.

Orrico's fund focuses on finding deals that are most likely to close and have the least shareholder opposition, financing difficulties and antitrust concerns. In doing so, the funds are less likely to bet on a deal that ultimately falls apart.

"Our approach is capital preservation while generating a return that exceeds the fixed income markets," Orrico said.

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While many types of mutual funds can benefit from increased acquisition activity, the recently announced mergers haven't been concentrated in one sector, making it difficult to pinpoint what the next takeover target might be, said Todd Trubey, an analyst at Morningstar, which tracks funds.

In any case, funds that buy stock in a company shortly before it is acquired can incur short-term capital gains taxes. Still, if the stock price rises enough, the deal could ultimately still prove beneficial for a fund's returns, Trubey said.

While mutual fund holders might welcome an increase in merger activity, there is a risk that buyout prices could become inflated and cause other stock prices to move too high.

"There's a lot of speculation driving share prices higher and people are looking at [buyout] valuations and applying those to companies that are not in deals," Trubey said. "That's a risky business."

Airline Mating Dances Pick Up (HC)

By Bill Hensel Jr., Houston Chronicle

Houston Chronicle, November 26, 2006

Continental prepares in case it must choose

If you could take two big airlines and put them together to make one really big airline, which ones would you pick?

This has become a serious question since US Airways made a hostile bid for Delta Air Lines.

If it succeeds — and that's far from certain — it could trigger further industry consolidation.

If Houston-based Continental Airlines were left behind, it could find itself at a competitive disadvantage to far bigger competitors.

Consolidation in the airline industry has long been a topic on Wall Street.

"This has been waiting to happen for long time, everyone has been expecting consolidation," said Alan Sbarra, an industry consultant with Roach & Sbarra. "Nobody considered US Airways a player, but this clearly is a signal that everybody is in play."

Last year's merger of US Airways and America West — which has had promising results so far, but there is still difficult work to be done — revitalized the view that there are huge profits to be made through mergers and acquisitions, De- Paul University professor Joe Schwieterman said.

"The possibilities now are enormous, and every airline will be feverishly studying their options," Schwieterman said.

A quick study shows some pairings make more sense than others, and all of them present challenges.

Take a marriage between Continental and United Airlines. It's a matchup that analysts have increasingly discussed as a possibility ever since US Airways made its Delta bid.

A Continental-United pairing could raise fewer regulatory concerns than some others, JP- Morgan analyst Jamie Baker wrote in a recent report. That's because it offers a high concentration of competing service in only a handful of cities.

To pull it off, Continental would have to finance a deal and sell the unions on the benefits of combining the bigger carrier and its culture with Continental's team.

Continental won't talk specifically about what it is doing in the wake of the US Airways offer for Delta.

Larry Kellner, Continental's chairman and chief executive, indicated the carrier would consider a merger to stay competitive.

"If the landscape of the U.S. airline industry does indeed change, we'll do what we need to do to act in the best interests of you, our customers, our shareholders and the communities we serve," Kellner said in a recent recorded message to employees.

Other possibilitiesOther possible pairings that have been discussed include Continental and Northwest Airlines, American and Northwest, Delta and United or Delta and Northwest.

Discussions about what it would take to put these carriers together lead into their often-complicated histories and the nitty-gritty of their operations.

Northwest has two strikes against it: It is operating in bankruptcy, and it is fighting with its flight attendants union. No airline is keen on inheriting labor strife.

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But it could play a big role in Continental's future because it holds a so-called golden share of Continental, meaning it could stop another airline from taking over the Houston carrier. That means any pairing involving Continental would likely require that Continental be the buyer, which would mean Northwest would not have a say.

While Wall Street sounds high on the combination of US Airways and Delta, the carriers have some operational problems to solve, according to aviation consultant Mike Boyd of the Boyd Group.

"The fleets are the economic equivalent of the Hatfields and McCoys," Boyd wrote in a recent report he posted on his Web site. "777s and A330s. 737s and A320s. And a hodgepodge of other aircraft."

When the realities of maintenance programs, training curriculums and parts inventories are considered, combining two carriers with a complex mix of jets could be a big deal, he said.

Where they overlapOne of the most quantifiable factors in this discussion is the overlap — the number of cities where the two carriers compete aggressively. When federal regulators review these deals, they take a hard look at specific routes where a merger could eliminate competition, leading to higher fares.

JPMorgan determined that a merger between Delta and Continental — a deal that was considered several years ago — has a higher overlap than any other pairing, at 32 percent.

The overlap between Delta and US Airways is 18 percent, according to JPMorgan.

But the Department of Justice has been increasingly willing of late to allow mergers that once would have been thought to be anticompetitive, Judy Gechman, an antitrust specialist at Houston-based Jenkens & Gilchrist law firm, said last week.

Gechman cited the joining this year of Whirlpool and Maytag, in which the merged company wound up with 70 percent of the market, she said.

However, that trend might not continue when it comes to the airline industry.

"I think they are going to have to be very careful when they look at this because the airline industry is so critical to our country," Gechman said. "Not that clean clothes aren't."

But Schwieterman says the US Airways offer to buy Delta looks like a long shot.

"It is a bold, daring move that probably faces long odds," he said. "But it also was a wake-up call about the inevitability of consolidation."

ENVIRONMENT/INDIAN AFFAIRS:

On The Move To Outrun Climate Change (WP)

By Blaine Harden, Juliet Eilperin

The Washington Post, November 26, 2006

SEATTLE -- As the Bush administration debates much of the world about what to do about global warming, butterflies and ski-lift operators, polar bears and hydroelectric planners are on the move.

In their separate ways, wild creatures, business executives and regional planners are responding to climate changes that are rapidly recalibrating their chances for survival, for profit and for effective delivery of public services.

Butterflies are voting with their wings, abandoning southern Europe and flying north to the more amenable climes of Finland. Ski-lift operators in the West are lobbying for leases on federal land higher up in the Rockies, trying to outclimb snowlines that creep steadily upward.

Polar bears along Hudson Bay are losing weight and declining in number as the ice shelf melts and their feeding season shrinks. Power planners in the Pacific Northwest, which gets three-quarters of its electricity from hydroelectric dams, are meeting in brainstorming sessions and making contingency plans for early snow melts, increased wintertime rainfall, lower summertime river flows and electricity shortfalls during hotter, drier summers.

With the issue of a warming planet shifting rapidly from scientific projection to on-the-ground reality, animals and plants are being compelled, along with businesses and bureaucracies, to take action aimed at self-preservation. They are doing so even as the Bush administration eschews regulations, laws or international treaties that would require limits on carbon dioxide emissions, which scientists say are the main cause of global warming.

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A newly published synthesis of 866 peer-reviewed studies of the effect of climate change on wild plants and animals has found what its author, Camille Parmesan, an assistant professor of integrative biology at the University of Texas at Austin, describes as a "clear, globally coherent conclusion."

Flora and fauna are migrating north or climbing to higher ground if they can, said Parmesan, whose paper appears in the December issue of the Annual Review of Ecology, Evolution, and Systematics. If they cannot move, she said, their numbers are often declining, their health is getting worse, and some are disappearing altogether.

"Wild species don't care who is in the White House," Parmesan said. "It is very obvious they are desperately trying to move to respond to the changing climate. Some are succeeding. But for the ones that are already at the mountaintop or at the poles, there is no place for them to go. They are the ones that are going extinct."

Among the most affected species, Parmesan said, are highland amphibians in the tropics. She said more than two-thirds of 110 species of harlequin frogs, which occupy mountain cloud forests in Central America, have become extinct in the past 35 years.

Meanwhile, many pest species -- including roaches, fleas, ticks and tree-killing beetles -- are surviving warming winters in increasing numbers. "We are seeing throughout the Northern Hemisphere that pests are able to have more generations per year, which allows them to increase their numbers without being killed off by cold winter temperatures," said Parmesan.

Federal scientists say that the first six months of this year were the warmest on record in the United States and that the five warmest years over the past century have occurred since 1998. In her review of studies measuring the impact of climate change on wild plants and animals, Parmesan said this "sudden increase" in temperatures appears to have been a tipping point, triggering substantial responses from a broad range of species.

"The magnitude of impacts is so overwhelming that many biologists are now calling this the single most important problem they need to work on," said Parmesan. "You can save all the habitat you want, but if it is not any good climatically, what is the point?"

Though President Bush has said that human activity has contributed to climate change, he has consistently rejected the idea of imposing mandatory curbs on carbon dioxide emissions.

In an interview shortly after this month's congressional elections, James L. Connaughton, chairman of the White House Council on Environmental Quality, said the country would be better off setting a voluntary goal -- such as increasing the use of renewable fuels -- than dictating industrial greenhouse-gas emission levels.

"Setting a reasonably ambitious target and then exceeding it is a good way to make reasonable progress," Connaughton said.

The Bush administration has outlined a strategic plan that calls for developing technology that would reduce carbon dioxide pollution. It now spends $3 billion a year on energy research and development. But when adjusted for inflation, this money is a fraction of what the federal government spent in the past. Researchers such as Reuel Shinnar and Francesco Citro, two chemical engineers at the Clean Fuels Institute at the City College of New York, estimate the country would have to spend hundreds of billions of dollars a year to make the transition to a carbon-free society.

From the Gulf of Mexico to the Pacific Northwest, the effects of global warming -- along with the responses of animals, people, businesses and bureaucracies -- are being woven into the fabric of everyday life.

On Cape Sable, on the far southwestern edge of Florida, boaters, sportsmen and scientists have watched as a rising sea level has transformed a freshwater marsh into a portion of the sea.

Where there had been saw grass, the distinctive vegetation of the Everglades, there are now mangrove trees, which thrive in salt water and open water. Redfish inhabit areas that once had been wetland. The endangered bird named after the area, the Cape Sable seaside sparrow, has fled northward.

Using historic photos and tidal gauge records, University of Miami professor Harold Wanless, chairman of the geology department, has studied the changes. Between the sinking of the land and the rise of the seas since the 1930s, the relative water level has risen nine inches, he said.

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"Freshwater marshes on Cape Sable are now evolving into more or less open marine waters," he said. "We're not talking about global warming as something that will happen in the future. Its happening right now. All the king's horses and all the king's men won't be able to put Cape Sable together again."

In the high country of western Montana, ski resort manager Tom Maclay is trying to outrun climate change by persuading the U.S. Forest Service to lease 12,000 acres across Carlton Ridge and Lolo Peak. The land, which lies above property he owns, would allow his resort to reach a top elevation of 9,100 feet.

Maclay is well aware how climate change is transforming his business and how nearby resorts have suffered from a lack of snow in recent years. At nearby Glacier National Park, the U.S. Geological Survey quantifies the change, noting that there has been a 73 percent decline since 1850 in the area of the park covered by glaciers. Many smaller glaciers are now gone, it says, and larger ones have shrunk by about two-thirds.

Maclay and his resort's chief executive, Jim Gill, are negotiating with snowmaking manufacturers who are asking for tens of millions of dollars for their services.

"Now with the snowline creeping up the hill, it's tougher and tougher for the areas that are struggling at the margins to keep their base areas full of snow," Gill said. "If you don't have a good snowmaking operation, you're not going to be able to compete."

In the Pacific Northwest, which depends far more on hydroelectricity than any region of the country, research findings on global warming from the University of Washington's Climate Impacts Group have prompted utilities, federal agencies and regional planning groups to convene brainstorming sessions in the past year.

They are looking at possible ways of mitigating power shortages as the summer flows of the region's rivers decline -- a result of less snow in the mountains and early melt.

For decades, the Pacific Northwest has had a surplus of power to send south to California during hot summer months. But if Northwest rivers run low as summers get hotter, the region could end up competing with California for power, said John Fazio, a senior power systems analyst for the Northwest Power and Conservation Council, a regional planning group.

"More and more, global warming is becoming a serious part of the planning process," said Fazio.

Climate In The Court (WP)

The Washington Post, November 26, 2006

ON WEDNESDAY, the Supreme Court will hear oral arguments in what could prove to be one of the most fateful environmental cases in a generation -- or not, depending on what the justices do with it. Massachusetts v. Environmental Protection Agency is a challenge by states and environmental groups to the Bush administration's refusal to regulate greenhouse gases as pollution.

The question of how to handle global warming is the chief environmental issue of our era. Yet the Environmental Protection Agency has refused to assume regulatory authority over greenhouse emissions. It claims that the Clean Air Act gives it no power to do so. The law, however, gives the EPA power over "any air pollutant from any class or classes of new motor vehicle . . . [that] may reasonably be anticipated to endanger public health or welfare." What's more, it specifically identifies effects on "climate" as an aspect of that public welfare.

The EPA goes on to argue that even if it has the power to regulate carbon emissions, it doesn't have to -- and it doesn't want to. The government cites "scientific uncertainty as to the mechanisms of global climate change." But the law on this point is clear as well: The EPA, it says, "shall" regulate any pollutant from new motor vehicles that it expects to do harm. And while all the mechanisms of climate change are not understood, greenhouse gases certainly can be expected to do harm.

The tricky legal question is whether the states and environmental groups -- or anyone else, for that matter -- have standing to bring the case. To establish standing, one has to show both that an actual injury has occurred and that winning the case would redress that injury. The problem of climate change is so huge that it creates a paradoxical barrier to litigation: Regulating one relatively small component of the problem -- emissions by new vehicles in the United States -- probably wouldn't do much overall to stop global warming. Depending on how the justices treat this question, the case could peter out.

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That would be frustrating and unfortunate. Nowhere is this administration's resistance to action on global climate change more aggravating than in its persistent refusal to use the legal powers already at hand. What an irony it would be if its lawless inaction survived judicial review because the problem is too big.

Clean Up The Navajos' Poisoned Land (LAT)

The Los Angeles Times, November 26, 2006

DURING WORLD WAR II, the federal government made a deal with Navajos: If the tribe allowed uranium mining on its 27,000-square-mile reservation, the land eventually would be returned "in as good condition as received."

Instead, when the diggers left by the mid-1960s, the land was scarred by open shafts, contaminated well water and radioactive piles — often without fences or warning signs. As a Times series (latimes.com/navajo) reported last week, federal inspectors knew about the damage but did little to prevent or fix it.

What followed was unconscionable. Navajos drank from contaminated pools, slept on radioactive floors and fed their herds on land irrigated with death. Children suffered mysterious, painful illnesses and died young. One couple, Helen and Leonard Nez, lost six of their children; Helen had drunk poisoned water while pregnant.

Blame can be laid at the feet of the mining companies and even the tribal government. But it is the job of the Environmental Protection Agency and the Bureau of Indian Affairs to prevent environmental wreckage and safeguard the tribe's interests. Both fell down on the job spectacularly.

Cleanup of toxic sites has happened only in fits and starts. One obstacle is that the federal government, unaccountably, has failed to conduct the comprehensive health and environmental studies necessary to determine the extent of the harm done. After several unsuccessful efforts to obtain funding, the tribe solicited the EPA's Superfund program, to help squeeze money out of mining companies or draw from the fund's $1.6-billion cleanup money. But the low population density of the area has prevented Navajos from qualifying.

Now the tribe is once again making the case to have its radioactive land placed on the Superfund list. This should be an EPA priority; if it takes an act of Congress, then fine. The country has a historical, ethical and contractual obligation to remove the toxic health hazard it created on Navajo lands.

Mining companies, excited about cleaner new technologies and an exponentially growing demand for uranium, are once again knocking on Navajo doors, offering jobs and swearing environmental responsibility. The tribe has said no, and no it should remain — at least for now. The government should not buy from any tribal mines until the country proves that its promises and contracts aren't as flimsy as the onion-skin paper on which they were once typed.

FBI/DEA/ATF/USMS:

U.S. Crackdown Sends Meth Labs South Of Border (LAT)

By Richard Marosi

The Los Angeles Times, November 26, 2006

GUADALAJARA — The methamphetamine laboratories that once plagued California's hinterlands and powered a national explosion of drug abuse have been replaced by an increasing supply from Mexico, U.S. law enforcement officials say.

Methamphetamine production has surged south of the border, from Baja California ranches to the highlands of Michoacan to the industrial parks here in Mexico's second largest city, where authorities in January busted the largest laboratory ever discovered in the Americas.

The fortress-like compound ringed by high brick walls housed 11 custom-designed pressure cookers that could produce 400 pounds of the drug per day. It dwarfed anything ever found in California, where the standard cooking tool is a 23-quart beaker and a 20-pound batch is considered a good production day.

"It was the mother lode of mother lodes," a U.S. law enforcement official said.

The boom in Mexican methamphetamine production stems from successful efforts in the U.S. to control the sale of chemicals used to produce the drug, including the cold medicine pseudoephedrine.

Drug traffickers, some of them ex-convicts and fugitives from the United States, including a former chemistry professor from Idaho arrested last month, authorities say, have resettled in Mexico because of the easy access to pseudoephedrine and other chemicals.

The largest share of the chemicals is believed to be shipped to Mexico from factories in China and India and routed through Hong Kong. China has emerged as the top concern for U.S. authorities.

Like traffic in heroin and cocaine, the methamphetamine economy has become a global phenomenon. So too is the battle to control what most U.S. law enforcement authorities consider the country's greatest drug threat.

'A new ice age'

"The cliche is coming true: We've entered a new ice age," said Misha Piastro, an agent with the Drug Enforcement Administration who has worked on the U.S.-Mexico border, referring to the smokable form of the drug called ice.

The trend began surfacing about two years ago as a crackdown on the bulk distribution of ingredients cut off producers from supplies in the U.S. and, later, Canada.

The rural fringes of California metropolitan areas, including the Inland Empire, which once were centers of methamphetamine production, remain important distribution hubs. But the number of "superlab" discoveries in California has dropped from 125 in 2003 to 12 through mid-October this year, according to the DEA. Nationwide, the numbers have dropped from 130 to 19 during the same period. Superlabs are operations that can produce more than 10 pounds of methamphetamine per cooking cycle.

Authorities now estimate that 80% of the methamphetamine on U.S. streets is controlled by Mexican drug traffickers, with most of the supply smuggled in from Mexico. Methamphetamine seizures at the U.S.-Mexico border jumped 50% from 2003 through 2005, from 4,030 to 6,063 pounds.

Mapping the methamphetamine production network is difficult in a country of remote ranchlands and under-patrolled metropolitan areas. Few law enforcement authorities are trained to recognize the signs of a drug lab, including the fumes and pollutants that pose significant environmental hazards.

Nonetheless, the number of labs discovered by Mexican authorities nearly tripled from 2002 to 2005, from 13 to 37, and methamphetamine seizures more than doubled, to 2,169 pounds, during the same period. U.S. authorities believe the numbers are a fraction of actual activity, as signs of an extensive production infrastructure have surfaced in the last year or so.

Among those signs: Mexico's importation of cold medicines jumped suddenly in recent years, from 92,000 tons in 2002 to 150,000 tons in 2005. Though recently imposed restrictions have cut legal imports by about half this year, U.S. authorities believe significant amounts are still being smuggled through corruption-ridden Mexican ports.

Last December, Mexican authorities at the Pacific Coast port of Manzanillo found 5.1 million pseudoephedrine tablets hidden in a cargo of ceiling fans from China. The cache would have been enough to produce about 3 tons of finished product, authorities said.

Last November, China toughened its reporting and licensing requirements for those manufacturing, shipping, trading and exporting bulk chemicals such as pseudoephedrine, a step welcomed by international drug enforcement officials.

But Beijing did not impose limits or reporting requirements on end users. Smugglers are still free to buy millions of cold tablets, hide these in Chinese export products and ship them to Mexico or other destinations, as seen with the ceiling-fan discovery.

China also faces problems similar to those in Mexico — budget constraints, corruption, turf battles and inadequate detection and monitoring equipment.

Public health problem

In Mexico, meanwhile, drug lab discoveries have spanned the country. In Mexicali, several labs have erupted in flames. In Michoacan, authorities have discovered large production operations and believe lab activity is rife in the state's rural areas.

Producers also have flooded the Mexican domestic market with the drug, creating an epidemic of methamphetamine addiction and drug-related crime in many cities.

"It's a grave public health problem of enormous dimensions," said Victor Clark Alfaro, a border expert and director of the Binational Center for Human Rights in Tijuana.

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Guadalajara, capital of the western state of Jalisco, has emerged as a production hub for methamphetamine, authorities say. Lab activity is easily camouflaged in the metropolitan area of 4 million people, which encompasses isolated ranchlands, industrial areas and densely packed urban neighborhoods where exhaust and sewer smells mask the fumes of superlabs.

The ease of operating in Guadalajara was vividly illustrated in October, officials say, when authorities acting on an anonymous tip arrested Frederick Wells, a former Idaho State University professor who was allegedly running a superlab in his pink stucco home half a mile from the U.S. Consulate.

Wells, 57, who fled the United States in 1998 after being charged with operating a drug lab in his university office, had only to walk down the street to purchase industrial chemicals at a storefront business in Guadalajara. Authorities say Wells told them that neighbors in the quiet area of neat homes never noticed the smells during the nearly two years he operated the lab.

The enormous lab discovered in January was in a gritty area of chemical plants, small ranches and cornfields outside the city.

"We smelled things but didn't know what it was. There are lots of factories around here; you never know what you smell," said Armando Murillo, who lives behind the former lab on a small ranch where he raises goats and sheep.

Murillo's property was transformed into a campground for about 150 soldiers who guarded the lab for weeks. The suspects, a trio of chemists and former classmates at the University of Guadalajara, left behind more than 1,000 pounds of powdered methamphetamine in three barrels, and enough precursor chemicals to produce another 1,000 pounds, authorities said.

After the arrest of one suspect, authorities found four more superlabs they said were tied to the group. Another suspect is believed to have been killed by a local paramilitary-style gang, which is charged with burying alive five men at a ranch, one of them an ex-convict from Riverside County who had moved to Jalisco to get into the methamphetamine trade, a U.S. law enforcement source said.

Two other ex-convicts — one from Riverside County, the other from Phoenix — were arrested in August on suspicion of operating a lab at a ranch where Mexican authorities discovered 220 pounds of methamphetamine.

The migration south of fugitives and ex-convicts worries authorities who say it coincides with the release from U.S. prisons of many drug traffickers who have finished serving sentences dating from the early era of the methamphetamine trade.

Scarce resources

With narcotics-related violence flaring across the country, experts say Mexico is ill-prepared to open another front against methamphetamine production. The DEA has donated equipment and begun to teach their Mexican counterparts how to find drug labs, but resources for a wide-ranging enforcement effort are scarce.

Authorities in Guadalajara, for instance, delayed dismantling the lab in January because the nearest lab truck, filled with protective suits and equipment to safely dispose of chemicals, was five hours away, in Mexico City.

"The problem is too new," said Marcos Pablo Moloeznick Gruer, a political science professor at the University of Guadalajara. He said Mexican law enforcement was not "aware or concerned enough" about the rise in methamphetamine production.

Heroin Use Rising In Indy (INDYSTAR)

By Will Higgins

The Indianapolis Star, November 26, 2006

Popularity of addictive drug could lead to increased thefts

Heroin, the scourge of the '70s, is back.

While the drug still makes up a minority of the cases at Indianapolis' drug court, heroin is increasingly easy to find on the city's streets, according to police, as it is elsewhere in Indiana and the nation.

"I'm seeing a lot, lot more heroin," said Jamie Guilfoy, an IPD narcotics detective since 2001. "I never saw any up until the last year."

Guilfoy and other Indianapolis Police Department narcotics investigators have confiscated nearly 1,000 grams -- about 2.2 pounds -- of heroin this year, more than 10 times what they seized in 2005.

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Indiana State Police project they will investigate close to 700 heroin cases this year, twice as many as last year and three times as many as in 2004.

Another possible indicator: A 2006 Indiana University survey found that 2.2 percent of Indiana high school seniors have tried intravenous drugs -- a 25 percent jump from the previous year. The needle is the preferred method of heroin users.

The emerging trend is nationwide, with cities such as Minneapolis; Dallas; Covington, Ky.; and Salt Lake City also reporting heroin upswings. The U.S. Drug Enforcement Administration has confiscated heroin in slightly declining amounts the past two years, but from 2001 to 2005, seizures were up more than 50 percent compared with the previous five years.

The trend is alarming, noted a U.S. Justice Department study released last week, because heroin, more than other abused drugs, is a multifaceted plague.

"Although overall abuse levels for heroin are lower than levels for other drugs, including cocaine and marijuana, the consequences of heroin abuse are far-reaching in terms of heroin-related deaths, treatment admissions and emergency department mentions," said the National Drug Threat Assessment 2007.

Nonviolent crimes such as burglary and theft, which are already on the rise in Marion County, are likely to increase with heroin use as addicts seek ways to finance their habit, police say.

Why the surge?

Robin Parsons, director of adult services at Fairbanks Indianapolis drug and alcohol treatment center, says the heroin surge is a result of a police crackdown on OxyContin, a commonly abused prescription painkiller.

"There was an OxyContin crisis in 2000 to 2004," she said, "then law enforcement got an inkling of what was happening, and OxyContin became harder to get."

And heroin became easier.

Heroin production has expanded in Afghanistan and Mexico, according to the DEA. The Afghans mostly ship their heroin to Asia and Europe; the Mexican-produced heroin comes to the U.S. So does heroin from Thailand.

The prices of OxyContin and heroin vary, but these days, heroin's street price is higher, according to police and others. In Indianapolis, OxyContin costs about $10 a pill, compared with $20 for a comparable amount of heroin, about a tenth of a gram.

Both drugs are opiates, but OxyContin's high pales next to heroin's, said K., a 27-year-old Indianapolis woman who has tried both. "Oxy tides me over, but it's nothing, really. It's not much. Nothing like the boy."

Agreeing to an interview only if her name was not used, K., who is serving a five-month sentence for drug possession and is in the custody of the Marion County Jail, said that when she started using heroin four years ago, she had one source. Today, she said, she knows eight heroin dealers -- and all of them deliver.

The drug has cost her custody of her three children; it has driven her to prostitution. Still, K. rhapsodizes about it: "The best feeling. No worries."

A deadly habit

The typical heroin user takes three or four hits a day, said DEA spokesman Garrison Courtney, costing $60 to $80. But veteran junkies build up a tolerance to the drug, so $200-plus-a-day habits aren't unheard of.

Most of Indianapolis' heroin comes through Chicago, plagued recently by a rash of overdoses due to a deadly mixture of heroin and fentanyl, an extremely potent painkiller.

About 500 deaths have been reported this year throughout the country, though the fentanyl scare has not reached Indianapolis.

Heroin overdoses, instead of having a chilling effect, actually whet users' appetites. "When users see an OD death, they seek out that heroin, thinking it must be some really good stuff," Courtney said.

Joanna Zoltay, of the DEA's office in Chicago, said the Chicago Police Department began distributing fliers last summer aimed at alerting heroin users to the locations where the deaths had occurred. The plan was to warn them away from the area.

"Unfortunately," Zoltay said, "that seemed to . . . make people want to buy it more. They literally had traffic problems in those areas."

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Heroin is different from cocaine and methamphetamine, which are stimulants that send their users on wired, manic runs. Heroin, an opiate, relaxes a person, makes him mellow, sluggish. The strong drive for another hit, experts say, comes from the sick feeling that comes from withdrawal.

"When you're on heroin, you have to do it or else you'll be sick," said Nate Rush, an Indianapolis social worker and former heroin addict who has been clean since 1991. "And it's the worst kind of sick -- body cramping, throwing up. It's like the worst case of the flu ever. The pain goes all the way to the bones."

Impact of addiction

"People on heroin aren't the most productive people," said Eric Lawrence, director of forensic analysis at the Indiana State Police Crime Lab System. "They are unable to maintain employment. They have no money, and they have to have (the drug)."

The upshot: "If there's a continued rise in the use of heroin, you can expect a proportionate rise in burglaries, thefts and robberies," Lawrence said.

For the first eight months of this year, 508 burglaries were reported in Indianapolis, nearly twice as many as in the same period last year, though police can't say for sure that heroin is to blame.

K. has funded her habit through prostitution. Men, some of them "real nice guys," call her up; she invites them over. Her boyfriend is uncomfortable with the arrangement, she said, "but he spends the money and gets high with me after."

Like many of today's heroin users, K. didn't start off injecting the drug with a needle. She started the more palatable, less violent way: She snorted it in powder form.

Snorting gained popularity in the 1990s, according to a study by the U.S. Department of Health and Human Services, as heroin became more pure, more potent. Free from the needle's stigma, heroin found new converts, drug experts say.

"I told myself I'd never inject," K. said. "I was scared to death to inject it."

But the high through injection is more intense, and in just two months, K. -- like seven of 10 heroin users -- was injecting.

By then, heroin had consumed her. She gave up her children and her hobbies, which included swimming and bowling.

In jail, where she has been since September, she frequently dreams about the drug. She sees it, loads it into a syringe, and just as she sticks the needle into her arm, she wakes up, disappointed.

She has been clean since August but has twice before flunked out of rehab.

She is due to be released from prison Dec. 3. She wonders -- and fears -- what she'll do then.

Call Star reporter Will Higgins at (317) 444-6043.

IMMIGRATION:

Border Group's Finances Scrutinized (HC)

By Susan Carroll, Houston Chronicle

Houston Chronicle, November 26, 2006

Minuteman founder reveals figures, but some still wonder where the money went

For the first time, the Minuteman Civil Defense Corps has revealed a smattering of intriguing details on its finances, but some former Texas members say they're still not sure how the group has spent hundreds of thousands of dollars in contributors' money.

Chris Simcox, founder of the nonprofit border watch group, posted IRS forms and an audit on his Internet site Nov. 15 in response to media reports raising concerns about how the organization was handling its contributions.

The new documents offer a glimpse into the group's finances, former Minuteman loyalists say, but leave unanswered questions. Among them: How is the group spending thousands of dollars in membership fees they've collected in the past 19 months? And what companies or other nonprofits received $277,000 — amounting to more than half the group's contributions in 2005 — for unspecified "personnel services?"

Already, questions about the group's finances and other concerns have prompted some leaders to quit. Bill Parmley, the former head of the Texas chapter of MCDC, was one of the first leaders to leave in July 2005.

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"There were just too many irregularities," Parmley said in an interview. "I just didn't want to be involved in something like that."

Simcox and his spokeswoman, Connie Hair, did not respond to repeated phone calls or messages.

In barnstorming stops across the country last year, Simcox told crowds of new recruits that the organization charged a mandatory $50 membership fee for background checks. He made exceptions for anyone who already had a concealed weapons permit, which requires an extensive background check, and for former law enforcement officers.

But the group's recently posted IRS Form 990 — a public record required for all nonprofits — shows that the group spent only $1,074 on background checks for volunteers in 2005 while charging new recruits $50 each and collecting more than $54,000 in registration fees.

Kenneth Buelter and his wife, Daphne, former Minuteman loyalists, recalled meetings where MCDC leaders explained the $50 registration fee.

"They told us it was for background checks," said Daphne Buelter.

Kenneth Buelter, a concealed-weapons permit holder, went ahead and paid the $50, considering it a donation. "I thought it was the right thing to do," he said.

'Unanswered questions'But months later, the couple decided to distance themselves from the movement, even though they still believe in the cause. "There were a great deal of unanswered questions," Daphne said.

The records Simcox posted on the Web site seem to answer some of the more serious questions raised by former MCDC members in media reports published this summer. The Washington Times reported in July that some former leaders had resigned because of financial questions, and pressed in editorials for Simcox to account for the group's donations.

The audit Simcox made public shows that an accredited firm signed off on the group's finances for the 2005 tax year, supporting his assertion that the money was handled properly.

The IRS documents filed by the fledgling organization showed that it received more than $418,000 in contributions during 2005 and owed about $31,000 at the end of the tax year. Independent accountants who reviewed the report at the Houston Chronicle's request said MCDC's finances appear to be in line with many not-for-profits that are just starting out.

Simcox defended the spending on the group's Web site. According to the IRS documents, MCDC dedicated 62.5 percent of contributions to programs, 5.2 percent to management and administration and 32.3 percent to fundraising. In his Web posting, Simcox wrote that the breakdown was "much better than most first-year start-up national organizations."

He also lashed out at the press for stories questioning the group's financing, accusing the media of "egregiously false or erroneous reporting as well as some outright malicious lies."

The Minuteman Project, the original name for the civilian patrol group, kicked off in April 2005 in Arizona amid a media frenzy. More than 100 reporters turned up for the first patrol, documenting volunteers watching the border from lawn chairs and tailgates.

Report cites resignationsThis summer, the Washington Times reported that some former top Minuteman leaders, including the former national coordinator, had quit because of their concerns over finances.

Parmley, who joined the movement out of frustration over the relentless flow of illegal immigrants across his ranch land in South Texas, said he resigned mainly because he was concerned about suspicions of racist attitudes in one Minuteman branch. He said he was also troubled because he couldn't get straight answers on money management, including what happened to the registration fees.

Kim Fromme, the former director of operations for the Minuteman chapter in Texas, had similar concerns and quit in February.

He said he could never figure out where the money for programs was going.

"It didn't go down to the border, that's for sure," Fromme said.

He said he and other members approached Simcox with questions, but came away disappointed.

During the early days of the Arizona-based movement, no one addressed the finances publicly "because the mission was so important," said Shannon McGauley, who formed a splinter group called the Texas Minutemen around the same time that MCDC launched in Arizona.

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"Now all these people are quitting because of questions about the money," he said. "When a couple people quit and start bad-mouthing, you can believe MCDC. But when you talk to them and every single one of them says the same thing, that warrants some investigating."

But MCDC still has plenty of supporters and they rallied behind Simcox in the group's Internet forum.

Chronicle reporters Terri Langford and Chase Davis contributed to this report.

CONGRESS-ADMINISTRATION:

Hail To The Chief (BOS)

By Charlie Savage

The Boston Globe, November 26, 2006

ANN ARBOR, MICH. -- In July 1987, then-Representative Dick Cheney, the top Republican on the committee investigating the Iran-contra scandal, turned on his hearing room microphone and delivered, in his characteristically measured tone, a revolutionary claim.

President Reagan and his top aides, he asserted, were free to ignore a 1982 law at the center of the scandal. Known as the Boland Amendment, it banned US assistance to anti-Marxist militants in Nicaragua.

"I personally do not believe the Boland Amendment applied to the president, nor to his immediate staff," Cheney said.

Most of Cheney's colleagues did not share his vision of a presidency empowered to bypass US laws governing foreign policy. The committee issued a scathing, bipartisan report accusing White House officials of "disdain for the law."

Cheney refused to sign it. Instead, he commissioned his own report declaring that the real lawbreakers were his fellow lawmakers, because the Constitution "does not permit Congress to pass a law usurping Presidential power."

The Iran-contra scandal was not the first time the future vice president articulated a philosophy of unfettered executive power -- nor would it be the last. The Constitution empowers Congress to pass laws regulating the executive branch, but over the course of his career, Cheney came to believe that the modern world is too dangerous and complex for a president's hands to be tied. He embraced a belief that presidents have vast "inherent" powers, not spelled out in the Constitution, that allow them to defy Congress.

Cheney bypassed acts of Congress as defense secretary in the first Bush administration. And his office has been the driving force behind the current administration's hoarding of secrets, its efforts to impose greater political control over career officials, and its defiance of a law requiring the government to obtain warrants when wiretapping Americans. Cheney's staff has also been behind President Bush's record number of signing statements asserting his right to disregard laws.

A close look at key moments in Cheney's career -- from his political apprenticeship in the Nixon and Ford administrations to his decade in Congress and his tenure as secretary of defense under the first President Bush -- suggests that the newly empowered Democrats in Congress should not expect the White House to cooperate when they demand classified information or attempt to exert oversight in areas such as domestic surveillance or the treatment of terrorism suspects.

Peter Shane, an Ohio State University law professor, predicted that Cheney's long career of consistently pushing against restrictions on presidential power is likely to culminate in a series of uncompromising battles with Congress.

"Cheney has made this a matter of principle," Shane said. "For that reason, you are likely to hear the words 'executive privilege' over and over again during the next two years."

Cheney declined to comment for this article. But he has repeatedly said his agenda includes restoring the presidency to its fullest powers by rolling back "unwise" limits imposed by Congress after the Vietnam War and the Watergate scandal.

"In 34 years, I have repeatedly seen an erosion of the powers and the ability of the president of the United States to do his job," Cheney said on ABC in January 2002. "I feel an obligation...to pass on our offices in better shape than we found them to our successors."

Cheney's ideal of presidential power is the level of power the office briefly achieved in the late 1960s, the era of what historian Arthur Schlesinger Jr. called the "imperial presidency."

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Early in the Cold War, presidents began invoking national security to seize greater power from Congress. This concentration of authority peaked under President Richard Nixon, who famously asserted that "when the president does it, that means it's not illegal." But Watergate reawakened Congress, which passed new laws to regulate presidential power.

Cheney was a close observer of that era. He landed his first job in the federal government in 1969, when Donald Rumsfeld hired him as an assistant at the Office of Economic Opportunity. The antipoverty agency, set up by Congress during the Johnson administration, was unpopular among conservatives, and Rumsfeld's and Cheney's job was to help Nixon impose greater political control over the office.

A chief target was the agency's legal aid program, headed by Terry Lenzner. Now a private investigator, Lenzner said in a recent interview that the White House pressured him to fire lawyers who filed class-action lawsuits on behalf of the poor. But Lenzner said he could not fire them because of the way Congress had written the agency's statute.

"I was being told, 'You have to put a stop to this, you have to control these lawyers,'" Lenzner recalled. "But I said that 'If I do what you want me to do, it will violate the law.'"

The orders to fire lawyers, Lenzner said, came from other White House aides, not Rumsfeld or Cheney personally. Still, in November 1970, Rumsfeld summoned Lenzner to his office, and, with Cheney at his side, fired Lenzner because he was unwilling to follow orders.

In August 1974, Nixon resigned rather than face impeachment by Congress. The new president, Gerald Ford, asked Rumsfeld to be his White House chief of staff, and Rumsfeld again made Cheney his deputy. A year later, Rumsfeld became secretary of defense, and Cheney replaced him as Ford's top aide.

In his new role, Cheney was exposed to national security issues from the perspective of a White House that wanted to preserve secrets in the face of congressional demands for more openness. Soon after Rumsfeld and Cheney took on their new posts, Congress passed a bill to strengthen the Freedom of Information Act. The bill allowed judges to review classified documents to determine if they were being shielded for political purposes.

In October 1974, Ford vetoed the legislation, telling Congress that the bill "would violate constitutional principles." Congress, however, overrode his veto, and lawmakers soon threatened to impose further limits on presidential power.

In December 1974, The New York Times reported that the CIA had engaged in an illegal domestic spying program for two decades, tapping phones, opening mail, and breaking into homes of antiwar protesters. The article, by investigative reporter Seymour Hersh, prompted a congressional uproar.

In a memo to Ford, obtained at the Ford Presidential Library in Ann Arbor, Mich., Cheney urged the swift creation of a presidential commission to investigate the CIA. Cheney wrote that doing so was "the best prospect for heading off congressional efforts to further encroach on the executive branch."

Ford created the commission, but Congress moved in anyway. A Senate committee chaired by Idaho Democrat Frank Church began demanding access to secret documents. But Cheney soon saw a chance to convince the public that investigating intelligence operations was dangerous and unwise.

In May 1975, Hersh wrote an article discussing how US submarines eavesdropped on the Soviet Union's undersea cables. Fearing that the article had damaged national security, Cheney pushed the idea of indicting the reporter using the 1917 Espionage Act.

Making an example out of Hersh, Cheney wrote, would "create an environment" that might intimidate both the press and Congress. "Can we take advantage of it to bolster our position on the Church Committee investigation? To point out the need for limits on the scope of the investigations?" Cheney wrote. The idea, however, was scrapped to avoid attracting the Soviets' attention to Hersh's article.

The next spring, after revelations that the National Security Agency had monitored the phone calls of American civil rights and antiwar activists, Congress drafted legislation to require warrants for domestic surveillance. Cheney's allies, including Defense Secretary Rumsfeld and then-CIA director George H.W. Bush, opposed such a bill as a derogation of presidential power. But Ford decided not to fight it.

Congress passed the warrant requirement as the Foreign Intelligence Surveillance Act of 1978 -- the same law that the Bush-Cheney administration later bypassed with its warrantless wiretapping program.

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After Ford lost the 1976 presidential election to Jimmy Carter, Cheney returned to Wyoming and in 1978 won a seat in Congress, where he specialized in intelligence matters. During the Iran-contra hearings, Cheney failed to convince a majority of his colleagues that the Reagan administration was justified in ignoring the Boland Amendment, but he moved quickly to block new congressional encroachments on what he saw as a president's exclusive turf.

When the Senate passed a bill forcing presidents to notify Congress of all covert operations within 48 hours, Cheney led a successful fight to defeat the bill in the House. He argued that Congress was prone to leaks and had no authority to force the commander-in-chief to share information about covert operations.

"The 48-hour bill would 'get back' at President Reagan by tying the hands of all future presidents," Cheney wrote in a May 1988 Wall Street Journal column. "That approach will achieve nothing useful."

The next year, Cheney became defense secretary under President George H.W. Bush. In his new position, Cheney again pushed for an expansive view of presidential power -- most dramatically in late 1990, when Cheney urged Bush to launch the Gulf War without asking Congress for authorization.

For all major overseas wars from 1789 to 1950, presidents obeyed the constitutional provision giving Congress alone the power to declare war. But in Korea and Vietnam, Presidents Truman, Johnson, and Nixon defied this constraint. They asserted that the commander-in-chief had "inherent" power to take the country to war on his own.

Seeking to restore its constitutional role, Congress passed the War Powers Resolution in 1973, requiring presidents to consult Congress when sending troops into battle.

After Saddam Hussein invaded Kuwait in August 1990, Bush sent 500,000 US troops to Saudi Arabia. As they prepared to attack the Iraqi forces, Cheney told Bush that it was unnecessary and too risky to seek a vote in Congress.

"I was not enthusiastic about going to Congress for an additional grant of authority," Cheney recalled in a 1996 PBS "Frontline" documentary. "I was concerned that they might well vote 'no' and that would make life more difficult for us."

But Bush rejected Cheney's advice and asked Congress for a vote in support of the war. The resolution passed -- barely. Had Congress voted no, Cheney later said, he would have urged Bush to launch the Gulf War regardless.

"From a constitutional standpoint, we had all the authority we needed," Cheney said in the 1996 documentary. "If we'd lost the vote in Congress, I would certainly have recommended to the president that we go forward anyway."

As the Gulf War proceeded, Cheney fought with Congress on other fronts. After civilian Pentagon lawyers clashed with military attorneys over the handling of any bodies contaminated by biological weapons, Cheney asked Congress to change the law to place all military attorneys under the control of civilian political appointees. Congress rejected Cheney's proposal. But in March 1992, Cheney's deputy issued an administrative order defying the expressed will of Congress.

At the same time, Cheney was thwarting Congress by refusing to issue contracts for the V-22 Osprey, a plane that was plagued with technical problems. Cheney opposed the V-22 program, but Congress appropriated funds for it.

By refusing to issue contracts, Cheney revived a Nixon-era tactic of "impounding" funds -- refusing to spend money for programs that he didn't like. Congress had passed a law in 1974 to ban impoundment. Cheney, who later said he believes the anti-impoundment law unconstitutionally infringes on executive power, ignored it.

But Congress forced Cheney to back down in July 1992, when his top assistant, David Addington, was nominated to be the Pentagon's general counsel and came before a Senate confirmation hearing.

"How many ways are there around evading the will of Congress? How many different legal theories do you have?" Senator Carl Levin, Democrat of Michigan, thundered at Cheney's aide.

"I do not have any, senator," said Addington. He was confirmed only after promising that the Pentagon would restore the military lawyers' independence and issue V-22 contracts as quickly as possible.

Cheney left government after Bill Clinton was elected president in 1992, but he returned as a deeply influential vice president eight years later. His aide Addington became a dominant member of the administration's legal team, and together, Cheney and Addington made the assertion of sweeping executive powers a hallmark of George W. Bush's presidency.

One of Cheney's first acts as vice president was to convene an energy policy task force, inviting energy company lobbyists to suggest a package of tax breaks and other incentives for their companies.

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When Congress and watchdog groups requested his task force's records, Cheney successfully fought a court battle to keep them secret, arguing that presidents needed greater power to solicit candid advice. The decision gutted the Federal Advisory Committee Act, a 1972 law in which Congress tried to require such policymaking to be subject to public scrutiny.

After the attacks of Sept. 11, 2001, military lawyers objected to the administration's assertion that a president has the power to detain and interrogate terrorism suspects outside the restrictions of the Geneva Conventions. In response, the administration renewed Cheney's attempt to put military lawyers under the control of civilian appointees.

Citing a need for secrecy, the administration also erected new roadblocks to Freedom of Information Act requests, restricted access to historic presidential records, and threatened to prosecute journalists who published classified information using the 1917 anti-spying law -- the same idea Cheney toyed with in 1975.

In signing statements and legal memos, the administration, with Cheney and Addington as its driving force, has repeatedly used the war on terrorism to advance the idea that the president has vast "inherent" authority to bypass laws enacted by Congress. Even when Congress voted, a week after the 9/11 attacks, to authorize the use of military force against Al Qaeda, the administration quickly seized the moment to lay down its marker.

"[Congress cannot] place any limits on the president's determinations as to any terrorist threat, the amount of military force to be used in response, or the method, timing, and nature of the response," the Justice Department asserted in a September 2001 memo solicited by the White House. "These decisions, under our Constitution, are for the president alone to make."

The following year, the administration drew up secret legal opinions informing military and CIA interrogators that the president has the power to authorize them to violate laws banning torture.

"In order to respect the president's inherent constitutional authority to manage a military campaign against Al Qaeda and its allies, [the anti-torture law] must be construed as not applying to interrogations undertaken pursuant to his commander-in-chief authority," said an August 2002 memo, which was leaked to the media only after the abuse of Iraqi prisoners at Abu Ghraib came to light.

Then, in December 2005, The New York Times revealed that the administration was wiretapping Americans' international phone calls and e-mails without warrants, violating the 1978 surveillance law.

Three days later, Cheney sat down with reporters and laid out his belief "in a strong, robust executive authority." Bypassing the warrant law, he asserted, was "consistent with the constitutional authority of the president."

Cheney also indicated that he hopes to establish further precedents for the expansion of presidential authority. Listing other statutory constraints on presidential power, he said they "will be tested at some point." When Cheney was asked whether he believed that the pendulum of executive power had swung back far enough in the direction he desired, or whether it needed to swing back further, he demurred.

"I do think that to some extent now, we've been able to restore the legitimate authority of the presidency," he replied.

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As Power Shifts In New Congress, Pork May Linger (NYT)

By David D. Kirkpatrick

The New York Times, November 26, 2006

WASHINGTON, Nov. 24 — Senators Ted Stevens of Alaska and Daniel K. Inouye of Hawaii are the best of friends in the Senate, so close they call each other brother. Both are decorated veterans of World War II. They have worked together for nearly four decades as senators from the two youngest and farthest-flung states. And they share an almost unrivaled appetite for what some call political pork.

Mr. Stevens, an 83-year-old Republican, and Mr. Inouye, an 82-year-old Democrat, routinely deliver to their states more money per capita in earmarks — the pet projects lawmakers insert into major spending bills — than any other state gets. This year, Alaska received $1.05 billion in earmarks, or $1,677.27 per resident, while Hawaii got $903.9 million, or $746.05 per resident, according to Taxpayers for Common Sense, a nonpartisan group that tracks such figures.

Representative Nancy Pelosi, the Democratic leader, and many Democratic candidates have railed for months against wasteful “special interest earmarks” inserted into bills “in the dark of night.” Now their party’s electoral victories mean that Mr.

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Stevens will hand Mr. Inouye the gavel of the Senate defense appropriations subcommittee, which presides over the largest pool of discretionary spending and earmarks. But if the Democratic leaders are talking about "earmark reform," that may be news to Mr. Inouye.

"I don't see any monumental changes," Mr. Inouye said in a recent interview. He plans to continue his subcommittee's approach to earmarks, he said. "If something is wrong we should clean house," he said, "but if they can explain it and justify it, I will look at it."

Meet the new cardinals, as the chairmen of the House and Senate appropriations subcommittees are known on Capitol Hill. Many have a lot in common with the Republicans they will succeed.

All have worked for years to climb to their posts, where the authority to grant earmarks puts them among the most powerful lawmakers in Congress. Like Mr. Inouye and Mr. Stevens, many have developed unusual bipartisan camaraderie while divvying up projects. By longstanding, informal agreement, the majority typically doles out about 60 percent of the money for earmarks and lets the minority pass out the rest. And they form a united front against limitations on the earmark process.

"What is good for the goose is good for the gander," Senator Patty Murray, the Washington Democrat who is set to become chairwoman of the transportation subcommittee, said last fall in a speech defending an Alaska Republican's allocation of more than $200 million in federal money for a bridge to remote Gravina, Alaska, with a population of 50. It became notorious as the "Bridge to Nowhere."

"I tell my colleagues, if we start cutting funding for individual projects, your project may be next," Ms. Murray warned. To anyone who might vote against the bridge, Ms. Murray threatened that her subcommittee would be "taking a long, serious look at their projects." Every Democrat on the Appropriations Committee voted against an amendment to strike the bridge, and after threats from Ms. Murray and Mr. Stevens, only 15 senators voted for the amendment. The bridge's future is unclear.

Earmarks became associated with corruption in Congress because of their role in bribery scandals involving the lobbyist Jack Abramoff and former Representative Randy Cunningham of California. But the number and cost of such projects has soared for years. The Congressional Research Service found that over the last 12 years, the number of earmarks had tripled to 16,000, worth $64 billion a year. Critics argue that the system fosters waste and cronyism by allowing individual lawmakers to direct federal money to pet projects with little vetting or oversight, often anonymously.

Democratic Congressional leaders have pledged to end the anonymity by requiring disclosure of the lawmakers who sponsor earmarks, and some have proposed ending the practice of "airdropping" items into a bill just before final passage. But the appropriators and their allies often complain that such measures single them out unfairly, and Democratic draft proposals introduced this year left loopholes for many projects.

Some critics argue that the Democrats' proposal to disclose authorship may not do much to curb earmarks. "Transparency would be enough if we had any shame, if you were embarrassed to get an earmark for the National Wild Turkey Federation," said Representative Jeff Flake, Republican of Arizona, referring to a $234,000 earmark in a recent agricultural bill. "But Republicans and Democrats have shown that is no longer any embarrassment." Mr. Flake recently recommended to Ms. Pelosi a rule change that would make it easier to strip members' projects out of spending bills, but no one expects either party to take that up anytime soon.

Like their Republican counterparts, many Democratic appropriators consider earmarks a venerable tradition dating to the Constitution, which gives Congress the power of the purse. They argue that lawmakers know their constituents' needs better than bureaucrats do.

"I happen to be a supporter of earmarks, unabashedly," said Senator Tom Harkin of Iowa, the Democrat set to become chairman of the appropriations subcommittee for labor, health and human services. "But I don't call them earmarks. It is 'Congressional directed funding.' "

Fourteen years ago, Mr. Harkin recalled, he started the practice of directing millions of dollars in defense spending each year toward breast cancer research. "Now, was that bad?" Mr. Harkin asked. "If you left it to the Defense Department, they never would have done it."

Many of the new Democratic chairmen are among the most experienced purveyors of political bacon. The next chairman of the full Senate Appropriations Committee is Senator Robert C. Byrd, 89, the West Virginia Democrat who may be the foremost

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master of the art. Dozens of West Virginia bridges, roads and public buildings bear his name. Among his recent appropriations feats was putting the Coast Guard's Operations System Center, its National Vessel Movement Center and, next summer, its National Maritime Center in his landlocked state, according to Taxpayers for Common Sense.

The elevation of Mr. Inouye, who will oversee $400 billion a year in military spending, is good news for the Hawaiian health care system. He has directed billions in military money to such services, including a $22-million earmark for the Hawaiian Federal Health Care Network in the fiscal 2006 defense bill. And his rise may spell bad news for the brown tree snake, a nonnative predator that stalks birds. Mr. Inouye has directed several million dollars a year in spending bills to eradicate the snake from the islands, including $1.7 million in military spending in 2006.

Representative David R. Obey, the Wisconsin Democrat set to become chairman of the full House Appropriations Committee as well as the subcommittee for labor, health and human services, boasts on his Web site of securing for his district a $300,000 grant to a single dairy in Arpin, $6 million in military money to develop an airless tire in Medford and $8 million to research plastic food containers for the military in Rhinelander.

Like many members of Congress, Mr. Obey and his Republican predecessor heading the full committee, Representative Jerry Lewis of California, have relatives in government relations. Mr. Lewis's brother John works for Loma Linda University, a Seventh-day Adventist school in Representative Lewis's district that tops lists of education earmarks, thanks to his influence. A spokesman for Mr. Lewis said his brother did not lobby the federal government.

Mr. Obey's son Craig earns about $117,000 a year as vice president for government affairs at the nonprofit National Parks Conservation Association, according to its tax filings. In an interview, Mr. Obey said he had been a "zealot" about expanding the national parks since before his son was born and that, unlike some Congressional relatives, his son worked for "a public interest organization."

For his part, Mr. Obey said he had previously proposed a rule requiring lawmakers to certify that they had no financial interest in their earmarks requests. "My problem with earmarks is that it has gotten incredibly out of hand" under the Republicans, he said. With such an explosion, "it is damn near impossible to track them and protect the body."

Representative John P. Murtha, Democrat of Pennsylvania, who is set to take back the gavel of the defense subcommittee, has used his authority over military spending to turn the impoverished former steel town of Johnstown, Pa., into a national hub of military contracting. Mr. Murtha recently said in a news release that he had played a role in "creating at least 7,000 defense jobs in and around the 12th District."

Although Mr. Murtha recently lost a bid to become the second in command for House Democrats, the Democratic takeover will still increase his considerable clout. In addition to delivering projects to his district, he has granted military earmarks to other lawmakers to build a singular power base within the House, and, with the Democratic takeover, three of his close allies will become cardinals as well.

One is Representative Alan B. Mollohan of West Virginia, who resigned as the top Democrat on the ethics committee amid questions about his earmarks to nonprofits he founded and to a real-estate partner. Mr. Mollohan is expected to become chairman of the Science, State, Justice and Commerce Committee. So far, Democratic leaders have given no indication that they might block his ascent at the subcommittee. Another is Representative Peter J. Visclosky of Indiana, who is poised to become chairman of the Energy and Water Committee. The third, Representative Norm Dicks of Washington, a member of the defense panel, is set to be chairman of the Interior and Environment subcommittee.

Several Democratic appropriators, though, sought to tamp down expectations about how much they could spend. Senator Byron L. Dorgan, the North Dakota Democrat who is expected to become chairman of the energy and water subcommittee, said Democrats were limited by the deficit, the cost of the war in Iraq and their party's pledges of fiscal restraint. "This is going to be a very rough time," Mr. Dorgan said.

Still, he said, he hoped to expand spending on renewable energy sources and, as the senator from a semi-arid state, on water projects.

Ms. Murray, the Washington Democrat, said her party would take a less political approach to earmarks than the Republicans did. She said Republicans had bribed lawmakers with earmarks to persuade them to vote for barebones domestic spending bills. "They stuffed them with earmarks to buy votes," she said. "We are not going to do that."

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Still, in an interview with The Honolulu Advertiser the day after the election, Mr. Inouye said he and Mr. Stevens did not plan to rock the boat. “I had a chat with Senator Stevens before the election,” Mr. Inouye said. “We pledged to each other that no matter what happens, we will continue with our tested system of bipartisanship, and we’ve been doing this for the past 25 years, and it’s worked.”

Democratic "Old Bulls" To Take Charge (LAT)

By Maura Reynolds

The Los Angeles Times, November 26, 2006

WASHINGTON — When Rep. John D. Dingell was new to Congress, Buddy Holly ruled the charts, Rosa Parks refused to budge from her seat on a segregated bus and Dwight D. Eisenhower occupied the White House.

And on Capitol Hill, congressional committee chairmen ruled like feudal lords over federal policy, pursuing pet causes and waging vendettas with near impunity.

In time, Dingell became one of the most fearsome.

Now Dingell, the longest-serving member of the House, and other veteran Democrats are poised to take charge of the most powerful committees when Congress convenes in January.

In the four decades that Democrats were the dominant party, chairmen's foibles, however egregious, did not threaten the party's grip on power. But with narrower margins of control and an electorate willing to switch allegiances, there is no such assumption these days.

The question now is whether the "old bulls" like Dingell know it, and if they know it, whether they can adjust.

"This majority is not the kind of majority that we used to have, and it remains to be seen whether they understand that," said one senior Democratic staffer, who spoke on condition of anonymity because of the sensitivity of the issue.

Building an empire

For 14 years, Dingell, a Michigan Democrat, presided over the Energy and Commerce Committee. Under his forceful and often uncompromising leadership, the panel expanded into an empire that famously claimed jurisdiction over "everything that moves, burns or is sold" in the United States.

It was in part because of the reputation of longtime chairmen like Dingell that former Speaker Newt Gingrich, who led the Republican insurgency that took control of Congress in 1995, imposed term limits for committee chairs, restricting them to three consecutive two-year terms.

But the Democrats have kept the tradition of assigning committee chairmanships by seniority. And that will elevate some of the most veteran — and oldest — members of Congress to committee leadership posts.

All but one of the new Senate chairmen are at least 60, and three are in their 80s. Three also have served for more than four decades.

The oldest is Sen. Robert C. Byrd (D-W.Va.), who is 89 and is about to retake the helm of the Senate Appropriations Committee. He sometimes tires, aides say, but he still has full command of his senses and the respect of his peers.

It is in the House, however, where the phenomenon has attracted more attention. That's partly because Democrats have been shut out of power for 12 years, while their Senate colleagues have been in the minority for just four. And it's partly because of the irascible personalities of some of the incoming chairmen, known collectively as the "old bulls."

The three best-known are Dingell, Rep. John Conyers Jr. from a neighboring district in Michigan, and Rep. Charles B. Rangel of New York. They are 80, 77, and 76 years old, respectively.

No green bananas

About two-thirds of the incoming House chairmen are older than 60.

"I don't buy green bananas," Rangel quipped recently, referring to his age.

Conyers, who served on the panels that considered the impeachment of Presidents Nixon and Clinton and who has mused about the possibility of impeaching the current president, is expected to take the helm of the Judiciary Committee.

Rangel, one of the most outspoken members of Congress, is set to lead the Ways and Means Committee, which sets tax policy.

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On Capitol Hill, staffers trade stories about the old bulls and their infirmities, shaking their heads over Dingell's hearing problems or Conyers' "senior moments." But the same staffers insist that the incoming chairmen are not only capable of taking the reins, but of handling them better than anyone else.

"There is a lot to the concept of seniority," said Jeremy Mayer, who studies Congress at George Mason University in Virginia.

"Should the people who have been in Congress the longest have the most power? The simple answer is yes, because they have more experience and they can't be steamrolled by the administration. Dingell, for instance, knows all the intricacies of the funding of at least seven federal agencies."

Another argument in favor of seniority is that it limits intraparty fighting.

The party leadership elections this month illustrated how divisive competition for leadership posts can be. A rigid, impersonal system for naming chairmen is one way to keep the peace.

"Seniority has always been a way to prevent bloodshed," Mayer said.

The downside is that it can foster autocratic behavior. In the past, Democratic leaders found the chairmen hard to control, in part because their positions did not depend on the party, and the chairmen tended to outlast the leadership.

Steven Smith, a social sciences professor who studies government and political parties at Washington University in St. Louis, says political parties have evolved since then.

"Before the 1980s, committee chairs pretty much went their own way. But since the 1980s, chairs are expected to look out for the party's overall interest," he said. "There will be some tension between committee chairs and party leaders on this."

One potential point of tension is that many of today's old bulls are old-fashioned liberals. Dingell introduces a proposal for nationalized healthcare in every session of Congress. Conyers has used his staff to pursue favorite concerns of left-wing bloggers, such as voting irregularities in the 2004 elections.

By contrast, the freshman class of Democrats includes a number of centrist or conservative Democrats, many of them uncomfortable with liberal positions on such issues as abortion, gun control and same-sex marriage.

Democratic leaders have already set their sights on 2008, with the goal of regaining the White House and expanding their margin of control in Congress.

"Democrats know that they won this election by appealing to the middle of the spectrum," Smith said. "And they know that the first rule is to do no harm, to not alienate the folks who gave them the election."

Doing that will require the incoming House Speaker, Nancy Pelosi (D-San Francisco), herself a traditional liberal, to keep her chairmen focused on issues that promote the party's broader agenda, not necessarily their own favorite issues.

"For some, it will take a little relearning," said Smith. "They will have to make a choice: Do they want to start making a record for themselves and their party going into 2008? And what kind of record do they want it to be — a record of legislation, or a record of position-taking and rhetoric?"

Toeing the line

So far, the old bulls have stayed on message — mostly.

Conyers has stopped talking about impeaching President Bush.

Dingell has lauded the benefits of bipartisanship while promising tougher oversight of the administration.

And Rangel has remained coy about the fate of the tax cuts passed by Republicans in recent years, though he caused some heartburn when he brought up his desire to bring back the draft.

Democratic insiders say the old bulls won't overreach. They say they know better than most what it's like to gain and then lose a majority. And they haven't been in a deep freeze for the last 12 years; rather, they've been strategizing with their colleagues about how to return to power.

Steve Elmendorf, who served as senior advisor to former Rep. Richard Gephardt, who led the Democrats in both the majority and the minority, says there are two big reasons why no one in the party even whispers about challenging the old bulls, no matter how old or intemperate.

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"One, a lot of these chairman worked hard to help win. And when you win, the people who helped are going to move up," Elmendorf said. "Two, they have a tremendous amount of institutional knowledge. They served in the majority, and they can hit the ground running."

Success Of Drug Plan Challenges Democrats (WP)

By Lori Montgomery, Christopher Lee

The Washington Post, November 26, 2006

It sounded simple enough on the campaign trail: Free the government to negotiate lower drug prices and use the savings to plug a big gap in Medicare's new prescription-drug benefit. But as Democrats prepare to take control of Congress, they are struggling to keep that promise without wrecking a program that has proven cheaper and more popular than anyone imagined.

House Democrats have vowed to act quickly after taking power in January to lift a ban on Medicare negotiations with drugmakers, which they hope will save as much as $190 billion over a decade. But House leaders have yet to settle on a strategy and acknowledge that negotiation is, in any case, unlikely to generate sufficient savings to fill the "doughnut hole," the much-criticized gap in coverage that forces millions of seniors to pay 100 percent of drug costs for a few weeks or months each year.

Drug-company lobbyists, Bush administration officials and many congressional Republicans are preparing to block any effort to increase federal control over drug prices, saying the Medicare benefit is working well. They contend that instead of saving money, government negotiations could raise drug prices for all consumers while limiting choices for people on Medicare.

"This is going to be much more of a morass than people think," said Marilyn Moon, director of the health program at the American Institutes for Research and a former trustee of the Social Security and Medicare trust funds. Negotiating drug prices is "a feel-good kind of answer, but it's not one that is easy to imagine how you put into practice."

The Medicare drug benefit, one of the Bush administration's signature domestic programs, was created in 2003 and took effect in January. It has enrolled 22.5 million seniors, some of whom had no previous drug coverage.

Polls indicate that more than 80 percent of enrollees are satisfied, even though nearly half chose plans with no coverage in the doughnut hole, a gap that opens when a senior's drug costs reach $2,250 and closes when out-of-pocket expenses reach $3,600. By the latest estimates, 3 million to 4 million seniors will hit the doughnut hole this year and pay full price for drugs while also paying drug-plan premiums.

The cost of the program has been lower than expected, about $26 billion in 2006, according to the nonpartisan Congressional Budget Office. The cost was projected to rise to $45 billion next year, but Medicare has received new bids indicating that its average per-person subsidy could drop by 15 percent in 2007, to $79.90 a month.

Urban Institute President Robert D. Reischauer, a former director of the Congressional Budget Office, called that a remarkable record for a new federal program.

Initially, he said, people were worried no private plans would participate. "Then too many plans came forward," Reischauer said. "Then people said it's going to cost a fortune. And the price came in lower than anybody thought. Then people like me said they're low-balling the prices the first year and they'll jack up the rates down the line. And, lo and behold, the prices fell again. And the reaction was, 'We've got to have the government negotiate lower prices.' At some point you have to ask: What are we looking for here?"

Republicans contend that Democrats were looking for a campaign issue.

In the Nov. 7 elections, public anger over the doughnut hole helped many Democratic candidates, who pointed to the ban on government negotiations and accused Republicans of selling out to the pharmaceutical industry.

Republicans, by and large, did a poor job of defending the program, said Thomas A. Scully, a Republican and the former head of the federal unit that runs Medicare. He played a key role in creating the drug benefit.

"Black voters, poor voters -- people who generally vote Democratic -- they got the biggest benefit in 40 years and nobody told them that," Scully said.

According to those involved in the 2003 negotiations, even some Democratic bills to create a Medicare drug benefit included a ban on direct government negotiations. The reason: Seniors purchase half of all prescription drugs. The drug industry argued that a government program representing seniors would not negotiate prices, it would set them.

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If government price controls were effective, the theory goes, they could significantly lower drug-company profits and discourage medical innovation. If price controls were not effective, they could drive prices higher. If companies were required to sell to Medicare at 15 percent off the average wholesale price, for example, they might just raise the wholesale price.

"At the extreme, if everybody gets a discount, then nobody does," said Mark B. McClellan, who took over from Scully in running Medicare and recently left the job.

Proponents say the program, as it now operates, avoids that problem by relying on dozens of private insurers, which bid to offer coverage to Medicare recipients. Some offer low premiums and lots of generic drugs, while others have high premiums but offer brand-name drugs and full doughnut-hole coverage. Medicare averages the bids and sets a per-person subsidy. Pressure falls on the insurers to negotiate the best drug prices.

Consumer advocates contend that if Medicare were permitted to negotiate prices, its purchasing power would produce drug discounts similar to those obtained by the Veterans Affairs Department, which covers 4.4 million people. As it is, Medicare prices are significantly higher than VA prices, according to Families USA, a nonprofit association of health-care consumers that analyzed 20 drugs commonly prescribed to seniors.

Even Medicaid, the federal health program for the poor, appears to employ better negotiators than the private Medicare plans. On Jan. 1, 6 million elderly and disabled people were switched from Medicaid pharmacy plans to the new Medicare program. Overnight, many drugmakers began selling the same drugs at higher prices. Pfizer, for example, reported saving $325 million in Medicaid discounts during the first six months of this year "due primarily to the impact of" the Medicare drug benefit, according to a company report to the Securities and Exchange Commission.

"At some point, someone has to stand up to these industries that are doing so well in this program," said Robert M. Hayes, president of the Medicare Rights Center, a New York advocacy group. "It only makes sense that if the industries do less well, the taxpayers and the consumers will do better."

Medicare officials say it's not fair to compare their prices with those of Medicaid and Veterans Affairs, which do not reflect certain overhead costs in their drug prices and offer a limited number of drugs. Limiting choice would be unacceptable to many Medicare beneficiaries, said Sen. Charles E. Grassley (R-Iowa), outgoing chairman of the Senate Finance Committee. "I don't think seniors want the government in their medicine cabinets," he said.

For now, it is not clear how aggressively Democrats are willing to push price negotiation. Ideas range from simply repealing the ban on negotiations -- which would accomplish little if the Bush administration refuses to negotiate -- to creating a separate, government-run Medicare drug program with strong negotiating power.

Rep. Fortney "Pete" Stark (D-Calif.), who is in line to become chairman of a key health subcommittee, said he prefers a middle path, with Medicare setting ceilings from which private insurers could negotiate downward.

But Sen. Max Baucus (D-Mont.), the incoming Senate Finance chairman, is cool to the idea of government negotiation, and has committed only to holding hearings to "determine what the result would be of eliminating" the no-negotiation clause.

W.J. "Billy" Tauzin, president of the Pharmaceutical Research and Manufacturers of America, said the drug lobby will "aggressively defend" the current plan. But John C. Rother, policy director for AARP, the powerful lobby for elderly Americans, said he has no doubt that the next Congress will give government some role in negotiating Medicare drug prices.

"This is an idea that's favored by 90 percent of the American public," Rother said. "It's not like you have to convince the American public that this is a good idea."

On Drug Prices, Are Democrats In A Fix? (LAT)

By Ricardo Alonso-zaldivar, Times Staff Writer

The Los Angeles Times, November 26, 2006

WASHINGTON — With millions of seniors facing premium hikes for their Medicare prescription plans, Democrats say they have a solution: Use the government's massive buying power to bargain for rock-bottom drug prices. The Department of Veterans Affairs does it for 5 million patients, they point out, so why not Medicare with its 43 million?

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Medicare already sets rates for hospitals, doctors and medical equipment such as power wheelchairs — as well as drugs administered in doctors' offices. It was only the Republicans' ideological commitment to the private sector that led them to bar the government from negotiating discounts with drug companies, Democrats contend.

But the VA model may not be readily adaptable to Medicare, some independent experts say. And policy differences among Democrats, along with the Bush administration's opposition to government price-setting, may further complicate the task of reaching a goal that Democrats have set for themselves when they take over Congress in January.

In addition, newly announced discounts by drug companies could have an impact on the Democrats' effort before it gets started. At least one major manufacturer is offering help to seniors who have trouble paying for their drugs.

"From a rhetorical perspective, Democrats may feel like they gain a lot with this issue, but there are many substantive hurdles that the government faces in trying to negotiate prices," said Dan Mendelson, president of Avalere Health, a consulting firm that tracks the Medicare prescription program.

"If you look historically at the government's experience in trying to regulate prices, it's poor."

VA's lower prices

Although costs for the Medicare drug program are lower than the government originally projected, there is evidence that prices could be lower still. A recent Consumers Union study of the prices charged in South Florida for six widely used drugs found that the Veterans Administration's average prices were 54% lower than Medicare's.

"Medicare is overwhelmingly the largest purchaser, and it's ridiculous for Medicare not to get the best deal of all institutional purchasers," said Ron Pollack, executive director of the advocacy group Families USA. The VA's experience shows what the potential could be, he added.

Yet applying the VA approach to Medicare may prove difficult. For one thing, Medicare is much larger and more diverse.

VA officials can negotiate major price discounts because they restrict the number of drugs on their coverage list. Instead of seven or eight drugs for a given medical problem, the VA list may contain three or four. If a drug company fails to offer a hefty discount, its product may not make the cut.

For example, VA beneficiaries can get Zocor for high cholesterol, but not Lipitor. In all, the VA covers about 1,300 medications. By comparison, the most popular Medicare plan — AARP MedicareRx — covers about 4,300.

But VA patients who want drugs that are not on the department's list must go outside the system.

In other words, the VA offers lower drug prices, but fewer choices.

American consumers have repeatedly resisted efforts to save money on medical care by restricting choice. Health maintenance organizations, for example, were once seen as the answer to rising healthcare costs, but millions of people rejected the approach, saying they wanted the freedom to choose their doctors.

One prominent advocate of government-negotiated prices has had a change of heart. Tommy G. Thompson, President Bush's first Health and Human Services secretary, once expressed regret that he hadn't been given the power to bargain.

But in a recent interview he said: "This plan is working much better than ever anticipated. When you've got a law that is working well in the federal government, why change it?"

If Medicare had the legal authority to negotiate prices, some experts predict it would do well in categories of drugs where there are lots of choices, such as blood pressure pills. But for new or cutting-edge drugs, a manufacturer could have the upper hand. A company could launch a television ad blitz to pressure Congress into raising Medicare prices.

"For categories of drugs that are not competitive, my guess is the manufacturer would not cave in on prices," said economist John E. Calfee of the business-oriented American Enterprise Institute. "Those are the drugs that have defied price controls."

Other experts say it wouldn't be that easy to push Medicare around.

"The VA had to resort to a preferred drug list, but I don't think that Medicare would have to restrict its list very much because it is such a huge purchaser," said Dr. David Blumenthal, a professor of medicine and public health at Harvard University. "Medicare's power in the marketplace is such that I think every manufacturer would have to take its prices."

Two possible paths

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House Democrats have promised action in the first 100 hours of the new Congress to give Medicare bargaining power. One poll showed that 77% of Americans supported the idea.

When the GOP-controlled Congress created the Medicare prescription plan in 2003, it expressly barred the government from negotiating prices on the theory that private insurance plans — which were assigned the job of delivering the benefit — could do a better job of getting discounts.

Critics called it a giveaway to the pharmaceutical industry.

"In the current program, there are no protections for beneficiaries that aren't exceeded ten times over by benefits to the pharmaceutical industry," said Rep. Pete Stark (D-Fremont), who is expected to lead the House subcommittee that oversees Medicare.

Democrats haven't spelled out a specific proposal, and Stark said there were at least two possibilities.

One would repeal the prohibition on negotiating and order Medicare to set a top price for each drug available under the program. Private insurers would still be free to bargain for even lower prices.

Such an approach would be similar to how Canada and European countries control prescription drug prices. Canadian prices are 30% to 60% lower than in the U.S. Some critics say Canadian price controls mean that patients there are not always able to get the latest medications.

The other possibility is to set up a Medicare-run plan to compete against the private plans. That is, Medicare would set up a plan using drug prices it negotiated with manufacturers. The plan, available nationwide, would compete with the privately operated plans — encouraging private plans to bargain harder for lower prices.

The two approaches aren't mutually exclusive, Stark said.

The proposal to let the government bargain with manufacturers could face additional hurdles in the Senate, where a prominent Democrat is among the leading skeptics.

As chairman of the finance committee, Sen. Max Baucus of Montana will have jurisdiction over Medicare. This year he was one of only two Democrats to vote against allowing Medicare to negotiate drug prices.

A spokeswoman said Baucus planned to hold hearings next year but had not made up his mind on the issue.

The drug industry hopes that even if it loses the first high-profile battle in the House, it can still win the legislative war.

"We fully expect that Speaker-elect Nancy Pelosi will deliver on her political promise, but after that we are equally confident that we will have an opportunity to educate both the members of Congress and beneficiaries across America about the benefits of the current program," said Ken Johnson, senior vice president of communications at the Pharmaceutical Research and Manufacturers of America.

Corporate outreach

Reaching out to seniors in the Medicare prescription plan, one major drug company has launched a discount program that softens one of the most worrisome gaps in the current benefit, known as the doughnut hole. Under that provision — created to save money for the government — seniors must pay the full cost after their annual drug spending exceeds $2,250; coverage kicks in again once the total exceeds $5,100.

To help seniors caught in the doughnut hole, AstraZeneca has created a program called AZ Medicine & Me.

It makes brand-name medications such as the widely used breast cancer drug Arimidex available to qualifying seniors at $25 or less for a 30-day supply. Arimidex could cost ten times that at regular prices.

The plan was announced two days after the election.

The timing was purely coincidental, said AstraZeneca spokeswoman Abigail Baron. The company's plan had been in the works for months and was announced as soon as it received government approval, she explained.

Said Johnson: "I think you are going to see more and more of our companies trying to assist seniors who hit the doughnut hole."

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Here Come The Economic Populists (NYT)

By Louis Uchitelle

The New York Times, November 26, 2006

FOR years, the Clinton wing of the Democratic Party, exercising a lock on the party's economic policies, argued that the economy could achieve sustained growth only if markets were allowed to operate unfettered and globally.

Overcoming protests from labor unions, a traditional constituency, the Clinton administration vigorously supported free trade agreements like Nafta and agreed to China's admission into the World Trade Organization. If there was damage to workers, then the Clinton camp proposed dealing with it after it occurred — through wage insurance, for example, or worker retraining and other safety-net measures.

This approach coincided with a period of economic prosperity, low unemployment and falling deficits. Over time, this combination — called Rubinomics after the Clinton administration's Treasury secretary, Robert E. Rubin — became the Democratic establishment's accepted model for the future.

Not anymore. With the Democrats now a majority in Congress, and disquiet over globalization growing, a party faction that has been powerless — the economic populists — is emerging and strongly promoting an alternative to Rubinomics.

The populists argue that the national income has flowed disproportionately into corporate coffers and the nation's wealthiest households, and that the imbalance has grown worse in recent years. They want to rethink America's role in the global economy. They would intervene in markets and regulate them much more than the Rubinites would. For a start, they would declare a moratorium on new trade agreements until clauses were included that would, for example, restrict layoffs and protect incomes.

"We are at a point where the Reagan era might finally be over, including the eight years of Bill Clinton," said Jeff Faux, a fellow at the Economic Policy Institute, a labor-oriented research group partly financed by the A.F.L.-C.I.O. "The historic juncture here is whether the Democrats can come up with policies that get to the level of the problem."

The split is not over the damage from globalization. Mr. Rubin and his followers increasingly say that globalization has not brought job security or rising incomes to millions of Americans. The "share of the pie may even be shrinking" for vast segments of the middle class, Mr. Rubin's successor as Treasury secretary under President Clinton, Lawrence H. Summers, recently wrote in an op-ed in The Financial Times. And the populists certainly agree.

But the Rubin camp argues that regulating trade, or imposing other market restrictions, would be self-defeating.

"You pay a steep economic cost when you adopt market interventions," said Peter R. Orszag, a senior fellow at the Brookings Institution and a leader of the Rubin group. He argued, for example, that restrictions on layoffs "would impede the ability of markets to reallocate labor efficiently."

As a result, the Rubinites contend, there would be slower economic growth and less national income to distribute — equally or unequally. It was an argument that President Clinton embraced 15 years ago in pushing Congress to approve the North American Free Trade Agreement. For workers who were damaged by free trade, the administration offered a safety net, not immunity from damage.

The economic populists argue that the trade agreements themselves are the problem. They cite several studies showing that more jobs shifted to Mexico as a result of Nafta than were created in the United States to serve the Mexican market.

"I don't see Congress passing any bilateral trade agreement that does not have strong labor and environmental standards written into it," Representative Sherrod Brown of Ohio, a Democrat just elected to the Senate, said in an interview last week.

Economic populists in and out of Congress are organizing to push their proposals, coalescing around the Economic Policy Institute. The A.F.L.-C.I.O. is a very visible member of this coalition. Unions have gained political influence because of their get-out-the vote role in battleground states like Ohio, where Democrats made substantial gains in the midterm election.

"We feel we have a stronger voice now in the deliberations of the Democratic Party," said Ronald Blackwell, the A.F.L.-C.I.O.'s chief economist.

Just as the populists have organized, tentatively calling their group Shared Prosperity, so has the Democratic establishment. Its counterpart is "the Hamilton Project," formed last spring to elaborate policies in anticipation of a Democratic Congress and, in 2008, a Democratic victor in the presidential election. Mr. Orszag, who was a senior economist in the Clinton administration, directs the project. The financing comes from wealthy Democrats, among them Mr. Rubin.

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As the two groups face off, Lawrence Mishel, president of the Economic Policy Institute, contends that the populists are pushing much harder than the Rubinites for government-subsidized universal health care. They also favor expanding Social Security to offset the decline in pension coverage in the private sector.

Apart from such differences, there are nevertheless crucial issues on which the groups agree. Both would sponsor legislation that reduced college tuition, mainly through tax credits or lower interest rates on student loans. Both would expand the earned-income tax credit to subsidize the working poor. Both would have the government negotiate lower drug prices for Medicare's prescription drug plan. And despite their relentless criticisms of President Bush's tax cuts, neither the populists nor the Rubinite regulars would try to roll them back now, risking a veto that the Democrats lack the votes to override.

"Any solution that you put up is going to get knocked down before you put it up," Mr. Rubin said in an interview last week, referring mainly to taxes.

Noting the Democrats' slim majority in Congress, he added, "I think you need a process that involves the president of the United States, the leaders of both parties and the leaders of both houses."

The threat of a Bush veto affects another piece of the Democratic agenda — an increase in the minimum wage. Both Democratic factions support a bill, to be introduced in January, that would raise the minimum wage to $7.25 an hour from the current $5.15. The increase would come in three steps, spread over more than two years, with the final $7.25 not reached until spring 2009 at the earliest.

That is the same $7.25 that would be effective today if Congress had given its approval when Senator Edward M. Kennedy of Massachusetts first proposed the increase in 2004. Yet Mr. Kennedy is the chief sponsor of the new attempt to raise the minimum, his strategy being that the $7.25, stretched out to 2009, is mild enough to be acceptable to Mr. Bush and many Republicans.

"After we successfully pass this increase," Mr. Kennedy said last week, "I plan to introduce a new proposal right away that will ensure that minimum-wage workers never again fall so far behind in our economy."

The minimum wage debate illustrates that in the end, economic policy might be determined less by partisan goals than by the constraints of pragmatic politics.

Representative Maurice D. Hinchey, a Democrat whose New York district includes Kingston and other economically struggling cities, asserts that the federal minimum should be $10 an hour now. Going that high right away is unrealistic, he acknowledged, but in the Congressional debate over the Kennedy proposal, Mr. Hinchey will push to have the $7.25 effective no later than the spring 2008, not 2009.

"If I went out on the street in Kingston," Mr. Hinchey said, "and said to people that the minimum wage is not going up to $7.25 until 2009, they would say to me, 'That is all the Democrats are going to do? Why did I vote for you?' "

OTHER NEWS:

State Chiefs Credit Dean For Victory (WT)

By Donald Lambro

The Washington Times, November 26, 2006

Democratic state chairmen, decrying postelection bickering, say the party's gains were in large part a result of National Chairman Howard Dean's 50-state strategy, which helped make deep inroads into Republican territory.

The state chairmen, describing themselves as angered by infighting among party leaders in the House of Representatives as well as criticism of Mr. Dean by two prominent Democratic campaign consultants, credited the Dean strategy for their victories.

The efforts of Mr. Dean, the former presidential candidate and Vermont governor, put them in a stronger position for the 2008 race for the White House, the chairmen said.

"Those folks who are criticizing him do not understand this is not a two-year strategy, but a 10-year or longer strategy to reclaim voters in the Midwest, West and South," said Lawrence Gates, the Democratic chairman in Kansas.

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Campaign consultants James Carville and Stan Greenberg have contended that Mr. Dean did not provide enough funding to win more seats as the Democrats reclaimed power in Congress.

But Mr. Gates said Mr. Dean's state-partnership program, which placed three to five full-time organizers in each of the 50 states, resulted in "a tremendously successful cycle for us in Kansas."

In the heavily Republican state, Democrats kept a hold on the governor's office, denied Republican Rep. Jim Ryun's bid for a sixth term and made gains in the Republican-dominated state legislature.

New Mexico's Democratic chairman, John Wertheim, said additional organizers and funds provided by Mr. Dean increased party turnout and helped Democrats make "huge gains in the state legislature and win control of all but one constitutional office in the state."

Mr. Gates, Mr. Wertheim and other chairmen said there was unanimous support in their ranks for the Dean plan.

"Carville and the other Washington insiders don't know what they're talking about," one chairman said.

In an analysis of the elections last week, Mr. Carville attacked Mr. Dean for not taking fuller advantage of the anti-Republican wave by pouring more funds into voter-turnout efforts in 14 House contests where Republicans held on to their seats by one percentage point or less.

Charging that Mr. Dean "should be held accountable" for those losses, Mr. Carville asked, "Do we want to go into '08 with a C-minus general at the DNC?"

Other Democratic campaign officials have been critical of Mr. Dean's emphasis on his 50-state organizing strategy, including Rep. Rahm Emanuel, who as chairman of the Democratic Congressional Campaign Committee fought with Mr. Dean over funding for House races. He, Mr. Carville and Mr. Greenberg were all White House political advisers to President Clinton.

The internal bickering erupted during a parallel battle within the Democrats' leadership ranks between House Speaker-elect Nancy Pelosi and incoming Majority Leader Steny H. Hoyer of Maryland, who won his post over Mrs. Pelosi's choice, Rep. John P. Murtha of Pennsylvania.

Party chairmen were reluctant to publicly criticize their leadership, but some made it clear they did not think the latest squabbles were good for the party's image as it prepares to take control of Congress in January.

"To fight like this in public is embarrassing for our party," an official said.

"Democrats have been doing this for 35 years. A little success causes us to start bickering again," Mr. Gates said. "The Democrats are a feisty, independent-minded bunch. We'll have our family fights, and then we'll go on together."

But pollster John Zogby said the carping and postelection leadership fights signaled deeper problems for the Democrats and their party's future.

"This election was a rare opportunity for the Democrats. The Republicans were so wounded, you've got to ask why the Democrats did not pick up 50 seats, and we're seeing the answer right now. They couldn't agree on a campaign message, they can't agree on their leadership and they don't seem to be able to agree on anything," Mr. Zogby said.

But even some of Mr. Dean's strongest defenders acknow-ledged they sometimes wondered whether more money for voter turnout might have tipped a close race into the Democrats' win column.

"There were not a shortage of resources in New Mexico," Mr. Wertheim said. But, he added, "I might have tried to put more expenditures in chasing absentee ballots. I probably could have put more money into that if I had asked for it. It might have helped on the margins."

He noted that as things turned out, a Republican incumbent, Rep. Heather A. Wilson, won re-election by a razor-thin 875 votes.

The Hill May Look Steep For Republicans In 2008 (WP)

By Zachary A. Goldfarb

The Washington Post, November 26, 2006

As the 2006 congressional campaign fades from memory, the 2008 Republican campaign to retake the House and Senate will get underway in coming months.

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This year, scandal and a strong anti-GOP tide were fortuitous forces for Democrats, who picked up seats that were squarely in Republican territory. Those seats are likely to be top prospects for Republicans to recapture in 2008.

In contrast, Democratic gains in swing districts in the Midwest and Democratic-leaning districts in the Northeast will be much tougher for Republicans to seize.

Target No. 1 for the GOP may well be Tom DeLay's old district in Texas. Former majority leader DeLay resigned earlier this year amid campaign finance charges, and courts said the GOP could not name a replacement on the ballot.

In a district where President Bush got 65 percent of the vote in 2004 some believed Shelley Sekula-Gibbs, the Republican write-in candidate, could eke out a victory against Democrat Nick Lampson, but Lampson won.

Similarly, Republicans will probably target former representative Mark Foley's district in Florida. His safe seat turned into a tossup after Foley resigned in the page scandal that consumed Washington in the last part of the campaign. There was not enough time for the Republicans to name a replacement candidate on the ballot, according to Florida law, and Democrat Tim Mahoney won against Joe Negron, the Republican stand-in, in a close race.

Other scandal-plagued seats Republicans may target in 2008 include former representative Robert W. Ney's Ohio district and Rep. Don Sherwood's Pennsylvania district. Other heavily Republican seats captured by the Democrats include two in Indiana, one in Kansas and one in North Carolina.

But even if Republicans were to take back these seats, they would have to win about six others to take the House in 2008 -- and those six are not so clear. The Democrats will have roughly a 14-seat advantage in the House.

On the Senate side, the GOP faces more trouble. The Republicans need at least one seat -- and maybe two, depending on who wins the presidential race -- to take back the upper chamber. But while 12 Democrats are up for reelection in 2008, 22 Republicans are.

Only a few Democrats and Republicans, however, are considered vulnerable. Still, Republicans could be buffeted by a string of retirements that would make the field more competitive. As of now, the two most vulnerable Democratic senators appear to be Tim Johnson (S.D.) and Mary Landrieu (La.), while the most vulnerable Republicans are Wayne Allard (Colo.), Norm Coleman (Minn.) and John E. Sununu (N.H.).TV Ads Exceed Coverage

Television viewers in crucial Midwest states got more political information in the weeks leading up to the midterm elections from campaign advertisements than from news coverage, according to a new study.

In the seven markets studied, newscasts aired almost 4 1/2 minutes of paid political ads during a 30-minute broadcast, while only offering 1 minute 43 seconds of election news coverage.

The study was done by the Midwest News Index, a project of the University of Wisconsin's NewsLab, with support by the Joyce Foundation, a nonprofit affiliated with political reform organizations. The report studied major markets in Illinois, Michigan, Minnesota, Ohio and Wisconsin.

Most news coverage, moreover, focused on political strategy, with far less examining policy differences among candidates, according to the report. More than 10 percent of news stories were about or featured political ads.

"The data here are unambiguous: Local television news provides less news on politics than many other topics and the coverage is overwhelmingly characterized by stories on strategy, horse race, and the game of politics," Ken Goldstein, a political science professor at Wisconsin, said in a statement. "Any intelligent debate needs to begin from that starting point."

News stories, on average, lasted 76 seconds, shorter than the 89 seconds recorded in a similar study in 2002. About two in five election stories aired during the final week of the campaign. While much of the attention was focused on the horse race for Congress, one in four election stories in the Midwest looked at the state's gubernatorial race.

Denver Poised To Land '08 Democratic Convention (WT)

By Valerie Richardson

The Washington Times, November 26, 2006

DENVER -- The Mile High City is enjoying a surge of momentum in its bid for the 2008 Democratic National Convention, thanks to Colorado's electoral tilt to the left and a well-timed burst of union activity.

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Democratic National Committee Chairman Howard Dean is expected to announce the convention site in early December, and some Denver residents already are predicting their city will trump New York as the party's pick.

"I think we're a shoo-in," said Jon Caldara, president of the Independence Institute, a conservative think tank. "The Democratic Party should be rewarding the success of Democrats here because of this year's incredible election sweep."

In a state where Democratic registration ranks third behind that of Republican and unaffiliated, the Democrats reclaimed the governor's office after an eight-year Republican run, bolstered their majorities in the state legislature and captured a previously Republican House seat.

"We believed all along that if we elected a Democratic governor, our chances would be stronger," said Denver City Council member Rosemary Rodriguez, who also sits on the Denver 2008 Host Committee.

Mrs. Rodriguez noted that Denver, which last hosted a national party convention in 1908, made unsuccessful bids to host the 2000 and 2004 Democratic conventions. "We're always a bridesmaid," she said, "but I think it's finally our time."

Those previous campaigns were pretty much doomed from the start as a result of one glaring flaw: Denver had no unionized hotels. The city's private sector has long been cool to union activity, and organized labor holds a virtual veto over the Democratic Party's convention sites.

"Denver hasn't needed it [labor organizing]. The hotel industry in general takes pretty good care of its employees," said Ilene Kamsler, president of the Colorado Hotel and Lodging Association and a convention committee member.

At the same time, she said, "it's advantageous to have a union hotel because I don't think we would get the convention without it."

In April, the Denver Area Labor Federation voted to oppose the city's convention bid, citing the lack of a unionized hotel. But in late September, employees at the year-old Hyatt Denver Convention Center Hotel announced they had unionized.

Credit Mrs. Rodriguez for encouraging labor to take another stab at organizing in Denver. She met with AFL-CIO representatives earlier this year to extol the benefits of a unionized hotel in downtown Denver.

"At the meetings, I said, 'This would be good for all of us. The Democrats won't write us off immediately. It's good for the West, and it fits in with Howard Dean's 50-state strategy,' " Mrs. Rodriguez said.

Making the process more difficult was the hotel's neutrality agreement. Built with funding from a 1999 bond election, the Hyatt is run by the city hotel authority and management is forbidden from interfering in union organizing.

As a result, the mayor and City Council were unable to assist or endorse labor efforts to unionize the hotel, Mrs. Rodriguez said. "They [union organizers] were disgruntled about that, I'll be honest," she said.

Unite Here, a hotel-workers union, ultimately gained a majority of signatures in a "card-check election," in which workers only have to sign a card to approve union representation. The process allowed organizers to move much more quickly than they would have under a secret-ballot election.

"It was serendipitous timing, certainly," said Debbie Willhite, executive director of the convention committee.

Unless, of course, you're a Republican. "The downside is that the Democrats will have their big party, leave after a week," Mr. Caldara said, "and we'll be stuck with a union hotel."

Romney Leaving Mass. With Mixed Record (WP)

By David S. Broder

The Washington Post, November 26, 2006

BOSTON -- He has been a successful venture capitalist and management consultant, and he saved the tainted 2002 Salt Lake City Winter Olympics from scandal. But it is his single term as Massachusetts governor that is Mitt Romney's chief credential in his bid for the Republican nomination for president.

He began his term four years ago on a high note, rescuing the state from an inherited budget deficit. But now, as he prepares to leave office and focus full time on his White House aspirations, his tenure is being viewed in a more mixed fashion.

While he can point to a major policy success in health care, his relationship with the Democratic-controlled legislature that made it possible is in tatters. His efforts to challenge the Democrats and promote Republican candidates for the legislature

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failed. His partner in the statehouse, Lt. Gov. Kerry Healey, lost a bid to succeed him. And Romney is leaving office with the state GOP weaker than when he arrived.

Massachusetts is a liberal state and was the first in the nation to permit same-sex marriage. But Romney is a staunch conservative who finds himself running against all that his state symbolizes to national Republican voters -- he opposes single-sex marriage, stem cell research and abortion. That may help him with GOP conservatives who hold sway in the party's primaries. But if he wins the nomination, Romney could find himself in the same position as Al Gore in 2000 -- losing his home state in the general election.

In fact, Romney has commented that if he had known he was going to seek the presidency, he probably would have chosen to plant his flag not in Massachusetts but in Michigan, where his father, George Romney, served as governor and where the political culture is more compatible with his conservatism.

In a recent interview reflecting on his administration, Romney said he accomplished his main goals of balancing the budget, resisting any general tax increase and launching initiatives that can spur growth. He said he has shown he can surround himself with smart advisers and set high expectations.

"I am used to debating things back and forth," he said. Credited even by critics with having an agile mind, Romney said he has learned to manage by "hiring people smarter than I am and then arguing with them," adding: "I will by nature disagree when everybody has the same view; I want to hear an alternative."

Romney has run Massachusetts's government with a handful of close aides, many of them drawn from Bain & Co., the consulting firm whose venture capital arm he ran. It is top-down management, designed to keep control firmly in Romney's hands and to deliver a single, upbeat message to voters through a relentless public relations offensive.

Even before he was sworn in, Romney ordered a reorganization of the executive branch, designed to improve the coordination of government services. Warned by a predecessor, Gov. William F. Weld (R), that the departments of transportation and environment were perpetually at war, Romney ordered them to join the housing and energy agencies in a new Office for Commonwealth Development. To the surprise of many business supporters, he named Douglas Foy, a prominent environmentalist, to head the super-agency, which has worked to concentrate business development and housing close to transit lines and reduce sprawl.

Romney ordered a similar consolidation of the business, finance and economic agencies into another super-department and picked another Democrat, Robert Pozen, to run it. Foy and Pozen, along with then-Chief of Staff Beth Myers and a handful of others, formed an inner circle of decision-makers, working more or less smoothly with Romney's political team from the 2002 campaign.

Their initial challenge, a threatened state budget deficit of almost $3 billion, was created by the dot-com collapse. Having vowed in the campaign to oppose any general tax increase, Romney quickly won approval from the legislature for a variety of spending cuts.

But when those came far short of balancing the budget, Romney turned to closing what he called "loopholes" in the corporate tax code. That, along with higher local property taxes, produced millions in new revenue -- and allowed critics to challenge Romney's claim that he held the line on taxes.

As the budget crisis eased, fights with the legislature became more frequent and bitter. Romney failed to develop the warm personal relationships with Democratic leaders that Weld had enjoyed with some of their predecessors. The Democrats had no compunction about rejecting Romney's initiatives, including his push to reduce the state's top income tax rate.

Frustrated by seeing big parts of his program roadblocked, Romney mounted a major effort to change the makeup of the legislature in his midterm election in 2004. He campaigned and financed races in dozens of districts, spending $3 million, and when the returns came in, Republicans had two fewer seats than before -- leaving the Democrats with an overwhelming, veto-proof majority in both the state House and Senate.

The result has been a series of fights that have left the state politically polarized, and that reality has shaped -- and limited -- Romney's actions in the past two years. Where the Democrats have been motivated to act, he has had notable successes. His plan for health care treats it much like car insurance, requiring people to buy it or face a fine. It was tweaked and substantially

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expanded by the legislature, and in the final analysis, the negotiations that led to success were managed more by the Democratic leaders of the House and Senate than by the governor.

But Romney could claim parenthood of the plan, and he presided with pride over the bill-signing ceremony, cheered on by Sen. Edward M. Kennedy (D) and prominent leaders of business, labor and the health-care industry.

Romney has taken the health-care bill on the road as he has carried on his undeclared campaign for the presidential nomination. He has also emphasized his efforts to hold down taxes, restore the death penalty, block research on embryonic stem cells and oppose same-sex marriages.

His national effort to portray himself as a counterforce to the liberalism of his state has not gone down well with many at home. In the 2006 campaign, Deval Patrick, the Democrat who will succeed Romney as governor, spoke out in defense of his state and its traditions.

Patrick's victory over Healey marked a kind of repudiation of the Romney legacy in Massachusetts. The Republican Party there, never robust, is now at its weakest point in years.

Romney's campaign travels as head of the Republican Governors Association kept him on the road much of the past year. But he was on the job, and deeply immersed in the details, when the collapse of a concrete ceiling in a "Big Dig" tunnel in Boston killed a motorist this summer. He forced the legislature to give him control of the independent Turnpike Authority -- power it had previously denied him -- and he fired the administrator and moved in his own people.

"He was 100 percent engaged in all the critical decisions," said Myers, the former chief of staff.

As Romney turns his focus to the presidential race, those decisions and his record will receive greater scrutiny than ever.

Romney Reaches For Reagan Touch (BOS)

By Scott Helman

The Boston Globe, November 25, 2006

The day after the midterm elections, Governor Mitt Romney, reflecting on the GOP's punishing losses, issued a clarion call to conservatives: "We must return to the common-sense Reagan Republican ideals."

Three days later, at a State House Veterans Day ceremony, Romney invoked the former president again, saying, "As Ronald Reagan once said, 'I have seen four wars during my lifetime and none of them began because America was too strong.' "

And then last Friday, asked by a Fox News interviewer whether he was running for president, Romney said he was giving it some serious thought, because the stakes were so high. "We're going to have to make sure that we have the kind of Reagan optimism that America's looking for," he said.

Romney's repeated references to the nation's 40th president in two weeks illustrate how the governor, as he builds toward a 2008 presidential bid, is increasingly trying to cast himself in the Reagan mold -- as a patriotic, small-government conservative from outside the Beltway who's bent on repelling taxes, moral relativism, and foreign threats.

Like many Republicans, Romney has long described Reagan as one of his heroes, but as the governor's White House hopes have gained steam, his admiration has turned to emulation: Romney seems to be channeling the former president's conservative convictions, his hopeful message, and even his witty, folksy style of connecting with voters from South Carolina to Southern California.

There are many similarities between the two: Reagan and Romney portrayed themselves as bulwarks against the perils of liberalism in their home states -- Reagan in California, Romney in Massachusetts. Both have benefited from their Hollywood looks. Both have had experience in working with Democratic legislatures.

"Reagan was able to run against Washington, including people in his own party in Washington, by talking about what he achieved as governor and saying he would take those ideas to Washington," said Republican strategist Charlie Black, who was a senior Reagan adviser. "Romney can do the same thing."

Like other potential GOP candidates, Romney is also negotiating a delicate relationship with the legacy of President Bush, who is respected by Republicans for his tough tactics in fighting terrorism but continues to be plagued by low job-approval ratings. Reagan's legacy, by contrast, is seen by Republicans as largely unassailable.

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While Republican presidential hopefuls routinely try to claim the mantle of Reagan conservatism, Black said, Romney can make a good case, in large part because of his charisma and his ability to give a stirring speech. Black said he hears observers of the 2008 race describe Romney as "Reagan esque."

Romney's message on the stump often carries echoes of Reagan, who died in 2004.

Consider the acceptance speech Reagan gave in July 1980 after he won the Republican nomination for president.

"Never before in our history have Americans been called upon to face three grave threats to our very existence," Reagan said, warning that the United States was spending beyond its means, facing unprecedented danger from Soviet communism, and maintaining an unhealthy dependence on foreign oil.

And yet, Reagan voiced optimism: "There are no words to express the extraordinary strength and character of this breed of people we call Americans."

Compare those remarks with Romney's in July of this year, at a GOP luncheon in Ames, Iowa.

"We're under attack from jihadists, we're spending way too much money -- way more money than we're taking in -- [and] we're using way too much oil," Romney said, asserting that the American people were up to the test. "We face some real challenges . . . but we will rise to the occasion, as we always do."

He added, "I love America and what it stands for. I will fight for it, as you will."

Romney's evolution on abortion mirrors Reagan's, too: Like Reagan, Romney once expressed support for abortion rights but became solidly antiabortion as the presidential campaign neared.

And Romney has had help from a California humorist, Doug Gamble, who once wrote laugh lines for Reagan.

Jared Young, a spokesman for Romney's political action committee, the Commonwealth PAC, said Reagan is a worthy model.

"The governor is a conservative much like Reagan was and agrees with the Reagan principles that the Republican Party, up until recently, has sought to follow very closely," Young said. "He is a very optimistic leader, much like President Reagan was."

Ed Rollins, a veteran Republican strategist who ran Reagan's 1984 reelection campaign, said that while he wouldn't necessarily call Romney an heir to Reagan, he did see a connection.

"He shares the same principles," Rollins said. "And Reagan was about three things when he ran . . . lower taxes, less government, and national defense."

But some critics of Romney's record as governor say his tenure does not reflect a commitment to lower taxes and less government. They argue that Romney's administration -- by raising many state fees, raising corporate taxes by closing loopholes, and implementing a new comprehensive healthcare program -- has actually done the opposite.

Romney's views on national defense are less well known, and some political observers say his lack of foreign policy experience could be a liability, especially if the war in Iraq continues to dominate the headlines.

And Romney is hardly the only candidate to invoke Reagan in looking toward 2008. US Senator John McCain of Arizona, who, along with former New York mayor Rudolph Giuliani, could prove to be Romney's chief rival, gave two major speeches in Washington last week laced with references to Reagan. In fact, McCain aides said they hoped the speeches would be reminiscent of an address Reagan delivered in the political vacuum after Republicans lost the White House in 1976.

But McCain, after bucking the party's right wing on immigration, taxes, and, most recently, the treatment of terrorism suspects, has not been a favorite of conservatives. So Romney, in an effort to position himself as the McCain alternative, has spent much of the past year trying to draw those voters to him.

Do We Need Another T.R.? (LAT)

By Matt Welch

The Los Angeles Times, November 26, 2006

YOU CAN READ 1,000 profiles of GOP presidential front-runner John McCain without encountering a single paragraph examining his core ideological philosophy. His career is filled with such distracting drama — torture at the Hanoi Hilton, noisy conversion to the campaign-finance-reform faith, political suicide on the Straight Talk Express — that by the time you're done with the highlights, and perhaps a few "maverick" anecdotes, time's up.

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People are forever filling in the blanks with their own political fantasies. Third party candidate! John Kerry running mate! Far-right warmonger! Republican In Name Only! But with the announcement that the popular Arizona senator has formed his presidential exploratory committee, it's time for our long national guessing game to end.

Sifting through McCain's four bestselling books and nearly three decades of work on Capitol Hill, a distinct approach toward governance begins to emerge. And it's one that the electorate ought to be particularly worried about right now. McCain, it turns out, wants to restore your faith in the U.S. government by any means necessary, even if that requires thousands of more military deaths, national service for civilians and federal micromanaging of innumerable private transactions. He'll kick down the doors of boardroom and bedroom, mixing Democrats' nanny-state regulations with the GOP's red-meat paternalism in a dangerous brew of government activism. And he's trying to accomplish this, in part, for reasons of self-realization.

The first clue to McCain's philosophy lies in two seemingly irrelevant items of gossip: His father was a drunk, and his second wife battled addiction to pain pills. Neither would be worth mentioning except for the fact that McCain's books and speeches are shot through with the language and sentiment of 12-step recovery, especially Steps 1 (admitting the problem) and 2 (investing faith in a "Power greater than ourselves").

Like many alcoholics who haven't quite made it to Step 6 (becoming "entirely ready" to have these defects removed), McCain is disarmingly talented at admitting his narcissistic flaws. In his 2002 book "Worth the Fighting For," the senator is constantly confessing his problems of "selfishness," "immaturity," "ambition" and especially "temper," though he also makes clear that his outbreaks of anger can be justifiable and even laudable when channeled into "a cause greater than self-interest."

"A rebel without a cause is just a punk," he explains. "Whatever you're called — rebel, unorthodox, nonconformist, radical — it's all self-indulgence without a good cause to give your life meaning."

What is this higher power that ennobles McCain's crankiness? Just as it is for many soldiers, it's the belief that Americans "were meant to transform history" and that sublimating the individual in the service of that "common national cause" is the wellspring of honor and purpose. (But unlike most soldiers, McCain has been in a position to prod and even compel civilians to join his cause.)

Liberals and conservatives alike fail to truly reflect his views, McCain writes, because "neither emphasizes the obligations of a free people to the nation." His main governmental inspiration is Teddy Roosevelt, the "Eastern swell who became a man of the people," whose great accomplishment was "to summon the American people to greatness." In Roosevelt's code, McCain writes approvingly, it was "absolutely required that every loyal citizen take risks for the country's sake." This is an essentially militaristic view of citizenship, one that explains many of McCain's departures from partisan orthodoxy. Unlike traditional Republicans, he will gladly butt into the affairs of private industry if he perceives them to be undermining Americans' faith in government; unlike Democrats, he thinks the executive branch generally needs more power, not less.

"Our greatness," he wrote in "Worth the Fighting For," "depends upon our patriotism, and our patriotism is hardly encouraged when we cannot take pride in the highest public institutions." So, because steroids might be damaging the faith of young baseball fans, drug testing becomes a "transcendent issue," requiring threats of federal intervention unless pro sports leagues shape up. Hollywood's voluntary movie-rating system? A "smoke screen to provide cover for immoral and unconscionable business practices." Ultimate Fighting on Indian reservations? "Barbaric" and worthy of government pressure on cable TV companies. Negative political ads by citizen groups? They "do little to further beneficial debate and healthy political dialogue" and so must be banned for 60 days before an election if they mention a candidate by name.

If his issues line up with yours, and if you're not overly concerned by an activist federal government, McCain can be a great and sympathetic ally. But chances are he will eventually see a grave national threat in what you consider harmless, or he'll prescribe a remedy that you consider unconscionable. Nowhere is that more evident than in his ideas about the Iraq war.

McCain has been banging the drum from nearly Day One to put more boots on the ground in Iraq. "There are a lot of things that we can do to salvage this," he said on "Meet the Press" on Nov. 12, "but they all require the presence of additional troops." McCain is more inclined to start wars and increase troop levels than George W. Bush or Bill Clinton. He has supported every U.S. military intervention of the last two decades, urged both presidents to rattle their sabers louder over North Korea and Iran, lamented the Pentagon's failure to intervene in Darfur and Rwanda and supported a general policy of "rogue state rollback." He's

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a fan of Roosevelt's Monroe-Doctrine-on-steroids stick-wielding in Latin America. And — like Bush — he thinks too much multilateralism can screw up a perfectly good war.

The price of all this war-making, in money and manpower, would be staggering; it's hard to imagine without a draft (McCain has long been a fan of mandatory national service, at the least). But the costs to his political ambitions may even be greater. The nation is in no mood for the war we've got now, let alone a doubling-down on Iraq and ramped-up unilateralist tough talk in the Middle East. The trend lines of public opinion on these counts are not pointing in McCain's direction.

One of the many charming confessions in "Worth the Fighting For" is McCain's complaint that the man he replaced in the Senate — Republican icon Barry Goldwater — was "never as affectionate as I would have liked." Small wonder.

Goldwater, a man who seemed to emanate from Arizona's dust, was the paragon of limited government, believing to his core that the feds shouldn't tell you how to run a business or whom you can sleep with. McCain, on the other hand, is a third-generation D.C. insider who carpetbagged his way into office, believing to his core that "national pride will not survive the people's contempt for government." On Nov. 7, those conflicting worldviews collided when Arizonans voted on whether to outlaw gay marriage. McCain campaigned in favor of the ban, in the name of "preserving the sanctity" of heterosexual unions. His exhortations went down to surprising defeat. Not, one suspects, for the last time.

A Democratic Tidal Wave In New Hampshire (WP)

By David S. Broder

The Washington Post, November 26, 2006

When the pack of presidential hopefuls and the reporters who follow them descend on New Hampshire in January, as the 2008 campaign begins, a surprise awaits them. For the first time in anyone's life, New Hampshire has turned into a bright blue Democratic state.

Buried in the news of the national Democratic midterm election victory was an even more dramatic power shift in the state that has become famous as the site of the first presidential primary in each cycle.

In the words of veteran New Hampshire Republican leader Tom Rath, it was "beyond historic" when the Democrats took complete control of the handsome state capitol in Concord for the first time since 1874.

Democratic Gov. John Lynch won a second term with 74 percent of the votes, providing coattails for many others on the ticket.

The Executive Council, which has the power to confirm appointees and approve state contracts, switched from 4-1 Republican to 3-2 Democratic.

The state Senate, which Republicans controlled 16-8, is now Democratic by a 14-10 margin.

The state House of Representatives, which is dwarfed in size only by the British House of Commons and the U.S. House of Representatives, went from 242-150 Republican, with eight vacancies, to 239-161 Democratic.

In addition, Democrats defeated both incumbent Republican congressional representatives in a powerful demonstration of party-line voting.

New Hampshire was not alone. Iowa, whose presidential caucuses come even earlier than the New Hampshire primary, also elected a Democrat as governor and saw both houses of its legislature flip to the Democrats.

Democrats now control both houses in 24 states; Republicans do so in 16; and nine states have split control. (Nebraska has a nonpartisan unicameral legislature.)

These numbers become more important as we approach 2010 and another census, which will provide the raw material for the next round of line-drawing for congressional and legislative districts. If Democrats can maintain their legislative advantage along with their new 28-22 lead in governorships, they will be in the driver's seat on that redistricting.

Dante Scala, a professor of political science at St. Anselm College and authority on New Hampshire politics, said there were 80,000 straight-ticket Democratic votes -- almost twice the number of straight Republican ballots in the state.

The Democrats, who for decades were a scorned minority in New Hampshire, "had much better organization and far outclassed the Republicans this time," Scala told me. "Combined with the national trend and the popularity of Governor Lynch, the Republicans were just overwhelmed."

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Rath used similar language, speaking of "an enormous surge we [Republicans] couldn't stop." It was fueled, he said, by the same anger at Washington, frustration over Iraq and disgust with the Republican Congress that prevailed nationally. But it was abetted in New Hampshire by the growing number of political independents who this year joined the Democrats in voting for change.

The force of the movement spared no one. Peter Spaulding, a longtime member of the Executive Council and a leader in John McCain's victorious 2000 New Hampshire primary campaign, lost his seat to a 71-year-old opponent who barely made any effort and who was vacationing in Belgium when the election returns came in. Dozens of longtime citizen-legislators, serving part time for $200 a term and rarely having to bother to campaign, found themselves voted out of office.

"The only successful Republicans were the ones who were not on the ballot in 2006," such as Sens. Judd Gregg and John Sununu, Rath said.

The fathers of these two senators were famous for steering the New Hampshire campaigns of Republicans who became president, but that was in the days when Republicans were dominant. Now, with Democrats resurgent and independents ever more influential, the kingmaker role may no longer be available to GOP operatives.

Republicans such as McCain, Mitt Romney and Rudy Giuliani may face a more hostile climate, in both New Hampshire and Iowa. And Democrats will be dealing with a constituency that, this year at least, was strongly antiwar and anti-Washington politician.

Lynch, who helped power the Democratic victory this year, has announced no favorite for the presidential nomination. He has stayed above the political battle at home, hoarding his political capital. If he chooses to endorse, it will carry more weight than any Democratic endorsement in a long time.

Dems Look To Big Sky (DENP)

By Karen E. Crummy

Denver Post, November 26, 2006

Helena, Mont. - In a state where voters backed a Republican candidate in nine of the past 10 presidential elections, Democrats suddenly find themselves in control of almost everything.

In the past two years, the party has taken control of the governor's office, the state Senate, and - depending on a Tuesday recount - has maintained a split in the state House. In the November general election, the party's U.S. Senate candidate also beat an entrenched Republican incumbent.

That makes Montana a political laboratory for national Democrats trying to determine what elements are needed for retaking the White House in 2008.

And when sorting through the reasons Democrats have taken hold in a conservative state, fingers frequently point first at Democratic Gov. Brian Schweitzer.

Midway through his first term, Schweitzer, a relative political newcomer, is a self-described "pickup-driving, God-fearing, gun-toting, red-meat- eating, take-responsibility-for-my- actions, invest-in-education kind of Democrat."

In a state where cattle outnumber people nearly 3-1, Schweitzer's prairie populist message, gift for storytelling and homespun charm have won him approval ratings upward of 70 percent.

His ability to suddenly shift from flattery and enticements to hardball tactics and steely negotiations have led to comparisons to former President Lyndon B. Johnson.

It has also led some Republicans to label him a bully, contending Schweitzer uses his popularity to threaten and intimidate freshman GOP lawmakers - or anyone else who stands in his way.

"He's a political gangster," said state Senate Minority Leader Bob Keenan.

He's got "the thing"

Love him or hate him, people appear to agree that Schweitzer has a political magnetism that can't be pinpointed, bottled or even adequately described but might need to be copied by Democrats seeking to win over independent-minded voters.

"He's that rare, high-energy individual that has 'the thing.' That Bill Clinton-Barack Obama thing," said Jerry Calvert, a political science professor at Montana State University.

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He's a 6-foot-2-inch back- slapping, bear-hugging guy's guy who gave his wife a revolver for her birthday and takes his dog to the office - every day. He's also a calculating politician who chose a Republican for his running mate, and an expert on renewable resources, a master's degree holder and an Arabic speaker.

Two days with him reveal a man obsessed by the challenges his state faces today but intrigued enough about his own future and national politics to spend hours reading blogs or watching

Montana Gov. Brian Schweitzer walks his border collie, Jag, to the governor s mansion along with Mary Lou Zimmerman in Helena, Mont. Schweitzer takes Jag to work every day. (Post special / Jon Ebelt) simulcasts of Don Imus, the New York radio talk host.

Most people at the State Capitol had just arrived for work Monday and were searching for a cup of coffee, as Schweitzer - an Energizer Bunny clad in Levis, brown cowboy boots and a blue bolo tie - hurries down the hall to his office, followed closely by Jag, his border collie.

He has a critical meeting with one of the state's tribal leaders in an hour.

"I want to find a solution, but I'm going to tell him that people already think I'm too much of an Indian-lover," Schweitzer says as he plunges into a small chair. "It's not going to hurt me."

It's this image of a plain- spoken, don't-push-me-around Democrat that helped sweep Schweitzer into the governor's office two years ago - four years after his first run for office, a failed attempt to win a U.S. Senate seat.

"He showed Montana voters that he was just like them," said David Sirota, who was a political strategist for Schweitzer's gubernatorial run. He emphasized fishing and hunting access on public lands and health care for small businesses, where 85 percent of Montanans work.

But what really makes the 52-year-old Schweitzer tick is energy independence and the jobs it can bring to Montana. The cattle rancher and mint farmer received a master's degree in soil science and spent seven years in Saudi Arabia developing crop irrigation systems.

"We have to be self-reliant. We can't keep relying on dictators," he said.

His Volkswagen Jetta runs on biodiesel; small windmills sit on his window sills, and tubular devices that among other things turn sunlight into hydrogen are scattered across his desk.

He whips out a lump of coal and four test tubes filled with canola, saffron and camelina from his briefcase and is ready to launch into a lecture on renewables when he is cut short by the arrival of the tribal leader.

Despite his reputation for good relations with the state's tribes, negotiations over a gambling contract this day aren't going so well.

The tribal leader points a finger toward Schweitzer's face. The governor leans back in his chair and brushes one hand across the table.

"If we can't make a deal," he says, "I will go to radio, TV, I'll go to all the papers and tell them you rejected a good deal because you got greedy."

Two hours later, after meeting with his top aide, and exacting promises from people that they can deliver "a dozen or more Republicans" to get a deal done, Schweitzer hasn't found a solution.

But he hasn't made good on his threat either, preferring to keep talking. And now he needs to dab on his Mary Kay powder to tape a public service commercial about Indian education.

"Don't write that I'm a girlie- man," he instructs.

Before the day is out, he will have spent another few hours meeting with energy moguls from all across the country, finally inviting them to his residence to discuss ideas over cocktails.

After they leave, Schweitzer is sitting on a white, microsuede couch in the governor's mansion, actually a ranch-style home. He reaches into a blue plastic box and pulls out a .38 Smith & Wesson revolver - with laser sight. He gave it to his wife, Nancy, for her birthday a few days earlier. Is it really what she wanted?

"She didn't know it was what she wanted," he says, although he admits next year he might consider jewelry.

Drinking red wine before switching to whiskey, the father of three is flanked by his wife and 17-year-old daughter, Katrina. He also has two older sons, Khai and Ben.

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Katrina is a typical teen, rolling her eyes at him when he mimics her by saying "whatever" and letting out a long "Daaaaadd" when she finds him geeky or embarrassing. She wants a new car, but so far, she isn't getting one.

Her cellphone plays "Under Pressure" by Queen and David Bowie when Schweitzer calls.

Playing the political game

It's only 9 a.m. Tuesday and Schweitzer has already been up for five hours reading the blogs, papers and jogging on the treadmill while watching Imus on MSNBC.

He's hurtling down the hall - again - toward his office, Jag trailing quickly after him.

"We're going to change the world!" he proclaims, waving a stack of papers revealing good news about Montana's capabilities for further energy development. This leads him another step close to what he calls "The big Kahuna": his plan to deliver Montana-produced electricity to Las Vegas and Los Angeles.

"Those that are bold ... are going to be rewarded six, eight, 10 years from now," he said.

Though he gives every appearance of governing from his soul, Schweitzer has a keen political side. He quickly reviews his latest poll numbers, a 70 percent job-approval rating - down 7 percent from before the election, he says, but still high.

He has spent months of political capital trying to help Democrats win, and although he campaigned successfully for now U.S. Sen.-elect Jon Tester, results in the statehouse were mixed. The 2004 election gave Democrats a 27-24 state Senate majority, and the House was split 50-50. But this year, Republicans were able to make gains, including picking up two Senate seats.

Democrats retained control of the Senate, primarily because a Republican lawmaker defected to their side. But Democrats are down one seat in the House and waiting for a recount in a tied race. If it stays a tie, Schweitzer gets to pick the winner, splitting the House down the middle.

After reviewing his poll numbers, Jag and Schweitzer go for a walk. (He auctions off the chance to walk with him for charity. Today earned $500 for National Public Radio.) He engages in a cleansing ritual called smudging with leaders of the Crow nation before discussing oil drilling on the reservation.

Meetings with executives from Westmoreland Coal follow, and Schweitzer ducks out about 45 minutes later to give a presentation on energy.

Later, he downplays talk that he might run for the U.S. Senate in two years - "don't hold your breath" - and says he finds the bloggers' trying to recruit him to run for president entertaining.

For now, his main concern is bringing jobs and infrastructure to Montana, and he has a warning for other governors.

"If you ever see me getting off a plane in your city, know that I'm there to steal jobs," he says.

The Gospel According To Jim Wallis (WP)

By David Paul Kuhn

Washington Post Magazine, November 26, 2006

JIM WALLIS IS PREACHING ABOUT A BIBLE TORN APART. Wallis tells the crowd at the Seattle Pacific University chapel that when he was in seminary, a fellow student took hold of an old Bible and cut out "every single reference to the poor."

"And when we were done, that Bible was literally in shreds. It was falling apart in my hands. It was a Bible full of holes. I would take it out to preach and say, 'Brothers and sisters, this is our American Bible.'"

Wallis pauses. "It's like someone has stolen our faith. And when someone tries to hijack your faith, you know what? There comes a time when you have to take it back!"

For nearly two years, Wallis has traveled across the country attempting to do just that. And some would argue that those efforts have begun to bear fruit, as demonstrated by gains in the recent elections. But Wallis, America's leading progressive evangelical, contends that the issue is far larger than any one election, that the Christian conservative movement has remade Christ in its own image. "What's at stake here is not politics or social action," he insists, "but the very integrity of the word of God."

Wallis's book, God's Politics: Why the Right Gets It Wrong and the Left Doesn't Get It, spent 15 weeks on the New York Times bestseller list in 2005 and became the catalyst for his budding effort to revive progressive Christian politics. Throughout the book, Wallis argues that liberals have lost touch with the faith that defines much of American life. In the values debate, nearly

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all of which stems from differing perspectives of religion and moral absolutes, Democrats have traditionally been on the trailing end since the devout Jimmy Carter lost churchgoing voters to Ronald Reagan in 1980. Bill Clinton significantly narrowed the gap in 1992 by winning the Catholic vote, but even with his ability to speak comfortably about faith, by 1996, the gap widened again. Four years later, George W. Bush brought Catholic and Protestant regular churchgoers firmly into the Republican camp. Though the gap narrowed three weeks ago, cutting the GOP's advantage among regular churchgoers to 12 percentage points as concerns about the Iraq war rose to the fore, it's still uncertain whether those gains made up a trend or a onetime event.

It is not that America has become more religious. The Gallup Organization's polling demonstrates that as far back as Franklin D. Roosevelt, the number of Americans who said they attend church weekly -- religious Christians -- has remained roughly four in 10. But how religious Christians vote has changed. In 1960, seven in 10 Catholics identified themselves as Democratic or leaning Democratic. By 2004, that number declined to 44 percent. Between 1960 and 2004, the Pew Research Center for the People and the Press reported that white evangelicals went from favoring Democrats by a 2-to-1 ratio to favoring Republicans by about the same ratio -- 78 percent supported President Bush in 2004. Overall, voters who attended church at least once a week supported Bush by a margin of 20 percentage points in 2004. Furthering the divide, religious Christians turn out in presidential elections at a rate of about 10 percentage points higher than those who attend church less than once a week. By August 2006, about one in four Americans told Pew pollsters that Democrats are "friendly toward religion," down 16 percentage points from July 2003, according to Pew's annual report on religion and politics.

Over the past three decades, exit polls demonstrate that religious Christians have tended to become increasingly conservative, while the base of the Democratic Party has become more secular. The outcome is a religion gap unparalleled in modern American presidential elections, one based on church attendance instead of church denomination.

"Here's the facts," Wallis tells the crowd at Seattle Pacific University, "every major social movement in our nation's history -- abolition of slavery, women's suffrage, child labor law reform and, of course, civil rights -- was fueled and driven in large part by religion. And I want to say to the left, the progressive side: Conceding the entire territory of religion and even values to a religious and political right is the biggest mistake the left has made in years, and they must never make that mistake again."

Do the recent gains mean the Democrats are on the way to solving the problem? Not by a long shot, says American Enterprise Institute congressional scholar Norm Orenstein.

The core part of that Republican base, the Christian conservatives, was not as "ginned up this time," Ornstein says. "But does that mean they will not be ginned up in two years? Of course not."

For Wallis, the narrowing of the gap in the midterm elections was encouraging, but he emphasizes that a religion gap decades in the making can easily expand again. Presidential elections are far more contests of two characters, rather than the national mood, he stresses. In 2008, "it will depend on the Democratic candidate," he says, and "whether the discussion of faith is authentic."

THE LAST DEMOCRAT TO WIN THE PRESIDENCY with more than half of the electorate was also the last Democrat to nearly split the religious Christian vote: Jimmy Carter. Carter has been a devout Baptist for the whole of his 82 years. He lives today in the same town in which he was born and has spent the bulk of his life in the Bible Belt. He remains the pride of Plains, a diminutive town in the deep south of Georgia. To this day, political analysts chalk his 1976 victory up to his Southern heritage.

But CBS News exit polling demonstrated that for six in 10 voters, "restoring trust in government" was the number one issue that led them to support their candidate, dwarfing by three times all other issues. Carter's ability to authentically speak to his faith may have allowed voters to find a pathway to trusting his character.

"I think the American people then wanted to believe that their president was guided by moral values that were permanent and unshakable and fairly clear, and, of course, these derive from religious faith, and I don't think it has to be Christianity," Carter says, pausing and looking outward to the damp blanket of leaves covering his lawn. "But I think that's a legitimate expectation on the part of the American."

Increasingly, it became an expectation Democrats failed to meet. As the Democratic constituency became more culturally diverse in the 1960s and 1970s, a reluctance emerged to speak about religion in the public sphere. The party began a new emphasis on tolerance. A strict belief in the separation of church and state progressively became part of liberal culture. But the

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result, says John Green, the Pew Research Center's expert on religion and politics, was that an almost illiberal intolerance for religion emerged among some active Democrats.

"They offended some of these religious people that ought to be on their side," Green says. "Part of that is just a matter of respect." But after the 2004 presidential election illustrated once again that "moral values" were a primary motivator for a significant portion of the electorate, who went overwhelmingly Republican, prominent Democrats began to reconsider their reticence on matters of religion. They also began actively campaigning to dispel the notion that Democrats were antagonistic to people of faith.

"I have confidence that intelligent people: Joe Biden, Senator Bayh . . . and Ms. Clinton -- I think they are very carefully considering what happened in 2004 and how they can avoid the pitfalls of being branded as nonreligious and appealing to the moderate voters who were alienated before," Carter says. "I know if they are going to run for president, they are obsessed with this subject."

It is not the sincerity of prominent Democrats' faith that critics such as Carter question, but their ability to translate their religious moral center to the public. Today, about nine in 10 Americans "never doubt" the existence of God. Eight in 10 say prayer is an "important part" of their daily lives. Seven in 10 Americans believe presidents should have "strong religious beliefs," according to numerous Pew studies. But all polling suggests that most religious voters, especially white religious Christians, don't believe Democrats understand their intense faith, and therefore, the core of who they are. "It's a means of making a personal connection between you and all these millions of people you are trying to reach," says Laura Olson, a professor at Clemson University who specializes in religion and politics.

The Democratic Party has three choices in the next presidential campaign, Olson says. "One, you ignore [the religion gap]. I think they've tried that and it failed. Two, you stick to your guns. You say, okay, we're on the other side of the culture war here. We are pro-gay rights. We are pro-choice. That's a problem, too, and the left of the Democratic Party has clearly tried to do that, and that's what they believe, so they should do that. But that isn't going to fly on election night, when you are talking about the electoral college. So the third option, and the only one they are left with, is to try and redefine the debate in their own terms. You've got to take that term 'values,' that term 'morality,' and rethink what it means."

WALLIS ATTEMPTS TO STAY ABOVE THE PARTISAN FRAY, but has voted only for Democratic presidential candidates and asks congregation after congregation, "So how did Jesus become pro-rich, pro-war and only pro-American?"

"I am political. Sure, I am political," Wallis says. "But I try to be political without being partisan. I don't consult with or collaborate with Democrats on their strategy.

"There are policies right now that the Republicans are standing for -- and the administration is -- that I'm against," Wallis says, "and I want to see those policies reversed and turned around. But just Democrats' winning won't necessarily do that."

He is particularly incensed by Bush's tax cuts, for favoring the rich and ignoring the poor, as Wallis sees it. And although Wallis may strike a more conservative tone on family values and the need for personal responsibility -- he opposes legalized abortion, except when the life of the woman is in danger and in cases of rape and incest, but believes the issue should be left to state legislatures -- he is no Clintonian New Democrat. He is less sanguine about the use of U.S. military force, believing his Christianity compels exhaustive efforts for peace before using force. He broke with Democratic leadership over its support for the invasion of Afghanistan.

"They always tell me to offer the alternative to the religious right," Wallis says in Seattle, during his tour of conservative Christian colleges. "My job in life is not to be an alternative to Jerry Falwell."

More than a quarter-century ago, Falwell brought religion to the forefront of the contemporary American political debate. During the 1980 presidential election, under the banner of his newly formed Moral Majority, the conservative preacher rallied unprecedented numbers of religious Christians to the Republican cause. "When I hear a Howard Dean and Hillary [Clinton] and others talking about appealing to religious conservatives, they just have no understanding of what it is that motivates us," Falwell says. "They mistakenly think that we are Republicans. We're not. I could vote for any Democrat for president or Senate or congressman, as long as he or she was committed to the social issues properly, took a strong stand in the war on terrorism, and national defense. We'd be right there."

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The self-described "godfather of what is called the religious right," Falwell is among Wallis's harshest critics. "I've never believed that Jim Wallis was an evangelical. I've asked him on talk shows if he believes the Bible is the infallible word of God -- well, that's the cornerstone of evangelical Christianity -- and he's never been willing to say publicly that he does. I've asked him the question: Do you believe Christ is the only way to heaven? And he's never been willing to say yes? All evangelicals will say 'yes' quickly to that question."

Wallis, who doesn't accept that litmus test for evangelism, may not want to be a counter-Falwell, but increasingly, he is the most influential alternative.

In January 2005, Wallis wrote a memo on why the federal budget is a "moral document." Democratic Minority Leader Harry M. Reid (Nev.) referenced the memo the following March when he spoke on the Senate floor. Reid recited the biblical story of the rich man who went to Hell for ignoring the starving beggar Lazarus at his door. Reid pledged that if Republicans cut health, education and job training programs, he would "turn this budget into a moral document."

"Jim Wallis, who is a friend of mine," Reid says, "has been a real good teacher for us . . . I think he's made us more socially conscious of the importance of religion." Reid says that when the religion gap was brought to his attention after the 2004 election, it was an awakening for him. "I think, my personal feeling is, we let the right wing take away the basis for religiosity," Reid continues. "It's to make life better for people, not have them vote one way or the other." But Reid says Democrats after 2004 could no longer ignore that their faith led many voters to the Republican camp. He contends that

Democrats have changed accordingly. It is not that Democrats have

become more religious, Reid insists, but more open about their faith.

"What Jim Wallis has written, what he says every day, what I have written, is going to be at least partially effective," says Carter, whose recent book, Our Endangered Values: America's Moral Crisis, was also a bestseller. "I'm not trying to exalt myself. But I'm sure the two books that were written, had they been written five years ago, the [presidential] election may have turned out differently . . . There are values other than gay marriage, blocking gay marriage and blocking abortion, but we've, by almost default, we turned those issues that were looked upon as encapsulating all religious belief because we didn't emphasize the overwhelming portion of what, in my opinion, actually comprises the essence of religious belief."

THE SON OF CHURCHGOING EISENHOWER REPUBLICANS, Wallis was a youth group leader at his parents' church. "And then I began to have these questions, 14-year-old questions. I was living in Detroit, [in] a completely white world. I was listening to my city for the first time. I was reading newspapers now. I was paying attention to the news. I was hearing things. And, how come I didn't know anybody whose dad didn't have a job, or who didn't have a safe place to live, or who had any relatives in jail? Yet all that was happening in black Detroit, just a few blocks or miles away. How come we've never had a black preacher in church? How come we never had a black person in our church? I heard there were black churches, and who was this minister in the South named King? And I couldn't get answers to the questions."

After Wallis spent months trying to get his church to discuss segregation in Christian terms, the elders agreed to hold a discussion on racism. Wallis was selected to represent the black perspective.

"The first question was, 'Well, Jamie [his boyhood nickname], would you want Barbie to marry one?' That was my younger sister. That was the level of response."

Finally, he recalls, a church elder told him, "Christianity has nothing to do with racism. That's political, and our faith is personal."

"And," Wallis says, "I think that's the night I left [Christianity] in my head and my heart."

Race riots were occurring in cities across America by 1967. Wallis was 19. "All the white world I had grown up in was terribly afraid," he says. "And I was feeling connected to the people inside the barricade." As a student at Michigan State University, Wallis was becoming increasingly involved in the antiwar and civil rights movements. He became fascinated with Martin Luther King Jr. and was listening to Bob Dylan, reading Ho Chi Minh, Karl Marx, Che Guevara, "all the luminaries of the time. And I was not finally satisfied with them," because, as Wallis recalls, he came to believe that the leftist activist creeds did not speak to the spiritual. As Wallis was finishing college, he found that he could "never quite get rid of Jesus. He was always hanging around in my head and in my heart. So I decided to take one last look . . . I began to read the New Testament one last time. I got to the Sermon on the Mount . . . and I realized I had never heard a sermon on the Sermon on the Mount. Then I got to the 25th

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chapter of Matthew, and that became my conversion text, when Jesus said, 'I was hungry. I was thirsty. I was naked. I was sick. I was in prison. And you never came to me.' And the people say, 'Oh, Lord, when did we see you hungry, thirsty, or naked, or sick or imprisoned?' And he says, 'As you've done to the least of these, you've done to me.' The people who I'd met and were fighting with before were the very ones he was talking about in that passage. So I had to leave the church to find Jesus."

Wallis decided to go to the conservative Trinity Evangelical Divinity School in Deerfield, Ill. Within months, he found a group of students who believed as he did, and an early version of his movement, Sojourners, was born. It grew to become a national Christian organization based in Washington, and remains fundamentally charged, about three decades later, with lifting people out of poverty.

Yet for all the attention directed at Wallis, 58 now and married and the father of two sons, fundraising for his organization has not dramatically increased. When I tell Wallis that some of his conservative critics say he is a general without an army, he responds: "I think we do have an army. You don't sell 200,000 copies of a book if you don't have a constituency. We are not organized, institutionalized or mobilized the way the right is. They have been doing this for 30 years."

BY THE 1970S, DEMOCRATS' DIVERSITY was a central component of their dilemma. They became "much more of a patchwork," as Clemson University's Olson puts it. Compared with the relative cultural homogeneity of the FDR coalition of labor, Catholics, ethnic whites and Southern whites, the modern Democratic Party began to focus on "a lot more little narrow constituencies under its big tent," such as the civil rights and feminist movements, which were like "little fiefdoms they had to make happy," Olson adds.

"When the Democrats became just the party of rights, they lost something, a moral appeal," Wallis contends. The Democratic patchwork frayed as some of its largest constituencies, particularly working-class whites, began to feel culturally estranged from the party. The breaking point was in 1972, when Republican Richard M. Nixon argued that a vote for Democrat George McGovern was a vote for "acid, amnesty and abortion." To many voters, McGovern embodied an emerging perception that liberals were outside the American mainstream.

Pivotal Supreme Court rulings only furthered the emerging divide. Between the presidency of John F. Kennedy and the failed bid of John F. Kerry, the court prohibited school prayer and ruled that pornography was legal and that obscenity was subject to contemporary community standards. To conservatives, this reeked of liberal relativism. By 1973, when the court ruled there was a constitutional right to abortion, religious Christians were ready to be mobilized by conservatives. But Carter was able to stem the tide of churchgoing voters from the Democratic Party.

"Carter -- because he was really one of them -- they thought, 'Well, he'll come in, and he'll be able to turn back the clock on some of these scary policy decisions that have been made,'" Olson says. "Like legalized abortion, the removal of prayer from public schools, stuff like that. But Carter couldn't hold on to them. The perception that Carter had weakened the country internationally was especially damaging," Olson adds. "Part of what fueled the emergence of the Christian right was anti-communism . . . [communism] being rightly perceived as godless was very threatening to people of faith."

By 1980, "Reagan is able to identify a constituency that is extremely ripe for mobilization, a constituency that is easy to track down," Olson continues. "The other piece of that is that even though he himself is an incredibly unlikely representative for this constituency because he's from Hollywood, he's divorced, he has not been religious his whole life like Carter, but instead, he's able to craft himself as a viable representative of this constituency just through symbolic appeals."

Reagan's call to get "government off our backs" resonated with religious Christians, many of whom by 1980 saw the federal government as furthering an overall secularization of society.

In 1980, the party platform included the "pro-life plank" for the first time. Reagan also advocated for the biblical story of creation to be taught in public schools as an alternative to evolution. And when it was still uncommon for presidential hopefuls to visit evangelicals, Reagan came and spoke at a convention of leading evangelical Christians in Dallas during the campaign, where he famously said, "Well, I know that you can't endorse me, but I only brought that up because I want you to know that I endorse you."

Reagan's appeal worked. In 1976, Carter won the white Baptist vote, 56 to 43 percent. In 1980, Reagan won it 56 to 34 percent, according to an ABC News-Harris survey at the time. In presidential elections, Democrats have not won religious

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Christians since. Richard Land, a longtime leader of the Southern Baptist Convention, says the sea change was deeper than any one issue. To Land, the debate was fundamentally over the worldview that social issues symbolize.

The core divide, Land says, is "whether you believe there are transcendent moral values or whether you don't, and believe most things are relative and situational." It was Land who sat with George W. Bush in Texas on the day of the governor's second inauguration in 1999, along with several other confidants, and recalls Bush saying, "I believe that God wants me to be president." That moment was consistent with a president who speaks in morally unambiguous terms. Bush's use of words such as "evildoers," Land adds, epitomized a belief that there are moral absolutes.

By 2004, Republicans so dominated the religious Christian vote that Bush, a practicing Methodist, won more Catholics than Kerry, who if elected, would have been the second Catholic president.

"What I criticize in John Kerry is I think he felt quite ill at ease within a deeply religious congregation or environment, and there is very little doubt that Howard Dean did, also," Carter says. It was Dean who famously stated that Job was his favorite book in the New Testament; in fact, it's in the Old Testament. Kerry did speak about morality and faith during the 2004 campaign but rarely talked about his own faith in personal terms that allowed voters to get a sense of his moral core, in stark comparison with his opponent.

JOHN KERRY IS A MAN WHO STILL BELIEVES he is fundamentally misunderstood by America. He squints his eyes in agitation when recalling how he lost the religious Christian vote to Bush. "I reread the Catholic bishops' guide after the election," Kerry says, referring to the 2004 Catholic voters' guide, in his Washington Senate office, "and you know, I suspect I get about a 95 percent on it. George Bush gets about a 5 percent. Yes, pro-life issues are central, and I understand its centrality to faith, but a lot of other things are, too. Like just and unjust war and poverty and children and our responsibility to the Earth and to each other and to future generations, and I think it's important to put those on the table." But Kerry rarely did during the 2004 election. He'll say, "During the campaign, I spoke about these choices in moral terms." But soon after, he admits, "To the degree there is a gap, it is because we have not been overt and aggressive enough about making clear what real faith is about."

When I remind Kerry that, during the 2004 election, he told PBS News, "I don't wear my religion on my sleeve," he responds, "I think some people on the other side do. I'm not asserting who or what. But it became clear as the campaign went on from there that these issues required discussion." And, Kerry realizes, at that point it was too late.

For Democrats to continue bringing in more religious Christians, experts agree, a key component will be to find a way to "neutralize the abortion issue" by "advocating for the drastic reduction of abortion," as Wallis puts it. To lessen the weight of the abortion issue, one option currently discussed in Democratic circles is the "90-10" push to reduce the abortion rate 90 percent in 10 years. "We went too far on the abortion issue," Carter says of Democrats. "We became branded with abortion."

"It's more than just saying, 'Okay, we are going to reduce it,'" Kerry says. "I think some of our rhetoric -- I plead guilty for the Democratic Party -- I think some of our rhetoric -- mine included -- has been insensitive at times to that moral dilemma."

For Democrats to successfully close the religion gap, they will have to contend with opposition within their party, stresses John Green of the Pew Center. "The activist core of the Democratic Party is drawn increasingly from groups of people that are not religious," he says. Self-described secular Americans amount to about 15 percent of the electorate, and most are Democrats. "Some of them are hostile to religion, and some of them are indifferent to it. And that has made it very difficult for them to understand this very religious country in which they are trying to do politics."

Democrats have taken notice. Last year, then-House Minority Leader Nancy Pelosi began a Democratic Faith Working Group to encourage Democrats to speak about issues in moral and religious terms.

"There are a lot of Democrats who are people of faith and haven't had permission to act like it, talk like it, behave like people of faith," Wallis says. "And when they start doing that, like Tim Kaine did in Virginia, my goodness, it works."

IN 2005, VIRGINIA'S TIM KAINE BECAME THE EXCEPTION that proved the rule. About half of all voters in Virginia are religious Christians. While Protestants make up seven in 10 voters in Virginia, Kaine, a devout Catholic, was able to rebuff attempts to paint him as too liberal by speaking about his stances in Catholic terms.

Since Kaine's election, Democrats have been looking to him for answers to cross over the religion gap. "They must talk as much or more about your motivations," Kaine suggests to Democrats. "If your motivation is a spiritual motivation, share that . . . Put

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that first, because that matters to people more than whether offshore drilling is a good idea or bad idea. . . . You don't share your faith to make somebody else feel like you; you share your faith to tell them who you are."

But Wallis insists that an openly religious Democratic candidate will win the presidency only when the party's liberal base becomes more centrist on issues such as abortion, more at ease with religion in the public sphere, and able to reconcile itself with the "failures of moral relativism."

"Can you win the majority of evangelicals to change sides? No, probably not," Wallis says. "But you know, the Republicans, they are not trying to win the black vote; they are trying to peel off a percentage of it in Ohio. So you try to peel off percentages of the evangelical vote." But to peel off percentages of the religious Christian vote, Wallis insists, "Democrats have got to run somebody who has a clue about religion, religious people, about poverty, about the environment, and will speak to those people in a moral language, able to talk sense about abortion. That candidate wins. That candidate wins tomorrow in America! Tomorrow!"

The Decade Of Buying Happily (WP)

By George F. Will

The Washington Post, November 26, 2006

"There was, too, a wonderful simplicity of desire. It was the last time that people would be thrilled to own a toaster or waffle iron." -- Bill Bryson

What Thanksgiving is to gluttony, the three days after it are to consumerism -- the main event. So, with Americans launching the Christmas season by storming the stores, let us recall when consumption had an exuberance remembered now only by those who experienced the 1950s.

Bill Bryson remembers. The author of 13 books (e.g., "A Walk in the Woods" and "A Short History of Nearly Everything"), Bryson's latest is "The Life and Times of the Thunderbolt Kid," a memoir of growing up in Des Moines in the '50s, when downtown department stores -- with white-gloved operators in the elevators and pneumatic tubes carrying money and receipts to and from cashiers -- served the pent-up demands of a nation making up for consumption missed during the Depression and World War II.

In 1951, when the average American ate 50 percent more than the average European, Americans, Bryson says, controlled two-thirds of the world's productive capacity, owned 80 percent of the world's electrical goods, and produced more than 40 percent of its electricity, 60 percent of its oil and 66 percent of its steel. America's 5 percent of the world's population had more wealth than the other 95 percent, and Americans made almost all of what they consumed: 99.93 percent of new cars sold in this country in 1954 were U.S. brands.

By the end of the '50s, GM was a bigger economic entity than Belgium, and Los Angeles had more cars than did Asia -- cars for a gadget-smitten people, cars with Strato-Streak engines, Strato-Flight Hydra-Matic transmissions and Torsion-Aire suspensions. The 1958 Lincoln Continental was 19 feet long.

And before television arrived (in 1950, 40 percent of Americans had never seen a television program; by May 1953 Boston had more televisions than bathtubs) America made almost a million comic books a month.

Consider what was new or not invented then: ballpoint pens, contact lenses, credit cards, power steering, long-playing records, dishwashers, garbage disposals. And remember words now no longer heard: icebox, dime store, bobby socks, panty raid, canasta (a card game).

In 1951 a Tennessee youth was arrested on suspicion of narcotics possession. The brown powder was a new product -- instant coffee.

Fifties food was, Bryson reminds us, not exotic: In Iowa, at least, folks did not eat foreign food "except French toast," or bread that was not "white and at least 65 percent air," or "spices other than salt, pepper and maple syrup," or "any cheese that was not a vivid bright yellow and shiny enough to see your reflection in."

But unlike today, when everything edible, from milk to spinach, has its moment as a menace to health, in the '50s everything was good for you. Cigarettes? Healthful. Advertisements, often featuring doctors, said smoking soothed jangled nerves and sharpened minds.

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"X-rays," Bryson remembers, "were so benign that shoe stores installed special machines that used them to measure foot sizes."

In Las Vegas, downwind from some atomic weapons tests, government technicians used Geiger counters to measure fallout: "People lined up to see how radioactive they were. It was all part of the fun. What a joy it was to be indestructible." But, Bryson dryly notes, people knew without a warning label "that bleach was not a refreshing drink."

White House security precautions were so lax that on April 3, 1956, a somewhat disoriented Michigan woman detached herself from a White House tour and wandered through the building for four hours, setting small fires. When found, she was taken to the kitchen and given a cup of tea. No charges were filed.

The '50s did have worries. When a contestant on a TV game show said his wife's astrological sign was Cancer, the cigarette company sponsoring the show had the segment refilmed and her sign changed to Aries. You could get 14 years in an Indiana prison for instigating anyone under age 21 to "commit masturbation." And to get a New York fishing license, you had to swear a loyalty oath.

Nothing has changed more for the worse since the '50s than childhood. The lives of children were, Bryson remembers, "unsupervised, unregulated and robustly" physical.

"Kids were always outdoors -- I knew kids who were pushed out the door at 8 in the morning and not allowed back in until 5 unless they were on fire or actively bleeding."

But as the twig is bent, so grows the tree: These children, formed by the '50s, grew up to be Olympic-class shoppers. They are indoors this Sunday, at malls.

The Education Of Robert Kennedy (NYT)

By David Brooks

The New York Times, November 26, 2006

Emilio Estevez's movie, "Bobby," introduces the martyrdom of Robert Kennedy to another generation of Americans, but it was Robert's reaction to his brother's death that is really most instructive to the young.

Robert Kennedy was dining at home on Nov. 22, 1963, when J. Edgar Hoover called. "I have news for you," Hoover began coldly. "The president's been shot." Kennedy turned away from his lunch companions, his hand to his mouth and his face twisted in pain.

In the ensuing months, he was devoured by grief. One of his biographers, Evan Thomas, writes: "He literally shrank, until he appeared wasted and gaunt. His clothes no longer fit, especially his brother's old clothes — an old blue topcoat, a tuxedo, a leather bomber jacket with the presidential seal — which he insisted on wearing and which hung on his narrowing frame."

But during March 1964, he visited Bunny Mellon's estate in Antigua, and spent the vacation in his room, reading a book Jackie Kennedy had given him, "The Greek Way," by Edith Hamilton.

"The Greek Way" contains essays on the great figures of Athenian history and literature, and Kennedy found a worldview that helped him explain and recover from the tragedy that had befallen him. "When the world is storm-driven and the bad that happens and the worse that threatens are so urgent as to shut out everything else from view," Hamilton writes, "then we need to know all the strong fortresses of the spirit which men have built through the ages."

Classical scholars often scorn Hamilton because she wrote in a breathless "all the glory that was Greece" mode, but her book changed Robert Kennedy's life. He carried his beaten, underlined and annotated copy around with him for years, pulling it from his pocket, reading sections aloud to audiences in what Thomas calls "a flat, unrhythmic voice with a mournful edge."

Kennedy found in the Greeks a sensibility similar to his own — heroic and battle-scarred but also mystical. He shared the awful sense of foreboding that pervades the work of Aeschylus and Sophocles, and that distinctly Greek awareness of the invisible patterns that connect events to one another, how the arrogance men and women show at one moment will twist back and bring agony later on.

Hamilton is at her best describing the tragic sensibility, the strange mixture of doom and exaltation that marks Greek drama. It was based on the conviction that good grows out of bad, virtue out of hardship, and that wisdom is born in suffering. Kennedy memorized a passage from Aeschylus, which Hamilton quotes twice in her book:

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"God, whose law it is that he who learns must suffer. And even in our sleep pain that cannot forget, falls drop by drop upon the heart, and in our own despite, against our will, comes wisdom to us by the awful grace of God."

Kennedy, recovering from his brother's murder, found in the ancient Greeks a civilization that was eager to look death in the face, but which seemed to draw strength from what it found there. The Greeks seemed more convinced of the dignity and significance of life the more they brooded on the pain and precariousness of it.

Kennedy underlined a passage of Hamilton's book in which she summarizes the rippled nature of Greek optimism: "Life for him was an adventure, perilous indeed, but men are not made for safe havens. The fullness of life is in the hazards of life. And, at the worst, there is that in us which can turn defeat into victory." If they were doctors of the spirit, the Greeks' specialty was to take grief and turn it into resolution.

The story of Kennedy's grief is the story of a man stepping out of his time and fetching from the past a sturdier ethic. He developed a bit of that quality, which greater leaders like Churchill possessed in abundance, of seeming to step from another age. Kennedy became a figure in the 1960s, but was never really of the '60s. He promoted many liberal policies but was never a member of a team since he drew strength from somewhere else.

And the lesson, of course, is about the need to step outside your own immediate experience into the past, to learn about the problems that never change, and bring back some of that inheritance. The leaders who founded the country were steeped in the classics, Kennedy found them in crisis, and today's students are lucky if they stumble on them by happenstance.

Cheney Meets Saudi King For Talks (NYT)

The New York Times, November 26, 2006

DUBAI, United Arab Emirates, Nov. 25 — Vice President Dick Cheney traveled to Riyadh, the Saudi capital, on Saturday to discuss regional security issues with King Abdullah.

Mr. Cheney was met in Riyadh by the king's brother, Crown Prince Sultan, and government ministers and leaders of the Saudi armed forces, the official Saudi Press Agency reported.

The meeting at the king's palace, which lasted for a few hours, ended at about 8:30 p.m. Saturday, a spokeswoman with the United States Embassy in Riyadh said.

The meeting touched on "the whole range of events and developments on the regional and international scenes," according to the Saudi Press Agency, particularly "the Palestinian issue and the situation in Iraq."

Mr. Cheney left the country shortly after the meeting to return to the United States.

A spokeswoman for Mr. Cheney, Megan McGinn, said the meeting lasted for two hours and covered a "wide range of issues."

Mr. Cheney's trip precedes a planned meeting between President Bush and Prime Minister Nuri Kamal al-Maliki of Iraq in the Jordanian capital Amman in the coming week.

The high-level visits to the region come at a time when the administration is considering how to adjust its policies in Iraq, where deadly sectarian violence has been escalating.

Cheney, Saudi King Discuss Trouble Spots (AP)

AP, November 25, 2006

RIYADH, Saudi Arabia (AP) — Vice President Dick Cheney sought Saudi help on Saturday in dealing with Iraq's spiraling violence and other regional trouble spots where U.S. policy is on the line: Iran, Lebanon and the Palestinian territories.

Cheney's visit with King Abdullah was brief, lasting only a few hours before he flew back to Washington, but it underlined the two allies' concerns over upheavals across the Middle East, which many Arabs blame on U.S. policies.

In a sign of the urgency of the U.S. concern, President Bush is scheduled to meet with Iraq's prime minister in the Jordanian capital Wednesday and Thursday to discuss security matters.

The unusual succession of visits by the two U.S. leaders was planned before outbursts of violence this week dramatically worsened the situation in two countries of key American interest — Iraq and Lebanon.

On Tuesday, an anti-Syrian Lebanese politician was gunned down in Beirut, highlighting the fragility of the U.S.-backed government and heightening tensions between that country's pro- and anti-Syrian forces.

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Two days later in Iraq, suspected Sunni insurgents set off a series of car bombs that killed more than 200 people in a Shiite district of Baghdad, fueling an upsurge in the retaliatory sectarian slayings that threaten to tear the nation apart.

The meeting at Yamama Palace likely focused on both conflicts, as well as the Israeli-Palestinian front, which stands at a key crossroads amid attempts to form a new Palestinian government and get peace negotiations going.

The U.S. Embassy declined to comment on the discussions and Saudi officials were not available.

Before the meeting, a Saudi official said Cheney was expected to ask oil-rich Saudi Arabia to use its considerable influence with Iraq's Sunni Arab minority to promote reconciliation with Iraqi Shiites and Kurds. Sunni insurgents have staged some of the bloodiest attacks on U.S. troops and Shiites.

In return, Saudi Arabia wants the U.S. to help rein in Iraq's Shiite militias, which have been blamed for sectarian attacks that have killed thousands, said the official, who agreed to discuss the meeting only if not quoted by name because of the sensitivity of the talks.

On Lebanon, the Saudi official said the kingdom wants to ensure there are no cracks in support for the U.S.-backed government, which is opposed by groups allied with Syria and Iran. Saudi Arabia has strong links to the anti-Syrian bloc dominating Lebanon's Cabinet and parliament.

The official said Saudi Arabia hopes Washington will not snub any Palestinian government that emerges from talks between the militants of Hamas and the more moderate Fatah faction. The U.S. and other nations have shunned the current government led by Hamas, which has refused to recognize Israel and renounce violence against the Jewish state.

Palestinian President Mahmoud Abbas, of Fatah, is trying to work out a new unity government with Hamas, but Arabs hope the U.S. will be flexible with how much Hamas must moderate to allow a resumption of the peace process with U.S. ally Israel.

Saudi Arabia and other Arab countries on the Persian Gulf are also deeply concerned over the West's confrontation with Iran over that nation's suspect nuclear program.

Gulf countries worry about the possibility of a nuclear-armed Iran and its attempts to expand its influence in the Middle East. But they also fear the West's attempt to force Iran to rein in its program could bring Iranian reprisals.

Dick Cheney Holds Mideast Talks In Saudi Arabia (AFP)

By Suleiman Nimr

AFP, November 26, 2006

RIYADH - US Vice President Dick Cheney held talks with King Abdullah during a brief visit to Saudi Arabia in a new diplomatic thrust by Washington that will also see President George W. Bush meet Iraqi Prime Minister Nuri al-Maliki.

The Saudi official SPA news agency said the discussions covered "the whole range of events and developments on the regional and international scenes."

The talks focused chiefly on "the Palestinian issue and the situation in Iraq," in addition to ways of boosting cooperation between the United States and the oil-rich Gulf kingdom, it said.

The meeting was attended by Crown Prince Sultan bin Abdul Aziz and other top Saudi leaders, but no further details of the talks were immediately available. SPA said Cheney later left Saudi Arabia.

A Saudi official earlier said that Cheney's talks would focus on the situation in the Middle East, particularly violence-wracked Iraq.

US sources said Cheney was expected to ask Abdullah to use his influence to help foster reconciliation in Iraq, which is reeling from an explosion of tit-for-tat sectarian violence between the ruling majority Shiites and the Sunni Arab former elite.

The Riyadh talks were also expected to cover the Israeli-Palestinian conflict and the situation in Lebanon, a diplomatic source in the Saudi capital said.

Cheney's visit to US ally Saudi Arabia came ahead of a November 29-30 meeting in Jordan between Bush and Maliki on Iraq.

More than 250 people were killed on Thursday in a series of car bombings in Baghdad's Shiite stronghold of Sadr City in the bloodiest single attack since the US-led invasion of 2003.

Secretary of State Condoleezza Rice is also due in the Middle East soon.

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Cheney was expected to ask Abdullah to use his influence to help bridge the divides between Iraq's warring Sunni and Shiite factions, and also press for Riyadh to come through with its promised reconstruction aid.

Iraq's sectarian conflict, a surge in US casualties and the victory of opposition Democrats in Congressional elections on November 7 have piled pressure on Bush to change US policy, if not to begin withdrawing troops -- something he refuses to commit to.

On Monday Saudi Arabia warned against upsetting the "social balance" in Iraq and urged US-led forces to stop outside influences, in an apparent reference to the growing influence of Shiite Iran.

In a statement after its weekly meeting, the Saudi cabinet stressed the need to restore security in Iraq.

The Sunni-dominated kingdom also said that permanent members of the UN Security Council and Iraq's neighbors should "shoulder their responsibilities in backing Iraq's independence and territorial integrity."

Cheney, one of the architects of the invasion that toppled Saddam Hussein, is a vigorous defender of US policies in Iraq. He also served the current president's father George Bush as defense secretary in the 1991 Gulf War that ousted Iraq from Kuwait.

The current surge in violence in Iraq has added urgency to the trips by Cheney and Bush.

But on Friday the political group of Shiite cleric Moqtada al-Sadr, whose base is in Sadr City, threatened to quit the national unity government if Maliki meets Bush.

Washington said the meeting will go ahead as planned.

An Iraqi diplomat in Riyadh meanwhile told AFP that Iraqi Foreign Minister Hoshyar Zebari has put off a visit to Saudi Arabia slated for Sunday "due to developments of the situation in Iraq."

The diplomat, who requested anonymity, did not give a new date for the visit.

Iraq PM Struggling Ahead Of Bush Talks (AP)

By Thomas Wagner, Associated Press Writer

AP, November 26, 2006

Iraq's Shiite prime minister, struggling to prevent sectarian violence from sending Iraq into full-fledged civil war, is facing strong criticism from top Shiite and Sunni Arab leaders alike as he prepares for a summit with President Bush next week.

On Saturday, a prominent Sunni religious leader warned that Iraq's escalating sectarian violence will spread throughout the Middle East unless the international community withdraws support for Prime Minister Nouri al-Maliki's government.

"I call on the Arab states, the Arab League and the United Nations to stop this government and withdraw its support from it. Otherwise, the disaster will occur and the turmoil will happen in Iraq and other countries," said Sheik Harith al-Dhari, who heads the Association of Muslim Scholars.

Last week, Iraq's Interior Ministry issued an arrest warrant against al-Dhari, saying he was wanted for inciting violence and terrorism.

On the other side of Iraq's sectarian divide, Shiite politicians loyal to the radical anti-American Shiite cleric Muqtada al-Sadr have threatened to boycott parliament and the Cabinet if al-Maliki goes ahead with the planned summit in Jordan on Wednesday and Thursday. The political bloc, known as Sadrists, is a mainstay of support for al-Maliki.

The White House has said the meeting is still on.

Iran, the top U.S. rival in the region, had planned its own summit Saturday, inviting the presidents of Iraq and Syria in what was seen as a bid to assert its role as a powerbroker in Iraq. Syria did not respond, perhaps to avoid annoying the U.S., and Iraq's president said he could not get to Iran before Sunday at the earliest because Baghdad's airport was closed to commercial flights following a deadly attack Thursday in Sadr City.

Suspected Sunni insurgents killed 215 people in the Shiite slum with mortars and five car bombs in the deadliest single attack of the war. On Saturday, Sadrist lawmaker Qusai Abdul-Wahab blamed U.S. forces for the attack, saying they failed to provide security.

As Vice President Dick Cheney traveled to the neighboring Sunni country of Saudi Arabia on Saturday to seek help in calming Iraq, Iraq's sectarian violence shifted to Diyala province north of Baghdad, where gunmen broke into two Shiite homes

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and killed 21 men in front of their relatives, police said. U.S. and Iraqi forces also killed 58 insurgents during fighting in the same region.

In central Iraq, a suicide car bomber attacked a checkpoint near Fallujah, killing three Iraqi civilians and a U.S. service member, and wounding nine civilians and an American service member, the coalition said. The dead included two Iraqi children and an adult.

A U.S. Marine also died from wounds sustained while fighting in Anbar province on Friday, the military said, raising to at least 2,873 the number of U.S. servicemen who have died since the war began in 2003. So far, 54 American service members have died this month in Iraq.

Six people were killed in other violence in Iraq on Saturday, and 19 bodies were found, police said.

Iraq's government has been unable to prevent revenge attacks by Shiite militias and Sunni Arab insurgents, despite the 24-hour curfew it imposed Thursday night on Baghdad's 6 million residents. After only scattered violence occurred in Baghdad on Saturday, the government announced it would allow residents to leave their homes Sunday but keep the ban on all vehicles for another day.

Meanwhile, The New York Times reported Sunday that Iraqi militant groups have raised between $70 million and $200 million a year from various illegal activities to fund the insurgency. The newspaper, which cites a classified U.S. government report obtained by the Times, said the money has come from oil smuggling, kidnapping, counterfeiting and other activities.

The report said terrorist and insurgent groups in Iraq may also have extra money with which to finance terrorist organizations outside Iraq.

In the latest violence in Diyala province, a hotbed of Iraq's Sunni-Arab insurgency, gunmen targeted homes of the al-Sawed Shiite tribe in the village of Balad Ruz, 45 miles northeast of Baghdad, according to a police officer who spoke on condition of anonymity to protect his own security, as officials often do in the volatile province.

The gunmen broke into the two houses as their large extended families slept, marched everyone outside, lined up the 21 men and shot them to death as the women and children watched, police said.

Police could not reach the remote village to collect the bodies and take them to a morgue until Saturday, police said, adding that they do not known whether the attack was motivated by sectarian hatred or a tribal dispute.

In other parts of Diyala, a largely rural area of farms and orchards, police killed 36 insurgents and wounded dozens of others in clashes Saturday, police said. U.S. and Iraqi forces also conducted several raids north of Baghdad, killing 22 insurgents and a civilian, and destroying a factory used to make roadside bombs, the military said.

Baghdad was quieter than it had been on Friday, when rampaging militiamen burned and blew up four mosques and torched several homes in the mostly Shiite neighborhood of Hurriyah, witnesses and police said. Iraqi soldiers at a nearby army post failed to intervene in the assault by suspected members of the Shiite Mahdi Army militia or subsequent attacks that killed as many as 25 Sunnis, said police Capt. Jamil Hussein.

The U.S. military said Saturday that Iraqi soldiers securing Hurriyah found only one burned mosque and were unable to confirm residents' and police accounts that six Sunni Arabs were dragged from Friday prayers and burned to death.

On Friday, al-Sadr, the anti-American Shiite cleric, urged al-Dhari, the Sunni leader, to issue a religious edict condemning Sunni attacks on Shiites.

In an apparent response, Al-Dhari said during his news conference in Cairo, Egypt, that his Association of Muslim Scholars has repeatedly condemned the killing of Iraqi Muslims and attacks on their homes and mosques.

Al-Dhari, an outspoken critic of the government and the U.S. occupation, alleged that the Shiite-led government was using the 24-hour curfew as a way to carry out attacks against Sunnis, but he urged Iraqis not to be lured into more violence.

"Be patient and practice steadfastness and don't be lured into this sedition that aims to destroy" Iraq, he said.

In Baghdad, Ali al-Adib, a Shiite lawmaker close to al-Maliki, dismissed al-Dhari as a radical with few supporters. "If he doesn't want this elected national unity government what does he want, a return to dictatorship?" al-Adib said in an interview.

Associated Press writers Bassem Mroue and Qais Al-Bashir in Baghdad and Omar Sinan in Cairo, Egypt, contributed to this report.

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A Matter Of Definition: What Makes A Civil War, And Who Declares It So? (NYT)

By Edward Wong

The New York Times, November 26, 2006

BAGHDAD, Nov. 25 — Is Iraq in a civil war?

Though the Bush administration continues to insist that it is not, a growing number of American and Iraqi scholars, leaders and policy analysts say the fighting in Iraq meets the standard definition of civil war.

The common scholarly definition has two main criteria. The first says that the warring groups must be from the same country and fighting for control of the political center, control over a separatist state or to force a major change in policy. The second says that at least 1,000 people must have been killed in total, with at least 100 from each side.

American professors who specialize in the study of civil wars say that most of their number are in agreement that Iraq's conflict is a civil war.

"I think that at this time, and for some time now, the level of violence in Iraq meets the definition of civil war that any reasonable person would have," said James Fearon, a political scientist at Stanford.

While the term is broad enough to include many kinds of conflicts, one of the sides in a civil war is almost always a sovereign government. So some scholars now say civil war began when the Americans transferred sovereignty to an appointed Iraqi government in June 2004. That officially transformed the anti-American war into one of insurgent groups seeking to regain power for disenfranchised Sunni Arabs against an Iraqi government led by Prime Minister Ayad Allawi and increasingly dominated by Shiites.

Others say the civil war began this year, after the bombing of a revered Shiite shrine in Samarra set off a chain of revenge killings that left hundreds dead over five days and has yet to end. Mr. Allawi proclaimed a month after that bombing that Iraq was mired in a civil war. "If this is not civil war, then God knows what civil war is," he said.

Many insurgencies and ethnic or sectarian wars are also civil wars. Vietnam and Lebanon are examples. Scholars say the Iraq civil war has elements of both an insurgency — one side is struggling to topple what it sees as an illegitimate national government — and a sectarian war — the besieged government is ruled by Shiites and opposed by Sunni Arabs.

In Iraq, sectarian purges and Sunni-Shiite revenge killings have become a hallmark of the fighting, but the cycles of violence are ignited by militia leaders who have political goals. The former Yugoslav president, Slobodan Milosovic, did this during the wars in the Balkans.

The civil strife in Iraq largely takes place in mixed Sunni-Shiite areas that include the cities of Baghdad, Mosul and Baquba. In Anbar Province, which is overwhelming Sunni Arab, much of the violence is aimed at American troops. Large swaths of Iraq have little violence, but those areas are relatively homogenous and have few people.

Governments and people embroiled in a civil war often do not want to label it as such. In Colombia, officials insisted for years that the rebels there were merely bandits.

Some Bush administration officials have argued that there is no obvious political vision on the part of the Sunni-led insurgent groups, so "civil war" does not apply.

In the United States, the debate over the term rages because many politicians, especially those who support the war, believe there would be domestic political implications to declaring it a civil war. They fear that an acknowledgment by the White House and its allies would be seen as an admission of a failure of President Bush's Iraq policy.

They also worry that the American people might not see a role for American troops in an Iraqi civil war and would more loudly demand a withdrawal.

But in fact, many scholars say the bloodshed here already puts Iraq in the top ranks of the civil wars of the last half-century. The carnage of recent days — beginning with bombings on Thursday in a Shiite district of Baghdad that killed more than 200 people — reinforces their assertion.

Mr. Fearon and a colleague at Stanford, David D. Laitin, say the deaths per year in Iraq, with at least 50,000 reportedly killed since March 2003, place this conflict on par with wars in Burundi and Bosnia.

Iraq's president and prime minister avoid using the term, but many Iraqis say extremists have thrust the country into civil war, even as moderates have struggled to pull back from the brink.

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"You need to let the world know there's a civil war here in Iraq," said Adel Ibrahim, 44, a sheik in the Subiah tribe, which is mostly Shiite. "It's a crushing civil war. Mortars kill children in our neighborhoods. We're afraid to travel anywhere because we'll be killed in buses. We don't know who is our enemy and who is our friend."

The spiraling bloodshed here bolsters arguments that this is a civil war. A United Nations report released Wednesday said at least 3,709 Iraqis were killed in October, the highest of any month since the American-led invasion. More than 100,000 Iraqis a month are fleeing to Syria and Jordan.

"It's stunning; it should have been called a civil war a long time ago, but now I don't see how people can avoid calling it a civil war," said Nicholas Sambanis, a political scientist at Yale who co-edited "Understanding Civil War: Evidence and Analysis," published by the World Bank in 2005. "The level of violence is so extreme that it far surpasses most civil wars since 1945."

Among scholars, "there's a consensus," Mr. Sambanis said. Scholars in the United States generally agree that there have been at least 100 civil wars since 1945. At the smaller end of the scale is the war in Northern Ireland. Measured by total killed, the largest modern civil wars were in Angola, Afghanistan, Nigeria, China and Rwanda.

However, there are some dissenting historians on the definition of civil war, and whether it applies to Iraq. John Keegan, the British writer of war histories, finds only five clear-cut cases, starting with the English civil war of the 17th century through to the Lebanese war of the 20th century. His criteria are that the feuding groups must be vying for national authority, have leaders who publicly announce what they are fighting for and clash in set-piece battles while wearing uniforms, among other things. He argues in the December issue of Prospect magazine that Iraq is therefore not in civil war.

On Friday, Scott Stanzel, a White House spokesman, insisted that the Iraq conflict was not civil war, noting that Iraq's top leaders had agreed with that assessment. Last month, Tony Snow, the chief spokesman for President Bush, acknowledged that there were many groups trying to undermine the government, but said that there was no civil war because "it's not clear that they are operating as a unified force. You don't have a clearly identifiable leader."

By contrast, Sen. Joseph R. Biden Jr., the top Democrat on the Senate Foreign Relations Committee, said on Fox News in September that "a political solution is necessary to end the civil war in Iraq."

In 2003, at the start of the Sunni-led insurgency, Bush administration officials called the guerrillas "dead-enders" and insisted their only goal was to sow chaos. Now, American commanders acknowledge that political dominance is at the heart of this conflict.

In Congressional testimony this month, Lt. Gen. Michael D. Maples of the Defense Intelligence Agency characterized the situation as an "ongoing, violent struggle for power" and said the country was moving closer to a "significant breakdown of central authority."

Many Iraqis and Americans who have tracked the insurgency say it has been strongly shaped by former Baath Party members who want to keep Shiites from taking power. Even the newer jihadist groups have articulated political goals on Web sites — most notably to establish a Sunni-ruled Islamic caliphate.

"There was a whole regime that ruled this country for 35 years," said Mahmoud Othman, a senior Kurdish legislator. "Now they've gone underground. This is the main body of the resistance."

Scholars say it is crucial that policy makers and news media organizations recognize the Iraq conflict as a civil war.

"Why should we care how it is defined, if we all agree that the violence is unacceptable?" asked Mr. Laitin, the Stanford professor. "Here is my answer: There is a scientific community that studies civil wars, and understands their dynamics and how they, in general, end. This research is valuable to our nation's security."

Israel And Palestinians Agree To A Cease-Fire In The Gaza Strip (NYT)

By Greg Myre

The New York Times, November 26, 2006

JERUSALEM, Nov. 25 — Israeli and Palestinian leaders agreed late Saturday night to a cease-fire in the Gaza Strip that is to include the withdrawal of Israeli troops who have been battling Palestinian militants for the past five months.

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The surprise announcement came as Israeli troops and Palestinian militants fought Saturday, much as they have almost every day in recent months. Two Palestinians were killed, including a Hamas militant who died in an Israeli airstrike in the evening, Palestinian security officials said.

The Palestinian Authority president, Mahmoud Abbas, called Israel's prime minister, Ehud Olmert, and said that all Palestinian factions had agreed to stop violence in the Gaza Strip as of 6 a.m. Sunday, both sides said.

Mr. Olmert responded by saying that Israel would halt all its military operations in Gaza and withdraw all its forces from the territory, according to Mr. Olmert's office. Israeli officials said they did not expect the withdrawal to be completed by 6 a.m. "It's a full cease-fire, and the prime minister was happy to accept it," said an official in the prime minister's office, who was not authorized to be quoted by name.

The agreement is the most serious effort to end the fighting in Gaza. However, it is not clear whether it will take effect and hold.

The Palestinian Authority prime minister, Ismail Haniya, met in Gaza with several Palestinian factions involved in firing rockets into Israel, and they said they would abide by the cease-fire.

But some other factions, including Hamas militants, said they were not ready to accept a cease-fire until Israel halted attacks.

"We will not stop rocket firings as long as raids and assassinations continue" by Israel, Abu Ubaida, a spokesman for Hamas's armed wing, told [a news agency].

In the past, the Palestinian Authority has been unable or unwilling to control the numerous factions involved in the fighting with Israel.

In addition, only hours before the cease-fire was announced, Khaled Meshal, the Hamas political leader, who is in exile, said in Cairo that the Palestinians would launch a new uprising unless there was clear progress toward a Palestinian state along the 1967 borders.

"We give them six months," Mr. Meshal said of Israel. If there is no progress during this time, "the Palestinian people will close all the political ledgers and come out in a third uprising." The previous Palestinian uprisings, or intifadas, began in 1987 and in 2000.

The conflicting statements by the Palestinians reflected the deep divisions that have often led to street battles between Palestinian factions.

Israel and the Palestinians had not announced any formal cease-fire talks before the Saturday night statement released by Mr. Olmert's office, though there have been occasional contacts.

Israel withdrew its soldiers and settlers from the Gaza Strip last year. However, the Israeli forces returned at the end of June following the seizure of an Israeli soldier, who was taken into the territory.

Despite the cease-fire, there still is no agreement on releasing the soldier, Cpl. Gilad Shalit, the official in Mr. Olmert's office said. The Palestinians have sought the release of a large number of Palestinian prisoners in exchange for Corporal Shalit.

More than 300 Palestinians, including militants and civilians, have been killed in Gaza since late June. Three Israelis soldiers have been killed in Gaza, and two Israeli civilians died from rockets that crashed into the southern town of Sderot, just outside Gaza's borders.

The cease-fire announcement does not cover the West Bank.

Tentative Deal Is Reached To Halt Fighting In Gaza (WP)

By Scott Wilson

The Washington Post, November 26, 2006

JERUSALEM, Nov. 26 -- The Israeli government agreed late Saturday to cease military operations in the Gaza Strip in exchange for a pledge by Palestinian armed groups to stop firing rockets into southern Israel, a tentative deal that leaders on both sides said could end months of violence in and around the Palestinian enclave.

The Palestinian Authority president, Mahmoud Abbas, outlined the terms of a possible cease-fire in a telephone call to Israeli Prime Minister Ehud Olmert, according to Olmert's aides. The proposal called for an end to the frequent Palestinian

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rocket fire that has killed two Israelis this month, suicide bombings inside Gaza against Israeli soldiers and the digging of tunnels used for smuggling money and weapons into the strip from neighboring Egypt.

Olmert's aides said the prime minister pledged in return to cease military operations in Gaza -- more than 250 Palestinians, most of them gunmen, have been killed since late June -- effective 6 a.m. Sunday. Israeli forces would begin withdrawing soon after from northern Gaza, where they have been operating for several weeks, if terms of the truce hold. [The Israeli military said early Sunday that it had withdrawn all of its forces from Gaza.]

Israeli and Palestinian officials warned that the next few days would determine the durability of the cease-fire, which does not extend to the West Bank. Similar agreements have been announced since Israel withdrew its settlers and soldiers from Gaza 14 months ago, only to collapse within hours. [There were reports of at least one rocket falling inside Israel after the cease-fire took effect, without reports of injuries.]

"It holds the potential for stability and quiet for both sides," said Miri Eisin, an Olmert spokeswoman. "Israel in that sense is hopeful."

Abbas, who has been working to assemble a national unity government with the rival Hamas movement, told Olmert he received pledges to abide by the agreement from the armed groups at war with the Jewish state. His spokesman, Nabil Aburdeineh, outlined the deal to reporters in Gaza late Saturday.

Officials from the military wing of Hamas, the radical Islamic movement in control of the Palestinian Authority's ministries, suggested they would adhere to the terms only if Israel pulls back from Gaza. The radical Islamic Jihad said it would study the agreement before endorsing it.

"Hamas will remain with the Palestinians' interests," said Khalil Abu Leila, a Hamas political leader. "But if the Israelis violate this initial agreement, there will be no truce at all."

Two Israeli airstrikes earlier Saturday on cars in northern Gaza killed at least three Hamas gunmen and wounded several others, while at least one Palestinian rocket landed in the Israeli town of Sderot. No injuries were reported.

Eisin said Abbas and Olmert agreed to talk in the days ahead about how to extend the truce to the West Bank if it holds in Gaza.

"We'll wait and see what happens tomorrow," Eisin said.

Israel, Palestinians OK Gaza Cease-fire (AP)

By Amy Teibel And Ibrahim Barzak, Associated Press Writers

AP, November 26, 2006

A truce meant to end five months of deadly Israeli-Palestinian clashes went into effect throughout the Gaza Strip early Sunday, significantly bolstering hopes of coaxing moribund peace talks back to life.

The Israeli military said all troops were withdrawn from Gaza in the hours before the 6 a.m. cease-fire, announced late Saturday, took force. Dozens of tanks and armored vehicles were parked just over the border in a military staging ground in southern Israel early Sunday, and the streets of northern Gaza were empty.

The agreement was a coup for Palestinian President Mahmoud Abbas as he tries to form a more moderate government than the one currently led by Islamic Hamas radicals. Abbas, a moderate from the Fatah Party elected separately last year, hopes a new government lineup will persuade the West to end crushing economic sanctions imposed after Hamas took power in March.

The truce was meant to halt rocket fire and other militant attacks on Israel from Gaza, and a military offensive Israel launched in the coastal strip in June, less than a year after ending its 38-year occupation. About half an hour before it took effect, Hamas militants said they fired two rockets at southern Israel. One hit a house, but caused no injuries, the military said.

The two sides announced the accord after Abbas telephoned Israeli Prime Minister Ehud Olmert late Saturday to tell him he had arrived at an agreement with Palestinian factions to stop rocket fire and all other violence from Gaza. Olmert reciprocated by pledging to stop all Israeli military operations in Gaza and withdraw all troops there, aides to both leaders said.

Abbas spokesman Nabil Abu Rdeneh said a truce reached in Egypt in February 2005 would be revived.

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"There is a signed agreement between the president and Prime Minister (Ismail) Haniyeh and all the Palestinian factions to resort to the agreement of the factions in Cairo in 2005, including ceasing all the military activity from Gaza, starting from Sunday morning," Abu Rdeneh said from Gaza City. "The Israeli prime minister has agreed, and it is going to start tomorrow morning."

Abbas told Olmert that the factions had agreed to stop all violence from Gaza, including rocket fire and suicide bombings, starting at 6 a.m. Sunday, Israeli government spokeswoman Miri Eisin said.

He "asked that, in response, Israel stop all military operations in the Gaza Strip and withdraw all her forces," and Olmert responded favorably, Eisin said.

Earlier in the day, militant factions denied reaching a cease-fire agreement. But after it was officially announced, they acknowledged the accord and said the denials were a product of power struggles among them.

Israeli forces originally entered Gaza in an effort to win the release of a soldier captured in a June 25 cross-border raid by Hamas-linked militants and still in captivity. But they soon widened their objectives to target militants who had intensified their rocket attacks on southern Israel after the September 2005 Gaza pullout.

The violence claimed the lives of more than 300 Palestinians and five Israelis. Most of the dead Palestinians were militants, but dozens of civilians died, too, including 19 members of an extended family killed earlier this month in an attack on their apartment compound.

Despite international criticism over Palestinian civilian deaths, Olmert pledged earlier this month to continue the offensive until Palestinian rocket attacks from Gaza significantly decreased. Instead, as the fighting swelled, rocket fire in November more than doubled from October, killing two civilians in a single week.

On Saturday, a rocket hit an unoccupied house in southern Israel, and blasts ripped apart two cars carrying militants in northern Gaza, killing at least one and wounding several passersby. One vehicle was struck by missiles fired from an Israeli aircraft, and the source of the other blast wasn't known.

Three other militants were killed in clashes with Israeli troops elsewhere, including two hit by Israeli fire near the main Gaza-Israel cargo crossing, Palestinian officials and Hamas said. The army said it had no information about fighting in the vicinity of the Karni passage.

The militants' capture of Cpl. Gilad Shalit and the subsequent Israeli offensive cut short efforts by Olmert and Abbas to restart peace talks that broke down six years ago. A truce could help to create the momentum to get talks moving.

"We welcome the announcement and see this as a positive step forward," White House spokesman Alex Conant said Saturday evening in Washington. "We hope it leads to less violence for the Israeli and Palestinian people."

Although Israel has no ties with the Hamas government, which rejects the Jewish state's right to exist, it considers the separately elected Abbas an acceptable negotiating partner. He and Olmert agreed months ago to meet, but Abbas has been reluctant to set a date for talks without receiving assurances the meeting would yield real dividends for the Palestinians, like a release of Palestinian prisoners Israel holds.

Olmert has said no prisoners would be released to Hamas before Shalit is freed.

A cease-fire in Gaza is part of a broad package Abbas is trying to put together in the hope of persuading the West and Israel to resume the flow of hundreds of millions of dollars in funding cut off to pressure Hamas to recognize the Jewish state and renounce violence.

The centerpiece of that package would be the formation of a new government less inimical to Israel. Another major element is a prisoner swap.

Hamas' supreme leader, Khaled Mashaal, arrived in Cairo this week to discuss both issues with Egytian mediators, but there was no word of a breakthrough.

On Saturday, Mashaal said his group was willing to give peace negotiations with Israel six months to reach an agreement for a Palestinian state in Gaza and the West Bank, but threatened a new armed uprising if the talks failed.

The double-edged comments were his strongest confirmation that the Islamic militant group would allow Abbas to try to negotiate with Israel. But it was also the first time he has set a deadline with an explicit threat of a new uprising.

Israel had no immediate comment on Mashaal's proposal.

AP correspondent Ibrahim Barzak reported from Gaza City, Gaza Strip.

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Israelis, Palestinians Reinstate Cease-fire (LAT)

By Richard Boudreaux, Times Staff Writer

The Los Angeles Times, November 26, 2006

The Jewish state pulls troops from Gaza. Peace talks between leaders could follow.

JERUSALEM — Israel and the Palestinians halted their hostilities in the Gaza Strip today, reinstating an often-broken cease-fire that could lead to the first talks between their leaders since June.

The accord, struck late Saturday during a telephone call from Palestinian Authority President Mahmoud Abbas to Israeli Prime Minister Ehud Olmert, took effect at 6 a.m. Shortly afterward, Israel announced that it had pulled its troops out of the coastal territory during the night.

If the indefinite cease-fire holds, it will end five months of punishing Israeli military incursions into Gaza as well as the daily firing of rockets by Palestinian militants at cities and towns in Israel. It also could create momentum toward a resumption of peace talks that collapsed six years ago.

Hamas, one of several Palestinian parties to the pact, said it had fired its last three rockets into Israel half an hour before the cease-fire. One damaged a home in Sderot but caused no injuries, Israeli officials said.

An Israeli government spokeswoman, Miri Eisen, said the cease-fire accord included a halt to Palestinian suicide attacks in or from Gaza and a cessation of weapons smuggling into Gaza from Egypt.

Nabil abu Rudaineh, a spokesman for Abbas, said that all Palestinian armed factions had signed an agreement to "cease military activities from Gaza," restoring a truce reached in Egypt in February 2005.

Among the groups committed to the accord, he said, was Islamic Jihad, which had previously rejected any cease-fire with Israel, and Hamas, which governs the Palestinian Authority and has refused to recognize Israel.

The Bush administration, eager to revive talks between Israeli and Palestinian leaders, welcomed the announcement as "a positive step forward," White House spokesman Alex Conant said. "We hope it leads to less violence for the Israeli and Palestinian people."

The cease-fire was a major achievement for Abbas, who had been pressing Palestinian militant groups for months. He retained the presidency after his more moderate Fatah Party lost control of the government to Hamas in March, and has criticized Hamas' role in escalating the conflict with Israel.

Since summer, Abbas said last week, Palestinians in Gaza have been "victims of a barbaric Israeli offensive that has left more than 400 dead and 1,500 wounded, while thousands of homes have been destroyed."

But he added, "All that on the pretext of homemade rocket fire, and unfortunately we are giving them such a pretext."

Since Israel unilaterally withdrew its military outposts and settlers from the coastal territory in September 2005, at least 1,100 crude Kassam rockets have been fired from Gaza, killing two Israeli civilians, both in the last 12 days.

Israeli forces returned to Gaza in late June after militants with several Palestinian groups, including Hamas, captured Israeli Cpl. Gilad Shalit in a cross-border raid. The Israelis have made frequent and increasingly large incursions into Gaza since then, trying to halt the rocket attacks. Three Israeli soldiers have died in the fighting.

Rejecting international criticism of the offensive, which has left scores of Palestinian civilians dead, Olmert said this month that the Israeli offensive would continue until the rocket fire was significantly diminished.

In fighting Saturday, Israeli forces killed four Palestinian fighters and wounded at least six other people, including an unarmed 12-year-old boy.

The cease-fire accord came a day after Israel rejected an offer by Palestinian Authority Prime Minister Ismail Haniyeh of Hamas to stop the rockets in return for a halt in Israeli military operations in the West Bank and Gaza.

"Abbas then came back with an offer of a full cease-fire, in exchange for our stopping in Gaza only, and Olmert agreed," said Eisen, the Israeli spokeswoman.

Israeli-Palestinian cease-fires break down frequently, and it appeared today that there was some uncertainty over the terms of this one.

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One party to the accord, the Popular Resistance Committees, said it still expected Israel to stop military operations in the West Bank as well. Asked whether such operations could provoke more rockets from Gaza, a spokesman for the group, Abu Abir, told the Israeli newspaper Haaretz that Israel must first pull out of Gaza.

"After that, we can talk about what we would view as a violation of the cease-fire," he said.

Israeli officials said they were worried that Hamas would use the cease-fire to smuggle more weapons through tunnels from Egypt. Eisen acknowledged that it would be difficult for Israel to monitor the border.

Khaled Meshaal, the Hamas political leader, underscored those concerns Saturday by threatening a major uprising against Israel. At the same time, he appeared to endorse an effort by Abbas to try to negotiate agreements with Israel to head off violence.

"We give them six months to open real political horizons," Meshaal said at a news conference in Cairo. Otherwise, he said, "Hamas will become stronger and the resistance will resume."

Olmert said this month that he was eager to meet with Abbas and willing to make unspecified concessions. The two men have met once as leaders — a stiff protocol session that took place in Jordan in June, two days before the capture of the Israeli soldier.

Any talks between them would inevitably focus on prisoners and the Palestinians' international isolation.

Israel wants the captive soldier returned before it releases hundreds of Palestinian prisoners from its jails, as Hamas has demanded.

Abbas wants Israel to stop withholding tax revenue and duties collected on behalf of the Palestinians.

Israel insists that the Palestinian government first must meet Western nations' conditions for ending the crippling economic sanctions imposed after Hamas came to power: that it recognize the Jewish state, renounce violence and honor previous Israeli-Arab agreements.

Hamas has rejected those demands and resisted Abbas' efforts to negotiate a replacement of the Hamas-led Cabinet with technocrats not affiliated with any political party.

Palestinians, Israel Agree To Gaza Cease-fire (CNN)

CNN.com, November 25, 2006

JERUSALEM (CNN) -- A total cease-fire in Gaza began at 6 a.m. local time Sunday (11 p.m. Saturday ET) after Israelis and Palestinian factions agreed on a proposal, authorities said Sunday.

All Palestinian factions have agreed to stop firing rockets into Israel under a cease-fire agreement, according to Nabil Abu Rdaina, a spokesman for Palestinian Authority President Mahmoud Abbas.

Meanwhile, the Israeli government has agreed to withdraw troops from Gaza and cease military operations, said Miri Eisin, government spokeswoman.

"We think that there's the possibility of hope here," she said. "What we hope is that the violence itself will stop, and we'll be able to see a little bit of peace and quiet in and around the Gaza Strip."

The agreement covers only Gaza, she said, and not the West Bank.

Just before the cease-fire took effect, militants fired three rockets into Israel, according to Israel Defense Forces. No one was injured, but a building was damaged.

Abbas called Israeli Prime Minister Ehud Olmert to offer the cease-fire.

In the United States, a White House spokesman called the cease-fire a "a positive step forward."

"We welcome the announcement," said spokesman Alex Conant. "We hope it leads to less violence for the Israeli and Palestinian people."

Rdaina said, "We hope that this will be a good start to stop all the activities and to withdraw from Gaza as well from the Israeli troops."

The firing of rockets into Israel has recently prompted Israeli airstrikes in Gaza. Three such airstrikes occurred Saturday and early Sunday.

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In one of the recent strikes, two people were killed -- one a member of the Palestinian National Guard and the second a militant from the Izzedine al-Qassam Brigade, the military wing of Hamas, according to Palestinian security sources.

In another strike, a Palestinian militant was killed and three others wounded, one critically, when a minibus was targeted east of Gaza City, Palestinian sources said.

Hamas confirmed those in the bus were part of the Izzedine al-Qassam Brigade.

A third airstrike targeted a car near al-Azhar University in Gaza City, security sources said.

The Israel Defense Forces said it conducted an aerial attack on a Hamas terror cell in the Sajaiya neighborhood. It didn't provide casualty figures. The IDF said the cell was part of the group's weapons production division.

Gaza Ceasefire Comes Into Force (BBC)

BBC.com, November 26, 2006

A ceasefire in the Gaza Strip has come into force, with the Palestinians halting rocket attacks into Israel.

Palestinian leader Mahmoud Abbas won a commitment from all militant groups to stop the attacks, while Israeli PM Ehud Olmert agreed to halt hostilities.

Israel said all its troops withdrew from Gaza before the ceasefire took effect, five months after its military re-entered the Strip.

BBC correspondents say the agreement is unexpected and a major development.

The United States has welcomed what a White House spokesman called "a positive step forward".

Earlier on Saturday, at least one Hamas activist was killed in an Israel air strike on Gaza.

Two cars were targeted, and four men were reported injured.

Hamas said that three other activists were killed in clashes with Israeli troops elsewhere in Gaza.

'Chance for stability'

The ceasefire came into effect at 0600 (0400GMT) on Sunday.

The BBC's Alan Johnston in Gaza says it seems Mr Abbas phoned his opposite number on Saturday evening to say he had agreement from all Palestinian factions that they would stop their rocket fire.

There is a signed agreement between Mr Abbas, Palestinian Prime Minister Ismail Haniya and all the Palestinian factions, a spokesman said.

Mr Olmert is said to believe the ceasefire is a chance for stability

A spokeswoman for the Israeli prime minister, Miri Eisin, told the BBC that Mr Olmert had agreed that Israeli forces would not initiate any offensive action after that time.

But she said Mr Olmert had made it clear that it might take some time to pull all Israeli troops out of the Gaza Strip if the ceasefire held.

However, shortly after the ceasefire took effect, the Israeli army confirmed that all its troops had left.

Ms Eisin said Mr Olmert believed this was a chance to achieve stability and one that Israel could not miss.

The BBC's Simon Wilson in Jerusalem says that although there has been talk of a possible ceasefire in recent weeks, such a direct acknowledgement from the Israeli prime minister's office comes as a surprise.

Officials have indicated in the past that they do not believe Mr Abbas has the power to enforce a ceasefire among Palestinian groups, he says.

Ground offensives

Israel evacuated its settlements and military bases in Gaza last year after 38 years in the territory, but the military renewed ground operations after militants captured an Israeli soldier, Corporal Gilad Shalit, in a border raid in June.

One Hamas activist died in Saturday's air strike

Palestinian militant groups have been firing Qassam rockets into Israel on a daily basis. They have killed two Israeli civilians in the past 10 days.

Israel has launched frequent ground offensives into Gaza Strip to try to stop the militants who launch the rockets.

It has also shelled targets in Gaza heavily.

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Since June, Israeli troops have killed more than 400 Palestinians in Gaza, roughly half of them civilians.

Three Israeli soldiers have died in operations. Cpl Shalit has not been found, and his fate is unknown.

Crisis In Lebanon Reaches New Threshold (WP)

By Anthony Shadid

The Washington Post, November 26, 2006

BEIRUT, Nov. 25 -- Lebanon's fragile government, defying warnings from Hezbollah, on Saturday approved an international tribunal to try suspects in the 2005 assassination of former prime minister Rafiq al-Hariri, an enormously symbolic step for a country paralyzed by division and anticipation.

The decision by Prime Minister Fouad Siniora's cabinet, taken at night with a large military presence in downtown Beirut, set the stage for the country's month-long political crisis, which has so far escalated almost in slow motion, to enter a much less predictable period. In effect, the approval of the tribunal pits a coalition underpinning the Lebanese government, backed by the United States and France, against the radical Shiite movement Hezbollah and its allies, supported by Iran and Syria.

"This is not a provocation against anyone, nor will it be a provocation against anyone," Siniora said in a statement read after the cabinet meeting by the information minister. "On the contrary, it aims at protecting everyone."

Hezbollah read the vote as a blunt challenge, denouncing the cabinet as illegitimate and renewing its threat to take to the streets to bring it down. The movement and its allies negotiated their response Saturday night, but several officials said protests would commence after the seven-day mourning period for Pierre Gemayel, the industry minister who was assassinated Tuesday on a busy suburban Beirut street.

"This is an unconstitutional and illegitimate meeting of an unconstitutional and illegitimate cabinet. Our reaction will become clear in the coming days," Hussein Hajj Hassan, a Hezbollah member of parliament, said in an interview. "It is going to include all kinds of activities, because they have taken things to an unacceptable place."

But, he added, "we're not in a hurry."

Lebanon's crisis, its most recent phase ignited last month when Hezbollah demanded a greater share of representation in the cabinet, is playing out at levels that extend far beyond the borders of the small Mediterranean country.

The coalition backing the government has said Hezbollah's decision to withdraw its ministers and allies from the cabinet on Nov. 11 was meant to block the convening of the international court to try the suspected killers of Hariri and opponents of Syria assassinated since last year. A U.N. investigation has suggested that Lebanese and Syrian intelligence services were behind Hariri's death, but has yet to conclude. Four Lebanese security chiefs have been in custody for 14 months. In a letter Friday to U.N. Secretary General Kofi Annan, Syria complained that it was not consulted about the court's creation and suggested that it would not cooperate.

Hezbollah has said the issue is not the court, but the government. Hezbollah insists the government is no longer legitimate without the participation of Shiite ministers, who represent Lebanon's single largest community in a political system founded on the notion of sectarian consensus.

Information Minister Ghazi Aridi said the two sides negotiated until minutes before the cabinet convened Saturday evening, to no avail. Hassan, the legislator, however, called the discussions "silly attempts and a stupid repetition of positions and unacceptable solutions."

Technically, the government decision still requires the approval of President Emile Lahoud, an ally of Syria who has said the decision was unconstitutional given the ministers' resignations. Without his approval, it would go to parliament, which can be convened only by the speaker, Nabih Berri, an ally of Hezbollah. Berri's aides say he has no plans as of now to do so.

In a country whose crises are almost always interlocked with regional and international relations, the fights over the court and the cabinet are overshadowed by the bigger struggles underway: Which of Lebanon's factions -- and, by default, its foreign patrons -- will exercise the greatest influence over the future?

Hezbollah's opponents -- a coalition of Sunni Muslims, Druze and Christians that takes its name from the mass protest on March 14, 2005, that helped force the end of a 29-year Syrian military presence here -- see Syria and, to a lesser extent, Iran as

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representing the greatest threats to Lebanese stability. Hezbollah, allied with an influential Christian politician, Michel Aoun, views the government as beholden to the United States and its interests.

"I am not very hopeful," said Amin Sherri, another Hezbollah parliament member, speaking after the vote. "Why? We have to see who's putting pressure on them. That side is the United States."

Punctuated by drama and interspersed with stretches of anticipation, the crisis has, until now, played out in almost expected ways. The vote Saturday was, in some ways, a formality. Even the killing of Gemayel, an anti-Syrian politician from a prominent Christian family, followed predictions by other politicians that assassinations were ahead. But the March 14 coalition turned Gemayel's funeral into a protest and show of force Thursday, mobilizing tens of thousands of its followers.

A counter show of force by Hezbollah appears inevitable -- Hezbollah leader Hasan Nasrallah reiterated such a warning Friday -- although Sherri and Hassan said nothing was expected within the next 48 hours.

The prospect of sending the crisis into the streets has unsettled Beirut, a city whose diversity is often segregated and whose communal tension is as pronounced as at any time since Lebanon's 1975-90 civil war. With Christians divided between the government and Hezbollah, the confrontation has taken on a Sunni-Shiite dimension that is somewhat new to Lebanese politics. Its resolution will help determine which community, at the very least, wields an effective veto over political decisions.

"Internally speaking, Hezbollah cannot lose and doesn't want to lose. March 14 and the government cannot lose, and they don't want to lose," said Sarkis Naoum, a columnist for al-Nahar newspaper. "The loss for either side means this country will head in some direction that can be different. That's why I think both of them will take the confrontation to the end."

The crisis has paralyzed Lebanon, still reeling from last summer's war between Hezbollah and Israel. Following Gemayel's assassination, several Lebanese ministers took up residence in the government headquarters, known as the Serail, for protection.

Competing television stations -- the Sunni-owned Future channel and Hezbollah's al-Manar -- have waged a propaganda war of escalating invective. In one news bulletin, al-Manar called Walid Jumblatt, a Siniora ally and mercurial leader of the Druze community, a snake "spreading his venom." At Gemayel's funeral Thursday, protesters burned pictures of Aoun and shouted obscenities at Nasrallah. Hours later, scores of Shiite residents took to the streets in protest, temporarily blocking the airport road.

Asked whether he saw a solution, Naoum said, "I don't think so.

"I don't know, I'm scared. I'm scared," he said. "They are so mobilized, the Sunnis and the Shiites, that once they go into the street, it's possible that no one can control them."

Lebanon Approves U.N. Tribunal To Investigate Hariri Assassination (MCT)

By Dion Nissenbaum

McClatchy Newspapers, November 26, 2006

BEIRUT - On a busy West Beirut street corner, a black billboard featuring a photograph of Rafik Hariri counts off the number of days since the former prime minister's still-unsolved assassination sparked a popular uprising that forced Syrian troops out of Lebanon after decades of political domination.

"The truth," reads the billboard, which on Saturday was up to 650 days.

"For Lebanon's sake."

Nearly two years after the Cedar Revolution propelled pro-Western leaders into power and created a brief period of fragile national unity, attempts to find out the truth are threatening to create dangerous new political fissures.

On Saturday, Lebanon's cabinet set the stage for a political showdown by unanimously approving the establishment of a special United Nations tribunal with the power to try those involved in the assassination.

The vote throws the issue in the hands of the country's pro-Syria opposition leaders who consider the action an unconstitutional and provocative act.

Hezbollah leader Hassan Nasrallah, head of the nation's most powerful militia, is threatening to stage street protests until the government falls.

And Hezbollah allies in the government have vowed to quash the international investigation.

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"This is not a provocation to any party," Information Minister Ghazi Aridi said after the cabinet vote, which was held as Lebanese soldiers fanned out across Beirut in an effort to contain any possible problems.

The dispute is about much more than finding out who killed Hariri. It is about the role of outside forces in Lebanese politics and whether the country's growing Shiite community should be given a greater role in the government.

Creation of the United Nations body still faces significant hurdles. It must be endorsed by President Emile Lahoud, a Hezbollah ally who considers the cabinet approval unconstitutional. And the tribunal must win approval from the Lebanese parliament, which is dominated by pro-Western lawmakers but headed by Hezbollah ally Nabih Berri, a prominent Shiite leader who could delay the vote.

Attempts by either Lahoud or Berri to derail the investigation could deepen the rifts and heighten tensions.

Hariri's political heirs see the tribunal as their best chance to prove widely held suspicions that Syria is behind the killing and an ongoing string of assassinations in Lebanon that have targeted a series of anti-Syrian figures. Syria has consistently denied playing any role in the political killings but views the tribunal as something of a kangaroo court.

As the Lebanese cabinet moved two weeks ago to give its initial approval to the tribunal, six Hezbollah allies in the Lebanese cabinet resigned in a bid to topple the government. Prime Minister Fuad Saniora refused to accept the resignations, and the cabinet endorsed the tribunal. Lahoud and Berri have deemed the cabinet actions unconstitutional.

Resolving the standoff peacefully was already a difficult challenge last week when gunmen killed Industry Minister Pierre Gemayel, a member of a prominent and controversial Christian political family.

The assassination deprived Saniora of an important ally and cast a pall over a nation still peppered with bullet-scarred buildings that serve as stark reminders of the country's 15-year civil war. Saniora's allies and Hariri's political heirs transformed Gemayel's funeral on Tuesday into a massive political rally that heightened the divisions. Demonstrators cursed Nasrallah, mocked Shiite religious traditions and denounced Syria, which many suspect is behind the string of assassinations.

Hours later, small groups of angry Shiite mobs briefly stormed through the streets looking for a confrontation until Nasrallah made an appeal for calm on Hezbollah's television station.

Leaders across the political spectrum have been trying to head off any clashes that could spark a new sectarian war. But many worry that such appeals will only go so far.

"You can't curb the street for a long time," said Moshen Saleh, a sociologist and Hezbollah ally at Lebanese University. "So the majority has to do something to show its good intentions."

In the Shiite neighborhoods around Beirut, residents on Saturday said they are prepared to push their demands.

"We are ready. We are ready. We are ready," said Aziz Najdi, a 36-year-old storeowner. "If it is winter, if we are under attack, if it is hot, we are ready to go at a moment's notice."

Lebanon's Government Backs U.N. Tribunal (AP)

By Hussein Dakroub, Associated Press Writer

AP, November 26, 2006

The U.S.-backed government on Saturday approved an international tribunal for suspects in the assassination of former Prime Minister Rafik Hariri, overriding the objections of Hezbollah amid a political crisis that threatens to spin Lebanon into violence.

Attempts to reach a last-minute compromise between the government and the pro-Syrian camp, led by Hezbollah, failed Saturday as the Cabinet moved forward with its meeting on the U.N-created court.

Lebanon's Syria-allied president denounced the vote as did Hezbollah officials, who warned that the Shiite Muslim militant group would go ahead with threatened mass street protests seeking to force the government from power.

The tribunal is key in the struggle between allies and opponents of Syria, which dominated its neighbor for nearly three decades until international pressure forced it to withdraw its troops last year. Anti-Syrian forces — mainly Christians and Sunni Muslims — dominate parliament and the Cabinet, but are facing growing resistance from the mainly Shiite pro-Syrian camp.

The political crisis became potentially explosive this week with the assassination of an anti-Syrian politician, raising worries of more violence that could tear apart the country apart long its fragile sectarian seams.

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The anti-Syrian bloc brought out some 800,000 people for a rally at the funeral of the politician, Pierre Gemayel, on Thursday. Hezbollah has shown it can bring out similar numbers, and many people fear its threatened new demonstrations could start a spiral of street action.

Earlier Saturday, two key anti-Syrian Lebanese politicians met with Parliament Speaker Nabil Berri, an ally of Hezbollah and a Syria supporter, in an apparent attempt at a compromise.

U.S.-backed Prime Minister Fuad Saniora offered to put off the Cabinet vote for several days if six pro-Hezbollah ministers who quit the Cabinet earlier this month return.

But with Hezbollah demanding that the government be changed to give it and its allies more power, the reconciliation bid failed, and the Cabinet meeting approved a U.N. draft for the tribunal.

"Unfortunately, no agreement was reached because each side stuck to its position," Information Minister Ghazi Aridi said after the Cabinet meeting.

The Cabinet approval "puts the opposition before its options to confront the government. The time and the place will be decided," Sheik Hassan Ezzeddine, a senior Hezbollah official, said after the vote when asked if Hezbollah would carry out its threat to try to topple Saniora with mass demonstrations.

In the eyes of Hezbollah, the approval of the tribunal amounted to a rejection of its demands for more seats on the Cabinet, and Saniora's foes contend his administration is unconstitutional because it does not represent all of Lebanon's main communities.

"The government represents part of the Lebanese people, not all of them. Its decisions are void," Ezzeddine told Al-Arabiya television.

President Emile Lahoud also called the Cabinet's approval of the tribunal "null and void" for the same reason, according to a statement from his office.

Hezbollah legislator Hassan Fadlallah charged the tribunal vote would "deepen divisions in the country," and said the militant group would not take to the streets although he did not say when.

Saniora insisted the approval of the tribunal was not meant as a "provocation" against Hezbollah and its allies, according to a statement read by Aridi after the vote.

"It is in fact based on Lebanese unanimity on the creation of this tribunal and the Lebanese who are yearning to protect Lebanon, bolster its democratic freedoms and national security and bring it out of the cycle of killings and assassinations," the statement said.

Aridi underlined the government's "respect" for Hezbollah's opinion and would allow nonviolent protests led by the group, but added: "We will not give up our goals."

For opponents of Syria, the court is a major priority, and they hope it will uncover the truth behind the February 2005 assassination of Hariri in a bomb blast that killed 22 others, which they accuse Damascus of orchestrating. Syria has denied any role in the killing.

The court, which will sit outside Lebanon and have a majority of non-Lebanese judges, is to try four Lebanese generals — top pro-Syrian security chiefs under Lahoud, including his Presidential Guard commander, who have been under arrest for 14 months accused of involvement in Hariri's murder.

The U.N. investigation into Hariri's death has also implicated Brig. Gen. Assaf Shawkat, Syria's military intelligence chief and the brother-in-law of Syrian President Bashar Assad. Shawkat is not in custody.

Hariri's death was the first in a string of attacks that killed five other prominent anti-Syrian figures — with Gemayel the most recent, in a bold daytime shooting Tuesday. Many Lebanese blame Syria for all the killings, which Damascus denies.

Since Gemayel's assassination, some ministers in Saniora's Cabinet have moved into the heavily guarded prime minister's building in downtown Beirut, fearing more slayings.

Needed: A Big Stick (WP)

The Washington Post, November 26, 2006

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ONE WAY TO understand the deteriorating situation in the Middle East is to contrast last week's assassination of Lebanese Christian leader Pierre Gemayel with the response to it. The assassination was a shockingly audacious attack on Lebanon's democratic forces and their U.S. and European allies. But those Western governments remain in a profound muddle about how to address Iran and Syria, which have been fomenting the destabilization of Lebanon, Iraq and the Palestinian territories.

The killers of Mr. Gemayel have not been identified and may never be. But the attack fits snugly into a pattern of provocations across the region by Iran and Syria, which appear to believe that American reversals in Iraq have given them the opportunity to create what Syrian dictator Bashar al-Assad calls "a new Middle East" -- one in which their influence and radical ideology will predominate. They would make their client Hezbollah the power broker in Lebanon, restoring Syrian suzerainty. They would use Hamas to block any progress toward an Israeli-Palestinian settlement and perpetuate a continuing, if low-grade, war on Israel. And they would continue to bleed the United States by supplying insurgents in Iraq with arms and sanctuary. Iran meanwhile presses ahead with its barely disguised nuclear weapons program: President Mahmoud Ahmadinejad recently promised to increase the number of centrifuges enriching uranium from the current 328 to 60,000.

In response to this bold bid for regional hegemony, the United States has apparently resolved . . . to intensively negotiate with itself and its chief European allies about how it might "engage" Mr. Ahmadinejad and Mr. Assad. Should a U.S. ambassador return to Damascus, once the uproar over Mr. Gemayel dies down? Should the administration drop its demand that Iran obey a U.N. resolution ordering it to suspend enrichment before talks can begin? While the debate goes on, the Western effort to sanction Iran for its nuclear program is stalled and all but forgotten. No punitive action against Syria is even being discussed.

Those most focused on rescuing the Iraq mission -- such as the Baker-Hamilton study group -- are most interested in the engagement option. We, too, have supported including Iran and Syria in a regional diplomatic initiative to promote an Iraqi political accord. But it's vital to keep in mind that such an effort has a low probability of ending the bloodshed in the near future, even if all parties cooperate.

What's more, no attempt to reason with Mr. Assad and the Iranian mullahs will succeed unless they perceive that the United States and its allies wield sticks as well as carrots. As long as the Bush administration is unable to win U.N. Security Council approval for sanctions against Iran -- or impose them through an ad hoc coalition -- Tehran will have no incentive to make concessions. Mr. Assad will demand that the West concede him Lebanon and call off the murder investigations that would likely implicate him -- unless he worries that his failure to cooperate will result in fresh international sanctions against Syria.

Iran and Syria are ruthlessly waging war against Western interests in the Middle East. Offering to talk is only a small part of what it will take to stop them.

Realism, And Values, In Lebanon (WP)

By Jim Hoagland

The Washington Post, November 26, 2006

The Baathists of Baghdad killed their opponents for all the usual reasons and a few original ones. They often slaughtered just to keep in practice, or for recreation, as shown on the videotapes they systematically made of their crimes. The Baathists of Damascus are more traditional. They murder adversaries only when necessary, after bribery, coercion or intimidation fail.

The sickening series of murders of Lebanese politicians and journalists opposed to Syrian control of their country is a new sign of desperation in Damascus that the United States and other nations must not misread or mishandle. This may well be President Bashar al-Assad's blood-soaked way of saying, "Let's make a deal." It is an offer that must be refused.

Those who complain that there is a lack of communication between the Bush administration and the Assad regime are not paying attention. By local rules, a well-timed murder such as the gunning down of Pierre Gemayel in Beirut last week is more effective in sending a message than a diplomatic demarche.

That does not absolve the Bush administration for foolishly allowing a secondary issue -- its refusal to have unconditional diplomatic contacts with Syria and Iran, to avoid "rewarding bad behavior" -- to obscure the growing international concern with those two nations. It is to say that the opening of communications channels with Damascus and Tehran must be handled with great care and clarity.

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Murder is still an important tool in Middle Eastern politics, as is often noted. Unfortunately, the use of mayhem and slaughter to advance dynastic or personal fortunes in the region has not been checked in the 21st century by either U.S. unilateralism in Iraq or the multilateral legalism of the United Nations in Lebanon and Syria. The two approaches need to be reviewed and perhaps merged.

The Bush administration struggles in Iraq to prevent failure from becoming defeat. Ambitions of promoting democracy abroad through regime change are rapidly being scaled back to the bedrock question of intervention, from Kosovo to Darfur: Can "we" stop "them" from killing each other? If the answer is no, that is defeat.

An immediate benefit of intervention in Iraq was the overthrow of the sadistic Baathist regime that murdered in cold blood dissidents of all stripes in the hundreds of thousands. But the breakdown of order under a mismanaged occupation triggered a mass privatization by ordinary citizens of the government's former monopoly on assassination and torture.

U.N. Secretary General Kofi Annan has diligently and courageously pursued another course in dealing with Syria's systematic use of violence to regain control over Lebanon and the fortunes in smuggling drugs and arms that Syrian politicians and generals generate from their neighbor.

Citing the conditions created by the assassination of Rafiq al-Hariri, Lebanon's former prime minister, in February 2005 as a threat to international peace, Annan creatively pushed for an international criminal investigation and an international tribunal to try the case. Syrian officials are prime suspects in that crime and are widely believed to be behind the assassinations of at least four other advocates of Lebanese independence that followed Hariri's murder.

The killing of Gemayel, a member of the anti-Syrian coalition headed by Prime Minister Fuad Siniora, bears the hallmarks of a Syrian "initiative" to block the U.N. effort. And the murder came as Syria was reestablishing diplomatic relations with Iraq after 24 years of estrangement. This translation of Syrian actions quickly made its way through the Middle East: "You want help in Iraq? It will cost you Lebanon. For starters." That is realpolitik and real communication, Assad-style.

That is in any event the context in which any new U.S. move to talk to Syria and to Syria's ally, Iran, will be seen. Washington must avoid giving the impression that it is willing to allow Syria to regain hegemony over Lebanon in return for smoothing the U.S. path in Iraq.

The Bush administration should adopt a policy of making all substantive communications with Syria and Iran public as they are delivered, much as former secretary of state Jim Baker did when he dealt with Iraq's Tariq Aziz in Geneva in January 1991, on the threshold of Operation Desert Storm.

For one thing, such transparency would ensure that U.S. terms are delivered directly to those in charge without being distorted by filter or fear. And it would allow other nations to monitor for themselves Washington's intentions.

It is fashionable at the moment to decry black-and-white, evil-vs.-good visions of foreign policy and to maintain that only the expedient grays of "realism" can preserve world order. The debacle in Iraq has given the international promotion of democracy a bad name in some quarters.

But any "realistic" deal that undermines Lebanon's hard-won freedom from Syrian control and protects murderers in Damascus would quickly become a fool's bargain. This is a clear case, as the U.N. involvement to strengthen Lebanon's sovereignty over all its frontiers demonstrates, where doing the moral thing is also the realistic thing.

Lebanon On The Brink (LAT)

The Los Angeles Times, November 26, 2006

THE ASSASSINATION OF Pierre Gemayel, an anti-Syrian member of Lebanon's Cabinet and the scion of one of that country's leading Christian clans, could lead to other casualties: the collapse of a pro-Western government in Beirut, a resurgence of noxious Syrian influence and the deflation of a trial balloon — only recently floated in Washington — for holding discussions with Syria and Iran about the future of Iraq. The worst-case scenario is another civil war.

It's easier to lament that potential chain reaction than avert it. But the White House should try to rally other nations — including Syria, which denies any complicity in Gemayel's death — around the fragile government of Lebanese Prime Minister Fouad Siniora.

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The Bush administration has stopped just short of explicitly accusing Syria of ordering Gemayel's assassination. A State Department official called the killing "an act of intimidation," and President Bush said it demonstrated "the viciousness of those who are trying to destabilize that country." United Nations investigators were already looking into allegations that Syria was behind the 2005 murder of another anti-Syrian leader, former Prime Minister Rafik Hariri. On Wednesday, Siniora asked that the U.N. probe be expanded to cover the latest crime.

Supporters of democracy worldwide took heart when public outrage over Hariri's assassination produced the so-called Cedar Revolution, a peaceful rejection of outside meddling that led Syria to withdraw its troops from Lebanon. Allowing an assassin to reverse what remains from that revolution is unacceptable. The U.N. has insisted that Lebanon's neighbors respect its territorial integrity, and the cease-fire resolution that ended this summer's Israeli-Hezbollah conflict assumed that the government in Beirut would exercise a national monopoly on military force.

Compared to other nations in the region, Lebanon has democratic credentials that predate the Bush administration's campaign to transform the politics of the Middle East. The country operates under a constitutional tradition that balances political power precariously among the Christian, Muslim and Druze communities. But it has been obvious for at least 30 years that the political status quo gave disproportionate influence to the Christian minority, especially Maronite Catholics like the Gemayel family.

Not all the support for Hezbollah among Lebanon's Shiite Muslims is the result of Syrian subversion. Hezbollah has capitalized on longfestering discontent about the distribution of economic and political power. Hezbollah also provides Shiite communities with a network of social services and spearheaded rebuilding in southern Lebanon after Israel's attacks (though Hezbollah lost some points by provoking the invasion with its incursions into Israel).

The Lebanese political system is imperfect, to say the least. But it should not be overthrown by an assassin's bullet, whoever gave the orders. If Syria wants to bolster its claim of innocence in Gemayel's murder, it should discourage its allies in Lebanon — notably Hezbollah — from exploiting the murder. And any talk of the U.S. giving Syria a role in a regional peace process should be put on hold if Damascus had anything to do with the assassination, or uses it as an opportunity to ratchet up its influence in Lebanon.

Probe Traces Global Reach Of Counterfeiting Ring (WP)

By Peter Finn

The Washington Post, November 26, 2006

TBILISI, Georgia -- The U.S. Secret Service and Georgian police are investigating an international counterfeiting operation that stretches from a separatist enclave in this former Soviet republic to Maryland, where fake $100 bills have been seized, according to senior officials and investigators here. The allegations are supported by American diplomats, U.S. court documents and a recent report to Congress.

From a printing press in South Ossetia, a sliver of land with no formally recognized government, more than $20 million in the fake bills has been transported to Israel and the United States, according to investigators. The counterfeit $100 notes have also surfaced in Georgia and Russia, officials said.

The fake notes have been passed at numerous businesses throughout the Baltimore area and have also surfaced in New York, Newark and Buffalo, according to court papers and the joint report to Congress by the Secret Service, the Treasury Department and the Federal Reserve. The report, issued in September, also said the number of counterfeit notes produced in this region and passed in the United States has "increased dramatically" in recent years.

The presence in South Ossetia of an international counterfeiting ring capable of producing thousands of bills, according to investigators, is a stark example of how organized crime has flourished, sometimes through the neglect or alleged involvement of officials, in areas of the former Soviet Union whose territorial status remains unresolved 15 years after the fall of communism.

"Counterfeiting is not the only headache for us if you're talking about criminality in South Ossetia," Ekaterine Zguladze, Georgia's deputy interior minister, said in an interview. "You also have drug trafficking, weapons trafficking, robbery, kidnapping. And our opportunity to fight criminals in there is very limited."

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A spokesman for the U.S. Secret Service, in an e-mail message, declined to discuss the case "due to the sensitivities of the ongoing investigations and political considerations." But the joint report to Congress said the Secret Service "is currently investigating a scheme with ties to suspects in Israel, Russia, and the Republic of Georgia to produce counterfeit U.S. currency. The U.S. Secret Service has reason to believe this family of counterfeit notes is being produced in the Caucasus region," as the mountainous area encompassing parts of southern Russia and Georgia is called.

U.S. diplomats confirmed that the location was South Ossetia.

The cash from the Caucasus, as with other lines of counterfeit dollars believed to be from the same source, was given its own code by the Secret Service: c-21558, according to the joint report to Congress.

"Since the c-21558 family's first detection in March 1999 the total counterfeit activity (passed and seized notes) has exceeded $23 million," according to the report. In 2005, the Secret Service detected $5.3 million from the Caucasus ring, up from $1.5 million in 2003, the report said.

That compares to the approximately $2.8 million in "supernotes" linked to North Korea that the agency says it confiscates, on average, each year. The production of supernotes, so called for their quality, has become a major diplomatic issue between the United States and the government of Kim Jong Il.

Georgian investigators said the fake bills from South Ossetia are made with special ink and paper and have watermarks, different serial numbers and other features that allow them to be easily passed off as real. "They are of very high quality," Konstantin Kemularia, secretary of Georgia's National Security Council, said in an interview.

The counterfeiting operation in the region has become another irritant in U.S. relations with Russia, which acts, in effect, as a protector for South Ossetia; Russian peacekeeping troops patrol the breakaway enclave, and most of its residents have been issued Russian passports.

"We have expressed our concerns on this subject to both the Russians and the South Ossetians," said a U.S. State Department official who did not have approval to speak on the record. "This problem is one of many that underscore the urgent need for resolution of the conflict in South Ossetia and the threat it poses to security and border control, among other consequences."

Russia's Interior Ministry, which is responsible for fighting counterfeiting, did not respond to requests for comment. Officials in South Ossetia, where Russian rubles are used for currency, bitterly contested any allegation that a counterfeiting ring existed on their territory.

"Counterfeit dollars? Well, if you are going to listen to Georgians, soon you will say that we have a nuclear bomb here," Mikhail Mindzayev, interior minister in the separatist government, said in a telephone interview. Mindzayev asserted that "we do not have any counterfeit dollars here, and we do not have any criminals."

After a short, bloody war in the early 1990s, South Ossetia broke away from Georgia and achieved de facto independence. Despite the presence of Russian troops, crime has flourished in the province, and in a report, the German Marshall Fund of the United States described South Ossetia and other breakaway enclaves in the Black Sea region as "breeding grounds for transnational organized crime."

On Oct. 27, 2004, its fingers reached Linthicum, Md. At the Hampton Inn near Baltimore-Washington International Airport, Hazki Hen, who had just flown to the United States from Israel, met with two men, one of whom was an undercover Secret Service agent. Hen expected to consummate a deal that had been negotiated over 19 tapped phone calls.

Hen agreed to exchange $230,000 in counterfeit $100 bills for $80,000 in genuine currency, according to a Secret Service affidavit filed in U.S. District Court in Baltimore. Hen also planned to accept $220,000 as a down payment on the delivery of another $1.5 million in fake bills. The affidavit filed in Baltimore said that "Hen also displayed samples of paper used to produce counterfeit Euros and U.S. currency. The paper contained red and blue fibers similar to the fibers contained in genuine U.S. currency."

Just before the Secret Service moved in and arrested Hen, the three men discussed future deals involving between $25 million and $100 million in counterfeit U.S. currency, according to the affidavit.

Nine months later and more than 5,700 miles to the east, Nana Jabelashvili, a resident of Tbilisi, Georgia's capital, was stopped by police as she crossed a Georgian police checkpoint on the road between Gori and Tskhinvali, the capital of South

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Ossetia. Police found $350,300 in counterfeit bills in Jabelashvili's vehicle and later learned that she was a courier for a Georgian emigre who now lives in Israel, according to Levan Gurgenidze, head of the Georgian Interior Ministry's organized crime unit. The emigre fled Georgia the day after Jabelashvili's arrest, Gurgenidze said in an interview.

When Secret Service agents examined some of the bills seized from Jabelashvili, they found that they were linked to the same family of bills seized in the Hen case in Baltimore, according to a U.S. law enforcement source. Gurgenidze said the source of the bills was a counterfeiting operation run out of a building on Lenin Street in Tskhinvali.

In November 2005, federal prosecutors dropped charges against Hen, then 65, after he became seriously ill and the court agreed to allow him to return to Israel to die.

Jabelashvili was sentenced to 12 years in prison in Georgia in January of this year, officials here said.

Suspicions are growing, meanwhile, that some South Ossetian officials are not just ignoring counterfeiting but are involving themselves in it directly.

In January of this year, Eter Kachmazova, a senior bureaucrat in the South Ossetian Trade Ministry, held a series of meetings with a Georgian undercover officer posing as a Ukrainian businessman. The meetings, at a restaurant in Gori, which is about 30 minutes by car from Tskhinvali, and at the Sheraton Hotel in Tbilisi, were videotaped and recorded by the Georgians, who later broadcast excerpts on state television.

Kachmazova "said she could produce as many fake dollars as the buyers could handle, up to millions," Gurgenidze said. "The Ukrainian, our guy, said he wanted $1.5 million, and she agreed for $25 on every $100."

On Jan. 31, Kachmazova agreed to supply the first $100,000, taking it across checkpoints in lots of $10,000 in case she was stopped and searched. After she arrived with the second bundle of $10,000, police arrested her. Kachmazova is being held at a pretrial detention center in Gori.

"They immediately relocated the press on Lenin Street after she was arrested," Gurgenidze said. "But they are still printing money in there."

Poisoned Russian Ex-Spy Said He Was Ordered To Hire Assassins (WP/AP)

By David Stringer

The Washington Post, November 26, 2006

LONDON, Nov. 25 -- An ex-KGB agent poisoned in London described in interviews before his death how he was ordered to hire assassins to neutralize potential rivals and whistle-blowers who threatened the Kremlin, according to excerpts published and broadcast Saturday.

Alexander Litvinenko, a fierce critic of Russian President Vladimir Putin, died Thursday of heart failure after falling gravely ill from what doctors said was poisoning by polonium 210, a rare radioactive substance.

His highly contaminated body was released to a coroner by police late Saturday and Home Office pathologists were expected to begin an autopsy, but experts said investigators might never pinpoint the exact source of the polonium.

In a deathbed statement, 43-year-old Litvinenko accused Putin, whom he called "barbaric and ruthless," of ordering his poisoning. Putin has called the death a tragedy and denied involvement. His government has pledged to cooperate with the investigation.

Litvinenko also spoke to academics James Heartfield and Julia Svetlichnaja from the University of Westminster in three interviews that lasted a total of about six hours in April and May. The Daily Telegraph published a version of the interviews Saturday.

Litvinenko was recruited into the Soviet-era KGB and also worked for its successor, the Federal Security Service. After the fall of communism, he said, his directive was to recruit businessmen who could stimulate an economic boom and to hire assassins.

"So if somebody was the victim of a crime, like his daughter was raped, you would offer to let them take revenge on the perpetrator," Litvinenko said. "This was how we recruited killers."

In another deathbed conversation, Litvinenko alleged that a Russian Foreign Intelligence Service chief previously stationed in London had been assigned by Moscow to watch him, Britain's Sunday Times newspaper reported.

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British detectives investigating his death launched an international hunt for witnesses Saturday and spooled through hours of security video from closed-circuit television footage for clues, police said.

Litvinenko had told police he believed he had been poisoned Nov. 1 while investigating the October slaying of Russian journalist Anna Politkovskaya, another Putin critic.

Polonium 210 can be found in Russia, which has several nuclear research facilities and a major space program, but Kremlin intelligence agents would be unlikely to use it since the origin could be traced, said Vladimir Slivyak, a nuclear expert. He said the material was most likely acquired on the European black market.

In Moscow, the government newspaper Rossiiskaya Gazeta pointed suspicion at London's Russian exile community. It portrayed Litvinenko as a pawn who "drank his poison . . . when he betrayed those he worked for."

The newspaper speculated that Russian tycoon Boris Berezovsky was involved, aiming to use the death to discredit Putin's government or settle a business dispute. A presenter on Russia's state-run Channel One television said there was "a theory Litvinenko poisoned himself."

After Poisoning, Britain Sees No Big Public Threat (NYT)

By Alan Cowell

The New York Times, November 26, 2006

LONDON, Nov. 25 — The British authorities said Saturday that they did not expect a major threat to public health after the disclosure that a former Russian K.G.B. officer and enemy of the Kremlin had been killed by radiation poisoning in London.

The Health Protection Agency, however, urged people who had been in the same places as the victim, Alexander V. Litvinenko, 43, to contact the authorities for urine tests.

Mr. Litvinenko died Thursday as a result of poisoning by a radioactive isotope called polonium 210, but the police have not established how it entered his body. His friends have accused President Vladimir V. Putin of responsibility, but Mr. Putin has strongly denied the assertion.

The nature of the death evoked cold war spy thrillers as much as it kindled animosity between some Russian exiles and the Kremlin. And it left Britons pondering whether their capital had become a theater for a long-range conflict between them. British diplomats have generally sought to play down the incident, calling it a police matter.

On Saturday, the British government's crisis management committee, called Cobra for Cabinet Office Briefing Room A, met to debate the matter and the Health Protection Agency issued a new statement urging people who had gone to the sushi restaurant and hotel bar Mr. Litvinenko visited on Nov. 1 to contact Britain's National Health Service. The authorities said the number to call in Britain was 0845-4647.

"We expect that we are going to do tests, and we expect that they are going to be negative and we have no reason to think customers are at risk," the Health Protection Agency said in the statement.

The police said Mr. Litvinenko had visited the Itsu sushi bar in central London and the Pine Bar of the Mayfair Millennium Hotel on Nov. 1. They said on Friday that they had found radioactive traces at each location and at Mr. Litvinenko's home in north London.

"We want to reassure the public that the risk of having been exposed to this substance remains low," the Health Protection Agency statement said. "It can only represent a radiation hazard if it is taken into the body — by breathing it in, by taking it into the mouth, or if it gets into a wound."

The agency said it was also checking areas of two hospitals where Mr. Litvinenko had been treated.

In Russia, Mr. Litvinenko's death caused a different kind of sensation. "Abomination," the newspaper Komsomolskaya Pravda wrote Saturday. "That's what you think looking at the pandemonium created by the West" in reaction to Mr. Litvinenko's death.

The state newspaper Rossiiskaya Gazeta sought to shift the accusations to another target: one of Mr. Putin's fiercest critics, Boris A. Berezovsky, the self-exiled tycoon who was close to Mr. Litvinenko. The paper's assertions, without evidence, echoed others made by officials and news organizations all week.

Polonium That Killed Ex-spy Could Be From Russia, But Hard To Pin Blame (AP)

AP, November 25, 2006

MOSCOW (AP) — The polonium-210 that doctors believe killed Kremlin critic and former spy Alexander Litvinenko could have come from Russia, but it will be difficult for investigators to pinpoint blame for the death even if the origin of the radioactive substance is determined, nuclear experts said Saturday.

Litvinenko blamed President Vladimir Putin in a statement signed days before his death in a London hospital Thursday, and bitter Kremlin foe Boris Berezovsky, an associate who spent time by Litvinenko's bedside, has said he suspected Russia's intelligence services were behind the alleged killing.

Polonium-210 is usually made artificially in a nuclear reactor or particle accelerator, and would likely come from a country with a significant nuclear program. With several nuclear research facilities, Russia fits the bill — and it also has a major space program, another sector in which the element has been used.

"There are many laboratories in Russia where it could be produced," said Vladimir Slivyak, a nuclear expert and co-chairman of the Russian environmental group Ekozashchita, or Ecodefense.

Alexander Pikayev, a senior analyst with the Moscow-based Institute for Global Economy and International Relations, said polonium isotope would be "much easier" to acquire than weapons-grade plutonium or highly enriched uranium because it is not considered weapons-grade.

Pikayev expressed deep doubt that any Russian organization was behind Litvinenko's death — which he said could only hurt Putin's reputation — and suggested that if a Russian intelligence agency had wanted to kill him, it would have been foolish to use polonium because its source could probably be traced.

"If any Russian special services were behind it, it was not a good idea to use this polonium, because they could find its origin," he told The Associated Press in a telephone interview.

Slivyak also said British authorities might have a good chance of determining where the polonium was produced. However, he argued that the information would be far short of proof of a plot in the country of origin because the substance could have been acquired on the black market.

"To say precisely after this that a concrete intelligence agency or government is involved would be difficult," he said.

If Russia's Federal Security Service, or FSB, wanted to use polonium to kill somebody, "from the point of the view of the FSB it would be better not to bring it from Russia but to buy it on the black market in Europe" in order to avoid leaving a trail, Slivyak said.

"Even if it was produced in a Russian laboratory, and even if this is documented, anyway it will be possible to say that this is not true, it's a falsification, or to say, 'We don't know, one gram was lost 10 years ago and we're not to blame,'" he said. "And in any case nobody from abroad will be allowed into the laboratory to check, because they'll say it's a closed enterprise, it's related to defense or to the space program."

Conversely, he said, a country of origin other than Russia would not rule out Russian involvement.

A senior Putin aide suggested Friday that Litvinenko's killing was part of a campaign to discredit Russia and its president, and Russian lawmakers and state-run television networks pointed the finger at Berezovsky, a more prominent associate of Litvinenko who provided financing for a book detailing allegations that the FSB was behind deadly 1999 apartment-building bombings that stoked popular support for a new war in Chechnya.

The government newspaper Rossiiskaya Gazeta added to the speculation that Berezovsky was involved, running an article whose sub-headline read: "Theories about the former FSB colonel's death are in one way or another linked with Berezovsky."

Among other scenarios, the article included speculation that Berezovsky could have had Litvinenko killed and "masked the crime to bring suspicion on the FSB" or that associates of Berezovsky could have had Litvinenko killed as a warning to the tycoon over a business dispute.

It portrayed Litvinenko — a former FSB agent who publicly accused his superiors of ordering him to kill Berezovsky and later fled to Britain — as a violent and unintelligent pawn who "made his choice and drank his poison ... when he betrayed those he worked for."

Television networks had few reports Saturday on Litvinenko's death, but a news announcer on state-run Channel One singled out what she said was "a theory (that) Litvinenko poisoned himself."

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Protestant Militant Charged In Belfast Attack (NYT)

By Eamon Quinn

The New York Times, November 26, 2006

BELFAST, Northern Ireland, Nov. 25 — A Protestant militant was charged with attempted murder on Saturday, a day after being arrested in an attempt to attack Gerry Adams and Martin McGuinness, leaders of the main Roman Catholic party Sinn Fein, as they and other legislators worked toward a power-sharing agreement to restore local rule to Northern Ireland.

The militant, Michael Stone, who was released from prison six years ago after serving time for some of the most high-profile sectarian killings at the height of Northern Ireland's conflict, was stopped at the main entrance to the provincial assembly, carrying an imitation gun and a bag of homemade pipe bombs.

As Mr. Stone shouted Protestant militant slogans, he was disarmed in a struggle with security guards at the revolving doors leading to the lobby and was later led away by two police officers.

On Saturday, Mr. Stone, 51, was charged with five counts of attempted murder and possession of articles for terrorist purposes, including nail bombs, an ax and a garrote. He was also charged with possessing explosives with intent to endanger life and possessing an imitation firearm.

The attack disrupted an assembly of Northern Ireland politicians, including the Sinn Fein leaders Mr. Adams and Mr. McGuinness, who had met with Protestant politicians to discuss proposals to restore a power-sharing local government for the province. The debating chamber is close to the main lobby of the assembly buildings.

The meeting itself was a failure before the attack, as Rev. Ian Paisley, a Protestant leader, declined to nominate himself to be first minister, a post in which he would have served with Mr. McGuinness. That failure technically broke a deadline set by the British and Irish governments to organize a new power-sharing government. Prime Minister Tony Blair of Britain has said that the overall goal of putting a government in place by next March still stands.

Mr. Stone became an iconic figure for Protestant militants when he killed three mourners in an attack on an Irish Republican Army funeral in Belfast in 1988, as Sinn Fein leaders, including Mr. Adams and Mr. Guinness, stood by the grave.

Ecuador's Path And Alliances At Stake In Runoff Election (NYT)

By Simon Romero

The New York Times, November 26, 2006

QUITO, Ecuador, Nov. 25 — No one can accuse Ecuador, which will elect its eighth president in 10 years on Sunday, of dull politics.

Rafael Correa, a candidate in Sunday's runoff, strums a guitar before audiences between promises to whip Ecuador's political elite with his belt and shut the last American military base in South America. He chastises the Bush administration in the polished English he learned while earning a doctorate in economics at the University of Illinois.

Álvaro Noboa, his rival, is a billionaire who hands out free computers and fistfuls of dollars at his rallies. Mr. Noboa, a banana tycoon who is Ecuador's richest man, dropped to his knees this month at a campaign stop to ask for votes as a self-described "messiah of the poor."

But the contest is far more than entertaining; the outcome could actually redraw power relations in Latin America.

Mr. Noboa, 56, surprised analysts by winning the first round of voting in October and maintaining a double-digit lead for much of the past month. A victory by Mr. Noboa, who has failed in two other campaigns for the presidency, would align Ecuador, an oil-exporting country of 13 million people, with Andean countries like Colombia and Peru that have strengthened ties with the United States.

By law here, the results of opinion polls may not be published in the 20 days before an election, and in recent days, each candidate has claimed a wide lead. However, the results of polls conducted in part for foreign banks were exchanged by e-mail throughout the country, creating a rift of information between those with Internet access and those without.

One such poll, by Cedatos-Gallup and released Friday for clients of the investment bank Credit Suisse, showed that among those who plan to cast a vote for one of the candidates, Mr. Correa had the support of 52 percent against 48 percent for Mr. Noboa. The poll has a margin of error of three percentage points, essentially putting the candidates in a statistical tie. Though

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polls are often unreliable in Ecuador, the results put financial markets on edge with investors selling off Ecuadorean bonds in New York on Friday.

Ramiro Crespo, president of Analytica Securities, a Quito investment bank, said he was so fed up with Ecuador's recent history of political instability that he would declare his vote null. (Voting is obligatory in Ecuador.)

"I'm tired of choosing the lesser evil," he said, adding, "Correa is a sophisticated academic who sees economics in the abstract, but he has never had to make a payroll each Friday, let alone run a country."

Mr. Correa, 43, has moderated his radical talk somewhat in recent weeks, meeting with the American ambassador in Quito and saying his harsh comments about President Bush were "imprudent." But he still says he would renegotiate Ecuador's foreign debt and opposes renewing an agreement that allows the United States military to operate from Manta, a port city on the Pacific coast.

Most controversially, Mr. Correa also boasts of his friendship with President Hugo Chávez of Venezuela, who would be glad to fold Ecuador into an anti-American alliance that now includes Bolivia and Cuba.

Mr. Chávez had been unusually quiet about Ecuador's presidential race, perhaps stung by the recent defeats of candidates with perceived ties to Venezuela in Peru and Mexico, but he broke that silence this month in a news conference with foreign journalists in Caracas, describing Mr. Noboa as "the banana king who exploits his workers and exploits children and puts them to work."

Mr. Noboa denies that children have worked in banana plantations connected to his company, though Human Rights Watch in 2002 documented cases of children in such circumstances working in plantations that supplied his company.

Sometimes appearing in public with a large crucifix around his neck, Mr. Noboa has repeatedly called Mr. Correa a "communist devil" and "colonel," an allusion to his admiration of the militaristic Mr. Chávez.

"Noboa has been a pure demagogue with promises that are impossible to fulfill, like building 300,000 houses, curing the sick, cutting electricity costs in half," said Fernando Santos, a political analyst and former energy minister.

Still, Mr. Noboa also grew more moderate in recent days, saying he would not cut diplomatic ties with Venezuela and Cuba as he had earlier pledged.

The winner, who will serve a four-year term, will face a fractious and powerful congress, one of the biggest impediments to presidents finishing their terms in Ecuador, though Mr. Correa would be in a weaker position than Mr. Noboa, who has a stronger congressional base.

Some analysts fear that Mr. Noboa, already a towering business figure who controls more than 100 companies, would use the presidency to advance his economic interests, concerns echoed by Mr. Correa's frequent contention that his opponent would rule the country like a "banana plantation."

In Ecuadoran Vote, Rhetoric Gives Way To Popular Pledges (WP)

By Monte Reel

The Washington Post, November 26, 2006

QUITO, Ecuador, Nov. 25 -- No matter who wins Ecuador's presidential election on Sunday, many outside the country will view it as a decision between dueling political stereotypes: Venezuelan President Hugo ChÃ¡vez's dream of a unified region liberated from U.S. influence, or that of free-market backers embracing a globalized economy.

For most who will actually make the choice, it's nothing of the sort.

Public opinion polls show leftist economist Rafael Correa and banana tycoon Alvaro Noboa locked in a near dead heat, and in recent weeks broad ideological rhetoric has given way to specific promises of concrete and cash. Each candidate has tried to one-up the other with vows of massive government housing projects, new jobs and low-interest loans.

In a country where no president has served a full term in more than a decade, voters want to see some tangible results from their next leader, and it matters little what overarching political philosophy stands behind his pledges.

The campaign since last month's first-round election has been bitterly divisive, with repeated allegations of electoral fraud, increasing the possibility that either candidate would face a rough honeymoon. Throw in serious doubts about the pre-election

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promises -- some are simply unfeasible, according to analysts -- and many fear that the election will do little to ease Ecuador's chronic political instability.

"It doesn't matter which of the two candidates wins, Ecuador will have a weak president, at the mercy of the Congress and facing difficulties of governability," said AdriÃ¡n Bonilla, director of the Latin American Faculty of Social Sciences in Quito.

In last month's election, Noboa got 26.8 percent of the vote to edge out Correa by four percentage points. The latest polls give Correa a slight edge, though few political observers put much faith in them; the same polls had predicted that Correa would finish ahead of Noboa in the first round.

Correa, 43, a charismatic economist who received his doctorate at the University of Illinois, spent the early stages of his campaign promising to kill a proposed free-trade agreement with the United States, close a U.S. military base used for anti-drug operations and default on the nation's foreign debt so that social spending could be increased. He has also vowed to revamp Ecuador's political system by disbanding Congress and convening a constituent assembly in its place.

But after the first round, Correa retooled his campaign to focus on specific domestic spending programs, such as housing grants and microcredits for the poor. Though he has never backed away from his belief that globalization works against small countries like Ecuador, he spoke little of his broad economic theories or of his more controversial plans, such as the constituent assembly.

"I think he got some people a little nervous in Ecuador, which is why he didn't do as well in the first round as many expected," said Michael Shifter, an analyst with Inter-American Dialogue, a policy forum in Washington. "Now he's trying to moderate and tone down his rhetoric. I suspect this also reflects a realization that some of these proposals just aren't going to be politically palatable, both in Ecuador and internationally."

Unlike ChÃ¡vez, whom he considers a friend, Correa would not have the benefit of plentiful oil revenue to help underwrite his policy initiatives. And while some of his proposals are similar to those of Bolivian President Evo Morales, Correa has neither the popular support that gave Morales a comfortable first-round election victory last year nor a political party to back him in Congress. Correa's proposed constituent assembly thus could be difficult to achieve.

"If he takes it to the people and gets popular backing for an assembly, then Congress won't be a problem," said Orazio J. Bellettini, executive director of Faro Group, a political policy group in Quito that promotes governmental transparency. "But the second scenario is that the people don't support it overwhelmingly, and then he would face a very strong crisis, standing on his own with no Congress members."

Difficulties with Congress have contributed to the early downfalls of several Ecuadoran presidents, including Lucio GutiÃ©rrez, who was ousted last year after the legislature accused him of abandoning his post.

Correa paints Noboa -- Ecuador's richest man -- as the face of an oligarchy that he says has corrupted the highest reaches of government. Noboa owns more than 110 businesses, including one of the world's largest banana exporting companies, which he inherited from his father. Correa has repeatedly told his followers to suspect fraud if Noboa wins on Sunday.

"There is no place for indecision," Correa said at a rally Friday. "The decision is between being patriotic or becoming the plantation of the richest and most conceited heir in this country."

Noboa, 56, is an old-fashioned populist who dropped to his knees during stump speeches, holding a Bible in his hands and saying he was sent by God to help rid the world of communism. He tells voters that God gave him riches to share with them, often passing out T-shirts, wheelchairs and other gifts at public appearances. He favors free trade and says he will work to encourage foreign investment, but the cornerstones of his campaign are promises of more jobs and government housing. He has vowed to build 300,000 homes each year, or 1.2 million over a four-year term -- a huge number, considering there were 6.6 million voters in the first-round election.

"In my 15 years of working with him, I know that no one cares more about this country and no one has more to lose if the country collapses than does Alvaro," said Bernardo Manzano, director general of the Noboa company that exports millions of Bonita brand bananas to markets all over the world.

But those strong business ties to the country's economy are a source of worry for his detractors, who argue that they could easily produce conflicts of interest.

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Already, the lines between his businesses and his political party and campaign are barely distinguishable. As Manzano toured one of Noboa's plantations this week, he consulted his BlackBerry to check results of the latest poll, which he had commissioned himself.

Noboa's business history has also forced him to defend himself against allegations of exploitation. In 2002, a Human Rights Watch report stated that Noboa employed child laborers on some of his banana plantations. Later that year, a conflict with workers led to a violent standoff and contributed to Noboa's lingering reputation for being hard on organized labor. Manzano said the company no longer employs children, offering as evidence reports from local and international inspectors, copies of which he keeps at hand in his office.

"See? No child labor," he said, flipping through pages of recent reports. "They keep coming back, and coming back, and not finding anything. All of the accusations are just part of a very dirty political campaign."

Divided, Unhappy Ecuadoreans Head To Polls (LAT)

By Chris Kraul

The Los Angeles Times, November 26, 2006

QUITO, ECUADOR — Divided and disenchanted, Ecuadoreans vote today for a new president, choosing between two populists who seemed to spend more time during the campaign trading insults than offering ideas.

Right-wing billionaire Alvaro Noboa accused his opponent, economist Rafael Correa, of being a puppet of Cuba's Fidel Castro and Venezuela's Hugo Chavez who doesn't have the guts to admit he is a communist.

Correa accused Noboa of exploiting child labor and cheating his family out of control Ecuador's largest banana plantation.

The ugly rhetoric has turned off voters and deepened the divide between right and left, analysts say. Recent newspaper editorials reflected the disaffection that voters feel toward the pair, who were the top two finishers among 13 candidates in an Oct. 15 primary.

Public opinion polls indicated that the outcome of today's vote would be too close to predict.

To avoid miscues that could set off civil disturbances, Ecuador's electoral tribunal said it could take two days to review and certify the result.

Officials at the Organization of American States, which is monitoring the vote, said they feared an aftermath similar to that in Mexico, where a disputed presidential election in July spawned continuing unrest.

"Neither one is going to last six months in office before the people drive them out," predicted a municipal official in the southern city of Loja, who asked that his name not be used.

Ecuador's last two elected presidents, Jamil Mahuad and Lucio Gutierrez, were driven from office by street protests.

Both candidates have promised to provide more housing, education and health coverage if elected.

But the newspaper El Mercurio of the southern city of Cuenca voiced the fear in an editorial Saturday that the winner would be forced from office "within a few months" if he failed to deliver on promises.

Noboa, 56, who inherited Ecuador's largest banana plantation, near Guayaquil, and who has been listed by Forbes magazine as among the world's richest men, has run twice for president. He lost to Mahuad in 1998 and to Gutierrez in 2002. He has promised to build 300,000 housing units his first year in office.

Noboa frequently handed out cash, computers and wheelchairs at his campaign rallies. He also frequently knelt, Bible in hand, in front of crowds to pray to God to protect Ecuador from a Correa victory.

"I am on my knees to pray for housing, stability and jobs for Ecuador," Noboa said Thursday at his closing campaign stop in Guayaquil.

Correa, 43, has tapped into many Ecuadoreans' disgust with the nation's corrupt and fractured political system.

But he saw a big lead over the field of candidates evaporate in the final days before the presidential primary, partly because of his harsh anti-U.S. stance.

He has toned down the rhetoric, but remains opposed to a free-trade agreement with the United States, the "dollarization" of the Ecuadorean economy and extending the lease on the Manta air base, which the U.S. uses for spying on the drug trade.

A self-professed admirer and friend of Chavez, Correa has made the U.S. government and Wall Street nervous.

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If elected, he would join a group of Latin American leaders who are sharply critical of Washington, including the leaders of Venezuela, Argentina and Bolivia.

Correa has said he would seek to renegotiate payment on Ecuador's foreign debt.

Ecuador Votes To Decide President (BBC)

BBC.com, November 26, 2006

Ecuador goes to the polls to elect a new president on Sunday, in a tight run-off vote with the two candidates running neck-and-neck.

Opinion polls suggest left-wing Rafael Correa and conservative Alvaro Noboa are both attracting equal support.

International observers have urged both candidates to be restrained when early results start to come in.

The Organisation of American States wants all results to be officially counted before a victor is proclaimed.

Both candidates have promised to create jobs and fight poverty and corruption.

Mr Correa has gained a slight edge over Mr Noboa in opinion polls but the large number of undecided voters make the victor uncertain.

Insults traded

Ecuador is in a delicate state, says the BBC's correspondent Daniel Schweimler in Ecuador's capital Quito.

The country is becoming increasingly polarised, says our correspondent, people are disillusioned with its politicians and are impatient for change.

Three presidents in the past ten years have been forced from office by angry crowds.

Only three presidents since 1979 have served full terms.

The election has been marred by allegations of fraud In October's first-round vote, Mr Correa said the count was fraudulent and that he had won a clear victory.

Mr Noboa, Ecuador's richest man, said Mr Correa's campaign had been financed by Venezuelan President Hugo Chavez.

"Correa wants an insurrection, a civil war in which the poor will die," said Mr Noboa.

He has already made two unsuccessful runs for the presidency, in 1998 and 2002.

He has accused his opponent of wanting to install a communist dictatorship and drive Ecuador into the camp of Venezuela's anti-American President Chavez.

Mr Noboa made his fortune in bananas and has promised to bring foreign investment to Ecuador. He frequently campaigned carrying a bible.

Mr Correa has said he would maintain good relations with the United States despite having called President George W Bush a "dimwit".

He has said he wants to renegotiate contracts with foreign oil companies and has threatened to reduce payments on Ecuador's foreign debt.

At his final rally, Mr Correa urged his supporters to follow the vehicles transporting ballot boxes to make sure votes were not tampered with.

"Watch out for alterations of results, ballot box switching; ensure there is no vote-buying."

An election win for Mr Noboa, he warned, would turn Ecuador into the banana magnate's "estate".

Police, Protesters Clash In Mexican City (AP)

By Rebeca Romero, Associated Press Writer

AP, November 26, 2006

Police fired tear gas at dozens of protesters hurling gasoline bombs, rocks and powerful fireworks near the main square of this southern Mexican city troubled by months of unrest.

The clashes erupted as some 4,000 leftist protesters marched to within two blocks of the main square. They had announced plans to "encircle" police forces who dislodged demonstrators from the main square in a raid a month ago.

Federal detained at least three dozen mainly youthful protesters.

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The government news agency Notimex reported that nine people suffered minor injuries in the confrontation, and that the fireworks — large bottle rockets fired from shoulder-mounted tubes — started fires in several houses near the plaza.

The demonstrators, some with their faces covered with bandanas, T-shirts or ski masks, hurled insults at the lines of federal police blocking the way into the square. The police used their riot shields to fend off the objects, then fired tear gas canisters, forcing the protesters to retreat.

The protesters are demanding the resignation of Oaxaca state Gov. Ulises Ruiz, accusing him of brutality, corruption and electoral fraud.

Chanting "Ulises Ruiz, get out of Oaxaca," the demonstrators were angered by reports that a spokesman for their movement — the People's Assembly of Oaxaca — had been detained by police earlier in the day. Those reports could not be immediately confirmed.

Alongside striking teachers — most of whom have returned to work and did not take part in Saturday's demonstration — the protesters seized much of the city starting late May. Police regained control of much of the downtown area in an October raid.

The protesters set up camp at a square a few blocks away and still retain control of barricades in some sectors; they are now demanding that federal police leave the city.

Nine people have been killed in the clashes, including freelance video journalist Bradley Roland Will, 36, of New York, who was filming leftist protesters who clashed with a group of armed men. Both sides fired. It is not clear who shot first.

Several governments, including the United States, have warned tourists to stay away from Oaxaca City, formerly popular with tourists for its nearby ruins, cuisine, colonial architecture and handicrafts.

Pinochet Takes Responsibility For Regime (AP)

By Eduardo Gallardo, Associated Press Writer

AP, November 26, 2006

Gen. Augusto Pinochet took full responsibility for the first time Saturday for the actions of his 1973-90 dictatorship, which carried out thousands of political killings and is blamed for widespread torture and illegal imprisonment.

At a celebration of his 91st birthday, Pinochet also defended the bloody military coup that toppled freely elected Marxist President Salvador Allende, in a statement read aloud by his wife as he sat by her side.

"Today, near the end of my days, I want to say that I harbor no rancor against anybody, that I love my fatherland above all and that I take political responsibility for everything that was done which had no other goal than making Chile greater and avoiding its disintegration," he said.

"I assume full political responsibility for what happened."

Pinochet, surrounded by family, bodyguards and retired generals outside his home, raised his hand to acknowledge about 200 supporters gathered outside who sang him "Happy Birthday" and chanted "Long live Chile! Long live Pinochet!" A mariachi band played one of his favorite songs. After about a half-hour, he slowly stood and walked inside supported by a cane and the arm of a bodyguard.

According to an official report, 3,197 people were killed for political reasons under Pinochet, including more than 1,000 who were made to disappear. Thousands more were illegally imprisoned, tortured or forced into exile.

Pinochet rarely speaks in public and has not made such extensive comments for several years.

Ricardo Israel, a political scientist at the University of Chile, said Pinochet has never taken full responsibility for his regime's actions, instead blaming abuses on subordinates.

"But I think it's too late," Israel told The Associated Press. "He should have done it while he was in power, or when he remained as army commander after stepping down. Things would have been different."

In his statement, Pinochet claimed the military had to act against Allende's government because the social and political convulsions at the time were threatening the country's integrity.

He also sent "a message of support to my comrades in arms, many of whom are imprisoned, suffering persecution and revenge," in a clear reference to the scores of trials of military officers for rights abuses.

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"It is not fair to demand punishment for those who prevented the continuation and worsening of the worse political and economic crisis than one can remember," he added.

Pinochet is currently under indictment in two human rights abuse cases and for tax evasion, and has scores of others criminal suits pending, filed by victims of abuses or their relatives. Until now, the courts have dropped the charges against him citing his poor health.

He spoke of his own legal problems in the statement, and indicated that he accepted the prosecutions as a necessary part of the process of national healing.

"All the vexations, persecutions and injustices affecting me and my family, I gladly offer for the sake of harmony and peace that must prevail among Chileans," Pinochet said.

He defended his 1973 coup and the military regime, saying it left "a vigorous, modern, admired country."

"I am absolutely certain that tomorrow, once the political passions and resentments are ended, history will judge our work objectively and will recognize that we put Chile on top of the nations in our continent."

Rebels Take Control Of City In Eastern Chad (NYT)

By Lydia Polgreen

The New York Times, November 26, 2006

BANGUI, Central African Republic, Nov. 25 — Rebels seeking to topple the government of Chad seized a crucial eastern city early on Saturday, according to aid workers based in the region.

Gunfire erupted about 6:30 a.m. in Abéché, the largest city in eastern Chad and the operating base for dozens of aid organizations looking after 200,000 Sudanese refugees and 50,000 displaced Chadians, said Claire Bourgeois, chief of the office of the United Nations High Commissioner for Refugees in Abéché.

“The rebels are in the city,” Ms. Bourgeois said by satellite phone. After several hours of artillery and gunfire, the rebels had control of the city, she said, and several government buildings had been looted. At least 13 people were wounded, but that figure will probably rise, she said, once more people trickled from their homes to the city hospital.

The rebels are believed to be militants from a group known by the initials U.F.D.D., one of several groups based in Sudan seeking to overthrow Idriss Déby, the president of Chad. The rebels instructed city residents and aid workers to remain in their homes and offices and said that they did not intend to harm any civilians.

“The situation now is completely calm,” Ms. Bourgeois said. “They have sent a message saying we should not be worried, they have nothing against humanitarian actors, nothing against the local population.”

France, the former colonial power in Chad, has a military base in Abéché, but it was not fired upon, according to the French Embassy in Ndjamena, the capital. French soldiers took control of Abéché’s airport, according to aid officials.

Speaking on Chadian national radio, a top military official said that the army had withdrawn for tactical reasons and to avoid loss of civilian life, but had the city surrounded. Mahamat Nouri, leader of the U.F.D.D., told the BBC that his men would march to Ndjamena.

Several Chadian rebel groups have been trying to remove Mr. Déby for more than a year, saying his government is despotic and corrupt. Chad, one of the poorest and most volatile nations in Africa, has become even more unstable as the conflict in Sudan’s western region of Darfur between non-Arab insurgents and the Arab-dominated government has spilled over the border into Chad.

The Sudanese government accuses Chad of supporting the Darfur rebels, and Chad’s government accuses Sudan of supporting the rebel groups menacing the capital. Chadian rebel groups have operated openly inside Sudanese territory, using Darfur as a base, and Darfur rebels are similarly brazen in their use of Chadian territory to regroup, rearm and organize.

In April, a month before a presidential election was scheduled, a rebel group attacked the capital but was repulsed by Chadian troops. Last month a rebel group briefly overran several provincial towns in the southeast, but then fell back. Since then, the government has been bracing for a new attack.

Rebels "Seize" Two Chadian Towns (BBC)

BBC.com, November 25, 2006

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Rebel forces in Chad say they have captured the eastern town of Biltine, hours after another group said it had taken control of nearby Abeche.

The government has denied that either town is under rebel control, although the army said it had withdrawn troops from Abeche for tactical reasons.

Several rebel groups in eastern Chad want to depose President Idriss Deby.

Observers say this appears to be the first time two rebel groups have launched co-ordinated attacks.

The BBC's Stephanie Hancock in the Chadian capital, N'Djamena, says this could prove a turning point in Chad's rebellion.

A spokesman for UN Secretary General Kofi Annan said he was concerned by the reports of violence in Chad.

"The secretary general reiterates his condemnation of any attempt to seize power by force. He urges the Chadian protagonists to engage in dialogue," the spokesman said.

Heavy gunfire

The first attack came at around dawn in Abeche, about 700km (440 miles) east of N'Djamena.

Aid workers and residents reported heavy gunfire as rebels approached the city, and small arms fire was heard in Abeche itself.

The rebel group involved, the Union of Forces for Democracy and Development (UFDD), later issued a statement saying its men had taken over Abeche with little resistance from the Chadian army.

However, the government continues to claim that the rebels are not in control of what is a key town in the east.

Speaking on national radio, the Chadian army's second-in-command said troops had withdrawn to the outskirts of the town for tactical reasons and to avoid civilian losses.

He urged people to stay calm and accused neighbouring Sudan of backing rebel forces in Chad.

The UFDD's leader, Mahamat Nouri, told the BBC he would continue to fight until his men had captured Chad's capital, N'Djamena.

Ethnic clashes

Hours later, a second rebel alliance claimed that it had taken control of the town of Biltine, some 80km (50 miles) to the north of Abeche.

Chad's defence minister told the BBC a column of rebel vehicles had been detected in the Biltine area but denied rebel claims the town had been taken.

Rebel groups want to oust President Idriss Deby's government

On Friday there were reports of as many as 200 rebel vehicles circulating in eastern Chad and the Chadian army was on full alert.

The last major rebel attack was in April, when rebels drove from eastern Chad to N'Djamena before being overpowered.

Much of Chad is under a state of emergency, after ethnic clashes which are reported to have killed hundreds of people in recent weeks.

The French embassy in Chad issued warnings to its citizens, following reports that rebels in the east were planning a new offensive and moving west.

Conflict in Sudan's Darfur region has spilled across the border into Chad, which accuses the country of exporting its violence. Khartoum denies this.

The UN estimates that more than 200,000 refugees from Sudan are in Chad and that more than 50,000 Chadians have been displaced by fighting between Arab and non-Arab groups.

Sudan denies claims that it backs Chad's rebels, while Chad denies supporting the black African rebels in Darfur.

A Sister's Sacrifice (NYT)

By Nicholas D. Kristof

The New York Times, November 26, 2006

GOZ AMIR, Chad

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When the janjaweed militia attacked Fareeda, a village here in southeastern Chad near Darfur, an elderly man named Simih Yahya didn't run because that would have meant leaving his frail wife behind. So the janjaweed grabbed Mr. Simih and, shouting insults against blacks, threw him to the ground and piled grass on his back.

Then they started a bonfire on top of him.

But his wife, Halima, normally fragile and submissive, furiously tried to tug the laughing militia members from her husband. She pleaded with them to spare his life. Finally, she threw herself on top of the fire, burning herself but eventually extinguishing it with her own body.

The janjaweed may have been shamed by her courage, for Mr. Simih recalls them then walking away and saying, "Oh, he will die anyway." He told me the story as he was treated at a hospital where doctors peeled burned flesh from his back.

Atrocities like this make up the news and constitute the Sudanese-sponsored genocide here in the region surrounding Darfur, but it is also stories like this — of superhuman courage — that keep me going through my reporting here. Invariably, the most memorable stories to emerge from genocide aren't those of the Adolf Eichmanns, but those of the Anne Franks and Raoul Wallenbergs. Side by side with the most nauseating evil, you stumble across the most exhilarating humanity.

So this is a column about the uplifting side of genocide.

I see examples all the time, from the aid workers who persevere against impossible odds (13 have been murdered in Darfur since May) to the children who carry bows and arrows to try to protect their parents from men with machine guns.

One of the most inspiring people here is Suad Ahmed, a 25-year-old mother of two from Darfur. She lives here in the Goz Amir refugee camp, and last month she was collecting firewood with her beloved little sister, Halima, when a band of janjaweed ambushed them.

The janjaweed regularly attack women and girls — part of a Sudanese policy of rape to terrorize and drive away black African tribes — and Ms. Suad knew how brutal the attacks are. A 12-year-old neighbor girl had been kidnapped by the janjaweed and gang-raped for a week; the girl's legs were pulled so far apart that she is now crippled.

But Ms. Suad's thoughts were only for her sister, who is just 10. "You are a virgin, and you must escape," she told her. "Run! I'll let myself be captured, but you must run and escape."

The local culture is such that if the little girl were raped, she might never be able to marry. So Ms. Suad made herself a decoy and allowed herself to be caught, while her sister escaped back to the camp.

Ms. Suad plays down her heroism, saying that even if she had tried to escape, she might have been caught anyway, for she was five months pregnant. Or, she says, maybe she and her sister both would have been captured.

In any case, however, the janjaweed beat Ms. Suad, and seven of them gang-raped her despite her pregnancy. "You black people have no land," she recalls them telling her. "This land is not for you."

People from the camp found Ms. Suad in the hills that evening, too injured to walk, and carried her back. Ms. Suad said she didn't seek medical treatment, because she wanted to keep the rape as much of a secret as possible and didn't even tell her husband, although he eventually found out along with a few others. He accepted that it was not her fault.

(She found the courage to give an on-the-record interview, a video of which is with the online version of this column, after a tribal leader told her that it might help other Darfuris if the world knew what was happening to women here.)

The gang rape and beating were excruciating, she says, but her sacrifice was worth it. "When my sister saw me brought back and saw what had happened to me, she understood," Ms. Suad says. "She is very grateful to me."

So, yes, this is a land of numbing brutality, scarred by what may be the ugliest crime of all, genocide — abetted by indifference abroad. But it has elicited the best of humanity along with the worst. In Ms. Suad and those like her, I find a courage, nobility and compassion that offer a perfect contrast to the fecklessness of the rest of the world.

Sri Lanka Rebels' Critic Silenced By Bullet (NYT)

By Somini Sengupta

The New York Times, November 26, 2006

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COLOMBO, Sri Lanka — The killer asked for "Keteshwaran," the man's battle name from his years in the Tamil militant movement. For whatever reason, it made Kethesh Loganathan come quickly down the stairs and to the front gate of his house. He did not have a chance to open the gate. Through the grille, his killer put a bullet through his head. He died quickly.

In his death lay a vital lesson for outspoken Tamils, the country's largest ethnic minority and a group whose political rights are at the center of Sri Lanka's intensifying, nearly 25-year conflict.

Mr. Loganathan, 54, was among the fiercest critics of the ethnic separatist Liberation Tigers of Tamil Eelam, and they are widely blamed for his death. The group has neither accepted nor rejected the accusation.

No one has been arrested in connection with the killing.

The Tamil Tigers have likewise been blamed for the killings of some of Sri Lanka's most prominent Tamil intellectuals, especially those who ally themselves with the government, as Mr. Loganathan did this year when he became deputy secretary general of the government agency coordinating the peace process.

His killing, on Aug. 12, occurred exactly a year after the assassination of Lakshman Kadirgamar, the former Sri Lankan foreign minister and the highest-ranking ethnic Tamil in the government. Shortly after his death, a rebel-affiliated Web site described Mr. Loganathan as "Tamil betrayer Kadirgamar Junior."

In 1999, Neelan Thiruchelvan, the architect of a seminal power-sharing arrangement that would have offered broad political autonomy to the Tamils, though not necessarily to the Tamil Tigers, was killed in a suicide bombing. Anti-rebel politicians like Douglas Devananda, leader of the Eelam People's Democratic Party, have eluded so many assassination attempts that most people here have lost count; he lives today in a virtual bunker under state protection.

Dissent, as critics of the Tamil Tigers are fond of reminding, is decidedly unwelcome in the rebel playbook. Or, as the stridently anti-rebel group University Teachers for Human Rights declared in a statement three days after Mr. Loganathan was killed, "this organization can and would pick off its unarmed opponents at will, should they persist in giving hope to the people."

Mr. Loganathan, his friends and colleagues recalled, was unusual among the many detractors of the Tamil Tigers. He was a Tamil nationalist, deeply versed in the language and ideology of the Tamil Tiger cause, but virulently opposed to its methods. He belonged to another Tamil militant group, the Eelam People's Revolutionary Liberation Front, until the mid-1990s. The Tamil Tigers systematically killed many of his comrades.

Mr. Loganathan was unforgiving of the Tamil Tigers' human rights record. He was a strident critic of their fundamental claim that only the Tigers represented Tamil interests in Sri Lanka.

"He knew their thinking," said Jehan Perera, media director of the National Peace Council, a nonpartisan research and advocacy group. "He critiqued them in their language."

Mr. Perera described Mr. Loganathan's approach as "adversarial." The day of his assassination, Mr. Loganathan, who was as critical of the way the Norwegian-mediated peace talks were moving as he was of the rebels, was writing a response to an essay that Mr. Perera had written for an upcoming seminar on the peace process. He had spent the day working at home. He had told his wife, Bhawani, that he would have to opt out of their Saturday habit of visiting a Hindu temple somewhere in the city, then eating out.

They were a reclusive pair, Mrs. Loganathan recalled, childless and averse to social outings. They lived on a narrow street in an unremarkable, ethnically mixed middle-class neighborhood here in the capital. She said her husband was resolutely opposed to having a security guard at home. She opposed his joining the state peace secretariat. But she knew there was no blocking her husband's aspirations.

"He was a very stubborn person," Mrs. Loganathan recalled recently at home. "He would do what he wanted to do. No one could stop him."

By the time he was killed, he was in frail health and had been gradually losing his hearing. A few days before his death, for reasons that still puzzle her, he told her he wished to die before she did. She remembered looking at him and asking him flatly, "Have you received a threat?" He said he had not.

Later that night, she said she quietly prayed that she would survive him; she knew she was his sole caretaker.

Shortly before his death, Mrs. Loganathan recalled, they were upstairs watching the 9 p.m. television news together, when a man called out from the front gate. She went to the balcony to have a look. She could make out a dark-colored, old-model car

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parked outside and a man saying he had come from the police department for "Keteshwaran." It wasn't entirely unusual for a police officer to visit.

At the mention of the name, her husband rushed downstairs. From upstairs, she heard him asking for the visitor's identity card. Then she heard the gunfire.

Awaiting Lengthy Lab Confirmation Of Bird Flu Risks Treatment Delays, Studies Find (NYT)

By Donald G. McNeil Jr.

The New York Times, November 26, 2006

Because detecting Avian flu with standard tests is so difficult and time-consuming, waiting for laboratory confirmation of an outbreak would cause dangerous treatment delays, according to new studies of two flu outbreaks.

The studies, published Thursday in The New England Journal of Medicine, were of family clusters of flu cases in Turkey and Indonesia.

Rapid tests on nose and throat swabs failed every time, and in Turkey, so did all follow-up tests known as Elisas. The only tests that consistently worked were polymerase chain reaction tests, or PCRs, which can be done only in advanced laboratories and take several hours.

"It'll be a disaster if we have to use PCRs for everybody," said Dr. Anne Moscona, a professor of pediatrics and immunology at Weill Cornell Medical College. "It just isn't available at a whole lot of places."

If the A(H5N1) flu mutates into a pandemic strain, rapid tests "will be really key," she said.

The studies followed clusters in three families in Indonesia in 2005 and in what appears to have been one extended family near Dogubayazit, in eastern Turkey, in January. Case clusters particularly worry public health authorities because they raise the possibility that the flu is mutating to spread faster between people.

In the Indonesian cases, the authors, from Indonesia, the World Health Organization and the Centers for Disease Control and Prevention in Atlanta, concluded that human-to-human transmission had probably taken place in two of the three family clusters. In one case, a 38-year-old government auditor appeared to have caught the flu from his 8-year-old daughter or her 1-year-old sister. All three died; his wife and two sons did not get sick. No one in the family had any known contact with poultry, wild birds, animals or sick people, so the source was a mystery.

"But you can't always tell what a young child has done," said Dr. Tim Uyeki, a Centers for Disease Control flu specialist and an author of the study. "There's no magical test, and you don't always get a perfect explanation."

The Dogubayazit cluster was a cause célèbre for some Internet flu-watchers following Turkish news reports in January. They contended that widespread human-to-human transmission seemed to be taking place, and that it may have begun at a banquet attended in late December by members of two related families named Ozcan and Kocyigit. The Turkish government and the World Health Organization did not link the cases or families and tentatively blamed birds for all transmission.

The studies showed how wide a net was cast: 290 people were tested at one hospital because they either had flu symptoms or contact with dying birds, or both. All were given the antiviral drug oseltamivir, which is also sold as Tamiflu, and about half were hospitalized. That accorded with health organization recommendations: widespread testing and use of antivirals, both to save lives and to snuff out any suspected outbreak of a mutant strain.

Only 10 came up positive on PCR tests, and 8 of those were confirmed by a World Health Organization laboratory. All were children; four died. The studies confirmed suspicions that the families were linked; 7 of the 8 children were related or lived near each other. The December banquet was not mentioned.

It was impossible to tell whether the other argument made by the Internet flu-watchers was correct: that poor testing and the oseltamivir had disguised the extent of the outbreak. But the lead author, Dr. Ahmet Faik Oner, a professor of medicine at Yuzuncu Yil University in Turkey, said in a telephone interview that he believed that there had been no human-to-human transmission because all the children had been in close contact with poultry within seven or fewer days before they fell ill and none of their parents or the hospital staff members that treated them had become sick.

Dr. Uyeki declined to comment on the Turkey outbreak, but said both studies lent support to the theory that some people were genetically more susceptible to the flu.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Government Urges Supreme Court To Stay Out Of Times Case (NYT)

By Edmund L. Andrews

The New York Times, November 26, 2006

WASHINGTON, Nov. 25 — The Justice Department asked the Supreme Court on Saturday not to prevent a federal prosecutor from examining the telephone records of two reporters at The New York Times, warning that time is running out in an investigation of leaks about two Islamic charities.

At issue is a Chicago grand jury investigation into information learned by two reporters in 2001 about the government's plan to freeze the assets of two charities that were suspected of having ties to terrorist groups.

Patrick J. Fitzgerald, the United States attorney in Chicago, is seeking to review the telephone records of the two reporters — Judith Miller, who retired from The Times last year, and Philip Shenon. Prosecutors say the reporters asked for comment from both charities in a way that tipped them off to the coming raids.

The case originated in December 2001, when government officials were preparing to raid the offices of the two charities, the Holy Land Foundation and the Global Relief Foundation.

According to the Justice Department, the reporters contacted both charities and asked questions one day before the raids had been planned. The questions reduced the effectiveness of the searches and endangered the federal agents who carried them out, the government said.

In August, a panel on the federal appeals court in Manhattan ruled 2 to 1 that the reporters were not entitled to shield their sources under the First Amendment or under precedents established in common law.

On Friday, The Times asked Justice Ruth Bader Ginsburg of the Supreme Court to delay Mr. Fitzgerald from reviewing the telephone records until the court has an opportunity to decide whether to hear the case. The court gave the government until Saturday to submit a formal response.

On Saturday, the Justice Department urged the Supreme Court not to get involved in the case, saying that even a temporary stay of the earlier court decision would harm a significant criminal investigation.

The department said prosecutors had less than three weeks left to file charges on some of the possible crimes, because important statutes of limitations will expire on Dec. 13 and Dec. 14 — five years after the two separate raids took place.

The department also contended that the facts of the case were unusual and would not create a far-reaching precedent allowing the disclosure of a reporter's confidential sources.

This case is separate from an earlier battle between Mr. Fitzgerald and The Times over leaks about the identity of a covert C.I.A. operative.

Court Asked To Stay Out Of Leak Case (AP)

By Pete Yost

AP, November 26, 2006

Justice Department wants justices to refrain from entering probe

WASHINGTON -- The Justice Department on Saturday asked the Supreme Court to refrain from stepping into another First Amendment battle featuring federal prosecutor Patrick Fitzgerald and The New York Times.

The case involves a leak probe by Fitzgerald to track down the confidential sources of Times reporters Judith Miller and Philip Shenon for stories in 2001. Miller, who spent 85 days in jail in 2005 in connection with Fitzgerald's separate CIA leak probe in the Valerie Plame case, retired from the newspaper a year ago.

In the current case, the 2nd U.S. Circuit Court of Appeals has said prosecutors can see the journalists' phone records. Earlier, a federal judge had ruled in the newspaper's favor, saying the First Amendment supplied a qualified privilege to reporters to protect confidential sources.

On Friday, the newspaper asked Justice Ruth Bader Ginsburg to temporarily block the government from going through the records and said it was prepared to file a petition by Dec. 24 asking the court to take up the case.

In a filing requested by Ginsburg, the government cites a declaration by Fitzgerald on Nov. 13 that says the time for filing criminal charges will expire in the next three weeks.

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Temporarily blocking the government from reviewing the phone records would cause "irreparable harm to a significant criminal investigation," the Justice Department told the Supreme Court in a 40-page filing.

The reporters' stories disclosed the government's plans to freeze the assets of two Islamic charities, the Holy Land Foundation and the Global Relief Foundation. The freezing of assets was in connection with a terrorism-funding probe.

Shenon and Miller called the two organizations for comment about the information on freezing assets, a move the government says tipped off the charities of planned government raids. The federal judge who ruled in the Times' favor said there is no evidence in the case even suggesting the reporters tipped off the charities about the raids or that the reporters even knew of the government's plans to raid either charity.

The Justice Department replied that "the fact that the reporters here relayed disclosures from a government source to targets of an imminent law enforcement action substantially weakens any claim of freedom of the press."

At issue are 11 days of phone records the government wants to review for the two reporters in 2001 -- Sept. 27-30, Dec. 1-3 and Dec. 10-13. In his declaration this month, Fitzgerald says the statute of limitations "on certain substantive offenses that the grand jury is investigating" will expire on Dec. 3 and Dec. 13 of this year. Those dates are five years to the day after the second and third set of phone records the prosecutor wants to review, pointing to the deadline for filing criminal charges.

In June 2005, the Supreme Court refused to take up a separate case involving the First Amendment in which Fitzgerald sought to compel Miller to reveal her sources in the leak of Plame's CIA identity.

That leak probe led to Miller's jailing before eventually agreeing to testify in Fitzgerald's investigation. Her testimony was critical in the indictment of Vice President Dick Cheney's former chief of staff, I. Lewis Libby.

The current leak probe is in Fitzgerald's capacity as U.S. attorney in Chicago. The Libby prosecution is in Fitzgerald's role as a special counsel who was selected by a Justice Department superior to conduct that particular investigation.

British Terror Trial Traces A Path To Militant Islam (NYT)

By Elaine Sciolino, Stephen Grey

The New York Times, November 26, 2006

LONDON, Nov. 25 — More than half a ton of ammonium nitrate fertilizer suitable for making bombs was locked in a rented storage warehouse. A cookie tin of aluminum powder was hidden behind a garden shed. Young British Muslims underwent military training at guerrilla camps in remote parts of Pakistan. Suspects, surreptitiously taped by the police, talked about bombing targets in Britain.

Enter a computer technician in Canada experimenting with remote-controlled detonation devices and a collaborator-turned-informer from Queens testifying about secret meetings with operatives of Al Qaeda.

For eight months, the tale of the Operation Crevice Seven has been unfolding in a cramped, windowless courtroom in the Old Bailey in London.

On trial are seven men, ages 19 to 34, six of them with family roots in Pakistan. Arrested in 2004, they are charged with involvement in a criminal conspiracy to make explosives to commit murder, allegations that they all deny. Their target, the authorities say, was unclear — a nightclub, perhaps, or a shopping mall, public utilities, a British airliner or even the House of Commons.

But investigators say the evidence reveals the workings of the kind of cell most feared by officials in Europe. Young Muslims, radicalized by local imams and trained at military camps in Pakistan with vague connections to Al Qaeda, plan an attack at home with help from outside terrorists.

The July 7, 2005, London transit bombings and the alleged London-based plot uncovered last August to blow up airliners also involved disaffected British youths of Pakistani descent, some of whom had traveled to Pakistan for family visits, study and perhaps training.

In a speech this month, Dame Eliza Manningham-Buller, the director general of the British security service known as MI5, disclosed that intelligence officers were watching 1,600 people “who are actively engaged in plotting, or facilitating, terrorist acts here and overseas.”

She said they had identified nearly 30 plots that “often have links back to Al Qaeda in Pakistan and through those links Al Qaeda gives guidance and training to its largely British foot soldiers here.” She said other countries — Spain, France, Canada and Germany — faced similar threats.

Dame Eliza’s comments echo concerns among intelligence officials throughout Europe that remnants of Al Qaeda’s network, disrupted after Sept. 11, were reconstituting in the tribal areas on the border between Pakistan and Afghanistan.

The Crevice defendants deny they were a conspiratorial cell. Some admit to training in Pakistan but insist they had a goal other than attacking Britain, notwithstanding the fertilizer stored near London. They said they supported jihad in Afghanistan and the liberation of Kashmir, a disputed area between Pakistan and India.

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One defendant, Salahuddin Amin, a 31-year-old part-time taxi driver from Luton, testified Tuesday that he started donating money to help Kashmir in 1999. Then he moved to Pakistan in 2001 and became a conduit directing assistance from Britain to Afghan refugees in Pakistan, he said.

But prosecutors charge that Mr. Amin, who knew some of the other Crevice defendants from Britain, became a link between them and militants in Pakistan. They said he and others attended a two-day course in Pakistan to learn to make fertilizer-based explosives. In videotaped confessions to the British police after his arrest in 2005, he admitted being "mixed up with terrorists" and said he provided a formula for explosives to one of his co-defendants through an Internet chat room.

On the witness stand, Mr. Amin proclaimed his innocence, saying he confessed only after being jailed for 10 months in Pakistan, where he said he was beaten and threatened with a whirring electric drill. "I would never take part in plots like that," he testified.

Heeding the Call to Jihad

Omar Khyam, 24, considered by prosecutors to be the ringleader of the group, began his journey to extremism as a teenager in Crawley, just south of London.

Mr. Khyam, a standout cricket player, planned to study electrical engineering in college, but when he was 16 he began spending time with members of Al Muhajiroun, a radical group active in Crawley and dedicated to a global Islamic community under Shariah, the legal code based on the Koran. The group, led by Omar Bakri Mohammed, is now banned in Britain.

Two years later, instead of preparing for his high school exams, Mr. Khyam ran away, leaving a note saying he was off to join Islamic freedom fighters in Kashmir.

His uncle told a British newspaper that ran an article in 2000 about Mr. Khyam's sudden departure that his nephew had been indoctrinated by Al Muhajiroun. Mr. Khyam's family persuaded him to return home, but not before he had attended a training camp.

"They taught me everything I needed for guerrilla warfare in Kashmir, AK47s, pistols, RPGs, sniper rifles, climbing and crawling techniques, reconnaissance and light machine guns," Mr. Khyam testified in the Crevice trial in September.

After enrolling in college in Britain, Mr. Khyam returned to Pakistan in 2001 for a friend's wedding and crossed into Afghanistan to meet members of the Taliban movement before it was overthrown after 9/11. "They were soft, kind and humble, but harsh with their enemies," he recalled in court.

Meanwhile, in Luton, a town on the other side of London and another center of Al Muhajiroun recruitment, Mr. Amin also heeded the call to jihad.

His videotaped confessions to the police tell the story of his rejection of his Western way of life, his turn to prayer and the rules of Islam and his political radicalization.

It was in a Luton prayer center that he first met some of the men accused of being Crevice conspirators, including Mr. Khyam and a man accused of being a Qaeda operative, Abu Munthir, who was visiting from Pakistan.

Videos showing the slaughter of Muslims in Chechnya and Bosnia jolted Mr. Amin into sending money to "freedom fighters" in Kashmir to buy arms and ammunition. The lectures of the radical Muslim cleric Abu Hamza al-Masri at the Finsbury Park mosque in London shortly before 9/11 and the American-led invasion of Afghanistan helped persuade him that he should join the Afghan fight.

Two months after 9/11, Mr. Amin sold his house in Luton and went to Pakistan in search of training with militants, according to his confessions. The prosecution argues that over the next three years, Mr. Amin, Mr. Khyam and their associates entered a hidden world of terrorism with tentacles on three continents.

Secrecy was maintained by using aliases and coded language. Cellphone conversations were avoided. Rather than using e-mail messages, communications were passed through Internet chats or by electronic messages stored for others to pick up later with passwords. Computer hard drives and cellphone SIM cards were discarded and replaced often.

The prosecution's guide through that world was a Pakistani-American named Mohammed Junaid Babar, who said he worked for the New York chapter of Al Muhajiroun.

Defense lawyers portray Mr. Babar as a fabricator and possibly an agent for the United States government. "You are a liar, a deceitful, self-centered, arrogant fantasist," Michel Massih, a lawyer for one of the defendants, told Mr. Babar during cross-examination last April.

Mr. Babar acknowledged having lied when first questioned by the F.B.I. He pleaded guilty in New York in June 2004 to providing material support for terrorists, and he said in court that he was testifying against the Crevice suspects to reduce his sentence.

Yet during 17 days on the witness stand, Mr. Babar, the star witness for the prosecution, told a riveting story.

A militant networker, Mr. Babar said he moved to Pakistan in November 2001 with money and instructions from Al Muhajiroun. A year later, on a fund-raising trip to London, Mr. Babar said, he first met members of what he called the "Crawley

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lot," including Mr. Khyam and Anthony Garcia, an Algerian-born aspiring fashion model who had changed his name and is now accused of purchasing the secreted fertilizer.

Mr. Babar said Mr. Khyam told him that he and other "brothers" from Crawley were not just a local operation but reported to a man called Abdul Hadi, described by Mr. Khyam as the "No. 3" in Al Qaeda.

In mid-2003, the prosecution said, the Crevice suspects began coming together in Pakistan where Mr. Babar's home in Lahore was a haven for young, radical Britons of Pakistani descent.

Bomb-related equipment like detonators, fertilizer and aluminum powder that can be used to fuel an explosion, and beans to make the poison ricin were stored in a bedroom cupboard, he said. The backyard was used for small-scale experiments with explosives, including the detonation of a spice jar packed with chemicals.

Mr. Amin, meanwhile, was living close by. He said in his police confessions that he had been collecting money and materials for fighters in Afghanistan and passing them on to the man accused of being a Qaeda operative, Abu Munthir, who had once visited the Luton prayer center.

When Mr. Khyam arrived in Pakistan in 2003, hoping to train to fight in Afghanistan, he was told there were enough fighters there, according to Mr. Amin's confessions. Instead, Abu Munthir sent word that if he was really serious, he should "do something" in Britain, Mr. Amin told the police.

Later that year, Mr. Khyam, Mr. Amin and another man traveled to a safe house in Kohat, Pakistan, for two days of training in making explosives, including fertilizer bombs, Mr. Amin said. Mr. Khyam then organized a session in the mountains around Malakand near the Afghan border, allegedly to teach others what he had learned.

Mr. Khyam and a core group of three other Crevice suspects, including Mr. Babar, made their way there by posing as Western tourists looking to visit lakes and glaciers.

Mr. Babar said one of the men he brought along was a Canadian named Mohammed Momin Khawaja, a computer engineer, now 27, who is accused of being the detonator-maker in the plot.

Mr. Babar recalled in court that the first test with fertilizer-based explosives failed; the second was moderately successful.

"It created a U in the ground," Mr. Babar testified. "It went down, sideways and back up the other way." The group videotaped the scene, he added, hoping to produce a "a minimovie-type thing" with Koranic verses or songs, to inspire others.

If Mr. Babar is to be believed, Mr. Khyam became so determined to carry out an attack in Britain that during this time he also took a 10-day trip to seek more guidance from Qaeda operatives.

Mr. Babar said Mr. Khyam told him that the instructions from Abu Munthir were for "multiple bombings," either "simultaneously or one after the other on the same day."

Mr. Babar recalled Mr. Khyam saying that Britain was as responsible as the United States for what was happening in the Middle East and should be attacked. "He said we need to hit certain spots like pubs, nightclubs and trains," Mr. Babar said.

An Undercover Investigation

Precisely how and when the authorities learned of the group's activities is unclear, but by early February 2004, they had begun one of Britain's largest antiterrorist undercover investigations. Operation Crevice, aided by the United States, Canada and Pakistan, involved round-the-clock human surveillance, audio wiretaps in cars and homes and video surveillance.

On Feb. 20, investigators got an extraordinarily lucky break: a suspicious employee at a self-storage warehouse outside of London called the police to report that someone named Nabeel Hussain was storing a large amount of fertilizer.

The police inserted an undercover officer called Amanda as the receptionist and secretly replaced the fertilizer with a benign substance. A hidden camera was installed and filmed Mr. Khyam when he showed up to check the contents.

The police continued to watch and listen, and their 3,500 hours of surveillance tapes are at the core of the prosecution case. Some of the most chilling conversations played in court are between Mr. Khyam, whose Suzuki sport utility vehicle and apartment had been bugged, and Jawad Akbar, 23, a college student whose apartment had been bugged.

In a conversation recorded in February 2004, Mr. Akbar talked of an "easy" target, like a nightclub, "where you don't need no experience and nothing and you could get a job." In such a place, he said, "no one can even turn round and say, 'Oh, they were innocent,' those slags dancing around," using a slang term for loose women.

When Mr. Khyam asked what he would do if he got a job at a place like the Ministry of Sound, London's largest nightclub, Mr. Akbar replied, "Blow the whole thing up."

In March, Mr. Khyam talked about a simultaneous attack of Britain's gas, electricity and water systems.

"The electrics go off so it's a blackout, and then the gas lot move in and bang," he said. "Then something goes wrong with the water, a simultaneous attack."

In late March, when Mr. Khyam and his younger brother, Shujah Mahmood, 19, also a defendant, bought tickets to fly to Pakistan on April 6, the police feared that an attack in Britain was imminent.

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On March 30, 700 police officers raided two dozen locations, shutting down what they suspected was a cell and arresting six of the defendants.

They found the cookie tin containing aluminum powder behind a shed at Mr. Khyam's family home in Crawley. They also found a dozen CD-ROMs giving detailed plans of Britain's electricity and gas systems that they charged had been stolen from the National Grid Transco utility company by an employee, Waheed Mahmood. At 34, Mr. Mahmood, a father of four, is the oldest Crevice defendant.

The police seized a list of British synagogues and computer video files containing parts of an explosives handbook and a military training manual. Investigators also found instructions for how to react if contacted by counterterrorism authorities.

Meanwhile, Mr. Khawaja, who had recently returned from visiting Crevice suspects in Britain, was arrested in Canada. Electrical equipment, described by British authorities as remote-control devices that could be connected to bomb detonators, as well as guns and ammunition, were found at his home. He is awaiting trial in Canada, the first suspect to be tried under Canada's 2001 Antiterrorism Act.

The Prosecution's Case

Prosecutors acknowledge that they have not been able to identify either a fixed target or a date for an attack, but they do not have to. To win convictions, they only have to prove that the seven defendants conspired to cause an explosion "likely to endanger life" in Britain.

Mr. Khyam, Mr. Garcia and Mr. Hussain are also charged with possessing 600 kilograms, or about 1,320 pounds, of ammonium nitrate fertilizer, and Mr. Khyam and Mr. Mahmood with possessing aluminum powder, in both cases with the intent to use the ingredients to commit an act of terrorism.

In considering the surveillance tapes, defense lawyers argue that their clients may have been doing a lot of talking about deadly chaos, but that it was nothing more than talk. Some of the schemes seemed like fantasy, like injecting poison into beer cans at soccer games. Others were more frightening, if true: Mr. Amin is accused of making inquiries about buying a radioactive "dirty bomb" from the Russian mafia in Belgium.

As in other criminal cases in Britain, some of the evidence against the suspects is not permitted to be disclosed — either to the jury or the public — until the trials are over for fear that juries will be improperly swayed. Even the news media is under a strict order by the judge to avoid revealing certain information about the case.

The evidence presented shows that the radicalization of the defendants began years ago, raising questions about how well the British security services monitored militants in their midst before last year's transit bombings. The authorities continue to investigate any links between the Crevice defendants and the 2005 bombers, one of whom, the government says, had visited a training camp in Pakistan before the attack.

Investigators closely watch traffic between Britain and Pakistan. But that is a significant challenge with nearly 400,000 visits by residents of Britain to Pakistan in 2004, of an average length of 41 days. And it is even more difficult to determine which, if any, of those visitors are militants following the dangerous route of traveling to Pakistan for indoctrination and training.

"Counterterrorism efforts haven't been able to penetrate the process of radicalization and recruitment," said Sajjan M. Gohel, director for international security at the London-based Asia-Pacific Foundation. "For every individual captured or killed, there are at least five more coming down the assembly line."

Scalia The Civil Libertarian? (NYT)

By Scott Turow

The New York Times Magazine, November 26, 2006

The conservative ideological majority on the U.S. Supreme Court that determined the 2000 election in favor of President Bush should have grown stronger when Bush chose Justice Samuel Alito to replace the moderate Sandra Day O'Connor. Yet in carrying out its first priority, the war on terror, the White House has encountered unwelcome resistance from the court. Objections to Bush's sweeping view of executive power have come not only from liberals and centrists, like Justice Anthony Kennedy but, more remarkably, from Justice Antonin Scalia, who may end up playing a pivotal role in future war-on-terror cases.

Scalia has long been regarded as an administration favorite. Bush suggested during the 2000 campaign that Scalia was his idea of a model justice. In the court's Bush v. Gore decision, which brought that campaign to an end, Scalia ventured the opaque claim that candidate Bush would experience "irreparable harm" if the recount continued in Florida. Not long after, the justice's son was appointed by the president to a top position in the Labor Department. In January 2004, Scalia took a free ride on Vice President Cheney's plane to go duck hunting with him; later he refused to step aside in a major case involving Cheney.

Even beyond these affiliations, Justice Scalia's flamethrowing rhetoric and his hostility to whole chapters of 20th-century jurisprudence have made him a conservative icon and a favorite face on liberal dart boards. The justice has declared that the Constitution not only creates no right to abortion but does not even protect private adult sexual conduct, blasting the court's 2003

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decision to strike down a Texas sodomy law as "largely sign[ing] on to the so-called homosexual agenda." He has scaled back the exclusionary rule, which bars evidence obtained by unlawful police searches, and made it clear that he would like to do away with Miranda warnings.

Less noted, however, is the fact that Justice Scalia, especially in the last decade, has frequently taken an expansive view of the Bill of Rights, thus supporting defendants in criminal cases. Scalia is one of the intellectual godfathers of a strand of Supreme Court decisions, crystallized by Apprendi v. New Jersey, that revolutionized sentencing laws. Following a strict interpretation of the Fifth Amendment's guarantee of due process of law and the Sixth Amendment's right to trial by jury, Scalia has insisted that any fact used to extend punishment beyond normal statutory limits must be specified and proved to a jury beyond a reasonable doubt. Despite his fevered support for capital punishment, Scalia also joined a court majority in holding that the Constitution requires a death sentence to be decided by a jury, rather than by a judge, effectively setting aside every capital sentence still on direct appeal in five states.

Nor are Scalia's pro-rights decisions limited to one arcane area. In Kyllo v. U.S. (2001), Justice Scalia, writing for the court, deemed police use of heat-seeking technology to detect whether marijuana was being grown inside a house a violation of the Fourth Amendment's prohibition on unreasonable searches. In a 2004 opinion, Scalia spoke for a court majority in finding unconstitutional the widespread practice of using recordings or prepared statements to the police as a substitute for the testimony of unavailable witnesses. And last term, supported by the court's four more liberal justices, Scalia held that a defendant wrongly deprived of the lawyer of his choice gets a new trial, no matter how overwhelming the evidence of his guilt.

Justice Scalia is led to these seemingly divergent positions by his unyielding adherence to a school of constitutional interpretation called originalism. To Scalia, the Bill of Rights means exactly what it did in 1791, no more, no less. The needs of an evolving society, he says, should be addressed by legislation rather than the courts.

In all of this, Scalia is first and foremost a legal formalist — meaning that to him, the rules are the rules. He did not sign on to the Apprendi cases out of any special sympathy for criminal defendants — indeed, he once wrote an opinion refusing to uphold an acquittal on the grounds that the defendant's motion for acquittal was filed one day too late. Rather, he was motivated by the assumption that, as he put it in the capital-punishment case, "the right of trial by jury is in perilous decline." In other words, over the years the right had come to be interpreted more narrowly than in 1791.

In adjudicating the war on terror, Scalia has come down strongly on behalf of the administration and its prisoners in a number of cases. The extensive powers claimed by the Bush administration would seem to pose a problem for originalists, because the Bill of Rights was indubitably added to the Constitution to keep the new American executive from repeating the monarchal abuses of King George. Yet in a speech in suburban Cleveland in March 2003, just before the invasion of Iraq (where one of his sons would serve), Justice Scalia told his audience that "most of the rights that you enjoy go way beyond what the Constitution requires" and predicted that in war time "the protections will be ratcheted right down to the constitutional minimum." In one of the first war-on-terror cases to reach the court, Rasul v. Bush, a majority agreed that the foreign detainees at Guantánamo had a right to file habeas corpus petitions. Scalia strongly dissented, as one might have expected given the fact that the Constitution's protections are generally intended for only American citizens.

It thus verged on the breathtaking when Justice Scalia wrote in Hamdi v. Rumsfeld: "Many think it not only inevitable but entirely proper that liberty give way to security in times of national crisis. ... Whatever the general merits of the view that war silences law or modulates its voice, that view has no place in the interpretation and application of a Constitution designed precisely to confront war and, in a manner that accords with democratic principles, to accommodate it."

Hamdi, an American citizen, was supposedly captured among Taliban forces in Afghanistan. Four justices thought that the Congressional resolution passed immediately after 9/11, authorizing the use of force against Al Qaeda, permitted the president to detain Hamdi as an enemy combatant. A majority ruled, however, that Hamdi could not be held indefinitely simply on the president's say-so and was entitled to a meaningful hearing. Justice Scalia would not even concede the first point. Instead, he declared Congress has not given the president the power to hold any American, even one who has taken up arms against his country, as an enemy combatant and instead must press criminal charges or let him go.

Now the looming question is where Scalia will settle as future war-on-terror cases come before the court, and whether his unique jurisprudence will accord him a leading role. The court's centrists, most notably Justices Kennedy and Breyer, are inclined to apply nuanced balancing tests. Weighing, for example, the need to hold battlefield captives like Hamdi against the reality that such a detention could last most of the detainee's lifetime, both justices voted to create a right to a hearing for citizen-combatants. Yet their war-on-terror decisions have been so factbound that they offer little future guidance on the meaning of the rights involved. For instance, what happens when a citizen who is a supposed enemy combatant is captured in this country rather than on the battlefield? The other conservatives on the court — Justice Thomas and, in their limited times, Justices Alito and Roberts — have shown an inclination to defer blankly to executive power. Scalia's originalism, too, tends to view executive power expansively, but only when it is applied to the many areas beyond the narrow preserves created by the Bill of Rights. As

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the Apprendi cases demonstrate, Scalia is more like the court's liberal members in seeing the Bill of Rights as a constitutional trump when it collides with government power.

Apparently unsure about what the future holds, the administration recently has been trying to sidestep the Supreme Court altogether. It persuaded Congress to remove the habeas corpus rights the court had previously granted foreign detainees at Guantánamo. The White House also wants to rewrite the wiretapping laws to bolster the president's assertions that he had the constitutional power to wiretap certain calls without a warrant. The president has asked the lame-duck Republican Congress to push through the change, but the newly emboldened Senate Democrats say they will block it. It appears most likely that when the wiretapping program inevitably reaches the court, the justices will have to weigh the president's claim of inherent authority against the statute in place when the program began. The statute explicitly says its warrant procedure is "the exclusive means" to wiretap calls to or from the U.S. for national security reasons.

Scalia has seldom been a consensus builder on the court, preferring to stick with his own views rather than troll for votes. But his occasional alliance with the court's more liberal justices could be struck again in future terror cases. The result would be an unequivocal declaration that executive power must yield to constitutional liberties, even when the nation is on the prolonged war footing we seem to have adopted.

HOMELAND RESPONSE:

Bush Vows Continued Aid To Gulf Hurricane Victims (WP/AP)

By Deb Riechmann

The Washington Post, November 26, 2006

President Bush yesterday renewed the nation's commitment to help victims of last year's Gulf Coast hurricanes and thanked U.S. troops fighting abroad.

In his Saturday radio address, Bush said Americans are grateful to those who rallied after hurricanes Katrina and Rita to bring food, water and hope to people who lost everything.

"We renew our commitment to help those who are still suffering and to rebuild our nation's Gulf Coast," Bush said.

Next week, the president will attend a NATO summit in Europe and will meet in Jordan with Iraqi Prime Minister Nouri al-Maliki. On Saturday, he reminded Americans that many U.S. troops are spending the holiday weekend far from their families.

"We know that their service makes it possible for us to live in freedom," Bush said.

He said the desire for freedom that led pilgrims to America still guides the nation today. "While they were only a shivering few, we are now a strong and growing nation of more than 300 million."

On Tuesday, Bush visited U.S. troops stationed at Hickam Air Force Base in Honolulu. He stopped there on his way back from a trip to Indonesia, Singapore and Vietnam.

"Our service members there have deployed around the world to fight the terrorists in Afghanistan and Iraq, conduct important maritime exercises in the Pacific, help deliver humanitarian aid to the victims of disaster and fight drug trafficking," Bush said.

He singled out Marine Cpl. Jason Dunham of Scio, N.Y., who died after throwing himself on an enemy grenade, saving two of his fellow Marines in Iraq. The Medal of Honor -- the nation's highest decoration for valor -- will be given posthumously to Dunham, who died April 22, 2004, after an ambush near the Syrian border.

"This Thanksgiving, our thoughts and prayers are with his family and with all military families, especially those mourning the loss of a loved one," Bush said.

CIA Recruiting Comes Out Of The Shadows (WT/AP)

By Katherine Shrader

The Washington Times, November 26, 2006

The CIA scrapped a ho-hum test for steering job applicants toward mysterious careers, replacing it with one that's cloaked in jest.

Invisibility or ESP? Jet pack or amphibious sports car? Walk the Great Wall of China or sip champagne at a New York gala?

The results from the CIA's online personality quiz are just a few clicks away. Test-takers are diagnosed as daring thrill-seekers, thoughtful observers, curious adventurers, innovative pioneers or impressive masterminds.

The CIA wants to hire them all.

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The quiz (https://www.cia.gov/ careers/CIAMyths.html) was designed to encourage job applications while dispelling myths about the agency, some of them born of the James Bond stereotype.

For instance, the CIA wants applicants to know that no one who works there drives a sports car with machine guns in the tailpipes. Successful applicants will, in fact, see family and friends again.

Also, according to the quiz, "you don't have to know karate or look good in a tuxedo to work at the CIA."

All fun aside, the hiring push began almost immediately after the September 11 terrorist attacks. The effort picked up steam in November 2004, when President Bush called for a 50 percent increase in the agency's ranks of operatives and analysts.

The president wanted twice as many scientists whose research combats terrorism and the spread of weapons of mass destruction. The agency hopes to meet those goals by 2011.

One in seven of the CIA's current employees signed up in the past year, and nearly 40 percent began working after the September 11 attacks -- statistics at once helpful and troubling.

"This is the youngest analytic work force in the history of the Central Intelligence Agency," CIA Director Michael V. Hayden said at his confirmation hearings in May. "In more disappointing language, this is the least experienced analytic work force in the history of CIA."

The CIA stumbled as it stepped out of the shadows to recruit.

The agency rolled out black-and-white ads in 2002. Its television ads last year, aired during Washington Nationals baseball games, were so unassuming that fans might have thought their cable went out for 30 seconds if they headed to the kitchen for a snack.

Officials in charge of hiring realized they needed a new plan. They hired an ad agency, TMP Worldwide.

The "Bug Spot" was born. A snooping dragonfly zooms through the ad, showing how scientists at the CIA's Directorate of Science and Technology develop Bond-esque devices -- "technology so advanced, it's classified," the ad boasts.

The ad debuted on the Discovery Channel. The agency shortly received 3,500 resumes from applicants who said they had seen the spot.

An ad for the National Clandestine Service, the agency's secret operatives, followed.

Now, the CIA is revamping its Web site. It is buying space on airport billboards and in movie trailers. It is taking out ads in publications from the Locksmith Ledger to Women's Wear Daily to Arab Times, seeking applicants who can crack locks, create disguises and speak polished Arabic. It is reaching out to soon-to-be retired military officers.

The CIA also created the updated personality quiz, with a disclaimer straight from the legal department: "The Myths Quiz is for educational entertainment purposes only. ... This quiz will not affect your ability to get a job with the CIA."

The lawyers have company in not taking the quiz lightly. Some of the CIA's traditionalists fear the agency is bruising proud, exclusive roots to meet the presidential directive. They worry that the CIA quiz and ads during "MythBusters" and other cable shows are too gimmicky.

In short, the traditionalists worry that the agency is sacrificing quality to get quantity. Last year alone, the CIA received 135,000 applications -- more than double the number before the September 11 attacks.

Tom McCluskey, the CIA's chief of hiring and employee development, heard the concerns firsthand at a recent gathering of the Florida chapter of the agency's retirees association.

"Some of the old-timers grumbled, 'Where's the mystique? Where is the aura of mystery around what we do?' " Mr. McCluskey said.

Meanwhile, Congress is watching the recruitment efforts. The incoming chairman of the Senate Intelligence Committee, Sen. John D. Rockefeller IV, West Virginia Democrat, has said one priority is investigating whether the CIA has the right workers in the right jobs and ensuring the CIA has enough employees who are fluent in Arabic and other crucial languages.

Even if Congress holds agency officials' feet to the fire in public, odds are it could help.

"We see spikes in applicants after bad stories," said Betsy Davis, deputy chief of the CIA's recruitment and advertising. "We see spikes in applicants after good stories."

WAR NEWS:

Baghdad Braces For More Reprisals (WP)

By Sudarsan Raghavan, Nancy Trejos

The Washington Post, November 26, 2006

BAGHDAD, Nov. 25 -- In the aftermath of one of the deadliest spasms of violence, a new level of fear and foreboding has gripped Baghdad, fueled in part by sectarian text messages and Internet sites, deepening tensions in an already divided capital.

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In interviews across Baghdad on Saturday, Sunnis and Shiites said they were preparing themselves for upheaval, both violent and psychological. They viewed the bombings that killed more than 200 people Thursday in the heart of Baghdad's Shiite Muslim community of Sadr City as a trigger for more reprisal killings.

"We feel our world has become narrow, and we are being squeezed," said Karar al-Zuheari, 31, a Shiite taxi driver. "We have no place to run."

Since those attacks, quasi-armies of residents in mixed and majority-Sunni Arab neighborhoods have formed to protect their streets. Sunni Web sites are offering advice on how to kill Shiite militiamen. College students and executives pace at their homes, clutching rifles and handguns around the clock. Iraqis are posting pleas on Internet message boards to buy extra ammunition and weapons.

Despite a government-imposed curfew, Iraqis described Shiite militiamen murdering Sunnis at checkpoints, controlling neighborhoods with impunity and conspiring with Iraq's majority-Shiite police force, which the Interior Ministry controls. Other Iraqis spoke of mortar shells raining on their mosques and gun battles outside their houses, deepening their mistrust of Iraq's security forces and elected politicians.

Over the past two days, warnings have spread through messages delivered to the cellphones of Sunni Muslims. In Arabic, they read:

"Very big armed groups are being formed in Sadr City, backed up by the Interior Ministry, to kill great numbers of the citizens of Baghdad once the curfew is lifted. Spread the word among our people."

It signed off: "A reliable source."

Yet amid the fear gripping this city of 7 million, there were also signs of Iraq's famous cohesiveness, even as the sectarian divide widened. In some mixed neighborhoods, Shiites provided shelter to Sunnis targeted by Shiite militiamen, even though they risked being branded as collaborators. Others took care of Sunni children or bought groceries for Sunni neighbors who feared walking to the local market.

Outside their houses, the revenge attacks raged on. Gunmen wearing Iraqi army uniforms rounded up 21 men, including a 12-year-old boy, from two Shiite homes in the village of Balad Ruz, 45 miles northeast of Baghdad in Diyala province. On Saturday morning, their bodies were found, all handcuffed, blindfolded and shot to death, said Bahaa al-Sodani, a provincial police official. The attacks were in apparent retaliation for assaults by Shiite militiamen on Sunni mosques in Baghdad and Baqubah the previous day.An Informant's Nod

"This is taking a turn for the worse," Hussam Sammaraie, a Sunni Muslim cellphone company executive, said on Saturday.

Less than two hours after car bombs, mortar shells and missiles bombarded Sadr City on Thursday, Shiite militiamen had taken over a checkpoint in front of his house in the New Baghdad neighborhood. The gunmen, clutching AK-47 assault rifles and rocket-propelled grenade launchers, were members of the Mahdi Army, the militia run by Moqtada al-Sadr, the Shiite cleric who controls Sadr City.

As Sammaraie watched from his front gate, two militiamen stopped a Sunni man who worked in an electrical shop. A local informant looked at him and nodded. Then one of the gunmen shot him dead and left. Two weeks ago, the electrician had complained loudly when Shiite gunmen attacked a nearby Sunni mosque.

Zuheari, Sammaraie's Shiite neighbor, also witnessed the killing. At that moment, he felt hatred for his own sect. "We don't accept this behavior from our own people," he said.

Sammaraie also shook, not out of anger but fear. New Baghdad was once a mixed neighborhood, but its Sunni population has left in droves since February, when the bombing of a Shiite shrine in the town of Samarra set off waves of sectarian violence. Now Sammaraie and his family are the only Sunnis on his block.

A half-hour after the electrician was killed, police arrived to investigate. The militiamen who committed the crime came along.

"It was the same murderers -- I saw it with my own eyes," Sammaraie said.

Since Thursday, he said, he has stayed inside his home. He carries his AK-47 and 60 bullets everywhere, even to bed. "I hug my AK-47 more than my wife," Sammaraie said.

His two small daughters don't understand. His 14-year-old asked him why he carried a gun all the time. He replied: "Do you want your dad to get killed?"

At night, he heads to the roof of his house, a cup of coffee in one hand, his AK-47 in the other. From there, he scans the streets for militiamen.

But if his house gets attacked, he will turn to Zuheari for help. Zuheari said he can't forget when Sammaraie's relatives offered shelter to his family during the U.S.-led invasion in 2003. Now it's his turn to return the favor. The men placed a ladder against a wall in Sammaraie's back yard. If Shiite militiamen appear, Sammaraie and 16 relatives will use it to climb over the wall and into Zuheari's home.

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"If the Mahdi Army finds out we are supporting a Sunni, maybe they will turn against us," Zuheari said. "They will think we are collaborators. This is a big problem. We don't know what will happen. I have one AK-47. We cannot do anything."

Still, Zuheari warned Sammaraie on Friday when he received a text message from a Shiite friend in Sadr City saying that the "young people of the Mahdi Army have taken revenge on the Sunnis." Without revealing the message, "I told him he should move his family inside my house," Zuheari said.Defending the Neighborhood

Luaa Abdul Hade, 21, knew it was his job to protect his sisters and mother. So he grabbed the family's only gun -- an AK-47 -- and joined the approximately 300 young men who have formed a quasi-army to guard the neighborhood of Ghazaliya since violence erupted there on Thursday after the Sadr City bombings.

Since then, the full-time student has slept just four hours. The nights have been cold, but he makes do with a coat. People in the neighborhood cook meals for the guards. Some of the men go back home for rest. Others sleep at a nearby mosque. If any major attack takes place, the mosque will announce it.

"It's our neighborhood," Abdul Hade said. "If they want to attack us, we're going to go out and defend our neighborhood."

Abdul Hade said that he and the other men his age did not know how to defend the neighborhood, so residents with war experience became their advisers, telling them where to stand and what to do. Four or five young men stand on every street corner or roof. Older men guard their houses. They have blocked off entrances to the community with stones, branches and other materials.

In the meantime, Abdul Hade's three sisters and mother remain home, praying regularly and keeping themselves busy by surfing the Internet, talking to friends on the phone and watching TV. A mortar blast already destroyed one of their windows, so now they have blankets on the windows to prevent glass from flying around.

On Friday, gunmen in more than 40 cars drove into Ghazaliya to shoot at houses, he said. The neighborhood army shot back, until U.S. forces intervened. It happened again Saturday morning.

"If they came into our neighborhoods, what would they do with our families?" Abdul Hade said. He said he is not afraid to die to protect his family and home: "We do believe in destiny. We do believe in God."Recipe for Civil War

On the Iraq Rabita Web site, created for Iraq's Sunni Arab minority, is a big black square with red Arabic lettering.

It reads: "Defend Yourself."

Click on it and a message appears.

"The curfew will not affect the sectarian killing militias. The Americans will not rush to help you," it says. "The entire world around you is not concerned about what happens to you. The evil people want to pluck you off one by one. So rush to your weapons and defend yourselves and use this page to inform us of what's going on in your areas and launch rescue calls."

On Saturday, the Web site displayed a recipe for civil war. It recommended protecting Sunni neighborhoods by "spreading snipers on the roof of buildings," planting roadside bombs at neighborhood entrances and distributing grenades. It advised "antitank missile holders" to make trenches and to attack the first and last vehicles of any convoy.

At the end were instructions for preparing ambushes by "attracting the enemy by using small cars as bait so they would chase them and be dragged to the killing zones."'To Whom It May Concern'

In the Wihda district on Baghdad's southern outskirts, Haqi Ismaeil's brother called him at work Thursday to tell him not to come home. Their family, and 30 other Sunni families in the area, had received a letter that morning signed by something called "the punishment committee." It was addressed to Sunni extremists and loyalists of Saddam Hussein, but in fact it referred to all Sunnis.

"Warning, warning, to whom it may concern," it read. "The Wahhabis and Baathists and Saddamists, leave our country or we will punish you."

Their small Sunni enclave is surrounded by a large Shiite community. But the Sunni and Shiite families generally have gotten along. When they had problems, the Sunni families would invite local Mahdi Army representatives to dinner to smooth relations. It usually worked, Ismaeil said.

After the letters arrived, Shiite residents visited the Sunni families to offer them support. "They've become more like family to us," he said.

Heeding his brother's advice, Ismaeil, 24, spent Thursday night at a friend's car dealership outside Baghdad. He sneaked back to check on his family the next day, and does not intend to go back to work.

The family has one weapon, an AK-47, and it will remain next to Ismaeil's bed until the family can find another place to stay. But it won't be easy, he said. There are 11 of them living together.

The Mahdi Army has set up checkpoints across the town. "We are really terrified and living in horror," he said.A Rupture of Trust

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On Palestine Street, Fehad Galib heard the rumors. The Mahdi Army had rounded up 150 young Sunni men like him and taken them to Jamila Market, the area in Sadr City where two of Thursday's car bombs exploded. Then they executed them. There was another rumor -- that the Interior Ministry was handing out police uniforms to the Mahdi Army.

That is why Galib was reluctant to allow his kid brothers to stay with Shiite neighbors his family has known for decades. "We don't have complete trust in them," said Galib, 21, a college student who carries an AK-47. His 17-year-old brother carries a Smith and Wesson handgun.

The family, he said, plans to move. "When they lift the curfew, we're going to move straight to Tikrit," Galib said, referring to ousted president Hussein's home town. "Maybe the next day the Mahdi Army may storm our house."

47 Sunni Militants Die In Iraq Gunfights (NYT)

By Kirk Semple, Omar Al-Neami

The New York Times, November 26, 2006

BAGHDAD, Nov. 25 — At least 47 Sunni Arab insurgents were killed Saturday during long gun battles with Iraqi security forces in and around Baquba, the capital of Diyala Province, a police spokesman in Baquba said.

In the largest and deadliest fight, scores of insurgents, using assault rifles and rocket-propelled grenades, laid siege to several government buildings in the center of the city, according to the spokesman. At least 36 of the Sunni Arab insurgents were killed in that clash, which raged for about four hours, according to the official, who said he did not yet know if any Iraqi security forces had been wounded.

Gun battles also broke out in Buhruz, a predominantly Sunni village just south of Baquba, when gunmen assaulted the main police station from three directions using mortars, rocket-propelled grenades and assault rifles, the police spokesman in Baquba reported.

The gunmen began their attack using the cover of date palm orchards that surround the village and retreated after two hours of fighting, the official said. No immediate word of casualties on either side was available. After nightfall, clashes broke out between gunmen and Iraqi Army troops in the Al Tahrir neighborhood in Baquba, according to the police spokesman there. At least 11 insurgents were killed in the fighting, he said.

An American military spokeswoman in Baghdad also said there had been an attack in Buhruz, but had no details, and she was unable to confirm the Iraqi accounts of other gun battles.

Diyala has been an increasingly bloody battleground between Sunni and Shiite death squads vying for sectarian domination. Shiite militiamen have recently mobilized there in large numbers in defense of its Shiite inhabitants against the Sunni Arab-led insurgency, which has long made the province a redoubt in its campaign to topple the Iraqi government and drive American forces out of the country. American officials have accused the province's police and military forces of siding with the Shiite militias.

The police in Baladruz, a rural village in Diyala, recovered the bullet-ridden corpses of 21 men who had been dragged from their homes by gunmen wearing Iraqi military uniforms and then abducted in pickup trucks, the Diyala police spokesman said. The men, all farmers, were from two extended Shiite families and were taken Friday evening from two neighboring houses in Baladruz, about 45 miles northeast of Baghdad, the police spokesman said. The motive for the attack remained unclear.

The Iraqi security forces have been accused of protecting sectarian death squads, though Iraqi officials have also contended that gunmen sometimes disguise themselves in military and police uniforms, which are readily available on the black market. Efforts to reach the spokesman for Iraq's Defense Ministry were unsuccessful.

The United Nations' special representative for Iraq, Ashraf Qazi, urged the Iraqi government on Saturday to stop the "cancer" of sectarianism from destroying the country and warned that a retributive cycle of violent revenge was "tearing apart the very political and social fabric of Iraq."

"No country could tolerate such a cancer in its body politic," Mr. Qazi said in a statement.

A series of car bombs killed more than 200 people in the Shiite enclave of Sadr City on Thursday and, in apparent retaliation, Shiite militiamen attacked Sunni mosques in Baghdad and Baquba on Friday. Four of the mosques were in the mixed Baghdad neighborhood of Hurriya, according to Iraqi officials.

But the United States military said on Saturday that Iraqi soldiers patrolling the Hurriya neighborhood found only one mosque that had been damaged during Friday's violence.

Relatively little violence was reported in Baghdad on Saturday amid a curfew that was imposed here on Thursday after the car bombings.

Shiite and Sunni militants traded volleys of mortar fire on Saturday evening. A mortar shell exploded in Hurriya, killing a woman and wounding three other people, an Interior Ministry official said, and at least one mortar round fell in Sadr City, wounding a woman.

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Later in the evening, several mortar rounds landed in the Shiite neighborhood of Al Mustansiriya in eastern Baghdad, wounding seven people, according to the ministry official, and five mortar rounds exploded in the predominantly Sunni Arab neighborhood of Ghazaliya, wounding five. At least 17 bodies with bullet holes in their heads were recovered in various places around the city, the official added.

Sheik Harith al-Dhari, the Sunni Arab leader who is under investigation by the Iraqi government for allegedly abetting the insurgency, accused the Shiite-led government of sectarian bias and of "trying to stir up the situation."

Speaking at a televised news conference in Cairo, Mr. Dhari called on other Arab countries, the Arab League and the United Nations "to withdraw their support for Iraq's government, otherwise there will be disaster in Iraq."

The United States military command reported that American forces killed 22 insurgents and an Iraqi civilian, and destroyed a bomb-making factory during several operations north of Baghdad on Saturday. A marine assigned to Regimental Combat Team Five died Friday from wounds sustained in fighting in Anbar Province, the military said.

The Iraqi government announced the partial lifting of the curfew in Baghdad to permit pedestrians in the streets beginning Sunday and said the airport would reopen on Monday.

21 Shiites Gunned Down In Front Of Families (CNN)

CNN.com, November 26, 2006

BAGHDAD, Iraq (CNN) -- Sunni gunmen stormed two Shiite homes in Diyala province overnight and slaughtered 21 men in front of their families, Diyala authorities said Saturday.

Also on Saturday, a suicide car bomber at a checkpoint northwest of Khalidiya in Anbar province killed two children, an adult and a U.S. Marine, the U.S. military said. Ten other people, including a coalition service member, were wounded.

The attacks add to the series of sectarian reprisals since Thursday's assault on the Baghdad Shiite enclave of Sadr City, considered the single worst attack in Iraq since the war began.

At least 200 people were killed and 250 wounded in that attack, which many balme on Sunni militants.

In response, officials have imposed a strict curfew and ban on traffic until Monday, and shut down Baghdad's airport, forcing Iraqi President Jalal Talabani on Saturday to postpone a trip to Iran.

He was to meet with Iranian President Mahmoud Ahmadinejad to discuss ways Iran might help stabilize Iraq.

Vice President Dick Cheney was on his way back to Washington on Saturday after a daylong whirlwind meeting with Saudi Arabian King Abdullah.

They discussed developments in Iraq, Iran's growing influence in the region, the status of Hamas in Gaza, and Syria's influence in Lebanon's government, a Saudi adviser told CNN.

The political efforts come as a top Sunni leader urged the world community, including Arab nations, to help end the hostilities and rein in what he said was the Shiite-dominated government's backing of militias.

Hareth al-Dhari called the government "biased" and an "excellent sectarian government" and said that "what is going on in Iraq is a political crisis and not a sectarian crisis -- like some politicians like to say."

His group, the Association of Muslim Scholars, had swiftly condemned the Sadr City attack and sent "condolences to the martyrs," a reference to those killed. It called the bloodbath a "repeated scene to agitate sectarian sedition."

Al-Dhari's appeal, which was made in Egypt, came a day after anti-U.S. Shiite cleric Muqtada al-Sadr's bloc threatened to withdraw support for Iraq's prime minister if a meeting with President Bush goes ahead as planned.

Since the Sadr City attack, enraged Shiites have retaliated by burning people to death and torching Sunni mosques, witnesses told CNN.

The violence threatens to bring Iraq to all-out civil warfare, a run-up toward chaos that has been escalating since February when a Shiite shrine was bombed in Samarra.

That shrine attack prompted Sunni-Shiite vendettas that have continued throughout the year.

On Saturday, mortar rounds landed on two houses in the northwestern Baghdad neighborhood of Hurriya, killing one person and wounding three others.

The Shiite majority neighborhood, which includes Sunnis, was also the scene of violence Friday, when Shiites attacked two Sunni mosques with rocket-propelled grenades and torched two other Sunni mosques.

Shiite militiamen are reported to have doused Sunnis with kerosene and burned them, while shooting at other people.

Mortar rounds also hit the Shiite district of Abu Dshir in southeastern Baghdad, wounding four people, and Sadr City on Saturday afternoon, wounding a woman.

Thirteen were wounded by mortar rounds in the neighborhood of Adhamiya, a Baghdad police official said Saturday.

Police on Saturday said they found 17 bullet-riddled bodies in Baghdad neighborhoods, apparently killed in Sunni-Shiite fighting.

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The U.S. military set up additional security checkpoints Saturday around Baghdad bases where Iraqi military operations are being conducted, he said.Insurgents targeted

The U.S. military said coalition forces killed 22 insurgents and launched three airstrikes on a bomb-making factory during two separate operations north of Iraq's capital Saturday.

In an operation conducted in Taji, 10 insurgents and a teenage boy were killed in a firefight.

In a written statement, the military said a pregnant woman was wounded and taken to a hospital for treatment. She is expected to be released Sunday.

Coalition forces said they found rocket-propelled grenades, machine guns, anti-aircraft weaponry, pipe bombs and more than 3,000 feet of detonation cord in the area.

In another operation, the military said, coalition forces killed 12 insurgents in fighting north of Baghdad.

U.S. forces opened fire on a suspected militant traveling in an entourage of three vehicles when the vehicles would not stop.

The military also said the terrorist suspect makes bombs and channels foreign fighters into the northern Baghdad area. During the operation, the coalition approached three vehicles carrying the militant and his associates.

"Twelve armed terrorists ignored warning shots and attempted to maneuver on the ground force," a military statement said.

The coalition forces then opened fire on the vehicles and killed them.U.S. soldier dies

A U.S. Marine died Friday after being wounded in fighting in Anbar province, the U.S. military said Saturday.

The Marine was assigned to Regimental Combat Team 5, and the death brings the number of U.S. troop deaths in the Iraq war to 2,867.

Seven military contractors have also died in the war.

Iraq Extends Curfew Amid Violence (BBC)

BBC.com, November 25, 2006

The Iraqi authorities have extended until Monday a curfew imposed on Baghdad in response to recent killings.

The measure was intended to prevent reprisals for bomb attacks on the Sadr City area which killed more than 200.

Violence continued across Iraq however, with 21 bodies found in a village north of Baghdad. US and Iraqi forces said more than 50 insurgents died in raids.

President Jalal Talabani has also had to postpone a much-anticipated trip to Iran, as Baghdad's airport is closed.

Mr Talabani had been due to meet Iranian President Mahmoud Ahmadinejad for talks on Iraq's security situation.

A spokesman for Mr Talabani said he would travel when the airport re-opened.

Separately, US Vice-President Dick Cheney has arrived in the Saudi capital, Riyadh, for talks with King Abdullah on the situation in the Middle East, particularly Iraq.

Despite the heavy police presence in the capital, there were reports that the Shia Sadr City district had been hit by a barrage of mortars on Saturday, says the BBC's Andy Gallacher in Baghdad.

An Iraqi journalists living in the area said he had heard 12 explosions but there have been no immediate reports of casualties, our correspondent adds.

Moqtada Sadr's group is calling for US forces to leave The US military said the 22 insurgents killed by its forces had died in clashes to the north of Baghdad.

Ten insurgents died in a raid on a bomb-making factory in the town of Taji, it said, while a teenage boy was killed in the crossfire and a pregnant woman was wounded.

US forces said they had discovered caches of rocket-propelled grenades, machine guns, pipe bombs and anti-aircraft weapons in the area. These were later destroyed in an air strike.

In another incident, US forces said they had killed 12 insurgents in a convoy of cars that ignored warning shots.

Iraqi security services said they had killed more than 30 insurgents in a series of raids in Diyala province.

Earlier in the day, the bodies of 21 Iraqis were discovered in the same province, in a village about 80km (50 miles) north-east of Baghdad.

Police said gunmen had raided the homes of two Shia families, dragged out 21 males and shot them dead. It is thought the youngest victim was a 12-year-old boy.

In central Anbar province, a suicide car bomber attacked a checkpoint and killed three Iraqis, two of them children, and a US serviceman, the US military said.

Meanwhile, leading Sunni cleric Harith al-Dhari, head of Iraq's Association of Muslim Scholars, called on Saturday for Arab countries to withdraw their recognition of the Iraqi government.

Mr Dhari, who spoke in Cairo, faces questioning if he returns to Iraq for allegedly inciting sectarian violence.

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Earlier this week, at least 230 people were killed in two days of violence in Baghdad.

Several blasts struck Sadr City in quick succession In one incident, gunmen attacked Hurriya, a Sunni Arab area of Baghdad, burning mosques and homes, and at least 30 people were reported killed.

The attacks were in apparent revenge for Thursday's bombings that killed more than 200 people in the Shia Sadr City district.

There is a real feeling that the situation is moving to the brink amid the cycle of attacks, says the BBC's David Loyn in Baghdad.

To add to the Iraqi government's woes, a key Shia group loyal to cleric Moqtada al-Sadr threatened to quit parliament and the cabinet if the prime minister goes ahead with a planned meeting with US President George W Bush next week.

The withdrawal of the group headed by Mr Sadr would deal a major blow to an already unstable government.

In a sermon on Friday, the young cleric appealed for Muslim unity, but also demanded that the leading religious figure from the Sunni minority issue a fatwa against al-Qaeda members.

Moqtada al-Sadr's Mehdi Army militia dominates the sprawling Sadr City slum in east Baghdad.

Thursday's multiple car bomb attacks in Sadr City - in which 250 people were also wounded - were the deadliest in Iraq since the US-led invasion of 2003.

Iraqi Clerics Call For End To Hostilities (LAT)

By Solomon Moore

The Los Angeles Times, November 26, 2006

BAGHDAD — Shiite and Sunni clerics, among the last vestige of authority in a country rapidly losing faith in politicians, charged Saturday that Iraq's plight was the result of U.S. mistakes and pleaded with their faithful to stem the bloodshed that followed a devastating attack on a mainly Shiite Baghdad neighborhood.

In interviews Saturday and in recent sermons, clerics articulated one message that appears to be gaining traction on both sides of Iraq's civil war: The U.S. presence is making matters worse, and the Americans should go home.

"The roots of our problems lie in the mistakes of the Americans committed right from the beginning of their occupation," said Sheik Ali Merza, a Shiite cleric in Najaf who is a leader of the Islamic Dawa Party.

Iraq's most prominent Sunni cleric expressed a similar viewpoint. At a Cairo news conference, Harith Dhari demanded that American troops withdraw.

"Since the beginning, the U.S. occupation drove Iraq from bad to worse," said Dhari, who became a fugitive this month after the Shiite-led government issued a warrant for his arrest on allegations that he has supported terrorism.

The increased focus by the clerics on the U.S. presence in Iraq comes as U.S. officials review a broad range of options to address the increasing violence and dwindling domestic support for the war. Options range from a short-term increase in the number of troops — which stands at 144,000 — to a phased withdrawal.

Vice President Dick Cheney made a quick visit Saturday to Saudi Arabia, a neighbor of Iraq and a regional power. Saudi Arabia also is a source of funds for Sunni Arab insurgents in Iraq.

President Bush is scheduled to meet with Iraqi Prime Minister Nouri Maliki in Jordan this week.

The clerics appealed for an end to retaliatory killings and kidnappings in the wake of a series of bombings Thursday in the Sadr City neighborhood of Baghdad that killed more than 200 people.

"The explosions we are witnessing and this series of attacks and killings only aim at triggering a sectarian war, which neither Shiites nor Sunnis will win," Sheik Abdul Aziz Mohammed, a Shiite cleric in Kirkuk, said in his most recent sermon. "The prophet Muhammad said religious strife is dead, and condemned anyone who attempts to resurrect it."

Khalil Maliki, a Shiite cleric based in the southern port city of Basra, also blamed the United States.

"We have all concluded that the primary party responsible for all these massacres is the American occupation," said Maliki, a representative of anti-U.S. cleric Muqtada Sadr.

Most here expect Iraq's civil war to deepen as the government lifts curfew restrictions today, and it is unclear whether the clerics' appeals for calm are being heard.

Some prominent religious and political leaders accuse the U.S. military of conspiring with their enemies. Sunni Arabs say U.S. troops are raiding their communities in coordination with Shiite militias.

And Shiites say that U.S. forces are working with Sunni terrorist groups to conduct strikes such as the devastating car bomb barrage in Sadr City.

U.S. troops seeking a missing American serviceman believed to be held by Muqtada Sadr's Al Mahdi militia raided Sadr City only hours before Thursday's insurgent car bomb attack. Some Shiite clerics and politicians cited those raids as evidence of American involvement in the attack.

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"Recently, it has become obvious that there is cooperation between the occupation forces, Al Qaeda and the Baathists," said Sahib Amry, a Sadr representative in Najaf.

Although U.S. military officials acknowledge that they have increased attacks in Shiite areas in Baghdad in pursuit of Army Spc. Ahmed Qusai Taei, they dismiss the conspiracy theories as ridiculous. But the fact that so many influential Iraqis find them credible complicates U.S. efforts to stop the bloodletting.

Sadr, whose representatives make up a key element in Maliki's Shiite coalition, threatened Friday to stage a walkout and bring down the government if Maliki went ahead with his meeting with Bush. U.S. and Iraqi officials said Saturday that there were no plans to cancel the meeting.

Iraqi President Jalal Talabani canceled a trip to Tehran today, where he had planned to discuss an Iranian proposal for a three-way summit with Syria.

Reports emerged Saturday that Sunni Arab gunmen, using tactics usually attributed to Shiite militiamen, donned Iraqi army uniforms and kidnapped 21 men from a Shiite neighborhood in Balad Ruz, about 45 miles northeast of Baghdad. Police later found their corpses. Eleven of the dead were men from the same family.

In west Baghdad, where most of Friday's sectarian fighting took place, at least two dozen mortar shells pounded a single block in the Sunni Arab-dominated Ghazaliya neighborhood, where residents remained inside their concrete and brick houses. One person was killed.

After the mortar barrage, U.S. forces swept into the neighborhood and arrested at least 10 people, a resident said.

Projectiles also hit Sadr City and the neighborhood of Mustansiriya, crashing into a house and an open-air market; 14 people were injured.

The U.S. military announced that it had killed 22 suspected insurgents in the north Baghdad area in three separate incidents, which included an airstrike on a suspected bomb construction site.

A pregnant woman and a male teenager were injured in one fight, the military said.

"It is always a shame when terrorists hide among civilian women and children, putting them in harm's way," the military said in a statement.

Police in Baghdad found 17 bodies, all of them stripped of identification papers and riddled with bullet holes.

In Baqubah, gun battles between Iraqi police and suspected insurgents left at least 30 dead.

In the northern city of Kirkuk, Iraqi police said they had killed two insurgents who were attempting to plant a bomb, and that four police officers were injured by a roadside explosive.

The U.S. military announced that a Marine was killed by enemy fire in the western province of Al Anbar.

Many Iraqis said they expected violence to increase in the coming days.

"I don't think these attacks against Sadr City will be the last," said Diyadhin Fayadh, a Shiite cleric in Baghdad. "There will be more explosions."

"What happened in Sadr City is a very grave development, and I think the real reaction to it has not started yet," said Adnan Abo-Shabbot, 52, a Najaf supermarket owner. "I think that Baghdad will become an open battlefield. The worst is yet to come."

"The clerics and political leaders are insisting that people must be quiet and patient, because the consequences will be dire if the Muslim is killing his brother," said Ibrahim Hassan, 26, an engineering student in Sadr City. "But if someone loses two or three family members, he will never stay peaceful. Nobody can stop him. Not the clerics nor the politicians."

Learning From Iraq (NYT)

The New York Times, November 26, 2006

While politicians from both parties spin out their versions of Iraqs that should have been, could have been and just maybe still might be, the Army has taken on a far more useful project: figuring out why the Bush administration's military plans worked out so badly and drawing lessons for future conflicts.

That effort is a welcome sign that despite six years of ideologically driven dictates from Donald Rumsfeld's Pentagon, Army leaders remain usefully focused on the real world, where actual soldiers daily put their lives on the line for their country and where the quality of military planning goes a long way toward determining whether their sacrifices help achieve America's national purposes.

Two hopeful examples are the latest draft of a new Army field manual that will be taught to officers at all levels beginning next year and a series of oral history interviews conducted with Iraqi and American officers involved in the disappointing efforts to establish and train Iraqi security forces. Last week, The Los Angeles Times published details of some of the major changes being incorporated into the new field manual, while The Washington Post reported on some of the lessons learned in the Iraqi training programs.

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The field manual, the Army's basic guidebook for war, peacekeeping and counterinsurgency, quietly jettisons the single most disastrous innovation of the Rumsfeld era. That is the misconceived notion that the size and composition of an American intervention force should be based only on what is needed to defeat the organized armed forces of an enemy government, instead of also taking into account the needs of providing security and stability for the civilian population for which the United States will then be responsible.

Almost every post-invasion problem in Iraq can be directly traced to this one catastrophic planning failure, which left too few troops in Iraq to prevent rampant looting, restore basic services and move decisively against the insurgency before it took root and spread.

Modern innovations in warfare make it possible for America's technologically proficient forces to vanquish an opposing army quickly and with relatively few troops. But re-establishing order in a defeated, decapitated society demands a much larger force for a much longer time.

The new field manual will rightly call for stabilization efforts to start as soon as American troops arrive. And it will legally require American field commanders to request sufficient forces to successfully carry out these stability operations. That should short-circuit future debates about whether Pentagon policy makers are providing all the troops that the generals on the spot honestly feel they need.

Correcting deficiencies in American military training is also essential, since the biggest reason the United States has not been able to withdraw significant numbers of its own troops over the past three years has been the lack of adequately prepared and reliable Iraqi security forces.

Iraqi officers interviewed for the oral history complained that their American trainers were often junior officers without combat experience. American officers expressed unhappiness about how their own training teams had been selected and prepared. One major tellingly remarked that "I went there with the wrong attitude and I thought I understood Iraq and the history because I had seen PowerPoint slides, but I really didn't."

These are useful insights. But they can only go so far when a host government lacks the will to rid its security forces of sectarian militia fighters more intent on waging civil war than achieving national stability. That so far has been the biggest obstacle in Iraq.

Transforming American forces to fight 21st-century conflicts was the ubiquitous but largely empty slogan of the Rumsfeld era. Incorporating the hard lessons learned in Iraq into future military planning and training operations would constitute a far more practical variety of transformation.

In Search Of The Fixers (NYT)

By James Glanz

The New York Times, November 26, 2006

BAGHDAD

ARMED militias are stalking the streets of Iraq's cities and towns, but that only begins to describe the problem that the United States faces here. As the violence on those streets increases, there seem to be more and more militias or armed gangs — smaller and more loosely controlled fragments of armed groups — than ever before, and in many ways that is the most serious part of the picture. It would be far easier for the United States if these groups, no matter how antagonistic they are to the Americans, had stuck together; then, at least, they could negotiate, make binding agreements and help knit together a nation.

In America, generals, congressmen and commentators across the political spectrum are embroiled in a debate over troop levels and exit timetables. But if the United States seeks to establish stability so its troops can leave, it must answer the question: whom does it talk to?

Which Sunni and Shiite militias, armed tribal groups and even criminal gangs need to be fought? Which can be bargained with? Which are potential allies as the United States seeks to break the increasingly chaotic cycles of attack, revenge and rivalry for turf and spoils?

Last week, it was Sunni militiamen who staged deadly attacks on the Shiite-led Health Ministry and Sadr City, presumably in retaliation for a mass kidnapping from the Sunni-dominated Higher Education Ministry the week before. Those kidnappings, in turn, were carried out by men in official uniforms who were thought to be Shiite militiamen who had infiltrated the army and police force. But, as always, it was unclear which militia was responsible, or whether the kidnappers were from a breakaway group.

The largest Shiite militia, led by Moktada al-Sadr and called the Mahdi Army, has been widely reported to be splintering. But there is also a growing profusion of other groups: in addition to longstanding rival Shiite militias like the Iranian-trained Badr Organization and the Fadhila militia, both of which are powerful in the south, there are Sunni fighters attached to tribal leaders, ex-Baathists or Al Qaeda cells; Iraqi private security contractors; quasi-government militias originally assembled to guard oil pipelines and power lines; criminal gangs; and neighborhood watch groups.

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For the Americans, the disintegration of order has complicated any effort to deal with the armed groups, said Joost Hiltermann, Middle East project director of the International Crisis Group, an organization of experts on dealing with conflicts that is formulating its own last-ditch plan to salvage peace in Iraq. "Now you have purveyors of violence that are completely independent of everyone else," Mr. Hiltermann said.

With one or two exceptions, he added, the politicians who nominally head some of the larger militias that are now splintering "don't control anything."

The most violent militia is the Mahdi Army, led by Mr. Sadr. Recent conversations with American military commanders in Iraq indicate that the United States ultimately may have to attempt to disarm it in its base in Baghdad — and it will be some time, if ever, before Prime Minister Nuri Kamal al-Maliki, who needs Mr. Sadr's support in Parliament, will be a willing partner.

But because there have been so many reports that freelance commanders have broken away from Mr. Sadr's group and are operating on their own, carrying out their own kidnappings, executions and paramilitary operations, the impact of such an operation is difficult to calculate. For one thing, nobody knows exactly how much Mr. Sadr controls his group. For another, nobody knows to what extent commanders who have seemed to operate on their own might retain loyalty to Mr. Sadr in a major fight.

Some American commanders believe that Mr. Sadr retains influence over some groups he has declared to be renegades. If that were the case, the splinter groups would be functioning like the Salvadoran death squads of the 1980s; those operated quasi-independently and gave their government a measure of deniability even when it almost certainly had ordered killings.

If a similar situation applies here, it could lend credence to the arguments of American commanders who believe that the United States military may ultimately have to go in force to Mr. Sadr's base of power, a place where it has trod lightly for the past three years, in order to disarm militiamen who remain defiant. Mr. Sadr's base is a northeastern Baghdad slum populated with two million Shiite Arabs and named after his father.

But Iraqis mostly believe that such a step would be folly because it could inflame Shiites in general. No matter how unruly the groups in the Mahdi Army have or have not become, this argument goes, Mr. Sadr's own popularity, as well as the number of men in the Mahdi Army, has soared throughout Baghdad and the south as the American military has worn out its welcome.

"This is actually very dangerous," said Qasim Daoud, a former Iraqi national security advisor who is now a member of Parliament representing the southern holy city of Najaf. "It will go to a flare-up of the whole southern area."

The roots of the problem with independent armed groups in Iraq trace back to when the United States invaded the country with the help of a strategically placed militia: the fighters who were loyal to two Kurdish clans in the north. In the aftermath, the United States had little appetite for disarming the Kurds, especially since their fighters are under the firm control of their leaders.

Less well known is that before the invasion, the United States also cozied up to some of the Shiite militias, who were then expatriates, with promises that they would not be immediately disbanded if they returned to Iraq, said Amatzia Baram, director of the Ezri Center of Iran and Gulf Studies at the University of Haifa in Israel. Before the invasion, when he was a scholar based in Washington, he warned of the dangers of letting the militias keep their arms.

The problem, Mr. Baram said, was that the most powerful of those groups, the Badr Organization, never really returned the warmth. The Badr leadership, Mr. Baram said, "never wanted to be engaged more than, 'Yes, when you kick Saddam out, we will be there.' They were very standoffish."

With those precedents, the United States had little standing to disarm the other militias after the invasion, and they gained steadily in power.

There is, however, a temptation for American officials to see the possibility of working with some armed groups, even today. Travels with American military units and a reading of recent embassy initiatives in Iraq indicate that along with preparations for potential military activity against the Mahdi Army, the United States is stepping up efforts to identify militias associated with Iraqi tribes, political parties, geographic regions and even insurgent groups — to placate and co-opt those they can, and even play some off against each other.

In an indication of that strategy, some local American field commanders now give snap analyses of differences between the Janabi, Juburi and Duleimi tribes, an arresting shift from the early days of the conflict when words like those would have drawn blank stares in an American Humvee rumbling through the desert.

Such efforts have sometimes seemed promising. In September, 25 tribes in the Sunni-dominated Anbar province agreed to cooperate militarily in order to combat the local influence of Al Qaeda. But so far, that agreement seems to have had little influence on security; American and Iraqi troops continue to die at a disheartening rate in Anbar.

Looking forward, Representative Ike Skelton, the Missouri Democrat who is expected to become chairman of the House Armed Services Committee in January, says the cultural importance of guns in Iraqi society, combined with the practical need for Iraqis to protect themselves, makes it all but impossible for the prime minister to disarm the militias, despite his pledges to do so.

"I don't know how he's going to do it," Mr. Skelton said.

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Mr. Daoud, the former security adviser, said that a better strategy would be to absorb militias loyal to the elected government into the official armed forces and give the rest jobs under the civilian government if they take appropriate training courses.

"I prefer, really, to make a sort of evaluation of each single person," Mr. Daoud said.

That approach, which would amount to absorbing many of the militias into the government, may bring less order than hoped, said Marina Ottaway, director of the Middle East program at the Carnegie Endowment for International Peace.

"The question is not whether the militias can rule much of the country, which I don't think they can," Ms. Ottaway said. "The question is whether they can make it impossible for anyone else to rule the country."

Long After We Withdraw (NYT)

By David Rieff

The New York Times Magazine, November 26, 2006

As the situation in Iraq continues to deteriorate and as policy makers debate how to extricate the United States honorably from what increasingly appears a war without end, it is worth remembering that all wars do end eventually, and that postwar relationships between the bitterest of enemies can turn out surprisingly well. President Bush's recent trip to Vietnam, where he attended the annual meeting of APEC — the Asia-Pacific Economic Cooperation organization — illustrates this reality and even offers a measure of hope at a time when battlefront reports are almost unrelievedly bad and when America's foreign policy seems to lurch from crisis to crisis.

It often seems as if the U.S. presence in Iraq has created so many new enemies in the Muslim world that the clash of civilizations described by Prof. Samuel Huntington has gone from being the hypothesis of a Harvard political scientist to a historical inevitability. Even many of those who resist the notion that Islam and the West are on a collision course still worry that the harm that has been done in Iraq to relations between the U.S. and the Islamic world will be almost impossible to undo.

And yet the example of Vietnam suggests otherwise. If anything, the trauma of the Vietnam War on the American psyche was and for some still is far deeper than anything the Iraq war has yet produced. These days we speak — probably too glibly — of an America almost evenly divided between so-called red and blue states. But for anyone who remembers what this country was like during the Vietnam era and in its immediate aftermath, these contemporary divisions seem rather shallow. Vietnam truly split the country and brought millions of people into the streets against their own government. People died protesting the Vietnam War on campuses like Kent State. On the battlefield, there was also tremendous savagery. Think of the C.I.A.-run Phoenix program of targeted assassination or the systematic torture of American prisoners of war by the North Vietnamese.

Nevertheless, 30 years after the end of a war that left Vietnam in ruins and America in turmoil and confusion, the issues left over — accounting for the missing in action, reuniting families and even paying compensation for Agent Orange-induced maladies — are far less central to U.S.-Vietnamese relations than issues of trade and investment. America is now Vietnam's leading trading partner, and Intel has just announced the expansion of its factory near Ho Chi Minh City. While Congress dealt a temporary setback to President Bush's efforts to promote trade with Vietnam, few doubt that such efforts will succeed. As Stephen Hadley, the national security adviser, has put it, Vietnam is "reforming" and "booming." (Of course, he might have added that it is hardly a paragon of human rights.)

Remarkably, President Bush's cordial reception to Prime Minister Phan Van Khai in 2005 was accepted with little protest except from small groups of Vietnamese-Americans. On the Vietnamese side, the dour commissars who fought the French and then the Americans, at the cost of more than a million of their own dead — "born in the North, die in the South" was a well-known saying in the North Vietnamese Army at the time — have given way to proud capitalists who, despite their Communist affiliations, are far more interested in deepening trade relations with America and in warding off their historic rival China than in pulling the scabs off old wounds.

Is there a lesson here for Iraq? The answer is that, in fact, there are many. The first, and perhaps the most important, is that history is not predictable and even the most deep-seated enmities can evaporate over time when the conditions are right. As President Bush himself said when he was in Hanoi last week: "History has a long march to it. Societies change, and relationships can constantly be altered to the good." There is no iron law of history that says that the bad relations between America and the Islamic world, and even between the United States and radical Shiite groups like the one led by the militant cleric, Moktada al-Sadr, are fated to continue this way indefinitely and immutably. Nor is there any reason to believe that an American withdrawal from Iraq will harm these relations any more than the U.S. withdrawal from Vietnam permanently damaged U.S.-Vietnamese relations.

After the searing experience of Iraq, few among us believe that outsiders can impose democracy at the point of a gun. Nations and peoples simply have to find their own way. Of course, it is crucial not to romanticize this process. For the Vietnamese, the first decade after the fall of Saigon in 1975 was an appalling one — an era of mass repression and mass

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hunger. It is entirely possible, likely even, that in Iraq the situation will get considerably worse after a U.S. withdrawal, as it did in Vietnam. To put it starkly, however, the effort to foster democracy in Iraq has failed, and with that failure, short-term suffering may have to be the price of long-term coexistence. Is this perspective harsh to the point of cruelty? Perhaps. But it may be a necessary and sober one as well.

No one in his right mind should imagine a rosy future for Iraq — regardless of whether American commanders choose to preserve the status quo, start withdrawing or even add more troops to try a "final push" this spring. But again, all wars do end eventually. And in their aftermath, in the peace that follows, possibilities arise that seem almost unimaginable as people lie bleeding. It is conceivable that 30 years from now, one of President Bush's successors will travel to Baghdad not for crisis meetings in the Green Zone or to serve Thanksgiving turkey to the troops but to talk about peacetime matters like trade, tourism and the environment. Yet given America's inability to guarantee the security of ordinary Iraqis after an occupation that has lasted almost as long as our participation in World War II, it is possible to speculate that the sooner American forces leave Iraq, the sooner such a trip is likely to happen.

The Way To Win A Guerrilla War (WP)

By T.X. Hammes

The Washington Post, November 26, 2006

In all the barrels of ink being spilled in the argument over whether the United States can or can't possibly win the war against the insurgency in Iraq, one critical aspect is often overlooked: how the nature of insurgency has changed over the past few decades, and what that means for the counterinsurgent.

Insurgencies are still based on Mao Zedong's fundamental precept that superior political will, properly employed, can defeat greater economic and military power. Because insurgents organize to ensure political rather than military success, an opponent cannot defeat them with military force alone. But complicating our problem today is the fact that insurgencies are no longer the unified, hierarchical organizations that the Chinese, and later the Vietnamese, developed from the 1920s to the 1960s. Rather, they are loose coalitions unified only by the desire to drive out an outside power. All elements of the insurgency know that when the outside power is gone, they will fight a civil war to resolve their differences. Learning to adjust is the key to success in counterinsurgency. Conventional military weakness forces insurgents to be adaptable, so defeating them requires coherent, patient action -- encompassing a range of political, economic, social and military activities -- that can only be executed by a team drawn from all parts of government. You don't outfight the insurgent. You outgovern him.

This was one of the real sources of frustration during my brief tour of duty in Iraq in 2004. The United States had clearly failed to learn from previous insurgencies. We were focused on killing insurgents rather than providing security and governance. Fortunately, we're now showing signs of learning -- thanks to some smart people who are both practitioners and students of counterinsurgency.

Any study of modern insurgency has to start with Mao. The communist leader who defeated China's nationalist forces not only succeeded as an insurgent but also wrote about how he won. "On Guerrilla Warfare " is a how-to guide for insurgent leaders that has been quoted by nearly every insurgent strategist since, including al-Qaeda's. The best translation is by Marine Brig. Gen. Samuel B. Griffith, whose fluency in Chinese and extensive travel in China during its civil war enabled him to provide unique insights into Mao's work.

No American discussion of insurgency could ignore Vietnam. Gen. Vo Nguyen Giap's "People's War, People's Army" is still the basic reference on the North Vietnamese view of the war and an illustration of how warfare continually changes. While Mao was able to confront his opponent on the Chinese mainland, Ho Chi Minh and Giap had to defeat the French and the Americans without ever being able to threaten their home bases. They expanded on Mao's concept by using the media and peace activists to convince the American people that we couldn't win the war. They won not by defeating our armed forces but by breaking our political will.

In the 30 years since the fall of Saigon, insurgency has continued to evolve. For an up-to-date overview, National Defense University professor Bard O'Neill's "Insurgency and Terrorism: From Revolution to Apocalypse," published in 2005, is hard to beat.

Counterinsurgency is a very different animal. Insurgents practice the art of destruction, which is easy; counterinsurgents have the far more difficult task of creating a functioning government. Written in 1964, David Galula's "Counterinsurgency Warfare: Theory and Practice" is still one of the best books to make this case. Galula, who was a French army officer during World War II and later in Indochina and Algeria, makes it clear that counterinsurgency is not about killing insurgents but about providing security and the hope for a better future. If a government can't give its people both, the insurgents will overthrow it.

"Learning to Eat Soup with a Knife: Counterinsurgency Lessons from Malaya and Vietnam," by Lt. Col. John Nagl, is a comparison between the British experience in Malaya from 1948 to 1960 and the U.S. experience in Vietnam. The British army,

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Nagl says, managed to created a "learning institution" that was able to understand the type of war it was in and adjust accordingly. In contrast, the U.S. Army in Vietnam kept trying to apply conventional warfare doctrine to an unconventional war. By the time it finally did adjust, it was too late.

Journal articles offer another rich vein of enlightenment on the conduct of counterinsurgency. In "Best Practices in Counterinsurgency," in the May-June 2005 issue of Military Review, Kalev I. Sepp, a former Special Forces officer and now professor at the Naval Postgraduate School, studied 51 recent counterinsurgencies to develop a list of 12 "best practices" common to all successful ones, and nine "worst practices" of the unsuccessful ones. Sadly, in Iraq, the United States scores below 50 percent on the first and above 50 percent on the second.

David Kilcullen's "Counterinsurgency Redux" appears in the current issue of Survival. I've found it the best discussion of insurgency's evolution from classical Maoist to the modern transnational, multilateral "coalitions of the willing" that challenge the United States today. "In modern counter-insurgency," Kilcullen writes, "the security force must control a complex 'conflict ecosystem' -- rather than defeating a single specific insurgent adversary." This is a long way from the monolithic organizations Galula fought.

Two important articles are written from the unique perspective of a senior military officer fighting an active counterinsurgency. In "Challenges in Fighting a Global Insurgency," in the summer 2006 issue of Parameters, Lt. Gen. David W. Barno, commander of U.S. and Coalition forces in Afghanistan from October 2003 to April 2005, highlights the insurgents' ability to think in terms of 25-year wars. "The Americans may have all the wristwatches," he quotes the Taliban reminding villagers, "but we have all the time." And in his influential "Winning the Peace: The Requirement for Full-Spectrum Operations" in the July-August 2005 Military Review, Maj. Gen. Peter Chiarelli describes how his division in Baghdad not only had to conduct combat operations but also train Iraqi security forces, provide essential services, promote Iraqi efforts to establish an effective government and foster economic competition in what had been a controlled economy.

All these sources influenced the new Army/Marine Corps Field Manual 3-24, "Counterinsurgency." Posted on the Internet in draft form, it updates the badly outdated doctrine based on U.S. experiences in the 1960s, offering thought-provoking observations such as "The best weapons for counterinsurgency do not shoot bullets" and "The more force you use, the less effective you are." It's already influencing both how the military is fighting in Iraq and Afghanistan and how it is preparing for future wars.

If you're not inclined to read an Army field manual, three notable movies provide an insight into at least one aspect of counterinsurgency. David Lean's 1962 epic "Lawrence of Arabia," based on T.E. Lawrence's experiences in the Arab World War I uprising against the Turks, illustrates how hard it is for an outsider to understand another culture well enough to advise effectively. The 1966 classic "Battle of Algiers" shows how French brutality lost the war in Algeria. And 1993's "In the Name of the Father" reinforces that message, showing how "aggressive interrogation" techniques came back to haunt the British in their campaign against the Irish Republican Army -- a valuable insight for those trying to win these most difficult of wars.

T. X. Hammes, a retired Marine colonel, is author of "The Sling and the Stone: On War in the 21st Century" (Zenith Press).

U.S. Finds Iraq Insurgency Has Funds To Sustain Itself (NYT)

By John F. Burns, Kirk Semple

The New York Times, November 26, 2006

BAGHDAD, Nov. 25 — The insurgency in Iraq is now self-sustaining financially, raising tens of millions of dollars a year from oil smuggling, kidnapping, counterfeiting, connivance by corrupt Islamic charities and other crimes that the Iraqi government and its American patrons have been largely unable to prevent, a classified United States government report has concluded.

The report, obtained by The New York Times, estimates that groups responsible for many insurgent and terrorist attacks are raising $70 million to $200 million a year from illegal activities. It says $25 million to $100 million of that comes from oil smuggling and other criminal activity involving the state-owned oil industry, aided by “corrupt and complicit” Iraqi officials.

As much as $36 million a year comes from ransoms paid for hundreds of kidnap victims, the report says. It estimates that unnamed foreign governments — previously identified by American officials as including France and Italy — paid $30 million in ransom last year.

A copy of the seven-page report was made available to The Times by American officials who said the findings could improve understanding of the challenges the United States faces in Iraq.

The report offers little hope that much can be done, at least soon, to choke off insurgent revenues. For one thing, it acknowledges how little the American authorities in Iraq know — three and a half years after the invasion that toppled Saddam Hussein — about crucial aspects of insurgent operations. For another, it paints an almost despairing picture of the Iraqi government’s ability, or willingness, to take steps to tamp down the insurgency’s financing.

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"If accurate," the report says, its estimates indicate that these "sources of terrorist and insurgent finance within Iraq — independent of foreign sources — are currently sufficient to sustain the groups' existence and operation." To this, it adds what may be its most surprising conclusion: "In fact, if recent revenue and expense estimates are correct, terrorist and insurgent groups in Iraq may have surplus funds with which to support other terrorist organizations outside of Iraq."

Some terrorism experts outside the government who were given an outline of the report by The Times criticized it as imprecise and speculative. Completed in June, the report was compiled by an interagency working group investigating the financing of militant groups in Iraq.

A Bush administration official, who spoke on condition of anonymity, confirmed the group's existence. He said it was led by Juan Zarate, deputy national security adviser for combating terrorism, and was made up of about a dozen people, drawn from the C.I.A., the F.B.I., the Defense Intelligence Agency, the State Department, the Treasury Department and the United States Central Command.

The group's estimate of the financing for the insurgency, even taking the higher figure of $200 million, underscores the David and Goliath nature of the war. American, Iraqi and other coalition forces are fighting an array of shadowy Sunni and Shiite groups that can draw on huge armories left over from Mr. Hussein's days, and benefit from the willingness of many insurgents to fight with little or no pay. If the $200 million a year estimate is close to the mark, it amounts to less than what it costs the Pentagon, with an $8 billion monthly budget for Iraq, to sustain the American war effort here for a single day.

But other estimates suggest the sums involved could be far higher. The oil ministry in Baghdad, for example, estimated earlier this year that 10 percent to 30 percent of the $4 billion to $5 billion in fuel imported for public consumption in 2005 was smuggled back out of the country for resale. At that time, the finance minister estimated that close to half of all smuggling profits was going to insurgents. If true, that would be $200 million or more from fuel smuggling alone.

For Washington, the report's most dismaying finding may be that the insurgency now survives off money generated from activities inside Iraq, and no longer depends on sums Mr. Hussein and his associates seized as his government collapsed. American officials said that as American troops entered Baghdad, Mr. Hussein's oldest son, Qusay, took more than $1 billion in cash from the Central Bank of Iraq and stashed it in steel trunks aboard a flatbed truck. Large sums of cash were found in Mr. Hussein's briefcase when he was captured in December 2003.

But the report says Mr. Hussein's loyalists "are no longer a major source of funding for terrorist or insurgent groups in Iraq." Part of the reason, the report says, is that an American-led international effort has frozen $3.6 billion in "former regime assets." Another reason, it says, is that Mr. Hussein's erstwhile loyalists, realizing that "it is increasingly obvious that a Baathist regime will not regain power in Iraq," have turned increasingly to spending the money on their own living expenses. The trail to these assets "has grown cold," the report adds.

The document says the pattern of insurgent financing changed after the first 18 months of the war, from the Hussein loyalists who financed it in 2003 to "foreign fighters and couriers" smuggling cash in bulk across Iraq's porous borders in 2004, to the present reliance on a complex array of indigenous sources. "Currently, we assess that these groups garner most of their funding from petroleum-related criminal activity, kidnapping and other criminal pursuits within Iraq," the report concludes.

One section of the report is dedicated to the role played by "sympathetic donors," including Islamic charities and nongovernmental organizations. It says that "intelligence reporting" indicates that only 10 to 15 of the 4,000 nongovernmental groups support terrorist and insurgent groups, but that those few take advantage of lax Iraqi regulation to divert funds to insurgent and other armed groups and, in some cases, "to provide cover for insurgent recruitment and the transport of weapons and personnel."

The possibility that Iraq-based terrorist groups could finance attacks outside Iraq appeared to echo Bush administration assertions that prevailing in the war here is essential to preventing Iraq from becoming a terrorist haven, as Afghanistan became under the Taliban. But that suggestion was one of several aspects of the report that drew criticism from Western terrorism and counterinsurgency experts working outside the government who were given the outline of the findings.

While noting that the report appeared to reflect a major effort by the administration to learn more about the murky world of insurgent financing in Iraq, the experts said the seven-page document appeared to be speculative, at least in its estimates of the funds available to the insurgent and terror groups. They noted the wide spread of the estimates, particularly the $70 million to $200 million figure for overall financing, the report's failure to specify which groups the estimates covered and the absence of documentation of how authors had arrived at their estimates.

While such data may have been omitted to protect the group's clandestine sources and methods — the document has a bold heading on the front page saying "secret" and a warning that it is not to be shared with foreign governments — several security and intelligence consultants said in telephone interviews that the vagueness of the estimates reflected how little American intelligence agencies knew about the opaque and complex world of Iraq's militant groups.

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"They're just guessing," said W. Patrick Lang, a former chief of Middle East intelligence at the Defense Intelligence Agency, who now runs a security and intelligence consultancy. "They really have no idea." He added, "They've been very unsuccessful in penetrating these organizations." He said he was equally skeptical about the report's assertion that the insurgent and militant groups may have surpluses to finance terrorism outside Iraq. "That's another guess," he said.

"A judgment like that, coming from an N.S.C.-generated document," he said, is not an analytical assessment as much as it is a political statement to support the administration's contention that Iraq is a central front in the war on terrorism. "It's a statement put in there to support a policy judgment," he said.

Several analysts said that, except for the possibility that Al Qaeda of Mesopotamia might be transferring money to Qaeda factions elsewhere, the assertion that insurgent money might be flowing out of the country was doubtful considering the single-minded regional focus of most of the militants operating here.

Dr. Magnus Ranstorp of the Swedish National Defense College, an author of extensive studies of the Iraqi insurgency, said he doubted Iraqi groups were ready to finance terrorism outside the country. "There's very little evidence that they're preparing to export terrorism from Iraq to the West," he said. "I think it's much too early for that."

The document tracing the money flows acknowledges that investigators have had limited success in penetrating or choking off terrorist financing networks. The report says American efforts to follow the financing trails have been hamstrung by several factors. They include a weak Iraqi government and its nascent intelligence agencies; a lack of communication between American agencies, and between the Americans and the Iraqis; and the nature of the insurgent economy itself, primarily sustained by couriers carrying cash rather than more easily traceable means involving banks and the hawala money transfer networks traditional in the Middle East.

"Efforts to identify key financial facilitators, funding sources and transfer mechanisms are yielding some results, but we need to improve our understanding of how terrorist and insurgent cells interact, how their financial networks vary from province to province or city to city and how they use their funds," the report says. It also says the United States must help the Iraqi government "to excise corrupt officials from its law enforcement and security services and its ministries" and "to prevent smuggled Iraqi oil from being sold within their borders."

Another challenge for the United States, the report says, was to persuade foreign governments to "stop paying ransoms." It gives no details, but American officials have said previously that France paid a multimillion-dollar ransom for the release in December 2004 of two French reporters held hostage by an insurgent group. Italy, these officials have said, paid ransoms on at least two occasions, in September 2004 for the release of two women, both aid workers, and in March 2005, a reported $5 million for the release of Giuliana Sgrena, a journalist for the Rome newspaper Il Manifesto.

Several American security consultants, all former members of government intelligence agencies that deal with terrorism, said in interviews that the ineffectiveness of efforts to impede the revenues to the insurgents was reflected in the continuing, if not growing, strength of Iraq's militants. "You have to look at what the insurgency is doing," Mr. Lang said. "Are they hampered by a lack of funds? I see no evidence that they are."

Jeffrey White, a defense fellow with the Washington Institute for Near East Policy, also a former Middle East analyst with the Defense Intelligence Agency, agreed. "We've had some tactical successes where we've picked off a financier or whatever, but we haven't been able to unravel a major component of the system," he said. "I've never seen any indication that they're strapped for cash, never seen any indication that they were short on weapons."

He said the insurgency had demonstrated tremendous regenerative properties. "The networks fix themselves, they heal themselves," he said. He pointed to the success of Al Qaeda in Mesopotamia in withstanding the loss of hundreds of combatants and dozens of major leaders. "They keep coming back," he said, "and I think the same thing has happened to the financial system."

Sunni Urges Arabs Against Iraq Gov't (AP)

By Omar Sinan, Associated Press Writer

AP, November 26, 2006

A prominent Sunni religious leader accused in Baghdad of inciting terrorism warned Saturday that Iraq's escalating sectarian violence will spread throughout the Middle East unless the international community ends support for the Shiite-led Iraqi government.

"I call on the Arab states and the Arab League and the United Nations to stop this government and withdraw its support from it. Otherwise, the disaster will occur and the turmoil will happen in Iraq and other countries," said Sheik Harith al-Dhari, who heads the Association of Muslim Scholars in Iraq.

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The Iraqi Interior Ministry issued an arrest warrant for al-Dhari earlier this month, accusing him of inciting terrorism and sectarian violence. The Sunni leader, who lives in Jordan and was in Cairo to meet with Arab officials, said he does not "take this warrant seriously."

Al-Dhari's comments came as Iraq is being wracked by an upsurge in sectarian violence between Sunnis and Shiites, including a bombing onslaught Thursday that killed 215 people in Baghdad's biggest Shiite neighborhood.

Sunnis charge Iraqi Prime Minister Nouri al-Maliki is not serious about disbanding Shiite militias accused of sectarian killings. Sunni groups and politicians recently said the warrant for al-Dhari put an end to the national reconciliation program presented by al-Maliki in June.

Al-Dhari, who is an outspoken critic of al-Maliki's government and the presence of U.S.-led foreign troops, charged that the Shiite-dominated administration is using a curfew declared in Baghdad after the bombings as a way to carry out attacks on Sunnis.

"The government and the occupation forces are preparing the suitable environments to the militias and killing gangs, by imposing the curfew once or twice a week to attack our people (Sunnis)," al-Dhari said.

But he also urged Iraqis not to join in violence, which he said threatens to tear the country apart.

"Be patient and practice steadfastness and don't be lured into this sedition that aims to destroy" Iraq, he said.

Now It's Iraq On The Agenda For Mr. Fix-It Of The G.O.P. (NYT)

By Sheryl Gay Stolberg

The New York Times, November 26, 2006

WASHINGTON, Nov. 25 — Everyone in Washington knows that President Bush has a lot riding on the Iraq Study Group, the bipartisan panel searching for a fresh strategy in Iraq. But so has the man whose name has become synonymous with the group: its Republican co-chairman, James A. Baker III.

The last time he dominated the news was in 2000, in Florida, when Mr. Baker — a former secretary of state who has been a friend and a tennis partner of the first President Bush since the current president was 13 years old — led the legal team that delivered the White House to its current occupant. That was Mr. Baker in partisan mode, cementing his reputation as Bush family confidant and Republican fix-it man.

Now, at 76, Mr. Baker is in high diplomat mode, on a mission, friends and supporters say, to aid his country and his president — and, while he is at it, seal his legacy in the realm of statesmen, a sphere he cares about far more than politics.

"I think he'd like to be remembered as a 21st-century Disraeli," said Leon Panetta, a Democratic member of the group, referring to the 19th-century British statesman and prime minister. "I think deep down he is someone who believes that his diplomatic career, in many ways, helped change the world."

On Monday, the 10 members of the Iraq Study Group — five Republicans and five Democrats — will convene in Washington for two days of deliberations, to try to produce a report by mid-December. The panel, formed at the urging of a bipartisan group in Congress, has a broad mandate to conduct an analysis of the situation in Iraq, including military, economic and political issues.

The group has conducted hundreds of interviews, but some question whether even the most thorough report can have any effect on the ground in Iraq, where sectarian violence is escalating.

The panel remains deeply divided over several critical issues, most notably whether to accede to calls by Democrats for a phased withdrawal of troops. Mr. Baker, who would not be interviewed for this article, has said he wants bipartisan consensus, but the panel's Democratic co-chairman, Lee H. Hamilton, acknowledges it will be difficult.

"It's not a guaranteed result," Mr. Hamilton said. "There is a lot of focus on our work, and a lot of attention to it, and high expectation from it. I think Jim and I both feel that pressure."

Mr. Baker is no stranger to world affairs; he presided over the end of the cold war, the 1991 invasion of Iraq (arguing famously against ousting Saddam Hussein) and was an aggressive dealmaker in the Middle East. He has always been "the quintessential pragmatist," in Mr. Panetta's words, a master at intertwining politics with diplomacy, at consulting everyone in the beginning so no one feels left out in the end.

That has been his modus operandi at the commission, where he has functioned almost as a shadow secretary of state, using his vast personal Rolodex to reach out to international figures the Bush administration has shunned — while testing the political waters at home.

He has made ample use of his Bush connections, dropping in on the president for private Oval Office tête-à-têtes. He led the study group on a mission to Baghdad, where they donned helmets and flak jackets to meet leaders of every political stripe. ("A lot of them knew him," Mr. Panetta said.)

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He has included Mr. Hamilton on every decision, going so far as to reject a photo shoot at Newsweek unless it included Mr. Hamilton, colleagues said. He insisted the report be released after the November election. He has let information slip out when it has suited him — like news of his quiet rendezvous with officials from Syria and Iran, rogue nations in the White House's view — but has demanded absolute secrecy about the substance of the panel's work.

"We've all been issued cyanide pills," said Edward P. Djerejian, who is helping Mr. Baker write the draft and is director of the James A. Baker III Institute for Public Policy at Rice University, a university Mr. Baker's grandfather helped found.

As a two-time former cabinet secretary (at Treasury under President Ronald Reagan and the State Department under the first President Bush) and a two-time former White House chief of staff (Reagan and the first President Bush), Mr. Baker has been around Washington long enough to know how to play the expectations game. Right now, he is playing it to the hilt, putting out the word that Iraq 2006 is hardly Florida 2000.

"The expectations have gotten well beyond where he wanted them to get," said one person close to Mr. Baker, who spoke on condition of anonymity. "You're talking about a political equation as much as you are a strategic and diplomatic one. And one of the things that's making the situation difficult is this image that Baker's coming in, Baker's riding to the rescue. There are some very smart and very strong Democrats on this panel, and they're not going to do what Baker tells them to do."

Nor will President Bush; his press secretary, Tony Snow, insisted that the White House would not "outsource this problem to the Baker commission." The White House is already pushing back against the report, even before it is issued. The Pentagon is doing its own review of Iraq policy, and the White House has commissioned another. President Bush, meanwhile, is traveling to Jordan this week to meet Prime Minister Nouri al-Maliki of Iraq, where he is expected to reassure the prime minister that the United States is not pulling out anytime soon.

Mr. Baker's relationship with the president is one of the great curiosities of Washington, and many here are trying to divine how he will use that tie to advance the Iraq Study Group. The two are not nearly as close as Mr. Baker is with Mr. Bush's father; Mr. Baker's recent autobiography, "Work Hard, Study and Keep Out of Politics," suggests tension just under the surface.

Mr. Baker writes that he did not mind being left out of the current administration: "We had our turn. Now it was his." Though people in Washington see a certain irony in his return to manage a new Iraq war gone wrong, he insists he is not "implicitly criticizing" Mr. Bush for the invasion. Yet Mr. Baker takes pains to point out, in a one-sentence footnote, that Mr. Bush is "an alumnus" of the "office boy pool" at Baker Botts, Mr. Baker's law firm in Houston. In one scene from the elder Mr. Bush's 1988 presidential campaign, he refers to "the ever-playful presidential son, George W."

These days Mr. Baker refers to that son as "Mr. President." The president calls Mr. Baker, 16 years his senior, "Jimmy." Aides to both insist Mr. Baker has not used his private Oval Office meetings to tip the president off to the commission's work. But then, Mr. Baker would never be that unsubtle.

"He's treating the president just like he is everyone else, as somebody to be co-opted, and brought into the process," said one outside adviser to the study group, who was granted anonymity to talk about the process.

Some Democrats consider that a good thing. "Baker has the great good possibility of success because he's so close to the president," said Senator Joseph R. Biden Jr., the Delaware Democrat and incoming chairman of the Senate Foreign Relations Committee. "He's able to give the president a way out, a way of saying, 'I didn't do what the Democrats said. I listened to Baker, my old buddy, Jim Baker.' "

By all accounts, Mr. Baker relishes his encore as elder statesmen.

"Look, he was certainly a very effective politician, a wise political strategist," said Donald L. Evans, a close friend of Mr. Baker's who served as commerce secretary in President Bush's first term. "But that was a means to an end. He's playing, I think, the role that he should be playing at this moment in life — the distinguished statesman that is there for leaders to go to, and listen to."

The study group, formed in March, operated below radar for months. But the assignment just happened to overlap with Mr. Baker's October book tour. Mr. Baker left no media outlet unturned, even appearing on "The Daily Show with Jon Stewart." ("Don't think for one minute they don't sell books," he later told The Houston Chronicle.)

Mr. Baker used the appearances artfully, promoting the book and setting the stage for public acceptance of the Iraq Study Group. He made clear his differences with the White House, telling the ABC news program "This Week" that "it's not appeasement to talk to your enemies" and that his panel would search for a middle ground between " 'stay the course' and 'cut and run.' "

The political landscape, though, has changed dramatically since then. If Mr. Baker can guide his group toward recommendations that are accepted by the White House and Democrats, and that yield real improvement in Iraq, he will be more than a Republican fix-it man. Mr. Evans, the former commerce secretary, said he would be remembered as "America's fix-it man."

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But foreign policy experts and politicians alike say there is no miracle elixir for Iraq; if there were, someone would have thought of it already. Ivo Daalder, a scholar at the Brookings Institution, says the real test for Mr. Baker is to pull the White House "out of the quicksand" in a way that has lasting political effects at home and strategic effects in Iraq.

"This is an impossible job," said Mr. Daalder, adding wryly: "Even God couldn't meet those expectations. Perhaps Jim Baker can."

Turning To Baker For New Iraq Plan (BOS/CHT)

By Stephen J. Hedges, Chicago Tribune

The Boston Globe/Chicago Tribune, November 26, 2006

Problem-solving prowess is noted

WASHINGTON -- To his Republican colleagues, James A. Baker III has always represented sensible stability and a steel spine.

He brought his calm, courtly efficiency to the Reagan and Bush administrations in the 1980s, serving as a White House chief of staff and secretary of state and treasury. He headed George H.W. Bush's two presidential campaigns. And when George W. Bush faced a historic legal challenge in the 2000 election, Baker quickly and successfully came to his aid.

The Houston attorney had a knack for making most problems appear as if they could be solved like a neighbor leaning over a fence post to talk things over. Now he faces a challenge like few others in his career, which has spanned five decades, namely how to help the president chart a new course in Iraq.

Officially, Baker is cochairman of a congressionally mandated, bipartisan Iraq Study Group. Unofficially, he is the Bush family consigliere. He knows all of Washington's levers of power, and he knows that much of what needs to be said should be said behind closed doors.

When he talks publicly, as he has by gently nudging the president toward a strategic change in Iraq, it is almost certainly by design and probably with Bush family consent.

"After all, he is a Bush family guy," said Peter Galbraith, a former US ambassador to Croatia and author of the book "The End of Iraq." "The genesis of this came at a time when the Republican sponsors of his Iraq Study Group basically were hoping it would develop a bipartisan support of the Republican Iraq strategy of staying the course. It has now morphed into something different."

The Iraq occupation and its attendant problems have become defining events of Bush's presidency. Now the president needs a way out of Iraq and the political and diplomatic trouble it has brought him.

Enter Baker, the man who so often has entered a room with a problem and left with a solution. The question is, can he do it again?

The Iraq Study Group that Baker leads with Lee Hamilton, a former Democratic representative from Indiana, is expected to forward its recommendations for a new US strategy sometime in early December.

The group also includes retired Supreme Court justice Sandra Day O'Connor, former secretary of state Lawrence S. Eagleburger, lobbyist Vernon E. Jordan, former attorney general Edwin A. Meese III, former Clinton aide Leon E. Panetta, former defense secretary William J. Perry, and former senators Charles S. Robb and Alan Simpson .

Baker began a solo public relations offensive last month, with the publication of his book "Work Hard, Study. . . and Keep Out of Politics!" While he and Hamilton said early on that they would not discuss the study group's recommendations before the elections, Baker offered hints of the group's discussions during book tour interviews.

He casually suggested, for instance, that Bush needed "alternative views" on Iraq, an implication that those around Bush, such as Vice President Dick Cheney and outgoing Defense Secretary Donald H. Rumsfeld, were not serving him well.

Baker has also suggested that rather than vilify Iraqi's neighbors Syria and Iran, the administration ought to hold discussions with them. "It's got to be hard-nosed, it's got to be determined," he said. "You don't give away anything, but in my view it is not appeasement to talk to your enemies."

Iraq Group A Study In Secrecy, Centrism (WP)

By Robin Wright

The Washington Post, November 26, 2006

In the history of U.S. foreign policy, there's been nothing like it: a panel outside government trying to bail the United States out of a prolonged and messy war.

The innocuously titled Iraq Study Group, which has evolved into a parallel policy establishment over the past eight months, is also unique in the way it operates. For one thing, it's even more secretive than the Bush administration.

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Forty experts -- on warfare, the Middle East, reconstruction and Islamic militancy -- were asked to craft options for the commission but have nary a clue what proposals will come out of the 10-member panel, led by former secretary of state James A. Baker III and former representative Lee H. Hamilton (D-Ind.).

"It doesn't have to take any of our recommendations," said Clifford D. May of the Foundation for the Defense of Democracies. "They can come up with something entirely different. I wouldn't be surprised if that's what they do."

Interviews with a dozen participants offer insights into the process and the possible outcome of the bipartisan commission, which was organized jointly by four think tanks, was funded with $1 million by Congress and is run by the United States Institute of Peace. It was at times an intellectual free-for-all, participants said.

"I was fascinated by how the big names just let the discussion develop among the experts," said Frederick Barton of the Center for Strategic and International Studies. "It was anything but a congressional hearing. They really just said, 'Let us know what you think.' "

During a meeting between experts and the panel, participants said they were struck by former Supreme Court justice Sandra Day O'Connor's thoughtful questions. "At the first open meeting, it was very moving, as she was the only one who spoke to daily reality. She wanted to know what could be done to help the lives of Iraqis at a time when everything was slipping into killing and decay," said Judith S. Yaphe of National Defense University.

Others recalled how another panel member, Charles S. Robb (D-Va.), a former senator and a former Marine, probed the ethnic divide in the Iraqi army.

All the experts wanted to make sure Baker, who is still closely connected to the Bush family, was in the room when they spoke. Several noted his telltale body language, which could dismiss a comment with as little as a raised eyebrow.

"We were all reading his face. If someone was expounding on something, Baker would get a distant look. He made clear he was not willing to go down that road," said an expert who spoke on the condition of anonymity because the final report has not been released. "He doesn't tolerate fools."

Some participants said the Iraq Study Group should be a model of how to bring the nation's wise men and women together to inject fresh perspective in solving the country's biggest problems. But others said that it, too, had serious flaws.

Despite Iraq's steady deterioration since the panel began its work in April, it moved at a deliberate pace -- too slow, in the view of some participants. The panel spent months analyzing U.S. policy and Iraq's situation. Experts, who were divided into four subgroups, met among themselves to answer a list of questions from the 10 commissioners -- five Republicans and five Democrats.

The panel will reconvene early this week to begin final deliberations. Its report is still weeks away.

Some experts were disgruntled that their ideas did not make it out of the working groups. Brookings Institution fellow Michael E. O'Hanlon advocates the "soft partition" of Iraq's Shiite, Sunni and Kurdish communities with land swaps and help with housing and jobs, so people could relocate to places where they are less threatened. He said he wishes he had testified before the panel so that his suggestion was not filtered out. "Some good ideas were killed in the cradle," he said.

Besides the experts, the commission also heard from others, including President Bush, former president Bill Clinton, Syrian Foreign Minister Walid Moallem and Javad Zarif, the Iranian ambassador to the United Nations.

The panel was deliberately skewed toward a centrist course for Iraq, participants said. Organizers avoided experts with extreme views on either side of the Iraq war debate.

Neoconservatives, who supported and crafted much of the original Iraq strategy, say the panel was stacked against them. Michael Rubin, political adviser to the Coalition Provisional Authority, resigned because he said he was a token.

"Many appointees appeared to be selected less for expertise than for their hostility to President Bush's war on terrorism and emphasis on democracy," Rubin wrote in the Weekly Standard. Baker and Hamilton "gerrymandered" the experts only "to ratify predetermined recommendations," he wrote. "Rather than prime the debate they sought to stifle it."

Only two of the 40 experts -- May and former CIA analyst Reuel Marc Gerecht -- are neoconservatives.

"My frustration was that there was often a feeling in the [experts'] room that President Bush should have asked them for their advice much earlier but didn't, so now they were all going to say, 'I told you so,' " May said. "I said, 'If you're going to say that this mission can't succeed and will face defeat, let's not have a failure of imagination.' "

In an interview, Gerecht said the goal of consensus among 10 Republicans and Democrats means that there will be no dramatic recommendations. In an op-ed piece in the Wall Street Journal, he wrote: "Its recommendations will probably be the least helpful of all the blue-ribbon commissions in Washington since World War II because it cannot escape from an unavoidable reality: We either declare defeat and withdraw completely tout de suite, or we surge troops into Baghdad and fight."

Although the experts have had their last meeting, the debate continues in what one participant described as "catty chatting" in a Web chat room. The panel also gets copies of those discussions.

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"Unfortunately, our deliberations have been degenerating lately into petty squabbling over picayune issues of tactics, and I'm afraid I show that I have lost my patience a little bit here," wrote former CIA analyst Ray Close in an e-mail about the experts' deliberations. "Some of our most obstinate neocon diehards are still trying to fashion a strategy that is no more than an ersatz version of 'stay the course until victory.' They have been wasting our time, in my view."

The only hint of a possible outcome came during an ad hoc vote. On Sept. 18, experts assembled to present two options to the panel: "Stability First," to stabilize Baghdad and make intense reconciliation efforts with insurgents, and "Redeploy and Contain," to gradually withdraw troops while containing terrorist threats.

The chairmen then called for a quick vote by the experts. Accounts vary, though most agree that the "Stability First" option won -- by a large margin, some said.

In a reflection of shifting U.S. sentiments on the war, the chairmen called for a second vote at their last meeting with the experts in October. This time, participants said, the vote was almost evenly divided between stability and gradual withdrawal. Sticking around to stabilize Iraq won by only a tiny margin.

Long Stints In Iraq Fracture Families (WP)

By Ann Scott Tyson

The Washington Post, November 26, 2006

FORT STEWART, Ga. -- As a gray dawn broke, hundreds of 3rd Infantry Division soldiers gathered on a Georgia marching ground this month and listened to a long list of names of fallen comrades. Taps rose mournfully above rows of young redbud trees planted for each of the division's 317 soldiers who have died in Iraq.

Col. John Charlton, commander of the division's 1st Brigade, which next month begins its third Iraq tour in four years, stepped forward. "Be thankful for your families, your health, and for every day that you're alive," he advised. The brigade's mission, he said, is to bring peace to Iraq's volatile western Anbar province and its capital, Ramadi, which he said despite progress remain "a dangerous area, a very dangerous area."

"Take this time . . . to be thinking about those soldiers represented behind or in front of you," he said, "and as you'll notice, there's still some space on the sidewalk there for more trees."

This week, U.S. troops will have been fighting in Iraq longer than they did in World War II, with no relief in sight. Soldiers from 1st Brigade preparing at Fort Stewart for their third Iraq tour have been spending as much time in Iraq as at home. The rotations -- a year in Iraq followed by a year at home -- dictate soldiers' most intimate decisions: They mandate when troops can marry and have children. They sever relationships that cannot sustain the stress of absence or danger. And they lead some couples to pray for the war to end.

After the memorial service, Lt. Col. Doug Crissman gathered his 1st Brigade soldiers and sent them on leave with a warning not to get hurt, go to jail or go AWOL.

"You're all a little bit nervous. Hell, I'm nervous," said Crissman, of Burke, Va., who commands the 2nd Battalion, 7th Infantry Regiment. "The Army is asking us to do some tough stuff."

Then his voice softened as he nudged his troops to be attentive to their families. "I need you to think about this visit a little differently," he said. "Spend time with them. . . . Tell them you love them."Strained Relationships

In the living room of his Savannah home, Capt. Thom Frohnhoefer tumbled with his daughter Maggie, 2, as she jangled and waved his metal dog tags.

"She's the one I had after the first deployment," Frohnhoefer said. "It will be harder this time because she knows Daddy is leaving."

From courtship to parenting to divorce, the time away at war is having a profound impact on the families of active-duty soldiers, according to interviews with dozens of soldiers from the 3rd Infantry Division and their relatives. The division spearheaded the U.S. invasion of Iraq in March 2003 and returned for a second, year-long tour in January 2005.

For 1st Brigade soldiers such as Frohnhoefer, having children poses a wrenching choice: Leave your wife alone in pregnancy and birth, or miss your newborn's first year.

Frohnhoefer and several others in his brigade opted to start pregnancies soon after returning in January, creating a mini baby boom. Frohnhoefer's second daughter, Haley, was born three weeks ago. Another soldier in the unit had a baby last week.

"We take a lot of pictures," said Frohnhoefer, 28, of Queens, N.Y., as his wife, Audrey, quieted Haley with a pacifier. His biggest fear, he said, is "my kids not knowing me if something were to happen to me."

Sgt. 1st Class Jonathan Harper, 37, of Wichita, has two children and wanted more, but his wife gave him what he calls "the ultimatum": He had to be home for the pregnancy and beyond. The result: no more kids. "With me being gone, it's too much of a burden," he said.

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For single soldiers, finding a spouse is difficult. Spec. Christian Brown, 25, of New Smyrna Beach, Fla., is afraid that when he leaves next month he will lose the girlfriend he met earlier this year. "She doesn't know if she can handle me being gone," he said, adding that he no longer plans to reenlist.

Other soldiers are arranging hasty marriages before they leave -- for added benefits and to provide for their spouses if they die -- a trend officers discourage because they say it makes soldiers more vulnerable to divorce.

Capt. Neil Johnson, 25, of Crystal River, Fla., said that he wed in November 2004 but that the uncertainty and fear surrounding his Army job led to his divorce in June. "If I had been in Florida, I'd probably still be married," he said. Army divorce rates surged after 2001 and remain elevated, although they fell somewhat last year. Johnson sees more divorces coming. "It seems normal," he said. "No one is surprised."

Anxiety, depression and psychological trauma from repeated exposure to combat add to the stress, affecting 15 percent to 20 percent of soldiers, said Maj. Christopher H. Warner, a 3rd Infantry Division psychiatrist. Those factors contribute to drinking, drug use and domestic violence among a small percentage of soldiers, officers said.

While some GIs grow more resilient to combat stress, others get worse, Warner said. One soldier attacked by gunfire and bombs repeatedly at Iraqi bridges found himself afraid to drive through underpasses at home. Some soldiers under treatment for combat stress return to war but are screened to see if they pose a risk, Warner said.

Still, the bulk of psychological problems for soldiers relate to home-front issues such as separation and infidelity, he said.

Many soldiers doubt civilians can understand the pressures they face, and they see a widening gap between Army life and what some call "the outside world." "There are times you feel like, 'Why is it us?' " Audrey said. Civilians, she said, "don't have a concept of what we go through."A Changing Army

Sgt. 1st Class Kevin Bullock takes a break from loading up Bradley Fighting Vehicles and other equipment for shipping to Iraq. A divorced father of two, he had custody of his children all summer but was so busy he saw them for just two weeks. Next year he will not see them "unless luck is there and I get R and R in the summer."

Life for the roughly 3,800 soldiers of 1st Brigade is almost as hectic at Fort Stewart as it is in the desert, because their unit has only a year off the battlefield to rebuild lost manpower and equipment, train, and get ready for another deployment.

Escalating violence has kept troop levels in Iraq at more than 140,000, scuttling the Army's plans to shorten tours or give active-duty soldiers two years at home between combat duties. Given the size of today's active-duty Army compared with the high demand -- at least 17 out of 36 available combat brigades are in Iraq or Afghanistan -- the Army cannot keep all its units steadily filled with people and gear but instead "turns on the tap" for brigades first in line to deploy.

Last spring and summer, 1st Brigade began receiving hundreds of new soldiers and pieces of equipment and had to rush to complete a year's training in four months. An additional 100 soldiers will arrive next month just in time to deploy and train in Kuwait.

"We had to train on weekends, train on many a night," Crissman said. The pressure to meet deadlines was so great that the division commander, Maj. Gen. Rick Lynch, ordered that soldiers take off certain hours each week to spend with their families.

The stress is fundamentally changing Army culture, some officers say. "I am worried . . . you will see a more single Army, very combat-focused, 'get on the team or get out,' " a senior officer said.Worried Soldiers, Worried Families

Staff Sgt. Wendell Gee, 29, of Knoxville, Tenn., has had his share of close scrapes in Iraq. During the invasion, an Iraqi T-72 tank fired a round through Gee's Bradley.

Asked last week what helps him get through the deployments, the father of three answered: "Not dying has helped get me through it."

Even the most stoic soldiers, like Gee, who reenlisted on his most recent tour, say the Army cannot keep up this pace. The Army is not big enough, and the quality of new recruits has dropped, they say. Many worry pressure to pull out of Iraq will spell chaos and mean their comrades died in vain, but other soldiers and their spouses now say the war was a mistake.

"I look at this as a duty. You're in it for the long haul," said the brigade commander, Charlton. "Are we able to do this for the next 10 years? I don't know."

Gee's wife, Tracy, grows misty-eyed recalling hearing that the brigade would return to Iraq so quickly. "We cried. . . . We just weren't ready," she said over a fast-food lunch. Tracy, who juggles a 1-year-old and two older children with a job selling vacuums, said she has asked her husband to leave the Army.

What most disturbed her, she said, was when her 12-year-old son, Christopher, wrote in a school paper that he wanted to be just like his dad. "I don't want him to do that," Tracy said, tears welling in her eyes. "Hopefully, the war will be over by the time our children are grown."

In Alaska, Troops Return Home To Chills And Cheers (LAT/AP)

DOJ_NMG_0098299

The Los Angeles Times, November 26, 2006

FAIRBANKS, ALASKA — The first soldiers with the 172nd Stryker Brigade returning from Iraq arrived in Alaska on Saturday to bone-chilling weather and welcoming cheers.

Friends and family gathered at Ft. Wainwright near Fairbanks to welcome about 625 members of the brigade who served an extended tour in Iraq. An additional 200 soldiers with the 4th Battalion, 23rd Infantry Regiment of the brigade arrived at Ft. Richardson near Anchorage.

As buses pulled into a cavernous building at Ft. Wainwright, cheers went up from the waiting crowd. The roar continued as soldiers got out and lined up in formation. Soon after, they were hugging their loved ones.

"Go easy on them. They're tired and a little chilly," Col. Robert Ball — the second highest-ranking Army officer in Alaska — told the families earlier.

Brigade members will be arriving each day until Dec. 5, according to Army officials.

Most of about 3,800 soldiers will return to Ft. Wainwright, where the brigade is stationed.

The soldiers are returning after 16 months in Iraq. They served their first year in northern Iraq, based out of Mosul, in what was the largest combat deployment of Alaska-based troops since the Vietnam War. The 172nd worked with Iraqi army and police forces, training them and conducting searches and patrols.

After the brigade began returning to Alaska in July, its tour was extended four more months to help quell violence in Baghdad. About 300 soldiers had already returned from Iraq and were sent back after the extension.

Seven brigade soldiers died during the extension, which followed the deaths of 19 brigade soldiers during the original deployment.

Many families at Ft. Wainwright on Saturday brought warm clothing for the soldiers, who came home to temperatures as cold as minus 32 degrees — a 102-degree difference from Baghdad. Reunions varied between romantic and boisterous.

"Oh, he's here!" said Tamatha Zavodsky, jumping up to get a glimpse of her husband, Sgt. Maj. Dennis Zavodsky.

Soldiers embraced toddlers or cradled infants they were meeting for the first time. Some single soldiers were met by families of other soldiers.

Some of the crowd, like Sue Ulibarri, didn't have a soldier returning on the first flights, but came anyway to gear up for their own reunions. Ulibarri's husband, Sgt. Maj. William Ulibarri, isn't due in Fairbanks until later in the week.

"But this is the most exciting thing happening in Fairbanks," she said.

Iraq's Palestinians In Bull's-eye (LAT)

By Ken Ellingwood, Times Staff Writer

The Los Angeles Times, November 26, 2006

Accused of being favored by Hussein, many take refuge in an ethnic enclave or try to flee the country, which isn't easy.

BAGHDAD — Palestinians in Iraq, many of whom fled here as refugees more than half a century ago, are on the run again.

The civil war convulsing the country has raised worries about the fate of the approximately 20,000 Palestinians in Iraq, who are targeted by kidnappers and Shiite Muslim death squads because of what many Iraqis see as the group's favored status under former President Saddam Hussein.

Community leaders say more than 60 Palestinians have been killed since early last year, and thousands have left the country. Many of the Palestinians who have stayed behind, mainly in Baghdad, have been chased from their homes and taken refuge in a largely Palestinian neighborhood here called Baladiyat.

"We are living in a state of fear," said Lena Shaheen, 27, who fled the mainly Shiite Dora neighborhood with her family in September after gunmen announced through loudspeakers that Palestinian residents had 72 hours to get out.

Since then, some of the Palestinians' apartments have been taken over by members of the militia tied to the firebrand Shiite cleric Muqtada Sadr, residents said.

Palestinians, of course, have not been alone in suffering from the months of bloodletting, largely between armed bands of Shiite and Sunni Muslim Arabs. But international officials warn that Palestinians are in an especially precarious position because they are considered outsiders, even after decades of living in Iraq, and have difficulty gaining admission to other countries because they do not carry Iraqi passports.

Palestinians have also been targeted because they are predominantly Sunni and perceived as having received preferential treatment under Hussein, who sought to burnish his credentials as a pan-Arab leader by voicing support for the Palestinian quest for nationhood.

"They are a more vulnerable group than anybody else in Iraq," said Gianni Magazzeni, who heads the United Nations human rights office here.

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Palestinians deny they received special treatment from Hussein, including jobs and government payouts, or that they support the Sunni-led insurgency.

The U.N. refugee agency has appealed to the Iraqi government and U.S.-led forces to offer protection to Palestinians in Iraq, whose population has dropped from about 34,000 before the 2003 invasion that toppled Hussein.

"They haven't had much option, and we are extremely concerned over the plight of those remaining, and the inability to provide them with protection," the Office of the U.N. High Commissioner for Refugees said last month.

Some Palestinians have been killed during mortar attacks against Baladiyat and in market bombings. Others were seized by gunmen and later found dead, showing signs of torture.

Uday Abu Hayja, a 32-year-old Palestinian, disappeared June 7 after going to work at a Baghdad flour mill in a Shiite neighborhood where he had been employed for two years. Abu Hayja and his Egyptian brother-in-law, who also worked at the mill, were taken aside by militiamen who said they needed to investigate the pair, family members said.

After more than a week, the family learned that the men had been killed on the day of their disappearance. It took days to find the bodies in the city's overcrowded morgue. They bore gunshot wounds.

The victims' relatives were too afraid to fetch the bodies for burial; some Shiite neighbors did so instead.

A month ago, the rest of the Abu Hayja family fled Baghdad, taking a bus to the Syrian border. One of Uday Abu Hayja's sisters, Muna, was allowed to cross into Syria because she carried Egyptian travel documents from her marriage.

But the others, lacking passports, have been living for weeks in a no man's land at the border in side-by-side tents, shivering at night as the temperatures drop. They and more than 300 other Palestinians stuck there have been tended by U.N. and other relief workers.

"We have suffered enough, quite enough," another sister, Maha, said by telephone from the border encampment. "Every family here has its own story of suffering."

She said the family's plans would hinge on whether Syria took them in. In May, Syria let in nearly 300 Palestinians who had languished for months along Iraq's border with Jordan. But it has not allowed any more Palestinians to enter.

Some Palestinians say they would be happy to be moved en masse from Iraq if another country would agree to take them. Many came to Iraq as small children at the time of the 1948 war that broke out as Israel was being established; others were born here but never granted full Iraqi citizenship.

International refugee workers say a bid to move Palestinians to the West Bank or Gaza Strip ran into opposition from Israel, and Arab nations have shown little interest in absorbing them.

A 57-year-old Palestinian attorney in Baladiyat who has promoted the rights of Palestinians said the neighborhood had taken on the air of a refugee camp because so many had flocked there for protection.

Residents are now afraid to venture out to other parts of Baghdad, and most would gladly move anywhere else they felt safe, said the lawyer, who asked not to be named out of fear he would be targeted.

"Even if they would put us in the desert, we would plant seeds and turn it green," he said. "As long as they provide us with security."

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Local Surgeons Helping Iraqi Who Helped U.S. (NSDY)

By Carl Macgowan

Newsday, November 26, 2006

The right side of Uday's face is shattered. There's a hole where his cheekbone used to be and his eye is gone. His nose is crooked and bloated.

Uday nearly lost his life because, he said, he helped U.S. troops in the early days of the Iraq war.

Now the Baghdad native is in New York awaiting the second of three operations to rebuild his face. If all goes well, Uday could receive a prosthetic eye when the last surgery is completed early next year. And if Uday's fondest hopes are realized, his wife and four children will join him in the United States.

"My family wants to see my face after the surgery," Uday, 47, said.

The effort by two Garden City plastic surgeons to repair his broken visage completes a three-year odyssey for Uday, who wins friends with a gentle demeanor in stark contrast to the upheaval in his native land.

Because his family remains in Baghdad, where sectarian violence has led to hundreds of deaths in recent weeks, Newsday agreed to withhold Uday's last name.

Before the war, Uday, a Shia Muslim, was a mechanical supervisor for the government of Iraqi President Saddam Hussein. When U.S. troops stormed the capital in April 2003, Uday, who speaks choppy but passable English, was hired as an Arab

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linguist by the Army's 626th Forward Support Battalion, 101st Airborne. He was kept on when that unit was replaced by the 407th Forward Support Battalion, 82nd Airborne. "I believe they came to help us," Uday said. "So I wanted to help them."

On May 12, Uday said, he was returning to a base in south-central Baghdad after picking up soda and ice for the troops when he was approached by two or three men. He did not know them but believed they were supporters of Saddam Hussein.

"They waiting for me," Uday said. "They stopped me and ask, 'Why you work with them? Why you help them?'

"They shoot. ... They hurt anybody who help [Americans] like that."

Col. Jeffrey Douville, then a lieutenant colonel with the 407th Forward Support Battalion, said Uday was "car-jacked" around midday. "Our soldiers heard the gunfire, saw the commotion and provided immediate aid," Douville, 43, said. The attackers ran off before they could be caught. They left Uday to die.

"He was shot in the face point-blank and required extensive, immediate medical and life support," said Douville, now attending the Army War College in Carlisle, Pa. "Our medics and treatment professionals performed initial treatment to save his life and then we evacuated him to the next level of Army medical care, where initial surgery was performed."

Uday said he woke up in a Kuwait hospital five or six days after the attack. The right side of his face was blown away. His left arm had been disfigured by bullets when he lifted his arm to protect himself.

He remained in Kuwait for seven months, enduring 14 surgeries on his arm and face. Uday returned to Baghdad but after three months returned to Kuwait for more treatment. There he met Elissa Montanti, founder of Staten Island-based Global Medical Relief Fund.

"She told me she would try to help me make surgery which I need," Uday said.

Searching for help

Montanti said she met Uday in May 2004 while searching for children in need of surgery.

"I went to the hospital and met Uday, and I was just totally ... overwhelmed," Montanti, 49, said. "He nearly gave his life for our country."

When she returned to the United States, Montanti said, she spoke to doctors who wanted to help but couldn't get clearance from their hospitals. Her fortunes turned in January of this year when she met plastic surgeon Thomas Davenport at a charity event. Davenport approached Michael Dowling, chief executive and president of North Shore-Long Island Jewish Health System, who said green-lighting the surgery was "an absolute no-brainer."

"Here's a guy who put his life on the line and his family's life on the line to help U.S. troops," Dowling said. "There are times when you do what's right, and this is one of them."

Montanti, her sister and a friend raised about $1,700 to cover Uday's travel costs and other expenses. Uday arrived in the United States on Sept. 17 and is living at Mount Manresa, a Jesuit retreat on Staten Island.

On Oct. 27, Davenport and Dr. Kaveh Alizadeh, partners at Long Island Plastic Surgical Group in Garden City, implanted a "tissue expander," essentially a balloon that puffs up the right side of Uday's face, causing the overlying skin to grow. Subsequent surgeries next month and in January will involve stretching the new skin to rebuild Uday's face, Alizadeh said.

Uday's prognosis is good, Alizadeh said. "Once you lose the tissue on your face, it can never be perfect," he said. "When he [Uday] sits there with you, he's self-conscious. We want him to not feel self-conscious."

The doctors are not charging Uday a fee. The surgeries normally cost $100,000, Alizadeh said.

'Better than before'

On a recent visit to Alizadeh's office, Uday was unfailingly polite, perpetually cheerful -- and studiously apolitical. He was circumspect when asked if Hussein's Nov. 5 conviction for crimes against humanity would help or hurt Iraq.

"I don't know about that," he said. "Maybe it will help. Maybe it don't."

His assessment of Iraq's future seems contradictory. His wife and children endure daily hardship in Baghdad -- "They're afraid," he said, "their lives are not normal" -- yet he exudes the optimism of people who survived a dictatorship and can find reasons for hope.

"It's better than before," he said.

He wants to remain in the United States and hopes to be joined by his family. Between medical appointments, Uday said he visits fellow Iraqis he's met since arriving in New York. It's a long way from Baghdad, where his injuries prevented him from going outside.

"When I was there ... I'm feeling that it's very difficult. Difficult every day. Difficult life, yes," Uday said. "Now here I'm feeling peace."

Leaving Iraq, Honorably (WP)

By Chuck Hagel

The Washington Post, November 26, 2006

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There will be no victory or defeat for the United States in Iraq. These terms do not reflect the reality of what is going to happen there. The future of Iraq was always going to be determined by the Iraqis -- not the Americans.

Iraq is not a prize to be won or lost. It is part of the ongoing global struggle against instability, brutality, intolerance, extremism and terrorism. There will be no military victory or military solution for Iraq. Former secretary of state Henry Kissinger made this point last weekend.

The time for more U.S. troops in Iraq has passed. We do not have more troops to send and, even if we did, they would not bring a resolution to Iraq. Militaries are built to fight and win wars, not bind together failing nations. We are once again learning a very hard lesson in foreign affairs: America cannot impose a democracy on any nation -- regardless of our noble purpose.

We have misunderstood, misread, misplanned and mismanaged our honorable intentions in Iraq with an arrogant self-delusion reminiscent of Vietnam. Honorable intentions are not policies and plans. Iraq belongs to the 25 million Iraqis who live there. They will decide their fate and form of government.

It may take many years before there is a cohesive political center in Iraq. America's options on this point have always been limited. There will be a new center of gravity in the Middle East that will include Iraq. That process began over the past few days with the Syrians and Iraqis restoring diplomatic relations after 20 years of having no formal communication.

What does this tell us? It tells us that regional powers will fill regional vacuums, and they will move to work in their own self-interest -- without the United States. This is the most encouraging set of actions for the Middle East in years. The Middle East is more combustible today than ever before, and until we are able to lead a renewal of the Israeli-Palestinian peace process, mindless destruction and slaughter will continue in Lebanon, Israel and across the Middle East.

We are a long way from a sustained peaceful resolution to the anarchy in Iraq. But this latest set of events is moving the Middle East in the only direction it can go with any hope of lasting progress and peace. The movement will be imperfect, stuttering and difficult.

America finds itself in a dangerous and isolated position in the world. We are perceived as a nation at war with Muslims. Unfortunately, that perception is gaining credibility in the Muslim world and for many years will complicate America's global credibility, purpose and leadership. This debilitating and dangerous perception must be reversed as the world seeks a new geopolitical, trade and economic center that will accommodate the interests of billions of people over the next 25 years. The world will continue to require realistic, clear-headed American leadership -- not an American divine mission.

The United States must begin planning for a phased troop withdrawal from Iraq. The cost of combat in Iraq in terms of American lives, dollars and world standing has been devastating. We've already spent more than $300 billion there to prosecute an almost four-year-old war and are still spending $8 billion per month. The United States has spent more than $500 billion on our wars in Iraq and Afghanistan. And our effort in Afghanistan continues to deteriorate, partly because we took our focus off the real terrorist threat, which was there, and not in Iraq.

We are destroying our force structure, which took 30 years to build. We've been funding this war dishonestly, mainly through supplemental appropriations, which minimizes responsible congressional oversight and allows the administration to duck tough questions in defending its policies. Congress has abdicated its oversight responsibility in the past four years.

It is not too late. The United States can still extricate itself honorably from an impending disaster in Iraq. The Baker-Hamilton commission gives the president a new opportunity to form a bipartisan consensus to get out of Iraq. If the president fails to build a bipartisan foundation for an exit strategy, America will pay a high price for this blunder -- one that we will have difficulty recovering from in the years ahead.

To squander this moment would be to squander future possibilities for the Middle East and the world. That is what is at stake over the next few months.

The writer is a Republican senator from Nebraska.

Bring Back Saddam Hussein (LAT)

By Jonathan Chait

The Los Angeles Times, November 26, 2006

THE DEBATE about Iraq has moved past the question of whether it was a mistake (everybody knows it was) to the more depressing question of whether it is possible to avert total disaster. Every self-respecting foreign policy analyst has his own plan for Iraq. The trouble is that these tracts are inevitably unconvincing, except when they argue why all the other plans would fail. It's all terribly grim.

So allow me to propose the unthinkable: Maybe, just maybe, our best option is to restore Saddam Hussein to power.

Yes, I know. Hussein is a psychotic mass murderer. Under his rule, Iraqis were shot, tortured and lived in constant fear. Bringing the dictator back would sound cruel if it weren't for the fact that all those things are also happening now, probably on a wider scale.

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At the outset of the war, I had no high hopes for Iraqi democracy, but I paid no attention to the possibility that the Iraqis would end up with a worse government than the one they had. It turns out, however, that there is something more awful than totalitarianism, and that is endless chaos and civil war.

Nobody seems to foresee the possibility of restoring order to Iraq. Here is the basic dilemma: The government is run by Shiites, and the security agencies have been overrun by militias and death squads. The government is strong enough to terrorize the Sunnis into rebellion but not strong enough to crush this rebellion.

Meanwhile, we have admirably directed our efforts into training a professional and nonsectarian Iraqi police force and encouraging reconciliation between Sunnis and Shiites. But we haven't succeeded. We may be strong enough to stop large-scale warfare or genocide, but we're not strong enough to stop pervasive chaos.

Hussein, however, has a proven record in that department. It may well be possible to reconstitute the Iraqi army and state bureaucracy we disbanded, and if so, that may be the only force capable of imposing order in Iraq.

Chaos and order each have a powerful self-sustaining logic. When people perceive a lack of order, they act in ways that further the disorder. If a Sunni believes that he is in danger of being killed by Shiites, he will throw his support to Sunni insurgents who he sees as the only force that can protect him. The Sunni insurgents, in turn, will scare Shiites into supporting their own anti-Sunni militias.

And it's not just Iraqis who act this way. You could find a smaller-scale version of this dynamic in an urban riot here in the United States. But when there's an expectation of social order, people will act in a civilized fashion.

Restoring the expectation of order in Iraq will take some kind of large-scale psychological shock. The Iraqi elections were expected to offer that shock, but they didn't. The return of Saddam Hussein — a man every Iraqi knows, and whom many of them fear — would do the trick.

The disadvantages of reinstalling Hussein are obvious, but consider some of the upside. He would not allow the country to be dominated by Iran, which is the United States' major regional enemy, a sponsor of terrorism and an instigator of warfare between Lebanon and Israel. Hussein was extremely difficult to deal with before the war, in large part because he apparently believed that he could defeat any U.S. invasion if it came to that. Now he knows he can't. And he'd probably be amenable because his alternative is death by hanging.

I know why restoring a brutal tyrant to power is a bad idea. Somebody explain to me why it's worse than all the others.

A Tale Of Two Bushes (WP)

By Warren Bass
The Washington Post, November 26, 2006
CIRCLE IN THE SAND
Why We Went Back to Iraq
By Christian Alfonsi
Doubleday. 466 pp. $26.95

This isn't the first time Robert Gates has worried about an American occupation of Iraq. In December 1991, with the first Bush administration on the brink of war to expel Iraq from Kuwait, then-Deputy National Security Adviser Gates led the high-ranking committee that unanimously urged President George H.W. Bush not to make regime change one of Operation Desert Storm's war objectives. Toppling the Baathist regime could lead to "the Vietnam scenario," warned the man now nominated to replace Donald Rumsfeld as defense secretary. "Our concern was that if we had been in occupation, having bombed bridges and everything else, we would be expected to fix it all, and we didn't want any part of that."

But the unseen cataclysm looming in September 2001 would unleash a wave of conservative scorn for that decision. In 1990-91, Bush and National Security Adviser Brent Scowcroft -- Gates's boss and the president's foreign policy alter ego -- thought that humbling an aggressive Iraq without marching on Baghdad would help create a stable balance of power in the Middle East. But in 2001-03, the president's son and his quite different national security team would conclude that their gimlet-eyed, unsentimental predecessors should have tried not to stabilize the region but to remake it.

That long pivot in Republican foreign policy thinking -- from a power-balancing Bush administration to a power-flexing Bush administration -- is the subject of Christian Alfonsi's Circle in the Sand. The book works best as a retelling of the 1990-91 Gulf crisis with the benefit of new documents and on-the-record interviews with senior officials then and now. Unfortunately, Alfonsi skitters around in the period between Iraq's 1990 invasion of Kuwait and America's 2003 invasion of Iraq. And his take on the early 1990s is shot through with what historians call "presentism" -- seeing the past through contemporary lenses, with the inevitable distorting effects of reading the history of Operation Desert Storm in the light of Operation Iraqi Freedom.

Alfonsi, who formerly worked at Young & Rubicam Brands, cherrypicks his data here, harvesting snippets of meetings that help explain the earlier thinking or actions of officials who served in both administrations. That means that Circle in the Sand

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is in no danger of displacing more methodologically sober classics on the Gulf War, such as Michael R. Gordon and Bernard E. Trainor's The Generals' War, Rick Atkinson's Crusade or Michael Kelly's dazzling Martyrs' Day. But it does have plenty of juicy tidbits about the once and future Bushies; Senate staffers will no doubt scour its pages before Gates's confirmation hearings.

It's delicious to learn, for instance, that President Bush asked his staff for talking points on Aug. 1, 1990, for "the next world leader on his call list: Saddam Hussein," who would conquer Kuwait on Aug. 2. (Somehow, Alfonsi gets the invasion's date wrong.) That day, at the first National Security Council meeting of the crisis, the biggest hawks came from the State Department, despite its reputation for preferring jaw-jaw over war-war. "You must kick Saddam out of Kuwait and wreck him in the process," Deputy Secretary of State Lawrence Eagleburger urged the president. But Paul Wolfowitz, then undersecretary of defense for policy, sat in stunned silence as the principals argued. He recalls leaving the meeting "deeply disturbed" by the Bush team's early indecision about whether to let Iraq's aggression stand. Surprisingly, it was Scowcroft -- now the neoconservatives' favorite bÃªte noire -- who rode to the hawkish Wolfowitz's rescue. At the next NSC meeting, the national security adviser slammed the door on the idea of leaving Iraq in control of Kuwait, having coordinated his "eruption" with Wolfowitz's boss, Defense Secretary Dick Cheney.

The detail gets even better when it comes to questions of regime change -- which in 1990-91 meant not U.S. nation-building but hammering Baghdad until another mustachioed Baathist strongman took over. "Iraq could fall apart," Scowcroft warned Gen. Colin Powell, then chairman of the Joint Chiefs of Staff. Fascinatingly, Gates and his fellow postwar planners worried both about another Vietnam and another Panama -- a replay of the embarrassingly protracted 1989 hunt for Manuel Noriega. Realism prevailed and, after Iraq surrendered, the battered dictatorship crushed rebellions by its much-abused Kurdish and Shiite subjects, eliciting calls for America to get off the sidelines. "I am not going to involve any American troops in a civil war in Iraq," the president lectured in April 1991. Wolfowitz seethed.

Substance and echoes aside, it's also something of an eye-opener to see the elder Bush's foreign policy team back in action. During the Gulf crisis, the policy apparatus moves decisively, snapping down loose ends with hospital corners. The Scowcroft-led interagency policymaking process hums along; the secretary of state and the secretary of defense work amicably together; and the vice president's staff is almost entirely irrelevant, minus the occasional episode where Vice President Dan Quayle or his chief of staff, William Kristol, wanders off the reservation and needs to be herded back on message. Senior U.S. officials even trust the French. The decisions weren't always right, but the process was impeccably professional.

All of which underscores how dissimilar these two Bush administrations have proven, in both style and strategy. But the seeds of conservative dissatisfaction were already evident under the first President Bush. "I do not think the United States wants to have U.S. military forces accept casualties and accept the responsibility of trying to govern Iraq," Cheney said on "This Week with David Brinkley" on April 7, 1991. "I think it makes no sense at all." That's a nice "gotcha" moment for Alfonsi. But later in the show, the defense secretary added: "If you don't have a clear-cut military objective, if you're not prepared to use overwhelming force to achieve it, then we don't have any business committing U.S. military forces into that civil war." Thanks to Alfonsi's presentism, it's not hard to hear Cheney's hint that he might have seen a massive U.S. invasion of Iraq aimed forthrightly at regime change as a viable option even back in 1991. Cheney's first comment now sounds like a display of loyalty to a realist president; his second now sounds like foreshadowing.

Warren Bass, a senior editor at Book World, was a contributor to "Triumph Without Victory: The History of the Persian Gulf War," by the staff of U.S. News & World Report.

NATO Soldier Among Dead In Afghanistan (AP)

AP, November 26, 2006

One NATO soldier and about 57 insurgents were killed in four separate attacks in southern Afghanistan, officials said Sunday.

Insurgents attacked NATO-led forces Saturday near Tirin Kot district in Uruzgan province. NATO returned fire and requested air support, killing approximately 50 insurgents, said the International Security Assistance Force of Afghanistan. One NATO soldier was also killed in the incident.

Also on Sunday, a suicide bomber attacked a restaurant in southeastern Afghanistan, leaving seven Afghans dead and 20 injured, the provincial governor said.

The restaurant, located in Paktika province, was completely destroyed, said provincial governor Mohammad Akram Akhpelwak.

Akhpelwak told The Associated Press that the attacker was believed to be targeting an Afghan special forces commander and a district chief who were at the restaurant Sunday morning and were among the injured.

Paktika, which borders Pakistan, has been plagued by Taliban violence.

NATO said that as of mid-November, 97 suicide attacks this year in Afghanistan have killed 217 people.

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In the Panjwayi district of Kandahar province, insurgents fired upon Afghan National Army and NATO soldiers Saturday. A retaliatory air strike killed approximately five insurgents, said the ISAF statement. Three NATO soldiers were injured.

In neighboring Zabul province, about 50 Taliban fighters attacked the Arghandab district chief compound on Saturday and clashed with police for about an hour, leaving one Taliban dead and three wounded, said district chief Fazal Bari.

On the Kabul-Kandahar highway in Zabul, Taliban fighters ambushed a police convoy Saturday night and exchanged gunfire with police for about 20 minutes, said Zabul highway police commander Jainani Khan. One Taliban was killed.

Attacks and clashes occur almost daily in the lawless southern provinces — the Taliban stronghold where the Afghan government wields little power.

Taliban, Convicts May Be Afghan Recruits (AP)

By Fisnik Abrashi, Associated Press Writer

AP, November 26, 2006

Taliban militants and common criminals may have infiltrated an Afghan program that trains thousands of men affiliated with local militias to fight the country's growing insurgency.

The formation of the Afghanistan National Auxiliary Police reflects the growing questions about the ability of the existing security force's to beat resurgent Taliban rebels and other militants challenging government authority in parts of the country.

But though the training of the local militia members could give Afghanistan up to 11,000 on-call policemen to increase the ranks of security forces during times of need, some question the quality of the recruits and their effectiveness.

"There are criminals and drug users among them," said Col. Mohammed Hussain Andiwall, a senior police official in Kandahar province who coordinates between the Ministry of Interior and foreign experts training the auxiliary police force.

"Our constitution does not really provide "for these sort of people in our security forces," Andiwall said earlier this week. "The fact that they wear the same uniform as a regular police is very problematic."

Fighting between insurgents and NATO-led and Afghan government troops have halted development and reconstruction and endangered the efforts to normalize a country that once provided shelter for Osama bin Laden and his al-Qaida network.

Afghanistan, with its weak central government whose authority does not extend to some regions, has throughout years of war and conflict relied on its militias and warlords to serve as de facto regional security forces. That changed when the Taliban rose to power in 1996 and promised to rid the country of warlords.

Ross Davies, a Canadian police officer involved in the training of the auxiliary force in Kandahar province, said that despite a vetting process conducted by Afghan authorities, police trainers still "do not know really who these people are."

"We know that we are probably training some of the bad guys," he said, using an expression reserved mainly for the insurgents.

When Kandahar province held its first training session for the auxiliary police last month, some 200 men — most with long beards and turbans — showed up. But by the end of the 10-day course, only 77 remained.

Some were kicked out after they were found with hashish and heroin. Others had marks on their hands from injecting the drugs. Others refused orders to clean toilets, make their beds or take care of common areas. Dozens went back home for a religious holiday and never returned.

The 77 who did complete the training committed to a one-year contract with the auxiliary force. They can join the regular police force after a year if they choose.

The 10-day training course includes lessons on the Afghan constitution, human rights, the use of weapons and basic police tactics. At the end of the course the recruits are given an automatic gun and sent to their home districts, largely in provinces most affected by the insurgency, in the country's south and east.

Village elders and local strongmen eager to protect their own interests in the face of the growing insurgency are providing the men for the new force, which will wear regular police uniforms and is meant to have 11,000 members by next year.

The auxiliary officers will receive $70 a month, the same amount the regular police receives, Zarifi said.

Gen. Nasrullah Zarifi, the commander of southern Afghanistan's police training center, asked cadets at the end of their training in Kandahar to swear on Islam's holy book that they will serve their country and not harass its people. The fear of God is Zarifi's only leverage.

"They swear on the holy Quran that they will behave when they go to their home districts," he said.

CORPORATE SCANDALS:

First Time As Tragedy, Second As A Musical (NYT)

DOJ_NMG_0098306

By Kate Murphy

The New York Times, November 26, 2006

First came the books, then the television docudramas and feature-length films. And now "Enron: The Musical." Opening on Friday on a stage way, way off Broadway — at Lambert Hall in Houston — the revue is a send-up of the rise and fall of the infamous energy company.

In two acts, six local actors each play up to 10 roles, including those of the former chief executives Kenneth L. Lay and Jeffrey K. Skilling, and the former finance chief Andrew S. Fastow. The songs are show-tune parodies — "Thank Heaven for Off The Books Deals," for example, instead of "Thank Heaven for Little Girls." The writer-director-producer is Mark Fraser, whose day job is selling janitorial supplies.

"I did a lot of research because even though it's satire I wanted it to be factually correct," said Mr. Fraser, adding that his sources included the memo in which an Enron vice president, Sherron S. Watkins, warned Mr. Lay about its accounting.

"A lot of the stuff in the play people will think I made up because it's so ludicrous," Mr. Fraser said. "But it's actually all true." KATE MURPHY

WHAT'S IN HIS WALLET It's great to be honored by one's peers, but even better to be paid top dollar. Richard D. Fairbank, the founder, chairman and chief executive of Capital One Financial, is enjoying both. He will be given the 2006 Banker of the Year Award on Thursday.

American Banker, the daily financial industry newspaper and sponsor of the award, says it is recognizing Mr. Fairbank for making credit more accessible, transforming lending practices and diversifying his bank's balance sheet.

Not that Mr. Fairbank need worry about his personal balance sheet. Last year, he was paid an eye-catching $249 million, making him the second-highest-paid executive in America, after only the home-shopping-channel magnate Barry Diller, according to the Corporate Library, a firm that examines executive compensation. ELIZABETH OLSON

BOARDROOM MULLIGAN Why should corporate directors be expected to monitor how executives handle stock options if they can't keep track of their own?

At Bally Total Fitness, five directors failed to notice that a deadline loomed last year for them to exercise all of their options on Bally stock. Then in December, Bally "erroneously permitted" two directors, James F. McAnally and J. Kenneth Looloian, to exercise options, according to a proxy statement filed last week. Dr. McAnally received $8,246 and Mr. Looloian $7,554.

After that misstep, the board blamed the directors' collective oversight on an "administrative error" and, in March, handed out $63,000 more in cash for then-worthless options held by the five directors — all of them members of the board's compensation committee.

John W. Rogers Jr. received $26,100; Eric Langshur, the only one of the five still on Bally's board, $16,500; Barry Deutsch, $14,300; Mr. Looloian, an additional $3,396; and Dr. McAnally, an additional $2,704. PATRICK McGEEHAN

STOCKS AND BOND Just how evil are short-sellers? Ask James Bond.

In the new Bond movie, "Casino Royale," an odious villain — Le Chiffre, portrayed by the Danish actor Mads Mikkelsen — tries to make $100 million by short-selling a stock, then forcing the company into bankruptcy by blowing up its prototype product. Bond, played by Daniel Craig, foils the plot.

Along the way, the movie indicates that short-selling was somehow related to the Sept. 11, 2001, terrorist attacks, an idea raised at the time but never substantiated.

A generation ago, Bond villains plotted to start nuclear wars or to obtain world domination. Now they kill just to make a killing in the stock market. FLOYD NORRIS

NOT ON THE BLOCK Age may have slowed A. Alfred Taubman, the shopping mall tycoon and patron of the arts, but it has not dimmed his passion for business. The auction business, in particular.

Mr. Taubman, 82, pooh-poohed rumors that his recent sale of a controlling stake in Sotheby's means that he might quit the company entirely. (In 2001, a New York jury convicted Mr. Taubman of conspiring with a competitor, Christie's, to fix art-sale commissions. He spent 101/2 months in jail.)

"We have no plans for that," he said recently, dismissing talk of a sale. "We love the company. I went to prison for them." C. J. SATTERWHITE

AND THEY'RE OFF When the Museum of Modern Art announced the opening of its new education and research building in Midtown Manhattan last week, its patron, the retired investor Lewis B. Cullman, used the opportunity to speak up for his favorite cause — and his favorite candidates.

"I worry education has been put on the back burner," he said. "Every middle-class person I speak to has the same concern: 'I want to give my kids a good education, but I can't afford it.' "

To address the issue, Mr. Cullman said he would support Gov. Tom Vilsack of Iowa for president in 2008 and Gen. Wesley K. Clark, the retired NATO commander, for vice president.

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The Museum of Modern Art celebrates the opening of the Lewis B. and Dorothy Cullman Education and Research Building on Tuesday. JANE L. LEVERE

Peer Pressure: Inflating Executive Pay (NYT)

By Gretchen Morgenson

The New York Times, November 26, 2006

LIKE Lake Wobegon, Garrison Keillor's fictitious Minnesota town where all the children are above average, executive compensation practices often assume that corporate managers are equally superlative. When shareholders question lush pay, they are invariably met with a laundry list of reasons that businesses use to justify such packages. Among that data, no item is more crucial than the "peer group," a collection of companies that corporations measure themselves against when calculating compensation.

But according to a handful of pay experts who are privy to the design of pay practices at the nation's largest corporations, many of these peer groups are populated with companies that are anything but comparable. They also say corporate managers themselves — who have an interest in higher pay — are selecting which companies make it into a peer group. And because these companies are often inappropriate for comparison purposes, their use has helped inflate executive pay in recent years.

"The peer group is the bedrock of the compensation philosophy at a company," said James F. Reda, an independent compensation consultant in New York. "But a lot of people do it by the seat of their pants, and that is part of the reason why executive pay has really skyrocketed."

The use of peer groups to calculate executive pay has become ubiquitous in recent years. This is partly in response to the Securities and Exchange Commission's requirement that companies compare their stock performance with a peer group in tables in the section of their proxy filings devoted to shareholder returns. Theoretically, these tables allow investors to compare their company's performance against objective benchmarks.

But as is true with much about executive pay, details about exactly how peer groups are compiled have been kept under wraps. The worry among investors, of course, is that executives, consultants and directors simply cherry-pick peer-group members, thereby pumping up pay packages.

Current disclosure rules require neither the identification of companies in a compensation-related peer group nor the rationale behind their selection. Usually, the most a shareholder learns about companies in a compensation peer group is that they are in the same industry or of a similar size.

This ambiguity will change when new Securities and Exchange Commission disclosure rules go into effect on Dec. 15. The rules will require a corporation to reveal which companies it uses in its peer group and to provide an extensive description of its compensation philosophy.

Under the new rules, company officials will also have to certify the accuracy of their pay disclosures. As a result, peer groups are likely to attract increased scrutiny, said Mark Van Clieaf, managing director of MVC Associates International, a consulting firm that specializes in organization design and pay-for-performance standards.

"Is benchmarking pay across companies truly comparing apples to apples?" Mr. Van Clieaf asked. "Failure to have a legally defensible process" can lead to "materially false" disclosures, he said.

POSSIBLE problems with the use of peer groups burst onto the scene in 2003, when the New York Stock Exchange disclosed that it had paid its chairman, Richard A. Grasso, about $140 million in total compensation. Amid a firestorm over the pay, Mr. Grasso resigned.

One reason for the outcry was the makeup of the peer group that the exchange's compensation committee used to determine Mr. Grasso's pay. The group included highly profitable investment banks and financial institutions that were far larger and more complex than the Big Board, which, at that time, was a nonprofit organization.

Brian J. Hall, a Harvard Business School professor and an expert on management incentive systems, conducted an analysis of Mr. Grasso's compensation and provided it to the judge overseeing the case that the New York attorney general's office filed against Mr. Grasso.

Mr. Hall, hired by the attorney general as an expert witness, found that the companies the New York Stock Exchange board used in its peer group had median revenue of $26 billion, more than 25 times that of the exchange. Median assets of companies in the group were 125 times the Big Board's assets, and the median number of employees in the peer-group companies was 50,000, or roughly 30 times that of the exchange.

The peer group was flawed, Mr. Hall contended, resulting in unreasonably high compensation for Mr. Grasso. Experts hired by Mr. Grasso concluded that his pay was, in fact, reasonable. But the judge presiding over the case ruled last month that Mr. Grasso must return as much as $100 million to the exchange. Mr. Grasso has continued to defend his pay as appropriate;

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earlier this month, he asked a state appeals court to block the judge from requiring him to return the money. A hearing on the matter is set for Wednesday .

Some state pension officials have become concerned that certain companies in their portfolios may be relying on peer groups that are flawed. “Peer-group comparisons assume that job responsibilities and job skills of the peer groups are similar and they may not be,” said Denise L. Nappier, the treasurer of Connecticut and fiduciary of the state’s $23 billion Retirement Plans and Trust Funds. “The thing about looking at C.E.O. pay of competitive companies, often companies will want a C.E.O. to be paid in the top quartile of his peers. But not everyone can be above average and this tends to ratchet pay up.”

Peer groups typically appear twice in proxies: first, in portions of the reports disclosing the annual comparison of total stockholder returns at a company versus its peers, and, second, in a section devoted to the calculation of executive pay. In the pay section, shareholders are sometimes told the peer-group percentile in which their top executives’ compensation falls. Typically, the filings state that corporate executives’ pay was in the 50th or 75th percentile of the benchmark group. If an executive is in the 50th percentile, he or she is in the middle of the pack; the 75th percentile means that only one-quarter of the group is paid more.

Compensation experts note that when a majority of companies in any given industry are in the 75th compensation percentile, pay packages may be subject to the Lake Wobegon effect: that all chief executives are suddenly above average. Corporate directors argue that comparing pay practices with those of competitors is only fitting, given that those are the companies they usually look to when recruiting employees and executives. But pay critics contend that an unquestioning reliance on the use of such peer groups is too simplistic and contributes to a one-size-fits-all mentality in pay.

“Sometimes it doesn’t matter what the other guy is doing,” said Brian Foley, an independent pay consultant in White Plains. “First and foremost is what makes sense for this company. If you’re in a turnaround and you are comparing yourself to guys who never had a dip and are quite successful, it’s a question not just of comparison based on size but also based on circumstances. I think these questions are asked sometimes, but sometimes they seem to be glossed over.”

Ms. Nappier said her office was looking at how Eli Lilly used a peer group in its executive compensation practices. According to Lilly’s 2006 proxy statement, the company judges itself against a group of eight companies: Abbott Laboratories; Bristol-Myers Squibb; GlaxoSmithKline; Johnson & Johnson; Merck; Pfizer; Schering-Plough and Wyeth. Lilly’s stock underperformed the peer-group average in 2004 and 2005.

Comparing Eli Lilly with Johnson & Johnson, Ms. Nappier said, shows a stark difference, particularly when you look at the number of profit centers at J. & J. and the complexity of its business.

An official at Lilly did not return a phone call seeking comment.

Sometimes, compensation peer groups include companies that are not even in the same industry or are not of a similar size. An example is the peer group used by the Company">Ford Motor Company, which described its selection this way in its 2006 proxy: “The consultant develops compensation data using a survey of several leading companies picked by the consultant and Ford. General Motors and DaimlerChrysler were included in the survey. Twenty leading companies in other industries also were included.” Ford, however, did not identify those companies.

Ford’s proxy also stated that the peer group it used in the compensation section of its filing was larger than the peer group it used in the stock performance portion of the same filing because “the job market for executives goes beyond the auto industry.” Ford said it chose the companies based on “size, reputation and business complexity” and said that over time, its goal was to peg its pay roughly at the median of the peer group, adjusted for company size and performance.

A Ford spokeswoman, Marcey Evans, declined to comment.

Mr. Reda, the compensation consultant, has a different perspective on how Ford uses peer groups. “That is just not appropriate,” he said. “A peer group should be based on size, profit margin — financial success, perhaps — but you can’t pick a company that has 15 percent profit margins when Ford is doing 8” percent.

Ford is by no means alone in extending its peer group well beyond its industry, Mr. Reda said. He noted that about 10 years ago, big brand-name companies began measuring themselves against other household-name companies, even though they were not in the same industry. Companies that made it onto Fortune magazine’s list of “most admired companies,” for instance, began to compare their pay to others on the roster.

Never mind that the connection was irrelevant, Mr. Reda said. “The result was a lot of pay got jacked up,” he said, “because companies in low-margin industries that didn’t do too well got pay hikes because they were in the ‘most admired’ candy store.”

EVEN companies that have won kudos for corporate governance can fall prey to peer-group traps. Consider the proxy filed last month by Campbell Soup, which provides continuing education programs for its directors. The filing, made after the S.E.C.’s 2007 proxy rules were issued but before they took effect, noted that its compensation committee compared total pay levels at 29

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companies "in the food and consumer products industries with which Campbell competes for attraction and retention of talent." Campbell's compensation committee approved the companies in the peer group but did not identify them.

In computing Campbell's total shareholder return, however, the company did not use the 29-company pay peer group as a benchmark. Instead, it used the Standard & Poor's 500-stock index and the S.& P. 500 Packaged Foods Index, a subset of the S.& P. 500 that consists of only 11 companies, including Campbell. The company outperformed both benchmarks last year.

The use of dueling peer groups — one to measure stockholder return, another to calibrate executive pay — is common in corporate America. But Paul Hodgson, author of "Building Value Through Compensation," questions the practice. "Best practice would dictate that, if a compensation committee report is to include a graph showing the company's relative performance to peers, those peers should be the same as the group actually used to test performance," he wrote in his book.

Anthony J. Sanzio, a Campbell Soup spokesman, said: "In terms of recruitment, we believe the landscape needs to be broader to attract and retain the best talent. For talent, we compete with a much broader group of companies that are much larger." Mr. Sanzio declined to identify the 29 companies in the peer group but said Coca-Cola, Anheuser-Busch, Procter & Gamble and Johnson & Johnson were among them.

Mr. Van Clieaf, the compensation consultant, said the composition of peer groups is usually more heavily weighted to larger companies, even though corporations typically look to companies smaller than themselves when they are recruiting top executives. This reality calls into question the oft-heard argument that outsized pay is based on market forces and that because companies have to jockey for the very best, enormous compensation deals are reasonable.

"Where would you really go to look for talent," Mr. Van Clieaf asked. "Either at the second or third layer down at bigger companies or the No. 1 role at smaller companies. Do you really think the C.E.O. of Johnson & Johnson is going to go to work at Eli Lilly?"

Even so, the pay handed out to executives at smaller companies — or to lower-level managers at larger concerns — are rarely included in peer groups, compensation experts and analysts say. Consider the pay awarded to the former Hewlett-Packard chief executive, Carleton S. Fiorina, which was based on a peer-group analysis. Although Hewlett hired Mark V. Hurd, the chief executive of the data processing giant NCR to succeed Ms. Fiorina as chief executive in 2005, Hewlett never included NCR in its peer group when calculating Ms. Fiorina's compensation, according to Mr. Van Clieaf.

In fact, Mr. Van Clieaf said, Mr. Hurd's pay while at NCR pay was 40 percent of Ms. Fiorina's compensation at Hewlett. If Hewlett had included NCR in its peer group — thus adding Mr. Hurd's lower compensation into the mix — Ms. Fiorina's compensation would have wound up in a far higher percentile of the peer group than the median percentile that Hewlett reported, Mr. Van Clieaf said.

THIS year, Hewlett-Packard changed its peer group from a so-called blended one that included technology concerns as well as those from other industries, to a group that is limited to technology companies alone. They are I.B.M., Dell, Apple Computer, Cisco Systems, Electronic Data Systems, EMC, Intel, Lexmark International, Microsoft, Motorola, Oracle, Sun Microsystems and Xerox.

"This ensures that the cost structures that we create will enable us to remain competitive in our markets," Hewlett's 2006 filing said of its switch.

While Hewlett also noted in the filing that it believed that the design of its compensation plan was appropriate, it — like Campbell and Ford — used a different set of companies to compare its stock performance for shareholders. This shareholder peer group does not contain Intel, Oracle or Cisco. The company declined to comment further.

In the meantime, analysts say, compensation practices continue to be built on the same cheery performance assumptions found at Lake Wobegon.

"I think it is safe to say that in various situations the peer-group analysis has been soft," said Mr. Foley, the compensation consultant. "And because it's been soft, the determinations made about pay have been somewhat soft as well."

The High Cost Of Too Good To Be True (NYT)

By Julie Creswell And Vikas Bajaj

The New York Times, November 26, 2006

AS the red-hot California real estate market sizzled in recent years, National Consumer Mortgage looked like just another residential mortgage company successfully riding the boom. It had lush offices in downtown Orange; the former baseball great Steve Garvey promoted its products in radio spots; and its founder, Salvatore Favata, a former local baseball hero himself, lived in a $1.7 million mansion in tony Yorba Linda and zipped around in a Mercedes roadster. An annual "Favata Fest" at the founder's home featured live music and photo ops with Mr. Garvey.

The little mortgage company was also ambitious. N.C.M. ran an investment arm that offered high-yielding notes to preferred clients, promising to use customers' funds to make short-term, high-interest loans to individuals and companies that

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needed money quickly. For customers like Bryan F. Downey, a 41-year-old father of three, it was a tantalizing pitch. Mr. Downey had a $125,000 inheritance that he wanted to put to work, and his younger brother had already invested his inheritance with N.C.M.

In April 2005, Mr. Downey invested the entire $125,000 in N.C.M. notes guaranteeing annual interest payments of 12.5 percent for two years. After the contracts were signed, Mr. Downey recalls, Mr. Favata, 46, tan and trim, glided into the conference room, which had a view of Angel Stadium, nearby in Anaheim. Mr. Favata greeted him like an old friend and shook his hand, saying, "Welcome to the family." It's a relationship Mr. Downey now wishes he could disown.

Earlier this spring, Mr. Downey, along with more than 200 others living mostly in California and Colorado, found out they were victims of a long-running Ponzi scheme that pulled in about $30 million before N.C.M. sought bankruptcy this spring, according to a Securities and Exchange Commission civil complaint and filings in a federal criminal case, both filed in United States District Court for the Central District of California in Santa Ana. Rather than using the money to make loans, authorities say, Mr. Favata wagered away about $10 million of it in Las Vegas and plowed through much of the rest in his business dealings and lavish lifestyle.

The N.C.M. scheme, of course, is hardly novel. It is not even all that big by recent standards. But it bears all the hallmarks that have made financial scams possible for generations: naïve trust, a speculative market offering seemingly easy riches, and gilded lures hitched to people's unending desire to keep up with the Joneses. So why is it that year after year, century after century, certain people fall for financial dodges, regardless of their provenance?

"You would think living in an information age it would be easier for people to sort out the fact that these schemes exist," says James H. Burrus, assistant director with the Federal Bureau of Investigation in Washington. "But so much information is available and coming at people at different ways that the fraudsters are much better at adapting to the environment to defraud the victims out their money.

"People believe their next-door neighbor is investing in property, flipping it and getting rich quick," Mr. Burrus added. "Everybody seems to be doing it. Fraudsters take advantage of those types of cycles."

But con artists don't use greed alone. Analysts say a variety of factors come into play when scams are afoot, many of which revolve around a fear of financial and emotional vulnerability — concerns about not having saved enough to send your children to college; the isolation and loneliness of the elderly; the stress that accompanies career changes; or the loss of a loved one.

MONEY, especially fast money, offers a buffer of sorts in an uncertain world. And con artists are only too happy to wear the guise of the market sage or guardian angel.

"The best scams start with a kernel of truth that are ripped right out of the headlines," explained Joseph P. Borg, director of the Alabama Securities Commission and president of the North American Securities Administrators Association. "Oil prices are up. There's a war in Afghanistan and Iraq. Tainted spinach. All of these can spawn frauds."

Faced with the opportunity to invest on the ground floor of something completely plausible and, better yet, exclusive, some jump in with both feet. "It's a combination of greed and a feeling of, 'If somebody is going to make money, why not me?' " Mr. Borg said.

The inner workings of the N.C.M. scheme, which snared wealthy professionals as well as retirees on fixed incomes, suggest that the common perception that only the elderly, less sophisticated or less well-off investors can be duped may be flawed — that a large cross-section of society can be swindled out of large sums.

Mr. Favata used existing investors, to whom he was faithfully making interest payments, to recruit their friends and family members. The promised returns were not so outsize as to raise the suspicions of more sophisticated investors. Payments, which came monthly or quarterly, lulled many into believing that their investments were safe and solid — at least for a while.

"They were really slick in how they presented themselves, how they looked, even where the building was located," recalled Mr. Downey, who attended college for two years and now licenses consumer products for a private company. "They looked like they were making lots of money and that they had lots of good investors."

Mr. Favata, who struck a plea deal with prosecutors in the federal district court in Santa Ana, declined to comment. "Mr. Favata has fully accepted responsibility for his actions," said his lawyer, Nathan J. Hochman, from Beverly Hills. "He is completely cooperating with federal and state authorities and will devote the rest of his life toward paying back the people he has taken money from."

Regulators have not accused Mr. Garvey of wrongdoing, and he does not appear to have invested in the scheme. Messages left for him with his agent were not returned.

Experts say that for those caught up in financial scams, especially schemes similar to the one Mr. Favata has acknowledged engineering at N.C.M., the early stages are exhilarating and therefore magnetic. Indeed, until the moment

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investors finally absorb the fact that they may have been duped and their money gone forever, speculating on a "sure thing" has all of the warm and fuzzy benefits of a freewheeling joy ride.

In its purest form, being involved in a bogus get-rich-quick scheme is like a trip to Disneyland, says Anthony Pratkanis, a psychology professor at the University of California, Santa Cruz, and co-author of "Weapons of Fraud: A Source Book for Fraud Fighters." Professor Pratkanis equates being taken in by a fraud to riding the Pirates of the Caribbean attraction.

"You're experiencing the ride, singing, 'Yo ho ho! It's a pirate's life for me,' but you never see any of the trappings of the ride itself," he said. "Criminals call it, 'putting the victim under the ether.' "

In other words, once they have taken the bait, victims typically stop asking questions. While there are various estimates of how many people are taken in by cons and how much money they lose, experts and law enforcement authorities acknowledge that their best guesses are just that. The F.B.I., for instance, believes that more than $1 billion was lost to mortgage fraud last year. While that number seems substantial, experts note that it represents a minute fraction of the $3 trillion in mortgages issued last year.

There may never be a comprehensive tally of fraud, in large part because it is one of the most underreported crimes, authorities say. Some victims deny, even to themselves, that they have been defrauded, while others are simply too embarrassed to tell anyone. No demographic group is immune to fraud, and sophisticated con artists tailor their pitches to their audience.

A younger victim may be motivated by a rich payday, while the elderly appear to fall for schemes that claim to involve the government or a charity, said Sid Kirchheimer, author of "Scam-Proof Your Life," a book published by AARP.

"None of them say they wanted to get rich," Mr. Kirchheimer said of the elderly he counsels through his work at AARP. "They tell me that their grandson wants to go to college and they wanted to help him — at least that's what they tell me."

Fraud operators are also deft at using middlemen to become associated with a community group or religious organization. The authorities label these schemes "affinity frauds," because they take in people who have a common interest.

"Whether in a religious group or any other community-based organization, all you may need to do is scam one person very aggressively, in hope that this 'centerpoint' will start peddling the scheme to other members," said John Reed Stark, chief of the office of Internet enforcement at the S.E.C. "The centerpoint may not even profit or be at all complicit in the scheme, but he or she nonetheless becomes an important part of the overall con."

ONE investment pitch under investigation occurred in Indianapolis and involved Robert Penn, who owned several property management and real estate businesses and cut a charming figure in the community. Mr. Penn has been accused in a lawsuit — filed in Marion County Circuit Court in Indianapolis by the mortgage giant Countrywide Financial and other lenders — of orchestrating a scheme to use straw buyers to file hundreds of fraudulent mortgages worth upwards of $40 million.

In a response filed in court, Mr. Penn denied the allegations; he and his lawyers did not return phone calls seeking comment. Countrywide is contending that Mr. Penn and his associates sold it overpriced mortgages they took out in the names of his investors. Federal prosecutors are looking into the allegations.

Mr. Penn came across as savvy and self-assured, yet always concerned for the well-being of those around him, recall people who worked and invested with him. One of those people was Cynthia K. Hancock, who met Mr. Penn through her former colleagues in 2003.

Ms. Hancock, then an aide at an animal research lab at the Indiana University School of Medicine, describes herself as unsophisticated about finance and real estate. "I don't carry a Coach handbag; I have never had a manicure," she said. "I have just worked all my life and paid my bills. That's why I had such a great credit score. I thought for once my credit score could help me get a little ahead."

Ms. Hancock said Mr. Penn told her — as well as many individuals in rural Virginia, where his sister lived and his mother served as a lay minister to a small congregation — that their credit scores could help them make money the way rich people do: in real estate.

To Ms. Hancock and the others who heard the stories of easy money in real estate or read them in newspapers, it was a credible pitch. All they had to do was put their names on multiple mortgage applications, thereby "investing" their credit scores, they said Mr. Penn told them. The borrowers saw little downside; they were not asked to put any money down. They said Mr. Penn told them that he and his business associates would do that on each borrower's behalf.

When some received a check for several thousand dollars, it seemed that the investment was paying off as it was billed. Then, they said, they discovered that they were on the hook for hundreds of thousands of dollars in inflated mortgages taken out on homes in Indiana, some of them in rundown neighborhoods. Ms. Hancock, who worked at Mr. Penn's property management company for a year and a half, owned five homes. Her daughter — a law student — was named as the buyer for four homes. All of the homes have been foreclosed on, and Ms. Hancock and her daughter are considering filing for bankruptcy protection.

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IN hindsight, it is easy to see where Mr. Penn's investors made their mistakes: they were hurried through paperwork and did not read what they were signing. No one asked to see the properties they were buying or pressed for confirmation that rents were being collected and mortgages were being paid. And the investors said Mr. Penn also tapped into key vulnerabilities, particularly those among the largely African-American, working-class investor group in Virginia. By investing in real estate, they said he told them, they could start to close the financial gap between them and white middle-class investors.

Many investors also dropped their guards because Mr. Penn's family, and his mother in particular, were viewed as religious leaders in the area. Spirituality and predatory practices never intermingle, investors believed.

"The whole basis of church affiliation is a sense of morality," Mr. Kirchheimer said. "Your natural resistance, your armor will probably be a little less because you are assuming people there are more moral."

Establishing — and ultimately violating — a bond of trust is at the heart of many frauds, whether it comes through a religious affiliation or a longstanding business relationship.

If there was one person whom Melissa A. Miller of Parker, Colo., thought she could trust, it was Robert O. Bryant, a friend and her insurance agent for 10 years. When Ms. Miller sold her dental practice in 2005, she said, she was not sure what to do with her money.

A fairly conservative investor, she said she was skeptical when Mr. Bryant first told her about Mr. Favata's private notes. She talked with her friends in the real estate business as well as her father, who owned rental property and had experience with similar instruments, eventually concluding that the notes were a safe bet because the properties served as collateral.

Ms. Miller, 39, and her husband, Sam, an airline pilot, who have three daughters and a son, invested $575,000 in N.C.M. notes. She recruited her father, Dennly R. Becker, and he invested $250,000. Aside from the few interest payments they received, the father and daughter believe that most of that money is lost.

"Yes, I am embarrassed," Ms. Miller said. "I am ashamed that I got my family involved in this. But it could absolutely happen to everybody.

"They seemed so trustworthy," Ms. Miller said of Mr. Favata and Mr. Bryant, "which is what got everybody.

"They were knowledgeable," she added. "They had every answer to every question you could ask about this scheme."

OR almost every answer. John P. Brincko, a management consultant advising the creditors committee in N.C.M.'s bankruptcy, said that none of the investors, to his knowledge, asked to see the deeds of trust that ostensibly backed their investments. Ms. Miller said that she asked to see them several times, but that Mr. Bryant rebuffed her with excuses: the deeds would be available after the loans had been made; he would pick up the deeds when he visited Mr. Favata next; and, just before the scheme collapsed, he said he had forgotten to bring them back from California.

Mr. Bryant has not been charged with any crime. He did not respond to an interview request and is listed in N.C.M.'s bankruptcy filing as having lost close to $1 million of his own money.

In October, Mr. Favata agreed to plead guilty to one count of mail fraud in exchange for a five-year sentence, a $250,000 fine and repayment of more than $20 million to the victims, all of which is still to be approved by a judge. But it is unclear whether the victims will receive much beyond pennies on the dollar. His mansion in Yorba Linda will be sold to pay victims, but he appears to have few other hard assets, the authorities say. The Mercedes roadster and a Lincoln Town Car that he drove, for instance, were leased by N.C.M.

Brent G. Tabacchi, an assistant United States attorney based in Santa Ana, said the investigation was continuing but that the prosecutors had decided to settle with Mr. Favata because, among other reasons, he turned himself in, gave up his assets and agreed to a restitution plan.

But for the victims of fraud, there are some losses that can never be repaid.

"I lost a lot of faith in human beings — I will really not trust someone with my money now," said Mr. Downey, who regrets losing his father's money. "He worked hard to become middle class, he left us a nice home that we sold, and we all got taken in by a clown in Orange County.

"I foolishly fell for this because I went into their beautiful building that was overlooking Angel Stadium," he added. "They even promised me box seats."

CRIMINAL LAW:

DeFazio Macing A Relic Of Old Style Of Pa. Corruption (PTR)

By Mike Wereschagin And Justin Vellucci, TRIBUNE-REVIEW

Pittsburgh Tribune-Review, November 26, 2006

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Former Allegheny County Sheriff Pete DeFazio's guilty plea to a misdemeanor macing charge is one of the last gasps of old machine-style politics that ruled Pennsylvania for a century, political experts say.

Macing -- the once-common practice of forcing public employees to contribute to political campaigns -- nearly vanished during the last 30 years or so. Macing was forced out by the rise of civil-service rules, unions and a public no longer willing to subsidize political paybacks, say experts.

The practices that snared DeFazio and three others in the Sheriff's Office are the same as those that powered the careers of people such as Gov. George Howard Earle III, who was indicted for macing in the 1930s, and Westmoreland County political boss Egidio Cerilli, who went to prison in 1980 for extortion and conspiracy.

"Human nature is such that corrupt individuals are always going to find a way to work the system. I think people can take some comfort in the fact that nowadays, people don't get away with it as much as they did in the old days," said former Pennsylvania Gov. and U.S. Attorney General Dick Thornburgh.

DeFazio's plea Tuesday marked the end of a five-year investigation of the Sheriff's Office by U.S. Attorney Mary Beth Buchanan. Two high ranking officials -- including DeFazio's chief deputy, Dennis Skosnik -- are serving time in federal prisons and another is on a year's probation. DeFazio will be sentenced Feb. 23, though he is not expected to get jail time.

The investigation centered on officials who pressured workers to buy tickets to DeFazio's fund-raisers. Those who didn't were punished with undesirable assignments or denied vacation requests.

"Really, the sad part about the sheriff is he probably didn't think he was doing anything wrong," said former county Chief Executive Jim Roddey, who clashed repeatedly with DeFazio over budget and management issues when the two shared the County Courthouse.

Were DeFazio sheriff 40 years ago, he probably would have gotten away with it, said G. Terry Madonna, political science professor at Franklin & Marshall College in Lancaster County.

"That was a real common practice in courthouses around the state," Madonna said. "Courthouse gangs" of county officials ran Pennsylvania's local governments from around the end of the Civil War until the 1960s, he said.

Those who wanted a government job needed a local ward chairman's approval. Then they had to give as much as 6 percent of their salaries to the ruling party's campaign coffers, Madonna said.

Party chairmen who were successful macers in county governments sometimes were given a chance to ply their trade at the state level.

Then-Gov. Milton Shapp appointed Cerilli to run PennDOT, which was "a cesspool of corruption," said Thornburgh, who as U.S. attorney in Pittsburgh prosecuted Cerilli on extortion and conspiracy charges in the late 1970s. Thornburgh won the governor's office in 1979.

"The reason I was elected was I had a track record dealing effectively with public corruption. People were concerned about it," said Thornburgh, who became the first governor in decades to avoid a major corruption scandal in his administration.

Several high-ranking officials in the state Legislature and elected state row officers were indicted for corruption during his tenure. The most famous was R.Budd Dwyer, a state treasurer who was found guilty of accepting a bribe and shot himself in the head during a televised news conference the day before he was to be sentenced.

"The tide kind of turned when it was clear that these kinds of activities weren't going to be tolerated," Thornburgh said. Prosecutors were emboldened to go after crooked politicians by a series of federal laws enacted in 1967, including one that allowed public-corruption cases to be prosecuted like racketeering cases.

"Parties became weaker. Unions got a toe-hold in municipal government," and civil-service rules became more widely used, Madonna said.

Many current politicians came of age while watching high-profile officials, such as former state Auditor General Al Benedict, go to jail, Roddey said. Benedict was sentenced to six years in prison in 1988 for tax evasion and racketeering.

"People that have gotten elected in the last few years are not part of that old machine," Roddey said.

In the 1970s, the Justice Department called Pennsylvania the most corrupt state. The department doesn't rank state corruption anymore, but a newsletter called "Corporate Crime Reporter" ranked Pennsylvania as the 14th most corrupt in 2004, based on the number of public-corruption convictions per 100,000 people.

Most corruption today involves politicians enriching themselves, rather than a political machine, said Nils Frederickson, spokesman for state Attorney General Tom Corbett. Instead of employees paying for a job, it's contractors and lobbyists.

"The glory days of Tammany Hall and other things like that -- maybe they have, indeed, gone the way of the dinosaur," Frederickson said. "That doesn't mean there aren't a few dinosaurs still wandering around."

The number of corruption cases nationwide rose sharply in the last six years, as the FBI increased the number of agents in its public-corruption task force from 358 in 2002 to 618 this year. Convictions rose from 584 in 2002 to 759 in 2005, according to

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the FBI. Of the number of public-corruption convictions this year, roughly 258 -- or 34 percent -- involved local-level government officials.

Pennsylvania Common Cause Executive Director Barry Kauffman won't say whether he believes macing is becoming less common.

"To what degree something is common or not common -- you're kind of playing with fire there," Kauffman said. "What's 'common?' Is it 10 percent? Is it 80 percent?

"One case of corruption's too much."

Getting About The Business Of Fighting Crime (MCA)

By Michael Kelley Contact

Memphis Commercial Appeal, November 26, 2006

The Memphis business community is "looking for a good old-fashioned business plan" that sets priorities on how to deploy resources and "move the needle on crime, violent crime in particular," says Blair Taylor, executive director of the business group Memphis Tomorrow.

To that end, an invited group of stakeholders on the crime-fighting front will conduct a summit Wednesday at the University of Memphis Holiday Inn to plot the implementation of a wide-ranging strategic plan.

It's not that Memphis and Shelby County haven't already been employing strategies to battle crime that go beyond routine law enforcement and prosecutorial tasks.

There's Project Safe Neighborhoods, a coordinated effort by federal and state officials to crack down on the possession of guns by convicted felons. There's the Crime Stoppers cash award program for tipsters. There's Blue Crush, a data-based, crime-mapping program that tells police where to deploy.

The district attorney general has a no-deals policy. There are various juvenile court programs involving volunteer probation officers and the like, a drug treatment court for nonviolent cases, public nuisance laws, anti-gang units, a multi-jurisdictional drug task force -- the list goes on.

Presumably, all those elements and others will find their way into Operation: Safe Community's strategic crime-fighting plan, which as of its most recent revision, included 15 strategies:

Expand data-driven police deployment, an extension of the Blue Crush program developed by Memphis police and University of Memphis professor Richard Janikowski that sends extra police officers to crime hot spots.

Expand effective law enforcement partnerships using as a model Project Safe Neighborhood.

Toughen Tennessee laws dealing with illegal possession of firearms and gang-related violence.

Expand vertical prosecution of serious offenders -- assigning a single attorney to handle every step of a case as it makes its way through the system rather than using the current assembly-line approach.

Strengthen and expand the Shelby County Drug Court, now operating at about half capacity.

Design and implement a comprehensive gang intervention strategy that builds on the U.S. Justice Department's gang initiative.

Improve school safety, one part of a larger plan to design and implement a comprehensive youth violence intervention initiative.

Reduce truancy, another youth violence initiative that would start with a district attorney general's office pilot program under way at three Memphis middle schools.

Youth violence intervention, a comprehensive and coordinated approach to working with at-risk youth using various community resources.

A juvenile offender re-entry program aimed at reducing repeat offenses that would build on programs already in place at Juvenile Court.

Expand and coordinate adult offender re-entry programs to reduce repeat offenses of violent crime.

Establish a proactive, coordinated "problem properties" system to reduce crime by addressing neighborhood blight.

Develop a communication campaign that reinforces the message that there are tough consequences for committing crimes.

Implement a new domestic violence initiative.

Implement a local version of the Fugitive Safe Surrender program, developed in Cleveland, which allows suspects accused of committing nonviolent crimes to turn themselves in at a church.

The Commercial Appeal plans to examine each element of the plan in a series of articles to be published over the next several months. The list may change as the plan continues to develop. But the overarching goal will be the same: to reduce the

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crime rate and ease fears about crime that have contributed to middle-class flight and the city's image problems on the national stage.

These are trends that can't be turned around on a moment's notice. But organizers hope that the "business plan" on the table this Wednesday will be the catalyst to set positive change in motion.

Federal Crime Survey To Include SB County (SBCS)

By Jeff Horwitz, Staff Writer

San Bernardino County (CA) Sun, November 26, 2006

San Bernardino County is one of 18 areas chosen last week to be part of a federal program seeking to stem a nationwide rise in violent crime.

The Initiative for Safer Communities, sponsored by the Department of Justice, intends to "seek honest answers about what works, what doesn't, and why," Attorney General Alberto Gonzales said in a speech last month before announcing the 18 target jurisdictions.

According to state crime data, the San Bernardino County Sheriff's Department documented increases in homicide, rape, and aggravated assault between January and June compared with the same period last year. Violent crime rose by 5.9 percent in that six-month stretch.

During that same time period, sheriff's departments in Los Angeles, Riverside and San Diego counties reported overall decreases in violent crime.

But San Bernardino County was not included based solely on its increasing crime. Other jurisdictions in California, such as Sacramento County, saw far greater increases in violent crime but were not included. Rather, the jurisdictions were chosen because they "represent a cross-section of the country in terms of size, geographic location and rate of violent crime," according to a statement from the Justice Department.

Sheriff's spokeswoman Cindy Beavers said it was likely that the diversity of her department's operations drew federal attention.

"We have so many different areas to deal with, from cities like Rancho Cucamonga to the Colorado River," Beavers said. "The Sheriff's Department has so many resources, we are able to support other resources that are much smaller within our county."

The program is slated to begin immediately. In a series of surveys and meetings with local law-enforcement departments, officials say, the Department of Justice will review problems such as the spread of gangs and the distribution of methamphetamine. The Department of Justice will then document successful approaches to tackling them, with the goal of developing better practices.

The program's launch follows a slight increase in violent crime nationwide after a decade of gradual decline. Between 2004 and 2005, the last full year Department of Justice data is available, violent crime rose 1.3 percent.

"Even a small up-tick in violent crime cannot be ignored, especially when we have made such great progress," Gonzales said in the speech announcing the program.

Hampton Roads One Of 18 Metro Areas In U.S. Crime Study (VP)

Virginian-Pilot, November 26, 2006

Hampton Roads is one of 18 metropolitan areas the government has selected to study for clues on why homicides and other violent crimes are on the rise nationally.

The Justice Department study comes after FBI data in September showed violent criminal activity - including rape, murder, robbery and aggravated assault - rose by 2.2 percent from last year. That marked the first increase since 2001.

U.S. Attorney General Alberto Gonzales announced the study last month in Boston at a meeting of police chiefs and other law enforcement officials.

It will be rolled out in three phases: looking at crime increases in cities, analyzing those results for any trends and identifying federal programs that can help.

It was not clear whether more federal money will be available for cities, but federal officials said new initiatives could be created if necessary.

Locally, homicides were up in four of the five South Hampton Roads cities - Chesapeake being the exception - and aggravated assaults were up in all five between 2004 and 2005.

The trends with other violent crimes were mixed.

Amanda Howie, spokeswoman for Norfolk Commonwealth's Attorney Jack Doyle, said Friday that if the Justice Department contacts Doyle's office about the study, he will contribute what he can.

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"It appears the idea here is to understand what has happened in order to prevent repeat performances," she said. "That's a concept we could support."

In addition to Hampton Roads, the cities and regions participating in the study are: Atlanta; Boston; Charlotte, N.C.; Colorado Springs, Colo.; Columbus, Ohio; Hartford, Conn.; Houston; Jersey City, N.J.; Kansas City, Mo.; Miami; Minneapolis-St. Paul; Nashville, Tenn.; Oklahoma City; Omaha, Neb.; Portland, Ore.; San Bernardino County, Calif.; and San Diego.

The Associated Press and staff writers Matthew Jones and Michelle Washington contributed to this report.

CIVIL RIGHTS:

NAACP Wants FBI Probe Of Shooting (MOULTO)

By Kevin Hall

Moultrie (GA) Observer, November 26, 2006

MOULTRIE — A state leader of the National Association for the Advancement of Colored People on Saturday came to Moultrie and questioned accounts of the fatal shooting of Moultrian Willie James Banks.

Banks, who was shot by police Nov. 16, was buried Saturday afternoon, and the president of the NAACP's Georgia State Conference held a press conference prior to the funeral service.

Edward Dubose said the NAACP is beginning its own investigation into the events that surrounded Banks' death, and the organization calls for action on the parts of the Federal Bureau of Investigation, the U.S. Justice Department, the District Attorney's Office and the City of Moultrie police chief.

Banks, 43, who was mentally deficient, was working at a convenience store on First Avenue at Fifth Street Southeast when three Moultrie police officers arrived to arrest him in connection with a bench warrant. The officers said Banks resisted arrest, pulled a knife and ran toward one of them. One or more of the officers fired at Banks; he was hit three times in the chest.

The Georgia Bureau of Investigation is still investigating the incident, but Dubose expressed doubts Saturday about the officers' version of events.

"We are not convinced by the alleged statement of police officers that Willie J. Banks brandished a knife and ran towards police officers," Dubose said. "We are also not convinced that police officers felt that their lives were in danger prompting them to shoot and kill Willie J. Banks."

Dubose said Banks had no reputation for violence, and he said he would even be unlikely to disobey an officer.

"This was not ever a violent man," Dubose said.

Dubose said the NAACP is calling on the FBI and Justice Department to investigate the shooting as an excessive and unnecessary use of deadly force. It also wants the district attorney's office to convene a grand jury inquiry into the incident.

In addition, Dubose said, Moultrie Police Chief Frank Lang has avenues open to him that he has not explored, including an independent investigation to see if the officers' actions followed department policy and procedures.

"He doesn't have to take a complete hands-off [approach]," he said.

Pointing to the recent shooting of a 92-year-old woman by police in Atlanta, Dubose urged black people to stand up to police brutality.

"Today as Willie J. Banks is laid to rest our message is clear," he said. "We will not allow the continued shooting of innocent blacks by law enforcement officers for no other reason than being black."

Experts Concerned As Ballot Problems Persist (NYT)

By Ian Urbina, Christopher Drew

The New York Times, November 26, 2006

After six years of technological research, more than $4 billion spent by Washington on new machinery and a widespread overhaul of the nation's voting system, this month's midterm election revealed that the country is still far from able to ensure that every vote counts.

Tens of thousands of voters, scattered across more than 25 states, encountered serious problems at the polls, including failures in sophisticated new voting machines and confusion over new identification rules, according to interviews with election experts and officials.

In many places, the difficulties led to shortages of substitute paper ballots and long lines that caused many voters to leave without casting ballots. Still, an association of top state election officials concluded that for the most part, voting went as smoothly as expected.

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Over the last three weeks, attention has been focused on a few close races affected by voting problems, including those in Florida and Ohio where counting dragged on for days. But because most of this year's races were not close, election experts say voting problems may actually have been wider than initially estimated, with many malfunctions simply overlooked.

That oversight may not be possible in the presidential election of 2008, when turnout will be higher and every vote will matter in what experts say will probably be a close race.

Voting experts say it is impossible to say how many votes were not counted that should have been. But in Florida alone, the discrepancies reported across Sarasota County and three others amount to more than 60,000 votes. In Colorado, as many as 20,000 people gave up trying to vote, election officials say, as new online systems for verifying voter registrations crashed repeatedly. And in Arkansas, election officials tallied votes three times in one county, and each time the number of ballots cast changed by more than 30,000.

"If the success of an election is to be measured according to whether each voter's voice is heard, then we would have to conclude that this past election was not entirely a success," said Doug Chapin, director of Electionline.org, a nonpartisan election group that plans to release a report Wednesday with a state-by-state assessment of voting. "In places where the margin of victory was bigger than the margin of error, we looked away from the problems, but in 2008 we might not have that luxury."

Accusations of missing ballots and vote stuffing were not uncommon with mechanical voting machines. But election experts say that with electronic voting machines, the potential consequences of misdeeds or errors are of a greater magnitude. A single software error can affect thousands of votes, especially with machines that keep no paper record.

There were a few signs of progress this month. Several states that faced computer difficulties in the primaries fixed the kinks by Election Day and were better stocked with backup paper ballots. Fears that more stringent identification laws in Indiana and Arizona would create confusion at the polls did not pan out.

And though recent test runs of new computerized voter registration rolls in Indiana and Missouri revealed large numbers of errors, on Election Day reports of problems with the databases were few and isolated. The National Association of Secretaries of States, which represents top election officials from across the country, has said Nov. 7 was generally "a good day."

But some of the biggest states have not been able to overcome problems with new technology or rules and the lightly trained poll workers who must oversee them. In Ohio, thousands of voters were turned away or forced to file provisional ballots by poll workers puzzled by voter-identification rules. In Pennsylvania, the machines crashed or refused to start, producing many reports of vote-flipping, which means that voters press the button for one candidate but a different candidate's name appears on the screen.

Perhaps most notoriously, officials in Sarasota County say nearly 18,000 votes may never have been recorded by electronic machines in a Congressional race, even though many voters said they tried to vote.

The recent problems will probably help propel legislation that has stalled for months in Congress mandating that electronic voting machines have a paper trail to better enable recounts. Less clear, experts say, is whether anything will be done to address concerns about the lack of technicians to troubleshoot machines, polling places with too few machines and poorly trained workers, and a system run by partisan election officials who may decide conflicts based on politics rather than policy.

"These types of low-tech problems threaten to disenfranchise just as many people, if not more, but they tend to get less attention," said Tova Wang, an elections expert with the Century Foundation, a nonpartisan research group in New York. "We still have a long way to go toward fixing the biggest problems with our election system."

Election workers and experts say the advances in technology have simply overwhelmed many of the people trying to run things on the ground. At a hearing in Denver last week, one focus was on how hard it has become for the poll workers, often retirees getting paid $100 for a 14-hour day, and what it would take to attract younger people who are perhaps more savvy about computers.

"It used to be that you would come in, set up the machines, make a cup of coffee and say hello to your neighbors," said Sigrid Freese, who has worked at Denver polling places for more than 20 years. Now, she said, the job is complicated and stressful, and "I know a lot of people who said, 'Never again.' "

After widespread confusion and controversy caused by the hanging chads of the 2000 presidential election, Congress passed the Help America Vote Act in 2002 to help states phase out old-fashioned lever and punch-card machines and to introduce electronic voting equipment. But with malfunctions reported from a handful of states in the primaries earlier this year, many voting experts and state officials feared that the new technology might have only swapped old problems for newer, more complicated ones.

On Election Day, two voting-rights groups, Common Cause and the Election Protection Coalition, fielded nearly 40,000 telephone calls on two national hot lines from voters' reporting of problems or seeking information, and both groups are due to release their findings within the next two weeks. An initial review of their data, along with interviews with officials and experts,

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reveals that Florida, Maryland, Ohio and Pennsylvania were among the states with the most calls reporting trouble, including long lines, names missing from voter registration rolls, poll worker confusion and computer failures.

In a few places, the difficulties started as soon as voters walked up to the sign-in tables.

In Ohio, even a congressman, Steve Chabot, a Republican, was turned away from his polling place because the address listed on his driver's license was different than his home address. Mr. Chabot was able to vote only after he returned with a utility bill. The state's top election official had to fax a midday notice to all precincts that such minor discrepancies were acceptable.

In Denver, the culprit was a new electronic poll book, which workers had to consult through laptop computers. The system was supposed to verify each voter's name in less than a minute. But it started slowing at 7 a.m. and eventually had to be turned off and rebooted, after taking up to 20 minutes to find each name.

As a result, voters waited in line for two to three hours. Liz Prescott, a computer industry executive, said she twice tried to vote but was deterred by the lines. "I'm just flabbergasted that this system at all levels failed," Ms. Prescott said.

John Gaydeski, Denver's election director, acknowledged that the system had not been tested properly before the election.

In Arkansas, Florida and Pennsylvania, the questions were about the voting machines themselves. In addition to the Sarasota issue, which may have been caused by a software problem, there were similar problems in the Florida counties of Charlotte, Lee and Sumter. In those counties, said Barbara Burt, vice president and director for election reform at Common Cause, more than 40,000 voters who used touch-screen machines seemed not to have chosen a candidate in the attorney general's race. But since one candidate won by 250,000 votes, the anomaly has been generally overlooked.

On election night in Arkansas, officials discovered that erroneous results had been tallied in Benton County. After retabulating the votes, they announced that the total number of ballots cast had jumped to 79,331 from 47,134, which meant a turnout of more than 100 percent in some precincts. After a third tallying, the total dropped to 48,681.

In Pennsylvania, computer problems forced polling places in Lancaster and Lebanon Counties to stay open late. In Westmoreland County, a programming error in at least 800 machines caused long lines.

Mary Beth Kuznik, a poll worker in that county, said she had to reset every machine after each voter, or more than 500 times, because the machines kept trying to shut down.

Howard Shaub, the elections board chairman in Lancaster County, counseled patience. "We used those old lever machines for 20, 30 years," Mr. Shaub said. "We just have to have better quality control and the new machines will work fine."

But Ms. Kuznik said one man refused to vote on the electronic machines and demanded a provisional ballot. "At least my vote will be on a piece of paper," Ms. Kuznik recalled his saying.

Déjà Vu In Florida (NYT)

The New York Times, November 26, 2006

One of the great hazards of the way electronic voting has been introduced in the United States is that it could end up undermining democracy by producing unreliable election results that cannot be truly audited or corrected. This month, that nightmare became a reality. Voting machines in a Congressional race in Florida — where else? — may have swallowed about 18,000 votes, far more than the nominal winner's razor-thin margin of victory. Because those votes were in the loser's strongest county, if there was a computer glitch it probably changed the outcome of the race.

Vern Buchanan, the Republican candidate in Florida's 13th Congressional District, was certified the winner, with 369 more votes than the Democrat, Christine Jennings. But voting machines in Sarasota County produced about 18,000 "undervotes," ballots on which the voter made other choices, but did not vote in the Congressional race. There have been reports of voters saying that their votes did not register when they chose Ms. Jennings, or that the race did not appear on their machines.

If the machines are to be believed — a big if — an extraordinary 14.9 percent of Sarasota County voters using the machines decided to skip the Congressional race, a highly publicized contest that voters knew could help decide which party controlled the House of Representatives. Among the absentee ballots, which were cast on paper, the undervotes were a more plausible 2.5 percent. The undervote rates in the district's other counties were far less than in Sarasota County.

There is a good chance that if something went wrong it changed the result. Sarasota was Ms. Jennings's strongest county, and The Orlando Sentinel's analysis of the ballots that did not register a choice in the Congressional race found that the votes cast in other races were more Democratic than Republican — and by a margin of more than the 369 votes separating Mr. Buchanan and Ms. Jennings.

The Jennings campaign has filed a lawsuit challenging the results. There are, unfortunately, no voter-verified paper ballots, so all that can be done is to try to figure out what went on inside the "black boxes," as critics call electronic voting machines that do not produce a paper record for each vote.

The campaign wants its experts to review the machines' secret computer source code, the programming that runs the computer inside the machine, to look for problems. Election Systems and Software, the company that made the machines, is not

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saying whether it will allow this. If it resists, the courts should order the company to hand over the code — a requirement that should, in fact, be routine in all places where electronic voting machines are used.

As Ms. Jennings's suit proceeds, we should learn more about what, if anything, went wrong, and what the options are if any remedies are needed. But one verdict is already in: electronic voting without the full array of protections, including a voter-verified paper trail, is unacceptable.

ANTITRUST:

Justice Dept. Probe Eyes CME Clearing Operation (CRAINCB)

Crain's Chicago Business, November 26, 2006

Antitrust investigators target pricing power of merged CME/CBOT

Justice Department investigators probing the Chicago Mercantile Exchange's $8-billion acquisition of the Chicago Board of Trade are looking at the exchanges' clearing operation, a key profit center that some traders — and apparently regulators — fear could wield monopolistic pricing power.

Three people interviewed by lawyers from the DOJ's antitrust division in recent weeks said that interview questions focused on whether the Merc's clearinghouse, which guarantees $4.2 trillion in trades per day, functions as a limit on competition in futures trading. Investigators also asked whether the Merc could use its self-regulatory power to make rules that deter traders from using rival exchanges, according to the same sources, who spoke on condition of anonymity because the interviews were confidential.

Last year the CME clearinghouse guaranteed 90% of all futures contracts traded in the U.S., according to company filings. Clearing and transaction fees accounted for 76% of its $920.5 million in revenue.

The sources also identified the lead federal investigator on the case as George Baranko, the same Justice Department lawyer who six years ago put together a settlement that forced competition among the four U.S. options exchanges.

ENFORCING EXCLUSIVITY

In the options case, the exchanges agreed to list and trade each other's contracts. Futures exchanges still have the right to trade their own contracts exclusively. So, unlike stocks or options, futures contracts can't be bought at one exchange and sold at another, making it difficult for new entrants to break into the market.

The Merc's clearinghouse enforces its exclusivity by refusing to honor contracts from any other exchange except the Board of Trade.

"There is some analogy" between the former lack of competition among options exchanges and the exclusivity at futures exchanges, says Sandy Frucher, chief executive of the Philadelphia Stock Exchange, a signatory to the options settlement.

Philadelphia also runs a small futures market that has tried, unsuccessfully, to compete with the Merc's interest rate products.

"The clearing issue should be looked at, and the question of a regulatory monopoly," Mr. Frucher says. "If you deal with those issues, it's a good merger."

A DOJ spokeswoman confirmed the investigation but otherwise refused to comment. Mr. Baranko declined to comment.

The Justice Department routinely reviews big corporate mergers and can sue to block the deals if it believes they'll be anti-competitive.

'CONCERN' AMONG BROKERAGES

The Merc already clears Board of Trade contracts under a 2003 agreement. The merger, though, would make that relationship permanent. A Merc spokesman says, "We're excited about this transaction and we don't think there are any obstacles that we wouldn't be able to overcome."

But the specter of a Chicago futures monopoly appears to have spooked some exchange customers.

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Today's Headlines | Related Article Topics | Related Industry News "There is a concern in the broker community that the merger will result in pricing power returning to the exchanges," says Russell Andersson, a vice-president for HedgeStreet Inc., an electronic futures exchange based in San Mateo, Calif.

Column: Biggest Year Ever For Deals (SFC)

By Kathleen Pender

San Francisco Chronicle, November 26, 2006

Shoppers went a little crazy last week, and I'm not talking about consumers camping out in the dark for doorbuster deals.

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I'm talking about companies and private equity firms gobbling up corporations, in whole or part, in a pre-Thanksgiving buyout binge. Last week alone, there were 379 deals valued at $118.6 billion announced worldwide, according to Dealogic. This includes $78.5 billion in deals for U.S. firms.

Among them: The Blackstone Group agreed to buy Equity Office Properties Trust for $20 billion, Freeport-McMoRan Copper & Gold offered $26 billion for copper miner Phelps Dodge, Bank of America said it would buy U.S. Trust from Charles Schwab for $3.3 billion, Russian steelmaker Evraz Group agreed to pay $2.5 billion for Oregon Steel Mills, and Nasdaq made a $5.1 billion hostile offer for the London Stock Exchange, which was rejected.

Last week's deals brought this year's total to $3.51 trillion worldwide, eclipsing the previous record of $3.3 trillion in 2000.

Although strategic mergers -- where one company buys another to expand or complement its business -- are strong, the real growth is merger activity in financial deals, where an investment firm buys a public company and takes it private, usually with loads of debt.

In 2006, takeovers by financial companies accounted for 17 percent of all global mergers, compared with only 4 percent in 2000, according to Dealogic.

What's fueling this merger mania, and why is it not generating the kind of backlash that the leveraged buyout craze did in the early 1980s, when takeover artists were called raiders or barbarians?

Here's a look at some factors:

-- Booming economies. "On a very basic level, it's the economic growth we're seeing both at home and abroad" that's driving merger activity, says John Orrico, manager of the Arbitrage Fund, which invests in companies involved in mergers.

As the U.S. economy recovered from its latest slump, many companies cut costs and refrained from making major investments, building up piles of cash. Now that demand is strong, companies are using their cash to expand by buying, not building.

"It's usually cheaper to buy a product line than taking time to build it," says Roy Behren, who helps manage the Merger Fund, which also invests in companies in the midst of takeovers.

"When you combine companies, there are synergies. The cost savings are very often real. The top-line synergies (such as increasing revenues by selling to the target company's customers) are harder to achieve."

Demand for energy and other commodities is especially strong, thanks to booming growth in countries like China and India. Companies that provide these products are making record profits and many are using it to buy competitors with the hope of cutting costs. In the commodity business, price is everything.

Also, Orrico points out, investment firms such as Morgan Stanley, Goldman Sachs and Lehman trade commodities. To augment this business, many are buying pipelines, barges and storage facilities.

"It gives them an edge if they control or have a hand in the distribution, supply and storage of energy (and other) products," says Orrico.

-- Low interest rates. Interest rates are still low by historical standards and relatively stable.

In addition, the difference in yield between safe U.S. Treasury bonds and risky corporate junk bonds is unusually small. That makes it easier to swallow a large company by putting a little money down and borrowing the rest (a leveraged buyout).

"The credit markets have been pretty friendly to these kinds of deals," says Matthew Toole, an analyst with Thomson Financial.

This month, Freescale Semiconductor sold almost $6 billion in junk bonds, and hospital firm HCA sold $5.7 billion worth to finance their takeovers by private-equity firms. Those were the two biggest high-yield bond sales ever after the $8.5 billion sold to finance the takeover of RJR Nabisco by Kohlberg Kravis Roberts in 1989.

-- Reasonable stock prices. Stock valuations are high enough that acquiring companies can use their shares to buy other companies, but they're not so high that target companies seem overpriced.

"The stock market has returned to levels at which target companies are not reluctant to sell themselves," says Behren. "When the market first cratered as a result of the tech bubble bursting, companies that would have been targets didn't want to sell at those depressed levels. Likewise, companies didn't want to use their low-priced stock to make acquisitions (because they would have had to issue more shares to reach a certain dollar price). Now that the market has rebounded, companies have more valuable currency to use to make acquisitions."

-- Private equity. Although private equity firms have been around for decades, their recent growth is helping fuel the merger boom.

Private equity firms -- such as Kohlberg Kravis Roberts, the Blackstone Group and the Carlyle Group -- raise money from pension funds, other institutional investors and wealthy individuals. They often use this money to buy out the shareholders of public companies, thus taking them private.

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Typically, the buyers might put down 25 to 30 percent of the purchase price in cash and borrow the rest, often by selling high-yield bonds backed by the acquired company's assets. The private equity firm oversees the acquired firm, sometimes with the help of its old management.

The new owners try to improve the acquired company by cutting costs, shedding unprofitable operations and perhaps merging it with other companies they have purchased. It uses the acquired firm's cash flow to repay the bonds. The firm might pay dividends to investors but the real money is made when the acquired company is sold to another firm or back to the public in an initial public offering.

This process used to take years, but nowadays it can be done in months. PanAmSat, FTD Group and Celanese were all sold to the public within a year of going private via leveraged buyouts.

In recent years, private equity firms have been making outsize returns on their investments. Naturally, this has attracted billions of dollars into private equity and much of it is being used to buy out public companies.

"You have a ton, I mean a ton of private equity money on the sidelines waiting to be deployed. If you have $3 billion in private equity, that's going to buy $10 billion worth of companies," says Behren.

At some point the returns from private equity will fall, but nobody knows when or why. It could happen if private equity firms, so eager to put their money to work, pay too much for acquisitions.

When Sam Zell, founder and chairman of Equity Office Properties Trust and one of the smartest real estate guys on the planet, agreed to sell his company to Blackstone last week, some analysts took it as a sign that private equity firms were overpaying for assets, at least in real estate.

On the other hand, the premiums being paid for public companies do not seem out of control, especially given the surge in takeover deals.

This year, private equity firms paid 28.6 percent on average over the public company's market price, compared with 35.3 percent in 2003 and 43.6 percent in 2000, according to Thomson Financial.

That could be because "private equity players need to deliver a certain percentage return to their general partners, so they are probably much more aware of 'overpaying' and will walk away if the purchase price gets too high," says Thomson's Toole.

Or could it be that private equity firms are keeping prices in check by forming clubs to buy companies with each other rather than bidding against each other?

The U.S. Justice Department's antitrust division has launched an informal investigation to determine whether private equity clubs are anti-competitive.

-- Why no backlash? Other than the DOJ investigation, private equity firms and buyouts in general are not generating the kind of negative publicity they got in the 1980s.

Back then, stocks in general were undervalued and selling for less than the sum of their parts in many cases. So-called corporate raiders could gain control of companies and sell them off in pieces, resulting in large layoffs and the disappearance of many venerable corporate names.

Sometimes all the raiders had to was buy a piece of the company, threaten to take it over, then sit back and wait until management paid them a higher price to go away. This tactic, known as greenmail, has since been outlawed.

Today, "public shareholders aren't complaining because they feel they are getting closer to full valuation," Orrico says.

Employees, by and large, aren't complaining because the big deals so far have not resulted in mass layoffs. That could change, especially if the economy turns down.

"If you're an HCA employee, you're not concerned, especially if you owned stock in HCA," Orrico says. But if HCA falters "and you get laid off in a year, you're going to get politicians pissed off, you're going to get unions angry."

Patient care could also suffer. "What are they going to do first? Pay interest or buy new equipment?" Orrico says.

"I think this can have some serious negative consequences for the economy down the road," he adds. "We haven't heard a lot of complaints yet because we don't know what the final outcome is going to be."

Net Worth runs Tuesdays, Thursdays and Sundays. E-mail Kathleen Pender at kpender@sfchronicle.com.

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As Cable, Broadcast Snit Boils, FCC Calls A Meeting (DMR)

Des Moines Register, November 26, 2006

Unless the situation is resolved, this is the last week for KDSM's Fox programs on Mediacom.

Treasure your football, Fox 17 viewers, because today could bring your last viewable NFL game on central Iowa cable for a long while.

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A 12-state, Iowa-based game of broadcasting chicken between Mediacom Communications Corp. and Sinclair Broadcasting Group is scheduled to come to a head Thursday night. And so far, a last-minute meeting called by a federal communications official seems to be the only hope of stopping a crash.

According to Barry Faber, corporate attorney and vice president of Maryland-based Sinclair, Mediacom and Sinclair officials have been summoned to a Monday meeting in the Washington, D.C., office of Robert McDowell, a member of the Federal Communications Commission, to discuss the year-long battle between the companies that threatens to leave 250,000 Iowa households with no immediate access to some popular television programs.

The still-unresolved squabble means Mediacom, which operates cable television systems in 23 states, will lose the right to rebroadcast signals of 22 of Sinclair's television stations, including two in Iowa, beginning Friday morning.

For cable customers in Des Moines, that would mean an end to some NFL football games, no more "The Simpsons" and no more "American Idol" on KDSM, the local Fox TV affiliate.

Likewise, no more "Survivor" or "CSI" for cable customers who watch KGAN-TV, the CBS affiliate in Cedar Rapids.

Mediacom officials say the company provides television to roughly 450,000 households across Iowa, although roughly 200,000 of those homes - in areas outside the Des Moines and Cedar Rapids markets - receive multiple Fox or CBS channels and would not lose any network programming if Sinclair stations go dark.

The long-standing financial dispute, which also has grown to become a legal battle and a public relations war, involves a gap of roughly $1 million, according to the last numbers disclosed by either side.

"I would say it's extremely unlikely that we're going to be able to work anything out," Faber said. "There have not been any substantive conversations at all."

A Mediacom executive echoed that sentiment but sounded optimistic that his company would succeed on a series of complaints filed with the FCC, including charges that Sinclair has refused to negotiate with the cable company in good faith.

Ed Pardini, Mediacom's senior vice president for its Des Moines offices, said he was hopeful the Federal Communications Commission would be able to force some sort of resolution, even if only temporarily. "Both parties are regulated by the FCC, and both parties have a lot to gain by creating a win-win scenario," Pardini said.

McDowell, the FCC commissioner, could not be reached for comment.

Failed negotiations

Mediacom has accused Sinclair in federal court papers of breaking U.S. antitrust laws by linking fee negotiations for 13 television stations that Mediacom wants to carry over its cable systems with nine other stations that it does not.

Sinclair, meanwhile, insists the cable company simply is unwilling to pay broadcasters on the same scale that it pays cable networks for signals such as the History Channel.

The two companies, which agree that Sinclair deserves some sort of payment, negotiated for roughly a year before Sinclair announced in September that it planned to take its stations off Mediacom.

Mediacom's lawsuit was filed in October, followed by repeated public statements from each company blaming the other for the deadlock.

In recent weeks, a Mediacom newspaper ad has accused Sinclair of "strong-arm tactics," while a Sinclair news release referred to Mediacom as a "near monopolist."

Drew McLellan, chief executive officer of McLellan Marketing Group of Des Moines, says much of the campaign has amounted to "sniping at each other," while not offering enough information for any observer to decide who's right or who's wrong.

Company executives say the ferocity of the licensing dispute is being driven largely by Sinclair's determination to raise the price that cable companies everywhere must pay to carry its signals.

Meanwhile, Sinclair's Des Moines and Cedar Rapids stations reportedly are ranked in the middle or bottom of their local markets.

"We're willing to pay a market rate of compensation," Pardini of Mediacom said. "But Sinclair is discriminating against Iowa consumers because it believes that the Des Moines market and the Cedar Rapids market are insignificant to its bottom line."

Said Faber, the Sinclair lawyer: "This is a long-term project to get paid appropriate compensation. So we have to be, and we are, willing to come off" of cable.

Satellite invitation

Faber's company has spent much of the last month urging Mediacom customers to jump ship with them. Throughout November, Sinclair has offered cable customers $150 to dump Mediacom in favor of a DirecTV satellite system.

Company officials plan to announce early this week that the $150 rebate offer, originally scheduled to expire on Wednesday, now will be extended to Dec. 31.

Pardini said earlier this month that he had seen no increase in cable disconnections attributed to the dispute.

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A DirecTV spokeswoman last week said that "a nice number" of Iowans had taken advantage of the rebate. She declined to disclose a number.

DirecTV did provide the names of several customers who recently had switched from cable, but the only one who could be reached on Friday said the Fox 17 issue had no impact on his decision.

"I did not change because of this issue on TV programming," said Matt Anderson of West Des Moines. "I changed because my Internet service was not working, and I could not get anybody from Mediacom to answer the phone."

Josh Garrett of Des Moines, however, is pleased with Mediacom cable and has no intention of switching.

"I don't want a satellite dish," he said. "I just don't want it on my house."

Regardless of what happens Thursday at midnight, all Sinclair-owned stations will continue to be available for free in Iowa for viewers who own a broadcast antenna.

As for cable customers, Mediacom officials say federal law would keep them from offering replacement network programming in Des Moines or Cedar Rapids if Sinclair removes its channels from cable.

However, the company already has found an alternative for at least one key offering on Fox 17 - University of Iowa basketball games.

Pardini said the cable company recently cut a deal with ESPN to rebroadcast any basketball games that are slated to air on KDSM. The tape-delayed games will air on Mediacom's Channel 22 roughly 30 minutes after their conclusion on KDSM and will be replayed the following day.

Reporter Jeff Eckhoff can be reached at (515) 284-8271 or jeckhoff@dmreg.com

Industry Denies Manipulation To Boost Profits (AP)

By Jeff Donn

AP, November 26, 2006

Oil companies face questions about creating tight supplies

BAKERSFIELD -- You'd think it was Texas. Dusty roads course the scrubland toward oil tanks and warehouses. Beefy men talk oil over burritos at lunch. Like grazing herds, oil wells dip nonstop amid the tumbleweed -- or even into the asphalt of a parking lot.

That's why the rumor sounded so wrong here in California's lower San Joaquin Valley, where petroleum has gushed up more riches than the whole gold rush. Why would Shell Oil Co. simply close its Bakersfield refinery? Why scrap a profit maker?

The rumor seemed to make no sense. Yet it was true.

The company says it could make more money on other projects. It denies it intended to squeeze the market, as its critics would claim, to drive up gasoline profits at its other refineries in the region.

Whatever the truth in Bakersfield, an Associated Press analysis suggests that big oil companies have been crimping supplies in subtler ways across the country for years. And tighter supplies tend to drive up prices.

The analysis, based on data from the U.S. Energy Information Administration, indicates that the industry slacked off supplying oil and gasoline during the prolonged price boom between early 1999 and last summer, when prices began to fall.

The industry counters that it's been working hard to meet untiring demand. It faults output quotas set by Mideast oil powers, global competition for oil from booming economies like China's, and domestic challenges like depleting wells, clean-air rules, and hurricanes. They do make things harder.

Yet the AP analysis found evidence of at least an underwhelming industry performance in supplying the domestic market, when profits should have made investment capital plentiful:

During the 1999-2006 price boom, the industry drilled an average of 7 percent fewer new wells monthly than in the seven preceding years of low, stable prices.

The national supply of unrefined oil, including imports, grew an average of only 6 percent during the high-priced years, down from 14 percent during the previous span.

The gasoline supply expanded by only 10 percent from 1999 to 2006, down from 15 percent in the earlier period.

The findings support a conclusion already reached by many motorists. Fifty-five percent of Americans think gas prices are high because oil companies manipulate them, a Pew Research Center poll found in October.

Even in Bakersfield, which lives off oil, many suspect that the industry goes easy on supply for its own reasons. "They ain't trying; that's more money for them," snorted JaRayle Madden, a construction worker filling up his little sedan recently at a local Shell station.

Shutting down

This fast-growing city of 300,000 shuddered in November 2003, when Shell confirmed it would soon close its local refinery. Plant workers, consumer activists and public officials rose up in resistance, firing off letters and demanding meetings.

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The 70-year-old refinery only produced 2 percent of California's gasoline and 6 percent of its diesel fuel. Yet opponents feared its demise would push up prices in the tight markets all along the West Coast.

In these circumstances, surely the plant was worth something to someone, if not to Shell. After losing $57 million mostly in the aftermath of the Sept. 11, 2001, terrorist attacks, the refinery was making money again, Shell acknowledged.

Though set back temporarily by the attacks, the oil business has profited handsomely since then. For example, the biggest six refiners -- Shell is only No. 12 nationally but powerful in California -- rang up $400 billion in profits since 2001, according to the consumer group Public Citizen and corporate reports. Even compliance with complex clean-air rules hasn't spoiled business.

The industry also protected profits by not building any new refineries, instead expanding existing ones when it could.

Shell portrayed its Bakersfield refinery as old and unfit. One executive said there was "simply no longer an adequate supply of crude oil" nearby.

Growing demand

Drillers across the country complain of maturing wells that are slowly running low. Gas or liquid is sometimes injected into reservoirs at higher cost to keep up the flow.

However, oil reserves are expected to last for decades around Bakersfield and elsewhere, according to industry and government estimates. Fresh national reserves are found each year. To make up for older wells, oil companies regularly drill new ones -- about 9,800 last year. Underground discoveries and technological strides have kept domestic reserves at the same level as in 1999.

With demand growing, though, the United States has imported an expanding share of its oil from abroad -- and quotas kept by Mideast nations do lift its price.

It's also true there's a new big buyer of oil: China, with its flourishing economy. Yet even China hasn't outstripped the world's capacity to deliver more oil, at least so far. Since 1999, world supplies grew four times more than China's imports, federal data show.

Imports were impractical at inland Bakersfield, Shell explained. Lynn Laverty Elsenhans, the head of Shell Oil Products US, said the refinery here just wasn't viable anymore.

Shell's blunt tone began to trouble opponents of the plan. Union officer Ed Huhn, a former refinery worker who was trying to keep the place open, began to wonder if it was folly. "They were trying to discourage anybody from buying it," he says.

Skeptics like U.S. Sen. Ron Wyden, D-Ore., got more vocal. They began to suspect that Shell wanted to shut the refinery to sell pricier gas from its bigger refineries elsewhere in the region. By taking a hit at Bakersfield, maybe Shell could come out ahead.

"They were trying to squeeze the market in every possible way," Wyden insists.

Shell spokesman Stan Mays denies that. He says it's "impossible to speculate" on whether Shell would have profited from closing the plant.

But he indirectly acknowledges that Shell didn't intend to make the refinery attractive for a competitor: "Who's going to want to buy it? We're not going to give crude supply with it."

Market manipulation

It turns out that the industry exerts quite a bit of control over supply.

For one thing, it decides to invest in new wells and refining equipment -- or not to. Though reserves have kept pretty steady, the oil industry taps those resources to varying degrees from year to year. The long price run-up first took off as the number of new wells abruptly dropped by a total of 59 percent in 1998-1999, federal records show.

One consumer advocate, Mark Cooper, refers to industry-induced supply bottlenecks as "strategic underinvestment." He views references to "discipline" in annual corporate reports as a code word for going easy on supplies.

"Anytime someone talks about 'discipline,' this suggests to me that they have market power. They're choosing what investments to make," said Cooper, research director for Consumer Federation of America.

There's evidence he may be right. A 2001 study by the Federal Trade Commission reported that some firms were deciding to "maximize their profits" by crimping supply during a Midwestern gasoline price spike. One executive told regulators "he would rather sell less gasoline and earn a higher margin on each gallon sold."

This year, the FTC reported that some oil companies were storing oil, instead of selling it right away, to await higher prices anticipated in the future.

The industry has shelved an average of 21 percent more unrefined oil from the start of 2004 through last June, the AP analysis indicates. Last spring, stocks of shelved crude reached their highest level in eight years, despite the fabulous riches at hand in high prices then.

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Such a strategy could conceivably extend to drilling, too. "If you think prices 10 years from now are going to be $100 a barrel, you might not be that enthused about producing as much as you can now," suggests energy economist Allan Pulsipher at Louisiana State University.

However upsetting to drivers, such tactics are usually viewed as legal. "A decision to limit supply does not violate the antitrust laws, absent some agreement among firms," regulators wrote in one FTC report.

Mergers Mean Quick Gains For Funds (WP/AP)

By Tim Paradis, Associated Press

The Washington Post, November 26, 2006

The Trick Is Figuring Out Which Companies Will Be Sold Next

NEW YORK -- Investors observing the seemingly uninterrupted parade of corporate buyout announcements might wonder how much the deals and the attendant rise in stock prices will boost returns in their mutual funds. The answer depends on the type of funds they own.

Acquisition announcements often inspire investor confidence because the deals generally reflect a sense that the stock market offers bargains on desirable businesses. That notion can send stocks up in general, which benefits many mutual funds. And while the many merger announcements have prompted questions about whether the market is overvaluing some properties, mutual funds returns for the year are likely to get a boost from all the dealmaking.

One way investors can benefit from an acquisition is if a fund they own holds shares in a company being acquired. The fund's return can grow from the jump in a stock that often accompanies a buyout announcement. Shares of the company doing the acquiring typically fall, though generally only temporarily, as investors tend to frown upon the risk those companies are taking.

For Barry R. James, a portfolio manager at James Investment Research and president of the James Advantage Funds, the benefits of the buyouts are apparent, though he is quick to note potential pitfalls. The James Small Cap Fund, which has assets of $266 million and is up 13.5 percent this year, has advanced as five of the companies whose stock the fund holds were acquired in the past couple of months.

"Companies are awash in cash and they're just scratching their heads as to what do," James said of the recent flurry of deals. But he noted that even funds with narrow investment parameters can stray from a disciplined investing strategy and put returns at risk if they focus too much on anticipating the next acquisition target.

"We hope all our companies are bought out," he said. "We don't mind that at all but we're not trying to target ones that are going to be purchased."

The inherent diversity of a mutual fund, however, can limit the degree to which a jump in the price of a single stock can help the fund's return. The James funds' shares in companies that are being acquired generally rise 25 percent to 33 percent, but with positions of generally 2 percent to 4 percent, the overall effect on a fund's return is limited, James said.

Other funds seek to profit by buying shares of a company being acquired and, in a tactic known as shorting, bet that the stock price of the acquiring company will fall. Such arbitrage merger funds generally show little correlation to the overall direction of the stock market and instead benefit from an increase in acquisitions simply because that means there are more deals from which to choose.

John S. Orrico, who runs the Arbitrage Fund, said that as the world's economies grow, the possibilities increase for funds that capitalize on the spreads between stock prices and acquisition prices.

"We can cherry-pick through deals from across the globe," Orrico said. "Globalization is going to continue to be the fuel that feeds consolidation."

The Arbitrage Fund has assets of $173 million and a return this year of 5.4 percent. While the returns haven't matched those of other funds that have benefited from surging stock prices, he noted that the fund has gained during down years in the stock market.

Orrico's fund focuses on finding deals that are most likely to close and have the least shareholder opposition, financing difficulties and antitrust concerns. In doing so, the funds are less likely to bet on a deal that ultimately falls apart.

"Our approach is capital preservation while generating a return that exceeds the fixed income markets," Orrico said.

While many types of mutual funds can benefit from increased acquisition activity, the recently announced mergers haven't been concentrated in one sector, making it difficult to pinpoint what the next takeover target might be, said Todd Trubey, an analyst at Morningstar, which tracks funds.

In any case, funds that buy stock in a company shortly before it is acquired can incur short-term capital gains taxes. Still, if the stock price rises enough, the deal could ultimately still prove beneficial for a fund's returns, Trubey said.

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While mutual fund holders might welcome an increase in merger activity, there is a risk that buyout prices could become inflated and cause other stock prices to move too high.

"There's a lot of speculation driving share prices higher and people are looking at [buyout] valuations and applying those to companies that are not in deals," Trubey said. "That's a risky business."

Airline Mating Dances Pick Up (HC)

By Bill Hensel Jr., Houston Chronicle

Houston Chronicle, November 26, 2006

Continental prepares in case it must choose

If you could take two big airlines and put them together to make one really big airline, which ones would you pick?

This has become a serious question since US Airways made a hostile bid for Delta Air Lines.

If it succeeds — and that's far from certain — it could trigger further industry consolidation.

If Houston-based Continental Airlines were left behind, it could find itself at a competitive disadvantage to far bigger competitors.

Consolidation in the airline industry has long been a topic on Wall Street.

"This has been waiting to happen for long time, everyone has been expecting consolidation," said Alan Sbarra, an industry consultant with Roach & Sbarra. "Nobody considered US Airways a player, but this clearly is a signal that everybody is in play."

Last year's merger of US Airways and America West — which has had promising results so far, but there is still difficult work to be done — revitalized the view that there are huge profits to be made through mergers and acquisitions, De- Paul University professor Joe Schwieterman said.

"The possibilities now are enormous, and every airline will be feverishly studying their options," Schwieterman said.

A quick study shows some pairings make more sense than others, and all of them present challenges.

Take a marriage between Continental and United Airlines. It's a matchup that analysts have increasingly discussed as a possibility ever since US Airways made its Delta bid.

A Continental-United pairing could raise fewer regulatory concerns than some others, JP- Morgan analyst Jamie Baker wrote in a recent report. That's because it offers a high concentration of competing service in only a handful of cities.

To pull it off, Continental would have to finance a deal and sell the unions on the benefits of combining the bigger carrier and its culture with Continental's team.

Continental won't talk specifically about what it is doing in the wake of the US Airways offer for Delta.

Larry Kellner, Continental's chairman and chief executive, indicated the carrier would consider a merger to stay competitive.

"If the landscape of the U.S. airline industry does indeed change, we'll do what we need to do to act in the best interests of you, our customers, our shareholders and the communities we serve," Kellner said in a recent recorded message to employees.

Other possibilitiesOther possible pairings that have been discussed include Continental and Northwest Airlines, American and Northwest, Delta and United or Delta and Northwest.

Discussions about what it would take to put these carriers together lead into their often-complicated histories and the nitty-gritty of their operations.

Northwest has two strikes against it: It is operating in bankruptcy, and it is fighting with its flight attendants union. No airline is keen on inheriting labor strife.

But it could play a big role in Continental's future because it holds a so-called golden share of Continental, meaning it could stop another airline from taking over the Houston carrier. That means any pairing involving Continental would likely require that Continental be the buyer, which would mean Northwest would not have a say.

While Wall Street sounds high on the combination of US Airways and Delta, the carriers have some operational problems to solve, according to aviation consultant Mike Boyd of the Boyd Group.

"The fleets are the economic equivalent of the Hatfields and McCoys," Boyd wrote in a recent report he posted on his Web site. "777s and A330s. 737s and A320s. And a hodgepodge of other aircraft."

When the realities of maintenance programs, training curriculums and parts inventories are considered, combining two carriers with a complex mix of jets could be a big deal, he said.

Where they overlapOne of the most quantifiable factors in this discussion is the overlap — the number of cities where the two carriers compete aggressively. When federal regulators review these deals, they take a hard look at specific routes where a merger could eliminate competition, leading to higher fares.

JPMorgan determined that a merger between Delta and Continental — a deal that was considered several years ago — has a higher overlap than any other pairing, at 32 percent.

The overlap between Delta and US Airways is 18 percent, according to JPMorgan.

But the Department of Justice has been increasingly willing of late to allow mergers that once would have been thought to be anticompetitive, Judy Gechman, an antitrust specialist at Houston-based Jenkens & Gilchrist law firm, said last week.

Gechman cited the joining this year of Whirlpool and Maytag, in which the merged company wound up with 70 percent of the market, she said.

However, that trend might not continue when it comes to the airline industry.

"I think they are going to have to be very careful when they look at this because the airline industry is so critical to our country," Gechman said. "Not that clean clothes aren't."

But Schwieterman says the US Airways offer to buy Delta looks like a long shot.

"It is a bold, daring move that probably faces long odds," he said. "But it also was a wake-up call about the inevitability of consolidation."

ENVIRONMENT/INDIAN AFFAIRS:

On The Move To Outrun Climate Change (WP)

By Blaine Harden, Juliet Eilperin

The Washington Post, November 26, 2006

SEATTLE -- As the Bush administration debates much of the world about what to do about global warming, butterflies and ski-lift operators, polar bears and hydroelectric planners are on the move.

In their separate ways, wild creatures, business executives and regional planners are responding to climate changes that are rapidly recalibrating their chances for survival, for profit and for effective delivery of public services.

Butterflies are voting with their wings, abandoning southern Europe and flying north to the more amenable climes of Finland. Ski-lift operators in the West are lobbying for leases on federal land higher up in the Rockies, trying to outclimb snowlines that creep steadily upward.

Polar bears along Hudson Bay are losing weight and declining in number as the ice shelf melts and their feeding season shrinks. Power planners in the Pacific Northwest, which gets three-quarters of its electricity from hydroelectric dams, are meeting in brainstorming sessions and making contingency plans for early snow melts, increased wintertime rainfall, lower summertime river flows and electricity shortfalls during hotter, drier summers.

With the issue of a warming planet shifting rapidly from scientific projection to on-the-ground reality, animals and plants are being compelled, along with businesses and bureaucracies, to take action aimed at self-preservation. They are doing so even as the Bush administration eschews regulations, laws or international treaties that would require limits on carbon dioxide emissions, which scientists say are the main cause of global warming.

A newly published synthesis of 866 peer-reviewed studies of the effect of climate change on wild plants and animals has found what its author, Camille Parmesan, an assistant professor of integrative biology at the University of Texas at Austin, describes as a "clear, globally coherent conclusion."

Flora and fauna are migrating north or climbing to higher ground if they can, said Parmesan, whose paper appears in the December issue of the Annual Review of Ecology, Evolution, and Systematics. If they cannot move, she said, their numbers are often declining, their health is getting worse, and some are disappearing altogether.

"Wild species don't care who is in the White House," Parmesan said. "It is very obvious they are desperately trying to move to respond to the changing climate. Some are succeeding. But for the ones that are already at the mountaintop or at the poles, there is no place for them to go. They are the ones that are going extinct."

Among the most affected species, Parmesan said, are highland amphibians in the tropics. She said more than two-thirds of 110 species of harlequin frogs, which occupy mountain cloud forests in Central America, have become extinct in the past 35 years.

Meanwhile, many pest species -- including roaches, fleas, ticks and tree-killing beetles -- are surviving warming winters in increasing numbers. "We are seeing throughout the Northern Hemisphere that pests are able to have more generations per year, which allows them to increase their numbers without being killed off by cold winter temperatures," said Parmesan.

Federal scientists say that the first six months of this year were the warmest on record in the United States and that the five warmest years over the past century have occurred since 1998. In her review of studies measuring the impact of climate change on wild plants and animals, Parmesan said this "sudden increase" in temperatures appears to have been a tipping point, triggering substantial responses from a broad range of species.

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"The magnitude of impacts is so overwhelming that many biologists are now calling this the single most important problem they need to work on," said Parmesan. "You can save all the habitat you want, but if it is not any good climatically, what is the point?"

Though President Bush has said that human activity has contributed to climate change, he has consistently rejected the idea of imposing mandatory curbs on carbon dioxide emissions.

In an interview shortly after this month's congressional elections, James L. Connaughton, chairman of the White House Council on Environmental Quality, said the country would be better off setting a voluntary goal -- such as increasing the use of renewable fuels -- than dictating industrial greenhouse-gas emission levels.

"Setting a reasonably ambitious target and then exceeding it is a good way to make reasonable progress," Connaughton said.

The Bush administration has outlined a strategic plan that calls for developing technology that would reduce carbon dioxide pollution. It now spends $3 billion a year on energy research and development. But when adjusted for inflation, this money is a fraction of what the federal government spent in the past. Researchers such as Reuel Shinnar and Francesco Citro, two chemical engineers at the Clean Fuels Institute at the City College of New York, estimate the country would have to spend hundreds of billions of dollars a year to make the transition to a carbon-free society.

From the Gulf of Mexico to the Pacific Northwest, the effects of global warming -- along with the responses of animals, people, businesses and bureaucracies -- are being woven into the fabric of everyday life.

On Cape Sable, on the far southwestern edge of Florida, boaters, sportsmen and scientists have watched as a rising sea level has transformed a freshwater marsh into a portion of the sea.

Where there had been saw grass, the distinctive vegetation of the Everglades, there are now mangrove trees, which thrive in salt water and open water. Redfish inhabit areas that once had been wetland. The endangered bird named after the area, the Cape Sable seaside sparrow, has fled northward.

Using historic photos and tidal gauge records, University of Miami professor Harold Wanless, chairman of the geology department, has studied the changes. Between the sinking of the land and the rise of the seas since the 1930s, the relative water level has risen nine inches, he said.

"Freshwater marshes on Cape Sable are now evolving into more or less open marine waters," he said. "We're not talking about global warming as something that will happen in the future. Its happening right now. All the king's horses and all the king's men won't be able to put Cape Sable together again."

In the high country of western Montana, ski resort manager Tom Maclay is trying to outrun climate change by persuading the U.S. Forest Service to lease 12,000 acres across Carlton Ridge and Lolo Peak. The land, which lies above property he owns, would allow his resort to reach a top elevation of 9,100 feet.

Maclay is well aware how climate change is transforming his business and how nearby resorts have suffered from a lack of snow in recent years. At nearby Glacier National Park, the U.S. Geological Survey quantifies the change, noting that there has been a 73 percent decline since 1850 in the area of the park covered by glaciers. Many smaller glaciers are now gone, it says, and larger ones have shrunk by about two-thirds.

Maclay and his resort's chief executive, Jim Gill, are negotiating with snowmaking manufacturers who are asking for tens of millions of dollars for their services.

"Now with the snowline creeping up the hill, it's tougher and tougher for the areas that are struggling at the margins to keep their base areas full of snow," Gill said. "If you don't have a good snowmaking operation, you're not going to be able to compete."

In the Pacific Northwest, which depends far more on hydroelectricity than any region of the country, research findings on global warming from the University of Washington's Climate Impacts Group have prompted utilities, federal agencies and regional planning groups to convene brainstorming sessions in the past year.

They are looking at possible ways of mitigating power shortages as the summer flows of the region's rivers decline -- a result of less snow in the mountains and early melt.

For decades, the Pacific Northwest has had a surplus of power to send south to California during hot summer months. But if Northwest rivers run low as summers get hotter, the region could end up competing with California for power, said John Fazio, a senior power systems analyst for the Northwest Power and Conservation Council, a regional planning group.

"More and more, global warming is becoming a serious part of the planning process," said Fazio.

Climate In The Court (WP)

The Washington Post, November 26, 2006

ON WEDNESDAY, the Supreme Court will hear oral arguments in what could prove to be one of the most fateful environmental cases in a generation -- or not, depending on what the justices do with it. Massachusetts v. Environmental

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Protection Agency is a challenge by states and environmental groups to the Bush administration's refusal to regulate greenhouse gases as pollution.

The question of how to handle global warming is the chief environmental issue of our era. Yet the Environmental Protection Agency has refused to assume regulatory authority over greenhouse emissions. It claims that the Clean Air Act gives it no power to do so. The law, however, gives the EPA power over "any air pollutant from any class or classes of new motor vehicle . . . [that] may reasonably be anticipated to endanger public health or welfare." What's more, it specifically identifies effects on "climate" as an aspect of that public welfare.

The EPA goes on to argue that even if it has the power to regulate carbon emissions, it doesn't have to -- and it doesn't want to. The government cites "scientific uncertainty as to the mechanisms of global climate change." But the law on this point is clear as well: The EPA, it says, "shall" regulate any pollutant from new motor vehicles that it expects to do harm. And while all the mechanisms of climate change are not understood, greenhouse gases certainly can be expected to do harm.

The tricky legal question is whether the states and environmental groups -- or anyone else, for that matter -- have standing to bring the case. To establish standing, one has to show both that an actual injury has occurred and that winning the case would redress that injury. The problem of climate change is so huge that it creates a paradoxical barrier to litigation: Regulating one relatively small component of the problem -- emissions by new vehicles in the United States -- probably wouldn't do much overall to stop global warming. Depending on how the justices treat this question, the case could peter out.

That would be frustrating and unfortunate. Nowhere is this administration's resistance to action on global climate change more aggravating than in its persistent refusal to use the legal powers already at hand. What an irony it would be if its lawless inaction survived judicial review because the problem is too big.

Clean Up The Navajos' Poisoned Land (LAT)

The Los Angeles Times, November 26, 2006

DURING WORLD WAR II, the federal government made a deal with Navajos: If the tribe allowed uranium mining on its 27,000-square-mile reservation, the land eventually would be returned "in as good condition as received."

Instead, when the diggers left by the mid-1960s, the land was scarred by open shafts, contaminated well water and radioactive piles — often without fences or warning signs. As a Times series (latimes.com/navajo) reported last week, federal inspectors knew about the damage but did little to prevent or fix it.

What followed was unconscionable. Navajos drank from contaminated pools, slept on radioactive floors and fed their herds on land irrigated with death. Children suffered mysterious, painful illnesses and died young. One couple, Helen and Leonard Nez, lost six of their children; Helen had drunk poisoned water while pregnant.

Blame can be laid at the feet of the mining companies and even the tribal government. But it is the job of the Environmental Protection Agency and the Bureau of Indian Affairs to prevent environmental wreckage and safeguard the tribe's interests. Both fell down on the job spectacularly.

Cleanup of toxic sites has happened only in fits and starts. One obstacle is that the federal government, unaccountably, has failed to conduct the comprehensive health and environmental studies necessary to determine the extent of the harm done. After several unsuccessful efforts to obtain funding, the tribe solicited the EPA's Superfund program, to help squeeze money out of mining companies or draw from the fund's $1.6-billion cleanup money. But the low population density of the area has prevented Navajos from qualifying.

Now the tribe is once again making the case to have its radioactive land placed on the Superfund list. This should be an EPA priority; if it takes an act of Congress, then fine. The country has a historical, ethical and contractual obligation to remove the toxic health hazard it created on Navajo lands.

Mining companies, excited about cleaner new technologies and an exponentially growing demand for uranium, are once again knocking on Navajo doors, offering jobs and swearing environmental responsibility. The tribe has said no, and no it should remain — at least for now. The government should not buy from any tribal mines until the country proves that its promises and contracts aren't as flimsy as the onion-skin paper on which they were once typed.

FBI/DEA/ATF/USMS:

U.S. Crackdown Sends Meth Labs South Of Border (LAT)

By Richard Marosi

The Los Angeles Times, November 26, 2006

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GUADALAJARA — The methamphetamine laboratories that once plagued California's hinterlands and powered a national explosion of drug abuse have been replaced by an increasing supply from Mexico, U.S. law enforcement officials say.

Methamphetamine production has surged south of the border, from Baja California ranches to the highlands of Michoacan to the industrial parks here in Mexico's second largest city, where authorities in January busted the largest laboratory ever discovered in the Americas.

The fortress-like compound ringed by high brick walls housed 11 custom-designed pressure cookers that could produce 400 pounds of the drug per day. It dwarfed anything ever found in California, where the standard cooking tool is a 23-quart beaker and a 20-pound batch is considered a good production day.

"It was the mother lode of mother lodes," a U.S. law enforcement official said.

The boom in Mexican methamphetamine production stems from successful efforts in the U.S. to control the sale of chemicals used to produce the drug, including the cold medicine pseudoephedrine.

Drug traffickers, some of them ex-convicts and fugitives from the United States, including a former chemistry professor from Idaho arrested last month, authorities say, have resettled in Mexico because of the easy access to pseudoephedrine and other chemicals.

The largest share of the chemicals is believed to be shipped to Mexico from factories in China and India and routed through Hong Kong. China has emerged as the top concern for U.S. authorities.

Like traffic in heroin and cocaine, the methamphetamine economy has become a global phenomenon. So too is the battle to control what most U.S. law enforcement authorities consider the country's greatest drug threat.

'A new ice age'

"The cliche is coming true: We've entered a new ice age," said Misha Piastro, an agent with the Drug Enforcement Administration who has worked on the U.S.-Mexico border, referring to the smokable form of the drug called ice.

The trend began surfacing about two years ago as a crackdown on the bulk distribution of ingredients cut off producers from supplies in the U.S. and, later, Canada.

The rural fringes of California metropolitan areas, including the Inland Empire, which once were centers of methamphetamine production, remain important distribution hubs. But the number of "superlab" discoveries in California has dropped from 125 in 2003 to 12 through mid-October this year, according to the DEA. Nationwide, the numbers have dropped from 130 to 19 during the same period. Superlabs are operations that can produce more than 10 pounds of methamphetamine per cooking cycle.

Authorities now estimate that 80% of the methamphetamine on U.S. streets is controlled by Mexican drug traffickers, with most of the supply smuggled in from Mexico. Methamphetamine seizures at the U.S.-Mexico border jumped 50% from 2003 through 2005, from 4,030 to 6,063 pounds.

Mapping the methamphetamine production network is difficult in a country of remote ranchlands and under-patrolled metropolitan areas. Few law enforcement authorities are trained to recognize the signs of a drug lab, including the fumes and pollutants that pose significant environmental hazards.

Nonetheless, the number of labs discovered by Mexican authorities nearly tripled from 2002 to 2005, from 13 to 37, and methamphetamine seizures more than doubled, to 2,169 pounds, during the same period. U.S. authorities believe the numbers are a fraction of actual activity, as signs of an extensive production infrastructure have surfaced in the last year or so.

Among those signs: Mexico's importation of cold medicines jumped suddenly in recent years, from 92,000 tons in 2002 to 150,000 tons in 2005. Though recently imposed restrictions have cut legal imports by about half this year, U.S. authorities believe significant amounts are still being smuggled through corruption-ridden Mexican ports.

Last December, Mexican authorities at the Pacific Coast port of Manzanillo found 5.1 million pseudoephedrine tablets hidden in a cargo of ceiling fans from China. The cache would have been enough to produce about 3 tons of finished product, authorities said.

Last November, China toughened its reporting and licensing requirements for those manufacturing, shipping, trading and exporting bulk chemicals such as pseudoephedrine, a step welcomed by international drug enforcement officials.

But Beijing did not impose limits or reporting requirements on end users. Smugglers are still free to buy millions of cold tablets, hide these in Chinese export products and ship them to Mexico or other destinations, as seen with the ceiling-fan discovery.

China also faces problems similar to those in Mexico — budget constraints, corruption, turf battles and inadequate detection and monitoring equipment.

Public health problem

In Mexico, meanwhile, drug lab discoveries have spanned the country. In Mexicali, several labs have erupted in flames. In Michoacan, authorities have discovered large production operations and believe lab activity is rife in the state's rural areas.

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Producers also have flooded the Mexican domestic market with the drug, creating an epidemic of methamphetamine addiction and drug-related crime in many cities.

"It's a grave public health problem of enormous dimensions," said Victor Clark Alfaro, a border expert and director of the Binational Center for Human Rights in Tijuana.

Guadalajara, capital of the western state of Jalisco, has emerged as a production hub for methamphetamine, authorities say. Lab activity is easily camouflaged in the metropolitan area of 4 million people, which encompasses isolated ranchlands, industrial areas and densely packed urban neighborhoods where exhaust and sewer smells mask the fumes of superlabs.

The ease of operating in Guadalajara was vividly illustrated in October, officials say, when authorities acting on an anonymous tip arrested Frederick Wells, a former Idaho State University professor who was allegedly running a superlab in his pink stucco home half a mile from the U.S. Consulate.

Wells, 57, who fled the United States in 1998 after being charged with operating a drug lab in his university office, had only to walk down the street to purchase industrial chemicals at a storefront business in Guadalajara. Authorities say Wells told them that neighbors in the quiet area of neat homes never noticed the smells during the nearly two years he operated the lab.

The enormous lab discovered in January was in a gritty area of chemical plants, small ranches and cornfields outside the city.

"We smelled things but didn't know what it was. There are lots of factories around here; you never know what you smell," said Armando Murillo, who lives behind the former lab on a small ranch where he raises goats and sheep.

Murillo's property was transformed into a campground for about 150 soldiers who guarded the lab for weeks. The suspects, a trio of chemists and former classmates at the University of Guadalajara, left behind more than 1,000 pounds of powdered methamphetamine in three barrels, and enough precursor chemicals to produce another 1,000 pounds, authorities said.

After the arrest of one suspect, authorities found four more superlabs they said were tied to the group. Another suspect is believed to have been killed by a local paramilitary-style gang, which is charged with burying alive five men at a ranch, one of them an ex-convict from Riverside County who had moved to Jalisco to get into the methamphetamine trade, a U.S. law enforcement source said.

Two other ex-convicts — one from Riverside County, the other from Phoenix — were arrested in August on suspicion of operating a lab at a ranch where Mexican authorities discovered 220 pounds of methamphetamine.

The migration south of fugitives and ex-convicts worries authorities who say it coincides with the release from U.S. prisons of many drug traffickers who have finished serving sentences dating from the early era of the methamphetamine trade.

Scarce resources

With narcotics-related violence flaring across the country, experts say Mexico is ill-prepared to open another front against methamphetamine production. The DEA has donated equipment and begun to teach their Mexican counterparts how to find drug labs, but resources for a wide-ranging enforcement effort are scarce.

Authorities in Guadalajara, for instance, delayed dismantling the lab in January because the nearest lab truck, filled with protective suits and equipment to safely dispose of chemicals, was five hours away, in Mexico City.

"The problem is too new," said Marcos Pablo Moloeznick Gruer, a political science professor at the University of Guadalajara. He said Mexican law enforcement was not "aware or concerned enough" about the rise in methamphetamine production.

Heroin Use Rising In Indy (INDYSTAR)

By Will Higgins

The Indianapolis Star, November 26, 2006

Popularity of addictive drug could lead to increased thefts

Heroin, the scourge of the '70s, is back.

While the drug still makes up a minority of the cases at Indianapolis' drug court, heroin is increasingly easy to find on the city's streets, according to police, as it is elsewhere in Indiana and the nation.

"I'm seeing a lot, lot more heroin," said Jamie Guilfoy, an IPD narcotics detective since 2001. "I never saw any up until the last year."

Guilfoy and other Indianapolis Police Department narcotics investigators have confiscated nearly 1,000 grams -- about 2.2 pounds -- of heroin this year, more than 10 times what they seized in 2005.

Indiana State Police project they will investigate close to 700 heroin cases this year, twice as many as last year and three times as many as in 2004.

Another possible indicator: A 2006 Indiana University survey found that 2.2 percent of Indiana high school seniors have tried intravenous drugs -- a 25 percent jump from the previous year. The needle is the preferred method of heroin users.

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The emerging trend is nationwide, with cities such as Minneapolis; Dallas; Covington, Ky.; and Salt Lake City also reporting heroin upswings. The U.S. Drug Enforcement Administration has confiscated heroin in slightly declining amounts the past two years, but from 2001 to 2005, seizures were up more than 50 percent compared with the previous five years.

The trend is alarming, noted a U.S. Justice Department study released last week, because heroin, more than other abused drugs, is a multifaceted plague.

"Although overall abuse levels for heroin are lower than levels for other drugs, including cocaine and marijuana, the consequences of heroin abuse are far-reaching in terms of heroin-related deaths, treatment admissions and emergency department mentions," said the National Drug Threat Assessment 2007.

Nonviolent crimes such as burglary and theft, which are already on the rise in Marion County, are likely to increase with heroin use as addicts seek ways to finance their habit, police say.

Why the surge?

Robin Parsons, director of adult services at Fairbanks Indianapolis drug and alcohol treatment center, says the heroin surge is a result of a police crackdown on OxyContin, a commonly abused prescription painkiller.

"There was an OxyContin crisis in 2000 to 2004," she said, "then law enforcement got an inkling of what was happening, and OxyContin became harder to get."

And heroin became easier.

Heroin production has expanded in Afghanistan and Mexico, according to the DEA. The Afghans mostly ship their heroin to Asia and Europe; the Mexican-produced heroin comes to the U.S. So does heroin from Thailand.

The prices of OxyContin and heroin vary, but these days, heroin's street price is higher, according to police and others. In Indianapolis, OxyContin costs about $10 a pill, compared with $20 for a comparable amount of heroin, about a tenth of a gram.

Both drugs are opiates, but OxyContin's high pales next to heroin's, said K., a 27-year-old Indianapolis woman who has tried both. "Oxy tides me over, but it's nothing, really. It's not much. Nothing like the boy."

Agreeing to an interview only if her name was not used, K., who is serving a five-month sentence for drug possession and is in the custody of the Marion County Jail, said that when she started using heroin four years ago, she had one source. Today, she said, she knows eight heroin dealers -- and all of them deliver.

The drug has cost her custody of her three children; it has driven her to prostitution. Still, K. rhapsodizes about it: "The best feeling. No worries."

A deadly habit

The typical heroin user takes three or four hits a day, said DEA spokesman Garrison Courtney, costing $60 to $80. But veteran junkies build up a tolerance to the drug, so $200-plus-a-day habits aren't unheard of.

Most of Indianapolis' heroin comes through Chicago, plagued recently by a rash of overdoses due to a deadly mixture of heroin and fentanyl, an extremely potent painkiller.

About 500 deaths have been reported this year throughout the country, though the fentanyl scare has not reached Indianapolis.

Heroin overdoses, instead of having a chilling effect, actually whet users' appetites. "When users see an OD death, they seek out that heroin, thinking it must be some really good stuff," Courtney said.

Joanna Zoltay, of the DEA's office in Chicago, said the Chicago Police Department began distributing fliers last summer aimed at alerting heroin users to the locations where the deaths had occurred. The plan was to warn them away from the area.

"Unfortunately," Zoltay said, "that seemed to . . . make people want to buy it more. They literally had traffic problems in those areas."

Heroin is different from cocaine and methamphetamine, which are stimulants that send their users on wired, manic runs. Heroin, an opiate, relaxes a person, makes him mellow, sluggish. The strong drive for another hit, experts say, comes from the sick feeling that comes from withdrawal.

"When you're on heroin, you have to do it or else you'll be sick," said Nate Rush, an Indianapolis social worker and former heroin addict who has been clean since 1991. "And it's the worst kind of sick -- body cramping, throwing up. It's like the worst case of the flu ever. The pain goes all the way to the bones."

Impact of addiction

"People on heroin aren't the most productive people," said Eric Lawrence, director of forensic analysis at the Indiana State Police Crime Lab System. "They are unable to maintain employment. They have no money, and they have to have (the drug)."

The upshot: "If there's a continued rise in the use of heroin, you can expect a proportionate rise in burglaries, thefts and robberies," Lawrence said.

For the first eight months of this year, 508 burglaries were reported in Indianapolis, nearly twice as many as in the same period last year, though police can't say for sure that heroin is to blame.

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K. has funded her habit through prostitution. Men, some of them "real nice guys," call her up; she invites them over. Her boyfriend is uncomfortable with the arrangement, she said, "but he spends the money and gets high with me after."

Like many of today's heroin users, K. didn't start off injecting the drug with a needle. She started the more palatable, less violent way: She snorted it in powder form.

Snorting gained popularity in the 1990s, according to a study by the U.S. Department of Health and Human Services, as heroin became more pure, more potent. Free from the needle's stigma, heroin found new converts, drug experts say.

"I told myself I'd never inject," K. said. "I was scared to death to inject it."

But the high through injection is more intense, and in just two months, K. -- like seven of 10 heroin users -- was injecting.

By then, heroin had consumed her. She gave up her children and her hobbies, which included swimming and bowling.

In jail, where she has been since September, she frequently dreams about the drug. She sees it, loads it into a syringe, and just as she sticks the needle into her arm, she wakes up, disappointed.

She has been clean since August but has twice before flunked out of rehab.

She is due to be released from prison Dec. 3. She wonders -- and fears -- what she'll do then.

Call Star reporter Will Higgins at (317) 444-6043.

IMMIGRATION:

Border Group's Finances Scrutinized (HC)

By Susan Carroll, Houston Chronicle

Houston Chronicle, November 26, 2006

Minuteman founder reveals figures, but some still wonder where the money went

For the first time, the Minuteman Civil Defense Corps has revealed a smattering of intriguing details on its finances, but some former Texas members say they're still not sure how the group has spent hundreds of thousands of dollars in contributors' money.

Chris Simcox, founder of the nonprofit border watch group, posted IRS forms and an audit on his Internet site Nov. 15 in response to media reports raising concerns about how the organization was handling its contributions.

The new documents offer a glimpse into the group's finances, former Minuteman loyalists say, but leave unanswered questions. Among them: How is the group spending thousands of dollars in membership fees they've collected in the past 19 months? And what companies or other nonprofits received $277,000 — amounting to more than half the group's contributions in 2005 — for unspecified "personnel services?"

Already, questions about the group's finances and other concerns have prompted some leaders to quit. Bill Parmley, the former head of the Texas chapter of MCDC, was one of the first leaders to leave in July 2005.

"There were just too many irregularities," Parmley said in an interview. "I just didn't want to be involved in something like that."

Simcox and his spokeswoman, Connie Hair, did not respond to repeated phone calls or messages.

In barnstorming stops across the country last year, Simcox told crowds of new recruits that the organization charged a mandatory $50 membership fee for background checks. He made exceptions for anyone who already had a concealed weapons permit, which requires an extensive background check, and for former law enforcement officers.

But the group's recently posted IRS Form 990 — a public record required for all nonprofits — shows that the group spent only $1,074 on background checks for volunteers in 2005 while charging new recruits $50 each and collecting more than $54,000 in registration fees.

Kenneth Buelter and his wife, Daphne, former Minuteman loyalists, recalled meetings where MCDC leaders explained the $50 registration fee.

"They told us it was for background checks," said Daphne Buelter.

Kenneth Buelter, a concealed-weapons permit holder, went ahead and paid the $50, considering it a donation. "I thought it was the right thing to do," he said.

'Unanswered questions'But months later, the couple decided to distance themselves from the movement, even though they still believe in the cause. "There were a great deal of unanswered questions," Daphne said.

The records Simcox posted on the Web site seem to answer some of the more serious questions raised by former MCDC members in media reports published this summer. The Washington Times reported in July that some former leaders had resigned because of financial questions, and pressed in editorials for Simcox to account for the group's donations.

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The audit Simcox made public shows that an accredited firm signed off on the group's finances for the 2005 tax year, supporting his assertion that the money was handled properly.

The IRS documents filed by the fledgling organization showed that it received more than $418,000 in contributions during 2005 and owed about $31,000 at the end of the tax year. Independent accountants who reviewed the report at the Houston Chronicle's request said MCDC's finances appear to be in line with many not-for-profits that are just starting out.

Simcox defended the spending on the group's Web site. According to the IRS documents, MCDC dedicated 62.5 percent of contributions to programs, 5.2 percent to management and administration and 32.3 percent to fundraising. In his Web posting, Simcox wrote that the breakdown was "much better than most first-year start-up national organizations."

He also lashed out at the press for stories questioning the group's financing, accusing the media of "egregiously false or erroneous reporting as well as some outright malicious lies."

The Minuteman Project, the original name for the civilian patrol group, kicked off in April 2005 in Arizona amid a media frenzy. More than 100 reporters turned up for the first patrol, documenting volunteers watching the border from lawn chairs and tailgates.

Report cites resignationsThis summer, the Washington Times reported that some former top Minuteman leaders, including the former national coordinator, had quit because of their concerns over finances.

Parmley, who joined the movement out of frustration over the relentless flow of illegal immigrants across his ranch land in South Texas, said he resigned mainly because he was concerned about suspicions of racist attitudes in one Minuteman branch. He said he was also troubled because he couldn't get straight answers on money management, including what happened to the registration fees.

Kim Fromme, the former director of operations for the Minuteman chapter in Texas, had similar concerns and quit in February.

He said he could never figure out where the money for programs was going.

"It didn't go down to the border, that's for sure," Fromme said.

He said he and other members approached Simcox with questions, but came away disappointed.

During the early days of the Arizona-based movement, no one addressed the finances publicly "because the mission was so important," said Shannon McGauley, who formed a splinter group called the Texas Minutemen around the same time that MCDC launched in Arizona.

"Now all these people are quitting because of questions about the money," he said. "When a couple people quit and start bad-mouthing, you can believe MCDC. But when you talk to them and every single one of them says the same thing, that warrants some investigating."

But MCDC still has plenty of supporters and they rallied behind Simcox in the group's Internet forum.

Chronicle reporters Terri Langford and Chase Davis contributed to this report.

CONGRESS-ADMINISTRATION:

Hail To The Chief (BOS)

By Charlie Savage

The Boston Globe, November 26, 2006

ANN ARBOR, MICH. -- In July 1987, then-Representative Dick Cheney, the top Republican on the committee investigating the Iran-contra scandal, turned on his hearing room microphone and delivered, in his characteristically measured tone, a revolutionary claim.

President Reagan and his top aides, he asserted, were free to ignore a 1982 law at the center of the scandal. Known as the Boland Amendment, it banned US assistance to anti-Marxist militants in Nicaragua.

"I personally do not believe the Boland Amendment applied to the president, nor to his immediate staff," Cheney said.

Most of Cheney's colleagues did not share his vision of a presidency empowered to bypass US laws governing foreign policy. The committee issued a scathing, bipartisan report accusing White House officials of "disdain for the law."

Cheney refused to sign it. Instead, he commissioned his own report declaring that the real lawbreakers were his fellow lawmakers, because the Constitution "does not permit Congress to pass a law usurping Presidential power."

The Iran-contra scandal was not the first time the future vice president articulated a philosophy of unfettered executive power -- nor would it be the last. The Constitution empowers Congress to pass laws regulating the executive branch, but over the course of his career, Cheney came to believe that the modern world is too dangerous and complex for a president's hands to be

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tied. He embraced a belief that presidents have vast "inherent" powers, not spelled out in the Constitution, that allow them to defy Congress.

Cheney bypassed acts of Congress as defense secretary in the first Bush administration. And his office has been the driving force behind the current administration's hoarding of secrets, its efforts to impose greater political control over career officials, and its defiance of a law requiring the government to obtain warrants when wiretapping Americans. Cheney's staff has also been behind President Bush's record number of signing statements asserting his right to disregard laws.

A close look at key moments in Cheney's career -- from his political apprenticeship in the Nixon and Ford administrations to his decade in Congress and his tenure as secretary of defense under the first President Bush -- suggests that the newly empowered Democrats in Congress should not expect the White House to cooperate when they demand classified information or attempt to exert oversight in areas such as domestic surveillance or the treatment of terrorism suspects.

Peter Shane, an Ohio State University law professor, predicted that Cheney's long career of consistently pushing against restrictions on presidential power is likely to culminate in a series of uncompromising battles with Congress.

"Cheney has made this a matter of principle," Shane said. "For that reason, you are likely to hear the words 'executive privilege' over and over again during the next two years."

Cheney declined to comment for this article. But he has repeatedly said his agenda includes restoring the presidency to its fullest powers by rolling back "unwise" limits imposed by Congress after the Vietnam War and the Watergate scandal.

"In 34 years, I have repeatedly seen an erosion of the powers and the ability of the president of the United States to do his job," Cheney said on ABC in January 2002. "I feel an obligation...to pass on our offices in better shape than we found them to our successors."

Cheney's ideal of presidential power is the level of power the office briefly achieved in the late 1960s, the era of what historian Arthur Schlesinger Jr. called the "imperial presidency."

Early in the Cold War, presidents began invoking national security to seize greater power from Congress. This concentration of authority peaked under President Richard Nixon, who famously asserted that "when the president does it, that means it's not illegal." But Watergate reawakened Congress, which passed new laws to regulate presidential power.

Cheney was a close observer of that era. He landed his first job in the federal government in 1969, when Donald Rumsfeld hired him as an assistant at the Office of Economic Opportunity. The antipoverty agency, set up by Congress during the Johnson administration, was unpopular among conservatives, and Rumsfeld's and Cheney's job was to help Nixon impose greater political control over the office.

A chief target was the agency's legal aid program, headed by Terry Lenzner. Now a private investigator, Lenzner said in a recent interview that the White House pressured him to fire lawyers who filed class-action lawsuits on behalf of the poor. But Lenzner said he could not fire them because of the way Congress had written the agency's statute.

"I was being told, 'You have to put a stop to this, you have to control these lawyers,'" Lenzner recalled. "But I said that 'If I do what you want me to do, it will violate the law.'"

The orders to fire lawyers, Lenzner said, came from other White House aides, not Rumsfeld or Cheney personally. Still, in November 1970, Rumsfeld summoned Lenzner to his office, and, with Cheney at his side, fired Lenzner because he was unwilling to follow orders.

In August 1974, Nixon resigned rather than face impeachment by Congress. The new president, Gerald Ford, asked Rumsfeld to be his White House chief of staff, and Rumsfeld again made Cheney his deputy. A year later, Rumsfeld became secretary of defense, and Cheney replaced him as Ford's top aide.

In his new role, Cheney was exposed to national security issues from the perspective of a White House that wanted to preserve secrets in the face of congressional demands for more openness. Soon after Rumsfeld and Cheney took on their new posts, Congress passed a bill to strengthen the Freedom of Information Act. The bill allowed judges to review classified documents to determine if they were being shielded for political purposes.

In October 1974, Ford vetoed the legislation, telling Congress that the bill "would violate constitutional principles." Congress, however, overrode his veto, and lawmakers soon threatened to impose further limits on presidential power.

In December 1974, The New York Times reported that the CIA had engaged in an illegal domestic spying program for two decades, tapping phones, opening mail, and breaking into homes of antiwar protesters. The article, by investigative reporter Seymour Hersh, prompted a congressional uproar.

In a memo to Ford, obtained at the Ford Presidential Library in Ann Arbor, Mich., Cheney urged the swift creation of a presidential commission to investigate the CIA. Cheney wrote that doing so was "the best prospect for heading off congressional efforts to further encroach on the executive branch."

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Ford created the commission, but Congress moved in anyway. A Senate committee chaired by Idaho Democrat Frank Church began demanding access to secret documents. But Cheney soon saw a chance to convince the public that investigating intelligence operations was dangerous and unwise.

In May 1975, Hersh wrote an article discussing how US submarines eavesdropped on the Soviet Union's undersea cables. Fearing that the article had damaged national security, Cheney pushed the idea of indicting the reporter using the 1917 Espionage Act.

Making an example out of Hersh, Cheney wrote, would "create an environment" that might intimidate both the press and Congress. "Can we take advantage of it to bolster our position on the Church Committee investigation? To point out the need for limits on the scope of the investigations?" Cheney wrote. The idea, however, was scrapped to avoid attracting the Soviets' attention to Hersh's article.

The next spring, after revelations that the National Security Agency had monitored the phone calls of American civil rights and antiwar activists, Congress drafted legislation to require warrants for domestic surveillance. Cheney's allies, including Defense Secretary Rumsfeld and then-CIA director George H.W. Bush, opposed such a bill as a derogation of presidential power. But Ford decided not to fight it.

Congress passed the warrant requirement as the Foreign Intelligence Surveillance Act of 1978 -- the same law that the Bush-Cheney administration later bypassed with its warrantless wiretapping program.

After Ford lost the 1976 presidential election to Jimmy Carter, Cheney returned to Wyoming and in 1978 won a seat in Congress, where he specialized in intelligence matters. During the Iran-contra hearings, Cheney failed to convince a majority of his colleagues that the Reagan administration was justified in ignoring the Boland Amendment, but he moved quickly to block new congressional encroachments on what he saw as a president's exclusive turf.

When the Senate passed a bill forcing presidents to notify Congress of all covert operations within 48 hours, Cheney led a successful fight to defeat the bill in the House. He argued that Congress was prone to leaks and had no authority to force the commander-in-chief to share information about covert operations.

"The 48-hour bill would 'get back' at President Reagan by tying the hands of all future presidents," Cheney wrote in a May 1988 Wall Street Journal column. "That approach will achieve nothing useful."

The next year, Cheney became defense secretary under President George H.W. Bush. In his new position, Cheney again pushed for an expansive view of presidential power -- most dramatically in late 1990, when Cheney urged Bush to launch the Gulf War without asking Congress for authorization.

For all major overseas wars from 1789 to 1950, presidents obeyed the constitutional provision giving Congress alone the power to declare war. But in Korea and Vietnam, Presidents Truman, Johnson, and Nixon defied this constraint. They asserted that the commander-in-chief had "inherent" power to take the country to war on his own.

Seeking to restore its constitutional role, Congress passed the War Powers Resolution in 1973, requiring presidents to consult Congress when sending troops into battle.

After Saddam Hussein invaded Kuwait in August 1990, Bush sent 500,000 US troops to Saudi Arabia. As they prepared to attack the Iraqi forces, Cheney told Bush that it was unnecessary and too risky to seek a vote in Congress.

"I was not enthusiastic about going to Congress for an additional grant of authority," Cheney recalled in a 1996 PBS "Frontline" documentary. "I was concerned that they might well vote 'no' and that would make life more difficult for us."

But Bush rejected Cheney's advice and asked Congress for a vote in support of the war. The resolution passed -- barely. Had Congress voted no, Cheney later said, he would have urged Bush to launch the Gulf War regardless.

"From a constitutional standpoint, we had all the authority we needed," Cheney said in the 1996 documentary. "If we'd lost the vote in Congress, I would certainly have recommended to the president that we go forward anyway."

As the Gulf War proceeded, Cheney fought with Congress on other fronts. After civilian Pentagon lawyers clashed with military attorneys over the handling of any bodies contaminated by biological weapons, Cheney asked Congress to change the law to place all military attorneys under the control of civilian political appointees. Congress rejected Cheney's proposal. But in March 1992, Cheney's deputy issued an administrative order defying the expressed will of Congress.

At the same time, Cheney was thwarting Congress by refusing to issue contracts for the V-22 Osprey, a plane that was plagued with technical problems. Cheney opposed the V-22 program, but Congress appropriated funds for it.

By refusing to issue contracts, Cheney revived a Nixon-era tactic of "impounding" funds -- refusing to spend money for programs that he didn't like. Congress had passed a law in 1974 to ban impoundment. Cheney, who later said he believes the anti-impoundment law unconstitutionally infringes on executive power, ignored it.

But Congress forced Cheney to back down in July 1992, when his top assistant, David Addington, was nominated to be the Pentagon's general counsel and came before a Senate confirmation hearing.

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"How many ways are there around evading the will of Congress? How many different legal theories do you have?" Senator Carl Levin, Democrat of Michigan, thundered at Cheney's aide.

"I do not have any, senator," said Addington. He was confirmed only after promising that the Pentagon would restore the military lawyers' independence and issue V-22 contracts as quickly as possible.

Cheney left government after Bill Clinton was elected president in 1992, but he returned as a deeply influential vice president eight years later. His aide Addington became a dominant member of the administration's legal team, and together, Cheney and Addington made the assertion of sweeping executive powers a hallmark of George W. Bush's presidency.

One of Cheney's first acts as vice president was to convene an energy policy task force, inviting energy company lobbyists to suggest a package of tax breaks and other incentives for their companies.

When Congress and watchdog groups requested his task force's records, Cheney successfully fought a court battle to keep them secret, arguing that presidents needed greater power to solicit candid advice. The decision gutted the Federal Advisory Committee Act, a 1972 law in which Congress tried to require such policymaking to be subject to public scrutiny.

After the attacks of Sept. 11, 2001, military lawyers objected to the administration's assertion that a president has the power to detain and interrogate terrorism suspects outside the restrictions of the Geneva Conventions. In response, the administration renewed Cheney's attempt to put military lawyers under the control of civilian appointees.

Citing a need for secrecy, the administration also erected new roadblocks to Freedom of Information Act requests, restricted access to historic presidential records, and threatened to prosecute journalists who published classified information using the 1917 anti-spying law -- the same idea Cheney toyed with in 1975.

In signing statements and legal memos, the administration, with Cheney and Addington as its driving force, has repeatedly used the war on terrorism to advance the idea that the president has vast "inherent" authority to bypass laws enacted by Congress. Even when Congress voted, a week after the 9/11 attacks, to authorize the use of military force against Al Qaeda, the administration quickly seized the moment to lay down its marker.

"[Congress cannot] place any limits on the president's determinations as to any terrorist threat, the amount of military force to be used in response, or the method, timing, and nature of the response," the Justice Department asserted in a September 2001 memo solicited by the White House. "These decisions, under our Constitution, are for the president alone to make."

The following year, the administration drew up secret legal opinions informing military and CIA interrogators that the president has the power to authorize them to violate laws banning torture.

"In order to respect the president's inherent constitutional authority to manage a military campaign against Al Qaeda and its allies, [the anti-torture law] must be construed as not applying to interrogations undertaken pursuant to his commander-in-chief authority," said an August 2002 memo, which was leaked to the media only after the abuse of Iraqi prisoners at Abu Ghraib came to light.

Then, in December 2005, The New York Times revealed that the administration was wiretapping Americans' international phone calls and e-mails without warrants, violating the 1978 surveillance law.

Three days later, Cheney sat down with reporters and laid out his belief "in a strong, robust executive authority." Bypassing the warrant law, he asserted, was "consistent with the constitutional authority of the president."

Cheney also indicated that he hopes to establish further precedents for the expansion of presidential authority. Listing other statutory constraints on presidential power, he said they "will be tested at some point." When Cheney was asked whether he believed that the pendulum of executive power had swung back far enough in the direction he desired, or whether it needed to swing back further, he demurred.

"I do think that to some extent now, we've been able to restore the legitimate authority of the presidency," he replied.

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As Power Shifts In New Congress, Pork May Linger (NYT)

By David D. Kirkpatrick

The New York Times, November 26, 2006

WASHINGTON, Nov. 24 — Senators Ted Stevens of Alaska and Daniel K. Inouye of Hawaii are the best of friends in the Senate, so close they call each other brother. Both are decorated veterans of World War II. They have worked together for nearly four decades as senators from the two youngest and farthest-flung states. And they share an almost unrivaled appetite for what some call political pork.

Mr. Stevens, an 83-year-old Republican, and Mr. Inouye, an 82-year-old Democrat, routinely deliver to their states more money per capita in earmarks — the pet projects lawmakers insert into major spending bills — than any other state gets. This year, Alaska received $1.05 billion in earmarks, or $1,677.27 per resident, while Hawaii got $903.9 million, or $746.05 per resident, according to Taxpayers for Common Sense, a nonpartisan group that tracks such figures.

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Representative Nancy Pelosi, the Democratic leader, and many Democratic candidates have railed for months against wasteful "special interest earmarks" inserted into bills "in the dark of night." Now their party's electoral victories mean that Mr. Stevens will hand Mr. Inouye the gavel of the Senate defense appropriations subcommittee, which presides over the largest pool of discretionary spending and earmarks. But if the Democratic leaders are talking about "earmark reform," that may be news to Mr. Inouye.

"I don't see any monumental changes," Mr. Inouye said in a recent interview. He plans to continue his subcommittee's approach to earmarks, he said. "If something is wrong we should clean house," he said, "but if they can explain it and justify it, I will look at it."

Meet the new cardinals, as the chairmen of the House and Senate appropriations subcommittees are known on Capitol Hill. Many have a lot in common with the Republicans they will succeed.

All have worked for years to climb to their posts, where the authority to grant earmarks puts them among the most powerful lawmakers in Congress. Like Mr. Inouye and Mr. Stevens, many have developed unusual bipartisan camaraderie while divvying up projects. By longstanding, informal agreement, the majority typically doles out about 60 percent of the money for earmarks and lets the minority pass out the rest. And they form a united front against limitations on the earmark process.

"What is good for the goose is good for the gander," Senator Patty Murray, the Washington Democrat who is set to become chairwoman of the transportation subcommittee, said last fall in a speech defending an Alaska Republican's allocation of more than $200 million in federal money for a bridge to remote Gravina, Alaska, with a population of 50. It became notorious as the "Bridge to Nowhere."

"I tell my colleagues, if we start cutting funding for individual projects, your project may be next," Ms. Murray warned. To anyone who might vote against the bridge, Ms. Murray threatened that her subcommittee would be "taking a long, serious look at their projects." Every Democrat on the Appropriations Committee voted against an amendment to strike the bridge, and after threats from Ms. Murray and Mr. Stevens, only 15 senators voted for the amendment. The bridge's future is unclear.

Earmarks became associated with corruption in Congress because of their role in bribery scandals involving the lobbyist Jack Abramoff and former Representative Randy Cunningham of California. But the number and cost of such projects has soared for years. The Congressional Research Service found that over the last 12 years, the number of earmarks had tripled to 16,000, worth $64 billion a year. Critics argue that the system fosters waste and cronyism by allowing individual lawmakers to direct federal money to pet projects with little vetting or oversight, often anonymously.

Democratic Congressional leaders have pledged to end the anonymity by requiring disclosure of the lawmakers who sponsor earmarks, and some have proposed ending the practice of "airdropping" items into a bill just before final passage. But the appropriators and their allies often complain that such measures single them out unfairly, and Democratic draft proposals introduced this year left loopholes for many projects.

Some critics argue that the Democrats' proposal to disclose authorship may not do much to curb earmarks. "Transparency would be enough if we had any shame, if you were embarrassed to get an earmark for the National Wild Turkey Federation," said Representative Jeff Flake, Republican of Arizona, referring to a $234,000 earmark in a recent agricultural bill. "But Republicans and Democrats have shown that is no longer any embarrassment." Mr. Flake recently recommended to Ms. Pelosi a rule change that would make it easier to strip members' projects out of spending bills, but no one expects either party to take that up anytime soon.

Like their Republican counterparts, many Democratic appropriators consider earmarks a venerable tradition dating to the Constitution, which gives Congress the power of the purse. They argue that lawmakers know their constituents' needs better than bureaucrats do.

"I happen to be a supporter of earmarks, unabashedly," said Senator Tom Harkin of Iowa, the Democrat set to become chairman of the appropriations subcommittee for labor, health and human services. "But I don't call them earmarks. It is 'Congressional directed funding.' "

Fourteen years ago, Mr. Harkin recalled, he started the practice of directing millions of dollars in defense spending each year toward breast cancer research. "Now, was that bad?" Mr. Harkin asked. "If you left it to the Defense Department, they never would have done it."

Many of the new Democratic chairmen are among the most experienced purveyors of political bacon. The next chairman of the full Senate Appropriations Committee is Senator Robert C. Byrd, 89, the West Virginia Democrat who may be the foremost master of the art. Dozens of West Virginia bridges, roads and public buildings bear his name. Among his recent appropriations feats was putting the Coast Guard's Operations System Center, its National Vessel Movement Center and, next summer, its National Maritime Center in his landlocked state, according to Taxpayers for Common Sense.

The elevation of Mr. Inouye, who will oversee $400 billion a year in military spending, is good news for the Hawaiian health care system. He has directed billions in military money to such services, including a $22-million earmark for the Hawaiian Federal

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Health Care Network in the fiscal 2006 defense bill. And his rise may spell bad news for the brown tree snake, a nonnative predator that stalks birds. Mr. Inouye has directed several million dollars a year in spending bills to eradicate the snake from the islands, including $1.7 million in military spending in 2006.

Representative David R. Obey, the Wisconsin Democrat set to become chairman of the full House Appropriations Committee as well as the subcommittee for labor, health and human services, boasts on his Web site of securing for his district a $300,000 grant to a single dairy in Arpin, $6 million in military money to develop an airless tire in Medford and $8 million to research plastic food containers for the military in Rhinelander.

Like many members of Congress, Mr. Obey and his Republican predecessor heading the full committee, Representative Jerry Lewis of California, have relatives in government relations. Mr. Lewis's brother John works for Loma Linda University, a Seventh-day Adventist school in Representative Lewis's district that tops lists of education earmarks, thanks to his influence. A spokesman for Mr. Lewis said his brother did not lobby the federal government.

Mr. Obey's son Craig earns about $117,000 a year as vice president for government affairs at the nonprofit National Parks Conservation Association, according to its tax filings. In an interview, Mr. Obey said he had been a "zealot" about expanding the national parks since before his son was born and that, unlike some Congressional relatives, his son worked for "a public interest organization."

For his part, Mr. Obey said he had previously proposed a rule requiring lawmakers to certify that they had no financial interest in their earmarks requests. "My problem with earmarks is that it has gotten incredibly out of hand" under the Republicans, he said. With such an explosion, "it is damn near impossible to track them and protect the body."

Representative John P. Murtha, Democrat of Pennsylvania, who is set to take back the gavel of the defense subcommittee, has used his authority over military spending to turn the impoverished former steel town of Johnstown, Pa., into a national hub of military contracting. Mr. Murtha recently said in a news release that he had played a role in "creating at least 7,000 defense jobs in and around the 12th District."

Although Mr. Murtha recently lost a bid to become the second in command for House Democrats, the Democratic takeover will still increase his considerable clout. In addition to delivering projects to his district, he has granted military earmarks to other lawmakers to build a singular power base within the House, and, with the Democratic takeover, three of his close allies will become cardinals as well.

One is Representative Alan B. Mollohan of West Virginia, who resigned as the top Democrat on the ethics committee amid questions about his earmarks to nonprofits he founded and to a real-estate partner. Mr. Mollohan is expected to become chairman of the Science, State, Justice and Commerce Committee. So far, Democratic leaders have given no indication that they might block his ascent at the subcommittee. Another is Representative Peter J. Visclosky of Indiana, who is poised to become chairman of the Energy and Water Committee. The third, Representative Norm Dicks of Washington, a member of the defense panel, is set to be chairman of the Interior and Environment subcommittee.

Several Democratic appropriators, though, sought to tamp down expectations about how much they could spend. Senator Byron L. Dorgan, the North Dakota Democrat who is expected to become chairman of the energy and water subcommittee, said Democrats were limited by the deficit, the cost of the war in Iraq and their party's pledges of fiscal restraint. "This is going to be a very rough time," Mr. Dorgan said.

Still, he said, he hoped to expand spending on renewable energy sources and, as the senator from a semi-arid state, on water projects.

Ms. Murray, the Washington Democrat, said her party would take a less political approach to earmarks than the Republicans did. She said Republicans had bribed lawmakers with earmarks to persuade them to vote for barebones domestic spending bills. "They stuffed them with earmarks to buy votes," she said. "We are not going to do that."

Still, in an interview with The Honolulu Advertiser the day after the election, Mr. Inouye said he and Mr. Stevens did not plan to rock the boat. "I had a chat with Senator Stevens before the election," Mr. Inouye said. "We pledged to each other that no matter what happens, we will continue with our tested system of bipartisanship, and we've been doing this for the past 25 years, and it's worked."

Democratic "Old Bulls" To Take Charge (LAT)

By Maura Reynolds

The Los Angeles Times, November 26, 2006

WASHINGTON — When Rep. John D. Dingell was new to Congress, Buddy Holly ruled the charts, Rosa Parks refused to budge from her seat on a segregated bus and Dwight D. Eisenhower occupied the White House.

And on Capitol Hill, congressional committee chairmen ruled like feudal lords over federal policy, pursuing pet causes and waging vendettas with near impunity.

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In time, Dingell became one of the most fearsome.

Now Dingell, the longest-serving member of the House, and other veteran Democrats are poised to take charge of the most powerful committees when Congress convenes in January.

In the four decades that Democrats were the dominant party, chairmen's foibles, however egregious, did not threaten the party's grip on power. But with narrower margins of control and an electorate willing to switch allegiances, there is no such assumption these days.

The question now is whether the "old bulls" like Dingell know it, and if they know it, whether they can adjust.

"This majority is not the kind of majority that we used to have, and it remains to be seen whether they understand that," said one senior Democratic staffer, who spoke on condition of anonymity because of the sensitivity of the issue.

Building an empire

For 14 years, Dingell, a Michigan Democrat, presided over the Energy and Commerce Committee. Under his forceful and often uncompromising leadership, the panel expanded into an empire that famously claimed jurisdiction over "everything that moves, burns or is sold" in the United States.

It was in part because of the reputation of longtime chairmen like Dingell that former Speaker Newt Gingrich, who led the Republican insurgency that took control of Congress in 1995, imposed term limits for committee chairs, restricting them to three consecutive two-year terms.

But the Democrats have kept the tradition of assigning committee chairmanships by seniority. And that will elevate some of the most veteran — and oldest — members of Congress to committee leadership posts.

All but one of the new Senate chairmen are at least 60, and three are in their 80s. Three also have served for more than four decades.

The oldest is Sen. Robert C. Byrd (D-W.Va.), who is 89 and is about to retake the helm of the Senate Appropriations Committee. He sometimes tires, aides say, but he still has full command of his senses and the respect of his peers.

It is in the House, however, where the phenomenon has attracted more attention. That's partly because Democrats have been shut out of power for 12 years, while their Senate colleagues have been in the minority for just four. And it's partly because of the irascible personalities of some of the incoming chairmen, known collectively as the "old bulls."

The three best-known are Dingell, Rep. John Conyers Jr. from a neighboring district in Michigan, and Rep. Charles B. Rangel of New York. They are 80, 77, and 76 years old, respectively.

No green bananas

About two-thirds of the incoming House chairmen are older than 60.

"I don't buy green bananas," Rangel quipped recently, referring to his age.

Conyers, who served on the panels that considered the impeachment of Presidents Nixon and Clinton and who has mused about the possibility of impeaching the current president, is expected to take the helm of the Judiciary Committee.

Rangel, one of the most outspoken members of Congress, is set to lead the Ways and Means Committee, which sets tax policy.

On Capitol Hill, staffers trade stories about the old bulls and their infirmities, shaking their heads over Dingell's hearing problems or Conyers' "senior moments." But the same staffers insist that the incoming chairmen are not only capable of taking the reins, but of handling them better than anyone else.

"There is a lot to the concept of seniority," said Jeremy Mayer, who studies Congress at George Mason University in Virginia.

"Should the people who have been in Congress the longest have the most power? The simple answer is yes, because they have more experience and they can't be steamrolled by the administration. Dingell, for instance, knows all the intricacies of the funding of at least seven federal agencies."

Another argument in favor of seniority is that it limits intraparty fighting.

The party leadership elections this month illustrated how divisive competition for leadership posts can be. A rigid, impersonal system for naming chairmen is one way to keep the peace.

"Seniority has always been a way to prevent bloodshed," Mayer said.

The downside is that it can foster autocratic behavior. In the past, Democratic leaders found the chairmen hard to control, in part because their positions did not depend on the party, and the chairmen tended to outlast the leadership.

Steven Smith, a social sciences professor who studies government and political parties at Washington University in St. Louis, says political parties have evolved since then.

"Before the 1980s, committee chairs pretty much went their own way. But since the 1980s, chairs are expected to look out for the party's overall interest," he said. "There will be some tension between committee chairs and party leaders on this."

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One potential point of tension is that many of today's old bulls are old-fashioned liberals. Dingell introduces a proposal for nationalized healthcare in every session of Congress. Conyers has used his staff to pursue favorite concerns of left-wing bloggers, such as voting irregularities in the 2004 elections.

By contrast, the freshman class of Democrats includes a number of centrist or conservative Democrats, many of them uncomfortable with liberal positions on such issues as abortion, gun control and same-sex marriage.

Democratic leaders have already set their sights on 2008, with the goal of regaining the White House and expanding their margin of control in Congress.

"Democrats know that they won this election by appealing to the middle of the spectrum," Smith said. "And they know that the first rule is to do no harm, to not alienate the folks who gave them the election."

Doing that will require the incoming House Speaker, Nancy Pelosi (D-San Francisco), herself a traditional liberal, to keep her chairmen focused on issues that promote the party's broader agenda, not necessarily their own favorite issues.

"For some, it will take a little relearning," said Smith. "They will have to make a choice: Do they want to start making a record for themselves and their party going into 2008? And what kind of record do they want it to be — a record of legislation, or a record of position-taking and rhetoric?"

Toeing the line

So far, the old bulls have stayed on message — mostly.

Conyers has stopped talking about impeaching President Bush.

Dingell has lauded the benefits of bipartisanship while promising tougher oversight of the administration.

And Rangel has remained coy about the fate of the tax cuts passed by Republicans in recent years, though he caused some heartburn when he brought up his desire to bring back the draft.

Democratic insiders say the old bulls won't overreach. They say they know better than most what it's like to gain and then lose a majority. And they haven't been in a deep freeze for the last 12 years; rather, they've been strategizing with their colleagues about how to return to power.

Steve Elmendorf, who served as senior advisor to former Rep. Richard Gephardt, who led the Democrats in both the majority and the minority, says there are two big reasons why no one in the party even whispers about challenging the old bulls, no matter how old or intemperate.

"One, a lot of these chairman worked hard to help win. And when you win, the people who helped are going to move up," Elmendorf said. "Two, they have a tremendous amount of institutional knowledge. They served in the majority, and they can hit the ground running."

Success Of Drug Plan Challenges Democrats (WP)

By Lori Montgomery, Christopher Lee

The Washington Post, November 26, 2006

It sounded simple enough on the campaign trail: Free the government to negotiate lower drug prices and use the savings to plug a big gap in Medicare's new prescription-drug benefit. But as Democrats prepare to take control of Congress, they are struggling to keep that promise without wrecking a program that has proven cheaper and more popular than anyone imagined.

House Democrats have vowed to act quickly after taking power in January to lift a ban on Medicare negotiations with drugmakers, which they hope will save as much as $190 billion over a decade. But House leaders have yet to settle on a strategy and acknowledge that negotiation is, in any case, unlikely to generate sufficient savings to fill the "doughnut hole," the much-criticized gap in coverage that forces millions of seniors to pay 100 percent of drug costs for a few weeks or months each year.

Drug-company lobbyists, Bush administration officials and many congressional Republicans are preparing to block any effort to increase federal control over drug prices, saying the Medicare benefit is working well. They contend that instead of saving money, government negotiations could raise drug prices for all consumers while limiting choices for people on Medicare.

"This is going to be much more of a morass than people think," said Marilyn Moon, director of the health program at the American Institutes for Research and a former trustee of the Social Security and Medicare trust funds. Negotiating drug prices is "a feel-good kind of answer, but it's not one that is easy to imagine how you put into practice."

The Medicare drug benefit, one of the Bush administration's signature domestic programs, was created in 2003 and took effect in January. It has enrolled 22.5 million seniors, some of whom had no previous drug coverage.

Polls indicate that more than 80 percent of enrollees are satisfied, even though nearly half chose plans with no coverage in the doughnut hole, a gap that opens when a senior's drug costs reach $2,250 and closes when out-of-pocket expenses reach $3,600. By the latest estimates, 3 million to 4 million seniors will hit the doughnut hole this year and pay full price for drugs while also paying drug-plan premiums.

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The cost of the program has been lower than expected, about $26 billion in 2006, according to the nonpartisan Congressional Budget Office. The cost was projected to rise to $45 billion next year, but Medicare has received new bids indicating that its average per-person subsidy could drop by 15 percent in 2007, to $79.90 a month.

Urban Institute President Robert D. Reischauer, a former director of the Congressional Budget Office, called that a remarkable record for a new federal program.

Initially, he said, people were worried no private plans would participate. "Then too many plans came forward," Reischauer said. "Then people said it's going to cost a fortune. And the price came in lower than anybody thought. Then people like me said they're low-balling the prices the first year and they'll jack up the rates down the line. And, lo and behold, the prices fell again. And the reaction was, 'We've got to have the government negotiate lower prices.' At some point you have to ask: What are we looking for here?"

Republicans contend that Democrats were looking for a campaign issue.

In the Nov. 7 elections, public anger over the doughnut hole helped many Democratic candidates, who pointed to the ban on government negotiations and accused Republicans of selling out to the pharmaceutical industry.

Republicans, by and large, did a poor job of defending the program, said Thomas A. Scully, a Republican and the former head of the federal unit that runs Medicare. He played a key role in creating the drug benefit.

"Black voters, poor voters -- people who generally vote Democratic -- they got the biggest benefit in 40 years and nobody told them that," Scully said.

According to those involved in the 2003 negotiations, even some Democratic bills to create a Medicare drug benefit included a ban on direct government negotiations. The reason: Seniors purchase half of all prescription drugs. The drug industry argued that a government program representing seniors would not negotiate prices, it would set them.

If government price controls were effective, the theory goes, they could significantly lower drug-company profits and discourage medical innovation. If price controls were not effective, they could drive prices higher. If companies were required to sell to Medicare at 15 percent off the average wholesale price, for example, they might just raise the wholesale price.

"At the extreme, if everybody gets a discount, then nobody does," said Mark B. McClellan, who took over from Scully in running Medicare and recently left the job.

Proponents say the program, as it now operates, avoids that problem by relying on dozens of private insurers, which bid to offer coverage to Medicare recipients. Some offer low premiums and lots of generic drugs, while others have high premiums but offer brand-name drugs and full doughnut-hole coverage. Medicare averages the bids and sets a per-person subsidy. Pressure falls on the insurers to negotiate the best drug prices.

Consumer advocates contend that if Medicare were permitted to negotiate prices, its purchasing power would produce drug discounts similar to those obtained by the Veterans Affairs Department, which covers 4.4 million people. As it is, Medicare prices are significantly higher than VA prices, according to Families USA, a nonprofit association of health-care consumers that analyzed 20 drugs commonly prescribed to seniors.

Even Medicaid, the federal health program for the poor, appears to employ better negotiators than the private Medicare plans. On Jan. 1, 6 million elderly and disabled people were switched from Medicaid pharmacy plans to the new Medicare program. Overnight, many drugmakers began selling the same drugs at higher prices. Pfizer, for example, reported saving $325 million in Medicaid discounts during the first six months of this year "due primarily to the impact of" the Medicare drug benefit, according to a company report to the Securities and Exchange Commission.

"At some point, someone has to stand up to these industries that are doing so well in this program," said Robert M. Hayes, president of the Medicare Rights Center, a New York advocacy group. "It only makes sense that if the industries do less well, the taxpayers and the consumers will do better."

Medicare officials say it's not fair to compare their prices with those of Medicaid and Veterans Affairs, which do not reflect certain overhead costs in their drug prices and offer a limited number of drugs. Limiting choice would be unacceptable to many Medicare beneficiaries, said Sen. Charles E. Grassley (R-Iowa), outgoing chairman of the Senate Finance Committee. "I don't think seniors want the government in their medicine cabinets," he said.

For now, it is not clear how aggressively Democrats are willing to push price negotiation. Ideas range from simply repealing the ban on negotiations -- which would accomplish little if the Bush administration refuses to negotiate -- to creating a separate, government-run Medicare drug program with strong negotiating power.

Rep. Fortney "Pete" Stark (D-Calif.), who is in line to become chairman of a key health subcommittee, said he prefers a middle path, with Medicare setting ceilings from which private insurers could negotiate downward.

But Sen. Max Baucus (D-Mont.), the incoming Senate Finance chairman, is cool to the idea of government negotiation, and has committed only to holding hearings to "determine what the result would be of eliminating" the no-negotiation clause.

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W.J. "Billy" Tauzin, president of the Pharmaceutical Research and Manufacturers of America, said the drug lobby will "aggressively defend" the current plan. But John C. Rother, policy director for AARP, the powerful lobby for elderly Americans, said he has no doubt that the next Congress will give government some role in negotiating Medicare drug prices.

"This is an idea that's favored by 90 percent of the American public," Rother said. "It's not like you have to convince the American public that this is a good idea."

On Drug Prices, Are Democrats In A Fix? (LAT)

By Ricardo Alonso-zaldivar, Times Staff Writer

The Los Angeles Times, November 26, 2006

WASHINGTON — With millions of seniors facing premium hikes for their Medicare prescription plans, Democrats say they have a solution: Use the government's massive buying power to bargain for rock-bottom drug prices. The Department of Veterans Affairs does it for 5 million patients, they point out, so why not Medicare with its 43 million?

Medicare already sets rates for hospitals, doctors and medical equipment such as power wheelchairs — as well as drugs administered in doctors' offices. It was only the Republicans' ideological commitment to the private sector that led them to bar the government from negotiating discounts with drug companies, Democrats contend.

But the VA model may not be readily adaptable to Medicare, some independent experts say. And policy differences among Democrats, along with the Bush administration's opposition to government price-setting, may further complicate the task of reaching a goal that Democrats have set for themselves when they take over Congress in January.

In addition, newly announced discounts by drug companies could have an impact on the Democrats' effort before it gets started. At least one major manufacturer is offering help to seniors who have trouble paying for their drugs.

"From a rhetorical perspective, Democrats may feel like they gain a lot with this issue, but there are many substantive hurdles that the government faces in trying to negotiate prices," said Dan Mendelson, president of Avalere Health, a consulting firm that tracks the Medicare prescription program.

"If you look historically at the government's experience in trying to regulate prices, it's poor."

VA's lower prices

Although costs for the Medicare drug program are lower than the government originally projected, there is evidence that prices could be lower still. A recent Consumers Union study of the prices charged in South Florida for six widely used drugs found that the Veterans Administration's average prices were 54% lower than Medicare's.

"Medicare is overwhelmingly the largest purchaser, and it's ridiculous for Medicare not to get the best deal of all institutional purchasers," said Ron Pollack, executive director of the advocacy group Families USA. The VA's experience shows what the potential could be, he added.

Yet applying the VA approach to Medicare may prove difficult. For one thing, Medicare is much larger and more diverse.

VA officials can negotiate major price discounts because they restrict the number of drugs on their coverage list. Instead of seven or eight drugs for a given medical problem, the VA list may contain three or four. If a drug company fails to offer a hefty discount, its product may not make the cut.

For example, VA beneficiaries can get Zocor for high cholesterol, but not Lipitor. In all, the VA covers about 1,300 medications. By comparison, the most popular Medicare plan — AARP MedicareRx — covers about 4,300.

But VA patients who want drugs that are not on the department's list must go outside the system.

In other words, the VA offers lower drug prices, but fewer choices.

American consumers have repeatedly resisted efforts to save money on medical care by restricting choice. Health maintenance organizations, for example, were once seen as the answer to rising healthcare costs, but millions of people rejected the approach, saying they wanted the freedom to choose their doctors.

One prominent advocate of government-negotiated prices has had a change of heart. Tommy G. Thompson, President Bush's first Health and Human Services secretary, once expressed regret that he hadn't been given the power to bargain.

But in a recent interview he said: "This plan is working much better than ever anticipated. When you've got a law that is working well in the federal government, why change it?"

If Medicare had the legal authority to negotiate prices, some experts predict it would do well in categories of drugs where there are lots of choices, such as blood pressure pills. But for new or cutting-edge drugs, a manufacturer could have the upper hand. A company could launch a television ad blitz to pressure Congress into raising Medicare prices.

"For categories of drugs that are not competitive, my guess is the manufacturer would not cave in on prices," said economist John E. Calfee of the business-oriented American Enterprise Institute. "Those are the drugs that have defied price controls."

Other experts say it wouldn't be that easy to push Medicare around.

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"The VA had to resort to a preferred drug list, but I don't think that Medicare would have to restrict its list very much because it is such a huge purchaser," said Dr. David Blumenthal, a professor of medicine and public health at Harvard University. "Medicare's power in the marketplace is such that I think every manufacturer would have to take its prices."

Two possible paths

House Democrats have promised action in the first 100 hours of the new Congress to give Medicare bargaining power. One poll showed that 77% of Americans supported the idea.

When the GOP-controlled Congress created the Medicare prescription plan in 2003, it expressly barred the government from negotiating prices on the theory that private insurance plans — which were assigned the job of delivering the benefit — could do a better job of getting discounts.

Critics called it a giveaway to the pharmaceutical industry.

"In the current program, there are no protections for beneficiaries that aren't exceeded ten times over by benefits to the pharmaceutical industry," said Rep. Pete Stark (D-Fremont), who is expected to lead the House subcommittee that oversees Medicare.

Democrats haven't spelled out a specific proposal, and Stark said there were at least two possibilities.

One would repeal the prohibition on negotiating and order Medicare to set a top price for each drug available under the program. Private insurers would still be free to bargain for even lower prices.

Such an approach would be similar to how Canada and European countries control prescription drug prices. Canadian prices are 30% to 60% lower than in the U.S. Some critics say Canadian price controls mean that patients there are not always able to get the latest medications.

The other possibility is to set up a Medicare-run plan to compete against the private plans. That is, Medicare would set up a plan using drug prices it negotiated with manufacturers. The plan, available nationwide, would compete with the privately operated plans — encouraging private plans to bargain harder for lower prices.

The two approaches aren't mutually exclusive, Stark said.

The proposal to let the government bargain with manufacturers could face additional hurdles in the Senate, where a prominent Democrat is among the leading skeptics.

As chairman of the finance committee, Sen. Max Baucus of Montana will have jurisdiction over Medicare. This year he was one of only two Democrats to vote against allowing Medicare to negotiate drug prices.

A spokeswoman said Baucus planned to hold hearings next year but had not made up his mind on the issue.

The drug industry hopes that even if it loses the first high-profile battle in the House, it can still win the legislative war.

"We fully expect that Speaker-elect Nancy Pelosi will deliver on her political promise, but after that we are equally confident that we will have an opportunity to educate both the members of Congress and beneficiaries across America about the benefits of the current program," said Ken Johnson, senior vice president of communications at the Pharmaceutical Research and Manufacturers of America.

Corporate outreach

Reaching out to seniors in the Medicare prescription plan, one major drug company has launched a discount program that softens one of the most worrisome gaps in the current benefit, known as the doughnut hole. Under that provision — created to save money for the government — seniors must pay the full cost after their annual drug spending exceeds $2,250; coverage kicks in again once the total exceeds $5,100.

To help seniors caught in the doughnut hole, AstraZeneca has created a program called AZ Medicine & Me.

It makes brand-name medications such as the widely used breast cancer drug Arimidex available to qualifying seniors at $25 or less for a 30-day supply. Arimidex could cost ten times that at regular prices.

The plan was announced two days after the election.

The timing was purely coincidental, said AstraZeneca spokeswoman Abigail Baron. The company's plan had been in the works for months and was announced as soon as it received government approval, she explained.

Said Johnson: "I think you are going to see more and more of our companies trying to assist seniors who hit the doughnut hole."

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Here Come The Economic Populists (NYT)

By Louis Uchitelle

The New York Times, November 26, 2006

FOR years, the Clinton wing of the Democratic Party, exercising a lock on the party's economic policies, argued that the economy could achieve sustained growth only if markets were allowed to operate unfettered and globally.

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Overcoming protests from labor unions, a traditional constituency, the Clinton administration vigorously supported free trade agreements like Nafta and agreed to China's admission into the World Trade Organization. If there was damage to workers, then the Clinton camp proposed dealing with it after it occurred — through wage insurance, for example, or worker retraining and other safety-net measures.

This approach coincided with a period of economic prosperity, low unemployment and falling deficits. Over time, this combination — called Rubinomics after the Clinton administration's Treasury secretary, Robert E. Rubin — became the Democratic establishment's accepted model for the future.

Not anymore. With the Democrats now a majority in Congress, and disquiet over globalization growing, a party faction that has been powerless — the economic populists — is emerging and strongly promoting an alternative to Rubinomics.

The populists argue that the national income has flowed disproportionately into corporate coffers and the nation's wealthiest households, and that the imbalance has grown worse in recent years. They want to rethink America's role in the global economy. They would intervene in markets and regulate them much more than the Rubinites would. For a start, they would declare a moratorium on new trade agreements until clauses were included that would, for example, restrict layoffs and protect incomes.

"We are at a point where the Reagan era might finally be over, including the eight years of Bill Clinton," said Jeff Faux, a fellow at the Economic Policy Institute, a labor-oriented research group partly financed by the A.F.L.-C.I.O. "The historic juncture here is whether the Democrats can come up with policies that get to the level of the problem."

The split is not over the damage from globalization. Mr. Rubin and his followers increasingly say that globalization has not brought job security or rising incomes to millions of Americans. The "share of the pie may even be shrinking" for vast segments of the middle class, Mr. Rubin's successor as Treasury secretary under President Clinton, Lawrence H. Summers, recently wrote in an op-ed in The Financial Times. And the populists certainly agree.

But the Rubin camp argues that regulating trade, or imposing other market restrictions, would be self-defeating.

"You pay a steep economic cost when you adopt market interventions," said Peter R. Orszag, a senior fellow at the Brookings Institution and a leader of the Rubin group. He argued, for example, that restrictions on layoffs "would impede the ability of markets to reallocate labor efficiently."

As a result, the Rubinites contend, there would be slower economic growth and less national income to distribute — equally or unequally. It was an argument that President Clinton embraced 15 years ago in pushing Congress to approve the North American Free Trade Agreement. For workers who were damaged by free trade, the administration offered a safety net, not immunity from damage.

The economic populists argue that the trade agreements themselves are the problem. They cite several studies showing that more jobs shifted to Mexico as a result of Nafta than were created in the United States to serve the Mexican market.

"I don't see Congress passing any bilateral trade agreement that does not have strong labor and environmental standards written into it," Representative Sherrod Brown of Ohio, a Democrat just elected to the Senate, said in an interview last week.

Economic populists in and out of Congress are organizing to push their proposals, coalescing around the Economic Policy Institute. The A.F.L.-C.I.O. is a very visible member of this coalition. Unions have gained political influence because of their get-out-the vote role in battleground states like Ohio, where Democrats made substantial gains in the midterm election.

"We feel we have a stronger voice now in the deliberations of the Democratic Party," said Ronald Blackwell, the A.F.L.-C.I.O.'s chief economist.

Just as the populists have organized, tentatively calling their group Shared Prosperity, so has the Democratic establishment. Its counterpart is "the Hamilton Project," formed last spring to elaborate policies in anticipation of a Democratic Congress and, in 2008, a Democratic victor in the presidential election. Mr. Orszag, who was a senior economist in the Clinton administration, directs the project. The financing comes from wealthy Democrats, among them Mr. Rubin.

As the two groups face off, Lawrence Mishel, president of the Economic Policy Institute, contends that the populists are pushing much harder than the Rubinites for government-subsidized universal health care. They also favor expanding Social Security to offset the decline in pension coverage in the private sector.

Apart from such differences, there are nevertheless crucial issues on which the groups agree. Both would sponsor legislation that reduced college tuition, mainly through tax credits or lower interest rates on student loans. Both would expand the earned-income tax credit to subsidize the working poor. Both would have the government negotiate lower drug prices for Medicare's prescription drug plan. And despite their relentless criticisms of President Bush's tax cuts, neither the populists nor the Rubinite regulars would try to roll them back now, risking a veto that the Democrats lack the votes to override.

"Any solution that you put up is going to get knocked down before you put it up," Mr. Rubin said in an interview last week, referring mainly to taxes.

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Noting the Democrats' slim majority in Congress, he added, "I think you need a process that involves the president of the United States, the leaders of both parties and the leaders of both houses."

The threat of a Bush veto affects another piece of the Democratic agenda — an increase in the minimum wage. Both Democratic factions support a bill, to be introduced in January, that would raise the minimum wage to $7.25 an hour from the current $5.15. The increase would come in three steps, spread over more than two years, with the final $7.25 not reached until spring 2009 at the earliest.

That is the same $7.25 that would be effective today if Congress had given its approval when Senator Edward M. Kennedy of Massachusetts first proposed the increase in 2004. Yet Mr. Kennedy is the chief sponsor of the new attempt to raise the minimum, his strategy being that the $7.25, stretched out to 2009, is mild enough to be acceptable to Mr. Bush and many Republicans.

"After we successfully pass this increase," Mr. Kennedy said last week, "I plan to introduce a new proposal right away that will ensure that minimum-wage workers never again fall so far behind in our economy."

The minimum wage debate illustrates that in the end, economic policy might be determined less by partisan goals than by the constraints of pragmatic politics.

Representative Maurice D. Hinchey, a Democrat whose New York district includes Kingston and other economically struggling cities, asserts that the federal minimum should be $10 an hour now. Going that high right away is unrealistic, he acknowledged, but in the Congressional debate over the Kennedy proposal, Mr. Hinchey will push to have the $7.25 effective no later than the spring 2008, not 2009.

"If I went out on the street in Kingston," Mr. Hinchey said, "and said to people that the minimum wage is not going up to $7.25 until 2009, they would say to me, 'That is all the Democrats are going to do? Why did I vote for you?' "

OTHER NEWS:

State Chiefs Credit Dean For Victory (WT)

By Donald Lambro

The Washington Times, November 26, 2006

Democratic state chairmen, decrying postelection bickering, say the party's gains were in large part a result of National Chairman Howard Dean's 50-state strategy, which helped make deep inroads into Republican territory.

The state chairmen, describing themselves as angered by infighting among party leaders in the House of Representatives as well as criticism of Mr. Dean by two prominent Democratic campaign consultants, credited the Dean strategy for their victories.

The efforts of Mr. Dean, the former presidential candidate and Vermont governor, put them in a stronger position for the 2008 race for the White House, the chairmen said.

"Those folks who are criticizing him do not understand this is not a two-year strategy, but a 10-year or longer strategy to reclaim voters in the Midwest, West and South," said Lawrence Gates, the Democratic chairman in Kansas.

Campaign consultants James Carville and Stan Greenberg have contended that Mr. Dean did not provide enough funding to win more seats as the Democrats reclaimed power in Congress.

But Mr. Gates said Mr. Dean's state-partnership program, which placed three to five full-time organizers in each of the 50 states, resulted in "a tremendously successful cycle for us in Kansas."

In the heavily Republican state, Democrats kept a hold on the governor's office, denied Republican Rep. Jim Ryun's bid for a sixth term and made gains in the Republican-dominated state legislature.

New Mexico's Democratic chairman, John Wertheim, said additional organizers and funds provided by Mr. Dean increased party turnout and helped Democrats make "huge gains in the state legislature and win control of all but one constitutional office in the state."

Mr. Gates, Mr. Wertheim and other chairmen said there was unanimous support in their ranks for the Dean plan.

"Carville and the other Washington insiders don't know what they're talking about," one chairman said.

In an analysis of the elections last week, Mr. Carville attacked Mr. Dean for not taking fuller advantage of the anti-Republican wave by pouring more funds into voter-turnout efforts in 14 House contests where Republicans held on to their seats by one percentage point or less.

Charging that Mr. Dean "should be held accountable" for those losses, Mr. Carville asked, "Do we want to go into '08 with a C-minus general at the DNC?"

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Other Democratic campaign officials have been critical of Mr. Dean's emphasis on his 50-state organizing strategy, including Rep. Rahm Emanuel, who as chairman of the Democratic Congressional Campaign Committee fought with Mr. Dean over funding for House races. He, Mr. Carville and Mr. Greenberg were all White House political advisers to President Clinton.

The internal bickering erupted during a parallel battle within the Democrats' leadership ranks between House Speaker-elect Nancy Pelosi and incoming Majority Leader Steny H. Hoyer of Maryland, who won his post over Mrs. Pelosi's choice, Rep. John P. Murtha of Pennsylvania.

Party chairmen were reluctant to publicly criticize their leadership, but some made it clear they did not think the latest squabbles were good for the party's image as it prepares to take control of Congress in January.

"To fight like this in public is embarrassing for our party," an official said.

"Democrats have been doing this for 35 years. A little success causes us to start bickering again," Mr. Gates said. "The Democrats are a feisty, independent-minded bunch. We'll have our family fights, and then we'll go on together."

But pollster John Zogby said the carping and postelection leadership fights signaled deeper problems for the Democrats and their party's future.

"This election was a rare opportunity for the Democrats. The Republicans were so wounded, you've got to ask why the Democrats did not pick up 50 seats, and we're seeing the answer right now. They couldn't agree on a campaign message, they can't agree on their leadership and they don't seem to be able to agree on anything," Mr. Zogby said.

But even some of Mr. Dean's strongest defenders acknow-ledged they sometimes wondered whether more money for voter turnout might have tipped a close race into the Democrats' win column.

"There were not a shortage of resources in New Mexico," Mr. Wertheim said. But, he added, "I might have tried to put more expenditures in chasing absentee ballots. I probably could have put more money into that if I had asked for it. It might have helped on the margins."

He noted that as things turned out, a Republican incumbent, Rep. Heather A. Wilson, won re-election by a razor-thin 875 votes.

The Hill May Look Steep For Republicans In 2008 (WP)

By Zachary A. Goldfarb

The Washington Post, November 26, 2006

As the 2006 congressional campaign fades from memory, the 2008 Republican campaign to retake the House and Senate will get underway in coming months.

This year, scandal and a strong anti-GOP tide were fortuitous forces for Democrats, who picked up seats that were squarely in Republican territory. Those seats are likely to be top prospects for Republicans to recapture in 2008.

In contrast, Democratic gains in swing districts in the Midwest and Democratic-leaning districts in the Northeast will be much tougher for Republicans to seize.

Target No. 1 for the GOP may well be Tom DeLay's old district in Texas. Former majority leader DeLay resigned earlier this year amid campaign finance charges, and courts said the GOP could not name a replacement on the ballot.

In a district where President Bush got 65 percent of the vote in 2004 some believed Shelley Sekula-Gibbs, the Republican write-in candidate, could eke out a victory against Democrat Nick Lampson, but Lampson won.

Similarly, Republicans will probably target former representative Mark Foley's district in Florida. His safe seat turned into a tossup after Foley resigned in the page scandal that consumed Washington in the last part of the campaign. There was not enough time for the Republicans to name a replacement candidate on the ballot, according to Florida law, and Democrat Tim Mahoney won against Joe Negron, the Republican stand-in, in a close race.

Other scandal-plagued seats Republicans may target in 2008 include former representative Robert W. Ney's Ohio district and Rep. Don Sherwood's Pennsylvania district. Other heavily Republican seats captured by the Democrats include two in Indiana, one in Kansas and one in North Carolina.

But even if Republicans were to take back these seats, they would have to win about six others to take the House in 2008 -- and those six are not so clear. The Democrats will have roughly a 14-seat advantage in the House.

On the Senate side, the GOP faces more trouble. The Republicans need at least one seat -- and maybe two, depending on who wins the presidential race -- to take back the upper chamber. But while 12 Democrats are up for reelection in 2008, 22 Republicans are.

Only a few Democrats and Republicans, however, are considered vulnerable. Still, Republicans could be buffeted by a string of retirements that would make the field more competitive. As of now, the two most vulnerable Democratic senators appear to be Tim Johnson (S.D.) and Mary Landrieu (La.), while the most vulnerable Republicans are Wayne Allard (Colo.), Norm Coleman (Minn.) and John E. Sununu (N.H.).TV Ads Exceed Coverage

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Television viewers in crucial Midwest states got more political information in the weeks leading up to the midterm elections from campaign advertisements than from news coverage, according to a new study.

In the seven markets studied, newscasts aired almost 4 1/2 minutes of paid political ads during a 30-minute broadcast, while only offering 1 minute 43 seconds of election news coverage.

The study was done by the Midwest News Index, a project of the University of Wisconsin's NewsLab, with support by the Joyce Foundation, a nonprofit affiliated with political reform organizations. The report studied major markets in Illinois, Michigan, Minnesota, Ohio and Wisconsin.

Most news coverage, moreover, focused on political strategy, with far less examining policy differences among candidates, according to the report. More than 10 percent of news stories were about or featured political ads.

"The data here are unambiguous: Local television news provides less news on politics than many other topics and the coverage is overwhelmingly characterized by stories on strategy, horse race, and the game of politics," Ken Goldstein, a political science professor at Wisconsin, said in a statement. "Any intelligent debate needs to begin from that starting point."

News stories, on average, lasted 76 seconds, shorter than the 89 seconds recorded in a similar study in 2002. About two in five election stories aired during the final week of the campaign. While much of the attention was focused on the horse race for Congress, one in four election stories in the Midwest looked at the state's gubernatorial race.

Denver Poised To Land '08 Democratic Convention (WT)

By Valerie Richardson

The Washington Times, November 26, 2006

DENVER -- The Mile High City is enjoying a surge of momentum in its bid for the 2008 Democratic National Convention, thanks to Colorado's electoral tilt to the left and a well-timed burst of union activity.

Democratic National Committee Chairman Howard Dean is expected to announce the convention site in early December, and some Denver residents already are predicting their city will trump New York as the party's pick.

"I think we're a shoo-in," said Jon Caldara, president of the Independence Institute, a conservative think tank. "The Democratic Party should be rewarding the success of Democrats here because of this year's incredible election sweep."

In a state where Democratic registration ranks third behind that of Republican and unaffiliated, the Democrats reclaimed the governor's office after an eight-year Republican run, bolstered their majorities in the state legislature and captured a previously Republican House seat.

"We believed all along that if we elected a Democratic governor, our chances would be stronger," said Denver City Council member Rosemary Rodriguez, who also sits on the Denver 2008 Host Committee.

Mrs. Rodriguez noted that Denver, which last hosted a national party convention in 1908, made unsuccessful bids to host the 2000 and 2004 Democratic conventions. "We're always a bridesmaid," she said, "but I think it's finally our time."

Those previous campaigns were pretty much doomed from the start as a result of one glaring flaw: Denver had no unionized hotels. The city's private sector has long been cool to union activity, and organized labor holds a virtual veto over the Democratic Party's convention sites.

"Denver hasn't needed it [labor organizing]. The hotel industry in general takes pretty good care of its employees," said Ilene Kamsler, president of the Colorado Hotel and Lodging Association and a convention committee member.

At the same time, she said, "it's advantageous to have a union hotel because I don't think we would get the convention without it."

In April, the Denver Area Labor Federation voted to oppose the city's convention bid, citing the lack of a unionized hotel. But in late September, employees at the year-old Hyatt Denver Convention Center Hotel announced they had unionized.

Credit Mrs. Rodriguez for encouraging labor to take another stab at organizing in Denver. She met with AFL-CIO representatives earlier this year to extol the benefits of a unionized hotel in downtown Denver.

"At the meetings, I said, 'This would be good for all of us. The Democrats won't write us off immediately. It's good for the West, and it fits in with Howard Dean's 50-state strategy,' " Mrs. Rodriguez said.

Making the process more difficult was the hotel's neutrality agreement. Built with funding from a 1999 bond election, the Hyatt is run by the city hotel authority and management is forbidden from interfering in union organizing.

As a result, the mayor and City Council were unable to assist or endorse labor efforts to unionize the hotel, Mrs. Rodriguez said. "They [union organizers] were disgruntled about that, I'll be honest," she said.

Unite Here, a hotel-workers union, ultimately gained a majority of signatures in a "card-check election," in which workers only have to sign a card to approve union representation. The process allowed organizers to move much more quickly than they would have under a secret-ballot election.

"It was serendipitous timing, certainly," said Debbie Willhite, executive director of the convention committee.

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Unless, of course, you're a Republican. "The downside is that the Democrats will have their big party, leave after a week," Mr. Caldara said, "and we'll be stuck with a union hotel."

Romney Leaving Mass. With Mixed Record (WP)

By David S. Broder

The Washington Post, November 26, 2006

BOSTON -- He has been a successful venture capitalist and management consultant, and he saved the tainted 2002 Salt Lake City Winter Olympics from scandal. But it is his single term as Massachusetts governor that is Mitt Romney's chief credential in his bid for the Republican nomination for president.

He began his term four years ago on a high note, rescuing the state from an inherited budget deficit. But now, as he prepares to leave office and focus full time on his White House aspirations, his tenure is being viewed in a more mixed fashion.

While he can point to a major policy success in health care, his relationship with the Democratic-controlled legislature that made it possible is in tatters. His efforts to challenge the Democrats and promote Republican candidates for the legislature failed. His partner in the statehouse, Lt. Gov. Kerry Healey, lost a bid to succeed him. And Romney is leaving office with the state GOP weaker than when he arrived.

Massachusetts is a liberal state and was the first in the nation to permit same-sex marriage. But Romney is a staunch conservative who finds himself running against all that his state symbolizes to national Republican voters -- he opposes single-sex marriage, stem cell research and abortion. That may help him with GOP conservatives who hold sway in the party's primaries. But if he wins the nomination, Romney could find himself in the same position as Al Gore in 2000 -- losing his home state in the general election.

In fact, Romney has commented that if he had known he was going to seek the presidency, he probably would have chosen to plant his flag not in Massachusetts but in Michigan, where his father, George Romney, served as governor and where the political culture is more compatible with his conservatism.

In a recent interview reflecting on his administration, Romney said he accomplished his main goals of balancing the budget, resisting any general tax increase and launching initiatives that can spur growth. He said he has shown he can surround himself with smart advisers and set high expectations.

"I am used to debating things back and forth," he said. Credited even by critics with having an agile mind, Romney said he has learned to manage by "hiring people smarter than I am and then arguing with them," adding: "I will by nature disagree when everybody has the same view; I want to hear an alternative."

Romney has run Massachusetts's government with a handful of close aides, many of them drawn from Bain & Co., the consulting firm whose venture capital arm he ran. It is top-down management, designed to keep control firmly in Romney's hands and to deliver a single, upbeat message to voters through a relentless public relations offensive.

Even before he was sworn in, Romney ordered a reorganization of the executive branch, designed to improve the coordination of government services. Warned by a predecessor, Gov. William F. Weld (R), that the departments of transportation and environment were perpetually at war, Romney ordered them to join the housing and energy agencies in a new Office for Commonwealth Development. To the surprise of many business supporters, he named Douglas Foy, a prominent environmentalist, to head the super-agency, which has worked to concentrate business development and housing close to transit lines and reduce sprawl.

Romney ordered a similar consolidation of the business, finance and economic agencies into another super-department and picked another Democrat, Robert Pozen, to run it. Foy and Pozen, along with then-Chief of Staff Beth Myers and a handful of others, formed an inner circle of decision-makers, working more or less smoothly with Romney's political team from the 2002 campaign.

Their initial challenge, a threatened state budget deficit of almost $3 billion, was created by the dot-com collapse. Having vowed in the campaign to oppose any general tax increase, Romney quickly won approval from the legislature for a variety of spending cuts.

But when those came far short of balancing the budget, Romney turned to closing what he called "loopholes" in the corporate tax code. That, along with higher local property taxes, produced millions in new revenue -- and allowed critics to challenge Romney's claim that he held the line on taxes.

As the budget crisis eased, fights with the legislature became more frequent and bitter. Romney failed to develop the warm personal relationships with Democratic leaders that Weld had enjoyed with some of their predecessors. The Democrats had no compunction about rejecting Romney's initiatives, including his push to reduce the state's top income tax rate.

Frustrated by seeing big parts of his program roadblocked, Romney mounted a major effort to change the makeup of the legislature in his midterm election in 2004. He campaigned and financed races in dozens of districts, spending $3 million, and

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when the returns came in, Republicans had two fewer seats than before -- leaving the Democrats with an overwhelming, veto-proof majority in both the state House and Senate.

The result has been a series of fights that have left the state politically polarized, and that reality has shaped -- and limited -- Romney's actions in the past two years. Where the Democrats have been motivated to act, he has had notable successes. His plan for health care treats it much like car insurance, requiring people to buy it or face a fine. It was tweaked and substantially expanded by the legislature, and in the final analysis, the negotiations that led to success were managed more by the Democratic leaders of the House and Senate than by the governor.

But Romney could claim parenthood of the plan, and he presided with pride over the bill-signing ceremony, cheered on by Sen. Edward M. Kennedy (D) and prominent leaders of business, labor and the health-care industry.

Romney has taken the health-care bill on the road as he has carried on his undeclared campaign for the presidential nomination. He has also emphasized his efforts to hold down taxes, restore the death penalty, block research on embryonic stem cells and oppose same-sex marriages.

His national effort to portray himself as a counterforce to the liberalism of his state has not gone down well with many at home. In the 2006 campaign, Deval Patrick, the Democrat who will succeed Romney as governor, spoke out in defense of his state and its traditions.

Patrick's victory over Healey marked a kind of repudiation of the Romney legacy in Massachusetts. The Republican Party there, never robust, is now at its weakest point in years.

Romney's campaign travels as head of the Republican Governors Association kept him on the road much of the past year. But he was on the job, and deeply immersed in the details, when the collapse of a concrete ceiling in a "Big Dig" tunnel in Boston killed a motorist this summer. He forced the legislature to give him control of the independent Turnpike Authority -- power it had previously denied him -- and he fired the administrator and moved in his own people.

"He was 100 percent engaged in all the critical decisions," said Myers, the former chief of staff.

As Romney turns his focus to the presidential race, those decisions and his record will receive greater scrutiny than ever.

Romney Reaches For Reagan Touch (BOS)

By Scott Helman

The Boston Globe, November 25, 2006

The day after the midterm elections, Governor Mitt Romney, reflecting on the GOP's punishing losses, issued a clarion call to conservatives: "We must return to the common-sense Reagan Republican ideals."

Three days later, at a State House Veterans Day ceremony, Romney invoked the former president again, saying, "As Ronald Reagan once said, 'I have seen four wars during my lifetime and none of them began because America was too strong.' "

And then last Friday, asked by a Fox News interviewer whether he was running for president, Romney said he was giving it some serious thought, because the stakes were so high. "We're going to have to make sure that we have the kind of Reagan optimism that America's looking for," he said.

Romney's repeated references to the nation's 40th president in two weeks illustrate how the governor, as he builds toward a 2008 presidential bid, is increasingly trying to cast himself in the Reagan mold -- as a patriotic, small-government conservative from outside the Beltway who's bent on repelling taxes, moral relativism, and foreign threats.

Like many Republicans, Romney has long described Reagan as one of his heroes, but as the governor's White House hopes have gained steam, his admiration has turned to emulation: Romney seems to be channeling the former president's conservative convictions, his hopeful message, and even his witty, folksy style of connecting with voters from South Carolina to Southern California.

There are many similarities between the two: Reagan and Romney portrayed themselves as bulwarks against the perils of liberalism in their home states -- Reagan in California, Romney in Massachusetts. Both have benefited from their Hollywood looks. Both have had experience in working with Democratic legislatures.

"Reagan was able to run against Washington, including people in his own party in Washington, by talking about what he achieved as governor and saying he would take those ideas to Washington," said Republican strategist Charlie Black, who was a senior Reagan adviser. "Romney can do the same thing."

Like other potential GOP candidates, Romney is also negotiating a delicate relationship with the legacy of President Bush, who is respected by Republicans for his tough tactics in fighting terrorism but continues to be plagued by low job-approval ratings. Reagan's legacy, by contrast, is seen by Republicans as largely unassailable.

While Republican presidential hopefuls routinely try to claim the mantle of Reagan conservatism, Black said, Romney can make a good case, in large part because of his charisma and his ability to give a stirring speech. Black said he hears observers of the 2008 race describe Romney as "Reagan esque."

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Romney's message on the stump often carries echoes of Reagan, who died in 2004.

Consider the acceptance speech Reagan gave in July 1980 after he won the Republican nomination for president.

"Never before in our history have Americans been called upon to face three grave threats to our very existence," Reagan said, warning that the United States was spending beyond its means, facing unprecedented danger from Soviet communism, and maintaining an unhealthy dependence on foreign oil.

And yet, Reagan voiced optimism: "There are no words to express the extraordinary strength and character of this breed of people we call Americans."

Compare those remarks with Romney's in July of this year, at a GOP luncheon in Ames, Iowa.

"We're under attack from jihadists, we're spending way too much money -- way more money than we're taking in -- [and] we're using way too much oil," Romney said, asserting that the American people were up to the test. "We face some real challenges . . . but we will rise to the occasion, as we always do."

He added, "I love America and what it stands for. I will fight for it, as you will."

Romney's evolution on abortion mirrors Reagan's, too: Like Reagan, Romney once expressed support for abortion rights but became solidly antiabortion as the presidential campaign neared.

And Romney has had help from a California humorist, Doug Gamble, who once wrote laugh lines for Reagan.

Jared Young, a spokesman for Romney's political action committee, the Commonwealth PAC, said Reagan is a worthy model.

"The governor is a conservative much like Reagan was and agrees with the Reagan principles that the Republican Party, up until recently, has sought to follow very closely," Young said. "He is a very optimistic leader, much like President Reagan was."

Ed Rollins, a veteran Republican strategist who ran Reagan's 1984 reelection campaign, said that while he wouldn't necessarily call Romney an heir to Reagan, he did see a connection.

"He shares the same principles," Rollins said. "And Reagan was about three things when he ran . . . lower taxes, less government, and national defense."

But some critics of Romney's record as governor say his tenure does not reflect a commitment to lower taxes and less government. They argue that Romney's administration -- by raising many state fees, raising corporate taxes by closing loopholes, and implementing a new comprehensive healthcare program -- has actually done the opposite.

Romney's views on national defense are less well known, and some political observers say his lack of foreign policy experience could be a liability, especially if the war in Iraq continues to dominate the headlines.

And Romney is hardly the only candidate to invoke Reagan in looking toward 2008. US Senator John McCain of Arizona, who, along with former New York mayor Rudolph Giuliani, could prove to be Romney's chief rival, gave two major speeches in Washington last week laced with references to Reagan. In fact, McCain aides said they hoped the speeches would be reminiscent of an address Reagan delivered in the political vacuum after Republicans lost the White House in 1976.

But McCain, after bucking the party's right wing on immigration, taxes, and, most recently, the treatment of terrorism suspects, has not been a favorite of conservatives. So Romney, in an effort to position himself as the McCain alternative, has spent much of the past year trying to draw those voters to him.

Do We Need Another T.R.? (LAT)

By Matt Welch

The Los Angeles Times, November 26, 2006

YOU CAN READ 1,000 profiles of GOP presidential front-runner John McCain without encountering a single paragraph examining his core ideological philosophy. His career is filled with such distracting drama — torture at the Hanoi Hilton, noisy conversion to the campaign-finance-reform faith, political suicide on the Straight Talk Express — that by the time you're done with the highlights, and perhaps a few "maverick" anecdotes, time's up.

People are forever filling in the blanks with their own political fantasies. Third party candidate! John Kerry running mate! Far-right warmonger! Republican In Name Only! But with the announcement that the popular Arizona senator has formed his presidential exploratory committee, it's time for our long national guessing game to end.

Sifting through McCain's four bestselling books and nearly three decades of work on Capitol Hill, a distinct approach toward governance begins to emerge. And it's one that the electorate ought to be particularly worried about right now. McCain, it turns out, wants to restore your faith in the U.S. government by any means necessary, even if that requires thousands of more military deaths, national service for civilians and federal micromanaging of innumerable private transactions. He'll kick down the doors of boardroom and bedroom, mixing Democrats' nanny-state regulations with the GOP's red-meat paternalism in a dangerous brew of government activism. And he's trying to accomplish this, in part, for reasons of self-realization.

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The first clue to McCain's philosophy lies in two seemingly irrelevant items of gossip: His father was a drunk, and his second wife battled addiction to pain pills. Neither would be worth mentioning except for the fact that McCain's books and speeches are shot through with the language and sentiment of 12-step recovery, especially Steps 1 (admitting the problem) and 2 (investing faith in a "Power greater than ourselves").

Like many alcoholics who haven't quite made it to Step 6 (becoming "entirely ready" to have these defects removed), McCain is disarmingly talented at admitting his narcissistic flaws. In his 2002 book "Worth the Fighting For," the senator is constantly confessing his problems of "selfishness," "immaturity," "ambition" and especially "temper," though he also makes clear that his outbreaks of anger can be justifiable and even laudable when channeled into "a cause greater than self-interest."

"A rebel without a cause is just a punk," he explains. "Whatever you're called — rebel, unorthodox, nonconformist, radical — it's all self-indulgence without a good cause to give your life meaning."

What is this higher power that ennobles McCain's crankiness? Just as it is for many soldiers, it's the belief that Americans "were meant to transform history" and that sublimating the individual in the service of that "common national cause" is the wellspring of honor and purpose. (But unlike most soldiers, McCain has been in a position to prod and even compel civilians to join his cause.)

Liberals and conservatives alike fail to truly reflect his views, McCain writes, because "neither emphasizes the obligations of a free people to the nation." His main governmental inspiration is Teddy Roosevelt, the "Eastern swell who became a man of the people," whose great accomplishment was "to summon the American people to greatness." In Roosevelt's code, McCain writes approvingly, it was "absolutely required that every loyal citizen take risks for the country's sake." This is an essentially militaristic view of citizenship, one that explains many of McCain's departures from partisan orthodoxy. Unlike traditional Republicans, he will gladly butt into the affairs of private industry if he perceives them to be undermining Americans' faith in government; unlike Democrats, he thinks the executive branch generally needs more power, not less.

"Our greatness," he wrote in "Worth the Fighting For," "depends upon our patriotism, and our patriotism is hardly encouraged when we cannot take pride in the highest public institutions." So, because steroids might be damaging the faith of young baseball fans, drug testing becomes a "transcendent issue," requiring threats of federal intervention unless pro sports leagues shape up. Hollywood's voluntary movie-rating system? A "smoke screen to provide cover for immoral and unconscionable business practices." Ultimate Fighting on Indian reservations? "Barbaric" and worthy of government pressure on cable TV companies. Negative political ads by citizen groups? They "do little to further beneficial debate and healthy political dialogue" and so must be banned for 60 days before an election if they mention a candidate by name.

If his issues line up with yours, and if you're not overly concerned by an activist federal government, McCain can be a great and sympathetic ally. But chances are he will eventually see a grave national threat in what you consider harmless, or he'll prescribe a remedy that you consider unconscionable. Nowhere is that more evident than in his ideas about the Iraq war.

McCain has been banging the drum from nearly Day One to put more boots on the ground in Iraq. "There are a lot of things that we can do to salvage this," he said on "Meet the Press" on Nov. 12, "but they all require the presence of additional troops." McCain is more inclined to start wars and increase troop levels than George W. Bush or Bill Clinton. He has supported every U.S. military intervention of the last two decades, urged both presidents to rattle their sabers louder over North Korea and Iran, lamented the Pentagon's failure to intervene in Darfur and Rwanda and supported a general policy of "rogue state rollback." He's a fan of Roosevelt's Monroe-Doctrine-on-steroids stick-wielding in Latin America. And — like Bush — he thinks too much multilateralism can screw up a perfectly good war.

The price of all this war-making, in money and manpower, would be staggering; it's hard to imagine without a draft (McCain has long been a fan of mandatory national service, at the least). But the costs to his political ambitions may even be greater. The nation is in no mood for the war we've got now, let alone a doubling-down on Iraq and ramped-up unilateralist tough talk in the Middle East. The trend lines of public opinion on these counts are not pointing in McCain's direction.

One of the many charming confessions in "Worth the Fighting For" is McCain's complaint that the man he replaced in the Senate — Republican icon Barry Goldwater — was "never as affectionate as I would have liked." Small wonder.

Goldwater, a man who seemed to emanate from Arizona's dust, was the paragon of limited government, believing to his core that the feds shouldn't tell you how to run a business or whom you can sleep with. McCain, on the other hand, is a third-generation D.C. insider who carpetbagged his way into office, believing to his core that "national pride will not survive the people's contempt for government." On Nov. 7, those conflicting worldviews collided when Arizonans voted on whether to outlaw gay marriage. McCain campaigned in favor of the ban, in the name of "preserving the sanctity" of heterosexual unions. His exhortations went down to surprising defeat. Not, one suspects, for the last time.

A Democratic Tidal Wave In New Hampshire (WP)

By David S. Broder

DOJ_NMG_0098353

The Washington Post, November 26, 2006

When the pack of presidential hopefuls and the reporters who follow them descend on New Hampshire in January, as the 2008 campaign begins, a surprise awaits them. For the first time in anyone's life, New Hampshire has turned into a bright blue Democratic state.

Buried in the news of the national Democratic midterm election victory was an even more dramatic power shift in the state that has become famous as the site of the first presidential primary in each cycle.

In the words of veteran New Hampshire Republican leader Tom Rath, it was "beyond historic" when the Democrats took complete control of the handsome state capitol in Concord for the first time since 1874.

Democratic Gov. John Lynch won a second term with 74 percent of the votes, providing coattails for many others on the ticket.

The Executive Council, which has the power to confirm appointees and approve state contracts, switched from 4-1 Republican to 3-2 Democratic.

The state Senate, which Republicans controlled 16-8, is now Democratic by a 14-10 margin.

The state House of Representatives, which is dwarfed in size only by the British House of Commons and the U.S. House of Representatives, went from 242-150 Republican, with eight vacancies, to 239-161 Democratic.

In addition, Democrats defeated both incumbent Republican congressional representatives in a powerful demonstration of party-line voting.

New Hampshire was not alone. Iowa, whose presidential caucuses come even earlier than the New Hampshire primary, also elected a Democrat as governor and saw both houses of its legislature flip to the Democrats.

Democrats now control both houses in 24 states; Republicans do so in 16; and nine states have split control. (Nebraska has a nonpartisan unicameral legislature.)

These numbers become more important as we approach 2010 and another census, which will provide the raw material for the next round of line-drawing for congressional and legislative districts. If Democrats can maintain their legislative advantage along with their new 28-22 lead in governorships, they will be in the driver's seat on that redistricting.

Dante Scala, a professor of political science at St. Anselm College and authority on New Hampshire politics, said there were 80,000 straight-ticket Democratic votes -- almost twice the number of straight Republican ballots in the state.

The Democrats, who for decades were a scorned minority in New Hampshire, "had much better organization and far outclassed the Republicans this time," Scala told me. "Combined with the national trend and the popularity of Governor Lynch, the Republicans were just overwhelmed."

Rath used similar language, speaking of "an enormous surge we [Republicans] couldn't stop." It was fueled, he said, by the same anger at Washington, frustration over Iraq and disgust with the Republican Congress that prevailed nationally. But it was abetted in New Hampshire by the growing number of political independents who this year joined the Democrats in voting for change.

The force of the movement spared no one. Peter Spaulding, a longtime member of the Executive Council and a leader in John McCain's victorious 2000 New Hampshire primary campaign, lost his seat to a 71-year-old opponent who barely made any effort and who was vacationing in Belgium when the election returns came in. Dozens of longtime citizen-legislators, serving part time for $200 a term and rarely having to bother to campaign, found themselves voted out of office.

"The only successful Republicans were the ones who were not on the ballot in 2006," such as Sens. Judd Gregg and John Sununu, Rath said.

The fathers of these two senators were famous for steering the New Hampshire campaigns of Republicans who became president, but that was in the days when Republicans were dominant. Now, with Democrats resurgent and independents ever more influential, the kingmaker role may no longer be available to GOP operatives.

Republicans such as McCain, Mitt Romney and Rudy Giuliani may face a more hostile climate, in both New Hampshire and Iowa. And Democrats will be dealing with a constituency that, this year at least, was strongly antiwar and anti-Washington politician.

Lynch, who helped power the Democratic victory this year, has announced no favorite for the presidential nomination. He has stayed above the political battle at home, hoarding his political capital. If he chooses to endorse, it will carry more weight than any Democratic endorsement in a long time.

Dems Look To Big Sky (DENP)

By Karen E. Crummy

Denver Post, November 26, 2006

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Helena, Mont. - In a state where voters backed a Republican candidate in nine of the past 10 presidential elections, Democrats suddenly find themselves in control of almost everything.

In the past two years, the party has taken control of the governor's office, the state Senate, and - depending on a Tuesday recount - has maintained a split in the state House. In the November general election, the party's U.S. Senate candidate also beat an entrenched Republican incumbent.

That makes Montana a political laboratory for national Democrats trying to determine what elements are needed for retaking the White House in 2008.

And when sorting through the reasons Democrats have taken hold in a conservative state, fingers frequently point first at Democratic Gov. Brian Schweitzer.

Midway through his first term, Schweitzer, a relative political newcomer, is a self-described "pickup-driving, God-fearing, gun-toting, red-meat- eating, take-responsibility-for-my- actions, invest-in-education kind of Democrat."

In a state where cattle outnumber people nearly 3-1, Schweitzer's prairie populist message, gift for storytelling and homespun charm have won him approval ratings upward of 70 percent.

His ability to suddenly shift from flattery and enticements to hardball tactics and steely negotiations have led to comparisons to former President Lyndon B. Johnson.

It has also led some Republicans to label him a bully, contending Schweitzer uses his popularity to threaten and intimidate freshman GOP lawmakers - or anyone else who stands in his way.

"He's a political gangster," said state Senate Minority Leader Bob Keenan.

He's got "the thing"

Love him or hate him, people appear to agree that Schweitzer has a political magnetism that can't be pinpointed, bottled or even adequately described but might need to be copied by Democrats seeking to win over independent-minded voters.

"He's that rare, high-energy individual that has 'the thing.' That Bill Clinton-Barack Obama thing," said Jerry Calvert, a political science professor at Montana State University.

He's a 6-foot-2-inch back- slapping, bear-hugging guy's guy who gave his wife a revolver for her birthday and takes his dog to the office - every day. He's also a calculating politician who chose a Republican for his running mate, and an expert on renewable resources, a master's degree holder and an Arabic speaker.

Two days with him reveal a man obsessed by the challenges his state faces today but intrigued enough about his own future and national politics to spend hours reading blogs or watching

Montana Gov. Brian Schweitzer walks his border collie, Jag, to the governor s mansion along with Mary Lou Zimmerman in Helena, Mont. Schweitzer takes Jag to work every day. (Post special / Jon Ebelt) simulcasts of Don Imus, the New York radio talk host.

Most people at the State Capitol had just arrived for work Monday and were searching for a cup of coffee, as Schweitzer - an Energizer Bunny clad in Levis, brown cowboy boots and a blue bolo tie - hurries down the hall to his office, followed closely by Jag, his border collie.

He has a critical meeting with one of the state's tribal leaders in an hour.

"I want to find a solution, but I'm going to tell him that people already think I'm too much of an Indian-lover," Schweitzer says as he plunges into a small chair. "It's not going to hurt me."

It's this image of a plain- spoken, don't-push-me-around Democrat that helped sweep Schweitzer into the governor's office two years ago - four years after his first run for office, a failed attempt to win a U.S. Senate seat.

"He showed Montana voters that he was just like them," said David Sirota, who was a political strategist for Schweitzer's gubernatorial run. He emphasized fishing and hunting access on public lands and health care for small businesses, where 85 percent of Montanans work.

But what really makes the 52-year-old Schweitzer tick is energy independence and the jobs it can bring to Montana. The cattle rancher and mint farmer received a master's degree in soil science and spent seven years in Saudi Arabia developing crop irrigation systems.

"We have to be self-reliant. We can't keep relying on dictators," he said.

His Volkswagen Jetta runs on biodiesel; small windmills sit on his window sills, and tubular devices that among other things turn sunlight into hydrogen are scattered across his desk.

He whips out a lump of coal and four test tubes filled with canola, saffron and camelina from his briefcase and is ready to launch into a lecture on renewables when he is cut short by the arrival of the tribal leader.

Despite his reputation for good relations with the state's tribes, negotiations over a gambling contract this day aren't going so well.

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The tribal leader points a finger toward Schweitzer's face. The governor leans back in his chair and brushes one hand across the table.

"If we can't make a deal," he says, "I will go to radio, TV, I'll go to all the papers and tell them you rejected a good deal because you got greedy."

Two hours later, after meeting with his top aide, and exacting promises from people that they can deliver "a dozen or more Republicans" to get a deal done, Schweitzer hasn't found a solution.

But he hasn't made good on his threat either, preferring to keep talking. And now he needs to dab on his Mary Kay powder to tape a public service commercial about Indian education.

"Don't write that I'm a girlie- man," he instructs.

Before the day is out, he will have spent another few hours meeting with energy moguls from all across the country, finally inviting them to his residence to discuss ideas over cocktails.

After they leave, Schweitzer is sitting on a white, microsuede couch in the governor's mansion, actually a ranch-style home. He reaches into a blue plastic box and pulls out a .38 Smith & Wesson revolver - with laser sight. He gave it to his wife, Nancy, for her birthday a few days earlier. Is it really what she wanted?

"She didn't know it was what she wanted," he says, although he admits next year he might consider jewelry.

Drinking red wine before switching to whiskey, the father of three is flanked by his wife and 17-year-old daughter, Katrina. He also has two older sons, Khai and Ben.

Katrina is a typical teen, rolling her eyes at him when he mimics her by saying "whatever" and letting out a long "Daaaaadd" when she finds him geeky or embarrassing. She wants a new car, but so far, she isn't getting one.

Her cellphone plays "Under Pressure" by Queen and David Bowie when Schweitzer calls.

Playing the political game

It's only 9 a.m. Tuesday and Schweitzer has already been up for five hours reading the blogs, papers and jogging on the treadmill while watching Imus on MSNBC.

He's hurtling down the hall - again - toward his office, Jag trailing quickly after him.

"We're going to change the world!" he proclaims, waving a stack of papers revealing good news about Montana's capabilities for further energy development. This leads him another step close to what he calls "The big Kahuna": his plan to deliver Montana-produced electricity to Las Vegas and Los Angeles.

"Those that are bold ... are going to be rewarded six, eight, 10 years from now," he said.

Though he gives every appearance of governing from his soul, Schweitzer has a keen political side. He quickly reviews his latest poll numbers, a 70 percent job-approval rating - down 7 percent from before the election, he says, but still high.

He has spent months of political capital trying to help Democrats win, and although he campaigned successfully for now U.S. Sen.-elect Jon Tester, results in the statehouse were mixed. The 2004 election gave Democrats a 27-24 state Senate majority, and the House was split 50-50. But this year, Republicans were able to make gains, including picking up two Senate seats.

Democrats retained control of the Senate, primarily because a Republican lawmaker defected to their side. But Democrats are down one seat in the House and waiting for a recount in a tied race. If it stays a tie, Schweitzer gets to pick the winner, splitting the House down the middle.

After reviewing his poll numbers, Jag and Schweitzer go for a walk. (He auctions off the chance to walk with him for charity. Today earned $500 for National Public Radio.) He engages in a cleansing ritual called smudging with leaders of the Crow nation before discussing oil drilling on the reservation.

Meetings with executives from Westmoreland Coal follow, and Schweitzer ducks out about 45 minutes later to give a presentation on energy.

Later, he downplays talk that he might run for the U.S. Senate in two years - "don't hold your breath" - and says he finds the bloggers' trying to recruit him to run for president entertaining.

For now, his main concern is bringing jobs and infrastructure to Montana, and he has a warning for other governors.

"If you ever see me getting off a plane in your city, know that I'm there to steal jobs," he says.

The Gospel According To Jim Wallis (WP)

By David Paul Kuhn

Washington Post Magazine, November 26, 2006

JIM WALLIS IS PREACHING ABOUT A BIBLE TORN APART. Wallis tells the crowd at the Seattle Pacific University chapel that when he was in seminary, a fellow student took hold of an old Bible and cut out "every single reference to the poor."

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"And when we were done, that Bible was literally in shreds. It was falling apart in my hands. It was a Bible full of holes. I would take it out to preach and say, 'Brothers and sisters, this is our American Bible.'"

Wallis pauses. "It's like someone has stolen our faith. And when someone tries to hijack your faith, you know what? There comes a time when you have to take it back!"

For nearly two years, Wallis has traveled across the country attempting to do just that. And some would argue that those efforts have begun to bear fruit, as demonstrated by gains in the recent elections. But Wallis, America's leading progressive evangelical, contends that the issue is far larger than any one election, that the Christian conservative movement has remade Christ in its own image. "What's at stake here is not politics or social action," he insists, "but the very integrity of the word of God."

Wallis's book, God's Politics: Why the Right Gets It Wrong and the Left Doesn't Get It, spent 15 weeks on the New York Times bestseller list in 2005 and became the catalyst for his budding effort to revive progressive Christian politics. Throughout the book, Wallis argues that liberals have lost touch with the faith that defines much of American life. In the values debate, nearly all of which stems from differing perspectives of religion and moral absolutes, Democrats have traditionally been on the trailing end since the devout Jimmy Carter lost churchgoing voters to Ronald Reagan in 1980. Bill Clinton significantly narrowed the gap in 1992 by winning the Catholic vote, but even with his ability to speak comfortably about faith, by 1996, the gap widened again. Four years later, George W. Bush brought Catholic and Protestant regular churchgoers firmly into the Republican camp. Though the gap narrowed three weeks ago, cutting the GOP's advantage among regular churchgoers to 12 percentage points as concerns about the Iraq war rose to the fore, it's still uncertain whether those gains made up a trend or a onetime event.

It is not that America has become more religious. The Gallup Organization's polling demonstrates that as far back as Franklin D. Roosevelt, the number of Americans who said they attend church weekly -- religious Christians -- has remained roughly four in 10. But how religious Christians vote has changed. In 1960, seven in 10 Catholics identified themselves as Democratic or leaning Democratic. By 2004, that number declined to 44 percent. Between 1960 and 2004, the Pew Research Center for the People and the Press reported that white evangelicals went from favoring Democrats by a 2-to-1 ratio to favoring Republicans by about the same ratio -- 78 percent supported President Bush in 2004. Overall, voters who attended church at least once a week supported Bush by a margin of 20 percentage points in 2004. Furthering the divide, religious Christians turn out in presidential elections at a rate of about 10 percentage points higher than those who attend church less than once a week. By August 2006, about one in four Americans told Pew pollsters that Democrats are "friendly toward religion," down 16 percentage points from July 2003, according to Pew's annual report on religion and politics.

Over the past three decades, exit polls demonstrate that religious Christians have tended to become increasingly conservative, while the base of the Democratic Party has become more secular. The outcome is a religion gap unparalleled in modern American presidential elections, one based on church attendance instead of church denomination.

"Here's the facts," Wallis tells the crowd at Seattle Pacific University, "every major social movement in our nation's history -- abolition of slavery, women's suffrage, child labor law reform and, of course, civil rights -- was fueled and driven in large part by religion. And I want to say to the left, the progressive side: Conceding the entire territory of religion and even values to a religious and political right is the biggest mistake the left has made in years, and they must never make that mistake again."

Do the recent gains mean the Democrats are on the way to solving the problem? Not by a long shot, says American Enterprise Institute congressional scholar Norm Orenstein.

The core part of that Republican base, the Christian conservatives, was not as "ginned up this time," Ornstein says. "But does that mean they will not be ginned up in two years? Of course not."

For Wallis, the narrowing of the gap in the midterm elections was encouraging, but he emphasizes that a religion gap decades in the making can easily expand again. Presidential elections are far more contests of two characters, rather than the national mood, he stresses. In 2008, "it will depend on the Democratic candidate," he says, and "whether the discussion of faith is authentic."

THE LAST DEMOCRAT TO WIN THE PRESIDENCY with more than half of the electorate was also the last Democrat to nearly split the religious Christian vote: Jimmy Carter. Carter has been a devout Baptist for the whole of his 82 years. He lives today in the same town in which he was born and has spent the bulk of his life in the Bible Belt. He remains the pride of Plains, a diminutive town in the deep south of Georgia. To this day, political analysts chalk his 1976 victory up to his Southern heritage.

But CBS News exit polling demonstrated that for six in 10 voters, "restoring trust in government" was the number one issue that led them to support their candidate, dwarfing by three times all other issues. Carter's ability to authentically speak to his faith may have allowed voters to find a pathway to trusting his character.

"I think the American people then wanted to believe that their president was guided by moral values that were permanent and unshakable and fairly clear, and, of course, these derive from religious faith, and I don't think it has to be Christianity," Carter says, pausing and looking outward to the damp blanket of leaves covering his lawn. "But I think that's a legitimate expectation on the part of the American."

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Increasingly, it became an expectation Democrats failed to meet. As the Democratic constituency became more culturally diverse in the 1960s and 1970s, a reluctance emerged to speak about religion in the public sphere. The party began a new emphasis on tolerance. A strict belief in the separation of church and state progressively became part of liberal culture. But the result, says John Green, the Pew Research Center's expert on religion and politics, was that an almost illiberal intolerance for religion emerged among some active Democrats.

"They offended some of these religious people that ought to be on their side," Green says. "Part of that is just a matter of respect." But after the 2004 presidential election illustrated once again that "moral values" were a primary motivator for a significant portion of the electorate, who went overwhelmingly Republican, prominent Democrats began to reconsider their reticence on matters of religion. They also began actively campaigning to dispel the notion that Democrats were antagonistic to people of faith.

"I have confidence that intelligent people: Joe Biden, Senator Bayh . . . and Ms. Clinton -- I think they are very carefully considering what happened in 2004 and how they can avoid the pitfalls of being branded as nonreligious and appealing to the moderate voters who were alienated before," Carter says. "I know if they are going to run for president, they are obsessed with this subject."

It is not the sincerity of prominent Democrats' faith that critics such as Carter question, but their ability to translate their religious moral center to the public. Today, about nine in 10 Americans "never doubt" the existence of God. Eight in 10 say prayer is an "important part" of their daily lives. Seven in 10 Americans believe presidents should have "strong religious beliefs," according to numerous Pew studies. But all polling suggests that most religious voters, especially white religious Christians, don't believe Democrats understand their intense faith, and therefore, the core of who they are. "It's a means of making a personal connection between you and all these millions of people you are trying to reach," says Laura Olson, a professor at Clemson University who specializes in religion and politics.

The Democratic Party has three choices in the next presidential campaign, Olson says. "One, you ignore [the religion gap]. I think they've tried that and it failed. Two, you stick to your guns. You say, okay, we're on the other side of the culture war here. We are pro-gay rights. We are pro-choice. That's a problem, too, and the left of the Democratic Party has clearly tried to do that, and that's what they believe, so they should do that. But that isn't going to fly on election night, when you are talking about the electoral college. So the third option, and the only one they are left with, is to try and redefine the debate in their own terms. You've got to take that term 'values,' that term 'morality,' and rethink what it means."

WALLIS ATTEMPTS TO STAY ABOVE THE PARTISAN FRAY, but has voted only for Democratic presidential candidates and asks congregation after congregation, "So how did Jesus become pro-rich, pro-war and only pro-American?"

"I am political. Sure, I am political," Wallis says. "But I try to be political without being partisan. I don't consult with or collaborate with Democrats on their strategy.

"There are policies right now that the Republicans are standing for -- and the administration is -- that I'm against," Wallis says, "and I want to see those policies reversed and turned around. But just Democrats' winning won't necessarily do that."

He is particularly incensed by Bush's tax cuts, for favoring the rich and ignoring the poor, as Wallis sees it. And although Wallis may strike a more conservative tone on family values and the need for personal responsibility -- he opposes legalized abortion, except when the life of the woman is in danger and in cases of rape and incest, but believes the issue should be left to state legislatures -- he is no Clintonian New Democrat. He is less sanguine about the use of U.S. military force, believing his Christianity compels exhaustive efforts for peace before using force. He broke with Democratic leadership over its support for the invasion of Afghanistan.

"They always tell me to offer the alternative to the religious right," Wallis says in Seattle, during his tour of conservative Christian colleges. "My job in life is not to be an alternative to Jerry Falwell."

More than a quarter-century ago, Falwell brought religion to the forefront of the contemporary American political debate. During the 1980 presidential election, under the banner of his newly formed Moral Majority, the conservative preacher rallied unprecedented numbers of religious Christians to the Republican cause. "When I hear a Howard Dean and Hillary [Clinton] and others talking about appealing to religious conservatives, they just have no understanding of what it is that motivates us," Falwell says. "They mistakenly think that we are Republicans. We're not. I could vote for any Democrat for president or Senate or congressman, as long as he or she was committed to the social issues properly, took a strong stand in the war on terrorism, and national defense. We'd be right there."

The self-described "godfather of what is called the religious right," Falwell is among Wallis's harshest critics. "I've never believed that Jim Wallis was an evangelical. I've asked him on talk shows if he believes the Bible is the infallible word of God -- well, that's the cornerstone of evangelical Christianity -- and he's never been willing to say publicly that he does. I've asked him the question: Do you believe Christ is the only way to heaven? And he's never been willing to say yes? All evangelicals will say 'yes' quickly to that question."

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Wallis, who doesn't accept that litmus test for evangelism, may not want to be a counter-Falwell, but increasingly, he is the most influential alternative.

In January 2005, Wallis wrote a memo on why the federal budget is a "moral document." Democratic Minority Leader Harry M. Reid (Nev.) referenced the memo the following March when he spoke on the Senate floor. Reid recited the biblical story of the rich man who went to Hell for ignoring the starving beggar Lazarus at his door. Reid pledged that if Republicans cut health, education and job training programs, he would "turn this budget into a moral document."

"Jim Wallis, who is a friend of mine," Reid says, "has been a real good teacher for us . . . I think he's made us more socially conscious of the importance of religion." Reid says that when the religion gap was brought to his attention after the 2004 election, it was an awakening for him. "I think, my personal feeling is, we let the right wing take away the basis for religiosity," Reid continues. "It's to make life better for people, not have them vote one way or the other." But Reid says Democrats after 2004 could no longer ignore that their faith led many voters to the Republican camp. He contends that

Democrats have changed accordingly. It is not that Democrats have

become more religious, Reid insists, but more open about their faith.

"What Jim Wallis has written, what he says every day, what I have written, is going to be at least partially effective," says Carter, whose recent book, Our Endangered Values: America's Moral Crisis, was also a bestseller. "I'm not trying to exalt myself. But I'm sure the two books that were written, had they been written five years ago, the [presidential] election may have turned out differently . . . There are values other than gay marriage, blocking gay marriage and blocking abortion, but we've, by almost default, we turned those issues that were looked upon as encapsulating all religious belief because we didn't emphasize the overwhelming portion of what, in my opinion, actually comprises the essence of religious belief."

THE SON OF CHURCHGOING EISENHOWER REPUBLICANS, Wallis was a youth group leader at his parents' church. "And then I began to have these questions, 14-year-old questions. I was living in Detroit, [in] a completely white world. I was listening to my city for the first time. I was reading newspapers now. I was paying attention to the news. I was hearing things. And, how come I didn't know anybody whose dad didn't have a job, or who didn't have a safe place to live, or who had any relatives in jail? Yet all that was happening in black Detroit, just a few blocks or miles away. How come we've never had a black preacher in church? How come we never had a black person in our church? I heard there were black churches, and who was this minister in the South named King? And I couldn't get answers to the questions."

After Wallis spent months trying to get his church to discuss segregation in Christian terms, the elders agreed to hold a discussion on racism. Wallis was selected to represent the black perspective.

"The first question was, 'Well, Jamie [his boyhood nickname], would you want Barbie to marry one?' That was my younger sister. That was the level of response."

Finally, he recalls, a church elder told him, "Christianity has nothing to do with racism. That's political, and our faith is personal."

"And," Wallis says, "I think that's the night I left [Christianity] in my head and my heart."

Race riots were occurring in cities across America by 1967. Wallis was 19. "All the white world I had grown up in was terribly afraid," he says. "And I was feeling connected to the people inside the barricade." As a student at Michigan State University, Wallis was becoming increasingly involved in the antiwar and civil rights movements. He became fascinated with Martin Luther King Jr. and was listening to Bob Dylan, reading Ho Chi Minh, Karl Marx, Che Guevara, "all the luminaries of the time. And I was not finally satisfied with them," because, as Wallis recalls, he came to believe that the leftist activist creeds did not speak to the spiritual. As Wallis was finishing college, he found that he could "never quite get rid of Jesus. He was always hanging around in my head and in my heart. So I decided to take one last look . . . I began to read the New Testament one last time. I got to the Sermon on the Mount . . . and I realized I had never heard a sermon on the Sermon on the Mount. Then I got to the 25th chapter of Matthew, and that became my conversion text, when Jesus said, 'I was hungry. I was thirsty. I was naked. I was sick. I was in prison. And you never came to me.' And the people say, 'Oh, Lord, when did we see you hungry, thirsty, or naked, or sick or imprisoned?' And he says, 'As you've done to the least of these, you've done to me.' The people who I'd met and were fighting with before were the very ones he was talking about in that passage. So I had to leave the church to find Jesus."

Wallis decided to go to the conservative Trinity Evangelical Divinity School in Deerfield, Ill. Within months, he found a group of students who believed as he did, and an early version of his movement, Sojourners, was born. It grew to become a national Christian organization based in Washington, and remains fundamentally charged, about three decades later, with lifting people out of poverty.

Yet for all the attention directed at Wallis, 58 now and married and the father of two sons, fundraising for his organization has not dramatically increased. When I tell Wallis that some of his conservative critics say he is a general without an army, he

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responds: "I think we do have an army. You don't sell 200,000 copies of a book if you don't have a constituency. We are not organized, institutionalized or mobilized the way the right is. They have been doing this for 30 years."

BY THE 1970S, DEMOCRATS' DIVERSITY was a central component of their dilemma. They became "much more of a patchwork," as Clemson University's Olson puts it. Compared with the relative cultural homogeneity of the FDR coalition of labor, Catholics, ethnic whites and Southern whites, the modern Democratic Party began to focus on "a lot more little narrow constituencies under its big tent," such as the civil rights and feminist movements, which were like "little fiefdoms they had to make happy," Olson adds.

"When the Democrats became just the party of rights, they lost something, a moral appeal," Wallis contends. The Democratic patchwork frayed as some of its largest constituencies, particularly working-class whites, began to feel culturally estranged from the party. The breaking point was in 1972, when Republican Richard M. Nixon argued that a vote for Democrat George McGovern was a vote for "acid, amnesty and abortion." To many voters, McGovern embodied an emerging perception that liberals were outside the American mainstream.

Pivotal Supreme Court rulings only furthered the emerging divide. Between the presidency of John F. Kennedy and the failed bid of John F. Kerry, the court prohibited school prayer and ruled that pornography was legal and that obscenity was subject to contemporary community standards. To conservatives, this reeked of liberal relativism. By 1973, when the court ruled there was a constitutional right to abortion, religious Christians were ready to be mobilized by conservatives. But Carter was able to stem the tide of churchgoing voters from the Democratic Party.

"Carter -- because he was really one of them -- they thought, 'Well, he'll come in, and he'll be able to turn back the clock on some of these scary policy decisions that have been made,'" Olson says. "Like legalized abortion, the removal of prayer from public schools, stuff like that. But Carter couldn't hold on to them. The perception that Carter had weakened the country internationally was especially damaging," Olson adds. "Part of what fueled the emergence of the Christian right was anti-communism . . . [communism] being rightly perceived as godless was very threatening to people of faith."

By 1980, "Reagan is able to identify a constituency that is extremely ripe for mobilization, a constituency that is easy to track down," Olson continues. "The other piece of that is that even though he himself is an incredibly unlikely representative for this constituency because he's from Hollywood, he's divorced, he has not been religious his whole life like Carter, but instead, he's able to craft himself as a viable representative of this constituency just through symbolic appeals."

Reagan's call to get "government off our backs" resonated with religious Christians, many of whom by 1980 saw the federal government as furthering an overall secularization of society.

In 1980, the party platform included the "pro-life plank" for the first time. Reagan also advocated for the biblical story of creation to be taught in public schools as an alternative to evolution. And when it was still uncommon for presidential hopefuls to visit evangelicals, Reagan came and spoke at a convention of leading evangelical Christians in Dallas during the campaign, where he famously said, "Well, I know that you can't endorse me, but I only brought that up because I want you to know that I endorse you."

Reagan's appeal worked. In 1976, Carter won the white Baptist vote, 56 to 43 percent. In 1980, Reagan won it 56 to 34 percent, according to an ABC News-Harris survey at the time. In presidential elections, Democrats have not won religious Christians since. Richard Land, a longtime leader of the Southern Baptist Convention, says the sea change was deeper than any one issue. To Land, the debate was fundamentally over the worldview that social issues symbolize.

The core divide, Land says, is "whether you believe there are transcendent moral values or whether you don't, and believe most things are relative and situational." It was Land who sat with George W. Bush in Texas on the day of the governor's second inauguration in 1999, along with several other confidants, and recalls Bush saying, "I believe that God wants me to be president." That moment was consistent with a president who speaks in morally unambiguous terms. Bush's use of words such as "evildoers," Land adds, epitomized a belief that there are moral absolutes.

By 2004, Republicans so dominated the religious Christian vote that Bush, a practicing Methodist, won more Catholics than Kerry, who if elected, would have been the second Catholic president.

"What I criticize in John Kerry is I think he felt quite ill at ease within a deeply religious congregation or environment, and there is very little doubt that Howard Dean did, also," Carter says. It was Dean who famously stated that Job was his favorite book in the New Testament; in fact, it's in the Old Testament. Kerry did speak about morality and faith during the 2004 campaign but rarely talked about his own faith in personal terms that allowed voters to get a sense of his moral core, in stark comparison with his opponent.

JOHN KERRY IS A MAN WHO STILL BELIEVES he is fundamentally misunderstood by America. He squints his eyes in agitation when recalling how he lost the religious Christian vote to Bush. "I reread the Catholic bishops' guide after the election," Kerry says, referring to the 2004 Catholic voters' guide, in his Washington Senate office, "and you know, I suspect I get about a 95 percent on it. George Bush gets about a 5 percent. Yes, pro-life issues are central, and I understand its centrality to faith, but

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a lot of other things are, too. Like just and unjust war and poverty and children and our responsibility to the Earth and to each other and to future generations, and I think it's important to put those on the table." But Kerry rarely did during the 2004 election. He'll say, "During the campaign, I spoke about these choices in moral terms." But soon after, he admits, "To the degree there is a gap, it is because we have not been overt and aggressive enough about making clear what real faith is about."

When I remind Kerry that, during the 2004 election, he told PBS News, "I don't wear my religion on my sleeve," he responds, "I think some people on the other side do. I'm not asserting who or what. But it became clear as the campaign went on from there that these issues required discussion." And, Kerry realizes, at that point it was too late.

For Democrats to continue bringing in more religious Christians, experts agree, a key component will be to find a way to "neutralize the abortion issue" by "advocating for the drastic reduction of abortion," as Wallis puts it. To lessen the weight of the abortion issue, one option currently discussed in Democratic circles is the "90-10" push to reduce the abortion rate 90 percent in 10 years. "We went too far on the abortion issue," Carter says of Democrats. "We became branded with abortion."

"It's more than just saying, 'Okay, we are going to reduce it,'" Kerry says. "I think some of our rhetoric -- I plead guilty for the Democratic Party -- I think some of our rhetoric -- mine included -- has been insensitive at times to that moral dilemma."

For Democrats to successfully close the religion gap, they will have to contend with opposition within their party, stresses John Green of the Pew Center. "The activist core of the Democratic Party is drawn increasingly from groups of people that are not religious," he says. Self-described secular Americans amount to about 15 percent of the electorate, and most are Democrats. "Some of them are hostile to religion, and some of them are indifferent to it. And that has made it very difficult for them to understand this very religious country in which they are trying to do politics."

Democrats have taken notice. Last year, then-House Minority Leader Nancy Pelosi began a Democratic Faith Working Group to encourage Democrats to speak about issues in moral and religious terms.

"There are a lot of Democrats who are people of faith and haven't had permission to act like it, talk like it, behave like people of faith," Wallis says. "And when they start doing that, like Tim Kaine did in Virginia, my goodness, it works."

IN 2005, VIRGINIA'S TIM KAINE BECAME THE EXCEPTION that proved the rule. About half of all voters in Virginia are religious Christians. While Protestants make up seven in 10 voters in Virginia, Kaine, a devout Catholic, was able to rebuff attempts to paint him as too liberal by speaking about his stances in Catholic terms.

Since Kaine's election, Democrats have been looking to him for answers to cross over the religion gap. "They must talk as much or more about your motivations," Kaine suggests to Democrats. "If your motivation is a spiritual motivation, share that . . . Put that first, because that matters to people more than whether offshore drilling is a good idea or bad idea. . . . You don't share your faith to make somebody else feel like you; you share your faith to tell them who you are."

But Wallis insists that an openly religious Democratic candidate will win the presidency only when the party's liberal base becomes more centrist on issues such as abortion, more at ease with religion in the public sphere, and able to reconcile itself with the "failures of moral relativism."

"Can you win the majority of evangelicals to change sides? No, probably not," Wallis says. "But you know, the Republicans, they are not trying to win the black vote; they are trying to peel off a percentage of it in Ohio. So you try to peel off percentages of the evangelical vote." But to peel off percentages of the religious Christian vote, Wallis insists, "Democrats have got to run somebody who has a clue about religion, religious people, about poverty, about the environment, and will speak to those people in a moral language, able to talk sense about abortion. That candidate wins. That candidate wins tomorrow in America! Tomorrow!"

The Decade Of Buying Happily (WP)

By George F. Will

The Washington Post, November 26, 2006

"There was, too, a wonderful simplicity of desire. It was the last time that people would be thrilled to own a toaster or waffle iron." -- Bill Bryson

What Thanksgiving is to gluttony, the three days after it are to consumerism -- the main event. So, with Americans launching the Christmas season by storming the stores, let us recall when consumption had an exuberance remembered now only by those who experienced the 1950s.

Bill Bryson remembers. The author of 13 books (e.g., "A Walk in the Woods" and "A Short History of Nearly Everything"), Bryson's latest is "The Life and Times of the Thunderbolt Kid," a memoir of growing up in Des Moines in the '50s, when downtown department stores -- with white-gloved operators in the elevators and pneumatic tubes carrying money and receipts to and from cashiers -- served the pent-up demands of a nation making up for consumption missed during the Depression and World War II.

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In 1951, when the average American ate 50 percent more than the average European, Americans, Bryson says, controlled two-thirds of the world's productive capacity, owned 80 percent of the world's electrical goods, and produced more than 40 percent of its electricity, 60 percent of its oil and 66 percent of its steel. America's 5 percent of the world's population had more wealth than the other 95 percent, and Americans made almost all of what they consumed: 99.93 percent of new cars sold in this country in 1954 were U.S. brands.

By the end of the '50s, GM was a bigger economic entity than Belgium, and Los Angeles had more cars than did Asia -- cars for a gadget-smitten people, cars with Strato-Streak engines, Strato-Flight Hydra-Matic transmissions and Torsion-Aire suspensions. The 1958 Lincoln Continental was 19 feet long.

And before television arrived (in 1950, 40 percent of Americans had never seen a television program; by May 1953 Boston had more televisions than bathtubs) America made almost a million comic books a month.

Consider what was new or not invented then: ballpoint pens, contact lenses, credit cards, power steering, long-playing records, dishwashers, garbage disposals. And remember words now no longer heard: icebox, dime store, bobby socks, panty raid, canasta (a card game).

In 1951 a Tennessee youth was arrested on suspicion of narcotics possession. The brown powder was a new product -- instant coffee.

Fifties food was, Bryson reminds us, not exotic: In Iowa, at least, folks did not eat foreign food "except French toast," or bread that was not "white and at least 65 percent air," or "spices other than salt, pepper and maple syrup," or "any cheese that was not a vivid bright yellow and shiny enough to see your reflection in."

But unlike today, when everything edible, from milk to spinach, has its moment as a menace to health, in the '50s everything was good for you. Cigarettes? Healthful. Advertisements, often featuring doctors, said smoking soothed jangled nerves and sharpened minds.

"X-rays," Bryson remembers, "were so benign that shoe stores installed special machines that used them to measure foot sizes."

In Las Vegas, downwind from some atomic weapons tests, government technicians used Geiger counters to measure fallout: "People lined up to see how radioactive they were. It was all part of the fun. What a joy it was to be indestructible." But, Bryson dryly notes, people knew without a warning label "that bleach was not a refreshing drink."

White House security precautions were so lax that on April 3, 1956, a somewhat disoriented Michigan woman detached herself from a White House tour and wandered through the building for four hours, setting small fires. When found, she was taken to the kitchen and given a cup of tea. No charges were filed.

The '50s did have worries. When a contestant on a TV game show said his wife's astrological sign was Cancer, the cigarette company sponsoring the show had the segment refilmed and her sign changed to Aries. You could get 14 years in an Indiana prison for instigating anyone under age 21 to "commit masturbation." And to get a New York fishing license, you had to swear a loyalty oath.

Nothing has changed more for the worse since the '50s than childhood. The lives of children were, Bryson remembers, "unsupervised, unregulated and robustly" physical.

"Kids were always outdoors -- I knew kids who were pushed out the door at 8 in the morning and not allowed back in until 5 unless they were on fire or actively bleeding."

But as the twig is bent, so grows the tree: These children, formed by the '50s, grew up to be Olympic-class shoppers. They are indoors this Sunday, at malls.

The Education Of Robert Kennedy (NYT)

By David Brooks

The New York Times, November 26, 2006

Emilio Estevez's movie, "Bobby," introduces the martyrdom of Robert Kennedy to another generation of Americans, but it was Robert's reaction to his brother's death that is really most instructive to the young.

Robert Kennedy was dining at home on Nov. 22, 1963, when J. Edgar Hoover called. "I have news for you," Hoover began coldly. "The president's been shot." Kennedy turned away from his lunch companions, his hand to his mouth and his face twisted in pain.

In the ensuing months, he was devoured by grief. One of his biographers, Evan Thomas, writes: "He literally shrank, until he appeared wasted and gaunt. His clothes no longer fit, especially his brother's old clothes — an old blue topcoat, a tuxedo, a leather bomber jacket with the presidential seal — which he insisted on wearing and which hung on his narrowing frame."

But during March 1964, he visited Bunny Mellon's estate in Antigua, and spent the vacation in his room, reading a book Jackie Kennedy had given him, "The Greek Way," by Edith Hamilton.

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"The Greek Way" contains essays on the great figures of Athenian history and literature, and Kennedy found a worldview that helped him explain and recover from the tragedy that had befallen him. "When the world is storm-driven and the bad that happens and the worse that threatens are so urgent as to shut out everything else from view," Hamilton writes, "then we need to know all the strong fortresses of the spirit which men have built through the ages."

Classical scholars often scorn Hamilton because she wrote in a breathless "all the glory that was Greece" mode, but her book changed Robert Kennedy's life. He carried his beaten, underlined and annotated copy around with him for years, pulling it from his pocket, reading sections aloud to audiences in what Thomas calls "a flat, unrhythmic voice with a mournful edge."

Kennedy found in the Greeks a sensibility similar to his own — heroic and battle-scarred but also mystical. He shared the awful sense of foreboding that pervades the work of Aeschylus and Sophocles, and that distinctly Greek awareness of the invisible patterns that connect events to one another, how the arrogance men and women show at one moment will twist back and bring agony later on.

Hamilton is at her best describing the tragic sensibility, the strange mixture of doom and exaltation that marks Greek drama. It was based on the conviction that good grows out of bad, virtue out of hardship, and that wisdom is born in suffering. Kennedy memorized a passage from Aeschylus, which Hamilton quotes twice in her book:

"God, whose law it is that he who learns must suffer. And even in our sleep pain that cannot forget, falls drop by drop upon the heart, and in our own despite, against our will, comes wisdom to us by the awful grace of God."

Kennedy, recovering from his brother's murder, found in the ancient Greeks a civilization that was eager to look death in the face, but which seemed to draw strength from what it found there. The Greeks seemed more convinced of the dignity and significance of life the more they brooded on the pain and precariousness of it.

Kennedy underlined a passage of Hamilton's book in which she summarizes the rippled nature of Greek optimism: "Life for him was an adventure, perilous indeed, but men are not made for safe havens. The fullness of life is in the hazards of life. And, at the worst, there is that in us which can turn defeat into victory." If they were doctors of the spirit, the Greeks' specialty was to take grief and turn it into resolution.

The story of Kennedy's grief is the story of a man stepping out of his time and fetching from the past a sturdier ethic. He developed a bit of that quality, which greater leaders like Churchill possessed in abundance, of seeming to step from another age. Kennedy became a figure in the 1960s, but was never really of the '60s. He promoted many liberal policies but was never a member of a team since he drew strength from somewhere else.

And the lesson, of course, is about the need to step outside your own immediate experience into the past, to learn about the problems that never change, and bring back some of that inheritance. The leaders who founded the country were steeped in the classics, Kennedy found them in crisis, and today's students are lucky if they stumble on them by happenstance.

Cheney Meets Saudi King For Talks (NYT)

The New York Times, November 26, 2006

DUBAI, United Arab Emirates, Nov. 25 — Vice President Dick Cheney traveled to Riyadh, the Saudi capital, on Saturday to discuss regional security issues with King Abdullah.

Mr. Cheney was met in Riyadh by the king's brother, Crown Prince Sultan, and government ministers and leaders of the Saudi armed forces, the official Saudi Press Agency reported.

The meeting at the king's palace, which lasted for a few hours, ended at about 8:30 p.m. Saturday, a spokeswoman with the United States Embassy in Riyadh said.

The meeting touched on "the whole range of events and developments on the regional and international scenes," according to the Saudi Press Agency, particularly "the Palestinian issue and the situation in Iraq."

Mr. Cheney left the country shortly after the meeting to return to the United States.

A spokeswoman for Mr. Cheney, Megan McGinn, said the meeting lasted for two hours and covered a "wide range of issues."

Mr. Cheney's trip precedes a planned meeting between President Bush and Prime Minister Nuri Kamal al-Maliki of Iraq in the Jordanian capital Amman in the coming week.

The high-level visits to the region come at a time when the administration is considering how to adjust its policies in Iraq, where deadly sectarian violence has been escalating.

Cheney, Saudi King Discuss Trouble Spots (AP)

AP, November 25, 2006

RIYADH, Saudi Arabia (AP) — Vice President Dick Cheney sought Saudi help on Saturday in dealing with Iraq's spiraling violence and other regional trouble spots where U.S. policy is on the line: Iran, Lebanon and the Palestinian territories.

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Cheney's visit with King Abdullah was brief, lasting only a few hours before he flew back to Washington, but it underlined the two allies' concerns over upheavals across the Middle East, which many Arabs blame on U.S. policies.

In a sign of the urgency of the U.S. concern, President Bush is scheduled to meet with Iraq's prime minister in the Jordanian capital Wednesday and Thursday to discuss security matters.

The unusual succession of visits by the two U.S. leaders was planned before outbursts of violence this week dramatically worsened the situation in two countries of key American interest — Iraq and Lebanon.

On Tuesday, an anti-Syrian Lebanese politician was gunned down in Beirut, highlighting the fragility of the U.S.-backed government and heightening tensions between that country's pro- and anti-Syrian forces.

Two days later in Iraq, suspected Sunni insurgents set off a series of car bombs that killed more than 200 people in a Shiite district of Baghdad, fueling an upsurge in the retaliatory sectarian slayings that threaten to tear the nation apart.

The meeting at Yamama Palace likely focused on both conflicts, as well as the Israeli-Palestinian front, which stands at a key crossroads amid attempts to form a new Palestinian government and get peace negotiations going.

The U.S. Embassy declined to comment on the discussions and Saudi officials were not available.

Before the meeting, a Saudi official said Cheney was expected to ask oil-rich Saudi Arabia to use its considerable influence with Iraq's Sunni Arab minority to promote reconciliation with Iraqi Shiites and Kurds. Sunni insurgents have staged some of the bloodiest attacks on U.S. troops and Shiites.

In return, Saudi Arabia wants the U.S. to help rein in Iraq's Shiite militias, which have been blamed for sectarian attacks that have killed thousands, said the official, who agreed to discuss the meeting only if not quoted by name because of the sensitivity of the talks.

On Lebanon, the Saudi official said the kingdom wants to ensure there are no cracks in support for the U.S.-backed government, which is opposed by groups allied with Syria and Iran. Saudi Arabia has strong links to the anti-Syrian bloc dominating Lebanon's Cabinet and parliament.

The official said Saudi Arabia hopes Washington will not snub any Palestinian government that emerges from talks between the militants of Hamas and the more moderate Fatah faction. The U.S. and other nations have shunned the current government led by Hamas, which has refused to recognize Israel and renounce violence against the Jewish state.

Palestinian President Mahmoud Abbas, of Fatah, is trying to work out a new unity government with Hamas, but Arabs hope the U.S. will be flexible with how much Hamas must moderate to allow a resumption of the peace process with U.S. ally Israel.

Saudi Arabia and other Arab countries on the Persian Gulf are also deeply concerned over the West's confrontation with Iran over that nation's suspect nuclear program.

Gulf countries worry about the possibility of a nuclear-armed Iran and its attempts to expand its influence in the Middle East. But they also fear the West's attempt to force Iran to rein in its program could bring Iranian reprisals.

Dick Cheney Holds Mideast Talks In Saudi Arabia (AFP)

By Suleiman Nimr

AFP, November 26, 2006

RIYADH - US Vice President Dick Cheney held talks with King Abdullah during a brief visit to Saudi Arabia in a new diplomatic thrust by Washington that will also see President George W. Bush meet Iraqi Prime Minister Nuri al-Maliki.

The Saudi official SPA news agency said the discussions covered "the whole range of events and developments on the regional and international scenes."

The talks focused chiefly on "the Palestinian issue and the situation in Iraq," in addition to ways of boosting cooperation between the United States and the oil-rich Gulf kingdom, it said.

The meeting was attended by Crown Prince Sultan bin Abdul Aziz and other top Saudi leaders, but no further details of the talks were immediately available. SPA said Cheney later left Saudi Arabia.

A Saudi official earlier said that Cheney's talks would focus on the situation in the Middle East, particularly violence-wracked Iraq.

US sources said Cheney was expected to ask Abdullah to use his influence to help foster reconciliation in Iraq, which is reeling from an explosion of tit-for-tat sectarian violence between the ruling majority Shiites and the Sunni Arab former elite.

The Riyadh talks were also expected to cover the Israeli-Palestinian conflict and the situation in Lebanon, a diplomatic source in the Saudi capital said.

Cheney's visit to US ally Saudi Arabia came ahead of a November 29-30 meeting in Jordan between Bush and Maliki on Iraq.

More than 250 people were killed on Thursday in a series of car bombings in Baghdad's Shiite stronghold of Sadr City in the bloodiest single attack since the US-led invasion of 2003.

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Secretary of State Condoleezza Rice is also due in the Middle East soon.

Cheney was expected to ask Abdullah to use his influence to help bridge the divides between Iraq's warring Sunni and Shiite factions, and also press for Riyadh to come through with its promised reconstruction aid.

Iraq's sectarian conflict, a surge in US casualties and the victory of opposition Democrats in Congressional elections on November 7 have piled pressure on Bush to change US policy, if not to begin withdrawing troops -- something he refuses to commit to.

On Monday Saudi Arabia warned against upsetting the "social balance" in Iraq and urged US-led forces to stop outside influences, in an apparent reference to the growing influence of Shiite Iran.

In a statement after its weekly meeting, the Saudi cabinet stressed the need to restore security in Iraq.

The Sunni-dominated kingdom also said that permanent members of the UN Security Council and Iraq's neighbors should "shoulder their responsibilities in backing Iraq's independence and territorial integrity."

Cheney, one of the architects of the invasion that toppled Saddam Hussein, is a vigorous defender of US policies in Iraq. He also served the current president's father George Bush as defense secretary in the 1991 Gulf War that ousted Iraq from Kuwait.

The current surge in violence in Iraq has added urgency to the trips by Cheney and Bush.

But on Friday the political group of Shiite cleric Moqtada al-Sadr, whose base is in Sadr City, threatened to quit the national unity government if Maliki meets Bush.

Washington said the meeting will go ahead as planned.

An Iraqi diplomat in Riyadh meanwhile told AFP that Iraqi Foreign Minister Hoshyar Zebari has put off a visit to Saudi Arabia slated for Sunday "due to developments of the situation in Iraq."

The diplomat, who requested anonymity, did not give a new date for the visit.

Iraq PM Struggling Ahead Of Bush Talks (AP)

By Thomas Wagner, Associated Press Writer

AP, November 26, 2006

Iraq's Shiite prime minister, struggling to prevent sectarian violence from sending Iraq into full-fledged civil war, is facing strong criticism from top Shiite and Sunni Arab leaders alike as he prepares for a summit with President Bush next week.

On Saturday, a prominent Sunni religious leader warned that Iraq's escalating sectarian violence will spread throughout the Middle East unless the international community withdraws support for Prime Minister Nouri al-Maliki's government.

"I call on the Arab states, the Arab League and the United Nations to stop this government and withdraw its support from it. Otherwise, the disaster will occur and the turmoil will happen in Iraq and other countries," said Sheik Harith al-Dhari, who heads the Association of Muslim Scholars.

Last week, Iraq's Interior Ministry issued an arrest warrant against al-Dhari, saying he was wanted for inciting violence and terrorism.

On the other side of Iraq's sectarian divide, Shiite politicians loyal to the radical anti-American Shiite cleric Muqtada al-Sadr have threatened to boycott parliament and the Cabinet if al-Maliki goes ahead with the planned summit in Jordan on Wednesday and Thursday. The political bloc, known as Sadrists, is a mainstay of support for al-Maliki.

The White House has said the meeting is still on.

Iran, the top U.S. rival in the region, had planned its own summit Saturday, inviting the presidents of Iraq and Syria in what was seen as a bid to assert its role as a powerbroker in Iraq. Syria did not respond, perhaps to avoid annoying the U.S., and Iraq's president said he could not get to Iran before Sunday at the earliest because Baghdad's airport was closed to commercial flights following a deadly attack Thursday in Sadr City.

Suspected Sunni insurgents killed 215 people in the Shiite slum with mortars and five car bombs in the deadliest single attack of the war. On Saturday, Sadrist lawmaker Qusai Abdul-Wahab blamed U.S. forces for the attack, saying they failed to provide security.

As Vice President Dick Cheney traveled to the neighboring Sunni country of Saudi Arabia on Saturday to seek help in calming Iraq, Iraq's sectarian violence shifted to Diyala province north of Baghdad, where gunmen broke into two Shiite homes and killed 21 men in front of their relatives, police said. U.S. and Iraqi forces also killed 58 insurgents during fighting in the same region.

In central Iraq, a suicide car bomber attacked a checkpoint near Fallujah, killing three Iraqi civilians and a U.S. service member, and wounding nine civilians and an American service member, the coalition said. The dead included two Iraqi children and an adult.

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A U.S. Marine also died from wounds sustained while fighting in Anbar province on Friday, the military said, raising to at least 2,873 the number of U.S. servicemen who have died since the war began in 2003. So far, 54 American service members have died this month in Iraq.

Six people were killed in other violence in Iraq on Saturday, and 19 bodies were found, police said.

Iraq's government has been unable to prevent revenge attacks by Shiite militias and Sunni Arab insurgents, despite the 24-hour curfew it imposed Thursday night on Baghdad's 6 million residents. After only scattered violence occurred in Baghdad on Saturday, the government announced it would allow residents to leave their homes Sunday but keep the ban on all vehicles for another day.

Meanwhile, The New York Times reported Sunday that Iraqi militant groups have raised between $70 million and $200 million a year from various illegal activities to fund the insurgency. The newspaper, which cites a classified U.S. government report obtained by the Times, said the money has come from oil smuggling, kidnapping, counterfeiting and other activities.

The report said terrorist and insurgent groups in Iraq may also have extra money with which to finance terrorist organizations outside Iraq.

In the latest violence in Diyala province, a hotbed of Iraq's Sunni-Arab insurgency, gunmen targeted homes of the al-Sawed Shiite tribe in the village of Balad Ruz, 45 miles northeast of Baghdad, according to a police officer who spoke on condition of anonymity to protect his own security, as officials often do in the volatile province.

The gunmen broke into the two houses as their large extended families slept, marched everyone outside, lined up the 21 men and shot them to death as the women and children watched, police said.

Police could not reach the remote village to collect the bodies and take them to a morgue until Saturday, police said, adding that they do not known whether the attack was motivated by sectarian hatred or a tribal dispute.

In other parts of Diyala, a largely rural area of farms and orchards, police killed 36 insurgents and wounded dozens of others in clashes Saturday, police said. U.S. and Iraqi forces also conducted several raids north of Baghdad, killing 22 insurgents and a civilian, and destroying a factory used to make roadside bombs, the military said.

Baghdad was quieter than it had been on Friday, when rampaging militiamen burned and blew up four mosques and torched several homes in the mostly Shiite neighborhood of Hurriyah, witnesses and police said. Iraqi soldiers at a nearby army post failed to intervene in the assault by suspected members of the Shiite Mahdi Army militia or subsequent attacks that killed as many as 25 Sunnis, said police Capt. Jamil Hussein.

The U.S. military said Saturday that Iraqi soldiers securing Hurriyah found only one burned mosque and were unable to confirm residents' and police accounts that six Sunni Arabs were dragged from Friday prayers and burned to death.

On Friday, al-Sadr, the anti-American Shiite cleric, urged al-Dhari, the Sunni leader, to issue a religious edict condemning Sunni attacks on Shiites.

In an apparent response, Al-Dhari said during his news conference in Cairo, Egypt, that his Association of Muslim Scholars has repeatedly condemned the killing of Iraqi Muslims and attacks on their homes and mosques.

Al-Dhari, an outspoken critic of the government and the U.S. occupation, alleged that the Shiite-led government was using the 24-hour curfew as a way to carry out attacks against Sunnis, but he urged Iraqis not to be lured into more violence.

"Be patient and practice steadfastness and don't be lured into this sedition that aims to destroy" Iraq, he said.

In Baghdad, Ali al-Adib, a Shiite lawmaker close to al-Maliki, dismissed al-Dhari as a radical with few supporters. "If he doesn't want this elected national unity government what does he want, a return to dictatorship?" al-Adib said in an interview.

Associated Press writers Bassem Mroue and Qais Al-Bashir in Baghdad and Omar Sinan in Cairo, Egypt, contributed to this report.

A Matter Of Definition: What Makes A Civil War, And Who Declares It So? (NYT)

By Edward Wong

The New York Times, November 26, 2006

BAGHDAD, Nov. 25 — Is Iraq in a civil war?

Though the Bush administration continues to insist that it is not, a growing number of American and Iraqi scholars, leaders and policy analysts say the fighting in Iraq meets the standard definition of civil war.

The common scholarly definition has two main criteria. The first says that the warring groups must be from the same country and fighting for control of the political center, control over a separatist state or to force a major change in policy. The second says that at least 1,000 people must have been killed in total, with at least 100 from each side.

American professors who specialize in the study of civil wars say that most of their number are in agreement that Iraq's conflict is a civil war.

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"I think that at this time, and for some time now, the level of violence in Iraq meets the definition of civil war that any reasonable person would have," said James Fearon, a political scientist at Stanford.

While the term is broad enough to include many kinds of conflicts, one of the sides in a civil war is almost always a sovereign government. So some scholars now say civil war began when the Americans transferred sovereignty to an appointed Iraqi government in June 2004. That officially transformed the anti-American war into one of insurgent groups seeking to regain power for disenfranchised Sunni Arabs against an Iraqi government led by Prime Minister Ayad Allawi and increasingly dominated by Shiites.

Others say the civil war began this year, after the bombing of a revered Shiite shrine in Samarra set off a chain of revenge killings that left hundreds dead over five days and has yet to end. Mr. Allawi proclaimed a month after that bombing that Iraq was mired in a civil war. "If this is not civil war, then God knows what civil war is," he said.

Many insurgencies and ethnic or sectarian wars are also civil wars. Vietnam and Lebanon are examples. Scholars say the Iraq civil war has elements of both an insurgency — one side is struggling to topple what it sees as an illegitimate national government — and a sectarian war — the besieged government is ruled by Shiites and opposed by Sunni Arabs.

In Iraq, sectarian purges and Sunni-Shiite revenge killings have become a hallmark of the fighting, but the cycles of violence are ignited by militia leaders who have political goals. The former Yugoslav president, Slobodan Milosovic, did this during the wars in the Balkans.

The civil strife in Iraq largely takes place in mixed Sunni-Shiite areas that include the cities of Baghdad, Mosul and Baquba. In Anbar Province, which is overwhelming Sunni Arab, much of the violence is aimed at American troops. Large swaths of Iraq have little violence, but those areas are relatively homogenous and have few people.

Governments and people embroiled in a civil war often do not want to label it as such. In Colombia, officials insisted for years that the rebels there were merely bandits.

Some Bush administration officials have argued that there is no obvious political vision on the part of the Sunni-led insurgent groups, so "civil war" does not apply.

In the United States, the debate over the term rages because many politicians, especially those who support the war, believe there would be domestic political implications to declaring it a civil war. They fear that an acknowledgment by the White House and its allies would be seen as an admission of a failure of President Bush's Iraq policy.

They also worry that the American people might not see a role for American troops in an Iraqi civil war and would more loudly demand a withdrawal.

But in fact, many scholars say the bloodshed here already puts Iraq in the top ranks of the civil wars of the last half-century. The carnage of recent days — beginning with bombings on Thursday in a Shiite district of Baghdad that killed more than 200 people — reinforces their assertion.

Mr. Fearon and a colleague at Stanford, David D. Laitin, say the deaths per year in Iraq, with at least 50,000 reportedly killed since March 2003, place this conflict on par with wars in Burundi and Bosnia.

Iraq's president and prime minister avoid using the term, but many Iraqis say extremists have thrust the country into civil war, even as moderates have struggled to pull back from the brink.

"You need to let the world know there's a civil war here in Iraq," said Adel Ibrahim, 44, a sheik in the Subiah tribe, which is mostly Shiite. "It's a crushing civil war. Mortars kill children in our neighborhoods. We're afraid to travel anywhere because we'll be killed in buses. We don't know who is our enemy and who is our friend."

The spiraling bloodshed here bolsters arguments that this is a civil war. A United Nations report released Wednesday said at least 3,709 Iraqis were killed in October, the highest of any month since the American-led invasion. More than 100,000 Iraqis a month are fleeing to Syria and Jordan.

"It's stunning; it should have been called a civil war a long time ago, but now I don't see how people can avoid calling it a civil war," said Nicholas Sambanis, a political scientist at Yale who co-edited "Understanding Civil War: Evidence and Analysis," published by the World Bank in 2005. "The level of violence is so extreme that it far surpasses most civil wars since 1945."

Among scholars, "there's a consensus," Mr. Sambanis said. Scholars in the United States generally agree that there have been at least 100 civil wars since 1945. At the smaller end of the scale is the war in Northern Ireland. Measured by total killed, the largest modern civil wars were in Angola, Afghanistan, Nigeria, China and Rwanda.

However, there are some dissenting historians on the definition of civil war, and whether it applies to Iraq. John Keegan, the British writer of war histories, finds only five clear-cut cases, starting with the English civil war of the 17th century through to the Lebanese war of the 20th century. His criteria are that the feuding groups must be vying for national authority, have leaders who publicly announce what they are fighting for and clash in set-piece battles while wearing uniforms, among other things. He argues in the December issue of Prospect magazine that Iraq is therefore not in civil war.

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On Friday, Scott Stanzel, a White House spokesman, insisted that the Iraq conflict was not civil war, noting that Iraq's top leaders had agreed with that assessment. Last month, Tony Snow, the chief spokesman for President Bush, acknowledged that there were many groups trying to undermine the government, but said that there was no civil war because "it's not clear that they are operating as a unified force. You don't have a clearly identifiable leader."

By contrast, Sen. Joseph R. Biden Jr., the top Democrat on the Senate Foreign Relations Committee, said on Fox News in September that "a political solution is necessary to end the civil war in Iraq."

In 2003, at the start of the Sunni-led insurgency, Bush administration officials called the guerrillas "dead-enders" and insisted their only goal was to sow chaos. Now, American commanders acknowledge that political dominance is at the heart of this conflict.

In Congressional testimony this month, Lt. Gen. Michael D. Maples of the Defense Intelligence Agency characterized the situation as an "ongoing, violent struggle for power" and said the country was moving closer to a "significant breakdown of central authority."

Many Iraqis and Americans who have tracked the insurgency say it has been strongly shaped by former Baath Party members who want to keep Shiites from taking power. Even the newer jihadist groups have articulated political goals on Web sites — most notably to establish a Sunni-ruled Islamic caliphate.

"There was a whole regime that ruled this country for 35 years," said Mahmoud Othman, a senior Kurdish legislator. "Now they've gone underground. This is the main body of the resistance."

Scholars say it is crucial that policy makers and news media organizations recognize the Iraq conflict as a civil war.

"Why should we care how it is defined, if we all agree that the violence is unacceptable?" asked Mr. Laitin, the Stanford professor. "Here is my answer: There is a scientific community that studies civil wars, and understands their dynamics and how they, in general, end. This research is valuable to our nation's security."

Israel And Palestinians Agree To A Cease-Fire In The Gaza Strip (NYT)

By Greg Myre

The New York Times, November 26, 2006

JERUSALEM, Nov. 25 — Israeli and Palestinian leaders agreed late Saturday night to a cease-fire in the Gaza Strip that is to include the withdrawal of Israeli troops who have been battling Palestinian militants for the past five months.

The surprise announcement came as Israeli troops and Palestinian militants fought Saturday, much as they have almost every day in recent months. Two Palestinians were killed, including a Hamas militant who died in an Israeli airstrike in the evening, Palestinian security officials said.

The Palestinian Authority president, Mahmoud Abbas, called Israel's prime minister, Ehud Olmert, and said that all Palestinian factions had agreed to stop violence in the Gaza Strip as of 6 a.m. Sunday, both sides said.

Mr. Olmert responded by saying that Israel would halt all its military operations in Gaza and withdraw all its forces from the territory, according to Mr. Olmert's office. Israeli officials said they did not expect the withdrawal to be completed by 6 a.m. "It's a full cease-fire, and the prime minister was happy to accept it," said an official in the prime minister's office, who was not authorized to be quoted by name.

The agreement is the most serious effort to end the fighting in Gaza. However, it is not clear whether it will take effect and hold.

The Palestinian Authority prime minister, Ismail Haniya, met in Gaza with several Palestinian factions involved in firing rockets into Israel, and they said they would abide by the cease-fire.

But some other factions, including Hamas militants, said they were not ready to accept a cease-fire until Israel halted attacks.

"We will not stop rocket firings as long as raids and assassinations continue" by Israel, Abu Ubaida, a spokesman for Hamas's armed wing, told [a news agency].

In the past, the Palestinian Authority has been unable or unwilling to control the numerous factions involved in the fighting with Israel.

In addition, only hours before the cease-fire was announced, Khaled Meshal, the Hamas political leader, who is in exile, said in Cairo that the Palestinians would launch a new uprising unless there was clear progress toward a Palestinian state along the 1967 borders.

"We give them six months," Mr. Meshal said of Israel. If there is no progress during this time, "the Palestinian people will close all the political ledgers and come out in a third uprising." The previous Palestinian uprisings, or intifadas, began in 1987 and in 2000.

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The conflicting statements by the Palestinians reflected the deep divisions that have often led to street battles between Palestinian factions.

Israel and the Palestinians had not announced any formal cease-fire talks before the Saturday night statement released by Mr. Olmert's office, though there have been occasional contacts.

Israel withdrew its soldiers and settlers from the Gaza Strip last year. However, the Israeli forces returned at the end of June following the seizure of an Israeli soldier, who was taken into the territory.

Despite the cease-fire, there still is no agreement on releasing the soldier, Cpl. Gilad Shalit, the official in Mr. Olmert's office said. The Palestinians have sought the release of a large number of Palestinian prisoners in exchange for Corporal Shalit.

More than 300 Palestinians, including militants and civilians, have been killed in Gaza since late June. Three Israelis soldiers have been killed in Gaza, and two Israeli civilians died from rockets that crashed into the southern town of Sderot, just outside Gaza's borders.

The cease-fire announcement does not cover the West Bank.

Tentative Deal Is Reached To Halt Fighting In Gaza (WP)

By Scott Wilson

The Washington Post, November 26, 2006

JERUSALEM, Nov. 26 -- The Israeli government agreed late Saturday to cease military operations in the Gaza Strip in exchange for a pledge by Palestinian armed groups to stop firing rockets into southern Israel, a tentative deal that leaders on both sides said could end months of violence in and around the Palestinian enclave.

The Palestinian Authority president, Mahmoud Abbas, outlined the terms of a possible cease-fire in a telephone call to Israeli Prime Minister Ehud Olmert, according to Olmert's aides. The proposal called for an end to the frequent Palestinian rocket fire that has killed two Israelis this month, suicide bombings inside Gaza against Israeli soldiers and the digging of tunnels used for smuggling money and weapons into the strip from neighboring Egypt.

Olmert's aides said the prime minister pledged in return to cease military operations in Gaza -- more than 250 Palestinians, most of them gunmen, have been killed since late June -- effective 6 a.m. Sunday. Israeli forces would begin withdrawing soon after from northern Gaza, where they have been operating for several weeks, if terms of the truce hold. [The Israeli military said early Sunday that it had withdrawn all of its forces from Gaza.]

Israeli and Palestinian officials warned that the next few days would determine the durability of the cease-fire, which does not extend to the West Bank. Similar agreements have been announced since Israel withdrew its settlers and soldiers from Gaza 14 months ago, only to collapse within hours. [There were reports of at least one rocket falling inside Israel after the cease-fire took effect, without reports of injuries.]

"It holds the potential for stability and quiet for both sides," said Miri Eisin, an Olmert spokeswoman. "Israel in that sense is hopeful."

Abbas, who has been working to assemble a national unity government with the rival Hamas movement, told Olmert he received pledges to abide by the agreement from the armed groups at war with the Jewish state. His spokesman, Nabil Aburdeineh, outlined the deal to reporters in Gaza late Saturday.

Officials from the military wing of Hamas, the radical Islamic movement in control of the Palestinian Authority's ministries, suggested they would adhere to the terms only if Israel pulls back from Gaza. The radical Islamic Jihad said it would study the agreement before endorsing it.

"Hamas will remain with the Palestinians' interests," said Khalil Abu Leila, a Hamas political leader. "But if the Israelis violate this initial agreement, there will be no truce at all."

Two Israeli airstrikes earlier Saturday on cars in northern Gaza killed at least three Hamas gunmen and wounded several others, while at least one Palestinian rocket landed in the Israeli town of Sderot. No injuries were reported.

Eisin said Abbas and Olmert agreed to talk in the days ahead about how to extend the truce to the West Bank if it holds in Gaza.

"We'll wait and see what happens tomorrow," Eisin said.

Israel, Palestinians OK Gaza Cease-fire (AP)

By Amy Teibel And Ibrahim Barzak, Associated Press Writers

AP, November 26, 2006

A truce meant to end five months of deadly Israeli-Palestinian clashes went into effect throughout the Gaza Strip early Sunday, significantly bolstering hopes of coaxing moribund peace talks back to life.

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The Israeli military said all troops were withdrawn from Gaza in the hours before the 6 a.m. cease-fire, announced late Saturday, took force. Dozens of tanks and armored vehicles were parked just over the border in a military staging ground in southern Israel early Sunday, and the streets of northern Gaza were empty.

The agreement was a coup for Palestinian President Mahmoud Abbas as he tries to form a more moderate government than the one currently led by Islamic Hamas radicals. Abbas, a moderate from the Fatah Party elected separately last year, hopes a new government lineup will persuade the West to end crushing economic sanctions imposed after Hamas took power in March.

The truce was meant to halt rocket fire and other militant attacks on Israel from Gaza, and a military offensive Israel launched in the coastal strip in June, less than a year after ending its 38-year occupation. About half an hour before it took effect, Hamas militants said they fired two rockets at southern Israel. One hit a house, but caused no injuries, the military said.

The two sides announced the accord after Abbas telephoned Israeli Prime Minister Ehud Olmert late Saturday to tell him he had arrived at an agreement with Palestinian factions to stop rocket fire and all other violence from Gaza. Olmert reciprocated by pledging to stop all Israeli military operations in Gaza and withdraw all troops there, aides to both leaders said.

Abbas spokesman Nabil Abu Rdeneh said a truce reached in Egypt in February 2005 would be revived.

"There is a signed agreement between the president and Prime Minister (Ismail) Haniyeh and all the Palestinian factions to resort to the agreement of the factions in Cairo in 2005, including ceasing all the military activity from Gaza, starting from Sunday morning," Abu Rdeneh said from Gaza City. "The Israeli prime minister has agreed, and it is going to start tomorrow morning."

Abbas told Olmert that the factions had agreed to stop all violence from Gaza, including rocket fire and suicide bombings, starting at 6 a.m. Sunday, Israeli government spokeswoman Miri Eisin said.

He "asked that, in response, Israel stop all military operations in the Gaza Strip and withdraw all her forces," and Olmert responded favorably, Eisin said.

Earlier in the day, militant factions denied reaching a cease-fire agreement. But after it was officially announced, they acknowledged the accord and said the denials were a product of power struggles among them.

Israeli forces originally entered Gaza in an effort to win the release of a soldier captured in a June 25 cross-border raid by Hamas-linked militants and still in captivity. But they soon widened their objectives to target militants who had intensified their rocket attacks on southern Israel after the September 2005 Gaza pullout.

The violence claimed the lives of more than 300 Palestinians and five Israelis. Most of the dead Palestinians were militants, but dozens of civilians died, too, including 19 members of an extended family killed earlier this month in an attack on their apartment compound.

Despite international criticism over Palestinian civilian deaths, Olmert pledged earlier this month to continue the offensive until Palestinian rocket attacks from Gaza significantly decreased. Instead, as the fighting swelled, rocket fire in November more than doubled from October, killing two civilians in a single week.

On Saturday, a rocket hit an unoccupied house in southern Israel, and blasts ripped apart two cars carrying militants in northern Gaza, killing at least one and wounding several passersby. One vehicle was struck by missiles fired from an Israeli aircraft, and the source of the other blast wasn't known.

Three other militants were killed in clashes with Israeli troops elsewhere, including two hit by Israeli fire near the main Gaza-Israel cargo crossing, Palestinian officials and Hamas said. The army said it had no information about fighting in the vicinity of the Karni passage.

The militants' capture of Cpl. Gilad Shalit and the subsequent Israeli offensive cut short efforts by Olmert and Abbas to restart peace talks that broke down six years ago. A truce could help to create the momentum to get talks moving.

"We welcome the announcement and see this as a positive step forward," White House spokesman Alex Conant said Saturday evening in Washington. "We hope it leads to less violence for the Israeli and Palestinian people."

Although Israel has no ties with the Hamas government, which rejects the Jewish state's right to exist, it considers the separately elected Abbas an acceptable negotiating partner. He and Olmert agreed months ago to meet, but Abbas has been reluctant to set a date for talks without receiving assurances the meeting would yield real dividends for the Palestinians, like a release of Palestinian prisoners Israel holds.

Olmert has said no prisoners would be released to Hamas before Shalit is freed.

A cease-fire in Gaza is part of a broad package Abbas is trying to put together in the hope of persuading the West and Israel to resume the flow of hundreds of millions of dollars in funding cut off to pressure Hamas to recognize the Jewish state and renounce violence.

The centerpiece of that package would be the formation of a new government less inimical to Israel. Another major element is a prisoner swap.

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Hamas' supreme leader, Khaled Mashaal, arrived in Cairo this week to discuss both issues with Egytian mediators, but there was no word of a breakthrough.

On Saturday, Mashaal said his group was willing to give peace negotiations with Israel six months to reach an agreement for a Palestinian state in Gaza and the West Bank, but threatened a new armed uprising if the talks failed.

The double-edged comments were his strongest confirmation that the Islamic militant group would allow Abbas to try to negotiate with Israel. But it was also the first time he has set a deadline with an explicit threat of a new uprising.

Israel had no immediate comment on Mashaal's proposal.

AP correspondent Ibrahim Barzak reported from Gaza City, Gaza Strip.

Israelis, Palestinians Reinstate Cease-fire (LAT)

By Richard Boudreaux, Times Staff Writer

The Los Angeles Times, November 26, 2006

The Jewish state pulls troops from Gaza. Peace talks between leaders could follow.

JERUSALEM — Israel and the Palestinians halted their hostilities in the Gaza Strip today, reinstating an often-broken cease-fire that could lead to the first talks between their leaders since June.

The accord, struck late Saturday during a telephone call from Palestinian Authority President Mahmoud Abbas to Israeli Prime Minister Ehud Olmert, took effect at 6 a.m. Shortly afterward, Israel announced that it had pulled its troops out of the coastal territory during the night.

If the indefinite cease-fire holds, it will end five months of punishing Israeli military incursions into Gaza as well as the daily firing of rockets by Palestinian militants at cities and towns in Israel. It also could create momentum toward a resumption of peace talks that collapsed six years ago.

Hamas, one of several Palestinian parties to the pact, said it had fired its last three rockets into Israel half an hour before the cease-fire. One damaged a home in Sderot but caused no injuries, Israeli officials said.

An Israeli government spokeswoman, Miri Eisen, said the cease-fire accord included a halt to Palestinian suicide attacks in or from Gaza and a cessation of weapons smuggling into Gaza from Egypt.

Nabil abu Rudaineh, a spokesman for Abbas, said that all Palestinian armed factions had signed an agreement to "cease military activities from Gaza," restoring a truce reached in Egypt in February 2005.

Among the groups committed to the accord, he said, was Islamic Jihad, which had previously rejected any cease-fire with Israel, and Hamas, which governs the Palestinian Authority and has refused to recognize Israel.

The Bush administration, eager to revive talks between Israeli and Palestinian leaders, welcomed the announcement as "a positive step forward," White House spokesman Alex Conant said. "We hope it leads to less violence for the Israeli and Palestinian people."

The cease-fire was a major achievement for Abbas, who had been pressing Palestinian militant groups for months. He retained the presidency after his more moderate Fatah Party lost control of the government to Hamas in March, and has criticized Hamas' role in escalating the conflict with Israel.

Since summer, Abbas said last week, Palestinians in Gaza have been "victims of a barbaric Israeli offensive that has left more than 400 dead and 1,500 wounded, while thousands of homes have been destroyed."

But he added, "All that on the pretext of homemade rocket fire, and unfortunately we are giving them such a pretext."

Since Israel unilaterally withdrew its military outposts and settlers from the coastal territory in September 2005, at least 1,100 crude Kassam rockets have been fired from Gaza, killing two Israeli civilians, both in the last 12 days.

Israeli forces returned to Gaza in late June after militants with several Palestinian groups, including Hamas, captured Israeli Cpl. Gilad Shalit in a cross-border raid. The Israelis have made frequent and increasingly large incursions into Gaza since then, trying to halt the rocket attacks. Three Israeli soldiers have died in the fighting.

Rejecting international criticism of the offensive, which has left scores of Palestinian civilians dead, Olmert said this month that the Israeli offensive would continue until the rocket fire was significantly diminished.

In fighting Saturday, Israeli forces killed four Palestinian fighters and wounded at least six other people, including an unarmed 12-year-old boy.

The cease-fire accord came a day after Israel rejected an offer by Palestinian Authority Prime Minister Ismail Haniyeh of Hamas to stop the rockets in return for a halt in Israeli military operations in the West Bank and Gaza.

"Abbas then came back with an offer of a full cease-fire, in exchange for our stopping in Gaza only, and Olmert agreed," said Eisen, the Israeli spokeswoman.

Israeli-Palestinian cease-fires break down frequently, and it appeared today that there was some uncertainty over the terms of this one.

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One party to the accord, the Popular Resistance Committees, said it still expected Israel to stop military operations in the West Bank as well. Asked whether such operations could provoke more rockets from Gaza, a spokesman for the group, Abu Abir, told the Israeli newspaper Haaretz that Israel must first pull out of Gaza.

"After that, we can talk about what we would view as a violation of the cease-fire," he said.

Israeli officials said they were worried that Hamas would use the cease-fire to smuggle more weapons through tunnels from Egypt. Eisen acknowledged that it would be difficult for Israel to monitor the border.

Khaled Meshaal, the Hamas political leader, underscored those concerns Saturday by threatening a major uprising against Israel. At the same time, he appeared to endorse an effort by Abbas to try to negotiate agreements with Israel to head off violence.

"We give them six months to open real political horizons," Meshaal said at a news conference in Cairo. Otherwise, he said, "Hamas will become stronger and the resistance will resume."

Olmert said this month that he was eager to meet with Abbas and willing to make unspecified concessions. The two men have met once as leaders — a stiff protocol session that took place in Jordan in June, two days before the capture of the Israeli soldier.

Any talks between them would inevitably focus on prisoners and the Palestinians' international isolation.

Israel wants the captive soldier returned before it releases hundreds of Palestinian prisoners from its jails, as Hamas has demanded.

Abbas wants Israel to stop withholding tax revenue and duties collected on behalf of the Palestinians.

Israel insists that the Palestinian government first must meet Western nations' conditions for ending the crippling economic sanctions imposed after Hamas came to power: that it recognize the Jewish state, renounce violence and honor previous Israeli-Arab agreements.

Hamas has rejected those demands and resisted Abbas' efforts to negotiate a replacement of the Hamas-led Cabinet with technocrats not affiliated with any political party.

Palestinians, Israel Agree To Gaza Cease-fire (CNN)

CNN.com, November 25, 2006

JERUSALEM (CNN) -- A total cease-fire in Gaza began at 6 a.m. local time Sunday (11 p.m. Saturday ET) after Israelis and Palestinian factions agreed on a proposal, authorities said Sunday.

All Palestinian factions have agreed to stop firing rockets into Israel under a cease-fire agreement, according to Nabil Abu Rdaina, a spokesman for Palestinian Authority President Mahmoud Abbas.

Meanwhile, the Israeli government has agreed to withdraw troops from Gaza and cease military operations, said Miri Eisin, government spokeswoman.

"We think that there's the possibility of hope here," she said. "What we hope is that the violence itself will stop, and we'll be able to see a little bit of peace and quiet in and around the Gaza Strip."

The agreement covers only Gaza, she said, and not the West Bank.

Just before the cease-fire took effect, militants fired three rockets into Israel, according to Israel Defense Forces. No one was injured, but a building was damaged.

Abbas called Israeli Prime Minister Ehud Olmert to offer the cease-fire.

In the United States, a White House spokesman called the cease-fire a "a positive step forward."

"We welcome the announcement," said spokesman Alex Conant. "We hope it leads to less violence for the Israeli and Palestinian people."

Rdaina said, "We hope that this will be a good start to stop all the activities and to withdraw from Gaza as well from the Israeli troops."

The firing of rockets into Israel has recently prompted Israeli airstrikes in Gaza. Three such airstrikes occurred Saturday and early Sunday.

In one of the recent strikes, two people were killed -- one a member of the Palestinian National Guard and the second a militant from the Izzedine al-Qassam Brigade, the military wing of Hamas, according to Palestinian security sources.

In another strike, a Palestinian militant was killed and three others wounded, one critically, when a minibus was targeted east of Gaza City, Palestinian sources said.

Hamas confirmed those in the bus were part of the Izzedine al-Qassam Brigade.

A third airstrike targeted a car near al-Azhar University in Gaza City, security sources said.

The Israel Defense Forces said it conducted an aerial attack on a Hamas terror cell in the Sajaiya neighborhood. It didn't provide casualty figures. The IDF said the cell was part of the group's weapons production division.

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Gaza Ceasefire Comes Into Force (BBC)

BBC.com, November 26, 2006

A ceasefire in the Gaza Strip has come into force, with the Palestinians halting rocket attacks into Israel.

Palestinian leader Mahmoud Abbas won a commitment from all militant groups to stop the attacks, while Israeli PM Ehud Olmert agreed to halt hostilities.

Israel said all its troops withdrew from Gaza before the ceasefire took effect, five months after its military re-entered the Strip.

BBC correspondents say the agreement is unexpected and a major development.

The United States has welcomed what a White House spokesman called "a positive step forward".

Earlier on Saturday, at least one Hamas activist was killed in an Israel air strike on Gaza.

Two cars were targeted, and four men were reported injured.

Hamas said that three other activists were killed in clashes with Israeli troops elsewhere in Gaza.

'Chance for stability'

The ceasefire came into effect at 0600 (0400GMT) on Sunday.

The BBC's Alan Johnston in Gaza says it seems Mr Abbas phoned his opposite number on Saturday evening to say he had agreement from all Palestinian factions that they would stop their rocket fire.

There is a signed agreement between Mr Abbas, Palestinian Prime Minister Ismail Haniya and all the Palestinian factions, a spokesman said.

Mr Olmert is said to believe the ceasefire is a chance for stability

A spokeswoman for the Israeli prime minister, Miri Eisin, told the BBC that Mr Olmert had agreed that Israeli forces would not initiate any offensive action after that time.

But she said Mr Olmert had made it clear that it might take some time to pull all Israeli troops out of the Gaza Strip if the ceasefire held.

However, shortly after the ceasefire took effect, the Israeli army confirmed that all its troops had left.

Ms Eisin said Mr Olmert believed this was a chance to achieve stability and one that Israel could not miss.

The BBC's Simon Wilson in Jerusalem says that although there has been talk of a possible ceasefire in recent weeks, such a direct acknowledgement from the Israeli prime minister's office comes as a surprise.

Officials have indicated in the past that they do not believe Mr Abbas has the power to enforce a ceasefire among Palestinian groups, he says.

Ground offensives

Israel evacuated its settlements and military bases in Gaza last year after 38 years in the territory, but the military renewed ground operations after militants captured an Israeli soldier, Corporal Gilad Shalit, in a border raid in June.

One Hamas activist died in Saturday's air strike

Palestinian militant groups have been firing Qassam rockets into Israel on a daily basis. They have killed two Israeli civilians in the past 10 days.

Israel has launched frequent ground offensives into Gaza Strip to try to stop the militants who launch the rockets.

It has also shelled targets in Gaza heavily.

Since June, Israeli troops have killed more than 400 Palestinians in Gaza, roughly half of them civilians.

Three Israeli soldiers have died in operations. Cpl Shalit has not been found, and his fate is unknown.

Crisis In Lebanon Reaches New Threshold (WP)

By Anthony Shadid

The Washington Post, November 26, 2006

BEIRUT, Nov. 25 -- Lebanon's fragile government, defying warnings from Hezbollah, on Saturday approved an international tribunal to try suspects in the 2005 assassination of former prime minister Rafiq al-Hariri, an enormously symbolic step for a country paralyzed by division and anticipation.

The decision by Prime Minister Fouad Siniora's cabinet, taken at night with a large military presence in downtown Beirut, set the stage for the country's month-long political crisis, which has so far escalated almost in slow motion, to enter a much less predictable period. In effect, the approval of the tribunal pits a coalition underpinning the Lebanese government, backed by the United States and France, against the radical Shiite movement Hezbollah and its allies, supported by Iran and Syria.

"This is not a provocation against anyone, nor will it be a provocation against anyone," Siniora said in a statement read after the cabinet meeting by the information minister. "On the contrary, it aims at protecting everyone."

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Hezbollah read the vote as a blunt challenge, denouncing the cabinet as illegitimate and renewing its threat to take to the streets to bring it down. The movement and its allies negotiated their response Saturday night, but several officials said protests would commence after the seven-day mourning period for Pierre Gemayel, the industry minister who was assassinated Tuesday on a busy suburban Beirut street.

"This is an unconstitutional and illegitimate meeting of an unconstitutional and illegitimate cabinet. Our reaction will become clear in the coming days," Hussein Hajj Hassan, a Hezbollah member of parliament, said in an interview. "It is going to include all kinds of activities, because they have taken things to an unacceptable place."

But, he added, "we're not in a hurry."

Lebanon's crisis, its most recent phase ignited last month when Hezbollah demanded a greater share of representation in the cabinet, is playing out at levels that extend far beyond the borders of the small Mediterranean country.

The coalition backing the government has said Hezbollah's decision to withdraw its ministers and allies from the cabinet on Nov. 11 was meant to block the convening of the international court to try the suspected killers of Hariri and opponents of Syria assassinated since last year. A U.N. investigation has suggested that Lebanese and Syrian intelligence services were behind Hariri's death, but has yet to conclude. Four Lebanese security chiefs have been in custody for 14 months. In a letter Friday to U.N. Secretary General Kofi Annan, Syria complained that it was not consulted about the court's creation and suggested that it would not cooperate.

Hezbollah has said the issue is not the court, but the government. Hezbollah insists the government is no longer legitimate without the participation of Shiite ministers, who represent Lebanon's single largest community in a political system founded on the notion of sectarian consensus.

Information Minister Ghazi Aridi said the two sides negotiated until minutes before the cabinet convened Saturday evening, to no avail. Hassan, the legislator, however, called the discussions "silly attempts and a stupid repetition of positions and unacceptable solutions."

Technically, the government decision still requires the approval of President Emile Lahoud, an ally of Syria who has said the decision was unconstitutional given the ministers' resignations. Without his approval, it would go to parliament, which can be convened only by the speaker, Nabih Berri, an ally of Hezbollah. Berri's aides say he has no plans as of now to do so.

In a country whose crises are almost always interlocked with regional and international relations, the fights over the court and the cabinet are overshadowed by the bigger struggles underway: Which of Lebanon's factions -- and, by default, its foreign patrons -- will exercise the greatest influence over the future?

Hezbollah's opponents -- a coalition of Sunni Muslims, Druze and Christians that takes its name from the mass protest on March 14, 2005, that helped force the end of a 29-year Syrian military presence here -- see Syria and, to a lesser extent, Iran as representing the greatest threats to Lebanese stability. Hezbollah, allied with an influential Christian politician, Michel Aoun, views the government as beholden to the United States and its interests.

"I am not very hopeful," said Amin Sherri, another Hezbollah parliament member, speaking after the vote. "Why? We have to see who's putting pressure on them. That side is the United States."

Punctuated by drama and interspersed with stretches of anticipation, the crisis has, until now, played out in almost expected ways. The vote Saturday was, in some ways, a formality. Even the killing of Gemayel, an anti-Syrian politician from a prominent Christian family, followed predictions by other politicians that assassinations were ahead. But the March 14 coalition turned Gemayel's funeral into a protest and show of force Thursday, mobilizing tens of thousands of its followers.

A counter show of force by Hezbollah appears inevitable -- Hezbollah leader Hasan Nasrallah reiterated such a warning Friday -- although Sherri and Hassan said nothing was expected within the next 48 hours.

The prospect of sending the crisis into the streets has unsettled Beirut, a city whose diversity is often segregated and whose communal tension is as pronounced as at any time since Lebanon's 1975-90 civil war. With Christians divided between the government and Hezbollah, the confrontation has taken on a Sunni-Shiite dimension that is somewhat new to Lebanese politics. Its resolution will help determine which community, at the very least, wields an effective veto over political decisions.

"Internally speaking, Hezbollah cannot lose and doesn't want to lose. March 14 and the government cannot lose, and they don't want to lose," said Sarkis Naoum, a columnist for al-Nahar newspaper. "The loss for either side means this country will head in some direction that can be different. That's why I think both of them will take the confrontation to the end."

The crisis has paralyzed Lebanon, still reeling from last summer's war between Hezbollah and Israel. Following Gemayel's assassination, several Lebanese ministers took up residence in the government headquarters, known as the Serail, for protection.

Competing television stations -- the Sunni-owned Future channel and Hezbollah's al-Manar -- have waged a propaganda war of escalating invective. In one news bulletin, al-Manar called Walid Jumblatt, a Siniora ally and mercurial leader of the Druze community, a snake "spreading his venom." At Gemayel's funeral Thursday, protesters burned pictures of Aoun and shouted

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obscenities at Nasrallah. Hours later, scores of Shiite residents took to the streets in protest, temporarily blocking the airport road.

Asked whether he saw a solution, Naoum said, "I don't think so.

"I don't know, I'm scared. I'm scared," he said. "They are so mobilized, the Sunnis and the Shiites, that once they go into the street, it's possible that no one can control them."

Lebanon Approves U.N. Tribunal To Investigate Hariri Assassination (MCT)

By Dion Nissenbaum

McClatchy Newspapers, November 26, 2006

BEIRUT - On a busy West Beirut street corner, a black billboard featuring a photograph of Rafik Hariri counts off the number of days since the former prime minister's still-unsolved assassination sparked a popular uprising that forced Syrian troops out of Lebanon after decades of political domination.

"The truth," reads the billboard, which on Saturday was up to 650 days.

"For Lebanon's sake."

Nearly two years after the Cedar Revolution propelled pro-Western leaders into power and created a brief period of fragile national unity, attempts to find out the truth are threatening to create dangerous new political fissures.

On Saturday, Lebanon's cabinet set the stage for a political showdown by unanimously approving the establishment of a special United Nations tribunal with the power to try those involved in the assassination.

The vote throws the issue in the hands of the country's pro-Syria opposition leaders who consider the action an unconstitutional and provocative act.

Hezbollah leader Hassan Nasrallah, head of the nation's most powerful militia, is threatening to stage street protests until the government falls.

And Hezbollah allies in the government have vowed to quash the international investigation.

"This is not a provocation to any party," Information Minister Ghazi Aridi said after the cabinet vote, which was held as Lebanese soldiers fanned out across Beirut in an effort to contain any possible problems.

The dispute is about much more than finding out who killed Hariri. It is about the role of outside forces in Lebanese politics and whether the country's growing Shiite community should be given a greater role in the government.

Creation of the United Nations body still faces significant hurdles. It must be endorsed by President Emile Lahoud, a Hezbollah ally who considers the cabinet approval unconstitutional. And the tribunal must win approval from the Lebanese parliament, which is dominated by pro-Western lawmakers but headed by Hezbollah ally Nabih Berri, a prominent Shiite leader who could delay the vote.

Attempts by either Lahoud or Berri to derail the investigation could deepen the rifts and heighten tensions.

Hariri's political heirs see the tribunal as their best chance to prove widely held suspicions that Syria is behind the killing and an ongoing string of assassinations in Lebanon that have targeted a series of anti-Syrian figures. Syria has consistently denied playing any role in the political killings but views the tribunal as something of a kangaroo court.

As the Lebanese cabinet moved two weeks ago to give its initial approval to the tribunal, six Hezbollah allies in the Lebanese cabinet resigned in a bid to topple the government. Prime Minister Fuad Saniora refused to accept the resignations, and the cabinet endorsed the tribunal. Lahoud and Berri have deemed the cabinet actions unconstitutional.

Resolving the standoff peacefully was already a difficult challenge last week when gunmen killed Industry Minister Pierre Gemayel, a member of a prominent and controversial Christian political family.

The assassination deprived Saniora of an important ally and cast a pall over a nation still peppered with bullet-scarred buildings that serve as stark reminders of the country's 15-year civil war. Saniora's allies and Hariri's political heirs transformed Gemayel's funeral on Tuesday into a massive political rally that heightened the divisions. Demonstrators cursed Nasrallah, mocked Shiite religious traditions and denounced Syria, which many suspect is behind the string of assassinations.

Hours later, small groups of angry Shiite mobs briefly stormed through the streets looking for a confrontation until Nasrallah made an appeal for calm on Hezbollah's television station.

Leaders across the political spectrum have been trying to head off any clashes that could spark a new sectarian war. But many worry that such appeals will only go so far.

"You can't curb the street for a long time," said Moshen Saleh, a sociologist and Hezbollah ally at Lebanese University. "So the majority has to do something to show its good intentions."

In the Shiite neighborhoods around Beirut, residents on Saturday said they are prepared to push their demands.

"We are ready. We are ready. We are ready," said Aziz Najdi, a 36-year-old storeowner. "If it is winter, if we are under attack, if it is hot, we are ready to go at a moment's notice."

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Lebanon's Government Backs U.N. Tribunal (AP)

By Hussein Dakroub, Associated Press Writer

AP, November 26, 2006

The U.S.-backed government on Saturday approved an international tribunal for suspects in the assassination of former Prime Minister Rafik Hariri, overriding the objections of Hezbollah amid a political crisis that threatens to spin Lebanon into violence.

Attempts to reach a last-minute compromise between the government and the pro-Syrian camp, led by Hezbollah, failed Saturday as the Cabinet moved forward with its meeting on the U.N-created court.

Lebanon's Syria-allied president denounced the vote as did Hezbollah officials, who warned that the Shiite Muslim militant group would go ahead with threatened mass street protests seeking to force the government from power.

The tribunal is key in the struggle between allies and opponents of Syria, which dominated its neighbor for nearly three decades until international pressure forced it to withdraw its troops last year. Anti-Syrian forces — mainly Christians and Sunni Muslims — dominate parliament and the Cabinet, but are facing growing resistance from the mainly Shiite pro-Syrian camp.

The political crisis became potentially explosive this week with the assassination of an anti-Syrian politician, raising worries of more violence that could tear apart the country apart long its fragile sectarian seams.

The anti-Syrian bloc brought out some 800,000 people for a rally at the funeral of the politician, Pierre Gemayel, on Thursday. Hezbollah has shown it can bring out similar numbers, and many people fear its threatened new demonstrations could start a spiral of street action.

Earlier Saturday, two key anti-Syrian Lebanese politicians met with Parliament Speaker Nabil Berri, an ally of Hezbollah and a Syria supporter, in an apparent attempt at a compromise.

U.S.-backed Prime Minister Fuad Saniora offered to put off the Cabinet vote for several days if six pro-Hezbollah ministers who quit the Cabinet earlier this month return.

But with Hezbollah demanding that the government be changed to give it and its allies more power, the reconciliation bid failed, and the Cabinet meeting approved a U.N. draft for the tribunal.

"Unfortunately, no agreement was reached because each side stuck to its position," Information Minister Ghazi Aridi said after the Cabinet meeting.

The Cabinet approval "puts the opposition before its options to confront the government. The time and the place will be decided," Sheik Hassan Ezzeddine, a senior Hezbollah official, said after the vote when asked if Hezbollah would carry out its threat to try to topple Saniora with mass demonstrations.

In the eyes of Hezbollah, the approval of the tribunal amounted to a rejection of its demands for more seats on the Cabinet, and Saniora's foes contend his administration is unconstitutional because it does not represent all of Lebanon's main communities.

"The government represents part of the Lebanese people, not all of them. Its decisions are void," Ezzeddine told Al-Arabiya television.

President Emile Lahoud also called the Cabinet's approval of the tribunal "null and void" for the same reason, according to a statement from his office.

Hezbollah legislator Hassan Fadlallah charged the tribunal vote would "deepen divisions in the country," and said the militant group would not take to the streets although he did not say when.

Saniora insisted the approval of the tribunal was not meant as a "provocation" against Hezbollah and its allies, according to a statement read by Aridi after the vote.

"It is in fact based on Lebanese unanimity on the creation of this tribunal and the Lebanese who are yearning to protect Lebanon, bolster its democratic freedoms and national security and bring it out of the cycle of killings and assassinations," the statement said.

Aridi underlined the government's "respect" for Hezbollah's opinion and would allow nonviolent protests led by the group, but added: "We will not give up our goals."

For opponents of Syria, the court is a major priority, and they hope it will uncover the truth behind the February 2005 assassination of Hariri in a bomb blast that killed 22 others, which they accuse Damascus of orchestrating. Syria has denied any role in the killing.

The court, which will sit outside Lebanon and have a majority of non-Lebanese judges, is to try four Lebanese generals — top pro-Syrian security chiefs under Lahoud, including his Presidential Guard commander, who have been under arrest for 14 months accused of involvement in Hariri's murder.

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The U.N. investigation into Hariri's death has also implicated Brig. Gen. Assaf Shawkat, Syria's military intelligence chief and the brother-in-law of Syrian President Bashar Assad. Shawkat is not in custody.

Hariri's death was the first in a string of attacks that killed five other prominent anti-Syrian figures — with Gemayel the most recent, in a bold daytime shooting Tuesday. Many Lebanese blame Syria for all the killings, which Damascus denies.

Since Gemayel's assassination, some ministers in Saniora's Cabinet have moved into the heavily guarded prime minister's building in downtown Beirut, fearing more slayings.

Needed: A Big Stick (WP)

The Washington Post, November 26, 2006

ONE WAY TO understand the deteriorating situation in the Middle East is to contrast last week's assassination of Lebanese Christian leader Pierre Gemayel with the response to it. The assassination was a shockingly audacious attack on Lebanon's democratic forces and their U.S. and European allies. But those Western governments remain in a profound muddle about how to address Iran and Syria, which have been fomenting the destabilization of Lebanon, Iraq and the Palestinian territories.

The killers of Mr. Gemayel have not been identified and may never be. But the attack fits snugly into a pattern of provocations across the region by Iran and Syria, which appear to believe that American reversals in Iraq have given them the opportunity to create what Syrian dictator Bashar al-Assad calls "a new Middle East" -- one in which their influence and radical ideology will predominate. They would make their client Hezbollah the power broker in Lebanon, restoring Syrian suzerainty. They would use Hamas to block any progress toward an Israeli-Palestinian settlement and perpetuate a continuing, if low-grade, war on Israel. And they would continue to bleed the United States by supplying insurgents in Iraq with arms and sanctuary. Iran meanwhile presses ahead with its barely disguised nuclear weapons program: President Mahmoud Ahmadinejad recently promised to increase the number of centrifuges enriching uranium from the current 328 to 60,000.

In response to this bold bid for regional hegemony, the United States has apparently resolved . . . to intensively negotiate with itself and its chief European allies about how it might "engage" Mr. Ahmadinejad and Mr. Assad. Should a U.S. ambassador return to Damascus, once the uproar over Mr. Gemayel dies down? Should the administration drop its demand that Iran obey a U.N. resolution ordering it to suspend enrichment before talks can begin? While the debate goes on, the Western effort to sanction Iran for its nuclear program is stalled and all but forgotten. No punitive action against Syria is even being discussed.

Those most focused on rescuing the Iraq mission -- such as the Baker-Hamilton study group -- are most interested in the engagement option. We, too, have supported including Iran and Syria in a regional diplomatic initiative to promote an Iraqi political accord. But it's vital to keep in mind that such an effort has a low probability of ending the bloodshed in the near future, even if all parties cooperate.

What's more, no attempt to reason with Mr. Assad and the Iranian mullahs will succeed unless they perceive that the United States and its allies wield sticks as well as carrots. As long as the Bush administration is unable to win U.N. Security Council approval for sanctions against Iran -- or impose them through an ad hoc coalition -- Tehran will have no incentive to make concessions. Mr. Assad will demand that the West concede him Lebanon and call off the murder investigations that would likely implicate him -- unless he worries that his failure to cooperate will result in fresh international sanctions against Syria.

Iran and Syria are ruthlessly waging war against Western interests in the Middle East. Offering to talk is only a small part of what it will take to stop them.

Realism, And Values, In Lebanon (WP)

By Jim Hoagland

The Washington Post, November 26, 2006

The Baathists of Baghdad killed their opponents for all the usual reasons and a few original ones. They often slaughtered just to keep in practice, or for recreation, as shown on the videotapes they systematically made of their crimes. The Baathists of Damascus are more traditional. They murder adversaries only when necessary, after bribery, coercion or intimidation fail.

The sickening series of murders of Lebanese politicians and journalists opposed to Syrian control of their country is a new sign of desperation in Damascus that the United States and other nations must not misread or mishandle. This may well be President Bashar al-Assad's blood-soaked way of saying, "Let's make a deal." It is an offer that must be refused.

Those who complain that there is a lack of communication between the Bush administration and the Assad regime are not paying attention. By local rules, a well-timed murder such as the gunning down of Pierre Gemayel in Beirut last week is more effective in sending a message than a diplomatic demarche.

That does not absolve the Bush administration for foolishly allowing a secondary issue -- its refusal to have unconditional diplomatic contacts with Syria and Iran, to avoid "rewarding bad behavior" -- to obscure the growing international concern with

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those two nations. It is to say that the opening of communications channels with Damascus and Tehran must be handled with great care and clarity.

Murder is still an important tool in Middle Eastern politics, as is often noted. Unfortunately, the use of mayhem and slaughter to advance dynastic or personal fortunes in the region has not been checked in the 21st century by either U.S. unilateralism in Iraq or the multilateral legalism of the United Nations in Lebanon and Syria. The two approaches need to be reviewed and perhaps merged.

The Bush administration struggles in Iraq to prevent failure from becoming defeat. Ambitions of promoting democracy abroad through regime change are rapidly being scaled back to the bedrock question of intervention, from Kosovo to Darfur: Can "we" stop "them" from killing each other? If the answer is no, that is defeat.

An immediate benefit of intervention in Iraq was the overthrow of the sadistic Baathist regime that murdered in cold blood dissidents of all stripes in the hundreds of thousands. But the breakdown of order under a mismanaged occupation triggered a mass privatization by ordinary citizens of the government's former monopoly on assassination and torture.

U.N. Secretary General Kofi Annan has diligently and courageously pursued another course in dealing with Syria's systematic use of violence to regain control over Lebanon and the fortunes in smuggling drugs and arms that Syrian politicians and generals generate from their neighbor.

Citing the conditions created by the assassination of Rafiq al-Hariri, Lebanon's former prime minister, in February 2005 as a threat to international peace, Annan creatively pushed for an international criminal investigation and an international tribunal to try the case. Syrian officials are prime suspects in that crime and are widely believed to be behind the assassinations of at least four other advocates of Lebanese independence that followed Hariri's murder.

The killing of Gemayel, a member of the anti-Syrian coalition headed by Prime Minister Fuad Siniora, bears the hallmarks of a Syrian "initiative" to block the U.N. effort. And the murder came as Syria was reestablishing diplomatic relations with Iraq after 24 years of estrangement. This translation of Syrian actions quickly made its way through the Middle East: "You want help in Iraq? It will cost you Lebanon. For starters." That is realpolitik and real communication, Assad-style.

That is in any event the context in which any new U.S. move to talk to Syria and to Syria's ally, Iran, will be seen. Washington must avoid giving the impression that it is willing to allow Syria to regain hegemony over Lebanon in return for smoothing the U.S. path in Iraq.

The Bush administration should adopt a policy of making all substantive communications with Syria and Iran public as they are delivered, much as former secretary of state Jim Baker did when he dealt with Iraq's Tariq Aziz in Geneva in January 1991, on the threshold of Operation Desert Storm.

For one thing, such transparency would ensure that U.S. terms are delivered directly to those in charge without being distorted by filter or fear. And it would allow other nations to monitor for themselves Washington's intentions.

It is fashionable at the moment to decry black-and-white, evil-vs.-good visions of foreign policy and to maintain that only the expedient grays of "realism" can preserve world order. The debacle in Iraq has given the international promotion of democracy a bad name in some quarters.

But any "realistic" deal that undermines Lebanon's hard-won freedom from Syrian control and protects murderers in Damascus would quickly become a fool's bargain. This is a clear case, as the U.N. involvement to strengthen Lebanon's sovereignty over all its frontiers demonstrates, where doing the moral thing is also the realistic thing.

Lebanon On The Brink (LAT)

The Los Angeles Times, November 26, 2006

THE ASSASSINATION OF Pierre Gemayel, an anti-Syrian member of Lebanon's Cabinet and the scion of one of that country's leading Christian clans, could lead to other casualties: the collapse of a pro-Western government in Beirut, a resurgence of noxious Syrian influence and the deflation of a trial balloon — only recently floated in Washington — for holding discussions with Syria and Iran about the future of Iraq. The worst-case scenario is another civil war.

It's easier to lament that potential chain reaction than avert it. But the White House should try to rally other nations — including Syria, which denies any complicity in Gemayel's death — around the fragile government of Lebanese Prime Minister Fouad Siniora.

The Bush administration has stopped just short of explicitly accusing Syria of ordering Gemayel's assassination. A State Department official called the killing "an act of intimidation," and President Bush said it demonstrated "the viciousness of those who are trying to destabilize that country." United Nations investigators were already looking into allegations that Syria was behind the 2005 murder of another anti-Syrian leader, former Prime Minister Rafik Hariri. On Wednesday, Siniora asked that the U.N. probe be expanded to cover the latest crime.

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Supporters of democracy worldwide took heart when public outrage over Hariri's assassination produced the so-called Cedar Revolution, a peaceful rejection of outside meddling that led Syria to withdraw its troops from Lebanon. Allowing an assassin to reverse what remains from that revolution is unacceptable. The U.N. has insisted that Lebanon's neighbors respect its territorial integrity, and the cease-fire resolution that ended this summer's Israeli-Hezbollah conflict assumed that the government in Beirut would exercise a national monopoly on military force.

Compared to other nations in the region, Lebanon has democratic credentials that predate the Bush administration's campaign to transform the politics of the Middle East. The country operates under a constitutional tradition that balances political power precariously among the Christian, Muslim and Druze communities. But it has been obvious for at least 30 years that the political status quo gave disproportionate influence to the Christian minority, especially Maronite Catholics like the Gemayel family.

Not all the support for Hezbollah among Lebanon's Shiite Muslims is the result of Syrian subversion. Hezbollah has capitalized on longfestering discontent about the distribution of economic and political power. Hezbollah also provides Shiite communities with a network of social services and spearheaded rebuilding in southern Lebanon after Israel's attacks (though Hezbollah lost some points by provoking the invasion with its incursions into Israel).

The Lebanese political system is imperfect, to say the least. But it should not be overthrown by an assassin's bullet, whoever gave the orders. If Syria wants to bolster its claim of innocence in Gemayel's murder, it should discourage its allies in Lebanon — notably Hezbollah — from exploiting the murder. And any talk of the U.S. giving Syria a role in a regional peace process should be put on hold if Damascus had anything to do with the assassination, or uses it as an opportunity to ratchet up its influence in Lebanon.

Probe Traces Global Reach Of Counterfeiting Ring (WP)

By Peter Finn

The Washington Post, November 26, 2006

TBILISI, Georgia -- The U.S. Secret Service and Georgian police are investigating an international counterfeiting operation that stretches from a separatist enclave in this former Soviet republic to Maryland, where fake $100 bills have been seized, according to senior officials and investigators here. The allegations are supported by American diplomats, U.S. court documents and a recent report to Congress.

From a printing press in South Ossetia, a sliver of land with no formally recognized government, more than $20 million in the fake bills has been transported to Israel and the United States, according to investigators. The counterfeit $100 notes have also surfaced in Georgia and Russia, officials said.

The fake notes have been passed at numerous businesses throughout the Baltimore area and have also surfaced in New York, Newark and Buffalo, according to court papers and the joint report to Congress by the Secret Service, the Treasury Department and the Federal Reserve. The report, issued in September, also said the number of counterfeit notes produced in this region and passed in the United States has "increased dramatically" in recent years.

The presence in South Ossetia of an international counterfeiting ring capable of producing thousands of bills, according to investigators, is a stark example of how organized crime has flourished, sometimes through the neglect or alleged involvement of officials, in areas of the former Soviet Union whose territorial status remains unresolved 15 years after the fall of communism.

"Counterfeiting is not the only headache for us if you're talking about criminality in South Ossetia," Ekaterine Zguladze, Georgia's deputy interior minister, said in an interview. "You also have drug trafficking, weapons trafficking, robbery, kidnapping. And our opportunity to fight criminals in there is very limited."

A spokesman for the U.S. Secret Service, in an e-mail message, declined to discuss the case "due to the sensitivities of the ongoing investigations and political considerations." But the joint report to Congress said the Secret Service "is currently investigating a scheme with ties to suspects in Israel, Russia, and the Republic of Georgia to produce counterfeit U.S. currency. The U.S. Secret Service has reason to believe this family of counterfeit notes is being produced in the Caucasus region," as the mountainous area encompassing parts of southern Russia and Georgia is called.

U.S. diplomats confirmed that the location was South Ossetia.

The cash from the Caucasus, as with other lines of counterfeit dollars believed to be from the same source, was given its own code by the Secret Service: c-21558, according to the joint report to Congress.

"Since the c-21558 family's first detection in March 1999 the total counterfeit activity (passed and seized notes) has exceeded $23 million," according to the report. In 2005, the Secret Service detected $5.3 million from the Caucasus ring, up from $1.5 million in 2003, the report said.

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That compares to the approximately $2.8 million in "supernotes" linked to North Korea that the agency says it confiscates, on average, each year. The production of supernotes, so called for their quality, has become a major diplomatic issue between the United States and the government of Kim Jong Il.

Georgian investigators said the fake bills from South Ossetia are made with special ink and paper and have watermarks, different serial numbers and other features that allow them to be easily passed off as real. "They are of very high quality," Konstantin Kemularia, secretary of Georgia's National Security Council, said in an interview.

The counterfeiting operation in the region has become another irritant in U.S. relations with Russia, which acts, in effect, as a protector for South Ossetia; Russian peacekeeping troops patrol the breakaway enclave, and most of its residents have been issued Russian passports.

"We have expressed our concerns on this subject to both the Russians and the South Ossetians," said a U.S. State Department official who did not have approval to speak on the record. "This problem is one of many that underscore the urgent need for resolution of the conflict in South Ossetia and the threat it poses to security and border control, among other consequences."

Russia's Interior Ministry, which is responsible for fighting counterfeiting, did not respond to requests for comment. Officials in South Ossetia, where Russian rubles are used for currency, bitterly contested any allegation that a counterfeiting ring existed on their territory.

"Counterfeit dollars? Well, if you are going to listen to Georgians, soon you will say that we have a nuclear bomb here," Mikhail Mindzayev, interior minister in the separatist government, said in a telephone interview. Mindzayev asserted that "we do not have any counterfeit dollars here, and we do not have any criminals."

After a short, bloody war in the early 1990s, South Ossetia broke away from Georgia and achieved de facto independence. Despite the presence of Russian troops, crime has flourished in the province, and in a report, the German Marshall Fund of the United States described South Ossetia and other breakaway enclaves in the Black Sea region as "breeding grounds for transnational organized crime."

On Oct. 27, 2004, its fingers reached Linthicum, Md. At the Hampton Inn near Baltimore-Washington International Airport, Hazki Hen, who had just flown to the United States from Israel, met with two men, one of whom was an undercover Secret Service agent. Hen expected to consummate a deal that had been negotiated over 19 tapped phone calls.

Hen agreed to exchange $230,000 in counterfeit $100 bills for $80,000 in genuine currency, according to a Secret Service affidavit filed in U.S. District Court in Baltimore. Hen also planned to accept $220,000 as a down payment on the delivery of another $1.5 million in fake bills. The affidavit filed in Baltimore said that "Hen also displayed samples of paper used to produce counterfeit Euros and U.S. currency. The paper contained red and blue fibers similar to the fibers contained in genuine U.S. currency."

Just before the Secret Service moved in and arrested Hen, the three men discussed future deals involving between $25 million and $100 million in counterfeit U.S. currency, according to the affidavit.

Nine months later and more than 5,700 miles to the east, Nana Jabelashvili, a resident of Tbilisi, Georgia's capital, was stopped by police as she crossed a Georgian police checkpoint on the road between Gori and Tskhinvali, the capital of South Ossetia. Police found $350,300 in counterfeit bills in Jabelashvili's vehicle and later learned that she was a courier for a Georgian emigre who now lives in Israel, according to Levan Gurgenidze, head of the Georgian Interior Ministry's organized crime unit. The emigre fled Georgia the day after Jabelashvili's arrest, Gurgenidze said in an interview.

When Secret Service agents examined some of the bills seized from Jabelashvili, they found that they were linked to the same family of bills seized in the Hen case in Baltimore, according to a U.S. law enforcement source. Gurgenidze said the source of the bills was a counterfeiting operation run out of a building on Lenin Street in Tskhinvali.

In November 2005, federal prosecutors dropped charges against Hen, then 65, after he became seriously ill and the court agreed to allow him to return to Israel to die.

Jabelashvili was sentenced to 12 years in prison in Georgia in January of this year, officials here said.

Suspicions are growing, meanwhile, that some South Ossetian officials are not just ignoring counterfeiting but are involving themselves in it directly.

In January of this year, Eter Kachmazova, a senior bureaucrat in the South Ossetian Trade Ministry, held a series of meetings with a Georgian undercover officer posing as a Ukrainian businessman. The meetings, at a restaurant in Gori, which is about 30 minutes by car from Tskhinvali, and at the Sheraton Hotel in Tbilisi, were videotaped and recorded by the Georgians, who later broadcast excerpts on state television.

Kachmazova "said she could produce as many fake dollars as the buyers could handle, up to millions," Gurgenidze said. "The Ukrainian, our guy, said he wanted $1.5 million, and she agreed for $25 on every $100."

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On Jan. 31, Kachmazova agreed to supply the first $100,000, taking it across checkpoints in lots of $10,000 in case she was stopped and searched. After she arrived with the second bundle of $10,000, police arrested her. Kachmazova is being held at a pretrial detention center in Gori.

"They immediately relocated the press on Lenin Street after she was arrested," Gurgenidze said. "But they are still printing money in there."

Poisoned Russian Ex-Spy Said He Was Ordered To Hire Assassins (WP/AP)

By David Stringer

The Washington Post, November 26, 2006

LONDON, Nov. 25 -- An ex-KGB agent poisoned in London described in interviews before his death how he was ordered to hire assassins to neutralize potential rivals and whistle-blowers who threatened the Kremlin, according to excerpts published and broadcast Saturday.

Alexander Litvinenko, a fierce critic of Russian President Vladimir Putin, died Thursday of heart failure after falling gravely ill from what doctors said was poisoning by polonium 210, a rare radioactive substance.

His highly contaminated body was released to a coroner by police late Saturday and Home Office pathologists were expected to begin an autopsy, but experts said investigators might never pinpoint the exact source of the polonium.

In a deathbed statement, 43-year-old Litvinenko accused Putin, whom he called "barbaric and ruthless," of ordering his poisoning. Putin has called the death a tragedy and denied involvement. His government has pledged to cooperate with the investigation.

Litvinenko also spoke to academics James Heartfield and Julia Svetlichnaja from the University of Westminster in three interviews that lasted a total of about six hours in April and May. The Daily Telegraph published a version of the interviews Saturday.

Litvinenko was recruited into the Soviet-era KGB and also worked for its successor, the Federal Security Service. After the fall of communism, he said, his directive was to recruit businessmen who could stimulate an economic boom and to hire assassins.

"So if somebody was the victim of a crime, like his daughter was raped, you would offer to let them take revenge on the perpetrator," Litvinenko said. "This was how we recruited killers."

In another deathbed conversation, Litvinenko alleged that a Russian Foreign Intelligence Service chief previously stationed in London had been assigned by Moscow to watch him, Britain's Sunday Times newspaper reported.

British detectives investigating his death launched an international hunt for witnesses Saturday and spooled through hours of security video from closed-circuit television footage for clues, police said.

Litvinenko had told police he believed he had been poisoned Nov. 1 while investigating the October slaying of Russian journalist Anna Politkovskaya, another Putin critic.

Polonium 210 can be found in Russia, which has several nuclear research facilities and a major space program, but Kremlin intelligence agents would be unlikely to use it since the origin could be traced, said Vladimir Slivyak, a nuclear expert. He said the material was most likely acquired on the European black market.

In Moscow, the government newspaper Rossiiskaya Gazeta pointed suspicion at London's Russian exile community. It portrayed Litvinenko as a pawn who "drank his poison . . . when he betrayed those he worked for."

The newspaper speculated that Russian tycoon Boris Berezovsky was involved, aiming to use the death to discredit Putin's government or settle a business dispute. A presenter on Russia's state-run Channel One television said there was "a theory Litvinenko poisoned himself."

After Poisoning, Britain Sees No Big Public Threat (NYT)

By Alan Cowell

The New York Times, November 26, 2006

LONDON, Nov. 25 — The British authorities said Saturday that they did not expect a major threat to public health after the disclosure that a former Russian K.G.B. officer and enemy of the Kremlin had been killed by radiation poisoning in London.

The Health Protection Agency, however, urged people who had been in the same places as the victim, Alexander V. Litvinenko, 43, to contact the authorities for urine tests.

Mr. Litvinenko died Thursday as a result of poisoning by a radioactive isotope called polonium 210, but the police have not established how it entered his body. His friends have accused President Vladimir V. Putin of responsibility, but Mr. Putin has strongly denied the assertion.

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The nature of the death evoked cold war spy thrillers as much as it kindled animosity between some Russian exiles and the Kremlin. And it left Britons pondering whether their capital had become a theater for a long-range conflict between them. British diplomats have generally sought to play down the incident, calling it a police matter.

On Saturday, the British government's crisis management committee, called Cobra for Cabinet Office Briefing Room A, met to debate the matter and the Health Protection Agency issued a new statement urging people who had gone to the sushi restaurant and hotel bar Mr. Litvinenko visited on Nov. 1 to contact Britain's National Health Service. The authorities said the number to call in Britain was 0845-4647.

"We expect that we are going to do tests, and we expect that they are going to be negative and we have no reason to think customers are at risk," the Health Protection Agency said in the statement.

The police said Mr. Litvinenko had visited the Itsu sushi bar in central London and the Pine Bar of the Mayfair Millennium Hotel on Nov. 1. They said on Friday that they had found radioactive traces at each location and at Mr. Litvinenko's home in north London.

"We want to reassure the public that the risk of having been exposed to this substance remains low," the Health Protection Agency statement said. "It can only represent a radiation hazard if it is taken into the body — by breathing it in, by taking it into the mouth, or if it gets into a wound."

The agency said it was also checking areas of two hospitals where Mr. Litvinenko had been treated.

In Russia, Mr. Litvinenko's death caused a different kind of sensation. "Abomination," the newspaper Komsomolskaya Pravda wrote Saturday. "That's what you think looking at the pandemonium created by the West" in reaction to Mr. Litvinenko's death.

The state newspaper Rossiiskaya Gazeta sought to shift the accusations to another target: one of Mr. Putin's fiercest critics, Boris A. Berezovsky, the self-exiled tycoon who was close to Mr. Litvinenko. The paper's assertions, without evidence, echoed others made by officials and news organizations all week.

Polonium That Killed Ex-spy Could Be From Russia, But Hard To Pin Blame (AP)

AP, November 25, 2006

MOSCOW (AP) — The polonium-210 that doctors believe killed Kremlin critic and former spy Alexander Litvinenko could have come from Russia, but it will be difficult for investigators to pinpoint blame for the death even if the origin of the radioactive substance is determined, nuclear experts said Saturday.

Litvinenko blamed President Vladimir Putin in a statement signed days before his death in a London hospital Thursday, and bitter Kremlin foe Boris Berezovsky, an associate who spent time by Litvinenko's bedside, has said he suspected Russia's intelligence services were behind the alleged killing.

Polonium-210 is usually made artificially in a nuclear reactor or particle accelerator, and would likely come from a country with a significant nuclear program. With several nuclear research facilities, Russia fits the bill — and it also has a major space program, another sector in which the element has been used.

"There are many laboratories in Russia where it could be produced," said Vladimir Slivyak, a nuclear expert and co-chairman of the Russian environmental group Ekozashchita, or Ecodefense.

Alexander Pikayev, a senior analyst with the Moscow-based Institute for Global Economy and International Relations, said polonium isotope would be "much easier" to acquire than weapons-grade plutonium or highly enriched uranium because it is not considered weapons-grade.

Pikayev expressed deep doubt that any Russian organization was behind Litvinenko's death — which he said could only hurt Putin's reputation — and suggested that if a Russian intelligence agency had wanted to kill him, it would have been foolish to use polonium because its source could probably be traced.

"If any Russian special services were behind it, it was not a good idea to use this polonium, because they could find its origin," he told The Associated Press in a telephone interview.

Slivyak also said British authorities might have a good chance of determining where the polonium was produced. However, he argued that the information would be far short of proof of a plot in the country of origin because the substance could have been acquired on the black market.

"To say precisely after this that a concrete intelligence agency or government is involved would be difficult," he said.

If Russia's Federal Security Service, or FSB, wanted to use polonium to kill somebody, "from the point of the view of the FSB it would be better not to bring it from Russia but to buy it on the black market in Europe" in order to avoid leaving a trail, Slivyak said.

"Even if it was produced in a Russian laboratory, and even if this is documented, anyway it will be possible to say that this is not true, it's a falsification, or to say, 'We don't know, one gram was lost 10 years ago and we're not to blame,'" he said. "And in

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any case nobody from abroad will be allowed into the laboratory to check, because they'll say it's a closed enterprise, it's related to defense or to the space program."

Conversely, he said, a country of origin other than Russia would not rule out Russian involvement.

A senior Putin aide suggested Friday that Litvinenko's killing was part of a campaign to discredit Russia and its president, and Russian lawmakers and state-run television networks pointed the finger at Berezovsky, a more prominent associate of Litvinenko who provided financing for a book detailing allegations that the FSB was behind deadly 1999 apartment-building bombings that stoked popular support for a new war in Chechnya.

The government newspaper Rossiiskaya Gazeta added to the speculation that Berezovsky was involved, running an article whose sub-headline read: "Theories about the former FSB colonel's death are in one way or another linked with Berezovsky."

Among other scenarios, the article included speculation that Berezovsky could have had Litvinenko killed and "masked the crime to bring suspicion on the FSB" or that associates of Berezovsky could have had Litvinenko killed as a warning to the tycoon over a business dispute.

It portrayed Litvinenko — a former FSB agent who publicly accused his superiors of ordering him to kill Berezovsky and later fled to Britain — as a violent and unintelligent pawn who "made his choice and drank his poison ... when he betrayed those he worked for."

Television networks had few reports Saturday on Litvinenko's death, but a news announcer on state-run Channel One singled out what she said was "a theory (that) Litvinenko poisoned himself."

Protestant Militant Charged In Belfast Attack (NYT)

By Eamon Quinn

The New York Times, November 26, 2006

BELFAST, Northern Ireland, Nov. 25 — A Protestant militant was charged with attempted murder on Saturday, a day after being arrested in an attempt to attack Gerry Adams and Martin McGuinness, leaders of the main Roman Catholic party Sinn Fein, as they and other legislators worked toward a power-sharing agreement to restore local rule to Northern Ireland.

The militant, Michael Stone, who was released from prison six years ago after serving time for some of the most high-profile sectarian killings at the height of Northern Ireland's conflict, was stopped at the main entrance to the provincial assembly, carrying an imitation gun and a bag of homemade pipe bombs.

As Mr. Stone shouted Protestant militant slogans, he was disarmed in a struggle with security guards at the revolving doors leading to the lobby and was later led away by two police officers.

On Saturday, Mr. Stone, 51, was charged with five counts of attempted murder and possession of articles for terrorist purposes, including nail bombs, an ax and a garrote. He was also charged with possessing explosives with intent to endanger life and possessing an imitation firearm.

The attack disrupted an assembly of Northern Ireland politicians, including the Sinn Fein leaders Mr. Adams and Mr. McGuinness, who had met with Protestant politicians to discuss proposals to restore a power-sharing local government for the province. The debating chamber is close to the main lobby of the assembly buildings.

The meeting itself was a failure before the attack, as Rev. Ian Paisley, a Protestant leader, declined to nominate himself to be first minister, a post in which he would have served with Mr. McGuinness. That failure technically broke a deadline set by the British and Irish governments to organize a new power-sharing government. Prime Minister Tony Blair of Britain has said that the overall goal of putting a government in place by next March still stands.

Mr. Stone became an iconic figure for Protestant militants when he killed three mourners in an attack on an Irish Republican Army funeral in Belfast in 1988, as Sinn Fein leaders, including Mr. Adams and Mr. Guinness, stood by the grave.

Ecuador's Path And Alliances At Stake In Runoff Election (NYT)

By Simon Romero

The New York Times, November 26, 2006

QUITO, Ecuador, Nov. 25 — No one can accuse Ecuador, which will elect its eighth president in 10 years on Sunday, of dull politics.

Rafael Correa, a candidate in Sunday's runoff, strums a guitar before audiences between promises to whip Ecuador's political elite with his belt and shut the last American military base in South America. He chastises the Bush administration in the polished English he learned while earning a doctorate in economics at the University of Illinois.

Álvaro Noboa, his rival, is a billionaire who hands out free computers and fistfuls of dollars at his rallies. Mr. Noboa, a banana tycoon who is Ecuador's richest man, dropped to his knees this month at a campaign stop to ask for votes as a self-described "messiah of the poor."

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But the contest is far more than entertaining; the outcome could actually redraw power relations in Latin America.

Mr. Noboa, 56, surprised analysts by winning the first round of voting in October and maintaining a double-digit lead for much of the past month. A victory by Mr. Noboa, who has failed in two other campaigns for the presidency, would align Ecuador, an oil-exporting country of 13 million people, with Andean countries like Colombia and Peru that have strengthened ties with the United States.

By law here, the results of opinion polls may not be published in the 20 days before an election, and in recent days, each candidate has claimed a wide lead. However, the results of polls conducted in part for foreign banks were exchanged by e-mail throughout the country, creating a rift of information between those with Internet access and those without.

One such poll, by Cedatos-Gallup and released Friday for clients of the investment bank Credit Suisse, showed that among those who plan to cast a vote for one of the candidates, Mr. Correa had the support of 52 percent against 48 percent for Mr. Noboa. The poll has a margin of error of three percentage points, essentially putting the candidates in a statistical tie. Though polls are often unreliable in Ecuador, the results put financial markets on edge with investors selling off Ecuadorean bonds in New York on Friday.

Ramiro Crespo, president of Analytica Securities, a Quito investment bank, said he was so fed up with Ecuador's recent history of political instability that he would declare his vote null. (Voting is obligatory in Ecuador.)

"I'm tired of choosing the lesser evil," he said, adding, "Correa is a sophisticated academic who sees economics in the abstract, but he has never had to make a payroll each Friday, let alone run a country."

Mr. Correa, 43, has moderated his radical talk somewhat in recent weeks, meeting with the American ambassador in Quito and saying his harsh comments about President Bush were "imprudent." But he still says he would renegotiate Ecuador's foreign debt and opposes renewing an agreement that allows the United States military to operate from Manta, a port city on the Pacific coast.

Most controversially, Mr. Correa also boasts of his friendship with President Hugo Chávez of Venezuela, who would be glad to fold Ecuador into an anti-American alliance that now includes Bolivia and Cuba.

Mr. Chávez had been unusually quiet about Ecuador's presidential race, perhaps stung by the recent defeats of candidates with perceived ties to Venezuela in Peru and Mexico, but he broke that silence this month in a news conference with foreign journalists in Caracas, describing Mr. Noboa as "the banana king who exploits his workers and exploits children and puts them to work."

Mr. Noboa denies that children have worked in banana plantations connected to his company, though Human Rights Watch in 2002 documented cases of children in such circumstances working in plantations that supplied his company.

Sometimes appearing in public with a large crucifix around his neck, Mr. Noboa has repeatedly called Mr. Correa a "communist devil" and "colonel," an allusion to his admiration of the militaristic Mr. Chávez.

"Noboa has been a pure demagogue with promises that are impossible to fulfill, like building 300,000 houses, curing the sick, cutting electricity costs in half," said Fernando Santos, a political analyst and former energy minister.

Still, Mr. Noboa also grew more moderate in recent days, saying he would not cut diplomatic ties with Venezuela and Cuba as he had earlier pledged.

The winner, who will serve a four-year term, will face a fractious and powerful congress, one of the biggest impediments to presidents finishing their terms in Ecuador, though Mr. Correa would be in a weaker position than Mr. Noboa, who has a stronger congressional base.

Some analysts fear that Mr. Noboa, already a towering business figure who controls more than 100 companies, would use the presidency to advance his economic interests, concerns echoed by Mr. Correa's frequent contention that his opponent would rule the country like a "banana plantation."

In Ecuadoran Vote, Rhetoric Gives Way To Popular Pledges (WP)

By Monte Reel

The Washington Post, November 26, 2006

QUITO, Ecuador, Nov. 25 -- No matter who wins Ecuador's presidential election on Sunday, many outside the country will view it as a decision between dueling political stereotypes: Venezuelan President Hugo ChÃ¡vez's dream of a unified region liberated from U.S. influence, or that of free-market backers embracing a globalized economy.

For most who will actually make the choice, it's nothing of the sort.

Public opinion polls show leftist economist Rafael Correa and banana tycoon Alvaro Noboa locked in a near dead heat, and in recent weeks broad ideological rhetoric has given way to specific promises of concrete and cash. Each candidate has tried to one-up the other with vows of massive government housing projects, new jobs and low-interest loans.

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In a country where no president has served a full term in more than a decade, voters want to see some tangible results from their next leader, and it matters little what overarching political philosophy stands behind his pledges.

The campaign since last month's first-round election has been bitterly divisive, with repeated allegations of electoral fraud, increasing the possibility that either candidate would face a rough honeymoon. Throw in serious doubts about the pre-election promises -- some are simply unfeasible, according to analysts -- and many fear that the election will do little to ease Ecuador's chronic political instability.

"It doesn't matter which of the two candidates wins, Ecuador will have a weak president, at the mercy of the Congress and facing difficulties of governability," said AdriÃ¡n Bonilla, director of the Latin American Faculty of Social Sciences in Quito.

In last month's election, Noboa got 26.8 percent of the vote to edge out Correa by four percentage points. The latest polls give Correa a slight edge, though few political observers put much faith in them; the same polls had predicted that Correa would finish ahead of Noboa in the first round.

Correa, 43, a charismatic economist who received his doctorate at the University of Illinois, spent the early stages of his campaign promising to kill a proposed free-trade agreement with the United States, close a U.S. military base used for anti-drug operations and default on the nation's foreign debt so that social spending could be increased. He has also vowed to revamp Ecuador's political system by disbanding Congress and convening a constituent assembly in its place.

But after the first round, Correa retooled his campaign to focus on specific domestic spending programs, such as housing grants and microcredits for the poor. Though he has never backed away from his belief that globalization works against small countries like Ecuador, he spoke little of his broad economic theories or of his more controversial plans, such as the constituent assembly.

"I think he got some people a little nervous in Ecuador, which is why he didn't do as well in the first round as many expected," said Michael Shifter, an analyst with Inter-American Dialogue, a policy forum in Washington. "Now he's trying to moderate and tone down his rhetoric. I suspect this also reflects a realization that some of these proposals just aren't going to be politically palatable, both in Ecuador and internationally."

Unlike ChÃ¡vez, whom he considers a friend, Correa would not have the benefit of plentiful oil revenue to help underwrite his policy initiatives. And while some of his proposals are similar to those of Bolivian President Evo Morales, Correa has neither the popular support that gave Morales a comfortable first-round election victory last year nor a political party to back him in Congress. Correa's proposed constituent assembly thus could be difficult to achieve.

"If he takes it to the people and gets popular backing for an assembly, then Congress won't be a problem," said Orazio J. Bellettini, executive director of Faro Group, a political policy group in Quito that promotes governmental transparency. "But the second scenario is that the people don't support it overwhelmingly, and then he would face a very strong crisis, standing on his own with no Congress members."

Difficulties with Congress have contributed to the early downfalls of several Ecuadoran presidents, including Lucio GutiÃ©rrez, who was ousted last year after the legislature accused him of abandoning his post.

Correa paints Noboa -- Ecuador's richest man -- as the face of an oligarchy that he says has corrupted the highest reaches of government. Noboa owns more than 110 businesses, including one of the world's largest banana exporting companies, which he inherited from his father. Correa has repeatedly told his followers to suspect fraud if Noboa wins on Sunday.

"There is no place for indecision," Correa said at a rally Friday. "The decision is between being patriotic or becoming the plantation of the richest and most conceited heir in this country."

Noboa, 56, is an old-fashioned populist who dropped to his knees during stump speeches, holding a Bible in his hands and saying he was sent by God to help rid the world of communism. He tells voters that God gave him riches to share with them, often passing out T-shirts, wheelchairs and other gifts at public appearances. He favors free trade and says he will work to encourage foreign investment, but the cornerstones of his campaign are promises of more jobs and government housing. He has vowed to build 300,000 homes each year, or 1.2 million over a four-year term -- a huge number, considering there were 6.6 million voters in the first-round election.

"In my 15 years of working with him, I know that no one cares more about this country and no one has more to lose if the country collapses than does Alvaro," said Bernardo Manzano, director general of the Noboa company that exports millions of Bonita brand bananas to markets all over the world.

But those strong business ties to the country's economy are a source of worry for his detractors, who argue that they could easily produce conflicts of interest.

Already, the lines between his businesses and his political party and campaign are barely distinguishable. As Manzano toured one of Noboa's plantations this week, he consulted his BlackBerry to check results of the latest poll, which he had commissioned himself.

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Noboa's business history has also forced him to defend himself against allegations of exploitation. In 2002, a Human Rights Watch report stated that Noboa employed child laborers on some of his banana plantations. Later that year, a conflict with workers led to a violent standoff and contributed to Noboa's lingering reputation for being hard on organized labor. Manzano said the company no longer employs children, offering as evidence reports from local and international inspectors, copies of which he keeps at hand in his office.

"See? No child labor," he said, flipping through pages of recent reports. "They keep coming back, and coming back, and not finding anything. All of the accusations are just part of a very dirty political campaign."

Divided, Unhappy Ecuadoreans Head To Polls (LAT)

By Chris Kraul

The Los Angeles Times, November 26, 2006

QUITO, ECUADOR — Divided and disenchanted, Ecuadoreans vote today for a new president, choosing between two populists who seemed to spend more time during the campaign trading insults than offering ideas.

Right-wing billionaire Alvaro Noboa accused his opponent, economist Rafael Correa, of being a puppet of Cuba's Fidel Castro and Venezuela's Hugo Chavez who doesn't have the guts to admit he is a communist.

Correa accused Noboa of exploiting child labor and cheating his family out of control Ecuador's largest banana plantation.

The ugly rhetoric has turned off voters and deepened the divide between right and left, analysts say. Recent newspaper editorials reflected the disaffection that voters feel toward the pair, who were the top two finishers among 13 candidates in an Oct. 15 primary.

Public opinion polls indicated that the outcome of today's vote would be too close to predict.

To avoid miscues that could set off civil disturbances, Ecuador's electoral tribunal said it could take two days to review and certify the result.

Officials at the Organization of American States, which is monitoring the vote, said they feared an aftermath similar to that in Mexico, where a disputed presidential election in July spawned continuing unrest.

"Neither one is going to last six months in office before the people drive them out," predicted a municipal official in the southern city of Loja, who asked that his name not be used.

Ecuador's last two elected presidents, Jamil Mahuad and Lucio Gutierrez, were driven from office by street protests.

Both candidates have promised to provide more housing, education and health coverage if elected.

But the newspaper El Mercurio of the southern city of Cuenca voiced the fear in an editorial Saturday that the winner would be forced from office "within a few months" if he failed to deliver on promises.

Noboa, 56, who inherited Ecuador's largest banana plantation, near Guayaquil, and who has been listed by Forbes magazine as among the world's richest men, has run twice for president. He lost to Mahuad in 1998 and to Gutierrez in 2002. He has promised to build 300,000 housing units his first year in office.

Noboa frequently handed out cash, computers and wheelchairs at his campaign rallies. He also frequently knelt, Bible in hand, in front of crowds to pray to God to protect Ecuador from a Correa victory.

"I am on my knees to pray for housing, stability and jobs for Ecuador," Noboa said Thursday at his closing campaign stop in Guayaquil.

Correa, 43, has tapped into many Ecuadoreans' disgust with the nation's corrupt and fractured political system.

But he saw a big lead over the field of candidates evaporate in the final days before the presidential primary, partly because of his harsh anti-U.S. stance.

He has toned down the rhetoric, but remains opposed to a free-trade agreement with the United States, the "dollarization" of the Ecuadorean economy and extending the lease on the Manta air base, which the U.S. uses for spying on the drug trade.

A self-professed admirer and friend of Chavez, Correa has made the U.S. government and Wall Street nervous.

If elected, he would join a group of Latin American leaders who are sharply critical of Washington, including the leaders of Venezuela, Argentina and Bolivia.

Correa has said he would seek to renegotiate payment on Ecuador's foreign debt.

Ecuador Votes To Decide President (BBC)

BBC.com, November 26, 2006

Ecuador goes to the polls to elect a new president on Sunday, in a tight run-off vote with the two candidates running neck-and-neck.

Opinion polls suggest left-wing Rafael Correa and conservative Alvaro Noboa are both attracting equal support.

International observers have urged both candidates to be restrained when early results start to come in.

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The Organisation of American States wants all results to be officially counted before a victor is proclaimed.

Both candidates have promised to create jobs and fight poverty and corruption.

Mr Correa has gained a slight edge over Mr Noboa in opinion polls but the large number of undecided voters make the victor uncertain.

Insults traded

Ecuador is in a delicate state, says the BBC's correspondent Daniel Schweimler in Ecuador's capital Quito.

The country is becoming increasingly polarised, says our correspondent, people are disillusioned with its politicians and are impatient for change.

Three presidents in the past ten years have been forced from office by angry crowds.

Only three presidents since 1979 have served full terms.

The election has been marred by allegations of fraud In October's first-round vote, Mr Correa said the count was fraudulent and that he had won a clear victory.

Mr Noboa, Ecuador's richest man, said Mr Correa's campaign had been financed by Venezuelan President Hugo Chavez.

"Correa wants an insurrection, a civil war in which the poor will die," said Mr Noboa.

He has already made two unsuccessful runs for the presidency, in 1998 and 2002.

He has accused his opponent of wanting to install a communist dictatorship and drive Ecuador into the camp of Venezuela's anti-American President Chavez.

Mr Noboa made his fortune in bananas and has promised to bring foreign investment to Ecuador. He frequently campaigned carrying a bible.

Mr Correa has said he would maintain good relations with the United States despite having called President George W Bush a "dimwit".

He has said he wants to renegotiate contracts with foreign oil companies and has threatened to reduce payments on Ecuador's foreign debt.

At his final rally, Mr Correa urged his supporters to follow the vehicles transporting ballot boxes to make sure votes were not tampered with.

"Watch out for alterations of results, ballot box switching; ensure there is no vote-buying."

An election win for Mr Noboa, he warned, would turn Ecuador into the banana magnate's "estate".

Police, Protesters Clash In Mexican City (AP)

By Rebeca Romero, Associated Press Writer

AP, November 26, 2006

Police fired tear gas at dozens of protesters hurling gasoline bombs, rocks and powerful fireworks near the main square of this southern Mexican city troubled by months of unrest.

The clashes erupted as some 4,000 leftist protesters marched to within two blocks of the main square. They had announced plans to "encircle" police forces who dislodged demonstrators from the main square in a raid a month ago.

Federal detained at least three dozen mainly youthful protesters.

The government news agency Notimex reported that nine people suffered minor injuries in the confrontation, and that the fireworks — large bottle rockets fired from shoulder-mounted tubes — started fires in several houses near the plaza.

The demonstrators, some with their faces covered with bandanas, T-shirts or ski masks, hurled insults at the lines of federal police blocking the way into the square. The police used their riot shields to fend off the objects, then fired tear gas canisters, forcing the protesters to retreat.

The protesters are demanding the resignation of Oaxaca state Gov. Ulises Ruiz, accusing him of brutality, corruption and electoral fraud.

Chanting "Ulises Ruiz, get out of Oaxaca," the demonstrators were angered by reports that a spokesman for their movement — the People's Assembly of Oaxaca — had been detained by police earlier in the day. Those reports could not be immediately confirmed.

Alongside striking teachers — most of whom have returned to work and did not take part in Saturday's demonstration — the protesters seized much of the city starting late May. Police regained control of much of the downtown area in an October raid.

The protesters set up camp at a square a few blocks away and still retain control of barricades in some sectors; they are now demanding that federal police leave the city.

Nine people have been killed in the clashes, including freelance video journalist Bradley Roland Will, 36, of New York, who was filming leftist protesters who clashed with a group of armed men. Both sides fired. It is not clear who shot first.

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Several governments, including the United States, have warned tourists to stay away from Oaxaca City, formerly popular with tourists for its nearby ruins, cuisine, colonial architecture and handicrafts.

Pinochet Takes Responsibility For Regime (AP)

By Eduardo Gallardo, Associated Press Writer

AP, November 26, 2006

Gen. Augusto Pinochet took full responsibility for the first time Saturday for the actions of his 1973-90 dictatorship, which carried out thousands of political killings and is blamed for widespread torture and illegal imprisonment.

At a celebration of his 91st birthday, Pinochet also defended the bloody military coup that toppled freely elected Marxist President Salvador Allende, in a statement read aloud by his wife as he sat by her side.

"Today, near the end of my days, I want to say that I harbor no rancor against anybody, that I love my fatherland above all and that I take political responsibility for everything that was done which had no other goal than making Chile greater and avoiding its disintegration," he said.

"I assume full political responsibility for what happened."

Pinochet, surrounded by family, bodyguards and retired generals outside his home, raised his hand to acknowledge about 200 supporters gathered outside who sang him "Happy Birthday" and chanted "Long live Chile! Long live Pinochet!" A mariachi band played one of his favorite songs. After about a half-hour, he slowly stood and walked inside supported by a cane and the arm of a bodyguard.

According to an official report, 3,197 people were killed for political reasons under Pinochet, including more than 1,000 who were made to disappear. Thousands more were illegally imprisoned, tortured or forced into exile.

Pinochet rarely speaks in public and has not made such extensive comments for several years.

Ricardo Israel, a political scientist at the University of Chile, said Pinochet has never taken full responsibility for his regime's actions, instead blaming abuses on subordinates.

"But I think it's too late," Israel told The Associated Press. "He should have done it while he was in power, or when he remained as army commander after stepping down. Things would have been different."

In his statement, Pinochet claimed the military had to act against Allende's government because the social and political convulsions at the time were threatening the country's integrity.

He also sent "a message of support to my comrades in arms, many of whom are imprisoned, suffering persecution and revenge," in a clear reference to the scores of trials of military officers for rights abuses.

"It is not fair to demand punishment for those who prevented the continuation and worsening of the worse political and economic crisis than one can remember," he added.

Pinochet is currently under indictment in two human rights abuse cases and for tax evasion, and has scores of others criminal suits pending, filed by victims of abuses or their relatives. Until now, the courts have dropped the charges against him citing his poor health.

He spoke of his own legal problems in the statement, and indicated that he accepted the prosecutions as a necessary part of the process of national healing.

"All the vexations, persecutions and injustices affecting me and my family, I gladly offer for the sake of harmony and peace that must prevail among Chileans," Pinochet said.

He defended his 1973 coup and the military regime, saying it left "a vigorous, modern, admired country."

"I am absolutely certain that tomorrow, once the political passions and resentments are ended, history will judge our work objectively and will recognize that we put Chile on top of the nations in our continent."

Rebels Take Control Of City In Eastern Chad (NYT)

By Lydia Polgreen

The New York Times, November 26, 2006

BANGUI, Central African Republic, Nov. 25 — Rebels seeking to topple the government of Chad seized a crucial eastern city early on Saturday, according to aid workers based in the region.

Gunfire erupted about 6:30 a.m. in Abéché, the largest city in eastern Chad and the operating base for dozens of aid organizations looking after 200,000 Sudanese refugees and 50,000 displaced Chadians, said Claire Bourgeois, chief of the office of the United Nations High Commissioner for Refugees in Abéché.

“The rebels are in the city,” Ms. Bourgeois said by satellite phone. After several hours of artillery and gunfire, the rebels had control of the city, she said, and several government buildings had been looted. At least 13 people were wounded, but that figure will probably rise, she said, once more people trickled from their homes to the city hospital.

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The rebels are believed to be militants from a group known by the initials U.F.D.D., one of several groups based in Sudan seeking to overthrow Idriss Déby, the president of Chad. The rebels instructed city residents and aid workers to remain in their homes and offices and said that they did not intend to harm any civilians.

"The situation now is completely calm," Ms. Bourgeois said. "They have sent a message saying we should not be worried, they have nothing against humanitarian actors, nothing against the local population."

France, the former colonial power in Chad, has a military base in Abéché, but it was not fired upon, according to the French Embassy in Ndjamena, the capital. French soldiers took control of Abéché's airport, according to aid officials.

Speaking on Chadian national radio, a top military official said that the army had withdrawn for tactical reasons and to avoid loss of civilian life, but had the city surrounded. Mahamat Nouri, leader of the U.F.D.D., told the BBC that his men would march to Ndjamena.

Several Chadian rebel groups have been trying to remove Mr. Déby for more than a year, saying his government is despotic and corrupt. Chad, one of the poorest and most volatile nations in Africa, has become even more unstable as the conflict in Sudan's western region of Darfur between non-Arab insurgents and the Arab-dominated government has spilled over the border into Chad.

The Sudanese government accuses Chad of supporting the Darfur rebels, and Chad's government accuses Sudan of supporting the rebel groups menacing the capital. Chadian rebel groups have operated openly inside Sudanese territory, using Darfur as a base, and Darfur rebels are similarly brazen in their use of Chadian territory to regroup, rearm and organize.

In April, a month before a presidential election was scheduled, a rebel group attacked the capital but was repulsed by Chadian troops. Last month a rebel group briefly overran several provincial towns in the southeast, but then fell back. Since then, the government has been bracing for a new attack.

Rebels "Seize" Two Chadian Towns (BBC)

BBC.com, November 25, 2006

Rebel forces in Chad say they have captured the eastern town of Biltine, hours after another group said it had taken control of nearby Abeche.

The government has denied that either town is under rebel control, although the army said it had withdrawn troops from Abeche for tactical reasons.

Several rebel groups in eastern Chad want to depose President Idriss Deby.

Observers say this appears to be the first time two rebel groups have launched co-ordinated attacks.

The BBC's Stephanie Hancock in the Chadian capital, N'Djamena, says this could prove a turning point in Chad's rebellion.

A spokesman for UN Secretary General Kofi Annan said he was concerned by the reports of violence in Chad.

"The secretary general reiterates his condemnation of any attempt to seize power by force. He urges the Chadian protagonists to engage in dialogue," the spokesman said.

Heavy gunfire

The first attack came at around dawn in Abeche, about 700km (440 miles) east of N'Djamena.

Aid workers and residents reported heavy gunfire as rebels approached the city, and small arms fire was heard in Abeche itself.

The rebel group involved, the Union of Forces for Democracy and Development (UFDD), later issued a statement saying its men had taken over Abeche with little resistance from the Chadian army.

However, the government continues to claim that the rebels are not in control of what is a key town in the east.

Speaking on national radio, the Chadian army's second-in-command said troops had withdrawn to the outskirts of the town for tactical reasons and to avoid civilian losses.

He urged people to stay calm and accused neighbouring Sudan of backing rebel forces in Chad.

The UFDD's leader, Mahamat Nouri, told the BBC he would continue to fight until his men had captured Chad's capital, N'Djamena.

Ethnic clashes

Hours later, a second rebel alliance claimed that it had taken control of the town of Biltine, some 80km (50 miles) to the north of Abeche.

Chad's defence minister told the BBC a column of rebel vehicles had been detected in the Biltine area but denied rebel claims the town had been taken.

Rebel groups want to oust President Idriss Deby's government

On Friday there were reports of as many as 200 rebel vehicles circulating in eastern Chad and the Chadian army was on full alert.

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The last major rebel attack was in April, when rebels drove from eastern Chad to N'Djamena before being overpowered.

Much of Chad is under a state of emergency, after ethnic clashes which are reported to have killed hundreds of people in recent weeks.

The French embassy in Chad issued warnings to its citizens, following reports that rebels in the east were planning a new offensive and moving west.

Conflict in Sudan's Darfur region has spilled across the border into Chad, which accuses the country of exporting its violence. Khartoum denies this.

The UN estimates that more than 200,000 refugees from Sudan are in Chad and that more than 50,000 Chadians have been displaced by fighting between Arab and non-Arab groups.

Sudan denies claims that it backs Chad's rebels, while Chad denies supporting the black African rebels in Darfur.

A Sister's Sacrifice (NYT)

By Nicholas D. Kristof

The New York Times, November 26, 2006

GOZ AMIR, Chad

When the janjaweed militia attacked Fareeda, a village here in southeastern Chad near Darfur, an elderly man named Simih Yahya didn't run because that would have meant leaving his frail wife behind. So the janjaweed grabbed Mr. Simih and, shouting insults against blacks, threw him to the ground and piled grass on his back.

Then they started a bonfire on top of him.

But his wife, Halima, normally fragile and submissive, furiously tried to tug the laughing militia members from her husband. She pleaded with them to spare his life. Finally, she threw herself on top of the fire, burning herself but eventually extinguishing it with her own body.

The janjaweed may have been shamed by her courage, for Mr. Simih recalls them then walking away and saying, "Oh, he will die anyway." He told me the story as he was treated at a hospital where doctors peeled burned flesh from his back.

Atrocities like this make up the news and constitute the Sudanese-sponsored genocide here in the region surrounding Darfur, but it is also stories like this — of superhuman courage — that keep me going through my reporting here. Invariably, the most memorable stories to emerge from genocide aren't those of the Adolf Eichmanns, but those of the Anne Franks and Raoul Wallenbergs. Side by side with the most nauseating evil, you stumble across the most exhilarating humanity.

So this is a column about the uplifting side of genocide.

I see examples all the time, from the aid workers who persevere against impossible odds (13 have been murdered in Darfur since May) to the children who carry bows and arrows to try to protect their parents from men with machine guns.

One of the most inspiring people here is Suad Ahmed, a 25-year-old mother of two from Darfur. She lives here in the Goz Amir refugee camp, and last month she was collecting firewood with her beloved little sister, Halima, when a band of janjaweed ambushed them.

The janjaweed regularly attack women and girls — part of a Sudanese policy of rape to terrorize and drive away black African tribes — and Ms. Suad knew how brutal the attacks are. A 12-year-old neighbor girl had been kidnapped by the janjaweed and gang-raped for a week; the girl's legs were pulled so far apart that she is now crippled.

But Ms. Suad's thoughts were only for her sister, who is just 10. "You are a virgin, and you must escape," she told her. "Run! I'll let myself be captured, but you must run and escape."

The local culture is such that if the little girl were raped, she might never be able to marry. So Ms. Suad made herself a decoy and allowed herself to be caught, while her sister escaped back to the camp.

Ms. Suad plays down her heroism, saying that even if she had tried to escape, she might have been caught anyway, for she was five months pregnant. Or, she says, maybe she and her sister both would have been captured.

In any case, however, the janjaweed beat Ms. Suad, and seven of them gang-raped her despite her pregnancy. "You black people have no land," she recalls them telling her. "This land is not for you."

People from the camp found Ms. Suad in the hills that evening, too injured to walk, and carried her back. Ms. Suad said she didn't seek medical treatment, because she wanted to keep the rape as much of a secret as possible and didn't even tell her husband, although he eventually found out along with a few others. He accepted that it was not her fault.

(She found the courage to give an on-the-record interview, a video of which is with the online version of this column, after a tribal leader told her that it might help other Darfuris if the world knew what was happening to women here.)

The gang rape and beating were excruciating, she says, but her sacrifice was worth it. "When my sister saw me brought back and saw what had happened to me, she understood," Ms. Suad says. "She is very grateful to me."

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So, yes, this is a land of numbing brutality, scarred by what may be the ugliest crime of all, genocide — abetted by indifference abroad. But it has elicited the best of humanity along with the worst. In Ms. Suad and those like her, I find a courage, nobility and compassion that offer a perfect contrast to the fecklessness of the rest of the world.

Sri Lanka Rebels' Critic Silenced By Bullet (NYT)

By Somini Sengupta

The New York Times, November 26, 2006

COLOMBO, Sri Lanka — The killer asked for "Keteshwaran," the man's battle name from his years in the Tamil militant movement. For whatever reason, it made Kethesh Loganathan come quickly down the stairs and to the front gate of his house. He did not have a chance to open the gate. Through the grille, his killer put a bullet through his head. He died quickly.

In his death lay a vital lesson for outspoken Tamils, the country's largest ethnic minority and a group whose political rights are at the center of Sri Lanka's intensifying, nearly 25-year conflict.

Mr. Loganathan, 54, was among the fiercest critics of the ethnic separatist Liberation Tigers of Tamil Eelam, and they are widely blamed for his death. The group has neither accepted nor rejected the accusation.

No one has been arrested in connection with the killing.

The Tamil Tigers have likewise been blamed for the killings of some of Sri Lanka's most prominent Tamil intellectuals, especially those who ally themselves with the government, as Mr. Loganathan did this year when he became deputy secretary general of the government agency coordinating the peace process.

His killing, on Aug. 12, occurred exactly a year after the assassination of Lakshman Kadirgamar, the former Sri Lankan foreign minister and the highest-ranking ethnic Tamil in the government. Shortly after his death, a rebel-affiliated Web site described Mr. Loganathan as "Tamil betrayer Kadirgamar Junior."

In 1999, Neelan Thiruchelvan, the architect of a seminal power-sharing arrangement that would have offered broad political autonomy to the Tamils, though not necessarily to the Tamil Tigers, was killed in a suicide bombing. Anti-rebel politicians like Douglas Devananda, leader of the Eelam People's Democratic Party, have eluded so many assassination attempts that most people here have lost count; he lives today in a virtual bunker under state protection.

Dissent, as critics of the Tamil Tigers are fond of reminding, is decidedly unwelcome in the rebel playbook. Or, as the stridently anti-rebel group University Teachers for Human Rights declared in a statement three days after Mr. Loganathan was killed, "this organization can and would pick off its unarmed opponents at will, should they persist in giving hope to the people."

Mr. Loganathan, his friends and colleagues recalled, was unusual among the many detractors of the Tamil Tigers. He was a Tamil nationalist, deeply versed in the language and ideology of the Tamil Tiger cause, but virulently opposed to its methods. He belonged to another Tamil militant group, the Eelam People's Revolutionary Liberation Front, until the mid-1990s. The Tamil Tigers systematically killed many of his comrades.

Mr. Loganathan was unforgiving of the Tamil Tigers' human rights record. He was a strident critic of their fundamental claim that only the Tigers represented Tamil interests in Sri Lanka.

"He knew their thinking," said Jehan Perera, media director of the National Peace Council, a nonpartisan research and advocacy group. "He critiqued them in their language."

Mr. Perera described Mr. Loganathan's approach as "adversarial." The day of his assassination, Mr. Loganathan, who was as critical of the way the Norwegian-mediated peace talks were moving as he was of the rebels, was writing a response to an essay that Mr. Perera had written for an upcoming seminar on the peace process. He had spent the day working at home. He had told his wife, Bhawani, that he would have to opt out of their Saturday habit of visiting a Hindu temple somewhere in the city, then eating out.

They were a reclusive pair, Mrs. Loganathan recalled, childless and averse to social outings. They lived on a narrow street in an unremarkable, ethnically mixed middle-class neighborhood here in the capital. She said her husband was resolutely opposed to having a security guard at home. She opposed his joining the state peace secretariat. But she knew there was no blocking her husband's aspirations.

"He was a very stubborn person," Mrs. Loganathan recalled recently at home. "He would do what he wanted to do. No one could stop him."

By the time he was killed, he was in frail health and had been gradually losing his hearing. A few days before his death, for reasons that still puzzle her, he told her he wished to die before she did. She remembered looking at him and asking him flatly, "Have you received a threat?" He said he had not.

Later that night, she said she quietly prayed that she would survive him; she knew she was his sole caretaker.

Shortly before his death, Mrs. Loganathan recalled, they were upstairs watching the 9 p.m. television news together, when a man called out from the front gate. She went to the balcony to have a look. She could make out a dark-colored, old-model car

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parked outside and a man saying he had come from the police department for "Keteshwaran." It wasn't entirely unusual for a police officer to visit.

At the mention of the name, her husband rushed downstairs. From upstairs, she heard him asking for the visitor's identity card. Then she heard the gunfire.

Awaiting Lengthy Lab Confirmation Of Bird Flu Risks Treatment Delays, Studies Find (NYT)

By Donald G. McNeil Jr.

The New York Times, November 26, 2006

Because detecting Avian flu with standard tests is so difficult and time-consuming, waiting for laboratory confirmation of an outbreak would cause dangerous treatment delays, according to new studies of two flu outbreaks.

The studies, published Thursday in The New England Journal of Medicine, were of family clusters of flu cases in Turkey and Indonesia.

Rapid tests on nose and throat swabs failed every time, and in Turkey, so did all follow-up tests known as Elisas. The only tests that consistently worked were polymerase chain reaction tests, or PCRs, which can be done only in advanced laboratories and take several hours.

"It'll be a disaster if we have to use PCRs for everybody," said Dr. Anne Moscona, a professor of pediatrics and immunology at Weill Cornell Medical College. "It just isn't available at a whole lot of places."

If the A(H5N1) flu mutates into a pandemic strain, rapid tests "will be really key," she said.

The studies followed clusters in three families in Indonesia in 2005 and in what appears to have been one extended family near Dogubayazit, in eastern Turkey, in January. Case clusters particularly worry public health authorities because they raise the possibility that the flu is mutating to spread faster between people.

In the Indonesian cases, the authors, from Indonesia, the World Health Organization and the Centers for Disease Control and Prevention in Atlanta, concluded that human-to-human transmission had probably taken place in two of the three family clusters. In one case, a 38-year-old government auditor appeared to have caught the flu from his 8-year-old daughter or her 1-year-old sister. All three died; his wife and two sons did not get sick. No one in the family had any known contact with poultry, wild birds, animals or sick people, so the source was a mystery.

"But you can't always tell what a young child has done," said Dr. Tim Uyeki, a Centers for Disease Control flu specialist and an author of the study. "There's no magical test, and you don't always get a perfect explanation."

The Dogubayazit cluster was a cause célèbre for some Internet flu-watchers following Turkish news reports in January. They contended that widespread human-to-human transmission seemed to be taking place, and that it may have begun at a banquet attended in late December by members of two related families named Ozcan and Kocyigit. The Turkish government and the World Health Organization did not link the cases or families and tentatively blamed birds for all transmission.

The studies showed how wide a net was cast: 290 people were tested at one hospital because they either had flu symptoms or contact with dying birds, or both. All were given the antiviral drug oseltamivir, which is also sold as Tamiflu, and about half were hospitalized. That accorded with health organization recommendations: widespread testing and use of antivirals, both to save lives and to snuff out any suspected outbreak of a mutant strain.

Only 10 came up positive on PCR tests, and 8 of those were confirmed by a World Health Organization laboratory. All were children; four died. The studies confirmed suspicions that the families were linked; 7 of the 8 children were related or lived near each other. The December banquet was not mentioned.

It was impossible to tell whether the other argument made by the Internet flu-watchers was correct: that poor testing and the oseltamivir had disguised the extent of the outbreak. But the lead author, Dr. Ahmet Faik Oner, a professor of medicine at Yuzuncu Yil University in Turkey, said in a telephone interview that he believed that there had been no human-to-human transmission because all the children had been in close contact with poultry within seven or fewer days before they fell ill and none of their parents or the hospital staff members that treated them had become sick.

Dr. Uyeki declined to comment on the Turkey outbreak, but said both studies lent support to the theory that some people were genetically more susceptible to the flu.

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TERRORISM NEWS:

Despite A Year Of Ire And Angst, Little Has Changed On Wiretaps (NYT)

By Eric Lichtblau

The New York Times, November 25, 2006

WASHINGTON, Nov. 24 — When President Bush went on national television one Saturday morning last December to acknowledge the existence of a secret wiretapping program outside the courts, the fallout was fierce and immediate.

Mr. Bush's opponents accused him of breaking the law, with a few even calling for his impeachment. His backers demanded that he be given express legal authority to do what he had done. Law professors talked, civil rights groups sued and a federal judge in Detroit declared the wiretapping program unconstitutional.

But as Democrats prepare to take over on Capitol Hill, not much has really changed. For all the sound and fury in the last year, the National Security Agency's wiretapping program continues uninterrupted, with no definitive action by either Congress or the courts on what, if anything, to do about it, and little chance of a breakthrough in the lame-duck Congress.

While the Democrats have vowed to press for more facts about the operation, they are of mixed minds about additional steps.

Some favor an aggressive strategy that would brand the program illegal and move to ban it even as the courts consider its legality. Others are more cautious, emphasizing the rule of law but not giving Republicans the chance to accuse them of depriving the government of important anti-terrorism tools.

Representative Nancy Pelosi of California, who will take over as House speaker in January, favors an investigation to determine how the security agency's program actually operated and what its legal framework is under the Foreign Intelligence Surveillance Act of 1978, a senior aide to Ms. Pelosi said. Administration officials said they were concerned they could have to shut down a program they deemed vital to national security.

The 1978 law requires counterterrorism officials to obtain court orders to eavesdrop on people inside the United States. But the security agency's program involved eavesdropping without warrants on the international telephone and e-mail communications of Americans and others in this country suspected of links to Al Qaeda and other terrorist groups.

Congressional Republicans, for their part, see a missed opportunity to resolve the many questions hovering over the operation during a year in which they still commanded majorities in the House and Senate.

"We could've fixed this early on," said Senator Arlen Specter, Republican of Pennsylvania, chairman of the Senate Judiciary Committee and a believer that the surveillance program violates the 1978 law.

"For every day that passes," Mr. Specter said in an interview, "there's an invasion of privacy that could be cured."

To understand the helter-skelter nature of the debate over the wiretapping program, one need look no further than Mr. Specter.

After the program was publicly disclosed last Dec. 15, the senator called it an "inappropriate" usurpation of presidential authority that "can't be condoned." He signed onto a bill last summer written by Senator Dianne Feinstein, Democrat of California, that would effectively ban the program as it is now operated and require a court order for all wiretapping of Americans.

Then, after a series of confidential meetings with the White House, Mr. Specter worked out a compromise to bring the program before a secret intelligence court to test its constitutionality. He was promptly pummeled by Democrats and editorial writers for giving away too much to the White House.

Mr. Specter changed course again last week and submitted yet another proposal that would require warrants for eavesdropping on communications coming out of, but not into, the United States, and would put the whole issue on a fast track to the Supreme Court. Its fate, like its predecessors', is unclear.

Along the way, Mr. Specter has clashed with politicians on the left and the right. He got into a public spat with Vice President Dick Cheney when the latter succeeded in keeping Mr. Specter from subpoenaing telecommunications executives to

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testify about cooperation with the security agency, and he traded terse words with Senator Russell D. Feingold, Democrat of Wisconsin, over Mr. Feingold's efforts to have the Senate vote to censure the president over the wiretapping.

"It's always difficult," Mr. Specter said, "to get legislation on a controversial issue that has such political overtones."

The lack of a resolution has left many shaking their heads. Some officials said the unanswered questions had cast doubt on the public credibility of broader intelligence operations and created occasional confusion among intelligence agents over what was and was not allowed in tracking terrorism suspects.

"There's a lot of uncertainty over this program," said a former senior intelligence official who spoke on condition of anonymity because the wiretapping program is classified.

"We've had a wasted year at this point," the former official said, "and nothing has been done to try to really figure out how or whether we should amend the process."

The program was secretly approved by Mr. Bush weeks after the Sept. 11 attacks. Since then, the security agency, which has historically been restricted from spying within the United States, has monitored thousands of international telephone calls and e-mail messages to and from people in this country, people with knowledge of the operation say. Senior administration officials say it has been critical in helping to identify previously unknown plots, but other government officials involved in the operation have said that it has often led to dead ends and to people with no clear links to terrorism.

The administration has steadfastly defended the program and has warned of a serious threat to national security were it stopped.

In a speech last week, Attorney General Alberto R. Gonzales labeled as "myth" the idea that the program "is an invasion of privacy and an unlawful eavesdropping tool." The program, he said, "does not invade anyone's privacy, unless you are talking to the enemy in this time of war."

The legal authority, the administration argues, rests on both the president's inherent constitutional authorities as commander in chief as well as a Congressional resolution passed days after Sept. 11 that authorized the use of military force against Al Qaeda.

The only judge to rule directly on the question, Judge Anna Diggs Taylor of Federal District Court in Detroit, rejected the administration's claims to broad executive authority, ruling the program illegal in August and ordering it shut down.

"There are no hereditary kings in America and no powers not created by the Constitution," the judge wrote.

The Justice Department is appealing that decision, as well as a separate ruling in San Francisco allowing lawsuits against telecommunication companies to proceed. In that case, Judge Vaughn Walker of Federal District Court rejected the government's assertion that the lawsuits should be quashed because they touched on "state secrets" and risked harming national security.

Justice Department officials said they were hopeful they would succeed in overturning the Detroit ruling, but they acknowledged they were concerned over where the courts would ultimately come down.

"It would certainly be good to have clarity on this," said a senior Justice Department official, who was given anonymity to discuss the department's internal thinking. "Do people want resolution on a program this important? Sure."

Even after the Democrats won control of Congress this month, Mr. Bush pushed the passage of wiretapping legislation as a priority for the lame-duck session that concludes next month. During that brief window before Democrats take power, administration officials also hope to push through related measures that would effectively insulate telecommunications and government officials from legal liability growing out of the wiretapping.

But Republicans and Democrats alike give the White House virtually no chance of moving substantive wiretapping legislation before January.

An aide to Ms. Pelosi noted that the White House has until now agreed only to limited briefings on the program.

"There is bipartisan interest in seeing whether the administration's claims that the program can't comply with F.I.S.A. are indeed so," the aide said. "We were legislating on an issue where the full parameters were not known or well understood."

Times Seeks To Bar Review Of Phone Data (NYT)

By Adam Liptak

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The New York Times, November 25, 2006

The New York Times asked the Supreme Court yesterday to bar a federal prosecutor from reviewing the phone records of two of its reporters. The records, lawyers for The Times said, would allow the government to learn the identities of many of the reporters' confidential sources.

The case arose from a Chicago grand jury's investigation into who told the two reporters, Judith Miller and Philip Shenon, about actions the government was planning to take in 2001 against two Islamic charities. The United States attorney in Chicago, Patrick J. Fitzgerald, sought the reporters' records directly from their phone companies, and The Times filed suit to stop him.

In August, a divided three-judge panel of the federal appeals court in Manhattan ruled in favor of Mr. Fitzgerald, saying the reporters were not entitled to shield their sources. The needs of law enforcement, the majority said, outweighed any protections the reporters might have in the First Amendment or other areas of law.

Ms. Miller left the paper last year after spending 85 days in jail in connection with a separate leak investigation, also supervised by Mr. Fitzgerald.

The paper's filing yesterday was a limited one, seeking an order from Justice Ruth Bader Ginsburg staying the appeals court decision until the Supreme Court has an opportunity to decide whether to hear the case. The deadline for seeking review of the appeals court's decision is in January, but The Times said it would move faster.

In a letter filed in response to yesterday's application, the Justice Department said it "desires to review the records in question as expeditiously as possible" but agreed not to do so until Wednesday. Yesterday afternoon, the court ordered the government to submit a formal response to the stay application by today at 4 p.m.

The press has been on a losing streak of late in the federal courts, with several decisions refusing to recognize protection for confidential sources. The Supreme Court has not weighed in on the question since 1972.

Floyd Abrams, a lawyer for The Times, said the case now before the court could give it an opportunity to clarify the law.

"If the government is permitted to proceed to scrutinize the telephone records of The New York Times and its journalists," Mr. Abrams said, "it will be in a position to identify literally scores of confidential sources, thus imperiling both the ability of the press to gather the news and of the public to learn it."

N.Y. Times Asks Court To Limit Probe (WP/AP)

The Washington Post, November 25, 2006

The New York Times asked the U.S. Supreme Court yesterday to block the federal government from reviewing the phone records of two reporters in a leak investigation.

The case involved stories written in 2001, by Times reporters Judith Miller and Philip Shenon, that revealed the government's plans to freeze the assets of two Islamic charities, the Holy Land Foundation and the Global Relief Foundation.

In a 2 to 1 decision, the U.S. Court of Appeals for the 2nd Circuit ruled in August that federal prosecutors can see the phone records of Shenon and Miller. Miller retired from the Times a year ago.

The government says phone calls placed by the reporters seeking comment for a story tipped off the charities to planned government raids. A federal judge who ruled in the newspaper's favor said there is no evidence in the record suggesting the reporters even knew of the government's plans to raid either charity.

The Times wants Justice Ruth Bader Ginsburg to temporarily block the government from going through the records so that the newspaper can prepare a petition arguing why the justices should step into the case. Ginsburg asked the Justice Department for a response.

U.S. District Judge Robert W. Sweet had ruled that the records were off-limits unless prosecutors could show that they had exhausted all other means of finding out who spoke to the reporters.

But the three-judge appeals court panel said a grand jury investigation of the disclosures would be unlikely to go anywhere without help from the reporters or access to their records.

SEC Quizzes Ford On "terrorist" State Sales (FT)

Financial Times, November 25, 2006

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The Securities and Exchange Commission has raised concern about the investment risks of US companies doing business in countries deemed to be terrorist-supporting states by asking Ford Motor, and possibly others, about its dealings in Iran, Sudan and Syria.

The enquiries emerged in a series of letters dating back to July between the SEC and Ford's chief financial officer, Don Leclair.

The SEC asked the Detroit-based carmaker to demonstrate that its "reputation and share value" were not at risk as a result of business dealings in the three countries. All three countries are designated as state sponsors of terrorism by the US state Department.

Ford replied that its interests, comprising mainly Ford, Land Rover and Mazda dealerships, were small relative to its worldwide operations. Ford owns 33 per cent of Mazda.

Referring to Syria, the carmaker added that "our limited and lawful business activity is public information, and we have not been able to identify any resulting negative impact on our reputation or share value".

Ford said it had no reason to believe that vehicles sold by its dealerships in recent years had gone to the Syrian government or government-controlled groups.

Referring to Mazda's business in Iran and Syria, it said "we do not believe that this de minimis business activity by Mazda impacts Ford's reputation or share value, or the value of Ford's ownership interest in Mazda".

The SEC specifically asked Ford whether the Syrian government or government officials had an interest in the dealerships that sell its vehicles. It also asked the company to confirm that business volumes had not changed significantly in the past three years.

The SEC declined to comment on Friday whether it was satisfied with Ford's responses, and whether it was asking other companies similar questions.

But an industry source said such queries had been directed to several prominent multinationals. The SEC has reportedly asked European and US oil companies to tell investors about the risks they face from operations in countries that Washington has identified as supporting terrorism.

The US has modest direct trade links with the three countries. According to the Commerce Department, two-way trade with Syria totaled $479m last year, Iran $271m and Sudan $126m.

Cars and trucks were the second biggest export to Syria, after farm products. The US's main export to Iran is tobacco.

HOMELAND RESPONSE:

Careless Contracting (WP)

The Washington Post, November 25, 2006

THE DEPARTMENT of Homeland Security is an MBA's nightmare. When Congress cobbled DHS together in 2002, it took apart and reassembled elements from disparate federal agencies into an uneasy consolidation, too big and too varied, some say, for even the department's tireless head, Michael Chertoff, to adequately control. Instead of synergy, a fair measure of incompetence followed, including, The Post reported Wednesday, embarrassingly poor oversight of the billions of dollars the department has paid to private contractors.

The Post's Robert O'Harrow Jr. and Scott Higham obtained an internal review of the department's Office of Procurement Operations, one of many agencies that handles contracts within the department. According to the review, which was drafted by outside specialists on government contracting, almost none of the contract files examined met standards of quality or even completeness. The documentation for 33 of 72 contracts the investigators sought to evaluate could not even be located, which makes you wonder how DHS ensures that contractors aren't wasting government money.

Further, many of the files that were available were "not substantive" and offered "little evidence of fair and reasonable pricing or competition," among other problems, the investigators found. An alarming number were "seriously inadequate," with "major policy, regulatory or legal issues." Poor contract management, the report concluded, has led to "the inability to obtain

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quality goods and services on time and at a fair price." These contracts date from fiscal 2005, during which DHS distributed nearly $17.5 billion to contractors and the federal government ran a deficit of $318 billion.

The story isn't as bad these days, a department spokesman says. The fact that Homeland Security hired consultants to review its contracting indicates that managers want to improve the process, and the spokesman says the procurement office is working to implement each of the report's recommendations, which officials received in March. But according to the department's inspector general, poor contract management persists. Money and security alike are put at risk.

WAR NEWS:

White House Confirms Bush-Maliki To Meet As Iraq Violence Spirals (AFP)

By Laurent Lozano

AFP, November 25, 2006

The White House reiterated that President George W. Bush would meet Iraqi Prime Minister Nuri al-Maliki in Jordan next week amid a sharp rise in Shiite-Sunni violence.

As Vice President Dick Cheney took off on a trip to Saudi Arabia on Friday, the White House said there would be no change to Bush's planned summit with Maliki even as a top Shiite cleric said he would pull his faction out of the Baghdad government if the meeting takes place.

"Securing Baghdad and gaining control of the violent situation will be a priority agenda item when President Bush meets with Prime Minister Maliki in just a few days," said White House spokesperson Scott Stanzel.

The spike in violence in Iraq Friday left at least 202 dead in a wave of bombings in the Shiite neighborhood of Sadr City, the deadliest attack since the war began in 2003.

Apparent revenge efforts by Shiite militias left dozens more feared dead in attacks on Sunni mosques in Baghdad.

Separately a triple bomb attack in the northern town of Tal Afar killed 23 people and wounded 45 others Friday, according to police.

The White House condemned the attacks by both sides.

"These ruthless acts of violence are deplorable. It is an outrage that these terrorists are targeting innocents in a brazen effort to topple a democratically elected government. These killers will not succeed," said White House spokesman Scott Stanzel.

How to quell the violence will likely be the focal topic in talks that Cheney holds with Saudi Arabia's King Abdullah and Crown Prince Sultan bin Abdul Aziz, and the Bush-Maliki meeting on November 29-30 in Amman.

Cheney could ask Abdullah to use his influence to help foster reconciliation between warring factions in Iraq, and also press for Riyadh to come through with its promised reconstruction aid.

But Friday's violent surge has added urgency to both trips. A few hours before the attack on Sunni mosques in Baghdad, the political group of Shiite cleric Moqtada al-Sadr, whose base is in Sadr City, threatened to quit the national unity government if Maliki meets Bush.

But Stanzel confirmed that the meeting will take place despite the threats by Sadr's allies. Bush and Maliki are also to see Jordan's King Abdullah II, as pressure mounts for all of of Iraq's neighbors to help contain the daily bloodshed.

With US Secretary of State Condoleezza Rice also due to visit the region soon, the top-level travel reflects the seriousness of the situation on the ground in Iraq, as does Bush's stated openness to potential policy change there.

The rising violence, a surge in US casualties in Iraq, and the victory of opposition Democrats in Congressional elections on November 7 have piled pressure on Bush to change US policy in Iraq, if not to begin withdrawing troops -- something Bush has steadfastly refused to commit to.

But after an October that was the bloodiest month for Iraqi civilians -- according to the United Nations -- and one of the bloodiest for US troops since the March 2003 invasion, the latest anti-Shiite attack and counterattacks will only elevate the pressure on the president to change course.

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Stanzel said Friday that the violence is "clearly aimed at undermining the Iraqi people's hopes for a peaceful and stable Iraq."

He added that "the United States is committed to helping the Iraqis."

It remains unclear, however, what resources Bush and Cheney can marshal to stop the country from plunging into all-out civil war.

Bush has started a comprehensive review of his Iraq policy. Two reports are expected in the coming weeks -- one from the administration and another from a high-powered independent panel -- which could play a big role in decisions on strategy and US troop levels.

The worsening situation in recent months also raises questions about US trust in Maliki and, specifically, his ability to end attacks by militia.

So far, Bush has publicly stood by Maliki, but his confidence seems to be increasingly in doubt.

U.S. Says Violence Is Meant To Topple Iraqi Government (WP)

By Robin Wright

The Washington Post, November 25, 2006

The Bush administration charged yesterday that the escalating violence in Iraq committed by both Shiites and Sunnis over the past two days is a "brazen effort" to bring down the fragile government of Prime Minister Nouri al-Maliki.

The White House also said President Bush has no intention of backing out of talks next week with the Iraqi leader, despite threats yesterday from a powerful Shiite militia to pull out of the government if Maliki goes ahead with the meeting. The talks, set for Thursday in Amman, Jordan, have suddenly taken on the air of a crisis summit, as Iraq slides closer to all-out civil war.

The latest attacks, including six car-bomb attacks on Shiite targets in Baghdad on Thursday and retaliatory strikes on Sunni targets yesterday, killed more than 200 people in the deadliest wave of violence since the U.S.-led coalition invaded Iraq in 2003.

Rumors of yesterday's atrocities included one report of six Sunni men who emerged from services at a Baghdad mosque and were doused with kerosene and burned alive. But two Baghdad imams, in an interview, denied that the incident took place.

"These ruthless acts of violence are deplorable," White House spokesman Scott Stanzel said. "It is an outrage that these terrorists are targeting innocents in a brazen effort to topple a democratically elected government. These killers will not succeed.

"Securing Baghdad and gaining control of the violent situation will be a priority agenda item when President Bush meets with Prime Minister al-Maliki in just a few days."

In a major shift, much of the recent violence has come from militias linked to parties in Iraq's government and from death squads with ties to government agencies. The trend is important because a common benchmark in the slide from strife to civil war is the government falling apart and factions within it fighting each other.

"Iraq is breaking down, not breaking up" into pieces, said Patrick Clawson of the Washington Institute for Near East Policy.

The ferocity of the latest attacks complicates the prospects of major progress at the talks in Amman, U.S. experts warned.

"This summit is an act of desperation. The White House doesn't know what it can do," said David Rothkopf, a Carnegie Endowment for International Peace fellow and the author of "Running the World: The Inside Story of the National Security Council and the Architects of American Power." "The situation is deteriorating more rapidly than anyone anticipated and to an unending depth.

"I don't think, in modern American history, there is another example of such egregious failure of policy and execution. We're really seeing something unprecedented here. Even Vietnam was a slower decline, and the military forces were more in balance. . . . I don't know anyone who thinks there is an outcome in Iraq now that is hopeful."

The crisis atmosphere deepened in Iraq yesterday when followers of radical Shiite militia leader Moqtada al-Sadr pledged to walk out of parliament and Maliki's cabinet if the prime minister attends the Jordan summit. Sadr's powerful political bloc has 30 members in Iraq's new parliament. It was also pivotal in backing Maliki as prime minister during heated months-long debate over the new government.

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The Bush administration has been increasingly frustrated by Maliki's leadership, particularly his inability or unwillingness to rein in fellow Shiites, including militias such as Sadr's. But the White House has limited alternatives because the Iraqi leader was democratically selected and the next election is not due until 2009. Maliki is, for now, the only political game in town.

And any U.S. exit strategy will rely on accelerating the transfer of security responsibilities to Iraqi forces under Maliki's control.

Maliki faces his own constraints. He needs to maintain his own power base to bring the Shiites along for reconciliation efforts with the Sunni minority, experts said, adding that, to be credible at home, he also has to keep a certain distance from Bush.

Bush is "in a very tight spot," said Henri Barkey, a Lehigh University professor who was a State Department policy-planning expert on Iraq. "He now has to strike a balance between three conflicting constituencies. He has to show respect for Maliki, that he is an independent actor and not a stooge. But he also has to worry about his own priorities. At the same time, the Democrats are increasingly breathing down his neck about withdrawal.

"The drumroll for withdrawal is only going to get stronger in January."

Syria Appears To Be Summit Wild Card (AP)

By Ali Akbar Dareini, Associated Press Writer

AP, November 25, 2006

Iran and the United States are playing a complicated diplomatic game, jockeying for influence in Iraq as violence there spirals out of control. But there is one major wild-card in dueling summits planned for coming days: Syria.

Vice President Dick Cheney was heading to Saudi Arabia for key talks with King Abdullah on Saturday, apparently looking for its influence and tribal connections help to calm Iraq.

President Bush is due to meet Iraqi Prime Minister Nouri al-Maliki in Jordan on Wednesday and Thursday, an unusual succession of trips that reflects U.S. determination to rally allies at a time when Washington is considering overhauling its Iraq policy.

But an especially violent week in Iraq threatened to overshadow the planned Bush-Maliki meeting.

After suspected Sunni insurgents slaughtered 215 people with a series of car bombs in Baghdad's Shiite Sadr City slum the day before, a top Shiite party on which al-Maliki relies for power threatened to walk out of the government if he meets with Bush in Amman.

Iran, meanwhile, was having its own diplomatic troubles.

It has been trying to organize a summit Saturday joining its president, Mahmoud Ahmadinejad, and the presidents of Iraq and Syria, in a bid to assert its role as the top regional powerbroker.

Iraqi President Jalal Talabani agreed to attend. But on Friday, he had to postpone his trip until Baghdad's airport — closed in a security clampdown after the violence — reopens, no sooner than Sunday. "The Tehran visit is still on," he said. "The airport will be closed tomorrow but if it opens after tomorrow we will go."

It also appeared unlikely on Friday that Syria's Bashar Assad would participate at all.

A top official at Iran's presidency on Friday said Syria has not responded to Iran's invitation and that "there is no plan for Assad visit to Tehran at least for the next 24 hours." He spoke on condition of anonymity because he was not authorized to talk to the press.

On Thursday, Iranian Foreign Minister Manouchehr Mottaki said there was no agreement yet on a three-way summit. "We will announce such a summit as soon as it is finalized. Of course, this is a good idea and we welcome it," he said.

Syrian officials have been silent for days over whether Assad would attend, apparently to avoid embarrassing Iran with a direct rejection — though the delay in Talabani's arrival could give Syria a chance to reconsider coming.

Iran is Syria's only close ally and a rejection would be an unusual snub, but Damascus may be more worried about angering the United States by joining Iran's overt attempt to assert itself in Iraq. Instead, Syria is likely looking further down the road to potential talks with Washington.

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"Syria is after concessions from Washington. Assad wants doesn't want to annoy Washington," said Leila Chamankhah, an Iranian political analyst.

After the Democratic victory in U.S. midterm elections, the Bush administration is under increased pressure at home to approach Iran and Syria for help in Iraq. Such a step is believed to be one of the recommendations by a blue-ribbon panel on Iraq led by former Secretary of State James A. Baker III and former Rep. Lee Hamilton.

On the face of it, an Iranian-Syrian-Iraqi summit would fit into U.S. hopes that Iraq's neighbors will step in to help ease the bloodshed. Iran is believed to back Iraqi Shiite militias blamed in sectarian killings that have killed thousands this year.

But Iran has made clear that the summit aimed to assert its influence in Iraq on Tehran's terms, not Washington's. Iran's conservative Kayhan newspaper boasted on Wednesday that the gathering would "shake the U.S. president."

Syria is accused by the United States of turning a blind eye to Iraqi insurgents that use its territory as a base. Damascus denies this, but it could be looking to trade stronger action in return for concessions from the U.S.

At the top of Syria's concerns are Lebanon and Israel. Syria is seeking to regain influence in Lebanon but has been opposed by the United States and the U.S.-backed Lebanese government.

Syria also wants a resumption of the Arab-Israeli peace process that it hopes would bring the return of the Golan Heights, captured by Israel in 1967.

AP correspondent Salah Nasrawi in Damascus and Lee Keath in Cairo contributed to this report.

Wave Of Retaliation Sweeps Iraq (LAT)

By Solomon Moore

The Los Angeles Times, November 25, 2006

BAGHDAD — Iraq's civil war worsened Friday as Shiite and Sunni Arabs engaged in retaliatory attacks after coordinated car bombings that killed more than 200 people in a Shiite neighborhood the day before. A main Shiite political faction threatened to quit the government, a move that probably would cause its collapse and plunge the nation deeper into disarray.

The massacre Thursday in Sadr City — a stronghold of Shiite Muslim cleric Muqtada Sadr and his Al Mahdi militia — sparked attacks around the country, reinforced doubts about the effectiveness of the Iraqi government and U.S. military and emboldened Shiite vigilantes.

In a sermon Friday, Sadr, a strong opponent of the United States, said the Pentagon's refusal to grant full control of Iraqi security forces to the Baghdad government was leaving the populace vulnerable to insurgent attacks.

And as Sadr's militiamen took matters into their own hands in battles with Sunni Arabs, his political representatives demanded that Prime Minister Nouri Maliki signal his displeasure with the U.S. military occupation by canceling a meeting with President Bush next week in Jordan.

Sadr's representatives said they would withdraw from Maliki's government if the prime minister did not meet their demands.

In spite of an emergency curfew, gunfire crackled throughout the day and mortar rounds arced over Baghdad's jagged skyline, smashing into houses of worship, residences and shops.

By Friday night, at least 65 deaths had been reported in the capital and elsewhere.

A dozen or more Sunni mosques around the country were hit by mortar rounds and gunfire or were burned down by Shiite mobs. Masked members of Sadr's militia swept through Sunni areas, setting up checkpoints and threatening to execute families that didn't leave their homes within 48 hours.

Hurriya, a mixed area of the capital, saw some of Friday's fiercest fighting. Uniformed men in police vehicles roared through the streets launching rocket-propelled grenades into houses and raking Sunni mosques with gunfire, said an Iraqi police officer stationed in the area. The attackers killed three security guards at a mosque and injured 10 worshipers inside.

"They proceeded to bombard the building with rocket-propelled grenades and hand grenades, starting a fire that consumed the structure," said the officer, who asked not to be identified for fear of reprisal.

Attackers ambushed

As the uniformed assailants advanced to another area, members of the Battawia tribe, a prominent Sunni clan in the area, fought back.

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"They were ready for them and … ambushed the attackers, countering them with RPGs and machine guns," the officer said. The ensuing fight brought casualties on both sides. A nearby hospital reported that it had received 28 dead and 32 injured.

The policeman said he and fellow officers stood alongside Iraqi army units near the battle, watching the bloodshed.

"The army did not interfere," he said. "And we [the police] didn't receive any orders to interfere. We would not have interfered even in the event that we were ordered to do so, because this is the Iraqi army's turf."

By Friday night, police had discovered at least 11 bodies around Baghdad. But the reprisals were not limited to the capital.

In Baqubah, 25 miles to the northeast, Sunni insurgents and Shiite militiamen exchanged ragged bursts of machine-gun fire in the streets and lobbed thunderous explosives as imams called out "Allahu akbar," or "God is great," from the city's mosques.

Insurgents used bombs to destroy an office of the Sadr movement shortly after U.S. troops raided the building and detained six militiamen. Later in the day, militiamen responded by destroying a Sunni mosque and toppling its minaret.

In the far northern town of Tall Afar, a car bomb blast ripped through a crowded car dealership, killing at least 22 people and injuring 26.

In the northern oil hub of Kirkuk, police found the bulletriddled body of a pipeline security guard, and a bomb damaged the Wahab mosque, one of the largest Sunni mosques in the city.

In the southern port city of Basra, rocket-propelled grenades damaged a mosque, the headquarters of the Supreme Council for Islamic Revolution in Iraq and an apartment complex, injuring 15 people.

In Fallouja, a restive Sunni city in western Al Anbar province, a car bomb exploded at an Iraqi army checkpoint, killing at least six soldiers.

Meanwhile, a caravan of grieving Shiites drove casket-laden vehicles from Sadr City to Najaf's ancient necropolis to bury victims of Thursday's attack, the deadliest single incident in Iraq since U.S. forces toppled Saddam Hussein in 2003.

Mourners carried the dead around the shrine of Imam Ali, the most important religious figure for Shiites after Muhammad, before burying them in the "martyr's cemetery," a series of plots festooned with Al Mahdi banners and posters of Muqtada Sadr on the edge of Najaf's tombstone forest. Amid wailing relatives and chanting militiamen, mourners lowered the remains into the earth.

"The reaction [to the bombings] will be huge," said Tahseen Ali Shareef, 28, a Najaf resident who watched the funeral processions. "The families of the victims will not be silent. The streets will be haunted with fear."

As Sunni and Shiite gunmen fought in the streets, Sadr and his followers lobbed rhetorical bombs into Iraq's political arena.

From his pulpit in the southern city of Kufa, Sadr called on Iraq's most prominent Sunni cleric, Harith Dhari — who became a fugitive this month after the government issued a warrant for his arrest for his alleged support of terrorism — to publicly forbid Sunnis to kill Shiites or to join Al Qaeda.

Sadr also demanded that Dhari, who is currently not in Iraq, issue an edict urging Sunnis to fund the reconstruction of a revered shrine in Samarra. Insurgents blew up the shrine in February, launching a similar storm of sectarian battles that left hundreds of people dead.

Sadr also reiterated his demand for the withdrawal of U.S. troops, whom he blamed for the violence.

"I denounce and condemn this incident which targeted the beloved Sadr City," Sadr said. "From this pulpit … I renew my demand for the withdrawal of occupation forces."

Sadr's political representatives in Baghdad, meanwhile, threatened to withdraw from the government if Maliki met with Bush as scheduled on Wednesday and Thursday in Jordan.

"If the situation does not improve, the government does not offer services and the prime minister doesn't cancel his meeting with George Bush in Amman, we shall suspend our membership in the parliament and any participation in the government," the Sadr bloc said in a statement.

White House officials said Maliki had confirmed that he would attend the meeting, and Iraqi officials discounted the Sadr group's demands as empty threats.

"I think this is a red herring," national security advisor Mowaffak Rubaie said. "It is more political posturing, but it doesn't mean anything."

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But some observers say Sadr's demands could pose a serious challenge to Maliki.

A potential vacuum

If the Sadr bloc carries out its threat of a political walkout, Maliki's government will almost certainly collapse, leaving an even greater authority vacuum that militias and insurgents could exploit.

However, if Maliki backs out of his meeting with Bush, he could be severely weakened, losing any chance of reining in Sadr's paramilitary forces.

Canceling would also signal to other factions that they might be able to run roughshod over Maliki.

"Sadr is basically challenging Maliki's ability to govern," said P.J. Crowley, a retired U.S. Air Force colonel and a fellow at the Center for American Progress, a think tank in Washington. "He has to respond in a way that allows him to survive and actually strengthens his hand."

Anthony Cordesman, a former Defense Department official and a military expert at the Center for Strategic and International Studies, another Washington think tank, said Sadr's challenge to Dhari might be even more dangerous than that to Maliki. If the Sunnis fail to satisfy Sadr, Cordesman argued, sectarian violence could grow even worse.

"It's going to take a couple days to know how serious this is," he said. "Will this lead to a large-scale civil war? The worse case is that this leads to enough misunderstanding and anger to drive the country into full-scale civil war. The more likely result is that it will take a week to 10 days to play out and depend on the Sunni response. A lot will also depend on what Maliki does."

Despite frequent complaints about the Iraqi government and the U.S. military, most of Iraq's political and religious leadership called for calm Friday.

In a display of unity, several members of Maliki's Cabinet — Shiites, Sunnis and Kurds among them — held an emergency meeting to discuss the deteriorating situation.

And in mosques around Iraq, clerics preached about unity, intra-sectarian accord and blame for the United States.

"As we denounce the killings of the innocent in Sadr City yesterday, we must also hold the U.S. and British troops as well as the government responsible for what happened," said Abdul Kareem Ghazi, a preacher and supporter of Sadr.

"It is true that the perpetrators of these operations are the terrorists and Saddamists, but their tactics are designed by the occupation forces, and they are the beneficiaries of what is happening."

No One To Lose To (NYT)

By Maureen Dowd

The New York Times, November 25, 2006

Washington

After the Thanksgiving Day Massacre of Shiites by Sunnis, President Bush should go on Rupert Murdoch's Fox News and give an interview headlined: "If I did it, here's how the civil war in Iraq happened."

He could describe, hypothetically, a series of naïve, arrogant and self-defeating blunders, including his team's failure to comprehend that in the Arab world, revenge and religious zealotry can be stronger compulsions than democracy and prosperity.

But W. is not yet able to view his actions in subjunctive terms, much less objective ones. Bush family retainers are working to deprogram him, but the president is loath to strip off his delusions of adequacy.

W. declined to tear himself away from his free-range turkey and pumpkin mousse trifle at Camp David and reassure Americans about the deadliest sectarian attack in Baghdad since the U.S. invaded. More than 200 Shiites were killed and hundreds more wounded by car bombs and a mortar attack in Sadr City. October was the bloodiest month yet for civilians, and in the last four months, some 13,000 men, women and children have died.

American helicopters and Iraqi troops did not arrive for two hours after Sunni gunmen began a siege on the Health Ministry controlled by the Shiite cleric Moktada al-Sadr, who has a militia that kills Sunnis and is married to the Maliki government.

Continuing the cycle of revenge yesterday, Shiite militiamen threw kerosene on six Sunnis and set them on fire, as Iraqi soldiers watched, and killed 19 more.

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The New York Times and other news outlets have been figuring out if it's time to break with the administration's use of euphemisms like "sectarian conflict." How long can you have an ever-descending descent without actually reaching the civil war?

Some analysts are calling it genocide or clash of civilizations, arguing that civil war is too genteel a term for the butchery that is destroying a nation before our very eyes. Anthony Shadid, The Washington Post reporter who won a Pulitzer Prize for his Iraq coverage, went back recently and described "the final, frenzied maturity of once-inchoate forces unleashed more than three years ago by the invasion. There was civil-war-style sectarian killing, its echoes in Lebanon a generation ago. Alongside it were gangland turf battles over money, power and survival; a raft of political parties and their militias fighting a zero-sum game; a raging insurgency; the collapse of authority; social services a chimera; and no way forward for an Iraqi government ordered to act by Americans who themselves are still seen as the final arbiter and, as a result, still depriving that government of legitimacy. Civil war was perhaps too easy a term, a little too tidy."

It will be harder to sell Congress on the idea that America's troops should be in the middle of somebody else's civil war than to convince them that we need to hang tough in the so-called front line of the so-called war on terror against Al Qaeda.

With Iraq splitting, Tony Snow indulges in the ludicrous exercise of hair-splitting. He said that in past civil wars, "people break up into clearly identifiable feuding sides clashing for supremacy." In Iraq, "you do have a lot of different forces that are trying to put pressure on the government and trying to undermine it. But it's not clear that they are operating as a unified force." But Lebanon was a shambles with multiple factions, and everybody called that a civil war.

Mr. Snow has said this is not a civil war because the fighting is not taking place in every province and because Iraqis voted in free elections. But that's like saying that the Battle of Gettysburg only took place in one small corner of the country, so there was no real American Civil War. And there were elections during our civil war too. President Lincoln was re-elected months before the war's end.

The president's comparison to how Vietnam turned out a generation later, his happy talk that Iraq is going to be fine, is preposterous.

As Neil Sheehan, a former Times reporter in Vietnam who wrote the Pulitzer Prize-winning "A Bright Shining Lie," told me: "In Vietnam, there were just two sides to the civil war. You had a government in Hanoi with a structure of command and an army and a guerrilla movement that would obey what they were told to do. So you had law and order in Saigon immediately after the war ended. In Iraq, there's no one like that for us to lose to and then do business with."

The questions are no longer whether there's a civil war or whether we can achieve a military victory. The only question is, who can we turn the country over to?

At the moment, that would be no one.

In Iraq, Reprisals Embolden Militias (WP)

By Sudarsan Raghavan

The Washington Post, November 25, 2006

BAGHDAD, Nov. 24 -- In a wave of reprisal killings, Shiite militiamen attacked Sunni mosques in Baghdad and other parts of Iraq on Friday, defying a government curfew and propelling the country further toward full-blown civil war.

The exacting of revenge for the deaths of more than 200 Shiites on Thursday came as powerful politicians linked to radical Shiite cleric Moqtada al-Sadr threatened to pull out of Iraq's coalition government if Prime Minister Nouri al-Maliki attends a scheduled meeting with President Bush next week in Amman, Jordan. A boycott by loyalists of Sadr, on whom Maliki relies for political support, could upend Iraq's fragile unity government.

Friday's attacks illustrated Iraqi security forces' inability to rein in violence, at a time when U.S. leaders want them to take greater responsibility for the country's security, a vital benchmark for any strategy to withdraw U.S. troops.

In the mixed Hurriyah neighborhood, Shiite militiamen torched at least five Sunni mosques on Islam's holiest prayer day, police and residents reported. Other mosques were attacked by gunmen spraying bullets from the rooftops of nearby houses, witnesses said.

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In one mosque, militiamen detonated a cooking gas cylinder. In another, they declared that it was now a husseiniya, a Shiite mosque, and posted pictures of Sadr, whose stronghold of Sadr City was attacked Thursday. At least 18 people were killed Friday and 24 injured in the mosque attacks in Hurriyah, said Adil Mahmoud, a physician from al-Nouman Hospital in the nearby Adhamiyah neighborhood.

"They started attacking with grenades and RPGs," said Abu Abdallah, the imam at one of the attacked mosques, referring to rocket-propelled grenades. "Then shooting started from nearby houses. Then they entered and burned the mosque before they left." Abdallah, interviewed by telephone, asked that his mosque not be named. "I might be killed," he said.

In the Ghazaliya neighborhood, at least eight mortar shells hit a mosque run by the Association of Muslim Scholars, one of the most outspoken defenders of Iraq's Sunni Arab minority since the 2003 U.S.-led invasion. The house of worship is one of Baghdad's best-known.

Northeast of the capital, Shiite gunmen in Baqubah opened fire at a Sunni mosque during Friday prayers, killing a mosque guard, said imam Osama al-Ani. Near the northern city of Kirkuk, a roadside bomb exploded in front of one of the biggest Sunni mosques in the area, injuring five people and damaging the building, according to police.

Meanwhile, in the northwestern city of Tall Afar, two bombs exploded near a car dealership, killing 22 people and wounding more than 40 others, police said.

The scale of Friday's revenge attacks was smaller than the wave of killings by Shiite militiamen after the bombing of the Shiite shrine in Samarra in February. That bombing triggered cycles of retaliation that further ruptured the bonds between Iraq's two major sects.

U.S. troops bolstered their patrols on Friday, flying helicopters over Sadr City and operating checkpoints. One helicopter destroyed a rocket launcher manned by a Shiite crew that had fired six rockets into the Sunni neighborhood of Adhamiyah, near the Abu Hanifa mosque, one of the most revered Sunni shrines in Baghdad, the military said.

Friday's attacks unfolded in the aftermath of the bombs, mortars and missiles that hit Sadr City on Thursday in the deadliest single assault on Iraqi civilians since the U.S.-led invasion began. The death toll in those attacks rose to more than 200. Thousands of mourners, flanked by minivans carrying wooden coffins, paraded solemnly through Sadr City on Friday, paying last respects before the dead were taken to the southern Shiite holy city of Najaf for burial.

Later, in an address after the midday prayer, members of Sadr's political party denounced the U.S. military, saying its presence was the reason for Iraq's escalating violence. They demanded a U.S. withdrawal or, at least, a timetable for the troops to leave, a demand echoed by Sadr in his Friday sermon at his mosque in the southern city of Kufa.

In previous periods of tension, Sadr loyalists have threatened to walk out of the government. Still, the current climate is unlike anything Iraq has experienced since the invasion. The attacks on Sadr City appeared to embolden Sadr and his followers as they try to capitalize on Thursday's carnage, which Shiite leaders, including Maliki, have blamed on Sunni Arab insurgents.

As long as such attacks continue, and as long as Iraqi security forces are ineffective in providing security, Sadr can justify the existence of his Mahdi Army militia.

"If the prime minister does not give up his intention to meet Bush the criminal in Amman, we will suspend our membership at the council of representatives and the government," Salih al-Ighaeli, head of Sadr's bloc in parliament, told a solemn crowd gathered on the street in front of Sadr's headquarters.

Ali Adeeb, a member of parliament and close Maliki aide, said the Sadr camp was trying to apply pressure tactics, but that the meeting would take place as planned.

The meeting between Bush and Maliki comes at a politically sensitive moment for both leaders. Bush is under pressure from Democrats who have won control of both the House and Senate to come up with a viable strategy to tamp down Iraq's violence and open the way for U.S. troops to come home.

As the sectarian divide within his government widens, Maliki is under U.S. pressure to disarm the Shiite militias, a step the U.S. military believes is needed to tame the violence. But the very people who control the militias, such as Sadr, are key political figures in Maliki's government, capable of causing his downfall.

Friday's reprisal attacks underscore how powerful the Mahdi Army and other militias have become in Iraq, operating above the law, spreading violence even under an indefinite 24-hour lockdown of the capital.

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By Friday evening, the attacks were still unfolding. With no other alternative, many Sunnis were hoping for the intervention of U.S. forces.

"Up till now we are waiting for the American forces, and they haven't shown up yet," said Salman al-Zobaye, imam of al-Hashab mosque, in a telephone interview. An attack on the mosque by Shiite militiamen killed four guards.

Throughout Friday, rumors of new atrocities committed against Sunnis floated across Baghdad, including one in which six Sunnis were doused with kerosene and torched to death in Hurriyah. But two local imams, in an interview, denied such an attack took place.

But there was no shortage of confirmed incidents. In Hurriyah, militiamen Friday morning expelled Sunni families who were living near tea warehouses, and more than 90 Sunni families received letters threatening them if they did not leave their houses within 72 hours, authorities said.

In the Amiriyah neighborhood, Sunnis started to form neighborhood militias under the guidance of local clerics to protect themselves. By Friday evening, 25 volunteers signed up, and those without weapons were handed AK-47 rifles, residents said.

By nightfall, the imams of mosques in three Sunni neighborhoods -- Ghazaliya, Amiriyah and Adhamiyah made a joint announcement to their followers.

"We would like to ask you to take care and be careful for the next hours of tonight," they said. "Open fire toward any gunman who enters the city, such as the Mahdi Army, except the Americans, because they will come to protect the people from the death squads and guard the neighborhood."

The imams gave one more piece of advice to their followers: Open fire on any members of the mostly Shiite police forces. What happened in Hurriyah, the imams alleged, was done with their help.

Shiite Militia In Iraq Strike At Sunni Mosques (NYT)

By Edward Wong

The New York Times, November 25, 2006

BAGHDAD, Nov. 24 — Defying a government curfew, Shiite militiamen stormed Sunni mosques in Baghdad and a nearby city on Friday, shooting guards and burning down buildings in apparent retaliation for the devastating bombings that killed more than 200 people the day before in the capital's largest Shiite district, residents and police officials said.

Militia fighters drove through neighborhoods in Baghdad and the provincial capital of Baquba, firing at mosques with assault rifles and rocket-propelled grenades on the Muslim day of prayer.

The vengeance attacks unfolded while lawmakers loyal to the virulently anti-American cleric Moktada al-Sadr threatened to boycott the government if Prime Minister Nuri Kamal al-Maliki met with President Bush next week in Jordan. Mr. Sadr controls one of the biggest blocs of seats in Parliament, and on Friday he reiterated his claim that the American presence was the root cause of the rising violence in Iraq.

But it was Mr. Sadr's militia, the Mahdi Army, that Sunni residents blamed for the attacks on Friday. From morning until afternoon, at least four mosques were attacked in Hurriya, a mixed neighborhood in the capital. Two were destroyed, and at least 5 Sunnis were killed and 10 wounded, an Interior Ministry official said. A hard-line Sunni Arab group, the Muslim Scholars Association, said 18 people had been killed when one of the mosques burned down.

Iraqi security forces were absent, unwilling or unable to stop the attackers.

"I live near Akbar al-Mustafa Mosque, which came under attack by gunmen around 7 this morning," said a man who gave his name as Abu Ruqaiya and lives in Hurriya. "Around 3 in the afternoon, those gunmen bombed this mosque and destroyed part of it. They left only after American and Iraqi soldiers arrived."

Some fighting continued into the evening, as gunmen in the neighborhood battled the invading fighters, the Interior Ministry official said.

President Jalal Talabani urged calm at a news conference after an evening meeting of Iraq's top leaders. He also said he was postponing a weekend trip to Iran because the government had shut down Baghdad International Airport.

White House officials ignored the Sadr bloc's threats to withdraw from the government, and said there were no plans to cancel the president's meetings with Mr. Maliki scheduled for Wednesday and Thursday. "Securing Baghdad and gaining

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control of the violent situation will be a priority agenda item when President Bush meets with Prime Minister Maliki in just a few days," said Scott Stanzel, a White House spokesman. "These ruthless acts of violence are deplorable. It is an outrage that these terrorists are targeting innocent civilians in a brazen effort to topple a democratically elected government. These killers will not succeed."

He also repeated the administration's insistence that Iraq was not in a civil war. "We're constantly asked that question, and while the situation is serious, Prime Minister Maliki and President Talabani have said they do not believe it is a civil war," he said.

The bloodletting over the past 24 hours amounted to one of the worst spasms of violence since the Americans toppled Saddam Hussein in 2003, raising fears that vengeance attacks could grow to the level of those after the bombing of a Shiite shrine in Samarra in February. Then, over five days, hundreds of people were killed, with Shiite militiamen shooting Sunni imams, burning down mosques and stalking Sunni Arabs door-to-door in neighborhoods.

The attacks on Friday came despite a traffic ban the Iraqi government imposed across the capital starting Thursday evening. American troops stepped up patrols and operated checkpoints across much of the city, and most of the capital's neighborhoods remained calm as residents heeded the curfew. In the downtown neighborhood of Karada, children could be seen playing soccer in the empty streets.

In the vast Sadr City district, where the Thursday bombings took place, an attack helicopter destroyed a rocket launcher seen firing into the nearby Sunni neighborhood of Adhamiya, the military said. An official from the Sadr office said at least three civilians had been wounded.

In the far north, two suicide bombers, one in a car and the other on foot, attacked an outdoor car market in the insurgent-rife city of Tal Afar, killing at least 20 people and wounding at least 42.

The violence comes at a politically fraught time for Mr. Maliki, particularly since he is preparing to meet Mr. Bush in Amman. Both men face increasing pressure from their publics to come up with a strategy for stemming the carnage in Iraq, and both are navigating rising tensions between their governments.

The announcement of a possible boycott by Mr. Sadr's bloc further endangers Mr. Maliki's political fortunes. Mr. Sadr effectively controls Sadr City, and the attacks on Thursday appeared to have strengthened his standing and emboldened him. Mr. Sadr has used attacks against Shiites as a justification for keeping his militia despite demands by the Iraqi and American governments that he disband it.

"The occupation forces should shoulder the full responsibility for these deeds, and we call for them to end their rule in Iraq by withdrawing or at least setting a timetable for withdrawal," Salih al-Igaili, a Sadr legislator, said. "If the security situation does not improve, as well as basic services, and if the prime minister does not retreat from his intent to meet the criminal Bush in Amman, we will suspend our membership in the Iraqi Parliament and the government."

Mr. Sadr, in a speech delivered at Friday sermons in the southern city of Kufa, did not mention the boycott threat, but did repeat his usual demand of a timetable for withdrawal from the Americans. He also called on a militant Sunni Arab cleric, Sheik Harith al-Dhari, to issue an edict forbidding the murder of Shiites.

Blocs in Parliament, including Mr. Sadr's, have threatened to walk out before. Mr. Maliki, a conservative Shiite, relies on Mr. Sadr for political support against Shiite rivals, and a withdrawal of Mr. Sadr's legislators from the 275-member Parliament could upend the power balance within the main Shiite political coalition. Mr. Sadr controls at least 30 seats in Parliament and three cabinet positions, including that of the Health Ministry, which was besieged for two hours on Thursday by Sunni Arab insurgents armed with mortars and assault rifles.

Some American officials also argue that Mr. Sadr's engagement in politics is necessary for any hope of a peaceful disarmament of his militia, which has thousands of fighters and has twice rebelled against the American military. But at the same time, Mr. Sadr's strong ties to Mr. Maliki make it difficult for the prime minister to crack down on the Mahdi Army. The mosque attacks on Friday underscored the dangers posed by the militias and highlighted the means by which they are ratcheting up, day by day, the violence here.

"My daughter lives near Mishhada mosque in this neighborhood, and she says gunmen killed and wounded some people there," Abu Ruqaiya said in a phone interview. "There were clashes with the guards of the mosque." Another resident of Hurriya said militiamen burned down the empty home of a former member of the Baath Party.

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Fanned by fear, rumors spread quickly throughout the day. In the evening, a resident named Imad al-Hashemi said in a telephone interview on Al Jazeera, the Arab news network, that gunmen had doused some people with gasoline and set them on fire. Other residents contacted by telephone denied this.

In Baquba, northeast of Baghdad, gunmen opened fire on a Sunni mosque and battled with guards there, a police official said. Militants also shot at the provincial government center and the police headquarters. Insurgents destroyed the minaret of a Shiite mosque near the market with explosives or projectiles, the police official said.

The police in Baghdad discovered at least 31 bodies across the city on Friday, most showing signs of torture, The Associated Press reported.

The Interior Ministry official in Baghdad updated the death toll from the Sadr City bombings on Thursday to 202. At least 256 others had been wounded. In the morning, hundreds of mourners poured into the streets of the sprawling district to join processions of cars with wooden coffins strapped to their roofs. Women in black robes beat their chests while men waved pistols from car windows to clear the streets.

"I stayed up the entire night talking with friends and neighbors about what happened," said Ghaith Qassim, 35, a clothing vendor at a funeral. "We're so angry and sad over this. The people here blame the leaders of the government."

In one corner of Sadr City, a three-minibus convoy wound its way through fetid streets, bound for the Shiite cemetery in the holy city of Najaf. The first two vehicles each had a single coffin strapped to its roof. The third had three, all with the bodies of victims from the same family.

Sunnis Set On Fire (NSDY)

By Timothy M. Phelps

Newsday, November 25, 2006

WASHINGTON -- Militiamen doused six Sunnis with kerosene and burned them alive as they left Friday prayers in Baghdad, sending new shocks through a city that thought it had seen it all.

Despite a total curfew, the capital was a battle zone, complicating major diplomatic initiatives from the Bush administration and the independent Baker commission.

Four mosques and several homes in the neighborhood of Hurriyah were attacked by Shia militiamen in apparent reprisal for a string of car bomb explosions Thursday in Sadr City, Baghdad's Shia heartland. In that violence, Sunni insurgents killed at least 215 people in Iraq's deadliest week in more than three years of destruction since the U.S. invasion.

Friday's gruesome immolations -- a seemingly new method of brutality in the sectarian fighting -- were reported by the Associated Press, quoting an Iraqi police captain, and topped off a day in which at least 87 people were killed or found dead across Iraq.

Imad al-Hasimi, a Sunni elder in Hurriyah, told Al-Arabiya television he saw people who were drenched in kerosene and then set afire, burning to death before his eyes, according to the Associated Press.

Reports from correspondents in Baghdad indicated gun battles continued into the night despite the curfew, a measure that had been effective in past crises.

There also was fighting in Sadr City on Friday between Shia militiamen and a U.S. helicopter. Further north in Tal Afar, an area supposedly pacified by a concentration of U.S. troops, 23 people were killed and 43 wounded by two bomb explosions outside a car dealership, police said.

A major political crisis also loomed, as supporters of Muqtada al-Sadr, the most militant Shia leader in the government, demanded that Prime Minister Nouri al-Maliki cancel meetings planned in Amman, Jordan, next week with President George W. Bush -- or the al-Sadr faction would "suspend" its participation in Maliki's government.

Such an edict is not easy for Maliki to ignore because al-Sadr is his biggest supporter and his government would likely fall if the cleric fully withdrew his support. On the other hand, Maliki can hardly afford to offend Bush at this precarious moment, either.

There has been a frenzy of diplomatic activity in the region in apparent anticipation of sweeping new recommendations expected next month from the Baker-Hamilton commission that is studying U.S. Iraq policy. Syria and Iran were holding top-level meetings with Iraqi leaders as Vice President Dick Cheney flew to Saudi Arabia for meetings there Saturday.

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The White House insisted Friday that Bush's unprecedented two-day meeting with Maliki, starting Wednesday, would continue as scheduled despite the threats from al-Sadr's followers.

Baker's report is expected in mid-December and, because the commission's work already has been embraced by Bush, it could have a major impact on restructuring U.S. policy toward Iraq.

The fighting in Baghdad this week came despite months of effort by U.S. troops brought in from other parts of Iraq to pacify the capital. An estimated 70 percent of the population of the city is Shia; 20 percent is Sunni and 10 percent Kurd. But the Sunnis are hardened fighters who control the western section of the city and if the fighting continues to rage, they are likely to call in reinforcements from Sunni areas to the west, according to Iraq experts.

Shiites Torch Sunni People, Mosques, Houses (CNN)

CNN.com, November 24, 2006

BAGHDAD, Iraq (CNN) -- Enraged Shiites burned people to death, torched mosques and denounced Sunni leaders and the United States a day after a bloody assault on Sadr City, the Iraq capital's Shiite bastion.

That coordinated strike, which killed more than 200 and wounded more 250 Thursday, is considered the worst of the Iraq war, and Sunni militants are widely assumed to have carried it out.

Witnesses said Shiite gunmen on Friday attacked two mosques with rocket-propelled grenades and burned two other Sunni mosques in the largely Shiite area of Hurriya in northwestern Baghdad.

They reported people attacking Sunni houses with hand grenades and rocket-propelled grenades. Shiite militiamen are also said to have doused Sunnis with kerosene and burned them, and shot at other people.

One witness reported at least five people were killed. An official with the Association of Muslim Scholars, a Sunni group, said many more were killed and wounded but could not confirm numbers.

Iraqi Defense Ministry spokesman Mohammed al-Askari said clashes erupted between two groups in Hurriya. U.S. and Iraqi troops then arrived at the scene, set up checkpoints and restored control.

The U.S. military said it could not confirm the reports of people and mosques being torched.

In Sadr City itself, two people were hurt when U.S. helicopters fired on tents set up for funerals, police said.

Mourners said they were shooting weapons in the air to commemorate the dead -- not firing at the helicopters.

But the U.S. military said troops destroyed rocket launchers that had fired six rockets.

Two Sunni Arab neighborhoods -- Ghazaliya and Adhamiya -- also withstood a barrage of mortar fire that wounded 10 people earlier.

The new attacks and counterattacks threaten to bring Iraq to the brink of all-out civil war, a process that has escalated since the February bombing of a revered Shiite shrine in Samarra, north of Baghdad. Since then, thousands have fled their homes for other neighborhoods and countries in the face of Sunni-Shiite vendettas.

Thousands more have been slain. Sectarian violence has left its imprint with the daily discovery of tortured bodies around the capital despite U.S. and Iraqi military efforts to stem the brutality.Al-Sadr bloc threatens walkout

The carnage came as anti-U.S. Shiite cleric Muqtada al-Sadr's bloc threatened to withdraw support for Iraqi Prime Minister Nuri al-Maliki should he meet President Bush as planned next week.

Such a move could jeopardize the stability of al-Maliki's administration, which has relied on the support of both the United States and fellow Shiites.

In a statement that aired on Iraqi TV, al-Sadr representative Salih al-Akeili blamed U.S.-led forces for fostering conditions that led to the massacre Thursday in Sadr City.

"We announce that if the security situation and the basic services do not improve, and if the prime minister goes ahead and meets with the criminal Bush in Amman, then we will suspend our memberships with the Iraqi parliament and the government," said al-Akeili, a member of al-Sadr's bloc in Iraq's parliament.

Al-Akeili said his bloc -- with 30 seats in the 275-member parliament and six Cabinet ministries -- is demanding an end to the occupation and a withdrawal from Iraq, with a timetable for such a departure.

The White House said the talks in Jordan would go forward.

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"It's an outrage that these terrorists are targeting innocents in a brazen effort to topple a democratically elected government, and it is not going to work," deputy White House spokesman Scott Stanzel said. "Securing Baghdad and gaining control of the violent situation will be a priority agenda item" when Bush and Maliki meet.

Al-Maliki's office has not responded to the threat.

U.S. commanders suspect al-Sadr's militia, the Mehdi Army, has been responsible for sectarian violence against Sunnis, although the cleric has denounced such attacks.Al-Sadr challenge to Sunni leader

Meanwhile, al-Sadr challenged a top Sunni leader -- Sheikh Hareth al-Dhari, the head of the Association of Muslim Scholars -- to take steps to end the violence, including the issuance of fatwas, or Islamic decrees.

Speaking in the southern city of Kufa, near Najaf, during prayers Friday, al-Sadr said one fatwa should "prohibit the killing of all Shiite Muslims because this will save the blood of Muslims in Iraq."

Another should prohibit people from joining al Qaeda or any party "harboring hatred against the descendants of the Prophet Mohammed."

"We condemn and denounce the blasts," he said.

Police called the strikes the worst since the war began in 2003. The Iraqi Interior Ministry imposed a curfew for Baghdad on Thursday evening. It's unclear how long the curfew will last. Baghdad International Airport also was closed till further notice.

The bloodshed drew a strong denunciation from the United States.

"We condemn such acts of violence that are clearly aimed at undermining the Iraqi people's hopes for a peaceful and stable Iraq," said deputy White House spokesman Scott Stanzel.

Meanwhile, police reported a U.S. raid on al-Sadr's office in Baquba, a provincial capital northeast of Baghdad. Five people were detained, and weapons were seized. The U.S. military said it was checking the report. Other violence

Also Friday, a suicide bomber killed 22 and wounded 30 after detonating explosives strapped to his body and in a car in the northern city of Tal Afar, authorities said.

The attacker parked his vehicle, got out and set off the car bomb in a car lot before detonating himself, police said. Tal Afar, a largely Turkmen city in Nineveh province, is about 250 miles (400 kilometers) north of Baghdad. Tal Afar has endured Sunni-Shiite sectarian fighting in the past, but it isn't clear what the motive was for Friday's attack.

In the southern city of Basra, a British soldier was shot dead Friday during a "search and detention operation," the British Defense Ministry said. The number of British military deaths in the Iraq war stands at 126.

Mosques Hit Amid Baghdad Clashes (BBC)

BBC.com, November 24, 2006

Gunmen have attacked a Sunni Arab area of Baghdad, burning mosques and homes, with at least 30 people reported killed, according to police officials.

The attacks were in apparent revenge for Thursday's bombings that killed more than 200 people in the Shia Sadr City district of the Iraqi capital.

Fleets of vans left Baghdad to take the coffins of those victims for burial in the ancient Shia holy city of Najaf.

The latest violence came despite a city-wide curfew and appeals for calm.

To add to the Iraqi government's woes, a key Shia group threatened to quit parliament and the cabinet if Prime Minister Nouri Maliki goes ahead with a planned meeting with President Bush next week.

It is an outrage that these terrorists are targeting innocents in a brazen effort to topple a democratically elected government

White House spokesman

There is a real feeling that the situation is moving to the brink amid the cycle of attacks, says the BBC's David Loyn in Baghdad.

Thursday's bombing and retaliatory attacks were "deplorable", the White House said.

"It is an outrage that these terrorists are targeting innocents in a brazen effort to topple a democratically elected government. These killers will not succeed," White House spokesman Scott Stanzel said.

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Iraqi police said some 30 people had been killed, but a defence ministry officials told the French news agency, AFP, that the clashes were so intense that precise information was difficult to obtain.

Clashes also erupted in Sadr City on Friday, where residents said a US helicopter fired on militiamen who were launching rocket attacks.

Violence was also reported in other parts of Baghdad and elsewhere in Iraq, including in the northern town of Talafar where a suspected double suicide bombing killed at least 22 people.

Baghdad has been under an indefinite curfew since Thursday's bombings and the airport remains closed.

The security situation has forced Iraqi President Jalal Talabani to postpone a visit to Tehran on Saturday for talks with his Iranian counterpart Mahmoud Ahmadinejad.

During the curfew, the only people and vehicles officially allowed on the streets of Baghdad were the residents of Sadr City who began the journey to bury their dead.

Thousands of mourners came out onto the streets, walking alongside a seemingly endless fleet of mini-buses, each carrying a coffin on its roof.

The bodies were then driven to an ancient cemetery in the holy city of Najaf, the traditional burial place for Shias, 160km (100 miles) south of Baghdad.

Thursday's multiple car bomb attacks in Sadr City - in which 250 people were also wounded - were the deadliest in Iraq since the US-led invasion of 2003.

Moqtada Sadr's group is calling for US forces to leave

Sadr City is largely controlled by the Mehdi Army, a Shia Iraqi militias accused of carrying out many sectarian attacks on Sunni areas.

Thursday's bombings could have a deep political impact, with the group led by radical cleric Moqtada Sadr calling on Mr Maliki to call off his planned talks with President Bush.

People in Sadr City faced insurgent attacks as well as repeated raids by US forces, the group said in a statement.

Mr Sadr's followers hold six cabinet posts and have 30 members in the 275-seat parliament.

The withdrawal of the group headed by Mr Sadr would be a major blow to an already unstable government, the BBC's Andy Gallacher in Baghdad says.

The meeting with Mr Maliki is due to take place in Jordan, and a White House spokesman said on Friday there had been no changes to Mr Bush's schedule.

The U.S. In Iraq: What's Next? (WSJ)

By Lauren Etter

The Wall Street Journal, November 25, 2006

President Bush said last week he won't make any immediate decisions about troop levels in Iraq, despite mounting pressure to change course on the war. * * *

But it is clear the administration is in search of a new strategy. The electoral shake-up in Congress and recent sharp rise in sectarian violence in Iraq have served as a powerful wake-up call. Prominent politicians from both parties are offering up ideas for a change -- ranging from an immediate withdrawal of U.S. troops to a substantial increase.

Meantime, a bipartisan team led by former Secretary of State James Baker is expected to present the president with a report on recommended next steps in Iraq sometime next month. A separate military panel will provide its own strategy recommendations in the coming weeks.

Here's a look at some of the proposals being floated:

Withdrawal: Rep. John Murtha (D., Pa.) is calling for all troops to withdraw from Iraq "at the earliest practicable date." Sen. Carl Levin (D., Mich.) is proposing a gradual withdrawal over the next four to six months. The Levin proposal has become one of the more popular views among Democrats, and even has the support of some Republicans. Critics say that an abrupt U.S. withdrawal would only open the door to deeper sectarian violence.

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Leslie Gelb, former president of the Council on Foreign Relations and an adviser to the Baker commission, says any talk about troop withdrawals needs to be coupled with a political settlement. He advocates splitting Iraq into three semi-autonomous regions that divide oil revenue. Some are calling for Iraq's neighbors, Syria and Iran, to be included in any discussion on Iraq's future.

More troops: There are about 141,000 U.S. troops in Iraq. Sen. John McCain (R., Ariz.) is calling for a boost to stabilize the country and provide Iraqis more security and training. He has informally proposed sending an additional 20,000 troops to Iraq, which he says would entail expanding the Army and Marine Corps by as many as 100,000 people. Analysts say it is unlikely the Pentagon would send that many -- if it increases troop levels at all.

One problem with a sharp troop increase: U.S. ground forces are already stretched thinly around the world. About 40% of the U.S. military's deployable combat brigades are in Iraq and Afghanistan. In theory, a troop increase could come from decreasing the time between deployments and increasing the length of combat time. But that could result in exhaustion among soldiers. Already more soldiers are receiving just one year at home -- instead of two -- for every year deployed.

Unchanged troop levels: The middle-road option is to maintain current troop levels. Central Command leader General John Abizaid told the Senate Armed Forces Committee earlier this month that "the troop levels need to stay where they are." He said a reduction would lead to more sectarian violence, while an increase would further strain the military. However, he would have troops shift their role to more of an advisory one, making sure Iraqi security forces are "more capable in their ability to confront the sectarian problem."

Top U.S. commander in Iraq General George Casey shakes hands with soldiers.

This view is in line with the one voiced by Mr. Bush, who has maintained that U.S. troops need to stay in Iraq until "victory" is achieved -- that is, until Iraq can govern and defend itself. Public opinion polls, however, show that about 52% of Americans want to see the number of troops in Iraq reduced, while 39% of Americans would like to see troop levels maintained.

Draft: Rep. Charles Rangel (D., N.Y.) advocates reviving the military draft, which was ended in 1973. He argues the costs of the current war are falling too heavily on the underprivileged. That proposal, however, is unlikely to generate much support in Congress, and has little support at the Pentagon.

Army Expands Training For Advisers Who Will Try To Improve Iraq's Security Forces (NYT)

By Michael R. Gordon

The New York Times, November 25, 2006

FORT RILEY, Kan., Nov. 18 — This wind-swept stretch of Kansas has become the hub of a major new push by the United States Army to overhaul its effort to advise Iraq's fledgling security forces.

Following a disappointing performance by many Iraqi units and complaints that earlier efforts to train American advisers had been handicapped by bureaucratic inertia, the Army has handed the mission to Maj. Gen. Carter F. Ham, who had a previous stint as a commander in Iraq.

Along with nearly 1,000 soldiers from his First Infantry Division, General Ham has sought to improve the training of the advisers as the Army has moved to upgrade the quality of these teams.

The revamped effort began with little fanfare this summer, but has gained prominence in recent weeks as experts inside and outside the government have recommended that the military expand the advisers' ranks as part of a renewed push to strengthen the Iraqi security forces.

The Army is "transitioning from an endeavor that has been less than a high priority to one that is of the highest priority," said Jack Keane, a retired four-star general who served as the Army vice chief of staff during the first months of the war. "And it is long overdue."

Senior American military commanders calculate that strengthening the Iraqi forces, paired with efforts at political reconciliation by the Iraqi government, will enable the Iraqis to take more responsibility for their security and allow the United States to eventually begin withdrawing its forces.

But to date, the Iraqi Army has had trouble providing all the reinforcements American commanders have requested for the stepped-up security operation in Baghdad, even as the level of sectarian violence there soars. At the same time, Iraq's

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government has yet to confront the country's militias, some of which have significant sway over police units. It remains far from clear whether increasing the number and caliber of American advisers can provide enough of the security gains the United States is seeking.

Still, in recent exercises, the would-be advisers were confronted with an early dose of reality, in training that included some of the vexing scenarios they are likely to face in Iraq: an Iraqi battalion commander quarreling angrily with his Iraqi police counterpart, Iraqi troops who roughed up a detainee and an Iraqi crowd irate at the troops who had conducted a surprise raid.

The American Army has long experience in training and deploying military advisers, most notably in Vietnam. There, the Army began with an active advisory program before the fighting escalated into a major conflict. In Iraq, however, the war began with major combat; American advisers, now called "transition teams," were introduced later, almost as an afterthought. "When we first started this transition-team business in both Iraq and Afghanistan, it was very much a hit-and-miss proposition," said General Ham, who acknowledged that the program faced early problems. "The selection of individuals for duty on transition teams was probably more haphazard than any of us would have liked. The training was not standardized across the various training locations. It does not appear that it was well-resourced across the force.

"I think that was what led to some of the earlier criticisms, and in my view the criticism was fair and justified," General Ham added. "We need to do it better, and this initiative that started the training here at Fort Riley is a part of that."

There are currently more than 4,000 American troops organized into more than 430 teams to advise the Iraqi Army, police forces and border guards. General John P. Abizaid, the head of the United States Central Command, said recently that the United States planned to increase the size of the teams, which generally have 11 members, so that they can better train Iraqi battalions, which can have more than 700 soldiers. General Abizaid also said that the plan was to attach the advisers not only to Iraqi battalions but also at lower levels, to companies and possibly even platoons. Those ideas, however, have yet to be incorporated in the advisers' training program.

General Ham worked with senior officers from two of his brigades to organize the program, which lasts a jam-packed 60 days. Soldiers practice a variety of combat skills, including how to counter the ever-present roadside bombs. They also receive some cultural training and, for those headed to Iraq, 50 hours of Arabic language instruction — enough to provide only the most rudimentary skills but more training than most advisers had previously received. There is additional training in Kuwait and at the sprawling American military base at Taji, Iraq.

According to General Ham, the advisory teams include more active-duty soldiers than during the early days of the program, when reservists were more commonly used. As a matter of Army policy, staffing the teams is now a higher priority for Army personnel officers than filling the empty slots in units on alert to deploy to Iraq and Afghanistan.

According to current plans, Fort Riley will train the majority of the Army teams that are sent to advise the Iraqi Army, national police and border guards. The rest of the Army teams are to be drawn from units in Iraq. (The Marines train their own advisers separately.)

In the field, the teams are managed by Brig. Gen. Dana Pittard, an assistant division commander, who provides feedback to Fort Riley. The expectation is that American advisers will still be attached to Iraqi military and police units even after the withdrawal of American combat forces is under way.

"I feel like we'll be the last men standing at the end of the U.S. presence here," General Pittard observed in August.

Maj. Andrew Yerkes, who is leading a team that is to advise Iraq's National Police, was thrust in a difficult situation during a recent exercise. A squabble broke out between a person playing the role of an Iraqi battalion commander and another acting as an Iraqi police captain over how to secure the town, a possible situation since Iraq's army is largely Shiite and the police in Sunni areas are recruited from local communities. Within minutes, the Iraqi battalion commander stormed off, leaving Major Yerkes and his soldiers to ponder how they might better defuse tensions in the future.

"It showed my team a different piece of culture we have not been exposed to and forced us to think our way through a problem," he said.

General Ham is still looking for ways to improve the training. For instance, he hopes to arrange for the teams of advisers to do some training with the American combat brigades they will work with in Iraq.

Another constraint is the absence of actual Iraqis, or in the case of teams being trained for Afghan duty, Afghan soldiers.

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Qualified Iraqi commanders are needed far more urgently in Iraq, so the roles of commanders, interpreters and townspeople in the exercises are played by American soldiers and contractors who were born in Iraq or are of Arab descent. (The battalion commander in Major Yerkes's exercise lives in San Diego and left Iraq many years ago.)

Even so, the trainees say the exercises are useful. Maj. William Cotty, one of a small number of Special Forces officers who have volunteered to serve as advisers, is leading an advisory team that will be assigned to an Iraqi Army unit. A seasoned officer who served in Colombia and Afghanistan, Major Cotty was put to the test during a raid he conducted with a mock Iraqi battalion commander.

Major Cotty helped the "Iraqis" plan a raid to capture a suspected insurgent in the fictional town of Surdash, speaking through an interpreter to the battalion commander, in this case an Arabic-speaking American soldier who was born in Sudan. In the exercise, the operation led to a firefight in which a suspected insurgent was killed. The "Iraqis" hauled away a captive and began to pummel him as an angry crowd began yelling at the Americans. In an effort to disperse the crowd, Major Cotty fired several blanks into the air.

At a review conducted immediately afterward, the advisers were cautioned to make sure the suspected insurgents they planned to capture had not been picked out by Iraqi units as part of a sectarian or personal vendetta.

Officers observing the exercise also suggested that the major might have taken other steps before firing warning shots, since the shots might encourage Iraqi soldiers to fire wildly. The Americans, for example, might have brought along a loudspeaker and used their interpreter to talk to the townspeople about the point of the raid. Major Cotty said the exercise was helpful.

"According to the book on direct action, I had speed, surprise and violence of action," he said. "The number one thing I probably took away from this was the loudspeaker," he said.

Funerals, Revenge Killings After Iraq Attacks (AP)

Associated Press, November 25, 2006

BAGHDAD, Iraq (AP) -- Gunmen raided two Shiite homes in Diyala province, a hotbed of Iraq's Sunni-Arab insurgency, and shot and killed 21 men in front of their relatives, police said Saturday.

The attack by suspected insurgents on Friday night targeted members of the al-Sawed Shiite tribe in the village of Balad Ruz, 45 miles northeast of Baghdad, a police officer said, speaking on condition of anonymity to protect his own security, as officials often do in the increasingly volatile province.

He said police could not reach the remote village to collect the bodies and take them to a morgue until Saturday morning. The province, almost equally divided between Sunnis and Shiites, is the site of many sectarian attacks.

Also Saturday, U.S. and Iraqi forces killed 22 insurgents and an Iraqi civilian, and destroyed a factory being used to make roadside bombs, during several raids north of Baghdad. No coalition casualties were reported.

Baghdad remained under a 24-hour curfew Saturday as coalition forces tried to prevent a surge of revenge attacks for the five bombings and two mortar rounds that killed 215 people in the Shiite slum of Sadr City on Thursday.

Such violence was particularly gruesome on Friday, when suspected Shiite militiamen seized six Sunnis as they left prayer services at mosques and burned them alive with kerosene in an attack in the mostly Shia neighborhood of Hurriyah.

Iraqi soldiers at a nearby army post failed to intervene in the assault by suspected members of the Shiite Mahdi Army militia or subsequent attacks that killed at least 19 other Sunnis, including women and children, in the same neighborhood, said police Capt. Jamil Hussein.

In recent months, most of the thousands of dead bodies that have been found dumped across Baghdad and other cities in central Iraq have been of victims who were tortured and then shot to death, according to police.

The suspected militia killers often have used electric drills on their captives' bodies before killing them. The bodies are frequently decapitated. But burning victims alive introduced a new method of brutality that was likely to be reciprocated by the other sect as the Shiites and Sunnis continue killing one another in unprecedented numbers.

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Friday's gruesome attack capped a day during which at least 87 people were killed or found dead in sectarian violence across Iraq. In Hurriyah, the rampaging militiamen also burned and blew up four mosques and torched several homes in the district, Hussein said.

The chaos cast a shadow over the Amman, Jordan, summit next week between Shiite Prime Minister Nouri al-Maliki and U.S. President George W. Bush.

Politicians loyal to radical anti-American Shiite cleric Muqtada al-Sadr have threatened to boycott parliament and the Cabinet if al-Maliki goes ahead with the meeting. The political bloc, known as Sadrists, is a mainstay of support for al-Maliki. The Mahdi Army is the organization's armed wing.

For a second day Saturday, funeral processions were held in Sadr City for the victims of Thursday's deadly attack by Sunni insurgents there. An official from al-Sadr's main office in Sadr City visited hospitals treating some of the 257 people who were wounded in the attack, and he gave them small donations of cash in envelopes.

Visiting tents that have been set up in Sadr City for families conducting funerals, the official, Ibrahim al-Jabiri, sharply criticized Iraq's government and its forces for failing to stop such attacks.

During three of the coalition raids that took place north of Baghdad on Saturday morning, soldiers killed 10 insurgents near the city of Taji, which is 12 miles north of Baghdad and home to a major U.S. air base. An Iraqi teenage boy also was killed and a pregnant Iraqi woman was wounded in the crossfire, the military said.

U.S. aircraft were called in to destroy a factory being used to make roadside bombs, and soldiers searching the area also found hidden caches of rocket-propelled grenades, machine guns, anti-aircraft weapons and pipe bombs.

Many U.S. soldiers are killed and wounded in Iraq by powerful roadside bombs used by insurgents.

"Coalition forces strive to mitigate risks to civilians while in pursuit of terrorists. It is always a shame when terrorists hide among civilian women and children, putting them in harm's way," the U.S. military said.

In another area north of Baghdad, coalition forces attacked three vehicles carrying 12 insurgents, including one they were searching for because he allegedly was involved in the manufacture of car bombs, the coalition said. The soldiers opened fire on the cars when they ignored warning shots, and all the militants were killed, the military said.

No soldiers or civilians were wounded during that operation. The coalition declined to give its exact location.

More U.S. Troops Dying In Anbar Province (AP)

By Lolita C. Baldor, Associated Press Writer

AP, November 25, 2006

In the three months since thousands of U.S. forces poured into Baghdad to quash escalating violence, far more American troops have died in Iraq's volatile western Anbar province than in the capital city.

More than two-thirds of the 245 U.S. casualties between Aug. 7, the start of the Baghdad offensive, and Nov. 7 occurred outside Baghdad — which military leaders have called the "center of gravity" of Iraq, and the key to success in the war. Four in 10 deaths over those three months have been in Anbar province, a Sunni insurgency stronghold where U.S. Marines have largely taken the lead.

Marines, who comprise only about 15 percent of the 141,000 U.S. forces currently in Iraq, accounted for nearly 28 percent of the fatalities over the three-month period.

The Baghdad assault, dubbed Operation Together Forward, started slowly in June. It escalated in early August when about 7,200 additional U.S. troops, including an agile Stryker brigade, were brought into enforce a broad array of checkpoints, curfews and house-to-house searches.

As total U.S. war casualties mounted through this summer and into the fall — from a total of about 2,500 by mid-June to more than 2,870 now — military officials blamed the rise on the Baghdad offensive, as well as the holy observance of Ramadan. The escalating violence made October the fourth deadliest month since the war began.

"Baghdad is the center of gravity for Iraq. We must get it right in Baghdad," Gen. Peter Pace, chairman of the Joint Chiefs of Staff, said at the time. Defense Secretary Donald H. Rumsfeld added, "Most of the violence occurs within 30 kilometers of Baghdad."

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In terms of actual U.S. casualties, the opposite was true.

Most of the 245 deaths during the first three months of Operation Together Forward occurred beyond Baghdad's boundaries. According to an analysis by The Associated Press, there were 73 casualties in Baghdad between Aug. 7 and Nov. 7, while there were 103 in Anbar.

In comparison, during the first three months of 2006, there were 148 U.S. military deaths in Iraq — nearly 100 fewer than the August-November timeframe.

The death count in Anbar, combined with the deadly spike in sectarian attacks in Baghdad this week, paints a picture of an Iraq still teetering on the brink of civil war, battered by religious divisions, al-Qaida terrorists and a stubborn and diverse insurgency.

The unabated violence comes as the Bush administration and the U.S. military are conducting several wide-ranging reviews of Iraq war policy under the critical eyes of Democrats who are poised to take control of both houses of Congress early next year. The bipartisan Iraq Study Group, led by former Secretary of State James Baker and former Congressman Lee Hamilton, is expected to issue its report soon.

Little more than a week ago, the top U.S. commander in the Middle East, Gen. John Abizaid, acknowledged that the Sunni-dominated Anbar province was still not under control. Yet, military officials and Rumsfeld have often asserted that most of the violence in Iraq has been near Baghdad, and that the military effort must be centered there.

The problems in Anbar prompted U.S. military officials last week to move more than 2,200 additional Marines to the western province in a short-term effort to shore up U.S. combat power there.

Such troop shifts have drawn criticism from Congress in the past. In August, as the Pentagon prepared for the Baghdad operation, Republican Senator John McCain likened the positioning of forces in Iraq to a game of "whack-a-mole," where generals try to curb violence in one area only to see it pop up somewhere else.

Overall, the U.S. Army — which has roughly 108,000 soldiers in Iraq — has borne the brunt of the deaths throughout the war, including 163 of the 245 deaths the AP looked at during the three-month period. There were 68 Marines killed during that time, along with seven Navy members and six in the Air Force, and one was unknown.

The most prevalent cause of death has remained the same across the country. Roadside bombs and other improvised explosive devices caused about 40 percent of the casualties, while another 13 percent were caused by small arms fire or snipers and 33 percent by unspecified combat incidents. Other causes of death included vehicle and helicopter crashes and non-combat incidents.

The high rate of Marine deaths is due in part to the fact that most are performing combat duties in the dangerous Anbar region. While the Army has a much larger presence in Iraq, some soldiers are serving in support roles or working in the headquarters units and are not doing combat duty.

Gen. James T. Conway, commandant of the U.S. Marine Corps, said this week that the decision to send more troops to Anbar is an effort to take advantage of "some of the momentum that is taking place. ... It is reinforcing success based on what we see the tribes doing."

Brzezinski Calls Idea To Boost U.S. Forces In Iraq A `Gimmick' (BLOOM)

By Judy Mathewson

Bloomberg, November 25, 2006

Nov. 24 (Bloomberg) -- Zbigniew Brzezinski, a former U.S. national security adviser, said it would be ``a gimmick" for the Defense Department to increase the number of troops in Iraq temporarily before beginning to withdraw them.

``I wouldn't be at all surprised if that actually happens," Brzezinski said on ``Political Capital with Al Hunt," to air on Bloomberg Television this weekend.

``It's a gimmick because it satisfies McCain, it satisfies the hardliners," Brzezinski said, referring to Senator John McCain. The Arizona Republican, who is exploring a run for the presidency in 2008, said Nov. 19 that U.S. troops are ``fighting and dying for a failed policy" in Iraq unless they get enough reinforcements to ensure a military victory.

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A Defense Department review of Iraq options is likely to advocate an immediate increase of as many as 30,000 American troops, followed by a reduction to perhaps less than half the 140,000 now there, the Washington Post reported Nov. 20. President George W. Bush is also expecting advice from the bipartisan Iraq Study Group on stabilizing Iraq for an eventual pullout.

Brzezinski said U.S. and Iraqi officials should jointly announce a withdrawal date for American troops that comes before the end of 2007. Even in the best possible outcome, though, Iraq isn't likely to be secular or democratic, he said.

``Obviously it's not going to be what we have previously described as a victory," he said.

Advising Democrats

With Democrats set to take control of the U.S. Congress, Bush is under pressure to address concerns about how long U.S. military personnel will be in Iraq. Brzezinski is scheduled to discuss the issue with House Democrats at a Dec. 5 meeting.

Brzezinski, 78, advised President Jimmy Carter from 1977 to 1981 and is now at the Center for Strategic and International Studies in Washington. During his White House tenure, the U.S. normalized relations with China and reached an agreement with the former Soviet Union to curtail nuclear weapons.

His prediction about Iraq coincides with assessments by other former policy makers. Former Secretary of State Henry Kissinger, who negotiated the Paris Peace Accords in 1973 that led to the U.S. pullout from Vietnam, said Nov. 19 that a ``clear" military victory in Iraq isn't ``possible."

Vietnam Worry

Brzezinski, addressing whether U.S. officials will temporarily boost the number of troops and then cut them, said:

``My concern is that they'll do it slowly and then, in the end, inadvertently, they will imitate our bug-out from Vietnam," he said. ``Namely, we'll blame the Iraqis and leave, thereby creating the worst of all situations."

Brzezinski said the U.S. should talk to Iraqi leaders about a date for a U.S. departure from the country to ``flush out those Iraqi leaders who have staying power," and then make sure to announce the pullout jointly.

The Iraqis should then invite their Muslim neighbors, along with Pakistan, Morocco and Algeria, to an international conference to discuss ways to stabilize the country after the Americans leave, Brzezinski said.

Lastly, the U.S. should organize an international effort to help the economic recovery of Iraq after the U.S. withdrawal, Brzezinski said.

``With the passage of time, the chances of implementing that advice effectively are being reduced," he said. ``That's a tragedy."

`Basis for Power'

After a U.S. withdrawal, Iraq isn't likely to be stable, and the ``basis for power" will be a coalition between the Shiites and Kurds, Brzezinski said.

Brzezinski also questioned the Bush administration's policy on Iran, calling it ``self-defeating." Asked whether the U.S. should have to accept the reality of the Iranians obtaining nuclear weapons, he said, ``I'm not entirely convinced they are really seeking them."

The Iranian leadership is ``seeking a comprehensive nuclear program" that would put the country in a position to produce nuclear weapons, Brzezinski said.

``Japan can produce nuclear weapons very quickly, but they haven't done it, and I think that's where Iran wants to end up," he said.

Uncle Charlie Wants You! (WSJ)

The Wall Street Journal, November 25, 2006

Harlem Congressman Charles Rangel created a stir once again this week with his call for renewing the military draft. His own party leaders quickly disavowed any such plan, suggesting just how unpopular the idea is among most Americans. Yet the proposal deserves some further inspection before it vanishes, if only to expose its false assumptions about the current U.S. military.

A vocal Iraq war critic, Mr. Rangel told CBS News recently, "There's no question in my mind that this President and this Administration would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if indeed we

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had a draft and members of Congress and the Administration thought that their kids from their communities would be placed in harm's way."

In other words, Mr. Rangel's real argument is about class in America, not over the best way to fight Islamic terrorism overseas. He's suggesting that somehow only the poor serve in Uncle Sam's Army. But his views are both out of date and condescending to those who do serve. Alas, they are shared by many on the political left, who think that the military places an unfair burden on the working class. * * *

In this mythology, the military is overly reliant on uneducated dupes from poor communities because those from more affluent backgrounds don't want to serve. But the truth is closer to the opposite, according to a recent Heritage Foundation report on the demographic characteristics of the military. It's titled "Who Are the Recruits?" and Mr. Rangel, a Korean War veteran, might want to read it before implying that the military doesn't look like America.

According to the report, which analyzed the most recent Pentagon enlistee data, "the only group that is lowering its participation in the military is the poor. The percentage of recruits from the poorest American neighborhoods (with one-fifth of the U.S. population) declined from 18 percent in 1999 to 14.6 percent in 2003, 14.1 percent in 2004, and 13.7 percent in 2005." Put another way, if military burdens aren't spread more evenly among socio-economic groups in the U.S., it's because the poor are underrepresented.

Or consider education levels. In the general U.S. population, the high school graduation rate is a little under 80%. But among military recruits from 2003-2005, nearly 97% had high school diplomas. The academic quality of recruits has also been rising this decade. According to Heritage, the military defines a "high quality" recruit as someone who scores above the 50th percentile on the Armed Forces Qualifying Test and has a high school degree. The percentage of high quality recruits had climbed to 67% in 2004 and 64% in 2005, up from 57% in 2001.

And what about race? In 2004, about 76% of the U.S. population was white, which was only slightly above the 73% of military recruits (and 72% of Army recruits) who were white. Blacks made up 12.17% of the population in 2004, and made up 14.54% of recruits in 2004 and 13% in 2005. Hispanic Americans are also slightly overrepresented in the military compared to their share of the population, but also not to a degree that suggests some worrisome cultural chasm among the races.

The overall truth is that today's recruits come primarily from the middle class, and, more importantly, they come willingly. This makes them more amenable to training and more likely to adapt to the rigors of military culture. An Army of draftees would so expand the number of recruits that training resources would inevitably be stretched and standards watered down. Meanwhile, scarce resources would be devoted to tens of thousands of temporary soldiers who planned to leave as soon as their year or two of forced service was up.

It's true that such training would help to shape up more young Americans who could use a few weeks of Marine discipline at Parris Island, and if this is what Mr. Rangel has in mind he should say so. But the price would be a less effective fighting force, and precisely at a time when experience and technological mastery are more important than ever in a fighting force.

"The military doesn't want a draft," says Tim Kane, an Air Force veteran and author of the Heritage study. "What the military wants is the most effective fighting force they can field. They want to win wars and minimize casualties. And you don't do that when you're forced to take less-educated, unmotivated people."

What about Mr. Rangel's point that conscription would have made intervention in Iraq less likely? It's impossible to know, but this is a dangerous argument for the future in any case. The main reason for having an effective Army is to deter enemies by making them believe we have the will to fight if we must. Mr. Rangel is saying the U.S. needs a conscript Army precisely to show an adversary we'll never use it. This is a good way to tempt Iran, say, into provocations that could lead to larger conflicts in which we would have no choice but to fight. * * *

Mr. Rangel insists he will reintroduce a draft bill "as soon as we start the new session," but for all of these reasons it isn't likely to go anywhere. In 2004 GOP House leaders scheduled a floor vote on Mr. Rangel's Universal National Service Act, which would have required "all persons" to perform military or civilian service "in furtherance of national defense." The bill lost 402-2, and even Mr. Rangel opposed it.

Inspect Baluchistan (WSJ)

DOJ_NMG_0098421

By Ashley Bommer

The Wall Street Journal, November 25, 2006

Hamid Karzai and Pervez Musharraf are arguing about the Pakistani province of Baluchistan. Intelligence sources -- and President Karzai -- say that the Taliban's kingpin, Mullah Omar, is operating out of Quetta, Baluchistan's capital. And he is sending arms and fighters into southwest Afghanistan. No wonder President Karzai is upset. The frontline of the Taliban and al Qaeda insurgency has a backline in Pakistan. But U.S. troops cannot go into Pakistan -- precisely where al Qaeda and the Taliban are. So there is a simple next step: Gen. Musharraf should agree to U.N. inspectors.

Pakistan continues to challenge the facts. Last month, Gen. Musharraf said, "So, let's nail these people, like President Karzai, who think they are coming from Pakistan. And I am suggesting we will mine the borders. Let anyone who's going from here get into the mines. We will fence the borders. Let's fence the borders."

An independent evaluation of the facts is necessary. The only system in the world that can do this is the U.N.'s Monitoring, Verification, and Inspection Committee (Unmovic). With over 300 experts, it can conduct a comprehensive fact-finding mission in Baluchistan immediately. Their experts, ready to be dispatched, include weapons specialists, scientists, engineers and analysts. They can determine if the Taliban command hubs do exist. They will report back to the international community truthfully. Unmovic's record of independence speaks for itself. At no time, for instance, did it find WMD or the continuation of such programs in Iraq.

Unmovic's mission in Baluchistan will be dangerous. But we cannot continue to sit by idly while al Qaeda and the Taliban gain more control in Afghanistan. International observers will not only deter efforts by al Qaeda and the Taliban, they will verify if Taliban hubs are providing military, financial and propaganda to operatives in Afghanistan. Gen. Musharraf should prove he does not want terrorism to destroy Afghanistan. To do this, he should invite U.N. inspectors to Baluchistan immediately.

Ms. Bommer worked at the U.S. Mission to the U.N. during the Clinton administration.

DOJ:

Gonzales Defends Detainee Policy In Academy Speech (AFT)

Air Force Times, November 24, 2006

Attorney General Alberto Gonzales told Air Force Academy cadets recently that terrorists will not rise to the example of the U.S. when it comes to treatment of prisoners.

In a lecture on civil liberties and the war on terrorism to about 700 cadets, Gonzales said the U.S. has “rightfully positioned itself in this conflict and other conflicts throughout history as a mature and moral leader — an example to follow,” according to an Air Force press release.

“Yet we know that the fair and humane treatment of the detainees at [the U.S. military’s detention facility in] Guantanamo [Bay, Cuba] will have absolutely no effect on how their confederates treat our soldiers and civilians,” he said.

Gonzales is one of a dozen Bush administration officials named Nov. 14 in a lawsuit brought in Germany by civil rights groups for abuses of prisoners at Abu Ghraib prison in Iraq and at Guantanamo.

The release did not say whether Gonzales addressed the charges made against him and others, including departing Defense Secretary Donald Rumsfeld. Calls placed Friday to the academy press office were not immediately returned.

During his lecture, Gonzales defended the domestic surveillance program that the Bush administration began in secret, saying it is not damaging the civil rights of American citizens.

“It protects citizens from terrorist attacks,” he said. “Critics who say otherwise are perpetuating myths.”

Gonzales was an enlisted airman from 1973 to 1975 before being accepted at the Air Force Academy. He was a cadet from 1975 to 1977 before transferring to Rice University in Houston.

CORPORATE SCANDALS:

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Prosecutors Have A Few Options For Pursuing Barge Case (HC)

By Kristen Hays, Houston Chronicle

Houston Chronicle, November 25, 2006

They could take it to high court or choose retrial

Federal prosecutors are pondering their next step after an appeals panel last August threw out fraud and conspiracy convictions against several ex-Merrill Lynch & Co. executives in a 2004 Enron case.

They have asked a judge to waive the men's right to a speedy trial so the government can decide whether to appeal to the U.S. Supreme Court to reinstate their convictions or move forward with a retrial.

Otherwise, a retrial would have to start a few days after Christmas.

"As long as the possibility exists that the government may seek Supreme Court review, it would be impractical to begin trial or hold pretrial proceedings," prosecutors said in a recent court filing.

They want U.S. District Judge Ewing Werlein, who presided over the original case, to schedule a status conference in the case for February next year. The judge has yet to rule.

The trial of four former Merrill Lynch & Co. executives and two former Enron executives centered on a year-end 1999 sale of power barges moored off the coast of Nigeria to the brokerage so the energy company could appear to have met earnings targets.

The case was the only Enron-related criminal trial to ensnare a chunk of Wall Street, accusing the Merrill executives of participating in a crime to curry favor and gain more lucrative investment banking business from the energy company.

The barge deal was a disguised loan because it went through after ex-Enron finance chief Andrew Fastow assured Daniel Bayly, former head of investment banking at Merrill, that Enron would buy back or resell the barges within six months.

Fastow testified during the criminal trial of former Enron Chairman Ken Lay and former CEO Jeff Skilling earlier this year that he made that promise to Bayly.

Fastow is serving a six-year prison term for orchestrating schemes to cook Enron's books while enriching himself.

Jurors in the barge trial convicted five of the defendants and acquitted one of the Enron executives.

The Merrill defendants appealed, and last August a three-judge panel from the U.S. 5th Circuit Court of Appeals ruled 2-1 to throw out fraud and conspiracy convictions against Bayly, James Brown and Robert Furst because prosecutors used a flawed theory.

Specifically, the panel said the Merrill defendants could not have deprived Enron of their honest services because they didn't rob the company of money or property.

The panel also tossed out fraud and conspiracy convictions against the fourth Merrill defendant, William Fuhs, for lack of evidence.

Perjury and obstruction of justice convictions against Brown were upheld.

The Enron felon, Dan Boyle, didn't appeal and is in prison. The four Merrill defendants each spent a year or less in prison before they were released on bond before or after the August ruling.

The Justice Department has until mid-January to appeal to the Supreme Court. The government also can retry Bayly, Brown and Furst or walk away. Werlein has wiped Fuhs' record clean.

Gary Brown, former special counsel for the Senate Committee on Governmental Affairs in its Enron investigation after the company imploded in December 2001, said it was worth the government's effort to retry the trio for aiding and abetting fraud.

He said banks and brokerages are more likely to refuse to participate in fraudulent deals to please clients if they know they face possible prosecution and prison.

"The thing that gets the attention of corporate executives is watching people go to jail for securities fraud and other kinds of frauds," he said. "All these guys have gone to jail for some period of time, but I can see a lot of merit for going back and retrying it."

A Long Wall Street Fight, Unfinished (WP)

By Alec Klein, Washington Post Staff Writer

The Washington Post, November 25, 2006

DOJ_NMG_0098423

Antagonist of Allied Capital Now Accuses Local Company of 'Pretexting'

They call it the Hundred Years' War.

Not because it involves brutish medieval unpleasantries like the battle axe. It involves only the sharp edge of cutting words between a Washington area company and a New York investor in a war of Wall Street that merely feels like it has lasted a century.

In the latest salvo, hedge fund manager David Einhorn has accused Allied Capital Corp., a company that lends money to and invests in private businesses, of fraud. He also suspects that Allied may have broken into his personal records in a mode of corporate espionage called "pretexting." Some unknown party, Einhorn said, illegally gained access to his telephone records and those of other Allied critics. "The only group of individuals with any motive to access my phone records and the records of four other prominent Allied critics is Allied management," Einhorn wrote in a Sept. 15 letter to Allied's board of directors.

Allied denied authorizing someone to use pretexting to access Einhorn's phone records. Rather, it continued its long-standing position that Einhorn has malevolent intent, saying he is trying to spread false information in an attempt to drive down the company's stock price. Einhorn is a well-known short seller of Allied, meaning that he's betting that the company's stock will fall. Short sellers borrow shares and sell them in anticipation of buying the shares later at a lower price, hoping to pocket the profit.

"David's motives are simple. He makes money if he can drive down the price of Allied Capital stock," said William L. Walton, Allied's chairman and chief executive, according to a transcript of the company's earnings conference call with Wall Street analysts on Nov. 8.

The basic plot of this battle begins in May 2002, when Einhorn told a conference in New York that he was shorting Allied's stock because he believed the company had overvalued some of its assets. Allied's stock price plunged, but then recovered when the company denied wrongdoing and continued paying high dividends to shareholders.

Einhorn and others who questioned Allied's accounting for some of its loans did not go away. They were joined in 2004 by the Securities and Exchange Commission and the Justice Department, which opened inquiries that neither will comment on but appear to be ongoing. Allied disclosed in its latest federal filing that the Small Business Administration's Office of the Inspector General has begun its own investigation into Business Loan Express, the same Allied unit that has drawn the attention of just about everyone else. BLX, as it is known, makes loans backed by the SBA to other businesses.

The SBA and Allied declined comment on the investigations. But Allied did disclose this: It has spent about $4 million this year and $36 million last year in legal and other fees dealing with these investigations.

Einhorn's allegations of pretexting are not the first that have emerged in this long-running feud.

Herb Greenberg, a senior columnist for MarketWatch.com, said that he, too, was a victim of pretexting. Greenberg wrote stories critical of Allied, including a piece that ran on Street.com in 2003 in which he questioned why Allied's BLX unit employed a convicted felon who had served time in prison in 1996 for securities fraud. Allied confirmed that the individual still works in its Richmond office helping borrowers through the lending process, but noted that the company received permission from the SBA to retain him as long as he didn't hold a position where he would be involved in the company's financial affairs.

After his 2003 story, Greenberg said that someone unknown to him opened an online telephone account using his name. "I felt violated," Greenberg said. "It felt like the house had been broken into." This happened long before pretexting emerged as a flashpoint at Hewlett-Packard Co. during revelations that the technology company had conducted a spy operation to ferret out media leaks.

In 2004, someone sought to examine the bank records of retired real estate developer James Brickman, another frequent critic of Allied. "Someone was asking about my deposit history," he said. Charles Gunther, a financial analyst who had written a negative report on Allied before retiring, was also a victim of pretexting but declined to comment.

Allied officials have denied any wrongdoing.

In Einhorn's case, the hedge fund manager first wrote to Allied's board in 2005 that someone pretending to be his wife opened an online account for his long-distance telephone service and "directed the phone company to send copies of our bills to an AOL account." He also accused Allied of inflating the value of its assets and violating other SBA rules.

Einhorn, 38, co-founded Greenlight Capital Inc. about five years after graduating from Cornell University, after being rejected from every PhD program in economics to which he applied. He started with $1 million, including contributions from his parents back home in Milwaukee. Ten years later, he oversees a hedge fund believed to possess more than $4 billion in assets.

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A few years ago, Einhorn donated about a quarter-million dollars to a homeless charity as part of a winning auction bid to eat lunch with Warren Buffett. And earlier this year, Einhorn entered the World Series of Poker, winning more than $600,000 against, and then donating the proceeds to the Michael J. Fox Foundation.

His is mostly a private world. Hedge funds, a largely unregulated sector of finance, are commonly misunderstood but rapidly growing. They are private pools of capital, primarily from wealthy individuals and institutions, like endowments, that invest in various securities. Hedge funds often try to produce a profit regardless of market conditions, and they will frequently employ aggressive strategies, like short selling, that are only permitted on a limited basis to more regulated entities like mutual funds.

In its most recent letter to Einhorn on Sept. 29, Allied said it remains skeptical of his motives, given what it described as his "apparent financial motive to depress Allied's stock price." The company underscored that its investments have netted strong returns and its stock is hovering near its 52-week high of $32.26. "Allied Capital's performance over the past five years speaks for itself," said Walton, the company's chief. "Since the beginning of 2002, we have paid almost $11 per share in dividends and the stock has performed accordingly."

Einhorn remains skeptical as well. "We are short because there are problems here; we're not saying there are problems because we're short."

Staff researcher Richard Drezen contributed to this report.

Litigation Nation (WSJ)

By Stephen C. Dillard

The Wall Street Journal, November 25, 2006

For the past three years our law firm has surveyed U.S. corporate law departments to better understand which kinds of disputes keep general counsels awake at night, and which ones are most likely to lead to all-out litigation. We also ask companies how many lawsuits they face and how much of their overall legal budgets they spend on disputes.

The latest Litigation Trends Survey makes it plain that litigation is now a major feature of the business landscape -- even we were surprised by the volume and scope of legal actions across all major industries and regardless of company size. Consider a few key findings based on reporting by 310 in-house counsel, more than half of whom work for public companies with revenues over $1 billion:

Some 89% of companies report being hit with at least one new lawsuit in the past year, compared with only two-thirds in the 2005 survey. Meanwhile, U.S. companies face an average of 305 lawsuits pending world-wide. For companies with sales of $1 billion or more, the average number of cases jumps to 556, with 50 fresh suits emerging each year for nearly half of these firms. While the majority of actions are in U.S. courts, a third of the respondents said that at least 20% of their litigation now originates in foreign venues.

Some industries are clearly tagged more than others, none more so than insurance, where participants reported a whopping average of more than 1,600 pending cases (although representing a small pool of the survey, insurers are frequently drawn into disputes with policyholders over claims that run from environmental clean-up and hurricane damage to directors and officers liability and more recently, losses due to terrorist acts). Energy companies averaged 364 cases, retail 333, financial services 300, manufacturers 206, and so on across 13 separate sectors. At the lower end, facing fewer than 25 cases per company, were education providers, nonprofits and trade associations -- but even the latter reported an average of four pending lawsuits.

Half of the in-house counsel reported that their companies also faced at least one new arbitration and one new regulatory proceeding in 2005-06. Biggest government instigators? The SEC and OSHA. But state attorneys general are also regular players, as are the FTC, EPA, the FDA and multiple other federal agencies with the power to subpoena. Pharmaceutical companies reported the highest incidence of regulatory scrutiny, followed by energy firms, insurers, retailers and manufacturers. A number of companies faced more than 50 regulatory proceedings.

One byproduct of America's litigation and enforcement culture is the internal investigation. Some 63% of the law departments surveyed said their companies had launched at least one internal probe requiring outside counsel in the past year

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alone -- more than a quarter of the billion-dollar companies undertook three or more investigations. And our survey was completed before the recent rash of investigations into stock options backdating.

Of course, every lawsuit has at least two sides and our survey reveals how active U.S. business is in playing offense: More than 70% of companies commenced at least one action as plaintiff in 2005-06, and nearly half filed up to five new cases. Manufacturers and retailers were the most frequent plaintiffs: 90% of the companies in both industries initiated at least one suit in the past year. Next in line were real estate and insurance firms. Even a full third of nonprofits filed at least one lawsuit, as did half of the companies with under $100 million in revenue.

Are these statistics a confirmation of America's vicious, tail-chasing lawsuit crisis? Or are they a vote of high confidence in the judicial system as a means of enforcing contracts, safeguarding intellectual property and brand assets, and stopping fraud? It's worth thinking about.

So what is tops on the corporate lawyer worry-list? Securities-related cases may grab the headlines, but more than half of the in-house counsel cited employment as their top litigation concern. The workplace has become a legal minefield over issues ranging from pay and promotion to harassment and discrimination, and claims of wrongful termination. Disgruntled workers are a fact of life, with aggrieved employees quicker to sue than almost any other group -- and disputes over wages and hours can be brought as class actions in many jurisdictions, creating more waves of litigation.

Contract disputes were the second most-cited litigation concern -- old-fashioned, not very sexy, but a time-honored source of business disagreements. From there followed the litany of modern litigation anxieties: IP/patent disputes; personal injury filings; regulatory actions; product liability; toxic torts; and securities and antitrust issues. Only a small percentage of counsel reported dwelling on bankruptcy, real estate or tax problems, although litigation on these issues could increase in the next economic cycle.

What about financial exposure? Many cases on company dockets are mere bagatelles, disputes valued in thousands of dollars. But nearly four in 10 of our respondents were hit with least one $20 million suit in the past year; and for billion-dollar firms, it was almost seven in 10. A number of companies admitted they were looking at least 50 new lawsuits involving at least $20 million, representing more than $1 billion in claims.

Meanwhile, companies report spending an average of $12 million on litigation annually, apart from any judgments or settlements. That compares with only $8 million a year ago, reflecting in part the growth of our sample but also, we think, bigger-stakes cases and better tracking of litigation costs. For some industries -- engineering and insurance -- spending on litigation exceeded $35 million. Especially striking was the portion of overall company legal budgets taken up by lawsuits -- an average of 71%.

Nevertheless, one of the more curious survey findings is that 94% of U.S. companies reporting said they had at least one legal action currently pending in an American court. To which we feel compelled to inquire, "Who are the other 6%?" Something to explore for next year.

Mr. Dillard is global chair of the litigation department at Fulbright & Jaworski. The full report is online at www.fullbright.com1.

CRIMINAL LAW:

Federal Court To Probe 'Improper Communications' With Reporter (AP)

By Jeremiah Marquez, Associated Press

AP, November 25, 2006

LOS ANGELES – A federal court plans to investigate whether government officials illegally supplied grand jury information in a U.S. military secrets case to a Washington Times reporter.

Court papers show the investigation seeks to uncover a possible source and content of “improper communications” with Times reporter William Gertz for a story he wrote in May.

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The order, entered Wednesday by a federal judge in Orange County, comes at the request of a defense attorney for Rebecca Laiwah Chiu, one of five family members indicted in an alleged scheme to send sensitive information about Navy warships to China. The request was joined by the other defendants.

The defense argued Gertz received information about a then-pending grand jury indictment of Chiu and the others on additional charges in violation of grand jury secrecy rules. Some of the charges cited in Gertz's May 16 story are contained in an indictment returned last month.

The story was sourced to "senior Justice Department officials (who) have approved the new charges," court papers said.

U.S. District Judge Cormac Carney said in court papers the alleged violation "triggers the duty of the court to investigate further."

Carney ordered the government to submit a status report by early January on "the investigation it has undertaken to determine whether any government official had improper communications with Mr. Gertz," according to court papers.

The government was also told to report measures it's taking to prevent such communications with the public.

A Justice Department spokesman for the Central District of California did not immediately return a phone message left late Friday. A message left with a The Washington Times communications manager also was not immediately returned.

Chiu is married to Chi Mak, who allegedly took computer disks from an Anaheim defense contractor where he was lead engineer on a sensitive research project involving propulsion systems for Navy warships. Also charged in the case are Mak's brother, Tai Wang Mak, his wife, Fuk Heung Li, and their son, Yui "Billy" Mak.

A federal indictment alleges counts of conspiracy to export U.S. defense articles to China; possession of property in aid of a foreign government; making false statements to federal investigators; and acting as agents of a foreign government, namely China, without prior notification to the U.S. attorney general.

Not all five face the same charges. All have entered not-guilty pleas.

Chiu's attorney, Stanley Greenberg, said he was "pleased to see the court recognizes its duty to investigate." At the same time, he questioned the court's reliance on the government in the investigation.

"I don't think the government has the same motivation that the court should," he said.

The government claims that Chi Mak passed information about U.S. naval technology from his employer to his brother and that his nephew, Billy Mak, then helped encrypt the files onto a CD-ROM computer disk. That disk was found hidden the luggage of Tai Mak and his wife after they were arrested in October 2005 at Los Angeles International Airport as they prepared to travel to Hong Kong and Guangzhou, China, authorities said.

According to the FBI, Chi Mak told investigators his brother was giving the information to a researcher at a Chinese university center that conducts operations research for and receives funding from the People's Liberation Army.

Prosecutors have said previously that authorities recovered from the disk restricted documents on the DDX Destroyer, an advanced technology warship. They also allege that they found lists in Chinese asking Chi Mak to get documents about submarine torpedo technology, electromagnetic artillery systems, weapon standardization, early warning technology used to detect incoming missiles, and defenses used against nuclear attack.

Federal Law No Minor Concern (LVS)

Las Vegas Sun, November 25, 2006

Justice Department does public, Rep. Jon Porter no favors by turning away investigation

The Justice Department has declined to pursue an investigation into allegations that Rep. Jon Porter, R-Nev., made fundraising calls from his office, a serious charge.

All a Justice Department spokesman would say is that the FBI referred the investigation to the department and it was "declined."

Unfortunately, that doesn't give any indication as to whether there's any truth to the allegation. Former Republican National Committee general counsel Jan Witold Baran told reporter Tony Cook in Wednesday's Las Vegas Sun that the Justice Department "doesn't devote its limited resources to something that is relatively very minor and that is unlikely to occur again."

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If those are the reasons for dropping the investigation, that's a shame. We don't consider violations of federal law "minor" - the law carries a penalty of up to three years in prison and a fine of $5,000 - and it shouldn't ever be an issue. Members of Congress know this law well. They are taught to leave federal buildings to make fundraising calls.

The FBI investigation still leaves questions. Jim Shepard, Porter's former scheduler who made the claims, said no one interviewed him about the allegations.

Shepherd says he has a sponsor to take the complaint to the bipartisan House Ethics Committee, which we believe should conduct a full and fair investigation into the matter and release its findings. If he has done nothing wrong, Porter should welcome such action that would clear his name, as the Justice Department probe did not.

Cartoonist Charged After Siege Ends Peacefully (AP)

AP, November 25, 2006

MIAMI, Florida (AP) -- A cartoonist carrying a toy gun that looked real surrendered to police at The Miami Herald's building Friday, more than two hours after arriving and demanding to see an editor of the newspaper's Spanish-language sister paper, police said.

Jose Varela, 50, carried a knife and a black plastic toy gun that resembled a real semiautomatic weapon, police said. He was charged with three counts of aggravated assault with a firearm. He was being held on $22,500 bond, jail officials said.

Varela had problems with El Nuevo Herald, where he worked as a contractor, including its position on Cuban emigres, said Police Chief John Timoney.

He had routine access to the building, officials said.

A police negotiator talked Varela into surrendering peacefully about 2:45 p.m., Timoney said. No injuries were reported.

"Once he calmed down and he realized what he was doing was not appropriate, he decided we would work to bring him out," said police negotiator Serafin Ordonez, who spoke with Varela for 30 to 40 minutes in Spanish. "No one was in danger. He kept repeating that he didn't want to hurt nobody, that he's not a violent person, that he's not a criminal."

Varela told a reporter for The Miami Herald during the incident that he was "the new director of the newspaper."

"I'm here to unmask the true conflicts in the newspaper," Varela told The Miami Herald. "They laugh at exiles here. There are problems with payment."

Varela called attorney Joe Garcia a couple of times from inside the building, Garcia told The Associated Press. Garcia said Varela was concerned about a conflict of interest at El Nuevo Herald.

"All that he wants people to know is that he wants the truth to come out," Garcia said. "I think he needs some time to work some things out."

Varela isolated himself in an editor's office on the sixth floor of the downtown Miami building that houses The Miami Herald and El Nuevo Herald, police said.

Dressed all in black with the letters "FBI" across the back of his polo shirt, he pointed the plastic gun at three El Nuevo Herald employees and demanded to see the newspaper's executive editor, Humberto Castello, police said.

The floor was evacuated, and officers carrying weapons and wearing protective gear set up a perimeter around the building, where evacuees gathered.

News staff remained on the fifth floor to cover the story.

Varela landed on Key West during the Mariel boatlift, in which more than 125,000 Cubans fled the island in 1980. In a December 2004 El Nuevo Herald article, he recalled how drawing got him into trouble as a child.

"I remember that I was always a bad student in school because I would draw cartoons of the teacher. For that, they would remove me from class," he told the newspaper.

It was the second situation involving a gun at the newspaper in the past year and a half. In July 2005, former City Commissioner Arthur E. Teele Jr. fatally shot himself in the Herald lobby after asking to speak with columnist Jim DeFede. Teele had been under investigation for corruption and had just been indicted by a federal grand jury on fraud charges.

DeFede was fired for recording his telephone conversations with Teele just before the incident without the politician's permission.

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News broke in September that eight of El Nuevo Herald's reporters and 29 of its freelancers were paid to work for the U.S. government's Radio and TV Marti networks. The government beams programming into Cuba aimed at undermining the communist government of Fidel Castro.

The Miami Herald and El Nuevo Herald are separate newspapers, but they share an office and are both published by The Miami Herald Media Co. El Nuevo Herald is one of the nation's largest Spanish-language newspapers.

Cartoonist Held After Siege At Miami Paper (WP)

By Peter Whoriskey, Washington Post Staff Writer

The Washington Post, November 25, 2006

Police Negotiator Helps End Standoff After 31/2 Hours; Gun Turns Out to Be Toy

MIAMI, Nov. 24 -- Dressed in camouflage and brandishing what looked like a submachine gun, the cartoonist for this city's leading Spanish-language newspaper strode into the office of the top editor Friday morning and told startled staff, "I am the new executive editor, and that is my new office."

It was not a joke.

The demands of El Nuevo Herald cartoonist JosÃ© Varela to see the editor, with whom he had unspecified grievances over ethics and what he told police were censorship issues, set off a tense 3 1/2 -hour standoff at the offices of the Spanish newspaper and the Miami Herald, which share a six-story building on the northern outskirts of downtown. Executive Editor Humberto CastellÃ³ was not in.

"He said, 'Just bring me the editor,' " said Gus Perez, director of operations for the newspapers, who confronted Varela on the sixth floor. "He said, 'I have 30 rounds.' I said, 'I'm really asking you to point that at the floor,' and he did."

Perez said he had been told that Varela was carrying a "toy gun," and police corroborated that later, saying it resembled a MAC-11. Authorities added that Varela was also carrying a knife.

As Perez spoke to Varela, about a dozen Nuevo Herald staffers were directed to leave the building, Perez said. Scores of other employees had already made it outside.

"When I came back to my office from the cafeteria, I just saw a crowd of people coming toward me saying, 'Get out, get out,' " said Tanya Byng, 43, an accounts manager.

As helicopters hovered, knots of spectators and evacuated employees formed outside the building, though there was some fear that anyone in the vicinity could have become a target.

"If he turns into a sniper suddenly, then we've got a problem," said Detective Delrish Moss, a police spokesman.

Eventually, a police negotiator reached Varela by phone and coaxed him into giving up. No one was injured.

"I just calmed him to the point to where he realized this was inappropriate behavior," said police negotiator Serafin Ordonez.

Varela, 50, was charged with three counts of aggravated assault with a firearm and was being held on $22,500 bond, jail officials told the Associated Press.

He apparently was disgruntled by some ethics issues and the "way the newspaper was being run," Ordonez said. "He's an intelligent man, and he realized this was not appropriate behavior."

According to the Miami Herald, Varela spoke disjointedly. "You are speaking with the new director of the newspaper, and I'm here to unmask the true conflicts in the newspaper," the newspaper quoted Varela as saying. "They laugh at exiles here. There are problems with payment."

The exact nature of his complaints could not be immediately determined.

El Nuevo Herald has undergone repeated upheavals in recent months, most of them involving Cuban American politics and the relationship between El Nuevo Herald and the Miami Herald.

Earlier this fall, El Nuevo Herald fired two writers and a freelancer amid a controversy over reporters working for Radio Marti and TV Marti, which are run by the U.S. government. But then the publisher of the two newspapers resigned, and the three were hired back.

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During the standoff, Varela demanded the resignations of CastellÃ³ and Miami Herald Executive Editor Tom Fiedler, according to the Miami Herald.

The Miami Herald building was the scene of gunfire last year, when, in July, former city commissioner Arthur E. Teele Jr. fatally shot himself in the lobby after asking to speak with a Herald columnist. Teele had been under investigation, suspected of corruption and fraud.

Varela, who was born in Cuba, has been the newspaper's cartoonist for several years. His most recent work appeared Friday. Titled, in Spanish, "The Biggest Sale of the Year," it showed shoe prints going in, presumably to a store, and prints of bare feet coming out.

Standoff At Miami Papers Ends In Cartoonist's Arrest (NYT)

By Andy Newman

The New York Times, November 25, 2006

MIAMI, Nov. 24 — A political cartoonist for the Spanish-language counterpart of The Miami Herald stormed the newspaper building on Friday morning dressed in an F.B.I. shirt and armed with a fake semiautomatic weapon, issued threats against the paper's editor and others and held officers at bay for three hours before surrendering, the police said.

The cartoonist, José Varela, 50, was charged with three counts of aggravated assault, the police said. No one was hurt.

Mr. Varela, a Cuban-born freelancer who until February had worked as a staff cartoonist at the paper, El Nuevo Herald, claimed to be upset about biased coverage of Cuban-Americans in both El Nuevo Herald and its sister paper, The Miami Herald, said the Miami police chief, John F. Timoney.

"One of his demands was he wanted that the truth be told," he said.

The newspapers, which are owned by the McClatchy Company and published in the same building, have been engulfed in Cuban-American politics and intrigue of late.

Last month, The Miami Herald broke the story that some reporters for El Nuevo Herald were also working for and being paid by Radio and TV Martí, the Bush administration's anti-Castro propaganda radio station broadcast to Cuba. Relations between the two papers, often tense, became outright hostile, and the publisher of both papers resigned.

According to The Herald's Web site, Mr. Varela, a Cuban immigrant, demanded the resignations of its executive editor, Tom Fiedler, and El Nuevo Herald's executive editor, Humberto Castelló, accusing him of backing Mr. Fiedler.

This week, Mr. Fiedler accused an op-ed contributor for El Nuevo Herald of "blood libel" for suggesting that a Herald reporter who broke the Martí story had ties to Cuba's spy agency. In an editor's note, Mr. Castelló called the spy claim unfounded.

Mr. Varela was also apparently having personal problems. El Nuevo Herald's Web site said he had recently divorced and told colleagues last week that he had gotten a submachine gun and a sawed-off shotgun because he felt unsafe in his new home in Jupiter, a wealthy town near West Palm Beach.

It was not the first time that a gunman caused havoc at The Herald's boxy tan headquarters on Biscayne Bay. Last year, a former city commissioner facing corruption charges killed himself in the building's lobby after an anguished phone call to a Herald columnist. The columnist was later fired after it was revealed he had taped the conversation.

Around 11 a.m. Friday, the police said, Mr. Varela came to the building, was allowed in by the security desk since he was a frequent visitor, and, once at El Nuevo Herald's offices on the sixth floor, demanded to speak to Mr. Castelló.

"He threw a bunch of papers in the air," said Alejandra Chaparro, a reporter for El Nuevo Herald. "He was demanding that the editor has to take responsibility."

Told that Mr. Castelló was not in the building, Mr. Varela declared, "I am the publisher until Humberto Castelló gets here," The Herald reported on its Web site.

A building security manager, Arturo Le Fleur, told The Herald that Mr. Varela had pointed the gun at him.

Police officers quickly evacuated the building and isolated Mr. Varela on the sixth floor. Two hours of negotiations ensued. Detective Serafin Ordoñez, a police negotiator, said he talked with Mr. Varela about his art, his family and a shoulder injury to try to calm him down.

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Mr. Varela also gave a rambling interview to a Nuevo Herald reporter during the standoff. “Somebody has to pay,” he said. “Somebody has to do it because this is going be like cleaning excrement. Enough time has passed now that they are mocking the people. So somebody has to pay, and that will be Castelló.”

He continued, “How long will I put up with this nonsense of drawing cartoons on Bush and a Fidel Castro dum-dum? The newspaper is much more than that.”

Ivette Diaz, a spokeswoman for the paper, declined to say what had precipitated Mr. Varela’s change in employment status from staff cartoonist to freelancer in February. She described him as “a jokester.”

In a profile on El Nuevo Herald’s Web site, Mr. Varela wrote: “I’m a happy man. In spite of that, I cry when I see a movie like the Titanic. Because I don’t like sinkings.”

Search Underway For Two Boys From Minnesota Reservation (WP/AP)

Associated Press

The Washington Post, November 25, 2006

RED LAKE, Minn., Nov. 24 -- Dozens of trained searchers took to the woods, lakes and air Friday to continue searching for two preschool-age brothers, missing for two days in the remote Red Lake Indian Reservation in northern Minnesota.

Tristan Anthony White, 4, and Avery Lee Stately, 2, disappeared Wednesday from a yard in a heavily wooded area in the town of Red Lake.

"They were just playing outside the last time I seen them, just playing outside," Alicia White, the boys' mother, told reporters.

She appealed for anyone who knows or has seen anything to come forward.

FBI Special Agent Paul McCabe said authorities are trying to determine whether the boys wandered off or whether foul play was involved.

"We don't have any information that would lead us either way," he said.

Family members said they were preparing for the worst because it has been cold and searchers have found nothing since the boys disappeared. Temperatures were expected to drop below freezing overnight, weather forecasters said.

Hundreds of volunteers on foot, on horseback and in four-wheel-drive vehicles have joined in the search.

In March 2005, the Red Lake reservation was in the news when Jeff Weise, 16, shot and killed nine people before killing himself.

Friday: FBI Offers $20,000 Reward (MINNST)

By Chuck Haga, Star Tribune

Minneapolis Star Tribune, November 25, 2006

As a third day of intensive searching yields no sign of two missing boys on the Red Lake Reservation, their mother pleads for help and the FBI offers a $20,000 reward.

RED LAKE, MINN. -- As the third day of intensive but so-far fruitless searching for her young sons wore on Friday, Alicia White said that she is "prepared for the worst" but still hopeful that Tristan A. White, 4, and Avery Lee Stately, 2, will be found alive and unharmed.

"I'm trying not to think the worst, but it's been so cold out there and people have been searching all over and can't find them," she said.

Flanked by other family members, White pleaded for help from anyone who "knows anything or has seen anything about the whereabouts of my babies," who have been missing since Wednesday morning.

"They were just playing outside," she said. "That's the last I saw them."

The FBI announced a $20,000 reward Friday for information that might help them determine what happened to the boys, last seen about 9:30 a.m. as they played outside their home in the remote, wooded Walking Shield area of Red Lake.

The FBI also brought in more high-tech equipment, including unmanned aerial vehicles that flew over the search area with video cameras rolling to supplement ground searchers, dog teams and members of the Marshall County Mounted Posse.

Also, an airplane with specialized heat-sensing equipment was to do flyovers Friday night, and divers from St. Louis County used radar and underwater cameras to examine a series of small lakes and ponds in the search area.

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Despite all those efforts, "As of now, I have no reports of finding anything," FBI special agent Paul McCabe said late Friday.

He said investigators continued to press a two-pronged investigation, trying to determine whether the boys wandered off or whether foul play was involved.

"We don't have any information that would lead us either way," he said. Nobody has reported seeing anything unusual, and searchers have found no clothing, no breaks in pond ice or other signs of what might have happened to the two youngsters.

'Sweetest little boy'

In her first public comments on the disappearance of her boys, Alicia White said that Tristan "loves water, and Avery, he just follows his brother." Smiling, she described Avery as "the sweetest little boy, just lovey-dovey."

She said that Tristan is adventurous and sometimes wandered off when the family lived in Redby, another town on the Red Lake Reservation.

"But we always found him," she said. "This is the first time we didn't find him."

She feels "lost," she said. "My babies are gone out there in the cold by themselves."

Tristan has a medical condition, she said, and he did not take his prescribed medication the morning he disappeared.

The boys' grandfather, Myron Jones, thanked volunteers, law enforcement officers and others who have been searching for the boys.

"I'm praying for the best," he said. "Hopefully, they're safe and will show up."

But he acknowledged a growing fear that the boys were taken.

"We probably would have found them by now" if they were still in the area, he said.

Lamont White, 8, the boys' older brother, stood with his mother. The boys also have twin 1-year-old sisters. Jeff Stately, Avery's father, and Lisa White, the boys' grandmother, also attended the late afternoon news conference.

"We're holding it together for each other," Alicia White said.

She also thanked the volunteers and other searchers. "It tells us we're not in this by ourselves," she said.

Time a concern

McCabe said that dog teams worked the woods surrounding the boys' neighborhood from 9 p.m. Thursday until about 2:30 a.m. Friday and likely would return to the woods late Friday night.

Temperatures were expected to fall into the upper teens Friday night.

"Time is always a concern whenever you have missing children," McCabe said, especially under such conditions. But searchers' focus continues to be "that the children are alive," he said.

Red Lake police and other officials continued to maintain a roadblock on Walking Shield Road where it joins Hwy. 89 near the main entrance to the reservation. Authorities allowed only registered searchers and neighborhood residents through, and were checking car interiors and trunks. A Red Lake ambulance stood by throughout the day.

The searching Friday was done primarily by professionals, including five dog teams from the Minnesota Search Dog Network and several members of Team Adam, part of the National Center for Missing and Exploited Children.

"They are retired law enforcement professionals, and many are search experts," McCabe said. "One flew in from Alaska. He is the former head of the Alaska state police search team. They also have access to databases."

Also on the scene were 30 members of the Civil Air Patrol, who joined in the ground search. Civilian volunteers included about 45 members of the missing boys' extended family.

"The response of volunteers and the Red Lake Nation as a whole has been overwhelming," McCabe said.

Crying for the babies

The continuing uncertainty over what happened to the boys gnaws at the people of Red Lake.

"People are crying," said Judy Roy, a former tribal secretary. "They're reporting they can't sleep, thinking about those babies.

"As a grandmother myself, I'm crying. Everyone feels like it's their children or grandchildren, and it goes right to the heart."

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Temps Cool As Searchers Look For Missing Boys (MINNST)

By Terry Collins And Chuck Haga, Star Tribune Staff Writers

DOJ_NMG_0098432

Minneapolis Star Tribune, November 25, 2006

About 100 trained searchers and law enforcement officers continued to look for the two brothers missing from the Red Lake Indian Reservation, but authorities grew more concerned after temperatures dipped below freezing.

RED LAKE, MINN. -- The search expanded today for two young brothers who went missing Wednesday on the Red Lake Indian Reservation in northern Minnesota.

Additional ground crews and dog teams have joined the effort, which has included personnel from Beltrami, Cass, Itasca, Marshall and St. Louis counties, along with federal and tribal authorities. Searching has done on the ground, by divers and from the air.

More than 100 searchers, a combination of professionals and volunteers, continued to scour the remote Walking Shield area of the reservation, where Tristan A. White, 4, and Avery Lee Stately, 2, were last seen about 9:30 a.m. Wednesday as they played outside their home.

A procession of vehicles went into and out of the search area.

Searchers were dealing with cooler conditions, as temperatures dropped into the 20s, compared with the 40s the day before.

"The weather had been mild, but last night with those kinds of temps that does concern us, if there were children in the woods going into a third night," FBI Special Agent Paul McCabe said.

On Friday, the FBI announced a $20,000 reward for information that might help them determine what happened to the boys.

The agency also brought in more high-tech equipment, including unmanned aerial vehicles with video cameras and an airplane with specialized heat-sensing equipment.

Authorities are taking a two-pronged approach to the investigation, trying to determine whether the boys wandered off or whether foul play was involved.

FBI special agent Paul McCabe said dozens of tips have come into a hotline set up by the FBI on Friday.

He said several originated from the Twin Cities area.

"We're aggressively pursuing all angles," he said.

The Associated Press contributed to this report.

FBI Sifts Claims For Phillips Reward (BUFFNEWS)

By T.J. PIGNATARO, News Staff Reporter

Buffalo News, November 25, 2006

One couple has also sued State Police union to collect $225,000 for capture of fugitive

FBI officials in Washington are reviewing "several claims" made by individuals who say their help led to Ralph "Bucky" Phillips' capture Sept. 8 in Akeley, Pa.

Determining the merit of claims for the FBI's portion of the Phillips' reward - $100,000 - is a "multitiered, multifaceted process," said local FBI spokesman Paul Moskal.

"This is the public's money, so the FBI wants to make sure . . . these claims are meritorious and not frivolous," Moskal said. "Several people have come forward to make claims for the reward money. They all have different roles, some seem to be more meritorious than others."

Those claimants include Jack and Gloria Young of Warren, Pa., who filed a federal lawsuit against the New York State Police Benevolent Association seeking its $225,000 reward, Moskal confirmed. He did not elaborate on the merits of the Youngs' claim.

Moskal did say, however, that there doesn't appear to be any one claim that directly led to Phillips' capture.

"We haven't encountered a single piece from a single source we'd deem as critical to his apprehension," he said.

Phillips - wanted in connection with the shootings of three state troopers, including one who died - was added to the FBI's "Ten Most Wanted List" Sept. 7. He was captured the next day. His addition to the list made those providing law enforcement with useful information leading to his arrest eligible for a $100,000 reward from the FBI.

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Attorneys for the Youngs suggested late last week that they may also pursue action against the FBI, although the federal agency was not named in the lawsuit against the State Police PBA.

The Youngs' lawyers say if not for a phone call placed by their clients reporting a suspicious person on their property late Sept. 7, Phillips would not have been captured the next day.

Troopers PBA President Daniel M. De Federicis said last week that State Police are investigating a few claims for their reward money - including from the Youngs. He suggested the PBA would be looking to the FBI for guidance on its reward disbursements.

Moskal said that FBI officials will share their findings with the PBA to ensure that information received by each agency is consistent.

FBI Unveils Corruption Tip Line (DESERET)

Deseret Morning News, November 23, 2006

On the day that the indictments of three Davis County School District employees were announced, federal agents also unveiled a special toll-free tip line where the public can report suspected corruption by public officials.

"Currently, there are more than 2,000 public corruption investigations pending" nationwide, FBI Special Agent in Charge Tim Fuhrman said.

The FBI's Public Corruption Tip Line, 1-866-50-BRIBE (2-7423), will be made available for residents in Utah, Idaho and Montana who believe public employees or public officials may be involved in corruption. Tips can also be reported via the FBI Salt Lake City Field Office Web site (go to www.fbi.gov and click on the link to the Salt Lake City Field Office).

Davis Parents, Administrators, Seek More Info On Theft Allegations (SLT)

By Nicole Stricker And Pamela Manson, The Salt Lake Tribune

Salt Lake Tribune, November 25, 2006

Why did it take so long to detect a problem, and what needs to happen to prevent such infractions in the future? Davis County parents and administrators face numerous unanswered questions about Wednesday's allegations that a Layton couple stole $4.3 million over five years from Davis County schools that receive federal funding for disadvantaged students - and possibly much more.

"If the allegations are true, it is just sad to me," said Cheryl Werven, a Davis School Board member from Clearfield who represents some of the affected schools. "So much of it was on the front page [Thursday] and I just thought 'Happy Thanksgiving.' " Because the board learned Wednesday of the indictment charging Susan G. Ross, 62, and her husband John Ross, 64, with 47 counts of theft, fraud, copyright infringement and other crimes, members haven't yet met to evaluate what they might be able to do to provide more safeguards against fraud. Those discussions, however, are "absolutely" forthcoming, board member William P. Moore of Bountiful said.

Parents seek assurances that the district will act swiftly.

"Holy cow, that's a lot of money. I'm just floored," said Vonnie Dayton, president-elect of PTA South Clearfield Elementary, a school that receives Title 1 funds for schools that serve disadvantaged students. "How could they do that, especially to schools and our

Advertisement

children?" The Davis district first detected something was amiss with its Title 1 programs in spring 2005 after implementing a new review system. Authorities were contacted immediately, said Timothy Fuhrman, special agent in charge of the FBI's Salt Lake City office, which investigated the matter along with the U.S. Attorney's Office, the U.S. Department of Education Office of Inspector General, the IRS and the Farmington Police Department.

The delay in recognizing a problem may be a result of misplaced trust in employees who came up with explanations for discrepancies, Fuhrman said.

U.S. Attorney for Utah Brett Tolman said that trust and a sophisticated scheme helped the defendants cover their tracks over the years. "With that combination, you have the ability to hide" what you're doing, he said.

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Susan Ross, who was employed by the district beginning in the 1970s, was director of federal programs before she retired in spring 2005. John Ross is the former Title I specialist for the Utah State Office of Education and worked as a grant specialist for the Davis district from March 2000 to February 2005.

The indictment accuses the pair of selling photocopies of books to schools that receive federal Title 1 funding at vastly inflated prices through an intermediary company, which kept a small percentage of the profit and paid the rest to a company allegedly owned by Susan and John Ross. The $4.3 million represents money allegedly taken from 2000 to 2005, but authorities allege the scam may have begun as early as 1985.

"I feel bad this situation has gone on for so long and just been awful," said Davis School Board Vice President Tamara Lowe of West Point. "It's just a sad, sad situation where money should have been going to student materials and activities rather than someone's pockets." A representative of the largest union representing Davis teachers declined to comment on Friday.

"I didn't know anything about it. I really don't have anything to say," said Susan Firmage, Davis Education Association president. "I don't have any reaction to it at all." nstricker@sltrib.com pmanson@sltrib.com

Sensing You're Too Drunk To Drive (NYT)

The New York Times, November 25, 2006

There aren't many social problems that can be solved with a "technical fix," but drunken driving may be one of the most amenable. Technologies that are already in limited use can lock the ignitions of cars whose drivers have high alcohol levels in their breath, thus preventing them from turning their vehicles into lethal unguided weapons.

These existing technologies and more futuristic devices still under development are the cornerstones of a new phase in the campaign that was announced this week by Mothers Against Drunk Driving. The initial goal, which is backed by associations of state highway officials and car manufacturers, is to have all states do what New Mexico has already done: require that all convicted drunken drivers, even first-time offenders, have devices installed in their cars that measure alcohol in the breath and immobilize the car if levels exceed set limits.

Currently, 45 states, the District of Columbia and most Canadian provinces have laws that require or allow some offenders — mostly those convicted more than once — to install alcohol interlocks on their cars if they wish to drive. Some 100,000 interlocks are in service in the United States.

Restaurant groups are complaining that wider use of the devices would eliminate wine at dinner, beer at ballgames, and other forms of "responsible drinking." But it is hardly responsible for a driver to drink so heavily that the interlock kicks in. Driving is a privilege, not a right. If those convicted of drunken driving want the privilege, they ought to take extra steps to protect the rest of us.

For the future, safety advocates hope to develop passive devices that unobtrusively test all drivers for alcohol, without requiring every soccer mom to blow into a tube every time she gets into a car. Even better would be devices that flash warnings and slow cars at any sign of erratic driving, whether the cause be drink, distraction, fatigue, recklessness or sheer incompetence.

CIVIL LAW:

Case Tests Federal Supremacy Over Banks (WP)

By Kirstin Downey

The Washington Post, November 25, 2006

The federal government and the banking industry will square off next week in the Supreme Court against all 50 states and the District of Columbia in a mortgage-lending case that could have broad implications for business regulation.

The case, Watters v. Wachovia Bank, focuses on the lending industry. But the broader question it addresses is whether federal regulators can essentially tell state regulators to go away. It's a debate over what is called "preemption." How the court resolves the dispute could affect many other industries.

For more than two decades, states have regulated the mortgage-lending practices of state-chartered subsidiaries of national banks. The parent national banks are regulated by a federal agency, the Office of the Comptroller of the Currency. In

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2001, the OCC ruled that state regulation was improper, saying that under federal law those lenders should be overseen by the federal government.

Some states regulate lending matters not covered by OCC rules. For example, Maryland is among the states that set limits on mortgage prepayment penalties.

In 2003, Charlotte-based Wachovia Bank decided that it wanted to be regulated solely by the OCC. It told the states where it runs mortgage lending companies that those firms would no longer register with state officials or abide by local rules.

Many national banks have criticized the patchwork of local regulation intended to stop predatory lending. Other banks have also announced their intention to seek regulation by the OCC alone. They say the proliferation of state and local regulations makes it almost impossible to standardize business practices to maximize efficiency, driving up the cost of mortgage loans and making the banks wary of entering communities with strict lending rules.

Linda A. Watters, Michigan's insurance and financial services commissioner, protested Wachovia's decision. Michigan and the other states say they provide consumers with better protection against predatory home mortgage practices than does the OCC. They say the banks prefer OCC regulation because it is friendlier to them and because the federal agency focuses on whether the banks are protecting investors and depositors instead of borrowers.

Wachovia sued Michigan, asserting that the National Banking Act of 1864 gives federal regulators supremacy over state laws. Wachovia won on the District and Circuit Court levels. Other banks similarly prevailed against state regulators in lower and appellate courts. Michigan appealed.

The Supreme Court took the unusual step of agreeing to hear the case, although the lower courts had agreed to grant control to the OCC. The high court seldom hears cases in which lower-court judges have been unanimous in their rulings. Now both sides wonder what the justices' decision to take the case may mean: Will they approve the preemption practice or overturn it?

The first clues are likely to emerge Wednesday, when oral arguments in the case are scheduled. Both sides have mustered support for their viewpoints.

The brief on behalf of all the major banking trade groups, including the American Bankers Association and the Mortgage Bankers Association, was co-written by John D. Hawke Jr., who was comptroller of the currency when the 2001 rules were drafted, and Theodore B. Olson, U.S. solicitor general from 2001 to 2004.

"We hope it's a signal to the court that the banking industry is unified in where we think this case should come out," said Gregory F. Taylor, associate general counsel for the American Bankers Association.

Other businesses say the issue affects them, too. "The power of Congress (either directly or through administrative agencies) to preempt state and local law is vitally important to business and to the national economy," the U.S. Chamber of Commerce wrote in its brief. "Accordingly, the Chamber and its members have a substantial interest in ensuring that this Court properly resolves the issues raised in this case."

Another brief in Wachovia's support, co-written by libertarian law professor Richard A. Epstein, asserts that tighter rules on mortgage lending can make loans more expensive and less available, as lenders leave markets or adjust rates to reflect higher costs.

The preemption issue has attracted the attention of many prominent jurists and legal scholars. At an American Enterprise Institute conference in April attended by former special prosecutor Kenneth W. Starr and appellate court judges Douglas H. Ginsburg and Stephen F. Williams, Epstein and other scholars proposed that other industries could also eek federal preemption from state and local laws.

Many states set their own rules on such issues as auto emissions and safety, workplace standards and product safety.

Michigan's side also has many supporters. Michelle Aronowitz, deputy solicitor general in the office of New York State Attorney General Eliot L. Spitzer, wrote the brief that was co-sponsored by the 49 other states, the District and Puerto Rico. It is rare for so many states to support a particular legal position, but they were eager to do so, said Dan Schweitzer, Supreme Court counsel of the National Association of Attorneys General.

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"One of the roles of state AGs is protecting their consumers, and what the OCC has been trying to do is prevent state AGs from doing that with respect to a very important [group] -- state-chartered mortgage lenders that happen to be owned by banks," Schweitzer said.

The OCC "has a long history of siding with the industry," said John Ryan, executive vice president of the Conference of State Bank Supervisors, which supports Michigan. Sharing that view are a dozen consumer advocacy groups, which wrote in their brief that the banks are seeking to shelter themselves under the OCC, which they say "has shown little interest in ensuring fairness to consumers." Lenders say the OCC handles consumer complaints quietly, without prosecution, often solving the problems more quickly.

The case comes to a head in a changed political landscape. Last year, a three-judge panel of the U.S. Court of Appeals for the 6th Circuit ruled in Wachovia's favor. Judge Boyce F. Martin Jr. wrote for the unanimous panel that federal law gave the OCC power to regulate banks, but he noted that "Congress has not spoken precisely to the issue."

The Democratic victories in the midterm elections, however, may bring the issue to the fore in Congress. Rep. Barney Frank (D-Mass.), who is expected to become chairman of the House Financial Services Committee, which oversees banks, has sponsored legislation that would limit the OCC's reach over state consumer protections.

CIVIL RIGHTS:

FBI Will Investigate Polk County Shooting (CFNEWS13)

Central Florida News 13, November 25, 2006

The FBI will investigate whether authorities used excessive force when they shot a fugitive 68 times after he fatally shot a Polk County sheriff's deputy.The Justice Department made the request to the FBI on Friday, after the Florida Civil Rights Association filed a complaint alleging authorities showed disregard for human life when they shot Angilo Freeland after an all-night manhunt. A total of more than 100 shots were fired at Freeland, with 68 finding their target.

David Allred, deputy chief of the Justice Department's criminal section, said in a letter to the civil rights group that action will be taken if events occurred that violated federal law.

The FBI would be the sixth agency to investigate the shooting.

Police say Angilo Freeland shot and killed Deputy Vernon Matthew Williams, a 39-year-old father of three, and his K-9 partner, Diogi, during a routine traffic stop in September. He also shot Deputy Doug Speirs in the leg and tried to shoot two other officers.

FBI To Investigate Manhunt Shooting (AP)

AP, November 25, 2006

ORLANDO -- The FBI will investigate whether authorities used excessive force when they shot a fugitive 68 times after he fatally shot a Polk County sheriff's deputy, a spokesman for the bureau said.

The Justice Department made the request to the FBI after the Florida Civil Rights Association filed a complaint alleging authorities showed disregard for human life when they shot Angilo Freeland after an all-night manhunt.

“In cases where the DOJ refers a case to the FBI, we will conduct the appropriate investigation,” FBI spokesman Richard Kolko wrote in an e-mail. “The results will then be provided back to DOJ for their review and further action if warranted.”

A spokeswoman in the FBI’s Tampa office, which would handle the investigation, did not immediately return a phone call for comment Friday.

David Allred, deputy chief of the Justice Department’s criminal section, said in a letter to the civil rights group that action will be taken if events occurred that violated federal law.

Allred said the letter was a standard response to civil-rights complaints.

“We are determined to see an objective review of this matter,” J. Willie David III, president of the civil-rights group, said. “Shooting anyone 110 times is more than a little extreme. We live in America, and that kind of atrocity cannot be condoned here.” cm-bd

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The FBI would be the sixth agency to investigate the shooting, which is already being reviewed by the Florida Department of Law Enforcement and the Polk State Attorney's Office.

Polk County Sheriff Grady Judd said Thursday he was "completely comfortable" with the scrutiny.

"Freeland had every opportunity to turn himself in and would have been taken into custody without a single bullet fired, even after he ambushed my deputy . . . He's the one who chose to end that situation, not us," Judd said.

Police say Freeland shot and killed Deputy Vernon Matthew Williams, a 39-year-old father of three, and his K-9 partner, Diogi, during a routine traffic stop Sept. 28. He also

Justice Dept. Probes Shooting Of Suspected Cop Killer (WESH)

WESH-TV, NBC 2, Orlando, FL, November 25, 2006

ORLANDO, Fla. -- The U.S. Department of Justice is investigating the shooting death of a man accused of killing a local deputy.

Polk County Deputy Matt Williams was shot to death on Sept. 28, and officers from around Central Florida spent 22 hours looking for his killer, causing schools and neighborhoods to be locked down.

When officers found the suspected shooter hiding in the woods the next morning, he was hit with nearly 70 bullets, WESH 2 News reported.

The sheriff said they stopped shooting when they ran out of bullets.

The Justice Department will investigate whether the Polk County Sheriff's Office SWAT team used excessive force when it fired 110 rounds at Angilo Freeland, hitting him 68 times.

The probe comes at the request of the Orlando-based Florida Civil Rights Association.

"There could have been a possibility that this person could have surrendered without any unnecessary force," said the group's president J. Willie David.

After the shooting, Polk County Sheriff Grady Judd said the force was necessary to make sure the suspected drug dealer accused of shooting and killing Williams and his police dog Diogi wouldn't harm anyone else.

"We weren't going to take any chance," Judd said.

They said Freeland was armed with Williams' gun when they found him hiding in the woods.

"Ladies and gentlemen, God will be the judge and the jury this time," Judd said.

After the shooting, Freeland's mother also called for an investigation.

"All we want is for all the questions surrounding why this happened to be answered," Joyce Freeland said.

The FCRA said it in no way condones the killing of the deputy, but the organization wants the FBI to determine whether the SWAT team's use of force was possibly criminal overkill.

"Out of the 10 SWAT team members out there, only nine fired. We got one here that made a decision not to fire. One of the things hopefully the Justice Department and FBI can get that answered (is) why he didn't fire," David said.

A Justice Department spokesman said if a violation of criminal civil rights statutes occurred, appropriate action will be taken.

A spokeswoman for the sheriff's office said they've done their own investigation and turned it over to the state attorney's office. She said they have no comment about the pending federal probe.

Feds Want FBI To Study Shooting By Polk Deputies (ORS)

By Rebecca Mahoney, Sentinel Staff Writer

The Orlando Sentinel, November 25, 2006

The U.S. Department of Justice is asking federal investigators to determine whether Polk County deputy sheriffs violated Angilo Freeland's civil rights when they shot him 68 times after Freeland gunned down a deputy and wounded another.

The request came in response to a complaint filed by the Florida Civil Rights Association, an Orlando-based organization that alleges the deputies used excessive force and showed disregard for human life when they fired 110 rounds at Freeland during a Lakeland-area standoff in September.

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In a letter sent to J. Willie David III, president of the civil-rights group, the Justice Department agreed to forward the case to the Federal Bureau of Investigation and pledged a thorough review of the incident.

"You can be assured that if the evidence indicates a prosecutable violation of federal criminal rights statutes occurred, appropriate action will be taken," wrote David Allred, deputy chief of the Justice Department's criminal section.

It is not clear whether the FBI has the authority to decline to investigate. Reached at his Maryland home Thursday afternoon, Allred could not immediately recall the Freeland case and said the letter was part of the Justice Department's standard response to civil-rights complaints.

"I probably write 20 of those letters a day," he said.

The FBI would be the sixth agency to investigate the shooting. Among others, the case also is being reviewed by the Florida Department of Law Enforcement and the State Attorney's Office in Polk, standard procedure in police-involved shootings in Polk County.

But the possibility that the nation's highest law-enforcement agency may get involved didn't faze Polk County Sheriff Grady Judd, who said Thursday that he was "completely comfortable" with the scrutiny and that his deputies had nothing to apologize for.

"Freeland had every opportunity to turn himself in and would have been taken into custody without a single bullet fired, even after he ambushed my deputy. . . . He's the one who chose to end that situation, not us," Judd said. "There are those that want to be critical, but they weren't there that morning. They weren't facing the armed killer that my deputies faced that day."

Police say Freeland shot and killed Deputy Vernon Matthew Williams, a 39-year-old father of three, and his K-9 partner, Diogi, during a routine traffic stop Sept. 28. He also shot Deputy Doug Speirs in the leg and tried to shoot two Lakeland police officers, Judd said.

Freeland was shot and killed 22 hours later during a massive manhunt after he waved a gun and refused to surrender to nine SWAT team members.

David, who tipped off the media to the development Thursday, called the Justice Department's request a "victory for transparency."

"We are determined to see an objective review of this matter," David said. "Shooting anyone 110 times is more than a little extreme. We live in America, and that kind of atrocity cannot be condoned here."

But Judd criticized David for releasing the document on Thanksgiving, saying it was a slap in the face to the families of the slain and wounded deputies.

"On a day when my Deputy Williams should be celebrating Thanksgiving with his family, they send letters out like this," he said. "It's a real low blow."

Rebecca Mahoney can be reached at rmahoney@orlandosentinel.com or 386-851-7914.

Probe Sought In Police Shooting Of Woman (AJC)

By Bill Montgomery, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, November 25, 2006

An Atlanta civil rights activist is calling for a federal investigation into the fatal shooting by Atlanta police of a 92-year-old woman during a drug raid at the woman's home.

Police contend they wanted to search Kathryn Johnston's house because an undercover drug purchase had been made there earlier on Tuesday, the day of the shooting. Johnston wounded three officers, emptying a six-shot revolver before being shot to death, police said.

The Rev. Markell Hutchins, the civil rights activist, said he will deliver a letter to the Justice Department on Monday urging the agency to investigate "what we believe are at worst, gross violations of this woman's life, and at best, poor judgment on the part of the police officers."

Hutchins said he talked Friday morning with police Chief Richard Pennington, who was out of town when the shootout occurred.

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"His officers should have known at a minimum who was living in that residence before they went in there with guns blazing," Markell said.

Johnston was a frail woman who lived behind burglar bars at a home owned by her niece.

Police contend they obtained a no-knock search warrant for the Neal Street house after buying drugs Tuesday afternoon from a man inside the home.

The no-knock warrant is frequently used in suspected drug cases because police believe their surprise entry into a home prevents drug dealers from flushing or destroying the evidence. In this case, the warrant did not name a person, referring only to a "John Doe, aka Sam," the standard reference when a person's name is not known, police said.

The Atlanta Journal-Constitution has been unable to independently confirm the police account about the need for the no-knock warrant because it has not been able to view the sworn statement that police provided to a judge to obtain the warrant.

State Court Administrator Stefani Searcy refused again Friday to release the documents, even though they are public records subject to immediate disclosure under Georgia law. Searcy has cited "office policy" as her reason for withholding the information.

Assistant Chief Alan Dreher has maintained police seized drugs from Johnston's home, but he has not said what the drugs were or where they were found.

Police said they knocked on Johnston's door about 7 p.m. before pulling off the burglar bars and knocking down the front door.

Dreher said Johnston should have recognized the men as officers even though they were not wearing uniforms. He said all three wore bulletproof vests that had the word "police" across the front and back. He said they shouted they were police as they burst through the door.

Johnston met the narcotics investigators with gunfire, police said. Medical examiners said she was shot twice in the chest and in extremities.

The three officers are recovering from their wounds and are on leave with pay until the investigation is complete. The police department said its internal affairs unit would investigate the shooting. The Georgia Bureau of Investigation also is reviewing the incident.

Fulton County District Attorney Paul Howard also has vowed to investigate. He said a preliminary review of the Johnston shooting indicated that the officers "had a legal right" to search the home.

Hutchins wants more.

"Clearly, the police had a right to exercise a search warrant. I intend to ask the Justice Department to determine, did they have sufficient evidence for a no-knock warrant. What evidence did they have? That's what the community needs to know."

On Friday on Johnston's block, which is just off Joseph P. Lowery Boulevard, residents still buzzed about what had happened. Police have described their suspect as 6 feet tall and 250 to 260 pounds.

Nobody seemed to know a man by that description from the neighborhood. Some expressed doubts about the police account of what happened. "I think that's just something they made up," said Curtis Mitchell, Johnston's longtime neighbor.

Four days after the shooting, yellow police tape still surrounds Johnston's home, where a memorial of flowers and stuffed animals rests at the edge of her lawn.

Johnston's home is attracting visitors -- those who want to see the location of what has become a national story in hopes of making the senseless somehow make sense.

"Is this the house?" Willie Stone, 74, asked from his car. He said he hadn't been in the neighborhood in 50 years. The last time was to visit a woman he was dating.

"I was just coming to see it," said Stone, who lives in the city's Collier Heights neighborhood. "I've got my doubts about what happened."

Tabitha Crowder, who lives nearby, also came over to catch a glimpse. "We just walked past just to see," Crowder said. "It's so sad and hurtful."

Staff writer S.A. Reid contributed to this article.

DOJ_NMG_0098440

U.S. Inquiry Is Sought In Killing Of Woman, 92 (AP)

AP, November 25, 2006

ATLANTA — A civil rights activist representing the family of an elderly woman killed in a gunfight with police is calling for a federal investigation into her death.

The Rev. Markel Hutchins will go to Washington on Monday to deliver a letter to Attorney General Alberto Gonzales requesting that the Justice Department and FBI review the shootout, Hutchins said in a news release Thursday.

Kathryn Johnston, who police said was 92, was killed Tuesday evening by narcotics agents. Authorities said the agents got a search warrant for her home after buying drugs from a man there that afternoon.

Police said the plainclothes agents identified themselves, but when they knocked down Johnston's door, she opened fire and injured three of the officers.

All are expected to recover.

"This horrific incident has all the signs of an egregious violation of Ms. Johnston's civil and human rights at worst and police officers using poor judgment and unnecessary force at best," Hutchins said.

Johnston's neighbors and relatives have called the raid a case of mistaken identity. Her niece said there were no drugs in the home.

Fulton County District Attorney Paul Howard said his office has begun its own investigation but said a preliminary review of the case shows the officers had a legal right to search the home.

State Has Yet To Test Slavery Statute (LAT)

By Garrett Therolf, Times Staff Writer

The Los Angeles Times, November 25, 2006

No human trafficking cases have been tried since the law went into effect nearly a year ago. It's too difficult to prove the crime, police say.

When Westminster police raided the apartment, they were convinced they were freeing the eight women inside from modern-day slavery.

Police said the women had agreed to come to the United States from villages in Malaysia and Singapore on vague promises of a better life, but instead found themselves forced into prostitution.

Their pimps seized their passports and kept the women locked in a series of bleak apartments, with video cameras monitoring their movements and furniture barricading the doors. On the rare occasions the women were allowed outside, police said, it was with an escort.

Cases like this one prompted California last year to become the first state to enact a federally drafted law cracking down on human trafficking. Despite some well-publicized cases, authorities said existing law did not provide the legal tools to fight the crime, instead forcing them to use other charges, which often carry little or no jail time.

When Gov. Arnold Schwarzenegger signed the bill into law amid much fanfare and with the hope that it would become a national model, he said it would help put an end to "a horrific crime that our society cannot abide."

But in the 11 months since the law went into effect, not a single human trafficking case has been prosecuted, according to the law's sponsor, Assemblywoman Sally Lieber (D-Mountain View). Police complain the law makes it too difficult to prove that human trafficking has taken place.

The problem is that seldom is the evidence black and white. Were the workers being kept against their will, or were they enduring their hardships willingly as a step up the economic pecking order?

Another problem is persuading people to tell their stories of involuntary servitude. Authorities said victims often fear police because of bad experiences in their homelands and because their captors have told them their families would suffer retaliation if they talked.

"We certainly can see that the fear [on the part] of immigrants particularly has been even deeper than we expected," said San Francisco Dist. Atty. Kamala D. Harris, a co-sponsor of the law. "We can't get around the fact that the new law is being underused, but there is great promise."

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On the other hand, Sally Thomas, a Los Angeles County deputy district attorney who helped draft the law, doubts it will be used extensively. "We often find it's more appropriate to bring kidnapping, false imprisonment or extortion in these cases," she said. "The statute is a very narrow statute…. Our expectations should not be extremely high."

Lawmakers believed the law was particularly important in California's immigrant communities, the sites of several well-publicized cases over the last decade. The U.S. Justice Department estimates that 17,500 people are enslaved in the nation's fields, factories and brothels, with a disproportionately large share in California, although the department acknowledges the figure may not be completely reliable.

This year, an Irvine couple were convicted in federal court of keeping a young Egyptian girl as their domestic slave. In 1995, authorities freed 71 Thai workers held behind razor wire in an El Monte sweatshop. The problems there had been reported to police two years earlier by Win Chuai Ngan, a worker who had escaped, but authorities found his story hard to believe.

A Justice Department report said the criminal rings that bring these workers to the United States have a more lucrative business than drug traffickers because of the low cost of slave labor and the small risk of getting caught.

When the state law passed — providing penalties of three to five years in prison and four to eight years if the victim is a minor — detectives dramatically stepped up their investigations, helped by federal grants aimed at fighting the trafficking rings.

The LAPD received more than $450,000, and an Orange County task force received $200,000, some of which it used to hire a liaison to teach local government and nonprofit agencies how to spot signs of trafficking.

The money also went to pay for investigations involving sophisticated surveillance equipment and informants and to pay detectives.

Westminster Police Lt. Derek Marsh leads the city's detective squad in Orange County's Little Saigon, a community believed to be a landing strip for human traffickers. In February, detectives were told by informants that a massage parlor advertising young Asian masseuses on Vietnamese and Chinese websites was a front for a brothel that enslaved prostitutes.

The detectives followed leads to Monterey Park and Rosemead, and learned that it was a sophisticated operation that moved almost monthly to avoid detection.

The women spoke no English and never saw anyone but pimps and johns, Marsh said. They often didn't use condoms.

By the time police raided the San Gabriel Valley operation in August, the eight women had worked in the two cities for as long as three years. They were paid $130 per john, and they split the money with their pimps, police said.

Five men were arrested as alleged brothel operators. A sixth suspect was believed to be recruiting additional women in Malaysia, police said.

Police said only one woman would speak to them. Marsh said she told a chilling story of forced labor and abuse.

"This is the best, most convincing case we have found," he said.

The Los Angeles district attorney's office felt otherwise.

"They really weren't being held against their will," prosecutor Marcia Daniel said. "Only one woman was willing to be truthful, and she made it abundantly clear that she did the work willingly. I don't think anybody enjoys it, but there's so much money involved."

Prosecutors charged the five men with pimping and pandering. They are awaiting trial. The women were not charged, and they are being held as potential witnesses and for review of their immigration status.

The Los Angeles district attorney has come close to prosecuting only one other trafficking case, involving a woman accused of forcing a homeless teenage girl into prostitution. The district attorney initially filed human trafficking and pimping and pandering charges but later dropped the trafficking charge.

Even the bill's author is surprised about the unexpected roadblock.

"We went through a lot of difficulty to get this bill passed, so it's obviously difficult to hear that the law is not being used more," said Lieber, who hopes to find ways to improve the law, the first felony added to the California penal code since 1999.

An important part of the trafficking law, its supporters said, can help persuade victims to cooperate. If there is a conviction, it allows victims to sue their captors for back wages, receive housing and medical assistance, obtain legal residency and receive job training and small-business loans.

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Federal authorities are struggling with their law as well. The federal statute was passed in 2000, but there have been few convictions. Federal authorities say local authorities have more people to root out these cases and encouraged passage of the state law.

The Justice Department has expressed disappointment with its own progress, reporting in September that only 122 laborers and prostitutes qualified for victim benefits, 14 fewer than in the previous year.

Those benefits can provide a happy ending to workers' hardships.

Two examples are Win Chuai Ngan and his wife, Sokanya Sutthiprapha, who were among those freed from the El Monte sweatshop. With loans and training from the nonprofit Thai Community Development Center, they opened two Thai restaurants and a spa.

In the meantime, the women in the Westminster police case will be deported once the pimping and pandering trial is over.

Marsh predicted that some of their families will reject them, and that they will go back to working as prostitutes, perhaps for the same organization.

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Officials: New Calif. Law Toothless Against Human Trafficking (AP)

AP, November 25, 2006

A law passed nearly a year ago to help curb human trafficking in the state still has never been used to prosecute those suspected of enslaving immigrants, proponents of the bill said.

Gov. Arnold Schwarzenegger said he hoped the bill would be a national model in countering modern day slavery when he signed it into law last year. The bill, he said, would end "a horrific crime that our society cannot abide."

But authorities say the law makes it too difficult to prove immigrant workers were being held against their will, one of the criteria for classifying victims of human trafficking. Investigators also said victims often are reluctant to testify against their captors for fear of retaliation against family abroad, making it difficult to build a case.

"We certainly can see that the fear (on the part) of immigrants particularly has been even deeper than we expected," said San Francisco District Attorney Kamala D. Harris, a co-sponsor of the law.

Some 17,500 immigrants are enslaved in U.S. brothels, farms and factories - with a large share in California, according to rough estimates by the U.S. Justice Department.

Harris maintains the state law will be a valuable tool in cutting down on human trafficking in the future. It provides penalties of three to five years in prison for traffickers - four to eight if the victim is a minor. And an increase in California investigations after the law passed has led to tens of thousands in federal grants for local authorities.

Los Angeles County deputy district attorney Sally Thomas, however, is less confident the new law will be used often.

"We often find it's more appropriate to bring kidnapping, false imprisonment or extortion in these cases," said Thomas, who also helped draft the law.

Local detectives who in August uncovered a brothel staffed by Asian immigrants in Orange County's Little Saigon - an area believed to be a center of human trafficking - hit a wall when they tried to present a case to the Los Angeles district attorney's office, Police Lt. Derek Marsh said.

Prosecutors were unwilling to try the case under the state law despite suspicions that one suspect was recruiting women from Malaysia and a prostitute's statements about forced labor and abuse, Marsh said.

"This is the best, most convincing case we have found," he said.

Prosecutor Marcia Daniel said, however, there was no evidence the women had been enslaved.

"I don't think anybody enjoys it, but there's so much money involved," Daniel said.

Five men were charged with pimping and pandering, but not human trafficking.

Assemblywoman Sally Lieber, a Democrat from Mountain View and author of the bill, said she was disappointed it has not been used.

"We went through a lot of difficulty to get this bill passed, so it's obviously difficult to hear that the law is not being used more," she said.

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A federal law against human trafficking passed six years ago also has reaped few convictions. Federal officials hoped local authorities would be better equipped to investigate trafficking and encouraged passage of the state law.

Massachusetts Governor Sues To Compel Vote On Same-Sex Marriage Amendment (NYT)

By Katie Zezima

The New York Times, November 25, 2006

BOSTON, Nov. 24 — Gov. Mitt Romney filed a lawsuit Friday asking the state's highest court to order the legislature to vote on a constitutional amendment banning same-sex marriage or to place it on the 2008 ballot if lawmakers do not take up the provision.

The legislature voted 109 to 87 on Nov. 9 to recess a constitutional convention before the measure was taken up, which appeared to kill it. The convention was recessed until Jan. 2, the last day of the legislative session.

More than 170,000 people have signed a petition asking the legislature to amend the state's Constitution to prohibit same-sex marriage. Massachusetts is the only state that permits it.

Mr. Romney, a Republican who did not seek re-election but is considering running for president, announced plans to file the lawsuit at a rally of same-sex marriage opponents on Sunday. The next day he sent a letter to the 109 lawmakers who had voted to recess, saying they were "frustrating the democratic process and subverting the plain meaning of the Constitution" by refusing to vote.

The lawsuit, filed by Mr. Romney, acting as a private citizen, and 10 other opponents of same-sex marriage, said the legislature had a "legal duty to act" on citizen petitions but had relied on procedural devices to "avoid a vote and evade its constitutional duties." The legislature recessed before voting on the measure two other times this session.

The suit named the Senate president, Robert E. Travaglini, saying he had "failed to carry out his ministerial duty to require final action" on the petition. A spokeswoman for Mr. Travaglini, a Democrat, could not be reached for comment.

The suit asks the Supreme Judicial Court to "step into the constitutional breach" and direct Secretary of State William F. Galvin, also named in the suit, to place the amendment on the 2008 ballot if the legislature does not act.

Fifty of 200 legislators must vote in favor of the constitutional amendment in this session and in the next one for it to appear as a referendum on the 2008 ballot. Both sides have said the amendment has enough support to advance to the next session.

In a statement, Kris Mineau, the president of the Massachusetts Family Institute, which circulated petitions for the amendment, applauded the lawsuit. Mr. Mineau said that the recess was a "deliberate effort by those in the legislature to kill the marriage amendment" and that the legislature had failed to "afford the citizens a fair up or down vote."

Gary Buseck, legal director for Gay and Lesbian Advocates and Defenders, which won the lawsuit that led to the legalization of same-sex marriage before the same court, called the lawsuit frivolous.

"I can't see any way in which this lawsuit has any merit whatsoever," Mr. Buseck said. "The bottom line is, the legislature acted in accordance with its rules and the Constitution and did the right thing to protect the now-declared constitutional rights of same-sex couples to marry. There's no getting around that."

Lawrence M. Friedman, a specialist on Massachusetts constitutional law at the New England School of Law, said the court must decide if the State Constitution requires the legislature to vote. Professor Friedman signed a brief supporting same-sex marriage in 2003 but has not been involved in the issue since then.

"This case is not about same-sex marriage," he said. "This is a case, first, about what the legislature is required to do, and second, if there is anything the court can do about it.

"It's not at all clear to me how this is something the court can remedy. It doesn't seem likely to me the court will order the legislature to take a vote or subvert constitutional procedures and just put it on the ballot."

Mass. Gov. Romney Asks Court To Force Gay Marriage Question Onto 2008 Ballot (AP)

AP, November 24, 2006

BOSTON (AP) — Gov. Mitt Romney asked Massachusetts' highest court Friday to force a proposed anti-gay marriage constitutional amendment onto the state's 2008 ballot if the Legislature fails to vote on it.

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The Republican governor, a fierce opponent of gay marriage and a possible presidential contender, filed the request with the Massachusetts Supreme Judicial Court after lawmakers put off acting on the question until January. The high court ruled 4-3 in 2003 that the state could no longer deny marriage licenses to gay couples.

Romney has said the state Constitution requires legislators to vote on whether the measure should go on the ballot. If they don't vote when they return Jan. 2, the last day of the legislative session, the court can order the secretary of state to put it on the 2008 ballot, Romney argues.

The postponement of legislative action was widely seen by supporters and opponents of gay marriage as a way to kill the measure.

Backers of the question, which would define marriage in Massachusetts as the union of a man and a woman, gathered more than 170,000 signatures of people.

Opponents of the question, including powerful House Speaker Salvatore DiMasi, feared they didn't have the 151 votes needed to kill the measure and instead called for a vote to recess the joint House-Senate session until Jan. 2. Lawmakers approved the recess vote by 109-87.

Since gay marriage became legal, more than 8,000 same-sex couples have tied the knot in Massachusetts, the only state to allow gay marriage. The ballot measure would ban future gay marriages in Massachusetts but leave existing ones intact.

Romney, who opted not to run for a second term as governor this year, is nearing a decision on whether to seek the 2008 Republican presidential nomination.

Bishops Stand Firm On Birth Control (WP)

By Tim Townsend

The Washington Post, November 25, 2006

ST. LOUIS -- It has been so long since most U.S. Catholics have even debated the moral implications of contraception that statisticians no longer regularly ask them what they think of birth control.

Recent poll numbers are scarce, but those that exist suggest that about 90 percent of U.S. Roman Catholics ignore their church's teaching on contraception.

"When it comes to that particular tenet of faith, it's a lost cause in America," said Tom Smith, a senior research scientist with the National Organization for Research at the University of Chicago.

But Catholic Church teaching doesn't change based on statistics, even if that teaching is ignored for a couple of generations.

"The Catholic Church articulates what we believe to be true, and we don't stop believing what's true because it's statistically unpopular," Bishop Edward Braxton of Belleville, Ill., said recently at the fall meeting of the U.S. Conference of Catholic Bishops in Baltimore. "We are countercultural in that sense."

Somewhat lost in reports from the meeting was the approval of a new document from the U.S. church's anti-abortion committee aimed at young Catholics who are engaged or recently married. Called "Married Love and the Gift of Life," the document reaffirms the church's stance that artificial contraception is immoral, even between husband and wife.

The document passed with 95 percent of bishops voting in its favor and no debate on the floor. The bishops were as unified behind their teaching on contraception as their flock and the dominant culture are against it. The expression "countercultural" came up repeatedly in conversations with bishops.

There is no question that church teaching on contraception has remained the same for centuries or that U.S. Catholics have largely ignored it for the last 50 years. The real question about "Married Love and the Gift of Life" is: Why now?

Bishops in Baltimore answered that question by pointing to what they see as a trend: Young Catholics are increasingly seeking out the church's ancient teachings. In this sense, the bishops' repeated use of "countercultural" has additional meaning.

The idea that a new generation of Catholics will reject the perceived sexual freedoms gained by their parents and grandparents over the last half-century and align with a theology that teaches sex for procreation is truly, as they see it, revolutionary.

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"The real radical idea is not 'don't use contraception,' " said Christopher West, a research fellow and faculty member of the Theology of the Body Institute in West Chester, Pa. "The real radical idea is connecting sex and God -- that sex is meant to express divine love."

The new document is the first about birth control from the collective body of U.S. bishops since 1968's "Human Life in Our Day."

Archbishop Joseph Naumann of Kansas City, Kan., a member of the bishops' anti-abortion committee, said that was too long. U.S bishops, he said, have failed to properly educate Catholics about the church's teaching on contraception. "We haven't been clear enough or effective enough as teachers," Naumann said.

Not everyone thinks U.S. Catholics will be persuaded by the bishops' renewed focus on contraception.

"It seems to me extremely unlikely it will make much difference to most people," said James P. Hanigan, a professor of moral theology at Duquesne University in Pittsburgh who has studied the church's teaching on birth control. "For most people, this issue's been resolved."

The church's ancient view on contraception (the roots of its opposition can be traced to the second century) was most famously reaffirmed by Pope Paul VI in his 1968 encyclical, "Humanae Vitae," or "of human life." Most other Christian churches accept contraception as a responsible method of family planning. The Catholic Church teaches that because contraception suppresses the possibility of procreation, and therefore violates the natural law, it is always wrong.

"Suppressing fertility by using contraception denies part of the inherent meaning of married sexuality and does harm the couple's unity," according to "Married Love and the Gift of Life." "The total giving of oneself, body and soul, to one's beloved is no time to say: 'I give you everything I am -- except.' "

The new document sets the church's teaching within the context Pope John Paul II's "Theology of the Body," a set of 129 short talks he gave from 1979 to 1984 that reflected on sexuality and divinity. West said the message of "Theology of the Body" is that eros, or erotic love, is meant to express agape, or divine love.

"When a married couple cuts off the eros from the agape," said West, they "render the sexual act sterile . . . they won't find the sexual happiness they went in search of. Instead they will find disillusionment, despair and societal chaos."

ANTITRUST:

Carlyle Group Broaches Buyout Of Taiwanese Chip Maker ASE (WSJ)

By Henny Sender

The Wall Street Journal, November 25, 2006

The Carlyle Group is in talks with the management of Advanced Semiconductor Engineering Inc. of Taiwan to make an offer for the publicly listed company in what would be a buyout valued at between $5 and $6 billion.

A deal of that size would mean Asia is joining the private-equity wave that has hit the U.S. and Europe. ASE, a chip-testing and packaging company, is listed both in Taiwan and on the New York Stock Exchange.

"A Carlyle-led consortium acknowledges that it has submitted an indication of interest to the Board of Directors regarding a potential acquisition." Carlyle, a firm that specializes in the buyout of public companies, said in a prepared statement.

The Carlyle announcement added that the investment firm had signed an agreement with Jason Chang, the chairman of ASE and its largest shareholder, with 18.4% of the outstanding shares, to buy out other shareholders at NT$39 (US$1.19) a share. That price represents a 24% premium above the 30-day average closing price of the stock.

The success of the deal depends on the willingness of shareholders to tender shares. This type of public-to-private offer with the support of management has been a feature of recent deals in the U.S., including those involving Kinder Morgan Inc. and HCA Inc.

Semiconductor companies have been a focus of private-equity firms. Carlyle was recently part of a consortium led by the Blackstone Group, along with Texas Pacific Group and Permira Funds which bought Freescale Semiconductor Inc. in a $17.6 billion deal. In the past, private-equity firms were reluctant to buy semiconductor operations but their appetite has grown as the stocks have become less volatile, making it possible to support heavy debt loads.

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In recent months, Taiwan, along with Australia, has been among the most promising markets for international private-equity firms. Carlyle has been particularly active in the media sector in Taiwan, having recently bought Taiwan Broadband Communications and Eastern Multimedia Corp. Its presence in Taiwan indicates it has extensive relationships with local banks, which are expected to provide attractive terms on the debt for the potential buyout.

Carlyle's interest in the Taiwanese technology sector has been moving the market the past few days, with speculation that it is also looking at other firms.

---- Yun-Hee Kim contributed to this article.

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Carlyle Set For $6.4bn ASE Deal (FT)

By Katrin Hille In Taipei

Financial Times, November 25, 2006

The Carlyle Group is poised to acquire Taiwan's Advanced Semiconductor Engineering, the world's largest chip packaging and testing company, in a $6.4bn buyout that would set a new landmark in private equity deals in the technology industry.

The acquisition, which is expected to close early next year, could help ASE win new orders from semiconductor companies recently acquired by private equity firms.

Carlyle and ASE said on Friday that the US private equity group had submitted an indication of interest to ASE regarding a potential acquisition at T$39 a share, and that Jason Chang, ASE's single largest shareholder and chairman, had already agreed to roll his 18.4 per cent stake into a Carlyle-controlled holding company that would own ASE.

At T$39, the offer price represents a 10 per cent premium to ASE's closing share price of T$35.50 on Friday, before news of Carlyle's interest emerged.

Carlyle said the deal could greatly enhance ASE's market position, because other semiconductor firms in the group's portfolio and even those owned by other private equity firms were likely to increase outsourcing volumes.

ASE, which is also listed on the New York Stock Exchange, performs packaging and testing services for other chipmakers who do not want to run the capacity for these relatively labour-intensive final steps in the semiconductor manufacturing chain.

Greg Zeluck, Carlyle's managing director of Asia buyouts, said ASE was likely to win new outsourcing orders from Freescale, Motorola's former chipmaking unit, which Carlyle is also acquiring.

Freescale is already one of ASE's five largest customers, but also works with Amkor, its smaller rival.

"There are more outsourcing opportunities from other semiconductor firms in the Carlyle portfolio," said Mr Zeluck. "I also think that there are additional opportunities from Philips even though we are not an investor there."

Netherlands-based Philips sold its semiconductor arm to a consortium led by Kohlberg Kravis Roberts earlier this year.

"The private equity industry's growing presence in the semiconductor industry will push these companies more in the direction of assets-light," said Mr Zeluck.

Freddy Liu, ASE vice-president, said: "As consolidation is taking place upstream, consolidation is also due downstream in the semiconductor industry. This is a sign of confidence in ASE."

People close to the situation said an open tender offer would be submitted over the next two months. "With Mr Chang's agreement to take part, this is pretty much a done deal," said one person close to the talks.

Based on ASE's outstanding shares, the offer is worth US$5.5bn. Bankers said including debt, the deal would be valued at US$6.4bn.

Carlyle plans to delist ASE once the deal closes and retain Mr Chang and his brother as chairman and chief executive of the company.

ASE reported T$4.2bn net earnings for the third quarter on T$26.7bn in revenues. Behind US-based Amkor, the company's biggest rivals are Stats ChipPac of Singapore and Taiwan-based Siliconware.

Carlyle In Talks To Buy Chip Company (WP/BLOOM)

By Cathy Chan, Bloomberg News

DOJ_NMG_0098447

The Washington Post, November 25, 2006

Carlyle Group of the District is in talks to buy Advanced Semiconductor Engineering, the world's largest computer chip packager, for $5.7 billion, as demand for computer and mobile-phone components increases.

Carlyle and Advanced Semiconductors Chairman Jason Chang, who holds 18.4 percent of the Taiwan company, offered to pay 9.9 percent more than the company's closing price yesterday in Taipei, Carlyle said in a written statement. Carlyle said talks with the group have not concluded and a formal offer may not be made.

Carlyle's proposed purchase would add to recent acquisitions the firm has made in the semiconductor business. In September, it was part of a group that agreed to buy Freescale Semiconductor for $17.6 billion, in the biggest technology buyout ever. Global chip sales could increase 9.4 percent this year, the Semiconductor Industry Association said.

"The outlook for the electronics industry is good, as the introduction of Microsoft's Vista should boost demand for PCs," said Michael On, who oversees the equivalent of $60 million as managing director at Beyond Asset Management in Taipei.

The spot price of benchmark 512-megabyte memory chips, used in personal computers and other devices, has risen 62 percent this year, according to Dramexchange.com in Taiwan.

Advanced Semiconductor, which was founded in 1984, packages chips in plastic or ceramic housings and adds connectors so they can be assembled as part of computers, game consoles, cellphones and other electronic instruments. The company employs more than 30,000 people.

Advanced Semiconductor confirmed the Carlyle offer and Chang's participation in the bid.

"We have received the indication of the offer from Carlyle, and our chairman has agreed with the offer," spokesman Freddie Liu said in a telephone interview yesterday. "We still need to seek approval from other shareholders."

Liu declined to comment on whether the company's vice chairman and president, Richard Chang, who helped found the company with his brother Jason, would also participate in the bid.

The company's shares rose 2.6 percent before the announcement, which came after the close of trading. The offer represents a 23.5 percent premium on the stock's 30-day average closing price, Carlyle said.

Goldman Sachs Group is advising Carlyle on the takeover bid. Carlyle has been investing in Taiwan since 1999, the company said.

Advanced Semiconductor could "take advantage of accelerating global outsourcing trends for semiconductor assembly and testing services," said Greg Zeluck, Carlyle's managing director. The firm could also tap the "global networks of Carlyle and its portfolio companies."

Buyout firms have announced offers totaling $57 billion in the Asia Pacific region this year, more than triple the amount for all of 2005, according to data compiled by Bloomberg News.

Carlyle said in July that it raised $1.8 billion for its second Asia buyout fund, which will focus on investment in Asia outside of Japan. That would make $4.8 billion it has attracted for investment in the region in the past year, including its second Japan fund.

Smithfield Is Pushing Into The Beef And Turkey Industries (VP)

By Jeremiah Mcwilliams

Virginian-Pilot, November 25, 2006

"Y'all know Smithfield," drawls Southern food personality Paula Deen in a radio commercial. "They're the ham people."

True: Smithfield Foods Inc., which recently hired Deen to push its spiral-sliced hams and other signature products, is the world's largest hog-raiser and pork processor. And it plans to further fatten its pork portfolio. But the company, with sales of $11.4 billion in its fiscal year ended April 30, also is growing aggressively beyond its roots in hogs and ham.

A recent deal gave Smithfield a 49 percent stake in Butterball LLC, the nation's largest turkey producer. And a planned Oklahoma beef plant will make the Smithfield-based company the fourth-largest beef processor in the United States.

Smithfield, which appears to be testing antitrust limits with growth in its core pig and pork business, is trying to buy or build its way into bigger positions in nearly every type of meat except chicken, which it has avoided so far.

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"This is the most active period in Smithfield's history," chief executive C. Larry Pope told analysts at a Boston conference in September. "In virtually every segment of our business today, something very significant is going on.... Smithfield is not just in the pork business."

Smithfield is betting that the vertically integrated model it honed in pork - controlling production from animal-raising to meat-packing - will translate well to beef.

Smithfield has just 6 percent of the U.S. beef-processing market. But the company is dwarfed by the top four players, which together control 83 percent, according to its estimates.

"We need to get bigger - we're still too small in beef," Pope said Monday as Smithfield donated turkeys to a Norfolk food bank. "Our customers, like Farm Fresh... want to deal with fewer and fewer suppliers."

For example, Tyson Foods Inc. is more than twice Smithfield's size. "We need to be of size to match," Pope said.

U.S. beef packers have struggled in recent years, largely because of high cattle prices and restrictions on exported U.S. beef in Asian nations such as Japan and South Korea, which blocked such imports after a case of mad cow disease was discovered in Washington state in December 2003. At Smithfield, for instance, beef yielded about 23 percent of its sales last year, but the division lost $2.8 million.

Several analysts believe that U.S. beef plants don't stay busy enough to make a profit.

Smithfield's new plant, announced Oct. 18, could further weaken the industry and hurt Smithfield's earnings per share, said JPMorgan analyst Pablo Zuanic.

Construction on the $200 million plant in Texas County, Okla., is scheduled to begin in January. A 50-50 joint venture with ContiGroup Companies Inc., the plant will be able to slaughter as many as 5,000 cattle daily.

Zuanic suggested last month that Smithfield might be using "gamemanship" - the threat of tougher competition in an already battered industry - to force private equity firm HM Capital Partners to sell Swift & Co., a major beef and pork processor and longtime Smithfield target.

Pope denied that.

Because the Japanese market reopened this summer and Korea is loosening restrictions, "those markets will be alive and well" in two years, Pope said. The Oklahoma plant could help Smithfield target the export markets.

"There's a real opportunity to grow on the beef side," said Bill Chappell, an equity analyst in Atlanta with SunTrust Robinson Humphrey. Although beef is a secondary project for Smithfield, "they want to make a go of it."

The new plant will draw from Smithfield's cattle-feeding joint venture with ContiGroup, which can feed 811,000 cattle at its 10 feed lots in Colorado, Kansas, Idaho, Texas and Oklahoma. It is the largest cattle-feeding operation in the country.

"We do have the cattle," Pope said at Smithfield's annual meeting in Richmond three months ago. "We could put together an integrated model that would be pretty compelling."

Smithfield's ability to trace cattle from feed lots to meat-packing lines - similar to its "traceability" in hog slaughtering, which the company touts as a safety benefit - could pay dividends, said Andrew Wolf, a managing director in Richmond with BB&T Capital Markets, which is seeking investment banking work from Smithfield Foods.

"They'll have control of the animal the whole time," Wolf said. So Smithfield will be able to get "a deserved premium on the export market."

The Butterball purchase, at least in name recognition, is one of Smithfield's most eye-catching moves.

Pope has said Butterball is "the national brand - it is almost synonymous with the word 'turkey.' "

This fall, Carolina Turkeys, of which Smithfield already owned 49 percent, shelled out $325 million for ConAgra Foods Inc.'s Butterball turkey operations. Renamed Butterball LLC, the Mount Olive, N.C.-based turkey producer is a joint venture with Maxwell Farms Inc.

Butterball gives the former Carolina Turkeys, and its owners, a stronger cache among consumers. Butterball's products command premium prices, Pope said. That matches a key Smithfield strategy - shifting the business into more profitable products such as pre-cooked sausages and bacon, and capitalizing on the higher prices consumers will pay for convenience.

In addition to the Butterball acquisition, Smithfield paid $246 million in cash for the rest of ConAgra's branded meats business, which included Armour and LunchMakers.

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Convenience products such as precooked ribs can command prices eight or 10 times higher than unprocessed, fresh meat, Pope said in September.

It's "a gigantic move up the value chain," Pope said. "You can do the simple math on this, and the math is pretty darn explosive."

While it expands in beef and turkey, Smithfield is running into opposition as it tries to complete a strategic buy in its core business: the planned $810 million deal for Premium Standard Farms, a Kansas City-based hog raiser and processor.

The proposal, announced in September, sparked protests from farming groups and Midwest politicians who argued that the merger of the nation's top two hog-raisers would give Smithfield too much power over small hog farmers.

"It makes no anti trust sense to allow Smithfield to buy Premium Standard Farms," said Michael Stumo, an attorney for the Lincoln, Neb.-based Organization for Competitive Markets. "It is a 100 percent power grab."

The Department of Justice this month asked Smithfield and Premium Standard for more information on the merger - a move that will delay the deal until the companies comply. Such requests occurred in only 3.1 percent of transactions in fiscal 2005, according to a Department of Justice report.

"It indicates that you're much higher on the radar of the Justice Department than you'd like," said Thane Scott, co-chair of the antitrust practice group at Edwards Angell Palmer & Dodge in Boston. "If you get a second request, you're in the danger zone."

Smithfield expected the additional scrutiny and would clear anti trust hurdles, Pope said. "We not trying to dominate the industry. We're trying to secure our future."

Still, if the deal goes through, Smithfield will have "probably grown as big as it can in the U.S. pork business," said SunTrust analyst Chappell, who added that it can still expand its European pork business.

Pope, who was promoted to chief executive on Sept. 1, seems to relish adding new brands and looking for new opportunities. Smithfield makes no apology for being one of the most opportunistic companies in the meat industry.

"We are committed to global expansion," Pope said.

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FTC Backs Merger Of Real Estate Companies (AP)

AP, November 25, 2006

CB Richard Ellis needs only shareholder approval to complete Trammell Crow acquisition.

DALLAS — CB Richard Ellis Group Inc., the world's largest commercial real estate services company, has been cleared by federal regulators to acquire rival Trammell Crow Co. for nearly $1.8 billion.

Dallas-based Trammell Crow announced Friday that the final regulatory step was completed when the Federal Trade Commission approved early termination of a waiting period required under antitrust law. The deal is expected to close next month.

El Segundo, Calif.-based CB Richard Ellis agreed in October to buy Trammell Crow for about $1.79 billion, or $49.51 a share.

The deal will create a company with about $4.4 billion in annual revenue, more than 10 percent of the commercial real estate market, and let CB Richard Ellis tap Trammell Crow's list of corporate clients.

Trammell Crow shareholders must still approve the deal at a special meeting Dec. 18.

Analysts say U.S. office markets have rebounded from a slump earlier this decade, and foreign pension funds are pouring money into buildings, then hiring firms to manage their property.

The trends have helped raise the value of firms such as Trammell Crow, whose shares more than quadrupled since early 2003.

With nearly 50 offices in the United States, Trammell Crow employs about 6,200 people and posted 2005 earnings of $59 million on $896 million in sales.

CB Richard Ellis employs about 14,500 people and posted 2005 net income of $217 million on sales of $2.9 billion. Chairman Richard Blum owns 14 percent of the company through his Blum Capital Partners.

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Trammell Crow's shares closed Friday at $49.27, up 4 cents and within 12 cents of their 52-week high. CB Richard Ellis' shares fell 20 cents to $32.61.

Microsoft Gives Europe Antitrust Documents (NYT)

By Paul Meller

The New York Times, November 24, 2006

BRUSSELS, Nov. 23 — Microsoft submitted a new batch of technical information about its Windows operating system to the European Commission on Thursday, meeting the latest deadline to provide information on whether it is complying with a 2004 antitrust ruling.

"This is an important milestone," Microsoft said in a statement. Final edits and technical review of the information already submitted in July have now been completed, it added, insisting that it had not broken the summer deadline.

The commission, which fined Microsoft $357 million in July for failing to comply with the antitrust order, disagrees. Last week, the European competition commissioner, Neelie Kroes, expressed growing impatience with Microsoft when she imposed the latest deadline. She described the dossier submitted in July as incomplete and warned Microsoft that it faced daily fines of 3 million euros ($3.9 million) if it did not hand over all the technical information about Windows that the commission had requested.

Her department welcomed the company's submission. "Now the dossier from Microsoft is worth testing," her spokesman, Jonathan Todd, said in a telephone interview on Thursday. "Potential licensees of the technical information will be invited to Microsoft's headquarters in Redmond to look at it."

In the meantime, the commission and the trustee chosen by Microsoft to oversee the process of compliance with the 2004 ruling will examine the newly submitted information, Mr. Todd said.

In 2004, Microsoft was found guilty of abusing the dominant strength of Windows to muscle in on other separate software markets, including the market for server operating systems.

The 2004 ruling ordered Microsoft to disclose enough information about Windows to allow rival server software manufacturers, including Sun Microsystems and open-source companies like Red Hat, to design server operating systems that worked as well with computers that run Windows as Microsoft's own server operating system.

If the information provided by Microsoft does not satisfy the order, the company will face a fine of 3 million euros a day, backdated to July, Mr. Todd said.

Microsoft said Thursday that it had met the July deadline. "The trustee and Microsoft have now completed the technical review and edits to the more than 100 documents, totaling 8,500 pages, that we submitted in July of this year, in accordance with the deadline established by the commission," it said.

It described the submission of technical documentation in July, and the revision process since then, as "an unprecedented undertaking involving over 300 engineers and technical writers at Microsoft."

Even if the information submitted Thursday is satisfactory, Microsoft may still face fines for the period between the July deadline and Thursday. "We'll take a decision about this period of time in due course," Mr. Todd said.

Microsoft Meets EC Deadline For Disclosing Software Data (LAT/AP)

From The Associated Press

The Los Angeles Times, November 25, 2006

The information will be tested before it goes to rivals in the European antitrust action.

European Union regulators said Microsoft Corp. met a Thursday deadline for turning over information about its Windows operating software that should help other software companies.

The data will be tested to confirm that the company has finally complied with a 2004 antitrust ruling.

The European Commission, which fined Microsoft 280.5 million euros ($357 million) in July for not providing "complete and accurate" data to allow server software to interface with Windows, said the technical manual could now be reviewed by "potential licensees" — companies that compete with Microsoft in software for work-group servers, such as Sun Microsystems Inc., Novell Inc. and IBM Corp.

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"In parallel, the monitoring trustee will test the documentation in order to verify its accuracy," the EC said. "The commission will decide in due course whether or not Microsoft is in compliance with the obligation to provide complete and accurate technical documentation, taking into account comments from the potential licensees and advice from the trustee."

EU spokesman Jonathan Todd said this was likely to take "months rather than weeks."

Regulators threatened new fines of 3 million euros a day last week if Microsoft did not patch up "the remaining omissions and deficiencies." They said the company should have handed over a good set of documents explaining how server protocols work by an original July 2004 deadline.

The software maker was ordered to provide the information after the EU found it guilty of abusing its monopoly by deliberately withholding technical data from rivals, who alleged that Microsoft ended cooperation when it started making its own server software.

Microsoft challenged the immediate sanctions, but a judge ordered it to comply in December 2004. It also said the commission's request was unclear and it had received a useful set of guidelines only when independent monitor Neil Barrett set out a work program earlier this year.

The company said Thursday's decision was an important milestone.

"The trustee and Microsoft have now completed the technical review and edits to the more than 100 documents, totaling 8,500 pages, that we submitted in July of this year, in accordance with the deadline established by the commission," Microsoft said in a statement. "We will continue to work closely with the commission and the trustee to ensure that we are in full compliance with every aspect of the commission's decision."

The EU fined Microsoft a record 497 million euros in March 2004 and told it to share interoperability information with rivals and put on sale a copy of Windows without Media Player software.

These conditions will apply to all future versions of Windows — including the upcoming Vista operating system.

Regulators also highlighted other possible antitrust problems with Vista's wide range of functions, fueled by comments from other information technology companies.

Google Reaches Copyright Deal With Belgians (BLOOM)

By Bloomberg News

Bloomberg, November 25, 2006

Google, the world's most-used Internet search engine, reached a settlement with Belgian photographers and journalists yesterday in a copyright dispute over how Google's news service links to newspaper content.

The agreement was made with the Belgian copyright groups Sofam, representing about 3,700 photographers, and Scam, on behalf of journalists. In September, Google lost a copyright suit initially filed by Copiepresse, a group representing French- and German-language newspapers in Belgium. That case is being reheard, but the company has removed links to 17 papers from its Google News page.

Copyright disputes with Google compelled Microsoft to remove Web site links to Belgian newspapers last month and highlighted the global issue of whether traditional copyright protections apply to Internet search services.

"We reached an agreement with Sofam and Scam that will help us make extensive use of their content," Jessica Powell, a spokeswoman for Google, said in a phone interview yesterday. She declined to give details of the agreement or say whether it involved paying the groups for the content, and declined to say whether Google, based in Mountain View, Calif., was considering similar accords with the newspapers.

The company has a similar case with Agence France-Presse, which protested Google's linking to the news agency's articles and pictures in the United States and in France last year.

A Brussels court heard arguments yesterday from groups that remain in the lawsuit. Copiepresse sued in February, and a court ruling Sept. 5 forced Google to remove Google News links to the newspapers or face a fine of a million euros daily. Google complied on Sept. 18.

Google, which was not represented in court the first time in the Copiepresse case, asked the court for a new hearing. "Today was a reconsideration of the case," Ms. Powell said.

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A ruling is expected by early January, the court said.

Tied Up In Cable (WSJ)

The Wall Street Journal, November 25, 2006

With mergers to rule on, multibillion-dollar bets on fiber-optic cable being laid and obscenity on broadcast television to babysit, you'd think the Federal Communications Commission would have better things to do than micromanage the market for cable boxes -- a market that mostly doesn't exist anyway. No such luck.

Like much of the trouble in telecom these days, this problem goes back to the supposedly de-regulatory 1996 Telecommunications Act. Tucked in there alongside its better-known goofs was Section 304: "Competitive Availability of Navigation Devices." This section required the FCC to open up the market for third-party "navigation devices" -- which basically meant cable boxes.

This idea encapsulates in a nutshell what was wrong with the 1996 Act. Rather than lifting regulations and letting market forces prevail, the Act is riddled with attempts to generate competition by government fiat. So it is with Section 304. Without really asking whether it made sense to require competition in cable boxes, our Solons simply decreed that the FCC should make it happen.

It hasn't happened, in part because Section 304 has never been enforced and in part because it's unclear just how big a market there is for consumer-purchased set-top boxes when the boxes can be leased from the cable company at regulated rates for a couple of dollars a month. The regulatory machine nonetheless marches on. And unless the FCC takes action on a number of waivers requested by the cable companies, the industry faces a $600 million annual bill to comply with a regulation with no real purpose. That's right: $600 million, which will of course be passed along in higher rates for consumers.

In order to facilitate competition, the FCC required the cable companies to come up with a way to provide their security codes to third-party devices, whether they are set-top boxes or cable-ready televisions. The method settled upon was a device called a cablecard. Users who didn't want the set-top box could instead get a cablecard from the cable provider and plug that into their TV, for example. This has been done, and there are some people out there using these cablecards, although most people don't bother.

The trouble with the FCC has come because the cable companies themselves don't use the cablecards in their own boxes -- the theory is that if everyone had to use the cards, the cable companies might somehow make the cards more attractive to consumers. So the FCC wants the cable companies to use cable boxes that need a cablecard, too -- never mind that the cost is high and the benefits to anyone are dubious.

The FCC could make this go away by granting a waiver from the rule, as the 1996 Act allows when the FCC determines it is in the public interest to do so. But so far there's been little sign that the FCC is inclined to do the industry any favors. The National Cable and Telecommunication Association -- a cable industry lobbying group -- put in a waiver request back in July. The FCC is supposed to rule on waivers within 90 days, but it didn't even put the application out for public comment until a week after we first called the FCC about the issue late last month.

The cable industry has had run-ins with FCC Chairman Kevin Martin over "a la carte" pricing and the expansion of obscenity rules to cable channels. This lends the cablecard shakedown a flavor of political payback -- especially coming from what is supposed to be a deregulatory, free-market-oriented FCC. Mr. Martin, who long bemoaned the absence of a Republican majority on the Commission, now has one, but there's still too little evidence of the Commission acting like it.

Concern about Mr. Martin's commitment to free markets had led Senators to hold up his renomination as Chairman for six months, turning what should have been a no-brainer into a last-minute confirmation earlier this month. The Commission, and Mr. Martin, could do the economy a favor by worrying less about political gamesmanship and more about getting on with the deregulation the telecom industry needs.

ENVIRONMENT:

Environment An Inconvenient Case For Supreme Court (WSJ)

DOJ_NMG_0098453

By Jess Bravin

The Wall Street Journal, November 25, 2006

WASHINGTON -- Things are bound to heat up at the Supreme Court Wednesday, when justices weigh whether the Clean Air Act requires the Bush administration to do something about global warming.

In the late 1990s, the Clinton administration determined that greenhouse gasses -- such as auto emissions, which contribute to global climate change -- fell under the Environmental Protection Agency's jurisdiction. Challenged by then-Rep. Tom DeLay (R., Texas) at a 1998 congressional hearing, the EPA produced a legal opinion concluding that carbon dioxide could be regulated if the agency determined it contributed to "adverse effects on public health, welfare or the environment."

Environmental groups asked the EPA to act. But the agency, moving at its glacial pace, didn't respond until 2003, when a different regulatory climate prevailed in Washington. The Bush administration rejected the petition, along with the Clinton EPA's legal opinion. Carbon dioxide and other greenhouse gasses aren't "air pollutants" as defined by the Clean Air Act and, even if they were, Congress hadn't authorized the EPA to do anything about them, the administration concluded.

But even if greenhouse gases were pollutants and Congress had authorized the EPA to regulate them, the agency said it had no obligation to act. It cited "uncertainty" over the way global warming worked and the best way to remedy it, particularly in light of diplomatic disputes over the Kyoto Protocol and other international approaches to the problem.

That upset not only ecology groups, but also environmentally conscious states, which argued that federal law required EPA action, particularly since they couldn't individually regulate emissions to a degree that would affect global warming. Massachusetts took the lead, backed eventually by 17 other states and big cities, including Baltimore, New York and Washington. The Bush administration, along with such auto- and oil-producing states as Michigan, Alaska and Texas, defended the EPA position. The administration prevailed at the U.S. Circuit Court of Appeals for the District of Columbia.

The D.C. Circuit, however, coughed up a fractured opinion with plenty for the high court to consider. Judge A. Raymond Randolph ruled that it was up to the administration to decide whether or not to act on greenhouse gases. Judge David Sentelle found that the states lacked standing to sue over such a generalized phenomenon as global warming. And in dissent, Judge David Tatel wrote that the EPA had no legal grounds to refuse to begin the rule-making process.

The case has attracted interest well beyond environmental-law regulars. A Colorado ski resort filed a friend-of-court brief for Massachusetts, fearful that its prized snow could melt away without federal action. Clinton Secretary of State Madeleine Albright submitted an argument that diplomatic disputes over environmental issues shouldn't interfere with domestic rule making.

The Supreme Court is expected to decide by June, but the justices, like the EPA, aren't always successful in clearing the air.

States Will Tell Supreme Court Feds Must Act On Warming (LAT)

By David G. Savage

The Los Angeles Times, November 25, 2006

WASHINGTON — The polar icecaps are melting, summers growing hotter and hurricanes becoming more powerful, but the Bush administration has insisted it cannot regulate the gases that many believe are responsible.

On Wednesday, a coalition of 12 states, led by California and Massachusetts, will try to persuade the Supreme Court that the nation's environmental regulators have the legal authority and responsibility to control greenhouse gas emissions linked to global warming — which many scientists describe as the biggest environmental threat to the planet.

It is a rare day when state lawyers travel to Washington hoping to win new powers for the federal government. As David Bookbinder, a Sierra Club lawyer, noted, "How often do federal authorities insist they lack the authority to do something?"

The administration's approach to another global issue — terrorism — has been to assert broad powers to act at home and abroad. On the environmental front, the administration says, it is studying the problem and "seeking a cooperative international approach to addressing global climate change," Solicitor General Paul Clement wrote in his brief to the court.

Putting new limits on motor vehicles and power plants is out of the question, at least for now, he added, saying, "the Environmental Protection Agency lacks authority under the Clean Air Act … to regulate greenhouse gas emissions."

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The case before the Supreme Court tests that conclusion. It begins with a simple question: Is carbon dioxide an "air pollutant" under the Clean Air Act? The answer may determine not only whether federal regulators must tackle global warming, but also whether California and other states may do so on their own.

Four years ago, California adopted stricter rules. The state Legislature declared its intent to "achieve the maximum feasible and cost-effective reduction of greenhouse gas emissions" from motor vehicles. These standards for new cars and trucks are to take effect in 2009.

The California way

Because of California's notorious smog problem, Congress permitted the Golden State to adopt stricter exhaust standards for cars and trucks under a special provision in the federal air pollution laws of the 1970s. Other states are allowed to follow California's lead, and 10 — from New England to the Pacific Northwest — have plans to do so.

"Global warming is a national and international crisis. And even if the federal government won't do anything, many states will," said California Atty. Gen. Bill Lockyer, who filed one of several lawsuits challenging the Bush administration's decision not to act on greenhouse gases.

The legality of California's new vehicle emission standards remains in doubt. They must be approved by the EPA. But the agency has yet to do so, mostly because of its view that carbon dioxide and other greenhouse gases are not air pollutants under the Clean Air Act.

The automakers have sued to block California's rules, citing the EPA's stand.

Humans and animals exhale carbon dioxide, and plants absorb it. It is also emitted from tailpipes and smokestacks when fossil fuels are burned. Once in the atmosphere, carbon dioxide absorbs the sun's radiation and traps heat in the atmosphere. This is known as the greenhouse effect.

As these greenhouse gases — including methane, nitrous oxide and fluorocarbons — have become more concentrated in the atmosphere, temperatures have increased slowly but steadily. Though some scientists and politicians once dismissed this link, most now acknowledge it.

Bush administration lawyers do not discount the importance of global warming, but they argue it is not covered by the Clean Air Act. That measure, they say, targets pollutants, such as ozone, that are dangerous to breathe — not ones that occur in nature and are essentially harmless to breathe, such as carbon dioxide.

Disagreeing, the states' lawyers point to the language of the law. It says an air pollutant is "any physical, chemical (or) biological … substance or matter which is emitted … into the ambient air."

In their brief to the court, they point out, "Motor vehicles emit the physical and chemical matter carbon dioxide, methane, nitrous oxide and hydro-fluorocarbons into the ambient air." Motor vehicles are the source of about 25% of the nation's greenhouse gas emissions.

It says 'shall'

Another provision appears to require regulation of such gases. It says the EPA "shall" regulate any pollutant from cars or trucks "which may reasonably be anticipated to endanger public health or welfare." The law defines the public's welfare to include effects on "climate" and "weather."

The state lawyers argue that because it is now apparent that greenhouse gases are endangering the public welfare, the EPA must regulate them.

Administration and auto industry lawyers say the high court should dismiss the states' lawsuit. They argue that the nation's global warming policy is a political issue to be decided by Congress and the president, not a legal issue to be decided in court.

This argument may well appeal to Chief Justice John G. Roberts Jr., who has said the court should adopt a more modest role and allow politicians to set policies.

But environmental activists and the state lawyers were pleasantly surprised in June when the Supreme Court voted to take up the case, Massachusetts vs. EPA, despite the objections of the Bush administration.

If the court rules squarely on the question of whether the Clean Air Act regulates greenhouse gases, the stakes will be high for environmentalists, California's regulators and the auto industry.

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"If we win, it will free California and other states from a legal threat," said Bookbinder, the Sierra Club lawyer. "But if the Supreme Court says the Clean Air Act does not cover climate change, it would be hard for California to say it has the authority to regulate greenhouse gases."

If the court rejects the Bush administration's stand, the automakers will be under pressure to produce vehicles that get better gas mileage.

The court could also issue a split decision.

It could rule that carbon dioxide is an air pollutant under the Clean Air Act, but that the EPA's administrator is free to decide whether to issue new emissions standards for it. In the past, the court has been very reluctant to require an agency to issue new regulations.

A split decision would not force the federal agency to regulate greenhouse gases, but it could clear the way for California and the states to do so on their own.

Besides Massachusetts and California, the states challenging the Bush administration's policy are Connecticut, Illinois, Maine, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont and Washington.

They were joined by the cities of New York, Washington and Baltimore, and several environmental groups.

Energy Firms Come To Terms With Climate Change (WP)

By Steven Mufson, Juliet Eilperin

The Washington Post, November 25, 2006

While the political debate over global warming continues, top executives at many of the nation's largest energy companies have accepted the scientific consensus about climate change and see federal regulation to cut greenhouse gas emissions as inevitable.

The Democratic takeover of Congress makes it more likely that the federal government will attempt to regulate emissions. The companies have been hiring new lobbyists who they hope can help fashion a national approach that would avert a patchwork of state plans now in the works. They are also working to change some company practices in anticipation of the regulation.

"We have to deal with greenhouse gases," John Hofmeister, president of Shell Oil Co., said in a recent speech at the National Press Club. "From Shell's point of view, the debate is over. When 98 percent of scientists agree, who is Shell to say, 'Let's debate the science'?"

Hofmeister and other top energy company leaders, such as Duke Energy Corp.'s chief executive, James E. Rogers, back a proposal that would cap greenhouse gas emissions and allow firms to trade their quotas.

Paul M. Anderson, Duke Energy's chairman and a member of the president's Council of Advisors on Science and Technology, favors a tax on emissions of carbon dioxide, the most prevalent greenhouse gas. His firm is the nation's third-largest burner of coal.

Exxon Mobil Corp., the highest-profile corporate skeptic about global warming, said in September that it was considering ending its funding of a think tank that has sought to cast doubts on climate change. And on Nov. 2, the company announced that it will contribute more than $1.25 million to a European Union study on how to store carbon dioxide in natural gas fields in the Norwegian North Sea, Algeria and Germany.

These changes come as Democratic leaders prepare to take over key committees on Capitol Hill. Sen. Barbara Boxer (Calif.), who calls global warming "the greatest challenge of our generation," will take the place of Sen. James M. Inhofe (R-Okla.) as chairman of the Senate Environment and Public Works Committee. Inhofe refers to global warming as a "hoax."

Sen. Jeff Bingaman (D-N.M.), the incoming Energy and Natural Resources Committee chairman, said he hopes to "do something on global warming." Even though the Bush administration's expected opposition might make the enactment of legislation unlikely in the next two years, many companies cannot put off decisions about what sort of power plants to build.

Duke Energy, for example, has not added significant power generation in two decades, and customer demand is rising 1 to 2 percent a year. The company has included a price for the carbon emitted in its cost estimates for a new coal-fired generating plant proposed for Indiana.

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"If we had our druthers, we'd already have carbon legislation passed," said John L. Stowell, Duke Energy's vice president for environmental policy. "Our viewpoint is that it's going to happen. There's scientific evidence of climate change. We'd like to know what legislation will be put together so that, when we figure out how to increase our load, we know exactly what to expect."

One reason companies are turning to Congress is to avert the multiplicity of regulations being drafted by various state governments. The Regional Greenhouse Gas Initiative, a group of seven Northeastern states, is moving ahead with a proposed system that would set a ceiling on greenhouse gas emissions, issue allowances to companies, and allow firms to trade those allowances to comply with regulations.

California is drawing up its program. Other states are also contemplating limits. Even the city of Boulder, Colo., has adopted its own plan -- a carbon tax based on electricity use.

"We cannot deal with 50 different policies," said Shell's Hofmeister. "We need a national approach to greenhouse gases."

Next week, the Supreme Court will hear arguments on whether the federal government is obligated to regulate carbon dioxide as a pollutant; its decision could force the government to come up with guidelines.

Though many energy firms had already voiced support in recent months for federal regulations limiting greenhouse gas emissions, the coming changeover in Congress has intensified the discussions.

"There have been many more folks wanting to engage on the detailed architecture of climate-change legislation," said Jason S. Grumet, executive director of the bipartisan National Commission on Energy Policy. "The tenor, tone and the detail of discussions has changed in the last couple of months. Nobody's going to want to be the last company to come before the Congress and say, 'I've been opposing you for five years, but now can I have my piece?' "

Some businesses are making new hires based on the assumption that legislative activity on global warming will increase in the coming months. Truman Semans, director of markets and business strategy for the Pew Center on Global Climate Change, said at least half a dozen of the companies that belong to the center's Business Environmental Leadership Council have recently hired staff members focused on global warming.

Not every energy company is planning to curb greenhouse gas emissions in the near future. TXU Corp. is planning to spend $10 billion to build 11 new coal-fired power plants, which would more than double the company's carbon dioxide emissions, from 55 million tons to 133 million tons a year. That increase in emissions is more than the total carbon dioxide pollution emitted in all of Maryland or by 10 million Cadillac Escalade sport-utility vehicles.

In an e-mail to The Washington Post, TXU spokeswoman Kimberly Morgan said that the company supports "a comprehensive, voluntary, technology-based approach to global climate change based on carbon intensity" that is both "flexible and cost effective."

"We are at a point in time where other states and businesses are starting to take global warming seriously," said Colin Rowan, spokesman for the advocacy group Environmental Defense. "California is heading toward the future, and TXU and Texas are sprinting full speed back to the 1950s."

The company's approach may pay off in the short term, but it may not last. "Over the next two years I don't think environmental policy is going to change radically," said Carl Pope, executive director of the advocacy group Sierra Club. But he added, "I think the environmental agenda and conversation will change radically."

Corporate America wants to be part of that conversation. Duke Energy's Stowell said: "Industry is coming together and saying, 'Okay, if we're going to do this, let's do this in a way that won't wreck the economy.' "

Taming King Coal (NYT)

The New York Times, November 25, 2006

The front page of this newspaper's business section recently featured two articles about the world's most plentiful fuel, coal. Written from different parts of the globe, they framed the magnitude of the task confronting international negotiators and the newly empowered Democrats in Congress who want to put the brakes on emissions of carbon dioxide, the main global warming gas.

One article pointed out that China will surpass the United States as the world's largest emitter of carbon dioxide by 2009, a decade ahead of previous predictions. A big reason is the explosion in the number of automobiles, but the main reason is

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China's ravenous appetite for coal, the dirtiest of all the fuels used to produce electricity. Already, China uses more coal than the United States, the European Union and Japan combined. Every week to 10 days, another coal-fired power plant opens somewhere in China, with enough capacity to serve all the households in Dallas or San Diego.

What's frightening about this for those worried about the long-term consequences of warming is that nearly all of these plants are being built along traditional lines, burning pulverized coal to make electricity. And what's sad about it is that there's a much cleaner coal-burning technology available. Known as I.G.C.C. — for integrated gasification combined cycle — this cleaner technology coverts coal into a gas before it is burned.

These plants produce fewer of the pollutants that cause smog and acid rain than conventional power plants do. More important, from a global warming perspective, they also have the potential to capture and sequester greenhouse gases like carbon dioxide before they enter the atmosphere.

This new technology is not readily available in China, but it is available to utilities in the United States. Which brings us to the second article — an announcement by TXU, a giant Texas energy company, that it intends to build 11 new coal-fired power plants in Texas, plus another dozen or so coal-fired monsters elsewhere in the country. All told, this would be the nation's largest single coal-oriented construction campaign in years.

Is TXU availing itself of the cleaner technology? No. TXU will use the old pulverized coal model. The company says the older models are more reliable. But the real reason it likes the older models is that they are easier to build, cheaper to run and, ultimately, much more profitable. So, like the Chinese, TXU is locking itself (and the country) into at least 50 more years of the most carbon-intensive technology around.

Barbara Boxer, the California Democrat who will shortly assume command of the Senate environment committee, believes that we should impose a price on carbon emissions (as Europe has done) so that companies like TXU will begin to think about investing in cleaner technologies — technologies that China could then use in its power plants. The message from both Texas and China is that Ms. Boxer should get cracking.

Justice Department Files Motion For Alcoa (ELGC)

Elgin (TX) Courier, November 25, 2006

The Justice Department on the EPA's behalf, filed a motion in US District Court in Austin seeking to resolve issues related to a Consent Decree entered into by Alcoa, the U. S. Government and Citizens groups in 2003, concerning alleged violations in the operation of Alcoa's generating units, reported Jim Hodson, Public Affairs and Environmental Manager of Alcoa.

TXU is proposing to build a new, 630 megawatt (MW) power plant -- Sandow 5. A ruling is expected within a few weeks which if approved will add TXU to the Consent Decree and keep the project moving forward.

The court is being asked to approve a stipulated order that includes:

--A payment of $859,000 to resolve Alcoa's anticipated failure to begin operation of Sandow 5 by the April 25, 2007 deadline.

--Alcoa's Sandow Units 1-3 would be shut down by December 31, 2006, roughly 4 months earlier than the original consent decree.

--A commitment by Alcoa and TXU to begin operation of Sandow 5 with full emission controls by August 31, 2009.

--A commitment by Alcoa and TXU to strive for a Sandow 5 emission rate for nitrogen oxides 20 percent lower than the rate currently provided for in the consent decree.

--TXU would be added as a party to the Consent Decree

--And a commitment by TXU to install selective catalytic reduction system to substantially reduce nitrogen oxide emissions from Sandow Unit 4.

Alcoa and TXU have agreed to the motion as filed.

The proposed new unit will be a clean coal technology, circulating fluidized bed boiler. This power plant will help insure affordable, reliable power to the TXU system and will help keep Alcoa's Rockdale operations fully operational. The new unit will be located at Alcoa's Rockdale plant.

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Sandow 5 will cost about $900 million and would be built over a 3 to 4 year timeframe. The total economic impact of the plant would exceed hundreds of millions over the life of the project through payrolls, property taxes and value of required local products and services. The proposed plant would employ more than 1,000 workers during construction, as well as permanent operating jobs, and will produce enough energy to serve about 200,000 Texas homes.

The motion filed by the government is the outcome of prolonged negotiations but is a workable compromise and Alcoa and TXU are hopeful that the court will approve it. The project has been well supported by the local community.

This project is good for the environment because of the reductions in emissions, said Hodson. It is good for the local economy and taxing authorities because of the additional new assets, construction expenditures, and permanent operating and maintenance jobs.

Hodson continued, it is good for Alcoa because it helps keep the location operating at full capacity, providing high paying employment for more than 1,100 employees, maintaining taxing revenues for local entities and supporting hundreds of suppliers, contractors and consultants. It is good for TXU because it helps to resolve the state's energy reliability issues, Hodson added.

Groups Upset By Claim In Clean Air Suit (AP)

By Pete Yost

AP, November 25, 2006

WASHINGTON - A prominent member of the Supreme Court bar, the small circle of lawyers who regularly appear before the justices, infuriated environmental groups by presenting an argument the groups say is demonstrably incorrect.

The claim a month ago by Washington attorney Carter Phillips that the federal government had changed course in regulating emissions from coal-fired power plants is simply not true and a paper trail of the industry's own documents proves it, the groups say.

The case, Environmental Defense v. Duke Energy Corp., could determine the fate of an Environmental Protection Agency initiative targeting some of the biggest utilities in the nation. Phillips, representing Duke, is managing partner at the Washington office of the law firm Sidley Austin and has argued more than 50 cases at the Supreme Court.

"These companies are bent on getting away with 20 years of illegal pollution by trying to deceive the Supreme Court," said Natural Resources Defense Council clean air director John Walke, who is a former EPA attorney.

Utility industry attorney Scott Segal jumped to Phillips' defense, saying that "for these environmental groups to go after one of the best lawyers in the country is a travesty. Phillips leads a legal dream team with a spotless record." Segal, a partner at the law firm Bracewell & Giuliani, was responding to a list of questions a reporter sent to Phillips' office at Sidley Austin. With the case pending before the Supreme Court, Phillips did not respond.

The government enforcement action against Duke is one of more than a dozen brought by the Clinton administration in 1999 and 2000.

It is aimed at forcing power companies to install the latest pollution-control equipment on aging coal-fired plants which were renovated so they could be operated longer hours.

On Nov. 1, Phillips told the justices: "Our basic argument is that all along" EPA interpreted the regulatory requirements "in a certain way. And then 19 years later, they reversed course" and suddenly sued the companies.

The environmental groups say internal industry documents clearly show that Duke understood long ago that EPA was interpreting the requirements in the same way it did in 1999 when the government went to court. Some of the documents are part of the record before the Supreme Court and all were brought to light in lawsuits against Duke and other utilities.

Among the documents, according to a Justice Department court filing, are 10 memos from an industry trade association spelling out the EPA's position for Duke starting in the late 1980s. It was the same regulatory approach EPA took a decade later when it sued the company. The Justice Department document was filed publicly in 2003, but at Duke's request it was put under seal, barred from public view.

The day after the Supreme Court argument, the Natural Resources Defense Council provided journalists with copies of industry documents the environmental groups say contradict the tack taken by Duke's lawyer before the high court.

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One of them is a Duke company training guide on environmental compliance from 1991 that appears to characterize the EPA's approach in the same way the federal agency did nine years later when it sued Duke.

George Washington University law professor Jonathan Turley reviewed some of the industry files and said, "I find the statements Phillips made hard to square with these documents."

Turley said the complexity of the case makes it easy to suggest uncertainty or confusion, and that "Phillips' comments in court are more likely to be treated as attorneys gilding the lily for their client" rather than attempting to mislead.

The dispute between the utilities and the environmental groups and Justice Department lawyers is whether emissions increases should be measured on an annual basis or under a two-part test.

The industry says EPA regulations always have required an hourly rate increase in emissions before measuring for annual increases. Such an approach would enable the companies to run their revamped coal-fired plants without having to install additional pollution controls, as long as the hourly emissions rate doesn't rise. Pollution would rise significantly, however, because of the longer hours of operation. In his arguments to the justices, Phillips pointed to two EPA officials who in the early 1980s appeared to interpret the rules in the way industry favors.

The EPA and environmental groups say the regulations call for calculating emissions increases annually, which would force the installation of costly pollution controls on plants because of their longer hours of operation. One document environmentalists point to is a 1988 memo by an attorney representing Duke in the Supreme Court case. The document specifies an annual test "instead of" an hourly test.

But Segal, representing the industry, says focusing on that language in the 42-page document "mischaracterizes the memo." The company documents "all assume that you've already cleared the first hurdle of an hourly rate increase, so it's not surprising that the documents sometimes refer to an annual test."

"That's ridiculous," responded Keri Powell, a staff attorney with the not-for-profit environmental law firm Earthjustice.

It was "depressing to listen to Duke's attorney present a sob story to the Supreme Court about how the power companies had no idea that EPA would interpret its rules the way it did in 1999, when the power companies' own documents from years before so clearly show otherwise," Powell said.

Duke spokesman Thomas Williams said the environmentalists' criticism is "an after-the-fact, made-for-litigation theory that was correctly rejected by the lower courts."

FBI/DEA/ATF/USMS:

Jolley Found Guilty On Multiple Drug And Weapons (CASPT)

By Tom Morton, Star-Tribune staff writer

Casper (WY) Tribune, November 23, 2006

A Casper man who led police on a door-to-door search in a Sunrise subdivision in January was found guilty on multiple drug and weapons charges in federal court in Cheyenne on Wednesday.

Armour Lyle Jolley, 32, faces at least 135 years and not more than 180 years of federal imprisonment, according to the second of two indictments filed this year.

He also could be punished with a fine up to $9,250,000, according to the second indictment.

The eight-day, 12-member jury trial began on Nov. 13 before U.S. District Court Judge Clarence Brimmer.

On the first day of the trial, Jolley pleaded guilty to the indictment filed Jan. 24 with the single count of being a felon in possession of a firearm, Justice Department spokesman John Powell said.

The conviction on Wednesday was on all 14 counts of the second indictment filed on July 19:

-- One count of conspiracy to possess with intent to distribute, and to distribute, methamphetamine.

-- Three counts of distribution of methamphetamine.

-- One count of possession with intent to distribute methamphetamine.

-- Two counts of being a felon in possession of a firearm.

-- One count of being an unlawful user of a controlled substance in possession of a firearm.

-- Three counts of possession of a firearm in furtherance of a drug trafficking offense.

-- Two counts of use of a firearm during and in relation to a drug trafficking offense.

-- One count of carrying a firearm during and in relation to a drug trafficking offense.

The July 19 indictment outlines his drug and weapons violations starting in April 2005.

Two of those counts were related to a time between July and August 2005 when Jolley discharged a firearm at a person's residence to intimidate him into paying a drug debt; and another time when he drove a person to an area near the Casper Events Center and discharged a firearm to intimidate that person to pay a drug debt.

Powell said the court has ordered a presentence investigation for Jolley -- a process that could take up to 60 days -- and then it will set a sentencing date.

Neither prosecutor Assistant U.S. Attorney Greg Phillips nor Jolley's defense attorney, Timothy Kingston, could be reached for comment.

In the Casper area, Jolley has had a long criminal history, including a felony when he pleaded in 2004 to a fourth charge of driving intoxicated.

On Jan. 6, 2006, Casper and Mills police officers attempted to arrest Jolley on a warrant after he failed to appear in court, according to court records.

He fled police and a massive manhunt ensued with armed members of the Special Response Team conducting a door-to-door search of a Sunrise subdivision. Police canine units and the Wyoming Medical Center's LifeFlight helicopter assisted in the search, which ended when police spotted Jolley riding in a passenger car.

Jolley was carrying a semi-automatic handgun in an ankle holster when he was arrested.

In August, Jolley attempted to escape the Platte County Jail, where he was being held on the federal charges, according to Platte County Attorney Eric Alden.

Jolley is the son of the late John Jolley, who unsuccessfully ran on the Democratic ballot against Republican Rep. Carolyn Paseneaux for House District 36 in 2000.

Reporter Tom Morton can be reached at (307) 266-0592, or at Tom.Morton@casperstartribune.net.

IMMIGRATION:

Civil Jury Fines Rancher In Illegal-alien Dispute (WT)

By Jerry Seper

The Washington Times, November 25, 2006

An Arizona rancher who has waged a five-year campaign to stop a flood of illegal aliens from crossing his property has been ordered by a civil jury to pay nearly $100,000 for a 2004 incident during which he confronted a family hunting on his land.

Roger Barnett, 62, who began rounding up illegal aliens after he said they destroyed his property, killed calves and broke into his home, was ordered to pay Ronald Morales, his father, his two young daughters and their friend on claims of negligence, false imprisonment and emotional distress.

The jury found in favor of all five plaintiffs, but split responsibility between Mr. Barnett, Mr. Morales and his father, Arturo Morales.

The Morales family had sought $210,000 damages in a lawsuit sponsored by two civil rights groups, the Border Action Network and the Southern Poverty Law Center, which accused Mr. Barnett of vigilantism and abusing the illegal aliens he detained. The jury settled on a damage award of $98,000.

"This is an historic moment," said Jennifer Allen, director of the Border Action Network. "This victory is just the beginning. We can guarantee that every official who tried to sweep this case and issue under the rug and who still has the capacity of bringing criminal charges will hear from us."

Two other lawsuits brought against Mr. Barnett with the assistance of the Border Action Network were dismissed. A lawsuit filed by the Mexican American Legal Defense and Educational Fund is pending, naming Mr. Barnett, his wife and brother, and Cochise County Sheriff Larry Dever, in a conspiracy to violate the rights of illegal aliens.

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During the Morales trial, Mr. Barnett denied threatening the party, testifying that he only took out his AR-15 rifle because the adults in the group were carrying rifles. He also denied accusations by Ronald Morales that he had insulted them with racial slurs and threatened to shoot them.

Mr. Barnett's brother, Donald, said in a statement: "In the Morales family, the father taught the son to trespass, and now the father's teaching the daughters how to trespass in blatant disregard for the law. I guess in this country, private property and a person's rights don't mean much any more."

Donald Barnett had been named in the lawsuit, but later was dropped as a defendant.

Mr. Barnett's Cross Rail Ranch near Douglas, Ariz., has become a major route for northbound illegal aliens. The ranch sits in what Cochise County law enforcement authorities have called "the avenue of choice" for illegal aliens.

"Thousands of aliens have crossed my property," Mr. Barnett told The Washington Times in a September 2002 interview at his ranch. "There are so many that I can tell you that at times it looks like a slow-motion invasion."

Mr. Barnett said some of his cattle have died from ingesting plastic bottles left behind by the aliens and that some of the ranch's trails were littered with trash nearly a foot deep.

A former Cochise County sheriff's deputy who later was successful in the towing and propane business, Mr. Barnett spent $30,000 on electronic sensors, hidden along established trails on his ranch. He searches the ranch for illegal aliens in a pickup truck, dressed in a green shirt and camouflage hat, with his handgun and rifle, high-powered binoculars and a walkie-talkie to communicate.

His actions have made him a target of alien and drug smugglers in Mexico. Law-enforcement authorities told him the smugglers had placed a bounty on his head.

"This is my land. I'm the victim here," Mr. Barnett said.

CONGRESS-ADMINISTRATION:

Democrats Split On Ethics Enforcement (WSJ)

By Jeanne Cummings

The Wall Street Journal, November 25, 2006

Democrats are promising big changes in lobbying rules to combat congressional corruption. But they're divided over whether to create an outside investigative office to review ethics complaints or leave enforcement to members.

"This is an area where there is an opportunity to make the rhetoric of self-reform of Congress real by having the guts to set up an independent office," Connecticut Sen. Joseph Lieberman, a longtime Democrat who was re-elected as an independent, said in an interview this past week.

Opponents say such an office would encroach on Congress's responsibility to police itself and could create an unnecessary and expensive bureaucracy. Many senators have resisted changing oversight rules since most congressional scandals this year involved House members.

Fred Wertheimer, founder of Democracy 21, a nonpartisan group that advocates for ethics overhauls, says that without "effective ethics enforcement, you don't have effective ethics rules."

He says congressional ethics committees themselves have sometimes eroded hard-fought overhauls. In 1995, the House passed a rule limiting lobbyists' gifts to less than $50. Later, the ethics committee valued a seat in a skybox at a sporting event at $49.

After winning control of Congress in midterm elections shaped in part by scandals and corruption charges against Republicans, Democratic leaders are discussing new ethics rules. They include bans on gifts and meals from lobbyists and lobbying organizations, and more frequent reports by lobbyists disclosing for whom and what they are working. In disclosure reports, which lobbyists currently are required to file with Congress at least once a year, they also spell out how much they have been paid for their efforts.

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Former members who become registered lobbyists would be prohibited from seeking help on legislation from their congressional colleagues for two years and denied access to the House and Senate floors. Today, lawmakers-turned-lobbyists can mingle with their former colleagues inside the chambers during debates and votes.

The proposed packages in both the House and Senate would curtail, if not ban, travel paid for by lobbyists and organizations that lobby. House leaders say they would prohibit lawmakers from using corporate planes for official travel. Both chambers are expected to require members to identify hometown projects they insert into spending bills.

House and Senate leaders are mulling creating an office to monitor lobbyists' disclosure reports, or enhancing the powers of existing offices to take on that job.

But so far, neither the House nor the Senate proposal would allow independent scrutiny of the actions of lawmakers themselves. The job of investigating and disciplining them would remain in the Senate and House ethics committees.

Those committees have proved vulnerable to partisan political influences. The House ethics committee was nearly shut down for several years, in part due to an ethics-complaint truce between the two parties in the late 1990s. Later, House Republican leaders clamped down after the committee issued rebukes against former Majority Leader Tom DeLay.

Mr. Lieberman co-sponsored a measure earlier this year with Maine Republican Sen. Susan Collins establishing an independent Office of Public Integrity that would vet Senate ethics complaints and conduct investigations of those it deemed serious. Under the proposal, the ethics committee would oversee the integrity office and could end a probe with a majority vote. The committee also would decide whether to impose penalties on a member.

It was defeated in a bipartisan landslide, 70-30. Among those opposing the office was incoming Democratic Senate Majority Leader Harry Reid of Nevada.

In the interview, Mr. Lieberman said he is going to "make another run at it" and hopes that the strong anticorruption message from voters in the midterm elections "may have changed some minds."

Two advocates for ethics overhaul in the House -- Connecticut Republican Rep. Christopher Shays and Massachusetts Democratic Rep. Marty Meehan -- are considering reviving the same proposal in the House if incoming Speaker Nancy Pelosi, of California, doesn't include it in her ethics-overhaul agenda.

Ms. Pelosi earlier this year proposed enhancing the powers of Congress's inspector general's office to handle disclosure reports by lobbyists. But it didn't extend that office's jurisdiction to ethics allegations against members of Congress. Aides say she is now considering backing the idea of a stronger independent office.

In addition to enforcement, there is the question of how to treat privately funded travel for lawmakers. Both chambers are expected to ban trips paid for by lobbyists and lobbying organizations.

The tougher question is how to deal with groups that have both lobbying and advocacy missions -- with each part organized independently and registered under separate sections of the tax code. Broadly speaking, advocacy work involves shaping policy on issues; lobbying is seeking lawmakers' votes on legislation affecting a particular business interest.

Among groups that handle both lobbying and advocacy are the U.S. Chamber of Commerce, the Sierra Club and the American Israel Public Affairs Committee.

Opponents of a total ban, including major business trade groups, argue that trips are important for educating members of Congress about issues.

Critics say anything short of a total ban would give lobbyists a loophole to exploit. They note that Jack Abramoff, the lobbyist convicted of trying to bribe lawmakers, used what appeared to be charitable organizations to funnel his clients' money to finance a golf trip to Scotland. That became a focus in the Department of Justice investigation of his activities.

"If it's important for a member of the Ways and Means Committee to go outside of his district to look at tax policy in Hawaii, that's fine. It should be paid for with official funds. If not, they should pay for travel like the rest of us," said Meredith McGehee, policy director for the Campaign Legal Center, a nonpartisan watchdog.

House Democrats plan debates and votes on critical planks in their ethics package -- including rules banning lobbyist-financed meals and gifts -- as soon as they take control in January.

Hoyer Hit On Lobbyists' Contributions (WT)

DOJ_NMG_0098463

By Eric Pfeiffer

The Washington Times, November 25, 2006

House Democrats put lobbying reform near the top of their agenda, but their incoming majority leader was one of the biggest recipients of special-interest money.

A new report states that Rep. Steny H. Hoyer, Maryland Democrat, was the "most dependent" on special-interest funding and received the fifth-highest total in lobbying contributions among members of Congress.

According to public financing records, Mr. Hoyer has received $609,836 from lobbyists, $2.46 million from out-of-state donors and $5.67 million in political action committee contributions since 2000.

"Much of the reason he's at the top of the list is because he's in leadership," said Craig Holman, legislative director of Public Citizen, a government watchdog organization that produced the report. "It does not necessarily mean he'll be reluctant to support lobbying reform."

Mr. Hoyer's congressional office was closed for Thanksgiving and was unavailable to comment. But in an interview last week with the liberal Web site Talking Points Memo, Mr. Hoyer was asked if he would support the Democrats' lobbying-reform agenda.

"One of the first things we're going to do is adopt lobbying reform," Mr. Hoyer said. "We are going to adopt rules that make the system of legislation transparent so that we don't legislate in the dark of night, and the public and other members can see what is being done."

Mr. Hoyer also said he would support further restrictions on lobbying and legislation aimed at curbing so-called "earmarks," which are expenditures anonymously attached to larger spending bills.

Some liberal organizations have criticized Mr. Hoyer for his votes on lobbying-related measures. He previously has voted against bills that would place Internet political communications under the same campaign-finance restrictions as regular television and radio ads.

In addition, Mr. Hoyer voted against a measure that would require 527 political organizations, which are currently able to raise unlimited amounts of money, from falling under the same regulations.

"Steny Hoyer realizes that Democrats are in power because Americans are upset with issues of corruption in Congress," Mr. Holman said. "We fully expect Hoyer to be an ally."

Public Citizen says it has been actively working with House Speaker-elect Nancy Pelosi's office to advocate lobbying-reform legislation. Although Mr. Holman says his organization has received a large degree of cooperation from the California Democrat's office, his group is not being granted all of its requests, which include a total ban on lobbyist campaign contributions.

Mrs. Pelosi had nominated Rep. John P. Murtha, Pennsylvania Democrat, for the House majority leader position. Mr. Murtha lost that race.

Many analysts say Mr. Murtha's defeat was a result in part of his own troubles on ethics issues stemming from his involvement as a unindicted co-conspirator in the FBI's Abscam bribery investigation in the 1970s and '80s.

Pelosi's Ascendancy In House Puts A Close Liberal Ally In The Spotlight (NYT)

By Kate Zernike

The New York Times, November 25, 2006

WASHINGTON, Nov. 22 — In a friendship stretching over 30 years and many plane trips to Washington from their neighboring California districts, Representatives Nancy Pelosi and George Miller have become so close that, as colleagues say, they finish each others' sentences.

So it was not surprising that, when Mrs. Pelosi faced the first test of her role as speaker-elect of the House of Representatives, Mr. Miller was in the background, pushing her to back Representative John P. Murtha of Pennsylvania to replace her as Democratic leader over the more centrist candidate, Representative Steny H. Hoyer of Maryland, who had been her No. 2 for four years.

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In the week since Mr. Hoyer won the position, Democratic leaders have played down any disharmony created by the leadership struggle. But Mr. Miller's role raised fears that after carefully nudging her party to the center, which many say helped the Democrats retake the majority, Mrs. Pelosi would let her liberal allies have too much influence.

In the concerns of some Democrats — and the I-told-you-so's of some Republicans — Mr. Miller represents Mrs. Pelosi's true liberal soul, and his pushing for Mr. Murtha a sign that the far left would dominate and destabilize the Democrats, after they have emerged from 12 years in the minority.

There is no doubt that Mr. Miller remains one of Mrs. Pelosi's most trusted advisers. But those who know them both say that he, and his influence, have been wrongly judged.

Now one of the 10 most senior members of Congress, Mr. Miller has proven himself both a liberal lion — an early advocate of an increase in the minimum wage and a champion of the environment — and savvy about working both sides of the aisle. An agitator for higher teacher standards, he was one of the chief negotiators with President Bush on the No Child Left Behind legislation. (Mr. Bush nicknamed Mr. Miller, a burly and now white-haired former high school football player, Big George.)

After Hurricane Katrina, he enlisted Republicans to reverse Mr. Bush's order that allowed federal contractors working to rebuild the Gulf Coast to pay workers less than the prevailing local wage.

"He is liberal, and that pragmatism is always difficult to achieve when you're passionate about something," said Representative Ellen O. Tauscher, Democrat of California and a leader of the party's more moderate wing in the House.

But, Ms. Tauscher said, Mr. Miller understands what she calls the "very difficult kabuki dance" facing Democrats.

Party members have gritted their teeth for 12 years, she said. And now, "on a napkin, on the back of an envelope, in their BlackBerry, they've got lists of what they want to do, and they think their priorities are everybody's priorities."

"But in the end, this is about securing a majority for more than two years," she said. "I don't expect him to be thrilled about it. But I think he's sanguine; he's pragmatic and realistic."

Mrs. Pelosi, 66, and Mr. Miller, 61, share similar pedigrees. Her father was a Baltimore mayor and congressman; his father served 25 years in the California legislature. When the elder Mr. Miller died in his 50s, his son ran for his seat and lost.

Five years later, after law school, Mr. Miller ran for Congress from a largely working-class district east of San Francisco and won. He arrived in 1975 as one of the Watergate babies, the idealistic Democrats elected on a reform platform.

Mrs. Pelosi, meanwhile, rose through California politics and became chairwoman of the state Democratic Party. She would later take the Congressional seat that had been held by Phillip Burton, who was Mr. Miller's mentor.

Mr. Burton advised Mr. Miller to pick a committee and stay on it; this, he said, was how Southern Democrats had amassed power. Mr. Miller listened, staying on the House Interior and Education committees, becoming chairman of Interior (now named House Resources) in 1991. (Mrs. Pelosi congratulated him with a gift of Mr. Burton's chair and a small model of a Burton statue that had been placed in San Francisco.) He has been the senior Democrat on the education committee since 2001 and is expected to become its chairman in January.

He is also known more informally as the dean of the town house on Capitol Hill that has served as a kind of fraternity house for a succession of Democrats. Mr. Miller lived there with his family before they moved back to California; his roommates now are Senators Richard J. Durbin of Illinois and Charles E. Schumer of New York, the second- and third-ranking Democrats, and Representative Bill Delahunt of Massachusetts. In long-running Tuesday dinners with a group that included Mrs. Pelosi and other now-senior Democrats, it was Mr. Miller, other members say, who was the first to declare that Mrs. Pelosi would become the nation's first female speaker.

Mrs. Pelosi calls him "a valued friend and tremendously talented legislator."

As chairman of the Democrats' steering and policy committee, he helped shape the platform the Democrats ran on in the midterm elections — including raising the minimum wage, cutting interest rates on student loans and expanding stem cell research.

"He has guided Democrats' policy agenda that unified the caucus and spoke to the dreams and aspirations of the American people," Mrs. Pelosi said.

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Some who know both lawmakers say that Mr. Miller's counsel continues to be important to her. "Not only can George give her good advice, but he can also tell her things she doesn't want to hear," Ms. Tauscher said. "Sometimes you can only take tough news from somebody that is very close to you."

But others say that if the relationship was once defined as one of complete trust, it is now more like trust, but verify.

Mr. Miller says his influence over Mrs. Pelosi has always been overstated, showing a misunderstanding of her talent and strength. He calls her "the toughest person you've met in politics."

He backed Mr. Murtha, he said, because he was impressed by his turnaround on the war in Iraq.

"To watch this man take his knowledge, his career, his experience in the military and to see him start to understand the damage that was being done to the soldiers and the institution, was really quite remarkable," Mr. Miller said.

"When he decided to go public, which is not generally his character," Mr. Miller said of Mr. Murtha, "he immediately changed the national debate. And then when you saw the role the debate on the war took during the campaign, I think there is a serious debt of gratitude. You were saying back to the voters, 'We heard you.' "

But the other message from voters, he said, is that they want Congress to work in a bipartisan manner, after years of Republican rule.

"There was a conscious decision by Tom DeLay and Dennis Hastert to turn the House into a winner-take-all," he said, where no legislation would be brought for a vote without most of the majority supporting it.

Having seen that, he said, he understands the role Mrs. Pelosi must assume.

"The speaker made a horrible miscalculation that he was the speaker of the Republican Party as opposed to the difference Nancy has drawn, that Tip O'Neill drew — that you are the leader of the Democrats, and speaker of the House," he said. "That simple understanding can allow a lot of things to happen that provide opportunities for the minority to participate."

The Struggle Within (NYT)

By Thomas B. Edsall

The New York Times, November 25, 2006

Can the Democratic Party become fully competitive? Is American liberalism dead, the 2006 election a last twitch of life before rigor mortis sets in? The answer to both questions is yes. (More on this next week.)

For the Democratic Party to revive, major tenets of American liberalism, economic and sociocultural, will have to be discarded. The party can join Studebaker and the Glass Bottle Blowers union, it can trudge along as No. 2, or it can undergo a painful transformation — without guarantee of success.

To stay in the fight, Democratic leaders will have to acknowledge political realities affirmed by the electorate in 1994 and 2006. Many Democratic constituencies — organized labor, minority advocacy organizations, reproductive- and sexual-rights proponents — are reliving battles of a decade or more ago, not the more subtle disputes of today. Public sector unions, for example, at a time of wide distrust of government, are consistently pressing to enlarge the state. For these players, adapting to a re-emergent center will be costly.

Democrats won on Nov. 7 by carrying a 59 percent majority of independent, moderate voters angered by the Iraq war and Republican corruption. These voters demonstrated 12 years ago that they can easily turn against Democrats.

An example of the reality that Democrats refused to face the last time they had a shot at consolidating power materialized during the fight to pass Clinton's 1994 Omnibus Crime Bill, legislation that sought to burnish the party's justice credentials by increasing the number of felonies subject to the death penalty. Instead, amendments added to win support from the left — most visibly, $40 million for midnight basketball leagues — caught fire on conservative talk radio, spread to the establishment media, and soon became a liability.

When Democrats bend to the will of liberal interest groups, even in pursuit of laudable goals, the damage to the party's credibility can be devastating. President Clinton succumbed to such pressure, and Democrats in the House and Senate paid the price. Democrats now have a chance to regain public trust, but even a minor miscalculation can push the party off the tightrope. Its House majority is tenuous: 17 of the new Democrats represent districts that voted for Bush in 2004 by at least 54 percent, according to the political scientist Gary Jacobson.

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The public will desert Democrats placing a disputed cultural or spending agenda above the broader public interest. This is especially true at a time of extreme uncertainty: lethal struggle in the Mideast, nuclear proliferation, mounting skepticism toward free trade, and a rising non-marital birthrate — now at 37 percent — that concerns moderate voters.

The potential for an incendiary controversy to engulf the Democratic left has sharply escalated with Web access to each committee and floor vote under new Congressional transparency rules, and the development of aggressively partisan outlets in the blogosphere. An army of conservative media is determined to recreate the political climate so advantageous to the G.O.P. in 1994. At the same time, very liberal senior House Democrats now have vastly enhanced power to add inflammatory provisions to bills moving through their committees (think Rangel and the draft).

Nancy Pelosi and her closest advisers in the House are more likely to support such radioactive amendments than to serve as guard dogs protecting a slender Democratic majority. The first test of Pelosi's ability to distinguish between broad-based and special interests will be when she decides whether to appoint Alcee Hastings, the once-impeached federal judge, to head the House Intelligence Committee.

Only two members of the House leadership are intuitively attuned to such problems: Rahm Emanuel, chairman of the Democratic caucus, and Steny Hoyer, the majority leader. But Emanuel has limited influence, and relations between Pelosi and Hoyer are distant at best.

Still, the vigilance of Hoyer and Emanuel will be crucial to a party whose renewal could easily be stillborn. Congressional leaders are not all-powerful, but they can set the stage for a successful presidential candidate, or lay waste to the center-left, dooming the nominee.

The Democratic Party can secure its 2006 gains, but to do so will require abandoning a decades-long willingness to indulge pressure groups on the left that no longer command broad popular allegiance.

Texas Universities Battle Each Other To Nab Bush Library (WSJ)

By Steve Levine

The Wall Street Journal, November 25, 2006

DALLAS -- The biggest college rivalry in Texas these days isn't only over football. It is the battle to score President Bush's presidential library.

Southern Methodist University, the University of Dallas and Baylor University are the three finalists to house Mr. Bush's presidential library. In efforts to snag the prize, they have bought up hundreds of acres of land, awarded honorary degrees to Bush family members, and even named a highway after the president. A decision by the George W. Bush Presidential Library Site Selection Committee is expected in December or January.

SMU -- which sits in an affluent enclave a few miles north of downtown Dallas -- is the betting favorite. It is Laura Bush's alma mater, she serves on its board of trustees, and the Bushes' church, United Methodist Church, is next to the college. But the University of Dallas and Baylor have fought back with lavish proposals that pay homage to themes of the Bush presidency.

"This is a high-stakes game, and everyone understands that," said Tommye Lou Davis, who is overseeing Baylor's library initiative.

There currently are 11 official presidential libraries. Though some are more popular than others, they hold the potential to bring hundreds of millions of dollars in local tourism and development. Little Rock, Ark., officials, for example, say the two-year-old Clinton Presidential Library has thus far attracted some $1 billion in fresh downtown construction and roughly 800,000 visitors.

Mr. Bush has appointed some of his closest intimates to vet and shape his library. The effort is led by Donald L. Evans, Mr. Bush's friend and former commerce secretary, and also includes Karl Rove, his top political adviser, brother Marvin Bush and White House counsel Harriet Miers, the former Supreme Court candidate.

Mr. Evans has kept much of the process secret and asked the competing universities to do the same, officials of the schools say. But in a letter sent in summer 2005 to all candidates, Mr. Evans and Marvin Bush said the library would seek to adopt the president's signature themes of "compassionate conservatism, the spread of freedom and democracy throughout the world, and defeating terrorism."

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The library, along with a public policy center that Mr. Bush wants to include, will cost more than $200 million -- funds raised from private contributors. That is at least 20% more than the $165 million, 28-acre Clinton Library, which opened in 2004.

In 2001, Mr. Bush signed an executive order that can significantly restrict scholars' access to all presidents' papers, and some Democratic critics have made hay over the library effort. "Whoever designs his library, don't make the parking lot too big," wrote humorist Garrison Keillor in his latest book, "Homegrown Democrat."

Laura Bush has helped fuel SMU's front-runner status by saying that the couple will have a post-presidential home in Dallas, and telling the Houston Chronicle that the university is her sentimental favorite. SMU has granted an honorary doctorate to former President Bush.

SMU is among Texas' most prestigious colleges. It is also in the middle of a densely built neighborhood. Though SMU is tight-lipped about its library plans, it has been acquiring land that is widely believed to be for the library site. Dallas oil man Ray Hunt, a big Bush contributor, recently gave the school $35 million that allowed it to buy a shopping center that might be part of the presidential library site.

The school, whose officials have declined to comment on any specific plans, ran into a snag when one property owner refused to sell his four condos to the university. Gary Vodicka, an SMU graduate, has filed suit in Dallas federal court claiming that SMU's $450,000 offer for his units is inadequate. They sit on a 12.5-acre area near SMU that is presumed to be one of the sites proposed by the school to the Bush committee.

SMU's land issues have left an opening for the lesser-known University of Dallas, which is pushing its own, 300-acre site with a view of downtown Dallas. Plans are already drafted for a "Bush Presidential Library and School of Democracy" and a "Liberty Mall."

Situated in the suburb of Irving, on Dallas's western side, the Catholic school was able to recruit longtime Bush supporter Nancy Cain Marcus as a key advocate. In 2001, Mr. Bush gave Mrs. Marcus the plum appointment as an alternate representative to the United Nations. Last September, she accompanied the University of Dallas's president to Washington to present the school's proposal at the Mayflower Hotel.

Dallas Mayor Laura Miller is trying to find a compromise that will satisfy all her constituents. She advocates locating the library at the University of Dallas, but affiliating it with both Dallas-area schools. "The proposed SMU site is cramped, and the campus, though pretty, is already a traffic nightmare, even without a heavily visited presidential library in its midst," Ms. Miller says.

Though details of such a plan are still vague, the University of Dallas would seriously explore the Miller idea, says university President Frank Lazarus. Brad Cheves, SMU's vice president for development, says the school hasn't considered the plan.

Then there is Baylor. The Baptist institution is situated in the city of Waco, about two hours south of Dallas. A century ago it was more important financially than Dallas because of its cotton-industry and railroad connections. But the central Texas city of 120,000 people often seems to be answering for long-ago calamities.

In June, the city council condemned a series of lynchings in the city and the area in the 19th- and 20th-centuries. Waco's shuttered-up downtown has yet to recover from a 1953 tornado. And some outsiders still call the city "Wacko" because of the 1993 deaths of 76 people in a standoff just outside town between FBI agents and members of the Branch Davidian religious sect.

The local thinking is that Waco could shed those ugly images should Baylor win. "This is a community of historically low self-esteem....There is a sense that this is something Waco could win," says Carlos Sanchez, editor of the Waco Tribune-Herald, which has been beating the drum for the library.

Former Baylor President Robert Sloan started lobbying for the library even before Mr. Bush announced his presidential candidacy in 1998. The entire city establishment since has joined the cause. Baylor has presented honorary doctorates to Mr. Bush and his mother, Barbara Bush. In 1998, the school gave a high university decoration called the alumna honoris causa to Laura Bush. "At a cynical level, that can come off negatively," says Mr. Sloan. "But you want people to see the university."

Mr. Sloan, meanwhile, got Baylor graduate Drayton McLain Jr. -- owner of the Houston Astros baseball team and a close friend of Mr. Bush -- to chair the effort. The city and business community of Waco got behind it, too. Waco renamed a local strip of U.S. 84 Interstate the "George W. Bush Thoroughfare." And a local businessman, Clifton Robinson, offered up a low-interest $6 million loan toward a riverfront four-star hotel for visitors.

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Even Bernard Rapoport, the city's leading Democratic Party activist, is excited at the prospect of the library. He says it could "raise the level of thinking of our community by bringing in notables and speakers." Mr. Rapoport, who has a 4,000-volume library at home, says a presidential library is something that transcends partisan lines. "What a library does is tell you that there's no excuse for being ordinary."

Gates Pushed For Bombing Of Sandinistas (LAT)

By Julian E. Barnes, Times Staff Writer

The Los Angeles Times, November 25, 2006

His 1984 memo called for 'hard measures' against Nicaragua.

WASHINGTON — Robert M. Gates, President Bush's nominee to lead the Pentagon, advocated a bombing campaign against Nicaragua in 1984 in order to "bring down" the leftist government, according to a declassified memo released by a nonprofit research group.

The memo from Gates to his then-boss, CIA Director William J. Casey, was among a selection of declassified documents from the 1980s Iran-Contra scandal posted Friday on the website of the National Security Archive, http://www.gwu.edu/nsarchiv/ .

In the memo, Gates, who was deputy director of the CIA, argued that the Soviet Union was turning Nicaragua into an armed camp and that the country could become a second Cuba. The rise of the communist-leaning Sandinista government threatened the stability of Central America, Gates asserted.

Gates' memo echoed the view of many foreign policy hard-liners at the time; however, the feared communist takeover of the region never materialized.

"It seems to me," Gates wrote, "that the only way that we can prevent disaster in Central America is to acknowledge openly what some have argued privately: that the existence of a Marxist-Leninist regime in Nicaragua closely allied with the Soviet Union and Cuba is unacceptable to the United States and that the United States will do everything in its power short of invasion to put that regime out."

Gates predicted that without U.S. funding, the Nicaraguan anti-communist forces known as Contras would collapse within one or two years. But he said that providing "new funding" for the Contras was not good enough. Instead, he advocated that the United States withdraw diplomatic recognition of the Sandinista government, provide overt assistance to a government in exile, impose economic sanctions or a quarantine, and use airstrikes to destroy Nicaragua's "military buildup."

"It sounds like Donald Rumsfeld," said National Security Archive Director Thomas S. Blanton. "It shows the same kind of arrogance and hubris that got us into Iraq."

In the memo, Gates noted he was advocating "hard measures" that "probably are politically unacceptable."

Indeed, Blanton said, Gates' advocacy of military strikes against Nicaragua was extreme.

"It sure wasn't a mainstream opinion; most Americans thought we shouldn't be doing anything in Nicaragua," Blanton said. "How possibly was our national security interest at stake?"

Reached late Friday, Scott Stanzel, a White House spokesman, said he was not familiar with the memo. Stanzel said Gates would not be available for comment because it was standard practice for nominees to reject interview requests before Senate confirmation hearings.

Blanton said it would be wrong to look at a 22-year-old memo as evidence of Gates' current thinking. Gates seems to have changed after his nomination for CIA director was withdrawn in 1987, Blanton said. When Gates became CIA director in 1991, he was chastened and his earlier "arrogance" diminished.

"People change," Blanton said. "And very possibly the Robert Gates nominated for secretary of Defense is the Robert Gates who is the best CIA director we ever had, and not the Robert Gates who was a 'mini-me' Rumsfeld."

The memo offers some insights into how Gates viewed historical lessons, at least in 1984.

Gates wrote that the United States wrongly thought in the late 1950s that it could encourage Castro to form a pluralistic government. And he said that in Vietnam the United States took a series of half measures that "enabled the enemy to adjust to each new turn of the screw" by the war's end, he said, the country was able to tolerate severe bombing campaigns.

"Half measures, halfheartedly applied, will have the same result in Nicaragua," Gates wrote.

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It was probably the election of Daniel Ortega to the Nicaraguan presidency in November 1984 that prompted Gates to write his memo of Dec. 14, 1984.

Ortega was elected again to the presidency this year, although he now presents himself as a moderate.

In the memo, Gates concluded that the Contra rebels alone would not be able to overthrow the Sandinista regime, even with U.S. money.

It was the Reagan administration's attempts to find ways to provide funding for the Nicaraguan rebels even after Congress forbade such support that led to the Iran-Contra scandal, a plan to use the proceeds of arms sales to Iran to fund the Contras.

The Iran-Contra affair erupted in the public spotlight 20 years ago. Gates' role in the scandal was investigated by Independent Counsel Lawrence E. Walsh and was the focus of confirmation hearings for Gates' 1987 nomination for CIA director.

Gates denied any wrongdoing in the scandal. Most of the debate over Gates' role centers on what he knew about the plan.

According to documents released by the National Security Archive and others, Gates seems to have known about Oliver North's attempts to raise money for the Contras, but opposed the idea and tried to keep the CIA out of it.

Critics have said Gates failed to make inquiries about the scandal that could have stopped the scheme from going forward.

Walsh concluded that Gates was "less than candid" but did not bring charges against him.

Gates' suggestions for Nicaragua policy were never adopted by the Reagan administration. And, on the whole, Gates' predictions in the 1984 memo didn't pan out.

Nicaragua did not become a communist dictatorship. The Sandinista regime did not lead to the fall of U.S.-backed governments in El Salvador, Honduras or Guatemala. Ortega and the Sandinistas were voted out of office in 1990. A year later the Soviet Union ceased to exist.

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At CIA, Robert Gates Advocated Air Strikes Against Nicaragua In 1984, Documents Say (IHT/AP)

International Herald Tribune/AP, November 25, 2006

WASHINGTON: In 1984, Robert Gates, then the No. 2 CIA official, advocated U.S. airstrikes against Nicaragua's pro-Cuban government to reverse what he described as an ineffective U.S. strategy to deal with communist advances in Central America, previously classified documents say.

Gates, President George W. Bush's nominee to be defense secretary, said the United States could no longer justify what he described as "halfhearted" attempts to contain Nicaragua's Sandinista government, according to documents released Friday by the National Security Archive, a private research group. .

In a memo to CIA Director William Casey dated Dec. 14, 1984, Gates said his proposed airstrikes would be designed "to destroy a considerable portion of Nicaragua's military buildup" and be focused on tanks and helicopters.

He also recommended that the United States prevent delivery to the Sandinistas of such weapons in the future. The administration, he said, should make clear that a U.S. invasion of the country was not contemplated.

Ironically, Gates' nomination to succeed Defense Secretary Donald Rumsfeld was announced just days after Ortega capped off a surprise political comeback by winning election as Nicaraguan president after three previous bids were rejected by the voters.

Ortega has recast himself as a moderate, assuring Nicaraguans that his Marxist-Leninist days are over.

Gates saw a calamitous situation in Central America in December 1984. Congress had ordered a halt to U.S. support for the Contra rebels, leaving Ortega free, as Gates saw it, to establish Nicaragua as a "permanent and well-armed" ally of the Soviet Union and Cuba.

He said the United States should acknowledge that the existence of a Marxist-Leninist regime in Nicaragua closely allied to Moscow and Havana "is unacceptable to the United States and that the United States will do everything its power short of invasion to put that regime out."

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In addition to airstrikes, he recommended withdrawal of U.S. recognition of the Nicaraguan government and recognition of a Nicaraguan government exile that would be entitled to U.S. military support.

Economic sanctions should be considered, "perhaps even including a quarantine," Gates wrote.

His proposals were never adopted but the administration attempted to circumvent the Contra aid ban by secretly funneling money to the rebels that had been obtained through arms sales to Iran. Democrat says they will question Gates during his Senate confirmation about his knowledge of the Iran-Contra scandal, which erupted two years after he sent his memo to Casey.

Gates' grim prediction in the memo of disaster in Central America did not come to pass. Congress renewed aid to the Contras in 1986. In February 1990, Nicaraguans dealt a blow to the Soviet Union and Cuba by voting Ortega out of office. And within two years, the Soviet Union had disappeared.

On Iran-Contra's 20th Anniversary, Private Group Releases Documents About Gates' Role (SDUT/AP)

By Pete Yost,

The San Diego Union-Tribune/AP, November 25, 2006

The Iran-Contra affair exploded 20 years ago Saturday, a scandal that crippled the last two years of Ronald Reagan's presidency and temporarily damaged the career prospects of Robert Gates, President Bush's nominee to replace Defense Secretary Donald H. Rumsfeld.

Gates advocated air strikes against Nicaragua in '84, documents say

On Nov. 25, 1986, Attorney General Edwin Meese announced the diversion of millions of dollars in proceeds from the Reagan administration's secret arms sales to Iran to Central America, where the money was used to help bankroll a war secretly run out of the White House. At the time, Congress had cut off military aid to the rebel force known as the Contras fighting the communist government of Nicaragua.

The National Security Archive, a private group, is posting on its Internet site some of the hundreds of thousands of government documents it has collected on the scandal, including some about Gates. His nomination to become CIA director was derailed in 1987, but Gates stayed on in government, survived the political bloodletting, was renominated by President George H.W. Bush four years later and confirmed by the Senate.

Now Senate Democrats are expected to gauge Gates' willingness to change the administration's war policies, but they probably won't stand in his way to becoming the next defense secretary.

Thirty-one Democrats voted against him in 1991, in part because some felt he had turned a blind eye to the diversion of funds to the Contras. Gates says he first heard information about the diversion nearly two months before it was disclosed to the public, and a CIA official said he first told Gates about it even earlier.

Iran-Contra Independent Counsel Lawrence Walsh investigated Gates but brought no criminal charges, concluding that Gates' statements to investigators “often seemed scripted and less than candid.”

One of the central figures in the Iran-Contra affair, retired Air Force Gen. Dick Secord, said Friday that critics “have beat this dead Iran-Contra horse far too much by trying to involve Gates, which is a laugh.”

Secord was recruited by CIA Director William Casey to run the secret resupply network to the rebels along with National Security Council aide Oliver North. He said Gates “was not a player and, since I was the chief of operations, I guess I would have known if he was a player.”

Vengeful Shi'ites Kill 25 (AP)

By Thomas Wagner

AP, November 24, 2006

BAGHDAD -- Shi'ite militiamen yesterday doused six Sunni Arabs with kerosene and burned them alive as Iraqi soldiers stood by, amid attacks on mosques that left 19 other Sunnis dead.

The violence was seen as revenge for the slaughter of at least 215 Shi'ites in the Sadr City slum the day before.

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The mosque attacks took place after the Iraqi government, attempting to stop the nation's slide into civil war, imposed a sweeping curfew in the capital. Officials shut down the international airport and closed Iraq's main outlet to shipping lanes in the Persian Gulf.

Shi'ite militiamen of the Mahdi's Army, armed with machines guns and rocket-propelled grenades, swept through the Hurriyah neighborhood near an Iraqi army post. The militiamen burned four mosques and several homes, and attacked worshippers as they left services, police Capt. Jamil Hussein said.

Followers of radical anti-American Shi'ite cleric Muqtada al-Sadr warned they would suspend their membership in parliament and the Cabinet if Prime Minister Nouri al-Maliki meets with President Bush in Jordan next week, a member of parliament said.

Legislator Qusai Abdul-Wahab, an al-Sadr follower, blamed U.S. forces for Thursday's bombings in Sadr City because they failed to provide security.

"We say occupation forces are fully responsible for these acts, and we call for the withdrawal of occupation forces or setting a timetable for their withdrawal," Mr. Abdul-Wahab said.

Mr. Bush, who was spending the Thanksgiving holiday at Camp David, said through a spokesman that he would stick to his plans for the summit.

Mahdi's Army gunmen loyal to Sheik al-Sadr had begun to take over the mixed neighborhood of Hurriyah during the summer and a majority of its Sunni residents had fled.

Three Sunni mosques elsewhere in Baghdad came under attack later in the day, and in Sadr City, a U.S. helicopter shot back at Shi'ite militiamen who opened fire on it from the ground, residents said. There were no immediate reports of casualties.

At least 87 persons were killed or found dead yesterday in sectarian violence across Iraq.

Capt. Hussein said at least 25 Sunnis were killed and 14 wounded in the mosque attacks in Hurriyah, despite a 24-hour curfew that the government imposed to try to prevent reprisal killings in the capital.

The Baghdad attacks appeared to have been a reaction to the deaths Thursday in Sadr City, when Sunnis unleashed bombs and mortars that killed at least 215 persons and wounded 257 in the deadliest single assault since the U.S.-led invasion of Iraq.

The killings threatened to tip Iraq's widespread sectarian violence into full-scale civil war pitting majority Shi'ites against minority Sunnis.

In the northern city of Tal Afar, 23 persons were killed and 43 wounded when explosives hidden in a parked car and in a suicide belt worn by a pedestrian detonated simultaneously outside a car dealership, police Brig. Khalaf al-Jubouri said.

Mr. Bush and Mr. al-Maliki were scheduled to meet Wednesday and Thursday in Amman.

The al-Sadr bloc in parliament and in the government is the backbone of Mr. al-Maliki's political support. Its withdrawal, if only temporarily, would be a severe blow to the prime minister's already shaky hold on power.

Sheik al-Sadr's followers hold six Cabinet seats and have 30 members in the 275-member parliament.

Sheik al-Sadr also challenged Sheik Harith al-Dhari, the Sunnis' most influential leader, who heads the Association of Muslim Scholars, to issue a fatwa, or religious edict, that condemned Sunni attacks on Shi'ites.

Leading about 5,000 worshippers in Friday prayers at a mosque in the Shi'ite holy city of Kufa, 100 miles south of Baghdad, the Shi'ite cleric said Sheik al-Dhari should ban Sunnis from joining al Qaeda in Iraq and organize the reconstruction of the Shi'ite Golden Dome mosque in Samarra, north of the capital.

Suspected al Qaeda bombers blew the shrine apart Feb. 22. Sheik al-Sadr's Mahdi's Army militia and associated death squads are thought to be responsible for killing hundreds of Sunnis since suspected al Qaeda in Iraq militants bombed the Golden Dome mosque. That attack set off a surge of retaliatory killings between Shi'ites and Sunnis that have raged all year.

In Sadr City yesterday, hundreds of men, women and children beat their chests, chanted and cried as they walked beside vehicles carrying the caskets of their loved ones to the holy Shi'ite city of Najaf. Despite Baghdad's curfew, Mr. al-Maliki, himself a Shi'ite, ordered police to guard the processions.

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Once the processions reached the edge of Sadr City in northeastern Baghdad, the cars and minivans left most of the mourners behind and began the 100-mile drive south to Najaf, a treacherous journey that passes through many checkpoints and areas controlled by Sunni militants in Iraq's so-called Triangle of Death.

As cleanup crews continued removing remains of the dead from wreckage of the car bombs, tents were erected where relatives could receive condolences.

Thursday's attack surpassed coordinated blasts on March 2, 2004, that struck Shi'ite Muslim shrines in Karbala and Baghdad, killing a total of at least 181 Iraqis and wounding 573. A bombing in the southern city of Hillah that targeted mostly Shi'ite police and national guard recruits, killed 125 and wounded more than 140 in February 2004.

GAO: DOD Business Practices Risky (UPI)

United Press International, November 25, 2006

WASHINGTON, Nov. 24 (UPI) -- One of the most important tasks in the next session of U.S. Congress is to oversee the Pentagon's business operations, the Government Accountability Office said.

The GAO has identified 26 federal programs or activities that are at risk for waste, fraud and abuse because of lax oversight. Eight of them are in the Defense Department and six are programs for which the DOD bears some responsibility.

"Billions of dollars have been wasted annually because of the lack of adequate transparency and appropriate accountability across DOD's business areas," the GAO stated in a new report to Congress, outlining what it believes should be Congress' top priorities for oversight.

The high-risk areas include DOD's overall management

approach to business transformation, business systems modernization, financial management, the personnel security clearance process, supply chain management, support infrastructure management, weapon systems acquisition, and contract management, according to the report.

The GAO lays out key tasks for Congress to help the Defense Department get a handle on the management of its $430 billion annual budget:

--"Require DOD to establish management accountability at an appropriate level of the organization with significant authority, experience, and tenure to provide sustained leadership needed to achieve successful and sustainable transformation," it said;

--"Require DOD to develop and implement a viable strategic plan with goals, objectives, key milestones, and measures to monitor and report on progress in transforming its key business operations;

--"Evaluate DOD's progress in complying with legislative requirements to improve its business systems modernization and financial management modernization efforts,(and) require DOD to develop and implement plans to address its high-risk

areas."

Lost Documents Slow Veterans' Access To Benefits (LAT)

By Diane C. Lade, South Florida Sun Sentinel

The Los Angeles Times, November 25, 2006

Almost a million a year ask federal officials about retrieving papers they need to apply for valuable aid. Now forms are available online.

FORT LAUDERDALE, FLA. — Harold Brewster certainly earned the right to veterans benefits. He was aboard the battleship New Mexico when a kamikaze pilot slammed into its bridge, killing its commanding officer and 29 crew members during World War II.

But when the former sailor now living in Boca Raton asked about the free plots that would be available to veterans in the new South Florida National Cemetery, he found out he needed documents that had been lost years before. Brewster's military papers and five medals were taken when his household belongings were stolen 10 years ago.

"I didn't know what we were going to do," said Brewster, 80.

Almost a million veterans a year ask federal officials about retrieving lost military documents, papers they need to apply for valuable veterans benefits like housing loans and low-cost healthcare.

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The process now can be expedited by applying online. But some veterans and their families still find it cumbersome and confusing.

"Most people don't have the ability to do it on their own," said Floyd White, section manager with Broward County Elderly and Veterans Services.

At least one veteran a week comes into the office for help replacing lost papers, White said.

Brewster's family turned to the Mae Volen Senior Center in Boca Raton, where Brewster goes for activities and lunch.

Administrative assistant Grace Ginsberg pulled up the forms online and, within a few months, had the papers, as well as replacements for the medals.

Brewster wept as a Navy recruiter presented his decorations, in a display box put together by the center, during a ceremony two days before Veterans Day.

But some documents can be hard to retrieve, especially for veterans who served in World War II or the Korean War.

A huge fire swept through the National Personnel Records Center in St. Louis, Mo., in 1973, destroying as many as 18 million military files.

The majority of Army and Air Force veterans discharged before 1964 were affected; the center has reconstructed service histories for 6 million, sending them certificates to replace their military discharge papers.

Officially called a Report of Separation, or DD Form 214, a military discharge paper is required for most veterans benefits, including a veteran's home loan, healthcare at a U.S. Department of Veterans Affairs clinic or hospital, low-cost prescription drugs through the VA, and burial at a veterans cemetery.

According to the VA, the best way to request records is to fill out the Standard Form SF-180. It is available online at http://www.archives.gov/veterans . Veterans can file the form electronically or by mail.

The records center receives about 5,000 requests a day involving its 60 million records. But the center, part of the National Archives and Records Administration, tries to respond within 10 days, officials said.

Older veterans should apply for replacement documents as soon as they realize their originals are missing, veterans officials said.

Dems In Control? We're Still Staying In Canada (LAT)

By David Drucker

The Los Angeles Times, November 25, 2006

MY WIFE AND I AWOKE, as usual, to NPR. Before political correspondent Mara Liasson got to the end of her first sentence, I knew the news was disastrous. George W. Bush had been reelected.

"Honey," I said, "remember when we talked about moving to Canada?"

I'm sure a lot of other dyed-in-the-organic-wool liberals muttered something similar that dark morning in 2004, but unlike most of them, we meant it. Plan A: John Kerry wins, we build that dream ski house in Vermont. Plan B: Move to Vancouver, Canada.

So, Plan B it was. We'd had enough of Bush, the direction the United States was going, and this was the last straw. Never mind that we lived in Cambridge, Mass., arguably the most liberal city in the bluest of the blue states. We were packing our bulk granola into our diesel Beetle and heading out.

Eight months later, we were settling into a new home and jobs in British Columbia, when Canada had its own election. For those unfamiliar with the Canadian system of government, the prime minister is elected by parliament — not every four years but after losing a no-confidence vote. After a few of those there was a parliamentary election in January, which led to the election of a new prime minister, Stephen Harper, of Canada's Conservative Party.

Harper ran on cutting taxes and turning a federal child-care program into a monthly payment per child. The opposition's negative campaign ads sounded eerily familiar: He supported Bush's war in Iraq, was against signing the Kyoto environmental accord and wanted to "reexamine" gay marriage (which is legal in Canada). A shiver rippled down from our berets to our Birkenstocks.

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Then, a few weeks ago, we awoke, as usual, to the Canadian Broadcasting Corp. Before CBC morning show host Tom Allen got to the end of his first sentence, I knew: Back in the United States, the Democratic Party had won control of the House and the Senate.

"Honey, did we make a big mistake?"

By "big mistake," I mean, not the kind in which you switch lines at Whole Foods and the line you'd been in suddenly starts to move. We're talking big mistake like selling all of your stock in Ben & Jerry's the day before Unilever buys the company.

But it turns out that Canadian conservatism can look awfully liberal. So far, Harper — derided as "Bush lite" — has, for instance, introduced a partial tax credit for monthly transit passes. The Conservatives have proposed a Clean Air Act for Canada, and although it's not ideal, it's still something. Harper said that these new laws would "institute a holistic approach that doesn't treat the related issues of pollutants and greenhouse gas emissions in isolation." When was the last time you heard any U.S. politician utter the word "holistic"?

Did I mention universal healthcare? Even Harper seems committed to keeping that.

We've come to the conclusion that the United States has drifted so far to the right that any self-respecting Canadian Conservative would be considered a raving liberal in Washington. Stephen Harper is no George W. Bush. We may not agree with him, but we don't feel ashamed every time he opens his mouth. We might yawn, though.

So we're staying in Canada. But good luck with that new Congress, eh?

David Drucker Is An Information Architect In Vancouver, Canada.

OTHER NEWS:

Why The Economy Needs Consumers To Shop This Year (WSJ)

By Mark Whitehouse, Timothy Aeppel

The Wall Street Journal, November 25, 2006

The latest readings on the U.S. economy suggest a less-than-festive picture as this holiday shopping season begins: Unless consumers turn in a stellar performance at the mall, the recent sluggish growth could last through year's end.

While many economists and executives have begun to believe that the worst of the housing slump is over, the knock-on effects of the slowdown are becoming apparent. Together with a weak auto sector, sharp cutbacks in building activity are hitting everyone from manufacturers to retailers. Truckers are moving less merchandise, and stocks of unsold goods in warehouses are up.

Many retailers reported stronger-than-expected turnout on Black Friday, as shoppers swarmed stores and malls in search of deep discounts. But some economists and analysts worry that it is only deep discounts that are drawing shoppers out, not underlying strength. (See related article1)

All told, the latest data suggest consumers have been cautious, choosing not to spend all extra income and any savings from the gas pump. In October, retail sales excluding gasoline rose 0.4%, putting inflation-adjusted consumer spending on track to rise at about a 3% annualized rate in the current quarter -- a healthy pace, but not enough to generate a rebound in the economy as a whole.

"It'll take a miracle on 34th Street to get a solid rebound in economic activity," says Paul Kasriel, chief economist at Northern Trust Corp. in Chicago. Indeed, a spreading perception that growth in the U.S. is decelerating is weighing a bit on markets and contributing to a drop in the value of the dollar overseas.

Not all is gloom. Producers of capital goods such as machine tools and automation equipment are doing fairly well as businesses keep up their investments. The trade deficit might improve slightly as imports slow and healthy growth abroad stimulates exports. Moreover, deep discounts at Wal-Mart Stores Inc. and other large chains could help keep a lid on inflation.

But how U.S. consumers -- whose purchases make up more than two-thirds of the economy -- respond to the mixed picture they face remains the big unanswered question.

On one hand, falling home prices have made many feel poorer. On the other, job and wage growth still look good. The unemployment rate fell to a five-year low of 4.4% in October, and the average wage was up 3.9% from a year earlier -- compared

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with average annual growth of 2.8% since the current expansion began in late 2001. Gasoline prices are still high, but are far below their August peaks. And the stock market is doing well.

Retailers of goods to affluent shoppers, who make up an outsized share of consumer spending, say they see reason for optimism. "We've had good strength in the financial markets this year, and that would bode well for bonuses on Wall Street," says Stephen Sadove, chief executive of Saks Inc. "We also feel good about tourism. Those along with other factors make us feel good about the holiday season for luxury."

Recent earnings reports from big discount retailers Wal-Mart and Target Corp. paint a murkier picture. Wal-Mart, which has been struggling with soft sales amid store redesigns, reported better-than-expected earnings for the quarter ended Oct. 31, but warned that holiday profit could disappoint if deep discounts fail to boost sales. Target offered a better outlook, saying it expects to gain market share over the holidays and beyond.

Meantime, economists' views of the prospects for growth have darkened. As of mid-November, 56 economists polled by The Wall Street Journal predicted, on average, that real gross domestic product -- an inflation-adjusted measure of all the goods and services the U.S. produces -- will rise at an annualized rate of 2.3% in the current quarter. That was down from their October estimate of 2.5%. Many cut their estimates further on Nov. 17, after the Commerce Department reported that new-home construction had plummeted to a six-year low.

As a result, the current quarter is looking not much different than the last, in which GDP, hurt by the housing slump, rose a meager 1.6% -- a number that economists expect to be revised upward a bit this coming week.

The housing outlook remains unclear. Beyond its immediate dampening of growth, the home-building slump ultimately could help the housing market recover. By cutting back on construction, home builders are helping to reduce a huge overhang of unsold homes. Meanwhile, buyers have been more active than many expected: Mortgage applications have been stable for several weeks, and the latest National Association of Home Builders survey showed an uptick in both home builders' actual sales and their expectations for future sales.

The signs of improvement in housing "could be judged as no more than the proverbial dead-cat bounce, but I believe it indicates more than that," says Robert Toll, chief executive of luxury-home builder Toll Brothers Inc. In the Wall Street Journal survey, nearly two in three economists said they thought the worst of the housing slump had passed.

But even if the housing market stabilizes, its effects on the broader economy will linger. Lower home values mean people can't take as much spending money out of their houses through cash-out refinancings and home-equity loans -- a source of funds that in some places, particularly in California, has amounted to more than a fifth of people's disposable income. And everyone from building suppliers to mortgage brokers must adjust to a slower pace of sales.

Retailers Home Depot Inc. and Lowe's Cos. both said recently they expect sales and profits to sag as lower home prices take a toll on customers. Economists at Moody's Economy.com estimate that housing-related sectors -- such as residential construction, furniture making and extermination -- will shed 300,000 jobs over the next year and a half.

James Metcalf, president and chief operating officer of Chicago-based wallboard producer USG Corp, says he has so far made only "surgical" layoffs, though he has slashed overtime and cut back production by about 10% since July. On the brighter side, he says, commercial construction remains robust and new computer systems have allowed him to adjust production much faster than in previous downturns, lessening the risk of the kind of oversupply that leads to big busts.

Still, companies have a lot of unsold inventory sitting on shelves and in warehouses, suggesting that they have plenty of adjusting to do. Jan Hatzius, chief U.S. economist at Goldman Sachs in New York, calculates that in the third quarter, nonauto inventories rose by an inflation-adjusted, annualized figure of $59.3 billion -- the biggest jump since 2000. That means businesses don't need to order as much in the current quarter, a trend reflected in October's manufacturing survey from the Institute for Supply Management, which showed a significant drop in new orders.

Bill Zollars, CEO of trucking company YRC Worldwide Inc., based in Overland Park, Kan., says he has seen smaller and fewer shipments than usual among manufacturers and retailers in recent months -- a time when they are typically stocking up for the holidays. "The peak shipping season is not as robust this year as it has been in previous years," he says.

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To be sure, not everyone is hurting. Producers of capital goods are benefiting from businesses' continuing efforts to boost productivity. James Gelly, chief financial officer at Rockwell Automation Inc., a Milwaukee maker of factory-automation equipment, says business is strong in areas such as the energy sector in the Rocky Mountain region.

"The underlying conditions aren't so bad," he says. "In fact, there's a nice uptrend."

Shoppers Flock To Stores, But Will It Be Enough? (WSJ)

By Vanessa O'Connell, Stephanie Kang, Ann Zimmerman

The Wall Street Journal, November 25, 2006

Crowds swarmed stores across the country early Friday, shopping for deeply discounted big-screen TVs, designer clothes and home accessories. But a stronger-than-expected turnout doesn't necessarily mean retailers will have merry results overall in the critical holiday shopping season, forecasters and retailers warn.

The big risk: power shoppers who showed up for Friday's numerous midnight store openings might have little interest in shopping when the discounts aren't as steep. While the specials appeared to bolster shopper enthusiasm, they could backfire for stores if shoppers use the door busters and other blitz promotions to cherry-pick discounted items. With the extended hours now offered by discounters, malls, outlets and department stores, shoppers can hop from store to store, buying just the dirt-cheap specials -- many below wholesale prices -- and leave the higher-margin products on the shelf.

"The positive is that they've been able to draw consumers into the store," said Donald Soares, principal in the retail practice of consultancy Capgemini. "The negative is the risk that consumers will only buy discounted items and ignore the rest of the store."

"When the dust settles, we'll say 'hey, gee, what a good Black Friday.'" But the big question is, "how much momentum is there?" said Michael P. Niemira, economist for the International Council of Shopping Centers, a trade group.

No doubt, many retailers saw good response to their efforts to lure early shoppers into their stores. At 9 p.m. on Thanksgiving night, CompUSA opened its doors to crowds of shoppers who rushed the aisles for $400 LCD HDTV-ready televisions by Olevia and $50 Linksys routers that normally sell for $79.

The early opening allowed Corey Jackson, a 32-year-old computer programmer from North Dallas, to get a jump on holiday shopping and snare bargains at many stores. After snatching a hard drive and a Bluetooth headset, he planned to head back out in the morning, hitting Wal-Mart for toys for his 21-month-old son, then to Micro Center for more computer shopping, then on to Circuit City and Best Buy for $3.99 CDs and DVDs.

Overall, the number of shoppers who hit stores Friday was greater than anticipated by Bill Martin, co-founder of ShopperTrak RCT Corp., of Chicago, which collects data from 40,000 sensors in enclosed malls and strip centers. The research firm had been predicting a 2.5% increase in traffic Friday over the same day last year. But by late morning Friday, he said the increase in shopper traffic seemed likely to surpass that by at least a few tenths of a percentage point. "That's a pretty strong increase," he said.

"The question is how much money do they spend?" Mr. Martin added. To benefit stores, the increased traffic "has to ring out in the register" by generating solid sales of goods at profitable prices. "What we saw Friday was a grab for market share, with retailers just trying to get people in the store," he said.

By 11:30 p.m. Thanksgiving evening, cars were bumper-to-bumper trying to nab a parking space at Citadel Outlets in Commerce, Calif. For the first time this year, the center opened some of its stores at midnight on Black Friday. At Old Navy, shoppers waited for more than 30 minutes to get into the store, shuffling through a velvet-roped line. By 12:15 a.m. shoppers were snaking around the interior of stores like Vans, KB Toys, apparel retailer Kids Supercenter and others, waiting to get to the cash register.

Melissa Guttierrez, a 29-year-old who was standing in line to get into Calvin Klein at 11:45, said she would spend about $1,000 this year, less than what she spent last year.

Consumers' holiday spending is an important indicator of the strength of the $12 trillion U.S. economy. Retailers count on holiday sales for as much as 40% of their annual sales and half their annual profits.

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While the day after Thanksgiving is no longer considered the biggest shopping day of the year -- that honor this year will likely fall to the last Saturday before Christmas -- the day does bring some of the biggest specials. Often known as Black Friday for its historical significance as the day when many retailers turned a profit -- or "went into the black" -- the day generally sets the tone for the rest of the season. But this year's markdowns on some items were surprisingly sharp, especially for electronics.

"It has been a cautious year for retail in general, and the stores wanted to end the year with a bang," said Scott Krugman, a spokesman for the National Retail Federation, which is forecasting an overall increase of 5% in retail sales during the holiday season this year, down slightly from last year's 6.1% gain.

"What you can say for sure is that if retailers run bargains, they can bring out the masses," says Britt Beemer, chairman of America's Research Group, a Charleston, S.C., research firm. In his surveys of shoppers, 42% said they would respond to an advertised deal, up from about 32% of the shoppers he interviewed last year.

At Macy's flagship store in Manhattan, shoppers were waiting in a line that stretched around the block by 5:30 a.m. -- half an hour before the store opened. Many shoppers were clutching $10-off coupons for Macy's merchandise that they had clipped from a newspaper circular the day before. "We have much more traffic than we have had in the last few years" on the day after Thanksgiving, said Terry Lundgren, chief executive of Macy's parent Federated Department Stores Inc.

Some Web retailers pulled out the stops to attract consumers to their Web sites. On Thursday, Amazon.com placed Microsoft's Xbox 360 game console on sale for $100, a steep discount to its normal $299 price. The 1,000 Xbox 360s Amazon was offering at the lower price sold out 29 seconds after going on sale at 11 a.m. Pacific Time, causing the performance of Amazon's site to temporarily slow down. "We saw dramatically more traffic than we anticipated," said Amazon spokesman Craig Berman. On Friday, high traffic disrupted Wal-Marts Web site for much of the day.

US Retailers Fire Starter Gun On Sales (FT)

By Jonathan Birchall

Financial Times, November 25, 2006

US shoppers on Friday launched their frantic traditional post-Thanksgiving Day assault on stores and malls across the country, amid predictions of a solid but not spectacular holiday season for the retail sector.

The annual Friday ritual of early-morning openings and “door-buster” limited availability offers is used by retailers to mark the start of the holiday shopping season.

However, most leading retailers now launch their Christmas marketing campaigns at the beginning of November.

This year the event again crept into the Thursday holiday itself – led in part by online retailers, who last year saw a spike in transactions from customers shopping from home on the holiday.

Underlining the trend, Amazon, the largest online retailer, staged a Thanksgiving afternoon promotion in which it sold 1,000 Xbox 360 systems for a third of their advertised price. Kmart’s 1,400 discount stores opened for the first time on Thanksgiving Day, while CompUSA, the computer retailer, opened its stores from 9pm to midnight. FAO Schwartz, the Manhattan toy store, also opened on Thursday.

Department stores, including JC Penney, Kohl’s, Saks and Macy’s also launched “pre-Thanksgiving” sales in the week before the holiday.

A number of malls owned by Simon Properties opened their doors at midnight on Thursday. But the early Friday morning remains the most bitterly contested retail battleground. The focus on the day after Thanksgiving continues a tradition that dates back to the days when department stores reopened their stores with Christmas decorations and settings on the day after the holidays.

Wal-Mart, the largest US retailer, and Best Buy and Circuit City, the largest electronics retailers opened their doors at 5am on Friday, with customers in some locations queuing all night for “door-buster” bargains, traditionally advertised in Thanksgiving Day papers.

In an effort to thwart websites that have managed in the past to publish details of its door-buster offers ahead of time, Wal-Mart this year announced 17 “secret” items on its website on Thanksgiving Day – including the latest Xbox game console that would be limited to just six per store.

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The hooplah this year also included a stunt by David Blaine, the escapologist, in New York's Times Square sponsored by Target, Wal-Mart's main rival.

Overall, economists are predicting stronger consumer spending over the holidays than last year, despite an initial level of pessimism based around high fuel prices and interest rate concerns.

The National Retail Federation in September predicted a modest 5 per cent increase this year in sales in November and December to $457.4bn against a 6.1 per cent increase last year.

But Wayne Best, Visa USA's chief economist, said earlier this month that it expected growth of 7.5 per cent, as lower fuel prices and a buoyant stock market have improved consumer's confidence.

Holiday Shopping Season Starts Strong (CHIT)

By Sandra Jones

Chicago Tribune, November 25, 2006

Corey Hatters set up his lawn chair in front of Office Depot in Algonquin at 11:50 p.m. Thanksgiving Day and settled in for the night.

The 17-year-old student doesn't usually go for so-called doorbuster deals, but this year the bargain was too good to pass up. When the doors opened at 6 a.m., Hatters' position as first in line secured him one of only three $299.99 Toshiba laptop computers in the store, marked down from $649.99.

"I'd rather do other things with my time, but it was worthwhile," said Hatters. "Before I go to college, I need to get a laptop."

An estimated 60 million shoppers poured into the nation's shopping today—one of the busiest shopping days of the year—snapping up bargains on everything from large-screen plasma TVs to diamond jewelry to KitchenAid mixers.

Millions stayed home and went online as well, causing some problems for retailers on the crucial shopping day. Wal-Mart Stores Inc.'s Web site was disrupted for several hours today because of high traffic volume. The huge retailer's problems came a day after Amazon.com suffered disruptions because of a Thanksgiving Day sale on Microsoft Corp.'s Xbox 360.

Indeed, the early returns on the official kick off to the holiday shopping season in the Chicago area came in strong.

At Spring Hill Mall in West Dundee, where more than half the stores opened at 1 a.m., many retailers reached 75 percent of their daily sales goal by 6 a.m., according to assistant general manager Neil Lopez.

Best Buy on Clark Street in Lakeview, where the first customer lined up at 7 p.m. on Thanksgiving Day, reported sales that were double the daily plan by 2 p.m., said Jon Kulikowski, general manager. An estimated 1,000 people lined up around the block for Best Buy's 5 a.m. opening. Most were shopping in large part for great deals on flat panel plasma TVs and laptop computers.

Stores opened earlier than ever, some as early as 1 a.m., and the pace of shopping remained strong throughout the day.

Perhaps it was simply the sunny, warm weather in Chicago or the more civilized plans many retailers put in place to handle doorbusting crowds, but the upbeat mood lead many observers to predict this holiday will be a rosy one for retailers.

"When you marry this weather with the business we had today, it doesn't get much better than this," said Marc Strich, general manager at Woodfield Mall in Schaumburg.

Traffic at Woodfield Mall rose an estimated 7 to 9 percent, according to Strich. In anticipation of the crowds the mall increased traffic controllers and started them at 8:30 a.m., three hours earlier than last year.

The National Retail Federation predicts a 5 percent gain in holiday sales this year, less than the 6 percent of a year ago but on par with the 4.8 percent average annual increase of the past decade.

Shoppers Line Up For Sales (DMN)

By Maria Halkias

The Dallas Morning News, November 25, 2006

Dallas-area shoppers flocked to snap up early-bird bargains Friday – the kickoff of retailers' critical holiday shopping season – saying that Thanksgiving weekend discounts are some of the best of the year.

"I come out every year on this day," said Jennifer Wilder of Dallas, as she carried bags from Ann Taylor, Macy's, Bath & Body Works, Limited and Zales to her car in the parking lot at NorthPark Center.

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“I got a top for $9.99 that was $49.99 for me and brown cowboy boots for my grandbaby for $19.99 that were regular $69.99,” Ms. Wilder said. “It’s worth it. I saved $500 on diamond rings for me and my husband.”

The day after Thanksgiving represents the kickoff to the holiday shopping season and has been called Black Friday because it traditionally represented the day retailers went from posting losses, or being in the red, to being profitable, or in the black.

“Retailers are trying to get people to buy early. The point is to get the shopper early in the cycle,” said Edward J. Fox, director of the J.C. Penney Center for Retail Excellence at Southern Methodist University.

“Retailers who get shoppers to commit earlier end up doing better.”

Last year, Wal-Mart Stores Inc. ended up having a weak day on the Friday after Thanksgiving and that carried through to the rest of the season, he said.

This time Wal-Mart was more aggressive with its discounts and started earlier, he said. Wal-Mart discounted toys, electronics and small appliances weeks leading up to Black Friday.

Many retailers chose not to wait until Black Friday to bring in the crowds.

Late Thursday night, shoppers formed long lines at several stores, including Banana Republic, Polo Ralph Lauren, Tommy Hilfiger, at the Allen Premium Outlets.

About two-thirds of the center's 100 stores participated in the Midnight Madness sale.

“Nike had such a long line it decided to open at 11:35 Thursday night,” said Michele Rothstein, spokeswoman for the shopping center. “We had traffic backed up on I-75 (at the Stacy Road exit). “People voted by showing up. I think we’re onto something.

Sherrie G. McAvoy, U.S. retail sector leader of Deloitte & Touche LLP’s consumer business practice, visited both NorthPark and the Galleria in Dallas on Friday.

“I think the strength we’ve been seeing in luxury will continue this season,” she said. “I saw equal numbers of browsers and shoppers. Due to the area’s competitive environment the retailer has to work harder to convert the browser into the shopper.”

Dallas-Fort Worth shoppers are among the most discerning and demanding, according to results of Deloitte & Touche survey. Despite their high expectations of retailers, they seem to enjoy holiday shopping, Ms. McAvoy said.

Consumers in Dallas/Ft. Worth plan to spend above the national average on gifts - $728 DFW vs. $584 national - and more than any other area of the US.

Holiday Shoppers Turn Out For Bargains (AP)

By Anne D'Innocenzio

AP, November 24, 2006

It was cold, it was dark and in some places it was foggy. None of that would stop millions of bargain-seekers from climbing into their cars for a pre-dawn raid on their local malls, electronics retailers and discounters for the official start to the holiday season.

""Great deals. I'm shopping for everybody today. We hit Target. We're going to Meijer. We hit Sears. We started shopping at 5 a.m.," Joanne Dosant, a 36-year-old legal assistant from Windsor, Ontario, said Friday as she loaded her SUV with two cartloads of items from a Target store in Madison Heights, Mich.

AUDIO: Gerald Storch, chief of Toys R Us, is upbeat. | But shopper Roy Scott has a problem.

The aggressive tactics used to lure shoppers out before sunrise on Black Friday apparently worked. Based on early reports, the expanded hours, increased discounting and free money as gift cards drove hordes of shoppers to stores to buy flat-screen TVs, computers and toys.

"Large crowds drive me nuts, but this was my Christmas present to myself," said Mark Demers, 23, of Bristol, Conn., who had camped out overnight in front of the Best Buy store in West Hartford, Conn. for the 5 a.m. opening after seeing a TV commercial late Thursday touting $500 off on the $1,500 price tag for a 42-inch LCD TV made by Westinghouse.

Clearly, Black Friday is "becoming the biggest sport," said Marshal Cohen, chief analyst at NPD Group Inc., observing that shoppers this year bought fewer, but pricier items than a year ago.

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A growing number of stores such as KB Toys opened at midnight. Some, like CompUSA Inc. and BJ's Wholesale Club opened on Thanksgiving Day for the first time.

Overall, the biggest draws were consumer electronics, particularly flat-screen TVs, laptop computers and digital cameras. Toys fared well too. In addition to the hard-to-find Fisher-Price TMX Elmo, shoppers snapped up other items like anything Dora, robot toys, Fisher-Price's Kids Tough Digital Camera and Jakks-Pacific FlyWheel XPV, according to toy merchants.

But clothing, mirroring a trend in recent years, took a back seat, Cohen said: "Apparel will be the late bloomer making mall-based apparel stores a little nervous."

Wal-Mart Stores, which promised the most aggressive pricing strategy ever, set the tone by plying shoppers with one-time offers such as a $988 Viore 42-inch plasma TV set. The discounter declined to comment Friday about business; it's slated to announce estimated sales results for November on Saturday.

Sears Holdings' Sears Roebuck stores, which offered $10 reward cards to the first 200 people showing up for the 5 a.m. opening, drew increased traffic at many locations, spokeswoman Gail Lavielle said.

Toys "R" Us and KB Toys also reported increased traffic from a year ago.

Karen McDonald, a spokeswoman at Taubman Centers, which operates or owns 23 malls in 11 states, said a handful of malls surveyed on Friday reported traffic and sales gains over last year.

"The line was literally wrapped around the building. I haven't seen that in years," said Terry Lundgren, chairman and CEO of Federated Department Stores, who surveyed the crowds at the 6 a.m. opening of the flagship Macy's in New York as the chain began its first holiday season as a national brand. The hottest draws were discounted cashmere, $50 luggage sets and $100 one-carat diamond necklaces, Lundgren said.

The Best Buy store in West Paterson, N.J., had almost 2,000 people waiting for Friday's 5 a.m. opening — nearly 24 hours after they started lining up.

"They had turkey sandwiches," said Chuck O'Donnell, a district service manager for Best Buy, which sold out of all the early morning specials advertised in its circular, including the 42-inch Westinghouse TVs and $80 digital cameras.

In fact, many of those who arrived at stores early Friday came away disappointed. They were plenty of customers like Brian Clark, 27, who left empty-handed from the West Hartford Best Buy after the televisions and computers he'd eyed as Christmas gifts were snatched by even earlier shoppers.

Alarmed by a recent shooting of a customer waiting outside a Connecticut Wal-Mart for the highly sought Sony's PlayStation 3 game console, Clark had tucked his Glock pistol in a holster under his jacket and put extra ammunition in his pocket before heading out early Friday.

"You never know these days," he said, quickly adding that he has a state permit for a concealed weapon.

Gary Miller, a 45-year-old computer programmer in Cincinnati, was at Wal-Mart at 5 a.m. to hunt for a 20-inch LCD television he had seen advertised online.

"My wife sent me out for this one," he said, pointing to the set in his shopping cart. "But then I saw this one (a 20-inch conventional TV) for $85 and said, 'What the heck, I'll get that one, too.'"

At the Glendale Galleria in suburban Los Angeles, The Gap had been set to open at 5 a.m. but unlocked the doors 15 minutes early to accommodate a long line of shoppers, said Fran Vartanian, district manager of the chain. Sales were brisk, with all prices reduced by 30% until noon — a first-time promotion for the store. Sweatshirts with hoods were big sellers at about $35 after the discount.

While Black Friday officially starts holiday shopping, generally it's no longer the busiest day of the season. That honor now falls to the last Saturday before Christmas. Stores say Black Friday sets the tone for the weeks ahead, however: What consumers see that day influences where they will shop for the rest of the season.

This year, analysts expect robust holiday sales gains for the retail industry, though the growth is expected to be slower than a year ago. The National Retail Federation projects a 5% gain in total holiday sales for the November-December period, less than the 6.1% in the year-ago period.

Meanwhile, the International Council of Shopping Centers estimates sales at stores open at least a year will rise 3% in the November-December period, less than last year's 3.6%.

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Eager Shoppers Ring It Up On "Red-Eye Thursday" (WP)

By Ylan Q. Mui

The Washington Post, November 25, 2006

At midnight yesterday, 30-something gal pals Tracey Oskey and Jodi Weier kicked off their Black Friday shopping spree in classic Washington style: stuck in traffic.

"Oh my God, this is insane," Oskey said as she stared down the stretch of red tail lights on Route 7 in Loudoun County headed toward Leesburg Corner Premium Outlets.

The 5 a.m. early bird special is so last year. For the first time, retailers across the country threw open their doors at 12 a.m. to throngs of shoppers, turning the day after Thanksgiving into a nearly 24-hour shopping smorgasbord.

"I don't even call it Black Friday anymore. I'm calling it red-eye Thursday," said Marshal Cohen, chief industry analyst at consulting firm NPD Group, who hit several midnight openings and early bird specials. "I feel like I'm in college pulling an all-nighter."

Black Friday is the symbolic start of the holiday shopping season, when retailers showcase door-busting discounts on everything from plasma TV sets to Barbies as they jockey for customers and, perhaps more importantly, buzz. A successful day can give a retailer momentum that will last until Christmas. Midnight openings are the latest craze, luring shoppers before they have barely digested their turkey.

"Sales are important, but they're secondary. It's about getting the people" said Ellen Davis, a spokeswoman for the National Retail Federation, a trade group. "Retailers hope that the people who came into their stores today will be back throughout the holiday."

Black Friday earned its nickname because it marks the day when retailers traditionally went from losing money to making a profit, or being in the black. The research firm ShopperTrak predicts that yesterday's foot traffic will be the second-heaviest of the year, following the Saturday before Christmas. By Sunday, retailers expect to have seen 137 million people, up about 2 million from last year, according to the NRF.

Oskey's husband was out of town on a business trip for the phone installation company they run together, Telforward. So her parents came to her home in Tysons Corner at noon on Thursday for turkey and stuffing. They were out the door by 5:30.

Oskey threw some clothes into a backpack and headed west to Loudoun County, where she had booked a shop-and-stay package that Lansdowne Resort, near the outlets, was marketing for the midnight opening. Weier met her at the hotel, and by 9 p.m. they settled in with a bottle of merlot from the minibar and "Grey's Anatomy" on the television.

By 10:45, they were visibly dragging.

"I said that I can make it," Oskey announced in a determined voice as she mapped out her plan of attack in the hotel lobby.

A second wind arrived in the form of hot tea, coffee and a booklet of coupons -- part of the hotel package. Oskey made one last stop at her room to dump off her belongings before heading to the outlets. She pocketed her credit card and driver's license and walked out the door, unencumbered by a purse.

A hotel shuttle took the girlfriends and a handful of other shoppers who had booked the package trip to the outlets, circumventing parking lots that were full shortly after midnight. The bumper-to-bumper traffic was forgotten at the first rack of clothes at the first store Oskey entered.

"C'mon now, $9.99? This rocks!" she said as she sorted through a rack of men's fleece jackets at Haggar. "Are you only allowed one per customer?"

It was 12:30 a.m., and the line at the lone cash register was already seven people deep -- one of the shortest lines of the night.

The Leesburg outlets were among 25 shopping centers around the country run by Chelsea Property Group to open at midnight. After a successful test at seven locations last year, the company expanded the midnight opening to almost all of its properties.

"It created a lot of excitement to get people to come to us first," said Michele Rothstein, a Chelsea Property spokeswoman. "We're all out there trying to capture the attention and the spending of customers."

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Eight malls owned by Greensboro, N.C.-based Tanger Factory Outlet Centers opened at midnight, as did a dozen run by Baltimore-based Prime Retail Inc., including one in Hagerstown.

Retailers said they would not begin tallying the number of shoppers until today but that anecdotal reports indicated strong traffic. Wal-Mart's Web site crashed yesterday because of high volume. Jim Martin, vice president of ShopperTrak, said he expected yesterday's traffic to be comparable to last year's. Early openings might not draw more shoppers but spread them throughout the day, he said.

Some retailers even opened on Thanksgiving Day. CompUSA was open from 9 p.m. to midnight. Kmart checked out shoppers from 7 a.m. to 9 p.m., following a long-standing tradition. Gail Lavielle, a Kmart spokeswoman, said that customers "like having different alternatives and being able to shop all weekend."

But locked doors and dark windows weren't enough to stop some people from showing up to cash in on yesterday's blockbuster promotions. About a dozen shoppers arrived at Fair Oaks Mall in Fairfax at 11 p.m. on Thursday, reported parent company Taubman Centers, to claim spots in line at Elite Boardshop and Sears -- which opened at 5 a.m. and offered a plasma TV for $1,199.99.

Showing up at 4:30 a.m. meant you were downright late. That's when Jae Shim, 41, of Olney arrived at Best Buy in Germantown, where a long line had beat him. He and a friend waited two hours to get inside and another two hours to pay for a DVD player, video games and some movies.

"What we wanted we didn't even get," said Shim, who wanted to snag a Hewlett-Packard laptop for $380. "We could barely get in the store. It was crazy. They said, 'We're out of this; we're out of that.' "

Meanwhile, Oskey was blowing through her Christmas list of about two dozen people long before other retailers flicked on their lights. But even she had her limits. She quickly dashed out of Pottery Barn after seeing that the line wrapped around half the store.

"There's nothing in here I want that bad," she said.

By 3 a.m., she was back in bed. Her list was all checked off, and the only thing left to do in the morning was get a massage and mani-pedi at the hotel spa.

Getting Head Start On Black Friday (WT)

By Jen Haberkorn

The Washington Times, November 25, 2006

Tracy Rigual and her daughter, Rachel, have marked the start of the holiday shopping season with pre-dawn shopping trips for a decade. So when Leesburg Corner Premium Outlets started Black Friday at midnight, so did they.

Armed with coffee and a stroller for packages, the Riguals joined millions of Americans who yesterday hit stores throughout the country.

Retailers look at Black Friday, named after the day retailers traditionally start to see a profit each year, as a bellwether for how the rest of the Christmas season is going to go and a factor in consumer confidence.

So merchants loaded up on discounts this year to entice shoppers.

At Leesburg Corner, some stores offered up to 30 percent off for the first few hours after midnight. Wal-Mart and Target, the expected top draws on Black Friday, have been heavily discounting this season with deals on electronics. Wal-Mart was concerned it would repeat last year's mistake of not discounting enough.

"Retailers went all out this year with exciting promotions and big sales to bring in shoppers," said National Retail Federation President and Chief Executive Officer Tracy Mullin. "Many stores offered substantial savings on big-ticket items for consumers, and it seems that, for many shoppers, the deals were simply too good to pass up."

Roads into Leesburg Corner were packed and the parking lots were full shortly after midnight. Stores with big promotions, such as Ralph Lauren, Coach and Old Navy, and stores selling coffee had lines for hours.

Shoppers were camped out at Best Buy and Circuit City department stores in Northern Virginia by 10 on Thanksgiving night. Both chains opened at 5 a.m. yesterday.

Sears Holdings and Macy's East reported "good" foot traffic at their stores.

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Toys 'R' Us Inc. Chief Executive Officer Gerald Storch told Bloomberg News that the chain's stores had lines longer than they've seen in years. The toy chain had Black Friday deals such as 60 percent off select board games.

Trade groups estimate that between 100 million and 137 million Americans — more than one-third of the U.S. population participated — in Black Friday shopping.

Consumers appear to be behind on their shopping this year, possibly prompting more people to shop on Black Friday. According to the International Council of Shopping Centers, a New York trade group, about 24 percent had started their shopping by Oct. 31. Last year, 29 percent had started by then.

Mark Rein, director of strategic consulting for Maritz Research Retail Group, said Macy's and Coach appeared to be the big winners at the Mall of America in Bloomington, Minn., the country's largest shopping center. Both had major Black Friday promotions.

Department stores, which lost some of their luster with young shoppers during the past few years, are poised for a comeback this holiday.

"Macy's was very busy right at 6 this morning," he said. "Last year, Macy's was a ghost town here."

Other big winners at the Mall of America were the stores that heavily promoted and discounted: Wet Seal, Victoria's Secret, Coach and Bath & Body Works.

"In general, it's busier than last year, without a doubt," he said. "People are walking around with three to four bags — big bags — way more than last year."

Some shoppers chose to stay in their pajamas and shop on the Web. For the first time, many retailers had their Black Friday deals available online — some as early as Thanksgiving Day.

"It's definitely one of the first times we've noticed that retailers and Web sites are making more of a connection," said Kathy Grannis, a National Retail Federation spokeswoman.

But some of the deals may have been too good. Frustrated shoppers were turned off by long lines and slow Web sites.

Wal-Mart's Web site was jammed with traffic and shut down for parts of the day yesterday.

Baltimore residents Mike Hoffman, Lara Wolf and Erin Marsh looked defeated by 1 a.m. yesterday and ready to leave Leesburg Corner without any shopping bags.

"The lines are too long. It's not worth it," Mr. Hoffman said. "I'd rather pay full price than sit in these lines."

Others at Leesburg just wanted to see the madness of a shopping center opening at midnight.

"I guess I'm here just to say I've shopped at midnight," Leesburg, Va., resident Souzanne Al-Azm said a few minutes before midnight.

"This is our cardio," said Terri Hackenburg of Bethesda, before shopping with her sister, Stephanie. "We're burning off the turkey."

Some shoppers did well. The Riguals left Leesburg Corner at 4 a.m., with about 90 percent of their shopping list done.

"I think because we got there so early, we didn't fight traffic getting in, and one of us stood in line while the other one shopped around," Tracy Rigual said. "It was fun."

Attention, Holiday Shoppers: We Have Fisticuffs In Aisle 2 (NYT)

By Michael Barbaro

The New York Times, November 25, 2006

Perhaps it should be renamed Black-and-Blue Friday.

For decades, the day after Thanksgiving has been called simply Black Friday, because it is the unofficial start of the holiday shopping season, when retailers supposedly move into the black, or start turning a profit.

But bargain hunters competing for scarce quantities of “doorbuster” discounts have given this day an increasingly sharp-elbowed, close-fisted and purse-swinging edge.

Shortly after midnight yesterday, an estimated 15,000 shoppers pushed and shoved their way into the Fashion Place mall in Murray, Utah. Police soon joined them, responding to reports of nine skirmishes.

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Once inside, shoppers ransacked stores, overturning piles of clothes as they looked for bargains. A retailer's dream — too many customers! — quickly turned into a nightmare, forcing store clerks to shut their doors, and only let people in after others left. The mall even briefly closed its outside doors to avoid a fire hazard.

"It's like a mosh pit," said Lexie Dewegel, 19. "You get pushed everywhere."

At the Finish Line shoe store, one employee enlisted his mother, who happened to be shopping in the mall, to guard the entrance.

"We were not prepared for this," said Amber Friedrichsen, the store's manager.

Customers behaved badly across the country yesterday, but the mayhem can be traced in part to an escalating battle among retailers to be the first to open their doors and offer the steepest must-have deals.

Many merchants angered shoppers by trumpeting huge discounts — like $70 portable DVD players and $600 flat-screen televisions — only to announce they were sold out moments after they opened.

The fact that so many people were sleep-deprived probably didn't help.

It was the earliest Black Friday on record. Trying to one-up its rivals, CompUSA started its annual Black Friday sales at 9 p.m. on Thursday, just as many Americans sat down for Thanksgiving dessert.

A dozen malls, from Utah to Maine, opened at midnight. And Wal-Mart, Best Buy and J. C. Penney began ringing up sales at 5 a.m. (A 6 a.m. opening at Target seemed so 2005.)

A final tally from yesterday's sales will not be available until tomorrow, at the earliest. But retail executives, who were constantly checking sales figures on their BlackBerrys yesterday, said the numbers suggested that the holiday season was off to a strong, if uncivil, start.

"I have not seen a crowd this size in years," said Terry J. Lundgren, the chief executive of Federated Department Stores, after surveying the lines outside Macy's Herald Square at 5:30 a.m.

Gerald L. Storch, the chief executive of Toys "R" Us, said reports from store managers around the country were the same: long lines at the checkout counter. "Sales results look really good," he said.

Merchants had been wringing their hands throughout the fall over higher gas prices and a weak housing market, worrying that they would make consumers wallet-shy in the crucial November-December period.

But with prices at the pump falling, the industry is now predicting an above-average holiday season.

The National Retail Federation, a trade group, has forecast a 5 percent sales increase, to $457.4 billion, over last year. That figure is well above the industry's performance from 2000 to 2002, when retail sales growth topped out at 3.4 percent. But it falls short of the last two seasons, when they rang up gains of more than 6 percent.

To lure customers, merchants dangled all sorts of discounts. Macy's, Sears, J. C. Penney and Kohl's all placed the same bet: that a $10 coupon on the front of their circulars would draw crowds. Gap offered 30 percent off everything if customers spent more than $50, and Kmart reduced the price of some apparel by 50 percent.

But once they were in the store, many customers heard a deflating message.

"Sold out, sold out, sold out," announced the manager at a Staples on Fifth Avenue in Manhattan yesterday at 7 a.m. "When?" asked the incredulous customer. "An hour ago," replied the manager — in other words, the minute the store opened.

In Lewis Center, Ohio, near Columbus, Cindy Milsap, 43, and her daughter, Ashley, 20, woke up before dawn to drive to the nearby Wal-Mart Supercenter, which advertised a 52-inch high-definition television for $474. "We don't really need a new TV, Ms. Milsap said. "But at that price? C'mon."

But the bargain eluded them. The "limited quantity" in the ad, she said, was three TVs — all sold by the time the pair arrived.

Those customers left in peace.

But at the Wal-Mart outside Columbus, customers dashing toward 5 a.m. deals pinned employees against stacks of merchandise.

"Oh, my god, stop pushing me, oh, my god," screamed Linda Tuttle, a 47-year-old employee at the store.

Grace Smith, a 22-year-old customer in the store, was stunned by the scene. "I heard it would be crazy but I never thought I'd see anything like this," she said.

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Black Friday was once the province of a few hard-core bargain hunters, who camped outside stores waiting for deals. Stores barely advertised the event.

But over the last decade, retailers have begun treating the day after Thanksgiving as the biggest retail event of the year, wagering that the discounts offered that day influence perceptions about a store's prices throughout the holiday season.

Several years ago, the phrase "Black and Blue Friday" started creeping into the lexicon, as consumers became increasingly aggressive, and Black Friday has become even more of a contact sport since.

Electronics once again were the hottest items. At Best Buy, Game Spot and Toys "R" Us, customers pleaded for PlayStation 3 ($600) and Nintendo Wii ($250), two video game consoles introduced last week. But more often than not, stores had sold out, leaving consumers to turn to the season's remaining must-haves: portable DVD players, cashmere sweaters and satchel handbags.

And Elmo. Again.

At 6 a.m. yesterday morning in Times Square, a line of shoppers several hundred deep burst through the doors of Toys "R" Us and promptly formed a second, equally long line to buy the $40 T.M.X. Elmo (Tickle Me Elmo Version No. 10).

The familiar Elmo-induced panic ensued — pushing, shouting, grabbing — until the dolls sold out and a frustrated crowd fanned out across the store in search of a substitute. "Complete madness," said a 16-year-old, Ray Robinson, who snatched one of the last Elmos.

Mr. Storch of Toys "R" Us said demand for the furry red doll had exceeded the chain's wildest projections and tested Mattel's manufacturing capacity. "We'll get more," he said.

In cities like Chicago, Washington and St. Louis, yesterday was the beginning of the first holiday shopping season without storied local chains like Marshall Fields, Hecht's and Famous-Barr, which have all become Macy's. Consumers still showed up for the early-morning discounts, albeit grudgingly.

"I had sworn to myself that I wouldn't cross the doorstep and come in here," said one Chicago resident, Marilynne Felderman, 61, a longtime Marshall Field's shopper, standing inside the chain's elegant State Street store, now a Macy's. "But here I am" — encouraged, no doubt, by deals like a five-piece luggage set for $49.99.

To take advantage of yesterday's discounts, shoppers hatched elaborate strategies, drawn up on maps and in spiral-bound notebooks.

Stefanie Brooker, 41, slept over at the home of her friend, Michelle Wolfe, 43, so the pair could draw up a battle plan for hitting Best Buy, Kohl's, Linens 'N Things and Toys "R" Us near Columbus. Yesterday morning, the two operated under strict instructions: "Once we get started," Ms. Brooker said, "no one's allowed to eat, drink or go to the bathroom until we are done."

Clicking With Cyber Monday (WSJ)

By Jessica E. Vascellaro

The Wall Street Journal, November 25, 2006

Black Friday has come and gone. Now the online-shopping frenzy can begin in earnest.

The Monday after Thanksgiving -- dubbed Cyber Monday by the National Retail Federation -- is one of the year's busiest online-shopping days. This year, it kicks off a period of fierce competition among online merchants and traditional retailers' Web sites that promises shoppers more, and sometimes novel, ways to trim their holiday bills.

The number of online shoppers is expected to rise to nearly 115 million this holiday season, up 6% from a year ago, according to New York market-research firm Jupiter Research, and retailers are trying to capture their attention with a steady stream of deals.

With so many players one-upping each other with discounts and promotions, consumers can expect to find a broader range of prices online on any one item -- from digital cameras to luxury cashmere sweaters -- than they could by visiting dozens of stores.

Among the deals this year: online-only sales, rotating daily offers, and heavy doses of exclusive coupons and shipping upgrades targeted to repeat purchasers and email subscribers. Online-payment services, like PayPal and Google Checkout, are

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offering new incentives for using their services. Search engines that search for products across a broad range of retailer Web sites are brandishing new tools to help shoppers become more savvy.

These promotions come at a critical time of the year. Consumer spending in November and December last year was nearly 20% of the annual total, according to the Commerce Department. As high-speed Internet access proliferates and the number of online merchants continues to grow, Jupiter Research forecasts U.S. online holiday sales will reach $32 billion this year, up 18% from 2005. Americans will spend an average of $791.10 each on holiday merchandise this year, according to Shop.org, a division of the National Retail Federation.

Yet shopping online can cause additional costs and headaches. While more retailers offer free shipping, many do so only above certain thresholds, meaning it still may be wise to head to the store and avoid the temptation to unnecessarily boost your online order. Technical glitches and slow page-loading, while becoming less common, can still stall the process, particularly during peak traffic times. Online shoppers also open themselves up to the possibility of "phishing" attacks -- when scam artists pose as legitimate businesses -- and other forms of fraud.

Leading this year's online land grab are brick-and-mortar retailers, including Circuit City Stores Inc. and Gap Inc. They are turning heavily to Web-exclusive deals (up to 30% off winter accessories at Gap.com) to get customers to use their sites not only to research products but purchase them, too. To drive more traffic to its newly redesigned home page, Wal-Mart Stores Inc. Monday will begin running online-only specials on items like flat-screen high-definition televisions, which it will be offering for less than $800, and digital cameras, which will be priced under $50.

To keep up with the discounting, established online retailers and smaller players are getting more creative, rapidly refreshing the deals and discounts they offer on their sites.

Seattle's Amazon.com Inc., which captured 14% of visits to the top 100 retail Web sites in October, according to research firm Hitwise, plans a new promotion every week for the next several weeks. In a further twist, customers get to vote on which promotion is offered, with four choices every week. Options currently include deals on items ranging from DVD players to diamond earrings.

Other retailers are offering a different deal every day. Petco Animal Supplies Inc. will start posting Web-only deals on Petco.com, including 25% off personalized dog collars, starting on Dec. 1. A different deal will be offered daily in each of six pet categories. Home Depot Inc. will soon switch on a "Hammer Drop" feature with a different deeply discounted item posted on its site every day, such as $70 off a set of tools originally priced at $649.

Traditional shopping search engines, which once displayed little more than a hodgepodge of deals combed from the Web, are getting more useful.

Yahoo Inc.'s Yahoo Shopping service now allows shoppers to sort merchandise by free shipping and other deal types. And a new breed of search engine, such as Become Inc.'s Become.com, TheFind Inc.'s TheFind.com and Mpire Inc.'s Mpire.com, offer such features as Zip code-based tax and shipping calculators and graphs that chart historical price information on the item you are searching for, to help predict whether it's likely to rise or fall.

Consumers also can find new deals through online-payment services. EBay Inc.'s payment unit PayPal is doling out rebates to members who use the service during the holiday season on certain Web sites. It also is partnering with selected merchants to give free shipping to those who use the service through Dec. 15. Google Inc.'s Google Checkout, a new service that stores credit-card and billing information to speed purchase time, is joining with some of its merchants, like Timberland, Ace Hardware and Sports Authority, to offer discounts.

Shoppers who lack the time to tune in to their favorite sites regularly now have more ways to ensure that the deals come directly to them. Home Depot, FAO Schwartz Inc. and Discovery Communications Inc.'s Discovery Channel Store are experimenting more aggressively with email marketing, offering exclusive deals like free-shipping and percentage-off coupons to those who provide their email addresses.

Jackie Andrews, a deputy court clerk from Hampton, Va., has spotted a bunch of online steals by subscribing to the email lists of retailers like Circuit City. Last year, after the electronics retailer told her about online holiday deals on MP3 players, she purchased one for her husband for less than $40. As a result, Ms. Andrews, 48 years old, plans to do more than half of her holiday shopping online this year, particularly because she can avoid lines at stores.

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Some retailers are partnering with alternative-payment options, which often charge merchants lower fees than credit cards and are more widely accepted this year. EToys Direct Inc., an online toy merchant, reserves special promotions on eToys.com for customers who use Bill Me Later, a deferred-payment option accepted at some 425 online retailers. In the past few weeks, Bill Me Later, a unit of I4 Commerce Inc., launched a shopping engine that allows consumers to search for a particular product across merchants that accept the payment service.

But experts still warn that credit cards, which protect users from fraudulent charges, are the safest way to shop, particularly during the holiday season, when the risk of being scammed rises.

Stocks Weaken As Dollar's Fall Chills Investors (WSJ)

By Worth Civils

The Wall Street Journal, November 25, 2006

As shoppers hit stores in the post-Thanksgiving tradition, the stock market was rattled by a decline in the U.S. dollar, spurred in part by uncertainty about the economy's health.

Now, investors are looking ahead to economic data due out in the coming week for answers.

Capping a slow holiday-shortened week, the Dow Jones Industrial Average on Friday closed down 46.78 points, or 0.4%, at 12280.17, but still up 15% this year. The blue-chip average lost 62.39 points, or 0.5%, for the week, ending two consecutive weeks of gains.

The Dow industrials were down as much as 60 points in early trading following news of the dollar weakness against the euro. In late trading Friday in New York, the euro reached $1.3097, its highest level against the dollar in 20 months. Against the yen, the dollar fell to 115.81 yen from 116.74. The U.S. currency is now off 9.6% against the euro so far this year and down 1.8% against the yen.

Contributing to Friday's downturn were jitters about Friday's retail sales, said Charles Lieberman, chief investment officer at Advisors Capital Management in Paramus, N.J., though early data were limited. A fuller picture is due from retailers next week.

Among retail-company stocks, Best Buy fell 1.4% Friday and Target lost 1.2%. Home-improvement retailers also declined, with Lowe's down 1.1% and Home Depot off 1%.

The broad Standard & Poor's 500-stock index fell 5.14 points, or 0.4%, to 1400.95, nearly flat for the week and up 12% this year. The tech-stock-heavy Nasdaq Composite fell 5.72 points, or 0.2%, to 2460.26, up 0.6% for the week and 12% for the year-to-date.

Stocks could continue to suffer for a time if retailers disappoint, said Romeo Dator, co-manager of All American Equity Fund at U.S. Global Investors in San Antonio, but he expects strong holiday sales overall. "We have pretty lofty expectations on consumer spending for Christmas," he said.

Slightly more than 514.7 million shares changed hands at the New York Stock Exchange in a shortened day on Friday, about a quarter its usual volume. (Overall, 853.4 million shares of NYSE-listed stocks traded.) Analysts warned that such low activity can create volatility, making it difficult to gauge the market's true direction. "I wouldn't want to take and interpolate today's action too much," said Mr. Dator. Citing a prolonged rally that has left the Dow up 15% on the year, he said, "In overbought conditions, any pullback is welcome."

Though a weaker dollar can raise fears of inflation and higher interest rates, Treasury-bond prices rose, and yields, which move in the opposite direction, fell.

Commodities prices rose, as they often do when the dollar falls. In electronic trading, gold futures climbed $9.60 to $638.60 an ounce and crude-oil futures rose 66 cents to $59.90 a barrel. Regular pit trading for both commodities was closed Friday.

The outlook for economy could become much clearer next week. Reports are due on sales of new and existing homes, consumer confidence, manufacturing activity, durable-goods demand and personal spending and income.

"Next week's numbers will go along way in determining whether or not the rally will continue into the final month of the year," Robert Pavlik, chief investment officer at Oaktree Asset Management, wrote in a note to clients.

But the month's biggest economic report -- the Labor Department's reading of November unemployment and nonfarm payrolls growth -- won't be released until the following week, meaning some investors might stay cautious a little while longer.

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In major U.S. market action:

Stocks fell. On the NYSE, 1,673 stocks rose and 1,416 declined.

Bond prices rose. The 10-year Treasury note was up 3/32, or 93.8 cents per $1,000 invested, to yield 4.55%. The 30-year bond rose 7/32 to yield 4.63%.

The dollar weakened. The euro rose against the dollar to $1.3097 from $1.2938 late Thursday, and the dollar fell to 115.81 yen from 116.74.

Dollar Falls Sharply Against Euro As Economies Appear To Diverge (WSJ)

By Joanna Slater, Marcus Walker

The Wall Street Journal, November 25, 2006

The dollar fell sharply, breaking out of a recent tight trading range and hitting a 20-month low against the euro, spurred by concerns that the U.S. economy is slowing just as Europe's is revving up.

Late Friday in New York, it took $1.3097 to buy one euro, compared with $1.2942 a day earlier in global trading. The dollar's weakness also weighed on stocks, which fell in New York Stock Exchange trading in an abbreviated Thanksgiving holiday session.

Over the past week, data released in the U.S. and Europe have solidified perceptions that the two regions may be headed in opposite economic directions.

This coming week will be pivotal as trading levels return to normal and traders grapple with a raft of new data -- including U.S. durable-goods orders and consumer-spending figures -- looking to see if more evidence surfaces that the U.S. economy is slowing.

Signs that the U.S. and European economies are diverging will be good news for the rising euro, say observers. "It could be the start of something big," says Ken Wattret, chief euro zone economist at BNP Paribas in London. The euro's high against the dollar is $1.36, which it hit in December 2004.

Interest-rate expectations in the U.S. and Europe helped propel the latest currency swing. Some financial-market participants believe that the U.S. Federal Reserve could cut interest rates early next year, while the European Central Bank is widely expected to raise its key interest rate by another quarter point, to 3.5%, at its Dec. 7 meeting. Now markets are eager to see whether comments by ECB President Jean-Claude Trichet indicate that a further rate increase is possible in early 2007.

The dollar's recent drop took place amid widespread feeling among investors that the currency was due to weaken. Market watchers who are pessimistic on the dollar's prospects say the size of the U.S. current-account deficit is unsustainable and central bankers elsewhere in the world are debating whether to hold less of their reserves in dollars.

The U.S. Federal Reserve's pause in interest-rate hikes also has undermined support for the dollar, since higher interest rates make dollar-denominated assets, like bonds, more attractive to foreign investors.

Still, the dollar's newfound weakness is unlikely to raise alarms in Washington. The past week's sharp move has not triggered notable selling of other U.S. assets, a move that would be evidence of a more damaging loss of confidence in the dollar. Treasury bond prices rose slightly Friday and their yields, which move in the opposite direction of prices, declined. That suggests the dollar's drop is mostly a response to expectations that softer U.S. growth relative to Europe will lead to lower U.S. interest rates relative to Europe's.

In fact, the administration has privately welcomed the dollar's slow decline as one way of beginning to address the huge U.S. trade deficit. A weaker dollar generally makes U.S. goods more competitive against foreign products.

Currency analysts say the speed and size of the dollar's recent fall wasn't precipitated by a particular piece of economic news. "The magnitude of the move was triggered more by momentum than by a specific economic event," said Matthew Strauss, senior currency strategist at RBC Capital Markets in Toronto.

The dollar's slide against the euro is also affecting its relationship with Asian currencies, although not to the same degree. Japan's yen has appreciated against the dollar in recent days, for example.

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If the dollar's weakness persists, investors should watch for Asian central banks intervening in the foreign-exchange market to prevent their currencies from appreciating too much, says Marc Chandler, global head of currency strategy at Brown Brothers Harriman.

U.S. Treasury Secretary Henry Paulson has largely maintained a hands-off attitude toward the dollar, in keeping with the administration's belief that exchange rates are best set by competitive markets and not by verbal or real government intervention.

"I'd expect to see the dollar temper somewhat against ... the other reserve currencies in the world, and I think Treasury would be glad to see that happen because it would be in line with economic fundamentals," said Grant D. Aldonas, who early on in the administration spearheaded its China economic policy as undersecretary of commerce for international trade.

That said, in the case of China the U.S. has explicitly called for a stronger yuan -- and therefore a weaker dollar. Treasury officials believe that a stronger Chinese currency will do little to narrow the trade gap, but they hope that pressing China to allow the yuan to rise will quiet Beijing bashers in Congress who argue that the artificial weakness of the yuan hurts U.S. companies and workers.

Nonetheless, the recent slide in the dollar doesn't appear to have much to do with U.S. pressure on China or with expectations that Mr. Paulson's trip to Beijing next month will spark a sudden Chinese revaluation, according to Mr. Aldonas.

Dollar Falls Sharply Against Euro And Pound (NYT)

By Jeremy W. Peters, Carter Dougherty

The New York Times, November 25, 2006

The dollar dropped sharply yesterday against a range of major currencies, with the euro breaking through $1.30 for the first time in a year and a half. The fall highlighted concerns about softness in the American economy as economies abroad continue to expand.

The currency sell-off came as investors weighed a number of issues that complicate the prospects of the United States in the coming months, including a huge trade imbalance with China and a slowing domestic housing market. On top of that, economic growth in some European countries is gaining momentum, threatening to siphon investment away from the dollar.

The dollar's losses came in a thin trading day in which the British pound rose to its strongest value against the dollar in two years. The euro traded at $1.3079 yesterday afternoon, up from $1.2941 on Thursday. The pound was trading at $1.9317, up from $1.9156.

Stocks closed lower on Wall Street yesterday after a shortened holiday trading session that was soured by news of the dollar's woes.

"To dismiss this as a technical correction is to overlook the structural reasons why the U.S. dollar is having a very hard time these days," said Hans Redeker, global head of currency strategy at BNP Paribas in London.

Economists say the United States is in a vulnerable position compared with its global competitors. While the most recent data show that the trade imbalance tightened in September, the decline was largely a result of falling oil prices. The deficit between what Americans import and export was a negative $586.2 billion for the first nine months of the year, and it remains on track to break last year's record of a negative $716.7 billion. The biggest chunk by far represents imports from China.

The trade gap will be one of the major issues that Treasury Secretary Henry M. Paulson Jr. and other top Bush administration officials discuss next month when they travel to China. Mr. Paulson, along with a delegation that will include Ben S. Bernanke, the Federal Reserve chairman, is expected to press Chinese officials on a number of economic issues, from cracking down on piracy to allowing the Chinese yuan to trade more freely in currency markets.

Analysts said that the dollar's drop yesterday, which was accelerated by orders from traders to sell automatically once it fell past $1.30 against the euro, reflected a growing anxiety over Chinese economic policy. China's central bank holds a large amount of American currency, and speculation has intensified recently that it could begin selling off dollars to avoid being burned if the dollar collapses.

Also lurking behind the dollar's depreciation is the rising probability, in the view of some economists and currency investors, that a slowing American economy will force the Federal Reserve to begin cutting borrowing costs next year.

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Against the backdrop of a European Central Bank that seems determined to tighten rates further next year, the appeal of dollar-denominated assets is falling as the prospect of higher returns in Europe rises.

"There can be no doubt that the E.C.B. has more shots in its gun," said Erik Nielsen, chief Europe economist at Goldman Sachs in London. "If the Fed starts cutting next year, then the gap begins to widen."

Already, the European Central Bank has signaled that it will raise rates by a quarter percentage point, to 3.5 percent, on Dec. 7, and bank watchers have been voicing rising expectations of more rate increases after that.

This week, data on German business confidence, French economic growth in the third quarter and a historically reliable gauge of business sentiment in Belgium all pointed toward stronger growth. All these factors are more likely than not to push the European bank to raise interest rates in a bid to head off inflation, a course of action that would damp the appeal of the dollar in relation to the euro, currency specialists said.

"This drop in the dollar has been justified for some time," said Chris Turner, head of foreign exchange strategy at ING Baring in London. "The American economy could do more than simply land softly, and Europe is pretty strong right now."

But there was no single event yesterday to touch off such a sharp drop in the value of the dollar. Rather, economists said, it was a culmination of recent signs of weakness in the American economy that investors found troubling. Some experts said that could suggest that the dollar's losses would deepen.

Julian Jessop, chief international economist for Capital Economics in London, said in a research note yesterday that the sudden drop in the dollar was "an indication of a much more fundamental lack of support for the currency." He said this suggests that "the falls will be all the larger once the markets do start to anticipate persistently sluggish growth."

Markets Rocked By Sharp Slide In Dollar (FT)

By Neil Dennis, Chris Giles, Ralph Atkins

Financial Times, November 25, 2006

A sharpening slide in the US dollar unnerved global markets on Friday as investors sought to protect themselves from the possibility of sustained dollar weakness.

As US markets were closing on Friday , the euro stood at a 19-month high of $1.309, up 1.2 per cent, while sterling gained 0.9 per cent to a 1½-year peak of $1.9333. The yen climbed 0.5 per cent to ¥115.66.

European and Asian stock markets suffered the fallout from the dollar's decline with exporters to the US the worst performing stocks in all regions. But on commodity markets, dollar-denominated prices tracked higher as gold, copper and oil became cheaper in other currencies.

The euro's strength could put the European Central Bank under fresh political pressure not to raise interest rates again after the expected quarter percentage point rise to 3.5 per cent on December 7.

The dollar has now fallen this year by more than 10 per cent against the euro and 12 per cent against sterling. Some economists suggest the greenback has further to slide given a weak economic outlook in the US, and the prospect of interest rate cuts there next year.

Steve Saywell, currencies analyst at Citigroup, said: "While the economic data remain soft, the dollar will continue to fall."

The gaping US trade deficit, the near certainty of a December rise in eurozone interest rates, rising expectations of a cut in US rates in the spring and wariness about borrowing in yen to finance investments in the US all continued to weigh on the dollar, analysts said.

These concerns were heightened by comments from Wu Xiaoling, deputy governor of the People's Bank of China, indicating her unease at the rapid build-up of $1,000bn of reserves in China. She said Asian foreign exchange reserves were at risk from the dollar's fall, although she stopped short of indicating that China was about to stop adding to its pile of reserves.

"The dollar is coming under real pressure and this looks like the beginning of a sustained move," said Ian Stannard, strategist at BNP Paribas.

Equities markets in Europe and Asia fell sharply. Tokyo's Nikkei 225 fell 1.1 per cent to 15,734.6, while the FTSE Eurofirst 300 shed 0.8 per cent to 1,451.05.

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Commodities tracked higher, with gold climbing 1.2 per cent to $638.50 a troy ounce, while copper added 2.5 per cent to $7,155 a tonne. Nymex crude gained 1.1 per cent to $59.90.

Housing Falling Behind On Payments (WSJ)

By James R. Hagerty

The Wall Street Journal, November 25, 2006

While economists debate whether the U.S. housing slump is almost over or just getting started, one corner of the market is showing rapid deterioration: Many recent subprime borrowers are falling behind on their payments.

The latest snapshot of the housing market will come Tuesday, when the National Association of Realtors is due to report on October sales of previously occupied homes. Thomas Lawler, a housing economist in Vienna, Va., believes the Realtors will report a decline in median prices of as much as 5% from a year before. On Wednesday, the government will issue its monthly report on new-home sales.

So far, the economy has weathered the housing downturn with few problems. Rising incomes and stock prices, low interest rates and falling energy costs have helped consumers cope with the psychological blow of declining home prices in many parts of the country. The more bullish analysts believe house prices will start rising again before the end of 2007.

Even if the housing downturn is brief, though, the pain will linger for people who borrowed too heavily to buy homes near the top of the market. David Liu, an analyst at UBS AG in New York, released a report this past week on a worrisome trend in subprime mortgages, those for people with blemished credit histories. As of Oct. 31, borrowers were 60 days or more behind in payments on nearly 4% of the subprime home loans packaged into mortgage securities this year. That's about twice the delinquency rate on new subprime loans recorded a year earlier.

The weak housing market makes life tougher for subprime borrowers. If they run into financial trouble, it's no longer so easy to sell their homes for enough money to repay the loan, meaning more face foreclosure. Mr. Liu also blames looser credit policies by lenders trying to make up for shrinking profit margins by offering more loans to riskier borrowers. Some of the worst performances are coming on the types of mortgages that don't require borrowers to document their income and assets -- known colloquially as "liars' loans."

Delinquent subprime loans are particularly common in cities like Detroit, which has been hit by huge job losses. But they're also above the national average in such metro areas as Boston, Sacramento and San Diego, where home prices have been falling after huge leaps in the first half of this decade, Mr. Liu found. "California is no longer a safe haven" for mortgage lenders and investors, he says.

Mark Zandi, chief economist at Moody's Economy.com, says losses on foreclosures and regulatory pressure will make lenders more cautious. That's unlikely to cause a recession, he says, but it will help restrain housing demand in the next couple of years.

Missed Mortgage Payments Rise 20% In Third Quarter (NYT)

By Christine Haughney

The New York Times, November 25, 2006

In the third quarter of this year, the number of city residents who had missed more than three months of mortgage payments jumped by 20 percent compared with the same quarter a year ago. Still, New Yorkers often have more time to try to hold onto their homes than homeowners in the rest of the country.

Data collected by PropertyShark .com, a real estate data company based in Brooklyn, shows that 1,468 city homeowners missed mortgage payments from July to September, compared with 1,220 in the comparable period last year. That puts them in what is commonly known as preforeclosure, when banks typically warn people that they are at risk of foreclosure so the homeowner will take steps to catch up on the payments. But while more homeowners are in the danger zone, more have also been able to avoid foreclosure. In New York City, lenders foreclosed on 425 homes in the third quarter of 2006, compared with 545 in the year-ago period. (The city has 3,018,000 homeowners.)

John McIlwain, a senior fellow for housing at the Urban Land Institute, a nonprofit planning and research group in Washington, said of the jump in preforeclosures, “It’s a warning sign, but it’s not yet a serious problem in terms of the market.”

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The neighborhoods with the highest number of preforeclosures are in Brooklyn and Queens. The Canarsie and Flatbush neighborhoods of Brooklyn had the largest number last quarter, with 37. Elsewhere in Brooklyn, Bedford-Stuyvesant had 32 preforeclosures and East New York had 31. Jamaica, Queens, had 31 preforeclosures. The same neighborhoods had the most preforeclosures the year before.

State laws give New Yorkers an advantage over homeowners elsewhere. According to PropertyShark's chief executive, Ryan Slack, New York courts typically consider the buyer of the property to be the owner, while California treats the bank that holds that mortgage as the owner.

Banks in California can foreclose on a property and take it back in roughly seven months, but banks in New York have to go through a legal battle that can take more than two years.

That means that New Yorkers have more time to find ways to hold onto their homes.

"There are a lot of things you can do between the time you stop paying your mortgage and the time they can take it away from you," Mr. Slack said.

Homeowners in Manhattan are less likely than those in other boroughs to lose their homes because they have often put up more money and because they can use the rising values of their homes as bargaining chips with lenders, Mr. McIlwain said.

Because Manhattan homeowners have amassed considerable resources to break into the condominium or co-op market in the first place, they can usually make their mortgage payments even if they lose their jobs or suffer an illness, he said. With divorce, those are the leading causes of foreclosure, he said.

"There's just a lot more flexibility there," Mr. McIlwain said. "People — instead of going to delinquency or foreclosure — can sell their property and avoid the mark on their credit. There's also an ability to take out an equity loan."

In many cases, banks warn homeowners that they are falling behind, in hopes of giving them time to catch up on their payments.

Last year, Guillermina Edwards, a 50-year-old bookkeeper, missed mortgage payments on the Flatbush home he has owned for 20 years when he had to pay for airline tickets and a funeral after a relative died abroad.

In December 2005, he was placed in preforeclosure, but as soon as he caught up with his payments, he said, the bank left him alone.

"They're just harassing you," he says. "I didn't refinance or anything. You just pay back the months that you owe."

Pension Plan In Ontario Is Buying Ports In U.S. And Canada (NYT/AP)

By The Associated Press

The New York Times, November 25, 2006

TORONTO, Nov. 24 (AP) — The Ontario Teachers' Pension Plan agreed to buy two marine container terminals in the New York area and two in British Columbia from Orient Overseas (International) for $2.4 billion.

The Ontario Teachers' Pension Plan, one of Canada's largest institutional investors, said the deal with Orient Overseas, based in Hong Kong, is still subject to Canadian and United States regulatory approvals.

The terminals involved are the New York Container Terminal on Staten Island and Global Terminal and Container Systems at Bayonne, N.J. The deal also includes TSI Terminal Systems' Deltaport and Vanterm facilities on Canada's Pacific coast.

Once the deal is completed, the terminals will nearly double the value of the plan's infrastructure and timber portfolio to $6.5 billion — about 8 percent of the plan's total assets.

"This acquisition represents solid, robust assets, has little vulnerability to market or economic vagaries and features a very attractive growth profile that we will support and will serve us well into the future," James Leech, senior vice president of Teachers' Private Capital, the pension plan's private investment arm, said in a statement.

Combined annual sales of the operations total approximately $500 million. The terminals include equipment to either load shipping containers onto ships from trucks or trains or unload them from ships for transport by land to their destinations.

Orient Overseas is part of a transport and logistics group that has offices in 58 countries.

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The transaction is expected to be completed by the end of the first quarter of 2007, after receiving the necessary regulatory and shareholder approvals.

The Ontario Teachers' Pension Plan has $84 billion in assets under management and administers the pensions of Ontario's 163,000 elementary and secondary school teachers and 101,000 retired teachers.

Kremlin Critic's Death Unnerves Putin Opponents (WSJ)

By Alan Cullison

The Wall Street Journal, November 25, 2006

The death of a prominent Kremlin critic by radioactive poisoning in London, coming weeks after the killing of a well-known independent journalist in Moscow and the harassment of opposition politicians, is fueling fears that opponents of Russian President Vladimir Putin could face even more pressure before a transfer of presidential power in 2008.

Mr. Putin denied the Kremlin played a role in the death of former KGB spy Alexander Litvinenko, which Mr. Putin called tragic. But at the same time, he accused his critics of a "political provocation."

In a letter released after his death Thursday evening, Mr. Litvinenko, who fled to Britain in 2000 to escape criminal charges in Russia, blamed a "barbaric and ruthless" President Putin for poisoning him in what Mr. Litvinenko said was an effort to silence critics. (Read his statement.)

"The risks are growing," said Vladimir Ryzhkov, an independent deputy in the lower house of Russia's Parliament who is frequently critical of the Kremlin. "For the first time in my political career I'm beginning to feel scared."

Mr. Litvinenko's death comes amid a deepening chill in relations with the West -- which has been uneasy with the Kremlin's steady tightening of control over Russian society -- and irritated by Moscow's foreign-policy moves. Moscow has frustrated Washington, for example, with its reluctance to take harsher moves to pressure Iran to give up its nuclear ambitions. Friday, Russia's Defense Ministry announced it was beginning deliveries of antiaircraft missiles to Iran, even as the U.S. and Europe have sought to isolate the government in Tehran.

At a news conference in Finland after a tense summit Friday with European leaders, Mr. Putin said, "A death of a man is always a tragedy, and I give my condolences to Mr. Litvinenko's loved ones." He added, "It's extremely regrettable that such a tragic event as death is being used for political provocation."

In Moscow, some senior Russian legislators called Mr. Litvinenko's death a publicity stunt organized to discredit the Kremlin. They suggested the perpetrator was Boris Berezovsky, a deposed Russian tycoon, now living in London, who has said he would like to overthrow Mr. Putin's government.

Mr. Litvinenko, 43 years old, told police he believed he had been poisoned Nov. 1 while investigating the October slaying of Russian journalist Anna Politkovskaya, another critic of Mr. Putin's government.

Doctors in London were hampered in treating Mr. Litvinenko because they were unable to identify the poison used against him. After his death, health authorities said Mr. Litvinenko's body had been exposed to large amounts of radiation from a rare substance called polonium 210. The substance is harmless outside the body but highly toxic if ingested. Investigators from Britain's antiterrorist police found traces at Mr. Litvinenko's home and a sushi restaurant and hotel in central London he had visited shortly before he fell ill. (Read the Health Protection Agency's statement.1)

Polonium 210 had been used in the Soviet space program, and today has a few commercial uses, such as removing static electricity and measuring other forms of radiation. "It's hard to obtain," said Derek Lohmann, a research chemist. "You generally require a nuclear reactor to produce it."

U.K. Home Secretary John Reid held a meeting of the government's emergency committee Friday to discuss Mr. Litvinenko's death, and U.K. diplomats asked Russia's ambassador to provide all assistance necessary to the police probe. Mr. Putin pledged to cooperate fully.

Irina Khakamada, a Russian opposition leader, said the political environment in Moscow has become edgy particularly since the Politkovskaya murder. She said some question whether Mr. Putin is fully in control of his Kremlin entourage as they angle for power before the end of his presidential term in 2008. While some factions may try to gain power themselves, others are trying to curry favor or encourage him to defy the Russian constitution and stay on for a third term.

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Mr. Litvinenko, a former colonel in Russia's security service, was a longtime irritant to Mr. Putin. He publicly accused his superiors of ordering him to kill Mr. Berezovsky in 1998. Later, Mr. Litvinenko spent nine months in jail from 1999 on charges of abuse of office.

He was later acquitted, but, facing a retrial, he sought asylum in Britain. There he wrote a book accusing Mr. Putin of coming to power by organizing a series of apartment bombings in 1999 that prompted Russia's invasion of Chechnya.

Sergei Dorenko, a Moscow-based journalist and friend of Mr. Litvinenko, said Mr. Litvinenko told him that the Kremlin in 2003 had offered him safety from prosecution if he were to return home, but that he would be killed if he stayed in London.

London Riddle: A Russian Spy, A Lethal Dose (NYT)

By Alan Cowell

The New York Times, November 25, 2006

LONDON, Nov. 24 — Radiation poisoning killed Alexander V. Litvinenko, the former Russian K.G.B. officer and foe of the Kremlin, authorities here said Friday, further complicating a case that has taken on all the mystery and menace of a political thriller.

From his deathbed, Mr. Litvinenko's family said, he had accused President Vladimir V. Putin of being behind his poisoning. Outside the hospital where he died late Thursday, alarm spread across London after the police found traces of radiation in three places the former spy had been: a sushi bar, a hotel and his North London home.

Scientists were astounded at the use of the rare and hard-to-produce substance, polonium 210, which is dangerous when breathed, injected or ingested. All the while, diplomats scurried to prevent the case from becoming an international incident.

The cause of his death was so unusual, so baffling and so chilling that a senior British official called it "unprecedented." The government called a high-level meeting restricted to the most senior ministers — codenamed Cobra — and the Russian ambassador was summoned to the Foreign Office. Rebutting the accusations of foul play, Russian officials hinted at a devious conspiracy to discredit President Putin.

The former agent's family, citing what they called a statement dictated by the dying Mr. Litvinenko, accused President Putin of a "barbaric and ruthless" murder — a charge the Russian leader promptly rejected. Mr. Litvinenko's father, Walter, also accused Russian authorities of responsibility, and said his 43-year-old son, who had been inquiring into the killing of a journalist in Moscow last month, was "killed by a little, tiny nuclear bomb."

But the British police said they were treating the case as an "unexplained death" — displaying some caution about calling it a murder inquiry.

Photographs of the dying Mr. Litvinenko showed him hairless and gaunt, wearing a green gown and lying in a hospital bed. Friends who visited him before his death said he had looked ghostly, far removed from the fit figure he presented just weeks ago. Developments in the case over the past week have tantalized Britons, confronting them with the notion that their land might have been used as a theater for sinister machinations more familiar in a James Bond movie.

Mr. Litvinenko's slow and inexorable death was among the most bizarre since Georgi Markov, a Bulgarian dissident, was murdered in London with a jab from a poison-tipped umbrella in 1978.

It is not the first time that modern-day Russia has been suspected in a prominent poisoning in a foreign land. Doctors said that the Ukrainian president, Viktor A. Yushchenko — who campaigned in 2004 to move Ukraine away from Russian influence and forge closer ties with the European Union — was poisoned with dioxin when he was running for office, leaving his face badly disfigured. Russia, as well as an array of Mr. Yushchenko's political adversaries, was suspected in the poisoning, but the matter was never resolved.

Word of a possible radiation attack, using what officials identified as polonium 210, a highly radioactive isotope, raised fears of contamination, though many Londoners seemed to take word of the official alert with a degree of stoicism, or even indifference, on a damp Friday evening.

"Spy Radiation: Major Alert," said a banner headline in The Evening Standard. Still, inured to such scares by acts of terrorism in their city, including the bombings in July 2005 by Islamic militants, many seemed to shrug off the news.

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The police searched several locations that Mr. Litvinenko had visited in early November — the Itsu sushi bar on Piccadilly, his home in the white-collar Muswell Hill neighborhood of north London and the Mayfair Millennium Hotel near the American Embassy in Grosvenor Square — and said they had found radioactive traces at each of them. Television showed plainclothes officers carrying away a metal box and several tote bags of evidence from the Itsu restaurant.

At the Mayfair Millennium Hotel, where the lobby and bar were chock-full, the health and safety manager, Brian Kelly, seemed to play down the alarm. "If we had a radiation problem here, do you think my restaurant and bar would be so full of people?" he said.

The authorities said they were also trying to find nurses and other medical staff who had treated Mr. Litvinenko since he began to complain of an unspecified illness on Nov. 1, in case they had been contaminated.

Roger Cox, the director of the Health Protection Agency's center for radiation, chemicals and environmental hazards, said a large quantity of alpha radiation had been found in Mr. Litvinenko's urine. Referring to the effects of polonium 210, he said: "If that enters the body by ingestion, then it will rapidly track through the body and go to most major organs," causing "tissue damage characteristic of radiation."

It was not immediately known why it had taken so long for the source of Mr. Litvinenko's poisoning to become clear. Medical authorities denied earlier reports that Mr. Litvinenko had been poisoned by thallium, a toxic metal.

At a news conference on Friday, Dr. Pat Troop, the Health Protection Agency's chief executive, described Mr. Litvinenko's death as "an unprecedented event in the U.K., in that someone has apparently been poisoned by a type of radiation."

A British counterterrorism official said polonium 210 was a byproduct of the nuclear industry and is used in the production of antistatic materials. But in the form believed to have been used in the suspected poisoning, it would have required high-grade technical skills and a sophisticated scientific process to produce, probably within a nuclear lab.

The official, who spoke in return for anonymity because the case had not yet been resolved, declined to comment on efforts to locate possible sources of the substance. The investigation would be difficult for the police because, for instance, at the Itsu sushi bar "thousands of people will have passed through since he was there," the official said.

Mr. Litvinenko was a former operative in the K.G.B. who became a colonel in its successor organization, known by its Russian initials as the F.S.B. In the late 1990s, Mr. Litvinenko said publicly that he had been ordered to assassinate Boris Berezovsky, an exiled Russian tycoon, but had refused to do so. He fled to Britain and secured British citizenship earlier this year. In 2003, he wrote a book accusing the Russian secret service of orchestrating apartment house bombings in Russia in 1999 that led to the second Chechen war.

Since his illness became known last week, his friends have depicted his poisoning as an officially sanctioned reprisal for his criticism of the Kremlin and his efforts to investigate the fatal shooting of Anna Politkovskaya, a prominent Russian journalist.

Before news broke of the radiation poisoning, Alex Goldfarb, a friend of Mr. Litvinenko, read what was described as the former spy's deathbed statement, addressed largely to President Putin.

"You may succeed in silencing me, but that silence comes at a price," the statement read. "You have shown yourself to be as barbaric and ruthless as your most hostile critics have claimed."

"You have shown yourself to have no respect for life, liberty or any civilized value," the statement said. "May God forgive you for what you have done, not only to me but to beloved Russia and its people."

Mr. Litvinenko's death threatened to strain relations between Britain and Russia, but Britain sought to avert a major crisis. A Foreign Office official, who spoke in return for customary anonymity, said the Russian ambassador here, Yury V. Fedotov, was called to the Foreign Office on Friday and told that "police were pursuing their investigations and the situation was now more serious."

British officials wanted Russia to help the inquiry with any information it might have about the case, the official said.

Mr. Putin found himself on the defensive when he appeared in Helsinki, Finland, after a meeting with leaders of the European Union, as he had been when he traveled in Europe following the death of Ms. Politkovskaya.

He called Mr. Litvinenko's death a tragedy, but suggested that there was "no indication that it was a violent death," citing what he said was a British medical report. He called for an investigation and pledged the assistance of Russian authorities.

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"I hope that the British authorities will not contribute to the fanning up of political scandals having no real grounds," he said in remarks televised in Russia.

Mr. Putin also brushed aside the significance of Mr. Litvinenko's poisoning, suggesting his death was being used for political purposes.

"Those who did it are not the Lord, and Mr. Litvinenko is not Lazarus," he went on. "It is regretful that even such a tragic event as the death of a human being is being used for political provocation."

Andrei Lugovoi, a former K.G.B. colleague who met Mr. Litvinenko in London, denied in a radio interview on Friday that he or a colleague, Dmitry Kovtun, had any part in poisoning him. Speaking on Ekho Moskvy, an independent Russian radio station, Mr. Lugovoi said that he and Mr. Kovtun had met Mr. Litvinenko at a hotel in London on Nov. 1, the day he fell ill, and had discussed business for 20 to 30 minutes.

"He did not order anything," he said. "We did not pour anything for him."

Mr. Lugovoi, now in Moscow, went on to stress that he did not believe Mr. Litvinenko suspected either man while he was ill, and that he had spoken with him on Nov. 7 and Nov. 13. "We had normal, regular conversations," he said. "Nobody accused anybody."

The British police said the investigation was being headed by the counterterrorism command, led by Peter Clarke, an officer normally associated with inquiries into Islamic terrorism.

In a statement on Friday, Mr. Clarke said no arrests had been made, but promised a thorough inquiry. He spoke after the government announced that it had held a meeting of its closed-door Cobra group of top ministers. The code stands for the somewhat more prosaic "Cabinet Office Briefing Room A" in Whitehall, where such gatherings are held.

While Mr. Litvinenko's friends have accused President Putin, the Russian leader's own supporters have hinted at a conspiracy of a different nature.

In Helsinki, where the poisoning overshadowed efforts to resolve disagreements on European-Russian relations, Mr. Putin's aide in charge of European affairs, Sergei V. Yastrzhembsky, said: "What is alarming is the eye-striking, excessive number of deliberate coincidences of high-profiling deaths of people who positioned themselves as opponents to the existing Russian government with international events in which the Russian president takes part."

He added that Russia faced "a well-orchestrated campaign or a plan to consistently discredit Russia and its leader," according to the Interfax news agency.

Radioactive Poison Killed Ex-Spy (WP)

By Mary Jordan, Peter Finn

The Washington Post, November 25, 2006

LONDON, Nov. 24 -- Former Russian spy Alexander Litvinenko was fatally poisoned by a radioactive substance, traces of which were found in his urine, at his home and at a London restaurant and hotel he visited the day he became ill, according to the British health department. It called the case "unprecedented" in Britain.

Authorities closed the restaurant and sealed off part of the hotel Friday as part of an emergency effort to trace the substance, polonium 210, and ensure that it does not harm other people. Litvinenko would have eaten, inhaled or received it through a wound, according to Pat Troop, chief executive of Britain's Health Protection Agency.

Coming after the mysterious poisoning of another prominent opponent of the Kremlin, Ukrainian politician Viktor Yushchenko, the death provoked accusations that Russia continues to use Cold War-style tactics to eliminate critics abroad. London was the scene of the 1978 assassination of a Bulgarian dissident who was killed by a jab from a umbrella tip bearing the toxin ricin.

Litvinenko blamed the Kremlin shortly before he died, according to friends and family members. "As I lie here I can distinctly hear the beating of wings of the angel of death," Litvinenko, 43, said in a dictated statement, according to friend Alex Goldfarb, who met reporters while accompanied by Litvinenko's tearful father.

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"You may succeed in silencing one man but the howl of protest from around the world will reverberate, Mr. Putin, in your ears for the rest of your life," the statement said. "May God forgive you for what you have done, not only to me but to beloved Russia and its people."

Kremlin and Russian security service officials have denied any involvement in the poisoning of Litvinenko, who fled to Britain in 2000 after publicly accusing the security service of involvement in the bombings of two apartment buildings in Russia in 1999 in which 300 people died. Litvinenko had been investigating the murder last month of Russian journalist Anna Politkovskaya, another critic of the Putin government.

Litvinenko's death complicated a summit in Helsinki between Putin and European Union leaders. Speaking there, the Russian president called Litvinenko's death a tragedy, expressing his condolences and pledging his country's cooperation in the investigation.

Addressing allegations that he had ordered the assassination to silence a troublesome critic, Putin said, "I hope the British authorities won't fuel groundless political scandals." He added, "It is a great pity that even such tragic things as human death are used for political provocations."

Putin questioned why Litvinenko's deathbed note had not been made public before he died. Putin also said there was no official finding that Litvinenko had been murdered. "As I know, the medical certificate of British doctors does not indicate that he died a violent death," Putin said. "It does not say that. Hence there is no reason for such talk at all."

Troop, the British health chief, said no autopsy had been conducted. She did not say why, but the BBC reported that "the delay is believed to be over concerns about the health implications for those present at the examination."

Roger Cox, another health agency official, told reporters that radiation emitted by the polonium had been detected in Litvinenko's urine.

John Henry, a toxicologist who was asked by Litvinenko's family to look into the case and who examined Litvinenko before his death, said the type of polonium involved is "only found in government-controlled institutions." In an interview, Henry called polonium 210 an "extraordinary poison" that is lethal in doses so small, "you can lose it on the point of a pin."

Henry, who took part in the investigation of the 2004 poisoning of Ukraine's Yushchenko, then opposition leader and now the president, said that polonium 210 "kills cell by cell" and that once it is administered, there's "absolutely nothing" that can be done to save the exposed person.

Peter Clarke, head of Scotland Yard's anti-terrorism branch, which is leading the investigation, said police are studying closed-circuit television surveillance footage of the places in central London that Litvinenko visited Nov. 1, the day he became ill.

In Friday interviews with Russian news media, a Russian man who met with Litvinenko that day said he had been questioned by British officials in Moscow and denied involvement in the case.

Andrei Lugovoy, a former Russian security agent, said Litvinenko called him and invited him to a meeting to discuss business contacts. He said that he and two other men, including one named Dmitry Kovtun, met with Litvinenko at the Millennium Hotel on Grosvenor Square near the U.S. Embassy.

He said Litvinenko did not eat or drink anything during their 20- to 30-minute meeting. "I'm surprised by how hysterically some are trying to tie me to this," Lugovoy said.

Police said Friday night that part of that hotel as well as the Itsu sushi restaurant that Litvinenko visited had been closed while the investigation continued.

From London to Moscow, people were trying to sort out who stood to benefit from Litvinenko's death.

Litvinenko's supporters say Putin benefits by eliminating a fierce critic. Kremlin defenders say it is not Putin, but rather the Russian leader's enemies who gain. The fierce anti-Putin circle in London, including exiled Russian tycoon Boris Berezovsky, has seized on the poisoning as a way to smear Putin's reputation internationally, they said.

Nikolai Kovalyov, chairman of the veterans committee of the lower house of the Russian parliament, told the Interfax news agency: "Doubtlessly, it did not benefit Russia and its special services. . . . It is not in our interests at all."

Kovalyov, who once headed the Federal Security Service, the domestic successor to the KGB, added that other "defectors who did incomparably more harm to Russia than Litvinenko continue to live in the West safe and sound."

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Putin Denies Role In Death Of Ex-spy (FT)

By Jimmy Burns, Stephen Fidler, Frederick Studemann

Financial Times, November 25, 2006

Vladimir Putin was on Friday forced into a public denial of responsibility for the death of the former Russian intelligence officer Alexander Litvinenko, after British authorities said the ex-spy had been poisoned by highly radioactive polonium 210.

The UK Foreign Office said it had raised the incident with the Russian ambassador after British authorities said they knew of no precedent for such a killing.

Litvinenko died in a London hospital on Thursday night, and a statement he is said to have dictated on Tuesday night blamed the Russian president.

"You succeeded in silencing one man but the howl of protest from around the world will reverberate, Mr Putin, in your ears for the rest of your life," said the statement, read publicly on Friday by a friend, Alexander Goldfarb. "You have shown yourself to be as barbaric and ruthless as your most hostile critics have claimed."

As Kremlin officials vigorously denied official Russian involvement, Mr Putin was forced to answer questions about Litvinenko's death while at an EU/Russia summit in Helsinki.

"There is no grounds for speculation of this kind," Mr Putin said, adding that talk of his government being involved "has nothing to do with reality". He expressed his sympathy for Mr Litvinenko's family, but added that he hoped Britain would not seek to create a "political scandal" over the death.

Mr Putin added: "As far as I understand from the medical statement, it does not say this was the result of a violence."

He also expressed doubts as to the authenticity of the declaration. He said he was "unclear" why, if the statement had been written while Mr Litvinenko was still alive, it had not been reported at that time.

In a rare televised appearance, a spokesman for Russia's SVR foreign intelligence service also reiterated its denials of responsibility. "Probably someone wanted to make a splash out of this, but it's difficult to say who," he said.

Last night, three places in London visited by Mr Litvinenko before he died – a restaurant, his home and sections of a hotel – were sealed off and police said they had found traces of the isotope at each location.

Polonium 210 emits 5,000 times more alpha radiation than radium and a microscopic dose can be lethal if ingested. It has a number of uses, including as nuclear bomb triggers, nuclear batteries and, more frequently, in static electricity eliminators.

The Soviet-era predecessor to Russia's intelligence services, the KGB, used radioactive substances to assassinate opponents, but British experts said they knew of no precedent for the use of polonium. In 1957, in an incident with reverberations in the Litvinenko case, the KGB tried to kill a defector, Nikolai Kholkhov, using radioactive thallium. He suffered horrific symptoms but he survived.

Andrei Nekrasov, a Russian film-maker and friend of Mr Litvinenko, said that his death was "clearly intentional - no doubt about that".

He said Mr Litvinenko was convinced it was the FSB, Russia's domestic intelligence service, that had killed him but that there was no proof. Mr Litvinenko had said that "they were threatening him" and that poisoning would be completely in their style.

Mr Nekrasov said that a recent law passed by the Duma allowing Russian intelligence to eliminate Russia's enemies abroad effectively gave licence to Mr Litvinenko's enemies. "They hated him for going public on all these issues," he said.

Poisoned Spy Blames Putin For His Death (AP)

By Jill Lawless, Associated Press Writer

AP, November 25, 2006

A rare radioactive substance killed an ex-KGB spy turned Kremlin critic, the British government said Friday. In a dramatic statement written before he died, the man called Russian President Vladimir Putin "barbaric and ruthless" and blamed him personally for the poisoning.

Putin, in Finland, offered his condolences for the death of Alexander Litvinenko and denied any involvement. He called the release of the deathbed statement a "political provocation" by his opponents.

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Litvinenko died late Thursday at a London hospital after spending days in intensive care as doctors puzzled over what was causing his organs to fail and attacking his bone marrow and destroying his immune system.

Britain's Health Protection Agency said Friday that the radioactive element polonium-210 had been found in his urine, and the police said traces of radiation were found at Litvinenko's home and a ritzy hotel bar and sushi restaurant he visited on the day he became ill.

Police said they were treating the case as an "unexplained death" — but not yet as a murder.

The 43-year-old Litvinenko, who fiercely criticized Putin's government from his refuge in London since 2000, told police he believed he was poisoned Nov. 1 while investigating the October slaying of Russian journalist Anna Politkovskaya, another critic of Putin.

Litvinenko's statement, read by his friend Alex Goldfarb to reporters outside the hospital, put the blame for his death squarely on Putin.

He accused Putin of having "no respect for life, liberty or any civilized value."

"You may succeed in silencing me but that silence comes at a price. You have shown yourself to be as barbaric and ruthless as your most hostile critics have claimed," the statement said.

"You may succeed in silencing one man but the howl of protest from around the world will reverberate, Mr. Putin, in your ears for the rest of your life."

Goldfarb said Litvinenko dictated the statement before he lost consciousness Tuesday, and signed it in the presence of his wife, Marina.

Putin strongly denied involvement by his government.

"A death of a man is always a tragedy and I deplore this," the Russian leader said when asked about Litvinenko during a news conference after a meeting with European Union leaders.

Putin said the fact that Litvinenko's statement was released only after his death showed it was a provocation. "It's extremely regrettable that such a tragic event as death is being used for political provocation," he said.

At a meeting Friday with Russian Ambassador Yury Fedotov at London's Foreign Office, British diplomats asked Moscow to provide all assistance necessary to a police inquiry into the death, government officials said. Putin pledged to cooperate.

Home Secretary John Reid convened the British government's crisis committee Friday to discuss the death, a Cabinet Office spokeswoman said. Prime Minister Tony Blair's Downing Street office said he was in Scotland and did not attend.

In Washington, State Department spokesman Tom Casey said the United States has sought information on the case from British authorities. "We have been told that they have no definitive conclusions and that they are conducting an investigation," Casey said.

The Health Protection Agency described poisoning with polonium-210 as "an unprecedented event."

"I've been in radiation sciences for 30-odd years and I'm not aware of any such incident," said Roger Cox, director of the agency's center for radiation, chemicals and environmental hazards.

The agency's chief executive, Pat Troop, said the high level of polonium-210 indicated Litvinenko "would either have to have eaten it, inhaled it or taken it in through a wound."

Troop said the agency was evaluating whether it was safe to perform an autopsy.

Peter Clarke, head of London's anti-terrorist police, said officers and military radiation experts were searching several locations in London. A police statement later said at least five locations were being checked, but did not identify two of them.

Traces of radiation had been found at Litvinenko's north London house, the sushi restaurant where he met a contact Nov. 1 and a hotel he visited earlier that day, Clarke said. The restaurant and part of the hotel were closed, with officers removing materials in heavy metal boxes.

Clarke said extensive tests by forensic toxicologists on behalf of police — which began before Litvinenko's death — had on Friday confirmed the presence of polonium-210.

"There is no risk to the public unless they came into close contact with the men or their meals," said Katherine Lewis, a spokeswoman for the Health Protection Agency.

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Experts said small amounts of polonium-210 — but not enough to kill someone — are used legitimately in Britain and elsewhere for industrial purposes.

Professor Dudley Goodhead, a radiation expert at the Medical Research Council, said that "to poison someone, much larger amounts are required and this would have to be manmade, perhaps from a particle accelerator or a nuclear reactor."

Chris Lloyd, a British radiation protection adviser, said it would be relatively easy to smuggle polonium into the country, because its alpha radiation would not set off radiation detectors.

Doctors treating Litvinenko had said Thursday that they could not explain his rapid decline. They discounted earlier theories that the father of three had been poisoned with the toxic metal thallium.

Lewis, the Health Protection Agency spokeswoman, said doctors had not discovered the presence of polonium-210 in Litvinenko earlier because hospitals do not normally test for the alpha-ray radiation it emits.

University College Hospital, where Litvinenko died, said Friday it could not comment further because the case was being investigated by police.

Litvinenko's friends had little doubt about who was to blame — Putin's regime.

They said the former spy, who sought asylum in Britain in 2000 and became a citizen, worked tirelessly to uncover corruption in Russia's Federal Security Service, the successor agency to the Soviet-era KGB, and unmask Politkovskaya's killers.

Litvinenko had worked for the KGB and then the Federal Security Service until he publicly accused his superiors in 1998 of ordering him to kill Russian tycoon Boris Berezovsky. He spent nine months in jail on charges of abuse of office, but was later acquitted and moved to Britain.

In Moscow, pro-Kremlin legislators pointed at Berezovsky, who amassed a fortune in dubious privatization deals after the 1991 Soviet collapse but fled to London after falling out of favor with Putin. He has been a persistent critic of Putin and worked with Litvinenko.

Lawmakers questioned whether the two critics had a falling out and argued the Kremlin had nothing to gain from Litvinenko's death. "I think this is another game of some kind by Berezovsky," Valery Dyatlenko said on Channel One.

Litvinenko's father, Walter, said his son "fought this regime, and this regime got him."

"It was an excruciating death and he was taking it as a real man," Walter Litvinenko told reporters outside the hospital, his voice choked with emotion.

Goldfarb said the attack bore "all the hallmarks of a very professional, sophisticated and specialist operation."

Another friend, Andrei Nekrasov, said Litvinenko told him: "The bastards got me, but they won't get everybody."

Associated Press writer Maria Cheng contributed to this report.

Poisoning Of Ex-spy Ignites Health Scare (LAT)

By Sebastian Rotella, Janet Stobart

The Los Angeles Times, November 25, 2006

LONDON — Counter-terrorism police investigating the mysterious death of a Russian spy-turned-dissident warned Friday of a potential public health hazard at two hospitals that treated him and three other locations where officials found traces of the radioactive material thought to have killed him.

On a day of dramatic revelations and accusations, authorities said they believed Alexander Litvinenko, a former KGB agent and a fierce critic of Russian President Vladimir V. Putin, died Thursday night from a lethal dose of polonium-210, a radioactive substance that is deadly only if ingested.

Concern about danger to the public prompted meetings Friday of a government committee that responds to national emergencies such as terrorist attacks.

Contamination could result from direct contact with the dead man's bodily fluids, authorities said, or by swallowing polonium-210, inhaling it or absorbing it through an open wound. Investigators suspect the 43-year-old was poisoned Nov. 1, when he had meetings in central London at a sushi restaurant and a luxury hotel. Traces of the radioactive material have been found at both locations and his home in North London.

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Health officials said they had worked overnight interviewing staffers at the hospitals that treated Litvinenko and were trying to determine the number of people at risk. The government appealed Friday night to anyone who ate at the restaurant Nov. 1 to contact health officials because they may have been contaminated.

"This is an unprecedented event in the U.K. in which someone has apparently been deliberately poisoned with a type of radiation," said Pat Troop, executive director of the Health Protection Agency, which advises the government on major health threats such as radiation and infectious diseases.

Three days before he died, an emaciated Litvinenko dictated a statement from his hospital bed in which he accused the Russian secret services of poisoning him, friends and family revealed at a news conference Friday.

Saying he heard the "beating wings of the angel of death," Litvinenko lashed out at Putin in the statement, read by his close friend Alexander Goldfarb.

"You have shown yourself to be as barbaric and ruthless as your most hostile critics have claimed," Litvinenko said in the statement. "You have shown yourself to have no respect for life, liberty or any civilized value. You have shown yourself to be unworthy of your office, to be unworthy of the trust of civilized men and women. You may succeed in silencing one man, but the howl of protest from around the world will reverberate, Mr. Putin, in your ears for the rest of your life."

Putin, whose government has repeatedly denied involvement, responded quickly. At a summit of the European Union and Russia in Helsinki, Finland, he called the death a tragedy and expressed condolences to the family. But he warned against political manipulation and "provocation."

"I hope that British authorities will not assist in blowing up some kind of political scandals not based on real grounds," Putin said. "If need be, the Russian authorities, including investigators and the Russian prosecutor's office, will render all necessary assistance in the investigation."

A sensitive case

Scotland Yard's elite counter-terrorism unit is leading the investigation. The case is politically delicate, in part because Russian spy agencies have been accused or implicated in previous attacks on opponents, some of whom were poisoned.

A British official knowledgeable about the case, who asked not to be identified, said police conducted in-depth interviews of the hospitalized Litvinenko, four or five sessions lasting about four hours each. In addition, they are reconstructing his movements through interviews of witnesses and analysis of footage from London's widespread surveillance camera network, Deputy Assistant Commissioner Peter Clarke, head of the Counter Terrorism Command, said in a statement.

Police have assembled a detailed picture of the dead man's life, the first British official said. They have not ruled out any theories, some of which are as convoluted and murky as Russia's political underworld, the official said.

In contrast to the victim's deathbed accusations against Putin, Russian leaders alleged Friday that exiled Russian "oligarch" Boris Berezovsky, a rival of Putin and ally of Litvinenko, may have engineered the plot to discredit the Kremlin.

Moreover, police have not discounted the possibility that Litvinenko, a veteran of an intelligence culture steeped in the use of poisons, somehow ingested the substance while handling it, the British official said.

"They are not ruling out anything," the official said. "Our police are good and they will follow it wherever it goes. But they are not going to be affected by political pressure to go in only one direction. There are things that came up in the investigation of his life that don't point all in one direction."

Whoever the mastermind may be, the amount of the traces found at the restaurant and the relatively open form in which food is prepared and served at sushi bars are among factors making it likely that the poison was slipped into the victim's food there, the official said.

It is also possible that Litvinenko was poisoned before the two meetings and left traces of the material at the location because it had gotten onto his hands or clothes, the official said.

The culprit had to be an expert. It is difficult to obtain polonium-210 and to employ it as a weapon, said Sally Leivesley, a security and terrorism advisor interviewed Friday by the BBC.

"It's not only a weapon of assassination, it's also a weapon of terror," Leivesley said. "Let's remember what happened with our victim, who has had an unfortunate and absolutely ghastly death.

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"What we're seeing is a very measured dose, so the understanding of the people who did this is absolutely acute…. If it had been too high, he would have gone into convulsions on the spot and he would have died immediately. If it had been too low, very fortunately he would have been able to recover, but perhaps been quite ill in the long term."

Victim's day

On Nov. 1, Litvinenko ate lunch at the Itsu sushi bar in the bustling Piccadilly area with Italian security analyst Mario Scaramella, who had come to London to discuss with him the killing in Moscow last month of Anna Politkovskaya, a Russian investigative journalist. Litvinenko was investigating her death. Scaramella showed him a Russian security hit list of anti-government critics on which the names of both Politkovskaya and Litvinenko appeared, according to Litvinenko's accounts to journalists and friends.

Scaramella has denied any involvement and pledged full cooperation with police, saying that he now fears for his life.

After the meal with the Italian academic, officials said, Litvinenko had tea with two Russian men at the Millennium Hotel in Grosvenor Square, where the U.S. Embassy is located. One of the Russians was a former KGB officer, Andrei Lugovoy, and the other was referred to simply as Vladimir, according to Litvinenko's accounts.

Lugovoy, who now runs a private security company, has denied wrongdoing, according to an interview published Friday in the Times of London newspaper. He described himself as a business associate of the slain man and identified the third man as Dmitri Kovron, a businessman, according to the Times. Lugovoy told the newspaper that Litvinenko had requested the meeting to discuss a British company interested in the Russian market, and that Litvinenko did not drink or eat anything during the afternoon conversation.

The sushi bar has been closed while it is searched for radioactive traces. Police said parts of the hotel also had been closed, but a hotel spokesman said all areas of the hotel were functioning normally Friday.

Litvinenko fell ill on the evening of Nov. 1 and was admitted to North London's Barnet General Hospital. His condition worsened, and Nov. 17 he was transferred to University College Hospital in central London, where he was kept under armed surveillance.

In interviews and exchanges with friends from his hospital bed, he said he was the victim of a poisoning.

Doctors named thallium or some kind of radiation poisoning as the cause of his illness, but were unable to pinpoint the substance that caused excruciating pain and a gruesome transformation as his hair fell out and his organs failed.

By Thursday morning, he had been resuscitated from cardiac arrest, and after several hours on a respirator and life-support machine, he died about 9:20 p.m.

The substance that killed him is a radioactive material that occurs naturally and is present in the environment and people in very low concentrations, officials said. It is used industrially for anti-static devices in factories.

Although it cannot penetrate skin, if ingested it can cause an increased cancer risk or, if the quantity is large enough, destruction of body tissues and organs, officials said.

The dissident's father, Walter, spoke tearfully Friday, saying his son displayed dignity and courage throughout his ordeal. He echoed his son's denunciation of the Kremlin.

"My son died yesterday, and he was killed by a tiny nuclear bomb," the elder Litvinenko said. "It was so small you could not see it. But the people who killed him have big nuclear bombs and missiles, and those people should not be trusted."

Russia Said To Deliver Arms To Iran (AP)

By Judith Ingram, Associated Press Writer

AP, November 25, 2006

Russia has begun delivery of Tor-M1 air defense missile systems to Iran, a Defense Ministry official said Friday, confirming that Moscow would proceed with arms deals with Tehran in spite of Western criticism.

The official, who spoke on condition of anonymity because he was not authorized to discuss the issue, declined to specify when the deliveries had been made and how many systems had been delivered.

Ministry officials have previously said Moscow would supply 29 of the sophisticated missile systems to Iran under a $700 million contract signed in December, according to Russian media reports.

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The United States called on all countries last spring to stop all arms exports to Iran, as well as ending all nuclear cooperation with it to put pressure on Tehran to halt uranium enrichment activities. Israel, too, has severely criticized arm s deals with Iran.

Tehran insists its nuclear program is for peaceful purposes, but the United States and its allies suspect Iran is trying to develop weapons.

The U.N. Security Council, where Russia is a veto-wielding permanent member, is currently stalemated on the severity of sanctions on Iran for defying its demand to cease enrichment.

The Tor-M1 deal, involving conventional weapons, does not violate any international agreements.

Russian officials say the missiles are purely defensive weapons with a limited range.

According to the Interfax news agency, the Tor-M1 system can identify up to 48 targets and fire at two targets simultaneously at a height of up to 20,000 feet.

Russian media have reported previously that Moscow had conducted talks on selling even more powerful long-range S-300 air defense missiles, but Russian officials have denied that.

Lebanon's Crisis Worsens With Strike (AP)

By Sam F. Ghattas, Associated Press Writer

AP, November 25, 2006

Lebanon's political crisis worsened Friday with government ministers fearing for their lives after the murder of one of their own, businesses on strike and Hezbollah renewing threats of protests.

Beirut was tense after several hundred supporters of the pro-Syrian Hezbollah briefly took to the streets on Thursday night, burning tires and blocking the road to the airport until the Islamic militant group's leader ordered them home.

Tuesday's assassination of Interior Minister Pierre Gemayel, an anti-Syrian Christian leader, has added to Lebanon's political uncertainty. It has also reignited anger at Syria, which dominated Lebanon for nearly three decades but was forced to withdraw its troops last year over accusations it was behind Hariri's killing.

The U.S.-backed government of Prime Minister Fuad Saniora moved ahead with an issue that was likely to anger Hezbollah. The Cabinet was due to meet Saturday to give its final approval to a U.N.-created international court to try suspects in the February 2005 killing of former prime minister Rafik Hariri.

In a gesture toward the government and the anti-Syrian majority in parliament — which regard the U.N. court as a priority — Hezbollah leader Sheik Hassan Nasrallah and parliament speaker Amal leader Nabih Berri said they supported the creation of the tribunal. But they accused their opponents of using the issue to block their demands for enough Cabinet seats to be able to veto decisions.

"We insist on our legitimate right to demand a real participation in the political decision-making," the two said a statement. They pledged to press their "demand by using all available democratic and legal means," a reiteration of threats to hold non-violent protests. When Nasrallah first demanded more Cabinet seats earlier this month, he said that Hezbollah would call demonstrations to bring down the government if its demands were not met. But those protests were called off following Gemayel's death.

Damascus has denied any role in the slayings of Hariri, Gemayel or four other anti-Syrian politicians over the past two years. But Syria suggested in a letter that circulated at the U.N. Friday that it may not cooperate with the international court, saying it was not consulted about the planned court.

An estimated 800,000 government supporters — a fifth of the population — turned out for Gemayel's funeral on Thursday, turning it into a political rally against Syria as Lebanon's ethnic groups faced their sharpest divisions since the 1975-90 civil war.

"Even at the height of the civil war, Lebanon has never witnessed this level of polarization among its sects, this kind of political mobilization and the crisis at such a dead end," wrote Sateh Noureddine, managing editor of the daily As-Safir.

Fearing a meltdown, business leaders called a two-day strike starting Friday to urge the rival leaders to "take national decisions ... engage in dialogue and stop making threats of street protests."

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Factories, banks and financial institutions closed Friday. Though many small shops remained open, many schools shut down and traffic was thinner than normal on Beirut's usually bustling streets.

Underlining the atmosphere of fear following Gemayel's assassination, some Cabinet ministers are taking shelter in the government headquarters in downtown Beirut, although Cabinet Minister Ahmed Fatfat, speaking on Lebanese Broadcasting Corp. television, would not say how many ministers.

Efforts to break the deadlock — and even the outpouring of grief over the slaying of the young Christian politician — have failed to soften the entrenched positions.

Egypt and Saudi Arabia have mediated in recent days, apparently to no avail.

Hezbollah ignored a call by Prime Minister Fuad Saniora on Thursday night for it to resume dialogue and for six pro-Hezbollah members who quit his Cabinet to return to their posts. The six quit in protest just before the Cabinet gave its initial approval of the international tribunal, which is opposed by Hezbollah.

Pro-government groups have warned that more government ministers may be targeted for assassination, which could deny the Cabinet the legal two-thirds quorum of 16 needed to approve the court. The Cabinet now has 17 members following the Shiites' withdrawal and Gemayel's death.

Nabil Bou Monsef, a political analyst speaking on LBC TV Friday, said the latest events served as "a great red alert" to the country. "Tensions are flashing red."

Lebanon's Ominous Sense Of Deja Vu (LAT)

By Megan K. Stack

The Los Angeles Times, November 25, 2006

BEIRUT — The Sunnis were lucky: The homemade bomb that exploded outside their little filling station in the early hours Friday didn't ignite the tanks of gasoline. Shrapnel smashed through the glass windows and metal shutters, but the lone employee was in the bathroom and nobody was hurt.

Shiite gangs roamed the surrounding streets that night, attacking any Sunni symbols they could find, including a mosque. All over Lebanon, Shiites were spoiling for revenge after seeing television footage of the funeral of assassinated Christian Cabinet minister Pierre Gemayel.

Mourners, including some Sunnis, had cursed Shiites and their leaders at the funeral. Afterward, Shiites turned their rage on the nearest Sunnis they could find. Sunnis fought back. A cycle of violence, with uncomfortable echoes of Lebanon's past, was getting underway.

"The country is headed for war," said Abbas Ismail, 50, a Sunni who works in the bombed gas station. He stood on a small concrete ledge as a sinking sun spilled long shadows over Beirut's southern suburbs. "People think we are going to face a civil war."

Brawls and vandalism with sectarian overtones have erupted in the Lebanese capital in recent days, especially where rival sects or political parties live side by side. Gangs roamed the streets, looking for a place to vent their rage.

The incidents are minor: insults shouted, rocks thrown at mosques, posters of sectarian leaders shredded. But they reveal a precarious mood. This is just the sort of low-level violence that has sparked clashes and fueled Lebanon's internal religious fighting for generations.

A political rift has grown steadily more serious. On one side is a government clinging precariously to existence; on the other, a Hezbollah-led opposition determined to grab a greater share of power.

With Hezbollah, a powerful Shiite party, and its allies threatening to stage massive protests to topple the government, there is mounting concern that street violence could give way to wider reprisals.

"Maybe it will start like this. It's very obvious — in 1975 it started like this," said Romel Sherri, a 34-year-old engineer, referring to the start of Lebanon's 15-year civil war. Like most people in Lebanon, Sherri was confident that his own group, Hezbollah, would behave itself, and skeptical about the intentions of its rivals.

"Hassan Nasrallah can control the street, but the others can't," he said, referring to the popular leader of Hezbollah. "They start throwing poison between the religions."

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Against the backdrop of religious slaughter in Iraq, tensions are particularly thick between Lebanon's Sunni and Shiite Muslims. Members of both sects speak of a regional spillover, saying that news from Iraq, along with growing Arab anxiety over the rising influence of Shiite-ruled Iran, has worsened the animosities here.

"If we hear on the news at night that Shiites have been killed by Sunnis in Iraq, then they want to attack Sunnis here in Lebanon," said Ismail, the gas station employee. "It makes them hate us even more."

This is not the same Lebanon that slipped into civil war three decades ago, with the most glaring difference this: Instead of Christians fighting Muslims, the most heated divisions are emerging among rival Christians and, especially, between Sunnis and Shiites.

"It's much more among communities, internally, than between communities," said Fadia Kiwan, head of political science at Beirut's St. Joseph University. "The tension that is of concern to everybody now is the emergence of a Sunni and Shiite split. The situation is very critical."

Tensions also have flared between Christians who are still loyal to the government and the followers of Gen. Michel Aoun, a popular Christian leader who has forged an unlikely alliance with Hezbollah. The night Gemayel was killed, furious young men from the slain minister's Falangist Party attacked Aoun's posters and burned his militia flags in Beirut's Christian neighborhoods.

The tiny gas station that came under attack stands at the entrance to a small enclave of about 60 Sunni families. A ramshackle maze tacked together from cinderblocks and scraps of corrugated tin, their neighborhood is an impoverished island in a sea of Shiites.

These are the southern suburbs, indisputably Hezbollah's turf. But above a rusting fuel tank at the small gas station, Sunnis have tacked up a massive banner printed with the pictures of assassinated former Prime Minister Rafik Hariri; his son, parliamentary majority leader Saad Hariri; and the elder Hariri's Sunni driver, who hailed from a nearby neighborhood and was killed in February 2005 along with his boss.

"Our eyes are on you," read the Arabic lettering swimming across a backdrop of Lebanese flags.

The massive poster is a sign of defiance. The younger Hariri has accused Syria of assassinating Lebanon's leaders, and is battling to establish an international tribunal to prosecute his father's killers. He is also locked in a political battle with Hezbollah, which has long been backed by Syria.

The gas station owners acknowledge that once Shiite customers notice the banner, they usually don't come back.

"If we take this picture down, it's humiliation for us," said Mohammed abu Ali, 45, a driver who lives in the neighborhood. "If the situation were calm, we'd take it down. But in times like these, we can't."

Hezbollah put out word Friday that it would go ahead with long-threatened street demonstrations meant to topple the government.

The date of the demonstrations will be a surprise, they said, but they might begin as early as Sunday. Shiites were already looking forward to showing off their numbers.

"We will stay in the streets," said Hassan Khodor, a Hezbollah official in the predominantly Shiite Beirut neighborhood of Zkak al Blat, "until the government resigns."

The Shiites from this neighborhood say that Druze, Christians and Sunnis rampaged in the streets Friday, shouting insults and ripping down posters of Nasrallah. The men of the neighborhood attacked the interlopers. The army had to wade into the brawl.

"They used to humiliate the opposition parties, Hezbollah and Amal. But now they are attacking the Shiites in general," Khodor said. "They even insulted our religious traditions. This amazed me."

Lebanon Death "May Presage Coup" (BBC)

BBC.com, November 25, 2006

This week's killing of Lebanese politician Pierre Gemayel may be the first shot in a coup against the government, says a top US official.

John Bolton, the American ambassador to the United Nations, said recent probes into political killings in Lebanon suggested Syrian involvement.

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He told the BBC that if Syria was deemed to have been involved, the implications were serious.

Saturday sees the second day of a strike protesting at the killing.

Many shops closed on Friday with business leaders saying they hoped the action would move Lebanon closer to a "national dialogue" and ward off the threat of division and street protests.

Mr Gemayel, a Maronite Christian who was the industry minister, was shot in his car in a Christian area of Beirut on Tuesday.

Many Lebanese accuse Damascus of orchestrating the 34-year-old's murder, although Syria explicitly denies any involvement.

Speaking in a BBC interview, Mr Bolton said he did not want to pre-judge any investigation into Mr Gemayel's death.

Many Lebanese are still mourning Gemayel

Mr Bolton said that Washington would have to take such things into account when deciding whether to deal with Syria.

He said the Americans talked to the Syrians all the time - the issue was whether Syria was going to listen.

The Lebanese cabinet is due to meet on Saturday to approve a United Nations plan for an international tribunal to try those accused of murdering the former Prime Minister, Rafiq Hariri.

Syria has been implicated in the bombing that killed Mr Hariri last year, but denies involvement.

Correspondents say the Lebanese cabinet is expected to give its final approval to the tribunal, and this is likely to increase tensions with pro-Syrian politicians.

Earlier this month six pro-Syrian ministers resigned from the cabinet, saying they wanted a greater role in government.

The death or resignation of two more cabinet ministers would bring down the government.

Meanwhile, the UN Security Council has agreed to a request from the Lebanese government to help investigate Mr Gemayel's murder.

His killing will be probed by the same tribunal that implicated senior Syrian officials and pro-Syrian Lebanese in the killing of Mr Hariri.

Correspondents say the government is accusing Hezbollah of exploiting the delicate political situation in Lebanon to try and block the UN-backed probe into the Hariri killing.

Pro-Syrian groups have already said the UN plan is illegal under Lebanon's constitution.

In 2005, Syria withdrew its troops from Lebanon following 29 years of military and political rule over its smaller neighbour, after massive international pressure following the assassination of Mr Hariri.

Iran And Syria Helping Hizballah Rearm (TIME)

By Elaine Shannon

Time, November 24, 2006

Iran is smuggling weapons through Syria to re-arm Lebanese allies Hizballah, despite renewed efforts by United Nations peacekeepers and the Lebanese army to seal off the mountain borders with Syria in the wake of last summer's war between the Shi'ite militia and Israel, according to reports by Saudi and Israeli intelligence sources that have been confirmed by western diplomats in Beirut.

Israeli military officials in Tel Aviv say that Hizballah replenished nearly half of its pre-war stockpiles of short-range missiles and small arms. But western diplomats in Beirut say these calculations under-estimate the weapons flow and that Hizballah has now filled its war chest with over 20,000 short-range missiles -- a similar amount fo what they had at the start of the conflict, during which the group is believed to have fired over 3,000 rockets at Israel. "The Iranian pipeline through Syria was already working during the war," despite constant Israeli bombing raids on the roads into Lebanon from Syria, this Beirut source said. Officially, Syria and Iran deny that they're supplying weapons to Hizballah. As for the Shi'ite group itself, when asked about receiving a new shipment of arms from Syria and Iran, a spokesman told TIME, without elaborating, "We have more than enough weapons if Israel tries to attack us again."

Over the past three months, according to a knowledgeable Saudi source, Iranian Revolutionary Guard officers have been operating out of a military base on the outskirts of Damascus. The Iranian government has dispatched shipments of small arms

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and what appear to be missile components to this military base, according to the source. From the secret base, weapons have been shipped by truck across the border into Lebanon. Western diplomats say that the Lebanese army has posted over 8,000 troops along the border, forcing smugglers to use mountain passes instead of the heavily-monitored crossing on the main Beirut-Damascus road.

The Saudis, in particular, are alarmed at Iran's spreading influence in Lebanon. "There has been a serious increase in (Iranian and Syrian) activity in the rearming of Hlzballah," says Nawaf Obaid, a Saudi security advisor who is managing director of the Riyadh-based Saudi National Security Assessment Project, a consulting group that advises the Saudi government. Obaid contends that "a huge stream of trucks" has been crossing the border from Syria into Lebanon, ferrying thinly disguised shipments of arms.

Moreover, Obaid says, the Iranian Revolutionary Guard and Iran's Ministry of Intelligence and Security (MOIS) are using the Iranian embassies in Damascus and Beirut as command and control centers -- an allegation that was also confirmed to TIME by Israeli military sources. Obaid says there appear to be direct communications links between the Iranians and Hizballah, via Hizballah officers working inside the Iranian embassy in Beirut, and Iranian officers in the field with Hizballah fighters; in the past, some Middle East analysts have rejected the popular notion that Hizballah takes direct orders from Iran.

Iran's apparent efforts to destabilize Lebanon and to expand Shi'ite influence in Iraq and throughout the region are of major concern to the Saudi government, a leading power in the Sunni Muslim world that presumably would like to see the U.S. take a more active stance in Lebanon against its regional rivals. Obaid says that when Vice President Cheney visits King Abdallah bin Abd Al Aziz Al Saud Saturday in Riyadh, the Saudi king is expected to tell Cheney that "the Saudi leadership will not and cannot allow Iran, through Syria and Hizballah, to bring down the Lebanese government and overtake the levers of power in Beirut." Obaid says the Saudi king is also expected to discuss with Cheney the kingdom's worries about Iranian activity in Iraq and the Palestinian territories as well as its alliance with Syria.

All of the Iranian and Syrian activity is taking place against the backdrop of growing instability within Lebanon's government and Saturday's upcoming vote among government ministers to bring the assassins of the late Prime Minister Rafik Hariri before an international tribunal -- a process that is expected to implicate high-level Syrian officials. Hizballah pulled out of the country's coalition government recently after its push for greater representation was rebuffed; many observers viewed the push for effectve veto power as motivated by its concern that prime minister Fouad Siniora would try to begin the process of Hizballah's disarmament that was reaffirmed in the UN-brokered ceasefire that ended this summer's war. Moreover, some politicians in Beirut suspect that the assassination of Industry Minister Pierre Gemayel on Tuesday was plotted by Syria to scare cabinet ministers into voting against the international probe into Hariri's death by a massive truck bomb (other analysts argue the predictable fallout from the killing just ahead of such a crucial vote is precisely why Syria would not have ordered it). Saad Hariri, the prime minister's son and a supporter of the current government, told TIME, "Syria is waging a campaign of intimidation and assassinations to stop the tribunal."

If the Lebanese government approves of the tribunal, it will then go to the United Nations, which could slap an embargo on Syria. This process will drag on for months before it wends its way into the UN Security Council. Moreover, such a confrontational approach would run counter to the expected recommendation of the Iraq Study Group, commissioned by the White House, to engage with Syria. But after the assassination of Pierre Gemayel the notion of US talks with Syria may be off the table, at least for the moment.

- with additional reporting by Aaron J. Klein/Tel Aviv and Timothy J. Burger/Washington

Palestinians And Israel Say They Are Open To Truce (NYT)

By Steven Erlanger

The New York Times, November 25, 2006

JERUSALEM, Nov. 24 — After another surge of violence in and around the Gaza Strip over the past month, Israel and the Palestinians moved gingerly on Friday toward reinstating an often-broken cease-fire between them.

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In Gaza, Prime Minister Ismail Haniya of Hamas confirmed that the Palestinian factions — including Islamic Jihad, which had previously rejected any cease-fire with Israel — would halt their rocket fire if Israel halted its military operations in both the West Bank and Gaza.

Israel called the offer a media presentation, but said it was open to a more serious, formal proposal. "It's not a question of, 'You go first,' " said Miri Eisin, a spokeswoman for Prime Minister Ehud Olmert. "It's a question of, 'What are we talking about?' " A halt to all Israeli military operations in return for a halt to rocket fire alone would be unacceptable, she said.

On Thursday night in Gaza, the Palestinian Authority president, Mahmoud Abbas of Fatah, said that since the summer, Palestinians have been "victims of a barbaric Israeli offensive that has left more than 400 dead and 1,500 wounded while thousands of homes have been destroyed." But he added, "All that on the pretext of homemade rocket fire, and unfortunately we are giving them such a pretext."

In fact, Israel re-entered Gaza in late June in response to the capture of a soldier, Cpl. Gilad Shalit, by a group of Palestinian militants that included Hamas. Hamas said that they were responding to Israeli shelling that had killed civilians; Israel said the shelling was in response to Palestinian rocket fire. Since Israel pulled its settlers and troops out of Gaza in September 2005, at least 1,100 rockets have been fired from Gaza, and four Israelis have died — two of them in the past 10 days.

Mr. Abbas, aided by Egypt, is negotiating with Hamas over a national-unity government that could meet the conditions for ending an international freeze on direct budget aid, as well as Israel's withholding of tax and duties collected on behalf of the Palestinians. The government is also held up by disagreements over the release of Corporal Shalit and different demands about the number of Palestinian prisoners to be exchanged for him. Israel wants the corporal back before releasing prisoners. These issues are holding back the prospect of a meeting between Mr. Olmert and Mr. Abbas.

Secretary of State Condoleezza Rice is expected to make an unannounced visit here to see both men next week. The United States is eager to break the bloody stalemate and at least have Mr. Olmert and Mr. Abbas talking again.

Amid the negotiating, the shooting continued Friday, with Israeli troops in Gaza killing two Palestinians in Beit Lahiya, including a militant who served as a cameraman for Hamas's military wing. A 10-year-old boy, Abdel Aziz Salman, died from gunshot wounds, hospital workers said. Palestinians said he was hit by an Israeli sniper; the Israeli Army said its troops in Beit Lahiya had no knowledge of the boy's death.

Israel Rejects Palestinian Peace Offer (AP)

By Sarah El Deeb, Associated Press Writer

AP, November 25, 2006

The Palestinian prime minister said Friday that militants were prepared to stop firing rockets at Israel if it would halt all military action in Palestinian territories. Israel rejected the offer, saying it would respond positively only to a total truce.

Similar proposals in the past have failed to curb fighting, and a spokesman for the ruling Hamas group quickly stepped back from the cease-fire talk, which came as fighting between militants and Israeli troops in Gaza claimed the lives of a 10-year-old Palestinian boy and a militant filming the clashes.

A third Palestinian died Friday of wounds sustained in earlier violence. It wasn't immediately known whether he was a militant or civilian.

Israeli launched a military campaign in Gaza five months ago, in an unsuccessful attempt to curb militant rocket fire on Israeli border communities.

Prime Minister Ismail Haniyeh of Hamas said armed factions had agreed Thursday to halt rocket fire in exchange for a complete cessation of Israeli military operations in Gaza and the West Bank.

"The ball now is in the Israeli court," Haniyeh said. "It (Israel) must stop its aggression and escalation against the Palestinian people, then there will be no problem according to what the factions agreed in their last meeting."

After meeting with faction leaders again Friday night, Haniyeh urged the Israelis "to respect this positive readiness expressed by the Palestinian resistance factions." And government spokesman Ghazi Hamad suggested that a broader cease-fire was possible if Israel were to take up the militants' offer.

"After that, we (the Palestinians) will talk about a comprehensive truce," Hamad said.

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Miri Eisin, a spokeswoman for Israeli Prime Minister Ehud Olmert, said the offer to trade a partial cease-fire for a suspension of all Israeli military operations in Palestinian territories was "ludicrous" and "a media stunt."

"Israel would respond very positively to the idea of a complete cease-fire in the Gaza Strip, which is what we hoped for in September 2005 when we left every inch of the Gaza Strip," Eisin said. "If the Palestinian factions have a proposal which is supposed to bring about the complete stopping of fire from the Gaza Strip, Israel would be very happy to stop all, all - and I'm going to say it again — all fire from the Gaza Strip."

A Hamas spokesman in Gaza, Ismail Radwan, watered down Haniyeh's talk of a cease-fire, saying the Palestinian factions had agreed to "alter their strategies of resistance" if Israel halted fire.

The Palestinian rocket fire, which over the years has generated more panic and anxiety than casualties, grew deadlier over the past week, claiming the lives of two Israeli civilians.

Eisin said Israel regarded recent efforts by moderate Palestinian President Mahmoud Abbas, to achieve a "complete stop of all violence" as a "very positive development."

Abbas has been trying to work out a package deal with Haniyeh that would include a total cease-fire and a more moderate government of professionals to replace the one led by Hamas, which doesn't recognize the Jewish state.

The two men met twice on Thursday, and aides to Abbas said the key sticking point in coalition talks was who would control the Interior Ministry, which is in charge of powerful Palestinian security branches.

Abbas hopes a more moderate government would encourage the West to restore vitally needed aid, cut off after Hamas took power in March. Western leaders have said the flow would not resume until the Palestinian government recognizes Israel and renounces violence.

Hamas' political chief, Khaled Mashaal, was in Cairo on Friday for talks with Egyptian mediators on the so-called national unity government, but no breakthrough was reported.

In Damascus, Syria, the Palestinian foreign minister, Mahmoud Zahar, blamed Abbas' effort to create a government of technocrats for the failure in forming a unity government. He called it a "dangerous" idea that was unacceptable to Hamas.

Zahar, who spoke late Thursday after meeting with radical Palestinian factions, also repeated Hamas' stance that it will not agree to any government that would recognize Israel and renounce violence against the Jewish state.

In northern Gaza, hundreds gathered to bury a 64-year-old grandmother who blew herself up a day earlier as Israeli forces moved through the Jebaliya refugee camp.

Mourners shouting "God is great" draped her simple wooden coffin with a green Hamas flag on Friday before driving it off to a nearby cemetery.

"I knew she wanted martyrdom. She was brave. But I'm still surprised that she did it," said one of her 38 grandchildren, 13-year-old Leila.

Fatma An-Najar was by far the oldest of more than 100 Palestinian suicide bombers who have attacked Israelis over the past six years, killing hundreds.

Female suicide bombers were a rarity during the first several years of the current conflict, but have become more common over the years as women become more involved in the Palestinian struggle.

A Tumultuous World Tests A Rigid Pope (WSJ)

By Gabriel Kahn, Stacy Meichtry

The Wall Street Journal, November 25, 2006

On official trips, he rarely strays from the timetable or jokes with the crowds. He is wary of the mass media and disdains made-for-TV images like those that helped define the papacy of his predecessor, John Paul II. Friends describe him as a man who is shy in crowds and prefers thinking to talking. He is more likely to settle down with a book than sit down at a crowded dinner table.

In private, colleagues say, Pope Benedict XVI can demonstrate a disarming humbleness. Whereas John Paul would spend hours chatting with guests, Benedict is businesslike. He always seems to know what time it is, says Robert Spaemann, a

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conservative German Catholic philosopher who has known Benedict for years. "Then he'll stand up and say, 'Right, it's time,' and end the meeting."

Nineteen months after being selected pope, Benedict is transforming the Vatican with a different style and a different stance. Beneath his blunt words and rigid style lies a profound divergence from John Paul's buoyant optimism. Pope Benedict believes that the Roman Catholic Church must stand apart from the world of today rather than embrace it.

John Paul II was the master of the grand overture -- from praying at the Western Wall in Jerusalem to kissing a copy of the Quran -- which dissolved tensions with even his harshest foes.

For Benedict, the modern age is defined by growing secularism in the West and the rise of religious fanaticism most everywhere else. In order to fulfill its mission, he believes, the Church needs to shun both forces. Benedict is "pessimistic about the compatibility of the Church and the modern world," says Mr. Spaemann.

This vision has sweeping implications for the Church -- both in its approach to Catholic doctrine and liturgy and in its outreach to other faiths, particularly Islam.

Benedict preaches a renewal of the Church's fundamental teachings and rituals, and is considering expanding the use of the Latin Mass. Benedict's emphasis on tradition risks alienating a broad cross-section of Catholics who argue the Church needs to become more accessible to maintain its increasingly diverse flock. Only once the Church has reclaimed its own distinct identity, he says, can it mount an effective resistance against its chief foe, a "dictatorship of relativism."

Benedict's public call to arms fires the imaginations of many of the cardinals who elected him pope. They share Benedict's view of a Church that is under siege, and they want a leader who is ready to confront the dual challenges of secularism and Islam, even if such confrontation brings danger. Some cardinals insist that Benedict's brusque language on such delicate matters as the Church's relationship with Islam is necessary in order to set the stage for frank and constructive dialogue in the future.

Now, Benedict's approach faces the biggest test of his young pontificate as he travels to Turkey this coming week, his first papal trip to a Muslim nation.

Catholic-Muslim tensions have soared in recent months, in part because of Benedict's own actions. In a September speech in Germany, the pope cited a 15th-century Byzantine emperor's description of Muhammad's teachings as "evil and inhuman." The speech ricocheted around the Muslim world, leading to riots, church bombings and the killing of a nun.

The reaction unnerved both the Vatican and the pope. But the speech itself laid out one of Benedict's most crucial departures from John Paul's path of aggressive outreach. John Paul believed fervently -- some say foolishly -- that Christians and others faiths, even Islam, could always find common ground. Benedict, on the other hand, believes Catholics and Muslims are divided by an ideological chasm, and makes little effort to temper his conviction.

The approach risks provoking a backlash in Turkey, where devout Muslims are incensed by what they see as the pope's unjust criticism of their faith, and where Turkish nationalists view the pope as a Western provocateur bent on weakening the Turkish state. This past week, a group of right-wing Turkish nationalists stormed a former church in Istanbul as part of a protest against the pope's coming visit. "This attitude, which fuels division and lack of mutual trust, is seriously threatening world peace," Ali Bardakoglu, head of Turkey's religious affairs department, said recently, though he didn't specifically mention the pope. Mr. Bardakoglu, who is scheduled to meet with the pontiff during his trip, has vowed to make his views clear.

As tensions mounted late Friday, a Vatican spokesman said Benedict was considering a last-minute change to his travel schedule that would allow him to visit Istanbul's Blue Mosque.

FORMER STUDENTS from the pope's time as a university professor in Germany say that the pontiff's mind is spongelike, and that he can quote from memory works ranging from St. Augustine to Nietzsche. His scholarly stature creates such a sense of awe, colleagues say, that he often goes unchallenged within the Vatican. His texts are rarely edited, say those who work with him, and his ideas are seldom disputed. Many of the pontiff's close associates view him with trepidation.

"He's so head and shoulders above everybody else," says Father Joseph Fessio, who studied under him as a graduate student and now, as head of Florida-based Ignatius Press, publishes his works in English. "Who's going to be able to proof something or correct something?"

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This leaves the pope with a level of intellectual isolation even within the Vatican. "Whom would he sit down with? Can you imagine being papal theologian? What are you going to say?" asks Father Fessio.

Many of Benedict's close colleagues say he only really unwinds when surrounded by his intellectual peers. Since his days as a professor in Germany he has hosted the Schülerkreis, or "student circle," where he gathers students and colleagues for free-flowing debate on an issue that is crucial for the Church.

"The first thing he said to us after his election as Pope was that we must continue our seminars," recalls Father Vincent Twomey, an Irish priest and professor who did his doctoral studies with then-Father Ratzinger at the University of Regensburg.

IN THE SUMMER OF 2005, four months after his election, the topic was Islam. The pontiff invited some of the Church's top Islam experts to attend the gathering.

In a speech at the meeting, German Jesuit Father Christian Troll discussed how Muslims might be able to reinterpret the Quran along the lines of modern thinking. The pope questioned whether such a shift was possible, according to Father Fessio, who attended the gathering.

Many of the themes from that meeting re-emerged in the pope's contentious speech at the University of Regensburg on Sept. 12. (Read the speech1.)

The 4,000-word speech delved into a theme present in many of his writings: the West's failure to accept the interdependence between faith and reason.

Benedict prefaced this reflection, however, with a meandering analysis of Islam that relied on obscure source material: the observations of Manuel Paleologos II, a Byzantine emperor who reigned in Christian Constantinople before its fall to the Ottoman Turks in the 15th century.

"Show me just what Muhammad brought that was new, and there you will find things only evil and inhuman, such as his command to spread by the sword the faith he preached," Benedict quoted Manuel II as saying.

In the speech, Benedict advanced a bold position: True interreligious dialogue between Islam and Catholicism is blocked because of the two faiths' divergent interpretations of the role of reason. Catholicism views reason as integral to understanding and interpreting God; Islam, he argues, sees God as being beyond reason.

Father Fessio described Benedict's position on Islam in this way: "He's saying that if your view of God...is that he's so transcendent that he transcends all human categories, including rationality, well then you can justify the irrational, including violence, to spread religion, including terrorism."

"You can't dialogue with us because you won't accept reason as a basis. Because the God you are obeying is above reason," Father Fessio added.

As Muslim criticism of the speech grew, occasionally spilling into violence, the pope sought to quell the anger by expressing regret for the misunderstanding, and saying he was "deeply sorry for the reactions provoked by a few passages in my address." He resisted calls, however, for an unequivocal apology.

He also sought to calm tempers by posting an amended version of the address with footnotes on the Vatican's Web site. In one footnote, the pontiff wrote that his quotation of Manuel II "does not express my personal view of the Quran," but added, "I intended solely to draw out the essential relationship between faith and reason. On this point I am in agreement with Manuel II, but without endorsing his polemic."

Some saw the speech as evidence of the pope's political naiveté. At Regensburg, the university where he once taught and helped turn into a bastion of conservative Catholic thought, Benedict was in his intellectual comfort zone. "He thought he could slip back into the role of professor," says Mr. Spaemann. "Perhaps he didn't realize that every word would be weighed around the world, and that he can never again speak as non-Pope."

Despite the tensions, some Church elders see the Regensburg speech as actually offering an opportunity to restart dialogue on a more frank footing. Cardinal Angelo Scola, the patriarch of Venice, for example, says the Regensburg speech doesn't reject having mutual respect for other faiths but just recognizes their deep differences.

The speech, says Cardinal Scola, who has known Benedict for more than 30 years, "represents a foundation upon which interreligious dialogue will be built in the future."

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EVEN BEFORE THE POPE ignited Muslim rage with his Regensburg address, he was well aware that relations with Islam had reached a boiling point. In the library of the Apostolic Palace last February, Benedict listened as Bishop Luigi Padovese recounted a grim tale: A few weeks earlier, a gunman had burst into a church in Trabzon, Turkey, near the Black Sea, and opened fire on a priest who had been kneeling in prayer. The gunman later claimed to have been driven to violence by cartoons published in a Danish newspaper that lampooned the Muslim prophet Muhammad.

At the pope's urging, Bishop Padovese described how the first bullet tore through the priest's lung. Moments later the gunman fired a second shot, and the priest collapsed dead.

The pope "wanted to know how everything happened in detail," recalls Bishop Padovese, a prelate whose Anatolia-based region includes Trabzon. Bishop Padovese now travels with a police escort in Turkey after a botched attempt on his life.

Benedict is also running the Vatican much differently than John Paul did, leaving him in many ways more removed from the rest of the world. He is traveling less and has cut down on the number of protocol duties, holding fewer meetings. As a result, his contact with people from outside the Church is more limited. He has filled top positions with people he has worked closely with for years, giving the Vatican an ideological homogeneity that didn't exist as much under John Paul, when top officials often sparred.

One appointment in particular surprised many: Benedict's choice of Cardinal Tarcisio Bertone, his former chief deputy at the Congregation for the Doctrine of the Faith, as the Vatican's secretary of state. Cardinal Bertone has stellar qualifications in matters of Church doctrine but practically no experience as a diplomat. He isn't a graduate of the Vatican's prestigious diplomatic school, the Pontifical Ecclesiastical Academy, nor does he have a strong command of English.

Sandro Magister, a veteran Vatican expert who writes for Italian newsweekly L'Espresso, says Cardinal Bertone's appointment is a sign that Vatican foreign policy is likely to be based more on ideals than on pragmatism.

In an essay recently posted on a Catholic Web site, 30 Days, Cardinal Bertone wrote that Vatican envoys to predominantly Muslim nations should take a more aggressive stance in promoting Christianity. "We must not cease to propose and proclaim the Gospel, to Muslims also."

Other key appointments have also elevated former top officials who worked alongside then-Cardinal Ratzinger at the Congregation for the Doctrine of the Faith, though not all of the pope's appointments have come from his inner circle. In late October, Benedict tapped Cardinal Claudio Hummes, who heads the Roman Catholic diocese in São Paulo, Brazil's largest, to run the Vatican's Congregation for the Clergy, putting a moderate Latin American in charge of priests around the world.

Cardinal Julián Herranz, who was chosen by John Paul to head the Vatican's Council for Legislative Texts and who has remained in the post under Benedict, says that the reshuffle hasn't discouraged top officials from expressing their criticisms of papal policy. "If it occurs to me to say something, I will very delicately make the suggestion," he says.

Alberto Melloni, a Church historian at the University of Modena, says Benedict's "pessimistic" view of the modern world, and his tendency for homogeneity, may in some respects be a reflection of his generation, and his age. "He was 78 when he became pope, not 58" like John Paul, says Mr. Melloni.

Benedict is very conscious of his age, now 79, and comments on it frequently to colleagues. During a recent meeting with Mr. Spaemann, the German philosopher, he remarked: "I'm an old dog."

That makes Benedict more focused on changing the Church, instead of the world, and less concerned about whom he might offend in the process.

Last month several dozen top Catholic theologians crowded into a Vatican chapel for 7:30 a.m. mass with Benedict. The pontiff gave pointed marching orders:

"Speaking just to find applause or to tell people what they want to hear....is like prostitution," he told the theologians, according to a transcript. "Don't look for applause, but look to obey the truth."

A Tense Time For A Papal Visit (LAT)

By Tracy Wilkinson

The Los Angeles Times, November 25, 2006

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ISTANBUL, TURKEY — To reach Turkey's most important Roman Catholic church, a visitor must scour a traffic-choked street to find the metal doors, walk down a flight of stairs, cross a courtyard and finally step into the consecrated basilica.

Inside the Holy Spirit Cathedral here, the lights remain low until a minute before evening Mass, and then reveal frescoed ceilings with gold-trimmed arches, 22 crystal chandeliers and blond-marble columns. On this night, 14 worshipers dot the pews.

In the Turkish capital, Ankara, the only Catholic church is even more discreet: It is marked simply by a French flag.

When Pope Benedict XVI travels to Turkey next week, he will be making his first trip to a predominantly Muslim country at a moment of diplomatic fragility.

He also will be traversing some of the most ancient and revered milestones of Christianity, in a land where Christianity is disappearing and where non-Muslim minorities complain of systemic discrimination, harassment and violence against them.

It is a complex agenda. The pope's main purpose is to meet with the Istanbul-based spiritual leader of the world's 250 million Eastern Orthodox Christians in a show of ecumenical solidarity. But he must also use the visit to attempt to repair the damage from comments he has made that cast Islam in a negative light.

Among Turkey's nearly 70 million Muslims, reaction to Benedict's visit ranges from disinterest to intense anger. A man opened fire early this month on the Italian Consulate in Istanbul, telling police later that he wanted to "strangle" the pope. A nationalist gang called the Gray Wolves is staging regular demonstrations protesting the pontiff's arrival.

Among the estimated 100,000 Christians who live in Turkey, there is hope that Benedict's presence will cast light on their difficulties.

The Roman Catholic Church is not legally recognized in Turkey. It functions largely attached to foreign embassies; its priests do not wear their collars in public.

Most Christians in Turkey are of the Armenian, Greek and other Orthodox denominations, and although most of these are recognized in the Turkish Constitution as minority communities, they face severe restrictions on property ownership and cannot build places of worship or run seminaries to train their clerics.

Such hardships make it almost impossible for Christians to sustain and expand their communities, advocates say. The Greek Orthodox, for example, have dwindled to no more than 3,000, just 2% of the community's size in the 1960s.

Fueled by a vitriolic, and growing, potion of nationalism and Islamic radicalism, spasms of violence have led to the killing of one priest this year, the beatings of two others and the burning of a Christian prayer center. Christian tombstones are often vandalized and property frequently confiscated by authorities.

Turkey has come under repeated criticism from Western human rights organizations and the Vatican for its failure to promote religious freedom. Turkey is an Islamic but secular country; in reality, this means that all religious activity, including mosques and imams, is controlled by the government.

"Obviously, more needs to be done to promote religious freedom for all denominations," Ali Bardakoglu, president of Turkey's powerful Religious Affairs Directorate, said in an interview. But he defended the government's treatment of minorities, contending that Christians and other non-Muslims do not face serious problems.

Bardakoglu was one of the most emphatic critics of Benedict after the pope delivered a speech in Regensburg, Germany, in September that denounced Islamic violence and quoted a medieval Byzantine emperor who disdained Islam and its prophet, Muhammad. Adding insult to injury, as far as many Turks were concerned, the emperor was defending Constantinople, cradle of Orthodox Christianity, against the Muslim conquest that gave the city its name today: Istanbul.

Bardakoglu said the pope was welcome in Turkey despite the speech, which touched off outrage throughout the Muslim world. And although he said he accepted Benedict's subsequent explanations, Bardakoglu did not appear completely appeased.

"It is unfortunate that there are circles within Western society that attempt to blacken the name of our religion and are infected with Islamophobia," he said. "The role of the Vatican and the pope should be to help fight stereotypes. Rather than open debate, they should be seeking to heal wounds."

In a remarkable gesture, the pope will meet with Bardakoglu, the country's top religious figure, at his ministry, a modern, imposing building on Ankara's outskirts, on the first day of his Turkey visit. Bardakoglu's directorate commands a huge budget and oversees all of Turkey's imams.

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Originally, the Vatican expected Bardakoglu to call on the pope at the Vatican Embassy, as protocol would have dictated. But the Turks refused. After a series of negotiations, the pope agreed to go to Bardakoglu. "It is a gesture of goodwill," a senior Vatican official said.

The pope's controversial presence in Turkey represents a balancing act for the government of Prime Minister Recep Tayyip Erdogan, which regards itself a vital bridge between the West and East, a way for Westerners to deal with a modern and democratic Islam. But it also cannot appear too cozy with a pontiff who, in the view of many, is not fond of Muslims or Turks.

Erdogan is not scheduled to receive Benedict, citing a previous commitment to attend a NATO summit in Latvia on Tuesday and Wednesday. And there is no plan for the prime minister to see him off when the pope departs Dec. 1.

Both the Vatican and Turkish officials said this was not a snub, but Erdogan told visiting reporters in Istanbul last month, "You can't expect me to arrange my timetable according to the pope."

The frictions are rooted in history. The Ottoman Empire, which ruled the region for more than six centuries, was relatively tolerant of Jews, Christians and other non-Muslims. But before and during World War I, Western powers collaborated with Christian and other minorities to bring down the Ottomans. In the carnage that followed, as many as 1.5 million Armenians were slaughtered, a similar number of ethnic Greeks expelled and 1 million Turks deported from Greece.

The 1923 Lausanne Treaty founded the Republic of Turkey and recognized minorities. But deep mistrust persists, and even today among ardent nationalists, Christians are seen as a potential fifth column.

"It's a kind of preemptive intolerance: Don't let it flourish because it might take over," said Mustafa Akyol, a writer and expert on interfaith relations. "Everyone is afraid of something."

Akyol, a Muslim, said he once wrote a column advocating that the museum of St. Sophia, or Aya Sofya, in Istanbul be returned to its original use, that of a church. The response was harsh: He was threatened and castigated as a "secret Greek." The pope is scheduled to visit St. Sophia, built in the 6th century as a Byzantine church and converted to a mosque in the 15th century by the Ottomans.

The mere rumor that the pope might say a prayer at the site has led to a bit of hysteria. Islamic newspaper Milli Gazete, in a front-page commentary last week, lashed out at the government for permitting the "Crusaders" to plan to bless the former church in a brazen attempt to "revive Byzantium."

For their part, Turkish officials have sought to minimize the pontiff's main mission on this trip: to worship alongside Ecumenical Patriarch Bartholomew I, head of the world's Orthodox Christians. The coming together of the two religious leaders is meant as a bridging of the 1,000-year-old rift between the two ancient branches of Christianity.

Such frictions notwithstanding, Turkey, compared with many Muslim countries, is relatively hospitable to non-Muslims. But its failure to make more progress on freedom-of-religion issues has been an important stumbling block in its years-long campaign to join the European Union.

It is EU pressure that has nudged Ankara along in easing some of the restrictions on minorities; for example, a Protestant group in Istanbul has for the first time been allowed to open a church.

"The EU reforms give people a sense of hope that there is light at the end of the tunnel," said Greek Orthodox Father Alexander Karloutsos. "It's been very dark here."

Discord Accompanies Bahrain Vote (WP)

By Faiza Saleh Ambah

The Washington Post, November 25, 2006

MANAMA, Bahrain -- Friction between Sunni and Shiite Muslims in this strategic Persian Gulf kingdom, which is holding its second parliamentary elections in three decades, has clouded the voting set here for Saturday.

The campaign for the National Assembly's 40-member lower house has been marred by an alleged plot by a senior government official to rig the elections in favor of the ruling Sunni minority.

A 214-page report disclosed in September accused a senior official of secretly plotting to sideline the country's majority Shiites. The report, released by a former government adviser, is the latest in a series of events that have exacerbated Sunni-Shiite discord in this nation of 700,000, home to the U.S. Navy's 5th Fleet.

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The report has sparked demonstrations and calls for the prime minister's resignation and an international investigation. Its release coincides with simmering tensions caused by the sectarian violence in Iraq, fears of neighboring Iran's regional ambitions and the birth of a conservative Sunni political movement here.

Bahrain, a grouping of 33 islands, is the poorest oil-producing Gulf country and the only one with a Shiite majority. More than 200 candidates, including 16 women, will vie for seats in Saturday's elections.

The report was written by Salah al-Bandar, the former government adviser, and claims that a government minister and member of Bahrain's ruling al-Khalifa family planned and funded a plot to weaken the country's Shiites, who make up more than 60 percent of the population.

The 10-point plan, to be executed over a five-year period, called for paying a stipend to poor Shiites who convert; accelerating the naturalization of foreign Sunnis to alter the country's demographic makeup; and spying on Shiite organizations.

Bahraini officials have acknowledged a need for political balance between the country's sects but said the Bandar report was all lies. The government charged Bandar, a British citizen of Sudanese origin, with sedition and deported him days after the report's release.

Several of the people named in the report sued Bandar for defamation last month. He, in turn, is suing the government for wrongful termination.

Government officials said about 20 officials cited in the report have been suspended but have declined to comment further while the court cases are pending.

Bandar, who worked for the cabinet affairs minister and the government statistics department, wrote the report on his own initiative with the help of government whistle-blowers. The report included copies of checks, bank statements showing large sums transferred to anti-Shiite figures and a memo calling for Shiites to be "cleansed" from Bahrain.

According to the report, more than $2.5 million was spent on the scheme, which also included plans to manipulate electronic voting to rig the upcoming elections in favor of Sunnis.

The report named people it said were hired to cause friction between the two sects by writing inflammatory articles, posting offensive comments on popular online forums, denigrating Shiite beliefs and casting suspicion on Shiites' patriotism.

Over the past couple of years, Bahraini Shiites have been accused by Sunnis and some in the government of allegiance to Shiite Iran, with which they have historic religious ties, and of ambitions to dominate the country, emboldened by the empowerment of Iraq's majority Shiites.

Shiite leaders say the government is trying to create a sectarian divide to deflect attention from the country's lack of democracy and political reform.

Wearing the long, dark cloak and rolled turban of the Shiite clergy, candidate Ali Salman, head of the largest Shiite opposition group, the al-Wefaq National Islamic Society, said the conflict is not between Shiites and a Sunni leadership, but between activists seeking political rights on the one hand and an autocratic regime on the other. "We are not asking for more Shiite mosques," said the 42-year cleric, who studied in Qom, Iran, and in Saudi Arabia. "We are not asking to set up an Islamic republic. All we're asking for is our full political rights."

At an election rally in Jid Hafs, a suburb of Manama, the capital, thousands of men and women sat on plastic chairs in a dusty lot to hear Salman speak.

Salman, who is widely viewed as the nation's most influential and moderate Shiite cleric, issued a warning to the government. "If this parliament is not able to give hope to the people, Bahrain will go through a very difficult time very soon," he said. "I will not be able to contain those who demand their rights."

In addition to the elected lower house, Bahrain's legislature includes an equally powerful, state-appointed upper chamber, and all legislation must be approved by the king. The opposition has called for constitutional amendments that would allow parliament to appoint the prime minister and for laws to be passed by elected representatives.

In a Shiite fishing village outside Manama, Mohsen Abdullah, a member of a local youth unemployment committee, sat cross-legged on the carpet in his living room and described a sit-in he plans to hold next week in front of the Interior Ministry. Abdullah, 24, who was released from prison last month after serving nine months for participating in an illegal demonstration, said he applied for a government job for more than two years and would keep protesting until he got one.

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Now he lives with his parents, two brothers and a sister, and supplements his income by net-fishing near his home. He is enrolled in night school and said he is looking for any entry-level government job. "Why do they give foreigners jobs at the ministries and we don't get them?" he asked.

Despite police beatings and stints in jail, Abdullah still attends demonstrations and agitates for jobs for unemployed youths, most of whom are Shiites, he said. "I don't want to go to jail, but it's better than this," he said, gesturing. "Without a job, I can't get married, I can't buy a car, I can't get my own place."

Over lunch at an upscale Japanese restaurant, Information Minister Muhammad Abdul-Ghaffar Abdulla said that there was no poverty or discrimination in Bahrain and that jobs were awarded on merit.

"The government wants to build balance in the whole political system," he said. "Democracy is a long process. The most important thing for us is security and stability."

In Bahrain, A Referendum On Promises (NYT)

By Hassan M. Fattah

The New York Times, November 25, 2006

MANAMA, Bahrain, Nov. 24 — For the past month, they have promised the world to voters in this tiny island kingdom off the east coast of Saudi Arabia: better housing, better jobs, higher salaries, and better services. One has even promised greater dignity.

But as more than 200 candidates vied for a seat in Bahrain's 40-member elected Parliament, the one thing that many were not prepared to promise was far-reaching political change.

"When I speak to supporters, I feel I have to acknowledge, yes, not much is going to change," said Sheik Ali Salman, the leader of the Wefaq National Islamic Society, Bahrain's leading opposition movement, which is predominantly Shiite and is vying for 17 seats in Parliament.

"But I try to emphasize to people that you are better off having someone looking out for your interests within the system, even if he wins only small victories," he said.

Bahrain goes to the polls Saturday to elect a new Parliament in an atmosphere of growing sectarian division and disillusionment. Tensions have been running high here, fueled by a widening economic disparity between the country's minority Sunni population and its Shiite majority, as well as a growing frustration that long-promised changes have yet to materialize.

Just a few years ago, this island kingdom of 700,000 was hailed as a model of reform in the Arab world. King Hamad al-Khalifa ended a 25-year state of emergency in 1999, and was promising to turn Bahrain into a constitutional monarchy with a newly elected Parliament.

But the euphoria all but evaporated two years later, when the king broke his promises and imposed a constitution establishing a second, appointed legislative house that significantly curtailed the power of the elected one. Gerrymandering ensured a Sunni advantage in the elected house, too, prompting the predominantly Shiite opposition to boycott elections in 2002.

In the years since, Bahrain's Shiites, who make up about 60 percent of the population, have been sidelined. They allege that the government has backed Sunni Islamists and encouraged increasingly sectarian politics. Activists here say they have uncovered a systematic effort to naturalize Sunnis from other Arab countries as well as from Southeast Asia; as an indication of the government's intentions, they point to a polling place close to the causeway with Saudi Arabia where Saudis naturalized as Bahrainis can vote.

Tensions were heightened two months ago when a government adviser published a report outlining a conspiracy by senior government officials, including members of the royal family, to undermine the Shiites. Bahraini newspapers have been banned from discussing the so-called Bandargate scandal, named for the report's author, Salah al-Bandar, and Web sites mentioning it have been blocked.

Nevertheless, Sheik Salman and the rest of the opposition have entered the race, insisting that some representation is better than no representation at all. Sheik Salman said that many Shiites had realized that their being out of the political process only allowed the government to promulgate laws that hurt the Shiites' interests, including regulations limiting public gatherings

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and protests, as well as new terrorism laws that threatened to hamper the work of the opposition. “We won something and lost something by boycotting,” he said “People are now convinced that it is better to take part even if it has small advantages.”

Government officials hope the entry of the Shiites will serve to ease tensions. But opposition members say they intend to use their seats in Parliament as bully pulpits to goad the government into changing.

“I want to get inside to weaken the gates,” said Ibrahim Sharif al-Sayed, a Sunni opposition candidate with the National Democratic Action Society, which has campaigned in alliance with Wefaq. “We will be there to expose the government, not to legitimize it. We want to show why we have no power in this country. I intend to be a Trojan horse.”

But Mr. Sayed, a wealthy banker who has led a campaign to publicize the royal family’s seizure of coastal lands for personal benefit, said liberal Sunnis like him had faced the greatest battles during this election. He was the subject of a relentless smear campaign, waged through cellphone text messages and e-mail messages. He alleges that the government is behind the campaign.

“The government wants a polarized Parliament based on sectarian grounds,” he said. “They want to have a Sunni bloc and a Shia bloc which they can accuse of being tied to Iran. But we will get in the way of that agenda.”

Sheik Salman says he hopes that his involvement will win at least some good faith gestures from the government. Otherwise, he warns, the current tensions could explode in the future.

“People rightly feel depressed because they know that the change will be very, very limited,” he said. “But better slow, gradual advances than explosive change on the street.”

Taiwan Leader Survives In Vote (WP)

By Jane Rickards

The Washington Post, November 25, 2006

TAIPEI, Taiwan, Nov. 24 -- President Chen Shui-bian easily survived an impeachment vote in Taiwan's legislature Friday despite his wife's indictment on embezzlement charges and a prosecutor's statement that Chen could be indicted as well if he did not have presidential immunity.

The vote signaled that Chen, a combative champion of Taiwanese independence, is likely to remain in office until the end of his second four-year term in 2008 unless new irregularities are brought to light or new charges are filed.

But his mandate has been seriously undermined by the corruption indictment against his wife and similar indictments against his son-in-law and several senior aides. As a result, the political storm buffeting his leadership seemed unlikely to subside anytime soon.

The impeachment motion, brought by the opposition Nationalist Party, garnered 118 votes, 28 short of the 146 needed for a required two-thirds majority in the Legislative Yuan, or parliament. It was the third time since June that Chen's forces have defeated a recall motion, which if successful would precipitate a national referendum on whether the president should be ousted.

The tally indicated that most lawmakers from Chen's Democratic Progressive Party and the allied Taiwan Solidarity Union remained loyal to the president, despite widespread discontent over the embezzlement scandal, including among his most loyal followers.

Two Democratic Progressive Party lawmakers quit parliament 10 days ago to protest the way the corruption scandals were being handled. But the party threatened to expel any members who cast ballots for impeachment, and with their own political futures hanging in the balance, Democratic Progressive lawmakers closed ranks and all 83 boycotted the vote.

On Nov. 3, a high court prosecutor charged Chen's wife, Wu Shu-chen, with forging receipts and embezzling about $450,000 from the president's discretionary funds. At that time, the prosecutor made his statement about presidential immunity preventing an indictment of Chen.

Chen, in a televised speech two days later, argued that the money in question was used for "secret diplomatic work," suggesting it went to pay off foreign leaders and lobbyists to further Taiwan's quest for diplomatic recognition. The rules governing receipts for such expenditures are complicated and unclear, he maintained, and at no time did he divert money for his own use. He said he would resign only if his wife was convicted.

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Chen did not explain how his wife came to be involved in gathering receipts for such expenditures. The two have worked closely together since they married in 1975 and struggled side by side during the 1980s for native Taiwanese rights during martial law under the Nationalist Party government.

Ma Yingjeou, the Nationalist leader and the party's putative candidate for president in 2008, has reaped political benefits from the uproar for the past six months. But over the last 10 days, Ma, who is mayor of Taipei, has himself been accused of misusing official funds and has been interrogated by prosecutors. While Ma has denied the allegations, he acknowledged that a clerk in his office forged receipts to claim expenses.

Chen said Friday that he respected the legislature's democratic right to attempt impeachment, provided it followed constitutional procedures. "Democracy is nothing more than freedom and the rule of law," he told Therese Shaheen, the visiting former head of the American Institute in Taiwan, the government-sponsored organization through which the United States maintains quasi-diplomatic representation in Taiwan.

Corruption Scandal At Top Tests Taiwan's Democracy (NYT)

By Jim Yardley

The New York Times, November 25, 2006

TAIPEI, Taiwan, Nov. 18 — At times, Taiwanese politics is a blend of opera and blood sport, and this is one of those times. Scandal and outrage, lying and humiliation — all of it messy and delivered in a loud, public fashion — are consuming political life here, as a virtual death watch has settled over the second term of President Chen Shui-bian.

Mr. Chen, who once aspired to be Taiwan's George Washington, is now accused of being its Boss Tweed. Prosecutors have implicated him in a fake receipts scandal and are planning to put his wife on trial next month. The rival Nationalist Party, salivating over Mr. Chen's troubles, is facing its own scandal, as prosecutors say they are investigating the party's presumptive 2008 presidential candidate for his own fake receipts.

Taiwan's partisan newspapers have been filled with so many suggestive details — a reportedly ill-gotten Tiffany diamond ring, to name one — that the noise and acrimony have obscured the more elemental issue that the island's young democracy is being severely tested.

"In 10 years, when we look back, this could be a turning point for Taiwan's democracy to become mature," said Emile C. J. Sheng, a political science professor at Soochow University. "Right now, it is a disgrace, and it is quite humiliating. But once we get past this, I think Taiwan's politics will get a lot cleaner."

Politically, Taiwan's symbolic power has always been as a democratic counterpoint to China. But democracy in Taiwan remains a work in progress that has been repeatedly challenged during Mr. Chen's tenure. The pivotal recent event occurred Nov. 3 when a prosecutor in Taipei, the capital, indicted the first lady and also announced that Mr. Chen, immune from prosecution as president, could face charges after he left office. For a judicial branch regarded as a weak constitutional pillar, it was a historic moment.

"This is very hard evidence that at last we have a fair and independent-minded judicial branch," said Hwang Yih-jiau, an opposition legislator with the People First Party and a critic of the president. "The principle of separation of power has taken root in Taiwan."

Equally important, many analysts say the intense news media and prosecutorial focus on government accounts, and on how elected officials use them, has set a precedent that will bring more sunshine into the system. "I think members of future first families will be a lot more careful," said Chao Chien-min, a political analyst at a Taipei research institute.

[For the immediate future, though, Taiwan's political scene will remain in turmoil. On Friday, the "pan blue" camp, made up of lawmakers from the Nationalist Party and the People First Party, tried to pass a motion for a nationwide recall referendum against the president. The bill failed to get the required two-thirds majority because lawmakers from Mr. Chen's Democratic Progressive Party remained unified behind him.]

Mayoral races on Dec. 7 in Taiwan's two largest cities, Taipei and Kaohsiung, will serve as barometers of the public mood toward Mr. Chen and his Democratic Progressive Party.

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Then there is the corruption trial of the first lady, Wu Shu-chen, to begin Dec. 15. Mr. Chen has said he will leave office if his wife is convicted. Her trial will focus on the roughly $424,000 the couple collected from an executive "state affairs" fund.

To get the money, they submitted personal receipts gathered from friends and family. Mr. Chen has admitted initially lying to prosecutors about the receipts. But he has since explained on live television that the receipts were a bookkeeping necessity that enabled him to use state money for secret diplomacy — for which there are no receipts.

His defenders note that before Mr. Chen took office in 2000, presidents were not required to submit receipts to use such discretionary funds. They say prosecutors presented no evidence that Mr. Chen had used any of the money for personal gain. They also say Taiwan's unique international isolation, defined by its tense coexistence with China, makes confidentiality essential when a president wants to engage in diplomacy.

"Only the Taiwanese people and politicians can understand the importance of keeping things completely confidential," said Hsiao Mei-khim, a Democratic Progressive Party lawmaker who is an ally of Mr. Chen.

His critics, though, say the receipts scandal is just the latest example of what they describe as a pattern of corruption by the first family. This summer, prosecutors charged Mr. Chen's son-in-law with insider trading in a case that is still pending. The first lady has already been investigated — and cleared of any wrongdoing — after she received gift certificates from a department store seeking government approval for a change of ownership.

With so much baggage, Mr. Chen's secret diplomacy explanation in the receipts scandal has rung hollow to critics and much of the public. Polls place the president's approval ratings at record lows.

The scandal has also focused public attention on Mr. Chen's marriage, as several lawmakers have questioned the scruples of the first lady. She grew up as a doctor's daughter while Mr. Chen was dirt poor. Early in Mr. Chen's political career, Ms. Wu was paralyzed after being struck by a car during a political rally. The police ruled it an accident, but many people in the Democratic Progressive Party believe that it was an assassination attempt against Mr. Chen.

As first lady, Ms. Wu has attracted whispers for her penchant for luxury. One of the receipts in the scandal was for a Tiffany diamond ring valued at more than $30,000. Newspapers have reported that a Taiwanese sea cargo company had originally given jeweled watches to Mr. Chen's son for his wedding. But the family had returned the watches for a ring reportedly fitted for Ms. Wu.

Elected officials are allowed to accept gifts in Taiwan, but the ring has angered some of Mr. Chen's allies because the sea cargo company had business with the state. "It's a political question, it's a moral question, but it's not a legal question," Ms. Hsiao said. "We think it was very poor political judgment to take this kind of gift or live a lifestyle like that."

Public revulsion over the different scandals peaked late this summer when a former chairman of the Democratic Progressive Party organized enormous demonstrations in Taipei calling for Mr. Chen's resignation. At one level, the protests represented democratic free speech. But some here worried that they might overwhelm Taiwan's democratic institutions, the way similar protests prompted the recent "soft coup" in Thailand or have toppled presidents in the Philippines.

"We worried that if the demonstrations succeeded it would not be good for Taiwan's democracy," said Antonio Chiang, a former member of Mr. Chen's government who had been a dissident in Taiwan's pre-democracy era. "It would be like Thailand. But when the indictment came out, suddenly all these demonstrations went silent."

Mr. Chiang added: "Democracy without rule of law is very dangerous. Now, we are going to have rule of law."

Mr. Chen's election in 2000 was historic because it ended more than five decades of rule by the Nationalist Party. But many analysts say that many democratic values have not fully taken hold, and also blame the rival political camps for taking a zero-sum attitude toward politics and governing.

The Nationalists never seemed to accept Mr. Chen's legitimacy as president, political observers say, even as the Democratic Progressive Party, or D.P.P., remained deeply distrustful of its rivals. Political analysts say that Mr. Chen exacerbated this poisonous partisanship with his different political efforts to push for Taiwanese independence.

The question now is whether Mr. Chen will serve until his term ends in the spring of 2008. His party is disappointed, even disgusted, with him but has remained unified enough to fend off recall efforts. However, Mr. Chen's support could disintegrate if his party suffers in the mayoral elections, particularly in Kaohsiung, its stronghold.

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For now, the D.P.P. is pointing at the Nationalist Party's likely 2008 presidential nominee, Ma Ying-jeou, who is also mayor of Taipei. Prosecutors are investigating whether Mr. Ma also wrongly submitted false receipts for public money. Mr. Ma has claimed his innocence and described the irregularity as an error by a clerk.

One way that some Taiwanese have reassured themselves is to note that none of this — a public demonstration against a president, an indictment against the first family — could have happened across the strait in nondemocratic China. Indeed, that point has been made by a handful of bloggers in China who have watched Taiwan's democratic convulsions not with disgust but with admiration.

Mr. Chiang, the former dissident, agreed but said Taiwan still had work to do. "We still have a lot to learn," he said. "Democracy is not so easy."

China And Pakistan Sign Free-trade Deal (LAT)

By Henry Chu And Mubashir Zaidi, Special To The Times

The Los Angeles Times, November 26, 2006

ISLAMABAD, PAKISTAN — Chinese President Hu Jintao, visiting his country's staunchest ally in Asia, signed a free-trade deal here Friday and pledged to continue helping Pakistan build its civilian nuclear program.

But the Chinese leader stopped short of announcing the wide-ranging nuclear cooperation deal that many observers had expected him to unveil as a counterweight to a similar accord being hammered out between the United States and India, Pakistan's archrival.

Beijing already has supplied Islamabad with one nuclear reactor and is helping build a second at Chashma, in Punjab province. Pakistan is increasingly looking to nuclear sources as its energy needs grow in step with its expanding economy.

"We will continue to carry out such cooperation," Hu told reporters at a news conference here, during the first visit to Pakistan by a Chinese president in a decade.

Hu arrived in the Pakistani capital Thursday as part of a weeklong tour of South Asia that began with a four-day visit to India. China's communist government is eager to expand its political influence in the region and to improve its access to the area's abundant natural resources, including metals and natural gas.

Islamabad and Beijing have a long-standing "all-weather" friendship, based partly on a shared antagonism toward New Delhi.

Pakistan rolled out the red carpet for Hu, who was accorded the privilege Friday of addressing the country directly in a nationally televised speech. Relations between China and Pakistan, Hu said, were "higher than the Himalayas, deeper than the Indian Ocean and sweeter than honey."

China is Pakistan's chief arms supplier, and the nations signed a preliminary agreement for Beijing to outfit its ally with airborne early-warning systems.

But Hu's vaguely worded announcement of further collaboration regarding civilian nuclear energy probably was a disappointment for Pakistani President Pervez Musharraf. Islamabad had hoped China would commit to building as many as six more nuclear reactors.

Such an agreement would have served to counterbalance an accord, overwhelmingly approved by the U.S. Senate last week, that would allow American companies to sell nuclear fuel and technology to India, despite New Delhi's long-standing refusal to join the global Nuclear Nonproliferation Treaty.

Islamabad repeatedly has been rebuffed when seeking similarly favorable treatment from Washington. Last week, U.S. Assistant Secretary of State Richard Boucher said in New Delhi that an exemption for India was warranted because of its "good track record" on nonproliferation and that those conditions did not exist elsewhere. He was referring to Pakistan, whose former chief nuclear scientist has admitted sharing information with Libya and North Korea.

As it was, Hu's pledge to continue civilian nuclear cooperation here did not appear to offer much more than the promise he gave India on Tuesday.

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However, he got a free-trade agreement with Pakistan, a move India has rejected for fear unleashing of a flood of cheap goods. Officials in Beijing and Islamabad hope trade between their countries, which amounted to slightly more than $4 billion last year, can swell to $15 billion in five years.

"I am sure the free-trade agreement that we have signed with China will quadruple our trade and will give a boost to investments in Pakistan," Musharraf said. "We also look forward to the Chinese private sector taking advantage of the opportunities offered by Pakistan's vibrant and reformed economy."

Hu is scheduled to go on to the city of Lahore today before departing Pakistan on Sunday.

Times staff writer Chu reported from New Delhi and special correspondent Zaidi from Islamabad.

China Rejects Journalist's Appeal Of Spying Conviction (NYT)

By Jim Yardley

The New York Times, November 25, 2006

BEIJING, Nov. 24 — A Beijing appeals court on Friday upheld a spying conviction of a prominent Hong Kong journalist in a case that has elicited criticism of China from human rights and press advocacy groups.

The journalist, Ching Cheong, faces a five-year prison sentence. He was arrested in April 2005 during a visit to Guangdong Province in mainland China and charged with taking payoffs in exchange for gathering information for Taiwan. A lower court in Beijing convicted him in August.

His family continues to dispute the charges.

"We feel very sad and shocked," Ching Hai, the defendant's older brother, told The Associated Press outside the courthouse on Friday morning. "We think it's very unfair. We question the fairness and transparency of this country's legal system."

Mr. Ching, 56, based in Hong Kong, is the chief China correspondent for The Straits Times, the leading newspaper in Singapore. His case, as well as the detention of a Chinese researcher for The New York Times, has prompted international concern about China's crackdown on press freedom. Earlier this year, the researcher for The Times, Zhao Yan, was acquitted of a charge of disclosing state secrets, but he is still awaiting a ruling on his appeal of an unrelated fraud conviction.

The Straits Times expressed disappointment with Friday's ruling. "As he is still not in the best of health, we appeal to the Chinese authorities to show him leniency and compassion while he is serving his sentence," the newspaper said in a statement. "We will continue to provide all necessary support and assistance to him and his family."

Family members have told reporters that Mr. Ching has been suffering from insomnia and stomach pains in prison. Born in southern China and raised in Hong Kong, Mr. Ching is a veteran journalist. His wife, Mary Lau, wrote an open letter in June that conceded that her husband played a dual role as a journalist and as a political adviser. But she said that he had advised Chinese leaders, not anyone in Taiwan, and she described him as a Chinese patriot who wanted to improve relations among China, Hong Kong and Taiwan.

Mr. Ching's arrest also raised questions about whether the Chinese authorities were trying to prevent him from writing about delicate political issues. Ms. Lau has said that her husband traveled to Guangdong in April 2005 to try to obtain tapes of secret interviews with China's former president, Zhao Ziyang, who had died three months earlier. The former leader had spent 16 years under house arrest in Beijing as a penalty for expressing sympathy for student protesters during the 1989 Tiananmen Square demonstrations.

Ms. Lau has said that an intermediary entrapped Mr. Ching as he tried to collect the tapes.

On Friday, the official New China News Agency quoted an unidentified judge involved in the appeal as characterizing the August verdict as "accurate in application of the law and appropriate in meting out punishment."

Despite Setbacks, Blair Is Hopeful On Ulster Local Rule (NYT)

By Eamon Quinn

The New York Times, November 25, 2006

BELFAST, Northern Ireland, Nov. 24 — Prime Minister Tony Blair of Britain on Friday held on to his hopes of restoring local rule across Northern Ireland next March, despite a day of high drama in which Protestant and Roman Catholic politicians failed to reach agreement on nominating leaders to a future power-sharing executive.

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Echoing the province's recent violent past, the meeting was cut short after a notorious Protestant militant, Michael Stone, attacked the lobby of the parliament buildings here, carrying a gun and tossing inside a bag of homemade explosives. Shouting threats, he was wrestled to the ground by security staff members and arrested by the police.

Before the disruption, the Rev. Ian Paisley, Protestant leader of the Democratic Unionist Party, refused to nominate himself as first minister of Northern Ireland to serve alongside Martin McGuinness of Sinn Fein, the main Catholic republican party. Mr. Paisley explained his resistance by saying that Sinn Fein had yet to endorse Northern Ireland's police force and its courts. Friday was the nominal deadline to do so.

Mr. Paisley, who seeks to maintain the province's political ties with Britain, had for years based his political career on rejecting sharing power with Sinn Fein because of its links with the Irish Republican Army.

Speaking in London, Mr. Blair indicated that despite the setback the British and Irish governments would continue their efforts to restore local rule, a process that is contingent on the divided parties resolving crucial differences over power sharing and support for the police.

"What is clear is this: If Sinn Fein agrees to the proper and full support of policing in Northern Ireland by the Police Service of Northern Ireland and to the rule of law, then the Democratic Unionist Party will share power with them," Mr. Blair said.

He also spoke of the need for the province to get away from its "wretched and divisive past."

The attack on the parliament buildings by Mr. Stone, a convicted killer, was a reminder of a more violent past that many in Northern Ireland now believe is behind them.

Mr. Stone became an iconic figure for Protestant militants when he killed three mourners in a gun and grenade attack on an Irish Republican Army funeral in 1988. He was released early in 2000 under the terms of the Good Friday peace accord for that attack and others. This year, Mr. Stone took part in a series of televised broadcasts in which Archbishop Desmond Tutu, the former head of the South African Truth and Reconciliation Commission, brought together victims and perpetrators from the sectarian violence in Northern Ireland.

The targets and motives for his attack on Friday remained unclear. Politicians and journalists evacuated the buildings. [A news agency], quoting a police official, reported that the British Army had defused the six to eight explosive devices in Mr. Stone's bag.

The level of distrust between political parties has remained high in the eight years since the negotiation of the 1998 Good Friday peace agreement, which ended much of the politically motivated violence and led to the first power-sharing local government to involve Protestant politicians and Catholic representatives from Sinn Fein. But local rule fell apart in 2002 amid distrust between Catholic and Protestant leaders.

In Scotland last month, Britain and Ireland acted to restore that local government, by putting forward a series of proposals and deadlines for the province's parties.

Under the proposals, elections to the 108-seat assembly were to be held early in March before the formation of a local executive later that month.

Sinn Fein, which has yet to call a full meeting of its party delegates to endorse policing, is seeking guarantees from the British government over what appears to be their central demand: that powers over policing and the courts will shift from London to the local executive in Belfast.

Bomb Threat Empties N. Ireland Assembly (WP/AP)

By Shawn Pogatchnik, The Associated Press

The Washington Post, November 25, 2006

BELFAST, Northern Ireland -- The Northern Ireland Assembly missed another deadline for forming a government Friday, then politicians fled the building after one of the province's most infamous Protestant militants tossed a bomb-filled bag into the entrance.

Police subdued Michael Stone, who killed three people at an Irish Republican Army funeral in 1988. The Northern Ireland police commander, Chief Constable Hugh Orde, later said Stone's bag contained at least six explosive devices that British army experts safely dismantled.

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Politicians and journalists were ordered out of Stormont Parliamentary Building as the fire alarm sounded _ and two security guards pinned Stone by both arms to the main doorway. He was later wrestled outside, into pouring rain and wind, as he shouted a favored Protestant militant slogan: "No surrender!" Police later recovered a handgun and knife from him.

Stone had abandoned the bag near the building's security checkpoint staff, who operate metal detectors and search bags. He also appeared to have been spray-painting the entrance to Stormont with "Sinn Fein-IRA murderers" or "war criminals," but did not finish it.

Northern Ireland Secretary Peter Hain ordered an immediate investigation into what he called a "very serious breach of security. ... The chaotic scenes at Stormont were deeply disturbing."

Chief Constable Hugh Orde said the explosives inside the bag, which convicted killer Michael Stone threw into the lobby of Stormont Parliamentary Building during a debate on power-sharing, were "fairly amateurish in design. That does not make them any less dangerous."

Orde called Stone's action "a sad publicity act by a very sad individual."

Stone's incursion came minutes after Protestant leader Ian Paisley refused to accept a nomination as the future leader of Northern Ireland's power-sharing administration.

Paisley, whose Democratic Unionist Party is the largest in Northern Ireland, said he would work with Sinn Fein, the IRA-linked party that represents most Catholics, only when it begins to support the police force. If that happened, Paisley said, he would accept the post.

"When Sinn Fein has fulfilled its obligations with regard to the police, the courts and the rule of law, then and only then can progress be made. There can and will be no movement until they face and sign up to their obligations," Paisley told the assembly.

The prime ministers of Britain and Ireland, Tony Blair and Bertie Ahern, said Stone's threat illustrated why rival British Protestant and Irish Catholic politicians should compromise and form a stable coalition as the Good Friday peace accord intended.

More than seven months ago, Blair and Ahern announced that Nov. 24 would be their final deadline for a power-sharing deal _ but both on Friday shrugged off this commitment and insisted that Paisley's statement contained the hope of future progress.

Both premiers said they expected Sinn Fein to clear the way for Paisley by accepting the authority of the Police Service of Northern Ireland. Sinn Fein insists it will not take this step first, if at all.

"It seems that Michael Stone has gone on the rampage again, in a very dangerous way. But he was stopped," Ahern said in Dublin. "It just shows you exactly what we are trying to get away from in Northern Ireland."

"No move forward in Northern Ireland is easy. We've learned that over 10 years," said Blair, who has closely cooperated with Ahern in brokering compromise in Northern Ireland since both premiers rose to power in 1997. "And it's not because the people, or indeed, the leaders in Northern Ireland want it to be so, but because each step towards a different and better future is taken alongside the memory of a wretched and divisive past."

Stone was responsible for one of Northern Ireland's most dramatic days _ March 16, 1988, when he launched a solo gun-and-grenade strike on an IRA funeral. He killed three mourners, among them an IRA man, and wounded about 60 other people before a pursuing Catholic mob surrounded and badly beat him.

Stone was paroled from prison in 2000 under terms of the 1998 peace pact, which permitted early releases for more than 500 convicted members of the IRA and outlawed Protestant paramilitary groups. He took part in a televised discussion with relatives of a Catholic man he had shot to death in a different attack.

Despite Paisley's refusal, Hain said his words were sufficient to keep the assembly intact until the end of January, when Britain plans to dissolve it anyway.

An election to a new assembly is scheduled March 7. Britain expects the members to elect all 12 members of the administration, to be led by Paisley and McGuinness, on March 14. If this happened, Britain would transfer control of Northern Ireland's 13 government departments to the administration March 26.

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Ecuador's Presidential Vote Too Close To Call (AFP)

By Patrick Moser

AFP, November 24, 2006

QUITO, Ecuador -- Leftist Rafael Correa gained ground over conservative Alvaro Noboa, but the margin remains too narrow to predict a presidential winner, pollsters said yesterday.

A Cedatos/Gallup Ecuadorean voter intention poll was made public yesterday.

"With such results, it is not possible to predict the final outcome of the November 26 election," the polling institute said of the survey, which has a three-percentage-point margin of error.

But the poll reflected a dramatic surge in support for leftist economist Mr. Correa, who had 41 percent to Mr. Noboa's 59 percent on Oct. 30. Last week the pollsters had Mr. Correa getting 48 percent, trailing his rival by four points.

Over the past days, both candidates have gone all out to attract undecided voters, which Cedatos/Gallup said accounted for 17 percent of the 9.2 million Ecuadoreans eligible to vote.

Each has warned that his rival's victory will have disastrous consequences for the South American country, which has had seven presidents over the past 10 years.

Mr. Noboa claims his leftist rival wants to install a communist dictatorship closely tied to Venezuelan President Hugo Chavez, a fiercely anti-American leader. That, he warned, would lead to a bloody uprising.

"Correa wants an insurrection, a civil war in which the poor will die," Mr. Noboa, 56, told cheering supporters at his final electoral rally on Thursday night.

Mr. Correa for his part claimed that Mr. Noboa, Ecuador's wealthiest man, would run the country as his private estate.

The leftist warned his supporters to be on the lookout for a repetition of the electoral fraud he claims marred the Oct. 15 first round, which was led by Mr. Noboa.

Both have run populist campaigns, vowing to improve the lot of the millions of Ecuadoreans who live on less than $2 a day in a country that pumps out more than half a million barrels of crude daily.

Bible in hand, falling to his knees and invoking the name of God, Mr. Noboa has vowed that if elected he would build 300,000 homes a year for the poor -- an average of almost 1,000 a day.

Portraying himself as a champion of the poor and his rival as "a communist devil," the conservative billionaire handed out wheelchairs and food and openly distributed cash at his rallies.

Mr. Noboa has said he would encourage foreign investment, tighten ties with the United States and distance the country from Venezuela and communist Cuba.

He also said the 400 U.S. troops stationed at a base in the Pacific port of Manta would be welcome to stay when their lease runs out in 2009.

Mr. Correa, on the other hand, said he would not renew the lease, but insisted he wanted to stay on good terms with Washington and continue bilateral trade, as long as it is "just and mutually profitable."

His strong showing in opinion polls has stirred unease in financial markets worried about his promise to revise contracts with foreign oil companies and to renegotiate Ecuador's foreign debt.

After trailing Mr. Noboa by four points in the first round, Mr. Correa distanced himself somewhat from Mr. Chavez, but stressed he remained a friend of the Venezuelan president. He also eased up on his criticism of President Bush, after he had called the U.S. president a "dimwit."

Morales Steps Up Pressure For Land Redistribution (WT)

By Martin Arostegui

The Washington Times, November 25, 2006

SANTA CRUZ, Bolivia -- Indians, coca farmers and landless peasants are heeding a call by leftist President Evo Morales to surround Congress to press for radical land redistribution that is opposed by landowners and farmers.

From Bolivia's highlands hundreds of miles away, protesters are descending on the capital, La Paz, for a series of demonstrations next week targeting the Senate, which refuses to pass the land measure.

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"We have been struggling for years to regain control of our resources and are prepared to apply communal justice against the corrupt senators that stand in our way," said Juan Choque, the leader of a peasant group that started out two weeks ago for La Paz from the eastern town of Yapacani.

The new law is a centerpiece of government plans to redistribute millions of acres to Indian supporters.

It has been approved by the lower house of Congress, but the Senate has refused.

"We will not pass a law that destroys this country's productive system" said Senate Vice President Jose Villavicencio, who represents the northeast province of Pando. He accuses the government of financing the mobilization of 10,000 Qechua and Aymara Indians from around the country.

The measure is strongly opposed by landowners and farmers in Bolivia's fertile eastern lowlands.

Mr. Morales initiated the protest against the Senate, saying it "must be forced to approve this law that revindicates the original indigenous people of Bolivia."

Agriculture Minister Hugo Salvatierra has been giving away tractors donated by Venezuela to peasants rallying at various points along the marching routes stretching about 400 miles.

In the Senate, the rightist Podemos party and smaller centrist parties hold a majority of 15 seats over 12 controlled by Mr. Morales' Movement to Socialism (MAS).

MAS is drafting a new constitution that would abolish the upper chamber. Podemos leader Jorge Quiroga has charged that Mr. Morales is redesigning the system of government to perpetuate himself in power by "following the radical example of Hugo Chavez in Venezuela."

The Senate is also holding up final approval of a military agreement signed with Venezuela last August to build major army bases in eastern Bolivia, where an opposition-led referendum for regional self-rule won with more than 70 percent of the vote in July and separatist sentiment is growing.

"If they close down the Senate, the central government is finished for us, and we will have to fight to defend our own democracy," the Santa Cruz civic committee president, German Antelo, told 8,000 people in an anti-government protest earlier this week.

The rally was also attended by a group of independent miners from the western mountain province of Huanuni, where a revolt against the nationalization of the mines resulted in 17 deaths last month.

Colombian Senator Faces Down Paramilitaries (LAT)

By Chris Kraul

The Los Angeles Times, November 25, 2006

BOGOTA, COLOMBIA — Some may object to his politics, but few question the courage of leftist Colombian Sen. Gustavo Petro, whose five-year campaign to prod the government into investigating elected officials' links to illegal paramilitary groups finally bore fruit this month.

Colombia's Supreme Court issued arrest orders for three sitting members of Congress and one former member as well as an ex-governor on charges including murder, electoral fraud and diversion of public funds in collusion with right-wing militia leaders. All charged are from the northern state of Sucre and all but the ex-governor, Salvador Arana, are behind bars.

Arrests of as many as 20 more Congress members may take place soon, officials said this week.

From the floor of the legislature, Petro, a former guerrilla, has declared repeatedly that members of Congress are up to their necks in illegal activities with the right-wing militias in Sucre state and has called on President Alvaro Uribe's government to investigate them.

It has come at great personal risk in a country where opposition to the militias often is a death sentence. The Supreme Court also faces retribution for issuing the orders, as does Prosecutor General Mario Iguaran for requesting them.

Petro routinely receives death threats, and doesn't go anywhere without a security escort of as many as 10 police officers. "They can kill me at any time without the least moral or ethical reluctance," Petro said. "My assassin could be sitting next to me in the Senate."

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One of those accused, Sen. Alvaro Garcia Romero, was charged with having ordered militia leaders to conduct a massacre in 2000 and murder an election monitor in 1997.

The arrests came at a delicate point in Colombia's demobilization process, after the surrender of about 31,000 paramilitary fighters since 2003 and as the Uribe government is beginning to prosecute their leaders.

The militias were formed in the 1980s by farmers and ranchers to defend against leftist guerrilla attacks. But some of the private armies took over much of the nation's drug traffic; they were labeled terrorist organizations by the United States in the 1990s.

Recent revelations indicate that although militia leaders gave up their arms, many retain control of criminal networks that run illicit businesses with the aid of the local and national politicians they have co-opted.

"What is happening is that a large part of Colombia now feels under attack by the paramilitaries, and business interests feel threatened," said Petro, 46, in an interview at his apartment complex in northern Bogota, as 10 police officers stood guard below. "Maybe this is why the charges are being brought now."

Another factor could be the information contained in a laptop computer, seized in a government raid this year, allegedly documenting the activities of paramilitary leader Rodrigo Tovar, alias "Jorge 40." Data in the laptop were said to chronicle several murders, continued militia activities and politician contacts made after Tovar demobilized, a sign to critics that demobilization has done little to curb the paramilitaries' power.

A Supreme Court official confirmed to The Times in an interview last week that evidence from the computer was considered in the cases. "It was just one element of evidence, but we had no reason to think it was all an invention," the official said.

In exchange for electoral support, politicians help the paramilitaries "accumulate wealth" by easing false documentation of property transfers, diverting or kicking back public works contracts, and putting the local police at the paramilitaries' service, Petro said.

Even fellow legislators who oppose Petro, a former M-19 guerrilla, credit him for bringing the debate over paramilitary ties to the public's attention.

"He brought these cases in Sucre to Congress, mounted the investigations and said publicly, 'This is happening,' " said Sen. Gina Parody, who sits on the opposite side of the aisle but has joined with Petro in denouncing the paramilitaries' cozy relations with some legislators. "Denouncing this illegality is very risky."

All of those charged are allies of President Uribe, whose administration is facing one of its biggest crises because of the political damage that further revelations and arrests could bring.

Much damage has been done. Prosecutor Iguaran told reporters that the crisis confronting the Uribe government was worse than that faced by then-President Ernesto Samper in 1994 when it was alleged that his campaign received money from the Cali drug cartel.

There is no public evidence linking Uribe to paramilitaries, but the arrests have fueled criticism that he has been too easy on militia leaders in the pacification process, promising lenient sentences in exchange for disarmament and confessions. Some wonder why allegations that surfaced five years ago have taken so long to lead to charges.

Back then, before demobilization began, paramilitary leader Salvatore Mancuso boasted that 35% of Congress was loyal to him and other paramilitary chiefs.

"The issue facing Colombia is the nature and reach of paramilitarism," said Cynthia Arnson, head of the Latin American program at the Woodrow Wilson International Center for Scholars in Washington. "It's a military force that has been demobilized, but it's also a mafia-like criminal organization that has penetrated the legal economy and begun to subvert legitimate political institutions."

Petro's detractors say he is inconsistent, and less troubled by infractions by left-wing guerrillas than those by right-wing paramilitaries. One high-ranking Uribe official, while expressing admiration for Petro's outspokenness, said the senator practiced "relative morality," adding, "There are no good deaths and bad deaths."

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A native of Zipaquira radicalized in part by the overthrow of Chilean President Salvador Allende in 1973, Petro joined the urban guerrilla group M-19 at age 17. He was elected to his town's city council at 21, keeping his guerrilla membership a secret until then-President Belisario Betancur and rebels signed a peace accord in 1984.

But the peace was short-lived. Petro survived torture and spent 18 months in jail from 1985 to 1987.

Shortly after he was imprisoned, M-19 rebels seized the Palace of Justice in November 1985, a takeover that Petro says he knew nothing about beforehand. The army's retaking of the building left dozens dead.

Upon his release from prison, Petro spent three years in hiding. "If the army had found me, they would have killed me," he said.

Petro resurfaced in 1990, when President Virgilio Barco Vargas declared another peace accord.

Petro was elected to Congress from Bogota in 1991 on the M-19 ticket. But a series of slayings of his former comrades sent him fleeing again in 1994, this time to Europe.

He returned to Colombia and was elected again to Congress in 1998. He was reelected in 2002 before moving to the Senate this year as a candidate for the Democratic Pole, a party he co-founded. He got the second-most votes of any senatorial candidate.

Petro said his voice is no longer a lonely one. "Now there are many voices and many allies. Half the Congress wants this investigation to continue. The news media fill their pages with the allegations against the paramilitaries."

Uncovering the truth and proceeding with investigations are crucial to Colombia's democratic progress, he said.

"This is a crisis that either can lead us to national fragmentation, a Balkanization as in Yugoslavia, or to the construction of a real republic."

Chile's Student Activists: A Course In Democracy (WP)

By Monte Reel

The Washington Post, November 25, 2006

SANTIAGO, Chile -- When the Class of 2006 graduates in a few weeks, its members will look back at a year in which some of the most important lessons took place outside the classroom.

In their black and white school uniforms, they launched what became known here as the "Penguin Revolution," filling the streets, calling for educational reforms, occupying school buildings and sparking a nationwide debate that was quickly labeled a milestone for the nation's young democracy.

Extracurricular activities for student leaders this year meant negotiating with senior government officials. When they text-messaged friends, at times it was to organize rallies that attracted as many as 800,000 people. A few became nationally known public figures in their own right.

"Graduation will be hard, and there are going to be a lot of emotions that come back from this year," said Karina Delfino, 17, who became one of the voices of the student movement during her senior year. "All the friends made, the difficulties and the successes -- this was one stage in life that has been good, but very tough. The only thing I can do now is to try to end this stage as best I can and get ready for whatever is next."

That's the question many high school-age Chileans face, as the school year winds down with the approach of a Southern Hemisphere summer: How do they follow a year like this one?

The students' actions turned them into the most powerful social movement since the strict military dictatorship of Gen. Augusto Pinochet was replaced by democracy 16 years ago. They forced the government to increase education spending and -- more important for many of the protesters -- prompted it to reexamine the roots of an educational system flawed by vast inequalities between the country's rich and poor populations.

Not everyone has approved of the students' methods at all times, but it's difficult to find anyone who hasn't come to accept them as a significant part of the country's social and political landscape.

"I believe their greatest achievement was to change the way people think of the youth of the country," said Rodrigo Cornejo, with the Chilean Observatory of Educational Policy at the University of Chile. "A lot of people thought the young people were

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simply individualistic, selfish consumers. But the long-term changes the students were pressing for this year weren't going to directly benefit them -- it was for their younger brothers and sisters."

Many of the students don't think of the past year in such epic terms. As Delfino's school day ended on Wednesday, the 3,000 students at her school poured onto the sidewalks of central Santiago and lingered at bus and subway stops, naturally dividing themselves into the broad cliques that their school uniforms can't erase: jocks, Goths, drama kids, Barbies, hard-cores. Some sat on curbs and lighted cigarettes. Some jammed the headphones of MP3 players into their ears. Most talked, and the conversations did not, as a rule, address weighty matters of social justice.

They are all too young to remember Pinochet's dictatorship, which subdued opposition groups with tactics that ranged from intimidation to murder and torture. All their lives, their teachers, parents and government leaders have emphasized that they live in a hard-won democracy, where everyone has a voice.

Instead of plotting a grand revolution, the students said, they simply decided to take what they'd been taught at face value. If Chile's economy was so good -- as they had been hearing repeatedly during the presidential election campaigns in 2005 -- why did some schools lack essential supplies, like books and desks? Why should public schools be managed at the municipal level when that system encourages disparities between rich and poor neighborhoods? If Chile is a participatory democracy, why not participate?

"As the movement started to grow, we had everyone involved -- hippies, evangelicals, all the groups," said Delfino, who belongs to her school's social circle of organizers, those drawn to student government and academic organizations. "We all wanted the same thing, which was change. So we were trying to respect different opinions while at the same time working for consensus. That's all."

The movement began last year with inconclusive petitions to the government of President Ricardo Lagos. After the January election of Michelle Bachelet, a Socialist who won by campaigning for social justice and compassion for the poor and vulnerable, many student leaders began the new academic year with optimism. They waited for Bachelet to address education reform during a May state of the nation speech; when she didn't, a new sort of protest movement immediately blossomed.

"I'd leave school in the afternoons and go to the national student assembly," Delfino said. "Other days, when I had tests, I'd study at night and sleep three or four hours, then go to class in the morning and do the same thing again. My friends talked about 'The Ghost of Karina.' "

The day after Bachelet's speech, an all-girls public school was taken over by pupils. Thousands of students boycotted classes. Soon private school students joined in the protests, while university students and teachers unions also voiced support. The Education Ministry soon began holding negotiations with student leaders, and Bachelet eventually promised more funding to help the poorest students and created a panel, which included student representatives, to discuss broad reforms of the national educational system.

The strain of juggling all that with academics took a toll on some students, which they are confronting now. MarÃ-a Huerta, a movement leaders who attends a technical school here, isn't sure whether she will be able to get into a university next year.

"My mother was bothered by this, because I was spending so much time with the student organizations and not in class," said Huerta, 19. "We have a very close family, but they're all worried about me. My mom is worried about my future, my cousin is worried about my safety, and my uncle doesn't talk to me anymore -- he doesn't agree at all with what I'm doing."

Students such as Huerta and Delfino, who got a strong taste of civic involvement this year, are trying to figure out whether they want to make a career of social involvement. Both said they are considering studying sociology or public administration, but they still aren't sure how they will apply what they learned outside of class.

"The decision I have to make is whether I want to try to make changes through working directly with the community, or through politics," Huerta said. "If I work in the community, I can change the lives of a small group of people. With politics, you can do it on a macro level. But I don't want to join a political party."

Huerta continued to debate the advantages and disadvantages of each choice, coming to the conclusion that she'll have to give it more thought.

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Like most leaders of the Penguin Revolution, she has more time to think about such questions now: Tensions have eased considerably as the end of the year approaches. Some students continue to periodically occupy schools because they believe the government is implementing its promises too slowly.

Public opinion of the students isn't as high as it was a few months ago, when polls indicated that about 75 percent of the country backed them, but it is still generally positive. Huerta said she hopes the movement she helped start will be able to regain its strength next year, as a new class of students takes over leadership posts.

"My age group started it, with the idea that you can be supportive of Chile and democracy without having to agree with everything the government does, that it's okay to be critical," Huerta said. "Now we have to see where the students in the first and second years of the high schools take it. I'm eager to see it."

Canada Arrests "Illegal" Spy From Russian Intelligence (WT)

By Bill Gertz

The Washington Times, November 25, 2006

Canada's security service recently arrested a deep-cover Russian intelligence officer posing as a Canadian citizen in what officials say is a rare capture of an "illegal" spy.

Court papers identified the man as Paul William Hampel and said he was a member of Russia's foreign intelligence service, or SVR, and an "illegal" spy operating without the protection of diplomatic cover.

A Canadian federal court report made public earlier this week stated that the Canadian Security and Intelligence Services thinks Mr. Hampel "is a danger to the security of Canada" and was thus "inadmissible" to the country.

Mr. Hampel was arrested at Montreal's Pierre Elliot Trudeau Airport on Nov. 14 and found to be carrying three passports that authorities said were obtained fraudulently using a Canadian birth certificate.

He also was found carrying about $6,876 worth of five different currencies, along with several bank and credit cards, index cards containing historical data on Canada, encrypted prepaid cell phone cards and a shortwave radio.

Mr. Hampel is being held on a little-used national security law and faces deportation or prosecution for fraud in a secret trial.

A U.S. official said the capture was a coup for the Canadians, since deep-cover spies are very hard to find.

"Identifying and subsequently catching an Illegal is the creme de la creme of the counterintelligence business," the official said.

The Canadian report noted that in 1996 two Russians were identified as an SVR illegal team and deported.

The FBI has not uncovered any SVR illegals in the United States, despite claims that spying by Russian intelligence in recent years is at Cold War levels.

The CIA identified a KGB illegal in 1989 posing as a Finnish national named Reino Gikman, who was photographed meeting State Department official Felix Bloch, a suspected Russian mole in the department who was never prosecuted.

"Hampel's infiltration into Canada and development of a Canadian legend based on an identity created by the SVR has permitted Hampel to abuse the integrity of the Canadian system, including citizenship and all its inherent privileges," the report said. "As a documented Canadian citizen, Hampel has been operating covertly on behalf of the SVR and, as such, poses a danger to Canada's national security and Canada's interests internationally."

The report said the use of Canadian documents "provided him with the ability to covertly further the interests of the SVR for over a decade both within Canada and abroad."

Georgi Mamedov, Russia's ambassador to Canada, told a Canadian television station that he had no information about the case, and he sought to highlight Russia's cooperation with Canada in the war on terrorism.

In Moscow, SVR spokesman Sergey Ivanov told the Interfax News Agency: "Russia's Foreign Intelligence Service, like any other foreign intelligence service, does not comment on whether an individual is or is not involved in its activities."

Bloc Quebecois Supports Canada PM (BBC)

BBC.com, November 24, 2006

DOJ_NMG_0098530

The leader of Canada's separatist Bloc Quebecois has said his party will back a government motion that Quebecers form a "nation within a united Canada".

Gilles Duceppe said Prime Minister Stephen Harper's motion was a victory for separatist aspirations in Quebec.

Quebec, mostly Francophone, has held two referendums on separation, in 1980 and 1995, but rejected the idea.

Mr Harper's Conservatives won Canada's general election in January to end 12 years of Liberal rule.

In a parliamentary debate on Friday, Mr Duceppe said the Bloc will join Canada's other opposition parties in supporting the motion that Mr Harper announced on Wednesday.

"We are delighted by the fact that Canada will become the first country to officially recognise the Quebec nation," Mr Duceppe said.

The government motion says that the House of Commons should "recognise that Quebecers constitute a nation within a united Canada".

The Bloc Quebecois is the third-largest party in the national parliament after the Conservatives and Liberals.

The debate over Quebec's status was reopened earlier in the week when the Bloc announced it would table a motion in parliament calling for recognition of Quebecers as a nation.

Gilles Duceppe's Bloc Quebecois is Canada's third-largest party There was no mention of Canada.

Mr Harper then introduced his motion on Wednesday.

"The real question is simple," he said in the House of Commons. "Do Quebecois make up a nation of their own in a united Canada? The answer is yes.

"Do Quebecois make up a nation independent from Canada? The answer is no and will always be no."

On Thursday the Bloc tabled its motion but with an amendment to say that Quebecers should be recognised as a nation that is "currently within Canada".

On Friday, Mr Harper welcomed the Bloc's decision to back the government.

"This is the third position the Bloc has taken on this in three days," Mr Harper said.

"They moved a motion, they made an amendment to a motion and now they're supporting our motion."

He said the motion would not amend the constitution. "This is merely a declaration of recognition and an act of reconciliation."

Constitutional experts say the motion carries no legal weight and would be unlikely to give Quebec separatists a lever to extract more political powers from Ottawa.

The motion is expected to pass easily in parliament next week now that it has the backing of all the major parties.

Rwanda Ends Diplomatic Ties With France (AP)

By Angela Doland, Associated Press Writer

AP, November 25, 2006

Rwanda severed diplomatic ties with France on Friday in response to a French judge's decision to issue international arrest warrants for nine ranking Rwandans suspected of plotting the 1994 killing of the African nation's president.

The French Foreign Ministry said it regretted Rwanda's decision and was "taking all necessary arrangements."

France's ambassador in Rwanda, Dominique Decherf, will leave the country Saturday and the 29 other embassy personnel in the capital, Kigali, were leaving by Monday evening, embassy security chief Serge Kulmicht told The Associated Press.

On Wednesday, a French investigating judge issued arrest warrants for nine ranking Rwandans suspected of plotting the downing of then-President Juvenal Habyarimana's airplane on April 6, 1994 — an act that sparked the country's genocide.

Late Thursday, Rwanda withdrew its ambassador, Emmanuel Ndagijimanam, from Paris for consultations, diplomat Parfait Gahamanyi said. The officials targeted by the French judge are close to Rwanda's current president, Paul Kagame, and the decision has enflamed tensions.

Rwandan Justice Minister Tharcisse Karugarama said the move was a response to French "bullying."

"There is no reason why there should be diplomatic relations with a country that is actually attempting to destabilize the institutions of Rwanda's government," Karugarama told The Associated Press.

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French anti-terrorism judge Jean-Louis Bruguiere suspects that nine Rwandans were responsible for plotting the assassination or actually shooting down Habyarimana's airplane.

Bruguiere — renowned for tracking down the renowned terrorist Carlos the Jackal — is investigating the case because the crew on the downed plane was French. The families of the pilot, co-pilot and mechanic, who all died in the crash, filed a suit in France in 1998.

After the attack, militants from the Hutu ethnic majority, known as interahamwe, quickly set up roadblocks across the capital, Kigali, and on April 7 began killing Tutsis and moderate Hutus. More than 500,000 people were killed in 100 days.

Kagame's Rwanda Patriotic Front, or RPF, toppled the Hutu extremists and ended the genocide.

The question of who shot down the plane has been a central mystery of the genocide. Speculation has focused on Kagame's largely Tutsi force, or hard-line Hutus hoping to encourage mass violence against Tutsis.

According to Bruguiere's order, Kagame allegedly instructed his group to down the aircraft.

"The final order to attack the presidential plane was given by Paul Kagame himself during a meeting held in Mulindi on March 31, 1994," Bruguiere wrote in the warrant request.

France grants immunity to acting heads of state, preventing judicial authorities from issuing a warrant for Kagame. Those targeted include armed forces chief James Kabarebe and army chief of staff Charles Kayonga. Warrants also were issued for those suspected by the French judge of attacking the plane — Franck Nziza, believed to be a captain in the presidential guard, and Eric Hakizimana, of the secret service.

Kagame called the judge "an impostor, a politician" in an interview Wednesday with France-Culture radio. He also promised that ties between both countries would suffer.

France annulled Rwanda's entire $57 million bilateral debt this year. But relations between France and Rwanda have been strained for years, with Kagame accusing France of doing too little to stop the genocide.

Associated Press writer Elizabeth A. Kennedy in Nairobi, Kenya, contributed to this report.

World Court Official Reports Evidence On Darfur Criminals (WP)

By Nora Boustany

The Washington Post, November 25, 2006

The International Criminal Court has found sufficient evidence to identify the perpetrators of some of the worst atrocities in Sudan's Darfur region, and the probe offers "reasonable grounds to believe" that crimes against humanity were committed, chief prosecutor Luis Moreno-Ocampo told the annual meeting of the court's member states in The Hague.

"We selected incidents during the period in which the gravest crimes occurred," he said Thursday in a report on his activities over the past year. "Based on the evidence collected, we identified those most responsible for the crimes." Moreno-Ocampo did not name the targets of the investigation, which he said is nearly complete.

In a telephone interview before he addressed representatives of the 103 nations that have ratified the 1998 agreement creating the court, he said the atrocities included "rape, torture, willful murder, sexual and inhuman violent acts, extra-judicial killings and the forcible transfer and persecution of civilians."

Moreno-Ocampo's investigators have collected thousands of documents and conducted 70 visits in 17 countries, including Sudan, since June 2005. His teams have interviewed judges, prosecutors and Sudanese investigators, as well as a top Sudanese military official and a senior political official. Sudanese officials shared the outcome of a government inquiry, and the Sudanese army provided its analysis of what had happened, he said.

"To define the truth is important, and to define the responsibility is important, to prevent it from recurring," he said in the interview. He added that court procedures required him to investigate "incriminating and also exonerating circumstances."

Moreno-Ocampo said a priority was reaching victims, although he chose not to go to the Darfur region itself, so as not to endanger victims or witnesses. However, he was able to find them elsewhere, he said, including in neighboring Chad and in Sudan outside Darfur. Investigators screened 600 potential witnesses and conducted in-depth interviews with more than 100 people. The prosecutor must determine whether the Sudan government is carrying out an inquiry into the same incidents and individuals. If there are not "genuine national proceedings," he said, he will present his evidence to the judges.

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"We are almost ready," he said.

Moreno-Ocampo added that other challenges involving health, development and security needed to be confronted simultaneously by other world institutions and states.

As many as 450,000 people have died from disease and violence, and 2.5 million have been displaced in the three-year-old conflict, which began when rebels from African tribes rose up against the Arab-led central government in a huge area of western Sudan. The government has been accused of supporting militias of Arab nomads known as Janjaweed in retaliation against civilians in Darfur. Government officials deny arming the militias, which the United Nations and others have accused of carrying out the worst atrocities.

Moreno-Ocampo's comments in The Hague coincided with charges by the top U.N. humanitarian official that Sudan is deliberately hindering relief efforts in Darfur and is arming militias.

The emergency relief coordinator, Jan Egeland, told the Security Council that the coming weeks might "be make or break for our lifeline to more than 3 million people. The situation in Darfur is closer to the abyss than I have witnessed since my first visit in 2004."

"Time is against us," Secretary General Kofi Annan said.

Officials from the United Nations, Europe and the United States have expressed concern about what they describe as a recent shift in Janjaweed tactics, from attacking rebels to targeting people in refugee and displacement camps. Egeland, who recently visited Sudan, said the burning of villages and attacks on women and children reminded him of 2004, when the push to drive Darfur civilians from their homes was at its most violent.

A tentative agreement to boost the 7,000-member African Union force with 10,000 more U.N. troops was reached last week in Ethiopia. Sudan, which has opposed deployment of U.N. troops, has asked for a delay until Wednesday.

A senior U.S. official who spoke on condition of anonymity said the Sudanese government fears that U.N. troops "will discover more evidence. What they don't realize is that there is more than enough evidence now."

Andrew Natsios, the U.S. presidential special envoy to Sudan, said the United States suspects that some Sudanese officials are bent on "a military solution," given three major defeats since August in their push against the rebels. He told a forum at the Brookings Institution this week that the Sudanese military has "now mobilized the Arab militias to attack soft targets, which is to say villages and the displaced camps." If this continues, he warned, no one in the United States would have faith in a negotiating process.

"There is no doubt that the Janjaweed and those who are committing atrocities are an extension of the Sudanese military," Natsios said.

In the interview, Moreno-Ocampo said he was struck that Sudanese witnesses said they were pleased and "honored" to provide testimony. "The hope for justice is one of the few things that the victims of Darfur still have," he said. "It is very important for us to keep this hope alive and show there will be justice for them. We care about that."

Mass Graves Uncovered In Congo (AP)

By Eddy Isango

AP, November 24, 2006

KINSHASA, Congo -- The United Nations said yesterday its investigators had discovered three mass graves at a northeast Congo military camp containing the bodies of 30 persons -- including women and children -- who were thought to have been killed by soldiers.

The dead were found at the camp in eastern Ituri province after witnesses accused troops of killing dozens of people two months ago, U.N. spokesman Kemal Saiki said.

Mr. Saiki said the graves had been opened and the bodies would be exhumed for a team of investigators that includes U.N. human rights officials and Congolese military authorities.

It was not immediately clear what sparked the killings.

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Much of Ituri province, home to dozens of powerful local militia groups, has remained lawless and violent despite peace deals to end the Democratic Republic of the Congo's 1998-2002 civil war. Tens of thousands of people have died as a result of the fighting there.

Congo's army has been accused by rights groups and residents of rape, pillage and forcing civilians into labor.

The government is struggling to rebuild the postwar force into a unified military composed of rebels, militias and soldiers who fought each other for years.

The discovery of the graves came at a time of increased tension in Congo over the results of last month's presidential runoff.

Interim President Joseph Kabila was declared the winner, receiving 58 percent of the vote, compared with nearly 42 percent for former rebel leader Jean-Pierre Bemba, who charged that the election was tainted by fraud.

A hearing on vote fraud charges has been delayed after part of Congo's supreme court was burned Tuesday during gunfire and street fighting among Mr. Bemba's supporters.

Fighters loyal to Mr. Bemba were leaving the capital yesterday after the government ordered those troops to return to barracks outside the city, officials and witnesses said.

A convoy of trucks filled with dozens of fighters could be seen rolling out of Kinshasa toward the nearby town of Maluku. Mr. Bemba's fighters first began leaving Thursday.

Mr. Kabila's government issued the order to leave earlier this week.

Mr. Bemba, whose forces have clashed in Kinshasa twice with those of Mr. Kabila in election-related violence, has hundreds of fighters here, many serving as his personal bodyguards.

Foreign Aid, Revised (NYT)

The New York Times, November 25, 2006

Like many of its predecessors, the Bush administration wants to reform foreign aid. These programs sorely need better coordination and predictability — and a clear way to measure whether they are working. Randall Tobias, the new director of foreign assistance, is a good manager and could impose much-needed coherence.

But there are worrisome signs that the administration is also planning deep cuts in antipoverty spending as aid is supposedly reoriented to promote democracy and fight terrorism. A little-noticed statement on the Web site of the Agency for International Development says the goal is to “focus all U.S. foreign assistance on helping to build and sustain democratic and well-governed states.”

Of the nearly $24 billion requested by the State Department for foreign aid this year, a little over $1 billion is devoted to democracy programs, including training legislative staffs, helping reform courts, and working with women’s and business organizations. Privately, officials say that number is likely to rise substantially in next year’s budget request, while the roughly $3.7 billion devoted to antipoverty programs — fighting disease, promoting education, providing microcredit loans — is likely to fall to make up the difference.

While foreign aid spending is up over all in the Bush administration, the increase has come almost entirely in four programs: aid to Iraq and Afghanistan, the 15-country global AIDS initiative and the new Millennium Challenge Corporation, which seeks to help well-governed poor countries.

In a worrisome sign, money for programs to address childhood disease and maternal mortality is down by one-third in this year’s budget request. The administration is also cutting antipoverty spending in Latin America and Africa to pay for programs in Islamic countries, considered to be front-line states in the war against terror.

Promoting democracy and fighting terrorism are laudable goals. But such work needs to come on top of — not instead of — financing antipoverty programs, which save hundreds of thousands of lives and earn untold good will for the United States. There is also little indication that America knows how to build democracy. There are too many worrisome reports of programs to encourage privatization turning into boondoggles for contractors, or new anticorruption agencies dissolved or made toothless by those in power.

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This is no time to cut off the world's poor, especially for programs with such an uncertain record. If the administration will not restore a sensible balance to foreign aid, the new Congress should.

Intolerance In Europe (WP)

The Washington Post, November 25, 2006

EUROPE'S MUSLIM communities increasingly are portrayed -- especially by European media -- as havens for religious intolerance that flourish thanks to the overly tolerant policies of liberal governments. It's true that until relatively recently, some Western European governments shrank from confronting clerics or others who promoted extremist ideology or encouraged terrorism. It's also true that some European artists and politicians have been threatened or even killed for criticizing or mocking Islam. But another important part of the dangerous increase in tensions between Europeans and Muslims is the blatant bigotry of many mainstream political leaders, journalists and other elites against Islam and its followers.

Sometimes the bigots portray their crude attacks on Muslim beliefs and culture as a defense of freedom of speech -- as when a Danish newspaper last year chose to publish gratuitously offensive cartoons about the prophet Muhammad. Sometimes they claim to be promoting better communication, as when British parliamentarian Jack Straw recently asked Muslim women to remove their veils when visiting his office. Luckily for the enemies of cynicism and disingenuousness, there is also the Dutch government -- which no longer bothers to disguise its ugly prejudice.

On Nov. 17, just five days before Wednesday's hard-fought general election in the Netherlands, the incumbent center-right government promised that, if reelected, it would introduce legislation to ban the wearing of burqas and other facial coverings in most public places, including courts, schools, trains and even streets. The ruling Christian Democratic Appeal party finished first in the voting, but the makeup of the next government remains unclear. If enacted, the prohibition would affect no more than a few dozen of the country's 1 million Muslims, who make up some 6 percent of the population. But the point is symbolic: A country famous for tolerating prostitution, drug use, euthanasia and public nudity considers Muslim veiling beyond the pale.

Rita Verdonk, the immigration minister who is rapidly becoming the face of the new Dutch intolerance, claimed that the measure was needed for "reasons of public order, security and protection of citizens." Nothing subtle in that connection: As far as Ms. Verdonk is concerned, burqas and terrorism are synonymous.

Like other Europeans, the Dutch have reason to worry about terrorism; the country has been traumatized by the assassinations of a prominent right-wing politician and a right-wing filmmaker in the past few years. But attacking Muslim culture -- as opposed to those who practice or promote violent acts -- is no way to diminish the threat. It won't be surprising if more Dutch Muslims respond to their government by putting on burqas -- or by answering intolerance with intolerance.

What's At Stake In Mexico City (WP)

By Enrique Krauze

The Washington Post, November 25, 2006

Mexico is a country that is, all at once, pre-modern, modern, anti-modern and postmodern. This situation can have certain advantages, as those who appreciate the cultural mosaic of Mexico know, but there are times when it can be not just difficult but explosive.

Last Monday (the anniversary of the start of the Mexican Revolution of 1910, which lasted 10 years and cost a million lives) modern politics in Mexico was silenced by an alliance between the pre-modern and the anti-modern in a postmodern spectacle that could lead to widespread social revolt and that has impeded the country's democratic progress. Andres Manuel Lopez Obrador -- the charismatic caudillo who has come to believe himself Mexico's messiah incarnate -- gathered his faithful for his anointment as the "legitimate president" of Mexico.

Even though he has lost much support because of his post-election behavior, Lopez Obrador still controls several organizations that have shown themselves capable of paralyzing a part of Mexico City with demonstrations and sit-ins. They consist of state employee unions, peddlers of the informal economic sector, unofficial taxi drivers and hundreds of radical groups.

Where do they get their money? Until now the budgetary sources of the Federal District of Mexico City have sufficed, managed at the discretion of L?pez Obrador's PRD (Democratic Revolutionary Party), just as it was taught by its elder brother, the

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old ruling PRI. These groups mingle with anti-modern militant movements, which aren't exactly guerrilla forces but do represent a kind of "soft revolution."

It is a mobilization of salaried contingents that not only will harass incoming President Felipe Calder?n and his cabinet but will also try to disrupt everyday life for inhabitants of the country's most sensitive regions. This will be under the guise of a supposed "peaceful resistance" against the "usurpation" that many people still think took place in July's razor-thin election but that L?pez Obrador and his party (who won impressive victories in the legislature) were unable to prove in the courts.

This soft revolution is an enemy of democratic life and may even make dead letters of laws eventually passed in the National Congress. If the PRI (the third force but the counterbalance on the scales of Congress) decides to support Calderon and his National Action Party (PAN) in the reforms that the country needs to create jobs, Lopez Obrador's militants will still be able to boycott them by taking to the streets to block traffic and disrupt business. In its extreme version, it might try to replicate what's been happening over the past six months in Oaxaca, where a revolutionary group of teachers, infiltrated by the residual guerrilla forces that have always existed in the mountains of southeastern Mexico, has been reenacting on a small scale the scripts of Mao Zedong's Cultural Revolution.

There remains the possibility of the restricted, legitimate use of public force, but this is an extremely delicate point in Mexico because of the trauma of the student massacre of 1968. Thus the goal of L?pez Obrador's movement will be to make the country ungovernable and to achieve the eventual resignation of Felipe Calderon. It's unlikely that he'll succeed, but not impossible.

Part of the solution to this delicate situation lies in the hands of President Calder?n. If he quickly shows himself to be the leader that his predecessor, Vicente Fox, neither could nor wanted to be, Calderon will be able to remove the shadow of illegitimacy and establish the foundation for a stable government. He needs to surround himself with a capable cabinet that will carry out measures in the most sensitive areas (security, employment, corruption). Calder?n seems to be an intelligent politician, has parliamentary experience and has his priorities straight. But I'm convinced that much-needed concord depends on more than him.

In this regard, the left bears the greatest responsibility, especially that part of the left with ties to the PRD in the Federal District government and various state governments, the representatives and senators of Congress, and a multitude of journalists, academics and intellectuals. These people need to distance themselves from the caudillo and modernize their ideological platform along the lines of European social democracy.

There are precedents for this kind of transformation. In Spain, when Felipe Gonz?lez came to power in 1978, he renounced Marxist dogma and embraced the market economy, which was a condition for the country's eventual entry into the European Community and the impressive development that it has since achieved. In Chile, socialism evolved toward modern ideas and has presided over a period of impressive growth and social well-being. These are two very successful reforms, both of them counter to the anachronistic "21st-century socialism" of Hugo Ch?vez and Fidel Castro. But in both Spain and Chile, the process of maturing took place after civil wars and dictatorships. It would be a tragedy if Mexico had to go through that hell for its left to modernize. Unfortunately, at this moment at least, the possibility of such a transformation seems remote. I once said that the last Marxist in history would die at a Latin American university. I still believe it.

The postmodern spectacle that took place in the historical center of Mexico City is bizarre and ominous but also very serious. This is not a British "shadow cabinet," in which individual opposition politicians scrutinize various parts of the party in power. L?pez Obrador has said power belongs to him alone, in the name of the people. He is serious about his plans: to force the resignation of Calder?n and take power by proclamation, that ritual out of the Mexican past. The perfect date would be 2010, the 100th anniversary of the revolution.

If this nightmarish scenario actually happened, the implications for the United States could be ominous too: a stream of refugees that would dwarf the current illegal migration, pushed by the collapsing Mexican economy, capital flight and spreading Oaxaca-style violence.

The United States would do well to remember that there is a country, not on the Persian Gulf but on the Gulf of Mexico, that has taken a giant step toward political maturity by adopting a democratic system in the space of just one generation -- and has done so practically without historical experience. And it would do well to find tangible, direct ways to support Mexico's economy,

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just as the European Union supported Spain. Build bridges, not walls. Winning Mexico for democracy is the same thing as winning democracy for all of Latin America -- no small triumph in today's world and the world to come.

Enrique Krauze is the author of "Mexico: Biography of Power" and editor of the magazine Letras Libres. This article was translated by Natasha Wimmer.

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TERRORISM NEWS:

Despite A Year Of Ire And Angst, Little Has Changed On Wiretaps (NYT)

By Eric Lichtblau

The New York Times, November 25, 2006

WASHINGTON, Nov. 24 — When President Bush went on national television one Saturday morning last December to acknowledge the existence of a secret wiretapping program outside the courts, the fallout was fierce and immediate.

Mr. Bush's opponents accused him of breaking the law, with a few even calling for his impeachment. His backers demanded that he be given express legal authority to do what he had done. Law professors talked, civil rights groups sued and a federal judge in Detroit declared the wiretapping program unconstitutional.

But as Democrats prepare to take over on Capitol Hill, not much has really changed. For all the sound and fury in the last year, the National Security Agency's wiretapping program continues uninterrupted, with no definitive action by either Congress or the courts on what, if anything, to do about it, and little chance of a breakthrough in the lame-duck Congress.

While the Democrats have vowed to press for more facts about the operation, they are of mixed minds about additional steps.

Some favor an aggressive strategy that would brand the program illegal and move to ban it even as the courts consider its legality. Others are more cautious, emphasizing the rule of law but not giving Republicans the chance to accuse them of depriving the government of important anti-terrorism tools.

Representative Nancy Pelosi of California, who will take over as House speaker in January, favors an investigation to determine how the security agency's program actually operated and what its legal framework is under the Foreign Intelligence Surveillance Act of 1978, a senior aide to Ms. Pelosi said. Administration officials said they were concerned they could have to shut down a program they deemed vital to national security.

The 1978 law requires counterterrorism officials to obtain court orders to eavesdrop on people inside the United States. But the security agency's program involved eavesdropping without warrants on the international telephone and e-mail communications of Americans and others in this country suspected of links to Al Qaeda and other terrorist groups.

Congressional Republicans, for their part, see a missed opportunity to resolve the many questions hovering over the operation during a year in which they still commanded majorities in the House and Senate.

"We could've fixed this early on," said Senator Arlen Specter, Republican of Pennsylvania, chairman of the Senate Judiciary Committee and a believer that the surveillance program violates the 1978 law.

"For every day that passes," Mr. Specter said in an interview, "there's an invasion of privacy that could be cured."

To understand the helter-skelter nature of the debate over the wiretapping program, one need look no further than Mr. Specter.

After the program was publicly disclosed last Dec. 15, the senator called it an "inappropriate" usurpation of presidential authority that "can't be condoned." He signed onto a bill last summer written by Senator Dianne Feinstein, Democrat of California, that would effectively ban the program as it is now operated and require a court order for all wiretapping of Americans.

Then, after a series of confidential meetings with the White House, Mr. Specter worked out a compromise to bring the program before a secret intelligence court to test its constitutionality. He was promptly pummeled by Democrats and editorial writers for giving away too much to the White House.

Mr. Specter changed course again last week and submitted yet another proposal that would require warrants for eavesdropping on communications coming out of, but not into, the United States, and would put the whole issue on a fast track to the Supreme Court. Its fate, like its predecessors', is unclear.

Along the way, Mr. Specter has clashed with politicians on the left and the right. He got into a public spat with Vice President Dick Cheney when the latter succeeded in keeping Mr. Specter from subpoenaing telecommunications executives to testify about cooperation with the security agency, and he traded terse words with Senator Russell D. Feingold, Democrat of Wisconsin, over Mr. Feingold's efforts to have the Senate vote to censure the president over the wiretapping.

"It's always difficult," Mr. Specter said, "to get legislation on a controversial issue that has such political overtones."

The lack of a resolution has left many shaking their heads. Some officials said the unanswered questions had cast doubt on the public credibility of broader intelligence operations and created occasional confusion among intelligence agents over what was and was not allowed in tracking terrorism suspects.

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"There's a lot of uncertainty over this program," said a former senior intelligence official who spoke on condition of anonymity because the wiretapping program is classified.

"We've had a wasted year at this point," the former official said, "and nothing has been done to try to really figure out how or whether we should amend the process."

The program was secretly approved by Mr. Bush weeks after the Sept. 11 attacks. Since then, the security agency, which has historically been restricted from spying within the United States, has monitored thousands of international telephone calls and e-mail messages to and from people in this country, people with knowledge of the operation say. Senior administration officials say it has been critical in helping to identify previously unknown plots, but other government officials involved in the operation have said that it has often led to dead ends and to people with no clear links to terrorism.

The administration has steadfastly defended the program and has warned of a serious threat to national security were it stopped.

In a speech last week, Attorney General Alberto R. Gonzales labeled as "myth" the idea that the program "is an invasion of privacy and an unlawful eavesdropping tool." The program, he said, "does not invade anyone's privacy, unless you are talking to the enemy in this time of war."

The legal authority, the administration argues, rests on both the president's inherent constitutional authorities as commander in chief as well as a Congressional resolution passed days after Sept. 11 that authorized the use of military force against Al Qaeda.

The only judge to rule directly on the question, Judge Anna Diggs Taylor of Federal District Court in Detroit, rejected the administration's claims to broad executive authority, ruling the program illegal in August and ordering it shut down.

"There are no hereditary kings in America and no powers not created by the Constitution," the judge wrote.

The Justice Department is appealing that decision, as well as a separate ruling in San Francisco allowing lawsuits against telecommunication companies to proceed. In that case, Judge Vaughn Walker of Federal District Court rejected the government's assertion that the lawsuits should be quashed because they touched on "state secrets" and risked harming national security.

Justice Department officials said they were hopeful they would succeed in overturning the Detroit ruling, but they acknowledged they were concerned over where the courts would ultimately come down.

"It would certainly be good to have clarity on this," said a senior Justice Department official, who was given anonymity to discuss the department's internal thinking. "Do people want resolution on a program this important? Sure."

Even after the Democrats won control of Congress this month, Mr. Bush pushed the passage of wiretapping legislation as a priority for the lame-duck session that concludes next month. During that brief window before Democrats take power, administration officials also hope to push through related measures that would effectively insulate telecommunications and government officials from legal liability growing out of the wiretapping.

But Republicans and Democrats alike give the White House virtually no chance of moving substantive wiretapping legislation before January.

An aide to Ms. Pelosi noted that the White House has until now agreed only to limited briefings on the program.

"There is bipartisan interest in seeing whether the administration's claims that the program can't comply with F.I.S.A. are indeed so," the aide said. "We were legislating on an issue where the full parameters were not known or well understood."

Times Seeks To Bar Review Of Phone Data (NYT)

By Adam Liptak

The New York Times, November 25, 2006

The New York Times asked the Supreme Court yesterday to bar a federal prosecutor from reviewing the phone records of two of its reporters. The records, lawyers for The Times said, would allow the government to learn the identities of many of the reporters' confidential sources.

The case arose from a Chicago grand jury's investigation into who told the two reporters, Judith Miller and Philip Shenon, about actions the government was planning to take in 2001 against two Islamic charities. The United States attorney in Chicago, Patrick J. Fitzgerald, sought the reporters' records directly from their phone companies, and The Times filed suit to stop him.

In August, a divided three-judge panel of the federal appeals court in Manhattan ruled in favor of Mr. Fitzgerald, saying the reporters were not entitled to shield their sources. The needs of law enforcement, the majority said, outweighed any protections the reporters might have in the First Amendment or other areas of law.

Ms. Miller left the paper last year after spending 85 days in jail in connection with a separate leak investigation, also supervised by Mr. Fitzgerald.

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The paper's filing yesterday was a limited one, seeking an order from Justice Ruth Bader Ginsburg staying the appeals court decision until the Supreme Court has an opportunity to decide whether to hear the case. The deadline for seeking review of the appeals court's decision is in January, but The Times said it would move faster.

In a letter filed in response to yesterday's application, the Justice Department said it "desires to review the records in question as expeditiously as possible" but agreed not to do so until Wednesday. Yesterday afternoon, the court ordered the government to submit a formal response to the stay application by today at 4 p.m.

The press has been on a losing streak of late in the federal courts, with several decisions refusing to recognize protection for confidential sources. The Supreme Court has not weighed in on the question since 1972.

Floyd Abrams, a lawyer for The Times, said the case now before the court could give it an opportunity to clarify the law.

"If the government is permitted to proceed to scrutinize the telephone records of The New York Times and its journalists," Mr. Abrams said, "it will be in a position to identify literally scores of confidential sources, thus imperiling both the ability of the press to gather the news and of the public to learn it."

N.Y. Times Asks Court To Limit Probe (WP/AP)

The Washington Post, November 25, 2006

The New York Times asked the U.S. Supreme Court yesterday to block the federal government from reviewing the phone records of two reporters in a leak investigation.

The case involved stories written in 2001, by Times reporters Judith Miller and Philip Shenon, that revealed the government's plans to freeze the assets of two Islamic charities, the Holy Land Foundation and the Global Relief Foundation.

In a 2 to 1 decision, the U.S. Court of Appeals for the 2nd Circuit ruled in August that federal prosecutors can see the phone records of Shenon and Miller. Miller retired from the Times a year ago.

The government says phone calls placed by the reporters seeking comment for a story tipped off the charities to planned government raids. A federal judge who ruled in the newspaper's favor said there is no evidence in the record suggesting the reporters even knew of the government's plans to raid either charity.

The Times wants Justice Ruth Bader Ginsburg to temporarily block the government from going through the records so that the newspaper can prepare a petition arguing why the justices should step into the case. Ginsburg asked the Justice Department for a response.

U.S. District Judge Robert W. Sweet had ruled that the records were off-limits unless prosecutors could show that they had exhausted all other means of finding out who spoke to the reporters.

But the three-judge appeals court panel said a grand jury investigation of the disclosures would be unlikely to go anywhere without help from the reporters or access to their records.

SEC Quizzes Ford On "terrorist" State Sales (FT)

Financial Times, November 25, 2006

The Securities and Exchange Commission has raised concern about the investment risks of US companies doing business in countries deemed to be terrorist-supporting states by asking Ford Motor, and possibly others, about its dealings in Iran, Sudan and Syria.

The enquiries emerged in a series of letters dating back to July between the SEC and Ford's chief financial officer, Don Leclair.

The SEC asked the Detroit-based carmaker to demonstrate that its "reputation and share value" were not at risk as a result of business dealings in the three countries. All three countries are designated as state sponsors of terrorism by the US state Department.

Ford replied that its interests, comprising mainly Ford, Land Rover and Mazda dealerships, were small relative to its worldwide operations. Ford owns 33 per cent of Mazda.

Referring to Syria, the carmaker added that "our limited and lawful business activity is public information, and we have not been able to identify any resulting negative impact on our reputation or share value".

Ford said it had no reason to believe that vehicles sold by its dealerships in recent years had gone to the Syrian government or government-controlled groups.

Referring to Mazda's business in Iran and Syria, it said "we do not believe that this de minimis business activity by Mazda impacts Ford's reputation or share value, or the value of Ford's ownership interest in Mazda".

The SEC specifically asked Ford whether the Syrian government or government officials had an interest in the dealerships that sell its vehicles. It also asked the company to confirm that business volumes had not changed significantly in the past three years.

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The SEC declined to comment on Friday whether it was satisfied with Ford's responses, and whether it was asking other companies similar questions.

But an industry source said such queries had been directed to several prominent multinationals. The SEC has reportedly asked European and US oil companies to tell investors about the risks they face from operations in countries that Washington has identified as supporting terrorism.

The US has modest direct trade links with the three countries. According to the Commerce Department, two-way trade with Syria totaled $479m last year, Iran $271m and Sudan $126m.

Cars and trucks were the second biggest export to Syria, after farm products. The US's main export to Iran is tobacco.

HOMELAND RESPONSE:

Careless Contracting (WP)

The Washington Post, November 25, 2006

THE DEPARTMENT of Homeland Security is an MBA's nightmare. When Congress cobbled DHS together in 2002, it took apart and reassembled elements from disparate federal agencies into an uneasy consolidation, too big and too varied, some say, for even the department's tireless head, Michael Chertoff, to adequately control. Instead of synergy, a fair measure of incompetence followed, including, The Post reported Wednesday, embarrassingly poor oversight of the billions of dollars the department has paid to private contractors.

The Post's Robert O'Harrow Jr. and Scott Higham obtained an internal review of the department's Office of Procurement Operations, one of many agencies that handles contracts within the department. According to the review, which was drafted by outside specialists on government contracting, almost none of the contract files examined met standards of quality or even completeness. The documentation for 33 of 72 contracts the investigators sought to evaluate could not even be located, which makes you wonder how DHS ensures that contractors aren't wasting government money.

Further, many of the files that were available were "not substantive" and offered "little evidence of fair and reasonable pricing or competition," among other problems, the investigators found. An alarming number were "seriously inadequate," with "major policy, regulatory or legal issues." Poor contract management, the report concluded, has led to "the inability to obtain quality goods and services on time and at a fair price." These contracts date from fiscal 2005, during which DHS distributed nearly $17.5 billion to contractors and the federal government ran a deficit of $318 billion.

The story isn't as bad these days, a department spokesman says. The fact that Homeland Security hired consultants to review its contracting indicates that managers want to improve the process, and the spokesman says the procurement office is working to implement each of the report's recommendations, which officials received in March. But according to the department's inspector general, poor contract management persists. Money and security alike are put at risk.

WAR NEWS:

White House Confirms Bush-Maliki To Meet As Iraq Violence Spirals (AFP)

By Laurent Lozano

AFP, November 25, 2006

The White House reiterated that President George W. Bush would meet Iraqi Prime Minister Nuri al-Maliki in Jordan next week amid a sharp rise in Shiite-Sunni violence.

As Vice President Dick Cheney took off on a trip to Saudi Arabia on Friday, the White House said there would be no change to Bush's planned summit with Maliki even as a top Shiite cleric said he would pull his faction out of the Baghdad government if the meeting takes place.

"Securing Baghdad and gaining control of the violent situation will be a priority agenda item when President Bush meets with Prime Minister Maliki in just a few days," said White House spokesperson Scott Stanzel.

The spike in violence in Iraq Friday left at least 202 dead in a wave of bombings in the Shiite neighborhood of Sadr City, the deadliest attack since the war began in 2003.

Apparent revenge efforts by Shiite militias left dozens more feared dead in attacks on Sunni mosques in Baghdad.

Separately a triple bomb attack in the northern town of Tal Afar killed 23 people and wounded 45 others Friday, according to police.

The White House condemned the attacks by both sides.

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"These ruthless acts of violence are deplorable. It is an outrage that these terrorists are targeting innocents in a brazen effort to topple a democratically elected government. These killers will not succeed," said White House spokesman Scott Stanzel.

How to quell the violence will likely be the focal topic in talks that Cheney holds with Saudi Arabia's King Abdullah and Crown Prince Sultan bin Abdul Aziz, and the Bush-Maliki meeting on November 29-30 in Amman.

Cheney could ask Abdullah to use his influence to help foster reconciliation between warring factions in Iraq, and also press for Riyadh to come through with its promised reconstruction aid.

But Friday's violent surge has added urgency to both trips. A few hours before the attack on Sunni mosques in Baghdad, the political group of Shiite cleric Moqtada al-Sadr, whose base is in Sadr City, threatened to quit the national unity government if Maliki meets Bush.

But Stanzel confirmed that the meeting will take place despite the threats by Sadr's allies. Bush and Maliki are also to see Jordan's King Abdullah II, as pressure mounts for all of of Iraq's neighbors to help contain the daily bloodshed.

With US Secretary of State Condoleezza Rice also due to visit the region soon, the top-level travel reflects the seriousness of the situation on the ground in Iraq, as does Bush's stated openness to potential policy change there.

The rising violence, a surge in US casualties in Iraq, and the victory of opposition Democrats in Congressional elections on November 7 have piled pressure on Bush to change US policy in Iraq, if not to begin withdrawing troops -- something Bush has steadfastly refused to commit to.

But after an October that was the bloodiest month for Iraqi civilians -- according to the United Nations -- and one of the bloodiest for US troops since the March 2003 invasion, the latest anti-Shiite attack and counterattacks will only elevate the pressure on the president to change course.

Stanzel said Friday that the violence is "clearly aimed at undermining the Iraqi people's hopes for a peaceful and stable Iraq."

He added that "the United States is committed to helping the Iraqis."

It remains unclear, however, what resources Bush and Cheney can marshal to stop the country from plunging into all-out civil war.

Bush has started a comprehensive review of his Iraq policy. Two reports are expected in the coming weeks -- one from the administration and another from a high-powered independent panel -- which could play a big role in decisions on strategy and US troop levels.

The worsening situation in recent months also raises questions about US trust in Maliki and, specifically, his ability to end attacks by militia.

So far, Bush has publicly stood by Maliki, but his confidence seems to be increasingly in doubt.

U.S. Says Violence Is Meant To Topple Iraqi Government (WP)

By Robin Wright

The Washington Post, November 25, 2006

The Bush administration charged yesterday that the escalating violence in Iraq committed by both Shiites and Sunnis over the past two days is a "brazen effort" to bring down the fragile government of Prime Minister Nouri al-Maliki.

The White House also said President Bush has no intention of backing out of talks next week with the Iraqi leader, despite threats yesterday from a powerful Shiite militia to pull out of the government if Maliki goes ahead with the meeting. The talks, set for Thursday in Amman, Jordan, have suddenly taken on the air of a crisis summit, as Iraq slides closer to all-out civil war.

The latest attacks, including six car-bomb attacks on Shiite targets in Baghdad on Thursday and retaliatory strikes on Sunni targets yesterday, killed more than 200 people in the deadliest wave of violence since the U.S.-led coalition invaded Iraq in 2003.

Rumors of yesterday's atrocities included one report of six Sunni men who emerged from services at a Baghdad mosque and were doused with kerosene and burned alive. But two Baghdad imams, in an interview, denied that the incident took place.

"These ruthless acts of violence are deplorable," White House spokesman Scott Stanzel said. "It is an outrage that these terrorists are targeting innocents in a brazen effort to topple a democratically elected government. These killers will not succeed.

"Securing Baghdad and gaining control of the violent situation will be a priority agenda item when President Bush meets with Prime Minister al-Maliki in just a few days."

In a major shift, much of the recent violence has come from militias linked to parties in Iraq's government and from death squads with ties to government agencies. The trend is important because a common benchmark in the slide from strife to civil war is the government falling apart and factions within it fighting each other.

"Iraq is breaking down, not breaking up" into pieces, said Patrick Clawson of the Washington Institute for Near East Policy.

The ferocity of the latest attacks complicates the prospects of major progress at the talks in Amman, U.S. experts warned.

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"This summit is an act of desperation. The White House doesn't know what it can do," said David Rothkopf, a Carnegie Endowment for International Peace fellow and the author of "Running the World: The Inside Story of the National Security Council and the Architects of American Power." "The situation is deteriorating more rapidly than anyone anticipated and to an unending depth.

"I don't think, in modern American history, there is another example of such egregious failure of policy and execution. We're really seeing something unprecedented here. Even Vietnam was a slower decline, and the military forces were more in balance. . . . I don't know anyone who thinks there is an outcome in Iraq now that is hopeful."

The crisis atmosphere deepened in Iraq yesterday when followers of radical Shiite militia leader Moqtada al-Sadr pledged to walk out of parliament and Maliki's cabinet if the prime minister attends the Jordan summit. Sadr's powerful political bloc has 30 members in Iraq's new parliament. It was also pivotal in backing Maliki as prime minister during heated months-long debate over the new government.

The Bush administration has been increasingly frustrated by Maliki's leadership, particularly his inability or unwillingness to rein in fellow Shiites, including militias such as Sadr's. But the White House has limited alternatives because the Iraqi leader was democratically selected and the next election is not due until 2009. Maliki is, for now, the only political game in town.

And any U.S. exit strategy will rely on accelerating the transfer of security responsibilities to Iraqi forces under Maliki's control.

Maliki faces his own constraints. He needs to maintain his own power base to bring the Shiites along for reconciliation efforts with the Sunni minority, experts said, adding that, to be credible at home, he also has to keep a certain distance from Bush.

Bush is "in a very tight spot," said Henri Barkey, a Lehigh University professor who was a State Department policy-planning expert on Iraq. "He now has to strike a balance between three conflicting constituencies. He has to show respect for Maliki, that he is an independent actor and not a stooge. But he also has to worry about his own priorities. At the same time, the Democrats are increasingly breathing down his neck about withdrawal.

"The drumroll for withdrawal is only going to get stronger in January."

Syria Appears To Be Summit Wild Card (AP)

By Ali Akbar Dareini, Associated Press Writer

AP, November 25, 2006

Iran and the United States are playing a complicated diplomatic game, jockeying for influence in Iraq as violence there spirals out of control. But there is one major wild-card in dueling summits planned for coming days: Syria.

Vice President Dick Cheney was heading to Saudi Arabia for key talks with King Abdullah on Saturday, apparently looking for its influence and tribal connections help to calm Iraq.

President Bush is due to meet Iraqi Prime Minister Nouri al-Maliki in Jordan on Wednesday and Thursday, an unusual succession of trips that reflects U.S. determination to rally allies at a time when Washington is considering overhauling its Iraq policy.

But an especially violent week in Iraq threatened to overshadow the planned Bush-Maliki meeting.

After suspected Sunni insurgents slaughtered 215 people with a series of car bombs in Baghdad's Shiite Sadr City slum the day before, a top Shiite party on which al-Maliki relies for power threatened to walk out of the government if he meets with Bush in Amman.

Iran, meanwhile, was having its own diplomatic troubles.

It has been trying to organize a summit Saturday joining its president, Mahmoud Ahmadinejad, and the presidents of Iraq and Syria, in a bid to assert its role as the top regional powerbroker.

Iraqi President Jalal Talabani agreed to attend. But on Friday, he had to postpone his trip until Baghdad's airport — closed in a security clampdown after the violence — reopens, no sooner than Sunday. "The Tehran visit is still on," he said. "The airport will be closed tomorrow but if it opens after tomorrow we will go."

It also appeared unlikely on Friday that Syria's Bashar Assad would participate at all.

A top official at Iran's presidency on Friday said Syria has not responded to Iran's invitation and that "there is no plan for Assad visit to Tehran at least for the next 24 hours." He spoke on condition of anonymity because he was not authorized to talk to the press.

On Thursday, Iranian Foreign Minister Manouchehr Mottaki said there was no agreement yet on a three-way summit. "We will announce such a summit as soon as it is finalized. Of course, this is a good idea and we welcome it," he said.

Syrian officials have been silent for days over whether Assad would attend, apparently to avoid embarrassing Iran with a direct rejection — though the delay in Talabani's arrival could give Syria a chance to reconsider coming.

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Iran is Syria's only close ally and a rejection would be an unusual snub, but Damascus may be more worried about angering the United States by joining Iran's overt attempt to assert itself in Iraq. Instead, Syria is likely looking further down the road to potential talks with Washington.

"Syria is after concessions from Washington. Assad wants doesn't want to annoy Washington," said Leila Chamankhah, an Iranian political analyst.

After the Democratic victory in U.S. midterm elections, the Bush administration is under increased pressure at home to approach Iran and Syria for help in Iraq. Such a step is believed to be one of the recommendations by a blue-ribbon panel on Iraq led by former Secretary of State James A. Baker III and former Rep. Lee Hamilton.

On the face of it, an Iranian-Syrian-Iraqi summit would fit into U.S. hopes that Iraq's neighbors will step in to help ease the bloodshed. Iran is believed to back Iraqi Shiite militias blamed in sectarian killings that have killed thousands this year.

But Iran has made clear that the summit aimed to assert its influence in Iraq on Tehran's terms, not Washington's. Iran's conservative Kayhan newspaper boasted on Wednesday that the gathering would "shake the U.S. president."

Syria is accused by the United States of turning a blind eye to Iraqi insurgents that use its territory as a base. Damascus denies this, but it could be looking to trade stronger action in return for concessions from the U.S.

At the top of Syria's concerns are Lebanon and Israel. Syria is seeking to regain influence in Lebanon but has been opposed by the United States and the U.S.-backed Lebanese government.

Syria also wants a resumption of the Arab-Israeli peace process that it hopes would bring the return of the Golan Heights, captured by Israel in 1967.

AP correspondent Salah Nasrawi in Damascus and Lee Keath in Cairo contributed to this report.

Wave Of Retaliation Sweeps Iraq (LAT)

By Solomon Moore

The Los Angeles Times, November 25, 2006

BAGHDAD — Iraq's civil war worsened Friday as Shiite and Sunni Arabs engaged in retaliatory attacks after coordinated car bombings that killed more than 200 people in a Shiite neighborhood the day before. A main Shiite political faction threatened to quit the government, a move that probably would cause its collapse and plunge the nation deeper into disarray.

The massacre Thursday in Sadr City — a stronghold of Shiite Muslim cleric Muqtada Sadr and his Al Mahdi militia — sparked attacks around the country, reinforced doubts about the effectiveness of the Iraqi government and U.S. military and emboldened Shiite vigilantes.

In a sermon Friday, Sadr, a strong opponent of the United States, said the Pentagon's refusal to grant full control of Iraqi security forces to the Baghdad government was leaving the populace vulnerable to insurgent attacks.

And as Sadr's militiamen took matters into their own hands in battles with Sunni Arabs, his political representatives demanded that Prime Minister Nouri Maliki signal his displeasure with the U.S. military occupation by canceling a meeting with President Bush next week in Jordan.

Sadr's representatives said they would withdraw from Maliki's government if the prime minister did not meet their demands.

In spite of an emergency curfew, gunfire crackled throughout the day and mortar rounds arced over Baghdad's jagged skyline, smashing into houses of worship, residences and shops.

By Friday night, at least 65 deaths had been reported in the capital and elsewhere.

A dozen or more Sunni mosques around the country were hit by mortar rounds and gunfire or were burned down by Shiite mobs. Masked members of Sadr's militia swept through Sunni areas, setting up checkpoints and threatening to execute families that didn't leave their homes within 48 hours.

Hurriya, a mixed area of the capital, saw some of Friday's fiercest fighting. Uniformed men in police vehicles roared through the streets launching rocket-propelled grenades into houses and raking Sunni mosques with gunfire, said an Iraqi police officer stationed in the area. The attackers killed three security guards at a mosque and injured 10 worshipers inside.

"They proceeded to bombard the building with rocket-propelled grenades and hand grenades, starting a fire that consumed the structure," said the officer, who asked not to be identified for fear of reprisal.

Attackers ambushed

As the uniformed assailants advanced to another area, members of the Battawia tribe, a prominent Sunni clan in the area, fought back.

"They were ready for them and … ambushed the attackers, countering them with RPGs and machine guns," the officer said. The ensuing fight brought casualties on both sides. A nearby hospital reported that it had received 28 dead and 32 injured.

The policeman said he and fellow officers stood alongside Iraqi army units near the battle, watching the bloodshed.

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"The army did not interfere," he said. "And we [the police] didn't receive any orders to interfere. We would not have interfered even in the event that we were ordered to do so, because this is the Iraqi army's turf."

By Friday night, police had discovered at least 11 bodies around Baghdad. But the reprisals were not limited to the capital.

In Baqubah, 25 miles to the northeast, Sunni insurgents and Shiite militiamen exchanged ragged bursts of machine-gun fire in the streets and lobbed thunderous explosives as imams called out "Allahu akbar," or "God is great," from the city's mosques.

Insurgents used bombs to destroy an office of the Sadr movement shortly after U.S. troops raided the building and detained six militiamen. Later in the day, militiamen responded by destroying a Sunni mosque and toppling its minaret.

In the far northern town of Tall Afar, a car bomb blast ripped through a crowded car dealership, killing at least 22 people and injuring 26.

In the northern oil hub of Kirkuk, police found the bulletriddled body of a pipeline security guard, and a bomb damaged the Wahab mosque, one of the largest Sunni mosques in the city.

In the southern port city of Basra, rocket-propelled grenades damaged a mosque, the headquarters of the Supreme Council for Islamic Revolution in Iraq and an apartment complex, injuring 15 people.

In Fallouja, a restive Sunni city in western Al Anbar province, a car bomb exploded at an Iraqi army checkpoint, killing at least six soldiers.

Meanwhile, a caravan of grieving Shiites drove casket-laden vehicles from Sadr City to Najaf's ancient necropolis to bury victims of Thursday's attack, the deadliest single incident in Iraq since U.S. forces toppled Saddam Hussein in 2003.

Mourners carried the dead around the shrine of Imam Ali, the most important religious figure for Shiites after Muhammad, before burying them in the "martyr's cemetery," a series of plots festooned with Al Mahdi banners and posters of Muqtada Sadr on the edge of Najaf's tombstone forest. Amid wailing relatives and chanting militiamen, mourners lowered the remains into the earth.

"The reaction [to the bombings] will be huge," said Tahseen Ali Shareef, 28, a Najaf resident who watched the funeral processions. "The families of the victims will not be silent. The streets will be haunted with fear."

As Sunni and Shiite gunmen fought in the streets, Sadr and his followers lobbed rhetorical bombs into Iraq's political arena.

From his pulpit in the southern city of Kufa, Sadr called on Iraq's most prominent Sunni cleric, Harith Dhari — who became a fugitive this month after the government issued a warrant for his arrest for his alleged support of terrorism — to publicly forbid Sunnis to kill Shiites or to join Al Qaeda.

Sadr also demanded that Dhari, who is currently not in Iraq, issue an edict urging Sunnis to fund the reconstruction of a revered shrine in Samarra. Insurgents blew up the shrine in February, launching a similar storm of sectarian battles that left hundreds of people dead.

Sadr also reiterated his demand for the withdrawal of U.S. troops, whom he blamed for the violence.

"I denounce and condemn this incident which targeted the beloved Sadr City," Sadr said. "From this pulpit … I renew my demand for the withdrawal of occupation forces."

Sadr's political representatives in Baghdad, meanwhile, threatened to withdraw from the government if Maliki met with Bush as scheduled on Wednesday and Thursday in Jordan.

"If the situation does not improve, the government does not offer services and the prime minister doesn't cancel his meeting with George Bush in Amman, we shall suspend our membership in the parliament and any participation in the government," the Sadr bloc said in a statement.

White House officials said Maliki had confirmed that he would attend the meeting, and Iraqi officials discounted the Sadr group's demands as empty threats.

"I think this is a red herring," national security advisor Mowaffak Rubaie said. "It is more political posturing, but it doesn't mean anything."

But some observers say Sadr's demands could pose a serious challenge to Maliki.

A potential vacuum

If the Sadr bloc carries out its threat of a political walkout, Maliki's government will almost certainly collapse, leaving an even greater authority vacuum that militias and insurgents could exploit.

However, if Maliki backs out of his meeting with Bush, he could be severely weakened, losing any chance of reining in Sadr's paramilitary forces.

Canceling would also signal to other factions that they might be able to run roughshod over Maliki.

"Sadr is basically challenging Maliki's ability to govern," said P.J. Crowley, a retired U.S. Air Force colonel and a fellow at the Center for American Progress, a think tank in Washington. "He has to respond in a way that allows him to survive and actually strengthens his hand."

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Anthony Cordesman, a former Defense Department official and a military expert at the Center for Strategic and International Studies, another Washington think tank, said Sadr's challenge to Dhari might be even more dangerous than that to Maliki. If the Sunnis fail to satisfy Sadr, Cordesman argued, sectarian violence could grow even worse.

"It's going to take a couple days to know how serious this is," he said. "Will this lead to a large-scale civil war? The worse case is that this leads to enough misunderstanding and anger to drive the country into full-scale civil war. The more likely result is that it will take a week to 10 days to play out and depend on the Sunni response. A lot will also depend on what Maliki does."

Despite frequent complaints about the Iraqi government and the U.S. military, most of Iraq's political and religious leadership called for calm Friday.

In a display of unity, several members of Maliki's Cabinet — Shiites, Sunnis and Kurds among them — held an emergency meeting to discuss the deteriorating situation.

And in mosques around Iraq, clerics preached about unity, intra-sectarian accord and blame for the United States.

"As we denounce the killings of the innocent in Sadr City yesterday, we must also hold the U.S. and British troops as well as the government responsible for what happened," said Abdul Kareem Ghazi, a preacher and supporter of Sadr.

"It is true that the perpetrators of these operations are the terrorists and Saddamists, but their tactics are designed by the occupation forces, and they are the beneficiaries of what is happening."

No One To Lose To (NYT)

By Maureen Dowd

The New York Times, November 25, 2006

Washington

After the Thanksgiving Day Massacre of Shiites by Sunnis, President Bush should go on Rupert Murdoch's Fox News and give an interview headlined: "If I did it, here's how the civil war in Iraq happened."

He could describe, hypothetically, a series of naïve, arrogant and self-defeating blunders, including his team's failure to comprehend that in the Arab world, revenge and religious zealotry can be stronger compulsions than democracy and prosperity.

But W. is not yet able to view his actions in subjunctive terms, much less objective ones. Bush family retainers are working to deprogram him, but the president is loath to strip off his delusions of adequacy.

W. declined to tear himself away from his free-range turkey and pumpkin mousse trifle at Camp David and reassure Americans about the deadliest sectarian attack in Baghdad since the U.S. invaded. More than 200 Shiites were killed and hundreds more wounded by car bombs and a mortar attack in Sadr City. October was the bloodiest month yet for civilians, and in the last four months, some 13,000 men, women and children have died.

American helicopters and Iraqi troops did not arrive for two hours after Sunni gunmen began a siege on the Health Ministry controlled by the Shiite cleric Moktada al-Sadr, who has a militia that kills Sunnis and is married to the Maliki government.

Continuing the cycle of revenge yesterday, Shiite militiamen threw kerosene on six Sunnis and set them on fire, as Iraqi soldiers watched, and killed 19 more.

The New York Times and other news outlets have been figuring out if it's time to break with the administration's use of euphemisms like "sectarian conflict." How long can you have an ever-descending descent without actually reaching the civil war?

Some analysts are calling it genocide or clash of civilizations, arguing that civil war is too genteel a term for the butchery that is destroying a nation before our very eyes. Anthony Shadid, The Washington Post reporter who won a Pulitzer Prize for his Iraq coverage, went back recently and described "the final, frenzied maturity of once-inchoate forces unleashed more than three years ago by the invasion. There was civil-war-style sectarian killing, its echoes in Lebanon a generation ago. Alongside it were gangland turf battles over money, power and survival; a raft of political parties and their militias fighting a zero-sum game; a raging insurgency; the collapse of authority; social services a chimera; and no way forward for an Iraqi government ordered to act by Americans who themselves are still seen as the final arbiter and, as a result, still depriving that government of legitimacy. Civil war was perhaps too easy a term, a little too tidy."

It will be harder to sell Congress on the idea that America's troops should be in the middle of somebody else's civil war than to convince them that we need to hang tough in the so-called front line of the so-called war on terror against Al Qaeda.

With Iraq splitting, Tony Snow indulges in the ludicrous exercise of hair-splitting. He said that in past civil wars, "people break up into clearly identifiable feuding sides clashing for supremacy." In Iraq, "you do have a lot of different forces that are trying to put pressure on the government and trying to undermine it. But it's not clear that they are operating as a unified force." But Lebanon was a shambles with multiple factions, and everybody called that a civil war.

Mr. Snow has said this is not a civil war because the fighting is not taking place in every province and because Iraqis voted in free elections. But that's like saying that the Battle of Gettysburg only took place in one small corner of the country, so there

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was no real American Civil War. And there were elections during our civil war too. President Lincoln was re-elected months before the war's end.

The president's comparison to how Vietnam turned out a generation later, his happy talk that Iraq is going to be fine, is preposterous.

As Neil Sheehan, a former Times reporter in Vietnam who wrote the Pulitzer Prize-winning "A Bright Shining Lie," told me: "In Vietnam, there were just two sides to the civil war. You had a government in Hanoi with a structure of command and an army and a guerrilla movement that would obey what they were told to do. So you had law and order in Saigon immediately after the war ended. In Iraq, there's no one like that for us to lose to and then do business with."

The questions are no longer whether there's a civil war or whether we can achieve a military victory. The only question is, who can we turn the country over to?

At the moment, that would be no one.

In Iraq, Reprisals Embolden Militias (WP)

By Sudarsan Raghavan

The Washington Post, November 25, 2006

BAGHDAD, Nov. 24 -- In a wave of reprisal killings, Shiite militiamen attacked Sunni mosques in Baghdad and other parts of Iraq on Friday, defying a government curfew and propelling the country further toward full-blown civil war.

The exacting of revenge for the deaths of more than 200 Shiites on Thursday came as powerful politicians linked to radical Shiite cleric Moqtada al-Sadr threatened to pull out of Iraq's coalition government if Prime Minister Nouri al-Maliki attends a scheduled meeting with President Bush next week in Amman, Jordan. A boycott by loyalists of Sadr, on whom Maliki relies for political support, could upend Iraq's fragile unity government.

Friday's attacks illustrated Iraqi security forces' inability to rein in violence, at a time when U.S. leaders want them to take greater responsibility for the country's security, a vital benchmark for any strategy to withdraw U.S. troops.

In the mixed Hurriyah neighborhood, Shiite militiamen torched at least five Sunni mosques on Islam's holiest prayer day, police and residents reported. Other mosques were attacked by gunmen spraying bullets from the rooftops of nearby houses, witnesses said.

In one mosque, militiamen detonated a cooking gas cylinder. In another, they declared that it was now a husseiniya, a Shiite mosque, and posted pictures of Sadr, whose stronghold of Sadr City was attacked Thursday. At least 18 people were killed Friday and 24 injured in the mosque attacks in Hurriyah, said Adil Mahmoud, a physician from al-Nouman Hospital in the nearby Adhamiyah neighborhood.

"They started attacking with grenades and RPGs," said Abu Abdallah, the imam at one of the attacked mosques, referring to rocket-propelled grenades. "Then shooting started from nearby houses. Then they entered and burned the mosque before they left." Abdallah, interviewed by telephone, asked that his mosque not be named. "I might be killed," he said.

In the Ghazaliya neighborhood, at least eight mortar shells hit a mosque run by the Association of Muslim Scholars, one of the most outspoken defenders of Iraq's Sunni Arab minority since the 2003 U.S.-led invasion. The house of worship is one of Baghdad's best-known.

Northeast of the capital, Shiite gunmen in Baqubah opened fire at a Sunni mosque during Friday prayers, killing a mosque guard, said imam Osama al-Ani. Near the northern city of Kirkuk, a roadside bomb exploded in front of one of the biggest Sunni mosques in the area, injuring five people and damaging the building, according to police.

Meanwhile, in the northwestern city of Tall Afar, two bombs exploded near a car dealership, killing 22 people and wounding more than 40 others, police said.

The scale of Friday's revenge attacks was smaller than the wave of killings by Shiite militiamen after the bombing of the Shiite shrine in Samarra in February. That bombing triggered cycles of retaliation that further ruptured the bonds between Iraq's two major sects.

U.S. troops bolstered their patrols on Friday, flying helicopters over Sadr City and operating checkpoints. One helicopter destroyed a rocket launcher manned by a Shiite crew that had fired six rockets into the Sunni neighborhood of Adhamiyah, near the Abu Hanifa mosque, one of the most revered Sunni shrines in Baghdad, the military said.

Friday's attacks unfolded in the aftermath of the bombs, mortars and missiles that hit Sadr City on Thursday in the deadliest single assault on Iraqi civilians since the U.S.-led invasion began. The death toll in those attacks rose to more than 200. Thousands of mourners, flanked by minivans carrying wooden coffins, paraded solemnly through Sadr City on Friday, paying last respects before the dead were taken to the southern Shiite holy city of Najaf for burial.

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Later, in an address after the midday prayer, members of Sadr's political party denounced the U.S. military, saying its presence was the reason for Iraq's escalating violence. They demanded a U.S. withdrawal or, at least, a timetable for the troops to leave, a demand echoed by Sadr in his Friday sermon at his mosque in the southern city of Kufa.

In previous periods of tension, Sadr loyalists have threatened to walk out of the government. Still, the current climate is unlike anything Iraq has experienced since the invasion. The attacks on Sadr City appeared to embolden Sadr and his followers as they try to capitalize on Thursday's carnage, which Shiite leaders, including Maliki, have blamed on Sunni Arab insurgents.

As long as such attacks continue, and as long as Iraqi security forces are ineffective in providing security, Sadr can justify the existence of his Mahdi Army militia.

"If the prime minister does not give up his intention to meet Bush the criminal in Amman, we will suspend our membership at the council of representatives and the government," Salih al-Ighaeli, head of Sadr's bloc in parliament, told a solemn crowd gathered on the street in front of Sadr's headquarters.

Ali Adeeb, a member of parliament and close Maliki aide, said the Sadr camp was trying to apply pressure tactics, but that the meeting would take place as planned.

The meeting between Bush and Maliki comes at a politically sensitive moment for both leaders. Bush is under pressure from Democrats who have won control of both the House and Senate to come up with a viable strategy to tamp down Iraq's violence and open the way for U.S. troops to come home.

As the sectarian divide within his government widens, Maliki is under U.S. pressure to disarm the Shiite militias, a step the U.S. military believes is needed to tame the violence. But the very people who control the militias, such as Sadr, are key political figures in Maliki's government, capable of causing his downfall.

Friday's reprisal attacks underscore how powerful the Mahdi Army and other militias have become in Iraq, operating above the law, spreading violence even under an indefinite 24-hour lockdown of the capital.

By Friday evening, the attacks were still unfolding. With no other alternative, many Sunnis were hoping for the intervention of U.S. forces.

"Up till now we are waiting for the American forces, and they haven't shown up yet," said Salman al-Zobaye, imam of al-Hashab mosque, in a telephone interview. An attack on the mosque by Shiite militiamen killed four guards.

Throughout Friday, rumors of new atrocities committed against Sunnis floated across Baghdad, including one in which six Sunnis were doused with kerosene and torched to death in Hurriyah. But two local imams, in an interview, denied such an attack took place.

But there was no shortage of confirmed incidents. In Hurriyah, militiamen Friday morning expelled Sunni families who were living near tea warehouses, and more than 90 Sunni families received letters threatening them if they did not leave their houses within 72 hours, authorities said.

In the Amiriyah neighborhood, Sunnis started to form neighborhood militias under the guidance of local clerics to protect themselves. By Friday evening, 25 volunteers signed up, and those without weapons were handed AK-47 rifles, residents said.

By nightfall, the imams of mosques in three Sunni neighborhoods -- Ghazaliya, Amiriyah and Adhamiyah made a joint announcement to their followers.

"We would like to ask you to take care and be careful for the next hours of tonight," they said. "Open fire toward any gunman who enters the city, such as the Mahdi Army, except the Americans, because they will come to protect the people from the death squads and guard the neighborhood."

The imams gave one more piece of advice to their followers: Open fire on any members of the mostly Shiite police forces. What happened in Hurriyah, the imams alleged, was done with their help.

Shiite Militia In Iraq Strike At Sunni Mosques (NYT)

By Edward Wong

The New York Times, November 25, 2006

BAGHDAD, Nov. 24 — Defying a government curfew, Shiite militiamen stormed Sunni mosques in Baghdad and a nearby city on Friday, shooting guards and burning down buildings in apparent retaliation for the devastating bombings that killed more than 200 people the day before in the capital's largest Shiite district, residents and police officials said.

Militia fighters drove through neighborhoods in Baghdad and the provincial capital of Baquba, firing at mosques with assault rifles and rocket-propelled grenades on the Muslim day of prayer.

The vengeance attacks unfolded while lawmakers loyal to the virulently anti-American cleric Moktada al-Sadr threatened to boycott the government if Prime Minister Nuri Kamal al-Maliki met with President Bush next week in Jordan. Mr. Sadr controls one of the biggest blocs of seats in Parliament, and on Friday he reiterated his claim that the American presence was the root cause of the rising violence in Iraq.

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But it was Mr. Sadr's militia, the Mahdi Army, that Sunni residents blamed for the attacks on Friday. From morning until afternoon, at least four mosques were attacked in Hurriya, a mixed neighborhood in the capital. Two were destroyed, and at least 5 Sunnis were killed and 10 wounded, an Interior Ministry official said. A hard-line Sunni Arab group, the Muslim Scholars Association, said 18 people had been killed when one of the mosques burned down.

Iraqi security forces were absent, unwilling or unable to stop the attackers.

"I live near Akbar al-Mustafa Mosque, which came under attack by gunmen around 7 this morning," said a man who gave his name as Abu Ruqaiya and lives in Hurriya. "Around 3 in the afternoon, those gunmen bombed this mosque and destroyed part of it. They left only after American and Iraqi soldiers arrived."

Some fighting continued into the evening, as gunmen in the neighborhood battled the invading fighters, the Interior Ministry official said.

President Jalal Talabani urged calm at a news conference after an evening meeting of Iraq's top leaders. He also said he was postponing a weekend trip to Iran because the government had shut down Baghdad International Airport.

White House officials ignored the Sadr bloc's threats to withdraw from the government, and said there were no plans to cancel the president's meetings with Mr. Maliki scheduled for Wednesday and Thursday. "Securing Baghdad and gaining control of the violent situation will be a priority agenda item when President Bush meets with Prime Minister Maliki in just a few days," said Scott Stanzel, a White House spokesman. "These ruthless acts of violence are deplorable. It is an outrage that these terrorists are targeting innocent civilians in a brazen effort to topple a democratically elected government. These killers will not succeed."

He also repeated the administration's insistence that Iraq was not in a civil war. "We're constantly asked that question, and while the situation is serious, Prime Minister Maliki and President Talabani have said they do not believe it is a civil war," he said.

The bloodletting over the past 24 hours amounted to one of the worst spasms of violence since the Americans toppled Saddam Hussein in 2003, raising fears that vengeance attacks could grow to the level of those after the bombing of a Shiite shrine in Samarra in February. Then, over five days, hundreds of people were killed, with Shiite militiamen shooting Sunni imams, burning down mosques and stalking Sunni Arabs door-to-door in neighborhoods.

The attacks on Friday came despite a traffic ban the Iraqi government imposed across the capital starting Thursday evening. American troops stepped up patrols and operated checkpoints across much of the city, and most of the capital's neighborhoods remained calm as residents heeded the curfew. In the downtown neighborhood of Karada, children could be seen playing soccer in the empty streets.

In the vast Sadr City district, where the Thursday bombings took place, an attack helicopter destroyed a rocket launcher seen firing into the nearby Sunni neighborhood of Adhamiya, the military said. An official from the Sadr office said at least three civilians had been wounded.

In the far north, two suicide bombers, one in a car and the other on foot, attacked an outdoor car market in the insurgent-rife city of Tal Afar, killing at least 20 people and wounding at least 42.

The violence comes at a politically fraught time for Mr. Maliki, particularly since he is preparing to meet Mr. Bush in Amman. Both men face increasing pressure from their publics to come up with a strategy for stemming the carnage in Iraq, and both are navigating rising tensions between their governments.

The announcement of a possible boycott by Mr. Sadr's bloc further endangers Mr. Maliki's political fortunes. Mr. Sadr effectively controls Sadr City, and the attacks on Thursday appeared to have strengthened his standing and emboldened him. Mr. Sadr has used attacks against Shiites as a justification for keeping his militia despite demands by the Iraqi and American governments that he disband it.

"The occupation forces should shoulder the full responsibility for these deeds, and we call for them to end their rule in Iraq by withdrawing or at least setting a timetable for withdrawal," Salih al-Igaili, a Sadr legislator, said. "If the security situation does not improve, as well as basic services, and if the prime minister does not retreat from his intent to meet the criminal Bush in Amman, we will suspend our membership in the Iraqi Parliament and the government."

Mr. Sadr, in a speech delivered at Friday sermons in the southern city of Kufa, did not mention the boycott threat, but did repeat his usual demand of a timetable for withdrawal from the Americans. He also called on a militant Sunni Arab cleric, Sheik Harith al-Dhari, to issue an edict forbidding the murder of Shiites.

Blocs in Parliament, including Mr. Sadr's, have threatened to walk out before. Mr. Maliki, a conservative Shiite, relies on Mr. Sadr for political support against Shiite rivals, and a withdrawal of Mr. Sadr's legislators from the 275-member Parliament could upend the power balance within the main Shiite political coalition. Mr. Sadr controls at least 30 seats in Parliament and three cabinet positions, including that of the Health Ministry, which was besieged for two hours on Thursday by Sunni Arab insurgents armed with mortars and assault rifles.

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Some American officials also argue that Mr. Sadr's engagement in politics is necessary for any hope of a peaceful disarmament of his militia, which has thousands of fighters and has twice rebelled against the American military. But at the same time, Mr. Sadr's strong ties to Mr. Maliki make it difficult for the prime minister to crack down on the Mahdi Army. The mosque attacks on Friday underscored the dangers posed by the militias and highlighted the means by which they are ratcheting up, day by day, the violence here.

"My daughter lives near Mishhada mosque in this neighborhood, and she says gunmen killed and wounded some people there," Abu Ruqaiya said in a phone interview. "There were clashes with the guards of the mosque." Another resident of Hurriya said militiamen burned down the empty home of a former member of the Baath Party.

Fanned by fear, rumors spread quickly throughout the day. In the evening, a resident named Imad al-Hashemi said in a telephone interview on Al Jazeera, the Arab news network, that gunmen had doused some people with gasoline and set them on fire. Other residents contacted by telephone denied this.

In Baquba, northeast of Baghdad, gunmen opened fire on a Sunni mosque and battled with guards there, a police official said. Militants also shot at the provincial government center and the police headquarters. Insurgents destroyed the minaret of a Shiite mosque near the market with explosives or projectiles, the police official said.

The police in Baghdad discovered at least 31 bodies across the city on Friday, most showing signs of torture, The Associated Press reported.

The Interior Ministry official in Baghdad updated the death toll from the Sadr City bombings on Thursday to 202. At least 256 others had been wounded. In the morning, hundreds of mourners poured into the streets of the sprawling district to join processions of cars with wooden coffins strapped to their roofs. Women in black robes beat their chests while men waved pistols from car windows to clear the streets.

"I stayed up the entire night talking with friends and neighbors about what happened," said Ghaith Qassim, 35, a clothing vendor at a funeral. "We're so angry and sad over this. The people here blame the leaders of the government."

In one corner of Sadr City, a three-minibus convoy wound its way through fetid streets, bound for the Shiite cemetery in the holy city of Najaf. The first two vehicles each had a single coffin strapped to its roof. The third had three, all with the bodies of victims from the same family.

Sunnis Set On Fire (NSDY)

By Timothy M. Phelps

Newsday, November 25, 2006

WASHINGTON -- Militiamen doused six Sunnis with kerosene and burned them alive as they left Friday prayers in Baghdad, sending new shocks through a city that thought it had seen it all.

Despite a total curfew, the capital was a battle zone, complicating major diplomatic initiatives from the Bush administration and the independent Baker commission.

Four mosques and several homes in the neighborhood of Hurriyah were attacked by Shia militiamen in apparent reprisal for a string of car bomb explosions Thursday in Sadr City, Baghdad's Shia heartland. In that violence, Sunni insurgents killed at least 215 people in Iraq's deadliest week in more than three years of destruction since the U.S. invasion.

Friday's gruesome immolations -- a seemingly new method of brutality in the sectarian fighting -- were reported by the Associated Press, quoting an Iraqi police captain, and topped off a day in which at least 87 people were killed or found dead across Iraq.

Imad al-Hasimi, a Sunni elder in Hurriyah, told Al-Arabiya television he saw people who were drenched in kerosene and then set afire, burning to death before his eyes, according to the Associated Press.

Reports from correspondents in Baghdad indicated gun battles continued into the night despite the curfew, a measure that had been effective in past crises.

There also was fighting in Sadr City on Friday between Shia militiamen and a U.S. helicopter. Further north in Tal Afar, an area supposedly pacified by a concentration of U.S. troops, 23 people were killed and 43 wounded by two bomb explosions outside a car dealership, police said.

A major political crisis also loomed, as supporters of Muqtada al-Sadr, the most militant Shia leader in the government, demanded that Prime Minister Nouri al-Maliki cancel meetings planned in Amman, Jordan, next week with President George W. Bush -- or the al-Sadr faction would "suspend" its participation in Maliki's government.

Such an edict is not easy for Maliki to ignore because al-Sadr is his biggest supporter and his government would likely fall if the cleric fully withdrew his support. On the other hand, Maliki can hardly afford to offend Bush at this precarious moment, either.

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There has been a frenzy of diplomatic activity in the region in apparent anticipation of sweeping new recommendations expected next month from the Baker-Hamilton commission that is studying U.S. Iraq policy. Syria and Iran were holding top-level meetings with Iraqi leaders as Vice President Dick Cheney flew to Saudi Arabia for meetings there Saturday.

The White House insisted Friday that Bush's unprecedented two-day meeting with Maliki, starting Wednesday, would continue as scheduled despite the threats from al-Sadr's followers.

Baker's report is expected in mid-December and, because the commission's work already has been embraced by Bush, it could have a major impact on restructuring U.S. policy toward Iraq.

The fighting in Baghdad this week came despite months of effort by U.S. troops brought in from other parts of Iraq to pacify the capital. An estimated 70 percent of the population of the city is Shia; 20 percent is Sunni and 10 percent Kurd. But the Sunnis are hardened fighters who control the western section of the city and if the fighting continues to rage, they are likely to call in reinforcements from Sunni areas to the west, according to Iraq experts.

Shiites Torch Sunni People, Mosques, Houses (CNN)

CNN.com, November 24, 2006

BAGHDAD, Iraq (CNN) -- Enraged Shiites burned people to death, torched mosques and denounced Sunni leaders and the United States a day after a bloody assault on Sadr City, the Iraq capital's Shiite bastion.

That coordinated strike, which killed more than 200 and wounded more 250 Thursday, is considered the worst of the Iraq war, and Sunni militants are widely assumed to have carried it out.

Witnesses said Shiite gunmen on Friday attacked two mosques with rocket-propelled grenades and burned two other Sunni mosques in the largely Shiite area of Hurriya in northwestern Baghdad.

They reported people attacking Sunni houses with hand grenades and rocket-propelled grenades. Shiite militiamen are also said to have doused Sunnis with kerosene and burned them, and shot at other people.

One witness reported at least five people were killed. An official with the Association of Muslim Scholars, a Sunni group, said many more were killed and wounded but could not confirm numbers.

Iraqi Defense Ministry spokesman Mohammed al-Askari said clashes erupted between two groups in Hurriya. U.S. and Iraqi troops then arrived at the scene, set up checkpoints and restored control.

The U.S. military said it could not confirm the reports of people and mosques being torched.

In Sadr City itself, two people were hurt when U.S. helicopters fired on tents set up for funerals, police said.

Mourners said they were shooting weapons in the air to commemorate the dead -- not firing at the helicopters.

But the U.S. military said troops destroyed rocket launchers that had fired six rockets.

Two Sunni Arab neighborhoods -- Ghazaliya and Adhamiya -- also withstood a barrage of mortar fire that wounded 10 people earlier.

The new attacks and counterattacks threaten to bring Iraq to the brink of all-out civil war, a process that has escalated since the February bombing of a revered Shiite shrine in Samarra, north of Baghdad. Since then, thousands have fled their homes for other neighborhoods and countries in the face of Sunni-Shiite vendettas.

Thousands more have been slain. Sectarian violence has left its imprint with the daily discovery of tortured bodies around the capital despite U.S. and Iraqi military efforts to stem the brutality.Al-Sadr bloc threatens walkout

The carnage came as anti-U.S. Shiite cleric Muqtada al-Sadr's bloc threatened to withdraw support for Iraqi Prime Minister Nuri al-Maliki should he meet President Bush as planned next week.

Such a move could jeopardize the stability of al-Maliki's administration, which has relied on the support of both the United States and fellow Shiites.

In a statement that aired on Iraqi TV, al-Sadr representative Salih al-Akeili blamed U.S.-led forces for fostering conditions that led to the massacre Thursday in Sadr City.

"We announce that if the security situation and the basic services do not improve, and if the prime minister goes ahead and meets with the criminal Bush in Amman, then we will suspend our memberships with the Iraqi parliament and the government," said al-Akeili, a member of al-Sadr's bloc in Iraq's parliament.

Al-Akeili said his bloc -- with 30 seats in the 275-member parliament and six Cabinet ministries -- is demanding an end to the occupation and a withdrawal from Iraq, with a timetable for such a departure.

The White House said the talks in Jordan would go forward.

"It's an outrage that these terrorists are targeting innocents in a brazen effort to topple a democratically elected government, and it is not going to work," deputy White House spokesman Scott Stanzel said. "Securing Baghdad and gaining control of the violent situation will be a priority agenda item" when Bush and Maliki meet.

Al-Maliki's office has not responded to the threat.

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U.S. commanders suspect al-Sadr's militia, the Mehdi Army, has been responsible for sectarian violence against Sunnis, although the cleric has denounced such attacks.Al-Sadr challenge to Sunni leader

Meanwhile, al-Sadr challenged a top Sunni leader -- Sheikh Hareth al-Dhari, the head of the Association of Muslim Scholars -- to take steps to end the violence, including the issuance of fatwas, or Islamic decrees.

Speaking in the southern city of Kufa, near Najaf, during prayers Friday, al-Sadr said one fatwa should "prohibit the killing of all Shiite Muslims because this will save the blood of Muslims in Iraq."

Another should prohibit people from joining al Qaeda or any party "harboring hatred against the descendants of the Prophet Mohammed."

"We condemn and denounce the blasts," he said.

Police called the strikes the worst since the war began in 2003. The Iraqi Interior Ministry imposed a curfew for Baghdad on Thursday evening. It's unclear how long the curfew will last. Baghdad International Airport also was closed till further notice.

The bloodshed drew a strong denunciation from the United States.

"We condemn such acts of violence that are clearly aimed at undermining the Iraqi people's hopes for a peaceful and stable Iraq," said deputy White House spokesman Scott Stanzel.

Meanwhile, police reported a U.S. raid on al-Sadr's office in Baquba, a provincial capital northeast of Baghdad. Five people were detained, and weapons were seized. The U.S. military said it was checking the report. Other violence

Also Friday, a suicide bomber killed 22 and wounded 30 after detonating explosives strapped to his body and in a car in the northern city of Tal Afar, authorities said.

The attacker parked his vehicle, got out and set off the car bomb in a car lot before detonating himself, police said. Tal Afar, a largely Turkmen city in Nineveh province, is about 250 miles (400 kilometers) north of Baghdad. Tal Afar has endured Sunni-Shiite sectarian fighting in the past, but it isn't clear what the motive was for Friday's attack.

In the southern city of Basra, a British soldier was shot dead Friday during a "search and detention operation," the British Defense Ministry said. The number of British military deaths in the Iraq war stands at 126.

Mosques Hit Amid Baghdad Clashes (BBC)

BBC.com, November 24, 2006

Gunmen have attacked a Sunni Arab area of Baghdad, burning mosques and homes, with at least 30 people reported killed, according to police officials.

The attacks were in apparent revenge for Thursday's bombings that killed more than 200 people in the Shia Sadr City district of the Iraqi capital.

Fleets of vans left Baghdad to take the coffins of those victims for burial in the ancient Shia holy city of Najaf.

The latest violence came despite a city-wide curfew and appeals for calm.

To add to the Iraqi government's woes, a key Shia group threatened to quit parliament and the cabinet if Prime Minister Nouri Maliki goes ahead with a planned meeting with President Bush next week.

It is an outrage that these terrorists are targeting innocents in a brazen effort to topple a democratically elected government

White House spokesman

There is a real feeling that the situation is moving to the brink amid the cycle of attacks, says the BBC's David Loyn in Baghdad.

Thursday's bombing and retaliatory attacks were "deplorable", the White House said.

"It is an outrage that these terrorists are targeting innocents in a brazen effort to topple a democratically elected government. These killers will not succeed," White House spokesman Scott Stanzel said.

Iraqi police said some 30 people had been killed, but a defence ministry officials told the French news agency, AFP, that the clashes were so intense that precise information was difficult to obtain.

Clashes also erupted in Sadr City on Friday, where residents said a US helicopter fired on militiamen who were launching rocket attacks.

Violence was also reported in other parts of Baghdad and elsewhere in Iraq, including in the northern town of Talafar where a suspected double suicide bombing killed at least 22 people.

Baghdad has been under an indefinite curfew since Thursday's bombings and the airport remains closed.

The security situation has forced Iraqi President Jalal Talabani to postpone a visit to Tehran on Saturday for talks with his Iranian counterpart Mahmoud Ahmadinejad.

During the curfew, the only people and vehicles officially allowed on the streets of Baghdad were the residents of Sadr City who began the journey to bury their dead.

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Thousands of mourners came out onto the streets, walking alongside a seemingly endless fleet of mini-buses, each carrying a coffin on its roof.

The bodies were then driven to an ancient cemetery in the holy city of Najaf, the traditional burial place for Shias, 160km (100 miles) south of Baghdad.

Thursday's multiple car bomb attacks in Sadr City - in which 250 people were also wounded - were the deadliest in Iraq since the US-led invasion of 2003.

Moqtada Sadr's group is calling for US forces to leave

Sadr City is largely controlled by the Mehdi Army, a Shia Iraqi militias accused of carrying out many sectarian attacks on Sunni areas.

Thursday's bombings could have a deep political impact, with the group led by radical cleric Moqtada Sadr calling on Mr Maliki to call off his planned talks with President Bush.

People in Sadr City faced insurgent attacks as well as repeated raids by US forces, the group said in a statement.

Mr Sadr's followers hold six cabinet posts and have 30 members in the 275-seat parliament.

The withdrawal of the group headed by Mr Sadr would be a major blow to an already unstable government, the BBC's Andy Gallacher in Baghdad says.

The meeting with Mr Maliki is due to take place in Jordan, and a White House spokesman said on Friday there had been no changes to Mr Bush's schedule.

The U.S. In Iraq: What's Next? (WSJ)

By Lauren Etter

The Wall Street Journal, November 25, 2006

President Bush said last week he won't make any immediate decisions about troop levels in Iraq, despite mounting pressure to change course on the war. * * *

But it is clear the administration is in search of a new strategy. The electoral shake-up in Congress and recent sharp rise in sectarian violence in Iraq have served as a powerful wake-up call. Prominent politicians from both parties are offering up ideas for a change -- ranging from an immediate withdrawal of U.S. troops to a substantial increase.

Meantime, a bipartisan team led by former Secretary of State James Baker is expected to present the president with a report on recommended next steps in Iraq sometime next month. A separate military panel will provide its own strategy recommendations in the coming weeks.

Here's a look at some of the proposals being floated:

Withdrawal: Rep. John Murtha (D., Pa.) is calling for all troops to withdraw from Iraq "at the earliest practicable date." Sen. Carl Levin (D., Mich.) is proposing a gradual withdrawal over the next four to six months. The Levin proposal has become one of the more popular views among Democrats, and even has the support of some Republicans. Critics say that an abrupt U.S. withdrawal would only open the door to deeper sectarian violence.

Leslie Gelb, former president of the Council on Foreign Relations and an adviser to the Baker commission, says any talk about troop withdrawals needs to be coupled with a political settlement. He advocates splitting Iraq into three semi-autonomous regions that divide oil revenue. Some are calling for Iraq's neighbors, Syria and Iran, to be included in any discussion on Iraq's future.

More troops: There are about 141,000 U.S. troops in Iraq. Sen. John McCain (R., Ariz.) is calling for a boost to stabilize the country and provide Iraqis more security and training. He has informally proposed sending an additional 20,000 troops to Iraq, which he says would entail expanding the Army and Marine Corps by as many as 100,000 people. Analysts say it is unlikely the Pentagon would send that many -- if it increases troop levels at all.

One problem with a sharp troop increase: U.S. ground forces are already stretched thinly around the world. About 40% of the U.S. military's deployable combat brigades are in Iraq and Afghanistan. In theory, a troop increase could come from decreasing the time between deployments and increasing the length of combat time. But that could result in exhaustion among soldiers. Already more soldiers are receiving just one year at home -- instead of two -- for every year deployed.

Unchanged troop levels: The middle-road option is to maintain current troop levels. Central Command leader General John Abizaid told the Senate Armed Forces Committee earlier this month that "the troop levels need to stay where they are." He said a reduction would lead to more sectarian violence, while an increase would further strain the military. However, he would have troops shift their role to more of an advisory one, making sure Iraqi security forces are "more capable in their ability to confront the sectarian problem."

Top U.S. commander in Iraq General George Casey shakes hands with soldiers.

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This view is in line with the one voiced by Mr. Bush, who has maintained that U.S. troops need to stay in Iraq until "victory" is achieved -- that is, until Iraq can govern and defend itself. Public opinion polls, however, show that about 52% of Americans want to see the number of troops in Iraq reduced, while 39% of Americans would like to see troop levels maintained.

Draft: Rep. Charles Rangel (D., N.Y.) advocates reviving the military draft, which was ended in 1973. He argues the costs of the current war are falling too heavily on the underprivileged. That proposal, however, is unlikely to generate much support in Congress, and has little support at the Pentagon.

Army Expands Training For Advisers Who Will Try To Improve Iraq's Security Forces (NYT)

By Michael R. Gordon

The New York Times, November 25, 2006

FORT RILEY, Kan., Nov. 18 — This wind-swept stretch of Kansas has become the hub of a major new push by the United States Army to overhaul its effort to advise Iraq's fledgling security forces.

Following a disappointing performance by many Iraqi units and complaints that earlier efforts to train American advisers had been handicapped by bureaucratic inertia, the Army has handed the mission to Maj. Gen. Carter F. Ham, who had a previous stint as a commander in Iraq.

Along with nearly 1,000 soldiers from his First Infantry Division, General Ham has sought to improve the training of the advisers as the Army has moved to upgrade the quality of these teams.

The revamped effort began with little fanfare this summer, but has gained prominence in recent weeks as experts inside and outside the government have recommended that the military expand the advisers' ranks as part of a renewed push to strengthen the Iraqi security forces.

The Army is "transitioning from an endeavor that has been less than a high priority to one that is of the highest priority," said Jack Keane, a retired four-star general who served as the Army vice chief of staff during the first months of the war. "And it is long overdue."

Senior American military commanders calculate that strengthening the Iraqi forces, paired with efforts at political reconciliation by the Iraqi government, will enable the Iraqis to take more responsibility for their security and allow the United States to eventually begin withdrawing its forces.

But to date, the Iraqi Army has had trouble providing all the reinforcements American commanders have requested for the stepped-up security operation in Baghdad, even as the level of sectarian violence there soars. At the same time, Iraq's government has yet to confront the country's militias, some of which have significant sway over police units. It remains far from clear whether increasing the number and caliber of American advisers can provide enough of the security gains the United States is seeking.

Still, in recent exercises, the would-be advisers were confronted with an early dose of reality, in training that included some of the vexing scenarios they are likely to face in Iraq: an Iraqi battalion commander quarreling angrily with his Iraqi police counterpart, Iraqi troops who roughed up a detainee and an Iraqi crowd irate at the troops who had conducted a surprise raid.

The American Army has long experience in training and deploying military advisers, most notably in Vietnam. There, the Army began with an active advisory program before the fighting escalated into a major conflict. In Iraq, however, the war began with major combat; American advisers, now called "transition teams," were introduced later, almost as an afterthought. "When we first started this transition-team business in both Iraq and Afghanistan, it was very much a hit-and-miss proposition," said General Ham, who acknowledged that the program faced early problems. "The selection of individuals for duty on transition teams was probably more haphazard than any of us would have liked. The training was not standardized across the various training locations. It does not appear that it was well-resourced across the force.

"I think that was what led to some of the earlier criticisms, and in my view the criticism was fair and justified," General Ham added. "We need to do it better, and this initiative that started the training here at Fort Riley is a part of that."

There are currently more than 4,000 American troops organized into more than 430 teams to advise the Iraqi Army, police forces and border guards. General John P. Abizaid, the head of the United States Central Command, said recently that the United States planned to increase the size of the teams, which generally have 11 members, so that they can better train Iraqi battalions, which can have more than 700 soldiers. General Abizaid also said that the plan was to attach the advisers not only to Iraqi battalions but also at lower levels, to companies and possibly even platoons. Those ideas, however, have yet to be incorporated in the advisers' training program.

General Ham worked with senior officers from two of his brigades to organize the program, which lasts a jam-packed 60 days. Soldiers practice a variety of combat skills, including how to counter the ever-present roadside bombs. They also receive some cultural training and, for those headed to Iraq, 50 hours of Arabic language instruction — enough to provide only the most

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rudimentary skills but more training than most advisers had previously received. There is additional training in Kuwait and at the sprawling American military base at Taji, Iraq.

According to General Ham, the advisory teams include more active-duty soldiers than during the early days of the program, when reservists were more commonly used. As a matter of Army policy, staffing the teams is now a higher priority for Army personnel officers than filling the empty slots in units on alert to deploy to Iraq and Afghanistan.

According to current plans, Fort Riley will train the majority of the Army teams that are sent to advise the Iraqi Army, national police and border guards. The rest of the Army teams are to be drawn from units in Iraq. (The Marines train their own advisers separately.)

In the field, the teams are managed by Brig. Gen. Dana Pittard, an assistant division commander, who provides feedback to Fort Riley. The expectation is that American advisers will still be attached to Iraqi military and police units even after the withdrawal of American combat forces is under way.

"I feel like we'll be the last men standing at the end of the U.S. presence here," General Pittard observed in August.

Maj. Andrew Yerkes, who is leading a team that is to advise Iraq's National Police, was thrust in a difficult situation during a recent exercise. A squabble broke out between a person playing the role of an Iraqi battalion commander and another acting as an Iraqi police captain over how to secure the town, a possible situation since Iraq's army is largely Shiite and the police in Sunni areas are recruited from local communities. Within minutes, the Iraqi battalion commander stormed off, leaving Major Yerkes and his soldiers to ponder how they might better defuse tensions in the future.

"It showed my team a different piece of culture we have not been exposed to and forced us to think our way through a problem," he said.

General Ham is still looking for ways to improve the training. For instance, he hopes to arrange for the teams of advisers to do some training with the American combat brigades they will work with in Iraq.

Another constraint is the absence of actual Iraqis, or in the case of teams being trained for Afghan duty, Afghan soldiers.

Qualified Iraqi commanders are needed far more urgently in Iraq, so the roles of commanders, interpreters and townspeople in the exercises are played by American soldiers and contractors who were born in Iraq or are of Arab descent. (The battalion commander in Major Yerkes's exercise lives in San Diego and left Iraq many years ago.)

Even so, the trainees say the exercises are useful. Maj. William Cotty, one of a small number of Special Forces officers who have volunteered to serve as advisers, is leading an advisory team that will be assigned to an Iraqi Army unit. A seasoned officer who served in Colombia and Afghanistan, Major Cotty was put to the test during a raid he conducted with a mock Iraqi battalion commander.

Major Cotty helped the "Iraqis" plan a raid to capture a suspected insurgent in the fictional town of Surdash, speaking through an interpreter to the battalion commander, in this case an Arabic-speaking American soldier who was born in Sudan. In the exercise, the operation led to a firefight in which a suspected insurgent was killed. The "Iraqis" hauled away a captive and began to pummel him as an angry crowd began yelling at the Americans. In an effort to disperse the crowd, Major Cotty fired several blanks into the air.

At a review conducted immediately afterward, the advisers were cautioned to make sure the suspected insurgents they planned to capture had not been picked out by Iraqi units as part of a sectarian or personal vendetta.

Officers observing the exercise also suggested that the major might have taken other steps before firing warning shots, since the shots might encourage Iraqi soldiers to fire wildly. The Americans, for example, might have brought along a loudspeaker and used their interpreter to talk to the townspeople about the point of the raid. Major Cotty said the exercise was helpful.

"According to the book on direct action, I had speed, surprise and violence of action," he said. "The number one thing I probably took away from this was the loudspeaker," he said.

Funerals, Revenge Killings After Iraq Attacks (AP)

Associated Press, November 25, 2006

BAGHDAD, Iraq (AP) -- Gunmen raided two Shiite homes in Diyala province, a hotbed of Iraq's Sunni-Arab insurgency, and shot and killed 21 men in front of their relatives, police said Saturday.

The attack by suspected insurgents on Friday night targeted members of the al-Sawed Shiite tribe in the village of Balad Ruz, 45 miles northeast of Baghdad, a police officer said, speaking on condition of anonymity to protect his own security, as officials often do in the increasingly volatile province.

He said police could not reach the remote village to collect the bodies and take them to a morgue until Saturday morning. The province, almost equally divided between Sunnis and Shiites, is the site of many sectarian attacks.

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Also Saturday, U.S. and Iraqi forces killed 22 insurgents and an Iraqi civilian, and destroyed a factory being used to make roadside bombs, during several raids north of Baghdad. No coalition casualties were reported.

Baghdad remained under a 24-hour curfew Saturday as coalition forces tried to prevent a surge of revenge attacks for the five bombings and two mortar rounds that killed 215 people in the Shiite slum of Sadr City on Thursday.

Such violence was particularly gruesome on Friday, when suspected Shiite militiamen seized six Sunnis as they left prayer services at mosques and burned them alive with kerosene in an attack in the mostly Shia neighborhood of Hurriyah.

Iraqi soldiers at a nearby army post failed to intervene in the assault by suspected members of the Shiite Mahdi Army militia or subsequent attacks that killed at least 19 other Sunnis, including women and children, in the same neighborhood, said police Capt. Jamil Hussein.

In recent months, most of the thousands of dead bodies that have been found dumped across Baghdad and other cities in central Iraq have been of victims who were tortured and then shot to death, according to police.

The suspected militia killers often have used electric drills on their captives' bodies before killing them. The bodies are frequently decapitated. But burning victims alive introduced a new method of brutality that was likely to be reciprocated by the other sect as the Shiites and Sunnis continue killing one another in unprecedented numbers.

Friday's gruesome attack capped a day during which at least 87 people were killed or found dead in sectarian violence across Iraq. In Hurriyah, the rampaging militiamen also burned and blew up four mosques and torched several homes in the district, Hussein said.

The chaos cast a shadow over the Amman, Jordan, summit next week between Shiite Prime Minister Nouri al-Maliki and U.S. President George W. Bush.

Politicians loyal to radical anti-American Shiite cleric Muqtada al-Sadr have threatened to boycott parliament and the Cabinet if al-Maliki goes ahead with the meeting. The political bloc, known as Sadrists, is a mainstay of support for al-Maliki. The Mahdi Army is the organization's armed wing.

For a second day Saturday, funeral processions were held in Sadr City for the victims of Thursday's deadly attack by Sunni insurgents there. An official from al-Sadr's main office in Sadr City visited hospitals treating some of the 257 people who were wounded in the attack, and he gave them small donations of cash in envelopes.

Visiting tents that have been set up in Sadr City for families conducting funerals, the official, Ibrahim al-Jabiri, sharply criticized Iraq's government and its forces for failing to stop such attacks.

During three of the coalition raids that took place north of Baghdad on Saturday morning, soldiers killed 10 insurgents near the city of Taji, which is 12 miles north of Baghdad and home to a major U.S. air base. An Iraqi teenage boy also was killed and a pregnant Iraqi woman was wounded in the crossfire, the military said.

U.S. aircraft were called in to destroy a factory being used to make roadside bombs, and soldiers searching the area also found hidden caches of rocket-propelled grenades, machine guns, anti-aircraft weapons and pipe bombs.

Many U.S. soldiers are killed and wounded in Iraq by powerful roadside bombs used by insurgents.

"Coalition forces strive to mitigate risks to civilians while in pursuit of terrorists. It is always a shame when terrorists hide among civilian women and children, putting them in harm's way," the U.S. military said.

In another area north of Baghdad, coalition forces attacked three vehicles carrying 12 insurgents, including one they were searching for because he allegedly was involved in the manufacture of car bombs, the coalition said. The soldiers opened fire on the cars when they ignored warning shots, and all the militants were killed, the military said.

No soldiers or civilians were wounded during that operation. The coalition declined to give its exact location.

More U.S. Troops Dying In Anbar Province (AP)

By Lolita C. Baldor, Associated Press Writer

AP, November 25, 2006

In the three months since thousands of U.S. forces poured into Baghdad to quash escalating violence, far more American troops have died in Iraq's volatile western Anbar province than in the capital city.

More than two-thirds of the 245 U.S. casualties between Aug. 7, the start of the Baghdad offensive, and Nov. 7 occurred outside Baghdad — which military leaders have called the "center of gravity" of Iraq, and the key to success in the war. Four in 10 deaths over those three months have been in Anbar province, a Sunni insurgency stronghold where U.S. Marines have largely taken the lead.

Marines, who comprise only about 15 percent of the 141,000 U.S. forces currently in Iraq, accounted for nearly 28 percent of the fatalities over the three-month period.

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The Baghdad assault, dubbed Operation Together Forward, started slowly in June. It escalated in early August when about 7,200 additional U.S. troops, including an agile Stryker brigade, were brought into enforce a broad array of checkpoints, curfews and house-to-house searches.

As total U.S. war casualties mounted through this summer and into the fall — from a total of about 2,500 by mid-June to more than 2,870 now — military officials blamed the rise on the Baghdad offensive, as well as the holy observance of Ramadan. The escalating violence made October the fourth deadliest month since the war began.

"Baghdad is the center of gravity for Iraq. We must get it right in Baghdad," Gen. Peter Pace, chairman of the Joint Chiefs of Staff, said at the time. Defense Secretary Donald H. Rumsfeld added, "Most of the violence occurs within 30 kilometers of Baghdad."

In terms of actual U.S. casualties, the opposite was true.

Most of the 245 deaths during the first three months of Operation Together Forward occurred beyond Baghdad's boundaries. According to an analysis by The Associated Press, there were 73 casualties in Baghdad between Aug. 7 and Nov. 7, while there were 103 in Anbar.

In comparison, during the first three months of 2006, there were 148 U.S. military deaths in Iraq — nearly 100 fewer than the August-November timeframe.

The death count in Anbar, combined with the deadly spike in sectarian attacks in Baghdad this week, paints a picture of an Iraq still teetering on the brink of civil war, battered by religious divisions, al-Qaida terrorists and a stubborn and diverse insurgency.

The unabated violence comes as the Bush administration and the U.S. military are conducting several wide-ranging reviews of Iraq war policy under the critical eyes of Democrats who are poised to take control of both houses of Congress early next year. The bipartisan Iraq Study Group, led by former Secretary of State James Baker and former Congressman Lee Hamilton, is expected to issue its report soon.

Little more than a week ago, the top U.S. commander in the Middle East, Gen. John Abizaid, acknowledged that the Sunni-dominated Anbar province was still not under control. Yet, military officials and Rumsfeld have often asserted that most of the violence in Iraq has been near Baghdad, and that the military effort must be centered there.

The problems in Anbar prompted U.S. military officials last week to move more than 2,200 additional Marines to the western province in a short-term effort to shore up U.S. combat power there.

Such troop shifts have drawn criticism from Congress in the past. In August, as the Pentagon prepared for the Baghdad operation, Republican Senator John McCain likened the positioning of forces in Iraq to a game of "whack-a-mole," where generals try to curb violence in one area only to see it pop up somewhere else.

Overall, the U.S. Army — which has roughly 108,000 soldiers in Iraq — has borne the brunt of the deaths throughout the war, including 163 of the 245 deaths the AP looked at during the three-month period. There were 68 Marines killed during that time, along with seven Navy members and six in the Air Force, and one was unknown.

The most prevalent cause of death has remained the same across the country. Roadside bombs and other improvised explosive devices caused about 40 percent of the casualties, while another 13 percent were caused by small arms fire or snipers and 33 percent by unspecified combat incidents. Other causes of death included vehicle and helicopter crashes and non-combat incidents.

The high rate of Marine deaths is due in part to the fact that most are performing combat duties in the dangerous Anbar region. While the Army has a much larger presence in Iraq, some soldiers are serving in support roles or working in the headquarters units and are not doing combat duty.

Gen. James T. Conway, commandant of the U.S. Marine Corps, said this week that the decision to send more troops to Anbar is an effort to take advantage of "some of the momentum that is taking place. ... It is reinforcing success based on what we see the tribes doing."

Brzezinski Calls Idea To Boost U.S. Forces In Iraq A `Gimmick' (BLOOM)

By Judy Mathewson

Bloomberg, November 25, 2006

Nov. 24 (Bloomberg) -- Zbigniew Brzezinski, a former U.S. national security adviser, said it would be ``a gimmick" for the Defense Department to increase the number of troops in Iraq temporarily before beginning to withdraw them.

``I wouldn't be at all surprised if that actually happens," Brzezinski said on ``Political Capital with Al Hunt," to air on Bloomberg Television this weekend.

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``It's a gimmick because it satisfies McCain, it satisfies the hardliners," Brzezinski said, referring to Senator John McCain. The Arizona Republican, who is exploring a run for the presidency in 2008, said Nov. 19 that U.S. troops are ``fighting and dying for a failed policy" in Iraq unless they get enough reinforcements to ensure a military victory.

A Defense Department review of Iraq options is likely to advocate an immediate increase of as many as 30,000 American troops, followed by a reduction to perhaps less than half the 140,000 now there, the Washington Post reported Nov. 20. President George W. Bush is also expecting advice from the bipartisan Iraq Study Group on stabilizing Iraq for an eventual pullout.

Brzezinski said U.S. and Iraqi officials should jointly announce a withdrawal date for American troops that comes before the end of 2007. Even in the best possible outcome, though, Iraq isn't likely to be secular or democratic, he said.

``Obviously it's not going to be what we have previously described as a victory," he said.

Advising Democrats

With Democrats set to take control of the U.S. Congress, Bush is under pressure to address concerns about how long U.S. military personnel will be in Iraq. Brzezinski is scheduled to discuss the issue with House Democrats at a Dec. 5 meeting.

Brzezinski, 78, advised President Jimmy Carter from 1977 to 1981 and is now at the Center for Strategic and International Studies in Washington. During his White House tenure, the U.S. normalized relations with China and reached an agreement with the former Soviet Union to curtail nuclear weapons.

His prediction about Iraq coincides with assessments by other former policy makers. Former Secretary of State Henry Kissinger, who negotiated the Paris Peace Accords in 1973 that led to the U.S. pullout from Vietnam, said Nov. 19 that a ``clear" military victory in Iraq isn't ``possible."

Vietnam Worry

Brzezinski, addressing whether U.S. officials will temporarily boost the number of troops and then cut them, said:

``My concern is that they'll do it slowly and then, in the end, inadvertently, they will imitate our bug-out from Vietnam," he said. ``Namely, we'll blame the Iraqis and leave, thereby creating the worst of all situations."

Brzezinski said the U.S. should talk to Iraqi leaders about a date for a U.S. departure from the country to ``flush out those Iraqi leaders who have staying power," and then make sure to announce the pullout jointly.

The Iraqis should then invite their Muslim neighbors, along with Pakistan, Morocco and Algeria, to an international conference to discuss ways to stabilize the country after the Americans leave, Brzezinski said.

Lastly, the U.S. should organize an international effort to help the economic recovery of Iraq after the U.S. withdrawal, Brzezinski said.

``With the passage of time, the chances of implementing that advice effectively are being reduced," he said. ``That's a tragedy."

`Basis for Power'

After a U.S. withdrawal, Iraq isn't likely to be stable, and the ``basis for power" will be a coalition between the Shiites and Kurds, Brzezinski said.

Brzezinski also questioned the Bush administration's policy on Iran, calling it ``self-defeating." Asked whether the U.S. should have to accept the reality of the Iranians obtaining nuclear weapons, he said, ``I'm not entirely convinced they are really seeking them."

The Iranian leadership is ``seeking a comprehensive nuclear program" that would put the country in a position to produce nuclear weapons, Brzezinski said.

``Japan can produce nuclear weapons very quickly, but they haven't done it, and I think that's where Iran wants to end up," he said.

Uncle Charlie Wants You! (WSJ)

The Wall Street Journal, November 25, 2006

Harlem Congressman Charles Rangel created a stir once again this week with his call for renewing the military draft. His own party leaders quickly disavowed any such plan, suggesting just how unpopular the idea is among most Americans. Yet the proposal deserves some further inspection before it vanishes, if only to expose its false assumptions about the current U.S. military.

A vocal Iraq war critic, Mr. Rangel told CBS News recently, "There's no question in my mind that this President and this Administration would never have invaded Iraq, especially on the flimsy evidence that was presented to the Congress, if indeed we had a draft and members of Congress and the Administration thought that their kids from their communities would be placed in harm's way."

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In other words, Mr. Rangel's real argument is about class in America, not over the best way to fight Islamic terrorism overseas. He's suggesting that somehow only the poor serve in Uncle Sam's Army. But his views are both out of date and condescending to those who do serve. Alas, they are shared by many on the political left, who think that the military places an unfair burden on the working class. * * *

In this mythology, the military is overly reliant on uneducated dupes from poor communities because those from more affluent backgrounds don't want to serve. But the truth is closer to the opposite, according to a recent Heritage Foundation report on the demographic characteristics of the military. It's titled "Who Are the Recruits?" and Mr. Rangel, a Korean War veteran, might want to read it before implying that the military doesn't look like America.

According to the report, which analyzed the most recent Pentagon enlistee data, "the only group that is lowering its participation in the military is the poor. The percentage of recruits from the poorest American neighborhoods (with one-fifth of the U.S. population) declined from 18 percent in 1999 to 14.6 percent in 2003, 14.1 percent in 2004, and 13.7 percent in 2005." Put another way, if military burdens aren't spread more evenly among socio-economic groups in the U.S., it's because the poor are underrepresented.

Or consider education levels. In the general U.S. population, the high school graduation rate is a little under 80%. But among military recruits from 2003-2005, nearly 97% had high school diplomas. The academic quality of recruits has also been rising this decade. According to Heritage, the military defines a "high quality" recruit as someone who scores above the 50th percentile on the Armed Forces Qualifying Test and has a high school degree. The percentage of high quality recruits had climbed to 67% in 2004 and 64% in 2005, up from 57% in 2001.

And what about race? In 2004, about 76% of the U.S. population was white, which was only slightly above the 73% of military recruits (and 72% of Army recruits) who were white. Blacks made up 12.17% of the population in 2004, and made up 14.54% of recruits in 2004 and 13% in 2005. Hispanic Americans are also slightly overrepresented in the military compared to their share of the population, but also not to a degree that suggests some worrisome cultural chasm among the races.

The overall truth is that today's recruits come primarily from the middle class, and, more importantly, they come willingly. This makes them more amenable to training and more likely to adapt to the rigors of military culture. An Army of draftees would so expand the number of recruits that training resources would inevitably be stretched and standards watered down. Meanwhile, scarce resources would be devoted to tens of thousands of temporary soldiers who planned to leave as soon as their year or two of forced service was up.

It's true that such training would help to shape up more young Americans who could use a few weeks of Marine discipline at Parris Island, and if this is what Mr. Rangel has in mind he should say so. But the price would be a less effective fighting force, and precisely at a time when experience and technological mastery are more important than ever in a fighting force.

"The military doesn't want a draft," says Tim Kane, an Air Force veteran and author of the Heritage study. "What the military wants is the most effective fighting force they can field. They want to win wars and minimize casualties. And you don't do that when you're forced to take less-educated, unmotivated people."

What about Mr. Rangel's point that conscription would have made intervention in Iraq less likely? It's impossible to know, but this is a dangerous argument for the future in any case. The main reason for having an effective Army is to deter enemies by making them believe we have the will to fight if we must. Mr. Rangel is saying the U.S. needs a conscript Army precisely to show an adversary we'll never use it. This is a good way to tempt Iran, say, into provocations that could lead to larger conflicts in which we would have no choice but to fight. * * *

Mr. Rangel insists he will reintroduce a draft bill "as soon as we start the new session," but for all of these reasons it isn't likely to go anywhere. In 2004 GOP House leaders scheduled a floor vote on Mr. Rangel's Universal National Service Act, which would have required "all persons" to perform military or civilian service "in furtherance of national defense." The bill lost 402-2, and even Mr. Rangel opposed it.

Inspect Baluchistan (WSJ)

By Ashley Bommer

The Wall Street Journal, November 25, 2006

Hamid Karzai and Pervez Musharraf are arguing about the Pakistani province of Baluchistan. Intelligence sources -- and President Karzai -- say that the Taliban's kingpin, Mullah Omar, is operating out of Quetta, Baluchistan's capital. And he is sending arms and fighters into southwest Afghanistan. No wonder President Karzai is upset. The frontline of the Taliban and al Qaeda insurgency has a backline in Pakistan. But U.S. troops cannot go into Pakistan -- precisely where al Qaeda and the Taliban are. So there is a simple next step: Gen. Musharraf should agree to U.N. inspectors.

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Pakistan continues to challenge the facts. Last month, Gen. Musharraf said, "So, let's nail these people, like President Karzai, who think they are coming from Pakistan. And I am suggesting we will mine the borders. Let anyone who's going from here get into the mines. We will fence the borders. Let's fence the borders."

An independent evaluation of the facts is necessary. The only system in the world that can do this is the U.N.'s Monitoring, Verification, and Inspection Committee (Unmovic). With over 300 experts, it can conduct a comprehensive fact-finding mission in Baluchistan immediately. Their experts, ready to be dispatched, include weapons specialists, scientists, engineers and analysts. They can determine if the Taliban command hubs do exist. They will report back to the international community truthfully. Unmovic's record of independence speaks for itself. At no time, for instance, did it find WMD or the continuation of such programs in Iraq.

Unmovic's mission in Baluchistan will be dangerous. But we cannot continue to sit by idly while al Qaeda and the Taliban gain more control in Afghanistan. International observers will not only deter efforts by al Qaeda and the Taliban, they will verify if Taliban hubs are providing military, financial and propaganda to operatives in Afghanistan. Gen. Musharraf should prove he does not want terrorism to destroy Afghanistan. To do this, he should invite U.N. inspectors to Baluchistan immediately.

Ms. Bommer worked at the U.S. Mission to the U.N. during the Clinton administration.

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Gonzales Defends Detainee Policy In Academy Speech (AFT)

Air Force Times, November 24, 2006

Attorney General Alberto Gonzales told Air Force Academy cadets recently that terrorists will not rise to the example of the U.S. when it comes to treatment of prisoners.

In a lecture on civil liberties and the war on terrorism to about 700 cadets, Gonzales said the U.S. has “rightfully positioned itself in this conflict and other conflicts throughout history as a mature and moral leader — an example to follow,” according to an Air Force press release.

“Yet we know that the fair and humane treatment of the detainees at [the U.S. military’s detention facility in] Guantanamo [Bay, Cuba] will have absolutely no effect on how their confederates treat our soldiers and civilians,” he said.

Gonzales is one of a dozen Bush administration officials named Nov. 14 in a lawsuit brought in Germany by civil rights groups for abuses of prisoners at Abu Ghraib prison in Iraq and at Guantanamo.

The release did not say whether Gonzales addressed the charges made against him and others, including departing Defense Secretary Donald Rumsfeld. Calls placed Friday to the academy press office were not immediately returned.

During his lecture, Gonzales defended the domestic surveillance program that the Bush administration began in secret, saying it is not damaging the civil rights of American citizens.

“It protects citizens from terrorist attacks,” he said. “Critics who say otherwise are perpetuating myths.”

Gonzales was an enlisted airman from 1973 to 1975 before being accepted at the Air Force Academy. He was a cadet from 1975 to 1977 before transferring to Rice University in Houston.

CORPORATE SCANDALS:

Prosecutors Have A Few Options For Pursuing Barge Case (HC)

By Kristen Hays, Houston Chronicle

Houston Chronicle, November 25, 2006

They could take it to high court or choose retrial

Federal prosecutors are pondering their next step after an appeals panel last August threw out fraud and conspiracy convictions against several ex-Merrill Lynch & Co. executives in a 2004 Enron case.

They have asked a judge to waive the men's right to a speedy trial so the government can decide whether to appeal to the U.S. Supreme Court to reinstate their convictions or move forward with a retrial.

Otherwise, a retrial would have to start a few days after Christmas.

"As long as the possibility exists that the government may seek Supreme Court review, it would be impractical to begin trial or hold pretrial proceedings," prosecutors said in a recent court filing.

They want U.S. District Judge Ewing Werlein, who presided over the original case, to schedule a status conference in the case for February next year. The judge has yet to rule.

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The trial of four former Merrill Lynch & Co. executives and two former Enron executives centered on a year-end 1999 sale of power barges moored off the coast of Nigeria to the brokerage so the energy company could appear to have met earnings targets.

The case was the only Enron-related criminal trial to ensnare a chunk of Wall Street, accusing the Merrill executives of participating in a crime to curry favor and gain more lucrative investment banking business from the energy company.

The barge deal was a disguised loan because it went through after ex-Enron finance chief Andrew Fastow assured Daniel Bayly, former head of investment banking at Merrill, that Enron would buy back or resell the barges within six months.

Fastow testified during the criminal trial of former Enron Chairman Ken Lay and former CEO Jeff Skilling earlier this year that he made that promise to Bayly.

Fastow is serving a six-year prison term for orchestrating schemes to cook Enron's books while enriching himself.

Jurors in the barge trial convicted five of the defendants and acquitted one of the Enron executives.

The Merrill defendants appealed, and last August a three-judge panel from the U.S. 5th Circuit Court of Appeals ruled 2-1 to throw out fraud and conspiracy convictions against Bayly, James Brown and Robert Furst because prosecutors used a flawed theory.

Specifically, the panel said the Merrill defendants could not have deprived Enron of their honest services because they didn't rob the company of money or property.

The panel also tossed out fraud and conspiracy convictions against the fourth Merrill defendant, William Fuhs, for lack of evidence.

Perjury and obstruction of justice convictions against Brown were upheld.

The Enron felon, Dan Boyle, didn't appeal and is in prison. The four Merrill defendants each spent a year or less in prison before they were released on bond before or after the August ruling.

The Justice Department has until mid-January to appeal to the Supreme Court. The government also can retry Bayly, Brown and Furst or walk away. Werlein has wiped Fuhs' record clean.

Gary Brown, former special counsel for the Senate Committee on Governmental Affairs in its Enron investigation after the company imploded in December 2001, said it was worth the government's effort to retry the trio for aiding and abetting fraud.

He said banks and brokerages are more likely to refuse to participate in fraudulent deals to please clients if they know they face possible prosecution and prison.

"The thing that gets the attention of corporate executives is watching people go to jail for securities fraud and other kinds of frauds," he said. "All these guys have gone to jail for some period of time, but I can see a lot of merit for going back and retrying it."

A Long Wall Street Fight, Unfinished (WP)

By Alec Klein, Washington Post Staff Writer

The Washington Post, November 25, 2006

Antagonist of Allied Capital Now Accuses Local Company of 'Pretexting'

They call it the Hundred Years' War.

Not because it involves brutish medieval unpleasantries like the battle axe. It involves only the sharp edge of cutting words between a Washington area company and a New York investor in a war of Wall Street that merely feels like it has lasted a century.

In the latest salvo, hedge fund manager David Einhorn has accused Allied Capital Corp., a company that lends money to and invests in private businesses, of fraud. He also suspects that Allied may have broken into his personal records in a mode of corporate espionage called "pretexting." Some unknown party, Einhorn said, illegally gained access to his telephone records and those of other Allied critics. "The only group of individuals with any motive to access my phone records and the records of four other prominent Allied critics is Allied management," Einhorn wrote in a Sept. 15 letter to Allied's board of directors.

Allied denied authorizing someone to use pretexting to access Einhorn's phone records. Rather, it continued its long-standing position that Einhorn has malevolent intent, saying he is trying to spread false information in an attempt to drive down the company's stock price. Einhorn is a well-known short seller of Allied, meaning that he's betting that the company's stock will fall. Short sellers borrow shares and sell them in anticipation of buying the shares later at a lower price, hoping to pocket the profit.

"David's motives are simple. He makes money if he can drive down the price of Allied Capital stock," said William L. Walton, Allied's chairman and chief executive, according to a transcript of the company's earnings conference call with Wall Street analysts on Nov. 8.

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The basic plot of this battle begins in May 2002, when Einhorn told a conference in New York that he was shorting Allied's stock because he believed the company had overvalued some of its assets. Allied's stock price plunged, but then recovered when the company denied wrongdoing and continued paying high dividends to shareholders.

Einhorn and others who questioned Allied's accounting for some of its loans did not go away. They were joined in 2004 by the Securities and Exchange Commission and the Justice Department, which opened inquiries that neither will comment on but appear to be ongoing. Allied disclosed in its latest federal filing that the Small Business Administration's Office of the Inspector General has begun its own investigation into Business Loan Express, the same Allied unit that has drawn the attention of just about everyone else. BLX, as it is known, makes loans backed by the SBA to other businesses.

The SBA and Allied declined comment on the investigations. But Allied did disclose this: It has spent about $4 million this year and $36 million last year in legal and other fees dealing with these investigations.

Einhorn's allegations of pretexting are not the first that have emerged in this long-running feud.

Herb Greenberg, a senior columnist for MarketWatch.com, said that he, too, was a victim of pretexting. Greenberg wrote stories critical of Allied, including a piece that ran on Street.com in 2003 in which he questioned why Allied's BLX unit employed a convicted felon who had served time in prison in 1996 for securities fraud. Allied confirmed that the individual still works in its Richmond office helping borrowers through the lending process, but noted that the company received permission from the SBA to retain him as long as he didn't hold a position where he would be involved in the company's financial affairs.

After his 2003 story, Greenberg said that someone unknown to him opened an online telephone account using his name. "I felt violated," Greenberg said. "It felt like the house had been broken into." This happened long before pretexting emerged as a flashpoint at Hewlett-Packard Co. during revelations that the technology company had conducted a spy operation to ferret out media leaks.

In 2004, someone sought to examine the bank records of retired real estate developer James Brickman, another frequent critic of Allied. "Someone was asking about my deposit history," he said. Charles Gunther, a financial analyst who had written a negative report on Allied before retiring, was also a victim of pretexting but declined to comment.

Allied officials have denied any wrongdoing.

In Einhorn's case, the hedge fund manager first wrote to Allied's board in 2005 that someone pretending to be his wife opened an online account for his long-distance telephone service and "directed the phone company to send copies of our bills to an AOL account." He also accused Allied of inflating the value of its assets and violating other SBA rules.

Einhorn, 38, co-founded Greenlight Capital Inc. about five years after graduating from Cornell University, after being rejected from every PhD program in economics to which he applied. He started with $1 million, including contributions from his parents back home in Milwaukee. Ten years later, he oversees a hedge fund believed to possess more than $4 billion in assets.

A few years ago, Einhorn donated about a quarter-million dollars to a homeless charity as part of a winning auction bid to eat lunch with Warren Buffett. And earlier this year, Einhorn entered the World Series of Poker, winning more than $600,000 against, and then donating the proceeds to the Michael J. Fox Foundation.

His is mostly a private world. Hedge funds, a largely unregulated sector of finance, are commonly misunderstood but rapidly growing. They are private pools of capital, primarily from wealthy individuals and institutions, like endowments, that invest in various securities. Hedge funds often try to produce a profit regardless of market conditions, and they will frequently employ aggressive strategies, like short selling, that are only permitted on a limited basis to more regulated entities like mutual funds.

In its most recent letter to Einhorn on Sept. 29, Allied said it remains skeptical of his motives, given what it described as his "apparent financial motive to depress Allied's stock price." The company underscored that its investments have netted strong returns and its stock is hovering near its 52-week high of $32.26. "Allied Capital's performance over the past five years speaks for itself," said Walton, the company's chief. "Since the beginning of 2002, we have paid almost $11 per share in dividends and the stock has performed accordingly."

Einhorn remains skeptical as well. "We are short because there are problems here; we're not saying there are problems because we're short."

Staff researcher Richard Drezen contributed to this report.

Litigation Nation (WSJ)

By Stephen C. Dillard

The Wall Street Journal, November 25, 2006

For the past three years our law firm has surveyed U.S. corporate law departments to better understand which kinds of disputes keep general counsels awake at night, and which ones are most likely to lead to all-out litigation. We also ask companies how many lawsuits they face and how much of their overall legal budgets they spend on disputes.

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The latest Litigation Trends Survey makes it plain that litigation is now a major feature of the business landscape -- even we were surprised by the volume and scope of legal actions across all major industries and regardless of company size. Consider a few key findings based on reporting by 310 in-house counsel, more than half of whom work for public companies with revenues over $1 billion:

Some 89% of companies report being hit with at least one new lawsuit in the past year, compared with only two-thirds in the 2005 survey. Meanwhile, U.S. companies face an average of 305 lawsuits pending world-wide. For companies with sales of $1 billion or more, the average number of cases jumps to 556, with 50 fresh suits emerging each year for nearly half of these firms. While the majority of actions are in U.S. courts, a third of the respondents said that at least 20% of their litigation now originates in foreign venues.

Some industries are clearly tagged more than others, none more so than insurance, where participants reported a whopping average of more than 1,600 pending cases (although representing a small pool of the survey, insurers are frequently drawn into disputes with policyholders over claims that run from environmental clean-up and hurricane damage to directors and officers liability and more recently, losses due to terrorist acts). Energy companies averaged 364 cases, retail 333, financial services 300, manufacturers 206, and so on across 13 separate sectors. At the lower end, facing fewer than 25 cases per company, were education providers, nonprofits and trade associations -- but even the latter reported an average of four pending lawsuits.

Half of the in-house counsel reported that their companies also faced at least one new arbitration and one new regulatory proceeding in 2005-06. Biggest government instigators? The SEC and OSHA. But state attorneys general are also regular players, as are the FTC, EPA, the FDA and multiple other federal agencies with the power to subpoena. Pharmaceutical companies reported the highest incidence of regulatory scrutiny, followed by energy firms, insurers, retailers and manufacturers. A number of companies faced more than 50 regulatory proceedings.

One byproduct of America's litigation and enforcement culture is the internal investigation. Some 63% of the law departments surveyed said their companies had launched at least one internal probe requiring outside counsel in the past year alone -- more than a quarter of the billion-dollar companies undertook three or more investigations. And our survey was completed before the recent rash of investigations into stock options backdating.

Of course, every lawsuit has at least two sides and our survey reveals how active U.S. business is in playing offense: More than 70% of companies commenced at least one action as plaintiff in 2005-06, and nearly half filed up to five new cases. Manufacturers and retailers were the most frequent plaintiffs: 90% of the companies in both industries initiated at least one suit in the past year. Next in line were real estate and insurance firms. Even a full third of nonprofits filed at least one lawsuit, as did half of the companies with under $100 million in revenue.

Are these statistics a confirmation of America's vicious, tail-chasing lawsuit crisis? Or are they a vote of high confidence in the judicial system as a means of enforcing contracts, safeguarding intellectual property and brand assets, and stopping fraud? It's worth thinking about.

So what is tops on the corporate lawyer worry-list? Securities-related cases may grab the headlines, but more than half of the in-house counsel cited employment as their top litigation concern. The workplace has become a legal minefield over issues ranging from pay and promotion to harassment and discrimination, and claims of wrongful termination. Disgruntled workers are a fact of life, with aggrieved employees quicker to sue than almost any other group -- and disputes over wages and hours can be brought as class actions in many jurisdictions, creating more waves of litigation.

Contract disputes were the second most-cited litigation concern -- old-fashioned, not very sexy, but a time-honored source of business disagreements. From there followed the litany of modern litigation anxieties: IP/patent disputes; personal injury filings; regulatory actions; product liability; toxic torts; and securities and antitrust issues. Only a small percentage of counsel reported dwelling on bankruptcy, real estate or tax problems, although litigation on these issues could increase in the next economic cycle.

What about financial exposure? Many cases on company dockets are mere bagatelles, disputes valued in thousands of dollars. But nearly four in 10 of our respondents were hit with least one $20 million suit in the past year; and for billion-dollar firms, it was almost seven in 10. A number of companies admitted they were looking at least 50 new lawsuits involving at least $20 million, representing more than $1 billion in claims.

Meanwhile, companies report spending an average of $12 million on litigation annually, apart from any judgments or settlements. That compares with only $8 million a year ago, reflecting in part the growth of our sample but also, we think, bigger-stakes cases and better tracking of litigation costs. For some industries -- engineering and insurance -- spending on litigation exceeded $35 million. Especially striking was the portion of overall company legal budgets taken up by lawsuits -- an average of 71%.

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Nevertheless, one of the more curious survey findings is that 94% of U.S. companies reporting said they had at least one legal action currently pending in an American court. To which we feel compelled to inquire, "Who are the other 6%?" Something to explore for next year.

Mr. Dillard is global chair of the litigation department at Fulbright & Jaworski. The full report is online at www.fullbright.com1.

CRIMINAL LAW:

Federal Court To Probe 'Improper Communications' With Reporter (AP)

By Jeremiah Marquez, Associated Press

AP, November 25, 2006

LOS ANGELES – A federal court plans to investigate whether government officials illegally supplied grand jury information in a U.S. military secrets case to a Washington Times reporter.

Court papers show the investigation seeks to uncover a possible source and content of "improper communications" with Times reporter William Gertz for a story he wrote in May.

The order, entered Wednesday by a federal judge in Orange County, comes at the request of a defense attorney for Rebecca Laiwah Chiu, one of five family members indicted in an alleged scheme to send sensitive information about Navy warships to China. The request was joined by the other defendants.

The defense argued Gertz received information about a then-pending grand jury indictment of Chiu and the others on additional charges in violation of grand jury secrecy rules. Some of the charges cited in Gertz's May 16 story are contained in an indictment returned last month.

The story was sourced to "senior Justice Department officials (who) have approved the new charges," court papers said.

U.S. District Judge Cormac Carney said in court papers the alleged violation "triggers the duty of the court to investigate further."

Carney ordered the government to submit a status report by early January on "the investigation it has undertaken to determine whether any government official had improper communications with Mr. Gertz," according to court papers.

The government was also told to report measures it's taking to prevent such communications with the public.

A Justice Department spokesman for the Central District of California did not immediately return a phone message left late Friday. A message left with a The Washington Times communications manager also was not immediately returned.

Chiu is married to Chi Mak, who allegedly took computer disks from an Anaheim defense contractor where he was lead engineer on a sensitive research project involving propulsion systems for Navy warships. Also charged in the case are Mak's brother, Tai Wang Mak, his wife, Fuk Heung Li, and their son, Yui "Billy" Mak.

A federal indictment alleges counts of conspiracy to export U.S. defense articles to China; possession of property in aid of a foreign government; making false statements to federal investigators; and acting as agents of a foreign government, namely China, without prior notification to the U.S. attorney general.

Not all five face the same charges. All have entered not-guilty pleas.

Chiu's attorney, Stanley Greenberg, said he was "pleased to see the court recognizes its duty to investigate." At the same time, he questioned the court's reliance on the government in the investigation.

"I don't think the government has the same motivation that the court should," he said.

The government claims that Chi Mak passed information about U.S. naval technology from his employer to his brother and that his nephew, Billy Mak, then helped encrypt the files onto a CD-ROM computer disk. That disk was found hidden the luggage of Tai Mak and his wife after they were arrested in October 2005 at Los Angeles International Airport as they prepared to travel to Hong Kong and Guangzhou, China, authorities said.

According to the FBI, Chi Mak told investigators his brother was giving the information to a researcher at a Chinese university center that conducts operations research for and receives funding from the People's Liberation Army.

Prosecutors have said previously that authorities recovered from the disk restricted documents on the DDX Destroyer, an advanced technology warship. They also allege that they found lists in Chinese asking Chi Mak to get documents about submarine torpedo technology, electromagnetic artillery systems, weapon standardization, early warning technology used to detect incoming missiles, and defenses used against nuclear attack.

Federal Law No Minor Concern (LVS)

Las Vegas Sun, November 25, 2006

DOJ_NMG_0098566

Justice Department does public, Rep. Jon Porter no favors by turning away investigation

The Justice Department has declined to pursue an investigation into allegations that Rep. Jon Porter, R-Nev., made fundraising calls from his office, a serious charge.

All a Justice Department spokesman would say is that the FBI referred the investigation to the department and it was "declined."

Unfortunately, that doesn't give any indication as to whether there's any truth to the allegation. Former Republican National Committee general counsel Jan Witold Baran told reporter Tony Cook in Wednesday's Las Vegas Sun that the Justice Department "doesn't devote its limited resources to something that is relatively very minor and that is unlikely to occur again."

If those are the reasons for dropping the investigation, that's a shame. We don't consider violations of federal law "minor" - the law carries a penalty of up to three years in prison and a fine of $5,000 - and it shouldn't ever be an issue. Members of Congress know this law well. They are taught to leave federal buildings to make fundraising calls.

The FBI investigation still leaves questions. Jim Shepard, Porter's former scheduler who made the claims, said no one interviewed him about the allegations.

Shepherd says he has a sponsor to take the complaint to the bipartisan House Ethics Committee, which we believe should conduct a full and fair investigation into the matter and release its findings. If he has done nothing wrong, Porter should welcome such action that would clear his name, as the Justice Department probe did not.

Cartoonist Charged After Siege Ends Peacefully (AP)

AP, November 25, 2006

MIAMI, Florida (AP) -- A cartoonist carrying a toy gun that looked real surrendered to police at The Miami Herald's building Friday, more than two hours after arriving and demanding to see an editor of the newspaper's Spanish-language sister paper, police said.

Jose Varela, 50, carried a knife and a black plastic toy gun that resembled a real semiautomatic weapon, police said. He was charged with three counts of aggravated assault with a firearm. He was being held on $22,500 bond, jail officials said.

Varela had problems with El Nuevo Herald, where he worked as a contractor, including its position on Cuban emigres, said Police Chief John Timoney.

He had routine access to the building, officials said.

A police negotiator talked Varela into surrendering peacefully about 2:45 p.m., Timoney said. No injuries were reported.

"Once he calmed down and he realized what he was doing was not appropriate, he decided we would work to bring him out," said police negotiator Serafin Ordonez, who spoke with Varela for 30 to 40 minutes in Spanish. "No one was in danger. He kept repeating that he didn't want to hurt nobody, that he's not a violent person, that he's not a criminal."

Varela told a reporter for The Miami Herald during the incident that he was "the new director of the newspaper."

"I'm here to unmask the true conflicts in the newspaper," Varela told The Miami Herald. "They laugh at exiles here. There are problems with payment."

Varela called attorney Joe Garcia a couple of times from inside the building, Garcia told The Associated Press. Garcia said Varela was concerned about a conflict of interest at El Nuevo Herald.

"All that he wants people to know is that he wants the truth to come out," Garcia said. "I think he needs some time to work some things out."

Varela isolated himself in an editor's office on the sixth floor of the downtown Miami building that houses The Miami Herald and El Nuevo Herald, police said.

Dressed all in black with the letters "FBI" across the back of his polo shirt, he pointed the plastic gun at three El Nuevo Herald employees and demanded to see the newspaper's executive editor, Humberto Castello, police said.

The floor was evacuated, and officers carrying weapons and wearing protective gear set up a perimeter around the building, where evacuees gathered.

News staff remained on the fifth floor to cover the story.

Varela landed on Key West during the Mariel boatlift, in which more than 125,000 Cubans fled the island in 1980. In a December 2004 El Nuevo Herald article, he recalled how drawing got him into trouble as a child.

"I remember that I was always a bad student in school because I would draw cartoons of the teacher. For that, they would remove me from class," he told the newspaper.

It was the second situation involving a gun at the newspaper in the past year and a half. In July 2005, former City Commissioner Arthur E. Teele Jr. fatally shot himself in the Herald lobby after asking to speak with columnist Jim DeFede. Teele had been under investigation for corruption and had just been indicted by a federal grand jury on fraud charges.

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DeFede was fired for recording his telephone conversations with Teele just before the incident without the politician's permission.

News broke in September that eight of El Nuevo Herald's reporters and 29 of its freelancers were paid to work for the U.S. government's Radio and TV Marti networks. The government beams programming into Cuba aimed at undermining the communist government of Fidel Castro.

The Miami Herald and El Nuevo Herald are separate newspapers, but they share an office and are both published by The Miami Herald Media Co. El Nuevo Herald is one of the nation's largest Spanish-language newspapers.

Cartoonist Held After Siege At Miami Paper (WP)

By Peter Whoriskey, Washington Post Staff Writer

The Washington Post, November 25, 2006

Police Negotiator Helps End Standoff After 31/2 Hours; Gun Turns Out to Be Toy

MIAMI, Nov. 24 -- Dressed in camouflage and brandishing what looked like a submachine gun, the cartoonist for this city's leading Spanish-language newspaper strode into the office of the top editor Friday morning and told startled staff, "I am the new executive editor, and that is my new office."

It was not a joke.

The demands of El Nuevo Herald cartoonist JosÃ© Varela to see the editor, with whom he had unspecified grievances over ethics and what he told police were censorship issues, set off a tense 3 1/2 -hour standoff at the offices of the Spanish newspaper and the Miami Herald, which share a six-story building on the northern outskirts of downtown. Executive Editor Humberto CastellÃ³ was not in.

"He said, 'Just bring me the editor,' " said Gus Perez, director of operations for the newspapers, who confronted Varela on the sixth floor. "He said, 'I have 30 rounds.' I said, 'I'm really asking you to point that at the floor,' and he did."

Perez said he had been told that Varela was carrying a "toy gun," and police corroborated that later, saying it resembled a MAC-11. Authorities added that Varela was also carrying a knife.

As Perez spoke to Varela, about a dozen Nuevo Herald staffers were directed to leave the building, Perez said. Scores of other employees had already made it outside.

"When I came back to my office from the cafeteria, I just saw a crowd of people coming toward me saying, 'Get out, get out,' " said Tanya Byng, 43, an accounts manager.

As helicopters hovered, knots of spectators and evacuated employees formed outside the building, though there was some fear that anyone in the vicinity could have become a target.

"If he turns into a sniper suddenly, then we've got a problem," said Detective Delrish Moss, a police spokesman.

Eventually, a police negotiator reached Varela by phone and coaxed him into giving up. No one was injured.

"I just calmed him to the point to where he realized this was inappropriate behavior," said police negotiator Serafin Ordonez.

Varela, 50, was charged with three counts of aggravated assault with a firearm and was being held on $22,500 bond, jail officials told the Associated Press.

He apparently was disgruntled by some ethics issues and the "way the newspaper was being run," Ordonez said. "He's an intelligent man, and he realized this was not appropriate behavior."

According to the Miami Herald, Varela spoke disjointedly. "You are speaking with the new director of the newspaper, and I'm here to unmask the true conflicts in the newspaper," the newspaper quoted Varela as saying. "They laugh at exiles here. There are problems with payment."

The exact nature of his complaints could not be immediately determined.

El Nuevo Herald has undergone repeated upheavals in recent months, most of them involving Cuban American politics and the relationship between El Nuevo Herald and the Miami Herald.

Earlier this fall, El Nuevo Herald fired two writers and a freelancer amid a controversy over reporters working for Radio Marti and TV Marti, which are run by the U.S. government. But then the publisher of the two newspapers resigned, and the three were hired back.

During the standoff, Varela demanded the resignations of CastellÃ³ and Miami Herald Executive Editor Tom Fiedler, according to the Miami Herald.

The Miami Herald building was the scene of gunfire last year, when, in July, former city commissioner Arthur E. Teele Jr. fatally shot himself in the lobby after asking to speak with a Herald columnist. Teele had been under investigation, suspected of corruption and fraud.

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Varela, who was born in Cuba, has been the newspaper's cartoonist for several years. His most recent work appeared Friday. Titled, in Spanish, "The Biggest Sale of the Year," it showed shoe prints going in, presumably to a store, and prints of bare feet coming out.

Standoff At Miami Papers Ends In Cartoonist's Arrest (NYT)

By Andy Newman

The New York Times, November 25, 2006

MIAMI, Nov. 24 — A political cartoonist for the Spanish-language counterpart of The Miami Herald stormed the newspaper building on Friday morning dressed in an F.B.I. shirt and armed with a fake semiautomatic weapon, issued threats against the paper's editor and others and held officers at bay for three hours before surrendering, the police said.

The cartoonist, José Varela, 50, was charged with three counts of aggravated assault, the police said. No one was hurt.

Mr. Varela, a Cuban-born freelancer who until February had worked as a staff cartoonist at the paper, El Nuevo Herald, claimed to be upset about biased coverage of Cuban-Americans in both El Nuevo Herald and its sister paper, The Miami Herald, said the Miami police chief, John F. Timoney.

"One of his demands was he wanted that the truth be told," he said.

The newspapers, which are owned by the McClatchy Company and published in the same building, have been engulfed in Cuban-American politics and intrigue of late.

Last month, The Miami Herald broke the story that some reporters for El Nuevo Herald were also working for and being paid by Radio and TV Martí, the Bush administration's anti-Castro propaganda radio station broadcast to Cuba. Relations between the two papers, often tense, became outright hostile, and the publisher of both papers resigned.

According to The Herald's Web site, Mr. Varela, a Cuban immigrant, demanded the resignations of its executive editor, Tom Fiedler, and El Nuevo Herald's executive editor, Humberto Castelló, accusing him of backing Mr. Fiedler.

This week, Mr. Fiedler accused an op-ed contributor for El Nuevo Herald of "blood libel" for suggesting that a Herald reporter who broke the Martí story had ties to Cuba's spy agency. In an editor's note, Mr. Castelló called the spy claim unfounded.

Mr. Varela was also apparently having personal problems. El Nuevo Herald's Web site said he had recently divorced and told colleagues last week that he had gotten a submachine gun and a sawed-off shotgun because he felt unsafe in his new home in Jupiter, a wealthy town near West Palm Beach.

It was not the first time that a gunman caused havoc at The Herald's boxy tan headquarters on Biscayne Bay. Last year, a former city commissioner facing corruption charges killed himself in the building's lobby after an anguished phone call to a Herald columnist. The columnist was later fired after it was revealed he had taped the conversation.

Around 11 a.m. Friday, the police said, Mr. Varela came to the building, was allowed in by the security desk since he was a frequent visitor, and, once at El Nuevo Herald's offices on the sixth floor, demanded to speak to Mr. Castelló.

"He threw a bunch of papers in the air," said Alejandra Chaparro, a reporter for El Nuevo Herald. "He was demanding that the editor has to take responsibility."

Told that Mr. Castelló was not in the building, Mr. Varela declared, "I am the publisher until Humberto Castelló gets here," The Herald reported on its Web site.

A building security manager, Arturo Le Fleur, told The Herald that Mr. Varela had pointed the gun at him.

Police officers quickly evacuated the building and isolated Mr. Varela on the sixth floor. Two hours of negotiations ensued. Detective Serafin Ordoñez, a police negotiator, said he talked with Mr. Varela about his art, his family and a shoulder injury to try to calm him down.

Mr. Varela also gave a rambling interview to a Nuevo Herald reporter during the standoff. "Somebody has to pay," he said. "Somebody has to do it because this is going be like cleaning excrement. Enough time has passed now that they are mocking the people. So somebody has to pay, and that will be Castelló."

He continued, "How long will I put up with this nonsense of drawing cartoons on Bush and a Fidel Castro dum-dum? The newspaper is much more than that."

Ivette Diaz, a spokeswoman for the paper, declined to say what had precipitated Mr. Varela's change in employment status from staff cartoonist to freelancer in February. She described him as "a jokester."

In a profile on El Nuevo Herald's Web site, Mr. Varela wrote: "I'm a happy man. In spite of that, I cry when I see a movie like the Titanic. Because I don't like sinkings."

Search Underway For Two Boys From Minnesota Reservation (WP/AP)

Associated Press

DOJ_NMG_0098569

The Washington Post, November 25, 2006

RED LAKE, Minn., Nov. 24 -- Dozens of trained searchers took to the woods, lakes and air Friday to continue searching for two preschool-age brothers, missing for two days in the remote Red Lake Indian Reservation in northern Minnesota.

Tristan Anthony White, 4, and Avery Lee Stately, 2, disappeared Wednesday from a yard in a heavily wooded area in the town of Red Lake.

"They were just playing outside the last time I seen them, just playing outside," Alicia White, the boys' mother, told reporters.

She appealed for anyone who knows or has seen anything to come forward.

FBI Special Agent Paul McCabe said authorities are trying to determine whether the boys wandered off or whether foul play was involved.

"We don't have any information that would lead us either way," he said.

Family members said they were preparing for the worst because it has been cold and searchers have found nothing since the boys disappeared. Temperatures were expected to drop below freezing overnight, weather forecasters said.

Hundreds of volunteers on foot, on horseback and in four-wheel-drive vehicles have joined in the search.

In March 2005, the Red Lake reservation was in the news when Jeff Weise, 16, shot and killed nine people before killing himself.

Friday: FBI Offers $20,000 Reward (MINNST)

By Chuck Haga, Star Tribune

Minneapolis Star Tribune, November 25, 2006

As a third day of intensive searching yields no sign of two missing boys on the Red Lake Reservation, their mother pleads for help and the FBI offers a $20,000 reward.

RED LAKE, MINN. -- As the third day of intensive but so-far fruitless searching for her young sons wore on Friday, Alicia White said that she is "prepared for the worst" but still hopeful that Tristan A. White, 4, and Avery Lee Stately, 2, will be found alive and unharmed.

"I'm trying not to think the worst, but it's been so cold out there and people have been searching all over and can't find them," she said.

Flanked by other family members, White pleaded for help from anyone who "knows anything or has seen anything about the whereabouts of my babies," who have been missing since Wednesday morning.

"They were just playing outside," she said. "That's the last I saw them."

The FBI announced a $20,000 reward Friday for information that might help them determine what happened to the boys, last seen about 9:30 a.m. as they played outside their home in the remote, wooded Walking Shield area of Red Lake.

The FBI also brought in more high-tech equipment, including unmanned aerial vehicles that flew over the search area with video cameras rolling to supplement ground searchers, dog teams and members of the Marshall County Mounted Posse.

Also, an airplane with specialized heat-sensing equipment was to do flyovers Friday night, and divers from St. Louis County used radar and underwater cameras to examine a series of small lakes and ponds in the search area.

Despite all those efforts, "As of now, I have no reports of finding anything," FBI special agent Paul McCabe said late Friday.

He said investigators continued to press a two-pronged investigation, trying to determine whether the boys wandered off or whether foul play was involved.

"We don't have any information that would lead us either way," he said. Nobody has reported seeing anything unusual, and searchers have found no clothing, no breaks in pond ice or other signs of what might have happened to the two youngsters.

'Sweetest little boy'

In her first public comments on the disappearance of her boys, Alicia White said that Tristan "loves water, and Avery, he just follows his brother." Smiling, she described Avery as "the sweetest little boy, just lovey-dovey."

She said that Tristan is adventurous and sometimes wandered off when the family lived in Redby, another town on the Red Lake Reservation.

"But we always found him," she said. "This is the first time we didn't find him."

She feels "lost," she said. "My babies are gone out there in the cold by themselves."

Tristan has a medical condition, she said, and he did not take his prescribed medication the morning he disappeared.

The boys' grandfather, Myron Jones, thanked volunteers, law enforcement officers and others who have been searching for the boys.

"I'm praying for the best," he said. "Hopefully, they're safe and will show up."

But he acknowledged a growing fear that the boys were taken.

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"We probably would have found them by now" if they were still in the area, he said.

Lamont White, 8, the boys' older brother, stood with his mother. The boys also have twin 1-year-old sisters. Jeff Stately, Avery's father, and Lisa White, the boys' grandmother, also attended the late afternoon news conference.

"We're holding it together for each other," Alicia White said.

She also thanked the volunteers and other searchers. "It tells us we're not in this by ourselves," she said.

Time a concern

McCabe said that dog teams worked the woods surrounding the boys' neighborhood from 9 p.m. Thursday until about 2:30 a.m. Friday and likely would return to the woods late Friday night.

Temperatures were expected to fall into the upper teens Friday night.

"Time is always a concern whenever you have missing children," McCabe said, especially under such conditions. But searchers' focus continues to be "that the children are alive," he said.

Red Lake police and other officials continued to maintain a roadblock on Walking Shield Road where it joins Hwy. 89 near the main entrance to the reservation. Authorities allowed only registered searchers and neighborhood residents through, and were checking car interiors and trunks. A Red Lake ambulance stood by throughout the day.

The searching Friday was done primarily by professionals, including five dog teams from the Minnesota Search Dog Network and several members of Team Adam, part of the National Center for Missing and Exploited Children.

"They are retired law enforcement professionals, and many are search experts," McCabe said. "One flew in from Alaska. He is the former head of the Alaska state police search team. They also have access to databases."

Also on the scene were 30 members of the Civil Air Patrol, who joined in the ground search. Civilian volunteers included about 45 members of the missing boys' extended family.

"The response of volunteers and the Red Lake Nation as a whole has been overwhelming," McCabe said.

Crying for the babies

The continuing uncertainty over what happened to the boys gnaws at the people of Red Lake.

"People are crying," said Judy Roy, a former tribal secretary. "They're reporting they can't sleep, thinking about those babies.

"As a grandmother myself, I'm crying. Everyone feels like it's their children or grandchildren, and it goes right to the heart."

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Temps Cool As Searchers Look For Missing Boys (MINNST)

By Terry Collins And Chuck Haga, Star Tribune Staff Writers

Minneapolis Star Tribune, November 25, 2006

About 100 trained searchers and law enforcement officers continued to look for the two brothers missing from the Red Lake Indian Reservation, but authorities grew more concerned after temperatures dipped below freezing.

RED LAKE, MINN. -- The search expanded today for two young brothers who went missing Wednesday on the Red Lake Indian Reservation in northern Minnesota.

Additional ground crews and dog teams have joined the effort, which has included personnel from Beltrami, Cass, Itasca, Marshall and St. Louis counties, along with federal and tribal authorities. Searching has done on the ground, by divers and from the air.

More than 100 searchers, a combination of professionals and volunteers, continued to scour the remote Walking Shield area of the reservation, where Tristan A. White, 4, and Avery Lee Stately, 2, were last seen about 9:30 a.m. Wednesday as they played outside their home.

A procession of vehicles went into and out of the search area.

Searchers were dealing with cooler conditions, as temperatures dropped into the 20s, compared with the 40s the day before.

"The weather had been mild, but last night with those kinds of temps that does concern us, if there were children in the woods going into a third night," FBI Special Agent Paul McCabe said.

On Friday, the FBI announced a $20,000 reward for information that might help them determine what happened to the boys.

The agency also brought in more high-tech equipment, including unmanned aerial vehicles with video cameras and an airplane with specialized heat-sensing equipment.

Authorities are taking a two-pronged approach to the investigation, trying to determine whether the boys wandered off or whether foul play was involved.

FBI special agent Paul McCabe said dozens of tips have come into a hotline set up by the FBI on Friday.

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He said several originated from the Twin Cities area.
"We're aggressively pursuing all angles," he said.
The Associated Press contributed to this report.

FBI Sifts Claims For Phillips Reward (BUFFNEWS)

By T.J. PIGNATARO, News Staff Reporter
Buffalo News, November 25, 2006
One couple has also sued State Police union to collect $225,000 for capture of fugitive

FBI officials in Washington are reviewing "several claims" made by individuals who say their help led to Ralph "Bucky" Phillips' capture Sept. 8 in Akeley, Pa.

Determining the merit of claims for the FBI's portion of the Phillips' reward - $100,000 - is a "multitiered, multifaceted process," said local FBI spokesman Paul Moskal.

"This is the public's money, so the FBI wants to make sure . . . these claims are meritorious and not frivolous," Moskal said. "Several people have come forward to make claims for the reward money. They all have different roles, some seem to be more meritorious than others."

Those claimants include Jack and Gloria Young of Warren, Pa., who filed a federal lawsuit against the New York State Police Benevolent Association seeking its $225,000 reward, Moskal confirmed. He did not elaborate on the merits of the Youngs' claim.

Moskal did say, however, that there doesn't appear to be any one claim that directly led to Phillips' capture.

"We haven't encountered a single piece from a single source we'd deem as critical to his apprehension," he said.

Phillips - wanted in connection with the shootings of three state troopers, including one who died - was added to the FBI's "Ten Most Wanted List" Sept. 7. He was captured the next day. His addition to the list made those providing law enforcement with useful information leading to his arrest eligible for a $100,000 reward from the FBI.

Attorneys for the Youngs suggested late last week that they may also pursue action against the FBI, although the federal agency was not named in the lawsuit against the State Police PBA.

The Youngs' lawyers say if not for a phone call placed by their clients reporting a suspicious person on their property late Sept. 7, Phillips would not have been captured the next day.

Troopers PBA President Daniel M. De Federicis said last week that State Police are investigating a few claims for their reward money - including from the Youngs. He suggested the PBA would be looking to the FBI for guidance on its reward disbursements.

Moskal said that FBI officials will share their findings with the PBA to ensure that information received by each agency is consistent.

FBI Unveils Corruption Tip Line (DESERET)

Deseret Morning News, November 23, 2006

On the day that the indictments of three Davis County School District employees were announced, federal agents also unveiled a special toll-free tip line where the public can report suspected corruption by public officials.

"Currently, there are more than 2,000 public corruption investigations pending" nationwide, FBI Special Agent in Charge Tim Fuhrman said.

The FBI's Public Corruption Tip Line, 1-866-50-BRIBE (2-7423), will be made available for residents in Utah, Idaho and Montana who believe public employees or public officials may be involved in corruption. Tips can also be reported via the FBI Salt Lake City Field Office Web site (go to www.fbi.gov and click on the link to the Salt Lake City Field Office).

Davis Parents, Administrators, Seek More Info On Theft Allegations (SLT)

By Nicole Stricker And Pamela Manson, The Salt Lake Tribune
Salt Lake Tribune, November 25, 2006

Why did it take so long to detect a problem, and what needs to happen to prevent such infractions in the future? Davis County parents and administrators face numerous unanswered questions about Wednesday's allegations that a Layton couple stole $4.3 million over five years from Davis County schools that receive federal funding for disadvantaged students - and possibly much more.

"If the allegations are true, it is just sad to me," said Cheryl Werven, a Davis School Board member from Clearfield who represents some of the affected schools. "So much of it was on the front page [Thursday] and I just thought 'Happy Thanksgiving.' " Because the board learned Wednesday of the indictment charging Susan G. Ross, 62, and her husband John

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Ross, 64, with 47 counts of theft, fraud, copyright infringement and other crimes, members haven't yet met to evaluate what they might be able to do to provide more safeguards against fraud. Those discussions, however, are "absolutely" forthcoming, board member William P. Moore of Bountiful said.

Parents seek assurances that the district will act swiftly.

"Holy cow, that's a lot of money. I'm just floored," said Vonnie Dayton, president-elect of PTA South Clearfield Elementary, a school that receives Title 1 funds for schools that serve disadvantaged students. "How could they do that, especially to schools and our

Advertisement

children?" The Davis district first detected something was amiss with its Title 1 programs in spring 2005 after implementing a new review system. Authorities were contacted immediately, said Timothy Fuhrman, special agent in charge of the FBI's Salt Lake City office, which investigated the matter along with the U.S. Attorney's Office, the U.S. Department of Education Office of Inspector General, the IRS and the Farmington Police Department.

The delay in recognizing a problem may be a result of misplaced trust in employees who came up with explanations for discrepancies, Fuhrman said.

U.S. Attorney for Utah Brett Tolman said that trust and a sophisticated scheme helped the defendants cover their tracks over the years. "With that combination, you have the ability to hide" what you're doing, he said.

Susan Ross, who was employed by the district beginning in the 1970s, was director of federal programs before she retired in spring 2005. John Ross is the former Title I specialist for the Utah State Office of Education and worked as a grant specialist for the Davis district from March 2000 to February 2005.

The indictment accuses the pair of selling photocopies of books to schools that receive federal Title 1 funding at vastly inflated prices through an intermediary company, which kept a small percentage of the profit and paid the rest to a company allegedly owned by Susan and John Ross. The $4.3 million represents money allegedly taken from 2000 to 2005, but authorities allege the scam may have begun as early as 1985.

"I feel bad this situation has gone on for so long and just been awful," said Davis School Board Vice President Tamara Lowe of West Point. "It's just a sad, sad situation where money should have been going to student materials and activities rather than someone's pockets." A representative of the largest union representing Davis teachers declined to comment on Friday.

"I didn't know anything about it. I really don't have anything to say," said Susan Firmage, Davis Education Association president. "I don't have any reaction to it at all." nstricker@sltrib.com pmanson@sltrib.com

Sensing You're Too Drunk To Drive (NYT)

The New York Times, November 25, 2006

There aren't many social problems that can be solved with a "technical fix," but drunken driving may be one of the most amenable. Technologies that are already in limited use can lock the ignitions of cars whose drivers have high alcohol levels in their breath, thus preventing them from turning their vehicles into lethal unguided weapons.

These existing technologies and more futuristic devices still under development are the cornerstones of a new phase in the campaign that was announced this week by Mothers Against Drunk Driving. The initial goal, which is backed by associations of state highway officials and car manufacturers, is to have all states do what New Mexico has already done: require that all convicted drunken drivers, even first-time offenders, have devices installed in their cars that measure alcohol in the breath and immobilize the car if levels exceed set limits.

Currently, 45 states, the District of Columbia and most Canadian provinces have laws that require or allow some offenders — mostly those convicted more than once — to install alcohol interlocks on their cars if they wish to drive. Some 100,000 interlocks are in service in the United States.

Restaurant groups are complaining that wider use of the devices would eliminate wine at dinner, beer at ballgames, and other forms of "responsible drinking." But it is hardly responsible for a driver to drink so heavily that the interlock kicks in. Driving is a privilege, not a right. If those convicted of drunken driving want the privilege, they ought to take extra steps to protect the rest of us.

For the future, safety advocates hope to develop passive devices that unobtrusively test all drivers for alcohol, without requiring every soccer mom to blow into a tube every time she gets into a car. Even better would be devices that flash warnings and slow cars at any sign of erratic driving, whether the cause be drink, distraction, fatigue, recklessness or sheer incompetence.

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CIVIL LAW:

Case Tests Federal Supremacy Over Banks (WP)

By Kirstin Downey

The Washington Post, November 25, 2006

The federal government and the banking industry will square off next week in the Supreme Court against all 50 states and the District of Columbia in a mortgage-lending case that could have broad implications for business regulation.

The case, Watters v. Wachovia Bank, focuses on the lending industry. But the broader question it addresses is whether federal regulators can essentially tell state regulators to go away. It's a debate over what is called "preemption." How the court resolves the dispute could affect many other industries.

For more than two decades, states have regulated the mortgage-lending practices of state-chartered subsidiaries of national banks. The parent national banks are regulated by a federal agency, the Office of the Comptroller of the Currency. In 2001, the OCC ruled that state regulation was improper, saying that under federal law those lenders should be overseen by the federal government.

Some states regulate lending matters not covered by OCC rules. For example, Maryland is among the states that set limits on mortgage prepayment penalties.

In 2003, Charlotte-based Wachovia Bank decided that it wanted to be regulated solely by the OCC. It told the states where it runs mortgage lending companies that those firms would no longer register with state officials or abide by local rules.

Many national banks have criticized the patchwork of local regulation intended to stop predatory lending. Other banks have also announced their intention to seek regulation by the OCC alone. They say the proliferation of state and local regulations makes it almost impossible to standardize business practices to maximize efficiency, driving up the cost of mortgage loans and making the banks wary of entering communities with strict lending rules.

Linda A. Watters, Michigan's insurance and financial services commissioner, protested Wachovia's decision. Michigan and the other states say they provide consumers with better protection against predatory home mortgage practices than does the OCC. They say the banks prefer OCC regulation because it is friendlier to them and because the federal agency focuses on whether the banks are protecting investors and depositors instead of borrowers.

Wachovia sued Michigan, asserting that the National Banking Act of 1864 gives federal regulators supremacy over state laws. Wachovia won on the District and Circuit Court levels. Other banks similarly prevailed against state regulators in lower and appellate courts. Michigan appealed.

The Supreme Court took the unusual step of agreeing to hear the case, although the lower courts had agreed to grant control to the OCC. The high court seldom hears cases in which lower-court judges have been unanimous in their rulings. Now both sides wonder what the justices' decision to take the case may mean: Will they approve the preemption practice or overturn it?

The first clues are likely to emerge Wednesday, when oral arguments in the case are scheduled. Both sides have mustered support for their viewpoints.

The brief on behalf of all the major banking trade groups, including the American Bankers Association and the Mortgage Bankers Association, was co-written by John D. Hawke Jr., who was comptroller of the currency when the 2001 rules were drafted, and Theodore B. Olson, U.S. solicitor general from 2001 to 2004.

"We hope it's a signal to the court that the banking industry is unified in where we think this case should come out," said Gregory F. Taylor, associate general counsel for the American Bankers Association.

Other businesses say the issue affects them, too. "The power of Congress (either directly or through administrative agencies) to preempt state and local law is vitally important to business and to the national economy," the U.S. Chamber of Commerce wrote in its brief. "Accordingly, the Chamber and its members have a substantial interest in ensuring that this Court properly resolves the issues raised in this case."

Another brief in Wachovia's support, co-written by libertarian law professor Richard A. Epstein, asserts that tighter rules on mortgage lending can make loans more expensive and less available, as lenders leave markets or adjust rates to reflect higher costs.

The preemption issue has attracted the attention of many prominent jurists and legal scholars. At an American Enterprise Institute conference in April attended by former special prosecutor Kenneth W. Starr and appellate court judges Douglas H. Ginsburg and Stephen F. Williams, Epstein and other scholars proposed that other industries could also eek federal preemption from state and local laws.

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Many states set their own rules on such issues as auto emissions and safety, workplace standards and product safety.

Michigan's side also has many supporters. Michelle Aronowitz, deputy solicitor general in the office of New York State Attorney General Eliot L. Spitzer, wrote the brief that was co-sponsored by the 49 other states, the District and Puerto Rico. It is rare for so many states to support a particular legal position, but they were eager to do so, said Dan Schweitzer, Supreme Court counsel of the National Association of Attorneys General.

"One of the roles of state AGs is protecting their consumers, and what the OCC has been trying to do is prevent state AGs from doing that with respect to a very important [group] -- state-chartered mortgage lenders that happen to be owned by banks," Schweitzer said.

The OCC "has a long history of siding with the industry," said John Ryan, executive vice president of the Conference of State Bank Supervisors, which supports Michigan. Sharing that view are a dozen consumer advocacy groups, which wrote in their brief that the banks are seeking to shelter themselves under the OCC, which they say "has shown little interest in ensuring fairness to consumers." Lenders say the OCC handles consumer complaints quietly, without prosecution, often solving the problems more quickly.

The case comes to a head in a changed political landscape. Last year, a three-judge panel of the U.S. Court of Appeals for the 6th Circuit ruled in Wachovia's favor. Judge Boyce F. Martin Jr. wrote for the unanimous panel that federal law gave the OCC power to regulate banks, but he noted that "Congress has not spoken precisely to the issue."

The Democratic victories in the midterm elections, however, may bring the issue to the fore in Congress. Rep. Barney Frank (D-Mass.), who is expected to become chairman of the House Financial Services Committee, which oversees banks, has sponsored legislation that would limit the OCC's reach over state consumer protections.

CIVIL RIGHTS:

FBI Will Investigate Polk County Shooting (CFNEWS13)

Central Florida News 13, November 25, 2006

The FBI will investigate whether authorities used excessive force when they shot a fugitive 68 times after he fatally shot a Polk County sheriff's deputy.The Justice Department made the request to the FBI on Friday, after the Florida Civil Rights Association filed a complaint alleging authorities showed disregard for human life when they shot Angilo Freeland after an all-night manhunt. A total of more than 100 shots were fired at Freeland, with 68 finding their target.

David Allred, deputy chief of the Justice Department's criminal section, said in a letter to the civil rights group that action will be taken if events occurred that violated federal law.

The FBI would be the sixth agency to investigate the shooting.

Police say Angilo Freeland shot and killed Deputy Vernon Matthew Williams, a 39-year-old father of three, and his K-9 partner, Diogi, during a routine traffic stop in September. He also shot Deputy Doug Speirs in the leg and tried to shoot two other officers.

FBI To Investigate Manhunt Shooting (AP)

AP, November 25, 2006

ORLANDO -- The FBI will investigate whether authorities used excessive force when they shot a fugitive 68 times after he fatally shot a Polk County sheriff's deputy, a spokesman for the bureau said.

The Justice Department made the request to the FBI after the Florida Civil Rights Association filed a complaint alleging authorities showed disregard for human life when they shot Angilo Freeland after an all-night manhunt.

“In cases where the DOJ refers a case to the FBI, we will conduct the appropriate investigation,” FBI spokesman Richard Kolko wrote in an e-mail. “The results will then be provided back to DOJ for their review and further action if warranted.”

A spokeswoman in the FBI’s Tampa office, which would handle the investigation, did not immediately return a phone call for comment Friday.

David Allred, deputy chief of the Justice Department’s criminal section, said in a letter to the civil rights group that action will be taken if events occurred that violated federal law.

Allred said the letter was a standard response to civil-rights complaints.

“We are determined to see an objective review of this matter,” J. Willie David III, president of the civil-rights group, said. “Shooting anyone 110 times is more than a little extreme. We live in America, and that kind of atrocity cannot be condoned here.” cm-bd

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The FBI would be the sixth agency to investigate the shooting, which is already being reviewed by the Florida Department of Law Enforcement and the Polk State Attorney's Office.

Polk County Sheriff Grady Judd said Thursday he was "completely comfortable" with the scrutiny.

"Freeland had every opportunity to turn himself in and would have been taken into custody without a single bullet fired, even after he ambushed my deputy . . . He's the one who chose to end that situation, not us," Judd said.

Police say Freeland shot and killed Deputy Vernon Matthew Williams, a 39-year-old father of three, and his K-9 partner, Diogi, during a routine traffic stop Sept. 28. He also

Justice Dept. Probes Shooting Of Suspected Cop Killer (WESH)

WESH-TV, NBC 2, Orlando, FL, November 25, 2006

ORLANDO, Fla. -- The U.S. Department of Justice is investigating the shooting death of a man accused of killing a local deputy.

Polk County Deputy Matt Williams was shot to death on Sept. 28, and officers from around Central Florida spent 22 hours looking for his killer, causing schools and neighborhoods to be locked down.

When officers found the suspected shooter hiding in the woods the next morning, he was hit with nearly 70 bullets, WESH 2 News reported.

The sheriff said they stopped shooting when they ran out of bullets.

The Justice Department will investigate whether the Polk County Sheriff's Office SWAT team used excessive force when it fired 110 rounds at Angilo Freeland, hitting him 68 times.

The probe comes at the request of the Orlando-based Florida Civil Rights Association.

"There could have been a possibility that this person could have surrendered without any unnecessary force," said the group's president J. Willie David.

After the shooting, Polk County Sheriff Grady Judd said the force was necessary to make sure the suspected drug dealer accused of shooting and killing Williams and his police dog Diogi wouldn't harm anyone else.

"We weren't going to take any chance," Judd said.

They said Freeland was armed with Williams' gun when they found him hiding in the woods.

"Ladies and gentlemen, God will be the judge and the jury this time," Judd said.

After the shooting, Freeland's mother also called for an investigation.

"All we want is for all the questions surrounding why this happened to be answered," Joyce Freeland said.

The FCRA said it in no way condones the killing of the deputy, but the organization wants the FBI to determine whether the SWAT team's use of force was possibly criminal overkill.

"Out of the 10 SWAT team members out there, only nine fired. We got one here that made a decision not to fire. One of the things hopefully the Justice Department and FBI can get that answered (is) why he didn't fire," David said.

A Justice Department spokesman said if a violation of criminal civil rights statutes occurred, appropriate action will be taken.

A spokeswoman for the sheriff's office said they've done their own investigation and turned it over to the state attorney's office. She said they have no comment about the pending federal probe.

Feds Want FBI To Study Shooting By Polk Deputies (ORS)

By Rebecca Mahoney, Sentinel Staff Writer

The Orlando Sentinel, November 25, 2006

The U.S. Department of Justice is asking federal investigators to determine whether Polk County deputy sheriffs violated Angilo Freeland's civil rights when they shot him 68 times after Freeland gunned down a deputy and wounded another.

The request came in response to a complaint filed by the Florida Civil Rights Association, an Orlando-based organization that alleges the deputies used excessive force and showed disregard for human life when they fired 110 rounds at Freeland during a Lakeland-area standoff in September.

In a letter sent to J. Willie David III, president of the civil-rights group, the Justice Department agreed to forward the case to the Federal Bureau of Investigation and pledged a thorough review of the incident.

"You can be assured that if the evidence indicates a prosecutable violation of federal criminal rights statutes occurred, appropriate action will be taken," wrote David Allred, deputy chief of the Justice Department's criminal section.

It is not clear whether the FBI has the authority to decline to investigate. Reached at his Maryland home Thursday afternoon, Allred could not immediately recall the Freeland case and said the letter was part of the Justice Department's standard response to civil-rights complaints.

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"I probably write 20 of those letters a day," he said.

The FBI would be the sixth agency to investigate the shooting. Among others, the case also is being reviewed by the Florida Department of Law Enforcement and the State Attorney's Office in Polk, standard procedure in police-involved shootings in Polk County.

But the possibility that the nation's highest law-enforcement agency may get involved didn't faze Polk County Sheriff Grady Judd, who said Thursday that he was "completely comfortable" with the scrutiny and that his deputies had nothing to apologize for.

"Freeland had every opportunity to turn himself in and would have been taken into custody without a single bullet fired, even after he ambushed my deputy. . . . He's the one who chose to end that situation, not us," Judd said. "There are those that want to be critical, but they weren't there that morning. They weren't facing the armed killer that my deputies faced that day."

Police say Freeland shot and killed Deputy Vernon Matthew Williams, a 39-year-old father of three, and his K-9 partner, Diogi, during a routine traffic stop Sept. 28. He also shot Deputy Doug Speirs in the leg and tried to shoot two Lakeland police officers, Judd said.

Freeland was shot and killed 22 hours later during a massive manhunt after he waved a gun and refused to surrender to nine SWAT team members.

David, who tipped off the media to the development Thursday, called the Justice Department's request a "victory for transparency."

"We are determined to see an objective review of this matter," David said. "Shooting anyone 110 times is more than a little extreme. We live in America, and that kind of atrocity cannot be condoned here."

But Judd criticized David for releasing the document on Thanksgiving, saying it was a slap in the face to the families of the slain and wounded deputies.

"On a day when my Deputy Williams should be celebrating Thanksgiving with his family, they send letters out like this," he said. "It's a real low blow."

Rebecca Mahoney can be reached at rmahoney@orlandosentinel.com or 386-851-7914.

Probe Sought In Police Shooting Of Woman (AJC)

By Bill Montgomery, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, November 25, 2006

An Atlanta civil rights activist is calling for a federal investigation into the fatal shooting by Atlanta police of a 92-year-old woman during a drug raid at the woman's home.

Police contend they wanted to search Kathryn Johnston's house because an undercover drug purchase had been made there earlier on Tuesday, the day of the shooting. Johnston wounded three officers, emptying a six-shot revolver before being shot to death, police said.

The Rev. Markell Hutchins, the civil rights activist, said he will deliver a letter to the Justice Department on Monday urging the agency to investigate "what we believe are at worst, gross violations of this woman's life, and at best, poor judgment on the part of the police officers."

Hutchins said he talked Friday morning with police Chief Richard Pennington, who was out of town when the shootout occurred.

"His officers should have known at a minimum who was living in that residence before they went in there with guns blazing," Markell said.

Johnston was a frail woman who lived behind burglar bars at a home owned by her niece.

Police contend they obtained a no-knock search warrant for the Neal Street house after buying drugs Tuesday afternoon from a man inside the home.

The no-knock warrant is frequently used in suspected drug cases because police believe their surprise entry into a home prevents drug dealers from flushing or destroying the evidence. In this case, the warrant did not name a person, referring only to a "John Doe, aka Sam," the standard reference when a person's name is not known, police said.

The Atlanta Journal-Constitution has been unable to independently confirm the police account about the need for the no-knock warrant because it has not been able to view the sworn statement that police provided to a judge to obtain the warrant.

State Court Administrator Stefani Searcy refused again Friday to release the documents, even though they are public records subject to immediate disclosure under Georgia law. Searcy has cited "office policy" as her reason for withholding the information.

Assistant Chief Alan Dreher has maintained police seized drugs from Johnston's home, but he has not said what the drugs were or where they were found.

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Police said they knocked on Johnston's door about 7 p.m. before pulling off the burglar bars and knocking down the front door.

Dreher said Johnston should have recognized the men as officers even though they were not wearing uniforms. He said all three wore bulletproof vests that had the word "police" across the front and back. He said they shouted they were police as they burst through the door.

Johnston met the narcotics investigators with gunfire, police said. Medical examiners said she was shot twice in the chest and in extremities.

The three officers are recovering from their wounds and are on leave with pay until the investigation is complete. The police department said its internal affairs unit would investigate the shooting. The Georgia Bureau of Investigation also is reviewing the incident.

Fulton County District Attorney Paul Howard also has vowed to investigate. He said a preliminary review of the Johnston shooting indicated that the officers "had a legal right" to search the home.

Hutchins wants more.

"Clearly, the police had a right to exercise a search warrant. I intend to ask the Justice Department to determine, did they have sufficient evidence for a no-knock warrant. What evidence did they have? That's what the community needs to know."

On Friday on Johnston's block, which is just off Joseph P. Lowery Boulevard, residents still buzzed about what had happened. Police have described their suspect as 6 feet tall and 250 to 260 pounds.

Nobody seemed to know a man by that description from the neighborhood. Some expressed doubts about the police account of what happened. "I think that's just something they made up," said Curtis Mitchell, Johnston's longtime neighbor.

Four days after the shooting, yellow police tape still surrounds Johnston's home, where a memorial of flowers and stuffed animals rests at the edge of her lawn.

Johnston's home is attracting visitors -- those who want to see the location of what has become a national story in hopes of making the senseless somehow make sense.

"Is this the house?" Willie Stone, 74, asked from his car. He said he hadn't been in the neighborhood in 50 years. The last time was to visit a woman he was dating.

"I was just coming to see it," said Stone, who lives in the city's Collier Heights neighborhood. "I've got my doubts about what happened."

Tabitha Crowder, who lives nearby, also came over to catch a glimpse. "We just walked past just to see," Crowder said. "It's so sad and hurtful."

Staff writer S.A. Reid contributed to this article.

U.S. Inquiry Is Sought In Killing Of Woman, 92 (AP)

AP, November 25, 2006

ATLANTA — A civil rights activist representing the family of an elderly woman killed in a gunfight with police is calling for a federal investigation into her death.

The Rev. Markel Hutchins will go to Washington on Monday to deliver a letter to Attorney General Alberto Gonzales requesting that the Justice Department and FBI review the shootout, Hutchins said in a news release Thursday.

Kathryn Johnston, who police said was 92, was killed Tuesday evening by narcotics agents. Authorities said the agents got a search warrant for her home after buying drugs from a man there that afternoon.

Police said the plainclothes agents identified themselves, but when they knocked down Johnston's door, she opened fire and injured three of the officers.

All are expected to recover.

"This horrific incident has all the signs of an egregious violation of Ms. Johnston's civil and human rights at worst and police officers using poor judgment and unnecessary force at best," Hutchins said.

Johnston's neighbors and relatives have called the raid a case of mistaken identity. Her niece said there were no drugs in the home.

Fulton County District Attorney Paul Howard said his office has begun its own investigation but said a preliminary review of the case shows the officers had a legal right to search the home.

State Has Yet To Test Slavery Statute (LAT)

By Garrett Therolf, Times Staff Writer

The Los Angeles Times, November 25, 2006

DOJ_NMG_0098578

No human trafficking cases have been tried since the law went into effect nearly a year ago. It's too difficult to prove the crime, police say.

When Westminster police raided the apartment, they were convinced they were freeing the eight women inside from modern-day slavery.

Police said the women had agreed to come to the United States from villages in Malaysia and Singapore on vague promises of a better life, but instead found themselves forced into prostitution.

Their pimps seized their passports and kept the women locked in a series of bleak apartments, with video cameras monitoring their movements and furniture barricading the doors. On the rare occasions the women were allowed outside, police said, it was with an escort.

Cases like this one prompted California last year to become the first state to enact a federally drafted law cracking down on human trafficking. Despite some well-publicized cases, authorities said existing law did not provide the legal tools to fight the crime, instead forcing them to use other charges, which often carry little or no jail time.

When Gov. Arnold Schwarzenegger signed the bill into law amid much fanfare and with the hope that it would become a national model, he said it would help put an end to "a horrific crime that our society cannot abide."

But in the 11 months since the law went into effect, not a single human trafficking case has been prosecuted, according to the law's sponsor, Assemblywoman Sally Lieber (D-Mountain View). Police complain the law makes it too difficult to prove that human trafficking has taken place.

The problem is that seldom is the evidence black and white. Were the workers being kept against their will, or were they enduring their hardships willingly as a step up the economic pecking order?

Another problem is persuading people to tell their stories of involuntary servitude. Authorities said victims often fear police because of bad experiences in their homelands and because their captors have told them their families would suffer retaliation if they talked.

"We certainly can see that the fear [on the part] of immigrants particularly has been even deeper than we expected," said San Francisco Dist. Atty. Kamala D. Harris, a co-sponsor of the law. "We can't get around the fact that the new law is being underused, but there is great promise."

On the other hand, Sally Thomas, a Los Angeles County deputy district attorney who helped draft the law, doubts it will be used extensively. "We often find it's more appropriate to bring kidnapping, false imprisonment or extortion in these cases," she said. "The statute is a very narrow statute…. Our expectations should not be extremely high."

Lawmakers believed the law was particularly important in California's immigrant communities, the sites of several well-publicized cases over the last decade. The U.S. Justice Department estimates that 17,500 people are enslaved in the nation's fields, factories and brothels, with a disproportionately large share in California, although the department acknowledges the figure may not be completely reliable.

This year, an Irvine couple were convicted in federal court of keeping a young Egyptian girl as their domestic slave. In 1995, authorities freed 71 Thai workers held behind razor wire in an El Monte sweatshop. The problems there had been reported to police two years earlier by Win Chuai Ngan, a worker who had escaped, but authorities found his story hard to believe.

A Justice Department report said the criminal rings that bring these workers to the United States have a more lucrative business than drug traffickers because of the low cost of slave labor and the small risk of getting caught.

When the state law passed — providing penalties of three to five years in prison and four to eight years if the victim is a minor — detectives dramatically stepped up their investigations, helped by federal grants aimed at fighting the trafficking rings.

The LAPD received more than $450,000, and an Orange County task force received $200,000, some of which it used to hire a liaison to teach local government and nonprofit agencies how to spot signs of trafficking.

The money also went to pay for investigations involving sophisticated surveillance equipment and informants and to pay detectives.

Westminster Police Lt. Derek Marsh leads the city's detective squad in Orange County's Little Saigon, a community believed to be a landing strip for human traffickers. In February, detectives were told by informants that a massage parlor advertising young Asian masseuses on Vietnamese and Chinese websites was a front for a brothel that enslaved prostitutes.

The detectives followed leads to Monterey Park and Rosemead, and learned that it was a sophisticated operation that moved almost monthly to avoid detection.

The women spoke no English and never saw anyone but pimps and johns, Marsh said. They often didn't use condoms.

By the time police raided the San Gabriel Valley operation in August, the eight women had worked in the two cities for as long as three years. They were paid $130 per john, and they split the money with their pimps, police said.

Five men were arrested as alleged brothel operators. A sixth suspect was believed to be recruiting additional women in Malaysia, police said.

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Police said only one woman would speak to them. Marsh said she told a chilling story of forced labor and abuse.

"This is the best, most convincing case we have found," he said.

The Los Angeles district attorney's office felt otherwise.

"They really weren't being held against their will," prosecutor Marcia Daniel said. "Only one woman was willing to be truthful, and she made it abundantly clear that she did the work willingly. I don't think anybody enjoys it, but there's so much money involved."

Prosecutors charged the five men with pimping and pandering. They are awaiting trial. The women were not charged, and they are being held as potential witnesses and for review of their immigration status.

The Los Angeles district attorney has come close to prosecuting only one other trafficking case, involving a woman accused of forcing a homeless teenage girl into prostitution. The district attorney initially filed human trafficking and pimping and pandering charges but later dropped the trafficking charge.

Even the bill's author is surprised about the unexpected roadblock.

"We went through a lot of difficulty to get this bill passed, so it's obviously difficult to hear that the law is not being used more," said Lieber, who hopes to find ways to improve the law, the first felony added to the California penal code since 1999.

An important part of the trafficking law, its supporters said, can help persuade victims to cooperate. If there is a conviction, it allows victims to sue their captors for back wages, receive housing and medical assistance, obtain legal residency and receive job training and small-business loans.

Federal authorities are struggling with their law as well. The federal statute was passed in 2000, but there have been few convictions. Federal authorities say local authorities have more people to root out these cases and encouraged passage of the state law.

The Justice Department has expressed disappointment with its own progress, reporting in September that only 122 laborers and prostitutes qualified for victim benefits, 14 fewer than in the previous year.

Those benefits can provide a happy ending to workers' hardships.

Two examples are Win Chuai Ngan and his wife, Sokanya Sutthiprapha, who were among those freed from the El Monte sweatshop. With loans and training from the nonprofit Thai Community Development Center, they opened two Thai restaurants and a spa.

In the meantime, the women in the Westminster police case will be deported once the pimping and pandering trial is over.

Marsh predicted that some of their families will reject them, and that they will go back to working as prostitutes, perhaps for the same organization.

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Officials: New Calif. Law Toothless Against Human Trafficking (AP)

AP, November 25, 2006

A law passed nearly a year ago to help curb human trafficking in the state still has never been used to prosecute those suspected of enslaving immigrants, proponents of the bill said.

Gov. Arnold Schwarzenegger said he hoped the bill would be a national model in countering modern day slavery when he signed it into law last year. The bill, he said, would end "a horrific crime that our society cannot abide."

But authorities say the law makes it too difficult to prove immigrant workers were being held against their will, one of the criteria for classifying victims of human trafficking. Investigators also said victims often are reluctant to testify against their captors for fear of retaliation against family abroad, making it difficult to build a case.

"We certainly can see that the fear (on the part) of immigrants particularly has been even deeper than we expected," said San Francisco District Attorney Kamala D. Harris, a co-sponsor of the law.

Some 17,500 immigrants are enslaved in U.S. brothels, farms and factories - with a large share in California, according to rough estimates by the U.S. Justice Department.

Harris maintains the state law will be a valuable tool in cutting down on human trafficking in the future. It provides penalties of three to five years in prison for traffickers - four to eight if the victim is a minor. And an increase in California investigations after the law passed has led to tens of thousands in federal grants for local authorities.

Los Angeles County deputy district attorney Sally Thomas, however, is less confident the new law will be used often.

"We often find it's more appropriate to bring kidnapping, false imprisonment or extortion in these cases," said Thomas, who also helped draft the law.

Local detectives who in August uncovered a brothel staffed by Asian immigrants in Orange County's Little Saigon - an area believed to be a center of human trafficking - hit a wall when they tried to present a case to the Los Angeles district attorney's office, Police Lt. Derek Marsh said.

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Prosecutors were unwilling to try the case under the state law despite suspicions that one suspect was recruiting women from Malaysia and a prostitute's statements about forced labor and abuse, Marsh said.

"This is the best, most convincing case we have found," he said.

Prosecutor Marcia Daniel said, however, there was no evidence the women had been enslaved.

"I don't think anybody enjoys it, but there's so much money involved," Daniel said.

Five men were charged with pimping and pandering, but not human trafficking.

Assemblywoman Sally Lieber, a Democrat from Mountain View and author of the bill, said she was disappointed it has not been used.

"We went through a lot of difficulty to get this bill passed, so it's obviously difficult to hear that the law is not being used more," she said.

A federal law against human trafficking passed six years ago also has reaped few convictions. Federal officials hoped local authorities would be better equipped to investigate trafficking and encouraged passage of the state law.

Massachusetts Governor Sues To Compel Vote On Same-Sex Marriage Amendment (NYT)

By Katie Zezima

The New York Times, November 25, 2006

BOSTON, Nov. 24 — Gov. Mitt Romney filed a lawsuit Friday asking the state's highest court to order the legislature to vote on a constitutional amendment banning same-sex marriage or to place it on the 2008 ballot if lawmakers do not take up the provision.

The legislature voted 109 to 87 on Nov. 9 to recess a constitutional convention before the measure was taken up, which appeared to kill it. The convention was recessed until Jan. 2, the last day of the legislative session.

More than 170,000 people have signed a petition asking the legislature to amend the state's Constitution to prohibit same-sex marriage. Massachusetts is the only state that permits it.

Mr. Romney, a Republican who did not seek re-election but is considering running for president, announced plans to file the lawsuit at a rally of same-sex marriage opponents on Sunday. The next day he sent a letter to the 109 lawmakers who had voted to recess, saying they were "frustrating the democratic process and subverting the plain meaning of the Constitution" by refusing to vote.

The lawsuit, filed by Mr. Romney, acting as a private citizen, and 10 other opponents of same-sex marriage, said the legislature had a "legal duty to act" on citizen petitions but had relied on procedural devices to "avoid a vote and evade its constitutional duties." The legislature recessed before voting on the measure two other times this session.

The suit named the Senate president, Robert E. Travaglini, saying he had "failed to carry out his ministerial duty to require final action" on the petition. A spokeswoman for Mr. Travaglini, a Democrat, could not be reached for comment.

The suit asks the Supreme Judicial Court to "step into the constitutional breach" and direct Secretary of State William F. Galvin, also named in the suit, to place the amendment on the 2008 ballot if the legislature does not act.

Fifty of 200 legislators must vote in favor of the constitutional amendment in this session and in the next one for it to appear as a referendum on the 2008 ballot. Both sides have said the amendment has enough support to advance to the next session.

In a statement, Kris Mineau, the president of the Massachusetts Family Institute, which circulated petitions for the amendment, applauded the lawsuit. Mr. Mineau said that the recess was a "deliberate effort by those in the legislature to kill the marriage amendment" and that the legislature had failed to "afford the citizens a fair up or down vote."

Gary Buseck, legal director for Gay and Lesbian Advocates and Defenders, which won the lawsuit that led to the legalization of same-sex marriage before the same court, called the lawsuit frivolous.

"I can't see any way in which this lawsuit has any merit whatsoever," Mr. Buseck said. "The bottom line is, the legislature acted in accordance with its rules and the Constitution and did the right thing to protect the now-declared constitutional rights of same-sex couples to marry. There's no getting around that."

Lawrence M. Friedman, a specialist on Massachusetts constitutional law at the New England School of Law, said the court must decide if the State Constitution requires the legislature to vote. Professor Friedman signed a brief supporting same-sex marriage in 2003 but has not been involved in the issue since then.

"This case is not about same-sex marriage," he said. "This is a case, first, about what the legislature is required to do, and second, if there is anything the court can do about it.

"It's not at all clear to me how this is something the court can remedy. It doesn't seem likely to me the court will order the legislature to take a vote or subvert constitutional procedures and just put it on the ballot."

Mass. Gov. Romney Asks Court To Force Gay Marriage Question Onto 2008 Ballot (AP)

DOJ_NMG_0098581

AP, November 24, 2006

BOSTON (AP) — Gov. Mitt Romney asked Massachusetts' highest court Friday to force a proposed anti-gay marriage constitutional amendment onto the state's 2008 ballot if the Legislature fails to vote on it.

The Republican governor, a fierce opponent of gay marriage and a possible presidential contender, filed the request with the Massachusetts Supreme Judicial Court after lawmakers put off acting on the question until January. The high court ruled 4-3 in 2003 that the state could no longer deny marriage licenses to gay couples.

Romney has said the state Constitution requires legislators to vote on whether the measure should go on the ballot. If they don't vote when they return Jan. 2, the last day of the legislative session, the court can order the secretary of state to put it on the 2008 ballot, Romney argues.

The postponement of legislative action was widely seen by supporters and opponents of gay marriage as a way to kill the measure.

Backers of the question, which would define marriage in Massachusetts as the union of a man and a woman, gathered more than 170,000 signatures of people.

Opponents of the question, including powerful House Speaker Salvatore DiMasi, feared they didn't have the 151 votes needed to kill the measure and instead called for a vote to recess the joint House-Senate session until Jan. 2. Lawmakers approved the recess vote by 109-87.

Since gay marriage became legal, more than 8,000 same-sex couples have tied the knot in Massachusetts, the only state to allow gay marriage. The ballot measure would ban future gay marriages in Massachusetts but leave existing ones intact.

Romney, who opted not to run for a second term as governor this year, is nearing a decision on whether to seek the 2008 Republican presidential nomination.

Bishops Stand Firm On Birth Control (WP)

By Tim Townsend

The Washington Post, November 25, 2006

ST. LOUIS -- It has been so long since most U.S. Catholics have even debated the moral implications of contraception that statisticians no longer regularly ask them what they think of birth control.

Recent poll numbers are scarce, but those that exist suggest that about 90 percent of U.S. Roman Catholics ignore their church's teaching on contraception.

"When it comes to that particular tenet of faith, it's a lost cause in America," said Tom Smith, a senior research scientist with the National Organization for Research at the University of Chicago.

But Catholic Church teaching doesn't change based on statistics, even if that teaching is ignored for a couple of generations.

"The Catholic Church articulates what we believe to be true, and we don't stop believing what's true because it's statistically unpopular," Bishop Edward Braxton of Belleville, Ill., said recently at the fall meeting of the U.S. Conference of Catholic Bishops in Baltimore. "We are countercultural in that sense."

Somewhat lost in reports from the meeting was the approval of a new document from the U.S. church's anti-abortion committee aimed at young Catholics who are engaged or recently married. Called "Married Love and the Gift of Life," the document reaffirms the church's stance that artificial contraception is immoral, even between husband and wife.

The document passed with 95 percent of bishops voting in its favor and no debate on the floor. The bishops were as unified behind their teaching on contraception as their flock and the dominant culture are against it. The expression "countercultural" came up repeatedly in conversations with bishops.

There is no question that church teaching on contraception has remained the same for centuries or that U.S. Catholics have largely ignored it for the last 50 years. The real question about "Married Love and the Gift of Life" is: Why now?

Bishops in Baltimore answered that question by pointing to what they see as a trend: Young Catholics are increasingly seeking out the church's ancient teachings. In this sense, the bishops' repeated use of "countercultural" has additional meaning.

The idea that a new generation of Catholics will reject the perceived sexual freedoms gained by their parents and grandparents over the last half-century and align with a theology that teaches sex for procreation is truly, as they see it, revolutionary.

"The real radical idea is not 'don't use contraception,' " said Christopher West, a research fellow and faculty member of the Theology of the Body Institute in West Chester, Pa. "The real radical idea is connecting sex and God -- that sex is meant to express divine love."

The new document is the first about birth control from the collective body of U.S. bishops since 1968's "Human Life in Our Day."

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Archbishop Joseph Naumann of Kansas City, Kan., a member of the bishops' anti-abortion committee, said that was too long. U.S bishops, he said, have failed to properly educate Catholics about the church's teaching on contraception. "We haven't been clear enough or effective enough as teachers," Naumann said.

Not everyone thinks U.S. Catholics will be persuaded by the bishops' renewed focus on contraception.

"It seems to me extremely unlikely it will make much difference to most people," said James P. Hanigan, a professor of moral theology at Duquesne University in Pittsburgh who has studied the church's teaching on birth control. "For most people, this issue's been resolved."

The church's ancient view on contraception (the roots of its opposition can be traced to the second century) was most famously reaffirmed by Pope Paul VI in his 1968 encyclical, "Humanae Vitae," or "of human life." Most other Christian churches accept contraception as a responsible method of family planning. The Catholic Church teaches that because contraception suppresses the possibility of procreation, and therefore violates the natural law, it is always wrong.

"Suppressing fertility by using contraception denies part of the inherent meaning of married sexuality and does harm the couple's unity," according to "Married Love and the Gift of Life." "The total giving of oneself, body and soul, to one's beloved is no time to say: 'I give you everything I am -- except.' "

The new document sets the church's teaching within the context Pope John Paul II's "Theology of the Body," a set of 129 short talks he gave from 1979 to 1984 that reflected on sexuality and divinity. West said the message of "Theology of the Body" is that eros, or erotic love, is meant to express agape, or divine love.

"When a married couple cuts off the eros from the agape," said West, they "render the sexual act sterile . . . they won't find the sexual happiness they went in search of. Instead they will find disillusionment, despair and societal chaos."

ANTITRUST:

Carlyle Group Broaches Buyout Of Taiwanese Chip Maker ASE (WSJ)

By Henny Sender

The Wall Street Journal, November 25, 2006

The Carlyle Group is in talks with the management of Advanced Semiconductor Engineering Inc. of Taiwan to make an offer for the publicly listed company in what would be a buyout valued at between $5 and $6 billion.

A deal of that size would mean Asia is joining the private-equity wave that has hit the U.S. and Europe. ASE, a chip-testing and packaging company, is listed both in Taiwan and on the New York Stock Exchange.

"A Carlyle-led consortium acknowledges that it has submitted an indication of interest to the Board of Directors regarding a potential acquisition." Carlyle, a firm that specializes in the buyout of public companies, said in a prepared statement.

The Carlyle announcement added that the investment firm had signed an agreement with Jason Chang, the chairman of ASE and its largest shareholder, with 18.4% of the outstanding shares, to buy out other shareholders at NT$39 (US$1.19) a share. That price represents a 24% premium above the 30-day average closing price of the stock.

The success of the deal depends on the willingness of shareholders to tender shares. This type of public-to-private offer with the support of management has been a feature of recent deals in the U.S., including those involving Kinder Morgan Inc. and HCA Inc.

Semiconductor companies have been a focus of private-equity firms. Carlyle was recently part of a consortium led by the Blackstone Group, along with Texas Pacific Group and Permira Funds which bought Freescale Semiconductor Inc. in a $17.6 billion deal. In the past, private-equity firms were reluctant to buy semiconductor operations but their appetite has grown as the stocks have become less volatile, making it possible to support heavy debt loads.

In recent months, Taiwan, along with Australia, has been among the most promising markets for international private-equity firms. Carlyle has been particularly active in the media sector in Taiwan, having recently bought Taiwan Broadband Communications and Eastern Multimedia Corp. Its presence in Taiwan indicates it has extensive relationships with local banks, which are expected to provide attractive terms on the debt for the potential buyout.

Carlyle's interest in the Taiwanese technology sector has been moving the market the past few days, with speculation that it is also looking at other firms.

---- Yun-Hee Kim contributed to this article.

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Carlyle Set For $6.4bn ASE Deal (FT)

By Katrin Hille In Taipei

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Financial Times, November 25, 2006

The Carlyle Group is poised to acquire Taiwan's Advanced Semiconductor Engineering, the world's largest chip packaging and testing company, in a $6.4bn buyout that would set a new landmark in private equity deals in the technology industry.

The acquisition, which is expected to close early next year, could help ASE win new orders from semiconductor companies recently acquired by private equity firms.

Carlyle and ASE said on Friday that the US private equity group had submitted an indication of interest to ASE regarding a potential acquisition at T$39 a share, and that Jason Chang, ASE's single largest shareholder and chairman, had already agreed to roll his 18.4 per cent stake into a Carlyle-controlled holding company that would own ASE.

At T$39, the offer price represents a 10 per cent premium to ASE's closing share price of T$35.50 on Friday, before news of Carlyle's interest emerged.

Carlyle said the deal could greatly enhance ASE's market position, because other semiconductor firms in the group's portfolio and even those owned by other private equity firms were likely to increase outsourcing volumes.

ASE, which is also listed on the New York Stock Exchange, performs packaging and testing services for other chipmakers who do not want to run the capacity for these relatively labour-intensive final steps in the semiconductor manufacturing chain.

Greg Zeluck, Carlyle's managing director of Asia buyouts, said ASE was likely to win new outsourcing orders from Freescale, Motorola's former chipmaking unit, which Carlyle is also acquiring.

Freescale is already one of ASE's five largest customers, but also works with Amkor, its smaller rival.

"There are more outsourcing opportunities from other semiconductor firms in the Carlyle portfolio," said Mr Zeluck. "I also think that there are additional opportunities from Philips even though we are not an investor there."

Netherlands-based Philips sold its semiconductor arm to a consortium led by Kohlberg Kravis Roberts earlier this year.

"The private equity industry's growing presence in the semiconductor industry will push these companies more in the direction of assets-light," said Mr Zeluck.

Freddy Liu, ASE vice-president, said: "As consolidation is taking place upstream, consolidation is also due downstream in the semiconductor industry. This is a sign of confidence in ASE."

People close to the situation said an open tender offer would be submitted over the next two months. "With Mr Chang's agreement to take part, this is pretty much a done deal," said one person close to the talks.

Based on ASE's outstanding shares, the offer is worth US$5.5bn. Bankers said including debt, the deal would be valued at US$6.4bn.

Carlyle plans to delist ASE once the deal closes and retain Mr Chang and his brother as chairman and chief executive of the company.

ASE reported T$4.2bn net earnings for the third quarter on T$26.7bn in revenues. Behind US-based Amkor, the company's biggest rivals are Stats ChipPac of Singapore and Taiwan-based Siliconware.

Carlyle In Talks To Buy Chip Company (WP/BLOOM)

By Cathy Chan, Bloomberg News

The Washington Post, November 25, 2006

Carlyle Group of the District is in talks to buy Advanced Semiconductor Engineering, the world's largest computer chip packager, for $5.7 billion, as demand for computer and mobile-phone components increases.

Carlyle and Advanced Semiconductors Chairman Jason Chang, who holds 18.4 percent of the Taiwan company, offered to pay 9.9 percent more than the company's closing price yesterday in Taipei, Carlyle said in a written statement. Carlyle said talks with the group have not concluded and a formal offer may not be made.

Carlyle's proposed purchase would add to recent acquisitions the firm has made in the semiconductor business. In September, it was part of a group that agreed to buy Freescale Semiconductor for $17.6 billion, in the biggest technology buyout ever. Global chip sales could increase 9.4 percent this year, the Semiconductor Industry Association said.

"The outlook for the electronics industry is good, as the introduction of Microsoft's Vista should boost demand for PCs," said Michael On, who oversees the equivalent of $60 million as managing director at Beyond Asset Management in Taipei.

The spot price of benchmark 512-megabyte memory chips, used in personal computers and other devices, has risen 62 percent this year, according to Dramexchange.com in Taiwan.

Advanced Semiconductor, which was founded in 1984, packages chips in plastic or ceramic housings and adds connectors so they can be assembled as part of computers, game consoles, cellphones and other electronic instruments. The company employs more than 30,000 people.

Advanced Semiconductor confirmed the Carlyle offer and Chang's participation in the bid.

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"We have received the indication of the offer from Carlyle, and our chairman has agreed with the offer," spokesman Freddie Liu said in a telephone interview yesterday. "We still need to seek approval from other shareholders."

Liu declined to comment on whether the company's vice chairman and president, Richard Chang, who helped found the company with his brother Jason, would also participate in the bid.

The company's shares rose 2.6 percent before the announcement, which came after the close of trading. The offer represents a 23.5 percent premium on the stock's 30-day average closing price, Carlyle said.

Goldman Sachs Group is advising Carlyle on the takeover bid. Carlyle has been investing in Taiwan since 1999, the company said.

Advanced Semiconductor could "take advantage of accelerating global outsourcing trends for semiconductor assembly and testing services," said Greg Zeluck, Carlyle's managing director. The firm could also tap the "global networks of Carlyle and its portfolio companies."

Buyout firms have announced offers totaling $57 billion in the Asia Pacific region this year, more than triple the amount for all of 2005, according to data compiled by Bloomberg News.

Carlyle said in July that it raised $1.8 billion for its second Asia buyout fund, which will focus on investment in Asia outside of Japan. That would make $4.8 billion it has attracted for investment in the region in the past year, including its second Japan fund.

Smithfield Is Pushing Into The Beef And Turkey Industries (VP)

By Jeremiah Mcwilliams

Virginian-Pilot, November 25, 2006

"Y'all know Smithfield," drawls Southern food personality Paula Deen in a radio commercial. "They're the ham people."

True: Smithfield Foods Inc., which recently hired Deen to push its spiral-sliced hams and other signature products, is the world's largest hog-raiser and pork processor. And it plans to further fatten its pork portfolio. But the company, with sales of $11.4 billion in its fiscal year ended April 30, also is growing aggressively beyond its roots in hogs and ham.

A recent deal gave Smithfield a 49 percent stake in Butterball LLC, the nation's largest turkey producer. And a planned Oklahoma beef plant will make the Smithfield-based company the fourth-largest beef processor in the United States.

Smithfield, which appears to be testing antitrust limits with growth in its core pig and pork business, is trying to buy or build its way into bigger positions in nearly every type of meat except chicken, which it has avoided so far.

"This is the most active period in Smithfield's history," chief executive C. Larry Pope told analysts at a Boston conference in September. "In virtually every segment of our business today, something very significant is going on.... Smithfield is not just in the pork business."

Smithfield is betting that the vertically integrated model it honed in pork - controlling production from animal-raising to meat-packing - will translate well to beef.

Smithfield has just 6 percent of the U.S. beef-processing market. But the company is dwarfed by the top four players, which together control 83 percent, according to its estimates.

"We need to get bigger - we're still too small in beef," Pope said Monday as Smithfield donated turkeys to a Norfolk food bank. "Our customers, like Farm Fresh... want to deal with fewer and fewer suppliers."

For example, Tyson Foods Inc. is more than twice Smithfield's size. "We need to be of size to match," Pope said.

U.S. beef packers have struggled in recent years, largely because of high cattle prices and restrictions on exported U.S. beef in Asian nations such as Japan and South Korea, which blocked such imports after a case of mad cow disease was discovered in Washington state in December 2003. At Smithfield, for instance, beef yielded about 23 percent of its sales last year, but the division lost $2.8 million.

Several analysts believe that U.S. beef plants don't stay busy enough to make a profit.

Smithfield's new plant, announced Oct. 18, could further weaken the industry and hurt Smithfield's earnings per share, said JPMorgan analyst Pablo Zuanic.

Construction on the $200 million plant in Texas County, Okla., is scheduled to begin in January. A 50-50 joint venture with ContiGroup Companies Inc., the plant will be able to slaughter as many as 5,000 cattle daily.

Zuanic suggested last month that Smithfield might be using "gamemanship" - the threat of tougher competition in an already battered industry - to force private equity firm HM Capital Partners to sell Swift & Co., a major beef and pork processor and longtime Smithfield target.

Pope denied that.

Because the Japanese market reopened this summer and Korea is loosening restrictions, "those markets will be alive and well" in two years, Pope said. The Oklahoma plant could help Smithfield target the export markets.

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"There's a real opportunity to grow on the beef side," said Bill Chappell, an equity analyst in Atlanta with SunTrust Robinson Humphrey. Although beef is a secondary project for Smithfield, "they want to make a go of it."

The new plant will draw from Smithfield's cattle-feeding joint venture with ContiGroup, which can feed 811,000 cattle at its 10 feed lots in Colorado, Kansas, Idaho, Texas and Oklahoma. It is the largest cattle-feeding operation in the country.

"We do have the cattle," Pope said at Smithfield's annual meeting in Richmond three months ago. "We could put together an integrated model that would be pretty compelling."

Smithfield's ability to trace cattle from feed lots to meat-packing lines - similar to its "traceability" in hog slaughtering, which the company touts as a safety benefit - could pay dividends, said Andrew Wolf, a managing director in Richmond with BB&T Capital Markets, which is seeking investment banking work from Smithfield Foods.

"They'll have control of the animal the whole time," Wolf said. So Smithfield will be able to get "a deserved premium on the export market."

The Butterball purchase, at least in name recognition, is one of Smithfield's most eye-catching moves.

Pope has said Butterball is "the national brand - it is almost synonymous with the word 'turkey.' "

This fall, Carolina Turkeys, of which Smithfield already owned 49 percent, shelled out $325 million for ConAgra Foods Inc.'s Butterball turkey operations. Renamed Butterball LLC, the Mount Olive, N.C.-based turkey producer is a joint venture with Maxwell Farms Inc.

Butterball gives the former Carolina Turkeys, and its owners, a stronger cache among consumers. Butterball's products command premium prices, Pope said. That matches a key Smithfield strategy - shifting the business into more profitable products such as pre-cooked sausages and bacon, and capitalizing on the higher prices consumers will pay for convenience.

In addition to the Butterball acquisition, Smithfield paid $246 million in cash for the rest of ConAgra's branded meats business, which included Armour and LunchMakers.

Convenience products such as precooked ribs can command prices eight or 10 times higher than unprocessed, fresh meat, Pope said in September.

It's "a gigantic move up the value chain," Pope said. "You can do the simple math on this, and the math is pretty darn explosive."

While it expands in beef and turkey, Smithfield is running into opposition as it tries to complete a strategic buy in its core business: the planned $810 million deal for Premium Standard Farms, a Kansas City-based hog raiser and processor.

The proposal, announced in September, sparked protests from farming groups and Midwest politicians who argued that the merger of the nation's top two hog-raisers would give Smithfield too much power over small hog farmers.

"It makes no anti trust sense to allow Smithfield to buy Premium Standard Farms," said Michael Stumo, an attorney for the Lincoln, Neb.-based Organization for Competitive Markets. "It is a 100 percent power grab."

The Department of Justice this month asked Smithfield and Premium Standard for more information on the merger - a move that will delay the deal until the companies comply. Such requests occurred in only 3.1 percent of transactions in fiscal 2005, according to a Department of Justice report.

"It indicates that you're much higher on the radar of the Justice Department than you'd like," said Thane Scott, co-chair of the antitrust practice group at Edwards Angell Palmer & Dodge in Boston. "If you get a second request, you're in the danger zone."

Smithfield expected the additional scrutiny and would clear anti trust hurdles, Pope said. "We not trying to dominate the industry. We're trying to secure our future."

Still, if the deal goes through, Smithfield will have "probably grown as big as it can in the U.S. pork business," said SunTrust analyst Chappell, who added that it can still expand its European pork business.

Pope, who was promoted to chief executive on Sept. 1, seems to relish adding new brands and looking for new opportunities. Smithfield makes no apology for being one of the most opportunistic companies in the meat industry.

"We are committed to global expansion," Pope said.

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FTC Backs Merger Of Real Estate Companies (AP)

AP, November 25, 2006

CB Richard Ellis needs only shareholder approval to complete Trammell Crow acquisition.

DALLAS — CB Richard Ellis Group Inc., the world's largest commercial real estate services company, has been cleared by federal regulators to acquire rival Trammell Crow Co. for nearly $1.8 billion.

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Dallas-based Trammell Crow announced Friday that the final regulatory step was completed when the Federal Trade Commission approved early termination of a waiting period required under antitrust law. The deal is expected to close next month.

El Segundo, Calif.-based CB Richard Ellis agreed in October to buy Trammell Crow for about $1.79 billion, or $49.51 a share.

The deal will create a company with about $4.4 billion in annual revenue, more than 10 percent of the commercial real estate market, and let CB Richard Ellis tap Trammell Crow's list of corporate clients.

Trammell Crow shareholders must still approve the deal at a special meeting Dec. 18.

Analysts say U.S. office markets have rebounded from a slump earlier this decade, and foreign pension funds are pouring money into buildings, then hiring firms to manage their property.

The trends have helped raise the value of firms such as Trammell Crow, whose shares more than quadrupled since early 2003.

With nearly 50 offices in the United States, Trammell Crow employs about 6,200 people and posted 2005 earnings of $59 million on $896 million in sales.

CB Richard Ellis employs about 14,500 people and posted 2005 net income of $217 million on sales of $2.9 billion. Chairman Richard Blum owns 14 percent of the company through his Blum Capital Partners.

Trammell Crow's shares closed Friday at $49.27, up 4 cents and within 12 cents of their 52-week high. CB Richard Ellis' shares fell 20 cents to $32.61.

Microsoft Gives Europe Antitrust Documents (NYT)

By Paul Meller

The New York Times, November 24, 2006

BRUSSELS, Nov. 23 — Microsoft submitted a new batch of technical information about its Windows operating system to the European Commission on Thursday, meeting the latest deadline to provide information on whether it is complying with a 2004 antitrust ruling.

“This is an important milestone,” Microsoft said in a statement. Final edits and technical review of the information already submitted in July have now been completed, it added, insisting that it had not broken the summer deadline.

The commission, which fined Microsoft $357 million in July for failing to comply with the antitrust order, disagrees. Last week, the European competition commissioner, Neelie Kroes, expressed growing impatience with Microsoft when she imposed the latest deadline. She described the dossier submitted in July as incomplete and warned Microsoft that it faced daily fines of 3 million euros ($3.9 million) if it did not hand over all the technical information about Windows that the commission had requested.

Her department welcomed the company’s submission. “Now the dossier from Microsoft is worth testing,” her spokesman, Jonathan Todd, said in a telephone interview on Thursday. “Potential licensees of the technical information will be invited to Microsoft’s headquarters in Redmond to look at it.”

In the meantime, the commission and the trustee chosen by Microsoft to oversee the process of compliance with the 2004 ruling will examine the newly submitted information, Mr. Todd said.

In 2004, Microsoft was found guilty of abusing the dominant strength of Windows to muscle in on other separate software markets, including the market for server operating systems.

The 2004 ruling ordered Microsoft to disclose enough information about Windows to allow rival server software manufacturers, including Sun Microsystems and open-source companies like Red Hat, to design server operating systems that worked as well with computers that run Windows as Microsoft’s own server operating system.

If the information provided by Microsoft does not satisfy the order, the company will face a fine of 3 million euros a day, backdated to July, Mr. Todd said.

Microsoft said Thursday that it had met the July deadline. “The trustee and Microsoft have now completed the technical review and edits to the more than 100 documents, totaling 8,500 pages, that we submitted in July of this year, in accordance with the deadline established by the commission,” it said.

It described the submission of technical documentation in July, and the revision process since then, as “an unprecedented undertaking involving over 300 engineers and technical writers at Microsoft.”

Even if the information submitted Thursday is satisfactory, Microsoft may still face fines for the period between the July deadline and Thursday. “We’ll take a decision about this period of time in due course,” Mr. Todd said.

Microsoft Meets EC Deadline For Disclosing Software Data (LAT/AP)

From The Associated Press

DOJ_NMG_0098587

The Los Angeles Times, November 25, 2006

The information will be tested before it goes to rivals in the European antitrust action.

European Union regulators said Microsoft Corp. met a Thursday deadline for turning over information about its Windows operating software that should help other software companies.

The data will be tested to confirm that the company has finally complied with a 2004 antitrust ruling.

The European Commission, which fined Microsoft 280.5 million euros ($357 million) in July for not providing "complete and accurate" data to allow server software to interface with Windows, said the technical manual could now be reviewed by "potential licensees" — companies that compete with Microsoft in software for work-group servers, such as Sun Microsystems Inc., Novell Inc. and IBM Corp.

"In parallel, the monitoring trustee will test the documentation in order to verify its accuracy," the EC said. "The commission will decide in due course whether or not Microsoft is in compliance with the obligation to provide complete and accurate technical documentation, taking into account comments from the potential licensees and advice from the trustee."

EU spokesman Jonathan Todd said this was likely to take "months rather than weeks."

Regulators threatened new fines of 3 million euros a day last week if Microsoft did not patch up "the remaining omissions and deficiencies." They said the company should have handed over a good set of documents explaining how server protocols work by an original July 2004 deadline.

The software maker was ordered to provide the information after the EU found it guilty of abusing its monopoly by deliberately withholding technical data from rivals, who alleged that Microsoft ended cooperation when it started making its own server software.

Microsoft challenged the immediate sanctions, but a judge ordered it to comply in December 2004. It also said the commission's request was unclear and it had received a useful set of guidelines only when independent monitor Neil Barrett set out a work program earlier this year.

The company said Thursday's decision was an important milestone.

"The trustee and Microsoft have now completed the technical review and edits to the more than 100 documents, totaling 8,500 pages, that we submitted in July of this year, in accordance with the deadline established by the commission," Microsoft said in a statement. "We will continue to work closely with the commission and the trustee to ensure that we are in full compliance with every aspect of the commission's decision."

The EU fined Microsoft a record 497 million euros in March 2004 and told it to share interoperability information with rivals and put on sale a copy of Windows without Media Player software.

These conditions will apply to all future versions of Windows — including the upcoming Vista operating system.

Regulators also highlighted other possible antitrust problems with Vista's wide range of functions, fueled by comments from other information technology companies.

Google Reaches Copyright Deal With Belgians (BLOOM)

By Bloomberg News

Bloomberg, November 25, 2006

Google, the world's most-used Internet search engine, reached a settlement with Belgian photographers and journalists yesterday in a copyright dispute over how Google's news service links to newspaper content.

The agreement was made with the Belgian copyright groups Sofam, representing about 3,700 photographers, and Scam, on behalf of journalists. In September, Google lost a copyright suit initially filed by Copiepresse, a group representing French- and German-language newspapers in Belgium. That case is being reheard, but the company has removed links to 17 papers from its Google News page.

Copyright disputes with Google compelled Microsoft to remove Web site links to Belgian newspapers last month and highlighted the global issue of whether traditional copyright protections apply to Internet search services.

"We reached an agreement with Sofam and Scam that will help us make extensive use of their content," Jessica Powell, a spokeswoman for Google, said in a phone interview yesterday. She declined to give details of the agreement or say whether it involved paying the groups for the content, and declined to say whether Google, based in Mountain View, Calif., was considering similar accords with the newspapers.

The company has a similar case with Agence France-Presse, which protested Google's linking to the news agency's articles and pictures in the United States and in France last year.

A Brussels court heard arguments yesterday from groups that remain in the lawsuit. Copiepresse sued in February, and a court ruling Sept. 5 forced Google to remove Google News links to the newspapers or face a fine of a million euros daily. Google complied on Sept. 18.

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Google, which was not represented in court the first time in the Copiepresse case, asked the court for a new hearing. “Today was a reconsideration of the case,” Ms. Powell said.

A ruling is expected by early January, the court said.

Tied Up In Cable (WSJ)

The Wall Street Journal, November 25, 2006

With mergers to rule on, multibillion-dollar bets on fiber-optic cable being laid and obscenity on broadcast television to babysit, you'd think the Federal Communications Commission would have better things to do than micromanage the market for cable boxes -- a market that mostly doesn't exist anyway. No such luck.

Like much of the trouble in telecom these days, this problem goes back to the supposedly de-regulatory 1996 Telecommunications Act. Tucked in there alongside its better-known goofs was Section 304: "Competitive Availability of Navigation Devices." This section required the FCC to open up the market for third-party "navigation devices" -- which basically meant cable boxes.

This idea encapsulates in a nutshell what was wrong with the 1996 Act. Rather than lifting regulations and letting market forces prevail, the Act is riddled with attempts to generate competition by government fiat. So it is with Section 304. Without really asking whether it made sense to require competition in cable boxes, our Solons simply decreed that the FCC should make it happen.

It hasn't happened, in part because Section 304 has never been enforced and in part because it's unclear just how big a market there is for consumer-purchased set-top boxes when the boxes can be leased from the cable company at regulated rates for a couple of dollars a month. The regulatory machine nonetheless marches on. And unless the FCC takes action on a number of waivers requested by the cable companies, the industry faces a $600 million annual bill to comply with a regulation with no real purpose. That's right: $600 million, which will of course be passed along in higher rates for consumers.

In order to facilitate competition, the FCC required the cable companies to come up with a way to provide their security codes to third-party devices, whether they are set-top boxes or cable-ready televisions. The method settled upon was a device called a cablecard. Users who didn't want the set-top box could instead get a cablecard from the cable provider and plug that into their TV, for example. This has been done, and there are some people out there using these cablecards, although most people don't bother.

The trouble with the FCC has come because the cable companies themselves don't use the cablecards in their own boxes -- the theory is that if everyone had to use the cards, the cable companies might somehow make the cards more attractive to consumers. So the FCC wants the cable companies to use cable boxes that need a cablecard, too -- never mind that the cost is high and the benefits to anyone are dubious.

The FCC could make this go away by granting a waiver from the rule, as the 1996 Act allows when the FCC determines it is in the public interest to do so. But so far there's been little sign that the FCC is inclined to do the industry any favors. The National Cable and Telecommunication Association -- a cable industry lobbying group -- put in a waiver request back in July. The FCC is supposed to rule on waivers within 90 days, but it didn't even put the application out for public comment until a week after we first called the FCC about the issue late last month.

The cable industry has had run-ins with FCC Chairman Kevin Martin over "a la carte" pricing and the expansion of obscenity rules to cable channels. This lends the cablecard shakedown a flavor of political payback -- especially coming from what is supposed to be a deregulatory, free-market-oriented FCC. Mr. Martin, who long bemoaned the absence of a Republican majority on the Commission, now has one, but there's still too little evidence of the Commission acting like it.

Concern about Mr. Martin's commitment to free markets had led Senators to hold up his renomination as Chairman for six months, turning what should have been a no-brainer into a last-minute confirmation earlier this month. The Commission, and Mr. Martin, could do the economy a favor by worrying less about political gamesmanship and more about getting on with the deregulation the telecom industry needs.

ENVIRONMENT:

Environment An Inconvenient Case For Supreme Court (WSJ)

By Jess Bravin

The Wall Street Journal, November 25, 2006

WASHINGTON -- Things are bound to heat up at the Supreme Court Wednesday, when justices weigh whether the Clean Air Act requires the Bush administration to do something about global warming.

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In the late 1990s, the Clinton administration determined that greenhouse gasses -- such as auto emissions, which contribute to global climate change -- fell under the Environmental Protection Agency's jurisdiction. Challenged by then-Rep. Tom DeLay (R., Texas) at a 1998 congressional hearing, the EPA produced a legal opinion concluding that carbon dioxide could be regulated if the agency determined it contributed to "adverse effects on public health, welfare or the environment."

Environmental groups asked the EPA to act. But the agency, moving at its glacial pace, didn't respond until 2003, when a different regulatory climate prevailed in Washington. The Bush administration rejected the petition, along with the Clinton EPA's legal opinion. Carbon dioxide and other greenhouse gasses aren't "air pollutants" as defined by the Clean Air Act and, even if they were, Congress hadn't authorized the EPA to do anything about them, the administration concluded.

But even if greenhouse gases were pollutants and Congress had authorized the EPA to regulate them, the agency said it had no obligation to act. It cited "uncertainty" over the way global warming worked and the best way to remedy it, particularly in light of diplomatic disputes over the Kyoto Protocol and other international approaches to the problem.

That upset not only ecology groups, but also environmentally conscious states, which argued that federal law required EPA action, particularly since they couldn't individually regulate emissions to a degree that would affect global warming. Massachusetts took the lead, backed eventually by 17 other states and big cities, including Baltimore, New York and Washington. The Bush administration, along with such auto- and oil-producing states as Michigan, Alaska and Texas, defended the EPA position. The administration prevailed at the U.S. Circuit Court of Appeals for the District of Columbia.

The D.C. Circuit, however, coughed up a fractured opinion with plenty for the high court to consider. Judge A. Raymond Randolph ruled that it was up to the administration to decide whether or not to act on greenhouse gases. Judge David Sentelle found that the states lacked standing to sue over such a generalized phenomenon as global warming. And in dissent, Judge David Tatel wrote that the EPA had no legal grounds to refuse to begin the rule-making process.

The case has attracted interest well beyond environmental-law regulars. A Colorado ski resort filed a friend-of-court brief for Massachusetts, fearful that its prized snow could melt away without federal action. Clinton Secretary of State Madeleine Albright submitted an argument that diplomatic disputes over environmental issues shouldn't interfere with domestic rule making.

The Supreme Court is expected to decide by June, but the justices, like the EPA, aren't always successful in clearing the air.

States Will Tell Supreme Court Feds Must Act On Warming (LAT)

By David G. Savage

The Los Angeles Times, November 25, 2006

WASHINGTON — The polar icecaps are melting, summers growing hotter and hurricanes becoming more powerful, but the Bush administration has insisted it cannot regulate the gases that many believe are responsible.

On Wednesday, a coalition of 12 states, led by California and Massachusetts, will try to persuade the Supreme Court that the nation's environmental regulators have the legal authority and responsibility to control greenhouse gas emissions linked to global warming — which many scientists describe as the biggest environmental threat to the planet.

It is a rare day when state lawyers travel to Washington hoping to win new powers for the federal government. As David Bookbinder, a Sierra Club lawyer, noted, "How often do federal authorities insist they lack the authority to do something?"

The administration's approach to another global issue — terrorism — has been to assert broad powers to act at home and abroad. On the environmental front, the administration says, it is studying the problem and "seeking a cooperative international approach to addressing global climate change," Solicitor General Paul Clement wrote in his brief to the court.

Putting new limits on motor vehicles and power plants is out of the question, at least for now, he added, saying, "the Environmental Protection Agency lacks authority under the Clean Air Act … to regulate greenhouse gas emissions."

The case before the Supreme Court tests that conclusion. It begins with a simple question: Is carbon dioxide an "air pollutant" under the Clean Air Act? The answer may determine not only whether federal regulators must tackle global warming, but also whether California and other states may do so on their own.

Four years ago, California adopted stricter rules. The state Legislature declared its intent to "achieve the maximum feasible and cost-effective reduction of greenhouse gas emissions" from motor vehicles. These standards for new cars and trucks are to take effect in 2009.

The California way

Because of California's notorious smog problem, Congress permitted the Golden State to adopt stricter exhaust standards for cars and trucks under a special provision in the federal air pollution laws of the 1970s. Other states are allowed to follow California's lead, and 10 — from New England to the Pacific Northwest — have plans to do so.

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"Global warming is a national and international crisis. And even if the federal government won't do anything, many states will," said California Atty. Gen. Bill Lockyer, who filed one of several lawsuits challenging the Bush administration's decision not to act on greenhouse gases.

The legality of California's new vehicle emission standards remains in doubt. They must be approved by the EPA. But the agency has yet to do so, mostly because of its view that carbon dioxide and other greenhouse gases are not air pollutants under the Clean Air Act.

The automakers have sued to block California's rules, citing the EPA's stand.

Humans and animals exhale carbon dioxide, and plants absorb it. It is also emitted from tailpipes and smokestacks when fossil fuels are burned. Once in the atmosphere, carbon dioxide absorbs the sun's radiation and traps heat in the atmosphere. This is known as the greenhouse effect.

As these greenhouse gases — including methane, nitrous oxide and fluorocarbons — have become more concentrated in the atmosphere, temperatures have increased slowly but steadily. Though some scientists and politicians once dismissed this link, most now acknowledge it.

Bush administration lawyers do not discount the importance of global warming, but they argue it is not covered by the Clean Air Act. That measure, they say, targets pollutants, such as ozone, that are dangerous to breathe — not ones that occur in nature and are essentially harmless to breathe, such as carbon dioxide.

Disagreeing, the states' lawyers point to the language of the law. It says an air pollutant is "any physical, chemical (or) biological … substance or matter which is emitted … into the ambient air."

In their brief to the court, they point out, "Motor vehicles emit the physical and chemical matter carbon dioxide, methane, nitrous oxide and hydro-fluorocarbons into the ambient air." Motor vehicles are the source of about 25% of the nation's greenhouse gas emissions.

It says 'shall'

Another provision appears to require regulation of such gases. It says the EPA "shall" regulate any pollutant from cars or trucks "which may reasonably be anticipated to endanger public health or welfare." The law defines the public's welfare to include effects on "climate" and "weather."

The state lawyers argue that because it is now apparent that greenhouse gases are endangering the public welfare, the EPA must regulate them.

Administration and auto industry lawyers say the high court should dismiss the states' lawsuit. They argue that the nation's global warming policy is a political issue to be decided by Congress and the president, not a legal issue to be decided in court.

This argument may well appeal to Chief Justice John G. Roberts Jr., who has said the court should adopt a more modest role and allow politicians to set policies.

But environmental activists and the state lawyers were pleasantly surprised in June when the Supreme Court voted to take up the case, Massachusetts vs. EPA, despite the objections of the Bush administration.

If the court rules squarely on the question of whether the Clean Air Act regulates greenhouse gases, the stakes will be high for environmentalists, California's regulators and the auto industry.

"If we win, it will free California and other states from a legal threat," said Bookbinder, the Sierra Club lawyer. "But if the Supreme Court says the Clean Air Act does not cover climate change, it would be hard for California to say it has the authority to regulate greenhouse gases."

If the court rejects the Bush administration's stand, the automakers will be under pressure to produce vehicles that get better gas mileage.

The court could also issue a split decision.

It could rule that carbon dioxide is an air pollutant under the Clean Air Act, but that the EPA's administrator is free to decide whether to issue new emissions standards for it. In the past, the court has been very reluctant to require an agency to issue new regulations.

A split decision would not force the federal agency to regulate greenhouse gases, but it could clear the way for California and the states to do so on their own.

Besides Massachusetts and California, the states challenging the Bush administration's policy are Connecticut, Illinois, Maine, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont and Washington.

They were joined by the cities of New York, Washington and Baltimore, and several environmental groups.

Energy Firms Come To Terms With Climate Change (WP)

By Steven Mufson, Juliet Eilperin

The Washington Post, November 25, 2006

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While the political debate over global warming continues, top executives at many of the nation's largest energy companies have accepted the scientific consensus about climate change and see federal regulation to cut greenhouse gas emissions as inevitable.

The Democratic takeover of Congress makes it more likely that the federal government will attempt to regulate emissions. The companies have been hiring new lobbyists who they hope can help fashion a national approach that would avert a patchwork of state plans now in the works. They are also working to change some company practices in anticipation of the regulation.

"We have to deal with greenhouse gases," John Hofmeister, president of Shell Oil Co., said in a recent speech at the National Press Club. "From Shell's point of view, the debate is over. When 98 percent of scientists agree, who is Shell to say, 'Let's debate the science'?"

Hofmeister and other top energy company leaders, such as Duke Energy Corp.'s chief executive, James E. Rogers, back a proposal that would cap greenhouse gas emissions and allow firms to trade their quotas.

Paul M. Anderson, Duke Energy's chairman and a member of the president's Council of Advisors on Science and Technology, favors a tax on emissions of carbon dioxide, the most prevalent greenhouse gas. His firm is the nation's third-largest burner of coal.

Exxon Mobil Corp., the highest-profile corporate skeptic about global warming, said in September that it was considering ending its funding of a think tank that has sought to cast doubts on climate change. And on Nov. 2, the company announced that it will contribute more than $1.25 million to a European Union study on how to store carbon dioxide in natural gas fields in the Norwegian North Sea, Algeria and Germany.

These changes come as Democratic leaders prepare to take over key committees on Capitol Hill. Sen. Barbara Boxer (Calif.), who calls global warming "the greatest challenge of our generation," will take the place of Sen. James M. Inhofe (R-Okla.) as chairman of the Senate Environment and Public Works Committee. Inhofe refers to global warming as a "hoax."

Sen. Jeff Bingaman (D-N.M.), the incoming Energy and Natural Resources Committee chairman, said he hopes to "do something on global warming." Even though the Bush administration's expected opposition might make the enactment of legislation unlikely in the next two years, many companies cannot put off decisions about what sort of power plants to build.

Duke Energy, for example, has not added significant power generation in two decades, and customer demand is rising 1 to 2 percent a year. The company has included a price for the carbon emitted in its cost estimates for a new coal-fired generating plant proposed for Indiana.

"If we had our druthers, we'd already have carbon legislation passed," said John L. Stowell, Duke Energy's vice president for environmental policy. "Our viewpoint is that it's going to happen. There's scientific evidence of climate change. We'd like to know what legislation will be put together so that, when we figure out how to increase our load, we know exactly what to expect."

One reason companies are turning to Congress is to avert the multiplicity of regulations being drafted by various state governments. The Regional Greenhouse Gas Initiative, a group of seven Northeastern states, is moving ahead with a proposed system that would set a ceiling on greenhouse gas emissions, issue allowances to companies, and allow firms to trade those allowances to comply with regulations.

California is drawing up its program. Other states are also contemplating limits. Even the city of Boulder, Colo., has adopted its own plan -- a carbon tax based on electricity use.

"We cannot deal with 50 different policies," said Shell's Hofmeister. "We need a national approach to greenhouse gases."

Next week, the Supreme Court will hear arguments on whether the federal government is obligated to regulate carbon dioxide as a pollutant; its decision could force the government to come up with guidelines.

Though many energy firms had already voiced support in recent months for federal regulations limiting greenhouse gas emissions, the coming changeover in Congress has intensified the discussions.

"There have been many more folks wanting to engage on the detailed architecture of climate-change legislation," said Jason S. Grumet, executive director of the bipartisan National Commission on Energy Policy. "The tenor, tone and the detail of discussions has changed in the last couple of months. Nobody's going to want to be the last company to come before the Congress and say, 'I've been opposing you for five years, but now can I have my piece?' "

Some businesses are making new hires based on the assumption that legislative activity on global warming will increase in the coming months. Truman Semans, director of markets and business strategy for the Pew Center on Global Climate Change, said at least half a dozen of the companies that belong to the center's Business Environmental Leadership Council have recently hired staff members focused on global warming.

Not every energy company is planning to curb greenhouse gas emissions in the near future. TXU Corp. is planning to spend $10 billion to build 11 new coal-fired power plants, which would more than double the company's carbon dioxide

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emissions, from 55 million tons to 133 million tons a year. That increase in emissions is more than the total carbon dioxide pollution emitted in all of Maryland or by 10 million Cadillac Escalade sport-utility vehicles.

In an e-mail to The Washington Post, TXU spokeswoman Kimberly Morgan said that the company supports "a comprehensive, voluntary, technology-based approach to global climate change based on carbon intensity" that is both "flexible and cost effective."

"We are at a point in time where other states and businesses are starting to take global warming seriously," said Colin Rowan, spokesman for the advocacy group Environmental Defense. "California is heading toward the future, and TXU and Texas are sprinting full speed back to the 1950s."

The company's approach may pay off in the short term, but it may not last. "Over the next two years I don't think environmental policy is going to change radically," said Carl Pope, executive director of the advocacy group Sierra Club. But he added, "I think the environmental agenda and conversation will change radically."

Corporate America wants to be part of that conversation. Duke Energy's Stowell said: "Industry is coming together and saying, 'Okay, if we're going to do this, let's do this in a way that won't wreck the economy.' "

Taming King Coal (NYT)

The New York Times, November 25, 2006

The front page of this newspaper's business section recently featured two articles about the world's most plentiful fuel, coal. Written from different parts of the globe, they framed the magnitude of the task confronting international negotiators and the newly empowered Democrats in Congress who want to put the brakes on emissions of carbon dioxide, the main global warming gas.

One article pointed out that China will surpass the United States as the world's largest emitter of carbon dioxide by 2009, a decade ahead of previous predictions. A big reason is the explosion in the number of automobiles, but the main reason is China's ravenous appetite for coal, the dirtiest of all the fuels used to produce electricity. Already, China uses more coal than the United States, the European Union and Japan combined. Every week to 10 days, another coal-fired power plant opens somewhere in China, with enough capacity to serve all the households in Dallas or San Diego.

What's frightening about this for those worried about the long-term consequences of warming is that nearly all of these plants are being built along traditional lines, burning pulverized coal to make electricity. And what's sad about it is that there's a much cleaner coal-burning technology available. Known as I.G.C.C. — for integrated gasification combined cycle — this cleaner technology coverts coal into a gas before it is burned.

These plants produce fewer of the pollutants that cause smog and acid rain than conventional power plants do. More important, from a global warming perspective, they also have the potential to capture and sequester greenhouse gases like carbon dioxide before they enter the atmosphere.

This new technology is not readily available in China, but it is available to utilities in the United States. Which brings us to the second article — an announcement by TXU, a giant Texas energy company, that it intends to build 11 new coal-fired power plants in Texas, plus another dozen or so coal-fired monsters elsewhere in the country. All told, this would be the nation's largest single coal-oriented construction campaign in years.

Is TXU availing itself of the cleaner technology? No. TXU will use the old pulverized coal model. The company says the older models are more reliable. But the real reason it likes the older models is that they are easier to build, cheaper to run and, ultimately, much more profitable. So, like the Chinese, TXU is locking itself (and the country) into at least 50 more years of the most carbon-intensive technology around.

Barbara Boxer, the California Democrat who will shortly assume command of the Senate environment committee, believes that we should impose a price on carbon emissions (as Europe has done) so that companies like TXU will begin to think about investing in cleaner technologies — technologies that China could then use in its power plants. The message from both Texas and China is that Ms. Boxer should get cracking.

Justice Department Files Motion For Alcoa (ELGC)

Elgin (TX) Courier, November 25, 2006

The Justice Department on the EPA's behalf, filed a motion in US District Court in Austin seeking to resolve issues related to a Consent Decree entered into by Alcoa, the U. S. Government and Citizens groups in 2003, concerning alleged violations in the operation of Alcoa's generating units, reported Jim Hodson, Public Affairs and Environmental Manager of Alcoa.

TXU is proposing to build a new, 630 megawatt (MW) power plant -- Sandow 5. A ruling is expected within a few weeks which if approved will add TXU to the Consent Decree and keep the project moving forward.

The court is being asked to approve a stipulated order that includes:

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--A payment of $859,000 to resolve Alcoa's anticipated failure to begin operation of Sandow 5 by the April 25, 2007 deadline.

--Alcoa's Sandow Units 1-3 would be shut down by December 31, 2006, roughly 4 months earlier than the original consent decree.

--A commitment by Alcoa and TXU to begin operation of Sandow 5 with full emission controls by August 31, 2009.

--A commitment by Alcoa and TXU to strive for a Sandow 5 emission rate for nitrogen oxides 20 percent lower than the rate currently provided for in the consent decree.

--TXU would be added as a party to the Consent Decree

--And a commitment by TXU to install selective catalytic reduction system to substantially reduce nitrogen oxide emissions from Sandow Unit 4.

Alcoa and TXU have agreed to the motion as filed.

The proposed new unit will be a clean coal technology, circulating fluidized bed boiler. This power plant will help insure affordable, reliable power to the TXU system and will help keep Alcoa's Rockdale operations fully operational. The new unit will be located at Alcoa's Rockdale plant.

Sandow 5 will cost about $900 million and would be built over a 3 to 4 year timeframe. The total economic impact of the plant would exceed hundreds of millions over the life of the project through payrolls, property taxes and value of required local products and services. The proposed plant would employ more than 1,000 workers during construction, as well as permanent operating jobs, and will produce enough energy to serve about 200,000 Texas homes.

The motion filed by the government is the outcome of prolonged negotiations but is a workable compromise and Alcoa and TXU are hopeful that the court will approve it. The project has been well supported by the local community.

This project is good for the environment because of the reductions in emissions, said Hodson. It is good for the local economy and taxing authorities because of the additional new assets, construction expenditures, and permanent operating and maintenance jobs.

Hodson continued, it is good for Alcoa because it helps keep the location operating at full capacity, providing high paying employment for more than 1,100 employees, maintaining taxing revenues for local entities and supporting hundreds of suppliers, contractors and consultants. It is good for TXU because it helps to resolve the state's energy reliability issues, Hodson added.

Groups Upset By Claim In Clean Air Suit (AP)

By Pete Yost

AP, November 25, 2006

WASHINGTON - A prominent member of the Supreme Court bar, the small circle of lawyers who regularly appear before the justices, infuriated environmental groups by presenting an argument the groups say is demonstrably incorrect.

The claim a month ago by Washington attorney Carter Phillips that the federal government had changed course in regulating emissions from coal-fired power plants is simply not true and a paper trail of the industry's own documents proves it, the groups say.

The case, Environmental Defense v. Duke Energy Corp., could determine the fate of an Environmental Protection Agency initiative targeting some of the biggest utilities in the nation. Phillips, representing Duke, is managing partner at the Washington office of the law firm Sidley Austin and has argued more than 50 cases at the Supreme Court.

"These companies are bent on getting away with 20 years of illegal pollution by trying to deceive the Supreme Court," said Natural Resources Defense Council clean air director John Walke, who is a former EPA attorney.

Utility industry attorney Scott Segal jumped to Phillips' defense, saying that "for these environmental groups to go after one of the best lawyers in the country is a travesty. Phillips leads a legal dream team with a spotless record." Segal, a partner at the law firm Bracewell & Giuliani, was responding to a list of questions a reporter sent to Phillips' office at Sidley Austin. With the case pending before the Supreme Court, Phillips did not respond.

The government enforcement action against Duke is one of more than a dozen brought by the Clinton administration in 1999 and 2000.

It is aimed at forcing power companies to install the latest pollution-control equipment on aging coal-fired plants which were renovated so they could be operated longer hours.

On Nov. 1, Phillips told the justices: "Our basic argument is that all along" EPA interpreted the regulatory requirements "in a certain way. And then 19 years later, they reversed course" and suddenly sued the companies.

The environmental groups say internal industry documents clearly show that Duke understood long ago that EPA was interpreting the requirements in the same way it did in 1999 when the government went to court. Some of the documents are part of the record before the Supreme Court and all were brought to light in lawsuits against Duke and other utilities.

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Among the documents, according to a Justice Department court filing, are 10 memos from an industry trade association spelling out the EPA's position for Duke starting in the late 1980s. It was the same regulatory approach EPA took a decade later when it sued the company. The Justice Department document was filed publicly in 2003, but at Duke's request it was put under seal, barred from public view.

The day after the Supreme Court argument, the Natural Resources Defense Council provided journalists with copies of industry documents the environmental groups say contradict the tack taken by Duke's lawyer before the high court.

One of them is a Duke company training guide on environmental compliance from 1991 that appears to characterize the EPA's approach in the same way the federal agency did nine years later when it sued Duke.

George Washington University law professor Jonathan Turley reviewed some of the industry files and said, "I find the statements Phillips made hard to square with these documents."

Turley said the complexity of the case makes it easy to suggest uncertainty or confusion, and that "Phillips' comments in court are more likely to be treated as attorneys gilding the lily for their client" rather than attempting to mislead.

The dispute between the utilities and the environmental groups and Justice Department lawyers is whether emissions increases should be measured on an annual basis or under a two-part test.

The industry says EPA regulations always have required an hourly rate increase in emissions before measuring for annual increases. Such an approach would enable the companies to run their revamped coal-fired plants without having to install additional pollution controls, as long as the hourly emissions rate doesn't rise. Pollution would rise significantly, however, because of the longer hours of operation. In his arguments to the justices, Phillips pointed to two EPA officials who in the early 1980s appeared to interpret the rules in the way industry favors.

The EPA and environmental groups say the regulations call for calculating emissions increases annually, which would force the installation of costly pollution controls on plants because of their longer hours of operation. One document environmentalists point to is a 1988 memo by an attorney representing Duke in the Supreme Court case. The document specifies an annual test "instead of" an hourly test.

But Segal, representing the industry, says focusing on that language in the 42-page document "mischaracterizes the memo." The company documents "all assume that you've already cleared the first hurdle of an hourly rate increase, so it's not surprising that the documents sometimes refer to an annual test."

"That's ridiculous," responded Keri Powell, a staff attorney with the not-for-profit environmental law firm Earthjustice.

It was "depressing to listen to Duke's attorney present a sob story to the Supreme Court about how the power companies had no idea that EPA would interpret its rules the way it did in 1999, when the power companies' own documents from years before so clearly show otherwise," Powell said.

Duke spokesman Thomas Williams said the environmentalists' criticism is "an after-the-fact, made-for-litigation theory that was correctly rejected by the lower courts."

FBI/DEA/ATF/USMS:

Jolley Found Guilty On Multiple Drug And Weapons (CASPT)

By Tom Morton, Star-Tribune staff writer

Casper (WY) Tribune, November 23, 2006

A Casper man who led police on a door-to-door search in a Sunrise subdivision in January was found guilty on multiple drug and weapons charges in federal court in Cheyenne on Wednesday.

Armour Lyle Jolley, 32, faces at least 135 years and not more than 180 years of federal imprisonment, according to the second of two indictments filed this year.

He also could be punished with a fine up to $9,250,000, according to the second indictment.

The eight-day, 12-member jury trial began on Nov. 13 before U.S. District Court Judge Clarence Brimmer.

On the first day of the trial, Jolley pleaded guilty to the indictment filed Jan. 24 with the single count of being a felon in possession of a firearm, Justice Department spokesman John Powell said.

The conviction on Wednesday was on all 14 counts of the second indictment filed on July 19:

-- One count of conspiracy to possess with intent to distribute, and to distribute, methamphetamine.

-- Three counts of distribution of methamphetamine.

-- One count of possession with intent to distribute methamphetamine.

-- Two counts of being a felon in possession of a firearm.

-- One count of being an unlawful user of a controlled substance in possession of a firearm.

-- Three counts of possession of a firearm in furtherance of a drug trafficking offense.
-- Two counts of use of a firearm during and in relation to a drug trafficking offense.
-- One count of carrying a firearm during and in relation to a drug trafficking offense.

The July 19 indictment outlines his drug and weapons violations starting in April 2005.

Two of those counts were related to a time between July and August 2005 when Jolley discharged a firearm at a person's residence to intimidate him into paying a drug debt; and another time when he drove a person to an area near the Casper Events Center and discharged a firearm to intimidate that person to pay a drug debt.

Powell said the court has ordered a presentence investigation for Jolley -- a process that could take up to 60 days -- and then it will set a sentencing date.

Neither prosecutor Assistant U.S. Attorney Greg Phillips nor Jolley's defense attorney, Timothy Kingston, could be reached for comment.

In the Casper area, Jolley has had a long criminal history, including a felony when he pleaded in 2004 to a fourth charge of driving intoxicated.

On Jan. 6, 2006, Casper and Mills police officers attempted to arrest Jolley on a warrant after he failed to appear in court, according to court records.

He fled police and a massive manhunt ensued with armed members of the Special Response Team conducting a door-to-door search of a Sunrise subdivision. Police canine units and the Wyoming Medical Center's LifeFlight helicopter assisted in the search, which ended when police spotted Jolley riding in a passenger car.

Jolley was carrying a semi-automatic handgun in an ankle holster when he was arrested.

In August, Jolley attempted to escape the Platte County Jail, where he was being held on the federal charges, according to Platte County Attorney Eric Alden.

Jolley is the son of the late John Jolley, who unsuccessfully ran on the Democratic ballot against Republican Rep. Carolyn Paseneaux for House District 36 in 2000.

Reporter Tom Morton can be reached at (307) 266-0592, or at Tom.Morton@casperstartribune.net.

IMMIGRATION:

Civil Jury Fines Rancher In Illegal-alien Dispute (WT)

By Jerry Seper

The Washington Times, November 25, 2006

An Arizona rancher who has waged a five-year campaign to stop a flood of illegal aliens from crossing his property has been ordered by a civil jury to pay nearly $100,000 for a 2004 incident during which he confronted a family hunting on his land.

Roger Barnett, 62, who began rounding up illegal aliens after he said they destroyed his property, killed calves and broke into his home, was ordered to pay Ronald Morales, his father, his two young daughters and their friend on claims of negligence, false imprisonment and emotional distress.

The jury found in favor of all five plaintiffs, but split responsibility between Mr. Barnett, Mr. Morales and his father, Arturo Morales.

The Morales family had sought $210,000 damages in a lawsuit sponsored by two civil rights groups, the Border Action Network and the Southern Poverty Law Center, which accused Mr. Barnett of vigilantism and abusing the illegal aliens he detained. The jury settled on a damage award of $98,000.

"This is an historic moment," said Jennifer Allen, director of the Border Action Network. "This victory is just the beginning. We can guarantee that every official who tried to sweep this case and issue under the rug and who still has the capacity of bringing criminal charges will hear from us."

Two other lawsuits brought against Mr. Barnett with the assistance of the Border Action Network were dismissed. A lawsuit filed by the Mexican American Legal Defense and Educational Fund is pending, naming Mr. Barnett, his wife and brother, and Cochise County Sheriff Larry Dever, in a conspiracy to violate the rights of illegal aliens.

During the Morales trial, Mr. Barnett denied threatening the party, testifying that he only took out his AR-15 rifle because the adults in the group were carrying rifles. He also denied accusations by Ronald Morales that he had insulted them with racial slurs and threatened to shoot them.

Mr. Barnett's brother, Donald, said in a statement: "In the Morales family, the father taught the son to trespass, and now the father's teaching the daughters how to trespass in blatant disregard for the law. I guess in this country, private property and a person's rights don't mean much any more."

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Donald Barnett had been named in the lawsuit, but later was dropped as a defendant.

Mr. Barnett's Cross Rail Ranch near Douglas, Ariz., has become a major route for northbound illegal aliens. The ranch sits in what Cochise County law enforcement authorities have called "the avenue of choice" for illegal aliens.

"Thousands of aliens have crossed my property," Mr. Barnett told The Washington Times in a September 2002 interview at his ranch. "There are so many that I can tell you that at times it looks like a slow-motion invasion."

Mr. Barnett said some of his cattle have died from ingesting plastic bottles left behind by the aliens and that some of the ranch's trails were littered with trash nearly a foot deep.

A former Cochise County sheriff's deputy who later was successful in the towing and propane business, Mr. Barnett spent $30,000 on electronic sensors, hidden along established trails on his ranch. He searches the ranch for illegal aliens in a pickup truck, dressed in a green shirt and camouflage hat, with his handgun and rifle, high-powered binoculars and a walkie-talkie to communicate.

His actions have made him a target of alien and drug smugglers in Mexico. Law-enforcement authorities told him the smugglers had placed a bounty on his head.

"This is my land. I'm the victim here," Mr. Barnett said.

CONGRESS-ADMINISTRATION:

Democrats Split On Ethics Enforcement (WSJ)

By Jeanne Cummings

The Wall Street Journal, November 25, 2006

Democrats are promising big changes in lobbying rules to combat congressional corruption. But they're divided over whether to create an outside investigative office to review ethics complaints or leave enforcement to members.

"This is an area where there is an opportunity to make the rhetoric of self-reform of Congress real by having the guts to set up an independent office," Connecticut Sen. Joseph Lieberman, a longtime Democrat who was re-elected as an independent, said in an interview this past week.

Opponents say such an office would encroach on Congress's responsibility to police itself and could create an unnecessary and expensive bureaucracy. Many senators have resisted changing oversight rules since most congressional scandals this year involved House members.

Fred Wertheimer, founder of Democracy 21, a nonpartisan group that advocates for ethics overhauls, says that without "effective ethics enforcement, you don't have effective ethics rules."

He says congressional ethics committees themselves have sometimes eroded hard-fought overhauls. In 1995, the House passed a rule limiting lobbyists' gifts to less than $50. Later, the ethics committee valued a seat in a skybox at a sporting event at $49.

After winning control of Congress in midterm elections shaped in part by scandals and corruption charges against Republicans, Democratic leaders are discussing new ethics rules. They include bans on gifts and meals from lobbyists and lobbying organizations, and more frequent reports by lobbyists disclosing for whom and what they are working. In disclosure reports, which lobbyists currently are required to file with Congress at least once a year, they also spell out how much they have been paid for their efforts.

Former members who become registered lobbyists would be prohibited from seeking help on legislation from their congressional colleagues for two years and denied access to the House and Senate floors. Today, lawmakers-turned-lobbyists can mingle with their former colleagues inside the chambers during debates and votes.

The proposed packages in both the House and Senate would curtail, if not ban, travel paid for by lobbyists and organizations that lobby. House leaders say they would prohibit lawmakers from using corporate planes for official travel. Both chambers are expected to require members to identify hometown projects they insert into spending bills.

House and Senate leaders are mulling creating an office to monitor lobbyists' disclosure reports, or enhancing the powers of existing offices to take on that job.

But so far, neither the House nor the Senate proposal would allow independent scrutiny of the actions of lawmakers themselves. The job of investigating and disciplining them would remain in the Senate and House ethics committees.

Those committees have proved vulnerable to partisan political influences. The House ethics committee was nearly shut down for several years, in part due to an ethics-complaint truce between the two parties in the late 1990s. Later, House Republican leaders clamped down after the committee issued rebukes against former Majority Leader Tom DeLay.

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Mr. Lieberman co-sponsored a measure earlier this year with Maine Republican Sen. Susan Collins establishing an independent Office of Public Integrity that would vet Senate ethics complaints and conduct investigations of those it deemed serious. Under the proposal, the ethics committee would oversee the integrity office and could end a probe with a majority vote. The committee also would decide whether to impose penalties on a member.

It was defeated in a bipartisan landslide, 70-30. Among those opposing the office was incoming Democratic Senate Majority Leader Harry Reid of Nevada.

In the interview, Mr. Lieberman said he is going to "make another run at it" and hopes that the strong anticorruption message from voters in the midterm elections "may have changed some minds."

Two advocates for ethics overhaul in the House -- Connecticut Republican Rep. Christopher Shays and Massachusetts Democratic Rep. Marty Meehan -- are considering reviving the same proposal in the House if incoming Speaker Nancy Pelosi, of California, doesn't include it in her ethics-overhaul agenda.

Ms. Pelosi earlier this year proposed enhancing the powers of Congress's inspector general's office to handle disclosure reports by lobbyists. But it didn't extend that office's jurisdiction to ethics allegations against members of Congress. Aides say she is now considering backing the idea of a stronger independent office.

In addition to enforcement, there is the question of how to treat privately funded travel for lawmakers. Both chambers are expected to ban trips paid for by lobbyists and lobbying organizations.

The tougher question is how to deal with groups that have both lobbying and advocacy missions -- with each part organized independently and registered under separate sections of the tax code. Broadly speaking, advocacy work involves shaping policy on issues; lobbying is seeking lawmakers' votes on legislation affecting a particular business interest.

Among groups that handle both lobbying and advocacy are the U.S. Chamber of Commerce, the Sierra Club and the American Israel Public Affairs Committee.

Opponents of a total ban, including major business trade groups, argue that trips are important for educating members of Congress about issues.

Critics say anything short of a total ban would give lobbyists a loophole to exploit. They note that Jack Abramoff, the lobbyist convicted of trying to bribe lawmakers, used what appeared to be charitable organizations to funnel his clients' money to finance a golf trip to Scotland. That became a focus in the Department of Justice investigation of his activities.

"If it's important for a member of the Ways and Means Committee to go outside of his district to look at tax policy in Hawaii, that's fine. It should be paid for with official funds. If not, they should pay for travel like the rest of us," said Meredith McGehee, policy director for the Campaign Legal Center, a nonpartisan watchdog.

House Democrats plan debates and votes on critical planks in their ethics package -- including rules banning lobbyist-financed meals and gifts -- as soon as they take control in January.

Hoyer Hit On Lobbyists' Contributions (WT)

By Eric Pfeiffer

The Washington Times, November 25, 2006

House Democrats put lobbying reform near the top of their agenda, but their incoming majority leader was one of the biggest recipients of special-interest money.

A new report states that Rep. Steny H. Hoyer, Maryland Democrat, was the "most dependent" on special-interest funding and received the fifth-highest total in lobbying contributions among members of Congress.

According to public financing records, Mr. Hoyer has received $609,836 from lobbyists, $2.46 million from out-of-state donors and $5.67 million in political action committee contributions since 2000.

"Much of the reason he's at the top of the list is because he's in leadership," said Craig Holman, legislative director of Public Citizen, a government watchdog organization that produced the report. "It does not necessarily mean he'll be reluctant to support lobbying reform."

Mr. Hoyer's congressional office was closed for Thanksgiving and was unavailable to comment. But in an interview last week with the liberal Web site Talking Points Memo, Mr. Hoyer was asked if he would support the Democrats' lobbying-reform agenda.

"One of the first things we're going to do is adopt lobbying reform," Mr. Hoyer said. "We are going to adopt rules that make the system of legislation transparent so that we don't legislate in the dark of night, and the public and other members can see what is being done."

Mr. Hoyer also said he would support further restrictions on lobbying and legislation aimed at curbing so-called "earmarks," which are expenditures anonymously attached to larger spending bills.

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Some liberal organizations have criticized Mr. Hoyer for his votes on lobbying-related measures. He previously has voted against bills that would place Internet political communications under the same campaign-finance restrictions as regular television and radio ads.

In addition, Mr. Hoyer voted against a measure that would require 527 political organizations, which are currently able to raise unlimited amounts of money, from falling under the same regulations.

"Steny Hoyer realizes that Democrats are in power because Americans are upset with issues of corruption in Congress," Mr. Holman said. "We fully expect Hoyer to be an ally."

Public Citizen says it has been actively working with House Speaker-elect Nancy Pelosi's office to advocate lobbying-reform legislation. Although Mr. Holman says his organization has received a large degree of cooperation from the California Democrat's office, his group is not being granted all of its requests, which include a total ban on lobbyist campaign contributions.

Mrs. Pelosi had nominated Rep. John P. Murtha, Pennsylvania Democrat, for the House majority leader position. Mr. Murtha lost that race.

Many analysts say Mr. Murtha's defeat was a result in part of his own troubles on ethics issues stemming from his involvement as a unindicted co-conspirator in the FBI's Abscam bribery investigation in the 1970s and '80s.

Pelosi's Ascendancy In House Puts A Close Liberal Ally In The Spotlight (NYT)

By Kate Zernike

The New York Times, November 25, 2006

WASHINGTON, Nov. 22 — In a friendship stretching over 30 years and many plane trips to Washington from their neighboring California districts, Representatives Nancy Pelosi and George Miller have become so close that, as colleagues say, they finish each others' sentences.

So it was not surprising that, when Mrs. Pelosi faced the first test of her role as speaker-elect of the House of Representatives, Mr. Miller was in the background, pushing her to back Representative John P. Murtha of Pennsylvania to replace her as Democratic leader over the more centrist candidate, Representative Steny H. Hoyer of Maryland, who had been her No. 2 for four years.

In the week since Mr. Hoyer won the position, Democratic leaders have played down any disharmony created by the leadership struggle. But Mr. Miller's role raised fears that after carefully nudging her party to the center, which many say helped the Democrats retake the majority, Mrs. Pelosi would let her liberal allies have too much influence.

In the concerns of some Democrats — and the I-told-you-so's of some Republicans — Mr. Miller represents Mrs. Pelosi's true liberal soul, and his pushing for Mr. Murtha a sign that the far left would dominate and destabilize the Democrats, after they have emerged from 12 years in the minority.

There is no doubt that Mr. Miller remains one of Mrs. Pelosi's most trusted advisers. But those who know them both say that he, and his influence, have been wrongly judged.

Now one of the 10 most senior members of Congress, Mr. Miller has proven himself both a liberal lion — an early advocate of an increase in the minimum wage and a champion of the environment — and savvy about working both sides of the aisle. An agitator for higher teacher standards, he was one of the chief negotiators with President Bush on the No Child Left Behind legislation. (Mr. Bush nicknamed Mr. Miller, a burly and now white-haired former high school football player, Big George.)

After Hurricane Katrina, he enlisted Republicans to reverse Mr. Bush's order that allowed federal contractors working to rebuild the Gulf Coast to pay workers less than the prevailing local wage.

"He is liberal, and that pragmatism is always difficult to achieve when you're passionate about something," said Representative Ellen O. Tauscher, Democrat of California and a leader of the party's more moderate wing in the House.

But, Ms. Tauscher said, Mr. Miller understands what she calls the "very difficult kabuki dance" facing Democrats.

Party members have gritted their teeth for 12 years, she said. And now, "on a napkin, on the back of an envelope, in their BlackBerry, they've got lists of what they want to do, and they think their priorities are everybody's priorities."

"But in the end, this is about securing a majority for more than two years," she said. "I don't expect him to be thrilled about it. But I think he's sanguine; he's pragmatic and realistic."

Mrs. Pelosi, 66, and Mr. Miller, 61, share similar pedigrees. Her father was a Baltimore mayor and congressman; his father served 25 years in the California legislature. When the elder Mr. Miller died in his 50s, his son ran for his seat and lost.

Five years later, after law school, Mr. Miller ran for Congress from a largely working-class district east of San Francisco and won. He arrived in 1975 as one of the Watergate babies, the idealistic Democrats elected on a reform platform.

Mrs. Pelosi, meanwhile, rose through California politics and became chairwoman of the state Democratic Party. She would later take the Congressional seat that had been held by Phillip Burton, who was Mr. Miller's mentor.

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Mr. Burton advised Mr. Miller to pick a committee and stay on it; this, he said, was how Southern Democrats had amassed power. Mr. Miller listened, staying on the House Interior and Education committees, becoming chairman of Interior (now named House Resources) in 1991. (Mrs. Pelosi congratulated him with a gift of Mr. Burton's chair and a small model of a Burton statue that had been placed in San Francisco.) He has been the senior Democrat on the education committee since 2001 and is expected to become its chairman in January.

He is also known more informally as the dean of the town house on Capitol Hill that has served as a kind of fraternity house for a succession of Democrats. Mr. Miller lived there with his family before they moved back to California; his roommates now are Senators Richard J. Durbin of Illinois and Charles E. Schumer of New York, the second- and third-ranking Democrats, and Representative Bill Delahunt of Massachusetts. In long-running Tuesday dinners with a group that included Mrs. Pelosi and other now-senior Democrats, it was Mr. Miller, other members say, who was the first to declare that Mrs. Pelosi would become the nation's first female speaker.

Mrs. Pelosi calls him "a valued friend and tremendously talented legislator."

As chairman of the Democrats' steering and policy committee, he helped shape the platform the Democrats ran on in the midterm elections — including raising the minimum wage, cutting interest rates on student loans and expanding stem cell research.

"He has guided Democrats' policy agenda that unified the caucus and spoke to the dreams and aspirations of the American people," Mrs. Pelosi said.

Some who know both lawmakers say that Mr. Miller's counsel continues to be important to her. "Not only can George give her good advice, but he can also tell her things she doesn't want to hear," Ms. Tauscher said. "Sometimes you can only take tough news from somebody that is very close to you."

But others say that if the relationship was once defined as one of complete trust, it is now more like trust, but verify.

Mr. Miller says his influence over Mrs. Pelosi has always been overstated, showing a misunderstanding of her talent and strength. He calls her "the toughest person you've met in politics."

He backed Mr. Murtha, he said, because he was impressed by his turnaround on the war in Iraq.

"To watch this man take his knowledge, his career, his experience in the military and to see him start to understand the damage that was being done to the soldiers and the institution, was really quite remarkable," Mr. Miller said.

"When he decided to go public, which is not generally his character," Mr. Miller said of Mr. Murtha, "he immediately changed the national debate. And then when you saw the role the debate on the war took during the campaign, I think there is a serious debt of gratitude. You were saying back to the voters, 'We heard you.' "

But the other message from voters, he said, is that they want Congress to work in a bipartisan manner, after years of Republican rule.

"There was a conscious decision by Tom DeLay and Dennis Hastert to turn the House into a winner-take-all," he said, where no legislation would be brought for a vote without most of the majority supporting it.

Having seen that, he said, he understands the role Mrs. Pelosi must assume.

"The speaker made a horrible miscalculation that he was the speaker of the Republican Party as opposed to the difference Nancy has drawn, that Tip O'Neill drew — that you are the leader of the Democrats, and speaker of the House," he said. "That simple understanding can allow a lot of things to happen that provide opportunities for the minority to participate."

The Struggle Within (NYT)

By Thomas B. Edsall

The New York Times, November 25, 2006

Can the Democratic Party become fully competitive? Is American liberalism dead, the 2006 election a last twitch of life before rigor mortis sets in? The answer to both questions is yes. (More on this next week.)

For the Democratic Party to revive, major tenets of American liberalism, economic and sociocultural, will have to be discarded. The party can join Studebaker and the Glass Bottle Blowers union, it can trudge along as No. 2, or it can undergo a painful transformation — without guarantee of success.

To stay in the fight, Democratic leaders will have to acknowledge political realities affirmed by the electorate in 1994 and 2006. Many Democratic constituencies — organized labor, minority advocacy organizations, reproductive- and sexual-rights proponents — are reliving battles of a decade or more ago, not the more subtle disputes of today. Public sector unions, for example, at a time of wide distrust of government, are consistently pressing to enlarge the state. For these players, adapting to a re-emergent center will be costly.

Democrats won on Nov. 7 by carrying a 59 percent majority of independent, moderate voters angered by the Iraq war and Republican corruption. These voters demonstrated 12 years ago that they can easily turn against Democrats.

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An example of the reality that Democrats refused to face the last time they had a shot at consolidating power materialized during the fight to pass Clinton's 1994 Omnibus Crime Bill, legislation that sought to burnish the party's justice credentials by increasing the number of felonies subject to the death penalty. Instead, amendments added to win support from the left — most visibly, $40 million for midnight basketball leagues — caught fire on conservative talk radio, spread to the establishment media, and soon became a liability.

When Democrats bend to the will of liberal interest groups, even in pursuit of laudable goals, the damage to the party's credibility can be devastating. President Clinton succumbed to such pressure, and Democrats in the House and Senate paid the price. Democrats now have a chance to regain public trust, but even a minor miscalculation can push the party off the tightrope. Its House majority is tenuous: 17 of the new Democrats represent districts that voted for Bush in 2004 by at least 54 percent, according to the political scientist Gary Jacobson.

The public will desert Democrats placing a disputed cultural or spending agenda above the broader public interest. This is especially true at a time of extreme uncertainty: lethal struggle in the Mideast, nuclear proliferation, mounting skepticism toward free trade, and a rising non-marital birthrate — now at 37 percent — that concerns moderate voters.

The potential for an incendiary controversy to engulf the Democratic left has sharply escalated with Web access to each committee and floor vote under new Congressional transparency rules, and the development of aggressively partisan outlets in the blogosphere. An army of conservative media is determined to recreate the political climate so advantageous to the G.O.P. in 1994. At the same time, very liberal senior House Democrats now have vastly enhanced power to add inflammatory provisions to bills moving through their committees (think Rangel and the draft).

Nancy Pelosi and her closest advisers in the House are more likely to support such radioactive amendments than to serve as guard dogs protecting a slender Democratic majority. The first test of Pelosi's ability to distinguish between broad-based and special interests will be when she decides whether to appoint Alcee Hastings, the once-impeached federal judge, to head the House Intelligence Committee.

Only two members of the House leadership are intuitively attuned to such problems: Rahm Emanuel, chairman of the Democratic caucus, and Steny Hoyer, the majority leader. But Emanuel has limited influence, and relations between Pelosi and Hoyer are distant at best.

Still, the vigilance of Hoyer and Emanuel will be crucial to a party whose renewal could easily be stillborn. Congressional leaders are not all-powerful, but they can set the stage for a successful presidential candidate, or lay waste to the center-left, dooming the nominee.

The Democratic Party can secure its 2006 gains, but to do so will require abandoning a decades-long willingness to indulge pressure groups on the left that no longer command broad popular allegiance.

Texas Universities Battle Each Other To Nab Bush Library (WSJ)

By Steve Levine

The Wall Street Journal, November 25, 2006

DALLAS -- The biggest college rivalry in Texas these days isn't only over football. It is the battle to score President Bush's presidential library.

Southern Methodist University, the University of Dallas and Baylor University are the three finalists to house Mr. Bush's presidential library. In efforts to snag the prize, they have bought up hundreds of acres of land, awarded honorary degrees to Bush family members, and even named a highway after the president. A decision by the George W. Bush Presidential Library Site Selection Committee is expected in December or January.

SMU -- which sits in an affluent enclave a few miles north of downtown Dallas -- is the betting favorite. It is Laura Bush's alma mater, she serves on its board of trustees, and the Bushes' church, United Methodist Church, is next to the college. But the University of Dallas and Baylor have fought back with lavish proposals that pay homage to themes of the Bush presidency.

"This is a high-stakes game, and everyone understands that," said Tommye Lou Davis, who is overseeing Baylor's library initiative.

There currently are 11 official presidential libraries. Though some are more popular than others, they hold the potential to bring hundreds of millions of dollars in local tourism and development. Little Rock, Ark., officials, for example, say the two-year-old Clinton Presidential Library has thus far attracted some $1 billion in fresh downtown construction and roughly 800,000 visitors.

Mr. Bush has appointed some of his closest intimates to vet and shape his library. The effort is led by Donald L. Evans, Mr. Bush's friend and former commerce secretary, and also includes Karl Rove, his top political adviser, brother Marvin Bush and White House counsel Harriet Miers, the former Supreme Court candidate.

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Mr. Evans has kept much of the process secret and asked the competing universities to do the same, officials of the schools say. But in a letter sent in summer 2005 to all candidates, Mr. Evans and Marvin Bush said the library would seek to adopt the president's signature themes of "compassionate conservatism, the spread of freedom and democracy throughout the world, and defeating terrorism."

The library, along with a public policy center that Mr. Bush wants to include, will cost more than $200 million -- funds raised from private contributors. That is at least 20% more than the $165 million, 28-acre Clinton Library, which opened in 2004.

In 2001, Mr. Bush signed an executive order that can significantly restrict scholars' access to all presidents' papers, and some Democratic critics have made hay over the library effort. "Whoever designs his library, don't make the parking lot too big," wrote humorist Garrison Keillor in his latest book, "Homegrown Democrat."

Laura Bush has helped fuel SMU's front-runner status by saying that the couple will have a post-presidential home in Dallas, and telling the Houston Chronicle that the university is her sentimental favorite. SMU has granted an honorary doctorate to former President Bush.

SMU is among Texas' most prestigious colleges. It is also in the middle of a densely built neighborhood. Though SMU is tight-lipped about its library plans, it has been acquiring land that is widely believed to be for the library site. Dallas oil man Ray Hunt, a big Bush contributor, recently gave the school $35 million that allowed it to buy a shopping center that might be part of the presidential library site.

The school, whose officials have declined to comment on any specific plans, ran into a snag when one property owner refused to sell his four condos to the university. Gary Vodicka, an SMU graduate, has filed suit in Dallas federal court claiming that SMU's $450,000 offer for his units is inadequate. They sit on a 12.5-acre area near SMU that is presumed to be one of the sites proposed by the school to the Bush committee.

SMU's land issues have left an opening for the lesser-known University of Dallas, which is pushing its own, 300-acre site with a view of downtown Dallas. Plans are already drafted for a "Bush Presidential Library and School of Democracy" and a "Liberty Mall."

Situated in the suburb of Irving, on Dallas's western side, the Catholic school was able to recruit longtime Bush supporter Nancy Cain Marcus as a key advocate. In 2001, Mr. Bush gave Mrs. Marcus the plum appointment as an alternate representative to the United Nations. Last September, she accompanied the University of Dallas's president to Washington to present the school's proposal at the Mayflower Hotel.

Dallas Mayor Laura Miller is trying to find a compromise that will satisfy all her constituents. She advocates locating the library at the University of Dallas, but affiliating it with both Dallas-area schools. "The proposed SMU site is cramped, and the campus, though pretty, is already a traffic nightmare, even without a heavily visited presidential library in its midst," Ms. Miller says.

Though details of such a plan are still vague, the University of Dallas would seriously explore the Miller idea, says university President Frank Lazarus. Brad Cheves, SMU's vice president for development, says the school hasn't considered the plan.

Then there is Baylor. The Baptist institution is situated in the city of Waco, about two hours south of Dallas. A century ago it was more important financially than Dallas because of its cotton-industry and railroad connections. But the central Texas city of 120,000 people often seems to be answering for long-ago calamities.

In June, the city council condemned a series of lynchings in the city and the area in the 19th- and 20th-centuries. Waco's shuttered-up downtown has yet to recover from a 1953 tornado. And some outsiders still call the city "Wacko" because of the 1993 deaths of 76 people in a standoff just outside town between FBI agents and members of the Branch Davidian religious sect.

The local thinking is that Waco could shed those ugly images should Baylor win. "This is a community of historically low self-esteem....There is a sense that this is something Waco could win," says Carlos Sanchez, editor of the Waco Tribune-Herald, which has been beating the drum for the library.

Former Baylor President Robert Sloan started lobbying for the library even before Mr. Bush announced his presidential candidacy in 1998. The entire city establishment since has joined the cause. Baylor has presented honorary doctorates to Mr. Bush and his mother, Barbara Bush. In 1998, the school gave a high university decoration called the alumna honoris causa to Laura Bush. "At a cynical level, that can come off negatively," says Mr. Sloan. "But you want people to see the university."

Mr. Sloan, meanwhile, got Baylor graduate Drayton McLain Jr. -- owner of the Houston Astros baseball team and a close friend of Mr. Bush -- to chair the effort. The city and business community of Waco got behind it, too. Waco renamed a local strip of U.S. 84 Interstate the "George W. Bush Thoroughfare." And a local businessman, Clifton Robinson, offered up a low-interest $6 million loan toward a riverfront four-star hotel for visitors.

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Even Bernard Rapoport, the city's leading Democratic Party activist, is excited at the prospect of the library. He says it could "raise the level of thinking of our community by bringing in notables and speakers." Mr. Rapoport, who has a 4,000-volume library at home, says a presidential library is something that transcends partisan lines. "What a library does is tell you that there's no excuse for being ordinary."

Gates Pushed For Bombing Of Sandinistas (LAT)

By Julian E. Barnes, Times Staff Writer

The Los Angeles Times, November 25, 2006

His 1984 memo called for 'hard measures' against Nicaragua.

WASHINGTON — Robert M. Gates, President Bush's nominee to lead the Pentagon, advocated a bombing campaign against Nicaragua in 1984 in order to "bring down" the leftist government, according to a declassified memo released by a nonprofit research group.

The memo from Gates to his then-boss, CIA Director William J. Casey, was among a selection of declassified documents from the 1980s Iran-Contra scandal posted Friday on the website of the National Security Archive, http://www.gwu.edu/nsarchiv/ .

In the memo, Gates, who was deputy director of the CIA, argued that the Soviet Union was turning Nicaragua into an armed camp and that the country could become a second Cuba. The rise of the communist-leaning Sandinista government threatened the stability of Central America, Gates asserted.

Gates' memo echoed the view of many foreign policy hard-liners at the time; however, the feared communist takeover of the region never materialized.

"It seems to me," Gates wrote, "that the only way that we can prevent disaster in Central America is to acknowledge openly what some have argued privately: that the existence of a Marxist-Leninist regime in Nicaragua closely allied with the Soviet Union and Cuba is unacceptable to the United States and that the United States will do everything in its power short of invasion to put that regime out."

Gates predicted that without U.S. funding, the Nicaraguan anti-communist forces known as Contras would collapse within one or two years. But he said that providing "new funding" for the Contras was not good enough. Instead, he advocated that the United States withdraw diplomatic recognition of the Sandinista government, provide overt assistance to a government in exile, impose economic sanctions or a quarantine, and use airstrikes to destroy Nicaragua's "military buildup."

"It sounds like Donald Rumsfeld," said National Security Archive Director Thomas S. Blanton. "It shows the same kind of arrogance and hubris that got us into Iraq."

In the memo, Gates noted he was advocating "hard measures" that "probably are politically unacceptable."

Indeed, Blanton said, Gates' advocacy of military strikes against Nicaragua was extreme.

"It sure wasn't a mainstream opinion; most Americans thought we shouldn't be doing anything in Nicaragua," Blanton said. "How possibly was our national security interest at stake?"

Reached late Friday, Scott Stanzel, a White House spokesman, said he was not familiar with the memo. Stanzel said Gates would not be available for comment because it was standard practice for nominees to reject interview requests before Senate confirmation hearings.

Blanton said it would be wrong to look at a 22-year-old memo as evidence of Gates' current thinking. Gates seems to have changed after his nomination for CIA director was withdrawn in 1987, Blanton said. When Gates became CIA director in 1991, he was chastened and his earlier "arrogance" diminished.

"People change," Blanton said. "And very possibly the Robert Gates nominated for secretary of Defense is the Robert Gates who is the best CIA director we ever had, and not the Robert Gates who was a 'mini-me' Rumsfeld."

The memo offers some insights into how Gates viewed historical lessons, at least in 1984.

Gates wrote that the United States wrongly thought in the late 1950s that it could encourage Castro to form a pluralistic government. And he said that in Vietnam the United States took a series of half measures that "enabled the enemy to adjust to each new turn of the screw" by the war's end, he said, the country was able to tolerate severe bombing campaigns.

"Half measures, halfheartedly applied, will have the same result in Nicaragua," Gates wrote.

It was probably the election of Daniel Ortega to the Nicaraguan presidency in November 1984 that prompted Gates to write his memo of Dec. 14, 1984.

Ortega was elected again to the presidency this year, although he now presents himself as a moderate.

In the memo, Gates concluded that the Contra rebels alone would not be able to overthrow the Sandinista regime, even with U.S. money.

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It was the Reagan administration's attempts to find ways to provide funding for the Nicaraguan rebels even after Congress forbade such support that led to the Iran-Contra scandal, a plan to use the proceeds of arms sales to Iran to fund the Contras.

The Iran-Contra affair erupted in the public spotlight 20 years ago. Gates' role in the scandal was investigated by Independent Counsel Lawrence E. Walsh and was the focus of confirmation hearings for Gates' 1987 nomination for CIA director.

Gates denied any wrongdoing in the scandal. Most of the debate over Gates' role centers on what he knew about the plan.

According to documents released by the National Security Archive and others, Gates seems to have known about Oliver North's attempts to raise money for the Contras, but opposed the idea and tried to keep the CIA out of it.

Critics have said Gates failed to make inquiries about the scandal that could have stopped the scheme from going forward.

Walsh concluded that Gates was "less than candid" but did not bring charges against him.

Gates' suggestions for Nicaragua policy were never adopted by the Reagan administration. And, on the whole, Gates' predictions in the 1984 memo didn't pan out.

Nicaragua did not become a communist dictatorship. The Sandinista regime did not lead to the fall of U.S.-backed governments in El Salvador, Honduras or Guatemala. Ortega and the Sandinistas were voted out of office in 1990. A year later the Soviet Union ceased to exist.

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At CIA, Robert Gates Advocated Air Strikes Against Nicaragua In 1984, Documents Say (IHT/AP)

International Herald Tribune/AP, November 25, 2006

WASHINGTON: In 1984, Robert Gates, then the No. 2 CIA official, advocated U.S. airstrikes against Nicaragua's pro-Cuban government to reverse what he described as an ineffective U.S. strategy to deal with communist advances in Central America, previously classified documents say.

Gates, President George W. Bush's nominee to be defense secretary, said the United States could no longer justify what he described as "halfhearted" attempts to contain Nicaragua's Sandinista government, according to documents released Friday by the National Security Archive, a private research group. .

In a memo to CIA Director William Casey dated Dec. 14, 1984, Gates said his proposed airstrikes would be designed "to destroy a considerable portion of Nicaragua's military buildup" and be focused on tanks and helicopters.

He also recommended that the United States prevent delivery to the Sandinistas of such weapons in the future. The administration, he said, should make clear that a U.S. invasion of the country was not contemplated.

Ironically, Gates' nomination to succeed Defense Secretary Donald Rumsfeld was announced just days after Ortega capped off a surprise political comeback by winning election as Nicaraguan president after three previous bids were rejected by the voters.

Ortega has recast himself as a moderate, assuring Nicaraguans that his Marxist-Leninist days are over.

Gates saw a calamitous situation in Central America in December 1984. Congress had ordered a halt to U.S. support for the Contra rebels, leaving Ortega free, as Gates saw it, to establish Nicaragua as a "permanent and well-armed" ally of the Soviet Union and Cuba.

He said the United States should acknowledge that the existence of a Marxist-Leninist regime in Nicaragua closely allied to Moscow and Havana "is unacceptable to the United States and that the United States will do everything its power short of invasion to put that regime out."

In addition to airstrikes, he recommended withdrawal of U.S. recognition of the Nicaraguan government and recognition of a Nicaraguan government exile that would be entitled to U.S. military support.

Economic sanctions should be considered, "perhaps even including a quarantine," Gates wrote.

His proposals were never adopted but the administration attempted to circumvent the Contra aid ban by secretly funneling money to the rebels that had been obtained through arms sales to Iran. Democrat says they will question Gates during his Senate confirmation about his knowledge of the Iran-Contra scandal, which erupted two years after he sent his memo to Casey.

Gates' grim prediction in the memo of disaster in Central America did not come to pass. Congress renewed aid to the Contras in 1986. In February 1990, Nicaraguans dealt a blow to the Soviet Union and Cuba by voting Ortega out of office. And within two years, the Soviet Union had disappeared.

On Iran-Contra's 20th Anniversary, Private Group Releases Documents About Gates' Role (SDUT/AP)

By Pete Yost,

The San Diego Union-Tribune/AP, November 25, 2006

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The Iran-Contra affair exploded 20 years ago Saturday, a scandal that crippled the last two years of Ronald Reagan's presidency and temporarily damaged the career prospects of Robert Gates, President Bush's nominee to replace Defense Secretary Donald H. Rumsfeld.

Gates advocated air strikes against Nicaragua in '84, documents say

On Nov. 25, 1986, Attorney General Edwin Meese announced the diversion of millions of dollars in proceeds from the Reagan administration's secret arms sales to Iran to Central America, where the money was used to help bankroll a war secretly run out of the White House. At the time, Congress had cut off military aid to the rebel force known as the Contras fighting the communist government of Nicaragua.

The National Security Archive, a private group, is posting on its Internet site some of the hundreds of thousands of government documents it has collected on the scandal, including some about Gates. His nomination to become CIA director was derailed in 1987, but Gates stayed on in government, survived the political bloodletting, was renominated by President George H.W. Bush four years later and confirmed by the Senate.

Now Senate Democrats are expected to gauge Gates' willingness to change the administration's war policies, but they probably won't stand in his way to becoming the next defense secretary.

Thirty-one Democrats voted against him in 1991, in part because some felt he had turned a blind eye to the diversion of funds to the Contras. Gates says he first heard information about the diversion nearly two months before it was disclosed to the public, and a CIA official said he first told Gates about it even earlier.

Iran-Contra Independent Counsel Lawrence Walsh investigated Gates but brought no criminal charges, concluding that Gates' statements to investigators “often seemed scripted and less than candid.”

One of the central figures in the Iran-Contra affair, retired Air Force Gen. Dick Secord, said Friday that critics “have beat this dead Iran-Contra horse far too much by trying to involve Gates, which is a laugh.”

Secord was recruited by CIA Director William Casey to run the secret resupply network to the rebels along with National Security Council aide Oliver North. He said Gates “was not a player and, since I was the chief of operations, I guess I would have known if he was a player.”

Vengeful Shi'ites Kill 25 (AP)

By Thomas Wagner

AP, November 24, 2006

BAGHDAD -- Shi'ite militiamen yesterday doused six Sunni Arabs with kerosene and burned them alive as Iraqi soldiers stood by, amid attacks on mosques that left 19 other Sunnis dead.

The violence was seen as revenge for the slaughter of at least 215 Shi'ites in the Sadr City slum the day before.

The mosque attacks took place after the Iraqi government, attempting to stop the nation's slide into civil war, imposed a sweeping curfew in the capital. Officials shut down the international airport and closed Iraq's main outlet to shipping lanes in the Persian Gulf.

Shi'ite militiamen of the Mahdi's Army, armed with machines guns and rocket-propelled grenades, swept through the Hurriyah neighborhood near an Iraqi army post. The militiamen burned four mosques and several homes, and attacked worshippers as they left services, police Capt. Jamil Hussein said.

Followers of radical anti-American Shi'ite cleric Muqtada al-Sadr warned they would suspend their membership in parliament and the Cabinet if Prime Minister Nouri al-Maliki meets with President Bush in Jordan next week, a member of parliament said.

Legislator Qusai Abdul-Wahab, an al-Sadr follower, blamed U.S. forces for Thursday's bombings in Sadr City because they failed to provide security.

"We say occupation forces are fully responsible for these acts, and we call for the withdrawal of occupation forces or setting a timetable for their withdrawal," Mr. Abdul-Wahab said.

Mr. Bush, who was spending the Thanksgiving holiday at Camp David, said through a spokesman that he would stick to his plans for the summit.

Mahdi's Army gunmen loyal to Sheik al-Sadr had begun to take over the mixed neighborhood of Hurriyah during the summer and a majority of its Sunni residents had fled.

Three Sunni mosques elsewhere in Baghdad came under attack later in the day, and in Sadr City, a U.S. helicopter shot back at Shi'ite militiamen who opened fire on it from the ground, residents said. There were no immediate reports of casualties.

At least 87 persons were killed or found dead yesterday in sectarian violence across Iraq.

Capt. Hussein said at least 25 Sunnis were killed and 14 wounded in the mosque attacks in Hurriyah, despite a 24-hour curfew that the government imposed to try to prevent reprisal killings in the capital.

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The Baghdad attacks appeared to have been a reaction to the deaths Thursday in Sadr City, when Sunnis unleashed bombs and mortars that killed at least 215 persons and wounded 257 in the deadliest single assault since the U.S.-led invasion of Iraq.

The killings threatened to tip Iraq's widespread sectarian violence into full-scale civil war pitting majority Shi'ites against minority Sunnis.

In the northern city of Tal Afar, 23 persons were killed and 43 wounded when explosives hidden in a parked car and in a suicide belt worn by a pedestrian detonated simultaneously outside a car dealership, police Brig. Khalaf al-Jubouri said.

Mr. Bush and Mr. al-Maliki were scheduled to meet Wednesday and Thursday in Amman.

The al-Sadr bloc in parliament and in the government is the backbone of Mr. al-Maliki's political support. Its withdrawal, if only temporarily, would be a severe blow to the prime minister's already shaky hold on power.

Sheik al-Sadr's followers hold six Cabinet seats and have 30 members in the 275-member parliament.

Sheik al-Sadr also challenged Sheik Harith al-Dhari, the Sunnis' most influential leader, who heads the Association of Muslim Scholars, to issue a fatwa, or religious edict, that condemned Sunni attacks on Shi'ites.

Leading about 5,000 worshippers in Friday prayers at a mosque in the Shi'ite holy city of Kufa, 100 miles south of Baghdad, the Shi'ite cleric said Sheik al-Dhari should ban Sunnis from joining al Qaeda in Iraq and organize the reconstruction of the Shi'ite Golden Dome mosque in Samarra, north of the capital.

Suspected al Qaeda bombers blew the shrine apart Feb. 22. Sheik al-Sadr's Mahdi's Army militia and associated death squads are thought to be responsible for killing hundreds of Sunnis since suspected al Qaeda in Iraq militants bombed the Golden Dome mosque. That attack set off a surge of retaliatory killings between Shi'ites and Sunnis that have raged all year.

In Sadr City yesterday, hundreds of men, women and children beat their chests, chanted and cried as they walked beside vehicles carrying the caskets of their loved ones to the holy Shi'ite city of Najaf. Despite Baghdad's curfew, Mr. al-Maliki, himself a Shi'ite, ordered police to guard the processions.

Once the processions reached the edge of Sadr City in northeastern Baghdad, the cars and minivans left most of the mourners behind and began the 100-mile drive south to Najaf, a treacherous journey that passes through many checkpoints and areas controlled by Sunni militants in Iraq's so-called Triangle of Death.

As cleanup crews continued removing remains of the dead from wreckage of the car bombs, tents were erected where relatives could receive condolences.

Thursday's attack surpassed coordinated blasts on March 2, 2004, that struck Shi'ite Muslim shrines in Karbala and Baghdad, killing a total of at least 181 Iraqis and wounding 573. A bombing in the southern city of Hillah that targeted mostly Shi'ite police and national guard recruits, killed 125 and wounded more than 140 in February 2004.

GAO: DOD Business Practices Risky (UPI)

United Press International, November 25, 2006

WASHINGTON, Nov. 24 (UPI) -- One of the most important tasks in the next session of U.S. Congress is to oversee the Pentagon's business operations, the Government Accountability Office said.

The GAO has identified 26 federal programs or activities that are at risk for waste, fraud and abuse because of lax oversight. Eight of them are in the Defense Department and six are programs for which the DOD bears some responsibility.

"Billions of dollars have been wasted annually because of the lack of adequate transparency and appropriate accountability across DOD's business areas," the GAO stated in a new report to Congress, outlining what it believes should be Congress' top priorities for oversight.

The high-risk areas include DOD's overall management

approach to business transformation, business systems modernization, financial management, the personnel security clearance process, supply chain management, support infrastructure management, weapon systems acquisition, and contract management, according to the report.

The GAO lays out key tasks for Congress to help the Defense Department get a handle on the management of its $430 billion annual budget:

--"Require DOD to establish management accountability at an appropriate level of the organization with significant authority, experience, and tenure to provide sustained leadership needed to achieve successful and sustainable transformation," it said;

--"Require DOD to develop and implement a viable strategic plan with goals, objectives, key milestones, and measures to monitor and report on progress in transforming its key business operations;

--"Evaluate DOD's progress in complying with legislative requirements to improve its business systems modernization and financial management modernization efforts,(and) require DOD to develop and implement plans to address its high-risk

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areas."

Lost Documents Slow Veterans' Access To Benefits (LAT)

By Diane C. Lade, South Florida Sun Sentinel

The Los Angeles Times, November 25, 2006

Almost a million a year ask federal officials about retrieving papers they need to apply for valuable aid. Now forms are available online.

FORT LAUDERDALE, FLA. — Harold Brewster certainly earned the right to veterans benefits. He was aboard the battleship New Mexico when a kamikaze pilot slammed into its bridge, killing its commanding officer and 29 crew members during World War II.

But when the former sailor now living in Boca Raton asked about the free plots that would be available to veterans in the new South Florida National Cemetery, he found out he needed documents that had been lost years before. Brewster's military papers and five medals were taken when his household belongings were stolen 10 years ago.

"I didn't know what we were going to do," said Brewster, 80.

Almost a million veterans a year ask federal officials about retrieving lost military documents, papers they need to apply for valuable veterans benefits like housing loans and low-cost healthcare.

The process now can be expedited by applying online. But some veterans and their families still find it cumbersome and confusing.

"Most people don't have the ability to do it on their own," said Floyd White, section manager with Broward County Elderly and Veterans Services.

At least one veteran a week comes into the office for help replacing lost papers, White said.

Brewster's family turned to the Mae Volen Senior Center in Boca Raton, where Brewster goes for activities and lunch.

Administrative assistant Grace Ginsberg pulled up the forms online and, within a few months, had the papers, as well as replacements for the medals.

Brewster wept as a Navy recruiter presented his decorations, in a display box put together by the center, during a ceremony two days before Veterans Day.

But some documents can be hard to retrieve, especially for veterans who served in World War II or the Korean War.

A huge fire swept through the National Personnel Records Center in St. Louis, Mo., in 1973, destroying as many as 18 million military files.

The majority of Army and Air Force veterans discharged before 1964 were affected; the center has reconstructed service histories for 6 million, sending them certificates to replace their military discharge papers.

Officially called a Report of Separation, or DD Form 214, a military discharge paper is required for most veterans benefits, including a veteran's home loan, healthcare at a U.S. Department of Veterans Affairs clinic or hospital, low-cost prescription drugs through the VA, and burial at a veterans cemetery.

According to the VA, the best way to request records is to fill out the Standard Form SF-180. It is available online at http://www.archives.gov/veterans . Veterans can file the form electronically or by mail.

The records center receives about 5,000 requests a day involving its 60 million records. But the center, part of the National Archives and Records Administration, tries to respond within 10 days, officials said.

Older veterans should apply for replacement documents as soon as they realize their originals are missing, veterans officials said.

Dems In Control? We're Still Staying In Canada (LAT)

By David Drucker

The Los Angeles Times, November 25, 2006

MY WIFE AND I AWOKE, as usual, to NPR. Before political correspondent Mara Liasson got to the end of her first sentence, I knew the news was disastrous. George W. Bush had been reelected.

"Honey," I said, "remember when we talked about moving to Canada?"

I'm sure a lot of other dyed-in-the-organic-wool liberals muttered something similar that dark morning in 2004, but unlike most of them, we meant it. Plan A: John Kerry wins, we build that dream ski house in Vermont. Plan B: Move to Vancouver, Canada.

So, Plan B it was. We'd had enough of Bush, the direction the United States was going, and this was the last straw. Never mind that we lived in Cambridge, Mass., arguably the most liberal city in the bluest of the blue states. We were packing our bulk granola into our diesel Beetle and heading out.

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Eight months later, we were settling into a new home and jobs in British Columbia, when Canada had its own election. For those unfamiliar with the Canadian system of government, the prime minister is elected by parliament — not every four years but after losing a no-confidence vote. After a few of those there was a parliamentary election in January, which led to the election of a new prime minister, Stephen Harper, of Canada's Conservative Party.

Harper ran on cutting taxes and turning a federal child-care program into a monthly payment per child. The opposition's negative campaign ads sounded eerily familiar: He supported Bush's war in Iraq, was against signing the Kyoto environmental accord and wanted to "reexamine" gay marriage (which is legal in Canada). A shiver rippled down from our berets to our Birkenstocks.

Then, a few weeks ago, we awoke, as usual, to the Canadian Broadcasting Corp. Before CBC morning show host Tom Allen got to the end of his first sentence, I knew: Back in the United States, the Democratic Party had won control of the House and the Senate.

"Honey, did we make a big mistake?"

By "big mistake," I mean, not the kind in which you switch lines at Whole Foods and the line you'd been in suddenly starts to move. We're talking big mistake like selling all of your stock in Ben & Jerry's the day before Unilever buys the company.

But it turns out that Canadian conservatism can look awfully liberal. So far, Harper — derided as "Bush lite" — has, for instance, introduced a partial tax credit for monthly transit passes. The Conservatives have proposed a Clean Air Act for Canada, and although it's not ideal, it's still something. Harper said that these new laws would "institute a holistic approach that doesn't treat the related issues of pollutants and greenhouse gas emissions in isolation." When was the last time you heard any U.S. politician utter the word "holistic"?

Did I mention universal healthcare? Even Harper seems committed to keeping that.

We've come to the conclusion that the United States has drifted so far to the right that any self-respecting Canadian Conservative would be considered a raving liberal in Washington. Stephen Harper is no George W. Bush. We may not agree with him, but we don't feel ashamed every time he opens his mouth. We might yawn, though.

So we're staying in Canada. But good luck with that new Congress, eh?

David Drucker Is An Information Architect In Vancouver, Canada.

OTHER NEWS:

Why The Economy Needs Consumers To Shop This Year (WSJ)

By Mark Whitehouse, Timothy Aeppel

The Wall Street Journal, November 25, 2006

The latest readings on the U.S. economy suggest a less-than-festive picture as this holiday shopping season begins: Unless consumers turn in a stellar performance at the mall, the recent sluggish growth could last through year's end.

While many economists and executives have begun to believe that the worst of the housing slump is over, the knock-on effects of the slowdown are becoming apparent. Together with a weak auto sector, sharp cutbacks in building activity are hitting everyone from manufacturers to retailers. Truckers are moving less merchandise, and stocks of unsold goods in warehouses are up.

Many retailers reported stronger-than-expected turnout on Black Friday, as shoppers swarmed stores and malls in search of deep discounts. But some economists and analysts worry that it is only deep discounts that are drawing shoppers out, not underlying strength. (See related article1)

All told, the latest data suggest consumers have been cautious, choosing not to spend all extra income and any savings from the gas pump. In October, retail sales excluding gasoline rose 0.4%, putting inflation-adjusted consumer spending on track to rise at about a 3% annualized rate in the current quarter -- a healthy pace, but not enough to generate a rebound in the economy as a whole.

"It'll take a miracle on 34th Street to get a solid rebound in economic activity," says Paul Kasriel, chief economist at Northern Trust Corp. in Chicago. Indeed, a spreading perception that growth in the U.S. is decelerating is weighing a bit on markets and contributing to a drop in the value of the dollar overseas.

Not all is gloom. Producers of capital goods such as machine tools and automation equipment are doing fairly well as businesses keep up their investments. The trade deficit might improve slightly as imports slow and healthy growth abroad stimulates exports. Moreover, deep discounts at Wal-Mart Stores Inc. and other large chains could help keep a lid on inflation.

But how U.S. consumers -- whose purchases make up more than two-thirds of the economy -- respond to the mixed picture they face remains the big unanswered question.

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On one hand, falling home prices have made many feel poorer. On the other, job and wage growth still look good. The unemployment rate fell to a five-year low of 4.4% in October, and the average wage was up 3.9% from a year earlier -- compared with average annual growth of 2.8% since the current expansion began in late 2001. Gasoline prices are still high, but are far below their August peaks. And the stock market is doing well.

Retailers of goods to affluent shoppers, who make up an outsized share of consumer spending, say they see reason for optimism. "We've had good strength in the financial markets this year, and that would bode well for bonuses on Wall Street," says Stephen Sadove, chief executive of Saks Inc. "We also feel good about tourism. Those along with other factors make us feel good about the holiday season for luxury."

Recent earnings reports from big discount retailers Wal-Mart and Target Corp. paint a murkier picture. Wal-Mart, which has been struggling with soft sales amid store redesigns, reported better-than-expected earnings for the quarter ended Oct. 31, but warned that holiday profit could disappoint if deep discounts fail to boost sales. Target offered a better outlook, saying it expects to gain market share over the holidays and beyond.

Meantime, economists' views of the prospects for growth have darkened. As of mid-November, 56 economists polled by The Wall Street Journal predicted, on average, that real gross domestic product -- an inflation-adjusted measure of all the goods and services the U.S. produces -- will rise at an annualized rate of 2.3% in the current quarter. That was down from their October estimate of 2.5%. Many cut their estimates further on Nov. 17, after the Commerce Department reported that new-home construction had plummeted to a six-year low.

As a result, the current quarter is looking not much different than the last, in which GDP, hurt by the housing slump, rose a meager 1.6% -- a number that economists expect to be revised upward a bit this coming week.

The housing outlook remains unclear. Beyond its immediate dampening of growth, the home-building slump ultimately could help the housing market recover. By cutting back on construction, home builders are helping to reduce a huge overhang of unsold homes. Meanwhile, buyers have been more active than many expected: Mortgage applications have been stable for several weeks, and the latest National Association of Home Builders survey showed an uptick in both home builders' actual sales and their expectations for future sales.

The signs of improvement in housing "could be judged as no more than the proverbial dead-cat bounce, but I believe it indicates more than that," says Robert Toll, chief executive of luxury-home builder Toll Brothers Inc. In the Wall Street Journal survey, nearly two in three economists said they thought the worst of the housing slump had passed.

But even if the housing market stabilizes, its effects on the broader economy will linger. Lower home values mean people can't take as much spending money out of their houses through cash-out refinancings and home-equity loans -- a source of funds that in some places, particularly in California, has amounted to more than a fifth of people's disposable income. And everyone from building suppliers to mortgage brokers must adjust to a slower pace of sales.

Retailers Home Depot Inc. and Lowe's Cos. both said recently they expect sales and profits to sag as lower home prices take a toll on customers. Economists at Moody's Economy.com estimate that housing-related sectors -- such as residential construction, furniture making and extermination -- will shed 300,000 jobs over the next year and a half.

James Metcalf, president and chief operating officer of Chicago-based wallboard producer USG Corp, says he has so far made only "surgical" layoffs, though he has slashed overtime and cut back production by about 10% since July. On the brighter side, he says, commercial construction remains robust and new computer systems have allowed him to adjust production much faster than in previous downturns, lessening the risk of the kind of oversupply that leads to big busts.

Still, companies have a lot of unsold inventory sitting on shelves and in warehouses, suggesting that they have plenty of adjusting to do. Jan Hatzius, chief U.S. economist at Goldman Sachs in New York, calculates that in the third quarter, nonauto inventories rose by an inflation-adjusted, annualized figure of $59.3 billion -- the biggest jump since 2000. That means businesses don't need to order as much in the current quarter, a trend reflected in October's manufacturing survey from the Institute for Supply Management, which showed a significant drop in new orders.

Bill Zollars, CEO of trucking company YRC Worldwide Inc., based in Overland Park, Kan., says he has seen smaller and fewer shipments than usual among manufacturers and retailers in recent months -- a time when they are typically stocking up for the holidays. "The peak shipping season is not as robust this year as it has been in previous years," he says.

To be sure, not everyone is hurting. Producers of capital goods are benefiting from businesses' continuing efforts to boost productivity. James Gelly, chief financial officer at Rockwell Automation Inc., a Milwaukee maker of factory-automation equipment, says business is strong in areas such as the energy sector in the Rocky Mountain region.

"The underlying conditions aren't so bad," he says. "In fact, there's a nice uptrend."

Shoppers Flock To Stores, But Will It Be Enough? (WSJ)

By Vanessa O'Connell, Stephanie Kang, Ann Zimmerman

DOJ_NMG_0098609

The Wall Street Journal, November 25, 2006

Crowds swarmed stores across the country early Friday, shopping for deeply discounted big-screen TVs, designer clothes and home accessories. But a stronger-than-expected turnout doesn't necessarily mean retailers will have merry results overall in the critical holiday shopping season, forecasters and retailers warn.

The big risk: power shoppers who showed up for Friday's numerous midnight store openings might have little interest in shopping when the discounts aren't as steep. While the specials appeared to bolster shopper enthusiasm, they could backfire for stores if shoppers use the door busters and other blitz promotions to cherry-pick discounted items. With the extended hours now offered by discounters, malls, outlets and department stores, shoppers can hop from store to store, buying just the dirt-cheap specials -- many below wholesale prices -- and leave the higher-margin products on the shelf.

"The positive is that they've been able to draw consumers into the store," said Donald Soares, principal in the retail practice of consultancy Capgemini. "The negative is the risk that consumers will only buy discounted items and ignore the rest of the store."

"When the dust settles, we'll say 'hey, gee, what a good Black Friday.'" But the big question is, "how much momentum is there?" said Michael P. Niemira, economist for the International Council of Shopping Centers, a trade group.

No doubt, many retailers saw good response to their efforts to lure early shoppers into their stores. At 9 p.m. on Thanksgiving night, CompUSA opened its doors to crowds of shoppers who rushed the aisles for $400 LCD HDTV-ready televisions by Olevia and $50 Linksys routers that normally sell for $79.

The early opening allowed Corey Jackson, a 32-year-old computer programmer from North Dallas, to get a jump on holiday shopping and snare bargains at many stores. After snatching a hard drive and a Bluetooth headset, he planned to head back out in the morning, hitting Wal-Mart for toys for his 21-month-old son, then to Micro Center for more computer shopping, then on to Circuit City and Best Buy for $3.99 CDs and DVDs.

Overall, the number of shoppers who hit stores Friday was greater than anticipated by Bill Martin, co-founder of ShopperTrak RCT Corp., of Chicago, which collects data from 40,000 sensors in enclosed malls and strip centers. The research firm had been predicting a 2.5% increase in traffic Friday over the same day last year. But by late morning Friday, he said the increase in shopper traffic seemed likely to surpass that by at least a few tenths of a percentage point. "That's a pretty strong increase," he said.

"The question is how much money do they spend?" Mr. Martin added. To benefit stores, the increased traffic "has to ring out in the register" by generating solid sales of goods at profitable prices. "What we saw Friday was a grab for market share, with retailers just trying to get people in the store," he said.

By 11:30 p.m. Thanksgiving evening, cars were bumper-to-bumper trying to nab a parking space at Citadel Outlets in Commerce, Calif. For the first time this year, the center opened some of its stores at midnight on Black Friday. At Old Navy, shoppers waited for more than 30 minutes to get into the store, shuffling through a velvet-roped line. By 12:15 a.m. shoppers were snaking around the interior of stores like Vans, KB Toys, apparel retailer Kids Supercenter and others, waiting to get to the cash register.

Melissa Guttierrez, a 29-year-old who was standing in line to get into Calvin Klein at 11:45, said she would spend about $1,000 this year, less than what she spent last year.

Consumers' holiday spending is an important indicator of the strength of the $12 trillion U.S. economy. Retailers count on holiday sales for as much as 40% of their annual sales and half their annual profits.

While the day after Thanksgiving is no longer considered the biggest shopping day of the year -- that honor this year will likely fall to the last Saturday before Christmas -- the day does bring some of the biggest specials. Often known as Black Friday for its historical significance as the day when many retailers turned a profit -- or "went into the black" -- the day generally sets the tone for the rest of the season. But this year's markdowns on some items were surprisingly sharp, especially for electronics.

"It has been a cautious year for retail in general, and the stores wanted to end the year with a bang," said Scott Krugman, a spokesman for the National Retail Federation, which is forecasting an overall increase of 5% in retail sales during the holiday season this year, down slightly from last year's 6.1% gain.

"What you can say for sure is that if retailers run bargains, they can bring out the masses," says Britt Beemer, chairman of America's Research Group, a Charleston, S.C., research firm. In his surveys of shoppers, 42% said they would respond to an advertised deal, up from about 32% of the shoppers he interviewed last year.

At Macy's flagship store in Manhattan, shoppers were waiting in a line that stretched around the block by 5:30 a.m. -- half an hour before the store opened. Many shoppers were clutching $10-off coupons for Macy's merchandise that they had clipped from a newspaper circular the day before. "We have much more traffic than we have had in the last few years" on the day after Thanksgiving, said Terry Lundgren, chief executive of Macy's parent Federated Department Stores Inc.

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Some Web retailers pulled out the stops to attract consumers to their Web sites. On Thursday, Amazon.com placed Microsoft's Xbox 360 game console on sale for $100, a steep discount to its normal $299 price. The 1,000 Xbox 360s Amazon was offering at the lower price sold out 29 seconds after going on sale at 11 a.m. Pacific Time, causing the performance of Amazon's site to temporarily slow down. "We saw dramatically more traffic than we anticipated," said Amazon spokesman Craig Berman. On Friday, high traffic disrupted Wal-Marts Web site for much of the day.

US Retailers Fire Starter Gun On Sales (FT)

By Jonathan Birchall

Financial Times, November 25, 2006

US shoppers on Friday launched their frantic traditional post-Thanksgiving Day assault on stores and malls across the country, amid predictions of a solid but not spectacular holiday season for the retail sector.

The annual Friday ritual of early-morning openings and "door-buster" limited availability offers is used by retailers to mark the start of the holiday shopping season.

However, most leading retailers now launch their Christmas marketing campaigns at the beginning of November.

This year the event again crept into the Thursday holiday itself – led in part by online retailers, who last year saw a spike in transactions from customers shopping from home on the holiday.

Underlining the trend, Amazon, the largest online retailer, staged a Thanksgiving afternoon promotion in which it sold 1,000 Xbox 360 systems for a third of their advertised price. Kmart's 1,400 discount stores opened for the first time on Thanksgiving Day, while CompUSA, the computer retailer, opened its stores from 9pm to midnight. FAO Schwartz, the Manhattan toy store, also opened on Thursday.

Department stores, including JC Penney, Kohl's, Saks and Macy's also launched "pre-Thanksgiving" sales in the week before the holiday.

A number of malls owned by Simon Properties opened their doors at midnight on Thursday. But the early Friday morning remains the most bitterly contested retail battleground. The focus on the day after Thanksgiving continues a tradition that dates back to the days when department stores reopened their stores with Christmas decorations and settings on the day after the holidays.

Wal-Mart, the largest US retailer, and Best Buy and Circuit City, the largest electronics retailers opened their doors at 5am on Friday, with customers in some locations queuing all night for "door-buster" bargains, traditionally advertised in Thanksgiving Day papers.

In an effort to thwart websites that have managed in the past to publish details of its door-buster offers ahead of time, Wal-Mart this year announced 17 "secret" items on its website on Thanksgiving Day – including the latest Xbox game console that would be limited to just six per store.

The hooplah this year also included a stunt by David Blaine, the escapologist, in New York's Times Square sponsored by Target, Wal-Mart's main rival.

Overall, economists are predicting stronger consumer spending over the holidays than last year, despite an initial level of pessimism based around high fuel prices and interest rate concerns.

The National Retail Federation in September predicted a modest 5 per cent increase this year in sales in November and December to $457.4bn against a 6.1 per cent increase last year.

But Wayne Best, Visa USA's chief economist, said earlier this month that it expected growth of 7.5 per cent, as lower fuel prices and a buoyant stock market have improved consumer's confidence.

Holiday Shopping Season Starts Strong (CHIT)

By Sandra Jones

Chicago Tribune, November 25, 2006

Corey Hatters set up his lawn chair in front of Office Depot in Algonquin at 11:50 p.m. Thanksgiving Day and settled in for the night.

The 17-year-old student doesn't usually go for so-called doorbuster deals, but this year the bargain was too good to pass up. When the doors opened at 6 a.m., Hatters' position as first in line secured him one of only three $299.99 Toshiba laptop computers in the store, marked down from $649.99.

"I'd rather do other things with my time, but it was worthwhile," said Hatters. "Before I go to college, I need to get a laptop."

An estimated 60 million shoppers poured into the nation's shopping today—one of the busiest shopping days of the year—snapping up bargains on everything from large-screen plasma TVs to diamond jewelry to KitchenAid mixers.

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Millions stayed home and went online as well, causing some problems for retailers on the crucial shopping day. Wal-Mart Stores Inc.'s Web site was disrupted for several hours today because of high traffic volume. The huge retailer's problems came a day after Amazon.com suffered disruptions because of a Thanksgiving Day sale on Microsoft Corp.'s Xbox 360.

Indeed, the early returns on the official kick off to the holiday shopping season in the Chicago area came in strong.

At Spring Hill Mall in West Dundee, where more than half the stores opened at 1 a.m., many retailers reached 75 percent of their daily sales goal by 6 a.m., according to assistant general manager Neil Lopez.

Best Buy on Clark Street in Lakeview, where the first customer lined up at 7 p.m. on Thanksgiving Day, reported sales that were double the daily plan by 2 p.m., said Jon Kulikowski, general manager. An estimated 1,000 people lined up around the block for Best Buy's 5 a.m. opening. Most were shopping in large part for great deals on flat panel plasma TVs and laptop computers.

Stores opened earlier than ever, some as early as 1 a.m., and the pace of shopping remained strong throughout the day.

Perhaps it was simply the sunny, warm weather in Chicago or the more civilized plans many retailers put in place to handle doorbusting crowds, but the upbeat mood lead many observers to predict this holiday will be a rosy one for retailers.

"When you marry this weather with the business we had today, it doesn't get much better than this," said Marc Strich, general manager at Woodfield Mall in Schaumburg.

Traffic at Woodfield Mall rose an estimated 7 to 9 percent, according to Strich. In anticipation of the crowds the mall increased traffic controllers and started them at 8:30 a.m., three hours earlier than last year.

The National Retail Federation predicts a 5 percent gain in holiday sales this year, less than the 6 percent of a year ago but on par with the 4.8 percent average annual increase of the past decade.

Shoppers Line Up For Sales (DMN)

By Maria Halkias

The Dallas Morning News, November 25, 2006

Dallas-area shoppers flocked to snap up early-bird bargains Friday – the kickoff of retailers' critical holiday shopping season – saying that Thanksgiving weekend discounts are some of the best of the year.

“I come out every year on this day,” said Jennifer Wilder of Dallas, as she carried bags from Ann Taylor, Macy’s, Bath & Body Works, Limited and Zales to her car in the parking lot at NorthPark Center.

“I got a top for $9.99 that was $49.99 for me and brown cowboy boots for my grandbaby for $19.99 that were regular $69.99,” Ms. Wilder said. “It’s worth it. I saved $500 on diamond rings for me and my husband.”

The day after Thanksgiving represents the kickoff to the holiday shopping season and has been called Black Friday because it traditionally represented the day retailers went from posting losses, or being in the red, to being profitable, or in the black.

“Retailers are trying to get people to buy early. The point is to get the shopper early in the cycle,” said Edward J. Fox, director of the J.C. Penney Center for Retail Excellence at Southern Methodist University.

“Retailers who get shoppers to commit earlier end up doing better.”

Last year, Wal-Mart Stores Inc. ended up having a weak day on the Friday after Thanksgiving and that carried through to the rest of the season, he said.

This time Wal-Mart was more aggressive with its discounts and started earlier, he said. Wal-Mart discounted toys, electronics and small appliances weeks leading up to Black Friday.

Many retailers chose not to wait until Black Friday to bring in the crowds.

Late Thursday night, shoppers formed long lines at several stores, including Banana Republic, Polo Ralph Lauren, Tommy Hilfiger, at the Allen Premium Outlets.

About two-thirds of the center's 100 stores participated in the Midnight Madness sale.

“Nike had such a long line it decided to open at 11:35 Thursday night,” said Michele Rothstein, spokeswoman for the shopping center. “We had traffic backed up on I-75 (at the Stacy Road exit). “People voted by showing up. I think we’re onto something.

Sherrie G. McAvoy, U.S. retail sector leader of Deloitte & Touche LLP’s consumer business practice, visited both NorthPark and the Galleria in Dallas on Friday.

“I think the strength we’ve been seeing in luxury will continue this season,” she said. “I saw equal numbers of browsers and shoppers. Due to the area’s competitive environment the retailer has to work harder to convert the browser into the shopper.”

Dallas-Fort Worth shoppers are among the most discerning and demanding, according to results of Deloitte & Touche survey. Despite their high expectations of retailers, they seem to enjoy holiday shopping, Ms. McAvoy said.

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Consumers in Dallas/Ft. Worth plan to spend above the national average on gifts - $728 DFW vs. $584 national - and more than any other area of the US.

Holiday Shoppers Turn Out For Bargains (AP)

By Anne D'Innocenzio

AP, November 24, 2006

It was cold, it was dark and in some places it was foggy. None of that would stop millions of bargain-seekers from climbing into their cars for a pre-dawn raid on their local malls, electronics retailers and discounters for the official start to the holiday season.

""Great deals. I'm shopping for everybody today. We hit Target. We're going to Meijer. We hit Sears. We started shopping at 5 a.m.," Joanne Dosant, a 36-year-old legal assistant from Windsor, Ontario, said Friday as she loaded her SUV with two cartloads of items from a Target store in Madison Heights, Mich.

AUDIO: Gerald Storch, chief of Toys R Us, is upbeat. | But shopper Roy Scott has a problem.

The aggressive tactics used to lure shoppers out before sunrise on Black Friday apparently worked. Based on early reports, the expanded hours, increased discounting and free money as gift cards drove hordes of shoppers to stores to buy flat-screen TVs, computers and toys.

"Large crowds drive me nuts, but this was my Christmas present to myself," said Mark Demers, 23, of Bristol, Conn., who had camped out overnight in front of the Best Buy store in West Hartford, Conn. for the 5 a.m. opening after seeing a TV commercial late Thursday touting $500 off on the $1,500 price tag for a 42-inch LCD TV made by Westinghouse.

Clearly, Black Friday is "becoming the biggest sport," said Marshal Cohen, chief analyst at NPD Group Inc., observing that shoppers this year bought fewer, but pricier items than a year ago.

A growing number of stores such as KB Toys opened at midnight. Some, like CompUSA Inc. and BJ's Wholesale Club opened on Thanksgiving Day for the first time.

Overall, the biggest draws were consumer electronics, particularly flat-screen TVs, laptop computers and digital cameras. Toys fared well too. In addition to the hard-to-find Fisher-Price TMX Elmo, shoppers snapped up other items like anything Dora, robot toys, Fisher-Price's Kids Tough Digital Camera and Jakks-Pacific FlyWheel XPV, according to toy merchants.

But clothing, mirroring a trend in recent years, took a back seat, Cohen said: "Apparel will be the late bloomer making mall-based apparel stores a little nervous."

Wal-Mart Stores, which promised the most aggressive pricing strategy ever, set the tone by plying shoppers with one-time offers such as a $988 Viore 42-inch plasma TV set. The discounter declined to comment Friday about business; it's slated to announce estimated sales results for November on Saturday.

Sears Holdings' Sears Roebuck stores, which offered $10 reward cards to the first 200 people showing up for the 5 a.m. opening, drew increased traffic at many locations, spokeswoman Gail Lavielle said.

Toys "R" Us and KB Toys also reported increased traffic from a year ago.

Karen McDonald, a spokeswoman at Taubman Centers, which operates or owns 23 malls in 11 states, said a handful of malls surveyed on Friday reported traffic and sales gains over last year.

"The line was literally wrapped around the building. I haven't seen that in years," said Terry Lundgren, chairman and CEO of Federated Department Stores, who surveyed the crowds at the 6 a.m. opening of the flagship Macy's in New York as the chain began its first holiday season as a national brand. The hottest draws were discounted cashmere, $50 luggage sets and $100 one-carat diamond necklaces, Lundgren said.

The Best Buy store in West Paterson, N.J., had almost 2,000 people waiting for Friday's 5 a.m. opening — nearly 24 hours after they started lining up.

"They had turkey sandwiches," said Chuck O'Donnell, a district service manager for Best Buy, which sold out of all the early morning specials advertised in its circular, including the 42-inch Westinghouse TVs and $80 digital cameras.

In fact, many of those who arrived at stores early Friday came away disappointed. They were plenty of customers like Brian Clark, 27, who left empty-handed from the West Hartford Best Buy after the televisions and computers he'd eyed as Christmas gifts were snatched by even earlier shoppers.

Alarmed by a recent shooting of a customer waiting outside a Connecticut Wal-Mart for the highly sought Sony's PlayStation 3 game console, Clark had tucked his Glock pistol in a holster under his jacket and put extra ammunition in his pocket before heading out early Friday.

"You never know these days," he said, quickly adding that he has a state permit for a concealed weapon.

Gary Miller, a 45-year-old computer programmer in Cincinnati, was at Wal-Mart at 5 a.m. to hunt for a 20-inch LCD television he had seen advertised online.

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"My wife sent me out for this one," he said, pointing to the set in his shopping cart. "But then I saw this one (a 20-inch conventional TV) for $85 and said, 'What the heck, I'll get that one, too.'"

At the Glendale Galleria in suburban Los Angeles, The Gap had been set to open at 5 a.m. but unlocked the doors 15 minutes early to accommodate a long line of shoppers, said Fran Vartanian, district manager of the chain. Sales were brisk, with all prices reduced by 30% until noon — a first-time promotion for the store. Sweatshirts with hoods were big sellers at about $35 after the discount.

While Black Friday officially starts holiday shopping, generally it's no longer the busiest day of the season. That honor now falls to the last Saturday before Christmas. Stores say Black Friday sets the tone for the weeks ahead, however: What consumers see that day influences where they will shop for the rest of the season.

This year, analysts expect robust holiday sales gains for the retail industry, though the growth is expected to be slower than a year ago. The National Retail Federation projects a 5% gain in total holiday sales for the November-December period, less than the 6.1% in the year-ago period.

Meanwhile, the International Council of Shopping Centers estimates sales at stores open at least a year will rise 3% in the November-December period, less than last year's 3.6%.

Eager Shoppers Ring It Up On "Red-Eye Thursday" (WP)

By Ylan Q. Mui

The Washington Post, November 25, 2006

At midnight yesterday, 30-something gal pals Tracey Oskey and Jodi Weier kicked off their Black Friday shopping spree in classic Washington style: stuck in traffic.

"Oh my God, this is insane," Oskey said as she stared down the stretch of red tail lights on Route 7 in Loudoun County headed toward Leesburg Corner Premium Outlets.

The 5 a.m. early bird special is so last year. For the first time, retailers across the country threw open their doors at 12 a.m. to throngs of shoppers, turning the day after Thanksgiving into a nearly 24-hour shopping smorgasbord.

"I don't even call it Black Friday anymore. I'm calling it red-eye Thursday," said Marshal Cohen, chief industry analyst at consulting firm NPD Group, who hit several midnight openings and early bird specials. "I feel like I'm in college pulling an all-nighter."

Black Friday is the symbolic start of the holiday shopping season, when retailers showcase door-busting discounts on everything from plasma TV sets to Barbies as they jockey for customers and, perhaps more importantly, buzz. A successful day can give a retailer momentum that will last until Christmas. Midnight openings are the latest craze, luring shoppers before they have barely digested their turkey.

"Sales are important, but they're secondary. It's about getting the people" said Ellen Davis, a spokeswoman for the National Retail Federation, a trade group. "Retailers hope that the people who came into their stores today will be back throughout the holiday."

Black Friday earned its nickname because it marks the day when retailers traditionally went from losing money to making a profit, or being in the black. The research firm ShopperTrak predicts that yesterday's foot traffic will be the second-heaviest of the year, following the Saturday before Christmas. By Sunday, retailers expect to have seen 137 million people, up about 2 million from last year, according to the NRF.

Oskey's husband was out of town on a business trip for the phone installation company they run together, Telforward. So her parents came to her home in Tysons Corner at noon on Thursday for turkey and stuffing. They were out the door by 5:30.

Oskey threw some clothes into a backpack and headed west to Loudoun County, where she had booked a shop-and-stay package that Lansdowne Resort, near the outlets, was marketing for the midnight opening. Weier met her at the hotel, and by 9 p.m. they settled in with a bottle of merlot from the minibar and "Grey's Anatomy" on the television.

By 10:45, they were visibly dragging.

"I said that I can make it," Oskey announced in a determined voice as she mapped out her plan of attack in the hotel lobby.

A second wind arrived in the form of hot tea, coffee and a booklet of coupons -- part of the hotel package. Oskey made one last stop at her room to dump off her belongings before heading to the outlets. She pocketed her credit card and driver's license and walked out the door, unencumbered by a purse.

A hotel shuttle took the girlfriends and a handful of other shoppers who had booked the package trip to the outlets, circumventing parking lots that were full shortly after midnight. The bumper-to-bumper traffic was forgotten at the first rack of clothes at the first store Oskey entered.

"C'mon now, $9.99? This rocks!" she said as she sorted through a rack of men's fleece jackets at Haggar. "Are you only allowed one per customer?"

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It was 12:30 a.m., and the line at the lone cash register was already seven people deep -- one of the shortest lines of the night.

The Leesburg outlets were among 25 shopping centers around the country run by Chelsea Property Group to open at midnight. After a successful test at seven locations last year, the company expanded the midnight opening to almost all of its properties.

"It created a lot of excitement to get people to come to us first," said Michele Rothstein, a Chelsea Property spokeswoman. "We're all out there trying to capture the attention and the spending of customers."

Eight malls owned by Greensboro, N.C.-based Tanger Factory Outlet Centers opened at midnight, as did a dozen run by Baltimore-based Prime Retail Inc., including one in Hagerstown.

Retailers said they would not begin tallying the number of shoppers until today but that anecdotal reports indicated strong traffic. Wal-Mart's Web site crashed yesterday because of high volume. Jim Martin, vice president of ShopperTrak, said he expected yesterday's traffic to be comparable to last year's. Early openings might not draw more shoppers but spread them throughout the day, he said.

Some retailers even opened on Thanksgiving Day. CompUSA was open from 9 p.m. to midnight. Kmart checked out shoppers from 7 a.m. to 9 p.m., following a long-standing tradition. Gail Lavielle, a Kmart spokeswoman, said that customers "like having different alternatives and being able to shop all weekend."

But locked doors and dark windows weren't enough to stop some people from showing up to cash in on yesterday's blockbuster promotions. About a dozen shoppers arrived at Fair Oaks Mall in Fairfax at 11 p.m. on Thursday, reported parent company Taubman Centers, to claim spots in line at Elite Boardshop and Sears -- which opened at 5 a.m. and offered a plasma TV for $1,199.99.

Showing up at 4:30 a.m. meant you were downright late. That's when Jae Shim, 41, of Olney arrived at Best Buy in Germantown, where a long line had beat him. He and a friend waited two hours to get inside and another two hours to pay for a DVD player, video games and some movies.

"What we wanted we didn't even get," said Shim, who wanted to snag a Hewlett-Packard laptop for $380. "We could barely get in the store. It was crazy. They said, 'We're out of this; we're out of that.' "

Meanwhile, Oskey was blowing through her Christmas list of about two dozen people long before other retailers flicked on their lights. But even she had her limits. She quickly dashed out of Pottery Barn after seeing that the line wrapped around half the store.

"There's nothing in here I want that bad," she said.

By 3 a.m., she was back in bed. Her list was all checked off, and the only thing left to do in the morning was get a massage and mani-pedi at the hotel spa.

Getting Head Start On Black Friday (WT)

By Jen Haberkorn

The Washington Times, November 25, 2006

Tracy Rigual and her daughter, Rachel, have marked the start of the holiday shopping season with pre-dawn shopping trips for a decade. So when Leesburg Corner Premium Outlets started Black Friday at midnight, so did they.

Armed with coffee and a stroller for packages, the Riguals joined millions of Americans who yesterday hit stores throughout the country.

Retailers look at Black Friday, named after the day retailers traditionally start to see a profit each year, as a bellwether for how the rest of the Christmas season is going to go and a factor in consumer confidence.

So merchants loaded up on discounts this year to entice shoppers.

At Leesburg Corner, some stores offered up to 30 percent off for the first few hours after midnight. Wal-Mart and Target, the expected top draws on Black Friday, have been heavily discounting this season with deals on electronics. Wal-Mart was concerned it would repeat last year's mistake of not discounting enough.

"Retailers went all out this year with exciting promotions and big sales to bring in shoppers," said National Retail Federation President and Chief Executive Officer Tracy Mullin. "Many stores offered substantial savings on big-ticket items for consumers, and it seems that, for many shoppers, the deals were simply too good to pass up."

Roads into Leesburg Corner were packed and the parking lots were full shortly after midnight. Stores with big promotions, such as Ralph Lauren, Coach and Old Navy, and stores selling coffee had lines for hours.

Shoppers were camped out at Best Buy and Circuit City department stores in Northern Virginia by 10 on Thanksgiving night. Both chains opened at 5 a.m. yesterday.

Sears Holdings and Macy's East reported "good" foot traffic at their stores.

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Toys 'R' Us Inc. Chief Executive Officer Gerald Storch told Bloomberg News that the chain's stores had lines longer than they've seen in years. The toy chain had Black Friday deals such as 60 percent off select board games.

Trade groups estimate that between 100 million and 137 million Americans — more than one-third of the U.S. population participated — in Black Friday shopping.

Consumers appear to be behind on their shopping this year, possibly prompting more people to shop on Black Friday. According to the International Council of Shopping Centers, a New York trade group, about 24 percent had started their shopping by Oct. 31. Last year, 29 percent had started by then.

Mark Rein, director of strategic consulting for Maritz Research Retail Group, said Macy's and Coach appeared to be the big winners at the Mall of America in Bloomington, Minn., the country's largest shopping center. Both had major Black Friday promotions.

Department stores, which lost some of their luster with young shoppers during the past few years, are poised for a comeback this holiday.

"Macy's was very busy right at 6 this morning," he said. "Last year, Macy's was a ghost town here."

Other big winners at the Mall of America were the stores that heavily promoted and discounted: Wet Seal, Victoria's Secret, Coach and Bath & Body Works.

"In general, it's busier than last year, without a doubt," he said. "People are walking around with three to four bags — big bags — way more than last year."

Some shoppers chose to stay in their pajamas and shop on the Web. For the first time, many retailers had their Black Friday deals available online — some as early as Thanksgiving Day.

"It's definitely one of the first times we've noticed that retailers and Web sites are making more of a connection," said Kathy Grannis, a National Retail Federation spokeswoman.

But some of the deals may have been too good. Frustrated shoppers were turned off by long lines and slow Web sites.

Wal-Mart's Web site was jammed with traffic and shut down for parts of the day yesterday.

Baltimore residents Mike Hoffman, Lara Wolf and Erin Marsh looked defeated by 1 a.m. yesterday and ready to leave Leesburg Corner without any shopping bags.

"The lines are too long. It's not worth it," Mr. Hoffman said. "I'd rather pay full price than sit in these lines."

Others at Leesburg just wanted to see the madness of a shopping center opening at midnight.

"I guess I'm here just to say I've shopped at midnight," Leesburg, Va., resident Souzanne Al-Azm said a few minutes before midnight.

"This is our cardio," said Terri Hackenburg of Bethesda, before shopping with her sister, Stephanie. "We're burning off the turkey."

Some shoppers did well. The Riguals left Leesburg Corner at 4 a.m., with about 90 percent of their shopping list done.

"I think because we got there so early, we didn't fight traffic getting in, and one of us stood in line while the other one shopped around," Tracy Rigual said. "It was fun."

Attention, Holiday Shoppers: We Have Fisticuffs In Aisle 2 (NYT)

By Michael Barbaro

The New York Times, November 25, 2006

Perhaps it should be renamed Black-and-Blue Friday.

For decades, the day after Thanksgiving has been called simply Black Friday, because it is the unofficial start of the holiday shopping season, when retailers supposedly move into the black, or start turning a profit.

But bargain hunters competing for scarce quantities of “doorbuster” discounts have given this day an increasingly sharp-elbowed, close-fisted and purse-swinging edge.

Shortly after midnight yesterday, an estimated 15,000 shoppers pushed and shoved their way into the Fashion Place mall in Murray, Utah. Police soon joined them, responding to reports of nine skirmishes.

Once inside, shoppers ransacked stores, overturning piles of clothes as they looked for bargains. A retailer’s dream — too many customers! — quickly turned into a nightmare, forcing store clerks to shut their doors, and only let people in after others left. The mall even briefly closed its outside doors to avoid a fire hazard.

“It’s like a mosh pit,” said Lexie Dewegel, 19. “You get pushed everywhere.”

At the Finish Line shoe store, one employee enlisted his mother, who happened to be shopping in the mall, to guard the entrance.

“We were not prepared for this,” said Amber Friedrichsen, the store’s manager.

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Customers behaved badly across the country yesterday, but the mayhem can be traced in part to an escalating battle among retailers to be the first to open their doors and offer the steepest must-have deals.

Many merchants angered shoppers by trumpeting huge discounts — like $70 portable DVD players and $600 flat-screen televisions — only to announce they were sold out moments after they opened.

The fact that so many people were sleep-deprived probably didn't help.

It was the earliest Black Friday on record. Trying to one-up its rivals, CompUSA started its annual Black Friday sales at 9 p.m. on Thursday, just as many Americans sat down for Thanksgiving dessert.

A dozen malls, from Utah to Maine, opened at midnight. And Wal-Mart, Best Buy and J. C. Penney began ringing up sales at 5 a.m. (A 6 a.m. opening at Target seemed so 2005.)

A final tally from yesterday's sales will not be available until tomorrow, at the earliest. But retail executives, who were constantly checking sales figures on their BlackBerrys yesterday, said the numbers suggested that the holiday season was off to a strong, if uncivil, start.

"I have not seen a crowd this size in years," said Terry J. Lundgren, the chief executive of Federated Department Stores, after surveying the lines outside Macy's Herald Square at 5:30 a.m.

Gerald L. Storch, the chief executive of Toys "R" Us, said reports from store managers around the country were the same: long lines at the checkout counter. "Sales results look really good," he said.

Merchants had been wringing their hands throughout the fall over higher gas prices and a weak housing market, worrying that they would make consumers wallet-shy in the crucial November-December period.

But with prices at the pump falling, the industry is now predicting an above-average holiday season.

The National Retail Federation, a trade group, has forecast a 5 percent sales increase, to $457.4 billion, over last year. That figure is well above the industry's performance from 2000 to 2002, when retail sales growth topped out at 3.4 percent. But it falls short of the last two seasons, when they rang up gains of more than 6 percent.

To lure customers, merchants dangled all sorts of discounts. Macy's, Sears, J. C. Penney and Kohl's all placed the same bet: that a $10 coupon on the front of their circulars would draw crowds. Gap offered 30 percent off everything if customers spent more than $50, and Kmart reduced the price of some apparel by 50 percent.

But once they were in the store, many customers heard a deflating message.

"Sold out, sold out, sold out," announced the manager at a Staples on Fifth Avenue in Manhattan yesterday at 7 a.m. "When?" asked the incredulous customer. "An hour ago," replied the manager — in other words, the minute the store opened.

In Lewis Center, Ohio, near Columbus, Cindy Milsap, 43, and her daughter, Ashley, 20, woke up before dawn to drive to the nearby Wal-Mart Supercenter, which advertised a 52-inch high-definition television for $474. "We don't really need a new TV, Ms. Milsap said. "But at that price? C'mon."

But the bargain eluded them. The "limited quantity" in the ad, she said, was three TVs — all sold by the time the pair arrived.

Those customers left in peace.

But at the Wal-Mart outside Columbus, customers dashing toward 5 a.m. deals pinned employees against stacks of merchandise.

"Oh, my god, stop pushing me, oh, my god," screamed Linda Tuttle, a 47-year-old employee at the store.

Grace Smith, a 22-year-old customer in the store, was stunned by the scene. "I heard it would be crazy but I never thought I'd see anything like this," she said.

Black Friday was once the province of a few hard-core bargain hunters, who camped outside stores waiting for deals. Stores barely advertised the event.

But over the last decade, retailers have begun treating the day after Thanksgiving as the biggest retail event of the year, wagering that the discounts offered that day influence perceptions about a store's prices throughout the holiday season.

Several years ago, the phrase "Black and Blue Friday" started creeping into the lexicon, as consumers became increasingly aggressive, and Black Friday has become even more of a contact sport since.

Electronics once again were the hottest items. At Best Buy, Game Spot and Toys "R" Us, customers pleaded for PlayStation 3 ($600) and Nintendo Wii ($250), two video game consoles introduced last week. But more often than not, stores had sold out, leaving consumers to turn to the season's remaining must-haves: portable DVD players, cashmere sweaters and satchel handbags.

And Elmo. Again.

At 6 a.m. yesterday morning in Times Square, a line of shoppers several hundred deep burst through the doors of Toys "R" Us and promptly formed a second, equally long line to buy the $40 T.M.X. Elmo (Tickle Me Elmo Version No. 10).

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The familiar Elmo-induced panic ensued — pushing, shouting, grabbing — until the dolls sold out and a frustrated crowd fanned out across the store in search of a substitute. “Complete madness,” said a 16-year-old, Ray Robinson, who snatched one of the last Elmos.

Mr. Storch of Toys “R” Us said demand for the furry red doll had exceeded the chain’s wildest projections and tested Mattel’s manufacturing capacity. “We’ll get more,” he said.

In cities like Chicago, Washington and St. Louis, yesterday was the beginning of the first holiday shopping season without storied local chains like Marshall Fields, Hecht’s and Famous-Barr, which have all become Macy’s. Consumers still showed up for the early-morning discounts, albeit grudgingly.

“I had sworn to myself that I wouldn’t cross the doorstep and come in here,” said one Chicago resident, Marilynne Felderman, 61, a longtime Marshall Field’s shopper, standing inside the chain’s elegant State Street store, now a Macy’s. “But here I am” — encouraged, no doubt, by deals like a five-piece luggage set for $49.99.

To take advantage of yesterday’s discounts, shoppers hatched elaborate strategies, drawn up on maps and in spiral-bound notebooks.

Stefanie Brooker, 41, slept over at the home of her friend, Michelle Wolfe, 43, so the pair could draw up a battle plan for hitting Best Buy, Kohl’s, Linens ’N Things and Toys “R” Us near Columbus. Yesterday morning, the two operated under strict instructions: “Once we get started,” Ms. Brooker said, “no one’s allowed to eat, drink or go to the bathroom until we are done.”

Clicking With Cyber Monday (WSJ)

By Jessica E. Vascellaro

The Wall Street Journal, November 25, 2006

Black Friday has come and gone. Now the online-shopping frenzy can begin in earnest.

The Monday after Thanksgiving -- dubbed Cyber Monday by the National Retail Federation -- is one of the year's busiest online-shopping days. This year, it kicks off a period of fierce competition among online merchants and traditional retailers' Web sites that promises shoppers more, and sometimes novel, ways to trim their holiday bills.

The number of online shoppers is expected to rise to nearly 115 million this holiday season, up 6% from a year ago, according to New York market-research firm Jupiter Research, and retailers are trying to capture their attention with a steady stream of deals.

With so many players one-upping each other with discounts and promotions, consumers can expect to find a broader range of prices online on any one item -- from digital cameras to luxury cashmere sweaters -- than they could by visiting dozens of stores.

Among the deals this year: online-only sales, rotating daily offers, and heavy doses of exclusive coupons and shipping upgrades targeted to repeat purchasers and email subscribers. Online-payment services, like PayPal and Google Checkout, are offering new incentives for using their services. Search engines that search for products across a broad range of retailer Web sites are brandishing new tools to help shoppers become more savvy.

These promotions come at a critical time of the year. Consumer spending in November and December last year was nearly 20% of the annual total, according to the Commerce Department. As high-speed Internet access proliferates and the number of online merchants continues to grow, Jupiter Research forecasts U.S. online holiday sales will reach $32 billion this year, up 18% from 2005. Americans will spend an average of $791.10 each on holiday merchandise this year, according to Shop.org, a division of the National Retail Federation.

Yet shopping online can cause additional costs and headaches. While more retailers offer free shipping, many do so only above certain thresholds, meaning it still may be wise to head to the store and avoid the temptation to unnecessarily boost your online order. Technical glitches and slow page-loading, while becoming less common, can still stall the process, particularly during peak traffic times. Online shoppers also open themselves up to the possibility of "phishing" attacks -- when scam artists pose as legitimate businesses -- and other forms of fraud.

Leading this year's online land grab are brick-and-mortar retailers, including Circuit City Stores Inc. and Gap Inc. They are turning heavily to Web-exclusive deals (up to 30% off winter accessories at Gap.com) to get customers to use their sites not only to research products but purchase them, too. To drive more traffic to its newly redesigned home page, Wal-Mart Stores Inc. Monday will begin running online-only specials on items like flat-screen high-definition televisions, which it will be offering for less than $800, and digital cameras, which will be priced under $50.

To keep up with the discounting, established online retailers and smaller players are getting more creative, rapidly refreshing the deals and discounts they offer on their sites.

Seattle's Amazon.com Inc., which captured 14% of visits to the top 100 retail Web sites in October, according to research firm Hitwise, plans a new promotion every week for the next several weeks. In a further twist, customers get to vote on which

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promotion is offered, with four choices every week. Options currently include deals on items ranging from DVD players to diamond earrings.

Other retailers are offering a different deal every day. Petco Animal Supplies Inc. will start posting Web-only deals on Petco.com, including 25% off personalized dog collars, starting on Dec. 1. A different deal will be offered daily in each of six pet categories. Home Depot Inc. will soon switch on a "Hammer Drop" feature with a different deeply discounted item posted on its site every day, such as $70 off a set of tools originally priced at $649.

Traditional shopping search engines, which once displayed little more than a hodgepodge of deals combed from the Web, are getting more useful.

Yahoo Inc.'s Yahoo Shopping service now allows shoppers to sort merchandise by free shipping and other deal types. And a new breed of search engine, such as Become Inc.'s Become.com, TheFind Inc.'s TheFind.com and Mpire Inc.'s Mpire.com, offer such features as Zip code-based tax and shipping calculators and graphs that chart historical price information on the item you are searching for, to help predict whether it's likely to rise or fall.

Consumers also can find new deals through online-payment services. EBay Inc.'s payment unit PayPal is doling out rebates to members who use the service during the holiday season on certain Web sites. It also is partnering with selected merchants to give free shipping to those who use the service through Dec. 15. Google Inc.'s Google Checkout, a new service that stores credit-card and billing information to speed purchase time, is joining with some of its merchants, like Timberland, Ace Hardware and Sports Authority, to offer discounts.

Shoppers who lack the time to tune in to their favorite sites regularly now have more ways to ensure that the deals come directly to them. Home Depot, FAO Schwartz Inc. and Discovery Communications Inc.'s Discovery Channel Store are experimenting more aggressively with email marketing, offering exclusive deals like free-shipping and percentage-off coupons to those who provide their email addresses.

Jackie Andrews, a deputy court clerk from Hampton, Va., has spotted a bunch of online steals by subscribing to the email lists of retailers like Circuit City. Last year, after the electronics retailer told her about online holiday deals on MP3 players, she purchased one for her husband for less than $40. As a result, Ms. Andrews, 48 years old, plans to do more than half of her holiday shopping online this year, particularly because she can avoid lines at stores.

Some retailers are partnering with alternative-payment options, which often charge merchants lower fees than credit cards and are more widely accepted this year. EToys Direct Inc., an online toy merchant, reserves special promotions on eToys.com for customers who use Bill Me Later, a deferred-payment option accepted at some 425 online retailers. In the past few weeks, Bill Me Later, a unit of I4 Commerce Inc., launched a shopping engine that allows consumers to search for a particular product across merchants that accept the payment service.

But experts still warn that credit cards, which protect users from fraudulent charges, are the safest way to shop, particularly during the holiday season, when the risk of being scammed rises.

Stocks Weaken As Dollar's Fall Chills Investors (WSJ)

By Worth Civils

The Wall Street Journal, November 25, 2006

As shoppers hit stores in the post-Thanksgiving tradition, the stock market was rattled by a decline in the U.S. dollar, spurred in part by uncertainty about the economy's health.

Now, investors are looking ahead to economic data due out in the coming week for answers.

Capping a slow holiday-shortened week, the Dow Jones Industrial Average on Friday closed down 46.78 points, or 0.4%, at 12280.17, but still up 15% this year. The blue-chip average lost 62.39 points, or 0.5%, for the week, ending two consecutive weeks of gains.

The Dow industrials were down as much as 60 points in early trading following news of the dollar weakness against the euro. In late trading Friday in New York, the euro reached $1.3097, its highest level against the dollar in 20 months. Against the yen, the dollar fell to 115.81 yen from 116.74. The U.S. currency is now off 9.6% against the euro so far this year and down 1.8% against the yen.

Contributing to Friday's downturn were jitters about Friday's retail sales, said Charles Lieberman, chief investment officer at Advisors Capital Management in Paramus, N.J., though early data were limited. A fuller picture is due from retailers next week.

Among retail-company stocks, Best Buy fell 1.4% Friday and Target lost 1.2%. Home-improvement retailers also declined, with Lowe's down 1.1% and Home Depot off 1%.

The broad Standard & Poor's 500-stock index fell 5.14 points, or 0.4%, to 1400.95, nearly flat for the week and up 12% this year. The tech-stock-heavy Nasdaq Composite fell 5.72 points, or 0.2%, to 2460.26, up 0.6% for the week and 12% for the year-to-date.

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Stocks could continue to suffer for a time if retailers disappoint, said Romeo Dator, co-manager of All American Equity Fund at U.S. Global Investors in San Antonio, but he expects strong holiday sales overall. "We have pretty lofty expectations on consumer spending for Christmas," he said.

Slightly more than 514.7 million shares changed hands at the New York Stock Exchange in a shortened day on Friday, about a quarter its usual volume. (Overall, 853.4 million shares of NYSE-listed stocks traded.) Analysts warned that such low activity can create volatility, making it difficult to gauge the market's true direction. "I wouldn't want to take and interpolate today's action too much," said Mr. Dator. Citing a prolonged rally that has left the Dow up 15% on the year, he said, "In overbought conditions, any pullback is welcome."

Though a weaker dollar can raise fears of inflation and higher interest rates, Treasury-bond prices rose, and yields, which move in the opposite direction, fell.

Commodities prices rose, as they often do when the dollar falls. In electronic trading, gold futures climbed $9.60 to $638.60 an ounce and crude-oil futures rose 66 cents to $59.90 a barrel. Regular pit trading for both commodities was closed Friday.

The outlook for economy could become much clearer next week. Reports are due on sales of new and existing homes, consumer confidence, manufacturing activity, durable-goods demand and personal spending and income.

"Next week's numbers will go along way in determining whether or not the rally will continue into the final month of the year," Robert Pavlik, chief investment officer at Oaktree Asset Management, wrote in a note to clients.

But the month's biggest economic report -- the Labor Department's reading of November unemployment and nonfarm payrolls growth -- won't be released until the following week, meaning some investors might stay cautious a little while longer.

In major U.S. market action:

Stocks fell. On the NYSE, 1,673 stocks rose and 1,416 declined.

Bond prices rose. The 10-year Treasury note was up 3/32, or 93.8 cents per $1,000 invested, to yield 4.55%. The 30-year bond rose 7/32 to yield 4.63%.

The dollar weakened. The euro rose against the dollar to $1.3097 from $1.2938 late Thursday, and the dollar fell to 115.81 yen from 116.74.

Dollar Falls Sharply Against Euro As Economies Appear To Diverge (WSJ)

By Joanna Slater, Marcus Walker

The Wall Street Journal, November 25, 2006

The dollar fell sharply, breaking out of a recent tight trading range and hitting a 20-month low against the euro, spurred by concerns that the U.S. economy is slowing just as Europe's is revving up.

Late Friday in New York, it took $1.3097 to buy one euro, compared with $1.2942 a day earlier in global trading. The dollar's weakness also weighed on stocks, which fell in New York Stock Exchange trading in an abbreviated Thanksgiving holiday session.

Over the past week, data released in the U.S. and Europe have solidified perceptions that the two regions may be headed in opposite economic directions.

This coming week will be pivotal as trading levels return to normal and traders grapple with a raft of new data -- including U.S. durable-goods orders and consumer-spending figures -- looking to see if more evidence surfaces that the U.S. economy is slowing.

Signs that the U.S. and European economies are diverging will be good news for the rising euro, say observers. "It could be the start of something big," says Ken Wattret, chief euro zone economist at BNP Paribas in London. The euro's high against the dollar is $1.36, which it hit in December 2004.

Interest-rate expectations in the U.S. and Europe helped propel the latest currency swing. Some financial-market participants believe that the U.S. Federal Reserve could cut interest rates early next year, while the European Central Bank is widely expected to raise its key interest rate by another quarter point, to 3.5%, at its Dec. 7 meeting. Now markets are eager to see whether comments by ECB President Jean-Claude Trichet indicate that a further rate increase is possible in early 2007.

The dollar's recent drop took place amid widespread feeling among investors that the currency was due to weaken. Market watchers who are pessimistic on the dollar's prospects say the size of the U.S. current-account deficit is unsustainable and central bankers elsewhere in the world are debating whether to hold less of their reserves in dollars.

The U.S. Federal Reserve's pause in interest-rate hikes also has undermined support for the dollar, since higher interest rates make dollar-denominated assets, like bonds, more attractive to foreign investors.

Still, the dollar's newfound weakness is unlikely to raise alarms in Washington. The past week's sharp move has not triggered notable selling of other U.S. assets, a move that would be evidence of a more damaging loss of confidence in the dollar. Treasury bond prices rose slightly Friday and their yields, which move in the opposite direction of prices, declined. That

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suggests the dollar's drop is mostly a response to expectations that softer U.S. growth relative to Europe will lead to lower U.S. interest rates relative to Europe's.

In fact, the administration has privately welcomed the dollar's slow decline as one way of beginning to address the huge U.S. trade deficit. A weaker dollar generally makes U.S. goods more competitive against foreign products.

Currency analysts say the speed and size of the dollar's recent fall wasn't precipitated by a particular piece of economic news. "The magnitude of the move was triggered more by momentum than by a specific economic event," said Matthew Strauss, senior currency strategist at RBC Capital Markets in Toronto.

The dollar's slide against the euro is also affecting its relationship with Asian currencies, although not to the same degree. Japan's yen has appreciated against the dollar in recent days, for example.

If the dollar's weakness persists, investors should watch for Asian central banks intervening in the foreign-exchange market to prevent their currencies from appreciating too much, says Marc Chandler, global head of currency strategy at Brown Brothers Harriman.

U.S. Treasury Secretary Henry Paulson has largely maintained a hands-off attitude toward the dollar, in keeping with the administration's belief that exchange rates are best set by competitive markets and not by verbal or real government intervention.

"I'd expect to see the dollar temper somewhat against ... the other reserve currencies in the world, and I think Treasury would be glad to see that happen because it would be in line with economic fundamentals," said Grant D. Aldonas, who early on in the administration spearheaded its China economic policy as undersecretary of commerce for international trade.

That said, in the case of China the U.S. has explicitly called for a stronger yuan -- and therefore a weaker dollar. Treasury officials believe that a stronger Chinese currency will do little to narrow the trade gap, but they hope that pressing China to allow the yuan to rise will quiet Beijing bashers in Congress who argue that the artificial weakness of the yuan hurts U.S. companies and workers.

Nonetheless, the recent slide in the dollar doesn't appear to have much to do with U.S. pressure on China or with expectations that Mr. Paulson's trip to Beijing next month will spark a sudden Chinese revaluation, according to Mr. Aldonas.

Dollar Falls Sharply Against Euro And Pound (NYT)

By Jeremy W. Peters, Carter Dougherty

The New York Times, November 25, 2006

The dollar dropped sharply yesterday against a range of major currencies, with the euro breaking through $1.30 for the first time in a year and a half. The fall highlighted concerns about softness in the American economy as economies abroad continue to expand.

The currency sell-off came as investors weighed a number of issues that complicate the prospects of the United States in the coming months, including a huge trade imbalance with China and a slowing domestic housing market. On top of that, economic growth in some European countries is gaining momentum, threatening to siphon investment away from the dollar.

The dollar’s losses came in a thin trading day in which the British pound rose to its strongest value against the dollar in two years. The euro traded at $1.3079 yesterday afternoon, up from $1.2941 on Thursday. The pound was trading at $1.9317, up from $1.9156.

Stocks closed lower on Wall Street yesterday after a shortened holiday trading session that was soured by news of the dollar’s woes.

“To dismiss this as a technical correction is to overlook the structural reasons why the U.S. dollar is having a very hard time these days,” said Hans Redeker, global head of currency strategy at BNP Paribas in London.

Economists say the United States is in a vulnerable position compared with its global competitors. While the most recent data show that the trade imbalance tightened in September, the decline was largely a result of falling oil prices. The deficit between what Americans import and export was a negative $586.2 billion for the first nine months of the year, and it remains on track to break last year’s record of a negative $716.7 billion. The biggest chunk by far represents imports from China.

The trade gap will be one of the major issues that Treasury Secretary Henry M. Paulson Jr. and other top Bush administration officials discuss next month when they travel to China. Mr. Paulson, along with a delegation that will include Ben S. Bernanke, the Federal Reserve chairman, is expected to press Chinese officials on a number of economic issues, from cracking down on piracy to allowing the Chinese yuan to trade more freely in currency markets.

Analysts said that the dollar’s drop yesterday, which was accelerated by orders from traders to sell automatically once it fell past $1.30 against the euro, reflected a growing anxiety over Chinese economic policy. China’s central bank holds a large amount of American currency, and speculation has intensified recently that it could begin selling off dollars to avoid being burned if the dollar collapses.

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Also lurking behind the dollar's depreciation is the rising probability, in the view of some economists and currency investors, that a slowing American economy will force the Federal Reserve to begin cutting borrowing costs next year.

Against the backdrop of a European Central Bank that seems determined to tighten rates further next year, the appeal of dollar-denominated assets is falling as the prospect of higher returns in Europe rises.

"There can be no doubt that the E.C.B. has more shots in its gun," said Erik Nielsen, chief Europe economist at Goldman Sachs in London. "If the Fed starts cutting next year, then the gap begins to widen."

Already, the European Central Bank has signaled that it will raise rates by a quarter percentage point, to 3.5 percent, on Dec. 7, and bank watchers have been voicing rising expectations of more rate increases after that.

This week, data on German business confidence, French economic growth in the third quarter and a historically reliable gauge of business sentiment in Belgium all pointed toward stronger growth. All these factors are more likely than not to push the European bank to raise interest rates in a bid to head off inflation, a course of action that would damp the appeal of the dollar in relation to the euro, currency specialists said.

"This drop in the dollar has been justified for some time," said Chris Turner, head of foreign exchange strategy at ING Baring in London. "The American economy could do more than simply land softly, and Europe is pretty strong right now."

But there was no single event yesterday to touch off such a sharp drop in the value of the dollar. Rather, economists said, it was a culmination of recent signs of weakness in the American economy that investors found troubling. Some experts said that could suggest that the dollar's losses would deepen.

Julian Jessop, chief international economist for Capital Economics in London, said in a research note yesterday that the sudden drop in the dollar was "an indication of a much more fundamental lack of support for the currency." He said this suggests that "the falls will be all the larger once the markets do start to anticipate persistently sluggish growth."

Markets Rocked By Sharp Slide In Dollar (FT)

By Neil Dennis, Chris Giles, Ralph Atkins

Financial Times, November 25, 2006

A sharpening slide in the US dollar unnerved global markets on Friday as investors sought to protect themselves from the possibility of sustained dollar weakness.

As US markets were closing on Friday , the euro stood at a 19-month high of $1.309, up 1.2 per cent, while sterling gained 0.9 per cent to a 1½-year peak of $1.9333. The yen climbed 0.5 per cent to ¥115.66.

European and Asian stock markets suffered the fallout from the dollar's decline with exporters to the US the worst performing stocks in all regions. But on commodity markets, dollar-denominated prices tracked higher as gold, copper and oil became cheaper in other currencies.

The euro's strength could put the European Central Bank under fresh political pressure not to raise interest rates again after the expected quarter percentage point rise to 3.5 per cent on December 7.

The dollar has now fallen this year by more than 10 per cent against the euro and 12 per cent against sterling. Some economists suggest the greenback has further to slide given a weak economic outlook in the US, and the prospect of interest rate cuts there next year.

Steve Saywell, currencies analyst at Citigroup, said: "While the economic data remain soft, the dollar will continue to fall."

The gaping US trade deficit, the near certainty of a December rise in eurozone interest rates, rising expectations of a cut in US rates in the spring and wariness about borrowing in yen to finance investments in the US all continued to weigh on the dollar, analysts said.

These concerns were heightened by comments from Wu Xiaoling, deputy governor of the People's Bank of China, indicating her unease at the rapid build-up of $1,000bn of reserves in China. She said Asian foreign exchange reserves were at risk from the dollar's fall, although she stopped short of indicating that China was about to stop adding to its pile of reserves.

"The dollar is coming under real pressure and this looks like the beginning of a sustained move," said Ian Stannard, strategist at BNP Paribas.

Equities markets in Europe and Asia fell sharply. Tokyo's Nikkei 225 fell 1.1 per cent to 15,734.6, while the FTSE Eurofirst 300 shed 0.8 per cent to 1,451.05.

Commodities tracked higher, with gold climbing 1.2 per cent to $638.50 a troy ounce, while copper added 2.5 per cent to $7,155 a tonne. Nymex crude gained 1.1 per cent to $59.90.

Housing Falling Behind On Payments (WSJ)

By James R. Hagerty

The Wall Street Journal, November 25, 2006

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While economists debate whether the U.S. housing slump is almost over or just getting started, one corner of the market is showing rapid deterioration: Many recent subprime borrowers are falling behind on their payments.

The latest snapshot of the housing market will come Tuesday, when the National Association of Realtors is due to report on October sales of previously occupied homes. Thomas Lawler, a housing economist in Vienna, Va., believes the Realtors will report a decline in median prices of as much as 5% from a year before. On Wednesday, the government will issue its monthly report on new-home sales.

So far, the economy has weathered the housing downturn with few problems. Rising incomes and stock prices, low interest rates and falling energy costs have helped consumers cope with the psychological blow of declining home prices in many parts of the country. The more bullish analysts believe house prices will start rising again before the end of 2007.

Even if the housing downturn is brief, though, the pain will linger for people who borrowed too heavily to buy homes near the top of the market. David Liu, an analyst at UBS AG in New York, released a report this past week on a worrisome trend in subprime mortgages, those for people with blemished credit histories. As of Oct. 31, borrowers were 60 days or more behind in payments on nearly 4% of the subprime home loans packaged into mortgage securities this year. That's about twice the delinquency rate on new subprime loans recorded a year earlier.

The weak housing market makes life tougher for subprime borrowers. If they run into financial trouble, it's no longer so easy to sell their homes for enough money to repay the loan, meaning more face foreclosure. Mr. Liu also blames looser credit policies by lenders trying to make up for shrinking profit margins by offering more loans to riskier borrowers. Some of the worst performances are coming on the types of mortgages that don't require borrowers to document their income and assets -- known colloquially as "liars' loans."

Delinquent subprime loans are particularly common in cities like Detroit, which has been hit by huge job losses. But they're also above the national average in such metro areas as Boston, Sacramento and San Diego, where home prices have been falling after huge leaps in the first half of this decade, Mr. Liu found. "California is no longer a safe haven" for mortgage lenders and investors, he says.

Mark Zandi, chief economist at Moody's Economy.com, says losses on foreclosures and regulatory pressure will make lenders more cautious. That's unlikely to cause a recession, he says, but it will help restrain housing demand in the next couple of years.

Missed Mortgage Payments Rise 20% In Third Quarter (NYT)

By Christine Haughney

The New York Times, November 25, 2006

In the third quarter of this year, the number of city residents who had missed more than three months of mortgage payments jumped by 20 percent compared with the same quarter a year ago. Still, New Yorkers often have more time to try to hold onto their homes than homeowners in the rest of the country.

Data collected by PropertyShark .com, a real estate data company based in Brooklyn, shows that 1,468 city homeowners missed mortgage payments from July to September, compared with 1,220 in the comparable period last year. That puts them in what is commonly known as preforeclosure, when banks typically warn people that they are at risk of foreclosure so the homeowner will take steps to catch up on the payments. But while more homeowners are in the danger zone, more have also been able to avoid foreclosure. In New York City, lenders foreclosed on 425 homes in the third quarter of 2006, compared with 545 in the year-ago period. (The city has 3,018,000 homeowners.)

John McIlwain, a senior fellow for housing at the Urban Land Institute, a nonprofit planning and research group in Washington, said of the jump in preforeclosures, “It’s a warning sign, but it’s not yet a serious problem in terms of the market.”

The neighborhoods with the highest number of preforeclosures are in Brooklyn and Queens. The Canarsie and Flatbush neighborhoods of Brooklyn had the largest number last quarter, with 37. Elsewhere in Brooklyn, Bedford-Stuyvesant had 32 preforeclosures and East New York had 31. Jamaica, Queens, had 31 preforeclosures. The same neighborhoods had the most preforeclosures the year before.

State laws give New Yorkers an advantage over homeowners elsewhere. According to PropertyShark’s chief executive, Ryan Slack, New York courts typically consider the buyer of the property to be the owner, while California treats the bank that holds that mortgage as the owner.

Banks in California can foreclose on a property and take it back in roughly seven months, but banks in New York have to go through a legal battle that can take more than two years.

That means that New Yorkers have more time to find ways to hold onto their homes.

“There are a lot of things you can do between the time you stop paying your mortgage and the time they can take it away from you,” Mr. Slack said.

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Homeowners in Manhattan are less likely than those in other boroughs to lose their homes because they have often put up more money and because they can use the rising values of their homes as bargaining chips with lenders, Mr. McIlwain said.

Because Manhattan homeowners have amassed considerable resources to break into the condominium or co-op market in the first place, they can usually make their mortgage payments even if they lose their jobs or suffer an illness, he said. With divorce, those are the leading causes of foreclosure, he said.

"There's just a lot more flexibility there," Mr. McIlwain said. "People — instead of going to delinquency or foreclosure — can sell their property and avoid the mark on their credit. There's also an ability to take out an equity loan."

In many cases, banks warn homeowners that they are falling behind, in hopes of giving them time to catch up on their payments.

Last year, Guillermina Edwards, a 50-year-old bookkeeper, missed mortgage payments on the Flatbush home he has owned for 20 years when he had to pay for airline tickets and a funeral after a relative died abroad.

In December 2005, he was placed in preforeclosure, but as soon as he caught up with his payments, he said, the bank left him alone.

"They're just harassing you," he says. "I didn't refinance or anything. You just pay back the months that you owe."

Pension Plan In Ontario Is Buying Ports In U.S. And Canada (NYT/AP)

By The Associated Press

The New York Times, November 25, 2006

TORONTO, Nov. 24 (AP) — The Ontario Teachers' Pension Plan agreed to buy two marine container terminals in the New York area and two in British Columbia from Orient Overseas (International) for $2.4 billion.

The Ontario Teachers' Pension Plan, one of Canada's largest institutional investors, said the deal with Orient Overseas, based in Hong Kong, is still subject to Canadian and United States regulatory approvals.

The terminals involved are the New York Container Terminal on Staten Island and Global Terminal and Container Systems at Bayonne, N.J. The deal also includes TSI Terminal Systems' Deltaport and Vanterm facilities on Canada's Pacific coast.

Once the deal is completed, the terminals will nearly double the value of the plan's infrastructure and timber portfolio to $6.5 billion — about 8 percent of the plan's total assets.

"This acquisition represents solid, robust assets, has little vulnerability to market or economic vagaries and features a very attractive growth profile that we will support and will serve us well into the future," James Leech, senior vice president of Teachers' Private Capital, the pension plan's private investment arm, said in a statement.

Combined annual sales of the operations total approximately $500 million. The terminals include equipment to either load shipping containers onto ships from trucks or trains or unload them from ships for transport by land to their destinations.

Orient Overseas is part of a transport and logistics group that has offices in 58 countries.

The transaction is expected to be completed by the end of the first quarter of 2007, after receiving the necessary regulatory and shareholder approvals.

The Ontario Teachers' Pension Plan has $84 billion in assets under management and administers the pensions of Ontario's 163,000 elementary and secondary school teachers and 101,000 retired teachers.

Kremlin Critic's Death Unnerves Putin Opponents (WSJ)

By Alan Cullison

The Wall Street Journal, November 25, 2006

The death of a prominent Kremlin critic by radioactive poisoning in London, coming weeks after the killing of a well-known independent journalist in Moscow and the harassment of opposition politicians, is fueling fears that opponents of Russian President Vladimir Putin could face even more pressure before a transfer of presidential power in 2008.

Mr. Putin denied the Kremlin played a role in the death of former KGB spy Alexander Litvinenko, which Mr. Putin called tragic. But at the same time, he accused his critics of a "political provocation."

In a letter released after his death Thursday evening, Mr. Litvinenko, who fled to Britain in 2000 to escape criminal charges in Russia, blamed a "barbaric and ruthless" President Putin for poisoning him in what Mr. Litvinenko said was an effort to silence critics. (Read his statement.)

"The risks are growing," said Vladimir Ryzhkov, an independent deputy in the lower house of Russia's Parliament who is frequently critical of the Kremlin. "For the first time in my political career I'm beginning to feel scared."

Mr. Litvinenko's death comes amid a deepening chill in relations with the West -- which has been uneasy with the Kremlin's steady tightening of control over Russian society -- and irritated by Moscow's foreign-policy moves. Moscow has frustrated Washington, for example, with its reluctance to take harsher moves to pressure Iran to give up its nuclear ambitions. Friday,

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Russia's Defense Ministry announced it was beginning deliveries of antiaircraft missiles to Iran, even as the U.S. and Europe have sought to isolate the government in Tehran.

At a news conference in Finland after a tense summit Friday with European leaders, Mr. Putin said, "A death of a man is always a tragedy, and I give my condolences to Mr. Litvinenko's loved ones." He added, "It's extremely regrettable that such a tragic event as death is being used for political provocation."

In Moscow, some senior Russian legislators called Mr. Litvinenko's death a publicity stunt organized to discredit the Kremlin. They suggested the perpetrator was Boris Berezovsky, a deposed Russian tycoon, now living in London, who has said he would like to overthrow Mr. Putin's government.

Mr. Litvinenko, 43 years old, told police he believed he had been poisoned Nov. 1 while investigating the October slaying of Russian journalist Anna Politkovskaya, another critic of Mr. Putin's government.

Doctors in London were hampered in treating Mr. Litvinenko because they were unable to identify the poison used against him. After his death, health authorities said Mr. Litvinenko's body had been exposed to large amounts of radiation from a rare substance called polonium 210. The substance is harmless outside the body but highly toxic if ingested. Investigators from Britain's antiterrorist police found traces at Mr. Litvinenko's home and a sushi restaurant and hotel in central London he had visited shortly before he fell ill. (Read the Health Protection Agency's statement.1)

Polonium 210 had been used in the Soviet space program, and today has a few commercial uses, such as removing static electricity and measuring other forms of radiation. "It's hard to obtain," said Derek Lohmann, a research chemist. "You generally require a nuclear reactor to produce it."

U.K. Home Secretary John Reid held a meeting of the government's emergency committee Friday to discuss Mr. Litvinenko's death, and U.K. diplomats asked Russia's ambassador to provide all assistance necessary to the police probe. Mr. Putin pledged to cooperate fully.

Irina Khakamada, a Russian opposition leader, said the political environment in Moscow has become edgy particularly since the Politkovskaya murder. She said some question whether Mr. Putin is fully in control of his Kremlin entourage as they angle for power before the end of his presidential term in 2008. While some factions may try to gain power themselves, others are trying to curry favor or encourage him to defy the Russian constitution and stay on for a third term.

Mr. Litvinenko, a former colonel in Russia's security service, was a longtime irritant to Mr. Putin. He publicly accused his superiors of ordering him to kill Mr. Berezovsky in 1998. Later, Mr. Litvinenko spent nine months in jail from 1999 on charges of abuse of office.

He was later acquitted, but, facing a retrial, he sought asylum in Britain. There he wrote a book accusing Mr. Putin of coming to power by organizing a series of apartment bombings in 1999 that prompted Russia's invasion of Chechnya.

Sergei Dorenko, a Moscow-based journalist and friend of Mr. Litvinenko, said Mr. Litvinenko told him that the Kremlin in 2003 had offered him safety from prosecution if he were to return home, but that he would be killed if he stayed in London.

London Riddle: A Russian Spy, A Lethal Dose (NYT)

By Alan Cowell

The New York Times, November 25, 2006

LONDON, Nov. 24 — Radiation poisoning killed Alexander V. Litvinenko, the former Russian K.G.B. officer and foe of the Kremlin, authorities here said Friday, further complicating a case that has taken on all the mystery and menace of a political thriller.

From his deathbed, Mr. Litvinenko's family said, he had accused President Vladimir V. Putin of being behind his poisoning. Outside the hospital where he died late Thursday, alarm spread across London after the police found traces of radiation in three places the former spy had been: a sushi bar, a hotel and his North London home.

Scientists were astounded at the use of the rare and hard-to-produce substance, polonium 210, which is dangerous when breathed, injected or ingested. All the while, diplomats scurried to prevent the case from becoming an international incident.

The cause of his death was so unusual, so baffling and so chilling that a senior British official called it "unprecedented." The government called a high-level meeting restricted to the most senior ministers — codenamed Cobra — and the Russian ambassador was summoned to the Foreign Office. Rebutting the accusations of foul play, Russian officials hinted at a devious conspiracy to discredit President Putin.

The former agent's family, citing what they called a statement dictated by the dying Mr. Litvinenko, accused President Putin of a "barbaric and ruthless" murder — a charge the Russian leader promptly rejected. Mr. Litvinenko's father, Walter, also accused Russian authorities of responsibility, and said his 43-year-old son, who had been inquiring into the killing of a journalist in Moscow last month, was "killed by a little, tiny nuclear bomb."

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But the British police said they were treating the case as an “unexplained death” — displaying some caution about calling it a murder inquiry.

Photographs of the dying Mr. Litvinenko showed him hairless and gaunt, wearing a green gown and lying in a hospital bed. Friends who visited him before his death said he had looked ghostly, far removed from the fit figure he presented just weeks ago. Developments in the case over the past week have tantalized Britons, confronting them with the notion that their land might have been used as a theater for sinister machinations more familiar in a James Bond movie.

Mr. Litvinenko’s slow and inexorable death was among the most bizarre since Georgi Markov, a Bulgarian dissident, was murdered in London with a jab from a poison-tipped umbrella in 1978.

It is not the first time that modern-day Russia has been suspected in a prominent poisoning in a foreign land. Doctors said that the Ukrainian president, Viktor A. Yushchenko — who campaigned in 2004 to move Ukraine away from Russian influence and forge closer ties with the European Union — was poisoned with dioxin when he was running for office, leaving his face badly disfigured. Russia, as well as an array of Mr. Yushchenko’s political adversaries, was suspected in the poisoning, but the matter was never resolved.

Word of a possible radiation attack, using what officials identified as polonium 210, a highly radioactive isotope, raised fears of contamination, though many Londoners seemed to take word of the official alert with a degree of stoicism, or even indifference, on a damp Friday evening.

“Spy Radiation: Major Alert,” said a banner headline in The Evening Standard. Still, inured to such scares by acts of terrorism in their city, including the bombings in July 2005 by Islamic militants, many seemed to shrug off the news.

The police searched several locations that Mr. Litvinenko had visited in early November— the Itsu sushi bar on Piccadilly, his home in the white-collar Muswell Hill neighborhood of north London and the Mayfair Millennium Hotel near the American Embassy in Grosvenor Square — and said they had found radioactive traces at each of them. Television showed plainclothes officers carrying away a metal box and several tote bags of evidence from the Itsu restaurant.

At the Mayfair Millennium Hotel, where the lobby and bar were chock-full, the health and safety manager, Brian Kelly, seemed to play down the alarm. “If we had a radiation problem here, do you think my restaurant and bar would be so full of people?” he said.

The authorities said they were also trying to find nurses and other medical staff who had treated Mr. Litvinenko since he began to complain of an unspecified illness on Nov. 1, in case they had been contaminated.

Roger Cox, the director of the Health Protection Agency’s center for radiation, chemicals and environmental hazards, said a large quantity of alpha radiation had been found in Mr. Litvinenko’s urine. Referring to the effects of polonium 210, he said: “If that enters the body by ingestion, then it will rapidly track through the body and go to most major organs,” causing “tissue damage characteristic of radiation.”

It was not immediately known why it had taken so long for the source of Mr. Litvinenko’s poisoning to become clear. Medical authorities denied earlier reports that Mr. Litvinenko had been poisoned by thallium, a toxic metal.

At a news conference on Friday, Dr. Pat Troop, the Health Protection Agency’s chief executive, described Mr. Litvinenko’s death as “an unprecedented event in the U.K., in that someone has apparently been poisoned by a type of radiation.”

A British counterterrorism official said polonium 210 was a byproduct of the nuclear industry and is used in the production of antistatic materials. But in the form believed to have been used in the suspected poisoning, it would have required high-grade technical skills and a sophisticated scientific process to produce, probably within a nuclear lab.

The official, who spoke in return for anonymity because the case had not yet been resolved, declined to comment on efforts to locate possible sources of the substance. The investigation would be difficult for the police because, for instance, at the Itsu sushi bar “thousands of people will have passed through since he was there,” the official said.

Mr. Litvinenko was a former operative in the K.G.B. who became a colonel in its successor organization, known by its Russian initials as the F.S.B. In the late 1990s, Mr. Litvinenko said publicly that he had been ordered to assassinate Boris Berezovsky, an exiled Russian tycoon, but had refused to do so. He fled to Britain and secured British citizenship earlier this year. In 2003, he wrote a book accusing the Russian secret service of orchestrating apartment house bombings in Russia in 1999 that led to the second Chechen war.

Since his illness became known last week, his friends have depicted his poisoning as an officially sanctioned reprisal for his criticism of the Kremlin and his efforts to investigate the fatal shooting of Anna Politkovskaya, a prominent Russian journalist.

Before news broke of the radiation poisoning, Alex Goldfarb, a friend of Mr. Litvinenko, read what was described as the former spy’s deathbed statement, addressed largely to President Putin.

“You may succeed in silencing me, but that silence comes at a price,” the statement read. “You have shown yourself to be as barbaric and ruthless as your most hostile critics have claimed.”

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"You have shown yourself to have no respect for life, liberty or any civilized value," the statement said. "May God forgive you for what you have done, not only to me but to beloved Russia and its people."

Mr. Litvinenko's death threatened to strain relations between Britain and Russia, but Britain sought to avert a major crisis. A Foreign Office official, who spoke in return for customary anonymity, said the Russian ambassador here, Yury V. Fedotov, was called to the Foreign Office on Friday and told that "police were pursuing their investigations and the situation was now more serious."

British officials wanted Russia to help the inquiry with any information it might have about the case, the official said.

Mr. Putin found himself on the defensive when he appeared in Helsinki, Finland, after a meeting with leaders of the European Union, as he had been when he traveled in Europe following the death of Ms. Politkovskaya.

He called Mr. Litvinenko's death a tragedy, but suggested that there was "no indication that it was a violent death," citing what he said was a British medical report. He called for an investigation and pledged the assistance of Russian authorities.

"I hope that the British authorities will not contribute to the fanning up of political scandals having no real grounds," he said in remarks televised in Russia.

Mr. Putin also brushed aside the significance of Mr. Litvinenko's poisoning, suggesting his death was being used for political purposes.

"Those who did it are not the Lord, and Mr. Litvinenko is not Lazarus," he went on. "It is regretful that even such a tragic event as the death of a human being is being used for political provocation."

Andrei Lugovoi, a former K.G.B. colleague who met Mr. Litvinenko in London, denied in a radio interview on Friday that he or a colleague, Dmitry Kovtun, had any part in poisoning him. Speaking on Ekho Moskvy, an independent Russian radio station, Mr. Lugovoi said that he and Mr. Kovtun had met Mr. Litvinenko at a hotel in London on Nov. 1, the day he fell ill, and had discussed business for 20 to 30 minutes.

"He did not order anything," he said. "We did not pour anything for him."

Mr. Lugovoi, now in Moscow, went on to stress that he did not believe Mr. Litvinenko suspected either man while he was ill, and that he had spoken with him on Nov. 7 and Nov. 13. "We had normal, regular conversations," he said. "Nobody accused anybody."

The British police said the investigation was being headed by the counterterrorism command, led by Peter Clarke, an officer normally associated with inquiries into Islamic terrorism.

In a statement on Friday, Mr. Clarke said no arrests had been made, but promised a thorough inquiry. He spoke after the government announced that it had held a meeting of its closed-door Cobra group of top ministers. The code stands for the somewhat more prosaic "Cabinet Office Briefing Room A" in Whitehall, where such gatherings are held.

While Mr. Litvinenko's friends have accused President Putin, the Russian leader's own supporters have hinted at a conspiracy of a different nature.

In Helsinki, where the poisoning overshadowed efforts to resolve disagreements on European-Russian relations, Mr. Putin's aide in charge of European affairs, Sergei V. Yastrzhembsky, said: "What is alarming is the eye-striking, excessive number of deliberate coincidences of high-profiling deaths of people who positioned themselves as opponents to the existing Russian government with international events in which the Russian president takes part."

He added that Russia faced "a well-orchestrated campaign or a plan to consistently discredit Russia and its leader," according to the Interfax news agency.

Radioactive Poison Killed Ex-Spy (WP)

By Mary Jordan, Peter Finn

The Washington Post, November 25, 2006

LONDON, Nov. 24 -- Former Russian spy Alexander Litvinenko was fatally poisoned by a radioactive substance, traces of which were found in his urine, at his home and at a London restaurant and hotel he visited the day he became ill, according to the British health department. It called the case "unprecedented" in Britain.

Authorities closed the restaurant and sealed off part of the hotel Friday as part of an emergency effort to trace the substance, polonium 210, and ensure that it does not harm other people. Litvinenko would have eaten, inhaled or received it through a wound, according to Pat Troop, chief executive of Britain's Health Protection Agency.

Coming after the mysterious poisoning of another prominent opponent of the Kremlin, Ukrainian politician Viktor Yushchenko, the death provoked accusations that Russia continues to use Cold War-style tactics to eliminate critics abroad. London was the scene of the 1978 assassination of a Bulgarian dissident who was killed by a jab from a umbrella tip bearing the toxin ricin.

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Litvinenko blamed the Kremlin shortly before he died, according to friends and family members. "As I lie here I can distinctly hear the beating of wings of the angel of death," Litvinenko, 43, said in a dictated statement, according to friend Alex Goldfarb, who met reporters while accompanied by Litvinenko's tearful father.

"You may succeed in silencing one man but the howl of protest from around the world will reverberate, Mr. Putin, in your ears for the rest of your life," the statement said. "May God forgive you for what you have done, not only to me but to beloved Russia and its people."

Kremlin and Russian security service officials have denied any involvement in the poisoning of Litvinenko, who fled to Britain in 2000 after publicly accusing the security service of involvement in the bombings of two apartment buildings in Russia in 1999 in which 300 people died. Litvinenko had been investigating the murder last month of Russian journalist Anna Politkovskaya, another critic of the Putin government.

Litvinenko's death complicated a summit in Helsinki between Putin and European Union leaders. Speaking there, the Russian president called Litvinenko's death a tragedy, expressing his condolences and pledging his country's cooperation in the investigation.

Addressing allegations that he had ordered the assassination to silence a troublesome critic, Putin said, "I hope the British authorities won't fuel groundless political scandals." He added, "It is a great pity that even such tragic things as human death are used for political provocations."

Putin questioned why Litvinenko's deathbed note had not been made public before he died. Putin also said there was no official finding that Litvinenko had been murdered. "As I know, the medical certificate of British doctors does not indicate that he died a violent death," Putin said. "It does not say that. Hence there is no reason for such talk at all."

Troop, the British health chief, said no autopsy had been conducted. She did not say why, but the BBC reported that "the delay is believed to be over concerns about the health implications for those present at the examination."

Roger Cox, another health agency official, told reporters that radiation emitted by the polonium had been detected in Litvinenko's urine.

John Henry, a toxicologist who was asked by Litvinenko's family to look into the case and who examined Litvinenko before his death, said the type of polonium involved is "only found in government-controlled institutions." In an interview, Henry called polonium 210 an "extraordinary poison" that is lethal in doses so small, "you can lose it on the point of a pin."

Henry, who took part in the investigation of the 2004 poisoning of Ukraine's Yushchenko, then opposition leader and now the president, said that polonium 210 "kills cell by cell" and that once it is administered, there's "absolutely nothing" that can be done to save the exposed person.

Peter Clarke, head of Scotland Yard's anti-terrorism branch, which is leading the investigation, said police are studying closed-circuit television surveillance footage of the places in central London that Litvinenko visited Nov. 1, the day he became ill.

In Friday interviews with Russian news media, a Russian man who met with Litvinenko that day said he had been questioned by British officials in Moscow and denied involvement in the case.

Andrei Lugovoy, a former Russian security agent, said Litvinenko called him and invited him to a meeting to discuss business contacts. He said that he and two other men, including one named Dmitry Kovtun, met with Litvinenko at the Millennium Hotel on Grosvenor Square near the U.S. Embassy.

He said Litvinenko did not eat or drink anything during their 20- to 30-minute meeting. "I'm surprised by how hysterically some are trying to tie me to this," Lugovoy said.

Police said Friday night that part of that hotel as well as the Itsu sushi restaurant that Litvinenko visited had been closed while the investigation continued.

From London to Moscow, people were trying to sort out who stood to benefit from Litvinenko's death.

Litvinenko's supporters say Putin benefits by eliminating a fierce critic. Kremlin defenders say it is not Putin, but rather the Russian leader's enemies who gain. The fierce anti-Putin circle in London, including exiled Russian tycoon Boris Berezovsky, has seized on the poisoning as a way to smear Putin's reputation internationally, they said.

Nikolai Kovalyov, chairman of the veterans committee of the lower house of the Russian parliament, told the Interfax news agency: "Doubtlessly, it did not benefit Russia and its special services. . . . It is not in our interests at all."

Kovalyov, who once headed the Federal Security Service, the domestic successor to the KGB, added that other "defectors who did incomparably more harm to Russia than Litvinenko continue to live in the West safe and sound."

Putin Denies Role In Death Of Ex-spy (FT)

By Jimmy Burns, Stephen Fidler, Frederick Studemann

Financial Times, November 25, 2006

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Vladimir Putin was on Friday forced into a public denial of responsibility for the death of the former Russian intelligence officer Alexander Litvinenko, after British authorities said the ex-spy had been poisoned by highly radioactive polonium 210.

The UK Foreign Office said it had raised the incident with the Russian ambassador after British authorities said they knew of no precedent for such a killing.

Litvinenko died in a London hospital on Thursday night, and a statement he is said to have dictated on Tuesday night blamed the Russian president.

"You succeeded in silencing one man but the howl of protest from around the world will reverberate, Mr Putin, in your ears for the rest of your life," said the statement, read publicly on Friday by a friend, Alexander Goldfarb. "You have shown yourself to be as barbaric and ruthless as your most hostile critics have claimed."

As Kremlin officials vigorously denied official Russian involvement, Mr Putin was forced to answer questions about Litvinenko's death while at an EU/Russia summit in Helsinki.

"There is no grounds for speculation of this kind," Mr Putin said, adding that talk of his government being involved "has nothing to do with reality". He expressed his sympathy for Mr Litvinenko's family, but added that he hoped Britain would not seek to create a "political scandal" over the death.

Mr Putin added: "As far as I understand from the medical statement, it does not say this was the result of a violence."

He also expressed doubts as to the authenticity of the declaration. He said he was "unclear" why, if the statement had been written while Mr Litvinenko was still alive, it had not been reported at that time.

In a rare televised appearance, a spokesman for Russia's SVR foreign intelligence service also reiterated its denials of responsibility. "Probably someone wanted to make a splash out of this, but it's difficult to say who," he said.

Last night, three places in London visited by Mr Litvinenko before he died – a restaurant, his home and sections of a hotel – were sealed off and police said they had found traces of the isotope at each location.

Polonium 210 emits 5,000 times more alpha radiation than radium and a microscopic dose can be lethal if ingested. It has a number of uses, including as nuclear bomb triggers, nuclear batteries and, more frequently, in static electricity eliminators.

The Soviet-era predecessor to Russia's intelligence services, the KGB, used radioactive substances to assassinate opponents, but British experts said they knew of no precedent for the use of polonium. In 1957, in an incident with reverberations in the Litvinenko case, the KGB tried to kill a defector, Nikolai Kholkhov, using radioactive thallium. He suffered horrific symptoms but he survived.

Andrei Nekrasov, a Russian film-maker and friend of Mr Litvinenko, said that his death was "clearly intentional - no doubt about that".

He said Mr Litvinenko was convinced it was the FSB, Russia's domestic intelligence service, that had killed him but that there was no proof. Mr Litvinenko had said that "they were threatening him" and that poisoning would be completely in their style.

Mr Nekrasov said that a recent law passed by the Duma allowing Russian intelligence to eliminate Russia's enemies abroad effectively gave licence to Mr Litvinenko's enemies. "They hated him for going public on all these issues," he said.

Poisoned Spy Blames Putin For His Death (AP)

By Jill Lawless, Associated Press Writer

AP, November 25, 2006

A rare radioactive substance killed an ex-KGB spy turned Kremlin critic, the British government said Friday. In a dramatic statement written before he died, the man called Russian President Vladimir Putin "barbaric and ruthless" and blamed him personally for the poisoning.

Putin, in Finland, offered his condolences for the death of Alexander Litvinenko and denied any involvement. He called the release of the deathbed statement a "political provocation" by his opponents.

Litvinenko died late Thursday at a London hospital after spending days in intensive care as doctors puzzled over what was causing his organs to fail and attacking his bone marrow and destroying his immune system.

Britain's Health Protection Agency said Friday that the radioactive element polonium-210 had been found in his urine, and the police said traces of radiation were found at Litvinenko's home and a ritzy hotel bar and sushi restaurant he visited on the day he became ill.

Police said they were treating the case as an "unexplained death" — but not yet as a murder.

The 43-year-old Litvinenko, who fiercely criticized Putin's government from his refuge in London since 2000, told police he believed he was poisoned Nov. 1 while investigating the October slaying of Russian journalist Anna Politkovskaya, another critic of Putin.

Litvinenko's statement, read by his friend Alex Goldfarb to reporters outside the hospital, put the blame for his death squarely on Putin.

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He accused Putin of having "no respect for life, liberty or any civilized value."

"You may succeed in silencing me but that silence comes at a price. You have shown yourself to be as barbaric and ruthless as your most hostile critics have claimed," the statement said.

"You may succeed in silencing one man but the howl of protest from around the world will reverberate, Mr. Putin, in your ears for the rest of your life."

Goldfarb said Litvinenko dictated the statement before he lost consciousness Tuesday, and signed it in the presence of his wife, Marina.

Putin strongly denied involvement by his government.

"A death of a man is always a tragedy and I deplore this," the Russian leader said when asked about Litvinenko during a news conference after a meeting with European Union leaders.

Putin said the fact that Litvinenko's statement was released only after his death showed it was a provocation. "It's extremely regrettable that such a tragic event as death is being used for political provocation," he said.

At a meeting Friday with Russian Ambassador Yury Fedotov at London's Foreign Office, British diplomats asked Moscow to provide all assistance necessary to a police inquiry into the death, government officials said. Putin pledged to cooperate.

Home Secretary John Reid convened the British government's crisis committee Friday to discuss the death, a Cabinet Office spokeswoman said. Prime Minister Tony Blair's Downing Street office said he was in Scotland and did not attend.

In Washington, State Department spokesman Tom Casey said the United States has sought information on the case from British authorities. "We have been told that they have no definitive conclusions and that they are conducting an investigation," Casey said.

The Health Protection Agency described poisoning with polonium-210 as "an unprecedented event."

"I've been in radiation sciences for 30-odd years and I'm not aware of any such incident," said Roger Cox, director of the agency's center for radiation, chemicals and environmental hazards.

The agency's chief executive, Pat Troop, said the high level of polonium-210 indicated Litvinenko "would either have to have eaten it, inhaled it or taken it in through a wound."

Troop said the agency was evaluating whether it was safe to perform an autopsy.

Peter Clarke, head of London's anti-terrorist police, said officers and military radiation experts were searching several locations in London. A police statement later said at least five locations were being checked, but did not identify two of them.

Traces of radiation had been found at Litvinenko's north London house, the sushi restaurant where he met a contact Nov. 1 and a hotel he visited earlier that day, Clarke said. The restaurant and part of the hotel were closed, with officers removing materials in heavy metal boxes.

Clarke said extensive tests by forensic toxicologists on behalf of police — which began before Litvinenko's death — had on Friday confirmed the presence of polonium-210.

"There is no risk to the public unless they came into close contact with the men or their meals," said Katherine Lewis, a spokeswoman for the Health Protection Agency.

Experts said small amounts of polonium-210 — but not enough to kill someone — are used legitimately in Britain and elsewhere for industrial purposes.

Professor Dudley Goodhead, a radiation expert at the Medical Research Council, said that "to poison someone, much larger amounts are required and this would have to be manmade, perhaps from a particle accelerator or a nuclear reactor."

Chris Lloyd, a British radiation protection adviser, said it would be relatively easy to smuggle polonium into the country, because its alpha radiation would not set off radiation detectors.

Doctors treating Litvinenko had said Thursday that they could not explain his rapid decline. They discounted earlier theories that the father of three had been poisoned with the toxic metal thallium.

Lewis, the Health Protection Agency spokeswoman, said doctors had not discovered the presence of polonium-210 in Litvinenko earlier because hospitals do not normally test for the alpha-ray radiation it emits.

University College Hospital, where Litvinenko died, said Friday it could not comment further because the case was being investigated by police.

Litvinenko's friends had little doubt about who was to blame — Putin's regime.

They said the former spy, who sought asylum in Britain in 2000 and became a citizen, worked tirelessly to uncover corruption in Russia's Federal Security Service, the successor agency to the Soviet-era KGB, and unmask Politkovskaya's killers.

Litvinenko had worked for the KGB and then the Federal Security Service until he publicly accused his superiors in 1998 of ordering him to kill Russian tycoon Boris Berezovsky. He spent nine months in jail on charges of abuse of office, but was later acquitted and moved to Britain.

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In Moscow, pro-Kremlin legislators pointed at Berezovsky, who amassed a fortune in dubious privatization deals after the 1991 Soviet collapse but fled to London after falling out of favor with Putin. He has been a persistent critic of Putin and worked with Litvinenko.

Lawmakers questioned whether the two critics had a falling out and argued the Kremlin had nothing to gain from Litvinenko's death. "I think this is another game of some kind by Berezovsky," Valery Dyatlenko said on Channel One.

Litvinenko's father, Walter, said his son "fought this regime, and this regime got him."

"It was an excruciating death and he was taking it as a real man," Walter Litvinenko told reporters outside the hospital, his voice choked with emotion.

Goldfarb said the attack bore "all the hallmarks of a very professional, sophisticated and specialist operation."

Another friend, Andrei Nekrasov, said Litvinenko told him: "The bastards got me, but they won't get everybody."

Associated Press writer Maria Cheng contributed to this report.

Poisoning Of Ex-spy Ignites Health Scare (LAT)

By Sebastian Rotella, Janet Stobart

The Los Angeles Times, November 25, 2006

LONDON — Counter-terrorism police investigating the mysterious death of a Russian spy-turned-dissident warned Friday of a potential public health hazard at two hospitals that treated him and three other locations where officials found traces of the radioactive material thought to have killed him.

On a day of dramatic revelations and accusations, authorities said they believed Alexander Litvinenko, a former KGB agent and a fierce critic of Russian President Vladimir V. Putin, died Thursday night from a lethal dose of polonium-210, a radioactive substance that is deadly only if ingested.

Concern about danger to the public prompted meetings Friday of a government committee that responds to national emergencies such as terrorist attacks.

Contamination could result from direct contact with the dead man's bodily fluids, authorities said, or by swallowing polonium-210, inhaling it or absorbing it through an open wound. Investigators suspect the 43-year-old was poisoned Nov. 1, when he had meetings in central London at a sushi restaurant and a luxury hotel. Traces of the radioactive material have been found at both locations and his home in North London.

Health officials said they had worked overnight interviewing staffers at the hospitals that treated Litvinenko and were trying to determine the number of people at risk. The government appealed Friday night to anyone who ate at the restaurant Nov. 1 to contact health officials because they may have been contaminated.

"This is an unprecedented event in the U.K. in which someone has apparently been deliberately poisoned with a type of radiation," said Pat Troop, executive director of the Health Protection Agency, which advises the government on major health threats such as radiation and infectious diseases.

Three days before he died, an emaciated Litvinenko dictated a statement from his hospital bed in which he accused the Russian secret services of poisoning him, friends and family revealed at a news conference Friday.

Saying he heard the "beating wings of the angel of death," Litvinenko lashed out at Putin in the statement, read by his close friend Alexander Goldfarb.

"You have shown yourself to be as barbaric and ruthless as your most hostile critics have claimed," Litvinenko said in the statement. "You have shown yourself to have no respect for life, liberty or any civilized value. You have shown yourself to be unworthy of your office, to be unworthy of the trust of civilized men and women. You may succeed in silencing one man, but the howl of protest from around the world will reverberate, Mr. Putin, in your ears for the rest of your life."

Putin, whose government has repeatedly denied involvement, responded quickly. At a summit of the European Union and Russia in Helsinki, Finland, he called the death a tragedy and expressed condolences to the family. But he warned against political manipulation and "provocation."

"I hope that British authorities will not assist in blowing up some kind of political scandals not based on real grounds," Putin said. "If need be, the Russian authorities, including investigators and the Russian prosecutor's office, will render all necessary assistance in the investigation."

A sensitive case

Scotland Yard's elite counter-terrorism unit is leading the investigation. The case is politically delicate, in part because Russian spy agencies have been accused or implicated in previous attacks on opponents, some of whom were poisoned.

A British official knowledgeable about the case, who asked not to be identified, said police conducted in-depth interviews of the hospitalized Litvinenko, four or five sessions lasting about four hours each. In addition, they are reconstructing his

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movements through interviews of witnesses and analysis of footage from London's widespread surveillance camera network, Deputy Assistant Commissioner Peter Clarke, head of the Counter Terrorism Command, said in a statement.

Police have assembled a detailed picture of the dead man's life, the first British official said. They have not ruled out any theories, some of which are as convoluted and murky as Russia's political underworld, the official said.

In contrast to the victim's deathbed accusations against Putin, Russian leaders alleged Friday that exiled Russian "oligarch" Boris Berezovsky, a rival of Putin and ally of Litvinenko, may have engineered the plot to discredit the Kremlin.

Moreover, police have not discounted the possibility that Litvinenko, a veteran of an intelligence culture steeped in the use of poisons, somehow ingested the substance while handling it, the British official said.

"They are not ruling out anything," the official said. "Our police are good and they will follow it wherever it goes. But they are not going to be affected by political pressure to go in only one direction. There are things that came up in the investigation of his life that don't point all in one direction."

Whoever the mastermind may be, the amount of the traces found at the restaurant and the relatively open form in which food is prepared and served at sushi bars are among factors making it likely that the poison was slipped into the victim's food there, the official said.

It is also possible that Litvinenko was poisoned before the two meetings and left traces of the material at the location because it had gotten onto his hands or clothes, the official said.

The culprit had to be an expert. It is difficult to obtain polonium-210 and to employ it as a weapon, said Sally Leivesley, a security and terrorism advisor interviewed Friday by the BBC.

"It's not only a weapon of assassination, it's also a weapon of terror," Leivesley said. "Let's remember what happened with our victim, who has had an unfortunate and absolutely ghastly death.

"What we're seeing is a very measured dose, so the understanding of the people who did this is absolutely acute…. If it had been too high, he would have gone into convulsions on the spot and he would have died immediately. If it had been too low, very fortunately he would have been able to recover, but perhaps been quite ill in the long term."

Victim's day

On Nov. 1, Litvinenko ate lunch at the Itsu sushi bar in the bustling Piccadilly area with Italian security analyst Mario Scaramella, who had come to London to discuss with him the killing in Moscow last month of Anna Politkovskaya, a Russian investigative journalist. Litvinenko was investigating her death. Scaramella showed him a Russian security hit list of anti-government critics on which the names of both Politkovskaya and Litvinenko appeared, according to Litvinenko's accounts to journalists and friends.

Scaramella has denied any involvement and pledged full cooperation with police, saying that he now fears for his life.

After the meal with the Italian academic, officials said, Litvinenko had tea with two Russian men at the Millennium Hotel in Grosvenor Square, where the U.S. Embassy is located. One of the Russians was a former KGB officer, Andrei Lugovoy, and the other was referred to simply as Vladimir, according to Litvinenko's accounts.

Lugovoy, who now runs a private security company, has denied wrongdoing, according to an interview published Friday in the Times of London newspaper. He described himself as a business associate of the slain man and identified the third man as Dmitri Kovron, a businessman, according to the Times. Lugovoy told the newspaper that Litvinenko had requested the meeting to discuss a British company interested in the Russian market, and that Litvinenko did not drink or eat anything during the afternoon conversation.

The sushi bar has been closed while it is searched for radioactive traces. Police said parts of the hotel also had been closed, but a hotel spokesman said all areas of the hotel were functioning normally Friday.

Litvinenko fell ill on the evening of Nov. 1 and was admitted to North London's Barnet General Hospital. His condition worsened, and Nov. 17 he was transferred to University College Hospital in central London, where he was kept under armed surveillance.

In interviews and exchanges with friends from his hospital bed, he said he was the victim of a poisoning.

Doctors named thallium or some kind of radiation poisoning as the cause of his illness, but were unable to pinpoint the substance that caused excruciating pain and a gruesome transformation as his hair fell out and his organs failed.

By Thursday morning, he had been resuscitated from cardiac arrest, and after several hours on a respirator and life-support machine, he died about 9:20 p.m.

The substance that killed him is a radioactive material that occurs naturally and is present in the environment and people in very low concentrations, officials said. It is used industrially for anti-static devices in factories.

Although it cannot penetrate skin, if ingested it can cause an increased cancer risk or, if the quantity is large enough, destruction of body tissues and organs, officials said.

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The dissident's father, Walter, spoke tearfully Friday, saying his son displayed dignity and courage throughout his ordeal. He echoed his son's denunciation of the Kremlin.

"My son died yesterday, and he was killed by a tiny nuclear bomb," the elder Litvinenko said. "It was so small you could not see it. But the people who killed him have big nuclear bombs and missiles, and those people should not be trusted."

Russia Said To Deliver Arms To Iran (AP)

By Judith Ingram, Associated Press Writer

AP, November 25, 2006

Russia has begun delivery of Tor-M1 air defense missile systems to Iran, a Defense Ministry official said Friday, confirming that Moscow would proceed with arms deals with Tehran in spite of Western criticism.

The official, who spoke on condition of anonymity because he was not authorized to discuss the issue, declined to specify when the deliveries had been made and how many systems had been delivered.

Ministry officials have previously said Moscow would supply 29 of the sophisticated missile systems to Iran under a $700 million contract signed in December, according to Russian media reports.

The United States called on all countries last spring to stop all arms exports to Iran, as well as ending all nuclear cooperation with it to put pressure on Tehran to halt uranium enrichment activities. Israel, too, has severely criticized arms deals with Iran.

Tehran insists its nuclear program is for peaceful purposes, but the United States and its allies suspect Iran is trying to develop weapons.

The U.N. Security Council, where Russia is a veto-wielding permanent member, is currently stalemated on the severity of sanctions on Iran for defying its demand to cease enrichment.

The Tor-M1 deal, involving conventional weapons, does not violate any international agreements.

Russian officials say the missiles are purely defensive weapons with a limited range.

According to the Interfax news agency, the Tor-M1 system can identify up to 48 targets and fire at two targets simultaneously at a height of up to 20,000 feet.

Russian media have reported previously that Moscow had conducted talks on selling even more powerful long-range S-300 air defense missiles, but Russian officials have denied that.

Lebanon's Crisis Worsens With Strike (AP)

By Sam F. Ghattas, Associated Press Writer

AP, November 25, 2006

Lebanon's political crisis worsened Friday with government ministers fearing for their lives after the murder of one of their own, businesses on strike and Hezbollah renewing threats of protests.

Beirut was tense after several hundred supporters of the pro-Syrian Hezbollah briefly took to the streets on Thursday night, burning tires and blocking the road to the airport until the Islamic militant group's leader ordered them home.

Tuesday's assassination of Interior Minister Pierre Gemayel, an anti-Syrian Christian leader, has added to Lebanon's political uncertainty. It has also reignited anger at Syria, which dominated Lebanon for nearly three decades but was forced to withdraw its troops last year over accusations it was behind Hariri's killing.

The U.S.-backed government of Prime Minister Fuad Saniora moved ahead with an issue that was likely to anger Hezbollah. The Cabinet was due to meet Saturday to give its final approval to a U.N.-created international court to try suspects in the February 2005 killing of former prime minister Rafik Hariri.

In a gesture toward the government and the anti-Syrian majority in parliament — which regard the U.N. court as a priority — Hezbollah leader Sheik Hassan Nasrallah and parliament speaker Amal leader Nabih Berri said they supported the creation of the tribunal. But they accused their opponents of using the issue to block their demands for enough Cabinet seats to be able to veto decisions.

"We insist on our legitimate right to demand a real participation in the political decision-making," the two said a statement. They pledged to press their "demand by using all available democratic and legal means," a reiteration of threats to hold non-violent protests. When Nasrallah first demanded more Cabinet seats earlier this month, he said that Hezbollah would call demonstrations to bring down the government if its demands were not met. But those protests were called off following Gemayel's death.

Damascus has denied any role in the slayings of Hariri, Gemayel or four other anti-Syrian politicians over the past two years. But Syria suggested in a letter that circulated at the U.N. Friday that it may not cooperate with the international court, saying it was not consulted about the planned court.

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An estimated 800,000 government supporters — a fifth of the population — turned out for Gemayel's funeral on Thursday, turning it into a political rally against Syria as Lebanon's ethnic groups faced their sharpest divisions since the 1975-90 civil war.

"Even at the height of the civil war, Lebanon has never witnessed this level of polarization among its sects, this kind of political mobilization and the crisis at such a dead end," wrote Sateh Noureddine, managing editor of the daily As-Safir.

Fearing a meltdown, business leaders called a two-day strike starting Friday to urge the rival leaders to "take national decisions ... engage in dialogue and stop making threats of street protests."

Factories, banks and financial institutions closed Friday. Though many small shops remained open, many schools shut down and traffic was thinner than normal on Beirut's usually bustling streets.

Underlining the atmosphere of fear following Gemayel's assassination, some Cabinet ministers are taking shelter in the government headquarters in downtown Beirut, although Cabinet Minister Ahmed Fatfat, speaking on Lebanese Broadcasting Corp. television, would not say how many ministers.

Efforts to break the deadlock — and even the outpouring of grief over the slaying of the young Christian politician — have failed to soften the entrenched positions.

Egypt and Saudi Arabia have mediated in recent days, apparently to no avail.

Hezbollah ignored a call by Prime Minister Fuad Saniora on Thursday night for it to resume dialogue and for six pro-Hezbollah members who quit his Cabinet to return to their posts. The six quit in protest just before the Cabinet gave its initial approval of the international tribunal, which is opposed by Hezbollah.

Pro-government groups have warned that more government ministers may be targeted for assassination, which could deny the Cabinet the legal two-thirds quorum of 16 needed to approve the court. The Cabinet now has 17 members following the Shiites' withdrawal and Gemayel's death.

Nabil Bou Monsef, a political analyst speaking on LBC TV Friday, said the latest events served as "a great red alert" to the country. "Tensions are flashing red."

Lebanon's Ominous Sense Of Deja Vu (LAT)

By Megan K. Stack

The Los Angeles Times, November 25, 2006

BEIRUT — The Sunnis were lucky: The homemade bomb that exploded outside their little filling station in the early hours Friday didn't ignite the tanks of gasoline. Shrapnel smashed through the glass windows and metal shutters, but the lone employee was in the bathroom and nobody was hurt.

Shiite gangs roamed the surrounding streets that night, attacking any Sunni symbols they could find, including a mosque. All over Lebanon, Shiites were spoiling for revenge after seeing television footage of the funeral of assassinated Christian Cabinet minister Pierre Gemayel.

Mourners, including some Sunnis, had cursed Shiites and their leaders at the funeral. Afterward, Shiites turned their rage on the nearest Sunnis they could find. Sunnis fought back. A cycle of violence, with uncomfortable echoes of Lebanon's past, was getting underway.

"The country is headed for war," said Abbas Ismail, 50, a Sunni who works in the bombed gas station. He stood on a small concrete ledge as a sinking sun spilled long shadows over Beirut's southern suburbs. "People think we are going to face a civil war."

Brawls and vandalism with sectarian overtones have erupted in the Lebanese capital in recent days, especially where rival sects or political parties live side by side. Gangs roamed the streets, looking for a place to vent their rage.

The incidents are minor: insults shouted, rocks thrown at mosques, posters of sectarian leaders shredded. But they reveal a precarious mood. This is just the sort of low-level violence that has sparked clashes and fueled Lebanon's internal religious fighting for generations.

A political rift has grown steadily more serious. On one side is a government clinging precariously to existence; on the other, a Hezbollah-led opposition determined to grab a greater share of power.

With Hezbollah, a powerful Shiite party, and its allies threatening to stage massive protests to topple the government, there is mounting concern that street violence could give way to wider reprisals.

"Maybe it will start like this. It's very obvious — in 1975 it started like this," said Romel Sherri, a 34-year-old engineer, referring to the start of Lebanon's 15-year civil war. Like most people in Lebanon, Sherri was confident that his own group, Hezbollah, would behave itself, and skeptical about the intentions of its rivals.

"Hassan Nasrallah can control the street, but the others can't," he said, referring to the popular leader of Hezbollah. "They start throwing poison between the religions."

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Against the backdrop of religious slaughter in Iraq, tensions are particularly thick between Lebanon's Sunni and Shiite Muslims. Members of both sects speak of a regional spillover, saying that news from Iraq, along with growing Arab anxiety over the rising influence of Shiite-ruled Iran, has worsened the animosities here.

"If we hear on the news at night that Shiites have been killed by Sunnis in Iraq, then they want to attack Sunnis here in Lebanon," said Ismail, the gas station employee. "It makes them hate us even more."

This is not the same Lebanon that slipped into civil war three decades ago, with the most glaring difference this: Instead of Christians fighting Muslims, the most heated divisions are emerging among rival Christians and, especially, between Sunnis and Shiites.

"It's much more among communities, internally, than between communities," said Fadia Kiwan, head of political science at Beirut's St. Joseph University. "The tension that is of concern to everybody now is the emergence of a Sunni and Shiite split. The situation is very critical."

Tensions also have flared between Christians who are still loyal to the government and the followers of Gen. Michel Aoun, a popular Christian leader who has forged an unlikely alliance with Hezbollah. The night Gemayel was killed, furious young men from the slain minister's Falangist Party attacked Aoun's posters and burned his militia flags in Beirut's Christian neighborhoods.

The tiny gas station that came under attack stands at the entrance to a small enclave of about 60 Sunni families. A ramshackle maze tacked together from cinderblocks and scraps of corrugated tin, their neighborhood is an impoverished island in a sea of Shiites.

These are the southern suburbs, indisputably Hezbollah's turf. But above a rusting fuel tank at the small gas station, Sunnis have tacked up a massive banner printed with the pictures of assassinated former Prime Minister Rafik Hariri; his son, parliamentary majority leader Saad Hariri; and the elder Hariri's Sunni driver, who hailed from a nearby neighborhood and was killed in February 2005 along with his boss.

"Our eyes are on you," read the Arabic lettering swimming across a backdrop of Lebanese flags.

The massive poster is a sign of defiance. The younger Hariri has accused Syria of assassinating Lebanon's leaders, and is battling to establish an international tribunal to prosecute his father's killers. He is also locked in a political battle with Hezbollah, which has long been backed by Syria.

The gas station owners acknowledge that once Shiite customers notice the banner, they usually don't come back.

"If we take this picture down, it's humiliation for us," said Mohammed abu Ali, 45, a driver who lives in the neighborhood. "If the situation were calm, we'd take it down. But in times like these, we can't."

Hezbollah put out word Friday that it would go ahead with long-threatened street demonstrations meant to topple the government.

The date of the demonstrations will be a surprise, they said, but they might begin as early as Sunday. Shiites were already looking forward to showing off their numbers.

"We will stay in the streets," said Hassan Khodor, a Hezbollah official in the predominantly Shiite Beirut neighborhood of Zkak al Blat, "until the government resigns."

The Shiites from this neighborhood say that Druze, Christians and Sunnis rampaged in the streets Friday, shouting insults and ripping down posters of Nasrallah. The men of the neighborhood attacked the interlopers. The army had to wade into the brawl.

"They used to humiliate the opposition parties, Hezbollah and Amal. But now they are attacking the Shiites in general," Khodor said. "They even insulted our religious traditions. This amazed me."

Lebanon Death "May Presage Coup" (BBC)

BBC.com, November 25, 2006

This week's killing of Lebanese politician Pierre Gemayel may be the first shot in a coup against the government, says a top US official.

John Bolton, the American ambassador to the United Nations, said recent probes into political killings in Lebanon suggested Syrian involvement.

He told the BBC that if Syria was deemed to have been involved, the implications were serious.

Saturday sees the second day of a strike protesting at the killing.

Many shops closed on Friday with business leaders saying they hoped the action would move Lebanon closer to a "national dialogue" and ward off the threat of division and street protests.

Mr Gemayel, a Maronite Christian who was the industry minister, was shot in his car in a Christian area of Beirut on Tuesday.

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Many Lebanese accuse Damascus of orchestrating the 34-year-old's murder, although Syria explicitly denies any involvement.

Speaking in a BBC interview, Mr Bolton said he did not want to pre-judge any investigation into Mr Gemayel's death.

Many Lebanese are still mourning Gemayel

Mr Bolton said that Washington would have to take such things into account when deciding whether to deal with Syria.

He said the Americans talked to the Syrians all the time - the issue was whether Syria was going to listen.

The Lebanese cabinet is due to meet on Saturday to approve a United Nations plan for an international tribunal to try those accused of murdering the former Prime Minister, Rafiq Hariri.

Syria has been implicated in the bombing that killed Mr Hariri last year, but denies involvement.

Correspondents say the Lebanese cabinet is expected to give its final approval to the tribunal, and this is likely to increase tensions with pro-Syrian politicians.

Earlier this month six pro-Syrian ministers resigned from the cabinet, saying they wanted a greater role in government.

The death or resignation of two more cabinet ministers would bring down the government.

Meanwhile, the UN Security Council has agreed to a request from the Lebanese government to help investigate Mr Gemayel's murder.

His killing will be probed by the same tribunal that implicated senior Syrian officials and pro-Syrian Lebanese in the killing of Mr Hariri.

Correspondents say the government is accusing Hezbollah of exploiting the delicate political situation in Lebanon to try and block the UN-backed probe into the Hariri killing.

Pro-Syrian groups have already said the UN plan is illegal under Lebanon's constitution.

In 2005, Syria withdrew its troops from Lebanon following 29 years of military and political rule over its smaller neighbour, after massive international pressure following the assassination of Mr Hariri.

Iran And Syria Helping Hizballah Rearm (TIME)

By Elaine Shannon

Time, November 24, 2006

Iran is smuggling weapons through Syria to re-arm Lebanese allies Hizballah, despite renewed efforts by United Nations peacekeepers and the Lebanese army to seal off the mountain borders with Syria in the wake of last summer's war between the Shi'ite militia and Israel, according to reports by Saudi and Israeli intelligence sources that have been confirmed by western diplomats in Beirut.

Israeli military officials in Tel Aviv say that Hizballah replenished nearly half of its pre-war stockpiles of short-range missiles and small arms. But western diplomats in Beirut say these calculations under-estimate the weapons flow and that Hizballah has now filled its war chest with over 20,000 short-range missiles -- a similar amount fo what they had at the start of the conflict, during which the group is believed to have fired over 3,000 rockets at Israel. "The Iranian pipeline through Syria was already working during the war," despite constant Israeli bombing raids on the roads into Lebanon from Syria, this Beirut source said. Officially, Syria and Iran deny that they're supplying weapons to Hizballah. As for the Shi'ite group itself, when asked about receiving a new shipment of arms from Syria and Iran, a spokesman told TIME, without elaborating, "We have more than enough weapons if Israel tries to attack us again."

Over the past three months, according to a knowledgeable Saudi source, Iranian Revolutionary Guard officers have been operating out of a military base on the outskirts of Damascus. The Iranian government has dispatched shipments of small arms and what appear to be missile components to this military base, according to the source. From the secret base, weapons have been shipped by truck across the border into Lebanon. Western diplomats say that the Lebanese army has posted over 8,000 troops along the border, forcing smugglers to use mountain passes instead of the heavily-monitored crossing on the main Beirut-Damascus road.

The Saudis, in particular, are alarmed at Iran's spreading influence in Lebanon. "There has been a serious increase in (Iranian and Syrian) activity in the rearming of HIzballah," says Nawaf Obaid, a Saudi security advisor who is managing director of the Riyadh-based Saudi National Security Assessment Project, a consulting group that advises the Saudi government. Obaid contends that "a huge stream of trucks" has been crossing the border from Syria into Lebanon, ferrying thinly disguised shipments of arms.

Moreover, Obaid says, the Iranian Revolutionary Guard and Iran's Ministry of Intelligence and Security (MOIS) are using the Iranian embassies in Damascus and Beirut as command and control centers -- an allegation that was also confirmed to TIME by Israeli military sources. Obaid says there appear to be direct communications links between the Iranians and Hizballah, via

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Hizballah officers working inside the Iranian embassy in Beirut, and Iranian officers in the field with Hizballah fighters; in the past, some Middle East analysts have rejected the popular notion that Hizballah takes direct orders from Iran.

Iran's apparent efforts to destabilize Lebanon and to expand Shi'ite influence in Iraq and throughout the region are of major concern to the Saudi government, a leading power in the Sunni Muslim world that presumably would like to see the U.S. take a more active stance in Lebanon against its regional rivals. Obaid says that when Vice President Cheney visits King Abdallah bin Abd Al Aziz Al Saud Saturday in Riyadh, the Saudi king is expected to tell Cheney that "the Saudi leadership will not and cannot allow Iran, through Syria and Hizballah, to bring down the Lebanese government and overtake the levers of power in Beirut." Obaid says the Saudi king is also expected to discuss with Cheney the kingdom's worries about Iranian activity in Iraq and the Palestinian territories as well as its alliance with Syria.

All of the Iranian and Syrian activity is taking place against the backdrop of growing instability within Lebanon's government and Saturday's upcoming vote among government ministers to bring the assassins of the late Prime Minister Rafik Hariri before an international tribunal -- a process that is expected to implicate high-level Syrian officials. Hizballah pulled out of the country's coalition government recently after its push for greater representation was rebuffed; many observers viewed the push for effectve veto power as motivated by its concern that prime minister Fouad Siniora would try to begin the process of Hizballah's disarmament that was reaffirmed in the UN-brokered ceasefire that ended this summer's war. Moreover, some politicians in Beirut suspect that the assassination of Industry Minister Pierre Gemayel on Tuesday was plotted by Syria to scare cabinet ministers into voting against the international probe into Hariri's death by a massive truck bomb (other analysts argue the predictable fallout from the killing just ahead of such a crucial vote is precisely why Syria would not have ordered it). Saad Hariri, the prime minister's son and a supporter of the current government, told TIME, "Syria is waging a campaign of intimidation and assassinations to stop the tribunal."

If the Lebanese government approves of the tribunal, it will then go to the United Nations, which could slap an embargo on Syria. This process will drag on for months before it wends its way into the UN Security Council. Moreover, such a confrontational approach would run counter to the expected recommendation of the Iraq Study Group, commissioned by the White House, to engage with Syria. But after the assassination of Pierre Gemayel the notion of US talks with Syria may be off the table, at least for the moment.

- with additional reporting by Aaron J. Klein/Tel Aviv and Timothy J. Burger/Washington

Palestinians And Israel Say They Are Open To Truce (NYT)

By Steven Erlanger

The New York Times, November 25, 2006

JERUSALEM, Nov. 24 — After another surge of violence in and around the Gaza Strip over the past month, Israel and the Palestinians moved gingerly on Friday toward reinstating an often-broken cease-fire between them.

In Gaza, Prime Minister Ismail Haniya of Hamas confirmed that the Palestinian factions — including Islamic Jihad, which had previously rejected any cease-fire with Israel — would halt their rocket fire if Israel halted its military operations in both the West Bank and Gaza.

Israel called the offer a media presentation, but said it was open to a more serious, formal proposal. “It’s not a question of, ‘You go first,’ ” said Miri Eisin, a spokeswoman for Prime Minister Ehud Olmert. “It’s a question of, ‘What are we talking about?’ ” A halt to all Israeli military operations in return for a halt to rocket fire alone would be unacceptable, she said.

On Thursday night in Gaza, the Palestinian Authority president, Mahmoud Abbas of Fatah, said that since the summer, Palestinians have been “victims of a barbaric Israeli offensive that has left more than 400 dead and 1,500 wounded while thousands of homes have been destroyed.” But he added, “All that on the pretext of homemade rocket fire, and unfortunately we are giving them such a pretext.”

In fact, Israel re-entered Gaza in late June in response to the capture of a soldier, Cpl. Gilad Shalit, by a group of Palestinian militants that included Hamas. Hamas said that they were responding to Israeli shelling that had killed civilians; Israel said the shelling was in response to Palestinian rocket fire. Since Israel pulled its settlers and troops out of Gaza in September 2005, at least 1,100 rockets have been fired from Gaza, and four Israelis have died — two of them in the past 10 days.

Mr. Abbas, aided by Egypt, is negotiating with Hamas over a national-unity government that could meet the conditions for ending an international freeze on direct budget aid, as well as Israel’s withholding of tax and duties collected on behalf of the Palestinians. The government is also held up by disagreements over the release of Corporal Shalit and different demands about the number of Palestinian prisoners to be exchanged for him. Israel wants the corporal back before releasing prisoners. These issues are holding back the prospect of a meeting between Mr. Olmert and Mr. Abbas.

Secretary of State Condoleezza Rice is expected to make an unannounced visit here to see both men next week. The United States is eager to break the bloody stalemate and at least have Mr. Olmert and Mr. Abbas talking again.

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Amid the negotiating, the shooting continued Friday, with Israeli troops in Gaza killing two Palestinians in Beit Lahiya, including a militant who served as a cameraman for Hamas's military wing. A 10-year-old boy, Abdel Aziz Salman, died from gunshot wounds, hospital workers said. Palestinians said he was hit by an Israeli sniper; the Israeli Army said its troops in Beit Lahiya had no knowledge of the boy's death.

Israel Rejects Palestinian Peace Offer (AP)

By Sarah El Deeb, Associated Press Writer

AP, November 25, 2006

The Palestinian prime minister said Friday that militants were prepared to stop firing rockets at Israel if it would halt all military action in Palestinian territories. Israel rejected the offer, saying it would respond positively only to a total truce.

Similar proposals in the past have failed to curb fighting, and a spokesman for the ruling Hamas group quickly stepped back from the cease-fire talk, which came as fighting between militants and Israeli troops in Gaza claimed the lives of a 10-year-old Palestinian boy and a militant filming the clashes.

A third Palestinian died Friday of wounds sustained in earlier violence. It wasn't immediately known whether he was a militant or civilian.

Israeli launched a military campaign in Gaza five months ago, in an unsuccessful attempt to curb militant rocket fire on Israeli border communities.

Prime Minister Ismail Haniyeh of Hamas said armed factions had agreed Thursday to halt rocket fire in exchange for a complete cessation of Israeli military operations in Gaza and the West Bank.

"The ball now is in the Israeli court," Haniyeh said. "It (Israel) must stop its aggression and escalation against the Palestinian people, then there will be no problem according to what the factions agreed in their last meeting."

After meeting with faction leaders again Friday night, Haniyeh urged the Israelis "to respect this positive readiness expressed by the Palestinian resistance factions." And government spokesman Ghazi Hamad suggested that a broader cease-fire was possible if Israel were to take up the militants' offer.

"After that, we (the Palestinians) will talk about a comprehensive truce," Hamad said.

Miri Eisin, a spokeswoman for Israeli Prime Minister Ehud Olmert, said the offer to trade a partial cease-fire for a suspension of all Israeli military operations in Palestinian territories was "ludicrous" and "a media stunt."

"Israel would respond very positively to the idea of a complete cease-fire in the Gaza Strip, which is what we hoped for in September 2005 when we left every inch of the Gaza Strip," Eisin said. "If the Palestinian factions have a proposal which is supposed to bring about the complete stopping of fire from the Gaza Strip, Israel would be very happy to stop all, all - and I'm going to say it again — all fire from the Gaza Strip."

A Hamas spokesman in Gaza, Ismail Radwan, watered down Haniyeh's talk of a cease-fire, saying the Palestinian factions had agreed to "alter their strategies of resistance" if Israel halted fire.

The Palestinian rocket fire, which over the years has generated more panic and anxiety than casualties, grew deadlier over the past week, claiming the lives of two Israeli civilians.

Eisin said Israel regarded recent efforts by moderate Palestinian President Mahmoud Abbas, to achieve a "complete stop of all violence" as a "very positive development."

Abbas has been trying to work out a package deal with Haniyeh that would include a total cease-fire and a more moderate government of professionals to replace the one led by Hamas, which doesn't recognize the Jewish state.

The two men met twice on Thursday, and aides to Abbas said the key sticking point in coalition talks was who would control the Interior Ministry, which is in charge of powerful Palestinian security branches.

Abbas hopes a more moderate government would encourage the West to restore vitally needed aid, cut off after Hamas took power in March. Western leaders have said the flow would not resume until the Palestinian government recognizes Israel and renounces violence.

Hamas' political chief, Khaled Mashaal, was in Cairo on Friday for talks with Egyptian mediators on the so-called national unity government, but no breakthrough was reported.

In Damascus, Syria, the Palestinian foreign minister, Mahmoud Zahar, blamed Abbas' effort to create a government of technocrats for the failure in forming a unity government. He called it a "dangerous" idea that was unacceptable to Hamas.

Zahar, who spoke late Thursday after meeting with radical Palestinian factions, also repeated Hamas' stance that it will not agree to any government that would recognize Israel and renounce violence against the Jewish state.

In northern Gaza, hundreds gathered to bury a 64-year-old grandmother who blew herself up a day earlier as Israeli forces moved through the Jebaliya refugee camp.

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Mourners shouting "God is great" draped her simple wooden coffin with a green Hamas flag on Friday before driving it off to a nearby cemetery.

"I knew she wanted martyrdom. She was brave. But I'm still surprised that she did it," said one of her 38 grandchildren, 13-year-old Leila.

Fatma An-Najar was by far the oldest of more than 100 Palestinian suicide bombers who have attacked Israelis over the past six years, killing hundreds.

Female suicide bombers were a rarity during the first several years of the current conflict, but have become more common over the years as women become more involved in the Palestinian struggle.

A Tumultuous World Tests A Rigid Pope (WSJ)

By Gabriel Kahn, Stacy Meichtry

The Wall Street Journal, November 25, 2006

On official trips, he rarely strays from the timetable or jokes with the crowds. He is wary of the mass media and disdains made-for-TV images like those that helped define the papacy of his predecessor, John Paul II. Friends describe him as a man who is shy in crowds and prefers thinking to talking. He is more likely to settle down with a book than sit down at a crowded dinner table.

In private, colleagues say, Pope Benedict XVI can demonstrate a disarming humbleness. Whereas John Paul would spend hours chatting with guests, Benedict is businesslike. He always seems to know what time it is, says Robert Spaemann, a conservative German Catholic philosopher who has known Benedict for years. "Then he'll stand up and say, 'Right, it's time,' and end the meeting."

Nineteen months after being selected pope, Benedict is transforming the Vatican with a different style and a different stance. Beneath his blunt words and rigid style lies a profound divergence from John Paul's buoyant optimism. Pope Benedict believes that the Roman Catholic Church must stand apart from the world of today rather than embrace it.

John Paul II was the master of the grand overture -- from praying at the Western Wall in Jerusalem to kissing a copy of the Quran -- which dissolved tensions with even his harshest foes.

For Benedict, the modern age is defined by growing secularism in the West and the rise of religious fanaticism most everywhere else. In order to fulfill its mission, he believes, the Church needs to shun both forces. Benedict is "pessimistic about the compatibility of the Church and the modern world," says Mr. Spaemann.

This vision has sweeping implications for the Church -- both in its approach to Catholic doctrine and liturgy and in its outreach to other faiths, particularly Islam.

Benedict preaches a renewal of the Church's fundamental teachings and rituals, and is considering expanding the use of the Latin Mass. Benedict's emphasis on tradition risks alienating a broad cross-section of Catholics who argue the Church needs to become more accessible to maintain its increasingly diverse flock. Only once the Church has reclaimed its own distinct identity, he says, can it mount an effective resistance against its chief foe, a "dictatorship of relativism."

Benedict's public call to arms fires the imaginations of many of the cardinals who elected him pope. They share Benedict's view of a Church that is under siege, and they want a leader who is ready to confront the dual challenges of secularism and Islam, even if such confrontation brings danger. Some cardinals insist that Benedict's brusque language on such delicate matters as the Church's relationship with Islam is necessary in order to set the stage for frank and constructive dialogue in the future.

Now, Benedict's approach faces the biggest test of his young pontificate as he travels to Turkey this coming week, his first papal trip to a Muslim nation.

Catholic-Muslim tensions have soared in recent months, in part because of Benedict's own actions. In a September speech in Germany, the pope cited a 15th-century Byzantine emperor's description of Muhammad's teachings as "evil and inhuman." The speech ricocheted around the Muslim world, leading to riots, church bombings and the killing of a nun.

The reaction unnerved both the Vatican and the pope. But the speech itself laid out one of Benedict's most crucial departures from John Paul's path of aggressive outreach. John Paul believed fervently -- some say foolishly -- that Christians and others faiths, even Islam, could always find common ground. Benedict, on the other hand, believes Catholics and Muslims are divided by an ideological chasm, and makes little effort to temper his conviction.

The approach risks provoking a backlash in Turkey, where devout Muslims are incensed by what they see as the pope's unjust criticism of their faith, and where Turkish nationalists view the pope as a Western provocateur bent on weakening the Turkish state. This past week, a group of right-wing Turkish nationalists stormed a former church in Istanbul as part of a protest against the pope's coming visit. "This attitude, which fuels division and lack of mutual trust, is seriously threatening world peace," Ali Bardakoglu, head of Turkey's religious affairs department, said recently, though he didn't specifically mention the pope. Mr. Bardakoglu, who is scheduled to meet with the pontiff during his trip, has vowed to make his views clear.

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As tensions mounted late Friday, a Vatican spokesman said Benedict was considering a last-minute change to his travel schedule that would allow him to visit Istanbul's Blue Mosque.

FORMER STUDENTS from the pope's time as a university professor in Germany say that the pontiff's mind is spongelike, and that he can quote from memory works ranging from St. Augustine to Nietzsche. His scholarly stature creates such a sense of awe, colleagues say, that he often goes unchallenged within the Vatican. His texts are rarely edited, say those who work with him, and his ideas are seldom disputed. Many of the pontiff's close associates view him with trepidation.

"He's so head and shoulders above everybody else," says Father Joseph Fessio, who studied under him as a graduate student and now, as head of Florida-based Ignatius Press, publishes his works in English. "Who's going to be able to proof something or correct something?"

This leaves the pope with a level of intellectual isolation even within the Vatican. "Whom would he sit down with? Can you imagine being papal theologian? What are you going to say?" asks Father Fessio.

Many of Benedict's close colleagues say he only really unwinds when surrounded by his intellectual peers. Since his days as a professor in Germany he has hosted the Schülerkreis, or "student circle," where he gathers students and colleagues for free-flowing debate on an issue that is crucial for the Church.

"The first thing he said to us after his election as Pope was that we must continue our seminars," recalls Father Vincent Twomey, an Irish priest and professor who did his doctoral studies with then-Father Ratzinger at the University of Regensburg.

IN THE SUMMER OF 2005, four months after his election, the topic was Islam. The pontiff invited some of the Church's top Islam experts to attend the gathering.

In a speech at the meeting, German Jesuit Father Christian Troll discussed how Muslims might be able to reinterpret the Quran along the lines of modern thinking. The pope questioned whether such a shift was possible, according to Father Fessio, who attended the gathering.

Many of the themes from that meeting re-emerged in the pope's contentious speech at the University of Regensburg on Sept. 12. (Read the speech1.)

The 4,000-word speech delved into a theme present in many of his writings: the West's failure to accept the interdependence between faith and reason.

Benedict prefaced this reflection, however, with a meandering analysis of Islam that relied on obscure source material: the observations of Manuel Paleologos II, a Byzantine emperor who reigned in Christian Constantinople before its fall to the Ottoman Turks in the 15th century.

"Show me just what Muhammad brought that was new, and there you will find things only evil and inhuman, such as his command to spread by the sword the faith he preached," Benedict quoted Manuel II as saying.

In the speech, Benedict advanced a bold position: True interreligious dialogue between Islam and Catholicism is blocked because of the two faiths' divergent interpretations of the role of reason. Catholicism views reason as integral to understanding and interpreting God; Islam, he argues, sees God as being beyond reason.

Father Fessio described Benedict's position on Islam in this way: "He's saying that if your view of God...is that he's so transcendent that he transcends all human categories, including rationality, well then you can justify the irrational, including violence, to spread religion, including terrorism."

"You can't dialogue with us because you won't accept reason as a basis. Because the God you are obeying is above reason," Father Fessio added.

As Muslim criticism of the speech grew, occasionally spilling into violence, the pope sought to quell the anger by expressing regret for the misunderstanding, and saying he was "deeply sorry for the reactions provoked by a few passages in my address." He resisted calls, however, for an unequivocal apology.

He also sought to calm tempers by posting an amended version of the address with footnotes on the Vatican's Web site. In one footnote, the pontiff wrote that his quotation of Manuel II "does not express my personal view of the Quran," but added, "I intended solely to draw out the essential relationship between faith and reason. On this point I am in agreement with Manuel II, but without endorsing his polemic."

Some saw the speech as evidence of the pope's political naiveté. At Regensburg, the university where he once taught and helped turn into a bastion of conservative Catholic thought, Benedict was in his intellectual comfort zone. "He thought he could slip back into the role of professor," says Mr. Spaemann. "Perhaps he didn't realize that every word would be weighed around the world, and that he can never again speak as non-Pope."

Despite the tensions, some Church elders see the Regensburg speech as actually offering an opportunity to restart dialogue on a more frank footing. Cardinal Angelo Scola, the patriarch of Venice, for example, says the Regensburg speech doesn't reject having mutual respect for other faiths but just recognizes their deep differences.

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The speech, says Cardinal Scola, who has known Benedict for more than 30 years, "represents a foundation upon which interreligious dialogue will be built in the future."

EVEN BEFORE THE POPE ignited Muslim rage with his Regensburg address, he was well aware that relations with Islam had reached a boiling point. In the library of the Apostolic Palace last February, Benedict listened as Bishop Luigi Padovese recounted a grim tale: A few weeks earlier, a gunman had burst into a church in Trabzon, Turkey, near the Black Sea, and opened fire on a priest who had been kneeling in prayer. The gunman later claimed to have been driven to violence by cartoons published in a Danish newspaper that lampooned the Muslim prophet Muhammad.

At the pope's urging, Bishop Padovese described how the first bullet tore through the priest's lung. Moments later the gunman fired a second shot, and the priest collapsed dead.

The pope "wanted to know how everything happened in detail," recalls Bishop Padovese, a prelate whose Anatolia-based region includes Trabzon. Bishop Padovese now travels with a police escort in Turkey after a botched attempt on his life.

Benedict is also running the Vatican much differently than John Paul did, leaving him in many ways more removed from the rest of the world. He is traveling less and has cut down on the number of protocol duties, holding fewer meetings. As a result, his contact with people from outside the Church is more limited. He has filled top positions with people he has worked closely with for years, giving the Vatican an ideological homogeneity that didn't exist as much under John Paul, when top officials often sparred.

One appointment in particular surprised many: Benedict's choice of Cardinal Tarcisio Bertone, his former chief deputy at the Congregation for the Doctrine of the Faith, as the Vatican's secretary of state. Cardinal Bertone has stellar qualifications in matters of Church doctrine but practically no experience as a diplomat. He isn't a graduate of the Vatican's prestigious diplomatic school, the Pontifical Ecclesiastical Academy, nor does he have a strong command of English.

Sandro Magister, a veteran Vatican expert who writes for Italian newsweekly L'Espresso, says Cardinal Bertone's appointment is a sign that Vatican foreign policy is likely to be based more on ideals than on pragmatism.

In an essay recently posted on a Catholic Web site, 30 Days, Cardinal Bertone wrote that Vatican envoys to predominantly Muslim nations should take a more aggressive stance in promoting Christianity. "We must not cease to propose and proclaim the Gospel, to Muslims also."

Other key appointments have also elevated former top officials who worked alongside then-Cardinal Ratzinger at the Congregation for the Doctrine of the Faith, though not all of the pope's appointments have come from his inner circle. In late October, Benedict tapped Cardinal Claudio Hummes, who heads the Roman Catholic diocese in São Paulo, Brazil's largest, to run the Vatican's Congregation for the Clergy, putting a moderate Latin American in charge of priests around the world.

Cardinal Julián Herranz, who was chosen by John Paul to head the Vatican's Council for Legislative Texts and who has remained in the post under Benedict, says that the reshuffle hasn't discouraged top officials from expressing their criticisms of papal policy. "If it occurs to me to say something, I will very delicately make the suggestion," he says.

Alberto Melloni, a Church historian at the University of Modena, says Benedict's "pessimistic" view of the modern world, and his tendency for homogeneity, may in some respects be a reflection of his generation, and his age. "He was 78 when he became pope, not 58" like John Paul, says Mr. Melloni.

Benedict is very conscious of his age, now 79, and comments on it frequently to colleagues. During a recent meeting with Mr. Spaemann, the German philosopher, he remarked: "I'm an old dog."

That makes Benedict more focused on changing the Church, instead of the world, and less concerned about whom he might offend in the process.

Last month several dozen top Catholic theologians crowded into a Vatican chapel for 7:30 a.m. mass with Benedict. The pontiff gave pointed marching orders:

"Speaking just to find applause or to tell people what they want to hear....is like prostitution," he told the theologians, according to a transcript. "Don't look for applause, but look to obey the truth."

A Tense Time For A Papal Visit (LAT)

By Tracy Wilkinson

The Los Angeles Times, November 25, 2006

ISTANBUL, TURKEY — To reach Turkey's most important Roman Catholic church, a visitor must scour a traffic-choked street to find the metal doors, walk down a flight of stairs, cross a courtyard and finally step into the consecrated basilica.

Inside the Holy Spirit Cathedral here, the lights remain low until a minute before evening Mass, and then reveal frescoed ceilings with gold-trimmed arches, 22 crystal chandeliers and blond-marble columns. On this night, 14 worshipers dot the pews.

In the Turkish capital, Ankara, the only Catholic church is even more discreet: It is marked simply by a French flag.

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When Pope Benedict XVI travels to Turkey next week, he will be making his first trip to a predominantly Muslim country at a moment of diplomatic fragility.

He also will be traversing some of the most ancient and revered milestones of Christianity, in a land where Christianity is disappearing and where non-Muslim minorities complain of systemic discrimination, harassment and violence against them.

It is a complex agenda. The pope's main purpose is to meet with the Istanbul-based spiritual leader of the world's 250 million Eastern Orthodox Christians in a show of ecumenical solidarity. But he must also use the visit to attempt to repair the damage from comments he has made that cast Islam in a negative light.

Among Turkey's nearly 70 million Muslims, reaction to Benedict's visit ranges from disinterest to intense anger. A man opened fire early this month on the Italian Consulate in Istanbul, telling police later that he wanted to "strangle" the pope. A nationalist gang called the Gray Wolves is staging regular demonstrations protesting the pontiff's arrival.

Among the estimated 100,000 Christians who live in Turkey, there is hope that Benedict's presence will cast light on their difficulties.

The Roman Catholic Church is not legally recognized in Turkey. It functions largely attached to foreign embassies; its priests do not wear their collars in public.

Most Christians in Turkey are of the Armenian, Greek and other Orthodox denominations, and although most of these are recognized in the Turkish Constitution as minority communities, they face severe restrictions on property ownership and cannot build places of worship or run seminaries to train their clerics.

Such hardships make it almost impossible for Christians to sustain and expand their communities, advocates say. The Greek Orthodox, for example, have dwindled to no more than 3,000, just 2% of the community's size in the 1960s.

Fueled by a vitriolic, and growing, potion of nationalism and Islamic radicalism, spasms of violence have led to the killing of one priest this year, the beatings of two others and the burning of a Christian prayer center. Christian tombstones are often vandalized and property frequently confiscated by authorities.

Turkey has come under repeated criticism from Western human rights organizations and the Vatican for its failure to promote religious freedom. Turkey is an Islamic but secular country; in reality, this means that all religious activity, including mosques and imams, is controlled by the government.

"Obviously, more needs to be done to promote religious freedom for all denominations," Ali Bardakoglu, president of Turkey's powerful Religious Affairs Directorate, said in an interview. But he defended the government's treatment of minorities, contending that Christians and other non-Muslims do not face serious problems.

Bardakoglu was one of the most emphatic critics of Benedict after the pope delivered a speech in Regensburg, Germany, in September that denounced Islamic violence and quoted a medieval Byzantine emperor who disdained Islam and its prophet, Muhammad. Adding insult to injury, as far as many Turks were concerned, the emperor was defending Constantinople, cradle of Orthodox Christianity, against the Muslim conquest that gave the city its name today: Istanbul.

Bardakoglu said the pope was welcome in Turkey despite the speech, which touched off outrage throughout the Muslim world. And although he said he accepted Benedict's subsequent explanations, Bardakoglu did not appear completely appeased.

"It is unfortunate that there are circles within Western society that attempt to blacken the name of our religion and are infected with Islamophobia," he said. "The role of the Vatican and the pope should be to help fight stereotypes. Rather than open debate, they should be seeking to heal wounds."

In a remarkable gesture, the pope will meet with Bardakoglu, the country's top religious figure, at his ministry, a modern, imposing building on Ankara's outskirts, on the first day of his Turkey visit. Bardakoglu's directorate commands a huge budget and oversees all of Turkey's imams.

Originally, the Vatican expected Bardakoglu to call on the pope at the Vatican Embassy, as protocol would have dictated. But the Turks refused. After a series of negotiations, the pope agreed to go to Bardakoglu. "It is a gesture of goodwill," a senior Vatican official said.

The pope's controversial presence in Turkey represents a balancing act for the government of Prime Minister Recep Tayyip Erdogan, which regards itself a vital bridge between the West and East, a way for Westerners to deal with a modern and democratic Islam. But it also cannot appear too cozy with a pontiff who, in the view of many, is not fond of Muslims or Turks.

Erdogan is not scheduled to receive Benedict, citing a previous commitment to attend a NATO summit in Latvia on Tuesday and Wednesday. And there is no plan for the prime minister to see him off when the pope departs Dec. 1.

Both the Vatican and Turkish officials said this was not a snub, but Erdogan told visiting reporters in Istanbul last month, "You can't expect me to arrange my timetable according to the pope."

The frictions are rooted in history. The Ottoman Empire, which ruled the region for more than six centuries, was relatively tolerant of Jews, Christians and other non-Muslims. But before and during World War I, Western powers collaborated with

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Christian and other minorities to bring down the Ottomans. In the carnage that followed, as many as 1.5 million Armenians were slaughtered, a similar number of ethnic Greeks expelled and 1 million Turks deported from Greece.

The 1923 Lausanne Treaty founded the Republic of Turkey and recognized minorities. But deep mistrust persists, and even today among ardent nationalists, Christians are seen as a potential fifth column.

"It's a kind of preemptive intolerance: Don't let it flourish because it might take over," said Mustafa Akyol, a writer and expert on interfaith relations. "Everyone is afraid of something."

Akyol, a Muslim, said he once wrote a column advocating that the museum of St. Sophia, or Aya Sofya, in Istanbul be returned to its original use, that of a church. The response was harsh: He was threatened and castigated as a "secret Greek." The pope is scheduled to visit St. Sophia, built in the 6th century as a Byzantine church and converted to a mosque in the 15th century by the Ottomans.

The mere rumor that the pope might say a prayer at the site has led to a bit of hysteria. Islamic newspaper Milli Gazete, in a front-page commentary last week, lashed out at the government for permitting the "Crusaders" to plan to bless the former church in a brazen attempt to "revive Byzantium."

For their part, Turkish officials have sought to minimize the pontiff's main mission on this trip: to worship alongside Ecumenical Patriarch Bartholomew I, head of the world's Orthodox Christians. The coming together of the two religious leaders is meant as a bridging of the 1,000-year-old rift between the two ancient branches of Christianity.

Such frictions notwithstanding, Turkey, compared with many Muslim countries, is relatively hospitable to non-Muslims. But its failure to make more progress on freedom-of-religion issues has been an important stumbling block in its years-long campaign to join the European Union.

It is EU pressure that has nudged Ankara along in easing some of the restrictions on minorities; for example, a Protestant group in Istanbul has for the first time been allowed to open a church.

"The EU reforms give people a sense of hope that there is light at the end of the tunnel," said Greek Orthodox Father Alexander Karloutsos. "It's been very dark here."

Discord Accompanies Bahrain Vote (WP)

By Faiza Saleh Ambah

The Washington Post, November 25, 2006

MANAMA, Bahrain -- Friction between Sunni and Shiite Muslims in this strategic Persian Gulf kingdom, which is holding its second parliamentary elections in three decades, has clouded the voting set here for Saturday.

The campaign for the National Assembly's 40-member lower house has been marred by an alleged plot by a senior government official to rig the elections in favor of the ruling Sunni minority.

A 214-page report disclosed in September accused a senior official of secretly plotting to sideline the country's majority Shiites. The report, released by a former government adviser, is the latest in a series of events that have exacerbated Sunni-Shiite discord in this nation of 700,000, home to the U.S. Navy's 5th Fleet.

The report has sparked demonstrations and calls for the prime minister's resignation and an international investigation. Its release coincides with simmering tensions caused by the sectarian violence in Iraq, fears of neighboring Iran's regional ambitions and the birth of a conservative Sunni political movement here.

Bahrain, a grouping of 33 islands, is the poorest oil-producing Gulf country and the only one with a Shiite majority. More than 200 candidates, including 16 women, will vie for seats in Saturday's elections.

The report was written by Salah al-Bandar, the former government adviser, and claims that a government minister and member of Bahrain's ruling al-Khalifa family planned and funded a plot to weaken the country's Shiites, who make up more than 60 percent of the population.

The 10-point plan, to be executed over a five-year period, called for paying a stipend to poor Shiites who convert; accelerating the naturalization of foreign Sunnis to alter the country's demographic makeup; and spying on Shiite organizations.

Bahraini officials have acknowledged a need for political balance between the country's sects but said the Bandar report was all lies. The government charged Bandar, a British citizen of Sudanese origin, with sedition and deported him days after the report's release.

Several of the people named in the report sued Bandar for defamation last month. He, in turn, is suing the government for wrongful termination.

Government officials said about 20 officials cited in the report have been suspended but have declined to comment further while the court cases are pending.

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Bandar, who worked for the cabinet affairs minister and the government statistics department, wrote the report on his own initiative with the help of government whistle-blowers. The report included copies of checks, bank statements showing large sums transferred to anti-Shiite figures and a memo calling for Shiites to be "cleansed" from Bahrain.

According to the report, more than $2.5 million was spent on the scheme, which also included plans to manipulate electronic voting to rig the upcoming elections in favor of Sunnis.

The report named people it said were hired to cause friction between the two sects by writing inflammatory articles, posting offensive comments on popular online forums, denigrating Shiite beliefs and casting suspicion on Shiites' patriotism.

Over the past couple of years, Bahraini Shiites have been accused by Sunnis and some in the government of allegiance to Shiite Iran, with which they have historic religious ties, and of ambitions to dominate the country, emboldened by the empowerment of Iraq's majority Shiites.

Shiite leaders say the government is trying to create a sectarian divide to deflect attention from the country's lack of democracy and political reform.

Wearing the long, dark cloak and rolled turban of the Shiite clergy, candidate Ali Salman, head of the largest Shiite opposition group, the al-Wefaq National Islamic Society, said the conflict is not between Shiites and a Sunni leadership, but between activists seeking political rights on the one hand and an autocratic regime on the other. "We are not asking for more Shiite mosques," said the 42-year cleric, who studied in Qom, Iran, and in Saudi Arabia. "We are not asking to set up an Islamic republic. All we're asking for is our full political rights."

At an election rally in Jid Hafs, a suburb of Manama, the capital, thousands of men and women sat on plastic chairs in a dusty lot to hear Salman speak.

Salman, who is widely viewed as the nation's most influential and moderate Shiite cleric, issued a warning to the government. "If this parliament is not able to give hope to the people, Bahrain will go through a very difficult time very soon," he said. "I will not be able to contain those who demand their rights."

In addition to the elected lower house, Bahrain's legislature includes an equally powerful, state-appointed upper chamber, and all legislation must be approved by the king. The opposition has called for constitutional amendments that would allow parliament to appoint the prime minister and for laws to be passed by elected representatives.

In a Shiite fishing village outside Manama, Mohsen Abdullah, a member of a local youth unemployment committee, sat cross-legged on the carpet in his living room and described a sit-in he plans to hold next week in front of the Interior Ministry. Abdullah, 24, who was released from prison last month after serving nine months for participating in an illegal demonstration, said he applied for a government job for more than two years and would keep protesting until he got one.

Now he lives with his parents, two brothers and a sister, and supplements his income by net-fishing near his home. He is enrolled in night school and said he is looking for any entry-level government job. "Why do they give foreigners jobs at the ministries and we don't get them?" he asked.

Despite police beatings and stints in jail, Abdullah still attends demonstrations and agitates for jobs for unemployed youths, most of whom are Shiites, he said. "I don't want to go to jail, but it's better than this," he said, gesturing. "Without a job, I can't get married, I can't buy a car, I can't get my own place."

Over lunch at an upscale Japanese restaurant, Information Minister Muhammad Abdul-Ghaffar Abdulla said that there was no poverty or discrimination in Bahrain and that jobs were awarded on merit.

"The government wants to build balance in the whole political system," he said. "Democracy is a long process. The most important thing for us is security and stability."

In Bahrain, A Referendum On Promises (NYT)

By Hassan M. Fattah

The New York Times, November 25, 2006

MANAMA, Bahrain, Nov. 24 — For the past month, they have promised the world to voters in this tiny island kingdom off the east coast of Saudi Arabia: better housing, better jobs, higher salaries, and better services. One has even promised greater dignity.

But as more than 200 candidates vied for a seat in Bahrain's 40-member elected Parliament, the one thing that many were not prepared to promise was far-reaching political change.

"When I speak to supporters, I feel I have to acknowledge, yes, not much is going to change," said Sheik Ali Salman, the leader of the Wefaq National Islamic Society, Bahrain's leading opposition movement, which is predominantly Shiite and is vying for 17 seats in Parliament.

"But I try to emphasize to people that you are better off having someone looking out for your interests within the system, even if he wins only small victories," he said.

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Bahrain goes to the polls Saturday to elect a new Parliament in an atmosphere of growing sectarian division and disillusionment. Tensions have been running high here, fueled by a widening economic disparity between the country's minority Sunni population and its Shiite majority, as well as a growing frustration that long-promised changes have yet to materialize.

Just a few years ago, this island kingdom of 700,000 was hailed as a model of reform in the Arab world. King Hamad al-Khalifa ended a 25-year state of emergency in 1999, and was promising to turn Bahrain into a constitutional monarchy with a newly elected Parliament.

But the euphoria all but evaporated two years later, when the king broke his promises and imposed a constitution establishing a second, appointed legislative house that significantly curtailed the power of the elected one. Gerrymandering ensured a Sunni advantage in the elected house, too, prompting the predominantly Shiite opposition to boycott elections in 2002.

In the years since, Bahrain's Shiites, who make up about 60 percent of the population, have been sidelined. They allege that the government has backed Sunni Islamists and encouraged increasingly sectarian politics. Activists here say they have uncovered a systematic effort to naturalize Sunnis from other Arab countries as well as from Southeast Asia; as an indication of the government's intentions, they point to a polling place close to the causeway with Saudi Arabia where Saudis naturalized as Bahrainis can vote.

Tensions were heightened two months ago when a government adviser published a report outlining a conspiracy by senior government officials, including members of the royal family, to undermine the Shiites. Bahraini newspapers have been banned from discussing the so-called Bandargate scandal, named for the report's author, Salah al-Bandar, and Web sites mentioning it have been blocked.

Nevertheless, Sheik Salman and the rest of the opposition have entered the race, insisting that some representation is better than no representation at all. Sheik Salman said that many Shiites had realized that their being out of the political process only allowed the government to promulgate laws that hurt the Shiites' interests, including regulations limiting public gatherings and protests, as well as new terrorism laws that threatened to hamper the work of the opposition. "We won something and lost something by boycotting," he said "People are now convinced that it is better to take part even if it has small advantages."

Government officials hope the entry of the Shiites will serve to ease tensions. But opposition members say they intend to use their seats in Parliament as bully pulpits to goad the government into changing.

"I want to get inside to weaken the gates," said Ibrahim Sharif al-Sayed, a Sunni opposition candidate with the National Democratic Action Society, which has campaigned in alliance with Wefaq. "We will be there to expose the government, not to legitimize it. We want to show why we have no power in this country. I intend to be a Trojan horse."

But Mr. Sayed, a wealthy banker who has led a campaign to publicize the royal family's seizure of coastal lands for personal benefit, said liberal Sunnis like him had faced the greatest battles during this election. He was the subject of a relentless smear campaign, waged through cellphone text messages and e-mail messages. He alleges that the government is behind the campaign.

"The government wants a polarized Parliament based on sectarian grounds," he said. "They want to have a Sunni bloc and a Shia bloc which they can accuse of being tied to Iran. But we will get in the way of that agenda."

Sheik Salman says he hopes that his involvement will win at least some good faith gestures from the government. Otherwise, he warns, the current tensions could explode in the future.

"People rightly feel depressed because they know that the change will be very, very limited," he said. "But better slow, gradual advances than explosive change on the street."

Taiwan Leader Survives In Vote (WP)

By Jane Rickards

The Washington Post, November 25, 2006

TAIPEI, Taiwan, Nov. 24 -- President Chen Shui-bian easily survived an impeachment vote in Taiwan's legislature Friday despite his wife's indictment on embezzlement charges and a prosecutor's statement that Chen could be indicted as well if he did not have presidential immunity.

The vote signaled that Chen, a combative champion of Taiwanese independence, is likely to remain in office until the end of his second four-year term in 2008 unless new irregularities are brought to light or new charges are filed.

But his mandate has been seriously undermined by the corruption indictment against his wife and similar indictments against his son-in-law and several senior aides. As a result, the political storm buffeting his leadership seemed unlikely to subside anytime soon.

The impeachment motion, brought by the opposition Nationalist Party, garnered 118 votes, 28 short of the 146 needed for a required two-thirds majority in the Legislative Yuan, or parliament. It was the third time since June that Chen's forces have defeated a recall motion, which if successful would precipitate a national referendum on whether the president should be ousted.

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The tally indicated that most lawmakers from Chen's Democratic Progressive Party and the allied Taiwan Solidarity Union remained loyal to the president, despite widespread discontent over the embezzlement scandal, including among his most loyal followers.

Two Democratic Progressive Party lawmakers quit parliament 10 days ago to protest the way the corruption scandals were being handled. But the party threatened to expel any members who cast ballots for impeachment, and with their own political futures hanging in the balance, Democratic Progressive lawmakers closed ranks and all 83 boycotted the vote.

On Nov. 3, a high court prosecutor charged Chen's wife, Wu Shu-chen, with forging receipts and embezzling about $450,000 from the president's discretionary funds. At that time, the prosecutor made his statement about presidential immunity preventing an indictment of Chen.

Chen, in a televised speech two days later, argued that the money in question was used for "secret diplomatic work," suggesting it went to pay off foreign leaders and lobbyists to further Taiwan's quest for diplomatic recognition. The rules governing receipts for such expenditures are complicated and unclear, he maintained, and at no time did he divert money for his own use. He said he would resign only if his wife was convicted.

Chen did not explain how his wife came to be involved in gathering receipts for such expenditures. The two have worked closely together since they married in 1975 and struggled side by side during the 1980s for native Taiwanese rights during martial law under the Nationalist Party government.

Ma Yingjeou, the Nationalist leader and the party's putative candidate for president in 2008, has reaped political benefits from the uproar for the past six months. But over the last 10 days, Ma, who is mayor of Taipei, has himself been accused of misusing official funds and has been interrogated by prosecutors. While Ma has denied the allegations, he acknowledged that a clerk in his office forged receipts to claim expenses.

Chen said Friday that he respected the legislature's democratic right to attempt impeachment, provided it followed constitutional procedures. "Democracy is nothing more than freedom and the rule of law," he told Therese Shaheen, the visiting former head of the American Institute in Taiwan, the government-sponsored organization through which the United States maintains quasi-diplomatic representation in Taiwan.

Corruption Scandal At Top Tests Taiwan's Democracy (NYT)

By Jim Yardley

The New York Times, November 25, 2006

TAIPEI, Taiwan, Nov. 18 — At times, Taiwanese politics is a blend of opera and blood sport, and this is one of those times. Scandal and outrage, lying and humiliation — all of it messy and delivered in a loud, public fashion — are consuming political life here, as a virtual death watch has settled over the second term of President Chen Shui-bian.

Mr. Chen, who once aspired to be Taiwan's George Washington, is now accused of being its Boss Tweed. Prosecutors have implicated him in a fake receipts scandal and are planning to put his wife on trial next month. The rival Nationalist Party, salivating over Mr. Chen's troubles, is facing its own scandal, as prosecutors say they are investigating the party's presumptive 2008 presidential candidate for his own fake receipts.

Taiwan's partisan newspapers have been filled with so many suggestive details — a reportedly ill-gotten Tiffany diamond ring, to name one — that the noise and acrimony have obscured the more elemental issue that the island's young democracy is being severely tested.

"In 10 years, when we look back, this could be a turning point for Taiwan's democracy to become mature," said Emile C. J. Sheng, a political science professor at Soochow University. "Right now, it is a disgrace, and it is quite humiliating. But once we get past this, I think Taiwan's politics will get a lot cleaner."

Politically, Taiwan's symbolic power has always been as a democratic counterpoint to China. But democracy in Taiwan remains a work in progress that has been repeatedly challenged during Mr. Chen's tenure. The pivotal recent event occurred Nov. 3 when a prosecutor in Taipei, the capital, indicted the first lady and also announced that Mr. Chen, immune from prosecution as president, could face charges after he left office. For a judicial branch regarded as a weak constitutional pillar, it was a historic moment.

"This is very hard evidence that at last we have a fair and independent-minded judicial branch," said Hwang Yih-jiau, an opposition legislator with the People First Party and a critic of the president. "The principle of separation of power has taken root in Taiwan."

Equally important, many analysts say the intense news media and prosecutorial focus on government accounts, and on how elected officials use them, has set a precedent that will bring more sunshine into the system. "I think members of future first families will be a lot more careful," said Chao Chien-min, a political analyst at a Taipei research institute.

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[For the immediate future, though, Taiwan's political scene will remain in turmoil. On Friday, the "pan blue" camp, made up of lawmakers from the Nationalist Party and the People First Party, tried to pass a motion for a nationwide recall referendum against the president. The bill failed to get the required two-thirds majority because lawmakers from Mr. Chen's Democratic Progressive Party remained unified behind him.]

Mayoral races on Dec. 7 in Taiwan's two largest cities, Taipei and Kaohsiung, will serve as barometers of the public mood toward Mr. Chen and his Democratic Progressive Party.

Then there is the corruption trial of the first lady, Wu Shu-chen, to begin Dec. 15. Mr. Chen has said he will leave office if his wife is convicted. Her trial will focus on the roughly $424,000 the couple collected from an executive "state affairs" fund.

To get the money, they submitted personal receipts gathered from friends and family. Mr. Chen has admitted initially lying to prosecutors about the receipts. But he has since explained on live television that the receipts were a bookkeeping necessity that enabled him to use state money for secret diplomacy — for which there are no receipts.

His defenders note that before Mr. Chen took office in 2000, presidents were not required to submit receipts to use such discretionary funds. They say prosecutors presented no evidence that Mr. Chen had used any of the money for personal gain. They also say Taiwan's unique international isolation, defined by its tense coexistence with China, makes confidentiality essential when a president wants to engage in diplomacy.

"Only the Taiwanese people and politicians can understand the importance of keeping things completely confidential," said Hsiao Mei-khim, a Democratic Progressive Party lawmaker who is an ally of Mr. Chen.

His critics, though, say the receipts scandal is just the latest example of what they describe as a pattern of corruption by the first family. This summer, prosecutors charged Mr. Chen's son-in-law with insider trading in a case that is still pending. The first lady has already been investigated — and cleared of any wrongdoing — after she received gift certificates from a department store seeking government approval for a change of ownership.

With so much baggage, Mr. Chen's secret diplomacy explanation in the receipts scandal has rung hollow to critics and much of the public. Polls place the president's approval ratings at record lows.

The scandal has also focused public attention on Mr. Chen's marriage, as several lawmakers have questioned the scruples of the first lady. She grew up as a doctor's daughter while Mr. Chen was dirt poor. Early in Mr. Chen's political career, Ms. Wu was paralyzed after being struck by a car during a political rally. The police ruled it an accident, but many people in the Democratic Progressive Party believe that it was an assassination attempt against Mr. Chen.

As first lady, Ms. Wu has attracted whispers for her penchant for luxury. One of the receipts in the scandal was for a Tiffany diamond ring valued at more than $30,000. Newspapers have reported that a Taiwanese sea cargo company had originally given jeweled watches to Mr. Chen's son for his wedding. But the family had returned the watches for a ring reportedly fitted for Ms. Wu.

Elected officials are allowed to accept gifts in Taiwan, but the ring has angered some of Mr. Chen's allies because the sea cargo company had business with the state. "It's a political question, it's a moral question, but it's not a legal question," Ms. Hsiao said. "We think it was very poor political judgment to take this kind of gift or live a lifestyle like that."

Public revulsion over the different scandals peaked late this summer when a former chairman of the Democratic Progressive Party organized enormous demonstrations in Taipei calling for Mr. Chen's resignation. At one level, the protests represented democratic free speech. But some here worried that they might overwhelm Taiwan's democratic institutions, the way similar protests prompted the recent "soft coup" in Thailand or have toppled presidents in the Philippines.

"We worried that if the demonstrations succeeded it would not be good for Taiwan's democracy," said Antonio Chiang, a former member of Mr. Chen's government who had been a dissident in Taiwan's pre-democracy era. "It would be like Thailand. But when the indictment came out, suddenly all these demonstrations went silent."

Mr. Chiang added: "Democracy without rule of law is very dangerous. Now, we are going to have rule of law."

Mr. Chen's election in 2000 was historic because it ended more than five decades of rule by the Nationalist Party. But many analysts say that many democratic values have not fully taken hold, and also blame the rival political camps for taking a zero-sum attitude toward politics and governing.

The Nationalists never seemed to accept Mr. Chen's legitimacy as president, political observers say, even as the Democratic Progressive Party, or D.P.P., remained deeply distrustful of its rivals. Political analysts say that Mr. Chen exacerbated this poisonous partisanship with his different political efforts to push for Taiwanese independence.

The question now is whether Mr. Chen will serve until his term ends in the spring of 2008. His party is disappointed, even disgusted, with him but has remained unified enough to fend off recall efforts. However, Mr. Chen's support could disintegrate if his party suffers in the mayoral elections, particularly in Kaohsiung, its stronghold.

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For now, the D.P.P. is pointing at the Nationalist Party's likely 2008 presidential nominee, Ma Ying-jeou, who is also mayor of Taipei. Prosecutors are investigating whether Mr. Ma also wrongly submitted false receipts for public money. Mr. Ma has claimed his innocence and described the irregularity as an error by a clerk.

One way that some Taiwanese have reassured themselves is to note that none of this — a public demonstration against a president, an indictment against the first family — could have happened across the strait in nondemocratic China. Indeed, that point has been made by a handful of bloggers in China who have watched Taiwan's democratic convulsions not with disgust but with admiration.

Mr. Chiang, the former dissident, agreed but said Taiwan still had work to do. "We still have a lot to learn," he said. "Democracy is not so easy."

China And Pakistan Sign Free-trade Deal (LAT)

By Henry Chu And Mubashir Zaidi, Special To The Times

The Los Angeles Times, November 26, 2006

ISLAMABAD, PAKISTAN — Chinese President Hu Jintao, visiting his country's staunchest ally in Asia, signed a free-trade deal here Friday and pledged to continue helping Pakistan build its civilian nuclear program.

But the Chinese leader stopped short of announcing the wide-ranging nuclear cooperation deal that many observers had expected him to unveil as a counterweight to a similar accord being hammered out between the United States and India, Pakistan's archrival.

Beijing already has supplied Islamabad with one nuclear reactor and is helping build a second at Chashma, in Punjab province. Pakistan is increasingly looking to nuclear sources as its energy needs grow in step with its expanding economy.

"We will continue to carry out such cooperation," Hu told reporters at a news conference here, during the first visit to Pakistan by a Chinese president in a decade.

Hu arrived in the Pakistani capital Thursday as part of a weeklong tour of South Asia that began with a four-day visit to India. China's communist government is eager to expand its political influence in the region and to improve its access to the area's abundant natural resources, including metals and natural gas.

Islamabad and Beijing have a long-standing "all-weather" friendship, based partly on a shared antagonism toward New Delhi.

Pakistan rolled out the red carpet for Hu, who was accorded the privilege Friday of addressing the country directly in a nationally televised speech. Relations between China and Pakistan, Hu said, were "higher than the Himalayas, deeper than the Indian Ocean and sweeter than honey."

China is Pakistan's chief arms supplier, and the nations signed a preliminary agreement for Beijing to outfit its ally with airborne early-warning systems.

But Hu's vaguely worded announcement of further collaboration regarding civilian nuclear energy probably was a disappointment for Pakistani President Pervez Musharraf. Islamabad had hoped China would commit to building as many as six more nuclear reactors.

Such an agreement would have served to counterbalance an accord, overwhelmingly approved by the U.S. Senate last week, that would allow American companies to sell nuclear fuel and technology to India, despite New Delhi's long-standing refusal to join the global Nuclear Nonproliferation Treaty.

Islamabad repeatedly has been rebuffed when seeking similarly favorable treatment from Washington. Last week, U.S. Assistant Secretary of State Richard Boucher said in New Delhi that an exemption for India was warranted because of its "good track record" on nonproliferation and that those conditions did not exist elsewhere. He was referring to Pakistan, whose former chief nuclear scientist has admitted sharing information with Libya and North Korea.

As it was, Hu's pledge to continue civilian nuclear cooperation here did not appear to offer much more than the promise he gave India on Tuesday.

However, he got a free-trade agreement with Pakistan, a move India has rejected for fear unleashing of a flood of cheap goods. Officials in Beijing and Islamabad hope trade between their countries, which amounted to slightly more than $4 billion last year, can swell to $15 billion in five years.

"I am sure the free-trade agreement that we have signed with China will quadruple our trade and will give a boost to investments in Pakistan," Musharraf said. "We also look forward to the Chinese private sector taking advantage of the opportunities offered by Pakistan's vibrant and reformed economy."

Hu is scheduled to go on to the city of Lahore today before departing Pakistan on Sunday.

Times staff writer Chu reported from New Delhi and special correspondent Zaidi from Islamabad.

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China Rejects Journalist's Appeal Of Spying Conviction (NYT)

By Jim Yardley

The New York Times, November 25, 2006

BEIJING, Nov. 24 — A Beijing appeals court on Friday upheld a spying conviction of a prominent Hong Kong journalist in a case that has elicited criticism of China from human rights and press advocacy groups.

The journalist, Ching Cheong, faces a five-year prison sentence. He was arrested in April 2005 during a visit to Guangdong Province in mainland China and charged with taking payoffs in exchange for gathering information for Taiwan. A lower court in Beijing convicted him in August.

His family continues to dispute the charges.

"We feel very sad and shocked," Ching Hai, the defendant's older brother, told The Associated Press outside the courthouse on Friday morning. "We think it's very unfair. We question the fairness and transparency of this country's legal system."

Mr. Ching, 56, based in Hong Kong, is the chief China correspondent for The Straits Times, the leading newspaper in Singapore. His case, as well as the detention of a Chinese researcher for The New York Times, has prompted international concern about China's crackdown on press freedom. Earlier this year, the researcher for The Times, Zhao Yan, was acquitted of a charge of disclosing state secrets, but he is still awaiting a ruling on his appeal of an unrelated fraud conviction.

The Straits Times expressed disappointment with Friday's ruling. "As he is still not in the best of health, we appeal to the Chinese authorities to show him leniency and compassion while he is serving his sentence," the newspaper said in a statement. "We will continue to provide all necessary support and assistance to him and his family."

Family members have told reporters that Mr. Ching has been suffering from insomnia and stomach pains in prison. Born in southern China and raised in Hong Kong, Mr. Ching is a veteran journalist. His wife, Mary Lau, wrote an open letter in June that conceded that her husband played a dual role as a journalist and as a political adviser. But she said that he had advised Chinese leaders, not anyone in Taiwan, and she described him as a Chinese patriot who wanted to improve relations among China, Hong Kong and Taiwan.

Mr. Ching's arrest also raised questions about whether the Chinese authorities were trying to prevent him from writing about delicate political issues. Ms. Lau has said that her husband traveled to Guangdong in April 2005 to try to obtain tapes of secret interviews with China's former president, Zhao Ziyang, who had died three months earlier. The former leader had spent 16 years under house arrest in Beijing as a penalty for expressing sympathy for student protesters during the 1989 Tiananmen Square demonstrations.

Ms. Lau has said that an intermediary entrapped Mr. Ching as he tried to collect the tapes.

On Friday, the official New China News Agency quoted an unidentified judge involved in the appeal as characterizing the August verdict as "accurate in application of the law and appropriate in meting out punishment."

Despite Setbacks, Blair Is Hopeful On Ulster Local Rule (NYT)

By Eamon Quinn

The New York Times, November 25, 2006

BELFAST, Northern Ireland, Nov. 24 — Prime Minister Tony Blair of Britain on Friday held on to his hopes of restoring local rule across Northern Ireland next March, despite a day of high drama in which Protestant and Roman Catholic politicians failed to reach agreement on nominating leaders to a future power-sharing executive.

Echoing the province's recent violent past, the meeting was cut short after a notorious Protestant militant, Michael Stone, attacked the lobby of the parliament buildings here, carrying a gun and tossing inside a bag of homemade explosives. Shouting threats, he was wrestled to the ground by security staff members and arrested by the police.

Before the disruption, the Rev. Ian Paisley, Protestant leader of the Democratic Unionist Party, refused to nominate himself as first minister of Northern Ireland to serve alongside Martin McGuinness of Sinn Fein, the main Catholic republican party. Mr. Paisley explained his resistance by saying that Sinn Fein had yet to endorse Northern Ireland's police force and its courts. Friday was the nominal deadline to do so.

Mr. Paisley, who seeks to maintain the province's political ties with Britain, had for years based his political career on rejecting sharing power with Sinn Fein because of its links with the Irish Republican Army.

Speaking in London, Mr. Blair indicated that despite the setback the British and Irish governments would continue their efforts to restore local rule, a process that is contingent on the divided parties resolving crucial differences over power sharing and support for the police.

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"What is clear is this: If Sinn Fein agrees to the proper and full support of policing in Northern Ireland by the Police Service of Northern Ireland and to the rule of law, then the Democratic Unionist Party will share power with them," Mr. Blair said.

He also spoke of the need for the province to get away from its "wretched and divisive past."

The attack on the parliament buildings by Mr. Stone, a convicted killer, was a reminder of a more violent past that many in Northern Ireland now believe is behind them.

Mr. Stone became an iconic figure for Protestant militants when he killed three mourners in a gun and grenade attack on an Irish Republican Army funeral in 1988. He was released early in 2000 under the terms of the Good Friday peace accord for that attack and others. This year, Mr. Stone took part in a series of televised broadcasts in which Archbishop Desmond Tutu, the former head of the South African Truth and Reconciliation Commission, brought together victims and perpetrators from the sectarian violence in Northern Ireland.

The targets and motives for his attack on Friday remained unclear. Politicians and journalists evacuated the buildings. [A news agency], quoting a police official, reported that the British Army had defused the six to eight explosive devices in Mr. Stone's bag.

The level of distrust between political parties has remained high in the eight years since the negotiation of the 1998 Good Friday peace agreement, which ended much of the politically motivated violence and led to the first power-sharing local government to involve Protestant politicians and Catholic representatives from Sinn Fein. But local rule fell apart in 2002 amid distrust between Catholic and Protestant leaders.

In Scotland last month, Britain and Ireland acted to restore that local government, by putting forward a series of proposals and deadlines for the province's parties.

Under the proposals, elections to the 108-seat assembly were to be held early in March before the formation of a local executive later that month.

Sinn Fein, which has yet to call a full meeting of its party delegates to endorse policing, is seeking guarantees from the British government over what appears to be their central demand: that powers over policing and the courts will shift from London to the local executive in Belfast.

Bomb Threat Empties N. Ireland Assembly (WP/AP)

By Shawn Pogatchnik, The Associated Press

The Washington Post, November 25, 2006

BELFAST, Northern Ireland -- The Northern Ireland Assembly missed another deadline for forming a government Friday, then politicians fled the building after one of the province's most infamous Protestant militants tossed a bomb-filled bag into the entrance.

Police subdued Michael Stone, who killed three people at an Irish Republican Army funeral in 1988. The Northern Ireland police commander, Chief Constable Hugh Orde, later said Stone's bag contained at least six explosive devices that British army experts safely dismantled.

Politicians and journalists were ordered out of Stormont Parliamentary Building as the fire alarm sounded _ and two security guards pinned Stone by both arms to the main doorway. He was later wrestled outside, into pouring rain and wind, as he shouted a favored Protestant militant slogan: "No surrender!" Police later recovered a handgun and knife from him.

Stone had abandoned the bag near the building's security checkpoint staff, who operate metal detectors and search bags. He also appeared to have been spray-painting the entrance to Stormont with "Sinn Fein-IRA murderers" or "war criminals," but did not finish it.

Northern Ireland Secretary Peter Hain ordered an immediate investigation into what he called a "very serious breach of security. ... The chaotic scenes at Stormont were deeply disturbing."

Chief Constable Hugh Orde said the explosives inside the bag, which convicted killer Michael Stone threw into the lobby of Stormont Parliamentary Building during a debate on power-sharing, were "fairly amateurish in design. That does not make them any less dangerous."

Orde called Stone's action "a sad publicity act by a very sad individual."

Stone's incursion came minutes after Protestant leader Ian Paisley refused to accept a nomination as the future leader of Northern Ireland's power-sharing administration.

Paisley, whose Democratic Unionist Party is the largest in Northern Ireland, said he would work with Sinn Fein, the IRA-linked party that represents most Catholics, only when it begins to support the police force. If that happened, Paisley said, he would accept the post.

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"When Sinn Fein has fulfilled its obligations with regard to the police, the courts and the rule of law, then and only then can progress be made. There can and will be no movement until they face and sign up to their obligations," Paisley told the assembly.

The prime ministers of Britain and Ireland, Tony Blair and Bertie Ahern, said Stone's threat illustrated why rival British Protestant and Irish Catholic politicians should compromise and form a stable coalition as the Good Friday peace accord intended.

More than seven months ago, Blair and Ahern announced that Nov. 24 would be their final deadline for a power-sharing deal _ but both on Friday shrugged off this commitment and insisted that Paisley's statement contained the hope of future progress.

Both premiers said they expected Sinn Fein to clear the way for Paisley by accepting the authority of the Police Service of Northern Ireland. Sinn Fein insists it will not take this step first, if at all.

"It seems that Michael Stone has gone on the rampage again, in a very dangerous way. But he was stopped," Ahern said in Dublin. "It just shows you exactly what we are trying to get away from in Northern Ireland."

"No move forward in Northern Ireland is easy. We've learned that over 10 years," said Blair, who has closely cooperated with Ahern in brokering compromise in Northern Ireland since both premiers rose to power in 1997. "And it's not because the people, or indeed, the leaders in Northern Ireland want it to be so, but because each step towards a different and better future is taken alongside the memory of a wretched and divisive past."

Stone was responsible for one of Northern Ireland's most dramatic days _ March 16, 1988, when he launched a solo gun-and-grenade strike on an IRA funeral. He killed three mourners, among them an IRA man, and wounded about 60 other people before a pursuing Catholic mob surrounded and badly beat him.

Stone was paroled from prison in 2000 under terms of the 1998 peace pact, which permitted early releases for more than 500 convicted members of the IRA and outlawed Protestant paramilitary groups. He took part in a televised discussion with relatives of a Catholic man he had shot to death in a different attack.

Despite Paisley's refusal, Hain said his words were sufficient to keep the assembly intact until the end of January, when Britain plans to dissolve it anyway.

An election to a new assembly is scheduled March 7. Britain expects the members to elect all 12 members of the administration, to be led by Paisley and McGuinness, on March 14. If this happened, Britain would transfer control of Northern Ireland's 13 government departments to the administration March 26.

Ecuador's Presidential Vote Too Close To Call (AFP)

By Patrick Moser

AFP, November 24, 2006

QUITO, Ecuador -- Leftist Rafael Correa gained ground over conservative Alvaro Noboa, but the margin remains too narrow to predict a presidential winner, pollsters said yesterday.

A Cedatos/Gallup Ecuadorean voter intention poll was made public yesterday.

"With such results, it is not possible to predict the final outcome of the November 26 election," the polling institute said of the survey, which has a three-percentage-point margin of error.

But the poll reflected a dramatic surge in support for leftist economist Mr. Correa, who had 41 percent to Mr. Noboa's 59 percent on Oct. 30. Last week the pollsters had Mr. Correa getting 48 percent, trailing his rival by four points.

Over the past days, both candidates have gone all out to attract undecided voters, which Cedatos/Gallup said accounted for 17 percent of the 9.2 million Ecuadoreans eligible to vote.

Each has warned that his rival's victory will have disastrous consequences for the South American country, which has had seven presidents over the past 10 years.

Mr. Noboa claims his leftist rival wants to install a communist dictatorship closely tied to Venezuelan President Hugo Chavez, a fiercely anti-American leader. That, he warned, would lead to a bloody uprising.

"Correa wants an insurrection, a civil war in which the poor will die," Mr. Noboa, 56, told cheering supporters at his final electoral rally on Thursday night.

Mr. Correa for his part claimed that Mr. Noboa, Ecuador's wealthiest man, would run the country as his private estate.

The leftist warned his supporters to be on the lookout for a repetition of the electoral fraud he claims marred the Oct. 15 first round, which was led by Mr. Noboa.

Both have run populist campaigns, vowing to improve the lot of the millions of Ecuadoreans who live on less than $2 a day in a country that pumps out more than half a million barrels of crude daily.

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Bible in hand, falling to his knees and invoking the name of God, Mr. Noboa has vowed that if elected he would build 300,000 homes a year for the poor -- an average of almost 1,000 a day.

Portraying himself as a champion of the poor and his rival as "a communist devil," the conservative billionaire handed out wheelchairs and food and openly distributed cash at his rallies.

Mr. Noboa has said he would encourage foreign investment, tighten ties with the United States and distance the country from Venezuela and communist Cuba.

He also said the 400 U.S. troops stationed at a base in the Pacific port of Manta would be welcome to stay when their lease runs out in 2009.

Mr. Correa, on the other hand, said he would not renew the lease, but insisted he wanted to stay on good terms with Washington and continue bilateral trade, as long as it is "just and mutually profitable."

His strong showing in opinion polls has stirred unease in financial markets worried about his promise to revise contracts with foreign oil companies and to renegotiate Ecuador's foreign debt.

After trailing Mr. Noboa by four points in the first round, Mr. Correa distanced himself somewhat from Mr. Chavez, but stressed he remained a friend of the Venezuelan president. He also eased up on his criticism of President Bush, after he had called the U.S. president a "dimwit."

Morales Steps Up Pressure For Land Redistribution (WT)

By Martin Arostegui

The Washington Times, November 25, 2006

SANTA CRUZ, Bolivia -- Indians, coca farmers and landless peasants are heeding a call by leftist President Evo Morales to surround Congress to press for radical land redistribution that is opposed by landowners and farmers.

From Bolivia's highlands hundreds of miles away, protesters are descending on the capital, La Paz, for a series of demonstrations next week targeting the Senate, which refuses to pass the land measure.

"We have been struggling for years to regain control of our resources and are prepared to apply communal justice against the corrupt senators that stand in our way," said Juan Choque, the leader of a peasant group that started out two weeks ago for La Paz from the eastern town of Yapacani.

The new law is a centerpiece of government plans to redistribute millions of acres to Indian supporters.

It has been approved by the lower house of Congress, but the Senate has refused.

"We will not pass a law that destroys this country's productive system" said Senate Vice President Jose Villavicencio, who represents the northeast province of Pando. He accuses the government of financing the mobilization of 10,000 Qechua and Aymara Indians from around the country.

The measure is strongly opposed by landowners and farmers in Bolivia's fertile eastern lowlands.

Mr. Morales initiated the protest against the Senate, saying it "must be forced to approve this law that revindicates the original indigenous people of Bolivia."

Agriculture Minister Hugo Salvatierra has been giving away tractors donated by Venezuela to peasants rallying at various points along the marching routes stretching about 400 miles.

In the Senate, the rightist Podemos party and smaller centrist parties hold a majority of 15 seats over 12 controlled by Mr. Morales' Movement to Socialism (MAS).

MAS is drafting a new constitution that would abolish the upper chamber. Podemos leader Jorge Quiroga has charged that Mr. Morales is redesigning the system of government to perpetuate himself in power by "following the radical example of Hugo Chavez in Venezuela."

The Senate is also holding up final approval of a military agreement signed with Venezuela last August to build major army bases in eastern Bolivia, where an opposition-led referendum for regional self-rule won with more than 70 percent of the vote in July and separatist sentiment is growing.

"If they close down the Senate, the central government is finished for us, and we will have to fight to defend our own democracy," the Santa Cruz civic committee president, German Antelo, told 8,000 people in an anti-government protest earlier this week.

The rally was also attended by a group of independent miners from the western mountain province of Huanuni, where a revolt against the nationalization of the mines resulted in 17 deaths last month.

Colombian Senator Faces Down Paramilitaries (LAT)

By Chris Kraul

The Los Angeles Times, November 25, 2006

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BOGOTA, COLOMBIA — Some may object to his politics, but few question the courage of leftist Colombian Sen. Gustavo Petro, whose five-year campaign to prod the government into investigating elected officials' links to illegal paramilitary groups finally bore fruit this month.

Colombia's Supreme Court issued arrest orders for three sitting members of Congress and one former member as well as an ex-governor on charges including murder, electoral fraud and diversion of public funds in collusion with right-wing militia leaders. All charged are from the northern state of Sucre and all but the ex-governor, Salvador Arana, are behind bars.

Arrests of as many as 20 more Congress members may take place soon, officials said this week.

From the floor of the legislature, Petro, a former guerrilla, has declared repeatedly that members of Congress are up to their necks in illegal activities with the right-wing militias in Sucre state and has called on President Alvaro Uribe's government to investigate them.

It has come at great personal risk in a country where opposition to the militias often is a death sentence. The Supreme Court also faces retribution for issuing the orders, as does Prosecutor General Mario Iguaran for requesting them.

Petro routinely receives death threats, and doesn't go anywhere without a security escort of as many as 10 police officers. "They can kill me at any time without the least moral or ethical reluctance," Petro said. "My assassin could be sitting next to me in the Senate."

One of those accused, Sen. Alvaro Garcia Romero, was charged with having ordered militia leaders to conduct a massacre in 2000 and murder an election monitor in 1997.

The arrests came at a delicate point in Colombia's demobilization process, after the surrender of about 31,000 paramilitary fighters since 2003 and as the Uribe government is beginning to prosecute their leaders.

The militias were formed in the 1980s by farmers and ranchers to defend against leftist guerrilla attacks. But some of the private armies took over much of the nation's drug traffic; they were labeled terrorist organizations by the United States in the 1990s.

Recent revelations indicate that although militia leaders gave up their arms, many retain control of criminal networks that run illicit businesses with the aid of the local and national politicians they have co-opted.

"What is happening is that a large part of Colombia now feels under attack by the paramilitaries, and business interests feel threatened," said Petro, 46, in an interview at his apartment complex in northern Bogota, as 10 police officers stood guard below. "Maybe this is why the charges are being brought now."

Another factor could be the information contained in a laptop computer, seized in a government raid this year, allegedly documenting the activities of paramilitary leader Rodrigo Tovar, alias "Jorge 40." Data in the laptop were said to chronicle several murders, continued militia activities and politician contacts made after Tovar demobilized, a sign to critics that demobilization has done little to curb the paramilitaries' power.

A Supreme Court official confirmed to The Times in an interview last week that evidence from the computer was considered in the cases. "It was just one element of evidence, but we had no reason to think it was all an invention," the official said.

In exchange for electoral support, politicians help the paramilitaries "accumulate wealth" by easing false documentation of property transfers, diverting or kicking back public works contracts, and putting the local police at the paramilitaries' service, Petro said.

Even fellow legislators who oppose Petro, a former M-19 guerrilla, credit him for bringing the debate over paramilitary ties to the public's attention.

"He brought these cases in Sucre to Congress, mounted the investigations and said publicly, 'This is happening,' " said Sen. Gina Parody, who sits on the opposite side of the aisle but has joined with Petro in denouncing the paramilitaries' cozy relations with some legislators. "Denouncing this illegality is very risky."

All of those charged are allies of President Uribe, whose administration is facing one of its biggest crises because of the political damage that further revelations and arrests could bring.

Much damage has been done. Prosecutor Iguaran told reporters that the crisis confronting the Uribe government was worse than that faced by then-President Ernesto Samper in 1994 when it was alleged that his campaign received money from the Cali drug cartel.

There is no public evidence linking Uribe to paramilitaries, but the arrests have fueled criticism that he has been too easy on militia leaders in the pacification process, promising lenient sentences in exchange for disarmament and confessions. Some wonder why allegations that surfaced five years ago have taken so long to lead to charges.

Back then, before demobilization began, paramilitary leader Salvatore Mancuso boasted that 35% of Congress was loyal to him and other paramilitary chiefs.

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"The issue facing Colombia is the nature and reach of paramilitarism," said Cynthia Arnson, head of the Latin American program at the Woodrow Wilson International Center for Scholars in Washington. "It's a military force that has been demobilized, but it's also a mafia-like criminal organization that has penetrated the legal economy and begun to subvert legitimate political institutions."

Petro's detractors say he is inconsistent, and less troubled by infractions by left-wing guerrillas than those by right-wing paramilitaries. One high-ranking Uribe official, while expressing admiration for Petro's outspokenness, said the senator practiced "relative morality," adding, "There are no good deaths and bad deaths."

A native of Zipaquira radicalized in part by the overthrow of Chilean President Salvador Allende in 1973, Petro joined the urban guerrilla group M-19 at age 17. He was elected to his town's city council at 21, keeping his guerrilla membership a secret until then-President Belisario Betancur and rebels signed a peace accord in 1984.

But the peace was short-lived. Petro survived torture and spent 18 months in jail from 1985 to 1987.

Shortly after he was imprisoned, M-19 rebels seized the Palace of Justice in November 1985, a takeover that Petro says he knew nothing about beforehand. The army's retaking of the building left dozens dead.

Upon his release from prison, Petro spent three years in hiding. "If the army had found me, they would have killed me," he said.

Petro resurfaced in 1990, when President Virgilio Barco Vargas declared another peace accord.

Petro was elected to Congress from Bogota in 1991 on the M-19 ticket. But a series of slayings of his former comrades sent him fleeing again in 1994, this time to Europe.

He returned to Colombia and was elected again to Congress in 1998. He was reelected in 2002 before moving to the Senate this year as a candidate for the Democratic Pole, a party he co-founded. He got the second-most votes of any senatorial candidate.

Petro said his voice is no longer a lonely one. "Now there are many voices and many allies. Half the Congress wants this investigation to continue. The news media fill their pages with the allegations against the paramilitaries."

Uncovering the truth and proceeding with investigations are crucial to Colombia's democratic progress, he said.

"This is a crisis that either can lead us to national fragmentation, a Balkanization as in Yugoslavia, or to the construction of a real republic."

Chile's Student Activists: A Course In Democracy (WP)

By Monte Reel

The Washington Post, November 25, 2006

SANTIAGO, Chile -- When the Class of 2006 graduates in a few weeks, its members will look back at a year in which some of the most important lessons took place outside the classroom.

In their black and white school uniforms, they launched what became known here as the "Penguin Revolution," filling the streets, calling for educational reforms, occupying school buildings and sparking a nationwide debate that was quickly labeled a milestone for the nation's young democracy.

Extracurricular activities for student leaders this year meant negotiating with senior government officials. When they text-messaged friends, at times it was to organize rallies that attracted as many as 800,000 people. A few became nationally known public figures in their own right.

"Graduation will be hard, and there are going to be a lot of emotions that come back from this year," said Karina Delfino, 17, who became one of the voices of the student movement during her senior year. "All the friends made, the difficulties and the successes -- this was one stage in life that has been good, but very tough. The only thing I can do now is to try to end this stage as best I can and get ready for whatever is next."

That's the question many high school-age Chileans face, as the school year winds down with the approach of a Southern Hemisphere summer: How do they follow a year like this one?

The students' actions turned them into the most powerful social movement since the strict military dictatorship of Gen. Augusto Pinochet was replaced by democracy 16 years ago. They forced the government to increase education spending and -- more important for many of the protesters -- prompted it to reexamine the roots of an educational system flawed by vast inequalities between the country's rich and poor populations.

Not everyone has approved of the students' methods at all times, but it's difficult to find anyone who hasn't come to accept them as a significant part of the country's social and political landscape.

"I believe their greatest achievement was to change the way people think of the youth of the country," said Rodrigo Cornejo, with the Chilean Observatory of Educational Policy at the University of Chile. "A lot of people thought the young people

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were simply individualistic, selfish consumers. But the long-term changes the students were pressing for this year weren't going to directly benefit them -- it was for their younger brothers and sisters."

Many of the students don't think of the past year in such epic terms. As Delfino's school day ended on Wednesday, the 3,000 students at her school poured onto the sidewalks of central Santiago and lingered at bus and subway stops, naturally dividing themselves into the broad cliques that their school uniforms can't erase: jocks, Goths, drama kids, Barbies, hard-cores. Some sat on curbs and lighted cigarettes. Some jammed the headphones of MP3 players into their ears. Most talked, and the conversations did not, as a rule, address weighty matters of social justice.

They are all too young to remember Pinochet's dictatorship, which subdued opposition groups with tactics that ranged from intimidation to murder and torture. All their lives, their teachers, parents and government leaders have emphasized that they live in a hard-won democracy, where everyone has a voice.

Instead of plotting a grand revolution, the students said, they simply decided to take what they'd been taught at face value. If Chile's economy was so good -- as they had been hearing repeatedly during the presidential election campaigns in 2005 -- why did some schools lack essential supplies, like books and desks? Why should public schools be managed at the municipal level when that system encourages disparities between rich and poor neighborhoods? If Chile is a participatory democracy, why not participate?

"As the movement started to grow, we had everyone involved -- hippies, evangelicals, all the groups," said Delfino, who belongs to her school's social circle of organizers, those drawn to student government and academic organizations. "We all wanted the same thing, which was change. So we were trying to respect different opinions while at the same time working for consensus. That's all."

The movement began last year with inconclusive petitions to the government of President Ricardo Lagos. After the January election of Michelle Bachelet, a Socialist who won by campaigning for social justice and compassion for the poor and vulnerable, many student leaders began the new academic year with optimism. They waited for Bachelet to address education reform during a May state of the nation speech; when she didn't, a new sort of protest movement immediately blossomed.

"I'd leave school in the afternoons and go to the national student assembly," Delfino said. "Other days, when I had tests, I'd study at night and sleep three or four hours, then go to class in the morning and do the same thing again. My friends talked about 'The Ghost of Karina.' "

The day after Bachelet's speech, an all-girls public school was taken over by pupils. Thousands of students boycotted classes. Soon private school students joined in the protests, while university students and teachers unions also voiced support. The Education Ministry soon began holding negotiations with student leaders, and Bachelet eventually promised more funding to help the poorest students and created a panel, which included student representatives, to discuss broad reforms of the national educational system.

The strain of juggling all that with academics took a toll on some students, which they are confronting now. MarÃ-a Huerta, a movement leaders who attends a technical school here, isn't sure whether she will be able to get into a university next year.

"My mother was bothered by this, because I was spending so much time with the student organizations and not in class," said Huerta, 19. "We have a very close family, but they're all worried about me. My mom is worried about my future, my cousin is worried about my safety, and my uncle doesn't talk to me anymore -- he doesn't agree at all with what I'm doing."

Students such as Huerta and Delfino, who got a strong taste of civic involvement this year, are trying to figure out whether they want to make a career of social involvement. Both said they are considering studying sociology or public administration, but they still aren't sure how they will apply what they learned outside of class.

"The decision I have to make is whether I want to try to make changes through working directly with the community, or through politics," Huerta said. "If I work in the community, I can change the lives of a small group of people. With politics, you can do it on a macro level. But I don't want to join a political party."

Huerta continued to debate the advantages and disadvantages of each choice, coming to the conclusion that she'll have to give it more thought.

Like most leaders of the Penguin Revolution, she has more time to think about such questions now: Tensions have eased considerably as the end of the year approaches. Some students continue to periodically occupy schools because they believe the government is implementing its promises too slowly.

Public opinion of the students isn't as high as it was a few months ago, when polls indicated that about 75 percent of the country backed them, but it is still generally positive. Huerta said she hopes the movement she helped start will be able to regain its strength next year, as a new class of students takes over leadership posts.

"My age group started it, with the idea that you can be supportive of Chile and democracy without having to agree with everything the government does, that it's okay to be critical," Huerta said. "Now we have to see where the students in the first and second years of the high schools take it. I'm eager to see it."

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Canada Arrests "Illegal" Spy From Russian Intelligence (WT)

By Bill Gertz

The Washington Times, November 25, 2006

Canada's security service recently arrested a deep-cover Russian intelligence officer posing as a Canadian citizen in what officials say is a rare capture of an "illegal" spy.

Court papers identified the man as Paul William Hampel and said he was a member of Russia's foreign intelligence service, or SVR, and an "illegal" spy operating without the protection of diplomatic cover.

A Canadian federal court report made public earlier this week stated that the Canadian Security and Intelligence Services thinks Mr. Hampel "is a danger to the security of Canada" and was thus "inadmissible" to the country.

Mr. Hampel was arrested at Montreal's Pierre Elliot Trudeau Airport on Nov. 14 and found to be carrying three passports that authorities said were obtained fraudulently using a Canadian birth certificate.

He also was found carrying about $6,876 worth of five different currencies, along with several bank and credit cards, index cards containing historical data on Canada, encrypted prepaid cell phone cards and a shortwave radio.

Mr. Hampel is being held on a little-used national security law and faces deportation or prosecution for fraud in a secret trial.

A U.S. official said the capture was a coup for the Canadians, since deep-cover spies are very hard to find.

"Identifying and subsequently catching an Illegal is the creme de la creme of the counterintelligence business," the official said.

The Canadian report noted that in 1996 two Russians were identified as an SVR illegal team and deported.

The FBI has not uncovered any SVR illegals in the United States, despite claims that spying by Russian intelligence in recent years is at Cold War levels.

The CIA identified a KGB illegal in 1989 posing as a Finnish national named Reino Gikman, who was photographed meeting State Department official Felix Bloch, a suspected Russian mole in the department who was never prosecuted.

"Hampel's infiltration into Canada and development of a Canadian legend based on an identity created by the SVR has permitted Hampel to abuse the integrity of the Canadian system, including citizenship and all its inherent privileges," the report said. "As a documented Canadian citizen, Hampel has been operating covertly on behalf of the SVR and, as such, poses a danger to Canada's national security and Canada's interests internationally."

The report said the use of Canadian documents "provided him with the ability to covertly further the interests of the SVR for over a decade both within Canada and abroad."

Georgi Mamedov, Russia's ambassador to Canada, told a Canadian television station that he had no information about the case, and he sought to highlight Russia's cooperation with Canada in the war on terrorism.

In Moscow, SVR spokesman Sergey Ivanov told the Interfax News Agency: "Russia's Foreign Intelligence Service, like any other foreign intelligence service, does not comment on whether an individual is or is not involved in its activities."

Bloc Quebecois Supports Canada PM (BBC)

BBC.com, November 24, 2006

The leader of Canada's separatist Bloc Quebecois has said his party will back a government motion that Quebecers form a "nation within a united Canada".

Gilles Duceppe said Prime Minister Stephen Harper's motion was a victory for separatist aspirations in Quebec.

Quebec, mostly Francophone, has held two referendums on separation, in 1980 and 1995, but rejected the idea.

Mr Harper's Conservatives won Canada's general election in January to end 12 years of Liberal rule.

In a parliamentary debate on Friday, Mr Duceppe said the Bloc will join Canada's other opposition parties in supporting the motion that Mr Harper announced on Wednesday.

"We are delighted by the fact that Canada will become the first country to officially recognise the Quebec nation," Mr Duceppe said.

The government motion says that the House of Commons should "recognise that Quebecers constitute a nation within a united Canada".

The Bloc Quebecois is the third-largest party in the national parliament after the Conservatives and Liberals.

The debate over Quebec's status was reopened earlier in the week when the Bloc announced it would table a motion in parliament calling for recognition of Quebecers as a nation.

Gilles Duceppe's Bloc Quebecois is Canada's third-largest party There was no mention of Canada.

Mr Harper then introduced his motion on Wednesday.

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"The real question is simple," he said in the House of Commons. "Do Quebecois make up a nation of their own in a united Canada? The answer is yes.

"Do Quebecois make up a nation independent from Canada? The answer is no and will always be no."

On Thursday the Bloc tabled its motion but with an amendment to say that Quebecers should be recognised as a nation that is "currently within Canada".

On Friday, Mr Harper welcomed the Bloc's decision to back the government.

"This is the third position the Bloc has taken on this in three days," Mr Harper said.

"They moved a motion, they made an amendment to a motion and now they're supporting our motion."

He said the motion would not amend the constitution. "This is merely a declaration of recognition and an act of reconciliation."

Constitutional experts say the motion carries no legal weight and would be unlikely to give Quebec separatists a lever to extract more political powers from Ottawa.

The motion is expected to pass easily in parliament next week now that it has the backing of all the major parties.

Rwanda Ends Diplomatic Ties With France (AP)

By Angela Doland, Associated Press Writer

AP, November 25, 2006

Rwanda severed diplomatic ties with France on Friday in response to a French judge's decision to issue international arrest warrants for nine ranking Rwandans suspected of plotting the 1994 killing of the African nation's president.

The French Foreign Ministry said it regretted Rwanda's decision and was "taking all necessary arrangements."

France's ambassador in Rwanda, Dominique Decherf, will leave the country Saturday and the 29 other embassy personnel in the capital, Kigali, were leaving by Monday evening, embassy security chief Serge Kulmicht told The Associated Press.

On Wednesday, a French investigating judge issued arrest warrants for nine ranking Rwandans suspected of plotting the downing of then-President Juvenal Habyarimana's airplane on April 6, 1994 — an act that sparked the country's genocide.

Late Thursday, Rwanda withdrew its ambassador, Emmanuel Ndagijimanam, from Paris for consultations, diplomat Parfait Gahamanyi said. The officials targeted by the French judge are close to Rwanda's current president, Paul Kagame, and the decision has enflamed tensions.

Rwandan Justice Minister Tharcisse Karugarama said the move was a response to French "bullying."

"There is no reason why there should be diplomatic relations with a country that is actually attempting to destabilize the institutions of Rwanda's government," Karugarama told The Associated Press.

French anti-terrorism judge Jean-Louis Bruguiere suspects that nine Rwandans were responsible for plotting the assassination or actually shooting down Habyarimana's airplane.

Bruguiere — renowned for tracking down the renowned terrorist Carlos the Jackal — is investigating the case because the crew on the downed plane was French. The families of the pilot, co-pilot and mechanic, who all died in the crash, filed a suit in France in 1998.

After the attack, militants from the Hutu ethnic majority, known as interahamwe, quickly set up roadblocks across the capital, Kigali, and on April 7 began killing Tutsis and moderate Hutus. More than 500,000 people were killed in 100 days.

Kagame's Rwanda Patriotic Front, or RPF, toppled the Hutu extremists and ended the genocide.

The question of who shot down the plane has been a central mystery of the genocide. Speculation has focused on Kagame's largely Tutsi force, or hard-line Hutus hoping to encourage mass violence against Tutsis.

According to Bruguiere's order, Kagame allegedly instructed his group to down the aircraft.

"The final order to attack the presidential plane was given by Paul Kagame himself during a meeting held in Mulindi on March 31, 1994," Bruguiere wrote in the warrant request.

France grants immunity to acting heads of state, preventing judicial authorities from issuing a warrant for Kagame. Those targeted include armed forces chief James Kabarebe and army chief of staff Charles Kayonga. Warrants also were issued for those suspected by the French judge of attacking the plane — Franck Nziza, believed to be a captain in the presidential guard, and Eric Hakizimana, of the secret service.

Kagame called the judge "an impostor, a politician" in an interview Wednesday with France-Culture radio. He also promised that ties between both countries would suffer.

France annulled Rwanda's entire $57 million bilateral debt this year. But relations between France and Rwanda have been strained for years, with Kagame accusing France of doing too little to stop the genocide.

Associated Press writer Elizabeth A. Kennedy in Nairobi, Kenya, contributed to this report.

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World Court Official Reports Evidence On Darfur Criminals (WP)

By Nora Boustany

The Washington Post, November 25, 2006

The International Criminal Court has found sufficient evidence to identify the perpetrators of some of the worst atrocities in Sudan's Darfur region, and the probe offers "reasonable grounds to believe" that crimes against humanity were committed, chief prosecutor Luis Moreno-Ocampo told the annual meeting of the court's member states in The Hague.

"We selected incidents during the period in which the gravest crimes occurred," he said Thursday in a report on his activities over the past year. "Based on the evidence collected, we identified those most responsible for the crimes." Moreno-Ocampo did not name the targets of the investigation, which he said is nearly complete.

In a telephone interview before he addressed representatives of the 103 nations that have ratified the 1998 agreement creating the court, he said the atrocities included "rape, torture, willful murder, sexual and inhuman violent acts, extra-judicial killings and the forcible transfer and persecution of civilians."

Moreno-Ocampo's investigators have collected thousands of documents and conducted 70 visits in 17 countries, including Sudan, since June 2005. His teams have interviewed judges, prosecutors and Sudanese investigators, as well as a top Sudanese military official and a senior political official. Sudanese officials shared the outcome of a government inquiry, and the Sudanese army provided its analysis of what had happened, he said.

"To define the truth is important, and to define the responsibility is important, to prevent it from recurring," he said in the interview. He added that court procedures required him to investigate "incriminating and also exonerating circumstances."

Moreno-Ocampo said a priority was reaching victims, although he chose not to go to the Darfur region itself, so as not to endanger victims or witnesses. However, he was able to find them elsewhere, he said, including in neighboring Chad and in Sudan outside Darfur. Investigators screened 600 potential witnesses and conducted in-depth interviews with more than 100 people. The prosecutor must determine whether the Sudan government is carrying out an inquiry into the same incidents and individuals. If there are not "genuine national proceedings," he said, he will present his evidence to the judges.

"We are almost ready," he said.

Moreno-Ocampo added that other challenges involving health, development and security needed to be confronted simultaneously by other world institutions and states.

As many as 450,000 people have died from disease and violence, and 2.5 million have been displaced in the three-year-old conflict, which began when rebels from African tribes rose up against the Arab-led central government in a huge area of western Sudan. The government has been accused of supporting militias of Arab nomads known as Janjaweed in retaliation against civilians in Darfur. Government officials deny arming the militias, which the United Nations and others have accused of carrying out the worst atrocities.

Moreno-Ocampo's comments in The Hague coincided with charges by the top U.N. humanitarian official that Sudan is deliberately hindering relief efforts in Darfur and is arming militias.

The emergency relief coordinator, Jan Egeland, told the Security Council that the coming weeks might "be make or break for our lifeline to more than 3 million people. The situation in Darfur is closer to the abyss than I have witnessed since my first visit in 2004."

"Time is against us," Secretary General Kofi Annan said.

Officials from the United Nations, Europe and the United States have expressed concern about what they describe as a recent shift in Janjaweed tactics, from attacking rebels to targeting people in refugee and displacement camps. Egeland, who recently visited Sudan, said the burning of villages and attacks on women and children reminded him of 2004, when the push to drive Darfur civilians from their homes was at its most violent.

A tentative agreement to boost the 7,000-member African Union force with 10,000 more U.N. troops was reached last week in Ethiopia. Sudan, which has opposed deployment of U.N. troops, has asked for a delay until Wednesday.

A senior U.S. official who spoke on condition of anonymity said the Sudanese government fears that U.N. troops "will discover more evidence. What they don't realize is that there is more than enough evidence now."

Andrew Natsios, the U.S. presidential special envoy to Sudan, said the United States suspects that some Sudanese officials are bent on "a military solution," given three major defeats since August in their push against the rebels. He told a forum at the Brookings Institution this week that the Sudanese military has "now mobilized the Arab militias to attack soft targets, which is to say villages and the displaced camps." If this continues, he warned, no one in the United States would have faith in a negotiating process.

"There is no doubt that the Janjaweed and those who are committing atrocities are an extension of the Sudanese military," Natsios said.

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In the interview, Moreno-Ocampo said he was struck that Sudanese witnesses said they were pleased and "honored" to provide testimony. "The hope for justice is one of the few things that the victims of Darfur still have," he said. "It is very important for us to keep this hope alive and show there will be justice for them. We care about that."

Mass Graves Uncovered In Congo (AP)

By Eddy Isango

AP, November 24, 2006

KINSHASA, Congo -- The United Nations said yesterday its investigators had discovered three mass graves at a northeast Congo military camp containing the bodies of 30 persons -- including women and children -- who were thought to have been killed by soldiers.

The dead were found at the camp in eastern Ituri province after witnesses accused troops of killing dozens of people two months ago, U.N. spokesman Kemal Saiki said.

Mr. Saiki said the graves had been opened and the bodies would be exhumed for a team of investigators that includes U.N. human rights officials and Congolese military authorities.

It was not immediately clear what sparked the killings.

Much of Ituri province, home to dozens of powerful local militia groups, has remained lawless and violent despite peace deals to end the Democratic Republic of the Congo's 1998-2002 civil war. Tens of thousands of people have died as a result of the fighting there.

Congo's army has been accused by rights groups and residents of rape, pillage and forcing civilians into labor.

The government is struggling to rebuild the postwar force into a unified military composed of rebels, militias and soldiers who fought each other for years.

The discovery of the graves came at a time of increased tension in Congo over the results of last month's presidential runoff.

Interim President Joseph Kabila was declared the winner, receiving 58 percent of the vote, compared with nearly 42 percent for former rebel leader Jean-Pierre Bemba, who charged that the election was tainted by fraud.

A hearing on vote fraud charges has been delayed after part of Congo's supreme court was burned Tuesday during gunfire and street fighting among Mr. Bemba's supporters.

Fighters loyal to Mr. Bemba were leaving the capital yesterday after the government ordered those troops to return to barracks outside the city, officials and witnesses said.

A convoy of trucks filled with dozens of fighters could be seen rolling out of Kinshasa toward the nearby town of Maluku. Mr. Bemba's fighters first began leaving Thursday.

Mr. Kabila's government issued the order to leave earlier this week.

Mr. Bemba, whose forces have clashed in Kinshasa twice with those of Mr. Kabila in election-related violence, has hundreds of fighters here, many serving as his personal bodyguards.

Foreign Aid, Revised (NYT)

The New York Times, November 25, 2006

Like many of its predecessors, the Bush administration wants to reform foreign aid. These programs sorely need better coordination and predictability — and a clear way to measure whether they are working. Randall Tobias, the new director of foreign assistance, is a good manager and could impose much-needed coherence.

But there are worrisome signs that the administration is also planning deep cuts in antipoverty spending as aid is supposedly reoriented to promote democracy and fight terrorism. A little-noticed statement on the Web site of the Agency for International Development says the goal is to “focus all U.S. foreign assistance on helping to build and sustain democratic and well-governed states.”

Of the nearly $24 billion requested by the State Department for foreign aid this year, a little over $1 billion is devoted to democracy programs, including training legislative staffs, helping reform courts, and working with women’s and business organizations. Privately, officials say that number is likely to rise substantially in next year’s budget request, while the roughly $3.7 billion devoted to antipoverty programs — fighting disease, promoting education, providing microcredit loans — is likely to fall to make up the difference.

While foreign aid spending is up over all in the Bush administration, the increase has come almost entirely in four programs: aid to Iraq and Afghanistan, the 15-country global AIDS initiative and the new Millennium Challenge Corporation, which seeks to help well-governed poor countries.

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In a worrisome sign, money for programs to address childhood disease and maternal mortality is down by one-third in this year's budget request. The administration is also cutting antipoverty spending in Latin America and Africa to pay for programs in Islamic countries, considered to be front-line states in the war against terror.

Promoting democracy and fighting terrorism are laudable goals. But such work needs to come on top of — not instead of — financing antipoverty programs, which save hundreds of thousands of lives and earn untold good will for the United States. There is also little indication that America knows how to build democracy. There are too many worrisome reports of programs to encourage privatization turning into boondoggles for contractors, or new anticorruption agencies dissolved or made toothless by those in power.

This is no time to cut off the world's poor, especially for programs with such an uncertain record. If the administration will not restore a sensible balance to foreign aid, the new Congress should.

Intolerance In Europe (WP)

The Washington Post, November 25, 2006

EUROPE'S MUSLIM communities increasingly are portrayed -- especially by European media -- as havens for religious intolerance that flourish thanks to the overly tolerant policies of liberal governments. It's true that until relatively recently, some Western European governments shrank from confronting clerics or others who promoted extremist ideology or encouraged terrorism. It's also true that some European artists and politicians have been threatened or even killed for criticizing or mocking Islam. But another important part of the dangerous increase in tensions between Europeans and Muslims is the blatant bigotry of many mainstream political leaders, journalists and other elites against Islam and its followers.

Sometimes the bigots portray their crude attacks on Muslim beliefs and culture as a defense of freedom of speech -- as when a Danish newspaper last year chose to publish gratuitously offensive cartoons about the prophet Muhammad. Sometimes they claim to be promoting better communication, as when British parliamentarian Jack Straw recently asked Muslim women to remove their veils when visiting his office. Luckily for the enemies of cynicism and disingenuousness, there is also the Dutch government -- which no longer bothers to disguise its ugly prejudice.

On Nov. 17, just five days before Wednesday's hard-fought general election in the Netherlands, the incumbent center-right government promised that, if reelected, it would introduce legislation to ban the wearing of burqas and other facial coverings in most public places, including courts, schools, trains and even streets. The ruling Christian Democratic Appeal party finished first in the voting, but the makeup of the next government remains unclear. If enacted, the prohibition would affect no more than a few dozen of the country's 1 million Muslims, who make up some 6 percent of the population. But the point is symbolic: A country famous for tolerating prostitution, drug use, euthanasia and public nudity considers Muslim veiling beyond the pale.

Rita Verdonk, the immigration minister who is rapidly becoming the face of the new Dutch intolerance, claimed that the measure was needed for "reasons of public order, security and protection of citizens." Nothing subtle in that connection: As far as Ms. Verdonk is concerned, burqas and terrorism are synonymous.

Like other Europeans, the Dutch have reason to worry about terrorism; the country has been traumatized by the assassinations of a prominent right-wing politician and a right-wing filmmaker in the past few years. But attacking Muslim culture -- as opposed to those who practice or promote violent acts -- is no way to diminish the threat. It won't be surprising if more Dutch Muslims respond to their government by putting on burqas -- or by answering intolerance with intolerance.

What's At Stake In Mexico City (WP)

By Enrique Krauze

The Washington Post, November 25, 2006

Mexico is a country that is, all at once, pre-modern, modern, anti-modern and postmodern. This situation can have certain advantages, as those who appreciate the cultural mosaic of Mexico know, but there are times when it can be not just difficult but explosive.

Last Monday (the anniversary of the start of the Mexican Revolution of 1910, which lasted 10 years and cost a million lives) modern politics in Mexico was silenced by an alliance between the pre-modern and the anti-modern in a postmodern spectacle that could lead to widespread social revolt and that has impeded the country's democratic progress. Andres Manuel Lopez Obrador -- the charismatic caudillo who has come to believe himself Mexico's messiah incarnate -- gathered his faithful for his anointment as the "legitimate president" of Mexico.

Even though he has lost much support because of his post-election behavior, Lopez Obrador still controls several organizations that have shown themselves capable of paralyzing a part of Mexico City with demonstrations and sit-ins. They consist of state employee unions, peddlers of the informal economic sector, unofficial taxi drivers and hundreds of radical groups.

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Where do they get their money? Until now the budgetary sources of the Federal District of Mexico City have sufficed, managed at the discretion of L?pez Obrador's PRD (Democratic Revolutionary Party), just as it was taught by its elder brother, the old ruling PRI. These groups mingle with anti-modern militant movements, which aren't exactly guerrilla forces but do represent a kind of "soft revolution."

It is a mobilization of salaried contingents that not only will harass incoming President Felipe Calder?n and his cabinet but will also try to disrupt everyday life for inhabitants of the country's most sensitive regions. This will be under the guise of a supposed "peaceful resistance" against the "usurpation" that many people still think took place in July's razor-thin election but that L?pez Obrador and his party (who won impressive victories in the legislature) were unable to prove in the courts.

This soft revolution is an enemy of democratic life and may even make dead letters of laws eventually passed in the National Congress. If the PRI (the third force but the counterbalance on the scales of Congress) decides to support Calderon and his National Action Party (PAN) in the reforms that the country needs to create jobs, Lopez Obrador's militants will still be able to boycott them by taking to the streets to block traffic and disrupt business. In its extreme version, it might try to replicate what's been happening over the past six months in Oaxaca, where a revolutionary group of teachers, infiltrated by the residual guerrilla forces that have always existed in the mountains of southeastern Mexico, has been reenacting on a small scale the scripts of Mao Zedong's Cultural Revolution.

There remains the possibility of the restricted, legitimate use of public force, but this is an extremely delicate point in Mexico because of the trauma of the student massacre of 1968. Thus the goal of L?pez Obrador's movement will be to make the country ungovernable and to achieve the eventual resignation of Felipe Calderon. It's unlikely that he'll succeed, but not impossible.

Part of the solution to this delicate situation lies in the hands of President Calder?n. If he quickly shows himself to be the leader that his predecessor, Vicente Fox, neither could nor wanted to be, Calderon will be able to remove the shadow of illegitimacy and establish the foundation for a stable government. He needs to surround himself with a capable cabinet that will carry out measures in the most sensitive areas (security, employment, corruption). Calder?n seems to be an intelligent politician, has parliamentary experience and has his priorities straight. But I'm convinced that much-needed concord depends on more than him.

In this regard, the left bears the greatest responsibility, especially that part of the left with ties to the PRD in the Federal District government and various state governments, the representatives and senators of Congress, and a multitude of journalists, academics and intellectuals. These people need to distance themselves from the caudillo and modernize their ideological platform along the lines of European social democracy.

There are precedents for this kind of transformation. In Spain, when Felipe Gonz?lez came to power in 1978, he renounced Marxist dogma and embraced the market economy, which was a condition for the country's eventual entry into the European Community and the impressive development that it has since achieved. In Chile, socialism evolved toward modern ideas and has presided over a period of impressive growth and social well-being. These are two very successful reforms, both of them counter to the anachronistic "21st-century socialism" of Hugo Ch?vez and Fidel Castro. But in both Spain and Chile, the process of maturing took place after civil wars and dictatorships. It would be a tragedy if Mexico had to go through that hell for its left to modernize. Unfortunately, at this moment at least, the possibility of such a transformation seems remote. I once said that the last Marxist in history would die at a Latin American university. I still believe it.

The postmodern spectacle that took place in the historical center of Mexico City is bizarre and ominous but also very serious. This is not a British "shadow cabinet," in which individual opposition politicians scrutinize various parts of the party in power. L?pez Obrador has said power belongs to him alone, in the name of the people. He is serious about his plans: to force the resignation of Calder?n and take power by proclamation, that ritual out of the Mexican past. The perfect date would be 2010, the 100th anniversary of the revolution.

If this nightmarish scenario actually happened, the implications for the United States could be ominous too: a stream of refugees that would dwarf the current illegal migration, pushed by the collapsing Mexican economy, capital flight and spreading Oaxaca-style violence.

The United States would do well to remember that there is a country, not on the Persian Gulf but on the Gulf of Mexico, that has taken a giant step toward political maturity by adopting a democratic system in the space of just one generation -- and has done so practically without historical experience. And it would do well to find tangible, direct ways to support Mexico's economy, just as the European Union supported Spain. Build bridges, not walls. Winning Mexico for democracy is the same thing as winning democracy for all of Latin America -- no small triumph in today's world and the world to come.

Enrique Krauze is the author of "Mexico: Biography of Power" and editor of the magazine Letras Libres. This article was translated by Natasha Wimmer.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TERRORISM NEWS:

Justice IG To Examine Use Of NSA Surveillance. The Washington Post (11/28, A10, Eggen) reports, "The Justice Department's inspector general yesterday announced an investigation into the department's connections to the government's controversial warrantless surveillance program, but officials said the probe will not examine whether the National Security Agency is violating the Constitution or federal statutes." The Post continues, "In a letter to House lawmakers, Inspector General Glenn A. Fine said his office decided to open the probe after conducting 'initial inquiries' into the program. Under the initiative, the NSA monitors phone calls and e-mails between people in the United States and others overseas without court oversight if one of the targets is suspected of ties to terrorism. … The 'program review' will examine how the Justice Department has used information obtained from the NSA program, as well as whether Justice lawyers complied with the 'legal requirements' that govern it, according to Fine's letter. Officials said the review will not examine whether the program itself is legal."

The Washington Times (11/28, Seper) reports, "The Justice Department has described the surveillance program, initiated after the September 11 attacks, as 'an essential tool for the intelligence community' in its war on terror, adding that it 'ensures we have in place an early warning system to detect and prevent a terrorist attack.' .. 'In the ongoing conflict with al Qaeda and its allies, the president has the primary duty under the Constitution to protect the American people,' the department said in a briefing paper. 'The Constitution gives the president the full authority necessary to carry out that solemn duty, and we believe the program is lawful and protects civil liberties.' … Attorney General Alberto R. Gonzales has called the program's scope 'very narrow,' saying it focused only on communications with al Qaeda. He said it had been 'very effective' in protecting the United States and that reviews of it by lawyers at the Justice Department and the NSA found it to be legal." The Times adds, "The White House has agreed to give investigators from the inspector general's office special clearances to probe the program, Mr. Fine noted in his letter, which was sent to Chairman F. James Sensenbrenner Jr., Wisconsin Republican, and the panel's ranking Democrat, Rep. John Conyers Jr. of Michigan."

The AP (11/28, Jordan) reports, "Fine's investigation is not expected to address whether the controversial program is an unconstitutional expansion of presidential power, as its critics and a federal judge in Detroit have charged. … Justice Department spokesman Brian Roehrkasse said the agency welcomes the review: 'We expect that this review will assist Justice Department personnel in ensuring that the department's activities comply with the legal requirements that govern the operation of the program.'"

McClatchy Newspapers (11/28, Taylor) reports, "Rep. Zoe Lofgren, D-Calif., said a broader investigation was needed because Congress had been kept largely in the dark about the workings of the program and couldn't determine whether the administration's use of the program was legal. In January, Fine declined a request from Lofgren and other Democrats for a more sweeping probe, saying his office lacked jurisdiction. … 'Congress needs to craft legislation so that terrorists can be the subject of surveillance while the Constitution of the United States is honored,' Lofgren said. 'To do that, a full investigation into the program as a whole, not just the (Justice Department's) involvement, will be necessary.' … After turning down the request, Fine had referred it to the Justice Department's Office of Professional Responsibility, which reviews allegations of wrongdoing by Justice Department employees. But the Office of Professional Responsibility was denied security clearances to conduct the investigation. … Attorney General Alberto Gonzales later revealed that President Bush had personally refused to grant the security clearances."

The New York Times (11/28, Lichtblau) reports, "Democrats said they saw the investigation as a welcome step that could answer questions about the operations and legal underpinnings of the program, which allows the National Security Agency to monitor, without obtaining court warrants, the international communications of Americans and others inside this country with suspected terrorist ties. … 'This is a long overdue investigation of a highly controversial program,' said Representative John Conyers Jr., the Michigan Democrat who will take over as chairman of the House Judiciary Committee." The Times adds, "The review will have a somewhat different scope than the investigation sought and rejected last year. The review, Mr. Fine said in his letter, will examine the controls in place at the Justice Department for

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the eavesdropping, the way information developed from it was used, and the department's 'compliance with legal requirements governing the program.' … Officials said the investigation could examine the legal authority given to the Justice Department under a secret executive order first signed by Mr. Bush in October 2001, as well as the laws and procedures governing intelligence wiretaps under the Foreign Intelligence Surveillance Act, which was approved by Congress in 1978 after the Watergate scandal and required a special court warrant for wiretaps on Americans. The review could also look at how intelligence generated by the eavesdropping was used to seek traditional court warrants and to pursue criminal cases, the officials said."

ABC News (11/28, Ryan) reports, "Members of Congress have been asking for the internal Justice Department review since the program was first disclosed by the New York Times last year. … 'After trying for nearly a year to get DOJ to conduct an investigation of the NSA's warrantless spy program, I am very pleased to learn that the agency's inspector general is finally opening an investigation,' Rep. Maurice Hinchey, D-N.Y., said in response to Fine's letter."

Civil Liberties Board Impressed By Privacy Safeguards In NSA Program. The AP (11/28, Solomon) reports, "After a delay of more than a year, a government board appointed to guard Americans' privacy and civil liberties during the war on terror has been told the inner workings of the government's electronic eavesdropping program." The briefing for the Privacy and Civil Liberties Oversight Board "had been delayed because President Bush was concerned -- after several press leaks -- about widening the circle of people who knew the exact details of the secret eavesdropping program." Board members "told The Associated Press they were impressed by the safeguards the government has built into the NSA's monitoring of phone calls and computer transmissions and wished the administration could tell the public more about them to ease distrust. 'If the American public, especially civil libertarians like myself, could be more informed about how careful the government is to protect our privacy while still protecting us from attacks, we'd be more reassured,' said Lanny Davis, a former Clinton White House lawyer who is the board's lone liberal Democrat." Davis "said he believes the administration could tell the public more about the program's protections without compromising national security." Alan Raul, "a former Reagan White House lawyer and the board's vice chairman, said he too was impressed."

High Court Allows US Review Of Records In NYTimes Leak Case. The New York Times (11/28, Liptak) reports, "The United States Supreme Court refused yesterday to stop a federal prosecutor from reviewing the telephone records of two reporters for The New York Times. The records, the newspaper said, include information about many of the reporters' confidential sources." The Times continues, "In a one-sentence order offering no reasoning and noting no dissenting votes, the Supreme Court rejected a request from The Times to stay a lower court's decision while the paper tried to persuade the justices to review the case. … Yesterday's order effectively allows the United States attorney in Chicago, Patrick J. Fitzgerald, to begin reviewing the records, which he has already obtained from the reporters' phone companies, as early as this week." The Times adds, "The Justice Department told the Supreme Court on Friday that Mr. Fitzgerald was under enormous time pressure. 'The statute of limitations,' the government said, 'will imminently expire on Dec. 3 and 13, 2006, on certain substantive offenses that the grand jury is investigating.' … The grand jury, in Chicago, is looking into who told the reporters, Judith Miller and Philip Shenon, about actions the government was planning to take in December 2001 against two Islamic charities in Illinois and Texas. The disclosures to the reporters, the government lawyers wrote on Friday, may have amounted to obstruction of justice."

The AP (11/28, Yost) reports, "The case marks the second refusal by the court in as many years to sort out a clash between the federal government and the Times over press freedom. … In June 2005, the Supreme Court refused to take up the Times' request to hear an appeal in the CIA leak investigation involving the outing of Valerie Plame. In that case, Miller, who retired from the Times a year ago, spent 85 days in jail before agreeing to testify to a federal grand jury. Fitzgerald, in a role as a special counsel, conducted that leak investigation as well." The AP adds, "Monday's rejection 'is just further indication that we're getting absolutely nowhere with the court when it comes to protecting confidential sources,' said Lucy Dalglish, executive director of the Reporters Committee for Freedom of the Press. … The case points out a growing problem of reporters trying to protect their sources in the information age, press advocates say. Rather than threatening reporters with jail if they don't testify,

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the government can go through the back door to hunt down confidential sources by amassing phone records and credit card receipts."

The Wall Street Journal (11/28, A4, 2.04M) reports the order deals with the "records of two Times reporters in a leak investigation of a terrorism-funding probe. The one-sentence order came in a First Amendment battle that involves articles written in 2001 by New York Times Co. reporters Judith Miller and Philip Shenon. The articles revealed the government's plans to freeze the assets of two Islamic charities, the Holy Land Foundation and the Global Relief Foundation." The dispute "stems from Mr. Shenon and Ms. Miller calling two charities for comment after learning of the planned freeze on their assets from confidential sources." The Justice Department "says the reporters' calls tipped off the charities to coming government raids." The Washington Post (11/28, A4, Barnes, 690K) also reports the story.

Gingrich Says Terror Threat May Necessitate Curtailing Freedom Of Speech. The New Hampshire Union Leader (11/28, Yates) reports that former House Speaker Newt Gingrich, in Manchester, NH, on Monday, "said the country will be forced to reexamine freedom of speech to meet the threat of terrorism." Gingrich said that "a 'different set of rules' may be needed to reduce terrorists' ability to use the Internet and free speech to recruit and get out their message. 'We need to get ahead of the curve before we actually lose a city, which I think could happen in the next decade,' said Gingrich," who "spoke to about 400 state and local power brokers last night at the annual Nackey S. Loeb First Amendment award dinner, which fetes people and organizations that stand up for freedom of speech." In his speech, Gingrich also "sharply criticized campaign finance laws he charged were reducing free speech and doing little to fight attack advertising," and "said court rulings over separation of church and state have hurt citizens' ability to express themselves and their faith."

PATRIOT ACT:

Muslim Charity Sues Bank, Argues Patriot Act Unconstitutional. The AP (11/28) reports, "A Muslim charity raided by federal agents in September has sued a bank, saying it violated the charity's civil rights by planning to close its accounts." The AP continues, "The charity, Life for Relief and Development, based in Southfield, Michigan, also seeks an injunction to stop Comerica Bank from giving other banks any information it might have about the organization. The charity is challenging the constitutionality of a section of the Patriot Act, which allows financial institutions to share information about suspected money laundering or terrorist activity." The AP adds, "The Patriot Act, approved by Congress shortly after the Sept. 11, 2001, was designed to give law enforcement agencies more tools to combat terrorism, but some provisions were challenged on constitutional grounds for restricting civil liberties. … Comerica had told the charity that it planned to terminate the accounts Nov. 15, but granted an extension, according to the lawsuit." The AP notes, "FBI agents assigned to a terrorism task force searched Life's offices Sept. 18, seizing computer servers, donor records and other financial documents. They also searched the homes of the charity's chief executive, an ex-employee and two board members. .. The FBI would not say what agents were looking for, but charity officials have said it might be related to relief work the group did in Iraq. The international humanitarian organization also is active in Afghanistan. .. No charges have been filed. The charity has sought to reassure the Detroit area's Muslim community that it is legal to donate money to the organization, which was founded in 1992 by Iraqi immigrants." The Detroit Free Press (11/27, Warikoo, 373K) reported, "The filing occurred days after a senior vice president with Comerica, James Garavaglia, met with Arab-American leaders to explain how the Patriot Act requires banks to work with the government. Charity officials worry that Life's reputation would be harmed if Comerica officials spread allegations about the group to other banks."

HOMELAND RESPONSE:

Religious Leaders Stage "Pray-In" Over Muslim Clerics' Removal From Flight. The Washington Post/AP (11/28, A10, Miller) reports, "Imams, ministers and a rabbi staged a pray-in yesterday at Reagan National Airport and demanded an apology from US Airways for barring six Muslim clerics from a Minneapolis-to-Phoenix flight last week. The religious leaders called for an end to racial profiling, saying it was unacceptable in the United States." A US Airways spokeswoman said "prayer was never the issue," and that suspicion was sparked over what one passenger "thought were anti-US statements." The spokeswoman "also said the men got up and moved around

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the airplane, so the flight crew consulted with the airline about whether they might pose a security risk. Local law enforcement and the FBI thought they did, she said." USA Today (11/28, 11A, 2.27M) also runs a brief report on the "pray-in."

Under the headline "How The Imams Terrorized An Airliner," the Washington Times (11/28, Hudson, 88K) reports, "Muslim religious leaders removed from a Minneapolis flight last week exhibited behavior associated with a security probe by terrorists and were not merely engaged in prayers, according to witnesses, police reports and aviation security officials." The article offers no new information about last week's incident, but quotes "a federal air marshal who asked to remain anonymous" as saying that the clerics moving to seats throughout the plane would have alarmed him. "They now control all of the entry and exit routes to the plane," said the air marshal. Robert MacLean, a former air marshal, said the clerics "should have been denied boarding and been investigated. It looks like they are trying to create public sympathy or maybe setting someone up for a lawsuit." A "pilot with another airline who talked to The Washington Times on condition of anonymity, said he would have made the same call as the US Airways pilot."

Threat Note, Containers Prompt Temporary Closure Of Lincoln Memorial. The Washington Post (11/28, B3, Sheridan, Dvorak, 690K) reports the Lincoln Memorial was closed for more than two hours yesterday after authorities received "reports of a suspicious liquid and a threatening note on the grounds, officials said. Tests showed no evidence of a harmful substance. DC firefighters received a call at 12:40 p.m. reporting that a bottle believed to contain a liquid was found in the women's restroom in the base of the memorial, fire and federal homeland security officials said." Before a hazardous materials unit arrived, a letter asking, "Do you know what anthrax is?" and "Do you know what a bomb is?" was found on the statue, according to officials. "In addition, a thermos that police found on the memorial steps was initially considered suspicious, officials said."

In an article appearing on at least 40 news websites throughout the nation, the AP (11/27, Takruri) reported, "An official from the Department of Homeland Security, who asked to not be identified because his agency was not in charge of the incident, quoted the questions about anthrax and bombs."

Union Hopes Democratic Congress Will Allow TSA Screeners To Bargain Collectively. In his "Federal Diary" column appearing in the Washington Post (11/28, D4, 690K), Stephen Barr writes, "Proposals to allow TSA screeners to unionize have not gained traction in Congress, but [American Federation of Government Employees] officials hope that will change when Democrats take control of the House and Senate next year. Rep. Nita M. Lowey (D-N.Y.), who lost a vote on an amendment that would have let screeners engage in bargaining, plans to push the issue, her spokeswoman said."

Intelligence Agencies Investing Millions In College Programs. USA Today (11/28, 8A, Willing, 2.27M) reports, "The US intelligence community pours millions into higher education, paying for hundreds of scholarships, intelligence-related courses and fellowships at nearly a dozen universities, public documents and interviews with officials show. … The sponsoring agencies, including the CIA, say the programs help ensure they get enough recruits skilled to wage the war on terrorism." However, they have also "revived a decades-old debate about the proper relationship between intelligence agencies and academia," prompting "comparisons to the 1950s, when the FBI sometimes encouraged students to report on professors' political leanings, and the 1960s, when the CIA paid for the National Student Association and tapped its members for intelligence work."

In New Book, CIA Agent Describes Training Of First Post-9/11 Class. In a Washington Times (11/28, 88K) column, Gary Anderson writes, "Among the agencies of the federal government, three are legendary: the Marine Corps, the FBI and the CIA. … If they have anything in common it is that their field officers all go through a similar basic training and education course." In his new book, "Class 11," agent T.J. Waters describes his CIA training, and Anderson notes that until he read the book, "I was not aware of how closely the basic schooling of CIA officers is to that of the Marines and the FBI. Class 11 was the first post-September 11 class at the CIA. Consequently, it was larger and much more diverse than its predecessors." Anderson adds that Waters "does a creditable job," and "the reader comes away with a deeper understanding of one of our most misunderstood organizations."

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WAR NEWS:

White House Insists Iraq Conflict Not A "Civil War." On the day NBC Nightly News (11/27, lead story, 2:50, Mitchell, 9.87M) announced it would start referring to the Iraq conflict a "civil war," the White House continued to dispute the use of that term. However, comments by the President on the issue appeared to be at odds with the case made by his National Security Adviser to describe the White House's stance . The AP (11/28, Riechmann) reports on a Bush news conference this morning in Estonia. The President said "the sectarian violence rocking Iraq is not civil war but part of an al-Qaida plot to use violence to goad Iraqi factions into repeatedly attacking each other." Bush also "said the latest cycle of violence does not represent a new era in Iraq. The country is reeling from the deadliest week of sectarian fighting since the war began in March 2003. 'We've been in this phase for a while,' Bush said." The AP adds, "This comment appeared at odds with the assessment of the president's national security adviser, who told reporters on the way to Estonia that Iraq is in a 'new phase' that requires changes."

National Security Advisor Stephen Hadley's comments had gotten plenty of play in the media. NBC Nightly News (11/27, story 2, 2:30, Gregory) reported Hadley said whether Iraq is in "a civil war or not, there are certainly a great deal of a wariness in the United States and beyond that the sectarian violence is out of control, that there is not enough progress quickly enough for the President's satisfaction." Hadley "called it a new phase over the past few days where the violence has sparked and reached new heights in Iraq -- a new phase of that violence the President wants to address."

The CBS Evening News (11/27, lead story, 2:15, Couric, 7.66M) said Hadley offered his "most ominous assessment yet of the violence in Iraq." CBS (Axelrod) went on to comment on what it deemed a "dramatic shift in rhetoric by…Hadley." The advisor, said CBS, had "to acknowledge reality." CBS also reported the White House "still doesn't want to use the words 'civil war' because that's the next category of chaos. But this is new." CBS quoted Hadley saying, "We are clearly in a new phase, characterized by this increasing sectarian violence. That requires us obviously to adapt to that new phase and these two leaders need to be talking about how to do that."

ABC World News (11/27, lead story, 3:00, Gibson, 8.78M) reported, "You can call it anarchy, you can call it chaos you can call it a civil war, whatever you call it, the events of recent days demonstrate that the situation in Iraq is at a critical juncture." ABC (Raddatz) added "the White House acknowledged that Iraq is quote, 'In a new phase and new solutions are urgently needed.' With Iraq continuing its descent into civil war after a wave of deadly sectarian violence, a White House official said things are not 'proceeding well and are not going fast enough in Iraq' and the US must find ways to, quote, 'adapt.'" The AP (11/28, Raum) quotes Hadley as saying, "Obviously everyone would agree things are not proceeding well enough or fast enough."

The Washington Post (11/27, Wright, Ricks, 690K) also notes Hadley's comments, and goes on to quote a statement by National Security Council spokesman Gordon Johndroe, "While the situation on the ground is very serious, neither Prime Minister [Nouri al-] Maliki nor we believe that Iraq is in a civil war. The Iraqi government is making slow but sure progress on important issues that will help stop the violence and bring the country together." The Post adds, "At least one Iraqi leader says otherwise. 'It's worse than a civil war. In a civil war, you at least know which factions are fighting each other,' lamented a senior member of Iraq's government in an interview a few hours after Johndroe's comments. 'We don't even know that anymore. It's so bloody confused.'"

A number of media reports, however, see political calculations behind the White House's rejection of the term "civil war." Typical of the coverage was the Baltimore Sun (11/28, Davis, 257K), which reports President Bush "has said he would not allow US troops to be caught 'in the crossfire between rival factions.' Conceding that a civil war has broken out in Iraq could undermine that promise and increase pressure for a quick withdrawal of American forces." That is why, adds the Sun, "the White House continued to resist the notion that Iraq had descended into civil war." Similarly, the CBS Evening News (11/27, lead story, 2:15, Axelrod, 7.66M) said "there's a huge difference when talking about a US troop involvement between doing something noble like bringing democracy to a region and being caught in another country's civil war." And on CNN's The Situation Room (11/27), correspondent Michael Ware reported from Baghdad, "If this is not a civil war, then I don't want to see one when it comes."

The Los Angeles Times (11/28, Gold, 850K) says NBC's decision "makes it the first television network to officially adopt the term 'civil war,' a description the Bush

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administration has resisted." The LATimes "was the first major news organization to formally adopt the description when it began to refer to the hostilities as a civil war in October, without public fanfare. No other major media outlet has made the phrase a matter of policy, although it has cropped up in various news reports." The White House, adds the Times, "has exerted pressure on the media not to use the term, journalists said, which led to newsroom caution over the issue. … Political analysts said NBC's public embrace of the term further complicated the administration's efforts to maintain that the violence had not spun out of control." USA Today (11/28, 2.27M) reports the "politically charged use of the term 'civil war'" put "the network at odds with the White House…and prompted renewed discussion among news outlets." CBS, ABC, CNN and Fox News "said that as sectarian violence has risen, their reporters have called the conflict a civil war, and will continue, though they plan no formal change in policy. On CNN Monday, correspondent Michael Ware said, 'If this isn't a civil war, I don't know what is.'" USA Today adds, "Recent dispatches in outlets such as the Los Angeles Times and New York Times also have referred to a civil war. USA TODAY calls the conflict 'the war in Iraq' and refers to 'sectarian violence' or 'religious fighting.'"

Annan Says Iraq On Brink Of Civil War. The AP (11/28, Ben Feller) reports, "UN Secretary General Kofi Annan said Monday that Iraq is close to civil war, as the Bush administration stepped up diplomatic efforts to stabilize the war-torn country." Annan "talked to reporters in New York as members of the Iraq Study Group were to discuss recommendations for changes in US war strategy. … Asked by reporters at the UN if Iraq is in a civil war now, Annan replied, 'I think given the developments on the ground, unless something is done drastically and urgently to arrest the deteriorating situation, we could be there. In fact we are almost there.'" The Washington Post (11/27, Wright, Ricks, 690K) calls Annan's comments "a sign of the growing global concern about Iraq's fate."

Carter Says Conflict Not A Civil War. Former President Jimmy Carter on CNN's Larry King Live (11/27) said, "I don't think there's anything wrong with calling it a civil war. It doesn't change the character of it just because NBC has said that. I don't think it's a misnomer for it." Pressed whether he would characterize it as a civil war, Carter replied, "No, I don't think so. I think this brings it up to a level that doesn't quite reach the level of most other civil wars. I just -- we helped at the Carter Center to monitor a election in the Republic of Congo which had a civil war where 4 million people died. We tried to bring peace to Sudan and two million people died in that civil war. Some civil wars are much more costly in historical terms than it has been in Iraq. But it's serious and the prospect for immediate secession of violence is completely absent."

More Commentary. Iraq Deputy Ambassador to the UN Feisal Istrabadi on CNN's The Situation Room (11/27) was asked whether Iraq was in the middle of a civil war. Istrabadi downplayed that terminology saying, "There are sound technical reasons for why this is not a civil war, including most clearly, because the population of Iraq, regardless of ethnicity or sectarian attachment or sect, overwhelmingly rejects this violence. What you have are death squads operating on each side, operated by extremists, targeting the civilians of the other side. In that sense, you don't have, for instance, the militias which is a real problem right now, you don't have the militias fighting each other. Rather, you have them operating as death squads, murdering the other side civilians."

Sen. Jack Reid on CNN's The Situation Room (11/27) reported, "I have been saying for years Iraq has been a low-level civil war. I think it is a civil war. You have different groups vying for political power which is one thing -- very good definition of a civil war."

Bush Reaches Out To Arab Leaders Ahead Of Meeting With Maliki. The New York Times (11/28, Cooper, 1.16M) reports that as President Bush "and his top diplomats try to halt the downward spiral in Iraq and Lebanon, they seem intent on their strategy of talking only to Arab friends, despite increasing calls inside and outside the administration for them to reach out to Iran and Syria as well." Bush and Secretary of State Condoleezza Rice "are traveling to Jordan this week for talks that are to include Iraq's prime minister and a number of Sunni Arab leaders but exclude the Iranians and Syrians, despite the influence they wield in Iraq and Lebanon." When Bush and Rice "arrive in Amman on Wednesday, they will try to enlist help from Sunni Arab leaders to try to rein in the violence in Iraq by putting pressure on Sunni insurgents. That was part of Vice President Dick Cheney's message to King Abdullah of Saudi Arabia during a brief visit on Saturday, administration officials said, and Mr. Bush will repeat that entreaty with King Abdullah II of Jordan, as will Ms. Rice when she meets for talks with Persian Gulf

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foreign ministers at the Dead Sea on Thursday and Friday." The Times adds, "Specifically, the United States wants Saudi Arabia, Jordan and Egypt to work to drive a wedge between the Iraqi prime minister, Nuri Kamal al-Maliki, and the anti-American Shiite cleric Moktada al-Sadr." The Financial Times (11/28, Dinmore, Khalaf) notes "officials close to…al-Sadr are reported to have said the radical Shia cleric is threatening to pull out of the national unity government if Mr Maliki does not put a stop to attacks on the Shia. They have also warned him against meeting Mr Bush in Amman, Jordan, tomorrow and Thursday."

CNN's The Situation Room (11/27, Malveaux) reported "Arab allies, Iraq's neighbors here, they want some sort of international regional conference, a way to look at the big picture here to get everyone involved, those players, as well as the United States. So that is why you're seeing this diplomatic offensive taking place" with Vice President Cheney "reaching out to Saudi Arabia and Jordan, as well as some of those other moderate allies. If the United States can't make some sort of impact with Iraq, then they want Iraq's neighbors to try to help out." CNN's Wolf Blitzer added, "By almost all accounts, it will be linked to a renewed US effort to try to jump-start Israeli/Palestinian peace process as well."

Maliki Expected To Ask Bush For US Withdrawal Timetable. The AP (11/28, Abdul-Zahra, Mroue) reports Iraqi officials said discussions between Bush and Maliki "will focus on giving Iraqis more control so U.S. forces can withdraw. … Iraqi officials believe the summit will deal with giving Iraqi forces more control over security. The Iraqis expect President Bush to agree to such an arrangement, and they say al-Maliki will then ask for the Americans to start discussing a timetable for the withdrawal of U.S. troops, according to one of the officials, who spoke on condition of anonymity." However, national security adviser Stephen Hadley "said it was unlikely Bush would address with the Iraqi leader the issue of any U.S. troop withdrawals. 'We're not at the point where the president is going to be in a position to lay out a comprehensive plan,' Hadley told reporters aboard Air Force One." An Iraqi official, "who spoke anonymously…said American officials had indicated in preparatory talks in Baghdad that Bush was open to increasing the pace of the security hand-over."

Talibani Asks Iran For Help Ending Violence. The Washington Post (11/28, A15, Trejos, 690K) reports, "In the latest sign of a budding diplomatic relationship, Iraq's President Jalal Talabani arrived in Iran on Monday to seek his neighbor's help in ending his country's sectarian conflict, as Britain said it expects to withdraw thousands of troops by the end of next year." Talabani's visit to Iran "was delayed by a three-day curfew imposed after a series of car bombs exploded in the Shiite Muslim stronghold of Sadr City on Thursday, setting off a wave of reprisal killings. There were reports of sporadic violence Monday as the curfew was lifted."

The New York Times (11/28, Fathi, Semple, 1.16M) reports Iranian President Mahmoud Ahmadinejad "pledged Monday in a meeting with the Iraqi president that Iran would do all it could to stop the growing violence in Iraq." In a televised press conference with Iraqi President Jalal Talabani, Ahmadinejad said, "The Iranian government and people will stand by their brothers in Iraq and will do anything to help bring peace into Iraq."

Hezbollah Reportedly Trained Mahdi Army Fighters. The New York Times (11/28, Gordon, Filkins, 1.16M) reports, "A senior American intelligence official said Monday that the Iranian-backed group Hezbollah had been training members of the Mahdi Army, the Iraqi Shiite militia led by Moktada al-Sadr. The official said that 1,000 to 2,000 fighters from the Mahdi Army and other Shiite militias had been trained by Hezbollah in Lebanon. A small number of Hezbollah operatives have also visited Iraq to help with training, the official said. Iran has facilitated the link between Hezbollah and the Shiite militias in Iraq, the official said. Syrian officials have also cooperated, though there is debate about whether it has the blessing of the senior leaders in Syria. The intelligence official spoke on condition of anonymity under rules set by his agency, and discussed Iran's role in response to questions from a reporter." The Times adds, "The claim about Hezbollah's role in training Shiite militias could strengthen the hand of those in the Bush administration who oppose a major new diplomatic involvement with Iran." However, "Some Middle East experts were skeptical about the assessment of Hezbollah's training role. 'That sound to me a little bit strained,' said Flynt Leverett, a senior fellow at the New America Foundation and a Middle East expert formerly on the National Security Council staff."

Sadr Militia Said To Have Grown Eightfold. The Washington Post (11/27, Wright, Ricks, 690K) reports that "in a reflection of the growing new dimension of civil strife, a senior US intelligence official said yesterday that the militia of

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radical Shiite leader Moqtada al-Sadr has grown eightfold over the past year and now fields 40,000 to 60,000 men. That makes it more effective than the Iraqi government's army, the official indicated." Sadr "is so powerful that if provincial elections were held now, he would sweep most of the south and also take Baghdad, said the intelligence officer, who spoke on the condition of anonymity because of the sensitivity of his position."

The Los Angeles Times (11/28, Moore, 850K) reports "besieged Iraqis, many with no previous affiliation with established militias, are taking up arms, barricading their communities and joining new Shiite Muslim militia cells or increasingly militant Sunni Arab neighborhood-watch groups."

Baghdad Curfew Didn't Stop Killings. ABC World News (11/27, story 2, 1:40, Gibson, 8.78M) reported that in Baghdad, "a three-day curfew that began after last week's devastating attacks has now been lifted." ABC (Brown) added, "Life returns to the streets of Baghdad, today. For many, that meant taking care of the dead. Because, in spite of a 3-day curfew, at least 30 people were killed, Sunni and Shiite, in almost equal number." In Sadr City, "a Shiite stronghold, a memorial service was held for 10 people killed on Sunday, in what police said was a shootout between gunmen and US soldiers. The mourners chanted 'No to America.' In the wake of the massacre last Thursday that killed 230, people are now living in a new climate of fear, of another, more vicious wave of revenge killings." NBC Nightly News (11/27, story 3, 1:45, Aspell, 9.87M) said "with the curfew over people can move around the city. So can militias and bombers. Baghdad is bracing for more violence."

Marine Document Says US Can't Defeat Anbar Insurgents. In a front page article, the Washington Post (11/28, Linzer, Ricks, 690K) reports from Anbar province, "The US military is no longer able to defeat a bloody insurgency in western Iraq or counter al-Qaeda's rising popularity there, according to newly disclosed details from a classified Marine Corps intelligence report that set off debate in recent months about the military's mission in Anbar province." The Marines "recently filed an updated version of that assessment that stood by its conclusions and stated that, as of mid-November, the problems in troubled Anbar province have not improved, a senior US intelligence official said yesterday. 'The fundamental questions of lack of control, growth of the insurgency and criminality' remain the same, the official said." The Post adds, "The Marines' August memo, a copy of which was shared with The Washington Post, is far bleaker than some officials suggested when they described it in late summer. The report describes Iraq's Sunni minority as 'embroiled in a daily fight for survival,' fearful of 'pogroms' by the Shiite majority and increasingly dependent on al-Qaeda in Iraq as its only hope against growing Iranian dominance across the capital."

Iraq Study Group Discusses Draft Report. The Washington Times (11/28, Scarborough, 88K) reports, "The Iraq Study Group met yesterday at an undisclosed location to discuss its first draft report that calls for increased diplomatic engagement in the region and new military moves to rescue Iraq from a descent into civil war." The panel's co-chairmen, James A. Baker III, secretary of state in the first Bush administration, and former Rep. Lee H. Hamilton "finished work on the draft during the weekend. It contains an assessment of where violence-racked Iraq stands more than three years after the U.S. ousted Saddam Hussein. It also includes a list of recommendations on diplomatic and military fronts. A final report to President Bush is expected next month." Baker, adds the Times, "is said to be pushing a recommendation for the Bush administration to engage in direct talks with Syria and Iran, two U.S.-designated state sponsors of terrorism who are supporting various insurgencies and terrorist attacks in Iraq."

ABC World News (11/27, lead story, 3:00, Raddatz, 8.78M) reported "officials tell ABC News that one of the central recommendations from the Iraq Study Group is that the US engage in talks with both Iran and Syria, to help stem the flow of foreign fighters, and stop the more lethal bombs from entering Iraq. … An Administration official says that it is unlikely that President Bush would accept that recommendation. But there are two other recommendations that the President would look at favorably. One -- to double or triple the number of US soldiers embedded with Iraqi security forces. Two -- give the Iraqi government a strong message that the US military support will not go on indefinitely. As for timetables for withdrawal, the President has been adamant that will not happen. An official tells ABC News that the ISG is quote, 'Massively divided on the question of timetables or whether or not to suggest additional troops for a short period of time.'"

The CBS Evening News (11/27, story 2, 2:30, Martin, 7.66M) reported, "The most dramatic option on the table is an

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increase of up to 20,000 American troops in an effort to keep a lid on the violence. The Army is now studying how it could accomplish the buildup and how long it could sustain it. Just two weeks ago, the commander of US forces in the Middle East told Congress he didn't want more American troops but in a subsequent interview with '60 Minutes,' General John Abizaid put the option back on the table." But "there is no agreement on whether to set a timetable for American withdrawal which some members of the Iraqi Study Group see as the only way to put pressure on Prime Minister Maliki to make the political concessions needed to head off civil war." CBS added "one source says the panel hasn't hit any deal breakers so they could deliver their report as early as next week."

The Christian Science Monitor (11/28, Chaddock, 59K) says the ISG "illustrates those rare moments when a crisis reaches such a point that official Washington temporarily loosens hold of the reins. It's in those moments that experienced outside voices -- think the 9/11 and Warren commissions -- can make themselves heard. The Iraq panel, in particular, may prove particularly influential because of the escalating chaos in Iraq." But not all is praise for the ISG in today's press. Also in the Christian Science Monitor (11/28, 59K), Andrew J. Bacevich, professor of history and international relations at Boston University, writes, "Even as Washington waits with bated breath for the Iraq Study Group (ISG) to release its findings, the rest of us should see this gambit for what it is: an attempt to deflect attention from the larger questions raised by America's failure in Iraq and to shore up the authority of the foreign policy establishment that steered the United States into this quagmire. This ostentatiously bipartisan panel of Wise Men (and one woman) can't really be searching for truth. It is engaged in damage control." The ISG "will provide cover for the Bush administration to shift course in Iraq. It will pave the way for the Democratic Congress to endorse that shift in a great show of bipartisanship. But it will hold no one responsible. Above all, it will leave intact the assumptions, arrangements, and institutions that gave rise to Iraq in the first place."

Carter Says Bipartisan Consensus Key Goal Of Iraq Study Group. Former President Jimmy Carter on CNN's Larry King Live (11/27) said, "When I talked to Jim Baker last week he made it plain to me that his major goal, Larry, is to have unanimity within the committee. He think the mix of Democrats and Republicans, all very prominent, all very qualified, should be a unanimous recommendation to have maximum impact."

UK Plans To Withdraw 7000 Troops From Iraq By End Of 2007. The AP (11/28, Quinn) reports Britain "said Monday it expects to withdraw thousands of its 7,000 military personnel from Iraq by the end of next year." British Defense Secretary Des Browne "was the second senior official in recent days to talk of reducing the number of British troops in Iraq. … Last week, Foreign Secretary Margaret Beckett said Britain may be able to hand over security responsibility in the southern port city of Basra by the spring of 2007. Britain also hopes to hand security control over to the Iraqis in the province of Maysan on the Iranian border in January."

Poland, Italy Announce Plans To Pull Remaining Troops. The AP (11/28, Quinn) reports Poland and Italy "announced the impending withdrawal of their remaining troops" in Iraq. Polish President Lech Kaczynski "said his country…would pull its remaining 900 soldiers out of Iraq by the end of 2007." Italian Premier Romano Prodi "said the last of Italy's soldiers in Iraq - some 60-70 troops - will return home this week."

Democratic Congressman-Elect Maintains There Were Some Saddam-Al Qaeda Links. The New York Times (11/28, Risen, 1.16M) reports, "In early 2002," rep.-elect Chris Carney, "a Naval Reserve officer, was assigned to work in a tiny intelligence unit created by Douglas J. Feith, then the under secretary of defense for policy, to search for links between terrorist groups and their possible state-sponsors, most notably Iraq. After the 2003 invasion, the Feith unit, the Policy Counterterrorism Evaluation Group, was caught up in the debate over the Bush administration's handling of prewar intelligence, and the office was investigated by a Senate committee and an independent presidential commission." Carney "says he still believes there were links between Iraq and Al Qaeda, although he is careful not to overstate them. 'On a scale of 0 to 10, where 0 was no connection and 10 was operational control, I would say it's about a 2½,' he said in an interview. 'It was a relationship of keeping your friends close and your enemies closer,' he added. 'Saddam was a savvy guy, and I think he wanted to make sure that if Al Qaeda someday became a force, that he wanted to keep his options open. I thought that there was a

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relationship. Whether it was strong enough to go to war, that's the president's decision.'"

Kristoff Says Pentagon Erred In Disputing Media Reports From Iraq. The New York Times' Nicholas Kristoff (11/28) writes, "For several years, the White House and its Dobermans helpfully pointed out the real enemy in Iraq: those lazy, wimpish foreign correspondents who were so foolish and unpatriotic that they reported that we faced grave difficulties in Iraq. … As we try to extricate ourselves from Iraq, a basic lesson for the administration is that it should deal with bad news in ways more creative than clobbering the messenger. From the beginning of the war, the Pentagon has had an incredibly sophisticated news operation (now including its own news channel, carried on some cable networks), but it has often seemed more concerned with disseminating propaganda than with gathering facts."

Waning Support For War In Iraq Blamed On Unrealistic Expectations. In an op-ed for the New York Times (11/28, 1.16M) Dominic Johnson, a fellow at the Woodrow Wilson School at Princeton, and Dominic Tierney, an assistant professor of political science at Swarthmore, write, "Tet and Somalia suggest we should be very careful before concluding that Iraq is a defeat. There is real evidence of failure, especially the escalating sectarian violence. But our perceptions are nevertheless easily manipulated. Iraq looks like a defeat in part because the Bush administration fell into the same trap as President Johnson: raising expectations of imminent victory by declaring 'mission accomplished' before the real work had even begun. And as with Somalia, fighting shadowy insurgents in Iraq while propping up a weak government engenders negative memories of Vietnam. … With the stakes so high, Americans must be certain that their perception of failure in Iraq is not a mirage."

Australian Government Cleared In Oil-For-Food Probe. The Washington Times/AP (11/28, McGuirk) reports, "An inquiry cleared Australia's government of wrongdoing in an Iraqi oil-for-food scandal Monday, but recommended top officials of the monopoly wheat exporter face charges for paying more than $200 million to the Saddam Hussein regime." Prime Minister John Howard "promised the inquiry's key recommendations would be acted upon immediately and said the findings vindicated him and other top government officials who denied having prior knowledge of the kickbacks."

The New York Times (11/28, Bonner, 1.16M) notes the "commission investigating corruption in the United Nations oil-for-food program released a long-awaited report on Monday stating unequivocally that a major Australian wheat company paid more than $224 million in kickbacks and bribes to Saddam Hussein's government. The commission also found that the company, ABW Ltd., had 'deliberately and dishonestly' devised a scheme for the payments -- from 1999 until the overthrow of Mr. Hussein in 2003 -- that would deceive the United Nations. … The Australian commission's report was the most thorough -- and damning -- investigation of corruption in the United Nation's oil-for-food program. It is certain to have repercussions for politicians in Canberra as well as in Washington, where incoming Democratic lawmakers have pledged to hold their own hearings."

The Wall Street Journal (11/28, A9, Adam, Brindal, 2.04M) reports "the findings could increase pressure on the government to dismantle the country's powerful wheat-export monopoly. US and European growers have long tried to persuade Australia to end its wheat-marketing system, whereby growers sell their export wheat through a 'single desk' managed by listed AWB Ltd., which then handles sales to foreign buyers."

WPost Protests Termination Of Special IG For Iraqi Reconstruction. The Washington Post (11/28, A18, 690K) reports, "In the mess that is Iraq, there's one entity that has done an unquestionably good job: the special inspector general for Iraqi reconstruction. Under the leadership of Stuart W. Bowen Jr., the inspector general's office has found that the Coalition Provisional Authority could not account for almost $9 billion distributed to Iraqi ministries. … Its audits have saved the government more than $400 million. Now there's a move to close down Mr. Bowen's shop. More than a move, actually: A mischievous provision, slipped into the defense authorization bill by House Republicans without the knowledge of key senators, set an October 2007 termination date for the office. The bill was signed into law last month, but a number of senators, including Susan Collins, chairman of the Homeland Security and Governmental Affairs Committee; Joseph I. Lieberman, the committee's ranking minority member; and Russell Feingold,

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are trying to reverse this foolish plan during the lame-duck session."

Bush To Seek Renewed NATO Commitment To Afghan Mission. USA Today (11/28, A6, Jackson, 2.27M) reports from Estonia, "President Bush arrived here Monday to promote freedom and democracy, using this small Baltic nation, a former republic of the Soviet Union, as a model. Bush came to the seaport of Tallinn in advance of this week's NATO summit on Afghanistan and meetings with Iraqi Prime Minister Nouri al-Maliki in Jordan." Estonia and Latvia, site of the two-day summit, "are US allies in the war on terrorism."

The Wall Street Journal/AP (11/28) says "one issue will dominate this week's NATO summit: Afghanistan. The 26 presidents and prime ministers know that the future of the North Atlantic Treaty Organization is playing out in the deserts of Kandahar and mountains of Uruzgan rather than in their conference hall on the Baltic Sea." The Washington Post (11/28, A1, Abramowitz, Constable, 690K) reports Bush "will seek fresh troops and equipment for the fight in Afghanistan, and fewer restrictions on how they can be used, when he sits down this week with NATO allies to review the state of the dangerous mission there, according to senior US officials." The Afghan mission "is shaping up as the major issue for discussion among Bush and the leaders of the 25 other NATO member countries, who are gathering for the first time in two years. A failed operation in Afghanistan would threaten NATO's ambition to one day play a more robust role in helping address the world's crises." The Post adds, "Briefing reporters on Air Force One on the way to Estonia, national security adviser Stephen J. Hadley cited 'an increasing awareness at how important this is for the war on terror, how important it is for Afghanistan and how important it is for NATO not to fail.'" The Washington Post (11/27, A12, Constable, 690K) runs a second report on NATO, titled "A NATO Bid To Regain Afghans' Trust," in which it gives mixed reviews to the alliance's efforts at reconstruction in Panjwai.

The Christian Science Monitor (11/28, LaFranchi, 59K) says Afghanistan "is something the president dare not disregard even in the midst of Iraq developments. Not only is the NATO-led war in Afghanistan facing its own mounting challenges, with potentially deep consequences for the international war on terror, but of the two wars, it is also the one where the United States has important allied assistance." Bush "will press the 26-nation alliance for both more money and more troops for Afghanistan, according to White House officials. To make his case, Bush will emphasize the connection between international security and the battle to defeat a resurgent Taliban and elements of Al Qaeda." NATO "already commands more than 30,000 foreign troops in Afghanistan. Gen. James Jones, the supreme allied commander, is looking for summit leaders to add 2,500 troops to the total. The challenge for Bush, however, will be skepticism about his leadership in the wake of perceived defeat in the midterm elections, and what is viewed internationally as his lame-duck status."

But the Washington Times (11/28, Dinan, 88K) reports "expectations for the NATO summit are low." Europeans "are resisting Mr. Bush's push for committing more troops to the dangerous areas of Afghanistan, and want to go slowly on expanding the alliance's ties to non-NATO nations who are assisting with security operations." Hadley "said the difficulties are understandable but said the leaders at the summit will make some announcements on those issues."

More Commentary. The New York Times (11/28, 1.16M) editorializes, "NATO is failing its most significant post-Soviet test: stabilizing Afghanistan. ... Unless NATO's members commit to sending in more troops and more resources, Afghanistan could go the way of Iraq." Some reluctant countries have imposed an "unfair division of labor. Canadian, Dutch, British and American forces in southern Afghanistan are doing most of the heavy fighting, while the French, Germans and Italians patrol relatively quiet northern regions." Bush "can't do much more than cajole the allies. Iraq has deprived him of both international credibility and the military forces to do more. It is now up to the rest of the alliance. All NATO members must acknowledge that the Afghan war is not just some post-9/11 gesture ... There is a life-and-death struggle under way against terrorists and extremism that is in all their national interests to win."

The Wall Street Journal (11/28, 2.04M) editorializes, "The NATO forces battling resurgent Taliban in southern Afghanistan call to mind the Normandy landing. Once again, mostly Canadian, British and American troops are fighting and dying. ... With a few exceptions, such as the Dutch and Danes, most NATO members prefer the by now traditional division of labor: The Anglo-Saxons do the fighting while the others compete for popularity as armed aid workers. ... If NATO can't muster the forces to defeat the remnants of al Qaeda's original state sponsor, what is it good for?"

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UN Report Finds Afghan Poppy Eradication Campaign Failing To Make Progress. USA Today (11/28, 1A, Leinwand, 2.27M), in a front-page article titled, "Afghan Opium Fight Hurts Poorest," reports, "U.S. and European efforts to end heroin production in Afghanistan have done little to hamper the drug industry and have hurt the country's poorest people, according to a new report by the United Nations and the World Bank." The report "says the production of opium…permeates daily life in Afghanistan and eliminating the illegal drug trade there could take decades. The opium trade accounts for about $2.7 billion in Afghanistan's economy — equal to more than one-third of the nation's gross domestic product — and is responsible for thousands of jobs, the report says. The Taliban government, which had harbored al-Qaeda, virtually eliminated opium production in 2001, before U.S.-led forces toppled it. Production has soared since, even as the United States and its allies have stepped up efforts to kill fields of opium and persuade farmers to grow other crops."

Rangel Urged To Apologize For Comment About US Troops. The Washington Times (11/28, Pierce, 88K) reports in its "Inside Politics" column, "The national commander of the American Legion called on Rep. Charles B. Rangel, New York Democrat, to apologize for suggesting that American troops would not choose to fight in Iraq if they had other employment options. 'Our military is the most skilled, best-trained, all-volunteer force on the planet,' National Commander Paul A. Morin said yesterday. 'Like that recently espoused by Sen. John Kerry, Congressman Rangel's view of our troops couldn't be further from the truth and is possibly skewed by his political opposition to the war in Iraq.'" The Times adds, "According to Mr. Rangel, 'If a young fellow has an option of having a decent career, or joining the Army to fight in Iraq, you can bet your life that he would not be in Iraq. If there's anyone who believes these youngsters want to fight, as the Pentagon and some generals have said, you can just forget about it. No bright young individual wants to fight just because of a bonus and just because of some educational benefits.'"

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New York US Attorney Faces Tough Calls. The New York Law Journal (11/28, Hamblett) reports, "Southern District of New York U.S. Attorney Michael J. Garcia knew there would be some tough calls to make when he accepted an appointment to one of the most high-profile law enforcement jobs in the country." The Journal continues, "Garcia, 45, was sworn in as U.S. Attorney on Sept. 6, 2005. During a little more than a year as the top federal prosecutor in Manhattan, he had to pull the plug on several celebrated cases to defend subordinates from almost unprecedented criticism over their handling of a non-prosecution agreement with KPMG. … But Garcia does not take refuge in the fact that the cases he has had to clean up were launched well before he took office last year. … 'We don't measure the value of this office in terms of wins and losses,' he said in a recent interview in his office at One St. Andrew's Plaza in lower Manhattan. 'The value is in the type of cases we bring and the example we set for the rest of the country.'" The Journal adds, "Garcia said that the Southern District has always taken 'hard cases, cutting edge cases,' that come with some risk attached. … 'We go in because we believe the case is strong and we do the right thing,' he said. 'We have some assistants saying "I'm 11-0," but what does that mean? A guy might be 5-5 but he's bringing very tough, important cases.'" The Journal notes, "When Garcia took office, he emphasized his great respect for its traditions and national reputation, and said he had no intention of radically changing the way the office does business. … Garcia indicated he would pay particular attention to public corruption, announcing a higher profile in the district's northern counties by establishing a corruption hotline."

CORPORATE SCANDALS:

ACS Ousts Officials After Accounting Probe. Bloomberg (11/28, Kammel) reports, "Affiliated Computer Services Inc., the world's biggest processor of student loans, ousted Chief Executive Officer Mark A. King and finance chief Warren D. Edwards after a probe showed that stock options were backdated." Bloomberg continues, "King, 49, and Edwards quit yesterday after violating the company's code of ethics with options awards, according to a statement today. Chief Operating Officer Lynn Blodgett, 52, will become CEO and John Rexford, 49, will be chief financial officer." Bloomberg adds, "The two managers at the Dallas-based company are among more than 60 executives that have left their jobs after investigations into whether options grants were backdated and compensation costs misreported. Options probes to see whether grants were retroactively dated to

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increase their value to executives and other recipients have affected at least 187 companies. … The incorrect accounting unearthed in the probe, which scrutinized option practices between 1994 and 2005, will lead to about $51 million in costs plus tax-related expenses, the company said. The sum may be higher or lower depending on the final outcome. Affiliated Computer said it has yet to determine whether it will need to restate earnings as a result of the adjustment."

Corporate Counsel Positions Draw More Scrutiny, Higher Pay. The Financial Times (11/28, Masters) reports, "Becoming a corporate general counsel used to be something leading American lawyers did to slow down. … The jobs were considered relatively low-key, low-profile and low-paid, at least in comparison to a partner at a big law firm, and lawyers who went in-house often held their jobs until they retired or got bored." The Times continues, "Not any more. In the wake of the 2002-03 corporate scandals and the Sarbanes-Oxley corporate accountability law, general counsels are now central figures at most US companies, often reporting directly to the board and often appearing on the list of the five highest paid corporate officers. … The post has also become a much riskier assignment. In the past six months, 12 public companies have changed chief legal officers amid investigations into whether the firms illegally backdated stock options grants to pump up executive compensation." The Times adds, "Between the departures over stock options and ordinary turnover, the American market for in-house lawyers is hopping, search firm executives say. In-demand candidates are fielding multiple inquiries and compensation packages are rising. … The average bonus for the nation's 100 highest-paid general counsels was $906,820 last year, up 16 per cent, and the average restricted stock grant was nearly $1m, up 35 per cent, according to a study of Securities and Exchange Commission filings by Corporate Counsel magazine. … When salaries were included, the total average package reached nearly $2.5m." The Times notes, "Worried boards are asking for candidates with a different set of skills than they did 15 years ago. Back then, companies wanted merger-and-acquisition experience and investment banking ties. … Now even companies not facing immediate regulatory problems want former prosecutors and SEC enforcement lawyers. … Search firms date the shift to the Enron and WorldCom scandals, which put corporate fraud on the public radar. Since then, Fortune 500 companies PepsiCo, Lockheed Martin, Boeing and Estée Lauder have all turned to lawyers with Justice Department experience."

Judge Sets January Date For Milberg Weiss Trial. The Wall Street Journal (11/28, Simons) reports, "The trial of Milberg Weiss Bershad & Schulman LLP, a prominent class-action law firm, and two of its top partners, will get under way (in Los Angeles) Jan. 8, 2008, a federal judge said at a hearing Monday." The Journal continues, "The setting of the trial date came amid further questions from defense lawyers about whether government prosecutors would file additional indictments, a subject that has been a sticking point in setting a firm trial date." The Journal adds, "Prosecutors had been aiming for a trial date in October 2007, while defendants were seeking a February 2008 setting. … Federal Judge John Walter started Monday's hearing suggesting an October trial date. Defense attorneys balked, saying that wasn't enough time to prepare for a case if more indictments were filed against Milberg Weiss. … 'October is unrealistic to get this done in an orderly way,' said Bill Taylor, the lead attorney for Milberg Weiss." The Journal notes, "So far, the government's efforts to obtain further indictments have remained under seal at the request of prosecutors, and Judge Walter said at the hearing that the efforts were 'a red herring' in the case. … In May, a federal grand jury here indicted the firm on fraud charges. According to the 20-count indictment, the firm paid plaintiffs millions of dollars in exchange for filing more than 150 lawsuits. Two of the firm's top partners, Steven Schulman and David Bershad, also were charged with participating in the alleged kickback scheme."

Epstein Decries Deferred Prosecution Agreements. In an op-ed in the Wall Street Journal (11/28, A14), Richard A. Epstein, who is the James Parker Hall Distinguished Service Professor of Law at the University of Chicago and the Peter and Kirsten Bedford Senior Fellow at the Hoover Institution at Stanford University, writes, "Corporations suffer a peculiar vulnerability. The rules of criminal liability allow federal and state prosecutors to unduly punish those corporations that fall within their crosshairs. But the recent emergence of deferred prosecution agreements (DPAs) to force major changes in corporate governance should give pause to even the most ardent populist." Epstein continues, "A DPA is a provisional settlement of a criminal

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lawsuit whereby the prosecutor agrees to suspend -- but not to dismiss -- any prosecution in exchange for the corporation's promise to reform its internal operations in specified ways. A sensible settlement can split the difference, by having a defendant pay half the maximum fine or sentence. But with corporations they take on an entirely different -- and sinister -- complexion. … The last thing a corporation fears (since it cannot be imprisoned) is the maximum fine from a successful criminal conviction. Rather, the deadly force of the DPA rests in a combination of two key factors: vicarious corporate criminal liability, and the collateral consequences of the initial indictment prior to, and independent of, any eventual conviction." Epstein adds, "Writing in January 2003, Larry Thompson, then deputy U.S. attorney general, exhorted federal prosecutors to use vicarious liability to extract favorable settlements to reform corporate defendants from the outside. The Thompson memorandum insisted that corporations receive a temporary reprieve only if they purge themselves of individual wrongdoers and agree to extensive government oversight to make them walk the straight and narrow path. … In pursuing Mr. Thompson's strategy, prosecutors face both a dilemma and an opportunity. Their only credible threat against a recalcitrant corporation is the criminal indictment -- yet simply filing an indictment triggers huge collateral repercussions sufficient to drive the firm out of business, as teams of state and federal regulators are now duty-bound to suspend the licenses and permits under which the corporation does business. Thus, the corporation that has strong protections against false convictions -- proof beyond a reasonable doubt of the elements of the crime, the ability to examine evidence or cross-examine witnesses -- is helpless to protect itself. A conviction carries at most a million-dollar fine, but simple indictment, which lies wholly within the prosecutor's discretion, imposes multibillion-dollar losses. … Faced with that kind of pressure, the indictment is all that matters. Yet given these weird incentives, DPAs no longer serve the public interest. … At bottom, corporations are just individuals tied together by an elaborate network of contracts; and we don't need yet another sorry reminder of how mindless government policies harm the innocent shareholders whom they are supposed to protect. The government has a vital role in criminal enforcement. So let it go after real, i.e., human, criminals the old-fashioned way, by careful investigation and skilled prosecution."

CRIMINAL LAW:

US To Appeal Reversal Of Ex-San Diego Councilman's Conviction. The AP (11/28) reports, "The Justice Department said Monday that it will appeal a federal judge's ruling that overturned a jury conviction of a former City Council member accused of taking money from a strip club owner in exchange for political favors." The AP continues, "U.S. Attorney Carol Lam poured significant resources into winning a conviction against Michael Zucchet in July 2005, forcing the councilman to resign and relinquish his position as interim mayor. Four months later, U.S. District Court Judge Jeffrey Miller acquitted Zucchet, saying the evidence against him on charges of fraud and extortion was insufficient. … 'Because it is rare for a trial judge to overturn a jury's unanimous finding of guilt, it should not surprise anyone that the government would seek to defend the jury's verdicts on appeal,' Lam said in a statement." The AP adds, 'Zucchet's attorney, Jerry Coughlan, insisted on Zucchet's innocence. … 'They've got an uphill battle ahead of them to convince an appellate court that one of the best judges around was wrong,' Coughlan said. … Zucchet and fellow former Councilman Ralph Inzunza were convicted of taking money from Las Vegas strip club owner Michael Galardi in exchange for trying to ease restrictions on touching dancers at San Diego strip clubs."

Fan Accused Of Hacking Cell Phone Of Rock Singer. The AP (11/28) reports from Albuquerque, NM, "A woman is accused of using a computer at a national laboratory to hack into a cell phone company's Web site to get a number for Chester Bennington, lead singer of the Grammy-winning rock group Linkin Park." The AP continues, "According to an affidavit filed by the Department of Defense Inspector General, Devon Townsend, 27, obtained copies of Bennington's cell phone bill, the phone numbers he called and digital pictures taken with the phone. … Investigators said she also hacked into the e-mail of Bennington's wife, Talinda Bennington, and at one point called her and threatened her." The AP adds, "Talinda Bennington told federal authorities last month that someone had accessed their Verizon Wireless account online, according to the affidavit, and expressed concern that a 'stalker' had access to personal information. .. .Townsend waived her right to a preliminary hearing Tuesday in U.S. District Court and was released to her mother's

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custody. She is accused of using a computer at her former workplace, Sandia National Laboratories, to access Bennington's cell phone information. Lab spokesman Michael Padilla said Wednesday that she no longer worked there."

New York Man Faces Death Penalty For Killing Two Detectives. The New York Times (11/28, Brick) reports on the 2003 fatalities of two detectives and writes, "The man on trial for their killing in federal district court in Brooklyn, Ronell Wilson, 24, faces the death penalty on charges of murder in furtherance of racketeering. Prosecutors have dropped charges of obstruction of justice murder, because a witness crucial to those charges rescinded his earlier account that Mr. Wilson knew the men were detectives. That witness, like several others in the case, was a member of the so-called Stapleton Crew, a street gang that prosecutors said sold drugs and guns, shot, robbed and terrorized a path across Staten Island."

The New York Sun (11/28, Goldstein) reports, "A federal prosecutor told a jury yesterday that the Staten Island man accused of executing two undercover detectives during a gun sale in 2003 had considered that his victims might be police and simply 'did not care.'" The Sun continues, "The defendant, Ronell Wilson, now 24, could face the death penalty if convicted in a trial that opened yesterday in U.S. District Court in Brooklyn. But the judge, Nicholas Garaufis, instructed the 12 jurors and six alternates not to think about sentencing Mr. Wilson during the first stage of the trial, as they decided the factual question of his guilt or innocence of the federal racketeering crimes he is charged with." The Sun adds, "Mr. Wilson is a reputed leader of the Stapleton Crew, a gang named after the Staten Island housing project of the same name. Mr. Wilson is accused of killing detectives James Nemorin and Rodney J. Andrews as he gave them driving directions from the back seat of the car. … The car, a Nissan Maxima, is at the center of the case. The ride began at about 7:15 p.m. on March 10, 2003, when the detectives pulled up in front of Wilson, then 20, and his 17-year-old associate Jesse Jacobus at the housing development." The Sun notes, "The aim of the detectives, both members of the elite Firearms Investigation Unit, was to purchase a TEC-9 submachine gun for $1,200 and get 'one more gun out of the hands of one more violent criminal,' an assistant U.S. attorney, Colleen Kavanagh, said. A half-hour later, the bodies of detectives were found in a nearby street. Both men had been shot in the head."

FBI Expands Investigation Of Former Newark Mayor. The Newark Star-Ledger (11/28, Shearn, Martin) reports, "A federal investigation into the administration of former Newark Mayor Sharpe James has expanded, with more subpoenas delivered to City Hall and agents now scrutinizing real estate deals that benefited some of the ex-mayor's biggest supporters, according to sources close to the probe. FBI agents in recent weeks have interviewed a number of city employees, and prosecutors also have demanded additional records from Newark City Hall, among them personnel files of at least four current and former city employees, including James' son, Elliot." The Star-Ledger adds, "While investigators continue to look at travel-related expenses, they are also probing the administration's sale of surplus city lots to developers at cut-rate prices, according to sources familiar with the investigation. Among those winning the no-bid contracts were several people with close ties to James, including some with little or no development experience, a Star-Ledger investigation found in 2005."

Investigators Identify Third Victim Of New Jersey Serial Killer. The New York Times (11/28, Kocieniewski, Schweber, 1.16M) reports, "Investigators yesterday released the identity of the third of four women found dead last week in a ditch near a squalid strip of motels just outside Atlantic City. They noted that like two other victims, she, too, had a history of prostitution arrests. The victim, Barbara Breidor, 42, is believed to have been dumped into the ravine about two weeks before pedestrians discovered the women's bodies on Nov. 20, according to a statement by the Atlantic County prosecutor, Jeffrey S. Blitz. … All four victims were found in several inches of water behind a $15-a-night motel, barefoot and with their heads facing in the same direction, a few hundred feet apart, Mr. Blitz has said." The Times notes, "Local authorities have formed a task force with the New Jersey State Police and the F.B.I. to try to solve the killings."

The Philadelphia Inquirer (11/28, Anastasia, Urgo, 385K) reports, "Earlier this year, three suspected prostitutes were attacked" in Atlantic City. "All three were slashed across the throat," and the "unsolved crimes have attracted the attention of investigators" in the current case. "'Major Crimes,

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the FBI and the state police have been in,' said Atlantic City Police Detective Richard Johnson, a city arson investigator who worked on the Georgia Avenue cases. Johnson was quick to point out that there was no hard evidence linking the Georgia Avenue slashings to the marsh killings, which some have attributed to a serial killer. Investigators are interested because all of the victims were apparently prostitutes, Johnson said."

Fairfax County To Seek FBI Help In Investigation Of Similar Murders. The Washington Times (11/28, Cella, 88K) reports, "Fairfax County police plan to ask for help from the FBI as they investigate the recent killings of two similar-looking elderly women who shared the same first name and lived two miles apart." Police spokeswoman Camille Neville "said that officers canvassing the Springfield neighborhood near where the women were killed received some 'promising' tips." The Times adds, "Police said that they have not connected the two killings through physical evidence but are investigating the similarities. Officer Neville said police are planning to ask for help from the FBI's Quantico, Va.-based Behavioral Science Unit, which develops profiles of suspects based on evidence patterns."

FBI Investigating Kentucky Prison Slayings. The Lexington (KY) Herald-Leader (11/28, Mueller) reports, "Federal authorities are investigating the second slaying in less than three weeks at a maximum security prison in Eastern Kentucky. Prison authorities Monday confirmed the stabbing death of Shamoni Peterson, 32, on Nov. 13, three weeks after the U.S. Penitentiary-Big Sandy in Martin County reported the first slaying since it opened in 2003." The Herald-Leader adds, "Prison spokeswoman Mashelle Arisman said that no charges have been filed in either case, but that the FBI is investigating. Arisman said the prison, which houses 1,600 high-security inmates near the Johnson County line, has been placed on lockdown status during the investigation."

Iowa Man Pleads Guilty To Lying To FBI In Murder Probe. The Cedar Rapids Gazette (11/28, de Souza Guedes) reports, "In a small federal courtroom crowded with reporters, investigators and members of Evelyn Miller's family, Danny Slick pleaded guilty to lying during a July 3, 2005, interview with the FBI about Evelyn's disappearance. … Slick was accused of lying to FBI agents…about a drug dealer known as 'Porky' and where 'Porky' lived. Slick's friend Randy Patrie, 34, told Slick that he had stopped to get 'dope' at 'Porky's' after he dropped off Slick at their residence…after the two men left the apartment where Evelyn lived with her family. At the time of Slick's arrest, authorities said it was an important step forward in piecing together the events that led to the disappearance of Evelyn and her death." The AP (11/28) also reports on the plea.

Investigators Have No Idea What Befell Missing Minnesota Boys. The Minneapolis Star-Tribune (11/28, Collins, Meryhew) reports, "Now that the air and ground crews are gone, the question on everyone's mind is: If Tristan and Avery didn't wander away from their home, then what happened to them? 'We just don't have any indicators one way or another,' on whether the brothers wandered off or whether foul play was involved, FBI Special Agent Paul McCabe said Monday." The Star-Tribune adds, "After five days of intense searching, McCabe said they haven't ruled out the possibility the boys might still be on the Red Lake Reservation in northern Minnesota. 'Whenever you do a ground search, you can't always be sure,' he said. 'There's never a guarantee every area has been covered, even after a thorough search.' … The FBI has set up a tip hot line at 1-866-333-4969."

New York Woman Pleads Guilty To Online Extortion Plot. The New York Post (11/28, Mangan, 631K) reports, "A pretty, young swindler who first met a top Pepsi Bottling Group executive online later anonymously shook him down for $125,000 by threatening to tell his wife, children and bosses he was trolling the 'Net at work for women, shocking court papers reveal. 'I'm sure this will be an unpleasant surprise. I'm sure when your wife finds out that you've been looking for a fill-in for her . . . it will be unpleasant for her, too,' Jessica Wolcott, 22, e-mailed multimillionaire exec Gary Wandschneider, 54, in August." The Post notes, "Wolcott eventually got the funds transferred to her online account - but only after Wandschneider alerted the FBI, which provided the money and set up a sting to nail her. … When Wandschneider learned her name from FBI agents, he told them he had met her last February through the craigslist.org Web site. … Wolcott pleaded guilty to the extortion scheme in White Plains federal court last week."

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Massachusetts Man Pleads Guilty In Corruption Probe. The Springfield (MA) Republican (11/28, Flynn) reports, "A former Springfield Housing Authority maintenance foreman yesterday became the 25th defendant to be convicted or admit guilt in Springfield's corruption probe. He pleaded guilty to two felonies for his role in building the Rhode Island summer home of ex-City Councilor Francis G. Keough III." The Republican continues, "Daniel J. McNamee, 40, of Springfield, pleaded guilty to one count of obstruction of justice and one count of filing a false federal tax return during a hearing before Judge Michael A. Ponsor in U.S. District Court." The Republican adds, "The guilty pleas were part of a deal with the U.S. Justice Department that will spare McNamee a trial but potentially expose him to 12 to 18 months in prison, Ponsor said. Sentencing was set for March 1. … The pace of the six-year federal corruption offensive has picked up since August, with 10 defendants pleading guilty and two others accepting plea deals in the housing authority scandal."

Music Star Pleads Guilty To Shooting Tame Bear. The St Paul Pioneer Press (11/28) reports, "Country music star Troy Lee Gentry admitted Monday that 'Cubby,' the bear he killed on a Minnesota farm in 2004, wasn't a wild beast after all." The P-P continues, "Appearing in federal court in Duluth on the day his trial was to start, Gentry pleaded guilty to a charge of falsely claiming the animal was wild. The charge, a misdemeanor, was the result of a plea bargain reached last week with federal prosecutors. … 'He's glad to get it over with,' said Gentry's attorney, Ron Meshbesher, of Minneapolis. 'Obviously, he's saddened by all the publicity in this case, which inferred all kinds of improper conduct.'" The P-P adds, "Gentry, 39, and Lee Marvin Greenly, 46, who owns Minnesota Wildlife Connection near Sandstone, were charged in August with conspiracy and falsely 'tagging' the 'trophy-caliber' bear by claiming it was shot in the wild. In reality, the tame bear was shot in a fenced area of several acres. … After the indictment, Gentry's Nashville agent shifted the blame for any improper conduct to Greenly, and online fan discussion forums were abuzz with debate over whether Gentry was a bona fide big-game hunter or a wannabe." The P-P notes, "Gentry, in a statement released by his management company, said he regrets what happened, but he stops short of accepting any culpability other than relying on Greenly's guidance. … Meshbesher and the U.S. attorney's office worked out the plea bargain last week, and Gentry entered his new plea Monday morning before U.S. District Judge Paul Magnuson, sitting in Duluth. … In return for the guilty plea, prosecutors dropped a felony count against Gentry."

CIVIL LAW:

SCOTUS Will Not Reinstate $10.1 Billion Tobacco Verdict. Bloomberg (11/28) reports, "The Supreme Court refused to revive a $10.1 billion award against Philip Morris USA yesterday, rejecting an appeal from smokers who said they were misled about the health risks of 'light' cigarettes." Bloomberg continues, "The justices, without comment, left intact an Illinois Supreme Court decision that threw out the case against Philip Morris, which is a division of the Altria Group and is the nation's largest cigarette maker. … Antismoking activists had hoped the verdict would be the first in a series of awards around the country against the industry over light cigarettes. … 'It's clearly the end of lights litigation in Illinois,' said David Adelman, a Morgan Stanley analyst who has an overweight rating on Altria. Altria shares fell 33 cents, to $83.42, in New York Stock Exchange composite trading." Bloomberg adds, "In overturning the award last year, the Illinois Supreme Court said smokers could not invoke a state consumer protection law because the Federal Trade Commission had endorsed the 'light' and 'low tar' descriptions in settlements with other cigarette makers. Like many states, Illinois bars claims over actions specifically authorized by a government agency."

The AP (11/28) reports, "The case involved 1.1 million people who bought 'light' cigarettes in Illinois. They claimed Philip Morris knew when it introduced such cigarettes in 1971 that they were no healthier than regular cigarettes but hid both that information and that light cigarettes actually had a more toxic form of tar. … An Illinois judge ruled in favor of the smokers in March 2003, saying the company misled customers into believing they were buying a less harmful cigarette. … A separate case involving Philip Morris is pending before the Supreme Court. Justices are considering whether to allow a punitive damages award of $79.5 million to the widow of a longtime smoker."

States Move To Protect Children From Second-Hand Smoke. USA Today (11/28, Bazar) reports, "Anti-tobacco forces are opening a new front in the war against smoking by banning it in private places such as homes and cars when children are present." USA continues, "Starting

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Jan. 1, Texas will restrict smoking in foster parents' homes at all times and in cars when children are present, says Darrell Azar of the Department of Family and Protective Services. … Vermont, Washington and other states and counties already prohibit foster parents from smoking around children in their homes and cars. … Arkansas and Louisiana passed laws this year forbidding anyone from smoking in cars carrying young children. Courts are ordering smoke-free environments in custody and visitation disputes. … 'We are very rapidly moving to protect children from secondhand smoke,' says John Banzhaf, executive director of Action on Smoking and Health. 'Even from their own parents and grandparents.'" USA notes, "Former surgeon general Richard Carmona said in June that children exposed to secondhand smoke suffer an increased risk of respiratory ailments and sudden infant death syndrome. … Most smoking bans apply to workplaces and spots like bars and restaurants. … Smokers' rights groups liken banning smoking in private to the 'Salem witch hunt,' says Gary Nolan, spokesman for The Smoker's Club, Inc. He says secondhand smoke is not dangerous. 'If we don't reverse this, they'll be telling us what we can eat and what we can feed our children,' Nolan says."

CIVIL RIGHTS:

US Pushes For Conviction Of Driver In Human Smuggling Deaths. The AP (11/28, Lozano) reports, "A prosecutor on Monday described the truck driver at the center of America's deadliest human smuggling attempt as a 'vile and heartless person' who ignored the pleas of the illegal immigrants stuffed in his trailer as the temperature inside rose." The AP continues, "Assistant U.S. Attorney Daniel Rodriguez told jurors in closing arguments that Tyrone Williams, a Jamaican citizen, was concerned only with getting paid, not the welfare of the illegal immigrants he was transporting during the failed 2003 smuggling attempt. Nineteen people died from dehydration, overheating and suffocation. … Williams' attorney, Craig Washington, acknowledged Williams is guilty of transporting illegal immigrants, but he insisted Williams never meant to hurt them." The AP adds, "Rodriguez said Williams failed to turn on his vehicle's air conditioning, which would have prevented the deaths. When Williams found out his passengers had punched holes through the trailer's back doors in an attempt to get fresh air and call for help, his only concern was getting more money to pay for the damage, Rodriguez said. … During his closing statements, Rodriguez showed the jury crime scene photos of the 19 victims. .. 'This government takes no pleasure in showing you these horrific photos,' Rodriguez said. 'These deceased individuals can only testify through these photos.' … Williams is charged with 58 counts of conspiracy, harboring and transporting illegal immigrants. He faces a possible death sentence if convicted."

Informant Denies Buying Drugs At Home Of Slain Elderly Atlanta Woman. CNN.com (11/28) reports, "An informant cited in a search warrant as having purchased narcotics at an elderly Atlanta woman's house denies buying drugs there, authorities say." CNN continues, "Undercover officers raiding the 88-year-old woman's house shot her to death last week after she fired on them while they broke down her door in a high-crime neighborhood. … Federal prosecutors will investigate the case, Atlanta Police Chief Richard Pennington announced Monday." CNN adds, "Pennington said the eight-member narcotics squad that took part in the raid has been placed on paid leave while investigators look into the informant's story and the circumstances surrounding the Nov. 21 death of Kathryn Johnston. The informant also told investigators from the Atlanta police internal affairs bureau that he was told to lie about the matter, the chief said. … 'The FBI will investigate his statements, along with the police officers' statements as well,' Pennington said. … Police said Johnston opened fire on police who tried to enter her home, prying off burglar bars and forcing open her door, during a "no-knock" drug raid last Tuesday. Officers returned fire, killing her. … Relatives put Johnston's age at 92, but Fulton County medical examiners said she was 88."

McKinney Calls For DOJ Probe Of Shooting. The Atlanta Journal-Constitution (11/28, Gentry) reports, "U.S. Rep. Cynthia McKinney has added her voice to a growing chorus of prominent Americans concerned about a spate of high-profile police shootings, including one that killed a New York man the day of his wedding." The AJC continues, "The congresswoman has asked the Justice Department to investigate police-involved shootings around the nation, including in her home district of DeKalb County, where police have fatally shot a dozen people this year. … 'There is a belief by some citizens that the police-involved shootings are steeped in the intentional use of excessive force, even deadly force,' McKinney said in a Nov. 25 letter to Attorney General Alberto Gonzalez. 'There definitely appears to be a

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developing national pattern of police misconduct and abuse resulting in an inordinately high number of serious injuries and deaths to the victims.'" The AJC adds, "McKinney has also asked the House Judiciary Committee to conduct hearings on 'the state of America's law enforcement agencies' use of force and deadly force and the impact on Americans on the basis of race and economic standing,' her letter said."

New York Mayor Calls Police Shooting "Unacceptable." The New York Times (11/28, Cardwell, Chan) reports, "Mayor Michael R. Bloomberg convened an extraordinary meeting of black religious leaders and elected officials at City Hall yesterday to calm frayed tempers over the fatal police shooting of an unarmed black man in Queens, calling the circumstances 'inexplicable' and 'unacceptable.' … 'It sounds to me like excessive force was used,' the mayor said of the conduct of the officers, who fired 50 shots outside a Queens nightclub early Saturday, killing Sean Bell, 23, hours before he was to be wed, and injuring two others. 'I can tell you that it is to me unacceptable or inexplicable how you can have 50-odd shots fired.'" The Times continues, "Mr. Bloomberg made the remarks after meeting with some of the city's most influential black politicians and community leaders, including Representative Charles B. Rangel, the Rev. Al Sharpton and dozens of others. … The mayor's decision to meet with Mr. Sharpton and other black leaders was a stark turnabout from the approach of Mr. Bloomberg's predecessor, Rudolph W. Giuliani, who did not reach out to black leaders in the immediate aftermath of the fatal 1999 shooting of Amadou Diallo, an unarmed African immigrant who died in a hail of 41 police bullets." The Times adds, "Mayor Bloomberg's blunt assessment of events still under investigation was striking, although he took pains to point out that the facts were not all in, saying several times that he did not yet know what happened in the shooting, but that he expected that a grand jury would be impaneled by the Queens district attorney, Richard A. Brown. … In a move that suggests the officers feel their actions were justified, the lawyer representing the men said he had contacted Mr. Brown's office and offered to have the officers speak to prosecutors and appear before a grand jury voluntarily without immunity. The police have not released the officers' names, saying they are trying to protect them from retaliation or harassment."

The Washington Post (11/28, A3, Powell, Shulman) reports, "Once again a hail of police bullets has ended the life of an unarmed black New Yorker, and the city's mayor finds himself walking an uncertain line between reassuring black and Latino residents and defending his police force." The Post continues, "With a City Council member saying that black people are being 'murdered' and some black clergy signaling their discontent with Police Commissioner Raymond W. Kelly, Mayor Michael R. Bloomberg (R), who is white, walked into a news conference Monday and spoke of his profound unease with the shooting by undercover police that claimed the life of a bridegroom on his wedding day. … In a visible symbol of Bloomberg's concern, he was accompanied by a number of prominent black pastors and politicians, including activist preacher Al Sharpton and Rep. Charles B. Rangel (D-N.Y.). The night before, Sharpton journeyed to the Community Church of Christ in the Jamaica neighborhood of Queens and vowed that he was going to 'keep this in the street.'"

The AP (11/28, Hajela) reports, "An angry crowd shouted 'No justice, no peace!' Some called for the ouster of the city's police commissioner. Many counted off to 50, the number of rounds that are estimated to have been fired by police at three unarmed men, killing one on his wedding day." The AP continues, "Several hundred people gathered Sunday for a vigil and rally to demand answers about why officers let fly a flurry of bullets at 23-year-old Sean Bell early Saturday, hours before he was supposed to marry the mother of his two young children. … The five officers were placed on paid administrative leave and stripped of their guns, said Paul Browne, chief spokesman for the NYPD. Police and prosecutors promised a full investigation. … But none of that stemmed the fury of a community outraged by the shootings. … 'We cannot allow this to continue to happen,' the Rev. Al Sharpton said at the gathering outside Mary Immaculate Hospital, where one of the two wounded men was in critical condition. 'We've got to understand that all of us were in that car.'" The AP notes, "Some in the crowd called for the removal of Police Commissioner Raymond Kelly, yelling 'Kelly must go!' … Kelly has said that police shot at the car after it drove forward and struck an undercover officer and an unmarked police minivan. The information was based on interviews with witnesses and two officers who did not fire their weapons, he said. … But a witness account emerged Monday disputing that version of events."

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NYTimes Says Police Department Must Account For Shooting Of Unarmed Man. The New York Times (11/28, 1.16M) says in an editorial, "Mayor Michael Bloomberg and his police commissioner, Raymond Kelly, are dealing differently with their own Diallo-style disaster. Police officers firing 50 rounds early last Saturday killed Sean Bell, an unarmed man who was to have married his high school sweetheart later in the day." Mayor Michael Bloomberg has "rightly called for a quick and impartial investigation. The officers must be held accountable for what has happened. But the Police Department must also confront the fact that a disaster that everyone swore to prevent seven years ago has repeated itself in Queens."

LAPD Probe Assigns No Blame In Shooting Death Of Toddler. The Los Angeles Times (11/28, Mcgreevy, Winton) reports, "So many bullets were discharged during a siege last year at a South Los Angeles auto shop that investigators cannot determine which Los Angeles Police Department officer fired the shot that killed 19-month-old Suzie Pena, Chief William J. Bratton said Monday." The Times continues, "The finding, which comes after a 15-month investigation that used top outside weapons experts, complicates the Police Commission's task Tuesday in deciding whether the officers should be disciplined. … Suzie Pena was shot twice as her father held her in front of him as he exchanged gunfire with LAPD officers in July 2005. The fatal shot hit Suzie in the head but did not lodge there, and investigators could not determine which bullet fragment they recovered had hit her." The Times adds, "Her death set off a debate about LAPD tactics, prompting investigations by the FBI and Los Angeles County district attorney's office as well as calls for better rules in the way SWAT officers respond to hostage standoffs. … Bratton described the investigation as one of the most complex in LAPD history. It involved microscopic analysis of 250 fired bullets and casings, involving 13 firearms, and more than 80 interviews with witnesses and 36 DNA tests."

High Court Hears Pay-Bias Case. The AP (11/28, Sherman) reports, "Employees must complain about pay discrimination within six months or forfeit their claim, the Supreme Court was told Monday in a case closely watched by companies and civil rights groups." The AP continues, "Justices engaged in a lively but inconclusive debate about how to apply a 180-day deadline for complaining about discriminatory pay decisions under Title VII of the federal Civil Rights Act of 1964." The AP adds, "Lilly Ledbetter sued Goodyear Tire & Rubber Co., claiming that after 19 years at the company's Gadsden, Ala., plant, she was making $6,000 a year less than the lowest-paid man in the same job. .. Ledbetter claimed the disparity existed for years and was primarily a result of her gender. A jury agreed, but an appeals court overturned the verdict." The AP notes, "Lawyers for Goodyear and the Bush administration argued against her claim. … Glen Nager, Goodyear's attorney, said the appeals court was correct. … 'Bring that claim or lose it,' he said. … Justice Department lawyer Irving Gorenstein said if the court were to side with Ledbetter, 'it would undo the statute of limitations in pay cases.' … But Ledbetter's lawyer, Kevin Russell, told the justices that each smaller paycheck should be treated as a new act of discrimination."

The New York Times (11/28, Greenhouse) reports, "Federal law prohibits discrimination on the job, requiring employers to pay their employees without regard to race, sex, religion or national origin. Many complexities lie behind that simple statement, as a Supreme Court argument on Monday made abundantly clear." The Times continues, "The question for the court was how to treat a discriminatory action that happened long ago, beyond the statute of limitations for the federal Civil Rights Act, but that has effects that continue to the present day. Is each new paycheck, reflecting a salary lower than it would have been without the initial discrimination, a recurring violation that sets the clock running again? Or does the passage of time, without fresh acts of intentional discrimination, render the initial injury a nonevent in the eyes of the law?"

EEOC Seeks To Block Discovery In Sidley Age Bias Case. The New York Law Journal (11/28, Lin) reports, "The U.S. Equal Employment Opportunity Commission, which is suing law firm Sidley Austin for allegedly demoting around 30 partners on the basis of age, is seeking to block discovery concerning the subsequent job performance of several of the former partners, as well as the mental health of one." The Journal continues, "Chicago-based Sidley has denied having a mandatory retirement policy and claims that the partners at issue were demoted in 1999 due to performance factors, including low billable hours and poor business development skills. The firm is hoping to show that new employers encountered similar performance from demoted partners who left Sidley. … But in a motion for a

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protective order filed Nov. 17 in Chicago federal court, the EEOC asked that Sidley be denied discovery relating to the billable hours, equity status and business development efforts of six former partners now working at other firms. The agency, which is arguing that performance reasons for the demotions were pretextual, called the information sought by Sidley 'not relevant to any disputed fact' in the case. … 'Evidence concerning the Former Partners' hours, billings, business development and time devoted to specific clients at the Subsequent Firms would not have any tendency to prove or disprove whether such factors actually motivated Sidley's decision to change Former Partners' status in 1999,' the EEOC said in its motion before Judge James Zagel of the U.S. District Court for the Northern District of Illinois." The Journal notes, "The agency, which has agreed to stipulate that Sidley's records concerning billable hours and other performance metrics are accurate, also highlighted a potential hazard to former partners of permitting the firm to seek such records from those partners' current firms."

Groups Plan To Press For ERA As Democrats Take Over Congress. The Washington Times (11/28, Wetzstein, 88K) reports, "The Democratic takeover of Congress should revive interest in an issue many Americans think is settled -- adoption of the Equal Rights Amendment -- as new bipartisan groups pursue the Republican-leaning states needed for its ratification. … Supporters say that despite advancements for women's rights since the ERA's official death in 1982 -- primarily prohibitions against sex discrimination -- the constitutional amendment is needed because women lag in career advancement and pay equity." The Times adds, "The ERA has its veteran supporters, such as the National Council of Women's Organizations. But in recent years, at least two new groups have emerged with the mission of getting three more state ratifications." The Time specifically cites the ERA Campaign Network and www.4ERA.org.

ANTITRUST:

Supreme Court Hears Arguments In Telecommunications Antitrust Lawsuit. The Wall Street Journal (11/28, Bravin, 2.04M) reports that in a "case with implications for antitrust enforcement, the Supreme Court heard arguments on how specific a plaintiff's allegations must be to claim anticompetitive behavior." The 1996 Telecommunications Act "gave the Bell system's regional successors, the Baby Bells, the right to sell long-distance service in return for opening their local networks to competitors. Despite Congress's expectation the law would create a competitive market, the Baby Bells have remained dominant in their respective regions." The plaintiffs, "a group of individuals who bought local telephone and Internet service since the law was enacted and represented by the class-action firm Milberg Weiss Bershad & Schulman LLP, filed suit in 2003, alleging the Baby Bells conspired to restrict entry into their territories of competitors in local telephone and Internet service." The plaintiffs had "no direct evidence of such a conspiracy, however, and instead based their claim on circumstantial indicators of anticompetitive behavior, such as the parallel conduct of the Baby Bells in declining to compete in each other's territory and allegedly impeding other carriers from connecting to their networks. The Baby Bells argued that without more -- such as an allegation of a specific meeting in which a deal was made to restrain trade -- the case should be dismissed without allowing the plaintiffs discovery of internal documents."

Market Watch (11/28, Anderson) reports, "The U.S. Supreme Court Monday pressed both sides in its search for how much evidence plaintiffs must provide to litigate a private antitrust conspiracy lawsuit against several Baby Bell companies." Market Watch continues, "Verizon Communications Inc., BellSouth Corp., AT&T Inc.'s SBC Communications Inc. unit, and Qwest Communications International Inc. have all been trying to block a class-action lawsuit alleging they engaged in an anticompetitive conspiracy to restrict competition in the local telephone and broadband Internet markets. … The lawsuit is still in its early stages. The companies and the U.S. Justice Department, at oral arguments on the appeal, urged the Supreme Court to set private antitrust lawsuit standards that ends the case before expensive legal discovery takes place."

The Deal (11/28, Lindell) reports, "U.S. Supreme Court Justice Stephen Breyer on Monday didn't seem too impressed with the notion that competitors taking similar actions is enough to file a lawsuit charging antitrust violations. … 'If you're right,' Breyer told J. Douglas Richards, attorney for respondent William Twombly, who filed a class action against Bell Atlantic Corp. and the rest of the telecommunications companies, 'I guess we can engage in a major restructuring of our economy.'" The Deal continues, "Twombly charged the phone companies had violated the

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Sherman Act -- which prohibits conspiracies -- by agreeing not to compete outside the regions in which each was essentially the dominant phone provider. The proof that there was an actual agreement was a statement in the initial brief that said that the same decision by all the companies was contrary to the interest of the firms, Richards told the court. … 'Conduct against self interest is a way [for the court] to infer a violation' of the Sherman Act, Richards said. … But he was having a hard time arguing with eight justices who appeared incredulous and at times jockeyed for a chance to ask more questions, with only Justice Clarence Thomas remaining apart from his querulous brethren. … 'You have a suspicion and you want to use the discovery process to see if that is true, isn't that the case?' Justice Ruth Bader Ginsberg asked Richards." The Deal notes, "The high cost of discovery, which would trigger class actions that businesses would have to settle rather than litigate, is the big fear of the various companies and individuals filing friend of the court briefs in this matter, including the Chamber of Commerce of the United States, The Commonwealth of Virginia and 15 other states, a group of economists, and MasterCard International Inc."

The AP (11/28) reports, "The case, Bell Atlantic v. Twombly, stems from the deregulation of the telecommunications industry in the 1980s and 1990s, with some experts citing it as the most important antitrust case to reach the Supreme Court in 20 years. … The case is being closely watched by numerous companies, including airlines, credit card issuers and trade associations representing the wireless communications and pharmaceutical industries, all of whom have submitted or signed onto friend-of-the-court briefs." The AP adds, "A federal district court dismissed Twombly's case, finding that Twombly did not allege sufficient facts to indicate that a conspiracy would likely be proven during a trial. But Twombly argued that a conspiracy could be inferred from the so-called 'parallel conduct' or behavior of the defendants. … The Second Circuit Court of Appeals reversed the district court, however, finding in October 2005 that a plaintiff must submit only a 'short and plain statement of the claim' and not a detailed set of facts in order to survive a motion to dismiss. .. .The Baby Bells appealed to the Supreme Court. A low standard, corporations say, would enable 'meritless' and 'abusive' cases to go forward, forcing many businesses to settle those cases rather than endure the expense of litigation, including the discovery process in which defendants must produce documentation of certain facts for the plaintiff."

The Financial Times (11/28, Washington) reports, "The case could be the most important antitrust case before the court in 20 years, legal sources say. Big business has won all 11 of the court's recent decisions in antitrust cases. A decision in yesterday's case is expected by June." The Times adds, "The case turns on the question: how high a hurdle must private plaintiffs clear to force big companies to reveal private documents that might prove they conspired with others to commit an antitrust violation? … Ruling in the case, a federal appeals court set a fairly low hurdle, arguing that federal law makes no attempt to discourage such lawsuits. But the telephone companies who are the defendants in the suit argued that such a low standard would give plaintiffs' lawyers a powerful new weapon to force big companies to settle even frivolous lawsuits, since the high cost of 'discovery'…makes it very costly to fight such suits."

Bloomberg (11/28, Stohr) reports, "Business groups are backing the appeal. DuPont Co., MasterCard International, Visa USA, Northwest Airlines Corp., UAL Corp., Louisiana-Pacific Corp. and several industry trade groups all signed briefs siding with the phone companies. … It's one of two antitrust cases the high court will hear this week."

Russian Firm Emerges As Potential Buyer Of Former Weirton Steel Plant. The Pittsburgh Tribune-Review (11/28, Napsha) reports, "Steelworkers at the former Weirton Steel plant are anticipating that a new owner will be announced this week, one that might restart its steelmaking facilities and add 400 jobs, a union official said Monday." The PTR continues, "Russia's largest steelmaker, OAO Severstal, is the latest to surface as a potential buyer and is said to be in negotiations to acquire the mill, according to published reports in a Moscow newspaper. … Both Severstal and Arcelor Mittal, the current owner at Weirton, declined to comment on the report, which was in the same Moscow newspaper that recently said Severstal wanted to buy Pittsburgh-based U.S. Steel Corp. … 'There have been numerous interested parties ... and hopefully we'll have an announcement in the next few days,' said Mark Glyptis, president of the Independent Steelworkers Union at Weirton. Glyptis said he had no firsthand knowledge of the Russian steelmaker's interest in acquiring the former Weirton Steel plant." The PTR adds, "The union is expecting a deal to surface because an agreement expires today between

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Arcelor Mittal and the U.S. Justice Department for Arcelor Mittal to divest itself of the tinmaking plant at Weirton, or one at Sparrows Point, Md., Glyptis said. .. .The Justice Department reached the deal because of Mittal Steel's $38.3 billion merger with Luxembourg-based Arcelor S.A., would give it a corner on tinmaking production in the eastern region of North America. Arcelor Mittal was unable to sell Dofasco Steel of Canada, which also has a tinmaking plant. … If a deal is not reached today, Arcelor Mittal could request a 60-day extension, Glyptis said." The PTR notes, "While the antitrust investigation into the Arcelor Mittal merger remains open, the Justice Department will not comment on the agreement, Gina Talamona, a Justice Department spokeswoman, said yesterday. Talamona said she could not comment on whether Arcelor Mittal requested an extension."

Swift Rejects Buyout Offer From Former CEO. The Wall Street Journal (11/28, C4, Vuocolo) reports, "Swift Transportation Co. rejected a $2.2 billion bid from its largest shareholder, former Chief Executive Officer Jerry Moyes, and said it will try to negotiate a higher offer from him or other parties." The Journal continues, "Mr. Moyes is offering $29 a share for the Phoenix truckload carrier, which represented a 21% premium at the time it was made. A special committee of independent board members said the offer was inadequate. … The board committee, which is being advised by Goldman Sachs Group Inc., said it will negotiate with Mr. Moyes for a higher offer. The committee also said it has begun talks with 'other potential financial and strategic buyers.' The term financial buyers typically refers to private-equity firms. The term strategic buyers usually refers to corporations."

Google Gears Up For Antitrust Fight Over Search Rankings. The National Law Journal (11/28, Maclean) reports, "Relegated to electronic Siberia by the Google Inc. search rankings, KinderStart.Com Inc. saw its Web traffic plummet and ad revenue evaporate, so it fought back with an antitrust lawsuit challenging Google's popular ranking system." The Journal continues, "The 2006 suit in federal court in San Jose, Calif., has been dismissed once, and some observers say that the new amended version's antitrust and free speech claims may face an uphill battle to survive. U.S. District Judge Jeremy Fogel indicated in an Oct. 27 hearing that he may not issue a written ruling until early next year on Google's motion to toss the case. … But the suit raises larger questions about Google's future susceptibility to antitrust claims as the ubiquitous Internet search engine gains steam. … 'Google is so large it runs the risk of slamming into the kind of situation that Microsoft found itself in, in terms of bundling its services together,' said Robert B. Reich, former labor secretary in the Clinton administration and now professor at the University of California's Goldman School of Public Policy. … 'All this means is Google needs to be ready for litigation, even if ultimately it comes out in Google's favor. As a big dominant company playing the pivotal role it plays, it is a sitting duck for all sorts of potential litigation,' Reich said. … As such a big player in the Internet industry, 'not only do you become a target of antitrust plaintiffs, you also can easily use your market heft in such a way as to impose burdens, or disadvantages, on other players,' said Reich." The Journal notes, "Others who watch the high-tech industry closely don't foresee serious antitrust clouds looming on Google's horizon. … 'There is no question Google does have market power in its space,' said Eric Goldman, law and technology professor at Santa Clara University School of Law in Silicon Valley. 'That is a predicate' in antitrust."

Supreme Court To Hear Landmark Patent Case. The Legal Times (11/28, Mauro) reports, "When Kenneth Bass III clerked at the Supreme Court in 1969, his justice, the late Hugo Black, told him confidentially what he thought of patents. … 'He told me that in his lifetime, he had seen only one real invention -- the airplane -- and he wasn't even certain about that one,' says Bass. 'He just didn't like patents.'" The Times continues, "Bass has to hope the current justices don't share that view today, when the Court takes up what he thinks could be the most important patent decision in 40 years. … Now a partner in the D.C. firm Sterne, Kessler, Goldstein & Fox, Bass is part of the legal team that will be defending a disputed patent in the case of KSR International v. Teleflex, which will be heard today. And Black would probably not like the side Bass is on." The Times adds, "Bass represents Pennsylvania auto-parts manufacturer Teleflex, the owner of a patent on an adjustable automobile gas pedal. Teleflex argues in favor of a controversial standard, used by the U.S. Court of Appeals for the Federal Circuit to varying degrees for decades, that enabled Teleflex to get and keep the patent. By requiring patent challengers to produce hard evidence, the standard makes it harder to topple a patent based on the assertion that the new product was an obvious extension of prior ideas. … Critics say the

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standard protects even the most thinly documented patents, opening the floodgates to junk patents for minor innovations and dubious inventions. … Too many easily won patents, critics say, slow creativity and the exchange of ideas, putting 'glue, not grease, into the gears of innovation,' in the words of a brief by the Progress & Freedom Foundation. … But if Teleflex loses and the Supreme Court devises a less-patent-protecting standard, says Bass' co-counsel Thomas Goldstein of Akin Gump Strauss Hauer & Feld, it will open a very different floodgate. Because 'many millions' of patents were granted under the disputed standard and patents can be challenged at any time, Goldstein says, 'If the Supreme Court does decide to make a substantial change, it will call into question innumerable patents.'"

High Court More Willing To Decide Patent Law Issues. The Wall Street Journal (11/28, A1, Bravin, 2.04M) reports that with the economy "increasingly dependent on technological innovation, the Supreme Court is scrutinizing more patent rulings made by a special court that critics say has tilted too far in favor of intellectual-property rights and could be stifling competition." The court on Tuesday "hears arguments in one of three patent cases on this term's docket," and it has "ruled in recent cases on the side of more flexibility in enforcing such rights. If that trend continues, it could translate into weaker protections for patent holders and promote greater access to inventions." The Supreme Court's "newfound assertiveness on core issues of patent law -- after hearing only a handful of cases in the field over 20-plus years -- comes amid a sharp debate over how to maintain American industry's competitive edge while upholding the protections that reward the risk-taking behind cutting-edge inventions." Critics – "including the Bush administration in today's case -- assert that the Federal Circuit has shifted too far toward patent holders, expanding the types of inventions that can be patented and broadening the scope of monopoly a patent affords its holder. The court's defenders say the Federal Circuit was created in part to strengthen patent protections, and that it has succeeded in clarifying the law."

ENVIRONMENT:

States' Suit To Force EPA Action On Global Warming Reaches Supreme Court. The Christian Science Monitor (11/28, Richey, 59K) reports that seven years ago, a "group of state officials and environmentalists" asked "the EPA to get involved - to take an initial step in response to scientific evidence that suggests greenhouse gases are causing global warming." EPA "refused, saying there were too many unresolved questions about the causes and effects of global warming. The state officials took their case to court, charging that the Clean Air Act requires the EPA to take immediate action." This Wednesday, the dispute "arrives at the US Supreme Court, where the justices must decide whether the EPA is required to take action or whether the agency retains the discretion to decide for itself how best to respond to world-wide environmental threats." The case will "test the authority of special interest groups and state governments to sue federal agencies and force them to adopt certain regulatory policies that they favor. The case could also establish important legal precedents that might help or hinder state efforts to regulate greenhouses gases on their own in the absence of federal action."

The AP (11/28, Hebert) reports, "A dozen U.S. states as well as environmental groups and large cities are trying to convince the court that the Environmental Protection Agency must regulate, as a matter of public health, the amount of carbon dioxide that comes from vehicles." The AP adds, "Carbon dioxide is produced when fossil fuels such as oil and natural gas are burned. It is the principal 'greenhouse' gas that many scientists believe is flowing into the atmosphere at an unprecedented rate, leading to a warming of the earth and widespread ecological changes. One way to reduce those emissions is to have cleaner-burning cars. … The Bush administration intends to argue before the court on Wednesday that the EPA lacks the power under the Clean Air Act to regulate carbon dioxide as a pollutant. The agency contends that even if it did have such authority, it would have discretion under the law on how to address the problem without imposing emissions controls." The AP notes, "The states, led by Massachusetts, and more than a dozen environmental groups insist the 1970 law makes clear that carbon dioxide is a pollutant - much like lead and smog-causing chemicals - that is subject to regulation because its poses a threat to public health. .. .A sharply divided federal appeals court ruled in favor of the government in 2005. But last June, the Supreme Court decided to take up the case, plunging for the first time into the politically charged debate over global warming. The ruling next year is expected to be one of the court's most important ever involving the environment."

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NYTimes Says States Taking Right Course. The New York Times (11/28, 1.16M) says in an editorial, "A plain reading of the Clean Air Act shows that the states are right. The act says that the E.P.A. 'shall' set standards for 'any air pollutant' that in its judgment causes or contributes to air pollution that 'may reasonably be anticipated to endanger public health or welfare.'"

Groups Launch Effort To Monitor Appalachian Trail For Environmental Problems. The Washington Post/AP (11/28, A17, Smith) reports, "The Appalachian Trail gives hikers a nearly 2,200-mile trek through mountains, meadows and forests stretching from Georgia to Maine. But to scientists and land managers, it is also a living laboratory that could provide warnings of environmental problems while there is still time to fix them." The AP continues, "A diverse collection of organizations have launched a project to begin long-term monitoring of the trail's environmental health, with plans to tap into an army of volunteer 'citizen scientists' and professionals." The AP adds, "Together, they will collect information about air and water quality, the health of plants, and animal migration patterns to build an early environmental warning system for the 120 million people along the Eastern Seaboard. … The Appalachian Mountains are ideal for the project because they are home to one of the richest collections of temperate-zone species in the world. They also have a variety of ecosystems that blend into one another -- hardwood forests next to softwood forests next to alpine forests. The trail along the mountain chain passes through 14 states and eight national forests." The AP notes, "The idea for the project, the Appalachian Trail Mega-Transect, is in its infancy, but it has support from the National Park Service, the U.S. Forest Service, Cornell University, the National Geographic Society and Aveda Corp., an environmentally conscious beauty-products company."

WPost Calls On Virginia To Guarantee Revenue For Chesapeake Cleanup. In an editorial, the Washington Post (11/28, A18, 690K) notes recent improvements in the Chesapeake Bay's "overall health." The Post opines, "[B]ay states are improving their record on protecting the estuary, if too slowly, and they have time to expand their programs. … Virginia, which lags behind Maryland in its bay cleanup efforts, should guarantee revenue to do the same -- so that farmers will be able to rely on timely support over many harvests. Both states should also expand programs that help farmers pay for other agricultural improvements, such as the construction and maintenance of riparian buffers, which are effective and natural pollution trappers."

FBI/DEA/ATF/USMS:

Technical Glitch Repeatedly Crashes FBI Gun Background Check System. In a widely-distributed story, the AP (11/28) reports, "An FBI computer system that quickly screens gun buyers' backgrounds for criminal activity crashed several times over the past two days, officials said Monday. At times, the National Instant Criminal Background Check System was on the blink for up to a half-hour on Sunday and Monday -- potentially allowing buyers to purchase firearms without being screened if sellers gave up on making the required check. The computer crash was blamed on a technical glitch that was being worked on Monday evening, said FBI spokesman Paul Bresson. 'It's a performance issue that we've never encountered before,' he said."

Supreme Court Declines To Hear Case Over Professor's FBI File. The AP (11/28) reports, "The Supreme Court on Monday refused to consider the case of a Nobel Peace Prize-nominated law professor who wants the U.S. government to expunge his FBI file." The AP continues, "A federal appeals court found that information the government gathered on Cherif Bassiouni is pertinent to authorized law enforcement activity as part of President George W. Bush's campaign against terror. The records are important for evaluating the reliability of FBI intelligence sources, the appeals court found." The AP adds, "The government argued in the lower courts that even though Bassiouni is not a member of any terror organization, agents probably will continue to receive information about him because of his travels in the Middle East. … Bassiouni, an Egyptian who teaches in the United States, is serving the United Nations as an independent expert on human rights in Afghanistan and was chairman of the U.N. Security Council's commission to investigate war crimes in the former Yugoslavia. … In 1999, Bassiouni was nominated for the Nobel Peace Prize for work on international criminal justice and for his contribution to the creation of the International Criminal Court." The AP notes, "Bassiouni was among the

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U.N. human rights experts expressing concern about possible irreversible psychiatric symptoms in some terrorism suspects from virtual solitary confinement at the U.S. prison in Guantanamo Bay, Cuba."

Former Virginia Sheriff Pleads Not Guilty To Drug-Scheme Role. The AP (11/28, Lindsey) reports from Roanoke, VA, "A former sheriff pleaded not guilty Monday to federal charges that he took part in a scheme to sell drugs seized from criminals with a dozen former and current officers." The AP continues, "H. Franklin Cassell, 68, and two Henry County sheriff's deputies and a captain in the economically distressed county pleaded not guilty. The other defendants will be in court Wednesday. … The indictment returned Oct. 31 said Cassell looked the other way as officers sold drugs seized in criminal investigations, stole guns and other evidence and then resold cocaine, steroids, marijuana and other drugs to the public." The AP adds, "Cassell is charged with impeding a federal investigation and money laundering. If convicted, he faces up to 53 years in prison and a $1.25 million fine. … Charges against the other defendants include racketeering conspiracy, drug distribution, weapons counts, obstruction of justice and perjury. … A former sergeant, James Alden Vaught, agreed to cooperate with investigators. His planned guilty plea Monday was delayed because his lawyer was ill, said Assistant U.S. Attorney Thomas Bondurant."

There are more than 130 media references to former Henry County Sheriff H. Franklin Cassell's plea in a federal drug case in which he is accused of hindering the investigation. For example, the Richmond (VA) Times Dispatch (11/28) reports Cassell "pleaded not guilty yesterday to trying to thwart a federal investigation into a drug-dealing ring allegedly run by some of his deputies. Later, in the same federal courtroom where Cassell pleaded not guilty, the Henry man whose arrest prompted the indictment of Cassell, along with 12 of his employees, pleaded guilty to a single count of participating in a racketeering conspiracy. … Federal agents began their investigation of Cassell's department in March 2005, when U.S. Drug Enforcement Administration agents in Philadelphia tipped off their counterparts in Roanoke that a package containing 2 kilograms of ketamine, a sedative used as a date-rape drug, was in the mail and on its way to a Martinsville house."

The Roanoke (VA) Times (11/28) reports DEA agents "conducted an undercover delivery of ketamine, a date rape drug, at a Henry County residence in March 2005. According to court records…acceptance of the package served as the springboard for the investigation, which eventually resulted in the indictment of…Cassell, 12 current and former deputies and seven civilians."

The Martinsville (VA) Bulletin (11/27) reported Cassell "faces five counts alleging his participation in a money laundering scheme, obstruction of justice, false statement to a federal agency and misprison (failing to tell law enforcement of a felony)."

Local TV Coverage. WRIC-TV, Richmond-Petersburg, Virginia (11/27, 12:00 p.m.) aired, "Cassell and 12 other current and former officers are accused of scheming to sell drugs seized from criminals. The other officers have also pleaded not guilty. Cassell stepped down from his post earlier this month."

WDBJ-TV, Roanoke-Lynchburg, Virginia (11/27, 5:00 p.m.) aired, "Former Sheriff Frank Cassell was back in federal court this morning for arraignment. The 68-year-old…was indicted last month for trying to cover up alleged drug dealing on the part of his deputies. They're among 22 people- in and out of the department- caught up in a DEA investigation that began a year and a-half ago. Cassell entered a plea of not guilty."

WFXR-TV, Roanoke-Lynchburg, Virginia (11/27, 10:00 p.m.) aired, "Former Henry County Sheriff Frank Cassell pleaded not guilty to federal charges he laundered drug money and lied to investigators. Federal law required Cassell to go before a judge today for his arraignment in the case. No trial date has been set."

California Supreme Court Ruling Said To Expand Protections For Medical Marijuana Users. The Los Angeles Times (11/28, Dolan) reports people "charged with transporting marijuana may avoid conviction if they can show that the drug was for their personal medical use, the California Supreme Court ruled Monday. In a 6-1 decision, the state high court said California's medical marijuana law protects patients who transport even relatively large quantities of the drug if they can show that the amount was consistent with their medical needs and recommended by a licensed physician. … Monday's decision 'expands the defenses that can be used for medical marijuana,' including transportation and possession for sale, said Maureen J. Shanahan, who represented the defendant in the case."

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Bay City News Wire (11/28) reports the ruling, "issued in San Francisco, concerns a 2003 state law that clarified California's medical marijuana law, which was passed by state voters in 1996 as the Compassionate Use Act. The Compassionate Use Act protects seriously ill patients from being prosecuted in state court for using marijuana when they have a doctor's approval. The protections apply only to state court prosecutions and not to criminal prosecutions in federal court. Federal drug laws do not allow an exception for California's medical marijuana law."

Conviction Upheld In Marijuana Case. In Santa Ana, the AP (11/28) reports an Orange County man's felony conviction for "transporting marijuana was upheld Monday by the California Supreme Court despite its ruling that later law allowing a medical marijuana defense for transportation applies retroactively. The decision in the case of Shaun Eric Wright, 43, resolves an important question regarding the Medical Marijuana Program, legislation adopted in 2004 to promote the implementation of Proposition 215 that in 1996 legalized marijuana for medicinal use, Nathan Barankin of the state Attorney General's office said. That question, Barankin said, is whether the law applies retroactively 'and it does resolve that issue for state law purposes.'"

Court Ruling In Marijuana Case Seen As Legally Correct, Morally Wrong. The Seattle Post-Intelligencer (11/27) editorialized, "The Washington [State] Supreme Court, for hardly the first time in judicial history, has rendered a ruling that is at the same time legally correct and morally wrong. Yes, as the court ruled Thursday, state law enacted by the 1998 passage of Initiative 692 does require that anyone mounting a 'compassionate use' defense in a marijuana-related crime must meet specific criteria. And, yes, Sharon Lee Tracy failed that test. … Where the cops and courts failed, lawmakers can succeed, by rewriting the law to recognize medical marijuana prescriptions from any licensed physician."

FDA Issues Methadone Advisory. The AP (11/27) reported people "starting treatment with methadone have died and suffered life-threatening side effects, health officials said Monday in warning of the dangers of overdosing on the painkiller. Overdoses of the increasingly popular narcotic can cause slow or shallow breathing and dangerous changes in heart beat that patients might not feel, the Food and Drug Administration said. … The FDA warned that methadone only provides pain relief for four to eight hours, but can linger in the body for eight to 59 hours. That can lead patients to take more of the drug before it has been eliminated by the body, causing the drug to build up in the body to toxic levels, the FDA said."

The Wall Street Journal/Dow Jones (11/27) reported the FDA "has issued a health advisory for methadone after it reviewed reports of death and life-threatening side effects in patients taking the pain drug, the agency said Monday. … According to the advisory, posted on the FDA's Web site, methadone can cause slow or shallow breathing and 'dangerous changes in heart beat that may not be felt by the patient.' In addition, accidental overdose could happen because the substance stays in the body for more than eight hours, when pain relief from a dose lasts about four to eight hours."

Afghanistan's Anti-Drug Efforts Said To Be Ruined By Corruption. The Financial Times (11/28, Morarjee) reports, "Afghanistan's war on drugs has been marred by corruption that has strengthened the grip of an increasingly powerful mafia on the country's narcotics trade, a report by the World Bank and United Nations said. Over the past five years, the British-led counter-narcotics strategy had penalised the country's poorest farmers and strengthened networks of organised crime, consolidating the trade among a tiny elite of traffickers, the damning report said." The report claimed that the Afghan interior ministry had been "captured" by traffickers. The Financial Times continues, "To achieve long-term success in the battle against drugs eradication, the report found that efforts should be concentrated in the six Afghan provinces where there was relatively little opium cultivation to build up a line of defence against the spread of the trade. ... Even in this record year, opium took up less than 4 per cent of the total cultivated area in Afghanistan, with only an estimated 13 per cent of the population involved in poppy cultivation, which the report said was cause for hope."

The Financial Times (11/27, Burns, Morarjee) also reported Afghan government plans to "eradicate poppy farming in southern Afghanistan risk drawing British troops into fierce fighting with an already embittered local population, military officials and diplomats in the country have warned. The governor of Helmand has promised to push ahead with a drug eradication program early in the new year in the southern province where British troops faced unexpectedly fierce battles during the summer."

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USA Today (11/28, Leinwand) says the report, "released today, is the latest indication of the difficulties faced by the British-led effort to eradicate Afghanistan's opium crop, which drives the economy in parts of the embattled nation and has helped to fund a resurgence of the Taliban. The report says the production of opium, whose poppies are used to make heroin, permeates daily life in Afghanistan and eliminating the illegal drug trade there could take decades."

Officials Search For Cause Of Fatal Missouri Group Home Fire. The AP (11/28, Kabel) reports from Anderson, MO, "An early morning fire broke out in a group home for the elderly and mentally ill Monday, killing 10 people and injuring two dozen others in a blaze that the governor said was being treated as a crime." The AP continues, The blaze reduced the privately run Anderson Guest House to a skeleton of cinder blocks and stunned this rural community of about 1,800 people tucked in the Ozark hills of southwest Missouri. … Gov. Matt Blunt said investigators were treating the fire as suspicious. … 'We're not saying it is definitely a crime scene, but we are treating it as if it is and trying to determine if the fire was set by somebody who had a nefarious motive,' Blunt said." The AP adds, "The home had 32 residents and two employees inside when the fire was reported around 1 a.m. The dead ranged in age from early 20s to elderly. Another 18 people were taken to hospitals, and six were treated at the scene, authorities said. … One of the dead was a worker in the home, and the other nine were residents, Blunt said. Authorities did not plan to release names until Tuesday because relatives of two victims haven't yet been notified. … Officials refused to say how the victims died or whether they had any warning. The home had fire alarms but no sprinklers."

Marshals To Help Track Maine Sex Offenders. The AP (11/28) reports, "The federal government will soon get involved in tracking down sex offenders in Maine who avoid registering with police." The AP continues, "The U.S. Marshals Service in Maine is being trained in the new responsibilities as part of a federal sex offender law passed in July, said John Cooper, the chief deputy U.S. marshal for Maine." The AP adds, "The new law creates a national sex offender database to allow law enforcement and communities to know where convicted sex offenders live and work. It gives the Marshals Service the task of tracking down offenders who dodge their obligations. … 'We have resources and databases that local agencies don't have,' Cooper said." The AP notes, "Maine and other states in recent years have created registries that list people convicted of certain types of sex crimes. The registries are viewed as informational and safety tools for police and the public. .. .But officials say there are a number of weaknesses in the system. … In Maine, failing to register with local police or the state is a crime, but only a misdemeanor that hasn't been listed on national databases that alert police to people who are wanted in other states. … Police say another weakness in the system is figuring out who should take the lead in searching for a sex offender who fails to register or report to police as required."

IMMIGRATION:

Border Communities Cool To Planned Fence. USA Today (11/28, Johnson, 2.27M) reports "ranching magnate Bill Moody" would "seem to be the type of person who would embrace the federal government's most provocative effort to stop illegals from entering this country: A plan to build 700 miles of fence along the 2,100-mile Southwest border, including Moody's land. Instead, Moody is a powerful voice in a growing alliance of border landowners and local law enforcement officials who oppose a fence." Most "everyone here agrees that more border security is needed to curb illegal immigration. Ranchers such as Moody and Dob Cunningham, who has a 700-acre spread north of here with 2 miles of river frontage, say they often give Border Patrol agents access to their land to help the agents track down illegals." But the "fence plan — the centerpiece of an immigration bill President Bush signed last month — has come to reflect the disconnect between many landowners here and officials in Washington who see the project as a key part of the nation's strategy to slow illegal immigration. Here, where the impact of illegal immigration is greatest, the fence is widely viewed as an economic and environmental threat. In Eagle Pass, a city of 25,000 that is 95% Hispanic, it's also seen as a rejection of the region's tradition of shared cultures and open ranges."

Thompson Warns Firm Of Criminal Charges Over Illegal Immigrant Crackdown. The Washington Times (11/28, Seper, 88K) reports Rep. Bennie Thompson, "in line to become chairman of the House Homeland Security Committee," has "warned the nation's largest uniform supplier it faces criminal charges if it follows a White House proposal to recheck workers with mismatched Social Security

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numbers and fire those who cannot resolve the discrepancy in 60 days." Thompson said "in a letter to Cintas Corp. it could be charged with 'illegal activities in violation of state and federal law' if any of its 32,000 employees are terminated because they gave incorrect Social Security numbers to be hired." Thompson said, "I am deeply troubled by Cintas' recent policy change regarding the Social Security Administration's 'no match' letters. It is my understanding that hundreds of Cintas' immigrant workers have received these letters. I am extremely concerned about any potentially discriminatory actions targeting this community."

Democrats' Conflict Over Immigration Expected To Surface. In a New York Times op-ed (11/28), Thomas Edsall says, "The success of candidates attacking outsourcing and trade agreements like Nafta, combined with high Democratic margins among economically pessimistic voters, clearly point to middle-class wage stagnation and growing inequality as significant factors in the election this month." But the "result has shifted the balance of power within the Democratic Party in favor of the protectionist wing, and especially in favor of such major unions as the Teamsters, the steelworkers and the autoworkers, all key party supporters with money and manpower." The "strengthening of the Democrats' protectionist wing is virtually certain to force to the surface a second, and closely related, internal conflict between the party's pro- and anti-immigration wings. This conflict among Democrats remained submerged while President Bush and the Republican House and Senate majorities fought without resolution over the same issue."

Biden Blames Mexico's "Corrupt System" For Illegal Immigration, Drug Problems. The AP (11/28) reports Sen. Joe Biden "wants to get tough with Mexico, calling it an 'erstwhile democracy' with a 'corrupt system' responsible for illegal immigration and drug problems in the U.S. Biden, D-Del., was in Columbia [South Carolina] on Monday in his first post-election trip to this first-in-the-South presidential primary state as he continues to line up support for his presidential bid. … An even bigger problem are illegal drugs 'coming up through corrupt Mexico,' he said. 'People are driving across that border with tons, tons -- hear me -- tons of everything from byproducts for methamphetamines, to cocaine, to heroin.'"

CONGRESS-ADMINISTRATION:

Gates Likely To Start As Defense Secretary Before End Of Year. The AP (11/28, Burns) reports officials said Defense Secretary-designate Robert Gates "is likely to assume the Pentagon post before year's end if he is confirmed by the Senate as expected." Pentagon press secretary Eric Ruff "said Gates will have his confirmation hearing before the Senate Armed Services Committee early next week, with a vote expected by the full Senate by Dec. 12 or 13." Ruff added that in "preparation for the hearing, Gates is receiving a series of briefings by senior Pentagon officials." Even if Gates "is confirmed as expected, it is unclear when he would be sworn in to his new duties, Ruff said." The AP adds another Administration official, "who would discuss the Gates matter only on condition of anonymity, said that if confirmation goes as expected, then Gates would be sworn in well before the end of the year. No date is set."

Carter Expects Gates To Be Confirmed. Former President Jimmy Carter on CNN's Larry King Live (11/27) was asked whether Robert Gates would be an improvement over Secretary Rumsfeld. Carter said that Gates "was in the intelligence agency working for the Stansfield Turner when I was president. Stansfield Turner thought a lot of him. Everything everybody who has worked with him since that time have had accolades for him. I think he's certainly going to be an improvement and I think the nation is going to give him full support and I would presume the Congress will approve his appointment without any hesitation."

Missile Defense Makes Advances, But Undermined By Technical Glitches. The Wall Street Journal (11/28, A1, Karp, 2.04M) reports that under President Bush, "the US has poured nearly $50 billion into" the missile defense program. The Pentagon "says it has put the system on alert more than 10 times and the US already has a 'limited' ability to shoot down enemy warheads. Yet the program's high-tech breakthroughs are at times undermined by technical snafus, and real missile defense always seems off in the future." A "big step forward came in September, when U.S. military personnel using satellite sensors, radar and long-range interceptor missiles that are part of the real missile shield shot down a test warhead in space over the Pacific. The success went some way toward answering critics in Congress who have demanded tests that resemble

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real-world situations." For "defense contractors and the Pentagon, which is spending $9.3 billion this year on missile defense, the September test was a vindication." Critics "nowadays generally concede the feasibility of knocking missiles out of the sky. But many believe the idea is either too expensive or too error-prone to make it worth rushing into operation." The Journal also examines the potential and problems of the SBX, or sea based X-band radar, that would be a vital link in the system."

Portman Says Bush Prepared To Veto Spending Bills. The Washington Times (11/28, Dinan, 88K) reports Office of Management and Budget Director Rob Portman says President Bush "will try to work out a deal on spending with the new Democratic majority on Capitol Hill, but will be prepared to veto bills that exceed his total budget or that slice away at defense needs." In an interview, Portman said, "With the Democrat leadership, we'll try to be transparent and we'll try to be clear in our concerns upfront, and I hope we can work things out without resorting to a veto. But if necessary we will resort to a veto." The Times adds Portman, "a former six-term congressman from Ohio, has assumed the role of go-between, making use of his relationships with many of the top lawmakers to find areas of cooperation on annual spending and on thorny issues such as Social Security." He has "spoken with incoming Ways and Means Committee Chairman Charles B. Rangel, the incoming chairmen of the House and Senate budget committees, and Sen. Max Baucus, who will head the Senate Finance Committee. He also has a meeting scheduled with Sen. Robert C. Byrd, the West Virginia Democrat who will head the Senate Appropriations Committee."

Government Contractors Face Stiffer Oversight Under Democratic Majority. The Washington Post (11/28, D1, Witte, Merle, 690K) reports that after "riding high for five years, government contractors are bracing themselves for increased oversight, tighter budgets and stepped-up regulations as Democrats take over on Capitol Hill and vow to keep a closer eye on how companies spend taxpayer dollars." While all companies that do "business with the government could feel the impact, but contractors that benefited most from work in Iraq and Afghanistan, from homeland security initiatives or from Hurricane Katrina are especially likely to be under the microscope. Big-ticket weapons programs are also expected to garner special attention, and it may become more difficult to get a no-bid contract, according to industry observers." In "a 44-page look at areas in need of oversight," Government Accountability Office investigators "focused substantial attention on contractors. The government spent $388 billion on contracts last year, the GAO said, and much of that money is exposed to 'potential waste and misuse' because of the way the government buys goods and services." Meanwhile, "in September, the Project on Government Oversight, a watchdog group, began holding seminars for Hill workers of both parties on how to conduct investigations, including sessions on the anatomy of a government contract and skits in which oversight hearings were acted out."

Watchdog Group Wants Investigation Of Hastert Over Prairie Parkway. The Chicago Tribune (11/28, Parsons, 617K) reports a government watchdog group "called for an official investigation into whether House Speaker Dennis Hastert broke the law by pushing for federal funding of a highway project near land he owned west of Chicago." Hastert (R-Ill.) and "two partners turned a profit of more than $3 million last year on land they bought and sold near the proposed route of the Prairie Parkway -- earnings that the group Citizens for Responsibility and Ethics in Washington say the investors got because of federal funding pushed by Hastert. The group is asking the Justice Department to investigate Hastert's actions."

Hastings May Drop Bid For Intel Panel Chair After Tuesday Meeting With Pelosi. FOX News (11/27) reported on its website, "House Speaker-designate Nancy Pelosi will meet Tuesday with Florida Rep. Alcee Hastings, and those with knowledge of Pelosi's thinking told FOX News that Hastings will be told he is not going to be the next chairman of the Permanent Select Committee on Intelligence. Though no formal decisions have been announced and Pelosi aides say the situation remains fluid, they suggest that the meeting at Pelosi's Capitol Hill office was requested by Hastings so he could bow out of the race before Pelosi denies him the job. 'He knows he's not going to get it,' said one senior House Democratic aide. 'The question is why he didn't bow out long ago.'" In remarks "over the weekend, Hastings left the impression he was resigned to not receiving the chairmanship from Pelosi, due in large measure to his impeachment from the federal bench in 1989 for conspiring to accept a bribe…and then, according to the

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Senate impeachment trial, lying to cover it up. Pelosi aides have been scrutinizing the House and Senate proceedings in the Hastings impeachment, FOX News has learned, and apparently don't like what they have seen. 'It's ugly,' said one Pelosi aide. 'It's just really, really bad.'"

Hastings' Former Attorney Defends His Suitability. In a column appearing in the Washington Post (11/28, A19, 690K), Terence J. Anderson, the lawyer who represented Rep. Alcee Hastings when he was a judge, including during Hastings' impeachment proceedings, opines, "Ruth Marcus…and others have argued, however, that Hastings should not be appointed chairman" of the House Intelligence Committee "because of the Senate's decision 17 years ago to remove him from the federal bench. Such arguments ignore important facts that should be considered before the next speaker of the House, Nancy Pelosi, decides on the chairmanship." He enumerates three arguments: "First, no 'jury' that heard and considered all the evidence has been convinced that Hastings was guilty. … Second, in any fair view, perceived political necessity was a significant, perhaps decisive, factor in the decision to remove Hastings from the bench. … Third, senators who had not heard the evidence filed statements that make it clear that some voted for removal not because they were convinced Hastings was guilty but because they believed he had not proven his innocence."

Bush Approval Falls To 31% In Harris Interactive Poll. The Wall Street Journal (11/28, 2.04M) reports President Bush's approval ratings "fell to the second-lowest of his presidency, according to a new Harris Interactive poll." The telephone survey, conducted over November 17 and November 21, shows "31% of U.S. adults called Mr. Bush's job performance 'excellent' or 'good' -- down from 34% who gave a positive assessment in a late-October poll; 67% said his performance is only "fair" or "poor," up from 63% in the previous survey2." Despite the "recent changes in Congress, Republicans and Democrats continued to receive low marks. Thirty-six percent of respondents said Democrats are doing an 'excellent' or 'good' job, better than the 29% in September. Democrats' highest positive rating was 68% in October 2001, a month after the 9/11 attacks. Meanwhile, Republicans' approval rating remained unchanged from September at 24%, and also well below their October 2001 high of 67%."

Hall First Professional Musician Elected To Congress. The Washington Post (11/28, C1, Segal, 690K) profiles Orleans band member and Democratic Rep.-elect John Hall, whose "singular place in American history" is that he is "the first professional rock musician elected to Congress. No, we're not counting Sonny Bono, because he didn't play an instrument, at least not onstage." Today, Hall "would blend in at a board meeting of any Fortune 500 company -- he is tall and serious and pretty formal. He actually sounds like a politician, too: He can speechify in that earnest and somewhat tedious way that only politicians can. No offense, but you've never met anyone who toggles so quickly between gripping anecdote and soporific spiel. … Frankly, he'd rather talk up his slate of left-leaning goals, such as raising the minimum wage, weaning the nation off fossil fuels or pushing for universal health care."

WSJournal Praises DeMint, Coburn For Blocking Earmarks. The Wall Street Journal (11/28, 2.04M), in an editorial, praises "GOP Doctors, er, Senators Jim DeMint (South Carolina) and Tom Coburn (Oklahoma)," who have "been staging an intervention so their colleagues don't risk another overdose before they ride off into the minority." The "two rebel Senators…rallied enough of their mates to block any omnibus bill containing earmarks. The result is that the GOP Senate may return next week for its final lame duck days and instead pass a 'continuing resolution' that would fund the government at 2006 levels, kicking 2007 decisions over to the Democratic majority in January. By Mr. Coburn's estimate, taxpayers would save about $17 billion if Congress takes this approach."

OTHER NEWS:

Stock Markets Fall On Weak Dollar, Slow Retail Sales. The Los Angeles Times (11/28, Hamilton, 850K) reports the stock markets "fell sharply on Monday, with a weakening U.S. dollar and tepid sales at retail giant Wal-Mart Stores giving investors the opening they were looking for to cash out some of the profits they've booked during the market's four-month surge." The Dow Jones industrial average and the Standard & Poor's 500 index "each sank more than 1% for the first time since July 13." Investment pros "said the decline was not surprising given Wall Street's strength this year, especially through its seasonally weak

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period in September and October. They attributed the sell-off largely to profit taking by big institutional investors that are sitting on sizable recent gains." The Dow "sank 158.46 points, or 1.3%, to 12121.71, its biggest decline since a 1.5% slide on July 13. The S&P 500 was off 19.05 points, or 1.4%, to 1381.90. The tech-heavy Nasdaq composite index skidded 2.21%, tumbling 54.34 points to 2405.92."

NBC Nightly News (11/27, story 8, 0:20, Williams, 9.87M) reported, "Adding to a big downdraft on wall street some analysts were linking to a disappointing sales estimate by Wal-Mart." The Dow was down more than a 158 points [to close at 12,121.71]. NASDAQ took a hit as well fell nearly 54 points [to close at 2,405.92]. The CBS Evening News (11/27, story 5, 0:10, Couric, 7.66M) reported, "Wall Street hasn't seen a day as bad as this one in months."

The New York Times (11/28, Peters, 1.16M) reports, "It was a day with little for investors to cheer, with the dollar continuing its slide against the euro and the price of a barrel of oil rising." The "decline on Wall Street spoiled what had been a steady run-up in stock prices in recent weeks." Some of "the steepest losses came in the shares of retailers like Wal-Mart, whose troubles reverberated throughout the stock market. The world's largest retailer reported Saturday that its sales in November fell for the first time in 10 years. Despite signs that retailers on average fared well during the first weekend of the holiday shopping crunch, the poor results from Wal-Mart raised questions about how much consumers will spend this season."

The Washington Post (11/28, D5, Brubaker, 690K) also cites "higher oil prices, a weakening dollar and an unexpectedly glum sales forecast from Wal-Mart." Yesterday's "stock sell-off also was driven by a 1.8 percent jump in crude-oil futures, fueled by reports that Saudi Arabia's oil minister may support a cutback in production at the next meeting of the Organization of Petroleum Exporting Countries Light sweet crude for January delivery gained $1.08 to settle at $60.32 a barrel."

USA Today (11/28, Shell, 2.27M) reports some Wall Street strategists "said the 158.46-point drop to 12,121.71 suffered by the Dow Jones industrial average was long overdue given the Dow's uninterrupted run-up in recent weeks." Rod Smyth, investment strategist at Wachovia Securities, said, "It was simply a much-needed correction. I genuinely believe this (selling) has been building." USA adds, "Still, the broad market sell-off, which resulted in sizable losses for virtually every type of stock — blue chips, technology names and both large- and small-capitalization stocks — grabbed the attention of a complacent Wall Street caught up in Dow fever."

The Wall Street Journal (11/28, C1, McKay, Hudson, 2.04M) also reports, "Some Wall Street pros also said the stock market was due for a pullback, following more than a month of fresh records and last week's holiday-shortened trading." Jim Bianco, president of Bianco Research in Chicago, "still figures the market is generally headed higher through the end of the year. But he said stocks were probably due for a short-term drop, considering that the S&P 500 hasn't had a decline of 2% from a high since mid-July." Bianco said, "This is the longest period without a 2% correction in 20 years. It just shows you how strong the market has been that we have to think in these terms now."

Sales Up 3.5% For Black Friday. ABC World News (11/27, story 8, 0:36, Gibson, 8.78M) reported, 'This Monday after the long Thanksgiving break, millions returned to work and promptly got busy shopping online. On this Cyber Monday, as it's known, an estimated 61 million people would buy something over the Internet. As for Black Friday and weekend, customers shelled out almost $15 billion at traditional stores, up about 3.5% from the same Friday and Saturday last year. Still the nation's largest retailer, Wal-Mart, says its November sales will be down."

NBC Nightly News (11/27, story 9, 2:10, Quintanilla, 9.87M) reported, "Retailers slashed prices to draw in shoppers, and they got them. 140 million spending $9 billion on Friday alone. At this retail resort near Denver Tracy Snow and her two girls braved the crowds and spent $400. Their budget this year is tight." There are "concerns about the health of the American consumer. Holiday central survey released today found only one in five shoppers will spend more than they did last year."

The CBS Evening News (11/27, story 6, 0:40, Bowers, 7.66M) reported, "After last week's Black Friday in stores like these, now it's on to the Internet and Cyber Monday. 60 million of us are expected to shop online today, that's 20% of the population. But experts say everyday has become Cyber Monday." Kurt Peters, Internet Retailer: "People are shopping online all the time. They're not waiting to get to the office on the Monday after Thanksgiving to start their Christmas shopping." Bowers: "Estimates are this year's online sales will be up 24% to $24 billion. Retailers used to think online shopping would hurt in-store sales. Now the message is ignore the Internet at your own peril."

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Housing Market Slowdown Not Putting Crimp In Holiday Spending. USA Today (11/28, Hagenbaugh, 2.27M) reports the "sharp slowdown in the housing market isn't darkening consumers' moods as feared, suggesting they will continue to be a source of strength in the economy through this year and possibly into 2007." Results from the "first few days of the key holiday shopping season point to increases in retail sales from a year ago, despite a mediocre performance at Wal-Mart, the nation's largest retailer." With consumer spending "accounting for more than two-thirds of U.S. economic activity, spending gains are good news for the broad economy as it faces a number of headwinds, including the housing slowdown and turmoil in the automobile industry."

Massachusetts To Sue Big Dig Firms For Negligence In Deadly Collapse. The Wall Street Journal/AP (11/28, A6) reports, "Massachusetts is preparing a multimillion-dollar lawsuit against the companies that worked on the Big Dig highway tunnel project, alleging their negligence led to the ceiling collapse that killed a woman, a spokesman said Monday." The AP continues, "Attorney General Tom Reilly is seeking unspecified damages for repairs, loss of tunnel use and toll revenue and other economic factors, spokesman David Guarino confirmed Monday. The lawsuit was to be filed Monday or Tuesday, he said. … 'This lawsuit is more than just about money, although we will be seeking monetary damages,' Mr. Reilly told a local radio station earlier Monday. 'What this case is has always been about is the tragic death of Milena Del Valle. That could have been any one of us.'" The AP adds, "The lawsuit, to be filed in Suffolk Superior Court, alleges project manager Bechtel/Parsons Brinckerhoff and Modern Continental Construction Co. were 'grossly negligent' in constructing the ceiling that collapsed. The suit also names Gannett Fleming, the firm that designed the I-90 connector tunnel; as well as companies that supplied the epoxy or ceiling bolts used to hold up ceiling panels. … Four of the concrete panels, each weighing about three tons, fell on a car in which Del Valle, a 38-year-old from Boston, was a passenger July 10. Gannett Fleming also is being sued for breach of contract, Mr. Guarino said."

NCSL Report Calls For States, Colleges To Focus On Cost And Graduation Rates. The Christian Science Monitor (11/28, Arnoldy) reports the National Conference of State Legislatures found that "for every 100 ninth graders, only 18 will enter college and finish within six years." That is "not good enough" according to the report. It calls for "higher education and the states that oversee much of the system…to tackle spiraling tuition, poor college preparation, and the lack of help to keep students moving toward a degree." The report focuses on "the ballooning price of a bachelor's degree." It notes that "reducing the student-loan rate is an 'early action' item on the agenda for the Democratic-controlled Congress." Furthermore, "graduation rates for those who start college are finally inching up after years of setbacks." But it is "taking students a longer time on average to complete degrees, and the process is saddling them with more and more debt."

USA Today (11/28) reports the NCSL "agrees with most of the points raised by a national commission created by Education Secretary Margaret Spellings" with "one major exception: It says states, not the federal government, must be at the center of a nationwide higher-education reform movement." States "spend $70 billion a year on higher education and provide more funding and regulation of colleges and universities than any other level of government."

Recounts Start In Three House Races. The Washington Post/AP (11/28, A2) reports Rep. Deborah Pryce (R-Ohio) "won reelection Monday by a margin so slim that a recount will be required." Unofficial results "announced by Franklin County, the last to finish counting absentee and provisional ballots in central Ohio's 15th District, showed Pryce led Democratic challenger Mary Jo Kilroy by 1,055 votes, or 0.4 percent of the vote. An automatic recount is triggered if the difference between the two candidates is less than 0.5 percent." Meanwhile, in North Carolina, "election officials said a manual recount of randomly chosen precincts will take place Wednesday and Thursday in the 8th District race between Rep. Robin Hayes (R) and Democrat Larry Kissell. Hayes leads by 329 votes." Florida officials will "start an audit Tuesday of electronic voting machines in the 13th District House race between Democrat Christine Jennings and Republican Vern Buchanan. The state certified Buchanan the winner by 369 votes, but Jennings contested, arguing that touch-screen voting machines had malfunctioned."

In Fourth Race, Bonilla Faces Rodriguez In Run-Off. The New York Times (11/28, Zernike, 1.16M) reports, "Forget recounts; in Texas, there is an actual campaign."

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Republican Rep. Henry Bonilla "faces a runoff on Dec. 12 after failing to gain a majority of votes on Election Day." Bonilla "won 48.6 percent of the vote. His opponent, Ciro Rodriguez, led a field of six Democrats with 19.9 percent."

Giuliani, Obama, McCain Top Poll Rating Of National Leaders. The Washington Post/AP (11/28, Christoffersen) reports Americans "have the warmest feelings about former New York City Mayor Rudy Giuliani, Republican Sen. John McCain and Democratic Sen. Barack Obama, according to a poll released Monday that scores the popularity of national leaders." The Quinnipiac University "thermometer reading," which was "taken the week after the Nov. 7 election, asked voters to rate their feelings for 20 leaders on a scale of 0 to 100. Giuliani, a Republican weighing a presidential bid in 2008, scored the highest at 64.2. Obama and McCain, who are also considering a 2008 campaign, finished next at 58.8 and 57.7." President Bush "was 15th out of 20 while his secretary of State, Condoleezza Rice, was fourth and former President Clinton fifth." New York Sen. Hillary Rodham Clinton "scored ninth of the 20 leaders with a score of 49," while Sen. John Kerry, "who was roundly criticized before the election for suggesting that students who don't study could end up stuck in Iraq, came in last at 39.6." Democratic Rep. Nancy Pelosi, "in line to become the next House Speaker, improved her standing, moving from last to 12th in a few weeks. The next Senate Majority leader, Democrat Harry Reid, was 19th."

The Washington Times (11/28, Pfeiffer, 88K) reports Quinnipiac assistant poll director Peter A. Brown said, "As we enter the presidential campaign of 2008, Giuliani and McCain are in enviable positions. They are well-regarded, and most Americans are quite familiar with them. Obama's showing is impressive, but 4 in 10 Americans still don't know enough about him to have an opinion." The Times adds, "Despite concerns that his liberal views on social issues will hurt him with Republican primary voters, Mr. Giuliani continues to lead the field in nearly every publicly released presidential poll."

Dionne Says GOP Alienated Moderate Voters. In his column in the Washington Post (11/28, A19, 690K), E.J. Dionne writes, "This fall's election defeat was inglorious for Republicans because it ratified Nixon's original worries about the cost of chasing away the GOP's moderates and revealed that the Barry Goldwater-Ronald Reagan political settlement has expired. You wouldn't know that listening to Republican congressional leaders who still think all will be well if the party just hugs the old conservative faith a little harder." Dionne cites Republicans' "new problems," including: "The party's credibility on national security has been shattered by the failure of the Bush administration's policies in Iraq." He also writes, "Pro-market libertarians and pro-family social conservatives are more aware than ever that their respective values and interests do not coincide."

Effort To Build Grassroots Internet Alternative Party Examined. In a USA Today op-ed (11/28), Don Campbell, a lecturer in journalism at Emory University, says, "I have a strong stomach, but the partisanship and political slander that in the past decade have come to characterize virtually every utterance have driven me to become nauseated almost every time a Washington politician appears on my TV screen. I had given up hope and interest in politics until I recently had conversations with two old political hands whose judgment I still respect. Hamilton Jordan, who masterminded Democrat Jimmy Carter's underdog campaign for the White House in 1976, and Douglas Bailey, the veteran Republican consultant and co-founder of the daily online news briefing The Hotline, have teamed up to lead a grassroots movement that promises an alternative to the partisanship that has polarized Washington. The objective of their movement, called Unity08 (www.unity08.com), is to use Internet balloting to forge an independent national ticket for 2008 in which the presidential nominee is from one major party and his or her running mate is from the other major party. Anyone can form a ticket and run, and the organizers hope eventually to attract some recognizable names."

Moved-Up South Carolina Primary Scrambles Democrats' Campaign Patterns. The New York Times (11/28, Kirkpatrick, 1.16M) reports four days "after the midterm elections, Senator John Kerry of Massachusetts, a former Democratic presidential nominee vying to play that role again, flew to Greenville, S.C." Kerry's 2004 running mate, former Sen. John Edwards, "appeared in Columbia, S.C., the next weekend. Senator Joseph R. Biden Jr. of Delaware addressed about 200 people yesterday at a Rotary Club in Columbia. And Gov. Tom Vilsack of Iowa had plans to swing through South Carolina early next week after appearing in Nevada as he introduces himself to voters as a

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presidential candidate." Though the candidates are not "writing off Iowa and New Hampshire," the Democratic Party's "decision to shuffle its presidential primary schedule, so that Nevada's caucus closely follows Iowa's and South Carolina gets a primary week of its own after New Hampshire's, is changing the early rituals of campaigning, forcing contenders to extend themselves in more states."

Gillespie Seen As Likely To Take Reins Of Virginia GOP. The Washington Times (11/28, McLaughlin, 88K) reports, "Virginia Republicans say they expect Ed Gillespie, former chairman of the Republican National Committee, to be named the new head of the state party. … Republicans yesterday told The Times that Mr. Gillespie's election appears imminent now that the other front-runners for the spot -- former Lt. Gov. John H. Hager and Chuck Smith, chairman of Virginia Beach's Republican Party -- dropped out of the race last week in a telephone conference call with the state executive committee." The election "is scheduled for this weekend at the 23rd annual Donald W. Huffman Advance at the Homestead Resort in Hot Springs -- a Republican retreat where grass-roots activists and elected officials kick off the 2007 state legislative campaign season."

Supreme Court Declines Maine School Choice Case. The AP (11/28, Yost) reports the Supreme Court "decided Monday not to plunge into the issue of school choice, passing up a dispute over a Maine law that bars the use of public funds to send students to private religious schools." The conservative Institute for Justice "had asked the justices to take the case. The group is representing eight Maine families who would receive public tuition funds but for the fact that their children attend religious schools." Florida Gov. Jeb Bush "and President Bush's home state of Texas had weighed in, saying in filings to the Supreme Court that Maine is unconstitutionally discriminating against religion."

Public Funding For Stem Cell Research Seen As Counter-Productive. In an op-ed for the Los Angeles Times (11/28, 850K) Sigrid Fry-Revere, director of bioethics studies at the Cato Institute, writes, "Politicians are right that stem cells hold the promise of incredible medical progress. But we won't achieve the promised results if we insist on public funding of the research. In fact, government-funded research has proved bureaucratic, expensive, wasteful, fickle and divisive. Since 2003, five states — Ohio, Illinois, New Jersey, Connecticut and California — have pledged billions of dollars to support stem cell research. But political opposition has prevented all but a few million dollars from reaching researchers. … Religious and taxpayer groups lost a first round in court, but their appeals, or any other state attempts to fund stem cell research, are likely to be tied up in court for at least another year."

WSJournal Criticizes Kennedy For Oil Alliance With Chavez. In an editorial (11/28), the Wall Street Journal says, "Venezuelan strongman Hugo Chávez is an ally of the Iranian mullahs, a supporter of North Korea, a close friend of Fidel Castro and a good customer for Vladimir Putin's weapon factories. Now he's also a business partner of Joseph P. Kennedy II." Kennedy, the former Democratic congressman, "describes the deal he's cooked up with Mr. Chávez as charity for low-income consumers of heating oil. But it's worth asking what the price of this largesse is to Venezuelans and to U.S. security interests." Chávez's "Citgo -- a Houston-based oil company owned by the Venezuelan government -- is supplying home heating oil to Mr. Kennedy's Citizens Energy Corporation at a 40% discount. Citizens, a nonprofit outfit, says it passes the savings onto the poor, aiming to help 400,000 homes in 16 states that would otherwise have trouble heating their homes. In the process, Mr. Kennedy happens to get a high-profile publicity plug. If you think you qualify, says the television ad that drew our attention to this partnership, just dial 1-877-Joe-4-Oil." Chávez is "trying to shape U.S. public opinion in the hope that more gringos will come to see the Chávez government as benevolent. Massachusetts Democrats seem especially eager to help."

Olmert Offers Palestinians Peace Incentives. ABC World News (11/27, story 3, 0:25, Gibson, 8.78M) reported Israeli Prime Minister Ehud Olmert "reached out to the Palestinians today offering a package of incentives to stop the violence there. He promised to reduce check points, release frozen Palestinian funds and free prisoners, in exchange for a serious push for peace. It was the most conciliatory gesture yet by Olmert, but the Palestinian cabinet led by Hamas militants accused him of posturing." The New York Times (11/28, Erlanger, 1.16M) reports the offer was made "in what was billed as a major policy speech, but it

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contained little that was new." However, the timing was "important, though, because Mr. Olmert and the Palestinian Authority president, Mahmoud Abbas, are eager to bolster their own political positions, begin a serious dialogue and stop a bloody cycle of violence." Separately, "expectations are high that Secretary…Rice may come here after Jordan to try to solidify the fragile attempt at reconciliation." The Times notes that one of the "new elements" in the Olmerts' speech was a suggestion that he "found parts of a 2002 Saudi peace initiative to be 'positive,' the first time an Israeli leader has done so."

The Financial Times (11/28, Devi) reports that Palestinians "welcomed the possibility of efforts to ease humanitarian conditions… But they still doubted Israel's intention to create a Palestinian state that is viable and settle thorny issues that remain at the heart of the conflict, such as the division of Jerusalem and refugees." The Times notes that Palestinian officials "said there was a possibility" of Abbas meeting Secretary Rice, while Israeli officials said "no talks between Mr. Bush and Ms. Rice and any Israeli officials were scheduled." The AP (11/28, Teibel) says Olmert's speech "raised the diplomatic stakes ahead of President Bush's scheduled trip to neighboring Jordan this week." Meanwhile, Palestinian official Saeb Erekat "said it was possible Abbas would meet with Bush there."

The Los Angeles Times (11/28, Boudreaux, 850K) calls the address "one of" Olmert's "most conciliatory speeches" and notes that the offer "was a switch for Olmert, who declared during his election campaign last spring that no Palestinian leader was capable of making a deal with Israel."

LATimes Urges Palestinians To Accept Olmert Offer. In an editorial, the Los Angeles Times (11/28, 850K) says if the Palestinian Authority -- including Hamas – "doesn't respond in kind" to Olmert's offer, "it will be yet another golden opportunity for Mideast peace squandered." The Times notes that Hamas is "not being asked to approve of the creation of Israel half a century ago, only to recognize that the modern Jewish state is a legal government endorsed by the United Nations and deserving of security." Although Yasser Arafat "dawdled and dissembled for years before finally accepting Israel's existence," the Times says his "belated accommodation to reality that led to a White House invitation for the erstwhile terrorist and the creation of the Palestinian Authority. If Hamas is willing to recognize the same fact of life, the benefits for the Palestinians could be even more dramatic."

Rice May Meet Separately With Olmert, Abbas. In an article on President Bush's visit to the Middle East this week, the New York Times (11/28, Cooper, 1.16M) reports that Secretary of State Condoleezza Rice "may add two stops -- Ramallah, in the West Bank, and Jerusalem --to her itinerary" in order to meet with Israeli Prime Minister Ehud Olmert and Palestinian President Mahmoud Abbas. The Times says Rice "has argued in favor of stepping up work on the Israeli-Palestinian front, and several times this fall she has seemed to be on the verge of a major peace initiative, only to be overtaken by other crises."

The CBS Evening News (11/27, lead story, 2:15, Axelrod, 7.66M) reported, "Arab countries want to see something from the United States if they're going to engage in lowering the temperature in Iraq. … So that's why you have State Department spokesmen saying that there's planning between Secretary Rice and Prime Minister Olmert as well as Palestinian President Abbas for possible meetings."

The AP (11/28, Gearan) reports Israeli officials "rejected the possibility of a summit between Abbas and Olmert on the sidelines of Bush's visit to neighboring Jordan later this week."

North Korean Nuclear Envoy Arrives In Beijing To Prepare For Talks. The AP (11/28, Ang) reports North Korea's nuclear envoy arrived in Beijing Tuesday "as his counterparts from the United States, China, South Korea and Japan gathered to hammer out plans to restart" the stalled six-party talks. The AP says the arrival of North Korean Vice Foreign Minister Kim Kye Gwan has "heightened expectations he may meet" with Assistant Secretary of State Christopher Hill, "although no plans have been announced." In Washington, State Department spokesman Sean McCormack said a meeting between Hill and Kim is "certainly an open possibility." Arriving in Beijing Monday, Hill said, "The issue for us is to make sure we are extremely well-planned and ready for the six-party talks, which we do anticipate will get going at some point very soon." Hill is expected to meet with representatives from Seoul and Tokyo today and Wednesday, but no multilateral talks have been scheduled, the AP reports.

Bush, Hu Discuss North Korea, Darfur. AFP (11/28) reports President Bush Monday spoke with Chinese President Hu Jintao on North Korea's nuclear program and developments in Sudan's Darfur region, a White House

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spokesman said. Bush spoke with Hu during his flight to the Baltics where he will attend a NATO summit. Bush asked for "continued Chinese leadership on various international issues such as the situation in North Korea and Darfur," said spokesman Gordon Johndroe. "The two presidents reviewed their good meeting in Hanoi on the margins of the APEC summit and agreed that US-China cooperation is moving forward well, to the benefit of both the American and Chinese people," he added.

Estonian President To Discuss Concerns Regarding Putin With Bush. The Washington Post (11/28, Abramowitz, 690K) reports, "On the eve of the first visit to" Estonia "by a sitting US president, Estonia's new president [Toomas Hendrik Ilves] voiced concern Monday over the poisoning death of a prominent Kremlin critic in London, portraying it as another worrisome signal about the political situation in Russia. … His comments suggested that Bush will also be discussing growing concern in Europe and the United States over rising authoritarianism in Russia under President Vladimir Putin and his hostile relations with some of the new democracies on Russia's borders. Bush will participate in a round of meetings Tuesday morning with Ilves and other Estonian leaders before flying to Riga, Latvia, for the NATO summit. Ilves said he would be discussing Russia's difficult relations with some of its neighbors, especially Georgia, which he visited last week for consultations."

OECD Criticizes Russian Government's Economic Interference. The Financial Times (11/28, Ostrovsky) reports the Organisation for Economic Co-operation and Development "slammed the Russian government for its expansion into key economic sectors and raised concern about the 'seemingly insatiable appetite' of Gazprom, its state-run energy giant. In a critical report on the Russian economy, the OECD also said that the Kremlin's expansion into key economic areas was a 'disturbing trend' that 'bodes ill' for the country's growth. … 'The expansion of state ownership in important sectors will probably contribute to more rent-seeking, less efficiency and slower growth,' the OECD said."

US Urged To Regard Putin As An "Enemy." The Wall Street Journal's Bret Stephens (11/28) writes, "It's time we start thinking of Vladimir Putin's Russia as an enemy of the United States. … The foreign policy of Russia has become openly, and often gratuitously, hostile to the U.S." According to Stephens, "It was George W. Bush who first saw gold in Mr. Putin's soul, sometime after the Russian had decimated the city of Grozny. It was Condoleezza Rice who came up with the formulation after the Iraq war that the U.S. should 'punish France, ignore Germany and forgive Russia.' And it was this administration that agreed last week to Russian membership in the World Trade Organization, with Mr. Bush thanking Mr. Putin for 'your time and friendship.'"

US Visit Seen As Opportunity For Ukraine's Yanukovych. The Washington Post (11/28, Finn, 690K) reports Ukraine's so-called "Orange Revolution has been kindest to the man who played the villain to the waves of protesters who rolled onto the streets of this capital two years ago. Viktor Yanukovych, once cast as the bluff hack who tried to steal Ukraine's presidential election, is back in power as prime minister thanks to free and fair parliamentary elections in March that were made possible only by the street protests of late 2004. As he prepares for his first official trip to Washington, a four-day visit beginning Sunday, Yanukovych is suddenly projecting himself as the voice of democratic reform. He also appears eager to assure his White House hosts that his popular image as a pro-Russian straw man is a gross distortion. Now, he suggests that he, too, was a catalyst in the transformation of this once stagnating country into the most politically competitive of all the post-Soviet states, a nation where debate is dynamic and where power, ultimately, resides with the people."

Substance Used To Poison Litvinenko Not As Rare As Previously Thought. ABC World News (11/27, story 4, 2:31, Gibson, 8.78M) reported, "In London, potential clues surfaced in the radiation poisoning death of former Russian spy Alexander Litvinenko." ABC added, "British investigators found traces of the radiation that killed Alexander Litvinenko in three more places the former Russian spy visited but still no real suspects in his poisoning. Just theories. One theory, the Russian security services, the FSB, acting on orders from the government or on their own. Another, President Vladimir Putin's enemies orchestrated the murder to embarrass him and more bizarrely, that Litvinenko killed himself." ABC notes polonium 210 "can be found in commercially-available photo equipment." Professor Peter Zimmerman, nuclear physicist: "It's a lot easier to get a lethal dose of polonium and to prepare it for administration than we thought on the weekend. I think there's a lot of people that could do this." The CBS Evening News (11/27, story 8, 0:50,

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MacVicar, 7.66M) reported, "So far, at least three people are being tested for radiation poisoning. They're all reporting some kind of illness. One word the police are not using is 'murder.' They are calling Litvinenko's death suspicious, but they also say they are not ruling anything in or out."

Radiation Reportedly Detected At Berezovsky's Office. The New York Times (11/28, Lyall, 1.16M) reports, "Four days after Mr. Litvinenko died…the police do not seem any closer to solving the mystery of how he was poisoned. … The BBC reported that radiation had been detected in a West End office building and at a building in Mayfair. [Wire services and the Tuesday Guardian cited various sources as saying that one of the buildings included the office of Boris Berezovsky, the exiled Russian tycoon, who had a long association with Mr. Litvinenko, and the Guardian said, citing anonymous sources, that traces had been found there.]" The Washington Post (11/28, Sullivan, 690K) reports Berezovsky "said in a telephone interview last week that he visited Litvinenko in the hospital during his illness and said Litvinenko told him he had 'no doubt' that he had been poisoned on the 'order from President Putin to kill him.'" The Washington Post's Eugene Robinson (11/28, A19) writes, "every once in a while, an episode such as the death of Alexander Litvinenko comes along to boost the morale of conspiracy theorists -- and remind the rest of us that there does exist a secret world full of characters and plotlines so bizarre and implausible that the bard of betrayal, novelist John le Carre, would be embarrassed to write them."

Thousands Protest Pope's Trip To Turkey. ABC World News (11/27, story 5, 1:43, Gibson, 8.78M) reported, "an extraordinary security mobilization is under way in Turkey tonight ahead of the Pope's four-day visit, beginning tomorrow. … The Vatican is so worried about hostile crowds that Benedict won't be using the Popemobile at all this trip. Instead, he'll ride in more heavily armored cars with several decoys. Beneath his papal cassock he may be wearing a bullet-proof vest. He embarks on his first papal trip to a Muslim country Benedict expressed respect and esteem friendship for the Turkish people. But thousands in Istanbul don't share that goodwill. Their banners said 'Pope Don't Come.'"

Pope's Visit Said To Expose Instability Of Turkey's Secular Society. The New York Times (11/28, Tavernise, 1.16M) reports, "A short 24 hours before a visit by Pope Benedict XVI to this Muslim country, its prime minister finally agreed to meet him publicly. The venue: the airport, on the Turkish leader's way out of town. The elaborate, last-minute choreography pointed to the deep divide that has festered within Turkish society since the foundation of the modern state. … The pope's visit, which begins Tuesday, falls squarely on that sensitive fault line and has brought into stark relief a slow but steady shift: Turkey is feeling its Muslim identity more and more. The trend worries secular Turkish politicians, who believe the state's central tenet is under threat."

Impasse Over Cyprus Stalls Turkey EU Bid. The Wall Street Journal (11/28, A4, 2.04M) reports, "A failure to get a deal on Cyprus will lead to at least a two- to three-year pause in Turkey's negotiations to enter the European Union, analysts, officials and business leaders say. … Negotiations in Helsinki over Cyprus between Turkey and the EU collapsed yesterday. The EU had demanded Turkey open its ports to trade with the Greek-speaking part of Cyprus. Turkey had demanded that the EU open its borders to trade with Turkish-speaking Northern Cyprus."

Author Discusses Turkey EU Bid, Pope Visit. In an op-ed for the Wall Street Journal (11/28, A14, 2.04M) Hugh Pope, author of "Sons of the Conquerors: The Rise of the Turkic World," writes, "If the much-bruised Turks agonize long and loud about when they'll ever be accepted as Europeans, the Europeans seem willfully blind to the Turks. Another crisis looms in the long-running negotiations over Turkey's possible membership of the European Union, this time over the conveniently distracting issue of access to Turkish ports for Cypriot ships. Meanwhile the reigning pope, who wants to reclaim Europe for Christianity to the exclusion of the Turks, today touches down in this Muslim land."

Activist Who Exposed Forced Abortions In China Subjected To Second Trial. The New York Times (11/28, Kahn, 1.16M) reports, "A Chinese legal expert who exposed abuses in the country's population control policies began a rare second trial on Monday, but his lawyers accused local authorities of preventing them from mounting a vigorous defense. The legal expert, Chen Guangcheng, was sentenced in August to four years and three months…for destroying property and organizing a mob to disrupt traffic. A higher court later quashed the verdict and ordered a new trial, which some supporters of Mr. Chen cited as an important breakthrough for China's Communist Party-run judicial system. But the first day of the new trial, held in the same

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county court, ended in acrimony. Several of Mr. Chen's most important witnesses were prevented from attending the hearing by thugs who had the backing of local officials, his lawyers said, and the judges in the case declined to grant a defense request to delay the trial." The Washington Post (11/28, Fan, 690K) reports, "The retrial of a blind legal activist kicked off in eastern Shandong province Monday, but not without some of the same courtroom tumult that characterized his first trial, which was widely denounced by human rights advocates, lawyers said. … Chen "highlighted abuses in family planning programs around Linyi. … Officials, whose promotions depended on not exceeding birth quotas, had forced thousands of men and women to have abortions and sterilizations, often conducting midnight raids and beating or holding residents hostage until they complied."

Rebels Attack Darfur Oil Field. The AP (11/28, De Montesquiou) reports, "Darfur rebels attacked an oil field in a rare extension of their campaign east toward the Sudanese capital and said Monday the military garrison guarding the field had surrendered. But the government said its forces repelled the assault and were in full control of the Abu Jabra oil field Monday. The attack on the field on the edge of South Darfur appeared to be another sign that Darfur's violence was spreading across the region. … A Sudanese official in the oil industry said Abu Jabra's capacity had been damaged in the attack, but insisted it would not affect overall production. The state-owned facility pumps up to 10,000 barrels per day — a relatively small output."

UN Facilities In Chad Looted. The AP (11/27, Faul) reports, "With gunfire sounding in the distance, workers took stock Monday of looted U.N. warehouses and government offices in this town in eastern Chad, the latest victim of unrest that started in Sudan's Darfur region and has spread across a swath of Africa. Chadian rebels who have bases in Darfur seized this hub for humanitarian workers Saturday, and government forces retook it Sunday. Amid the upheaval, looters pillaged some $1.5 million in U.N. aid and carted off goods from a courthouse, a national bank office, a cigarette factory and the state archives, said Ouaddai provincial Gov. Mahamat Nimir Hamata."

Ecuador's Likely Next President Promising Radical Reforms. The AP (11/27, Hayes) reports Rafael Correa, "the leftist nationalist headed to victory in Ecuador's presidential race, is already planning radical reforms when he takes office in January. That is putting him on a fast track to a dangerous confrontation with the country's opposition-controlled Congress — a body he has called a 'sewer' but which he needs to carry out his reforms." Correa "calls himself a 'personal friend' of Venezuela's anti-U.S. President Hugo Chavez."

Latin America Resists Liberalized Abortion Laws. The Washington Post (11/28, Aizenman, 690K) reports on the "debate over the proper limits on abortion that is raging…across Latin America. With the exception of Cuba, every nation in this predominantly Catholic region either totally prohibits abortion or limits it to extreme circumstances. And while the global trend over the past decade has been to liberalize abortion laws, efforts to do so in Latin America have been met by an equally determined campaign to strengthen them further. So far, the anti-abortion camp's greatest triumph has been in El Salvador, where in 1998, at the public urging of San Salvador's Archbishop Fernando Saenz Lacalle, lawmakers removed all exceptions to the nation's ban on abortion and increased penalties to up to 50 years' imprisonment."

Castro Government Cracks Down On Rock Climbing. The Wall Street Journal (11/28, 2.04M) reports, "As Cubans begin contemplating life after Fidel Castro, rock climbing has emerged as an improbable political battleground between the government and young Cubans eager to embrace the latest foreign fashions. In 2003, amid a broad crackdown on civil liberties and fraternizing between tourists and Cubans, the government announced that rock climbers henceforth would be required to obtain a special permit. But the government has never granted the required permit to the many climbers who have requested one. Many Cubans and foreigners have continued climbing."

Bush Twins Reportedly Defied US Embassy's Request To Leave Argentina. ABC News' "The Blotter" (11/27) reported, "Amid a growing barrage of front-page headlines, U.S. embassy officials 'strongly suggested' President Bush's twin daughters, Jenna and Barbara Bush, cut short their trip to Buenos Aires because of security issues, U.S. diplomatic and security sources tell ABC News. But the girls have stayed on, celebrating their 25th birthday over the weekend and producing even more headlines about their activities.

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Officials say the media coverage upstaged publicity plans for the new U.S. Ambassador Anthony Wayne, who had only recently arrived in the country. The Argentinean press blitz followed a report on 'The Blotter' last week that Barbara Bush's purse and cell phone were stolen last weekend while dining at the popular San Telmo outdoor marketplace despite being guarded by the Secret Service. … According to sources, the U.S. embassy encouraged the two girls to cut their stay short because the added attention was making their security very difficult. But to the dismay and anger of some U.S. embassy and security staff, the girls stayed on."

Embassy Denies ABC News Report. The Washington Post's "Reliable Source" column (11/28, Argetsinger, Roberts) reports, "Late yesterday, the US Embassy there issued a statement denying an ABC News report that embassy officials had 'strongly suggested' the twins cut their trip short because of security issues. … Rather, embassy officials provided 'close support and cooperation.' Barbara left the country late Sunday night; plans called for Jenna to party on until Thursday."

LATimes Celebrates Nepalese Peace Accord. The Los Angeles Times (11/28, 850K), in an editorial, writes, "let us take a moment to celebrate developments in Nepal, whose people danced in the streets last week after Maoist rebels signed a peace accord with the government to end a decade-long insurgency that has killed 13,000 people. Nepal's political progress has been nothing short of remarkable. In less than seven months, its demonstrations of 'people power' have forced a tyrannical king to surrender power and pushed the violent insurgents to the negotiating table."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:

"Rising Violence Swells Ranks Of Iraq's Militias."
"Insurers Learn To Pinpoint Risks -- And Avoid Them."
"Congo Cult Has A Passion For Fashion."
"Hollywood Parade Is A Bit Out Of Step."
"Israeli Premier Offers Concessions To Palestinians."
"Which Officer Shot Girl Can't Be Known."

USA Today:

"Afghan Opium Fight Hurts Poorest."
"Canning Coach Can Cost College Millions."
"Laws Prohibit Smoking Around Children."
"Fence Plan Alarms Landowners."

New York Times:

"Panel To Weigh Overture by U.S. To Iran And Syria."
"Chilling Echo For Lebanon, Mirror Of Regional Tension."
"Lure of Great Wealth Affects Career Choices."
"City That Takes Rain In Stride Puts On Hip Boots."
"Zoning Laws That Bar Pedophiles Raise Concerns."
"A G.O.P. Breed Loses Its Place In New England."
"50 Shots Fired, And The Experts Offer A Theory."

Washington Post:

"Civil War In Iraq Near, Kofi Annan Says."
"Developers Face A Chillier Montgomery."
"Anbar Picture Grows Clearer, And Bleaker."
"Bush To Pursue Fresh NATO Commitments."
"District Faces $300 Million Budget Shortfall."
"N.Va. Proposal Draws Resistance."
"Glad Tidings Of Little Comfort, No Joy."
"Nicaragua's Total Ban On Abortion Spurs Critics."

Washington Times:

"Bush To Spur NATO On In Afghan Fight."
"Imams' Behavior Seen As Terror Probe."
"Cintas Warned Against Firing Immigrant Force."
"Blacks Eye Top Job In Maryland Senate."
"How To get Away With It."
"ERA Proponents Roused By Sea Change In Congress."

Detroit Free Press:

"Inside Ford's $18-Billion Gamble."
"Spartans Land Right Man For Tough Job."
"With Bodies On Display, Science Center To Attract Visitors And Ethical Questions."

Atlanta Journal-Constitution:

"Police Lied, Informant Says."
"Bittersweet Preservation."
"Frustrated Stars Can Lose Cool."
"Tough Options Await Bush, Iraqi Leader."

Houston Chronicle:

"Trucker's fate Again In hands Of Jury."
"Houston Unlikely To Meet Deadline On Ozone."
"Freedom For Durst just One Away."
"Hezbollah Reportedly Training Shiite Militia."
"Immigration Alone Didn't Sway Hispanics From GOP."

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Story Lineup From Last Night's Network News:

ABC: Iraq-ISG Plan; Iraq-Violence Aftermath; Olmert-Peace Offering; Litvinenko Investigation; Pope-Turkey Visit; Organic Food, Wal-Mart; NYPD-Shooting Investigation; Holiday Shopping.

CBS: Iraq-Middle East; Iraq-ISG Plan; Missouri-Group Home Fire; Group Home Dangers; Economic Brief; Holiday Shopping; NYPD Shooting; Litvinenko Death Investigation.

NBC: Iraq Civil War; Traveling White House; Sectarian Violence-Baghdad; Police Shooting-NYC; Missouri Fire; Nuclear Facilities Safety; Ford Motor Company-Restructuring; Stock Market; Cyber Monday; Pain Relief Therapy.

Story Lineup From This Morning's Radio News Broadcasts:

ABC: Bush-Estonia; Iraq Study Group; Pope-Turkey; Organic Food Sales Up; Chicago-Concern About Ads For Film "The Nativity Story" Being Shown At German Christmas Festival; Wall Street.

CBS: Bush-Estonia; Hezbollah-Al-Sadr; Justice Dept. Investigation NSA Spying Program; Trial Of Mom Who Threw Children Into SF Bay; Seattle-Heavy Precipitation; Anderson, Kid Rock Divorce; Peter Tosh Guitar Pulled From Auction.

NPR: Iraq Study Group; Litvinenko Investigation; FDA Fines Red Cross For Violating Blood Safety Laws; WI-Land Dispute With Animal Rights Group; Pope-Turkey.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Participates in an arrival ceremony, Kadriorg Palace, Tallinn, Estonia; meets with the President of Estonia, Kadriorg Palace, Tallinn, Estonia; meets with the Prime Minister of Estonia; participates in greeting with Democracy Promoters; holds joint news availability with the President of Estonia, National Bank of Estonia, Tallinn; attends lunch with the President of Estonia, Estonian National Opera House, Tallinn; meets with the President of Latvia, Riga Castle, Riga; speaks at Latvia University, Riga; meets with the NATO Secretary General, Latvian National Opera House, Riga; participates in NATO working dinner, Latvian National Opera House.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: ENERGY-LATIN AMERICA _ The Inter-American Development Bank holds a conference on sustainable energy and climate change in Latin America and the Caribbean. Highlights: 9:30 a.m. Session on challenges and opportunities, with Jose Goldemberg, Secretary of Environment, Sco Paulo State; Klaus Toepfer, former Executive Director, United Nations Environment Programme; Roberto Dobles Mora, Minister of Environment and Energy, Costa Rica; Michelle Bachelet, President of Chile. 12:30 p.m. Luncheon speaker - Pennsylvania Environment Secretary Katie McGinty. Location: IADB, 1330 New York Ave. NW.

TEACHER CERTIFICATION _ The National Academies holds a conference on evaluation of the impact of teacher certification. Location: Keck Center, 500 5th St. NW.

CHILD SEX TRAFFICKING _ 9 a.m. - 7:30 p.m. The School of Advanced International Studies holds a conference on combating child sex tourism and pornography on the Internet. Highlights: 10 a.m. Opening remarks by Laura Lederer, senior advisor on Trafficking in Persons to the Undersecretary of State for Democracy and Global Affairs. 1:30 p.m. Panel on ``Government Perspectives, Government Responses and Public-Private Partnerships in Combating Child Sex Tourism and Child Pornography with Claude Daventport, DHS; Augustus Fennerty, FBI; Andrew Oosterbaan, Jusatice Department; Ernest Allen, National Center for Missing and Exploited Children. Location: Kenney Auditorium, 1740 Massachusetts Ave. NW.

100 DAY AGENDA _ 9 a.m. The Center for American Progress holds a briefing to release its recommendations for a 100 day agenda for the 110th Congress. Location: 11th floor, 1333 H St. NW.

CHERTOFF _ 9 a.m. Homeland Security Secretary Chertoff speaks at the 2006 Grant and Training National Conference. Location: Washington Hilton & Towers, 1919 Connecticut Ave. NW.

ENERGY ISSUES _ 9 a.m. Red Cavaney, President of the American Petroleum Institute, Tom Kuhn, President of the Edison Electric Institute, and Roger Cooper, Executive VP of the American Gas Association, will be the guests at a media breakfast, sponsored by The Energy Daily, discussing post-election energy issues and outlook. Location: National Press Club.

TERRORISM _ 9 a.m. The National Consortium for the Study of Terrorism and Responses to Terrorism holds a

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panel discussion on ``Framing Counterterrorism: Comparing Perspectives and Goals. Location: National Press Club.

US-VISIT _ 9 a.m. Assistant DHS Secretary for Policy Stewart Baker will deliver the keynote address for the U.S. Department of Homeland Security Privacy Office, US-VISIT, and DHS Biometrics Coordination Group. Location: Reagan Trade Center.

US-CUBA _ 11 a.m. Julia Sweig of the Council on Foreign Relations holds a telephone briefing on U.S.-Cuba relations after Fidel Castro's death. Notes: News media only. Call in number: 800-247-5110; passcode: Castro. RSVP by 5 p.m. Monday.

TAX REFORM _ 12 p.m. Deputy Assistant Treasury Secretary Robert Carroll speaks on tax reform at the Georgetown University Law Center Tax Council. Location: 600 New Jersey Ave. NW.

TRADE _ 12:30 p.m. The US Chamber of Commerce holds a forum on the future of the US trade agenda. Luncheon address by USTR Susan Schwab. Location: 1615 H St. NW.

ELECTION ANALYSIS _ 6:30 p.m. The National Interest and the World AFfairs Council sponsor a panel discussion to analyze the election results, with Paul Glastris of National Journal, Nikolas Gvosdev of The Washington Monthly, Karen Tumulty of The National Interest, others. Location: B-1 conference level, CSIS, 1800 K St. NW.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: TUESDAY, NOVEMBER 28, 2006 7:45 AM EST

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TERRORISM NEWS:

Justice IG To Examine Use Of NSA Surveillance. The Washington Post (11/28, A10, Eggen) reports, "The Justice Department's inspector general yesterday announced an investigation into the department's connections to the government's controversial warrantless surveillance program, but officials said the probe will not examine whether the National Security Agency is violating the Constitution or federal statutes." The Post continues, "In a letter to House lawmakers, Inspector General Glenn A. Fine said his office decided to open the probe after conducting 'initial inquiries' into the program. Under the initiative, the NSA monitors phone calls and e-mails between people in the United States and others overseas without court oversight if one of the targets is suspected of ties to terrorism. … The 'program review' will examine how the Justice Department has used information obtained from the NSA program, as well as whether Justice lawyers complied with the 'legal requirements' that govern it, according to Fine's letter. Officials said the review will not examine whether the program itself is legal."

The Washington Times (11/28, Seper) reports, "The Justice Department has described the surveillance program, initiated after the September 11 attacks, as 'an essential tool for the intelligence community' in its war on terror, adding that it 'ensures we have in place an early warning system to detect and prevent a terrorist attack.' .. 'In the ongoing conflict with al Qaeda and its allies, the president has the primary duty under the Constitution to protect the American people,' the department said in a briefing paper. 'The Constitution gives the president the full authority necessary to carry out that solemn duty, and we believe the program is lawful and protects civil liberties.' … Attorney General Alberto R. Gonzales has called the program's scope 'very narrow,' saying it focused only on communications with al Qaeda. He said it had been 'very effective' in protecting the United States and that reviews of it by lawyers at the Justice Department and the NSA found it to be legal." The Times adds, "The White House has agreed to give investigators from the inspector general's office special clearances to probe the program, Mr. Fine noted in his letter, which was sent to Chairman F. James Sensenbrenner Jr., Wisconsin Republican, and the panel's ranking Democrat, Rep. John Conyers Jr. of Michigan."

The AP (11/28, Jordan) reports, "Fine's investigation is not expected to address whether the controversial program is an unconstitutional expansion of presidential power, as its critics and a federal judge in Detroit have charged. … Justice Department spokesman Brian Roehrkasse said the agency welcomes the review: 'We expect that this review will assist Justice Department personnel in ensuring that the department's activities comply with the legal requirements that govern the operation of the program.'"

McClatchy Newspapers (11/28, Taylor) reports, "Rep. Zoe Lofgren, D-Calif., said a broader investigation was needed because Congress had been kept largely in the dark about the workings of the program and couldn't determine whether the administration's use of the program was legal. In January, Fine declined a request from Lofgren and other Democrats for a more sweeping probe, saying his office lacked jurisdiction. … 'Congress needs to craft legislation so that terrorists can be the subject of surveillance while the Constitution of the United States is honored,' Lofgren said. 'To do that, a full investigation into the program as a whole, not just the (Justice Department's) involvement, will be necessary.' … After turning down the request, Fine had referred it to the Justice Department's Office of Professional Responsibility, which reviews allegations of wrongdoing by Justice Department employees. But the Office of Professional Responsibility was denied security clearances to conduct the investigation. … Attorney General Alberto Gonzales later revealed that President Bush had personally refused to grant the security clearances."

The New York Times (11/28, Lichtblau) reports, "Democrats said they saw the investigation as a welcome step that could answer questions about the operations and legal underpinnings of the program, which allows the National Security Agency to monitor, without obtaining court warrants, the international communications of Americans and others inside this country with suspected terrorist ties. … 'This is a long overdue investigation of a highly controversial program,' said Representative John Conyers Jr., the Michigan Democrat who will take over as chairman of the House Judiciary Committee." The Times adds, "The review will have a somewhat different scope than the investigation sought and rejected last year. The review, Mr. Fine said in his letter, will examine the controls in place at the Justice Department for the eavesdropping, the way information developed from it was used, and the department's 'compliance with legal requirements governing the program.' … Officials said the investigation could examine the legal authority given to the Justice Department under a secret executive order first signed by Mr. Bush in October 2001, as well as the laws and procedures governing intelligence wiretaps under the Foreign Intelligence Surveillance Act, which was approved by Congress in 1978 after the Watergate scandal and required a special court warrant for wiretaps on Americans. The review could also look at how intelligence generated by the

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eavesdropping was used to seek traditional court warrants and to pursue criminal cases, the officials said."

ABC News (11/28, Ryan) reports, "Members of Congress have been asking for the internal Justice Department review since the program was first disclosed by the New York Times last year. … 'After trying for nearly a year to get DOJ to conduct an investigation of the NSA's warrantless spy program, I am very pleased to learn that the agency's inspector general is finally opening an investigation,' Rep. Maurice Hinchey, D-N.Y., said in response to Fine's letter."

Civil Liberties Board Impressed By Privacy Safeguards In NSA Program. The AP (11/28, Solomon) reports, "After a delay of more than a year, a government board appointed to guard Americans' privacy and civil liberties during the war on terror has been told the inner workings of the government's electronic eavesdropping program." The briefing for the Privacy and Civil Liberties Oversight Board "had been delayed because President Bush was concerned -- after several press leaks -- about widening the circle of people who knew the exact details of the secret eavesdropping program." Board members "told The Associated Press they were impressed by the safeguards the government has built into the NSA's monitoring of phone calls and computer transmissions and wished the administration could tell the public more about them to ease distrust. 'If the American public, especially civil libertarians like myself, could be more informed about how careful the government is to protect our privacy while still protecting us from attacks, we'd be more reassured,' said Lanny Davis, a former Clinton White House lawyer who is the board's lone liberal Democrat." Davis "said he believes the administration could tell the public more about the program's protections without compromising national security." Alan Raul, "a former Reagan White House lawyer and the board's vice chairman, said he too was impressed."

High Court Allows US Review Of Records In NYTimes Leak Case. The New York Times (11/28, Liptak) reports, "The United States Supreme Court refused yesterday to stop a federal prosecutor from reviewing the telephone records of two reporters for The New York Times. The records, the newspaper said, include information about many of the reporters' confidential sources." The Times continues, "In a one-sentence order offering no reasoning and noting no dissenting votes, the Supreme Court rejected a request from The Times to stay a lower court's decision while the paper tried to persuade the justices to review the case. … Yesterday's order effectively allows the United States attorney in Chicago, Patrick J. Fitzgerald, to begin reviewing the records, which he has already obtained from the reporters' phone companies, as early as this week." The Times adds, "The Justice Department told the Supreme Court on Friday that Mr. Fitzgerald was under enormous time pressure. 'The statute of limitations,' the government said, 'will imminently expire on Dec. 3 and 13, 2006, on certain substantive offenses that the grand jury is investigating.' … The grand jury, in Chicago, is looking into who told the reporters, Judith Miller and Philip Shenon, about actions the government was planning to take in December 2001 against two Islamic charities in Illinois and Texas. The disclosures to the reporters, the government lawyers wrote on Friday, may have amounted to obstruction of justice."

The AP (11/28, Yost) reports, "The case marks the second refusal by the court in as many years to sort out a clash between the federal government and the Times over press freedom. … In June 2005, the Supreme Court refused to take up the Times' request to hear an appeal in the CIA leak investigation involving the outing of Valerie Plame. In that case, Miller, who retired from the Times a year ago, spent 85 days in jail before agreeing to testify to a federal grand jury. Fitzgerald, in a role as a special counsel, conducted that leak investigation as well." The AP adds, "Monday's rejection 'is just further indication that we're getting absolutely nowhere with the court when it comes to protecting confidential sources,' said Lucy Dalglish, executive director of the Reporters Committee for Freedom of the Press. … The case points out a growing problem of reporters trying to protect their sources in the information age, press advocates say. Rather than threatening reporters with jail if they don't testify, the government can go through the back door to hunt down confidential sources by amassing phone records and credit card receipts."

The Wall Street Journal (11/28, A4, 2.04M) reports the order deals with the "records of two Times reporters in a leak investigation of a terrorism-funding probe. The one-sentence order came in a First Amendment battle that involves articles written in 2001 by New York Times Co. reporters Judith Miller and Philip Shenon. The articles revealed the government's plans to freeze the assets of two Islamic charities, the Holy Land Foundation and the Global Relief Foundation." The dispute "stems from Mr. Shenon and Ms. Miller calling two charities for comment after learning of the planned freeze on their assets from confidential sources." The Justice Department "says the reporters' calls tipped off the charities to coming government raids." The Washington Post (11/28, A4, Barnes, 690K) also reports the story.

Gingrich Says Terror Threat May Necessitate Curtailing Freedom Of Speech. The New Hampshire Union Leader (11/28, Yates) reports that former House Speaker Newt Gingrich, in Manchester, NH, on Monday, "said the country will be forced to reexamine freedom of speech to meet the threat of terrorism." Gingrich

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said that "a 'different set of rules' may be needed to reduce terrorists' ability to use the Internet and free speech to recruit and get out their message. 'We need to get ahead of the curve before we actually lose a city, which I think could happen in the next decade,' said Gingrich," who "spoke to about 400 state and local power brokers last night at the annual Nackey S. Loeb First Amendment award dinner, which fetes people and organizations that stand up for freedom of speech." In his speech, Gingrich also "sharply criticized campaign finance laws he charged were reducing free speech and doing little to fight attack advertising," and "said court rulings over separation of church and state have hurt citizens' ability to express themselves and their faith."

PATRIOT ACT:

Muslim Charity Sues Bank, Argues Patriot Act Unconstitutional. The AP (11/28) reports, "A Muslim charity raided by federal agents in September has sued a bank, saying it violated the charity's civil rights by planning to close its accounts." The AP continues, "The charity, Life for Relief and Development, based in Southfield, Michigan, also seeks an injunction to stop Comerica Bank from giving other banks any information it might have about the organization. The charity is challenging the constitutionality of a section of the Patriot Act, which allows financial institutions to share information about suspected money laundering or terrorist activity." The AP adds, "The Patriot Act, approved by Congress shortly after the Sept. 11, 2001, was designed to give law enforcement agencies more tools to combat terrorism, but some provisions were challenged on constitutional grounds for restricting civil liberties. … Comerica had told the charity that it planned to terminate the accounts Nov. 15, but granted an extension, according to the lawsuit." The AP notes, "FBI agents assigned to a terrorism task force searched Life's offices Sept. 18, seizing computer servers, donor records and other financial documents. They also searched the homes of the charity's chief executive, an ex-employee and two board members. .. The FBI would not say what agents were looking for, but charity officials have said it might be related to relief work the group did in Iraq. The international humanitarian organization also is active in Afghanistan. .. No charges have been filed. The charity has sought to reassure the Detroit area's Muslim community that it is legal to donate money to the organization, which was founded in 1992 by Iraqi immigrants." The Detroit Free Press (11/27, Warikoo, 373K) reported, "The filing occurred days after a senior vice president with Comerica, James Garavaglia, met with Arab-American leaders to explain how the Patriot Act requires banks to work with the government. Charity officials worry that Life's reputation would be harmed if Comerica officials spread allegations about the group to other banks."

HOMELAND RESPONSE:

Religious Leaders Stage "Pray-In" Over Muslim Clerics' Removal From Flight. The Washington Post/AP (11/28, A10, Miller) reports, "Imams, ministers and a rabbi staged a pray-in yesterday at Reagan National Airport and demanded an apology from US Airways for barring six Muslim clerics from a Minneapolis-to-Phoenix flight last week. The religious leaders called for an end to racial profiling, saying it was unacceptable in the United States." A US Airways spokeswoman said "prayer was never the issue," and that suspicion was sparked over what one passenger "thought were anti-US statements." The spokeswoman "also said the men got up and moved around the airplane, so the flight crew consulted with the airline about whether they might pose a security risk. Local law enforcement and the FBI thought they did, she said." USA Today (11/28, 11A, 2.27M) also runs a brief report on the "pray-in."

Under the headline "How The Imams Terrorized An Airliner," the Washington Times (11/28, Hudson, 88K) reports, "Muslim religious leaders removed from a Minneapolis flight last week exhibited behavior associated with a security probe by terrorists and were not merely engaged in prayers, according to witnesses, police reports and aviation security officials." The article offers no new information about last week's incident, but quotes "a federal air marshal who asked to remain anonymous" as saying that the clerics moving to seats throughout the plane would have alarmed him. "They now control all of the entry and exit routes to the plane," said the air marshal. Robert MacLean, a former air marshal, said the clerics "should have been denied boarding and been investigated. It looks like they are trying to create public sympathy or maybe setting someone up for a lawsuit." A "pilot with another airline who talked to The Washington Times on condition of anonymity, said he would have made the same call as the US Airways pilot."

Threat Note, Containers Prompt Temporary Closure Of Lincoln Memorial. The Washington Post (11/28, B3, Sheridan, Dvorak, 690K) reports the Lincoln Memorial was closed for more than two hours yesterday after authorities received "reports of a suspicious liquid and a threatening note on the grounds, officials said. Tests showed no evidence of a harmful substance. DC firefighters received a call at 12:40 p.m. reporting that a bottle believed to contain a liquid was found in the women's restroom in the base of the memorial, fire and federal homeland security officials said." Before a hazardous materials unit arrived, a letter asking, "Do you know what anthrax is?" and "Do you know what a bomb

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is?" was found on the statue, according to officials. "In addition, a thermos that police found on the memorial steps was initially considered suspicious, officials said."

In an article appearing on at least 40 news websites throughout the nation, the AP (11/27, Takruri) reported, "An official from the Department of Homeland Security, who asked to not be identified because his agency was not in charge of the incident, quoted the questions about anthrax and bombs."

Union Hopes Democratic Congress Will Allow TSA Screeners To Bargain Collectively. In his "Federal Diary" column appearing in the Washington Post (11/28, D4, 690K), Stephen Barr writes, "Proposals to allow TSA screeners to unionize have not gained traction in Congress, but [American Federation of Government Employees] officials hope that will change when Democrats take control of the House and Senate next year. Rep. Nita M. Lowey (D-N.Y.), who lost a vote on an amendment that would have let screeners engage in bargaining, plans to push the issue, her spokeswoman said."

Intelligence Agencies Investing Millions In College Programs. USA Today (11/28, 8A, Willing, 2.27M) reports, "The US intelligence community pours millions into higher education, paying for hundreds of scholarships, intelligence-related courses and fellowships at nearly a dozen universities, public documents and interviews with officials show. … The sponsoring agencies, including the CIA, say the programs help ensure they get enough recruits skilled to wage the war on terrorism." However, they have also "revived a decades-old debate about the proper relationship between intelligence agencies and academia," prompting "comparisons to the 1950s, when the FBI sometimes encouraged students to report on professors' political leanings, and the 1960s, when the CIA paid for the National Student Association and tapped its members for intelligence work."

In New Book, CIA Agent Describes Training Of First Post-9/11 Class. In a Washington Times (11/28, 88K) column, Gary Anderson writes, "Among the agencies of the federal government, three are legendary: the Marine Corps, the FBI and the CIA. … If they have anything in common it is that their field officers all go through a similar basic training and education course." In his new book, "Class 11," agent T.J. Waters describes his CIA training, and Anderson notes that until he read the book, "I was not aware of how closely the basic schooling of CIA officers is to that of the Marines and the FBI. Class 11 was the first post-September 11 class at the CIA. Consequently, it was larger and much more diverse than its predecessors." Anderson adds that Waters "does a creditable job," and "the reader comes away with a deeper understanding of one of our most misunderstood organizations."

WAR NEWS:

White House Insists Iraq Conflict Not A "Civil War." On the day NBC Nightly News (11/27, lead story, 2:50, Mitchell, 9.87M) announced it would start referring to the Iraq conflict a "civil war," the White House continued to dispute the use of that term. However, comments by the President on the issue appeared to be at odds with the case made by his National Security Adviser to describe the White House's stance . The AP (11/28, Riechmann) reports on a Bush news conference this morning in Estonia. The President said "the sectarian violence rocking Iraq is not civil war but part of an al-Qaida plot to use violence to goad Iraqi factions into repeatedly attacking each other." Bush also "said the latest cycle of violence does not represent a new era in Iraq. The country is reeling from the deadliest week of sectarian fighting since the war began in March 2003. 'We've been in this phase for a while,' Bush said." The AP adds, "This comment appeared at odds with the assessment of the president's national security adviser, who told reporters on the way to Estonia that Iraq is in a 'new phase' that requires changes."

National Security Advisor Stephen Hadley's comments had gotten plenty of play in the media. NBC Nightly News (11/27, story 2, 2:30, Gregory) reported Hadley said whether Iraq is in "a civil war or not, there are certainly a great deal of a wariness in the United States and beyond that the sectarian violence is out of control, that there is not enough progress quickly enough for the President's satisfaction." Hadley "called it a new phase over the past few days where the violence has sparked and reached new heights in Iraq -- a new phase of that violence the President wants to address."

The CBS Evening News (11/27, lead story, 2:15, Couric, 7.66M) said Hadley offered his "most ominous assessment yet of the violence in Iraq." CBS (Axelrod) went on to comment on what it deemed a "dramatic shift in rhetoric by…Hadley." The advisor, said CBS, had "to acknowledge reality." CBS also reported the White House "still doesn't want to use the words 'civil war' because that's the next category of chaos. But this is new." CBS quoted Hadley saying, "We are clearly in a new phase, characterized by this increasing sectarian violence. That requires us obviously to adapt to that new phase and these two leaders need to be talking about how to do that."

ABC World News (11/27, lead story, 3:00, Gibson, 8.78M) reported, "You can call it anarchy, you can call it chaos you can call it a civil war, whatever you call it, the events of recent days demonstrate that the situation in Iraq is at a critical juncture." ABC (Raddatz) added "the White

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House acknowledged that Iraq is quote, 'In a new phase and new solutions are urgently needed.' With Iraq continuing its descent into civil war after a wave of deadly sectarian violence, a White House official said things are not 'proceeding well and are not going fast enough in Iraq' and the US must find ways to, quote, 'adapt.'" The AP (11/28, Raum) quotes Hadley as saying, "Obviously everyone would agree things are not proceeding well enough or fast enough."

The Washington Post (11/27, Wright, Ricks, 690K) also notes Hadley's comments, and goes on to quote a statement by National Security Council spokesman Gordon Johndroe, "While the situation on the ground is very serious, neither Prime Minister [Nouri al-] Maliki nor we believe that Iraq is in a civil war. The Iraqi government is making slow but sure progress on important issues that will help stop the violence and bring the country together." The Post adds, "At least one Iraqi leader says otherwise. 'It's worse than a civil war. In a civil war, you at least know which factions are fighting each other,' lamented a senior member of Iraq's government in an interview a few hours after Johndroe's comments. 'We don't even know that anymore. It's so bloody confused.'"

A number of media reports, however, see political calculations behind the White House's rejection of the term "civil war." Typical of the coverage was the Baltimore Sun (11/28, Davis, 257K), which reports President Bush "has said he would not allow US troops to be caught 'in the crossfire between rival factions.' Conceding that a civil war has broken out in Iraq could undermine that promise and increase pressure for a quick withdrawal of American forces." That is why, adds the Sun, "the White House continued to resist the notion that Iraq had descended into civil war." Similarly, the CBS Evening News (11/27, lead story, 2:15, Axelrod, 7.66M) said "there's a huge difference when talking about a US troop involvement between doing something noble like bringing democracy to a region and being caught in another country's civil war." And on CNN's The Situation Room (11/27), correspondent Michael Ware reported from Baghdad, "If this is not a civil war, then I don't want to see one when it comes."

The Los Angeles Times (11/28, Gold, 850K) says NBC's decision "makes it the first television network to officially adopt the term 'civil war,' a description the Bush administration has resisted." The LATimes "was the first major news organization to formally adopt the description when it began to refer to the hostilities as a civil war in October, without public fanfare. No other major media outlet has made the phrase a matter of policy, although it has cropped up in various news reports." The White House, adds the Times, "has exerted pressure on the media not to use the term, journalists said, which led to newsroom caution over the issue. … Political analysts said NBC's public embrace of the term further complicated the administration's efforts to maintain that the violence had not spun out of control." USA Today (11/28, 2.27M) reports the "politically charged use of the term 'civil war'" put "the network at odds with the White House…and prompted renewed discussion among news outlets." CBS, ABC, CNN and Fox News "said that as sectarian violence has risen, their reporters have called the conflict a civil war, and will continue, though they plan no formal change in policy. On CNN Monday, correspondent Michael Ware said, 'If this isn't a civil war, I don't know what is.'" USA Today adds, "Recent dispatches in outlets such as the Los Angeles Times and New York Times also have referred to a civil war. USA TODAY calls the conflict 'the war in Iraq' and refers to 'sectarian violence' or 'religious fighting.'"

Annan Says Iraq On Brink Of Civil War. The AP (11/28, Ben Feller) reports, "UN Secretary General Kofi Annan said Monday that Iraq is close to civil war, as the Bush administration stepped up diplomatic efforts to stabilize the war-torn country." Annan "talked to reporters in New York as members of the Iraq Study Group were to discuss recommendations for changes in US war strategy. … Asked by reporters at the UN if Iraq is in a civil war now, Annan replied, 'I think given the developments on the ground, unless something is done drastically and urgently to arrest the deteriorating situation, we could be there. In fact we are almost there.'" The Washington Post (11/27, Wright, Ricks, 690K) calls Annan's comments "a sign of the growing global concern about Iraq's fate."

Carter Says Conflict Not A Civil War. Former President Jimmy Carter on CNN's Larry King Live (11/27) said, "I don't think there's anything wrong with calling it a civil war. It doesn't change the character of it just because NBC has said that. I don't think it's a misnomer for it." Pressed whether he would characterize it as a civil war, Carter replied, "No, I don't think so. I think this brings it up to a level that doesn't quite reach the level of most other civil wars. I just -- we helped at the Carter Center to monitor a election in the Republic of Congo which had a civil war where 4 million people died. We tried to bring peace to Sudan and two million people died in that civil war. Some civil wars are much more costly in historical terms than it has been in Iraq. But it's serious and the prospect for immediate secession of violence is completely absent."

More Commentary. Iraq Deputy Ambassador to the UN Feisal Istrabadi on CNN's The Situation Room (11/27) was asked whether Iraq was in the middle of a civil war. Istrabadi downplayed that terminology saying, "There are sound technical reasons for why this is not a civil war, including most clearly, because the population of Iraq, regardless of ethnicity or sectarian attachment or sect, overwhelmingly rejects this violence. What you have are death squads operating on each side, operated by extremists, targeting the civilians of the other side. In that sense, you don't have, for instance, the militias which is a real problem right now, you don't have the militias fighting each

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other. Rather, you have them operating as death squads, murdering the other side civilians."

Sen. Jack Reid on CNN's The Situation Room (11/27) reported, "I have been saying for years Iraq has been a low-level civil war. I think it is a civil war. You have different groups vying for political power which is one thing -- very good definition of a civil war."

Bush Reaches Out To Arab Leaders Ahead Of Meeting With Maliki. The New York Times (11/28, Cooper, 1.16M) reports that as President Bush "and his top diplomats try to halt the downward spiral in Iraq and Lebanon, they seem intent on their strategy of talking only to Arab friends, despite increasing calls inside and outside the administration for them to reach out to Iran and Syria as well." Bush and Secretary of State Condoleezza Rice "are traveling to Jordan this week for talks that are to include Iraq's prime minister and a number of Sunni Arab leaders but exclude the Iranians and Syrians, despite the influence they wield in Iraq and Lebanon." When Bush and Rice "arrive in Amman on Wednesday, they will try to enlist help from Sunni Arab leaders to try to rein in the violence in Iraq by putting pressure on Sunni insurgents. That was part of Vice President Dick Cheney's message to King Abdullah of Saudi Arabia during a brief visit on Saturday, administration officials said, and Mr. Bush will repeat that entreaty with King Abdullah II of Jordan, as will Ms. Rice when she meets for talks with Persian Gulf foreign ministers at the Dead Sea on Thursday and Friday." The Times adds, "Specifically, the United States wants Saudi Arabia, Jordan and Egypt to work to drive a wedge between the Iraqi prime minister, Nuri Kamal al-Maliki, and the anti-American Shiite cleric Moktada al-Sadr." The Financial Times (11/28, Dinmore, Khalaf) notes "officials close to…al-Sadr are reported to have said the radical Shia cleric is threatening to pull out of the national unity government if Mr Maliki does not put a stop to attacks on the Shia. They have also warned him against meeting Mr Bush in Amman, Jordan, tomorrow and Thursday."

CNN's The Situation Room (11/27, Malveaux) reported "Arab allies, Iraq's neighbors here, they want some sort of international regional conference, a way to look at the big picture here to get everyone involved, those players, as well as the United States. So that is why you're seeing this diplomatic offensive taking place" with Vice President Cheney "reaching out to Saudi Arabia and Jordan, as well as some of those other moderate allies. If the United States can't make some sort of impact with Iraq, then they want Iraq's neighbors to try to help out." CNN's Wolf Blitzer added, "By almost all accounts, it will be linked to a renewed US effort to try to jump-start Israeli/Palestinian peace process as well."

Maliki Expected To Ask Bush For US Withdrawal Timetable. The AP (11/28, Abdul-Zahra, Mroue) reports Iraqi officials said discussions between Bush and Maliki "will focus on giving Iraqis more control so U.S. forces can withdraw. … Iraqi officials believe the summit will deal with giving Iraqi forces more control over security. The Iraqis expect President Bush to agree to such an arrangement, and they say al-Maliki will then ask for the Americans to start discussing a timetable for the withdrawal of U.S. troops, according to one of the officials, who spoke on condition of anonymity." However, national security adviser Stephen Hadley "said it was unlikely Bush would address with the Iraqi leader the issue of any U.S. troop withdrawals. 'We're not at the point where the president is going to be in a position to lay out a comprehensive plan,' Hadley told reporters aboard Air Force One." An Iraqi official, "who spoke anonymously…said American officials had indicated in preparatory talks in Baghdad that Bush was open to increasing the pace of the security hand-over."

Talibani Asks Iran For Help Ending Violence. The Washington Post (11/28, A15, Trejos, 690K) reports, "In the latest sign of a budding diplomatic relationship, Iraq's President Jalal Talabani arrived in Iran on Monday to seek his neighbor's help in ending his country's sectarian conflict, as Britain said it expects to withdraw thousands of troops by the end of next year." Talabani's visit to Iran "was delayed by a three-day curfew imposed after a series of car bombs exploded in the Shiite Muslim stronghold of Sadr City on Thursday, setting off a wave of reprisal killings. There were reports of sporadic violence Monday as the curfew was lifted."

The New York Times (11/28, Fathi, Semple, 1.16M) reports Iranian President Mahmoud Ahmadinejad "pledged Monday in a meeting with the Iraqi president that Iran would do all it could to stop the growing violence in Iraq." In a televised press conference with Iraqi President Jalal Talabani, Ahmadinejad said, "The Iranian government and people will stand by their brothers in Iraq and will do anything to help bring peace into Iraq."

Hezbollah Reportedly Trained Mahdi Army Fighters. The New York Times (11/28, Gordon, Filkins, 1.16M) reports, "A senior American intelligence official said Monday that the Iranian-backed group Hezbollah had been training members of the Mahdi Army, the Iraqi Shiite militia led by Moktada al-Sadr. The official said that 1,000 to 2,000 fighters from the Mahdi Army and other Shiite militias had been trained by Hezbollah in Lebanon. A small number of Hezbollah operatives have also visited Iraq to help with training, the official said. Iran has facilitated the link between Hezbollah and the Shiite militias in Iraq, the official said. Syrian officials have also cooperated, though there is debate about whether it has the blessing of the senior leaders in Syria. The intelligence official spoke on condition of anonymity under rules set by his agency, and discussed

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Iran's role in response to questions from a reporter." The Times adds, "The claim about Hezbollah's role in training Shiite militias could strengthen the hand of those in the Bush administration who oppose a major new diplomatic involvement with Iran." However, "Some Middle East experts were skeptical about the assessment of Hezbollah's training role. 'That sound to me a little bit strained,' said Flynt Leverett, a senior fellow at the New America Foundation and a Middle East expert formerly on the National Security Council staff."

Sadr Militia Said To Have Grown Eightfold. The Washington Post (11/27, Wright, Ricks, 690K) reports that "in a reflection of the growing new dimension of civil strife, a senior US intelligence official said yesterday that the militia of radical Shiite leader Moqtada al-Sadr has grown eightfold over the past year and now fields 40,000 to 60,000 men. That makes it more effective than the Iraqi government's army, the official indicated." Sadr "is so powerful that if provincial elections were held now, he would sweep most of the south and also take Baghdad, said the intelligence officer, who spoke on the condition of anonymity because of the sensitivity of his position."

The Los Angeles Times (11/28, Moore, 850K) reports "besieged Iraqis, many with no previous affiliation with established militias, are taking up arms, barricading their communities and joining new Shiite Muslim militia cells or increasingly militant Sunni Arab neighborhood-watch groups."

Baghdad Curfew Didn't Stop Killings. ABC World News (11/27, story 2, 1:40, Gibson, 8.78M) reported that in Baghdad, "a three-day curfew that began after last week's devastating attacks has now been lifted." ABC (Brown) added, "Life returns to the streets of Baghdad, today. For many, that meant taking care of the dead. Because, in spite of a 3-day curfew, at least 30 people were killed, Sunni and Shiite, in almost equal number." In Sadr City, "a Shiite stronghold, a memorial service was held for 10 people killed on Sunday, in what police said was a shootout between gunmen and US soldiers. The mourners chanted 'No to America.' In the wake of the massacre last Thursday that killed 230, people are now living in a new climate of fear, of another, more vicious wave of revenge killings." NBC Nightly News (11/27, story 3, 1:45, Aspell, 9.87M) said "with the curfew over people can move around the city. So can militias and bombers. Baghdad is bracing for more violence."

Marine Document Says US Can't Defeat Anbar Insurgents. In a front page article, the Washington Post (11/28, Linzer, Ricks, 690K) reports from Anbar province, "The US military is no longer able to defeat a bloody insurgency in western Iraq or counter al-Qaeda's rising popularity there, according to newly disclosed details from a classified Marine Corps intelligence report that set off debate in recent months about the military's mission in Anbar province." The Marines "recently filed an updated version of that assessment that stood by its conclusions and stated that, as of mid-November, the problems in troubled Anbar province have not improved, a senior US intelligence official said yesterday. 'The fundamental questions of lack of control, growth of the insurgency and criminality' remain the same, the official said." The Post adds, "The Marines' August memo, a copy of which was shared with The Washington Post, is far bleaker than some officials suggested when they described it in late summer. The report describes Iraq's Sunni minority as 'embroiled in a daily fight for survival,' fearful of 'pogroms' by the Shiite majority and increasingly dependent on al-Qaeda in Iraq as its only hope against growing Iranian dominance across the capital."

Iraq Study Group Discusses Draft Report. The Washington Times (11/28, Scarborough, 88K) reports, "The Iraq Study Group met yesterday at an undisclosed location to discuss its first draft report that calls for increased diplomatic engagement in the region and new military moves to rescue Iraq from a descent into civil war." The panel's co-chairmen, James A. Baker III, secretary of state in the first Bush administration, and former Rep. Lee H. Hamilton "finished work on the draft during the weekend. It contains an assessment of where violence-racked Iraq stands more than three years after the U.S. ousted Saddam Hussein. It also includes a list of recommendations on diplomatic and military fronts. A final report to President Bush is expected next month." Baker, adds the Times, "is said to be pushing a recommendation for the Bush administration to engage in direct talks with Syria and Iran, two U.S.-designated state sponsors of terrorism who are supporting various insurgencies and terrorist attacks in Iraq."

ABC World News (11/27, lead story, 3:00, Raddatz, 8.78M) reported "officials tell ABC News that one of the central recommendations from the Iraq Study Group is that the US engage in talks with both Iran and Syria, to help stem the flow of foreign fighters, and stop the more lethal bombs from entering Iraq. … An Administration official says that it is unlikely that President Bush would accept that recommendation. But there are two other recommendations that the President would look at favorably. One -- to double or triple the number of US soldiers embedded with Iraqi security forces. Two -- give the Iraqi government a strong message that the US military support will not go on indefinitely. As for timetables for withdrawal, the President has been adamant that will not happen. An official tells ABC News that the ISG is quote, 'Massively divided on the question of timetables or whether or not to suggest additional troops for a short period of time.'"

The CBS Evening News (11/27, story 2, 2:30, Martin, 7.66M) reported, "The most dramatic option on the table is an

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increase of up to 20,000 American troops in an effort to keep a lid on the violence. The Army is now studying how it could accomplish the buildup and how long it could sustain it. Just two weeks ago, the commander of US forces in the Middle East told Congress he didn't want more American troops but in a subsequent interview with '60 Minutes,' General John Abizaid put the option back on the table." But "there is no agreement on whether to set a timetable for American withdrawal which some members of the Iraqi Study Group see as the only way to put pressure on Prime Minister Maliki to make the political concessions needed to head off civil war." CBS added "one source says the panel hasn't hit any deal breakers so they could deliver their report as early as next week."

The Christian Science Monitor (11/28, Chaddock, 59K) says the ISG "illustrates those rare moments when a crisis reaches such a point that official Washington temporarily loosens hold of the reins. It's in those moments that experienced outside voices -- think the 9/11 and Warren commissions -- can make themselves heard. The Iraq panel, in particular, may prove particularly influential because of the escalating chaos in Iraq." But not all is praise for the ISG in today's press. Also in the Christian Science Monitor (11/28, 59K), Andrew J. Bacevich, professor of history and international relations at Boston University, writes, "Even as Washington waits with bated breath for the Iraq Study Group (ISG) to release its findings, the rest of us should see this gambit for what it is: an attempt to deflect attention from the larger questions raised by America's failure in Iraq and to shore up the authority of the foreign policy establishment that steered the United States into this quagmire. This ostentatiously bipartisan panel of Wise Men (and one woman) can't really be searching for truth. It is engaged in damage control." The ISG "will provide cover for the Bush administration to shift course in Iraq. It will pave the way for the Democratic Congress to endorse that shift in a great show of bipartisanship. But it will hold no one responsible. Above all, it will leave intact the assumptions, arrangements, and institutions that gave rise to Iraq in the first place."

Carter Says Bipartisan Consensus Key Goal Of Iraq Study Group. Former President Jimmy Carter on CNN's Larry King Live (11/27) said, "When I talked to Jim Baker last week he made it plain to me that his major goal, Larry, is to have unanimity within the committee. He think the mix of Democrats and Republicans, all very prominent, all very qualified, should be a unanimous recommendation to have maximum impact."

UK Plans To Withdraw 7000 Troops From Iraq By End Of 2007. The AP (11/28, Quinn) reports Britain "said Monday it expects to withdraw thousands of its 7,000 military personnel from Iraq by the end of next year." British Defense Secretary Des Browne "was the second senior official in recent days to talk of reducing the number of British troops in Iraq. … Last week, Foreign Secretary Margaret Beckett said Britain may be able to hand over security responsibility in the southern port city of Basra by the spring of 2007. Britain also hopes to hand security control over to the Iraqis in the province of Maysan on the Iranian border in January."

Poland, Italy Announce Plans To Pull Remaining Troops. The AP (11/28, Quinn) reports Poland and Italy "announced the impending withdrawal of their remaining troops" in Iraq. Polish President Lech Kaczynski "said his country…would pull its remaining 900 soldiers out of Iraq by the end of 2007." Italian Premier Romano Prodi "said the last of Italy's soldiers in Iraq - some 60-70 troops - will return home this week."

Democratic Congressman-Elect Maintains There Were Some Saddam-Al Qaeda Links. The New York Times (11/28, Risen, 1.16M) reports, "In early 2002," rep.-elect Chris Carney, "a Naval Reserve officer, was assigned to work in a tiny intelligence unit created by Douglas J. Feith, then the under secretary of defense for policy, to search for links between terrorist groups and their possible state-sponsors, most notably Iraq. After the 2003 invasion, the Feith unit, the Policy Counterterrorism Evaluation Group, was caught up in the debate over the Bush administration's handling of prewar intelligence, and the office was investigated by a Senate committee and an independent presidential commission." Carney "says he still believes there were links between Iraq and Al Qaeda, although he is careful not to overstate them. 'On a scale of 0 to 10, where 0 was no connection and 10 was operational control, I would say it's about a 2½,' he said in an interview. 'It was a relationship of keeping your friends close and your enemies closer,' he added. 'Saddam was a savvy guy, and I think he wanted to make sure that if Al Qaeda someday became a force, that he wanted to keep his options open. I thought that there was a relationship. Whether it was strong enough to go to war, that's the president's decision.'"

Kristoff Says Pentagon Erred In Disputing Media Reports From Iraq. The New York Times' Nicholas Kristoff (11/28) writes, "For several years, the White House and its Dobermans helpfully pointed out the real enemy in Iraq: those lazy, wimpish foreign correspondents who were so foolish and unpatriotic that they reported that we faced grave difficulties in Iraq. … As we try to extricate ourselves from Iraq, a basic lesson for the administration is that it should deal with bad news in ways more creative than clobbering the messenger. From the beginning of the war, the Pentagon has had an incredibly sophisticated news

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operation (now including its own news channel, carried on some cable networks), but it has often seemed more concerned with disseminating propaganda than with gathering facts."

Waning Support For War In Iraq Blamed On Unrealistic Expectations. In an op-ed for the New York Times (11/28, 1.16M) Dominic Johnson, a fellow at the Woodrow Wilson School at Princeton, and Dominic Tierney, an assistant professor of political science at Swarthmore, write, "Tet and Somalia suggest we should be very careful before concluding that Iraq is a defeat. There is real evidence of failure, especially the escalating sectarian violence. But our perceptions are nevertheless easily manipulated. Iraq looks like a defeat in part because the Bush administration fell into the same trap as President Johnson: raising expectations of imminent victory by declaring 'mission accomplished' before the real work had even begun. And as with Somalia, fighting shadowy insurgents in Iraq while propping up a weak government engenders negative memories of Vietnam. … With the stakes so high, Americans must be certain that their perception of failure in Iraq is not a mirage."

Australian Government Cleared In Oil-For-Food Probe. The Washington Times/AP (11/28, McGuirk) reports, "An inquiry cleared Australia's government of wrongdoing in an Iraqi oil-for-food scandal Monday, but recommended top officials of the monopoly wheat exporter face charges for paying more than $200 million to the Saddam Hussein regime." Prime Minister John Howard "promised the inquiry's key recommendations would be acted upon immediately and said the findings vindicated him and other top government officials who denied having prior knowledge of the kickbacks."

The New York Times (11/28, Bonner, 1.16M) notes the "commission investigating corruption in the United Nations oil-for-food program released a long-awaited report on Monday stating unequivocally that a major Australian wheat company paid more than $224 million in kickbacks and bribes to Saddam Hussein's government. The commission also found that the company, ABW Ltd., had 'deliberately and dishonestly' devised a scheme for the payments -- from 1999 until the overthrow of Mr. Hussein in 2003 -- that would deceive the United Nations. … The Australian commission's report was the most thorough -- and damning -- investigation of corruption in the United Nation's oil-for-food program. It is certain to have repercussions for politicians in Canberra as well as in Washington, where incoming Democratic lawmakers have pledged to hold their own hearings."

The Wall Street Journal (11/28, A9, Adam, Brindal, 2.04M) reports "the findings could increase pressure on the government to dismantle the country's powerful wheat-export monopoly. US and European growers have long tried to persuade Australia to end its wheat-marketing system, whereby growers sell their export wheat through a 'single desk' managed by listed AWB Ltd., which then handles sales to foreign buyers."

WPost Protests Termination Of Special IG For Iraqi Reconstruction. The Washington Post (11/28, A18, 690K) reports, "In the mess that is Iraq, there's one entity that has done an unquestionably good job: the special inspector general for Iraqi reconstruction. Under the leadership of Stuart W. Bowen Jr., the inspector general's office has found that the Coalition Provisional Authority could not account for almost $9 billion distributed to Iraqi ministries. … Its audits have saved the government more than $400 million. Now there's a move to close down Mr. Bowen's shop. More than a move, actually: A mischievous provision, slipped into the defense authorization bill by House Republicans without the knowledge of key senators, set an October 2007 termination date for the office. The bill was signed into law last month, but a number of senators, including Susan Collins, chairman of the Homeland Security and Governmental Affairs Committee; Joseph I. Lieberman, the committee's ranking minority member; and Russell Feingold, are trying to reverse this foolish plan during the lame-duck session."

Bush To Seek Renewed NATO Commitment To Afghan Mission. USA Today (11/28, A6, Jackson, 2.27M) reports from Estonia, "President Bush arrived here Monday to promote freedom and democracy, using this small Baltic nation, a former republic of the Soviet Union, as a model. Bush came to the seaport of Tallinn in advance of this week's NATO summit on Afghanistan and meetings with Iraqi Prime Minister Nouri al-Maliki in Jordan." Estonia and Latvia, site of the two-day summit, "are US allies in the war on terrorism."

The Wall Street Journal/AP (11/28) says "one issue will dominate this week's NATO summit: Afghanistan. The 26 presidents and prime ministers know that the future of the North Atlantic Treaty Organization is playing out in the deserts of Kandahar and mountains of Uruzgan rather than in their conference hall on the Baltic Sea." The Washington Post (11/28, A1, Abramowitz, Constable, 690K) reports Bush "will seek fresh troops and equipment for the fight in Afghanistan, and fewer restrictions on how they can be used, when he sits down this week with NATO allies to review the state of the dangerous mission there, according to senior US officials." The Afghan mission "is shaping up as the major issue for discussion among Bush and the leaders of the 25 other NATO member countries, who are gathering for the first

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time in two years. A failed operation in Afghanistan would threaten NATO's ambition to one day play a more robust role in helping address the world's crises." The Post adds, "Briefing reporters on Air Force One on the way to Estonia, national security adviser Stephen J. Hadley cited 'an increasing awareness at how important this is for the war on terror, how important it is for Afghanistan and how important it is for NATO not to fail.'" The Washington Post (11/27, A12, Constable, 690K) runs a second report on NATO, titled "A NATO Bid To Regain Afghans' Trust," in which it gives mixed reviews to the alliance's efforts at reconstruction in Panjwai.

The Christian Science Monitor (11/28, LaFranchi, 59K) says Afghanistan "is something the president dare not disregard even in the midst of Iraq developments. Not only is the NATO-led war in Afghanistan facing its own mounting challenges, with potentially deep consequences for the international war on terror, but of the two wars, it is also the one where the United States has important allied assistance." Bush "will press the 26-nation alliance for both more money and more troops for Afghanistan, according to White House officials. To make his case, Bush will emphasize the connection between international security and the battle to defeat a resurgent Taliban and elements of Al Qaeda." NATO "already commands more than 30,000 foreign troops in Afghanistan. Gen. James Jones, the supreme allied commander, is looking for summit leaders to add 2,500 troops to the total. The challenge for Bush, however, will be skepticism about his leadership in the wake of perceived defeat in the midterm elections, and what is viewed internationally as his lame-duck status."

But the Washington Times (11/28, Dinan, 88K) reports "expectations for the NATO summit are low." Europeans "are resisting Mr. Bush's push for committing more troops to the dangerous areas of Afghanistan, and want to go slowly on expanding the alliance's ties to non-NATO nations who are assisting with security operations." Hadley "said the difficulties are understandable but said the leaders at the summit will make some announcements on those issues."

More Commentary. The New York Times (11/28, 1.16M) editorializes, "NATO is failing its most significant post-Soviet test: stabilizing Afghanistan. ... Unless NATO's members commit to sending in more troops and more resources, Afghanistan could go the way of Iraq." Some reluctant countries have imposed an "unfair division of labor. Canadian, Dutch, British and American forces in southern Afghanistan are doing most of the heavy fighting, while the French, Germans and Italians patrol relatively quiet northern regions." Bush "can't do much more than cajole the allies. Iraq has deprived him of both international credibility and the military forces to do more. It is now up to the rest of the alliance. All NATO members must acknowledge that the Afghan war is not just some post-9/11 gesture ... There is a life-and-death struggle under way against terrorists and extremism that is in all their national interests to win."

The Wall Street Journal (11/28, 2.04M) editorializes, "The NATO forces battling resurgent Taliban in southern Afghanistan call to mind the Normandy landing. Once again, mostly Canadian, British and American troops are fighting and dying. ... With a few exceptions, such as the Dutch and Danes, most NATO members prefer the by now traditional division of labor: The Anglo-Saxons do the fighting while the others compete for popularity as armed aid workers. ... If NATO can't muster the forces to defeat the remnants of al Qaeda's original state sponsor, what is it good for?"

UN Report Finds Afghan Poppy Eradication Campaign Failing To Make Progress. USA Today (11/28, 1A, Leinwand, 2.27M), in a front-page article titled, "Afghan Opium Fight Hurts Poorest," reports, "U.S. and European efforts to end heroin production in Afghanistan have done little to hamper the drug industry and have hurt the country's poorest people, according to a new report by the United Nations and the World Bank." The report "says the production of opium…permeates daily life in Afghanistan and eliminating the illegal drug trade there could take decades. The opium trade accounts for about $2.7 billion in Afghanistan's economy — equal to more than one-third of the nation's gross domestic product — and is responsible for thousands of jobs, the report says. The Taliban government, which had harbored al-Qaeda, virtually eliminated opium production in 2001, before U.S.-led forces toppled it. Production has soared since, even as the United States and its allies have stepped up efforts to kill fields of opium and persuade farmers to grow other crops."

Rangel Urged To Apologize For Comment About US Troops. The Washington Times (11/28, Pierce, 88K) reports in its "Inside Politics" column, "The national commander of the American Legion called on Rep. Charles B. Rangel, New York Democrat, to apologize for suggesting that American troops would not choose to fight in Iraq if they had other employment options. 'Our military is the most skilled, best-trained, all-volunteer force on the planet,' National Commander Paul A. Morin said yesterday. 'Like that recently espoused by Sen. John Kerry, Congressman Rangel's view of our troops couldn't be further from the truth and is possibly skewed by his political opposition to the war in Iraq.'" The Times adds, "According to Mr. Rangel, 'If a young fellow has an option of having a decent career, or joining the Army to fight in Iraq, you can bet your life that he would not be in Iraq. If there's anyone who believes these youngsters want to fight, as the Pentagon and some generals have said, you can just forget about it. No bright young individual wants

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to fight just because of a bonus and just because of some educational benefits.'"

DOJ:

New York US Attorney Faces Tough Calls. The New York Law Journal (11/28, Hamblett) reports, "Southern District of New York U.S. Attorney Michael J. Garcia knew there would be some tough calls to make when he accepted an appointment to one of the most high-profile law enforcement jobs in the country." The Journal continues, "Garcia, 45, was sworn in as U.S. Attorney on Sept. 6, 2005. During a little more than a year as the top federal prosecutor in Manhattan, he had to pull the plug on several celebrated cases to defend subordinates from almost unprecedented criticism over their handling of a non-prosecution agreement with KPMG. … But Garcia does not take refuge in the fact that the cases he has had to clean up were launched well before he took office last year. … 'We don't measure the value of this office in terms of wins and losses,' he said in a recent interview in his office at One St. Andrew's Plaza in lower Manhattan. 'The value is in the type of cases we bring and the example we set for the rest of the country.'" The Journal adds, "Garcia said that the Southern District has always taken 'hard cases, cutting edge cases,' that come with some risk attached. … 'We go in because we believe the case is strong and we do the right thing,' he said. 'We have some assistants saying "I'm 11-0," but what does that mean? A guy might be 5-5 but he's bringing very tough, important cases.'" The Journal notes, "When Garcia took office, he emphasized his great respect for its traditions and national reputation, and said he had no intention of radically changing the way the office does business. … Garcia indicated he would pay particular attention to public corruption, announcing a higher profile in the district's northern counties by establishing a corruption hotline."

CORPORATE SCANDALS:

ACS Ousts Officials After Accounting Probe. Bloomberg (11/28, Kammel) reports, "Affiliated Computer Services Inc., the world's biggest processor of student loans, ousted Chief Executive Officer Mark A. King and finance chief Warren D. Edwards after a probe showed that stock options were backdated." Bloomberg continues, "King, 49, and Edwards quit yesterday after violating the company's code of ethics with options awards, according to a statement today. Chief Operating Officer Lynn Blodgett, 52, will become CEO and John Rexford, 49, will be chief financial officer." Bloomberg adds, "The two managers at the Dallas-based company are among more than 60 executives that have left their jobs after investigations into whether options grants were backdated and compensation costs misreported. Options probes to see whether grants were retroactively dated to increase their value to executives and other recipients have affected at least 187 companies. … The incorrect accounting unearthed in the probe, which scrutinized option practices between 1994 and 2005, will lead to about $51 million in costs plus tax-related expenses, the company said. The sum may be higher or lower depending on the final outcome. Affiliated Computer said it has yet to determine whether it will need to restate earnings as a result of the adjustment."

Corporate Counsel Positions Draw More Scrutiny, Higher Pay. The Financial Times (11/28, Masters) reports, "Becoming a corporate general counsel used to be something leading American lawyers did to slow down. … The jobs were considered relatively low-key, low-profile and low-paid, at least in comparison to a partner at a big law firm, and lawyers who went in-house often held their jobs until they retired or got bored." The Times continues, "Not any more. In the wake of the 2002-03 corporate scandals and the Sarbanes-Oxley corporate accountability law, general counsels are now central figures at most US companies, often reporting directly to the board and often appearing on the list of the five highest paid corporate officers. … The post has also become a much riskier assignment. In the past six months, 12 public companies have changed chief legal officers amid investigations into whether the firms illegally backdated stock options grants to pump up executive compensation." The Times adds, "Between the departures over stock options and ordinary turnover, the American market for in-house lawyers is hopping, search firm executives say. In-demand candidates are fielding multiple inquiries and compensation packages are rising. … The average bonus for the nation's 100 highest-paid general counsels was $906,820 last year, up 16 per cent, and the average restricted stock grant was nearly $1m, up 35 per cent, according to a study of Securities and Exchange Commission filings by Corporate Counsel magazine. … When salaries were included, the total average package reached nearly $2.5m." The Times notes, "Worried boards are asking for candidates with a different set of skills than they did 15 years ago. Back then, companies wanted merger-and-acquisition experience and investment banking ties. … Now even companies not facing immediate regulatory problems want former prosecutors and SEC enforcement lawyers. … Search firms date the shift to the Enron and WorldCom scandals, which put corporate fraud on the public radar. Since then, Fortune 500 companies PepsiCo, Lockheed Martin, Boeing and Estée Lauder have all turned to lawyers with Justice Department experience."

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Judge Sets January Date For Milberg Weiss Trial. The Wall Street Journal (11/28, Simons) reports, "The trial of Milberg Weiss Bershad & Schulman LLP, a prominent class-action law firm, and two of its top partners, will get under way (in Los Angeles) Jan. 8, 2008, a federal judge said at a hearing Monday." The Journal continues, "The setting of the trial date came amid further questions from defense lawyers about whether government prosecutors would file additional indictments, a subject that has been a sticking point in setting a firm trial date." The Journal adds, "Prosecutors had been aiming for a trial date in October 2007, while defendants were seeking a February 2008 setting. … Federal Judge John Walter started Monday's hearing suggesting an October trial date. Defense attorneys balked, saying that wasn't enough time to prepare for a case if more indictments were filed against Milberg Weiss. … 'October is unrealistic to get this done in an orderly way,' said Bill Taylor, the lead attorney for Milberg Weiss." The Journal notes, "So far, the government's efforts to obtain further indictments have remained under seal at the request of prosecutors, and Judge Walter said at the hearing that the efforts were 'a red herring' in the case. … In May, a federal grand jury here indicted the firm on fraud charges. According to the 20-count indictment, the firm paid plaintiffs millions of dollars in exchange for filing more than 150 lawsuits. Two of the firm's top partners, Steven Schulman and David Bershad, also were charged with participating in the alleged kickback scheme."

Epstein Decries Deferred Prosecution Agreements. In an op-ed in the Wall Street Journal (11/28, A14), Richard A. Epstein, who is the James Parker Hall Distinguished Service Professor of Law at the University of Chicago and the Peter and Kirsten Bedford Senior Fellow at the Hoover Institution at Stanford University, writes, "Corporations suffer a peculiar vulnerability. The rules of criminal liability allow federal and state prosecutors to unduly punish those corporations that fall within their crosshairs. But the recent emergence of deferred prosecution agreements (DPAs) to force major changes in corporate governance should give pause to even the most ardent populist." Epstein continues, "A DPA is a provisional settlement of a criminal lawsuit whereby the prosecutor agrees to suspend -- but not to dismiss -- any prosecution in exchange for the corporation's promise to reform its internal operations in specified ways. A sensible settlement can split the difference, by having a defendant pay half the maximum fine or sentence. But with corporations they take on an entirely different -- and sinister -- complexion. … The last thing a corporation fears (since it cannot be imprisoned) is the maximum fine from a successful criminal conviction. Rather, the deadly force of the DPA rests in a combination of two key factors: vicarious corporate criminal liability, and the collateral consequences of the initial indictment prior to, and independent of, any eventual conviction." Epstein adds, "Writing in January 2003, Larry Thompson, then deputy U.S. attorney general, exhorted federal prosecutors to use vicarious liability to extract favorable settlements to reform corporate defendants from the outside. The Thompson memorandum insisted that corporations receive a temporary reprieve only if they purge themselves of individual wrongdoers and agree to extensive government oversight to make them walk the straight and narrow path. … In pursuing Mr. Thompson's strategy, prosecutors face both a dilemma and an opportunity. Their only credible threat against a recalcitrant corporation is the criminal indictment -- yet simply filing an indictment triggers huge collateral repercussions sufficient to drive the firm out of business, as teams of state and federal regulators are now duty-bound to suspend the licenses and permits under which the corporation does business. Thus, the corporation that has strong protections against false convictions -- proof beyond a reasonable doubt of the elements of the crime, the ability to examine evidence or cross-examine witnesses -- is helpless to protect itself. A conviction carries at most a million-dollar fine, but simple indictment, which lies wholly within the prosecutor's discretion, imposes multibillion-dollar losses. … Faced with that kind of pressure, the indictment is all that matters. Yet given these weird incentives, DPAs no longer serve the public interest. … At bottom, corporations are just individuals tied together by an elaborate network of contracts; and we don't need yet another sorry reminder of how mindless government policies harm the innocent shareholders whom they are supposed to protect. The government has a vital role in criminal enforcement. So let it go after real, i.e., human, criminals the old-fashioned way, by careful investigation and skilled prosecution."

CRIMINAL LAW:

US To Appeal Reversal Of Ex-San Diego Councilman's Conviction. The AP (11/28) reports, "The Justice Department said Monday that it will appeal a federal judge's ruling that overturned a jury conviction of a former City Council member accused of taking money from a strip club owner in exchange for political favors." The AP continues, "U.S. Attorney Carol Lam poured significant resources into winning a conviction against Michael Zucchet in July 2005, forcing the councilman to resign and relinquish his position as interim mayor. Four months later, U.S. District Court Judge Jeffrey Miller acquitted Zucchet, saying the evidence against him on charges of fraud and extortion was insufficient. … 'Because it is rare for a trial judge to overturn a jury's unanimous finding of guilt, it should not surprise

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anyone that the government would seek to defend the jury's verdicts on appeal,' Lam said in a statement." The AP adds, 'Zucchet's attorney, Jerry Coughlan, insisted on Zucchet's innocence. … 'They've got an uphill battle ahead of them to convince an appellate court that one of the best judges around was wrong,' Coughlan said. … Zucchet and fellow former Councilman Ralph Inzunza were convicted of taking money from Las Vegas strip club owner Michael Galardi in exchange for trying to ease restrictions on touching dancers at San Diego strip clubs."

Fan Accused Of Hacking Cell Phone Of Rock Singer. The AP (11/28) reports from Albuquerque, NM, "A woman is accused of using a computer at a national laboratory to hack into a cell phone company's Web site to get a number for Chester Bennington, lead singer of the Grammy-winning rock group Linkin Park." The AP continues, "According to an affidavit filed by the Department of Defense Inspector General, Devon Townsend, 27, obtained copies of Bennington's cell phone bill, the phone numbers he called and digital pictures taken with the phone. … Investigators said she also hacked into the e-mail of Bennington's wife, Talinda Bennington, and at one point called her and threatened her." The AP adds, "Talinda Bennington told federal authorities last month that someone had accessed their Verizon Wireless account online, according to the affidavit, and expressed concern that a 'stalker' had access to personal information. .. .Townsend waived her right to a preliminary hearing Tuesday in U.S. District Court and was released to her mother's custody. She is accused of using a computer at her former workplace, Sandia National Laboratories, to access Bennington's cell phone information. Lab spokesman Michael Padilla said Wednesday that she no longer worked there."

New York Man Faces Death Penalty For Killing Two Detectives. The New York Times (11/28, Brick) reports on the 2003 fatalities of two detectives and writes, "The man on trial for their killing in federal district court in Brooklyn, Ronell Wilson, 24, faces the death penalty on charges of murder in furtherance of racketeering. Prosecutors have dropped charges of obstruction of justice murder, because a witness crucial to those charges rescinded his earlier account that Mr. Wilson knew the men were detectives. That witness, like several others in the case, was a member of the so-called Stapleton Crew, a street gang that prosecutors said sold drugs and guns, shot, robbed and terrorized a path across Staten Island."

The New York Sun (11/28, Goldstein) reports, "A federal prosecutor told a jury yesterday that the Staten Island man accused of executing two undercover detectives during a gun sale in 2003 had considered that his victims might be police and simply 'did not care.'" The Sun continues, "The defendant, Ronell Wilson, now 24, could face the death penalty if convicted in a trial that opened yesterday in U.S. District Court in Brooklyn. But the judge, Nicholas Garaufis, instructed the 12 jurors and six alternates not to think about sentencing Mr. Wilson during the first stage of the trial, as they decided the factual question of his guilt or innocence of the federal racketeering crimes he is charged with." The Sun adds, "Mr. Wilson is a reputed leader of the Stapleton Crew, a gang named after the Staten Island housing project of the same name. Mr. Wilson is accused of killing detectives James Nemorin and Rodney J. Andrews as he gave them driving directions from the back seat of the car. … The car, a Nissan Maxima, is at the center of the case. The ride began at about 7:15 p.m. on March 10, 2003, when the detectives pulled up in front of Wilson, then 20, and his 17-year-old associate Jesse Jacobus at the housing development." The Sun notes, "The aim of the detectives, both members of the elite Firearms Investigation Unit, was to purchase a TEC-9 submachine gun for $1,200 and get 'one more gun out of the hands of one more violent criminal,' an assistant U.S. attorney, Colleen Kavanagh, said. A half-hour later, the bodies of detectives were found in a nearby street. Both men had been shot in the head."

FBI Expands Investigation Of Former Newark Mayor. The Newark Star-Ledger (11/28, Shearn, Martin) reports, "A federal investigation into the administration of former Newark Mayor Sharpe James has expanded, with more subpoenas delivered to City Hall and agents now scrutinizing real estate deals that benefited some of the ex-mayor's biggest supporters, according to sources close to the probe. FBI agents in recent weeks have interviewed a number of city employees, and prosecutors also have demanded additional records from Newark City Hall, among them personnel files of at least four current and former city employees, including James' son, Elliot." The Star-Ledger adds, "While investigators continue to look at travel-related expenses, they are also probing the administration's sale of surplus city lots to developers at cut-rate prices, according to sources familiar with the investigation. Among those winning the no-bid contracts were several people with close ties to James, including some with little or no development experience, a Star-Ledger investigation found in 2005."

Investigators Identify Third Victim Of New Jersey Serial Killer. The New York Times (11/28, Kocieniewski, Schweber, 1.16M) reports, "Investigators yesterday released the identity of the third of four women found dead last week in a ditch near a squalid strip of motels just outside Atlantic City. They noted that like two other victims, she, too, had a history of prostitution arrests. The

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victim, Barbara Breidor, 42, is believed to have been dumped into the ravine about two weeks before pedestrians discovered the women's bodies on Nov. 20, according to a statement by the Atlantic County prosecutor, Jeffrey S. Blitz. … All four victims were found in several inches of water behind a $15-a-night motel, barefoot and with their heads facing in the same direction, a few hundred feet apart, Mr. Blitz has said." The Times notes, "Local authorities have formed a task force with the New Jersey State Police and the F.B.I. to try to solve the killings."

The Philadelphia Inquirer (11/28, Anastasia, Urgo, 385K) reports, "Earlier this year, three suspected prostitutes were attacked" in Atlantic City. "All three were slashed across the throat," and the "unsolved crimes have attracted the attention of investigators" in the current case. "'Major Crimes, the FBI and the state police have been in,' said Atlantic City Police Detective Richard Johnson, a city arson investigator who worked on the Georgia Avenue cases. Johnson was quick to point out that there was no hard evidence linking the Georgia Avenue slashings to the marsh killings, which some have attributed to a serial killer. Investigators are interested because all of the victims were apparently prostitutes, Johnson said."

Fairfax County To Seek FBI Help In Investigation Of Similar Murders. The Washington Times (11/28, Cella, 88K) reports, "Fairfax County police plan to ask for help from the FBI as they investigate the recent killings of two similar-looking elderly women who shared the same first name and lived two miles apart." Police spokeswoman Camille Neville "said that officers canvassing the Springfield neighborhood near where the women were killed received some 'promising' tips." The Times adds, "Police said that they have not connected the two killings through physical evidence but are investigating the similarities. Officer Neville said police are planning to ask for help from the FBI's Quantico, Va.-based Behavioral Science Unit, which develops profiles of suspects based on evidence patterns."

FBI Investigating Kentucky Prison Slayings. The Lexington (KY) Herald-Leader (11/28, Mueller) reports, "Federal authorities are investigating the second slaying in less than three weeks at a maximum security prison in Eastern Kentucky. Prison authorities Monday confirmed the stabbing death of Shamoni Peterson, 32, on Nov. 13, three weeks after the U.S. Penitentiary-Big Sandy in Martin County reported the first slaying since it opened in 2003." The Herald-Leader adds, "Prison spokeswoman Mashelle Arisman said that no charges have been filed in either case, but that the FBI is investigating. Arisman said the prison, which houses 1,600 high-security inmates near the Johnson County line, has been placed on lockdown status during the investigation."

Iowa Man Pleads Guilty To Lying To FBI In Murder Probe. The Cedar Rapids Gazette (11/28, de Souza Guedes) reports, "In a small federal courtroom crowded with reporters, investigators and members of Evelyn Miller's family, Danny Slick pleaded guilty to lying during a July 3, 2005, interview with the FBI about Evelyn's disappearance. … Slick was accused of lying to FBI agents…about a drug dealer known as 'Porky' and where 'Porky' lived. Slick's friend Randy Patrie, 34, told Slick that he had stopped to get 'dope' at 'Porky's' after he dropped off Slick at their residence…after the two men left the apartment where Evelyn lived with her family. At the time of Slick's arrest, authorities said it was an important step forward in piecing together the events that led to the disappearance of Evelyn and her death." The AP (11/28) also reports on the plea.

Investigators Have No Idea What Befell Missing Minnesota Boys. The Minneapolis Star-Tribune (11/28, Collins, Meryhew) reports, "Now that the air and ground crews are gone, the question on everyone's mind is: If Tristan and Avery didn't wander away from their home, then what happened to them? 'We just don't have any indicators one way or another,' on whether the brothers wandered off or whether foul play was involved, FBI Special Agent Paul McCabe said Monday." The Star-Tribune adds, "After five days of intense searching, McCabe said they haven't ruled out the possibility the boys might still be on the Red Lake Reservation in northern Minnesota. 'Whenever you do a ground search, you can't always be sure,' he said. 'There's never a guarantee every area has been covered, even after a thorough search.' … The FBI has set up a tip hot line at 1-866-333-4969."

New York Woman Pleads Guilty To Online Extortion Plot. The New York Post (11/28, Mangan, 631K) reports, "A pretty, young swindler who first met a top Pepsi Bottling Group executive online later anonymously shook him down for $125,000 by threatening to tell his wife, children and bosses he was trolling the 'Net at work for women, shocking court papers reveal. 'I'm sure this will be an unpleasant surprise. I'm sure when your wife finds out that you've been looking for a fill-in for her . . . it will be unpleasant for her, too,' Jessica Wolcott, 22, e-mailed multimillionaire exec Gary Wandschneider, 54, in August." The Post notes, "Wolcott eventually got the funds transferred to her online account - but only after Wandschneider alerted the FBI, which provided the money and set up a sting to nail her. … When Wandschneider learned her name from FBI

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agents, he told them he had met her last February through the craigslist.org Web site. … Wolcott pleaded guilty to the extortion scheme in White Plains federal court last week."

Massachusetts Man Pleads Guilty In Corruption Probe. The Springfield (MA) Republican (11/28, Flynn) reports, "A former Springfield Housing Authority maintenance foreman yesterday became the 25th defendant to be convicted or admit guilt in Springfield's corruption probe. He pleaded guilty to two felonies for his role in building the Rhode Island summer home of ex-City Councilor Francis G. Keough III." The Republican continues, "Daniel J. McNamee, 40, of Springfield, pleaded guilty to one count of obstruction of justice and one count of filing a false federal tax return during a hearing before Judge Michael A. Ponsor in U.S. District Court." The Republican adds, "The guilty pleas were part of a deal with the U.S. Justice Department that will spare McNamee a trial but potentially expose him to 12 to 18 months in prison, Ponsor said. Sentencing was set for March 1. … The pace of the six-year federal corruption offensive has picked up since August, with 10 defendants pleading guilty and two others accepting plea deals in the housing authority scandal."

Music Star Pleads Guilty To Shooting Tame Bear. The St Paul Pioneer Press (11/28) reports, "Country music star Troy Lee Gentry admitted Monday that 'Cubby,' the bear he killed on a Minnesota farm in 2004, wasn't a wild beast after all." The P-P continues, "Appearing in federal court in Duluth on the day his trial was to start, Gentry pleaded guilty to a charge of falsely claiming the animal was wild. The charge, a misdemeanor, was the result of a plea bargain reached last week with federal prosecutors. … 'He's glad to get it over with,' said Gentry's attorney, Ron Meshbesher, of Minneapolis. 'Obviously, he's saddened by all the publicity in this case, which inferred all kinds of improper conduct.'" The P-P adds, "Gentry, 39, and Lee Marvin Greenly, 46, who owns Minnesota Wildlife Connection near Sandstone, were charged in August with conspiracy and falsely 'tagging' the 'trophy-caliber' bear by claiming it was shot in the wild. In reality, the tame bear was shot in a fenced area of several acres. … After the indictment, Gentry's Nashville agent shifted the blame for any improper conduct to Greenly, and online fan discussion forums were abuzz with debate over whether Gentry was a bona fide big-game hunter or a wannabe." The P-P notes, "Gentry, in a statement released by his management company, said he regrets what happened, but he stops short of accepting any culpability other than relying on Greenly's guidance. … Meshbesher and the U.S. attorney's office worked out the plea bargain last week, and Gentry entered his new plea Monday morning before U.S. District Judge Paul Magnuson, sitting in Duluth. … In return for the guilty plea, prosecutors dropped a felony count against Gentry."

CIVIL LAW:

SCOTUS Will Not Reinstate $10.1 Billion Tobacco Verdict. Bloomberg (11/28) reports, "The Supreme Court refused to revive a $10.1 billion award against Philip Morris USA yesterday, rejecting an appeal from smokers who said they were misled about the health risks of 'light' cigarettes." Bloomberg continues, "The justices, without comment, left intact an Illinois Supreme Court decision that threw out the case against Philip Morris, which is a division of the Altria Group and is the nation's largest cigarette maker. … Antismoking activists had hoped the verdict would be the first in a series of awards around the country against the industry over light cigarettes. … 'It's clearly the end of lights litigation in Illinois,' said David Adelman, a Morgan Stanley analyst who has an overweight rating on Altria. Altria shares fell 33 cents, to $83.42, in New York Stock Exchange composite trading." Bloomberg adds, "In overturning the award last year, the Illinois Supreme Court said smokers could not invoke a state consumer protection law because the Federal Trade Commission had endorsed the 'light' and 'low tar' descriptions in settlements with other cigarette makers. Like many states, Illinois bars claims over actions specifically authorized by a government agency."

The AP (11/28) reports, "The case involved 1.1 million people who bought 'light' cigarettes in Illinois. They claimed Philip Morris knew when it introduced such cigarettes in 1971 that they were no healthier than regular cigarettes but hid both that information and that light cigarettes actually had a more toxic form of tar. … An Illinois judge ruled in favor of the smokers in March 2003, saying the company misled customers into believing they were buying a less harmful cigarette. … A separate case involving Philip Morris is pending before the Supreme Court. Justices are considering whether to allow a punitive damages award of $79.5 million to the widow of a longtime smoker."

States Move To Protect Children From Second-Hand Smoke. USA Today (11/28, Bazar) reports, "Anti-tobacco forces are opening a new front in the war against smoking by banning it in private places such as homes and cars when children are present." USA continues, "Starting Jan. 1, Texas will restrict smoking in foster parents' homes at all times and in cars when children are present, says Darrell Azar of the Department of Family and Protective Services. … Vermont, Washington and other states and counties already prohibit foster parents from smoking around children in their homes and cars. … Arkansas and Louisiana passed laws this year forbidding anyone from smoking in cars carrying young children. Courts are ordering smoke-free environments in

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custody and visitation disputes. … 'We are very rapidly moving to protect children from secondhand smoke,' says John Banzhaf, executive director of Action on Smoking and Health. 'Even from their own parents and grandparents.'" USA notes, "Former surgeon general Richard Carmona said in June that children exposed to secondhand smoke suffer an increased risk of respiratory ailments and sudden infant death syndrome. … Most smoking bans apply to workplaces and spots like bars and restaurants. … Smokers' rights groups liken banning smoking in private to the 'Salem witch hunt,' says Gary Nolan, spokesman for The Smoker's Club, Inc. He says secondhand smoke is not dangerous. 'If we don't reverse this, they'll be telling us what we can eat and what we can feed our children,' Nolan says."

CIVIL RIGHTS:

US Pushes For Conviction Of Driver In Human Smuggling Deaths. The AP (11/28, Lozano) reports, "A prosecutor on Monday described the truck driver at the center of America's deadliest human smuggling attempt as a 'vile and heartless person' who ignored the pleas of the illegal immigrants stuffed in his trailer as the temperature inside rose." The AP continues, "Assistant U.S. Attorney Daniel Rodriguez told jurors in closing arguments that Tyrone Williams, a Jamaican citizen, was concerned only with getting paid, not the welfare of the illegal immigrants he was transporting during the failed 2003 smuggling attempt. Nineteen people died from dehydration, overheating and suffocation. … Williams' attorney, Craig Washington, acknowledged Williams is guilty of transporting illegal immigrants, but he insisted Williams never meant to hurt them." The AP adds, "Rodriguez said Williams failed to turn on his vehicle's air conditioning, which would have prevented the deaths. When Williams found out his passengers had punched holes through the trailer's back doors in an attempt to get fresh air and call for help, his only concern was getting more money to pay for the damage, Rodriguez said. … During his closing statements, Rodriguez showed the jury crime scene photos of the 19 victims. .. 'This government takes no pleasure in showing you these horrific photos,' Rodriguez said. 'These deceased individuals can only testify through these photos.' … Williams is charged with 58 counts of conspiracy, harboring and transporting illegal immigrants. He faces a possible death sentence if convicted."

Informant Denies Buying Drugs At Home Of Slain Elderly Atlanta Woman. CNN.com (11/28) reports, "An informant cited in a search warrant as having purchased narcotics at an elderly Atlanta woman's house denies buying drugs there, authorities say." CNN continues, "Undercover officers raiding the 88-year-old woman's house shot her to death last week after she fired on them while they broke down her door in a high-crime neighborhood. … Federal prosecutors will investigate the case, Atlanta Police Chief Richard Pennington announced Monday." CNN adds, "Pennington said the eight-member narcotics squad that took part in the raid has been placed on paid leave while investigators look into the informant's story and the circumstances surrounding the Nov. 21 death of Kathryn Johnston. The informant also told investigators from the Atlanta police internal affairs bureau that he was told to lie about the matter, the chief said. … 'The FBI will investigate his statements, along with the police officers' statements as well,' Pennington said. … Police said Johnston opened fire on police who tried to enter her home, prying off burglar bars and forcing open her door, during a "no-knock" drug raid last Tuesday. Officers returned fire, killing her. … Relatives put Johnston's age at 92, but Fulton County medical examiners said she was 88."

McKinney Calls For DOJ Probe Of Shooting. The Atlanta Journal-Constitution (11/28, Gentry) reports, "U.S. Rep. Cynthia McKinney has added her voice to a growing chorus of prominent Americans concerned about a spate of high-profile police shootings, including one that killed a New York man the day of his wedding." The AJC continues, "The congresswoman has asked the Justice Department to investigate police-involved shootings around the nation, including in her home district of DeKalb County, where police have fatally shot a dozen people this year. … 'There is a belief by some citizens that the police-involved shootings are steeped in the intentional use of excessive force, even deadly force,' McKinney said in a Nov. 25 letter to Attorney General Alberto Gonzalez. 'There definitely appears to be a developing national pattern of police misconduct and abuse resulting in an inordinately high number of serious injuries and deaths to the victims.'" The AJC adds, "McKinney has also asked the House Judiciary Committee to conduct hearings on 'the state of America's law enforcement agencies' use of force and deadly force and the impact on Americans on the basis of race and economic standing,' her letter said."

New York Mayor Calls Police Shooting "Unacceptable." The New York Times (11/28, Cardwell, Chan) reports, "Mayor Michael R. Bloomberg convened an extraordinary meeting of black religious leaders and elected officials at City Hall yesterday to calm frayed tempers over the fatal police shooting of an unarmed black man in Queens, calling the circumstances 'inexplicable' and 'unacceptable.' … 'It sounds to me like excessive force was used,' the mayor said of the conduct of the officers, who fired 50 shots outside a Queens nightclub early Saturday, killing Sean Bell, 23, hours before he was to be wed, and injuring two others. 'I can

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tell you that it is to me unacceptable or inexplicable how you can have 50-odd shots fired.'" The Times continues, "Mr. Bloomberg made the remarks after meeting with some of the city's most influential black politicians and community leaders, including Representative Charles B. Rangel, the Rev. Al Sharpton and dozens of others. … The mayor's decision to meet with Mr. Sharpton and other black leaders was a stark turnabout from the approach of Mr. Bloomberg's predecessor, Rudolph W. Giuliani, who did not reach out to black leaders in the immediate aftermath of the fatal 1999 shooting of Amadou Diallo, an unarmed African immigrant who died in a hail of 41 police bullets." The Times adds, "Mayor Bloomberg's blunt assessment of events still under investigation was striking, although he took pains to point out that the facts were not all in, saying several times that he did not yet know what happened in the shooting, but that he expected that a grand jury would be impaneled by the Queens district attorney, Richard A. Brown. … In a move that suggests the officers feel their actions were justified, the lawyer representing the men said he had contacted Mr. Brown's office and offered to have the officers speak to prosecutors and appear before a grand jury voluntarily without immunity. The police have not released the officers' names, saying they are trying to protect them from retaliation or harassment."

The Washington Post (11/28, A3, Powell, Shulman) reports, "Once again a hail of police bullets has ended the life of an unarmed black New Yorker, and the city's mayor finds himself walking an uncertain line between reassuring black and Latino residents and defending his police force." The Post continues, "With a City Council member saying that black people are being 'murdered' and some black clergy signaling their discontent with Police Commissioner Raymond W. Kelly, Mayor Michael R. Bloomberg (R), who is white, walked into a news conference Monday and spoke of his profound unease with the shooting by undercover police that claimed the life of a bridegroom on his wedding day. … In a visible symbol of Bloomberg's concern, he was accompanied by a number of prominent black pastors and politicians, including activist preacher Al Sharpton and Rep. Charles B. Rangel (D-N.Y.). The night before, Sharpton journeyed to the Community Church of Christ in the Jamaica neighborhood of Queens and vowed that he was going to 'keep this in the street.'"

The AP (11/28, Hajela) reports, "An angry crowd shouted 'No justice, no peace!' Some called for the ouster of the city's police commissioner. Many counted off to 50, the number of rounds that are estimated to have been fired by police at three unarmed men, killing one on his wedding day." The AP continues, "Several hundred people gathered Sunday for a vigil and rally to demand answers about why officers let fly a flurry of bullets at 23-year-old Sean Bell early Saturday, hours before he was supposed to marry the mother of his two young children. … The five officers were placed on paid administrative leave and stripped of their guns, said Paul Browne, chief spokesman for the NYPD. Police and prosecutors promised a full investigation. … But none of that stemmed the fury of a community outraged by the shootings. … 'We cannot allow this to continue to happen,' the Rev. Al Sharpton said at the gathering outside Mary Immaculate Hospital, where one of the two wounded men was in critical condition. 'We've got to understand that all of us were in that car.'" The AP notes, "Some in the crowd called for the removal of Police Commissioner Raymond Kelly, yelling 'Kelly must go!' … Kelly has said that police shot at the car after it drove forward and struck an undercover officer and an unmarked police minivan. The information was based on interviews with witnesses and two officers who did not fire their weapons, he said. … But a witness account emerged Monday disputing that version of events."

NYTimes Says Police Department Must Account For Shooting Of Unarmed Man. The New York Times (11/28, 1.16M) says in an editorial, "Mayor Michael Bloomberg and his police commissioner, Raymond Kelly, are dealing differently with their own Diallo-style disaster. Police officers firing 50 rounds early last Saturday killed Sean Bell, an unarmed man who was to have married his high school sweetheart later in the day." Mayor Michael Bloomberg has "rightly called for a quick and impartial investigation. The officers must be held accountable for what has happened. But the Police Department must also confront the fact that a disaster that everyone swore to prevent seven years ago has repeated itself in Queens."

LAPD Probe Assigns No Blame In Shooting Death Of Toddler. The Los Angeles Times (11/28, Mcgreevy, Winton) reports, "So many bullets were discharged during a siege last year at a South Los Angeles auto shop that investigators cannot determine which Los Angeles Police Department officer fired the shot that killed 19-month-old Suzie Pena, Chief William J. Bratton said Monday." The Times continues, "The finding, which comes after a 15-month investigation that used top outside weapons experts, complicates the Police Commission's task Tuesday in deciding whether the officers should be disciplined. … Suzie Pena was shot twice as her father held her in front of him as he exchanged gunfire with LAPD officers in July 2005. The fatal shot hit Suzie in the head but did not lodge there, and investigators could not determine which bullet fragment they recovered had hit her." The Times adds, "Her death set off a debate about LAPD tactics, prompting investigations by the FBI and Los Angeles County district attorney's office as well as calls for better rules in the way SWAT officers respond to hostage standoffs. … Bratton described the investigation as one of the most complex in LAPD history. It

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involved microscopic analysis of 250 fired bullets and casings, involving 13 firearms, and more than 80 interviews with witnesses and 36 DNA tests."

High Court Hears Pay-Bias Case. The AP (11/28, Sherman) reports, "Employees must complain about pay discrimination within six months or forfeit their claim, the Supreme Court was told Monday in a case closely watched by companies and civil rights groups." The AP continues, "Justices engaged in a lively but inconclusive debate about how to apply a 180-day deadline for complaining about discriminatory pay decisions under Title VII of the federal Civil Rights Act of 1964." The AP adds, "Lilly Ledbetter sued Goodyear Tire & Rubber Co., claiming that after 19 years at the company's Gadsden, Ala., plant, she was making $6,000 a year less than the lowest-paid man in the same job. .. Ledbetter claimed the disparity existed for years and was primarily a result of her gender. A jury agreed, but an appeals court overturned the verdict." The AP notes, "Lawyers for Goodyear and the Bush administration argued against her claim. … Glen Nager, Goodyear's attorney, said the appeals court was correct. … 'Bring that claim or lose it,' he said. … Justice Department lawyer Irving Gorenstein said if the court were to side with Ledbetter, 'it would undo the statute of limitations in pay cases.' … But Ledbetter's lawyer, Kevin Russell, told the justices that each smaller paycheck should be treated as a new act of discrimination."

The New York Times (11/28, Greenhouse) reports, "Federal law prohibits discrimination on the job, requiring employers to pay their employees without regard to race, sex, religion or national origin. Many complexities lie behind that simple statement, as a Supreme Court argument on Monday made abundantly clear." The Times continues, "The question for the court was how to treat a discriminatory action that happened long ago, beyond the statute of limitations for the federal Civil Rights Act, but that has effects that continue to the present day. Is each new paycheck, reflecting a salary lower than it would have been without the initial discrimination, a recurring violation that sets the clock running again? Or does the passage of time, without fresh acts of intentional discrimination, render the initial injury a nonevent in the eyes of the law?"

EEOC Seeks To Block Discovery In Sidley Age Bias Case. The New York Law Journal (11/28, Lin) reports, "The U.S. Equal Employment Opportunity Commission, which is suing law firm Sidley Austin for allegedly demoting around 30 partners on the basis of age, is seeking to block discovery concerning the subsequent job performance of several of the former partners, as well as the mental health of one." The Journal continues, "Chicago-based Sidley has denied having a mandatory retirement policy and claims that the partners at issue were demoted in 1999 due to performance factors, including low billable hours and poor business development skills. The firm is hoping to show that new employers encountered similar performance from demoted partners who left Sidley. … But in a motion for a protective order filed Nov. 17 in Chicago federal court, the EEOC asked that Sidley be denied discovery relating to the billable hours, equity status and business development efforts of six former partners now working at other firms. The agency, which is arguing that performance reasons for the demotions were pretextual, called the information sought by Sidley 'not relevant to any disputed fact' in the case. … 'Evidence concerning the Former Partners' hours, billings, business development and time devoted to specific clients at the Subsequent Firms would not have any tendency to prove or disprove whether such factors actually motivated Sidley's decision to change Former Partners' status in 1999,' the EEOC said in its motion before Judge James Zagel of the U.S. District Court for the Northern District of Illinois." The Journal notes, "The agency, which has agreed to stipulate that Sidley's records concerning billable hours and other performance metrics are accurate, also highlighted a potential hazard to former partners of permitting the firm to seek such records from those partners' current firms."

Groups Plan To Press For ERA As Democrats Take Over Congress. The Washington Times (11/28, Wetzstein, 88K) reports, "The Democratic takeover of Congress should revive interest in an issue many Americans think is settled -- adoption of the Equal Rights Amendment -- as new bipartisan groups pursue the Republican-leaning states needed for its ratification. … Supporters say that despite advancements for women's rights since the ERA's official death in 1982 -- primarily prohibitions against sex discrimination -- the constitutional amendment is needed because women lag in career advancement and pay equity." The Times adds, "The ERA has its veteran supporters, such as the National Council of Women's Organizations. But in recent years, at least two new groups have emerged with the mission of getting three more state ratifications." The Time specifically cites the ERA Campaign Network and www.4ERA.org.

ANTITRUST:

Supreme Court Hears Arguments In Telecommunications Antitrust Lawsuit. The Wall Street Journal (11/28, Bravin, 2.04M) reports that in a "case with implications for antitrust enforcement, the Supreme Court heard arguments on how specific a plaintiff's allegations must be to claim anticompetitive behavior." The 1996 Telecommunications Act "gave the Bell system's regional successors, the Baby Bells, the right to sell long-

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distance service in return for opening their local networks to competitors. Despite Congress's expectation the law would create a competitive market, the Baby Bells have remained dominant in their respective regions." The plaintiffs, "a group of individuals who bought local telephone and Internet service since the law was enacted and represented by the class-action firm Milberg Weiss Bershad & Schulman LLP, filed suit in 2003, alleging the Baby Bells conspired to restrict entry into their territories of competitors in local telephone and Internet service." The plaintiffs had "no direct evidence of such a conspiracy, however, and instead based their claim on circumstantial indicators of anticompetitive behavior, such as the parallel conduct of the Baby Bells in declining to compete in each other's territory and allegedly impeding other carriers from connecting to their networks. The Baby Bells argued that without more -- such as an allegation of a specific meeting in which a deal was made to restrain trade -- the case should be dismissed without allowing the plaintiffs discovery of internal documents."

Market Watch (11/28, Anderson) reports, "The U.S. Supreme Court Monday pressed both sides in its search for how much evidence plaintiffs must provide to litigate a private antitrust conspiracy lawsuit against several Baby Bell companies." Market Watch continues, "Verizon Communications Inc., BellSouth Corp., AT&T Inc.'s SBC Communications Inc. unit, and Qwest Communications International Inc. have all been trying to block a class-action lawsuit alleging they engaged in an anticompetitive conspiracy to restrict competition in the local telephone and broadband Internet markets. … The lawsuit is still in its early stages. The companies and the U.S. Justice Department, at oral arguments on the appeal, urged the Supreme Court to set private antitrust lawsuit standards that ends the case before expensive legal discovery takes place."

The Deal (11/28, Lindell) reports, "U.S. Supreme Court Justice Stephen Breyer on Monday didn't seem too impressed with the notion that competitors taking similar actions is enough to file a lawsuit charging antitrust violations. … 'If you're right,' Breyer told J. Douglas Richards, attorney for respondent William Twombly, who filed a class action against Bell Atlantic Corp. and the rest of the telecommunications companies, 'I guess we can engage in a major restructuring of our economy.'" The Deal continues, "Twombly charged the phone companies had violated the Sherman Act -- which prohibits conspiracies -- by agreeing not to compete outside the regions in which each was essentially the dominant phone provider. The proof that there was an actual agreement was a statement in the initial brief that said that the same decision by all the companies was contrary to the interest of the firms, Richards told the court. … 'Conduct against self interest is a way [for the court] to infer a violation' of the Sherman Act, Richards said. … But he was having a hard time arguing with eight justices who appeared incredulous and at times jockeyed for a chance to ask more questions, with only Justice Clarence Thomas remaining apart from his querulous brethren. … 'You have a suspicion and you want to use the discovery process to see if that is true, isn't that the case?' Justice Ruth Bader Ginsberg asked Richards." The Deal notes, "The high cost of discovery, which would trigger class actions that businesses would have to settle rather than litigate, is the big fear of the various companies and individuals filing friend of the court briefs in this matter, including the Chamber of Commerce of the United States, The Commonwealth of Virginia and 15 other states, a group of economists, and MasterCard International Inc."

The AP (11/28) reports, "The case, Bell Atlantic v. Twombly, stems from the deregulation of the telecommunications industry in the 1980s and 1990s, with some experts citing it as the most important antitrust case to reach the Supreme Court in 20 years. … The case is being closely watched by numerous companies, including airlines, credit card issuers and trade associations representing the wireless communications and pharmaceutical industries, all of whom have submitted or signed onto friend-of-the-court briefs." The AP adds, "A federal district court dismissed Twombly's case, finding that Twombly did not allege sufficient facts to indicate that a conspiracy would likely be proven during a trial. But Twombly argued that a conspiracy could be inferred from the so-called 'parallel conduct' or behavior of the defendants. … The Second Circuit Court of Appeals reversed the district court, however, finding in October 2005 that a plaintiff must submit only a 'short and plain statement of the claim' and not a detailed set of facts in order to survive a motion to dismiss. .. .The Baby Bells appealed to the Supreme Court. A low standard, corporations say, would enable 'meritless' and 'abusive' cases to go forward, forcing many businesses to settle those cases rather than endure the expense of litigation, including the discovery process in which defendants must produce documentation of certain facts for the plaintiff."

The Financial Times (11/28, Washington) reports, "The case could be the most important antitrust case before the court in 20 years, legal sources say. Big business has won all 11 of the court's recent decisions in antitrust cases. A decision in yesterday's case is expected by June." The Times adds, "The case turns on the question: how high a hurdle must private plaintiffs clear to force big companies to reveal private documents that might prove they conspired with others to commit an antitrust violation? … Ruling in the case, a federal appeals court set a fairly low hurdle, arguing that federal law makes no attempt to discourage such lawsuits. But the telephone companies who are the defendants in the suit argued that such a low standard would give plaintiffs' lawyers a powerful new weapon to force big companies to

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settle even frivolous lawsuits, since the high cost of 'discovery'…makes it very costly to fight such suits."

Bloomberg (11/28, Stohr) reports, "Business groups are backing the appeal. DuPont Co., MasterCard International, Visa USA, Northwest Airlines Corp., UAL Corp., Louisiana-Pacific Corp. and several industry trade groups all signed briefs siding with the phone companies. … It's one of two antitrust cases the high court will hear this week."

Russian Firm Emerges As Potential Buyer Of Former Weirton Steel Plant. The Pittsburgh Tribune-Review (11/28, Napsha) reports, "Steelworkers at the former Weirton Steel plant are anticipating that a new owner will be announced this week, one that might restart its steelmaking facilities and add 400 jobs, a union official said Monday." The PTR continues, "Russia's largest steelmaker, OAO Severstal, is the latest to surface as a potential buyer and is said to be in negotiations to acquire the mill, according to published reports in a Moscow newspaper. … Both Severstal and Arcelor Mittal, the current owner at Weirton, declined to comment on the report, which was in the same Moscow newspaper that recently said Severstal wanted to buy Pittsburgh-based U.S. Steel Corp. … 'There have been numerous interested parties ... and hopefully we'll have an announcement in the next few days,' said Mark Glyptis, president of the Independent Steelworkers Union at Weirton. Glyptis said he had no firsthand knowledge of the Russian steelmaker's interest in acquiring the former Weirton Steel plant." The PTR adds, "The union is expecting a deal to surface because an agreement expires today between Arcelor Mittal and the U.S. Justice Department for Arcelor Mittal to divest itself of the tinmaking plant at Weirton, or one at Sparrows Point, Md., Glyptis said. .. .The Justice Department reached the deal because of Mittal Steel's $38.3 billion merger with Luxembourg-based Arcelor S.A., would give it a corner on tinmaking production in the eastern region of North America. Arcelor Mittal was unable to sell Dofasco Steel of Canada, which also has a tinmaking plant. … If a deal is not reached today, Arcelor Mittal could request a 60-day extension, Glyptis said." The PTR notes, "While the antitrust investigation into the Arcelor Mittal merger remains open, the Justice Department will not comment on the agreement, Gina Talamona, a Justice Department spokeswoman, said yesterday. Talamona said she could not comment on whether Arcelor Mittal requested an extension."

Swift Rejects Buyout Offer From Former CEO. The Wall Street Journal (11/28, C4, Vuocolo) reports, "Swift Transportation Co. rejected a $2.2 billion bid from its largest shareholder, former Chief Executive Officer Jerry Moyes, and said it will try to negotiate a higher offer from him or other parties." The Journal continues, "Mr. Moyes is offering $29 a share for the Phoenix truckload carrier, which represented a 21% premium at the time it was made. A special committee of independent board members said the offer was inadequate. … The board committee, which is being advised by Goldman Sachs Group Inc., said it will negotiate with Mr. Moyes for a higher offer. The committee also said it has begun talks with 'other potential financial and strategic buyers.' The term financial buyers typically refers to private-equity firms. The term strategic buyers usually refers to corporations."

Google Gears Up For Antitrust Fight Over Search Rankings. The National Law Journal (11/28, Maclean) reports, "Relegated to electronic Siberia by the Google Inc. search rankings, KinderStart.Com Inc. saw its Web traffic plummet and ad revenue evaporate, so it fought back with an antitrust lawsuit challenging Google's popular ranking system." The Journal continues, "The 2006 suit in federal court in San Jose, Calif., has been dismissed once, and some observers say that the new amended version's antitrust and free speech claims may face an uphill battle to survive. U.S. District Judge Jeremy Fogel indicated in an Oct. 27 hearing that he may not issue a written ruling until early next year on Google's motion to toss the case. … But the suit raises larger questions about Google's future susceptibility to antitrust claims as the ubiquitous Internet search engine gains steam. … 'Google is so large it runs the risk of slamming into the kind of situation that Microsoft found itself in, in terms of bundling its services together,' said Robert B. Reich, former labor secretary in the Clinton administration and now professor at the University of California's Goldman School of Public Policy. … 'All this means is Google needs to be ready for litigation, even if ultimately it comes out in Google's favor. As a big dominant company playing the pivotal role it plays, it is a sitting duck for all sorts of potential litigation,' Reich said. … As such a big player in the Internet industry, 'not only do you become a target of antitrust plaintiffs, you also can easily use your market heft in such a way as to impose burdens, or disadvantages, on other players,' said Reich." The Journal notes, "Others who watch the high-tech industry closely don't foresee serious antitrust clouds looming on Google's horizon. … 'There is no question Google does have market power in its space,' said Eric Goldman, law and technology professor at Santa Clara University School of Law in Silicon Valley. 'That is a predicate' in antitrust."

Supreme Court To Hear Landmark Patent Case. The Legal Times (11/28, Mauro) reports, "When Kenneth Bass III clerked at the Supreme Court in 1969, his justice, the late Hugo Black, told him confidentially what he thought of patents. … 'He told me that in his lifetime, he had seen only one real invention -- the airplane -- and he wasn't even certain about that one,' says Bass. 'He just didn't like patents.'" The Times continues, "Bass has to hope the

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current justices don't share that view today, when the Court takes up what he thinks could be the most important patent decision in 40 years. … Now a partner in the D.C. firm Sterne, Kessler, Goldstein & Fox, Bass is part of the legal team that will be defending a disputed patent in the case of KSR International v. Teleflex, which will be heard today. And Black would probably not like the side Bass is on." The Times adds, "Bass represents Pennsylvania auto-parts manufacturer Teleflex, the owner of a patent on an adjustable automobile gas pedal. Teleflex argues in favor of a controversial standard, used by the U.S. Court of Appeals for the Federal Circuit to varying degrees for decades, that enabled Teleflex to get and keep the patent. By requiring patent challengers to produce hard evidence, the standard makes it harder to topple a patent based on the assertion that the new product was an obvious extension of prior ideas. … Critics say the standard protects even the most thinly documented patents, opening the floodgates to junk patents for minor innovations and dubious inventions. … Too many easily won patents, critics say, slow creativity and the exchange of ideas, putting 'glue, not grease, into the gears of innovation,' in the words of a brief by the Progress & Freedom Foundation. … But if Teleflex loses and the Supreme Court devises a less-patent-protecting standard, says Bass' co-counsel Thomas Goldstein of Akin Gump Strauss Hauer & Feld, it will open a very different floodgate. Because 'many millions' of patents were granted under the disputed standard and patents can be challenged at any time, Goldstein says, 'If the Supreme Court does decide to make a substantial change, it will call into question innumerable patents.'"

High Court More Willing To Decide Patent Law Issues. The Wall Street Journal (11/28, A1, Bravin, 2.04M) reports that with the economy "increasingly dependent on technological innovation, the Supreme Court is scrutinizing more patent rulings made by a special court that critics say has tilted too far in favor of intellectual-property rights and could be stifling competition." The court on Tuesday "hears arguments in one of three patent cases on this term's docket," and it has "ruled in recent cases on the side of more flexibility in enforcing such rights. If that trend continues, it could translate into weaker protections for patent holders and promote greater access to inventions." The Supreme Court's "newfound assertiveness on core issues of patent law -- after hearing only a handful of cases in the field over 20-plus years -- comes amid a sharp debate over how to maintain American industry's competitive edge while upholding the protections that reward the risk-taking behind cutting-edge inventions." Critics – "including the Bush administration in today's case -- assert that the Federal Circuit has shifted too far toward patent holders, expanding the types of inventions that can be patented and broadening the scope of monopoly a patent affords its holder. The court's defenders say the Federal Circuit was created in part to strengthen patent protections, and that it has succeeded in clarifying the law."

ENVIRONMENT:

States' Suit To Force EPA Action On Global Warming Reaches Supreme Court. The Christian Science Monitor (11/28, Richey, 59K) reports that seven years ago, a "group of state officials and environmentalists" asked "the EPA to get involved - to take an initial step in response to scientific evidence that suggests greenhouse gases are causing global warming." EPA "refused, saying there were too many unresolved questions about the causes and effects of global warming. The state officials took their case to court, charging that the Clean Air Act requires the EPA to take immediate action." This Wednesday, the dispute "arrives at the US Supreme Court, where the justices must decide whether the EPA is required to take action or whether the agency retains the discretion to decide for itself how best to respond to world-wide environmental threats." The case will "test the authority of special interest groups and state governments to sue federal agencies and force them to adopt certain regulatory policies that they favor. The case could also establish important legal precedents that might help or hinder state efforts to regulate greenhouses gases on their own in the absence of federal action."

The AP (11/28, Hebert) reports, "A dozen U.S. states as well as environmental groups and large cities are trying to convince the court that the Environmental Protection Agency must regulate, as a matter of public health, the amount of carbon dioxide that comes from vehicles." The AP adds, "Carbon dioxide is produced when fossil fuels such as oil and natural gas are burned. It is the principal 'greenhouse' gas that many scientists believe is flowing into the atmosphere at an unprecedented rate, leading to a warming of the earth and widespread ecological changes. One way to reduce those emissions is to have cleaner-burning cars. … The Bush administration intends to argue before the court on Wednesday that the EPA lacks the power under the Clean Air Act to regulate carbon dioxide as a pollutant. The agency contends that even if it did have such authority, it would have discretion under the law on how to address the problem without imposing emissions controls." The AP notes, "The states, led by Massachusetts, and more than a dozen environmental groups insist the 1970 law makes clear that carbon dioxide is a pollutant - much like lead and smog-causing chemicals - that is subject to regulation because its poses a threat to public health. .. .A sharply divided federal appeals court ruled in favor of the government in 2005. But last June, the Supreme Court decided to take up the case, plunging for the first time into the politically charged debate over global warming. The ruling next year is expected to be

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one of the court's most important ever involving the environment."

NYTimes Says States Taking Right Course. The New York Times (11/28, 1.16M) says in an editorial, "A plain reading of the Clean Air Act shows that the states are right. The act says that the E.P.A. 'shall' set standards for 'any air pollutant' that in its judgment causes or contributes to air pollution that 'may reasonably be anticipated to endanger public health or welfare.'"

Groups Launch Effort To Monitor Appalachian Trail For Environmental Problems. The Washington Post/AP (11/28, A17, Smith) reports, "The Appalachian Trail gives hikers a nearly 2,200-mile trek through mountains, meadows and forests stretching from Georgia to Maine. But to scientists and land managers, it is also a living laboratory that could provide warnings of environmental problems while there is still time to fix them." The AP continues, "A diverse collection of organizations have launched a project to begin long-term monitoring of the trail's environmental health, with plans to tap into an army of volunteer 'citizen scientists' and professionals." The AP adds, "Together, they will collect information about air and water quality, the health of plants, and animal migration patterns to build an early environmental warning system for the 120 million people along the Eastern Seaboard. … The Appalachian Mountains are ideal for the project because they are home to one of the richest collections of temperate-zone species in the world. They also have a variety of ecosystems that blend into one another -- hardwood forests next to softwood forests next to alpine forests. The trail along the mountain chain passes through 14 states and eight national forests." The AP notes, "The idea for the project, the Appalachian Trail Mega-Transect, is in its infancy, but it has support from the National Park Service, the U.S. Forest Service, Cornell University, the National Geographic Society and Aveda Corp., an environmentally conscious beauty-products company."

WPost Calls On Virginia To Guarantee Revenue For Chesapeake Cleanup. In an editorial, the Washington Post (11/28, A18, 690K) notes recent improvements in the Chesapeake Bay's "overall health." The Post opines, "[B]ay states are improving their record on protecting the estuary, if too slowly, and they have time to expand their programs. … Virginia, which lags behind Maryland in its bay cleanup efforts, should guarantee revenue to do the same -- so that farmers will be able to rely on timely support over many harvests. Both states should also expand programs that help farmers pay for other agricultural improvements, such as the construction and maintenance of riparian buffers, which are effective and natural pollution trappers."

FBI/DEA/ATF/USMS:

Technical Glitch Repeatedly Crashes FBI Gun Background Check System. In a widely-distributed story, the AP (11/28) reports, "An FBI computer system that quickly screens gun buyers' backgrounds for criminal activity crashed several times over the past two days, officials said Monday. At times, the National Instant Criminal Background Check System was on the blink for up to a half-hour on Sunday and Monday -- potentially allowing buyers to purchase firearms without being screened if sellers gave up on making the required check. The computer crash was blamed on a technical glitch that was being worked on Monday evening, said FBI spokesman Paul Bresson. 'It's a performance issue that we've never encountered before,' he said."

Supreme Court Declines To Hear Case Over Professor's FBI File. The AP (11/28) reports, "The Supreme Court on Monday refused to consider the case of a Nobel Peace Prize-nominated law professor who wants the U.S. government to expunge his FBI file." The AP continues, "A federal appeals court found that information the government gathered on Cherif Bassiouni is pertinent to authorized law enforcement activity as part of President George W. Bush's campaign against terror. The records are important for evaluating the reliability of FBI intelligence sources, the appeals court found." The AP adds, "The government argued in the lower courts that even though Bassiouni is not a member of any terror organization, agents probably will continue to receive information about him because of his travels in the Middle East. … Bassiouni, an Egyptian who teaches in the United States, is serving the United Nations as an independent expert on human rights in Afghanistan and was chairman of the U.N. Security Council's commission to investigate war crimes in the former Yugoslavia. … In 1999, Bassiouni was nominated for the Nobel Peace Prize for work on international criminal justice and for his contribution to the creation of the International Criminal Court." The AP notes, "Bassiouni was among the U.N. human rights experts expressing concern about possible irreversible psychiatric symptoms in some terrorism suspects from virtual solitary confinement at the U.S. prison in Guantanamo Bay, Cuba."

Former Virginia Sheriff Pleads Not Guilty To Drug-Scheme Role. The AP (11/28, Lindsey) reports from Roanoke, VA, "A former sheriff pleaded not guilty

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Monday to federal charges that he took part in a scheme to sell drugs seized from criminals with a dozen former and current officers." The AP continues, "H. Franklin Cassell, 68, and two Henry County sheriff's deputies and a captain in the economically distressed county pleaded not guilty. The other defendants will be in court Wednesday. … The indictment returned Oct. 31 said Cassell looked the other way as officers sold drugs seized in criminal investigations, stole guns and other evidence and then resold cocaine, steroids, marijuana and other drugs to the public." The AP adds, "Cassell is charged with impeding a federal investigation and money laundering. If convicted, he faces up to 53 years in prison and a $1.25 million fine. … Charges against the other defendants include racketeering conspiracy, drug distribution, weapons counts, obstruction of justice and perjury. … A former sergeant, James Alden Vaught, agreed to cooperate with investigators. His planned guilty plea Monday was delayed because his lawyer was ill, said Assistant U.S. Attorney Thomas Bondurant."

There are more than 130 media references to former Henry County Sheriff H. Franklin Cassell's plea in a federal drug case in which he is accused of hindering the investigation. For example, the Richmond (VA) Times Dispatch (11/28) reports Cassell "pleaded not guilty yesterday to trying to thwart a federal investigation into a drug-dealing ring allegedly run by some of his deputies. Later, in the same federal courtroom where Cassell pleaded not guilty, the Henry man whose arrest prompted the indictment of Cassell, along with 12 of his employees, pleaded guilty to a single count of participating in a racketeering conspiracy. … Federal agents began their investigation of Cassell's department in March 2005, when U.S. Drug Enforcement Administration agents in Philadelphia tipped off their counterparts in Roanoke that a package containing 2 kilograms of ketamine, a sedative used as a date-rape drug, was in the mail and on its way to a Martinsville house."

The Roanoke (VA) Times (11/28) reports DEA agents "conducted an undercover delivery of ketamine, a date rape drug, at a Henry County residence in March 2005. According to court records…acceptance of the package served as the springboard for the investigation, which eventually resulted in the indictment of…Cassell, 12 current and former deputies and seven civilians."

The Martinsville (VA) Bulletin (11/27) reported Cassell "faces five counts alleging his participation in a money laundering scheme, obstruction of justice, false statement to a federal agency and misprison (failing to tell law enforcement of a felony)."

Local TV Coverage. WRIC-TV, Richmond-Petersburg, Virginia (11/27, 12:00 p.m.) aired, "Cassell and 12 other current and former officers are accused of scheming to sell drugs seized from criminals. The other officers have also pleaded not guilty. Cassell stepped down from his post earlier this month."

WDBJ-TV, Roanoke-Lynchburg, Virginia (11/27, 5:00 p.m.) aired, "Former Sheriff Frank Cassell was back in federal court this morning for arraignment. The 68-year-old…was indicted last month for trying to cover up alleged drug dealing on the part of his deputies. They're among 22 people- in and out of the department- caught up in a DEA investigation that began a year and a-half ago. Cassell entered a plea of not guilty."

WFXR-TV, Roanoke-Lynchburg, Virginia (11/27, 10:00 p.m.) aired, "Former Henry County Sheriff Frank Cassell pleaded not guilty to federal charges he laundered drug money and lied to investigators. Federal law required Cassell to go before a judge today for his arraignment in the case. No trial date has been set."

California Supreme Court Ruling Said To Expand Protections For Medical Marijuana Users. The Los Angeles Times (11/28, Dolan) reports people "charged with transporting marijuana may avoid conviction if they can show that the drug was for their personal medical use, the California Supreme Court ruled Monday. In a 6-1 decision, the state high court said California's medical marijuana law protects patients who transport even relatively large quantities of the drug if they can show that the amount was consistent with their medical needs and recommended by a licensed physician. … Monday's decision 'expands the defenses that can be used for medical marijuana,' including transportation and possession for sale, said Maureen J. Shanahan, who represented the defendant in the case."

Bay City News Wire (11/28) reports the ruling, "issued in San Francisco, concerns a 2003 state law that clarified California's medical marijuana law, which was passed by state voters in 1996 as the Compassionate Use Act. The Compassionate Use Act protects seriously ill patients from being prosecuted in state court for using marijuana when they have a doctor's approval. The protections apply only to state court prosecutions and not to criminal prosecutions in federal court. Federal drug laws do not allow an exception for California's medical marijuana law."

Conviction Upheld In Marijuana Case. In Santa Ana, the AP (11/28) reports an Orange County man's felony conviction for "transporting marijuana was upheld Monday by the California Supreme Court despite its ruling that later law allowing a medical marijuana defense for transportation applies retroactively. The decision in the case of Shaun Eric Wright, 43, resolves an important question regarding the Medical Marijuana Program, legislation adopted in 2004 to promote the implementation of Proposition 215 that in 1996 legalized marijuana for medicinal use, Nathan Barankin of the

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state Attorney General's office said. That question, Barankin said, is whether the law applies retroactively 'and it does resolve that issue for state law purposes.'"

Court Ruling In Marijuana Case Seen As Legally Correct, Morally Wrong. The Seattle Post-Intelligencer (11/27) editorialized, "The Washington [State] Supreme Court, for hardly the first time in judicial history, has rendered a ruling that is at the same time legally correct and morally wrong. Yes, as the court ruled Thursday, state law enacted by the 1998 passage of Initiative 692 does require that anyone mounting a 'compassionate use' defense in a marijuana-related crime must meet specific criteria. And, yes, Sharon Lee Tracy failed that test. … Where the cops and courts failed, lawmakers can succeed, by rewriting the law to recognize medical marijuana prescriptions from any licensed physician."

FDA Issues Methadone Advisory. The AP (11/27) reported people "starting treatment with methadone have died and suffered life-threatening side effects, health officials said Monday in warning of the dangers of overdosing on the painkiller. Overdoses of the increasingly popular narcotic can cause slow or shallow breathing and dangerous changes in heart beat that patients might not feel, the Food and Drug Administration said. … The FDA warned that methadone only provides pain relief for four to eight hours, but can linger in the body for eight to 59 hours. That can lead patients to take more of the drug before it has been eliminated by the body, causing the drug to build up in the body to toxic levels, the FDA said."

The Wall Street Journal/Dow Jones (11/27) reported the FDA "has issued a health advisory for methadone after it reviewed reports of death and life-threatening side effects in patients taking the pain drug, the agency said Monday. … According to the advisory, posted on the FDA's Web site, methadone can cause slow or shallow breathing and 'dangerous changes in heart beat that may not be felt by the patient.' In addition, accidental overdose could happen because the substance stays in the body for more than eight hours, when pain relief from a dose lasts about four to eight hours."

Afghanistan's Anti-Drug Efforts Said To Be Ruined By Corruption. The Financial Times (11/28, Morarjee) reports, "Afghanistan's war on drugs has been marred by corruption that has strengthened the grip of an increasingly powerful mafia on the country's narcotics trade, a report by the World Bank and United Nations said. Over the past five years, the British-led counter-narcotics strategy had penalised the country's poorest farmers and strengthened networks of organised crime, consolidating the trade among a tiny elite of traffickers, the damning report said." The report claimed that the Afghan interior ministry had been "captured" by traffickers. The Financial Times continues, "To achieve long-term success in the battle against drugs eradication, the report found that efforts should be concentrated in the six Afghan provinces where there was relatively little opium cultivation to build up a line of defence against the spread of the trade. ... Even in this record year, opium took up less than 4 per cent of the total cultivated area in Afghanistan, with only an estimated 13 per cent of the population involved in poppy cultivation, which the report said was cause for hope."

The Financial Times (11/27, Burns, Morarjee) also reported Afghan government plans to "eradicate poppy farming in southern Afghanistan risk drawing British troops into fierce fighting with an already embittered local population, military officials and diplomats in the country have warned. The governor of Helmand has promised to push ahead with a drug eradication program early in the new year in the southern province where British troops faced unexpectedly fierce battles during the summer."

USA Today (11/28, Leinwand) says the report, "released today, is the latest indication of the difficulties faced by the British-led effort to eradicate Afghanistan's opium crop, which drives the economy in parts of the embattled nation and has helped to fund a resurgence of the Taliban. The report says the production of opium, whose poppies are used to make heroin, permeates daily life in Afghanistan and eliminating the illegal drug trade there could take decades."

Officials Search For Cause Of Fatal Missouri Group Home Fire. The AP (11/28, Kabel) reports from Anderson, MO, "An early morning fire broke out in a group home for the elderly and mentally ill Monday, killing 10 people and injuring two dozen others in a blaze that the governor said was being treated as a crime." The AP continues, The blaze reduced the privately run Anderson Guest House to a skeleton of cinder blocks and stunned this rural community of about 1,800 people tucked in the Ozark hills of southwest Missouri. … Gov. Matt Blunt said investigators were treating the fire as suspicious. … 'We're not saying it is definitely a crime scene, but we are treating it as if it is and trying to determine if the fire was set by somebody who had a nefarious motive,' Blunt said." The AP adds, "The home had 32 residents and two employees inside when the fire was reported around 1 a.m. The dead ranged in age from early 20s to elderly. Another 18 people were taken to hospitals, and six were treated at the scene, authorities said. … One of the dead was a worker in the home, and the other nine were residents, Blunt said. Authorities did not plan to release names until Tuesday because relatives of two victims haven't yet been notified. … Officials refused to say how the victims died or whether they had any warning. The home had fire alarms but no sprinklers."

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Marshals To Help Track Maine Sex Offenders. The AP (11/28) reports, "The federal government will soon get involved in tracking down sex offenders in Maine who avoid registering with police." The AP continues, "The U.S. Marshals Service in Maine is being trained in the new responsibilities as part of a federal sex offender law passed in July, said John Cooper, the chief deputy U.S. marshal for Maine." The AP adds, "The new law creates a national sex offender database to allow law enforcement and communities to know where convicted sex offenders live and work. It gives the Marshals Service the task of tracking down offenders who dodge their obligations. … 'We have resources and databases that local agencies don't have,' Cooper said." The AP notes, "Maine and other states in recent years have created registries that list people convicted of certain types of sex crimes. The registries are viewed as informational and safety tools for police and the public. .. .But officials say there are a number of weaknesses in the system. … In Maine, failing to register with local police or the state is a crime, but only a misdemeanor that hasn't been listed on national databases that alert police to people who are wanted in other states. … Police say another weakness in the system is figuring out who should take the lead in searching for a sex offender who fails to register or report to police as required."

IMMIGRATION:

Border Communities Cool To Planned Fence. USA Today (11/28, Johnson, 2.27M) reports "ranching magnate Bill Moody" would "seem to be the type of person who would embrace the federal government's most provocative effort to stop illegals from entering this country: A plan to build 700 miles of fence along the 2,100-mile Southwest border, including Moody's land. Instead, Moody is a powerful voice in a growing alliance of border landowners and local law enforcement officials who oppose a fence." Most "everyone here agrees that more border security is needed to curb illegal immigration. Ranchers such as Moody and Dob Cunningham, who has a 700-acre spread north of here with 2 miles of river frontage, say they often give Border Patrol agents access to their land to help the agents track down illegals." But the "fence plan — the centerpiece of an immigration bill President Bush signed last month — has come to reflect the disconnect between many landowners here and officials in Washington who see the project as a key part of the nation's strategy to slow illegal immigration. Here, where the impact of illegal immigration is greatest, the fence is widely viewed as an economic and environmental threat. In Eagle Pass, a city of 25,000 that is 95% Hispanic, it's also seen as a rejection of the region's tradition of shared cultures and open ranges."

Thompson Warns Firm Of Criminal Charges Over Illegal Immigrant Crackdown. The Washington Times (11/28, Seper, 88K) reports Rep. Bennie Thompson, "in line to become chairman of the House Homeland Security Committee," has "warned the nation's largest uniform supplier it faces criminal charges if it follows a White House proposal to recheck workers with mismatched Social Security numbers and fire those who cannot resolve the discrepancy in 60 days." Thompson said "in a letter to Cintas Corp. it could be charged with 'illegal activities in violation of state and federal law' if any of its 32,000 employees are terminated because they gave incorrect Social Security numbers to be hired." Thompson said, "I am deeply troubled by Cintas' recent policy change regarding the Social Security Administration's 'no match' letters. It is my understanding that hundreds of Cintas' immigrant workers have received these letters. I am extremely concerned about any potentially discriminatory actions targeting this community."

Democrats' Conflict Over Immigration Expected To Surface. In a New York Times op-ed (11/28), Thomas Edsall says, "The success of candidates attacking outsourcing and trade agreements like Nafta, combined with high Democratic margins among economically pessimistic voters, clearly point to middle-class wage stagnation and growing inequality as significant factors in the election this month." But the "result has shifted the balance of power within the Democratic Party in favor of the protectionist wing, and especially in favor of such major unions as the Teamsters, the steelworkers and the autoworkers, all key party supporters with money and manpower." The "strengthening of the Democrats' protectionist wing is virtually certain to force to the surface a second, and closely related, internal conflict between the party's pro- and anti-immigration wings. This conflict among Democrats remained submerged while President Bush and the Republican House and Senate majorities fought without resolution over the same issue."

Biden Blames Mexico's "Corrupt System" For Illegal Immigration, Drug Problems. The AP (11/28) reports Sen. Joe Biden "wants to get tough with Mexico, calling it an 'erstwhile democracy' with a 'corrupt system' responsible for illegal immigration and drug problems in the U.S. Biden, D-Del., was in Columbia [South Carolina] on Monday in his first post-election trip to this first-in-the-South presidential primary state as he continues to line up support for his presidential bid. … An even bigger problem are illegal drugs 'coming up through corrupt Mexico,' he said. 'People are driving across that border with tons, tons -- hear me -- tons of everything from byproducts for methamphetamines, to cocaine, to heroin.'"

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CONGRESS-ADMINISTRATION:

Gates Likely To Start As Defense Secretary Before End Of Year. The AP (11/28, Burns) reports officials said Defense Secretary-designate Robert Gates "is likely to assume the Pentagon post before year's end if he is confirmed by the Senate as expected." Pentagon press secretary Eric Ruff "said Gates will have his confirmation hearing before the Senate Armed Services Committee early next week, with a vote expected by the full Senate by Dec. 12 or 13." Ruff added that in "preparation for the hearing, Gates is receiving a series of briefings by senior Pentagon officials." Even if Gates "is confirmed as expected, it is unclear when he would be sworn in to his new duties, Ruff said." The AP adds another Administration official, "who would discuss the Gates matter only on condition of anonymity, said that if confirmation goes as expected, then Gates would be sworn in well before the end of the year. No date is set."

Carter Expects Gates To Be Confirmed. Former President Jimmy Carter on CNN's Larry King Live (11/27) was asked whether Robert Gates would be an improvement over Secretary Rumsfeld. Carter said that Gates "was in the intelligence agency working for the Stansfield Turner when I was president. Stansfield Turner thought a lot of him. Everything everybody who has worked with him since that time have had accolades for him. I think he's certainly going to be an improvement and I think the nation is going to give him full support and I would presume the Congress will approve his appointment without any hesitation."

Missile Defense Makes Advances, But Undermined By Technical Glitches. The Wall Street Journal (11/28, A1, Karp, 2.04M) reports that under President Bush, "the US has poured nearly $50 billion into" the missile defense program. The Pentagon "says it has put the system on alert more than 10 times and the US already has a 'limited' ability to shoot down enemy warheads. Yet the program's high-tech breakthroughs are at times undermined by technical snafus, and real missile defense always seems off in the future." A "big step forward came in September, when U.S. military personnel using satellite sensors, radar and long-range interceptor missiles that are part of the real missile shield shot down a test warhead in space over the Pacific. The success went some way toward answering critics in Congress who have demanded tests that resemble real-world situations." For "defense contractors and the Pentagon, which is spending $9.3 billion this year on missile defense, the September test was a vindication." Critics "nowadays generally concede the feasibility of knocking missiles out of the sky. But many believe the idea is either too expensive or too error-prone to make it worth rushing into operation." The Journal also examines the potential and problems of the SBX, or sea based X-band radar, that would be a vital link in the system."

Portman Says Bush Prepared To Veto Spending Bills. The Washington Times (11/28, Dinan, 88K) reports Office of Management and Budget Director Rob Portman says President Bush "will try to work out a deal on spending with the new Democratic majority on Capitol Hill, but will be prepared to veto bills that exceed his total budget or that slice away at defense needs." In an interview, Portman said, "With the Democrat leadership, we'll try to be transparent and we'll try to be clear in our concerns upfront, and I hope we can work things out without resorting to a veto. But if necessary we will resort to a veto." The Times adds Portman, "a former six-term congressman from Ohio, has assumed the role of go-between, making use of his relationships with many of the top lawmakers to find areas of cooperation on annual spending and on thorny issues such as Social Security." He has "spoken with incoming Ways and Means Committee Chairman Charles B. Rangel, the incoming chairmen of the House and Senate budget committees, and Sen. Max Baucus, who will head the Senate Finance Committee. He also has a meeting scheduled with Sen. Robert C. Byrd, the West Virginia Democrat who will head the Senate Appropriations Committee."

Government Contractors Face Stiffer Oversight Under Democratic Majority. The Washington Post (11/28, D1, Witte, Merle, 690K) reports that after "riding high for five years, government contractors are bracing themselves for increased oversight, tighter budgets and stepped-up regulations as Democrats take over on Capitol Hill and vow to keep a closer eye on how companies spend taxpayer dollars." While all companies that do "business with the government could feel the impact, but contractors that benefited most from work in Iraq and Afghanistan, from homeland security initiatives or from Hurricane Katrina are especially likely to be under the microscope. Big-ticket weapons programs are also expected to garner special attention, and it may become more difficult to get a no-bid contract, according to industry observers." In "a 44-page look at areas in need of oversight," Government Accountability Office investigators "focused substantial attention on contractors. The government spent $388 billion on contracts last year, the GAO said, and much of that money is exposed to 'potential waste and misuse' because of the way the government buys goods and services." Meanwhile, "in September, the Project on Government Oversight, a watchdog group, began holding seminars for Hill workers of both parties on how to conduct investigations, including

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sessions on the anatomy of a government contract and skits in which oversight hearings were acted out."

Watchdog Group Wants Investigation Of Hastert Over Prairie Parkway. The Chicago Tribune (11/28, Parsons, 617K) reports a government watchdog group "called for an official investigation into whether House Speaker Dennis Hastert broke the law by pushing for federal funding of a highway project near land he owned west of Chicago." Hastert (R-Ill.) and "two partners turned a profit of more than $3 million last year on land they bought and sold near the proposed route of the Prairie Parkway -- earnings that the group Citizens for Responsibility and Ethics in Washington say the investors got because of federal funding pushed by Hastert. The group is asking the Justice Department to investigate Hastert's actions."

Hastings May Drop Bid For Intel Panel Chair After Tuesday Meeting With Pelosi. FOX News (11/27) reported on its website, "House Speaker-designate Nancy Pelosi will meet Tuesday with Florida Rep. Alcee Hastings, and those with knowledge of Pelosi's thinking told FOX News that Hastings will be told he is not going to be the next chairman of the Permanent Select Committee on Intelligence. Though no formal decisions have been announced and Pelosi aides say the situation remains fluid, they suggest that the meeting at Pelosi's Capitol Hill office was requested by Hastings so he could bow out of the race before Pelosi denies him the job. 'He knows he's not going to get it,' said one senior House Democratic aide. 'The question is why he didn't bow out long ago.'" In remarks "over the weekend, Hastings left the impression he was resigned to not receiving the chairmanship from Pelosi, due in large measure to his impeachment from the federal bench in 1989 for conspiring to accept a bribe…and then, according to the Senate impeachment trial, lying to cover it up. Pelosi aides have been scrutinizing the House and Senate proceedings in the Hastings impeachment, FOX News has learned, and apparently don't like what they have seen. 'It's ugly,' said one Pelosi aide. 'It's just really, really bad.'"

Hastings' Former Attorney Defends His Suitability. In a column appearing in the Washington Post (11/28, A19, 690K), Terence J. Anderson, the lawyer who represented Rep. Alcee Hastings when he was a judge, including during Hastings' impeachment proceedings, opines, "Ruth Marcus…and others have argued, however, that Hastings should not be appointed chairman" of the House Intelligence Committee "because of the Senate's decision 17 years ago to remove him from the federal bench. Such arguments ignore important facts that should be considered before the next speaker of the House, Nancy Pelosi, decides on the chairmanship." He enumerates three arguments: "First, no 'jury' that heard and considered all the evidence has been convinced that Hastings was guilty. … Second, in any fair view, perceived political necessity was a significant, perhaps decisive, factor in the decision to remove Hastings from the bench. … Third, senators who had not heard the evidence filed statements that make it clear that some voted for removal not because they were convinced Hastings was guilty but because they believed he had not proven his innocence."

Bush Approval Falls To 31% In Harris Interactive Poll. The Wall Street Journal (11/28, 2.04M) reports President Bush's approval ratings "fell to the second-lowest of his presidency, according to a new Harris Interactive poll." The telephone survey, conducted over November 17 and November 21, shows "31% of U.S. adults called Mr. Bush's job performance 'excellent' or 'good' -- down from 34% who gave a positive assessment in a late-October poll; 67% said his performance is only "fair" or "poor," up from 63% in the previous survey2." Despite the "recent changes in Congress, Republicans and Democrats continued to receive low marks. Thirty-six percent of respondents said Democrats are doing an 'excellent' or 'good' job, better than the 29% in September. Democrats' highest positive rating was 68% in October 2001, a month after the 9/11 attacks. Meanwhile, Republicans' approval rating remained unchanged from September at 24%, and also well below their October 2001 high of 67%."

Hall First Professional Musician Elected To Congress. The Washington Post (11/28, C1, Segal, 690K) profiles Orleans band member and Democratic Rep.-elect John Hall, whose "singular place in American history" is that he is "the first professional rock musician elected to Congress. No, we're not counting Sonny Bono, because he didn't play an instrument, at least not onstage." Today, Hall "would blend in at a board meeting of any Fortune 500 company -- he is tall and serious and pretty formal. He actually sounds like a politician, too: He can speechify in that earnest and somewhat tedious way that only politicians can. No offense, but you've never met anyone who toggles so quickly between gripping anecdote and soporific spiel. … Frankly, he'd rather talk up his slate of left-leaning goals, such as raising the minimum wage, weaning the nation off fossil fuels or pushing for universal health care."

WSJournal Praises DeMint, Coburn For Blocking Earmarks. The Wall Street Journal (11/28, 2.04M), in an editorial, praises "GOP Doctors, er, Senators Jim DeMint (South Carolina) and Tom Coburn (Oklahoma)," who have "been staging an intervention so their colleagues don't risk another overdose before they ride off into the

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minority." The "two rebel Senators…rallied enough of their mates to block any omnibus bill containing earmarks. The result is that the GOP Senate may return next week for its final lame duck days and instead pass a 'continuing resolution' that would fund the government at 2006 levels, kicking 2007 decisions over to the Democratic majority in January. By Mr. Coburn's estimate, taxpayers would save about $17 billion if Congress takes this approach."

OTHER NEWS:

Stock Markets Fall On Weak Dollar, Slow Retail Sales. The Los Angeles Times (11/28, Hamilton, 850K) reports the stock markets "fell sharply on Monday, with a weakening U.S. dollar and tepid sales at retail giant Wal-Mart Stores giving investors the opening they were looking for to cash out some of the profits they've booked during the market's four-month surge." The Dow Jones industrial average and the Standard & Poor's 500 index "each sank more than 1% for the first time since July 13." Investment pros "said the decline was not surprising given Wall Street's strength this year, especially through its seasonally weak period in September and October. They attributed the sell-off largely to profit taking by big institutional investors that are sitting on sizable recent gains." The Dow "sank 158.46 points, or 1.3%, to 12121.71, its biggest decline since a 1.5% slide on July 13. The S&P 500 was off 19.05 points, or 1.4%, to 1381.90. The tech-heavy Nasdaq composite index skidded 2.21%, tumbling 54.34 points to 2405.92."

NBC Nightly News (11/27, story 8, 0:20, Williams, 9.87M) reported, "Adding to a big downdraft on wall street some analysts were linking to a disappointing sales estimate by Wal-Mart." The Dow was down more than a 158 points [to close at 12,121.71]. NASDAQ took a hit as well fell nearly 54 points [to close at 2,405.92]. The CBS Evening News (11/27, story 5, 0:10, Couric, 7.66M) reported, "Wall Street hasn't seen a day as bad as this one in months."

The New York Times (11/28, Peters, 1.16M) reports, "It was a day with little for investors to cheer, with the dollar continuing its slide against the euro and the price of a barrel of oil rising." The "decline on Wall Street spoiled what had been a steady run-up in stock prices in recent weeks." Some of "the steepest losses came in the shares of retailers like Wal-Mart, whose troubles reverberated throughout the stock market. The world's largest retailer reported Saturday that its sales in November fell for the first time in 10 years. Despite signs that retailers on average fared well during the first weekend of the holiday shopping crunch, the poor results from Wal-Mart raised questions about how much consumers will spend this season."

The Washington Post (11/28, D5, Brubaker, 690K) also cites "higher oil prices, a weakening dollar and an unexpectedly glum sales forecast from Wal-Mart." Yesterday's "stock sell-off also was driven by a 1.8 percent jump in crude-oil futures, fueled by reports that Saudi Arabia's oil minister may support a cutback in production at the next meeting of the Organization of Petroleum Exporting Countries Light sweet crude for January delivery gained $1.08 to settle at $60.32 a barrel."

USA Today (11/28, Shell, 2.27M) reports some Wall Street strategists "said the 158.46-point drop to 12,121.71 suffered by the Dow Jones industrial average was long overdue given the Dow's uninterrupted run-up in recent weeks." Rod Smyth, investment strategist at Wachovia Securities, said, "It was simply a much-needed correction. I genuinely believe this (selling) has been building." USA adds, "Still, the broad market sell-off, which resulted in sizable losses for virtually every type of stock — blue chips, technology names and both large- and small-capitalization stocks — grabbed the attention of a complacent Wall Street caught up in Dow fever."

The Wall Street Journal (11/28, C1, McKay, Hudson, 2.04M) also reports, "Some Wall Street pros also said the stock market was due for a pullback, following more than a month of fresh records and last week's holiday-shortened trading." Jim Bianco, president of Bianco Research in Chicago, "still figures the market is generally headed higher through the end of the year. But he said stocks were probably due for a short-term drop, considering that the S&P 500 hasn't had a decline of 2% from a high since mid-July." Bianco said, "This is the longest period without a 2% correction in 20 years. It just shows you how strong the market has been that we have to think in these terms now."

Sales Up 3.5% For Black Friday. ABC World News (11/27, story 8, 0:36, Gibson, 8.78M) reported, 'This Monday after the long Thanksgiving break, millions returned to work and promptly got busy shopping online. On this Cyber Monday, as it's known, an estimated 61 million people would buy something over the Internet. As for Black Friday and weekend, customers shelled out almost $15 billion at traditional stores, up about 3.5% from the same Friday and Saturday last year. Still the nation's largest retailer, Wal-Mart, says its November sales will be down."

NBC Nightly News (11/27, story 9, 2:10, Quintanilla, 9.87M) reported, "Retailers slashed prices to draw in shoppers, and they got them. 140 million spending $9 billion on Friday alone. At this retail resort near Denver Tracy Snow and her two girls braved the crowds and spent $400. Their budget this year is tight." There are "concerns about the health of the American consumer. Holiday central survey released today found only one in five shoppers will spend more than they did last year."

The CBS Evening News (11/27, story 6, 0:40, Bowers, 7.66M) reported, "After last week's Black Friday in stores like these, now it's on to the Internet and Cyber Monday. 60

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million of us are expected to shop online today, that's 20% of the population. But experts say everyday has become Cyber Monday." Kurt Peters, Internet Retailer: "People are shopping online all the time. They're not waiting to get to the office on the Monday after Thanksgiving to start their Christmas shopping." Bowers: "Estimates are this year's online sales will be up 24% to $24 billion. Retailers used to think online shopping would hurt in-store sales. Now the message is ignore the Internet at your own peril."

Housing Market Slowdown Not Putting Crimp In Holiday Spending. USA Today (11/28, Hagenbaugh, 2.27M) reports the "sharp slowdown in the housing market isn't darkening consumers' moods as feared, suggesting they will continue to be a source of strength in the economy through this year and possibly into 2007." Results from the "first few days of the key holiday shopping season point to increases in retail sales from a year ago, despite a mediocre performance at Wal-Mart, the nation's largest retailer." With consumer spending "accounting for more than two-thirds of U.S. economic activity, spending gains are good news for the broad economy as it faces a number of headwinds, including the housing slowdown and turmoil in the automobile industry."

Massachusetts To Sue Big Dig Firms For Negligence In Deadly Collapse. The Wall Street Journal/AP (11/28, A6) reports, "Massachusetts is preparing a multimillion-dollar lawsuit against the companies that worked on the Big Dig highway tunnel project, alleging their negligence led to the ceiling collapse that killed a woman, a spokesman said Monday." The AP continues, "Attorney General Tom Reilly is seeking unspecified damages for repairs, loss of tunnel use and toll revenue and other economic factors, spokesman David Guarino confirmed Monday. The lawsuit was to be filed Monday or Tuesday, he said. … 'This lawsuit is more than just about money, although we will be seeking monetary damages,' Mr. Reilly told a local radio station earlier Monday. 'What this case is has always been about is the tragic death of Milena Del Valle. That could have been any one of us.'" The AP adds, "The lawsuit, to be filed in Suffolk Superior Court, alleges project manager Bechtel/Parsons Brinckerhoff and Modern Continental Construction Co. were 'grossly negligent' in constructing the ceiling that collapsed. The suit also names Gannett Fleming, the firm that designed the I-90 connector tunnel; as well as companies that supplied the epoxy or ceiling bolts used to hold up ceiling panels. … Four of the concrete panels, each weighing about three tons, fell on a car in which Del Valle, a 38-year-old from Boston, was a passenger July 10. Gannett Fleming also is being sued for breach of contract, Mr. Guarino said."

NCSL Report Calls For States, Colleges To Focus On Cost And Graduation Rates. The Christian Science Monitor (11/28, Arnoldy) reports the National Conference of State Legislatures found that "for every 100 ninth graders, only 18 will enter college and finish within six years." That is "not good enough" according to the report. It calls for "higher education and the states that oversee much of the system…to tackle spiraling tuition, poor college preparation, and the lack of help to keep students moving toward a degree." The report focuses on "the ballooning price of a bachelor's degree." It notes that "reducing the student-loan rate is an 'early action' item on the agenda for the Democratic-controlled Congress." Furthermore, "graduation rates for those who start college are finally inching up after years of setbacks." But it is "taking students a longer time on average to complete degrees, and the process is saddling them with more and more debt."

USA Today (11/28) reports the NCSL "agrees with most of the points raised by a national commission created by Education Secretary Margaret Spellings" with "one major exception: It says states, not the federal government, must be at the center of a nationwide higher-education reform movement." States "spend $70 billion a year on higher education and provide more funding and regulation of colleges and universities than any other level of government."

Recounts Start In Three House Races. The Washington Post/AP (11/28, A2) reports Rep. Deborah Pryce (R-Ohio) "won reelection Monday by a margin so slim that a recount will be required." Unofficial results "announced by Franklin County, the last to finish counting absentee and provisional ballots in central Ohio's 15th District, showed Pryce led Democratic challenger Mary Jo Kilroy by 1,055 votes, or 0.4 percent of the vote. An automatic recount is triggered if the difference between the two candidates is less than 0.5 percent." Meanwhile, in North Carolina, "election officials said a manual recount of randomly chosen precincts will take place Wednesday and Thursday in the 8th District race between Rep. Robin Hayes (R) and Democrat Larry Kissell. Hayes leads by 329 votes." Florida officials will "start an audit Tuesday of electronic voting machines in the 13th District House race between Democrat Christine Jennings and Republican Vern Buchanan. The state certified Buchanan the winner by 369 votes, but Jennings contested, arguing that touch-screen voting machines had malfunctioned."

In Fourth Race, Bonilla Faces Rodriguez In Run-Off. The New York Times (11/28, Zernike, 1.16M) reports, "Forget recounts; in Texas, there is an actual campaign." Republican Rep. Henry Bonilla "faces a runoff on Dec. 12 after failing to gain a majority of votes on Election Day." Bonilla "won 48.6

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percent of the vote. His opponent, Ciro Rodriguez, led a field of six Democrats with 19.9 percent."

Giuliani, Obama, McCain Top Poll Rating Of National Leaders. The Washington Post/AP (11/28, Christoffersen) reports Americans "have the warmest feelings about former New York City Mayor Rudy Giuliani, Republican Sen. John McCain and Democratic Sen. Barack Obama, according to a poll released Monday that scores the popularity of national leaders." The Quinnipiac University "thermometer reading," which was "taken the week after the Nov. 7 election, asked voters to rate their feelings for 20 leaders on a scale of 0 to 100. Giuliani, a Republican weighing a presidential bid in 2008, scored the highest at 64.2. Obama and McCain, who are also considering a 2008 campaign, finished next at 58.8 and 57.7." President Bush "was 15th out of 20 while his secretary of State, Condoleezza Rice, was fourth and former President Clinton fifth." New York Sen. Hillary Rodham Clinton "scored ninth of the 20 leaders with a score of 49," while Sen. John Kerry, "who was roundly criticized before the election for suggesting that students who don't study could end up stuck in Iraq, came in last at 39.6." Democratic Rep. Nancy Pelosi, "in line to become the next House Speaker, improved her standing, moving from last to 12th in a few weeks. The next Senate Majority leader, Democrat Harry Reid, was 19th."

The Washington Times (11/28, Pfeiffer, 88K) reports Quinnipiac assistant poll director Peter A. Brown said, "As we enter the presidential campaign of 2008, Giuliani and McCain are in enviable positions. They are well-regarded, and most Americans are quite familiar with them. Obama's showing is impressive, but 4 in 10 Americans still don't know enough about him to have an opinion." The Times adds, "Despite concerns that his liberal views on social issues will hurt him with Republican primary voters, Mr. Giuliani continues to lead the field in nearly every publicly released presidential poll."

Dionne Says GOP Alienated Moderate Voters. In his column in the Washington Post (11/28, A19, 690K), E.J. Dionne writes, "This fall's election defeat was inglorious for Republicans because it ratified Nixon's original worries about the cost of chasing away the GOP's moderates and revealed that the Barry Goldwater-Ronald Reagan political settlement has expired. You wouldn't know that listening to Republican congressional leaders who still think all will be well if the party just hugs the old conservative faith a little harder." Dionne cites Republicans' "new problems," including: "The party's credibility on national security has been shattered by the failure of the Bush administration's policies in Iraq." He also writes, "Pro-market libertarians and pro-family social conservatives are more aware than ever that their respective values and interests do not coincide."

Effort To Build Grassroots Internet Alternative Party Examined. In a USA Today op-ed (11/28), Don Campbell, a lecturer in journalism at Emory University, says, "I have a strong stomach, but the partisanship and political slander that in the past decade have come to characterize virtually every utterance have driven me to become nauseated almost every time a Washington politician appears on my TV screen. I had given up hope and interest in politics until I recently had conversations with two old political hands whose judgment I still respect. Hamilton Jordan, who masterminded Democrat Jimmy Carter's underdog campaign for the White House in 1976, and Douglas Bailey, the veteran Republican consultant and co-founder of the daily online news briefing The Hotline, have teamed up to lead a grassroots movement that promises an alternative to the partisanship that has polarized Washington. The objective of their movement, called Unity08 (www.unity08.com), is to use Internet balloting to forge an independent national ticket for 2008 in which the presidential nominee is from one major party and his or her running mate is from the other major party. Anyone can form a ticket and run, and the organizers hope eventually to attract some recognizable names."

Moved-Up South Carolina Primary Scrambles Democrats' Campaign Patterns. The New York Times (11/28, Kirkpatrick, 1.16M) reports four days "after the midterm elections, Senator John Kerry of Massachusetts, a former Democratic presidential nominee vying to play that role again, flew to Greenville, S.C." Kerry's 2004 running mate, former Sen. John Edwards, "appeared in Columbia, S.C., the next weekend. Senator Joseph R. Biden Jr. of Delaware addressed about 200 people yesterday at a Rotary Club in Columbia. And Gov. Tom Vilsack of Iowa had plans to swing through South Carolina early next week after appearing in Nevada as he introduces himself to voters as a presidential candidate." Though the candidates are not "writing off Iowa and New Hampshire," the Democratic Party's "decision to shuffle its presidential primary schedule, so that Nevada's caucus closely follows Iowa's and South Carolina gets a primary week of its own after New Hampshire's, is changing the early rituals of campaigning, forcing contenders to extend themselves in more states."

Gillespie Seen As Likely To Take Reins Of Virginia GOP. The Washington Times (11/28, McLaughlin, 88K) reports, "Virginia Republicans say they expect Ed Gillespie, former chairman of the Republican National Committee, to be named the new head of the state party. … Republicans yesterday told The Times that Mr. Gillespie's election appears imminent now that the other front-runners for the spot -- former Lt. Gov. John H. Hager and Chuck Smith, chairman of Virginia Beach's Republican Party

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-- dropped out of the race last week in a telephone conference call with the state executive committee." The election "is scheduled for this weekend at the 23rd annual Donald W. Huffman Advance at the Homestead Resort in Hot Springs -- a Republican retreat where grass-roots activists and elected officials kick off the 2007 state legislative campaign season."

Supreme Court Declines Maine School Choice Case. The AP (11/28, Yost) reports the Supreme Court "decided Monday not to plunge into the issue of school choice, passing up a dispute over a Maine law that bars the use of public funds to send students to private religious schools." The conservative Institute for Justice "had asked the justices to take the case. The group is representing eight Maine families who would receive public tuition funds but for the fact that their children attend religious schools." Florida Gov. Jeb Bush "and President Bush's home state of Texas had weighed in, saying in filings to the Supreme Court that Maine is unconstitutionally discriminating against religion."

Public Funding For Stem Cell Research Seen As Counter-Productive. In an op-ed for the Los Angeles Times (11/28, 850K) Sigrid Fry-Revere, director of bioethics studies at the Cato Institute, writes, "Politicians are right that stem cells hold the promise of incredible medical progress. But we won't achieve the promised results if we insist on public funding of the research. In fact, government-funded research has proved bureaucratic, expensive, wasteful, fickle and divisive. Since 2003, five states — Ohio, Illinois, New Jersey, Connecticut and California — have pledged billions of dollars to support stem cell research. But political opposition has prevented all but a few million dollars from reaching researchers. … Religious and taxpayer groups lost a first round in court, but their appeals, or any other state attempts to fund stem cell research, are likely to be tied up in court for at least another year."

WSJournal Criticizes Kennedy For Oil Alliance With Chavez. In an editorial (11/28), the Wall Street Journal says, "Venezuelan strongman Hugo Chávez is an ally of the Iranian mullahs, a supporter of North Korea, a close friend of Fidel Castro and a good customer for Vladimir Putin's weapon factories. Now he's also a business partner of Joseph P. Kennedy II." Kennedy, the former Democratic congressman, "describes the deal he's cooked up with Mr. Chávez as charity for low-income consumers of heating oil. But it's worth asking what the price of this largesse is to Venezuelans and to U.S. security interests." Chávez's "Citgo -- a Houston-based oil company owned by the Venezuelan government -- is supplying home heating oil to Mr. Kennedy's Citizens Energy Corporation at a 40% discount. Citizens, a nonprofit outfit, says it passes the savings onto the poor, aiming to help 400,000 homes in 16 states that would otherwise have trouble heating their homes. In the process, Mr. Kennedy happens to get a high-profile publicity plug. If you think you qualify, says the television ad that drew our attention to this partnership, just dial 1-877-Joe-4-Oil." Chávez is "trying to shape U.S. public opinion in the hope that more gringos will come to see the Chávez government as benevolent. Massachusetts Democrats seem especially eager to help."

Olmert Offers Palestinians Peace Incentives. ABC World News (11/27, story 3, 0:25, Gibson, 8.78M) reported Israeli Prime Minister Ehud Olmert "reached out to the Palestinians today offering a package of incentives to stop the violence there. He promised to reduce check points, release frozen Palestinian funds and free prisoners, in exchange for a serious push for peace. It was the most conciliatory gesture yet by Olmert, but the Palestinian cabinet led by Hamas militants accused him of posturing." The New York Times (11/28, Erlanger, 1.16M) reports the offer was made "in what was billed as a major policy speech, but it contained little that was new." However, the timing was "important, though, because Mr. Olmert and the Palestinian Authority president, Mahmoud Abbas, are eager to bolster their own political positions, begin a serious dialogue and stop a bloody cycle of violence." Separately, "expectations are high that Secretary…Rice may come here after Jordan to try to solidify the fragile attempt at reconciliation." The Times notes that one of the "new elements" in the Olmerts' speech was a suggestion that he "found parts of a 2002 Saudi peace initiative to be 'positive,' the first time an Israeli leader has done so."

The Financial Times (11/28, Devi) reports that Palestinians "welcomed the possibility of efforts to ease humanitarian conditions… But they still doubted Israel's intention to create a Palestinian state that is viable and settle thorny issues that remain at the heart of the conflict, such as the division of Jerusalem and refugees." The Times notes that Palestinian officials "said there was a possibility" of Abbas meeting Secretary Rice, while Israeli officials said "no talks between Mr. Bush and Ms. Rice and any Israeli officials were scheduled." The AP (11/28, Teibel) says Olmert's speech "raised the diplomatic stakes ahead of President Bush's scheduled trip to neighboring Jordan this week." Meanwhile, Palestinian official Saeb Erekat "said it was possible Abbas would meet with Bush there."

The Los Angeles Times (11/28, Boudreaux, 850K) calls the address "one of" Olmert's "most conciliatory speeches" and notes that the offer "was a switch for Olmert, who declared during his election campaign last spring that no Palestinian leader was capable of making a deal with Israel."

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LATimes Urges Palestinians To Accept Olmert Offer. In an editorial, the Los Angeles Times (11/28, 850K) says if the Palestinian Authority -- including Hamas – "doesn't respond in kind" to Olmert's offer, "it will be yet another golden opportunity for Mideast peace squandered." The Times notes that Hamas is "not being asked to approve of the creation of Israel half a century ago, only to recognize that the modern Jewish state is a legal government endorsed by the United Nations and deserving of security." Although Yasser Arafat "dawdled and dissembled for years before finally accepting Israel's existence," the Times says his "belated accommodation to reality that led to a White House invitation for the erstwhile terrorist and the creation of the Palestinian Authority. If Hamas is willing to recognize the same fact of life, the benefits for the Palestinians could be even more dramatic."

Rice May Meet Separately With Olmert, Abbas. In an article on President Bush's visit to the Middle East this week, the New York Times (11/28, Cooper, 1.16M) reports that Secretary of State Condoleezza Rice "may add two stops -- Ramallah, in the West Bank, and Jerusalem --to her itinerary" in order to meet with Israeli Prime Minister Ehud Olmert and Palestinian President Mahmoud Abbas. The Times says Rice "has argued in favor of stepping up work on the Israeli-Palestinian front, and several times this fall she has seemed to be on the verge of a major peace initiative, only to be overtaken by other crises."

The CBS Evening News (11/27, lead story, 2:15, Axelrod, 7.66M) reported, "Arab countries want to see something from the United States if they're going to engage in lowering the temperature in Iraq. … So that's why you have State Department spokesmen saying that there's planning between Secretary Rice and Prime Minister Olmert as well as Palestinian President Abbas for possible meetings."

The AP (11/28, Gearan) reports Israeli officials "rejected the possibility of a summit between Abbas and Olmert on the sidelines of Bush's visit to neighboring Jordan later this week."

North Korean Nuclear Envoy Arrives In Beijing To Prepare For Talks. The AP (11/28, Ang) reports North Korea's nuclear envoy arrived in Beijing Tuesday "as his counterparts from the United States, China, South Korea and Japan gathered to hammer out plans to restart" the stalled six-party talks. The AP says the arrival of North Korean Vice Foreign Minister Kim Kye Gwan has "heightened expectations he may meet" with Assistant Secretary of State Christopher Hill, "although no plans have been announced." In Washington, State Department spokesman Sean McCormack said a meeting between Hill and Kim is "certainly an open possibility." Arriving in Beijing Monday, Hill said, "The issue for us is to make sure we are extremely well-planned and ready for the six-party talks, which we do anticipate will get going at some point very soon." Hill is expected to meet with representatives from Seoul and Tokyo today and Wednesday, but no multilateral talks have been scheduled, the AP reports.

Bush, Hu Discuss North Korea, Darfur. AFP (11/28) reports President Bush Monday spoke with Chinese President Hu Jintao on North Korea's nuclear program and developments in Sudan's Darfur region, a White House spokesman said. Bush spoke with Hu during his flight to the Baltics where he will attend a NATO summit. Bush asked for "continued Chinese leadership on various international issues such as the situation in North Korea and Darfur," said spokesman Gordon Johndroe. "The two presidents reviewed their good meeting in Hanoi on the margins of the APEC summit and agreed that US-China cooperation is moving forward well, to the benefit of both the American and Chinese people," he added.

Estonian President To Discuss Concerns Regarding Putin With Bush. The Washington Post (11/28, Abramowitz, 690K) reports, "On the eve of the first visit to" Estonia "by a sitting US president, Estonia's new president [Toomas Hendrik Ilves] voiced concern Monday over the poisoning death of a prominent Kremlin critic in London, portraying it as another worrisome signal about the political situation in Russia. … His comments suggested that Bush will also be discussing growing concern in Europe and the United States over rising authoritarianism in Russia under President Vladimir Putin and his hostile relations with some of the new democracies on Russia's borders. Bush will participate in a round of meetings Tuesday morning with Ilves and other Estonian leaders before flying to Riga, Latvia, for the NATO summit. Ilves said he would be discussing Russia's difficult relations with some of its neighbors, especially Georgia, which he visited last week for consultations."

OECD Criticizes Russian Government's Economic Interference. The Financial Times (11/28, Ostrovsky) reports the Organisation for Economic Co-operation and Development "slammed the Russian government for its expansion into key economic sectors and raised concern about the 'seemingly insatiable appetite' of Gazprom, its state-run energy giant. In a critical report on the Russian economy, the OECD also said that the Kremlin's expansion into key economic areas was a 'disturbing trend' that 'bodes ill' for the country's growth. … 'The expansion of state ownership in important sectors will probably contribute to more rent-seeking, less efficiency and slower growth,' the OECD said."

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US Urged To Regard Putin As An "Enemy." The Wall Street Journal's Bret Stephens (11/28) writes, "It's time we start thinking of Vladimir Putin's Russia as an enemy of the United States. … The foreign policy of Russia has become openly, and often gratuitously, hostile to the U.S." According to Stephens, "It was George W. Bush who first saw gold in Mr. Putin's soul, sometime after the Russian had decimated the city of Grozny. It was Condoleezza Rice who came up with the formulation after the Iraq war that the U.S. should 'punish France, ignore Germany and forgive Russia.' And it was this administration that agreed last week to Russian membership in the World Trade Organization, with Mr. Bush thanking Mr. Putin for 'your time and friendship.'"

US Visit Seen As Opportunity For Ukraine's Yanukovych. The Washington Post (11/28, Finn, 690K) reports Ukraine's so-called "Orange Revolution has been kindest to the man who played the villain to the waves of protesters who rolled onto the streets of this capital two years ago. Viktor Yanukovych, once cast as the bluff hack who tried to steal Ukraine's presidential election, is back in power as prime minister thanks to free and fair parliamentary elections in March that were made possible only by the street protests of late 2004. As he prepares for his first official trip to Washington, a four-day visit beginning Sunday, Yanukovych is suddenly projecting himself as the voice of democratic reform. He also appears eager to assure his White House hosts that his popular image as a pro-Russian straw man is a gross distortion. Now, he suggests that he, too, was a catalyst in the transformation of this once stagnating country into the most politically competitive of all the post-Soviet states, a nation where debate is dynamic and where power, ultimately, resides with the people."

Substance Used To Poison Litvinenko Not As Rare As Previously Thought. ABC World News (11/27, story 4, 2:31, Gibson, 8.78M) reported, "In London, potential clues surfaced in the radiation poisoning death of former Russian spy Alexander Litvinenko." ABC added, "British investigators found traces of the radiation that killed Alexander Litvinenko in three more places the former Russian spy visited but still no real suspects in his poisoning. Just theories. One theory, the Russian security services, the FSB, acting on orders from the government or on their own. Another, President Vladimir Putin's enemies orchestrated the murder to embarrass him and more bizarrely, that Litvinenko killed himself." ABC notes polonium 210 "can be found in commercially-available photo equipment." Professor Peter Zimmerman, nuclear physicist: "It's a lot easier to get a lethal dose of polonium and to prepare it for administration than we thought on the weekend. I think there's a lot of people that could do this." The CBS Evening News (11/27, story 8, 0:50, MacVicar, 7.66M) reported, "So far, at least three people are being tested for radiation poisoning. They're all reporting some kind of illness. One word the police are not using is 'murder.' They are calling Litvinenko's death suspicious, but they also say they are not ruling anything in or out."

Radiation Reportedly Detected At Berezovsky's Office. The New York Times (11/28, Lyall, 1.16M) reports, "Four days after Mr. Litvinenko died…the police do not seem any closer to solving the mystery of how he was poisoned. … The BBC reported that radiation had been detected in a West End office building and at a building in Mayfair. [Wire services and the Tuesday Guardian cited various sources as saying that one of the buildings included the office of Boris Berezovsky, the exiled Russian tycoon, who had a long association with Mr. Litvinenko, and the Guardian said, citing anonymous sources, that traces had been found there.]" The Washington Post (11/28, Sullivan, 690K) reports Berezovsky "said in a telephone interview last week that he visited Litvinenko in the hospital during his illness and said Litvinenko told him he had 'no doubt' that he had been poisoned on the 'order from President Putin to kill him.'" The Washington Post's Eugene Robinson (11/28, A19) writes, "every once in a while, an episode such as the death of Alexander Litvinenko comes along to boost the morale of conspiracy theorists -- and remind the rest of us that there does exist a secret world full of characters and plotlines so bizarre and implausible that the bard of betrayal, novelist John le Carre, would be embarrassed to write them."

Thousands Protest Pope's Trip To Turkey. ABC World News (11/27, story 5, 1:43, Gibson, 8.78M) reported, "an extraordinary security mobilization is under way in Turkey tonight ahead of the Pope's four-day visit, beginning tomorrow. … The Vatican is so worried about hostile crowds that Benedict won't be using the Popemobile at all this trip. Instead, he'll ride in more heavily armored cars with several decoys. Beneath his papal cassock he may be wearing a bullet-proof vest. He embarks on his first papal trip to a Muslim country Benedict expressed respect and esteem friendship for the Turkish people. But thousands in Istanbul don't share that goodwill. Their banners said 'Pope Don't Come.'"

Pope's Visit Said To Expose Instability Of Turkey's Secular Society. The New York Times (11/28, Tavernise, 1.16M) reports, "A short 24 hours before a visit by Pope Benedict XVI to this Muslim country, its prime minister finally agreed to meet him publicly. The venue: the airport, on the Turkish leader's way out of town. The elaborate, last-minute choreography pointed to the deep divide that has festered within Turkish society since the foundation of the modern state. … The pope's visit, which begins Tuesday, falls squarely on that sensitive fault line and has brought into stark relief a slow but steady shift: Turkey is feeling its Muslim

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identity more and more. The trend worries secular Turkish politicians, who believe the state's central tenet is under threat."

Impasse Over Cyprus Stalls Turkey EU Bid. The Wall Street Journal (11/28, A4, 2.04M) reports, "A failure to get a deal on Cyprus will lead to at least a two- to three-year pause in Turkey's negotiations to enter the European Union, analysts, officials and business leaders say. … Negotiations in Helsinki over Cyprus between Turkey and the EU collapsed yesterday. The EU had demanded Turkey open its ports to trade with the Greek-speaking part of Cyprus. Turkey had demanded that the EU open its borders to trade with Turkish-speaking Northern Cyprus."

Author Discusses Turkey EU Bid, Pope Visit. In an op-ed for the Wall Street Journal (11/28, A14, 2.04M) Hugh Pope, author of "Sons of the Conquerors: The Rise of the Turkic World," writes, "If the much-bruised Turks agonize long and loud about when they'll ever be accepted as Europeans, the Europeans seem willfully blind to the Turks. Another crisis looms in the long-running negotiations over Turkey's possible membership of the European Union, this time over the conveniently distracting issue of access to Turkish ports for Cypriot ships. Meanwhile the reigning pope, who wants to reclaim Europe for Christianity to the exclusion of the Turks, today touches down in this Muslim land."

Activist Who Exposed Forced Abortions In China Subjected To Second Trial. The New York Times (11/28, Kahn, 1.16M) reports, "A Chinese legal expert who exposed abuses in the country's population control policies began a rare second trial on Monday, but his lawyers accused local authorities of preventing them from mounting a vigorous defense. The legal expert, Chen Guangcheng, was sentenced in August to four years and three months…for destroying property and organizing a mob to disrupt traffic. A higher court later quashed the verdict and ordered a new trial, which some supporters of Mr. Chen cited as an important breakthrough for China's Communist Party-run judicial system. But the first day of the new trial, held in the same county court, ended in acrimony. Several of Mr. Chen's most important witnesses were prevented from attending the hearing by thugs who had the backing of local officials, his lawyers said, and the judges in the case declined to grant a defense request to delay the trial." The Washington Post (11/28, Fan, 690K) reports, "The retrial of a blind legal activist kicked off in eastern Shandong province Monday, but not without some of the same courtroom tumult that characterized his first trial, which was widely denounced by human rights advocates, lawyers said. … Chen "highlighted abuses in family planning programs around Linyi. … Officials, whose promotions depended on not exceeding birth quotas, had forced thousands of men and women to have abortions and sterilizations, often conducting midnight raids and beating or holding residents hostage until they complied."

Rebels Attack Darfur Oil Field. The AP (11/28, De Montesquiou) reports, "Darfur rebels attacked an oil field in a rare extension of their campaign east toward the Sudanese capital and said Monday the military garrison guarding the field had surrendered. But the government said its forces repelled the assault and were in full control of the Abu Jabra oil field Monday. The attack on the field on the edge of South Darfur appeared to be another sign that Darfur's violence was spreading across the region. … A Sudanese official in the oil industry said Abu Jabra's capacity had been damaged in the attack, but insisted it would not affect overall production. The state-owned facility pumps up to 10,000 barrels per day — a relatively small output."

UN Facilities In Chad Looted. The AP (11/27, Faul) reports, "With gunfire sounding in the distance, workers took stock Monday of looted U.N. warehouses and government offices in this town in eastern Chad, the latest victim of unrest that started in Sudan's Darfur region and has spread across a swath of Africa. Chadian rebels who have bases in Darfur seized this hub for humanitarian workers Saturday, and government forces retook it Sunday. Amid the upheaval, looters pillaged some $1.5 million in U.N. aid and carted off goods from a courthouse, a national bank office, a cigarette factory and the state archives, said Ouaddai provincial Gov. Mahamat Nimir Hamata."

Ecuador's Likely Next President Promising Radical Reforms. The AP (11/27, Hayes) reports Rafael Correa, "the leftist nationalist headed to victory in Ecuador's presidential race, is already planning radical reforms when he takes office in January. That is putting him on a fast track to a dangerous confrontation with the country's opposition-controlled Congress — a body he has called a 'sewer' but which he needs to carry out his reforms." Correa "calls himself a 'personal friend' of Venezuela's anti-U.S. President Hugo Chavez."

Latin America Resists Liberalized Abortion Laws. The Washington Post (11/28, Aizenman, 690K) reports on the "debate over the proper limits on abortion that is raging…across Latin America. With the exception of Cuba, every nation in this predominantly Catholic region either totally prohibits abortion or limits it to extreme circumstances. And while the global trend over the past decade has been to liberalize abortion laws, efforts to do so in Latin America have been met by an equally determined campaign to strengthen them further. So far, the anti-abortion camp's greatest triumph has been in El Salvador, where in 1998, at the public urging of San Salvador's Archbishop Fernando Saenz Lacalle, lawmakers removed all exceptions to the nation's

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ban on abortion and increased penalties to up to 50 years' imprisonment."

Castro Government Cracks Down On Rock Climbing. The Wall Street Journal (11/28, 2.04M) reports, "As Cubans begin contemplating life after Fidel Castro, rock climbing has emerged as an improbable political battleground between the government and young Cubans eager to embrace the latest foreign fashions. In 2003, amid a broad crackdown on civil liberties and fraternizing between tourists and Cubans, the government announced that rock climbers henceforth would be required to obtain a special permit. But the government has never granted the required permit to the many climbers who have requested one. Many Cubans and foreigners have continued climbing."

Bush Twins Reportedly Defied US Embassy's Request To Leave Argentina. ABC News' "The Blotter" (11/27) reported, "Amid a growing barrage of front-page headlines, U.S. embassy officials 'strongly suggested' President Bush's twin daughters, Jenna and Barbara Bush, cut short their trip to Buenos Aires because of security issues, U.S. diplomatic and security sources tell ABC News. But the girls have stayed on, celebrating their 25th birthday over the weekend and producing even more headlines about their activities. Officials say the media coverage upstaged publicity plans for the new U.S. Ambassador Anthony Wayne, who had only recently arrived in the country. The Argentinean press blitz followed a report on 'The Blotter' last week that Barbara Bush's purse and cell phone were stolen last weekend while dining at the popular San Telmo outdoor marketplace despite being guarded by the Secret Service. … According to sources, the U.S. embassy encouraged the two girls to cut their stay short because the added attention was making their security very difficult. But to the dismay and anger of some U.S. embassy and security staff, the girls stayed on."

Embassy Denies ABC News Report. The Washington Post's "Reliable Source" column (11/28, Argetsinger, Roberts) reports, "Late yesterday, the US Embassy there issued a statement denying an ABC News report that embassy officials had 'strongly suggested' the twins cut their trip short because of security issues. … Rather, embassy officials provided 'close support and cooperation.' Barbara left the country late Sunday night; plans called for Jenna to party on until Thursday."

LATimes Celebrates Nepalese Peace Accord. The Los Angeles Times (11/28, 850K), in an editorial, writes, "let us take a moment to celebrate developments in Nepal, whose people danced in the streets last week after Maoist rebels signed a peace accord with the government to end a decade-long insurgency that has killed 13,000 people. Nepal's political progress has been nothing short of remarkable. In less than seven months, its demonstrations of 'people power' have forced a tyrannical king to surrender power and pushed the violent insurgents to the negotiating table."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Rising Violence Swells Ranks Of Iraq's Militias."
"Insurers Learn To Pinpoint Risks -- And Avoid Them."
"Congo Cult Has A Passion For Fashion."
"Hollywood Parade Is A Bit Out Of Step."
"Israeli Premier Offers Concessions To Palestinians."
"Which Officer Shot Girl Can't Be Known."

USA Today:
"Afghan Opium Fight Hurts Poorest."
"Canning Coach Can Cost College Millions."
"Laws Prohibit Smoking Around Children."
"Fence Plan Alarms Landowners."

New York Times:
"Panel To Weigh Overture by U.S. To Iran And Syria."
"Chilling Echo For Lebanon, Mirror Of Regional Tension."
"Lure of Great Wealth Affects Career Choices."
"City That Takes Rain In Stride Puts On Hip Boots."
"Zoning Laws That Bar Pedophiles Raise Concerns."
"A G.O.P. Breed Loses Its Place In New England."
"50 Shots Fired, And The Experts Offer A Theory."

Washington Post:
"Civil War In Iraq Near, Kofi Annan Says."
"Developers Face A Chillier Montgomery."
"Anbar Picture Grows Clearer, And Bleaker."
"Bush To Pursue Fresh NATO Commitments."
"District Faces $300 Million Budget Shortfall."
"N.Va. Proposal Draws Resistance."
"Glad Tidings Of Little Comfort, No Joy."
"Nicaragua's Total Ban On Abortion Spurs Critics."

Washington Times:
"Bush To Spur NATO On In Afghan Fight."
"Imams' Behavior Seen As Terror Probe."
"Cintas Warned Against Firing Immigrant Force."
"Blacks Eye Top Job In Maryland Senate."
"How To get Away With It."
"ERA Proponents Roused By Sea Change In Congress."

Detroit Free Press:
"Inside Ford's $18-Billion Gamble."
"Spartans Land Right Man For Tough Job."

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"With Bodies On Display, Science Center To Attract Visitors And Ethical Questions."

Atlanta Journal-Constitution:
"Police Lied, Informant Says."
"Bittersweet Preservation."
"Frustrated Stars Can Lose Cool."
"Tough Options Await Bush, Iraqi Leader."

Houston Chronicle:
"Trucker's fate Again In hands Of Jury."
"Houston Unlikely To Meet Deadline On Ozone."
"Freedom For Durst just One Away."
"Hezbollah Reportedly Training Shiite Militia."
"Immigration Alone Didn't Sway Hispanics From GOP."

Story Lineup From Last Night's Network News:
ABC: Iraq-ISG Plan; Iraq-Violence Aftermath; Olmert-Peace Offering; Litvinenko Investigation; Pope-Turkey Visit; Organic Food, Wal-Mart; NYPD-Shooting Investigation; Holiday Shopping.
CBS: Iraq-Middle East; Iraq-ISG Plan; Missouri-Group Home Fire; Group Home Dangers; Economic Brief; Holiday Shopping; NYPD Shooting; Litvinenko Death Investigation.
NBC: Iraq Civil War; Traveling White House; Sectarian Violence-Baghdad; Police Shooting-NYC; Missouri Fire; Nuclear Facilities Safety; Ford Motor Company-Restructuring; Stock Market; Cyber Monday; Pain Relief Therapy.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Bush-Estonia; Iraq Study Group; Pope-Turkey; Organic Food Sales Up; Chicago-Concern About Ads For Film "The Nativity Story" Being Shown At German Christmas Festival; Wall Street.
CBS: Bush-Estonia; Hezbollah-Al-Sadr; Justice Dept. Investigation NSA Spying Program; Trial Of Mom Who Threw Children Into SF Bay; Seattle-Heavy Precipitation; Anderson, Kid Rock Divorce; Peter Tosh Guitar Pulled From Auction.
NPR: Iraq Study Group; Litvinenko Investigation; FDA Fines Red Cross For Violating Blood Safety Laws; WI-Land Dispute With Animal Rights Group; Pope-Turkey.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.
White House:

PRESIDENT BUSH — Participates in an arrival ceremony, Kadriorg Palace, Tallinn, Estonia; meets with the President of Estonia, Kadriorg Palace, Tallinn, Estonia; meets with the Prime Minister of Estonia; participates in greeting with Democracy Promoters; holds joint news availability with the President of Estonia, National Bank of Estonia, Tallinn; attends lunch with the President of Estonia, Estonian National Opera House, Tallinn; meets with the President of Latvia, Riga Castle, Riga; speaks at Latvia University, Riga; meets with the NATO Secretary General, Latvian National Opera House, Riga; participates in NATO working dinner, Latvian National Opera House.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: ENERGY-LATIN AMERICA _ The Inter-American Development Bank holds a conference on sustainable energy and climate change in Latin America and the Caribbean. Highlights: 9:30 a.m. Session on challenges and opportunities, with Jose Goldemberg, Secretary of Environment, Sco Paulo State; Klaus Toepfer, former Executive Director, United Nations Environment Programme; Roberto Dobles Mora, Minister of Environment and Energy, Costa Rica; Michelle Bachelet, President of Chile. 12:30 p.m. Luncheon speaker - Pennsylvania Environment Secretary Katie McGinty. Location: IADB, 1330 New York Ave. NW.

TEACHER CERTIFICATION _ The National Academies holds a conference on evaluation of the impact of teacher certification. Location: Keck Center, 500 5th St. NW.

CHILD SEX TRAFFICKING _ 9 a.m. - 7:30 p.m. The School of Advanced International Studies holds a conference on combating child sex tourism and pornography on the Internet. Highlights: 10 a.m. Opening remarks by Laura Lederer, senior advisor on Trafficking in Persons to the Undersecretary of State for Democracy and Global Affairs. 1:30 p.m. Panel on ``Government Perspectives, Government Responses and Public-Private Partnerships in Combating Child Sex Tourism and Child Pornography with Claude Daventport, DHS; Augustus Fennerty, FBI; Andrew Oosterbaan, Jusatice Department; Ernest Allen, National Center for Missing and Exploited Children. Location: Kenney Auditorium, 1740 Massachusetts Ave. NW.

100 DAY AGENDA _ 9 a.m. The Center for American Progress holds a briefing to release its recommendations for a 100 day agenda for the 110th Congress. Location: 11th floor, 1333 H St. NW.

CHERTOFF _ 9 a.m. Homeland Security Secretary Chertoff speaks at the 2006 Grant and Training National Conference. Location: Washington Hilton & Towers, 1919 Connecticut Ave. NW.

ENERGY ISSUES _ 9 a.m. Red Cavaney, President of the American Petroleum Institute, Tom Kuhn, President of the Edison Electric Institute, and Roger Cooper, Executive VP of the American Gas Association, will be the guests at a media breakfast, sponsored by The Energy Daily, discussing post-election energy issues and outlook. Location: National Press Club.

TERRORISM _ 9 a.m. The National Consortium for the Study of Terrorism and Responses to Terrorism holds a panel

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discussion on ``Framing Counterterrorism: Comparing Perspectives and Goals. Location: National Press Club.

US-VISIT _ 9 a.m. Assistant DHS Secretary for Policy Stewart Baker will deliver the keynote address for the U.S. Department of Homeland Security Privacy Office, US-VISIT, and DHS Biometrics Coordination Group. Location: Reagan Trade Center.

US-CUBA _ 11 a.m. Julia Sweig of the Council on Foreign Relations holds a telephone briefing on U.S.-Cuba relations after Fidel Castro's death. Notes: News media only. Call in number: 800-247-5110; passcode: Castro. RSVP by 5 p.m. Monday.

TAX REFORM _ 12 p.m. Deputy Assistant Treasury Secretary Robert Carroll speaks on tax reform at the Georgetown University Law Center Tax Council. Location: 600 New Jersey Ave. NW.

TRADE _ 12:30 p.m. The US Chamber of Commerce holds a forum on the future of the US trade agenda. Luncheon address by USTR Susan Schwab. Location: 1615 H St. NW.

ELECTION ANALYSIS _ 6:30 p.m. The National Interest and the World AFfairs Council sponsor a panel discussion to analyze the election results, with Paul Glastris of National Journal, Nikolas Gvosdev of The Washington Monthly, Karen Tumulty of The National Interest, others. Location: B-1 conference level, CSIS, 1800 K St. NW.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Justice Dept. To Examine Its Use Of NSA Wiretaps (WP)

By Dan Eggen

The Washington Post, November 28, 2006

The Justice Department's inspector general yesterday announced an investigation into the department's connections to the government's controversial warrantless surveillance program, but officials said the probe will not examine whether the National Security Agency is violating the Constitution or federal statutes.

In a letter to House lawmakers, Inspector General Glenn A. Fine said his office decided to open the probe after conducting "initial inquiries" into the program. Under the initiative, the NSA monitors phone calls and e-mails between people in the United States and others overseas without court oversight if one of the targets is suspected of ties to terrorism.

The "program review" will examine how the Justice Department has used information obtained from the NSA program, as well as whether Justice lawyers complied with the "legal requirements" that govern it, according to Fine's letter. Officials said the review will not examine whether the program itself is legal.

The announcement signals a new level of scrutiny for the NSA program, which was launched shortly after the Sept. 11, 2001, attacks and revealed in news reports in December 2005. The program has been ruled unconstitutional by one federal judge, but Bush and other administration officials have strongly defended it as a legal and efficient way to protect the nation from terrorist attacks.

The probe comes amid a dramatically changed political environment. Democrats who have been sharply critical of the surveillance program will soon control the Judiciary and intelligence committees, which oversee Justice and the NSA. Rep. John Conyers Jr. (D-Mich.), the incoming chairman of the House Judiciary Committee, called Fine's investigation "long overdue."

Several other House Democrats said the inquiry should be broadened to include the questions of whether the program violated federal laws and how it was approved. Rep. Maurice D. Hinchey (D-N.Y.) also said he is "skeptical about the timing" of the announcement.

"I wonder whether this reversal is only coming now after the election as an attempt to appease Democrats in Congress who have been critical of the NSA program and will soon be in control and armed with subpoena power," Hinchey said in a news release.

Fine has previously declined requests from lawmakers to conduct a broader probe into the legality of the NSA program, arguing that such an inquiry is beyond his jurisdiction. Those requests were referred to the Justice Department's Office of Professional Responsibility, which was forced to abandon its effort after President Bush refused to grant security clearances to lawyers who needed them.

Fine wrote in his letter to lawmakers yesterday that the White House has promised the security clearances necessary to conduct the new investigation. White House spokeswoman Dana Perino declined to comment.

Justice spokesman Brian Roehrkasse said Fine's review "will assist Justice Department personnel in ensuring that the department's activities comply with the legal requirements that govern operation of the program."

The probe comes as a newly active presidential civil liberties board received its first detailed briefing about the NSA program. The Privacy and Civil Liberties Oversight Board, which was established by Congress and whose five members were appointed by Bush, was provided details about the workings of the NSA program last week.

One member, Lanny J. Davis, a White House lawyer in the Clinton administration, said in an interview that he was "pleasantly surprised" by the privacy protections built into the program. He declined to discuss the program in detail because of secrecy restrictions.

"I was astonished at the extent to which they are all concerned about the legal and civil liberties and privacy implications of what they were doing," Davis said. "It was a constant theme of concern, awareness and training way beyond what I expected."

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Davis said the briefings convinced him that the program had been carefully constructed from the start. "It was clear that as they thought about it, they put it together in a way that minimized problems to the best extent that they could," he said.

Justice Review Will Assess NSA Surveillance Conduct (WT)

By Jerry Seper, The Washington Times

The Washington Times, November 28, 2006

The Justice Department's Office of Inspector General will review President Bush's domestic terrorist surveillance program to see whether federal prosecutors are following laws governing the handling of information gathered by the National Security Agency on suspected U.S.-based terrorists.

"After conducting initial inquiries into the program, we have decided to open a program review that will examine the department's controls and use of information related to the program," Inspector General Glenn A. Fine said in a letter to the House Judiciary Committee leadership.

The Justice Department has described the surveillance program, initiated after the September 11 attacks, as "an essential tool for the intelligence community" in its war on terror, adding that it "ensures we have in place an early warning system to detect and prevent a terrorist attack."

"In the ongoing conflict with al Qaeda and its allies, the president has the primary duty under the Constitution to protect the American people," the department said in a briefing paper. "The Constitution gives the president the full authority necessary to carry out that solemn duty, and we believe the program is lawful and protects civil liberties."

Attorney General Alberto R. Gonzales has called the program's scope "very narrow," saying it focused only on communications with al Qaeda. He said it had been "very effective" in protecting the United States and that reviews of it by lawyers at the Justice Department and the NSA found it to be legal.

The White House has agreed to give investigators from the inspector general's office special clearances to probe the program, Mr. Fine noted in his letter, which was sent to Chairman F. James Sensenbrenner Jr., Wisconsin Republican, and the panel's ranking Democrat, Rep. John Conyers Jr. of Michigan.

Earlier this year, Mr. Fine said his office did not have jurisdiction to open an investigation into the program. An inquiry by the Justice Department Office of Professional Responsibility also was blocked this year by the administration when repeated requests for security clearance were denied.

Democrats and Republicans in both the House and Senate have questioned Mr. Bush's constitutional authority to conduct wiretapping, saying -- among other things -- that the program improperly bypassed the Foreign Intelligence Surveillance Act court established by Congress to approve or reject secret surveillance or searches of those suspected of terrorism or espionage.

The inspector general's review was conducted in the wake of conflicting rulings by two federal judges.

In Washington, U.S. District Judge Ellen Segal Huvelle disagreed with the People for the American Way Foundation, a liberal advocacy group that unsuccessfully sought records from the NSA under the Freedom of Information Act to discover how many wiretaps were approved and who reviewed the program.

Judge Huvelle said that even if the program ultimately was found to be illegal, the requested documents were classified and not covered by the act.

In Detroit, U.S. District Judge Anna Diggs Taylor agreed with a challenge from the American Civil Liberties Union, which said the program was unconstitutional. The judge granted a permanent injunction halting the program but delayed implementing her order pending a Justice Department appeal.

Justice Department Eyes Spy Program (AP-Y)

By Lara Jakes Jordan, Associated Press Writer

AP, November 28, 2006

The Justice Department has begun an internal investigation into its handling of information gathered in the government's domestic spying program. However, Democrats criticized the review as too narrow to determine whether the program violated federal law.

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The inquiry by Glenn A. Fine, the department's inspector general, will focus on the role of Justice prosecutors and agents in carrying out the warrantless surveillance program run by the National Security Agency.

Fine's investigation is not expected to address whether the controversial program is an unconstitutional expansion of presidential power, as its critics and a federal judge in Detroit have charged.

"After conducting initial inquiries into the program, we have decided to open a program review that will examine the department's controls and use of information related to the program," Fine wrote in a letter dated Monday to House Judiciary Committee leaders. The four-paragraph letter was obtained by The Associated Press.

Justice Department spokesman Brian Roehrkasse said the agency welcomes the review: "We expect that this review will assist Justice Department personnel in ensuring that the department's activities comply with the legal requirements that govern the operation of the program."

In January, Fine's office rejected a request by more than three dozen Democrats to investigate the secret program, which monitors phone calls and e-mails between people in the U.S. and abroad when a link to terrorism is suspected.

Fine's letter outlining his review was welcomed by congressional Democrats. At the same time, they said it falls short of examining issues at the heart of the debate — how the spying program evolved, and whether its creation violated any laws.

"A full investigation into the program as a whole, not just the DOJ's involvement, will be necessary," said Rep. Zoe Lofgren, D-Calif.

The review could include whether the spying program complies with the Foreign Intelligence Surveillance Act, which requires judicial authorization for electronic surveillance and physical searches of people suspected of espionage or international terrorism on behalf of a foreign power. The Justice Department requests surveillance approval from the FISA court.

Democrats also questioned the timing of the review. Fine's letter noted that his office asked the White House on Oct. 20 for additional security clearances that were approved just last week — following the Nov. 7 elections that gave Democrats control of Congress.

Noting Democrats' renewed power to subpoena Bush administration officials next year, Rep. Maurice Hinchey, D-N.Y., questioned that Fine's investigation "is only coming now after the election as an attempt to appease Democrats" who have been critical of the NSA program.

The letter was sent to House Judiciary Chairman James Sensenbrenner, R-Wis., and the panel's top Democrat and incoming chairman, Rep. John Conyers, D-Mich. Sensenbrenner had no comment. Conyers called the review "a long overdue investigation of a highly controversial program."

The Justice Department has called the program a necessary tool in the fight against terrorism, and Attorney General Alberto Gonzales is pushing congressional Republicans to authorize it by law before they cede power at the year's end — a prospect with at best a slim shot of approval.

Former Reagan administration national security official Robert F. Turner, now associate director at the Center for National Security Law at the University of Virginia, said congressional demands for sensitive information about the program puts them at odds with long-standing presidential powers over the collection of foreign intelligence.

"It's good that the executive branch, on its own, is making sure that someone's not abusing this power," Turner said. "But when Congress usurps power vested in the president by the people through the Constitution, then it becomes the lawbreaker."

Countering, Caroline Fredrickson, the director of the ACLU's office in Washington, urged Fine "to seek the hidden truth about this program. ... No one, not even the president, is above the law."

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On the Net:

Justice Department: http://www.usdoj.gov/

Justice Department Begins Internal Review Of Spying Program (MCT)

By Marisa Taylor, McClatchy Newspapers

McClatchy Newspapers, November 28, 2006

DOJ_NMG_0098754

WASHINGTON - Justice Department investigators have launched an inquiry to determine whether the Bush administration's use of the warrantless surveillance program has complied with government procedures.

Glenn Fine, the Justice Department's inspector general, said in a letter to congressional committee leaders Monday that his investigation would be limited to the department's use of information arising from the surveillance and "compliance with legal requirements."

The inquiry won't seek to address questions about the legality of the administration's decision to spy on U.S. residents without court approval.

Rep. Zoe Lofgren, D-Calif., said a broader investigation was needed because Congress had been kept largely in the dark about the workings of the program and couldn't determine whether the administration's use of the program was legal. In January, Fine declined a request from Lofgren and other Democrats for a more sweeping probe, saying his office lacked jurisdiction.

"Congress needs to craft legislation so that terrorists can be the subject of surveillance while the Constitution of the United States is honored," Lofgren said. "To do that, a full investigation into the program as a whole, not just the (Justice Department's) involvement, will be necessary."

After turning down the request, Fine had referred it to the Justice Department's Office of Professional Responsibility, which reviews allegations of wrongdoing by Justice Department employees. But the Office of Professional Responsibility was denied security clearances to conduct the investigation.

Attorney General Alberto Gonzales later revealed that President Bush had personally refused to grant the security clearances.

In his letter Monday, Fine said he already had a security clearance. He said he asked Gonzales on Oct. 20 for additional clearances for the internal inquiry. Last week, Fine received word that the White House had granted his request.

A spokeswoman for the Inspector General's office declined to comment on what had prompted the investigation.

Rep. Maurice Hinchey, D-N.Y., said he was "skeptical about the timing."

"I wonder whether this reversal is only coming now after the election as an attempt to appease Democrats in Congress," he said.

The Bush administration authorized the eavesdropping program to monitor telephone and Internet communications in and out of the United States when officials have "reasonable grounds to believe" that one party is a member of al-Qaida or an affiliated terrorist organization.

In August, U.S. District Judge Anna Diggs Taylor in Detroit found the program violated the U.S. Constitution's provisions that enumerated separation of powers and the right to free speech and privacy. The Bush administration is appealing the ruling.

Administration officials said the program is subject to extensive oversight and is reviewed every 45 days. The administration kept the program under wraps until the New York Times revealed its existence in late 2005.

Last week, Gonzales defended the program.

"Common myths about the Terrorist Surveillance Program are that it is an invasion of privacy and an unlawful eavesdropping tool," Gonzales said. "I want to be very clear about the facts here: The Terrorist Surveillance Program does not invade anyone's privacy, unless you are talking to the enemy in this time of war."

Meanwhile, the Associated Press reported Monday that a government board, which Congress created and whose members Bush appointed, has been given details about the program.

Board members said they were impressed by the government's oversight of the program.

"If the American public, especially civil libertarians like myself, could be more informed about how careful the government is to protect our privacy while still protecting us from attacks, we'd be more reassured," said Lanny Davis, a board member and a former special counsel to President Clinton.

Justice Official Opens Spying Inquiry (NYT)

By Eric Lichtblau

The New York Times, November 28, 2006

WASHINGTON, Nov. 27 — After months of pressure from Congressional Democrats, the Justice Department's inspector general said Monday that his office had opened a full review into the department's role in President Bush's domestic eavesdropping program and the legal requirements governing the program.

Democrats said they saw the investigation as a welcome step that could answer questions about the operations and legal underpinnings of the program, which allows the National Security Agency to monitor, without obtaining court warrants, the international communications of Americans and others inside this country with suspected terrorist ties.

"This is a long overdue investigation of a highly controversial program," said Representative John Conyers Jr., the Michigan Democrat who will take over as chairman of the House Judiciary Committee.

Last December, more than three dozen Democrats called for the Justice Department inspector general, Glenn A. Fine, to open an investigation.

Mr. Fine declined at the time, saying a review of the program's legality fell outside his jurisdiction. He referred the matter to another arm of the Justice Department, the Office of Professional Responsibility. That office sought to examine ethical issues surrounding the roles played by Justice Department lawyers in the eavesdropping program. But its review was blocked this year when Mr. Bush personally refused security clearances for its investigators.

Democrats have since renewed their calls for a full Justice Department investigation, accusing the Bush administration of stonewalling. On Monday, Mr. Fine informed members of Congress in a letter that he was opening an investigation after the White House had agreed to approve the necessary security clearances for members of his staff.

The review will have a somewhat different scope than the investigation sought and rejected last year. The review, Mr. Fine said in his letter, will examine the controls in place at the Justice Department for the eavesdropping, the way information developed from it was used, and the department's "compliance with legal requirements governing the program."

Officials said the investigation could examine the legal authority given to the Justice Department under a secret executive order first signed by Mr. Bush in October 2001, as well as the laws and procedures governing intelligence wiretaps under the Foreign Intelligence Surveillance Act, which was approved by Congress in 1978 after the Watergate scandal and required a special court warrant for wiretaps on Americans. The review could also look at how intelligence generated by the eavesdropping was used to seek traditional court warrants and to pursue criminal cases, the officials said.

An official with the inspector general's office, who spoke on condition of anonymity, said the office's position had not changed since it declined to review the program in January. "It was beyond our jurisdiction, and it still is beyond our jurisdiction, to review the legality or the constitutionality of the program, and that's not what we're doing here," the official said.

Congressional Democrats said they were eager to see what areas the inspector general would decide to review. Mr. Fine has a reputation as a strong and independent watchdog within the Justice Department, and he has issued a number of highly critical reports about the department's policies and practices since the terrorism attacks of Sept. 11, 2001. Still, several Democrats suggested that the timing of his review might be tied to their takeover of Congress in this month's midterm elections as a way to pre-empt expected Democratic investigations of the N.S.A. program.

"It's hard to ignore the fact that there is a correlation in the timing," said Representative Zoe Lofgren, a California Democrat who helped lead the push for a Justice Department investigation.

"I don't know why the White House would stonewall for a year, then within a month of the election, agree to these security clearances" for the inspector general's staff, Ms. Lofgren said in an interview. "We don't know what it means, but we'll find out."

Mr. Fine said in his letter to members of Congress that he decided to open his investigation after "conducting initial inquiries" into the eavesdropping operation. That initial inquiry was limited to Mr. Fine and two other supervisors in his office who had security clearance to review the program, but it will now be widened to include investigators and staff members, officials said.

The Justice Department said it welcomed the inspector general's investigation. "We expect that this review will assist Justice Department personnel in ensuring that the department's activities comply with the legal requirements that govern the operation of the program," said Brian Roehrkasse, a department spokesman.

The administration has strongly defended the legality of the eavesdropping program, but a federal judge in Detroit ruled in August that the program was illegal and unconstitutional. The Bush administration is now appealing that decision.

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Domestic Spying Program To Get Internal Review (ABC)

By Jason Ryan

ABC News, November 28, 2006

WASHINGTON, Nov. 27, 2006 — The Justice Department's inspector general has informed the Judiciary and Intelligence committees of both the House and Senate that he will begin a review of the controversial NSA Terrorist Surveillance Program.

In a letter to the committees, Inspector General Glenn Fine wrote that the review would be to examine the Justice Department's "controls and use of information related to the program and the department's compliance with legal requirements governing the program."

The inspector general's office had previously deferred a congressional request to review the NSA program and the attorney general's authorization of the program to the Justice Department's Office of Professional Responsibility, an internal DOJ watchdog that monitors the activities of DOJ lawyers.

In March, Fine noted in a report to Congress on the USA PATRIOT Act, "Under the department's interpretation of the jurisdictional authority of the OIG and OPR, allegations regarding the attorney general's legal authorization of NSA surveillance fell within DOJ OPR's jurisdiction, not the OIG's."

After an initial review by OPR earlier this year, the congressional oversight committees were informed by the chief OPR attorney, Marshall Jarrett, that his attorneys had repeatedly been denied proper security clearances by the White House.

Attorney General Alberto Gonzales testified before the Senate Judiciary Committee in July 2006 that the decision not to grant the clearances was ultimately made by President Bush.

"As with all decisions that are non-operation in terms of who has access to the program, the president of the United States makes the decision," Gonzales said.

Members of Congress have been asking for the internal Justice Department review since the program was first disclosed by the New York Times last year.

"After trying for nearly a year to get DOJ to conduct an investigation of the NSA's warrantless spy program, I am very pleased to learn that the agency's inspector general is finally opening an investigation," Rep. Maurice Hinchey, D-N.Y., said in response to Fine's letter.

Oversight Board Briefed On NSA Program (AP-Y)

By John Solomon

AP, November 28, 2006

After a delay of more than a year, a government board appointed to guard Americans' privacy and civil liberties during the war on terror has been told the inner workings of the government's electronic eavesdropping program.

Members say they were impressed by the protections.

The briefing for the Privacy and Civil Liberties Oversight Board had been delayed because President Bush was concerned — after several press leaks — about widening the circle of people who knew the exact details of the secret eavesdropping program.

The board, created by Congress but appointed by Bush, focused on other classified work since it was named in spring 2005 but it continued to press for a formal briefing by the National Security Agency.

A breakthrough was reached in recent days and the five members were briefed by senior officials during Thanksgiving week.

Board members told The Associated Press they were impressed by the safeguards the government has built into the NSA's monitoring of phone calls and computer transmissions and wished the administration could tell the public more about them to ease distrust.

"If the American public, especially civil libertarians like myself, could be more informed about how careful the government is to protect our privacy while still protecting us from attacks, we'd be more reassured," said Lanny Davis, a former Clinton White House lawyer who is the board's lone liberal Democrat.

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Davis said he believes the administration could tell the public more about the program's protections without compromising national security.

Alan Raul, a former Reagan White House lawyer and the board's vice chairman, said he too was impressed.

"We found there was a great appreciation inside government, both at the political and career levels, for protections on privacy and civil liberties," said Raul, author of a book of privacy and civil liberties. "In fact, I think the public may have an underappreciation for the degree of seriousness the government is giving these protections."

The board members are prohibited from discussing any specific protections or tactics because the NSA program remains classified.

While board members were impressed, the top Democrat on the Senate Intelligence Committee urged colleagues on Monday not to approve legislation formally legalizing the NSA program until Congress gets more answers.

"The fact is, despite repeated assurances from the administration, members of Congress remain in the dark and cannot answer fundamental questions about the program's scope, effectiveness or legal justification," said Sen. Jay Rockefeller, D-W.Va. "As one of the few members who have received the most detailed information to date, I can say that the administration has not been able to document convincingly the benefits of the program."

The board was created as a compromise between Congress and the White House amid growing public and congressional concerns about the government's tactics in the war on terror and their impact on civil rights.

Those concerns were fueled in part by news leaks that divulged the existence of the NSA's eavesdropping program, a similar terrorist finance tracking system and secret CIA prisons where high value targets have been interrogated.

Democrats, who are about to take over Congress in January, have been concerned the board doesn't have enough independence because the political compromise struck in late 2004 left the board under the authority of the president.

Some have discussed elevating the board to an independent body like the Sept. 11 review commission. Board members were meeting Monday at the White House with two dozen congressional staffers to discuss those concerns and options.

After meeting in private 16 times over the last year to discuss classified matters and to be briefed by every major U.S. intelligence agency, the board has scheduled its first public hearing Dec. 5 to solicit testimony from nongovernment privacy experts.

The forum, to be held at Georgetown University, will hear from some of the administration's privacy critics, including the American Civil Liberties Union and the Electronic Privacy Information Center, as well as conservative and academic voices.

Court Clears Way For Prosecutor To Review Records In Times Case (NYT)

By Adam Liptak

The New York Times, November 28, 2006

The United States Supreme Court refused yesterday to stop a federal prosecutor from reviewing the telephone records of two reporters for The New York Times. The records, the newspaper said, include information about many of the reporters' confidential sources.

In a one-sentence order offering no reasoning and noting no dissenting votes, the Supreme Court rejected a request from The Times to stay a lower court's decision while the paper tried to persuade the justices to review the case.

Yesterday's order effectively allows the United States attorney in Chicago, Patrick J. Fitzgerald, to begin reviewing the records, which he has already obtained from the reporters' phone companies, as early as this week.

The Justice Department told the Supreme Court on Friday that Mr. Fitzgerald was under enormous time pressure. "The statute of limitations," the government said, "will imminently expire on Dec. 3 and 13, 2006, on certain substantive offenses that the grand jury is investigating."

The grand jury, in Chicago, is looking into who told the reporters, Judith Miller and Philip Shenon, about actions the government was planning to take in December 2001 against two Islamic charities in Illinois and Texas. The disclosures to the reporters, the government lawyers wrote on Friday, may have amounted to obstruction of justice.

In August, a three-judge panel of the federal appeals court in Manhattan ruled, 2 to 1, in favor of Mr. Fitzgerald, saying that the reporters were not entitled to shield their sources in the unusual circumstances of the case. The government contended that

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the reporters had tipped off the charities to the impending actions against them. The Times said the reporters had engaged only in routine newsgathering.

The appeals court also rejected The Times's argument that the grand jury subpoenas, issued directly to the phone companies, were too broad. The subpoenas, the government said, covered 11 days in September and December 2001. Lawyers for The Times said the requested records could expose scores of confidential sources, most of them unrelated to the two charities.

The appeals court responded by sending the case back to the trial judge to allow The Times an opportunity to black out information concerning those other sources. But because that exercise would, in effect, identify the sources of interest to Mr. Fitzgerald, lawyers for the paper have indicated that they will not cooperate.

In a letter to the Supreme Court on Friday, government lawyers said they hoped to obtain authorization from the trial judge, Robert W. Sweet of Federal District Court in Manhattan, to begin their review as soon as tomorrow.

Ms. Miller, who retired from The Times last year after serving 85 days in jail in connection with an unrelated leak investigation also supervised by Mr. Fitzgerald, said the phone records by themselves might not satisfy the government.

"It doesn't end there," Ms. Miller said. "Then there will be subpoenas for, 'What did you say to that person?' "

Randall Samborn, a spokesman for Mr. Fitzgerald, declined to comment.

Yesterday's decision is the latest in a series of setbacks for the press in the federal courts. "It's more bad news for the First Amendment," Ms. Miller said, "and therefore it's more bad news for the public's right to know."

Floyd Abrams, a lawyer for The Times, said the decision was a battle lost in a larger war.

"This case is the latest of a number of skirmishes in an ongoing and far from concluded conflict about the public's right to information" Mr. Abrams said. "We remain hopeful that in the end, whether in the courts or in Congress, that right will be vindicated."

Court Rejects N.Y. Times On Leak Probe (AP)

By Pete Yost

AP, November 28, 2006

WASHINGTON - The Supreme Court ruled against The New York Times on Monday, refusing to block the government from reviewing telephone records of two Times reporters in a leak investigation concerning a terrorism-funding probe.

The one-sentence order came in a First Amendment battle that involves stories written in 2001 by Times reporters Judith Miller and Philip Shenon. The stories revealed the government's plans to freeze the assets of two Islamic charities, the Holy Land Foundation and the Global Relief Foundation.

U.S. Attorney Patrick Fitzgerald is trying to track down the reporters' confidential sources for the stories. Fitzgerald's spokesman, Randall Samborn, declined to comment on the Supreme Court's order.

The case marks the second refusal by the court in as many years to sort out a clash between the federal government and the Times over press freedom.

In June 2005, the Supreme Court refused to take up the Times' request to hear an appeal in the CIA leak investigation involving the outing of Valerie Plame. In that case, Miller, who retired from the Times a year ago, spent 85 days in jail before agreeing to testify to a federal grand jury. Fitzgerald, in a role as a special counsel, conducted that leak investigation as well.

Monday's rejection "is just further indication that we're getting absolutely nowhere with the court when it comes to protecting confidential sources," said Lucy Dalglish, executive director of the Reporters Committee for Freedom of the Press.

The case points out a growing problem of reporters trying to protect their sources in the information age, press advocates say. Rather than threatening reporters with jail if they don't testify, the government can go through the back door to hunt down confidential sources by amassing phone records and credit card receipts.

"It's impossible to operate on cash only and face-to-face and do your job as journalists," said University of Minnesota media ethics and law professor Jane E. Kirtley.

Dalglish said that protection of phone record confidentiality is among the issues that should be addressed in federal shield law legislation she and other press advocates are urging Congress to consider.

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Floyd Abrams, a lawyer for the Times, said the current case is part of a larger dispute over the public's right to information.

"We remain hopeful that in the end, whether in the courts or in Congress, that right will be vindicated," Abrams said.

The current dispute stems from Shenon and Miller calling the two charities for comment after learning of the planned freeze on their assets from confidential sources.

The Justice Department says the reporters' calls tipped off the charities of upcoming government raids. A federal judge who ruled in the Times' favor said there is no evidence in the case even suggesting that the reporters tipped off the charities about the raids or that the reporters even knew the government would raid either charity.

In August, the 2nd U.S. Circuit Court of Appeals ruled 2-1 that federal prosecutors could see the two reporters' phone records.

The government says the fact that the reporters relayed disclosures from a government source to "targets of an imminent law enforcement action substantially weakens any claim of freedom of the press."

At issue are 11 days of phone records the government plans to review from 2001 - for the dates Sept. 27-30, Dec. 1-3 and Dec. 10-13. In a declaration this month, Fitzgerald said the statute of limitations "on certain substantive offenses that the grand jury is investigating" will expire on Dec. 3 and Dec. 13 of this year.

The current leak probe is in Fitzgerald's capacity as U.S. attorney in Chicago. The Libby prosecution is in Fitzgerald's role as a special counsel who was selected by a Justice Department superior to conduct that investigation.

New York Times Loses Bid To Protect Phone Records (WSJ)

The Wall Street Journal, November 28, 2006

WASHINGTON -- The Supreme Court ruled against the New York Times, refusing to block the government from reviewing the phone records of two Times reporters in a leak investigation of a terrorism-funding probe.

The one-sentence order came in a First Amendment battle that involves articles written in 2001 by New York Times Co. reporters Judith Miller and Philip Shenon. The articles revealed the government's plans to freeze the assets of two Islamic charities, the Holy Land Foundation and the Global Relief Foundation.

The dispute stems from Mr. Shenon and Ms. Miller calling two charities for comment after learning of the planned freeze on their assets from confidential sources.

The Justice Department says the reporters' calls tipped off the charities to coming government raids. A federal judge who ruled in the newspaper's favor said there is no evidence in the case to suggest that the reporters tipped off the charities about the raids or that the reporters even knew the government would raid either charity.

In August, the 2nd U.S. Circuit Court of Appeals ruled 2-1 that federal prosecutors could see the two reporters' phone records.

The government says the fact that the reporters relayed disclosures from a government source to "targets of an imminent law enforcement action substantially weakens any claim of freedom of the press."

At issue are 11 days of New York Times phone records from 2001. The government is seeking the court's permission to review the records, which the government already has in its possession. The next step is likely to be a hearing this week to determine how much leeway the Times can have to delete phone numbers of sources in the records that have nothing to do with the case in question, said Floyd Abrams, a lawyer for the Times: "The question here is are there any limits the court may place on the government's review?"

Mr. Abrams said yesterday the decision highlighted legal uncertainty about journalists' protection under the First Amendment. "This area of law remains confused and inconsistent and often incoherent," he said. "Sooner rather than later the Supreme Court is likely to review the issue."

Like the CIA leak investigation into who in the Bush administration revealed the identity of Valerie Plame, the current Justice Department probe is being conducted by Patrick Fitzgerald, who is prosecuting Vice President Dick Cheney's former chief of staff in the Plame case.

Court Won't Hear Case On Reporters' Phone Records (WP)

By Robert Barnes

The Washington Post, November 28, 2006

The Supreme Court yesterday refused a request from the New York Times to stop federal prosecutors from examining the telephone records of two of its reporters, part of a grand jury probe of an alleged leak in a terrorism-funding investigation.

The court's decision not to get involved opens the way for U.S. Attorney Patrick J. Fitzgerald in Chicago to review the telephone records of Times reporter Philip Shenon and former reporter Judith Miller. He has said the statute of limitations will expire on Dec. 3 on certain offenses a grand jury is investigating, and on Dec. 13 on others.

The Times had asked Justice Ruth Bader Ginsburg to stay an appeals court ruling in the government's favor. She referred the matter to the full court, and it declined yesterday in a one-sentence order that did not state its reasoning.

It was the second time in as many years the court has refused to get involved in a case pitting the government against the Times, and it lets stand a ruling that is the latest in a string of court decisions to go against media organizations that resist revealing confidential sources.

The current case arises from Fitzgerald's post-Sept. 11, 2001, investigation of possible links between al-Qaeda and two U.S.-based Islamic charities, the Holy Land Foundation and the Global Relief Foundation.

In December 2001, the Times reporters learned of plans to freeze the groups' assets, and called for comment shortly before FBI agents raided the offices. Fitzgerald is trying to find out if any government officials illegally leaked information to the reporters, and said disclosure of the government's plans tipped off the charities, endangering law enforcement officials. The Times disputes this.

Two years after the stories, and after the Times had declined to reveal its confidential sources, Fitzgerald said he planned to subpoena approximately three weeks' worth of the reporters' telephone records. The Times contends that could reveal the identities of sources who have no relationship to the investigation.

"The issue in this case is whether reporters have any protection at all against compelled disclosure of their sources and whether the government may overcome such protections that do exist based only on a conclusory affidavit of counsel lacking anything that resembles clear and specific evidence," the newspaper's motion said.

A district judge in New York in 2005 agreed with the Times that it had a right to protect confidential sources. But a three-judge panel of the U.S. Court of Appeals for the 2nd Circuit disagreed, ruling 2 to 1 that the Times had no First Amendment or other legal right to block the government from reviewing the records.

The Justice Department told the court that the case did not rise to the level that would compel the court's interest.

"In light of that potential bar to the grand jury's completion of its work, delay holds a serious potential to thwart the full scope of a criminal investigation," its motion argued.

"In contrast, the harm to applicant is not nearly so great as it suggests. The court's narrow holding in this unusual case does not create a far-reaching precedent allowing disclosure into the confidentiality of a reporter's sources."

The Supreme Court's action continues a losing streak for media organizations that are being challenged to reveal their sources and is the second involving Fitzgerald and Miller.

Acting as a Justice Department special counsel, Fitzgerald sought testimony from Miller and other reporters in his investigation into whether Bush administration officials revealed the identity of CIA operative Valerie Plame. Miller spent 85 days in jail before testifying to a grand jury, which indicted Vice President Cheney's then-chief of staff, I. Lewis "Scooter" Libby.

The Supreme Court in June 2005 declined to get involved in that case.

Both nuclear scientist Wen Ho Lee and former Army scientist Steven J. Hatfill, in civil suits, have convinced courts that journalists must answer questions about confidential sources who they say have damaged their reputation.

Lawyer Floyd Abrams, who represents the Times, said there is no doubt that "a number of recent decisions have gone against the press, particularly in areas where the government is using grand juries and had a national security claim of one sort or another."

But he contends there is a "significant split" among lower courts and an "enormous amount of confusion in the law" about whether journalists have a First Amendment privilege, which will have to be addressed by the high court or Congress.

Gingrich Raises Alarm At Event Honoring Those Who Stand Up For Freedom Of Speech (UL)

By Riley Yates

Union Leader.com, November 28, 2006

MANCHESTER – Former Speaker of the House Newt Gingrich yesterday said the country will be forced to reexamine freedom of speech to meet the threat of terrorism.

GINGRICH

Gingrich, speaking at a Manchester awards banquet, said a "different set of rules" may be needed to reduce terrorists' ability to use the Internet and free speech to recruit and get out their message.

"We need to get ahead of the curve before we actually lose a city, which I think could happen in the next decade," said Gingrich, a Republican who helped engineer the GOP's takeover of Congress in 1994.

Gingrich spoke to about 400 state and local power brokers last night at the annual Nackey S. Loeb First Amendment award dinner, which fetes people and organizations that stand up for freedom of speech.

Gingrich sharply criticized campaign finance laws he charged were reducing free speech and doing little to fight attack advertising. He also said court rulings over separation of church and state have hurt citizens' ability to express themselves and their faith.

Last night's event, held at the Radisson Hotel-Center of New Hampshire, honored a Lakes Region newspaper and a former speaker of the House for work in favor of free expression.

The Citizen of Laconia was given the Nackey S. Loeb First Amendment Award, which is named after the longtime President and Publisher of the Union Leader Corporation, owner of New Hampshire's statewide newspaper.

The Citizen scrutinized the Newfound Area School Board beginning last year over a series of e-mail discussions held before public meetings. It also used the right-to-know law to uncover costly decisions by the town of Tilton this year.

Executive Editor John Howe said the decision to pursue the stories led to at least one advertiser canceling its business with the paper.

"We try to practice what we preach, even if it costs us business," Howe said. "And it has and it will in the future.

Also honored was Marshall Cobleigh, former House speaker and a longtime aide to former Gov. Meldrim Thomson.

Cobleigh introduced an amendment to the state Constitution defending free speech. He also helped shepherd the state's 1967 right-to-know law through the Legislature.

Gingrich's speech focused on the First Amendment, but in an interview beforehand, he also hit upon wide-ranging topics.

Gingrich said America has "failed" in Iraq over the past three years and urged a new approach to winning the conflict. The U.S. needs to engage Syria and Iran and increase investment to train the Iraqi army and a national police force, he said. "How does a defeat for America make us safer?" Gingrich said. "I would look at an entirely new strategy." He added: "We have clearly failed in the last three years to achieve the kind of outcome we want."

Political parties in Presidential primary states should host events that invite candidates from both parties to discuss issues, said Gingrich, who criticized the sharpness of today's politics.

Gingrich said voters unhappy with the war, the response to Hurricane Katrina and pork barrel spending were the main drive behind the GOP's rejection at the polls. But he argued Republicans would have retained the Senate and just narrowly lost the House if President Bush had announced the departure of embattled Secretary of Defense Donald Rumsfeld before, instead of after, the election.

Gingrich said he will not decide whether he is running for President until September 2007.

The event last night was sponsored by the Nackey S. Loeb School of Communications. The school was founded in 1999 to promote journalism and other forms of communication.

PATRIOT ACT:

Raided Muslim Charity Sues Bank Over Plan To Close Accounts, Says Patriot Act Unconstitutional (FINDLAW/AP)

AP, November 28, 2006

DOJ_NMG_0098762

(AP) - DETROIT-A Muslim charity raided by federal agents in September has sued a bank, saying it violated the charity's civil rights by planning to close its accounts.

The charity, Life for Relief and Development, based in Southfield, Michigan, also seeks an injunction to stop Comerica Bank from giving other banks any information it might have about the organization. The charity is challenging the constitutionality of a section of the Patriot Act, which allows financial institutions to share information about suspected money laundering or terrorist activity.

The Patriot Act, approved by Congress shortly after the Sept. 11, 2001, was designed to give law enforcement agencies more tools to combat terrorism, but some provisions were challenged on constitutional grounds for restricting civil liberties.

Comerica had told the charity that it planned to terminate the accounts Nov. 15, but granted an extension, according to the lawsuit.

Comerica Vice President Kathy Pitton declined to comment on the lawsuit, filed Wednesday in federal court.

FBI agents assigned to a terrorism task force searched Life's offices Sept. 18, seizing computer servers, donor records and other financial documents. They also searched the homes of the charity's chief executive, an ex-employee and two board members.

The FBI would not say what agents were looking for, but charity officials have said it might be related to relief work the group did in Iraq. The international humanitarian organization also is active in Afghanistan.

No charges have been filed. The charity has sought to reassure the Detroit area's Muslim community that it is legal to donate money to the organization, which was founded in 1992 by Iraqi immigrants.

On the Net:

Life for Relief and Development:

http://www.lifeusa.org

Comerica Bank:

http://www.comerica.com

Muslim Charity Sues Comerica Over Accounts (FREEP)

By Niraj Warikoo, Free Press Staff Writer

Detroit Free Press, November 28, 2006

A Muslim charity based in Southfield has filed suit against Comerica, saying the bank violated the charity's civil rights by planning to close its accounts.

Life for Relief and Development also is challenging the constitutionality of a section of the Patriot Act that allows financial institutions to share information about suspected money laundering or terrorist activity with each other and with the federal government.

The suit asks the court for an injunction that would prevent Comerica from giving other banks any information it might have about Life.

Federal agents raided the Islamic charity's office two months ago, but no charges were filed and no allegations have been made.

The lawsuit was filed Wednesday in U.S. District Court in Detroit.

The filing occurred days after a senior vice president with Comerica, James Garavaglia, met with Arab-American leaders to explain how the Patriot Act requires banks to work with the government.

Charity officials worry that Life's reputation would be harmed if Comerica officials spread allegations about the group to other banks.

"A charity, especially a Muslim charity, has to live by its reputation," said Shereef Akeel, attorney for Life.

Comerica had planned to terminate the charity's checking accounts on Nov. 15, but after protests, the bank granted an extension.

DOJ_NMG_0098763

On Friday, Comerica Vice President Kathy Pitton would not comment on the lawsuit. "It is our policy to not discuss customer relationships," she said.

Contact NIRAJ WARIKOO at 248-351-2998 or
nwarikoo@freepress.com.

HOMELAND RESPONSE:

At National Airport, Prayers Against Profiling (WP/AP)

By Leslie Miller

The Washington Post, November 28, 2006

Imams, ministers and a rabbi staged a pray-in yesterday at Reagan National Airport and demanded an apology from US Airways for barring six Muslim clerics from a Minneapolis-to-Phoenix flight last week.

The religious leaders called for an end to racial profiling, saying it was unacceptable in the United States.

"These things are troubling to us," said Mahdi Bray, executive director of the Muslim American Society Freedom Foundation.

Imam Omar Shahin, one of the six imams detained last Monday at the Minneapolis-St. Paul International Airport, said they had not done anything suspicious.

The imams, who were returning from a religious conference, had prayed on their prayer rugs in the airport before the flight. After they boarded the flight, a passenger, who was alarmed by their activity, passed a note to a flight attendant. The men were taken off the airplane, handcuffed and questioned.

"It was the worst moment in my life," Shahin said.

US Airways spokeswoman Andrea Rader said prayer was never the issue.

"Apparently, as they were boarding, one passenger overheard them saying what they thought were anti-U.S. statements," Rader said.

She also said the men got up and moved around the airplane, so the flight crew consulted with the airline about whether they might pose a security risk. Local law enforcement and the FBI thought they did, she said.

"We're sorry the imams had a difficult time, but we do think the crews have to make these calls, and we think they made the right one," she said. US Airways plans to meet with the imams this week, Rader said.

Yesterday, Shahin and a handful of other Muslims bowed down on rugs and prayed in National's Terminal A, near the US Airways ticket counter. Jewish and Christian clergy also said prayers.

After the prayer session, Shahin and other religious leaders boarded a US Airways flight to demonstrate their determination to continue praying and flying.

Hilary Shelton, director of the NAACP national office, called on Congress to pass legislation to bar racial profiling. The bill is necessary because airlines are unclear how to deal with racial and ethnic profiling, he said.

In the aftermath of the Sept. 11, 2001, terror attacks, four airlines accused of breaking federal anti-discrimination laws settled with the government. Transportation Department investigations found that the airlines had unlawfully removed passengers because of their perceived ethnic or religious backgrounds.

Though the air carriers -- American Airlines, United Airlines, Delta Air Lines and Continental Airlines -- admitted no wrongdoing, they agreed to carry out civil rights training for their employees.

The Transportation Department hasn't received any complaints about the latest incident, said spokesman Brian Turmail.

"Should someone file a complaint, then we would investigate," Turmail said.

The Homeland Security Department's Office for Civil Rights and Civil Liberties said last week that it was investigating the US Airways incident.

Clerics Protest With Prayer At Reagan National (USAT)

USA Today, November 28, 2006

DOJ_NMG_0098764

A small group of Muslim imams, Christian ministers and a Jewish rabbi staged a “pray-in” demonstration Monday at Ronald Reagan Washington National Airport. They demanded an apology from US Airways for barring six Muslims from a Minneapolis-to-Phoenix flight. The clerics also called for an end to racial profiling.

Imam Omar Shahin, one of the six imams detained Nov. 20 at the Minneapolis-St. Paul International Airport, said they hadn't done anything suspicious. The imams had prayed in the airport before the flight. After boarding, a passenger passed a note to a flight attendant, and the men were taken off the plane, handcuffed and questioned.

US Airways spokeswoman Andrea Rader said prayer was never the issue. “Apparently … one passenger overheard them saying what they thought were anti-U.S. statements,” Rader said.

Court turns down ‘Times,' won't hear vouchers appeal

The Supreme Court ruled against The New York Times, refusing to block the government from reviewing the phone records of two reporters in a leak investigation of a terrorism-funding probe.

The order came in a First Amendment battle that involves stories written in 2001 by Times reporters Judith Miller and Philip Shenon. The stories revealed government plans to freeze the assets of two Islamic charities, the Holy Land Foundation and the Global Relief Foundation.

The court also declined to hear a challenge to a Maine law that bars the use of public funds to send students to private religious schools. School districts in 145 small towns in Maine that have no high schools currently offer tuition for 17,000 students to attend high schools of their choice, public or private, except for religious schools.

Inspector general to probe terrorism wiretap program

The inspector general's office at the Department of Justice has opened an investigation into the agency's use of information gathered in the government's warrantless surveillance program. In a letter to House Judiciary Committee leaders obtained by the Associated Press, Inspector General Glenn Fine said the probe would focus on the department's role in carrying out the spying program run by the National Security Agency. The review comes a week after a federal judge ruled that the NSA is not required to release details on its wiretapping program, which targets communications between people in this country and people overseas when a link to terrorism is suspected.

Meanwhile, members of the Privacy and Civil Liberties Oversight Board told the Associated Press they were impressed by safeguards the government has built into the NSA's eavesdropping program. The board was briefed on the inner workings of the program during Thanksgiving week. “If the American public … could be more informed about how careful the government is to protect our privacy … we'd be more reassured,” said Lanny Davis, a former Clinton White House lawyer.

How The Imams Terrorized An Airliner (WT)

By Audrey Hudson

The Washington Times, November 28, 2006

Muslim religious leaders removed from a Minneapolis flight last week exhibited behavior associated with a security probe by terrorists and were not merely engaged in prayers, according to witnesses, police reports and aviation security officials.

Witnesses said three of the imams were praying loudly in the concourse and repeatedly shouted "Allah" when passengers were called for boarding US Airways Flight 300 to Phoenix.

"I was suspicious by the way they were praying very loud," the gate agent told the Minneapolis Police Department.

Passengers and flight attendants told law-enforcement officials the imams switched from their assigned seats to a pattern associated with the September 11 terrorist attacks and also found in probes of U.S. security since the attacks -- two in the front row first-class, two in the middle of the plane on the exit aisle and two in the rear of the cabin.

"That would alarm me," said a federal air marshal who asked to remain anonymous. "They now control all of the entry and exit routes to the plane."

A pilot from another airline said: "That behavior has been identified as a terrorist probe in the airline industry."

But the imams who were escorted off the flight in handcuffs say they were merely praying before the 6:30 p.m. flight on Nov. 20, and yesterday led a protest by prayer with other religious leaders at the airline's ticket counter at Ronald Reagan Washington National Airport.

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Mahdi Bray, executive director of the Muslim American Society Freedom Foundation, called removing the imams an act of Islamophobia and compared it to racism against blacks.

"It's a shame that as an African-American and a Muslim I have the double whammy of having to worry about driving while black and flying while Muslim," Mr. Bray said.

The protesters also called on Congress to pass legislation to outlaw passenger profiling.

Rep. Sheila Jackson-Lee, Texas Democrat, said the September 11 terrorist attacks "cannot be permitted to be used to justify racial profiling, harassment and discrimination of Muslim and Arab Americans."

"Understandably, the imams felt profiled, humiliated, and discriminated against by their treatment," she said.

According to witnesses, police reports and aviation security officials, the imams displayed other suspicious behavior.

Three of the men asked for seat-belt extenders, although two flight attendants told police the men were not oversized. One flight attendant told police she "found this unsettling, as crew knew about the six [passengers] on board and where they were sitting." Rather than attach the extensions, the men placed the straps and buckles on the cabin floor, the flight attendant said.

The imams said they were not discussing politics and only spoke in English, but witnesses told law enforcement that the men spoke in Arabic and English, criticizing the war in Iraq and President Bush, and talking about al Qaeda and Osama bin Laden.

The imams who claimed two first-class seats said their tickets were upgraded. The gate agent told police that when the imams asked to be upgraded, they were told no such seats were available. Nevertheless, the two men were seated in first class when removed.

A flight attendant said one of the men made two trips to the rear of the plane to talk to the imam during boarding, and again when the flight was delayed because of their behavior. Aviation officials, including air marshals and pilots, said these actions alone would not warrant a second look, but the combination is suspicious.

"That's like shouting 'fire' in a crowded theater. You just can't do that anymore," said Robert MacLean, a former air marshal.

"They should have been denied boarding and been investigated," Mr. MacLean said. "It looks like they are trying to create public sympathy or maybe setting someone up for a lawsuit."

The pilot with another airline who talked to The Washington Times on condition of anonymity, said he would have made the same call as the US Airways pilot.

"If any group of passengers is commingling in the terminal and didn't sit in their assigned seats or with each other, I would stop everything and investigate until they could provide me with a reason they did not sit in their assigned seats."

One of the passengers, Omar Shahin, told Newsweek the group did everything it could to avoid suspicion by wearing Western clothes, speaking English and booking seats so they were not together. He said they conducted prayers quietly and separately to avoid attention.

The imams had attended a conference sponsored by the North American Imam Federation in Minneapolis and were returning to Phoenix. Mr. Shahin, who is president of the federation, said on his Web site that none of the passengers made pro-Saddam or anti-American statements.

The pilot said the airlines are not "secretly prejudiced against any nationality, religion or culture," and that the only target of profiling is passenger behavior.

"There are certain behaviors that raise the bar, and not sitting in your assigned seat raises the bar substantially," the pilot said. "Especially since we know that this behavior has been evident in suspicious probes in the past."

"Someone at US Airways made a notably good decision," said a second pilot, who also does not work for US Airways.

A spokeswoman for US Airways declined to discuss the incident. Aviation security officials said thousands of Muslims fly every day and conduct prayers in airports in a quiet and private manner without creating incidents.

Bottle And Threatening Note Found (WP)

By Mary Beth Sheridan And Petula Dvorak

The Washington Post, November 28, 2006

DOJ_NMG_0098766

Authorities closed the Lincoln Memorial for more than two hours yesterday after receiving reports of a suspicious liquid and a threatening note on the grounds, officials said. Tests showed no evidence of a harmful substance.

D.C. firefighters received a call at 12:40 p.m. reporting that a bottle believed to contain a liquid was found in the women's restroom in the base of the memorial, fire and federal homeland security officials said.

While a hazardous materials unit was en route, U.S. Park Police became concerned about a letter discovered on the statue of Lincoln in the main chamber of the memorial. According to officials, the letter asked, "Do you know what anthrax is?" and "Do you know what a bomb is?" In addition, a thermos that police found on the memorial steps was initially considered suspicious, officials said.

Officials closed the memorial, and the objects were tested by police explosives experts and the fire department's hazardous materials team, according to Wayne Benson, battalion fire chief in the Special Operations Division. They were deemed harmless and turned over to police and the FBI for a criminal investigation, officials said.

The Gatorade bottle found in the restroom was empty, said Alan Etter, a fire department spokesman. Etter said police were given the threatening letter by someone who found it on the statue of Lincoln.

The monument reopened about 3 p.m.

Park Police put out an alert to look for a man seen leaving the site about 12:30 p.m. He was described as white, about 6 feet tall and 200 pounds, with blond hair and wearing a green knit hat and green shirt. He appeared to be 30 to 35, according to the bulletin.

Lincoln Memorial Closed Briefly (AP-Y)

By Lubna Takruri

AP, November 28, 2006

Authorities briefly closed the Lincoln Memorial on Monday after finding suspicious containers and a note reading, "Do you know what anthrax is?" and "Do you know what a bomb is?"

The scare began about noon when a visitor to the memorial discovered the note in a plastic document holder near the steps of the memorial.

After evacuating the area, U.S. Park Police found a travelers' coffee mug near the note on the steps and a Gatorade bottle in a women's restroom, said Wayne Benson, a battalion chief with the District of Columbia fire department.

None of the objects was found to be a threat, Benson said.

The memorial was reopened less than three hours later. No injuries were reported.

Benson would not confirm the contents of the note. An official from the Department of Homeland Security, who asked to not be identified because his agency was not in charge of the incident, quoted the questions about anthrax and bombs.

During the closure, hazardous materials crews in protective suits were seen working at the site, and the public was kept about 50 yards from the base of the memorial. Explosives experts and K-9 units were also called to the scene, Benson said.

Park Police Lt. Donald Robinson said his agency and the FBI continued to investigate.

Union Looks To Democrats On TSA Screener Rights (WP)

By Stephen Barr

The Washington Post, November 28, 2006

Baggage and passenger screeners at the Transportation Security Administration are not allowed to bargain over the terms and conditions of their employment, but the largest federal union hopes to get the Democratic majority in the next Congress to take another look at whether that ban is justified.

The American Federation of Government Employees, headed by John Gage, won a favorable opinion from a Geneva-based, U.N. agency, the International Labor Organization, on the issue of screener rights.

The ILO's Committee on Freedom of Association, in an opinion this month, said that it was concerned that the TSA's decision in 2003 to invoke national security considerations to block union representation "may impede unduly upon the rights of these federal employees."

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Screeners, the committee said, are not engaged in "making national policy that may affect security" and are not engaged "in the administration of the state." Under those criteria, the committee said, TSA's 45,000 screeners should have collective bargaining rights.

The United States is a member of the ILO, which seeks to set worldwide labor standards. But ILO committee opinions are not binding, and the TSA said that the opinion will not change the agency's stance toward union representation.

In a statement, the TSA said Congress left it to the agency to decide whether to grant bargaining rights. The leeway to ban unions is contained in the 2001 Aviation Transportation Security Act, which created the agency after the terrorist attacks on the World Trade Center and the Pentagon.

"Given the critical national security mission of our security officers, collective bargaining is not appropriate, and would reduce TSA's ability to make changes rapidly in response to threats," the TSA statement said.

Proposals to allow TSA screeners to unionize have not gained traction in Congress, but AFGE officials hope that will change when Democrats take control of the House and Senate next year. Rep. Nita M. Lowey (D-N.Y.), who lost a vote on an amendment that would have let screeners engage in bargaining, plans to push the issue, her spokeswoman said.

Efforts by the AFGE to overturn the TSA ban through litigation also have been rebuffed by the government and in U.S. courts.

A key ruling came in 2003, when a regional director for the Federal Labor Relations Authority, which hears labor-management disputes inside the government, found that screeners were not entitled to a vote on union representation and that "Congress intended to treat security screeners differently than other employees of the agency."

Since Congress created the TSA, the agency has been folded into the Department of Homeland Security, where thousands of Border Patrol agents, Customs and Border Protection officers and others are represented by unions. The White House and Congress proposed curbing union rights at Homeland Security, but U.S. courts blocked the effort. The issue of how to deal with unions is back before the department.

Mark Roth, general counsel at the AFGE, said some members of Congress might have looked at collective bargaining as an impediment to a speedy launch of the agency, but he noted that four years have passed and that the TSA suffers from high turnover in the screener workforce.

"The agency has been stood up and is part of DHS. To keep its employees as separate and with less rights than other DHS employees, I think we can make the case that is no longer rational," he said.Retirement

Eileen Hayes Hurley, a leading intelligence research specialist in federal law enforcement, will retire Thursday after more than 40 years of federal service. Her career has included work on terrorism, organized crime and drug trafficking at the Drug Enforcement Administration, U.S. Customs Service, the Immigration and Naturalization Service, Naval Criminal Investigative Service and, currently, at the Bureau of Alcohol, Tobacco, Firearms and Explosives, where she is a branch chief.

Intelligence Agencies Invest In College Education (USAT)

By Richard Willing

USA Today, November 28, 2006

Community seeks skilled recruits on campuses. Some uncomfortable with financial link to academia.

The U.S. intelligence community pours millions into higher education, paying for hundreds of scholarships, intelligence-related courses and fellowships at nearly a dozen universities, public documents and interviews with officials show.

Last month, the Office of the Director of National Intelligence (ODNI) more than doubled the number of schools in its program. The Department of Homeland Security (DHS) is also developing a program for nuclear scientists.

The sponsoring agencies, including the CIA, say the programs help ensure they get enough recruits skilled to wage the war on terrorism. The programs began in 2004.

Agencies also pay for internships and summer “spy camps” aimed at attracting high school students to study intelligence.

Since 2004, more than $16 million has been appropriated for courses and overseas fellowships in Middle Eastern and South Asian language studies, engineering, computer science, analytical thinking, Islamic studies and other specialties.

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The new programs differ from earlier government assistance plans such as the Title VI fellowships and the National Security Education Program. Those programs sponsor language study for students interested in careers in foreign affairs but are not tied to intelligence agencies.

The programs recognize that 21st-century intelligence officers need skills that can "translate to a variety of areas," says Lenora Peters Gant, who runs the ODNI's university outreach program. "We want to hire an engineer that understands world cultures and religions and speaks Urdu and Farsi or maybe Korean. That's where (intelligence) is going."

The programs also target more women and minorities, Gant says. Three of the 10 schools backed by the agency are historically black colleges. More than 90% of students at a fourth college are women.

"We need really good, young officers off of U.S. college and university campuses," says Charles Allen, a 47-year CIA veteran who is chief intelligence officer for the DHS. "We need young, bright aggressive Americans who really want to serve their country."

The programs have revived a decades-old debate about the proper relationship between intelligence agencies and academia. They have also invited comparisons to the 1950s, when the FBI sometimes encouraged students to report on professors' political leanings, and the 1960s, when the CIA paid for the National Student Association and tapped its members for intelligence work.

One program, the Pat Roberts Intelligence Scholars, keeps the identities of its participants secret.

"Secrecy, in particular, is a problem," says David Price, anthropology professor at St. Martin's University in Spokane, Wash., and author of a book on FBI surveillance of academics in the 1950s.

"I've looked at far too many old FBI documents to ever be comfortable with the idea" of such agencies funding students, Price says.

Academic and intelligence communities share a complicated history. During World War II, the Office of Strategic Services, the CIA's predecessor, recruited historians, anthropologists and other specialists, according to historian Robin Winks' book Cloak & Gown. In the 1950s and '60s, faculty members at Yale, Harvard, MIT and other elite universities served as talent spotters, steering promising students into intelligence careers.

Intelligence recruiters also liked small Catholic schools such as Trinity University in Washington, D.C., says Robert Maguire, an international relations professor who coordinates Trinity's intelligence studies program.

These days, demographics make Trinity a target for intelligence agency recruiters. More than 90% of Trinity's approximately 1,000 undergraduates are women. About 70% are minorities.

"The intelligence community of the 21st century has to look and think a lot more like the world around it," says T.J. Waters, a former CIA officer who teaches in the Eckerd College intelligence program in St. Petersburg, Fla. "These (programs) are a recognition of that."

The intelligence community's sometimes dark reputation made an undergraduate intelligence program a hard sell for faculty members, Maguire says. "The usual reaction to the word 'intelligence' was images of the CIA and nuns being murdered in Guatemala."

What sold the program at Trinity was its popularity with students, says Leah Martin, 21, student body president and intelligence student.

Trinity professors received stipends to revise courses and design new ones when ODNI started its first Center of Academic Excellence there in 2004. Intelligence students study creative problem solving, contemporary diplomatic history and social science research methods. The dozen or so who pursue an "intelligence certificate," essentially a minor in intelligence studies, are required to serve as summer "spy camp" counselors, chaperoning high school students who visit the CIA and attend lectures by intelligence professionals.

Janie Pacheco, 21, an economics major who is pursuing an intelligence studies certificate, took "Written and Oral Briefings for Professionals" to improve her writing skills. The course assigned a standard 20-page paper — hers was on the economic impact of Hurricane Katrina — but added this twist: Students had to boil their research down into a single paragraph that could be used in an oral briefing to policymakers.

"It was really about designing information, depending on how it's ultimately going to be used," says Pacheco of Mount Rainier, Md. "You can see the worth of this (to) intelligence, but really, this is a skill that transfers to almost any job."

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Intelligence work, Martin says, appears to combine travel, excitement and, in the post- 9/11 environment, something approaching job security. “You get to travel, to do something different every day, you're challenged in your work and you get to serve your country,” says Martin, 21. “How cool is that?”

Inside The CIA (WT)

By Gary Anderson

The Washington Times, November 28, 2006

Among the agencies of the federal government, three are legendary: the Marine Corps, the FBI and the CIA. One of the things that put them into that category is the unique culture of each. If they have anything in common it is that their field officers all go through a similar basic training and education course.

Each course has its own unique objectives and methods, but all three have a rite of passage as well as the training they accomplish. The FBI Academy and the Marine Corps Basic School are both located just a few miles apart on the Quantico Marine Corps base.

As a former officer of Marines, I am fairly familiar with both schools and the cultures that they produce. However, until reading "Class 11," I was not aware of how closely the basic schooling of CIA officers is to that of the Marines and the FBI.

Class 11 was the first post-September 11 class at the CIA. Consequently, it was larger and much more diverse than its predecessors, reflecting an agency policy decision that it had to recruit from a broader base of skill sets to adjust to the post-September 11 era. T.J Waters is a graduate of that class and obtained CIA permission to tell the unclassified portions of his story. The result is an education regarding a little-known, but much imagined, world.

Mr. Waters' classmates were a truly diverse lot. They included stockbrokers, successful businessmen, lawyers and even a former pro football player; all were drawn by the opportunity to avenge the attacks on September 11, and perhaps more important, to help prevent a future tragic event.

In many ways, the CIA curriculum is very similar to that of the Marine Corps and FBI. All three teach different skills, but they all create a socialization process that absorbs the students into the organization's culture, ethos and heritage. All three combine lecture followed by practical application; they all stress physical fitness and they bond students together into a lifetime fraternity.

The difference is that a person can usually spot a Marine officer or FBI agent in a crowd, even in civilian clothes. The CIA trains its students to be studiously inconspicuous. Students are encouraged and forced to bond. Those who survive the agency's screening process and get into the program, but prove to be incompatible with the organization, are quietly weeded out. This is rare because CIA screening is rigorous, but it sometimes happens.

The agents do learn how to use disguises and gadgets, developed by the storied CIA "toy factory," but they also learn the mundane tasks of surveillance avoidance, recruiting foreign agents and how to write coherent and useful reports. Most of the CIA's training takes place in diverse locations, but the real crucible is at the legendary "Farm" in central Virginia for the final leg of the course.

The book also relates some of the humorous incidents in training, such as one where CIA and Defense Department intelligence agents get cross-wired when two covert training exercises, not coordinated between the two agencies, collide in Alexandria, Va. Washington-area readers will appreciate the fact that most of the book takes place in familiar surroundings. Local police also occasionally spot students acting suspiciously and detain them, which results in some amusing asides.

However, a grim note ensues when the 2002 Washington sniper crisis brings a forbidding note of realism into training. Harmless field exercises suddenly become dangerous and the students, and faculty have to grapple with the question of what they would do if they stumble upon the real sniper. Do they blow their agency cover or intercede? In this reviewer's opinion, they come up with the right answer.

This is Mr. Waters' first book. He has done a credible job. He still maintains a contractual relationship with the agency and also consults with the Defense Department. At times, we learn a little more about his personal life than we want to, but the purpose is to show the kind of sacrifice that CIA officers and their families have to make.

The author obviously loves and admires the organization. He gives it credit for trying to keep up with the times, but he is honest enough to question whether or not it is changing fast enough to keep up with our adaptive non-state opponents. This is a

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question pertinent to the entire federal government. Nonetheless, the reader comes away with a deeper understanding of one of our most misunderstood organizations.

Gary Anderson is a frequent contributor to the book pages of The Washington Times.

WAR NEWS:

Bush Broadens Diplomatic Efforts On Iraq (AP)

By Tom Raum

AP, November 28, 2006

President Bush intensified diplomatic efforts on Monday to quell rising violence in Iraq and Afghanistan, turning to allies as his national security adviser said the conflict in Iraq had entered "a new phase" requiring changes.

"Obviously everyone would agree things are not proceeding well enough or fast enough," National Security Adviser Stephen Hadley told reporters aboard Air Force One as Bush flew eastward.

The president was spending Monday night in this tiny Baltic nation ahead of a two-day NATO summit in Riga, Latvia, expected to deal with deteriorating conditions in Afghanistan, where NATO has 32,000 troops.

Both Estonia and Latvia are former Soviet republics that are strong allies in the war on terror.

Bush will head to Amman, Jordan, for talks Wednesday and Thursday with Iraqi Prime Minister Nouri al-Maliki and King Abdullah of Jordan.

From Air Force One, the president spoke to the leaders of France and Egypt.

Addressing the upcoming meetings with al-Maliki, Hadley said, "We're clearly in a new phase characterized by an increase in sectarian violence that requires us to adapt to that new phase."

Bush and al-Maliki "need to be talking about how to do that and what steps Iraq needs to take and how we can support" Iraq's leaders, Hadley said.

The adviser rejected suggestions that Iraq had already spiraled into a civil war and said it was unlikely Bush would address with the Iraqi leader the issue of any U.S. troop withdrawals. "We're not at the point where the president is going to be in a position to lay out a comprehensive plan," Hadley said.

Hadley also said he believed that al-Maliki — rather than Bush — seemed more likely to bring up the subject of dealing with Iran and Syria, saying the Iraqi leader had strong views on the subject.

The New York Times on Monday quoted a senior U.S. intelligence official who said the Iranian-backed Hezbollah had been providing training for the Mahdi Army, the Iraqi Shiite militia led by anti-American cleric Muqtada al-Sadr. The anonymous official told the Times that 1,000 to 2,000 Shiite fighters had been trained by Hezbollah in Lebanon.

U.S. officials have previously accused Iran of military interference in Iraq. Earlier this month, CIA Director Michael Hayden told a congressional panel, "The Iranian hand is stoking violence and supporting even competing Shiite factions" in Iraq. In March, Defense Secretary Donald H. Rumsfeld accused Tehran of sending elements of its Revolutionary Guard to stir trouble inside Iraq.

Bush received a briefing Sunday night at the White House from Vice President Dick Cheney, who had gone to Saudi Arabia over the weekend as part of the administration's expanded efforts to draw Iraq's neighbors into the search for a solution.

In further signs of a worsening situation, a mortar attack ignited a huge fire Monday night at an oil facility in northern Iraq, shutting the flow of crude oil to a major refinery. And a U.S. Air Force jet crashed in Anbar province, a hotbed of the Sunni-Arab insurgency, officials said. Al-Jazeera reported that the pilot was killed.

Meanwhile, Britain said it expects to withdraw thousands of its 7,000 military personnel from Iraq by the end of next year, and Poland and Italy announced the impending withdrawal of their remaining troops as well.

In the U.S., the Iraq Study Group, a 10-member commission led by former Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton of Indiana, was working on a set of strategies for Iraq.

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The bipartisan group, which will also meet Tuesday, appeared ready to endorse drawing Iran and Syria into the effort to end violence in Iraq and resuming Middle East peace talks, said a former U.S. official knowledgeable about some of the commission's recent deliberations.

The commission seemed unlikely to propose a timetable for withdrawing U.S. troops from Iraq, said the official, who spoke on condition of anonymity because of the secrecy surrounding the commission's work. But some members seemed to favor setting a date for only an initial withdrawal, an idea that has been pushed by many congressional Democrats.

United Nations Secretary-General Kofi Annan discussed the situation in Iraq Monday afternoon in a teleconference with members of the group, which was meeting in Washington.

The president is expected to urge NATO members to increase military spending at the summit in Riga. Violence has increased markedly in recent days, particularly in the southern part of Afghanistan, where the Taliban are resurgent.

Bush is trying to persuade many European allies to contribute more for the Afghanistan effort. He'll also promote his plan to invite several major non-NATO countries, including Japan, Australia and South Korea, into some joint missions with NATO.

Bush is the first sitting U.S. president to visit Estonia.

His brief stopover in this medieval capital was seen as a token of American gratitude for the Baltic ally's strong support in both Iraq and Afghanistan.

Unlike in most of Europe, there is hardly any public criticism here of Bush's administration or the Iraq war. A small protest by anarchists was planned in Tallinn on Tuesday but was not expected to cause any major disruption.

Bush will meet with Estonian Prime Minister Andrus Ansip and U.S.-educated President Toomas Hendrik Ilves. Bush and Ilves planned a joint news conference.

The U.S. president also was expected to meet democracy activists and Estonian soldiers who have served on foreign missions.

Aides said Bush also spoke by phone from Air Force One to Chinese President Hu Jintao on relations between the two countries and their recent meeting on the sidelines of a summit in Vietnam of Asian-Pacific nations. Bush also phoned former Italian Prime Minister Silvio Berlusconi, who was hospitalized for tests after he fainted during a rally.

White House Says Iraq In 'New Phase' (AP-Y)

By Tom Raum

AP, November 28, 2006

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Civil War In Iraq Near, Annan Says (WP)

By Robin Wright And Thomas E. Ricks

The Washington Post, November 27, 2006

The Iraq Study Group began two days of intensive behind-closed-doors deliberations yesterday as the White House conceded that Iraq has moved into a dangerous new phase of warfare requiring changes in strategy. In a sign of the growing global concern about Iraq's fate, U.N. Secretary General Kofi Annan appealed for immediate steps to prevent the country from crumbling into all-out civil war.

"Given the developments on the ground, unless something is done drastically and urgently to arrest the deteriorating situation, we could be there. In fact, we are almost there," Annan said when a reporter asked about the prospects of civil war in Iraq.

National security adviser Stephen J. Hadley told reporters traveling to Estonia with President Bush: "Obviously, everyone would agree things are not proceeding well enough or fast enough." Washington must find ways to "adapt," he added.

Events over the past week, including the deadliest attacks since the war began in March 2003, have created a new sense of diplomatic urgency about finding a viable strategy to contain Iraq's violence and limit spillover damage across the region. The White House again resisted assertions that Iraq is now in a civil war, but that stance is increasingly hard to defend, according to analysts, diplomats and even some U.S. officials in private.

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"While the situation on the ground is very serious, neither Prime Minister [Nouri al-] Maliki nor we believe that Iraq is in a civil war. The Iraqi government is making slow but sure progress on important issues that will help stop the violence and bring the country together," National Security Council spokesman Gordon Johndroe said yesterday.

At least one Iraqi leader says otherwise. "It's worse than a civil war. In a civil war, you at least know which factions are fighting each other," lamented a senior member of Iraq's government in an interview a few hours after Johndroe's comments. "We don't even know that anymore. It's so bloody confused."

Saudi Arabia is so concerned about the damage that the conflict in Iraq is doing across the region that it basically summoned Vice President Cheney for talks over the weekend, according to U.S. officials and foreign diplomats. The visit was originally portrayed as U.S. outreach to its oil-rich Arab ally.

In a reflection of the growing new dimension of civil strife, a senior U.S. intelligence official said yesterday that the militia of radical Shiite leader Moqtada al-Sadr has grown eightfold over the past year and now fields 40,000 to 60,000 men. That makes it more effective than the Iraqi government's army, the official indicated.

The Iraqi army has about 134,000 men, but about half are doing only stationary guard duty, the official said. Of the half that conduct operations, only about 10 battalions are effective -- well under 10,000 men.

Sadr is so powerful that if provincial elections were held now, he would sweep most of the south and also take Baghdad, said the intelligence officer, who spoke on the condition of anonymity because of the sensitivity of his position.

Iraq's prime minister "doesn't have any coercive powers of his own," he said, calling Maliki "beholden to Sadr." Maliki won the prime minister's job with backing from Sadr, whose political bloc holds 30 seats in parliament.

Addressing the sectarian problem by engaging Iraq's neighbors, notably Iran and Syria, is an idea gaining favor within the 10-member, bipartisan Iraq Study Group, which is in the final phase of its eight-month search for a new policy. But the panel was still deeply divided over recommendations going into its meeting yesterday.

The group, led by former secretary of state James A. Baker III and former congressman Lee H. Hamilton (D-Ind.), hopes to issue its recommendations before Congress adjourns next month. Although deliberations are secret, the five Republicans and five Democrats are exploring ideas that include a gradual withdrawal of U.S. troops.

Some Democrats on the panel favor a plan by congressional Democrats to name a date to begin withdrawal, as a way to pressure Iraqis to show more leadership. Members of the board were divided, however, over how many troops and how fast to withdraw, sources close to the group said.

President Bush is due to meet with Maliki on Thursday in Jordan to review the situation. "We're clearly in a new phase, characterized by this increasing sectarian violence that requires us obviously to adapt to that new phase, and these two leaders need to be talking about how to do that," Hadley told reporters.

He said he expects the two leaders to discuss whether Washington should talk to Iran and Syria, although he thinks Maliki, not Bush, will raise the issue. Maliki has "strong views," he added, that any conversation with Syria and Iran "ought to be a conversation by Iraqis."

In a subtle nod to the Iraq Study Group, Hadley said that the president plans to listen to the range of voices for ideas but that Bush will reassure Maliki the president "will be crafting the way forward on Iraq" primarily in collaboration with Baghdad.

But in a sign of the discord in Washington, the senior U.S. intelligence official said the situation requires that the administration abandon its long-held goal of national reconciliation and instead "pick a winner" in Iraq. He said he understands that means the Sunnis are likely to bolt from the fragile government. "That's the price you're going to have to pay," he said.

The United States also needs to reexamine other basic assumptions, he said. To be effective, for example, the Iraqi security forces -- including army and police -- should be roughly doubled from the current goal of 325,000 to about 650,000, which would require about three years of recruiting and training, he said. The expanded military, he added, would probably become overwhelmingly Shiite and Kurdish -- an outcome that many Sunnis fear.

The United States also needs to deal quickly with a serious problem of overcrowded prisons that has led the government to free about 2,000 fighters each month to make room for new prisoners, he said. Those released are not scofflaws, he said: "These are the hard-core guys."

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The intelligence official said that he "never saw any evidence" that Sadr's organization sent personnel to Lebanon this summer to fight against Israel, but said he had heard talk that some were sent there to be trained by Lebanese members of Hezbollah, an organization funded by Iran's Shiite government.

He said there was evidence that the Iranian government this year had escalated its efforts inside Iraq.

"The whole year, yes, it has stepped up," he said. "More training in and out of Iraq. More coordination with Hezbollah. More advisers."

A War Of Words Over Iraq (BSUN)

By Julie Hirschfeld Davis

The Baltimore Sun, November 28, 2006

WASHINGTON -- With sectarian violence raging in Iraq and President Bush grasping for options, the question of whether Iraqis are locked in a civil war has taken on new urgency.

The term is fraught with emotional overtones and policy implications, which is why it sparks lively arguments and strong pushback from the White House. Bush vehemently rejects the idea that Iraq is engaged in a civil war, while a growing chorus of scholars and strategists says that is exactly what the staggering civilian death toll and factional strife amount to.

The national news media are grappling with the issue as well, as evidenced by Monday's announcement from NBC News that, after much consideration, it had decided to use the phrase.

In a nod to how sensitive the topic has become, the network's Matt Lauer noted, "We didn't just wake up on a Monday morning and say, 'Let's call this a civil war.' This took careful deliberation."

Bush has said he would not allow U.S. troops to be caught "in the crossfire between rival factions." Conceding that a civil war has broken out in Iraq could undermine that promise and increase pressure for a quick withdrawal of American forces.

At the same time, labeling the conflict as a civil war could deepen public distaste for keeping U.S. troops in Iraq, replacing Bush's stated goals -- annihilating terrorism and planting the seeds of Middle Eastern democracy -- with a referee's role that would be harder to justify, analysts said.

The White House continued to resist the notion that Iraq had descended into civil war. Stephen J. Hadley, the national security adviser, sidestepped a question on whether the label applies, saying that Iraqis do not believe there is a civil war.

"It is what it is. There is a high level of sectarian violence. It is a challenge for the Iraqis. It's a challenge for us," Hadley told reporters aboard Air Force One en route with the president to a NATO conference in Europe.

Tony Snow, the White House spokesman, who also talked with reporters aboard Bush's plane, said what's happening in Iraq does not fit the definition of a civil war.

"What you do have is sectarian violence that seems to be less aimed at gaining full control over an area than expressing differences and also trying to destabilize a democracy, which is different than a civil war, where two sides are clashing for territory and supremacy," Snow said.

Still, most scholars agree that civil war is defined as a situation in which clearly defined groups from the same country battle each other for political influence. The conflict must claim significant casualties, many say at least 1,000 lives. Sunni and Shiite violence, including brutal revenge killings, has escalated steadily in Iraq this year, and Iraq's health minister estimated this month that up to 150,000 civilians had been killed in the war.

Some of the Bush administration's strongest allies now openly use the term civil war to describe what is going on in Iraq.

Ayad Allawi, the former prime minister of Iraq, said last spring that with 50 to 60 Iraqis dying each day, "If this is not civil war, then God knows what civil war is." Nouri al-Maliki, the current prime minister, has said there will "never be a civil war in Iraq."

Top administration and military officials, including Defense Secretary Donald H. Rumsfeld and Gen. John P. Abizaid, the commander of U.S. forces in Iraq, have said that Iraq could be on the brink of civil war, though Bush has never accepted that characterization. Instead, the president says it is up to U.S. forces to prevent Iraq from devolving into such a conflict.

King Abdullah II of Jordan, who is to meet with Bush Wednesday in Amman to discuss the war, warned over the weekend that given the conflict in Iraq, tensions in Lebanon and the Israeli-Palestinian crisis, "We're juggling with the strong potential of three civil wars in the region." He told ABC that strong steps had to be taken to avert a "tremendous crisis."

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Anthony Cordesman, a national security analyst at the Center for Strategic and International Studies, said there is no question that the situation on the ground in Iraq constitutes civil war. Arguing over whether that's true is "a remarkably silly semantic debate" that yields no solutions for the steadily increasing violence, he added.

"If you accept civil war, it is seen as marking yet another step toward what is perceived as defeat politically," Cordesman said of the Bush administration. "You have people using the term because they're dramatizing the problems, and you have the White House making the argument because it wants to stay the course."

Bush's pledge not to get U.S. troops caught in a crossfire is moot, Cordesman said. "They are already in Baghdad, trying to separate ethnic factions that are shooting at them," he said.

Bush is going to "convoluted lengths" to avoid the term civil war because he wants to avoid appearing to take sides in a raging internal battle, Peter W. Galbraith wrote in the most recent edition of New Republic magazine.

"But saying it isn't civil war doesn't make it so," said Galbraith, a former U.S. diplomat and Bush critic who has proposed partitioning Iraq. "Training and equipping Iraq's security forces as the United States is doing only produces more lethal combatants in the country's internecine conflict."

The potency of the term civil war comes from the fact that "it's not what we signed up for," said David Rothkopf of the Carnegie Endowment for International Peace. "We went in there to replace a despotic government with a democratic government. We said we were there to get rid of terrorists. Well, which side are the terrorists?

"Now we find ourselves being a referee in a civil war. Neither side is us. It means that the premise for our national involvement and policies has been challenged and compromised," Rothkopf said.

Describing the situation in Iraq as a civil war would further reduce support for the war among the American people, who, research shows, will not tolerate U.S. casualties from intervention in that kind of conflict, analysts said.

"As bad as public support for the war is, it's likely to get worse if they see this as a civil war. It's a battle that the administration has largely lost already," said Christopher F. Gelpi, a Duke University researcher on war and public opinion. "It will raise the question in their minds, 'Well then, if this is a civil war, should we withdraw?'"

The term civil war is often used by critics of U.S. involvement to stoke public opposition, Gelpi added.

The Democratic Party pounced on NBC's announcement, accusing Bush of trying to "spin" the Iraq war by "splitting hairs."

"If you're lying dead on the street in Baghdad, I don't imagine it makes much difference" what the conflict is called, Rothkopf said, adding that the debate is "taking us away from" looking at the key moral and strategic questions about how the United States should handle it.

NBC To Use 'Civil War' To Describe Iraq (LAT)

By Matea Gold

The Los Angeles Times, November 28, 2006

NEW YORK — NBC News said Monday that its reporters and anchors would begin referring to the ongoing sectarian strife in Iraq as a "civil war," a move that reflects the news media's use of increasingly stark language to characterize the escalating violence gripping the country.

NBC's decision, which came after a particularly deadly series of retaliatory attacks in Baghdad, makes it the first television network to officially adopt the term "civil war," a description the Bush administration has resisted.

The Times was the first major news organization to formally adopt the description when it began to refer to the hostilities as a civil war in October, without public fanfare. No other major media outlet has made the phrase a matter of policy, although it has cropped up in various news reports.

The White House has exerted pressure on the media not to use the term, journalists said, which led to newsroom caution over the issue. NBC's announcement spotlights a shift in semantics that has quietly taken place on the airwaves and in newsprint as the violence has worsened along with the public's view of the situation in Iraq.

"Today" co-anchor Matt Lauer explained NBC's position at the beginning of the morning show, saying news executives had concluded that the current fighting met the definition of a civil war.

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"For months now the White House has rejected claims that the situation in Iraq has deteriorated into civil war, and for the most part, news organizations like NBC have hesitated to characterize it as such," Lauer said. "But after careful consideration, NBC News has decided a change in terminology is warranted, that the situation in Iraq with armed militarized factions fighting for their own political agendas can now be characterized as civil war."

The White House continued to object to the description.

"What you do have is sectarian violence that seems to be less aimed at gaining full control over an area than expressing differences, and also trying to destabilize a democracy — which is different than a civil war, where two sides are clashing for territory and supremacy," White House Press Secretary Tony Snow told reporters on Air Force One on Monday as President Bush flew to Tallinn, Estonia.

The Times began referring to the violence as a "civil war" in an Oct. 7 article after several months of internal discussions.

"For some time now we believe it has been a fairly simple call: Inside one country you have different armed groups fighting with each other," said Marjorie Miller, the newspaper's foreign editor. "That is the definition of a civil war."

The newspaper uses the term to characterize the violence in the center of Iraq and Baghdad, but editors noted that the fighting in other areas, such as the western province of Al Anbar, where Marines engage in regular combat with insurgents, was sometimes described differently. The newspaper has used "civil war" dozens of times, although Miller said it had not appeared as consistently as she would have liked.

"I had to keep up the conversation to make sure we called it what it is, a civil war," she said.

The New York Times has decided to let correspondents describe the conflict as a civil war when they and their editors believe it is appropriate, Executive Editor Bill Keller said.

"It's hard to argue that this war does not fit the generally accepted definition of civil war," Keller said in a statement, but he added that the term does not capture the complexity of the violence.

"We expect to use the phrase sparingly and carefully, not to the exclusion of other formulations, not for dramatic effect," he said.

CNN, which does not have an official policy regarding the term, has left the description of the violence in Iraq up to its correspondents, many of whom have used "civil war" in the last several months.

"Anyone who still remains in doubt about whether this is civil war or not is suffering from the luxury of distance," CNN reporter Michael Ware said on the air Monday as he reported from Baghdad.

John Daniszewski, international editor at the Associated Press, said editors there had not decided whether to adopt the term.

"From a dictionary and academic point of view, many experts already consider Iraq to be immersed in a civil war," he said in a statement. "However, there is a contrary school of thought that a civil war should be more narrowly defined as one cohesive force opposing another inside a country — whereas in Iraq the fighting and violence often seem multifaceted, chaotic and anarchic."

Political analysts said NBC's public embrace of the term further complicated the administration's efforts to maintain that the violence had not spun out of control.

"Words have power, and naming it a civil war does begin to shape people's perception of what's happening there," said Thomas Hollihan, a professor at USC's Annenberg School for Communication who studies political rhetoric.

The midterm election results, widely seen as a repudiation of the administration and its policy in Iraq, may have emboldened news organizations to adopt a characterization the White House has rejected, he added.

"The media has, by and large, been very fearful of being perceived of being liberally biased," Hollihan said. "Now that the election has occurred, there may be more license on the part of the media to say what the public has been feeling."

NBC's decision applies to newscasts, including the network's flagship evening program, anchored by Brian Williams, as well as those on cable channel MSNBC. Spokeswoman Allison Gollust said executives decided to adopt the term after extensive conversations with military experts, historians and correspondents in Iraq.

"There was unanimous agreement that this was not an inappropriate label," she said.

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Retired Army Gen. Barry McCaffrey, one of those consulted in NBC's discussions, told Lauer on Monday that he had considered the situation in Iraq a "low-grade conflict" civil war for the last 18 months.

"Now it's on the verge of spinning out of control," said McCaffrey, an NBC News analyst.

On Thursday, at least 215 people were killed by multiple bombings in a Shiite neighborhood of Baghdad, triggering a series of deadly retaliatory attacks throughout the weekend. In a rare public comment about the fighting, United Nations Secretary-General Kofi Annan said Monday that he believed Iraq was on the brink of civil war.

Although there is not a universally accepted definition of the term, many experts agree that such a war consists of fighting between organized groups pursuing a political agenda within the recognized borders of one country.

Administration officials have maintained that the current situation in Iraq does not meet that standard, contending that the fighting has been largely centered on Baghdad and that the various insurgent forces are not unified.

A Fox News spokeswoman said the cable network had no plans to change its terminology, while CBS News said its correspondents and producers chose how to describe the fighting in their reports.

Last week, ABC anchor Charles Gibson raised the issue on the air during a conversation with senior national security correspondent Jonathan Karl.

"Military officials say it could escalate into a full-scale civil war, but with 3,700 people dying in a month and 100,000 people leaving the country and the kind of sectarian violence we're seeing, aren't we in a full-scale civil war already?" Gibson asked during the Nov. 22 afternoon webcast of "World News."

"That is certainly a debate that you can hear in the halls here at the Pentagon," Karl said. "It's a question of definitions."

NBC: Iraq In 'civil War' (USAT)

USA Today, November 28, 2006

The politically charged use of the term "civil war" to describe the violence in Iraq came to a head Monday when NBC News said that the conflict fit its description of a civil war and that NBC would call it that.

The announcement by Today's Matt Lauer put the network at odds with the White House — which said Monday that although the conflict in Iraq is serious, it is not a civil war — and prompted renewed discussion among news outlets.

CBS, ABC, CNN and Fox News said that as sectarian violence has risen, their reporters have called the conflict a civil war, and will continue, though they plan no formal change in policy.

On CNN Monday, correspondent Michael Ware said, "If this isn't a civil war, I don't know what is."

Recent dispatches in outlets such as the Los Angeles Times and New York Times also have referred to a civil war. USA TODAY calls the conflict "the war in Iraq" and refers to "sectarian violence or "religious fighting."

Tom McPhail, a journalism professor at the University of Missouri/St. Louis, says NBC's move is "a defining and negative moment" in the war in Iraq, "like when Walter Cronkite said on air that the Vietnam War was lost."

Kofi Annan Says Iraq Close To Civil War (AP-Y)

By Ben Feller

AP, November 28, 2006

U.N. Secretary General Kofi Annan said Monday that Iraq is close to civil war, as the Bush administration stepped up diplomatic efforts to stabilize the wartorn country.

Annan talked to reporters in New York as members of the Iraq Study Group were to discuss recommendations for changes in U.S. war strategy. President Bush left for a NATO summit in Europe, but much attention was directed toward a meeting he'll have later in the week with Iraqi Prime Minister Nouri al-Maliki in Amman, Jordan.

Asked by reporters at the U.N. if Iraq is in a civil war now, Annan replied, "I think given the developments on the ground, unless something is done drastically and urgently to arrest the deteriorating situation, we could be there. In fact we are almost there."

Sectarian violence in Iraq is at its worst level in the roughly 3 1/2 years since a U.S.-led coalition invaded the country and toppled Saddam Hussein. Bush's summit this week comes in the wake of talks that Vice President Dick Cheney held over the weekend in the region and as members of the special study commission mull recommendations.

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The New York Times reported in Monday's editions that a draft report by the study panel led by former Secretary of State James A. Baker III recommends aggressive regional diplomacy, including talks with Iran and Syria.

Anonymous officials who had seen the draft report told the Times it does not specify any timetables for the withdrawal of U.S. troops from Iraq, although the commissioners are expected to debate the feasibility of such timetables.

The panel is expected to release its findings and recommendations in December.

Appearing Monday on ABC's "Good Morning America," former President Jimmy Carter said that "at this point everybody is waiting" for the report. "My guess is that President Bush will take their advice as much as he possibly can," he added.

Carter said he would agree with any call for direct U.S. talks with Iran and Syria over Iraq, adding: "This is one of the most counterproductive policies that I've ever known, ... not to talk to the people who disagree with you unless they agree in advance to everything you demand."

Republican Sen. Chuck Hagel of Nebraska, a potential presidential contender in 2008, said "it's not too late for the United States to extricate itself honorably from an impending disaster in Iraq."

"If the president fails to build a bipartisan foundation for an exit strategy, America will pay a high price for this blunder — one that we will have difficulty recovering from in the years ahead," Hagel wrote in Sunday's Washington Post.

As the U.S. involvement in Iraq surpassed the length of America's participation in World War II, lawmakers have dwindling confidence in the U.S.-supported Iraqi government.

Maj. Gen. William B. Caldwell, a spokesman for coalition forces in Iraq, declined Monday to say whether Iraq had plunged into civil war.

"No. What we have right now... What I would tell you is, ... we have violence that are at unacceptable levels at the moment," he said in an interview from Baghdad with Associated Press Radio. "It had been on a downward trend for about four solid weeks."

"The vast majority of the citizens here want to live in a peaceful secure city. That's what their desire is," Caldwell said.

The Bush-Maliki summit on Wednesday and Thursday, coupled with Cheney's trip to Saudi Arabia on Saturday, is evidence of the administration's stepped-up effort to bring stability to the region.

The host of the meeting, Jordan's King Abdullah, said Sunday the problems in the Middle East go beyond the war in Iraq. He said much of the region soon could become engulfed in violence unless the central issues are addressed quickly.

The king said he was hopeful the leaders will find a way to reduce the level of violence. "We hope there will be something dramatic. The challenges, obviously, in front of both of them are immense," he said.

Iraq's leaders promised Sunday to track down those responsible for the recent attacks, and al-Maliki urged his national unity government of Sunnis, Shiites and Kurds to curb the violence by stopping their public disputes.

The Iraqi prime minister is under pressure from Shiite politicians loyal to the radical anti-American Shiite cleric Muqtada al-Sadr who have threatened to boycott parliament and the Cabinet if al-Maliki meets with Bush.

"This is all political posturing. It's all red herring. It's an anti-threat. This is a very stable government," responded Iraq's national security adviser, Mouwafak al-Rubaie. He said he had no doubt the prime minister would meet with Bush in Jordan.

Bush Asking Arab Friends For Iraq Help (NYT)

By Helene Cooper

The New York Times, November 28, 2006

WASHINGTON, Nov. 27 — As President Bush and his top diplomats try to halt the downward spiral in Iraq and Lebanon, they seem intent on their strategy of talking only to Arab friends, despite increasing calls inside and outside the administration for them to reach out to Iran and Syria as well.

Mr. Bush and Secretary of State Condoleezza Rice are traveling to Jordan this week for talks that are to include Iraq's prime minister and a number of Sunni Arab leaders but exclude the Iranians and Syrians, despite the influence they wield in Iraq and Lebanon.

Meanwhile, one of Ms. Rice's most trusted aides, Philip D. Zelikow, announced Monday that he was resigning his post as State Department counselor. Mr. Zelikow, widely viewed as a voice of candor in the administration on the Iraq crisis, said in his

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resignation letter that he would return to teaching at the University of Virginia. He cited a "truly riveting obligation to college bursars" for his children's tuition.

An administration official said Mr. Zelikow had been frustrated with administration policy on the Middle East, including Iraq, and North Korea.

There have been signs of strain within the administration, particularly at the State Department, where career Foreign Service officials have argued for increased dialogue with Iran and Syria to try to stem the violence in Iraq and Lebanon. "We've got a mess on our hands," said a senior State Department official, who, like others discussing the subject, spoke on the condition of anonymity because he was not authorized to discuss the subject publicly.

When Mr. Bush and Ms. Rice arrive in Amman on Wednesday, they will try to enlist help from Sunni Arab leaders to try to rein in the violence in Iraq by putting pressure on Sunni insurgents. That was part of Vice President Dick Cheney's message to King Abdullah of Saudi Arabia during a brief visit on Saturday, administration officials said, and Mr. Bush will repeat that entreaty with King Abdullah II of Jordan, as will Ms. Rice when she meets for talks with Persian Gulf foreign ministers at the Dead Sea on Thursday and Friday.

Specifically, the United States wants Saudi Arabia, Jordan and Egypt to work to drive a wedge between the Iraqi prime minister, Nuri Kamal al-Maliki, and the anti-American Shiite cleric Moktada al-Sadr, whose Mahdi Army has been behind many of the Shiite reprisal attacks in Iraq, a senior administration official said. That would require getting the predominantly Sunni Arab nations to work to get moderate Sunni Iraqis to support Mr. Maliki, a Shiite. That would theoretically give Mr. Maliki the political strength necessary to take on Mr. Sadr's Shiite militias.

"There's been some discussion about whether you just try to deal first with the Sunni insurgency, but that would mean being seen to be taking just one side of the fight, which would not be acceptable," the administration official said, speaking on condition of anonymity under normal diplomatic practice.

But getting Sunni Arab nations to urge Iraqi Sunnis to back Mr. Maliki in the hopes of peeling him away from Mr. Sadr is a tall order under any circumstances, and it was made even taller last week after the killing of more than 200 people by bombings in a Shiite district of Baghdad, the deadliest single attack since the American invasion. The attacks led to violent reprisals; vengeful Shiite militiamen attacked Sunni mosques in Baghdad and Baquba.

"We're clearly in a new phase, characterized by this increasing sectarian violence," Stephen J. Hadley, the national security adviser, told reporters aboard Air Force One on the way to Estonia for a NATO summit meeting before Mr. Bush's meeting with Mr. Maliki. "That requires us, obviously, to adapt to that new phase, and these two leaders need to be talking about how to do that and what steps Iraq needs to take and how we can support them."

In return for helping on Iraq, the Sunni Arab countries have asked the Bush administration for a new push toward an Israeli-Palestinian peace accord. Mr. Bush has largely shied away from that longstanding demand, but things may be changing.

Ms. Rice may add two stops — Ramallah, in the West Bank, and Jerusalem — to her itinerary this week, administration officials said. While her schedule has not been made final, Ms. Rice is considering meeting with Ehud Olmert, the Israeli prime minister, and Mahmoud Abbas, the Palestinian Authority president.

Ms. Rice has argued in favor of stepping up work on the Israeli-Palestinian front, and several times this fall she has seemed to be on the verge of a major peace initiative, only to be overtaken by other crises.

A new cease-fire began Monday after Israeli and Palestinian leaders agreed to end five months of fighting in Gaza. The truce got off to a shaky start when Palestinian militants associated with Hamas and Islamic Jihad fired nine rockets into southern Israel, but American, Arab and European diplomats said this may be the most important chance in some time to end the fighting.

Mr. Olmert, in a speech on Monday, even suggested that the cease-fire could revive peace efforts. A visit by Ms. Rice to the region could further prod those efforts, American officials said.

"We have seldom seen the U.S. administration so focused on all of the constituent parts of putting the Middle East together as they are at this point," a European diplomat said. "They seem to suddenly have got that this isn't just about Iraq. It's about a number of parts of the Rubik's Cube that they have to put together again."

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Beyond Israel, another part of the puzzle is whether America will directly engage Iran and Syria, something the administration remains loath to do, despite indications that a bipartisan study group will recommend a regional diplomatic initiative to include both countries. The pressure to begin talks is rising, with former administration officials joining the call.

"The Syrians are saying, 'We can negatively affect the situation in Lebanon and hurt your friends, we can negatively affect Iraq, but that's all right, don't talk to us,' " said Theodore H. Kattouf, President Bush's former ambassador to Syria. "With diplomacy generally, if you're not prepared to achieve your aims through warfare, then you have to engage in some horse-trading. Unfortunately, there isn't much give-and-take between the U.S. and Syria right now."

Bush And Maliki Make Last-ditch Effort To Keep Control Of Iraq In Amman Talks (FT)

By Guy Dinmore In Washington And Roula Khalaf In London

Financial Times, November 28, 2006

When US President George W. Bush and the Iraqi prime minister last met in the White House in late July, Mr Bush praised the courage of Nouri al-Maliki. The US president promised more troops to reinforce Baghdad and a continued US commitment to the Iraqi people who were demonstrating their attachment to democracy.

Since then, according to the United Nations, Iraqis are being killed at a rate of 100 a day, with 3,700 deaths in October alone. During this period, 400,000 Iraqis have fled the country, and 300 US troops have died.

Officials close to Moqtada al-Sadr are reported to have said the radical Shia cleric is threatening to pull out of the national unity government if Mr Maliki does not put a stop to attacks on the Shia. They have also warned him against meeting Mr Bush in Amman, Jordan, tomorrow and Thursday.

US politicians have repeatedly called for pressure on Mr Maliki to rein in Mr Sadr, whose militia, the Mahdi army, is believed to be involved in sectarian killings.

With his own party increasingly split over his Iraq policy following their rout by the Democrats in the mid-term elections for Congress, Mr Bush is also under extreme political pressure to start bringing troops home.

Senator Trent Lott, the incoming number two in the Republican Senate leadership, said at the weekend that Mr Bush had to be "very aggressive and specific" with Mr Maliki, suggesting that the prime minister was becoming "part of the problem".

Reflecting the views of many Americans who express exasperation with how Iraq has responded to "liberation", the senator said that if Iraqis did not respond to US help in training and reconstruction and setting guideposts for the future, "then we're going to be done with it".

The Amman summit is widely seen in Washington as a last-ditch effort by Mr Bush to demonstrate to his fragmented party and a sceptical US public that he has a grip on the situation. If not, the president will find himself with little room for manoeuvre before the new Congress convenes in early January and the bipartisan Iraq Study Group led by James Baker, former secretary of state, and former Democrat congressman Lee Hamilton, put forward their policy recommendations, possibly in mid-December.

Meanwhile, the US military is not ruling out sending more soldiers into Baghdad to join the 7,000 reinforcements that were not able to secure and hold the city in August.

An Iraqi government spokesman said the Amman summit would chart a "map" for future relations between the US and Iraq, particularly on the security front.

Ali al-Dabbagh told the FT that Mr Maliki wanted an accelerated programme for the training of Iraqi security forces. The Iraqi government, he said, was also looking for a separate agreement with the US to "organise" and "regulate" the coalition presence - but only after the extension of its UN mandate, which comes up for renewal next month.

*Jalal Talabani, Iraq's president, said yesterday security was "the most important issue" in negotiations with Iran as he began a state visit, Gareth Smyth reports from Tehran.

Mr Talabani's trip comes amid speculation in the US over opening dialogue with Iran and Syria on Iraq's future.

Iranian president Mahmoud Ahmadi-Nejad promised Tehran would do "whatever we can to help establish security" in Iraq and that "a secure, developed and powerful Iraq benefits the Iraqi nation, Iran and the whole region".

But Iranian officials suggested Tehran was in no mood to offer comfort to Washington.

Iraq Diplomacy Heats Up With Meetings (AP)

DOJ_NMG_0098781

By Qassim Abdul-Zahra And Bassem Mroue

AP, November 28, 2006

Iraq's president turned to Iran on Monday for help to stem the bloodshed, and Iraqi officials said talks this week between President Bush and Prime Minister Nouri al-Maliki will focus on giving Iraqis more control so U.S. forces can withdraw.

"We are in dire need of Iran's help in establishing security and stability in Iraq," Iran's state-run television quoted Iraqi President Jalal Talabani as saying after he met with Iranian President Mahmoud Ahmadinejad in Tehran.

The increased pace of diplomacy comes as a bipartisan U.S. panel headed by former Secretary of State James A. Baker III and former Rep. Lee Hamilton is expected to put forth recommendations soon to the White House on alterations to Iraq policy. Seeking help from Iran and Syria was believed to be among the Iraq Study Group's proposal following American elections and calls for a speedy U.S. withdrawal.

Looking ahead to the Bush-Maliki summit in Amman, Jordan, the Iraqi side viewed the talks as the most important between leaders of the two countries since the ouster of Saddam Hussein, according to the two top officials with intimate knowledge of planning for the Wednesday-Thursday meeting.

Iraqi officials believe the summit will deal with giving Iraqi forces more control over security. The Iraqis expect President Bush to agree to such an arrangement, and they say al-Maliki will then ask for the Americans to start discussing a timetable for the withdrawal of U.S. troops, according to one of the officials, who spoke on condition of anonymity because of the sensitive nature of the information.

But Bush's national security adviser, Stephen Hadley, said it was unlikely Bush would address with the Iraqi leader the issue of any U.S. troop withdrawals. "We're not at the point where the president is going to be in a position to lay out a comprehensive plan," Hadley told reporters aboard Air Force One.

The second Iraqi official, who spoke anonymously for the same reason, said American officials had indicated in preparatory talks in Baghdad that Bush was open to increasing the pace of the security hand-over.

"The responsibilities of U.S. troops will decrease when security is transferred to Iraqis, and that will mean the Americans have more soldiers here than they need," the second official said.

Also on the Iraqi agenda, the officials said, would be al-Maliki's insistence that the United States pressure its Sunni Arab allies in the region to stop what Baghdad claims is support for the Iraqi insurgency.

Lastly, al-Maliki wants to get an outline of the U.S. view of the strategic relationship that would exist as the Americans draw down their presence in the country, the Iraqi officials said.

Hadley said the conflict in Iraq had entered "a new phase" requiring changes.

"Obviously everyone would agree things are not proceeding well enough or fast enough," he said. "We're clearly in a new phase characterized by an increase in sectarian violence that requires us to adapt to that new phase."

Bush and al-Maliki "need to be talking about how to do that and what steps Iraq needs to take and how we can support" Iraq's leaders, Hadley said, rejecting suggestions that Iraq had already spiraled into a civil war.

As the summit approached, Britain said on Monday it expected to withdraw thousands of its 7,000 military personnel from Iraq by the end of next year, and Poland and Italy announced the impending pullout of their remaining troops.

The Iraqi officials said they expected al-Maliki would brief Bush on the outcome of Talabani's meetings with Ahmadinejad.

Al-Maliki also was expected to explain his thoughts on how Syria, Iraq's western neighbor, could play a role in calming violence. Al-Maliki lived in exile in Syria during Saddam's rule.

Hadley said he believed that al-Maliki — rather than Bush — seemed more likely to bring up the subject of dealing with Iran and Syria, saying the Iraqi leader had strong views on the subject.

As Iraqi officials reached out to both Iran and the U.S., speculation rose that Mideast peace might also be on Bush's agenda. Israeli Prime Minister Ehud Olmert on Monday delivered one of his most conciliatory speeches yet, and Palestinian legislator Saeb Erekat said it was possible that Palestinian President Mahmoud Abbas would meet with Bush in Jordan, whose king faces new vulnerability because of violence in Gaza and floods of Iraqi refugees.

Jordan's King Abdullah said Sunday the problems in the Middle East go beyond the war in Iraq and that much of the region soon could become engulfed in violence unless the central issues are addressed quickly.

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"We could possibly imagine going into 2007 and having three civil wars on our hands," he said, citing conflicts in Iraq, Lebanon and the decades-long strife between the Palestinians and Israelis.

Key players in those conflicts are Syria and Iran, which has a major influence over fellow Shiites in Iraq, including the Shiite-led government.

The meeting between Talabani and Ahmadinejad, which was delayed for two days because of a security clampdown in Iraq, provided Tehran an opportunity to try to assert its role as the top regional power broker to counter Washington's influence on Baghdad.

During their talks, Ahmadinejad pledged Tehran's support in helping to improve security in Iraq.

"Definitely, the Iranian government and nation will stand next to its brother Iraq and will do every help it can to strengthen security in Iraq," state-television quoted him as saying.

"We believe a stable, developed and powerful Iraq is in the interest of the Iraqi nation, Iran and the whole region," Ahmadinejad said, according to the television report.

Iran had been trying to organize a summit joining Ahmadinejad, Talabani and Syrian President Bashar Assad, but Damascus decided against attending.

Talabani flew to Tehran on Monday after the government ended a three-day curfew on vehicle traffic and reopened the international airport. The curfew and closure were imposed after bombings Thursday killed 215 people in Sadr City, Baghdad's main Shiite Muslim enclave.

Iran's potential for heavy influence in Iraq is particularly troubling to the Bush administration. Many in Iraq's new Shiite-dominated power structure have deep ties to Iran, and many of the key players spent considerable time in exile in Iran during Saddam's rule. The two main Shiite militias in Iraq are believed to rely heavily on Iran for training, funding and weapons.

The United States has been estranged from the Shiite theocracy that has run Iran since the pro-U.S. shah was toppled nearly three decades ago, and the difficult relationship has only worsened as Washington accuses Iran of trying to develop nuclear weapons in disregard of the Nuclear Nonproliferation Treaty.

Thus, inviting Iran to become a formal player in an attempt to quell violence in Iraq would be an extraordinarily delicate diplomatic maneuver for the White House.

It faces the same problem with Syria, which the United States has basically shunned in recent years, especially since the assassination of former Lebanese Prime Minister Rafik Hariri. Syrian agents have been implicated in that crime and the U.S. has pointed to Damascus in the killing last week of another anti-Syrian Lebanese leader, Industry Minister Pierre Gemayel.

In Diplomatic Turn, Iraqi Reaches Out To Iran (WP)

By Nancy Trejos

The Washington Post, November 28, 2006

BAGHDAD, Nov. 27 -- In the latest sign of a budding diplomatic relationship, Iraq's President Jalal Talabani arrived in Iran on Monday to seek his neighbor's help in ending his country's sectarian conflict, as Britain said it expects to withdraw thousands of troops by the end of next year.

The diplomatic maneuvering came on a day when a U.S. Air Force fighter jet with one pilot aboard crashed north of Baghdad, officials announced. The U.S. military provided no details on how the plane crashed or what happened to its pilot.

Talabani's visit to Tehran was delayed by a three-day curfew imposed after a series of car bombs exploded in the Shiite Muslim stronghold of Sadr City on Thursday, setting off a wave of reprisal killings. There were reports of sporadic violence Monday as the curfew was lifted.

"We are in dire need of Iran's help in establishing security and stability in Iraq," state-run television quoted Talabani as saying after he met with Iranian President Mahmoud Ahmadinejad in Tehran.

Ahmadinejad pledged his support in helping Iraq stop the escalating violence. "Definitely, the Iranian government and nation will stand next to its brother Iraq," he said on state-run television. "We believe a stable, developed and powerful Iraq is in the interest of the Iraqi nation, Iran and the whole region."

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The United States has been leery of Iran's effort to position itself as a regional power broker. Relations between Iran and the United States deteriorated this year, as a defiant Ahmadinejad refused demands that he suspend his country's uranium enrichment program. The Bush administration has also accused Iran of fomenting the violence in Iraq by assisting Shiite militias, an allegation that officials in Tehran have denied.

In Washington, the Iraq Study Group, co-chaired by former secretary of state James A. Baker III and former congressman Lee H. Hamilton, is seriously considering recommending next month that President Bush begin discussions with Iran and Syria, another adversary in the Middle East, on how to stabilize the region.

Bush is scheduled to meet with Iraqi Prime Minister Nouri al-Maliki in Amman, Jordan, on Wednesday and Thursday.

In London, British Defense Secretary Des Browne said that many British soldiers will leave Iraq over the next year, as control of two southern provinces is transferred to Iraqi forces. Britain, the United States' main coalition partner, has 7,000 troops in the country.

"Even when all the provinces are handed over, we will still be providing a force to mentor and back up the Iraqi army and police and to protect coalition supply routes," Browne said in a speech to the Royal Institute of International Affairs. "But I can tell you that by the end of next year, I expect numbers of British forces in Iraq to be significantly lower -- by a matter of thousands."

Also Monday, Polish President Lech Kaczynski said his country would pull out its remaining 900 soldiers by the end of 2007. And Italian Prime Minister Romano Prodi said the last of Italy's 60 or 70 soldiers will leave this week.

Bush is under intense pressure to withdraw U.S. troops after a 3 1/2 -year presence but has said he cannot do so until Iraqi forces are ready to secure their own country.

The violence that engulfed Iraq after last week's bombings illustrated how far the Iraqi government is from that goal. Security forces are widely seen as ineffective at best and in collusion with militias and death squads at worst.

Among Monday's discoveries were 39 bodies in Baghdad, apparently victims of death squads, the Associated Press reported.

The U.S. military announced that three soldiers were killed and two wounded in fighting in Baghdad on Sunday.

A U.S. Air Force F-16 fighter jet crashed about 20 miles northwest of Baghdad about 1:35 p.m. local time while it was engaged in combat operations, the Air Force reported.

The al-Jazeera satellite television network showed footage that it said depicted the wreckage and said it had video of a dead pilot.

East of Fallujah, Lt. Col. Ayman Falah, the deputy chief of police in the town of Haswa, said he had requested the help of U.S. forces to confront a group of terrorists. He said that the jet arrived, flying at a low altitude, and that the terrorists brought it down with missiles. Afterward, American forces sealed off the area and imposed a curfew, he said.

U.S. military officials would not comment on Falah's account.

In Canberra, a special inquiry cleared Australia's government on Monday of wrongdoing in an Iraqi oil-for-food scandal, but recommended that top officials of the monopoly wheat exporter face charges for paying more than $200 million to Saddam Hussein's government, the Associated Press reported.

Iran Promises To Help Iraq In Ending Violence There (NYT)

By Nazila Fathi And Kirk Semple

The New York Times, November 28, 2006

TEHRAN, Nov. 27 — Iran's president, Mahmoud Ahmadinejad, pledged Monday in a meeting with the Iraqi president that Iran would do all it could to stop the growing violence in Iraq.

"The Iranian government and people will stand by their brothers in Iraq and will do anything to help bring peace into Iraq," Mr. Ahmadinejad said in a news conference with the Iraqi president, Jalal Talabani, state-run television reported. "A safe, developed and strong Iraq is better for Iran and also for the region," he said.

In an effort to increase its role as an influential power in the region, Iran also invited the Syrian president, Bashar al-Assad, to join the talks. But Mr. Assad did not respond to the invitation, according to an official at Mr. Ahmadinejad's office who requested anonymity.

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Analysts believe that Mr. Talabani is here to urge Iranian officials to hold direct talks with the United States to help stop the bloodshed in Iraq. Iran has close ties with Shiite leaders in Iraq, and it might be able to call on them to exert restraint. Many of them lived in Iran in exile when Saddam Hussein ruled Iraq.

A draft report by an American bipartisan commission studying new strategies for Iraq urges that the United States conduct direct talks with Iran and Syria, according to American officials who have seen all or part of the document.

In the press conference, Mr. Talabani, a Kurd who had close ties to Iran, said Iraq needed Iran's help to bring peace.

"We seriously need Iran's help to restore stability and security," he was quoted as saying.

Iran and Iraq fought a bloody war from 1980 to 1988. Mr. Talabani was Iraq's first president to travel to Iran when he came a year ago, and Iraq's prime minister, Nuri Kamal al-Maliki, visited Iran in September.

In Iraq on Monday, an American fighter jet crashed in Anbar Province about 20 miles northwest of Baghdad, the American military command reported. The Air Force F-16, which had one pilot on board, was supporting combat troops when it went down, the military said, offering no further details.

Mohammed al-Obeidi, a resident in the nearby town of Karma who witnessed the crash, told The Associated Press that the jet had been flying erratically before it plunged into a field and exploded. Al Jazeera television reported that two Iraqi militant groups, Mujahedeen Army and the Mujahedeen Shura Council, claimed that they had brought down the plane, according to [a news service].

Three American soldiers were killed in the capital and two were wounded during combat operations on Sunday, according to a military press statement.

American forces opened fire on civilians in the Husseiniya neighborhood in northeast Baghdad late Monday night, killing five and wounding eight, an Interior Ministry official said. An American military spokeswoman in Baghdad said she had no information on the shooting.

On Monday, the government lifted a curfew it had imposed on Baghdad after a series of car bombs on Thursday killed more than 200 people in the Shiite neighborhood of Sadr City.

The curfew gave way to scattered violence on Monday. According to the Interior Ministry official, three guards were kidnapped from the Municipal Building, the latest in a series of brazen daylight attacks against government buildings.

At least six people were killed and 20 wounded in attacks in the capital, including a mortar bombardment, two clashes between gunmen and Iraqi security forces, and another kidnapping, the official said.

The Iraqi police found at least 39 bodies scattered around Baghdad and another five dumped just east of the city, according to the official.

In Diyala Province, north of Baghdad, gunmen killed a store owner in the town of Muqdadiya, then hid a bomb in the store and detonated it when a group of civilians arrived to retrieve the owner's body, the ministry official said. Four of them were killed and 25 were wounded, according to the official. Twelve more people were killed in other incidents around Baquba, the provincial capital, the official said.

Hezbollah Said To Help Shiite Army In Iraq (NYT)

By Michael R. Gordon And Dexter Filkins

The New York Times, November 28, 2006

WASHINGTON, Nov. 27 — A senior American intelligence official said Monday that the Iranian-backed group Hezbollah had been training members of the Mahdi Army, the Iraqi Shiite militia led by Moktada al-Sadr.

The official said that 1,000 to 2,000 fighters from the Mahdi Army and other Shiite militias had been trained by Hezbollah in Lebanon. A small number of Hezbollah operatives have also visited Iraq to help with training, the official said.

Iran has facilitated the link between Hezbollah and the Shiite militias in Iraq, the official said. Syrian officials have also cooperated, though there is debate about whether it has the blessing of the senior leaders in Syria.

The intelligence official spoke on condition of anonymity under rules set by his agency, and discussed Iran's role in response to questions from a reporter.

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The interview occurred at a time of intense debate over whether the United States should enlist Iran's help in stabilizing Iraq. The Iraq Study Group, directed by James A. Baker III, a former Republican secretary of state, and Lee H. Hamilton, a former Democratic lawmaker, is expected to call for direct talks with Tehran.

The claim about Hezbollah's role in training Shiite militias could strengthen the hand of those in the Bush administration who oppose a major new diplomatic involvement with Iran.

The new American account is consistent with a claim made in Iraq this summer by a mid-level Mahdi commander, who said his militia had sent 300 fighters to Lebanon, ostensibly to fight alongside Hezbollah. "They are the best-trained fighters in the Mahdi Army," he said, speaking on condition of anonymity.

The specific assertions about Iran's role went beyond those made publicly by senior American officials, though Gen. Michael V. Hayden, the director of the Central Intelligence Agency, did tell Congress this month that "the Iranian hand is stoking violence" in Iraq.

The American intelligence on Hezbollah was based on human sources, electronic means and interviews with detainees captured in Iraq.

American officials say the Iranians have also provided direct support to Shiite militias in Iraq, including explosives and trigger devices for roadside bombs, and training for several thousand fighters, mostly in Iran. The training is carried out by the Iranian Revolutionary Guards and the Ministry of Intelligence and Security, they say.

In Congressional testimony this month, General Hayden said he was initially skeptical of reports of Iran's role but changed his mind after reviewing intelligence reports.

"I'll admit personally," he said at one point in the hearing, "that I have come late to this conclusion, but I have all the zeal of a convert as to the ill effect that the Iranians are having on the situation in Iraq."

Lt. Gen. Michael D. Maples, the director of the Defense Intelligence Agency, offered a similar assessment in his testimony.

Neither General Hayden nor General Maples described Hezbollah's role during the hearing.

In the interview on Monday, the senior intelligence official was asked for further details about the purported Iranian role.

"They have been a link to Lebanese Hezbollah and have helped facilitate Hezbollah training inside of Iraq, but more importantly Jaish al-Mahdi members going to Lebanon," the official said, describing Iran's role and using the Arabic name for the Mahdi Army.

The official said the Hezbollah training had been conducted with the knowledge of Mr. Sadr, the most influential Shiite cleric.

While Iran wants a stable Iraq, the official said, it sees an advantage in "managed instability in the near term" to bog down the American military and defeat the Bush administration's objectives in the region.

"There seems to have been a strategic decision taken sometime over late winter or early spring by Damascus, Tehran, along with their partners in Lebanese Hezbollah, to provide more support to Sadr to increase pressure on the U.S.," the American intelligence official said.

Some Middle East experts were skeptical about the assessment of Hezbollah's training role.

"That sound to me a little bit strained," said Flynt Leverett, a senior fellow at the New America Foundation and a Middle East expert formerly on the National Security Council staff. "I have a hard time thinking it is a really significant piece of what we are seeing play out on the ground with the various Shiite militia forces."

But other specialists found the assessment plausible. "I think it is plausible because Hezbollah is the best in the business, and it enhances their position with Iran, Syria and Iraq," said Judith Kipper, of the Council on Foreign Relations.

The Mahdi Army and other militia fighters traveled to Lebanon in groups of 15 and 20 and some were present during the fighting between Hezbollah and Israel this summer, though there was no indication they had taken part in the fighting, the American intelligence official said.

Asked what the militia members had learned, the official replied, "Weapons, bomb-making, intelligence, assassinations, the gambit of skill sets."

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There is intelligence that indicates that Iran shipped machine tools to Lebanon that could be used to make "shaped charges," sophisticated explosive devices designed to penetrate armor, American officials have said. But it is not known how the equipment was in fact used.

The officials said that because the Iraqi militia members went through Syrian territory, at least some Syrian officials were complicit. There are also reports of meetings between Imad Mugniyah, a senior Hezbollah member; Ghassem Soleimani of the Iranian Revolutionary Guards; and Syrian representatives to discuss ways of stepping up the pressure on the United States in Iraq.

The mid-level Mahdi commander interviewed this summer said the group sent to Lebanon was called the Ali al-Hadi Brigade, named for one of two imams buried at the Askariya Mosque in Samarra. The bombing of that shrine in February unleashed the fury of Shiite militias and accelerated sectarian violence.

According to the Mahdi commander, the brigade was organized and dispatched by a senior Mahdi officer known as Abu Mujtaba. It went by bus to Syria in July, and was then led across the border into Lebanon, he said. He said the fighters were from Diwaniya and Basra, as well as from the Shiite neighborhoods of Shoala and Sadr City in Baghdad.

"They travel as normal people from Iraq to Syria," one of the militiamen said. "Once they get to Syria, fighters in Syria take them in."

Among American officials, concern over the purported Iranian, Syrian or Hezbollah role grew recently when an advanced antitank weapon, an RPG-29, was used against an American M-1 tank in Iraq.

"The first time we saw it was not in Iraq," Gen. John P. Abizaid, the head of the United States Central Command, told reporters in September. "We saw it in Lebanon. So to me, No. 1, it indicates an Iranian connection."

American intelligence officials said the source of the weapon was still unclear.

General Abizaid also said it was hard to pin down some details of relationships between armed factions in the Middle East, adding: "There are clearly links between Hezbollah training people in Iran to operate in Lebanon and also training people in Iran that are Shia splinter groups that could operate against us in Iraq These linkages exist, but it is very, very hard to pin down with precision."

Rising Violence Swells Ranks Of Iraq's Militias (LAT)

By Solomon Moore

The Los Angeles Times, November 28, 2006

BAGHDAD — Retaliatory attacks sparked by last week's massive bomb assault on a Shiite neighborhood here are driving more Iraqis into the ranks of sectarian militias amid rising distrust of government security forces, newly recruited gunmen and residents said Monday.

Besieged Iraqis, many with no previous affiliation with established militias, are taking up arms, barricading their communities and joining new Shiite Muslim militia cells or increasingly militant Sunni Arab neighborhood-watch groups.

"We have zero trust in the Iraqi army and minus-zero trust in the police," said Ahmed Suheil Juburi, 33, a Sunni Arab who has thrown in his lot with a group of former military officers in Saddam Hussein's Baathist regime patrolling the Baghdad neighborhood of Dora.

Thousands of unsanctioned fighters have been on high alert since the car bombings Thursday in Sadr City, a poor Baghdad neighborhood that is home to the Al Mahdi militia, a Shiite force loyal to anti-U.S. cleric Muqtada Sadr.

Since the attack, which killed at least 215 people, Sadr's fighters have struck back at Sunni neighborhoods with mortar shells, rockets and machine-gun raids from fast-moving SUVs. Sunni Arab fighters have retaliated in kind.

The bombings and subsequent attacks have killed 524 people, including 181 whose bodies were left in Baghdad's streets, and injured 653 since Thursday, according to government tallies obtained by The Times.

The mounting carnage is another sign that Iraq's civil war is gaining momentum faster than either the U.S. or Iraqi governments can respond.

In Baghdad, mortar shells have continued to pummel neighborhoods, and bands of men drive people out of their homes at gunpoint. Authorities find corpses in trash heaps and side streets on a daily basis; at least 44 were found Monday.

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Residents are blocking roads with blasted cars and tree trunks. Guns and ammunition are being passed out in mosques and homes. Throughout Baghdad, men end their workdays by taking up positions on rooftops and minarets.

Fighters on both sides of Iraq's sectarian conflict say that the recent growth of militias stems from deep distrust of the intent and capability of the nation's security forces, whose reputation has been crippled by corruption and sectarian infiltration.

Sunnis have long complained that Shiite militias dominate the police force, and that members have committed thousands of death-squad slayings. Shiites say that the Iraqi army, with its many Sunni Arabs, has failed to guard their communities from attacks such as the series of car bombs Thursday.

Salam Saedi, 29, a cleaner at a downtown Baghdad hotel, said he signed up with Sadr's militia the day after the Sadr City bombings.

"I was not a part of the public committees or the Mahdi army, but after the attacks I saw the people who were killed and my feelings changed," Saedi said. "So I contacted some friends and I went and I signed up with the Mahdi army. They gave me an AK-47."

In the wake of the Sadr City bombings, members say, the Al Mahdi army has boosted the ranks of its "popular committees," a recently formed armed wing.

Each block of 1,500 homes in the neighborhood is guarded by 50 to 100 men, members said.

Across town in Dora, a mostly Sunni area, Juburi said he kept "several AK-47s, a BKC [high-caliber machine gun] and even a grenade launcher in my orchard."

He said his neighbors reactivated a group of retired Baathist officers that formed in February during similar sectarian reprisals that followed the bombing of a revered Shiite shrine in Samarra. The bombing and its bloody aftermath are widely viewed as the turning point that pushed Iraq into civil war.

"Right now, there are anywhere between 400 and 500 organized fighters in my area doing patrols and setting up checkpoints for defensive measures in the event that we are attacked by militias," he said.

Juburi said the total force in Dora comprised 2,000 to 2,500 men organized in companies of 50 fighters each.

The continued growth and proliferation of paramilitary forces in Iraq threatens to hamper U.S. plans for withdrawal.

Complicating any solution are the ties between many of Iraq's paramilitary forces and leading political parties.

The Sadr movement, for example, has 30 seats in government — possibly enough to topple Prime Minister Nouri Maliki should they withdraw in protest.

Adnan Dulaimi, a prominent Sunni Arab legislator, also has a paramilitary squad deployed throughout west Baghdad, where members clashed with Shiites over the weekend.

This month, CIA Director Michael V. Hayden told a U.S. Senate Armed Services Committee that his field agents believed Iraq's sectarian forces were "descending into smaller and smaller groups fighting over smaller and smaller issues and over smaller and smaller pieces of territory."

Firas Kabi, 27, whose wholesale goods shop stands near Sadr City, thought of himself as a lone wolf until Thursday's attack. Now he mans an Al Mahdi army checkpoint.

"My feelings have changed. Before I was living my life and I didn't care to be part of any group," he said. "But now I feel I am part of this community that was being attacked and oppressed. I wanted to be a martyr with the people who lost their lives and went to heaven."

Although many fighters interviewed Monday emphasized the defensive purposes of paramilitary groups, some acknowledged taking part in retaliatory attacks against other sects. Some Sunni groups suggested that they were in contact with more militant organizations — a worrisome development for the U.S. military, which faces a stubborn insurgency.

Juburi, the Sunni fighter, said that since the Sadr City attack a band of Al Mahdi army fighters had kicked several Sunni Arabs out of their homes. The refugees sought help from Juburi's community security force, which kicked Shiites out and gave the refugees their homes, he said.

Omar Mohammed Hussein Dulaimi, 29, said that his Sunni Arab district in west Baghdad formed a neighborhood watch three months ago and fought with Al Mahdi militiamen Friday.

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"We close the roads with tree trunks and stay on our roofs with guns," Dulaimi said. "We contact each other with cellphones to check the situation."

Dulaimi said that the security force in his 100-man cell, including former Baathist military and intelligence officials, guarded 500 homes.

"The mujahedin are helping us," Dulaimi said, referring to Sunni Arab insurgents. "Today two cars with gunmen came from Abu Ghraib to help us defend our mosques and our area from militia attacks. They even brought white sheets to cover their bodies in case they are martyred. They also brought heavy machine guns."

Another member of the Sunni force, Ziad Raad Ani, 32, described how Shiite gunmen and police attempted to attack their neighborhood Friday.

"They came in government-issued SUVs and pickup trucks and starting shooting with all kinds of weapons," Ani said.

Ani said the two sides fought for two hours that day. Witnesses said Iraqi soldiers and policemen watched but did not interfere.

Anbar Picture Grows Clearer, And Bleaker (WP)

By Dafna Linzer And Thomas E. Ricks

The Washington Post, November 28, 2006

The U.S. military is no longer able to defeat a bloody insurgency in western Iraq or counter al-Qaeda's rising popularity there, according to newly disclosed details from a classified Marine Corps intelligence report that set off debate in recent months about the military's mission in Anbar province.

The Marines recently filed an updated version of that assessment that stood by its conclusions and stated that, as of mid-November, the problems in troubled Anbar province have not improved, a senior U.S. intelligence official said yesterday. "The fundamental questions of lack of control, growth of the insurgency and criminality" remain the same, the official said.

The Marines' August memo, a copy of which was shared with The Washington Post, is far bleaker than some officials suggested when they described it in late summer. The report describes Iraq's Sunni minority as "embroiled in a daily fight for survival," fearful of "pogroms" by the Shiite majority and increasingly dependent on al-Qaeda in Iraq as its only hope against growing Iranian dominance across the capital.

True or not, the memo says, "from the Sunni perspective, their greatest fears have been realized: Iran controls Baghdad and Anbaris have been marginalized." Moreover, most Sunnis now believe it would be unwise to count on or help U.S. forces because they are seen as likely to leave the country before imposing stability.

Between al-Qaeda's violence, Iran's influence and an expected U.S. drawdown, "the social and political situation has deteriorated to a point" that U.S. and Iraqi troops "are no longer capable of militarily defeating the insurgency in al-Anbar," the assessment found. In Anbar province alone, at least 90 U.S. troops have died since Sept. 1.

The Post first reported on the memo's existence in September, as it was being circulated among military and national security officials. Several officials who read the report described its conclusions as grim.

But the contents have not previously been made public. Read as a complete assessment, it paints a stark portrait of a failed province and of the country's Sunnis -- once dominant under Saddam Hussein -- now desperate, fearful and impoverished. They have been increasingly abandoned by religious and political leaders who have fled to neighboring countries, and other leaders have been assassinated. And unlike Iraq's Shiite majority, or Kurdish groups in the north, the Sunnis are without oil and other natural resources. The report notes that illicit oil trading is providing millions of dollars to al-Qaeda while "official profits appear to feed Shiite cronyism in Baghdad."

As a result, "the potential for economic revival appears to be nonexistent" in Anbar, the report says. The Iraqi government, dominated by Iranian-backed Shiites, has not paid salaries for Anbar officials and Iraqi forces stationed there. Anbar's resources and its ability to impose order are depicted as limited at best.

"Despite the success of the December elections, nearly all government institutions from the village to provincial levels have disintegrated or have been thoroughly corrupted and infiltrated by Al Qaeda in Iraq," or a smattering of other insurgent groups, the report says.

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The five-page report -- written by Col. Peter Devlin, a senior and seasoned military intelligence officer with the Marine Expeditionary Force -- is marked secret, for dissemination to U.S. and allied troops in Iraq only. It does not appear to have been made available to Iraqi national forces fighting alongside Americans.

The report, "State of the Insurgency in Al-Anbar," focuses on conditions in the province that is home to 1.25 million Iraqis, most of whom live in violence-ridden towns such as Fallujah, Haditha, Hit, Qaim and Ramadi.

Devlin wrote that attacks on civilians rose 57 percent between February and August of this year. "Although it is likely that attack levels have peaked, the steady rise in attacks from mid-2003 to 2006 indicates a clear failure to defeat the insurgency in al-Anbar."

Devlin suggested that without the deployment of an additional U.S. military division -- 15,000 to 20,000 troops -- plus billions of dollars in aid to the province, "there is nothing" U.S. troops "can do to influence" the insurgency.

He described al-Qaeda in Iraq as the "dominate organization of influence in al-Anbar," surpassing all other groups, the Iraqi government and U.S. troops "in its ability to control the day-to-day life of the average Sunni."

Al-Qaeda itself, now an "integral part of the social fabric of western Iraq," has become so entrenched, autonomous and financially independent that U.S. forces no longer have the option "for a decapitating strike that would cripple the organization," the report says. That is why, it says, the death of al-Qaeda in Iraq leader Abu Musab al-Zarqawi in June "had so little impact on the structure and capabilities of al-Qaeda," especially in Anbar province.

The senior intelligence official, who spoke on the condition of anonymity because of the sensitivity of his work, said yesterday that he largely agrees with Devlin's assessment, except that he thinks it overstates the role of al-Qaeda in the province. "We argue that it is a major element in Anbar, but it is not the largest or most dominant group," he said.

In a final section of the report, titled "Way Ahead," Devlin outlined several possibilities for bringing stability to the area, including establishing a Sunni state in Anbar, creating a local paramilitary force to protect Sunnis and to offset Iranian influence, shifting local budget controls, and strengthening a committed Iraqi police force that has "proven remarkably resilient in most areas."

Devlin ended the assessment by saying that while violence has surged, the presence of U.S. troops in Anbar has had "a real suppressive effect on the insurgency." He said the suffering of "Anbar's citizens undoubtedly would be far worse now if it was not for the very effective efforts" of U.S. forces.

The Marine Corps headquarters had no comment on the August report or the updated assessment, Lt. Col. Scott J. Fazekas, a spokesman, said yesterday.

Staff researcher Julie Tate contributed to this report.

Iraq Panel Inks Draft Report (WT)

By Rowan Scarborough

The Washington Times, November 28, 2006

The Iraq Study Group met yesterday at an undisclosed location to discuss its first draft report that calls for increased diplomatic engagement in the region and new military moves to rescue Iraq from a descent into civil war.

The panel's co-chairmen, James A. Baker III, secretary of state in the first Bush administration, and former Rep. Lee H. Hamilton, Indiana Democrat, finished work on the draft during the weekend. It contains an assessment of where violence-racked Iraq stands more than three years after the U.S. ousted Saddam Hussein.

It also includes a list of recommendations on diplomatic and military fronts. A final report to President Bush is expected next month.

Mr. Baker is said to be pushing a recommendation for the Bush administration to engage in direct talks with Syria and Iran, two U.S.-designated state sponsors of terrorism who are supporting various insurgencies and terrorist attacks in Iraq.

David Satterfield, the State Department's top adviser on Iraq, told Congress earlier this month that the administration is willing to talk with Tehran but not Damascus. Mr. Satterfield listed several of Syria's pro-terrorism policies, such as backing Hezbollah in Lebanon.

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Mr. Hamilton told The Washington Times last week that the first draft is a working document that can be changed by the 10-member panel created by Congress.

Defense sources said it will be difficult for the group of five Democrats and five Republicans, all former officeholders, to reach a unanimous report if it recommends a significant shift away from Mr. Bush's policy of no specific timetable for removing U.S. troops, which now number close to 150,000.

The Pentagon is conducting its own extensive review, from which Gen. Peter Pace, Joint Chiefs chairman, will make recommendations to the president. Pentagon officials say they want Mr. Bush to have options that include input from generals.

Army Gen. John Abizaid, the top commander in the region, has told Congress that he does not want a troop increase or a withdrawal timetable. He said a troop increase would send the wrong signal that the Iraqi Security Forces (ISF) have more time to prepare to take over counterinsurgency missions.

Pentagon officials say it is doubtful Gen. Pace would overrule Gen. Abizaid.

U.S. soldiers in Iraq are caught between killing sprees of Sunni and Shi'ite Muslims, especially in greater Baghdad, where ramped-up security operations during the past two months did not meet their objectives, the command acknowledged.

Anthony Cordesman, a military analyst at the Center for Strategic and International Studies, issued a paper yesterday on Sunni extremists' desire for a civil war and for a much larger religious struggle in the region.

"The attackers have several advantages," Mr. Cordesman said. "They are hitting at very soft civilian targets; they only need very limited numbers of attackers and can use car bombs or suicide bombs that are very hard to detect and defend against."

He warned against talk of a quick U.S. pullout.

"It is also clear that threatening to leave is not going to help," he said. "Iraqis need to see positive measures towards security, conciliation and economic aid."

How Iraq Panel Went From Obscure To High Profile (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, November 28, 2006

WASHINGTON

Rep. Frank Wolf (R) of Virginia has traveled to the most difficult war and civil war zones on the planet - from Chechnya and Bosnia to Sudan and Algeria. He had visited Iraq twice before, both times without a military escort. On his third visit, in September 2005, he had an epiphany.

He was about to tour a maternity ward in Tikrit when armed security guards were called in. Noting the mothers' and nurses' reaction, he recalls, "I said: 'We've got to get out of here. We can't walk through a maternity ward with guns like this scaring people." He concluded then that the US needed "fresh eyes" on its Iraq involvement.

From that small beginning has sprung one of the most-anticipated blue-ribbon commissions in recent years - the Iraq Study Group, which began deliberating over final conclusions this week.

How an obscure panel became a policy touchstone for Republicans and Democrats is a story in itself. More important, it illustrates those rare moments when a crisis reaches such a point that official Washington temporarily loosens hold of the reins. It's in those moments that experienced outside voices - think the 9/11 and Warren commissions - can make themselves heard. The Iraq panel, in particular, may prove particularly influential because of the escalating chaos in Iraq.

"We're losing," says Michael O'Hanlon, a policy analyst at the Brookings Institution. "One of the few hopes we have left is someone who is close enough to [President] Bush that he will be listened to by Bush - and smart enough and independent enough to see this in a different way."

Unlike the 9/11 commission, the Iraq Study Group has conducted its review of US engagement in Iraq in strict secrecy. Panelists were not publicly vetted. There were no open hearings or regular updates on whether the administration was being cooperative in releasing needed documents.

"If they had held open hearings or gone on television talk shows, like the 9/11 commission, they would have been forced into positions by the very nature of the questions that they would have lost their independence," says Congressman Wolf, who is the co-chairman of the human rights caucus in Congress.

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While he would have liked to see Congress take up the serious work of oversight and recalibrating strategy on the Iraq war, he opted instead for a panel of "wise persons," because the Congress was too divided along partisan lines to play that role effectively. Like the 9/11 commission, the panel is to report to the American people, not just to the president or the Congress, he says. "This will be the defining issue of our time: How do we deal with the issue of terrorism? - and it has to be done in a bipartisan way," he says.

The Iraq Study Group is the flip side of the usual blue-ribbon panel, whose launch is often its high point. It began modestly as a one-line earmark in last spring's emergency defense spending bill - "$1 million ... for activities relating to Iraq."

It was born from the deteriorating security situation in Baghdad in 2005, which Wolf says was a sharp contrast to his second visit in 2003, with Rep. Christopher Shays (R) of Connecticut. While even then they traveled anonymously in old, beat-up vehicles for security reasons, they could visit villages, homes, hospitals, and schools relatively freely. In Al Kut, they were welcomed to join a wedding celebration and told how people loved America.

After his 2005 trip, Wolf urged Mr. Bush to select a group of "capable and distinguished individuals" to go to the region to "comprehensively review our efforts" in Iraq. He also began rounds of quiet consultations on the idea from Congress to the State Department, the Pentagon, and private think tanks.

"Frank Wolf is a very creative member of Congress," says David Abshire, a longtime diplomat who is advising the Iraq Study Group.

The reason the group caught on so quickly in official Washington is because, "they're all groping," says Mr. Abshire. "Ultimately, they all recognize the seriousness of the situation and want to do the right thing for the country."

Cochaired by former Secretary of State James Baker III and former Indiana Rep. Lee Hamilton, the 10-member group includes retired Supreme Court Justice Sandra Day O'Connor, former Secretary of State Lawrence Eagleburger, former Attorney General Edwin Meese, former Clinton aide Leon Panetta, lobbyist Vernon Jordan, former Defense Secretary William Perry and former Sens. Charles Robb and Alan Simpson. Former CIA Director Robert Gates left the group after Bush nominated him to be secretary of Defense.

Launched last spring, the ISG took on a much higher profile this fall, as elections neared and the situation on the ground got worse in Iraq.

"No one paid attention to this until the fall when it became clear that the Republican majority was going to fall and Iraq was the issue over which Republicans would lose," says Ivo Daalder, a senior fellow at Brookings in Washington, D.C.

Wolf says he welcomes the high profile his simple idea has assumed. "I get amused when I think how we struggled to get it done, and now even Senator Kerry is supporting it," he says. "I think the attention will make the report even better."

Iraq Panel's Real Agenda: Damage Control (CSM)

By Andrew J. Bacevich

The Christian Science Monitor, November 28, 2006

BOSTON

Even as Washington waits with bated breath for the Iraq Study Group (ISG) to release its findings, the rest of us should see this gambit for what it is: an attempt to deflect attention from the larger questions raised by America's failure in Iraq and to shore up the authority of the foreign policy establishment that steered the United States into this quagmire. This ostentatiously bipartisan panel of Wise Men (and one woman) can't really be searching for truth. It is engaged in damage control.

Their purpose is twofold: first, to minimize Iraq's impact on the prevailing foreign policy consensus with its vast ambitions and penchant for armed intervention abroad; and second, to quell any inclination of ordinary citizens to intrude into matters from which they have long been excluded. The ISG is antidemocratic. Its implicit message to Americans is this: We'll handle things - now go back to holiday shopping.

The group's composition gives the game away. Chaired by James Baker, the famed political operative and former secretary of state, and Lee Hamilton, former congressman and fixture on various blue-ribbon commissions, it contains no one who could be even remotely described as entertaining unorthodox opinions or maverick tendencies.

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Instead, it consists of Beltway luminaries such as retired Supreme Court Justice Sandra Day O'Connor and lobbyist Vernon Jordan. No member is now an elected official. Neither do its ranks include any Iraq war veterans, family members of soldiers killed in Iraq, or anyone identified with the antiwar movement. None possesses specialized knowledge of Islam or the Middle East.

Charging this crowd with assessing the Iraq war is like convening a committee of Roman Catholic bishops to investigate the church's clergy sex-abuse scandal. Even without explicit instructions, the group's members know which questions not to ask and which remedies not to advance. Sadly, the average Catholic's traditional deference to the church hierarchy finds its counterpart in the average American's deference to "experts" when it comes to foreign policy. The ISG exemplifies the result: a befuddled, but essentially passive-electorate looks for guidance to a small group of unelected insiders reflecting a narrow range of views and operating largely behind closed doors.

The guardians of the foreign policy status quo are counting on the panel to extricate the US from Iraq. More broadly, they are counting on it to avoid inquiring into the origins of our predicament. So don't think for a moment that the ISG will assess the implications of America's growing addiction to foreign oil. Don't expect it to question the wisdom of President Bush's doctrine of preventive war or the feasibility of his Freedom Agenda, which promises to implant democracy across the Islamic world.

Far be it from the group to ask whether an open-ended "global war on terror" makes sense as a response to 9/11 or to ponder the flagrant manipulation and misuse of intelligence in the months leading up to the Iraq war. The ISG won't assess the egregious flaws in US military planning for the Iraq invasion or the manifest deficiencies in American generalship since the war began. On the role that Congress has played in enabling presidential fecklessness, you can be certain that Baker and Hamilton will remain silent.

The ISG will provide cover for the Bush administration to shift course in Iraq. It will pave the way for the Democratic Congress to endorse that shift in a great show of bipartisanship. But it will hold no one responsible.

Above all, it will leave intact the assumptions, arrangements, and institutions that gave rise to Iraq in the first place. In doing so, it will ensure that the formulation of foreign policy remains the preserve of political mahatmas like Baker and Hamilton, with the American people left to pick up the tab.

In this way, the ISG will make possible - even likely - a repetition of some disaster akin to Iraq at a future date.

Britain May Start Pulling Out Of Iraq (AP)

By Jennifer Quinn

AP, November 28, 2006

LONDON (AP) - Britain said Monday it expects to withdraw thousands of its 7,000 military personnel from Iraq by the end of next year, while Poland and Italy announced the impending withdrawal of their remaining troops.

Polish President Lech Kaczynski said his country, a U.S. ally in Iraq and Afghanistan, would pull its remaining 900 soldiers out of Iraq by the end of 2007. And Italian Premier Romano Prodi said the last of Italy's soldiers in Iraq - some 60-70 troops - will return home this week, ending the Italian contingent's presence in the south of the country after more than three years.

British Defense Secretary Des Browne was the second senior official in recent days to talk of reducing the number of British troops in Iraq. In a speech to the Royal Institute of International Affairs, Browne also warned Iran that it faces increasing isolation if it does not use its influence in Iraq constructively.

Last week, Foreign Secretary Margaret Beckett said Britain may be able to hand over security responsibility in the southern port city of Basra by the spring of 2007. Britain also hopes to hand security control over to the Iraqis in the province of Maysan on the Iranian border in January.

(AP) Britain's Defence Secretary Des Browne delivers a speech regarding the British strategy in Iraq at...

Full Image"We have said that we and the Iraqis hope they will be ready to take over Maysan in January," Browne said. "We have said - and the foreign secretary reiterated last week - that we hope they will be ready to take over Basra in the spring.

"If both of these go to plan, we will be able to start drawing down our forces."

Browne said that handing over security would not mean a complete British withdrawal.

"I do not believe it is right to give precise numbers, nor to assume what the next 12 months will hold.

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"But I can tell you that by the end of next year I expect numbers of British forces in Iraq to be significantly lower - by a matter of thousands. The planning for this has been going on for some months."

(AP) Britain's Prime Minister Tony Blair gives his speech at the Guildhall at the Lord Mayor's Banquet,...

Full ImageAny troop pullback, he said, would be "driven not by arbitrary deadlines but by reality on the ground."

"We will stay as long as we are making a positive difference, and as long as the Iraqi government need our support," Browne said.

Sectarian divisions in Iraq will not be resolved quickly, Browne said, but he argued against dividing the country into Sunni, Shiite and Kurdish sections, warning that doing so would destabilize the region further.

The defense secretary also called on Iraq's neighbors to support efforts to calm the violence.

"Even Syria, whose motives the international community has often had cause to question, has shown signs of constructive engagement," Browne said.

Syria's foreign minister has indicated his country is willing to help stabilize Iraq, and on a visit to Baghdad last week he announced the full restoration of diplomatic relations.

Iran's behavior, Browne said, remained troubling. The U.S., Britain and others have accused Iran of providing support to Shiite militias blamed for much of the sectarian killing in Iraq. Iran has denied the claims.

Iran "has influence inside Iraq, the power to turn up or turn down the heat, to turn on or turn off the dialogue. It is not using that influence well," Browne said.

"Iran's interest is in a stable and non-aggressive Iraq," he added.

"So the message to Iran is simple. Be a constructive partner, help yourself as well as the wider region - or face increasing isolation."

A New House Democrat With An Insiders' View Of Iraq (NYT)

By James Risen

The New York Times, November 28, 2006

WASHINGTON, Nov. 27 — The sudden rise of Chris Carney, a pre-Iraq war Pentagon intelligence analyst turned newly elected Democratic congressman, has a remarkable quality about it.

In early 2002, Mr. Carney, a Naval Reserve officer, was assigned to work in a tiny intelligence unit created by Douglas J. Feith, then the under secretary of defense for policy, to search for links between terrorist groups and their possible state-sponsors, most notably Iraq. After the 2003 invasion, the Feith unit, the Policy Counterterrorism Evaluation Group, was caught up in the debate over the Bush administration's handling of prewar intelligence, and the office was investigated by a Senate committee and an independent presidential commission.

Today, Mr. Carney is back in Washington in a very different role, as the Democratic representative-elect from the 10th Congressional District of Pennsylvania.

Mr. Carney, a 47-year-old political science professor at the Worthington campus of Pennsylvania State University and still a Naval Reserve officer, won his race in a heavily Republican district in northeastern Pennsylvania by defeating the Republican incumbent, Don Sherwood, who had been weakened by accusations that he had abused his former mistress.

Mr. Carney's victory was one of the building blocks in the Democratic takeover of the House, and as it happens, the Democrats will soon be considering whether to use their new power to further investigate the Bush administration's handling of prewar intelligence. If they do, they will not have far to look for an eyewitness account.

In the summer and fall of 2002, Mr. Carney was at the center of the storm, briefing George J. Tenet, then the director of central intelligence, and Stephen J. Hadley, then the deputy national security adviser, on the Feith unit's assessment of any links between Iraq and Al Qaeda. At the time, the unit was creating controversy within the government for arguing that there was significant evidence of ties between Iraq and Al Qaeda.

Ultimately, the Bush administration emphasized the threat the United States supposedly faced from Iraq's unconventional weapons as the primary justification for invading, while the Iraq-Qaeda connection gradually faded as a major talking point. In

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2004, the independent Sept. 11 commission said it had seen "no evidence" that the contacts "ever developed into a collaborative operational relationship," challenging the administration's prewar assertions.

Today, Mr. Carney says he still believes there were links between Iraq and Al Qaeda, although he is careful not to overstate them.

"On a scale of 0 to 10, where 0 was no connection and 10 was operational control, I would say it's about a 2½," he said in an interview. "It was a relationship of keeping your friends close and your enemies closer," he added. "Saddam was a savvy guy, and I think he wanted to make sure that if Al Qaeda someday became a force, that he wanted to keep his options open. I thought that there was a relationship. Whether it was strong enough to go to war, that's the president's decision."

Mr. Carney said he was far more troubled by the way the Bush administration dealt with Iraq after the invasion, when he said it became clear that the United States was not prepared to deal with the growing chaos in the country. Mr. Carney recalled that there was a wealth of prewar intelligence predicting that an insurgency would develop quickly after the invasion, and he said he was stunned by the Pentagon's failure to plan for it or even acknowledge its scope.

"There was a lot of intelligence prewar," Mr. Carney said, "saying that Saddam wasn't going to fight force-on-force, like in the gulf war; it would be an insurgency." Referring to Defense Secretary Donald H. Rumsfeld, he added: "It bothered me when the secretary started calling the insurgency a bunch of dead-enders. The intel certainly didn't depict them as dead-enders."

He said of Pentagon officials: "They were saying that the looting was just the way the Iraqis behaved. It showed that we didn't seem to get it."

"I think they still thought they were fighting Desert Storm," he added. "That's the war they thought they had, and that's how they managed it."

After returning home to Pennsylvania in 2004 after his stint at the Pentagon, Mr. Carney began to gear up for what seemed to be a long-shot bid for Congress.

He said Iraq was a factor in his decision to run but not the overriding one. "It was one straw among many," he said. "It was the politics of division, and the way Congress eschewed its role of oversight and accountability. We didn't have any checks on the administration. I think that was the bottom line for me."

Mr. Carney describes himself as "probably to the right" of most House Democrats on Iraq and opposes calls for an immediate withdrawal of American troops. Instead, during his campaign he proposed that for every new Iraqi battalion trained, one United States battalion should be brought home. He said the United States had to leave Iraq "at some point," but added, "We can't leave behind a mess; we have to focus on training Iraqi forces, who can then train other Iraqis."

But while Mr. Carney talked about Iraq during the campaign, it was Mr. Sherwood's missteps, mainly the abuse accusations made by his former mistress, that made the race competitive.

"I think Iraq was an issue everywhere this year, but the central issue in this race was the personal-values thing with Sherwood," said Ed Mitchell, a Democratic political media strategist in Wilkes-Barre, Pa. Mr. Mitchell, who did not work for the Carney campaign, said Mr. Sherwood was "playing defense" for much of the campaign, making it hard for him to gain traction with any attacks on Mr. Carney.

"Chris pivoted off his military background to talk about honor and character," Mr. Mitchell added, "which was a nice way of presenting the contrast between him and Sherwood, without him attacking Sherwood for his indiscretions."

Republicans made a last-ditch effort to tar Mr. Carney on Iraq, sending out fliers late in the campaign criticizing him for his involvement in prewar intelligence, but they seemed to have little effect on the race. "They were playing catch-up ball from day one," Mr. Mitchell said of the Sherwood campaign.

Mr. Carney's campaign certainly caught the attention of some major players in the Bush administration's decision to go to war. Richard Perle, the former senior adviser to Mr. Rumsfeld who was an influential advocate of war with Iraq but has more recently criticized the administration's conduct of the war, was the host of a fund-raiser for Mr. Carney.

Immediately after Mr. Carney's election, Mr. Feith called to congratulate him. "He's a talented, intelligent person," Mr. Feith said. "Some of my best friends are Democrats."

Today, Mr. Carney is one of at least four newly elected Democratic members of the House with recent military credentials, a fact that was emphasized during the campaign by the Democratic Party leadership. Representative Rahm Emanuel, Democrat

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of Illinois, who ran the party's Congressional campaign nationwide, said he thought Mr. Carney and the others would have a significant impact on the debate over Iraq in the new Congress.

"They are going to affect the debate on what you do for the troops, for veterans, and on what questions get asked," Mr. Emanuel said.

But Mr. Carney is not enthusiastic about the possibility of a new Congressional investigation of prewar intelligence, which he said would be a major distraction. For Mr. Carney, there is an element of been there, done that to looking back at the now-familiar cast of prewar characters, including Mr. Feith; Mr. Tenet; Paul D. Wolfowitz, the former deputy defense secretary; and Ahmad Chalabi, the Iraqi opposition leader who was a prewar favorite of many in the Defense Department to take the reins of a future Iraqi government.

"Let's win the war first, then maybe look at how we got into it," Mr. Carney said. "The more energy spent on answering Congressional investigations, the less time will be spent on winning the war."

The Cowards Turned Out To Be Right (NYT)

By Nicholas D. Kristof

The New York Times, November 28, 2006

For several years, the White House and its Dobermans helpfully pointed out the real enemy in Iraq: those lazy, wimpish foreign correspondents who were so foolish and unpatriotic that they reported that we faced grave difficulties in Iraq.

To Paul Wolfowitz, the essential problem was that journalists were cowards. "Part of our problem is a lot of the press are afraid to travel very much, so they sit in Baghdad and they publish rumors," Mr. Wolfowitz said in 2004. He later added, "The story isn't being described accurately."

Don Rumsfeld agreed but suggested that the problem was treason: "Interestingly, all of the exaggerations seem to be on one side. It isn't as though there simply have been a series of random errors on both sides of issues. On the contrary, the steady stream of errors all seem to be of a nature to inflame the situation and to give heart to the terrorists and to discourage those who hope for success in Iraq."

As for Dick Cheney, he saw the flaw in journalists as indolence. "The press is, with all due respect — there are exceptions — oftentimes lazy, often simply reports what someone else in the press says without doing their homework."

Mr. Cheney and the others might have better spent their time reading the coverage of Iraq rather than insulting it, because in retrospect those brave reporters based in Baghdad got the downward spiral right.

"Many correspondents feel a sense of vindication that the administration finally accepts what we were screaming two years ago," notes Farnaz Fassihi, who provided excellent Iraq coverage for The Wall Street Journal. Now Ms. Fassihi wonders how long it will take for the administration to acknowledge the reality of 2006 that Iraq correspondents are writing about: the incipient civil war.

Dexter Filkins, who covered Iraq brilliantly for this newspaper until his departure this summer to take up a fellowship at Harvard, says he was constantly accused of reporting only the bad news, of being unpatriotic, and of getting Americans killed.

"I don't think it ever affected our reporting," he said. "But I did find it demoralizing, the idea that the truth — the reality on the ground that we were seeing every day — did not matter, that these overfed people sitting in TV studios and in their living rooms could just turn up the volume on what they wanted to be happening in Iraq and that that could overwhelm the reality."

Mr. Filkins added: "I have almost been killed in Iraq 20 or 30 times — really almost killed. "I've lost count. Do these people really believe that we were all risking our lives for some political agenda?"

Richard Engel of NBC says he was taken aback when pundits accused him of standing on a balcony in the Green Zone and simply feeding the world bad news. "Like most journalists in Iraq, I have never lived in the Green Zone," he notes, adding: "To imply from afar we were just lazy was missing the point, and also dangerous. I know several reporters who were so incensed by similar criticism, they took extra risks."

While it's the right that led those toxic attacks, the left is also vulnerable to letting ideology trump empiricism. Mr. Filkins notes that while he used to get nasty letters and e-mail primarily from conservatives, much of the fire more recently has come

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from liberals accusing him of covering up atrocities — all of it from people whose ideological certitude is proportional to their distance from Baghdad.

As we try to extricate ourselves from Iraq, a basic lesson for the administration is that it should deal with bad news in ways more creative than clobbering the messenger. From the beginning of the war, the Pentagon has had an incredibly sophisticated news operation (now including its own news channel, carried on some cable networks), but it has often seemed more concerned with disseminating propaganda than with gathering facts.

Take the Defense Department's Early Bird news clipping service, which traditionally had been a dispassionate collection of outside articles to keep senior military officers informed. Lately it has been leading with in-house spin. The Early Bird of Nov. 20, for example, began with three separate unpublished letters to the editor by Pentagon officials before getting to the news from around the world.

So how about if the administration devotes itself less to managing the news and more to trying to manage Iraq?

The Wars Of Perception (NYT)

By Dominic Johnson And Dominic Tierney

The New York Times, November 28, 2006

IN January 1968, Americans turned on their televisions to find scenes of chaos and carnage as Vietnamese communists unleashed their surprise Tet offensive. It would go down in history as the greatest American battlefield defeat of the cold war.

Twenty-five years later, in December 1992, the United States began a humanitarian intervention in Somalia that would be viewed as the most striking failure of the post-cold-war era. Then, in March 2003, American tanks charged across the dunes into Iraq, beginning, in the eyes of many Americans, the worst foreign policy debacle of the post-9/11 world. Tet, Somalia and Iraq: the three great post-World War II American defeats.

Except that, remarkably, Tet and Somalia were not defeats. They were successes perceived as failures. Such stark divergence between perception and reality is common in wartime, when people's beliefs about which side wins and which loses are often driven by psychological factors that have nothing to do with events on the battlefield. Tet and Somalia may, therefore, hold important lessons for Iraq.

The Tet offensive was an unmitigated disaster for the communists. Despite the advantages of surprise, the South Vietnamese insurgents, the Vietcong, failed to hold on to a single target in South Vietnam and suffered staggering losses. Of the 80,000 attackers, as many as half were killed in the first month alone, and the Vietcong never recovered. The United States had clearly won this round of the war.

Yet most Americans saw the Tet offensive as a failure for the United States. Approval of President Lyndon B. Johnson's handling of the war slipped to a low of 26 percent. Before Tet, 58 percent of Americans described themselves as "hawks" who wanted to step up American military involvement in the war, while 26 percent described themselves as "doves" seeking to reduce it. Two months after Tet, doves narrowly outnumbered hawks.

How did perceptions become so detached from reality? A key factor was overblown expectations. In the months before Tet, Johnson had begun a "progress campaign" to convince Americans that victory in Vietnam was just around the corner. Reams of statistics showed that infiltration rates were down and enemy casualties were up. And it worked. Public confidence ticked upwards. But after Johnson's bullish rhetoric, Tet looked like a disaster. The scale and surprise of the offensive sent a shock wave through the American psyche. As Johnson's former aide, Robert Koner, later recalled, "Boom, 40 towns get attacked, and they didn't believe us anymore."

The illusion of defeat was heightened by two powerful symbolic events. First, the communists attacked the American Embassy in Saigon. It was one of the smallest-scale actions of the Tet offensive, but it captured America's attention. The attackers had breached the pre-eminent symbol of the United States presence in South Vietnam: if the embassy wasn't safe, nowhere was. News outlets reported that the embassy had been captured when in reality all of the attackers were soon lying dead in the courtyard.

Gen. William Westmoreland, the commander of the American forces in Vietnam, held a press conference at the embassy to announce that Tet was an American victory. But behind the general, dead Vietcong were still being dragged away from the

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blood-spattered lawn. Reporters could scarcely believe what they were hearing. Said one: "Westmoreland was standing in the ruins and saying everything was great."

Second, Eddie Adams's photograph of South Vietnam's police chief executing a Vietcong captive in the street caused a sensation. After he fired the shot, the police chief told nearby reporters: "They killed many Americans and many of my men. Buddha will understand. Do you?" Back home in the United States, the image spoke powerfully of a brutal and unjust war. For some Americans, this image was the Tet offensive.

Finally, the American news media painted a picture of disaster in Vietnam. Even though communist forces incurred enormous losses, reporters often lauded their performance. As the Times war correspondent Peter Braestrup put it, "To have portrayed such a setback for one side as a defeat for the other — in a major crisis abroad — cannot be counted as a triumph for American journalism."

A similar story later unfolded in Somalia. From 1992 to 1994, the American humanitarian intervention in Somalia saved the lives of more than 100,000 Somalis and cut the number of refugees in half, for the loss of 43 Americans. Back in the United States, however, this noble mission was widely viewed as the greatest foreign policy disaster since Vietnam. By October 1993, approval for President Bill Clinton's handling of Somalia fell to 30 percent. Only 25 percent of Americans viewed the intervention as a success, and 66 percent saw it as a failure.

Like Tet, the mission in Somalia suffered from overblown expectations. Intervening in an anarchical, war-ridden country was bound to be difficult. But early efforts to provide food and security in Somalia went so well that the project looked deceptively easy. The American public and news media lost interest — until early October 1993, when American soldiers were killed in the infamous "Black Hawk Down" battle in Mogadishu.

With echoes of Saigon in 1968, powerful images of the Mogadishu battle pushed Americans towards a perception of defeat. Press coverage was dominated by pictures of the captured pilot, Michael Durant, and mutilated American corpses, often with the tagline of America's "humiliation." Journalists tended to ignore the bigger picture, in this case large pro-American demonstrations in Somalia and successful efforts to save lives and restore order outside of the capital.

Memories of Vietnam, and fears of getting bogged down in another messy quagmire, also promoted perceptions of failure. In October 1993, 62 percent of Americans thought that the intervention in Somalia "could turn into another Vietnam," even after Mr. Clinton announced that America was pulling soldiers out of Somalia, and at a time when American casualties were a thousand times lower than in Vietnam.

What does this mean for Iraq? At the least, Tet and Somalia suggest we should be very careful before concluding that Iraq is a defeat. There is real evidence of failure, especially the escalating sectarian violence. But our perceptions are nevertheless easily manipulated. Iraq looks like a defeat in part because the Bush administration fell into the same trap as President Johnson: raising expectations of imminent victory by declaring "mission accomplished" before the real work had even begun. And as with Somalia, fighting shadowy insurgents in Iraq while propping up a weak government engenders negative memories of Vietnam.

Perceptions of success and failure can change the course of history. Reeling from the supposed disaster at Tet, the United States began to withdraw. Memories of "failure" in Somalia were a major reason — perhaps the major reason — that the United States did nothing to stop the genocide in Rwanda in 1994. If Iraq is perceived as a failure, it is only a matter of time before America pulls out, leaving who-knows-what behind. With the stakes so high, Americans must be certain that their perception of failure in Iraq is not a mirage.

Wheat Monopoly Cited In Iraq Oil-for-food Scandal (WT/AP)

By Rod Mcguirk

The Washington Times, November 28, 2006

CANBERRA, Australia -- Top officials from Australia's monopoly wheat exporter deceived the United Nations and likely broke Australian law by paying more than $200 million to Saddam Hussein's regime under the Iraq oil-for-food program, an inquiry reported yesterday.

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Former Judge Terence Cole said he found no evidence of wrongdoing by government officials in his months-long investigation into kickbacks, but recommended police investigate 11 executives from the wheat exporter and a 12th from another company.

Prime Minister John Howard said the inquiry's key recommendations would be acted upon immediately. The Howard government instituted the inquiry after AWB -- formerly the state-owned Australian Wheat Board -- was named as the largest single payer of kickbacks in the corruption-ridden U.N. program.

Mr. Howard said a police task force would be set up to investigate AWB executives mentioned by Judge Cole, who identified possible crimes but did not have the power to file charges.

Mr. Howard also said the government would review the system granting AWB a monopoly over Australia's wheat exports. The system has been criticized as unfairly protective by Australia's competitors on world grain markets.

Mr. Howard said the report vindicated him, Foreign Minister Alexander Downer and former Trade Minister Mark Vaile, who claimed to have had no knowledge of the kickbacks.

In his five-volume, 2,000-page report, Judge Cole said he found no evidence of illegal activity by the government.

"The government has hidden nothing," Mr. Howard told a press conference after the report was released. "The commissioner has found in the most emphatic terms imaginable that there is no evidence of wrongdoing" by the government.

The inquiry's government-given mandate was to examine company executives -- not government officials. Mr. Howard denied the investigative powers were set deliberately narrow to ensure the government was not implicated in the scandal.

The report said 11 AWB officers may have breached Australian corporate and criminal law. Among them was AWB's former chairman, Trevor Flugge, who became widely known after a photograph became public of him, shirtless, brandishing a revolver during a trip to Iraq in 2003.

At the inquiry, Mr. Flugge said he was unaware the payments were in breach of U.N. sanctions. Brendan Stewart, AWB's chairman, said his board "deeply regrets" the way in which the wheat trade with Iraq was conducted.

From 1999 to 2003, AWB executives purportedly authorized $222 million in bogus transport fees to a Jordanian trucking company, Alia Transport, that was partly owned by Saddam's government. Payments to Saddam were illegal under U.N. sanctions.

AWB purportedly inflated the cost of wheat it was charging to the oil-for-food program by as much as $50 per ton to cover the bogus transport fees, which the Iraqi Grain Board demanded as a condition for lucrative grain contracts.

Judge Cole also found that the U.N. knew Iraq was breaching sanctions, but took no steps to stop the practice.

Australian Panel Says Firm Paid Bribes To Hussein (NYT)

By Raymond Bonner

The New York Times, November 28, 2006

SYDNEY, Australia, Nov. 27 — A high-level commission investigating corruption in the United Nations oil-for-food program released a long-awaited report on Monday stating unequivocally that a major Australian wheat company paid more than $224 million in kickbacks and bribes to Saddam Hussein's government.

The commission also found that the company, ABW Ltd., had "deliberately and dishonestly" devised a scheme for the payments — from 1999 until the overthrow of Mr. Hussein in 2003 — that would deceive the United Nations. When the United Nations conducted its investigation in 2005, headed by Paul A. Volcker, the former Federal Reserve chairman, AWB withheld thousands of pages of documents and its lawyers made statements to Mr. Volcker that were patently false, the commission found.

The Australian commission's report was the most thorough — and damning — investigation of corruption in the United Nation's oil-for-food program. It is certain to have repercussions for politicians in Canberra as well as in Washington, where incoming Democratic lawmakers have pledged to hold their own hearings.

The program was set up to alleviate the hardships of the Iraqi people while isolating Saddam Hussein's government. Its aim was to allow Iraq to trade some oil for food and other necessities under close United Nations supervision while the country remained under international sanctions.

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Instead, the report found that both AWB and the Iraqi government used the program for profit.

In Canberra, the government of Prime Minister John Howard claimed vindication because the commission declared that it found no evidence that any government officials had knowledge of AWB's kickback scheme.

But the commission's chairman, Terence Cole, a retired state supreme court justice, left open the question of whether Australian officials could, or should, have known about the scheme — all AWB contracts were submitted to the government for approval — if they had conducted their own investigation. His mandate from the government for the inquiry did not include that question, he said.

The opposition leader, Kim Beazley, said that even if the government was not criminally culpable, it was at least negligent and incompetent for not knowing about the kickbacks.

The scheme AWB and the Iraq government set up for making the kickbacks involved using a Jordanian trucking company, Alia, which was a front for the Iraqi government, the report concluded.

At first, AWB paid Alia $12 for each ton of wheat it sold to the Iraqi government, money that went into the pockets of Iraqi officials. Later, the amount was increased by Iraqi government to $55 a ton, which included a "service fee." The money was supposedly for moving the wheat inland from the Iraqi port. But Alia had no trucks in Iraq.

AWB then passed on the cost of the bribes to the United Nations by recovering the inflated payments from the oil-for-food program's escrow account.

The commission's report — 2,065 pages in five volumes, costing more than $7 million and taking nearly a year to compile — was based on the testimony it took from some 70 AWB and Australian government officials during 75 days of public hearings. It also examined more than 1,500 internal company and government documents. (The report can be found at www.oilforfoodinquiry.gov.au).

When investigated by the Volcker commission, which found that AWB was the largest payer of kickbacks to Iraq under the oil for food program, lawyers said that the company had been deceived by Iraq and Alia, and that it did not know Alia was a front for the Iraqi government and had never paid a service fee.

And AWB lawyers repeatedly denied they had any knowledge that the payments they were making through Alia were in fact going to the Iraqi government.

"Neither statement was true," Mr. Cole concluded, rejecting the claims almost in totality.

"The facts are not now in doubt," he said.

Mr. Cole was blistering in his criticism of AWB, which has enjoyed a monopoly on wheat exports. The illegal payment scheme grew out of a "lack of culture of ethical dealing" at AWB, he said. He was also noticeably critical of AWB's lawyers for advising the company on how to hide the payments, and for lying to the Volcker committee.

The commission recommended that criminal prosecutions be considered against 11 AWB officials, including the general counsel, and against a former officer of BHP Billiton, one of the world's largest mining companies, who, Mr. Cole said, may have "conspired with or aided and abetted AWB" in transferring $8 million to the Iraqi regime as a part of debt supposedly owed to BHP.

BHP issued a statement on Monday saying that it had received the Cole Commission report and would have no further comment until it had reviewed it and completed its own internal investigation.

The current chairman of AWB, Brendan Stewart, who replaced one of the men who now faces criminal charges, said the company "deeply regrets" the manner in which the trade with Iraq was conducted. He said the company would issue a fuller statement in the next few days.

In Washington, Sen. Tom Harkin, Iowa Democrat, who is slated to become chairman of the House Agricultural Committee in January, has indicated he will hold hearings on the matter.

"The exact form and details of the inquiry have yet to be decided, although the report issued by the Cole Commission should be quite helpful to our efforts," Mr. Harkin said in a statement on Monday.

During the commission's hearing here, documents were introduced showing that in 2003, when the allegations of AWB's bribes began to seep out, the Australian ambassador in Washington, Michael Thawley, lobbied senior Bush administration officials on AWB's behalf. It is not clear what they did, if anything.

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The ambassador also lobbied Senator Norm Coleman, Republican of Minnesota, who had been a loud critic of corruption in the oil-for-food program, but called off an investigation after being assured by Mr. Thawley that AWB had done nothing illegal. Mr. Coleman later said he had been misled by the ambassador. Senator Coleman said Monday that he would "review the Cole report with a fine-tooth comb to determine whether U.S. interests were hurt by AWB's gross misconduct." A major concern, he said, "is whether Australian officials were less than honest in their dealings with the subcommittee."

Mr. Thawley has said that the representations he made to Mr. Coleman were based on assurances from AWB that it had not made any illegal payments.

The U.S. Wheat Associates, a trade group, could also claim vindication. In June, 2003, it had written a letter to Secretary of State Colin L. Powell, suggesting that AWB was inflating its wheat contracts and that some of the excess had gone to the Iraqi regime.

The Australian government called the allegations "slanderous and outrageous" at the time and said they were part of an "insidious campaign" by AWB's chief competitor in the Iraqi wheat market.

Australia Cleared In Kickback Probe (WSJ)

By Barbara Adam And Ray Brindal

The Wall Street Journal, November 28, 2006

CANBERRA, Australia -- A yearlong inquiry into $221.7 million in kickbacks paid to Saddam Hussein's former regime in Iraq cleared the Australian government of any wrongdoing, but the findings could increase pressure on the government to dismantle the country's powerful wheat-export monopoly.

U.S. and European growers have long tried to persuade Australia to end its wheat-marketing system, whereby growers sell their export wheat through a "single desk" managed by listed AWB Ltd., which then handles sales to foreign buyers. U.S. and European growers contend the monopoly distorts the world market by giving Australian farmers more clout overseas than they would have if they sold their wheat individually.

Australia is one of the world's most important wheat producers and recently ranked second among exporters behind the U.S.

AWB has survived many attacks in the past. But more recently it has come under renewed fire amid revelations that it paid illegal kickbacks to Mr. Hussein's government to secure wheat contracts as part of the scandal-plagued United Nations oil-for-food program. Australia was the dominant wheat supplier to Iraq beginning in the mid-1990s. By 1999, sales to Iraq accounted for 10% of Australia's annual wheat exports. In the past year, however, the U.S. has muscled AWB out of the Iraq wheat market, and the American wheat lobby has agitated for an inquiry into AWB's activities in Iraq.

Retired Australian Judge Terence Cole found AWB may have broken several Australian laws, including criminal and banking codes, by making payments to the Iraqi regime between 1999 and 2003 in breach of U.N. sanctions.

In a report to the Australian government yesterday, Mr. Cole named 11 former AWB executives, including a former BHP Billiton PLC executive, as possibly acting illegally.

In a statement to the stock exchange, AWB Chairman Brendan Stewart expressed "deep regret" about the way the company, based in Melbourne, conducted the wheat trade with Iraq under the oil-for-food program. He said AWB won't respond to allegations made against its former employees but added that it will hold a briefing tomorrow after reviewing the report.

BHP Billiton Chief Executive Chip Goodyear said he wouldn't be able to respond to the Cole report until it had been thoroughly reviewed.

The government pledged to introduce legislation in Parliament within two weeks to facilitate Mr. Cole's recommendation of a police task force to consider criminal prosecutions against AWB and those named in the report.

Two U.S. senators pledged yesterday to investigate the Australian wheat monopoly in light of the report. Democratic Sen. Tom Harkin of Iowa, probable chairman of the Senate Agriculture Committee after the next Congress convenes in January, said the AWB report would be helpful for his panel's inquiry. Sen. Norm Coleman, while praising the Australian probe, said its findings raise worries about whether actions by the exporter harmed U.S. farmers. The Minnesota Republican, who heads the Senate's

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Homeland Security and Government Affairs investigative subcommittee until January, said he would examine whether AWB officials lied in testimony to the subcommittee.

Prime Minister John Howard, who appeared before the Cole inquiry in April to give sworn evidence about what he knew, said the government is reviewing Australia's wheat-marketing arrangements; the role of AWB in the nation's wheat trade, valued at as much as five billion Australian dollars, or about US$4 billion, a year; and the duties of AWB's regulator, the Wheat Export Authority.

Many analysts believe the Cole report's findings will make it difficult for Australia to avoid some kind of overhaul of AWB.

Some agricultural-industry groups in Australia still back a wheat-export monopoly so growers don't compete against each other on world markets, driving returns down. But they don't necessarily support AWB's operation of the monopoly. Meanwhile, a sizable minority of growers now supports freeing wheat exports.

The main national growers' lobby, the Grains Council of Australia, said the findings of the Cole inquiry will undermine growers' confidence in AWB.

The Australian government set up the Cole inquiry a year ago, after a U.N.-commissioned probe by Paul Volcker, former chairman of the U.S. Federal Reserve, found AWB paid kickbacks to Mr. Hussein's regime through the oil-for-food program. That program allowed Iraq to sell oil in exchange for humanitarian goods, using the U.N. as an intermediary. Mr. Volcker found AWB was one of about 2,200 companies and individuals from 66 countries that paid a total of US$1.8 billion in illegal kickbacks to Iraq.

A report commissioned by AWB said changes to monopoly arrangements are probably warranted but must be done slowly, and not before 2010.

AWB's stock price has dropped more than half since the inquiry's public hearings began in January.

The Cole report found Mr. Howard, Deputy Prime Minister Mark Vaile and Foreign Affairs Minister Alexander Downer were never told of AWB's irregular payments in Iraq.

Shooting The Messenger (WP)

The Washington Post, November 28, 2006

IN THE MESS that is Iraq, there's one entity that has done an unquestionably good job: the special inspector general for Iraqi reconstruction. Under the leadership of Stuart W. Bowen Jr., the inspector general's office has found that the Coalition Provisional Authority could not account for almost $9 billion distributed to Iraqi ministries. Mr. Bowen's office determined that the U.S. government lost track of thousands of pistols and hundreds of assault rifles given to Iraqi security forces. It found that Halliburton Co. wasted $75 million on a failed pipeline project and that Parsons Corp. bungled construction of a $75 million police academy in Baghdad so badly that human waste dripped from the ceilings. Its audits have saved the government more than $400 million.

Now there's a move to close down Mr. Bowen's shop. More than a move, actually: A mischievous provision, slipped into the defense authorization bill by House Republicans without the knowledge of key senators, set an October 2007 termination date for the office. The bill was signed into law last month, but a number of senators, including Susan Collins (R-Maine), chairman of the Homeland Security and Governmental Affairs Committee; Joseph I. Lieberman (D-Conn.), the committee's ranking minority member; and Russell Feingold (D-Wis.), are trying to reverse this foolish plan during the lame-duck session.

Unfortunately, a promising legislative vehicle for their attempt, a military construction spending bill, is snarled in a separate dispute about earmarks. The Senate is poised to approve a stand-alone fix, but House Armed Services Committee Chairman Duncan Hunter (R-Calif.), who was responsible for the early termination, is said to be resisting a fix. The rationale is that the need for the inspector general's services is diminishing along with U.S. reconstruction funds and that remaining work can be picked up by State and Defense Department inspectors general. But that ignores an additional $3.6 billion provided for reconstruction efforts in the latest defense bill and the expertise that Mr. Bowen's shop has demonstrated in doing this difficult work. When it returns next week, the Senate should pass the measure extending Mr. Bowen's tenure, and the House should go along.

Bush Visits Baltic Ally Ahead Of Talks On Afghanistan, Iraq (USAT)

By David Jackson

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USA Today, November 28, 2006

TALLINN, Estonia — President Bush arrived here Monday to promote freedom and democracy, using this small Baltic nation, a former republic of the Soviet Union, as a model.

Bush came to the seaport of Tallinn in advance of this week's NATO summit on Afghanistan and meetings with Iraqi Prime Minister Nouri al-Maliki in Jordan.

Estonia and Latvia — site of the two-day summit — are U.S. allies in the war on terrorism. In a 2005 speech, Bush hailed Estonia and its neighbors Latvia and Lithuania for "one of the most dramatic" political transformations that proved "the love of liberty is stronger than the will of an empire."

Charles Kupchan, an international relations professor at Georgetown University, said Bush's freedom agenda has been challenged by the rising violence in Iraq and Afghanistan.

"It's grown increasingly difficult for Bush to talk the talk of democratization as Iraq and Afghanistan spiral downward," Kupchan said.

Bush's first trip to Estonia, however, provides a different backdrop for the debate. Since the Soviet occupation here ended 15 years ago, "we have seen Estonia consolidate its sovereignty and build a thriving free-market democracy," said Judy Ansley, a senior director for the National Security Council.

In Tallinn's Old Town, where serpentine cobblestone streets and stone towers date to the 13th century, many residents said they were pleased about the first visit to Estonia by a U.S. president. In Town Hall Square, Estonians sold ceramics and clothing as a sound system blared White Christmas and an Estonian rendition of Here Comes Santa Claus. Several residents, however, said they are worried about conditions in Iraq.

"I'm not for the war, so I am not for Bush," said Anna Dytyna, 22, who sells home furnishings not far from the central Town Hall Square.

Natalja Ikonnikova, 44, questioned whether the United States or another country could force democracy on Iraq or Afghanistan. "They must decide what to do in their country," she said.

Evi Tigane, 74, said Bush's visit to her hometown is strictly about politics. As for Iraq, she said: "This is (about) oil."

Bush's hopes for democracy in Iraq and Afghanistan have been threatened by ongoing insurgencies in both countries, which will be major topics of his week-long, three-country trip.

"Things are not proceeding well or fast enough," said national security adviser Stephen Hadley, declining to characterize the violence in Iraq as a civil war.

"We're clearly in a new phase characterized by an increase in sectarian violence that requires us to adapt to that new phase," he said.

Bush plans to spend half a day today in Tallinn, meeting with the president and prime minister as well as local democratic activists. Bush and Estonian President Toomas Hendrik Ilves have scheduled a brief news conference.

Bush then heads to Latvia's capital, Riga, site of the NATO summit. The meeting will be dominated by the situation in Afghanistan, where 32,000 NATO troops are battling a resurgent Taliban. A U.S.-led invasion in 2001 deposed the Taliban for harboring planners of the 9/11 terrorist attacks.

The trip ends Thursday in Jordan, where Bush will huddle with al-Maliki and Jordan's King Abdullah II. Hadley said Bush wants to hear from al-Maliki about his strategy for moving forward.

Hadley said Bush is open to all ideas, including recommendations coming soon from a special commission on Iraq headed by former secretary of State James Baker and former Indiana congressman Lee Hamilton.

NATO Chiefs Focus On Afghanistan (WSJ/AP)

The Wall Street Journal, November 28, 2006

RIGA, Latvia -- One issue will dominate this week's NATO summit: Afghanistan.

The 26 presidents and prime ministers know that the future of the North Atlantic Treaty Organization is playing out in the deserts of Kandahar and mountains of Uruzgan rather than in their conference hall on the Baltic Sea.

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The rise in Taliban violence since NATO's 32,800-strong force moved into those southern provinces and the resultant casualties among civilians and Western soldiers has called into question the strategy behind NATO's "stabilization" force in Afghanistan.

Before traveling to Europe for the summit, U.S. President George W. Bush spoke on the phone with his Afghan counterpart. "President Bush assured President Hamid Karzai that the United States of America will reiterate its commitment at the NATO summit to the strengthening of security and reconstruction in Afghanistan," said a statement from Mr. Karzai's office in Kabul.

The dangers to the NATO force were underscored by attacks that ended a period of relative calm. Two Canadian soldiers serving with the NATO force were reported slain by a suicide car bomber yesterday. A day earlier, a suicide bomber killed 15 Afghans in a restaurant.

The summit today and tomorrow in Latvia's capital, Riga, will be Mr. Bush's first meeting with European allies since he was chastened by Democrats' success in the midterm elections and bid farewell to Defense Secretary Donald H. Rumsfeld.

Bush To Pursue Fresh NATO Commitments (WP)

By Michael Abramowitz And Pamela Constable

The Washington Post, November 28, 2006

TALLINN, Estonia, Nov. 27 -- President Bush will seek fresh troops and equipment for the fight in Afghanistan, and fewer restrictions on how they can be used, when he sits down this week with NATO allies to review the state of the dangerous mission there, according to senior U.S. officials.

Bush flew Monday to this scenic capital, on his way to a summit of NATO's leaders in Riga, Latvia, that begins Tuesday. There, U.S. officials say, they are hoping allies will renew their commitments in Afghanistan, where a stepped-up Taliban insurgency is posing stiff new challenges for some 33,000 NATO troops, about a third of them American.

The mission is shaping up as the major issue for discussion among Bush and the leaders of the 25 other NATO member countries, who are gathering for the first time in two years. A failed operation in Afghanistan would threaten NATO's ambition to one day play a more robust role in helping address the world's crises.

Briefing reporters on Air Force One on the way to Estonia, national security adviser Stephen J. Hadley cited "an increasing awareness at how important this is for the war on terror, how important it is for Afghanistan and how important it is for NATO not to fail."

Some key NATO countries, including Germany, France, Italy and Spain, have placed sharp limits on how their troops can be used, to the growing consternation of the United States and other countries whose forces are involved in fierce battles with the Taliban in southern parts of Afghanistan. Only the United States, Britain, Canada and the Netherlands have combat troops in the south.

Meanwhile, calls for more troops from NATO commanders have faced resistance from member countries, some of which have seen public support for the mission wane as casualties have increased. On Monday, a suicide bomber attacked a Canadian armored vehicle in the south, killing two soldiers and bringing to 44 the number of Canadian troops killed in the country.

"Events in Afghanistan are reaching a critical juncture, and European politics and perceptions, as well as U.S. commitments in Iraq, may prevent NATO from getting the assets necessary to ensure victory," said retired Gen. Joseph W. Ralston, the former U.S. supreme allied commander in Europe, at a briefing held by the Center for Strategic and International Studies in Washington.

U.S. officials say they hope the summit will help focus attention on the needs of the mission in Afghanistan, which they say include not only greater military assistance but also economic and political reconstruction efforts.

NATO military spokesmen in Kabul said they will seek to review the issue of troop restrictions, or "caveats," in the hopes that some personnel already stationed in Afghanistan might take on broader roles or be able to shift from one sector to another if needed. "If the caveats can be reduced, that is essentially the same as adding new troops, because it frees up troops that are here," said Maj. Luke Knittig, chief NATO spokesman in the Afghan capital.

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Daniel Fried, the assistant secretary of state in charge of European and Eurasian affairs, told reporters of the "hard price" being paid by Canada as he sought to explain the need for more flexibility for NATO commanders.

"A country like Canada, and the Netherlands, has every right to expect that their allies are at their back, which means if they get into trouble, they can count on support from all of NATO," Fried said last week.

Privately, U.S. officials are playing down the prospects of any breakthrough this week. In Germany, where public opinion seems strong against lifting restrictions that keep troops in the safer northern areas, Chancellor Angela Merkel last week reiterated her determination to keep them from moving south. U.S. officials remained hopeful, however, that Merkel could continue to frame the debate to allow for some loosening of restrictions in the future.

The United States provides the largest number of NATO troops, with 11,800. Second is Britain, with 6,000; third is Germany, with 2,700; then Canada, with 2,500; followed by the Netherlands, Italy, France, Romania, Spain and Turkey. The United States also has several thousand troops who operate in Afghanistan outside the NATO umbrella.

In 2002 and 2003, NATO troops were confined to Kabul as the International Security Assistance Force. Over the past three years, the mission has been gradually extended to the entire country, with NATO troops moving into the east just last month.

In the past six months, NATO and U.S. troops have faced an unexpectedly aggressive insurgency by the revived Taliban militia. Officials report that attacks have increased fourfold since a year ago, reaching 600 a month, and that between 3,700 and 4,000 people have died in insurgent-related violence this year. The insurgents have also begun using suicide bombs, a new phenomenon for Afghanistan.

NATO commanders in Afghanistan have repeatedly asked for more troops and equipment. So far, only Poland has responded, pledging to send 1,000 troops in the new year.

The central message NATO commanders hope to deliver in Riga is "to put more in focus why we are here in Afghanistan," said Knittig, noting the country's importance in the wars against terrorism and drugs, and in the future security of NATO states. "We need to punch that message through."

Some European diplomats in Kabul expressed disappointment with the reluctance of NATO countries to send more troops and equipment.

"Some countries in Europe need to be reminded that Afghanistan is not just a faraway place we know little about," said Francesc Vendrell, the senior European Union representative in Kabul. "It is a country that is central to the security interests of the West. If Afghanistan were to collapse or the Taliban were to take over, the leaders would probably form close relations with al-Qaeda."

Ronald D. Asmus, executive director of the German Marshall Fund's Transatlantic Center in Brussels, said there is a gap between NATO's expressed desire to play a more active role in addressing world crises and its members' will to do so. "In the Cold War, no one would have dared to put a caveat on how their forces are used at the front lines," he said. "People don't really believe in their hearts that they need to take the big risks to succeed."

But U.S. officials said the mission in Afghanistan is succeeding. "When you take a look at it, obviously NATO was challenged by the Taliban when they moved into the south," said Judy Ansley, the senior director for European affairs on the National Security Council staff. "But NATO has responded very strongly. They've stood and they've fought, and have been very successful against the Taliban. So I don't see Afghanistan as being a mission in trouble or someplace where we have a problem."

A NATO Bid To Regain Afghans' Trust (WP)

By Pamela Constable

The Washington Post, November 27, 2006

PANJWAI, Afghanistan -- The road to this southern Afghan farming town is wide, smooth and utterly empty, except for an occasional old man on a bicycle or a meandering herd of baby camels.

It was paved last year with Japanese funds to help farmers send their grapes to market and patients reach hospitals in the city of Kandahar, 20 miles to the east. But that was before war came to Panjwai, making its name synonymous with the physical destruction and political mayhem wrought by months of Taliban attacks and NATO bombing.

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Now almost no one dares to drive on the road. NATO forces declared victory here in late September, claiming to have killed about 1,500 insurgents in a campaign named Operation Medusa. Yet Taliban fighters still linger in the surrounding orchards and launch sporadic attacks. On Monday, insurgents fired at several NATO bases in the district, although no one was injured.

Many shops in Panjwai remain shuttered, and most of the estimated 80,000 people who fled nearby villages have not returned. Some harbor bitter memories of NATO bombings that destroyed their homes and fruit crops. At least 50 civilians were killed over several weeks of bombing, and President Hamid Karzai last month ordered an investigation into the deaths. NATO officials have said the insurgents used villagers' homes as shelter, provoking the deadly airstrikes.

"I lost three of my sons, my brother, my wife, two daughters-in-law and many grandchildren," said Abdullah Shah, a white-haired farmer, wiping his eyes with a dirty shawl. "I moved the whole family into a tent for safety when the fighting started. The international forces said there were 20 Taliban in that tent, but it was not true. How could there be, when we were so crowded already?"

In an effort to regain public trust, NATO forces have moved into Panjwai with bricks, bulldozers and lots of cash. Local men have been hired to repair damaged buildings, the renovated high school reopened last week, and a new road is being laid from the town to several grape-growing villages that suffered the heaviest bombing damage.

NATO has pledged $8 million to improve Panjwai and the adjacent Zhari district, in hopes of creating a Taliban-proof development zone and a model for other post-conflict areas. Canadian troops have set up a base above the town and patrol the bazaar in armored convoys, while NATO officers meet often with local elders.

"Panjwai is a microcosm. The key is to move fast once the fighting stops, work with local institutions, get development projects going and get local people involved in their own security," said Maj. Steve Murray, deputy commander of a military reconstruction team in Kandahar. "We can fight the Taliban until the cows come home, but we can't make the area safe if we don't deal with the other issues."

Last Tuesday, a Canadian officer arrived as bulldozers were clearing land for the new road. He was soon surrounded by frowning farmers who demanded extra money to let the road cross their fields. The mayor joined the negotiations, calculating acreage on a pad of paper. The officer politely insisted on the previously agreed price.

In the chilly Panjwai bazaar, turbaned men huddling around sidewalk teapots raised more serious issues. They expressed deep ambivalence about the presence of international troops and both fear of and admiration for the Taliban insurgents.

"The coalition forces have brought us nothing but problems. They enter our houses and mosques without permission," said Abdul Jan Mohammed, a grape grower whose vineyards were damaged by NATO airstrikes. "The Taliban don't want to fight. They are just tired of all the corruption, as we are."

Bismillah, 45, whose farm is a half-hour walk from town, said his neighbors had begun to return home since the bombing ended but that insurgents were still lurking nearby. Like many Afghans, Bismillah uses just one name.

"Everything is confused now," he said. "At night we hear shooting and rockets, and we cannot light our lamps for fear of the Taliban. But if a mine explodes on the road, the army and coalition forces come and pressure us to find out who did it. The best thing to do is negotiate, but the Taliban will never negotiate as long as the foreign troops stay here."

One obstacle to security is the shortage of Afghan police and soldiers in the region. In terms of size and competence, the new national army and police force have lagged far behind what officials hoped for, so the government recently began recruiting and training local auxiliary police officers to serve in conflict zones such as Kandahar province.

The program has drawn praise and criticism. It gives men in poor rural areas an income and a vested interest in protecting their communities. But recruitment standards are low, training is cursory, and many who sign up are rejected because of hashish use or other habits.

Commander Ehsanullah Alizai, the provincial police chief, said local elders and district officials are choosing applicants for the new force and that each recruit is further vetted by his office. But he acknowledged that the two weeks of training they will get are far from adequate.

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"Of course it is not enough. It takes a lot of time and education to become a police officer. But this is an emergency," Alizai said, adding that 250 of the expected 1,000 new police officers have completed training and started work. "The security situation in Panjwai and Zhari was getting worse, and the government had to take action."

But the threat of further NATO bombing has not stopped the Taliban from launching new attacks, often against civilians. Last month, two insurgents on a motorbike ambushed Fazel Mahmad, a Panjwai elder, as he was taking his daughter to a doctor in Kandahar. Mahmad, who works with a government program that helps local insurgents return to civilian life, was shot in the neck and throat but survived after surgery at a NATO base.

"The local Taliban are sons of our soil, but the Taliban trained by al-Qaeda see all Afghans as infidels and Americans. They do not want any reconciliation," said Mahmad, who now speaks with a lisp. He said he saw many wounded Taliban fighters being treated at the NATO field hospital, where he said they cursed the medical staff and refused to eat.

In a second recent attack, insurgents opened fire on a clinic at a camp for nomads and refugees beside the highway from Kandahar to Panjwai and briefly kidnapped the doctor. Now the clinic building sits abandoned beside the colony of patched tents and thorn-bush camel corrals.

On Tuesday, several women in the refugee camp said they had fled there after airstrikes on their villages near Panjwai. One woman, Badro, shrieked and wept, saying two of her brothers and all the family's sheep and camels had been killed.

"Everyone is a witness. There were no Taliban there at all," she cried, shaking a fist. "The dead bodies of my family are still there. It is not safe to collect the pieces."

[On Sunday, a Pakistani suicide bomber detonated himself in Paktika province, killing 15 people and wounding 24, including an Afghan special forces commander, the Associated Press reported.]

The Afghan government has made efforts to console and aid survivors in Panjwai. Abdullah Shah said he was paid about $8,000 as compensation for his dead relatives. He was also taken to Kabul, where he said Karzai gave him a hug and promised him a new house.

Last week, the minister of rural development flew to Kandahar and met with a large group of elders from Panjwai, asking what they needed most. He was accompanied by Christopher Alexander, deputy U.N. representative for Afghanistan, who told them the goal was to transform their region "from this year's battlefield to next year's construction ground."

The delegation did not visit Panjwai because it was considered too dangerous, but Alexander said elders from several villages told him security was better because young men who had been fighting for the Taliban were now earning money on NATO construction projects. He also noted that several elders did not attend the Kandahar meeting, suggesting that they were suspicious of the government and sympathetic to the insurgents.

Mahmad, a fruit grower who remained in Panjwai that day, complained bitterly that the residents were trodden upon by everyone.

"We don't support the Taliban, but we don't want the foreign troops here, either," he said. "I blame President Karzai, too. If we had laws and honest government in this country, the Taliban wouldn't be fighting."

Abroad, Bush Tests His Persuasive Powers (CSM)

By Howard Lafranchi

The Christian Science Monitor, November 28, 2006

RIGA, LATVIA

What was sketched into the presidential agenda as a transatlantic foray to address the North Atlantic Alliance's future has instead become one of the more consequential foreign-policy trips of the Bush presidency - and one of the tougher tests of his international leadership.

From the NATO summit he attends in this Baltic capital Tuesday and Wednesday, to the sit-down with Iraqi Prime Minister Nouri al-Maliki that he has added to his agenda, this has become the trip of the George W. Bush wars.

By adding a leg to Amman, Jordan, to meet with Mr. Maliki, the White House has made this trip a crucial part of the president's deliberations on policy adjustments to address the deteriorating situation in Iraq. But before that, Mr. Bush will take up

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the war in Afghanistan with his NATO colleagues - and Afghanistan is something the president dare not disregard even in the midst of Iraq developments.

Not only is the NATO-led war in Afghanistan facing its own mounting challenges, with potentially deep consequences for the international war on terror, but of the two wars, it is also the one where the United States has important allied assistance.

Yet between the NATO focus on Afghanistan and the Jordan stop to address Iraq, Bush has essentially undertaken a trip focused on the broader Middle East. The test for him will come in his ability to press others into closer cooperation with the US.

"The way Bush's trip has evolved, it highlights how the major security issues we face are no longer in Europe but in the Middle East," says Ronald Asmus, executive director of the German Marshall Fund's Transatlantic Center in Brussels. "Rhetorically the US and Europe are together on that, but politically and psychologically the alliance hasn't really made the leap."

NATO leaders may not like the prospect of a summit with an American president preoccupied with Iraq, Mr. Asmus adds, but that should prompt them "to consider whether they are really addressing the central security challenges facing us today."

In Riga, Bush will press the 26-nation alliance for both more money and more troops for Afghanistan, according to White House officials. To make his case, Bush will emphasize the connection between international security and the battle to defeat a resurgent Taliban and elements of Al Qaeda.

"If NATO is to be successful [in Afghanistan], it will need enough troops and the right kinds of troops to be able to do the mission," says Judy Ansley, senior director for European affairs at the National Security Council. "If you look to the threats of the 21st century, most of them are not right on the borders of Europe as they used to be during the cold war. Afghanistan is a perfect example. You have a terrorist threat that has already hit our shores," she adds, and it "obviously will threaten NATO and NATO member nations if we don't deal with it there."

NATO already commands more than 30,000 foreign troops in Afghanistan. Gen. James Jones, the supreme allied commander, is looking for summit leaders to add 2,500 troops to the total.

The challenge for Bush, however, will be skepticism about his leadership in the wake of perceived defeat in the midterm elections, and what is viewed internationally as his lame-duck status.

"The alliance needs some honest discussion about what it will take to lead a successful counterinsurgency and win in Afghanistan, and normally that would take prompting and leadership from the American president," says John Hulsman, scholar in residence at the German Council on Foreign Relations in Berlin. "The problem is that Bush is in no position, given his political weakness and the shambles of his foreign policy, to lecture anyone at the [NATO] summit."

Afghanistan has become the central test of whether NATO will be able to act as a true alliance to take on the global security issues of the 21st century, says Mr. Hulsman, an expert in transatlantic issues. Too many countries are resorting to so-called "caveats" to exempt themselves from the most dangerous combat missions, he notes, and that raises questions about those members' dedication to the common goals of the alliance.

"The Germans say, 'We are deployed in the north of Afghanistan and that is all we can do,' but being in the north is kind of like guarding New Jersey. It's a little beside the point," he says. "If they and others aren't prepared to put troops in the south where the heavy fighting is and where they might take casualties, then what is the point of the alliance?"

Having that discussion at the summit "risks ruining the party," Hulsman says. "But if you can't get everybody to share the burden of facing the enemies that threaten all of us - and by that I mean Al Qaeda and the forces in the larger battle with terrorism - then why have the party at all?"

Moreover, tough decisions about issues like troop deployment will be extra hard to come by in Riga, other experts say, because NATO countries generally are in a period of weakened leadership.

"President Bush is not the only weak political leader going there. Most of them are rather weak or on their last political lap," says Simon Serfaty, a global security expert at the Center for Strategic and International Studies in Washington. Noting that British Prime Minister Tony Blair and French President Jacques Chirac will be out of the picture by next summer, while others like German Chancellor Angela Merkel face growing challenges at home, he says, "You do have a great deal of political weakness, which makes it all the more difficult to make some of the more demanding decisions related to this renewal of the alliance."

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One thing working in Bush's favor, some experts underline, is that US-Europe tensions have eased since the falling-out over Iraq. Misgivings among partners still exist, they add, but are now more common between those taking on the bulk of the burdens and those sitting out the "hot war" assignments in Afghanistan.

"These tensions go to the heart of whether NATO is really going to work as an alliance on the security challenges we all face and where we face them - and for the foreseeable future that means the Middle East," says Asmus of the German Marshall Fund. "If you really believed the security of your nation was at stake, would you put such conditions on how your soldiers could fight for your defense?"

Bush To Spur NATO On In Afghan Fight (WT)

By Stephen Dinan

The Washington Times, November 28, 2006

TALLINN, Estonia -- President Bush will push for a stronger NATO commitment to fighting in Afghanistan during a summit in Latvia this week, before heading to Jordan to try to work through what the White House acknowledges is "a new phase" of sectarian violence in Iraq.

The Jordan detour, a late addition to the itinerary, will consist of meetings with Jordanian King Abdullah II and Iraqi Prime Minister Nouri al-Maliki tomorrow night and Thursday morning, and promises to dominate the four-day trip.

The White House said Mr. Bush will also use the trip to make it clear that, even with control of Congress changing and independent recommendations such as the Iraq Study Group pending, the president still decides foreign policy.

National Security Adviser Stephen J. Hadley said Mr. Bush is "listening to all of these voices for ideas," but will assure Mr. al-Maliki that in the end, "it is the president who will be crafting the way forward on Iraq."

Mr. Bush finds a situation rapidly deteriorating on the ground in Iraq, and decided he needed to meet face to face with Mr. al-Maliki to fine-tune the course in Iraq. Mr. Hadley said the president wants to hear how the prime minister plans to rein in militias, what he will do to speed up shifting control to Iraqi security forces, and how he can bring more political groups into his coalition government.

On his second international trip since voters handed control of Congress to Democrats on Nov. 7, Mr. Bush finds this trip dominated by the two wars to which he has committed U.S. troops.

He is trying to resist being pushed around by the political situation at home, where expectations are running high for the Iraq Study Group, the congressionally mandated panel led by former Secretary of State James A. Baker III and former Rep. Lee Hamilton.

Yesterday, Sen. Joseph R. Biden Jr., the Delaware Democrat who will become chairman of the Senate Foreign Relations Committee next year, said the commission "faces a tremendous opportunity and responsibility. The opportunity is to generate a bipartisan way forward in Iraq. The responsibility is to make the hard choices required to turn Iraq around."

While still resisting the term "civil war" for the Iraq conflict, the White House did acknowledge the situation is deteriorating and efforts to stop it have failed so far.

"We're clearly in a new phase characterized by an increase in sectarian violence that requires us to adapt to that new phase," Mr. Hadley said, though he had little specific to say about how Mr. Bush plans to respond.

Some Shi'ite leaders in Iraq have threatened to withdraw from the government there if Mr. al-Maliki travels to meet with Mr. Bush.

Meanwhile, Abdullah this weekend broadened the stakes of the meeting and the Iraqi conflict by saying it cannot be solved unless there is also a solution to the Israel-Palestinian issue.

Adding to the situation is Lebanon, which is teetering after the recent murder of the industry minister and continued political conflict between Hezbollah and the U.S.-backed government.

"We could possibly imagine going into 2007 and having three civil wars on our hands," the king said Sunday on ABC's "This Week."

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Meanwhile, expectations for the NATO summit are low. European nations are resisting Mr. Bush's push for committing more troops to the dangerous areas of Afghanistan, and want to go slowly on expanding the alliance's ties to non-NATO nations who are assisting with security operations.

Mr. Hadley said the difficulties are understandable but said the leaders at the summit will make some announcements on those issues.

"I think there is an increasing awareness at how important this is for the war on terror, how important it is for Afghanistan and how important it is for NATO not to fail," he said.

Mr. Bush spent the night in Tallinn, Estonia, for what amounts to a brief social call, before flying today to neighboring Latvia for the NATO summit in Riga. He will also deliver a speech at Latvia University.

It is the first NATO summit on the territory of the former Soviet Union.

Slouching Toward Riga (NYT)

The New York Times, November 28, 2006

When NATO leaders gather in Latvia this week, there will undoubtedly be a lot of grand talk about how the cold-war alliance has managed to elude irrelevance, bringing in new members, dispatching humanitarian aid and deploying peacekeepers beyond Europe's borders.

But the real issue before the annual summit meeting is that NATO is failing its most significant post-Soviet test: stabilizing Afghanistan. Violence is spiraling as the Taliban and Al Qaeda reassert their power. The economy is addicted to opium production. The pro-Western government in Kabul looks increasingly powerless and irrelevant.

Unless NATO's members commit to sending in more troops and more resources, Afghanistan could go the way of Iraq. There may not be many more chances after this week's meeting.

The current 32,000-member NATO force is too small. Some provinces — including those along the border with Pakistan, where the Taliban have their sanctuaries — have little or no allied presence.

Many of the participating countries have imposed "national caveats" limiting how their contingents fight. Some cannot patrol at night, some cannot leave their assigned area, and some cannot mount offensive operations. That makes it much harder for commanders to fight the enemy or even defend their forces, and it leads to an unfair division of labor. Canadian, Dutch, British and American forces in southern Afghanistan are doing most of the heavy fighting, while the French, Germans and Italians patrol relatively quiet northern regions.

In Riga, President Bush will urge more troops and fewer caveats. But the president can't do much more than cajole the allies. Iraq has deprived him of both international credibility and the military forces to do more. It is now up to the rest of the alliance. All NATO members must acknowledge that the Afghan war is not just some post-9/11 gesture, nor publicity for the New NATO. There is a life-and-death struggle under way against terrorists and extremism that is in all their national interests to win.

NATO And The Taliban (WSJ)

The Wall Street Journal, November 28, 2006

The NATO forces battling resurgent Taliban in southern Afghanistan call to mind the Normandy landing. Once again, mostly Canadian, British and American troops are fighting and dying. Most of the rest of Europe is absent from the fight, a fact sure to be discussed at the NATO summit this week.

NATO Secretary General Jaap de Hoop Scheffer is desperately seeking an additional 2,500 troops to suppress the Taliban. But with a few exceptions, such as the Dutch and Danes, most NATO members prefer the by now traditional division of labor: The Anglo-Saxons do the fighting while the others compete for popularity as armed aid workers.

The cover of last week's Der Spiegel magazine neatly captured the problem. "Germans Must Learn to Kill" read the headline above a picture of a German soldier in Afghanistan. The magazine wasn't advocating a more muscular German army. Rather, it was citing what American officials had told Karsten Voigt, Berlin's coordinator for U.S.-German relations.

The 2,900 German troops in Afghanistan are concentrated in the relatively safe north, focusing on reconstruction. France may withdraw its 200 special forces and opposes American plans for NATO to establish stronger links with like-minded countries outside the alliance. Most NATO members, including Italy, France and Spain, have placed absurd restrictions on their troops in

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Afghanistan. Some can operate only in certain (read: calm) regions; others won't fight in winter. These limits partly reflect the insufficient training and equipment of many European armies. While the U.S. spends about 4% of GDP on defense, the European average is half that.

Whatever the reason, this resistance to committing the troops and funds necessary to defeat the Taliban hardly matches the rhetorical commitment to the cause. The same NATO partners that refuse to provide adequate resources declare that losing Afghanistan is not an option. And right they are. If the Taliban are allowed to re-establish Afghanistan as global jihad's international headquarters, Europe would probably suffer more than the U.S. or Canada. The terrorists are opportunistic killers, attacking where there is the least resistance. Since September 11, they have failed to carry out another attack on U.S. soil. Scores have died in bomb attacks in Europe.

Afghanistan is both a test case for the West's resolve in the fight against Islamic terror and portent for the future of NATO. It is supposedly the "good" war, the multilateral war, the war that even the United Nations approved. If NATO can't muster the forces to defeat the remnants of al Qaeda's original state sponsor, what is it good for?

Afghan Opium Fight Hurts Poorest (USAT)

By Donna Leinwand

USA Today, November 28, 2006

U.S. and European efforts to end heroin production in Afghanistan have done little to hamper the drug industry and have hurt the country's poorest people, according to a new report by the United Nations and the World Bank.

The report, released today, is the latest indication of the difficulties faced by the British-led effort to eradicate Afghanistan's opium crop, which drives the economy in parts of the embattled nation and has helped to fund a resurgence of the Taliban. The report says the production of opium, whose poppies are used to make heroin, permeates daily life in Afghanistan and eliminating the illegal drug trade there could take decades.

The opium trade accounts for about $2.7 billion in Afghanistan's economy — equal to more than one-third of the nation's gross domestic product — and is responsible for thousands of jobs, the report says. The Taliban government, which had harbored al-Qaeda, virtually eliminated opium production in 2001, before U.S.-led forces toppled it. Production has soared since, even as the United States and its allies have stepped up efforts to kill fields of opium and persuade farmers to grow other crops.

Opium has remained the nation's most lucrative crop by far, and drug traffickers — through incentives and intimidation — have kept farmers in the opium business across Afghanistan, which the United Nations says produces about 87% of the world's opium. Last year, according to the U.N. Office on Drugs and Crime, Afghanistan produced 4,100 metric tons of opium, nearly as much as the biggest harvest in 1999. The United Nations predicts a record harvest in 2007.

Today's report describes how opium farmers' flexibility has helped harvests increase. When government officials end the opium trade in one province, opium brokers typically move cultivation and trade elsewhere, the report says.

Counter-narcotics efforts also have fueled corruption, the report says. Farmers who can afford it have bribed local officials to preserve opium crops, while the poorest farmers have been driven deeper into debt when their crops are destroyed, the report says. Investigators found several instances in which farmers planned to replant opium to pay their debts.

The report also says local government officials sometimes help drug lords drive competitors out of the market in exchange for a cut of the profits or protection payments.

Antonio Maria Costa of the U.N. Office of Drugs and Crime has recommended focusing agents on areas with less opium cultivation to keep such farming from spreading and help establish an alternative economy. The U.S. State Department's Anne Patterson, acknowledging “there is no silver bullet” to the opium problem, has said much of the growth in production is in areas with weak local governments.

Inside Politics (WT)

By Greg Pierce

The Washington Times, November 28, 2006

Apology sought

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The national commander of the American Legion called on Rep. Charles B. Rangel, New York Democrat, to apologize for suggesting that American troops would not choose to fight in Iraq if they had other employment options.

"Our military is the most skilled, best-trained, all-volunteer force on the planet," National Commander Paul A. Morin said yesterday. "Like that recently espoused by Sen. John Kerry, Congressman Rangel's view of our troops couldn't be further from the truth and is possibly skewed by his political opposition to the war in Iraq."

According to Mr. Rangel, "If a young fellow has an option of having a decent career, or joining the Army to fight in Iraq, you can bet your life that he would not be in Iraq. If there's anyone who believes these youngsters want to fight, as the Pentagon and some generals have said, you can just forget about it. No bright young individual wants to fight just because of a bonus and just because of some educational benefits."

Mr. Rangel was responding to a question during an interview on "Fox News Sunday."

Narrow victory

Republican Rep. Deborah Pryce, Ohio Republican, won re-election yesterday by a margin so slim that a recount will be required.

Unofficial results announced by Franklin County, the last to finish counting absentee and provisional ballots in central Ohio's 15th District, showed Mrs. Pryce led Democratic challenger Mary Jo Kilroy, a Franklin County commissioner, by 1,055 votes.

Mrs. Pryce lost Franklin County, the district's most populous, but she retained her lead thanks to votes she picked up in two other counties that announced results last week, Madison and Union, the Associated Press (AP) reports.

The race was one of a handful that had remained unresolved across the country since Election Day, when Democrats took control of Congress.

Mrs. Pryce ended up with 50.2 percent of the vote, compared with 49.8 percent for Mrs. Kilroy in the unofficial totals. An automatic recount is triggered if the difference between the two candidates is less than one-half of one percent.

Jersey barrier

Conservative groups in New Jersey are pushing a proposal that would grant the rights of marriage -- but not the title -- to homosexuals, siblings and others involved in domestic partnerships, the AP reports.

The plan comes in reaction to a state Supreme Court ruling last month that said same-sex couples in New Jersey should have the same rights and benefits as married couples. Whether to call those rights "marriages," civil unions or something else was left up to lawmakers.

Under the conservatives' plan, rights would be available to twosomes who are not eligible to marry, said Len Deo, president of the New Jersey Family Policy Council. Besides homosexuals, such couples would include blood relatives, or simply two unmarried friends of the same sex. Unrelated opposite-sex couples, who can legally marry, would not be eligible for the designation.

'Civil war' fight

NBC News yesterday began calling the Iraq conflict a "civil war," adopting a phrase that President Bush and many other news organizations have avoided, the AP reports.

Matt Lauer said on the "Today" show that "after careful consideration, NBC News has decided that a change in terminology is warranted, that the situation in Iraq with armed militarized factions fighting for their own political agendas can now be characterized as civil war."

The Bush administration said yesterday that it does not think Iraq is in a civil war, and that Iraqi Prime Minister Nouri al-Maliki does not, either.

"You have not yet had a situation also where you have two clearly defined and opposing groups vying not only for power, but for territory," White House press secretary Tony Snow said. "What you do have is sectarian violence that seems to be less aimed at gaining full control over an area than expressing differences, and also trying to destabilize a democracy."

StopHerNow.com

A Dallas businessman has launched a Web site with a single, simple objective: prevent Sen. Hillary Rodham Clinton from becoming president.

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StopHerNow.com aims "to shed light on the REAL Hillary Clinton and the danger she and her ideas pose for America," proclaims the site created by Dick Collins, a Texas newspaper publisher and Republican activist.

The site features links to news articles and commentary about the former first lady, as well as a humorous animated series, "The Hillary Show."

The first installment of the cartoon series shows Mrs. Clinton sparring with potential 2008 rival Sen. John Kerry, Massachusetts Democrat. Mr. Collins says he hopes to continue the series with new episodes reflecting the latest news surrounding Mrs. Clinton's much-anticipated White House bid.

The cartoon was created by a group of artists who are "a bunch of libertarians, not really political, but they all dislike Hillary Clinton," Mr. Collins said.

"The Republican Party over the last couple of decades has had the problem of appearing to be a party of anger, and we wanted our effort to be ... one that would deliver a smile," Mr. Collins tells Robert Stacy McCain of The Washington Times.

Mr. Collins says the site is "a grass-roots effort to define Hillary Clinton. She's trying to be something that she's not. She's attempting to become a centrist Democrat, and in fact she's an ultraliberal Democrat."

Bad move, Alcee

When Rep. Alcee L. Hastings started naming names of his critics -- and lashing out at "anonymous bloggers" -- the Florida Democrat may have bit off more than he could chew.

"I hope that my fate is not determined by Newt Gingrich, Sean Hannity, Ann Coulter, Michelle Malkin, Michael Barone, [Matt] Drudge, anonymous bloggers, and other assorted misinformed fools," Mr. Hastings wrote last week in a five-page letter to House Democratic colleagues, seeking support for his bid to become chairman of the House intelligence committee.

"The letter may have done more harm than good to Hastings' cause, however, because Malkin answered in kind with a post that labeled Hastings a 'fool' and his letter to colleagues an 'unhinged rant,' " K. Daniel Glover wrote at National Journal's Web site (www.nationaljournal.com).

Mrs. Malkin's response to Mr. Hastings at michellemalkin.com "included plenty of background links on the Hastings bribery case and current criticisms of his leadership bid," Mr. Glover noted.

Other bloggers, not all of them conservatives, have joined in the anti-Hastings response, highlighting the facts of the former federal judge's 1988 impeachment and removal from office for bribery, including the names of prominent Democrats who condemned Mr. Hastings as guilty of corruption.

The public-relations debacle unleashed by Mr. Hastings' letter prompted Glenn Reynolds (www.instapundit.com) to observe that Mr. Hastings is "the perfect target for hostile bloggers -- a guy with a really lousy record who'd rather people didn't think about it, whose every complaint just provides an opportunity to remind people how lousy that record is."

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U.S. Attorney Garcia Faces Tough Calls (LAW)

By Mark Hamblett, New York Law Journal

New York Law Journal, November 28, 2006

Southern District of New York U.S. Attorney Michael J. Garcia knew there would be some tough calls to make when he accepted an appointment to one of the most high-profile law enforcement jobs in the country.

Garcia, 45, was sworn in as U.S. Attorney on Sept. 6, 2005. During a little more than a year as the top federal prosecutor in Manhattan, he had to pull the plug on several celebrated cases to defend subordinates from almost unprecedented criticism over their handling of a non-prosecution agreement with KPMG.

But Garcia does not take refuge in the fact that the cases he has had to clean up were launched well before he took office last year.

"We don't measure the value of this office in terms of wins and losses," he said in a recent interview in his office at One St. Andrew's Plaza in lower Manhattan. "The value is in the type of cases we bring and the example we set for the rest of the country."

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Garcia said that the Southern District has always taken "hard cases, cutting edge cases," that come with some risk attached.

"We go in because we believe the case is strong and we do the right thing," he said. "We have some assistants saying 'I'm 11-0,' but what does that mean? A guy might be 5-5 but he's bringing very tough, important cases."

Garcia opted in August to avoid a retrial and reach a deferred prosecution agreement with former investment banking heavyweight Frank Quattrone on charges that he obstructed investigations into the process for allocating shares in initial public offerings while head of the Credit Suisse First Boston Technology Group.

Then, after a jury in September was unable to reach a verdict in the third racketeering trial against John Gotti Jr., Garcia announced it would not be in the interests of justice to pursue a fourth trial.

And last week, the office dismissed charges against five New York Stock Exchange specialists who were accused last year with defrauding customers of millions of dollars by exploiting their position as middlemen by trading ahead of buy and sell orders. Prosecutors previously had dropped charges in two other cases. They have obtained guilty pleas or verdicts from five specialists. Two other defendants have been acquitted at trial, and one case is pending.

While the Quattrone, Gotti and stock exchange cases received their share of media attention, they are far removed from the day-in, day-out work done by the office on issues including international narcotics trafficking, violent gang crimes, organized crime and white-collar cases such as stock fraud and market manipulation.

When Garcia took office, he emphasized his great respect for its traditions and national reputation, and said he had no intention of radically changing the way the office does business.

Garcia indicated he would pay particular attention to public corruption, announcing a higher profile in the district's northern counties by establishing a corruption hotline.

Last month, he announced the indictment of state Assemblyman Brian M. McLaughlin, a labor leader, for stealing, with others, more than $2 million from labor organizations, nonprofits and the state of New York.

Garcia has pressed the ongoing investigation into corruption in the United Nations sponsored "Oil-for-Food" program. The program, which was designed to mitigate the harm done to civilians in Iraq from international sanctions against the regime of Saddam Hussein, allegedly spawned a series of insider deals for connected businessmen and prominent public officials.

On Nov. 1, Garcia announced the indictment of Sanjaya Bahel, a former procurement agent at the United Nations, who allegedly received real estate in return for steering more than $50 million worth of United Nations' contracts to Nishan Kohli of Thunderbird Industries. Kohli was also charged in the scheme.

And Nov. 20, Garcia announced the indictment of Salvatore "Hot Dogs" Battaglia, president of the Local 1181 of the Amalgamated Transit Union on racketeering charges in connection with his status as a member and associate of the Genovese organized crime family.

DUAL USE TECHNOLOGY

The personnel of the office has remained relatively stable since Garcia took office.

But he has made some changes in the structure of the office, including breaking up the organized crime and terrorism unit into two distinct groups. Richard Daddario is chief of the organized crime unit.

The newly formed terrorism and national security unit, headed by Edward O'Callaghan and David Raskin, is charged with augmenting and supporting what Garcia said is primarily a military battle against terrorism.

The unit focuses on crimes such as immigration and document fraud, violations of trade sanctions regimes with outlaw nations, and, of particular interest to Garcia, enforcement of import-export restrictions on technology that has both a military and civilian use, such as machine tools that have a benign purpose but could be used in a nuclear program. Garcia had previously worked on the issue as an assistant secretary of commerce.

He has formed an "ad hoc working group" with his office, Commerce Department officials and his old organization within the Department of Homeland Security, the U.S. Immigration and Customs Enforcement. Its efforts, he said, are geared toward "pro-active investigations."

"We might start to see some results soon in that area," he said. "It might not be a pipeline going directly to Hamas, but there is some stuff that is going into very sensitive areas, such as Iran."

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Garcia said he has made a priority of interagency cooperation, sending O'Callaghan and Raskin to regular morning meetings with their counterparts in other federal agencies to review the latest "real-time" intelligence on possible threats.

The meetings, he said, "send a great message to our law enforcement partners" and brings "focus" to the anti-terror efforts of prosecutors in New York and Washington D.C.

Other changes at the office this year included the departure of Richard Owens as chief of the securities and commodities fraud unit for a partnership in the New York office of Latham & Watkins. Owens' shoes were filled by David Esseks.

PROSECUTORS CRITICIZED

Garcia has faced major challenges stemming from his office's tactics in the KPMG case.

The criminal case, touted as the largest tax fraud prosecution in U.S. history, alleges that KPMG partners and employees sold illegal tax shelters to wealthy clients, costing the U.S. Treasury more than $2 billion in revenue. The government reached a non-prosecution agreement with the firm in August 2005 that had strings attached -- KPMG must provide real cooperation to prosecutors trying to win convictions against the former partners and employees.

But in June 2006, Southern District Judge Lewis Kaplan blasted the government for using its leverage over KPMG to force it to cap the payment of legal fees for ex-employees under investigation.

The judge said that, in following the guidelines for determining whether a company is cooperating fully with an investigation, outlined in the Justice Department's Thompson Memo, the government "let its zeal get in the way of its judgment," and violated the Fifth and Sixth amendments.

"KPMG refused to pay because the government held the proverbial gun to its head," he said.

Garcia jumped to the defense of his prosecutors.

"The actions of the government were entirely consistent with appropriate Justice Department policy, and we believe that the prosecutors acted ethically and properly throughout this case," he said in a statement following the decision.

Garcia declined to specifically discuss the KPMG case during a recent interview. But generally, he said, on one hand, he would not make it a point to just "sail into a dispute" with a federal judge and on the other, "I certainly don't want to see assistants criticized unfairly."

The case had forged an unusual set of bedfellows opposing the government, with the Chamber of Commerce and the Association of Corporate Counsel teaming up with the defense bar to fight the Thompson memo.

Veteran defense lawyer Gerald Lefcourt said the case has riveted the defense bar and that his colleagues were pleased to hear that top Justice Department officials are reconsidering some of the policies enshrined in the memo.

TOUGH APPROACH

Lefcourt said Garcia has reinforced what he called an increasingly harsh, or "Calvinistic" approach, to plea negotiations and charging decisions in the Southern District. One example was the recent attempt by the government to obtain a 30-year sentence for defense lawyer Lynne Stewart, who was convicted of providing material support for terrorism by helping the Islamic Group of Egypt send messages to and from its imprisoned spiritual leader, Sheik Omar Abdel Rahman.

Judge John Koeltl opted instead to give Stewart 28 months in prison, which the defense attorney and her followers hailed as a victory outside of the courthouse at 500 Pearl Street.

Garcia laughed at the term "Calvinistic," and said his approach to charging decisions and plea negotiations is entirely consistent with past Southern District policy, a policy he said has a proven track record.

"This office, as much as any other, has traditions and has things that are tried and true and work," he said.

Garcia said the prosecution of Stewart, Mohamed Yousry, and Ahmed Abdel Sattar was "a complex trial that we got convictions on" -- an example of a cutting-edge prosecution that was risky and sent an important message.

His office is expected to appeal Koeltl's sentence of Stewart.

Lefcourt and other defense lawyers said of the few setbacks suffered by the office that Garcia "shouldn't be tagged with the problems people see."

"It's too early" to judge Garcia's performance to date, Lefcourt said. "The jury is still out."

U.S. Attorneys are appointed to four-year terms.

BIOGRAPHY

DOJ_NMG_0098815

A graduate of Albany Law School, Garcia was an associate at Cahill, Gordon & Reindell and clerked for state Court of Appeals Judge Judith S. Kaye before joining the Manhattan U.S. Attorney's Office in 1992.

He served in the office for nine years, successfully prosecuting the defendants in the 1993 World Trade Center bombing case and the four defendants charged in the Osama bin Laden indictment for the bombing of two U.S. embassies in Africa.

He left the office in 2001 to become assistant secretary for export enforcement at the Department of Commerce and was named acting commissioner of the Immigration and Naturalization Service in November 2002.

Following the reorganization that resulted in the Department of Homeland Security, he was named by President George W. Bush in March 2003 as assistant secretary for Immigration and Customs Enforcement, a position he held until August 2005.

CORPORATE SCANDALS:

Affiliated Computer Ousts King, Edwards After Probe (Update6) (BLOOM)

By Benedikt Kammel

Bloomberg, November 28, 2006

Nov. 27 (Bloomberg) -- Affiliated Computer Services Inc., the world's biggest processor of student loans, ousted Chief Executive Officer Mark A. King and finance chief Warren D. Edwards after a probe showed that stock options were backdated.

King, 49, and Edwards quit yesterday after violating the company's code of ethics with options awards, according to a statement today. Chief Operating Officer Lynn Blodgett, 52, will become CEO and John Rexford, 49, will be chief financial officer.

The two managers at the Dallas-based company are among more than 60 executives that have left their jobs after investigations into whether options grants were backdated and compensation costs misreported. Options probes to see whether grants were retroactively dated to increase their value to executives and other recipients have affected at least 187 companies.

``Investors need to be on their guard" with companies that backdated options plans, said Pieter Wind, head of securities at ING Private Banking in Amsterdam, which oversees about $14.4 billion and doesn't hold stock in Affiliated Computer. ``We're not talking Enron here, but it makes you wonder if they did more to the expense of shareholders."

Shares of Affiliated Computer rose as much as 5.6 percent to $53.60, and traded at $52.46 as of 10:10 a.m. in New York. Before today, they had lost 14 percent this year.

`Intentional Misdating'

The Affiliated Computer managers ``used hindsight to select favorable grant dates" on options after Chairman Darwin Deason had authorized the issue of the option grants, the company said. Another unidentified manager was also aware of the ``intentional misdating" of the documents, Affiliated Computer said.

King and Edwards will no longer be entitled to their existing severance agreements and will have their salaries cut while they remain at Affiliated Computer in a transition period through June 30, 2007, the company said. The two executives will no longer be eligible for any bonus plans.

The incorrect accounting unearthed in the probe, which scrutinized option practices between 1994 and 2005, will lead to about $51 million in costs plus tax-related expenses, the company said. The sum may be higher or lower depending on the final outcome. Affiliated Computer said it has yet to determine whether it will need to restate earnings as a result of the adjustment.

``Neither Mr. King nor Mr. Edwards told the company's directors, outside counsel or independent accountants that the company's stock options were often granted by looking back and taking advantage of past low prices," Affiliated Computer said.

Delayed Earnings

Affiliated Computer had delayed its fiscal first-quarter earnings report because of the options grants. The company on Nov. 1 said earnings dropped 6.9 percent to 60 cents a share from 74 cents a year earlier, more than analysts had predicted, as sales advanced at the slowest pace in six quarters and new orders declined.

King's tenure as CEO only lasted for a little more than year. He was appointed in October 2005 to replace Jeff Rich, who had run the company since 1999. King, who was chief operating officer, was replaced by Blodgett at the time.

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Blodgett joined Affiliated Computer in 1996 after the company he founded, Unibase Technologies Inc., was acquired by ACS. Rexford joined the company the same year and was previously in charge of overseeing the mergers and acquisitions program at Affiliated Computer.

Multiple Probes

Affiliated Computer has been investigated on several occasions in recent years. In May this year, it said a current and a former employee may be charged with crimes uncovered in a Justice Department antitrust probe. In February 2004, the company said the SEC was investigating contracts in Florida, where the company has acknowledged employees manipulated wage rates and start-date information to make their performances look better.

In January 2004, a former vice president of Affiliated Computer was convicted on charges that he orchestrated a $3.8 million billing fraud.

More than 150 companies have disclosed internal or federal reviews of their options-granting practices to determine if they manipulated grant dates to enrich employees.

Brinkley Morse, the former CFO of Quest Software Inc. quit after refusing to answer questions about past option grants at the maker of database-management programs, the company said on Nov. 24. Property and casualty insurance seller HCC Insurance Holdings Inc. said on Nov. 17 that CEO Stephen L. Way and General counsel Chris L. Martin resigned after accountants found misdated options that may lead to restatements of as much as $37 million.

Affiliated Computer received a subpoena from the U.S. Attorney for New York's Southern District and an informal inquiry from the U.S. Securities and Exchange Commission, both concerning options grants.

Corporate In-house Lawyers No Longer Low-key And Low-paid (FT)

By Brooke Masters In New York

Financial Times, November 28, 2006

Becoming a corporate general counsel used to be something leading American lawyers did to slow down.

The jobs were considered relatively low-key, low-profile and low-paid, at least in comparison to a partner at a big law firm, and lawyers who went in-house often held their jobs until they retired or got bored.

Not any more. In the wake of the 2002-03 corporate scandals and the Sarbanes-Oxley corporate accountability law, general counsels are now central figures at most US companies, often reporting directly to the board and often appearing on the list of the five highest paid corporate officers.

The post has also become a much riskier assignment. In the past six months, 12 public companies have changed chief legal officers amid investigations into whether the firms illegally backdated stock options grants to pump up executive compensation.

Hewlett-Packard is also in the market for a lawyer to replace general counsel Ann Baskins, who resigned after the company's use of "pretexting" during an investigation of board leaks came to light.

"These positions are not for the faint-hearted," says Catherine Nathan, head of general counsel practice for search firm Spencer Stuart. "The whole environment has changed. Corporations are under a microscope. CEOs are under intense scrutiny and they rely heavily on their general counsels."

Between the departures over stock options and ordinary turnover, the American market for in-house lawyers is hopping, search firm executives say. In-demand candidates are fielding multiple inquiries and compensation packages are rising.

The average bonus for the nation's 100 highest-paid general counsels was $906,820 last year, up 16 per cent, and the average restricted stock grant was nearly $1m, up 35 per cent, according to a study of Securities and Exchange Commission filings by Corporate Counsel magazine.

When salaries were included, the total average package reached nearly $2.5m.

"I'm seeing a bit of sticker shock [at the size of the wage bills]," says June Eichbaum, senior partner at the search firm Heidrick & Struggles, which has been hired to fill at least four of the positions vacated in the options scandal.

"Historically, the general counsel was not thought of as a profit centre," she says, adding that the job had now become a critical business function.

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Worried boards are asking for candidates with a different set of skills than they did 15 years ago. Back then, companies wanted merger-and-acquisition experience and investment banking ties.

Now even companies not facing immediate regulatory problems want former prosecutors and SEC enforcement lawyers.

Search firms date the shift to the Enron and WorldCom scandals, which put corporate fraud on the public radar. Since then, Fortune 500 companies PepsiCo, Lockheed Martin, Boeing and Estée Lauder have all turned to lawyers with Justice Department experience.

"The board wants someone who can walk into the offices of the SEC and the justice department and know people there . . . someone who understands what the regulators care about today, not what they cared about 10 years ago," Ms Eichbaum says.

Today's boards are equally clear about what they do not want - anyone with ties to options backdating. With 160 companies enmeshed in the scandal, boards have become insistent that candidates are scandal-free.

"They have to have clean hands," says Martha Fay Africa, managing director of legal search firm Major, Lindsey & Africa. She says boards are asking: "How can we know that this person wasn't implicated?"

The new focus on regulatory issues dovetails with the on-the-job experience of in-house lawyers.

For the second year in a row, "keeping apprised of company activities that may have legal implications" has replaced "reducing outside legal spending" as the main concern of American in-house lawyers, with 86 per cent mentioning it in a survey for the Association of Corporate Counsel.

"With all of the international operations, they are really on call 24/7," says James Wilber, a leader of services to corporate law departments at Altman Weil, a consulting firm. "The pressure has increased significantly."

Date Set For Milberg Weiss Trial (WSJ)

By Andrew Simons

The Wall Street Journal, November 28, 2006

LOS ANGELES -- The trial of Milberg Weiss Bershad & Schulman LLP, a prominent class-action law firm, and two of its top partners, will get under way here Jan. 8, 2008, a federal judge said at a hearing Monday.

The setting of the trial date came amid further questions from defense lawyers about whether government prosecutors would file additional indictments, a subject that has been a sticking point in setting a firm trial date.

Prosecutors had been aiming for a trial date in October 2007, while defendants were seeking a February 2008 setting.

Federal Judge John Walter started Monday's hearing suggesting an October trial date. Defense attorneys balked, saying that wasn't enough time to prepare for a case if more indictments were filed against Milberg Weiss.

"October is unrealistic to get this done in an orderly way," said Bill Taylor, the lead attorney for Milberg Weiss.

So far, the government's efforts to obtain further indictments have remained under seal at the request of prosecutors, and Judge Walter said at the hearing that the efforts were "a red herring" in the case.

In May, a federal grand jury here indicted the firm on fraud charges. According to the 20-count indictment, the firm paid plaintiffs millions of dollars in exchange for filing more than 150 lawsuits. Two of the firm's top partners, Steven Schulman and David Bershad, also were charged with participating in the alleged kickback scheme.

In addition, Seymour M. Lazar is accused of acting as a paid plaintiff in some of the firm's cases and Paul T. Selzer is charged with laundering money on Mr. Lazar's behalf.

The defendants have maintained their innocence.

At one point in Monday's hearing, government prosecutors said they would not add charges in the case if the trial date could be set in October. Defense attorneys shot back that the government could still pursue the charges later in a future case.

"Are we simply postponing allegations?" asked Mr. Taylor.

Judge Walter was critical of government prosecutors taking so long to investigate the case, as he had been at a hearing in September. "The problem is this continuing moving target," he told government prosecutors, in reference to more indictments.

Milberg Weiss has been one of the most aggressive law firms in the U.S., essentially pioneering the business of filing giant securities class-action lawsuits -- bringing together hundreds or thousands of investors into one big case against a corporation.

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The firm's lawyers have engineered $100 million-plus settlements against Prudential Insurance Co., Lucent Technologies Inc. and CVS Corp., among others. In cases such as these, shareholders typically sue a company claiming it misstated its finances.

Federal law prohibits lead plaintiffs from being paid more than other plaintiffs in securities class-action lawsuits (with some exceptions for incidental expenses). The government charged the firm, as well as Messrs. Bershad and Schulman, with multiple fraud counts.

--Nathan Koppel contributed to this report.

The Deferred Prosecution Racket (WSJ)

By Richard A. Epstein

The Wall Street Journal, November 28, 2006

Corporations suffer a peculiar vulnerability. The rules of criminal liability allow federal and state prosecutors to unduly punish those corporations that fall within their crosshairs. But the recent emergence of deferred prosecution agreements (DPAs) to force major changes in corporate governance should give pause to even the most ardent populist.

A DPA is a provisional settlement of a criminal lawsuit whereby the prosecutor agrees to suspend -- but not to dismiss -- any prosecution in exchange for the corporation's promise to reform its internal operations in specified ways. A sensible settlement can split the difference, by having a defendant pay half the maximum fine or sentence. But with corporations they take on an entirely different -- and sinister -- complexion. * * *

The last thing a corporation fears (since it cannot be imprisoned) is the maximum fine from a successful criminal conviction. Rather, the deadly force of the DPA rests in a combination of two key factors: vicarious corporate criminal liability, and the collateral consequences of the initial indictment prior to, and independent of, any eventual conviction.

Vicarious liability, as first developed in tort law, allows innocent third parties to sue not only an individual wrongdoer for damages, but also his employer, so long as the wrongdoer's act is within the scope of his employment. In the context of tort law, this rule ensures funds for compensating innocent victims, while giving a firm the incentive to monitor its employees. Many judicial decisions have, however, unwisely imported this doctrine wholesale into the criminal arena -- allowing a corporation to be punished criminally for the actions of any midlevel or senior employee, even if the corporation neither authorized nor condoned the wrongful action.

Writing in January 2003, Larry Thompson, then deputy U.S. attorney general, exhorted federal prosecutors to use vicarious liability to extract favorable settlements to reform corporate defendants from the outside. The Thompson memorandum insisted that corporations receive a temporary reprieve only if they purge themselves of individual wrongdoers and agree to extensive government oversight to make them walk the straight and narrow path.

In pursuing Mr. Thompson's strategy, prosecutors face both a dilemma and an opportunity. Their only credible threat against a recalcitrant corporation is the criminal indictment -- yet simply filing an indictment triggers huge collateral repercussions sufficient to drive the firm out of business, as teams of state and federal regulators are now duty-bound to suspend the licenses and permits under which the corporation does business. Thus, the corporation that has strong protections against false convictions -- proof beyond a reasonable doubt of the elements of the crime, the ability to examine evidence or cross-examine witnesses -- is helpless to protect itself. A conviction carries at most a million-dollar fine, but simple indictment, which lies wholly within the prosecutor's discretion, imposes multibillion-dollar losses.

Faced with that kind of pressure, the indictment is all that matters. Yet given these weird incentives, DPAs no longer serve the public interest. The agreements often read like the confessions of a Stalinist purge trial, as battered corporations recant their past sins and submit to punishments wildly in excess of any underlying offense.

Evidence of the gravity of the situation is only a mouse-click away. In one such notable agreement, the U.S. attorney for New Jersey, Christopher J. Christie, put the screws to Bristol-Myers Squibb, which got into hot water because of a potential securities violation for inflating its quarterly earnings by a business practice known as channel stuffing. BMS told its distributors that they had to take into inventory large amounts of BMS products immediately, with the understanding that down the road they could return the excess for a refund. The alleged securities violation arises from the overstated earnings quarterly reports, without indication of any expected future write-offs.

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The naïve reader might think that a DPA should prohibit the firm from engaging in future conduct of the sort that got it into hot water in the first place. But Mr. Christie had larger ambitions. The most striking evidence of the abuse of power is paragraph 20 of the agreement, which requires BMS to "endow a chair at Seton Hall University School of Law," Mr. Christie's alma mater, for teaching business ethics, a course that he himself could stand to take.

That mild government peccadillo is a mere prelude to the sterner stuff to come. BMS agreed not only to abide by the law and to purge its ranks of the parties responsible for the scheme, but also to exhibit "exemplary corporate citizenship." To that end, all its activities have been overseen by Mr. Christie's independent adviser, former federal district court judge Frederick B. Lacey, who has the power to attend all meetings and review all documents -- and to report his findings to Mr. Christie. BMS was ordered to restructure its internal operations and appoint a new chief compliance officer to assist Mr. Lacey. It also agreed to pay a $100 million fine and make contributions of $350 million to a fund for present and former shareholders.

All these key provisions flunk the most elementary standards of business rationality -- if the object of these DPAs is to restore the confidence of shareholders in the firm. How can any firm act decisively with a government mole in its midst? What other firm would seek to acquire BMS, knowing that they must thereby give Mr. Christie the keys to its boardroom? And what purpose do shareholder funds serve, other than to impose random transfers among shareholders?

A DPA such as this one erodes the most elementary protections of the criminal law, by turning the prosecutor into judge and jury, thus undermining our principles of separation of powers. The Bristol-Myers Squibb DPA allows the prosecutor to lower the boom following the recommendation of Mr. Lacey. The corporation's sole remedy is to plead its case before the prosecutor in an environment wholly devoid of the most rudimentary procedural protections.

These powers were implemented when Mr. Christie threatened to reinstate the indictment if the board did not remove CEO Peter R. Dolan for his role in an aborted agreement with Canadian corporation Apotex. The agreement -- to delay Apotex's introduction of a generic competitor to Plavix, BMS's best-selling blood thinner -- led to a criminal antitrust investigation. Any connection between channel stuffing and price fixing remains unclear. * * *

BMS is not the only instance of prosecutorial zeal. A New York deferred prosecution agreement with KPMG in essence required the firm to stop payment to former employees to cover the defense expenses in criminal prosecutions for tax fraud before Judge Lewis A. Kaplan in New York's southern district. Mr. Kaplan rightly treated the government's decision as an unwarranted interference with the defendants' constitutional right to the assistance of counsel and a deprivation of liberty without due process of law. He has ordered a cessation of proceedings until the defense lawyers could regroup their forces.

Yet we should do far better. For starters, the Department of Justice should engage in unilateral disarmament by disavowing the odious Thompson memo, and rethinking why it ever needs to threaten the nuclear option of a corporate indictment. For its part, our new Congress should repeal by statute the doctrines of vicarious liability for criminal conduct in a corporate context -- because these give the government unwarranted and arbitrary power over corporations.

At bottom, corporations are just individuals tied together by an elaborate network of contracts; and we don't need yet another sorry reminder of how mindless government policies harm the innocent shareholders whom they are supposed to protect. The government has a vital role in criminal enforcement. So let it go after real, i.e., human, criminals the old-fashioned way, by careful investigation and skilled prosecution.

Mr. Epstein is the James Parker Hall Distinguished Service Professor of Law at the University of Chicago and the Peter and Kirsten Bedford Senior Fellow at the Hoover Institution at Stanford University. He is the author, most recently, of "Overdose: How Excessive Government Regulation Stifles Pharmaceutical Innovation" (Yale University Press, 2006).

CRIMINAL LAW:

Government To Appeal Acquittal Of Former San Diego Councilman (AP)

AP, November 28, 2006

SAN DIEGO, (AP) -- The Justice Department said Monday that it will appeal a federal judge's ruling that overturned a jury conviction of a former City Council member accused of taking money from a strip club owner in exchange for political favors.

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U.S. Attorney Carol Lam poured significant resources into winning a conviction against Michael Zucchet in July 2005, forcing the councilman to resign and relinquish his position as interim mayor. Four months later, U.S. District Court Judge Jeffrey Miller acquitted Zucchet, saying the evidence against him on charges of fraud and extortion was insufficient.

"Because it is rare for a trial judge to overturn a jury's unanimous finding of guilt, it should not surprise anyone that the government would seek to defend the jury's verdicts on appeal," Lam said in a statement.

Zucchet's attorney, Jerry Coughlan, insisted on Zucchet's innocence.

"They've got an uphill battle ahead of them to convince an appellate court that one of the best judges around was wrong," Coughlan said.

Zucchet and fellow former Councilman Ralph Inzunza were convicted of taking money from Las Vegas strip club owner Michael Galardi in exchange for trying to ease restrictions on touching dancers at San Diego strip clubs.

Zucchet was convicted of four counts of fraud and three counts of extortion on his first day as interim mayor. Mayor Dick Murphy had resigned amid federal probes into the city's scandal-plagued pension fund.

Inzunza was sentenced to 21 months in prison. Lance Malone, a former Clark County, Nev., commissioner and a lobbyist for Galardi, was sentenced to three years in prison.

Fan Hacks Into Cell Phone Data For Linkin Park's Lead Singer, Threatens Wife, Feds Say (FINDLAW/AP)

AP, November 28, 2006

(AP) - ALBUQUERQUE, New Mexico-A woman is accused of using a computer at a national laboratory to hack into a cell phone company's Web site to get a number for Chester Bennington, lead singer of the Grammy-winning rock group Linkin Park.

According to an affidavit filed by the Department of Defense Inspector General, Devon Townsend, 27, obtained copies of Bennington's cell phone bill, the phone numbers he called and digital pictures taken with the phone.

Investigators said she also hacked into the e-mail of Bennington's wife, Talinda Bennington, and at one point called her and threatened her.

Talinda Bennington told federal authorities last month that someone had accessed their Verizon Wireless account online, according to the affidavit, and expressed concern that a "stalker" had access to personal information.

Townsend waived her right to a preliminary hearing Tuesday in U.S. District Court and was released to her mother's custody. She is accused of using a computer at her former workplace, Sandia National Laboratories, to access Bennington's cell phone information. Lab spokesman Michael Padilla said Wednesday that she no longer worked there.

Townsend's attorney, Ray Twohig, said that investigators were still analyzing his client's computer and that it remains to be seen what exact violations will be alleged.

"This is the Internet version of a groupie hiding in Mick Jagger's dressing room," Twohig said. "We're in a different age, and fans have more skills than they used to."

Townsend's computer wasn't connected to classified data, Padilla said.

The affidavit says that during a search of Townsend's home in Albuquerque, investigators found Linkin Park posters, autographed band memorabilia, pictures of Townsend with Chester Bennington, bootlegged Linkin Park music and copies of messages and photographs intercepted from the Bennington family's e-mail accounts.

A person who answered the phone Friday at Time Warner - Linkin Park's label is Warner Bros. Music - said no one would be available to comment until Monday.

Sandia National Laboratories develop technology to support national security, according to its Web site.

Linkin Park has sold more than 36 million records worldwide. In February, Linkin Park and rapper Jay-Z shared a Grammy Award for best rap/sung collaboration for "Numb/Encore." In 2001, the band won a Grammy for best hard rock performance for "Crawling."

At Trial, Transcripts Reveal 2 Detectives' Last Minutes (NYT)

By Michael Brick

The New York Times, November 28, 2006

Two covert police detectives spent their final minutes touting their underworld credibility and evading their surveillance team in an effort to put the men they were investigating at ease, according to testimony and recordings delivered in court yesterday.

"What is the big deal?" one detective asked the two men in his car, according to a surveillance tape transcript provided by prosecutors. "I know. Everybody's leery. Listen, I'm leery, I'm leery too. I, I understand. I don't want to get caught up."

Minutes later on the evening of March 10, 2003, the detective, James V. Nemorin, 36, and his partner, Rodney J. Andrews, 34, lay dead on a street in Staten Island.

Their supervisor, Sgt. Richard Abbate, found their bodies shortly after losing the signal from a surveillance transmitter one detective wore disguised as a pager.

"I saw that he had one eye closed and one eye opened," Sergeant Abbate said, speaking from the witness stand about Detective Andrews. "He had sustained a wound to his head. I then approached Detective Nemorin. There was a long line of blood coming from his head."

It is likely that no one will ever know whether the detectives' efforts to disguise their employment succeeded. The man on trial for their killing in federal district court in Brooklyn, Ronell Wilson, 24, faces the death penalty on charges of murder in furtherance of racketeering.

Prosecutors have dropped charges of obstruction of justice murder, because a witness crucial to those charges rescinded his earlier account that Mr. Wilson knew the men were detectives.

That witness, like several others in the case, was a member of the so-called Stapleton Crew, a street gang that prosecutors said sold drugs and guns, shot, robbed and terrorized a path across Staten Island.

"It grew from a group of guys selling crack cocaine on the corners and in the projects to having a route," an assistant United States attorney, Colleen Kavanagh, said in her opening statement yesterday.

In the years since the shooting, seven members of the group have pleaded guilty to a variety of charges in exchange for their testimony against Mr. Wilson.

Ms. Kavanagh told jurors that Mr. Wilson intended to steal $1,200 from the detectives, money they were carrying to purchase a Tec-9 pistol, though the stack of police-issued $100 bills remained in Detective Nemorin's pocket after he was killed. She told jurors that the members of the Stapleton Crew had speculated on Detective Nemorin's police status, but she stopped short of suggesting that Mr. Wilson knew for sure.

"The evidence will show, ladies and gentlemen," Ms. Kavanagh said, "that the defendant did not care."

A lawyer for Mr. Wilson, Ephraim Savitt, told the jury that the witnesses were unreliable. Aside from the man who changed his account, others have lied to prosecutors and violated the conditions of their cooperation deals, Mr. Savitt said.

The fourth man in the car on the night of the shootings, Jesse Jacobus, then 17, has assaulted his fellow inmates as he waits to testify, the defense lawyer said.

"He still is a brute," Mr. Savitt said. "You're going to have to rely on the word of Jesse Jacobus to find that Ronell Wilson was actually the shooter, as the government alleges."

Mr. Jacobus is one of the seven men who have pleaded guilty in the case. As the lawyers made their arguments, a crowd of police officers watched on a screen from an overflow room. Inside the courtroom, their colleagues were dressed in business suits, prohibited from appearing in their uniforms.

Friends and relatives of the slain detectives, including several small children, watched from the gallery. As testimony began, the police supervisor, Sergeant Abbate, described following his detectives through the streets of Staten Island, listening to the signal from the surveillance transmitter in his sport utility vehicle. The car the detectives were driving, a Nissan Maxima, had once been his own department-issued vehicle.

Sergeant Abbate said he watched two men climb into the seats behind the detectives, ride around and then stop for a red light. When the light changed, Sergeant Abbate testified, the Maxima did not move. A man got out of the back seat. Inside his S.U.V., another officer leaned over and blew the horn. The man in the street turned and looked at the S.U.V., Sergeant Abbate said, identifying the person he saw as Mr. Wilson. Then the Maxima drove out of his sight.

The sergeant said he could tell that Mr. Wilson had later returned because he heard the same voice resume on the transmitter.

In their transcript, prosecutors identified that voice as “Ronell Wilson.” The recording played in court was unintelligible for long portions, a mixture of static, overlapping voices and hip-hop music, presumably from the car stereo. The audible parts are dominated by Detective Nemorin’s lilting Haitian accent.

Using profane street language riddled with racial slurs, Detective Nemorin sought to convince the men in the car that Detective Andrews was his brother-in-law.

“There’s nothing to worry about,” Detective Nemorin said. “Look, we’re not going to deal in front of him, O.K.? I’m coming. I could step out and we do the deal outside.”

The voice attributed to Mr. Wilson argued every point:

“That ain’t how Frankie run business, yo,” he said.

“It’s mad hot, man,” he said, meaning the police are watching closely.

“It’s mandatory, we gotta search you,” he said.

Between arguments, the voice directs Detective Nemorin where to turn as he drives, a winding series of lefts and rights punctuated by talk of frustration at red lights.

“That’s it, that’s it,” Detective Nemorin said, 20 seconds before the tape cuts to static. “All right? All right?”

Rare Death Penalty Trial Begins In New York (NYS)

By Joseph Goldstein, Staff Reporter of the Sun

New York Sun, November 28, 2006

A federal prosecutor told a jury yesterday that the Staten Island man accused of executing two undercover detectives during a gun sale in 2003 had considered that his victims might be police and simply "did not care."

The defendant, Ronell Wilson, now 24, could face the death penalty if convicted in a trial that opened yesterday in U.S. District Court in Brooklyn. But the judge, Nicholas Garaufis, instructed the 12 jurors and six alternates not to think about sentencing Mr. Wilson during the first stage of the trial, as they decided the factual question of his guilt or innocence of the federal racketeering crimes he is charged with.

Mr. Wilson is a reputed leader of the Stapleton Crew, a gang named after the Staten Island housing project of the same name. Mr. Wilson is accused of killing detectives James Nemorin and Rodney J. Andrews as he gave them driving directions from the back seat of the car.

The car, a Nissan Maxima, is at the center of the case. The ride began at about 7:15 p.m. on March 10, 2003, when the detectives pulled up in front of Wilson, then 20, and his 17-year-old associate Jesse Jacobus at the housing development.

The aim of the detectives, both members of the elite Firearms Investigation Unit, was to purchase a TEC-9 submachine gun for $1,200 and get "one more gun out of the hands of one more violent criminal," an assistant U.S. attorney, Colleen Kavanagh, said. A half-hour later, the bodies of detectives were found in a nearby street. Both men had been shot in the head.

The conversation from the final 30 minutes of the detectives' lives was captured on a static-filled audiotape that prosecutors played yesterday. The conversation between Mr. Wilson and the detectives was fueled by suspicion. Mr. Wilson had expected only one man, not two, to show up for the deal. Nemorin repeatedly tries to allay Mr. Wilson's suspicions by saying Andrews is his brother-in-law.

Feds' Probe Of James Now Takes Close Look At Newark Land Deals (NSL)

By Ian T. Shearn And John P. Martin, Star-ledger Staff

Newark Star-Ledger (NJ), November 28, 2006

A federal investigation into the administration of former Newark Mayor Sharpe James has expanded, with more subpoenas delivered to City Hall and agents now scrutinizing real estate deals that benefited some of the ex-mayor's biggest supporters, according to sources close to the probe.

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FBI agents in recent weeks have interviewed a number of city employees, and prosecutors also have demanded additional records from Newark City Hall, among them personnel files of at least four current and former city employees, including James' son, Elliot.

The federal investigation began in late August, when federal officials issued subpoenas and executed a search warrant following a Star-Ledger story detailing travel expenses that James and his security detail had charged to a police department credit card. James, who stepped down in June after 20 years as mayor, remains a state senator.

While investigators continue to look at travel-related expenses, they are also probing the administration's sale of surplus city lots to developers at cut-rate prices, according to sources familiar with the investigation. Among those winning the no-bid contracts were several people with close ties to James, including some with little or no development experience, a Star-Ledger investigation found in 2005.

In June, a state Superior Court judge in Essex County halted the discount land sales, saying that the timing of developers' campaign contributions to James and other city officials and the approval of their projects "raises concerns."

James, now head of the newly created Urban Issues Institute at Essex County College, did not return phone messages left at his home and office. At a recent event sponsored by the institute, James declined to comment on the probe, saying, "We are not interested in that. I'm a college professor now."

Michael Drewniak, a spokesman for U.S. Attorney Chris Christie, declined comment.

On Nov. 2, federal investigators delivered a subpoena to City Hall, demanding the personnel files for Elliot James, the ex-mayor's son and former aide; Leonard Anton H. Wheeler, a school board member and former planning board member who was Sharpe James' legislative aide; Calvin West, who was James' top aide for years; and Diana Jarrell, an investigator for the city's Alcoholic Beverage Commission. A copy of the subpoena was viewed by The Star-Ledger.

It was unclear why the grand jury sought those records.

West, who is now employed as the governor's representative in North Jersey, said he was unaware that his records were subpoenaed, adding that he has not been called to testify before a grand jury.

"I've been out of City Hall for four years," West said. "Nobody has said anything to me."

Wheeler, now an Irvington school teacher, also said he was unaware that his records were subpoenaed. He said he had not been contacted about testifying, but would do so if called.

"I don't know what they hope to find by looking at my records," Wheeler said. "I wasn't paid much and I came to work."

Wheeler said he believes the investigation is politically motivated.

"This is about doing away with the old regime," Wheeler said. "This is about destroying Sharpe's legacy. Everything good that happened in this city in the last 20 years has Sharpe James' fingerprints on it."

Neither Elliot James nor Jarrell could be reached for comment.

In August, the U.S. Attorney's Office subpoenaed travel records and personnel files for 10 city employees, including five former police bodyguards, two department heads, two former mayoral aides and a former city councilman.

Anthony Fusco, a Passaic attorney representing three of James' former bodyguards, said his clients have been interviewed by FBI agents, but have not appeared before a grand jury. His clients -- officers Jerome Ramsey, Robert Moore and Lucinda Simmons -- are complying with federal investigators, he said.

Earlier this month, Newark attorney and longtime James confidant Raymond A. Brown and his son, Raymond M. Brown, went to City Hall and asked for copies of James' travel and expense account documents recently turned over to federal investigators, a spokeswoman for Mayor Cory Booker confirmed. City lawyers declined the request, said the spokeswoman, Desire Peterkin-Bell.

Neither Brown nor his son responded to phone messages left at their office.

In an Aug. 20 story, The Star-Ledger detailed James' use of a police department credit card to augment his travel, dining and entertainment expenses.

While in office, James used two credit cards to pay for his travel and expenses -- one billed to the police department and the other to City Hall. According to incomplete records obtained by The Star-Ledger, James put more than $200,000 in charges on the two cards over the past 4 1/2 years, with more than $125,000 attributed to travel.

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The two expense accounts came on top of $25,000 that the City Council added to his annual salary in 1993 to cover such costs.

In addition to demanding James' travel records, the U.S. Attorney's Office also has subpoenaed travel records and personnel files for 10 other city employees, including the police bodyguards, two department heads, two former mayoral aides and a former city councilman. Investigators also have asked for e-mails generated by James and another bodyguard, Adelino Benevente, dating to 2001.

Staff writer Jeffery Mays contributed to this report. Ian T. Shearn may be reached at ishearn@starledger.com or (973) 392-1671.

3rd Woman Is Identified Among 4 Victims In Ditch (NYT)

By David Kocieniewski And Nate Schweber

The New York Times, November 28, 2006

Investigators yesterday released the identity of the third of four women found dead last week in a ditch near a squalid strip of motels just outside Atlantic City. They noted that like two other victims, she, too, had a history of prostitution arrests.

The victim, Barbara Breidor, 42, is believed to have been dumped into the ravine about two weeks before pedestrians discovered the women's bodies on Nov. 20, according to a statement by the Atlantic County prosecutor, Jeffrey S. Blitz.

The cause of her death, and that of the unidentified victim, have not been determined. But investigators have said that autopsies on the other two victims showed that one, Tracy Ann Roberts, 23, died of asphyxiation and that the other, Kim Raffo, 35, was killed by ligature strangulation.

All four victims were found in several inches of water behind a $15-a-night motel, barefoot and with their heads facing in the same direction, a few hundred feet apart, Mr. Blitz has said.

Medical examiners have told investigators that the varying decomposition of the victims' bodies indicates that they had been killed and dumped at different times during the past month, and that the most recent victim had most likely been dead for only two days before she was found.

While drug dealing and prostitution have long been commonplace near the rundown strip of the Black Horse Pike where the bodies were found, many residents and business owners have been terrified at the prospect of a serial killer preying upon women who live on the margins of Atlantic City's economy.

Local authorities have formed a task force with the New Jersey State Police and the F.B.I. to try to solve the killings. Two dozen investigators have been assigned to the case, Mr. Blitz said. .

Ms. Breidor's friends said they had been worried about her since she disappeared about six weeks ago. She lived in a quiet neighborhood of well-tended homes across the street from the Ventnor Educational Community Complex.

Lori Adams, a former roommate, said that despite the problems that led Ms. Breidor to struggle for a living on the tawdry outskirts of Atlantic City, she was bright, upbeat and funny.

"She made you laugh every second of every day you were with her," Ms. Adams said.

Ms. Adams became agitated when asked about Ms. Breidor's record of prostitution arrests. "It's nobody's business what she did with her life," she said. "The things she did she will take to her grave."

Ms. Breidor was raised in the suburbs of Philadelphia, according to a cousin, Lance Breidor, and lived intermittently along the Jersey Shore during the past two decades. Mr. Breidor, 45, said they spent a lot of time together as children but drifted apart when they became adults. He said he remembered hearing that she had struggled with drug addiction.

When he last saw Ms. Breidor eight years ago, he said, she was working at a jewelry store at a mall outside of Philadelphia and appeared to have her life in order

"She seemed to be the type that would always be smiling and joking," he said. "Usually when there are people who'd take a bad turn there are signs. But we never saw any with her."

A.C. Killings Echo Three Earlier Cases (PHI)

By George Anastasia And Jacqueline L. Urgo

The Philadelphia Inquirer, November 28, 2006

DOJ_NMG_0098825

ATLANTIC CITY - Earlier this year, three suspected prostitutes were attacked on North Georgia Avenue a few blocks from the city's Boardwalk casino strip.

All three were slashed across the throat. Two died.

Those unsolved crimes have attracted the attention of investigators probing the killings of four suspected prostitutes whose bodies were found last week in a drainage ditch in the West Atlantic City section of Egg Harbor Township.

"Major Crimes, the FBI and the state police have been in," said Atlantic City Police Detective Richard Johnson, a city arson investigator who worked on the Georgia Avenue cases.

Johnson was quick to point out that there was no hard evidence linking the Georgia Avenue slashings to the marsh killings, which some have attributed to a serial killer. Investigators are interested because all of the victims were apparently prostitutes, Johnson said.

Though the victims on Georgia Avenue were slashed, authorities have determined that at least two of the women whose bodies were dumped in the marsh had been strangled. Pathologists could not determine the cause of death of the two other marsh victims because the bodies were too badly decomposed.

Yesterday, as a task force of federal, state and local authorities pressed the hunt for the killer of the women in the marsh, a third victim was identified as 42-year-old Barbara V. Breidor. The fourth victim, whose body had been in the ditch for up to a month, remains unidentified.

Authorities pointed out that all four women in the ditch were white with blond or light hair.

Two of the Georgia Avenue victims, including one who died, fit that description, Johnson said. The other woman who died was African American.

"They're all from the same victimization group," Capt. Jim Hutchins of the Atlantic City police said, referring to the women's background as suspected prostitutes. He said yesterday that linking the two sets of killings would be speculation at this point.

The first Georgia Avenue slaying was on May 3, according to police, who opened an investigation after firefighters responding to a fire in an apartment at 29 N. Georgia Ave. discovered a charred body.

The victim was later identified as Veronica Fields, 45.

"She was badly burned," said Johnson, the arson investigator. "It wasn't until the autopsy that we realized her throat had been slashed.

Authorities believe Fields' killer put her on a bed in her apartment and set the bed on fire.

In July, a suspected prostitute was attacked in a parking lot next to that building, Johnson said. Her throat was slashed, but she survived.

Police would not release the woman's name yesterday.

Two months later, on Oct. 1, police were summoned to an apartment at 26 N. Georgia Ave., where they found Karen Luongo dead in her bathtub. Her throat had been slashed.

Luongo was last seen entering her apartment a few nights earlier with an unidentified man, according to a report in the Atlantic City Press.

Johnson said investigators had been pursuing several angles in that case, including one theory that Luongo was killed because she knew who had killed Fields.

The two apartment buildings are across the street from each other, just a few blocks from the Boardwalk casino strip and the city convention center and train station.

The apartment building at 26 N. Georgia has a notorious history. Twenty-five years ago it was the residence of mob boss Nicodemo "Little Nicky" Scarfo, who is now serving a 55-year prison term for racketeering and murder.

"Back then that was one of the safest blocks in the city," an investigator said.

The Atlantic City Police Department Vice Squad has been providing information to the law enforcement task force investigating the West Atlantic City murders.

The four marsh bodies were discovered Nov. 20 within about 300 feet of one another in a drainage ditch behind a strip of seedy motels along the Black Horse Pike, about a mile outside Atlantic City.

All four were barefoot, lying facedown, with their heads pointed toward Atlantic City.

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Breidor last lived on Lafayette Avenue in Ventnor. She was identified through dental records, Atlantic County Prosecutor Jeffrey S. Blitz said.

Earlier, investigators identified two other victims as Tracy Ann Roberts, 23, and Kim Raffo, 35, both of Atlantic City. Both had been strangled.

Breidor was wearing Capri-style jeans and a brown, long-sleeve zippered jacket. Blitz estimated her body had been in the water at least two weeks and authorities could not determine a cause of death.

Breidor, Roberts and Raffo had arrest records for prostitution, Blitz said.

The fourth victim, described as 5 feet tall and weighing about 160 pounds, has not been identified. Authorities believe her body was in the water for up to a month. Investigators hope several identifying tattoos, including a black-and-white bulldog on the small of her back, a crudely designed Playboy bunny on her shoulder, and the name "Yolly" or "Molly" on her stomach, will help them learn her identity.

The three known victims have been described as transient, living in boardinghouses and apartments in Atlantic City's poorer fringes. Fields and Luongo, the Georgia Avenue victims, also skipped from house to house.

"They're easy targets," said Hutchins, a 25-year police veteran. "If they disappear for two weeks, nobody cares. They just figure they're 'cracked out.' "

Hutchins said most prostitutes in Atlantic City - as in other cities - are drug addicts likely to take risks.

"It's an occupational hazard," he said. "But they'll pretty much do anything for a dollar."

Fairfax Police To Seek FBI Help (WT)

By Matthew Cella

The Washington Times, November 28, 2006

Fairfax County police plan to ask for help from the FBI as they investigate the recent killings of two similar-looking elderly women who shared the same first name and lived two miles apart.

"We want to make sure we're looking into all possible leads," said Officer Camille Neville, a Fairfax County police spokeswoman.

Officer Neville said that officers canvassing the Springfield neighborhood near where the women were killed received some "promising" tips.

Police stopped cars at Hyland and Craig streets Sunday night, handing out 4,000 fliers and asking residents for information.

"We did receive some interesting information -- not necessarily pertinent at this point, but things we would not have known otherwise," she said.

Marion Newman, 74, of the 7100 block of Reservoir Road, was found dead inside her home by a friend about 11:15 a.m. last Tuesday. She had missed a dinner appointment a day earlier.

Police said there was no sign of forced entry into Mrs. Newman's home, but there were signs of a struggle. They also said that Mrs. Newman suffered trauma to her upper body.

Investigators are examining whether the case is linked to the August slaying of Marion Barbara Marshall just two miles away.

A friend found Mrs. Marshall, 72, dead in her home in the 6600 block of Bostwick Drive about 6:10 p.m. on Aug. 14. An autopsy revealed that Mrs. Marshall had been beaten to death.

Surveillance photos showed Mrs. Marshall about 11:15 a.m. Aug. 14 at the Giant Food store in the Bradlick Shopping Center, located at 6980 Braddock Road, police said.

Police said that they have not connected the two killings through physical evidence but are investigating the similarities.

Officer Neville said police are planning to ask for help from the FBI's Quantico, Va.-based Behavioral Science Unit, which develops profiles of suspects based on evidence patterns.

Police do not believe the killings of Mrs. Marshall and Mrs. Newman were related to the death of a 52-year-old Falls Church woman found in her house about 4:30 p.m. Saturday.

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Officers found Julie Mansfield Adams of the 8300 block of Glastonbury Court after receiving a tip from West Virginia State Police, who were investigating the suicide of a 41-year-old man.

Police initially said that Mrs. Adams suffered trauma to the upper body, but autopsy results released yesterday showed that she died from a stab wound.

The killing was domestic in nature, police said.

Fairfax County has recorded 15 homicides this year.

Inmate At Big Sandy Prison Slain; Second Killing In Three Weeks (LEXHL)

By Lee Mueller, EASTERN KENTUCKY BUREAU

Lexington Herald-Leader (KY), November 28, 2006

INEZ - Federal authorities are investigating the second slaying in less than three weeks at a maximum security prison in Eastern Kentucky.

Prison authorities Monday confirmed the stabbing death of Shamoni Peterson, 32, on Nov. 13, three weeks after the U.S. Penitentiary-Big Sandy in Martin County reported the first slaying since it opened in 2003.

"Preliminary information indicates he was the victim of an assault," a Federal Bureau of Prisons news release said Monday.

Peterson, like the first victim, Calvin Speight, 42, was from Washington, D.C. Peterson was transferred to the Martin County prison on Dec. 14 and was serving a sentence of six years and three months for unlawful possession of a firearm by a convicted felon, according to authorities.

Like Speight, who died Oct. 24, Peterson was transported to Highlands Regional Medical Center near Prestonsburg, where he was pronounced dead, Floyd County Coroner Roger Nelson said.

Nelson said Peterson apparently had been stabbed repeatedly with a sharp weapon and was pronounced dead at 6:40 a.m.

"He bled out, more or less," Nelson said.

Prison spokeswoman Mashelle Arisman said that no charges have been filed in either case, but that the FBI is investigating.

Arisman said the prison, which houses 1,600 high-security inmates near the Johnson County line, has been placed on lockdown status during the investigation.

Warden Suzanne Hastings could not be reached for comment, but Felica Ponce, a spokeswoman for the Bureau of Prisons in Washington, said "there is no correlation between the two deaths that have occurred there."

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Slick Admits Lying To FBI In Miller Case (CRG)

By Dorothy De Souza Guedes

Cedar Rapids Gazette, November 28, 2006

CEDAR RAPIDS, IA - In a small federal courtroom crowded with reporters, investigators and members of Evelyn Miller's family, Danny Slick pleaded guilty to lying during a July 3, 2005, interview with the FBI about Evelyn's disappearance.

Details of the plea agreement, which could require Slick to cooperating with prosecutors, were not available.

Slick was accused of lying to FBI agents July 3, 2005, about a drug dealer known as "Porky" and where "Porky" lived.

Slick's friend Randy Patrie, 34, told Slick that he had stopped to get "dope" at "Porky's" after he dropped off Slick at their residence about 2:30 a.m. July 1, 2005, after the two men left the apartment where Evelyn lived with her family.

At the time of Slick's arrest, authorities said it was an important step forward in piecing together the events that led to the disappearance of Evelyn and her death.

"This is the first time that somebody is having to take responsibility for anything connected to Evelyn's disappearance," said Brandi Hoffman, of Des Moines.

Hoffman spoke outside the courthouse on behalf of the family. She is the sister of Casey Fredericksen who was engaged to Evelyn's mother and responsible for the girl's care the morning she disappeared.

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Man Pleads Guilty To Misleading FBI In Evelyn Miller Case (AP)

AP, November 28, 2006

CEDAR RAPIDS (AP) — A man believed to have been one of the last to see Evelyn Miller alive pleaded guilty Monday to lying to FBI agents investigating the girl's 2005 disappearance and death.

Danny Slick, 27, of Charles City, admitted in federal court to giving investigators false statements during interviews days after the five-year-old girl disappeared from her Floyd apartment.

He faces a maximum of five years in prison, fines up to $250,000 and is scheduled to be sentenced Feb. 20 in U.S. District Court in Sioux City.

Prosecutors and investigators have said little on whether Slick's legal case has any significant bearing on the ongoing investigation into Miller's slaying.

But U.S. District Judge John Jarvey agreed Monday to seal most of the details of Slick's 13-page plea deal.

Relatives of the young girl viewed Slick's guilty plea and its confidential details as some positive pieces to the puzzle.

"I think he knows who did it and what happened," Brandi Hoffman, the girl's aunt, told reporters afterward. "There has to be a reason for them to have sealed" the plea deal.

Slick was arrested in June and indicted by a grand jury on two counts of making false statements to FBI agents working the case.

He pleaded not guilty, was released after posting bond, but arrested again in August for violating his probation and held in custody since.

Dressed in a prison gray shirt and pants and handcuffed around the waist, Slick offered few words during his brief hearing, mostly just answering "yes" to a series of the judge's questions.

Under the deal, Slick admitted to lies alleged in the indictment's second count, involving statements Slick gave about his whereabouts and that of his former roommate, Randy Patrie, the night Miller disappeared.

Initially, Slick said he and Patrie visited the apartment to see Casey Fredericksen, the live-in boyfriend of the girl's mother, Noel.

Slick said he and Patrie left Miller's apartment and returned to their home in Charles City at about 2:30 a.m, but that Patrie left for about 15 minutes, allegedly to buy drugs at the home of someone named "Porky."

In the indictment, authorities say Slick altered details of his initial story during a second interview. In court documents, Slick said he did not see Patrie again for several hours after Patrie left their home, and that he misled agents when he denied knowing Porky's real name and where he lived.

Where Are They? 2 Little Boys Have Vanished Without A Trace (MINNST)

By Terry Collins And Richard Meryhew, Star Tribune Staff Writers

Minneapolis Star Tribune, November 28, 2006

Ground and air searches turned up no sign of the Red Lake brothers, opening up other theories about what happened.

RED LAKE, MINN. -- Now that the air and ground crews are gone, the question on everyone's mind is: If Tristan and Avery didn't wander away from their home, then what happened to them?

"We just don't have any indicators one way or another," on whether the brothers wandered off or whether foul play was involved, FBI Special Agent Paul McCabe said Monday.

Tristan A. White, 4, and Avery Lee Stately, 2, were last seen playing outside their home Wednesday morning in a remote area.

Although authorities have said they have found no evidence so far that would suggest the boys were abducted, that scenario seems more probable with each passing day, said an expert familiar with cases of missing children.

"There's not a break in the ice, not the scent in the trails that would normally tell you they wandered off," said Nancy Sabin, executive director of the Jacob Wetterling Foundation.

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Sabin added: "They used a lot of sophisticated tools to figure out how far those boys went and how fast. And as of the moment, there isn't any evidence that they went into the water anywhere. ..."It's a stumper I think at this point, anything is possible," she said.

The Wetterling Foundation is a nonprofit organization that educates families and communities to prevent the exploitation of children.

Paul Burke, a consultant with the National Center for Missing and Exploited Children, agreed with Sabin.

"I don't know where this will go," Burke said Sunday after thanking the scores of volunteers at the Red Lake Humanities Center. "It's hard. It's tough."

The ground and air searches were called off on Sunday, but "pinpoint searches" will continue. Under dreary skies, authorities on Monday surveyed some empty houses near the missing boys' home.

While the brothers haven't been seen, their smiling faces are on fliers that have been posted in surrounding areas and the Twin Cities.

After five days of intense searching, McCabe said they haven't ruled out the possibility the boys might still be on the Red Lake Reservation in northern Minnesota.

"Whenever you do a ground search, you can't always be sure," he said. "There's never a guarantee every area has been covered, even after a thorough search."

Sabin encouraged anyone who might have information about the case to call authorities. The FBI has set up a tip hot line at 1-866-333-4969. Citizens also can call the FBI at 612-376-3200 or the Red Lake Tribal Police at 1-218-679-3313.

"The public's eyes, ears and hearts are really needed in this situation to break this case in some way," Sabin said. "We need some good, quality leads. And you just never know what's going to break it. Somebody out there knows something."

Stranger abductions of children are extremely rare in the United States. The most recent study by the National Center for Missing and Exploited Children showed that about 115 occur each year.

Nevertheless, Sabin said , parents of children who have questions about the Red Lake case should talk with them to reassure them that they are safe and loved.

"Parents need to give an extra hug or spend time in conversation or a hand held here or there to make sure they are going to be OK," she said.

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'POP' TART SCAMS BIGWIG (NYPOST)

By Dan Mangan

The New York Post, November 28, 2006

November 28, 2006 -- A pretty, young swindler who first met a top Pepsi Bottling Group executive online later anonymously shook him down for $125,000 by threatening to tell his wife, children and bosses he was trolling the 'Net at work for women, shocking court papers reveal.

"I'm sure this will be an unpleasant surprise. I'm sure when your wife finds out that you've been looking for a fill-in for her . . . it will be unpleasant for her, too," Jessica Wolcott, 22, e-mailed multimillionaire exec Gary Wandschneider, 54, in August.

Wolcott - who had met the exec face-to-face five months earlier - hid her identity in the threatening missive by using the e-mail account "cheater_eater@hotmail.com."

"After all these years of being married, this is how you repay your vows?" Wolcott asked Wandschneider, a father of three and executive V.P. for worldwide operations at Westchester-based Pepsi Bottling.

"You are disgusting . . . you are pathetic," Wolcott continued in the August e-mail.

Wolcott warned Wandschneider he would end up known as "just another hated Peter Cook" - supermodel Christie Brinkley's cheating hubby - if he didn't pony up the cash.

And when Wandschneider tried to stall by asking for time to gather the $125,000, she warned, "Here's hoping your life is still a living hell and worrying every day that your name will be in the news or on a TV movie for what you've done to your wife."

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Wolcott eventually got the funds transferred to her online account - but only after Wandschneider alerted the FBI, which provided the money and set up a sting to nail her.

The feds discovered her identity by determining she sent the e-mails from various locations in Pennsylvania.

When Wandschneider learned her name from FBI agents, he told them he had met her last February through the craigslist.org Web site. A month later, after exchanging e-mails and photos, he met her at a Mount Kisco bar.

The Ridgefield, Conn., man also copped to giving her $30,000 shortly after that meeting because she told him she needed to pay debts.

Although court papers do not identify Wandschneider by name, his identity was confirmed by Pepsi Bottling.

Wolcott pleaded guilty to the extortion scheme in White Plains federal court last week. She was ordered to repay the swindled $125,000 and surrender her computer.

She faces up to two years in prison at her February sentencing, but remains free on bail.

Wandschneider - who admitted to the feds that he used craigslist.org and another Web site to meet other women - could not be reached for comment.

But his wife, Dana, said, "I can't wait for her to be sentenced. You know, extortion is a bad thing."

A Pepsi Bottling spokeswoman said the company - the world's largest bottler of Pepsi beverages - learned of the scandal only yesterday and has launched an internal investigation.

Wolcott told thesmokinggun.com Web site, which first reported the case, that she did not have a "relationship" with Wandschneider.

Her lawyer, Susan Brody, told the Web site that Wolcott was "a young girl who has not had an easy life."

When Wandschneider first received an anonymous threatening e-mail on his office computer from Wolcott, she told "Gary" that she knew he had used his work e-mail account on a Web site that catered to wealthy men trying to meet attractive women, court records say.

"I'm sure [Pepsi Bottling] would be very proud to have an employee with such high morals," she wrote. "I don't like cheaters, not at all, men like you become my profession . . . You think you can just [throw] money at some young girl . . . who needs it because you are in a better position and use it to get sex?"

Admitting that what she was doing was extortion, Wolcott told Wandschneider she had no criminal record, so that even if she got caught, "I will get a slap on the wrist."

Additional reporting by Ed Robinson

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Ex-city Worker Pleads Guilty (RMA)

By Jack Flynn, Jflynn@repub.com

The Republican (MA), November 28, 2006

SPRINGFIELD - Another day, another guilty plea.

A former Springfield Housing Authority maintenance foreman yesterday became the 25th defendant to be convicted or admit guilt in Springfield's corruption probe. He pleaded guilty to two felonies for his role in building the Rhode Island summer home of ex-City Councilor Francis G. Keough III.

Daniel J. McNamee, 40, of Springfield, pleaded guilty to one count of obstruction of justice and one count of filing a false federal tax return during a hearing before Judge Michael A. Ponsor in U.S. District Court.

The guilty pleas were part of a deal with the U.S. Justice Department that will spare McNamee a trial but potentially expose him to 12 to 18 months in prison, Ponsor said. Sentencing was set for March 1.

The pace of the six-year federal corruption offensive has picked up since August, with 10 defendants pleading guilty and two others accepting plea deals in the housing authority scandal.

Last week, Fred Swan, a prominent city activist and brother of state Rep. Benjamin Swan, D-Springfield, pleaded guilty to fraud and other charges for his management of the taxpayer-funded Caring Health Center in Springfield.

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In the only defeat for the federal government, Ponsor ruled that charges were filed too late against housing authority contractor Peter Davis following his trial in October on racketeering and bribery conspiracy charges.

Details of McNamee's agreement, including whether he will be required to cooperate in upcoming cases, were not immediately available yesterday.

The outlines of the deal were discussed by Assistant U.S. Attorney Steven H. Breslow and McNamee's lawyer, Mark J. Albano, during a brief private conference with Ponsor.

The plea came seven months after a grand jury accused McNamee of misleading investigators about a heating system he installed at Keough's Rhode Island vacation home, and failing to report $11,000 in income from construction work at Friends of the Homeless, a taxpayer-financed charity run by Keough after he left politics in the mid-1990s.

Until quitting in 2002 to run his own contracting business, McNamee had worked as a $47,000-a-year maintenance foreman for the housing authority's Reed Village development.

During yesterday's hearing, Breslow said the defendant not only worked on Keough's property on authority time, but was accompanied by other employees as well.

No charged were filed against McNamee for defrauding the authority, but the 50-count indictment against Keough and two other men states that the $1,700 boiler installed at his home was obtained from the authority.

Keough, one of Springfield's most influential figures, is facing fraud, witness tampering, obstruction of justice, tax evasion and other charges related to his decade-long tenure at the homeless charity.

In the Springfield Housing Authority case, ex-director Raymond B. Asselin and 11 others pleaded guilty or accepted plea agreements in a multi-million dollar embezzlement scheme.

The housing authority and Friends of the Homeless are operating under new management.

Gentry Admits He Shot Tame Bear (STPPP)

The St. Paul Pioneer-Press, November 28, 2006

Country music star Troy Lee Gentry admitted Monday that "Cubby," the bear he killed on a Minnesota farm in 2004, wasn't a wild beast after all.

Appearing in federal court in Duluth on the day his trial was to start, Gentry pleaded guilty to a charge of falsely claiming the animal was wild. The charge, a misdemeanor, was the result of a plea bargain reached last week with federal prosecutors.

"He's glad to get it over with," said Gentry's attorney, Ron Meshbesher, of Minneapolis. "Obviously, he's saddened by all the publicity in this case, which inferred all kinds of improper conduct."

Gentry, 39, and Lee Marvin Greenly, 46, who owns Minnesota Wildlife Connection near Sandstone, were charged in August with conspiracy and falsely "tagging" the "trophy-caliber" bear by claiming it was shot in the wild. In reality, the tame bear was shot in a fenced area of several acres.

After the indictment, Gentry's Nashville agent shifted the blame for any improper conduct to Greenly, and online fan discussion forums were abuzz with debate over whether Gentry was a bona fide big-game hunter or a wannabe.

Gentry, in a statement released by his management company, said he regrets what happened, but he stops short of accepting any culpability other than relying on Greenly's guidance.

"I did participate in improperly tagging the animal I shot, without realizing the seriousness of what I was doing. For that, I am truly sorry," the statement said. "I relied on the experts around me for guidance, and I regret that today. Not so much because I was fined and punished, but because it appears that I don't have respect for the law."

He says the legal case "has been a humbling experience for me, and one which I deeply regret."

Gentry, half the country duo Montgomery Gentry, had previously declined to speak publicly about the bear shooting. The band's Web site works to craft an image of him and Eddie Montgomery as authentic country music icons.

"We're not trying to candy-coat anything. Who we are is who we are. It's all about being real, being yourself, and playing real music to the people," Gentry is quoted as saying in a biographical blurb.

But federal wildlife officials alleged Gentry's self-professed prowess as a bow hunter was candy-coated and in fact not real. The music star paid Greenly $4,650 for "Cubby," a 600-pound black bear that lived on Greenly's 80-acre business.

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Gentry, who lives in Tennessee and has a Minnesota hunting license, killed the bear with a bow and arrow as a video camera recorded the action.

When the kill was registered with the state's Department of Natural Resources, however, he said the bear was killed in the wild.

Meshbesher and the U.S. attorney's office worked out the plea bargain last week, and Gentry entered his new plea Monday morning before U.S. District Judge Paul Magnuson, sitting in Duluth.

In return for the guilty plea, prosecutors dropped a felony count against Gentry.

"It was emphasized by the judge … that he was merely charged with an improper tagging where the bear was killed," Meshbesher said. "The bear was legally harvested."

Greenly pleaded guilty to two felony counts. He is alleged to have set up illegal baiting stations inside Sandstone National Wildlife Refuge, then helped other hunters kill bears at the stations.

Both men will be sentenced later. Greenly could face up to five years' imprisonment on each count and a $400,000 fine.

Gentry has agreed to pay a $15,000 fine and not hunt in Minnesota for five years. He also will turn over the mounted bear, which Meshbesher said is in Gentry's home in Nashville.

While it may not rise to the collectibility status of Hank Williams' Martin D-28 guitar or a Lefty Frizzell rhinestone Nudie suit, the bear could wind up in the hands of a fan. Forfeited items are usually sold by the government at auction, Meshbesher said.

In a notice posted on Montgomery Gentry's Web site after the indictment in August, Johnny Dorris, whose Hallmark Direction Co. manages the band, lashed out at the "false accusations made against Troy in the indictment."

He said Gentry was "disheartened that he has been falsely accused" and shifted the blame to Greenly, saying Gentry had killed and tagged the bear "per the guidance of his professional guide."

Dorris could not be reached for comment Monday.

Gentry is an avid hunter, Meshbesher said. The band's 10-page contract rider even includes an "Attitude Enhancement" section that said any promoter booking the band in winter should provide for "snow skiing, snowmobiling, boating, hunting and/or fishing."

CIVIL LAW:

Justices Let Stand A Decision To Void Big Award Against Philip Morris (BLOOM)

By Bloomberg News

Bloomberg, November 28, 2006

The Supreme Court refused to revive a $10.1 billion award against Philip Morris USA yesterday, rejecting an appeal from smokers who said they were misled about the health risks of "light" cigarettes.

The justices, without comment, left intact an Illinois Supreme Court decision that threw out the case against Philip Morris, which is a division of the Altria Group and is the nation's largest cigarette maker.

Antismoking activists had hoped the verdict would be the first in a series of awards around the country against the industry over light cigarettes.

"It's clearly the end of lights litigation in Illinois," said David Adelman, a Morgan Stanley analyst who has an overweight rating on Altria. Altria shares fell 33 cents, to $83.42, in New York Stock Exchange composite trading.

In overturning the award last year, the Illinois Supreme Court said smokers could not invoke a state consumer protection law because the Federal Trade Commission had endorsed the "light" and "low tar" descriptions in settlements with other cigarette makers. Like many states, Illinois bars claims over actions specifically authorized by a government agency.

Supreme Court intervention might have complicated plans by Altria, which is based in New York, to spin off its Kraft Foods unit. On Nov. 16, Altria's chief executive, Louis C. Camilleri, said the company was ready to split off the food company, pointing to what he said was a waning risk of costly tobacco-related awards.

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The tobacco industry is still defending a separate nationwide class-action lawsuit filed in federal court in New York on behalf of light cigarette smokers. That suit, which invokes federal racketeering law, also raises questions about the legal force of the F.T.C. settlements.

Arguments in Major Antitrust Case

WASHINGTON, Nov. 27 (AP) — The Supreme Court pressed both sides Monday in a case that turns on the question of how much evidence plaintiffs must provide to litigate a private antitrust-conspiracy suit.

Some experts consider the case, Bell Atlantic v. Twombly, which stems from the deregulation of the telecommunications industry in the 1980s and 1990s, as the most important antitrust case to reach the Supreme Court in 20 years.

The class-action suit was filed in 2003 on behalf of United States consumers of local telephone and Internet service, claiming that incumbent local telephone companies, or Baby Bells, illegally conspired to prevent competition by excluding new local phone companies from their territories and agreeing not to compete against each other.

The original seven incumbent local phone companies have been reduced to four through mergers and acquisitions: Verizon Communications, the BellSouth Corporation, Qwest Communications and AT&T.

A federal district court dismissed the case, saying plaintiffs did not have enough evidence to show that a conspiracy would most likely be proved at trial. That decision was reversed by the Federal Court of Appeals for the Second Circuit, which ruled in October 2005 that a plaintiff must submit only a “short and plain statement of the claim” to survive a motion to dismiss.

The case is being closely watched by numerous companies, who contend that a low standard would allow “meritless” and “abusive” cases to go forward. But the plaintiffs argue that a higher standard could make it too difficult for individuals to bring valid antitrust cases.

Supreme Court Rejects Reinstatement Of $10.1 Billion Cigarette Verdict (AP)

The Associated Press

AP, November 28, 2006

The U.S. Supreme Court sided with one of the largest U.S. tobacco companies on Monday and refused to disturb a court ruling that threw out a $10.1 billion verdict over Philip Morris USA's "light" cigarettes.

The Court issued its order without comment.

Last year, the Illinois Supreme Court threw out the massive fraud judgment against Philip Morris, a unit of the Altria Group Inc., in a class action lawsuit that involved "light" cigarettes.

Because the Federal Trade Commission allowed companies to characterize their cigarettes as "light" and "low tar," Philip Morris could not be held liable under state law even if the terms it used could be found false or misleading, the state court said.

The case involved 1.1 million people who bought "light" cigarettes in Illinois. They claimed Philip Morris knew when it introduced such cigarettes in 1971 that they were no healthier than regular cigarettes but hid both that information and that light cigarettes actually had a more toxic form of tar.

An Illinois judge ruled in favor of the smokers in March 2003, saying the company misled customers into believing they were buying a less harmful cigarette.

A separate case involving Philip Morris is pending before the Supreme Court. Justices are considering whether to allow a punitive damages award of $79.5 million to the widow of a longtime smoker.

Laws Prohibit Smoking Around Children (USAT)

By Emily Bazar

USA Today, November 28, 2006

Anti-tobacco forces are opening a new front in the war against smoking by banning it in private places such as homes and cars when children are present.

Starting Jan. 1, Texas will restrict smoking in foster parents' homes at all times and in cars when children are present, says Darrell Azar of the Department of Family and Protective Services.

Vermont, Washington and other states and counties already prohibit foster parents from smoking around children in their homes and cars.

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Arkansas and Louisiana passed laws this year forbidding anyone from smoking in cars carrying young children. Courts are ordering smoke-free environments in custody and visitation disputes.

"We are very rapidly moving to protect children from secondhand smoke," says John Banzhaf, executive director of Action on Smoking and Health. "Even from their own parents and grandparents."

Former surgeon general Richard Carmona said in June that children exposed to secondhand smoke suffer an increased risk of respiratory ailments and sudden infant death syndrome.

Most smoking bans apply to workplaces and spots like bars and restaurants.

Smokers' rights groups liken banning smoking in private to the "Salem witch hunt," says Gary Nolan, spokesman for The Smoker's Club, Inc. He says secondhand smoke is not dangerous. "If we don't reverse this, they'll be telling us what we can eat and what we can feed our children," Nolan says.

Former smoker Bob Mathis, a Democratic state representative in Arkansas, sponsored a law that bars smoking in a car carrying a child young enough to require a car seat. It took effect in July. A violator can be fined $25 but can get out of it with proof of participation in a smoking-cessation program. A similar law took effect in Louisiana in August.

"We have laws on the books in every state of the union against child abuse," Mathis says. "This is a form of child abuse."

At least six states and some counties prohibit foster parents from smoking when foster children are present, says Kathleen Dachille, director of the Legal Resource Center for Tobacco Regulation, Litigation & Advocacy at the University of Maryland School of Law. "There are times when it's appropriate to regulate what people can do in their home," she says. "The state is responsible for that child."

Some courts are ordering parents in custody and visitation disputes not to smoke around their kids.

Initially, courts considered restrictions when children had ailments such as asthma that are exacerbated by smoke, says Linda Elrod, a law professor and editor of Family Law Quarterly. Now, they're more willing to restrict smoking even when there are no obvious health problems, she says. It generally comes up when one parent complains about the other's smoking.

CIVIL RIGHTS:

Prosecution Finishes Argument In US Smuggling Deaths Trial (FINDLAW/AP)

By Juan A. Lozano, Associated Press Writer

AP, November 28, 2006

(AP) - HOUSTON-A prosecutor on Monday described the truck driver at the center of America's deadliest human smuggling attempt as a "vile and heartless person" who ignored the pleas of the illegal immigrants stuffed in his trailer as the temperature inside rose.

Assistant U.S. Attorney Daniel Rodriguez told jurors in closing arguments that Tyrone Williams, a Jamaican citizen, was concerned only with getting paid, not the welfare of the illegal immigrants he was transporting during the failed 2003 smuggling attempt. Nineteen people died from dehydration, overheating and suffocation.

Williams' attorney, Craig Washington, acknowledged Williams is guilty of transporting illegal immigrants, but he insisted Williams never meant to hurt them.

Rodriguez said Williams failed to turn on his vehicle's air conditioning, which would have prevented the deaths. When Williams found out his passengers had punched holes through the trailer's back doors in an attempt to get fresh air and call for help, his only concern was getting more money to pay for the damage, Rodriguez said.

During his closing statements, Rodriguez showed the jury crime scene photos of the 19 victims.

"This government takes no pleasure in showing you these horrific photos," Rodriguez said. "These deceased individuals can only testify through these photos."

Williams is charged with 58 counts of conspiracy, harboring and transporting illegal immigrants. He faces a possible death sentence if convicted.

Authorities say Williams was part of a smuggling ring that tried to transport more than 70 illegal immigrants from Mexico, Central America and the Dominican Republic in his airtight tractor-trailer from South Texas to Houston in May 2003.

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Washington blamed Abel Flores, a member of the smuggling ring, for overstuffing the trailer. Washington said Williams did not know the immigrants were dying until one spoke to him in English, long after the journey had begun.

Williams abandoned the trailer at a truck stop near Victoria, about 100 miles (160 kilometers) southwest of Houston, after the immigrants succumbed to the deadly heat inside.

Prosecutors argued Williams ignored the immigrants' cries for help during the four-hour trip. The immigrants' body temperatures went from their normal 98.6 degrees Fahrenheit (37 Celsius) to as high as 113 degrees F (45 C).

Survivors testified they could not understand how Williams did not hear or feel as the immigrants desperately banged on the trailer's walls and shouted.

Fatima Holloway, a woman who rode in the cab with Williams, testified he did not respond to her pleas to free the immigrants.

Williams' defense attorney, Craig Washington, countered his client could not hear the immigrants' cries from the packed trailer until it was too late.

Washington also argued Williams did not know other smuggling ring members overfilled his stifling trailer.

Several survivors called by Williams' attorneys testified the air conditioning unit was turned on during the trip.

Washington tried to discredit Holloway's testimony by highlighting inconsistent statements she made to authorities about the smuggling attempt.

A jury convicted Williams last year on 38 transporting counts, but he avoided a death sentence because the jury couldn't agree on his role in the smuggling attempt. The jury deadlocked on 20 other counts. However, the 5th U.S. Circuit Court of Appeals rejected the decision, saying the verdict did not count because the jury failed to specify his role in the crime.

Williams, 35, who lived in Schenectady, New York, is the only one of 14 people charged in the case who is facing the death penalty.

So far, seven people have been sentenced to prison in the case. Sentencing for three others is pending. Charges against two were dismissed, and one man remains a fugitive.

Police Informant Denies Buying Drugs At Elderly Woman's Home (CNN)

CNN.com, November 28, 2006

ATLANTA, Georgia (CNN) -- An informant cited in a search warrant as having purchased narcotics at an elderly Atlanta woman's house denies buying drugs there, authorities say.

Undercover officers raiding the 88-year-old woman's house shot her to death last week after she fired on them while they broke down her door in a high-crime neighborhood.

Federal prosecutors will investigate the case, Atlanta Police Chief Richard Pennington announced Monday.

Pennington said the eight-member narcotics squad that took part in the raid has been placed on paid leave while investigators look into the informant's story and the circumstances surrounding the Nov. 21 death of Kathryn Johnston. The informant also told investigators from the Atlanta police internal affairs bureau that he was told to lie about the matter, the chief said.

"The FBI will investigate his statements, along with the police officers' statements as well," Pennington said.

Police said Johnston opened fire on police who tried to enter her home, prying off burglar bars and forcing open her door, during a "no-knock" drug raid last Tuesday. Officers returned fire, killing her.

Relatives put Johnston's age at 92, but Fulton County medical examiners said she was 88.

Neighbors and relatives said the raid had to have been a mistake. They said Johnston lived alone and was so afraid of crime in her neighborhood west of downtown Atlanta that she wouldn't let neighbors who delivered groceries for her come into her home.Reviewing 'no-knock' policy

In an affidavit used to obtain the search warrant, narcotics officers said an informant had purchased two bags of crack cocaine from a man identified only as "Sam" in the home earlier that day. Pennington said he called in federal prosecutors and the FBI after internal affairs investigators questioned the informant over the weekend.

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"After we brought the informant in and interviewed that informant, he told us that he had no knowledge of going into that house to purchase drugs," he said. "That's what he told us. I don't know if he went in or not. We don't know if he's telling the truth."

Pennington said the man was being "put away in a secure place" until he could be questioned by the FBI. The chief also promised to make "every document, every witness and piece of evidence" available to investigators.

Meanwhile, the seven narcotics officers and a sergeant were put on administrative leave with pay, and the department is reviewing its use of "no-knock" raids after the shootout, he said. The warrants are common in narcotics cases when officers fear suspects may try to dispose of drugs or evidence in the time it takes authorities to gain access to the home.

In addition to the FBI and the Justice Department, the Fulton County district attorney's office and the Georgia Bureau of Investigation are taking part in the probe.

Pennington made his reputation cleaning up a breathtakingly corrupt New Orleans Police Department in the 1990s. He said the "intense speculation and suspicion" surrounding Johnston's death spurred him to call in outside agencies.

"There are many unanswered questions. I promise each and every citizen that the complete truth will be eventually known, whatever that might be," he said. "But we must all exercise patience while we examine and re-examine every single aspect of these tragic events."

A spokesman for Johnston's family, the Rev. Markel Hutchins, went to Washington to request a federal investigation Monday. Hutchins said he had received assurances that agents would conduct a "swift and thorough" investigation into the woman's death.

Hutchins said the three mid-level officials with whom he met also promised "all resources at our disposal" to help counter the fallout in the African-American community from the shooting. He said he urged the Justice Department officials to press for strong federal guidance to local police departments against the use of no-knock warrants.

McKinney: Study Police Shootings House Member Seeks Federal Investigation (AJC)

By Mae Gentry, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, November 28, 2006

U.S. Rep. Cynthia McKinney has added her voice to a growing chorus of prominent Americans concerned about a spate of high-profile police shootings, including one that killed a New York man the day of his wedding.

The congresswoman has asked the Justice Department to investigate police-involved shootings around the nation, including in her home district of DeKalb County, where police have fatally shot a dozen people this year.

"There is a belief by some citizens that the police-involved shootings are steeped in the intentional use of excessive force, even deadly force," McKinney said in a Nov. 25 letter to Attorney General Alberto Gonzalez. "There definitely appears to be a developing national pattern of police misconduct and abuse resulting in an inordinately high number of serious injuries and deaths to the victims."

McKinney has also asked the House Judiciary Committee to conduct hearings on "the state of America's law enforcement agencies' use of force and deadly force and the impact on Americans on the basis of race and economic standing," her letter said.

New York Mayor Michael Bloomberg said Monday that the shooting early Saturday of three unarmed men, in which 50 bullets were fired, was "unacceptable." Sean Bell, who died in the shooting, was to have been married later that day.

Mayor Calls 50 Shots By Police 'Unacceptable' (NYT)

By Diane Cardwell And Sewell Chan

The New York Times, November 28, 2006

Mayor Michael R. Bloomberg convened an extraordinary meeting of black religious leaders and elected officials at City Hall yesterday to calm frayed tempers over the fatal police shooting of an unarmed black man in Queens, calling the circumstances "inexplicable" and "unacceptable."

"It sounds to me like excessive force was used," the mayor said of the conduct of the officers, who fired 50 shots outside a Queens nightclub early Saturday, killing Sean Bell, 23, hours before he was to be wed, and injuring two others. "I can tell you that it is to me unacceptable or inexplicable how you can have 50-odd shots fired."

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Mr. Bloomberg made the remarks after meeting with some of the city's most influential black politicians and community leaders, including Representative Charles B. Rangel, the Rev. Al Sharpton and dozens of others.

The mayor's decision to meet with Mr. Sharpton and other black leaders was a stark turnabout from the approach of Mr. Bloomberg's predecessor, Rudolph W. Giuliani, who did not reach out to black leaders in the immediate aftermath of the fatal 1999 shooting of Amadou Diallo, an unarmed African immigrant who died in a hail of 41 police bullets.

Mayor Bloomberg's blunt assessment of events still under investigation was striking, although he took pains to point out that the facts were not all in, saying several times that he did not yet know what happened in the shooting, but that he expected that a grand jury would be impaneled by the Queens district attorney, Richard A. Brown.

In a move that suggests the officers feel their actions were justified, the lawyer representing the men said he had contacted Mr. Brown's office and offered to have the officers speak to prosecutors and appear before a grand jury voluntarily without immunity. The police have not released the officers' names, saying they are trying to protect them from retaliation or harassment.

Philip E. Karasyk, who is a lawyer for the Detectives' Endowment Association, said, "We feel confident that once all of the facts and circumstances of this tragic incident are known, then our detectives will be exonerated."

"This was a tragedy, but not a crime," he said.

Mr. Brown said in a statement that he intended to convene a grand jury to hear evidence in the case. While Mr. Karasyk has represented the four men who are detectives in the preliminary stages of the investigation, three of the four will get new lawyers, possibly as soon as tomorrow, because each must have his own and it remains unclear whether they will pursue the same strategy. The fifth man, an officer, has different representation.

Participants at the private meeting at City Hall, which included Police Commissioner Raymond W. Kelly and several high-ranking Bloomberg aides, described the discussions as frequently heated, with the mayor sitting next to leaders whom he counts as supporters. Those more critical of the administration's response to the shooting, including Mr. Sharpton and City Councilman Charles Barron of Brooklyn, sat on the opposite side of the table.

Mr. Bloomberg's approach of reaching out to community leaders has drawn praise, and he plans to go to southeast Queens today to meet with community leaders there. But his efforts have left some unconvinced that the underlying conflicts between the police and predominantly black communities are being addressed.

"We prefer talking than not talking, but the object is not a conversation, the object is fairness and justice," Mr. Sharpton said as he left City Hall. "Because we're not just interested in being treated politely, we're interested in being treated fairly and rightly. And that will happen when police are held as accountable as anyone else."

Mr. Bloomberg pledged to do just that, saying that the city would review its policies and training procedures to ensure fair treatment, but he added that he did not believe that the shooting was racially motivated. Of the officers who fired on Mr. Bell's car, two are black, one is black and Hispanic, and two are white.

"I do not at this point believe that there was anything racially motivated here, but we'll wait and see whatever the facts are," Mr. Bloomberg said. "A lot of people feel that this on top of other incidents that have happened in the past is a pattern that is unacceptable. I find that pattern unacceptable as well," Mr. Bloomberg continued, adding that he saw the shooting as an isolated case.

"There is no evidence that they were doing anything wrong," he said of the men who were shot, referring to the moments leading up to the confrontation with the police.

Some policies appear to have been violated in the shooting, which occurred when, according to the police, undercover officers fired 50 bullets at Mr. Bell's car after he drove into one of the officers and an unmarked police van.

Officers are trained to shoot no more than three bullets before pausing to reassess the situation, Mr. Kelly said in his most detailed assessment of the shooting yet. Department policy also largely prohibits officers from firing at vehicles, even when they are being used as weapons.

Although several of the leaders at City Hall expressed confidence in the mayor and the police commissioner, the emotional meeting, which began with outbursts of anger and ended calmly, laid bare some of the rifts among New York's black leaders themselves. Some expressed support for the mayor's handling of the case or refrained from criticizing him. Many, however,

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expressed concerns that the administration was failing to deal with what they described as continuing tensions between black residents and police officers even when the officers are not white.

"There were some heated exchanges," said the Rev. Herbert Daughtry, an influential Pentecostal minister in Brooklyn. "We all agree that there is a pattern of police abuse of power, and this abuse of power ranges from police killing to police brutal behavior to disrespect. We reiterated that over and over again."

Mr. Daughtry warned the mayor not to confuse patience with complacency. "There is a temperature in our communities that is rising, and the tension is intensifying," he said. "While we don't want to try to ignite anything, we'd be blind to overlook what's happening and not to sound the alarm."

But other leaders played down the anger in the room, saying that some participants seemed determined to bring up past history or to pursue agendas with little bearing on this specific case.

"There's always anger after incidents like this and there's always a lot of people that bring up other incidents," said City Councilman Leroy G. Comrie Jr. of Queens. "People confuse history, and specific people are concerned about their individual actions." He added: "You have different people that don't know each other, there's always room dynamics, you know, because people come in with different agendas or some people are off topic altogether."

The shooting happened as the police were undercover in the club, Club Kalua, to investigate reports of prostitution and drug dealing. There was a dispute outside between two groups of men, and one group of three or four left. One undercover officer followed them, believing they might have been going to get a gun before returning to the club. In the officers' version of events, the undercover officer confronted the men in Mr. Bell's silver Nissan Altima, and they tried to run him over, prompting the fusillade from him and his backups.

Some of the leaders expressed dismay over Mr. Kelly's revelation that one of the undercover officers had had two beers in the course of the operation inside the nightclub, but was not given a breath analyzer test. Mr. Kelly said that undercover officers are allowed the two drinks and are not normally tested for intoxication. He said they were deemed fit for duty by their superior.

While the office of Mr. Brown, the Queens district attorney, will oversee the criminal inquiry, the tactics employed by the detectives and their supervisor during the events leading up to the shooting and the shooting itself will also be reviewed by the Police Department. Several people who have been briefed on the detectives' version of events raised questions about their tactics.

For instance, they said that one undercover officer who had been inside the club without his weapon retrieved it from a police vehicle and then engaged the men in the Altima, even though that task should have been left to the backup team. Mr. Kelly said that sequence of events was unusual.

Saying there was a "grave crisis" of confidence in his southeast Queens community, Bishop Lester Williams, who was to have performed Mr. Bell's wedding, said there had been no improvement in police-community relations since the height of tensions under Mayor Giuliani.

"It's Little Iraq, I'm sorry, especially toward the blacks in the community," he said before attending the meeting. "We don't feel protected."

But others said that Mr. Bloomberg had made some progress simply by setting a new tone. "Just the simple fact of meeting, or discussion, or expressing concern and outrage on the part of this administration, was different," said Comptroller William C. Thompson Jr., the city's top black elected official.

Shortly after 5 p.m., many of the same black leaders who had attended the meeting with Mr. Bloomberg went to a briefing at the Queens County Courthouse with Mr. Brown.

Mr. Bell's fiancée, Nicole Paultre, 22, the mother of their two daughters, arrived with her father and Mr. Bell's mother, Valerie, and uncle.

Nearly two hours later, Mr. Sharpton and Mr. Bell's family left, pushing past reporters without saying anything. Several other civic leaders said the meeting had been emotionally difficult, with Ms. Paultre and Ms. Bell bursting into tears. The civic leaders declined to discuss the meeting's specifics, but said they were satisfied with what they had heard.

While officials met and discussed the case, Mr. Bell's father, William, 53, stood by his house on a quiet, suburban street near Cambria Heights and said that they were all missing the point.

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“It’s more about politics than human life,” he said. Mr. Bloomberg has spoken with Sean Bell’s fiancée and said he plans to visit the family soon, but William Bell said none of the officials had reached out to him.

“At least they could say ‘I’m sorry,’ ” he said. “Say ‘I’m sorry, I’m going to find out what’s going on.’ ”

“He’s gone,” he said of his son. Then, patting over his chest, he added, “Not here in my heart he’s not gone, but he’s gone.”

N.Y. Mayor Calls Shooting 'Inexplicable' (WP)

By Michael Powell And Robin Shulman

The Washington Post, November 28, 2006

NEW YORK, Nov. 27 -- Once again a hail of police bullets has ended the life of an unarmed black New Yorker, and the city's mayor finds himself walking an uncertain line between reassuring black and Latino residents and defending his police force.

With a City Council member saying that black people are being "murdered" and some black clergy signaling their discontent with Police Commissioner Raymond W. Kelly, Mayor Michael R. Bloomberg (R), who is white, walked into a news conference Monday and spoke of his profound unease with the shooting by undercover police that claimed the life of a bridegroom on his wedding day.

"I can tell you that it is to me unacceptable or inexplicable how you can have 50 shots fired," Bloomberg said. "It sounds to me that excessive force was used, but that's up to the district attorney to find out."

In a visible symbol of Bloomberg's concern, he was accompanied by a number of prominent black pastors and politicians, including activist preacher Al Sharpton and Rep. Charles B. Rangel (D-N.Y.). The night before, Sharpton journeyed to the Community Church of Christ in the Jamaica neighborhood of Queens and vowed that he was going to "keep this in the street."

The shooting occurred early Sunday morning as an undercover officer trailed three men -- Sean Bell, 23, Joseph Guzman, 31, and Trent Benefield, 23 -- as they left a bachelor party at the Kalua Cabaret club in Jamaica. The trio had argued with two men inside the club and left, trying to avoid trouble, witnesses said.

The officer told the three men to stop, although witnesses differ about whether the officer identified himself and flashed his badge.

Bell and his friends, witnesses told the New York Daily News, feared that the undercover officer was a friend of those they had argued with and that he was carrying a gun. The men tried to pull away in their car, scraping the leg of an officer. An officer fired a shot, and four more officers pulled out their 9mm guns and began shooting.

Three bullets fatally struck Bell, a delivery man and father of two, who died just hours before his marriage ceremony was to take place.

Benefield and Guzman were injured; the latter had 11 bullet wounds. None of the three men carried a gun, and police manacled the two survivors as they lay bleeding, a fact that concerned civil libertarians.

"It's not as if people so seriously wounded were a flight risk," said Donna Lieberman, executive director of the New York Civil Liberties Union. "Yet they were treated as criminals for having gotten shot by the police."

Kelly offered a carefully calibrated defense, noting that the Hispanic officer who opened fire was a 12-year veteran and apparently thought the car was trying to hit him. Three of the five officers who fired shots were black or Latino.

Kelly's spokesmen released data showing that New York officers now fire 40 percent fewer shots per incident than in 1995. Police killed 30 people in 1996, compared with nine in 2005 and 10 so far this year.

Maki Haberfeld, a John Jay College of Criminal Justice professor and specialist in the use of deadly force, said she was not inclined to second-guess officers operating under stress at night. "There are distorted perceptions of time and motion, and fear and adrenaline, and it takes 20 seconds to fire 50 shots," she said. "I'm taken aback by how the mayor indicted these officers. How could he know?"

But such arguments and statistics soothed few nerves, particularly for those who live in neighborhoods with a history of frayed relations with the police. Sunday's shooting called to mind the fatal shooting of Amadou Diallo, an unarmed African immigrant, in 1999. Diallo, a peddler and student, was returning home when undercover police officers told him to stop. He

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panicked and officers fired 41 shots, 19 of them hitting Diallo. His death came to symbolize the unsightly underbelly of then-Mayor Rudolph W. Giuliani's war on crime.

That history was very much alive in the minds of residents on the streets of Jamaica on Monday. Theirs is a prosperous lower-middle-class neighborhood with vibrant shops, the crack-fueled crime of 10 years ago a fading memory. Yet many said police officers still pat down young men for guns and stop cars with little reason.

"The demeanor when they talk to people -- they have a nasty attitude," said Wayne Johnson, 43, a car-service driver. "They'll come and see us talking on the corner and say: 'What you doing here?' They think everyone is a drug dealer."

Monique Holley, 23, attends the nearby Queensboro Community College and has passed her exam to become a police officer. Monday, she found herself struggling with second thoughts. "If I become a cop, how would people look at me? That's what I am debating today."

Bloomberg enjoys far better relations with the city's black leaders than Giuliani did. There was no more visible evidence of this Monday than the presence at the news conference of the rhetorically flammable Sharpton, who was persona non grata at City Hall throughout the Giuliani era.

African Americans, Sharpton said on a radio show after the news conference, appreciate that the city's crime drop means that their neighborhoods are safer and that many young men are alive who might otherwise have died in violent crime. But he said that peace carries an unacceptably high price tag.

"I told the mayor, 'Yes, we want crime down. Yes, crime is higher in many of our communities than elsewhere,' " Sharpton said. "But it's worse to have to live in these neighborhoods and be afraid of the cops and the robbers."

Calls For Justice At NYC Vigil For Groom (FINDLAW/AP)

By Deepti Hajela, Associated Press Writer

AP, November 28, 2006

(AP) - NEW YORK-An angry crowd shouted "No justice, no peace!" Some called for the ouster of the city's police commissioner. Many counted off to 50, the number of rounds that are estimated to have been fired by police at three unarmed men, killing one on his wedding day.

Several hundred people gathered Sunday for a vigil and rally to demand answers about why officers let fly a flurry of bullets at 23-year-old Sean Bell early Saturday, hours before he was supposed to marry the mother of his two young children.

The five officers were placed on paid administrative leave and stripped of their guns, said Paul Browne, chief spokesman for the NYPD. Police and prosecutors promised a full investigation.

But none of that stemmed the fury of a community outraged by the shootings.

"We cannot allow this to continue to happen," the Rev. Al Sharpton said at the gathering outside Mary Immaculate Hospital, where one of the two wounded men was in critical condition. "We've got to understand that all of us were in that car."

Relatives of the men, including Bell's fiancee, attended the vigil and rally but none spoke publicly.

Some in the crowd called for the removal of Police Commissioner Raymond Kelly, yelling "Kelly must go!"

Kelly has said that police shot at the car after it drove forward and struck an undercover officer and an unmarked police minivan. The information was based on interviews with witnesses and two officers who did not fire their weapons, he said.

But a witness account emerged Monday disputing that version of events.

Trini Wright, a dancer at the strip club where Bell's bachelor party was held, told the Daily News she was going to a diner with the men and was putting her makeup bag in the trunk of their car when the police minivan appeared.

"The minivan came around the corner and smashed into their car. And they (the police) jumped out shooting," Wright, 28, told the newspaper for Monday editions. "No 'stop.' No 'freeze.' No nothing."

Kelly had said Saturday the police department was still piecing together what happened and that it was too early to say whether the shooting was justified. He said it was unclear whether the officers, who were in plain clothes, identified themselves before firing.

On Sunday, Browne said, "We are continuing to look for additional witnesses to shed light on the incident and assisting the district attorney's office with its investigation."

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Mayor Michael Bloomberg and Kelly planned to meet with community leaders at City Hall on Monday. Bloomberg and his aides were in contact with Bell's family and community leaders throughout the weekend.

The shootings occurred after 4 a.m. Saturday outside the Kalua Cabaret in Queens. Kelly said the incident stemmed from an undercover operation by seven officers investigating the club.

Bell was struck twice. The survivors were Joseph Guzman, 31, who was shot at least 11 times, and Trent Benefield, 23, who was hit three times. Guzman was in critical condition Sunday and Benefield was stable.

The officers' shots struck the men's car 21 times. They also hit nearby homes and shattered windows at a train station, though no residents were injured.

Police thought one of the men in the car might have had a gun, but investigators found no weapons. It was unclear what prompted police to open fire, Kelly said.

According to Kelly, the groom was involved in a verbal dispute outside the club, and one of his friends referred to a gun.

An undercover officer walked closely behind Bell and his friends as they headed for their car. As he walked toward the front of the vehicle, the car drove forward, striking the officer and minivan, Kelly said.

The officer was apparently the first to open fire, Kelly said. He had served on the force for five years. One 12-year veteran fired his weapon 31 times, emptying two full magazines, Kelly said.

In total, it is believed 50 bullets were fired, he said. It was the first time any of the officers, all of whom carried 9 mm handguns, had been involved in a shooting, he said.

At some point, Bell backed the car onto a sidewalk, hitting a building gate, police said. He then drove forward, striking the police vehicle a second time, Kelly said.

The police department's policy on shooting at moving vehicles states: "Police officers shall not discharge their firearms at or from a moving vehicle unless deadly force is being used against the police officers or another person present, by means other than a moving vehicle."

The police officers' group 100 Blacks in Law Enforcement Who Care said it was issuing a vote of no confidence in Kelly over the shooting.

Community leaders planned a rally Dec. 6 at police headquarters.

This isn't the first time the NYPD has come under scrutiny over officer-involved shootings.

In 1999, police killed Amadou Diallo, an unarmed immigrant from Guinea in western African who was shot 19 times. The four officers in that case were acquitted of criminal charges. And in 2003, Ousmane Zongo, a native of Burkina Faso in western African, was hit four times, twice in the back.

Associated Press writer Tom Hays contributed to this report.

50 Bullets And A Death In Queens (NYT)

The New York Times, November 28, 2006

Much has changed in New York since Amadou Diallo, an unarmed African immigrant, was killed in a hail of 41 bullets fired by city police officers in 1999. Mr. Diallo's death sent racial tensions in the city nearly to a boiling point — helped along by Mayor Rudolph Giuliani, who regularly shunned meetings with black leaders and failed to treat the crisis with the urgency it required.

Now Mayor Michael Bloomberg and his police commissioner, Raymond Kelly, are dealing differently with their own Diallo-style disaster. Police officers firing 50 rounds early last Saturday killed Sean Bell, an unarmed man who was to have married his high school sweetheart later in the day. The mayor and the commissioner moved quickly to answer questions and to hear the concerns of the victim's family and the community. But their responsiveness will not bring back Sean Bell. The challenge here is far greater than good communications.

The officers who killed Mr. Bell were part of a sting operation at a Queens nightclub suspected of narcotics, prostitution and weapons violations. According to published reports, the officers have said that as Mr. Bell and his friends left the club and headed toward their car, an undercover detective heard one of them say he was going to get a gun. They also reportedly said that

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when the men entered the car, the detective pulled his gun and identified himself, but the car suddenly gunned forward, hit him in the shin and then struck an unmarked police minivan. The officers then opened fire.

The tragedy may simply involve two sets of very frightened men who reacted instinctively to what they thought was imminent danger. But only one of the sets was armed. There was no gun in the car, nor on the shooting victims, who sat helpless inside while five police officers began firing 50 rounds at them. One emptied his gun, a 9mm semiautomatic, reloaded and emptied it again, accounting for 31 rounds. The shooting appears to have been frantic, with bullets shattering windows as far away as the AirTrain station, hundreds of yards from the scene. Two of Mr. Bell's companions were injured; miraculously, there were no other casualties.

Unlike the Diallo tragedy, the officers involved in the Queens shooting were not all white. They were also not inexperienced. The first bullet came from an officer with five years on the job, and the detective who fired the 31 rounds had 12. But it is hard to explain their actions as anything but panic.

Police rules mandate that an officer pause after firing three rounds to assess the situation. If the shooters had followed procedures, they might have seen there was no threat before it was too late. Mayor Bloomberg has rightly called for a quick and impartial investigation. The officers must be held accountable for what has happened. But the Police Department must also confront the fact that a disaster that everyone swore to prevent seven years ago has repeated itself in Queens.

Which Officer Shot Girl Can't Be Known (LAT)

By Patrick Mcgreevy And Richard Winton, Times Staff Writers

The Los Angeles Times, November 28, 2006

Probe fails to find definitive evidence. The toddler was killed as her father held her in a gun battle with police.

So many bullets were discharged during a siege last year at a South Los Angeles auto shop that investigators cannot determine which LAPD officer fired the shot that killed 19-month-old Suzie Peña, Chief William J. Bratton said Monday.

The finding, which follows a 15-month investigation that used outside weapons experts, complicates the Police Commission's task today in deciding whether the officers should be disciplined.

Suzie Peña was shot twice as her father held her in front of him as he exchanged gunfire with Los Angeles police officers in July 2005. The fatal shot hit Suzie in the head but did not lodge there. Investigators could not determine which of the bullet fragments they found had hit her.

Her death set off a debate about Los Angeles Police Department tactics, prompting investigations by the FBI and the Los Angeles County district attorney's office and calls for better rules on how SWAT officers respond to hostage standoffs.

Bratton described the investigation as one of the most complex in the department's history. It involved microscopic analysis of about 130 bullets and more than 100 casings involving 13 firearms, and more than 80 interviews of witnesses and 36 DNA tests.

"The issue is, can we with any definitiveness determine who fired the fatal shot," Bratton told The Times. "The subsequent investigation has not been able to make a more definitive determination. That's unfortunate, but that's pretty much where we are with it."

Figuring out which of 13 officers who fired shots actually killed Suzie is a key question both for the LAPD and the family's attorneys, who are suing the department. By identifying the officer, they could determine where he or she was standing, figure out his or her vantage point, and assess whether proper tactics were used.

The Police Commission will decide today whether any of the officers involved in the standoff violated department policies. Without being able to link Suzie's death to a specific officer, however, officials said, it would be difficult to build a case against any individual.

LAPD sources who are familiar with the investigation said the detectives who examined the incident broke it down into three distinct stages that the commission will examine.

It began when Jose Raul Peña's 16-year-old stepdaughter called police to say that her father had a gun and was threatening to kill her. Officers responded, and during a brief gun battle with Peña were able to rescue the stepdaughter from the

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auto shop. The sources said investigators examined whether any officer failed to follow policy by initiating a crossfire in the direction of other officers.

The second segment occurred more than two hours into the standoff when an officer on top of an LAPD armored vehicle shot at Peña as the gun-wielding man held Suzie. Commissioners are expected to examine who gave the authority to fire, the sources said.

The final segment occurred when officers decided to storm the auto store. The officers found themselves in a small interior office of the shop, firing at Peña as he shot at them, Suzie still in his arms. One SWAT officer, Daniel Sanchez, was wounded; Suzie and her father were killed.

Sources said investigators were looking at why police decided to enter the building. In the days after the shooting, LAPD officials said they moved in because they thought that Peña was perhaps incapacitated.

The sources, who spoke on the condition of anonymity because they were not authorized to discuss the probe publicly, said it was possible that the commission could find some of the tactics used by the officers violated policy while upholding their actions in Suzie's death.

In an interview Monday, Bratton declined to reveal his recommendation to the commission.

He said it may be hard for some to understand how the investigation was unable to identify Suzie's shooter.

"Everybody likes closure, likes completion. Sometimes you are not able to get there," Bratton said. "We will not be able to make that determination. We have no ability to make a determination as to who fired that [fatal shot]."

The Police Commission is one of several panels and agencies looking into the Peña case. The district attorney's office plans to announce today whether it will file criminal charges related to the girl's death. The FBI and an LAPD board of inquiry also are reviewing the standoff.

At least four officers were carrying rifles. All of the rifle bullets were fired close to Peña and his daughter.

The complexity of the case "had to do with the sheer size of the incident, the number of officers, the number of shooting officers, the number of rounds fired, the circumstance," Bratton said.

Whatever the outcome of the commission meeting, Bratton said, Suzie's father was solely responsible for her death as authorities have said that Peña used his daughter as a "human shield" against officers.

"He's the one who set that whole chain of events in motion," Bratton said. "All the actions that day were precipitated by Mr. Peña's actions. The death of that young child is totally in his hands."

Bratton also defended his department's investigation. "I'm very comfortable, based on my review, that they did an outstanding job on the investigative portion of it and the Police Commission will have a lot of information to work with in terms of making their final recommendations," he said.

Luis Carrillo, an attorney for the child's mother, said he was suspicious about the LAPD's inability to identify where the shot that killed the toddler came from. He alleged that officers moved the child's body, interfering with efforts to trace the trajectories of bullets.

Carrillo has filed a lawsuit — seeking damages and a change in LAPD policies — against the city.

"It is important to know who fired that bullet," he said.

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Supreme Court Debates Deadline For Pay-discrimination Claims (AP)

By Mark Sherman

AP, November 28, 2006

Employees must complain about pay discrimination within six months or forfeit their claim, the Supreme Court was told Monday in a case closely watched by companies and civil rights groups.

Justices engaged in a lively but inconclusive debate about how to apply a 180-day deadline for complaining about discriminatory pay decisions under Title VII of the federal Civil Rights Act of 1964.

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Lilly Ledbetter sued Goodyear Tire & Rubber Co., claiming that after 19 years at the company's Gadsden, Ala., plant, she was making $6,000 a year less than the lowest-paid man in the same job.

Ledbetter claimed the disparity existed for years and was primarily a result of her gender. A jury agreed, but an appeals court overturned the verdict.

Lawyers for Goodyear and the Bush administration argued against her claim.

Glen Nager, Goodyear's attorney, said the appeals court was correct.

"Bring that claim or lose it," he said.

Justice Department lawyer Irving Gorenstein said if the court were to side with Ledbetter, "it would undo the statute of limitations in pay cases."

But Ledbetter's lawyer, Kevin Russell, told the justices that each smaller paycheck should be treated as a new act of discrimination.

Eight justices joined in the questioning. Justice Clarence Thomas was, customary for him, silent, but he could play a pivotal role in deciding the case.

Thomas once was chairman of the Equal Employment Opportunity Commission, which is responsible for investigating workplace discrimination claims.

Applying the 180-day deadline to decisions made years ago makes no sense in a situation in which the disparity grew over time, Justice Ruth Bader Ginsburg said.

Early on, "there is no reason to think there is going to be this inequality," she argued.

But Chief Justice John Roberts was skeptical that employees could "challenge the discrimination 15 years later."

Ledbetter was initially awarded more than $3.8 million. A judge reduced the award to $360,000.

The 11th U.S. Circuit Court of Appeals overturned the verdict. The appeals court said Ledbetter mainly was complaining about decisions made by her supervisors long ago, well after the deadline for raising allegations of discrimination.

In Ledbetter's appeal to the Supreme Court, her lawyers said each paycheck represented a violation of civil rights law by Goodyear, even if the lower pay resulted from discriminatory decisions made years earlier.

"Under the court of appeals' rule, an employee is condemned to perpetually unequal pay for equal work unless she recognizes and complains about the discrimination within a few short months after it first begins," Ledbetter's lawyers said in a court filing.

Supporting Ledbetter, the NAACP, AARP and other rights groups said employers would not suffer any consequences for recurring discrimination if they could rebuff allegations merely by arguing the deadline for complaining about the first episode passed.

Goodyear denied discriminating against Ledbetter. She received periodic raises despite being ranked near the bottom of her group of workers, the company said.

"Title VII requires allegedly aggrieved employees like Ledbetter to assert their intentional discrimination claims within the 180-day charge-filing period or lose them," the company told the court.

The U.S. Chamber of Commerce and the National Federation of Independent Business said if the court rules for the worker in this case, employers would be subject to damages for innocent decisions made years ago that would be difficult to defend because of the passage of time.

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Court Explores Complexities In Job Discrimination Case (NYT)

By Linda Greenhouse

The New York Times, November 28, 2006

WASHINGTON, Nov. 27 — Federal law prohibits discrimination on the job, requiring employers to pay their employees without regard to race, sex, religion or national origin. Many complexities lie behind that simple statement, as a Supreme Court argument on Monday made abundantly clear.

The question for the court was how to treat a discriminatory action that happened long ago, beyond the statute of limitations for the federal Civil Rights Act, but that has effects that continue to the present day. Is each new paycheck, reflecting a salary lower than it would have been without the initial discrimination, a recurring violation that sets the clock running again? Or does the passage of time, without fresh acts of intentional discrimination, render the initial injury a nonevent in the eyes of the law?

The case was brought to the court by a woman, Lilly M. Ledbetter, who worked for 19 years as a manager at a Goodyear Tire and Rubber plant in Gadsden, Ala. For years, Ms. Ledbetter was paid less than men at the same level, and by 1997, as the only female manager, she was earning less than the lowest-paid man in the department. In 1998, after an undesired transfer, she retired and filed a discrimination charge against the company with the Equal Employment Opportunity Commission.

She took her case to federal court and won a jury award of more than $3 million in back pay and compensatory and punitive damages. Because of caps imposed by the law, Title VII of the Civil Rights Act of 1964, the judge reduced the award, to $360,000. But the United States Court of Appeals for the 11th Circuit, in Atlanta, overturned the verdict entirely. It ruled that Ms. Ledbetter had no case because she could not show any intentional discrimination in the 180 days before she complained to the employment commission.

Other federal appeals courts, including those here and in New York, disagree with that analysis, as does the E.E.O.C. The agency has long applied what is known as the "paycheck accrual rule," under which each pay period of uncorrected discrimination is seen as a fresh incident of discrimination. So although the 180-day limit applies to discrete actions like a discriminatory refusal to hire or failure to promote, it does not, in the view of the federal agency charged with administering the statute, prevent lawsuits for the continuing effects of past discrimination in pay.

But the Bush administration has disavowed the commission's position. After the court agreed in June to hear Ms. Ledbetter's appeal, Ledbetter v. Goodyear Tire and Rubber Company Inc., No. 05-1074, the administration entered the case on the company's behalf.

Irving L. Gornstein, an assistant to the solicitor general, argued that "employees who allow the 180-day period to pass may not years later, and even at the end of their careers, challenge their current paychecks on the grounds that they are the result of a number of discrete, individually discriminatory pay decisions that occurred long ago."

When Justice Antonin Scalia asked, "Why should we listen to the solicitor general rather than the E.E.O.C.?" Mr. Gornstein acknowledged that the commission "has taken a different position," one that he said was based on a misunderstanding of a Supreme Court precedent.

Ms. Ledbetter's lawyer, Kevin K. Russell, said it was often difficult for employees to learn that their pay was discriminatory. Employees who receive regular raises, Mr. Russell said, may well not realize that the raises were smaller than they should have been.

"It's only when the disparity persists," he said, "when the different treatment accrues again and again and the overall disparity in the wages increases, that the employee has some reasonable basis to think that it's not natural variation in the pay decisions but actually intentional discrimination."

Justices Ruth Bader Ginsburg and Stephen G. Breyer appeared most sympathetic to Mr. Russell's argument. Justice Breyer commented at one point that "there will be probably a significant number of circumstances where a woman is being paid less, and all she does is for the last six months get her paychecks and she doesn't really know it because pay is a complicated thing." It could take "even a year for her to find out," he said.

Chief Justice John G. Roberts Jr. appeared the most skeptical, several times raising the question of how employers could shoulder the burden of defending long-ago pay decisions.

"It could be 40 years, right?" Chief Justice Roberts asked Mr. Russell, adding, "I mean, if it happened once 20 years ago, you have a case that you can bring" under the plaintiff's analysis.

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The Goodyear lawyer, Glen D. Nager, noting that the statute required proof of intentional discrimination, said the basic point was that “no one at Goodyear took Miss Ledbetter’s sex into account” in the salary she was paid in the 180 days before she filed her complaint.

The law does not permit the accusation “that there is discrimination today merely because there was discrimination yesterday,” Mr. Nager said, adding that when the “filing period passes and no charge is brought, the employer is entitled to treat that past act as if it was a lawful act.”

Justice David H. Souter asked, “Is that so even if they know it was in fact originally an unlawful act?”

“Yes,” Mr. Nager replied.

EEOC Seeks To Block Sidley Discovery Bid In Former Partners' Age Discrimination Case (LAW)

By Anthony Lin, New York Law Journal

New York Law Journal, November 28, 2006

The U.S. Equal Employment Opportunity Commission, which is suing law firm Sidley Austin for allegedly demoting around 30 partners on the basis of age, is seeking to block discovery concerning the subsequent job performance of several of the former partners, as well as the mental health of one.

Chicago-based Sidley has denied having a mandatory retirement policy and claims that the partners at issue were demoted in 1999 due to performance factors, including low billable hours and poor business development skills. The firm is hoping to show that new employers encountered similar performance from demoted partners who left Sidley.

But in a motion for a protective order filed Nov. 17 in Chicago federal court, the EEOC asked that Sidley be denied discovery relating to the billable hours, equity status and business development efforts of six former partners now working at other firms. The agency, which is arguing that performance reasons for the demotions were pretextual, called the information sought by Sidley "not relevant to any disputed fact" in the case.

"Evidence concerning the Former Partners' hours, billings, business development and time devoted to specific clients at the Subsequent Firms would not have any tendency to prove or disprove whether such factors actually motivated Sidley's decision to change Former Partners' status in 1999," the EEOC said in its motion before Judge James Zagel of the U.S. District Court for the Northern District of Illinois.

The agency, which has agreed to stipulate that Sidley's records concerning billable hours and other performance metrics are accurate, also highlighted a potential hazard to former partners of permitting the firm to seek such records from those partners' current firms.

"The Subsequent Firms of several of the Former Partners are not aware of the circumstances under which these Former Partners' employment at Sidley ended," the EEOC said in its motion. "Disclosure of those circumstances would cause great embarrassment to these Former Partners and would likely cause substantial damage to these Former Partners' careers and professional reputations."

The agency also asked the judge to block Sidley from deposing "Partner A" about his mental health and history of mental health treatment. The EEOC said Sidley had previously said mental health problems Partner A experienced in 1993 had nothing to do with his demotion six years later and should not now be able to assert otherwise.

"Other than simple harassment, no purpose would be served by an inquiry into Former Partner A's present or former state of mental health or treatment history," the agency argued.

In its opposition to the EEOC's motion, Sidley, represented by Chicago's Grippo & Elden, argued that the information about the partners' subsequent performance was highly relevant to countering the EEOC's claim that performance issues were a mere pretext for age-based discrimination.

"Many of the putative claimants clearly and undeniably had below-average hours and billings for partners with their experience," the firm said in its opposition. "Sidley has identified those below-average hours and billings as contributing to Sidley's decision to change the putative claimants' status.

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"The EEOC and the putative claimants may attempt to attribute those below-average hours and billings to something other than lack of effort or talent, but a similar experience at the putative claimants' subsequent law firm will belie such an argument," Sidley continued.

Most of Sidley's argument concerning its questioning of Partner A was redacted from public documents, but the firm did say in its opposition to the EEOC's motion that the discovery it was seeking was "obviously relevant."

HIGH-PROFILE LAWSUIT

The EEOC's suit against Sidley, filed in January 2005 after a five-year investigation, has received widespread attention in the legal profession because law firm partners have traditionally been considered employers exempt from anti-discrimination laws. The agency is taking the novel position that Sidley's highly centralized management structure, in which an unelected executive committee made almost all major decisions, rendered most partners at the firm employees.

But the suit's high profile has also raised fears that embarrassing information about the partners at issue may come to light, despite the issuance of a number of protective orders. Several of the demoted partners have asked the EEOC to sever them from the case out of concern that such information will be publicly disclosed. The EEOC, which is seeking millions of dollars in back pay for the former partners, has refused such requests on the grounds that only the agency itself and none of the demoted partners is an actual party to the case.

According to a partial transcript of a hearing held Oct. 6, Zagel noted the unwilling participation in the matter of several of the former partners, saying that "perhaps no single individual whose case is being pled by the EEOC has the slightest interest in having a case pursued for professional reasons and maybe personal ones as well."

At the same hearing, Zagel suggested he understood Sidley's need for at least some discovery concerning the partners' subsequent performance. He recalled an earlier case of his in which an employment discrimination plaintiff was allegedly fired for persistently violating minor firm procedures and earning a reputation as someone who "just doesn't follow the rules."

"Investigation of his subsequent employer established that at the subsequent employer he did the same thing, and at the employer after that he did the same thing," Zagel said at the hearing. "And I thought it did a pretty good job of destroying the pretext argument that was offered by the plaintiff, so good a job that the case settled for what was essentially a nominal amount."

But the judge also used another example to illustrate a danger for Sidley. He said: "[O]ne of the things that makes life very difficult for employers who want to raise this defense is, they may very well fire somebody because they're habitually late to work ... and then you look at all the future employees and it's a disaster for the defendant because they're never late now."

ERA Proponents Roused By A Big Change In Congress (WT)

By Cheryl Wetzstein

The Washington Times, November 28, 2006

The Democratic takeover of Congress should revive interest in an issue many Americans think is settled -- adoption of the Equal Rights Amendment -- as new bipartisan groups pursue the Republican-leaning states needed for its ratification.

"I think a great way to commemorate the elevation of the first woman speaker would be to elevate all women in the Constitution," said Rep. Robert E. Andrews, New Jersey Democrat and one of nearly 200 ERA proponents in the House.

Supporters say that despite advancements for women's rights since the ERA's official death in 1982 -- primarily prohibitions against sex discrimination -- the constitutional amendment is needed because women lag in career advancement and pay equity.

In 1972, for instance, the ratio of female-to-male earnings for full-time, year-round work was 58 cents on the dollar. Last year, it was 77 cents on the dollar, according to Census Bureau data.

"The equal treatment of women should be made a pillar of our society," said Rep. Carolyn B. Maloney, New York Democrat. "Unlike under the previous majority, I think we will at least have a discussion of rights that should exist and that most people in fact believe are already in the Constitution."

The one-sentence ERA -- "Equality of rights under the law shall not be denied or abridged by the United States or by any state on account of sex" -- has been promoted since the 1920s to ensure that women are treated on an equal basis with men, especially in the workplace.

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The ERA was passed by Congress in 1972 but declared dead on June 30, 1982, when only 35 of the 38 necessary states ratified it.

Now activists are working to get three more state legislatures to ratify the ERA, and they expect a Democrat-led Congress and historical precedent to ensure its enactment.

"Once the American public really wants it, it will be had," said Jennifer Macleod, national coordinator of the ERA Campaign Network.

The rationale behind this "three-state strategy" is that Congress accepted the 27th "Madison" Amendment, which concerns congressional pay increases, after a 203-year ratification period and can therefore accept more ERA ratifications even after the deadline.

To which legendary ERA opponent Phyllis Schlafly said: "I think they are dreaming. I think they're beating a dead horse."

Opponents, led by Mrs. Schlafly, founder of Eagle Forum, helped sink the ERA with warnings about a military draft for women, unisex toilets, same-sex "marriage," and loss of family and workplace protections for wives, mothers and widows.

The ERA has its veteran supporters, such as the National Council of Women's Organizations. But in recent years, at least two new groups have emerged with the mission of getting three more state ratifications.

The two new groups are purposefully bipartisan, recognizing that Republican ERA support is a necessity: Of the 15 unratified states, Illinois is the lone "blue" state; the other 14 are "red" states that sweep from the Carolinas through the South, and into the West, with Arizona and Utah. The most vigorous ERA campaigns are in Florida, Missouri and Illinois.

"It's a myth" that Republicans don't support the ERA, said Idella Moore, who founded www.4ERA.org in Atlanta in early 2003.

Republicans have a long history of "doing the right thing" -- they're the party of the Emancipation Proclamation and a Republican cast the deciding vote for women's right to vote, said Lynn Fountain, a Georgia research scientist, Republican voter and board member of www.4ERA.org.

The Nov. 7 midterm elections showed that Republicans "don't have a very good image" with women right now, she said. "Wouldn't you like to fix that?"

Ms. Macleod of the 6-year-old ERA Campaign Network in New Jersey said her group is strongly bipartisan, but she agreed that a new Congress led by California Rep. Nancy Pelosi, the first female speaker of the House, offered fresh opportunities. Under Republican-led committees, pro-ERA bills were "locked up for years," she said. New leadership "will surely make it more likely, more possible to move it ahead."

Sen. Edward M. Kennedy, Massachusetts Democrat, is a leading ERA proponent, as are both Mr. Andrews and Mrs. Maloney, who also support a second strategy that calls for restarting the process completely.

Many Americans will be puzzled to hear about a new ERA battle, partly because they think the issue is over and partly because many of them think the ERA is already part of the Constitution.

For example, at least 22 states have either adopted ERAs or constitutional prohibitions against sex discrimination, according to a 2005 a Rutgers Law Journal article.

The death of the ERA was celebrated in June 1982 -- it's "dead for now and forever in this century," Mrs. Schlafly told supporters, according to a 1982 Time magazine article -- and implied by the U.S. Supreme Court in October 1982, when it declined to take up an ERA-related lawsuit because the issue was "moot."

However, Ms. Moore and Ms. Macleod say if three more states ratified the ERA, Congress could certify it by a simple majority vote.

Mr. Andrews' bill addresses this point: "If three states ratified [the ERA], the courts would sooner or later get the question of whether the prior ratifications were valid. And I want the House to go on record and say, 'Yes, they are,' " Mr. Andrews said last week.

ANTITRUST:

Supreme Court Case On Baby Bells May Affect Antitrust Enforcement (WSJ)

By Jess Bravin

DOJ_NMG_0098849

The Wall Street Journal, November 28, 2006

WASHINGTON -- In a case with implications for antitrust enforcement, the Supreme Court heard arguments on how specific a plaintiff's allegations must be to claim anticompetitive behavior.

The case springs from the decades-old legal saga that ended the Bell system telephone-service monopoly and created today's marketplace.

The 1996 Telecommunications Act gave the Bell system's regional successors, the Baby Bells, the right to sell long-distance service in return for opening their local networks to competitors. Despite Congress's expectation the law would create a competitive market, the Baby Bells have remained dominant in their respective regions.

The plaintiffs, a group of individuals who bought local telephone and Internet service since the law was enacted and represented by the class-action firm Milberg Weiss Bershad & Schulman LLP, filed suit in 2003, alleging the Baby Bells conspired to restrict entry into their territories of competitors in local telephone and Internet service. They claimed the Baby Bells, which after several mergers and name changes now include AT&T Inc., BellSouth Corp., Qwest Communications International Inc. and Verizon Communications Inc., violated the Sherman Antitrust Act, which prohibits "every contract, combination...or conspiracy, in restraint of trade or commerce."

The plaintiffs had no direct evidence of such a conspiracy, however, and instead based their claim on circumstantial indicators of anticompetitive behavior, such as the parallel conduct of the Baby Bells in declining to compete in each other's territory and allegedly impeding other carriers from connecting to their networks. The Baby Bells argued that without more -- such as an allegation of a specific meeting in which a deal was made to restrain trade -- the case should be dismissed without allowing the plaintiffs discovery of internal documents.

The Federal Rules of Civil Procedure impose minimal requirements to file a lawsuit, specifying little more than that plaintiffs file "a short and plain statement of the claim showing that [they are] entitled to relief." Court rulings have interpreted the rule to require that the claim provide defendants "fair notice" of the accusation so they can respond and prepare for trial.

A federal judge in New York dismissed the suit, ruling the plaintiffs' allegations fell short of this standard. The Second U.S. Circuit Court of Appeals, also in New York, reinstated the lawsuit, saying the evidentiary test applied by the trial court was better suited at a later stage of proceedings -- summary judgment, which a party can seek after discovery and presentation of evidence -- on the grounds no reasonable jury could agree with its opponent.

The appeals court acknowledged that the ease of filing lawsuits imposed on defendants the "sometimes colossal expense of undergoing discovery" and could thereby encourage unjustified settlements to avoid trial. But the Second Circuit said "if that balance is to be recalibrated...it is Congress or the Supreme Court that must do so."

Yesterday, a lawyer for the Baby Bells, Michael Kellogg, told the Supreme Court that no recalibration was needed because existing law already required dismissal of the suit.

Several justices, however, seemed unpersuaded. Justice Ruth Bader Ginsburg suggested the Baby Bells were trying to rewrite a 68-year-old rule by adding evidentiary requirements to the initial claim, and Justice John Paul Stevens said "dozens" of antitrust claims were no more specific than that alleged in the Baby Bells case.

The Bush administration, siding with the Baby Bells, argued that parallel conduct was common in the U.S. economy, and that allowing antitrust suits based only on it would be too burdensome for business. Pressed by Justice Antonin Scalia, however, Assistant Attorney General Thomas Barnett agreed that some parallel conduct could be so suspicious as to be sufficient to support a claim.

But the plaintiffs' attorney, J. Douglas Richards, fared no better. Under the standard the plaintiffs favored, Justice Stephen Breyer said, half the companies in the U.S. could be sued. Adopting that position would have the Supreme Court "restructuring the economy," he said.

A decision is expected by the end of the court's term, in June.

(Bell Atlantic Co. v. Twombly)

Separately, the court refused to consider reinstating a $10.1 billion tobacco judgment against Philip Morris Inc., a unit of Altria Group Inc.

The Illinois Supreme Court last year threw out the judgment, issued by a state trial court in 2003, in a class-action lawsuit over light and low-tar cigarettes. The Illinois high court ruled 4-2 that the state-level class action wasn't allowed because Federal Trade Commission consent orders -- settlements between the federal government and tobacco companies -- have allowed tobacco companies to advertise light and low-tar cigarette products.

Yesterday's action paves the way for Altria to seek the return of a $6 billion note that secured the judgment pending appeal.

Supreme Court Presses For Answers In Baby Bell Case (MRKTWTCH)

By Mark H. Anderson

Market Watch, November 28, 2006

WASHINGTON (MarketWatch) -- The U.S. Supreme Court Monday pressed both sides in its search for how much evidence plaintiffs must provide to litigate a private antitrust conspiracy lawsuit against several Baby Bell companies.

Verizon Communications Inc. (VZ), BellSouth Corp. (BLS), AT&T Inc.'s (T) SBC Communications Inc. unit, and Qwest Communications International Inc. (Q) have all been trying to block a class-action lawsuit alleging they engaged in an anticompetitive conspiracy to restrict competition in the local telephone and broadband Internet markets.

The lawsuit is still in its early stages. The companies and the U.S. Justice Department, at oral arguments on the appeal, urged the Supreme Court to set private antitrust lawsuit standards that ends the case before expensive legal discovery takes place.

"The private plaintiffs do not have the authority to pursue purely investigative complaints," said Michael Kellogg, a Washington-based attorney who represented the companies.

The justices are considering whether the 2nd U.S. Circuit Court of Appeals in New York was right to overturn a federal trial court ruling that threw the case out. The high court will specifically decide whether the plaintiffs in the case - a proposed class-action for customers since 1996 federal telecommunications law changes - must allege specific anticompetitive acts that are suspicious enough to warrant consideration for a trial.

The justices probed for how to draw a legal line between allowing a lawsuit against illegal conduct and barring one for corporate activity that simply reflects prudent business decisions not to compete in some geographic areas or with some product offerings.

Thomas Barnett, the Justice Department's antitrust chief, told the justices that plaintiffs "should not be able to survive a motion to dismiss unless it challenges a set of facts."

Barnett faced tough questioning from several justices who wanted him to justify the government's position based on antitrust rulings that have taken place since a 1986 Supreme Court ruling made it easier to stop private lawsuits before trial.

But the court was equally hard on J. Douglas Richards, the New York attorney who represented the plaintiffs. Richards told the court that the lawsuit could proceed to legal discovery without proving the allegations.

"You don't have to prove your case in the complaint," Richards said. Instead, he said the Second Circuit was correct when it ruled more court proceedings are required before the telecommunications companies can win a dismissal.

Justice Stephen Breyer and others appeared concerned about making it too easy to bring private antitrust litigation under the Sherman Act, telling Richards at one point that upholding his position would result in the court "engaging in a major restructuring of the economy."

Prior to the Second Circuit decision, a U.S. District Court judge dismissed the case, ruling the plaintiffs hadn't shown the companies might have violated federal antitrust laws. A ruling overruling the Second Circuit and backing the trial court would likely make it harder for consumers to challenge anticompetitive activity in telecommunications and other industries. If the court upholds the appeals court ruling, companies facing similar lawsuits would likely face higher litigation costs as they fight in court to get class-action conspiracy suits thrown out.

Supreme Court Hears Telecom Antitrust Case (DEAL)

By Cecile Kohrs Lindell, The Deal

The Deal, November 28, 2006

DOJ_NMG_0098851

U.S. Supreme Court Justice Stephen Breyer on Monday didn't seem too impressed with the notion that competitors taking similar actions is enough to file a lawsuit charging antitrust violations.

"If you're right," Breyer told J. Douglas Richards, attorney for respondent William Twombly, who filed a class action against Bell Atlantic Corp. and the rest of the telecommunications companies, "I guess we can engage in a major restructuring of our economy."

Twombly charged the phone companies had violated the Sherman Act -- which prohibits conspiracies -- by agreeing not to compete outside the regions in which each was essentially the dominant phone provider. The proof that there was an actual agreement was a statement in the initial brief that said that the same decision by all the companies was contrary to the interest of the firms, Richards told the court.

"Conduct against self interest is a way [for the court] to infer a violation" of the Sherman Act, Richards said.

But he was having a hard time arguing with eight justices who appeared incredulous and at times jockeyed for a chance to ask more questions, with only Justice Clarence Thomas remaining apart from his querulous brethren.

"You have a suspicion and you want to use the discovery process to see if that is true, isn't that the case?" Justice Ruth Bader Ginsberg asked Richards.

The high cost of discovery, which would trigger class actions that businesses would have to settle rather than litigate, is the big fear of the various companies and individuals filing friend of the court briefs in this matter, including the Chamber of Commerce of the United States, The Commonwealth of Virginia and 15 other states, a group of economists, and MasterCard International Inc.

Without a clear statement of the actual illegal acts in the pleading, the courts would be clogged with antitrust lawsuits, according to several parties who filed friends of the court briefs in the matter, including the government. And antitrust cases, unlike any other type of law, permit courts to triple the damages.

Breyer, a former antitrust professor, pressed each of the lawyers before him to clarify how an antitrust complaint could be written, while still consistent with the standards of federal "notice pleading," which simply requires enough information to make it clear why the defendant is being sued, and state a claim.

Michael Kellogg, who represented the phone companies, told the court the pleadings couldn't be vague, and Assistant Attorney General Thomas Barnett went farther, arguing the pleadings needed to specify a place and time for any illegal agreement.

"Parallel activity is ubiquitous in our society," Barnett said as he argued the case for the government. He explained that "the facts need to demonstrate some unlawful action."

Scalia seemed to agree, and said this process of making decisions about competition affects "every business, every day."

Barnett seemed to get nods from justices, while heads were shaking as Richards suggested that economists should be allowed to prove the correct decisions corporate executives should make about competition.

Chief Justice John G. Roberts leaned forward in his chair to say, "companies get proposals all the time. They don't have to do everything that is in their economic self interest, do they?"

"Life is short," Roberts said, and so some companies would limit investments or growth opportunities, because you can't do everything. In that case, how do the companies prove they just made decisions on their own without entering into an agreement?

"They have to document all of that," Richards said, as his time expired.

Supreme Court Considers Whether Local Telephone Antitrust Case Should Proceed (AP)

Associated Press

AP, November 28, 2006

WASHINGTON – The Supreme Court pressed both sides Monday in the opening arguments of a case that businesses of all stripes care deeply about: how hard should it be to get evidence that a company might be violating antitrust laws?

The case, Bell Atlantic v. Twombly, stems from the deregulation of the telecommunications industry in the 1980s and 1990s, with some experts citing it as the most important antitrust case to reach the Supreme Court in 20 years.

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The case is being closely watched by numerous companies, including airlines, credit card issuers and trade associations representing the wireless communications and pharmaceutical industries, all of whom have submitted or signed onto friend-of-the-court briefs.

The plaintiff in this case is represented by Milberg Weiss, known for its class-action lawsuits alleging securities fraud against major corporations. The firm filed a lawsuit in 2003 on behalf of William Twombly and all individuals in the continental United States who bought local telephone and Internet service between February 1996 and the present.

The suit alleged that the incumbent local telephone companies, or "Baby Bells," illegally conspired to prevent competition by excluding new local phone companies from their territories and agreeing not to compete against each other in each other's markets.

As part of the original court-ordered breakup of AT&T in 1982, seven regional telephone companies were created to provide local service. The 1996 Telecommunications Act allowed those "Baby Bells" to offer long-distance calling, in addition to local service, in exchange for allowing competitors access to their networks.

The original seven incumbent local phone companies have been reduced to four through mergers and acquisitions: Verizon Communications Inc., which was formed by the merger of Bell Atlantic and GTE in 2000; BellSouth Corp.; Qwest Communications International Inc., which bought Pacific Bell; and AT&T, which was bought by local phone provider SBC Communications.

A federal district court dismissed Twombly's case, finding that Twombly did not allege sufficient facts to indicate that a conspiracy would likely be proven during a trial. But Twombly argued that a conspiracy could be inferred from the so-called "parallel conduct" or behavior of the defendants.

The Second Circuit Court of Appeals reversed the district court, however, finding in October 2005 that a plaintiff must submit only a "short and plain statement of the claim" and not a detailed set of facts in order to survive a motion to dismiss.

The Baby Bells appealed to the Supreme Court. A low standard, corporations say, would enable "meritless" and "abusive" cases to go forward, forcing many businesses to settle those cases rather than endure the expense of litigation, including the discovery process in which defendants must produce documentation of certain facts for the plaintiff.

Under the standard upheld by the appeals court, "you can go sue half the firms in the economy," Justice Stephen Breyer said Monday.

A higher standard, however, could make it too difficult for individuals to bring valid antitrust cases, Twombly argued, because the only way a plaintiff can get evidence of an agreement among companies to restrict competition is through the discovery process.

If antitrust cases are dismissed too quickly, evidence of such agreements will rarely end up in the hands of plaintiffs, Twombly argued.

Twombly's attorney also said that the telephone companies' refusal to compete against each in each other's territories went against their economic self-interest, which could imply a conspiracy.

Justice John Paul Stevens pressed Michael Kellogg, the attorney arguing the case for the phone companies, on why such allegations were not sufficient for the case to continue.

"How you can say this is not a statement of fact I find mind-boggling," Stevens said.

Shares of the telecommunications companies were mixed in afternoon trading. Verizon Communications dropped 51 cents, or 1.47 percent, to close at $34.24 on the New York Stock Exchange and Qwest fell 19 cents to finish at $7.56 on the NYSE. Meanwhile, AT&T rose a penny to end at $32.68 on the New York Stock Exchange on the NYSE while BellSouth closed down 19 cents at $42.50 on the NYSE.

The case is Bell Atlantic Corporation v. Twombly (05-1126).

Business Set For Antitrust Legal Victory (FT)

By Patti Waldmeirin Washington

Financial Times, November 28, 2006

DOJ_NMG_0098853

Big business appears likely to score a significant legal victory in the US Supreme Court, after a majority of the justices yesterday seemed unwilling to tip the balance of power toward plaintiffs' lawyers in antitrust lawsuits.

The court yesterday heard oral arguments in a case where US consumers are trying to force greater competition in local telephone markets. The plaintiffs in the case, Bell Atlantic v Twombly, have brought a lawsuit alleging that some of America's biggest telephone companies conspired to prevent competition in local telephone services, but they provided almost no detailed evidence of a conspiracy.

Yesterday a majority of the justices appeared unwilling to let the case proceed. Some said it would make it too easy for plaintiffs to allege conspiracy in antitrust cases.

The case could be the most important antitrust case before the court in 20 years, legal sources say. Big business has won all 11 of the court's recent decisions in antitrust cases. A decision in yesterday's case is expected by June.

The case turns on the question: how high a hurdle must private plaintiffs clear to force big companies to reveal private documents that might prove they conspired with others to commit an antitrust violation?

Ruling in the case, a federal appeals court set a fairly low hurdle, arguing that federal law makes no attempt to discourage such lawsuits. But the telephone companies who are the defendants in the suit argued that such a low standard would give plaintiffs' lawyers a powerful new weapon to force big companies to settle even frivolous lawsuits, since the high cost of "discovery" - the production of documents - makes it very costly to fight such suits.

A group of eminent economists urged the justices to reject a low standard for alleging conspiracy in such cases, saying that would impose a litigation "tax" on the US economy.

* The Supreme Court declined to consider restoring a $10.1bn award against Altria Group's Philip Morris USA, in a lawsuit that alleged consumers were misled about the health risks of smoking "light" cigarettes, Lauren Foster writes from New York.

In December the Illinois Supreme Court threw out the case against the nation's largest cigarette maker. Its ruling focused on the fact that the Federal Trade Commission, the federal consumer protection watchdog, had authorised tobacco companies to describe their products as "light" or "low tar". The court found that Illinois state law precludes such suits when a federal agency has acted in this way.

The Supreme Court declined to consider restoring a $10.1bn award against Altria Group's Philip Morris USA, in a lawsuit that alleged consumers were misled about the health risks of smoking "light" cigarettes, Lauren Foster writes from New York.

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The plaintiffs in the class-action case appealed to the Supreme Court to have the judgment reinstated, arguing the Illinois court erred when it used the FTC orders as a reason for overturning the $10.1bn ruling handed down by a trial court judge in 2003.

Phone Companies Get Support From Supreme Court In Antitrust Case (BLOOM)

By Greg Stohr, BLOOMBERG NEWS

Bloomberg, November 28, 2006

The U.S. Supreme Court signaled that it may put new limits on antitrust suits, as justices questioned the basis for claims that Verizon Communications and other local-telephone companies agreed not to compete against each other.

Verizon, AT&T, BellSouth Corp. and Qwest Communications International contend that the lawyers pressing the complaint have offered no evidence of collusion. A federal appeals court ruled against them, letting the case go forward.

In arguments Monday in Washington, members of the nation's highest court faulted the lawsuit for making only a general allegation about an illegal agreement not to compete. Several justices said the companies might have made independent decisions not to venture into each other's home territory.

"Maybe they want to get into the wireless business and think that's a better way to spend their money," Justice Ruth Bader Ginsburg said.

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Business groups are backing the appeal. DuPont Co., MasterCard International, Visa USA, Northwest Airlines Corp., UAL Corp., Louisiana-Pacific Corp. and several industry trade groups all signed briefs siding with the phone companies.

It's one of two antitrust cases the high court will hear this week.

On Monday, the court also is considering an employment-law dispute involving Goodyear Tire & Rubber Co., the largest U.S. tiremaker.

Although a 1996 law sought to encourage new competition in the local-phone business, the largest companies have proven reluctant to challenge each other directly.

The lawsuit, being pressed as a consumer class action by lawyers at Milberg Weiss Bershad & Schulman in New York, says the likely explanation is an illegal agreement. The suit also says the phone companies worked together to keep smaller rivals from making inroads.

The 2nd U.S. Circuit Court of Appeals in New York said the suit could proceed to the "discovery" stage. That means the companies would have to answer questions about their business practices and turn over documents.

Douglas Richards, one of the lawyers pressing the suit, said the 2nd Circuit approach was a fair one because would-be antitrust plaintiffs rarely have direct evidence of an illegal agreement before filing suit.

"People don't conspire in public parks," Richards said.

Richards drew skepticism from Justice Antonin Scalia, who questioned the wisdom of subjecting the telephone companies to the expense of having to defend against the suit.

"How many buildings will have to be rented to store those documents?" Scalia asked.

Justice Stephen Breyer joined Ginsburg in asking whether parallel conduct by the telephone companies was enough to warrant letting the lawsuit go forward.

Breyer voiced surprise when Richards said consumers, without any additional evidence, could sue four neighboring gas stations that declined to lower pump prices when the cost of oil was falling.

"If you're right, I guess we can engage in this major restructuring of the economy," Breyer said.

The lawyer for the phone companies, Michael Kellogg, said the lawsuit failed to give his clients adequate notice of the basis for the claim. He said courts shouldn't accept "legal conclusions in the guise of factual allegations."

Kellogg drew opposition from Justice John Paul Stevens, who said the consumers had alleged an illegal agreement. "How you can say this is not a statement of fact I find mind-boggling," Stevens said.

Still, several members of the court said they were concerned the allegation of an agreement lacked any details, such as a time or place. Chief Justice John Roberts and Justices Samuel Alito,

David Souter and Anthony Kennedy all peppered the Milberg Weiss lawyer with skeptical questions.

The case is a follow-up to a 2004 Supreme Court case. That ruling said consumers can't use a separate section of the antitrust laws to accuse phone companies of failing to open up their networks to competition, as the 1996 law requires. Under U.S. antitrust law, successful damage claims are automatically tripled.

San Antonio-based AT&T is the nation's largest phone company, followed by New York-based Verizon, Atlanta-based BellSouth and Denver-based Qwest. The lawsuit says those four companies control more than 90 percent of the U.S. local-phone business.

The justices will rule by July in the case, Bell Atlantic v. Twombly, 05-1126.

Steelworkers Await Word On New Owner (PTR)

By Joe Napsha, TRIBUNE-REVIEW

Pittsburgh Tribune-Review, November 28, 2006

Steelworkers at the former Weirton Steel plant are anticipating that a new owner will be announced this week, one that might restart its steelmaking facilities and add 400 jobs, a union official said Monday.

Russia's largest steelmaker, OAO Severstal, is the latest to surface as a potential buyer and is said to be in negotiations to acquire the mill, according to published reports in a Moscow newspaper.

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Both Severstal and Arcelor Mittal, the current owner at Weirton, declined to comment on the report, which was in the same Moscow newspaper that recently said Severstal wanted to buy Pittsburgh-based U.S. Steel Corp.

"There have been numerous interested parties ... and hopefully we'll have an announcement in the next few days," said Mark Glyptis, president of the Independent Steelworkers Union at Weirton. Glyptis said he had no firsthand knowledge of the Russian steelmaker's interest in acquiring the former Weirton Steel plant.

The union is expecting a deal to surface because an agreement expires today between Arcelor Mittal and the U.S. Justice Department for Arcelor Mittal to divest itself of the tinmaking plant at Weirton, or one at Sparrows Point, Md., Glyptis said.

The Justice Department reached the deal because of Mittal Steel's $38.3 billion merger with Luxembourg-based Arcelor S.A., would give it a corner on tinmaking production in the eastern region of North America. Arcelor Mittal was unable to sell Dofasco Steel of Canada, which also has a tinmaking plant.

If a deal is not reached today, Arcelor Mittal could request a 60-day extension, Glyptis said.

While the antitrust investigation into the Arcelor Mittal merger remains open, the Justice Department will not comment on the agreement, Gina Talamona, a Justice Department spokeswoman, said yesterday. Talamona said she could not comment on whether Arcelor Mittal requested an extension.

Among the others interested in buying the Weirton plant is Esmark, a Chicago-based firm that recently purchased Wheeling-Pittsburgh Steel Corp., Glyptis said. Another potential buyer is former International Steel Group executive Mitch Hecht.

"There is interest among the other parties in restarting the hot end," which would return about 400 jobs to the plant, Glyptis said. The plant employs about 1,300 steelworkers.

Mittal Steel Co., based in the Netherlands, shut down steelmaking facilities at Weirton in November 2005, citing the high cost of raw materials, production and shipping. From that point, steel slabs from Cleveland and Sparrows Point were shipped to Weirton for tin coating.

Steel analyst Charles Bradford, of New York, questioned the validity of reports linking Severstal to the Weirton plant, noting that the company owns a Rouge Steel Co. plant near Detroit, and is building a mini-mill in Mississippi.

Instead, the Russians may be digging for information they can get from the competition, he said.

"Everybody is looking at everybody else," in this time of consolidation in the steel industry, Bradford said.

The possible restart of the steelmaking facilities at Weirton doesn't make much sense because it produces narrow slabs that make for inefficient production, Bradford said.

"I don't know why anybody would want that mill," Bradford said. "I don't think it is how much Mittal wants to sell it for. I think it's how much Mittal has to pay to sell it."

The Associated Press contributed to this report.

Swift Rejects Ex-CEO's Buyout (WSJ)

By Jonathan Vuocolo

The Wall Street Journal, November 28, 2006

Swift Transportation Co. rejected a $2.2 billion bid from its largest shareholder, former Chief Executive Officer Jerry Moyes, and said it will try to negotiate a higher offer from him or other parties.

Mr. Moyes is offering $29 a share for the Phoenix truckload carrier, which represented a 21% premium at the time it was made. A special committee of independent board members said the offer was inadequate.

As of 4 p.m. composite trading yesterday on the Nasdaq Stock Market, Swift was at $28.36, up 75 cents.

The board committee, which is being advised by Goldman Sachs Group Inc., said it will negotiate with Mr. Moyes for a higher offer. The committee also said it has begun talks with "other potential financial and strategic buyers." The term financial buyers typically refers to private-equity firms. The term strategic buyers usually refers to corporations.

Mr. Moyes's 27.1% stake in Swift could pose an obstacle to a competing bid. In addition, Mr. Moyes, who remains a Swift director, said in a Nov. 3 letter to Chairman Jock Patton that he could be willing to pay more after going through the company's books. A Morgan Stanley unit has offered him as much as $2.74 billion in financing.

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The Teamsters union, which was critical of Mr. Moyes when he ran the company, has cited analyst reports valuing Swift at $37 a share and had urged the board to reject the $29-a-share offer.

Google Prepares To Fight Antitrust Battle Over Its Search Rankings (LAW)

By Pamela A. Maclean, The National Law Journal

National Law Journal, November 28, 2006

Relegated to electronic Siberia by the Google Inc. search rankings, KinderStart.Com Inc. saw its Web traffic plummet and ad revenue evaporate, so it fought back with an antitrust lawsuit challenging Google's popular ranking system.

The 2006 suit in federal court in San Jose, Calif., has been dismissed once, and some observers say that the new amended version's antitrust and free speech claims may face an uphill battle to survive. U.S. District Judge Jeremy Fogel indicated in an Oct. 27 hearing that he may not issue a written ruling until early next year on Google's motion to toss the case.

But the suit raises larger questions about Google's future susceptibility to antitrust claims as the ubiquitous Internet search engine gains steam.

"Google is so large it runs the risk of slamming into the kind of situation that Microsoft found itself in, in terms of bundling its services together," said Robert B. Reich, former labor secretary in the Clinton administration and now professor at the University of California's Goldman School of Public Policy.

"All this means is Google needs to be ready for litigation, even if ultimately it comes out in Google's favor. As a big dominant company playing the pivotal role it plays, it is a sitting duck for all sorts of potential litigation," Reich said.

As such a big player in the Internet industry, "not only do you become a target of antitrust plaintiffs, you also can easily use your market heft in such a way as to impose burdens, or disadvantages, on other players," said Reich.

CRITICISM MOUNTS

Others who watch the high-tech industry closely don't foresee serious antitrust clouds looming on Google's horizon.

"There is no question Google does have market power in its space," said Eric Goldman, law and technology professor at Santa Clara University School of Law in Silicon Valley. "That is a predicate" in antitrust.

"No question Google is the market leader, has the numbers and is setting the market agenda," Goldman said. "But the reality is, it is an extremely competitive market. Their market base is one click away from going to competitors."

Google's patented rating system called PageRank employs an algorithm to rank searches not just by volume of referrals but also by the value of the referring site, scoring sites in what the company says are "objective" standards.

The most valuable spots are the top 10 sites listed in any Google search results, increasing the likelihood of new visitors and more ad revenue.

Google has faced criticism recently for alleged blacklisting of automaker BMW Germany for practices Google considered spamming, which were designed to improve BMW's place in rankings. For that it was allegedly penalized.

And the company has faced other criticisms for censorship after it agreed to filter out certain Web sites that the Chinese government found objectionable. It also removes some references to Nazi paraphernalia in search results in Germany and France to comply with national laws. So far, the U.S. antitrust regulators have not had any problems with Google. The U.S. Department of Justice signed off on Google's $1.65 billion purchase of video site YouTube earlier this month.

At stake in the KinderStart suit is the claim that Google went beyond its objective standards and blocked KinderStart for anti-competitive reasons.

"KinderStart believes the blockage was intentional because KS is a competitor," said Gregory J. Yu, KinderStart's attorney with Global Law Group in San Mateo, Calif.

KinderStart is a Norwalk, Calif.-based search engine company that caters to new parents, educators and nonprofit groups with access to health, education and other material about infants and toddlers up to age 7, according to pleadings in Kinderstart.com v. Google Inc., No. C06-2057JF.

The company Web site, begun in 2000, saw a steady growth in 2005, reaching roughly 10 million page views a month, according to Yu.

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But suddenly the company found itself dropped from a spot in the top 10 of Web search results to near invisibility in 2006, even though it did nothing wrong and could not find out from Google why it was backbenched, Yu said.

The suit alleges that KinderStart saw a 70 percent drop in monthly traffic in March 2006 and an 80 percent drop in AdSense revenue, the Google advertising partnership.

Google spokesman Ricardo Reyes, during three days of attempting to prescreen questions, said the company did not have time to answer specific queries, but provided a prepared statement by Hilary Ware, litigation counsel.

"Google's search results function as a recommended reading list, with Google telling users what sites it believes are most likely to be of interest to them," Ware said. "Kinderstart is suing to force Google to say what Kinderstart wants it to say about Kinderstart's site."

GOOGLE 'SLAPP's BACK

Google responded to the lawsuit with what's known as an anti-"SLAPP" motion, stating that the KinderStart claims amounted to strategic litigation against public participation. Anti-SLAPP motions seek to toss out suits that are shown to be efforts to intimidate or silence criticism of the powerful.

Google filed its anti-SLAPP motion arguing that KinderStart improperly sued Google over Google's exercise of its free speech rights, Ware said.

But in an initial June 30 court hearing, Fogel, the San Jose federal judge, put little stock in the anti-SLAPP claim. "Clearly the origins of that statute were to protect citizens who were petitioning the government for redress of grievances," he said. "I think there's a point at which commercial speech is not what the legislature had in mind," he said.

In its most recent motion to dismiss KinderStart's suit, Google's outside counsel, David Kramer of Wilson Sonsini Goodrich & Rosati in Palo Alto, Calif., wrote, "Google is shielded from all liability both by the First Amendment and federal statutory immunity granted online service providers.

"Recommendations and ratings such as Google's are plainly opinions, entitled to the protections of both the First Amendment and the California Constitution."

Goldman called KinderStart's claim "laughable that they are a competitor of Google." He likened it to an indirect competitor serving a niche market, not the mass-market design at the core of Google.

The suit, fashioned as a class action, alleges Sherman Act, monopolization and antitrust violations, as well as Lanham Act false representation claims, free speech violation, defamation and unfair competition under California state law.

Yu points out Google is used in 60 percent of all U.S. search queries. In 2004, Google attained a market share based on revenues alone that exceeded 80 percent of search-related advertising revenue, according to the complaint.

Yu alleged Google's top two competitors, Yahoo Inc. and Microsoft Corp., are losing market share in relevant markets.

But being popular and widely used isn't the same as being monopolistic.

"If you make a better mousetrap you are entitled to take over as much of the market as you want," said Robert Doyle, antitrust specialist with Doyle, Barlow & Mazard in Washington, D.C. "Google has grown and expanded because it has built a better mousetrap. It only remains questionable when a company the size of Google engages in questionable practices to maintain that position."

Reich sees the warning signs of that in Europe. He has criticized Google in the past for going to European antitrust regulators to complain about Microsoft's new Vista software containing a search button for Microsoft's MSN search engine. Reich has said Google should take care that it doesn't find itself facing similar antitrust complaints for bundled free tools such as Gmail or new small-business applications, traditionally a Microsoft mainstay.

But for purposes of the KinderStart lawsuit, Google's actions in China, France or Germany do not make the company a state actor for purposes of KinderStart's First Amendment claim. Yu's argument would be akin to considering Google a public forum, like a shopping mall, that would have to give KinderStart the access to rankings that it seeks.

"That argument is a dead loser," said Goldman. "It has been made repeatedly against online actors and has never gotten any traction in the courts," he said.

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"In reality Google is a media business. They should be protected. Google does what a newspaper editor does; they decide what makes the cut for a newspaper and where to put it." He said that may give them the power to make or break companies, but that's the issue with editors in single-newspaper towns.

By contrast, Reich likened high-technology companies such as Google to telephone companies, which are common carriers. It is representing many businesses -- Internet search engines and browsers are essentially gateways to millions of businesses, he said.

But applying the common-carrier argument to Internet companies may be too radical for judges. "Antitrust hasn't clarified what common-carrier responsibility means, apart from regulated monopolies," as phone companies once were, Reich said.

Google is the economy standard for search engines and "if you can't rely on it to be absolutely neutral in terms of [search result] placement, there might very well be an argument for predatory behavior," he said.

Reich suggested such claims might be more likely to arise as Federal Trade Commission, rather than Sherman or Clayton Antitrust Act, claims.

The FTC legislation is much broader and courts in this era have been particularly reluctant to blaze new trails in antitrust, Reich said.

Goldman also warned that Google must be careful. If it is a runaway success "they may run into antitrust supervision even if it is done cleanly. It could be a victim of its own success." But he found that possibility remote.

Goldman said Google has been disingenuous about the way it markets itself as a neutral provider of technology. "It is doing more than that," he said, again comparing it to a media company. He did acknowledge the company has a "significant issue about transparency." KinderStart and others have said they don't know why their rankings tanked or how to improve their sites to get back in Google's good graces. "You don't know what's going on under the hood," Goldman said of Google's blocking practices.

High Court Case Could Imperil Pending Patents (LAW)

By Tony Mauro, Legal Times

Legal Times, November 28, 2006

When Kenneth Bass III clerked at the Supreme Court in 1969, his justice, the late Hugo Black, told him confidentially what he thought of patents.

"He told me that in his lifetime, he had seen only one real invention -- the airplane -- and he wasn't even certain about that one," says Bass. "He just didn't like patents."

Bass has to hope the current justices don't share that view today, when the Court takes up what he thinks could be the most important patent decision in 40 years.

Now a partner in the D.C. firm Sterne, Kessler, Goldstein & Fox, Bass is part of the legal team that will be defending a disputed patent in the case of KSR International v. Teleflex, which will be heard today. And Black would probably not like the side Bass is on.

Bass represents Pennsylvania auto-parts manufacturer Teleflex, the owner of a patent on an adjustable automobile gas pedal. Teleflex argues in favor of a controversial standard, used by the U.S. Court of Appeals for the Federal Circuit to varying degrees for decades, that enabled Teleflex to get and keep the patent. By requiring patent challengers to produce hard evidence, the standard makes it harder to topple a patent based on the assertion that the new product was an obvious extension of prior ideas.

Critics say the standard protects even the most thinly documented patents, opening the floodgates to junk patents for minor innovations and dubious inventions. KSR lawyer James Dabney, a partner in New York's Fried, Frank, Harris, Shriver & Jacobson, cites statistics indicating that the number of patents upheld after litigation nearly doubled, increasing from 35 percent to 67 percent, after the Federal Circuit and its standard were created.

Too many easily won patents, critics say, slow creativity and the exchange of ideas, putting "glue, not grease, into the gears of innovation," in the words of a brief by the Progress & Freedom Foundation.

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But if Teleflex loses and the Supreme Court devises a less-patent-protecting standard, says Bass' co-counsel Thomas Goldstein of Akin Gump Strauss Hauer & Feld, it will open a very different floodgate. Because "many millions" of patents were granted under the disputed standard and patents can be challenged at any time, Goldstein says, "If the Supreme Court does decide to make a substantial change, it will call into question innumerable patents." [Goldstein is a contributor to Legal Times.]

That nightmare scenario might ordinarily make the outcome easy to predict. The Supreme Court can't possibly want to throw open millions of patents to costly and complex litigation before juries, right?

TABULA RASA

Maybe, maybe not. In part because of the Court's historic love-hate relationship with patents, as evidenced by Hugo Black's remark, the outcome is hard to predict. Some patent experts think the Court is so unhappy with the proliferation of junk patents -- and with the Federal Circuit for adopting the standard that allowed them to multiply -- that it is willing to blow up the system to fix it. Others think the justices will leave well enough alone, perhaps only fine-tuning the Federal Circuit's standard.

What makes speculating on the outcome of the case doubly difficult is that labels are hard to pin on the justices when patents are involved.

"The personality aspect is an unknown. Unlike with constitutional cases, I don't really have a clue of where the justices will come out," says Bass. "There are no schools of jurisprudential thought among the justices on this, no perception of who is pro- or anti-patent."

Perhaps because of the uncertain outcome, patent attorneys have lined up by the dozens to file amicus briefs. But because business giants can be found on both sides of the issue, some firms were conflicted out, say lawyers involved in the case. Last month, in a rare move, the Court allowed Michigan lawyer Harold Milton Jr. of Dickinson Wright to withdraw a brief he had filed with the court on behalf of Teleflex, after realizing his firm had a conflict.

In another sign of the legal community's ambivalence about the case, Stanford Law School professor and leading patent scholar Mark Lemley, in effect, switched sides. At first he joined petitioner KSR in urging the Court to review the Federal Circuit's standard. But after seeing signs of flexibility in some recent Federal Circuit rulings, Lemley changed his mind and joined a brief siding with Teleflex. He now defends the standard as "the best we've got right now."

That same sentiment, plus a desire for stability in the field, contributed to a lineup in the case that the Teleflex team points to with pride. All of the bar groups that filed briefs -- including the American Bar Association, the American Intellectual Property Law Association, and the Federal Circuit Bar Association -- sided with Teleflex in support of the existing standard.

On the other side, KSR's Dabney sniffs that "you should examine with care the professional interests" of the leaders of the bar groups, adding that "the briefs don't reflect the views of all the members." In an acidic footnote in one of his briefs to the Court, Dabney also expresses wonderment about the bar's interest in stability "in view of the enormous fees that litigation of invalid patent claims can generate."

BURDENS OF PROOF

The briefs are full of ominous predictions about the impact of the case on innovation and the overwhelmed patent system. Solicitor General Paul Clement, joining KSR in the case, says the Federal Circuit standard "imposes significant burdens" on the patent system by forcing examiners to hunt for evidence of obviousness instead of allowing them to quickly dismiss plainly weak patent applications.

But part of the background music in the case is the Court's pendulum swings throughout history on the merits and value of patents.

For most of the 19th century, says Joshua Sarnoff, head of the intellectual property law clinic at American University's Washington College of Law, "patents were a very big deal" for the Supreme Court, with the justices playing their part to foster economic expansion. In a law review article, George Washington University Law School professor John Duffy, part of KSR's legal team, noted that in 1888 the Court heard 12 days of argument, then produced an opinion upholding Alexander Graham Bell's patents on the telephone that filled an entire volume of the U.S. Reports.

In the 20th century, patent litigation went in and out of favor with the Court, in part because of the highly specialized nature of the law, and also because of the occasional anti-monopolist impulses of justices such as Black.

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In the 1979 book "The Brethren," an inside-the-Court expose written by Bob Woodward and Scott Armstrong, the Court's disdain for patent cases was documented. According to the book, a 1975 patent case named Sakraida v. Ag Pro was labeled the "cow shit case" among justices and clerks, only partly because it involved the patentability of a system used to clean the floors of dairy barns.

Chief Justice Warren Burger assigned the case to his liberal nemesis, Justice William Brennan Jr., instead of John Paul Stevens, then the Court's junior justice. Brennan was insulted, according to the book, and he wrote the decision himself to spare his law clerks from the humiliation of getting involved. The ruling, which struck down the patent because of obviousness, is cited in numerous briefs in the case now before the justices.

The Court may have thought that it could wash its hands (so to speak) of patent cases entirely when Congress created the Federal Circuit in 1982 to handle appeals in patent cases and a number of other specific areas of law. In fact, until recently, it was rare for the Court to grant review in a patent case, a possible sign that it felt the circuit was handling the jurisprudence well. And when its rulings were reviewed, they were often affirmed.

But in the past four years, the Supreme Court has granted review in nine Federal Circuit cases, including two this term, and none have been affirmed so far.

Critics have hoped for years that the obviousness standard -- a threshold issue for every patent -- would get a fresh look from the high court.

The case in which the Court finally agreed to review it was an unpublished opinion issued in January 2005. At issue is a Teleflex patent issued in 2000 for an adjustable gas pedal for cars, designed to accommodate what KSR's Dabney describes as "the five percent female" -- petite-sized women who need to reach the pedal without getting too close to the steering wheel's airbag. Teleflex sued competitor KSR in the Eastern District of Michigan for patent infringement. KSR countered by challenging the validity of the patent as a too-obvious combination of existing elements. The district court agreed that at least one part of the patent was invalid because it was obvious.

But the Federal Circuit reversed, finding that KSR had not shown enough evidence that because of prior "teaching, suggestion or motivation," the patented product was an obvious development that made it undeserving of a patent.

As Patents Grow More Contentious, Battleground Shifts To High Court (WSJ)

By Jess Bravin

The Wall Street Journal, November 28, 2006

WASHINGTON -- With the economy increasingly dependent on technological innovation, the Supreme Court is scrutinizing more patent rulings made by a special court that critics say has tilted too far in favor of intellectual-property rights and could be stifling competition.

The high court, which today hears arguments in one of three patent cases on this term's docket, has ruled in recent cases on the side of more flexibility in enforcing such rights. If that trend continues, it could translate into weaker protections for patent holders and promote greater access to inventions.

The Supreme Court's newfound assertiveness on core issues of patent law -- after hearing only a handful of cases in the field over 20-plus years -- comes amid a sharp debate over how to maintain American industry's competitive edge while upholding the protections that reward the risk-taking behind cutting-edge inventions.

In today's economy, for instance, many innovations -- such as software programs, drugs or advanced electronics -- are built on myriad smaller inventions. That has led to disputes between owners of component patents and those who incorporate those pieces into more complex products, leaving federal courts to delineate who owns what.

Mark Lemley, a professor at Stanford Law School and an intellectual-property litigator, says the justices are indicating "that the patent system is out of whack, and needs to be reined in."

Others see the shift as a more neutral response to changes in the marketplace. Kevin Casey, president of the Federal Circuit Bar Association, says the high court's attention reflects the increasing complexity of patent law and the importance of intellectual property to the economy. "I don't by any means think the court has an agenda," says Mr. Casey, a partner at Stradley Ronon Stevens & Young in Malvern, Pa.

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To encourage innovation, patents offer the promise of monopoly on an invention's use, ensuring that patent holders reap the rewards of a useful discovery. But that is balanced against the public interest in access to worthwhile discoveries, both for their inherent utility and because today's research underpins tomorrow's inventions. For this reason, only inventions that are deemed useful, novel and nonobvious can be patented -- and patents expire after a set period, currently 20 years.

In the latest of a series of intellectual-property cases, the Supreme Court today will re-examine one of the bedrock doctrines of patent law: "obviousness." At issue is whether the design of an adjustable gas pedal was so obvious as to invalidate a patent at the heart of a dispute between two auto-parts suppliers.

More broadly, the question is whether the federal court that hears patent appeals, which was established by Congress in 1982, has set the right balance in intellectual-property rights. The U.S. Court of Appeals for the Federal Circuit was designed to promote uniformity in several areas of specialized federal law, now including patents, trademarks, veterans' benefits, government contracts and federal civil-service claims.

Critics -- including the Bush administration in today's case -- assert that the Federal Circuit has shifted too far toward patent holders, expanding the types of inventions that can be patented and broadening the scope of monopoly a patent affords its holder. The court's defenders say the Federal Circuit was created in part to strengthen patent protections, and that it has succeeded in clarifying the law.

Any federal district court can hear a patent case, but appeals go to the Federal Circuit, located across the street from the White House in a building named for the court's first chief judge, Howard T. Markey. With the Supreme Court rarely reviewing its decisions, the Federal Circuit long had the final word in patent law.

After the Federal Circuit's creation, "the Supreme Court basically got out of patent law," Mr. Lemley says.

That has changed in recent years. The justices heard five appeals from the Federal Circuit in the past three terms -- and didn't affirm it once.

In May, the high court unanimously reversed a Federal Circuit decision that had virtually guaranteed patent holders could bar imitators from continuing to use their invention. Instead, the Supreme Court ruled that judges should consider the same factors used in other types of cases where injunctions are sought, and weigh such issues as whether royalty payments would be sufficient redress and whether the public interest would be served.

In that case, online auctioneer eBay Inc.'s "buy it now" feature had been found to infringe a business-method patent held by MercExchange LLC of Great Falls, Va.

The eBay ruling followed a June 2005 opinion in which the high court decided, again unanimously, that in some cases pharmaceutical researchers could use compounds patented by others if doing so could help develop new drugs. The justices overturned the victory a small patent holder, Integra Lifesciences I, Ltd., had won at the Federal Circuit over Merck KGaA of Germany.

Last month, the justices heard a challenge to a Federal Circuit ruling holding that if a company pays royalties to use an invention, it can't subsequently sue to invalidate the patent. At issue is whether biotechnology company MedImmune Inc. of Gaithersburg, Md., lost the right to contest a patent by agreeing to pay a royalty to Genentech Inc. of South San Francisco, Calif.

In the current term, which began last month, the justices have three patent cases from the Federal Circuit on the docket.

Critics say the Federal Circuit has fostered an expansion of patent rights that has made them both more potent and easier to obtain. The Federal Circuit's rulings have "converted patents from handguns to bazookas, and at the same time stopped requiring permits to get them," says economist Adam Jaffe, dean of arts and sciences at Brandeis University.

The Federal Circuit's chief judge, Paul Michel, declined to discuss such critiques. "I'm not in the business of responding to what a few professors say," he said in an interview. But, he added, in its history the court has "added considerably greater clarity to the patent law, and a great deal more consistency and maturation to many patent doctrines."

In today's case, the high court turns to the issue of obviousness. KSR International Co., of Ridgetown, Ontario, won a contract to supply General Motors Corp. trucks with gas pedals that could be raised to meet the foot of a driver with shorter legs. Depressing the pedal activates an electronic throttle control that sends gas to the engine. The electronic sensor is attached to the pedal's support assembly and thus moved with it, unlike previous designs, which had the sensor fixed in the housing.

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But rival Teleflex Corp. of Limerick, Pa., already made a similar device for trucks produced by Ford Motor Co. Teleflex claimed KSR had infringed its 2001 patent. When KSR refused to pay a royalty, Teleflex sued.

The Constitution authorizes Congress to "promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." Patent law aims to strike a balance that provides an incentive to inventors by guaranteeing a limited-time monopoly on an invention's use, while ensuring that intellectual-property rights are flexible enough to allow research and innovation based on prior discoveries.

As a result, not everything is patentable, including discoveries that are deemed "obvious."

The Supreme Court laid out the obviousness doctrine in 1851. A patent requires more "skill and ingenuity" than that of "an ordinary mechanic acquainted with the business," the court said. The 1952 Patent Act subsequently denied patents to inventions that, in light of "prior art" in the field, "would have been obvious...to a person having ordinary skill in the art to which the subject matter pertains."

After examining other patented pedal-assembly designs, U.S. District Judge Lawrence Zatkoff ruled for KSR. "A hypothetical person with an undergraduate degree in mechanical engineering or an equivalent amount of industry experience" who was familiar with pedal systems "would have found it obvious to attach a modular pedal position sensor" to the support member, the judge wrote. Thus, the Teleflex patent "is invalid for obviousness."

On appeal, however, the Federal Circuit said Judge Zatkoff hadn't properly followed the stricter test it fashioned when an obviousness claim is based on combining prior inventions. Citing prior Federal Circuit decisions, Circuit Judge Alvin Schall wrote that the test was needed to protect patents from "hindsight," saying that is why the court required that "a person of ordinary skill in the art" not only have a motivation to combine the prior-art teachings, but some motivation to combine them in the particular manner claimed.

Many big patent holders, including General Electric Co., Procter & Gamble Co. and 3M Co., have sided with Teleflex. But other companies, particularly in software and other industries where combinations of prior designs are common, argue against the Federal Circuit's test. Cisco Systems Inc., Hallmark Cards Inc. and Microsoft Corp. have sided with KSR, as has the Bush administration.

The Supreme Court has yet to schedule argument on the third patent case accepted this term, which examines when domestically patented parts assembled abroad fall under U.S. patent protection. Decisions in all three cases are expected by the term's end in June.

ENVIRONMENT:

As Globe Warms, Can States Force The EPA To Act? (CSM)

By Warren Richey

Christian Science Monitor, November 28, 2006

WASHINGTON

Arctic sea ice is melting. Glaciers are in retreat. Sea levels are rising. So what is the Environmental Protection Agency doing about it?

That's what a group of state officials and environmentalists want to know.

Seven years ago, they asked the EPA to get involved - to take an initial step in response to scientific evidence that suggests greenhouse gases are causing global warming.

The agency refused, saying there were too many unresolved questions about the causes and effects of global warming. The state officials took their case to court, charging that the Clean Air Act requires the EPA to take immediate action.

On Wednesday, the dispute arrives at the US Supreme Court, where the justices must decide whether the EPA is required to take action or whether the agency retains the discretion to decide for itself how best to respond to world-wide environmental threats.

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The case will test the authority of special interest groups and state governments to sue federal agencies and force them to adopt certain regulatory policies that they favor. The case could also establish important legal precedents that might help or hinder state efforts to regulate greenhouses gases on their own in the absence of federal action.

On a broader level, the case raises questions about the role of the judiciary in resolving litigation over regulatory policy arguments. Should judges defer to controversial decisions made by administrative agencies on whether or when to pass regulations? Or should judges aggressively enforce what they see as the underlying purpose of statutes that govern agencies?

At issue in Massachusetts v. US Environmental Protection Agency is whether EPA officials acted properly when they declined to issue national regulations limiting the release of four greenhouse gases from new automobile models. The gases are carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons.

EPA officials say the agency lacks the power to regulate greenhouse gases. The Clean Air Act authorizes the EPA to take action to reduce and control agents that cause "air pollution." But agency officials have concluded that greenhouse gases are not agents of air pollution. They say the Clean Air Act does not address global climate change.

As a fallback position, EPA officials say that even if they do have authority to regulate greenhouse gases under the Clean Air Act they also have discretion under the act to decide when to initiate such measures. The officials have said there was scientific uncertainty about global warming and that they wanted to wait for more research and additional action by Congress before crafting an appropriate response.

Massachusetts along with 11 other states, three cities, a US territory, and numerous environmental groups are urging the Supreme Court to order the EPA to faithfully enforce the law as passed by Congress.

"A straightforward reading of the language of the Clean Air Act shows that carbon dioxide and other air pollutants associated with climate change are 'air pollutants' potentially subject to regulation [under the Clean Air Act]," writes Massachusetts Assistant Attorney General James Milkey, in his brief. "When Congress has spoken as plainly as it has here, an administrative agency is bound to obey that legislative command."

In his brief, US Solicitor General Paul Clement defends the EPA's earlier legal positions. He also argues that Massachusetts lacks the legal standing to bring the lawsuit in the first place. Mr. Clement says Massachusetts officials are unable to draw a direct link between harm to the state and the EPA's decision not to pass the requested regulations.

Massachusetts and other petitioners in the case complain of "profound harms" caused by climate change including the inundation of coastal property, damage to seaside facilities, and additional emergency response costs from more frequent and intense storms. Clement argues that the state's generalized concerns are not enough to demonstrate that such cataclysmic harms are a direct result of the EPA's decision not to regulate.

The specific request was for the EPA to regulate greenhouse-gas emissions from new cars. Such emissions make up only a fraction of greenhouse gases released worldwide.

Clement says that 80 percent of all greenhouse gases are from countries other than the US and that, of US emissions, 70 percent are from nontransportation sources. The solicitor general adds that of the remaining 30 percent, the requested regulation would only affect new vehicles models - leaving the vast majority of emissions in the US and throughout the world not covered by the new regulations.

In effect, Clement says, the threat of global warming is an international threat that requires an international solution. Since the EPA acting alone cannot solve the problem, lawyers from Massachusetts don't have legal standing to try to hold the EPA responsible for a problem it can't solve without international cooperation.

Mr. Milkey says the primary concern of Congress in the Clean Air Act was for the agency to determine whether certain pollutants can reasonably be anticipated to endanger public health or welfare. Where they pose such a threat, Milkey says, the agency must act to protect the public.

Pivotal Case On Global Warming Case Confronts U.S. High Court (FINDLAW/AP)

By H. Josef Hebert, Associated Press Writer

AP, November 28, 2006

DOJ_NMG_0098864

(AP) - WASHINGTON-The Supreme Court hears arguments this week in a case that could determine whether the Bush administration must change course in how it deals with the threat of global warming.

A dozen U.S. states as well as environmental groups and large cities are trying to convince the court that the Environmental Protection Agency must regulate, as a matter of public health, the amount of carbon dioxide that comes from vehicles.

Carbon dioxide is produced when fossil fuels such as oil and natural gas are burned. It is the principal "greenhouse" gas that many scientists believe is flowing into the atmosphere at an unprecedented rate, leading to a warming of the earth and widespread ecological changes. One way to reduce those emissions is to have cleaner-burning cars.

The Bush administration intends to argue before the court on Wednesday that the EPA lacks the power under the Clean Air Act to regulate carbon dioxide as a pollutant. The agency contends that even if it did have such authority, it would have discretion under the law on how to address the problem without imposing emissions controls.

The states, led by Massachusetts, and more than a dozen environmental groups insist the 1970 law makes clear that carbon dioxide is a pollutant - much like lead and smog-causing chemicals - that is subject to regulation because its poses a threat to public health.

A sharply divided federal appeals court ruled in favor of the government in 2005. But last June, the Supreme Court decided to take up the case, plunging for the first time into the politically charged debate over global warming. The ruling next year is expected to be one of the court's most important ever involving the environment.

At issue for now is pollution from automobiles. But the ruling indirectly may affect how the agency deals with carbon dioxide that comes from electric power plants.

In a separate lawsuit, the EPA says the Clean Air Act also prevents it from regulating such emissions from those plants. That claim would be undercut, Bookbinder says, if the high court rules in the states' favor in the auto emissions case.

President George W. Bush has rejected calls to regulate carbon dioxide. He favors voluntary steps by industry and development of new technologies to reduce the amount of greenhouse gases released into the atmosphere.

The United States accounts for about one-quarter of the world's greenhouse gas emissions. The amount of carbon dioxide from U.S. motor vehicles, power plants and other industry has increased on average by about 1 percent a year since 1990.

Now that Democrats will control the House and Senate in January after their election victories this month, there is expected to be increased pressure in Congress for mandatory limits on carbon emissions.

Global Warming Goes To Court (NYT)

New York Times, November 28, 2006

The Bush administration has been on a six-year campaign to expand its powers, often beyond what the Constitution allows. So it is odd to hear it claim that it lacks the power to slow global warming by limiting the emission of harmful gases. But that is just what it will argue to the Supreme Court tomorrow, in what may be the most important environmental case in many years.

A group of 12 states, including New York and Massachusetts, is suing the Environmental Protection Agency for failing to properly do its job. These states, backed by environmental groups and scientists, say that the Clean Air Act requires the E.P.A. to impose limits on carbon dioxide and other greenhouse gases emitted by new cars. These gases are a major contributor to the "greenhouse effect" that is dangerously heating up the planet.

The Bush administration insists that the E.P.A. does not have the power to limit these gases. It argues that they are not "air pollutants" under the Clean Air Act. Alternatively, it contends that the court should dismiss the case because the states do not have "standing," since they cannot show that they will be specifically harmed by the agency's failure to regulate greenhouse gases.

A plain reading of the Clean Air Act shows that the states are right. The act says that the E.P.A. "shall" set standards for "any air pollutant" that in its judgment causes or contributes to air pollution that "may reasonably be anticipated to endanger public health or welfare." The word "welfare," the law says, includes "climate" and "weather." The E.P.A. makes an array of specious arguments about why the act does not mean what it expressly says. But it has no right to refuse to do what Congress said it "shall" do.

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Beneath the statutory and standing questions, this is a case about how seriously the government takes global warming. The E.P.A.'s decision was based in part on its poorly reasoned conclusion that there was too much "scientific uncertainty" about global warming to worry about it. The government's claim that the states lack standing also scoffs at global warming, by failing to acknowledge that the states have a strong interest in protecting their land and citizens against coastal flooding and the other kinds of damage that are being projected.

In a friend-of-the-court brief, climate scientists from the NASA Goddard Institute for Space Studies, Stanford University and other respected institutions warn that "the scientific evidence of the risks, long time lags and irreversibility of climate change argue persuasively for prompt regulatory action." The Supreme Court can strike an important blow in defense of the planet simply by ruling that the E.P.A. must start following the law.

An Environmental Warning System (WP/AP)

By Vicki Smith

The Washington Post, November 28, 2006

MORGANTOWN, W.Va. -- The Appalachian Trail gives hikers a nearly 2,200-mile trek through mountains, meadows and forests stretching from Georgia to Maine. But to scientists and land managers, it is also a living laboratory that could provide warnings of environmental problems while there is still time to fix them.

A diverse collection of organizations have launched a project to begin long-term monitoring of the trail's environmental health, with plans to tap into an army of volunteer "citizen scientists" and professionals.

Together, they will collect information about air and water quality, the health of plants, and animal migration patterns to build an early environmental warning system for the 120 million people along the Eastern Seaboard.

"It's somewhat like the canary in the coal mine in the sense of using it as a barometer for environmental and human health conditions," said Gregory Miller, president of the Silver Spring-based American Hiking Society.

The Appalachian Mountains are ideal for the project because they are home to one of the richest collections of temperate-zone species in the world. They also have a variety of ecosystems that blend into one another -- hardwood forests next to softwood forests next to alpine forests. The trail along the mountain chain passes through 14 states and eight national forests.

The idea for the project, the Appalachian Trail Mega-Transect, is in its infancy, but it has support from the National Park Service, the U.S. Forest Service, Cornell University, the National Geographic Society and Aveda Corp., an environmentally conscious beauty-products company.

"We're really after two things," said Brian Mitchell, a coordinator with the Park Service's Northeast Temperate Network in Woodstock, Vt. "We want to get a better understanding of what's happening on the trail so we can better manage it. The other side is we want to take the lessons we learn from the trail and show people that what's happening on the trail does actually affect us."

High ozone levels, for example, can reduce plant photosynthesis and growth and speed up aging and leaf loss. In humans, they can affect the lungs, respiratory tract and eyes, and increase susceptibility to allergens. Atmospheric deposition -- airborne sulfur and nitrogen deposited in the soil by rain and snow -- can affect farming and crop growth.

An example of the environmental changes along the trail is smog in the Great Smoky Mountains in Tennessee and North Carolina, said David Startzell, executive director of the Appalachian Trail Conservancy in Harpers Ferry, W.Va.

"People will read that on 25 or 30 days in a given year, it's considered unhealthy to walk on the Appalachian Trail, and we think that's going to grab people's attention more than if they just read about air-quality trends in general," he said.

That is also why volunteers will be critical to the project's success. It's one thing for people to read about technical reports on bird migration, acid rain or air quality, Startzell says. "We think it's another thing when people learn about that firsthand by actually helping to collect that information," he said.

Mitchell hopes that within the next year, the project will have at least two flagship programs for volunteers. He says volunteers could help with such tasks as measuring tree diameters, taking photographs to illustrate visibility, tracking the arrival times of migratory birds and dating the blooming and leaf loss of trees.

Advocates hope the project will help drive changes in public policy and personal behavior.

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"Part of our hope is that as people become more aware of trends affecting those lands, they'll be motivated to take action," Startzell said, "whether that means switching to a hybrid car or just conducting their own way of life in a little more energy-efficient manner, or going to a town hall meeting and advocating for more open space."

Killing The Dead Zones (WP)

The Washington Post, November 28, 2006

LAST YEAR was particularly bad for the Chesapeake Bay. Among its many problems, 4.5 percent of the bay's water had extremely low levels of oxygen saturation during the summer, creating anoxic "dead zones" that killed off valuable ecosystems. But according to a study issued recently, only 1.8 percent of the bay was anoxic this summer, encouraging the reestablishment of vital food chains. A separate evaluation released last week also highlighted a modest increase in the bay's overall health.

What made the difference? Diligence on land may have prevented more nitrogen and phosphorus from feeding into the bay than in past years. But Beth McGee, a scientist at the private Chesapeake Bay Foundation, says human efforts should get only a small fraction of the credit. Anoxic water, a summer phenomenon, is caused by polluted runoff that flows into the bay during the spring. A dry spring, such as the one the region experienced this year, means less runoff and, therefore, fewer dead zones -- even if the region is inundated later on, as it was in June. The foundation, which still gives the bay's health a grade of D, also claims that even if all the projects to which states around the bay have committed are carried to completion, they will reduce annual pollution in the bay by only about 40 percent of their stated goal by 2010.

Still, bay states are improving their record on protecting the estuary, if too slowly, and they have time to expand their programs. Maryland encourages its farmers to plant cover crops to absorb nitrates and reduce runoff, a program paid for in part by the state's useful Bay Restoration Fund. The Maryland Department of Agriculture has approved the subsidized planting of about 290,000 acres of cover crops for this fall -- a number that should rise in future years. Virginia, which lags behind Maryland in its bay cleanup efforts, should guarantee revenue to do the same -- so that farmers will be able to rely on timely support over many harvests. Both states should also expand programs that help farmers pay for other agricultural improvements, such as the construction and maintenance of riparian buffers, which are effective and natural pollution trappers.

Maryland's incoming attorney general, Douglas F. Gansler, ran on a platform of improving the bay by using the federal Clean Water Act to go after large agricultural polluters -- even those out of state. That may also help Maryland meet its pollution reduction goals.

FBI/DEA/ATF/USMS:

Gun Background Check System Crashes (AP)

AP, November 28, 2006

WASHINGTON - An FBI computer system that quickly screens gun buyers' backgrounds for criminal activity crashed several times over the past two days, officials said Monday.

At times, the National Instant Criminal Background Check System was on the blink for up to a half-hour on Sunday and Monday - potentially allowing buyers to purchase firearms without being screened if sellers gave up on making the required check.

The computer crash was blamed on a technical glitch that was being worked on Monday evening, said FBI spokesman Paul Bresson. "It's a performance issue that we've never encountered before," he said

It was unclear when the glitch would be fixed.

The system, located in Clarksburg, W.Va., generally receives between 30,000 and 50,000 requests for background checks on a daily basis, peaking on the weekends, Bresson said. It usually processes the requests within 30 minutes.

U.S. Supreme Court Refuses To Consider Case Involving Professor And His FBI File (FINDLAW/AP)

AP, November 28, 2006

DOJ_NMG_0098867

(AP) - WASHINGTON-The Supreme Court on Monday refused to consider the case of a Nobel Peace Prize-nominated law professor who wants the U.S. government to expunge his FBI file.

A federal appeals court found that information the government gathered on Cherif Bassiouni is pertinent to authorized law enforcement activity as part of President George W. Bush's campaign against terror. The records are important for evaluating the reliability of FBI intelligence sources, the appeals court found.

The government argued in the lower courts that even though Bassiouni is not a member of any terror organization, agents probably will continue to receive information about him because of his travels in the Middle East.

Bassiouni, an Egyptian who teaches in the United States, is serving the United Nations as an independent expert on human rights in Afghanistan and was chairman of the U.N. Security Council's commission to investigate war crimes in the former Yugoslavia.

In 1999, Bassiouni was nominated for the Nobel Peace Prize for work on international criminal justice and for his contribution to the creation of the International Criminal Court.

Bassiouni was among the U.N. human rights experts expressing concern about possible irreversible psychiatric symptoms in some terrorism suspects from virtual solitary confinement at the U.S. prison in Guantanamo Bay, Cuba.

Former Sheriff Pleads Not Guilty To Involvement In Drug-selling Scheme (FINDLAW/AP)

By Sue Lindsey, Associated Press Writer

AP, November 28, 2006

(AP) - ROANOKE, Virginia-A former sheriff pleaded not guilty Monday to federal charges that he took part in a scheme to sell drugs seized from criminals with a dozen former and current officers.

H. Franklin Cassell, 68, and two Henry County sheriff's deputies and a captain in the economically distressed county pleaded not guilty. The other defendants will be in court Wednesday.

The indictment returned Oct. 31 said Cassell looked the other way as officers sold drugs seized in criminal investigations, stole guns and other evidence and then resold cocaine, steroids, marijuana and other drugs to the public.

Cassell is charged with impeding a federal investigation and money laundering. If convicted, he faces up to 53 years in prison and a $1.25 million (â,¬950,000) fine.

Charges against the other defendants include racketeering conspiracy, drug distribution, weapons counts, obstruction of justice and perjury.

A former sergeant, James Alden Vaught, agreed to cooperate with investigators. His planned guilty plea Monday was delayed because his lawyer was ill, said Assistant U.S. Attorney Thomas Bondurant.

A civilian, William Randall Reed, pleaded guilty Monday to racketeering conspiracy under an agreement with prosecutors and may testify for the government, Bondurant said.

Prosecutors said the scheme began in 1998.

Cassell announced his retirement two weeks ago.

Former Henry Sheriff Enters Not-guilty Plea (RTD)

Richmond Times Dispatch, November 28, 2006

ROANOKE -- Former Henry County Sheriff H. Franklin Cassell pleaded not guilty yesterday to trying to thwart a federal investigation into a drug-dealing ring allegedly run by some of his deputies.

Later, in the same federal courtroom where Cassell pleaded not guilty, the Henry man whose arrest prompted the indictment of Cassell, along with 12 of his employees, pleaded guilty to a single count of participating in a racketeering conspiracy. William R. Reed, 35, is to be sentenced in U.S. District Court at a later date and could testify at Cassell's trial.

On Nov. 2, federal and state authorities arrested 20 people in Martinsville and across the county, charging them with taking part in a racketeering scheme in which members of the sheriff's department resold drugs they had seized from dealers, stole drugs and weapons held in the custody of the sheriff's department and then lied to federal investigators to hide their activity.

Among the 20 were Cassell and 12 current or former employees in the sheriff's department. Cassell, Henry's sheriff since 1992, retired Nov. 13.

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Yesterday, after Cassell's plea, his attorney John Lichtenstein said he is glad the plea is out of the way so he can begin the fight to clear Cassell's name. "Now the process can begin," he said.

Federal agents began their investigation of Cassell's department in March 2005, when U.S. Drug Enforcement Administration agents in Philadelphia tipped off their counterparts in Roanoke that a package containing 2 kilograms of ketamine, a sedative used as a date-rape drug, was in the mail and on its way to a Martinsville house.

The agents arrested the package's recipient, Reed, who told them the house was owned by Henry Sgt. James Alden Vaught. Reed said he paid Vaught in cash and ketamine to use the residence as a drug drop, and that he had helped the officer sell 2 kilograms of cocaine that had been seized from drug dealers, according to the federal indictment handed up Oct. 31.

When agents confronted Vaught, he confirmed Reed's story and implicated other officers, Assistant U.S. Attorney Thomas Bondurant Jr. said in court yesterday. Vaught, who resigned shortly after Reed's arrest, agreed to wear a wire and captured more than 100 hours of conversation with 25 people. Among those secretly recorded was Cassell, who allegedly was taped offering to co-sign a loan for Vaught to help him launder $10,000 in drug money.

Cassell, 68, is charged with two counts of obstructing justice, money laundering, making a false statement and misprision, or unprofessional conduct.

Bondurant said Cassell knew of drug dealing within his department, and "he chose not to act."

Also yesterday, three of the indicted officers pleaded not guilty to taking part in the alleged racketeering scheme. Vaught, appearing without an attorney, told U.S. District Judge James C. Turk that he plans to plead guilty.

Henry Co. Civilian Pleads Guilty The Man Had Accepted A Drug Delivery That Prompted Agents To Investigate The Sheriff's Office. (RT)

Roanoke (VA) Times, November 28, 2006

A civilian who helped the feds build a case against members of the Henry County Sheriff's Office pleaded guilty to reduced charges on Monday, and a former sergeant who also cooperated is expected to follow suit.

William Randall Reed, 35, pleaded guilty to one count of conspiracy to commit racketeering in exchange for dismissal of five other charges.

Drug Enforcement Administration agents conducted an undercover delivery of ketamine, a date rape drug, at a Henry County residence in March 2005.

According to court records, Reed's acceptance of the package served as the springboard for the investigation, which eventually resulted in the indictment of former Henry County Sheriff Frank Cassell, 12 current and former deputies and seven civilians.

Reed directed agents to James Alden Vaught, then a sergeant with the sheriff's office and the owner of the house where the ketamine was delivered. Reed had paid Vaught in cash and ketamine to use the house as a drop, officials say.

Reed also told investigators he had helped Vaught get rid of two kilograms of cocaine the sergeant had seized in a raid in 2001.

Vaught resigned from the department and agreed to wear a wire, eventually helping to record at least 100 tapes worth of conversations with two dozen people, according to prosecutor Tom Bondurant.

Bondurant said officials eventually learned that deputies were falsifying destruction orders for drugs, then selling them in the community. Other deputies are accused of buying steroids and distributing them, and Cassell is accused of obstructing the federal investigation, officials say.

Bondurant said Vaught has agreed to plead guilty to one count of conspiracy to commit racketeering, but Vaught's attorney was ill and could not be there for a guilty plea hearing.

However, Vaught has already signed the agreement, which indicates that a second conspiracy charge against him will be dropped.

Vaught and Reed each face up to 20 years in prison, but the U.S. Attorney's Office will request reduced sentences for both men if they continue to cooperate, records show.

That means if co-defendants go to trial, Reed and Vaught may be expected to testify against them, Bondurant said.

Reed also is in trouble in Pennsylvania, where he already pleaded guilty to a drug conspiracy charge in Philadelphia that is also related to shipments of ketamine. None of the 16 other defendants in that case is linked to the Henry County case, Bondurant said.

Attorney Mark Cedrone, who is representing Reed in Pennsylvania, said his client may be sentenced at once for both cases, but that "requires a lot of hoops to jump through."

Both men are free on bond pending their sentencings.

Also on Monday, Cassell and nine other defendants, including his second in command, Maj. James Keaton, were arraigned on their charges and pleaded not guilty.

Bondurant said he expected the remaining defendants to be arraigned this week and plead not guilty to their charges.

No trial date has been set in the case.

Cassell, Others, Plead Not Guilty (MB)

Martinsville (VA) Bulletin, November 27, 2006

Former Henry County sheriff H. Frank Cassell pleaded not guilty today in Roanoke to allegations that he looked the other way while officers in his department engaged in alleged illegal activities.

Cassell, along with 12 former and current members of his department and seven residents, were charged in a 50-page, 48-count federal indictment that includes allegations of racketeering conspiracy, obstruction of justice, misprision, money laundering, firearms offenses, drug charges, perjury and other charges.

Cassell faces five counts alleging his participation in a money laundering scheme, obstruction of justice, false statement to a federal agency and misprison (failing to tell law enforcement of a felony).

Attending the hearing with his wife, Margaret, and defense attorneys, the former sheriff spoke briefly, stating his full name, address and birth date during the arraignment hearing.

“Not guilty,” Cassell replied when asked for his plea.

Former major James Keaton and deputies Steven Preston and Walter Hairston also entered pleas of not guilty for their alleged involvement.

James Vaught, a former sergeant with the sheriff' office, has filed a plea agreement in which he will plead guilty to racketeering conspiracy, but on Monday, he entered a not guilty plea because his attorney is hospitalized and unable to attend the hearing.

William Randall “Randy” Reed, one of seven individuals charged in the indictment, pleaded guilty to racketeering conspiracy in a plea agreement which calls for the dismissal of other charges.

The matter is continued until late-January or early February, when the court will consider motions related to the case.

If convicted, Cassell could face 53 years in jail and/or a $1.25 million fine.

Court Expands Protections For Medical Marijuana Users (LAT)

By Maura Dolan, Times Staff Writer

The Los Angeles Times, November 28, 2006

SAN FRANCISCO — People charged with transporting marijuana may avoid conviction if they can show that the drug was for their personal medical use, the California Supreme Court ruled Monday.

In a 6-1 decision, the state high court said California's medical marijuana law protects patients who transport even relatively large quantities of the drug if they can show that the amount was consistent with their medical needs and recommended by a licensed physician.

The court interpreted a 2004 law passed by the Legislature to address uncertainties that followed voter passage of the Compassionate Use Act of 1996. The attorney general's office said the ruling would affect a handful of cases.

Monday's decision "expands the defenses that can be used for medical marijuana," including transportation and possession for sale, said Maureen J. Shanahan, who represented the defendant in the case.

Nathan Barankin, a spokesman for Atty. Gen. Bill Lockyer, said prosecutors had hoped the court would make it more difficult for marijuana sellers to use a medical defense but said the court's clarification of the law was helpful.

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The court reached its decision in the case of Shaun Eric Wright, who was arrested in Huntington Beach in 2001 while carrying more than a pound of marijuana in his truck. The stash included several small baggies, two large bags and an electronic scale.

Wright was charged with possessing marijuana for sale and with transporting it.

Wright had asked that jurors be instructed that he did not commit a crime if they determined the marijuana was recommended by a doctor. A physician testified that he had recommended Wright use marijuana to alleviate pain, abdominal problems and emotional stress.

The doctor said Wright preferred eating marijuana, which requires a larger amount to get the same effect as smoking it. The doctor said Wright needed a pound of marijuana every two to three months.

The trial judge ruled that the medical marijuana law passed by voters did not apply because the amount was too large and Wright was transporting it. But the judge permitted Wright to present evidence of medical use to rebut the possession for sale charge.

Wright was convicted of transportation and possession for sale. An appeals court overturned the conviction on the grounds that the jury should have been given a medical marijuana instruction.

The California Supreme Court agreed that Wright was entitled to such an instruction but refused to overturn the conviction. The court said the judge's error was "harmless" because the jury had the option of convicting Wright only of possession, a misdemeanor. Instead, the jury "found beyond a reasonable doubt that he possessed the drug with the specific intent to sell it," wrote Justice Carlos Moreno for the majority.

Justice Marvin Baxter wrote separately, saying he agreed that Wright's conviction should stand but disagreed that Wright was entitled to a medical marijuana defense.

"The overwhelming evidence that defendant possessed the marijuana with the intent of selling it precluded a reasonable doubt as to its personal medical purpose," Baxter wrote. "This evidence prominently included the electronic scale, the presence of which the defendant never explained."

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COURT ALLOWS PROTECTIONS FOR PATIENTS TRANSPORTING POT (BCN)

Bay City News Wire, November 28, 2006

SAN FRANCISCO (BCN) -- The California Supreme Court ruled today that legal protections for patients who transport medical marijuana apply retroactively to cases that were underway by 2003.

The ruling, issued in San Francisco, concerns a 2003 state law that clarified California's medical marijuana law, which was passed by state voters in 1996 as the Compassionate Use Act.

The Compassionate Use Act protects seriously ill patients from being prosecuted in state court for using marijuana when they have a doctor's approval.

The protections apply only to state court prosecutions and not to criminal prosecutions in federal court. Federal drug laws do not allow an exception for California's medical marijuana law.

The later law, passed by the California Legislature in 2003 and entitled the Medical Marijuana Program, was intended to clarify the Compassionate Use Act and address some additional issues.

Among other provisions, it extended similar legal protections to medical marijuana patients who transport the drug. It also established a program for issuing identification cards to qualified patients.

The case before the state high court was an appeal by Shaun Wright, a Huntington Beach man who was convicted in Orange County Superior Court of transporting marijuana and possessing it for sale. Wright was sentenced to a year in jail and released on probation after six months.

He was arrested in 2001 after police received a tip that his pickup truck at a car wash "reeked of marijuana." Police found one pound and three ounces of marijuana along with a scale.

Wright said he needed the marijuana to alleviate chronic pain from a bicycle accident and stomach problems from a parasite.

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He argued in his appeal that the jury should have been instructed that transporting marijuana for his personal medical use could be a defense against a criminal charge of transporting marijuana.

The state high court agreed that the 2003 law applied to his case because his appeal was pending at when the law was passed.

Justice Carlos Moreno wrote, "We agree that the Medical Marijuana Program applies retroactively to cases pending at the time of its enactment and, therefore, to the present case."

But the court said Wright's conviction didn't need to be automatically overturned. It said the jury's finding that he possessed marijuana with the intent to sell had by implication rejected his claim that he was transporting the marijuana for his personal medical use.

The panel sent the case back to Orange County Superior Court for further proceedings on Wright's claims that there were also other errors in jury instructions.

Man's Conviction Upheld In Medical Marijuana Case (CBS2)

CBS 2, November 28, 2006

(CBS) SANTA ANA An Orange County man's felony conviction for transporting marijuana was upheld Monday by the California Supreme Court despite its ruling that later law allowing a medical marijuana defense for transportation applies retroactively.

The decision in the case of Shaun Eric Wright, 43, resolves an important question regarding the Medical Marijuana Program, legislation adopted in 2004 to promote the implementation of Proposition 215 that in 1996 legalized marijuana for medicinal use, Nathan Barankin of the state Attorney General's office said.

That question, Barankin said, is whether the law applies retroactively "and it does resolve that issue for state law purposes."

However, it only affects a handful of cases that were brought before the 2004 law took affect and are still "open," or under appeal, Barankin said.

Wright, who was found with more than a pound of marijuana in his truck during a search by Huntington Beach police on Sept. 20, 2001, was not allowed to raise a medical marijuana defense.

A doctor testified that he had prescribed the drug for Wright, and Wright testified that he took the drug for a shoulder injury that prevented him from working as a carpenter, and abdominal pain from a stomach parasite.

Wright testified that he began using marijuana for his medical condition in 1991.

The prosecution argued that the amount of marijuana recovered in the truck indicated more than enough for personal use, that it was broken up into separate packages and that Wright had an electronic scale, which he never explained.

The defense argued that Wright needed higher amounts of marijuana because he ate it rather than smoked it and that it was broken up into packages by potency for different uses.

The Supreme Court found that the jury deciding Wright's case should have been allowed to consider a medical marijuana defense, but that the error was "harmless," meaning it would not have affected the jury's decision.

The court found that the jury had been given the option of convicting Wright of the lesser crime of simple marijuana possession, but convicted him of possessing marijuana for sale and transporting marijuana.

"In such cases the issue should not be deemed to have been removed from the jury's consideration since it has been resolved in another context, and there can be no prejudice to the defendant since the evidence that would support a finding that only the lesser offense was committed has been rejected by the jury," the decision stated.

Barankin said that the justices "said that even if he was given the opportunity to assert (the medical marijuana) defense, the jury's conviction would not have changed."

The decision sends the case back to the Court of Appeal, where other issues raised by Wright could result in the conviction being overturned, his attorney Maureen Shanahan said.

Wright was sentenced to a year in county jail and placed on three years formal probation, Shanahan said.

Barankin said he did not anticipate the conviction would be overturned. "In our view, this was the strongest legal argument he had to make," Barankin said.

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Shanahan said the appellate court decision in the Wright decision also found that the 2004 legislation was retroactive, but a different circuit found the opposite.

"That was the reason the court took our case," she said. Barankin said the state Supreme Court "saw the case as an opportunity to clarify the law on the application of medical marijuana defenses."

Medical Marijuana: Dopey Decision (SEAPI)

By SEATTLE POST-INTELLIGENCER EDITORIAL BOARD

Seattle Post-Intelligencer, November 28, 2006

The Washington Supreme Court, for hardly the first time in judicial history, has rendered a ruling that is at the same time legally correct and morally wrong.

Yes, as the court ruled Thursday, state law enacted by the 1998 passage of Initiative 692 does require that anyone mounting a "compassionate use" defense in a marijuana-related crime must meet specific criteria.

And, yes, Sharon Lee Tracy failed that test. The California doctor who approved her use of medical marijuana was not licensed in Washington and thus doesn't meet the I-692 standard.

The 6-3 majority also rejected Tracy's attempt at a Constitution-based defense, in part because she failed to produce a copy of her California medical marijuana card. "It appears," the court says, "that the card was never returned to her after the police seized it at the time of the original search." She couldn't make her case because the cops never gave her property back?

"While we are not without sympathy," Justice Tom Chambers intoned for the majority, "it is Tracy's responsibility as a petitioner to provide an adequate record for appellate review. ..."

Tracy "suffers from a hip deformity, migraine headaches, a series of eight corrective surgeries following a ruptured colon and bowel condition and has been disabled since 1998." But Skamania County insisted on prosecuting her for marijuana?

Where the cops and courts failed, lawmakers can succeed, by rewriting the law to recognize medical marijuana prescriptions from any licensed physician.

Warning Issued On Dangers Of Methadone (NYT/AP)

By The Associated Press

The New York Times, November 28, 2006

Filed at 10:44 a.m. ET

WASHINGTON (AP) -- People starting treatment with methadone have died and suffered life-threatening side effects, health officials said Monday in warning of the dangers of overdosing on the painkiller.

Overdoses of the increasingly popular narcotic can cause slow or shallow breathing and dangerous changes in heart beat that patients might not feel, the Food and Drug Administration said.

Those side effects, including reports of deaths, have been seen in patients starting methadone treatment for severe pain or who switched to the drug after using other strong narcotic pain relievers, the FDA said in a public health advisory.

The FDA warned that methadone only provides pain relief for four to eight hours, but can linger in the body for eight to 59 hours. That can lead patients to take more of the drug before it has been eliminated by the body, causing the drug to build up in the body to toxic levels, the FDA said.

Doctors should prescribe methadone carefully and closely monitor patients on the drug, the FDA said. Doctors also should thoroughly instruct patients how to take the painkiller, warning them not to take more than prescribed without first checking with the doctor, the agency added.

Methadone use is rising, especially for the treatment of pain, with more than 2 million prescription dispensed in 2003, according to the FDA. Increased reports of deaths and serious injuries have accompanied that greater use.

In 2003, methadone was listed as a cause of 2,452 unintentional poisoning deaths in the U.S., up from 623 in 1999, according to the National Center for Health Statistics.

The FDA also said it updated the label for the methadone product Dolophine to include new dosing and other information.

A spokesman for Boehringer Ingelheim Pharmaceuticals Inc., whose Roxane Laboratories subsidiary makes Dolophine, did not immediately return a call seeking comment.

DOJ_NMG_0098873

Methadone is similar to morphine and is most widely used to treat severe pain. The drug also is used in the treatment of heroin addiction.

On the Net:

Food and Drug Administration: http://www.fda.gov/

FDA Warns Methadone Users Of Serious Side Effects,Overdose (DOW)

Wall Street Journal/Dow Jones, November 28, 2006

WASHINGTON (Dow Jones)--The U.S. Food and Drug Administration has issued a health advisory for methadone after it reviewed reports of death and life-threatening side effects in patients taking the pain drug, the agency said Monday.

Methadone, marketed as Dolophine, is a narcotic pain medicine similar to morphine. Often, the drug is given to addicts who are trying to break their heroin habit.

According to the advisory, posted on the FDA's Web site, methadone can cause slow or shallow breathing and "dangerous changes in heart beat that may not be felt by the patient." In addition, accidental overdose could happen because the substance stays in the body for more than eight hours, when pain relief from a dose lasts about four to eight hours.

For those reasons, patients should take methadone exactly as prescribed, shouldn't start other medicines or dietary supplements without supervision and should be aware of overdose signs, the agency said.

Dolophine is marketed by Boehringer Ingelheim Corp.'s subsidiary Roxane Laboratories Inc.

A company representative wasn't immediately available to comment.

-By Patricia Kowsmann, Dow Jones Newswires; 202-862-1350; patricia.kowsmann@dowjones.com

War On Drugs Strengthens Afghan Mafia (FT)

By Rachel Morarjee In Kabul

Financial Times, November 28, 2006

Afghanistan's war on drugs has been marred by corruption that has strengthened the grip of an increasingly powerful mafia on the country's narcotics trade, a report by the World Bank and United Nations said.

Over the past five years, the British-led counter-narcotics strategy had penalised the country's poorest farmers and strengthened networks of organised crime, consolidating the trade among a tiny elite of traffickers, the damning report said.

"Around 25 to 30 key traffickers, the majority of them based in southern Afghanistan, control major transactions and transfers, working closely with sponsors in top government and political positions."

Afghanistan's interior ministry, which oversees the police, had been "captured" by powerful traffickers and was used to facilitate the drugs trade.

"Those driving the drug industry must be brought to justice and officials who support it sacked," said Antonio Maria Costa, executive director of the UN Office of Drugs and Crime.

"Interdiction efforts especially need to target high-level profiteers whose wealth magnifies their potential for corrupting the state," the report said.

Strategies aimed at short-term reductions in opium production in the worst affected areas could do more harm than good, fuelling "discontent and strengthening the insurgency in the volatile south of the country".

Far from leading to sustained declines in total national cultivation, a successful reduction in one province often led to increases elsewhere, or cultivation in the province itself rebounded the following year, such as in Helmand province after 2003.

To achieve long-term success in the battle against drugs eradication, the report found that efforts should be concentrated in the six Afghan provinces where there was relatively little opium cultivation to build up a line of defence against the spread of the trade. "Rural development programmes are needed throughout the country and should not be focused primarily on opium areas, to help prevent cultivation from further spreading," said Alastair McKechnie, World Bank country director for Afghanistan.

Efforts to eradicate opium crops had strengthened corruption by giving police an opportunity to collect bribes, which hit hardest the poor farmers and labourers who could not afford to pay off authorities.

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"Wealthier opium producers pay bribes to avoid having their crops eradicated, greatly reducing the effectiveness of counter-narcotics measures and gravely undermining the credibility of the government and its local representatives," the report said.

Afghanistan produced a record opium harvest in 2006, with total cultivation increasing by 59 per cent and production by 49 per cent. The bulk of opium growth this year was concentrated in Helmand and a few other highly insecure and insurgency-ridden provinces in the south.

Even in this record year, opium took up less than 4 per cent of the total cultivated area in Afghanistan, with only an estimated 13 per cent of the population involved in poppy cultivation, which the report said was cause for hope.

UK Troops At Risk Over Plan To Stop Afghan Opium Crop (FT)

By Jimmy Burns In London And Rachel Morarjee In Kabul

Financial Times, November 27, 2006

Afghan government plans to eradicate poppy farming in southern Afghanistan risk drawing British troops into fierce fighting with an already embittered localpopulation, military officials and diplomats in the country have warned.

The governor of Helmand has promised to push ahead with a drug eradication programme early in the new year in the southern province where British troops faced unexpectedly fierce battles during the summer.

Local farmers have this month begun to plant for a new opium harvest as fears grow that the Taliban may exploit tensions developing between Nato and the local drugs barons and the farmers who work for them.

Brigadier Jerry Thomas, the UK's Camp Bastion commander, told the Financial Times that while he had the troops he needed in the Task Force's southern base, the drug eradication programme risked putting new strains on security.

"It is important that the programme is carefully targeted at the needy not the greedy . . . it will be a challenge to our hearts and minds campaign," he said.

Helmand province, where the bulk of Britain's 5,200 troops are based, saw a 162 per cent increase in the area used to cultivate opium poppy last year as a result of local officials profiting from the trade and efforts by insurgents to encourage opium cultivation.

A US official said this year's opium harvest inHelmand could be almost as large as last year and, without successful eradicationof the crop, international funding for future counter-narcotics efforts could be in doubt.

"The military is very focused on stability, but we have to look at the benefits of having some eradication when up to one-third of the UK's heroin comes fromHelmand province," said a western official in Kabul.

"Could anyone justify going to the Afghan government and asking to have no eradication In Helmand? It would look very suspicious."

Helmand has been relatively quiet since British troops withdrew from Musa Qala, a district in the north of the province, in late September, but eradication of the crop that many Afghan farmers depend on for their livelihood could reignite tensions.

The onset of colder weather has failed to reduce the violence in the country's restive south. A suicide bomber blew himself up at a crowded restaurant in south-eastern Patika province, killing 15 people and injuring24 yesterday. Separately, one Nato soldier and an estimated 57 insurgents were killed in fighting in four areas of southern Afghanistan at the weekend.

The destruction of poppy crops would centre on the districts of Nad Ali, Nawa and Nari Seraj, along the Helmand River and not far from the provincial capital of Lashkar Gah, whichBritish troops are hopingto use as a showcase forreconstruction and development.

Major Luke Knittig, a Nato spokesman, said that troops from the Nato-led Inter-national Security Assistance Force would assist the government with the eradication programme. But he cautioned: "You will not see Isaf troops in the fields lopping off the tops of poppies."

Afghan Opium Fight Hurts Poorest (USAT)

By Donna Leinwand, Usa Today

USA Today, November 28, 2006

U.S. and European efforts to end heroin production in Afghanistan have done little to hamper the drug industry and have hurt the country's poorest people, according to a new report by the United Nations and the World Bank.

DOJ_NMG_0098875

The report, released today, is the latest indication of the difficulties faced by the British-led effort to eradicate Afghanistan's opium crop, which drives the economy in parts of the embattled nation and has helped to fund a resurgence of the Taliban. The report says the production of opium, whose poppies are used to make heroin, permeates daily life in Afghanistan and eliminating the illegal drug trade there could take decades.

The opium trade accounts for about $2.7 billion in Afghanistan's economy — equal to more than one-third of the nation's gross domestic product — and is responsible for thousands of jobs, the report says. The Taliban government, which had harbored al-Qaeda, virtually eliminated opium production in 2001, before U.S.-led forces toppled it. Production has soared since, even as the United States and its allies have stepped up efforts to kill fields of opium and persuade farmers to grow other crops.

Opium has remained the nation's most lucrative crop by far, and drug traffickers — through incentives and intimidation — have kept farmers in the opium business across Afghanistan, which the United Nations says produces about 87% of the world's opium. Last year, according to the U.N. Office on Drugs and Crime, Afghanistan produced 4,100 metric tons of opium, nearly as much as the biggest harvest in 1999. The United Nations predicts a record harvest in 2007.

Today's report describes how opium farmers' flexibility has helped harvests increase. When government officials end the opium trade in one province, opium brokers typically move cultivation and trade elsewhere, the report says.

Counter-narcotics efforts also have fueled corruption, the report says. Farmers who can afford it have bribed local officials to preserve opium crops, while the poorest farmers have been driven deeper into debt when their crops are destroyed, the report says. Investigators found several instances in which farmers planned to replant opium to pay their debts.

The report also says local government officials sometimes help drug lords drive competitors out of the market in exchange for a cut of the profits or protection payments.

Antonio Maria Costa of the U.N. Office of Drugs and Crime has recommended focusing agents on areas with less opium cultivation to keep such farming from spreading and help establish an alternative economy. The U.S. State Department's Anne Patterson, acknowledging "there is no silver bullet" to the opium problem, has said much of the growth in production is in areas with weak local governments.

Mo. Group Home Fire Kills 10, Injures 24 (AP)

By Marcus Kabel, The Associated Press

AP, November 28, 2006

ANDERSON, Mo. -- An early morning fire broke out in a group home for the elderly and mentally ill Monday, killing 10 people and injuring two dozen others in a blaze that the governor said was being treated as a crime.

The blaze reduced the privately run Anderson Guest House to a skeleton of cinder blocks and stunned this rural community of about 1,800 people tucked in the Ozark hills of southwest Missouri.

Gov. Matt Blunt said investigators were treating the fire as suspicious.

"We're not saying it is definitely a crime scene, but we are treating it as if it is and trying to determine if the fire was set by somebody who had a nefarious motive," Blunt said.

The home had 32 residents and two employees inside when the fire was reported around 1 a.m. The dead ranged in age from early 20s to elderly. Another 18 people were taken to hospitals, and six were treated at the scene, authorities said.

One of the dead was a worker in the home, and the other nine were residents, Blunt said. Authorities did not plan to release names until Tuesday because relatives of two victims haven't yet been notified.

Officials refused to say how the victims died or whether they had any warning. The home had fire alarms but no sprinklers.

One person was in serious condition at Joplin Hospital. All the other survivors who went to area hospitals were either in good or fair condition, or had been treated and released.

The home is a residential care center licensed by the Missouri Department of Health and Senior Services. The facility also has a license from the state Department of Mental Health that allowed mentally ill residents to live at the home and receive treatment elsewhere.

Asked whether two staff members were enough to look after 32 residents, Blunt said that was up to state health officials.

"Again, it was late at night," the governor said. "That would impact to some degree the amount of care that is necessary."

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Neighbor Steven Spears, 47, saw the blaze erupt through security cameras posted outside his home.

"I saw the front door blow open with fire," Spears said. "I know most of them (the residents). I've talked to all of them at one time or another. It still hasn't hit me."

The home is operated by Joplin River of Life Ministries Inc. Robert Dupont, its executive director, issued a statement expressing sadness and saying all displaced residents were being cared for with the help of local agencies.

"This is a very tragic situation that has saddened all of us at Joplin River of Life Ministries," he said.

At the company's offices in Joplin, investigators interviewed Dupont and group home residents, including some survivors.

Dupont, 61, was convicted of conspiracy to commit fraud in 2003 and sentenced to 21 months in prison for taking part in a scheme to bilk the federal Medicare program by steering patients from group homes he owned _ including the one in Anderson _ to hand-picked doctors, according to federal records. Those doctors, in exchange, falsely certified that the patients needed home health services from two companies Dupont owned or co-owned.

Repeated attempts seeking comment from Dupont on Monday, including a visit to his home, were unsuccessful.

Authorities were trying to determine whether the blaze was linked to a smaller fire at the facility Saturday morning, said Assistant Fire Marshal Greg Carrell. No one was injured in that fire, which was still under investigation when the second blaze began.

Inspectors from the Missouri Department of Health and Senior Services, which licenses the facility, cited it in March for several health code violations pertaining to food storage and preparation, as well as for allowing a resident to take more than the prescribed dose of an inhaler and not requesting criminal background checks for new employees as quickly as required by law. But none were related to fire safety.

But two other group homes the company operates were cited for fire-code violations in 2003. Fire equipment in one Joplin-based home was found to have been intentionally disabled, records show. Another facility in nearby Carthage was cited for failing to undergo an annual fire inspection and to ensure staff members could unlock rooms from the outside in case of emergency, the Joplin Globe reported.

Monday's blaze was one of the worst fires at a health care facility since 2003, when a patient suffering from dementia and multiple sclerosis, set fire to her bed and burned down a care center in Hartford, Conn., killing 16 residents. Six months later, in September 2003, a fire killed 15 patients in Nashville, Tenn.

Recently, the federal agency that oversees the safety of nursing homes asked for comments about a proposal to require all nursing homes to have comprehensive sprinkler systems. The rule would not address group homes like the one in Anderson because such facilities are not subject to the same federal oversight.

U.S. Marshals Service To Help Track Sex Offenders (AP)

AP, November 28, 2006

PORTLAND, Maine (AP) The federal government will soon get involved in tracking down sex offenders in Maine who avoid registering with police.

The U.S. Marshals Service in Maine is being trained in the new responsibilities as part of a federal sex offender law passed in July, said John Cooper, the chief deputy U.S. marshal for Maine.

The new law creates a national sex offender database to allow law enforcement and communities to know where convicted sex offenders live and work. It gives the Marshals Service the task of tracking down offenders who dodge their obligations.

``We have resources and databases that local agencies don't have," Cooper said.

Maine and other states in recent years have created registries that list people convicted of certain types of sex crimes. The registries are viewed as informational and safety tools for police and the public.

But officials say there are a number of weaknesses in the system.

In Maine, failing to register with local police or the state is a crime, but only a misdemeanor that hasn't been listed on national databases that alert police to people who are wanted in other states.

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Police say another weakness in the system is figuring out who should take the lead in searching for a sex offender who fails to register or report to police as required.

The federal law helps by bringing uniformity to what has been a hodgepodge of different state laws and requirements as well as assigning federal agents to track down unregistered offenders.

``One of our biggest concerns is if someone moves from Portland, we don't know where they go," said Portland police Lt. Vern Malloch.

The new law, the Adam Walsh Child Protection and Safety Act of 2006, is named for Adam Walsh, who was kidnapped in 1981 from a Florida mall when he was 6 years old and whose remains were found 100 miles away two weeks later. His father, John Walsh, has been an advocate for child safety legislation and hosts the TV program ``America's Most Wanted."

Cooper said the Marshals Service is suited to the task of finding sex offenders who don't register because of its ability in finding fugitives. The Marshals Service also has lent its expertise to the Center for Missing and Exploited Children to help find at-risk youths.

IMMIGRATION:

Fence Plan Alarms Landowners (USAT)

By Kevin Johnson

USA Today, November 28, 2006

EAGLE PASS, Texas — Ranching magnate Bill Moody's vast holdings spread across three Texas counties and include 35 miles of frontage along the Rio Grande, where thousands of illegal immigrants and smugglers have crossed from Mexico into the USA. They have worn paths through Moody's pastures, cut his fences and stolen some of his cattle.

From his perch on the front lines of the battle against illegal immigration, Moody would seem to be the type of person who would embrace the federal government's most provocative effort to stop illegals from entering this country: a plan to build 700 miles of fence along the 2,100-mile Southwest border, including Moody's land. Instead, Moody is a powerful voice in a growing alliance of border landowners and local law enforcement officials who oppose a fence.

“They're not gonna build it,” Moody says flatly. “We darn sure don't need a wall. Everybody knows the Great Wall of China wasn't worth a damn.”

Most everyone here agrees that more border security is needed to curb illegal immigration. Ranchers such as Moody and Dob Cunningham, who has a 700-acre spread north of here with 2 miles of river frontage, say they often give Border Patrol agents access to their land to help the agents track down illegals.

However, the fence plan — the centerpiece of an immigration bill President Bush signed last month — has come to reflect the disconnect between many landowners here and officials in Washington who see the project as a key part of the nation's strategy to slow illegal immigration. Here, where the impact of illegal immigration is greatest, the fence is widely viewed as an economic and environmental threat. In Eagle Pass, a city of 25,000 that is 95% Hispanic, it's also seen as a rejection of the region's tradition of shared cultures and open ranges.

Like many ranchers and local law enforcement officers, Cunningham believes the U.S. government should focus on hiring more and better-trained Border Patrol agents rather than erecting the proposed double-walled barrier. He fears the fence would deny him access to the Rio Grande's waters that are a lifeline for his cattle and for the migrating wildlife sought by hunters who lease parts of his ranch.

Cunningham also isn't happy about the possibility of having to give up a strip of his land along the river to the U.S. government for fence construction. “We'll fight it tooth and nail,” he says, including filing lawsuits to stop the fence, if necessary. “This might work west of El Paso, where there is nothing but sand and hills. Not here.”

Moody, whose land was a backdrop for the film version of the cowboy saga Lonesome Dove, says there are enough fences here, and that the boundary between the USA and Mexico should remain natural: “The River,” as he calls it.

The bill Bush signed does not include money to build the fence, and it's unclear how aggressively Congress will pursue the multibillion-dollar project once Democrats assume leadership of the House and Senate in January.

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Supporters of the plan, including Rep. Duncan Hunter, R-Calif., say the success of a fence along 10 miles of the border south of San Diego suggests that fences at other heavily traveled crossings would help curb illegal immigration.

Hunter says the government will develop plans to preserve border landowners' access to water. As for the potential condemnation of property, he says the "overwhelming" need for a secure border should outweigh other concerns. Russ Knocke of the Department of Homeland Security (DHS) says landowners and law enforcement officials "will be key partners in the effort to secure the border."

Matt Brockman, executive vice president of the 14,000-member Texas and Southwestern Cattle Raisers Association, says economic and environmental questions — notably landowners' concerns about access to the Rio Grande — should be enough to stop the project.

"I don't think it's as easy as slapping up a fence," Brockman says. "It's alarming to us. We could be talking about hundreds of thousands of acres that could be condemned" for construction.

As the fence plan made its way through Congress, law enforcement officials here were dubious.

Maverick County Sheriff Tomas Herrera and Val Verde County Sheriff D'Wayne Jernigan say they constantly are seeking more money to protect residents from crimes involving illegal immigrants, including burglaries, vandalism and cattle thefts. However, Jernigan says skepticism about the fence planned for parts of California, Arizona, New Mexico and Texas is such that local officials have not discussed it.

"Trust me, it's not gonna happen," Jernigan says. "There's not gonna be a fence. I have landowners here who put it this way: 'Over my dead body.' "

There are about 12,500 Border Patrol agents in the USA, up from 9,000 before the Sept. 11, 2001, terrorist attacks. Bush has vowed to boost the number of agents to 18,000 before he leaves office in January 2009. All but slightly more than 1,000 of the current agents are deployed along the Southwestern border, according to DHS.

As the number of agents patrolling the border has increased, the number of illegal immigrants arrested has declined. The DHS has said that is an indication that the increased security discourages people from trying to enter the USA illegally. DHS reported nearly 1.1 million arrests at U.S. borders in the budget year that ended in September, down from nearly 1.2 million the previous year. About 98% of the arrests occurred along the U.S.-Mexican border.

The use of National Guard troops to beef up border security, along with increased efforts to deport illegal immigrants from nations other than Mexico, have been key factors in reducing border arrests, Knocke says. Even so, the flow of illegals into the USA continues.

Cunningham says that in recent years, thieves cutting through his land have stolen ranch equipment and threatened his neighbors. Some have returned to Mexico with a few of his cows.

"I feel like Sam's Wholesale Club," says the 72-year-old retired Border Patrol agent, flashing a smile under his frayed cowboy hat. "I live with this all the time."

However, it hasn't been enough to make Cunningham support building a fence along the Rio Grande. He says increasingly aggressive patrols and better use of technology — not a fence — are keys to improving security.

Cunningham notes that he has allowed the Border Patrol to place a security camera tower atop a scenic peak on his property that overlooks the Rio Grande. He says the camera gives agents a broad view of what federal authorities have designated as a prime corridor for smuggling illegals and drugs.

Maverick County Sheriff Herrera agrees with Cunningham. He says there is recent evidence indicating that boosting law enforcement officers' presence along the border deters illegal immigration more efficiently than would a costly fence.

Since two state-funded border-crime initiatives were launched last December, Herrera says, Maverick County has seen a 65% decline in burglaries linked to illegal immigrants. The programs, launched with grants of more than $360,000 to each of Texas' 16 border counties, allowed Herrera in Eagle Pass to pay overtime costs to double the number of sheriff's deputies on each shift, from six to 12.

State troopers and agents from the Texas Department of Parks and Wildlife patrolled the region as well. Herrera says the operations provided a "second line of defense" that allowed the Border Patrol to focus directly on the border.

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Herrera believes the increased law enforcement presence contributed to a drop in arrests of illegals in the 55 miles between Del Rio, Texas, and Eagle Pass. Arrests there fell from 68,506 in 2005 to 42,636 this year, U.S. Customs and Border Protection reports.

"Boots on the ground will do the work," Herrera says.

Hunter offers his own set of numbers that he says boosts the argument for a fence.

Before construction of a 10-mile stretch of fence between San Diego and Tijuana, Mexico, in 1994, authorities caught more than 500,000 illegals there each year. The number dropped to about 100,000 by 2002 before ticking upward recently, Border Patrol spokeswoman Wendi Lee says. Meanwhile, violent crimes linked to illegals, including murders, robberies and assaults, fell 46% in the San Diego area after the fence was built, she says.

"The fence brought order to an extremely dangerous border," Hunter says. Before the fence, he says, there was "lots of fear." Now, "people don't have to worry about smugglers coming through."

Some smugglers, however, have begun using more isolated crossings in the Southwestern desert, where hundreds of illegals have died in summertime heat, says Jennifer Allen, director of the Border Action Network, an immigrant rights group in Arizona. More than 200 illegals have died crossing the southern Arizona desert since October 2005, the group says.

"The unintended consequence of the border-security buildup has been to strengthen the smuggling groups" that use more desolate and dangerous routes to elude border agents, Allen says.

In the legislation authorizing the new fence, Hunter says he identified "primary smuggling corridors" to be barricaded, including stretches between Del Rio and Eagle Pass and Laredo to Brownsville. Hunter believes that many landowners and other critics of the fence eventually will adopt the view of Ernie Davis, who operates a 30,000-acre ranch 50 miles northwest of Laredo.

Davis says parts of his land, about 20 miles inland from the Rio Grande, have been plundered by illegal immigrants, drug traffickers and thieves. In the past two years, five vehicles have been stolen from the ranch, Davis says, and burglars often have targeted his home.

"I'm for anything that would limit the illegal border crossings," Davis says. "I would support (Hunter) on this fence, with the idea that it would help control this thing."

However, Davis acknowledges that the issues are different for ranchers with land along the river. "If I had river frontage, I would be concerned. There's not an easy answer to any of this."

The worn fairways of the Eagle Pass Golf Course, about 100 yards across the Rio Grande from Piedras Negras, Mexico, have become a well-traveled gateway to the USA. Night and day, illegals emerge from the river's murky water and dash across the course, sometimes interrupting play.

"You see ladies with kids running right across the fairway," says David Chisum, who manages the nine-hole course. He acknowledges that most people might assume he would want a fence here, if for no other reason than to protect the course's 115 members or speed the pace of golfers' play. However, Chisum reflects many residents' pragmatism when it comes to the thorny issue of illegal immigration.

"We really haven't had any major damage here," he says, except perhaps for the thefts of a few flags that can be seen whipping in the wind from some porches in Piedras Negras. Chisum says most of those who play the course understand the peculiar hazards here.

"I don't think a fence would help us," he says. "I like seeing the river. People here understand that sometimes you just have to wait and allow people to cross before you hit."

Cintas Warned Against Firing Immigrant Force (WT)

By Jerry Seper

The Washington Times, November 28, 2006

A Mississippi Democrat in line to become chairman of the House Homeland Security Committee has warned the nation's largest uniform supplier it faces criminal charges if it follows a White House proposal to recheck workers with mismatched Social Security numbers and fire those who cannot resolve the discrepancy in 60 days.

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Rep. Bennie Thompson said in a letter to Cintas Corp. it could be charged with "illegal activities in violation of state and federal law" if any of its 32,000 employees are terminated because they gave incorrect Social Security numbers to be hired.

"I am deeply troubled by Cintas' recent policy change regarding the Social Security Administration's 'no match' letters," Mr. Thompson said in the Nov. 2 letter. "It is my understanding that hundreds of Cintas' immigrant workers have received these letters. I am extremely concerned about any potentially discriminatory actions targeting this community."

In June, President Bush proposed new guidelines concerning "no-match" letters from the Social Security Administration, saying he wanted to make it easier for employers to verify workers' eligibility and continue to hold them accountable for those they hire.

The Department of Homeland Security followed up on that announcement yesterday, formally releasing new regulations to help businesses comply with hiring requirements intended to reduce the hiring of illegal aliens -- including setting guidelines for businesses when handling "no-match" letters from the Social Security Administration.

The proposed regulation is subject to a 60-day public comment period.

"Most businesses want to do the right thing when it comes to employing legal workers," said Homeland Security Secretary Michael Chertoff. "These new regulations will give U.S. businesses the necessary tools to increase the likelihood that they are employing workers consistent with our laws.

"They also help us to identify and prosecute employers who are blatantly abusing our immigration system."

But Mr. Thompson called the "no-match" letters a threat to workers who fail to reverify their information and called Cintas' actions a "rash enactment of a proposed DHS regulation." He said that by implementing "this incomplete regulation," Cintas could be in violation of federal immigration law.

The seven-term congressman also said before the proposal becomes law, it must go through a rule-making process, "which could radically change the regulation or kill it all together."

Cintas has issued letters to 400 employees in five states telling them they will be indefinitely suspended if they cannot resolve their mismatched Social Security number within 60 days.

"Cintas, like all employers, has a legal obligation to ensure all employees are legally authorized to work in the U.S.," the firm said in a statement. "Cintas has not terminated any employees due to the Social Security mismatches and plans to continue its policy of placing these employees on indefinite leave until they produce the required documentation."

In his letter, Mr. Thompson said his "apprehension" over the proposed policy was echoed by the Equal Employment Opportunity Commission, which said the proposal could result in "circumstances in which employers have incentives to take actions that violate ... non-discriminatory provisions."

As Homeland Security Committee chairman, he would set the panel's agenda. Earlier this month, he also said Democrats planned to "revisit" legislation mandating 698 miles of fencing on the U.S.-Mexico border and might seek to scrap the plan.

Under existing rules, when a Social Security number does not match a name on a tax or employment eligibility document, the government sends a "no-match" letter asking that the discrepancy be resolved. Of 250 million wage reports the government receives each year, as many as 10 percent belong to employees whose names do not match their Social Security numbers.

"Identifying businesses that are habitually flagged for submitting mismatched Social Security numbers would bolster our worksite enforcement efforts," Mr. Chertoff said.

Speed Bump At The Border (NYT)

By Thomas B. Edsall

The New York Times, November 28, 2006

Washington

Democrats preparing to take over Congress appear to have a perfect issue for the party of the left: the rich are getting richer, but sizable productivity gains and rising corporate profits are not paying off for the working and middle classes. All boats are not rising with the tide.

The picture is a paint-by-the-numbers portrait of the greedy picking the pockets of the needy. The villains are C.E.O.s, investment bankers and corporate managers who refuse to pass on profits in the form of higher wages. The victims are workers

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who struggle to deal with an increasingly unreliable and, for many, unrewarding marketplace — producing more while under the constant threat of job, health care and pension loss.

The success of candidates attacking outsourcing and trade agreements like Nafta, combined with high Democratic margins among economically pessimistic voters, clearly point to middle-class wage stagnation and growing inequality as significant factors in the election this month.

Politically, the result has shifted the balance of power within the Democratic Party in favor of the protectionist wing, and especially in favor of such major unions as the Teamsters, the steelworkers and the autoworkers, all key party supporters with money and manpower.

The strengthening of the Democrats' protectionist wing is virtually certain to force to the surface a second, and closely related, internal conflict between the party's pro- and anti-immigration wings. This conflict among Democrats remained submerged while President Bush and the Republican House and Senate majorities fought without resolution over the same issue.

"Immigration is a difficult issue for the Democrats; it cuts in complicated ways," says Stephen Ansolabehere, an M.I.T. political scientist who helped conduct an Internet survey of 37,000 voters. The Democratic Party made major gains in the Mountain West, he says, and many of these voters are "populist with a lot of nativism," firmly opposed to the more liberal immigration policies of key party leaders.

A solid block of Democrats who won this month — Jon Tester, James Webb, Sherrod Brown and Heath Shuler included — is inclined to put the brakes on all cross-border activity (otherwise known as globalization): trade, outsourcing and the flow of human labor. Nolan McCarty of Princeton, writing with two colleagues, has provided some empirical data supporting the argument that immigration has led "to policies that increase economic inequality." Significant numbers within the Democratic Party agree with this reasoning.

Globalization "needs to be controlled and slowed down because of the brutal destruction and vast imbalances of wealth it causes," Jeff Faux, a stalwart of the protectionist wing on the Democratic left, writes in Dissent magazine. "The nihilistic vision of the world as an accelerating treadmill of constant insecurity, jobs with longer hours and shorter pay ... the triumph of dog-eat-dog competition ... is a vision of hell."

The protectionist wing will likely hold sway at least in the first few months of the 110th Congress. Over time, however, Faux and his allies are likely to fail. The forces of international competition have proved more powerful than any government, and advocates of aggressive policies to constrain them face a porous, borderless and now highly electronic international economy. Legislation can require American companies to distribute profits to workers, but it will be virtually impossible to enforce as competition razes companies playing by those rules. For the moment, Democratic chances of restoring more equal patterns in the growth of wages are bleak.

Barney Frank, representing members of the House who would like to stake out middle ground, has proposed a "grand bargain." If corporate America agrees to equitable wages, Democrats will back free trade and eased regulations. "What we want to do is to look at public policies that'll get some bigger share of the increased wealth into wages, and in return you'll see Democrats as internationalists," he said.

Even if the deal were cut, the odds are strong that the global economy would prevent American business from keeping its promise. The sooner Democrats realize that they — and, more important, their constituents — are up against a wall, the sooner they will seriously focus their attention on how to climb it.

Biden: Blame Immigration Woes On Mexico (NYT/AP)

By The Associated Press

The New York Times, November 28, 2006

Filed at 1:12 a.m. ET

COLUMBIA, S.C. (AP) -- Sen. Joe Biden, the Senate Foreign Relations Committee's incoming chairman, wants to get tough with Mexico, calling it an "erstwhile democracy" with a "corrupt system" responsible for illegal immigration and drug problems in the U.S.

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Biden, D-Del., was in Columbia on Monday in his first postelection trip to this first-in-the-South presidential primary state as he continues to line up support for his presidential bid.

During a question-and-answer session before more than 230 Columbia Rotary Club members, Biden was asked about immigration problems.

Biden, who favors tightening the U.S.-Mexico border with fences, said immigration is driven by money in low-wage Mexico.

"Mexico is a country that is an erstwhile democracy where they have the greatest disparity of wealth," Biden said. "It is one of the wealthiest countries in the hemisphere and because of a corrupt system that exists in Mexico, there is the 1 percent of the population at the top, a very small middle class and the rest is abject poverty."

Unless the political dynamics change in Mexico and U.S. employers who hire illegal immigrants are punished, illegal immigration won't stop. "All the rest is window dressing," he said.

An even bigger problem are illegal drugs "coming up through corrupt Mexico," he said. "People are driving across that border with tons, tons -- hear me -- tons of everything from byproducts for methamphetamines, to cocaine, to heroine."

Covering a variety of topics, Biden kept most of the crowd in their seats for an hour -- twice as long as scheduled.

"I warn all of you, all of you making more than a million bucks -- I hope you all are -- I'm taking away your tax cut," Biden said. "I'm not joking."

The extra revenue would generate $75 billion a year and pay for a backlog in national security and local law enforcement programs, Biden said.

Biden's appeal for bipartisanship captured Bruce Rippeteau, a former Rotary president who says he's in the Genghis Khan wing of the Republican Party.

He "was saying some important things in a nonpolitical way," Rippeteau said.

"I want to compliment him about what he didn't say," Wilson said. "He never one time mentioned weapons of mass destruction."

Biden will lead the Foreign Relations panel because Republicans around the nation lost seats in the Nov. 7 elections. That tide didn't reach Republican-dominated South Carolina, where the GOP maintained its four U.S. House seats and Democrats kept their two.

CONGRESS-ADMINISTRATION:

Gates May Take Pentagon Job In December (AP-Y)

By Robert Burns

AP, November 28, 2006

Robert Gates, the former CIA director who is President Bush's choice to replace Donald H. Rumsfeld as defense secretary, is likely to assume the Pentagon post before year's end if he is confirmed by the Senate as expected, officials said Monday.

Eric Ruff, the Pentagon press secretary, said Gates will have his confirmation hearing before the Senate Armed Services Committee early next week, with a vote expected by the full Senate by Dec. 12 or 13. In preparation for the hearing, Gates is receiving a series of briefings by senior Pentagon officials, Ruff said.

Even if Gates is confirmed as expected, it is unclear when he would be sworn in to his new duties, Ruff said.

"It's somewhat of a fluid situation," he said.

Another administration official, who would discuss the Gates matter only on condition of anonymity, said that if confirmation goes as expected, then Gates would be sworn in well before the end of the year. No date is set.

Bush announced Rumsfeld's resignation and Gates' nomination on Nov. 8.

Ruff said Gates, who is president of Texas A&M University, may have university business to attend to in the days following his confirmation hearing, but it was unclear whether this would delay his swearing in.

There has been speculation that the Pentagon transition would be put off until the end of December in order to give Rumsfeld the distinction of being the longest-serving secretary of defense since the post was created in 1947.

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Rumsfeld is the only person to have held the job twice. The first time, he served for 14 months, from Nov. 20, 1975 to Jan. 20, 1977. His current tenure began Jan. 20, 2001. If he were to stay until Dec. 28, his combined tenures would surpass the longevity record held by Robert S. McNamara, who served from Jan. 21, 1961 to Feb. 29, 1968.

Ruff said, however, that the timing of Gates' takeover has nothing to do with the longevity record.

"I can assure you that is not a factor on the secretary's mind," Ruff said.

Long Haul A Radar Unit's Journey Reflects Hopes, Snafus In Missile Defense (WSJ)

By Jonathan Karp

The Wall Street Journal, November 28, 2006

PEARL HARBOR NAVAL STATION, Hawaii -- Towering over this historic site is a radar precise enough to track a baseball hurtling through space at 15,000 miles an hour. But the vessel carrying the radar has sprung leaks and blown out electrical circuits.

Such mundane problems have kept this vital part of the nation's defense against missile attacks stuck in the wrong harbor. If all had gone according to plan, the $950 million radar rig, known as SBX, would be operating now off the Aleutian Islands in Alaska and ready to defend against threats from North Korea. Instead, after a three-year odyssey from Norway to Texas and around South America, the 28-story-high converted oil platform is in Hawaii, 2,000 miles and months away from its final destination.

The journey of SBX is a microcosm of the Defense Department's unfinished missile shield, a dream since Ronald Reagan's 1983 plan dubbed Star Wars. Under President Bush the U.S. has poured nearly $50 billion into the program. The Pentagon says it has put the system on alert more than 10 times and the U.S. already has a "limited" ability to shoot down enemy warheads. Yet the program's high-tech breakthroughs are at times undermined by technical snafus, and real missile defense always seems off in the future.

One big step forward came in September, when U.S. military personnel using satellite sensors, radar and long-range interceptor missiles that are part of the real missile shield shot down a test warhead in space over the Pacific. The success went some way toward answering critics in Congress who have demanded tests that resemble real-world situations.

For defense contractors and the Pentagon, which is spending $9.3 billion this year on missile defense, the September test was a vindication. "The last 10 months have been extraordinary in terms of accomplishment," says Patrick Shanahan, a vice president at Boeing Co., principal contractor on the system that includes SBX. "I think the program has reached its stride."

Mr. Shanahan was brought in to fix the system in early 2005 after interceptor missiles failed to leave their silos in two consecutive tests. The problems prompted the Pentagon to dock Boeing $107 million in contract fees.

Critics nowadays generally concede the feasibility of knocking missiles out of the sky. But many believe the idea is either too expensive or too error-prone to make it worth rushing into operation.

North Korea's recent moves have lent urgency to the debate. The Communist state tested a long-range missile in July and exploded a nuclear device in October, although its tests showed it has yet to master the technology.

The original Star Wars concept conjured up images of space-based launchers blasting Soviet nuclear missiles out of the sky. Today, that idea is on hold, partly because of concerns about militarizing space. The Bush administration's main missile-defense system has ground sites in Alaska and California, where 13 interceptor missiles stand ready to be fired.

The Boeing system calls for early-warning radar to get a first glimpse of the enemy missile launch. An interceptor missile is then fired. As it flies, this missile is supposed to receive the exact coordinates of the enemy missile and, if all goes well, the two will collide in space. It's the equivalent of hitting a bullet with a bullet.

The system lives or dies on highly accurate radar to pinpoint the attacking missile's trajectory. That's where SBX, or sea based X-band radar, comes in. It's an advanced form of X-band radar, which emits a concentrated high-frequency beam to collect images.

Officials say SBX can not only produce detailed images of incoming warheads but also distinguish a decoy from the real McCoy. The Pentagon hopes to capitalize on SBX's mobility -- it sits on a self-propelled converted oil rig -- to deploy it closer to

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perceived threats and shave critical minutes off response time. At a top speed of 10 knots, though, SBX would take a while to reach a faraway global hot spot.

The Pentagon's Missile Defense Agency oversees several other missile-defense systems that complement the program led by Boeing. For defense against shorter-range threats, Lockheed Martin Corp. is directing the Aegis system, which fires interceptor missiles from ships. It has done well in tests. A separate Lockheed project to build improved satellites that detect enemy missile launches is emerging from years of performance problems and cost overruns.

The overall goal is "layered defense" -- getting several shots at the enemy projectile before it hits American soil. The Boeing system that was tested in September is the crucial middle layer. It has the broadest time window to succeed, but still only minutes. A missile could complete its journey from North Korea to the U.S. mainland in 20 minutes.

WALL STREET JOURNAL VIDEO

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See a video2 of the SBX vessel's enormous radar.

Shrouded in a 10-story-high dome, the SBX radar sits atop the semisubmersible oil rig like a giant golf ball on a tee. The Teflon-coated, Kevlar-like fabric of the inflated dome is designed to withstand winds up to 150 miles an hour. Inside, the radar soars toward the roof, its octagonal face covering 4,100 square feet. It swivels on a circular track and can tilt skyward.

The radar, built by Raytheon Co., contains 45,000 electronic modules that transmit and receive data. SBX's radar can send multiple beams in different directions, changing their aim in fractions of a second. That lets the radar track several objects at once and compensate for the rig's movement in ocean swells.

The Pentagon originally figured it would put X-band radar on land and picked out a site on Shemya Island, a speck of rock at the western tip of the Aleutians. But the radar program stalled during the Clinton administration, which feared that building elements of a national shield would breach the 1972 Anti-Ballistic Missile Treaty.

In 2001, President Bush pulled the U.S. out of the treaty, and the Pentagon soon began developing the X-band. The Pentagon, following an idea of Raytheon engineer David Greeley, at first chose to put X-band radar at sea merely to collect test data on missile trajectories from different angles. Officials liked the idea so much that they made sea-based radar a permanent part of the system.

Boeing bought a Russian-built rig in Norway in 2003 and towed it to Brownsville, Texas, to install engines and adapt the vessel for the 2,200-ton radar and a crew of 100. Around that time, the Pentagon announced it would base the radar in Adak, in the middle of the Aleutian chain, and set the end of 2005 as the target date for its arrival. SBX would be moored in a sheltered port that doesn't ice over and would be well-located for tracking Asian missile launches.

Republican Sen. Ted Stevens of Alaska, a staunch advocate of missile defense, nevertheless questioned the wisdom of having such a valuable sensor floating in the treacherous North Pacific. "I hope your people are nautical enough to know what you're doing," he told Air Force Lt. Gen. Ronald Kadish, then Missile Defense Agency director, at a Senate hearing. The general replied that he had reviewed a century's worth of local wave patterns and had confidence in SBX's naval architects and Boeing.

SBX progressed through the next two years despite mishaps in other parts of Boeing's program. In December 2004, a flawed line of software shut down the test launch of an interceptor missile. Two months later, a mechanical support arm failed to retract, again stranding the interceptor missile in its silo. "This was not rocket science," says Lt. Gen. Henry Obering, who had recently become director of the Missile Defense Agency. Dismayed by the mishaps, Gen. Obering toughened the testing plan and drove a shake-up in program leadership at the Pentagon and Boeing.

By late 2005, it looked as if SBX might come close to meeting its target for arriving in Alaska. After trials in the Gulf of Mexico, it was hauled 15,000 miles around South America -- the rig is too big for the Panama Canal -- and it arrived in Hawaii in January of this year. The trip to Alaska seemed around the corner, but in March, alarms went off in SBX's engine room. A leaky valve caused water to flood into SBX's pontoon. The rig had to return to Pearl Harbor for repairs to the flaw, which an independent panel later called a "major casualty."

Then in June, an electrical fault tripped circuit breakers, forcing SBX back into port for two more weeks of repairs. Such problems are typical during the initial "shakedown" phase of a new class of ship, says Tom Alexiou, Boeing's SBX program

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manager. Most important, adds Paul Smith, a Boeing radar manager, there haven't been major issues in the "far more complex" task of integrating the radar with other ship systems.

In fact, the radar was performing well enough that the Pentagon diverted SBX from its tests to free it up to monitor North Korea's missile launch in July. Then it delayed SBX's preparations for Alaska again so the radar could participate in a test on Sept. 1, the most important U.S. missile-shield trial to date. In the test, an "enemy" missile with a real warhead fired from Alaska was destroyed by an interceptor missile launched from California.

Floating off the California coast, SBX successfully tracked both missiles and their warheads as they collided, says Brig. Gen. Patrick O'Reilly, who oversees the ground-based missile-defense program. It was a "watershed event," he says, because it shows SBX could do its job once it's hooked up to the missile shield's command structure.

When SBX returned to Pearl Harbor in Hawaii last month after the test, the Missile Defense Agency and Boeing laid out a feast on board: a whole roast pig, Alaskan king crab and Hawaiian chicken lau lau. Outside, the rig and its white-domed radar dwarf the sunken battleship USS Arizona and the USS Missouri at the Pearl Harbor World War II memorial. Government tour guides there already are weaving SBX into the local heroic folklore, recounting feats of the radar's precision alongside older war tales.

SBX will participate in another test in December. Col. John Fellows, the Pentagon's manager for SBX, says staying near Hawaii makes it easier to iron out kinks and join the tests, although officials are eager for the radar's permanent deployment. "We're pressured on both sides," he says.

In any case, further issues must be sorted out before the trip to Alaska. The independent panel hired by the Pentagon concluded in June that while SBX "is an inherently rugged and suitable platform," the vessel needs 47 modifications before it goes into service. Among them: a better plan for operating in harsh winters and steps to ensure the rig is protected against being rammed by boats. Senior program officials call the modifications minor and say they have agreed to almost all of them.

The panel also noted that maintaining morale poses a challenge. SBX's crew is composed mostly of defense-industry employees and merchant mariners hired by Boeing subcontractors. Only a handful of shipmates are servicemen. Civilian mariners rotate only every 56 days, much longer than work cycles for comparable oil-industry jobs. Leisure consists of a gym, a basketball hoop on the deck and movies under the stars, though plasma TVs and more DVDs are on the way.

Funding for SBX's mooring in the Aleutians, previously cut in another headache for project managers, has been restored, but construction won't be finished until next August, says Col. Fellows. The latest projection for the trip to Alaska is some time next year.

Democrats To Receive Bush Budget Warning (WT)

By Stephen Dinan

The Washington Times, November 28, 2006

President Bush will try to work out a deal on spending with the new Democratic majority on Capitol Hill, but will be prepared to veto bills that exceed his total budget or that slice away at defense needs, said Office of Management and Budget Director Rob Portman.

"With the Democrat leadership, we'll try to be transparent and we'll try to be clear in our concerns upfront, and I hope we can work things out without resorting to a veto. But if necessary we will resort to a veto," Mr. Portman told The Washington Times in an interview about the upcoming budget and the Democratic control of Congress.

Democrats took both houses of Congress in the Nov. 7 elections. Mr. Portman, a former six-term congressman from Ohio, has assumed the role of go-between, making use of his relationships with many of the top lawmakers to find areas of cooperation on annual spending and on thorny issues such as Social Security.

He has spoken with incoming Ways and Means Committee Chairman Charles B. Rangel, the incoming chairmen of the House and Senate budget committees, and Sen. Max Baucus, who will head the Senate Finance Committee. He also has a meeting scheduled with Sen. Robert C. Byrd, the West Virginia Democrat who will head the Senate Appropriations Committee.

Some conservatives have argued that Democratic control of Congress will give Mr. Bush a sense of more freedom to use his veto powers without causing conflict with congressional leaders in his own party.

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Mr. Portman said he expects presidential vetoes of spending bills in the last two years of Mr. Bush's administration. The president has vetoed only one bill in his six years in office. The House sustained that veto, against a measure to expand federal funding for embryonic stem-cell research.

"The veto, not to pass the buck, but a lot of it depends on the Democratic leadership," Mr. Portman said. "If they choose to try to work things out, we will be in a position to try to do that. We would rather try to make progress. The president is not interested in scoring political points over the next two years; he's interested in getting things done."

Mr. Portman said a center-right coalition could emerge on issues such as spending and extending the 2001 and 2003 tax cuts, particularly since the rate of taxes as a percentage of the economy -- at 18.4 percent -- is higher than the 18.2 percent average over the past four decades.

"It's not that we are undertaxed as much as we need to get our spending in line with our revenue. That's the fundamental basis on which we should be able to build a majority on a number of issues," he said.

Annual federal spending has mushroomed during Mr. Bush's presidency, from $1.86 trillion in fiscal 2001 to $2.67 trillion in 2006. The Congressional Budget Office forecast spending to rise to $2.8 trillion by the end of the 2007 fiscal period. Much of the increase has been in federal entitlements for programs such as Medicare, Medicaid and Social Security, which have ballooned from $1 trillion in 2001 to $1.42 trillion in 2006.

The director, interviewed last week in his office at the Eisenhower Executive Office Building, said opportunities could arise to streamline or cut specific programs. The administration has achieved little toward those goals with a Republican-led Congress.

The White House hopes Democrats are willing to eliminate public education programs that aren't showing results and to put the money into those that are more promising.

Mr. Bush has sent budgets to Congress with the understanding that lawmakers would change the distribution of money, but threatened a veto if the total exceeded his limit. He also has threatened to veto defense spending bills if they were altered by Congress too much.

Mr. Portman is deep into the process of receiving 2008 budget requests from agencies and departments and returning them with suggestions and changes.

He has not received a total discretionary spending cap and said it is too early to determine whether discretionary spending can be reduced.

Potential flash points for a spending fight include the fiscal 2008 budget, the first chance Democrats will have to put together a framework for spending. It will give them part ownership of the federal deficit for the first time and force them to take a position on tax increases.

Contractors Face More Scrutiny, Pinched Purses (WP)

By Griff Witte And Renae Merle

The Washington Post, November 28, 2006

After riding high for five years, government contractors are bracing themselves for increased oversight, tighter budgets and stepped-up regulations as Democrats take over on Capitol Hill and vow to keep a closer eye on how companies spend taxpayer dollars.

Every company that does business with the government could feel the impact, but contractors that benefited most from work in Iraq and Afghanistan, from homeland security initiatives or from Hurricane Katrina are especially likely to be under the microscope. Big-ticket weapons programs are also expected to garner special attention, and it may become more difficult to get a no-bid contract, according to industry observers.

"The pendulum has clearly swung back in a hard way," said David Nadler, an attorney for government contractors with the Dickstein Shapiro law firm. "Everything contractors do is going to be subject to scrutiny. They need to understand that they're in a different environment."

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Most incoming chairs of congressional committees have not said specifically which contracting areas they intend to scrutinize. But the Government Accountability Office, Congress's investigative arm, gave Hill leaders some ideas earlier this month.

In a 44-page look at areas in need of oversight, GAO investigators focused substantial attention on contractors. The government spent $388 billion on contracts last year, the GAO said, and much of that money is exposed to "potential waste and misuse" because of the way the government buys goods and services.

Meanwhile, congressional workers are getting ready. In September, the Project on Government Oversight, a watchdog group, began holding seminars for Hill workers of both parties on how to conduct investigations, including sessions on the anatomy of a government contract and skits in which oversight hearings were acted out. About 150 people have attended the sessions, said Jennifer Gore, the group's spokeswoman.

"Younger staff members were not quite sure what Congress's role is," she said. "We knew they needed to get a review on what congressional power really is, how it works, and why it's so important."

Richard Moorhouse, a contracting attorney with Greenberg Traurig, said he is advising clients with high-visibility contracts to be ready to testify on Capitol Hill at a moment's notice.

"They should be preparing themselves," Moorhouse said.

Increased oversight is not the only potential change. Analysts say spending priorities are likely to shift, especially at the Pentagon, where growth has already begun to slow.

During the past few years, the defense industry has been shielded from significant cuts by supplemental spending bills Congress passed to pay for the wars in Iraq and Afghanistan. But now, some of the military's largest weapons programs may be in danger of being scaled back.

"In general, Democrats prefer people to weapons in their military outlays," said Loren Thompson, a defense industry consultant and chief operating officer of the Lexington Institute, an Arlington think tank. "What that means is that when they are going to buy weapons, they think first of the Army. Those are the soldiers, those are the war fighters."

Some contractors have already begun to feel the difference. After the Sept. 11, 2001, attacks, contractors were rewarded for proposing cutting-edge systems that pushed the technological envelope. But after repeated cost overruns and delays with those high-risk ideas, safer solutions are back in vogue. Earlier this month, Boeing won a coveted $15 billion helicopter program using an updated version of its 50-year-old, war-tested Chinook.

"The notion that comprehensive networking and cutting-edge sensors can solve our military problems has been confounded by the experience of Iraq," Thompson said.

Perhaps sensing the changing environment, Lockheed Martin recently began giving presentations on the state of the defense industry, arguing that military spending is a small part of the gross domestic product.

That logic may prove a tough sell with Democrats who campaigned for office this fall on a platform of cleaning up corruption that has been intertwined with contractors. Former Republican representative Randy "Duke" Cunningham (Calif.) pleaded guilty to taking bribes from contractors, and Halliburton became a favorite target of Democrats who thought Republicans were reluctant to scrutinize the politically connected firm's billions of dollars of work in Iraq.

"One thing you can be assured of is that we will do aggressive oversight," said Rep. Bennie Thompson (D-Miss.), who is set to lead the Homeland Security committee.

Rep. Henry A. Waxman (D-Calif.), a frequent critic of Halliburton, is to become chairman of the Government Reform Committee in January, and he has indicated that he plans to introduce legislation to put contractors on a shorter leash. His Clean Contracting Act is aimed at curbing no-bid deals, limiting the use of subcontractors and closing loopholes that Waxman says open the door to abuse.

Rep. Janice D. Schakowsky (D-Ill.), meanwhile, plans to revive legislation that would require more oversight of military contractors in Iraq. "This Iraq experience has made the case for aggressive monitoring of contractors," Schakowsky said. "This is a foggy area where billions and billions of taxpayer dollars are being spent, and we have no sense of how or what they are spending or doing."

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Industry groups are fighting greater regulation, arguing that such proposed laws would hamstring contracting officers and prevent the government from getting goods and services when it needs them.

"Many Democrats have had the impression, and they are feeding the impression, that contracting is a process that is fundamentally broken. But there's not a scintilla of evidence that that is the case," said Stan Soloway, president of the Professional Services Council, an industry trade group.

Soloway said he welcomes closer scrutiny of the industry but only under certain conditions.

"It could be largely political, or it could be part of a very substantive look at a very complex set of processes," Soloway said. "If it's the latter, it might be beneficial. If it's just about 'gotcha,' it will exacerbate the problems."

Group Wants Hastert Deal Investigated (CHIT)

By Christi Parsons

Chicago Tribune, November 28, 2006

WASHINGTON -- A government watchdog group Monday called for an official investigation into whether House Speaker Dennis Hastert broke the law by pushing for federal funding of a highway project near land he owned west of Chicago.

Hastert (R-Ill.) and two partners turned a profit of more than $3 million last year on land they bought and sold near the proposed route of the Prairie Parkway—earnings that the group Citizens for Responsibility and Ethics in Washington say the investors got because of federal funding pushed by Hastert.

The group is asking the Justice Department to investigate Hastert's actions.

"It looks like Hastert may have broken the law," said Melanie Sloan, executive director of CREW. "You are not allowed to use the legislative process purely for your own personal financial benefit, which is what appears to have happened here."

An aide to Hastert declined to comment Monday on the group's call for an investigation. But when the Tribune reported the story this summer, Hastert spokesman Ron Bonjean said the speaker simply made a well-timed real estate investment on the land, located between 3 and 5 miles from the highway route.

"For 26 years, the speaker has been a proponent of the Prairie Parkway to address the transportation challenges in northeast Illinois," Bonjean told the Tribune in June. "None of the properties purchased by the speaker are near enough to the Prairie Parkway to be affected by the proposed highway."

Republicans have accused CREW of being a left-leaning organization. Sloan describes it as a non-partisan watchdog group.

Pelosi-Hastings Meeting Could Signal End Of Chairmanship Bid (FN)

FOX News, November 28, 2006

WASHINGTON — House Speaker-designate Nancy Pelosi will meet Tuesday with Florida Rep. Alcee Hastings, and those with knowledge of Pelosi's thinking told FOX News that Hastings will be told he is not going to be the next chairman of the Permanent Select Committee on Intelligence.

Though no formal decisions have been announced and Pelosi aides say the situation remains fluid, they suggest that the meeting at Pelosi's Capitol Hill office was requested by Hastings so he could bow out of the race before Pelosi denies him the job.

"He knows he's not going to get it," said one senior House Democratic aide. "The question is why he didn't bow out long ago."

In comments over the weekend, Hastings left the impression he was resigned to not receiving the chairmanship from Pelosi, due in large measure to his impeachment from the federal bench in 1989 for conspiring to accept a bribe from two convicted racketeers, and then, according to the Senate impeachment trial, lying to cover it up.

Pelosi aides have been scrutinizing the House and Senate proceedings in the Hastings impeachment, FOX News has learned, and apparently don't like what they have seen.

"It's ugly," said one Pelosi aide. "It's just really, really bad."

(Story continues below)

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Hastings has public support from many quarters, including from Rep. Barney Frank of Massachusetts, who will lead the Financial Services Committee next session.

"Alcee Hastings has served in the Congress for a long time, since the events that were the cause of the impeachment. I think he's entitled to be judged" on his performance since then, Frank told "FOX News Sunday."

No schedule has been set for Pelosi to name an Intelligence Committee chairman except that the position must be filled by Jan. 4, 2007, when the 110th Congress convenes.

Texas Rep. Silvestre Reyes is the most-often mentioned candidate for the post. He is next in line after Hastings. Rep. Jane Harman of California, the current ranking member of the panel, has already been told by Pelosi that she won't be given the chairman's gavel.

FOX News' Major Garrett contributed to this report.

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An Intelligent Choice For A Key Panel (WP)

By Terence J. Anderson

The Washington Post, November 28, 2006

No one can reasonably question Alcee Hastings's qualifications to serve as chairman of the House intelligence committee. For seven years he has been one of the committee's hardest-working members. In 1996 he was selected to represent Congress as a member of the Parliamentary Assembly of the Organization for Security and Cooperation in Europe, and two years ago he became the first American elected president of the assembly. He is highly intelligent, a fact acknowledged by friend and foe alike, and during his seven terms in the House he has been an effective politician and consensus builder.

Ruth Marcus[op-ed, Nov. 1] and others have argued, however, that Hastings should not be appointed chairman because of the Senate's decision 17 years ago to remove him from the federal bench. Such arguments ignore important facts that should be considered before the next speaker of the House, Nancy Pelosi, decides on the chairmanship.

First, no "jury" that heard and considered all the evidence has been convinced that Hastings was guilty. In 1983 the trial court jury that heard the evidence and arguments on both sides voted to acquit. Six years later, the Senate delegated the task of hearing the evidence to a Senate Impeachment Trial Committee. The 12 senators on that committee were the only members who actually heard all of the evidence, and there was no alleged crime on which the required two-thirds of those senators voted to convict. One year later a Florida Bar committee examined the evidence and decided that it was not enough to justify formal proceedings that would question Hastings's fitness to practice law. Those who now cite isolated events to argue that Hastings was guilty ignore the rest of the facts. Each of the "juries" that considered all of the facts found that he should be acquitted.

Second, in any fair view, perceived political necessity was a significant, perhaps decisive, factor in the decision to remove Hastings from the bench. Most observers thought the 1983 acquittal ended the matter, and the House made no effort to initiate impeachment proceedings at that time. But that acquittal brought passionate reactions from some powerful officials. Hastings's exoneration meant that the FBI and the Justice Department had shot themselves in the foot. It meant that U.S. attorneys would

have to prosecute criminal cases based on evidence gathered and presented by FBI agents before the very judge they had unjustly attacked but failed to remove from the bench.

The other federal judges who had served with Hastings in Florida welcomed his return to active service. It was John Godbold, then chief judge of the U.S. Court of Appeals for the 11th Circuit in Atlanta, who decided that the situation was intolerable and that Hastings had to be removed. He appointed and chaired the committee that prepared the report the Judicial Conference of the United States certified to the House of Representatives in 1987 for "consideration of impeachment." Only then did the House initiate impeachment proceedings.

Third, senators who had not heard the evidence filed statements that make it clear that some voted for removal not because they were convinced Hastings was guilty but because they believed he had not proven his innocence. For example, Robert Dole, the Senate minority leader then, said he had voted to remove Hastings because for him the issue was, "Would the Senate vote to confirm Alcee Hastings if he were nominated by the President today?" Similarly, Charles Grassley (R-Iowa) explained that he had voted for removal because: "Like 'Caesar's wife,' [federal judges] must be, simply, beyond reproach, even suspicion."

In contrast, senators who had heard the evidence thought the House failed to prove Hastings's guilt. For example, Jeff Bingaman (D-N.M.), chairman of the Impeachment Trial Committee, and Vice Chairman Arlen Specter (R-Pa.), both of whom had heard all the evidence, filed separate statements explaining why they had concluded that it was neither clear nor convincing enough to support a vote to convict.

Fourth, no senator suggested that the Senate should impose the additional sanction authorized by the Constitution, that Hastings should be disqualified "to hold and enjoy any Office of honor, Trust or Profit under the United States." Those who object to his appointment as chairman of the House intelligence committee because of the Senate's decision to remove him from the bench 17 years ago need to explain why we should not also respect the Senate's decision then that he should not be barred from holding an office of honor and trust.

Hastings could have avoided all this by simply resigning after the 1983 acquittal. He would have earned substantially more as a lawyer than as a judge. He could have successfully run for the office he now holds without the baggage his detractors cite. He did not. He endured those burdens and fought to protect the office of federal judge rather than his own interests. That is not the conduct of a guilty man.

Hastings was appointed seven years ago to serve on the intelligence committee, a position requiring the highest trust and honor. No one questioned his fitness then. His work on the committee has vindicated the decision to entrust him with the nation's most important secrets. Such questions arise now, in the context of one party's loss of control of Congress and in an obvious attempt to undermine the nation's confidence in the leadership of the newly elected controlling party. They are the kind of distraction the new leadership should ignore.

The writer is a law professor at the University of Miami. He represented Alcee Hastings in all matters related to his judicial office from 1981 to 1993, including the trial of his impeachment in the Senate. His e-mail address istanderso@law.miami.edu.

Bush Approval Ratings Slip (WSJ)

The Wall Street Journal, November 28, 2006

President Bush's approval ratings fell to the second-lowest of his presidency, according to a new Harris Interactive poll.

According to the telephone poll, conducted between Nov. 17 and Nov. 21, 31% of U.S. adults called Mr. Bush's job performance "excellent" or "good" -- down from 34% who gave a positive assessment in a late-October poll; 67% said his performance is only "fair" or "poor," up from 63% in the previous survey2. The president's lowest approval rating in a Harris poll was 29% in May 2006.

Despite recent changes in Congress, Republicans and Democrats continued to receive low marks. Thirty-six percent of respondents said Democrats are doing an "excellent" or "good" job, better than the 29% in September. Democrats' highest positive rating was 68% in October 2001, a month after the 9/11 attacks. Meanwhile, Republicans' approval rating remained unchanged from September at 24%, and also well below their October 2001 high of 67%.

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The post-election poll found that 31% of adults now believe things in the U.S. are going in the right direction, compared with 58% who think things have "pretty seriously gotten off on the wrong track." Last month, 27% saw the U.S. going in the right direction, while 63% said things were off track.

See full results of the poll: "How would you rate the overall job President Bush is doing as president: excellent, pretty good, only fair, or poor?"

Base: All adults

*Positive = excellent or pretty good.

**Negative = only fair or poor. "How would you rate the overall job President Bush is doing as president: excellent, pretty good, only fair, or poor?"

Base: All adults "How would you rate the overall job President Bush is doing as president: excellent, pretty good, only fair, or poor?"

Base: All adults * * * "And how would you rate the job Democrats in Congress are doing: excellent, pretty good, only fair or poor?"

Base: All adults; Not sure's excluded

*Positive = excellent or pretty good.

**Negative = only fair or poor. * * * "And how would you rate the job Republicans in Congress are doing – excellent, pretty good, only fair or poor?"

Base: All adults; Not sure's excluded

*Positive = excellent or pretty good.

**Negative = only fair or poor. "Generally speaking, would you say things in the country are going in the right direction or have they pretty seriously gotten off on the wrong track?"

Base: All adults, "No opinion", "Not sure" and "decline to answer" excluded "Generally speaking, would you say things in the country are going in the right direction or have they pretty seriously gotten off on the wrong track?"

Base: All adults, "No opinion", "Not sure" and "decline to answer" excluded "Earlier this month, Democrats won control of both Houses of Congress. How do you think this will change things in Washington, DC?"

Base: All adults

Note: Percentages may not add up to exactly 100 due to rounding. "What do you think are the two most important issues for the government to address?"**

Base: All Adults

* = Less than 0.5%

** = Spontaneous, unprompted replies

X = Not mentioned as specific issue

1 Including government/politics (nonspecific), housing, AIDS, Foreign Aid, trade, disability, promoting democracy, race relations, campaign finance, youth and programs for the elderly (not Medicare/Social Security). The August column refers to the Aug. 24 release.

Methodology:

The Harris Poll was conducted by telephone within the U.S. between Nov. 17 - 21, 2006, among a nationwide cross section of 1,001 adults. Figures for age, sex, race/ethnicity, education, region, number of adults in the household, size of place (urbanicity) and number of phone lines in the household were weighted where necessary to bring them into line with their actual proportions in the population. With pure probability samples, with 100% response rates, it is possible to calculate the probability that the sampling error (but not other sources of error) is not greater than some number. With a pure probability sample of 1,001, one could say with a 95% probability that the overall results would have a sampling error of +/- 3 percentage points.

The Honorable Gentleman From Orleans And New York (WP)

By David Segal

The Washington Post, November 28, 2006

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PEEKSKILL, N.Y. -- With any luck, the most embarrassing photograph taken of you in the 1970s is stashed away in a box that nobody will ever find. John Hall, the newly elected Democratic congressman from the 19th District of New York, is not that lucky.

There he is, standing shirtless and smushed against his equally shirtless band, Orleans, for the cover of their fourth album, "Waking and Dreaming." In the pre-gay-awareness days of 1976, the fellas just sort of seemed, you know, chummy -- perhaps on the way to a group sauna or something like that. But even then, at age 28, Hall found the image a little cheesy.

"The photographer had us take off our shirts for about two minutes during that shoot," Hall recalls, sitting at a cafe here last week. "And the record company said, 'This is a really striking image.' "

Fortunately for Hall, "Waking and Dreaming" featured not just several cubic feet of frisky man-flesh, but also "Still the One," a hit that sparked more anniversary-party conga lines than any other song in history. It even turned up as an ABC promotional jingle for a couple of years, and it -- along with Orleans's other wussy-rock classic, "Dance With Me" -- has ka-chinged in Hall's bank account for some three decades now. He wrote both tunes with his former wife, Johanna, and the pair get paid every time the songs are played on the radio.

Once we forgive Hall for penning such excruciatingly unshakable couplets as "You're still the one who can scratch my itch / You're still the one and I wouldn't switch," let us acknowledge his singular place in American history: He is the first professional rock musician elected to Congress.

No, we're not counting Sonny Bono, because he didn't play an instrument, at least not onstage. And before you start complaining that "Dance With Me" isn't "rock" enough to count, note that before Orleans was founded in 1972, Hall was a sought-after session guitarist who played with Taj Mahal and Little Feat and was once summoned to Bob Dylan's SoHo loft for two weeks of improvised jamming.

"I was in awe of him," says Hall, who was barely out of his teens at the time. "I'd been listening to 'Just Like a Woman' for years -- there I was, playing my guitar over it."

It's hard to believe that the bearded and topless Hall of 1976 and the Hall wearing a suit and tie today are the same man. It's not just that he would blend in at a board meeting of any Fortune 500 company -- he is tall and serious and pretty formal. He actually sounds like a politician, too: He can speechify in that earnest and somewhat tedious way that only politicians can.

No offense, but you've never met anyone who toggles so quickly between gripping anecdote and soporific spiel. With little prodding, Hall will talk about the time in 1974 that Bruce Springsteen and the E Street Band opened for Orleans at a high school in Maine. ("He was supposed to play for 45 minutes. He played for 2 hours and 45 minutes.") And he is happy to describe the time he rode in a limo with Janis Joplin to her last show at Madison Square Garden. ("There was no way she could walk down a street and not be recognized.")

But frankly, he'd rather talk up his slate of left-leaning goals, such as raising the minimum wage, weaning the nation off fossil fuels or pushing for universal health care.

The surprising thing is that he has always been this way. His Orleans band mates say that in the '70s, Hall would launch into a politically charged monologue in the middle of a concert, grinding the festivities to a temporary halt.

"It was one of the hallmarks of our shows," says Larry Hoppen, who sang both of Orleans's hits. "We'd be playing, and inevitably John would start going off on the issue of the day. It's one thing to make a passing comment. It's another to do a five-minute, detail-oriented diatribe about nuclear power."

The progressive-minded geek and the virtuoso musician have coexisted in Hall for as long as he can remember. He was raised in Upstate New York, the son of a Westinghouse engineer, and started playing piano at the age of 4. A stellar student, he entered Notre Dame at 16, though he quit after a year, deciding that music was his calling. He wound up in New York, where he and Springsteen -- then leading his first band, the Castiles -- took turns onstage at Cafe Wha? in the West Village.

"We'd play six sets per night," Hall remembers. "It was $6 per guy in the band, plus all the potato chips and ice cream we could eat."

After a few years of session and solo work, he helped start Orleans, naming after the New Orleans rhythms the band members loved. But not long after the group's hits slid off the charts, Hall split for a solo career, which never quite took off. Along with Bonnie Raitt, Jackson Browne and Graham Nash, he formed Musicians United for Safe Energy to fight nuclear power, and

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he helped organize a series of benefit concerts, eventually packaged in a film and a rather extravagant triple album, "No Nukes/The MUSE Concerts for a Non-Nuclear Future."

Hall returned to Orleans in 1984 and he has recorded and toured with the band off and on ever since. (The group released the widely ignored "Dancin' in the Moonlight" earlier this year.) His only experience with elective politics was a two-year stint as an Ulster County legislator, and the noisy protests he made when the Bush entourage used "Still the One" at campaign stops in 2004. (The song was quickly dropped.)

Nobody took his campaign very seriously, even he after he won the primary. The 19th District is largely made of New York City suburbs that tilt Republican, and for six terms the congressional seat there belonged to Sue Kelly, who in 2004 won 60 percent of the vote. She had $900,000 on hand for the general election; Hall had $57,000.

As with nearly every campaign this year, things got ugly. A few weeks before Election Day, the Kelly campaign jump-started a direct-mail attack, accusing Hall of radical left-wing views and charging that he wanted to raise taxes and socialize medicine. For an added measure of humiliation, one mailing included a reprint of the cover of "Waking and Dreaming."

"The point," says Jay Townsend, Kelly's campaign spokesman, "was basically to say, this guy isn't serious enough to send to Washington."

Hall kept harping on Iraq, and when the Mark Foley page scandal broke, Kelly was sideswiped by questions from Hall and the media about her tenure several years ago on the House Page Board. Meanwhile, late-night satirist Stephen Colbert showed up in the district to interview Hall, and the pair performed an impromptu a cappella duet of "Dance With Me."

Hall won by 4,300 votes.

"I don't quote George Bush very often, but I think I will here," says Hall. "They misunderestimated me."

In a way, Hall's new job has simply broadened the audience for his lectures, from the Orleans crowd to the C-SPAN crowd. Not that this will change his message. Asked if he will keep sticking it to the Man now that he is the Man, Hall responds with a quick story.

"I already met a couple lobbyists from Raytheon during orientation in Washington, and I just told them what I think is wrong with their missile system. Maybe they'll write checks to my next opponent. I don't care. I got into this race because my wife told me to stop yelling at the TV."

Washington Wire (WSJ)

The Wall Street Journal, November 28, 2006

November 28, 2006; Page A14

We'll soon find out if the loss of both houses of Congress was enough of a shock for Republicans to check into the Hazelton rehab center for spending addicts. GOP Doctors, er, Senators Jim DeMint (South Carolina) and Tom Coburn (Oklahoma) have been staging an intervention so their colleagues don't risk another overdose before they ride off into the minority.

The drama played out on the Senate floor recently as the pair blocked GOP Appropriators from passing spending bills for Fiscal Year 2007 unless they stripped out special-interest "earmarks." You could almost feel the withdrawal shakes coming on, as the Members contemplated a year without pork.

The agriculture bill, for example, includes a new $4.9 billion "emergency" handout for farmers, courtesy of North Dakota Democrat Kent Conrad. Millions more would have been directed to Alaskan salmon research, Montana sheep, New York geese and animal-waste management in Kentucky. The 10 remaining Senate spending bills (and nine in the House) are estimated to contain some 12,000 earmarks. If GOP leaders couldn't pass these bills individually, the scheme was to wrap them all into one giant "omnibus" bill whose innards no one would ever be able to inspect.

Enter the two rebel Senators, who rallied enough of their mates to block any omnibus bill containing earmarks. The result is that the GOP Senate may return next week for its final lame duck days and instead pass a "continuing resolution" that would fund the government at 2006 levels, kicking 2007 decisions over to the Democratic majority in January. By Mr. Coburn's estimate, taxpayers would save about $17 billion if Congress takes this approach.

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That prospect has the usual spenders howling that the world will soon end if they don't get their fix. The Social Security Administration is warning that it would have to furlough "every employee"; we'll believe that when we see it. Meanwhile, a source from Housing and Urban Development claimed that "thousands" of poor people "would end up out on the street." Please.

It is true that once Democrats are in control next year they will be able to impose their own spending priorities. But Senators DeMint and Coburn have said the GOP spenders could still impose their policy preferences for 2007 in individual bills if they'd merely abandon their earmarks. Their refusal to do so suggests they care more about their own projects than they do about other policy matters.

All of the special-interest shouting is a familiar bit of bad Washington theater designed to scare Congress into spending more. But what do Republicans have to lose now that they've already lost their majority? On the other hand, what they could gain is some of the fiscal respect they abandoned in recent years. By leaving behind a lower spending "baseline," they'd also make it harder for Democrats to break the bank next year.

So rather than denounce Senators DeMint and Coburn, their GOP brethren should thank the pair for offering this tough love to help break their addiction. It's more love than the voters just showed them.

OTHER NEWS:

Stocks Fall As Investors Take Profits (LAT)

By Walter Hamilton

The Los Angeles Times, November 28, 2006

Stocks fell sharply on Monday, with a weakening U.S. dollar and tepid sales at retail giant Wal-Mart Stores giving investors the opening they were looking for to cash out some of the profits they've booked during the market's four-month surge.

The Dow Jones industrial average and the Standard & Poor's 500 index each sank more than 1% for the first time since July 13. The losses were spread across many sectors, including technology and financial services, that had been strong performers in recent months. Overseas markets also retreated.

Investment pros said the decline was not surprising given Wall Street's strength this year, especially through its seasonally weak period in September and October. They attributed the sell-off largely to profit taking by big institutional investors that are sitting on sizable recent gains.

"This is more of an excuse to sell rather than a real reason to sell," said Marc Pado, U.S. market strategist at Cantor Fitzgerald. "This isn't the start of something big."

The Dow sank 158.46 points, or 1.3%, to 12121.71, its biggest decline since a 1.5% slide on July 13.

The S&P 500 was off 19.05 points, or 1.4%, to 1381.90. The tech-heavy Nasdaq composite index skidded 2.21%, tumbling 54.34 points to 2405.92.

Smaller stocks, which have rallied sharply in the last month, fell more than blue chips. The Russell 2,000 small-stock index was down 20.18 points, or 2.6%, to 772.10. It was the biggest loss since the index dropped 2.7% on July 20.

The declines seemed muted compared to the extended rally of recent months. Even after its decline on Monday, for example, the Nasdaq is up 19% since July 21 and 9.1% for the year.

The Dow is up 13.1% since Jan. 1, and the S&P 500 has gained 10.7%.

Stocks historically sag after Labor Day before recovering at Thanksgiving and rallying into Christmas.

But the post-Labor Day slump didn't happen this year. Stocks moved higher after the Federal Reserve paused in its string of interest-rate hikes as hopes grew that it could slow economic growth without triggering a recession.

Market pros say institutional investors knew a downdraft would eventually come, and were prepared to sell at the first whiff of bad news.

That opportunity came Friday, when the dollar fell to a 20-month low against the euro amid concerns about a weakening U.S. economy. Stocks declined in light trading Friday, but absorbed a bigger hit Monday when most traders returned from the holiday weekend.

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Stocks "can actually go down as well as up," joked Phil Roth, a technical analyst at New York brokerage Miller Tabak & Co. "I'll be darned."

The dollar continued to lose ground Monday, with the euro trading at $1.313, from $1.309 Friday.

As stocks declined, some investors looked to the U.S. Treasury bond market as a safe haven. The yield on the 10-year Treasury note fell to a nine-month low of 4.53%, from 4.55% on Friday. Yields decline as bond prices rise.

Also adding to Wall Street's unease was the news out of Wal-Mart. The retail behemoth disclosed Saturday that sales at stores open at least one year fell 0.1% this month, its first such drop in a decade.

On Monday, shares of Wal-Mart fell $1.29, or 2.7%, to $46.61.

Wal-Mart's sales slump overshadowed more upbeat reports from the long Thanksgiving weekend, the first big weekend for holiday sales. The National Retail Federation said Sunday that spending this past weekend was up 18.9% over last year, boosted in part by sales of big-ticket items such as high-definition televisions.

But Wal-Mart is considered a retailing bellwether, and other merchants also posted declines Monday.

Federated Department Stores, which owns big chain stores including Macy's and Bloomingdale's, subtracted $1.27, to $41.84. Electronics retailer Best Buy dropped 71 cents, to $54.37. Discounter Target dipped 64 cents, to $57.07, while Big Lots fell 76 cents, to $22.42.

In other markets highlights:

Technology and financial issues, which have been among the market leaders this year, took some of the hardest falls Monday. Among tech firms, Google lost $20.25 to $484.75 and Cisco Systems fell $1.04, to $25.80.

Among banking concerns, Wall Street powerhouse Goldman Sachs slid $8.49, to $193.11, while rival Merrill Lynch sank $3.38, to $89.21.

Airline stocks descended as crude oil prices rose to $60.32 a barrel, from $59.24 Friday. UAL, the parent of United Airlines, sank $2.81, to $41.63. AMR, which owns American Airlines, declined $1.90, to $32.20. Among the discounters, Jet Blue dropped 92 cents, to $13.79 and Southwest fell 44 cents, to $15.81.

An AG Edwards & Sons analyst lowered his recommendation from "buy" to "hold" on several major hotel chains, sending their shares lower. Hilton Hotels $1.70 to $32.10, Marriott International gave up $1.54 to $44.91 and Starwood Hotels & Resorts Worldwide subtracted $1.92, to $63.46.

Stocks Fall Sharply On Concerns About Slowdown (NYT)

By Jeremy W. Peters

The New York Times, November 28, 2006

Stocks suffered their biggest drop in four months today, as concerns about a weak holiday shopping season fed into broader anxiety about the slowing economy.

It was a day with little for investors to cheer, with the dollar continuing its slide against the euro and the price of a barrel of oil rising.

The decline on Wall Street spoiled what had been a steady run-up in stock prices in recent weeks. In the past month and a half, the Dow Jones industrial average broke through 12,000 for the first time, while the Standard & Poor's 500-stock index rose to its highest point in six years.

But some of that investor enthusiasm faded, pushing the three leading stock market indexes into retreat today. The S.&P. 500 lost 19.05 points, or 1.4 percent, to 1,381.90, its first close below 1,400 since Nov. 16. The Dow shed 158.46 points, or 1.3 percent, to 12,121.71. The technology-heavy Nasdaq composite index fell 54.34 points, or 2.2 percent, to 2,405.92.

Some of the steepest losses came in the shares of retailers like Wal-Mart, whose troubles reverberated throughout the stock market. The world's largest retailer reported Saturday that its sales in November fell for the first time in 10 years. Despite signs that retailers on average fared well during the first weekend of the holiday shopping crunch, the poor results from Wal-Mart raised questions about how much consumers will spend this season.

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"The question has always been whether the consumer would be able to hang in," said Stuart Schweitzer, a global markets strategist with J.P. Morgan Asset and Wealth Management. "If Wal-Mart's news is indicative of the potential for broader disappointment, that is worrisome."

With the economy slowing down — the nation's gross domestic product expanded at an annual rate of 5.6 percent in the first quarter but only 1.6 percent in the third — strong consumer spending is needed to keep growth from becoming too sluggish. But as the fall in the stock market suggests, there is still considerable uncertainty about how much of a slowdown could be.

That uncertainty has put strain on the value of the dollar in recent days. On Friday, the dollar's weakness pushed the euro above $1.30 for the first time in a year and a half. The dollar's decline deepened today on concerns that the United States economy would falter while economies in Europe grow stronger. The euro rose to $1.3133 late this afternoon.

The decline in the value of the dollar on Friday came on a light and shortened holiday trading day for Wall Street. Analysts said the losses in the stock market were in part an acceleration of the sell-off that began on Friday after the dollar tumbled.

But other factors contributed to the drop, analysts said, including an apparent desire by investors to cash out. After the stock market's recent rise, some sort of correction was inevitable, they said.

"You've been up 131 days without a 1 percent correction; that's just unnatural for equity markets," said Henry McVey, chief United States investment strategist for Morgan Stanley.

Wal-Mart's Forecast, Weakening Dollar Send Stock Indexes Tumbling (WP)

By Bill Brubaker

The Washington Post, November 28, 2006

U.S. stock markets dropped sharply yesterday, spurred by higher oil prices, a weakening dollar and an unexpectedly glum sales forecast from Wal-Mart.

The Dow Jones industrial average closed down 158.46 points, to 12,121.71 -- a 1.3 percent loss. Twenty-seven of the 30 Dow stocks traded lower.

The Standard & Poor's 500-stock index dropped 19.05 points, to 1381.90, a drop of 1.4 percent. The Nasdaq composite index tumbled 54.34 points, to 2405.92, a 2.2 percent loss.

Investors weren't encouraged by the dollar's performance against the euro, which reached $1.3128 late yesterday in New York. Earlier, the euro traded at $1.3172, a 20-month high against the dollar. The dollar has been falling in recent days on concern about potential economic weakness in the United States and about the country's huge trade deficit and other global imbalances.

The stock pullback came on what retailers called Cyber Monday, a day they hoped would bring in colossal sales on their Internet sites.

Wal-Mart had already been trying to boost sales by cutting prices on items such as the Amazing Amanda Doll (to $69 from $99.97) and a Panasonic 61-inch TV (to $2,297 from $2,597). The retailer's Web site also offered 97-cent shipping on some products.

But Wal-Mart disappointed investors over the weekend when it announced that it expected sales at stores open at least a year to decline 0.1 percent this month. That would represent the retailer's first monthly drop in same-store sales since 1996.

Yesterday's stock sell-off also was driven by a 1.8 percent jump in crude-oil futures, fueled by reports that Saudi Arabia's oil minister may support a cutback in production at the next meeting of the Organization of Petroleum Exporting Countries.

Light sweet crude for January delivery gained $1.08 to settle at $60.32 a barrel.Movers

Wal-Mart fell $1.29, to $46.61.

Lowe's rose 40 cents, to $1.33.

J. Crew fell $3.07, to $40.21.

Ford fell 36 cents, to $8.16.

Dow Drop A 'much-needed Correction'? (USAT)

By Adam Shell

USA Today, November 28, 2006

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NEW YORK — The Dow, which has been hitting new highs almost daily, suffered its worst point drop in more than four months Monday as investors fretted over the falling value of the U.S. dollar and a weak sales report from the nation's largest retailer.

However, some Wall Street strategists said the 158.46-point drop to 12,121.71 suffered by the Dow Jones industrial average was long overdue given the Dow's uninterrupted run-up in recent weeks.

"It was simply a much-needed correction," says Rod Smyth, investment strategist at Wachovia Securities. "I genuinely believe this (selling) has been building."

Still, the broad market sell-off, which resulted in sizable losses for virtually every type of stock — blue chips, technology names and both large- and small-capitalization stocks — grabbed the attention of a complacent Wall Street caught up in Dow fever.

"It doesn't feel good no matter how high the market is when it starts falling," says Stuart Schweitzer, global strategist at JPMorgan Asset & Wealth Management.

While it's difficult to glean too much from one day of trading, a number of theories emerged to try to explain the selling:

•Preserving gains. It's been a big year on Wall Street, and investors sitting on sizable gains with the Dow up 13.1% for the year might have decided to pocket those gains by selling, says Hugh Johnson, chief investment officer at Johnson Illington Advisors.

•Avoiding fallout of the slumping dollar. The greenback fell to a 20-month low vs. the euro Monday, exacerbating fears that foreigners would lighten up on their considerable holdings of U.S. stocks and bonds, Johnson says.

A weaker dollar hurts foreign investors holding U.S. securities, because the gains on those dollar-denominated assets shrink when they are converted into such local currencies as the euro. But some debunked the notion that foreigners were selling U.S. assets Monday because the price on the 10-year Treasury bond held steady, a sign that heavy selling from abroad was absent, Schweitzer notes.

•Avoiding Wal-Mart-like weakness. After Wal-Mart Stores said sales at its stores open at least a year dipped for the first time in more than a decade in November, investors were left wondering whether the problem was specific to Wal-Mart or whether it was signaling that the economy is softer than economists believe it is.

Smyth says Wal-Mart didn't have a huge negative impact on trading: "I didn't get the impression investors were worried about Christmas sales." That sentiment was backed by ShopperTrak RTC, which reported that Black Friday sales were up 6% vs. a year ago. In another sign of strength, the S&P retail index fell just 1.2% Monday, less than the broader market.

Stocks Tumble On Retail Fears; Dow Drops 1.3% (WSJ)

By Peter A. Mckay And Michael Hudson

The Wall Street Journal, November 28, 2006

The Dow Jones Industrial Average suffered its biggest drop since mid-July as stocks tumbled, hurt by signals of faltering retail sales, another drop in the dollar and higher oil prices.

Some Wall Street pros also said the stock market was due for a pullback, following more than a month of fresh records and last week's holiday-shortened trading.

The blue-chip Dow slid 158.46 points, or 1.3%, to 12121.71, up 13% on the year. One of the weakest components was Wal-Mart Stores, which dropped 2.7% after the retailing giant reported a November decline in same-store sales, its first monthly drop since 1996. That sparked broader concerns about a weak holiday shopping season throughout the retail industry to end the year.

Four other Dow components fell at least 1.7%, and only three finished in the black, eking out small gains. One gainer was Exxon Mobil, which edged up 0.1%, after crude oil rallied on concerns about supply from the Middle East.

Oil futures for January delivery rose $1.08, or 1.8%, to $60.32 a barrel, though oil is still off 1.2% on the year at the New York Mercantile Exchange. Except for energy producers like Exxon Mobil, such moves hurt shares of most companies because higher energy costs hurt consumers' ability to spend on other goods and services through the economy.

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Rising interest rates overseas have hurt the dollar recently, a trend that continued in stark fashion yesterday. The euro rose to $1.3126, a 20-month high against the greenback, compared with $1.3097.

The tech-stock-heavy Nasdaq Composite Index fared even worse than the Dow in percentage terms, off 2.2%, or 54.34 points, to 2405.92, up 9.1% on the year. The broad Standard & Poor's 500-stock index fell 1.4%, or 19.05 points, to 1381.90, up 11% on the year.

Jim Bianco, president of Bianco Research in Chicago, still figures the market is generally headed higher through the end of the year. But he said stocks were probably due for a short-term drop, considering that the S&P 500 hasn't had a decline of 2% from a high since mid-July.

That streak is still intact, since the broad index now stands 1.7% off its recent high set last Wednesday. "This is the longest period without a 2% correction in 20 years," said Mr. Bianco. "It just shows you how strong the market has been that we have to think in these terms now."

The price of the benchmark 10-year Treasury note inched up 5/32, or $1.5625 for each $1,000 invested, driving its yield down to 4.534%, its lowest level since early February.

In major U.S. market action:

Stocks fell1; bonds rose. The 30-year bond rose 10/32 to yield 4.614%.

The dollar was mixed.2 While falling on the euro, the U.S. currency rose to 116.08 yen.

Shoppers Shake Off Housing Slowdown (USAT)

By Barbara Hagenbaugh

USA Today, November 28, 2006

WASHINGTON — A sharp slowdown in the housing market isn't darkening consumers' moods as feared, suggesting they will continue to be a source of strength in the economy through this year and possibly into 2007.

Results from the first few days of the key holiday shopping season point to increases in retail sales from a year ago, despite a mediocre performance at Wal-Mart, the nation's largest retailer.

With consumer spending accounting for more than two-thirds of U.S. economic activity, spending gains are good news for the broad economy as it faces a number of headwinds, including the housing slowdown and turmoil in the automobile industry.

“A lot of the worries out there about consumers … are all much exaggerated,” National City chief economist Richard DeKaser says.

The holiday shopping season accounts for about one-fifth of all retail sales for the year and for some retailers, such as those that sell toys, it can account for 40% of annual sales, according to the National Retail Federation.

One fear going into the season was that the slowdown in the housing market would weigh on consumers.

With homes taking longer to sell and prices dropping across much of the USA, Americans might be feeling less wealthy and less in a mood to spend.

But more than 140 million people shopped over the Thanksgiving holiday weekend, spending an average $360.15, up 18.9% from a year ago, according to the NRF.

DeKaser and other economists, including those at Bear Stearns, Global Insight and First Trust Advisors, say the so-called wealth effect of the housing market is far overshadowed by strength in the job market and rising incomes.

“The big picture is, ‘How healthy are consumers?' And I continue to believe we are pretty well off,” says Timothy Rogers, chief economist at consulting firm Briefing.com.

“The underlying conditions (that determine spending) are employment and income growth,” he says. “Those two things are really quite positive right now.”

The unemployment rate was 4.4% in October, the lowest in 5½ years, according to government statistics.

Employers are raising wages and increasing workers' hours. In October, average weekly earnings after adjusting for inflation rose 1.7%, the second-consecutive monthly gain and the biggest increase in more than a decade.

“The labor market is throwing off some fairly significant wage gains to the consumers,” Bear Stearns senior economist Conrad DeQuadros says. “In the face of a housing market slowdown, the consumer has held up quite well.”

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Lower gasoline prices are also working in consumers' favor. The national average price at the pump for regular gasoline was $2.246 Monday, down 79 cents from this year's peak of $3.038 in August, according to the Energy Department.

Massachusetts To Sue Big Dig Firms, Alleging Negligence In Deadly Collapse (WSJ/AP)

The Wall Street Journal, November 28, 2006

BOSTON -- Massachusetts is preparing a multimillion-dollar lawsuit against the companies that worked on the Big Dig highway tunnel project, alleging their negligence led to the ceiling collapse that killed a woman, a spokesman said Monday.

Attorney General Tom Reilly is seeking unspecified damages for repairs, loss of tunnel use and toll revenue and other economic factors, spokesman David Guarino confirmed Monday. The lawsuit was to be filed Monday or Tuesday, he said.

"This lawsuit is more than just about money, although we will be seeking monetary damages," Mr. Reilly told a local radio station earlier Monday. "What this case is has always been about is the tragic death of Milena Del Valle. That could have been any one of us."

The lawsuit, to be filed in Suffolk Superior Court, alleges project manager Bechtel/Parsons Brinckerhoff and Modern Continental Construction Co. were "grossly negligent" in constructing the ceiling that collapsed. The suit also names Gannett Fleming, the firm that designed the I-90 connector tunnel; as well as companies that supplied the epoxy or ceiling bolts used to hold up ceiling panels.

Four of the concrete panels, each weighing about three tons, fell on a car in which Del Valle, a 38-year-old from Boston, was a passenger July 10. Gannett Fleming also is being sued for breach of contract, Mr. Guarino said.

Representatives of Bechtel/Parsons Brinckerhoff and Cambridge, Mass.-based Modern Continental didn't immediately return calls seeking comment Monday. Both organizations have previously said they stand behind their work. Representatives of Gannett Fleming also didn't immediately respond to a call seeking comment.

Ms. Del Valle's family filed a wrongful death lawsuit in August against many of the same companies as well as the Massachusetts Turnpike Authority, the agency that oversees the $14.6 billion highway project, the most expensive in U.S. history.

The Big Dig replaced the old elevated Central Artery that ran through the heart of Boston with a series of tunnels, ramps and bridges. The project has been plagued by leaks, falling debris, delays and other problems linked to faulty construction.

States Give Failing Grade To Graduation Rates (CSM)

By Ben Arnoldy

The Christian Science Monitor, November 28, 2006

BOSTON

For decades, college gates have opened wider and wider to the American public, with more whites and minorities attending than ever before. But that expansion is under strain in the face of rising costs and faster growth of minority populations long left behind in the march to graduation.

A new report released Monday from the National Conference of State Legislatures sounds the alarm: For every 100 ninth graders, only 18 will enter college and finish within six years.

"These results simply are not good enough," concludes the report, which was compiled by a bipartisan commission over 18 months.

To help more students earn diplomas, higher education and the states that oversee much of the system need to tackle spiraling tuition, poor college preparation, and the lack of help to keep students moving toward a degree, say experts.

"Colleges have to take seriously the responsibility for graduating the kids they admit," says Thomas Mortenson, an analyst with the Pell Institute for the Study of Opportunity in Higher Education. "And if they don't, maybe they ought to pick up the student loan burden of the people who don't finish."

The report lays much of the blame at the ballooning price of a bachelor's degree, which is more than double the rate of inflation. For example, over the past five years, average tuition has climbed 35 percent, adjusted for inflation, at four-year public colleges, according to the College Board in New York. Inflation rose 13.8 percent over the same period.

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Two-thirds of college students must borrow money to pay for their education. Loan debt by student borrowers at public colleges jumped from $8,000 10 years ago to $17,250, according to inflation-adjusted figures from the American Association of State Colleges and Universities.

States such as Indiana, Georgia, and Oklahoma are taking steps to aid college students and their families. And reducing the student-loan rate is an "early action" item on the agenda for the Democratic-controlled Congress.

And there are some positive trends. Graduation rates for those who start college are finally inching up after years of setbacks, says Mr. Mortenson. And the share of Americans with postsecondary degrees is higher across all major ethnic categories.

But it's taking students a longer time on average to complete degrees, and the process is saddling them with more and more debt. "The state is short-changed on its return on investment in these students," says the NCSL report.

States have significant control over higher education - and a real economic interest in its success. Wisconsin spends roughly $1 billion on its university system, which generates $10 billion annually to the state's economy, according to a University of Wisconsin report.

Across the country, higher education boosts tax revenues, cuts dependence on welfare, and boosts community service among other social benefits, according to the Institute for Higher Education Policy in Washington.

Despite the payoffs, states have cut back their commitment to higher education, according to the NCSL, shifting more of the burden to those paying tuition.

And the federal government Pell Grant program "has fallen apart," says Mortenson. If grants had kept up with the rises in tuition, the average Pell Grant would be around $10,000, rather than $4,000, he says. Instead, much of the new assistance for students comes in the form of loans.

The financial burdens appear to be making it more difficult for low-income students to complete a degree. Of students starting at a four-year college in 1996, only 50 percent of those from households making $25,000 or less ended up with a bachelor's degree by 2001, compared with 74 percent of students from households making $70,000 or more.

Working while in school also depresses graduation rates. In those same years, 65 percent of those who did not work graduated, while only 31 percent who worked full time did so.

There are also wide disparities in college attendance and completion rates between ethnic and racial groups, with Hispanics and blacks lagging behind whites and Asians.

The costs of higher education, as well as poor preparation for college, are holding back many minority students, experts say.

To tackle the problems faced by disadvantaged students, several states are tying financial incentives to long-term commitments from students long before they enter college.

Indiana is striking a bargain with its poor and lower-middle-class eighth graders: Maintain at least a 2.0 grade point average through high school, stay out of drugs and alcohol, and take the right set of classes, and we'll pay your in-state college tuition.

Last year, some 15,000 eighth graders enrolled in the 21st Century Scholar Program, and 125,000 have enrolled since the program started in the mid-1990s.

"It's increased a lot of the high-school graduation rates. It's certainly increased the number of low-income students going to college," says Nick Vesper, director of policy and research at Indiana's State Student Assistance Commission in Indianapolis.

Studies are only being done now, however, to determine if the program is boosting college degree completion rates.

Mr. Vesper describes the initiative as an "early intervention program" since it works with kids years before they enter the college-application process to get them the tutoring, mentoring, and course work needed to be successful in college.

Oklahoma offers a similar program. Texas has a variation on the theme: Finish college within five years and maintain a 3.0 grade point average and all tuition loans will be forgiven.

The granddaddy of all state-scholarship programs is in Georgia, which launched its HOPE scholarship program in 1993 and has given more than $3 billion in funds to some 900,000 students.

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State legislatures also have control over the spending of public colleges and universities, meaning they could in theory drive down tuition increases by curbing spending. But higher education - both public and private - is under tremendous pressure to provide more amenities to students.

"It's a very careful balance and tightrope that we walk in trying to make sure that we appeal to our market's almost insatiable interest in buildings and resources and technology and accoutrements, and then their absolute need and cry for controlled cost," says Mary Grondahl, head of admissions at the College of Saint Rose in Albany, New York.

Panel: States Should Set Education Goals (USAT)

USA Today, November 28, 2006

A higher-education panel created by the National Conference of State Legislatures agrees with most of the points raised by a national commission created by Education Secretary Margaret Spellings. But there's one major exception: It says states, not the federal government, must be at the center of a nationwide higher-education reform movement. Higher education "can get short shrift in tough budget times because it has the built-in funding source of tuition," says the report, released Monday. But, it says, states spend $70 billion a year on higher education and provide more funding and regulation of colleges and universities than any other level of government. The government's involvement centers on funding academic research and financial aid for low-income students, the report says. "Each state's systems, traditions, strengths and weaknesses are unique. States need the flexibility to set their own goals," says commission co-chair Denise Merrill, a state representative in Connecticut.

Demand for exotic pets may pose threat

A booming demand in the USA for exotic animals, captured in the wild and brought into the country with little or no screening for disease, leaves Americans vulnerable to a virulent outbreak that could rival a terrorist act, suggests a report. More than 650 million critters — from kangaroos and kinkajous to iguanas — were imported legally into the USA in the past three years, according to U.S. Fish and Wildlife Service documents obtained by the Associated Press. Countless more pets — along with animal parts and meats — are smuggled across the borders as part of a $10-billion-a-year black market that's second only to illegal drugs. While exotic pets can be cute and fashionable, The Journal of Internal Medicine estimates that 50 million people worldwide since 2000 have been infected with zoonotic diseases — animal-borne diseases that jump to humans — and as many as 78,000 have died.

Whales have brain cells similar to humans

Humpback whales have a type of brain cell seen only in humans, the great apes, and other cetaceans such as dolphins, according to a new finding by scientists. This might mean such whales are more intelligent than they have been given credit for, and it suggests that the basis for complex brains either evolved more than once or has gone unused by most species of animals, researchers reported Monday in the science journal The Anatomical Record. The brain cell (called a spindle neuron) was located in the cortex in areas comparable to where it is seen in humans and great apes. The finding may help explain some of the behaviors seen in whales, such as intricate communication skills, say researchers.

Parents fingerprinting kids, taking DNA

Many parents across the country are swabbing the inside of their children's mouths to get a DNA sample just in case the youngster is ever kidnapped, runs away or has an accident. News reports about child abductions and TV shows such as CSI: Crime Scene Investigation are helping drive the interest in keeping records that could be used to identify remains, hair or blood. "It's the CSI mentality: that DNA is going to be the answer to any problem that comes up," says Jerry Nance of the National Center for Missing and Exploited Children. He notes that missing children who are murdered or never heard from again make up only about 2% of the 850,000 children who are reported missing every year.

American Red Cross fined for violations

The Food and Drug Administration has fined the American Red Cross a record $5.7 million for violating blood-safety laws and the terms of a 2003 consent decree. The fine covers quality assurance, inventory management, control of non-conforming blood products, donor screening and blood component manufacturing issues that turned up during a 2005 inspection of a Red Cross facility in West Henrietta, N.Y. Red Cross spokesman Ryland Dodge said the organization is reviewing the FDA letter that announced the fine.

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3 GOP-Led House Races Remain In Dispute (WP/AP)

The Washington Post, November 28, 2006

COLUMBUS, Ohio, Nov. 28 -- Rep. Deborah Pryce (R-Ohio) won reelection Monday by a margin so slim that a recount will be required.

Unofficial results announced by Franklin County, the last to finish counting absentee and provisional ballots in central Ohio's 15th District, showed Pryce led Democratic challenger Mary Jo Kilroy by 1,055 votes, or 0.4 percent of the vote.

An automatic recount is triggered if the difference between the two candidates is less than 0.5 percent.

The race was one of a handful that had remained unresolved across the country since Election Day.

Pryce lost Franklin County, the district's most populous, but she retained her overall lead, thanks to votes she picked up in two other counties.

In North Carolina, election officials said a manual recount of randomly chosen precincts will take place Wednesday and Thursday in the 8th District race between Rep. Robin Hayes (R) and Democrat Larry Kissell. Hayes leads by 329 votes.

And Florida officials will start an audit Tuesday of electronic voting machines in the 13th District House race between Democrat Christine Jennings and Republican Vern Buchanan. The state certified Buchanan the winner by 369 votes, but Jennings contested, arguing that touch-screen voting machines had malfunctioned.

The Campaign Is Still On (NYT)

By Kate Zernike

The New York Times, November 28, 2006

Forget recounts; in Texas, there is an actual campaign. Representative Henry Bonilla, a Republican, faces a runoff on Dec. 12 after failing to gain a majority of votes on Election Day. (Texas is one of a few states that require runoffs when no candidate breaks 50 percent.)

Mr. Bonilla, left, won 48.6 percent of the vote. His opponent, Ciro Rodriguez, led a field of six Democrats with 19.9 percent.

The race is a hangover from the redistricting battle: when the State Legislature redrew the map in 2003, Mr. Rodriguez lost his seat in another district, and Mr. Bonilla was made safer in his. But the map was redrawn this summer after the Supreme Court threw out the Texas plan, restoring some balance between the parties. KATE ZERNIKE

Poll: Giuliani, McCain, Obama Rank High (WP/AP)

By John Christoffersen

The Washington Post, November 28, 2006

NEW HAVEN, Conn. -- Americans have the warmest feelings about former New York City Mayor Rudy Giuliani, Republican Sen. John McCain and Democratic Sen. Barack Obama, according to a poll released Monday that scores the popularity of national leaders.

The Quinnipiac University's "thermometer reading," taken the week after the Nov. 7 election, asked voters to rate their feelings for 20 leaders on a scale of 0 to 100.

Giuliani, a Republican weighing a presidential bid in 2008, scored the highest at 64.2. Obama and McCain, who are also considering a 2008 campaign, finished next at 58.8 and 57.7.

President Bush was 15th out of 20 while his secretary of State, Condoleezza Rice, was fourth and former President Clinton fifth.

New York Sen. Hillary Rodham Clinton scored ninth of the 20 leaders with a score of 49. Massachusetts Sen. John Kerry, the 2004 Democratic nominee who was roundly criticized before the election for suggesting that students who don't study could end up stuck in Iraq, came in last at 39.6.

Kerry later apologized for what he said was a botched joke.

Democratic Rep. Nancy Pelosi, in line to become the next House Speaker, improved her standing, moving from last to 12th in a few weeks. The next Senate Majority leader, Democrat Harry Reid, was 19th.

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"As we enter the presidential campaign of 2008, Giuliani and McCain are in enviable positions," said Peter Brown, assistant poll director. "They are well-regarded and most Americans are quite familiar with them. Obama's showing is impressive, but four in 10 Americans still don't know enough about him to have an opinion."

The telephone poll was conducted from Nov. 13-19. Quinnipiac surveyed 1,623 registered voters nationwide and the poll has a sampling error margin of plus or minus 2.4 percentage points.

Giuliani Tops Most Popular U.S. Politician Polling (WT)

By Eric Pfeiffer

The Washington Times, November 28, 2006

Rudolph W. Giuliani is the most popular politician in America, according to a new survey. The former New York City mayor, a likely candidate for the 2008 Republican presidential nomination, tops a list of 20 leaders whose popularity with registered voters was measured in a new survey by Quinnipiac University.

The survey asked respondents to rate their feelings about the 20 leaders on a "thermometer reading" scale of 0 to 100. Mr. Giuliani finished with a 64.2 rating. Trailing closely were Sens. Barack Obama, Illinois Democrat, and John McCain, Arizona Republican, who tallied 58.8 and 57.7. Secretary of State Condoleezza Rice was the top-ranking woman in the survey, finishing just behind Mr. McCain with a 56.1 rating.

"As we enter the presidential campaign of 2008, Giuliani and McCain are in enviable positions," said Quinnipiac assistant poll director Peter A. Brown. "They are well-regarded, and most Americans are quite familiar with them. Obama's showing is impressive, but 4 in 10 Americans still don't know enough about him to have an opinion."

Despite concerns that his liberal views on social issues will hurt him with Republican primary voters, Mr. Giuliani continues to lead the field in nearly every publicly released presidential poll.

President Bush did not fare nearly as well, coming in at number 15 with a 43.8 rating. Former President Bill Clinton topped Mr. Bush with a 55.8 rating and a fifth-place finish. However, Mr. Bush did top 2004 rival Sen. John Kerry, Massachusetts Democrat, who finished 20th in the survey, with a 39.6 rating.

Sen. Hillary Rodham Clinton, New York Democrat, finished ninth in the survey with a 49-point ranking. Mrs. Clinton is now considered the front-runner for her party's 2008 presidential nomination. Incoming House Speaker Nancy Pelosi finished in 12th place, with a 46.9 rating. That marks a substantial increase for Mrs. Pelosi, who did not make the top 20 in the last Quinnipiac survey.

"In September, most Americans did not know enough about U.S. Rep. Nancy Pelosi, and those who did didn't like what they knew," Mr. Brown said. "Now, perhaps because everyone likes a winner, she has increased her standing with the American people."

Miss Rice's high rating in the survey was particularly impressive considering she is the only individual placing in the top 10 who has not previously sought elected office. Excluding Miss Rice, seven of the top 10 are considered likely presidential candidates in 2008.

"I was very excited to see how well she did," said Richard Holt, a founding member of the National Black Republican Association. "She'd make an excellent candidate."

Survey respondents also named Miss Rice as the most powerful woman in America, topping Mrs. Clinton 45 percent to 29 percent. Twenty-three percent selected Mrs. Pelosi.

However, Mrs. Clinton topped Miss Rice in the same survey when respondents were asked which female leader they think is best qualified to serve as president.

Fifty-six percent said Mrs. Clinton is most qualified to serve as president. Miss Rice finished a close second with 50 percent. Meanwhile, 47 percent said they do not think Mrs. Pelosi is qualified for the White House.

Can The GOP Find Its Center? (WP)

By E. J. Dionne Jr.

The Washington Post, November 28, 2006

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"The center does not try to read anybody out of the party," the experienced Republican politician declared. "But the farther you go in either direction, the greater the inclination to read others out." He deplored party purges as "political cannibalism" and insisted: "The center must lead."

That was Richard M. Nixon, about a week after Barry Goldwater's landslide defeat at the hands of Lyndon B. Johnson in 1964.

Nixon was to succeed in reconstituting a Republican center that propelled him to the presidency four years later. But that center could not hold. As J. William Middendorf II recounts in "A Glorious Disaster," his book on the Goldwater campaign with the pitch-perfect title, the movement led by the conservative Arizona senator, not Nixon, shaped the Republican future.

This fall's election defeat was inglorious for Republicans because it ratified Nixon's original worries about the cost of chasing away the GOP's moderates and revealed that the Barry Goldwater-Ronald Reagan political settlement has expired.

You wouldn't know that listening to Republican congressional leaders who still think all will be well if the party just hugs the old conservative faith a little harder.

Thus did House Republican leader John Boehner of Ohio promise "to fight for a smaller, less costly and more accountable federal government." Thus did the great conservative hope, Rep. Mike Pence of Indiana, promise to steer the Republican Party "back to the principles of limited government, fiscal discipline and traditional moral values."

But such boilerplate will not solve the new problems Republicans confront.

The first is obvious: The party's credibility on national security has been shattered by the failure of the Bush administration's policies in Iraq. Many Republicans know this, which is why President Bush's biggest problem in his last two years will be not the Democratic opposition to the war but the growing ranks of Republican political pragmatists who want to separate themselves from Bush's Middle East venture.

The second is less obvious but no less important: Pro-market libertarians and pro-family social conservatives are more aware than ever that their respective values and interests do not coincide.

In an article in the latest issue of the conservative Weekly Standard, Yuval Levin, a fellow at the Ethics and Public Policy Center, explains the tension between the market and the family as clearly as anyone has:

"The market values risk-taking and creative destruction that can be very bad for family life, and rewards the lowest common cultural denominator in ways that can undermine traditional morality. Traditional values, on the other hand, discourage the spirit of competition and self-interested ambition essential for free markets to work, and their adherents sometimes seek to enforce codes of conduct that constrain individual freedom. The libertarian and the traditionalist are not natural allies."

Levin acknowledges that the policy fixes he proposes (including health-care portability, long-term care insurance and school choice) are "barely a start" to what needs to be done for those in what he calls "the parenting class." Still, he identifies a central conservative problem.

The difficulty, of course, is that a conservatism that cares only about "limited government," "fiscal discipline" and preaching about "traditional moral values" will shy away from Levin's practical, problem-solving approach by government that might involve -- horrors! -- new or different kinds of spending.

That's one reason the decline of the moderate Republicans hurts the party: The moderates were always looking for innovative ways to use government for practical ends. And as an electoral matter, the 2006 vote proved that if Republicans lose too many of their moderate members in areas such as New England, the mid-Atlantic states and the Midwest, they no longer have a majority. Sarah Chamberlain Resnick, executive director of the Republican Main Street Partnership, said moderates had, to no avail, warned their leadership of "the consequences of pushing a legislative agenda kowtowing to the far right in our party."

The flight from a solution-oriented politics designed to deal with the pressures on working- and middle-class families had the final effect of driving many of the onetime Reagan Democrats, the "security moms" and disaffected men over to the Democrats, who enjoyed strong gains in the large swath of households in the $30,000 to $100,000 annual income range.

The GOP desperately needs to disenthrall itself from old thinking. Some inventive Republican presidential candidate might study the policy playbook of a politician who liked to condemn "the brain-dead politics of both parties." His name was Bill Clinton.

Crash The Parties (USAT)

DOJ_NMG_0098906

By Don Campbell

USA Today, November 28, 2006

I was young and naive — maybe even delusional — when I began covering Congress and national politics in 1972. But I quickly formed several impressions about the men (and the few women) who wielded power on Capitol Hill and in the two major political parties.

Most of them seemed to be decent people who treated political opponents with respect, or at least basic civility. They were motivated by the pursuit of power, to be sure, but did not use that pursuit to justify character assassination of the opposition as the first line of offense. When the times demanded it, they seemed willing to put the nation's interest ahead of their own political interest — not that the two were always at odds. I even liked some of them.

After I left Washington 20 years later, in 1992, my perspective changed 180 degrees. It was as if those who work in Washington and those who live outside it occupy separate universes.

Columnist Finley Peter Dunne's bartender, Mr. Dooley, famously said that "politics ain't beanbag," and I agree. I have a strong stomach, but the partisanship and political slander that in the past decade have come to characterize virtually every utterance have driven me to become nauseated almost every time a Washington politician appears on my TV screen.

I had given up hope and interest in politics until I recently had conversations with two old political hands whose judgment I still respect.

Hamilton Jordan, who masterminded Democrat Jimmy Carter's underdog campaign for the White House in 1976, and Douglas Bailey, the veteran Republican consultant and co-founder of the daily online news briefing The Hotline, have teamed up to lead a grassroots movement that promises an alternative to the partisanship that has polarized Washington. The objective of their movement, called Unity08 (www.unity08.com), is to use Internet balloting to forge an independent national ticket for 2008 in which the presidential nominee is from one major party and his or her running mate is from the other major party. Anyone can form a ticket and run, and the organizers hope eventually to attract some recognizable names.

Though such a proposition might sound fanciful, the founders of Unity08 are absolutely serious. To be sure, the technological and logistical hurdles are imposing, but the organizers are methodically moving ahead.

The Internet will be key to Unity08's success. Organizers will use it to raise money and to identify questions to ask candidates on such issues as education, global terrorism, health care, energy independence and corruption in Washington. Unity08 will play down what its organizers call "important but not crucial" issues such as abortion, same-sex marriage and gun control.

The operating premise is that both major parties have been hijacked by extremists on the left and right, leaving a wide swath of voters in the middle without choice or voice. No one should be fooled by the make-nice talk that followed the recent congressional elections. It won't last. But Bailey calls it a "breath of fresh air" that moderates showed some signs of reasserting themselves on Nov. 7.

Bailey recalls that until the 1990s, the major parties traditionally fought over swing voters and split-ticket voters, but he says that both have essentially abandoned that practice. The polarization that comes from catering to the political extremes, Bailey notes, has been exacerbated by cable television news and talk shows that highlight partisan and combative views.

The trend is further fueled, Bailey says, by the entrenchment of partisan incumbents in Congress who owe their political success to state legislators who draw them safe congressional districts and to the Washington lobbyists who line their pockets with campaign cash. Incumbents who, I would add, have reasonably concluded that if they spread enough political pork and constituent service around, the voters will ignore the partisanship that has left them gridlocked on policy issues that matter.

The challenges that Bailey, Jordan and crew face are sizable, starting with the likelihood that political hackers, crazies in the blogosphere and those invested in the status quo — think Washington lobbyists — will try to sabotage the online operation. They will also have to build organizations in all 50 states to get on the general election ballot, after Unity08 nominees are chosen in online voting sometime next year. They are not assuming, as the Howard Dean campaign in 2004 apparently did, that online support automatically translates into turnout on Election Day. They also must create and implement a set of rules that will pass muster with the Federal Election Commission.

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But there are just as many reasons to think that they could be a big player in two years: The power of the Internet to organize and communicate, hinted at in 2004, is enormous. By operating mostly on the Internet, Unity08 will have maximum flexibility in deciding when it wants to do things, unlike the political parties, which are bound by rigid schedules and the need to rent convention halls. Jordan sees this as a key advantage.

Moreover, presidential candidate Ross Perot proved in 1992 that you don't have to be aligned with either party to be a major force. He ran one of the wackiest campaigns in modern history and drew nearly 20 million votes.

Ultimately, Jordan says, Unity08 will be a success if it provides a "jolt of reality" to the two major political parties. Now it's up to the American people to provide the electricity.

Don Campbell, a lecturer in journalism at Emory University in Atlanta, is a member of USA TODAY's board of contributors.

Doing The Primary Shuffle (NYT)

By David D. Kirkpatrick

The New York Times, November 28, 2006

Move over, Iowa. Make way, New Hampshire.

Four days after the midterm elections, Senator John Kerry of Massachusetts, a former Democratic presidential nominee vying to play that role again, flew to Greenville, S.C. His running mate in 2004, former Senator John Edwards, appeared in Columbia, S.C., the next weekend. Senator Joseph R. Biden Jr. of Delaware addressed about 200 people yesterday at a Rotary Club in Columbia. And Gov. Tom Vilsack of Iowa had plans to swing through South Carolina early next week after appearing in Nevada as he introduces himself to voters as a presidential candidate.

It is not that anyone is writing off Iowa and New Hampshire. But the Democratic Party's decision to shuffle its presidential primary schedule, so that Nevada's caucus closely follows Iowa's and South Carolina gets a primary week of its own after New Hampshire's, is changing the early rituals of campaigning, forcing contenders to extend themselves in more states.

The change could hurt candidates like Mr. Vilsack, an Iowan, while benefiting others like Mr. Edwards, of North Carolina. But they are all going to be spending more time on airplanes.

"It's a long trip from Las Vegas to Columbia, S.C.," said Jeff Link, an aide to Mr. Vilsack. DAVID D. KIRKPATRICK

Ex-RNC Chief Set For State Party (WT)

By Seth Mclaughlin

The Washington Times, November 28, 2006

Virginia Republicans say they expect Ed Gillespie, former chairman of the Republican National Committee, to be named the new head of the state party.

"I think he's probably the nominee for that post," Lt. Gov. Bill Bolling, a Gillespie supporter, told The Washington Times. "He's got the background, knowledge and experiences to do the job."

Republicans yesterday told The Times that Mr. Gillespie's election appears imminent now that the other front-runners for the spot -- former Lt. Gov. John H. Hager and Chuck Smith, chairman of Virginia Beach's Republican Party -- dropped out of the race last week in a telephone conference call with the state executive committee.

"I know of no one else whose name is still in the ring," Mr. Smith said. "My understanding is that John Hager and I were the only other two names."

"It was a pretty easy sell," Attorney General Robert McDonnell said. "Ed is an extremely accomplished political figure. He is a proven winner from Northern Virginia who knows how to do grass-roots and raise money."

Mr. Gillespie has lived in Virginia for 13 years.

The official election is scheduled for this weekend at the 23rd annual Donald W. Huffman Advance at the Homestead Resort in Hot Springs -- a Republican retreat where grass-roots activists and elected officials kick off the 2007 state legislative campaign season.

Wayne "Bubba" Ozmore, chairman of the 4th Congressional District Committee, said that tapping Mr. Gillespie for the position would be like "putting a Formula One race car on a NASCAR track."

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"He's built for speed and has run at high levels, but you can also get bumped and bruised on the NASCAR track, so it could be interesting," he said.

A New Jersey native who started his career on Capitol Hill as a Senate parking lot attendant, Mr. Gillespie has built a strong reputation as a Republican strategist.

In 1994, he was a top aide to then-Rep. Dick Armey, Texas Republican, and helped draft Republicans' "Contract with America," which many credit with winning Republicans control of the House of Representatives for the first time in 40 years.

In 2000, Mr. Gillespie served as a senior communications adviser for the presidential campaign of then-Texas Gov. George W. Bush and as communications director for his 2001 inauguration.

Mr. Gillespie was a campaign strategist for Sen. Elizabeth Dole in 2002. Mrs. Dole, North Carolina Republican, won by the biggest margin of victory of any Senate candidate in the state in more than 25 years.

From July 2003 to January 2005, he served as chairman of the Republican National Committee. He was the first chairman in 80 years to oversee the re-election of a Republican president while maintaining majorities in both chambers of Congress.

He currently works for Quinn Gillespie and Associates, a bipartisan political consulting firm he co-founded in Washington.

Mr. Gillespie's anticipated selection as party chairman comes as Virginia Republicans mull over why they have fallen short in recent statewide races.

Democrats have won the last two gubernatorial elections, and James H. Webb Jr. secured Democratic control of the U.S. Senate by thwarting the re-election bid of Sen. George Allen, a Republican, this month.

Republicans say they must concentrate on keeping majorities in both chambers of the General Assembly. Next year, all 140 seats in the state Senate and House of Delegates are up for election.

The party also must be ready to replace Sen. John W. Warner if he decides to retire after his term ends in 2008 and field a viable candidate for the 2009 gubernatorial race.

Last week, Mr. Gillespie sent a letter to Virginia Republicans asking them to support his candidacy and outlining his vision for the state party.

He said Republicans must be a bottom-up party, foster unity within the party, increase fundraising operations and promote a positive message "that resonates with voters."

"I am proud to be a Virginian," he wrote in the letter. "I am proud to be a Republican. I would be proud to be Chairman of the Republican Party of Virginia, and would work hard to make you proud if you find me worthy of that position."

Court Rejects Maine School Vouchers Case (AP-Y)

By Pete Yost

AP, November 28, 2006

The Supreme Court decided Monday not to plunge into the issue of school choice, passing up a dispute over a Maine law that bars the use of public funds to send students to private religious schools.

A conservative group, the Institute for Justice, had asked the justices to take the case. The group is representing eight Maine families who would receive public tuition funds but for the fact that their children attend religious schools.

Florida Gov. Jeb Bush and President Bush's homestate of Texas had weighed in, saying in filings to the Supreme Court that Maine is unconstitutionally discriminating against religion.

Vouchers are championed by the president and many conservatives who call them a ticket out of dismal and dangerous public schools. However, those who champion public education say that vouchers divert already-scarce resources from a system badly in need of repair.

School districts in 145 small towns in Maine that have no high schools currently offer tuition for 17,000 students to attend high schools of their choice, public or private, in-state or out-of-state. But religious schools are no longer on the list. Maine's school system dates back to 1879.

In 1980, the state attorney general said the program violated the U.S. Constitution's Establishment Clause. The Maine Legislature made it law in 1983.

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Last April, the Maine Supreme Judicial Court ruled that restrictions on tuition vouchers are a valid, constitutional enactment. The court said the state attorney general and the legislature were motivated by a desire to respect and comply with the Constitution rather than any religious hostility.

Dick Komer, the senior litigation attorney for the Institute for Justice, said Maine is engaging in blatant government discrimination against parents who choose religious schools and that it is "appalling that the nation's highest court" lets it continue.

In upholding the exclusion of religious schools from the system, the Maine court relied on a 2004 U.S. Supreme Court ruling upholding a Washington state college scholarship program prohibiting the use of scholarship funds for pursuit of a devotional theology degree.

The Institute for Justice said the Maine case gives the justices an opportunity to make clear that its 2004 decision only carved out a narrow exception to the general rule requiring equal treatment of religious and nonreligious options.

In asking the Supreme Court to take the case, the Maine families cited the court's 2002 decision allowing the use of public funds in inner-city Cleveland to underwrite tuition at private or parochial schools if parents retain a wide choice of where to send their children.

The Maine case is Kevin and Julia Anderson v. Durham School Department, 06-132.

No Tax Money For Stem Cells (LAT)

By Sigrid Fry-revere

The Los Angeles Times, November 28, 2006

CANDIDATES WHO promised to advance stem cell research fared well in this month's elections. Incoming House Speaker Nancy Pelosi has said that stem cell therapy has "the biblical power to cure," and others have touted public funding for stem cell research as key to finding cures for everything from Parkinson's disease and multiple sclerosis to hundreds of rare immune and genetic disorders.

Politicians are right that stem cells hold the promise of incredible medical progress. But we won't achieve the promised results if we insist on public funding of the research. In fact, government-funded research has proved bureaucratic, expensive, wasteful, fickle and divisive. Since 2003, five states — Ohio, Illinois, New Jersey, Connecticut and California — have pledged billions of dollars to support stem cell research. But political opposition has prevented all but a few million dollars from reaching researchers. This year, six more states pledged funds — but none have paid up. In 2004, California voters approved Proposition 71, which provided $3 billion in public funds for stem cell research. Two years later, challenges to its constitutionality are still pending. Religious and taxpayer groups lost a first round in court, but their appeals, or any other state attempts to fund stem cell research, are likely to be tied up in court for at least another year.

Luckily for California, several private philanthropic organizations have loaned the state $14 million to start providing grants. This confirms the conclusions of a September 2005 article in the Journal of the American Medical Assn., which found that when public funding for research lapses, private funders almost always step in to take up the slack, often funding projects at a higher rate than did the government.

Other states have had similar experiences. The Ohio governor earmarked $19.4 million for Case Western University for stem cell research, but the Legislature banned it. Funds pledged by Illinois and New Jersey — $10 million and $5 million, respectively — are tied up in legislative limbo because politicians can't agree on what types of stem cell research should be funded and where the money should come from. Only one state got it right: Missouri. This month, voters passed a ballot initiative amending the Missouri Constitution to protect the right to pursue and benefit from any stem cell research or therapies allowed under federal law or available to other Americans. Government funding was not the issue; it was the need to guarantee that research could proceed without political interference. The Stowers Institute for Medical Research was standing by with $2 billion in funding. Once the amendment passed, research began within days.

Such private funders are also more efficient than government at doling out research money. After paying administrative costs and interest on the bonds that will have to be issued, Californians will end up forking over more than $6 billion for less than $2.8 billion for stem cell research.

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To be sure, private organizations attach strings. Many want access to lab financial records, and some discontinue funding if dissatisfied with how research is conducted. But such accountability is important in research. And when stem cell research is not a political football, less time and money is wasted on campaigns, bureaucracy and litigation. More important, those who object to the research aren't forced to fund it.

The development of in vitro fertilization provides a perfect model. For years, researchers lobbied government to fund IVF, but amid Luddite cries that "test-tube babies" would lead to societal ruin, funding was denied at every turn. As a result, the federal government didn't spend a cent on the development of IVF. Scientists complained that there would be a brain drain away from the U.S. to countries where such research was publicly funded, and that the U.S. would fall behind in the development of new reproductive technologies. None of these gloomy predictions came true. Today, infertility treatment is a $16-billion-a-year industry in the United States.

The stem cell debate evokes déjà vu. Geron Corp. has already invested twice as much in stem cell research as the federal government, and Harvard University has received more requests for money to fund such research than the National Institutes of Health. Some estimate that the stem cell industry will amount to $10 billion by 2010.

Stem cells hold more promise than any breakthrough since Watson and Crick discovered the structure of DNA. But governments should not make promises that they cannot keep due to political opposition and their own inefficiency. The false hope that the government is taking care of stem cell research will only inhibit private donors and investors from stepping up to the plate.

We should legalize stem cell research in all its forms, protecting universities and private organizations from the uncertainties of political whims — and leave it at that.

Dial Joe-4-Chávez (WSJ)

The Wall Street Journal, November 28, 2006

Venezuelan strongman Hugo Chávez is an ally of the Iranian mullahs, a supporter of North Korea, a close friend of Fidel Castro and a good customer for Vladimir Putin's weapon factories. Now he's also a business partner of Joseph P. Kennedy II.

The former Democratic Congressman describes the deal he's cooked up with Mr. Chávez as charity for low-income consumers of heating oil. But it's worth asking what the price of this largesse is to Venezuelans and to U.S. security interests.

The arrangement is this: Mr. Chávez's Citgo -- a Houston-based oil company owned by the Venezuelan government -- is supplying home heating oil to Mr. Kennedy's Citizens Energy Corporation at a 40% discount. Citizens, a nonprofit outfit, says it passes the savings onto the poor, aiming to help 400,000 homes in 16 states that would otherwise have trouble heating their homes. In the process, Mr. Kennedy happens to get a high-profile publicity plug. If you think you qualify, says the television ad that drew our attention to this partnership, just dial 1-877-Joe-4-Oil.

Generous Joe is not the only one polishing his public image here. In the mold of the Castro strategy of sending armies of "doctors" and "teachers" among the Latin American poor, Mr. Chávez is trying to shape U.S. public opinion in the hope that more gringos will come to see the Chávez government as benevolent.

Massachusetts Democrats seem especially eager to help. In a September 29, 2005, "confidential memorandum" addressed to "President Hugo Chávez" and uncovered by a Congressional committee, William Delahunt (D., Mass.) gushed that it was a "pleasure" to have met with the strongman "to discuss your generous offer." The Democrat advised Mr. Chávez to steer his oil through Mr. Kennedy's nonprofit and declared that "from a public relations perspective" the discount oil scheme "is an extraordinary opportunity to address urgent needs of people living in poverty, while showcasing the compassion of your nation."

Compassion? If fighting poverty is the goal, Mr. Delahunt would do better to remind Mr. Chávez that charity begins at home. The U.S. is far richer than Venezuela and since Hurricane Hugo took power in 1999 Venezuelan living standards have suffered despite soaring oil prices. Annual inflation averaged more than 20% between 2001 and 2005, imposing a tax on the poorest. Meanwhile, an insecure investment climate has taken a harsh toll on private-sector employment and shrunk the middle class.

In his eight years in power, Mr. Kennedy's business partner has also polarized Venezuela with his class warfare, rewritten the constitution, politicized the judiciary, the electoral council and military, and announced he plans to rule until 2021. Freedom

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House now ranks Venezuela 34th out of 35 countries in the Western Hemisphere in press freedom. Only the Cuban press is more repressed.

Transparency International puts Venezuela second to last in the Hemisphere in its 2006 "corruption perception index." And then there was that revealing rant against President Bush ("the devil") at the United Nations in September. Even Mr. Delahunt criticized his Venezuelan buddy after that one.

But Mr. Kennedy keeps on trucking. Last week in a telephone interview with the Washington Post, he defended his Chávez subsidy deal as "morally righteous," arguing that the Citgo contribution to his nonprofit is only "one-half of one percent" of Citgo oil and product sales in the U.S.

We dialed Joe-4-Oil ourselves to ask directly whether it is also "righteous" to assist an anti-American tyrant at the expense of the Venezuelan people. In between berating our reporter for daring to ask such a thing, Mr. Kennedy said that Mr. Chávez has done "so much more" for the poor than any previous government. As for democracy, he said there was "ample room for improvement in the ways that people get elected in Venezuela as well as in Florida." Mr. Chávez chose his partner well.

Israeli Premier Makes An Offer To Palestinians (NYT)

By Steven Erlanger

The New York Times, November 28, 2006

JERUSALEM, Nov. 27 — Prime Minister Ehud Olmert, trying to build on a shaky cease-fire in the Gaza Strip, on Monday offered Palestinians a series of incentives, including negotiations and a prisoner release, if they turned away from violence.

The offer was made in what was billed as a major policy speech, but it contained little that was new. The timing was important, though, because Mr. Olmert and the Palestinian Authority president, Mahmoud Abbas, are eager to bolster their own political positions, begin a serious dialogue and stop a bloody cycle of violence.

President Bush will be in Jordan this week to discuss Iraq and other regional issues. On Sunday, Jordan's king, Abdullah II, warned of "the strong potential of three civil wars in the region, whether it's the Palestinians, that of Lebanon or of Iraq."

Expectations are high that Secretary of State Condoleezza Rice may come here after Jordan to try to solidify the fragile attempt at reconciliation that Mr. Abbas and Mr. Olmert are discussing, which may include an extension of the cease-fire to the West Bank.

In his speech, Mr. Olmert appealed to Palestinians to turn away from militant resistance and make a commitment to peaceful negotiations for an independent state. "You, the Palestinian people," he said, "are standing in these days at an historic crossroads."

If the Palestinians can form a new unity government that satisfies international standards and release a captured Israeli soldier, Mr. Olmert said, he will respond by immediately meeting with Mr. Abbas, releasing hundreds of Palestinian prisoners, reducing checkpoints and moving toward a further withdrawal of Israeli settlers from the occupied West Bank.

He promised that Israel would also then release to the Palestinian Authority the $50 million a month in taxes and duties that Israel has collected for the Palestinians but withheld — more than $500 million so far this year — contending that Hamas, the governing Palestinian faction, is a terrorist group.

But those steps, essentially confidence-rebuilding measures, are far short of serious negotiations to end a conflict that is nearly 60 years old.

One of the new elements in the speech was more subtle, an Israeli official said, speaking on condition of anonymity because he was not authorized to discuss the content of the speech publicly. He pointed to Mr. Olmert's praise for moderate Arab countries like Jordan, Egypt, Saudi Arabia and Persian Gulf states that "strive for a peaceful solution to the conflict between us." Mr. Olmert said he found parts of a 2002 Saudi peace initiative to be "positive," the first time an Israeli leader has done so, the official said.

The Saudi initiative, supported by the Arab League, offered normal relations with Israel in return for an Israeli withdrawal to the 1967 boundaries, the establishment of a Palestinian state and a just solution to the issue of Palestinian refugees. Mr. Olmert has said that Israel will not return to the borders predating the 1967 Arab-Israeli war but that it is willing to negotiate land swaps.

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"I intend to invest efforts in order to advance the connection" with the moderate Arab states, he said, "and strengthen their support of direct bilateral negotiations between us and the Palestinians."

Palestinian reaction was cautious. Hamas, which does not recognize Israel's right to exist, was unenthusiastic. A spokesman for the Hamas-led Palestinian government, Ghazi Hamad, said Mr. Olmert had not specified borders and was not willing to release enough prisoners. Saeb Erekat, a Palestinian negotiator and aide to Mr. Abbas, said that "most important is to sustain the cease-fire" and extend it to the West Bank "in the next few days." That would "pave the way for a political horizon," he said.

Within hours of Mr. Olmert's address, delivered in the Negev town of Sde Boker at a commemoration for Israel's first prime minister, David Ben-Gurion, Palestinian militants in Gaza fired two rockets toward Sderot in Israel, despite the cease-fire. One landed in Gaza, the other in the Sderot cemetery. There were no reported casualties.

Responsibility for the rocket fire was taken by Al Aksa Martyrs Brigades, a group that belongs to Mr. Abbas's Fatah faction. Mr. Erekat asked for patience.

The militants said they were responding to the killing of two Palestinians and the arrest of 15 in an Israeli raid on Monday in the West Bank, where a truce is not in effect and where Israel discovered a bomb factory on Sunday.

One of the dead was a militant commander, Abdel Razek Bahar, 22, of the Popular Resistance Committees; the other was a passer-by, Fatma Nezal, a 55-year-old woman, Palestinians said. The Israeli Army said its forces had been fired on and were returning fire.

Mr. Olmert argued to the Palestinians that the election of Hamas and "the uncompromising extremism of your terror organizations" have not brought Palestinians closer "to achieving the goal that I'm convinced many of you share to establish a Palestinian state." Hamas argues that Israel does not make concessions through negotiations, but only when faced with "resistance to occupation."

Mr. Olmert said that "in the framework" of talks and the "road map," an internationally backed outline for peace negotiations, Israel "will agree to the evacuation of many territories and communities we have created," a reference to Jewish settlements built since 1967 in the West Bank, which are regarded as illegal by much of the world. Mr. Olmert was elected in March on a program to carry out a withdrawal of up to 80,000 Israeli settlers from part of the West Bank.

But with the violence in and around Gaza and the war last summer with Hezbollah in Lebanon, the idea of unilateral withdrawals has been sharply criticized in Israel, and Mr. Olmert shelved his plan. He seems to be trying to revive the idea, but in the context of talks with Mr. Abbas.

Olmert 'ready To Free Jailed Palestinians' (FT)

By Sharmila Devi

Financial Times, November 28, 2006

The Israeli prime minister Ehud Olmert said publicly for the first time on Monday that Palestinian prisoners would be released if a captured Israeli soldier were freed first.

Mr Olmert also offered humanitarian concessions in return for an end to violence soon after a truce was announced in the Gaza Strip and days ahead of a visit by George W. Bush, US president, to neighbouring Jordan for talks with Iraqi prime minister Nouri al-Maliki.

The Palestinians said they were ready for peace talks immediately but Mr Olmert set various conditions before the resumption of any direct discussions. The conditions included the release of Corporal Gilad Shalit, captured in June, and the formation of a new government to replace the Hamas-led Palestinian Authority.

Palestinians welcomed the possibility of efforts to ease humanitarian conditions, made worse under a western aid boycott since Hamas came to power in March. But they still doubted Israel's intention to create a Palestinian state that is viable and settle thorny issues that remain at the heart of the conflict, such as the division of Jerusalem and refugees.

Mr Olmert made no mention of an earlier plan to withdraw unilaterally from parts of the West Bank, a policy shelved after the summer war against Hizbollah in Lebanon.

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"I think the Israelis are working towards something like parallel unilateralism whereby both sides make moves, perhaps towards some sort of interim Palestinian state, but the process falls short of full bilateralism," said an advisor to the Palestinian leadership.

Mr Olmert did make reference to an initiative recently revamped by moderate Arab states, offering full normalisation of relations with Israel in return for an internationally recognised Palestinian state.

Countries such as Saudi Arabia, Egypt and Jordan have been pressing Washington over the Israeli-Palestinian conflict, saying it would make it easier for them to present a common front on a host of regional crises, from the violence in Iraq to Iran's nuclear ambitions.

"I have been following with great appreciation the serious efforts made by these [Arab] states to bring about a cessation of violence in the region and I respect their sincere desire to create a new atmosphere between us," said Mr Olmert.

Mr Bush was expected to focus on Iraq during his visit to the Jordanian capital Amman tomorrow (weds) and Thursday. Palestinian officials also said there was a possibility of Mahmoud Abbas, Fatah's Palestinian president, meeting Condoleezza Rice, US secretary of state, also in Amman this week.

No talks between Mr Bush and Ms Rice and any Israeli officials were scheduled. "At this point in time, it's probably best if Bush were not to meet any Israelis," said an Israeli government official.

Olmert Urges Palestinians To Seek Peace (AP)

By Amy Teibel

AP, November 28, 2006

Prime Minister Ehud Olmert reached out to the Palestinians on Monday in one of his most conciliatory speeches yet, saying he was prepared to grant them a state, release desperately needed funds and free prisoners if they choose the path of peace.

Olmert's remarks sealed a dramatic policy shift and built on a day-old truce meant to end five months of violence in the Gaza Strip. But new rocket attacks by Palestinian militants threatened the latest rapprochement.

"I hold out my hand in peace to our Palestinian neighbors in the hope that it won't be returned empty," Olmert said.

"We cannot change the past and we will not be able to bring back the victims on both sides of the borders," he said. "All that we can do today is stop additional tragedies."

Olmert appealed to the Palestinians to form a new, moderate Cabinet committed to carrying out a U.S.-backed peace plan and securing the release of a captured Israeli soldier.

Once such a government was established, Olmert said, he would call for an immediate meeting with the moderate Palestinian president, Mahmoud Abbas, "to have a real, open, honest, serious dialogue between us."

Palestinian legislator Saeb Erekat, a top Abbas aide, said the Palestinians were ready to negotiate a final peace deal.

"I believe Mr. Olmert knows he has a partner, and that is President Abbas. He knows that to achieve peace and security for all, we need to shoot for the end game," Erekat said.

But the Palestinian Cabinet, led by Hamas militants who reject Israel's right to exist, accused Olmert of posturing.

"This is a conspiracy. This is a new maneuver. Olmert is speaking about the Palestinian state without giving details about the borders," said Ghazi Hamad, a government spokesman.

Olmert's speech raised the diplomatic stakes ahead of President Bush's scheduled trip to neighboring Jordan this week for talks with Iraqi leaders.

Erekat said it was possible Abbas would meet with Bush there, but Israeli officials denied that Abbas and Olmert might meet on the sidelines of the Bush visit.

Olmert was elected in March promising to set Israel's final borders with the Palestinians by uprooting isolated communities dotted all over the West Bank while holding on to major settlement blocs. Israel, Olmert said, would act unilaterally without a Palestinian peace partner — something it appeared inclined to conclude because of Hamas' violently anti-Israel ideology.

But a summer war with Lebanese guerrillas, which many Israelis blamed on their unilateral pullout from southern Lebanon six years ago, left Israelis cool to ceding more territory, and Olmert shelved that plan.

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His speech Monday signaled a final break with that program — and an attempt to entice the Palestinians back to the negotiating table by outlining likely Israeli concessions under a future peace deal.

"We, the state of Israel, will agree to the evacuation of many territories and the settlements that we built there. This is extremely difficult for us, like the splitting of the Red Sea. We will do it for real peace," he said.

Israel would pull out of West Bank land and uproot settlements under a peace deal, Olmert said.

In return for a serious Palestinian push for peace, he said, Israel would be prepared to reduce checkpoints that have severely restricted movement in the West Bank; release hundreds of millions of dollars in funds frozen after Hamas took power in March; and free some of the thousands of Palestinian prisoners Israel holds if Hamas-linked militants release — alive and healthy — an Israeli soldier they captured in June.

The freezing of funds has created great hardship in the Palestinian territories by rendering the Hamas government unable to pay full salaries to its civil servants, who provide for one-third of the Palestinian people.

A significant prisoner release would be a major confidence-building gesture because prisoners hold great weight in Palestinian society.

Israeli government officials said they had not ruled out releasing Palestinian uprising leader Marwan Barghouti, who is serving five life sentences for masterminding deadly attacks.

In exchange for Israeli concessions, Olmert said, Palestinians would have to renounce violence, recognize Israel's right to live in peace and security and give up their demands to allow refugees from the 1948 Mideast War to return to their homes in what is now Israel.

"The uncompromising extremism of your terror organizations ... hasn't brought you closer to achieving the goal that I'm convinced many of you share — to establish a Palestinian state," he said.

Hamad, the Palestinian government spokesman, said Palestinians would not abandon the fight for refugees.

"It is a main part of the Palestinian cause," he said.

Olmert's offer to revive stalled peace talks came a day after the two sides began observing a cease-fire in Gaza, raising hopes new peace efforts would follow.

Palestinian militants violated the cease-fire by launching two rockets at Israel on Monday. No one was injured, but Israel has threatened to strike back if rocket attacks increase.

The Army of Islam, a militant group linked to Hamas which claimed responsibility for seizing the Israeli soldier in June, has refused to abide by a cease-fire with Israel, according to an Internet statement posted on Monday.

Erekat said he was working with the Israelis to expand the cease-fire to the West Bank and hoped to have an agreement within days. Israeli officials said they would wait to see what happens in Gaza first.

"If the cease-fire in Gaza works, I hope it will be possible to transfer that more positive reality to the West Bank as well," Foreign Ministry spokesman Mark Regev said.

Israeli Leader Olmert Makes Peace Overtures (LAT)

By Richard Boudreaux

The Los Angeles Times, November 28, 2006

JERUSALEM -- Seeking to build on a shaky cease-fire with the Palestinians, Israeli Prime Minister Ehud Olmert offered Monday to free prisoners, lift checkpoints and release funds withheld from the Palestinian Authority in return for decisive steps toward peace.

In one of his most conciliatory speeches, Olmert spelled out Israel's likely concessions under a final peace accord, including a withdrawal of its troops and many of its settlements from the West Bank, and the establishment of a Palestinian state.

"I hold out my hand in peace to our Palestinian neighbors in the hope that it won't be returned empty," he said during a ceremony at the tomb of David Ben-Gurion, Israel's founding father.

The offer was a switch for Olmert, who declared during his election campaign last spring that no Palestinian leader was capable of making a deal with Israel. Since his election, he has worked to isolate the Hamas-led Palestinian government.

Monday, he invited the Palestinians to help negotiate a lasting settlement, saying they stand at a "historic crossroads."

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Hours after the speech, two rockets fired from the Gaza Strip fell harmlessly in the Israeli border town of Sderot, violating a truce started two days ago and threatening to undercut U.S.-backed diplomatic steps toward a meeting between Olmert and Palestinian President Mahmoud Abbas.

Palestinian leaders reacted to Olmert's initiative with caution and skepticism.

"We want serious negotiations," said Nabil Abu Rudaineh, a spokesman for Abbas, whose Fatah Party is more moderate than Hamas. The spokesman welcomed the prospect of a release of prisoners and funds but added: "We want to see acts, not just words."

Ghazi Hamad, a Hamas government spokesman, dismissed the Israeli leader's speech as "a new maneuver" but did not reject the idea of talks between the two sides.

"Olmert is speaking about the Palestinian state without giving details about the borders," the spokesman said.

In Washington, State Department spokesman Sean McCormack said the Bush administration viewed Olmert's speech as "constructive" and was working with moderate Arab states to help Israel and the Palestinians overcome their differences. President Bush and Secretary of State Condoleezza Rice plan to visit Jordan on Wednesday, for talks about the conflicts here and in Iraq.

Olmert spelled out his conditions for a revival of Israeli-Palestinian peace talks, which collapsed nearly six years ago at the start of a Palestinian uprising.

First, he said, the Palestinians must release Israeli Cpl. Gilad Shalit, whose capture in a cross-border raid by Hamas and other armed groups in June set off five months of fighting that the weekend cease-fire accord aimed to halt.

And, he said, the Palestinians must establish a new government committed to principles set by the United States and other Western governments but so far rejected by Hamas: recognition of Israel, renunciation of violence and acceptance of previous Israeli-Arab peace accords.

On those terms, Olmert said he would invite Abbas "to meet with me immediately in order to conduct a real, open, genuine and serious dialogue" aimed at the creation of "an independent and viable Palestinian state."

The captured soldier's safe return, Olmert added, would bring about the release of "numerous Palestinian prisoners, including ones who were sentenced to lengthy prison terms, in order to increase the trust between us."

Also, he said, the Palestinian government would get hundreds of millions of dollars in tax revenue that Israel collected but withheld after Hamas came to power in March. Checkpoints would be lifted, easing travel in the Israeli-occupied West Bank.

Both of Olmert's conditions seem attainable. Negotiations over an exchange of Palestinian prisoners for Shalit have made progress in recent days under Egyptian mediators, who reportedly have persuaded Hamas to reduce their prisoner list from 1,400 to a few hundred.

Disagreement remains, however, on whether the Israeli soldier should be freed first.

Ismail Haniyeh, the Hamas prime minister, tentatively has agreed to step down in favor of a unity government made up of Hamas and more moderate groups and led by a technocrat not affiliated with any party.

Talks on the makeup of such a government have dragged. But Javier Solana, the European Union's foreign-policy chief, who met recently with Abbas, said Monday that "something is moving" and a new government is "pretty near."

Palestinian leaders say a unity government would give Abbas exclusive authority to negotiate with Israel. Such a formula, they say, would make it unnecessary for Hamas to recognize Israel or renounce violence.

Olmert's critics in Israel worry that Hamas, flush from an arms buildup in Gaza, would pull the strings of any government that emerges and block any significant concessions to Israel. They say the cease-fire will damage Israel by allowing Hamas to stockpile weapons more freely.

But the Israeli leader's peace initiative has breathed a new sense of purpose into his coalition government, which has been increasingly unpopular since the country's inconclusive summer war in Lebanon.

In his speech, Olmert said leaving the West Bank would be "extremely difficult for us, akin to the parting of the Red Sea," but said he would agree to a pullout if the Palestinians "stop the terror..., recognize our right to live in peace" and stop demanding a return of all Palestinian refugees.

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Olmert's initiative was already being threatened Monday by militant resistance. The armed wing of Fatah said it fired rockets from Gaza to protest Israel's ongoing operations against fighters in the West Bank, which is not covered by the truce.

The rocket attack followed an Israeli raid on the West Bank town of Qabatiya, where Israeli soldiers killed a 22-year-old male Palestinian fighter and a 57-year-old woman during an exchange of gunfire. The Israelis said the woman tried to pick up the dead man's gun; Palestinian witnesses said she was trying to help him get medical attention.

Special correspondent Maher Abukhater in the West Bank contributed to this report.

Get Real, Hamas (LAT)

The Los Angeles Times, November 28, 2006

WHETHER THE impetus was a shaky cease-fire in the Gaza Strip or President Bush's visit to the Middle East, Israeli Prime Minister Ehud Olmert on Monday unexpectedly extended an olive branch to the Palestinians. If the Palestinian Authority — including the Islamic party Hamas — doesn't respond in kind, it will be yet another golden opportunity for Mideast peace squandered.

Speaking against the backdrop of a truce designed to end months of violence in Gaza, Olmert offered to engage Palestinians in new talks to create something even many liberal Israelis once considered unthinkable: an independent Palestinian state.

Declaring that "I hold out my hand in peace to our Palestinian neighbors in the hope that it won't be returned empty," Olmert offered to uproot Jewish settlements in the West Bank, reduce the number of checkpoints, unfreeze funds withheld from the cash-strapped Palestinian Authority and release "numerous Palestinian prisoners, including ones who are sentenced to lengthy prison terms."

In exchange, the nascent state of Palestine, and its Hamas-led Cabinet, would have to recognize Israel's right to exist, and Hamas would have to return Israeli soldier Gilad Shalit, who was captured in June. The stage would then be set for negotiations toward the two-state solution envisioned in the "road map" for peace endorsed in 2002 by the United States, the United Nations, Russia and the European Union.

The timing of Olmert's initiative could cause him political problems at home. Given Israel's unsatisfying war against Hezbollah in Lebanon last summer, continued violence in the Gaza Strip and disarray in the Palestinian Authority, Olmert was expected to shy away not just from negotiations but from his own proposal for unilateral Israeli withdrawal from some occupied territories.

Especially delicate is Olmert's willingness to trade captured Palestinian prisoners for Shalit, considering that when Hezbollah guerrillas from Lebanon kidnapped two Israeli soldiers in July for the express purpose of forcing a prisoner swap, Israel responded with a retaliatory attack that eventually killed 1,200 Lebanese (most of them civilians) and 157 Israelis.

It would be a tragedy, most of all for the Palestinians, if Olmert's initiative were rebuffed. Hamas is not being asked to approve of the creation of Israel half a century ago, only to recognize that the modern Jewish state is a legal government endorsed by the United Nations and deserving of security. It's not enough for Hamas to enter into a hudna, or 10-year truce — a scenario floated by Ahmed Yousef, an advisor to Palestinian Authority Prime Minister Ismail Haniya. Hamas' recognition should be a nonnegotiable issue both for Israel and the United States.

The late Yasser Arafat dawdled and dissembled for years before finally accepting Israel's existence, a belated accommodation to reality that led to a White House invitation for the erstwhile terrorist and the creation of the Palestinian Authority. If Hamas is willing to recognize the same fact of life, the benefits for the Palestinians could be even more dramatic.

Rice May See Olmert, Abbas Separately (AP)

By Anne Gearan

AP, November 28, 2006

Secretary of State Condoleezza Rice may confer separately with Israeli Prime Minister Ehud Olmert and Palestinian leader Mahmoud Abbas while she and President Bush are in the Mideast this week, but the U.S. is unlikely to broker a direct meeting between the Mideast leaders, a U.S. official said Monday.

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Israeli officials also rejected the possibility of a summit between Abbas and Olmert on the sidelines of Bush's visit to neighboring Jordan later this week. Olmert spokeswoman Miri Eisin said the sides were discussing when the leaders would meet, but no date had been set.

A summit between Olmert and Abbas would represent a renewed push toward peace between Israel and the Palestinians, especially if the meeting carried the imprimatur of the United States. Moderate Arab states allied with the United States have been urging more forceful U.S. involvement, possibly including a three-way peacemaking summit in the mold of the groundbreaking Camp David accords.

Olmert, seeking to build on a shaky cease-fire with the Palestinians, offered Monday to reduce checkpoints, release frozen funds and free prisoners in exchange for a serious push for peace by the Palestinians.

Olmert said that if the Palestinians establish a new, moderate Cabinet committed to carrying out the U.S.-backed "road map" peace plan and securing the release of a captured Israeli soldier, then he would call for an immediate meeting with Abbas "to have a real, open, honest, serious dialogue."

In what was billed as a major policy speech, Olmert said Israel would also pull out of the West Bank and uproot settlements under a final peace deal.

Rice may see Olmert in Jerusalem and Abbas at his nearby West Bank headquarters on Thursday, the U.S. official said. He spoke on condition of anonymity because Rice's schedule is not definite. The official suggested that despite encouraging signs that both sides seem interested in new peace efforts, the United States does not want to rush a two- or three-way meeting.

A lasting peace deal between Israel and its Palestinian neighbors is one of Bush's main foreign policy goals, but it has seemed remote for much of his presidency. Bush is pledged to seeking an independent Palestinian state alongside Israel. Major obstacles include the fate of large Israeli settlements on land the Palestinians claim in the West Bank, and the future of Jerusalem.

Egypt, Saudi Arabia and Jordan want the United States to resume its traditional role as shepherd or go-between for the two sides, arguing that resolving the Israeli-Palestinian conflict is key to defusing other Mideast problems. Rice may meet with those Arab allies as well as other friendly Persian Gulf nations on the sideline of a Mideast democracy and development session in Dead Sea, Jordan this week. The Israeli-Palestinian conflict would be high on that agenda.

Olmert's offer to restart long-stalled peace talks came a day after the two sides began observing a cease-fire in the Gaza Strip. The cease-fire is meant to end five months of widespread violence in the coastal area.

Relations between Israel and the Palestinians, rocky after more than five years of fighting, further plummeted in January when Hamas won Palestinian parliamentary elections.

Israel cut off ties with the Hamas-led Cabinet and froze the transfer of hundreds of millions of dollars to their government to try to pressure the Islamic group to recognize Israel and renounce violence.

Tensions exploded in June when Hamas-linked militants captured an Israeli soldier in a cross-border raid, sparking a wide-scale Israeli offensive in Gaza that killed more than 300 Palestinians, scores of them civilians. Five Israelis have also been killed in the violence.

N. Korea Nuke Envoy Arrives In Beijing (AP)

By Audra Ang

AP, November 28, 2006

North Korea's nuclear envoy flew into Beijing on Tuesday as his counterparts from the United States, China, South Korea and Japan gathered to hammer out plans to restart talks on dismantling the reclusive nation's nuclear weapons program.

The arrival of North Korean Vice Foreign Minister Kim Kye Gwan has heightened expectations he may meet U.S. Assistant Secretary of State Christopher Hill, although no plans have been announced.

In Washington, State Department spokesman Sean McCormack said a meeting between Hill and Kim is "certainly an open possibility."

"The issue for us is to make sure we are extremely well-planned and ready for the six-party talks, which we do anticipate will get going at some point very soon," Hill said when he arrived in the Chinese capital on Monday.

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Officials have yet to determine an exact date for the six-nation disarmament negotiations, which also involve Russia.

Hill met with South Korea's nuclear envoy, Chun Yung-woo, and China's negotiator, Wu Dawei, Tuesday morning, said Susan Stevenson, the spokeswoman for the U.S. Embassy in Beijing. She did not have any details on the talks.

Japan's representative Kenichiro Sasae told Japanese reporters that he had held talks with Wu and Hill separately but denied that there were any plans for multilateral discussions between the negotiators.

In Tokyo, Chief Cabinet Secretary Yasuhisa Shiozaki said Sasae and Wu discussed plans for the nuclear talks and bilateral relations.

"We are naturally exchanging opinions on what kind of results the resumption of the six-party talks should produce," Shiozaki said.

An unannounced meeting between Hill and Kim last month in Beijing led to North Korea agreeing to return to the arms negotiations amid heightened tensions after its first nuclear test on Oct. 9.

The talks have been stalled for more than a year because of North Korean anger over financial sanctions imposed by the United States.

Chun has said getting preparations right for progress at the talks was more important than setting a date for restarting the negotiations.

"We will mainly focus on the procedure of the talks as it is essential to accomplish substantial progress rather than talking just for the sake of talking," he told reporters after arriving in Beijing on Monday.

The six-nation talks were last held in November 2005 when the envoys failed to make progress on implementing an earlier agreement, in which the North pledged to give up its nuclear program in exchange for aid and security guarantees.

"The holding of the six-party talks is on the horizon, so I hope to discuss ways to make progress in the six-way talks, as well as ways for Japan and China to cooperate over the issue," Japan's Sasae said, according to Kyodo News.

Hill said he will stay in Beijing "a couple of days" and then go to Seoul and Tokyo.

US, Chinese Leaders Discuss North Korea, Darfur (AFP)

AFP, November 28, 2006

US President George W. Bush held talks with Chinese President Hu Jintao on North Korea's nuclear program and developments in Sudan's troubled Darfur region, a White House spokesman said.

Bush spoke with Hu during his flight to the Baltics, where the US president will visit Estonia and attend a NATO summit in neighbouring Latvia.

Bush asked for "continued Chinese leadership on various international issues such as the situation in North Korea and Darfur," said the spokesman, Gordon Johndroe, who had arrived in the Estonian capital Tallinn ahead of Bush.

"The two presidents reviewed their good meeting in Hanoi on the margins of the APEC summit and agreed that US-China cooperation is moving forward well, to the benefit of both the American and Chinese people," he said.

The leaders held talks on November 19 on the sidelines of the Asia Pacific Economic Cooperation (APEC) forum in Vietnam.

Washington and Beijing have been cooperating to try to relaunch talks aimed at getting North Korea to give up its nuclear activities.

The two countries -- veto-holding members of the UN Security Council -- have also been working to encourage Sudan to allow an international peacekeeping force into Darfur, amid a grave humanitarian crisis there.

Estonian Leader Voices Worry Over Russia (WP)

By Michael Abramowitz

The Washington Post, November 28, 2006

TALLINN, Estonia, Nov. 27 -- On the eve of the first visit to this tiny Baltic country by a sitting U.S. president, Estonia's new president voiced concern Monday over the poisoning death of a prominent Kremlin critic in London, portraying it as another worrisome signal about the political situation in Russia.

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Toomas Hendrik Ilves, 52, grew up in New Jersey and spent 23 years in the United States before renouncing his U.S. citizenship. He said he would not speculate about who was behind the death of former KGB agent Alexander Litvinenko. But he said in an interview, "If you see a critic of the Kremlin die with a radioactive chemical polonium that is not one of your regularly available commercial chemicals but rather is one that falls under the purview of state regulation, then it's cause for concern."

He also pointed to the case of another Kremlin critic, journalist Anna Politkovskaya, whose recent killing Litvinenko was investigating. "Coming on the heels of the murder of Politkovskaya -- these are all things that should make all people in the democratic world feel a little edgy," he said.

His comments suggested that Bush will also be discussing growing concern in Europe and the United States over rising authoritarianism in Russia under President Vladimir Putin and his hostile relations with some of the new democracies on Russia's borders. Bush will participate in a round of meetings Tuesday morning with Ilves and other Estonian leaders before flying to Riga, Latvia, for the NATO summit.

Ilves said he would be discussing Russia's difficult relations with some of its neighbors, especially Georgia, which he visited last week for consultations.

The Estonian leader said Russia "seems to treat democracy on its borders, be it Estonian, Ukrainian, Georgian, as a security threat and sees despotism on its borders -- Turkmenistan, Belarus -- as being a good thing as it represents stability. . . . That kind of view is not one which is very conducive and helpful to the security situation on our continent."

Ilves is one of several Baltic leaders who spent large chunks of their lives in North America; Bush will also meet with Latvian President Vaira Vike-Freiberga, who was a professor of psychology at the University of Montreal. Ilves was born in Sweden to Estonian exiles and moved to the town of Leonia, in northern New Jersey, at age 3.

Ilves said he does not make much of his past connection to the United States. "The parties against me made it a big issue, but obviously it wasn't important enough to be a defining issue," he said. "I have been serving the Estonian state almost from the time independence was reestablished. I renounced my U.S. citizenship. What else can you do?"

OECD Rebukes Kremlin Over Economy (FT)

By Arkady Ostrovsky In Moscow

Financial Times, November 28, 2006

The Organisation for Economic Co-operation and Development on Monday slammed the Russian government for its expansion into key economic sectors and raised concern about the “seemingly insatiable appetite” of Gazprom, its state-run energy giant.

In a critical report on the Russian economy, the OECD also said that the Kremlin’s expansion into key economic areas was a “disturbing trend” that “bodes ill” for the country’s growth.

Instead of concentrating on market reforms, the government had been increasingly focused on tightening the state’s grip on what it deemed to be strategic sectors, which include aviation, media and finance, as well as energy.

“The expansion of state ownership in important sectors will probably contribute to more rent-seeking, less efficiency and slower growth,” the OECD said.

It was particularly concerned by Gazprom’s “seemingly insatiable appetite for asset acquisition, often at the expense of a focus on its core business”. The report follows a chorus of international and domestic criticism of Gazprom’s business strategy.

Instead of investing in gas production, Gazprom has been expanding its interests in recent years in other sectors such as oil, electricity, power generation machinery and media. Last week’s announcement of the purchase of Komsomolskaya Pravda – Russia’s largest circulation newspaper – is its latest foray into media. It also owns an airline, a bank, three television channels, several newspapers, radio stations, cinemas and hotels.

Gazprom’s investment in developing gas fields has been minimal over the past few years, leading to stagnating production. Yet its monopoly over transportation infrastructure has constrained the development of independent gas producers.

The OECD’s criticism comes at a time of growing concern about Russia’s ability to sustain and increase its gas production.

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But the report says Gazprom's expansion is part of a wider trend of accumulating assets in state hands. According to one recent estimate, cited by the OECD, the state-owned share of Russia 's equity market capitalisation rose from 20 per cent in mid-2003 to 30 per cent early this year.

The change has been particularly visible in the oil sector where the state share of the total production increased from 16 per cent in 2000 to almost 40 per cent. Yet the growth of oil production has slowed down dramatically over this period.

The OECD traces the beginning of the trend to the expropriation of Yukos's assets in favour of Rosneft, the state-controlled oil company.

It argues that the Yukos affair exemplified the trend towards state ownership.

However, the Russian state has also been extending its reach to non-energy sectors of the economy, including aviation and automotive.

Russia: The Enemy (WSJ)

By Bret Stephens

The Wall Street Journal, November 28, 2006

Bret Stephens is a member of The Wall Street Journal's editorial board. He joined the Journal in New York in 1998 as a features editor and moved to Brussels the following year to work as an editorial writer for the paper's European edition. In 2002, Mr. Stephens, then 28, became editor-in-chief of the Jerusalem Post, where he was responsible for its news, editorial, electronic and international divisions, and where he also wrote a weekly column. He returned to his present position in late 2004 and was named a Young Global Leader by the World Economic Forum the following year.

Mr. Stephens was raised in Mexico City and educated at the University of Chicago and the London School of Economics. He lives with his family in New York City. He invites comments to bstephens@wsj.com1.

Russia: The Enemy

November 28, 2006; Page A15

It's time we start thinking of Vladimir Putin's Russia as an enemy of the United States.

This isn't simply because a former KGB agent turned Putin critic died last week in London after ingesting a dose of polonium 210, an element that usually functions as a neutron trigger in atomic bombs. Nor is it that Alexander Litvinenko's death is the latest in a series of killings, attempted murders, imprisonments and forced exiles whose victims just happened to be prominent opponents of Mr. Putin. It is because the foreign policy of Russia has become openly, and often gratuitously, hostile to the U.S.

Some examples: Last summer, Russia signed a billion-dollar arms deal with Venezuela; Hugo Chávez wasted no time fantasizing aloud about using the weapons to sink an American aircraft carrier. Last week, Russia began deliveries to Iran of highly sophisticated SA-15 anti-aircraft missiles, at a value of $700 million. Russian Defense Minister Igor Ivanov claims the missiles will "have no influence on the balance of power in the region." But the purpose of the missiles is to defend Iran's nuclear sites, which do threaten the balance of power. Mr. Ivanov also says he is "absolutely sure" the billion-dollar Bushehr reactor that Russia is building for Iran could not be used to build nuclear weapons. This is false, and Mr. Ivanov must know it: The spent plutonium from the reactor can easily be diverted and reprocessed to produce as many as 60 bombs.

At the United Nations, Russia has consistently opposed U.S. efforts to sanction Iran and North Korea for their nuclear programs and diluted the effects of the resolutions that were passed. The Russians say they oppose the use of sanctions because they "don't work." It's an odd claim coming from a government that in October brusquely imposed trade, travel and postal sanctions on neighboring Georgia.

It is said often that Russia's motives are essentially mercenary and thus amoral. That's only partly true. Paul Volcker's investigation into the Oil for Food scandal revealed that Russian companies did $19.3 billion in oil deals with Saddam Hussein (by contrast, the French did a mere $4.4 billion) and that Russian individuals were the great beneficiaries of Saddam's illicit largesse -- one reason, perhaps, that Russia vigorously opposed the U.S. invasion. As recently as July Russia had plans to supply North Korea with advanced encryption and nuclear-storage systems. The total value of Russian arms sales to Tehran has risen nearly sixfold in recent years.

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Yet Russia hardly depends on Iran as a weapons-export market, to say nothing of North Korea; most of its arms sales are to China and India. So why would Moscow, which has its own grave problems with Islamic radicals, abet the nuclear ambitions of a revolutionary Islamic regime that sponsors terrorism from Buenos Aires to Beirut?

Part of the answer, surely, has to do with the psychology of clientism and Russia's desire to assert and expand its sphere of influence. Part of the answer, too, is that a Russia that can obstruct American purposes -- whether in Latin America, Northeast Asia or the Persian Gulf -- must also be one that is relevant and powerful.

But there is also a fair bit of rank anti-Americanism at play. Take the September contretemps with Georgia, which involved Tbilisi's arrest of four Russian officers it had charged with espionage: Russian Foreign Minister Sergei Lavrov warned darkly at a press conference that "this latest escapade . . . happened straight after NATO's decision to grant Georgia an intensive cooperation plan and [Georgian President] Mikhail Saakashvili's visit to the United States." Was Mr. Lavrov playing to traditional Russian paranoia about the designs of outsiders on the motherland? Or did he really believe that Washington, Brussels and Tbilisi were conspiring trilaterally in this two-bit "plot"?

How does the Litvinenko murder fit into this? Natan Sharansky, the former Soviet dissident now at the Shalem Center in Jerusalem, has often made the point that the best predictor of how nations behave toward their neighbors is how they treat their own people. "I think there's a very high probability [the Litvinenko killing] was done by the security services," he says in a telephone interview. The Kremlin's denials notwithstanding, the use of exotic poisons has been a KGB (now FSB) signature for decades, and killing Litvinenko in London would certainly be one way of letting the Kremlin's critics know that nobody is immune anywhere. As for negative public reaction, Mr. Sharansky observes that "experience shows them that it's short-lived."

That's certainly been Mr. Putin's experience with this White House. It was George W. Bush who first saw gold in Mr. Putin's soul, sometime after the Russian had decimated the city of Grozny. It was Condoleezza Rice who came up with the formulation after the Iraq war that the U.S. should "punish France, ignore Germany and forgive Russia." And it was this administration that agreed last week to Russian membership in the World Trade Organization, with Mr. Bush thanking Mr. Putin for "your time and friendship."

A case can be made for bringing Russia into the WTO, but caveat emptor: A government that trashes the rule of law domestically isn't likely to long sit still in any rules-based organization. There is no case for Russia's continued participation as the eighth member of the Group of Seven, once a club for mature democracies only. Putting Mr. Putin on notice that only gentlemen belong in gentlemen's clubs would be the right first step. Treating him for what he is -- "unworthy of the trust of civilized men and women," as Litvinenko wrote from his deathbed -- would be the next.

Orange Revolution's Foe Transformed In Ukraine (WP)

By Peter Finn

The Washington Post, November 28, 2006

KIEV, Ukraine, Nov. 27 -- The Orange Revolution, strangely, has been kindest to the man who played the villain to the waves of protesters who rolled onto the streets of this capital two years ago. Viktor Yanukovych, once cast as the bluff hack who tried to steal Ukraine's presidential election, is back in power as prime minister thanks to free and fair parliamentary elections in March that were made possible only by the street protests of late 2004.

As he prepares for his first official trip to Washington, a four-day visit beginning Sunday, Yanukovych is suddenly projecting himself as the voice of democratic reform. He also appears eager to assure his White House hosts that his popular image as a pro-Russian straw man is a gross distortion.

Now, he suggests that he, too, was a catalyst in the transformation of this once stagnating country into the most politically competitive of all the post-Soviet states, a nation where debate is dynamic and where power, ultimately, resides with the people.

"There were many mistakes made by the previous authorities and many injustices," he said in an interview in his office here Monday. "The authorities lost trust. One should recognize that there is more democracy, that there is freedom of speech -- and that is an achievement of these historic events, although I don't call it a revolution."

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Yanukovych bears little resemblance to the figure who provoked tens of thousands of Ukrainians to demonstrate against electoral fraud in 2004, eventually sweeping his opponent, Viktor Yushchenko, into the presidency. And some question the sincerity of what they see as his self-serving rhetoric.

"He talks like he was part of it," said David Zhvania, a member of parliament and financier of Yushchenko's campaign and the protests in Kiev's Independence Square. "It's a game. We showed Ukrainians why he was scary, but we also explained to Yanukovych why he was scary, and from his first day in power we saw that he was listening."

For others, however, the fundamental legacy of the Orange Revolution, named for the color adopted by those advocating democratic change, is that Yanukovych must now bow to the electorate and that Ukraine, a nation of 47 million, cannot return to autocratic rule.

"He is forced to play within the rules of a new political culture," said Vadim Karasev, director of the Institute for Global Strategies in Kiev. "He understands that a dictatorial style is no longer permissible in Ukraine. The Orange Revolution made him a politician."

The change in attitude is immediately apparent to visitors to his office. The first visible image is a portrait of Yushchenko, which was placed in a prominent position on Yanukovych's orders, according to his media aides. The prime minister also regularly speaks Ukrainian, not Russian, in public now; his vastly improved fluency clearly reflects an attempt to project himself as something more than the representative of pro-Russian business clans from eastern Ukraine.

The bulk of Yushchenko's support came from the Ukrainian-speaking west, while Yanukovych's base is in the Russian-speaking east.

"There is more and more desire among the people to unite under the state flag," Yanukovych said. "They want to build a strong unified state, a united Ukraine."

The coalition that had backed Yushchenko collapsed following bitter infighting, but Yanukovych strikes an accommodating tone in discussing the president's goals -- integration with the West, including membership in NATO and the European Union, while maintaining respectful but independent relations with Russia, Ukraine's giant neighbor.

"My goal, first, is to develop a strategic relationship between Ukraine and the United States that is predictable, effective and has a good perspective," he said of his Washington visit, during which he will meet with Vice President Cheney and Secretary of State Condoleezza Rice. His aides are still hoping for a meeting with President Bush, however brief. According to protocol, he should meet only with the vice president, since he is not the head of state, but a presidential handshake would imply some acceptance of Yanukovych's new incarnation.

On NATO membership, a prospect that a majority of Ukrainians oppose, according to opinion polls, Yanukovych said his compatriots first need to be educated about the goals of the alliance and its benefits for Ukraine.

"You cannot put a boat to sail without first building it," he said. "For Ukraine, and the Ukrainian people, the priority is first to improve the standard of living, build up the legal system and create a just state with democratic values and freedom, and only then a security system. The population will support integration with NATO when they see positive changes in the country itself."

Asked about his personal view of NATO membership, Yanukovych said, "I think we will do everything that serves the national interest." And that, he added, includes "a normal and stable working relationship with Russia which is of mutual benefit. It is extremely important for us. Russia is a very important strategic, trade and economic partner."

But he also said he wanted to pursue policies that reduce Ukraine's dependence on its neighbor, particularly its almost total reliance on Russia for energy. "We want to develop a diversification of energy supplies," he said. "And Russia is not obstructing us in this process."

Three Sent For Radiation Tests After Death Of Russian Ex-Spy (NYT)

By Sarah Lyall

New York Times, November 28, 2006

LONDON, Nov. 27 — Three people complaining of symptoms consistent with the radiation poisoning that killed a former Russian spy last week have been sent to a special clinic here for further tests, the authorities said on Monday.

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They would not elaborate on the symptoms and said it would take a week before they knew whether the three had been exposed to polonium 210, the radioactive isotope found in the urine of the former spy, Alexander Litvinenko. But they said the danger to the public was minimal.

In order to fall ill, "you would need to ingest or inhale some of his body fluids," Jill Meara, deputy director of the radiation protection division of the Health Protection Agency, which is responsible for assessing public health risks, said in an interview. People who had touched Mr. Litvinenko when he was sick, she said, would not be at risk, unless they failed to wash their hands and then put their fingers in their mouths, or if they somehow absorbed his body fluids — through swallowing, for instance, or through an open sore.

Of 450 people who had called a special government hot line over the weekend, worried that they had been in contact with Mr. Litvinenko, only 18 were referred for follow-up questioning. The three being sent for further tests are among that group.

Four days after Mr. Litvinenko died of polonium 210 poisoning, the police do not seem any closer to solving the mystery of how he was poisoned. They have not even said it was murder, despite Mr. Litvinenko's deathbed assertions that he had been poisoned by Russia's government. An inquest will begin Thursday.

"I would urge caution on everyone not to get ahead of ourselves or, in particular, the police investigation," the home secretary, John Reid, told the House of Commons on Monday. "The police have been very careful in the words they used. They said they are dealing with a suspicious death, and that is the basis for their investigations."

David Davis, the home affairs spokesman for the opposition Conservative Party, said, however, that it was "incredibly important to resolve the question of whether the Russian state was involved." If it was, he told the House of Commons, "given that a British citizen who had been given asylum may have been murdered on British soil, this has enormous implications to the relationship between the U.K. and Russia, and implications, too, for the other émigrés in the U.K. who are opponents of the Russian government."

Britain is in a delicate situation in relation to its Russian ally, as it is increasingly dependent on its oil and gas.

"Going by past patterns, it's obviously going to cause short-term deterioration in the tone of the relationship, but not in its substance," Alex Pravda, an expert in Russia's post-cold-war foreign policy at the foreign policy research organization Chatham House, said in an interview. "There's an interlocking set of vested interests in getting on with a stable relationship."

The police have closed two places — the Itsu sushi restaurant in Piccadilly, and the Pine Bar at the Millennium Hotel in Mayfair — where Mr. Litvinenko is known to have been on Nov. 1, when he became sick, and where low levels of radiation have been detected. Radiation has also been found in his home. The BBC reported that radiation had been detected in a West End office building and at a building in Mayfair. [Wire services and the Tuesday Guardian cited various sources as saying that one of the buildings included the office of Boris Berezovsky, the exiled Russian tycoon, who had a long association with Mr. Litvinenko, and the Guardian said, citing anonymous sources, that traces had been found there.]

But the authorities do not seem to be particularly worried. Julian Metcalfe, the founder of Itsu, a chain of restaurants in London, said that 16,000 people had eaten in the Piccadilly location since Nov. 1, and none had fallen ill with radiation poisoning.

Radioactive Traces Found At More Sites In London (WP)

By Kevin Sullivan

The Washington Post, November 28, 2006

LONDON, Nov. 27 -- Traces of the radioactive substance responsible for the death of former Russian spy Alexander Litvinenko have been found in two downtown London offices, and three people who are not feeling well have been referred for tests to determine if they might also have been exposed, officials said Monday.

Home Secretary John Reid, speaking in the House of Commons, called for calm during the investigation of the death of Litvinenko, 43, who died Thursday from exposure to radioactive polonium-210. "The nature of this radiation is such that it does not travel over long distances, a few centimeters at most, and therefore there is no need for public alarm," Reid told legislators.

Reid said that about 500 people have called government hotlines established following Litvinenko's death and that only "a small number" had been referred for testing as a "very precautionary measure."

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A spokeswoman for the Health Protection Agency said Monday evening that three people had been referred for urine tests to screen for radiation. She said that all three had reported being in the same areas Litvinenko visited on Nov. 1, the day he fell ill, and that they also were suffering from potential poisoning symptoms, such as diarrhea and vomiting.

Reid cautioned against drawing premature judgments about what happened in this unprecedented case, noting that it was not even established that Litvinenko had been murdered; police are calling his case an "unexplained death."

Litvinenko was an outspoken critic of Russian President Vladimir Putin. Following his death, a friend of Litvinenko's read a statement, which he said had been written by Litvinenko on his deathbed, alleging that Putin was behind his death. Kremlin officials have called those allegations "nonsense."

Reid told legislators that the Russian ambassador to Britain had been summoned to the Foreign Office and asked for Russian cooperation in the investigation.

Police said traces of polonium-210 had been discovered in offices at 7 Down St. and 25 Grosvenor Sq. in central London. They declined to provide further details, including why those addresses had come to the attention of investigators.

News media here reported that Russian tycoon Boris Berezovsky, another Putin critic who won asylum in Britain after fleeing Russia, maintains an office at the 7 Down St. building. Sky News reported that Litvinenko had visited a security company with offices at the Grosvenor Square building.

Litvinenko, a former colonel in the Federal Security Service, or FSB, the domestic successor to the KGB, publicly accused FSB agents of involvement in apartment building bombings in 1999 that killed more than 300 people. He also accused his FSB superiors of ordering him to kill Berezovsky.

Berezovsky said in a telephone interview last week that he visited Litvinenko in the hospital during his illness and said Litvinenko told him he had "no doubt" that he had been poisoned on the "order from President Putin to kill him." Berezovsky said poisoning was "a classic way" that Russian agents work.

Traces of polonium-210 had already been found at two locations that Litvinenko visited on Nov. 1: the Itsu restaurant in Piccadilly, where he met an Italian contact, and the Millennium Hotel in Grosvenor Square, where he met several Russian men, including a former KGB agent. Traces had also been found in his home in Muswell Hill in north London.

The Case Of The Poisoned Spy (WP)

By Eugene Robinson

The Washington Post, November 28, 2006

Conspiracy theories always turn out to be nothing more than paranoid fantasy. At their heart lies the notion that while the rest of us blithely go about doing whatever it is we think we're doing, occult and all-powerful forces are really running the world -- starting wars, engineering suspicious plane crashes, surveying the next grassy knoll. Take this stuff too seriously and you find yourself on the corner with the Lyndon LaRouche people, trying to convince passersby that the queen of England is actually a ruthless drug dealer in sensible pumps.

But every once in a while, an episode such as the death of Alexander Litvinenko comes along to boost the morale of conspiracy theorists -- and remind the rest of us that there does exist a secret world full of characters and plotlines so bizarre and implausible that the bard of betrayal, novelist John le Carre, would be embarrassed to write them.

These clandestine creatures don't actually run the world, of course. But they seem to think they do.

Litvinenko was the former KGB agent -- and bitter critic of Russian President Vladimir Putin, also former KGB -- who died in a London hospital Thursday after a brief, devastating and mysterious illness. Doctors suspected poisoning, since that was the most likely reason a healthy 43-year-old's hair would fall out and his organs would fail. Finally they identified a most unlikely poison: polonium 210, a radioactive element discovered by Marie Curie in 1898 (for which she later won the Nobel Prize) and named after her native country, Poland. The substance is so deadly if ingested, even in microscopic amounts, that doctors still haven't done a proper autopsy on Litvinenko for fear of killing themselves in the process.

Polonium isn't the kind of thing you find at the local drug store. Only a sovereign government is likely to have any lying around, which narrows the field of suspects.

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Before he died, Litvinenko blamed his impending demise on Putin, whose enemies tend to meet untimely deaths. Litvinenko was said to be on the verge of obtaining documents -- or maybe they were already in his possession; this part is unclear -- proving that Putin had staged attacks on Russian civilians and made it look as if Chechen separatists were responsible so that Putin would then be free to wage a brutal war of suppression against the Chechens. In the secret world, this sort of gambit is called a "false flag" operation.

But how had the poison been administered? Polonium isn't really harmful unless you get the victim to ingest it.

It turns out that on Nov. 1, the day he became ill, Litvinenko met a friend at a sushi bar near Piccadilly Circus. Predictably, this was no ordinary friend. It was an Italian "security consultant" named Mario Scaramella, who has described himself as an expert in nuclear materials -- according to reports in the British media, which have pursued this story with old-school Fleet Street gusto.

Pretty intriguing, this Scaramella guy, but there's no obvious reason he would have wanted to kill Litvinenko, who was apparently an ally. According to the Daily Mail, Scaramella might have used the sushi bar meeting to pass a document to Litvinenko -- there are lots of incriminating documents circulating in the secret world -- that contained a hit list of Putin's critics who have been targeted for death by a group of former Russian spies calling themselves "Dignity and Honor."

The Daily Mail started to lose me when it also reported that British authorities suspect Litvinenko's killer might be a "ruthless assassin" -- former KGB, of course -- named Igor, who is a judo master (like Putin), walks with a limp (unlike Putin) and is thought to have fled to Italy (watch your back, Scaramella).

The whole thing is so over the top that you almost expect Dr. Evil from the "Austin Powers" movies to make an appearance. It's easy to lose sight of the fact that all these cloak-and-dagger characters really exist (although I have my doubts about Igor) and that a man who spoke out against Vladimir Putin's ongoing consolidation of power really did succumb to a rare, exotic poison. I should point out that British authorities haven't entirely discarded the possibility that, for some reason, Litvinenko poisoned himself.

Spies, former spies, counterspies, a mysterious character named Scaramella. . . . The authorities need to find out quickly just what happened to Litvinenko and banish all this throwback, Cold War-style conspiracy and intrigue to its proper venue: the pages of a thrilling but unconvincing novel.

Awaiting Pope, Turkey Is Unsure About Ties To West (NYT)

By Sabrina Tavernise

The New York Times, November 28, 2006

ANKARA, Turkey, Nov. 27 — A short 24 hours before a visit by Pope Benedict XVI to this Muslim country, its prime minister finally agreed to meet him publicly. The venue: the airport, on the Turkish leader's way out of town.

The elaborate, last-minute choreography pointed to the deep divide that has festered within Turkish society since the foundation of the modern state. Should Turkey face eastward, toward its Muslim neighbors, or westward, toward Europe?

In the past five years, Muslims here have repeatedly felt betrayed by the West. The United States began holding Muslims without charges at Guantánamo Bay, Cuba. It invaded Iraq and abused prisoners at Abu Ghraib. The European Union has cooled to them. The pope made a speech citing criticism of Islam.

Now, Turkey — a Muslim country with a rigidly secular state — is at a pivot point. It is trying to navigate a treacherous path between the forces that want to pull it closer toward Islam and the institutions that safeguard its secularism. Turkey's government, which is pro-Islamic, is constrained by rules dictating secularism established by Mustafa Kemal Ataturk, Turkey's revered founder.

The extremes jostle on Istanbul's streets, where miniskirts mix with tightly tied headscarves and lingerie boutiques stand unapologetically next to mosques.

"There are two Turkeys within Turkey right now," said Binnaz Toprak, a professor of political science at Bosporus University.

The pope's visit, which begins Tuesday, falls squarely on that sensitive fault line and has brought into stark relief a slow but steady shift: Turkey is feeling its Muslim identity more and more. The trend worries secular Turkish politicians, who believe the

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state's central tenet is under threat. In late October, a senior officer of Turkey's army — which has ousted governments it has seen as overly Islamic — issued a rare warning to that effect.

Others say the threat is overstated, but acknowledge that Turks do feel pushed east by pressures on their country from America and Europe. A poll by the Pew Foundation in June found that 53 percent of Turks have positive views of Iran, while public opinion of Europe and the United States has slipped sharply.

"Many people in Turkey have lost hopes in joining Europe and they are looking for other horizons," said Onur Oymen, an opposition politician whose party is staunchly secular.

It has been more than 80 years since religion was ripped out of the heart of the new Turkish state, which was assembled from the remains of the Ottoman Empire, the political and economic heart of the Muslim world for centuries. But the portion of Turks who identify themselves by their religion, first and foremost as Muslims, has increased to 46 percent this year, from 36 percent seven years ago, according to a survey of 1,500 people in 23 cities conducted by the Turkish Economic and Social Studies Foundation, an independent research organization based in Istanbul. That is a trend that has emerged in countries throughout the Muslim world since Sept. 11, 2001.

"I'm here as a Muslim," said Fatma Eksioglu, who was sitting on the grass next to her sister in downtown Istanbul on Sunday at a demonstration of about 20,000 people opposing the pope's visit. She did not belong to the Islamic party that organized the gathering, she said, adding, "When it comes to Islam we are one."

But in a paradox that goes to the heart of the nuances of modern Turkey —— a stronger Muslim identity does not mean that, as in Iraq, fundamentalism is on the rise. or even that more Turks want more religion in their government. Indeed, the number of Turks in favor of imposing Sharia law declined to 9 percent from 21 percent, according to the survey, which was released last week.

Perhaps the most powerful factor pushing Turks toward the east has been a series of bitter setbacks in talks on admission to the European Union. To try to win membership, the Turkish government enacted a series of rigorous reforms to bring the country in line with European standards, including some unprecedented in the Muslim world, such as a law against marital rape.

But the admission talks have stalled. And while the official reason is a quibble involving the longstanding Greek-Turkish dispute over Cyprus, most Turks say they believe the real reason is a deep suspicion of their country's religion.

They see that in the opposition to Turkey's admission voiced by some European countries, including Germany, Austria and France. Indeed, in 2002, , former President Valéry Giscard d'Estaing of France said Turkey's admission to the European Union would mean "the end of Europe," and now the French presidential hopeful Nicholas Sarkozy has made his opposition a campaign issue. Even the pope, when he was still a cardinal in Germany, said publicly that he did not think Turkey fit into Europe because it was Muslim. That talk has begun to grate on Turks.

"It hurts me that the E.U. expects Turkey to be something it's not," said Nilgun Yun, a stylish 26-year-old chewing a chocolate muffin in a downtown Istanbul cafe on Sunday.

Her position, shared by many of her friends, was simple: "Accept me as I am. We are Muslim, and we will remain Muslim. That's not going to change."

Mr. Oyman, the Turkish opposition politician, said that talk about Turkey was tougher than ever. "You cannot believe how they accuse Turkey on Cyprus and other issues," he said in a telephone interview from Brussels, where he was attending a meeting of European parliamentarians. "Our European friends are playing a very shortsighted game."

The shift has begun affect trade. While Europe is still Turkey's largest trading partner, business with other neighbors, including Syria, Iraq and Iran, has picked up substantially in recent years, said Omer Bolat, the head of one of the country's largest business associations, whose members are mostly pro-Islamic. He put the growth at about 30 percent from just 3 percent in 2000.

"It is risky for a country with respect to foreign policy to have dependence on one partner and market," he said in English, sitting in a sleek conference room when overlooking a bustling trade fair showcasing Turkish goods. "Now Turkey is opening its muscles, its horizons."

The policies of the Bush administration have deeply worried Muslims, he said, before rushing off to speak to the Pakistani ambassador, who had arrived to the trade fair.

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"The United States used to be paradigm of freedom and rights," he said. "But since the Republican period, the U.S. policies have been so detrimental in Muslim eyes."

Prime Minister Tayyip Erdogan of Turkey, in just four years, has managed to get inflation down to historic lows and growth rates to all-time highs. The growing prosperity has eased integration of religious Turks into the country's self-consciously society, which is still suspicious of advocates of Islam, as well as of Mr. Erdogan and his pro-Islamic government.

"This group of people that was more religious has relaxed," Ms. Toprak said. "They are now visible. They go to restaurants they would never have gone; they go to posh shopping malls."

"It was a struggle to get a piece of the pie," she said. "Now they have one."

Even so, the increased religiosity, or at least identification with religion, could eventually present a serious problem for Turkey. There are already rumblings. A killing of a judge whose court had ruled on a headscarf case aroused suspicions among Turkey's securlarists. Gen. Yasar Buyukanit, head of the Turkish Army, has referred to a rising threat of fundamentalism on at least four occasions since he came to office in late August.

Mr. Erdogan's closely watched government has attempted to limit liquor consumption in public places, but later backed down. It also tried to make adultery a crime, but later relented.

Some Turkish officials play down the possibility of real damage to secularism, but say that European suspicion does Turkey no good.

The delay with Europe, for instance, "fans up the disappointment, the disillusionment," said Namik Tan, the spokesman for the Turkish Foreign Ministry. "People say, why are they doing this?"

That is why public officials, including Mr. Erdogan, have shrunk from the visit of the pope, who symbolizes, in the eyes of Turks, a disdain for Islam and the unfair exclusivity of the Western club. A cartoon in a Turkish newspaper last weekend showed two public officials belly-laughing at the bad luck of those Turkish officials obliged to meet him. (The senior official appointed to be his formal guide has the portfolio of youth and sport.) But the pope is coming, and the meetings are happening. Despite growing pains, a neglected Kurdish minority in the south, a thin skin for any reference to the Armenian genocide, and failure to scrap a law that makes insulting Turkishness a crime, Turkey stands out as lively democracy in a larger Middle East riddled with restrictions, and its acceptance by the West is a test case for everyone, officials said.

Muslim countries, Mr. Tan points out, are watching. "Turkey is a beacon for those countries," he said. "Don't forget, if we fail, then the whole dream will fail."

Turkey's EU Entry Bid Stalls On Cyprus Issue (WSJ)

The Wall Street Journal, November 28, 2006

BRUSSELS -- A failure to get a deal on Cyprus will lead to at least a two- to three-year pause in Turkey's negotiations to enter the European Union, analysts, officials and business leaders say.

Few see a major short-term reaction in Turkish markets, saying investors already priced in the breakdown. If the rupture becomes final, many fear Turkey's long-term economic progress could be halted.

Negotiations in Helsinki over Cyprus between Turkey and the EU collapsed yesterday. The EU had demanded Turkey open its ports to trade with the Greek-speaking part of Cyprus. Turkey had demanded that the EU open its borders to trade with Turkish-speaking Northern Cyprus.

A Finnish compromise proved unacceptable to both sides. It called for granting the northern Cyprus seaport of Famagusta free trade with the EU in return for the Turkish side handing over control of nearby Varosha. After talks with Turkish Foreign Minister Abdullah Gul and Cypriot Foreign Minister George Lillikas, Finnish Foreign Minister Erkki Tuomioja was quoted as saying there was "no basis for a solution."

Turkish markets seem undisturbed. The Istanbul index rose 1.8%, with bargain hunters buying stocks that had fallen last week. Turkey's signing of a letter of intent with the International Monetary Fund to finalize a review of its three-year $10 billion loan deal helped encourage investors.

The West's Eastern Front (WSJ)

By Hugh Pope

DOJ_NMG_0098928

The Wall Street Journal, November 28, 2006

ISTANBUL -- The Istanbul professor who is a leading character in "Bliss," a lyrical novel by Zülfü Livaneli, imagines the Turkish intellectual as an acrobat swinging through the air. He lets go of his trapeze, sure in the belief that his European partner and inspiration waits on the other side, ready to catch him. Too late, he discovers his mistake.

If the much-bruised Turks agonize long and loud about when they'll ever be accepted as Europeans, the Europeans seem willfully blind to the Turks. Another crisis looms in the long-running negotiations over Turkey's possible membership of the European Union, this time over the conveniently distracting issue of access to Turkish ports for Cypriot ships. Meanwhile the reigning pope, who wants to reclaim Europe for Christianity to the exclusion of the Turks, today touches down in this Muslim land. So it's worth thinking again about who the Turks are, what they want, and how helpful to Europe their practice of Islam really is. * * *

No clear answer exists, of course, to the question of whether the Turks are Europeans. There are just too many subjective variables. There is plenty of official hypocrisy, too. Europe has never negotiated with Ankara in wholly good faith, and Turkey has never been wholly sincere in its stated goal of joining the EU as it is today. But before muskets and scimitars are brought down from the attics of history, one must note that the Turks are already much more European than most Europeans realize.

The land of modern Turkey has always been part in, part out of Europe. The Roman Empire included most of today's Turkey, which has also gone by other names like Anatolia or Asia Minor. The most easterly Roman forts are inside Georgia on the foothills of the Caucasus Mountains. To the southeast, the main Roman customs houses were along the Euphrates -- roughly where the Kurdish-majority areas of Turkey begin today.

The subsequent Turkish conquest of Anatolia, and two sieges of Vienna, has not always meant a historic exclusion from Europe. The Ottomans had strategic alliances with France and Britain, among others. They were briefly part of the "Concert of Europe" in the late 19th century, were thought of in decline as the "Sick Man of Europe" (not Asia) and were the allies of Germany and Austria in World War I. In the Cold War, Turkey joined the North Atlantic Treaty Organization and guarded a whole third of Europe's front line with the Warsaw Pact.

Institutionally and commercially, Turkey is already deep in modern Europe. Formal Turkish-EU ties have deepened through nearly half a century of intense negotiation, including a customs union since 1996. Turkey is a member of the Council of Europe; its well-trained soldiers are projecting European political resolve in Afghanistan, Kosovo, Lebanon and Congo; its sports teams play in European leagues; and it takes part in and once won the Eurovision song contest.

Arguments that Turks are somehow ethnically Asiatic and non-European also hold little water. Yes, the original Turkish tribes and dynasties like the Seljuks and Ottomans came from Central Asia. Turkey is the most powerful state in what can be seen as an emerging Turkic-speaking world, which counts 140 million people from Kashgar to Cologne. But the six main Turkic states do not form a political bloc and, although not EU applicants, most share Turkey's ambition to be seen as part of a European or Western culture.

Furthermore, the 70 million people in modern Turkey may be Turkic in name and language, but are not so genetically pure. The main influx of Central Asian Turks to Turkey ended in the 13th century. Overall it seems to have added only about 10% of the population to the existing muddle of ancient Anatolian populations. Western Turkey, at least, is not much different from other Eastern European members of the European Union, where Bulgars, Finns and Hungarians also have origins in the eastern steppe. Turkey's Kurds, meanwhile, speak an Indo-European language.

Nobody doubts, however, that Europe's cold shoulder to Turkey is mainly due to its Muslim identity. As a cardinal in 2004, Pope Benedict XVI put this argument in terms of Turkey as being "in permanent contrast to Europe." But Europe cannot just wish Islam away. Some 15 million to 20 million Muslims already make up nearly 5% of the EU's population; that number includes 3.5 million Turks. Europe is deluding itself if it thinks it can isolate itself from engagement with not just Turkey but its whole Islamic backyard around the Mediterranean Sea.

In contrast to the narrow defensiveness of some European opinion leaders who treat a "clash of civilizations" as inevitable, Turkey's current leaders have been reaching out to create an "alliance of civilizations." When Europe meets them half-way, as in the last phase of Euro-Turkish rapprochement, in 1999-2005, which culminated with the opening of talks on membership in the

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union, pro-Western Turks feel strengthened. When Europe turns its back, as this year, the local nationalist backlash forces them onto the defensive.

Turkish Prime Minister Tayyip Erdogan was indeed once a hard-line Islamist. Yet, reflecting a broader change in the country, he had to split with the fundamentalists in order to win power in 2002 with a new, more center-right party that was acceptable to 35% of the Turkish population. He has presided over an economic and commercial convergence with Europe that has put more European names than ever on Turkish products and high street stores and banks.

Turkey started its acrobatic effort to assimilate European culture in the early, 19th-century Ottoman Empire. In the 1920s, the present Turkish Republic took Europe as its model for almost everything, since back then Europe equaled modern progress. The new state dumped almost all the hallowed pillars of Islamic culture: Islamic law, dervish lodges, even the Muslim caliphate.

Europe has long been slow to appreciate these changes. In 1949, the Times of London's opinion page thought Turkey had no place in Europe because it used the Arabic script: in fact, that, too, had been discarded two decades previously. More recently, one of Germany's ambassadors to Turkey surprised a visiting Bundestag politician by giving him the news that Turkey had repudiated Islamic punishments like cutting the hands off thieves nearly a century ago.

A recent socio-economic survey by TESEV, one of Turkey's new think tanks, shows piety on the rise in Turkey -- just as in Europe. It also found that, contrary to perceptions, the number of women covering their hair had decreased in the past seven years. Only 1% of women surveyed wear the full black face-and-body covering, and that 1% is almost entirely older, rural women. Support for the use of Islamic law has fallen to 9% from 21%, and 81% condemn suicide bombing as un-Islamic, whether in Palestine or Iraq. Opinion has been liberalized, the study found, by rising wealth, stability, education and urbanization -- the same factors that have slowly improved Turkey's human-rights and democratic records in recent years.

Until recently, the pollster's question "Do you want to join the European Union?" put to a Turk was enthusiastically approved as meaning "Do you want to be rich?" Support has however plummeted as Turks have learned of European hostility, often whipped on by European politicians trying to blame external causes for internal ailments. Yet polls don't show everything. Turkey still does a booming half of its trade with the EU and more than half of its 21 million tourists come from Europe. Similarly, the negative image of Turkey elicited in Europe by the question "Do you want Turkey in the EU?" is not the whole truth. Change the question to "What do you think of Istanbul?" and many Europeans describe the city as cool, or full of desirable commercial energy.

Rudyard Kipling's old saying that "East is East and West is West" -- or its modern incarnation, "the clash of civilizations" -- is not the right paradigm for Turkey, which feels increasingly confident as part of both. The West is now all over the East and the East is firmly camped in the West. Indeed, Turkey's republican founder Kemal Atatürk believed that the "East is East" idea was fostered by Western powers to justify clinging to power over their former colonial subjects. * * *

An impasse next month between Turkey and Europe, which threatens to freeze accession talks unless Ankara kowtows to its demands in the dispute over Cypriot ships, would be unfortunate and, on past diplomatic form, unlikely. Both sides would suffer too much commercial and political damage. The wider Islamic world, having reacted with delight to the EU's apparent decision to accept Turkey as an equal, would revert even more stubbornly to its default position that it is impossible to expect fair treatment from the West.

A pause for reflection seems in order for both sides. An acrimonious standoff with the EU in the late 1990s cleared the way for Turkey's great leap forward of 1999-2005. A Dutch ambassador at the core of those EU-Turkish negotiations once described the relationship as a wrestling match, with no time clock but no alternative. Neither Europe nor Turkey can "win." But neither side can afford to let go.

Mr. Pope is author, most recently, of "Sons of the Conquerors: The Rise of the Turkic World" (Overlook Duckworth, 2005).

Lawyers Cite Obstruction In 2nd Trial For Chinese Rights Advocate (NYT)

By Joseph Kahn

The New York Times, November 28, 2006

BEIJING, Nov. 27 — A Chinese legal expert who exposed abuses in the country's population control policies began a rare second trial on Monday, but his lawyers accused local authorities of preventing them from mounting a vigorous defense.

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The legal expert, Chen Guangcheng, was sentenced in August to four years and three months by a county court in Shandong Province for destroying property and organizing a mob to disrupt traffic.

A higher court later quashed the verdict and ordered a new trial, which some supporters of Mr. Chen cited as an important breakthrough for China's Communist Party-run judicial system.

But the first day of the new trial, held in the same county court, ended in acrimony. Several of Mr. Chen's most important witnesses were prevented from attending the hearing by thugs who had the backing of local officials, his lawyers said, and the judges in the case declined to grant a defense request to delay the trial.

The lawyers said the witnesses, residents of Mr. Chen's village, were prepared to testify that the police had tortured them to provide false evidence against Mr. Chen. But three witnesses were detained before the trial began and none of them could attend the hearing, the lawyers said.

Li Jinsong, a lawyer for Mr. Chen who is based in Beijing, argued in court that the trial should be postponed until the witnesses could appear. When the judges rejected his request, he stormed out of the courtroom in protest.

"Our witnesses were prepared to make clear that the evidence against Chen Guangcheng was based on forced confessions of several people who do not stand by their accusations against him," Mr. Li said. "Those witnesses were prevented from attending the trial, and I believe we are headed toward another wrongful conviction."

Mr. Chen, who has been blind since a childhood illness, taught himself the law and became a campaigner for peasant rights. For a time he was hailed in China and abroad as a barefoot lawyer who helped legal norms take root in China's countryside.

But in 2005 he sought to organize a class-action lawsuit on behalf of people forced to undergo late-term abortions or sterilization operations in a mass crackdown aimed at helping local officials meet their quota for limiting population growth. In so doing he ran afoul of powerful party officials in Shandong.

Local authorities retaliated against Mr. Chen, confining him to his home for many months and later charging him with destroying property and disrupting traffic. Mr. Chen's lawyers say that the charges were fabrications.

Though the Chinese news media have been barred from reporting on the matter, the case has attracted high-level attention in Beijing. Many legal experts in the capital believed that local authorities would come under pressure to grant Mr. Chen at least the semblance of an impartial hearing.

Mr. Chen's defense lawyers say that despite the detention and intimidation of potential witnesses, the second trial was in some respects an improvement over the first. In the first trial, Mr. Chen's defense attorneys were not allowed to represent him, and he was assigned new lawyers who did not contest the charges.

This time, Mr. Li, his lead lawyer, was permitted to defend Mr. Chen in court. But he said, "Under Chinese law this is still a wrongful case."

Rare Retrial Begins For Blind Chinese Legal Activist (WP)

By Maureen Fan

The Washington Post, November 28, 2006

BEIJING, Nov. 27 -- The retrial of a blind legal activist kicked off in eastern Shandong province Monday, but not without some of the same courtroom tumult that characterized his first trial, which was widely denounced by human rights advocates, lawyers said.

Chen Guangcheng, who embarrassed officials last year by exposing forced abortions and sterilizations, was convicted in August of disrupting traffic and damaging property during a village protest. A Chinese court earlier this month granted a retrial, citing a lack of evidence from the prosecution.

Chen's case, however, suffered another setback Monday, according to his attorneys, one of whom stormed out of the courtroom in protest. Three defense witnesses disappeared before the trial, the attorneys said, marking the second time Chen's allies were unable to speak on his behalf. On the eve of his first trial, the defense team was detained by police and accused of petty theft.

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Despite the setbacks, Chen's attorneys said, there were moments during the nearly 10-hour proceedings Monday that gave them small reason to hope. Spectators, even though they were government employees, sometimes hissed at the prosecutors. And the simple chance to appeal was seen as a positive sign. Chinese courts usually find all criminal defendants guilty; acquittals and retrials are rare.

Chen last year highlighted abuses in family planning programs around Linyi, a city of 10 million people about 400 miles southeast of Beijing. Officials, whose promotions depended on not exceeding birth quotas, had forced thousands of men and women to have abortions and sterilizations, often conducting midnight raids and beating or holding residents hostage until they complied.

Chen, blinded by a childhood illness, taught himself law and helped many of the victims prepare an unprecedented class-action lawsuit. Since then, his supporters have been harassed, beaten and placed under house arrest. Chen was sentenced to more than four years in prison. His attorneys say the charges were trumped up by local authorities as payback for embarrassing them.

One of Chen's attorneys, Li Fangping, said the mood of the court Monday was markedly different from the last trial.

"In the morning, the prosecutor interrupted us all the time, and the judge was always on the prosecutor's side. I was expelled from the court because the judge kept granting the prosecution's objections but I kept talking," Li said. But Li said he returned to the courtroom and continued to identify discrepancies between the written and oral testimony of prosecution witnesses. "In the afternoon, the prosecutors tried to interrupt us about 20 to 30 times, but this time, the judge mostly denied their objections."

Chen, who wore a long green army coat and a two-inch beard, defended himself in court enthusiastically, complaining loudly about being illegally detained and persecuted by local officials, Li said. "This is the first time he was willing to talk. Last time he refused to speak because the procedure was so unfair," Li said. "He was in high spirits."

But Li Jinsong, the chief defense counsel, walked out of the courtroom at midday in protest after a disagreement with the judge about the three missing defense witnesses.

"Three major witnesses, neighbors Chen Guanghe, Chen Guangdong and Chen Gengjiang, all confessed to us before this retrial that their testimony in the first trial was false because they were tortured by police," Li said. "They promised us they would come to court to tell the truth. But two of them were missing this morning and one was kidnapped last night by eight unidentified men in front of our hotel. Two other lawyers witnessed it."

When Li tried to raise that issue with the judge and ask for an adjournment, the judge ruled that it was irrelevant. "So I quit the court to protest. I wanted to tell them, 'Don't try to play tricks with me. I will not let you tread on the law,' " Li said.

The Linyi Municipal Public Security Bureau referred calls about the alleged abduction to police in the neighborhood where the man disappeared, the Associated Press reported. A police officer in the neighborhood said he was unaware of any such incident.

Chen Guangcheng's eldest brother, Chen Guangfu, said he seemed to be the only spectator at the trial who supported the defendant.

"All the people who sat beside me were employees from the local prosecutor's office, the local police or the courthouse. There were also four village party secretaries from neighboring villages. I didn't tell them who I was," Chen Guangfu said. "But during the lunch break, I overheard a spectator, who said, 'Whenever the defendant says something crucial, the prosecutor interrupts, saying it's irrelevant. But actually I think this is the most crucial part of the case.' I can feel the mood of the court change in the afternoon."

Chen said his brother grew angry when interrupted by prosecutors. "He told them, 'You're shameless!' Even though he was insulting the prosecutors, it was joyous to hear."

A verdict is expected within a week, attorney Li Fangping said.

Researcher Jin Ling contributed to this report.

Rebels Attack Oil Field In Darfur (AP-Y)

By Alfred De Montesquiou

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AP, November 28, 2006

Darfur rebels attacked an oil field in a rare extension of their campaign east toward the Sudanese capital and said Monday the military garrison guarding the field had surrendered. But the government said its forces repelled the assault and were in full control of the Abu Jabra oil field Monday.

The attack on the field on the edge of South Darfur appeared to be another sign that Darfur's violence was spreading across the region.

"The government garrison guarding the oil field was totally destroyed," the National Redemption Front rebel group said in a statement. "Numerous soldiers, including high-ranking officers and generals, have surrendered," the rebels said, claiming to have shot down an army helicopter and to have captured a "substantial amount" of weapons and military vehicles.

A Sudanese military spokesman denied the army had surrendered, saying its troops had "inflicted heavy causalities on the rebels, who withdrew from the area." He spoke on condition of anonymity in line with official policy.

A Sudanese official in the oil industry said Abu Jabra's capacity had been damaged in the attack, but insisted it would not affect overall production. The state-owned facility pumps up to 10,000 barrels per day — a relatively small output. The official spoke on condition of anonymity, citing the sensitivity of the issue.

The rebel raid came amid heightened violence in Darfur, where pro-government janjaweed militia have been accused by the United Nations of forcing 60,000 people to flee their homes this month. Violence in Darfur over three years has killed 200,000 people and displaced 2.5 million.

Observers fear Darfur's violence threatens to destabilize the entire region. Neighboring Chad accuses Sudan of backing a rebel raid that briefly took a large Chadian town and threatened the capital in recent days.

To the south of Darfur, the Central African Republic also alleges Sudan is backing a local rebellion. Khartoum denies both charges, but aid workers in the west Darfur town of El Geneina said they had seen Chadian rebel groups operating freely in the area. The aid workers spoke on condition of anonymity because of the sensitivity of the issue.

Sudanese officials say the country produces about 500,000 barrels per day and that oil revenue should be at least $4 billion this year, more than half of the government's income.

Most of Sudan's oil reserves are in the south of the country, which is now semi autonomous under a separate peace agreement that southern rebels signed with the government in January 2005.

Violence Continues To Roil In Chad (AP)

By Michelle Faul

AP, November 27, 2006

With gunfire sounding in the distance, workers took stock Monday of looted U.N. warehouses and government offices in this town in eastern Chad, the latest victim of unrest that started in Sudan's Darfur region and has spread across a swath of Africa.

Chadian rebels who have bases in Darfur seized this hub for humanitarian workers Saturday, and government forces retook it Sunday. Amid the upheaval, looters pillaged some $1.5 million in U.N. aid and carted off goods from a courthouse, a national bank office, a cigarette factory and the state archives, said Ouaddai provincial Gov. Mahamat Nimir Hamata.

Both Hamata's office and his nearby official residence were stripped of doors, windows and plumbing.

"It's really sad," said Hamata, who seemed particularly troubled by the disappearance of state records. "I don't understand the state of mind of the people. How can you destroy our archives?"

Hamata declared a dusk-to-dawn curfew late Sunday and, in a radio address, pleaded with people to return stolen property.

It was not clear what prompted civilians to loot and target government buildings, but President Idriss Deby, who took power at the head of a rebel army in 1990, is considered unpopular here.

Chadian rebels have clashed sporadically with government forces since 2005 and launched a failed attack on the capital N'djamena in April. The competition for power has become more intense since Chad began exporting oil in 2004. The rebels have been able to exploit volatility in neighboring Sudan, establishing bases in Sudan's troubled Darfur region, which borders eastern Chad.

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French troops, who have a base near Abeche some 550 miles east of the capital, deployed to protect Abeche's airport and some 150 foreigners seeking refugee in an aircraft hanger here.

"We are in a state of war," French officer Didier Lebailly told reporters and aid workers who arrived Monday on the first flight into Abeche since rebels briefly held the town.

He said Abeche still is under threat "from all sides." French troops in jeeps mounted with machine guns patrolled the perimeter of the airport.

Gunfire could be heard in the distance after nightfall, and residents said it was rebels fighting government troops north of town. No casualties were immediately reported.

In Paris, French Foreign Ministry spokesman Jean-Baptiste Mattei told reporters Monday: "These new rebel attacks show again the gravity of the situation and the urgency for an international presence to be deployed along the border between Chad and Darfur," he said.

According to initial reports from staff, more than 500 tons of food worth $500,000 were taken from a World Food Program warehouse in Abeche. Also stolen was around $1 million worth of blankets, tents, stoves, medical, communications and water purification supplies and other equipment.

"Stealing food from people who have lost everything is the most shameful and inhumane act that anyone can possibly commit," WFP Executive Director James Morris said.

U.N. and other agencies based in Abeche deliver aid to 218,000 Darfur refugees and some 90,000 internally displaced Chadians.

In the capital, heavily armed Chadian soldiers reinforced their positions Monday. The government insisted its forces were pursuing the rebels in the east toward the Sudanese border.

Troops were positioned throughout the capital, cordoning off key government buildings and supported by at least a dozen tanks guarding the main entrances to the city. Schools have been closed and residents of N'djamena have been stocking up on food and water.

At dawn a French Mirage fighter jet conducted low-level reconnaissance flights over the capital and surrounding areas.

Both France and Britain have issued warnings of reports of rebel forces heading toward the capital, urging against all travel to Chad. The Chadian government has denied rebels were about 250 miles from the capital and said they were no longer advancing.

Besides the rebellion, Chad's government has in recent weeks reported violence pitting ethnic Arab Chadians against ethnic African Chadians, mirroring ethnic clashes in Darfur. Chad accused Sudan of instigating the clashes. Chad often accuses Sudan of supporting Chadian rebels; Sudan makes a similar accusation against Chad.

In Darfur, ethnic African tribes who accuse the central government of neglect launched a rebellion three years ago, following years of low-level tribal clashes over land and water. The government is accused of responding by unleashing ethnic Arab tribal militias who have been linked to atrocities. Strife believed related to Darfur has also been reported in the Central African Republic.

More than 200,000 people have died and 2.5 million have been displaced since fighting began in Darfur in early 2003.

Chad, an impoverished country in central Africa, has suffered from years of political turmoil that have hampered economic development. The economy relies on livestock and a relatively new oil industry.

Correa Looks Toward Reforms In Ecuador (AP)

By Monte Hayes

AP, November 27, 2006

Rafael Correa, the leftist nationalist headed to victory in Ecuador's presidential race, is already planning radical reforms when he takes office in January.

That is putting him on a fast track to a dangerous confrontation with the country's opposition-controlled Congress — a body he has called a "sewer" but which he needs to carry out his reforms.

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"We receive this triumph with deep serenity and humility," the 43-year-old Correa, who calls himself a "personal friend" of Venezuela's anti-U.S. President Hugo Chavez, said at a news conference Sunday night.

With 58 percent of the ballots counted, Correa had a 65 percent to 35 percent lead over banana tycoon Alvaro Noboa, Ecuador's Supreme Electoral Tribunal said Monday.

While votes in Noboa's stronghold of Guayas, Ecuador's most populous province, were among the last to be tallied, even a strong advantage there would not be enough for Noboa to win.

Correa's followers took to the streets in caravans with musicians to celebrate a victory that few questioned except Noboa, who said he would await the end of the official count that might not come until Tuesday.

Correa said his victory "is a clear message to our traditional political class of the profound changes that our citizens want. This country doesn't need patching up. It needs a new constitution in tune with the times."

Correa, who has a doctorate in economics from the University of Illinois, surged in voter support as a fresh-faced outsider determined to reform Ecuador's political system.

His view that the Ecuadorean democratic system is designed to benefit parties rather than people is shared by many voters fed up with corruption, greed and incompetence in the political establishment.

During the campaign, Correa attacked Ecuador's Congress as a "sewer" of corruption and ran no candidates for the legislature. He now faces a Congress totally in the hands of his opponents — but says that's not important.

"Let's stop worrying so much about Congress. Let them scrutinize what they want. We're not afraid," he said. "What we won't tolerate is any attempt at instability or blackmail."

Correa says his first act after being sworn in as president on Jan. 15 will be to call for a national referendum on the need to elect a special assembly that could rewrite the constitution and even shut down Congress.

That puts him on a collision course with the legislature, which has dismissed Ecuador's last three elected presidents, violating impeachment proceedings in the process, after huge street protests demanding their ousters.

Jaime Duran, a public opinion analyst who served as chief of staff in a previous government, noted that the congressmen elected in October were just as legitimately elected as Correa.

"They have the same right to serve as Correa does," he said.

Correa's problem is that Congress would have to approve a constitutional reform to allow creation of a constituent assembly. And it has blocked attempts by the last two presidents to rewrite the constitution.

Correa has vowed to rally street protests if lawmakers don't agree to a new constitution that trims the power of the traditional parties.

Many of the reforms he proposes would make politicians more responsive to voters. For example, congressmen would represent districts instead of being elected with a national vote. He also supports allowing recall of all elected officials.

But he risks violating the constitution if he tries to organize an election for a constituent assembly without Congress' approval.

He argues "the voice of the people" as reflected in a national referendum takes precedence over Congress or the constitution — a position challenged by most legal experts.

Insistence on forcing electoral authorities to convene an election for the assembly could put him in risk of impeachment, say experts.

"That immediately creates a conflict with Congress," said Benjamin Ortiz, head of a think tank in Quito.

Since Correa has no congressmen to defend him, "for the first time there would be sufficient votes to impeach a president without resorting to the murky maneuvers of the past," Ortiz said.

Nicaragua's Total Ban On Abortion Spurs Critics (WP)

By N.c. Aizenman

The Washington Post, November 28, 2006

DOJ_NMG_0098935

MANAGUA, Nicaragua -- Jazmina Bojorge arrived at Managua's Fernando VÃ©lez Paiz Hospital on a Tuesday evening, nearly five months pregnant and racked with fever and abdominal pain. By the following Thursday morning, both the pretty 18-year-old and the female fetus in her womb were dead.

The mystery of what happened during the intervening 36 hours might not ordinarily have catapulted Bojorge into the headlines of a nation with one of the highest maternal mortality rates in the Western Hemisphere.

But a week before her death on Nov. 2, Nicaragua's legislature had voted to ban all abortions, eliminating long-standing exceptions for rape, malformation of the fetus and risk to the life or health of the mother. Now, outraged opponents of the legislation have declared Bojorge its first victim.

"It's clear that fear of punishment kept the doctors from doing what they needed to do to save her -- which was to abort the pregnancy immediately," said Juanita JimÃ©nez of the Women's Autonomous Movement, an advocacy group that is leading the campaign to reverse the ban. "This is exactly what we warned would happen if this law was passed. We've been taken back to the Middle Ages."

Julio CÃ©sar Flores, director of the hospital, countered that the new legislation, which took effect Nov. 19, hadn't even been signed into law when Bojorge arrived for treatment. Her death, which remains under investigation by Nicaraguan medical authorities, "has nothing to do with the abortion law," he said. "These charges are being made by people who are taking advantage of what happened."

The controversy is the latest twist in a debate over the proper limits on abortion that is raging not just in Nicaragua but across Latin America.

With the exception of Cuba, every nation in this predominantly Catholic region either totally prohibits abortion or limits it to extreme circumstances. And while the global trend over the past decade has been to liberalize abortion laws, efforts to do so in Latin America have been met by an equally determined campaign to strengthen them further.

So far, the anti-abortion camp's greatest triumph has been in El Salvador, where in 1998, at the public urging of San Salvador's Archbishop Fernando Saenz Lacalle, lawmakers removed all exceptions to the nation's ban on abortion and increased penalties to up to 50 years' imprisonment.

Here in Nicaragua, the church has also long played an influential role in politics. Cardinal Miguel Obando y Bravo, who is retired but remains a public figure, is still respected by many for standing up to both U.S.-backed dictator Anastasio Somoza during the 1970s and Daniel Ortega, the Marxist-leaning revolutionary who replaced him in the 1980s.

Soon after El Salvador passed its new law, Obando and his successor, Archbishop Leopoldo Brenes, turned their attention to pressing for a similar measure in Nicaragua.

Abortion had been illegal in Nicaragua for more than a century, punishable by prison terms of up to four years for women undergoing the procedure and 10 years for doctors who performed it.

However, the penal code made an exception for "therapeutic abortion" if three doctors determined it was needed. According to Health Ministry regulations, this covered abortions of pregnancies lasting 20 weeks or less that posed a threat to the life or health of the mother or in which the fetus was malformed. In practice, rape victims were also permitted legal abortions.

Advocates for greater access to abortion argued that even that law was too restrictive, prompting an estimated 32,500 women to get illegal and potentially unsafe abortions in Nicaragua every year and accounting for 16 percent of the more than 100 maternal deaths here annually, according to a 2002 ministry study. By contrast, the Health Ministry recorded only six legal abortions in Nicaragua last year.

But church leaders and other anti-abortion activists in Nicaragua contended that the number of legal abortions in Nicaragua was far higher, reaching about 1,000 a year.

"This idea of 'therapeutic abortion' was being abused," said Brenes, the archbishop. "People were easily getting doctors to say that the abortion was being done to save the mother's life, when in reality it was a person who just said, 'I don't want this child.' "

Nicaragua's tight presidential election this month offered Nicaragua's anti-abortion movement the opening it had been waiting for: With Ortega's conservative opposition evenly divided between two challengers, none of the top three candidates could afford to alienate the church.

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On Oct. 6, Obando, Brenes and various evangelical pastors led tens of thousands of citizens in a march to the National Assembly to demand a repeal of the exception for therapeutic abortions. Legislators obliged, fast-tracking consideration of the ban under procedures normally reserved for national emergencies.

Every major medical society in Nicaragua opposed the proposed ban. Their concerns were echoed by Nicaragua's health minister and a long list of foreign embassies and international organizations such as the U.N. Development Program.

"But the legislators wouldn't even meet with us," said Carmen SolÃ³rzano, a leading member of Nicaragua's Society of Obstetrics and Gynecology. "I'm indignant that in a state that is supposedly secular, the church has so much influence while the government won't even listen to doctors."

The Rev. Rolando Ãlvarez, spokesman for the Managua archdiocese, said that although church leaders oppose abortions in the case of rape or a malformed fetus, they intend to urge lawmakers to clarify that the elimination of therapeutic abortion should not prevent doctors from saving a woman's life when her pregnancy puts her in mortal danger.

Women's rights groups and medical associations, meanwhile, are preparing to petition Nicaragua's highest court to declare the ban unconstitutional. That approach met with success last May in Colombia, which, like El Salvador, had a blanket prohibition on abortions.

Failing that, activists who oppose the ban say they will take their case to an international body such the U.N. Human Rights Committee or the Inter-American Commission on Human Rights -- with Bojorge's relatives the likely plaintiffs.

According to Flores, the hospital director, although Bojorge showed signs of vaginal bleeding and uterine contractions on her arrival at the hospital, doctors decided to give her medication to stave off the contractions because an ultrasound indicated that her fetus was alive. The next day, another test indicated that the fetus had died, and Bojorge was taken off the medication to allow her body to expel the dead fetus naturally. Instead, she went into shock, possibly because the placenta had detached, causing massive blood loss.

Flores contends that the doctors' decision to prevent Bojorge from delivering while the fetus was still alive was routine. JimÃ©nez, of the Women's Autonomous Movement, argues that it was an extremely risky undertaking for a hospital that lacked ready access to ultrasound equipment. (The hospital's equipment is broken, forcing doctors to transport patients to a separate facility for scans.)

"In this sort of situation, the safe thing to do is to just abort the fetus," JimÃ©nez said. "It's obvious that the doctors were paralyzed by the new law."

Bojorge's relatives, meanwhile, are not sure what to think. "No one at the hospital ever told us what was going on," her mother, Rosa Rodriguez, 44, said sadly during an interview in front of the tidy tin shack where Bojorge lived with her husband and 4-year-old son.

Rodriguez and Bojorge's husband, Marvin Savala, a 24-year-old construction worker, had not even heard of the charge that the new abortion legislation may have played a role in Bojorge's death.

But as he contemplated that possibility, Savala's eyes darkened.

"If that's the case, then the doctors were very wrong," he said. "They should have done whatever it took to save my wife. Now I've lost not just our baby, but my whole family."

Cuban Rock Climbers Inspired By Foreigners Irk Castro Regime Youths Are Asked For Permits And Visited By Officials; No Fraternizing Allowed (WSJ)

The Wall Street Journal, November 28, 2006

VIÑALES, Cuba -- Seventy feet up a sheer limestone cliff known as La Cuchillita, or Little Blade, 17-year-old Roylandi González held onto a ledge by his fingertips. Then he glanced down to check the harness around his waist, grabbed hold of the rope that was tethered above him and started shimmying downward.

Over the past several years, adventurous Cuban youths like Mr. González, schooled by an influx of foreign rock climbers, have turned this western town into an extreme-sport mecca. Climbers test their mettle on dramatic crags, barely touched by man, which soar above a green valley designated as a United Nations World Heritage Site.

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But climbers who have conquered Viñales's jagged peaks and imposing walls are now bumping up against a more formidable obstacle: the Communist political system. As Mr. González touched earth and removed his hard hat, he cast a wary eye for park rangers and police. "They threaten us and chase us off the hills," he said. "There's something about rock climbing that really seems to worry our government."

As Cubans begin contemplating life after Fidel Castro, rock climbing has emerged as an improbable political battleground between the government and young Cubans eager to embrace the latest foreign fashions. In 2003, amid a broad crackdown on civil liberties and fraternizing between tourists and Cubans, the government announced that rock climbers henceforth would be required to obtain a special permit. But the government has never granted the required permit to the many climbers who have requested one. Many Cubans and foreigners have continued climbing.

Adrián Pérez Martínez, a 20-year-old art teacher with a joker tattooed on his shoulder, says that police showed up at his house recently to warn him against climbing, especially with foreigners. "Good Cubans don't do this," he says they told him. "Climbers use drugs. And you shouldn't take foreigners to militarily significant areas." Indeed, some caves in the climbing area are designated as civil-defense sites in the event of a U.S. invasion.

Some of the official anxiety over climbing seems to be based on Cuba's revolutionary history. The revolution that brought Mr. Castro to power in 1959 was launched from a clandestine encampment in the Sierra Maestra Mountains on the eastern end of the island. Mr. Castro became intimately familiar with Cuba's highest mountain, 6,500-foot Pico Turquino. "The Revolution was the work of climbers and cavers," Mr. Castro once said, according to a history by Antonio Nuñez Jimenéz, a prominent revolutionary leader and naturalist.

Now the Cuban government may be worried that history will repeat itself. "The system is paranoid about Cubans' private activities, but especially when those activities are occurring in hills away from sight and when foreigners are involved," says Vitalio Echazabal, one of the first Cubans to take up rock climbing in the 1990s. "The authorities would ask, 'Are they spies? What are they plotting up there?' " Mr. Echazabal got so fed up that he defected to Spain during a climbing expedition in 2001, one of three Cuban climbers who have escaped the island during international sporting events. About a half-dozen other Cuban climbers got off the island after marrying foreigners they met on the hills.

The exodus of climbers has only served to intensify official suspicion of the sport. "Climbers are very independent people, and the Cuban government has a real hard time with anything it cannot control -- even a form of recreation," says Armando Menocal, a 65-year-old Wyoming lawyer who is the leading international proponent of Cuban climbing. Mr. Menocal, who runs the Cubaclimbing.com1 Web site, has been caught in the climbing backlash himself.

Beginning in the late 1990s, Mr. Menocal, who has family ties to Cuba, started training Cuban climbers, mapping local routes and importing donated equipment. But after having made about 15 climbing trips to Cuba over the past eight years, Mr. Menocal has been turned back by immigration officers at the Havana airport the last two times he tried to get into the country, most recently earlier this month. The authorities, he says, offered no explanation.

The 100 or so climbers remaining in Cuba would certainly welcome his return. Without official funding, Cuban climbers rely on equipment sent by Mr. Menocal or donated by tourists. José Luis Fuentes, a 20-year-old climber, says his shoes were given to him by an Italian, his rope by a Canadian and his harness by an American. "You speak a common language with other climbers no matter where they come from," he says.

He isn't sure it's a language Cuba's leaders could understand. "Older people just think we're a bunch of crazy kids," says Mr. Fuentes.

Climbing has attracted a special breed of Cuban youth since Mr. Menocal and some American friends used a slide show to recruit a core group of about half a dozen Cuban climbers in 1999. One Cuban went AWOL from his military unit to go on an outing with Mr. Menocal, subsequently earning two weeks in the brig.

Official eyes were watching. "The Cubans were always being persecuted because it was not looked upon favorably to socialize with foreigners," says Craig Luebben, a rock-climbing guide and journalist from Colorado who has made several trips to Cuba. As the pressure increased, the Cubans and their American climbing partners would avoid appearing together publicly, arranging separate transportation to a rendezvous at the secluded climbing site, Mr. Luebben says.

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Climbers say official government climbing policy has been inconsistent. A few years ago, Hollywood, a cigarette brand partly owned by the government, launched an ad campaign featuring a Cuban climber. Yet at around the same time, Mr. Menocal on trips to Cuba was called before two different government authorities and told climbing wasn't permitted.

The inconsistencies continue today. On a recent day at the park visitors center near the Viñales climbing site, there were large posters of climbers in action. Nevertheless, the park ranger on duty insisted that climbing without a permit wasn't allowed under the 2003 law. "It's not something one should even consider," he said, though he had no idea how one might go about getting a permit.

The climbers are regrouping under the leadership of Alexei Suárez, a medical worker who sometimes reaches his second-story Havana apartment by scaling the wall. He has been talking with government officials, trying to better climbing's image, and he says the Cuban sports ministry has been very supportive. "We are loyal Cubans who want to make Cuba famous for climbing champions," Mr. Suárez says.

U.S. Embassy Asks Bush Twins To Leave Country (ABC News)

By Joe Goldman And Rhonda Schwartz

ABC News, November 28, 2006

November 27, 2006 1:18 PM

Joe Goldman and Rhonda Schwartz Report:

Amid a growing barrage of front-page headlines, U.S. embassy officials "strongly suggested" President Bush's twin daughters, Jenna and Barbara Bush, cut short their trip to Buenos Aires because of security issues, U.S. diplomatic and security sources tell ABC News.

But the girls have stayed on, celebrating their 25th birthday over the weekend and producing even more headlines about their activities.

Officials say the media coverage upstaged publicity plans for the new U.S. Ambassador Anthony Wayne, who had only recently arrived in the country.

THE BLOTTER RECOMMENDS

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Neither the White House nor the U.S. embassy in Buenos Aires responded to requests for comment.

The Argentinean press blitz followed a report on "The Blotter" last week that Barbara Bush's purse and cell phone were stolen last weekend while dining at the popular San Telmo outdoor marketplace despite being guarded by the Secret Service.

Stories of the twins' visit took on wild proportions in the Argentinean press. One tabloid headline had the young women running nude in the hallway of their hotel, a report the hotel staff denied to ABC News.

According to sources, the U.S. embassy encouraged the two girls to cut their stay short because the added attention was making their security very difficult.

But to the dismay and anger of some U.S. embassy and security staff, the girls stayed on.

Thursday night, an ABC News producer was able to walk into their hotel unchecked and engage Barbara Bush in conversation while she checked her e-mail on a computer in the lobby. Jenna sat talking with friends on a sofa nearby. No Secret Service agents were anywhere to be seen in the lobby, according to ABC News' Joe Goldman.

And yesterday the Bush twins were spotted at the Sunday soccer matches, wearing team jerseys and sitting in the owner's box, watching Argentina's top team Boca Juniors compete. Several games have been canceled due to violence in the crowds this year. In fact, last weekend no spectators were allowed to attend the match other than season ticket holders.

The Reliable Source (WP)

By Amy Argetsinger And Roxanne Roberts

The Washington Post, November 28, 2006

DOJ_NMG_0098939

Hot Topics but No Heated Discussions as Amy Holmes Sits In on 'The View'

In her usual TV talking-head gigs, Amy Holmes debates matters such as whether Alcee Hastings should head the House Intelligence Committee and the consequences of Don Rumsfel d's resignation. Yesterday's topics? Where she likes to Christmas-shop, her recent breakup with a boyfriend, and how hot that Daniel Craig is!

So it went as the former Bill Frist speechwriter sat in as guest co-host with the ladies of ABC's "The View." Producer Barbara Walters has said she's looking for a minority woman to replace Star Jones Reynolds-- does yesterday's show mean Holmes is a contender? "I just looked at it as a great opportunity," the D.C. resident told us.

Holmes, who has mostly been doing TV work since leaving Frist's office this summer, said she had some apprehension that her GOP ties would set her up for a battle with feisty liberal hosts Rosie O'Donnell and Joy Behar. "I was told before going on to think of it as a dinner party: You want to get your points in, but you don't want to be rude." But there were few cracks, even as Holmes showed photos of herself meeting Bush , Cheney and Clinton. (Was that our former colleague and her long-ago squeeze Lloyd Grove in the background?)

Elisabeth Hasselback asked if she had ever written a speech she didn't agree with. Holmes replied, "I worked with other people on the staff to develop [Frist's] policy positions. . . . It was a privilege."

O'Donnell gazed at Holmes with an I-hear-ya nod, then added : "You're very pretty."

"They were professionals about putting me and other guests on the show at ease," Holmes said later. "I didn't have the feeling I was dealing with divas. It can be more of a pit fight to be with Paul Begala on a cable show."It's Their Party and They'll Stay if They Want To

Those globe-trotting twins Barbara and Jenna Bush continued their Argentine birthday getaway Sunday with shopping and soccer.

The sisters, who turned 25 on Saturday, popped up Sunday morning in the Buenos Aires antiques market at Plaza Dorrego in trendy San Telmo (the same district where a thief nabbed Barbara's purse and cellphone while she dined last week). Casually dressed, with no security visible, the daughters went unrecognized by the local crowd, reports our colleague Libby Copeland. Later, they donned the blue and yellow jerseys of the Boca Juniors and sat in the owner's box for the team's match at La Bombonera stadium, where some games have been canceled because of violence.

After the purse-snatching, which sparked a media frenzy throughout South America, the Argentine interior minister told reporters, "From now on, we are participating actively" in protecting the twins. Late yesterday, the U.S. Embassy there issued a statement denying an ABC News report that embassy officials had "strongly suggested" the twins cut their trip short because of security issues. (ABC also reported that the twins got all the attention, not new U.S. Ambassador Anthony Wayne.) Rather, embassy officials provided "close support and cooperation."

Barbara left the country late Sunday night; plans called for Jenna to party on until Thursday.HEY, ISN'T THAT . . . ?

Â· Noah Wyle, engaging in the popular local sport of stoop-sitting yesterday while on a break from his Baltimore movie shoot. Our colleague Kathleen Cahill spotted the "ER" star -- in town filming the indie flick "Boy of Pigs"-- lounging in a Bolton Hill doorway unnoticed by passersby in his '60s-era costume (olive wool overcoat, shiny black dress shoes). Whatcha reading, Noah? Wyle smiled and showed Cahill his book -- Oscar-winner Walter Murch's meditation on film editing, "In the Blink of an Eye."

Â· Jerry Springer breakfasting at the Four Seasons with friends Saturday, dressed in black with a gray sweater. What was the talk show host and recent "Dancing With the Stars" contender doing in town? Thanksgiving at his sister's house here, which left him still hungry for a hearty meal: eggs, potatoes, bacon.LOVE, ETC.

Â· On second thought: Pamela Anderson has filed for divorce from Kid Rock, just four months after she wed the singer, her rep told People magazine. The once-engaged lovebirds had broken up, then reunited and married in three ceremonies (St. Tropez, Beverly Hills and Nashville) this past summer. You'd think one of them would have stuck. Says her rep: "It wasn't a happy Thanksgiving."

A High Point For Nepal (LAT)

The Los Angeles Times, November 28, 2006

DOJ_NMG_0098940

THERE ARE A thousand ways for war to break out, it seems, but so few chances for peace to prevail. So let us take a moment to celebrate developments in Nepal, whose people danced in the streets last week after Maoist rebels signed a peace accord with the government to end a decade-long insurgency that has killed 13,000 people.

Nepal's political progress has been nothing short of remarkable. In less than seven months, its demonstrations of "people power" have forced a tyrannical king to surrender power and pushed the violent insurgents to the negotiating table. On Dec. 1, the insurgents will take their place in a temporary Cabinet; their army is to be confined in camps, and they will participate in elections next year. Meanwhile, the king has been stripped of immunity and virtually all his powers. It has not been easy or painless, but it has been accomplished without suicide bombings, without military action and, except for some skillful U.N. diplomatic help in the endgame, without foreign intervention.

There are, of course, many ways the peace deal could unravel in the South Asian nation of nearly 30 million people, home to eight of the world's 10 highest mountains. It is highly unlikely that the inept and reviled King Gyanendra could manage a comeback. He triggered the crisis by dismissing the elected parliament and prime minister. Still, his dynasty is 238 years old, and some Nepalis believe that he is the reincarnation of the Hindu god Vishnu. The new legislature, to be elected in June, is slated to take up the controversial issue of whether Nepal should be a kingdom or a republic.

Long before the elections, however, there is the possibility that the power-sharing arrangement in the interim government will break down. The U.N. can provide monitoring, but it cannot force the rebels or the royal army to stand down their troops or heavy weapons — and light arms simply can't be corralled.

One of the most tragic legacies of Nepal's lengthy violence is the thousands of people who have disappeared. Human rights activists are keen to see those responsible on both sides prosecuted. Perhaps the Nepalis, who've shown great wisdom and creativity in applying the lessons of democratic activism in other lands to their own democracy movement, will manage the trick of balancing the need to punish the guilty with the imperative of reconciling a dangerously and bitterly divided society.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Justice Dept. To Examine Its Use Of NSA Wiretaps (WP)

By Dan Eggen

The Washington Post, November 28, 2006

The Justice Department's inspector general yesterday announced an investigation into the department's connections to the government's controversial warrantless surveillance program, but officials said the probe will not examine whether the National Security Agency is violating the Constitution or federal statutes.

In a letter to House lawmakers, Inspector General Glenn A. Fine said his office decided to open the probe after conducting "initial inquiries" into the program. Under the initiative, the NSA monitors phone calls and e-mails between people in the United States and others overseas without court oversight if one of the targets is suspected of ties to terrorism.

The "program review" will examine how the Justice Department has used information obtained from the NSA program, as well as whether Justice lawyers complied with the "legal requirements" that govern it, according to Fine's letter. Officials said the review will not examine whether the program itself is legal.

The announcement signals a new level of scrutiny for the NSA program, which was launched shortly after the Sept. 11, 2001, attacks and revealed in news reports in December 2005. The program has been ruled unconstitutional by one federal judge, but Bush and other administration officials have strongly defended it as a legal and efficient way to protect the nation from terrorist attacks.

The probe comes amid a dramatically changed political environment. Democrats who have been sharply critical of the surveillance program will soon control the Judiciary and intelligence committees, which oversee Justice and the NSA. Rep. John Conyers Jr. (D-Mich.), the incoming chairman of the House Judiciary Committee, called Fine's investigation "long overdue."

Several other House Democrats said the inquiry should be broadened to include the questions of whether the program violated federal laws and how it was approved. Rep. Maurice D. Hinchey (D-N.Y.) also said he is "skeptical about the timing" of the announcement.

"I wonder whether this reversal is only coming now after the election as an attempt to appease Democrats in Congress who have been critical of the NSA program and will soon be in control and armed with subpoena power," Hinchey said in a news release.

Fine has previously declined requests from lawmakers to conduct a broader probe into the legality of the NSA program, arguing that such an inquiry is beyond his jurisdiction. Those requests were referred to the Justice Department's Office of Professional Responsibility, which was forced to abandon its effort after President Bush refused to grant security clearances to lawyers who needed them.

Fine wrote in his letter to lawmakers yesterday that the White House has promised the security clearances necessary to conduct the new investigation. White House spokeswoman Dana Perino declined to comment.

Justice spokesman Brian Roehrkasse said Fine's review "will assist Justice Department personnel in ensuring that the department's activities comply with the legal requirements that govern operation of the program."

The probe comes as a newly active presidential civil liberties board received its first detailed briefing about the NSA program. The Privacy and Civil Liberties Oversight Board, which was established by Congress and whose five members were appointed by Bush, was provided details about the workings of the NSA program last week.

One member, Lanny J. Davis, a White House lawyer in the Clinton administration, said in an interview that he was "pleasantly surprised" by the privacy protections built into the program. He declined to discuss the program in detail because of secrecy restrictions.

"I was astonished at the extent to which they are all concerned about the legal and civil liberties and privacy implications of what they were doing," Davis said. "It was a constant theme of concern, awareness and training way beyond what I expected."

Davis said the briefings convinced him that the program had been carefully constructed from the start. "It was clear that as they thought about it, they put it together in a way that minimized problems to the best extent that they could," he said.

Justice Review Will Assess NSA Surveillance Conduct (WT)

By Jerry Seper, The Washington Times

The Washington Times, November 28, 2006

DOJ_NMG_0098945

The Justice Department's Office of Inspector General will review President Bush's domestic terrorist surveillance program to see whether federal prosecutors are following laws governing the handling of information gathered by the National Security Agency on suspected U.S.-based terrorists.

"After conducting initial inquiries into the program, we have decided to open a program review that will examine the department's controls and use of information related to the program," Inspector General Glenn A. Fine said in a letter to the House Judiciary Committee leadership.

The Justice Department has described the surveillance program, initiated after the September 11 attacks, as "an essential tool for the intelligence community" in its war on terror, adding that it "ensures we have in place an early warning system to detect and prevent a terrorist attack."

"In the ongoing conflict with al Qaeda and its allies, the president has the primary duty under the Constitution to protect the American people," the department said in a briefing paper. "The Constitution gives the president the full authority necessary to carry out that solemn duty, and we believe the program is lawful and protects civil liberties."

Attorney General Alberto R. Gonzales has called the program's scope "very narrow," saying it focused only on communications with al Qaeda. He said it had been "very effective" in protecting the United States and that reviews of it by lawyers at the Justice Department and the NSA found it to be legal.

The White House has agreed to give investigators from the inspector general's office special clearances to probe the program, Mr. Fine noted in his letter, which was sent to Chairman F. James Sensenbrenner Jr., Wisconsin Republican, and the panel's ranking Democrat, Rep. John Conyers Jr. of Michigan.

Earlier this year, Mr. Fine said his office did not have jurisdiction to open an investigation into the program. An inquiry by the Justice Department Office of Professional Responsibility also was blocked this year by the administration when repeated requests for security clearance were denied.

Democrats and Republicans in both the House and Senate have questioned Mr. Bush's constitutional authority to conduct wiretapping, saying -- among other things -- that the program improperly bypassed the Foreign Intelligence Surveillance Act court established by Congress to approve or reject secret surveillance or searches of those suspected of terrorism or espionage.

The inspector general's review was conducted in the wake of conflicting rulings by two federal judges.

In Washington, U.S. District Judge Ellen Segal Huvelle disagreed with the People for the American Way Foundation, a liberal advocacy group that unsuccessfully sought records from the NSA under the Freedom of Information Act to discover how many wiretaps were approved and who reviewed the program.

Judge Huvelle said that even if the program ultimately was found to be illegal, the requested documents were classified and not covered by the act.

In Detroit, U.S. District Judge Anna Diggs Taylor agreed with a challenge from the American Civil Liberties Union, which said the program was unconstitutional. The judge granted a permanent injunction halting the program but delayed implementing her order pending a Justice Department appeal.

Justice Department Eyes Spy Program (AP-Y)

By Lara Jakes Jordan, Associated Press Writer

AP, November 28, 2006

The Justice Department has begun an internal investigation into its handling of information gathered in the government's domestic spying program. However, Democrats criticized the review as too narrow to determine whether the program violated federal law.

The inquiry by Glenn A. Fine, the department's inspector general, will focus on the role of Justice prosecutors and agents in carrying out the warrantless surveillance program run by the National Security Agency.

Fine's investigation is not expected to address whether the controversial program is an unconstitutional expansion of presidential power, as its critics and a federal judge in Detroit have charged.

"After conducting initial inquiries into the program, we have decided to open a program review that will examine the department's controls and use of information related to the program," Fine wrote in a letter dated Monday to House Judiciary Committee leaders. The four-paragraph letter was obtained by The Associated Press.

Justice Department spokesman Brian Roehrkasse said the agency welcomes the review: "We expect that this review will assist Justice Department personnel in ensuring that the department's activities comply with the legal requirements that govern the operation of the program."

In January, Fine's office rejected a request by more than three dozen Democrats to investigate the secret program, which monitors phone calls and e-mails between people in the U.S. and abroad when a link to terrorism is suspected.

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Fine's letter outlining his review was welcomed by congressional Democrats. At the same time, they said it falls short of examining issues at the heart of the debate — how the spying program evolved, and whether its creation violated any laws.

"A full investigation into the program as a whole, not just the DOJ's involvement, will be necessary," said Rep. Zoe Lofgren, D-Calif.

The review could include whether the spying program complies with the Foreign Intelligence Surveillance Act, which requires judicial authorization for electronic surveillance and physical searches of people suspected of espionage or international terrorism on behalf of a foreign power. The Justice Department requests surveillance approval from the FISA court.

Democrats also questioned the timing of the review. Fine's letter noted that his office asked the White House on Oct. 20 for additional security clearances that were approved just last week — following the Nov. 7 elections that gave Democrats control of Congress.

Noting Democrats' renewed power to subpoena Bush administration officials next year, Rep. Maurice Hinchey, D-N.Y., questioned that Fine's investigation "is only coming now after the election as an attempt to appease Democrats" who have been critical of the NSA program.

The letter was sent to House Judiciary Chairman James Sensenbrenner, R-Wis., and the panel's top Democrat and incoming chairman, Rep. John Conyers, D-Mich. Sensenbrenner had no comment. Conyers called the review "a long overdue investigation of a highly controversial program."

The Justice Department has called the program a necessary tool in the fight against terrorism, and Attorney General Alberto Gonzales is pushing congressional Republicans to authorize it by law before they cede power at the year's end — a prospect with at best a slim shot of approval.

Former Reagan administration national security official Robert F. Turner, now associate director at the Center for National Security Law at the University of Virginia, said congressional demands for sensitive information about the program puts them at odds with long-standing presidential powers over the collection of foreign intelligence.

"It's good that the executive branch, on its own, is making sure that someone's not abusing this power," Turner said. "But when Congress usurps power vested in the president by the people through the Constitution, then it becomes the lawbreaker."

Countering, Caroline Fredrickson, the director of the ACLU's office in Washington, urged Fine "to seek the hidden truth about this program. ... No one, not even the president, is above the law."

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On the Net:

Justice Department: http://www.usdoj.gov/

Justice Department Begins Internal Review Of Spying Program (MCT)

By Marisa Taylor, McClatchy Newspapers

McClatchy Newspapers, November 28, 2006

WASHINGTON - Justice Department investigators have launched an inquiry to determine whether the Bush administration's use of the warrantless surveillance program has complied with government procedures.

Glenn Fine, the Justice Department's inspector general, said in a letter to congressional committee leaders Monday that his investigation would be limited to the department's use of information arising from the surveillance and "compliance with legal requirements."

The inquiry won't seek to address questions about the legality of the administration's decision to spy on U.S. residents without court approval.

Rep. Zoe Lofgren, D-Calif., said a broader investigation was needed because Congress had been kept largely in the dark about the workings of the program and couldn't determine whether the administration's use of the program was legal. In January, Fine declined a request from Lofgren and other Democrats for a more sweeping probe, saying his office lacked jurisdiction.

"Congress needs to craft legislation so that terrorists can be the subject of surveillance while the Constitution of the United States is honored," Lofgren said. "To do that, a full investigation into the program as a whole, not just the (Justice Department's) involvement, will be necessary."

After turning down the request, Fine had referred it to the Justice Department's Office of Professional Responsibility, which reviews allegations of wrongdoing by Justice Department employees. But the Office of Professional Responsibility was denied security clearances to conduct the investigation.

Attorney General Alberto Gonzales later revealed that President Bush had personally refused to grant the security clearances.

In his letter Monday, Fine said he already had a security clearance. He said he asked Gonzales on Oct. 20 for additional clearances for the internal inquiry. Last week, Fine received word that the White House had granted his request.

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A spokeswoman for the Inspector General's office declined to comment on what had prompted the investigation.

Rep. Maurice Hinchey, D-N.Y., said he was "skeptical about the timing."

"I wonder whether this reversal is only coming now after the election as an attempt to appease Democrats in Congress," he said.

The Bush administration authorized the eavesdropping program to monitor telephone and Internet communications in and out of the United States when officials have "reasonable grounds to believe" that one party is a member of al-Qaida or an affiliated terrorist organization.

In August, U.S. District Judge Anna Diggs Taylor in Detroit found the program violated the U.S. Constitution's provisions that enumerated separation of powers and the right to free speech and privacy. The Bush administration is appealing the ruling.

Administration officials said the program is subject to extensive oversight and is reviewed every 45 days. The administration kept the program under wraps until the New York Times revealed its existence in late 2005.

Last week, Gonzales defended the program.

"Common myths about the Terrorist Surveillance Program are that it is an invasion of privacy and an unlawful eavesdropping tool," Gonzales said. "I want to be very clear about the facts here: The Terrorist Surveillance Program does not invade anyone's privacy, unless you are talking to the enemy in this time of war."

Meanwhile, the Associated Press reported Monday that a government board, which Congress created and whose members Bush appointed, has been given details about the program.

Board members said they were impressed by the government's oversight of the program.

"If the American public, especially civil libertarians like myself, could be more informed about how careful the government is to protect our privacy while still protecting us from attacks, we'd be more reassured," said Lanny Davis, a board member and a former special counsel to President Clinton.

Justice Official Opens Spying Inquiry (NYT)

By Eric Lichtblau

The New York Times, November 28, 2006

WASHINGTON, Nov. 27 — After months of pressure from Congressional Democrats, the Justice Department's inspector general said Monday that his office had opened a full review into the department's role in President Bush's domestic eavesdropping program and the legal requirements governing the program.

Democrats said they saw the investigation as a welcome step that could answer questions about the operations and legal underpinnings of the program, which allows the National Security Agency to monitor, without obtaining court warrants, the international communications of Americans and others inside this country with suspected terrorist ties.

"This is a long overdue investigation of a highly controversial program," said Representative John Conyers Jr., the Michigan Democrat who will take over as chairman of the House Judiciary Committee.

Last December, more than three dozen Democrats called for the Justice Department inspector general, Glenn A. Fine, to open an investigation.

Mr. Fine declined at the time, saying a review of the program's legality fell outside his jurisdiction. He referred the matter to another arm of the Justice Department, the Office of Professional Responsibility. That office sought to examine ethical issues surrounding the roles played by Justice Department lawyers in the eavesdropping program. But its review was blocked this year when Mr. Bush personally refused security clearances for its investigators.

Democrats have since renewed their calls for a full Justice Department investigation, accusing the Bush administration of stonewalling. On Monday, Mr. Fine informed members of Congress in a letter that he was opening an investigation after the White House had agreed to approve the necessary security clearances for members of his staff.

The review will have a somewhat different scope than the investigation sought and rejected last year. The review, Mr. Fine said in his letter, will examine the controls in place at the Justice Department for the eavesdropping, the way information developed from it was used, and the department's "compliance with legal requirements governing the program."

Officials said the investigation could examine the legal authority given to the Justice Department under a secret executive order first signed by Mr. Bush in October 2001, as well as the laws and procedures governing intelligence wiretaps under the Foreign Intelligence Surveillance Act, which was approved by Congress in 1978 after the Watergate scandal and required a special court warrant for wiretaps on Americans. The review could also look at how intelligence generated by the eavesdropping was used to seek traditional court warrants and to pursue criminal cases, the officials said.

An official with the inspector general's office, who spoke on condition of anonymity, said the office's position had not changed since it declined to review the program in January. "It was beyond our jurisdiction, and it still is beyond our jurisdiction, to review the legality or the constitutionality of the program, and that's not what we're doing here," the official said.

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Congressional Democrats said they were eager to see what areas the inspector general would decide to review. Mr. Fine has a reputation as a strong and independent watchdog within the Justice Department, and he has issued a number of highly critical reports about the department's policies and practices since the terrorism attacks of Sept. 11, 2001. Still, several Democrats suggested that the timing of his review might be tied to their takeover of Congress in this month's midterm elections as a way to pre-empt expected Democratic investigations of the N.S.A. program.

"It's hard to ignore the fact that there is a correlation in the timing," said Representative Zoe Lofgren, a California Democrat who helped lead the push for a Justice Department investigation.

"I don't know why the White House would stonewall for a year, then within a month of the election, agree to these security clearances" for the inspector general's staff, Ms. Lofgren said in an interview. "We don't know what it means, but we'll find out."

Mr. Fine said in his letter to members of Congress that he decided to open his investigation after "conducting initial inquiries" into the eavesdropping operation. That initial inquiry was limited to Mr. Fine and two other supervisors in his office who had security clearance to review the program, but it will now be widened to include investigators and staff members, officials said.

The Justice Department said it welcomed the inspector general's investigation. "We expect that this review will assist Justice Department personnel in ensuring that the department's activities comply with the legal requirements that govern the operation of the program," said Brian Roehrkasse, a department spokesman.

The administration has strongly defended the legality of the eavesdropping program, but a federal judge in Detroit ruled in August that the program was illegal and unconstitutional. The Bush administration is now appealing that decision.

Domestic Spying Program To Get Internal Review (ABC)

By Jason Ryan

ABC News, November 28, 2006

WASHINGTON, Nov. 27, 2006 — The Justice Department's inspector general has informed the Judiciary and Intelligence committees of both the House and Senate that he will begin a review of the controversial NSA Terrorist Surveillance Program.

In a letter to the committees, Inspector General Glenn Fine wrote that the review would be to examine the Justice Department's "controls and use of information related to the program and the department's compliance with legal requirements governing the program."

The inspector general's office had previously deferred a congressional request to review the NSA program and the attorney general's authorization of the program to the Justice Department's Office of Professional Responsibility, an internal DOJ watchdog that monitors the activities of DOJ lawyers.

In March, Fine noted in a report to Congress on the USA PATRIOT Act, "Under the department's interpretation of the jurisdictional authority of the OIG and OPR, allegations regarding the attorney general's legal authorization of NSA surveillance fell within DOJ OPR's jurisdiction, not the OIG's."

After an initial review by OPR earlier this year, the congressional oversight committees were informed by the chief OPR attorney, Marshall Jarrett, that his attorneys had repeatedly been denied proper security clearances by the White House.

Attorney General Alberto Gonzales testified before the Senate Judiciary Committee in July 2006 that the decision not to grant the clearances was ultimately made by President Bush.

"As with all decisions that are non-operation in terms of who has access to the program, the president of the United States makes the decision," Gonzales said.

Members of Congress have been asking for the internal Justice Department review since the program was first disclosed by the New York Times last year.

"After trying for nearly a year to get DOJ to conduct an investigation of the NSA's warrantless spy program, I am very pleased to learn that the agency's inspector general is finally opening an investigation," Rep. Maurice Hinchey, D-N.Y., said in response to Fine's letter.

Oversight Board Briefed On NSA Program (AP-Y)

By John Solomon

AP, November 28, 2006

After a delay of more than a year, a government board appointed to guard Americans' privacy and civil liberties during the war on terror has been told the inner workings of the government's electronic eavesdropping program.

Members say they were impressed by the protections.

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The briefing for the Privacy and Civil Liberties Oversight Board had been delayed because President Bush was concerned — after several press leaks — about widening the circle of people who knew the exact details of the secret eavesdropping program.

The board, created by Congress but appointed by Bush, focused on other classified work since it was named in spring 2005 but it continued to press for a formal briefing by the National Security Agency.

A breakthrough was reached in recent days and the five members were briefed by senior officials during Thanksgiving week.

Board members told The Associated Press they were impressed by the safeguards the government has built into the NSA's monitoring of phone calls and computer transmissions and wished the administration could tell the public more about them to ease distrust.

"If the American public, especially civil libertarians like myself, could be more informed about how careful the government is to protect our privacy while still protecting us from attacks, we'd be more reassured," said Lanny Davis, a former Clinton White House lawyer who is the board's lone liberal Democrat.

Davis said he believes the administration could tell the public more about the program's protections without compromising national security.

Alan Raul, a former Reagan White House lawyer and the board's vice chairman, said he too was impressed.

"We found there was a great appreciation inside government, both at the political and career levels, for protections on privacy and civil liberties," said Raul, author of a book of privacy and civil liberties. "In fact, I think the public may have an underappreciation for the degree of seriousness the government is giving these protections."

The board members are prohibited from discussing any specific protections or tactics because the NSA program remains classified.

While board members were impressed, the top Democrat on the Senate Intelligence Committee urged colleagues on Monday not to approve legislation formally legalizing the NSA program until Congress gets more answers.

"The fact is, despite repeated assurances from the administration, members of Congress remain in the dark and cannot answer fundamental questions about the program's scope, effectiveness or legal justification," said Sen. Jay Rockefeller, D-W.Va. "As one of the few members who have received the most detailed information to date, I can say that the administration has not been able to document convincingly the benefits of the program."

The board was created as a compromise between Congress and the White House amid growing public and congressional concerns about the government's tactics in the war on terror and their impact on civil rights.

Those concerns were fueled in part by news leaks that divulged the existence of the NSA's eavesdropping program, a similar terrorist finance tracking system and secret CIA prisons where high value targets have been interrogated.

Democrats, who are about to take over Congress in January, have been concerned the board doesn't have enough independence because the political compromise struck in late 2004 left the board under the authority of the president.

Some have discussed elevating the board to an independent body like the Sept. 11 review commission. Board members were meeting Monday at the White House with two dozen congressional staffers to discuss those concerns and options.

After meeting in private 16 times over the last year to discuss classified matters and to be briefed by every major U.S. intelligence agency, the board has scheduled its first public hearing Dec. 5 to solicit testimony from nongovernment privacy experts.

The forum, to be held at Georgetown University, will hear from some of the administration's privacy critics, including the American Civil Liberties Union and the Electronic Privacy Information Center, as well as conservative and academic voices.

Court Clears Way For Prosecutor To Review Records In Times Case (NYT)

By Adam Liptak

The New York Times, November 28, 2006

The United States Supreme Court refused yesterday to stop a federal prosecutor from reviewing the telephone records of two reporters for The New York Times. The records, the newspaper said, include information about many of the reporters' confidential sources.

In a one-sentence order offering no reasoning and noting no dissenting votes, the Supreme Court rejected a request from The Times to stay a lower court's decision while the paper tried to persuade the justices to review the case.

Yesterday's order effectively allows the United States attorney in Chicago, Patrick J. Fitzgerald, to begin reviewing the records, which he has already obtained from the reporters' phone companies, as early as this week.

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The Justice Department told the Supreme Court on Friday that Mr. Fitzgerald was under enormous time pressure. “The statute of limitations,” the government said, “will imminently expire on Dec. 3 and 13, 2006, on certain substantive offenses that the grand jury is investigating.”

The grand jury, in Chicago, is looking into who told the reporters, Judith Miller and Philip Shenon, about actions the government was planning to take in December 2001 against two Islamic charities in Illinois and Texas. The disclosures to the reporters, the government lawyers wrote on Friday, may have amounted to obstruction of justice.

In August, a three-judge panel of the federal appeals court in Manhattan ruled, 2 to 1, in favor of Mr. Fitzgerald, saying that the reporters were not entitled to shield their sources in the unusual circumstances of the case. The government contended that the reporters had tipped off the charities to the impending actions against them. The Times said the reporters had engaged only in routine newsgathering.

The appeals court also rejected The Times’s argument that the grand jury subpoenas, issued directly to the phone companies, were too broad. The subpoenas, the government said, covered 11 days in September and December 2001. Lawyers for The Times said the requested records could expose scores of confidential sources, most of them unrelated to the two charities.

The appeals court responded by sending the case back to the trial judge to allow The Times an opportunity to black out information concerning those other sources. But because that exercise would, in effect, identify the sources of interest to Mr. Fitzgerald, lawyers for the paper have indicated that they will not cooperate.

In a letter to the Supreme Court on Friday, government lawyers said they hoped to obtain authorization from the trial judge, Robert W. Sweet of Federal District Court in Manhattan, to begin their review as soon as tomorrow.

Ms. Miller, who retired from The Times last year after serving 85 days in jail in connection with an unrelated leak investigation also supervised by Mr. Fitzgerald, said the phone records by themselves might not satisfy the government.

“It doesn’t end there,” Ms. Miller said. “Then there will be subpoenas for, ‘What did you say to that person?’ ”

Randall Samborn, a spokesman for Mr. Fitzgerald, declined to comment.

Yesterday’s decision is the latest in a series of setbacks for the press in the federal courts. “It’s more bad news for the First Amendment,” Ms. Miller said, “and therefore it’s more bad news for the public’s right to know.”

Floyd Abrams, a lawyer for The Times, said the decision was a battle lost in a larger war.

“This case is the latest of a number of skirmishes in an ongoing and far from concluded conflict about the public’s right to information” Mr. Abrams said. “We remain hopeful that in the end, whether in the courts or in Congress, that right will be vindicated.”

Court Rejects N.Y. Times On Leak Probe (AP)

By Pete Yost

AP, November 28, 2006

WASHINGTON - The Supreme Court ruled against The New York Times on Monday, refusing to block the government from reviewing telephone records of two Times reporters in a leak investigation concerning a terrorism-funding probe.

The one-sentence order came in a First Amendment battle that involves stories written in 2001 by Times reporters Judith Miller and Philip Shenon. The stories revealed the government's plans to freeze the assets of two Islamic charities, the Holy Land Foundation and the Global Relief Foundation.

U.S. Attorney Patrick Fitzgerald is trying to track down the reporters' confidential sources for the stories. Fitzgerald's spokesman, Randall Samborn, declined to comment on the Supreme Court's order.

The case marks the second refusal by the court in as many years to sort out a clash between the federal government and the Times over press freedom.

In June 2005, the Supreme Court refused to take up the Times' request to hear an appeal in the CIA leak investigation involving the outing of Valerie Plame. In that case, Miller, who retired from the Times a year ago, spent 85 days in jail before agreeing to testify to a federal grand jury. Fitzgerald, in a role as a special counsel, conducted that leak investigation as well.

Monday's rejection "is just further indication that we're getting absolutely nowhere with the court when it comes to protecting confidential sources," said Lucy Dalglish, executive director of the Reporters Committee for Freedom of the Press.

The case points out a growing problem of reporters trying to protect their sources in the information age, press advocates say. Rather than threatening reporters with jail if they don't testify, the government can go through the back door to hunt down confidential sources by amassing phone records and credit card receipts.

"It's impossible to operate on cash only and face-to-face and do your job as journalists," said University of Minnesota media ethics and law professor Jane E. Kirtley.

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Dalglish said that protection of phone record confidentiality is among the issues that should be addressed in federal shield law legislation she and other press advocates are urging Congress to consider.

Floyd Abrams, a lawyer for the Times, said the current case is part of a larger dispute over the public's right to information.

"We remain hopeful that in the end, whether in the courts or in Congress, that right will be vindicated," Abrams said.

The current dispute stems from Shenon and Miller calling the two charities for comment after learning of the planned freeze on their assets from confidential sources.

The Justice Department says the reporters' calls tipped off the charities of upcoming government raids. A federal judge who ruled in the Times' favor said there is no evidence in the case even suggesting that the reporters tipped off the charities about the raids or that the reporters even knew the government would raid either charity.

In August, the 2nd U.S. Circuit Court of Appeals ruled 2-1 that federal prosecutors could see the two reporters' phone records.

The government says the fact that the reporters relayed disclosures from a government source to "targets of an imminent law enforcement action substantially weakens any claim of freedom of the press."

At issue are 11 days of phone records the government plans to review from 2001 - for the dates Sept. 27-30, Dec. 1-3 and Dec. 10-13. In a declaration this month, Fitzgerald said the statute of limitations "on certain substantive offenses that the grand jury is investigating" will expire on Dec. 3 and Dec. 13 of this year.

The current leak probe is in Fitzgerald's capacity as U.S. attorney in Chicago. The Libby prosecution is in Fitzgerald's role as a special counsel who was selected by a Justice Department superior to conduct that investigation.

New York Times Loses Bid To Protect Phone Records (WSJ)

The Wall Street Journal, November 28, 2006

WASHINGTON -- The Supreme Court ruled against the New York Times, refusing to block the government from reviewing the phone records of two Times reporters in a leak investigation of a terrorism-funding probe.

The one-sentence order came in a First Amendment battle that involves articles written in 2001 by New York Times Co. reporters Judith Miller and Philip Shenon. The articles revealed the government's plans to freeze the assets of two Islamic charities, the Holy Land Foundation and the Global Relief Foundation.

The dispute stems from Mr. Shenon and Ms. Miller calling two charities for comment after learning of the planned freeze on their assets from confidential sources.

The Justice Department says the reporters' calls tipped off the charities to coming government raids. A federal judge who ruled in the newspaper's favor said there is no evidence in the case to suggest that the reporters tipped off the charities about the raids or that the reporters even knew the government would raid either charity.

In August, the 2nd U.S. Circuit Court of Appeals ruled 2-1 that federal prosecutors could see the two reporters' phone records.

The government says the fact that the reporters relayed disclosures from a government source to "targets of an imminent law enforcement action substantially weakens any claim of freedom of the press."

At issue are 11 days of New York Times phone records from 2001. The government is seeking the court's permission to review the records, which the government already has in its possession. The next step is likely to be a hearing this week to determine how much leeway the Times can have to delete phone numbers of sources in the records that have nothing to do with the case in question, said Floyd Abrams, a lawyer for the Times: "The question here is are there any limits the court may place on the government's review?"

Mr. Abrams said yesterday the decision highlighted legal uncertainty about journalists' protection under the First Amendment. "This area of law remains confused and inconsistent and often incoherent," he said. "Sooner rather than later the Supreme Court is likely to review the issue."

Like the CIA leak investigation into who in the Bush administration revealed the identity of Valerie Plame, the current Justice Department probe is being conducted by Patrick Fitzgerald, who is prosecuting Vice President Dick Cheney's former chief of staff in the Plame case.

Court Won't Hear Case On Reporters' Phone Records (WP)

By Robert Barnes

The Washington Post, November 28, 2006

The Supreme Court yesterday refused a request from the New York Times to stop federal prosecutors from examining the telephone records of two of its reporters, part of a grand jury probe of an alleged leak in a terrorism-funding investigation.

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The court's decision not to get involved opens the way for U.S. Attorney Patrick J. Fitzgerald in Chicago to review the telephone records of Times reporter Philip Shenon and former reporter Judith Miller. He has said the statute of limitations will expire on Dec. 3 on certain offenses a grand jury is investigating, and on Dec. 13 on others.

The Times had asked Justice Ruth Bader Ginsburg to stay an appeals court ruling in the government's favor. She referred the matter to the full court, and it declined yesterday in a one-sentence order that did not state its reasoning.

It was the second time in as many years the court has refused to get involved in a case pitting the government against the Times, and it lets stand a ruling that is the latest in a string of court decisions to go against media organizations that resist revealing confidential sources.

The current case arises from Fitzgerald's post-Sept. 11, 2001, investigation of possible links between al-Qaeda and two U.S.-based Islamic charities, the Holy Land Foundation and the Global Relief Foundation.

In December 2001, the Times reporters learned of plans to freeze the groups' assets, and called for comment shortly before FBI agents raided the offices. Fitzgerald is trying to find out if any government officials illegally leaked information to the reporters, and said disclosure of the government's plans tipped off the charities, endangering law enforcement officials. The Times disputes this.

Two years after the stories, and after the Times had declined to reveal its confidential sources, Fitzgerald said he planned to subpoena approximately three weeks' worth of the reporters' telephone records. The Times contends that could reveal the identities of sources who have no relationship to the investigation.

"The issue in this case is whether reporters have any protection at all against compelled disclosure of their sources and whether the government may overcome such protections that do exist based only on a conclusory affidavit of counsel lacking anything that resembles clear and specific evidence," the newspaper's motion said.

A district judge in New York in 2005 agreed with the Times that it had a right to protect confidential sources. But a three-judge panel of the U.S. Court of Appeals for the 2nd Circuit disagreed, ruling 2 to 1 that the Times had no First Amendment or other legal right to block the government from reviewing the records.

The Justice Department told the court that the case did not rise to the level that would compel the court's interest.

"In light of that potential bar to the grand jury's completion of its work, delay holds a serious potential to thwart the full scope of a criminal investigation," its motion argued.

"In contrast, the harm to applicant is not nearly so great as it suggests. The court's narrow holding in this unusual case does not create a far-reaching precedent allowing disclosure into the confidentiality of a reporter's sources."

The Supreme Court's action continues a losing streak for media organizations that are being challenged to reveal their sources and is the second involving Fitzgerald and Miller.

Acting as a Justice Department special counsel, Fitzgerald sought testimony from Miller and other reporters in his investigation into whether Bush administration officials revealed the identity of CIA operative Valerie Plame. Miller spent 85 days in jail before testifying to a grand jury, which indicted Vice President Cheney's then-chief of staff, I. Lewis "Scooter" Libby.

The Supreme Court in June 2005 declined to get involved in that case.

Both nuclear scientist Wen Ho Lee and former Army scientist Steven J. Hatfill, in civil suits, have convinced courts that journalists must answer questions about confidential sources who they say have damaged their reputation.

Lawyer Floyd Abrams, who represents the Times, said there is no doubt that "a number of recent decisions have gone against the press, particularly in areas where the government is using grand juries and had a national security claim of one sort or another."

But he contends there is a "significant split" among lower courts and an "enormous amount of confusion in the law" about whether journalists have a First Amendment privilege, which will have to be addressed by the high court or Congress.

Gingrich Raises Alarm At Event Honoring Those Who Stand Up For Freedom Of Speech (UL)

By Riley Yates

Union Leader.com, November 28, 2006

MANCHESTER – Former Speaker of the House Newt Gingrich yesterday said the country will be forced to reexamine freedom of speech to meet the threat of terrorism.

GINGRICH

Gingrich, speaking at a Manchester awards banquet, said a "different set of rules" may be needed to reduce terrorists' ability to use the Internet and free speech to recruit and get out their message.

"We need to get ahead of the curve before we actually lose a city, which I think could happen in the next decade," said Gingrich, a Republican who helped engineer the GOP's takeover of Congress in 1994.

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Gingrich spoke to about 400 state and local power brokers last night at the annual Nackey S. Loeb First Amendment award dinner, which fetes people and organizations that stand up for freedom of speech.

Gingrich sharply criticized campaign finance laws he charged were reducing free speech and doing little to fight attack advertising. He also said court rulings over separation of church and state have hurt citizens' ability to express themselves and their faith.

Last night's event, held at the Radisson Hotel-Center of New Hampshire, honored a Lakes Region newspaper and a former speaker of the House for work in favor of free expression.

The Citizen of Laconia was given the Nackey S. Loeb First Amendment Award, which is named after the longtime President and Publisher of the Union Leader Corporation, owner of New Hampshire's statewide newspaper.

The Citizen scrutinized the Newfound Area School Board beginning last year over a series of e-mail discussions held before public meetings. It also used the right-to-know law to uncover costly decisions by the town of Tilton this year.

Executive Editor John Howe said the decision to pursue the stories led to at least one advertiser canceling its business with the paper.

"We try to practice what we preach, even if it costs us business," Howe said. "And it has and it will in the future.

Also honored was Marshall Cobleigh, former House speaker and a longtime aide to former Gov. Meldrim Thomson.

Cobleigh introduced an amendment to the state Constitution defending free speech. He also helped shepherd the state's 1967 right-to-know law through the Legislature.

Gingrich's speech focused on the First Amendment, but in an interview beforehand, he also hit upon wide-ranging topics.

Gingrich said America has "failed" in Iraq over the past three years and urged a new approach to winning the conflict. The U.S. needs to engage Syria and Iran and increase investment to train the Iraqi army and a national police force, he said. "How does a defeat for America make us safer?" Gingrich said. "I would look at an entirely new strategy." He added: "We have clearly failed in the last three years to achieve the kind of outcome we want."

Political parties in Presidential primary states should host events that invite candidates from both parties to discuss issues, said Gingrich, who criticized the sharpness of today's politics.

Gingrich said voters unhappy with the war, the response to Hurricane Katrina and pork barrel spending were the main drive behind the GOP's rejection at the polls. But he argued Republicans would have retained the Senate and just narrowly lost the House if President Bush had announced the departure of embattled Secretary of Defense Donald Rumsfeld before, instead of after, the election.

Gingrich said he will not decide whether he is running for President until September 2007.

The event last night was sponsored by the Nackey S. Loeb School of Communications. The school was founded in 1999 to promote journalism and other forms of communication.

PATRIOT ACT:

Raided Muslim Charity Sues Bank Over Plan To Close Accounts, Says Patriot Act Unconstitutional (FINDLAW/AP)

AP, November 28, 2006

(AP) - DETROIT-A Muslim charity raided by federal agents in September has sued a bank, saying it violated the charity's civil rights by planning to close its accounts.

The charity, Life for Relief and Development, based in Southfield, Michigan, also seeks an injunction to stop Comerica Bank from giving other banks any information it might have about the organization. The charity is challenging the constitutionality of a section of the Patriot Act, which allows financial institutions to share information about suspected money laundering or terrorist activity.

The Patriot Act, approved by Congress shortly after the Sept. 11, 2001, was designed to give law enforcement agencies more tools to combat terrorism, but some provisions were challenged on constitutional grounds for restricting civil liberties.

Comerica had told the charity that it planned to terminate the accounts Nov. 15, but granted an extension, according to the lawsuit.

Comerica Vice President Kathy Pitton declined to comment on the lawsuit, filed Wednesday in federal court.

FBI agents assigned to a terrorism task force searched Life's offices Sept. 18, seizing computer servers, donor records and other financial documents. They also searched the homes of the charity's chief executive, an ex-employee and two board members.

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The FBI would not say what agents were looking for, but charity officials have said it might be related to relief work the group did in Iraq. The international humanitarian organization also is active in Afghanistan.

No charges have been filed. The charity has sought to reassure the Detroit area's Muslim community that it is legal to donate money to the organization, which was founded in 1992 by Iraqi immigrants.

On the Net:
Life for Relief and Development:
http://www.lifeusa.org
Comerica Bank:
http://www.comerica.com

Muslim Charity Sues Comerica Over Accounts (FREEP)

By Niraj Warikoo, Free Press Staff Writer
Detroit Free Press, November 28, 2006

A Muslim charity based in Southfield has filed suit against Comerica, saying the bank violated the charity's civil rights by planning to close its accounts.

Life for Relief and Development also is challenging the constitutionality of a section of the Patriot Act that allows financial institutions to share information about suspected money laundering or terrorist activity with each other and with the federal government.

The suit asks the court for an injunction that would prevent Comerica from giving other banks any information it might have about Life.

Federal agents raided the Islamic charity's office two months ago, but no charges were filed and no allegations have been made.

The lawsuit was filed Wednesday in U.S. District Court in Detroit.

The filing occurred days after a senior vice president with Comerica, James Garavaglia, met with Arab-American leaders to explain how the Patriot Act requires banks to work with the government.

Charity officials worry that Life's reputation would be harmed if Comerica officials spread allegations about the group to other banks.

"A charity, especially a Muslim charity, has to live by its reputation," said Shereef Akeel, attorney for Life.

Comerica had planned to terminate the charity's checking accounts on Nov. 15, but after protests, the bank granted an extension.

On Friday, Comerica Vice President Kathy Pitton would not comment on the lawsuit. "It is our policy to not discuss customer relationships," she said.

Contact NIRAJ WARIKOO at 248-351-2998 or
nwarikoo@freepress.com.

HOMELAND RESPONSE:

At National Airport, Prayers Against Profiling (WP/AP)

By Leslie Miller
The Washington Post, November 28, 2006

Imams, ministers and a rabbi staged a pray-in yesterday at Reagan National Airport and demanded an apology from US Airways for barring six Muslim clerics from a Minneapolis-to-Phoenix flight last week.

The religious leaders called for an end to racial profiling, saying it was unacceptable in the United States.

"These things are troubling to us," said Mahdi Bray, executive director of the Muslim American Society Freedom Foundation.

Imam Omar Shahin, one of the six imams detained last Monday at the Minneapolis-St. Paul International Airport, said they had not done anything suspicious.

The imams, who were returning from a religious conference, had prayed on their prayer rugs in the airport before the flight. After they boarded the flight, a passenger, who was alarmed by their activity, passed a note to a flight attendant. The men were taken off the airplane, handcuffed and questioned.

"It was the worst moment in my life," Shahin said.

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US Airways spokeswoman Andrea Rader said prayer was never the issue.

"Apparently, as they were boarding, one passenger overheard them saying what they thought were anti-U.S. statements," Rader said.

She also said the men got up and moved around the airplane, so the flight crew consulted with the airline about whether they might pose a security risk. Local law enforcement and the FBI thought they did, she said.

"We're sorry the imams had a difficult time, but we do think the crews have to make these calls, and we think they made the right one," she said. US Airways plans to meet with the imams this week, Rader said.

Yesterday, Shahin and a handful of other Muslims bowed down on rugs and prayed in National's Terminal A, near the US Airways ticket counter. Jewish and Christian clergy also said prayers.

After the prayer session, Shahin and other religious leaders boarded a US Airways flight to demonstrate their determination to continue praying and flying.

Hilary Shelton, director of the NAACP national office, called on Congress to pass legislation to bar racial profiling. The bill is necessary because airlines are unclear how to deal with racial and ethnic profiling, he said.

In the aftermath of the Sept. 11, 2001, terror attacks, four airlines accused of breaking federal anti-discrimination laws settled with the government. Transportation Department investigations found that the airlines had unlawfully removed passengers because of their perceived ethnic or religious backgrounds.

Though the air carriers -- American Airlines, United Airlines, Delta Air Lines and Continental Airlines -- admitted no wrongdoing, they agreed to carry out civil rights training for their employees.

The Transportation Department hasn't received any complaints about the latest incident, said spokesman Brian Turmail.

"Should someone file a complaint, then we would investigate," Turmail said.

The Homeland Security Department's Office for Civil Rights and Civil Liberties said last week that it was investigating the US Airways incident.

Clerics Protest With Prayer At Reagan National (USAT)

USA Today, November 28, 2006

A small group of Muslim imams, Christian ministers and a Jewish rabbi staged a “pray-in” demonstration Monday at Ronald Reagan Washington National Airport. They demanded an apology from US Airways for barring six Muslims from a Minneapolis-to-Phoenix flight. The clerics also called for an end to racial profiling.

Imam Omar Shahin, one of the six imams detained Nov. 20 at the Minneapolis-St. Paul International Airport, said they hadn't done anything suspicious. The imams had prayed in the airport before the flight. After boarding, a passenger passed a note to a flight attendant, and the men were taken off the plane, handcuffed and questioned.

US Airways spokeswoman Andrea Rader said prayer was never the issue. “Apparently … one passenger overheard them saying what they thought were anti-U.S. statements,” Rader said.

Court turns down ‘Times,' won't hear vouchers appeal

The Supreme Court ruled against The New York Times, refusing to block the government from reviewing the phone records of two reporters in a leak investigation of a terrorism-funding probe.

The order came in a First Amendment battle that involves stories written in 2001 by Times reporters Judith Miller and Philip Shenon. The stories revealed government plans to freeze the assets of two Islamic charities, the Holy Land Foundation and the Global Relief Foundation.

The court also declined to hear a challenge to a Maine law that bars the use of public funds to send students to private religious schools. School districts in 145 small towns in Maine that have no high schools currently offer tuition for 17,000 students to attend high schools of their choice, public or private, except for religious schools.

Inspector general to probe terrorism wiretap program

The inspector general's office at the Department of Justice has opened an investigation into the agency's use of information gathered in the government's warrantless surveillance program. In a letter to House Judiciary Committee leaders obtained by the Associated Press, Inspector General Glenn Fine said the probe would focus on the department's role in carrying out the spying program run by the National Security Agency. The review comes a week after a federal judge ruled that the NSA is not required to release details on its wiretapping program, which targets communications between people in this country and people overseas when a link to terrorism is suspected.

Meanwhile, members of the Privacy and Civil Liberties Oversight Board told the Associated Press they were impressed by safeguards the government has built into the NSA's eavesdropping program. The board was briefed on the inner workings of the program during Thanksgiving week. “If the American public … could be more informed about how careful the government is to protect our privacy … we'd be more reassured,” said Lanny Davis, a former Clinton White House lawyer.

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How The Imams Terrorized An Airliner (WT)

By Audrey Hudson

The Washington Times, November 28, 2006

Muslim religious leaders removed from a Minneapolis flight last week exhibited behavior associated with a security probe by terrorists and were not merely engaged in prayers, according to witnesses, police reports and aviation security officials.

Witnesses said three of the imams were praying loudly in the concourse and repeatedly shouted "Allah" when passengers were called for boarding US Airways Flight 300 to Phoenix.

"I was suspicious by the way they were praying very loud," the gate agent told the Minneapolis Police Department.

Passengers and flight attendants told law-enforcement officials the imams switched from their assigned seats to a pattern associated with the September 11 terrorist attacks and also found in probes of U.S. security since the attacks -- two in the front row first-class, two in the middle of the plane on the exit aisle and two in the rear of the cabin.

"That would alarm me," said a federal air marshal who asked to remain anonymous. "They now control all of the entry and exit routes to the plane."

A pilot from another airline said: "That behavior has been identified as a terrorist probe in the airline industry."

But the imams who were escorted off the flight in handcuffs say they were merely praying before the 6:30 p.m. flight on Nov. 20, and yesterday led a protest by prayer with other religious leaders at the airline's ticket counter at Ronald Reagan Washington National Airport.

Mahdi Bray, executive director of the Muslim American Society Freedom Foundation, called removing the imams an act of Islamophobia and compared it to racism against blacks.

"It's a shame that as an African-American and a Muslim I have the double whammy of having to worry about driving while black and flying while Muslim," Mr. Bray said.

The protesters also called on Congress to pass legislation to outlaw passenger profiling.

Rep. Sheila Jackson-Lee, Texas Democrat, said the September 11 terrorist attacks "cannot be permitted to be used to justify racial profiling, harassment and discrimination of Muslim and Arab Americans."

"Understandably, the imams felt profiled, humiliated, and discriminated against by their treatment," she said.

According to witnesses, police reports and aviation security officials, the imams displayed other suspicious behavior.

Three of the men asked for seat-belt extenders, although two flight attendants told police the men were not oversized. One flight attendant told police she "found this unsettling, as crew knew about the six [passengers] on board and where they were sitting." Rather than attach the extensions, the men placed the straps and buckles on the cabin floor, the flight attendant said.

The imams said they were not discussing politics and only spoke in English, but witnesses told law enforcement that the men spoke in Arabic and English, criticizing the war in Iraq and President Bush, and talking about al Qaeda and Osama bin Laden.

The imams who claimed two first-class seats said their tickets were upgraded. The gate agent told police that when the imams asked to be upgraded, they were told no such seats were available. Nevertheless, the two men were seated in first class when removed.

A flight attendant said one of the men made two trips to the rear of the plane to talk to the imam during boarding, and again when the flight was delayed because of their behavior. Aviation officials, including air marshals and pilots, said these actions alone would not warrant a second look, but the combination is suspicious.

"That's like shouting 'fire' in a crowded theater. You just can't do that anymore," said Robert MacLean, a former air marshal.

"They should have been denied boarding and been investigated," Mr. MacLean said. "It looks like they are trying to create public sympathy or maybe setting someone up for a lawsuit."

The pilot with another airline who talked to The Washington Times on condition of anonymity, said he would have made the same call as the US Airways pilot.

"If any group of passengers is commingling in the terminal and didn't sit in their assigned seats or with each other, I would stop everything and investigate until they could provide me with a reason they did not sit in their assigned seats."

One of the passengers, Omar Shahin, told Newsweek the group did everything it could to avoid suspicion by wearing Western clothes, speaking English and booking seats so they were not together. He said they conducted prayers quietly and separately to avoid attention.

The imams had attended a conference sponsored by the North American Imam Federation in Minneapolis and were returning to Phoenix. Mr. Shahin, who is president of the federation, said on his Web site that none of the passengers made pro-Saddam or anti-American statements.

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The pilot said the airlines are not "secretly prejudiced against any nationality, religion or culture," and that the only target of profiling is passenger behavior.

"There are certain behaviors that raise the bar, and not sitting in your assigned seat raises the bar substantially," the pilot said. "Especially since we know that this behavior has been evident in suspicious probes in the past."

"Someone at US Airways made a notably good decision," said a second pilot, who also does not work for US Airways.

A spokeswoman for US Airways declined to discuss the incident. Aviation security officials said thousands of Muslims fly every day and conduct prayers in airports in a quiet and private manner without creating incidents.

Bottle And Threatening Note Found (WP)

By Mary Beth Sheridan And Petula Dvorak

The Washington Post, November 28, 2006

Authorities closed the Lincoln Memorial for more than two hours yesterday after receiving reports of a suspicious liquid and a threatening note on the grounds, officials said. Tests showed no evidence of a harmful substance.

D.C. firefighters received a call at 12:40 p.m. reporting that a bottle believed to contain a liquid was found in the women's restroom in the base of the memorial, fire and federal homeland security officials said.

While a hazardous materials unit was en route, U.S. Park Police became concerned about a letter discovered on the statue of Lincoln in the main chamber of the memorial. According to officials, the letter asked, "Do you know what anthrax is?" and "Do you know what a bomb is?" In addition, a thermos that police found on the memorial steps was initially considered suspicious, officials said.

Officials closed the memorial, and the objects were tested by police explosives experts and the fire department's hazardous materials team, according to Wayne Benson, battalion fire chief in the Special Operations Division. They were deemed harmless and turned over to police and the FBI for a criminal investigation, officials said.

The Gatorade bottle found in the restroom was empty, said Alan Etter, a fire department spokesman. Etter said police were given the threatening letter by someone who found it on the statue of Lincoln.

The monument reopened about 3 p.m.

Park Police put out an alert to look for a man seen leaving the site about 12:30 p.m. He was described as white, about 6 feet tall and 200 pounds, with blond hair and wearing a green knit hat and green shirt. He appeared to be 30 to 35, according to the bulletin.

Lincoln Memorial Closed Briefly (AP-Y)

By Lubna Takruri

AP, November 28, 2006

Authorities briefly closed the Lincoln Memorial on Monday after finding suspicious containers and a note reading, "Do you know what anthrax is?" and "Do you know what a bomb is?"

The scare began about noon when a visitor to the memorial discovered the note in a plastic document holder near the steps of the memorial.

After evacuating the area, U.S. Park Police found a travelers' coffee mug near the note on the steps and a Gatorade bottle in a women's restroom, said Wayne Benson, a battalion chief with the District of Columbia fire department.

None of the objects was found to be a threat, Benson said.

The memorial was reopened less than three hours later. No injuries were reported.

Benson would not confirm the contents of the note. An official from the Department of Homeland Security, who asked to not be identified because his agency was not in charge of the incident, quoted the questions about anthrax and bombs.

During the closure, hazardous materials crews in protective suits were seen working at the site, and the public was kept about 50 yards from the base of the memorial. Explosives experts and K-9 units were also called to the scene, Benson said.

Park Police Lt. Donald Robinson said his agency and the FBI continued to investigate.

Union Looks To Democrats On TSA Screener Rights (WP)

By Stephen Barr

The Washington Post, November 28, 2006

Baggage and passenger screeners at the Transportation Security Administration are not allowed to bargain over the terms and conditions of their employment, but the largest federal union hopes to get the Democratic majority in the next Congress to take another look at whether that ban is justified.

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The American Federation of Government Employees, headed by John Gage, won a favorable opinion from a Geneva-based, U.N. agency, the International Labor Organization, on the issue of screener rights.

The ILO's Committee on Freedom of Association, in an opinion this month, said that it was concerned that the TSA's decision in 2003 to invoke national security considerations to block union representation "may impede unduly upon the rights of these federal employees."

Screeners, the committee said, are not engaged in "making national policy that may affect security" and are not engaged "in the administration of the state." Under those criteria, the committee said, TSA's 45,000 screeners should have collective bargaining rights.

The United States is a member of the ILO, which seeks to set worldwide labor standards. But ILO committee opinions are not binding, and the TSA said that the opinion will not change the agency's stance toward union representation.

In a statement, the TSA said Congress left it to the agency to decide whether to grant bargaining rights. The leeway to ban unions is contained in the 2001 Aviation Transportation Security Act, which created the agency after the terrorist attacks on the World Trade Center and the Pentagon.

"Given the critical national security mission of our security officers, collective bargaining is not appropriate, and would reduce TSA's ability to make changes rapidly in response to threats," the TSA statement said.

Proposals to allow TSA screeners to unionize have not gained traction in Congress, but AFGE officials hope that will change when Democrats take control of the House and Senate next year. Rep. Nita M. Lowey (D-N.Y.), who lost a vote on an amendment that would have let screeners engage in bargaining, plans to push the issue, her spokeswoman said.

Efforts by the AFGE to overturn the TSA ban through litigation also have been rebuffed by the government and in U.S. courts.

A key ruling came in 2003, when a regional director for the Federal Labor Relations Authority, which hears labor-management disputes inside the government, found that screeners were not entitled to a vote on union representation and that "Congress intended to treat security screeners differently than other employees of the agency."

Since Congress created the TSA, the agency has been folded into the Department of Homeland Security, where thousands of Border Patrol agents, Customs and Border Protection officers and others are represented by unions. The White House and Congress proposed curbing union rights at Homeland Security, but U.S. courts blocked the effort. The issue of how to deal with unions is back before the department.

Mark Roth, general counsel at the AFGE, said some members of Congress might have looked at collective bargaining as an impediment to a speedy launch of the agency, but he noted that four years have passed and that the TSA suffers from high turnover in the screener workforce.

"The agency has been stood up and is part of DHS. To keep its employees as separate and with less rights than other DHS employees, I think we can make the case that is no longer rational," he said.Retirement

Eileen Hayes Hurley, a leading intelligence research specialist in federal law enforcement, will retire Thursday after more than 40 years of federal service. Her career has included work on terrorism, organized crime and drug trafficking at the Drug Enforcement Administration, U.S. Customs Service, the Immigration and Naturalization Service, Naval Criminal Investigative Service and, currently, at the Bureau of Alcohol, Tobacco, Firearms and Explosives, where she is a branch chief.

Intelligence Agencies Invest In College Education (USAT)

By Richard Willing

USA Today, November 28, 2006

Community seeks skilled recruits on campuses. Some uncomfortable with financial link to academia.

The U.S. intelligence community pours millions into higher education, paying for hundreds of scholarships, intelligence-related courses and fellowships at nearly a dozen universities, public documents and interviews with officials show.

Last month, the Office of the Director of National Intelligence (ODNI) more than doubled the number of schools in its program. The Department of Homeland Security (DHS) is also developing a program for nuclear scientists.

The sponsoring agencies, including the CIA, say the programs help ensure they get enough recruits skilled to wage the war on terrorism. The programs began in 2004.

Agencies also pay for internships and summer “spy camps” aimed at attracting high school students to study intelligence.

Since 2004, more than $16 million has been appropriated for courses and overseas fellowships in Middle Eastern and South Asian language studies, engineering, computer science, analytical thinking, Islamic studies and other specialties.

The new programs differ from earlier government assistance plans such as the Title VI fellowships and the National Security Education Program. Those programs sponsor language study for students interested in careers in foreign affairs but are not tied to intelligence agencies.

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The programs recognize that 21st-century intelligence officers need skills that can "translate to a variety of areas," says Lenora Peters Gant, who runs the ODNI's university outreach program. "We want to hire an engineer that understands world cultures and religions and speaks Urdu and Farsi or maybe Korean. That's where (intelligence) is going."

The programs also target more women and minorities, Gant says. Three of the 10 schools backed by the agency are historically black colleges. More than 90% of students at a fourth college are women.

"We need really good, young officers off of U.S. college and university campuses," says Charles Allen, a 47-year CIA veteran who is chief intelligence officer for the DHS. "We need young, bright aggressive Americans who really want to serve their country."

The programs have revived a decades-old debate about the proper relationship between intelligence agencies and academia. They have also invited comparisons to the 1950s, when the FBI sometimes encouraged students to report on professors' political leanings, and the 1960s, when the CIA paid for the National Student Association and tapped its members for intelligence work.

One program, the Pat Roberts Intelligence Scholars, keeps the identities of its participants secret.

"Secrecy, in particular, is a problem," says David Price, anthropology professor at St. Martin's University in Spokane, Wash., and author of a book on FBI surveillance of academics in the 1950s.

"I've looked at far too many old FBI documents to ever be comfortable with the idea" of such agencies funding students, Price says.

Academic and intelligence communities share a complicated history. During World War II, the Office of Strategic Services, the CIA's predecessor, recruited historians, anthropologists and other specialists, according to historian Robin Winks' book Cloak & Gown. In the 1950s and '60s, faculty members at Yale, Harvard, MIT and other elite universities served as talent spotters, steering promising students into intelligence careers.

Intelligence recruiters also liked small Catholic schools such as Trinity University in Washington, D.C., says Robert Maguire, an international relations professor who coordinates Trinity's intelligence studies program.

These days, demographics make Trinity a target for intelligence agency recruiters. More than 90% of Trinity's approximately 1,000 undergraduates are women. About 70% are minorities.

"The intelligence community of the 21st century has to look and think a lot more like the world around it," says T.J. Waters, a former CIA officer who teaches in the Eckerd College intelligence program in St. Petersburg, Fla. "These (programs) are a recognition of that."

The intelligence community's sometimes dark reputation made an undergraduate intelligence program a hard sell for faculty members, Maguire says. "The usual reaction to the word 'intelligence' was images of the CIA and nuns being murdered in Guatemala."

What sold the program at Trinity was its popularity with students, says Leah Martin, 21, student body president and intelligence student.

Trinity professors received stipends to revise courses and design new ones when ODNI started its first Center of Academic Excellence there in 2004. Intelligence students study creative problem solving, contemporary diplomatic history and social science research methods. The dozen or so who pursue an "intelligence certificate," essentially a minor in intelligence studies, are required to serve as summer "spy camp" counselors, chaperoning high school students who visit the CIA and attend lectures by intelligence professionals.

Janie Pacheco, 21, an economics major who is pursuing an intelligence studies certificate, took "Written and Oral Briefings for Professionals" to improve her writing skills. The course assigned a standard 20-page paper — hers was on the economic impact of Hurricane Katrina — but added this twist: Students had to boil their research down into a single paragraph that could be used in an oral briefing to policymakers.

"It was really about designing information, depending on how it's ultimately going to be used," says Pacheco of Mount Rainier, Md. "You can see the worth of this (to) intelligence, but really, this is a skill that transfers to almost any job."

Intelligence work, Martin says, appears to combine travel, excitement and, in the post- 9/11 environment, something approaching job security. "You get to travel, to do something different every day, you're challenged in your work and you get to serve your country," says Martin, 21. "How cool is that?"

Inside The CIA (WT)

By Gary Anderson

The Washington Times, November 28, 2006

DOJ_NMG_0098960

Among the agencies of the federal government, three are legendary: the Marine Corps, the FBI and the CIA. One of the things that put them into that category is the unique culture of each. If they have anything in common it is that their field officers all go through a similar basic training and education course.

Each course has its own unique objectives and methods, but all three have a rite of passage as well as the training they accomplish. The FBI Academy and the Marine Corps Basic School are both located just a few miles apart on the Quantico Marine Corps base.

As a former officer of Marines, I am fairly familiar with both schools and the cultures that they produce. However, until reading "Class 11," I was not aware of how closely the basic schooling of CIA officers is to that of the Marines and the FBI.

Class 11 was the first post-September 11 class at the CIA. Consequently, it was larger and much more diverse than its predecessors, reflecting an agency policy decision that it had to recruit from a broader base of skill sets to adjust to the post-September 11 era. T.J Waters is a graduate of that class and obtained CIA permission to tell the unclassified portions of his story. The result is an education regarding a little-known, but much imagined, world.

Mr. Waters' classmates were a truly diverse lot. They included stockbrokers, successful businessmen, lawyers and even a former pro football player; all were drawn by the opportunity to avenge the attacks on September 11, and perhaps more important, to help prevent a future tragic event.

In many ways, the CIA curriculum is very similar to that of the Marine Corps and FBI. All three teach different skills, but they all create a socialization process that absorbs the students into the organization's culture, ethos and heritage. All three combine lecture followed by practical application; they all stress physical fitness and they bond students together into a lifetime fraternity.

The difference is that a person can usually spot a Marine officer or FBI agent in a crowd, even in civilian clothes. The CIA trains its students to be studiously inconspicuous. Students are encouraged and forced to bond. Those who survive the agency's screening process and get into the program, but prove to be incompatible with the organization, are quietly weeded out. This is rare because CIA screening is rigorous, but it sometimes happens.

The agents do learn how to use disguises and gadgets, developed by the storied CIA "toy factory," but they also learn the mundane tasks of surveillance avoidance, recruiting foreign agents and how to write coherent and useful reports. Most of the CIA's training takes place in diverse locations, but the real crucible is at the legendary "Farm" in central Virginia for the final leg of the course.

The book also relates some of the humorous incidents in training, such as one where CIA and Defense Department intelligence agents get cross-wired when two covert training exercises, not coordinated between the two agencies, collide in Alexandria, Va. Washington-area readers will appreciate the fact that most of the book takes place in familiar surroundings. Local police also occasionally spot students acting suspiciously and detain them, which results in some amusing asides.

However, a grim note ensues when the 2002 Washington sniper crisis brings a forbidding note of realism into training. Harmless field exercises suddenly become dangerous and the students, and faculty have to grapple with the question of what they would do if they stumble upon the real sniper. Do they blow their agency cover or intercede? In this reviewer's opinion, they come up with the right answer.

This is Mr. Waters' first book. He has done a credible job. He still maintains a contractual relationship with the agency and also consults with the Defense Department. At times, we learn a little more about his personal life than we want to, but the purpose is to show the kind of sacrifice that CIA officers and their families have to make.

The author obviously loves and admires the organization. He gives it credit for trying to keep up with the times, but he is honest enough to question whether or not it is changing fast enough to keep up with our adaptive non-state opponents. This is a question pertinent to the entire federal government. Nonetheless, the reader comes away with a deeper understanding of one of our most misunderstood organizations.

Gary Anderson is a frequent contributor to the book pages of The Washington Times.

WAR NEWS:

Bush Broadens Diplomatic Efforts On Iraq (AP)

By Tom Raum

AP, November 28, 2006

President Bush intensified diplomatic efforts on Monday to quell rising violence in Iraq and Afghanistan, turning to allies as his national security adviser said the conflict in Iraq had entered "a new phase" requiring changes.

"Obviously everyone would agree things are not proceeding well enough or fast enough," National Security Adviser Stephen Hadley told reporters aboard Air Force One as Bush flew eastward.

DOJ_NMG_0098961

The president was spending Monday night in this tiny Baltic nation ahead of a two-day NATO summit in Riga, Latvia, expected to deal with deteriorating conditions in Afghanistan, where NATO has 32,000 troops.

Both Estonia and Latvia are former Soviet republics that are strong allies in the war on terror.

Bush will head to Amman, Jordan, for talks Wednesday and Thursday with Iraqi Prime Minister Nouri al-Maliki and King Abdullah of Jordan.

From Air Force One, the president spoke to the leaders of France and Egypt.

Addressing the upcoming meetings with al-Maliki, Hadley said, "We're clearly in a new phase characterized by an increase in sectarian violence that requires us to adapt to that new phase."

Bush and al-Maliki "need to be talking about how to do that and what steps Iraq needs to take and how we can support" Iraq's leaders, Hadley said.

The adviser rejected suggestions that Iraq had already spiraled into a civil war and said it was unlikely Bush would address with the Iraqi leader the issue of any U.S. troop withdrawals. "We're not at the point where the president is going to be in a position to lay out a comprehensive plan," Hadley said.

Hadley also said he believed that al-Maliki — rather than Bush — seemed more likely to bring up the subject of dealing with Iran and Syria, saying the Iraqi leader had strong views on the subject.

The New York Times on Monday quoted a senior U.S. intelligence official who said the Iranian-backed Hezbollah had been providing training for the Mahdi Army, the Iraqi Shiite militia led by anti-American cleric Muqtada al-Sadr. The anonymous official told the Times that 1,000 to 2,000 Shiite fighters had been trained by Hezbollah in Lebanon.

U.S. officials have previously accused Iran of military interference in Iraq. Earlier this month, CIA Director Michael Hayden told a congressional panel, "The Iranian hand is stoking violence and supporting even competing Shiite factions" in Iraq. In March, Defense Secretary Donald H. Rumsfeld accused Tehran of sending elements of its Revolutionary Guard to stir trouble inside Iraq.

Bush received a briefing Sunday night at the White House from Vice President Dick Cheney, who had gone to Saudi Arabia over the weekend as part of the administration's expanded efforts to draw Iraq's neighbors into the search for a solution.

In further signs of a worsening situation, a mortar attack ignited a huge fire Monday night at an oil facility in northern Iraq, shutting the flow of crude oil to a major refinery. And a U.S. Air Force jet crashed in Anbar province, a hotbed of the Sunni-Arab insurgency, officials said. Al-Jazeera reported that the pilot was killed.

Meanwhile, Britain said it expects to withdraw thousands of its 7,000 military personnel from Iraq by the end of next year, and Poland and Italy announced the impending withdrawal of their remaining troops as well.

In the U.S., the Iraq Study Group, a 10-member commission led by former Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton of Indiana, was working on a set of strategies for Iraq.

The bipartisan group, which will also meet Tuesday, appeared ready to endorse drawing Iran and Syria into the effort to end violence in Iraq and resuming Middle East peace talks, said a former U.S. official knowledgeable about some of the commission's recent deliberations.

The commission seemed unlikely to propose a timetable for withdrawing U.S. troops from Iraq, said the official, who spoke on condition of anonymity because of the secrecy surrounding the commission's work. But some members seemed to favor setting a date for only an initial withdrawal, an idea that has been pushed by many congressional Democrats.

United Nations Secretary-General Kofi Annan discussed the situation in Iraq Monday afternoon in a teleconference with members of the group, which was meeting in Washington.

The president is expected to urge NATO members to increase military spending at the summit in Riga. Violence has increased markedly in recent days, particularly in the southern part of Afghanistan, where the Taliban are resurgent.

Bush is trying to persuade many European allies to contribute more for the Afghanistan effort. He'll also promote his plan to invite several major non-NATO countries, including Japan, Australia and South Korea, into some joint missions with NATO.

Bush is the first sitting U.S. president to visit Estonia.

His brief stopover in this medieval capital was seen as a token of American gratitude for the Baltic ally's strong support in both Iraq and Afghanistan.

Unlike in most of Europe, there is hardly any public criticism here of Bush's administration or the Iraq war. A small protest by anarchists was planned in Tallinn on Tuesday but was not expected to cause any major disruption.

Bush will meet with Estonian Prime Minister Andrus Ansip and U.S.-educated President Toomas Hendrik Ilves. Bush and Ilves planned a joint news conference.

The U.S. president also was expected to meet democracy activists and Estonian soldiers who have served on foreign missions.

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Aides said Bush also spoke by phone from Air Force One to Chinese President Hu Jintao on relations between the two countries and their recent meeting on the sidelines of a summit in Vietnam of Asian-Pacific nations. Bush also phoned former Italian Prime Minister Silvio Berlusconi, who was hospitalized for tests after he fainted during a rally.

White House Says Iraq In 'New Phase' (AP-Y)

By Tom Raum

AP, November 28, 2006

President Bush intensified diplomatic efforts on Monday to quell rising violence in Iraq and Afghanistan, turning to allies as his national security adviser said the conflict in Iraq had entered "a new phase" requiring changes.

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Civil War In Iraq Near, Annan Says (WP)

By Robin Wright And Thomas E. Ricks

The Washington Post, November 27, 2006

The Iraq Study Group began two days of intensive behind-closed-doors deliberations yesterday as the White House conceded that Iraq has moved into a dangerous new phase of warfare requiring changes in strategy. In a sign of the growing global concern about Iraq's fate, U.N. Secretary General Kofi Annan appealed for immediate steps to prevent the country from crumbling into all-out civil war.

"Given the developments on the ground, unless something is done drastically and urgently to arrest the deteriorating situation, we could be there. In fact, we are almost there," Annan said when a reporter asked about the prospects of civil war in Iraq.

National security adviser Stephen J. Hadley told reporters traveling to Estonia with President Bush: "Obviously, everyone would agree things are not proceeding well enough or fast enough." Washington must find ways to "adapt," he added.

Events over the past week, including the deadliest attacks since the war began in March 2003, have created a new sense of diplomatic urgency about finding a viable strategy to contain Iraq's violence and limit spillover damage across the region. The White House again resisted assertions that Iraq is now in a civil war, but that stance is increasingly hard to defend, according to analysts, diplomats and even some U.S. officials in private.

"While the situation on the ground is very serious, neither Prime Minister [Nouri al-] Maliki nor we believe that Iraq is in a civil war. The Iraqi government is making slow but sure progress on important issues that will help stop the violence and bring the country together," National Security Council spokesman Gordon Johndroe said yesterday.

At least one Iraqi leader says otherwise. "It's worse than a civil war. In a civil war, you at least know which factions are fighting each other," lamented a senior member of Iraq's government in an interview a few hours after Johndroe's comments. "We don't even know that anymore. It's so bloody confused."

Saudi Arabia is so concerned about the damage that the conflict in Iraq is doing across the region that it basically summoned Vice President Cheney for talks over the weekend, according to U.S. officials and foreign diplomats. The visit was originally portrayed as U.S. outreach to its oil-rich Arab ally.

In a reflection of the growing new dimension of civil strife, a senior U.S. intelligence official said yesterday that the militia of radical Shiite leader Moqtada al-Sadr has grown eightfold over the past year and now fields 40,000 to 60,000 men. That makes it more effective than the Iraqi government's army, the official indicated.

The Iraqi army has about 134,000 men, but about half are doing only stationary guard duty, the official said. Of the half that conduct operations, only about 10 battalions are effective -- well under 10,000 men.

Sadr is so powerful that if provincial elections were held now, he would sweep most of the south and also take Baghdad, said the intelligence officer, who spoke on the condition of anonymity because of the sensitivity of his position.

Iraq's prime minister "doesn't have any coercive powers of his own," he said, calling Maliki "beholden to Sadr." Maliki won the prime minister's job with backing from Sadr, whose political bloc holds 30 seats in parliament.

Addressing the sectarian problem by engaging Iraq's neighbors, notably Iran and Syria, is an idea gaining favor within the 10-member, bipartisan Iraq Study Group, which is in the final phase of its eight-month search for a new policy. But the panel was still deeply divided over recommendations going into its meeting yesterday.

The group, led by former secretary of state James A. Baker III and former congressman Lee H. Hamilton (D-Ind.), hopes to issue its recommendations before Congress adjourns next month. Although deliberations are secret, the five Republicans and five Democrats are exploring ideas that include a gradual withdrawal of U.S. troops.

Some Democrats on the panel favor a plan by congressional Democrats to name a date to begin withdrawal, as a way to pressure Iraqis to show more leadership. Members of the board were divided, however, over how many troops and how fast to withdraw, sources close to the group said.

President Bush is due to meet with Maliki on Thursday in Jordan to review the situation. "We're clearly in a new phase, characterized by this increasing sectarian violence that requires us obviously to adapt to that new phase, and these two leaders need to be talking about how to do that," Hadley told reporters.

He said he expects the two leaders to discuss whether Washington should talk to Iran and Syria, although he thinks Maliki, not Bush, will raise the issue. Maliki has "strong views," he added, that any conversation with Syria and Iran "ought to be a conversation by Iraqis."

In a subtle nod to the Iraq Study Group, Hadley said that the president plans to listen to the range of voices for ideas but that Bush will reassure Maliki the president "will be crafting the way forward on Iraq" primarily in collaboration with Baghdad.

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But in a sign of the discord in Washington, the senior U.S. intelligence official said the situation requires that the administration abandon its long-held goal of national reconciliation and instead "pick a winner" in Iraq. He said he understands that means the Sunnis are likely to bolt from the fragile government. "That's the price you're going to have to pay," he said.

The United States also needs to reexamine other basic assumptions, he said. To be effective, for example, the Iraqi security forces -- including army and police -- should be roughly doubled from the current goal of 325,000 to about 650,000, which would require about three years of recruiting and training, he said. The expanded military, he added, would probably become overwhelmingly Shiite and Kurdish -- an outcome that many Sunnis fear.

The United States also needs to deal quickly with a serious problem of overcrowded prisons that has led the government to free about 2,000 fighters each month to make room for new prisoners, he said. Those released are not scofflaws, he said: "These are the hard-core guys."

The intelligence official said that he "never saw any evidence" that Sadr's organization sent personnel to Lebanon this summer to fight against Israel, but said he had heard talk that some were sent there to be trained by Lebanese members of Hezbollah, an organization funded by Iran's Shiite government.

He said there was evidence that the Iranian government this year had escalated its efforts inside Iraq.

"The whole year, yes, it has stepped up," he said. "More training in and out of Iraq. More coordination with Hezbollah. More advisers."

A War Of Words Over Iraq (BSUN)

By Julie Hirschfeld Davis

The Baltimore Sun, November 28, 2006

WASHINGTON -- With sectarian violence raging in Iraq and President Bush grasping for options, the question of whether Iraqis are locked in a civil war has taken on new urgency.

The term is fraught with emotional overtones and policy implications, which is why it sparks lively arguments and strong pushback from the White House. Bush vehemently rejects the idea that Iraq is engaged in a civil war, while a growing chorus of scholars and strategists says that is exactly what the staggering civilian death toll and factional strife amount to.

The national news media are grappling with the issue as well, as evidenced by Monday's announcement from NBC News that, after much consideration, it had decided to use the phrase.

In a nod to how sensitive the topic has become, the network's Matt Lauer noted, "We didn't just wake up on a Monday morning and say, 'Let's call this a civil war.' This took careful deliberation."

Bush has said he would not allow U.S. troops to be caught "in the crossfire between rival factions." Conceding that a civil war has broken out in Iraq could undermine that promise and increase pressure for a quick withdrawal of American forces.

At the same time, labeling the conflict as a civil war could deepen public distaste for keeping U.S. troops in Iraq, replacing Bush's stated goals -- annihilating terrorism and planting the seeds of Middle Eastern democracy -- with a referee's role that would be harder to justify, analysts said.

The White House continued to resist the notion that Iraq had descended into civil war. Stephen J. Hadley, the national security adviser, sidestepped a question on whether the label applies, saying that Iraqis do not believe there is a civil war.

"It is what it is. There is a high level of sectarian violence. It is a challenge for the Iraqis. It's a challenge for us," Hadley told reporters aboard Air Force One en route with the president to a NATO conference in Europe.

Tony Snow, the White House spokesman, who also talked with reporters aboard Bush's plane, said what's happening in Iraq does not fit the definition of a civil war.

"What you do have is sectarian violence that seems to be less aimed at gaining full control over an area than expressing differences and also trying to destabilize a democracy, which is different than a civil war, where two sides are clashing for territory and supremacy," Snow said.

Still, most scholars agree that civil war is defined as a situation in which clearly defined groups from the same country battle each other for political influence. The conflict must claim significant casualties, many say at least 1,000 lives. Sunni and Shiite violence, including brutal revenge killings, has escalated steadily in Iraq this year, and Iraq's health minister estimated this month that up to 150,000 civilians had been killed in the war.

Some of the Bush administration's strongest allies now openly use the term civil war to describe what is going on in Iraq.

Ayad Allawi, the former prime minister of Iraq, said last spring that with 50 to 60 Iraqis dying each day, "If this is not civil war, then God knows what civil war is." Nouri al-Maliki, the current prime minister, has said there will "never be a civil war in Iraq."

Top administration and military officials, including Defense Secretary Donald H. Rumsfeld and Gen. John P. Abizaid, the commander of U.S. forces in Iraq, have said that Iraq could be on the brink of civil war, though Bush has never accepted that characterization. Instead, the president says it is up to U.S. forces to prevent Iraq from devolving into such a conflict.

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King Abdullah II of Jordan, who is to meet with Bush Wednesday in Amman to discuss the war, warned over the weekend that given the conflict in Iraq, tensions in Lebanon and the Israeli-Palestinian crisis, "We're juggling with the strong potential of three civil wars in the region." He told ABC that strong steps had to be taken to avert a "tremendous crisis."

Anthony Cordesman, a national security analyst at the Center for Strategic and International Studies, said there is no question that the situation on the ground in Iraq constitutes civil war. Arguing over whether that's true is "a remarkably silly semantic debate" that yields no solutions for the steadily increasing violence, he added.

"If you accept civil war, it is seen as marking yet another step toward what is perceived as defeat politically," Cordesman said of the Bush administration. "You have people using the term because they're dramatizing the problems, and you have the White House making the argument because it wants to stay the course."

Bush's pledge not to get U.S. troops caught in a crossfire is moot, Cordesman said. "They are already in Baghdad, trying to separate ethnic factions that are shooting at them," he said.

Bush is going to "convoluted lengths" to avoid the term civil war because he wants to avoid appearing to take sides in a raging internal battle, Peter W. Galbraith wrote in the most recent edition of New Republic magazine.

"But saying it isn't civil war doesn't make it so," said Galbraith, a former U.S. diplomat and Bush critic who has proposed partitioning Iraq. "Training and equipping Iraq's security forces as the United States is doing only produces more lethal combatants in the country's internecine conflict."

The potency of the term civil war comes from the fact that "it's not what we signed up for," said David Rothkopf of the Carnegie Endowment for International Peace. "We went in there to replace a despotic government with a democratic government. We said we were there to get rid of terrorists. Well, which side are the terrorists?

"Now we find ourselves being a referee in a civil war. Neither side is us. It means that the premise for our national involvement and policies has been challenged and compromised," Rothkopf said.

Describing the situation in Iraq as a civil war would further reduce support for the war among the American people, who, research shows, will not tolerate U.S. casualties from intervention in that kind of conflict, analysts said.

"As bad as public support for the war is, it's likely to get worse if they see this as a civil war. It's a battle that the administration has largely lost already," said Christopher F. Gelpi, a Duke University researcher on war and public opinion. "It will raise the question in their minds, 'Well then, if this is a civil war, should we withdraw?'"

The term civil war is often used by critics of U.S. involvement to stoke public opposition, Gelpi added.

The Democratic Party pounced on NBC's announcement, accusing Bush of trying to "spin" the Iraq war by "splitting hairs."

"If you're lying dead on the street in Baghdad, I don't imagine it makes much difference" what the conflict is called, Rothkopf said, adding that the debate is "taking us away from" looking at the key moral and strategic questions about how the United States should handle it.

NBC To Use 'Civil War' To Describe Iraq (LAT)

By Matea Gold

The Los Angeles Times, November 28, 2006

NEW YORK — NBC News said Monday that its reporters and anchors would begin referring to the ongoing sectarian strife in Iraq as a "civil war," a move that reflects the news media's use of increasingly stark language to characterize the escalating violence gripping the country.

NBC's decision, which came after a particularly deadly series of retaliatory attacks in Baghdad, makes it the first television network to officially adopt the term "civil war," a description the Bush administration has resisted.

The Times was the first major news organization to formally adopt the description when it began to refer to the hostilities as a civil war in October, without public fanfare. No other major media outlet has made the phrase a matter of policy, although it has cropped up in various news reports.

The White House has exerted pressure on the media not to use the term, journalists said, which led to newsroom caution over the issue. NBC's announcement spotlights a shift in semantics that has quietly taken place on the airwaves and in newsprint as the violence has worsened along with the public's view of the situation in Iraq.

"Today" co-anchor Matt Lauer explained NBC's position at the beginning of the morning show, saying news executives had concluded that the current fighting met the definition of a civil war.

"For months now the White House has rejected claims that the situation in Iraq has deteriorated into civil war, and for the most part, news organizations like NBC have hesitated to characterize it as such," Lauer said. "But after careful consideration, NBC News has decided a change in terminology is warranted, that the situation in Iraq with armed militarized factions fighting for their own political agendas can now be characterized as civil war."

The White House continued to object to the description.

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"What you do have is sectarian violence that seems to be less aimed at gaining full control over an area than expressing differences, and also trying to destabilize a democracy — which is different than a civil war, where two sides are clashing for territory and supremacy," White House Press Secretary Tony Snow told reporters on Air Force One on Monday as President Bush flew to Tallinn, Estonia.

The Times began referring to the violence as a "civil war" in an Oct. 7 article after several months of internal discussions.

"For some time now we believe it has been a fairly simple call: Inside one country you have different armed groups fighting with each other," said Marjorie Miller, the newspaper's foreign editor. "That is the definition of a civil war."

The newspaper uses the term to characterize the violence in the center of Iraq and Baghdad, but editors noted that the fighting in other areas, such as the western province of Al Anbar, where Marines engage in regular combat with insurgents, was sometimes described differently. The newspaper has used "civil war" dozens of times, although Miller said it had not appeared as consistently as she would have liked.

"I had to keep up the conversation to make sure we called it what it is, a civil war," she said.

The New York Times has decided to let correspondents describe the conflict as a civil war when they and their editors believe it is appropriate, Executive Editor Bill Keller said.

"It's hard to argue that this war does not fit the generally accepted definition of civil war," Keller said in a statement, but he added that the term does not capture the complexity of the violence.

"We expect to use the phrase sparingly and carefully, not to the exclusion of other formulations, not for dramatic effect," he said.

CNN, which does not have an official policy regarding the term, has left the description of the violence in Iraq up to its correspondents, many of whom have used "civil war" in the last several months.

"Anyone who still remains in doubt about whether this is civil war or not is suffering from the luxury of distance," CNN reporter Michael Ware said on the air Monday as he reported from Baghdad.

John Daniszewski, international editor at the Associated Press, said editors there had not decided whether to adopt the term.

"From a dictionary and academic point of view, many experts already consider Iraq to be immersed in a civil war," he said in a statement. "However, there is a contrary school of thought that a civil war should be more narrowly defined as one cohesive force opposing another inside a country — whereas in Iraq the fighting and violence often seem multifaceted, chaotic and anarchic."

Political analysts said NBC's public embrace of the term further complicated the administration's efforts to maintain that the violence had not spun out of control.

"Words have power, and naming it a civil war does begin to shape people's perception of what's happening there," said Thomas Hollihan, a professor at USC's Annenberg School for Communication who studies political rhetoric.

The midterm election results, widely seen as a repudiation of the administration and its policy in Iraq, may have emboldened news organizations to adopt a characterization the White House has rejected, he added.

"The media has, by and large, been very fearful of being perceived of being liberally biased," Hollihan said. "Now that the election has occurred, there may be more license on the part of the media to say what the public has been feeling."

NBC's decision applies to newscasts, including the network's flagship evening program, anchored by Brian Williams, as well as those on cable channel MSNBC. Spokeswoman Allison Gollust said executives decided to adopt the term after extensive conversations with military experts, historians and correspondents in Iraq.

"There was unanimous agreement that this was not an inappropriate label," she said.

Retired Army Gen. Barry McCaffrey, one of those consulted in NBC's discussions, told Lauer on Monday that he had considered the situation in Iraq a "low-grade conflict" civil war for the last 18 months.

"Now it's on the verge of spinning out of control," said McCaffrey, an NBC News analyst.

On Thursday, at least 215 people were killed by multiple bombings in a Shiite neighborhood of Baghdad, triggering a series of deadly retaliatory attacks throughout the weekend. In a rare public comment about the fighting, United Nations Secretary-General Kofi Annan said Monday that he believed Iraq was on the brink of civil war.

Although there is not a universally accepted definition of the term, many experts agree that such a war consists of fighting between organized groups pursuing a political agenda within the recognized borders of one country.

Administration officials have maintained that the current situation in Iraq does not meet that standard, contending that the fighting has been largely centered on Baghdad and that the various insurgent forces are not unified.

A Fox News spokeswoman said the cable network had no plans to change its terminology, while CBS News said its correspondents and producers chose how to describe the fighting in their reports.

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Last week, ABC anchor Charles Gibson raised the issue on the air during a conversation with senior national security correspondent Jonathan Karl.

"Military officials say it could escalate into a full-scale civil war, but with 3,700 people dying in a month and 100,000 people leaving the country and the kind of sectarian violence we're seeing, aren't we in a full-scale civil war already?" Gibson asked during the Nov. 22 afternoon webcast of "World News."

"That is certainly a debate that you can hear in the halls here at the Pentagon," Karl said. "It's a question of definitions."

NBC: Iraq In 'civil War' (USAT)

USA Today, November 28, 2006

The politically charged use of the term "civil war" to describe the violence in Iraq came to a head Monday when NBC News said that the conflict fit its description of a civil war and that NBC would call it that.

The announcement by Today's Matt Lauer put the network at odds with the White House — which said Monday that although the conflict in Iraq is serious, it is not a civil war — and prompted renewed discussion among news outlets.

CBS, ABC, CNN and Fox News said that as sectarian violence has risen, their reporters have called the conflict a civil war, and will continue, though they plan no formal change in policy.

On CNN Monday, correspondent Michael Ware said, "If this isn't a civil war, I don't know what is."

Recent dispatches in outlets such as the Los Angeles Times and New York Times also have referred to a civil war. USA TODAY calls the conflict "the war in Iraq" and refers to "sectarian violence or "religious fighting."

Tom McPhail, a journalism professor at the University of Missouri/St. Louis, says NBC's move is "a defining and negative moment" in the war in Iraq, "like when Walter Cronkite said on air that the Vietnam War was lost."

Kofi Annan Says Iraq Close To Civil War (AP-Y)

By Ben Feller

AP, November 28, 2006

U.N. Secretary General Kofi Annan said Monday that Iraq is close to civil war, as the Bush administration stepped up diplomatic efforts to stabilize the wartorn country.

Annan talked to reporters in New York as members of the Iraq Study Group were to discuss recommendations for changes in U.S. war strategy. President Bush left for a NATO summit in Europe, but much attention was directed toward a meeting he'll have later in the week with Iraqi Prime Minister Nouri al-Maliki in Amman, Jordan.

Asked by reporters at the U.N. if Iraq is in a civil war now, Annan replied, "I think given the developments on the ground, unless something is done drastically and urgently to arrest the deteriorating situation, we could be there. In fact we are almost there."

Sectarian violence in Iraq is at its worst level in the roughly 3 1/2 years since a U.S.-led coalition invaded the country and toppled Saddam Hussein. Bush's summit this week comes in the wake of talks that Vice President Dick Cheney held over the weekend in the region and as members of the special study commission mull recommendations.

The New York Times reported in Monday's editions that a draft report by the study panel led by former Secretary of State James A. Baker III recommends aggressive regional diplomacy, including talks with Iran and Syria.

Anonymous officials who had seen the draft report told the Times it does not specify any timetables for the withdrawal of U.S. troops from Iraq, although the commissioners are expected to debate the feasibility of such timetables.

The panel is expected to release its findings and recommendations in December.

Appearing Monday on ABC's "Good Morning America," former President Jimmy Carter said that "at this point everybody is waiting" for the report. "My guess is that President Bush will take their advice as much as he possibly can," he added.

Carter said he would agree with any call for direct U.S. talks with Iran and Syria over Iraq, adding: "This is one of the most counterproductive policies that I've ever known, ... not to talk to the people who disagree with you unless they agree in advance to everything you demand."

Republican Sen. Chuck Hagel of Nebraska, a potential presidential contender in 2008, said "it's not too late for the United States to extricate itself honorably from an impending disaster in Iraq."

"If the president fails to build a bipartisan foundation for an exit strategy, America will pay a high price for this blunder — one that we will have difficulty recovering from in the years ahead," Hagel wrote in Sunday's Washington Post.

As the U.S. involvement in Iraq surpassed the length of America's participation in World War II, lawmakers have dwindling confidence in the U.S.-supported Iraqi government.

Maj. Gen. William B. Caldwell, a spokesman for coalition forces in Iraq, declined Monday to say whether Iraq had plunged into civil war.

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"No. What we have right now... What I would tell you is, ... we have violence that are at unacceptable levels at the moment," he said in an interview from Baghdad with Associated Press Radio. "It had been on a downward trend for about four solid weeks."

"The vast majority of the citizens here want to live in a peaceful secure city. That's what their desire is," Caldwell said.

The Bush-Maliki summit on Wednesday and Thursday, coupled with Cheney's trip to Saudi Arabia on Saturday, is evidence of the administration's stepped-up effort to bring stability to the region.

The host of the meeting, Jordan's King Abdullah, said Sunday the problems in the Middle East go beyond the war in Iraq. He said much of the region soon could become engulfed in violence unless the central issues are addressed quickly.

The king said he was hopeful the leaders will find a way to reduce the level of violence. "We hope there will be something dramatic. The challenges, obviously, in front of both of them are immense," he said.

Iraq's leaders promised Sunday to track down those responsible for the recent attacks, and al-Maliki urged his national unity government of Sunnis, Shiites and Kurds to curb the violence by stopping their public disputes.

The Iraqi prime minister is under pressure from Shiite politicians loyal to the radical anti-American Shiite cleric Muqtada al-Sadr who have threatened to boycott parliament and the Cabinet if al-Maliki meets with Bush.

"This is all political posturing. It's all red herring. It's an anti-threat. This is a very stable government," responded Iraq's national security adviser, Mouwafak al-Rubaie. He said he had no doubt the prime minister would meet with Bush in Jordan.

Bush Asking Arab Friends For Iraq Help (NYT)

By Helene Cooper

The New York Times, November 28, 2006

WASHINGTON, Nov. 27 — As President Bush and his top diplomats try to halt the downward spiral in Iraq and Lebanon, they seem intent on their strategy of talking only to Arab friends, despite increasing calls inside and outside the administration for them to reach out to Iran and Syria as well.

Mr. Bush and Secretary of State Condoleezza Rice are traveling to Jordan this week for talks that are to include Iraq's prime minister and a number of Sunni Arab leaders but exclude the Iranians and Syrians, despite the influence they wield in Iraq and Lebanon.

Meanwhile, one of Ms. Rice's most trusted aides, Philip D. Zelikow, announced Monday that he was resigning his post as State Department counselor. Mr. Zelikow, widely viewed as a voice of candor in the administration on the Iraq crisis, said in his resignation letter that he would return to teaching at the University of Virginia. He cited a "truly riveting obligation to college bursars" for his children's tuition.

An administration official said Mr. Zelikow had been frustrated with administration policy on the Middle East, including Iraq, and North Korea.

There have been signs of strain within the administration, particularly at the State Department, where career Foreign Service officials have argued for increased dialogue with Iran and Syria to try to stem the violence in Iraq and Lebanon. "We've got a mess on our hands," said a senior State Department official, who, like others discussing the subject, spoke on the condition of anonymity because he was not authorized to discuss the subject publicly.

When Mr. Bush and Ms. Rice arrive in Amman on Wednesday, they will try to enlist help from Sunni Arab leaders to try to rein in the violence in Iraq by putting pressure on Sunni insurgents. That was part of Vice President Dick Cheney's message to King Abdullah of Saudi Arabia during a brief visit on Saturday, administration officials said, and Mr. Bush will repeat that entreaty with King Abdullah II of Jordan, as will Ms. Rice when she meets for talks with Persian Gulf foreign ministers at the Dead Sea on Thursday and Friday.

Specifically, the United States wants Saudi Arabia, Jordan and Egypt to work to drive a wedge between the Iraqi prime minister, Nuri Kamal al-Maliki, and the anti-American Shiite cleric Moktada al-Sadr, whose Mahdi Army has been behind many of the Shiite reprisal attacks in Iraq, a senior administration official said. That would require getting the predominantly Sunni Arab nations to work to get moderate Sunni Iraqis to support Mr. Maliki, a Shiite. That would theoretically give Mr. Maliki the political strength necessary to take on Mr. Sadr's Shiite militias.

"There's been some discussion about whether you just try to deal first with the Sunni insurgency, but that would mean being seen to be taking just one side of the fight, which would not be acceptable," the administration official said, speaking on condition of anonymity under normal diplomatic practice.

But getting Sunni Arab nations to urge Iraqi Sunnis to back Mr. Maliki in the hopes of peeling him away from Mr. Sadr is a tall order under any circumstances, and it was made even taller last week after the killing of more than 200 people by bombings in a Shiite district of Baghdad, the deadliest single attack since the American invasion. The attacks led to violent reprisals; vengeful Shiite militiamen attacked Sunni mosques in Baghdad and Baquba.

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"We're clearly in a new phase, characterized by this increasing sectarian violence," Stephen J. Hadley, the national security adviser, told reporters aboard Air Force One on the way to Estonia for a NATO summit meeting before Mr. Bush's meeting with Mr. Maliki. "That requires us, obviously, to adapt to that new phase, and these two leaders need to be talking about how to do that and what steps Iraq needs to take and how we can support them."

In return for helping on Iraq, the Sunni Arab countries have asked the Bush administration for a new push toward an Israeli-Palestinian peace accord. Mr. Bush has largely shied away from that longstanding demand, but things may be changing.

Ms. Rice may add two stops — Ramallah, in the West Bank, and Jerusalem — to her itinerary this week, administration officials said. While her schedule has not been made final, Ms. Rice is considering meeting with Ehud Olmert, the Israeli prime minister, and Mahmoud Abbas, the Palestinian Authority president.

Ms. Rice has argued in favor of stepping up work on the Israeli-Palestinian front, and several times this fall she has seemed to be on the verge of a major peace initiative, only to be overtaken by other crises.

A new cease-fire began Monday after Israeli and Palestinian leaders agreed to end five months of fighting in Gaza. The truce got off to a shaky start when Palestinian militants associated with Hamas and Islamic Jihad fired nine rockets into southern Israel, but American, Arab and European diplomats said this may be the most important chance in some time to end the fighting.

Mr. Olmert, in a speech on Monday, even suggested that the cease-fire could revive peace efforts. A visit by Ms. Rice to the region could further prod those efforts, American officials said.

"We have seldom seen the U.S. administration so focused on all of the constituent parts of putting the Middle East together as they are at this point," a European diplomat said. "They seem to suddenly have got that this isn't just about Iraq. It's about a number of parts of the Rubik's Cube that they have to put together again."

Beyond Israel, another part of the puzzle is whether America will directly engage Iran and Syria, something the administration remains loath to do, despite indications that a bipartisan study group will recommend a regional diplomatic initiative to include both countries. The pressure to begin talks is rising, with former administration officials joining the call.

"The Syrians are saying, 'We can negatively affect the situation in Lebanon and hurt your friends, we can negatively affect Iraq, but that's all right, don't talk to us,' " said Theodore H. Kattouf, President Bush's former ambassador to Syria. "With diplomacy generally, if you're not prepared to achieve your aims through warfare, then you have to engage in some horse-trading. Unfortunately, there isn't much give-and-take between the U.S. and Syria right now."

Bush And Maliki Make Last-ditch Effort To Keep Control Of Iraq In Amman Talks (FT)

By Guy Dinmore In Washington And Roula Khalaf In London

Financial Times, November 28, 2006

When US President George W. Bush and the Iraqi prime minister last met in the White House in late July, Mr Bush praised the courage of Nouri al-Maliki. The US president promised more troops to reinforce Baghdad and a continued US commitment to the Iraqi people who were demonstrating their attachment to democracy.

Since then, according to the United Nations, Iraqis are being killed at a rate of 100 a day, with 3,700 deaths in October alone. During this period, 400,000 Iraqis have fled the country, and 300 US troops have died.

Officials close to Moqtada al-Sadr are reported to have said the radical Shia cleric is threatening to pull out of the national unity government if Mr Maliki does not put a stop to attacks on the Shia. They have also warned him against meeting Mr Bush in Amman, Jordan, tomorrow and Thursday.

US politicians have repeatedly called for pressure on Mr Maliki to rein in Mr Sadr, whose militia, the Mahdi army, is believed to be involved in sectarian killings.

With his own party increasingly split over his Iraq policy following their rout by the Democrats in the mid-term elections for Congress, Mr Bush is also under extreme political pressure to start bringing troops home.

Senator Trent Lott, the incoming number two in the Republican Senate leadership, said at the weekend that Mr Bush had to be "very aggressive and specific" with Mr Maliki, suggesting that the prime minister was becoming "part of the problem".

Reflecting the views of many Americans who express exasperation with how Iraq has responded to "liberation", the senator said that if Iraqis did not respond to US help in training and reconstruction and setting guideposts for the future, "then we're going to be done with it".

The Amman summit is widely seen in Washington as a last-ditch effort by Mr Bush to demonstrate to his fragmented party and a sceptical US public that he has a grip on the situation. If not, the president will find himself with little room for manoeuvre before the new Congress convenes in early January and the bipartisan Iraq Study Group led by James Baker, former secretary of state, and former Democrat congressman Lee Hamilton, put forward their policy recommendations, possibly in mid-December.

Meanwhile, the US military is not ruling out sending more soldiers into Baghdad to join the 7,000 reinforcements that were not able to secure and hold the city in August.

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An Iraqi government spokesman said the Amman summit would chart a "map" for future relations between the US and Iraq, particularly on the security front.

Ali al-Dabbagh told the FT that Mr Maliki wanted an accelerated programme for the training of Iraqi security forces. The Iraqi government, he said, was also looking for a separate agreement with the US to "organise" and "regulate" the coalition presence - but only after the extension of its UN mandate, which comes up for renewal next month.

*Jalal Talabani, Iraq's president, said yesterday security was "the most important issue" in negotiations with Iran as he began a state visit, Gareth Smyth reports from Tehran.

Mr Talabani's trip comes amid speculation in the US over opening dialogue with Iran and Syria on Iraq's future.

Iranian president Mahmoud Ahmadi-Nejad promised Tehran would do "whatever we can to help establish security" in Iraq and that "a secure, developed and powerful Iraq benefits the Iraqi nation, Iran and the whole region".

But Iranian officials suggested Tehran was in no mood to offer comfort to Washington.

Iraq Diplomacy Heats Up With Meetings (AP)

By Qassim Abdul-Zahra And Bassem Mroue

AP, November 28, 2006

Iraq's president turned to Iran on Monday for help to stem the bloodshed, and Iraqi officials said talks this week between President Bush and Prime Minister Nouri al-Maliki will focus on giving Iraqis more control so U.S. forces can withdraw.

"We are in dire need of Iran's help in establishing security and stability in Iraq," Iran's state-run television quoted Iraqi President Jalal Talabani as saying after he met with Iranian President Mahmoud Ahmadinejad in Tehran.

The increased pace of diplomacy comes as a bipartisan U.S. panel headed by former Secretary of State James A. Baker III and former Rep. Lee Hamilton is expected to put forth recommendations soon to the White House on alterations to Iraq policy. Seeking help from Iran and Syria was believed to be among the Iraq Study Group's proposal following American elections and calls for a speedy U.S. withdrawal.

Looking ahead to the Bush-Maliki summit in Amman, Jordan, the Iraqi side viewed the talks as the most important between leaders of the two countries since the ouster of Saddam Hussein, according to the two top officials with intimate knowledge of planning for the Wednesday-Thursday meeting.

Iraqi officials believe the summit will deal with giving Iraqi forces more control over security. The Iraqis expect President Bush to agree to such an arrangement, and they say al-Maliki will then ask for the Americans to start discussing a timetable for the withdrawal of U.S. troops, according to one of the officials, who spoke on condition of anonymity because of the sensitive nature of the information.

But Bush's national security adviser, Stephen Hadley, said it was unlikely Bush would address with the Iraqi leader the issue of any U.S. troop withdrawals. "We're not at the point where the president is going to be in a position to lay out a comprehensive plan," Hadley told reporters aboard Air Force One.

The second Iraqi official, who spoke anonymously for the same reason, said American officials had indicated in preparatory talks in Baghdad that Bush was open to increasing the pace of the security hand-over.

"The responsibilities of U.S. troops will decrease when security is transferred to Iraqis, and that will mean the Americans have more soldiers here than they need," the second official said.

Also on the Iraqi agenda, the officials said, would be al-Maliki's insistence that the United States pressure its Sunni Arab allies in the region to stop what Baghdad claims is support for the Iraqi insurgency.

Lastly, al-Maliki wants to get an outline of the U.S. view of the strategic relationship that would exist as the Americans draw down their presence in the country, the Iraqi officials said.

Hadley said the conflict in Iraq had entered "a new phase" requiring changes.

"Obviously everyone would agree things are not proceeding well enough or fast enough," he said. "We're clearly in a new phase characterized by an increase in sectarian violence that requires us to adapt to that new phase."

Bush and al-Maliki "need to be talking about how to do that and what steps Iraq needs to take and how we can support" Iraq's leaders, Hadley said, rejecting suggestions that Iraq had already spiraled into a civil war.

As the summit approached, Britain said on Monday it expected to withdraw thousands of its 7,000 military personnel from Iraq by the end of next year, and Poland and Italy announced the impending pullout of their remaining troops.

The Iraqi officials said they expected al-Maliki would brief Bush on the outcome of Talabani's meetings with Ahmadinejad.

Al-Maliki also was expected to explain his thoughts on how Syria, Iraq's western neighbor, could play a role in calming violence. Al-Maliki lived in exile in Syria during Saddam's rule.

Hadley said he believed that al-Maliki — rather than Bush — seemed more likely to bring up the subject of dealing with Iran and Syria, saying the Iraqi leader had strong views on the subject.

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As Iraqi officials reached out to both Iran and the U.S., speculation rose that Mideast peace might also be on Bush's agenda. Israeli Prime Minister Ehud Olmert on Monday delivered one of his most conciliatory speeches yet, and Palestinian legislator Saeb Erekat said it was possible that Palestinian President Mahmoud Abbas would meet with Bush in Jordan, whose king faces new vulnerability because of violence in Gaza and floods of Iraqi refugees.

Jordan's King Abdullah said Sunday the problems in the Middle East go beyond the war in Iraq and that much of the region soon could become engulfed in violence unless the central issues are addressed quickly.

"We could possibly imagine going into 2007 and having three civil wars on our hands," he said, citing conflicts in Iraq, Lebanon and the decades-long strife between the Palestinians and Israelis.

Key players in those conflicts are Syria and Iran, which has a major influence over fellow Shiites in Iraq, including the Shiite-led government.

The meeting between Talabani and Ahmadinejad, which was delayed for two days because of a security clampdown in Iraq, provided Tehran an opportunity to try to assert its role as the top regional power broker to counter Washington's influence on Baghdad.

During their talks, Ahmadinejad pledged Tehran's support in helping to improve security in Iraq.

"Definitely, the Iranian government and nation will stand next to its brother Iraq and will do every help it can to strengthen security in Iraq," state-television quoted him as saying.

"We believe a stable, developed and powerful Iraq is in the interest of the Iraqi nation, Iran and the whole region," Ahmadinejad said, according to the television report.

Iran had been trying to organize a summit joining Ahmadinejad, Talabani and Syrian President Bashar Assad, but Damascus decided against attending.

Talabani flew to Tehran on Monday after the government ended a three-day curfew on vehicle traffic and reopened the international airport. The curfew and closure were imposed after bombings Thursday killed 215 people in Sadr City, Baghdad's main Shiite Muslim enclave.

Iran's potential for heavy influence in Iraq is particularly troubling to the Bush administration. Many in Iraq's new Shiite-dominated power structure have deep ties to Iran, and many of the key players spent considerable time in exile in Iran during Saddam's rule. The two main Shiite militias in Iraq are believed to rely heavily on Iran for training, funding and weapons.

The United States has been estranged from the Shiite theocracy that has run Iran since the pro-U.S. shah was toppled nearly three decades ago, and the difficult relationship has only worsened as Washington accuses Iran of trying to develop nuclear weapons in disregard of the Nuclear Nonproliferation Treaty.

Thus, inviting Iran to become a formal player in an attempt to quell violence in Iraq would be an extraordinarily delicate diplomatic maneuver for the White House.

It faces the same problem with Syria, which the United States has basically shunned in recent years, especially since the assassination of former Lebanese Prime Minister Rafik Hariri. Syrian agents have been implicated in that crime and the U.S. has pointed to Damascus in the killing last week of another anti-Syrian Lebanese leader, Industry Minister Pierre Gemayel.

In Diplomatic Turn, Iraqi Reaches Out To Iran (WP)

By Nancy Trejos

The Washington Post, November 28, 2006

BAGHDAD, Nov. 27 -- In the latest sign of a budding diplomatic relationship, Iraq's President Jalal Talabani arrived in Iran on Monday to seek his neighbor's help in ending his country's sectarian conflict, as Britain said it expects to withdraw thousands of troops by the end of next year.

The diplomatic maneuvering came on a day when a U.S. Air Force fighter jet with one pilot aboard crashed north of Baghdad, officials announced. The U.S. military provided no details on how the plane crashed or what happened to its pilot.

Talabani's visit to Tehran was delayed by a three-day curfew imposed after a series of car bombs exploded in the Shiite Muslim stronghold of Sadr City on Thursday, setting off a wave of reprisal killings. There were reports of sporadic violence Monday as the curfew was lifted.

"We are in dire need of Iran's help in establishing security and stability in Iraq," state-run television quoted Talabani as saying after he met with Iranian President Mahmoud Ahmadinejad in Tehran.

Ahmadinejad pledged his support in helping Iraq stop the escalating violence. "Definitely, the Iranian government and nation will stand next to its brother Iraq," he said on state-run television. "We believe a stable, developed and powerful Iraq is in the interest of the Iraqi nation, Iran and the whole region."

The United States has been leery of Iran's effort to position itself as a regional power broker. Relations between Iran and the United States deteriorated this year, as a defiant Ahmadinejad refused demands that he suspend his country's uranium

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enrichment program. The Bush administration has also accused Iran of fomenting the violence in Iraq by assisting Shiite militias, an allegation that officials in Tehran have denied.

In Washington, the Iraq Study Group, co-chaired by former secretary of state James A. Baker III and former congressman Lee H. Hamilton, is seriously considering recommending next month that President Bush begin discussions with Iran and Syria, another adversary in the Middle East, on how to stabilize the region.

Bush is scheduled to meet with Iraqi Prime Minister Nouri al-Maliki in Amman, Jordan, on Wednesday and Thursday.

In London, British Defense Secretary Des Browne said that many British soldiers will leave Iraq over the next year, as control of two southern provinces is transferred to Iraqi forces. Britain, the United States' main coalition partner, has 7,000 troops in the country.

"Even when all the provinces are handed over, we will still be providing a force to mentor and back up the Iraqi army and police and to protect coalition supply routes," Browne said in a speech to the Royal Institute of International Affairs. "But I can tell you that by the end of next year, I expect numbers of British forces in Iraq to be significantly lower -- by a matter of thousands."

Also Monday, Polish President Lech Kaczynski said his country would pull out its remaining 900 soldiers by the end of 2007. And Italian Prime Minister Romano Prodi said the last of Italy's 60 or 70 soldiers will leave this week.

Bush is under intense pressure to withdraw U.S. troops after a 3 1/2 -year presence but has said he cannot do so until Iraqi forces are ready to secure their own country.

The violence that engulfed Iraq after last week's bombings illustrated how far the Iraqi government is from that goal. Security forces are widely seen as ineffective at best and in collusion with militias and death squads at worst.

Among Monday's discoveries were 39 bodies in Baghdad, apparently victims of death squads, the Associated Press reported.

The U.S. military announced that three soldiers were killed and two wounded in fighting in Baghdad on Sunday.

A U.S. Air Force F-16 fighter jet crashed about 20 miles northwest of Baghdad about 1:35 p.m. local time while it was engaged in combat operations, the Air Force reported.

The al-Jazeera satellite television network showed footage that it said depicted the wreckage and said it had video of a dead pilot.

East of Fallujah, Lt. Col. Ayman Falah, the deputy chief of police in the town of Haswa, said he had requested the help of U.S. forces to confront a group of terrorists. He said that the jet arrived, flying at a low altitude, and that the terrorists brought it down with missiles. Afterward, American forces sealed off the area and imposed a curfew, he said.

U.S. military officials would not comment on Falah's account.

In Canberra, a special inquiry cleared Australia's government on Monday of wrongdoing in an Iraqi oil-for-food scandal, but recommended that top officials of the monopoly wheat exporter face charges for paying more than $200 million to Saddam Hussein's government, the Associated Press reported.

Iran Promises To Help Iraq In Ending Violence There (NYT)

By Nazila Fathi And Kirk Semple

The New York Times, November 28, 2006

TEHRAN, Nov. 27 — Iran's president, Mahmoud Ahmadinejad, pledged Monday in a meeting with the Iraqi president that Iran would do all it could to stop the growing violence in Iraq.

"The Iranian government and people will stand by their brothers in Iraq and will do anything to help bring peace into Iraq," Mr. Ahmadinejad said in a news conference with the Iraqi president, Jalal Talabani, state-run television reported. "A safe, developed and strong Iraq is better for Iran and also for the region," he said.

In an effort to increase its role as an influential power in the region, Iran also invited the Syrian president, Bashar al-Assad, to join the talks. But Mr. Assad did not respond to the invitation, according to an official at Mr. Ahmadinejad's office who requested anonymity.

Analysts believe that Mr. Talabani is here to urge Iranian officials to hold direct talks with the United States to help stop the bloodshed in Iraq. Iran has close ties with Shiite leaders in Iraq, and it might be able to call on them to exert restraint. Many of them lived in Iran in exile when Saddam Hussein ruled Iraq.

A draft report by an American bipartisan commission studying new strategies for Iraq urges that the United States conduct direct talks with Iran and Syria, according to American officials who have seen all or part of the document.

In the press conference, Mr. Talabani, a Kurd who had close ties to Iran, said Iraq needed Iran's help to bring peace.

"We seriously need Iran's help to restore stability and security," he was quoted as saying.

Iran and Iraq fought a bloody war from 1980 to 1988. Mr. Talabani was Iraq's first president to travel to Iran when he came a year ago, and Iraq's prime minister, Nuri Kamal al-Maliki, visited Iran in September.

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In Iraq on Monday, an American fighter jet crashed in Anbar Province about 20 miles northwest of Baghdad, the American military command reported. The Air Force F-16, which had one pilot on board, was supporting combat troops when it went down, the military said, offering no further details.

Mohammed al-Obeidi, a resident in the nearby town of Karma who witnessed the crash, told The Associated Press that the jet had been flying erratically before it plunged into a field and exploded. Al Jazeera television reported that two Iraqi militant groups, Mujahedeen Army and the Mujahedeen Shura Council, claimed that they had brought down the plane, according to [a news service].

Three American soldiers were killed in the capital and two were wounded during combat operations on Sunday, according to a military press statement.

American forces opened fire on civilians in the Husseiniya neighborhood in northeast Baghdad late Monday night, killing five and wounding eight, an Interior Ministry official said. An American military spokeswoman in Baghdad said she had no information on the shooting.

On Monday, the government lifted a curfew it had imposed on Baghdad after a series of car bombs on Thursday killed more than 200 people in the Shiite neighborhood of Sadr City.

The curfew gave way to scattered violence on Monday. According to the Interior Ministry official, three guards were kidnapped from the Municipal Building, the latest in a series of brazen daylight attacks against government buildings.

At least six people were killed and 20 wounded in attacks in the capital, including a mortar bombardment, two clashes between gunmen and Iraqi security forces, and another kidnapping, the official said.

The Iraqi police found at least 39 bodies scattered around Baghdad and another five dumped just east of the city, according to the official.

In Diyala Province, north of Baghdad, gunmen killed a store owner in the town of Muqdadiya, then hid a bomb in the store and detonated it when a group of civilians arrived to retrieve the owner's body, the ministry official said. Four of them were killed and 25 were wounded, according to the official. Twelve more people were killed in other incidents around Baquba, the provincial capital, the official said.

Hezbollah Said To Help Shiite Army In Iraq (NYT)

By Michael R. Gordon And Dexter Filkins

The New York Times, November 28, 2006

WASHINGTON, Nov. 27 — A senior American intelligence official said Monday that the Iranian-backed group Hezbollah had been training members of the Mahdi Army, the Iraqi Shiite militia led by Moktada al-Sadr.

The official said that 1,000 to 2,000 fighters from the Mahdi Army and other Shiite militias had been trained by Hezbollah in Lebanon. A small number of Hezbollah operatives have also visited Iraq to help with training, the official said.

Iran has facilitated the link between Hezbollah and the Shiite militias in Iraq, the official said. Syrian officials have also cooperated, though there is debate about whether it has the blessing of the senior leaders in Syria.

The intelligence official spoke on condition of anonymity under rules set by his agency, and discussed Iran's role in response to questions from a reporter.

The interview occurred at a time of intense debate over whether the United States should enlist Iran's help in stabilizing Iraq. The Iraq Study Group, directed by James A. Baker III, a former Republican secretary of state, and Lee H. Hamilton, a former Democratic lawmaker, is expected to call for direct talks with Tehran.

The claim about Hezbollah's role in training Shiite militias could strengthen the hand of those in the Bush administration who oppose a major new diplomatic involvement with Iran.

The new American account is consistent with a claim made in Iraq this summer by a mid-level Mahdi commander, who said his militia had sent 300 fighters to Lebanon, ostensibly to fight alongside Hezbollah. "They are the best-trained fighters in the Mahdi Army," he said, speaking on condition of anonymity.

The specific assertions about Iran's role went beyond those made publicly by senior American officials, though Gen. Michael V. Hayden, the director of the Central Intelligence Agency, did tell Congress this month that "the Iranian hand is stoking violence" in Iraq.

The American intelligence on Hezbollah was based on human sources, electronic means and interviews with detainees captured in Iraq.

American officials say the Iranians have also provided direct support to Shiite militias in Iraq, including explosives and trigger devices for roadside bombs, and training for several thousand fighters, mostly in Iran. The training is carried out by the Iranian Revolutionary Guards and the Ministry of Intelligence and Security, they say.

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In Congressional testimony this month, General Hayden said he was initially skeptical of reports of Iran's role but changed his mind after reviewing intelligence reports.

"I'll admit personally," he said at one point in the hearing, "that I have come late to this conclusion, but I have all the zeal of a convert as to the ill effect that the Iranians are having on the situation in Iraq."

Lt. Gen. Michael D. Maples, the director of the Defense Intelligence Agency, offered a similar assessment in his testimony.

Neither General Hayden nor General Maples described Hezbollah's role during the hearing.

In the interview on Monday, the senior intelligence official was asked for further details about the purported Iranian role.

"They have been a link to Lebanese Hezbollah and have helped facilitate Hezbollah training inside of Iraq, but more importantly Jaish al-Mahdi members going to Lebanon," the official said, describing Iran's role and using the Arabic name for the Mahdi Army.

The official said the Hezbollah training had been conducted with the knowledge of Mr. Sadr, the most influential Shiite cleric.

While Iran wants a stable Iraq, the official said, it sees an advantage in "managed instability in the near term" to bog down the American military and defeat the Bush administration's objectives in the region.

"There seems to have been a strategic decision taken sometime over late winter or early spring by Damascus, Tehran, along with their partners in Lebanese Hezbollah, to provide more support to Sadr to increase pressure on the U.S.," the American intelligence official said.

Some Middle East experts were skeptical about the assessment of Hezbollah's training role.

"That sound to me a little bit strained," said Flynt Leverett, a senior fellow at the New America Foundation and a Middle East expert formerly on the National Security Council staff. "I have a hard time thinking it is a really significant piece of what we are seeing play out on the ground with the various Shiite militia forces."

But other specialists found the assessment plausible. "I think it is plausible because Hezbollah is the best in the business, and it enhances their position with Iran, Syria and Iraq," said Judith Kipper, of the Council on Foreign Relations.

The Mahdi Army and other militia fighters traveled to Lebanon in groups of 15 and 20 and some were present during the fighting between Hezbollah and Israel this summer, though there was no indication they had taken part in the fighting, the American intelligence official said.

Asked what the militia members had learned, the official replied, "Weapons, bomb-making, intelligence, assassinations, the gambit of skill sets."

There is intelligence that indicates that Iran shipped machine tools to Lebanon that could be used to make "shaped charges," sophisticated explosive devices designed to penetrate armor, American officials have said. But it is not known how the equipment was in fact used.

The officials said that because the Iraqi militia members went through Syrian territory, at least some Syrian officials were complicit. There are also reports of meetings between Imad Mugniyah, a senior Hezbollah member; Ghassem Soleimani of the Iranian Revolutionary Guards; and Syrian representatives to discuss ways of stepping up the pressure on the United States in Iraq.

The mid-level Mahdi commander interviewed this summer said the group sent to Lebanon was called the Ali al-Hadi Brigade, named for one of two imams buried at the Askariya Mosque in Samarra. The bombing of that shrine in February unleashed the fury of Shiite militias and accelerated sectarian violence.

According to the Mahdi commander, the brigade was organized and dispatched by a senior Mahdi officer known as Abu Mujtaba. It went by bus to Syria in July, and was then led across the border into Lebanon, he said. He said the fighters were from Diwaniya and Basra, as well as from the Shiite neighborhoods of Shoala and Sadr City in Baghdad.

"They travel as normal people from Iraq to Syria," one of the militiamen said. "Once they get to Syria, fighters in Syria take them in."

Among American officials, concern over the purported Iranian, Syrian or Hezbollah role grew recently when an advanced antitank weapon, an RPG-29, was used against an American M-1 tank in Iraq.

"The first time we saw it was not in Iraq," Gen. John P. Abizaid, the head of the United States Central Command, told reporters in September. "We saw it in Lebanon. So to me, No. 1, it indicates an Iranian connection."

American intelligence officials said the source of the weapon was still unclear.

General Abizaid also said it was hard to pin down some details of relationships between armed factions in the Middle East, adding: "There are clearly links between Hezbollah training people in Iran to operate in Lebanon and also training people in Iran that are Shia splinter groups that could operate against us in Iraq These linkages exist, but it is very, very hard to pin down with precision."

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Rising Violence Swells Ranks Of Iraq's Militias (LAT)

By Solomon Moore

The Los Angeles Times, November 28, 2006

BAGHDAD — Retaliatory attacks sparked by last week's massive bomb assault on a Shiite neighborhood here are driving more Iraqis into the ranks of sectarian militias amid rising distrust of government security forces, newly recruited gunmen and residents said Monday.

Besieged Iraqis, many with no previous affiliation with established militias, are taking up arms, barricading their communities and joining new Shiite Muslim militia cells or increasingly militant Sunni Arab neighborhood-watch groups.

"We have zero trust in the Iraqi army and minus-zero trust in the police," said Ahmed Suheil Juburi, 33, a Sunni Arab who has thrown in his lot with a group of former military officers in Saddam Hussein's Baathist regime patrolling the Baghdad neighborhood of Dora.

Thousands of unsanctioned fighters have been on high alert since the car bombings Thursday in Sadr City, a poor Baghdad neighborhood that is home to the Al Mahdi militia, a Shiite force loyal to anti-U.S. cleric Muqtada Sadr.

Since the attack, which killed at least 215 people, Sadr's fighters have struck back at Sunni neighborhoods with mortar shells, rockets and machine-gun raids from fast-moving SUVs. Sunni Arab fighters have retaliated in kind.

The bombings and subsequent attacks have killed 524 people, including 181 whose bodies were left in Baghdad's streets, and injured 653 since Thursday, according to government tallies obtained by The Times.

The mounting carnage is another sign that Iraq's civil war is gaining momentum faster than either the U.S. or Iraqi governments can respond.

In Baghdad, mortar shells have continued to pummel neighborhoods, and bands of men drive people out of their homes at gunpoint. Authorities find corpses in trash heaps and side streets on a daily basis; at least 44 were found Monday.

Residents are blocking roads with blasted cars and tree trunks. Guns and ammunition are being passed out in mosques and homes. Throughout Baghdad, men end their workdays by taking up positions on rooftops and minarets.

Fighters on both sides of Iraq's sectarian conflict say that the recent growth of militias stems from deep distrust of the intent and capability of the nation's security forces, whose reputation has been crippled by corruption and sectarian infiltration.

Sunnis have long complained that Shiite militias dominate the police force, and that members have committed thousands of death-squad slayings. Shiites say that the Iraqi army, with its many Sunni Arabs, has failed to guard their communities from attacks such as the series of car bombs Thursday.

Salam Saedi, 29, a cleaner at a downtown Baghdad hotel, said he signed up with Sadr's militia the day after the Sadr City bombings.

"I was not a part of the public committees or the Mahdi army, but after the attacks I saw the people who were killed and my feelings changed," Saedi said. "So I contacted some friends and I went and I signed up with the Mahdi army. They gave me an AK-47."

In the wake of the Sadr City bombings, members say, the Al Mahdi army has boosted the ranks of its "popular committees," a recently formed armed wing.

Each block of 1,500 homes in the neighborhood is guarded by 50 to 100 men, members said.

Across town in Dora, a mostly Sunni area, Juburi said he kept "several AK-47s, a BKC [high-caliber machine gun] and even a grenade launcher in my orchard."

He said his neighbors reactivated a group of retired Baathist officers that formed in February during similar sectarian reprisals that followed the bombing of a revered Shiite shrine in Samarra. The bombing and its bloody aftermath are widely viewed as the turning point that pushed Iraq into civil war.

"Right now, there are anywhere between 400 and 500 organized fighters in my area doing patrols and setting up checkpoints for defensive measures in the event that we are attacked by militias," he said.

Juburi said the total force in Dora comprised 2,000 to 2,500 men organized in companies of 50 fighters each.

The continued growth and proliferation of paramilitary forces in Iraq threatens to hamper U.S. plans for withdrawal.

Complicating any solution are the ties between many of Iraq's paramilitary forces and leading political parties.

The Sadr movement, for example, has 30 seats in government — possibly enough to topple Prime Minister Nouri Maliki should they withdraw in protest.

Adnan Dulaimi, a prominent Sunni Arab legislator, also has a paramilitary squad deployed throughout west Baghdad, where members clashed with Shiites over the weekend.

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This month, CIA Director Michael V. Hayden told a U.S. Senate Armed Services Committee that his field agents believed Iraq's sectarian forces were "descending into smaller and smaller groups fighting over smaller and smaller issues and over smaller and smaller pieces of territory."

Firas Kabi, 27, whose wholesale goods shop stands near Sadr City, thought of himself as a lone wolf until Thursday's attack. Now he mans an Al Mahdi army checkpoint.

"My feelings have changed. Before I was living my life and I didn't care to be part of any group," he said. "But now I feel I am part of this community that was being attacked and oppressed. I wanted to be a martyr with the people who lost their lives and went to heaven."

Although many fighters interviewed Monday emphasized the defensive purposes of paramilitary groups, some acknowledged taking part in retaliatory attacks against other sects. Some Sunni groups suggested that they were in contact with more militant organizations — a worrisome development for the U.S. military, which faces a stubborn insurgency.

Juburi, the Sunni fighter, said that since the Sadr City attack a band of Al Mahdi army fighters had kicked several Sunni Arabs out of their homes. The refugees sought help from Juburi's community security force, which kicked Shiites out and gave the refugees their homes, he said.

Omar Mohammed Hussein Dulaimi, 29, said that his Sunni Arab district in west Baghdad formed a neighborhood watch three months ago and fought with Al Mahdi militiamen Friday.

"We close the roads with tree trunks and stay on our roofs with guns," Dulaimi said. "We contact each other with cellphones to check the situation."

Dulaimi said that the security force in his 100-man cell, including former Baathist military and intelligence officials, guarded 500 homes.

"The mujahedin are helping us," Dulaimi said, referring to Sunni Arab insurgents. "Today two cars with gunmen came from Abu Ghraib to help us defend our mosques and our area from militia attacks. They even brought white sheets to cover their bodies in case they are martyred. They also brought heavy machine guns."

Another member of the Sunni force, Ziad Raad Ani, 32, described how Shiite gunmen and police attempted to attack their neighborhood Friday.

"They came in government-issued SUVs and pickup trucks and starting shooting with all kinds of weapons," Ani said.

Ani said the two sides fought for two hours that day. Witnesses said Iraqi soldiers and policemen watched but did not interfere.

Anbar Picture Grows Clearer, And Bleaker (WP)

By Dafna Linzer And Thomas E. Ricks

The Washington Post, November 28, 2006

The U.S. military is no longer able to defeat a bloody insurgency in western Iraq or counter al-Qaeda's rising popularity there, according to newly disclosed details from a classified Marine Corps intelligence report that set off debate in recent months about the military's mission in Anbar province.

The Marines recently filed an updated version of that assessment that stood by its conclusions and stated that, as of mid-November, the problems in troubled Anbar province have not improved, a senior U.S. intelligence official said yesterday. "The fundamental questions of lack of control, growth of the insurgency and criminality" remain the same, the official said.

The Marines' August memo, a copy of which was shared with The Washington Post, is far bleaker than some officials suggested when they described it in late summer. The report describes Iraq's Sunni minority as "embroiled in a daily fight for survival," fearful of "pogroms" by the Shiite majority and increasingly dependent on al-Qaeda in Iraq as its only hope against growing Iranian dominance across the capital.

True or not, the memo says, "from the Sunni perspective, their greatest fears have been realized: Iran controls Baghdad and Anbaris have been marginalized." Moreover, most Sunnis now believe it would be unwise to count on or help U.S. forces because they are seen as likely to leave the country before imposing stability.

Between al-Qaeda's violence, Iran's influence and an expected U.S. drawdown, "the social and political situation has deteriorated to a point" that U.S. and Iraqi troops "are no longer capable of militarily defeating the insurgency in al-Anbar," the assessment found. In Anbar province alone, at least 90 U.S. troops have died since Sept. 1.

The Post first reported on the memo's existence in September, as it was being circulated among military and national security officials. Several officials who read the report described its conclusions as grim.

But the contents have not previously been made public. Read as a complete assessment, it paints a stark portrait of a failed province and of the country's Sunnis -- once dominant under Saddam Hussein -- now desperate, fearful and impoverished. They have been increasingly abandoned by religious and political leaders who have fled to neighboring countries, and other

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leaders have been assassinated. And unlike Iraq's Shiite majority, or Kurdish groups in the north, the Sunnis are without oil and other natural resources. The report notes that illicit oil trading is providing millions of dollars to al-Qaeda while "official profits appear to feed Shiite cronyism in Baghdad."

As a result, "the potential for economic revival appears to be nonexistent" in Anbar, the report says. The Iraqi government, dominated by Iranian-backed Shiites, has not paid salaries for Anbar officials and Iraqi forces stationed there. Anbar's resources and its ability to impose order are depicted as limited at best.

"Despite the success of the December elections, nearly all government institutions from the village to provincial levels have disintegrated or have been thoroughly corrupted and infiltrated by Al Qaeda in Iraq," or a smattering of other insurgent groups, the report says.

The five-page report -- written by Col. Peter Devlin, a senior and seasoned military intelligence officer with the Marine Expeditionary Force -- is marked secret, for dissemination to U.S. and allied troops in Iraq only. It does not appear to have been made available to Iraqi national forces fighting alongside Americans.

The report, "State of the Insurgency in Al-Anbar," focuses on conditions in the province that is home to 1.25 million Iraqis, most of whom live in violence-ridden towns such as Fallujah, Haditha, Hit, Qaim and Ramadi.

Devlin wrote that attacks on civilians rose 57 percent between February and August of this year. "Although it is likely that attack levels have peaked, the steady rise in attacks from mid-2003 to 2006 indicates a clear failure to defeat the insurgency in al-Anbar."

Devlin suggested that without the deployment of an additional U.S. military division -- 15,000 to 20,000 troops -- plus billions of dollars in aid to the province, "there is nothing" U.S. troops "can do to influence" the insurgency.

He described al-Qaeda in Iraq as the "dominate organization of influence in al-Anbar," surpassing all other groups, the Iraqi government and U.S. troops "in its ability to control the day-to-day life of the average Sunni."

Al-Qaeda itself, now an "integral part of the social fabric of western Iraq," has become so entrenched, autonomous and financially independent that U.S. forces no longer have the option "for a decapitating strike that would cripple the organization," the report says. That is why, it says, the death of al-Qaeda in Iraq leader Abu Musab al-Zarqawi in June "had so little impact on the structure and capabilities of al-Qaeda," especially in Anbar province.

The senior intelligence official, who spoke on the condition of anonymity because of the sensitivity of his work, said yesterday that he largely agrees with Devlin's assessment, except that he thinks it overstates the role of al-Qaeda in the province. "We argue that it is a major element in Anbar, but it is not the largest or most dominant group," he said.

In a final section of the report, titled "Way Ahead," Devlin outlined several possibilities for bringing stability to the area, including establishing a Sunni state in Anbar, creating a local paramilitary force to protect Sunnis and to offset Iranian influence, shifting local budget controls, and strengthening a committed Iraqi police force that has "proven remarkably resilient in most areas."

Devlin ended the assessment by saying that while violence has surged, the presence of U.S. troops in Anbar has had "a real suppressive effect on the insurgency." He said the suffering of "Anbar's citizens undoubtedly would be far worse now if it was not for the very effective efforts" of U.S. forces.

The Marine Corps headquarters had no comment on the August report or the updated assessment, Lt. Col. Scott J. Fazekas, a spokesman, said yesterday.

Staff researcher Julie Tate contributed to this report.

Iraq Panel Inks Draft Report (WT)

By Rowan Scarborough

The Washington Times, November 28, 2006

The Iraq Study Group met yesterday at an undisclosed location to discuss its first draft report that calls for increased diplomatic engagement in the region and new military moves to rescue Iraq from a descent into civil war.

The panel's co-chairmen, James A. Baker III, secretary of state in the first Bush administration, and former Rep. Lee H. Hamilton, Indiana Democrat, finished work on the draft during the weekend. It contains an assessment of where violence-racked Iraq stands more than three years after the U.S. ousted Saddam Hussein.

It also includes a list of recommendations on diplomatic and military fronts. A final report to President Bush is expected next month.

Mr. Baker is said to be pushing a recommendation for the Bush administration to engage in direct talks with Syria and Iran, two U.S.-designated state sponsors of terrorism who are supporting various insurgencies and terrorist attacks in Iraq.

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David Satterfield, the State Department's top adviser on Iraq, told Congress earlier this month that the administration is willing to talk with Tehran but not Damascus. Mr. Satterfield listed several of Syria's pro-terrorism policies, such as backing Hezbollah in Lebanon.

Mr. Hamilton told The Washington Times last week that the first draft is a working document that can be changed by the 10-member panel created by Congress.

Defense sources said it will be difficult for the group of five Democrats and five Republicans, all former officeholders, to reach a unanimous report if it recommends a significant shift away from Mr. Bush's policy of no specific timetable for removing U.S. troops, which now number close to 150,000.

The Pentagon is conducting its own extensive review, from which Gen. Peter Pace, Joint Chiefs chairman, will make recommendations to the president. Pentagon officials say they want Mr. Bush to have options that include input from generals.

Army Gen. John Abizaid, the top commander in the region, has told Congress that he does not want a troop increase or a withdrawal timetable. He said a troop increase would send the wrong signal that the Iraqi Security Forces (ISF) have more time to prepare to take over counterinsurgency missions.

Pentagon officials say it is doubtful Gen. Pace would overrule Gen. Abizaid.

U.S. soldiers in Iraq are caught between killing sprees of Sunni and Shi'ite Muslims, especially in greater Baghdad, where ramped-up security operations during the past two months did not meet their objectives, the command acknowledged.

Anthony Cordesman, a military analyst at the Center for Strategic and International Studies, issued a paper yesterday on Sunni extremists' desire for a civil war and for a much larger religious struggle in the region.

"The attackers have several advantages," Mr. Cordesman said. "They are hitting at very soft civilian targets; they only need very limited numbers of attackers and can use car bombs or suicide bombs that are very hard to detect and defend against."

He warned against talk of a quick U.S. pullout.

"It is also clear that threatening to leave is not going to help," he said. "Iraqis need to see positive measures towards security, conciliation and economic aid."

How Iraq Panel Went From Obscure To High Profile (CSM)

By Gail Russell Chaddock

The Christian Science Monitor, November 28, 2006

WASHINGTON

Rep. Frank Wolf (R) of Virginia has traveled to the most difficult war and civil war zones on the planet - from Chechnya and Bosnia to Sudan and Algeria. He had visited Iraq twice before, both times without a military escort. On his third visit, in September 2005, he had an epiphany.

He was about to tour a maternity ward in Tikrit when armed security guards were called in. Noting the mothers' and nurses' reaction, he recalls, "I said: 'We've got to get out of here. We can't walk through a maternity ward with guns like this scaring people." He concluded then that the US needed "fresh eyes" on its Iraq involvement.

From that small beginning has sprung one of the most-anticipated blue-ribbon commissions in recent years - the Iraq Study Group, which began deliberating over final conclusions this week.

How an obscure panel became a policy touchstone for Republicans and Democrats is a story in itself. More important, it illustrates those rare moments when a crisis reaches such a point that official Washington temporarily loosens hold of the reins. It's in those moments that experienced outside voices - think the 9/11 and Warren commissions - can make themselves heard. The Iraq panel, in particular, may prove particularly influential because of the escalating chaos in Iraq.

"We're losing," says Michael O'Hanlon, a policy analyst at the Brookings Institution. "One of the few hopes we have left is someone who is close enough to [President] Bush that he will be listened to by Bush - and smart enough and independent enough to see this in a different way."

Unlike the 9/11 commission, the Iraq Study Group has conducted its review of US engagement in Iraq in strict secrecy. Panelists were not publicly vetted. There were no open hearings or regular updates on whether the administration was being cooperative in releasing needed documents.

"If they had held open hearings or gone on television talk shows, like the 9/11 commission, they would have been forced into positions by the very nature of the questions that they would have lost their independence," says Congressman Wolf, who is the co-chairman of the human rights caucus in Congress.

While he would have liked to see Congress take up the serious work of oversight and recalibrating strategy on the Iraq war, he opted instead for a panel of "wise persons," because the Congress was too divided along partisan lines to play that role effectively. Like the 9/11 commission, the panel is to report to the American people, not just to the president or the Congress, he

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says. "This will be the defining issue of our time: How do we deal with the issue of terrorism? - and it has to be done in a bipartisan way," he says.

The Iraq Study Group is the flip side of the usual blue-ribbon panel, whose launch is often its high point. It began modestly as a one-line earmark in last spring's emergency defense spending bill - "$1 million ... for activities relating to Iraq."

It was born from the deteriorating security situation in Baghdad in 2005, which Wolf says was a sharp contrast to his second visit in 2003, with Rep. Christopher Shays (R) of Connecticut. While even then they traveled anonymously in old, beat-up vehicles for security reasons, they could visit villages, homes, hospitals, and schools relatively freely. In Al Kut, they were welcomed to join a wedding celebration and told how people loved America.

After his 2005 trip, Wolf urged Mr. Bush to select a group of "capable and distinguished individuals" to go to the region to "comprehensively review our efforts" in Iraq. He also began rounds of quiet consultations on the idea from Congress to the State Department, the Pentagon, and private think tanks.

"Frank Wolf is a very creative member of Congress," says David Abshire, a longtime diplomat who is advising the Iraq Study Group.

The reason the group caught on so quickly in official Washington is because, "they're all groping," says Mr. Abshire. "Ultimately, they all recognize the seriousness of the situation and want to do the right thing for the country."

Cochaired by former Secretary of State James Baker III and former Indiana Rep. Lee Hamilton, the 10-member group includes retired Supreme Court Justice Sandra Day O'Connor, former Secretary of State Lawrence Eagleburger, former Attorney General Edwin Meese, former Clinton aide Leon Panetta, lobbyist Vernon Jordan, former Defense Secretary William Perry and former Sens. Charles Robb and Alan Simpson. Former CIA Director Robert Gates left the group after Bush nominated him to be secretary of Defense.

Launched last spring, the ISG took on a much higher profile this fall, as elections neared and the situation on the ground got worse in Iraq.

"No one paid attention to this until the fall when it became clear that the Republican majority was going to fall and Iraq was the issue over which Republicans would lose," says Ivo Daalder, a senior fellow at Brookings in Washington, D.C.

Wolf says he welcomes the high profile his simple idea has assumed. "I get amused when I think how we struggled to get it done, and now even Senator Kerry is supporting it," he says. "I think the attention will make the report even better."

Iraq Panel's Real Agenda: Damage Control (CSM)

By Andrew J. Bacevich

The Christian Science Monitor, November 28, 2006

BOSTON

Even as Washington waits with bated breath for the Iraq Study Group (ISG) to release its findings, the rest of us should see this gambit for what it is: an attempt to deflect attention from the larger questions raised by America's failure in Iraq and to shore up the authority of the foreign policy establishment that steered the United States into this quagmire. This ostentatiously bipartisan panel of Wise Men (and one woman) can't really be searching for truth. It is engaged in damage control.

Their purpose is twofold: first, to minimize Iraq's impact on the prevailing foreign policy consensus with its vast ambitions and penchant for armed intervention abroad; and second, to quell any inclination of ordinary citizens to intrude into matters from which they have long been excluded. The ISG is antidemocratic. Its implicit message to Americans is this: We'll handle things - now go back to holiday shopping.

The group's composition gives the game away. Chaired by James Baker, the famed political operative and former secretary of state, and Lee Hamilton, former congressman and fixture on various blue-ribbon commissions, it contains no one who could be even remotely described as entertaining unorthodox opinions or maverick tendencies.

Instead, it consists of Beltway luminaries such as retired Supreme Court Justice Sandra Day O'Connor and lobbyist Vernon Jordan. No member is now an elected official. Neither do its ranks include any Iraq war veterans, family members of soldiers killed in Iraq, or anyone identified with the antiwar movement. None possesses specialized knowledge of Islam or the Middle East.

Charging this crowd with assessing the Iraq war is like convening a committee of Roman Catholic bishops to investigate the church's clergy sex-abuse scandal. Even without explicit instructions, the group's members know which questions not to ask and which remedies not to advance. Sadly, the average Catholic's traditional deference to the church hierarchy finds its counterpart in the average American's deference to "experts" when it comes to foreign policy. The ISG exemplifies the result: a befuddled, but essentially passive-electorate looks for guidance to a small group of unelected insiders reflecting a narrow range of views and operating largely behind closed doors.

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The guardians of the foreign policy status quo are counting on the panel to extricate the US from Iraq. More broadly, they are counting on it to avoid inquiring into the origins of our predicament. So don't think for a moment that the ISG will assess the implications of America's growing addiction to foreign oil. Don't expect it to question the wisdom of President Bush's doctrine of preventive war or the feasibility of his Freedom Agenda, which promises to implant democracy across the Islamic world.

Far be it from the group to ask whether an open-ended "global war on terror" makes sense as a response to 9/11 or to ponder the flagrant manipulation and misuse of intelligence in the months leading up to the Iraq war. The ISG won't assess the egregious flaws in US military planning for the Iraq invasion or the manifest deficiencies in American generalship since the war began. On the role that Congress has played in enabling presidential fecklessness, you can be certain that Baker and Hamilton will remain silent.

The ISG will provide cover for the Bush administration to shift course in Iraq. It will pave the way for the Democratic Congress to endorse that shift in a great show of bipartisanship. But it will hold no one responsible.

Above all, it will leave intact the assumptions, arrangements, and institutions that gave rise to Iraq in the first place. In doing so, it will ensure that the formulation of foreign policy remains the preserve of political mahatmas like Baker and Hamilton, with the American people left to pick up the tab.

In this way, the ISG will make possible - even likely - a repetition of some disaster akin to Iraq at a future date.

Britain May Start Pulling Out Of Iraq (AP)

By Jennifer Quinn

AP, November 28, 2006

LONDON (AP) - Britain said Monday it expects to withdraw thousands of its 7,000 military personnel from Iraq by the end of next year, while Poland and Italy announced the impending withdrawal of their remaining troops.

Polish President Lech Kaczynski said his country, a U.S. ally in Iraq and Afghanistan, would pull its remaining 900 soldiers out of Iraq by the end of 2007. And Italian Premier Romano Prodi said the last of Italy's soldiers in Iraq - some 60-70 troops - will return home this week, ending the Italian contingent's presence in the south of the country after more than three years.

British Defense Secretary Des Browne was the second senior official in recent days to talk of reducing the number of British troops in Iraq. In a speech to the Royal Institute of International Affairs, Browne also warned Iran that it faces increasing isolation if it does not use its influence in Iraq constructively.

Last week, Foreign Secretary Margaret Beckett said Britain may be able to hand over security responsibility in the southern port city of Basra by the spring of 2007. Britain also hopes to hand security control over to the Iraqis in the province of Maysan on the Iranian border in January.

(AP) Britain's Defence Secretary Des Browne delivers a speech regarding the British strategy in Iraq at...

Full Image"We have said that we and the Iraqis hope they will be ready to take over Maysan in January," Browne said. "We have said - and the foreign secretary reiterated last week - that we hope they will be ready to take over Basra in the spring.

"If both of these go to plan, we will be able to start drawing down our forces."

Browne said that handing over security would not mean a complete British withdrawal.

"I do not believe it is right to give precise numbers, nor to assume what the next 12 months will hold.

"But I can tell you that by the end of next year I expect numbers of British forces in Iraq to be significantly lower - by a matter of thousands. The planning for this has been going on for some months."

(AP) Britain's Prime Minister Tony Blair gives his speech at the Guildhall at the Lord Mayor's Banquet,...

Full ImageAny troop pullback, he said, would be "driven not by arbitrary deadlines but by reality on the ground."

"We will stay as long as we are making a positive difference, and as long as the Iraqi government need our support," Browne said.

Sectarian divisions in Iraq will not be resolved quickly, Browne said, but he argued against dividing the country into Sunni, Shiite and Kurdish sections, warning that doing so would destabilize the region further.

The defense secretary also called on Iraq's neighbors to support efforts to calm the violence.

"Even Syria, whose motives the international community has often had cause to question, has shown signs of constructive engagement," Browne said.

Syria's foreign minister has indicated his country is willing to help stabilize Iraq, and on a visit to Baghdad last week he announced the full restoration of diplomatic relations.

Iran's behavior, Browne said, remained troubling. The U.S., Britain and others have accused Iran of providing support to Shiite militias blamed for much of the sectarian killing in Iraq. Iran has denied the claims.

Iran "has influence inside Iraq, the power to turn up or turn down the heat, to turn on or turn off the dialogue. It is not using that influence well," Browne said.

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"Iran's interest is in a stable and non-aggressive Iraq," he added.

"So the message to Iran is simple. Be a constructive partner, help yourself as well as the wider region - or face increasing isolation."

A New House Democrat With An Insiders' View Of Iraq (NYT)

By James Risen

The New York Times, November 28, 2006

WASHINGTON, Nov. 27 — The sudden rise of Chris Carney, a pre-Iraq war Pentagon intelligence analyst turned newly elected Democratic congressman, has a remarkable quality about it.

In early 2002, Mr. Carney, a Naval Reserve officer, was assigned to work in a tiny intelligence unit created by Douglas J. Feith, then the under secretary of defense for policy, to search for links between terrorist groups and their possible state-sponsors, most notably Iraq. After the 2003 invasion, the Feith unit, the Policy Counterterrorism Evaluation Group, was caught up in the debate over the Bush administration's handling of prewar intelligence, and the office was investigated by a Senate committee and an independent presidential commission.

Today, Mr. Carney is back in Washington in a very different role, as the Democratic representative-elect from the 10th Congressional District of Pennsylvania.

Mr. Carney, a 47-year-old political science professor at the Worthington campus of Pennsylvania State University and still a Naval Reserve officer, won his race in a heavily Republican district in northeastern Pennsylvania by defeating the Republican incumbent, Don Sherwood, who had been weakened by accusations that he had abused his former mistress.

Mr. Carney's victory was one of the building blocks in the Democratic takeover of the House, and as it happens, the Democrats will soon be considering whether to use their new power to further investigate the Bush administration's handling of prewar intelligence. If they do, they will not have far to look for an eyewitness account.

In the summer and fall of 2002, Mr. Carney was at the center of the storm, briefing George J. Tenet, then the director of central intelligence, and Stephen J. Hadley, then the deputy national security adviser, on the Feith unit's assessment of any links between Iraq and Al Qaeda. At the time, the unit was creating controversy within the government for arguing that there was significant evidence of ties between Iraq and Al Qaeda.

Ultimately, the Bush administration emphasized the threat the United States supposedly faced from Iraq's unconventional weapons as the primary justification for invading, while the Iraq-Qaeda connection gradually faded as a major talking point. In 2004, the independent Sept. 11 commission said it had seen "no evidence" that the contacts "ever developed into a collaborative operational relationship," challenging the administration's prewar assertions.

Today, Mr. Carney says he still believes there were links between Iraq and Al Qaeda, although he is careful not to overstate them.

"On a scale of 0 to 10, where 0 was no connection and 10 was operational control, I would say it's about a 2½," he said in an interview. "It was a relationship of keeping your friends close and your enemies closer," he added. "Saddam was a savvy guy, and I think he wanted to make sure that if Al Qaeda someday became a force, that he wanted to keep his options open. I thought that there was a relationship. Whether it was strong enough to go to war, that's the president's decision."

Mr. Carney said he was far more troubled by the way the Bush administration dealt with Iraq after the invasion, when he said it became clear that the United States was not prepared to deal with the growing chaos in the country. Mr. Carney recalled that there was a wealth of prewar intelligence predicting that an insurgency would develop quickly after the invasion, and he said he was stunned by the Pentagon's failure to plan for it or even acknowledge its scope.

"There was a lot of intelligence prewar," Mr. Carney said, "saying that Saddam wasn't going to fight force-on-force, like in the gulf war; it would be an insurgency." Referring to Defense Secretary Donald H. Rumsfeld, he added: "It bothered me when the secretary started calling the insurgency a bunch of dead-enders. The intel certainly didn't depict them as dead-enders."

He said of Pentagon officials: "They were saying that the looting was just the way the Iraqis behaved. It showed that we didn't seem to get it."

"I think they still thought they were fighting Desert Storm," he added. "That's the war they thought they had, and that's how they managed it."

After returning home to Pennsylvania in 2004 after his stint at the Pentagon, Mr. Carney began to gear up for what seemed to be a long-shot bid for Congress.

He said Iraq was a factor in his decision to run but not the overriding one. "It was one straw among many," he said. "It was the politics of division, and the way Congress eschewed its role of oversight and accountability. We didn't have any checks on the administration. I think that was the bottom line for me."

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Mr. Carney describes himself as "probably to the right" of most House Democrats on Iraq and opposes calls for an immediate withdrawal of American troops. Instead, during his campaign he proposed that for every new Iraqi battalion trained, one United States battalion should be brought home. He said the United States had to leave Iraq "at some point," but added, "We can't leave behind a mess; we have to focus on training Iraqi forces, who can then train other Iraqis."

But while Mr. Carney talked about Iraq during the campaign, it was Mr. Sherwood's missteps, mainly the abuse accusations made by his former mistress, that made the race competitive.

"I think Iraq was an issue everywhere this year, but the central issue in this race was the personal-values thing with Sherwood," said Ed Mitchell, a Democratic political media strategist in Wilkes-Barre, Pa. Mr. Mitchell, who did not work for the Carney campaign, said Mr. Sherwood was "playing defense" for much of the campaign, making it hard for him to gain traction with any attacks on Mr. Carney.

"Chris pivoted off his military background to talk about honor and character," Mr. Mitchell added, "which was a nice way of presenting the contrast between him and Sherwood, without him attacking Sherwood for his indiscretions."

Republicans made a last-ditch effort to tar Mr. Carney on Iraq, sending out fliers late in the campaign criticizing him for his involvement in prewar intelligence, but they seemed to have little effect on the race. "They were playing catch-up ball from day one," Mr. Mitchell said of the Sherwood campaign.

Mr. Carney's campaign certainly caught the attention of some major players in the Bush administration's decision to go to war. Richard Perle, the former senior adviser to Mr. Rumsfeld who was an influential advocate of war with Iraq but has more recently criticized the administration's conduct of the war, was the host of a fund-raiser for Mr. Carney.

Immediately after Mr. Carney's election, Mr. Feith called to congratulate him. "He's a talented, intelligent person," Mr. Feith said. "Some of my best friends are Democrats."

Today, Mr. Carney is one of at least four newly elected Democratic members of the House with recent military credentials, a fact that was emphasized during the campaign by the Democratic Party leadership. Representative Rahm Emanuel, Democrat of Illinois, who ran the party's Congressional campaign nationwide, said he thought Mr. Carney and the others would have a significant impact on the debate over Iraq in the new Congress.

"They are going to affect the debate on what you do for the troops, for veterans, and on what questions get asked," Mr. Emanuel said.

But Mr. Carney is not enthusiastic about the possibility of a new Congressional investigation of prewar intelligence, which he said would be a major distraction. For Mr. Carney, there is an element of been there, done that to looking back at the now-familiar cast of prewar characters, including Mr. Feith; Mr. Tenet; Paul D. Wolfowitz, the former deputy defense secretary; and Ahmad Chalabi, the Iraqi opposition leader who was a prewar favorite of many in the Defense Department to take the reins of a future Iraqi government.

"Let's win the war first, then maybe look at how we got into it," Mr. Carney said. "The more energy spent on answering Congressional investigations, the less time will be spent on winning the war."

The Cowards Turned Out To Be Right (NYT)

By Nicholas D. Kristof

The New York Times, November 28, 2006

For several years, the White House and its Dobermans helpfully pointed out the real enemy in Iraq: those lazy, wimpish foreign correspondents who were so foolish and unpatriotic that they reported that we faced grave difficulties in Iraq.

To Paul Wolfowitz, the essential problem was that journalists were cowards. "Part of our problem is a lot of the press are afraid to travel very much, so they sit in Baghdad and they publish rumors," Mr. Wolfowitz said in 2004. He later added, "The story isn't being described accurately."

Don Rumsfeld agreed but suggested that the problem was treason: "Interestingly, all of the exaggerations seem to be on one side. It isn't as though there simply have been a series of random errors on both sides of issues. On the contrary, the steady stream of errors all seem to be of a nature to inflame the situation and to give heart to the terrorists and to discourage those who hope for success in Iraq."

As for Dick Cheney, he saw the flaw in journalists as indolence. "The press is, with all due respect — there are exceptions — oftentimes lazy, often simply reports what someone else in the press says without doing their homework."

Mr. Cheney and the others might have better spent their time reading the coverage of Iraq rather than insulting it, because in retrospect those brave reporters based in Baghdad got the downward spiral right.

"Many correspondents feel a sense of vindication that the administration finally accepts what we were screaming two years ago," notes Farnaz Fassihi, who provided excellent Iraq coverage for The Wall Street Journal. Now Ms. Fassihi wonders how

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long it will take for the administration to acknowledge the reality of 2006 that Iraq correspondents are writing about: the incipient civil war.

Dexter Filkins, who covered Iraq brilliantly for this newspaper until his departure this summer to take up a fellowship at Harvard, says he was constantly accused of reporting only the bad news, of being unpatriotic, and of getting Americans killed.

"I don't think it ever affected our reporting," he said. "But I did find it demoralizing, the idea that the truth — the reality on the ground that we were seeing every day — did not matter, that these overfed people sitting in TV studios and in their living rooms could just turn up the volume on what they wanted to be happening in Iraq and that that could overwhelm the reality."

Mr. Filkins added: "I have almost been killed in Iraq 20 or 30 times — really almost killed. "I've lost count. Do these people really believe that we were all risking our lives for some political agenda?"

Richard Engel of NBC says he was taken aback when pundits accused him of standing on a balcony in the Green Zone and simply feeding the world bad news. "Like most journalists in Iraq, I have never lived in the Green Zone," he notes, adding: "To imply from afar we were just lazy was missing the point, and also dangerous. I know several reporters who were so incensed by similar criticism, they took extra risks."

While it's the right that led those toxic attacks, the left is also vulnerable to letting ideology trump empiricism. Mr. Filkins notes that while he used to get nasty letters and e-mail primarily from conservatives, much of the fire more recently has come from liberals accusing him of covering up atrocities — all of it from people whose ideological certitude is proportional to their distance from Baghdad.

As we try to extricate ourselves from Iraq, a basic lesson for the administration is that it should deal with bad news in ways more creative than clobbering the messenger. From the beginning of the war, the Pentagon has had an incredibly sophisticated news operation (now including its own news channel, carried on some cable networks), but it has often seemed more concerned with disseminating propaganda than with gathering facts.

Take the Defense Department's Early Bird news clipping service, which traditionally had been a dispassionate collection of outside articles to keep senior military officers informed. Lately it has been leading with in-house spin. The Early Bird of Nov. 20, for example, began with three separate unpublished letters to the editor by Pentagon officials before getting to the news from around the world.

So how about if the administration devotes itself less to managing the news and more to trying to manage Iraq?

The Wars Of Perception (NYT)

By Dominic Johnson And Dominic Tierney

The New York Times, November 28, 2006

IN January 1968, Americans turned on their televisions to find scenes of chaos and carnage as Vietnamese communists unleashed their surprise Tet offensive. It would go down in history as the greatest American battlefield defeat of the cold war.

Twenty-five years later, in December 1992, the United States began a humanitarian intervention in Somalia that would be viewed as the most striking failure of the post-cold-war era. Then, in March 2003, American tanks charged across the dunes into Iraq, beginning, in the eyes of many Americans, the worst foreign policy debacle of the post-9/11 world. Tet, Somalia and Iraq: the three great post-World War II American defeats.

Except that, remarkably, Tet and Somalia were not defeats. They were successes perceived as failures. Such stark divergence between perception and reality is common in wartime, when people's beliefs about which side wins and which loses are often driven by psychological factors that have nothing to do with events on the battlefield. Tet and Somalia may, therefore, hold important lessons for Iraq.

The Tet offensive was an unmitigated disaster for the communists. Despite the advantages of surprise, the South Vietnamese insurgents, the Vietcong, failed to hold on to a single target in South Vietnam and suffered staggering losses. Of the 80,000 attackers, as many as half were killed in the first month alone, and the Vietcong never recovered. The United States had clearly won this round of the war.

Yet most Americans saw the Tet offensive as a failure for the United States. Approval of President Lyndon B. Johnson's handling of the war slipped to a low of 26 percent. Before Tet, 58 percent of Americans described themselves as "hawks" who wanted to step up American military involvement in the war, while 26 percent described themselves as "doves" seeking to reduce it. Two months after Tet, doves narrowly outnumbered hawks.

How did perceptions become so detached from reality? A key factor was overblown expectations. In the months before Tet, Johnson had begun a "progress campaign" to convince Americans that victory in Vietnam was just around the corner. Reams of statistics showed that infiltration rates were down and enemy casualties were up. And it worked. Public confidence ticked upwards. But after Johnson's bullish rhetoric, Tet looked like a disaster. The scale and surprise of the offensive sent a

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shock wave through the American psyche. As Johnson's former aide, Robert Koner, later recalled, "Boom, 40 towns get attacked, and they didn't believe us anymore."

The illusion of defeat was heightened by two powerful symbolic events. First, the communists attacked the American Embassy in Saigon. It was one of the smallest-scale actions of the Tet offensive, but it captured America's attention. The attackers had breached the pre-eminent symbol of the United States presence in South Vietnam: if the embassy wasn't safe, nowhere was. News outlets reported that the embassy had been captured when in reality all of the attackers were soon lying dead in the courtyard.

Gen. William Westmoreland, the commander of the American forces in Vietnam, held a press conference at the embassy to announce that Tet was an American victory. But behind the general, dead Vietcong were still being dragged away from the blood-spattered lawn. Reporters could scarcely believe what they were hearing. Said one: "Westmoreland was standing in the ruins and saying everything was great."

Second, Eddie Adams's photograph of South Vietnam's police chief executing a Vietcong captive in the street caused a sensation. After he fired the shot, the police chief told nearby reporters: "They killed many Americans and many of my men. Buddha will understand. Do you?" Back home in the United States, the image spoke powerfully of a brutal and unjust war. For some Americans, this image was the Tet offensive.

Finally, the American news media painted a picture of disaster in Vietnam. Even though communist forces incurred enormous losses, reporters often lauded their performance. As the Times war correspondent Peter Braestrup put it, "To have portrayed such a setback for one side as a defeat for the other — in a major crisis abroad — cannot be counted as a triumph for American journalism."

A similar story later unfolded in Somalia. From 1992 to 1994, the American humanitarian intervention in Somalia saved the lives of more than 100,000 Somalis and cut the number of refugees in half, for the loss of 43 Americans. Back in the United States, however, this noble mission was widely viewed as the greatest foreign policy disaster since Vietnam. By October 1993, approval for President Bill Clinton's handling of Somalia fell to 30 percent. Only 25 percent of Americans viewed the intervention as a success, and 66 percent saw it as a failure.

Like Tet, the mission in Somalia suffered from overblown expectations. Intervening in an anarchical, war-ridden country was bound to be difficult. But early efforts to provide food and security in Somalia went so well that the project looked deceptively easy. The American public and news media lost interest — until early October 1993, when American soldiers were killed in the infamous "Black Hawk Down" battle in Mogadishu.

With echoes of Saigon in 1968, powerful images of the Mogadishu battle pushed Americans towards a perception of defeat. Press coverage was dominated by pictures of the captured pilot, Michael Durant, and mutilated American corpses, often with the tagline of America's "humiliation." Journalists tended to ignore the bigger picture, in this case large pro-American demonstrations in Somalia and successful efforts to save lives and restore order outside of the capital.

Memories of Vietnam, and fears of getting bogged down in another messy quagmire, also promoted perceptions of failure. In October 1993, 62 percent of Americans thought that the intervention in Somalia "could turn into another Vietnam," even after Mr. Clinton announced that America was pulling soldiers out of Somalia, and at a time when American casualties were a thousand times lower than in Vietnam.

What does this mean for Iraq? At the least, Tet and Somalia suggest we should be very careful before concluding that Iraq is a defeat. There is real evidence of failure, especially the escalating sectarian violence. But our perceptions are nevertheless easily manipulated. Iraq looks like a defeat in part because the Bush administration fell into the same trap as President Johnson: raising expectations of imminent victory by declaring "mission accomplished" before the real work had even begun. And as with Somalia, fighting shadowy insurgents in Iraq while propping up a weak government engenders negative memories of Vietnam.

Perceptions of success and failure can change the course of history. Reeling from the supposed disaster at Tet, the United States began to withdraw. Memories of "failure" in Somalia were a major reason — perhaps the major reason — that the United States did nothing to stop the genocide in Rwanda in 1994. If Iraq is perceived as a failure, it is only a matter of time before America pulls out, leaving who-knows-what behind. With the stakes so high, Americans must be certain that their perception of failure in Iraq is not a mirage.

Wheat Monopoly Cited In Iraq Oil-for-food Scandal (WT/AP)

By Rod Mcguirk

The Washington Times, November 28, 2006

CANBERRA, Australia -- Top officials from Australia's monopoly wheat exporter deceived the United Nations and likely broke Australian law by paying more than $200 million to Saddam Hussein's regime under the Iraq oil-for-food program, an inquiry reported yesterday.

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Former Judge Terence Cole said he found no evidence of wrongdoing by government officials in his months-long investigation into kickbacks, but recommended police investigate 11 executives from the wheat exporter and a 12th from another company.

Prime Minister John Howard said the inquiry's key recommendations would be acted upon immediately. The Howard government instituted the inquiry after AWB -- formerly the state-owned Australian Wheat Board -- was named as the largest single payer of kickbacks in the corruption-ridden U.N. program.

Mr. Howard said a police task force would be set up to investigate AWB executives mentioned by Judge Cole, who identified possible crimes but did not have the power to file charges.

Mr. Howard also said the government would review the system granting AWB a monopoly over Australia's wheat exports. The system has been criticized as unfairly protective by Australia's competitors on world grain markets.

Mr. Howard said the report vindicated him, Foreign Minister Alexander Downer and former Trade Minister Mark Vaile, who claimed to have had no knowledge of the kickbacks.

In his five-volume, 2,000-page report, Judge Cole said he found no evidence of illegal activity by the government.

"The government has hidden nothing," Mr. Howard told a press conference after the report was released. "The commissioner has found in the most emphatic terms imaginable that there is no evidence of wrongdoing" by the government.

The inquiry's government-given mandate was to examine company executives -- not government officials. Mr. Howard denied the investigative powers were set deliberately narrow to ensure the government was not implicated in the scandal.

The report said 11 AWB officers may have breached Australian corporate and criminal law. Among them was AWB's former chairman, Trevor Flugge, who became widely known after a photograph became public of him, shirtless, brandishing a revolver during a trip to Iraq in 2003.

At the inquiry, Mr. Flugge said he was unaware the payments were in breach of U.N. sanctions. Brendan Stewart, AWB's chairman, said his board "deeply regrets" the way in which the wheat trade with Iraq was conducted.

From 1999 to 2003, AWB executives purportedly authorized $222 million in bogus transport fees to a Jordanian trucking company, Alia Transport, that was partly owned by Saddam's government. Payments to Saddam were illegal under U.N. sanctions.

AWB purportedly inflated the cost of wheat it was charging to the oil-for-food program by as much as $50 per ton to cover the bogus transport fees, which the Iraqi Grain Board demanded as a condition for lucrative grain contracts.

Judge Cole also found that the U.N. knew Iraq was breaching sanctions, but took no steps to stop the practice.

Australian Panel Says Firm Paid Bribes To Hussein (NYT)

By Raymond Bonner

The New York Times, November 28, 2006

SYDNEY, Australia, Nov. 27 — A high-level commission investigating corruption in the United Nations oil-for-food program released a long-awaited report on Monday stating unequivocally that a major Australian wheat company paid more than $224 million in kickbacks and bribes to Saddam Hussein's government.

The commission also found that the company, ABW Ltd., had "deliberately and dishonestly" devised a scheme for the payments — from 1999 until the overthrow of Mr. Hussein in 2003 — that would deceive the United Nations. When the United Nations conducted its investigation in 2005, headed by Paul A. Volcker, the former Federal Reserve chairman, AWB withheld thousands of pages of documents and its lawyers made statements to Mr. Volcker that were patently false, the commission found.

The Australian commission's report was the most thorough — and damning — investigation of corruption in the United Nation's oil-for-food program. It is certain to have repercussions for politicians in Canberra as well as in Washington, where incoming Democratic lawmakers have pledged to hold their own hearings.

The program was set up to alleviate the hardships of the Iraqi people while isolating Saddam Hussein's government. Its aim was to allow Iraq to trade some oil for food and other necessities under close United Nations supervision while the country remained under international sanctions.

Instead, the report found that both AWB and the Iraqi government used the program for profit.

In Canberra, the government of Prime Minister John Howard claimed vindication because the commission declared that it found no evidence that any government officials had knowledge of AWB's kickback scheme.

But the commission's chairman, Terence Cole, a retired state supreme court justice, left open the question of whether Australian officials could, or should, have known about the scheme — all AWB contracts were submitted to the government for approval — if they had conducted their own investigation. His mandate from the government for the inquiry did not include that question, he said.

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The opposition leader, Kim Beazley, said that even if the government was not criminally culpable, it was at least negligent and incompetent for not knowing about the kickbacks.

The scheme AWB and the Iraq government set up for making the kickbacks involved using a Jordanian trucking company, Alia, which was a front for the Iraqi government, the report concluded.

At first, AWB paid Alia $12 for each ton of wheat it sold to the Iraqi government, money that went into the pockets of Iraqi officials. Later, the amount was increased by Iraqi government to $55 a ton, which included a "service fee." The money was supposedly for moving the wheat inland from the Iraqi port. But Alia had no trucks in Iraq.

AWB then passed on the cost of the bribes to the United Nations by recovering the inflated payments from the oil-for-food program's escrow account.

The commission's report — 2,065 pages in five volumes, costing more than $7 million and taking nearly a year to compile — was based on the testimony it took from some 70 AWB and Australian government officials during 75 days of public hearings. It also examined more than 1,500 internal company and government documents. (The report can be found at www.oilforfoodinquiry.gov.au).

When investigated by the Volcker commission, which found that AWB was the largest payer of kickbacks to Iraq under the oil for food program, lawyers said that the company had been deceived by Iraq and Alia, and that it did not know Alia was a front for the Iraqi government and had never paid a service fee.

And AWB lawyers repeatedly denied they had any knowledge that the payments they were making through Alia were in fact going to the Iraqi government.

"Neither statement was true," Mr. Cole concluded, rejecting the claims almost in totality.

"The facts are not now in doubt," he said.

Mr. Cole was blistering in his criticism of AWB, which has enjoyed a monopoly on wheat exports. The illegal payment scheme grew out of a "lack of culture of ethical dealing" at AWB, he said. He was also noticeably critical of AWB's lawyers for advising the company on how to hide the payments, and for lying to the Volcker committee.

The commission recommended that criminal prosecutions be considered against 11 AWB officials, including the general counsel, and against a former officer of BHP Billiton, one of the world's largest mining companies, who, Mr. Cole said, may have "conspired with or aided and abetted AWB" in transferring $8 million to the Iraqi regime as a part of debt supposedly owed to BHP.

BHP issued a statement on Monday saying that it had received the Cole Commission report and would have no further comment until it had reviewed it and completed its own internal investigation.

The current chairman of AWB, Brendan Stewart, who replaced one of the men who now faces criminal charges, said the company "deeply regrets" the manner in which the trade with Iraq was conducted. He said the company would issue a fuller statement in the next few days.

In Washington, Sen. Tom Harkin, Iowa Democrat, who is slated to become chairman of the House Agricultural Committee in January, has indicated he will hold hearings on the matter.

"The exact form and details of the inquiry have yet to be decided, although the report issued by the Cole Commission should be quite helpful to our efforts," Mr. Harkin said in a statement on Monday.

During the commission's hearing here, documents were introduced showing that in 2003, when the allegations of AWB's bribes began to seep out, the Australian ambassador in Washington, Michael Thawley, lobbied senior Bush administration officials on AWB's behalf. It is not clear what they did, if anything.

The ambassador also lobbied Senator Norm Coleman, Republican of Minnesota, who had been a loud critic of corruption in the oil-for-food program, but called off an investigation after being assured by Mr. Thawley that AWB had done nothing illegal. Mr. Coleman later said he had been misled by the ambassador. Senator Coleman said Monday that he would "review the Cole report with a fine-tooth comb to determine whether U.S. interests were hurt by AWB's gross misconduct." A major concern, he said, "is whether Australian officials were less than honest in their dealings with the subcommittee."

Mr. Thawley has said that the representations he made to Mr. Coleman were based on assurances from AWB that it had not made any illegal payments.

The U.S. Wheat Associates, a trade group, could also claim vindication. In June, 2003, it had written a letter to Secretary of State Colin L. Powell, suggesting that AWB was inflating its wheat contracts and that some of the excess had gone to the Iraqi regime.

The Australian government called the allegations "slanderous and outrageous" at the time and said they were part of an "insidious campaign" by AWB's chief competitor in the Iraqi wheat market.

Australia Cleared In Kickback Probe (WSJ)

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By Barbara Adam And Ray Brindal

The Wall Street Journal, November 28, 2006

CANBERRA, Australia -- A yearlong inquiry into $221.7 million in kickbacks paid to Saddam Hussein's former regime in Iraq cleared the Australian government of any wrongdoing, but the findings could increase pressure on the government to dismantle the country's powerful wheat-export monopoly.

U.S. and European growers have long tried to persuade Australia to end its wheat-marketing system, whereby growers sell their export wheat through a "single desk" managed by listed AWB Ltd., which then handles sales to foreign buyers. U.S. and European growers contend the monopoly distorts the world market by giving Australian farmers more clout overseas than they would have if they sold their wheat individually.

Australia is one of the world's most important wheat producers and recently ranked second among exporters behind the U.S.

AWB has survived many attacks in the past. But more recently it has come under renewed fire amid revelations that it paid illegal kickbacks to Mr. Hussein's government to secure wheat contracts as part of the scandal-plagued United Nations oil-for-food program. Australia was the dominant wheat supplier to Iraq beginning in the mid-1990s. By 1999, sales to Iraq accounted for 10% of Australia's annual wheat exports. In the past year, however, the U.S. has muscled AWB out of the Iraq wheat market, and the American wheat lobby has agitated for an inquiry into AWB's activities in Iraq.

Retired Australian Judge Terence Cole found AWB may have broken several Australian laws, including criminal and banking codes, by making payments to the Iraqi regime between 1999 and 2003 in breach of U.N. sanctions.

In a report to the Australian government yesterday, Mr. Cole named 11 former AWB executives, including a former BHP Billiton PLC executive, as possibly acting illegally.

In a statement to the stock exchange, AWB Chairman Brendan Stewart expressed "deep regret" about the way the company, based in Melbourne, conducted the wheat trade with Iraq under the oil-for-food program. He said AWB won't respond to allegations made against its former employees but added that it will hold a briefing tomorrow after reviewing the report.

BHP Billiton Chief Executive Chip Goodyear said he wouldn't be able to respond to the Cole report until it had been thoroughly reviewed.

The government pledged to introduce legislation in Parliament within two weeks to facilitate Mr. Cole's recommendation of a police task force to consider criminal prosecutions against AWB and those named in the report.

Two U.S. senators pledged yesterday to investigate the Australian wheat monopoly in light of the report. Democratic Sen. Tom Harkin of Iowa, probable chairman of the Senate Agriculture Committee after the next Congress convenes in January, said the AWB report would be helpful for his panel's inquiry. Sen. Norm Coleman, while praising the Australian probe, said its findings raise worries about whether actions by the exporter harmed U.S. farmers. The Minnesota Republican, who heads the Senate's Homeland Security and Government Affairs investigative subcommittee until January, said he would examine whether AWB officials lied in testimony to the subcommittee.

Prime Minister John Howard, who appeared before the Cole inquiry in April to give sworn evidence about what he knew, said the government is reviewing Australia's wheat-marketing arrangements; the role of AWB in the nation's wheat trade, valued at as much as five billion Australian dollars, or about US$4 billion, a year; and the duties of AWB's regulator, the Wheat Export Authority.

Many analysts believe the Cole report's findings will make it difficult for Australia to avoid some kind of overhaul of AWB.

Some agricultural-industry groups in Australia still back a wheat-export monopoly so growers don't compete against each other on world markets, driving returns down. But they don't necessarily support AWB's operation of the monopoly. Meanwhile, a sizable minority of growers now supports freeing wheat exports.

The main national growers' lobby, the Grains Council of Australia, said the findings of the Cole inquiry will undermine growers' confidence in AWB.

The Australian government set up the Cole inquiry a year ago, after a U.N.-commissioned probe by Paul Volcker, former chairman of the U.S. Federal Reserve, found AWB paid kickbacks to Mr. Hussein's regime through the oil-for-food program. That program allowed Iraq to sell oil in exchange for humanitarian goods, using the U.N. as an intermediary. Mr. Volcker found AWB was one of about 2,200 companies and individuals from 66 countries that paid a total of US$1.8 billion in illegal kickbacks to Iraq.

A report commissioned by AWB said changes to monopoly arrangements are probably warranted but must be done slowly, and not before 2010.

AWB's stock price has dropped more than half since the inquiry's public hearings began in January.

The Cole report found Mr. Howard, Deputy Prime Minister Mark Vaile and Foreign Affairs Minister Alexander Downer were never told of AWB's irregular payments in Iraq.

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Shooting The Messenger (WP)

The Washington Post, November 28, 2006

IN THE MESS that is Iraq, there's one entity that has done an unquestionably good job: the special inspector general for Iraqi reconstruction. Under the leadership of Stuart W. Bowen Jr., the inspector general's office has found that the Coalition Provisional Authority could not account for almost $9 billion distributed to Iraqi ministries. Mr. Bowen's office determined that the U.S. government lost track of thousands of pistols and hundreds of assault rifles given to Iraqi security forces. It found that Halliburton Co. wasted $75 million on a failed pipeline project and that Parsons Corp. bungled construction of a $75 million police academy in Baghdad so badly that human waste dripped from the ceilings. Its audits have saved the government more than $400 million.

Now there's a move to close down Mr. Bowen's shop. More than a move, actually: A mischievous provision, slipped into the defense authorization bill by House Republicans without the knowledge of key senators, set an October 2007 termination date for the office. The bill was signed into law last month, but a number of senators, including Susan Collins (R-Maine), chairman of the Homeland Security and Governmental Affairs Committee; Joseph I. Lieberman (D-Conn.), the committee's ranking minority member; and Russell Feingold (D-Wis.), are trying to reverse this foolish plan during the lame-duck session.

Unfortunately, a promising legislative vehicle for their attempt, a military construction spending bill, is snarled in a separate dispute about earmarks. The Senate is poised to approve a stand-alone fix, but House Armed Services Committee Chairman Duncan Hunter (R-Calif.), who was responsible for the early termination, is said to be resisting a fix. The rationale is that the need for the inspector general's services is diminishing along with U.S. reconstruction funds and that remaining work can be picked up by State and Defense Department inspectors general. But that ignores an additional $3.6 billion provided for reconstruction efforts in the latest defense bill and the expertise that Mr. Bowen's shop has demonstrated in doing this difficult work. When it returns next week, the Senate should pass the measure extending Mr. Bowen's tenure, and the House should go along.

Bush Visits Baltic Ally Ahead Of Talks On Afghanistan, Iraq (USAT)

By David Jackson

USA Today, November 28, 2006

TALLINN, Estonia — President Bush arrived here Monday to promote freedom and democracy, using this small Baltic nation, a former republic of the Soviet Union, as a model.

Bush came to the seaport of Tallinn in advance of this week's NATO summit on Afghanistan and meetings with Iraqi Prime Minister Nouri al-Maliki in Jordan.

Estonia and Latvia — site of the two-day summit — are U.S. allies in the war on terrorism. In a 2005 speech, Bush hailed Estonia and its neighbors Latvia and Lithuania for “one of the most dramatic” political transformations that proved “the love of liberty is stronger than the will of an empire.”

Charles Kupchan, an international relations professor at Georgetown University, said Bush's freedom agenda has been challenged by the rising violence in Iraq and Afghanistan.

“It's grown increasingly difficult for Bush to talk the talk of democratization as Iraq and Afghanistan spiral downward,” Kupchan said.

Bush's first trip to Estonia, however, provides a different backdrop for the debate. Since the Soviet occupation here ended 15 years ago, “we have seen Estonia consolidate its sovereignty and build a thriving free-market democracy,” said Judy Ansley, a senior director for the National Security Council.

In Tallinn's Old Town, where serpentine cobblestone streets and stone towers date to the 13th century, many residents said they were pleased about the first visit to Estonia by a U.S. president. In Town Hall Square, Estonians sold ceramics and clothing as a sound system blared White Christmas and an Estonian rendition of Here Comes Santa Claus. Several residents, however, said they are worried about conditions in Iraq.

“I'm not for the war, so I am not for Bush,” said Anna Dytyna, 22, who sells home furnishings not far from the central Town Hall Square.

Natalja Ikonnikova, 44, questioned whether the United States or another country could force democracy on Iraq or Afghanistan. “They must decide what to do in their country,” she said.

Evi Tigane, 74, said Bush's visit to her hometown is strictly about politics. As for Iraq, she said: “This is (about) oil.”

Bush's hopes for democracy in Iraq and Afghanistan have been threatened by ongoing insurgencies in both countries, which will be major topics of his week-long, three-country trip.

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"Things are not proceeding well or fast enough," said national security adviser Stephen Hadley, declining to characterize the violence in Iraq as a civil war.

"We're clearly in a new phase characterized by an increase in sectarian violence that requires us to adapt to that new phase," he said.

Bush plans to spend half a day today in Tallinn, meeting with the president and prime minister as well as local democratic activists. Bush and Estonian President Toomas Hendrik Ilves have scheduled a brief news conference.

Bush then heads to Latvia's capital, Riga, site of the NATO summit. The meeting will be dominated by the situation in Afghanistan, where 32,000 NATO troops are battling a resurgent Taliban. A U.S.-led invasion in 2001 deposed the Taliban for harboring planners of the 9/11 terrorist attacks.

The trip ends Thursday in Jordan, where Bush will huddle with al-Maliki and Jordan's King Abdullah II. Hadley said Bush wants to hear from al-Maliki about his strategy for moving forward.

Hadley said Bush is open to all ideas, including recommendations coming soon from a special commission on Iraq headed by former secretary of State James Baker and former Indiana congressman Lee Hamilton.

NATO Chiefs Focus On Afghanistan (WSJ/AP)

The Wall Street Journal, November 28, 2006

RIGA, Latvia -- One issue will dominate this week's NATO summit: Afghanistan.

The 26 presidents and prime ministers know that the future of the North Atlantic Treaty Organization is playing out in the deserts of Kandahar and mountains of Uruzgan rather than in their conference hall on the Baltic Sea.

The rise in Taliban violence since NATO's 32,800-strong force moved into those southern provinces and the resultant casualties among civilians and Western soldiers has called into question the strategy behind NATO's "stabilization" force in Afghanistan.

Before traveling to Europe for the summit, U.S. President George W. Bush spoke on the phone with his Afghan counterpart. "President Bush assured President Hamid Karzai that the United States of America will reiterate its commitment at the NATO summit to the strengthening of security and reconstruction in Afghanistan," said a statement from Mr. Karzai's office in Kabul.

The dangers to the NATO force were underscored by attacks that ended a period of relative calm. Two Canadian soldiers serving with the NATO force were reported slain by a suicide car bomber yesterday. A day earlier, a suicide bomber killed 15 Afghans in a restaurant.

The summit today and tomorrow in Latvia's capital, Riga, will be Mr. Bush's first meeting with European allies since he was chastened by Democrats' success in the midterm elections and bid farewell to Defense Secretary Donald H. Rumsfeld.

Bush To Pursue Fresh NATO Commitments (WP)

By Michael Abramowitz And Pamela Constable

The Washington Post, November 28, 2006

TALLINN, Estonia, Nov. 27 -- President Bush will seek fresh troops and equipment for the fight in Afghanistan, and fewer restrictions on how they can be used, when he sits down this week with NATO allies to review the state of the dangerous mission there, according to senior U.S. officials.

Bush flew Monday to this scenic capital, on his way to a summit of NATO's leaders in Riga, Latvia, that begins Tuesday. There, U.S. officials say, they are hoping allies will renew their commitments in Afghanistan, where a stepped-up Taliban insurgency is posing stiff new challenges for some 33,000 NATO troops, about a third of them American.

The mission is shaping up as the major issue for discussion among Bush and the leaders of the 25 other NATO member countries, who are gathering for the first time in two years. A failed operation in Afghanistan would threaten NATO's ambition to one day play a more robust role in helping address the world's crises.

Briefing reporters on Air Force One on the way to Estonia, national security adviser Stephen J. Hadley cited "an increasing awareness at how important this is for the war on terror, how important it is for Afghanistan and how important it is for NATO not to fail."

Some key NATO countries, including Germany, France, Italy and Spain, have placed sharp limits on how their troops can be used, to the growing consternation of the United States and other countries whose forces are involved in fierce battles with the Taliban in southern parts of Afghanistan. Only the United States, Britain, Canada and the Netherlands have combat troops in the south.

Meanwhile, calls for more troops from NATO commanders have faced resistance from member countries, some of which have seen public support for the mission wane as casualties have increased. On Monday, a suicide bomber attacked a

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Canadian armored vehicle in the south, killing two soldiers and bringing to 44 the number of Canadian troops killed in the country.

"Events in Afghanistan are reaching a critical juncture, and European politics and perceptions, as well as U.S. commitments in Iraq, may prevent NATO from getting the assets necessary to ensure victory," said retired Gen. Joseph W. Ralston, the former U.S. supreme allied commander in Europe, at a briefing held by the Center for Strategic and International Studies in Washington.

U.S. officials say they hope the summit will help focus attention on the needs of the mission in Afghanistan, which they say include not only greater military assistance but also economic and political reconstruction efforts.

NATO military spokesmen in Kabul said they will seek to review the issue of troop restrictions, or "caveats," in the hopes that some personnel already stationed in Afghanistan might take on broader roles or be able to shift from one sector to another if needed. "If the caveats can be reduced, that is essentially the same as adding new troops, because it frees up troops that are here," said Maj. Luke Knittig, chief NATO spokesman in the Afghan capital.

Daniel Fried, the assistant secretary of state in charge of European and Eurasian affairs, told reporters of the "hard price" being paid by Canada as he sought to explain the need for more flexibility for NATO commanders.

"A country like Canada, and the Netherlands, has every right to expect that their allies are at their back, which means if they get into trouble, they can count on support from all of NATO," Fried said last week.

Privately, U.S. officials are playing down the prospects of any breakthrough this week. In Germany, where public opinion seems strong against lifting restrictions that keep troops in the safer northern areas, Chancellor Angela Merkel last week reiterated her determination to keep them from moving south. U.S. officials remained hopeful, however, that Merkel could continue to frame the debate to allow for some loosening of restrictions in the future.

The United States provides the largest number of NATO troops, with 11,800. Second is Britain, with 6,000; third is Germany, with 2,700; then Canada, with 2,500; followed by the Netherlands, Italy, France, Romania, Spain and Turkey. The United States also has several thousand troops who operate in Afghanistan outside the NATO umbrella.

In 2002 and 2003, NATO troops were confined to Kabul as the International Security Assistance Force. Over the past three years, the mission has been gradually extended to the entire country, with NATO troops moving into the east just last month.

In the past six months, NATO and U.S. troops have faced an unexpectedly aggressive insurgency by the revived Taliban militia. Officials report that attacks have increased fourfold since a year ago, reaching 600 a month, and that between 3,700 and 4,000 people have died in insurgent-related violence this year. The insurgents have also begun using suicide bombs, a new phenomenon for Afghanistan.

NATO commanders in Afghanistan have repeatedly asked for more troops and equipment. So far, only Poland has responded, pledging to send 1,000 troops in the new year.

The central message NATO commanders hope to deliver in Riga is "to put more in focus why we are here in Afghanistan," said Knittig, noting the country's importance in the wars against terrorism and drugs, and in the future security of NATO states. "We need to punch that message through."

Some European diplomats in Kabul expressed disappointment with the reluctance of NATO countries to send more troops and equipment.

"Some countries in Europe need to be reminded that Afghanistan is not just a faraway place we know little about," said Francesc Vendrell, the senior European Union representative in Kabul. "It is a country that is central to the security interests of the West. If Afghanistan were to collapse or the Taliban were to take over, the leaders would probably form close relations with al-Qaeda."

Ronald D. Asmus, executive director of the German Marshall Fund's Transatlantic Center in Brussels, said there is a gap between NATO's expressed desire to play a more active role in addressing world crises and its members' will to do so. "In the Cold War, no one would have dared to put a caveat on how their forces are used at the front lines," he said. "People don't really believe in their hearts that they need to take the big risks to succeed."

But U.S. officials said the mission in Afghanistan is succeeding. "When you take a look at it, obviously NATO was challenged by the Taliban when they moved into the south," said Judy Ansley, the senior director for European affairs on the National Security Council staff. "But NATO has responded very strongly. They've stood and they've fought, and have been very successful against the Taliban. So I don't see Afghanistan as being a mission in trouble or someplace where we have a problem."

A NATO Bid To Regain Afghans' Trust (WP)

By Pamela Constable

The Washington Post, November 27, 2006

DOJ_NMG_0098991

PANJWAI, Afghanistan -- The road to this southern Afghan farming town is wide, smooth and utterly empty, except for an occasional old man on a bicycle or a meandering herd of baby camels.

It was paved last year with Japanese funds to help farmers send their grapes to market and patients reach hospitals in the city of Kandahar, 20 miles to the east. But that was before war came to Panjwai, making its name synonymous with the physical destruction and political mayhem wrought by months of Taliban attacks and NATO bombing.

Now almost no one dares to drive on the road. NATO forces declared victory here in late September, claiming to have killed about 1,500 insurgents in a campaign named Operation Medusa. Yet Taliban fighters still linger in the surrounding orchards and launch sporadic attacks. On Monday, insurgents fired at several NATO bases in the district, although no one was injured.

Many shops in Panjwai remain shuttered, and most of the estimated 80,000 people who fled nearby villages have not returned. Some harbor bitter memories of NATO bombings that destroyed their homes and fruit crops. At least 50 civilians were killed over several weeks of bombing, and President Hamid Karzai last month ordered an investigation into the deaths. NATO officials have said the insurgents used villagers' homes as shelter, provoking the deadly airstrikes.

"I lost three of my sons, my brother, my wife, two daughters-in-law and many grandchildren," said Abdullah Shah, a white-haired farmer, wiping his eyes with a dirty shawl. "I moved the whole family into a tent for safety when the fighting started. The international forces said there were 20 Taliban in that tent, but it was not true. How could there be, when we were so crowded already?"

In an effort to regain public trust, NATO forces have moved into Panjwai with bricks, bulldozers and lots of cash. Local men have been hired to repair damaged buildings, the renovated high school reopened last week, and a new road is being laid from the town to several grape-growing villages that suffered the heaviest bombing damage.

NATO has pledged $8 million to improve Panjwai and the adjacent Zhari district, in hopes of creating a Taliban-proof development zone and a model for other post-conflict areas. Canadian troops have set up a base above the town and patrol the bazaar in armored convoys, while NATO officers meet often with local elders.

"Panjwai is a microcosm. The key is to move fast once the fighting stops, work with local institutions, get development projects going and get local people involved in their own security," said Maj. Steve Murray, deputy commander of a military reconstruction team in Kandahar. "We can fight the Taliban until the cows come home, but we can't make the area safe if we don't deal with the other issues."

Last Tuesday, a Canadian officer arrived as bulldozers were clearing land for the new road. He was soon surrounded by frowning farmers who demanded extra money to let the road cross their fields. The mayor joined the negotiations, calculating acreage on a pad of paper. The officer politely insisted on the previously agreed price.

In the chilly Panjwai bazaar, turbaned men huddling around sidewalk teapots raised more serious issues. They expressed deep ambivalence about the presence of international troops and both fear of and admiration for the Taliban insurgents.

"The coalition forces have brought us nothing but problems. They enter our houses and mosques without permission," said Abdul Jan Mohammed, a grape grower whose vineyards were damaged by NATO airstrikes. "The Taliban don't want to fight. They are just tired of all the corruption, as we are."

Bismillah, 45, whose farm is a half-hour walk from town, said his neighbors had begun to return home since the bombing ended but that insurgents were still lurking nearby. Like many Afghans, Bismillah uses just one name.

"Everything is confused now," he said. "At night we hear shooting and rockets, and we cannot light our lamps for fear of the Taliban. But if a mine explodes on the road, the army and coalition forces come and pressure us to find out who did it. The best thing to do is negotiate, but the Taliban will never negotiate as long as the foreign troops stay here."

One obstacle to security is the shortage of Afghan police and soldiers in the region. In terms of size and competence, the new national army and police force have lagged far behind what officials hoped for, so the government recently began recruiting and training local auxiliary police officers to serve in conflict zones such as Kandahar province.

The program has drawn praise and criticism. It gives men in poor rural areas an income and a vested interest in protecting their communities. But recruitment standards are low, training is cursory, and many who sign up are rejected because of hashish use or other habits.

Commander Ehsanullah Alizai, the provincial police chief, said local elders and district officials are choosing applicants for the new force and that each recruit is further vetted by his office. But he acknowledged that the two weeks of training they will get are far from adequate.

"Of course it is not enough. It takes a lot of time and education to become a police officer. But this is an emergency," Alizai said, adding that 250 of the expected 1,000 new police officers have completed training and started work. "The security situation in Panjwai and Zhari was getting worse, and the government had to take action."

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But the threat of further NATO bombing has not stopped the Taliban from launching new attacks, often against civilians. Last month, two insurgents on a motorbike ambushed Fazel Mahmad, a Panjwai elder, as he was taking his daughter to a doctor in Kandahar. Mahmad, who works with a government program that helps local insurgents return to civilian life, was shot in the neck and throat but survived after surgery at a NATO base.

"The local Taliban are sons of our soil, but the Taliban trained by al-Qaeda see all Afghans as infidels and Americans. They do not want any reconciliation," said Mahmad, who now speaks with a lisp. He said he saw many wounded Taliban fighters being treated at the NATO field hospital, where he said they cursed the medical staff and refused to eat.

In a second recent attack, insurgents opened fire on a clinic at a camp for nomads and refugees beside the highway from Kandahar to Panjwai and briefly kidnapped the doctor. Now the clinic building sits abandoned beside the colony of patched tents and thorn-bush camel corrals.

On Tuesday, several women in the refugee camp said they had fled there after airstrikes on their villages near Panjwai. One woman, Badro, shrieked and wept, saying two of her brothers and all the family's sheep and camels had been killed.

"Everyone is a witness. There were no Taliban there at all," she cried, shaking a fist. "The dead bodies of my family are still there. It is not safe to collect the pieces."

[On Sunday, a Pakistani suicide bomber detonated himself in Paktika province, killing 15 people and wounding 24, including an Afghan special forces commander, the Associated Press reported.]

The Afghan government has made efforts to console and aid survivors in Panjwai. Abdullah Shah said he was paid about $8,000 as compensation for his dead relatives. He was also taken to Kabul, where he said Karzai gave him a hug and promised him a new house.

Last week, the minister of rural development flew to Kandahar and met with a large group of elders from Panjwai, asking what they needed most. He was accompanied by Christopher Alexander, deputy U.N. representative for Afghanistan, who told them the goal was to transform their region "from this year's battlefield to next year's construction ground."

The delegation did not visit Panjwai because it was considered too dangerous, but Alexander said elders from several villages told him security was better because young men who had been fighting for the Taliban were now earning money on NATO construction projects. He also noted that several elders did not attend the Kandahar meeting, suggesting that they were suspicious of the government and sympathetic to the insurgents.

Mahmad, a fruit grower who remained in Panjwai that day, complained bitterly that the residents were trodden upon by everyone.

"We don't support the Taliban, but we don't want the foreign troops here, either," he said. "I blame President Karzai, too. If we had laws and honest government in this country, the Taliban wouldn't be fighting."

Abroad, Bush Tests His Persuasive Powers (CSM)

By Howard Lafranchi

The Christian Science Monitor, November 28, 2006

RIGA, LATVIA

What was sketched into the presidential agenda as a transatlantic foray to address the North Atlantic Alliance's future has instead become one of the more consequential foreign-policy trips of the Bush presidency - and one of the tougher tests of his international leadership.

From the NATO summit he attends in this Baltic capital Tuesday and Wednesday, to the sit-down with Iraqi Prime Minister Nouri al-Maliki that he has added to his agenda, this has become the trip of the George W. Bush wars.

By adding a leg to Amman, Jordan, to meet with Mr. Maliki, the White House has made this trip a crucial part of the president's deliberations on policy adjustments to address the deteriorating situation in Iraq. But before that, Mr. Bush will take up the war in Afghanistan with his NATO colleagues - and Afghanistan is something the president dare not disregard even in the midst of Iraq developments.

Not only is the NATO-led war in Afghanistan facing its own mounting challenges, with potentially deep consequences for the international war on terror, but of the two wars, it is also the one where the United States has important allied assistance.

Yet between the NATO focus on Afghanistan and the Jordan stop to address Iraq, Bush has essentially undertaken a trip focused on the broader Middle East. The test for him will come in his ability to press others into closer cooperation with the US.

"The way Bush's trip has evolved, it highlights how the major security issues we face are no longer in Europe but in the Middle East," says Ronald Asmus, executive director of the German Marshall Fund's Transatlantic Center in Brussels. "Rhetorically the US and Europe are together on that, but politically and psychologically the alliance hasn't really made the leap."

NATO leaders may not like the prospect of a summit with an American president preoccupied with Iraq, Mr. Asmus adds, but that should prompt them "to consider whether they are really addressing the central security challenges facing us today."

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In Riga, Bush will press the 26-nation alliance for both more money and more troops for Afghanistan, according to White House officials. To make his case, Bush will emphasize the connection between international security and the battle to defeat a resurgent Taliban and elements of Al Qaeda.

"If NATO is to be successful [in Afghanistan], it will need enough troops and the right kinds of troops to be able to do the mission," says Judy Ansley, senior director for European affairs at the National Security Council. "If you look to the threats of the 21st century, most of them are not right on the borders of Europe as they used to be during the cold war. Afghanistan is a perfect example. You have a terrorist threat that has already hit our shores," she adds, and it "obviously will threaten NATO and NATO member nations if we don't deal with it there."

NATO already commands more than 30,000 foreign troops in Afghanistan. Gen. James Jones, the supreme allied commander, is looking for summit leaders to add 2,500 troops to the total.

The challenge for Bush, however, will be skepticism about his leadership in the wake of perceived defeat in the midterm elections, and what is viewed internationally as his lame-duck status.

"The alliance needs some honest discussion about what it will take to lead a successful counterinsurgency and win in Afghanistan, and normally that would take prompting and leadership from the American president," says John Hulsman, scholar in residence at the German Council on Foreign Relations in Berlin. "The problem is that Bush is in no position, given his political weakness and the shambles of his foreign policy, to lecture anyone at the [NATO] summit."

Afghanistan has become the central test of whether NATO will be able to act as a true alliance to take on the global security issues of the 21st century, says Mr. Hulsman, an expert in transatlantic issues. Too many countries are resorting to so-called "caveats" to exempt themselves from the most dangerous combat missions, he notes, and that raises questions about those members' dedication to the common goals of the alliance.

"The Germans say, 'We are deployed in the north of Afghanistan and that is all we can do,' but being in the north is kind of like guarding New Jersey. It's a little beside the point," he says. "If they and others aren't prepared to put troops in the south where the heavy fighting is and where they might take casualties, then what is the point of the alliance?"

Having that discussion at the summit "risks ruining the party," Hulsman says. "But if you can't get everybody to share the burden of facing the enemies that threaten all of us - and by that I mean Al Qaeda and the forces in the larger battle with terrorism - then why have the party at all?"

Moreover, tough decisions about issues like troop deployment will be extra hard to come by in Riga, other experts say, because NATO countries generally are in a period of weakened leadership.

"President Bush is not the only weak political leader going there. Most of them are rather weak or on their last political lap," says Simon Serfaty, a global security expert at the Center for Strategic and International Studies in Washington. Noting that British Prime Minister Tony Blair and French President Jacques Chirac will be out of the picture by next summer, while others like German Chancellor Angela Merkel face growing challenges at home, he says, "You do have a great deal of political weakness, which makes it all the more difficult to make some of the more demanding decisions related to this renewal of the alliance."

One thing working in Bush's favor, some experts underline, is that US-Europe tensions have eased since the falling-out over Iraq. Misgivings among partners still exist, they add, but are now more common between those taking on the bulk of the burdens and those sitting out the "hot war" assignments in Afghanistan.

"These tensions go to the heart of whether NATO is really going to work as an alliance on the security challenges we all face and where we face them - and for the foreseeable future that means the Middle East," says Asmus of the German Marshall Fund. "If you really believed the security of your nation was at stake, would you put such conditions on how your soldiers could fight for your defense?"

Bush To Spur NATO On In Afghan Fight (WT)

By Stephen Dinan

The Washington Times, November 28, 2006

TALLINN, Estonia -- President Bush will push for a stronger NATO commitment to fighting in Afghanistan during a summit in Latvia this week, before heading to Jordan to try to work through what the White House acknowledges is "a new phase" of sectarian violence in Iraq.

The Jordan detour, a late addition to the itinerary, will consist of meetings with Jordanian King Abdullah II and Iraqi Prime Minister Nouri al-Maliki tomorrow night and Thursday morning, and promises to dominate the four-day trip.

The White House said Mr. Bush will also use the trip to make it clear that, even with control of Congress changing and independent recommendations such as the Iraq Study Group pending, the president still decides foreign policy.

National Security Adviser Stephen J. Hadley said Mr. Bush is "listening to all of these voices for ideas," but will assure Mr. al-Maliki that in the end, "it is the president who will be crafting the way forward on Iraq."

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Mr. Bush finds a situation rapidly deteriorating on the ground in Iraq, and decided he needed to meet face to face with Mr. al-Maliki to fine-tune the course in Iraq. Mr. Hadley said the president wants to hear how the prime minister plans to rein in militias, what he will do to speed up shifting control to Iraqi security forces, and how he can bring more political groups into his coalition government.

On his second international trip since voters handed control of Congress to Democrats on Nov. 7, Mr. Bush finds this trip dominated by the two wars to which he has committed U.S. troops.

He is trying to resist being pushed around by the political situation at home, where expectations are running high for the Iraq Study Group, the congressionally mandated panel led by former Secretary of State James A. Baker III and former Rep. Lee Hamilton.

Yesterday, Sen. Joseph R. Biden Jr., the Delaware Democrat who will become chairman of the Senate Foreign Relations Committee next year, said the commission "faces a tremendous opportunity and responsibility. The opportunity is to generate a bipartisan way forward in Iraq. The responsibility is to make the hard choices required to turn Iraq around."

While still resisting the term "civil war" for the Iraq conflict, the White House did acknowledge the situation is deteriorating and efforts to stop it have failed so far.

"We're clearly in a new phase characterized by an increase in sectarian violence that requires us to adapt to that new phase," Mr. Hadley said, though he had little specific to say about how Mr. Bush plans to respond.

Some Shi'ite leaders in Iraq have threatened to withdraw from the government there if Mr. al-Maliki travels to meet with Mr. Bush.

Meanwhile, Abdullah this weekend broadened the stakes of the meeting and the Iraqi conflict by saying it cannot be solved unless there is also a solution to the Israel-Palestinian issue.

Adding to the situation is Lebanon, which is teetering after the recent murder of the industry minister and continued political conflict between Hezbollah and the U.S.-backed government.

"We could possibly imagine going into 2007 and having three civil wars on our hands," the king said Sunday on ABC's "This Week."

Meanwhile, expectations for the NATO summit are low. European nations are resisting Mr. Bush's push for committing more troops to the dangerous areas of Afghanistan, and want to go slowly on expanding the alliance's ties to non-NATO nations who are assisting with security operations.

Mr. Hadley said the difficulties are understandable but said the leaders at the summit will make some announcements on those issues.

"I think there is an increasing awareness at how important this is for the war on terror, how important it is for Afghanistan and how important it is for NATO not to fail," he said.

Mr. Bush spent the night in Tallinn, Estonia, for what amounts to a brief social call, before flying today to neighboring Latvia for the NATO summit in Riga. He will also deliver a speech at Latvia University.

It is the first NATO summit on the territory of the former Soviet Union.

Slouching Toward Riga (NYT)

The New York Times, November 28, 2006

When NATO leaders gather in Latvia this week, there will undoubtedly be a lot of grand talk about how the cold-war alliance has managed to elude irrelevance, bringing in new members, dispatching humanitarian aid and deploying peacekeepers beyond Europe's borders.

But the real issue before the annual summit meeting is that NATO is failing its most significant post-Soviet test: stabilizing Afghanistan. Violence is spiraling as the Taliban and Al Qaeda reassert their power. The economy is addicted to opium production. The pro-Western government in Kabul looks increasingly powerless and irrelevant.

Unless NATO's members commit to sending in more troops and more resources, Afghanistan could go the way of Iraq. There may not be many more chances after this week's meeting.

The current 32,000-member NATO force is too small. Some provinces — including those along the border with Pakistan, where the Taliban have their sanctuaries — have little or no allied presence.

Many of the participating countries have imposed "national caveats" limiting how their contingents fight. Some cannot patrol at night, some cannot leave their assigned area, and some cannot mount offensive operations. That makes it much harder for commanders to fight the enemy or even defend their forces, and it leads to an unfair division of labor. Canadian, Dutch, British and American forces in southern Afghanistan are doing most of the heavy fighting, while the French, Germans and Italians patrol relatively quiet northern regions.

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In Riga, President Bush will urge more troops and fewer caveats. But the president can't do much more than cajole the allies. Iraq has deprived him of both international credibility and the military forces to do more. It is now up to the rest of the alliance. All NATO members must acknowledge that the Afghan war is not just some post-9/11 gesture, nor publicity for the New NATO. There is a life-and-death struggle under way against terrorists and extremism that is in all their national interests to win.

NATO And The Taliban (WSJ)

The Wall Street Journal, November 28, 2006

The NATO forces battling resurgent Taliban in southern Afghanistan call to mind the Normandy landing. Once again, mostly Canadian, British and American troops are fighting and dying. Most of the rest of Europe is absent from the fight, a fact sure to be discussed at the NATO summit this week.

NATO Secretary General Jaap de Hoop Scheffer is desperately seeking an additional 2,500 troops to suppress the Taliban. But with a few exceptions, such as the Dutch and Danes, most NATO members prefer the by now traditional division of labor: The Anglo-Saxons do the fighting while the others compete for popularity as armed aid workers.

The cover of last week's Der Spiegel magazine neatly captured the problem. "Germans Must Learn to Kill" read the headline above a picture of a German soldier in Afghanistan. The magazine wasn't advocating a more muscular German army. Rather, it was citing what American officials had told Karsten Voigt, Berlin's coordinator for U.S.-German relations.

The 2,900 German troops in Afghanistan are concentrated in the relatively safe north, focusing on reconstruction. France may withdraw its 200 special forces and opposes American plans for NATO to establish stronger links with like-minded countries outside the alliance. Most NATO members, including Italy, France and Spain, have placed absurd restrictions on their troops in Afghanistan. Some can operate only in certain (read: calm) regions; others won't fight in winter. These limits partly reflect the insufficient training and equipment of many European armies. While the U.S. spends about 4% of GDP on defense, the European average is half that.

Whatever the reason, this resistance to committing the troops and funds necessary to defeat the Taliban hardly matches the rhetorical commitment to the cause. The same NATO partners that refuse to provide adequate resources declare that losing Afghanistan is not an option. And right they are. If the Taliban are allowed to re-establish Afghanistan as global jihad's international headquarters, Europe would probably suffer more than the U.S. or Canada. The terrorists are opportunistic killers, attacking where there is the least resistance. Since September 11, they have failed to carry out another attack on U.S. soil. Scores have died in bomb attacks in Europe.

Afghanistan is both a test case for the West's resolve in the fight against Islamic terror and portent for the future of NATO. It is supposedly the "good" war, the multilateral war, the war that even the United Nations approved. If NATO can't muster the forces to defeat the remnants of al Qaeda's original state sponsor, what is it good for?

Afghan Opium Fight Hurts Poorest (USAT)

By Donna Leinwand

USA Today, November 28, 2006

U.S. and European efforts to end heroin production in Afghanistan have done little to hamper the drug industry and have hurt the country's poorest people, according to a new report by the United Nations and the World Bank.

The report, released today, is the latest indication of the difficulties faced by the British-led effort to eradicate Afghanistan's opium crop, which drives the economy in parts of the embattled nation and has helped to fund a resurgence of the Taliban. The report says the production of opium, whose poppies are used to make heroin, permeates daily life in Afghanistan and eliminating the illegal drug trade there could take decades.

The opium trade accounts for about $2.7 billion in Afghanistan's economy — equal to more than one-third of the nation's gross domestic product — and is responsible for thousands of jobs, the report says. The Taliban government, which had harbored al-Qaeda, virtually eliminated opium production in 2001, before U.S.-led forces toppled it. Production has soared since, even as the United States and its allies have stepped up efforts to kill fields of opium and persuade farmers to grow other crops.

Opium has remained the nation's most lucrative crop by far, and drug traffickers — through incentives and intimidation — have kept farmers in the opium business across Afghanistan, which the United Nations says produces about 87% of the world's opium. Last year, according to the U.N. Office on Drugs and Crime, Afghanistan produced 4,100 metric tons of opium, nearly as much as the biggest harvest in 1999. The United Nations predicts a record harvest in 2007.

Today's report describes how opium farmers' flexibility has helped harvests increase. When government officials end the opium trade in one province, opium brokers typically move cultivation and trade elsewhere, the report says.

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Counter-narcotics efforts also have fueled corruption, the report says. Farmers who can afford it have bribed local officials to preserve opium crops, while the poorest farmers have been driven deeper into debt when their crops are destroyed, the report says. Investigators found several instances in which farmers planned to replant opium to pay their debts.

The report also says local government officials sometimes help drug lords drive competitors out of the market in exchange for a cut of the profits or protection payments.

Antonio Maria Costa of the U.N. Office of Drugs and Crime has recommended focusing agents on areas with less opium cultivation to keep such farming from spreading and help establish an alternative economy. The U.S. State Department's Anne Patterson, acknowledging “there is no silver bullet” to the opium problem, has said much of the growth in production is in areas with weak local governments.

Inside Politics (WT)

By Greg Pierce

The Washington Times, November 28, 2006

Apology sought

The national commander of the American Legion called on Rep. Charles B. Rangel, New York Democrat, to apologize for suggesting that American troops would not choose to fight in Iraq if they had other employment options.

"Our military is the most skilled, best-trained, all-volunteer force on the planet," National Commander Paul A. Morin said yesterday. "Like that recently espoused by Sen. John Kerry, Congressman Rangel's view of our troops couldn't be further from the truth and is possibly skewed by his political opposition to the war in Iraq."

According to Mr. Rangel, "If a young fellow has an option of having a decent career, or joining the Army to fight in Iraq, you can bet your life that he would not be in Iraq. If there's anyone who believes these youngsters want to fight, as the Pentagon and some generals have said, you can just forget about it. No bright young individual wants to fight just because of a bonus and just because of some educational benefits."

Mr. Rangel was responding to a question during an interview on "Fox News Sunday."

Narrow victory

Republican Rep. Deborah Pryce, Ohio Republican, won re-election yesterday by a margin so slim that a recount will be required.

Unofficial results announced by Franklin County, the last to finish counting absentee and provisional ballots in central Ohio's 15th District, showed Mrs. Pryce led Democratic challenger Mary Jo Kilroy, a Franklin County commissioner, by 1,055 votes.

Mrs. Pryce lost Franklin County, the district's most populous, but she retained her lead thanks to votes she picked up in two other counties that announced results last week, Madison and Union, the Associated Press (AP) reports.

The race was one of a handful that had remained unresolved across the country since Election Day, when Democrats took control of Congress.

Mrs. Pryce ended up with 50.2 percent of the vote, compared with 49.8 percent for Mrs. Kilroy in the unofficial totals. An automatic recount is triggered if the difference between the two candidates is less than one-half of one percent.

Jersey barrier

Conservative groups in New Jersey are pushing a proposal that would grant the rights of marriage -- but not the title -- to homosexuals, siblings and others involved in domestic partnerships, the AP reports.

The plan comes in reaction to a state Supreme Court ruling last month that said same-sex couples in New Jersey should have the same rights and benefits as married couples. Whether to call those rights "marriages," civil unions or something else was left up to lawmakers.

Under the conservatives' plan, rights would be available to twosomes who are not eligible to marry, said Len Deo, president of the New Jersey Family Policy Council. Besides homosexuals, such couples would include blood relatives, or simply two unmarried friends of the same sex. Unrelated opposite-sex couples, who can legally marry, would not be eligible for the designation.

'Civil war' fight

NBC News yesterday began calling the Iraq conflict a "civil war," adopting a phrase that President Bush and many other news organizations have avoided, the AP reports.

Matt Lauer said on the "Today" show that "after careful consideration, NBC News has decided that a change in terminology is warranted, that the situation in Iraq with armed militarized factions fighting for their own political agendas can now be characterized as civil war."

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The Bush administration said yesterday that it does not think Iraq is in a civil war, and that Iraqi Prime Minister Nouri al-Maliki does not, either.

"You have not yet had a situation also where you have two clearly defined and opposing groups vying not only for power, but for territory," White House press secretary Tony Snow said. "What you do have is sectarian violence that seems to be less aimed at gaining full control over an area than expressing differences, and also trying to destabilize a democracy."

StopHerNow.com

A Dallas businessman has launched a Web site with a single, simple objective: prevent Sen. Hillary Rodham Clinton from becoming president.

StopHerNow.com aims "to shed light on the REAL Hillary Clinton and the danger she and her ideas pose for America," proclaims the site created by Dick Collins, a Texas newspaper publisher and Republican activist.

The site features links to news articles and commentary about the former first lady, as well as a humorous animated series, "The Hillary Show."

The first installment of the cartoon series shows Mrs. Clinton sparring with potential 2008 rival Sen. John Kerry, Massachusetts Democrat. Mr. Collins says he hopes to continue the series with new episodes reflecting the latest news surrounding Mrs. Clinton's much-anticipated White House bid.

The cartoon was created by a group of artists who are "a bunch of libertarians, not really political, but they all dislike Hillary Clinton," Mr. Collins said.

"The Republican Party over the last couple of decades has had the problem of appearing to be a party of anger, and we wanted our effort to be ... one that would deliver a smile," Mr. Collins tells Robert Stacy McCain of The Washington Times.

Mr. Collins says the site is "a grass-roots effort to define Hillary Clinton. She's trying to be something that she's not. She's attempting to become a centrist Democrat, and in fact she's an ultraliberal Democrat."

Bad move, Alcee

When Rep. Alcee L. Hastings started naming names of his critics -- and lashing out at "anonymous bloggers" -- the Florida Democrat may have bit off more than he could chew.

"I hope that my fate is not determined by Newt Gingrich, Sean Hannity, Ann Coulter, Michelle Malkin, Michael Barone, [Matt] Drudge, anonymous bloggers, and other assorted misinformed fools," Mr. Hastings wrote last week in a five-page letter to House Democratic colleagues, seeking support for his bid to become chairman of the House intelligence committee.

"The letter may have done more harm than good to Hastings' cause, however, because Malkin answered in kind with a post that labeled Hastings a 'fool' and his letter to colleagues an 'unhinged rant,' " K. Daniel Glover wrote at National Journal's Web site (www.nationaljournal.com).

Mrs. Malkin's response to Mr. Hastings at michellemalkin.com "included plenty of background links on the Hastings bribery case and current criticisms of his leadership bid," Mr. Glover noted.

Other bloggers, not all of them conservatives, have joined in the anti-Hastings response, highlighting the facts of the former federal judge's 1988 impeachment and removal from office for bribery, including the names of prominent Democrats who condemned Mr. Hastings as guilty of corruption.

The public-relations debacle unleashed by Mr. Hastings' letter prompted Glenn Reynolds (www.instapundit.com) to observe that Mr. Hastings is "the perfect target for hostile bloggers -- a guy with a really lousy record who'd rather people didn't think about it, whose every complaint just provides an opportunity to remind people how lousy that record is."

DOJ:

U.S. Attorney Garcia Faces Tough Calls (LAW)

By Mark Hamblett, New York Law Journal

New York Law Journal, November 28, 2006

Southern District of New York U.S. Attorney Michael J. Garcia knew there would be some tough calls to make when he accepted an appointment to one of the most high-profile law enforcement jobs in the country.

Garcia, 45, was sworn in as U.S. Attorney on Sept. 6, 2005. During a little more than a year as the top federal prosecutor in Manhattan, he had to pull the plug on several celebrated cases to defend subordinates from almost unprecedented criticism over their handling of a non-prosecution agreement with KPMG.

But Garcia does not take refuge in the fact that the cases he has had to clean up were launched well before he took office last year.

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"We don't measure the value of this office in terms of wins and losses," he said in a recent interview in his office at One St. Andrew's Plaza in lower Manhattan. "The value is in the type of cases we bring and the example we set for the rest of the country."

Garcia said that the Southern District has always taken "hard cases, cutting edge cases," that come with some risk attached.

"We go in because we believe the case is strong and we do the right thing," he said. "We have some assistants saying 'I'm 11-0,' but what does that mean? A guy might be 5-5 but he's bringing very tough, important cases."

Garcia opted in August to avoid a retrial and reach a deferred prosecution agreement with former investment banking heavyweight Frank Quattrone on charges that he obstructed investigations into the process for allocating shares in initial public offerings while head of the Credit Suisse First Boston Technology Group.

Then, after a jury in September was unable to reach a verdict in the third racketeering trial against John Gotti Jr., Garcia announced it would not be in the interests of justice to pursue a fourth trial.

And last week, the office dismissed charges against five New York Stock Exchange specialists who were accused last year with defrauding customers of millions of dollars by exploiting their position as middlemen by trading ahead of buy and sell orders. Prosecutors previously had dropped charges in two other cases. They have obtained guilty pleas or verdicts from five specialists. Two other defendants have been acquitted at trial, and one case is pending.

While the Quattrone, Gotti and stock exchange cases received their share of media attention, they are far removed from the day-in, day-out work done by the office on issues including international narcotics trafficking, violent gang crimes, organized crime and white-collar cases such as stock fraud and market manipulation.

When Garcia took office, he emphasized his great respect for its traditions and national reputation, and said he had no intention of radically changing the way the office does business.

Garcia indicated he would pay particular attention to public corruption, announcing a higher profile in the district's northern counties by establishing a corruption hotline.

Last month, he announced the indictment of state Assemblyman Brian M. McLaughlin, a labor leader, for stealing, with others, more than $2 million from labor organizations, nonprofits and the state of New York.

Garcia has pressed the ongoing investigation into corruption in the United Nations sponsored "Oil-for-Food" program. The program, which was designed to mitigate the harm done to civilians in Iraq from international sanctions against the regime of Saddam Hussein, allegedly spawned a series of insider deals for connected businessmen and prominent public officials.

On Nov. 1, Garcia announced the indictment of Sanjaya Bahel, a former procurement agent at the United Nations, who allegedly received real estate in return for steering more than $50 million worth of United Nations' contracts to Nishan Kohli of Thunderbird Industries. Kohli was also charged in the scheme.

And Nov. 20, Garcia announced the indictment of Salvatore "Hot Dogs" Battaglia, president of the Local 1181 of the Amalgamated Transit Union on racketeering charges in connection with his status as a member and associate of the Genovese organized crime family.

DUAL USE TECHNOLOGY

The personnel of the office has remained relatively stable since Garcia took office.

But he has made some changes in the structure of the office, including breaking up the organized crime and terrorism unit into two distinct groups. Richard Daddario is chief of the organized crime unit.

The newly formed terrorism and national security unit, headed by Edward O'Callaghan and David Raskin, is charged with augmenting and supporting what Garcia said is primarily a military battle against terrorism.

The unit focuses on crimes such as immigration and document fraud, violations of trade sanctions regimes with outlaw nations, and, of particular interest to Garcia, enforcement of import-export restrictions on technology that has both a military and civilian use, such as machine tools that have a benign purpose but could be used in a nuclear program. Garcia had previously worked on the issue as an assistant secretary of commerce.

He has formed an "ad hoc working group" with his office, Commerce Department officials and his old organization within the Department of Homeland Security, the U.S. Immigration and Customs Enforcement. Its efforts, he said, are geared toward "pro-active investigations."

"We might start to see some results soon in that area," he said. "It might not be a pipeline going directly to Hamas, but there is some stuff that is going into very sensitive areas, such as Iran."

Garcia said he has made a priority of interagency cooperation, sending O'Callaghan and Raskin to regular morning meetings with their counterparts in other federal agencies to review the latest "real-time" intelligence on possible threats.

The meetings, he said, "send a great message to our law enforcement partners" and brings "focus" to the anti-terror efforts of prosecutors in New York and Washington D.C.

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Other changes at the office this year included the departure of Richard Owens as chief of the securities and commodities fraud unit for a partnership in the New York office of Latham & Watkins. Owens' shoes were filled by David Esseks.

PROSECUTORS CRITICIZED

Garcia has faced major challenges stemming from his office's tactics in the KPMG case.

The criminal case, touted as the largest tax fraud prosecution in U.S. history, alleges that KPMG partners and employees sold illegal tax shelters to wealthy clients, costing the U.S. Treasury more than $2 billion in revenue. The government reached a non-prosecution agreement with the firm in August 2005 that had strings attached -- KPMG must provide real cooperation to prosecutors trying to win convictions against the former partners and employees.

But in June 2006, Southern District Judge Lewis Kaplan blasted the government for using its leverage over KPMG to force it to cap the payment of legal fees for ex-employees under investigation.

The judge said that, in following the guidelines for determining whether a company is cooperating fully with an investigation, outlined in the Justice Department's Thompson Memo, the government "let its zeal get in the way of its judgment," and violated the Fifth and Sixth amendments.

"KPMG refused to pay because the government held the proverbial gun to its head," he said.

Garcia jumped to the defense of his prosecutors.

"The actions of the government were entirely consistent with appropriate Justice Department policy, and we believe that the prosecutors acted ethically and properly throughout this case," he said in a statement following the decision.

Garcia declined to specifically discuss the KPMG case during a recent interview. But generally, he said, on one hand, he would not make it a point to just "sail into a dispute" with a federal judge and on the other, "I certainly don't want to see assistants criticized unfairly."

The case had forged an unusual set of bedfellows opposing the government, with the Chamber of Commerce and the Association of Corporate Counsel teaming up with the defense bar to fight the Thompson memo.

Veteran defense lawyer Gerald Lefcourt said the case has riveted the defense bar and that his colleagues were pleased to hear that top Justice Department officials are reconsidering some of the policies enshrined in the memo.

TOUGH APPROACH

Lefcourt said Garcia has reinforced what he called an increasingly harsh, or "Calvinistic" approach, to plea negotiations and charging decisions in the Southern District. One example was the recent attempt by the government to obtain a 30-year sentence for defense lawyer Lynne Stewart, who was convicted of providing material support for terrorism by helping the Islamic Group of Egypt send messages to and from its imprisoned spiritual leader, Sheik Omar Abdel Rahman.

Judge John Koeltl opted instead to give Stewart 28 months in prison, which the defense attorney and her followers hailed as a victory outside of the courthouse at 500 Pearl Street.

Garcia laughed at the term "Calvinistic," and said his approach to charging decisions and plea negotiations is entirely consistent with past Southern District policy, a policy he said has a proven track record.

"This office, as much as any other, has traditions and has things that are tried and true and work," he said.

Garcia said the prosecution of Stewart, Mohamed Yousry, and Ahmed Abdel Sattar was "a complex trial that we got convictions on" -- an example of a cutting-edge prosecution that was risky and sent an important message.

His office is expected to appeal Koeltl's sentence of Stewart.

Lefcourt and other defense lawyers said of the few setbacks suffered by the office that Garcia "shouldn't be tagged with the problems people see."

"It's too early" to judge Garcia's performance to date, Lefcourt said. "The jury is still out."

U.S. Attorneys are appointed to four-year terms.

BIOGRAPHY

A graduate of Albany Law School, Garcia was an associate at Cahill, Gordon & Reindell and clerked for state Court of Appeals Judge Judith S. Kaye before joining the Manhattan U.S. Attorney's Office in 1992.

He served in the office for nine years, successfully prosecuting the defendants in the 1993 World Trade Center bombing case and the four defendants charged in the Osama bin Laden indictment for the bombing of two U.S. embassies in Africa.

He left the office in 2001 to become assistant secretary for export enforcement at the Department of Commerce and was named acting commissioner of the Immigration and Naturalization Service in November 2002.

Following the reorganization that resulted in the Department of Homeland Security, he was named by President George W. Bush in March 2003 as assistant secretary for Immigration and Customs Enforcement, a position he held until August 2005.

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CORPORATE SCANDALS:

Affiliated Computer Ousts King, Edwards After Probe (Update6) (BLOOM)

By Benedikt Kammel

Bloomberg, November 28, 2006

Nov. 27 (Bloomberg) -- Affiliated Computer Services Inc., the world's biggest processor of student loans, ousted Chief Executive Officer Mark A. King and finance chief Warren D. Edwards after a probe showed that stock options were backdated.

King, 49, and Edwards quit yesterday after violating the company's code of ethics with options awards, according to a statement today. Chief Operating Officer Lynn Blodgett, 52, will become CEO and John Rexford, 49, will be chief financial officer.

The two managers at the Dallas-based company are among more than 60 executives that have left their jobs after investigations into whether options grants were backdated and compensation costs misreported. Options probes to see whether grants were retroactively dated to increase their value to executives and other recipients have affected at least 187 companies.

``Investors need to be on their guard'' with companies that backdated options plans, said Pieter Wind, head of securities at ING Private Banking in Amsterdam, which oversees about $14.4 billion and doesn't hold stock in Affiliated Computer. ``We're not talking Enron here, but it makes you wonder if they did more to the expense of shareholders.''

Shares of Affiliated Computer rose as much as 5.6 percent to $53.60, and traded at $52.46 as of 10:10 a.m. in New York. Before today, they had lost 14 percent this year.

`Intentional Misdating'

The Affiliated Computer managers ``used hindsight to select favorable grant dates'' on options after Chairman Darwin Deason had authorized the issue of the option grants, the company said. Another unidentified manager was also aware of the ``intentional misdating'' of the documents, Affiliated Computer said.

King and Edwards will no longer be entitled to their existing severance agreements and will have their salaries cut while they remain at Affiliated Computer in a transition period through June 30, 2007, the company said. The two executives will no longer be eligible for any bonus plans.

The incorrect accounting unearthed in the probe, which scrutinized option practices between 1994 and 2005, will lead to about $51 million in costs plus tax-related expenses, the company said. The sum may be higher or lower depending on the final outcome. Affiliated Computer said it has yet to determine whether it will need to restate earnings as a result of the adjustment.

``Neither Mr. King nor Mr. Edwards told the company's directors, outside counsel or independent accountants that the company's stock options were often granted by looking back and taking advantage of past low prices,'' Affiliated Computer said.

Delayed Earnings

Affiliated Computer had delayed its fiscal first-quarter earnings report because of the options grants. The company on Nov. 1 said earnings dropped 6.9 percent to 60 cents a share from 74 cents a year earlier, more than analysts had predicted, as sales advanced at the slowest pace in six quarters and new orders declined.

King's tenure as CEO only lasted for a little more than year. He was appointed in October 2005 to replace Jeff Rich, who had run the company since 1999. King, who was chief operating officer, was replaced by Blodgett at the time.

Blodgett joined Affiliated Computer in 1996 after the company he founded, Unibase Technologies Inc., was acquired by ACS. Rexford joined the company the same year and was previously in charge of overseeing the mergers and acquisitions program at Affiliated Computer.

Multiple Probes

Affiliated Computer has been investigated on several occasions in recent years. In May this year, it said a current and a former employee may be charged with crimes uncovered in a Justice Department antitrust probe. In February 2004, the company said the SEC was investigating contracts in Florida, where the company has acknowledged employees manipulated wage rates and start-date information to make their performances look better.

In January 2004, a former vice president of Affiliated Computer was convicted on charges that he orchestrated a $3.8 million billing fraud.

More than 150 companies have disclosed internal or federal reviews of their options-granting practices to determine if they manipulated grant dates to enrich employees.

Brinkley Morse, the former CFO of Quest Software Inc. quit after refusing to answer questions about past option grants at the maker of database-management programs, the company said on Nov. 24. Property and casualty insurance seller HCC Insurance Holdings Inc. said on Nov. 17 that CEO Stephen L. Way and General counsel Chris L. Martin resigned after accountants found misdated options that may lead to restatements of as much as $37 million.

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Affiliated Computer received a subpoena from the U.S. Attorney for New York's Southern District and an informal inquiry from the U.S. Securities and Exchange Commission, both concerning options grants.

Corporate In-house Lawyers No Longer Low-key And Low-paid (FT)

By Brooke Masters In New York

Financial Times, November 28, 2006

Becoming a corporate general counsel used to be something leading American lawyers did to slow down.

The jobs were considered relatively low-key, low-profile and low-paid, at least in comparison to a partner at a big law firm, and lawyers who went in-house often held their jobs until they retired or got bored.

Not any more. In the wake of the 2002-03 corporate scandals and the Sarbanes-Oxley corporate accountability law, general counsels are now central figures at most US companies, often reporting directly to the board and often appearing on the list of the five highest paid corporate officers.

The post has also become a much riskier assignment. In the past six months, 12 public companies have changed chief legal officers amid investigations into whether the firms illegally backdated stock options grants to pump up executive compensation.

Hewlett-Packard is also in the market for a lawyer to replace general counsel Ann Baskins, who resigned after the company's use of "pretexting" during an investigation of board leaks came to light.

"These positions are not for the faint-hearted," says Catherine Nathan, head of general counsel practice for search firm Spencer Stuart. "The whole environment has changed. Corporations are under a microscope. CEOs are under intense scrutiny and they rely heavily on their general counsels."

Between the departures over stock options and ordinary turnover, the American market for in-house lawyers is hopping, search firm executives say. In-demand candidates are fielding multiple inquiries and compensation packages are rising.

The average bonus for the nation's 100 highest-paid general counsels was $906,820 last year, up 16 per cent, and the average restricted stock grant was nearly $1m, up 35 per cent, according to a study of Securities and Exchange Commission filings by Corporate Counsel magazine.

When salaries were included, the total average package reached nearly $2.5m.

"I'm seeing a bit of sticker shock [at the size of the wage bills]," says June Eichbaum, senior partner at the search firm Heidrick & Struggles, which has been hired to fill at least four of the positions vacated in the options scandal.

"Historically, the general counsel was not thought of as a profit centre," she says, adding that the job had now become a critical business function.

Worried boards are asking for candidates with a different set of skills than they did 15 years ago. Back then, companies wanted merger-and-acquisition experience and investment banking ties.

Now even companies not facing immediate regulatory problems want former prosecutors and SEC enforcement lawyers.

Search firms date the shift to the Enron and WorldCom scandals, which put corporate fraud on the public radar. Since then, Fortune 500 companies PepsiCo, Lockheed Martin, Boeing and Estée Lauder have all turned to lawyers with Justice Department experience.

"The board wants someone who can walk into the offices of the SEC and the justice department and know people there . . . someone who understands what the regulators care about today, not what they cared about 10 years ago," Ms Eichbaum says.

Today's boards are equally clear about what they do not want - anyone with ties to options backdating. With 160 companies enmeshed in the scandal, boards have become insistent that candidates are scandal-free.

"They have to have clean hands," says Martha Fay Africa, managing director of legal search firm Major, Lindsey & Africa. She says boards are asking: "How can we know that this person wasn't implicated?"

The new focus on regulatory issues dovetails with the on-the-job experience of in-house lawyers.

For the second year in a row, "keeping apprised of company activities that may have legal implications" has replaced "reducing outside legal spending" as the main concern of American in-house lawyers, with 86 per cent mentioning it in a survey for the Association of Corporate Counsel.

"With all of the international operations, they are really on call 24/7," says James Wilber, a leader of services to corporate law departments at Altman Weil, a consulting firm. "The pressure has increased significantly."

Date Set For Milberg Weiss Trial (WSJ)

By Andrew Simons

The Wall Street Journal, November 28, 2006

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LOS ANGELES -- The trial of Milberg Weiss Bershad & Schulman LLP, a prominent class-action law firm, and two of its top partners, will get under way here Jan. 8, 2008, a federal judge said at a hearing Monday.

The setting of the trial date came amid further questions from defense lawyers about whether government prosecutors would file additional indictments, a subject that has been a sticking point in setting a firm trial date.

Prosecutors had been aiming for a trial date in October 2007, while defendants were seeking a February 2008 setting.

Federal Judge John Walter started Monday's hearing suggesting an October trial date. Defense attorneys balked, saying that wasn't enough time to prepare for a case if more indictments were filed against Milberg Weiss.

"October is unrealistic to get this done in an orderly way," said Bill Taylor, the lead attorney for Milberg Weiss.

So far, the government's efforts to obtain further indictments have remained under seal at the request of prosecutors, and Judge Walter said at the hearing that the efforts were "a red herring" in the case.

In May, a federal grand jury here indicted the firm on fraud charges. According to the 20-count indictment, the firm paid plaintiffs millions of dollars in exchange for filing more than 150 lawsuits. Two of the firm's top partners, Steven Schulman and David Bershad, also were charged with participating in the alleged kickback scheme.

In addition, Seymour M. Lazar is accused of acting as a paid plaintiff in some of the firm's cases and Paul T. Selzer is charged with laundering money on Mr. Lazar's behalf.

The defendants have maintained their innocence.

At one point in Monday's hearing, government prosecutors said they would not add charges in the case if the trial date could be set in October. Defense attorneys shot back that the government could still pursue the charges later in a future case.

"Are we simply postponing allegations?" asked Mr. Taylor.

Judge Walter was critical of government prosecutors taking so long to investigate the case, as he had been at a hearing in September. "The problem is this continuing moving target," he told government prosecutors, in reference to more indictments.

Milberg Weiss has been one of the most aggressive law firms in the U.S., essentially pioneering the business of filing giant securities class-action lawsuits -- bringing together hundreds or thousands of investors into one big case against a corporation. The firm's lawyers have engineered $100 million-plus settlements against Prudential Insurance Co., Lucent Technologies Inc. and CVS Corp., among others. In cases such as these, shareholders typically sue a company claiming it misstated its finances.

Federal law prohibits lead plaintiffs from being paid more than other plaintiffs in securities class-action lawsuits (with some exceptions for incidental expenses). The government charged the firm, as well as Messrs. Bershad and Schulman, with multiple fraud counts.

--Nathan Koppel contributed to this report.

The Deferred Prosecution Racket (WSJ)

By Richard A. Epstein

The Wall Street Journal, November 28, 2006

Corporations suffer a peculiar vulnerability. The rules of criminal liability allow federal and state prosecutors to unduly punish those corporations that fall within their crosshairs. But the recent emergence of deferred prosecution agreements (DPAs) to force major changes in corporate governance should give pause to even the most ardent populist.

A DPA is a provisional settlement of a criminal lawsuit whereby the prosecutor agrees to suspend -- but not to dismiss -- any prosecution in exchange for the corporation's promise to reform its internal operations in specified ways. A sensible settlement can split the difference, by having a defendant pay half the maximum fine or sentence. But with corporations they take on an entirely different -- and sinister -- complexion. * * *

The last thing a corporation fears (since it cannot be imprisoned) is the maximum fine from a successful criminal conviction. Rather, the deadly force of the DPA rests in a combination of two key factors: vicarious corporate criminal liability, and the collateral consequences of the initial indictment prior to, and independent of, any eventual conviction.

Vicarious liability, as first developed in tort law, allows innocent third parties to sue not only an individual wrongdoer for damages, but also his employer, so long as the wrongdoer's act is within the scope of his employment. In the context of tort law, this rule ensures funds for compensating innocent victims, while giving a firm the incentive to monitor its employees. Many judicial decisions have, however, unwisely imported this doctrine wholesale into the criminal arena -- allowing a corporation to be punished criminally for the actions of any midlevel or senior employee, even if the corporation neither authorized nor condoned the wrongful action.

Writing in January 2003, Larry Thompson, then deputy U.S. attorney general, exhorted federal prosecutors to use vicarious liability to extract favorable settlements to reform corporate defendants from the outside. The Thompson memorandum insisted that corporations receive a temporary reprieve only if they purge themselves of individual wrongdoers and agree to extensive government oversight to make them walk the straight and narrow path.

In pursuing Mr. Thompson's strategy, prosecutors face both a dilemma and an opportunity. Their only credible threat against a recalcitrant corporation is the criminal indictment -- yet simply filing an indictment triggers huge collateral repercussions sufficient to drive the firm out of business, as teams of state and federal regulators are now duty-bound to suspend the licenses and permits under which the corporation does business. Thus, the corporation that has strong protections against false convictions -- proof beyond a reasonable doubt of the elements of the crime, the ability to examine evidence or cross-examine witnesses -- is helpless to protect itself. A conviction carries at most a million-dollar fine, but simple indictment, which lies wholly within the prosecutor's discretion, imposes multibillion-dollar losses.

Faced with that kind of pressure, the indictment is all that matters. Yet given these weird incentives, DPAs no longer serve the public interest. The agreements often read like the confessions of a Stalinist purge trial, as battered corporations recant their past sins and submit to punishments wildly in excess of any underlying offense.

Evidence of the gravity of the situation is only a mouse-click away. In one such notable agreement, the U.S. attorney for New Jersey, Christopher J. Christie, put the screws to Bristol-Myers Squibb, which got into hot water because of a potential securities violation for inflating its quarterly earnings by a business practice known as channel stuffing. BMS told its distributors that they had to take into inventory large amounts of BMS products immediately, with the understanding that down the road they could return the excess for a refund. The alleged securities violation arises from the overstated earnings quarterly reports, without indication of any expected future write-offs.

The naïve reader might think that a DPA should prohibit the firm from engaging in future conduct of the sort that got it into hot water in the first place. But Mr. Christie had larger ambitions. The most striking evidence of the abuse of power is paragraph 20 of the agreement, which requires BMS to "endow a chair at Seton Hall University School of Law," Mr. Christie's alma mater, for teaching business ethics, a course that he himself could stand to take.

That mild government peccadillo is a mere prelude to the sterner stuff to come. BMS agreed not only to abide by the law and to purge its ranks of the parties responsible for the scheme, but also to exhibit "exemplary corporate citizenship." To that end, all its activities have been overseen by Mr. Christie's independent adviser, former federal district court judge Frederick B. Lacey, who has the power to attend all meetings and review all documents -- and to report his findings to Mr. Christie. BMS was ordered to restructure its internal operations and appoint a new chief compliance officer to assist Mr. Lacey. It also agreed to pay a $100 million fine and make contributions of $350 million to a fund for present and former shareholders.

All these key provisions flunk the most elementary standards of business rationality -- if the object of these DPAs is to restore the confidence of shareholders in the firm. How can any firm act decisively with a government mole in its midst? What other firm would seek to acquire BMS, knowing that they must thereby give Mr. Christie the keys to its boardroom? And what purpose do shareholder funds serve, other than to impose random transfers among shareholders?

A DPA such as this one erodes the most elementary protections of the criminal law, by turning the prosecutor into judge and jury, thus undermining our principles of separation of powers. The Bristol-Myers Squibb DPA allows the prosecutor to lower the boom following the recommendation of Mr. Lacey. The corporation's sole remedy is to plead its case before the prosecutor in an environment wholly devoid of the most rudimentary procedural protections.

These powers were implemented when Mr. Christie threatened to reinstate the indictment if the board did not remove CEO Peter R. Dolan for his role in an aborted agreement with Canadian corporation Apotex. The agreement -- to delay Apotex's introduction of a generic competitor to Plavix, BMS's best-selling blood thinner -- led to a criminal antitrust investigation. Any connection between channel stuffing and price fixing remains unclear. * * *

BMS is not the only instance of prosecutorial zeal. A New York deferred prosecution agreement with KPMG in essence required the firm to stop payment to former employees to cover the defense expenses in criminal prosecutions for tax fraud before Judge Lewis A. Kaplan in New York's southern district. Mr. Kaplan rightly treated the government's decision as an unwarranted interference with the defendants' constitutional right to the assistance of counsel and a deprivation of liberty without due process of law. He has ordered a cessation of proceedings until the defense lawyers could regroup their forces.

Yet we should do far better. For starters, the Department of Justice should engage in unilateral disarmament by disavowing the odious Thompson memo, and rethinking why it ever needs to threaten the nuclear option of a corporate indictment. For its part, our new Congress should repeal by statute the doctrines of vicarious liability for criminal conduct in a corporate context -- because these give the government unwarranted and arbitrary power over corporations.

At bottom, corporations are just individuals tied together by an elaborate network of contracts; and we don't need yet another sorry reminder of how mindless government policies harm the innocent shareholders whom they are supposed to protect. The government has a vital role in criminal enforcement. So let it go after real, i.e., human, criminals the old-fashioned way, by careful investigation and skilled prosecution.

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Mr. Epstein is the James Parker Hall Distinguished Service Professor of Law at the University of Chicago and the Peter and Kirsten Bedford Senior Fellow at the Hoover Institution at Stanford University. He is the author, most recently, of "Overdose: How Excessive Government Regulation Stifles Pharmaceutical Innovation" (Yale University Press, 2006).

CRIMINAL LAW:

Government To Appeal Acquittal Of Former San Diego Councilman (AP)

AP, November 28, 2006

SAN DIEGO, (AP) -- The Justice Department said Monday that it will appeal a federal judge's ruling that overturned a jury conviction of a former City Council member accused of taking money from a strip club owner in exchange for political favors.

U.S. Attorney Carol Lam poured significant resources into winning a conviction against Michael Zucchet in July 2005, forcing the councilman to resign and relinquish his position as interim mayor. Four months later, U.S. District Court Judge Jeffrey Miller acquitted Zucchet, saying the evidence against him on charges of fraud and extortion was insufficient.

"Because it is rare for a trial judge to overturn a jury's unanimous finding of guilt, it should not surprise anyone that the government would seek to defend the jury's verdicts on appeal," Lam said in a statement.

Zucchet's attorney, Jerry Coughlan, insisted on Zucchet's innocence.

"They've got an uphill battle ahead of them to convince an appellate court that one of the best judges around was wrong," Coughlan said.

Zucchet and fellow former Councilman Ralph Inzunza were convicted of taking money from Las Vegas strip club owner Michael Galardi in exchange for trying to ease restrictions on touching dancers at San Diego strip clubs.

Zucchet was convicted of four counts of fraud and three counts of extortion on his first day as interim mayor. Mayor Dick Murphy had resigned amid federal probes into the city's scandal-plagued pension fund.

Inzunza was sentenced to 21 months in prison. Lance Malone, a former Clark County, Nev., commissioner and a lobbyist for Galardi, was sentenced to three years in prison.

Fan Hacks Into Cell Phone Data For Linkin Park's Lead Singer, Threatens Wife, Feds Say (FINDLAW/AP)

AP, November 28, 2006

(AP) - ALBUQUERQUE, New Mexico-A woman is accused of using a computer at a national laboratory to hack into a cell phone company's Web site to get a number for Chester Bennington, lead singer of the Grammy-winning rock group Linkin Park.

According to an affidavit filed by the Department of Defense Inspector General, Devon Townsend, 27, obtained copies of Bennington's cell phone bill, the phone numbers he called and digital pictures taken with the phone.

Investigators said she also hacked into the e-mail of Bennington's wife, Talinda Bennington, and at one point called her and threatened her.

Talinda Bennington told federal authorities last month that someone had accessed their Verizon Wireless account online, according to the affidavit, and expressed concern that a "stalker" had access to personal information.

Townsend waived her right to a preliminary hearing Tuesday in U.S. District Court and was released to her mother's custody. She is accused of using a computer at her former workplace, Sandia National Laboratories, to access Bennington's cell phone information. Lab spokesman Michael Padilla said Wednesday that she no longer worked there.

Townsend's attorney, Ray Twohig, said that investigators were still analyzing his client's computer and that it remains to be seen what exact violations will be alleged.

"This is the Internet version of a groupie hiding in Mick Jagger's dressing room," Twohig said. "We're in a different age, and fans have more skills than they used to."

Townsend's computer wasn't connected to classified data, Padilla said.

The affidavit says that during a search of Townsend's home in Albuquerque, investigators found Linkin Park posters, autographed band memorabilia, pictures of Townsend with Chester Bennington, bootlegged Linkin Park music and copies of messages and photographs intercepted from the Bennington family's e-mail accounts.

A person who answered the phone Friday at Time Warner - Linkin Park's label is Warner Bros. Music - said no one would be available to comment until Monday.

Sandia National Laboratories develop technology to support national security, according to its Web site.

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Linkin Park has sold more than 36 million records worldwide. In February, Linkin Park and rapper Jay-Z shared a Grammy Award for best rap/sung collaboration for "Numb/Encore." In 2001, the band won a Grammy for best hard rock performance for "Crawling."

At Trial, Transcripts Reveal 2 Detectives' Last Minutes (NYT)

By Michael Brick

The New York Times, November 28, 2006

Two covert police detectives spent their final minutes touting their underworld credibility and evading their surveillance team in an effort to put the men they were investigating at ease, according to testimony and recordings delivered in court yesterday.

"What is the big deal?" one detective asked the two men in his car, according to a surveillance tape transcript provided by prosecutors. "I know. Everybody's leery. Listen, I'm leery, I'm leery too. I, I understand. I don't want to get caught up."

Minutes later on the evening of March 10, 2003, the detective, James V. Nemorin, 36, and his partner, Rodney J. Andrews, 34, lay dead on a street in Staten Island.

Their supervisor, Sgt. Richard Abbate, found their bodies shortly after losing the signal from a surveillance transmitter one detective wore disguised as a pager.

"I saw that he had one eye closed and one eye opened," Sergeant Abbate said, speaking from the witness stand about Detective Andrews. "He had sustained a wound to his head. I then approached Detective Nemorin. There was a long line of blood coming from his head."

It is likely that no one will ever know whether the detectives' efforts to disguise their employment succeeded. The man on trial for their killing in federal district court in Brooklyn, Ronell Wilson, 24, faces the death penalty on charges of murder in furtherance of racketeering.

Prosecutors have dropped charges of obstruction of justice murder, because a witness crucial to those charges rescinded his earlier account that Mr. Wilson knew the men were detectives.

That witness, like several others in the case, was a member of the so-called Stapleton Crew, a street gang that prosecutors said sold drugs and guns, shot, robbed and terrorized a path across Staten Island.

"It grew from a group of guys selling crack cocaine on the corners and in the projects to having a route," an assistant United States attorney, Colleen Kavanagh, said in her opening statement yesterday.

In the years since the shooting, seven members of the group have pleaded guilty to a variety of charges in exchange for their testimony against Mr. Wilson.

Ms. Kavanagh told jurors that Mr. Wilson intended to steal $1,200 from the detectives, money they were carrying to purchase a Tec-9 pistol, though the stack of police-issued $100 bills remained in Detective Nemorin's pocket after he was killed. She told jurors that the members of the Stapleton Crew had speculated on Detective Nemorin's police status, but she stopped short of suggesting that Mr. Wilson knew for sure.

"The evidence will show, ladies and gentlemen," Ms. Kavanagh said, "that the defendant did not care."

A lawyer for Mr. Wilson, Ephraim Savitt, told the jury that the witnesses were unreliable. Aside from the man who changed his account, others have lied to prosecutors and violated the conditions of their cooperation deals, Mr. Savitt said.

The fourth man in the car on the night of the shootings, Jesse Jacobus, then 17, has assaulted his fellow inmates as he waits to testify, the defense lawyer said.

"He still is a brute," Mr. Savitt said. "You're going to have to rely on the word of Jesse Jacobus to find that Ronell Wilson was actually the shooter, as the government alleges."

Mr. Jacobus is one of the seven men who have pleaded guilty in the case. As the lawyers made their arguments, a crowd of police officers watched on a screen from an overflow room. Inside the courtroom, their colleagues were dressed in business suits, prohibited from appearing in their uniforms.

Friends and relatives of the slain detectives, including several small children, watched from the gallery. As testimony began, the police supervisor, Sergeant Abbate, described following his detectives through the streets of Staten Island, listening to the signal from the surveillance transmitter in his sport utility vehicle. The car the detectives were driving, a Nissan Maxima, had once been his own department-issued vehicle.

Sergeant Abbate said he watched two men climb into the seats behind the detectives, ride around and then stop for a red light. When the light changed, Sergeant Abbate testified, the Maxima did not move. A man got out of the back seat. Inside his S.U.V., another officer leaned over and blew the horn. The man in the street turned and looked at the S.U.V., Sergeant Abbate said, identifying the person he saw as Mr. Wilson. Then the Maxima drove out of his sight.

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The sergeant said he could tell that Mr. Wilson had later returned because he heard the same voice resume on the transmitter.

In their transcript, prosecutors identified that voice as “Ronell Wilson.” The recording played in court was unintelligible for long portions, a mixture of static, overlapping voices and hip-hop music, presumably from the car stereo. The audible parts are dominated by Detective Nemorin’s lilting Haitian accent.

Using profane street language riddled with racial slurs, Detective Nemorin sought to convince the men in the car that Detective Andrews was his brother-in-law.

“There’s nothing to worry about,” Detective Nemorin said. “Look, we’re not going to deal in front of him, O.K.? I’m coming. I could step out and we do the deal outside.”

The voice attributed to Mr. Wilson argued every point:

“That ain’t how Frankie run business, yo,” he said.

“It’s mad hot, man,” he said, meaning the police are watching closely.

“It’s mandatory, we gotta search you,” he said.

Between arguments, the voice directs Detective Nemorin where to turn as he drives, a winding series of lefts and rights punctuated by talk of frustration at red lights.

“That’s it, that’s it,” Detective Nemorin said, 20 seconds before the tape cuts to static. “All right? All right?”

Rare Death Penalty Trial Begins In New York (NYS)

By Joseph Goldstein, Staff Reporter of the Sun

New York Sun, November 28, 2006

A federal prosecutor told a jury yesterday that the Staten Island man accused of executing two undercover detectives during a gun sale in 2003 had considered that his victims might be police and simply "did not care."

The defendant, Ronell Wilson, now 24, could face the death penalty if convicted in a trial that opened yesterday in U.S. District Court in Brooklyn. But the judge, Nicholas Garaufis, instructed the 12 jurors and six alternates not to think about sentencing Mr. Wilson during the first stage of the trial, as they decided the factual question of his guilt or innocence of the federal racketeering crimes he is charged with.

Mr. Wilson is a reputed leader of the Stapleton Crew, a gang named after the Staten Island housing project of the same name. Mr. Wilson is accused of killing detectives James Nemorin and Rodney J. Andrews as he gave them driving directions from the back seat of the car.

The car, a Nissan Maxima, is at the center of the case. The ride began at about 7:15 p.m. on March 10, 2003, when the detectives pulled up in front of Wilson, then 20, and his 17-year-old associate Jesse Jacobus at the housing development.

The aim of the detectives, both members of the elite Firearms Investigation Unit, was to purchase a TEC-9 submachine gun for $1,200 and get "one more gun out of the hands of one more violent criminal," an assistant U.S. attorney, Colleen Kavanagh, said. A half-hour later, the bodies of detectives were found in a nearby street. Both men had been shot in the head.

The conversation from the final 30 minutes of the detectives' lives was captured on a static-filled audiotape that prosecutors played yesterday. The conversation between Mr. Wilson and the detectives was fueled by suspicion. Mr. Wilson had expected only one man, not two, to show up for the deal. Nemorin repeatedly tries to allay Mr. Wilson's suspicions by saying Andrews is his brother-in-law.

Feds' Probe Of James Now Takes Close Look At Newark Land Deals (NSL)

By Ian T. Shearn And John P. Martin, Star-ledger Staff

Newark Star-Ledger (NJ), November 28, 2006

A federal investigation into the administration of former Newark Mayor Sharpe James has expanded, with more subpoenas delivered to City Hall and agents now scrutinizing real estate deals that benefited some of the ex-mayor's biggest supporters, according to sources close to the probe.

FBI agents in recent weeks have interviewed a number of city employees, and prosecutors also have demanded additional records from Newark City Hall, among them personnel files of at least four current and former city employees, including James' son, Elliot.

The federal investigation began in late August, when federal officials issued subpoenas and executed a search warrant following a Star-Ledger story detailing travel expenses that James and his security detail had charged to a police department credit card. James, who stepped down in June after 20 years as mayor, remains a state senator.

While investigators continue to look at travel-related expenses, they are also probing the administration's sale of surplus city lots to developers at cut-rate prices, according to sources familiar with the investigation. Among those winning the no-bid

contracts were several people with close ties to James, including some with little or no development experience, a Star-Ledger investigation found in 2005.

In June, a state Superior Court judge in Essex County halted the discount land sales, saying that the timing of developers' campaign contributions to James and other city officials and the approval of their projects "raises concerns."

James, now head of the newly created Urban Issues Institute at Essex County College, did not return phone messages left at his home and office. At a recent event sponsored by the institute, James declined to comment on the probe, saying, "We are not interested in that. I'm a college professor now."

Michael Drewniak, a spokesman for U.S. Attorney Chris Christie, declined comment.

On Nov. 2, federal investigators delivered a subpoena to City Hall, demanding the personnel files for Elliot James, the ex-mayor's son and former aide; Leonard Anton H. Wheeler, a school board member and former planning board member who was Sharpe James' legislative aide; Calvin West, who was James' top aide for years; and Diana Jarrell, an investigator for the city's Alcoholic Beverage Commission. A copy of the subpoena was viewed by The Star-Ledger.

It was unclear why the grand jury sought those records.

West, who is now employed as the governor's representative in North Jersey, said he was unaware that his records were subpoenaed, adding that he has not been called to testify before a grand jury.

"I've been out of City Hall for four years," West said. "Nobody has said anything to me."

Wheeler, now an Irvington school teacher, also said he was unaware that his records were subpoenaed. He said he had not been contacted about testifying, but would do so if called.

"I don't know what they hope to find by looking at my records," Wheeler said. "I wasn't paid much and I came to work."

Wheeler said he believes the investigation is politically motivated.

"This is about doing away with the old regime," Wheeler said. "This is about destroying Sharpe's legacy. Everything good that happened in this city in the last 20 years has Sharpe James' fingerprints on it."

Neither Elliot James nor Jarrell could be reached for comment.

In August, the U.S. Attorney's Office subpoenaed travel records and personnel files for 10 city employees, including five former police bodyguards, two department heads, two former mayoral aides and a former city councilman.

Anthony Fusco, a Passaic attorney representing three of James' former bodyguards, said his clients have been interviewed by FBI agents, but have not appeared before a grand jury. His clients -- officers Jerome Ramsey, Robert Moore and Lucinda Simmons -- are complying with federal investigators, he said.

Earlier this month, Newark attorney and longtime James confidant Raymond A. Brown and his son, Raymond M. Brown, went to City Hall and asked for copies of James' travel and expense account documents recently turned over to federal investigators, a spokeswoman for Mayor Cory Booker confirmed. City lawyers declined the request, said the spokeswoman, Desire Peterkin-Bell.

Neither Brown nor his son responded to phone messages left at their office.

In an Aug. 20 story, The Star-Ledger detailed James' use of a police department credit card to augment his travel, dining and entertainment expenses.

While in office, James used two credit cards to pay for his travel and expenses -- one billed to the police department and the other to City Hall. According to incomplete records obtained by The Star-Ledger, James put more than $200,000 in charges on the two cards over the past 4 1/2 years, with more than $125,000 attributed to travel.

The two expense accounts came on top of $25,000 that the City Council added to his annual salary in 1993 to cover such costs.

In addition to demanding James' travel records, the U.S. Attorney's Office also has subpoenaed travel records and personnel files for 10 other city employees, including the police bodyguards, two department heads, two former mayoral aides and a former city councilman. Investigators also have asked for e-mails generated by James and another bodyguard, Adelino Benevente, dating to 2001.

Staff writer Jeffery Mays contributed to this report. Ian T. Shearn may be reached at ishearn@starledger.com or (973) 392-1671.

3rd Woman Is Identified Among 4 Victims In Ditch (NYT)

By David Kocieniewski And Nate Schweber

The New York Times, November 28, 2006

Investigators yesterday released the identity of the third of four women found dead last week in a ditch near a squalid strip of motels just outside Atlantic City. They noted that like two other victims, she, too, had a history of prostitution arrests.

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The victim, Barbara Breidor, 42, is believed to have been dumped into the ravine about two weeks before pedestrians discovered the women's bodies on Nov. 20, according to a statement by the Atlantic County prosecutor, Jeffrey S. Blitz.

The cause of her death, and that of the unidentified victim, have not been determined. But investigators have said that autopsies on the other two victims showed that one, Tracy Ann Roberts, 23, died of asphyxiation and that the other, Kim Raffo, 35, was killed by ligature strangulation.

All four victims were found in several inches of water behind a $15-a-night motel, barefoot and with their heads facing in the same direction, a few hundred feet apart, Mr. Blitz has said.

Medical examiners have told investigators that the varying decomposition of the victims' bodies indicates that they had been killed and dumped at different times during the past month, and that the most recent victim had most likely been dead for only two days before she was found.

While drug dealing and prostitution have long been commonplace near the rundown strip of the Black Horse Pike where the bodies were found, many residents and business owners have been terrified at the prospect of a serial killer preying upon women who live on the margins of Atlantic City's economy.

Local authorities have formed a task force with the New Jersey State Police and the F.B.I. to try to solve the killings. Two dozen investigators have been assigned to the case, Mr. Blitz said. .

Ms. Breidor's friends said they had been worried about her since she disappeared about six weeks ago. She lived in a quiet neighborhood of well-tended homes across the street from the Ventnor Educational Community Complex.

Lori Adams, a former roommate, said that despite the problems that led Ms. Breidor to struggle for a living on the tawdry outskirts of Atlantic City, she was bright, upbeat and funny.

"She made you laugh every second of every day you were with her," Ms. Adams said.

Ms. Adams became agitated when asked about Ms. Breidor's record of prostitution arrests. "It's nobody's business what she did with her life," she said. "The things she did she will take to her grave."

Ms. Breidor was raised in the suburbs of Philadelphia, according to a cousin, Lance Breidor, and lived intermittently along the Jersey Shore during the past two decades. Mr. Breidor, 45, said they spent a lot of time together as children but drifted apart when they became adults. He said he remembered hearing that she had struggled with drug addiction.

When he last saw Ms. Breidor eight years ago, he said, she was working at a jewelry store at a mall outside of Philadelphia and appeared to have her life in order

"She seemed to be the type that would always be smiling and joking," he said. "Usually when there are people who'd take a bad turn there are signs. But we never saw any with her."

A.C. Killings Echo Three Earlier Cases (PHI)

By George Anastasia And Jacqueline L. Urgo

The Philadelphia Inquirer, November 28, 2006

ATLANTIC CITY - Earlier this year, three suspected prostitutes were attacked on North Georgia Avenue a few blocks from the city's Boardwalk casino strip.

All three were slashed across the throat. Two died.

Those unsolved crimes have attracted the attention of investigators probing the killings of four suspected prostitutes whose bodies were found last week in a drainage ditch in the West Atlantic City section of Egg Harbor Township.

"Major Crimes, the FBI and the state police have been in," said Atlantic City Police Detective Richard Johnson, a city arson investigator who worked on the Georgia Avenue cases.

Johnson was quick to point out that there was no hard evidence linking the Georgia Avenue slashings to the marsh killings, which some have attributed to a serial killer. Investigators are interested because all of the victims were apparently prostitutes, Johnson said.

Though the victims on Georgia Avenue were slashed, authorities have determined that at least two of the women whose bodies were dumped in the marsh had been strangled. Pathologists could not determine the cause of death of the two other marsh victims because the bodies were too badly decomposed.

Yesterday, as a task force of federal, state and local authorities pressed the hunt for the killer of the women in the marsh, a third victim was identified as 42-year-old Barbara V. Breidor. The fourth victim, whose body had been in the ditch for up to a month, remains unidentified.

Authorities pointed out that all four women in the ditch were white with blond or light hair.

Two of the Georgia Avenue victims, including one who died, fit that description, Johnson said. The other woman who died was African American.

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"They're all from the same victimization group," Capt. Jim Hutchins of the Atlantic City police said, referring to the women's background as suspected prostitutes. He said yesterday that linking the two sets of killings would be speculation at this point.

The first Georgia Avenue slaying was on May 3, according to police, who opened an investigation after firefighters responding to a fire in an apartment at 29 N. Georgia Ave. discovered a charred body.

The victim was later identified as Veronica Fields, 45.

"She was badly burned," said Johnson, the arson investigator. "It wasn't until the autopsy that we realized her throat had been slashed.

Authorities believe Fields' killer put her on a bed in her apartment and set the bed on fire.

In July, a suspected prostitute was attacked in a parking lot next to that building, Johnson said. Her throat was slashed, but she survived.

Police would not release the woman's name yesterday.

Two months later, on Oct. 1, police were summoned to an apartment at 26 N. Georgia Ave., where they found Karen Luongo dead in her bathtub. Her throat had been slashed.

Luongo was last seen entering her apartment a few nights earlier with an unidentified man, according to a report in the Atlantic City Press.

Johnson said investigators had been pursuing several angles in that case, including one theory that Luongo was killed because she knew who had killed Fields.

The two apartment buildings are across the street from each other, just a few blocks from the Boardwalk casino strip and the city convention center and train station.

The apartment building at 26 N. Georgia has a notorious history. Twenty-five years ago it was the residence of mob boss Nicodemo "Little Nicky" Scarfo, who is now serving a 55-year prison term for racketeering and murder.

"Back then that was one of the safest blocks in the city," an investigator said.

The Atlantic City Police Department Vice Squad has been providing information to the law enforcement task force investigating the West Atlantic City murders.

The four marsh bodies were discovered Nov. 20 within about 300 feet of one another in a drainage ditch behind a strip of seedy motels along the Black Horse Pike, about a mile outside Atlantic City.

All four were barefoot, lying facedown, with their heads pointed toward Atlantic City.

Breidor last lived on Lafayette Avenue in Ventnor. She was identified through dental records, Atlantic County Prosecutor Jeffrey S. Blitz said.

Earlier, investigators identified two other victims as Tracy Ann Roberts, 23, and Kim Raffo, 35, both of Atlantic City. Both had been strangled.

Breidor was wearing Capri-style jeans and a brown, long-sleeve zippered jacket. Blitz estimated her body had been in the water at least two weeks and authorities could not determine a cause of death.

Breidor, Roberts and Raffo had arrest records for prostitution, Blitz said.

The fourth victim, described as 5 feet tall and weighing about 160 pounds, has not been identified. Authorities believe her body was in the water for up to a month. Investigators hope several identifying tattoos, including a black-and-white bulldog on the small of her back, a crudely designed Playboy bunny on her shoulder, and the name "Yolly" or "Molly" on her stomach, will help them learn her identity.

The three known victims have been described as transient, living in boardinghouses and apartments in Atlantic City's poorer fringes. Fields and Luongo, the Georgia Avenue victims, also skipped from house to house.

"They're easy targets," said Hutchins, a 25-year police veteran. "If they disappear for two weeks, nobody cares. They just figure they're 'cracked out.' "

Hutchins said most prostitutes in Atlantic City - as in other cities - are drug addicts likely to take risks.

"It's an occupational hazard," he said. "But they'll pretty much do anything for a dollar."

Fairfax Police To Seek FBI Help (WT)

By Matthew Cella

The Washington Times, November 28, 2006

Fairfax County police plan to ask for help from the FBI as they investigate the recent killings of two similar-looking elderly women who shared the same first name and lived two miles apart.

"We want to make sure we're looking into all possible leads," said Officer Camille Neville, a Fairfax County police spokeswoman.

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Officer Neville said that officers canvassing the Springfield neighborhood near where the women were killed received some "promising" tips.

Police stopped cars at Hyland and Craig streets Sunday night, handing out 4,000 fliers and asking residents for information.

"We did receive some interesting information -- not necessarily pertinent at this point, but things we would not have known otherwise," she said.

Marion Newman, 74, of the 7100 block of Reservoir Road, was found dead inside her home by a friend about 11:15 a.m. last Tuesday. She had missed a dinner appointment a day earlier.

Police said there was no sign of forced entry into Mrs. Newman's home, but there were signs of a struggle. They also said that Mrs. Newman suffered trauma to her upper body.

Investigators are examining whether the case is linked to the August slaying of Marion Barbara Marshall just two miles away.

A friend found Mrs. Marshall, 72, dead in her home in the 6600 block of Bostwick Drive about 6:10 p.m. on Aug. 14. An autopsy revealed that Mrs. Marshall had been beaten to death.

Surveillance photos showed Mrs. Marshall about 11:15 a.m. Aug. 14 at the Giant Food store in the Bradlick Shopping Center, located at 6980 Braddock Road, police said.

Police said that they have not connected the two killings through physical evidence but are investigating the similarities.

Officer Neville said police are planning to ask for help from the FBI's Quantico, Va.-based Behavioral Science Unit, which develops profiles of suspects based on evidence patterns.

Police do not believe the killings of Mrs. Marshall and Mrs. Newman were related to the death of a 52-year-old Falls Church woman found in her house about 4:30 p.m. Saturday.

Officers found Julie Mansfield Adams of the 8300 block of Glastonbury Court after receiving a tip from West Virginia State Police, who were investigating the suicide of a 41-year-old man.

Police initially said that Mrs. Adams suffered trauma to the upper body, but autopsy results released yesterday showed that she died from a stab wound.

The killing was domestic in nature, police said.

Fairfax County has recorded 15 homicides this year.

Inmate At Big Sandy Prison Slain; Second Killing In Three Weeks (LEXHL)

By Lee Mueller, EASTERN KENTUCKY BUREAU

Lexington Herald-Leader (KY), November 28, 2006

INEZ - Federal authorities are investigating the second slaying in less than three weeks at a maximum security prison in Eastern Kentucky.

Prison authorities Monday confirmed the stabbing death of Shamoni Peterson, 32, on Nov. 13, three weeks after the U.S. Penitentiary-Big Sandy in Martin County reported the first slaying since it opened in 2003.

"Preliminary information indicates he was the victim of an assault," a Federal Bureau of Prisons news release said Monday.

Peterson, like the first victim, Calvin Speight, 42, was from Washington, D.C. Peterson was transferred to the Martin County prison on Dec. 14 and was serving a sentence of six years and three months for unlawful possession of a firearm by a convicted felon, according to authorities.

Like Speight, who died Oct. 24, Peterson was transported to Highlands Regional Medical Center near Prestonsburg, where he was pronounced dead, Floyd County Coroner Roger Nelson said.

Nelson said Peterson apparently had been stabbed repeatedly with a sharp weapon and was pronounced dead at 6:40 a.m.

"He bled out, more or less," Nelson said.

Prison spokeswoman Mashelle Arisman said that no charges have been filed in either case, but that the FBI is investigating.

Arisman said the prison, which houses 1,600 high-security inmates near the Johnson County line, has been placed on lockdown status during the investigation.

Warden Suzanne Hastings could not be reached for comment, but Felica Ponce, a spokeswoman for the Bureau of Prisons in Washington, said "there is no correlation between the two deaths that have occurred there."

Reach Lee Mueller at (606) 789-4800 or lmueller1@herald-leader.com.

Slick Admits Lying To FBI In Miller Case (CRG)

By Dorothy De Souza Guedes

Cedar Rapids Gazette, November 28, 2006

CEDAR RAPIDS, IA - In a small federal courtroom crowded with reporters, investigators and members of Evelyn Miller's family, Danny Slick pleaded guilty to lying during a July 3, 2005, interview with the FBI about Evelyn's disappearance.

Details of the plea agreement, which could require Slick to cooperating with prosecutors, were not available.

Slick was accused of lying to FBI agents July 3, 2005, about a drug dealer known as "Porky" and where "Porky" lived.

Slick's friend Randy Patrie, 34, told Slick that he had stopped to get "dope" at "Porky's" after he dropped off Slick at their residence about 2:30 a.m. July 1, 2005, after the two men left the apartment where Evelyn lived with her family.

At the time of Slick's arrest, authorities said it was an important step forward in piecing together the events that led to the disappearance of Evelyn and her death.

"This is the first time that somebody is having to take responsibility for anything connected to Evelyn's disappearance," said Brandi Hoffman, of Des Moines.

Hoffman spoke outside the courthouse on behalf of the family. She is the sister of Casey Fredericksen who was engaged to Evelyn's mother and responsible for the girl's care the morning she disappeared.

Man Pleads Guilty To Misleading FBI In Evelyn Miller Case (AP)

AP, November 28, 2006

CEDAR RAPIDS (AP) — A man believed to have been one of the last to see Evelyn Miller alive pleaded guilty Monday to lying to FBI agents investigating the girl's 2005 disappearance and death.

Danny Slick, 27, of Charles City, admitted in federal court to giving investigators false statements during interviews days after the five-year-old girl disappeared from her Floyd apartment.

He faces a maximum of five years in prison, fines up to $250,000 and is scheduled to be sentenced Feb. 20 in U.S. District Court in Sioux City.

Prosecutors and investigators have said little on whether Slick's legal case has any significant bearing on the ongoing investigation into Miller's slaying.

But U.S. District Judge John Jarvey agreed Monday to seal most of the details of Slick's 13-page plea deal.

Relatives of the young girl viewed Slick's guilty plea and its confidential details as some positive pieces to the puzzle.

"I think he knows who did it and what happened," Brandi Hoffman, the girl's aunt, told reporters afterward. "There has to be a reason for them to have sealed" the plea deal.

Slick was arrested in June and indicted by a grand jury on two counts of making false statements to FBI agents working the case.

He pleaded not guilty, was released after posting bond, but arrested again in August for violating his probation and held in custody since.

Dressed in a prison gray shirt and pants and handcuffed around the waist, Slick offered few words during his brief hearing, mostly just answering "yes" to a series of the judge's questions.

Under the deal, Slick admitted to lies alleged in the indictment's second count, involving statements Slick gave about his whereabouts and that of his former roommate, Randy Patrie, the night Miller disappeared.

Initially, Slick said he and Patrie visited the apartment to see Casey Fredericksen, the live-in boyfriend of the girl's mother, Noel.

Slick said he and Patrie left Miller's apartment and returned to their home in Charles City at about 2:30 a.m, but that Patrie left for about 15 minutes, allegedly to buy drugs at the home of someone named "Porky."

In the indictment, authorities say Slick altered details of his initial story during a second interview. In court documents, Slick said he did not see Patrie again for several hours after Patrie left their home, and that he misled agents when he denied knowing Porky's real name and where he lived.

Where Are They? 2 Little Boys Have Vanished Without A Trace (MINNST)

By Terry Collins And Richard Meryhew, Star Tribune S Taff W Riters

Minneapolis Star Tribune, November 28, 2006

Ground and air searches turned up no sign of the Red Lake brothers, opening up other theories about what happened.

RED LAKE, MINN. -- Now that the air and ground crews are gone, the question on everyone's mind is: If Tristan and Avery didn't wander away from their home, then what happened to them?

"We just don't have any indicators one way or another," on whether the brothers wandered off or whether foul play was involved, FBI Special Agent Paul McCabe said Monday.

Tristan A. White, 4, and Avery Lee Stately, 2, were last seen playing outside their home Wednesday morning in a remote area.

Although authorities have said they have found no evidence so far that would suggest the boys were abducted, that scenario seems more probable with each passing day, said an expert familiar with cases of missing children.

"There's not a break in the ice, not the scent in the trails that would normally tell you they wandered off," said Nancy Sabin, executive director of the Jacob Wetterling Foundation.

Sabin added: "They used a lot of sophisticated tools to figure out how far those boys went and how fast. And as of the moment, there isn't any evidence that they went into the water anywhere. ..."It's a stumper I think at this point, anything is possible," she said.

The Wetterling Foundation is a nonprofit organization that educates families and communities to prevent the exploitation of children.

Paul Burke, a consultant with the National Center for Missing and Exploited Children, agreed with Sabin.

"I don't know where this will go," Burke said Sunday after thanking the scores of volunteers at the Red Lake Humanities Center. "It's hard. It's tough."

The ground and air searches were called off on Sunday, but "pinpoint searches" will continue. Under dreary skies, authorities on Monday surveyed some empty houses near the missing boys' home.

While the brothers haven't been seen, their smiling faces are on fliers that have been posted in surrounding areas and the Twin Cities.

After five days of intense searching, McCabe said they haven't ruled out the possibility the boys might still be on the Red Lake Reservation in northern Minnesota.

"Whenever you do a ground search, you can't always be sure," he said. "There's never a guarantee every area has been covered, even after a thorough search."

Sabin encouraged anyone who might have information about the case to call authorities. The FBI has set up a tip hot line at 1-866-333-4969. Citizens also can call the FBI at 612-376-3200 or the Red Lake Tribal Police at 1-218-679-3313.

"The public's eyes, ears and hearts are really needed in this situation to break this case in some way," Sabin said. "We need some good, quality leads. And you just never know what's going to break it. Somebody out there knows something."

Stranger abductions of children are extremely rare in the United States. The most recent study by the National Center for Missing and Exploited Children showed that about 115 occur each year.

Nevertheless, Sabin said , parents of children who have questions about the Red Lake case should talk with them to reassure them that they are safe and loved.

"Parents need to give an extra hug or spend time in conversation or a hand held here or there to make sure they are going to be OK," she said.

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'POP' TART SCAMS BIGWIG (NYPOST)

By Dan Mangan

The New York Post, November 28, 2006

November 28, 2006 -- A pretty, young swindler who first met a top Pepsi Bottling Group executive online later anonymously shook him down for $125,000 by threatening to tell his wife, children and bosses he was trolling the 'Net at work for women, shocking court papers reveal.

"I'm sure this will be an unpleasant surprise. I'm sure when your wife finds out that you've been looking for a fill-in for her . . . it will be unpleasant for her, too," Jessica Wolcott, 22, e-mailed multimillionaire exec Gary Wandschneider, 54, in August.

Wolcott - who had met the exec face-to-face five months earlier - hid her identity in the threatening missive by using the e-mail account "cheater_eater@hotmail.com."

"After all these years of being married, this is how you repay your vows?" Wolcott asked Wandschneider, a father of three and executive V.P. for worldwide operations at Westchester-based Pepsi Bottling.

"You are disgusting . . . you are pathetic," Wolcott continued in the August e-mail.

Wolcott warned Wandschneider he would end up known as "just another hated Peter Cook" - supermodel Christie Brinkley's cheating hubby - if he didn't pony up the cash.

And when Wandschneider tried to stall by asking for time to gather the $125,000, she warned, "Here's hoping your life is still a living hell and worrying every day that your name will be in the news or on a TV movie for what you've done to your wife."

Wolcott eventually got the funds transferred to her online account - but only after Wandschneider alerted the FBI, which provided the money and set up a sting to nail her.

The feds discovered her identity by determining she sent the e-mails from various locations in Pennsylvania.

When Wandschneider learned her name from FBI agents, he told them he had met her last February through the craigslist.org Web site. A month later, after exchanging e-mails and photos, he met her at a Mount Kisco bar.

The Ridgefield, Conn., man also copped to giving her $30,000 shortly after that meeting because she told him she needed to pay debts.

Although court papers do not identify Wandschneider by name, his identity was confirmed by Pepsi Bottling.

Wolcott pleaded guilty to the extortion scheme in White Plains federal court last week. She was ordered to repay the swindled $125,000 and surrender her computer.

She faces up to two years in prison at her February sentencing, but remains free on bail.

Wandschneider - who admitted to the feds that he used craigslist.org and another Web site to meet other women - could not be reached for comment.

But his wife, Dana, said, "I can't wait for her to be sentenced. You know, extortion is a bad thing."

A Pepsi Bottling spokeswoman said the company - the world's largest bottler of Pepsi beverages - learned of the scandal only yesterday and has launched an internal investigation.

Wolcott told thesmokinggun.com Web site, which first reported the case, that she did not have a "relationship" with Wandschneider.

Her lawyer, Susan Brody, told the Web site that Wolcott was "a young girl who has not had an easy life."

When Wandschneider first received an anonymous threatening e-mail on his office computer from Wolcott, she told "Gary" that she knew he had used his work e-mail account on a Web site that catered to wealthy men trying to meet attractive women, court records say.

"I'm sure [Pepsi Bottling] would be very proud to have an employee with such high morals," she wrote. "I don't like cheaters, not at all, men like you become my profession . . . You think you can just [throw] money at some young girl . . . who needs it because you are in a better position and use it to get sex?"

Admitting that what she was doing was extortion, Wolcott told Wandschneider she had no criminal record, so that even if she got caught, "I will get a slap on the wrist."

Additional reporting by Ed Robinson

dan.mangan@nypost.com

Ex-city Worker Pleads Guilty (RMA)

By Jack Flynn, Jflynn@repub.com

The Republican (MA), November 28, 2006

SPRINGFIELD - Another day, another guilty plea.

A former Springfield Housing Authority maintenance foreman yesterday became the 25th defendant to be convicted or admit guilt in Springfield's corruption probe. He pleaded guilty to two felonies for his role in building the Rhode Island summer home of ex-City Councilor Francis G. Keough III.

Daniel J. McNamee, 40, of Springfield, pleaded guilty to one count of obstruction of justice and one count of filing a false federal tax return during a hearing before Judge Michael A. Ponsor in U.S. District Court.

The guilty pleas were part of a deal with the U.S. Justice Department that will spare McNamee a trial but potentially expose him to 12 to 18 months in prison, Ponsor said. Sentencing was set for March 1.

The pace of the six-year federal corruption offensive has picked up since August, with 10 defendants pleading guilty and two others accepting plea deals in the housing authority scandal.

Last week, Fred Swan, a prominent city activist and brother of state Rep. Benjamin Swan, D-Springfield, pleaded guilty to fraud and other charges for his management of the taxpayer-funded Caring Health Center in Springfield.

In the only defeat for the federal government, Ponsor ruled that charges were filed too late against housing authority contractor Peter Davis following his trial in October on racketeering and bribery conspiracy charges.

Details of McNamee's agreement, including whether he will be required to cooperate in upcoming cases, were not immediately available yesterday.

The outlines of the deal were discussed by Assistant U.S. Attorney Steven H. Breslow and McNamee's lawyer, Mark J. Albano, during a brief private conference with Ponsor.

The plea came seven months after a grand jury accused McNamee of misleading investigators about a heating system he installed at Keough's Rhode Island vacation home, and failing to report $11,000 in income from construction work at Friends of the Homeless, a taxpayer-financed charity run by Keough after he left politics in the mid-1990s.

Until quitting in 2002 to run his own contracting business, McNamee had worked as a $47,000-a-year maintenance foreman for the housing authority's Reed Village development.

During yesterday's hearing, Breslow said the defendant not only worked on Keough's property on authority time, but was accompanied by other employees as well.

No charged were filed against McNamee for defrauding the authority, but the 50-count indictment against Keough and two other men states that the $1,700 boiler installed at his home was obtained from the authority.

Keough, one of Springfield's most influential figures, is facing fraud, witness tampering, obstruction of justice, tax evasion and other charges related to his decade-long tenure at the homeless charity.

In the Springfield Housing Authority case, ex-director Raymond B. Asselin and 11 others pleaded guilty or accepted plea agreements in a multi-million dollar embezzlement scheme.

The housing authority and Friends of the Homeless are operating under new management.

Gentry Admits He Shot Tame Bear (STPPP)

The St. Paul Pioneer-Press, November 28, 2006

Country music star Troy Lee Gentry admitted Monday that "Cubby," the bear he killed on a Minnesota farm in 2004, wasn't a wild beast after all.

Appearing in federal court in Duluth on the day his trial was to start, Gentry pleaded guilty to a charge of falsely claiming the animal was wild. The charge, a misdemeanor, was the result of a plea bargain reached last week with federal prosecutors.

"He's glad to get it over with," said Gentry's attorney, Ron Meshbesher, of Minneapolis. "Obviously, he's saddened by all the publicity in this case, which inferred all kinds of improper conduct."

Gentry, 39, and Lee Marvin Greenly, 46, who owns Minnesota Wildlife Connection near Sandstone, were charged in August with conspiracy and falsely "tagging" the "trophy-caliber" bear by claiming it was shot in the wild. In reality, the tame bear was shot in a fenced area of several acres.

After the indictment, Gentry's Nashville agent shifted the blame for any improper conduct to Greenly, and online fan discussion forums were abuzz with debate over whether Gentry was a bona fide big-game hunter or a wannabe.

Gentry, in a statement released by his management company, said he regrets what happened, but he stops short of accepting any culpability other than relying on Greenly's guidance.

"I did participate in improperly tagging the animal I shot, without realizing the seriousness of what I was doing. For that, I am truly sorry," the statement said. "I relied on the experts around me for guidance, and I regret that today. Not so much because I was fined and punished, but because it appears that I don't have respect for the law."

He says the legal case "has been a humbling experience for me, and one which I deeply regret."

Gentry, half the country duo Montgomery Gentry, had previously declined to speak publicly about the bear shooting. The band's Web site works to craft an image of him and Eddie Montgomery as authentic country music icons.

"We're not trying to candy-coat anything. Who we are is who we are. It's all about being real, being yourself, and playing real music to the people," Gentry is quoted as saying in a biographical blurb.

But federal wildlife officials alleged Gentry's self-professed prowess as a bow hunter was candy-coated and in fact not real. The music star paid Greenly $4,650 for "Cubby," a 600-pound black bear that lived on Greenly's 80-acre business.

Gentry, who lives in Tennessee and has a Minnesota hunting license, killed the bear with a bow and arrow as a video camera recorded the action.

When the kill was registered with the state's Department of Natural Resources, however, he said the bear was killed in the wild.

Meshbesher and the U.S. attorney's office worked out the plea bargain last week, and Gentry entered his new plea Monday morning before U.S. District Judge Paul Magnuson, sitting in Duluth.

In return for the guilty plea, prosecutors dropped a felony count against Gentry.

"It was emphasized by the judge … that he was merely charged with an improper tagging where the bear was killed," Meshbesher said. "The bear was legally harvested."

Greenly pleaded guilty to two felony counts. He is alleged to have set up illegal baiting stations inside Sandstone National Wildlife Refuge, then helped other hunters kill bears at the stations.

Both men will be sentenced later. Greenly could face up to five years' imprisonment on each count and a $400,000 fine.

Gentry has agreed to pay a $15,000 fine and not hunt in Minnesota for five years. He also will turn over the mounted bear, which Meshbesher said is in Gentry's home in Nashville.

While it may not rise to the collectibility status of Hank Williams' Martin D-28 guitar or a Lefty Frizzell rhinestone Nudie suit, the bear could wind up in the hands of a fan. Forfeited items are usually sold by the government at auction, Meshbesher said.

DOJ_NMG_0099015

In a notice posted on Montgomery Gentry's Web site after the indictment in August, Johnny Dorris, whose Hallmark Direction Co. manages the band, lashed out at the "false accusations made against Troy in the indictment."

He said Gentry was "disheartened that he has been falsely accused" and shifted the blame to Greenly, saying Gentry had killed and tagged the bear "per the guidance of his professional guide."

Dorris could not be reached for comment Monday.

Gentry is an avid hunter, Meshbesher said. The band's 10-page contract rider even includes an "Attitude Enhancement" section that said any promoter booking the band in winter should provide for "snow skiing, snowmobiling, boating, hunting and/or fishing."

CIVIL LAW:

Justices Let Stand A Decision To Void Big Award Against Philip Morris (BLOOM)

By Bloomberg News

Bloomberg, November 28, 2006

The Supreme Court refused to revive a $10.1 billion award against Philip Morris USA yesterday, rejecting an appeal from smokers who said they were misled about the health risks of "light" cigarettes.

The justices, without comment, left intact an Illinois Supreme Court decision that threw out the case against Philip Morris, which is a division of the Altria Group and is the nation's largest cigarette maker.

Antismoking activists had hoped the verdict would be the first in a series of awards around the country against the industry over light cigarettes.

"It's clearly the end of lights litigation in Illinois," said David Adelman, a Morgan Stanley analyst who has an overweight rating on Altria. Altria shares fell 33 cents, to $83.42, in New York Stock Exchange composite trading.

In overturning the award last year, the Illinois Supreme Court said smokers could not invoke a state consumer protection law because the Federal Trade Commission had endorsed the "light" and "low tar" descriptions in settlements with other cigarette makers. Like many states, Illinois bars claims over actions specifically authorized by a government agency.

Supreme Court intervention might have complicated plans by Altria, which is based in New York, to spin off its Kraft Foods unit. On Nov. 16, Altria's chief executive, Louis C. Camilleri, said the company was ready to split off the food company, pointing to what he said was a waning risk of costly tobacco-related awards.

The tobacco industry is still defending a separate nationwide class-action lawsuit filed in federal court in New York on behalf of light cigarette smokers. That suit, which invokes federal racketeering law, also raises questions about the legal force of the F.T.C. settlements.

Arguments in Major Antitrust Case

WASHINGTON, Nov. 27 (AP) — The Supreme Court pressed both sides Monday in a case that turns on the question of how much evidence plaintiffs must provide to litigate a private antitrust-conspiracy suit.

Some experts consider the case, Bell Atlantic v. Twombly, which stems from the deregulation of the telecommunications industry in the 1980s and 1990s, as the most important antitrust case to reach the Supreme Court in 20 years.

The class-action suit was filed in 2003 on behalf of United States consumers of local telephone and Internet service, claiming that incumbent local telephone companies, or Baby Bells, illegally conspired to prevent competition by excluding new local phone companies from their territories and agreeing not to compete against each other.

The original seven incumbent local phone companies have been reduced to four through mergers and acquisitions: Verizon Communications, the BellSouth Corporation, Qwest Communications and AT&T.

A federal district court dismissed the case, saying plaintiffs did not have enough evidence to show that a conspiracy would most likely be proved at trial. That decision was reversed by the Federal Court of Appeals for the Second Circuit, which ruled in October 2005 that a plaintiff must submit only a "short and plain statement of the claim" to survive a motion to dismiss.

The case is being closely watched by numerous companies, who contend that a low standard would allow "meritless" and "abusive" cases to go forward. But the plaintiffs argue that a higher standard could make it too difficult for individuals to bring valid antitrust cases.

Supreme Court Rejects Reinstatement Of $10.1 Billion Cigarette Verdict (AP)

The Associated Press

AP, November 28, 2006

DOJ_NMG_0099016

The U.S. Supreme Court sided with one of the largest U.S. tobacco companies on Monday and refused to disturb a court ruling that threw out a $10.1 billion verdict over Philip Morris USA's "light" cigarettes.

The Court issued its order without comment.

Last year, the Illinois Supreme Court threw out the massive fraud judgment against Philip Morris, a unit of the Altria Group Inc., in a class action lawsuit that involved "light" cigarettes.

Because the Federal Trade Commission allowed companies to characterize their cigarettes as "light" and "low tar," Philip Morris could not be held liable under state law even if the terms it used could be found false or misleading, the state court said.

The case involved 1.1 million people who bought "light" cigarettes in Illinois. They claimed Philip Morris knew when it introduced such cigarettes in 1971 that they were no healthier than regular cigarettes but hid both that information and that light cigarettes actually had a more toxic form of tar.

An Illinois judge ruled in favor of the smokers in March 2003, saying the company misled customers into believing they were buying a less harmful cigarette.

A separate case involving Philip Morris is pending before the Supreme Court. Justices are considering whether to allow a punitive damages award of $79.5 million to the widow of a longtime smoker.

Laws Prohibit Smoking Around Children (USAT)

By Emily Bazar

USA Today, November 28, 2006

Anti-tobacco forces are opening a new front in the war against smoking by banning it in private places such as homes and cars when children are present.

Starting Jan. 1, Texas will restrict smoking in foster parents' homes at all times and in cars when children are present, says Darrell Azar of the Department of Family and Protective Services.

Vermont, Washington and other states and counties already prohibit foster parents from smoking around children in their homes and cars.

Arkansas and Louisiana passed laws this year forbidding anyone from smoking in cars carrying young children. Courts are ordering smoke-free environments in custody and visitation disputes.

“We are very rapidly moving to protect children from secondhand smoke,” says John Banzhaf, executive director of Action on Smoking and Health. “Even from their own parents and grandparents.”

Former surgeon general Richard Carmona said in June that children exposed to secondhand smoke suffer an increased risk of respiratory ailments and sudden infant death syndrome.

Most smoking bans apply to workplaces and spots like bars and restaurants.

Smokers' rights groups liken banning smoking in private to the “Salem witch hunt,” says Gary Nolan, spokesman for The Smoker's Club, Inc. He says secondhand smoke is not dangerous. “If we don't reverse this, they'll be telling us what we can eat and what we can feed our children,” Nolan says.

Former smoker Bob Mathis, a Democratic state representative in Arkansas, sponsored a law that bars smoking in a car carrying a child young enough to require a car seat. It took effect in July. A violator can be fined $25 but can get out of it with proof of participation in a smoking-cessation program. A similar law took effect in Louisiana in August.

“We have laws on the books in every state of the union against child abuse,” Mathis says. “This is a form of child abuse.”

At least six states and some counties prohibit foster parents from smoking when foster children are present, says Kathleen Dachille, director of the Legal Resource Center for Tobacco Regulation, Litigation & Advocacy at the University of Maryland School of Law. “There are times when it's appropriate to regulate what people can do in their home,” she says. “The state is responsible for that child.”

Some courts are ordering parents in custody and visitation disputes not to smoke around their kids.

Initially, courts considered restrictions when children had ailments such as asthma that are exacerbated by smoke, says Linda Elrod, a law professor and editor of Family Law Quarterly. Now, they're more willing to restrict smoking even when there are no obvious health problems, she says. It generally comes up when one parent complains about the other's smoking.

CIVIL RIGHTS:

Prosecution Finishes Argument In US Smuggling Deaths Trial (FINDLAW/AP)

By Juan A. Lozano, Associated Press Writer

AP, November 28, 2006

DOJ_NMG_0099017

(AP) - HOUSTON-A prosecutor on Monday described the truck driver at the center of America's deadliest human smuggling attempt as a "vile and heartless person" who ignored the pleas of the illegal immigrants stuffed in his trailer as the temperature inside rose.

Assistant U.S. Attorney Daniel Rodriguez told jurors in closing arguments that Tyrone Williams, a Jamaican citizen, was concerned only with getting paid, not the welfare of the illegal immigrants he was transporting during the failed 2003 smuggling attempt. Nineteen people died from dehydration, overheating and suffocation.

Williams' attorney, Craig Washington, acknowledged Williams is guilty of transporting illegal immigrants, but he insisted Williams never meant to hurt them.

Rodriguez said Williams failed to turn on his vehicle's air conditioning, which would have prevented the deaths. When Williams found out his passengers had punched holes through the trailer's back doors in an attempt to get fresh air and call for help, his only concern was getting more money to pay for the damage, Rodriguez said.

During his closing statements, Rodriguez showed the jury crime scene photos of the 19 victims.

"This government takes no pleasure in showing you these horrific photos," Rodriguez said. "These deceased individuals can only testify through these photos."

Williams is charged with 58 counts of conspiracy, harboring and transporting illegal immigrants. He faces a possible death sentence if convicted.

Authorities say Williams was part of a smuggling ring that tried to transport more than 70 illegal immigrants from Mexico, Central America and the Dominican Republic in his airtight tractor-trailer from South Texas to Houston in May 2003.

Washington blamed Abel Flores, a member of the smuggling ring, for overstuffing the trailer. Washington said Williams did not know the immigrants were dying until one spoke to him in English, long after the journey had begun.

Williams abandoned the trailer at a truck stop near Victoria, about 100 miles (160 kilometers) southwest of Houston, after the immigrants succumbed to the deadly heat inside.

Prosecutors argued Williams ignored the immigrants' cries for help during the four-hour trip. The immigrants' body temperatures went from their normal 98.6 degrees Fahrenheit (37 Celsius) to as high as 113 degrees F (45 C).

Survivors testified they could not understand how Williams did not hear or feel as the immigrants desperately banged on the trailer's walls and shouted.

Fatima Holloway, a woman who rode in the cab with Williams, testified he did not respond to her pleas to free the immigrants.

Williams' defense attorney, Craig Washington, countered his client could not hear the immigrants' cries from the packed trailer until it was too late.

Washington also argued Williams did not know other smuggling ring members overfilled his stifling trailer.

Several survivors called by Williams' attorneys testified the air conditioning unit was turned on during the trip.

Washington tried to discredit Holloway's testimony by highlighting inconsistent statements she made to authorities about the smuggling attempt.

A jury convicted Williams last year on 38 transporting counts, but he avoided a death sentence because the jury couldn't agree on his role in the smuggling attempt. The jury deadlocked on 20 other counts. However, the 5th U.S. Circuit Court of Appeals rejected the decision, saying the verdict did not count because the jury failed to specify his role in the crime.

Williams, 35, who lived in Schenectady, New York, is the only one of 14 people charged in the case who is facing the death penalty.

So far, seven people have been sentenced to prison in the case. Sentencing for three others is pending. Charges against two were dismissed, and one man remains a fugitive.

Police Informant Denies Buying Drugs At Elderly Woman's Home (CNN)

CNN.com, November 28, 2006

ATLANTA, Georgia (CNN) -- An informant cited in a search warrant as having purchased narcotics at an elderly Atlanta woman's house denies buying drugs there, authorities say.

Undercover officers raiding the 88-year-old woman's house shot her to death last week after she fired on them while they broke down her door in a high-crime neighborhood.

Federal prosecutors will investigate the case, Atlanta Police Chief Richard Pennington announced Monday.

Pennington said the eight-member narcotics squad that took part in the raid has been placed on paid leave while investigators look into the informant's story and the circumstances surrounding the Nov. 21 death of Kathryn Johnston. The informant also told investigators from the Atlanta police internal affairs bureau that he was told to lie about the matter, the chief said.

DOJ_NMG_0099018

"The FBI will investigate his statements, along with the police officers' statements as well," Pennington said.

Police said Johnston opened fire on police who tried to enter her home, prying off burglar bars and forcing open her door, during a "no-knock" drug raid last Tuesday. Officers returned fire, killing her.

Relatives put Johnston's age at 92, but Fulton County medical examiners said she was 88.

Neighbors and relatives said the raid had to have been a mistake. They said Johnston lived alone and was so afraid of crime in her neighborhood west of downtown Atlanta that she wouldn't let neighbors who delivered groceries for her come into her home.Reviewing 'no-knock' policy

In an affidavit used to obtain the search warrant, narcotics officers said an informant had purchased two bags of crack cocaine from a man identified only as "Sam" in the home earlier that day. Pennington said he called in federal prosecutors and the FBI after internal affairs investigators questioned the informant over the weekend.

"After we brought the informant in and interviewed that informant, he told us that he had no knowledge of going into that house to purchase drugs," he said. "That's what he told us. I don't know if he went in or not. We don't know if he's telling the truth."

Pennington said the man was being "put away in a secure place" until he could be questioned by the FBI. The chief also promised to make "every document, every witness and piece of evidence" available to investigators.

Meanwhile, the seven narcotics officers and a sergeant were put on administrative leave with pay, and the department is reviewing its use of "no-knock" raids after the shootout, he said. The warrants are common in narcotics cases when officers fear suspects may try to dispose of drugs or evidence in the time it takes authorities to gain access to the home.

In addition to the FBI and the Justice Department, the Fulton County district attorney's office and the Georgia Bureau of Investigation are taking part in the probe.

Pennington made his reputation cleaning up a breathtakingly corrupt New Orleans Police Department in the 1990s. He said the "intense speculation and suspicion" surrounding Johnston's death spurred him to call in outside agencies.

"There are many unanswered questions. I promise each and every citizen that the complete truth will be eventually known, whatever that might be," he said. "But we must all exercise patience while we examine and re-examine every single aspect of these tragic events."

A spokesman for Johnston's family, the Rev. Markel Hutchins, went to Washington to request a federal investigation Monday. Hutchins said he had received assurances that agents would conduct a "swift and thorough" investigation into the woman's death.

Hutchins said the three mid-level officials with whom he met also promised "all resources at our disposal" to help counter the fallout in the African-American community from the shooting. He said he urged the Justice Department officials to press for strong federal guidance to local police departments against the use of no-knock warrants.

McKinney: Study Police Shootings House Member Seeks Federal Investigation (AJC)

By Mae Gentry, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, November 28, 2006

U.S. Rep. Cynthia McKinney has added her voice to a growing chorus of prominent Americans concerned about a spate of high-profile police shootings, including one that killed a New York man the day of his wedding.

The congresswoman has asked the Justice Department to investigate police-involved shootings around the nation, including in her home district of DeKalb County, where police have fatally shot a dozen people this year.

"There is a belief by some citizens that the police-involved shootings are steeped in the intentional use of excessive force, even deadly force," McKinney said in a Nov. 25 letter to Attorney General Alberto Gonzalez. "There definitely appears to be a developing national pattern of police misconduct and abuse resulting in an inordinately high number of serious injuries and deaths to the victims."

McKinney has also asked the House Judiciary Committee to conduct hearings on "the state of America's law enforcement agencies' use of force and deadly force and the impact on Americans on the basis of race and economic standing," her letter said.

New York Mayor Michael Bloomberg said Monday that the shooting early Saturday of three unarmed men, in which 50 bullets were fired, was "unacceptable." Sean Bell, who died in the shooting, was to have been married later that day.

Mayor Calls 50 Shots By Police 'Unacceptable' (NYT)

By Diane Cardwell And Sewell Chan

The New York Times, November 28, 2006

DOJ_NMG_0099019

Mayor Michael R. Bloomberg convened an extraordinary meeting of black religious leaders and elected officials at City Hall yesterday to calm frayed tempers over the fatal police shooting of an unarmed black man in Queens, calling the circumstances "inexplicable" and "unacceptable."

"It sounds to me like excessive force was used," the mayor said of the conduct of the officers, who fired 50 shots outside a Queens nightclub early Saturday, killing Sean Bell, 23, hours before he was to be wed, and injuring two others. "I can tell you that it is to me unacceptable or inexplicable how you can have 50-odd shots fired."

Mr. Bloomberg made the remarks after meeting with some of the city's most influential black politicians and community leaders, including Representative Charles B. Rangel, the Rev. Al Sharpton and dozens of others.

The mayor's decision to meet with Mr. Sharpton and other black leaders was a stark turnabout from the approach of Mr. Bloomberg's predecessor, Rudolph W. Giuliani, who did not reach out to black leaders in the immediate aftermath of the fatal 1999 shooting of Amadou Diallo, an unarmed African immigrant who died in a hail of 41 police bullets.

Mayor Bloomberg's blunt assessment of events still under investigation was striking, although he took pains to point out that the facts were not all in, saying several times that he did not yet know what happened in the shooting, but that he expected that a grand jury would be impaneled by the Queens district attorney, Richard A. Brown.

In a move that suggests the officers feel their actions were justified, the lawyer representing the men said he had contacted Mr. Brown's office and offered to have the officers speak to prosecutors and appear before a grand jury voluntarily without immunity. The police have not released the officers' names, saying they are trying to protect them from retaliation or harassment.

Philip E. Karasyk, who is a lawyer for the Detectives' Endowment Association, said, "We feel confident that once all of the facts and circumstances of this tragic incident are known, then our detectives will be exonerated."

"This was a tragedy, but not a crime," he said.

Mr. Brown said in a statement that he intended to convene a grand jury to hear evidence in the case. While Mr. Karasyk has represented the four men who are detectives in the preliminary stages of the investigation, three of the four will get new lawyers, possibly as soon as tomorrow, because each must have his own and it remains unclear whether they will pursue the same strategy. The fifth man, an officer, has different representation.

Participants at the private meeting at City Hall, which included Police Commissioner Raymond W. Kelly and several high-ranking Bloomberg aides, described the discussions as frequently heated, with the mayor sitting next to leaders whom he counts as supporters. Those more critical of the administration's response to the shooting, including Mr. Sharpton and City Councilman Charles Barron of Brooklyn, sat on the opposite side of the table.

Mr. Bloomberg's approach of reaching out to community leaders has drawn praise, and he plans to go to southeast Queens today to meet with community leaders there. But his efforts have left some unconvinced that the underlying conflicts between the police and predominantly black communities are being addressed.

"We prefer talking than not talking, but the object is not a conversation, the object is fairness and justice," Mr. Sharpton said as he left City Hall. "Because we're not just interested in being treated politely, we're interested in being treated fairly and rightly. And that will happen when police are held as accountable as anyone else."

Mr. Bloomberg pledged to do just that, saying that the city would review its policies and training procedures to ensure fair treatment, but he added that he did not believe that the shooting was racially motivated. Of the officers who fired on Mr. Bell's car, two are black, one is black and Hispanic, and two are white.

"I do not at this point believe that there was anything racially motivated here, but we'll wait and see whatever the facts are," Mr. Bloomberg said. "A lot of people feel that this on top of other incidents that have happened in the past is a pattern that is unacceptable. I find that pattern unacceptable as well," Mr. Bloomberg continued, adding that he saw the shooting as an isolated case.

"There is no evidence that they were doing anything wrong," he said of the men who were shot, referring to the moments leading up to the confrontation with the police.

Some policies appear to have been violated in the shooting, which occurred when, according to the police, undercover officers fired 50 bullets at Mr. Bell's car after he drove into one of the officers and an unmarked police van.

Officers are trained to shoot no more than three bullets before pausing to reassess the situation, Mr. Kelly said in his most detailed assessment of the shooting yet. Department policy also largely prohibits officers from firing at vehicles, even when they are being used as weapons.

Although several of the leaders at City Hall expressed confidence in the mayor and the police commissioner, the emotional meeting, which began with outbursts of anger and ended calmly, laid bare some of the rifts among New York's black leaders themselves. Some expressed support for the mayor's handling of the case or refrained from criticizing him. Many, however, expressed concerns that the administration was failing to deal with what they described as continuing tensions between black residents and police officers even when the officers are not white.

"There were some heated exchanges," said the Rev. Herbert Daughtry, an influential Pentecostal minister in Brooklyn. "We all agree that there is a pattern of police abuse of power, and this abuse of power ranges from police killing to police brutal behavior to disrespect. We reiterated that over and over again."

Mr. Daughtry warned the mayor not to confuse patience with complacency. "There is a temperature in our communities that is rising, and the tension is intensifying," he said. "While we don't want to try to ignite anything, we'd be blind to overlook what's happening and not to sound the alarm."

But other leaders played down the anger in the room, saying that some participants seemed determined to bring up past history or to pursue agendas with little bearing on this specific case.

"There's always anger after incidents like this and there's always a lot of people that bring up other incidents," said City Councilman Leroy G. Comrie Jr. of Queens. "People confuse history, and specific people are concerned about their individual actions." He added: "You have different people that don't know each other, there's always room dynamics, you know, because people come in with different agendas or some people are off topic altogether."

The shooting happened as the police were undercover in the club, Club Kalua, to investigate reports of prostitution and drug dealing. There was a dispute outside between two groups of men, and one group of three or four left. One undercover officer followed them, believing they might have been going to get a gun before returning to the club. In the officers' version of events, the undercover officer confronted the men in Mr. Bell's silver Nissan Altima, and they tried to run him over, prompting the fusillade from him and his backups.

Some of the leaders expressed dismay over Mr. Kelly's revelation that one of the undercover officers had had two beers in the course of the operation inside the nightclub, but was not given a breath analyzer test. Mr. Kelly said that undercover officers are allowed the two drinks and are not normally tested for intoxication. He said they were deemed fit for duty by their superior.

While the office of Mr. Brown, the Queens district attorney, will oversee the criminal inquiry, the tactics employed by the detectives and their supervisor during the events leading up to the shooting and the shooting itself will also be reviewed by the Police Department. Several people who have been briefed on the detectives' version of events raised questions about their tactics.

For instance, they said that one undercover officer who had been inside the club without his weapon retrieved it from a police vehicle and then engaged the men in the Altima, even though that task should have been left to the backup team. Mr. Kelly said that sequence of events was unusual.

Saying there was a "grave crisis" of confidence in his southeast Queens community, Bishop Lester Williams, who was to have performed Mr. Bell's wedding, said there had been no improvement in police-community relations since the height of tensions under Mayor Giuliani.

"It's Little Iraq, I'm sorry, especially toward the blacks in the community," he said before attending the meeting. "We don't feel protected."

But others said that Mr. Bloomberg had made some progress simply by setting a new tone. "Just the simple fact of meeting, or discussion, or expressing concern and outrage on the part of this administration, was different," said Comptroller William C. Thompson Jr., the city's top black elected official.

Shortly after 5 p.m., many of the same black leaders who had attended the meeting with Mr. Bloomberg went to a briefing at the Queens County Courthouse with Mr. Brown.

Mr. Bell's fiancée, Nicole Paultre, 22, the mother of their two daughters, arrived with her father and Mr. Bell's mother, Valerie, and uncle.

Nearly two hours later, Mr. Sharpton and Mr. Bell's family left, pushing past reporters without saying anything. Several other civic leaders said the meeting had been emotionally difficult, with Ms. Paultre and Ms. Bell bursting into tears. The civic leaders declined to discuss the meeting's specifics, but said they were satisfied with what they had heard.

While officials met and discussed the case, Mr. Bell's father, William, 53, stood by his house on a quiet, suburban street near Cambria Heights and said that they were all missing the point.

"It's more about politics than human life," he said. Mr. Bloomberg has spoken with Sean Bell's fiancée and said he plans to visit the family soon, but William Bell said none of the officials had reached out to him.

"At least they could say 'I'm sorry,' " he said. "Say 'I'm sorry, I'm going to find out what's going on.' "

"He's gone," he said of his son. Then, patting over his chest, he added, "Not here in my heart he's not gone, but he's gone."

N.Y. Mayor Calls Shooting 'Inexplicable' (WP)

By Michael Powell And Robin Shulman

The Washington Post, November 28, 2006

DOJ_NMG_0099021

NEW YORK, Nov. 27 -- Once again a hail of police bullets has ended the life of an unarmed black New Yorker, and the city's mayor finds himself walking an uncertain line between reassuring black and Latino residents and defending his police force.

With a City Council member saying that black people are being "murdered" and some black clergy signaling their discontent with Police Commissioner Raymond W. Kelly, Mayor Michael R. Bloomberg (R), who is white, walked into a news conference Monday and spoke of his profound unease with the shooting by undercover police that claimed the life of a bridegroom on his wedding day.

"I can tell you that it is to me unacceptable or inexplicable how you can have 50 shots fired," Bloomberg said. "It sounds to me that excessive force was used, but that's up to the district attorney to find out."

In a visible symbol of Bloomberg's concern, he was accompanied by a number of prominent black pastors and politicians, including activist preacher Al Sharpton and Rep. Charles B. Rangel (D-N.Y.). The night before, Sharpton journeyed to the Community Church of Christ in the Jamaica neighborhood of Queens and vowed that he was going to "keep this in the street."

The shooting occurred early Sunday morning as an undercover officer trailed three men -- Sean Bell, 23, Joseph Guzman, 31, and Trent Benefield, 23 -- as they left a bachelor party at the Kalua Cabaret club in Jamaica. The trio had argued with two men inside the club and left, trying to avoid trouble, witnesses said.

The officer told the three men to stop, although witnesses differ about whether the officer identified himself and flashed his badge.

Bell and his friends, witnesses told the New York Daily News, feared that the undercover officer was a friend of those they had argued with and that he was carrying a gun. The men tried to pull away in their car, scraping the leg of an officer. An officer fired a shot, and four more officers pulled out their 9mm guns and began shooting.

Three bullets fatally struck Bell, a delivery man and father of two, who died just hours before his marriage ceremony was to take place.

Benefield and Guzman were injured; the latter had 11 bullet wounds. None of the three men carried a gun, and police manacled the two survivors as they lay bleeding, a fact that concerned civil libertarians.

"It's not as if people so seriously wounded were a flight risk," said Donna Lieberman, executive director of the New York Civil Liberties Union. "Yet they were treated as criminals for having gotten shot by the police."

Kelly offered a carefully calibrated defense, noting that the Hispanic officer who opened fire was a 12-year veteran and apparently thought the car was trying to hit him. Three of the five officers who fired shots were black or Latino.

Kelly's spokesmen released data showing that New York officers now fire 40 percent fewer shots per incident than in 1995. Police killed 30 people in 1996, compared with nine in 2005 and 10 so far this year.

Maki Haberfeld, a John Jay College of Criminal Justice professor and specialist in the use of deadly force, said she was not inclined to second-guess officers operating under stress at night. "There are distorted perceptions of time and motion, and fear and adrenaline, and it takes 20 seconds to fire 50 shots," she said. "I'm taken aback by how the mayor indicted these officers. How could he know?"

But such arguments and statistics soothed few nerves, particularly for those who live in neighborhoods with a history of frayed relations with the police. Sunday's shooting called to mind the fatal shooting of Amadou Diallo, an unarmed African immigrant, in 1999. Diallo, a peddler and student, was returning home when undercover police officers told him to stop. He panicked and officers fired 41 shots, 19 of them hitting Diallo. His death came to symbolize the unsightly underbelly of then-Mayor Rudolph W. Giuliani's war on crime.

That history was very much alive in the minds of residents on the streets of Jamaica on Monday. Theirs is a prosperous lower-middle-class neighborhood with vibrant shops, the crack-fueled crime of 10 years ago a fading memory. Yet many said police officers still pat down young men for guns and stop cars with little reason.

"The demeanor when they talk to people -- they have a nasty attitude," said Wayne Johnson, 43, a car-service driver. "They'll come and see us talking on the corner and say: 'What you doing here?' They think everyone is a drug dealer."

Monique Holley, 23, attends the nearby Queensboro Community College and has passed her exam to become a police officer. Monday, she found herself struggling with second thoughts. "If I become a cop, how would people look at me? That's what I am debating today."

Bloomberg enjoys far better relations with the city's black leaders than Giuliani did. There was no more visible evidence of this Monday than the presence at the news conference of the rhetorically flammable Sharpton, who was persona non grata at City Hall throughout the Giuliani era.

African Americans, Sharpton said on a radio show after the news conference, appreciate that the city's crime drop means that their neighborhoods are safer and that many young men are alive who might otherwise have died in violent crime. But he said that peace carries an unacceptably high price tag.

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"I told the mayor, 'Yes, we want crime down. Yes, crime is higher in many of our communities than elsewhere,' " Sharpton said. "But it's worse to have to live in these neighborhoods and be afraid of the cops and the robbers."

Calls For Justice At NYC Vigil For Groom (FINDLAW/AP)

By Deepti Hajela, Associated Press Writer

AP, November 28, 2006

(AP) - NEW YORK-An angry crowd shouted "No justice, no peace!" Some called for the ouster of the city's police commissioner. Many counted off to 50, the number of rounds that are estimated to have been fired by police at three unarmed men, killing one on his wedding day.

Several hundred people gathered Sunday for a vigil and rally to demand answers about why officers let fly a flurry of bullets at 23-year-old Sean Bell early Saturday, hours before he was supposed to marry the mother of his two young children.

The five officers were placed on paid administrative leave and stripped of their guns, said Paul Browne, chief spokesman for the NYPD. Police and prosecutors promised a full investigation.

But none of that stemmed the fury of a community outraged by the shootings.

"We cannot allow this to continue to happen," the Rev. Al Sharpton said at the gathering outside Mary Immaculate Hospital, where one of the two wounded men was in critical condition. "We've got to understand that all of us were in that car."

Relatives of the men, including Bell's fiancee, attended the vigil and rally but none spoke publicly.

Some in the crowd called for the removal of Police Commissioner Raymond Kelly, yelling "Kelly must go!"

Kelly has said that police shot at the car after it drove forward and struck an undercover officer and an unmarked police minivan. The information was based on interviews with witnesses and two officers who did not fire their weapons, he said.

But a witness account emerged Monday disputing that version of events.

Trini Wright, a dancer at the strip club where Bell's bachelor party was held, told the Daily News she was going to a diner with the men and was putting her makeup bag in the trunk of their car when the police minivan appeared.

"The minivan came around the corner and smashed into their car. And they (the police) jumped out shooting," Wright, 28, told the newspaper for Monday editions. "No 'stop.' No 'freeze.' No nothing."

Kelly had said Saturday the police department was still piecing together what happened and that it was too early to say whether the shooting was justified. He said it was unclear whether the officers, who were in plain clothes, identified themselves before firing.

On Sunday, Browne said, "We are continuing to look for additional witnesses to shed light on the incident and assisting the district attorney's office with its investigation."

Mayor Michael Bloomberg and Kelly planned to meet with community leaders at City Hall on Monday. Bloomberg and his aides were in contact with Bell's family and community leaders throughout the weekend.

The shootings occurred after 4 a.m. Saturday outside the Kalua Cabaret in Queens. Kelly said the incident stemmed from an undercover operation by seven officers investigating the club.

Bell was struck twice. The survivors were Joseph Guzman, 31, who was shot at least 11 times, and Trent Benefield, 23, who was hit three times. Guzman was in critical condition Sunday and Benefield was stable.

The officers' shots struck the men's car 21 times. They also hit nearby homes and shattered windows at a train station, though no residents were injured.

Police thought one of the men in the car might have had a gun, but investigators found no weapons. It was unclear what prompted police to open fire, Kelly said.

According to Kelly, the groom was involved in a verbal dispute outside the club, and one of his friends referred to a gun.

An undercover officer walked closely behind Bell and his friends as they headed for their car. As he walked toward the front of the vehicle, the car drove forward, striking the officer and minivan, Kelly said.

The officer was apparently the first to open fire, Kelly said. He had served on the force for five years. One 12-year veteran fired his weapon 31 times, emptying two full magazines, Kelly said.

In total, it is believed 50 bullets were fired, he said. It was the first time any of the officers, all of whom carried 9 mm handguns, had been involved in a shooting, he said.

At some point, Bell backed the car onto a sidewalk, hitting a building gate, police said. He then drove forward, striking the police vehicle a second time, Kelly said.

The police department's policy on shooting at moving vehicles states: "Police officers shall not discharge their firearms at or from a moving vehicle unless deadly force is being used against the police officers or another person present, by means other than a moving vehicle."

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The police officers' group 100 Blacks in Law Enforcement Who Care said it was issuing a vote of no confidence in Kelly over the shooting.

Community leaders planned a rally Dec. 6 at police headquarters.

This isn't the first time the NYPD has come under scrutiny over officer-involved shootings.

In 1999, police killed Amadou Diallo, an unarmed immigrant from Guinea in western African who was shot 19 times. The four officers in that case were acquitted of criminal charges. And in 2003, Ousmane Zongo, a native of Burkina Faso in western African, was hit four times, twice in the back.

Associated Press writer Tom Hays contributed to this report.

50 Bullets And A Death In Queens (NYT)

The New York Times, November 28, 2006

Much has changed in New York since Amadou Diallo, an unarmed African immigrant, was killed in a hail of 41 bullets fired by city police officers in 1999. Mr. Diallo's death sent racial tensions in the city nearly to a boiling point — helped along by Mayor Rudolph Giuliani, who regularly shunned meetings with black leaders and failed to treat the crisis with the urgency it required.

Now Mayor Michael Bloomberg and his police commissioner, Raymond Kelly, are dealing differently with their own Diallo-style disaster. Police officers firing 50 rounds early last Saturday killed Sean Bell, an unarmed man who was to have married his high school sweetheart later in the day. The mayor and the commissioner moved quickly to answer questions and to hear the concerns of the victim's family and the community. But their responsiveness will not bring back Sean Bell. The challenge here is far greater than good communications.

The officers who killed Mr. Bell were part of a sting operation at a Queens nightclub suspected of narcotics, prostitution and weapons violations. According to published reports, the officers have said that as Mr. Bell and his friends left the club and headed toward their car, an undercover detective heard one of them say he was going to get a gun. They also reportedly said that when the men entered the car, the detective pulled his gun and identified himself, but the car suddenly gunned forward, hit him in the shin and then struck an unmarked police minivan. The officers then opened fire.

The tragedy may simply involve two sets of very frightened men who reacted instinctively to what they thought was imminent danger. But only one of the sets was armed. There was no gun in the car, nor on the shooting victims, who sat helpless inside while five police officers began firing 50 rounds at them. One emptied his gun, a 9mm semiautomatic, reloaded and emptied it again, accounting for 31 rounds. The shooting appears to have been frantic, with bullets shattering windows as far away as the AirTrain station, hundreds of yards from the scene. Two of Mr. Bell's companions were injured; miraculously, there were no other casualties.

Unlike the Diallo tragedy, the officers involved in the Queens shooting were not all white. They were also not inexperienced. The first bullet came from an officer with five years on the job, and the detective who fired the 31 rounds had 12. But it is hard to explain their actions as anything but panic.

Police rules mandate that an officer pause after firing three rounds to assess the situation. If the shooters had followed procedures, they might have seen there was no threat before it was too late. Mayor Bloomberg has rightly called for a quick and impartial investigation. The officers must be held accountable for what has happened. But the Police Department must also confront the fact that a disaster that everyone swore to prevent seven years ago has repeated itself in Queens.

Which Officer Shot Girl Can't Be Known (LAT)

By Patrick Mcgreevy And Richard Winton, Times Staff Writers

The Los Angeles Times, November 28, 2006

Probe fails to find definitive evidence. The toddler was killed as her father held her in a gun battle with police.

So many bullets were discharged during a siege last year at a South Los Angeles auto shop that investigators cannot determine which LAPD officer fired the shot that killed 19-month-old Suzie Peña, Chief William J. Bratton said Monday.

The finding, which follows a 15-month investigation that used outside weapons experts, complicates the Police Commission's task today in deciding whether the officers should be disciplined.

Suzie Peña was shot twice as her father held her in front of him as he exchanged gunfire with Los Angeles police officers in July 2005. The fatal shot hit Suzie in the head but did not lodge there. Investigators could not determine which of the bullet fragments they found had hit her.

Her death set off a debate about Los Angeles Police Department tactics, prompting investigations by the FBI and the Los Angeles County district attorney's office and calls for better rules on how SWAT officers respond to hostage standoffs.

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Bratton described the investigation as one of the most complex in the department's history. It involved microscopic analysis of about 130 bullets and more than 100 casings involving 13 firearms, and more than 80 interviews of witnesses and 36 DNA tests.

"The issue is, can we with any definitiveness determine who fired the fatal shot," Bratton told The Times. "The subsequent investigation has not been able to make a more definitive determination. That's unfortunate, but that's pretty much where we are with it."

Figuring out which of 13 officers who fired shots actually killed Suzie is a key question both for the LAPD and the family's attorneys, who are suing the department. By identifying the officer, they could determine where he or she was standing, figure out his or her vantage point, and assess whether proper tactics were used.

The Police Commission will decide today whether any of the officers involved in the standoff violated department policies. Without being able to link Suzie's death to a specific officer, however, officials said, it would be difficult to build a case against any individual.

LAPD sources who are familiar with the investigation said the detectives who examined the incident broke it down into three distinct stages that the commission will examine.

It began when Jose Raul Peña's 16-year-old stepdaughter called police to say that her father had a gun and was threatening to kill her. Officers responded, and during a brief gun battle with Peña were able to rescue the stepdaughter from the auto shop. The sources said investigators examined whether any officer failed to follow policy by initiating a crossfire in the direction of other officers.

The second segment occurred more than two hours into the standoff when an officer on top of an LAPD armored vehicle shot at Peña as the gun-wielding man held Suzie. Commissioners are expected to examine who gave the authority to fire, the sources said.

The final segment occurred when officers decided to storm the auto store. The officers found themselves in a small interior office of the shop, firing at Peña as he shot at them, Suzie still in his arms. One SWAT officer, Daniel Sanchez, was wounded; Suzie and her father were killed.

Sources said investigators were looking at why police decided to enter the building. In the days after the shooting, LAPD officials said they moved in because they thought that Peña was perhaps incapacitated.

The sources, who spoke on the condition of anonymity because they were not authorized to discuss the probe publicly, said it was possible that the commission could find some of the tactics used by the officers violated policy while upholding their actions in Suzie's death.

In an interview Monday, Bratton declined to reveal his recommendation to the commission.

He said it may be hard for some to understand how the investigation was unable to identify Suzie's shooter.

"Everybody likes closure, likes completion. Sometimes you are not able to get there," Bratton said. "We will not be able to make that determination. We have no ability to make a determination as to who fired that [fatal shot]."

The Police Commission is one of several panels and agencies looking into the Peña case. The district attorney's office plans to announce today whether it will file criminal charges related to the girl's death. The FBI and an LAPD board of inquiry also are reviewing the standoff.

At least four officers were carrying rifles. All of the rifle bullets were fired close to Peña and his daughter.

The complexity of the case "had to do with the sheer size of the incident, the number of officers, the number of shooting officers, the number of rounds fired, the circumstance," Bratton said.

Whatever the outcome of the commission meeting, Bratton said, Suzie's father was solely responsible for her death as authorities have said that Peña used his daughter as a "human shield" against officers.

"He's the one who set that whole chain of events in motion," Bratton said. "All the actions that day were precipitated by Mr. Peña's actions. The death of that young child is totally in his hands."

Bratton also defended his department's investigation. "I'm very comfortable, based on my review, that they did an outstanding job on the investigative portion of it and the Police Commission will have a lot of information to work with in terms of making their final recommendations," he said.

Luis Carrillo, an attorney for the child's mother, said he was suspicious about the LAPD's inability to identify where the shot that killed the toddler came from. He alleged that officers moved the child's body, interfering with efforts to trace the trajectories of bullets.

Carrillo has filed a lawsuit — seeking damages and a change in LAPD policies — against the city.

"It is important to know who fired that bullet," he said.

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Supreme Court Debates Deadline For Pay-discrimination Claims (AP)

By Mark Sherman

AP, November 28, 2006

Employees must complain about pay discrimination within six months or forfeit their claim, the Supreme Court was told Monday in a case closely watched by companies and civil rights groups.

Justices engaged in a lively but inconclusive debate about how to apply a 180-day deadline for complaining about discriminatory pay decisions under Title VII of the federal Civil Rights Act of 1964.

Lilly Ledbetter sued Goodyear Tire & Rubber Co., claiming that after 19 years at the company's Gadsden, Ala., plant, she was making $6,000 a year less than the lowest-paid man in the same job.

Ledbetter claimed the disparity existed for years and was primarily a result of her gender. A jury agreed, but an appeals court overturned the verdict.

Lawyers for Goodyear and the Bush administration argued against her claim.

Glen Nager, Goodyear's attorney, said the appeals court was correct.

"Bring that claim or lose it," he said.

Justice Department lawyer Irving Gorenstein said if the court were to side with Ledbetter, "it would undo the statute of limitations in pay cases."

But Ledbetter's lawyer, Kevin Russell, told the justices that each smaller paycheck should be treated as a new act of discrimination.

Eight justices joined in the questioning. Justice Clarence Thomas was, customary for him, silent, but he could play a pivotal role in deciding the case.

Thomas once was chairman of the Equal Employment Opportunity Commission, which is responsible for investigating workplace discrimination claims.

Applying the 180-day deadline to decisions made years ago makes no sense in a situation in which the disparity grew over time, Justice Ruth Bader Ginsburg said.

Early on, "there is no reason to think there is going to be this inequality," she argued.

But Chief Justice John Roberts was skeptical that employees could "challenge the discrimination 15 years later."

Ledbetter was initially awarded more than $3.8 million. A judge reduced the award to $360,000.

The 11th U.S. Circuit Court of Appeals overturned the verdict. The appeals court said Ledbetter mainly was complaining about decisions made by her supervisors long ago, well after the deadline for raising allegations of discrimination.

In Ledbetter's appeal to the Supreme Court, her lawyers said each paycheck represented a violation of civil rights law by Goodyear, even if the lower pay resulted from discriminatory decisions made years earlier.

"Under the court of appeals' rule, an employee is condemned to perpetually unequal pay for equal work unless she recognizes and complains about the discrimination within a few short months after it first begins," Ledbetter's lawyers said in a court filing.

Supporting Ledbetter, the NAACP, AARP and other rights groups said employers would not suffer any consequences for recurring discrimination if they could rebuff allegations merely by arguing the deadline for complaining about the first episode passed.

Goodyear denied discriminating against Ledbetter. She received periodic raises despite being ranked near the bottom of her group of workers, the company said.

"Title VII requires allegedly aggrieved employees like Ledbetter to assert their intentional discrimination claims within the 180-day charge-filing period or lose them," the company told the court.

The U.S. Chamber of Commerce and the National Federation of Independent Business said if the court rules for the worker in this case, employers would be subject to damages for innocent decisions made years ago that would be difficult to defend because of the passage of time.

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Court Explores Complexities In Job Discrimination Case (NYT)

By Linda Greenhouse

The New York Times, November 28, 2006

WASHINGTON, Nov. 27 — Federal law prohibits discrimination on the job, requiring employers to pay their employees without regard to race, sex, religion or national origin. Many complexities lie behind that simple statement, as a Supreme Court argument on Monday made abundantly clear.

The question for the court was how to treat a discriminatory action that happened long ago, beyond the statute of limitations for the federal Civil Rights Act, but that has effects that continue to the present day. Is each new paycheck, reflecting a salary lower than it would have been without the initial discrimination, a recurring violation that sets the clock running again? Or does the passage of time, without fresh acts of intentional discrimination, render the initial injury a nonevent in the eyes of the law?

The case was brought to the court by a woman, Lilly M. Ledbetter, who worked for 19 years as a manager at a Goodyear Tire and Rubber plant in Gadsden, Ala. For years, Ms. Ledbetter was paid less than men at the same level, and by 1997, as the only female manager, she was earning less than the lowest-paid man in the department. In 1998, after an undesired transfer, she retired and filed a discrimination charge against the company with the Equal Employment Opportunity Commission.

She took her case to federal court and won a jury award of more than $3 million in back pay and compensatory and punitive damages. Because of caps imposed by the law, Title VII of the Civil Rights Act of 1964, the judge reduced the award, to $360,000. But the United States Court of Appeals for the 11th Circuit, in Atlanta, overturned the verdict entirely. It ruled that Ms. Ledbetter had no case because she could not show any intentional discrimination in the 180 days before she complained to the employment commission.

Other federal appeals courts, including those here and in New York, disagree with that analysis, as does the E.E.O.C. The agency has long applied what is known as the "paycheck accrual rule," under which each pay period of uncorrected discrimination is seen as a fresh incident of discrimination. So although the 180-day limit applies to discrete actions like a discriminatory refusal to hire or failure to promote, it does not, in the view of the federal agency charged with administering the statute, prevent lawsuits for the continuing effects of past discrimination in pay.

But the Bush administration has disavowed the commission's position. After the court agreed in June to hear Ms. Ledbetter's appeal, Ledbetter v. Goodyear Tire and Rubber Company Inc., No. 05-1074, the administration entered the case on the company's behalf.

Irving L. Gornstein, an assistant to the solicitor general, argued that "employees who allow the 180-day period to pass may not years later, and even at the end of their careers, challenge their current paychecks on the grounds that they are the result of a number of discrete, individually discriminatory pay decisions that occurred long ago."

When Justice Antonin Scalia asked, "Why should we listen to the solicitor general rather than the E.E.O.C.?" Mr. Gornstein acknowledged that the commission "has taken a different position," one that he said was based on a misunderstanding of a Supreme Court precedent.

Ms. Ledbetter's lawyer, Kevin K. Russell, said it was often difficult for employees to learn that their pay was discriminatory. Employees who receive regular raises, Mr. Russell said, may well not realize that the raises were smaller than they should have been.

"It's only when the disparity persists," he said, "when the different treatment accrues again and again and the overall disparity in the wages increases, that the employee has some reasonable basis to think that it's not natural variation in the pay decisions but actually intentional discrimination."

Justices Ruth Bader Ginsburg and Stephen G. Breyer appeared most sympathetic to Mr. Russell's argument. Justice Breyer commented at one point that "there will be probably a significant number of circumstances where a woman is being paid less, and all she does is for the last six months get her paychecks and she doesn't really know it because pay is a complicated thing." It could take "even a year for her to find out," he said.

Chief Justice John G. Roberts Jr. appeared the most skeptical, several times raising the question of how employers could shoulder the burden of defending long-ago pay decisions.

"It could be 40 years, right?" Chief Justice Roberts asked Mr. Russell, adding, "I mean, if it happened once 20 years ago, you have a case that you can bring" under the plaintiff's analysis.

The Goodyear lawyer, Glen D. Nager, noting that the statute required proof of intentional discrimination, said the basic point was that "no one at Goodyear took Miss Ledbetter's sex into account" in the salary she was paid in the 180 days before she filed her complaint.

The law does not permit the accusation "that there is discrimination today merely because there was discrimination yesterday," Mr. Nager said, adding that when the "filing period passes and no charge is brought, the employer is entitled to treat that past act as if it was a lawful act."

Justice David H. Souter asked, "Is that so even if they know it was in fact originally an unlawful act?"

"Yes," Mr. Nager replied.

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EEOC Seeks To Block Sidley Discovery Bid In Former Partners' Age Discrimination Case (LAW)

By Anthony Lin, New York Law Journal

New York Law Journal, November 28, 2006

The U.S. Equal Employment Opportunity Commission, which is suing law firm Sidley Austin for allegedly demoting around 30 partners on the basis of age, is seeking to block discovery concerning the subsequent job performance of several of the former partners, as well as the mental health of one.

Chicago-based Sidley has denied having a mandatory retirement policy and claims that the partners at issue were demoted in 1999 due to performance factors, including low billable hours and poor business development skills. The firm is hoping to show that new employers encountered similar performance from demoted partners who left Sidley.

But in a motion for a protective order filed Nov. 17 in Chicago federal court, the EEOC asked that Sidley be denied discovery relating to the billable hours, equity status and business development efforts of six former partners now working at other firms. The agency, which is arguing that performance reasons for the demotions were pretextual, called the information sought by Sidley "not relevant to any disputed fact" in the case.

"Evidence concerning the Former Partners' hours, billings, business development and time devoted to specific clients at the Subsequent Firms would not have any tendency to prove or disprove whether such factors actually motivated Sidley's decision to change Former Partners' status in 1999," the EEOC said in its motion before Judge James Zagel of the U.S. District Court for the Northern District of Illinois.

The agency, which has agreed to stipulate that Sidley's records concerning billable hours and other performance metrics are accurate, also highlighted a potential hazard to former partners of permitting the firm to seek such records from those partners' current firms.

"The Subsequent Firms of several of the Former Partners are not aware of the circumstances under which these Former Partners' employment at Sidley ended," the EEOC said in its motion. "Disclosure of those circumstances would cause great embarrassment to these Former Partners and would likely cause substantial damage to these Former Partners' careers and professional reputations."

The agency also asked the judge to block Sidley from deposing "Partner A" about his mental health and history of mental health treatment. The EEOC said Sidley had previously said mental health problems Partner A experienced in 1993 had nothing to do with his demotion six years later and should not now be able to assert otherwise.

"Other than simple harassment, no purpose would be served by an inquiry into Former Partner A's present or former state of mental health or treatment history," the agency argued.

In its opposition to the EEOC's motion, Sidley, represented by Chicago's Grippo & Elden, argued that the information about the partners' subsequent performance was highly relevant to countering the EEOC's claim that performance issues were a mere pretext for age-based discrimination.

"Many of the putative claimants clearly and undeniably had below-average hours and billings for partners with their experience," the firm said in its opposition. "Sidley has identified those below-average hours and billings as contributing to Sidley's decision to change the putative claimants' status.

"The EEOC and the putative claimants may attempt to attribute those below-average hours and billings to something other than lack of effort or talent, but a similar experience at the putative claimants' subsequent law firm will belie such an argument," Sidley continued.

Most of Sidley's argument concerning its questioning of Partner A was redacted from public documents, but the firm did say in its opposition to the EEOC's motion that the discovery it was seeking was "obviously relevant."

HIGH-PROFILE LAWSUIT

The EEOC's suit against Sidley, filed in January 2005 after a five-year investigation, has received widespread attention in the legal profession because law firm partners have traditionally been considered employers exempt from anti-discrimination laws. The agency is taking the novel position that Sidley's highly centralized management structure, in which an unelected executive committee made almost all major decisions, rendered most partners at the firm employees.

But the suit's high profile has also raised fears that embarrassing information about the partners at issue may come to light, despite the issuance of a number of protective orders. Several of the demoted partners have asked the EEOC to sever them from the case out of concern that such information will be publicly disclosed. The EEOC, which is seeking millions of dollars in back pay for the former partners, has refused such requests on the grounds that only the agency itself and none of the demoted partners is an actual party to the case.

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According to a partial transcript of a hearing held Oct. 6, Zagel noted the unwilling participation in the matter of several of the former partners, saying that "perhaps no single individual whose case is being pled by the EEOC has the slightest interest in having a case pursued for professional reasons and maybe personal ones as well."

At the same hearing, Zagel suggested he understood Sidley's need for at least some discovery concerning the partners' subsequent performance. He recalled an earlier case of his in which an employment discrimination plaintiff was allegedly fired for persistently violating minor firm procedures and earning a reputation as someone who "just doesn't follow the rules."

"Investigation of his subsequent employer established that at the subsequent employer he did the same thing, and at the employer after that he did the same thing," Zagel said at the hearing. "And I thought it did a pretty good job of destroying the pretext argument that was offered by the plaintiff, so good a job that the case settled for what was essentially a nominal amount."

But the judge also used another example to illustrate a danger for Sidley. He said: "[O]ne of the things that makes life very difficult for employers who want to raise this defense is, they may very well fire somebody because they're habitually late to work ... and then you look at all the future employees and it's a disaster for the defendant because they're never late now."

ERA Proponents Roused By A Big Change In Congress (WT)

By Cheryl Wetzstein

The Washington Times, November 28, 2006

The Democratic takeover of Congress should revive interest in an issue many Americans think is settled -- adoption of the Equal Rights Amendment -- as new bipartisan groups pursue the Republican-leaning states needed for its ratification.

"I think a great way to commemorate the elevation of the first woman speaker would be to elevate all women in the Constitution," said Rep. Robert E. Andrews, New Jersey Democrat and one of nearly 200 ERA proponents in the House.

Supporters say that despite advancements for women's rights since the ERA's official death in 1982 -- primarily prohibitions against sex discrimination -- the constitutional amendment is needed because women lag in career advancement and pay equity.

In 1972, for instance, the ratio of female-to-male earnings for full-time, year-round work was 58 cents on the dollar. Last year, it was 77 cents on the dollar, according to Census Bureau data.

"The equal treatment of women should be made a pillar of our society," said Rep. Carolyn B. Maloney, New York Democrat. "Unlike under the previous majority, I think we will at least have a discussion of rights that should exist and that most people in fact believe are already in the Constitution."

The one-sentence ERA -- "Equality of rights under the law shall not be denied or abridged by the United States or by any state on account of sex" -- has been promoted since the 1920s to ensure that women are treated on an equal basis with men, especially in the workplace.

The ERA was passed by Congress in 1972 but declared dead on June 30, 1982, when only 35 of the 38 necessary states ratified it.

Now activists are working to get three more state legislatures to ratify the ERA, and they expect a Democrat-led Congress and historical precedent to ensure its enactment.

"Once the American public really wants it, it will be had," said Jennifer Macleod, national coordinator of the ERA Campaign Network.

The rationale behind this "three-state strategy" is that Congress accepted the 27th "Madison" Amendment, which concerns congressional pay increases, after a 203-year ratification period and can therefore accept more ERA ratifications even after the deadline.

To which legendary ERA opponent Phyllis Schlafly said: "I think they are dreaming. I think they're beating a dead horse."

Opponents, led by Mrs. Schlafly, founder of Eagle Forum, helped sink the ERA with warnings about a military draft for women, unisex toilets, same-sex "marriage," and loss of family and workplace protections for wives, mothers and widows.

The ERA has its veteran supporters, such as the National Council of Women's Organizations. But in recent years, at least two new groups have emerged with the mission of getting three more state ratifications.

The two new groups are purposefully bipartisan, recognizing that Republican ERA support is a necessity: Of the 15 unratified states, Illinois is the lone "blue" state; the other 14 are "red" states that sweep from the Carolinas through the South, and into the West, with Arizona and Utah. The most vigorous ERA campaigns are in Florida, Missouri and Illinois.

"It's a myth" that Republicans don't support the ERA, said Idella Moore, who founded www.4ERA.org in Atlanta in early 2003.

Republicans have a long history of "doing the right thing" -- they're the party of the Emancipation Proclamation and a Republican cast the deciding vote for women's right to vote, said Lynn Fountain, a Georgia research scientist, Republican voter and board member of www.4ERA.org.

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The Nov. 7 midterm elections showed that Republicans "don't have a very good image" with women right now, she said. "Wouldn't you like to fix that?"

Ms. Macleod of the 6-year-old ERA Campaign Network in New Jersey said her group is strongly bipartisan, but she agreed that a new Congress led by California Rep. Nancy Pelosi, the first female speaker of the House, offered fresh opportunities. Under Republican-led committees, pro-ERA bills were "locked up for years," she said. New leadership "will surely make it more likely, more possible to move it ahead."

Sen. Edward M. Kennedy, Massachusetts Democrat, is a leading ERA proponent, as are both Mr. Andrews and Mrs. Maloney, who also support a second strategy that calls for restarting the process completely.

Many Americans will be puzzled to hear about a new ERA battle, partly because they think the issue is over and partly because many of them think the ERA is already part of the Constitution.

For example, at least 22 states have either adopted ERAs or constitutional prohibitions against sex discrimination, according to a 2005 a Rutgers Law Journal article.

The death of the ERA was celebrated in June 1982 -- it's "dead for now and forever in this century," Mrs. Schlafly told supporters, according to a 1982 Time magazine article -- and implied by the U.S. Supreme Court in October 1982, when it declined to take up an ERA-related lawsuit because the issue was "moot."

However, Ms. Moore and Ms. Macleod say if three more states ratified the ERA, Congress could certify it by a simple majority vote.

Mr. Andrews' bill addresses this point: "If three states ratified [the ERA], the courts would sooner or later get the question of whether the prior ratifications were valid. And I want the House to go on record and say, 'Yes, they are,' " Mr. Andrews said last week.

ANTITRUST:

Supreme Court Case On Baby Bells May Affect Antitrust Enforcement (WSJ)

By Jess Bravin

The Wall Street Journal, November 28, 2006

WASHINGTON -- In a case with implications for antitrust enforcement, the Supreme Court heard arguments on how specific a plaintiff's allegations must be to claim anticompetitive behavior.

The case springs from the decades-old legal saga that ended the Bell system telephone-service monopoly and created today's marketplace.

The 1996 Telecommunications Act gave the Bell system's regional successors, the Baby Bells, the right to sell long-distance service in return for opening their local networks to competitors. Despite Congress's expectation the law would create a competitive market, the Baby Bells have remained dominant in their respective regions.

The plaintiffs, a group of individuals who bought local telephone and Internet service since the law was enacted and represented by the class-action firm Milberg Weiss Bershad & Schulman LLP, filed suit in 2003, alleging the Baby Bells conspired to restrict entry into their territories of competitors in local telephone and Internet service. They claimed the Baby Bells, which after several mergers and name changes now include AT&T Inc., BellSouth Corp., Qwest Communications International Inc. and Verizon Communications Inc., violated the Sherman Antitrust Act, which prohibits "every contract, combination...or conspiracy, in restraint of trade or commerce."

The plaintiffs had no direct evidence of such a conspiracy, however, and instead based their claim on circumstantial indicators of anticompetitive behavior, such as the parallel conduct of the Baby Bells in declining to compete in each other's territory and allegedly impeding other carriers from connecting to their networks. The Baby Bells argued that without more -- such as an allegation of a specific meeting in which a deal was made to restrain trade -- the case should be dismissed without allowing the plaintiffs discovery of internal documents.

The Federal Rules of Civil Procedure impose minimal requirements to file a lawsuit, specifying little more than that plaintiffs file "a short and plain statement of the claim showing that [they are] entitled to relief." Court rulings have interpreted the rule to require that the claim provide defendants "fair notice" of the accusation so they can respond and prepare for trial.

A federal judge in New York dismissed the suit, ruling the plaintiffs' allegations fell short of this standard. The Second U.S. Circuit Court of Appeals, also in New York, reinstated the lawsuit, saying the evidentiary test applied by the trial court was better suited at a later stage of proceedings -- summary judgment, which a party can seek after discovery and presentation of evidence -- on the grounds no reasonable jury could agree with its opponent.

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The appeals court acknowledged that the ease of filing lawsuits imposed on defendants the "sometimes colossal expense of undergoing discovery" and could thereby encourage unjustified settlements to avoid trial. But the Second Circuit said "if that balance is to be recalibrated...it is Congress or the Supreme Court that must do so."

Yesterday, a lawyer for the Baby Bells, Michael Kellogg, told the Supreme Court that no recalibration was needed because existing law already required dismissal of the suit.

Several justices, however, seemed unpersuaded. Justice Ruth Bader Ginsburg suggested the Baby Bells were trying to rewrite a 68-year-old rule by adding evidentiary requirements to the initial claim, and Justice John Paul Stevens said "dozens" of antitrust claims were no more specific than that alleged in the Baby Bells case.

The Bush administration, siding with the Baby Bells, argued that parallel conduct was common in the U.S. economy, and that allowing antitrust suits based only on it would be too burdensome for business. Pressed by Justice Antonin Scalia, however, Assistant Attorney General Thomas Barnett agreed that some parallel conduct could be so suspicious as to be sufficient to support a claim.

But the plaintiffs' attorney, J. Douglas Richards, fared no better. Under the standard the plaintiffs favored, Justice Stephen Breyer said, half the companies in the U.S. could be sued. Adopting that position would have the Supreme Court "restructuring the economy," he said.

A decision is expected by the end of the court's term, in June.

(Bell Atlantic Co. v. Twombly)

Separately, the court refused to consider reinstating a $10.1 billion tobacco judgment against Philip Morris Inc., a unit of Altria Group Inc.

The Illinois Supreme Court last year threw out the judgment, issued by a state trial court in 2003, in a class-action lawsuit over light and low-tar cigarettes. The Illinois high court ruled 4-2 that the state-level class action wasn't allowed because Federal Trade Commission consent orders -- settlements between the federal government and tobacco companies -- have allowed tobacco companies to advertise light and low-tar cigarette products.

Yesterday's action paves the way for Altria to seek the return of a $6 billion note that secured the judgment pending appeal.

Supreme Court Presses For Answers In Baby Bell Case (MRKTWTCH)

By Mark H. Anderson

Market Watch, November 28, 2006

WASHINGTON (MarketWatch) -- The U.S. Supreme Court Monday pressed both sides in its search for how much evidence plaintiffs must provide to litigate a private antitrust conspiracy lawsuit against several Baby Bell companies.

Verizon Communications Inc. (VZ), BellSouth Corp. (BLS), AT&T Inc.'s (T) SBC Communications Inc. unit, and Qwest Communications International Inc. (Q) have all been trying to block a class-action lawsuit alleging they engaged in an anticompetitive conspiracy to restrict competition in the local telephone and broadband Internet markets.

The lawsuit is still in its early stages. The companies and the U.S. Justice Department, at oral arguments on the appeal, urged the Supreme Court to set private antitrust lawsuit standards that ends the case before expensive legal discovery takes place.

"The private plaintiffs do not have the authority to pursue purely investigative complaints," said Michael Kellogg, a Washington-based attorney who represented the companies.

The justices are considering whether the 2nd U.S. Circuit Court of Appeals in New York was right to overturn a federal trial court ruling that threw the case out. The high court will specifically decide whether the plaintiffs in the case - a proposed class-action for customers since 1996 federal telecommunications law changes - must allege specific anticompetitive acts that are suspicious enough to warrant consideration for a trial.

The justices probed for how to draw a legal line between allowing a lawsuit against illegal conduct and barring one for corporate activity that simply reflects prudent business decisions not to compete in some geographic areas or with some product offerings.

Thomas Barnett, the Justice Department's antitrust chief, told the justices that plaintiffs "should not be able to survive a motion to dismiss unless it challenges a set of facts."

Barnett faced tough questioning from several justices who wanted him to justify the government's position based on antitrust rulings that have taken place since a 1986 Supreme Court ruling made it easier to stop private lawsuits before trial.

But the court was equally hard on J. Douglas Richards, the New York attorney who represented the plaintiffs. Richards told the court that the lawsuit could proceed to legal discovery without proving the allegations.

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"You don't have to prove your case in the complaint," Richards said. Instead, he said the Second Circuit was correct when it ruled more court proceedings are required before the telecommunications companies can win a dismissal.

Justice Stephen Breyer and others appeared concerned about making it too easy to bring private antitrust litigation under the Sherman Act, telling Richards at one point that upholding his position would result in the court "engaging in a major restructuring of the economy."

Prior to the Second Circuit decision, a U.S. District Court judge dismissed the case, ruling the plaintiffs hadn't shown the companies might have violated federal antitrust laws. A ruling overruling the Second Circuit and backing the trial court would likely make it harder for consumers to challenge anticompetitive activity in telecommunications and other industries. If the court upholds the appeals court ruling, companies facing similar lawsuits would likely face higher litigation costs as they fight in court to get class-action conspiracy suits thrown out.

Supreme Court Hears Telecom Antitrust Case (DEAL)

By Cecile Kohrs Lindell, The Deal

The Deal, November 28, 2006

U.S. Supreme Court Justice Stephen Breyer on Monday didn't seem too impressed with the notion that competitors taking similar actions is enough to file a lawsuit charging antitrust violations.

"If you're right," Breyer told J. Douglas Richards, attorney for respondent William Twombly, who filed a class action against Bell Atlantic Corp. and the rest of the telecommunications companies, "I guess we can engage in a major restructuring of our economy."

Twombly charged the phone companies had violated the Sherman Act -- which prohibits conspiracies -- by agreeing not to compete outside the regions in which each was essentially the dominant phone provider. The proof that there was an actual agreement was a statement in the initial brief that said that the same decision by all the companies was contrary to the interest of the firms, Richards told the court.

"Conduct against self interest is a way [for the court] to infer a violation" of the Sherman Act, Richards said.

But he was having a hard time arguing with eight justices who appeared incredulous and at times jockeyed for a chance to ask more questions, with only Justice Clarence Thomas remaining apart from his querulous brethren.

"You have a suspicion and you want to use the discovery process to see if that is true, isn't that the case?" Justice Ruth Bader Ginsberg asked Richards.

The high cost of discovery, which would trigger class actions that businesses would have to settle rather than litigate, is the big fear of the various companies and individuals filing friend of the court briefs in this matter, including the Chamber of Commerce of the United States, The Commonwealth of Virginia and 15 other states, a group of economists, and MasterCard International Inc.

Without a clear statement of the actual illegal acts in the pleading, the courts would be clogged with antitrust lawsuits, according to several parties who filed friends of the court briefs in the matter, including the government. And antitrust cases, unlike any other type of law, permit courts to triple the damages.

Breyer, a former antitrust professor, pressed each of the lawyers before him to clarify how an antitrust complaint could be written, while still consistent with the standards of federal "notice pleading," which simply requires enough information to make it clear why the defendant is being sued, and state a claim.

Michael Kellogg, who represented the phone companies, told the court the pleadings couldn't be vague, and Assistant Attorney General Thomas Barnett went farther, arguing the pleadings needed to specify a place and time for any illegal agreement.

"Parallel activity is ubiquitous in our society," Barnett said as he argued the case for the government. He explained that "the facts need to demonstrate some unlawful action."

Scalia seemed to agree, and said this process of making decisions about competition affects "every business, every day."

Barnett seemed to get nods from justices, while heads were shaking as Richards suggested that economists should be allowed to prove the correct decisions corporate executives should make about competition.

Chief Justice John G. Roberts leaned forward in his chair to say, "companies get proposals all the time. They don't have to do everything that is in their economic self interest, do they?"

"Life is short," Roberts said, and so some companies would limit investments or growth opportunities, because you can't do everything. In that case, how do the companies prove they just made decisions on their own without entering into an agreement?

"They have to document all of that," Richards said, as his time expired.

Supreme Court Considers Whether Local Telephone Antitrust Case Should Proceed (AP)

Associated Press
AP, November 28, 2006

WASHINGTON – The Supreme Court pressed both sides Monday in the opening arguments of a case that businesses of all stripes care deeply about: how hard should it be to get evidence that a company might be violating antitrust laws?

The case, Bell Atlantic v. Twombly, stems from the deregulation of the telecommunications industry in the 1980s and 1990s, with some experts citing it as the most important antitrust case to reach the Supreme Court in 20 years.

The case is being closely watched by numerous companies, including airlines, credit card issuers and trade associations representing the wireless communications and pharmaceutical industries, all of whom have submitted or signed onto friend-of-the-court briefs.

The plaintiff in this case is represented by Milberg Weiss, known for its class-action lawsuits alleging securities fraud against major corporations. The firm filed a lawsuit in 2003 on behalf of William Twombly and all individuals in the continental United States who bought local telephone and Internet service between February 1996 and the present.

The suit alleged that the incumbent local telephone companies, or "Baby Bells," illegally conspired to prevent competition by excluding new local phone companies from their territories and agreeing not to compete against each other in each other's markets.

As part of the original court-ordered breakup of AT&T in 1982, seven regional telephone companies were created to provide local service. The 1996 Telecommunications Act allowed those "Baby Bells" to offer long-distance calling, in addition to local service, in exchange for allowing competitors access to their networks.

The original seven incumbent local phone companies have been reduced to four through mergers and acquisitions: Verizon Communications Inc., which was formed by the merger of Bell Atlantic and GTE in 2000; BellSouth Corp.; Qwest Communications International Inc., which bought Pacific Bell; and AT&T, which was bought by local phone provider SBC Communications.

A federal district court dismissed Twombly's case, finding that Twombly did not allege sufficient facts to indicate that a conspiracy would likely be proven during a trial. But Twombly argued that a conspiracy could be inferred from the so-called "parallel conduct" or behavior of the defendants.

The Second Circuit Court of Appeals reversed the district court, however, finding in October 2005 that a plaintiff must submit only a "short and plain statement of the claim" and not a detailed set of facts in order to survive a motion to dismiss.

The Baby Bells appealed to the Supreme Court. A low standard, corporations say, would enable "meritless" and "abusive" cases to go forward, forcing many businesses to settle those cases rather than endure the expense of litigation, including the discovery process in which defendants must produce documentation of certain facts for the plaintiff.

Under the standard upheld by the appeals court, "you can go sue half the firms in the economy," Justice Stephen Breyer said Monday.

A higher standard, however, could make it too difficult for individuals to bring valid antitrust cases, Twombly argued, because the only way a plaintiff can get evidence of an agreement among companies to restrict competition is through the discovery process.

If antitrust cases are dismissed too quickly, evidence of such agreements will rarely end up in the hands of plaintiffs, Twombly argued.

Twombly's attorney also said that the telephone companies' refusal to compete against each in each other's territories went against their economic self-interest, which could imply a conspiracy.

Justice John Paul Stevens pressed Michael Kellogg, the attorney arguing the case for the phone companies, on why such allegations were not sufficient for the case to continue.

"How you can say this is not a statement of fact I find mind-boggling," Stevens said.

Shares of the telecommunications companies were mixed in afternoon trading. Verizon Communications dropped 51 cents, or 1.47 percent, to close at $34.24 on the New York Stock Exchange and Qwest fell 19 cents to finish at $7.56 on the NYSE. Meanwhile, AT&T rose a penny to end at $32.68 on the New York Stock Exchange on the NYSE while BellSouth closed down 19 cents at $42.50 on the NYSE.

The case is Bell Atlantic Corporation v. Twombly (05-1126).

Business Set For Antitrust Legal Victory (FT)

By Patti Waldmeirin Washington
Financial Times, November 28, 2006

Big business appears likely to score a significant legal victory in the US Supreme Court, after a majority of the justices yesterday seemed unwilling to tip the balance of power toward plaintiffs' lawyers in antitrust lawsuits.

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The court yesterday heard oral arguments in a case where US consumers are trying to force greater competition in local telephone markets. The plaintiffs in the case, Bell Atlantic v Twombly, have brought a lawsuit alleging that some of America's biggest telephone companies conspired to prevent competition in local telephone services, but they provided almost no detailed evidence of a conspiracy.

Yesterday a majority of the justices appeared unwilling to let the case proceed. Some said it would make it too easy for plaintiffs to allege conspiracy in antitrust cases.

The case could be the most important antitrust case before the court in 20 years, legal sources say. Big business has won all 11 of the court's recent decisions in antitrust cases. A decision in yesterday's case is expected by June.

The case turns on the question: how high a hurdle must private plaintiffs clear to force big companies to reveal private documents that might prove they conspired with others to commit an antitrust violation?

Ruling in the case, a federal appeals court set a fairly low hurdle, arguing that federal law makes no attempt to discourage such lawsuits. But the telephone companies who are the defendants in the suit argued that such a low standard would give plaintiffs' lawyers a powerful new weapon to force big companies to settle even frivolous lawsuits, since the high cost of "discovery" - the production of documents - makes it very costly to fight such suits.

A group of eminent economists urged the justices to reject a low standard for alleging conspiracy in such cases, saying that would impose a litigation "tax" on the US economy.

* The Supreme Court declined to consider restoring a $10.1bn award against Altria Group's Philip Morris USA, in a lawsuit that alleged consumers were misled about the health risks of smoking "light" cigarettes, Lauren Foster writes from New York.

In December the Illinois Supreme Court threw out the case against the nation's largest cigarette maker. Its ruling focused on the fact that the Federal Trade Commission, the federal consumer protection watchdog, had authorised tobacco companies to describe their products as "light" or "low tar". The court found that Illinois state law precludes such suits when a federal agency has acted in this way.

The Supreme Court declined to consider restoring a $10.1bn award against Altria Group's Philip Morris USA, in a lawsuit that alleged consumers were misled about the health risks of smoking "light" cigarettes, Lauren Foster writes from New York.

In December the Illinois Supreme Court threw out the case against the nation's largest cigarette maker. Its ruling focused on the fact that the Federal Trade Commission had authorised tobacco companies to describe their products as "light" or "low tar". The court found that Illinois state law precludes such suits when a federal agency has acted in this way.

The plaintiffs in the class-action case appealed to the Supreme Court to have the judgment reinstated, arguing the Illinois court erred when it used the FTC orders as a reason for overturning the $10.1bn ruling handed down by a trial court judge in 2003.

Phone Companies Get Support From Supreme Court In Antitrust Case (BLOOM)

By Greg Stohr, BLOOMBERG NEWS

Bloomberg, November 28, 2006

The U.S. Supreme Court signaled that it may put new limits on antitrust suits, as justices questioned the basis for claims that Verizon Communications and other local-telephone companies agreed not to compete against each other.

Verizon, AT&T, BellSouth Corp. and Qwest Communications International contend that the lawyers pressing the complaint have offered no evidence of collusion. A federal appeals court ruled against them, letting the case go forward.

In arguments Monday in Washington, members of the nation's highest court faulted the lawsuit for making only a general allegation about an illegal agreement not to compete. Several justices said the companies might have made independent decisions not to venture into each other's home territory.

"Maybe they want to get into the wireless business and think that's a better way to spend their money," Justice Ruth Bader Ginsburg said.

Business groups are backing the appeal. DuPont Co., MasterCard International, Visa USA, Northwest Airlines Corp., UAL Corp., Louisiana-Pacific Corp. and several industry trade groups all signed briefs siding with the phone companies.

It's one of two antitrust cases the high court will hear this week.

On Monday, the court also is considering an employment-law dispute involving Goodyear Tire & Rubber Co., the largest U.S. tiremaker.

Although a 1996 law sought to encourage new competition in the local-phone business, the largest companies have proven reluctant to challenge each other directly.

The lawsuit, being pressed as a consumer class action by lawyers at Milberg Weiss Bershad & Schulman in New York, says the likely explanation is an illegal agreement. The suit also says the phone companies worked together to keep smaller rivals from making inroads.

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The 2nd U.S. Circuit Court of Appeals in New York said the suit could proceed to the "discovery" stage. That means the companies would have to answer questions about their business practices and turn over documents.

Douglas Richards, one of the lawyers pressing the suit, said the 2nd Circuit approach was a fair one because would-be antitrust plaintiffs rarely have direct evidence of an illegal agreement before filing suit.

"People don't conspire in public parks," Richards said.

Richards drew skepticism from Justice Antonin Scalia, who questioned the wisdom of subjecting the telephone companies to the expense of having to defend against the suit.

"How many buildings will have to be rented to store those documents?" Scalia asked.

Justice Stephen Breyer joined Ginsburg in asking whether parallel conduct by the telephone companies was enough to warrant letting the lawsuit go forward.

Breyer voiced surprise when Richards said consumers, without any additional evidence, could sue four neighboring gas stations that declined to lower pump prices when the cost of oil was falling.

"If you're right, I guess we can engage in this major restructuring of the economy," Breyer said.

The lawyer for the phone companies, Michael Kellogg, said the lawsuit failed to give his clients adequate notice of the basis for the claim. He said courts shouldn't accept "legal conclusions in the guise of factual allegations."

Kellogg drew opposition from Justice John Paul Stevens, who said the consumers had alleged an illegal agreement. "How you can say this is not a statement of fact I find mind-boggling," Stevens said.

Still, several members of the court said they were concerned the allegation of an agreement lacked any details, such as a time or place. Chief Justice John Roberts and Justices Samuel Alito,

David Souter and Anthony Kennedy all peppered the Milberg Weiss lawyer with skeptical questions.

The case is a follow-up to a 2004 Supreme Court case. That ruling said consumers can't use a separate section of the antitrust laws to accuse phone companies of failing to open up their networks to competition, as the 1996 law requires. Under U.S. antitrust law, successful damage claims are automatically tripled.

San Antonio-based AT&T is the nation's largest phone company, followed by New York-based Verizon, Atlanta-based BellSouth and Denver-based Qwest. The lawsuit says those four companies control more than 90 percent of the U.S. local-phone business.

The justices will rule by July in the case, Bell Atlantic v. Twombly, 05-1126.

Steelworkers Await Word On New Owner (PTR)

By Joe Napsha, TRIBUNE-REVIEW

Pittsburgh Tribune-Review, November 28, 2006

Steelworkers at the former Weirton Steel plant are anticipating that a new owner will be announced this week, one that might restart its steelmaking facilities and add 400 jobs, a union official said Monday.

Russia's largest steelmaker, OAO Severstal, is the latest to surface as a potential buyer and is said to be in negotiations to acquire the mill, according to published reports in a Moscow newspaper.

Both Severstal and Arcelor Mittal, the current owner at Weirton, declined to comment on the report, which was in the same Moscow newspaper that recently said Severstal wanted to buy Pittsburgh-based U.S. Steel Corp.

"There have been numerous interested parties ... and hopefully we'll have an announcement in the next few days," said Mark Glyptis, president of the Independent Steelworkers Union at Weirton. Glyptis said he had no firsthand knowledge of the Russian steelmaker's interest in acquiring the former Weirton Steel plant.

The union is expecting a deal to surface because an agreement expires today between Arcelor Mittal and the U.S. Justice Department for Arcelor Mittal to divest itself of the tinmaking plant at Weirton, or one at Sparrows Point, Md., Glyptis said.

The Justice Department reached the deal because of Mittal Steel's $38.3 billion merger with Luxembourg-based Arcelor S.A., would give it a corner on tinmaking production in the eastern region of North America. Arcelor Mittal was unable to sell Dofasco Steel of Canada, which also has a tinmaking plant.

If a deal is not reached today, Arcelor Mittal could request a 60-day extension, Glyptis said.

While the antitrust investigation into the Arcelor Mittal merger remains open, the Justice Department will not comment on the agreement, Gina Talamona, a Justice Department spokeswoman, said yesterday. Talamona said she could not comment on whether Arcelor Mittal requested an extension.

Among the others interested in buying the Weirton plant is Esmark, a Chicago-based firm that recently purchased Wheeling-Pittsburgh Steel Corp., Glyptis said. Another potential buyer is former International Steel Group executive Mitch Hecht.

"There is interest among the other parties in restarting the hot end," which would return about 400 jobs to the plant, Glyptis said. The plant employs about 1,300 steelworkers.

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Mittal Steel Co., based in the Netherlands, shut down steelmaking facilities at Weirton in November 2005, citing the high cost of raw materials, production and shipping. From that point, steel slabs from Cleveland and Sparrows Point were shipped to Weirton for tin coating.

Steel analyst Charles Bradford, of New York, questioned the validity of reports linking Severstal to the Weirton plant, noting that the company owns a Rouge Steel Co. plant near Detroit, and is building a mini-mill in Mississippi.

Instead, the Russians may be digging for information they can get from the competition, he said.

"Everybody is looking at everybody else," in this time of consolidation in the steel industry, Bradford said.

The possible restart of the steelmaking facilities at Weirton doesn't make much sense because it produces narrow slabs that make for inefficient production, Bradford said.

"I don't know why anybody would want that mill," Bradford said. "I don't think it is how much Mittal wants to sell it for. I think it's how much Mittal has to pay to sell it."

The Associated Press contributed to this report.

Swift Rejects Ex-CEO's Buyout (WSJ)

By Jonathan Vuocolo

The Wall Street Journal, November 28, 2006

Swift Transportation Co. rejected a $2.2 billion bid from its largest shareholder, former Chief Executive Officer Jerry Moyes, and said it will try to negotiate a higher offer from him or other parties.

Mr. Moyes is offering $29 a share for the Phoenix truckload carrier, which represented a 21% premium at the time it was made. A special committee of independent board members said the offer was inadequate.

As of 4 p.m. composite trading yesterday on the Nasdaq Stock Market, Swift was at $28.36, up 75 cents.

The board committee, which is being advised by Goldman Sachs Group Inc., said it will negotiate with Mr. Moyes for a higher offer. The committee also said it has begun talks with "other potential financial and strategic buyers." The term financial buyers typically refers to private-equity firms. The term strategic buyers usually refers to corporations.

Mr. Moyes's 27.1% stake in Swift could pose an obstacle to a competing bid. In addition, Mr. Moyes, who remains a Swift director, said in a Nov. 3 letter to Chairman Jock Patton that he could be willing to pay more after going through the company's books. A Morgan Stanley unit has offered him as much as $2.74 billion in financing.

The Teamsters union, which was critical of Mr. Moyes when he ran the company, has cited analyst reports valuing Swift at $37 a share and had urged the board to reject the $29-a-share offer.

Google Prepares To Fight Antitrust Battle Over Its Search Rankings (LAW)

By Pamela A. Maclean, The National Law Journal

National Law Journal, November 28, 2006

Relegated to electronic Siberia by the Google Inc. search rankings, KinderStart.Com Inc. saw its Web traffic plummet and ad revenue evaporate, so it fought back with an antitrust lawsuit challenging Google's popular ranking system.

The 2006 suit in federal court in San Jose, Calif., has been dismissed once, and some observers say that the new amended version's antitrust and free speech claims may face an uphill battle to survive. U.S. District Judge Jeremy Fogel indicated in an Oct. 27 hearing that he may not issue a written ruling until early next year on Google's motion to toss the case.

But the suit raises larger questions about Google's future susceptibility to antitrust claims as the ubiquitous Internet search engine gains steam.

"Google is so large it runs the risk of slamming into the kind of situation that Microsoft found itself in, in terms of bundling its services together," said Robert B. Reich, former labor secretary in the Clinton administration and now professor at the University of California's Goldman School of Public Policy.

"All this means is Google needs to be ready for litigation, even if ultimately it comes out in Google's favor. As a big dominant company playing the pivotal role it plays, it is a sitting duck for all sorts of potential litigation," Reich said.

As such a big player in the Internet industry, "not only do you become a target of antitrust plaintiffs, you also can easily use your market heft in such a way as to impose burdens, or disadvantages, on other players," said Reich.

CRITICISM MOUNTS

Others who watch the high-tech industry closely don't foresee serious antitrust clouds looming on Google's horizon.

"There is no question Google does have market power in its space," said Eric Goldman, law and technology professor at Santa Clara University School of Law in Silicon Valley. "That is a predicate" in antitrust.

"No question Google is the market leader, has the numbers and is setting the market agenda," Goldman said. "But the reality is, it is an extremely competitive market. Their market base is one click away from going to competitors."

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Google's patented rating system called PageRank employs an algorithm to rank searches not just by volume of referrals but also by the value of the referring site, scoring sites in what the company says are "objective" standards.

The most valuable spots are the top 10 sites listed in any Google search results, increasing the likelihood of new visitors and more ad revenue.

Google has faced criticism recently for alleged blacklisting of automaker BMW Germany for practices Google considered spamming, which were designed to improve BMW's place in rankings. For that it was allegedly penalized.

And the company has faced other criticisms for censorship after it agreed to filter out certain Web sites that the Chinese government found objectionable. It also removes some references to Nazi paraphernalia in search results in Germany and France to comply with national laws. So far, the U.S. antitrust regulators have not had any problems with Google. The U.S. Department of Justice signed off on Google's $1.65 billion purchase of video site YouTube earlier this month.

At stake in the KinderStart suit is the claim that Google went beyond its objective standards and blocked KinderStart for anti-competitive reasons.

"KinderStart believes the blockage was intentional because KS is a competitor," said Gregory J. Yu, KinderStart's attorney with Global Law Group in San Mateo, Calif.

KinderStart is a Norwalk, Calif.-based search engine company that caters to new parents, educators and nonprofit groups with access to health, education and other material about infants and toddlers up to age 7, according to pleadings in Kinderstart.com v. Google Inc., No. C06-2057JF.

The company Web site, begun in 2000, saw a steady growth in 2005, reaching roughly 10 million page views a month, according to Yu.

But suddenly the company found itself dropped from a spot in the top 10 of Web search results to near invisibility in 2006, even though it did nothing wrong and could not find out from Google why it was backbenched, Yu said.

The suit alleges that KinderStart saw a 70 percent drop in monthly traffic in March 2006 and an 80 percent drop in AdSense revenue, the Google advertising partnership.

Google spokesman Ricardo Reyes, during three days of attempting to prescreen questions, said the company did not have time to answer specific queries, but provided a prepared statement by Hilary Ware, litigation counsel.

"Google's search results function as a recommended reading list, with Google telling users what sites it believes are most likely to be of interest to them," Ware said. "Kinderstart is suing to force Google to say what Kinderstart wants it to say about Kinderstart's site."

GOOGLE 'SLAPP's BACK

Google responded to the lawsuit with what's known as an anti-"SLAPP" motion, stating that the KinderStart claims amounted to strategic litigation against public participation. Anti-SLAPP motions seek to toss out suits that are shown to be efforts to intimidate or silence criticism of the powerful.

Google filed its anti-SLAPP motion arguing that KinderStart improperly sued Google over Google's exercise of its free speech rights, Ware said.

But in an initial June 30 court hearing, Fogel, the San Jose federal judge, put little stock in the anti-SLAPP claim. "Clearly the origins of that statute were to protect citizens who were petitioning the government for redress of grievances," he said. "I think there's a point at which commercial speech is not what the legislature had in mind," he said.

In its most recent motion to dismiss KinderStart's suit, Google's outside counsel, David Kramer of Wilson Sonsini Goodrich & Rosati in Palo Alto, Calif., wrote, "Google is shielded from all liability both by the First Amendment and federal statutory immunity granted online service providers.

"Recommendations and ratings such as Google's are plainly opinions, entitled to the protections of both the First Amendment and the California Constitution."

Goldman called KinderStart's claim "laughable that they are a competitor of Google." He likened it to an indirect competitor serving a niche market, not the mass-market design at the core of Google.

The suit, fashioned as a class action, alleges Sherman Act, monopolization and antitrust violations, as well as Lanham Act false representation claims, free speech violation, defamation and unfair competition under California state law.

Yu points out Google is used in 60 percent of all U.S. search queries. In 2004, Google attained a market share based on revenues alone that exceeded 80 percent of search-related advertising revenue, according to the complaint.

Yu alleged Google's top two competitors, Yahoo Inc. and Microsoft Corp., are losing market share in relevant markets.

But being popular and widely used isn't the same as being monopolistic.

"If you make a better mousetrap you are entitled to take over as much of the market as you want," said Robert Doyle, antitrust specialist with Doyle, Barlow & Mazard in Washington, D.C. "Google has grown and expanded because it has built a

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better mousetrap. It only remains questionable when a company the size of Google engages in questionable practices to maintain that position."

Reich sees the warning signs of that in Europe. He has criticized Google in the past for going to European antitrust regulators to complain about Microsoft's new Vista software containing a search button for Microsoft's MSN search engine. Reich has said Google should take care that it doesn't find itself facing similar antitrust complaints for bundled free tools such as Gmail or new small-business applications, traditionally a Microsoft mainstay.

But for purposes of the KinderStart lawsuit, Google's actions in China, France or Germany do not make the company a state actor for purposes of KinderStart's First Amendment claim. Yu's argument would be akin to considering Google a public forum, like a shopping mall, that would have to give KinderStart the access to rankings that it seeks.

"That argument is a dead loser," said Goldman. "It has been made repeatedly against online actors and has never gotten any traction in the courts," he said.

"In reality Google is a media business. They should be protected. Google does what a newspaper editor does; they decide what makes the cut for a newspaper and where to put it." He said that may give them the power to make or break companies, but that's the issue with editors in single-newspaper towns.

By contrast, Reich likened high-technology companies such as Google to telephone companies, which are common carriers. It is representing many businesses -- Internet search engines and browsers are essentially gateways to millions of businesses, he said.

But applying the common-carrier argument to Internet companies may be too radical for judges. "Antitrust hasn't clarified what common-carrier responsibility means, apart from regulated monopolies," as phone companies once were, Reich said.

Google is the economy standard for search engines and "if you can't rely on it to be absolutely neutral in terms of [search result] placement, there might very well be an argument for predatory behavior," he said.

Reich suggested such claims might be more likely to arise as Federal Trade Commission, rather than Sherman or Clayton Antitrust Act, claims.

The FTC legislation is much broader and courts in this era have been particularly reluctant to blaze new trails in antitrust, Reich said.

Goldman also warned that Google must be careful. If it is a runaway success "they may run into antitrust supervision even if it is done cleanly. It could be a victim of its own success." But he found that possibility remote.

Goldman said Google has been disingenuous about the way it markets itself as a neutral provider of technology. "It is doing more than that," he said, again comparing it to a media company. He did acknowledge the company has a "significant issue about transparency." KinderStart and others have said they don't know why their rankings tanked or how to improve their sites to get back in Google's good graces. "You don't know what's going on under the hood," Goldman said of Google's blocking practices.

High Court Case Could Imperil Pending Patents (LAW)

By Tony Mauro, Legal Times

Legal Times, November 28, 2006

When Kenneth Bass III clerked at the Supreme Court in 1969, his justice, the late Hugo Black, told him confidentially what he thought of patents.

"He told me that in his lifetime, he had seen only one real invention -- the airplane -- and he wasn't even certain about that one," says Bass. "He just didn't like patents."

Bass has to hope the current justices don't share that view today, when the Court takes up what he thinks could be the most important patent decision in 40 years.

Now a partner in the D.C. firm Sterne, Kessler, Goldstein & Fox, Bass is part of the legal team that will be defending a disputed patent in the case of KSR International v. Teleflex, which will be heard today. And Black would probably not like the side Bass is on.

Bass represents Pennsylvania auto-parts manufacturer Teleflex, the owner of a patent on an adjustable automobile gas pedal. Teleflex argues in favor of a controversial standard, used by the U.S. Court of Appeals for the Federal Circuit to varying degrees for decades, that enabled Teleflex to get and keep the patent. By requiring patent challengers to produce hard evidence, the standard makes it harder to topple a patent based on the assertion that the new product was an obvious extension of prior ideas.

Critics say the standard protects even the most thinly documented patents, opening the floodgates to junk patents for minor innovations and dubious inventions. KSR lawyer James Dabney, a partner in New York's Fried, Frank, Harris, Shriver &

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Jacobson, cites statistics indicating that the number of patents upheld after litigation nearly doubled, increasing from 35 percent to 67 percent, after the Federal Circuit and its standard were created.

Too many easily won patents, critics say, slow creativity and the exchange of ideas, putting "glue, not grease, into the gears of innovation," in the words of a brief by the Progress & Freedom Foundation.

But if Teleflex loses and the Supreme Court devises a less-patent-protecting standard, says Bass' co-counsel Thomas Goldstein of Akin Gump Strauss Hauer & Feld, it will open a very different floodgate. Because "many millions" of patents were granted under the disputed standard and patents can be challenged at any time, Goldstein says, "If the Supreme Court does decide to make a substantial change, it will call into question innumerable patents." [Goldstein is a contributor to Legal Times.]

That nightmare scenario might ordinarily make the outcome easy to predict. The Supreme Court can't possibly want to throw open millions of patents to costly and complex litigation before juries, right?

TABULA RASA

Maybe, maybe not. In part because of the Court's historic love-hate relationship with patents, as evidenced by Hugo Black's remark, the outcome is hard to predict. Some patent experts think the Court is so unhappy with the proliferation of junk patents -- and with the Federal Circuit for adopting the standard that allowed them to multiply -- that it is willing to blow up the system to fix it. Others think the justices will leave well enough alone, perhaps only fine-tuning the Federal Circuit's standard.

What makes speculating on the outcome of the case doubly difficult is that labels are hard to pin on the justices when patents are involved.

"The personality aspect is an unknown. Unlike with constitutional cases, I don't really have a clue of where the justices will come out," says Bass. "There are no schools of jurisprudential thought among the justices on this, no perception of who is pro- or anti-patent."

Perhaps because of the uncertain outcome, patent attorneys have lined up by the dozens to file amicus briefs. But because business giants can be found on both sides of the issue, some firms were conflicted out, say lawyers involved in the case. Last month, in a rare move, the Court allowed Michigan lawyer Harold Milton Jr. of Dickinson Wright to withdraw a brief he had filed with the court on behalf of Teleflex, after realizing his firm had a conflict.

In another sign of the legal community's ambivalence about the case, Stanford Law School professor and leading patent scholar Mark Lemley, in effect, switched sides. At first he joined petitioner KSR in urging the Court to review the Federal Circuit's standard. But after seeing signs of flexibility in some recent Federal Circuit rulings, Lemley changed his mind and joined a brief siding with Teleflex. He now defends the standard as "the best we've got right now."

That same sentiment, plus a desire for stability in the field, contributed to a lineup in the case that the Teleflex team points to with pride. All of the bar groups that filed briefs -- including the American Bar Association, the American Intellectual Property Law Association, and the Federal Circuit Bar Association -- sided with Teleflex in support of the existing standard.

On the other side, KSR's Dabney sniffs that "you should examine with care the professional interests" of the leaders of the bar groups, adding that "the briefs don't reflect the views of all the members." In an acidic footnote in one of his briefs to the Court, Dabney also expresses wonderment about the bar's interest in stability "in view of the enormous fees that litigation of invalid patent claims can generate."

BURDENS OF PROOF

The briefs are full of ominous predictions about the impact of the case on innovation and the overwhelmed patent system. Solicitor General Paul Clement, joining KSR in the case, says the Federal Circuit standard "imposes significant burdens" on the patent system by forcing examiners to hunt for evidence of obviousness instead of allowing them to quickly dismiss plainly weak patent applications.

But part of the background music in the case is the Court's pendulum swings throughout history on the merits and value of patents.

For most of the 19th century, says Joshua Sarnoff, head of the intellectual property law clinic at American University's Washington College of Law, "patents were a very big deal" for the Supreme Court, with the justices playing their part to foster economic expansion. In a law review article, George Washington University Law School professor John Duffy, part of KSR's legal team, noted that in 1888 the Court heard 12 days of argument, then produced an opinion upholding Alexander Graham Bell's patents on the telephone that filled an entire volume of the U.S. Reports.

In the 20th century, patent litigation went in and out of favor with the Court, in part because of the highly specialized nature of the law, and also because of the occasional anti-monopolist impulses of justices such as Black.

In the 1979 book "The Brethren," an inside-the-Court expose written by Bob Woodward and Scott Armstrong, the Court's disdain for patent cases was documented. According to the book, a 1975 patent case named Sakraida v. Ag Pro was labeled the "cow shit case" among justices and clerks, only partly because it involved the patentability of a system used to clean the floors of dairy barns.

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Chief Justice Warren Burger assigned the case to his liberal nemesis, Justice William Brennan Jr., instead of John Paul Stevens, then the Court's junior justice. Brennan was insulted, according to the book, and he wrote the decision himself to spare his law clerks from the humiliation of getting involved. The ruling, which struck down the patent because of obviousness, is cited in numerous briefs in the case now before the justices.

The Court may have thought that it could wash its hands (so to speak) of patent cases entirely when Congress created the Federal Circuit in 1982 to handle appeals in patent cases and a number of other specific areas of law. In fact, until recently, it was rare for the Court to grant review in a patent case, a possible sign that it felt the circuit was handling the jurisprudence well. And when its rulings were reviewed, they were often affirmed.

But in the past four years, the Supreme Court has granted review in nine Federal Circuit cases, including two this term, and none have been affirmed so far.

Critics have hoped for years that the obviousness standard -- a threshold issue for every patent -- would get a fresh look from the high court.

The case in which the Court finally agreed to review it was an unpublished opinion issued in January 2005. At issue is a Teleflex patent issued in 2000 for an adjustable gas pedal for cars, designed to accommodate what KSR's Dabney describes as "the five percent female" -- petite-sized women who need to reach the pedal without getting too close to the steering wheel's airbag. Teleflex sued competitor KSR in the Eastern District of Michigan for patent infringement. KSR countered by challenging the validity of the patent as a too-obvious combination of existing elements. The district court agreed that at least one part of the patent was invalid because it was obvious.

But the Federal Circuit reversed, finding that KSR had not shown enough evidence that because of prior "teaching, suggestion or motivation," the patented product was an obvious development that made it undeserving of a patent.

As Patents Grow More Contentious, Battleground Shifts To High Court (WSJ)

By Jess Bravin

The Wall Street Journal, November 28, 2006

WASHINGTON -- With the economy increasingly dependent on technological innovation, the Supreme Court is scrutinizing more patent rulings made by a special court that critics say has tilted too far in favor of intellectual-property rights and could be stifling competition.

The high court, which today hears arguments in one of three patent cases on this term's docket, has ruled in recent cases on the side of more flexibility in enforcing such rights. If that trend continues, it could translate into weaker protections for patent holders and promote greater access to inventions.

The Supreme Court's newfound assertiveness on core issues of patent law -- after hearing only a handful of cases in the field over 20-plus years -- comes amid a sharp debate over how to maintain American industry's competitive edge while upholding the protections that reward the risk-taking behind cutting-edge inventions.

In today's economy, for instance, many innovations -- such as software programs, drugs or advanced electronics -- are built on myriad smaller inventions. That has led to disputes between owners of component patents and those who incorporate those pieces into more complex products, leaving federal courts to delineate who owns what.

Mark Lemley, a professor at Stanford Law School and an intellectual-property litigator, says the justices are indicating "that the patent system is out of whack, and needs to be reined in."

Others see the shift as a more neutral response to changes in the marketplace. Kevin Casey, president of the Federal Circuit Bar Association, says the high court's attention reflects the increasing complexity of patent law and the importance of intellectual property to the economy. "I don't by any means think the court has an agenda," says Mr. Casey, a partner at Stradley Ronon Stevens & Young in Malvern, Pa.

To encourage innovation, patents offer the promise of monopoly on an invention's use, ensuring that patent holders reap the rewards of a useful discovery. But that is balanced against the public interest in access to worthwhile discoveries, both for their inherent utility and because today's research underpins tomorrow's inventions. For this reason, only inventions that are deemed useful, novel and nonobvious can be patented -- and patents expire after a set period, currently 20 years.

In the latest of a series of intellectual-property cases, the Supreme Court today will re-examine one of the bedrock doctrines of patent law: "obviousness." At issue is whether the design of an adjustable gas pedal was so obvious as to invalidate a patent at the heart of a dispute between two auto-parts suppliers.

More broadly, the question is whether the federal court that hears patent appeals, which was established by Congress in 1982, has set the right balance in intellectual-property rights. The U.S. Court of Appeals for the Federal Circuit was designed to promote uniformity in several areas of specialized federal law, now including patents, trademarks, veterans' benefits, government contracts and federal civil-service claims.

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Critics -- including the Bush administration in today's case -- assert that the Federal Circuit has shifted too far toward patent holders, expanding the types of inventions that can be patented and broadening the scope of monopoly a patent affords its holder. The court's defenders say the Federal Circuit was created in part to strengthen patent protections, and that it has succeeded in clarifying the law.

Any federal district court can hear a patent case, but appeals go to the Federal Circuit, located across the street from the White House in a building named for the court's first chief judge, Howard T. Markey. With the Supreme Court rarely reviewing its decisions, the Federal Circuit long had the final word in patent law.

After the Federal Circuit's creation, "the Supreme Court basically got out of patent law," Mr. Lemley says.

That has changed in recent years. The justices heard five appeals from the Federal Circuit in the past three terms -- and didn't affirm it once.

In May, the high court unanimously reversed a Federal Circuit decision that had virtually guaranteed patent holders could bar imitators from continuing to use their invention. Instead, the Supreme Court ruled that judges should consider the same factors used in other types of cases where injunctions are sought, and weigh such issues as whether royalty payments would be sufficient redress and whether the public interest would be served.

In that case, online auctioneer eBay Inc.'s "buy it now" feature had been found to infringe a business-method patent held by MercExchange LLC of Great Falls, Va.

The eBay ruling followed a June 2005 opinion in which the high court decided, again unanimously, that in some cases pharmaceutical researchers could use compounds patented by others if doing so could help develop new drugs. The justices overturned the victory a small patent holder, Integra Lifesciences I, Ltd., had won at the Federal Circuit over Merck KGaA of Germany.

Last month, the justices heard a challenge to a Federal Circuit ruling holding that if a company pays royalties to use an invention, it can't subsequently sue to invalidate the patent. At issue is whether biotechnology company MedImmune Inc. of Gaithersburg, Md., lost the right to contest a patent by agreeing to pay a royalty to Genentech Inc. of South San Francisco, Calif.

In the current term, which began last month, the justices have three patent cases from the Federal Circuit on the docket.

Critics say the Federal Circuit has fostered an expansion of patent rights that has made them both more potent and easier to obtain. The Federal Circuit's rulings have "converted patents from handguns to bazookas, and at the same time stopped requiring permits to get them," says economist Adam Jaffe, dean of arts and sciences at Brandeis University.

The Federal Circuit's chief judge, Paul Michel, declined to discuss such critiques. "I'm not in the business of responding to what a few professors say," he said in an interview. But, he added, in its history the court has "added considerably greater clarity to the patent law, and a great deal more consistency and maturation to many patent doctrines."

In today's case, the high court turns to the issue of obviousness. KSR International Co., of Ridgetown, Ontario, won a contract to supply General Motors Corp. trucks with gas pedals that could be raised to meet the foot of a driver with shorter legs. Depressing the pedal activates an electronic throttle control that sends gas to the engine. The electronic sensor is attached to the pedal's support assembly and thus moved with it, unlike previous designs, which had the sensor fixed in the housing.

But rival Teleflex Corp. of Limerick, Pa., already made a similar device for trucks produced by Ford Motor Co. Teleflex claimed KSR had infringed its 2001 patent. When KSR refused to pay a royalty, Teleflex sued.

The Constitution authorizes Congress to "promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." Patent law aims to strike a balance that provides an incentive to inventors by guaranteeing a limited-time monopoly on an invention's use, while ensuring that intellectual-property rights are flexible enough to allow research and innovation based on prior discoveries.

As a result, not everything is patentable, including discoveries that are deemed "obvious."

The Supreme Court laid out the obviousness doctrine in 1851. A patent requires more "skill and ingenuity" than that of "an ordinary mechanic acquainted with the business," the court said. The 1952 Patent Act subsequently denied patents to inventions that, in light of "prior art" in the field, "would have been obvious...to a person having ordinary skill in the art to which the subject matter pertains."

After examining other patented pedal-assembly designs, U.S. District Judge Lawrence Zatkoff ruled for KSR. "A hypothetical person with an undergraduate degree in mechanical engineering or an equivalent amount of industry experience" who was familiar with pedal systems "would have found it obvious to attach a modular pedal position sensor" to the support member, the judge wrote. Thus, the Teleflex patent "is invalid for obviousness."

On appeal, however, the Federal Circuit said Judge Zatkoff hadn't properly followed the stricter test it fashioned when an obviousness claim is based on combining prior inventions. Citing prior Federal Circuit decisions, Circuit Judge Alvin Schall wrote that the test was needed to protect patents from "hindsight," saying that is why the court required that "a person of ordinary skill

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in the art" not only have a motivation to combine the prior-art teachings, but some motivation to combine them in the particular manner claimed.

Many big patent holders, including General Electric Co., Procter & Gamble Co. and 3M Co., have sided with Teleflex. But other companies, particularly in software and other industries where combinations of prior designs are common, argue against the Federal Circuit's test. Cisco Systems Inc., Hallmark Cards Inc. and Microsoft Corp. have sided with KSR, as has the Bush administration.

The Supreme Court has yet to schedule argument on the third patent case accepted this term, which examines when domestically patented parts assembled abroad fall under U.S. patent protection. Decisions in all three cases are expected by the term's end in June.

ENVIRONMENT:

As Globe Warms, Can States Force The EPA To Act? (CSM)

By Warren Richey

Christian Science Monitor, November 28, 2006

WASHINGTON

Arctic sea ice is melting. Glaciers are in retreat. Sea levels are rising. So what is the Environmental Protection Agency doing about it?

That's what a group of state officials and environmentalists want to know.

Seven years ago, they asked the EPA to get involved - to take an initial step in response to scientific evidence that suggests greenhouse gases are causing global warming.

The agency refused, saying there were too many unresolved questions about the causes and effects of global warming. The state officials took their case to court, charging that the Clean Air Act requires the EPA to take immediate action.

On Wednesday, the dispute arrives at the US Supreme Court, where the justices must decide whether the EPA is required to take action or whether the agency retains the discretion to decide for itself how best to respond to world-wide environmental threats.

The case will test the authority of special interest groups and state governments to sue federal agencies and force them to adopt certain regulatory policies that they favor. The case could also establish important legal precedents that might help or hinder state efforts to regulate greenhouses gases on their own in the absence of federal action.

On a broader level, the case raises questions about the role of the judiciary in resolving litigation over regulatory policy arguments. Should judges defer to controversial decisions made by administrative agencies on whether or when to pass regulations? Or should judges aggressively enforce what they see as the underlying purpose of statutes that govern agencies?

At issue in Massachusetts v. US Environmental Protection Agency is whether EPA officials acted properly when they declined to issue national regulations limiting the release of four greenhouse gases from new automobile models. The gases are carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons.

EPA officials say the agency lacks the power to regulate greenhouse gases. The Clean Air Act authorizes the EPA to take action to reduce and control agents that cause "air pollution." But agency officials have concluded that greenhouse gases are not agents of air pollution. They say the Clean Air Act does not address global climate change.

As a fallback position, EPA officials say that even if they do have authority to regulate greenhouse gases under the Clean Air Act they also have discretion under the act to decide when to initiate such measures. The officials have said there was scientific uncertainty about global warming and that they wanted to wait for more research and additional action by Congress before crafting an appropriate response.

Massachusetts along with 11 other states, three cities, a US territory, and numerous environmental groups are urging the Supreme Court to order the EPA to faithfully enforce the law as passed by Congress.

"A straightforward reading of the language of the Clean Air Act shows that carbon dioxide and other air pollutants associated with climate change are 'air pollutants' potentially subject to regulation [under the Clean Air Act]," writes Massachusetts Assistant Attorney General James Milkey, in his brief. "When Congress has spoken as plainly as it has here, an administrative agency is bound to obey that legislative command."

In his brief, US Solicitor General Paul Clement defends the EPA's earlier legal positions. He also argues that Massachusetts lacks the legal standing to bring the lawsuit in the first place. Mr. Clement says Massachusetts officials are unable to draw a direct link between harm to the state and the EPA's decision not to pass the requested regulations.

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Massachusetts and other petitioners in the case complain of "profound harms" caused by climate change including the inundation of coastal property, damage to seaside facilities, and additional emergency response costs from more frequent and intense storms. Clement argues that the state's generalized concerns are not enough to demonstrate that such cataclysmic harms are a direct result of the EPA's decision not to regulate.

The specific request was for the EPA to regulate greenhouse-gas emissions from new cars. Such emissions make up only a fraction of greenhouse gases released worldwide.

Clement says that 80 percent of all greenhouse gases are from countries other than the US and that, of US emissions, 70 percent are from nontransportation sources. The solicitor general adds that of the remaining 30 percent, the requested regulation would only affect new vehicles models - leaving the vast majority of emissions in the US and throughout the world not covered by the new regulations.

In effect, Clement says, the threat of global warming is an international threat that requires an international solution. Since the EPA acting alone cannot solve the problem, lawyers from Massachusetts don't have legal standing to try to hold the EPA responsible for a problem it can't solve without international cooperation.

Mr. Milkey says the primary concern of Congress in the Clean Air Act was for the agency to determine whether certain pollutants can reasonably be anticipated to endanger public health or welfare. Where they pose such a threat, Milkey says, the agency must act to protect the public.

Pivotal Case On Global Warming Case Confronts U.S. High Court (FINDLAW/AP)

By H. Josef Hebert, Associated Press Writer

AP, November 28, 2006

(AP) - WASHINGTON-The Supreme Court hears arguments this week in a case that could determine whether the Bush administration must change course in how it deals with the threat of global warming.

A dozen U.S. states as well as environmental groups and large cities are trying to convince the court that the Environmental Protection Agency must regulate, as a matter of public health, the amount of carbon dioxide that comes from vehicles.

Carbon dioxide is produced when fossil fuels such as oil and natural gas are burned. It is the principal "greenhouse" gas that many scientists believe is flowing into the atmosphere at an unprecedented rate, leading to a warming of the earth and widespread ecological changes. One way to reduce those emissions is to have cleaner-burning cars.

The Bush administration intends to argue before the court on Wednesday that the EPA lacks the power under the Clean Air Act to regulate carbon dioxide as a pollutant. The agency contends that even if it did have such authority, it would have discretion under the law on how to address the problem without imposing emissions controls.

The states, led by Massachusetts, and more than a dozen environmental groups insist the 1970 law makes clear that carbon dioxide is a pollutant - much like lead and smog-causing chemicals - that is subject to regulation because its poses a threat to public health.

A sharply divided federal appeals court ruled in favor of the government in 2005. But last June, the Supreme Court decided to take up the case, plunging for the first time into the politically charged debate over global warming. The ruling next year is expected to be one of the court's most important ever involving the environment.

At issue for now is pollution from automobiles. But the ruling indirectly may affect how the agency deals with carbon dioxide that comes from electric power plants.

In a separate lawsuit, the EPA says the Clean Air Act also prevents it from regulating such emissions from those plants. That claim would be undercut, Bookbinder says, if the high court rules in the states' favor in the auto emissions case.

President George W. Bush has rejected calls to regulate carbon dioxide. He favors voluntary steps by industry and development of new technologies to reduce the amount of greenhouse gases released into the atmosphere.

The United States accounts for about one-quarter of the world's greenhouse gas emissions. The amount of carbon dioxide from U.S. motor vehicles, power plants and other industry has increased on average by about 1 percent a year since 1990.

Now that Democrats will control the House and Senate in January after their election victories this month, there is expected to be increased pressure in Congress for mandatory limits on carbon emissions.

Global Warming Goes To Court (NYT)

New York Times, November 28, 2006

The Bush administration has been on a six-year campaign to expand its powers, often beyond what the Constitution allows. So it is odd to hear it claim that it lacks the power to slow global warming by limiting the emission of harmful gases. But

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that is just what it will argue to the Supreme Court tomorrow, in what may be the most important environmental case in many years.

A group of 12 states, including New York and Massachusetts, is suing the Environmental Protection Agency for failing to properly do its job. These states, backed by environmental groups and scientists, say that the Clean Air Act requires the E.P.A. to impose limits on carbon dioxide and other greenhouse gases emitted by new cars. These gases are a major contributor to the "greenhouse effect" that is dangerously heating up the planet.

The Bush administration insists that the E.P.A. does not have the power to limit these gases. It argues that they are not "air pollutants" under the Clean Air Act. Alternatively, it contends that the court should dismiss the case because the states do not have "standing," since they cannot show that they will be specifically harmed by the agency's failure to regulate greenhouse gases.

A plain reading of the Clean Air Act shows that the states are right. The act says that the E.P.A. "shall" set standards for "any air pollutant" that in its judgment causes or contributes to air pollution that "may reasonably be anticipated to endanger public health or welfare." The word "welfare," the law says, includes "climate" and "weather." The E.P.A. makes an array of specious arguments about why the act does not mean what it expressly says. But it has no right to refuse to do what Congress said it "shall" do.

Beneath the statutory and standing questions, this is a case about how seriously the government takes global warming. The E.P.A.'s decision was based in part on its poorly reasoned conclusion that there was too much "scientific uncertainty" about global warming to worry about it. The government's claim that the states lack standing also scoffs at global warming, by failing to acknowledge that the states have a strong interest in protecting their land and citizens against coastal flooding and the other kinds of damage that are being projected.

In a friend-of-the-court brief, climate scientists from the NASA Goddard Institute for Space Studies, Stanford University and other respected institutions warn that "the scientific evidence of the risks, long time lags and irreversibility of climate change argue persuasively for prompt regulatory action." The Supreme Court can strike an important blow in defense of the planet simply by ruling that the E.P.A. must start following the law.

An Environmental Warning System (WP/AP)

By Vicki Smith

The Washington Post, November 28, 2006

MORGANTOWN, W.Va. -- The Appalachian Trail gives hikers a nearly 2,200-mile trek through mountains, meadows and forests stretching from Georgia to Maine. But to scientists and land managers, it is also a living laboratory that could provide warnings of environmental problems while there is still time to fix them.

A diverse collection of organizations have launched a project to begin long-term monitoring of the trail's environmental health, with plans to tap into an army of volunteer "citizen scientists" and professionals.

Together, they will collect information about air and water quality, the health of plants, and animal migration patterns to build an early environmental warning system for the 120 million people along the Eastern Seaboard.

"It's somewhat like the canary in the coal mine in the sense of using it as a barometer for environmental and human health conditions," said Gregory Miller, president of the Silver Spring-based American Hiking Society.

The Appalachian Mountains are ideal for the project because they are home to one of the richest collections of temperate-zone species in the world. They also have a variety of ecosystems that blend into one another -- hardwood forests next to softwood forests next to alpine forests. The trail along the mountain chain passes through 14 states and eight national forests.

The idea for the project, the Appalachian Trail Mega-Transect, is in its infancy, but it has support from the National Park Service, the U.S. Forest Service, Cornell University, the National Geographic Society and Aveda Corp., an environmentally conscious beauty-products company.

"We're really after two things," said Brian Mitchell, a coordinator with the Park Service's Northeast Temperate Network in Woodstock, Vt. "We want to get a better understanding of what's happening on the trail so we can better manage it. The other side is we want to take the lessons we learn from the trail and show people that what's happening on the trail does actually affect us."

High ozone levels, for example, can reduce plant photosynthesis and growth and speed up aging and leaf loss. In humans, they can affect the lungs, respiratory tract and eyes, and increase susceptibility to allergens. Atmospheric deposition -- airborne sulfur and nitrogen deposited in the soil by rain and snow -- can affect farming and crop growth.

An example of the environmental changes along the trail is smog in the Great Smoky Mountains in Tennessee and North Carolina, said David Startzell, executive director of the Appalachian Trail Conservancy in Harpers Ferry, W.Va.

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"People will read that on 25 or 30 days in a given year, it's considered unhealthy to walk on the Appalachian Trail, and we think that's going to grab people's attention more than if they just read about air-quality trends in general," he said.

That is also why volunteers will be critical to the project's success. It's one thing for people to read about technical reports on bird migration, acid rain or air quality, Startzell says. "We think it's another thing when people learn about that firsthand by actually helping to collect that information," he said.

Mitchell hopes that within the next year, the project will have at least two flagship programs for volunteers. He says volunteers could help with such tasks as measuring tree diameters, taking photographs to illustrate visibility, tracking the arrival times of migratory birds and dating the blooming and leaf loss of trees.

Advocates hope the project will help drive changes in public policy and personal behavior.

"Part of our hope is that as people become more aware of trends affecting those lands, they'll be motivated to take action," Startzell said, "whether that means switching to a hybrid car or just conducting their own way of life in a little more energy-efficient manner, or going to a town hall meeting and advocating for more open space."

Killing The Dead Zones (WP)

The Washington Post, November 28, 2006

LAST YEAR was particularly bad for the Chesapeake Bay. Among its many problems, 4.5 percent of the bay's water had extremely low levels of oxygen saturation during the summer, creating anoxic "dead zones" that killed off valuable ecosystems. But according to a study issued recently, only 1.8 percent of the bay was anoxic this summer, encouraging the reestablishment of vital food chains. A separate evaluation released last week also highlighted a modest increase in the bay's overall health.

What made the difference? Diligence on land may have prevented more nitrogen and phosphorus from feeding into the bay than in past years. But Beth McGee, a scientist at the private Chesapeake Bay Foundation, says human efforts should get only a small fraction of the credit. Anoxic water, a summer phenomenon, is caused by polluted runoff that flows into the bay during the spring. A dry spring, such as the one the region experienced this year, means less runoff and, therefore, fewer dead zones -- even if the region is inundated later on, as it was in June. The foundation, which still gives the bay's health a grade of D, also claims that even if all the projects to which states around the bay have committed are carried to completion, they will reduce annual pollution in the bay by only about 40 percent of their stated goal by 2010.

Still, bay states are improving their record on protecting the estuary, if too slowly, and they have time to expand their programs. Maryland encourages its farmers to plant cover crops to absorb nitrates and reduce runoff, a program paid for in part by the state's useful Bay Restoration Fund. The Maryland Department of Agriculture has approved the subsidized planting of about 290,000 acres of cover crops for this fall -- a number that should rise in future years. Virginia, which lags behind Maryland in its bay cleanup efforts, should guarantee revenue to do the same -- so that farmers will be able to rely on timely support over many harvests. Both states should also expand programs that help farmers pay for other agricultural improvements, such as the construction and maintenance of riparian buffers, which are effective and natural pollution trappers.

Maryland's incoming attorney general, Douglas F. Gansler, ran on a platform of improving the bay by using the federal Clean Water Act to go after large agricultural polluters -- even those out of state. That may also help Maryland meet its pollution reduction goals.

FBI/DEA/ATF/USMS:

Gun Background Check System Crashes (AP)

AP, November 28, 2006

WASHINGTON - An FBI computer system that quickly screens gun buyers' backgrounds for criminal activity crashed several times over the past two days, officials said Monday.

At times, the National Instant Criminal Background Check System was on the blink for up to a half-hour on Sunday and Monday - potentially allowing buyers to purchase firearms without being screened if sellers gave up on making the required check.

The computer crash was blamed on a technical glitch that was being worked on Monday evening, said FBI spokesman Paul Bresson. "It's a performance issue that we've never encountered before," he said

It was unclear when the glitch would be fixed.

The system, located in Clarksburg, W.Va., generally receives between 30,000 and 50,000 requests for background checks on a daily basis, peaking on the weekends, Bresson said. It usually processes the requests within 30 minutes.

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U.S. Supreme Court Refuses To Consider Case Involving Professor And His FBI File (FINDLAW/AP)

AP, November 28, 2006

(AP) - WASHINGTON-The Supreme Court on Monday refused to consider the case of a Nobel Peace Prize-nominated law professor who wants the U.S. government to expunge his FBI file.

A federal appeals court found that information the government gathered on Cherif Bassiouni is pertinent to authorized law enforcement activity as part of President George W. Bush's campaign against terror. The records are important for evaluating the reliability of FBI intelligence sources, the appeals court found.

The government argued in the lower courts that even though Bassiouni is not a member of any terror organization, agents probably will continue to receive information about him because of his travels in the Middle East.

Bassiouni, an Egyptian who teaches in the United States, is serving the United Nations as an independent expert on human rights in Afghanistan and was chairman of the U.N. Security Council's commission to investigate war crimes in the former Yugoslavia.

In 1999, Bassiouni was nominated for the Nobel Peace Prize for work on international criminal justice and for his contribution to the creation of the International Criminal Court.

Bassiouni was among the U.N. human rights experts expressing concern about possible irreversible psychiatric symptoms in some terrorism suspects from virtual solitary confinement at the U.S. prison in Guantanamo Bay, Cuba.

Former Sheriff Pleads Not Guilty To Involvement In Drug-selling Scheme (FINDLAW/AP)

By Sue Lindsey, Associated Press Writer

AP, November 28, 2006

(AP) - ROANOKE, Virginia-A former sheriff pleaded not guilty Monday to federal charges that he took part in a scheme to sell drugs seized from criminals with a dozen former and current officers.

H. Franklin Cassell, 68, and two Henry County sheriff's deputies and a captain in the economically distressed county pleaded not guilty. The other defendants will be in court Wednesday.

The indictment returned Oct. 31 said Cassell looked the other way as officers sold drugs seized in criminal investigations, stole guns and other evidence and then resold cocaine, steroids, marijuana and other drugs to the public.

Cassell is charged with impeding a federal investigation and money laundering. If convicted, he faces up to 53 years in prison and a $1.25 million (â,¬950,000) fine.

Charges against the other defendants include racketeering conspiracy, drug distribution, weapons counts, obstruction of justice and perjury.

A former sergeant, James Alden Vaught, agreed to cooperate with investigators. His planned guilty plea Monday was delayed because his lawyer was ill, said Assistant U.S. Attorney Thomas Bondurant.

A civilian, William Randall Reed, pleaded guilty Monday to racketeering conspiracy under an agreement with prosecutors and may testify for the government, Bondurant said.

Prosecutors said the scheme began in 1998.

Cassell announced his retirement two weeks ago.

Former Henry Sheriff Enters Not-guilty Plea (RTD)

Richmond Times Dispatch, November 28, 2006

ROANOKE -- Former Henry County Sheriff H. Franklin Cassell pleaded not guilty yesterday to trying to thwart a federal investigation into a drug-dealing ring allegedly run by some of his deputies.

Later, in the same federal courtroom where Cassell pleaded not guilty, the Henry man whose arrest prompted the indictment of Cassell, along with 12 of his employees, pleaded guilty to a single count of participating in a racketeering conspiracy. William R. Reed, 35, is to be sentenced in U.S. District Court at a later date and could testify at Cassell's trial.

On Nov. 2, federal and state authorities arrested 20 people in Martinsville and across the county, charging them with taking part in a racketeering scheme in which members of the sheriff's department resold drugs they had seized from dealers, stole drugs and weapons held in the custody of the sheriff's department and then lied to federal investigators to hide their activity.

Among the 20 were Cassell and 12 current or former employees in the sheriff's department. Cassell, Henry's sheriff since 1992, retired Nov. 13.

Yesterday, after Cassell's plea, his attorney John Lichtenstein said he is glad the plea is out of the way so he can begin the fight to clear Cassell's name. "Now the process can begin," he said.

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Federal agents began their investigation of Cassell's department in March 2005, when U.S. Drug Enforcement Administration agents in Philadelphia tipped off their counterparts in Roanoke that a package containing 2 kilograms of ketamine, a sedative used as a date-rape drug, was in the mail and on its way to a Martinsville house.

The agents arrested the package's recipient, Reed, who told them the house was owned by Henry Sgt. James Alden Vaught. Reed said he paid Vaught in cash and ketamine to use the residence as a drug drop, and that he had helped the officer sell 2 kilograms of cocaine that had been seized from drug dealers, according to the federal indictment handed up Oct. 31.

When agents confronted Vaught, he confirmed Reed's story and implicated other officers, Assistant U.S. Attorney Thomas Bondurant Jr. said in court yesterday. Vaught, who resigned shortly after Reed's arrest, agreed to wear a wire and captured more than 100 hours of conversation with 25 people. Among those secretly recorded was Cassell, who allegedly was taped offering to co-sign a loan for Vaught to help him launder $10,000 in drug money.

Cassell, 68, is charged with two counts of obstructing justice, money laundering, making a false statement and misprision, or unprofessional conduct.

Bondurant said Cassell knew of drug dealing within his department, and "he chose not to act."

Also yesterday, three of the indicted officers pleaded not guilty to taking part in the alleged racketeering scheme. Vaught, appearing without an attorney, told U.S. District Judge James C. Turk that he plans to plead guilty.

Henry Co. Civilian Pleads Guilty The Man Had Accepted A Drug Delivery That Prompted Agents To Investigate The Sheriff's Office. (RT)

Roanoke (VA) Times, November 28, 2006

A civilian who helped the feds build a case against members of the Henry County Sheriff's Office pleaded guilty to reduced charges on Monday, and a former sergeant who also cooperated is expected to follow suit.

William Randall Reed, 35, pleaded guilty to one count of conspiracy to commit racketeering in exchange for dismissal of five other charges.

Drug Enforcement Administration agents conducted an undercover delivery of ketamine, a date rape drug, at a Henry County residence in March 2005.

According to court records, Reed's acceptance of the package served as the springboard for the investigation, which eventually resulted in the indictment of former Henry County Sheriff Frank Cassell, 12 current and former deputies and seven civilians.

Reed directed agents to James Alden Vaught, then a sergeant with the sheriff's office and the owner of the house where the ketamine was delivered. Reed had paid Vaught in cash and ketamine to use the house as a drop, officials say.

Reed also told investigators he had helped Vaught get rid of two kilograms of cocaine the sergeant had seized in a raid in 2001.

Vaught resigned from the department and agreed to wear a wire, eventually helping to record at least 100 tapes worth of conversations with two dozen people, according to prosecutor Tom Bondurant.

Bondurant said officials eventually learned that deputies were falsifying destruction orders for drugs, then selling them in the community. Other deputies are accused of buying steroids and distributing them, and Cassell is accused of obstructing the federal investigation, officials say.

Bondurant said Vaught has agreed to plead guilty to one count of conspiracy to commit racketeering, but Vaught's attorney was ill and could not be there for a guilty plea hearing.

However, Vaught has already signed the agreement, which indicates that a second conspiracy charge against him will be dropped.

Vaught and Reed each face up to 20 years in prison, but the U.S. Attorney's Office will request reduced sentences for both men if they continue to cooperate, records show.

That means if co-defendants go to trial, Reed and Vaught may be expected to testify against them, Bondurant said.

Reed also is in trouble in Pennsylvania, where he already pleaded guilty to a drug conspiracy charge in Philadelphia that is also related to shipments of ketamine. None of the 16 other defendants in that case is linked to the Henry County case, Bondurant said.

Attorney Mark Cedrone, who is representing Reed in Pennsylvania, said his client may be sentenced at once for both cases, but that "requires a lot of hoops to jump through."

Both men are free on bond pending their sentencings.

Also on Monday, Cassell and nine other defendants, including his second in command, Maj. James Keaton, were arraigned on their charges and pleaded not guilty.

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Bondurant said he expected the remaining defendants to be arraigned this week and plead not guilty to their charges.

No trial date has been set in the case.

Cassell, Others, Plead Not Guilty (MB)

Martinsville (VA) Bulletin, November 27, 2006

Former Henry County sheriff H. Frank Cassell pleaded not guilty today in Roanoke to allegations that he looked the other way while officers in his department engaged in alleged illegal activities.

Cassell, along with 12 former and current members of his department and seven residents, were charged in a 50-page, 48-count federal indictment that includes allegations of racketeering conspiracy, obstruction of justice, misprision, money laundering, firearms offenses, drug charges, perjury and other charges.

Cassell faces five counts alleging his participation in a money laundering scheme, obstruction of justice, false statement to a federal agency and misprison (failing to tell law enforcement of a felony).

Attending the hearing with his wife, Margaret, and defense attorneys, the former sheriff spoke briefly, stating his full name, address and birth date during the arraignment hearing.

"Not guilty," Cassell replied when asked for his plea.

Former major James Keaton and deputies Steven Preston and Walter Hairston also entered pleas of not guilty for their alleged involvement.

James Vaught, a former sergeant with the sheriff' office, has filed a plea agreement in which he will plead guilty to racketeering conspiracy, but on Monday, he entered a not guilty plea because his attorney is hospitalized and unable to attend the hearing.

William Randall "Randy" Reed, one of seven individuals charged in the indictment, pleaded guilty to racketeering conspiracy in a plea agreement which calls for the dismissal of other charges.

The matter is continued until late-January or early February, when the court will consider motions related to the case.

If convicted, Cassell could face 53 years in jail and/or a $1.25 million fine.

Court Expands Protections For Medical Marijuana Users (LAT)

By Maura Dolan, Times Staff Writer

The Los Angeles Times, November 28, 2006

SAN FRANCISCO — People charged with transporting marijuana may avoid conviction if they can show that the drug was for their personal medical use, the California Supreme Court ruled Monday.

In a 6-1 decision, the state high court said California's medical marijuana law protects patients who transport even relatively large quantities of the drug if they can show that the amount was consistent with their medical needs and recommended by a licensed physician.

The court interpreted a 2004 law passed by the Legislature to address uncertainties that followed voter passage of the Compassionate Use Act of 1996. The attorney general's office said the ruling would affect a handful of cases.

Monday's decision "expands the defenses that can be used for medical marijuana," including transportation and possession for sale, said Maureen J. Shanahan, who represented the defendant in the case.

Nathan Barankin, a spokesman for Atty. Gen. Bill Lockyer, said prosecutors had hoped the court would make it more difficult for marijuana sellers to use a medical defense but said the court's clarification of the law was helpful.

The court reached its decision in the case of Shaun Eric Wright, who was arrested in Huntington Beach in 2001 while carrying more than a pound of marijuana in his truck. The stash included several small baggies, two large bags and an electronic scale.

Wright was charged with possessing marijuana for sale and with transporting it.

Wright had asked that jurors be instructed that he did not commit a crime if they determined the marijuana was recommended by a doctor. A physician testified that he had recommended Wright use marijuana to alleviate pain, abdominal problems and emotional stress.

The doctor said Wright preferred eating marijuana, which requires a larger amount to get the same effect as smoking it. The doctor said Wright needed a pound of marijuana every two to three months.

The trial judge ruled that the medical marijuana law passed by voters did not apply because the amount was too large and Wright was transporting it. But the judge permitted Wright to present evidence of medical use to rebut the possession for sale charge.

Wright was convicted of transportation and possession for sale. An appeals court overturned the conviction on the grounds that the jury should have been given a medical marijuana instruction.

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The California Supreme Court agreed that Wright was entitled to such an instruction but refused to overturn the conviction. The court said the judge's error was "harmless" because the jury had the option of convicting Wright only of possession, a misdemeanor. Instead, the jury "found beyond a reasonable doubt that he possessed the drug with the specific intent to sell it," wrote Justice Carlos Moreno for the majority.

Justice Marvin Baxter wrote separately, saying he agreed that Wright's conviction should stand but disagreed that Wright was entitled to a medical marijuana defense.

"The overwhelming evidence that defendant possessed the marijuana with the intent of selling it precluded a reasonable doubt as to its personal medical purpose," Baxter wrote. "This evidence prominently included the electronic scale, the presence of which the defendant never explained."

maura.dolan@latimes.com

COURT ALLOWS PROTECTIONS FOR PATIENTS TRANSPORTING POT (BCN)

Bay City News Wire, November 28, 2006

SAN FRANCISCO (BCN) -- The California Supreme Court ruled today that legal protections for patients who transport medical marijuana apply retroactively to cases that were underway by 2003.

The ruling, issued in San Francisco, concerns a 2003 state law that clarified California's medical marijuana law, which was passed by state voters in 1996 as the Compassionate Use Act.

The Compassionate Use Act protects seriously ill patients from being prosecuted in state court for using marijuana when they have a doctor's approval.

The protections apply only to state court prosecutions and not to criminal prosecutions in federal court. Federal drug laws do not allow an exception for California's medical marijuana law.

The later law, passed by the California Legislature in 2003 and entitled the Medical Marijuana Program, was intended to clarify the Compassionate Use Act and address some additional issues.

Among other provisions, it extended similar legal protections to medical marijuana patients who transport the drug. It also established a program for issuing identification cards to qualified patients.

The case before the state high court was an appeal by Shaun Wright, a Huntington Beach man who was convicted in Orange County Superior Court of transporting marijuana and possessing it for sale. Wright was sentenced to a year in jail and released on probation after six months.

He was arrested in 2001 after police received a tip that his pickup truck at a car wash "reeked of marijuana." Police found one pound and three ounces of marijuana along with a scale.

Wright said he needed the marijuana to alleviate chronic pain from a bicycle accident and stomach problems from a parasite.

He argued in his appeal that the jury should have been instructed that transporting marijuana for his personal medical use could be a defense against a criminal charge of transporting marijuana.

The state high court agreed that the 2003 law applied to his case because his appeal was pending at when the law was passed.

Justice Carlos Moreno wrote, "We agree that the Medical Marijuana Program applies retroactively to cases pending at the time of its enactment and, therefore, to the present case."

But the court said Wright's conviction didn't need to be automatically overturned. It said the jury's finding that he possessed marijuana with the intent to sell had by implication rejected his claim that he was transporting the marijuana for his personal medical use.

The panel sent the case back to Orange County Superior Court for further proceedings on Wright's claims that there were also other errors in jury instructions.

Man's Conviction Upheld In Medical Marijuana Case (CBS2)

CBS 2, November 28, 2006

(CBS) SANTA ANA An Orange County man's felony conviction for transporting marijuana was upheld Monday by the California Supreme Court despite its ruling that later law allowing a medical marijuana defense for transportation applies retroactively.

The decision in the case of Shaun Eric Wright, 43, resolves an important question regarding the Medical Marijuana Program, legislation adopted in 2004 to promote the implementation of Proposition 215 that in 1996 legalized marijuana for medicinal use, Nathan Barankin of the state Attorney General's office said.

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That question, Barankin said, is whether the law applies retroactively "and it does resolve that issue for state law purposes."

However, it only affects a handful of cases that were brought before the 2004 law took affect and are still "open," or under appeal, Barankin said.

Wright, who was found with more than a pound of marijuana in his truck during a search by Huntington Beach police on Sept. 20, 2001, was not allowed to raise a medical marijuana defense.

A doctor testified that he had prescribed the drug for Wright, and Wright testified that he took the drug for a shoulder injury that prevented him from working as a carpenter, and abdominal pain from a stomach parasite.

Wright testified that he began using marijuana for his medical condition in 1991.

The prosecution argued that the amount of marijuana recovered in the truck indicated more than enough for personal use, that it was broken up into separate packages and that Wright had an electronic scale, which he never explained.

The defense argued that Wright needed higher amounts of marijuana because he ate it rather than smoked it and that it was broken up into packages by potency for different uses.

The Supreme Court found that the jury deciding Wright's case should have been allowed to consider a medical marijuana defense, but that the error was "harmless," meaning it would not have affected the jury's decision.

The court found that the jury had been given the option of convicting Wright of the lesser crime of simple marijuana possession, but convicted him of possessing marijuana for sale and transporting marijuana.

"In such cases the issue should not be deemed to have been removed from the jury's consideration since it has been resolved in another context, and there can be no prejudice to the defendant since the evidence that would support a finding that only the lesser offense was committed has been rejected by the jury," the decision stated.

Barankin said that the justices "said that even if he was given the opportunity to assert (the medical marijuana) defense, the jury's conviction would not have changed."

The decision sends the case back to the Court of Appeal, where other issues raised by Wright could result in the conviction being overturned, his attorney Maureen Shanahan said.

Wright was sentenced to a year in county jail and placed on three years formal probation, Shanahan said.

Barankin said he did not anticipate the conviction would be overturned. "In our view, this was the strongest legal argument he had to make," Barankin said.

Shanahan said the appellate court decision in the Wright decision also found that the 2004 legislation was retroactive, but a different circuit found the opposite.

"That was the reason the court took our case," she said. Barankin said the state Supreme Court "saw the case as an opportunity to clarify the law on the application of medical marijuana defenses."

Medical Marijuana: Dopey Decision (SEAPI)

By SEATTLE POST-INTELLIGENCER EDITORIAL BOARD

Seattle Post-Intelligencer, November 28, 2006

The Washington Supreme Court, for hardly the first time in judicial history, has rendered a ruling that is at the same time legally correct and morally wrong.

Yes, as the court ruled Thursday, state law enacted by the 1998 passage of Initiative 692 does require that anyone mounting a "compassionate use" defense in a marijuana-related crime must meet specific criteria.

And, yes, Sharon Lee Tracy failed that test. The California doctor who approved her use of medical marijuana was not licensed in Washington and thus doesn't meet the I-692 standard.

The 6-3 majority also rejected Tracy's attempt at a Constitution-based defense, in part because she failed to produce a copy of her California medical marijuana card. "It appears," the court says, "that the card was never returned to her after the police seized it at the time of the original search." She couldn't make her case because the cops never gave her property back?

"While we are not without sympathy," Justice Tom Chambers intoned for the majority, "it is Tracy's responsibility as a petitioner to provide an adequate record for appellate review. ..."

Tracy "suffers from a hip deformity, migraine headaches, a series of eight corrective surgeries following a ruptured colon and bowel condition and has been disabled since 1998." But Skamania County insisted on prosecuting her for marijuana?

Where the cops and courts failed, lawmakers can succeed, by rewriting the law to recognize medical marijuana prescriptions from any licensed physician.

Warning Issued On Dangers Of Methadone (NYT/AP)

By The Associated Press

DOJ_NMG_0099050

The New York Times, November 28, 2006

Filed at 10:44 a.m. ET

WASHINGTON (AP) -- People starting treatment with methadone have died and suffered life-threatening side effects, health officials said Monday in warning of the dangers of overdosing on the painkiller.

Overdoses of the increasingly popular narcotic can cause slow or shallow breathing and dangerous changes in heart beat that patients might not feel, the Food and Drug Administration said.

Those side effects, including reports of deaths, have been seen in patients starting methadone treatment for severe pain or who switched to the drug after using other strong narcotic pain relievers, the FDA said in a public health advisory.

The FDA warned that methadone only provides pain relief for four to eight hours, but can linger in the body for eight to 59 hours. That can lead patients to take more of the drug before it has been eliminated by the body, causing the drug to build up in the body to toxic levels, the FDA said.

Doctors should prescribe methadone carefully and closely monitor patients on the drug, the FDA said. Doctors also should thoroughly instruct patients how to take the painkiller, warning them not to take more than prescribed without first checking with the doctor, the agency added.

Methadone use is rising, especially for the treatment of pain, with more than 2 million prescription dispensed in 2003, according to the FDA. Increased reports of deaths and serious injuries have accompanied that greater use.

In 2003, methadone was listed as a cause of 2,452 unintentional poisoning deaths in the U.S., up from 623 in 1999, according to the National Center for Health Statistics.

The FDA also said it updated the label for the methadone product Dolophine to include new dosing and other information.

A spokesman for Boehringer Ingelheim Pharmaceuticals Inc., whose Roxane Laboratories subsidiary makes Dolophine, did not immediately return a call seeking comment.

Methadone is similar to morphine and is most widely used to treat severe pain. The drug also is used in the treatment of heroin addiction.

On the Net:

Food and Drug Administration: http://www.fda.gov/

FDA Warns Methadone Users Of Serious Side Effects,Overdose (DOW)

Wall Street Journal/Dow Jones, November 28, 2006

WASHINGTON (Dow Jones)--The U.S. Food and Drug Administration has issued a health advisory for methadone after it reviewed reports of death and life-threatening side effects in patients taking the pain drug, the agency said Monday.

Methadone, marketed as Dolophine, is a narcotic pain medicine similar to morphine. Often, the drug is given to addicts who are trying to break their heroin habit.

According to the advisory, posted on the FDA's Web site, methadone can cause slow or shallow breathing and "dangerous changes in heart beat that may not be felt by the patient." In addition, accidental overdose could happen because the substance stays in the body for more than eight hours, when pain relief from a dose lasts about four to eight hours.

For those reasons, patients should take methadone exactly as prescribed, shouldn't start other medicines or dietary supplements without supervision and should be aware of overdose signs, the agency said.

Dolophine is marketed by Boehringer Ingelheim Corp.'s subsidiary Roxane Laboratories Inc.

A company representative wasn't immediately available to comment.

-By Patricia Kowsmann, Dow Jones Newswires; 202-862-1350; patricia.kowsmann@dowjones.com

War On Drugs Strengthens Afghan Mafia (FT)

By Rachel Morarjee In Kabul

Financial Times, November 28, 2006

Afghanistan's war on drugs has been marred by corruption that has strengthened the grip of an increasingly powerful mafia on the country's narcotics trade, a report by the World Bank and United Nations said.

Over the past five years, the British-led counter-narcotics strategy had penalised the country's poorest farmers and strengthened networks of organised crime, consolidating the trade among a tiny elite of traffickers, the damning report said.

"Around 25 to 30 key traffickers, the majority of them based in southern Afghanistan, control major transactions and transfers, working closely with sponsors in top government and political positions."

Afghanistan's interior ministry, which oversees the police, had been "captured" by powerful traffickers and was used to facilitate the drugs trade.

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"Those driving the drug industry must be brought to justice and officials who support it sacked," said Antonio Maria Costa, executive director of the UN Office of Drugs and Crime.

"Interdiction efforts especially need to target high-level profiteers whose wealth magnifies their potential for corrupting the state," the report said.

Strategies aimed at short-term reductions in opium production in the worst affected areas could do more harm than good, fuelling "discontent and strengthening the insurgency in the volatile south of the country".

Far from leading to sustained declines in total national cultivation, a successful reduction in one province often led to increases elsewhere, or cultivation in the province itself rebounded the following year, such as in Helmand province after 2003.

To achieve long-term success in the battle against drugs eradication, the report found that efforts should be concentrated in the six Afghan provinces where there was relatively little opium cultivation to build up a line of defence against the spread of the trade. "Rural development programmes are needed throughout the country and should not be focused primarily on opium areas, to help prevent cultivation from further spreading," said Alastair McKechnie, World Bank country director for Afghanistan.

Efforts to eradicate opium crops had strengthened corruption by giving police an opportunity to collect bribes, which hit hardest the poor farmers and labourers who could not afford to pay off authorities.

"Wealthier opium producers pay bribes to avoid having their crops eradicated, greatly reducing the effectiveness of counter-narcotics measures and gravely undermining the credibility of the government and its local representatives," the report said.

Afghanistan produced a record opium harvest in 2006, with total cultivation increasing by 59 per cent and production by 49 per cent. The bulk of opium growth this year was concentrated in Helmand and a few other highly insecure and insurgency-ridden provinces in the south.

Even in this record year, opium took up less than 4 per cent of the total cultivated area in Afghanistan, with only an estimated 13 per cent of the population involved in poppy cultivation, which the report said was cause for hope.

UK Troops At Risk Over Plan To Stop Afghan Opium Crop (FT)

By Jimmy Burns In London And Rachel Morarjee In Kabul

Financial Times, November 27, 2006

Afghan government plans to eradicate poppy farming in southern Afghanistan risk drawing British troops into fierce fighting with an already embittered localpopulation, military officials and diplomats in the country have warned.

The governor of Helmand has promised to push ahead with a drug eradication programme early in the new year in the southern province where British troops faced unexpectedly fierce battles during the summer.

Local farmers have this month begun to plant for a new opium harvest as fears grow that the Taliban may exploit tensions developing between Nato and the local drugs barons and the farmers who work for them.

Brigadier Jerry Thomas, the UK's Camp Bastion commander, told the Financial Times that while he had the troops he needed in the Task Force's southern base, the drug eradication programme risked putting new strains on security.

"It is important that the programme is carefully targeted at the needy not the greedy . . . it will be a challenge to our hearts and minds campaign," he said.

Helmand province, where the bulk of Britain's 5,200 troops are based, saw a 162 per cent increase in the area used to cultivate opium poppy last year as a result of local officials profiting from the trade and efforts by insurgents to encourage opium cultivation.

A US official said this year's opium harvest inHelmand could be almost as large as last year and, without successful eradicationof the crop, international funding for future counter-narcotics efforts could be in doubt.

"The military is very focused on stability, but we have to look at the benefits of having some eradication when up to one-third of the UK's heroin comes fromHelmand province," said a western official in Kabul.

"Could anyone justify going to the Afghan government and asking to have no eradication In Helmand? It would look very suspicious."

Helmand has been relatively quiet since British troops withdrew from Musa Qala, a district in the north of the province, in late September, but eradication of the crop that many Afghan farmers depend on for their livelihood could reignite tensions.

The onset of colder weather has failed to reduce the violence in the country's restive south. A suicide bomber blew himself up at a crowded restaurant in south-eastern Patika province, killing 15 people and injuring24 yesterday. Separately, one Nato soldier and an estimated 57 insurgents were killed in fighting in four areas of southern Afghanistan at the weekend.

The destruction of poppy crops would centre on the districts of Nad Ali, Nawa and Nari Seraj, along the Helmand River and not far from the provincial capital of Lashkar Gah, whichBritish troops are hopingto use as a showcase forreconstruction and development.

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Major Luke Knittig, a Nato spokesman, said that troops from the Nato-led Inter-national Security Assistance Force would assist the government with the eradication programme. But he cautioned: "You will not see Isaf troops in the fields lopping off the tops of poppies."

Afghan Opium Fight Hurts Poorest (USAT)

By Donna Leinwand, Usa Today

USA Today, November 28, 2006

U.S. and European efforts to end heroin production in Afghanistan have done little to hamper the drug industry and have hurt the country's poorest people, according to a new report by the United Nations and the World Bank.

The report, released today, is the latest indication of the difficulties faced by the British-led effort to eradicate Afghanistan's opium crop, which drives the economy in parts of the embattled nation and has helped to fund a resurgence of the Taliban. The report says the production of opium, whose poppies are used to make heroin, permeates daily life in Afghanistan and eliminating the illegal drug trade there could take decades.

The opium trade accounts for about $2.7 billion in Afghanistan's economy — equal to more than one-third of the nation's gross domestic product — and is responsible for thousands of jobs, the report says. The Taliban government, which had harbored al-Qaeda, virtually eliminated opium production in 2001, before U.S.-led forces toppled it. Production has soared since, even as the United States and its allies have stepped up efforts to kill fields of opium and persuade farmers to grow other crops.

Opium has remained the nation's most lucrative crop by far, and drug traffickers — through incentives and intimidation — have kept farmers in the opium business across Afghanistan, which the United Nations says produces about 87% of the world's opium. Last year, according to the U.N. Office on Drugs and Crime, Afghanistan produced 4,100 metric tons of opium, nearly as much as the biggest harvest in 1999. The United Nations predicts a record harvest in 2007.

Today's report describes how opium farmers' flexibility has helped harvests increase. When government officials end the opium trade in one province, opium brokers typically move cultivation and trade elsewhere, the report says.

Counter-narcotics efforts also have fueled corruption, the report says. Farmers who can afford it have bribed local officials to preserve opium crops, while the poorest farmers have been driven deeper into debt when their crops are destroyed, the report says. Investigators found several instances in which farmers planned to replant opium to pay their debts.

The report also says local government officials sometimes help drug lords drive competitors out of the market in exchange for a cut of the profits or protection payments.

Antonio Maria Costa of the U.N. Office of Drugs and Crime has recommended focusing agents on areas with less opium cultivation to keep such farming from spreading and help establish an alternative economy. The U.S. State Department's Anne Patterson, acknowledging "there is no silver bullet" to the opium problem, has said much of the growth in production is in areas with weak local governments.

Mo. Group Home Fire Kills 10, Injures 24 (AP)

By Marcus Kabel, The Associated Press

AP, November 28, 2006

ANDERSON, Mo. -- An early morning fire broke out in a group home for the elderly and mentally ill Monday, killing 10 people and injuring two dozen others in a blaze that the governor said was being treated as a crime.

The blaze reduced the privately run Anderson Guest House to a skeleton of cinder blocks and stunned this rural community of about 1,800 people tucked in the Ozark hills of southwest Missouri.

Gov. Matt Blunt said investigators were treating the fire as suspicious.

"We're not saying it is definitely a crime scene, but we are treating it as if it is and trying to determine if the fire was set by somebody who had a nefarious motive," Blunt said.

The home had 32 residents and two employees inside when the fire was reported around 1 a.m. The dead ranged in age from early 20s to elderly. Another 18 people were taken to hospitals, and six were treated at the scene, authorities said.

One of the dead was a worker in the home, and the other nine were residents, Blunt said. Authorities did not plan to release names until Tuesday because relatives of two victims haven't yet been notified.

Officials refused to say how the victims died or whether they had any warning. The home had fire alarms but no sprinklers.

One person was in serious condition at Joplin Hospital. All the other survivors who went to area hospitals were either in good or fair condition, or had been treated and released.

The home is a residential care center licensed by the Missouri Department of Health and Senior Services. The facility also has a license from the state Department of Mental Health that allowed mentally ill residents to live at the home and receive treatment elsewhere.

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Asked whether two staff members were enough to look after 32 residents, Blunt said that was up to state health officials.

"Again, it was late at night," the governor said. "That would impact to some degree the amount of care that is necessary."

Neighbor Steven Spears, 47, saw the blaze erupt through security cameras posted outside his home.

"I saw the front door blow open with fire," Spears said. "I know most of them (the residents). I've talked to all of them at one time or another. It still hasn't hit me."

The home is operated by Joplin River of Life Ministries Inc. Robert Dupont, its executive director, issued a statement expressing sadness and saying all displaced residents were being cared for with the help of local agencies.

"This is a very tragic situation that has saddened all of us at Joplin River of Life Ministries," he said.

At the company's offices in Joplin, investigators interviewed Dupont and group home residents, including some survivors.

Dupont, 61, was convicted of conspiracy to commit fraud in 2003 and sentenced to 21 months in prison for taking part in a scheme to bilk the federal Medicare program by steering patients from group homes he owned _ including the one in Anderson _ to hand-picked doctors, according to federal records. Those doctors, in exchange, falsely certified that the patients needed home health services from two companies Dupont owned or co-owned.

Repeated attempts seeking comment from Dupont on Monday, including a visit to his home, were unsuccessful.

Authorities were trying to determine whether the blaze was linked to a smaller fire at the facility Saturday morning, said Assistant Fire Marshal Greg Carrell. No one was injured in that fire, which was still under investigation when the second blaze began.

Inspectors from the Missouri Department of Health and Senior Services, which licenses the facility, cited it in March for several health code violations pertaining to food storage and preparation, as well as for allowing a resident to take more than the prescribed dose of an inhaler and not requesting criminal background checks for new employees as quickly as required by law. But none were related to fire safety.

But two other group homes the company operates were cited for fire-code violations in 2003. Fire equipment in one Joplin-based home was found to have been intentionally disabled, records show. Another facility in nearby Carthage was cited for failing to undergo an annual fire inspection and to ensure staff members could unlock rooms from the outside in case of emergency, the Joplin Globe reported.

Monday's blaze was one of the worst fires at a health care facility since 2003, when a patient suffering from dementia and multiple sclerosis, set fire to her bed and burned down a care center in Hartford, Conn., killing 16 residents. Six months later, in September 2003, a fire killed 15 patients in Nashville, Tenn.

Recently, the federal agency that oversees the safety of nursing homes asked for comments about a proposal to require all nursing homes to have comprehensive sprinkler systems. The rule would not address group homes like the one in Anderson because such facilities are not subject to the same federal oversight.

U.S. Marshals Service To Help Track Sex Offenders (AP)

AP, November 28, 2006

PORTLAND, Maine (AP) The federal government will soon get involved in tracking down sex offenders in Maine who avoid registering with police.

The U.S. Marshals Service in Maine is being trained in the new responsibilities as part of a federal sex offender law passed in July, said John Cooper, the chief deputy U.S. marshal for Maine.

The new law creates a national sex offender database to allow law enforcement and communities to know where convicted sex offenders live and work. It gives the Marshals Service the task of tracking down offenders who dodge their obligations.

``We have resources and databases that local agencies don't have," Cooper said.

Maine and other states in recent years have created registries that list people convicted of certain types of sex crimes. The registries are viewed as informational and safety tools for police and the public.

But officials say there are a number of weaknesses in the system.

In Maine, failing to register with local police or the state is a crime, but only a misdemeanor that hasn't been listed on national databases that alert police to people who are wanted in other states.

Police say another weakness in the system is figuring out who should take the lead in searching for a sex offender who fails to register or report to police as required.

The federal law helps by bringing uniformity to what has been a hodgepodge of different state laws and requirements as well as assigning federal agents to track down unregistered offenders.

``One of our biggest concerns is if someone moves from Portland, we don't know where they go," said Portland police Lt. Vern Malloch.

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The new law, the Adam Walsh Child Protection and Safety Act of 2006, is named for Adam Walsh, who was kidnapped in 1981 from a Florida mall when he was 6 years old and whose remains were found 100 miles away two weeks later. His father, John Walsh, has been an advocate for child safety legislation and hosts the TV program ``America's Most Wanted."

Cooper said the Marshals Service is suited to the task of finding sex offenders who don't register because of its ability in finding fugitives. The Marshals Service also has lent its expertise to the Center for Missing and Exploited Children to help find at-risk youths.

IMMIGRATION:

Fence Plan Alarms Landowners (USAT)

By Kevin Johnson

USA Today, November 28, 2006

EAGLE PASS, Texas — Ranching magnate Bill Moody's vast holdings spread across three Texas counties and include 35 miles of frontage along the Rio Grande, where thousands of illegal immigrants and smugglers have crossed from Mexico into the USA. They have worn paths through Moody's pastures, cut his fences and stolen some of his cattle.

From his perch on the front lines of the battle against illegal immigration, Moody would seem to be the type of person who would embrace the federal government's most provocative effort to stop illegals from entering this country: a plan to build 700 miles of fence along the 2,100-mile Southwest border, including Moody's land. Instead, Moody is a powerful voice in a growing alliance of border landowners and local law enforcement officials who oppose a fence.

“They're not gonna build it,” Moody says flatly. “We darn sure don't need a wall. Everybody knows the Great Wall of China wasn't worth a damn.”

Most everyone here agrees that more border security is needed to curb illegal immigration. Ranchers such as Moody and Dob Cunningham, who has a 700-acre spread north of here with 2 miles of river frontage, say they often give Border Patrol agents access to their land to help the agents track down illegals.

However, the fence plan — the centerpiece of an immigration bill President Bush signed last month — has come to reflect the disconnect between many landowners here and officials in Washington who see the project as a key part of the nation's strategy to slow illegal immigration. Here, where the impact of illegal immigration is greatest, the fence is widely viewed as an economic and environmental threat. In Eagle Pass, a city of 25,000 that is 95% Hispanic, it's also seen as a rejection of the region's tradition of shared cultures and open ranges.

Like many ranchers and local law enforcement officers, Cunningham believes the U.S. government should focus on hiring more and better-trained Border Patrol agents rather than erecting the proposed double-walled barrier. He fears the fence would deny him access to the Rio Grande's waters that are a lifeline for his cattle and for the migrating wildlife sought by hunters who lease parts of his ranch.

Cunningham also isn't happy about the possibility of having to give up a strip of his land along the river to the U.S. government for fence construction. “We'll fight it tooth and nail,” he says, including filing lawsuits to stop the fence, if necessary. “This might work west of El Paso, where there is nothing but sand and hills. Not here.”

Moody, whose land was a backdrop for the film version of the cowboy saga Lonesome Dove, says there are enough fences here, and that the boundary between the USA and Mexico should remain natural: “The River,” as he calls it.

The bill Bush signed does not include money to build the fence, and it's unclear how aggressively Congress will pursue the multibillion-dollar project once Democrats assume leadership of the House and Senate in January.

Supporters of the plan, including Rep. Duncan Hunter, R-Calif., say the success of a fence along 10 miles of the border south of San Diego suggests that fences at other heavily traveled crossings would help curb illegal immigration.

Hunter says the government will develop plans to preserve border landowners' access to water. As for the potential condemnation of property, he says the “overwhelming” need for a secure border should outweigh other concerns. Russ Knocke of the Department of Homeland Security (DHS) says landowners and law enforcement officials “will be key partners in the effort to secure the border.”

Matt Brockman, executive vice president of the 14,000-member Texas and Southwestern Cattle Raisers Association, says economic and environmental questions — notably landowners' concerns about access to the Rio Grande — should be enough to stop the project.

“I don't think it's as easy as slapping up a fence,” Brockman says. “It's alarming to us. We could be talking about hundreds of thousands of acres that could be condemned” for construction.

As the fence plan made its way through Congress, law enforcement officials here were dubious.

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Maverick County Sheriff Tomas Herrera and Val Verde County Sheriff D'Wayne Jernigan say they constantly are seeking more money to protect residents from crimes involving illegal immigrants, including burglaries, vandalism and cattle thefts. However, Jernigan says skepticism about the fence planned for parts of California, Arizona, New Mexico and Texas is such that local officials have not discussed it.

"Trust me, it's not gonna happen," Jernigan says. "There's not gonna be a fence. I have landowners here who put it this way: 'Over my dead body.' "

There are about 12,500 Border Patrol agents in the USA, up from 9,000 before the Sept. 11, 2001, terrorist attacks. Bush has vowed to boost the number of agents to 18,000 before he leaves office in January 2009. All but slightly more than 1,000 of the current agents are deployed along the Southwestern border, according to DHS.

As the number of agents patrolling the border has increased, the number of illegal immigrants arrested has declined. The DHS has said that is an indication that the increased security discourages people from trying to enter the USA illegally. DHS reported nearly 1.1 million arrests at U.S. borders in the budget year that ended in September, down from nearly 1.2 million the previous year. About 98% of the arrests occurred along the U.S.-Mexican border.

The use of National Guard troops to beef up border security, along with increased efforts to deport illegal immigrants from nations other than Mexico, have been key factors in reducing border arrests, Knocke says. Even so, the flow of illegals into the USA continues.

Cunningham says that in recent years, thieves cutting through his land have stolen ranch equipment and threatened his neighbors. Some have returned to Mexico with a few of his cows.

"I feel like Sam's Wholesale Club," says the 72-year-old retired Border Patrol agent, flashing a smile under his frayed cowboy hat. "I live with this all the time."

However, it hasn't been enough to make Cunningham support building a fence along the Rio Grande. He says increasingly aggressive patrols and better use of technology — not a fence — are keys to improving security.

Cunningham notes that he has allowed the Border Patrol to place a security camera tower atop a scenic peak on his property that overlooks the Rio Grande. He says the camera gives agents a broad view of what federal authorities have designated as a prime corridor for smuggling illegals and drugs.

Maverick County Sheriff Herrera agrees with Cunningham. He says there is recent evidence indicating that boosting law enforcement officers' presence along the border deters illegal immigration more efficiently than would a costly fence.

Since two state-funded border-crime initiatives were launched last December, Herrera says, Maverick County has seen a 65% decline in burglaries linked to illegal immigrants. The programs, launched with grants of more than $360,000 to each of Texas' 16 border counties, allowed Herrera in Eagle Pass to pay overtime costs to double the number of sheriff's deputies on each shift, from six to 12.

State troopers and agents from the Texas Department of Parks and Wildlife patrolled the region as well. Herrera says the operations provided a "second line of defense" that allowed the Border Patrol to focus directly on the border.

Herrera believes the increased law enforcement presence contributed to a drop in arrests of illegals in the 55 miles between Del Rio, Texas, and Eagle Pass. Arrests there fell from 68,506 in 2005 to 42,636 this year, U.S. Customs and Border Protection reports.

"Boots on the ground will do the work," Herrera says.

Hunter offers his own set of numbers that he says boosts the argument for a fence.

Before construction of a 10-mile stretch of fence between San Diego and Tijuana, Mexico, in 1994, authorities caught more than 500,000 illegals there each year. The number dropped to about 100,000 by 2002 before ticking upward recently, Border Patrol spokeswoman Wendi Lee says. Meanwhile, violent crimes linked to illegals, including murders, robberies and assaults, fell 46% in the San Diego area after the fence was built, she says.

"The fence brought order to an extremely dangerous border," Hunter says. Before the fence, he says, there was "lots of fear." Now, "people don't have to worry about smugglers coming through."

Some smugglers, however, have begun using more isolated crossings in the Southwestern desert, where hundreds of illegals have died in summertime heat, says Jennifer Allen, director of the Border Action Network, an immigrant rights group in Arizona. More than 200 illegals have died crossing the southern Arizona desert since October 2005, the group says.

"The unintended consequence of the border-security buildup has been to strengthen the smuggling groups" that use more desolate and dangerous routes to elude border agents, Allen says.

In the legislation authorizing the new fence, Hunter says he identified "primary smuggling corridors" to be barricaded, including stretches between Del Rio and Eagle Pass and Laredo to Brownsville. Hunter believes that many landowners and other critics of the fence eventually will adopt the view of Ernie Davis, who operates a 30,000-acre ranch 50 miles northwest of Laredo.

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Davis says parts of his land, about 20 miles inland from the Rio Grande, have been plundered by illegal immigrants, drug traffickers and thieves. In the past two years, five vehicles have been stolen from the ranch, Davis says, and burglars often have targeted his home.

"I'm for anything that would limit the illegal border crossings," Davis says. "I would support (Hunter) on this fence, with the idea that it would help control this thing."

However, Davis acknowledges that the issues are different for ranchers with land along the river. "If I had river frontage, I would be concerned. There's not an easy answer to any of this."

The worn fairways of the Eagle Pass Golf Course, about 100 yards across the Rio Grande from Piedras Negras, Mexico, have become a well-traveled gateway to the USA. Night and day, illegals emerge from the river's murky water and dash across the course, sometimes interrupting play.

"You see ladies with kids running right across the fairway," says David Chisum, who manages the nine-hole course. He acknowledges that most people might assume he would want a fence here, if for no other reason than to protect the course's 115 members or speed the pace of golfers' play. However, Chisum reflects many residents' pragmatism when it comes to the thorny issue of illegal immigration.

"We really haven't had any major damage here," he says, except perhaps for the thefts of a few flags that can be seen whipping in the wind from some porches in Piedras Negras. Chisum says most of those who play the course understand the peculiar hazards here.

"I don't think a fence would help us," he says. "I like seeing the river. People here understand that sometimes you just have to wait and allow people to cross before you hit."

Cintas Warned Against Firing Immigrant Force (WT)

By Jerry Seper

The Washington Times, November 28, 2006

A Mississippi Democrat in line to become chairman of the House Homeland Security Committee has warned the nation's largest uniform supplier it faces criminal charges if it follows a White House proposal to recheck workers with mismatched Social Security numbers and fire those who cannot resolve the discrepancy in 60 days.

Rep. Bennie Thompson said in a letter to Cintas Corp. it could be charged with "illegal activities in violation of state and federal law" if any of its 32,000 employees are terminated because they gave incorrect Social Security numbers to be hired.

"I am deeply troubled by Cintas' recent policy change regarding the Social Security Administration's 'no match' letters," Mr. Thompson said in the Nov. 2 letter. "It is my understanding that hundreds of Cintas' immigrant workers have received these letters. I am extremely concerned about any potentially discriminatory actions targeting this community."

In June, President Bush proposed new guidelines concerning "no-match" letters from the Social Security Administration, saying he wanted to make it easier for employers to verify workers' eligibility and continue to hold them accountable for those they hire.

The Department of Homeland Security followed up on that announcement yesterday, formally releasing new regulations to help businesses comply with hiring requirements intended to reduce the hiring of illegal aliens -- including setting guidelines for businesses when handling "no-match" letters from the Social Security Administration.

The proposed regulation is subject to a 60-day public comment period.

"Most businesses want to do the right thing when it comes to employing legal workers," said Homeland Security Secretary Michael Chertoff. "These new regulations will give U.S. businesses the necessary tools to increase the likelihood that they are employing workers consistent with our laws.

"They also help us to identify and prosecute employers who are blatantly abusing our immigration system."

But Mr. Thompson called the "no-match" letters a threat to workers who fail to reverify their information and called Cintas' actions a "rash enactment of a proposed DHS regulation." He said that by implementing "this incomplete regulation," Cintas could be in violation of federal immigration law.

The seven-term congressman also said before the proposal becomes law, it must go through a rule-making process, "which could radically change the regulation or kill it all together."

Cintas has issued letters to 400 employees in five states telling them they will be indefinitely suspended if they cannot resolve their mismatched Social Security number within 60 days.

"Cintas, like all employers, has a legal obligation to ensure all employees are legally authorized to work in the U.S.," the firm said in a statement. "Cintas has not terminated any employees due to the Social Security mismatches and plans to continue its policy of placing these employees on indefinite leave until they produce the required documentation."

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In his letter, Mr. Thompson said his "apprehension" over the proposed policy was echoed by the Equal Employment Opportunity Commission, which said the proposal could result in "circumstances in which employers have incentives to take actions that violate ... non-discriminatory provisions."

As Homeland Security Committee chairman, he would set the panel's agenda. Earlier this month, he also said Democrats planned to "revisit" legislation mandating 698 miles of fencing on the U.S.-Mexico border and might seek to scrap the plan.

Under existing rules, when a Social Security number does not match a name on a tax or employment eligibility document, the government sends a "no-match" letter asking that the discrepancy be resolved. Of 250 million wage reports the government receives each year, as many as 10 percent belong to employees whose names do not match their Social Security numbers.

"Identifying businesses that are habitually flagged for submitting mismatched Social Security numbers would bolster our worksite enforcement efforts," Mr. Chertoff said.

Speed Bump At The Border (NYT)

By Thomas B. Edsall

The New York Times, November 28, 2006

Washington

Democrats preparing to take over Congress appear to have a perfect issue for the party of the left: the rich are getting richer, but sizable productivity gains and rising corporate profits are not paying off for the working and middle classes. All boats are not rising with the tide.

The picture is a paint-by-the-numbers portrait of the greedy picking the pockets of the needy. The villains are C.E.O.s, investment bankers and corporate managers who refuse to pass on profits in the form of higher wages. The victims are workers who struggle to deal with an increasingly unreliable and, for many, unrewarding marketplace — producing more while under the constant threat of job, health care and pension loss.

The success of candidates attacking outsourcing and trade agreements like Nafta, combined with high Democratic margins among economically pessimistic voters, clearly point to middle-class wage stagnation and growing inequality as significant factors in the election this month.

Politically, the result has shifted the balance of power within the Democratic Party in favor of the protectionist wing, and especially in favor of such major unions as the Teamsters, the steelworkers and the autoworkers, all key party supporters with money and manpower.

The strengthening of the Democrats' protectionist wing is virtually certain to force to the surface a second, and closely related, internal conflict between the party's pro- and anti-immigration wings. This conflict among Democrats remained submerged while President Bush and the Republican House and Senate majorities fought without resolution over the same issue.

"Immigration is a difficult issue for the Democrats; it cuts in complicated ways," says Stephen Ansolabehere, an M.I.T. political scientist who helped conduct an Internet survey of 37,000 voters. The Democratic Party made major gains in the Mountain West, he says, and many of these voters are "populist with a lot of nativism," firmly opposed to the more liberal immigration policies of key party leaders.

A solid block of Democrats who won this month — Jon Tester, James Webb, Sherrod Brown and Heath Shuler included — is inclined to put the brakes on all cross-border activity (otherwise known as globalization): trade, outsourcing and the flow of human labor. Nolan McCarty of Princeton, writing with two colleagues, has provided some empirical data supporting the argument that immigration has led "to policies that increase economic inequality." Significant numbers within the Democratic Party agree with this reasoning.

Globalization "needs to be controlled and slowed down because of the brutal destruction and vast imbalances of wealth it causes," Jeff Faux, a stalwart of the protectionist wing on the Democratic left, writes in Dissent magazine. "The nihilistic vision of the world as an accelerating treadmill of constant insecurity, jobs with longer hours and shorter pay ... the triumph of dog-eat-dog competition ... is a vision of hell."

The protectionist wing will likely hold sway at least in the first few months of the 110th Congress. Over time, however, Faux and his allies are likely to fail. The forces of international competition have proved more powerful than any government, and advocates of aggressive policies to constrain them face a porous, borderless and now highly electronic international economy. Legislation can require American companies to distribute profits to workers, but it will be virtually impossible to enforce as competition razes companies playing by those rules. For the moment, Democratic chances of restoring more equal patterns in the growth of wages are bleak.

Barney Frank, representing members of the House who would like to stake out middle ground, has proposed a "grand bargain." If corporate America agrees to equitable wages, Democrats will back free trade and eased regulations. "What we want

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to do is to look at public policies that'll get some bigger share of the increased wealth into wages, and in return you'll see Democrats as internationalists," he said.

Even if the deal were cut, the odds are strong that the global economy would prevent American business from keeping its promise. The sooner Democrats realize that they — and, more important, their constituents — are up against a wall, the sooner they will seriously focus their attention on how to climb it.

Biden: Blame Immigration Woes On Mexico (NYT/AP)

By The Associated Press

The New York Times, November 28, 2006

Filed at 1:12 a.m. ET

COLUMBIA, S.C. (AP) -- Sen. Joe Biden, the Senate Foreign Relations Committee's incoming chairman, wants to get tough with Mexico, calling it an "erstwhile democracy" with a "corrupt system" responsible for illegal immigration and drug problems in the U.S.

Biden, D-Del., was in Columbia on Monday in his first postelection trip to this first-in-the-South presidential primary state as he continues to line up support for his presidential bid.

During a question-and-answer session before more than 230 Columbia Rotary Club members, Biden was asked about immigration problems.

Biden, who favors tightening the U.S.-Mexico border with fences, said immigration is driven by money in low-wage Mexico.

"Mexico is a country that is an erstwhile democracy where they have the greatest disparity of wealth," Biden said. "It is one of the wealthiest countries in the hemisphere and because of a corrupt system that exists in Mexico, there is the 1 percent of the population at the top, a very small middle class and the rest is abject poverty."

Unless the political dynamics change in Mexico and U.S. employers who hire illegal immigrants are punished, illegal immigration won't stop. "All the rest is window dressing," he said.

An even bigger problem are illegal drugs "coming up through corrupt Mexico," he said. "People are driving across that border with tons, tons -- hear me -- tons of everything from byproducts for methamphetamines, to cocaine, to heroine."

Covering a variety of topics, Biden kept most of the crowd in their seats for an hour -- twice as long as scheduled.

"I warn all of you, all of you making more than a million bucks -- I hope you all are -- I'm taking away your tax cut," Biden said. "I'm not joking."

The extra revenue would generate $75 billion a year and pay for a backlog in national security and local law enforcement programs, Biden said.

Biden's appeal for bipartisanship captured Bruce Rippeteau, a former Rotary president who says he's in the Genghis Khan wing of the Republican Party.

He "was saying some important things in a nonpolitical way," Rippeteau said.

"I want to compliment him about what he didn't say," Wilson said. "He never one time mentioned weapons of mass destruction."

Biden will lead the Foreign Relations panel because Republicans around the nation lost seats in the Nov. 7 elections. That tide didn't reach Republican-dominated South Carolina, where the GOP maintained its four U.S. House seats and Democrats kept their two.

CONGRESS-ADMINISTRATION:

Gates May Take Pentagon Job In December (AP-Y)

By Robert Burns

AP, November 28, 2006

Robert Gates, the former CIA director who is President Bush's choice to replace Donald H. Rumsfeld as defense secretary, is likely to assume the Pentagon post before year's end if he is confirmed by the Senate as expected, officials said Monday.

Eric Ruff, the Pentagon press secretary, said Gates will have his confirmation hearing before the Senate Armed Services Committee early next week, with a vote expected by the full Senate by Dec. 12 or 13. In preparation for the hearing, Gates is receiving a series of briefings by senior Pentagon officials, Ruff said.

Even if Gates is confirmed as expected, it is unclear when he would be sworn in to his new duties, Ruff said.

"It's somewhat of a fluid situation," he said.

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Another administration official, who would discuss the Gates matter only on condition of anonymity, said that if confirmation goes as expected, then Gates would be sworn in well before the end of the year. No date is set.

Bush announced Rumsfeld's resignation and Gates' nomination on Nov. 8.

Ruff said Gates, who is president of Texas A&M University, may have university business to attend to in the days following his confirmation hearing, but it was unclear whether this would delay his swearing in.

There has been speculation that the Pentagon transition would be put off until the end of December in order to give Rumsfeld the distinction of being the longest-serving secretary of defense since the post was created in 1947.

Rumsfeld is the only person to have held the job twice. The first time, he served for 14 months, from Nov. 20, 1975 to Jan. 20, 1977. His current tenure began Jan. 20, 2001. If he were to stay until Dec. 28, his combined tenures would surpass the longevity record held by Robert S. McNamara, who served from Jan. 21, 1961 to Feb. 29, 1968.

Ruff said, however, that the timing of Gates' takeover has nothing to do with the longevity record.

"I can assure you that is not a factor on the secretary's mind," Ruff said.

Long Haul A Radar Unit's Journey Reflects Hopes, Snafus In Missile Defense (WSJ)

By Jonathan Karp

The Wall Street Journal, November 28, 2006

PEARL HARBOR NAVAL STATION, Hawaii -- Towering over this historic site is a radar precise enough to track a baseball hurtling through space at 15,000 miles an hour. But the vessel carrying the radar has sprung leaks and blown out electrical circuits.

Such mundane problems have kept this vital part of the nation's defense against missile attacks stuck in the wrong harbor. If all had gone according to plan, the $950 million radar rig, known as SBX, would be operating now off the Aleutian Islands in Alaska and ready to defend against threats from North Korea. Instead, after a three-year odyssey from Norway to Texas and around South America, the 28-story-high converted oil platform is in Hawaii, 2,000 miles and months away from its final destination.

The journey of SBX is a microcosm of the Defense Department's unfinished missile shield, a dream since Ronald Reagan's 1983 plan dubbed Star Wars. Under President Bush the U.S. has poured nearly $50 billion into the program. The Pentagon says it has put the system on alert more than 10 times and the U.S. already has a "limited" ability to shoot down enemy warheads. Yet the program's high-tech breakthroughs are at times undermined by technical snafus, and real missile defense always seems off in the future.

One big step forward came in September, when U.S. military personnel using satellite sensors, radar and long-range interceptor missiles that are part of the real missile shield shot down a test warhead in space over the Pacific. The success went some way toward answering critics in Congress who have demanded tests that resemble real-world situations.

For defense contractors and the Pentagon, which is spending $9.3 billion this year on missile defense, the September test was a vindication. "The last 10 months have been extraordinary in terms of accomplishment," says Patrick Shanahan, a vice president at Boeing Co., principal contractor on the system that includes SBX. "I think the program has reached its stride."

Mr. Shanahan was brought in to fix the system in early 2005 after interceptor missiles failed to leave their silos in two consecutive tests. The problems prompted the Pentagon to dock Boeing $107 million in contract fees.

Critics nowadays generally concede the feasibility of knocking missiles out of the sky. But many believe the idea is either too expensive or too error-prone to make it worth rushing into operation.

North Korea's recent moves have lent urgency to the debate. The Communist state tested a long-range missile in July and exploded a nuclear device in October, although its tests showed it has yet to master the technology.

The original Star Wars concept conjured up images of space-based launchers blasting Soviet nuclear missiles out of the sky. Today, that idea is on hold, partly because of concerns about militarizing space. The Bush administration's main missile-defense system has ground sites in Alaska and California, where 13 interceptor missiles stand ready to be fired.

The Boeing system calls for early-warning radar to get a first glimpse of the enemy missile launch. An interceptor missile is then fired. As it flies, this missile is supposed to receive the exact coordinates of the enemy missile and, if all goes well, the two will collide in space. It's the equivalent of hitting a bullet with a bullet.

The system lives or dies on highly accurate radar to pinpoint the attacking missile's trajectory. That's where SBX, or sea based X-band radar, comes in. It's an advanced form of X-band radar, which emits a concentrated high-frequency beam to collect images.

Officials say SBX can not only produce detailed images of incoming warheads but also distinguish a decoy from the real McCoy. The Pentagon hopes to capitalize on SBX's mobility -- it sits on a self-propelled converted oil rig -- to deploy it closer to

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perceived threats and shave critical minutes off response time. At a top speed of 10 knots, though, SBX would take a while to reach a faraway global hot spot.

The Pentagon's Missile Defense Agency oversees several other missile-defense systems that complement the program led by Boeing. For defense against shorter-range threats, Lockheed Martin Corp. is directing the Aegis system, which fires interceptor missiles from ships. It has done well in tests. A separate Lockheed project to build improved satellites that detect enemy missile launches is emerging from years of performance problems and cost overruns.

The overall goal is "layered defense" -- getting several shots at the enemy projectile before it hits American soil. The Boeing system that was tested in September is the crucial middle layer. It has the broadest time window to succeed, but still only minutes. A missile could complete its journey from North Korea to the U.S. mainland in 20 minutes.

WALL STREET JOURNAL VIDEO

1

See a video2 of the SBX vessel's enormous radar.

Shrouded in a 10-story-high dome, the SBX radar sits atop the semisubmersible oil rig like a giant golf ball on a tee. The Teflon-coated, Kevlar-like fabric of the inflated dome is designed to withstand winds up to 150 miles an hour. Inside, the radar soars toward the roof, its octagonal face covering 4,100 square feet. It swivels on a circular track and can tilt skyward.

The radar, built by Raytheon Co., contains 45,000 electronic modules that transmit and receive data. SBX's radar can send multiple beams in different directions, changing their aim in fractions of a second. That lets the radar track several objects at once and compensate for the rig's movement in ocean swells.

The Pentagon originally figured it would put X-band radar on land and picked out a site on Shemya Island, a speck of rock at the western tip of the Aleutians. But the radar program stalled during the Clinton administration, which feared that building elements of a national shield would breach the 1972 Anti-Ballistic Missile Treaty.

In 2001, President Bush pulled the U.S. out of the treaty, and the Pentagon soon began developing the X-band. The Pentagon, following an idea of Raytheon engineer David Greeley, at first chose to put X-band radar at sea merely to collect test data on missile trajectories from different angles. Officials liked the idea so much that they made sea-based radar a permanent part of the system.

Boeing bought a Russian-built rig in Norway in 2003 and towed it to Brownsville, Texas, to install engines and adapt the vessel for the 2,200-ton radar and a crew of 100. Around that time, the Pentagon announced it would base the radar in Adak, in the middle of the Aleutian chain, and set the end of 2005 as the target date for its arrival. SBX would be moored in a sheltered port that doesn't ice over and would be well-located for tracking Asian missile launches.

Republican Sen. Ted Stevens of Alaska, a staunch advocate of missile defense, nevertheless questioned the wisdom of having such a valuable sensor floating in the treacherous North Pacific. "I hope your people are nautical enough to know what you're doing," he told Air Force Lt. Gen. Ronald Kadish, then Missile Defense Agency director, at a Senate hearing. The general replied that he had reviewed a century's worth of local wave patterns and had confidence in SBX's naval architects and Boeing.

SBX progressed through the next two years despite mishaps in other parts of Boeing's program. In December 2004, a flawed line of software shut down the test launch of an interceptor missile. Two months later, a mechanical support arm failed to retract, again stranding the interceptor missile in its silo. "This was not rocket science," says Lt. Gen. Henry Obering, who had recently become director of the Missile Defense Agency. Dismayed by the mishaps, Gen. Obering toughened the testing plan and drove a shake-up in program leadership at the Pentagon and Boeing.

By late 2005, it looked as if SBX might come close to meeting its target for arriving in Alaska. After trials in the Gulf of Mexico, it was hauled 15,000 miles around South America -- the rig is too big for the Panama Canal -- and it arrived in Hawaii in January of this year. The trip to Alaska seemed around the corner, but in March, alarms went off in SBX's engine room. A leaky valve caused water to flood into SBX's pontoon. The rig had to return to Pearl Harbor for repairs to the flaw, which an independent panel later called a "major casualty."

Then in June, an electrical fault tripped circuit breakers, forcing SBX back into port for two more weeks of repairs. Such problems are typical during the initial "shakedown" phase of a new class of ship, says Tom Alexiou, Boeing's SBX program manager. Most important, adds Paul Smith, a Boeing radar manager, there haven't been major issues in the "far more complex" task of integrating the radar with other ship systems.

In fact, the radar was performing well enough that the Pentagon diverted SBX from its tests to free it up to monitor North Korea's missile launch in July. Then it delayed SBX's preparations for Alaska again so the radar could participate in a test on Sept. 1, the most important U.S. missile-shield trial to date. In the test, an "enemy" missile with a real warhead fired from Alaska was destroyed by an interceptor missile launched from California.

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Floating off the California coast, SBX successfully tracked both missiles and their warheads as they collided, says Brig. Gen. Patrick O'Reilly, who oversees the ground-based missile-defense program. It was a "watershed event," he says, because it shows SBX could do its job once it's hooked up to the missile shield's command structure.

When SBX returned to Pearl Harbor in Hawaii last month after the test, the Missile Defense Agency and Boeing laid out a feast on board: a whole roast pig, Alaskan king crab and Hawaiian chicken lau lau. Outside, the rig and its white-domed radar dwarf the sunken battleship USS Arizona and the USS Missouri at the Pearl Harbor World War II memorial. Government tour guides there already are weaving SBX into the local heroic folklore, recounting feats of the radar's precision alongside older war tales.

SBX will participate in another test in December. Col. John Fellows, the Pentagon's manager for SBX, says staying near Hawaii makes it easier to iron out kinks and join the tests, although officials are eager for the radar's permanent deployment. "We're pressured on both sides," he says.

In any case, further issues must be sorted out before the trip to Alaska. The independent panel hired by the Pentagon concluded in June that while SBX "is an inherently rugged and suitable platform," the vessel needs 47 modifications before it goes into service. Among them: a better plan for operating in harsh winters and steps to ensure the rig is protected against being rammed by boats. Senior program officials call the modifications minor and say they have agreed to almost all of them.

The panel also noted that maintaining morale poses a challenge. SBX's crew is composed mostly of defense-industry employees and merchant mariners hired by Boeing subcontractors. Only a handful of shipmates are servicemen. Civilian mariners rotate only every 56 days, much longer than work cycles for comparable oil-industry jobs. Leisure consists of a gym, a basketball hoop on the deck and movies under the stars, though plasma TVs and more DVDs are on the way.

Funding for SBX's mooring in the Aleutians, previously cut in another headache for project managers, has been restored, but construction won't be finished until next August, says Col. Fellows. The latest projection for the trip to Alaska is sometime next year.

Democrats To Receive Bush Budget Warning (WT)

By Stephen Dinan

The Washington Times, November 28, 2006

President Bush will try to work out a deal on spending with the new Democratic majority on Capitol Hill, but will be prepared to veto bills that exceed his total budget or that slice away at defense needs, said Office of Management and Budget Director Rob Portman.

"With the Democrat leadership, we'll try to be transparent and we'll try to be clear in our concerns upfront, and I hope we can work things out without resorting to a veto. But if necessary we will resort to a veto," Mr. Portman told The Washington Times in an interview about the upcoming budget and the Democratic control of Congress.

Democrats took both houses of Congress in the Nov. 7 elections. Mr. Portman, a former six-term congressman from Ohio, has assumed the role of go-between, making use of his relationships with many of the top lawmakers to find areas of cooperation on annual spending and on thorny issues such as Social Security.

He has spoken with incoming Ways and Means Committee Chairman Charles B. Rangel, the incoming chairmen of the House and Senate budget committees, and Sen. Max Baucus, who will head the Senate Finance Committee. He also has a meeting scheduled with Sen. Robert C. Byrd, the West Virginia Democrat who will head the Senate Appropriations Committee.

Some conservatives have argued that Democratic control of Congress will give Mr. Bush a sense of more freedom to use his veto powers without causing conflict with congressional leaders in his own party.

Mr. Portman said he expects presidential vetoes of spending bills in the last two years of Mr. Bush's administration. The president has vetoed only one bill in his six years in office. The House sustained that veto, against a measure to expand federal funding for embryonic stem-cell research.

"The veto, not to pass the buck, but a lot of it depends on the Democratic leadership," Mr. Portman said. "If they choose to try to work things out, we will be in a position to try to do that. We would rather try to make progress. The president is not interested in scoring political points over the next two years; he's interested in getting things done."

Mr. Portman said a center-right coalition could emerge on issues such as spending and extending the 2001 and 2003 tax cuts, particularly since the rate of taxes as a percentage of the economy -- at 18.4 percent -- is higher than the 18.2 percent average over the past four decades.

"It's not that we are undertaxed as much as we need to get our spending in line with our revenue. That's the fundamental basis on which we should be able to build a majority on a number of issues," he said.

Annual federal spending has mushroomed during Mr. Bush's presidency, from $1.86 trillion in fiscal 2001 to $2.67 trillion in 2006. The Congressional Budget Office forecast spending to rise to $2.8 trillion by the end of the 2007 fiscal period. Much of the

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increase has been in federal entitlements for programs such as Medicare, Medicaid and Social Security, which have ballooned from $1 trillion in 2001 to $1.42 trillion in 2006.

The director, interviewed last week in his office at the Eisenhower Executive Office Building, said opportunities could arise to streamline or cut specific programs. The administration has achieved little toward those goals with a Republican-led Congress.

The White House hopes Democrats are willing to eliminate public education programs that aren't showing results and to put the money into those that are more promising.

Mr. Bush has sent budgets to Congress with the understanding that lawmakers would change the distribution of money, but threatened a veto if the total exceeded his limit. He also has threatened to veto defense spending bills if they were altered by Congress too much.

Mr. Portman is deep into the process of receiving 2008 budget requests from agencies and departments and returning them with suggestions and changes.

He has not received a total discretionary spending cap and said it is too early to determine whether discretionary spending can be reduced.

Potential flash points for a spending fight include the fiscal 2008 budget, the first chance Democrats will have to put together a framework for spending. It will give them part ownership of the federal deficit for the first time and force them to take a position on tax increases.

Contractors Face More Scrutiny, Pinched Purses (WP)

By Griff Witte And Renae Merle

The Washington Post, November 28, 2006

After riding high for five years, government contractors are bracing themselves for increased oversight, tighter budgets and stepped-up regulations as Democrats take over on Capitol Hill and vow to keep a closer eye on how companies spend taxpayer dollars.

Every company that does business with the government could feel the impact, but contractors that benefited most from work in Iraq and Afghanistan, from homeland security initiatives or from Hurricane Katrina are especially likely to be under the microscope. Big-ticket weapons programs are also expected to garner special attention, and it may become more difficult to get a no-bid contract, according to industry observers.

"The pendulum has clearly swung back in a hard way," said David Nadler, an attorney for government contractors with the Dickstein Shapiro law firm. "Everything contractors do is going to be subject to scrutiny. They need to understand that they're in a different environment."

Most incoming chairs of congressional committees have not said specifically which contracting areas they intend to scrutinize. But the Government Accountability Office, Congress's investigative arm, gave Hill leaders some ideas earlier this month.

In a 44-page look at areas in need of oversight, GAO investigators focused substantial attention on contractors. The government spent $388 billion on contracts last year, the GAO said, and much of that money is exposed to "potential waste and misuse" because of the way the government buys goods and services.

Meanwhile, congressional workers are getting ready. In September, the Project on Government Oversight, a watchdog group, began holding seminars for Hill workers of both parties on how to conduct investigations, including sessions on the anatomy of a government contract and skits in which oversight hearings were acted out. About 150 people have attended the sessions, said Jennifer Gore, the group's spokeswoman.

"Younger staff members were not quite sure what Congress's role is," she said. "We knew they needed to get a review on what congressional power really is, how it works, and why it's so important."

Richard Moorhouse, a contracting attorney with Greenberg Traurig, said he is advising clients with high-visibility contracts to be ready to testify on Capitol Hill at a moment's notice.

"They should be preparing themselves," Moorhouse said.

Increased oversight is not the only potential change. Analysts say spending priorities are likely to shift, especially at the Pentagon, where growth has already begun to slow.

During the past few years, the defense industry has been shielded from significant cuts by supplemental spending bills Congress passed to pay for the wars in Iraq and Afghanistan. But now, some of the military's largest weapons programs may be in danger of being scaled back.

"In general, Democrats prefer people to weapons in their military outlays," said Loren Thompson, a defense industry consultant and chief operating officer of the Lexington Institute, an Arlington think tank. "What that means is that when they are going to buy weapons, they think first of the Army. Those are the soldiers, those are the war fighters."

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Some contractors have already begun to feel the difference. After the Sept. 11, 2001, attacks, contractors were rewarded for proposing cutting-edge systems that pushed the technological envelope. But after repeated cost overruns and delays with those high-risk ideas, safer solutions are back in vogue. Earlier this month, Boeing won a coveted $15 billion helicopter program using an updated version of its 50-year-old, war-tested Chinook.

"The notion that comprehensive networking and cutting-edge sensors can solve our military problems has been confounded by the experience of Iraq," Thompson said.

Perhaps sensing the changing environment, Lockheed Martin recently began giving presentations on the state of the defense industry, arguing that military spending is a small part of the gross domestic product.

That logic may prove a tough sell with Democrats who campaigned for office this fall on a platform of cleaning up corruption that has been intertwined with contractors. Former Republican representative Randy "Duke" Cunningham (Calif.) pleaded guilty to taking bribes from contractors, and Halliburton became a favorite target of Democrats who thought Republicans were reluctant to scrutinize the politically connected firm's billions of dollars of work in Iraq.

"One thing you can be assured of is that we will do aggressive oversight," said Rep. Bennie Thompson (D-Miss.), who is set to lead the Homeland Security committee.

Rep. Henry A. Waxman (D-Calif.), a frequent critic of Halliburton, is to become chairman of the Government Reform Committee in January, and he has indicated that he plans to introduce legislation to put contractors on a shorter leash. His Clean Contracting Act is aimed at curbing no-bid deals, limiting the use of subcontractors and closing loopholes that Waxman says open the door to abuse.

Rep. Janice D. Schakowsky (D-Ill.), meanwhile, plans to revive legislation that would require more oversight of military contractors in Iraq. "This Iraq experience has made the case for aggressive monitoring of contractors," Schakowsky said. "This is a foggy area where billions and billions of taxpayer dollars are being spent, and we have no sense of how or what they are spending or doing."

Industry groups are fighting greater regulation, arguing that such proposed laws would hamstring contracting officers and prevent the government from getting goods and services when it needs them.

"Many Democrats have had the impression, and they are feeding the impression, that contracting is a process that is fundamentally broken. But there's not a scintilla of evidence that that is the case," said Stan Soloway, president of the Professional Services Council, an industry trade group.

Soloway said he welcomes closer scrutiny of the industry but only under certain conditions.

"It could be largely political, or it could be part of a very substantive look at a very complex set of processes," Soloway said. "If it's the latter, it might be beneficial. If it's just about 'gotcha,' it will exacerbate the problems."

Group Wants Hastert Deal Investigated (CHIT)

By Christi Parsons

Chicago Tribune, November 28, 2006

WASHINGTON -- A government watchdog group Monday called for an official investigation into whether House Speaker Dennis Hastert broke the law by pushing for federal funding of a highway project near land he owned west of Chicago.

Hastert (R-Ill.) and two partners turned a profit of more than $3 million last year on land they bought and sold near the proposed route of the Prairie Parkway—earnings that the group Citizens for Responsibility and Ethics in Washington say the investors got because of federal funding pushed by Hastert.

The group is asking the Justice Department to investigate Hastert's actions.

"It looks like Hastert may have broken the law," said Melanie Sloan, executive director of CREW. "You are not allowed to use the legislative process purely for your own personal financial benefit, which is what appears to have happened here."

An aide to Hastert declined to comment Monday on the group's call for an investigation. But when the Tribune reported the story this summer, Hastert spokesman Ron Bonjean said the speaker simply made a well-timed real estate investment on the land, located between 3 and 5 miles from the highway route.

"For 26 years, the speaker has been a proponent of the Prairie Parkway to address the transportation challenges in northeast Illinois," Bonjean told the Tribune in June. "None of the properties purchased by the speaker are near enough to the Prairie Parkway to be affected by the proposed highway."

Republicans have accused CREW of being a left-leaning organization. Sloan describes it as a non-partisan watchdog group.

Pelosi-Hastings Meeting Could Signal End Of Chairmanship Bid (FN)

FOX News, November 28, 2006

DOJ_NMG_0099064

WASHINGTON — House Speaker-designate Nancy Pelosi will meet Tuesday with Florida Rep. Alcee Hastings, and those with knowledge of Pelosi's thinking told FOX News that Hastings will be told he is not going to be the next chairman of the Permanent Select Committee on Intelligence.

Though no formal decisions have been announced and Pelosi aides say the situation remains fluid, they suggest that the meeting at Pelosi's Capitol Hill office was requested by Hastings so he could bow out of the race before Pelosi denies him the job.

"He knows he's not going to get it," said one senior House Democratic aide. "The question is why he didn't bow out long ago."

In comments over the weekend, Hastings left the impression he was resigned to not receiving the chairmanship from Pelosi, due in large measure to his impeachment from the federal bench in 1989 for conspiring to accept a bribe from two convicted racketeers, and then, according to the Senate impeachment trial, lying to cover it up.

Pelosi aides have been scrutinizing the House and Senate proceedings in the Hastings impeachment, FOX News has learned, and apparently don't like what they have seen.

"It's ugly," said one Pelosi aide. "It's just really, really bad."

(Story continues below)

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Incoming Chairmen Offer Different Approaches to Bush Administration

Hastings has public support from many quarters, including from Rep. Barney Frank of Massachusetts, who will lead the Financial Services Committee next session.

"Alcee Hastings has served in the Congress for a long time, since the events that were the cause of the impeachment. I think he's entitled to be judged" on his performance since then, Frank told "FOX News Sunday."

No schedule has been set for Pelosi to name an Intelligence Committee chairman except that the position must be filled by Jan. 4, 2007, when the 110th Congress convenes.

Texas Rep. Silvestre Reyes is the most-often mentioned candidate for the post. He is next in line after Hastings. Rep. Jane Harman of California, the current ranking member of the panel, has already been told by Pelosi that she won't be given the chairman's gavel.

FOX News' Major Garrett contributed to this report.

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An Intelligent Choice For A Key Panel (WP)

By Terence J. Anderson

The Washington Post, November 28, 2006

No one can reasonably question Alcee Hastings's qualifications to serve as chairman of the House intelligence committee. For seven years he has been one of the committee's hardest-working members. In 1996 he was selected to represent Congress as a member of the Parliamentary Assembly of the Organization for Security and Cooperation in Europe, and two years ago he became the first American elected president of the assembly. He is highly intelligent, a fact acknowledged by friend and foe alike, and during his seven terms in the House he has been an effective politician and consensus builder.

Ruth Marcus[op-ed, Nov. 1] and others have argued, however, that Hastings should not be appointed chairman because of the Senate's decision 17 years ago to remove him from the federal bench. Such arguments ignore important facts that should be considered before the next speaker of the House, Nancy Pelosi, decides on the chairmanship.

First, no "jury" that heard and considered all the evidence has been convinced that Hastings was guilty. In 1983 the trial court jury that heard the evidence and arguments on both sides voted to acquit. Six years later, the Senate delegated the task of hearing the evidence to a Senate Impeachment Trial Committee. The 12 senators on that committee were the only members who actually heard all of the evidence, and there was no alleged crime on which the required two-thirds of those senators voted to convict. One year later a Florida Bar committee examined the evidence and decided that it was not enough to justify formal proceedings that would question Hastings's fitness to practice law. Those who now cite isolated events to argue that Hastings was guilty ignore the rest of the facts. Each of the "juries" that considered all of the facts found that he should be acquitted.

Second, in any fair view, perceived political necessity was a significant, perhaps decisive, factor in the decision to remove Hastings from the bench. Most observers thought the 1983 acquittal ended the matter, and the House made no effort to initiate

impeachment proceedings at that time. But that acquittal brought passionate reactions from some powerful officials. Hastings's exoneration meant that the FBI and the Justice Department had shot themselves in the foot. It meant that U.S. attorneys would have to prosecute criminal cases based on evidence gathered and presented by FBI agents before the very judge they had unjustly attacked but failed to remove from the bench.

The other federal judges who had served with Hastings in Florida welcomed his return to active service. It was John Godbold, then chief judge of the U.S. Court of Appeals for the 11th Circuit in Atlanta, who decided that the situation was intolerable and that Hastings had to be removed. He appointed and chaired the committee that prepared the report the Judicial Conference of the United States certified to the House of Representatives in 1987 for "consideration of impeachment." Only then did the House initiate impeachment proceedings.

Third, senators who had not heard the evidence filed statements that make it clear that some voted for removal not because they were convinced Hastings was guilty but because they believed he had not proven his innocence. For example, Robert Dole, the Senate minority leader then, said he had voted to remove Hastings because for him the issue was, "Would the Senate vote to confirm Alcee Hastings if he were nominated by the President today?" Similarly, Charles Grassley (R-Iowa) explained that he had voted for removal because: "Like 'Caesar's wife,' [federal judges] must be, simply, beyond reproach, even suspicion."

In contrast, senators who had heard the evidence thought the House failed to prove Hastings's guilt. For example, Jeff Bingaman (D-N.M.), chairman of the Impeachment Trial Committee, and Vice Chairman Arlen Specter (R-Pa.), both of whom had heard all the evidence, filed separate statements explaining why they had concluded that it was neither clear nor convincing enough to support a vote to convict.

Fourth, no senator suggested that the Senate should impose the additional sanction authorized by the Constitution, that Hastings should be disqualified "to hold and enjoy any Office of honor, Trust or Profit under the United States." Those who object to his appointment as chairman of the House intelligence committee because of the Senate's decision to remove him from the bench 17 years ago need to explain why we should not also respect the Senate's decision then that he should not be barred from holding an office of honor and trust.

Hastings could have avoided all this by simply resigning after the 1983 acquittal. He would have earned substantially more as a lawyer than as a judge. He could have successfully run for the office he now holds without the baggage his detractors cite. He did not. He endured those burdens and fought to protect the office of federal judge rather than his own interests. That is not the conduct of a guilty man.

Hastings was appointed seven years ago to serve on the intelligence committee, a position requiring the highest trust and honor. No one questioned his fitness then. His work on the committee has vindicated the decision to entrust him with the nation's most important secrets. Such questions arise now, in the context of one party's loss of control of Congress and in an obvious attempt to undermine the nation's confidence in the leadership of the newly elected controlling party. They are the kind of distraction the new leadership should ignore.

The writer is a law professor at the University of Miami. He represented Alcee Hastings in all matters related to his judicial office from 1981 to 1993, including the trial of his impeachment in the Senate. His e-mail address istanderso@law.miami.edu.

Bush Approval Ratings Slip (WSJ)

The Wall Street Journal, November 28, 2006

President Bush's approval ratings fell to the second-lowest of his presidency, according to a new Harris Interactive poll.

According to the telephone poll, conducted between Nov. 17 and Nov. 21, 31% of U.S. adults called Mr. Bush's job performance "excellent" or "good" -- down from 34% who gave a positive assessment in a late-October poll; 67% said his performance is only "fair" or "poor," up from 63% in the previous survey2. The president's lowest approval rating in a Harris poll was 29% in May 2006.

Despite recent changes in Congress, Republicans and Democrats continued to receive low marks. Thirty-six percent of respondents said Democrats are doing an "excellent" or "good" job, better than the 29% in September. Democrats' highest positive rating was 68% in October 2001, a month after the 9/11 attacks. Meanwhile, Republicans' approval rating remained unchanged from September at 24%, and also well below their October 2001 high of 67%.

The post-election poll found that 31% of adults now believe things in the U.S. are going in the right direction, compared with 58% who think things have "pretty seriously gotten off on the wrong track." Last month, 27% saw the U.S. going in the right direction, while 63% said things were off track.

See full results of the poll: "How would you rate the overall job President Bush is doing as president: excellent, pretty good, only fair, or poor?"

Base: All adults

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*Positive = excellent or pretty good.

**Negative = only fair or poor. "How would you rate the overall job President Bush is doing as president: excellent, pretty good, only fair, or poor?"

Base: All adults "How would you rate the overall job President Bush is doing as president: excellent, pretty good, only fair, or poor?"

Base: All adults * * * "And how would you rate the job Democrats in Congress are doing: excellent, pretty good, only fair or poor?"

Base: All adults; Not sure's excluded

*Positive = excellent or pretty good.

**Negative = only fair or poor. * * * "And how would you rate the job Republicans in Congress are doing – excellent, pretty good, only fair or poor?"

Base: All adults; Not sure's excluded

*Positive = excellent or pretty good.

**Negative = only fair or poor. "Generally speaking, would you say things in the country are going in the right direction or have they pretty seriously gotten off on the wrong track?"

Base: All adults, "No opinion", "Not sure" and "decline to answer" excluded "Generally speaking, would you say things in the country are going in the right direction or have they pretty seriously gotten off on the wrong track?"

Base: All adults, "No opinion", "Not sure" and "decline to answer" excluded "Earlier this month, Democrats won control of both Houses of Congress. How do you think this will change things in Washington, DC?"

Base: All adults

Note: Percentages may not add up to exactly 100 due to rounding. "What do you think are the two most important issues for the government to address?"**

Base: All Adults

* = Less than 0.5%

** = Spontaneous, unprompted replies

X = Not mentioned as specific issue

1 Including government/politics (nonspecific), housing, AIDS, Foreign Aid, trade, disability, promoting democracy, race relations, campaign finance, youth and programs for the elderly (not Medicare/Social Security). The August column refers to the Aug. 24 release.

Methodology:

The Harris Poll was conducted by telephone within the U.S. between Nov. 17 - 21, 2006, among a nationwide cross section of 1,001 adults. Figures for age, sex, race/ethnicity, education, region, number of adults in the household, size of place (urbanicity) and number of phone lines in the household were weighted where necessary to bring them into line with their actual proportions in the population. With pure probability samples, with 100% response rates, it is possible to calculate the probability that the sampling error (but not other sources of error) is not greater than some number. With a pure probability sample of 1,001, one could say with a 95% probability that the overall results would have a sampling error of +/- 3 percentage points.

The Honorable Gentleman From Orleans And New York (WP)

By David Segal

The Washington Post, November 28, 2006

PEEKSKILL, N.Y. -- With any luck, the most embarrassing photograph taken of you in the 1970s is stashed away in a box that nobody will ever find. John Hall, the newly elected Democratic congressman from the 19th District of New York, is not that lucky.

There he is, standing shirtless and smushed against his equally shirtless band, Orleans, for the cover of their fourth album, "Waking and Dreaming." In the pre-gay-awareness days of 1976, the fellas just sort of seemed, you know, chummy -- perhaps on the way to a group sauna or something like that. But even then, at age 28, Hall found the image a little cheesy.

"The photographer had us take off our shirts for about two minutes during that shoot," Hall recalls, sitting at a cafe here last week. "And the record company said, 'This is a really striking image.' "

Fortunately for Hall, "Waking and Dreaming" featured not just several cubic feet of frisky man-flesh, but also "Still the One," a hit that sparked more anniversary-party conga lines than any other song in history. It even turned up as an ABC promotional jingle for a couple of years, and it -- along with Orleans's other wussy-rock classic, "Dance With Me" -- has ka-chinged in Hall's bank account for some three decades now. He wrote both tunes with his former wife, Johanna, and the pair get paid every time the songs are played on the radio.

Once we forgive Hall for penning such excruciatingly unshakable couplets as "You're still the one who can scratch my itch / You're still the one and I wouldn't switch," let us acknowledge his singular place in American history: He is the first professional rock musician elected to Congress.

No, we're not counting Sonny Bono, because he didn't play an instrument, at least not onstage. And before you start complaining that "Dance With Me" isn't "rock" enough to count, note that before Orleans was founded in 1972, Hall was a sought-after session guitarist who played with Taj Mahal and Little Feat and was once summoned to Bob Dylan's SoHo loft for two weeks of improvised jamming.

"I was in awe of him," says Hall, who was barely out of his teens at the time. "I'd been listening to 'Just Like a Woman' for years -- there I was, playing my guitar over it."

It's hard to believe that the bearded and topless Hall of 1976 and the Hall wearing a suit and tie today are the same man. It's not just that he would blend in at a board meeting of any Fortune 500 company -- he is tall and serious and pretty formal. He actually sounds like a politician, too: He can speechify in that earnest and somewhat tedious way that only politicians can.

No offense, but you've never met anyone who toggles so quickly between gripping anecdote and soporific spiel. With little prodding, Hall will talk about the time in 1974 that Bruce Springsteen and the E Street Band opened for Orleans at a high school in Maine. ("He was supposed to play for 45 minutes. He played for 2 hours and 45 minutes.") And he is happy to describe the time he rode in a limo with Janis Joplin to her last show at Madison Square Garden. ("There was no way she could walk down a street and not be recognized.")

But frankly, he'd rather talk up his slate of left-leaning goals, such as raising the minimum wage, weaning the nation off fossil fuels or pushing for universal health care.

The surprising thing is that he has always been this way. His Orleans band mates say that in the '70s, Hall would launch into a politically charged monologue in the middle of a concert, grinding the festivities to a temporary halt.

"It was one of the hallmarks of our shows," says Larry Hoppen, who sang both of Orleans's hits. "We'd be playing, and inevitably John would start going off on the issue of the day. It's one thing to make a passing comment. It's another to do a five-minute, detail-oriented diatribe about nuclear power."

The progressive-minded geek and the virtuoso musician have coexisted in Hall for as long as he can remember. He was raised in Upstate New York, the son of a Westinghouse engineer, and started playing piano at the age of 4. A stellar student, he entered Notre Dame at 16, though he quit after a year, deciding that music was his calling. He wound up in New York, where he and Springsteen -- then leading his first band, the Castiles -- took turns onstage at Cafe Wha? in the West Village.

"We'd play six sets per night," Hall remembers. "It was $6 per guy in the band, plus all the potato chips and ice cream we could eat."

After a few years of session and solo work, he helped start Orleans, naming after the New Orleans rhythms the band members loved. But not long after the group's hits slid off the charts, Hall split for a solo career, which never quite took off. Along with Bonnie Raitt, Jackson Browne and Graham Nash, he formed Musicians United for Safe Energy to fight nuclear power, and he helped organize a series of benefit concerts, eventually packaged in a film and a rather extravagant triple album, "No Nukes/The MUSE Concerts for a Non-Nuclear Future."

Hall returned to Orleans in 1984 and he has recorded and toured with the band off and on ever since. (The group released the widely ignored "Dancin' in the Moonlight" earlier this year.) His only experience with elective politics was a two-year stint as an Ulster County legislator, and the noisy protests he made when the Bush entourage used "Still the One" at campaign stops in 2004. (The song was quickly dropped.)

Nobody took his campaign very seriously, even he after he won the primary. The 19th District is largely made of New York City suburbs that tilt Republican, and for six terms the congressional seat there belonged to Sue Kelly, who in 2004 won 60 percent of the vote. She had $900,000 on hand for the general election; Hall had $57,000.

As with nearly every campaign this year, things got ugly. A few weeks before Election Day, the Kelly campaign jump-started a direct-mail attack, accusing Hall of radical left-wing views and charging that he wanted to raise taxes and socialize medicine. For an added measure of humiliation, one mailing included a reprint of the cover of "Waking and Dreaming."

"The point," says Jay Townsend, Kelly's campaign spokesman, "was basically to say, this guy isn't serious enough to send to Washington."

Hall kept harping on Iraq, and when the Mark Foley page scandal broke, Kelly was sideswiped by questions from Hall and the media about her tenure several years ago on the House Page Board. Meanwhile, late-night satirist Stephen Colbert showed up in the district to interview Hall, and the pair performed an impromptu a cappella duet of "Dance With Me."

Hall won by 4,300 votes.

"I don't quote George Bush very often, but I think I will here," says Hall. "They misunderestimated me."

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In a way, Hall's new job has simply broadened the audience for his lectures, from the Orleans crowd to the C-SPAN crowd. Not that this will change his message. Asked if he will keep sticking it to the Man now that he is the Man, Hall responds with a quick story.

"I already met a couple lobbyists from Raytheon during orientation in Washington, and I just told them what I think is wrong with their missile system. Maybe they'll write checks to my next opponent. I don't care. I got into this race because my wife told me to stop yelling at the TV."

Washington Wire (WSJ)

The Wall Street Journal, November 28, 2006

November 28, 2006; Page A14

We'll soon find out if the loss of both houses of Congress was enough of a shock for Republicans to check into the Hazelton rehab center for spending addicts. GOP Doctors, er, Senators Jim DeMint (South Carolina) and Tom Coburn (Oklahoma) have been staging an intervention so their colleagues don't risk another overdose before they ride off into the minority.

The drama played out on the Senate floor recently as the pair blocked GOP Appropriators from passing spending bills for Fiscal Year 2007 unless they stripped out special-interest "earmarks." You could almost feel the withdrawal shakes coming on, as the Members contemplated a year without pork.

The agriculture bill, for example, includes a new $4.9 billion "emergency" handout for farmers, courtesy of North Dakota Democrat Kent Conrad. Millions more would have been directed to Alaskan salmon research, Montana sheep, New York geese and animal-waste management in Kentucky. The 10 remaining Senate spending bills (and nine in the House) are estimated to contain some 12,000 earmarks. If GOP leaders couldn't pass these bills individually, the scheme was to wrap them all into one giant "omnibus" bill whose innards no one would ever be able to inspect.

Enter the two rebel Senators, who rallied enough of their mates to block any omnibus bill containing earmarks. The result is that the GOP Senate may return next week for its final lame duck days and instead pass a "continuing resolution" that would fund the government at 2006 levels, kicking 2007 decisions over to the Democratic majority in January. By Mr. Coburn's estimate, taxpayers would save about $17 billion if Congress takes this approach.

That prospect has the usual spenders howling that the world will soon end if they don't get their fix. The Social Security Administration is warning that it would have to furlough "every employee"; we'll believe that when we see it. Meanwhile, a source from Housing and Urban Development claimed that "thousands" of poor people "would end up out on the street." Please.

It is true that once Democrats are in control next year they will be able to impose their own spending priorities. But Senators DeMint and Coburn have said the GOP spenders could still impose their policy preferences for 2007 in individual bills if they'd merely abandon their earmarks. Their refusal to do so suggests they care more about their own projects than they do about other policy matters.

All of the special-interest shouting is a familiar bit of bad Washington theater designed to scare Congress into spending more. But what do Republicans have to lose now that they've already lost their majority? On the other hand, what they could gain is some of the fiscal respect they abandoned in recent years. By leaving behind a lower spending "baseline," they'd also make it harder for Democrats to break the bank next year.

So rather than denounce Senators DeMint and Coburn, their GOP brethren should thank the pair for offering this tough love to help break their addiction. It's more love than the voters just showed them.

OTHER NEWS:

Stocks Fall As Investors Take Profits (LAT)

By Walter Hamilton

The Los Angeles Times, November 28, 2006

Stocks fell sharply on Monday, with a weakening U.S. dollar and tepid sales at retail giant Wal-Mart Stores giving investors the opening they were looking for to cash out some of the profits they've booked during the market's four-month surge.

The Dow Jones industrial average and the Standard & Poor's 500 index each sank more than 1% for the first time since July 13. The losses were spread across many sectors, including technology and financial services, that had been strong performers in recent months. Overseas markets also retreated.

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Investment pros said the decline was not surprising given Wall Street's strength this year, especially through its seasonally weak period in September and October. They attributed the sell-off largely to profit taking by big institutional investors that are sitting on sizable recent gains.

"This is more of an excuse to sell rather than a real reason to sell," said Marc Pado, U.S. market strategist at Cantor Fitzgerald. "This isn't the start of something big."

The Dow sank 158.46 points, or 1.3%, to 12121.71, its biggest decline since a 1.5% slide on July 13.

The S&P 500 was off 19.05 points, or 1.4%, to 1381.90. The tech-heavy Nasdaq composite index skidded 2.21%, tumbling 54.34 points to 2405.92.

Smaller stocks, which have rallied sharply in the last month, fell more than blue chips. The Russell 2,000 small-stock index was down 20.18 points, or 2.6%, to 772.10. It was the biggest loss since the index dropped 2.7% on July 20.

The declines seemed muted compared to the extended rally of recent months. Even after its decline on Monday, for example, the Nasdaq is up 19% since July 21 and 9.1% for the year.

The Dow is up 13.1% since Jan. 1, and the S&P 500 has gained 10.7%.

Stocks historically sag after Labor Day before recovering at Thanksgiving and rallying into Christmas.

But the post-Labor Day slump didn't happen this year. Stocks moved higher after the Federal Reserve paused in its string of interest-rate hikes as hopes grew that it could slow economic growth without triggering a recession.

Market pros say institutional investors knew a downdraft would eventually come, and were prepared to sell at the first whiff of bad news.

That opportunity came Friday, when the dollar fell to a 20-month low against the euro amid concerns about a weakening U.S. economy. Stocks declined in light trading Friday, but absorbed a bigger hit Monday when most traders returned from the holiday weekend.

Stocks "can actually go down as well as up," joked Phil Roth, a technical analyst at New York brokerage Miller Tabak & Co. "I'll be darned."

The dollar continued to lose ground Monday, with the euro trading at $1.313, from $1.309 Friday.

As stocks declined, some investors looked to the U.S. Treasury bond market as a safe haven. The yield on the 10-year Treasury note fell to a nine-month low of 4.53%, from 4.55% on Friday. Yields decline as bond prices rise.

Also adding to Wall Street's unease was the news out of Wal-Mart. The retail behemoth disclosed Saturday that sales at stores open at least one year fell 0.1% this month, its first such drop in a decade.

On Monday, shares of Wal-Mart fell $1.29, or 2.7%, to $46.61.

Wal-Mart's sales slump overshadowed more upbeat reports from the long Thanksgiving weekend, the first big weekend for holiday sales. The National Retail Federation said Sunday that spending this past weekend was up 18.9% over last year, boosted in part by sales of big-ticket items such as high-definition televisions.

But Wal-Mart is considered a retailing bellwether, and other merchants also posted declines Monday.

Federated Department Stores, which owns big chain stores including Macy's and Bloomingdale's, subtracted $1.27, to $41.84. Electronics retailer Best Buy dropped 71 cents, to $54.37. Discounter Target dipped 64 cents, to $57.07, while Big Lots fell 76 cents, to $22.42.

In other markets highlights:

Technology and financial issues, which have been among the market leaders this year, took some of the hardest falls Monday. Among tech firms, Google lost $20.25 to $484.75 and Cisco Systems fell $1.04, to $25.80.

Among banking concerns, Wall Street powerhouse Goldman Sachs slid $8.49, to $193.11, while rival Merrill Lynch sank $3.38, to $89.21.

Airline stocks descended as crude oil prices rose to $60.32 a barrel, from $59.24 Friday. UAL, the parent of United Airlines, sank $2.81, to $41.63. AMR, which owns American Airlines, declined $1.90, to $32.20. Among the discounters, Jet Blue dropped 92 cents, to $13.79 and Southwest fell 44 cents, to $15.81.

An AG Edwards & Sons analyst lowered his recommendation from "buy" to "hold" on several major hotel chains, sending their shares lower. Hilton Hotels $1.70 to $32.10, Marriott International gave up $1.54 to $44.91 and Starwood Hotels & Resorts Worldwide subtracted $1.92, to $63.46.

Stocks Fall Sharply On Concerns About Slowdown (NYT)

By Jeremy W. Peters

The New York Times, November 28, 2006

Stocks suffered their biggest drop in four months today, as concerns about a weak holiday shopping season fed into broader anxiety about the slowing economy.

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It was a day with little for investors to cheer, with the dollar continuing its slide against the euro and the price of a barrel of oil rising.

The decline on Wall Street spoiled what had been a steady run-up in stock prices in recent weeks. In the past month and a half, the Dow Jones industrial average broke through 12,000 for the first time, while the Standard & Poor's 500-stock index rose to its highest point in six years.

But some of that investor enthusiasm faded, pushing the three leading stock market indexes into retreat today. The S.&P. 500 lost 19.05 points, or 1.4 percent, to 1,381.90, its first close below 1,400 since Nov. 16. The Dow shed 158.46 points, or 1.3 percent, to 12,121.71. The technology-heavy Nasdaq composite index fell 54.34 points, or 2.2 percent, to 2,405.92.

Some of the steepest losses came in the shares of retailers like Wal-Mart, whose troubles reverberated throughout the stock market. The world's largest retailer reported Saturday that its sales in November fell for the first time in 10 years. Despite signs that retailers on average fared well during the first weekend of the holiday shopping crunch, the poor results from Wal-Mart raised questions about how much consumers will spend this season.

"The question has always been whether the consumer would be able to hang in," said Stuart Schweitzer, a global markets strategist with J.P. Morgan Asset and Wealth Management. "If Wal-Mart's news is indicative of the potential for broader disappointment, that is worrisome."

With the economy slowing down — the nation's gross domestic product expanded at an annual rate of 5.6 percent in the first quarter but only 1.6 percent in the third — strong consumer spending is needed to keep growth from becoming too sluggish. But as the fall in the stock market suggests, there is still considerable uncertainty about how much of a slowdown could be.

That uncertainty has put strain on the value of the dollar in recent days. On Friday, the dollar's weakness pushed the euro above $1.30 for the first time in a year and a half. The dollar's decline deepened today on concerns that the United States economy would falter while economies in Europe grow stronger. The euro rose to $1.3133 late this afternoon.

The decline in the value of the dollar on Friday came on a light and shortened holiday trading day for Wall Street. Analysts said the losses in the stock market were in part an acceleration of the sell-off that began on Friday after the dollar tumbled.

But other factors contributed to the drop, analysts said, including an apparent desire by investors to cash out. After the stock market's recent rise, some sort of correction was inevitable, they said.

"You've been up 131 days without a 1 percent correction; that's just unnatural for equity markets," said Henry McVey, chief United States investment strategist for Morgan Stanley.

Wal-Mart's Forecast, Weakening Dollar Send Stock Indexes Tumbling (WP)

By Bill Brubaker

The Washington Post, November 28, 2006

U.S. stock markets dropped sharply yesterday, spurred by higher oil prices, a weakening dollar and an unexpectedly glum sales forecast from Wal-Mart.

The Dow Jones industrial average closed down 158.46 points, to 12,121.71 -- a 1.3 percent loss. Twenty-seven of the 30 Dow stocks traded lower.

The Standard & Poor's 500-stock index dropped 19.05 points, to 1381.90, a drop of 1.4 percent. The Nasdaq composite index tumbled 54.34 points, to 2405.92, a 2.2 percent loss.

Investors weren't encouraged by the dollar's performance against the euro, which reached $1.3128 late yesterday in New York. Earlier, the euro traded at $1.3172, a 20-month high against the dollar. The dollar has been falling in recent days on concern about potential economic weakness in the United States and about the country's huge trade deficit and other global imbalances.

The stock pullback came on what retailers called Cyber Monday, a day they hoped would bring in colossal sales on their Internet sites.

Wal-Mart had already been trying to boost sales by cutting prices on items such as the Amazing Amanda Doll (to $69 from $99.97) and a Panasonic 61-inch TV (to $2,297 from $2,597). The retailer's Web site also offered 97-cent shipping on some products.

But Wal-Mart disappointed investors over the weekend when it announced that it expected sales at stores open at least a year to decline 0.1 percent this month. That would represent the retailer's first monthly drop in same-store sales since 1996.

Yesterday's stock sell-off also was driven by a 1.8 percent jump in crude-oil futures, fueled by reports that Saudi Arabia's oil minister may support a cutback in production at the next meeting of the Organization of Petroleum Exporting Countries.

Light sweet crude for January delivery gained $1.08 to settle at $60.32 a barrel.Movers

Wal-Mart fell $1.29, to $46.61.

Lowe's rose 40 cents, to $1.33.

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J. Crew fell $3.07, to $40.21.
Ford fell 36 cents, to $8.16.

Dow Drop A 'much-needed Correction'? (USAT)

By Adam Shell
USA Today, November 28, 2006

NEW YORK — The Dow, which has been hitting new highs almost daily, suffered its worst point drop in more than four months Monday as investors fretted over the falling value of the U.S. dollar and a weak sales report from the nation's largest retailer.

However, some Wall Street strategists said the 158.46-point drop to 12,121.71 suffered by the Dow Jones industrial average was long overdue given the Dow's uninterrupted run-up in recent weeks.

"It was simply a much-needed correction," says Rod Smyth, investment strategist at Wachovia Securities. "I genuinely believe this (selling) has been building."

Still, the broad market sell-off, which resulted in sizable losses for virtually every type of stock — blue chips, technology names and both large- and small-capitalization stocks — grabbed the attention of a complacent Wall Street caught up in Dow fever.

"It doesn't feel good no matter how high the market is when it starts falling," says Stuart Schweitzer, global strategist at JPMorgan Asset & Wealth Management.

While it's difficult to glean too much from one day of trading, a number of theories emerged to try to explain the selling:

·Preserving gains. It's been a big year on Wall Street, and investors sitting on sizable gains with the Dow up 13.1% for the year might have decided to pocket those gains by selling, says Hugh Johnson, chief investment officer at Johnson Illington Advisors.

·Avoiding fallout of the slumping dollar. The greenback fell to a 20-month low vs. the euro Monday, exacerbating fears that foreigners would lighten up on their considerable holdings of U.S. stocks and bonds, Johnson says.

A weaker dollar hurts foreign investors holding U.S. securities, because the gains on those dollar-denominated assets shrink when they are converted into such local currencies as the euro. But some debunked the notion that foreigners were selling U.S. assets Monday because the price on the 10-year Treasury bond held steady, a sign that heavy selling from abroad was absent, Schweitzer notes.

·Avoiding Wal-Mart-like weakness. After Wal-Mart Stores said sales at its stores open at least a year dipped for the first time in more than a decade in November, investors were left wondering whether the problem was specific to Wal-Mart or whether it was signaling that the economy is softer than economists believe it is.

Smyth says Wal-Mart didn't have a huge negative impact on trading: "I didn't get the impression investors were worried about Christmas sales." That sentiment was backed by ShopperTrak RTC, which reported that Black Friday sales were up 6% vs. a year ago. In another sign of strength, the S&P retail index fell just 1.2% Monday, less than the broader market.

Stocks Tumble On Retail Fears; Dow Drops 1.3% (WSJ)

By Peter A. Mckay And Michael Hudson
The Wall Street Journal, November 28, 2006

The Dow Jones Industrial Average suffered its biggest drop since mid-July as stocks tumbled, hurt by signals of faltering retail sales, another drop in the dollar and higher oil prices.

Some Wall Street pros also said the stock market was due for a pullback, following more than a month of fresh records and last week's holiday-shortened trading.

The blue-chip Dow slid 158.46 points, or 1.3%, to 12121.71, up 13% on the year. One of the weakest components was Wal-Mart Stores, which dropped 2.7% after the retailing giant reported a November decline in same-store sales, its first monthly drop since 1996. That sparked broader concerns about a weak holiday shopping season throughout the retail industry to end the year.

Four other Dow components fell at least 1.7%, and only three finished in the black, eking out small gains. One gainer was Exxon Mobil, which edged up 0.1%, after crude oil rallied on concerns about supply from the Middle East.

Oil futures for January delivery rose $1.08, or 1.8%, to $60.32 a barrel, though oil is still off 1.2% on the year at the New York Mercantile Exchange. Except for energy producers like Exxon Mobil, such moves hurt shares of most companies because higher energy costs hurt consumers' ability to spend on other goods and services through the economy.

Rising interest rates overseas have hurt the dollar recently, a trend that continued in stark fashion yesterday. The euro rose to $1.3126, a 20-month high against the greenback, compared with $1.3097.

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The tech-stock-heavy Nasdaq Composite Index fared even worse than the Dow in percentage terms, off 2.2%, or 54.34 points, to 2405.92, up 9.1% on the year. The broad Standard & Poor's 500-stock index fell 1.4%, or 19.05 points, to 1381.90, up 11% on the year.

Jim Bianco, president of Bianco Research in Chicago, still figures the market is generally headed higher through the end of the year. But he said stocks were probably due for a short-term drop, considering that the S&P 500 hasn't had a decline of 2% from a high since mid-July.

That streak is still intact, since the broad index now stands 1.7% off its recent high set last Wednesday. "This is the longest period without a 2% correction in 20 years," said Mr. Bianco. "It just shows you how strong the market has been that we have to think in these terms now."

The price of the benchmark 10-year Treasury note inched up 5/32, or $1.5625 for each $1,000 invested, driving its yield down to 4.534%, its lowest level since early February.

In major U.S. market action:

Stocks fell1; bonds rose. The 30-year bond rose 10/32 to yield 4.614%.

The dollar was mixed.2 While falling on the euro, the U.S. currency rose to 116.08 yen.

Shoppers Shake Off Housing Slowdown (USAT)

By Barbara Hagenbaugh

USA Today, November 28, 2006

WASHINGTON — A sharp slowdown in the housing market isn't darkening consumers' moods as feared, suggesting they will continue to be a source of strength in the economy through this year and possibly into 2007.

Results from the first few days of the key holiday shopping season point to increases in retail sales from a year ago, despite a mediocre performance at Wal-Mart, the nation's largest retailer.

With consumer spending accounting for more than two-thirds of U.S. economic activity, spending gains are good news for the broad economy as it faces a number of headwinds, including the housing slowdown and turmoil in the automobile industry.

“A lot of the worries out there about consumers … are all much exaggerated,” National City chief economist Richard DeKaser says.

The holiday shopping season accounts for about one-fifth of all retail sales for the year and for some retailers, such as those that sell toys, it can account for 40% of annual sales, according to the National Retail Federation.

One fear going into the season was that the slowdown in the housing market would weigh on consumers.

With homes taking longer to sell and prices dropping across much of the USA, Americans might be feeling less wealthy and less in a mood to spend.

But more than 140 million people shopped over the Thanksgiving holiday weekend, spending an average $360.15, up 18.9% from a year ago, according to the NRF.

DeKaser and other economists, including those at Bear Stearns, Global Insight and First Trust Advisors, say the so-called wealth effect of the housing market is far overshadowed by strength in the job market and rising incomes.

“The big picture is, ‘How healthy are consumers?' And I continue to believe we are pretty well off,” says Timothy Rogers, chief economist at consulting firm Briefing.com.

“The underlying conditions (that determine spending) are employment and income growth,” he says. “Those two things are really quite positive right now.”

The unemployment rate was 4.4% in October, the lowest in 5½ years, according to government statistics.

Employers are raising wages and increasing workers' hours. In October, average weekly earnings after adjusting for inflation rose 1.7%, the second-consecutive monthly gain and the biggest increase in more than a decade.

“The labor market is throwing off some fairly significant wage gains to the consumers,” Bear Stearns senior economist Conrad DeQuadros says. “In the face of a housing market slowdown, the consumer has held up quite well.”

Lower gasoline prices are also working in consumers' favor. The national average price at the pump for regular gasoline was $2.246 Monday, down 79 cents from this year's peak of $3.038 in August, according to the Energy Department.

Massachusetts To Sue Big Dig Firms, Alleging Negligence In Deadly Collapse (WSJ/AP)

The Wall Street Journal, November 28, 2006

BOSTON -- Massachusetts is preparing a multimillion-dollar lawsuit against the companies that worked on the Big Dig highway tunnel project, alleging their negligence led to the ceiling collapse that killed a woman, a spokesman said Monday.

Attorney General Tom Reilly is seeking unspecified damages for repairs, loss of tunnel use and toll revenue and other economic factors, spokesman David Guarino confirmed Monday. The lawsuit was to be filed Monday or Tuesday, he said.

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"This lawsuit is more than just about money, although we will be seeking monetary damages," Mr. Reilly told a local radio station earlier Monday. "What this case is has always been about is the tragic death of Milena Del Valle. That could have been any one of us."

The lawsuit, to be filed in Suffolk Superior Court, alleges project manager Bechtel/Parsons Brinckerhoff and Modern Continental Construction Co. were "grossly negligent" in constructing the ceiling that collapsed. The suit also names Gannett Fleming, the firm that designed the I-90 connector tunnel; as well as companies that supplied the epoxy or ceiling bolts used to hold up ceiling panels.

Four of the concrete panels, each weighing about three tons, fell on a car in which Del Valle, a 38-year-old from Boston, was a passenger July 10. Gannett Fleming also is being sued for breach of contract, Mr. Guarino said.

Representatives of Bechtel/Parsons Brinckerhoff and Cambridge, Mass.-based Modern Continental didn't immediately return calls seeking comment Monday. Both organizations have previously said they stand behind their work. Representatives of Gannett Fleming also didn't immediately respond to a call seeking comment.

Ms. Del Valle's family filed a wrongful death lawsuit in August against many of the same companies as well as the Massachusetts Turnpike Authority, the agency that oversees the $14.6 billion highway project, the most expensive in U.S. history.

The Big Dig replaced the old elevated Central Artery that ran through the heart of Boston with a series of tunnels, ramps and bridges. The project has been plagued by leaks, falling debris, delays and other problems linked to faulty construction.

States Give Failing Grade To Graduation Rates (CSM)

By Ben Arnoldy

The Christian Science Monitor, November 28, 2006

BOSTON

For decades, college gates have opened wider and wider to the American public, with more whites and minorities attending than ever before. But that expansion is under strain in the face of rising costs and faster growth of minority populations long left behind in the march to graduation.

A new report released Monday from the National Conference of State Legislatures sounds the alarm: For every 100 ninth graders, only 18 will enter college and finish within six years.

"These results simply are not good enough," concludes the report, which was compiled by a bipartisan commission over 18 months.

To help more students earn diplomas, higher education and the states that oversee much of the system need to tackle spiraling tuition, poor college preparation, and the lack of help to keep students moving toward a degree, say experts.

"Colleges have to take seriously the responsibility for graduating the kids they admit," says Thomas Mortenson, an analyst with the Pell Institute for the Study of Opportunity in Higher Education. "And if they don't, maybe they ought to pick up the student loan burden of the people who don't finish."

The report lays much of the blame at the ballooning price of a bachelor's degree, which is more than double the rate of inflation. For example, over the past five years, average tuition has climbed 35 percent, adjusted for inflation, at four-year public colleges, according to the College Board in New York. Inflation rose 13.8 percent over the same period.

Two-thirds of college students must borrow money to pay for their education. Loan debt by student borrowers at public colleges jumped from $8,000 10 years ago to $17,250, according to inflation-adjusted figures from the American Association of State Colleges and Universities.

States such as Indiana, Georgia, and Oklahoma are taking steps to aid college students and their families. And reducing the student-loan rate is an "early action" item on the agenda for the Democratic-controlled Congress.

And there are some positive trends. Graduation rates for those who start college are finally inching up after years of setbacks, says Mr. Mortenson. And the share of Americans with postsecondary degrees is higher across all major ethnic categories.

But it's taking students a longer time on average to complete degrees, and the process is saddling them with more and more debt. "The state is short-changed on its return on investment in these students," says the NCSL report.

States have significant control over higher education - and a real economic interest in its success. Wisconsin spends roughly $1 billion on its university system, which generates $10 billion annually to the state's economy, according to a University of Wisconsin report.

Across the country, higher education boosts tax revenues, cuts dependence on welfare, and boosts community service among other social benefits, according to the Institute for Higher Education Policy in Washington.

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Despite the payoffs, states have cut back their commitment to higher education, according to the NCSL, shifting more of the burden to those paying tuition.

And the federal government Pell Grant program "has fallen apart," says Mortenson. If grants had kept up with the rises in tuition, the average Pell Grant would be around $10,000, rather than $4,000, he says. Instead, much of the new assistance for students comes in the form of loans.

The financial burdens appear to be making it more difficult for low-income students to complete a degree. Of students starting at a four-year college in 1996, only 50 percent of those from households making $25,000 or less ended up with a bachelor's degree by 2001, compared with 74 percent of students from households making $70,000 or more.

Working while in school also depresses graduation rates. In those same years, 65 percent of those who did not work graduated, while only 31 percent who worked full time did so.

There are also wide disparities in college attendance and completion rates between ethnic and racial groups, with Hispanics and blacks lagging behind whites and Asians.

The costs of higher education, as well as poor preparation for college, are holding back many minority students, experts say.

To tackle the problems faced by disadvantaged students, several states are tying financial incentives to long-term commitments from students long before they enter college.

Indiana is striking a bargain with its poor and lower-middle-class eighth graders: Maintain at least a 2.0 grade point average through high school, stay out of drugs and alcohol, and take the right set of classes, and we'll pay your in-state college tuition.

Last year, some 15,000 eighth graders enrolled in the 21st Century Scholar Program, and 125,000 have enrolled since the program started in the mid-1990s.

"It's increased a lot of the high-school graduation rates. It's certainly increased the number of low-income students going to college," says Nick Vesper, director of policy and research at Indiana's State Student Assistance Commission in Indianapolis.

Studies are only being done now, however, to determine if the program is boosting college degree completion rates.

Mr. Vesper describes the initiative as an "early intervention program" since it works with kids years before they enter the college-application process to get them the tutoring, mentoring, and course work needed to be successful in college.

Oklahoma offers a similar program. Texas has a variation on the theme: Finish college within five years and maintain a 3.0 grade point average and all tuition loans will be forgiven.

The granddaddy of all state-scholarship programs is in Georgia, which launched its HOPE scholarship program in 1993 and has given more than $3 billion in funds to some 900,000 students.

State legislatures also have control over the spending of public colleges and universities, meaning they could in theory drive down tuition increases by curbing spending. But higher education - both public and private - is under tremendous pressure to provide more amenities to students.

"It's a very careful balance and tightrope that we walk in trying to make sure that we appeal to our market's almost insatiable interest in buildings and resources and technology and accoutrements, and then their absolute need and cry for controlled cost," says Mary Grondahl, head of admissions at the College of Saint Rose in Albany, New York.

Panel: States Should Set Education Goals (USAT)

USA Today, November 28, 2006

A higher-education panel created by the National Conference of State Legislatures agrees with most of the points raised by a national commission created by Education Secretary Margaret Spellings. But there's one major exception: It says states, not the federal government, must be at the center of a nationwide higher-education reform movement. Higher education “can get short shrift in tough budget times because it has the built-in funding source of tuition,” says the report, released Monday. But, it says, states spend $70 billion a year on higher education and provide more funding and regulation of colleges and universities than any other level of government. The government's involvement centers on funding academic research and financial aid for low-income students, the report says. “Each state's systems, traditions, strengths and weaknesses are unique. States need the flexibility to set their own goals,” says commission co-chair Denise Merrill, a state representative in Connecticut.

Demand for exotic pets may pose threat

A booming demand in the USA for exotic animals, captured in the wild and brought into the country with little or no screening for disease, leaves Americans vulnerable to a virulent outbreak that could rival a terrorist act, suggests a report. More than 650 million critters — from kangaroos and kinkajous to iguanas — were imported legally into the USA in the past three years, according to U.S. Fish and Wildlife Service documents obtained by the Associated Press. Countless more pets — along with animal parts and meats — are smuggled across the borders as part of a $10-billion-a-year black market that's second only to illegal drugs. While exotic pets can be cute and fashionable, The Journal of Internal Medicine estimates that 50 million people

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worldwide since 2000 have been infected with zoonotic diseases — animal-borne diseases that jump to humans — and as many as 78,000 have died.

Whales have brain cells similar to humans

Humpback whales have a type of brain cell seen only in humans, the great apes, and other cetaceans such as dolphins, according to a new finding by scientists. This might mean such whales are more intelligent than they have been given credit for, and it suggests that the basis for complex brains either evolved more than once or has gone unused by most species of animals, researchers reported Monday in the science journal The Anatomical Record. The brain cell (called a spindle neuron) was located in the cortex in areas comparable to where it is seen in humans and great apes. The finding may help explain some of the behaviors seen in whales, such as intricate communication skills, say researchers.

Parents fingerprinting kids, taking DNA

Many parents across the country are swabbing the inside of their children's mouths to get a DNA sample just in case the youngster is ever kidnapped, runs away or has an accident. News reports about child abductions and TV shows such as CSI: Crime Scene Investigation are helping drive the interest in keeping records that could be used to identify remains, hair or blood. "It's the CSI mentality: that DNA is going to be the answer to any problem that comes up," says Jerry Nance of the National Center for Missing and Exploited Children. He notes that missing children who are murdered or never heard from again make up only about 2% of the 850,000 children who are reported missing every year.

American Red Cross fined for violations

The Food and Drug Administration has fined the American Red Cross a record $5.7 million for violating blood-safety laws and the terms of a 2003 consent decree. The fine covers quality assurance, inventory management, control of non-conforming blood products, donor screening and blood component manufacturing issues that turned up during a 2005 inspection of a Red Cross facility in West Henrietta, N.Y. Red Cross spokesman Ryland Dodge said the organization is reviewing the FDA letter that announced the fine.

3 GOP-Led House Races Remain In Dispute (WP/AP)

The Washington Post, November 28, 2006

COLUMBUS, Ohio, Nov. 28 -- Rep. Deborah Pryce (R-Ohio) won reelection Monday by a margin so slim that a recount will be required.

Unofficial results announced by Franklin County, the last to finish counting absentee and provisional ballots in central Ohio's 15th District, showed Pryce led Democratic challenger Mary Jo Kilroy by 1,055 votes, or 0.4 percent of the vote.

An automatic recount is triggered if the difference between the two candidates is less than 0.5 percent.

The race was one of a handful that had remained unresolved across the country since Election Day.

Pryce lost Franklin County, the district's most populous, but she retained her overall lead, thanks to votes she picked up in two other counties.

In North Carolina, election officials said a manual recount of randomly chosen precincts will take place Wednesday and Thursday in the 8th District race between Rep. Robin Hayes (R) and Democrat Larry Kissell. Hayes leads by 329 votes.

And Florida officials will start an audit Tuesday of electronic voting machines in the 13th District House race between Democrat Christine Jennings and Republican Vern Buchanan. The state certified Buchanan the winner by 369 votes, but Jennings contested, arguing that touch-screen voting machines had malfunctioned.

The Campaign Is Still On (NYT)

By Kate Zernike

The New York Times, November 28, 2006

Forget recounts; in Texas, there is an actual campaign. Representative Henry Bonilla, a Republican, faces a runoff on Dec. 12 after failing to gain a majority of votes on Election Day. (Texas is one of a few states that require runoffs when no candidate breaks 50 percent.)

Mr. Bonilla, left, won 48.6 percent of the vote. His opponent, Ciro Rodriguez, led a field of six Democrats with 19.9 percent.

The race is a hangover from the redistricting battle: when the State Legislature redrew the map in 2003, Mr. Rodriguez lost his seat in another district, and Mr. Bonilla was made safer in his. But the map was redrawn this summer after the Supreme Court threw out the Texas plan, restoring some balance between the parties. KATE ZERNIKE

Poll: Giuliani, McCain, Obama Rank High (WP/AP)

By John Christoffersen

The Washington Post, November 28, 2006

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NEW HAVEN, Conn. -- Americans have the warmest feelings about former New York City Mayor Rudy Giuliani, Republican Sen. John McCain and Democratic Sen. Barack Obama, according to a poll released Monday that scores the popularity of national leaders.

The Quinnipiac University's "thermometer reading," taken the week after the Nov. 7 election, asked voters to rate their feelings for 20 leaders on a scale of 0 to 100.

Giuliani, a Republican weighing a presidential bid in 2008, scored the highest at 64.2. Obama and McCain, who are also considering a 2008 campaign, finished next at 58.8 and 57.7.

President Bush was 15th out of 20 while his secretary of State, Condoleezza Rice, was fourth and former President Clinton fifth.

New York Sen. Hillary Rodham Clinton scored ninth of the 20 leaders with a score of 49. Massachusetts Sen. John Kerry, the 2004 Democratic nominee who was roundly criticized before the election for suggesting that students who don't study could end up stuck in Iraq, came in last at 39.6.

Kerry later apologized for what he said was a botched joke.

Democratic Rep. Nancy Pelosi, in line to become the next House Speaker, improved her standing, moving from last to 12th in a few weeks. The next Senate Majority leader, Democrat Harry Reid, was 19th.

"As we enter the presidential campaign of 2008, Giuliani and McCain are in enviable positions," said Peter Brown, assistant poll director. "They are well-regarded and most Americans are quite familiar with them. Obama's showing is impressive, but four in 10 Americans still don't know enough about him to have an opinion."

The telephone poll was conducted from Nov. 13-19. Quinnipiac surveyed 1,623 registered voters nationwide and the poll has a sampling error margin of plus or minus 2.4 percentage points.

Giuliani Tops Most Popular U.S. Politician Polling (WT)

By Eric Pfeiffer

The Washington Times, November 28, 2006

Rudolph W. Giuliani is the most popular politician in America, according to a new survey. The former New York City mayor, a likely candidate for the 2008 Republican presidential nomination, tops a list of 20 leaders whose popularity with registered voters was measured in a new survey by Quinnipiac University.

The survey asked respondents to rate their feelings about the 20 leaders on a "thermometer reading" scale of 0 to 100. Mr. Giuliani finished with a 64.2 rating. Trailing closely were Sens. Barack Obama, Illinois Democrat, and John McCain, Arizona Republican, who tallied 58.8 and 57.7. Secretary of State Condoleezza Rice was the top-ranking woman in the survey, finishing just behind Mr. McCain with a 56.1 rating.

"As we enter the presidential campaign of 2008, Giuliani and McCain are in enviable positions," said Quinnipiac assistant poll director Peter A. Brown. "They are well-regarded, and most Americans are quite familiar with them. Obama's showing is impressive, but 4 in 10 Americans still don't know enough about him to have an opinion."

Despite concerns that his liberal views on social issues will hurt him with Republican primary voters, Mr. Giuliani continues to lead the field in nearly every publicly released presidential poll.

President Bush did not fare nearly as well, coming in at number 15 with a 43.8 rating. Former President Bill Clinton topped Mr. Bush with a 55.8 rating and a fifth-place finish. However, Mr. Bush did top 2004 rival Sen. John Kerry, Massachusetts Democrat, who finished 20th in the survey, with a 39.6 rating.

Sen. Hillary Rodham Clinton, New York Democrat, finished ninth in the survey with a 49-point ranking. Mrs. Clinton is now considered the front-runner for her party's 2008 presidential nomination. Incoming House Speaker Nancy Pelosi finished in 12th place, with a 46.9 rating. That marks a substantial increase for Mrs. Pelosi, who did not make the top 20 in the last Quinnipiac survey.

"In September, most Americans did not know enough about U.S. Rep. Nancy Pelosi, and those who did didn't like what they knew," Mr. Brown said. "Now, perhaps because everyone likes a winner, she has increased her standing with the American people."

Miss Rice's high rating in the survey was particularly impressive considering she is the only individual placing in the top 10 who has not previously sought elected office. Excluding Miss Rice, seven of the top 10 are considered likely presidential candidates in 2008.

"I was very excited to see how well she did," said Richard Holt, a founding member of the National Black Republican Association. "She'd make an excellent candidate."

Survey respondents also named Miss Rice as the most powerful woman in America, topping Mrs. Clinton 45 percent to 29 percent. Twenty-three percent selected Mrs. Pelosi.

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However, Mrs. Clinton topped Miss Rice in the same survey when respondents were asked which female leader they think is best qualified to serve as president.

Fifty-six percent said Mrs. Clinton is most qualified to serve as president. Miss Rice finished a close second with 50 percent. Meanwhile, 47 percent said they do not think Mrs. Pelosi is qualified for the White House.

Can The GOP Find Its Center? (WP)

By E. J. Dionne Jr.

The Washington Post, November 28, 2006

"The center does not try to read anybody out of the party," the experienced Republican politician declared. "But the farther you go in either direction, the greater the inclination to read others out." He deplored party purges as "political cannibalism" and insisted: "The center must lead."

That was Richard M. Nixon, about a week after Barry Goldwater's landslide defeat at the hands of Lyndon B. Johnson in 1964.

Nixon was to succeed in reconstituting a Republican center that propelled him to the presidency four years later. But that center could not hold. As J. William Middendorf II recounts in "A Glorious Disaster," his book on the Goldwater campaign with the pitch-perfect title, the movement led by the conservative Arizona senator, not Nixon, shaped the Republican future.

This fall's election defeat was inglorious for Republicans because it ratified Nixon's original worries about the cost of chasing away the GOP's moderates and revealed that the Barry Goldwater-Ronald Reagan political settlement has expired.

You wouldn't know that listening to Republican congressional leaders who still think all will be well if the party just hugs the old conservative faith a little harder.

Thus did House Republican leader John Boehner of Ohio promise "to fight for a smaller, less costly and more accountable federal government." Thus did the great conservative hope, Rep. Mike Pence of Indiana, promise to steer the Republican Party "back to the principles of limited government, fiscal discipline and traditional moral values."

But such boilerplate will not solve the new problems Republicans confront.

The first is obvious: The party's credibility on national security has been shattered by the failure of the Bush administration's policies in Iraq. Many Republicans know this, which is why President Bush's biggest problem in his last two years will be not the Democratic opposition to the war but the growing ranks of Republican political pragmatists who want to separate themselves from Bush's Middle East venture.

The second is less obvious but no less important: Pro-market libertarians and pro-family social conservatives are more aware than ever that their respective values and interests do not coincide.

In an article in the latest issue of the conservative Weekly Standard, Yuval Levin, a fellow at the Ethics and Public Policy Center, explains the tension between the market and the family as clearly as anyone has:

"The market values risk-taking and creative destruction that can be very bad for family life, and rewards the lowest common cultural denominator in ways that can undermine traditional morality. Traditional values, on the other hand, discourage the spirit of competition and self-interested ambition essential for free markets to work, and their adherents sometimes seek to enforce codes of conduct that constrain individual freedom. The libertarian and the traditionalist are not natural allies."

Levin acknowledges that the policy fixes he proposes (including health-care portability, long-term care insurance and school choice) are "barely a start" to what needs to be done for those in what he calls "the parenting class." Still, he identifies a central conservative problem.

The difficulty, of course, is that a conservatism that cares only about "limited government," "fiscal discipline" and preaching about "traditional moral values" will shy away from Levin's practical, problem-solving approach by government that might involve -- horrors! -- new or different kinds of spending.

That's one reason the decline of the moderate Republicans hurts the party: The moderates were always looking for innovative ways to use government for practical ends. And as an electoral matter, the 2006 vote proved that if Republicans lose too many of their moderate members in areas such as New England, the mid-Atlantic states and the Midwest, they no longer have a majority. Sarah Chamberlain Resnick, executive director of the Republican Main Street Partnership, said moderates had, to no avail, warned their leadership of "the consequences of pushing a legislative agenda kowtowing to the far right in our party."

The flight from a solution-oriented politics designed to deal with the pressures on working- and middle-class families had the final effect of driving many of the onetime Reagan Democrats, the "security moms" and disaffected men over to the Democrats, who enjoyed strong gains in the large swath of households in the $30,000 to $100,000 annual income range.

The GOP desperately needs to disenthrall itself from old thinking. Some inventive Republican presidential candidate might study the policy playbook of a politician who liked to condemn "the brain-dead politics of both parties." His name was Bill Clinton.

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Crash The Parties (USAT)

By Don Campbell

USA Today, November 28, 2006

I was young and naive — maybe even delusional — when I began covering Congress and national politics in 1972. But I quickly formed several impressions about the men (and the few women) who wielded power on Capitol Hill and in the two major political parties.

Most of them seemed to be decent people who treated political opponents with respect, or at least basic civility. They were motivated by the pursuit of power, to be sure, but did not use that pursuit to justify character assassination of the opposition as the first line of offense. When the times demanded it, they seemed willing to put the nation's interest ahead of their own political interest — not that the two were always at odds. I even liked some of them.

After I left Washington 20 years later, in 1992, my perspective changed 180 degrees. It was as if those who work in Washington and those who live outside it occupy separate universes.

Columnist Finley Peter Dunne's bartender, Mr. Dooley, famously said that "politics ain't beanbag," and I agree. I have a strong stomach, but the partisanship and political slander that in the past decade have come to characterize virtually every utterance have driven me to become nauseated almost every time a Washington politician appears on my TV screen.

I had given up hope and interest in politics until I recently had conversations with two old political hands whose judgment I still respect.

Hamilton Jordan, who masterminded Democrat Jimmy Carter's underdog campaign for the White House in 1976, and Douglas Bailey, the veteran Republican consultant and co-founder of the daily online news briefing The Hotline, have teamed up to lead a grassroots movement that promises an alternative to the partisanship that has polarized Washington. The objective of their movement, called Unity08 (www.unity08.com), is to use Internet balloting to forge an independent national ticket for 2008 in which the presidential nominee is from one major party and his or her running mate is from the other major party. Anyone can form a ticket and run, and the organizers hope eventually to attract some recognizable names.

Though such a proposition might sound fanciful, the founders of Unity08 are absolutely serious. To be sure, the technological and logistical hurdles are imposing, but the organizers are methodically moving ahead.

The Internet will be key to Unity08's success. Organizers will use it to raise money and to identify questions to ask candidates on such issues as education, global terrorism, health care, energy independence and corruption in Washington. Unity08 will play down what its organizers call "important but not crucial" issues such as abortion, same-sex marriage and gun control.

The operating premise is that both major parties have been hijacked by extremists on the left and right, leaving a wide swath of voters in the middle without choice or voice. No one should be fooled by the make-nice talk that followed the recent congressional elections. It won't last. But Bailey calls it a "breath of fresh air" that moderates showed some signs of reasserting themselves on Nov. 7.

Bailey recalls that until the 1990s, the major parties traditionally fought over swing voters and split-ticket voters, but he says that both have essentially abandoned that practice. The polarization that comes from catering to the political extremes, Bailey notes, has been exacerbated by cable television news and talk shows that highlight partisan and combative views.

The trend is further fueled, Bailey says, by the entrenchment of partisan incumbents in Congress who owe their political success to state legislators who draw them safe congressional districts and to the Washington lobbyists who line their pockets with campaign cash. Incumbents who, I would add, have reasonably concluded that if they spread enough political pork and constituent service around, the voters will ignore the partisanship that has left them gridlocked on policy issues that matter.

The challenges that Bailey, Jordan and crew face are sizable, starting with the likelihood that political hackers, crazies in the blogosphere and those invested in the status quo — think Washington lobbyists — will try to sabotage the online operation. They will also have to build organizations in all 50 states to get on the general election ballot, after Unity08 nominees are chosen in online voting sometime next year. They are not assuming, as the Howard Dean campaign in 2004 apparently did, that online support automatically translates into turnout on Election Day. They also must create and implement a set of rules that will pass muster with the Federal Election Commission.

But there are just as many reasons to think that they could be a big player in two years: The power of the Internet to organize and communicate, hinted at in 2004, is enormous. By operating mostly on the Internet, Unity08 will have maximum flexibility in deciding when it wants to do things, unlike the political parties, which are bound by rigid schedules and the need to rent convention halls. Jordan sees this as a key advantage.

Moreover, presidential candidate Ross Perot proved in 1992 that you don't have to be aligned with either party to be a major force. He ran one of the wackiest campaigns in modern history and drew nearly 20 million votes.

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Ultimately, Jordan says, Unity08 will be a success if it provides a "jolt of reality" to the two major political parties. Now it's up to the American people to provide the electricity.

Don Campbell, a lecturer in journalism at Emory University in Atlanta, is a member of USA TODAY's board of contributors.

Doing The Primary Shuffle (NYT)

By David D. Kirkpatrick

The New York Times, November 28, 2006

Move over, Iowa. Make way, New Hampshire.

Four days after the midterm elections, Senator John Kerry of Massachusetts, a former Democratic presidential nominee vying to play that role again, flew to Greenville, S.C. His running mate in 2004, former Senator John Edwards, appeared in Columbia, S.C., the next weekend. Senator Joseph R. Biden Jr. of Delaware addressed about 200 people yesterday at a Rotary Club in Columbia. And Gov. Tom Vilsack of Iowa had plans to swing through South Carolina early next week after appearing in Nevada as he introduces himself to voters as a presidential candidate.

It is not that anyone is writing off Iowa and New Hampshire. But the Democratic Party's decision to shuffle its presidential primary schedule, so that Nevada's caucus closely follows Iowa's and South Carolina gets a primary week of its own after New Hampshire's, is changing the early rituals of campaigning, forcing contenders to extend themselves in more states.

The change could hurt candidates like Mr. Vilsack, an Iowan, while benefiting others like Mr. Edwards, of North Carolina. But they are all going to be spending more time on airplanes.

"It's a long trip from Las Vegas to Columbia, S.C.," said Jeff Link, an aide to Mr. Vilsack. DAVID D. KIRKPATRICK

Ex-RNC Chief Set For State Party (WT)

By Seth Mclaughlin

The Washington Times, November 28, 2006

Virginia Republicans say they expect Ed Gillespie, former chairman of the Republican National Committee, to be named the new head of the state party.

"I think he's probably the nominee for that post," Lt. Gov. Bill Bolling, a Gillespie supporter, told The Washington Times. "He's got the background, knowledge and experiences to do the job."

Republicans yesterday told The Times that Mr. Gillespie's election appears imminent now that the other front-runners for the spot -- former Lt. Gov. John H. Hager and Chuck Smith, chairman of Virginia Beach's Republican Party -- dropped out of the race last week in a telephone conference call with the state executive committee.

"I know of no one else whose name is still in the ring," Mr. Smith said. "My understanding is that John Hager and I were the only other two names."

"It was a pretty easy sell," Attorney General Robert McDonnell said. "Ed is an extremely accomplished political figure. He is a proven winner from Northern Virginia who knows how to do grass-roots and raise money."

Mr. Gillespie has lived in Virginia for 13 years.

The official election is scheduled for this weekend at the 23rd annual Donald W. Huffman Advance at the Homestead Resort in Hot Springs -- a Republican retreat where grass-roots activists and elected officials kick off the 2007 state legislative campaign season.

Wayne "Bubba" Ozmore, chairman of the 4th Congressional District Committee, said that tapping Mr. Gillespie for the position would be like "putting a Formula One race car on a NASCAR track."

"He's built for speed and has run at high levels, but you can also get bumped and bruised on the NASCAR track, so it could be interesting," he said.

A New Jersey native who started his career on Capitol Hill as a Senate parking lot attendant, Mr. Gillespie has built a strong reputation as a Republican strategist.

In 1994, he was a top aide to then-Rep. Dick Armey, Texas Republican, and helped draft Republicans' "Contract with America," which many credit with winning Republicans control of the House of Representatives for the first time in 40 years.

In 2000, Mr. Gillespie served as a senior communications adviser for the presidential campaign of then-Texas Gov. George W. Bush and as communications director for his 2001 inauguration.

Mr. Gillespie was a campaign strategist for Sen. Elizabeth Dole in 2002. Mrs. Dole, North Carolina Republican, won by the biggest margin of victory of any Senate candidate in the state in more than 25 years.

From July 2003 to January 2005, he served as chairman of the Republican National Committee. He was the first chairman in 80 years to oversee the re-election of a Republican president while maintaining majorities in both chambers of Congress.

He currently works for Quinn Gillespie and Associates, a bipartisan political consulting firm he co-founded in Washington.

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Mr. Gillespie's anticipated selection as party chairman comes as Virginia Republicans mull over why they have fallen short in recent statewide races.

Democrats have won the last two gubernatorial elections, and James H. Webb Jr. secured Democratic control of the U.S. Senate by thwarting the re-election bid of Sen. George Allen, a Republican, this month.

Republicans say they must concentrate on keeping majorities in both chambers of the General Assembly. Next year, all 140 seats in the state Senate and House of Delegates are up for election.

The party also must be ready to replace Sen. John W. Warner if he decides to retire after his term ends in 2008 and field a viable candidate for the 2009 gubernatorial race.

Last week, Mr. Gillespie sent a letter to Virginia Republicans asking them to support his candidacy and outlining his vision for the state party.

He said Republicans must be a bottom-up party, foster unity within the party, increase fundraising operations and promote a positive message "that resonates with voters."

"I am proud to be a Virginian," he wrote in the letter. "I am proud to be a Republican. I would be proud to be Chairman of the Republican Party of Virginia, and would work hard to make you proud if you find me worthy of that position."

Court Rejects Maine School Vouchers Case (AP-Y)

By Pete Yost

AP, November 28, 2006

The Supreme Court decided Monday not to plunge into the issue of school choice, passing up a dispute over a Maine law that bars the use of public funds to send students to private religious schools.

A conservative group, the Institute for Justice, had asked the justices to take the case. The group is representing eight Maine families who would receive public tuition funds but for the fact that their children attend religious schools.

Florida Gov. Jeb Bush and President Bush's homestate of Texas had weighed in, saying in filings to the Supreme Court that Maine is unconstitutionally discriminating against religion.

Vouchers are championed by the president and many conservatives who call them a ticket out of dismal and dangerous public schools. However, those who champion public education say that vouchers divert already-scarce resources from a system badly in need of repair.

School districts in 145 small towns in Maine that have no high schools currently offer tuition for 17,000 students to attend high schools of their choice, public or private, in-state or out-of-state. But religious schools are no longer on the list. Maine's school system dates back to 1879.

In 1980, the state attorney general said the program violated the U.S. Constitution's Establishment Clause. The Maine Legislature made it law in 1983.

Last April, the Maine Supreme Judicial Court ruled that restrictions on tuition vouchers are a valid, constitutional enactment. The court said the state attorney general and the legislature were motivated by a desire to respect and comply with the Constitution rather than any religious hostility.

Dick Komer, the senior litigation attorney for the Institute for Justice, said Maine is engaging in blatant government discrimination against parents who choose religious schools and that it is "appalling that the nation's highest court" lets it continue.

In upholding the exclusion of religious schools from the system, the Maine court relied on a 2004 U.S. Supreme Court ruling upholding a Washington state college scholarship program prohibiting the use of scholarship funds for pursuit of a devotional theology degree.

The Institute for Justice said the Maine case gives the justices an opportunity to make clear that its 2004 decision only carved out a narrow exception to the general rule requiring equal treatment of religious and nonreligious options.

In asking the Supreme Court to take the case, the Maine families cited the court's 2002 decision allowing the use of public funds in inner-city Cleveland to underwrite tuition at private or parochial schools if parents retain a wide choice of where to send their children.

The Maine case is Kevin and Julia Anderson v. Durham School Department, 06-132.

No Tax Money For Stem Cells (LAT)

By Sigrid Fry-revere

The Los Angeles Times, November 28, 2006

CANDIDATES WHO promised to advance stem cell research fared well in this month's elections. Incoming House Speaker Nancy Pelosi has said that stem cell therapy has "the biblical power to cure," and others have touted public funding for stem cell

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research as key to finding cures for everything from Parkinson's disease and multiple sclerosis to hundreds of rare immune and genetic disorders.

Politicians are right that stem cells hold the promise of incredible medical progress. But we won't achieve the promised results if we insist on public funding of the research. In fact, government-funded research has proved bureaucratic, expensive, wasteful, fickle and divisive. Since 2003, five states — Ohio, Illinois, New Jersey, Connecticut and California — have pledged billions of dollars to support stem cell research. But political opposition has prevented all but a few million dollars from reaching researchers. This year, six more states pledged funds — but none have paid up. In 2004, California voters approved Proposition 71, which provided $3 billion in public funds for stem cell research. Two years later, challenges to its constitutionality are still pending. Religious and taxpayer groups lost a first round in court, but their appeals, or any other state attempts to fund stem cell research, are likely to be tied up in court for at least another year.

Luckily for California, several private philanthropic organizations have loaned the state $14 million to start providing grants. This confirms the conclusions of a September 2005 article in the Journal of the American Medical Assn., which found that when public funding for research lapses, private funders almost always step in to take up the slack, often funding projects at a higher rate than did the government.

Other states have had similar experiences. The Ohio governor earmarked $19.4 million for Case Western University for stem cell research, but the Legislature banned it. Funds pledged by Illinois and New Jersey — $10 million and $5 million, respectively — are tied up in legislative limbo because politicians can't agree on what types of stem cell research should be funded and where the money should come from. Only one state got it right: Missouri. This month, voters passed a ballot initiative amending the Missouri Constitution to protect the right to pursue and benefit from any stem cell research or therapies allowed under federal law or available to other Americans. Government funding was not the issue; it was the need to guarantee that research could proceed without political interference. The Stowers Institute for Medical Research was standing by with $2 billion in funding. Once the amendment passed, research began within days.

Such private funders are also more efficient than government at doling out research money. After paying administrative costs and interest on the bonds that will have to be issued, Californians will end up forking over more than $6 billion for less than $2.8 billion for stem cell research.

To be sure, private organizations attach strings. Many want access to lab financial records, and some discontinue funding if dissatisfied with how research is conducted. But such accountability is important in research. And when stem cell research is not a political football, less time and money is wasted on campaigns, bureaucracy and litigation. More important, those who object to the research aren't forced to fund it.

The development of in vitro fertilization provides a perfect model. For years, researchers lobbied government to fund IVF, but amid Luddite cries that "test-tube babies" would lead to societal ruin, funding was denied at every turn. As a result, the federal government didn't spend a cent on the development of IVF. Scientists complained that there would be a brain drain away from the U.S. to countries where such research was publicly funded, and that the U.S. would fall behind in the development of new reproductive technologies. None of these gloomy predictions came true. Today, infertility treatment is a $16-billion-a-year industry in the United States.

The stem cell debate evokes déjà vu. Geron Corp. has already invested twice as much in stem cell research as the federal government, and Harvard University has received more requests for money to fund such research than the National Institutes of Health. Some estimate that the stem cell industry will amount to $10 billion by 2010.

Stem cells hold more promise than any breakthrough since Watson and Crick discovered the structure of DNA. But governments should not make promises that they cannot keep due to political opposition and their own inefficiency. The false hope that the government is taking care of stem cell research will only inhibit private donors and investors from stepping up to the plate.

We should legalize stem cell research in all its forms, protecting universities and private organizations from the uncertainties of political whims — and leave it at that.

Dial Joe-4-Chávez (WSJ)

The Wall Street Journal, November 28, 2006

Venezuelan strongman Hugo Chávez is an ally of the Iranian mullahs, a supporter of North Korea, a close friend of Fidel Castro and a good customer for Vladimir Putin's weapon factories. Now he's also a business partner of Joseph P. Kennedy II.

The former Democratic Congressman describes the deal he's cooked up with Mr. Chávez as charity for low-income consumers of heating oil. But it's worth asking what the price of this largesse is to Venezuelans and to U.S. security interests.

The arrangement is this: Mr. Chávez's Citgo -- a Houston-based oil company owned by the Venezuelan government -- is supplying home heating oil to Mr. Kennedy's Citizens Energy Corporation at a 40% discount. Citizens, a nonprofit outfit, says it

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passes the savings onto the poor, aiming to help 400,000 homes in 16 states that would otherwise have trouble heating their homes. In the process, Mr. Kennedy happens to get a high-profile publicity plug. If you think you qualify, says the television ad that drew our attention to this partnership, just dial 1-877-Joe-4-Oil.

Generous Joe is not the only one polishing his public image here. In the mold of the Castro strategy of sending armies of "doctors" and "teachers" among the Latin American poor, Mr. Chávez is trying to shape U.S. public opinion in the hope that more gringos will come to see the Chávez government as benevolent.

Massachusetts Democrats seem especially eager to help. In a September 29, 2005, "confidential memorandum" addressed to "President Hugo Chávez" and uncovered by a Congressional committee, William Delahunt (D., Mass.) gushed that it was a "pleasure" to have met with the strongman "to discuss your generous offer." The Democrat advised Mr. Chávez to steer his oil through Mr. Kennedy's nonprofit and declared that "from a public relations perspective" the discount oil scheme "is an extraordinary opportunity to address urgent needs of people living in poverty, while showcasing the compassion of your nation."

Compassion? If fighting poverty is the goal, Mr. Delahunt would do better to remind Mr. Chávez that charity begins at home. The U.S. is far richer than Venezuela and since Hurricane Hugo took power in 1999 Venezuelan living standards have suffered despite soaring oil prices. Annual inflation averaged more than 20% between 2001 and 2005, imposing a tax on the poorest. Meanwhile, an insecure investment climate has taken a harsh toll on private-sector employment and shrunk the middle class.

In his eight years in power, Mr. Kennedy's business partner has also polarized Venezuela with his class warfare, rewritten the constitution, politicized the judiciary, the electoral council and military, and announced he plans to rule until 2021. Freedom House now ranks Venezuela 34th out of 35 countries in the Western Hemisphere in press freedom. Only the Cuban press is more repressed.

Transparency International puts Venezuela second to last in the Hemisphere in its 2006 "corruption perception index." And then there was that revealing rant against President Bush ("the devil") at the United Nations in September. Even Mr. Delahunt criticized his Venezuelan buddy after that one.

But Mr. Kennedy keeps on trucking. Last week in a telephone interview with the Washington Post, he defended his Chávez subsidy deal as "morally righteous," arguing that the Citgo contribution to his nonprofit is only "one-half of one percent" of Citgo oil and product sales in the U.S.

We dialed Joe-4-Oil ourselves to ask directly whether it is also "righteous" to assist an anti-American tyrant at the expense of the Venezuelan people. In between berating our reporter for daring to ask such a thing, Mr. Kennedy said that Mr. Chávez has done "so much more" for the poor than any previous government. As for democracy, he said there was "ample room for improvement in the ways that people get elected in Venezuela as well as in Florida." Mr. Chávez chose his partner well.

Israeli Premier Makes An Offer To Palestinians (NYT)

By Steven Erlanger

The New York Times, November 28, 2006

JERUSALEM, Nov. 27 — Prime Minister Ehud Olmert, trying to build on a shaky cease-fire in the Gaza Strip, on Monday offered Palestinians a series of incentives, including negotiations and a prisoner release, if they turned away from violence.

The offer was made in what was billed as a major policy speech, but it contained little that was new. The timing was important, though, because Mr. Olmert and the Palestinian Authority president, Mahmoud Abbas, are eager to bolster their own political positions, begin a serious dialogue and stop a bloody cycle of violence.

President Bush will be in Jordan this week to discuss Iraq and other regional issues. On Sunday, Jordan's king, Abdullah II, warned of "the strong potential of three civil wars in the region, whether it's the Palestinians, that of Lebanon or of Iraq."

Expectations are high that Secretary of State Condoleezza Rice may come here after Jordan to try to solidify the fragile attempt at reconciliation that Mr. Abbas and Mr. Olmert are discussing, which may include an extension of the cease-fire to the West Bank.

In his speech, Mr. Olmert appealed to Palestinians to turn away from militant resistance and make a commitment to peaceful negotiations for an independent state. "You, the Palestinian people," he said, "are standing in these days at an historic crossroads."

If the Palestinians can form a new unity government that satisfies international standards and release a captured Israeli soldier, Mr. Olmert said, he will respond by immediately meeting with Mr. Abbas, releasing hundreds of Palestinian prisoners, reducing checkpoints and moving toward a further withdrawal of Israeli settlers from the occupied West Bank.

He promised that Israel would also then release to the Palestinian Authority the $50 million a month in taxes and duties that Israel has collected for the Palestinians but withheld — more than $500 million so far this year — contending that Hamas, the governing Palestinian faction, is a terrorist group.

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But those steps, essentially confidence-rebuilding measures, are far short of serious negotiations to end a conflict that is nearly 60 years old.

One of the new elements in the speech was more subtle, an Israeli official said, speaking on condition of anonymity because he was not authorized to discuss the content of the speech publicly. He pointed to Mr. Olmert's praise for moderate Arab countries like Jordan, Egypt, Saudi Arabia and Persian Gulf states that "strive for a peaceful solution to the conflict between us." Mr. Olmert said he found parts of a 2002 Saudi peace initiative to be "positive," the first time an Israeli leader has done so, the official said.

The Saudi initiative, supported by the Arab League, offered normal relations with Israel in return for an Israeli withdrawal to the 1967 boundaries, the establishment of a Palestinian state and a just solution to the issue of Palestinian refugees. Mr. Olmert has said that Israel will not return to the borders predating the 1967 Arab-Israeli war but that it is willing to negotiate land swaps.

"I intend to invest efforts in order to advance the connection" with the moderate Arab states, he said, "and strengthen their support of direct bilateral negotiations between us and the Palestinians."

Palestinian reaction was cautious. Hamas, which does not recognize Israel's right to exist, was unenthusiastic. A spokesman for the Hamas-led Palestinian government, Ghazi Hamad, said Mr. Olmert had not specified borders and was not willing to release enough prisoners. Saeb Erekat, a Palestinian negotiator and aide to Mr. Abbas, said that "most important is to sustain the cease-fire" and extend it to the West Bank "in the next few days." That would "pave the way for a political horizon," he said.

Within hours of Mr. Olmert's address, delivered in the Negev town of Sde Boker at a commemoration for Israel's first prime minister, David Ben-Gurion, Palestinian militants in Gaza fired two rockets toward Sderot in Israel, despite the cease-fire. One landed in Gaza, the other in the Sderot cemetery. There were no reported casualties.

Responsibility for the rocket fire was taken by Al Aksa Martyrs Brigades, a group that belongs to Mr. Abbas's Fatah faction. Mr. Erekat asked for patience.

The militants said they were responding to the killing of two Palestinians and the arrest of 15 in an Israeli raid on Monday in the West Bank, where a truce is not in effect and where Israel discovered a bomb factory on Sunday.

One of the dead was a militant commander, Abdel Razek Bahar, 22, of the Popular Resistance Committees; the other was a passer-by, Fatma Nezal, a 55-year-old woman, Palestinians said. The Israeli Army said its forces had been fired on and were returning fire.

Mr. Olmert argued to the Palestinians that the election of Hamas and "the uncompromising extremism of your terror organizations" have not brought Palestinians closer "to achieving the goal that I'm convinced many of you share to establish a Palestinian state." Hamas argues that Israel does not make concessions through negotiations, but only when faced with "resistance to occupation."

Mr. Olmert said that "in the framework" of talks and the "road map," an internationally backed outline for peace negotiations, Israel "will agree to the evacuation of many territories and communities we have created," a reference to Jewish settlements built since 1967 in the West Bank, which are regarded as illegal by much of the world. Mr. Olmert was elected in March on a program to carry out a withdrawal of up to 80,000 Israeli settlers from part of the West Bank.

But with the violence in and around Gaza and the war last summer with Hezbollah in Lebanon, the idea of unilateral withdrawals has been sharply criticized in Israel, and Mr. Olmert shelved his plan. He seems to be trying to revive the idea, but in the context of talks with Mr. Abbas.

Olmert 'ready To Free Jailed Palestinians' (FT)

By Sharmila Devi

Financial Times, November 28, 2006

The Israeli prime minister Ehud Olmert said publicly for the first time on Monday that Palestinian prisoners would be released if a captured Israeli soldier were freed first.

Mr Olmert also offered humanitarian concessions in return for an end to violence soon after a truce was announced in the Gaza Strip and days ahead of a visit by George W. Bush, US president, to neighbouring Jordan for talks with Iraqi prime minister Nouri al-Maliki.

The Palestinians said they were ready for peace talks immediately but Mr Olmert set various conditions before the resumption of any direct discussions. The conditions included the release of Corporal Gilad Shalit, captured in June, and the formation of a new government to replace the Hamas-led Palestinian Authority.

Palestinians welcomed the possibility of efforts to ease humanitarian conditions, made worse under a western aid boycott since Hamas came to power in March. But they still doubted Israel's intention to create a Palestinian state that is viable and settle thorny issues that remain at the heart of the conflict, such as the division of Jerusalem and refugees.

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Mr Olmert made no mention of an earlier plan to withdraw unilaterally from parts of the West Bank, a policy shelved after the summer war against Hizbollah in Lebanon.

"I think the Israelis are working towards something like parallel unilateralism whereby both sides make moves, perhaps towards some sort of interim Palestinian state, but the process falls short of full bilateralism," said an advisor to the Palestinian leadership.

Mr Olmert did make reference to an initiative recently revamped by moderate Arab states, offering full normalisation of relations with Israel in return for an internationally recognised Palestinian state.

Countries such as Saudi Arabia, Egypt and Jordan have been pressing Washington over the Israeli-Palestinian conflict, saying it would make it easier for them to present a common front on a host of regional crises, from the violence in Iraq to Iran's nuclear ambitions.

"I have been following with great appreciation the serious efforts made by these [Arab] states to bring about a cessation of violence in the region and I respect their sincere desire to create a new atmosphere between us," said Mr Olmert.

Mr Bush was expected to focus on Iraq during his visit to the Jordanian capital Amman tomorrow (weds) and Thursday. Palestinian officials also said there was a possibility of Mahmoud Abbas, Fatah's Palestinian president, meeting Condoleezza Rice, US secretary of state, also in Amman this week.

No talks between Mr Bush and Ms Rice and any Israeli officials were scheduled. "At this point in time, it's probably best if Bush were not to meet any Israelis," said an Israeli government official.

Olmert Urges Palestinians To Seek Peace (AP)

By Amy Teibel

AP, November 28, 2006

Prime Minister Ehud Olmert reached out to the Palestinians on Monday in one of his most conciliatory speeches yet, saying he was prepared to grant them a state, release desperately needed funds and free prisoners if they choose the path of peace.

Olmert's remarks sealed a dramatic policy shift and built on a day-old truce meant to end five months of violence in the Gaza Strip. But new rocket attacks by Palestinian militants threatened the latest rapprochement.

"I hold out my hand in peace to our Palestinian neighbors in the hope that it won't be returned empty," Olmert said.

"We cannot change the past and we will not be able to bring back the victims on both sides of the borders," he said. "All that we can do today is stop additional tragedies."

Olmert appealed to the Palestinians to form a new, moderate Cabinet committed to carrying out a U.S.-backed peace plan and securing the release of a captured Israeli soldier.

Once such a government was established, Olmert said, he would call for an immediate meeting with the moderate Palestinian president, Mahmoud Abbas, "to have a real, open, honest, serious dialogue between us."

Palestinian legislator Saeb Erekat, a top Abbas aide, said the Palestinians were ready to negotiate a final peace deal.

"I believe Mr. Olmert knows he has a partner, and that is President Abbas. He knows that to achieve peace and security for all, we need to shoot for the end game," Erekat said.

But the Palestinian Cabinet, led by Hamas militants who reject Israel's right to exist, accused Olmert of posturing.

"This is a conspiracy. This is a new maneuver. Olmert is speaking about the Palestinian state without giving details about the borders," said Ghazi Hamad, a government spokesman.

Olmert's speech raised the diplomatic stakes ahead of President Bush's scheduled trip to neighboring Jordan this week for talks with Iraqi leaders.

Erekat said it was possible Abbas would meet with Bush there, but Israeli officials denied that Abbas and Olmert might meet on the sidelines of the Bush visit.

Olmert was elected in March promising to set Israel's final borders with the Palestinians by uprooting isolated communities dotted all over the West Bank while holding on to major settlement blocs. Israel, Olmert said, would act unilaterally without a Palestinian peace partner — something it appeared inclined to conclude because of Hamas' violently anti-Israel ideology.

But a summer war with Lebanese guerrillas, which many Israelis blamed on their unilateral pullout from southern Lebanon six years ago, left Israelis cool to ceding more territory, and Olmert shelved that plan.

His speech Monday signaled a final break with that program — and an attempt to entice the Palestinians back to the negotiating table by outlining likely Israeli concessions under a future peace deal.

"We, the state of Israel, will agree to the evacuation of many territories and the settlements that we built there. This is extremely difficult for us, like the splitting of the Red Sea. We will do it for real peace," he said.

Israel would pull out of West Bank land and uproot settlements under a peace deal, Olmert said.

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In return for a serious Palestinian push for peace, he said, Israel would be prepared to reduce checkpoints that have severely restricted movement in the West Bank; release hundreds of millions of dollars in funds frozen after Hamas took power in March; and free some of the thousands of Palestinian prisoners Israel holds if Hamas-linked militants release — alive and healthy — an Israeli soldier they captured in June.

The freezing of funds has created great hardship in the Palestinian territories by rendering the Hamas government unable to pay full salaries to its civil servants, who provide for one-third of the Palestinian people.

A significant prisoner release would be a major confidence-building gesture because prisoners hold great weight in Palestinian society.

Israeli government officials said they had not ruled out releasing Palestinian uprising leader Marwan Barghouti, who is serving five life sentences for masterminding deadly attacks.

In exchange for Israeli concessions, Olmert said, Palestinians would have to renounce violence, recognize Israel's right to live in peace and security and give up their demands to allow refugees from the 1948 Mideast War to return to their homes in what is now Israel.

"The uncompromising extremism of your terror organizations ... hasn't brought you closer to achieving the goal that I'm convinced many of you share — to establish a Palestinian state," he said.

Hamad, the Palestinian government spokesman, said Palestinians would not abandon the fight for refugees.

"It is a main part of the Palestinian cause," he said.

Olmert's offer to revive stalled peace talks came a day after the two sides began observing a cease-fire in Gaza, raising hopes new peace efforts would follow.

Palestinian militants violated the cease-fire by launching two rockets at Israel on Monday. No one was injured, but Israel has threatened to strike back if rocket attacks increase.

The Army of Islam, a militant group linked to Hamas which claimed responsibility for seizing the Israeli soldier in June, has refused to abide by a cease-fire with Israel, according to an Internet statement posted on Monday.

Erekat said he was working with the Israelis to expand the cease-fire to the West Bank and hoped to have an agreement within days. Israeli officials said they would wait to see what happens in Gaza first.

"If the cease-fire in Gaza works, I hope it will be possible to transfer that more positive reality to the West Bank as well," Foreign Ministry spokesman Mark Regev said.

Israeli Leader Olmert Makes Peace Overtures (LAT)

By Richard Boudreaux

The Los Angeles Times, November 28, 2006

JERUSALEM -- Seeking to build on a shaky cease-fire with the Palestinians, Israeli Prime Minister Ehud Olmert offered Monday to free prisoners, lift checkpoints and release funds withheld from the Palestinian Authority in return for decisive steps toward peace.

In one of his most conciliatory speeches, Olmert spelled out Israel's likely concessions under a final peace accord, including a withdrawal of its troops and many of its settlements from the West Bank, and the establishment of a Palestinian state.

"I hold out my hand in peace to our Palestinian neighbors in the hope that it won't be returned empty," he said during a ceremony at the tomb of David Ben-Gurion, Israel's founding father.

The offer was a switch for Olmert, who declared during his election campaign last spring that no Palestinian leader was capable of making a deal with Israel. Since his election, he has worked to isolate the Hamas-led Palestinian government.

Monday, he invited the Palestinians to help negotiate a lasting settlement, saying they stand at a "historic crossroads."

Hours after the speech, two rockets fired from the Gaza Strip fell harmlessly in the Israeli border town of Sderot, violating a truce started two days ago and threatening to undercut U.S.-backed diplomatic steps toward a meeting between Olmert and Palestinian President Mahmoud Abbas.

Palestinian leaders reacted to Olmert's initiative with caution and skepticism.

"We want serious negotiations," said Nabil Abu Rudaineh, a spokesman for Abbas, whose Fatah Party is more moderate than Hamas. The spokesman welcomed the prospect of a release of prisoners and funds but added: "We want to see acts, not just words."

Ghazi Hamad, a Hamas government spokesman, dismissed the Israeli leader's speech as "a new maneuver" but did not reject the idea of talks between the two sides.

"Olmert is speaking about the Palestinian state without giving details about the borders," the spokesman said.

In Washington, State Department spokesman Sean McCormack said the Bush administration viewed Olmert's speech as "constructive" and was working with moderate Arab states to help Israel and the Palestinians overcome their differences.

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President Bush and Secretary of State Condoleezza Rice plan to visit Jordan on Wednesday, for talks about the conflicts here and in Iraq.

Olmert spelled out his conditions for a revival of Israeli-Palestinian peace talks, which collapsed nearly six years ago at the start of a Palestinian uprising.

First, he said, the Palestinians must release Israeli Cpl. Gilad Shalit, whose capture in a cross-border raid by Hamas and other armed groups in June set off five months of fighting that the weekend cease-fire accord aimed to halt.

And, he said, the Palestinians must establish a new government committed to principles set by the United States and other Western governments but so far rejected by Hamas: recognition of Israel, renunciation of violence and acceptance of previous Israeli-Arab peace accords.

On those terms, Olmert said he would invite Abbas "to meet with me immediately in order to conduct a real, open, genuine and serious dialogue" aimed at the creation of "an independent and viable Palestinian state."

The captured soldier's safe return, Olmert added, would bring about the release of "numerous Palestinian prisoners, including ones who were sentenced to lengthy prison terms, in order to increase the trust between us."

Also, he said, the Palestinian government would get hundreds of millions of dollars in tax revenue that Israel collected but withheld after Hamas came to power in March. Checkpoints would be lifted, easing travel in the Israeli-occupied West Bank.

Both of Olmert's conditions seem attainable. Negotiations over an exchange of Palestinian prisoners for Shalit have made progress in recent days under Egyptian mediators, who reportedly have persuaded Hamas to reduce their prisoner list from 1,400 to a few hundred.

Disagreement remains, however, on whether the Israeli soldier should be freed first.

Ismail Haniyeh, the Hamas prime minister, tentatively has agreed to step down in favor of a unity government made up of Hamas and more moderate groups and led by a technocrat not affiliated with any party.

Talks on the makeup of such a government have dragged. But Javier Solana, the European Union's foreign-policy chief, who met recently with Abbas, said Monday that "something is moving" and a new government is "pretty near."

Palestinian leaders say a unity government would give Abbas exclusive authority to negotiate with Israel. Such a formula, they say, would make it unnecessary for Hamas to recognize Israel or renounce violence.

Olmert's critics in Israel worry that Hamas, flush from an arms buildup in Gaza, would pull the strings of any government that emerges and block any significant concessions to Israel. They say the cease-fire will damage Israel by allowing Hamas to stockpile weapons more freely.

But the Israeli leader's peace initiative has breathed a new sense of purpose into his coalition government, which has been increasingly unpopular since the country's inconclusive summer war in Lebanon.

In his speech, Olmert said leaving the West Bank would be "extremely difficult for us, akin to the parting of the Red Sea," but said he would agree to a pullout if the Palestinians "stop the terror..., recognize our right to live in peace" and stop demanding a return of all Palestinian refugees.

Olmert's initiative was already being threatened Monday by militant resistance. The armed wing of Fatah said it fired rockets from Gaza to protest Israel's ongoing operations against fighters in the West Bank, which is not covered by the truce.

The rocket attack followed an Israeli raid on the West Bank town of Qabatiya, where Israeli soldiers killed a 22-year-old male Palestinian fighter and a 57-year-old woman during an exchange of gunfire. The Israelis said the woman tried to pick up the dead man's gun; Palestinian witnesses said she was trying to help him get medical attention.

Special correspondent Maher Abukhater in the West Bank contributed to this report.

Get Real, Hamas (LAT)

The Los Angeles Times, November 28, 2006

WHETHER THE impetus was a shaky cease-fire in the Gaza Strip or President Bush's visit to the Middle East, Israeli Prime Minister Ehud Olmert on Monday unexpectedly extended an olive branch to the Palestinians. If the Palestinian Authority — including the Islamic party Hamas — doesn't respond in kind, it will be yet another golden opportunity for Mideast peace squandered.

Speaking against the backdrop of a truce designed to end months of violence in Gaza, Olmert offered to engage Palestinians in new talks to create something even many liberal Israelis once considered unthinkable: an independent Palestinian state.

Declaring that "I hold out my hand in peace to our Palestinian neighbors in the hope that it won't be returned empty," Olmert offered to uproot Jewish settlements in the West Bank, reduce the number of checkpoints, unfreeze funds withheld from the cash-strapped Palestinian Authority and release "numerous Palestinian prisoners, including ones who are sentenced to lengthy prison terms."

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In exchange, the nascent state of Palestine, and its Hamas-led Cabinet, would have to recognize Israel's right to exist, and Hamas would have to return Israeli soldier Gilad Shalit, who was captured in June. The stage would then be set for negotiations toward the two-state solution envisioned in the "road map" for peace endorsed in 2002 by the United States, the United Nations, Russia and the European Union.

The timing of Olmert's initiative could cause him political problems at home. Given Israel's unsatisfying war against Hezbollah in Lebanon last summer, continued violence in the Gaza Strip and disarray in the Palestinian Authority, Olmert was expected to shy away not just from negotiations but from his own proposal for unilateral Israeli withdrawal from some occupied territories.

Especially delicate is Olmert's willingness to trade captured Palestinian prisoners for Shalit, considering that when Hezbollah guerrillas from Lebanon kidnapped two Israeli soldiers in July for the express purpose of forcing a prisoner swap, Israel responded with a retaliatory attack that eventually killed 1,200 Lebanese (most of them civilians) and 157 Israelis.

It would be a tragedy, most of all for the Palestinians, if Olmert's initiative were rebuffed. Hamas is not being asked to approve of the creation of Israel half a century ago, only to recognize that the modern Jewish state is a legal government endorsed by the United Nations and deserving of security. It's not enough for Hamas to enter into a hudna, or 10-year truce — a scenario floated by Ahmed Yousef, an advisor to Palestinian Authority Prime Minister Ismail Haniya. Hamas' recognition should be a nonnegotiable issue both for Israel and the United States.

The late Yasser Arafat dawdled and dissembled for years before finally accepting Israel's existence, a belated accommodation to reality that led to a White House invitation for the erstwhile terrorist and the creation of the Palestinian Authority. If Hamas is willing to recognize the same fact of life, the benefits for the Palestinians could be even more dramatic.

Rice May See Olmert, Abbas Separately (AP)

By Anne Gearan

AP, November 28, 2006

Secretary of State Condoleezza Rice may confer separately with Israeli Prime Minister Ehud Olmert and Palestinian leader Mahmoud Abbas while she and President Bush are in the Mideast this week, but the U.S. is unlikely to broker a direct meeting between the Mideast leaders, a U.S. official said Monday.

Israeli officials also rejected the possibility of a summit between Abbas and Olmert on the sidelines of Bush's visit to neighboring Jordan later this week. Olmert spokeswoman Miri Eisin said the sides were discussing when the leaders would meet, but no date had been set.

A summit between Olmert and Abbas would represent a renewed push toward peace between Israel and the Palestinians, especially if the meeting carried the imprimatur of the United States. Moderate Arab states allied with the United States have been urging more forceful U.S. involvement, possibly including a three-way peacemaking summit in the mold of the groundbreaking Camp David accords.

Olmert, seeking to build on a shaky cease-fire with the Palestinians, offered Monday to reduce checkpoints, release frozen funds and free prisoners in exchange for a serious push for peace by the Palestinians.

Olmert said that if the Palestinians establish a new, moderate Cabinet committed to carrying out the U.S.-backed "road map" peace plan and securing the release of a captured Israeli soldier, then he would call for an immediate meeting with Abbas "to have a real, open, honest, serious dialogue."

In what was billed as a major policy speech, Olmert said Israel would also pull out of the West Bank and uproot settlements under a final peace deal.

Rice may see Olmert in Jerusalem and Abbas at his nearby West Bank headquarters on Thursday, the U.S. official said. He spoke on condition of anonymity because Rice's schedule is not definite. The official suggested that despite encouraging signs that both sides seem interested in new peace efforts, the United States does not want to rush a two- or three-way meeting.

A lasting peace deal between Israel and its Palestinian neighbors is one of Bush's main foreign policy goals, but it has seemed remote for much of his presidency. Bush is pledged to seeking an independent Palestinian state alongside Israel. Major obstacles include the fate of large Israeli settlements on land the Palestinians claim in the West Bank, and the future of Jerusalem.

Egypt, Saudi Arabia and Jordan want the United States to resume its traditional role as shepherd or go-between for the two sides, arguing that resolving the Israeli-Palestinian conflict is key to defusing other Mideast problems. Rice may meet with those Arab allies as well as other friendly Persian Gulf nations on the sideline of a Mideast democracy and development session in Dead Sea, Jordan this week. The Israeli-Palestinian conflict would be high on that agenda.

Olmert's offer to restart long-stalled peace talks came a day after the two sides began observing a cease-fire in the Gaza Strip. The cease-fire is meant to end five months of widespread violence in the coastal area.

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Relations between Israel and the Palestinians, rocky after more than five years of fighting, further plummeted in January when Hamas won Palestinian parliamentary elections.

Israel cut off ties with the Hamas-led Cabinet and froze the transfer of hundreds of millions of dollars to their government to try to pressure the Islamic group to recognize Israel and renounce violence.

Tensions exploded in June when Hamas-linked militants captured an Israeli soldier in a cross-border raid, sparking a wide-scale Israeli offensive in Gaza that killed more than 300 Palestinians, scores of them civilians. Five Israelis have also been killed in the violence.

N. Korea Nuke Envoy Arrives In Beijing (AP)

By Audra Ang

AP, November 28, 2006

North Korea's nuclear envoy flew into Beijing on Tuesday as his counterparts from the United States, China, South Korea and Japan gathered to hammer out plans to restart talks on dismantling the reclusive nation's nuclear weapons program.

The arrival of North Korean Vice Foreign Minister Kim Kye Gwan has heightened expectations he may meet U.S. Assistant Secretary of State Christopher Hill, although no plans have been announced.

In Washington, State Department spokesman Sean McCormack said a meeting between Hill and Kim is "certainly an open possibility."

"The issue for us is to make sure we are extremely well-planned and ready for the six-party talks, which we do anticipate will get going at some point very soon," Hill said when he arrived in the Chinese capital on Monday.

Officials have yet to determine an exact date for the six-nation disarmament negotiations, which also involve Russia.

Hill met with South Korea's nuclear envoy, Chun Yung-woo, and China's negotiator, Wu Dawei, Tuesday morning, said Susan Stevenson, the spokeswoman for the U.S. Embassy in Beijing. She did not have any details on the talks.

Japan's representative Kenichiro Sasae told Japanese reporters that he had held talks with Wu and Hill separately but denied that there were any plans for multilateral discussions between the negotiators.

In Tokyo, Chief Cabinet Secretary Yasuhisa Shiozaki said Sasae and Wu discussed plans for the nuclear talks and bilateral relations.

"We are naturally exchanging opinions on what kind of results the resumption of the six-party talks should produce," Shiozaki said.

An unannounced meeting between Hill and Kim last month in Beijing led to North Korea agreeing to return to the arms negotiations amid heightened tensions after its first nuclear test on Oct. 9.

The talks have been stalled for more than a year because of North Korean anger over financial sanctions imposed by the United States.

Chun has said getting preparations right for progress at the talks was more important than setting a date for restarting the negotiations.

"We will mainly focus on the procedure of the talks as it is essential to accomplish substantial progress rather than talking just for the sake of talking," he told reporters after arriving in Beijing on Monday.

The six-nation talks were last held in November 2005 when the envoys failed to make progress on implementing an earlier agreement, in which the North pledged to give up its nuclear program in exchange for aid and security guarantees.

"The holding of the six-party talks is on the horizon, so I hope to discuss ways to make progress in the six-way talks, as well as ways for Japan and China to cooperate over the issue," Japan's Sasae said, according to Kyodo News.

Hill said he will stay in Beijing "a couple of days" and then go to Seoul and Tokyo.

US, Chinese Leaders Discuss North Korea, Darfur (AFP)

AFP, November 28, 2006

US President George W. Bush held talks with Chinese President Hu Jintao on North Korea's nuclear program and developments in Sudan's troubled Darfur region, a White House spokesman said.

Bush spoke with Hu during his flight to the Baltics, where the US president will visit Estonia and attend a NATO summit in neighbouring Latvia.

Bush asked for "continued Chinese leadership on various international issues such as the situation in North Korea and Darfur," said the spokesman, Gordon Johndroe, who had arrived in the Estonian capital Tallinn ahead of Bush.

"The two presidents reviewed their good meeting in Hanoi on the margins of the APEC summit and agreed that US-China cooperation is moving forward well, to the benefit of both the American and Chinese people," he said.

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The leaders held talks on November 19 on the sidelines of the Asia Pacific Economic Cooperation (APEC) forum in Vietnam.

Washington and Beijing have been cooperating to try to relaunch talks aimed at getting North Korea to give up its nuclear activities.

The two countries -- veto-holding members of the UN Security Council -- have also been working to encourage Sudan to allow an international peacekeeping force into Darfur, amid a grave humanitarian crisis there.

Estonian Leader Voices Worry Over Russia (WP)

By Michael Abramowitz

The Washington Post, November 28, 2006

TALLINN, Estonia, Nov. 27 -- On the eve of the first visit to this tiny Baltic country by a sitting U.S. president, Estonia's new president voiced concern Monday over the poisoning death of a prominent Kremlin critic in London, portraying it as another worrisome signal about the political situation in Russia.

Toomas Hendrik Ilves, 52, grew up in New Jersey and spent 23 years in the United States before renouncing his U.S. citizenship. He said he would not speculate about who was behind the death of former KGB agent Alexander Litvinenko. But he said in an interview, "If you see a critic of the Kremlin die with a radioactive chemical polonium that is not one of your regularly available commercial chemicals but rather is one that falls under the purview of state regulation, then it's cause for concern."

He also pointed to the case of another Kremlin critic, journalist Anna Politkovskaya, whose recent killing Litvinenko was investigating. "Coming on the heels of the murder of Politkovskaya -- these are all things that should make all people in the democratic world feel a little edgy," he said.

His comments suggested that Bush will also be discussing growing concern in Europe and the United States over rising authoritarianism in Russia under President Vladimir Putin and his hostile relations with some of the new democracies on Russia's borders. Bush will participate in a round of meetings Tuesday morning with Ilves and other Estonian leaders before flying to Riga, Latvia, for the NATO summit.

Ilves said he would be discussing Russia's difficult relations with some of its neighbors, especially Georgia, which he visited last week for consultations.

The Estonian leader said Russia "seems to treat democracy on its borders, be it Estonian, Ukrainian, Georgian, as a security threat and sees despotism on its borders -- Turkmenistan, Belarus -- as being a good thing as it represents stability. . . . That kind of view is not one which is very conducive and helpful to the security situation on our continent."

Ilves is one of several Baltic leaders who spent large chunks of their lives in North America; Bush will also meet with Latvian President Vaira Vike-Freiberga, who was a professor of psychology at the University of Montreal. Ilves was born in Sweden to Estonian exiles and moved to the town of Leonia, in northern New Jersey, at age 3.

Ilves said he does not make much of his past connection to the United States. "The parties against me made it a big issue, but obviously it wasn't important enough to be a defining issue," he said. "I have been serving the Estonian state almost from the time independence was reestablished. I renounced my U.S. citizenship. What else can you do?"

OECD Rebukes Kremlin Over Economy (FT)

By Arkady Ostrovsky In Moscow

Financial Times, November 28, 2006

The Organisation for Economic Co-operation and Development on Monday slammed the Russian government for its expansion into key economic sectors and raised concern about the “seemingly insatiable appetite” of Gazprom, its state-run energy giant.

In a critical report on the Russian economy, the OECD also said that the Kremlin’s expansion into key economic areas was a “disturbing trend” that “bodes ill” for the country’s growth.

Instead of concentrating on market reforms, the government had been increasingly focused on tightening the state’s grip on what it deemed to be strategic sectors, which include aviation, media and finance, as well as energy.

“The expansion of state ownership in important sectors will probably contribute to more rent-seeking, less efficiency and slower growth,” the OECD said.

It was particularly concerned by Gazprom’s “seemingly insatiable appetite for asset acquisition, often at the expense of a focus on its core business”. The report follows a chorus of international and domestic criticism of Gazprom’s business strategy.

Instead of investing in gas production, Gazprom has been expanding its interests in recent years in other sectors such as oil, electricity, power generation machinery and media. Last week’s announcement of the purchase of Komsomolskaya Pravda –

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Russia's largest circulation newspaper – is its latest foray into media. It also owns an airline, a bank, three television channels, several newspapers, radio stations, cinemas and hotels.

Gazprom's investment in developing gas fields has been minimal over the past few years, leading to stagnating production. Yet its monopoly over transportation infrastructure has constrained the development of independent gas producers.

The OECD's criticism comes at a time of growing concern about Russia's ability to sustain and increase its gas production.

But the report says Gazprom's expansion is part of a wider trend of accumulating assets in state hands. According to one recent estimate, cited by the OECD, the state-owned share of Russia 's equity market capitalisation rose from 20 per cent in mid-2003 to 30 per cent early this year.

The change has been particularly visible in the oil sector where the state share of the total production increased from 16 per cent in 2000 to almost 40 per cent. Yet the growth of oil production has slowed down dramatically over this period.

The OECD traces the beginning of the trend to the expropriation of Yukos's assets in favour of Rosneft, the state-controlled oil company.

It argues that the Yukos affair exemplified the trend towards state ownership.

However, the Russian state has also been extending its reach to non-energy sectors of the economy, including aviation and automotive.

Russia: The Enemy (WSJ)

By Bret Stephens

The Wall Street Journal, November 28, 2006

Bret Stephens is a member of The Wall Street Journal's editorial board. He joined the Journal in New York in 1998 as a features editor and moved to Brussels the following year to work as an editorial writer for the paper's European edition. In 2002, Mr. Stephens, then 28, became editor-in-chief of the Jerusalem Post, where he was responsible for its news, editorial, electronic and international divisions, and where he also wrote a weekly column. He returned to his present position in late 2004 and was named a Young Global Leader by the World Economic Forum the following year.

Mr. Stephens was raised in Mexico City and educated at the University of Chicago and the London School of Economics. He lives with his family in New York City. He invites comments to bstephens@wsj.com1.

Russia: The Enemy

November 28, 2006; Page A15

It's time we start thinking of Vladimir Putin's Russia as an enemy of the United States.

This isn't simply because a former KGB agent turned Putin critic died last week in London after ingesting a dose of polonium 210, an element that usually functions as a neutron trigger in atomic bombs. Nor is it that Alexander Litvinenko's death is the latest in a series of killings, attempted murders, imprisonments and forced exiles whose victims just happened to be prominent opponents of Mr. Putin. It is because the foreign policy of Russia has become openly, and often gratuitously, hostile to the U.S.

Some examples: Last summer, Russia signed a billion-dollar arms deal with Venezuela; Hugo Chávez wasted no time fantasizing aloud about using the weapons to sink an American aircraft carrier. Last week, Russia began deliveries to Iran of highly sophisticated SA-15 anti-aircraft missiles, at a value of $700 million. Russian Defense Minister Igor Ivanov claims the missiles will "have no influence on the balance of power in the region." But the purpose of the missiles is to defend Iran's nuclear sites, which do threaten the balance of power. Mr. Ivanov also says he is "absolutely sure" the billion-dollar Bushehr reactor that Russia is building for Iran could not be used to build nuclear weapons. This is false, and Mr. Ivanov must know it: The spent plutonium from the reactor can easily be diverted and reprocessed to produce as many as 60 bombs.

At the United Nations, Russia has consistently opposed U.S. efforts to sanction Iran and North Korea for their nuclear programs and diluted the effects of the resolutions that were passed. The Russians say they oppose the use of sanctions because they "don't work." It's an odd claim coming from a government that in October brusquely imposed trade, travel and postal sanctions on neighboring Georgia.

It is said often that Russia's motives are essentially mercenary and thus amoral. That's only partly true. Paul Volcker's investigation into the Oil for Food scandal revealed that Russian companies did $19.3 billion in oil deals with Saddam Hussein (by contrast, the French did a mere $4.4 billion) and that Russian individuals were the great beneficiaries of Saddam's illicit largesse -- one reason, perhaps, that Russia vigorously opposed the U.S. invasion. As recently as July Russia had plans to supply North Korea with advanced encryption and nuclear-storage systems. The total value of Russian arms sales to Tehran has risen nearly sixfold in recent years.

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Yet Russia hardly depends on Iran as a weapons-export market, to say nothing of North Korea; most of its arms sales are to China and India. So why would Moscow, which has its own grave problems with Islamic radicals, abet the nuclear ambitions of a revolutionary Islamic regime that sponsors terrorism from Buenos Aires to Beirut?

Part of the answer, surely, has to do with the psychology of clientism and Russia's desire to assert and expand its sphere of influence. Part of the answer, too, is that a Russia that can obstruct American purposes -- whether in Latin America, Northeast Asia or the Persian Gulf -- must also be one that is relevant and powerful.

But there is also a fair bit of rank anti-Americanism at play. Take the September contretemps with Georgia, which involved Tbilisi's arrest of four Russian officers it had charged with espionage: Russian Foreign Minister Sergei Lavrov warned darkly at a press conference that "this latest escapade . . . happened straight after NATO's decision to grant Georgia an intensive cooperation plan and [Georgian President] Mikhail Saakashvili's visit to the United States." Was Mr. Lavrov playing to traditional Russian paranoia about the designs of outsiders on the motherland? Or did he really believe that Washington, Brussels and Tbilisi were conspiring trilaterally in this two-bit "plot"?

How does the Litvinenko murder fit into this? Natan Sharansky, the former Soviet dissident now at the Shalem Center in Jerusalem, has often made the point that the best predictor of how nations behave toward their neighbors is how they treat their own people. "I think there's a very high probability [the Litvinenko killing] was done by the security services," he says in a telephone interview. The Kremlin's denials notwithstanding, the use of exotic poisons has been a KGB (now FSB) signature for decades, and killing Litvinenko in London would certainly be one way of letting the Kremlin's critics know that nobody is immune anywhere. As for negative public reaction, Mr. Sharansky observes that "experience shows them that it's short-lived."

That's certainly been Mr. Putin's experience with this White House. It was George W. Bush who first saw gold in Mr. Putin's soul, sometime after the Russian had decimated the city of Grozny. It was Condoleezza Rice who came up with the formulation after the Iraq war that the U.S. should "punish France, ignore Germany and forgive Russia." And it was this administration that agreed last week to Russian membership in the World Trade Organization, with Mr. Bush thanking Mr. Putin for "your time and friendship."

A case can be made for bringing Russia into the WTO, but caveat emptor: A government that trashes the rule of law domestically isn't likely to long sit still in any rules-based organization. There is no case for Russia's continued participation as the eighth member of the Group of Seven, once a club for mature democracies only. Putting Mr. Putin on notice that only gentlemen belong in gentlemen's clubs would be the right first step. Treating him for what he is -- "unworthy of the trust of civilized men and women," as Litvinenko wrote from his deathbed -- would be the next.

Orange Revolution's Foe Transformed In Ukraine (WP)

By Peter Finn

The Washington Post, November 28, 2006

KIEV, Ukraine, Nov. 27 -- The Orange Revolution, strangely, has been kindest to the man who played the villain to the waves of protesters who rolled onto the streets of this capital two years ago. Viktor Yanukovych, once cast as the bluff hack who tried to steal Ukraine's presidential election, is back in power as prime minister thanks to free and fair parliamentary elections in March that were made possible only by the street protests of late 2004.

As he prepares for his first official trip to Washington, a four-day visit beginning Sunday, Yanukovych is suddenly projecting himself as the voice of democratic reform. He also appears eager to assure his White House hosts that his popular image as a pro-Russian straw man is a gross distortion.

Now, he suggests that he, too, was a catalyst in the transformation of this once stagnating country into the most politically competitive of all the post-Soviet states, a nation where debate is dynamic and where power, ultimately, resides with the people.

"There were many mistakes made by the previous authorities and many injustices," he said in an interview in his office here Monday. "The authorities lost trust. One should recognize that there is more democracy, that there is freedom of speech -- and that is an achievement of these historic events, although I don't call it a revolution."

Yanukovych bears little resemblance to the figure who provoked tens of thousands of Ukrainians to demonstrate against electoral fraud in 2004, eventually sweeping his opponent, Viktor Yushchenko, into the presidency. And some question the sincerity of what they see as his self-serving rhetoric.

"He talks like he was part of it," said David Zhvania, a member of parliament and financier of Yushchenko's campaign and the protests in Kiev's Independence Square. "It's a game. We showed Ukrainians why he was scary, but we also explained to Yanukovych why he was scary, and from his first day in power we saw that he was listening."

For others, however, the fundamental legacy of the Orange Revolution, named for the color adopted by those advocating democratic change, is that Yanukovych must now bow to the electorate and that Ukraine, a nation of 47 million, cannot return to autocratic rule.

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"He is forced to play within the rules of a new political culture," said Vadim Karasev, director of the Institute for Global Strategies in Kiev. "He understands that a dictatorial style is no longer permissible in Ukraine. The Orange Revolution made him a politician."

The change in attitude is immediately apparent to visitors to his office. The first visible image is a portrait of Yushchenko, which was placed in a prominent position on Yanukovych's orders, according to his media aides. The prime minister also regularly speaks Ukrainian, not Russian, in public now; his vastly improved fluency clearly reflects an attempt to project himself as something more than the representative of pro-Russian business clans from eastern Ukraine.

The bulk of Yushchenko's support came from the Ukrainian-speaking west, while Yanukovych's base is in the Russian-speaking east.

"There is more and more desire among the people to unite under the state flag," Yanukovych said. "They want to build a strong unified state, a united Ukraine."

The coalition that had backed Yushchenko collapsed following bitter infighting, but Yanukovych strikes an accommodating tone in discussing the president's goals -- integration with the West, including membership in NATO and the European Union, while maintaining respectful but independent relations with Russia, Ukraine's giant neighbor.

"My goal, first, is to develop a strategic relationship between Ukraine and the United States that is predictable, effective and has a good perspective," he said of his Washington visit, during which he will meet with Vice President Cheney and Secretary of State Condoleezza Rice. His aides are still hoping for a meeting with President Bush, however brief. According to protocol, he should meet only with the vice president, since he is not the head of state, but a presidential handshake would imply some acceptance of Yanukovych's new incarnation.

On NATO membership, a prospect that a majority of Ukrainians oppose, according to opinion polls, Yanukovych said his compatriots first need to be educated about the goals of the alliance and its benefits for Ukraine.

"You cannot put a boat to sail without first building it," he said. "For Ukraine, and the Ukrainian people, the priority is first to improve the standard of living, build up the legal system and create a just state with democratic values and freedom, and only then a security system. The population will support integration with NATO when they see positive changes in the country itself."

Asked about his personal view of NATO membership, Yanukovych said, "I think we will do everything that serves the national interest." And that, he added, includes "a normal and stable working relationship with Russia which is of mutual benefit. It is extremely important for us. Russia is a very important strategic, trade and economic partner."

But he also said he wanted to pursue policies that reduce Ukraine's dependence on its neighbor, particularly its almost total reliance on Russia for energy. "We want to develop a diversification of energy supplies," he said. "And Russia is not obstructing us in this process."

Three Sent For Radiation Tests After Death Of Russian Ex-Spy (NYT)

By Sarah Lyall

New York Times, November 28, 2006

LONDON, Nov. 27 — Three people complaining of symptoms consistent with the radiation poisoning that killed a former Russian spy last week have been sent to a special clinic here for further tests, the authorities said on Monday.

They would not elaborate on the symptoms and said it would take a week before they knew whether the three had been exposed to polonium 210, the radioactive isotope found in the urine of the former spy, Alexander Litvinenko. But they said the danger to the public was minimal.

In order to fall ill, “you would need to ingest or inhale some of his body fluids,” Jill Meara, deputy director of the radiation protection division of the Health Protection Agency, which is responsible for assessing public health risks, said in an interview. People who had touched Mr. Litvinenko when he was sick, she said, would not be at risk, unless they failed to wash their hands and then put their fingers in their mouths, or if they somehow absorbed his body fluids — through swallowing, for instance, or through an open sore.

Of 450 people who had called a special government hot line over the weekend, worried that they had been in contact with Mr. Litvinenko, only 18 were referred for follow-up questioning. The three being sent for further tests are among that group.

Four days after Mr. Litvinenko died of polonium 210 poisoning, the police do not seem any closer to solving the mystery of how he was poisoned. They have not even said it was murder, despite Mr. Litvinenko’s deathbed assertions that he had been poisoned by Russia’s government. An inquest will begin Thursday.

“I would urge caution on everyone not to get ahead of ourselves or, in particular, the police investigation,” the home secretary, John Reid, told the House of Commons on Monday. “The police have been very careful in the words they used. They said they are dealing with a suspicious death, and that is the basis for their investigations.”

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David Davis, the home affairs spokesman for the opposition Conservative Party, said, however, that it was "incredibly important to resolve the question of whether the Russian state was involved." If it was, he told the House of Commons, "given that a British citizen who had been given asylum may have been murdered on British soil, this has enormous implications to the relationship between the U.K. and Russia, and implications, too, for the other émigrés in the U.K. who are opponents of the Russian government."

Britain is in a delicate situation in relation to its Russian ally, as it is increasingly dependent on its oil and gas.

"Going by past patterns, it's obviously going to cause short-term deterioration in the tone of the relationship, but not in its substance," Alex Pravda, an expert in Russia's post-cold-war foreign policy at the foreign policy research organization Chatham House, said in an interview. "There's an interlocking set of vested interests in getting on with a stable relationship."

The police have closed two places — the Itsu sushi restaurant in Piccadilly, and the Pine Bar at the Millennium Hotel in Mayfair — where Mr. Litvinenko is known to have been on Nov. 1, when he became sick, and where low levels of radiation have been detected. Radiation has also been found in his home. The BBC reported that radiation had been detected in a West End office building and at a building in Mayfair. [Wire services and the Tuesday Guardian cited various sources as saying that one of the buildings included the office of Boris Berezovsky, the exiled Russian tycoon, who had a long association with Mr. Litvinenko, and the Guardian said, citing anonymous sources, that traces had been found there.]

But the authorities do not seem to be particularly worried. Julian Metcalfe, the founder of Itsu, a chain of restaurants in London, said that 16,000 people had eaten in the Piccadilly location since Nov. 1, and none had fallen ill with radiation poisoning.

Radioactive Traces Found At More Sites In London (WP)

By Kevin Sullivan

The Washington Post, November 28, 2006

LONDON, Nov. 27 -- Traces of the radioactive substance responsible for the death of former Russian spy Alexander Litvinenko have been found in two downtown London offices, and three people who are not feeling well have been referred for tests to determine if they might also have been exposed, officials said Monday.

Home Secretary John Reid, speaking in the House of Commons, called for calm during the investigation of the death of Litvinenko, 43, who died Thursday from exposure to radioactive polonium-210. "The nature of this radiation is such that it does not travel over long distances, a few centimeters at most, and therefore there is no need for public alarm," Reid told legislators.

Reid said that about 500 people have called government hotlines established following Litvinenko's death and that only "a small number" had been referred for testing as a "very precautionary measure."

A spokeswoman for the Health Protection Agency said Monday evening that three people had been referred for urine tests to screen for radiation. She said that all three had reported being in the same areas Litvinenko visited on Nov. 1, the day he fell ill, and that they also were suffering from potential poisoning symptoms, such as diarrhea and vomiting.

Reid cautioned against drawing premature judgments about what happened in this unprecedented case, noting that it was not even established that Litvinenko had been murdered; police are calling his case an "unexplained death."

Litvinenko was an outspoken critic of Russian President Vladimir Putin. Following his death, a friend of Litvinenko's read a statement, which he said had been written by Litvinenko on his deathbed, alleging that Putin was behind his death. Kremlin officials have called those allegations "nonsense."

Reid told legislators that the Russian ambassador to Britain had been summoned to the Foreign Office and asked for Russian cooperation in the investigation.

Police said traces of polonium-210 had been discovered in offices at 7 Down St. and 25 Grosvenor Sq. in central London. They declined to provide further details, including why those addresses had come to the attention of investigators.

News media here reported that Russian tycoon Boris Berezovsky, another Putin critic who won asylum in Britain after fleeing Russia, maintains an office at the 7 Down St. building. Sky News reported that Litvinenko had visited a security company with offices at the Grosvenor Square building.

Litvinenko, a former colonel in the Federal Security Service, or FSB, the domestic successor to the KGB, publicly accused FSB agents of involvement in apartment building bombings in 1999 that killed more than 300 people. He also accused his FSB superiors of ordering him to kill Berezovsky.

Berezovsky said in a telephone interview last week that he visited Litvinenko in the hospital during his illness and said Litvinenko told him he had "no doubt" that he had been poisoned on the "order from President Putin to kill him." Berezovsky said poisoning was "a classic way" that Russian agents work.

Traces of polonium-210 had already been found at two locations that Litvinenko visited on Nov. 1: the Itsu restaurant in Piccadilly, where he met an Italian contact, and the Millennium Hotel in Grosvenor Square, where he met several Russian men, including a former KGB agent. Traces had also been found in his home in Muswell Hill in north London.

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The Case Of The Poisoned Spy (WP)

By Eugene Robinson

The Washington Post, November 28, 2006

Conspiracy theories always turn out to be nothing more than paranoid fantasy. At their heart lies the notion that while the rest of us blithely go about doing whatever it is we think we're doing, occult and all-powerful forces are really running the world -- starting wars, engineering suspicious plane crashes, surveying the next grassy knoll. Take this stuff too seriously and you find yourself on the corner with the Lyndon LaRouche people, trying to convince passersby that the queen of England is actually a ruthless drug dealer in sensible pumps.

But every once in a while, an episode such as the death of Alexander Litvinenko comes along to boost the morale of conspiracy theorists -- and remind the rest of us that there does exist a secret world full of characters and plotlines so bizarre and implausible that the bard of betrayal, novelist John le Carre, would be embarrassed to write them.

These clandestine creatures don't actually run the world, of course. But they seem to think they do.

Litvinenko was the former KGB agent -- and bitter critic of Russian President Vladimir Putin, also former KGB -- who died in a London hospital Thursday after a brief, devastating and mysterious illness. Doctors suspected poisoning, since that was the most likely reason a healthy 43-year-old's hair would fall out and his organs would fail. Finally they identified a most unlikely poison: polonium 210, a radioactive element discovered by Marie Curie in 1898 (for which she later won the Nobel Prize) and named after her native country, Poland. The substance is so deadly if ingested, even in microscopic amounts, that doctors still haven't done a proper autopsy on Litvinenko for fear of killing themselves in the process.

Polonium isn't the kind of thing you find at the local drug store. Only a sovereign government is likely to have any lying around, which narrows the field of suspects.

Before he died, Litvinenko blamed his impending demise on Putin, whose enemies tend to meet untimely deaths. Litvinenko was said to be on the verge of obtaining documents -- or maybe they were already in his possession; this part is unclear -- proving that Putin had staged attacks on Russian civilians and made it look as if Chechen separatists were responsible so that Putin would then be free to wage a brutal war of suppression against the Chechens. In the secret world, this sort of gambit is called a "false flag" operation.

But how had the poison been administered? Polonium isn't really harmful unless you get the victim to ingest it.

It turns out that on Nov. 1, the day he became ill, Litvinenko met a friend at a sushi bar near Piccadilly Circus. Predictably, this was no ordinary friend. It was an Italian "security consultant" named Mario Scaramella, who has described himself as an expert in nuclear materials -- according to reports in the British media, which have pursued this story with old-school Fleet Street gusto.

Pretty intriguing, this Scaramella guy, but there's no obvious reason he would have wanted to kill Litvinenko, who was apparently an ally. According to the Daily Mail, Scaramella might have used the sushi bar meeting to pass a document to Litvinenko -- there are lots of incriminating documents circulating in the secret world -- that contained a hit list of Putin's critics who have been targeted for death by a group of former Russian spies calling themselves "Dignity and Honor."

The Daily Mail started to lose me when it also reported that British authorities suspect Litvinenko's killer might be a "ruthless assassin" -- former KGB, of course -- named Igor, who is a judo master (like Putin), walks with a limp (unlike Putin) and is thought to have fled to Italy (watch your back, Scaramella).

The whole thing is so over the top that you almost expect Dr. Evil from the "Austin Powers" movies to make an appearance. It's easy to lose sight of the fact that all these cloak-and-dagger characters really exist (although I have my doubts about Igor) and that a man who spoke out against Vladimir Putin's ongoing consolidation of power really did succumb to a rare, exotic poison. I should point out that British authorities haven't entirely discarded the possibility that, for some reason, Litvinenko poisoned himself.

Spies, former spies, counterspies, a mysterious character named Scaramella. . . . The authorities need to find out quickly just what happened to Litvinenko and banish all this throwback, Cold War-style conspiracy and intrigue to its proper venue: the pages of a thrilling but unconvincing novel.

Awaiting Pope, Turkey Is Unsure About Ties To West (NYT)

By Sabrina Tavernise

The New York Times, November 28, 2006

ANKARA, Turkey, Nov. 27 — A short 24 hours before a visit by Pope Benedict XVI to this Muslim country, its prime minister finally agreed to meet him publicly. The venue: the airport, on the Turkish leader's way out of town.

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The elaborate, last-minute choreography pointed to the deep divide that has festered within Turkish society since the foundation of the modern state. Should Turkey face eastward, toward its Muslim neighbors, or westward, toward Europe?

In the past five years, Muslims here have repeatedly felt betrayed by the West. The United States began holding Muslims without charges at Guantánamo Bay, Cuba. It invaded Iraq and abused prisoners at Abu Ghraib. The European Union has cooled to them. The pope made a speech citing criticism of Islam.

Now, Turkey — a Muslim country with a rigidly secular state — is at a pivot point. It is trying to navigate a treacherous path between the forces that want to pull it closer toward Islam and the institutions that safeguard its secularism. Turkey's government, which is pro-Islamic, is constrained by rules dictating secularism established by Mustafa Kemal Ataturk, Turkey's revered founder.

The extremes jostle on Istanbul's streets, where miniskirts mix with tightly tied headscarves and lingerie boutiques stand unapologetically next to mosques.

"There are two Turkeys within Turkey right now," said Binnaz Toprak, a professor of political science at Bosporus University.

The pope's visit, which begins Tuesday, falls squarely on that sensitive fault line and has brought into stark relief a slow but steady shift: Turkey is feeling its Muslim identity more and more. The trend worries secular Turkish politicians, who believe the state's central tenet is under threat. In late October, a senior officer of Turkey's army — which has ousted governments it has seen as overly Islamic — issued a rare warning to that effect.

Others say the threat is overstated, but acknowledge that Turks do feel pushed east by pressures on their country from America and Europe. A poll by the Pew Foundation in June found that 53 percent of Turks have positive views of Iran, while public opinion of Europe and the United States has slipped sharply.

"Many people in Turkey have lost hopes in joining Europe and they are looking for other horizons," said Onur Oymen, an opposition politician whose party is staunchly secular.

It has been more than 80 years since religion was ripped out of the heart of the new Turkish state, which was assembled from the remains of the Ottoman Empire, the political and economic heart of the Muslim world for centuries. But the portion of Turks who identify themselves by their religion, first and foremost as Muslims, has increased to 46 percent this year, from 36 percent seven years ago, according to a survey of 1,500 people in 23 cities conducted by the Turkish Economic and Social Studies Foundation, an independent research organization based in Istanbul. That is a trend that has emerged in countries throughout the Muslim world since Sept. 11, 2001.

"I'm here as a Muslim," said Fatma Eksioglu, who was sitting on the grass next to her sister in downtown Istanbul on Sunday at a demonstration of about 20,000 people opposing the pope's visit. She did not belong to the Islamic party that organized the gathering, she said, adding, "When it comes to Islam we are one."

But in a paradox that goes to the heart of the nuances of modern Turkey —— a stronger Muslim identity does not mean that, as in Iraq, fundamentalism is on the rise. or even that more Turks want more religion in their government. Indeed, the number of Turks in favor of imposing Sharia law declined to 9 percent from 21 percent, according to the survey, which was released last week.

Perhaps the most powerful factor pushing Turks toward the east has been a series of bitter setbacks in talks on admission to the European Union. To try to win membership, the Turkish government enacted a series of rigorous reforms to bring the country in line with European standards, including some unprecedented in the Muslim world, such as a law against marital rape.

But the admission talks have stalled. And while the official reason is a quibble involving the longstanding Greek-Turkish dispute over Cyprus, most Turks say they believe the real reason is a deep suspicion of their country's religion.

They see that in the opposition to Turkey's admission voiced by some European countries, including Germany, Austria and France. Indeed, in 2002, , former President Valéry Giscard d'Estaing of France said Turkey's admission to the European Union would mean "the end of Europe," and now the French presidential hopeful Nicholas Sarkozy has made his opposition a campaign issue. Even the pope, when he was still a cardinal in Germany, said publicly that he did not think Turkey fit into Europe because it was Muslim. That talk has begun to grate on Turks.

"It hurts me that the E.U. expects Turkey to be something it's not," said Nilgun Yun, a stylish 26-year-old chewing a chocolate muffin in a downtown Istanbul cafe on Sunday.

Her position, shared by many of her friends, was simple: "Accept me as I am. We are Muslim, and we will remain Muslim. That's not going to change."

Mr. Oyman, the Turkish opposition politician, said that talk about Turkey was tougher than ever. "You cannot believe how they accuse Turkey on Cyprus and other issues," he said in a telephone interview from Brussels, where he was attending a meeting of European parliamentarians. "Our European friends are playing a very shortsighted game."

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The shift has begun affect trade. While Europe is still Turkey's largest trading partner, business with other neighbors, including Syria, Iraq and Iran, has picked up substantially in recent years, said Omer Bolat, the head of one of the country's largest business associations, whose members are mostly pro-Islamic. He put the growth at about 30 percent from just 3 percent in 2000.

"It is risky for a country with respect to foreign policy to have dependence on one partner and market," he said in English, sitting in a sleek conference room when overlooking a bustling trade fair showcasing Turkish goods. "Now Turkey is opening its muscles, its horizons."

The policies of the Bush administration have deeply worried Muslims, he said, before rushing off to speak to the Pakistani ambassador, who had arrived to the trade fair.

"The United States used to be paradigm of freedom and rights," he said. "But since the Republican period, the U.S. policies have been so detrimental in Muslim eyes."

Prime Minister Tayyip Erdogan of Turkey, in just four years, has managed to get inflation down to historic lows and growth rates to all-time highs. The growing prosperity has eased integration of religious Turks into the country's self-consciously society, which is still suspicious of advocates of Islam, as well as of Mr. Erdogan and his pro-Islamic government.

"This group of people that was more religious has relaxed," Ms. Toprak said. "They are now visible. They go to restaurants they would never have gone; they go to posh shopping malls."

"It was a struggle to get a piece of the pie," she said. "Now they have one."

Even so, the increased religiosity, or at least identification with religion, could eventually present a serious problem for Turkey. There are already rumblings. A killing of a judge whose court had ruled on a headscarf case aroused suspicions among Turkey's securlarists. Gen. Yasar Buyukanit, head of the Turkish Army, has referred to a rising threat of fundamentalism on at least four occasions since he came to office in late August.

Mr. Erdogan's closely watched government has attempted to limit liquor consumption in public places, but later backed down. It also tried to make adultery a crime, but later relented.

Some Turkish officials play down the possibility of real damage to secularism, but say that European suspicion does Turkey no good.

The delay with Europe, for instance, "fans up the disappointment, the disillusionment," said Namik Tan, the spokesman for the Turkish Foreign Ministry. "People say, why are they doing this?"

That is why public officials, including Mr. Erdogan, have shrunk from the visit of the pope, who symbolizes, in the eyes of Turks, a disdain for Islam and the unfair exclusivity of the Western club. A cartoon in a Turkish newspaper last weekend showed two public officials belly-laughing at the bad luck of those Turkish officials obliged to meet him. (The senior official appointed to be his formal guide has the portfolio of youth and sport.) But the pope is coming, and the meetings are happening. Despite growing pains, a neglected Kurdish minority in the south, a thin skin for any reference to the Armenian genocide, and failure to scrap a law that makes insulting Turkishness a crime, Turkey stands out as lively democracy in a larger Middle East riddled with restrictions, and its acceptance by the West is a test case for everyone, officials said.

Muslim countries, Mr. Tan points out, are watching. "Turkey is a beacon for those countries," he said. "Don't forget, if we fail, then the whole dream will fail."

Turkey's EU Entry Bid Stalls On Cyprus Issue (WSJ)

The Wall Street Journal, November 28, 2006

BRUSSELS -- A failure to get a deal on Cyprus will lead to at least a two- to three-year pause in Turkey's negotiations to enter the European Union, analysts, officials and business leaders say.

Few see a major short-term reaction in Turkish markets, saying investors already priced in the breakdown. If the rupture becomes final, many fear Turkey's long-term economic progress could be halted.

Negotiations in Helsinki over Cyprus between Turkey and the EU collapsed yesterday. The EU had demanded Turkey open its ports to trade with the Greek-speaking part of Cyprus. Turkey had demanded that the EU open its borders to trade with Turkish-speaking Northern Cyprus.

A Finnish compromise proved unacceptable to both sides. It called for granting the northern Cyprus seaport of Famagusta free trade with the EU in return for the Turkish side handing over control of nearby Varosha. After talks with Turkish Foreign Minister Abdullah Gul and Cypriot Foreign Minister George Lillikas, Finnish Foreign Minister Erkki Tuomioja was quoted as saying there was "no basis for a solution."

Turkish markets seem undisturbed. The Istanbul index rose 1.8%, with bargain hunters buying stocks that had fallen last week. Turkey's signing of a letter of intent with the International Monetary Fund to finalize a review of its three-year $10 billion loan deal helped encourage investors.

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The West's Eastern Front (WSJ)

By Hugh Pope

The Wall Street Journal, November 28, 2006

ISTANBUL -- The Istanbul professor who is a leading character in "Bliss," a lyrical novel by Zülfü Livaneli, imagines the Turkish intellectual as an acrobat swinging through the air. He lets go of his trapeze, sure in the belief that his European partner and inspiration waits on the other side, ready to catch him. Too late, he discovers his mistake.

If the much-bruised Turks agonize long and loud about when they'll ever be accepted as Europeans, the Europeans seem willfully blind to the Turks. Another crisis looms in the long-running negotiations over Turkey's possible membership of the European Union, this time over the conveniently distracting issue of access to Turkish ports for Cypriot ships. Meanwhile the reigning pope, who wants to reclaim Europe for Christianity to the exclusion of the Turks, today touches down in this Muslim land. So it's worth thinking again about who the Turks are, what they want, and how helpful to Europe their practice of Islam really is. * * *

No clear answer exists, of course, to the question of whether the Turks are Europeans. There are just too many subjective variables. There is plenty of official hypocrisy, too. Europe has never negotiated with Ankara in wholly good faith, and Turkey has never been wholly sincere in its stated goal of joining the EU as it is today. But before muskets and scimitars are brought down from the attics of history, one must note that the Turks are already much more European than most Europeans realize.

The land of modern Turkey has always been part in, part out of Europe. The Roman Empire included most of today's Turkey, which has also gone by other names like Anatolia or Asia Minor. The most easterly Roman forts are inside Georgia on the foothills of the Caucasus Mountains. To the southeast, the main Roman customs houses were along the Euphrates -- roughly where the Kurdish-majority areas of Turkey begin today.

The subsequent Turkish conquest of Anatolia, and two sieges of Vienna, has not always meant a historic exclusion from Europe. The Ottomans had strategic alliances with France and Britain, among others. They were briefly part of the "Concert of Europe" in the late 19th century, were thought of in decline as the "Sick Man of Europe" (not Asia) and were the allies of Germany and Austria in World War I. In the Cold War, Turkey joined the North Atlantic Treaty Organization and guarded a whole third of Europe's front line with the Warsaw Pact.

Institutionally and commercially, Turkey is already deep in modern Europe. Formal Turkish-EU ties have deepened through nearly half a century of intense negotiation, including a customs union since 1996. Turkey is a member of the Council of Europe; its well-trained soldiers are projecting European political resolve in Afghanistan, Kosovo, Lebanon and Congo; its sports teams play in European leagues; and it takes part in and once won the Eurovision song contest.

Arguments that Turks are somehow ethnically Asiatic and non-European also hold little water. Yes, the original Turkish tribes and dynasties like the Seljuks and Ottomans came from Central Asia. Turkey is the most powerful state in what can be seen as an emerging Turkic-speaking world, which counts 140 million people from Kashgar to Cologne. But the six main Turkic states do not form a political bloc and, although not EU applicants, most share Turkey's ambition to be seen as part of a European or Western culture.

Furthermore, the 70 million people in modern Turkey may be Turkic in name and language, but are not so genetically pure. The main influx of Central Asian Turks to Turkey ended in the 13th century. Overall it seems to have added only about 10% of the population to the existing muddle of ancient Anatolian populations. Western Turkey, at least, is not much different from other Eastern European members of the European Union, where Bulgars, Finns and Hungarians also have origins in the eastern steppe. Turkey's Kurds, meanwhile, speak an Indo-European language.

Nobody doubts, however, that Europe's cold shoulder to Turkey is mainly due to its Muslim identity. As a cardinal in 2004, Pope Benedict XVI put this argument in terms of Turkey as being "in permanent contrast to Europe." But Europe cannot just wish Islam away. Some 15 million to 20 million Muslims already make up nearly 5% of the EU's population; that number includes 3.5 million Turks. Europe is deluding itself if it thinks it can isolate itself from engagement with not just Turkey but its whole Islamic backyard around the Mediterranean Sea.

In contrast to the narrow defensiveness of some European opinion leaders who treat a "clash of civilizations" as inevitable, Turkey's current leaders have been reaching out to create an "alliance of civilizations." When Europe meets them half-way, as in the last phase of Euro-Turkish rapprochement, in 1999-2005, which culminated with the opening of talks on membership in the union, pro-Western Turks feel strengthened. When Europe turns its back, as this year, the local nationalist backlash forces them onto the defensive.

Turkish Prime Minister Tayyip Erdogan was indeed once a hard-line Islamist. Yet, reflecting a broader change in the country, he had to split with the fundamentalists in order to win power in 2002 with a new, more center-right party that was

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acceptable to 35% of the Turkish population. He has presided over an economic and commercial convergence with Europe that has put more European names than ever on Turkish products and high street stores and banks.

Turkey started its acrobatic effort to assimilate European culture in the early, 19th-century Ottoman Empire. In the 1920s, the present Turkish Republic took Europe as its model for almost everything, since back then Europe equaled modern progress. The new state dumped almost all the hallowed pillars of Islamic culture: Islamic law, dervish lodges, even the Muslim caliphate.

Europe has long been slow to appreciate these changes. In 1949, the Times of London's opinion page thought Turkey had no place in Europe because it used the Arabic script: in fact, that, too, had been discarded two decades previously. More recently, one of Germany's ambassadors to Turkey surprised a visiting Bundestag politician by giving him the news that Turkey had repudiated Islamic punishments like cutting the hands off thieves nearly a century ago.

A recent socio-economic survey by TESEV, one of Turkey's new think tanks, shows piety on the rise in Turkey -- just as in Europe. It also found that, contrary to perceptions, the number of women covering their hair had decreased in the past seven years. Only 1% of women surveyed wear the full black face-and-body covering, and that 1% is almost entirely older, rural women. Support for the use of Islamic law has fallen to 9% from 21%, and 81% condemn suicide bombing as un-Islamic, whether in Palestine or Iraq. Opinion has been liberalized, the study found, by rising wealth, stability, education and urbanization -- the same factors that have slowly improved Turkey's human-rights and democratic records in recent years.

Until recently, the pollster's question "Do you want to join the European Union?" put to a Turk was enthusiastically approved as meaning "Do you want to be rich?" Support has however plummeted as Turks have learned of European hostility, often whipped on by European politicians trying to blame external causes for internal ailments. Yet polls don't show everything. Turkey still does a booming half of its trade with the EU and more than half of its 21 million tourists come from Europe. Similarly, the negative image of Turkey elicited in Europe by the question "Do you want Turkey in the EU?" is not the whole truth. Change the question to "What do you think of Istanbul?" and many Europeans describe the city as cool, or full of desirable commercial energy.

Rudyard Kipling's old saying that "East is East and West is West" -- or its modern incarnation, "the clash of civilizations" -- is not the right paradigm for Turkey, which feels increasingly confident as part of both. The West is now all over the East and the East is firmly camped in the West. Indeed, Turkey's republican founder Kemal Atatürk believed that the "East is East" idea was fostered by Western powers to justify clinging to power over their former colonial subjects. * * *

An impasse next month between Turkey and Europe, which threatens to freeze accession talks unless Ankara kowtows to its demands in the dispute over Cypriot ships, would be unfortunate and, on past diplomatic form, unlikely. Both sides would suffer too much commercial and political damage. The wider Islamic world, having reacted with delight to the EU's apparent decision to accept Turkey as an equal, would revert even more stubbornly to its default position that it is impossible to expect fair treatment from the West.

A pause for reflection seems in order for both sides. An acrimonious standoff with the EU in the late 1990s cleared the way for Turkey's great leap forward of 1999-2005. A Dutch ambassador at the core of those EU-Turkish negotiations once described the relationship as a wrestling match, with no time clock but no alternative. Neither Europe nor Turkey can "win." But neither side can afford to let go.

Mr. Pope is author, most recently, of "Sons of the Conquerors: The Rise of the Turkic World" (Overlook Duckworth, 2005).

Lawyers Cite Obstruction In 2nd Trial For Chinese Rights Advocate (NYT)

By Joseph Kahn

The New York Times, November 28, 2006

BEIJING, Nov. 27 — A Chinese legal expert who exposed abuses in the country's population control policies began a rare second trial on Monday, but his lawyers accused local authorities of preventing them from mounting a vigorous defense.

The legal expert, Chen Guangcheng, was sentenced in August to four years and three months by a county court in Shandong Province for destroying property and organizing a mob to disrupt traffic.

A higher court later quashed the verdict and ordered a new trial, which some supporters of Mr. Chen cited as an important breakthrough for China's Communist Party-run judicial system.

But the first day of the new trial, held in the same county court, ended in acrimony. Several of Mr. Chen's most important witnesses were prevented from attending the hearing by thugs who had the backing of local officials, his lawyers said, and the judges in the case declined to grant a defense request to delay the trial.

The lawyers said the witnesses, residents of Mr. Chen's village, were prepared to testify that the police had tortured them to provide false evidence against Mr. Chen. But three witnesses were detained before the trial began and none of them could attend the hearing, the lawyers said.

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Li Jinsong, a lawyer for Mr. Chen who is based in Beijing, argued in court that the trial should be postponed until the witnesses could appear. When the judges rejected his request, he stormed out of the courtroom in protest.

"Our witnesses were prepared to make clear that the evidence against Chen Guangcheng was based on forced confessions of several people who do not stand by their accusations against him," Mr. Li said. "Those witnesses were prevented from attending the trial, and I believe we are headed toward another wrongful conviction."

Mr. Chen, who has been blind since a childhood illness, taught himself the law and became a campaigner for peasant rights. For a time he was hailed in China and abroad as a barefoot lawyer who helped legal norms take root in China's countryside.

But in 2005 he sought to organize a class-action lawsuit on behalf of people forced to undergo late-term abortions or sterilization operations in a mass crackdown aimed at helping local officials meet their quota for limiting population growth. In so doing he ran afoul of powerful party officials in Shandong.

Local authorities retaliated against Mr. Chen, confining him to his home for many months and later charging him with destroying property and disrupting traffic. Mr. Chen's lawyers say that the charges were fabrications.

Though the Chinese news media have been barred from reporting on the matter, the case has attracted high-level attention in Beijing. Many legal experts in the capital believed that local authorities would come under pressure to grant Mr. Chen at least the semblance of an impartial hearing.

Mr. Chen's defense lawyers say that despite the detention and intimidation of potential witnesses, the second trial was in some respects an improvement over the first. In the first trial, Mr. Chen's defense attorneys were not allowed to represent him, and he was assigned new lawyers who did not contest the charges.

This time, Mr. Li, his lead lawyer, was permitted to defend Mr. Chen in court. But he said, "Under Chinese law this is still a wrongful case."

Rare Retrial Begins For Blind Chinese Legal Activist (WP)

By Maureen Fan

The Washington Post, November 28, 2006

BEIJING, Nov. 27 -- The retrial of a blind legal activist kicked off in eastern Shandong province Monday, but not without some of the same courtroom tumult that characterized his first trial, which was widely denounced by human rights advocates, lawyers said.

Chen Guangcheng, who embarrassed officials last year by exposing forced abortions and sterilizations, was convicted in August of disrupting traffic and damaging property during a village protest. A Chinese court earlier this month granted a retrial, citing a lack of evidence from the prosecution.

Chen's case, however, suffered another setback Monday, according to his attorneys, one of whom stormed out of the courtroom in protest. Three defense witnesses disappeared before the trial, the attorneys said, marking the second time Chen's allies were unable to speak on his behalf. On the eve of his first trial, the defense team was detained by police and accused of petty theft.

Despite the setbacks, Chen's attorneys said, there were moments during the nearly 10-hour proceedings Monday that gave them small reason to hope. Spectators, even though they were government employees, sometimes hissed at the prosecutors. And the simple chance to appeal was seen as a positive sign. Chinese courts usually find all criminal defendants guilty; acquittals and retrials are rare.

Chen last year highlighted abuses in family planning programs around Linyi, a city of 10 million people about 400 miles southeast of Beijing. Officials, whose promotions depended on not exceeding birth quotas, had forced thousands of men and women to have abortions and sterilizations, often conducting midnight raids and beating or holding residents hostage until they complied.

Chen, blinded by a childhood illness, taught himself law and helped many of the victims prepare an unprecedented class-action lawsuit. Since then, his supporters have been harassed, beaten and placed under house arrest. Chen was sentenced to more than four years in prison. His attorneys say the charges were trumped up by local authorities as payback for embarrassing them.

One of Chen's attorneys, Li Fangping, said the mood of the court Monday was markedly different from the last trial.

"In the morning, the prosecutor interrupted us all the time, and the judge was always on the prosecutor's side. I was expelled from the court because the judge kept granting the prosecution's objections but I kept talking," Li said. But Li said he returned to the courtroom and continued to identify discrepancies between the written and oral testimony of prosecution witnesses. "In the afternoon, the prosecutors tried to interrupt us about 20 to 30 times, but this time, the judge mostly denied their objections."

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Chen, who wore a long green army coat and a two-inch beard, defended himself in court enthusiastically, complaining loudly about being illegally detained and persecuted by local officials, Li said. "This is the first time he was willing to talk. Last time he refused to speak because the procedure was so unfair," Li said. "He was in high spirits."

But Li Jinsong, the chief defense counsel, walked out of the courtroom at midday in protest after a disagreement with the judge about the three missing defense witnesses.

"Three major witnesses, neighbors Chen Guanghe, Chen Guangdong and Chen Gengjiang, all confessed to us before this retrial that their testimony in the first trial was false because they were tortured by police," Li said. "They promised us they would come to court to tell the truth. But two of them were missing this morning and one was kidnapped last night by eight unidentified men in front of our hotel. Two other lawyers witnessed it."

When Li tried to raise that issue with the judge and ask for an adjournment, the judge ruled that it was irrelevant. "So I quit the court to protest. I wanted to tell them, 'Don't try to play tricks with me. I will not let you tread on the law,' " Li said.

The Linyi Municipal Public Security Bureau referred calls about the alleged abduction to police in the neighborhood where the man disappeared, the Associated Press reported. A police officer in the neighborhood said he was unaware of any such incident.

Chen Guangcheng's eldest brother, Chen Guangfu, said he seemed to be the only spectator at the trial who supported the defendant.

"All the people who sat beside me were employees from the local prosecutor's office, the local police or the courthouse. There were also four village party secretaries from neighboring villages. I didn't tell them who I was," Chen Guangfu said. "But during the lunch break, I overheard a spectator, who said, 'Whenever the defendant says something crucial, the prosecutor interrupts, saying it's irrelevant. But actually I think this is the most crucial part of the case.' I can feel the mood of the court change in the afternoon."

Chen said his brother grew angry when interrupted by prosecutors. "He told them, 'You're shameless!' Even though he was insulting the prosecutors, it was joyous to hear."

A verdict is expected within a week, attorney Li Fangping said.

Researcher Jin Ling contributed to this report.

Rebels Attack Oil Field In Darfur (AP-Y)

By Alfred De Montesquiou

AP, November 28, 2006

Darfur rebels attacked an oil field in a rare extension of their campaign east toward the Sudanese capital and said Monday the military garrison guarding the field had surrendered. But the government said its forces repelled the assault and were in full control of the Abu Jabra oil field Monday.

The attack on the field on the edge of South Darfur appeared to be another sign that Darfur's violence was spreading across the region.

"The government garrison guarding the oil field was totally destroyed," the National Redemption Front rebel group said in a statement. "Numerous soldiers, including high-ranking officers and generals, have surrendered," the rebels said, claiming to have shot down an army helicopter and to have captured a "substantial amount" of weapons and military vehicles.

A Sudanese military spokesman denied the army had surrendered, saying its troops had "inflicted heavy causalities on the rebels, who withdrew from the area." He spoke on condition of anonymity in line with official policy.

A Sudanese official in the oil industry said Abu Jabra's capacity had been damaged in the attack, but insisted it would not affect overall production. The state-owned facility pumps up to 10,000 barrels per day — a relatively small output. The official spoke on condition of anonymity, citing the sensitivity of the issue.

The rebel raid came amid heightened violence in Darfur, where pro-government janjaweed militia have been accused by the United Nations of forcing 60,000 people to flee their homes this month. Violence in Darfur over three years has killed 200,000 people and displaced 2.5 million.

Observers fear Darfur's violence threatens to destabilize the entire region. Neighboring Chad accuses Sudan of backing a rebel raid that briefly took a large Chadian town and threatened the capital in recent days.

To the south of Darfur, the Central African Republic also alleges Sudan is backing a local rebellion. Khartoum denies both charges, but aid workers in the west Darfur town of El Geneina said they had seen Chadian rebel groups operating freely in the area. The aid workers spoke on condition of anonymity because of the sensitivity of the issue.

Sudanese officials say the country produces about 500,000 barrels per day and that oil revenue should be at least $4 billion this year, more than half of the government's income.

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Most of Sudan's oil reserves are in the south of the country, which is now semi autonomous under a separate peace agreement that southern rebels signed with the government in January 2005.

Violence Continues To Roil In Chad (AP)

By Michelle Faul

AP, November 27, 2006

With gunfire sounding in the distance, workers took stock Monday of looted U.N. warehouses and government offices in this town in eastern Chad, the latest victim of unrest that started in Sudan's Darfur region and has spread across a swath of Africa.

Chadian rebels who have bases in Darfur seized this hub for humanitarian workers Saturday, and government forces retook it Sunday. Amid the upheaval, looters pillaged some $1.5 million in U.N. aid and carted off goods from a courthouse, a national bank office, a cigarette factory and the state archives, said Ouaddai provincial Gov. Mahamat Nimir Hamata.

Both Hamata's office and his nearby official residence were stripped of doors, windows and plumbing.

"It's really sad," said Hamata, who seemed particularly troubled by the disappearance of state records. "I don't understand the state of mind of the people. How can you destroy our archives?"

Hamata declared a dusk-to-dawn curfew late Sunday and, in a radio address, pleaded with people to return stolen property.

It was not clear what prompted civilians to loot and target government buildings, but President Idriss Deby, who took power at the head of a rebel army in 1990, is considered unpopular here.

Chadian rebels have clashed sporadically with government forces since 2005 and launched a failed attack on the capital N'djamena in April. The competition for power has become more intense since Chad began exporting oil in 2004. The rebels have been able to exploit volatility in neighboring Sudan, establishing bases in Sudan's troubled Darfur region, which borders eastern Chad.

French troops, who have a base near Abeche some 550 miles east of the capital, deployed to protect Abeche's airport and some 150 foreigners seeking refugee in an aircraft hanger here.

"We are in a state of war," French officer Didier Lebailly told reporters and aid workers who arrived Monday on the first flight into Abeche since rebels briefly held the town.

He said Abeche still is under threat "from all sides." French troops in jeeps mounted with machine guns patrolled the perimeter of the airport.

Gunfire could be heard in the distance after nightfall, and residents said it was rebels fighting government troops north of town. No casualties were immediately reported.

In Paris, French Foreign Ministry spokesman Jean-Baptiste Mattei told reporters Monday: "These new rebel attacks show again the gravity of the situation and the urgency for an international presence to be deployed along the border between Chad and Darfur," he said.

According to initial reports from staff, more than 500 tons of food worth $500,000 were taken from a World Food Program warehouse in Abeche. Also stolen was around $1 million worth of blankets, tents, stoves, medical, communications and water purification supplies and other equipment.

"Stealing food from people who have lost everything is the most shameful and inhumane act that anyone can possibly commit," WFP Executive Director James Morris said.

U.N. and other agencies based in Abeche deliver aid to 218,000 Darfur refugees and some 90,000 internally displaced Chadians.

In the capital, heavily armed Chadian soldiers reinforced their positions Monday. The government insisted its forces were pursuing the rebels in the east toward the Sudanese border.

Troops were positioned throughout the capital, cordoning off key government buildings and supported by at least a dozen tanks guarding the main entrances to the city. Schools have been closed and residents of N'djamena have been stocking up on food and water.

At dawn a French Mirage fighter jet conducted low-level reconnaissance flights over the capital and surrounding areas.

Both France and Britain have issued warnings of reports of rebel forces heading toward the capital, urging against all travel to Chad. The Chadian government has denied rebels were about 250 miles from the capital and said they were no longer advancing.

Besides the rebellion, Chad's government has in recent weeks reported violence pitting ethnic Arab Chadians against ethnic African Chadians, mirroring ethnic clashes in Darfur. Chad accused Sudan of instigating the clashes. Chad often accuses Sudan of supporting Chadian rebels; Sudan makes a similar accusation against Chad.

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In Darfur, ethnic African tribes who accuse the central government of neglect launched a rebellion three years ago, following years of low-level tribal clashes over land and water. The government is accused of responding by unleashing ethnic Arab tribal militias who have been linked to atrocities. Strife believed related to Darfur has also been reported in the Central African Republic.

More than 200,000 people have died and 2.5 million have been displaced since fighting began in Darfur in early 2003.

Chad, an impoverished country in central Africa, has suffered from years of political turmoil that have hampered economic development. The economy relies on livestock and a relatively new oil industry.

Correa Looks Toward Reforms In Ecuador (AP)

By Monte Hayes

AP, November 27, 2006

Rafael Correa, the leftist nationalist headed to victory in Ecuador's presidential race, is already planning radical reforms when he takes office in January.

That is putting him on a fast track to a dangerous confrontation with the country's opposition-controlled Congress — a body he has called a "sewer" but which he needs to carry out his reforms.

"We receive this triumph with deep serenity and humility," the 43-year-old Correa, who calls himself a "personal friend" of Venezuela's anti-U.S. President Hugo Chavez, said at a news conference Sunday night.

With 58 percent of the ballots counted, Correa had a 65 percent to 35 percent lead over banana tycoon Alvaro Noboa, Ecuador's Supreme Electoral Tribunal said Monday.

While votes in Noboa's stronghold of Guayas, Ecuador's most populous province, were among the last to be tallied, even a strong advantage there would not be enough for Noboa to win.

Correa's followers took to the streets in caravans with musicians to celebrate a victory that few questioned except Noboa, who said he would await the end of the official count that might not come until Tuesday.

Correa said his victory "is a clear message to our traditional political class of the profound changes that our citizens want. This country doesn't need patching up. It needs a new constitution in tune with the times."

Correa, who has a doctorate in economics from the University of Illinois, surged in voter support as a fresh-faced outsider determined to reform Ecuador's political system.

His view that the Ecuadorean democratic system is designed to benefit parties rather than people is shared by many voters fed up with corruption, greed and incompetence in the political establishment.

During the campaign, Correa attacked Ecuador's Congress as a "sewer" of corruption and ran no candidates for the legislature. He now faces a Congress totally in the hands of his opponents — but says that's not important.

"Let's stop worrying so much about Congress. Let them scrutinize what they want. We're not afraid," he said. "What we won't tolerate is any attempt at instability or blackmail."

Correa says his first act after being sworn in as president on Jan. 15 will be to call for a national referendum on the need to elect a special assembly that could rewrite the constitution and even shut down Congress.

That puts him on a collision course with the legislature, which has dismissed Ecuador's last three elected presidents, violating impeachment proceedings in the process, after huge street protests demanding their ousters.

Jaime Duran, a public opinion analyst who served as chief of staff in a previous government, noted that the congressmen elected in October were just as legitimately elected as Correa.

"They have the same right to serve as Correa does," he said.

Correa's problem is that Congress would have to approve a constitutional reform to allow creation of a constituent assembly. And it has blocked attempts by the last two presidents to rewrite the constitution.

Correa has vowed to rally street protests if lawmakers don't agree to a new constitution that trims the power of the traditional parties.

Many of the reforms he proposes would make politicians more responsive to voters. For example, congressmen would represent districts instead of being elected with a national vote. He also supports allowing recall of all elected officials.

But he risks violating the constitution if he tries to organize an election for a constituent assembly without Congress' approval.

He argues "the voice of the people" as reflected in a national referendum takes precedence over Congress or the constitution — a position challenged by most legal experts.

Insistence on forcing electoral authorities to convene an election for the assembly could put him in risk of impeachment, say experts.

"That immediately creates a conflict with Congress," said Benjamin Ortiz, head of a think tank in Quito.

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Since Correa has no congressmen to defend him, "for the first time there would be sufficient votes to impeach a president without resorting to the murky maneuvers of the past," Ortiz said.

Nicaragua's Total Ban On Abortion Spurs Critics (WP)

By N.c. Aizenman

The Washington Post, November 28, 2006

MANAGUA, Nicaragua -- Jazmina Bojorge arrived at Managua's Fernando VÃ©lez Paiz Hospital on a Tuesday evening, nearly five months pregnant and racked with fever and abdominal pain. By the following Thursday morning, both the pretty 18-year-old and the female fetus in her womb were dead.

The mystery of what happened during the intervening 36 hours might not ordinarily have catapulted Bojorge into the headlines of a nation with one of the highest maternal mortality rates in the Western Hemisphere.

But a week before her death on Nov. 2, Nicaragua's legislature had voted to ban all abortions, eliminating long-standing exceptions for rape, malformation of the fetus and risk to the life or health of the mother. Now, outraged opponents of the legislation have declared Bojorge its first victim.

"It's clear that fear of punishment kept the doctors from doing what they needed to do to save her -- which was to abort the pregnancy immediately," said Juanita JimÃ©nez of the Women's Autonomous Movement, an advocacy group that is leading the campaign to reverse the ban. "This is exactly what we warned would happen if this law was passed. We've been taken back to the Middle Ages."

Julio CÃ©sar Flores, director of the hospital, countered that the new legislation, which took effect Nov. 19, hadn't even been signed into law when Bojorge arrived for treatment. Her death, which remains under investigation by Nicaraguan medical authorities, "has nothing to do with the abortion law," he said. "These charges are being made by people who are taking advantage of what happened."

The controversy is the latest twist in a debate over the proper limits on abortion that is raging not just in Nicaragua but across Latin America.

With the exception of Cuba, every nation in this predominantly Catholic region either totally prohibits abortion or limits it to extreme circumstances. And while the global trend over the past decade has been to liberalize abortion laws, efforts to do so in Latin America have been met by an equally determined campaign to strengthen them further.

So far, the anti-abortion camp's greatest triumph has been in El Salvador, where in 1998, at the public urging of San Salvador's Archbishop Fernando Saenz Lacalle, lawmakers removed all exceptions to the nation's ban on abortion and increased penalties to up to 50 years' imprisonment.

Here in Nicaragua, the church has also long played an influential role in politics. Cardinal Miguel Obando y Bravo, who is retired but remains a public figure, is still respected by many for standing up to both U.S.-backed dictator Anastasio Somoza during the 1970s and Daniel Ortega, the Marxist-leaning revolutionary who replaced him in the 1980s.

Soon after El Salvador passed its new law, Obando and his successor, Archbishop Leopoldo Brenes, turned their attention to pressing for a similar measure in Nicaragua.

Abortion had been illegal in Nicaragua for more than a century, punishable by prison terms of up to four years for women undergoing the procedure and 10 years for doctors who performed it.

However, the penal code made an exception for "therapeutic abortion" if three doctors determined it was needed. According to Health Ministry regulations, this covered abortions of pregnancies lasting 20 weeks or less that posed a threat to the life or health of the mother or in which the fetus was malformed. In practice, rape victims were also permitted legal abortions.

Advocates for greater access to abortion argued that even that law was too restrictive, prompting an estimated 32,500 women to get illegal and potentially unsafe abortions in Nicaragua every year and accounting for 16 percent of the more than 100 maternal deaths here annually, according to a 2002 ministry study. By contrast, the Health Ministry recorded only six legal abortions in Nicaragua last year.

But church leaders and other anti-abortion activists in Nicaragua contended that the number of legal abortions in Nicaragua was far higher, reaching about 1,000 a year.

"This idea of 'therapeutic abortion' was being abused," said Brenes, the archbishop. "People were easily getting doctors to say that the abortion was being done to save the mother's life, when in reality it was a person who just said, 'I don't want this child.' "

Nicaragua's tight presidential election this month offered Nicaragua's anti-abortion movement the opening it had been waiting for: With Ortega's conservative opposition evenly divided between two challengers, none of the top three candidates could afford to alienate the church.

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On Oct. 6, Obando, Brenes and various evangelical pastors led tens of thousands of citizens in a march to the National Assembly to demand a repeal of the exception for therapeutic abortions. Legislators obliged, fast-tracking consideration of the ban under procedures normally reserved for national emergencies.

Every major medical society in Nicaragua opposed the proposed ban. Their concerns were echoed by Nicaragua's health minister and a long list of foreign embassies and international organizations such as the U.N. Development Program.

"But the legislators wouldn't even meet with us," said Carmen SolÃ³rzano, a leading member of Nicaragua's Society of Obstetrics and Gynecology. "I'm indignant that in a state that is supposedly secular, the church has so much influence while the government won't even listen to doctors."

The Rev. Rolando Ãlvarez, spokesman for the Managua archdiocese, said that although church leaders oppose abortions in the case of rape or a malformed fetus, they intend to urge lawmakers to clarify that the elimination of therapeutic abortion should not prevent doctors from saving a woman's life when her pregnancy puts her in mortal danger.

Women's rights groups and medical associations, meanwhile, are preparing to petition Nicaragua's highest court to declare the ban unconstitutional. That approach met with success last May in Colombia, which, like El Salvador, had a blanket prohibition on abortions.

Failing that, activists who oppose the ban say they will take their case to an international body such the U.N. Human Rights Committee or the Inter-American Commission on Human Rights -- with Bojorge's relatives the likely plaintiffs.

According to Flores, the hospital director, although Bojorge showed signs of vaginal bleeding and uterine contractions on her arrival at the hospital, doctors decided to give her medication to stave off the contractions because an ultrasound indicated that her fetus was alive. The next day, another test indicated that the fetus had died, and Bojorge was taken off the medication to allow her body to expel the dead fetus naturally. Instead, she went into shock, possibly because the placenta had detached, causing massive blood loss.

Flores contends that the doctors' decision to prevent Bojorge from delivering while the fetus was still alive was routine. JimÃ©nez, of the Women's Autonomous Movement, argues that it was an extremely risky undertaking for a hospital that lacked ready access to ultrasound equipment. (The hospital's equipment is broken, forcing doctors to transport patients to a separate facility for scans.)

"In this sort of situation, the safe thing to do is to just abort the fetus," JimÃ©nez said. "It's obvious that the doctors were paralyzed by the new law."

Bojorge's relatives, meanwhile, are not sure what to think. "No one at the hospital ever told us what was going on," her mother, Rosa Rodriguez, 44, said sadly during an interview in front of the tidy tin shack where Bojorge lived with her husband and 4-year-old son.

Rodriguez and Bojorge's husband, Marvin Savala, a 24-year-old construction worker, had not even heard of the charge that the new abortion legislation may have played a role in Bojorge's death.

But as he contemplated that possibility, Savala's eyes darkened.

"If that's the case, then the doctors were very wrong," he said. "They should have done whatever it took to save my wife. Now I've lost not just our baby, but my whole family."

Cuban Rock Climbers Inspired By Foreigners Irk Castro Regime Youths Are Asked For Permits And Visited By Officials; No Fraternizing Allowed (WSJ)

The Wall Street Journal, November 28, 2006

VIÑALES, Cuba -- Seventy feet up a sheer limestone cliff known as La Cuchillita, or Little Blade, 17-year-old Roylandi González held onto a ledge by his fingertips. Then he glanced down to check the harness around his waist, grabbed hold of the rope that was tethered above him and started shimmying downward.

Over the past several years, adventurous Cuban youths like Mr. González, schooled by an influx of foreign rock climbers, have turned this western town into an extreme-sport mecca. Climbers test their mettle on dramatic crags, barely touched by man, which soar above a green valley designated as a United Nations World Heritage Site.

But climbers who have conquered Viñales's jagged peaks and imposing walls are now bumping up against a more formidable obstacle: the Communist political system. As Mr. González touched earth and removed his hard hat, he cast a wary eye for park rangers and police. "They threaten us and chase us off the hills," he said. "There's something about rock climbing that really seems to worry our government."

As Cubans begin contemplating life after Fidel Castro, rock climbing has emerged as an improbable political battleground between the government and young Cubans eager to embrace the latest foreign fashions. In 2003, amid a broad crackdown on civil liberties and fraternizing between tourists and Cubans, the government announced that rock climbers henceforth would be

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required to obtain a special permit. But the government has never granted the required permit to the many climbers who have requested one. Many Cubans and foreigners have continued climbing.

Adrián Pérez Martínez, a 20-year-old art teacher with a joker tattooed on his shoulder, says that police showed up at his house recently to warn him against climbing, especially with foreigners. "Good Cubans don't do this," he says they told him. "Climbers use drugs. And you shouldn't take foreigners to militarily significant areas." Indeed, some caves in the climbing area are designated as civil-defense sites in the event of a U.S. invasion.

Some of the official anxiety over climbing seems to be based on Cuba's revolutionary history. The revolution that brought Mr. Castro to power in 1959 was launched from a clandestine encampment in the Sierra Maestra Mountains on the eastern end of the island. Mr. Castro became intimately familiar with Cuba's highest mountain, 6,500-foot Pico Turquino. "The Revolution was the work of climbers and cavers," Mr. Castro once said, according to a history by Antonio Nuñez Jimenéz, a prominent revolutionary leader and naturalist.

Now the Cuban government may be worried that history will repeat itself. "The system is paranoid about Cubans' private activities, but especially when those activities are occurring in hills away from sight and when foreigners are involved," says Vitalio Echazabal, one of the first Cubans to take up rock climbing in the 1990s. "The authorities would ask, 'Are they spies? What are they plotting up there?' " Mr. Echazabal got so fed up that he defected to Spain during a climbing expedition in 2001, one of three Cuban climbers who have escaped the island during international sporting events. About a half-dozen other Cuban climbers got off the island after marrying foreigners they met on the hills.

The exodus of climbers has only served to intensify official suspicion of the sport. "Climbers are very independent people, and the Cuban government has a real hard time with anything it cannot control -- even a form of recreation," says Armando Menocal, a 65-year-old Wyoming lawyer who is the leading international proponent of Cuban climbing. Mr. Menocal, who runs the Cubaclimbing.com1 Web site, has been caught in the climbing backlash himself.

Beginning in the late 1990s, Mr. Menocal, who has family ties to Cuba, started training Cuban climbers, mapping local routes and importing donated equipment. But after having made about 15 climbing trips to Cuba over the past eight years, Mr. Menocal has been turned back by immigration officers at the Havana airport the last two times he tried to get into the country, most recently earlier this month. The authorities, he says, offered no explanation.

The 100 or so climbers remaining in Cuba would certainly welcome his return. Without official funding, Cuban climbers rely on equipment sent by Mr. Menocal or donated by tourists. José Luis Fuentes, a 20-year-old climber, says his shoes were given to him by an Italian, his rope by a Canadian and his harness by an American. "You speak a common language with other climbers no matter where they come from," he says.

He isn't sure it's a language Cuba's leaders could understand. "Older people just think we're a bunch of crazy kids," says Mr. Fuentes.

Climbing has attracted a special breed of Cuban youth since Mr. Menocal and some American friends used a slide show to recruit a core group of about half a dozen Cuban climbers in 1999. One Cuban went AWOL from his military unit to go on an outing with Mr. Menocal, subsequently earning two weeks in the brig.

Official eyes were watching. "The Cubans were always being persecuted because it was not looked upon favorably to socialize with foreigners," says Craig Luebben, a rock-climbing guide and journalist from Colorado who has made several trips to Cuba. As the pressure increased, the Cubans and their American climbing partners would avoid appearing together publicly, arranging separate transportation to a rendezvous at the secluded climbing site, Mr. Luebben says.

Climbers say official government climbing policy has been inconsistent. A few years ago, Hollywood, a cigarette brand partly owned by the government, launched an ad campaign featuring a Cuban climber. Yet at around the same time, Mr. Menocal on trips to Cuba was called before two different government authorities and told climbing wasn't permitted.

The inconsistencies continue today. On a recent day at the park visitors center near the Viñales climbing site, there were large posters of climbers in action. Nevertheless, the park ranger on duty insisted that climbing without a permit wasn't allowed under the 2003 law. "It's not something one should even consider," he said, though he had no idea how one might go about getting a permit.

The climbers are regrouping under the leadership of Alexei Suárez, a medical worker who sometimes reaches his second-story Havana apartment by scaling the wall. He has been talking with government officials, trying to better climbing's image, and he says the Cuban sports ministry has been very supportive. "We are loyal Cubans who want to make Cuba famous for climbing champions," Mr. Suárez says.

U.S. Embassy Asks Bush Twins To Leave Country (ABC News)

By Joe Goldman And Rhonda Schwartz

ABC News, November 28, 2006

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November 27, 2006 1:18 PM

Joe Goldman and Rhonda Schwartz Report:

Amid a growing barrage of front-page headlines, U.S. embassy officials "strongly suggested" President Bush's twin daughters, Jenna and Barbara Bush, cut short their trip to Buenos Aires because of security issues, U.S. diplomatic and security sources tell ABC News.

But the girls have stayed on, celebrating their 25th birthday over the weekend and producing even more headlines about their activities.

Officials say the media coverage upstaged publicity plans for the new U.S. Ambassador Anthony Wayne, who had only recently arrived in the country.

THE BLOTTER RECOMMENDS

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Neither the White House nor the U.S. embassy in Buenos Aires responded to requests for comment.

The Argentinean press blitz followed a report on "The Blotter" last week that Barbara Bush's purse and cell phone were stolen last weekend while dining at the popular San Telmo outdoor marketplace despite being guarded by the Secret Service.

Stories of the twins' visit took on wild proportions in the Argentinean press. One tabloid headline had the young women running nude in the hallway of their hotel, a report the hotel staff denied to ABC News.

According to sources, the U.S. embassy encouraged the two girls to cut their stay short because the added attention was making their security very difficult.

But to the dismay and anger of some U.S. embassy and security staff, the girls stayed on.

Thursday night, an ABC News producer was able to walk into their hotel unchecked and engage Barbara Bush in conversation while she checked her e-mail on a computer in the lobby. Jenna sat talking with friends on a sofa nearby. No Secret Service agents were anywhere to be seen in the lobby, according to ABC News' Joe Goldman.

And yesterday the Bush twins were spotted at the Sunday soccer matches, wearing team jerseys and sitting in the owner's box, watching Argentina's top team Boca Juniors compete. Several games have been canceled due to violence in the crowds this year. In fact, last weekend no spectators were allowed to attend the match other than season ticket holders.

The Reliable Source (WP)

By Amy Argetsinger And Roxanne Roberts

The Washington Post, November 28, 2006

Hot Topics but No Heated Discussions as Amy Holmes Sits In on 'The View'

In her usual TV talking-head gigs, Amy Holmes debates matters such as whether Alcee Hastings should head the House Intelligence Committee and the consequences of Don Rumsfel d's resignation. Yesterday's topics? Where she likes to Christmas-shop, her recent breakup with a boyfriend, and how hot that Daniel Craig is!

So it went as the former Bill Frist speechwriter sat in as guest co-host with the ladies of ABC's "The View." Producer Barbara Walters has said she's looking for a minority woman to replace Star Jones Reynolds-- does yesterday's show mean Holmes is a contender? "I just looked at it as a great opportunity," the D.C. resident told us.

Holmes, who has mostly been doing TV work since leaving Frist's office this summer, said she had some apprehension that her GOP ties would set her up for a battle with feisty liberal hosts Rosie O'Donnell and Joy Behar. "I was told before going on to think of it as a dinner party: You want to get your points in, but you don't want to be rude." But there were few cracks, even as Holmes showed photos of herself meeting Bush , Cheney and Clinton. (Was that our former colleague and her long-ago squeeze Lloyd Grove in the background?)

Elisabeth Hasselback asked if she had ever written a speech she didn't agree with. Holmes replied, "I worked with other people on the staff to develop [Frist's] policy positions. . . . It was a privilege."

O'Donnell gazed at Holmes with an I-hear-ya nod, then added : "You're very pretty."

"They were professionals about putting me and other guests on the show at ease," Holmes said later. "I didn't have the feeling I was dealing with divas. It can be more of a pit fight to be with Paul Begala on a cable show."It's Their Party and They'll Stay if They Want To

Those globe-trotting twins Barbara and Jenna Bush continued their Argentine birthday getaway Sunday with shopping and soccer.

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The sisters, who turned 25 on Saturday, popped up Sunday morning in the Buenos Aires antiques market at Plaza Dorrego in trendy San Telmo (the same district where a thief nabbed Barbara's purse and cellphone while she dined last week). Casually dressed, with no security visible, the daughters went unrecognized by the local crowd, reports our colleague Libby Copeland. Later, they donned the blue and yellow jerseys of the Boca Juniors and sat in the owner's box for the team's match at La Bombonera stadium, where some games have been canceled because of violence.

After the purse-snatching, which sparked a media frenzy throughout South America, the Argentine interior minister told reporters, "From now on, we are participating actively" in protecting the twins. Late yesterday, the U.S. Embassy there issued a statement denying an ABC News report that embassy officials had "strongly suggested" the twins cut their trip short because of security issues. (ABC also reported that the twins got all the attention, not new U.S. Ambassador Anthony Wayne.) Rather, embassy officials provided "close support and cooperation."

Barbara left the country late Sunday night; plans called for Jenna to party on until Thursday.HEY, ISN'T THAT . . . ?

Â· Noah Wyle, engaging in the popular local sport of stoop-sitting yesterday while on a break from his Baltimore movie shoot. Our colleague Kathleen Cahill spotted the "ER" star -- in town filming the indie flick "Boy of Pigs"-- lounging in a Bolton Hill doorway unnoticed by passersby in his '60s-era costume (olive wool overcoat, shiny black dress shoes). Whatcha reading, Noah? Wyle smiled and showed Cahill his book -- Oscar-winner Walter Murch's meditation on film editing, "In the Blink of an Eye."

Â· Jerry Springer breakfasting at the Four Seasons with friends Saturday, dressed in black with a gray sweater. What was the talk show host and recent "Dancing With the Stars" contender doing in town? Thanksgiving at his sister's house here, which left him still hungry for a hearty meal: eggs, potatoes, bacon.LOVE, ETC.

Â· On second thought: Pamela Anderson has filed for divorce from Kid Rock, just four months after she wed the singer, her rep told People magazine. The once-engaged lovebirds had broken up, then reunited and married in three ceremonies (St. Tropez, Beverly Hills and Nashville) this past summer. You'd think one of them would have stuck. Says her rep: "It wasn't a happy Thanksgiving."

A High Point For Nepal (LAT)

The Los Angeles Times, November 28, 2006

THERE ARE A thousand ways for war to break out, it seems, but so few chances for peace to prevail. So let us take a moment to celebrate developments in Nepal, whose people danced in the streets last week after Maoist rebels signed a peace accord with the government to end a decade-long insurgency that has killed 13,000 people.

Nepal's political progress has been nothing short of remarkable. In less than seven months, its demonstrations of "people power" have forced a tyrannical king to surrender power and pushed the violent insurgents to the negotiating table. On Dec. 1, the insurgents will take their place in a temporary Cabinet; their army is to be confined in camps, and they will participate in elections next year. Meanwhile, the king has been stripped of immunity and virtually all his powers. It has not been easy or painless, but it has been accomplished without suicide bombings, without military action and, except for some skillful U.N. diplomatic help in the endgame, without foreign intervention.

There are, of course, many ways the peace deal could unravel in the South Asian nation of nearly 30 million people, home to eight of the world's 10 highest mountains. It is highly unlikely that the inept and reviled King Gyanendra could manage a comeback. He triggered the crisis by dismissing the elected parliament and prime minister. Still, his dynasty is 238 years old, and some Nepalis believe that he is the reincarnation of the Hindu god Vishnu. The new legislature, to be elected in June, is slated to take up the controversial issue of whether Nepal should be a kingdom or a republic.

Long before the elections, however, there is the possibility that the power-sharing arrangement in the interim government will break down. The U.N. can provide monitoring, but it cannot force the rebels or the royal army to stand down their troops or heavy weapons — and light arms simply can't be corralled.

One of the most tragic legacies of Nepal's lengthy violence is the thousands of people who have disappeared. Human rights activists are keen to see those responsible on both sides prosecuted. Perhaps the Nepalis, who've shown great wisdom and creativity in applying the lessons of democratic activism in other lands to their own democracy movement, will manage the trick of balancing the need to punish the guilty with the imperative of reconciling a dangerously and bitterly divided society.

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Miller, Charles S

From: Miller, Charles S
Sent: Tuesday, November 28, 2006 11:25 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John; O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 11/28/06 Civil Division News

El-Masri case goes to appeals court

American Red Cross faces new fine over blood safety

Supreme Court Reviews U.S. Patent Rules in Suit Over Gas Pedals

Dirty Laundry

AP

Nov. 28, 2006

El-Masri case goes to appeals court

By LARRY O'DELL
Associated Press Writer

November 28, 2006 RICHMOND, Va. -- The case of a German man who claims the CIA held him captive and tortured him went before a federal appeals court Tuesday.

Khaled El-Masri wants the 4th U.S. Circuit Court of Appeals to reinstate his lawsuit alleging human rights and due process violations by former CIA director George Tenet and others. A federal judge dismissed the case in May, ruling that a trial could divulge state secrets and endanger national security.

El-Masri's lawyers claim the government is invoking its state secret privilege to avoid accountability. They say the suit can be decided based on what is already known about the CIA's "extraordinary rendition"

program in the war on terror and the specifics of El-Masri's case without exposing state secrets.

The rendition program, in which terror suspects are captured and taken to foreign countries for interrogation, has been heavily criticized by human rights groups.

The Lebanese-born El-Masri alleges he was mistakenly identified as an associate of the Sept. 11 hijackers and was kidnapped while attempting to enter Macedonia on New Year's Eve 2003. He claims he was flown to a CIA-run prison known as the "salt pit" in Kabul, where he was beaten and sodomized with a foreign object during five months in captivity.

The lawsuit seeks damages of at least $75,000.

END

AP

Nov. 28, 2006

American Red Cross faces new fine over blood safety

By ANDREW BRIDGES
Associated Press

WASHINGTON — The American Red Cross is facing another heavy fine over blood-safety violations, bringing penalties against the organization to more than $15 million despite a promise three years ago to fix the problems.

The Food and Drug Administration disclosed that it had fined the organization $5.7 million recently for continuing to violate blood-safety rules and failure to comply with a 2003 agreement aimed at correcting the unsafe practices.

The latest fine was noted in an FDA letter dated Nov. 21, to Red Cross interim president and CEO Jack McGuire, and posted Monday on the FDA Web site.

The Red Cross was given a mid-December deadline to produce a report on how it intended to comply with FDA requirements, or possibly be subject to additional penalties.

The latest fine is being added to a tally of nearly $10 million in previous FDA penalties for violation of blood-safety laws, regulations and the terms of the 2003 consent decree.

That settlement resolved charges that the Red Cross had committed "persistent and serious violations" of federal blood safety rules dating back 17 years.

In 2004, the Red Cross implemented a plan, with the FDA's blessing, to detect, investigate, monitor and correct the sorts of problems repeatedly cited by government investigators.

A 2005 inspection of a Red Cross facility in West Henrietta, N.Y. was supposed to be the first comprehensive evaluation of how the plan was working. But the federal inspectors, over 29 days, turned up 207 deviations from the plan, the FDA said.

The latest fine of $5.7 million stems from that inspection.

The inspectors found shortcomings in quality assurance, inventory management, control of non-conforming blood products, donor screening and blood component manufacturing issues as well as

other problems, according to the FDA.

The Red Cross said it would devise a new plan to comply with FDA requirements. The Red Cross board of governors also has asked for an independent and comprehensive assessment of how it complies with FDA regulatory requirements.

The Red Cross does not use donated money to pay fines, but instead relies on operating funds, according to the organization. Those include revenue from the sales of blood products.

The Red Cross provides more than 40 percent of the nation's blood supply, selling blood products to health facilities.

END

Bloomberg

November 28, 2006

Supreme Court Reviews U.S. Patent Rules in Suit Over Gas Pedals

By Susan Decker

The U.S. Supreme Court is using a dispute over automotive gas pedals to consider making it harder for some inventors to get patent protection for their innovations.

The justices will hear arguments today in a bid by KSR International Co. to stop a lawsuit that accuses it of using Teleflex Inc.'s patented invention for adjustable gas pedals. KSR is asking the court to rule that innovations that merely combine existing products often don't qualify for a patent.

Most patents are issued for improvements to existing products rather than entirely new inventions. A ruling for KSR may make it harder to get patents and easier to challenge them in court. Backing KSR are technology companies Intel Corp. and Cisco Systems Inc., which say getting a patent is too easy. On the other side, Tylenol maker Johnson & Johnson and Scotch tape maker 3M Co. say weakening patent protection would harm innovation.

The case ``goes to the whole heart of the test of patentability,'' said Frank Porcelli, a patent lawyer with Fish & Richardson in Boston. A Supreme Court ruling for KSR would open the way for arguments that ``a lot of patents were granted that arguably shouldn't have been granted,'' he said.

About 1.6 million U.S. patents are in force, according to the U.S. Patent and Trademark Office. That's about 23 percent of more than 7 million patents issued in the nation's history. Under current law, patents expire 20 years from the date the application was filed.

`Non-Obvious'

Patents are issued to inventions that are ``new, useful and non-obvious'' -- in other words, innovations that wouldn't have been evident to a person who understands the basic technology.

The dispute affects ``85 to 90 percent of all intellectual discussion and work that goes on in the patent office,'' said Gerald Mossinghoff, a former patent commissioner now with the law firm Oblon Spivak McClelland Maier & Neustadt in Alexandria, Virginia.

The dispute over patent law also is being argued in Congress, where the technology industry is lobbying for changes to reduce infringement suits and damage awards.

Computers and other technology-based products use thousands of patented inventions. The Coalition for Patent Fairness, a Washington-based industry group, says technology companies are sued too often by patent holders. Intel, based in Santa Clara, California, and Cisco, based in San Jose, California, are among the group's members that filed briefs supporting KSR.

KSR also is backed by the Bush administration, which said too many patents are issued for ``non-innovative combinations."

Drug and Biotechnology

In contrast, drug, biotechnology and multi-industry companies say they need strong patent-enforcement rights to protect the billions of dollars they spend each year researching new products. General Electric Co., the world's second-biggest company by market value, joined Johnson & Johnson, based in New Brunswick, New Jersey, and 3M, based in St. Paul, Minnesota, in filing a brief supporting Teleflex. GE is based in Fairfield, Connecticut.

Limerick, Pennsylvania-based Teleflex, which has since sold its auto-pedal business, sued Ridgetown, Ontario-based KSR in 2002. The suit said KSR infringed Teleflex's patent for an electronic control combined with gas, brake or clutch pedals that adjust to the driver's height.

Closely held KSR makes the pedals for General Motors Corp.'s Chevrolet and GMC trucks and sport-utility vehicles.

A trial judge in Detroit threw out the suit, saying the Teleflex patent was invalid because it merely joined two known inventions.

The U.S. Court of Appeals for the Federal Circuit in Washington, which specializes in patent law, revived the lawsuit against KSR.

Teaching or Suggestion

The court said a challenge to a patent must do more than show that the technology combined two known inventions. To invalidate a patent, a challenger should prove the existence of a ``teaching, suggestion or motivation" that would encourage someone to combine the prior inventions, the court said.

Millions of patents have been issued under that standard and ``if you change the rule, it will call into question innumerable patents," said Teleflex lawyer Thomas Goldstein of Akin Gump Strauss Hauer & Feld in Washington. ``Every invention takes what used to exist and puts it together in a novel way."

KSR argues the Federal Circuit's standard makes it too hard to challenge patents. KSR lawyer James Dabney of Fried Frank Harris Shriver & Jacobson in New York said challengers should be able to prove an invention is obvious by showing that someone with ``skill and ability" could have come up with the idea to combine the prior innovations.

Teleflex sold its auto-pedal business in August 2005 to DriveSol Worldwide, an affiliate of Sun Capital Partners Inc., a private investment firm based in Boca Raton, Florida. Sun Capital has taken over the case.

The case is KSR International v. Teleflex, 04-1350.

END

Forbes

December 11, 2006

Dirty Laundry

Mark Tatge and Miriam Gottfried

Cintas has long been a leader in uniform rentals and cleaning services. But is it playing fair with customers?

Scott D. Farmer, the 47-year-old chief of Cintas Corp., likes to boast about how cheap he is. "This looks like wood paneling, but it's wallpaper," he smiles, tapping the hollow wall behind the desk in his office. "We have a Spartan approach." He learned that from his dad, Richard T. Farmer, who kept a tight lid on costs while delivering a 37-year streak of consecutive sales and profit gains, building Cintas into a giant provider of uniform rentals and cleaning services. In the fiscal year ended May 31 the Cincinnati company netted $327 million on $3.4 billion in revenue, up 8.8% and 11%, respectively, from a year earlier.

Wall Street loves a cheapskate. But to judge from a cascade of complaints and lawsuits, Cintas has been squeezing pennies a little too hard in an industry known for tough sales tactics. Typical among unhappy customers is Diana Stever, owner of an eight-employee truck repair outfit in Duenweg, Mo. She claims recurring annoyances. Among them: Cintas delivered uniform pants with holes, tacked on escalating service charges of $5 to $20 a week and, she says, tricked her into renewing her five-year contract (she was told it was about to expire when it wasn't up for another year). In June Stever quit Cintas--one of its drivers was her friend and let her out of her contract early--and now rents from rival Aramark.

Big clients have been unhappy, too. The Inspector General for the U.S. Postal Service is investigating whether Cintas violated the federal False\l "I" Claims\l "I" Act\l "I" when it tacked millions of dollars in "environmental fees" on uniforms, mops, mats and towels it cleaned for the postal service as part of a ten-year, $200 million contract. The question on the table is whether Cintas claimed it was under government orders to slap on the charges when, in fact, no such regulatory fees existed. In 2004 the IG subpoenaed Cintas' records of how much it collected from enviro surcharges and a year later went to court to enforce the writ, since the company had failed to comply. While the results of the probe have not been released, the subpoena cites a 2001 lawsuit in Alabama Circuit Court claiming that similar charges on customer invoices were bogus. That suit, originally seeking $175 million, was settled for $14 million. Cintas has stopped imposing such fees.

As for deceptive sales practices that some customers and former employees say still continue, Scott Farmer loses his trademark grin. "All of our partners"--read: employees and customers--"can call a 1-800 number," he says. "Any claim that is made is investigated." He adds, "If somebody does something wrong, they don't last long here."

But with myriad pressures on its businesses, Cintas can't help pushing its thousands of salespeople and drivers to squeeze out whatever they can. The double-digit profit and sales gains of Richard's reign are tougher than ever to come by, thanks to higher operating costs (energy is a big factor) and three powerful competitors--Aramark, G& K Services and UniFirst--in the $10-billion-a-year uniform-rental industry. Job losses in manufacturing and automotive services, two of the largest customers, have been devastating. Last year uniform rentals and laundry accounted for 75% of revenue and 86% of earnings before interest and taxes. Yet Cintas' top-line growth is now being driven by ancillary products, such as fire extinguishers, air fresheners, bandages, cough drops and lip balm, and services like document-shredding and restroom-cleaning. It has spent $1.3 billion on acquisitions since 2002. The additional businesses accounted for roughly 40% of sales growth last year. Company shares, a recent $42.50, are off 25% from their high in 2002.

Cintas began life as the Acme Industrial Laundry Co. in 1929. Scott's great-grandfather, Richard (Doc) Farmer, a circus prizefighter, collected chemical-soaked rags from factories and washed and returned them for a fee. His grandson Richard T.--now 71, still chairman and a billionaire--joined the family business in 1956 after graduating from Miami University of Ohio. He combined salesmanship with sleight

of hand. To demonstrate how much more absorbent Cintas towels were, he grabbed two samples--one from Cintas, the other from a competitor--tied each in a knot and tossed them into a tankful of water. But Farmer was always careful to leave the knot looser on his towel so that it sank faster, according to his autobiography, Rags to Riches (Orange Frazer Press, 2004). Early on Richard recognized that growth lay in uniform rentals; that insight helped sales zoom from $300,000 in 1959 to $847,000 in 1963.

Over the next 30 years Cintas acquired more than 220 companies, improving operations and cutting costs. Farmer hired college-educated managers and built a sales organization that paid drivers and salesmen handsome commissions. A good driver could earn $75,000. Farmer also made product improvements--he started offering work wear with fabrics that resisted wrinkles and stains. By 2003 Cintas had 30% of the commercial laundry and uniform market, says market researcher ibis World. For some of that surge Scott, who joined the company in 1981 and became chief executive in 2003, can take credit. He introduced the first catalog of work wear in 1991; sales are now $510 million.

Today Cintas is trying to stay on top, partly with technology. Its drivers now have handheld Dell computers with touch screens to record orders, price changes and payments. But its plants--even the one in Milford, Ohio, built in 1997--are a bit behind the high-tech curve. Big black bags holding 250 pounds of dirty coveralls and uniforms are dumped from a rail system overhead into 450-pound steel washers big enough to scrub a small rhino. Once the laundry is cleaned and dried, it still has to be hand-sorted. Workers earning $8 to $13 an hour scan each item using bar-code labels--sewn by Cintas into the garment--to find out whose laundry has just been cleaned. Cintas executives say they are waiting for the next generation of RFID chips, with customer information embedded in garments, to further automate the process. That step is years away.

Meantime the compulsion to get new business has sometimes driven Cintas to extremes. For years it tried to get the multi-million-a-year account supplying uniforms to McDonald's North American outlets. The fast-food chain kept demurring, in favor of Terry Manufacturing, a minority contractor in Roanoke, Ala. In 2000 Cintas invested $5.4 million for 49% of a joint venture with Terry that was licensed to supply the uniforms. But a lawsuit filed in 2004 by a federal bankruptcy trustee in Alabama alleges that the joint venture kept no accounting records, had few assets, held no board meetings and routinely diverted sales to Terry and Cintas. At year-end 2002 Terry reported a net worth of $26.2 million. Months later it was insolvent. In July 2003 Terry Manufacturing declared bankruptcy, sparking more than 200 claims from creditors, who alleged losses of $100 million--and investigations by the FBI, the IRS and the U.S. Department of Labor.

Proprietors Rudolph and Roy Terry were accused of living a "champagne lifestyle" with company assets--from junkets to Las Vegas and sports skybox rentals to purchasing millions of dollars' worth of real estate in Jamaica. Roy Terry pleaded guilty in June 2005 to several counts of fraud and one count of embezzlement from an employee benefit plan and received 61/2 years and $31 million in restitution. His brother Rudolph pleaded guilty last April to one count of conspiracy to defraud the U.S. and will spend 41 months in prison and pay $5.5 million in restitution. Scott Farmer and other Cintas executives are accused by the bankruptcy trustee of preparing bogus financial statements, violating their fiduciary duties and "conspiring" with Terry Manufacturing to deceive creditors. If the charges stick, Cintas might have to pay $50 million in compensatory damages and $100 million in punitive damages. No court date has been set.

"We don't agree with their position," says Scott Farmer of the trustee. "And nobody from our side did anything wrong." Cintas, he continues, lost $4.3 million on the joint venture after selling its interest back to the Terrys.

Small charge, small change. The most frequent criticism of Cintas--from former customers, salespeople and drivers--is that the company nickel-and-dimes everyone to death. In the 2002 case settled in Alabama, Cintas was accused of overcharging 480,000 customers $5 to $7 a week in environmental fees. Penny-ante stuff on an epic scale, amounting to an alleged $175 million a year. Today the company has 700,000 customers.

Former Cintas salesmen say they were trained to push unnecessary and excessive amounts of products and services and given financial incentives to persuade customers to sign a five-year contract for, typically, $25 to $100 a week. Onetime drivers say they were pressed to tack on extra services when they delivered fresh uniforms and supplies each week, and to raise prices incrementally until the customer caught on. When clients try to end their contracts early, Cintas calls their attention to the binding-arbitration clause dictated in the contract.

The company declines to comment on most individual complaints. All Cintas employees, says spokeswoman Pamela J. Lowe, must sign a statement that they agree to the company's code of conduct; all managers, she says, go through ethics training. Sales reps are supposed to conduct satisfaction surveys within 48 hours of signing new accounts and to check in periodically throughout the year.

Some cases slip through the cracks. A salesman from the Corpus Christi, Tex. plant got Rene Casas, 39, owner of an oil and gas construction company, to sign one contract, only to ask Casas' plant manager to sign another on the same date. There was one difference between the two documents: a stipulation in the plant manager's version saying Casas would have to buy the special fire-retardant uniforms for his 85 workers if he ever decided to quit Cintas. Now Casas wants to do just that, and Cintas filed suit against his business in mid-November for $33,525, the claimed value of the uniforms. "This is just unethical," Casas says. Once they've got you, I guess they expect you to be their customer forever."

Timothy Dziekonski, 31, an auto shop owner in Unionville, N.Y., signed a Cintas contract after, he says, being reassured by a salesman that it would be a nonbinding agreement. Instead of collecting a signature in person, Dziekonski says, the salesman faxed the first page of the agreement to be sent back signed but never sent the second page, which detailed the five-year commitment. David Levy, a former Cintas salesman in San Diego, said similar high-pressure tactics are not uncommon. "We were told never to call it a 'contract,'" he recalls. Dziekonski got out of his contract eight months into it, after sending Cintas a certified letter of complaint and hearing nothing back.

Some customers give in after a struggle. José Vargas, an alignment and suspension repair shop owner in San Francisco, says he found that Cintas failed to credit six checks he sent them, totaling $1,000. The accounting department, he says, claimed it never received the payments, but Vargas' bank records show the checks were cashed and stamped by Cintas. Angry, Vargas tried to end his contract early, but Cintas demanded he pay $4,045 to cover the rest of his five-year contract. After his lawyer contacted a Cintas plant manager, that sum dropped to $108. "I didn't owe them anything," says Vargas, who nevertheless paid the money. "I just wanted to get it over with and move on."

Spokeswoman Lowe insists such cases are the exception. Cintas' retention rate is 92%; two-thirds of all its customers, she claims, are highly satisfied. "Companies our size are going to have some disgruntled customers," Lowe says. "The bigger story is that most of our customers are happy."

But some former employees argue that gouging was standard practice. Ex-drivers Anthony P. Pianelli and Phillip Gemmati say they were pressured to raise revenues at least 50% per year at the West Palm Beach, Fla. office. Other ex-drivers confirm it was in their interest to do so: The more items or service charges--like $3.50 to change toilet paper--drivers added to the bill, the higher their paychecks. To get add-ons past customers, Pianelli and Gemmati say they forged signatures, got lower-level clerks to sign the invoice--even distracted the customer from looking at the bill. "We would talk about football or something to take their mind off the bill," Pianelli recalls. "If the customer bitched, we were told to take it off the bill most never noticed they were getting screwed by Cintas."

The West Palm Beach office had an unusual way of recording lost business, according to Gemmati. When a customer canceled a $550-a-week account, it was recorded as "no service" on the books. Then the account would gradually be reduced, first to $250 per week, then $125 and so on until it was written off as a $50 loss. The lost account was booked at $50 instead of $550, making everyone look better. Gemmati claims this was done with about $150,000 in accounts he handled. "My conscience couldn't live with it anymore," says Gemmati, who quit in 2004 to found Uniform Cost Solutions, which advises companies on how to save money on their uniform rentals and laundry bills.

Drivers were pushed so hard to drum up new business and bring in more sales that they often worked more than 40 hours a week. They made commissions on sales, but Cintas didn't always pay overtime, a mistake that led to two lawsuits. The first, filed on behalf of 800 California drivers, alleged that Cintas failed to properly record and compensate drivers for overtime and was settled in 2003 for $10 million. Later that same year a group of 2,400 drivers from across the nation filed another class action making similar claims. The plaintiffs are still awaiting class certification. Says Scott Farmer, "Those [claims], we believe, are bogus."

Cintas is fully capable of hitting back--hard. Unite Here, a union representing 450,000 members, has waged an unsuccessful four-year campaign with the Teamsters to organize Cintas workers. In 2004 Cintas filed a defamation suit after Unite issued a press release about a National Labor Relations Board decision, saying the government had found that Cintas had committed widespread violations of federal law. Cintas, claiming false characterization by Unite, says its stock dropped almost $5 in heavy trading, knocking more than $300 million off its market cap. The lawsuit, which seeks unspecified damages, is still pending in state court in Ohio.

Former sales rep Barbara Perez calls Cintas vengeful. This summer she quit the company's safety sales division in Denver and joined a competitor, First Aid & Safety 2000. She says has been repeatedly followed by Cintas managers when she goes out on sales calls. "They want to know where I am going," she says. "A majority of my customers came with me because they just hated Cintas so much." Adds Perez's boss, Safety 2000 owner Gordon Elliott: "I told her the next time it happens to pull over and call the police."

END

USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Wednesday, November 29, 2006 9:12 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Wednesday, November 29, 2006
Attachments:	agnb061129.pdf; agnb061129.doc

THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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DOJ_NMG_0099121

TERRORISM NEWS:

Judge Rules Parts Of Terror Listing Order Unconstitutional. The Washington Post (11/29, A12, Eggen) reports, "A Los Angeles federal judge has ruled that key portions of a presidential order blocking financial assistance to terrorist groups are unconstitutional, further complicating the Bush administration's attempts to defend its aggressive anti-terrorism tactics in federal courts." The Post continues, "U.S. District Judge Audrey B. Collins, in a ruling released late Monday, found that two provisions of an executive order signed Sept. 23, 2001, are impermissibly vague because they allow the president to unilaterally designate organizations as terrorist groups and broadly prohibit association with such groups." The Post adds, "The ruling marks a victory for the Humanitarian Law Project and other plaintiffs in the case, who are seeking to provide support for the 'lawful, nonviolent activities' of two groups designated terrorist organizations by the U.S. government: the Kurdistan Workers' Party (PKK) in Turkey and the Liberation Tigers of Tamil Eelam (LTTE), also known as the Tamil Tigers, in Sri Lanka. … They argue that federal anti-terrorism laws put charities and individual donors at risk of prosecution for providing benign assistance to foreign groups that have been added to the government's terrorism list." The Post notes, "The Justice Department said it is too early to decide on an appeal. … 'We are pleased that the court rejected many of the constitutional arguments raised by the plaintiffs,' Justice Department spokesman Brian Roehrkasse said in a statement. 'However, we believe the court erred in finding that certain other aspects of the executive order were unconstitutional.'"

The New York Times (11/29, Liptak) reports that Judge Collins ruled that the "executive order violated the Constitution because it was made without any announced standards. … The order 'provides no explanation of the basis upon which these 27 groups and individuals were designated,'" Judge Collins ruled. "'The president's designation authority is subject only to his unfettered discretion.' … That means, Judge Collins wrote, that 'the president's designation authority is constitutionally vague.'" The Times adds, "David Cole, a lawyer for the plaintiffs, said yesterday that Judge Collins had broken new ground. … 'It's the first decision to challenge the constitutionality of what is clearly the broadest power to blacklist individuals and groups on the statute books,' Mr. Cole said. … The designation blocks financial and other interactions with the specified groups." The Times adds, "Tasia Scolinos, a spokeswoman for the Justice Department, said the government was pleased that Judge Collins upheld the ban on providing services to terrorist organizations. … 'However,' Ms. Scolinos said, 'we believe the court erred in finding that certain other aspects of the executive order were unconstitutional.'"

The Los Angeles Times (11/29, Schmitt) reports, "The ruling came in a long-running lawsuit before Collins in which humanitarian groups are seeking to support the nonviolent work of two groups that the secretary of State has designated as terrorist: the Kurdistan Workers Party, the main Kurdish political party in Turkey; and the Liberation Tigers of Tamil Eelam, a rebel group fighting for a separate homeland for Tamils in Sri Lanka. … Earlier in the case, Collins struck down portions of a law that made it a felony to provide 'material support' to terrorists, saying that language in the Patriot Act, which had amended the law, was ill-defined. The Justice Department has often used the material support law in prosecuting terrorist cases." The Times adds, "Brian Roehrkasse, a Justice Department spokesman, said the agency believed that the judge erred in her decision. … Collins' latest ruling could affect another one of the administration's most widely used authorities in its war on terrorism, although the full import of the ruling was not immediately clear." The Times notes, "U.S. officials have used the power to freeze the assets of hundreds of organizations and individuals around the world to try to choke off financing for what it views as illicit operations. … But Collins also said that many of the designations, especially those made by the Treasury Department rather than by Bush, were valid because they followed detailed procedures."

Civil Liberties Board Impressed By Bank-Data Monitoring Controls. The New York Times (11/29, Lichtblau) reports, "A civil liberties panel appointed by the White House received a classified briefing Tuesday on the Bush administration's program to monitor international banking transactions, and several members said they had come away impressed with the privacy controls in place to prevent abuses against Americans." The Times continues,

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"The program, which gives American intelligence officials access to large volumes of banking data through a Brussels consortium known as Swift, has been attacked by regulators in Europe, who view it as illegal and have threatened sanctions. But the administration gave no indication at Tuesday's briefing that it was rethinking the program, defending it as a vital tool in tracking terrorist financing. … The briefing, lasting nearly two hours, was held at the Treasury Department for the five members of the Privacy and Civil Liberties Oversight Board, created at Congress's direction in 2004 to examine privacy issues related to the war on terror. The board received a similar classified briefing last week on the National Security Agency's domestic wiretapping program, created by President Bush soon after the Sept. 11 attacks." The Times adds, "The board's only Democrat, Lanny J. Davis, who was a senior aide to President Bill Clinton, said that before the latest briefing he had had doubts about the Swift banking program. But 'I was impressed with the lengths to which these people have gone to avoid infringing on people's civil rights,' Mr. Davis said in an interview. 'It was less of a concern than I expected.' … Democrats in Congress, however, have questioned the independence and resources of the board and its ability to inquire deeply into highly classified programs. Until last month the White House had resisted allowing the board to be briefed on the Swift and N.S.A. programs."

El-Masri Seeks Redress After Being Mistakenly Abducted By CIA. The New York Times (11/29, Lewis) reports from Richmond, VA, "A lawyer for a German man who was abducted while on vacation in Macedonia and said he was tortured while in C.I.A. custody in Afghanistan urged a federal appeals court on Tuesday to reinstate his lawsuit against the agency, which had been dismissed for national security reasons." The Times continues, "In May, a federal trial judge threw out the suit brought by Khaled el-Masri, who said he was an innocent victim of the Central Intelligence Agency's program of transferring terrorism suspects secretly to other countries for detention and interrogation. Judge T. S. Ellis III of Federal District Court in Alexandria said that although it appeared a great injustice might have been done to Mr. Masri, he was persuaded by the government that there was no way to even begin a trial without impermissibly disclosing state secrets." The Times adds, "Benjamin Wizner, a lawyer with the American Civil Liberties Union, told a three-judge appeals panel on Tuesday that the government's position was absurd because what happened to Mr. Masri had hardly remained secret. He noted that the German government was openly investigating whether its officials had played a role in Mr. Masri's ordeal, and numerous news accounts have quoted unidentified American officials as confirming what happened. … Gregory G. Katsas, a senior Justice Department lawyer, told the judges that courts must defer to the executive branch when it invokes the state secrets doctrine, which was first recognized by the Supreme Court in 1953."

WWBT-TV, NBC 12, Richmond, VA (11/29, Garrity) reports, "Journalists from around the world packed a Richmond courtroom today, as three federal judges considered whether a German man who says he was tortured by the CIA should have his case heard in U.S. Court. Today, attorneys representing the German man named Khaled El-Masri, argued the U.S. government made a mistake that it now does not want to admit." WWBT-TV continues, "Khaled El-Masri used an interpreter to speak to a crowd of journalists from as a far away as Russia and Germany outside Richmond's U.S. Circuit Court of Appeals. 'I was humiliated, I was beaten, and I was drugged, and I was taken to Afghanistan against my will,' says El-Masri through his interpreter. … Attorney's representing El-Masri claim that back in December 2003, the CIA kidnapped him while he was on vacation in Macedonia. They say the CIA mistook El-Masri for a terrorist with a similar name. They say the CIA flew El-Masri to Afghanistan, tortured him, and held him in a prison for months. Eventually, they say El-Masri was released and left stranded on a mountain top in Albania, a country he had never been to. … But when El-Masri tried to bring a case against the CIA in U.S. District Court this May, a judge dismissed his case. So today, El-Masri's lawyers asked for an appeal."

The Washington Post (11/29, C1, Priest) reports, "Khaled al-Masri was supposed to have been disappeared by black-hooded CIA paramilitaries in the dead of night. One minute he was riding a bus in Macedonia, the next -- poof -- gone. Grabbed by Macedonian agents, handed off to junior CIA operatives in Skopje and then secretly flown to a prison in Afghanistan that didn't officially exist, to be interrogated with rough measures that weren't officially on the books. And then never to be heard from again -- one fewer terrorist in the post-9/11 world. … Instead, on Tuesday, Masri finds himself sitting in an American courtroom so elegant that even his experienced lawyers are commenting on its beautiful dark

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wood and graceful chandeliers. Dressed in white shirt sleeves and a modest maroon vest, Masri is waiting to see if the judges will allow the CIA to disappear him again." The Post adds, "This time, it's not the physical, flesh-and-blood, burly, ponytailed German citizen with six kids whom the U.S. government wants to make vanish from the face of the Earth. It's his legal case, his very right to have his argument heard in open court, that the CIA is seeking to have disappeared. They argue, citing the state-secrets privilege, that to proceed with the case would damage national security and that this damage outweighs any legal rights Masri may have. … The U.S. District Court for the Eastern District agreed with the government in May. … If they have their way this time, the pale Justice Department lawyers swaying back in their chairs before the three judges of the U.S. Court of Appeals for the 4th Circuit would prohibit any judge and any jury anywhere from ever hearing the arguments in Masri's six legal pleadings and 40 exhibits, more than 1,000 pages in all. Much of the evidence was unearthed by German prosecutors and European Parliament investigators."

Democrats Hope For Bipartisan Support To Limit NSA Surveillance. Bloomberg (11/29, Rowley) reports, "Democrats, about to take control of Congress, say they will forge a bipartisan compromise to put limits on President George W. Bush's program of domestic eavesdropping of suspected terrorists." Bloomberg continues, "Democrats say they already have a starting point for a compromise, noting that bipartisan proposals this year require court warrants for eavesdropping. At the same time, party leaders will be treading carefully in an effort to assure Americans that they can protect privacy without sacrificing vigilance, and to discredit Republican charges they are weak on national security. … 'How will the Democrats proceed? I think gingerly,' said Steven Aftergood, who directs a government secrecy project for the Federation of American Scientists in Washington. 'They can no longer function as a protest group.'" Bloomberg adds, "After the Sept. 11, 2001, attacks, Bush authorized the National Security Agency to eavesdrop without getting court warrants on communications between suspected al-Qaeda operatives in the U.S. and overseas. … While disclosure of the program triggered criticism from both parties, there is practically no chance the Republican- controlled Congress that returns to Washington next week will act on the issue, leaving it for the next Congress that convenes in January. … West Virginia Democrat Jay Rockefeller, who will head the Senate Intelligence Committee, said in an interview Congress may be able to pass bipartisan legislation in six months."

Columnist Lauds IG Review Of NSA Surveillance Program. In a column distributed by Scripps Howard News Service (11/29), Dale McFeatters writes, "The Bush administration would deny it, but the impending Democratic takeover of Congress seems to be already affecting how it does business. … After a year of refusing to do so, the Justice Department has announced a narrow review of President Bush's secret domestic eavesdropping program. The surveillance program, which monitors international communications to and from the United States, has been controversial since it was first disclosed _ and the subject of a preliminarily successful court challenge _ because the president had decreed that the National Security Agency need not obtain warrants." McFeatters continues, "Congressional Democrats had asked the department to review the program a year ago, but plans for even a preliminary investigation were derailed when Bush blocked security clearances for Justice investigators. Now, the White House has told the department it will approve the required clearances. … The review will be headed by Justice's respected watchdog, Inspector General Glenn Fine. But the review will be confined to examining whether department lawyers met all the legal requirements in dealing with the NSA and making use of any information obtained from intercepts. Fine will not weigh in on the key issue -- whether the warrantless eavesdropping is legal and constitutional." Mcfeatters adds, "The administration has been notoriously hostile to any questioning, criticism or skepticism of its national-security initiatives, and for six years a compliant Republican-run Congress neglected its vital oversight function. … Better late than never -- that seems about to change, although it took a political earthquake to do it."

EU Report Finds Countries Abetted CIA's Extraordinary Renditions. The New York Times (11/29, Knowlton, 1.16M) reports a report from the European Parliament "bluntly rejected the assertions by several European countries that they were unaware of a C.I.A. program to secretly abduct, transport and detain terror suspects. 'Many governments cooperated passively or actively' with the Central Intelligence Agency, said Giovanni Claudio Fava, who led a special inquiry." The report "said that 11 European countries, including Britain, Italy and

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Germany, knew of the agency's activities" and "offered new confirmation of the United States' practice of so-called extraordinary renditions. … Mr. Fava's draft report asserted that at least 1,245 C.I.A.-operated flights flew through Europe's airspace or stopped at its airports, and listed Poland as among the countries least cooperative with its inquiry." The Washington Post (11/29, Whitlock, 690K) reports John B. Bellinger III, legal adviser to Secretary of State Condoleezza Rice, "called the European Parliament report 'hysterical in its hyperbole.' He said the committee was leaping to conclusions about the missions of the CIA flights and improperly assuming that they all had a 'nefarious' intent." The European Parliament "accused Poland of blocking the probe, saying that high-ranking Polish officials refused to meet with the panel. It also accused the Polish government of withholding or destroying flight logs pertaining to CIA flights at Szymany and other airports."

German Mistakenly Detained By CIA Appeals Federal Judge's Ruling. The New York Times (11/29, Lewis, 1.16M) reports ACLU lawyer Benjamin Wizner, representing Khaled el-Masri, "a German man who was abducted while on vacation in Macedonia and said he was tortured" by the CIA "urged a federal appeals court on Tuesday to reinstate his lawsuit against the agency, which had been dismissed for national security reasons." In May Judge T. S. Ellis III of Federal District Court in Alexandria "said that although it appeared a great injustice might have been done to Mr. Masri, he was persuaded by the government that there was no way to even begin a trial without impermissibly disclosing state secrets." Wizner "told a three-judge appeals panel on Tuesday that the government's position was absurd because what happened to Mr. Masri had hardly remained secret. He noted that the German government was openly investigating whether its officials had played a role in Mr. Masri's ordeal, and numerous news accounts have quoted unidentified American officials as confirming what happened."

US Citizen In Texas Pleads Guilty To Conspiring To Fight For Taliban. In a widely-distributed story, the AP (11/29, Stinebaker) reports, "A Houston man pleaded guilty after he and a Pakistani living illegally in the United States were charged with conspiring to join the Taliban and fight against U.S. forces, federal prosecutors said Tuesday." US citizen Kobie Diallo Williams and Pakistan national Adnan Babar Mirza "underwent training in guns and reconnaissance in the Houston area in preparation for joining up with the Taliban, prosecutors said." Williams surrendered Tuesday to members of the FBI's Joint Terrorism Task Force and pleaded guilty in U.S. District Court to the conspiracy charge. Mirza was already in custody on immigration violations. 'While these subjects did not operate at a high level of sophistication in comparison with the 9-11 hijackers, the expressed goal was to aid the Taliban by training to carry out jihad against coalition troops in the Middle East,' said Roderick Beverly, the head of the FBI's Houston office." ABC News' The Blotter (11/28, Ryan, 6:27 p.m.) noted, "In addition to the alleged firearms training, the men also agreed to provide financial support to the Taliban and their families, the indictment alleges. According to the indictment, Williams sent $350 to Taliban members and their family members on two occasions. 'The expressed goal was to aid the Taliban by training to carry out jihad against coalition troops in the Middle East,' said…Beverly."

KHOU-TV Houston (11/28, McShan) reported on its Web site from a story broadcast yesterday, "Mirza was attending Houston Community College and working as an accountant at a small business." Williams "attended U of H downtown and was working part time at Rice University in its engineering department." KHOU added, "How did the government learn about them? 'It was a referral from the border patrol as far as suspicious activity that they noted,' said Rod Beverly, head of the Houston FBI office. Beverly would not get into specifics, but Senator John Cornyn was quick to point out to us that Mirza was here illegally. 'Whether you provided aid to the Taliban or simply overstayed your visa, we ought to be enforcing our immigration laws,' said Sen. Cornyn." The Houston Chronicle (11/29, A1, George, Hassan, Lezon, 530K) also notes Beverly said in a statement yesterday, "While these subjects did not operate at a high level of sophistication in comparison with Sept. 11 hijackers, the expressed goal was to aid the Taliban by training to carry out jihad against coalition troops in the Middle East."

HOMELAND RESPONSE:

Tennessee White Supremacist Sentenced To 30 Years In Prison For Bomb Plot. WPTY-TV Memphis (11/28, Hartley) reported on its Web site from a broadcast story, "Federal authorities say a white supremacist will spend the next three decades behind bars for attempting to acquire nerve gas and explosives in a plot to destroy

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government buildings. A judge sentenced Demetrius 'Van' Crocker to 30 years in prison and lifetime supervised release. Crocker was arrested in 2004 after he tried to buy the weapons from undercover agents," telling "agents his dream was to set off a dirty bomb in Washington, D.C. while the House and the Senate were in session." The AP (11/29) notes, "The Tennessee Bureau of Investigation and the FBI started investigating him after an informant alerted the agencies to his anti-government rants. Crocker also told an agent he wanted a helicopter license so he could spray or bomb black neighborhoods in Jackson with poison gas and spike drugs with poison to kill black people."

Air Marshals Concerned Racism Fears Could Endanger Security. The Washington Times (11/29, Hudson, 88K) reports, "Air marshals, pilots and security officials yesterday expressed concern that airline passengers and crews will be reluctant to report suspicious behavior aboard for fear of being called 'racists,' after several Muslim imams made that charge in a press conference Monday at Ronald Reagan Washington National Airport." Following an incident last week in which they were removed from a US Airways flight in Minneapolis, six imams "urged Congress to enact laws to prohibit ethnic and religious 'profiling.'" One federal air marshal in Las Vegas, who asked that his name not be used, said that terrorists could use public fears of being labeled a racist "to their advantage in future aviation attacks."

Fox Special Report (11/28, story 10, 0:45, Hume) noted a report in Tuesday's Washington Times that said "passengers and flight attendants said the men switched from their assigned seats to a pattern associated with the September 11 terror attacks two in the very first row two in the middle next to the exit and two in the rear. The Times quotes an unidentified federal air marshal as explaining that pattern would enable a group to control the most important areas in the cabin. The imams yesterday staged a protest at Washington's Reagan Airport and have characterized their removal as an act of Islamophobia."

WPost Says More Information Needed To Explain Imams' Removal. The Washington Post (11/29, A22, 690K) editorializes that US Airways "and the authorities who detained the imams have questions to answer publicly about the incident. Were they switching seats suspiciously? Did the imams have round-trip or one-way tickets? Did the men ask for seat-belt extenders, and if so did they give any reason? Answers to these questions might help explain the airline and official actions, even if they do not end up justifying those actions."

Chertoff Announces First Responder Interoperability Deadlines. Long Island Newsday (11/29, Eisenberg, 414K) reports DHS Secretary Michael Chertoff told a gathering of state and local homeland security officials in Washington yesterday "that the nation's 35 highest-risk cities must have systems enabling first responders to communicate in a disaster by the end of next year. Every state must have such a system by the end of 2008, he said." The announcement came "five weeks before the start of a new Congress controlled by Democrats, many of whom have expressed frustration about the slow pace of progress on first-responder communications and pledged tougher oversight of his department. The secretary said public scorecards would be issued in the next few weeks to the highest-risk cities -- including Boston, Houston and Chicago -- to help them prioritize needed improvements. The focus, he said, would be regional because 'threats are region-based.'"

Bush Expected To Promote FEMA's Paulison. The Washington Post's (11/29, A21) Al Kamen writes in his "In The Loop" column that the "buzz" at FEMA is that Undersecretary R. David Paulison "will be nominated by President Bush for promotion to the deputy secretary level." Kamen notes that Congress "recently passed legislation raising the status of the FEMA administrator, effective March 31, mandating that he report directly to the secretary of the Homeland Security Department and advise the president and the White House Homeland Security Council during disasters."

Judge Rules In Favor Of Policyholders On Katrina Flood Claims. The New York Times (11/29, Treaster, 1.16M) reports, "A federal judge offered a glimmer of hope to the tens of thousands of people whose homes and businesses in New Orleans were flooded in Hurricane Katrina, ruling that insurance companies should pay for the widespread water damage." The ruling "could cost the insurers billions of dollars more than the $41 billion they have already paid to storm victims. But the insurers insist that their policies do not cover flooding, and they said yesterday that they expected an appeals court to reverse the decision. A final ruling could take months, if not years." Citing levee

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failures, the judge said the insurance policies on flood coverage "did not 'clearly exclude man-made' flood disasters."

WAR NEWS:

Leaked Hadley Memo To Bush Casts Doubt On Maliki's Ability To Stem Violence. As President Bush prepares to meet with Iraqi Prime Minister Nouri al-Malaki in Jordan today, the Administration is trying to send the message that it remains supportive of Maliki. As NBC Nightly News (11/28, lead story, 4:20, Gregory, 9.87M) reported, "White House officials" told NBC "the President will send a blunt but supportive message" at the summit: "One advisor said it will boil down to this -- 'We are in this together, we'll get out of this together.'" However, the leak of a classified memo to the President written by his national security advisor appears to have undermined the White House's message. Under the headline "Bush Adviser's Memo Cites Doubts About Iraqi Leader," the New York Times (11/29, Gordon, 1.16M) reports "a classified memorandum by…Bush's national security adviser expressed serious doubts about whether…Maliki had the capacity to control the sectarian violence in Iraq and recommended that the United States take new steps to strengthen the Iraqi leader's position. The Nov. 8 memo was prepared for Mr. Bush and his top deputies by Stephen J. Hadley, the national security adviser, and senior aides on the staff of the National Security Council after a trip by Mr. Hadley to Baghdad." The Times adds, "An administration official made a copy of the document available to a New York Times reporter seeking information on the administration's policy review. The Times read and transcribed the memo," and this morning makes it available to its readers in its entirety. The White House, says the Times, "has sought to avoid public criticism of Mr. Maliki." A "senior administration official discussed the memorandum in general terms after being told The New York Times was preparing an article on the subject." The official "stressed that the administration retains confidence in the Iraqi leader. 'What we are seeing is that he had the right intentions and is willing to act,' the senior official said. 'Our own review has opened a consultative process on where Maliki wants to take the government. A successful strategy has to be one that is driven by the Iraqis.'" In its front page article on Bush's meeting with Maliki, the Washington Post (11/29, A1, Abramowitz, 690K) mentions the memo "obtained by the New York Times," and says it "laid bare the doubts about Maliki," noting that the Bush-Maliki relationship "has grown fractious as repeated efforts to curb violence in Baghdad have failed."

In addition to the memo, a number of media stories suggest US officials and commentators, even the President, hold a dim view of the Iraqi leader's performance. The Washington Post (11/29, Abramowitz, 690K), in fact, reports Bush "hinted at the US government's growing impatience with Maliki" yesterday, "when he said he would query the prime minister about his 'strategy to be a country which can govern itself and sustain itself.'" ABC World News (11/28, lead story, 2:30, Gibson, 8.78M), meanwhile, said "US officials more and more express doubt Maliki can stop the violence. … In fact, a senior Defense official tells ABC News the Iraq government could collapse within weeks if there are more spectacular attacks like the Thanksgiving Day bombings that killed more than 200 civilians." The Los Angeles Times (11/29, Zavis, Wallsten, 850K) says Maliki feels "frustrated by US accusations that he isn't doing enough," and USA Today (11/29, Soriano, Nichols, 2.27M), in a story titled "Some Question Whether Al-Maliki Strong Enough," reports "analysts say there is growing evidence that al-Maliki is not up to the formidable task of bringing stability to his country." Wayne White, "head of the State Department's Iraq intelligence desk during the US invasion in 2003," is quoted saying Maliki "probably has neither the will nor the ability to address certain core issues, such as widespread abuses on the part of (Shiite) militias and the police. … He is beholden to the forces behind the militias for his political survival." Jeffrey White, a former Defense Intelligence Agency Middle East analyst, "said al-Maliki was chosen as prime minister by Shiite leaders 'because he was weak and pliable.'" Fox News Special Report With Brit Hume (11/28, Baier) offered a more positive assessment of the Administration's attitude toward Maliki, reporting, "Senior aides say the President is urging flexibility and is eager to look Prime Minister Maliki in the eye and ask him what his government needs to better deal with the increased sectarian bloodshed."

More negative coverage on the summit: The New York Times (11/29, Burns, Semple, 1.16M) says that "at a time of heightened urgency in the Bush administration's quest for solutions, American military and political leverage in Iraq has fallen sharply. Dismal trends in the war…have merged with growing American opposition at home to lend a sense of crisis to the talks in Amman. But American fortunes here are ever more dependent on feuding Iraqis who seem, at times,

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almost heedless to American appeals, American and Iraqi officials in Baghdad say." The Wall Street Journal (11/29, Shishkin, 2.04M), in a story headlined "Why Iraq's Discord Stalls Political Solution," says "Bush is expected to press Iraq's leader when they meet this week to act decisively against the violence coursing through Iraqi neighborhoods. That may prove extremely difficult, because the sectarian discord has paralyzed the country's fragile political structure -- and with it much of the leverage at Prime Minister Nouri al-Maliki's disposal." The Journal adds, "Nowhere is this paralysis more evident than in Iraq's national assembly. The Parliament was cast by Washington as a solution to the nation's problems when it was elected a year ago. Instead, it embodies Mr. Maliki's biggest challenge because it mirrors the sectarian battles raging on the Iraqi streets."

NYTimes Says Bush Must Warn Maliki "Americans' Patience Has All But Run Out." The New York Times (11/29, 1.16M) editorializes, "Mr. Bush needs to make clear that Americans' patience has all but run out and that he will start bringing the troops home unless Mr. Maliki moves to rein in sectarian bloodletting and Iraqi troops start shouldering more of the burden. Mr. Maliki needs to make Mr. Bush understand Iraq's full desperation -- and his own desperate political weakness. So long as Baghdad remains in chaos — and militias are better armed and more motivated than the Iraqi Army -- he has no chance of ending the blood feuds or breaking the cycle of retribution."

Bush Says Al Qaeda Behind Spike In Iraq Violence. The day before his summit with Iraqi Prime Minister Nouri al Maliki, President Bush said the US will not withdraw its troops from Iraq "before the mission is complete." Bush also made the case that Al Qaeda is behind the recent spike in violence in that country. As NBC Nightly News (11/28, lead story, 4:20, Williams, 9.87M) reported, the President "said it's al Qaeda that needs to be defeated in Iraq and toward that end, he says he will not pull US troops out of that battlefield unless and until that job is done." Bush also declined to call the conflict in Iraq a "civil war." The Washington Post (11/29, A1, Abramowitz, 690K) reports that despite "pointed emphasis on the Iraqi government's role in controlling the violence," Bush Tuesday "made clear his view that Iraq has not yet fallen into civil war." The New York Times (11/29, A18, Stolberg, 1.16M) also says Bush "blamed Al Qaeda for the latest wave of sectarian violence" and vowed not to withdraw troops "until the mission is complete."

Bush's comments are receiving markedly negative media coverage. The CBS Evening News (11/28, lead story, 3:00, Axelrod, 7.66M), for example, said that "heading into the summit Mr Bush seems to be looking back as much as looking forward, recycling, old claims that outside terrorists are to blame for the chaos in Iraq." ABC World News (11/28, lead story, 2:30, Raddatz, 8.78M) reported, "The problem is that it is virtually impossible for individual soldiers to tell the difference, for example, between a Sunni insurgent or an Al Qaeda terrorist. 'Anybody that is shooting at us,' said one commander recently, 'is an enemy.'" NBC Nightly News (11/28, lead story, 4:20, Gregory, 9.87M), which has officially termed the conflict a "civil war," reported, "Iraq's worsening civil war will dominate the President's meeting with…Maliki. Concluding his visit to Estonia earlier today, Mr. Bush blamed the violence not on civil war but on Sunni terrorists." Bush was shown saying, "There's a lot of sectarian violence taking place, fomented in my opinion because of these attacks by al Qaeda, causing people to seek reprisal. And we will work with the Maliki government to defeat these elements." NBC added, "Back in Washington, incoming House Speaker Nancy Pelosi disagreed, warning that such rhetoric about al Qaeda will make it harder for Democrats to work with the White House." Pelosi was shown saying, "The 9/11 commission dismissed that notion a long time ago and I feel sad that the President is resorting to it again."

CNN characterized Bush's strategy on Iraq as a repetition of his past policies. CNN's The Situation Room (11/28, Blitzer) said in its lead story, "Familiar words from a President now under intense pressure to change direction in Iraq, where more blood is being spilled every day." CNN correspondent Suzanne Malveaux: "Pressure is growing on…Bush to come up with a working strategy of his own." CNN's The Situation Room (11/28, Malveaux) in its second segment described Bush is "using an old and familiar argument, blaming the fighting on Al Qaeda."

The New York Times (11/29, Stolberg, 1.16M) runs a similar story under the headline "Bush Declines To Call Situation In Iraq Civil War," while the Washington Post (11/29, Baker, 690K) titles its report "White House Wages War Of Words Over 'Civil' Term." The Post reports, "It is not, no matter how much it may look like it, a civil war. Forget the debate over what to do about the war in Iraq. The White House is still debating what to call the war in Iraq. With retired generals, analysts, politicians and pundits increasingly using the term 'civil war,' the Bush administration insists that the

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definition does not fit as part of its latest effort to control the words of war." The Post continues, "To people dying in the streets of Sadr City, it may be just semantics. But the White House fiercely resists the phrase out of fear of its impact in both Iraq and the United States." The Post adds the "risk" for the White House is that "once again it will appear out of touch with reality over there and with public perception here at home." The AP (11/29, Raum) also notes the President "portrayed the battles in both Afghanistan and Iraq as central fronts in a war 'against the extremists who desire safe havens and are willing to kill innocents anywhere to achieve their objectives.'" USA Today (11/29, Jackson, 2.27M), McClatchy (11/29, Douglas) run similar stories.

A couple of TV reports, meanwhile, suggested Bush overstated Al Qaeda's role in Iraq in his comments yesterday. NBC Nightly News (11/28, story 3, 2:25, Williams, 9.87M) reported on Bush's "claim today that Al Qaeda is behind this rising tide of violence in Iraq." NBC's Brian Williams prompted Pentagon correspondent Jim Miklaszewski "to take a closer look at that claim," asking "how serious is it?" NBC's Miklaszewski responded, "There's no question that al Qaeda still remain as serious threat in Iraq. But US military officials admit, it's not the primary threat by a long shot. … Two weeks ago, the top US military commander for the Middle East," General John Abizaid, "told Congress, sectarian violence, not Al Qaeda is the primary long-term threat in Iraq. … In fact, according to military intelligence, Al Qaeda makes up only 2% to 3% of enemy forces in Iraq." Miklaszewski added, "Whatever that Al Qaeda threat, some experts blame it directly on the US war in Iraq. … Al Qaeda is not the reason the US invaded Iraq in the first place but now the Bush Administration is clearly out to convince the American people, al Qaeda is why American forces should now stay." The CBS Evening News' Katie Couric (11/28, story 3, 2:00) asked Richard Haas, president of the Council on Foreign Relations, if he "buys" the President's contention that al Qaeda "is basically responsible for the sectarian violence in Iraq." Haas responded, "In a word, no. It's clearly responsible for some of it. It's clearly exacerbated some of it. But even if al Qaeda disappeared tomorrow…the sectarian violence would continue."

Bush Rejects Expected ISG Recommendation On Iran And Syria. The CBS Evening News (11/28, lead story, 3:00, Couric, 7.66M) reported, "In Washington, the Baker-Hamilton commission continued its work hoping for a report by early next week." Bush, on the eve of his summit with Malaki in Jordan, "adamantly rejected what's expected to be a key recommendation -- engaging Iran and Syria for help calming Iraq. He says that's up to the Maliki government." Bush: "Iraq is a sovereign nation which is conducting its own foreign policy. They're having talks with their neighbors, and if that's what they think they ought to do, that's fine. I hope their talks yield results." Axelrod: "The results yielded today were not what the President wanted. Iraq's President Talabani was in Iran, listening to Iran's Supreme Leader, Ayatollah Khomeini, blame the United States for all the chaos in Iraq."

NBC Nightly News (11/28, story 2, 2;20, Engel, 9.87M) reported, "Iran has made it clear that it is an alternative address to Washington where Middle East diplomacy can take place. Iraq's President Talabani was in Tehran today meeting with the country's supreme leader. He was also accompanied by his oil minister. Iran is also reaching out to American allies, especially Egypt and saying today that it sees Iranian cooperation with Arab states as the key to a solution. If Washington can't give a comprehensive solution to the many problems in the Middle East, Iran has made it clear, it is willing to try."

The New York Times (11/29, A16 Fattah, 1.16M) reports that when Bush arrives in Amman Wednesday, "there will be no shortage of people seeking to make him feel unwelcome with a decidedly blunt message." According to the Times, in Amman "and throughout the Arab…Iran was foremost on a lot of minds." For many, the Times says "a resurgent Iran, with or without a nuclear bomb, is a central concern. An opening with Iran, many analysts said, would amount to a loss of face for the Arabs and a striking boost for Iran." Despite "growing anti-Americanism," Arab governments have been "eager to maintain an American presence in the region, fearing Iran would step in where the United States retreated." The Los Angeles Times (11/29, Richter, 850K) runs a similar story under the headline "Bush firm on Iran, Syria talks."

NBC Criticized For "Civil War" Decision. The Washington Times (11/29, Harper, 88K) reports, "'Civil war' has joined 'terrorist' and 'undocumented immigrant' in the growing lexicon of terms that prompt press organizations to get touchy about their coverage. In the name of neutrality, print and broadcast journalists alike have declared moratoriums on words deemed inflammatory or judgmental in the years since the September 11 attacks." Neutrality "might not be the motivation behind NBC's decision to announce that Iraq is now engaged in a civil war, despite statements from the White House to the contrary. … 'News

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organizations claim they don't want to be political in their coverage. But this declaration strikes me as very political. This is NBC saying, "Hey, George Bush is delusional, and we're not going to play along." That's the tenor of it,' Tim Graham of the Media Research Center said yesterday." Graham added, "The pomposity of the judgment is also troubling. The network is clearly seeking a tipping point to declare that the US is losing Iraq."

WSJournal Says Iraq Conflict Not A Civil War." The Wall Street Journal (11/29, 2.04M) editorializes, "The next Iraqi or American official to be asked about 'civil war' might want to reply by asking the journalist who, precisely, is fighting whom, and why Iraqi security officers of all backgrounds continue to risk their lives for the elected Baghdad government. The truth is that the enemies of Mr. Maliki's government are terrorists and thugs." Bush "could help give Mr. Maliki the confidence he needs for the tough fight ahead -- first against the Sunni terrorists, then against the Shiite revenge killers -- by assuring him that US policy will be based on this fact."

Carter Dismisses Comparisons Of Iraq With Sudan. Former President Jimmy Carter in an interview on MSNBC's Hardball With Chris Matthews (11/28) was asked, "There is a report that 650,000 civilians have been killed. Do you think it has the potential of being as bad as Sudan?" Carter replied, "I don't think so. Because Sudan had two million people died. And it is obviously serious and I don't think American intervention, even if we wanted to exert the full power of our military force there could successfully interrupt the violence that is killing people still on the streets."

Carter Calls Iraq Invasion "One Of The Greatest Blunders" Ever Made By A President. Carter, in an interview on CNN's The Situation Room (11/28, Blitzer), said invading Iraq "is going to prove, I believe, to be one of the greatest blunders that American presidents have ever made." Blitzer: "Bigger than Vietnam?: Carter: "I think it's going to be a close call, but perhaps much more vividly known by the rest of the world than Vietnam was. And, of course, my answer is predicated on not knowing what is going to happen in the future. I think president Bush could still salvage out of Iraq a conclusion that he could identify as victory. If he would agree that this international conference would help Iraq and if there could be an orderly withdrawal of American troops and Iraq could be sustained with the support of the rest of the world as a viable democracy, then he could say, in retrospect, this was a success -- and I think that's what he would like to see as an ultimate indication of a victory."

Gingrich Says White House Must Admit Change Of Course Needed. The Boston Globe (11/29, Pindell, 413K) reports that ex- House Speaker Newt Gingrich (R) "told a New Hampshire audience yesterday that unless the Bush administration admits that the war in Iraq is a 'failure,' it will never develop a strategy to leave the country successfully." Gingrich said that "the Bush administration needs to plan a 'third stage' in Iraq, following the military takeover stage and the recent democracy-building stage. But he says a third stage can come about only if officials admit they must change course. 'If the military, White House, and State Department continue to avoid the word 'failure,' how can you bring about a third stage?' Gingrich said." Gingrich "said a show of contrition by the White House would help the president regain the trust of the American people and avoid a quick pullout, which would be disastrous. The first goal in Iraq, Gingrich said, should be to rebuild the national military, even if it requires spending tantamount to the Marshall Plan effort in the aftermath of World War II, in which the United States spent up to 3 percent of its gross domestic product. 'We have to show we are serious about winning and that we will defeat any person, Sunni or Shi'ite, that hopes to disrupt progress,' he said. 'But we can only do that if we have Iraqi troops on the ground.'"

ISG To Set Deadline For Iraqis To Assume "Greater Responsibility" On Security Matters. The CBS Evening News (11/28, story 2, 2:10, Couric, 7.66M) reported that the President "has repeatedly dismissed the idea of setting a schedule for withdrawing US troops," CBS "has learned the commission may have found a way around that by putting the onus on the Iraqis." CBS (Martin) added, "Sources close to the Iraq study group predict its final report will not call for a timetable for the withdrawal of American troops, which would almost certainly be rejected by the Bush Administration. Instead, these sources expect it to recommend a timetable for the Iraqi government to assume greater responsibility for its own security. Still unresolved is the question of what if any consequences there would be if the Iraqi government failed to meet the timetable. The study group is drafting its recommendations just as the Bush Administration is acknowledging the war has entered a new phase."

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The Washington Post (11/29, A1, Ricks, Wright, 690K) reports, "Even Democrats who have criticized the Bush administration's conduct of the occupation say the people and government of Iraq are not doing enough to rebuild their society." The White House "is putting pressure on the government of…Maliki, and members of the bipartisan Iraq Study Group have debated how much to blame Iraqis for not performing civic duties." This "marks a shift in tone from earlier debate about the responsibility of the United States to restore order after the 2003 invasion, and it seemed to gain currency in October, when sectarian violence surged. Some see the talk of blame as the beginning of the end of US involvement."

Panel Unable To Reach Consensus On US Troop Levels. The AP (11/29, Baldor) reports the Iraq Study Group "could not reach a consensus Tuesday on how many or how long U.S. troops should remain in Iraq, forcing the group to return for a third day of debate, according to an official close to the panel's negotiations." Panel member Leon Panetta, former White House chief of staff to President Clinton, "hinted at some struggles, telling reporters, 'Trying, trying to find a ... trying to find consensus. ... It goes up and down.'" A second official "has said that the commission was unlikely to propose a timetable for withdrawing U.S. troops from Iraq but that some members seemed to favor setting a date for only an initial withdrawal. … The first official said Tuesday that the group was still struggling over whether to set a hard deadline for withdrawing U.S. forces or if there should be any short-term increase in troops." The AP notes the group "was initially expected to wrap up their deliberations Tuesday."

Carter Expects Bush To Adopt Most Commission Recommendations. Former President Jimmy Carter, in an interview on CNN's The Situation Room (11/28, Blitzer), said Bush "has his own recommendations to be derived from people in his Administration. But I think it would be natural for President Bush to adopt as many of the policies that Jim Baker and Lee Hamilton recommend in their committee as he possibly can. If there is some things he disagrees in order to save face and show his independence he is still the Commander in Chief, then he'll do it. But I think the recommendations of the committee will be seriously considered by the White House."

Bush's Faith Seen As Driving His Foreign Policy. CNN's The Situation Room (11/28, Blitzer) reported, "Good, evil and God-given duties. Both supporters and critics of President Bush believe they're the notions that drive the man and help shape this foreign policy. But they've also helped to put the United States, critics say, on a potential collision course with the Muslim world." CNN correspondent Zain Verjee: "When it comes to foreign policy, the President says he answers to a higher power. … Some experts say that the President's faith helps make him a decisive leader. Once he determines it's God's will to act, it's hard to sway him. They also say that could leave him less flexible and less likely to change course."

Bush Urged To Heed Saudi Officials' Advice On Iraq. In an op-ed for the Washington Post (11/29, A23, 690K), Nawaf Obaid, an advisor to the Saudi government, writes, "In February 2003, a month before the U.S.-led invasion of Iraq, the Saudi foreign minister, Prince Saud al-Faisal, warned President Bush that he would be 'solving one problem and creating five more' if he removed Saddam Hussein by force. Had Bush heeded his advice, Iraq would not now be on the brink of full-blown civil war and disintegration. One hopes he won't make the same mistake again by ignoring the counsel of Saudi Arabia's ambassador to the United States, Prince Turki al-Faisal, who said in a speech last month that 'since America came into Iraq uninvited, it should not leave Iraq uninvited.' If it does, one of the first consequences will be massive Saudi intervention to stop Iranian-backed Shiite militias from butchering Iraqi Sunnis."

More Commentary. The New York Times' Tom Friedman (11/29) writes, "We need to face our real choices in Iraq, which are: 10 months or 10 years. Either we just get out of Iraq in a phased withdrawal over 10 months, and try to stabilize it some other way, or we accept the fact that the only way it will not be a failed state is if we start over and rebuild it from the ground up, which would take 10 years. This would require reinvading Iraq, with at least 150,000 more troops, crushing the Sunni and Shiite militias, controlling borders, and building Iraq's institutions and political culture from scratch. Anyone who tells you that we can just train a few more Iraqi troops and police officers and then slip out in two or three years is either lying or a fool. The minute we would leave, Iraq would collapse."

In his column for the Washington Post (11/29, A23, 690K) Harold Meyerson writes that "on matters Iraqi, much of the Beltway -- and not just the administration -- remains impervious to fact. 'We've got to get the Iraqi army and police better equipped, better trained and into the fight,' retired Gen. Barry McCaffrey declared recently. 'And I think we've got 24 months.' The police, of course, are already into the fight,

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many of them working with Shiite militias to execute Sunnis. They are, from any dispassionate perspective, proficient enough. Train them for 24 months and they will be the terror of the Earth."

In an op-ed for the Wall Street Journal (11/29, 2.04M), author Amir Taheri writes, "While Mr. Bush should demonstrate that America remains committed to the new Iraq, he should only prepare to renew the US mission for one more year, dependent on a credible plan for transferring responsibility for security to the Maliki government. In that year, the US ought to intensify its training programs and examine options for expanding the weapons system of the new Iraqi army." The US should not "write blank checks."

Gates Criticizes Prewar Iraq Planning. The New York Times (11/29, Cloud, 1.16M) reports, "In his first detailed public statement since his nomination as defense secretary, Robert M. Gates criticized the Pentagon as failing to prepare adequately for securing Iraq after the invasion in 2003. Asked in a questionnaire from the Senate Armed Services Committee what he would have done differently in Iraq…Gates responded: 'War planning should be done with the understanding that postmajor-combat phase of operations can be crucial. If confirmed, I intend to improve the department's capabilities in this area.'" The Times notes that by "criticizing the Iraq planning, however obliquely," Gates "offered a glimpse of how he might distance himself from" Defense Secretary Donald Rumsfeld. The Times adds that when asked whether the US "should engage in direct talks with Iran and Syria on stabilizing Iraq," Gates "shied from endorsing bilateral overtures to either country. 'Engagement with Iran might well come as part of an international conference,' he said. Talks with Damascus could 'take the form of Syrian participation in a regional conference,' he added. But he also said, 'No option should be taken off the table,' noting that 'even in the worst days of the cold war, the United States maintained a dialogue with the Soviet Union and China.'" According to the Times, Gates' reply "backed slightly from a study of which he was a co-author for the Council on Foreign Relations. The examination called for the United States to 'engage selectively' with Iran, in part to dissuade Iran from pursuing nuclear weapons." In contrast to the Times, the Washington Post (11/29, A5, Ricks, 690K) describes Gates' position on engagement of Iran and Syria as "consistent with his past views," and characterizes them as appearing to be "at odds with the Bush administration's current policies." According to the Post, Gates' "position conflicts with the U.S. stance on Syria particularly."

Gates Argues Against Precipitous Withdrawal. The Washington Post (11/29, A5, Ricks, 690K) reports Gates "said he opposes a swift pullout from Iraq, arguing in written testimony submitted yesterday to Congress that 'leaving Iraq in chaos would have dangerous consequences both in the region and globally for many years to come.'"

Pentagon Reportedly Considering Abandoning Anbar Province. ABC World News (11/28, story 2, 3:00, Gibson, 8.78M) reported, "The center for al Qaeda in Iraq is in that country's al Anbar province. More than 1,000 US troops have been killed there, more than 1 out of 3 American fatalities. And among military commanders, there's a sense that defeating the enemy there may be impossible or would come with a cost too great to bear." ABC added that it "has learned that the Pentagon is considering essentially writing off al Anbar province." US troops "will be taken out of al Anbar and move to fight what might be an even more difficult battle. The battle for Baghdad. … Under the plan now being considered by Joint Chiefs Chairman Peter Pace, US forces would turn al Anbar over to Iraq forces." ABC noted, "Some officials oppose the move, arguing al Qaeda could turn it into a power base."

Dowd Notes Speculation On "Writing Off" Anbar. In her column for the New York Times (11/29, 1.16M) Maureen Dowd writes President Bush "vowed yesterday that 'I'm not going to pull our troops off the battlefield before the mission is complete.' But his words about Iraq long ago lost their meaning. Especially the words 'mission' and 'complete.' At least in Anbar, the Pentagon may be about to pull troops off the battlefield. In another article yesterday, The Post, reporting on a classified Marine Corps intelligence report, said that 'the U.S. military is no longer able to defeat a bloody insurgency in western Iraq or counter Al Qaeda's rising popularity there.' … ABC Nightly News went even further last night, reporting that the Pentagon is 'writing off' Anbar."

Shiite, Sunni Militias Reportedly Preparing For Major Offensives. The Washington Times (11/29, Behn, 88K) reports, "Rival Shi'ite and Sunni groups are massing their militias in expectation of major confrontations. … Iraqis on both sides of their nation's sectarian divide report worrisome signs that the conflict will soon evolve into pitched battles between large armed groups.

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One secular Shi'ite speaking on the telephone from Baghdad said Shi'ite militias were massing in preparation for a large offensive against Sunnis in the capital. 'They had a big militarylike ceremony today for the Mahdi militia, to show their force. They are making themselves ready for something big -- protests, fighting, killing,' said the Shi'ite. A secular Sunni in close contact with one insurgent faction, said rebel Sunnis were also trying to form alliances among militias for a big push in the city against the Shi'ites, including more raids on government buildings." The Times adds that the "emergence of pitched battles between massed groups of Sunnis and Shi'ites would largely settle a long-running argument in Washington over whether the conflict in Iraq should be described as a civil war -- a description the Bush administration has so far rejected."

US Spokesman Predicts Sadr City Attack Will Spur Increased Violence. The Washington Post (11/29, A17, Trejos, 690K) reports Maj. Gen. William B. Caldwell "told reporters Tuesday that he expects to see 'elevated levels of violence' as a result of the car bombings that killed more than 200 people in Sadr City, a Shiite district in northeast Baghdad. The coordinated attacks set off a wave of retaliatory killings in Sunni neighborhoods. While acknowledging the sectarian conflict, Caldwell stopped short of characterizing it as a civil war." The Post goes on to report, "In the past 24 hours, 40 bodies were found in Baghdad, showing signs of torture and gunshot wounds to their heads. Among them were three beheaded bodies and two female bodies, said Col. Kareem Abdul Aziz Hussein of the Interior Ministry. Meanwhile, two car bombs exploded behind Yarmouk Hospital in west Baghdad, killing five people and wounding 11, Hussein said."

Sadr Profiled. The CBS Evening News (11/28, story 4, 2:30, Couric, 7.66M) profiles Moqtada al-Sadr, describing him as "a politician and a warrior, commander of a militia called the Mahdi Army. Intelligence estimates say it's grown eight-fold in the past year alone to some 60,000 men. Al-Sadr is the thirty something heir to a religious dynasty. … He flaunts his ferociously anti-American message which boils down to 'get your troops out.'"

Mahdi Army's Burning Of Six Sunni Worshippers Described. The AP (11/29, Hurst) reports, "The attack on the small Mustafa Sunni mosque began as worshippers were finishing Friday midday prayers. About 50 unarmed men, many in black uniforms and some wearing ski masks, walked through the district chanting 'We are the Mahdi Army, shield of the Shiites.' Fifteen minutes later," four vehicles "drove up to the marchers…suspected Shiite militiamen took automatic rifles and rocket-propelled grenade launchers from the vehicles. They then blasted open the front of the mosque, dragged six worshippers outside, doused them with kerosene and set them on fire."

Responding To Maliki Request, UN Security Council Extends Mandate. The AP (11/29, Lederer) reports the U.N. Security Council "voted unanimously Tuesday to extend the mandate of the 160,000-strong multinational force in Iraq for one year. ... The council responded to a request from Iraqi Prime Minister Nouri al-Maliki, who said a top government priority is to assume full responsibility for security and stability throughout the country but that it needs more time." The resolution drafted by the United States "extends the mandate of the multinational force for one year starting on Dec. 31 and authorizes a review of the mandate at the request of the Iraqi government or by June 15. The resolution contains the same provision as past resolutions — a commitment that the council 'will terminate this mandate earlier if requested by the government of Iraq.'"

Annan Endorses Regional Conference On Iraq Including Iran And Syria. The Washington Post (11/29, A17, Wright, Lynch, 690K) reports U.N. Secretary General Kofi Annan "proposed an international conference…to forge reconciliation among Iraq's political parties." Annan "said that Iran and Syria should be included in efforts to stabilize Iraq. 'The two countries have a role to play, and they should become part of the solution,' he told reporters, reflecting strong international momentum behind a broader approach to Iraq's strife. 'And we should bring them in and get them to work with us in resolving the issue and let them assume some of the responsibility.'"

US Soldiers Kill Five Iraqi Girls During Ramadi Firefight. The AP (11/29, Wagner) reports U.S. soldiers "fought with suspected insurgents using a building as a safe house in Ramadi…killing one Iraqi man and five females, ranging in age from an infant to teenagers, the U.S. military said. … The battle in Ramadi began when a US patrol discovered a roadside bomb in the Hamaniyah section of the city, and two suspected insurgents fled to a house, where they took up positions on the roof, the military said. As coalition forces removed the bomb, the militants fired on the soldiers, who fought back with machine guns and tanks, the statement said." The New York Times (11/29, Wong, 1.16M)

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reports, "It was unclear what happened to the suspected insurgents, but the military said 'it was reported' that one was injured in the fight and carried away by other insurgents."

US Pilot Unaccounted For After F-16 Crash Near Fallujah. The CBS Evening News (11/28, story 5, 0:55, Couric, 7.66M) reported, "US forces are still searching for the pilot of an F-16 that crashed yesterday near Fallujah. The wreckage was immediately surrounded by insurgents and by the time American rescuers got there, the pilot was missing. Videotape shot by a local journalist appeared to show a body near the plane, but the US military can't confirm whether the pilot is alive or dead."

Bush Urges NATO To Commit To Afghanistan Mission. The AP (11/29, Kole) reports, "NATO was divided at its summit Tuesday on deploying more troops to Afghanistan's volatile south, with Germany resisting any permanently expanded presence and Canada complaining of bearing the brunt of an increasingly bloody mission. Despite the strengthening Taliban insurgency and unexpectedly high casualties, NATO Secretary-General Jaap de Hoop Scheffer said that by 2008, he hopes Afghan forces can begin taking over security tasks." President Bush "called the Afghanistan mission -- which has mobilized 32,800 troops -- NATO's No. 1 operation. Defeating Taliban forces, he said, 'will require the full commitment of our alliance.'" Added Bush, "The commanders on the ground must have the resources and flexibility they need to do their jobs."

The Financial Times (11/29, Dombey, Fidler) reports France, Germany and Spain "all said this week they could relax restrictions on their troops in Afghanistan to enable them to help in the turbulent south in case of emergencies. On Tuesday James Jones, Nato's military chief, said that 10 to 15 per cent of restrictions were being lifted, a step equivalent to providing 2,000 soldiers." The Washington Times (11/29, A1, Dinan, 88K) runs a similar report under the headline "NATO To Bear Afghan Burden," while the Los Angeles Times (11/29, Wallsten, 850K) says "Bush has long called the defeat of the Taliban a triumph of freedom over tyranny. But on Tuesday he tacitly acknowledged that not all is well in Afghanistan, four years after the US-led invasion, and he exhorted allies to step up their cooperation or risk failure there."

More Commentary On NATO. The Washington Post (11/29, A22, 690K) editorializes, "The NATO alliance has been confounding prophets of its demise ever since the Cold War ended 15 years ago. For much of that time the military pact has played an unlikely but invaluable role as mentor to the formerly communist nations of Europe, granting 10 of them membership after requiring them to build democratic institutions. For the past several years it has played an increasingly important role in Afghanistan: Since the summer, NATO has led the fight against the Taliban in the unstable south, routing a large concentration of insurgents near Kandahar in the biggest battle in its history." Bush "spelled out a U.S. aim to bring Croatia, Albania and Macedonia into NATO by 2008 and to work toward membership for Georgia -- a democracy that Russia is doing its best to destabilize." Scheffer "rightly pointed to the need for the alliance to step up development and reconstruction operations in Afghanistan, so that areas cleared of the Taliban will have a shot at stabilizing. If NATO's leaders can follow through on those commitments and objectives, the alliance could defy the prophets of its doom once more."

The Los Angeles Times (11/29, 850K) editorializes, "The primary issue that NATO leaders hoped to address Tuesday is a shortage of troops in southern Afghanistan, where unexpectedly heavy resistance from the Taliban is endangering the alliance's most important mission. Among those not pulling their weight is France. Like Germany, Italy and Spain, France has placed caveats on the use of its 1,900 soldiers, preventing them from being shifted nimbly to the areas where they're most needed. The French also have refused to deploy a NATO strategic reserve battalion to address calls for 2,500 more combat troops." NATO's mission in Afghanistan, "unlike the war in Iraq, is a multilateral effort against a foe that presents a well-known threat to the West. A failure there would not only create a terrorist haven, it would expose NATO as a feeble, divided force."

Women In Parliament Seen As Evidence Of Afghanistan's Slow Liberalization. The Los Angeles Times (11/29, Rubin, 850K) reports Zahera Sharif "is the only woman among the four members of Afghanistan's parliament from Khowst province. In a conservative area where it is possible to drive through towns without seeing a single woman on the street, she is a rarity. As a member of parliament, she represents an institution that Western observers and experts in Afghanistan say is the country's best shot at building a stable democracy after years of war and religious extremism." The Times adds, "Even among the 68

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women in parliament, U.S. and United Nations officials estimate that half have militia ties, and can be counted on to keep quiet and vote as they are told."

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Gonzales Among Those To Attend Calderon Inauguration. McClatchy Newspapers (11/29, Root) reports, "Fistfights and shoving matches broke out in the Mexican Congress Tuesday after leftist lawmakers, hoping to block the inauguration of conservative President-elect Felipe Calderon, stormed the podium and tried to seize control of the chamber. … Conservatives, surrounded by security guards, pushed back the protesting lawmakers and vowed to keep order until they formally bestow the presidential sash on Calderon in a ceremony in the Chamber of Deputies this Friday." McClatchy adds, "Calderon has promised to reach out to those who didn't support him. But his critics on the left say his Cabinet picks suggest otherwise. On Tuesday he announced that former Jalisco Gov. Francisco Ramirez Acuna, criticized for his hard-line approach in dealing with street protests, would be his new interior secretary, handling domestic security matters." McClatchy adds, "The U.S. Embassy said that former President George Bush, U.S. Attorney General Alberto Gonzales and U.S. Commerce Secretary Carlos Gutierrez would travel to Mexico to attend the inauguration. … What they'll find when they get here is anybody's guess. Tuesday's trouble started around lunchtime, as rumors swept the chamber that PRD supporters would try to seize the chamber. PAN leaders, who have the largest bloc of votes and control the gavel, began assembling near the dais, along with a coterie of guards."

Bloomberg (11/29, Harrington) reports, "Former U.S. President George H.W. Bush will attend the swearing-in ceremony, the U.S. Embassy in Mexico said in an e- mail statement. U.S. Attorney General Alberto Gonzales and U.S. Secretary of Commerce Carlos Gutierrez will also attend, according to the statement."

CORPORATE SCANDALS:

Business Interests Seek To Roll Back Regulation. The Washington Post (11/29, A1, Johnson, 690K) reports business interests, "seizing on concerns that a law passed in the wake of the Enron scandal has overreached, are advancing a broad agenda to limit government oversight of private industry, including making it tougher for investors to sue companies and auditors for fraud." A group "that has drawn support from Treasury Secretary Henry M. Paulson Jr. plans to issue a report tomorrow that argues that the United States may be losing its preeminent position in global capital markets to foreign stock exchanges because of costly regulations and nettlesome private lawsuits." And interest groups "are trying to build political support to review long-standing rules that govern companies, as well as parts of the 2002 Sarbanes-Oxley law, which imposed stringent responsibilities on accountants, boards of directors and corporate executives. Some key members of Congress have recently expressed concern that U.S. companies may be over-regulated."

Paulson's Call For Principle-Based Regulation Examined. In his Wall Street Journal column (11/29), Alan Murray notes Treasury Secretary Henry Paulson's call for "moving from a regulatory regime based on 'rules' to one based on 'principles.'" In a speech, Paulson "complained of 'an ever-expanding rule book in which multiple regulators impose rule upon rule upon rule.' He extolled 'the desirability, where practical, of moving toward a principles-based system.'" The "model for a principles-based regulatory approach, it turns out, is Britain's Financial Services Authority." Could "such a system work in the U.S.? Well, first, it would require a restaffing of the SEC: More economists, fewer lawyers. (The current count is 1,344 attorneys, 27 economists.) More importantly, it would require reining in the trial bar, which empowers corporate lawyers by creating the constant threat of lawsuits. It also would probably require curbs on state attorneys general like soon-to-be New York Gov. Eliot Spitzer, who was always happy to step in whenever he thought the SEC was going soft."

US May Challenge Ruling On Former Westar CEO. The Topeka (KS) Capital-Journal (11/29, Boczkiewicz) reports from Denver, "Prosecutors may ask an appeals court to reconsider last week's decision that set aside a five-year prison sentence for David Wittig, former chief executive of Westar Energy, for bank crimes." The Capital-Journal continues, "In a new filing at the 10th U.S. Circuit Court of Appeals, a federal prosecutor in Topeka said attorneys at Justice Department headquarters in Washington, D.C., are evaluating whether to ask the court to rehear Wittig's appeal. … A three-judge panel of the court dealt a blow to

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prosecutors on Nov. 22 by setting aside Wittig's sentence and instructing U.S. District Judge Julie Robinson, of Topeka, to resentence him." The Capital-Journal adds, "The appellate judges concluded that she erred in computing his sentence under sentencing guidelines. … They pointed out that a sentence of six months is the maximum recommended in the guidelines unless she justifies a longer sentence. … Wittig's sentence is for convictions in 2003 of hiding from bank regulators a $1.5 million loan he made to former Capital City Bank president Clinton Odell 'Del' Weidner II. Wittig is serving a separate 18-year sentence for convictions in 2005 of looting Westar of millions of dollars." The Capital-Journal n otes, "In the new filing, prosecutor Richard Hathaway said prosecutors are considering asking all of the appeals court judges to consider the case, instead of only the three judges who issued last week's decision. .. .The Denver-based court seldom agrees to rehear cases, especially those in which a three-judge panel was unanimous, as it was in last week's decision. … Hathaway said Dec. 6 is the deadline for prosecutors to ask the judges to rehear Wittig's appeal. The prosecutor said lawyers of the solicitor general's staff in Washington need more time to decide whether to make the request."

Suit Claims US Firm Bribed Chinese Banking Officials. The New York Times (11/29, Barboza) reports, "The American company says it was a legitimate cost of doing business in China, the price it had to pay to help secure a large software contract with one of China's biggest banks. … But a Chinese company that says it got pushed out of the deal has a different version: executives there say it was bribery, a case of an American company secretly funneling money to powerful Chinese government officials to ensure the lucrative banking contract." The Times continues, "According to a lawsuit filed earlier this year in United States District Court in Florida, Fidelity Information Services, an American software company, paid for two Chinese banking officials and family members to travel on vacation to Hong Kong, Paris, Rome, Las Vegas and the golfing resort of Pebble Beach, Calif. … The suit contends that Fidelity arranged for these trips through a consultant in China who was reimbursed for giving the Chinese bankers and their families an array of gifts, including expensive Sony cameras, luxury outfits from Versace and Burberry, and perhaps even a $330,000 apartment here in Shanghai." The Times adds, "The lawsuit grows out of a business dispute between Grace and Digital Information Technology, a Beijing-based consulting company and Fidelity, based in Jacksonville, Fla. It accuses Fidelity of trying to avoid paying $58 million in consulting fees after Grace helped the company win a series of software contracts worth $176 million with the China Construction Bank in 2001. … The lawsuit charges that after the contract was suspended in 2002, Fidelity dumped Grace and chose instead to hire another middleman, who was a close friend of the chairman of the huge Chinese bank. Fidelity, the lawsuit contends, made large cash payments to the middleman, who then passed money and gifts on to the Chinese bank's chairman and other bank officials, possibly in violation of the Foreign Corrupt Practices Act of 1977. … That law forbids American companies from paying off foreign government officials to win or influence business deals outside the United States. … Lawyers representing Fidelity, a division of Fidelity National Financial, strongly dispute the allegations, saying company executives simply reimbursed legitimate business expenses and that Fidelity never violated its contracts or the Foreign Corrupt Practices Act. … 'The Justice Department says paying for typical business expenses is not against the law,' said David W. Shapiro, a lawyer for Boies & Schiller, which is defending Fidelity in the case. 'If the golf game is inappropriate, most of the companies doing business in this country are engaged in inappropriate activity.' … In government filings earlier this year, Fidelity acknowledged that the Justice Department and the Securities and Exchange Commission were looking into the allegations."

CRIMINAL LAW:

Philadelphia Mayor's Brother Indicted On Corruption Charges. In a widely-distributed story, the AP (11/29, Dale) reports, "The older brother of Mayor John F. Street was indicted Tuesday, accused of using his last name to convince companies he could get them lucrative city contracts and failing to pay taxes on $2 million of income. Soon after Street took office in 2000, T. Milton Street Sr. began hiring himself out as a high-priced consultant to companies that thought he could help them get city contracts, the indictment charged. One firm paid Milton Street, who is a longtime hot dog vendor, a $30,000-a-month consulting fee and required him to do no work, authorities said. He and two other businessmen face charges of mail and wire fraud, filing false tax returns and related counts." The AP notes, "The wide-ranging probe, which ensnared the former city treasurer

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and several businessmen, became public three years ago when an FBI listening device was discovered in the mayor's office."

The Philadelphia Inquirer (11/29, Gelbart, Shiffman, 385K) reports, "U.S. Attorney Patrick L. Meehan said Street made 'millions on nothing more than his last name," but "in an interview in front of his Moorestown home, Milton Street said he was 'not going to lose any sleep' over the charges, which could mean two or more years in prison if he is convicted. 'Let's face it: They didn't get John, they have to go after somebody,' Milton Street said." The Inquirer notes, "The mayor…rejected Meehan's suggestion that Milton Street tried to profit from their relationship. … The Milton Street case was handled by some of the same FBI and IRS agents who worked on the City Hall corruption cases that have led to more than 20 convictions." The Philadelphia Daily News (11/29, Davies, 106K) adds, "Milton remained upbeat yesterday when he greeted reporters in front of his…home, predicting success in his coming legal battle and saying he wasn't feeling old. 'I think I'll run for office,' he said."

Philadelphia Inquirer Says Charges "Yet Another" Taint On Street's Tenure. The Philadelphia Inquirer (11/29, 385K) editorializes, "The indictment yesterday of Mayor Street's brother on tax-evasion charges seems an almost inevitable result of the crony-friendly city contracts that have defined the mayor's tenure. The charges against T. Milton Street Sr. arise from city contracts at Philadelphia International Airport, long a source of pay-to-play rewards for people with friends (or relatives) in City Hall." The Inquirer notes, "Mayor Street isn't responsible for making sure his brother pays taxes. But the final year of the mayor's tenure will be tainted by yet another criminal prosecution involving people close to him. It is no accidental legacy."

Maryland Executive Pleads Guilty To Racketeering In Corruption Probe. The Washington Post (11/29, B5, Rich) reports, "A construction executive at the center of Maryland's largest public corruption investigation in years pleaded guilty yesterday to racketeering and other offenses, agreeing to testify against his codefendant, former state senator Thomas L. Bromwell." The Post continues, "As part of his plea agreement, W. David Stoffregen certified as accurate a document that outlines secret payments to Bromwell and free or steeply discounted contracting work at the lawmaker's home in exchange for Bromwell's steering of state contracts to Stoffregen's firm, commercial contractor Poole and Kent Corp." The Post adds, "The guilty plea is by far the most significant of the six such pleas that federal prosecutors have netted in their investigation of Bromwell, a Baltimore County Democrat who was one of the most powerful figures in Annapolis before he left office in 2002. … Allegations of the improper exchange of cash and favors between the two men are at the heart of the prosecution's case, and with his plea, Stoffregen immediately becomes the star witness in a trial scheduled to begin in March. … The summary, filed in U.S. District Court in Baltimore, largely mirrors assertions made in the original racketeering indictment and in related cases involving other defendants." The Post notes, "Bromwell and his wife, Mary Pat, who was also charged in the racketeering indictment, have pleaded not guilty. … According to the summary, Stoffregen paid more than $190,000 to Bromwell, arranged the contracting work at his house and gave the lawmaker an ownership stake in International Partners Construction, a company that Stoffregen formed in 2000 to do business in Russia. … In exchange, it says, Bromwell saw to it that Poole and Kent was awarded a $13 million contract with the University of Maryland Medical System and arranged for expedited payments for work that the company performed on a state juvenile justice center project."

Former Treasurer To California Town Sentenced For Plundering Public Coffers. The Los Angeles Times (11/29, Becerra) reports, "Former South Gate Treasurer Albert Robles was sentenced today to 10 years in federal prison for plundering $12 million over five years from the small working-class city." The Times continues, "A federal judge handed down the sentence after Robles made an impassioned speech, admitting he acted 'immorally' during his year as a leader of South Gate but claiming he never broke the law. … 'There are different levels of hoodwinking, but I didn't think hoodwinking was a crime,' Robles said. 'During that period, I decided not to be a very good man every day. But I did not decide to be a criminal.'" The Times adds, "Federal Judge Stephen V. Wilson seemed incredulous at Robles' statements, at one point telling the defendant's attorney that 'what you have just said is among the most absurd things I have ever heard.' … Wilson ultimately said he found Robles to be a 'puppet master' who won control of a corrupt enterprise that preyed on the city and its residents. … In addition to prison time, Robles was ordered to pay back more than $600,000 to the

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struggling city." The Times notes, "A federal grand jury in 2004 indicted Robles on 39 counts of money laundering, bribery, wire fraud and public corruption, alleging that he used his elected office and political influence to funnel money from a variety of city projects to family and friends between 1998 and 2003. He was convicted last year. .. Federal officials estimated that Robles, 41, personally received $1.2 million from the various schemes. The charges come a year after voters in the predominantly Latino city about seven miles southeast of downtown Los Angeles recalled Robles and several political allies from office."

Former Tennessee Senator Reports To Prison. The AP (11/29, Baird) reports, "Former Sen. Roscoe Dixon, the first state lawmaker to go to trial in the Tennessee Waltz corruption scandal, reported to a federal prison Tuesday to begin a five-year sentence. Dixon, 57, is to serve the sentence, which has no provision for parole, at the Federal Correction Complex at Oakdale about 35 miles south of Alexandria, La." The AP notes, "Dixon, a Memphis Democrat, was convicted in June of taking bribes from FBI agents posing as employees of E-Cycle Management," and "in all, the investigation has led to indictments against 11 defendants. … Dixon has vowed to appeal his conviction and has continued to argue that he was set up to take FBI money by overzealous federal agents and lying government informants."

US Charges Alabama, Florida Men With Child Pornography. The AP (11/29) reports, "A federal grand jury in Birmingham has charged two Florida men and one Alabama man on multiple charges related to an interstate child pornography business disguised as a child modeling agency." The AP continues, "An 80-count indictment was unsealed Tuesday charging 42-year-old Marc Evan Greenberg, 39-year-old Jeffrey Robert Libman and Webe Web Corporation, all of Ft. Lauderdale, Fla." The AP adds, "A two-count criminal information charging 43-year-old Jeff Pierson of Brookwood with conspiring to transport child pornography in interstate commerce using a computer was also unsealed Tuesday. … 'The indictment alleges that these defendants conspired to produce pornographic images of underage girls posing in lascivious positions for profit, under the pretense of offering professional modeling services,' said Assistant Attorney General Alice S. Fisher of the Justice Department's Criminal Division." The AP notes, "Greenberg and Libman are charged with establishing a 'child modeling' internet business called Webe Web Corporation. The indictment says Pierson was a photographer who provided images of minors engaged in sexually explicit conduct in Alabama and sent those images to Greenberg and Libman in Florida. … A statement from the Justice Department says that, from December 2002 through April 2005, Greenberg, Libman and Webe Web conspired with Pierson to 'use minors to engage in sexually explicit conduct for the purpose of producing visual depictions of that conduct.'"

Grand Jury Issues New Indictment In Pellicano-Related Perjury Case. The Los Angeles Times (11/29, Krikorian, 850K) reports, "Federal prosecutors have secured a new grand jury indictment against a former SBC employee who was acquitted in September of lying about her contacts with a co-worker indicted in the Anthony Pellicano wiretapping case. In the three-count indictment disclosed Tuesday, Joann Wiggan was charged again with perjury for allegedly telling a federal grand jury in October 2005 that she had never retrieved any voicemail messages at work from co-worker Ray Turner, who is accused of illegally accessing telephone company records for Pellicano, a Hollywood private investigator, and assisting him in his alleged wiretapping." The Times adds, "In the new indictment, the grand jury also charged Wiggan with lying to the FBI in October 2004 in saying she had not spoken to Turner in five or six years. The indictment says Wiggan and Turner, also a former SBC employee, had called each other at least 35 times between July 2001 and February 2003." Bloomberg (11/29) also reports on the new indictment.

FBI Says Jordanian Man Scammed Chicago Immigrants. The Chicago Tribune (11/29, Ahmed, 617K) reports, "A southwest suburban man allegedly preyed on immigrants by posing as a government or law enforcement official who could help them with legal problems in exchange for fees, the FBI disclosed." Omar Abbas "was charged with a felony count of extortion after he was arrested in Chicago by FBI and Department of Homeland Security special agents on Oct. 19, authorities said. Abbas, a Jordanian citizen who was working to obtain permanent U.S. residency, is accused of taking more than $25,000 from three different people since 2003." The Tribune notes, "The FBI believes there may have been additional victims and urged

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anyone with information to come forward. 'I would encourage anyone, regardless of their immigration status, who might have been victimized by Abbas to contact our office immediately,' said Robert D. Grant, the special agent-in-charge of the Chicago office of the FBI." The Chicago Sun-Times (11/29, Korecki) also reports, "Law enforcement officials believe more immigrants have been scammed but haven't alerted authorities because they fear their legal status will be questioned, FBI spokesman Tom Simon said. 'We want them to know they can come to us to complain,' Simon said. 'We will work with them every step of the way to make sure they're not punished for coming forward.'"

Senior ROC Official Says FBI Unresponsive To Pleas For Help With Cyber Crime. In a widely-distributed story, the AP (11/29) reports, "A senior Taiwanese law enforcement official said Tuesday he could not get American authorities to help the island fight cyber crime -- even in cases that directly affected the United States. Lee Hsiang-chen, director of the High-tech Criminal Center of the National Police Agency, said Taiwanese requests for help from the FBI representative at the American Embassy in Tokyo routinely went unanswered. Lee made his remarks from Taipei during a video conference with Raul Roldan, acting deputy assistant director of the FBI's cyber crime division. Roldan was taking part in the conference from Hong Kong. 'We have no FBI agents in Taiwan, so when we have cyber crimes involving the U.S., we go through the American Embassy in Tokyo,' Lee said. 'But very few (of our inquiries) come back. It makes us feel very depressed.' Roldan promised he would look into the problem."

Former NASA Director Disputes Corruption Allegations Against IG. The Orlando Sentinel (11/29, Cabbage, 230K) reports, "Two former NASA officials cast doubt this week on a pair of allegations outlined in a federal probe of space agency Inspector General Robert Cobb. … In a Nov. 17 letter to FBI Director Robert Mueller, Cobb described the report as 'replete with easily demonstrable factual errors and inaccuracies.' One of the allegations investigated in the report states that Cobb did former NASA Administrator Sean O'Keefe's 'bidding' by terminating a contract with…PricewaterhouseCoopers for the agency's annual chief financial audit," but "in an interview, O'Keefe said that the chronology in the report omitted several important details and ignored the timing of events that would have shown they had no connection." Additionally, former NASA general counsel Paul Pastorek said in an email to the Sentinel that "neither Cobb nor his office 'canceled the contract at any time.'"

Connecticut Woman Pleads Guilty To Extortion Charge. The AP (11/29) reports Pamela Boccanfuso of Fairfield "pleaded guilty Tuesday to a charge that she threatened to kill a man's son if he did not pay her $197,000, federal authorities said. … She faces up to 20 years in prison and a fine of up to $250,000 when she is sentenced on March 20." The AP notes, "In the letter, Boccanfuso accused the victim's son of supplying drugs to Boccanfuso's son, nearly killing him and causing significant financial hardship due to medical and rehabilitation costs associated with his drug addiction. About a week later, the victim received a second letter that directed him to place an advertisement in the Connecticut Post on Feb. 22 with a contact number. The FBI subsequently placed an advertisement in the newspaper that day listing a cellular telephone number as directed," eventually leading to Boccanfuso's arrest.

Atlanta Builder Pleads Guilty To Mortgage Fraud Charges. The Atlanta Business Chronicle (11/28, 3:47 p.m.) reported, "A metro Atlanta homebuilder and seller has pleaded guilty to selling incomplete or non-existent houses in Forsyth County, Ga., and arranging more than $5 million in fraudulent mortgage loans for the houses." Jeffery Alan Teague "pleaded guilty late Nov. 27 in federal district court to two counts of wire fraud for a scheme to defraud mortgage lenders by arranging loans to buy incomplete homes in the names of California, New York, and Florida 'investors.' Teague provided the lenders with false Certificates of Occupancy, stating the houses securing the loans were 'completed to code' and 'suitable for occupancy.' Teague was arrested by the FBI on Aug. 3 in connection with the execution of a series of search warrants on his offices and the incomplete Forsyth County houses."

Brief Questions California Execution Practices. The Los Angeles Times (11/29, Weinstein) reports, "California's procedures for executing prisoners by lethal injection fall short of standards set by the veterinary profession for animal euthanasia and were formulated with less care than methods in China, the world leader in capital

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punishment, according to a brief filed Tuesday in San Jose federal court by attorneys for a death row inmate." The Times continues, "In addition, the brief asserts that the execution team at San Quentin State Prison is 'unlicensed, untrained, unprofessional and incompetent' to carry out their duties." The Times adds, "The brief was lodged as U.S. District Judge Jeremy Fogel prepares to rule on perhaps the most fiercely fought of a number of legal challenges in several states to lethal injection, the dominant U.S. method of execution. Fogel is expected to rule by the end of the year in the case of Michael Morales, who argues California's lethal injection methods create an unnecessary risk of excessive pain and as a consequence violate the Eighth Amendment prohibition against cruel and unusual punishment. … The California Department of Corrections and Rehabilitation 'conducts its executions in an out-dated, cramped gas chamber with an undersized and dark anteroom,' from which prison staff are supposed to assure proper administration of a three-drug protocol, the brief says. .. .The brief also emphasizes that the state uses chemicals 'mixed by untrained and unsupervised prison staff, while ensuring that there is no meaningful oversight or review.' … Earlier this month, the California Attorney General's office issued a ringing defense of the state's procedures, maintaining in its brief that 'there is no evidence that any prior execution resulted in the unnecessary and wanton infliction of pain.' … But the 274-page brief filed by Morales' attorneys finds fault with virtually every aspect of California's administration of capital punishment, frequently citing admissions made by state personnel during the proceedings."

Judge Delays North Carolina Execution Pending Mental Tests. The AP (11/29) reports from Albemarle, NC, "A judge ordered an execution delayed for 60 days Monday so psychiatrists can evaluate a man who wore a Superman T-shirt while representing himself at trial and pleaded with jurors to sentence him to death." The AP continues, "Guy Tobias LeGrande, 47, had been set to die Friday for the 1993 murder of Ellen Munford, whose estranged husband offered to pay him $6,500 from a $50,000 life insurance policy. … The stay of execution granted Monday by Stanly Superior Judge William R. Bell includes 45 days for psychiatrists to submit their observations and evaluations to the court." The AP adds, "Death penalty opponents argue that LeGrande is one of the nation's most extreme examples of a mentally ill person who never should have been allowed to represent himself. Prosecutors suggest his courtroom antics were parts of an elaborate act. … Defense attorney James Coleman, a Duke University law professor, says a psychiatrist who recently examined LeGrande's records concluded that he is psychotic. The defense said LeGrande believes that the governor has already pardoned him and that he will receive billions of dollars from the state once freed. … A defense attorney who represents LeGrande without his permission said he doesn't know whether LeGrande will cooperate with the doctors."

NYTimes Blasts High Court's Refusal To Stop Review Of Reporters' Records. The New York Times (11/29, 1.16M), in an editorial, writes, "A journalist's ability to protect the identity of confidential sources has been further eroded by the Supreme Court's refusal this week to stop a prosecutor from reviewing the telephone records of two New York Times reporters. This is the latest legal blow to the diminishing right of journalists to shield informants who often provide information of great interest and importance but who might be punished if their identities were known."

CIVIL LAW:

Banking Case Could Give Clues To New Court's Attitude Towards Federalism. USA Today (11/29, Kirchhoff, 2.27M) reports, "The Supreme Court today takes up a hotly contested business case with major implications for the nation's banking industry and, more broadly, for states' ability to set consumer protection and other laws that are tougher than federal standards." The case, Watters v. Wachovia Bank, "pits Michigan regulators, supported by consumer groups and state attorneys general, against the banking industry, federal officials and business groups such as the US Chamber of Commerce. A decision is likely by July, when the court recesses for the term."

The Christian Science Monitor (11/29, Richey, 59K) reports, "For 11 years, the conservative wing of the US Supreme Court did something decidedly unconservative. It sought to tip the balance of power between the national government and the states. This so-called federalism revolution was aimed at bolstering the status of the states as dual sovereigns in the face of an ever-expanding sphere of federal power. The justices wrote of state sovereignty and the dignity of the states in terms reminiscent of Colonial distrust of

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the kind of draconian central authority wielded by the British crown." But "by the time Chief Justice William Rehnquist died in 2005, the 'revolution' resembled little more than a constitutional skirmish." Now, "with two new members of the Supreme Court, it is unclear whether the justices might again take up the mantle of states' rights. Will a majority seek to boldly build on the string of federalism precedents handed down by the Rehnquist court, or will the judicial minimalism of Chief Justice John Roberts leave it to federal regulatory agencies and Congress to police the constitutional contours of federal-state power? The high court's first significant opportunity to address those questions arrives in a case set for oral argument Wednesday." At issue in Watters v. Wachovia Bank "is whether a federal agency has the power to preempt state regulations governing national mortgage companies doing business within a state's borders. Put another way, the issue is who regulates mortgage companies affiliated with national banks, state regulators or federal regulators."

WSJournal Urges High Court To Side With Bank. The Wall Street Journal (11/29, 2.04M), in an editorial, writes, "in Watters v. Wachovia states are still trying to exercise authority over federally chartered banks. … Linda Watters, the petitioner in the case, is Michigan's state banking regulator. In 2003 she tried to bar Wachovia Mortgage Corporation from making loans in Michigan unless it submitted to direct state regulation." The Journal concludes, "Supporters of state regulation cry 'federalism,' and this paper yields to no one in trying to restrict Washington to its Constitutionally delegated powers. But the Constitution contains the Commerce Clause for a reason. If banking across state lines isn't interstate commerce, it's hard to know what is. Given that the appeals courts have sided with the banks in earlier cases, one is left to hope that the Supreme Court has taken Watters in order to eliminate whatever uncertainty remains when it comes to state regulation of national banks."

US Argues Against Strike Appeal By Northwest Airlines Attendants. The St. Paul (MN) Pioneer Press (11/29) reports, "The union representing flight attendants at Northwest Airlines asked an appeals court Tuesday to overturn a judge's ruling and allow them to go on strike." The P-P continues, Arguing before the 2nd U.S. Circuit Court of Appeals, a lawyer for the Association of Flight Attendants-CWA, Edward Gilmartin, said the law allows for a strike because Northwest made unilateral changes in its employees' contract terms and working conditions, including imposing pay cuts." The P-P adds, "A focus of the argument was on the federal Railway Labor Act, which governs labor relations at U.S. airlines. … The appeals court will decide whether New York U.S. District Court Judge Victor Marrero properly overruled a bankruptcy court judge over the summer when he stopped the flight attendants from engaging in any strike activity. … Northwest is operating in bankruptcy protection, and it imposed the cuts after union members twice voted down negotiated settlements with the airline. Northwest maintains it needs the cuts to exit bankruptcy." The P-P notes, "A lawyer for Northwest, meanwhile, said that the airline wants peace with its flight attendants and urged a federal appeals court to support a judge's decision to block the workers from striking. … And the U.S. Justice Department, represented by Assistant U.S. Attorney Heidi Wendel, argued that a strike, 'would come at the expense of the public.'"

NEA, School Districts In Three States Seek To Revive NCLB Lawsuit. The AP (11/29, Kinney) reports school districts "in three states and the nation's largest teachers union asked a federal appeals court Tuesday to revive a lawsuit challenging the way government-mandated programs are funded." The National Education Association "and districts in Michigan, Vermont and Texas had sued to block the No Child Left Behind law, President Bush's signature education policy. They argued that schools should not have to comply with requirements that aren't paid for by the federal government." The three judge panel of the 6th U.S. Circuit Court of Appeals "took the case under advisement and did not say when it will rule."

CIVIL RIGHTS:

DOJ Settles Housing Bias Claims With Alabama Landlord. The AP (11/29) reports, "The Justice Department reached a housing discrimination case settlement Tuesday with a landlord in Saraland (AL) accused of trying to force a white renter out of an apartment after learning she had a biracial daughter." The AP continues, "The settlement, which includes a $40,000 damages payment, stems from a federal complaint alleging that Beulah Stevens violated the federal Fair Housing Act in her actions against Michele Jones, according to the Justice Department. … Although Jones is white, the complaint states that Stevens tried to force Jones out of the apartment 'upon learning that

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her child is biracial and that she associated with African Americans,' the agency said in a news release. It also said Stevens was accused of using racial epithets when speaking about black people." The AP adds, "According to the complaint, two fair housing tests carried out by the Mobile Fair Housing Center — now called the Center for Fair Housing, Inc. — showed that Stevens, who manages 19 rental properties, treated white testers who asked about availability of rental units more favorably than black testers. … Under the settlement, Stevens agreed to pay more than $40,000 in damages and penalties, to post a non-discriminatory rental policy, to undergo training on the requirements of the Fair Housing Act and to submit periodic reports to the Justice Department. … The settlement still needs to be approved by the U.S. District Court for the Southern District of Alabama. … 'This case shows that the Department of Justice and this office believe that housing discrimination is a serious violation of the law,' said U.S. Attorney Deborah J. Rhodes of Mobile. 'We will enforce federal laws against racial discrimination.'"

DOJ Nears Decision On Probe Of NYC Police Shooting. CNN.com (11/29) reports, "New York Mayor Michael Bloomberg met Tuesday with the family of a man shot and killed by police early Saturday in an incident that has sparked community outrage and could lead to a federal investigation." CNN continues, "Sean Bell, 23, was shot to death by police officers outside a Queens nightclub hours before he was to be married to the mother of his two children. .. .Two others -- 31-year-old Joseph Guzman and 23-year-old Trent Benefield -- were seriously wounded in the incident." CNN adds, "Bloomberg told reporters he met for an hour with Bell's family and fiancee to express his condolences and discuss the investigation of the incident. … Community leaders have demanded to know why NYPD officers fired as many as 50 rounds -- one officer alone fired 31 shots -- at the unarmed group of men as they were leaving Bell's bachelor party early Saturday morning." CNN notes, "All five police officers involved in the shooting were placed on administrative leave Sunday pending an investigation by the Queens district attorney, Richard A. Brown. … Bloomberg said Brown's office was investigating the incident diligently and trying to determine whether a grand jury should be involved. … 'District Attorney Brown is the one who now has responsibility for trying to ascertain what happened,' Bloomberg said. … Bloomberg rejected claims that the incident was racially motivated, citing an NYPD policy against ethnic profiling." CNN adds, "Federal law enforcement officials said the Justice Department was nearing the formal opening of a federal civil rights investigation into the fatal shooting. … Justice Department officials acknowledged the matter remained under review and that federal authorities in Washington and New York continued to monitor events in the aftermath of the shooting. … Officials declined to confirm that a decision to formally investigate the case could be announced as early as Tuesday or Wednesday. … FBI officials asking not to be identified said they expected the Justice Department 'very soon' to request agents for the federal probe. … 'Until that happens, this investigation is completely in the hands of the Queens district attorney,' said one FBI official."

Undercover Officer Claims He Identified Himself Before Shooting. The New York Daily News (11/29, Gendar, Siemaszko) reports, "The undercover cop who fired the opening salvo in a 50-shot barrage that felled a Queens man on his wedding day told his story yesterday for the first time." The News continues, "The detective insisted he identified himself as a cop well before he fired on the car carrying Sean Bell and his buddies. … 'This cop screamed, "Police!" and he had his shield out,' attorney Philip Karasyk told the Daily News." The News adds, "The News is withholding the name of the Brooklyn-born detective to protect his safety and the undercover operations he has worked on. … The detective held his fire despite Bell clipping him with his Nissan Altima, said Karasyk, who refused to name his client, even as police sources confirmed his identity. … 'Once the car hit him, he jumped to the side,' Karasyk said. … But when the cop saw the man sitting in the passenger seat - whom police sources identified as Joseph Guzman - reach into his waistband, the officer fired the first of 11 rounds at the men." The News notes, "Four other officers, believing they were being shot at, also opened up on the car, Karasyk said. When the gunfire was over, Bell was dead and Guzman and another man, Trent Benefield, were badly wounded. … 'The other officers believed the shots were coming from the vehicle,' Karasyk said. 'They only did so in this case because they were in mortal fear for their lives.' … Queens District Attorney Richard Brown has vowed to get to the bottom of the Saturday morning shooting that has outraged black New Yorkers - and that Mayor Bloomberg said looked like 'excessive force.' … Karasyk, however, said the five cops involved in the shooting - none of whom ever fired his gun on

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the job before - had no qualms about telling their stories before a Queens grand jury. … 'That's our offer to the prosecutors - to waive immunity,' Karasyk said. … The Justice Department is monitoring the unfolding investigation, but Brooklyn U.S. Attorney Roslyn Mauskopf emphasized it is not independently collecting evidence or interviewing witnesses."

Marchers Protest Atlanta Police Shooting As Victim Laid To Rest. The Atlanta Journal-Constitution (11/29, Ahmed, 379K) reports, "About 70 residents gathered outside the house of Kathryn Johnston Tuesday evening, some holding placards condemning police, others venting angrily about the botched narcotics raid that claimed the life of the elderly woman a week ago. … The rally participants marched to a church for a community meeting, bringing the crowd to about 300. Atlanta police Chief Richard Pennington addressed the crowd, saying he became concerned after community response to the shooting" and noting that "he brought in the FBI to lead the investigation." The AJC adds, "Marchers to the church carried signs that mocked the police, passed around by rally organizers, the New Black Panther for Self-Defense. … As some of the attendees pumped fists into the air and shouted 'Black Power' at the exhortation of the organizers, a handful of stoic GBI and FBI agents stood by watching." The Atlanta Journal-Constitution (11/29, Reid, Cook, 379K) reports that at Johnston's funeral Tuesday, "Friends and family…said they just want to know the truth about the drug raid that led to the elderly woman's death. … The Rev. Markel Hutchins, who has acted as spokesman for the family, said Johnston's family is encouraged by the FBI's entry into the investigation." Hutchins noted, "They had zero confidence before yesterday. Now their confidence is increased."

Reactions To Shootings Demonstrate Changing Cultural Climate. USA Today (11/29, Copeland) reports, "An 88-year-old woman killed last week in a shootout with plainclothes police who burst into her home was laid to rest Tuesday amid a burgeoning national debate over police use of deadly force." USA continues, "Kathryn Johnston was killed Nov. 21 when she fired at undercover narcotics agents who had obtained a 'no-knock' search warrant for her home after telling a judge that a confidential informant had bought drugs there earlier in the day. … The FBI is leading a probe of the incident, in which Johnston wounded three officers, after the informant told Atlanta television station WAGA-TV that he never bought drugs at the house but that a narcotics officer had instructed him to say that he had. 'I'm telling them, I never went to that house,' he says in an interview in which his face was disguised." USA adds, "Atlanta Police Chief Richard Pennington says the man, who has not been publicly identified, 'told us he had no knowledge of going to that house and purchasing drugs. I don't know if he's telling the truth.' … Seven narcotics investigators and a police sergeant have been placed on paid leave until the inquiry is completed, a routine procedure in such cases." USA notes, "More than 200 people rallied in Johnston's northwest Atlanta neighborhood Tuesday evening to demand answers in the shooting, one of several that have put police use of deadly force under increased scrutiny. … In New York City early Saturday, Sean Bell, 23, was killed after he left a bachelor party at a strip club that was the target of an undercover police investigation. Police fired more than 50 shots at a car carrying Bell and two friends, both of whom were wounded." USA notes, "Some criminal justice experts cautioned against over-reacting to the shootings. … 'Police departments have become far more scrupulous in training and accountability and are recruiting people to try to minimize the number of police-involved shootings,' says Chuck Wexler, executive director of the Police Executive Research Forum, a think tank in Washington, D.C. … 'There are much tighter controls on the use of force. Police departments have significantly narrowed the conditions under which police can use deadly force,' he said."

The Christian Science Monitor (11/29, Marks) reports, "Call it a tale of two shootings. In each, an unarmed black man is killed in New York in a hail of bullets fired by police, fearing, rightly or wrongly, for their lives. … But the different responses of city leaders to last weekend's shooting of Sean Bell in Queens and the 1999 death of Amadou Diallo in the Bronx tell a tale of a city's evolution and its ability to learn the importance of acknowledging a community's outrage and responding to it. Such a changed response is evident not just in New York, but in other cities across the country." The Monitor continues, "Almost as soon as Mayor Michael Bloomberg heard Saturday that police fired 50 times on three possibly unarmed black men, he began reaching out to political, religious, and community leaders, assuring them a full, fair investigation would take place. By Monday morning, the mayor, police commissioner, and dozens of black leaders - many still angry - came together at City Hall. … In the immediate aftermath of the 1999 death of Mr. Diallo, a West African immigrant shot in the entry to his apartment building,

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then-Mayor Rudolph Giuliani defiantly defended the police. He didn't meet with local black leaders until weeks later. Thousands of protesters poured into the streets, prompting more than 1,700 arrests." The Monitor adds, "New York's reaction is emblematic of changes in community/police relations across the country. From Cincinnati to Atlanta to Los Angeles, police departments have realized they need the cooperation and support of minority communities - those that usually felt the brunt of the 'get tough' crime initiatives of the 1990s. In each city, fumbled political reactions to a charge of police misconduct - whether it was the 1991 beating of Rodney King in Los Angeles or the 2001 shooting of a young black man in Cincinnati - have taught lessons about the importance of reaching out, urging calm, and dealing with nothing but the facts."

More Commentary. In an op-ed in the Wall Street Journal (11/29, A18), Joseph D. McNamara, a retired NYPD deputy inspector and former police chief of Kansas City, Mo., and San Jose, Calif., is a research fellow at the Hoover Institution at Stanford, writes, "Inescapably, comparisons were made between Mr. Bell (who was to have been married later on Saturday) and Amadou Diallo, an unarmed African immigrant killed in a volley of 41 bullets by four NYPD plainclothes officers in February 1999. Mr. Diallo had committed no crime and was attempting to enter his own hallway when one of the undercover officers yelled, "Gun!" The four officers were acquitted in a trial held outside the city, based upon their defense that they reasonably believed their lives were in danger. … In both cases, the NYPD accurately cited statistics indicating that it had a comparatively low shooting rate, and that shootings by police were not rising. And in both instances, New York's black leaders and black communities reacted with understandable outrage that unarmed black men were killed with such a volume of gunfire. Both sides seemed to be talking past one another, instead of to each other." McNamara adds, "Simply put, the police culture in our country has changed. An emphasis on "officer safety" and paramilitary training pervades today's policing, in contrast to the older culture, which held that cops didn't shoot until they were about to be shot or stabbed. Police in large cities formerly carried revolvers holding six .38-caliber rounds. Nowadays, police carry semi-automatic pistols with 16 high-caliber rounds, shotguns and military assault rifles, weapons once relegated to SWAT teams facing extraordinary circumstances. Concern about such firepower in densely populated areas hitting innocent citizens has given way to an attitude that the police are fighting a war against drugs and crime and must be heavily armed." McNamara concludes, "There appear to be important differences between the killings of Mr. Diallo and Mr. Bell. Mr. Diallo was no threat to anyone. First reports are that the car occupied by Mr. Bell deliberately struck an undercover officer after he had identified himself. In addition, it is clear that the current police commissioner and mayor have established much better relations with the black community than their predecessors. Both Mayor Michael Bloomberg and Commissioner Raymond Kelly have been as critical of the current shooting as permitted under due process. Yet when all is said and done, those with official responsibility to ensure that the innocent are protected, not harmed, by the police must constantly evaluate all police training, tactics, arms and attitudes."

Los Angeles Police Commission Clears Officers In Toddler's Shooting. The Los Angeles Times (11/29, McGreevy, Winton, 850K) reports, "The LAPD officers who stormed a South L.A. auto shop last year, killing 19-month-old hostage Suzie Peña during a gun battle with her father, followed department rules and should not be punished, the Police Commission ruled Tuesday. But the oversight panel found problems in the way the Los Angeles Police Department field command responded and managed the crisis and singled out for potential discipline two officers who fired their weapons from the periphery very early in the 2 1/2 -hour siege. 'There was a systemic breakdown at the command and leadership level,' Commission President John Mack said." The Times notes, "Specifically, the commission wants to hold commanders managing the scene more accountable for the actions of officers on the ground. "

Wisconsin Man Pleads Guilty To Shrine Desecration. The AP (11/29) reports, "A 21-year-old man pleaded guilty Monday to desecrating one of Wisconsin's most popular religious shrines to commemorate 'Satan's birthday.'" The AP continues, "Tyler Groth pleaded guilty to felony criminal damage to religious property, and could face up to a year and a half in jail when he is sentenced Jan. 11. … Groth and his 17-year-old cousin, David J. Groth, were accused of spraying paint on statues and spray painting a devil's face at several locations in June at the Basilica of Holy Hill, National Shrine of Mary, in Erin." The AP adds, "It was to commemorate the date 06-06-06, and Tyler Groth told

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investigators the date is 'Satan's birthday.' In the Bible, the Book of Revelation describes triple sixes as the mark of the Antichrist. … Groth agreed to plead guilty in exchange for the dismissal of two unrelated misdemeanor graffiti charges, his attorney said."

Judge Schedules Hearing On Osceola, FL, Voting Districts. The Orlando Sentinel (11/29) reports, "A federal judge who ruled that Osceola's countywide elections for commissioners violates the U.S. Voting Rights Act on Monday ordered a hearing in the case next week." The Sentinel continues, "The announcement came just days after competing proposals by the county and the U.S. Department of Justice were submitted to the court." The Sentinel adds, "U.S. District Judge Gregory A. Presnell set aside two hours for the 2 p.m. hearing Dec. 7 at the federal courthouse in Orlando, 80 N. Hughey Ave. He had ruled that the current countywide system penalizes Hispanics in a 'racially polarized' county. … The Justice Department, which proposed single-member-district elections for all five commission seats, asked for the hearing with its filing Wednesday." The Sentinel notes, "Federal prosecutors offered two options with slightly different district lines. .. .The county's attorneys proposed a plan that would have two commissioners elected at-large and five from single-member districts. … All three plans center on a Hispanic-majority district that includes the Buenaventura Lakes community and the adjacent Kissimmee neighborhood of Lakeside."

Judge Orders Treasury Department To Make Bills Recognizable To Blind. The AP (11/29, Apuzzo) reports, "By keeping all currency bills the same size and texture, the U.S. government has denied blind people meaningful access to money, a federal judge said Tuesday." The AP continues, "U.S. District Judge James Robertson said the Treasury Department has violated the law, and he ordered the government to come up with ways for the blind to tell bills apart. … He said he wouldn't tell officials how to fix the problem, but he ordered them to begin working on it within 10 days. The American Council of the Blind has proposed several options, including printing bills of differing sizes, adding embossed dots or foil to the paper or using raised ink. … 'Of the more than 180 countries that issue paper currency, only the United States prints bills that are identical in size and color in all their denominations,' Robertson wrote. 'More than 100 of the other issuers vary their bills in size according to denomination, and every other issuer includes at least some features that help the visually impaired.'" The AP adds, "Government attorneys argued that forcing the Treasury Department to change the size of the bills or add texture would make it harder to prevent counterfeiting. Robertson was not swayed. … 'The fact that each of these features is currently used in other currencies suggests that, at least on the face of things, such accommodations are reasonable,' he wrote. … He said the government was violating the Rehabilitation Act, which prohibits discrimination on the basis of disability in government programs. The opinion came after a four-year legal fight."

The New York Times (11/29, Andrews) reports, "The judge pointed out that euro notes came in bigger sizes for higher denominations and had raised numerals as well as foil patches in different shapes. Japanese notes have rough patches to help identify them by touch. Swiss francs feature intaglio printing and perforated numerals, and other countries use sequences of perforated dots. … 'The fact that each of these features is currently used in other currencies suggests that, on the face of things, such accommodations are reasonable,' Judge Robertson wrote." The Times adds, "The Treasury Department refused to comment on the decision or on whether it would appeal the order, which came after a four-year court fight between the government and the American Council of the Blind. … The Treasury Department had argued that making bills identifiable by touch would create an undue financial burden for the government. It had estimated that the most expensive approach — printing different sizes for different denominations — would cost $178 million for new printing presses and as much as $50 million for new plates. … Judge Robertson said that cost would be small compared with the $4.2 billion that the government spent on currency production in the past 10 years."

The Washington Times (11/29, Haberkorn) reports, "Government attorneys argued that adding texture or changing the size of bills would be costly and make it harder to prevent counterfeiting." The Times notes, "The American Council of the Blind, which filed the suit in 2002, proposed a number of solutions that are used in other countries. … In Britain, each denomination is a different size, said Melanie Brunson, the Washington association's executive director. In Canada, currency has a series of dots in its corners, differentiated by denomination. And other countries use different patterns of raised dots or lines. … 'Our intent was to

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get Treasury to focus enough attention to incorporate those [ideas] or come up with something else to meet the needs of people who can't read them visually,' Mrs. Brunson said."

Florida Charges Eight In Youth Boot Camp Death. The Tallahassee Democrat (11/29, Price, 50K) reports, "Eleven months after 14-year-old Martin Lee Anderson died, a protest march on the state Capitol and complaints that the investigation took too long, State Attorney Mark Ober on Tuesday charged seven drill instructors and a nurse with felony aggravated manslaughter of a child in the teen's death. For Anderson's parents the charges were late but an answer to their prayers. … Gov. Jeb Bush, who spoke with Anderson's parents Tuesday, said he, too, was glad the investigation had concluded." The Democrat notes, "Charged are Henry Dickens, Charles Enfinger, Patrick Garrett, Raymond Hauck, Charles Helms Jr., Henry McFadden Jr., Kristin Schmidt and Joseph Walsh II, according to a filing by Ober. If convicted, the defendants could receive up to 30 years in prison." The AP (11/29, Nelson) adds, "The teen collapsed in the exercise yard at the camp in Panama City and died at a hospital the next day. The death sparked protests at the state Capitol and led to a shake-up in Florida's criminal justice system and the resignation of Florida's top law enforcement officer." For those charges yesterday, "bail was set at $25,000 apiece."

Virginia To Let Vermont Decide Lesbian Parent's Visitation Rights. The Washington Post/AP (11/29, A08) reports, "A Virginia appellate court sidestepped the issue of civil unions Tuesday in ruling that, because two former lesbian partners filed for their union in Vermont, that state's courts have jurisdiction in a custody battle." The AP continues, "The Court of Appeals of Virginia remanded the dispute between Janet Miller-Jenkins and Lisa Miller-Jenkins to a lower Virginia court and advised it to issue a new judgment recognizing Vermont's authority. … 'By so holding, we do not address whether Virginia law recognizes or endorses same-sex unions entered into in another state or jurisdiction,' the court wrote in its decision." The AP adds, "An attorney for Janet Miller-Jenkins called it a victory. … 'This is exactly what we have been arguing since January of 2005 -- that the Virginia trial court had no business under either Virginia or federal law interfering with the decision of the Vermont family court,' Joseph Price said. … Lisa Miller-Jenkins will continue to pursue the case, said her attorney, Erik Stanley."

Study Questions Racial Diversity At Major Law Firms. The New York Times (11/29, Liptak) reports, "Thanks to vigorous recruiting and pressure from corporate clients, black lawyers are well represented now among new associates at the nation's most prestigious law firms. But they remain far less likely to stay at the firms or to make partner than their white counterparts." The Times continues, "A recent study says grades help explain the gap. To ensure diversity among new associates, the study found, elite law firms hire minority lawyers with, on average, much lower grades than white ones. That may, the study says, set them up to fail. … The study, which was prepared by Richard H. Sander, a law professor at the University of California, Los Angeles, and was published in The North Carolina Law Review in July, has given rise to fierce and growing criticism in law review articles and in the legal press. In an opinion article in The National Law Journal this month, for instance, R. Bruce McClean, the chairman of Akin Gump Strauss Hauer & Feld, a major law firm, took issue with the study's 'sweeping conclusions' but not its 'detailed data analysis.'" The Times adds, "Achieving racial diversity at all levels is an urgent issue, law firms say, but they acknowledge that gains among new associates disappear by the time new partners are elected. "We've seen stagnation and even decline when it comes to race," said Meredith Moore, the director of the New York City Bar Association's diversity office. … The new study proposes an explanation. It found that the pool of black lawyers with excellent law-school grades is so small that firms must relax their standards if they are to have new associates who resemble the pool of new lawyers." The Times notes, "Professor Sander found that very few blacks graduated from top-30 law schools with high grades. … Yet grades, according to many hiring partners and law students, are a significant criterion in hiring decisions, rivaled only by the prestige of the law school in question. For instance, Professor Sander found, 'white law school graduates with G.P.A.'s of 3.5 or higher are nearly 20 times as likely to be working for a large law firm as are white graduates with G.P.A.'s of 3.0 or lower.'"

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ANTITRUST:

Court Allows DOJ Antitrust Suit Against NAR To Proceed. Market Watch (11/29) reports, "A federal court in Chicago has allowed the Justice Department's antitrust lawsuit against the National Association of Realtors to proceed, the department said Tuesday." Market Watch continues, "The court rejected the association's argument that last-minute changes to its policies prevented judicial scrutiny, the department said. … In denying the association's motion to dismiss the case, the court said that 'NAR has failed ... to demonstrate that this case should be dismissed at the outset,' according to the Justice Department." Market Watch adds, "In September 2005 the department's antitrust division filed a lawsuit charging that NAR rules limit competition from real-estate brokers who use the Internet to serve their customers. The lawsuit alleged that the association's policy threatened to lock in outmoded business models and discourage discounting. … The Realtors association denies it discriminates against discount brokers or others who use the Internet to compete with conventional brokers."

Bloomberg (11/29) reports, "The ruling by a federal judge in Chicago lets the Justice Department proceed to pretrial fact-finding to try to prove that the Realtors and member brokers engaged in an 'ongoing contract, combination or conspiracy' to restrain competition. … U.S. District Judge Mark R. Filip rejected the Realtors' argument that the government had no case after the trade association in May 2005 changed the policy that limited online access to listings by customers of brokers who operate 'virtual office Web sites.' … The Realtors' 'contention that the United States has failed even to plead a claim is unpersuasive,' Filip wrote. … The trade association 'and its members have entered into a collective action that purports to regulate how they will compete in the marketplace,' the judge said." Bloomberg adds, "The government's complaint, filed in September 2005, said the Realtors' rules limited competition by preventing customers of online brokers from receiving full access to multiple listings. The Realtors' policy lets traditional brokers block competitors from having full online access to multiple listings. … The Chicago-based Realtors' group changed its policy after the Justice Department said it planned to sue to challenge the rules as anticompetitive, according to Filip's opinion. The modified policy still contains features that the government claims are anticompetitive, the judge wrote. … The government has argued that the original policy had 'enduring effects' in some markets and that the modified rules have 'not eliminated all effects,' Filip wrote. … 'We are pleased that the court has allowed the lawsuit to proceed and we look forward to presenting our case at trial,' J. Bruce McDonald, a deputy attorney general for antitrust, said in a statement released by the Justice Department."

Inman News (11/29, Roberts) reports, "Filip last month denied the Realtor group's motion to dismiss the lawsuit, which was filed in September 2005 and amended in October 2005. The lawsuit alleges that the trade group's policies governing the online display and sharing of property information are overly restrictive and can harm consumers and stifle innovation. … The National Association of Realtors in December filed the motion in U.S. District Court in Chicago in an attempt to toss out parts of the lawsuit that target the association's former online listings policy, known as the Virtual Office Website (VOW) policy and so-called 'opt-out' provisions of its policies that allow brokers to withhold online listings from other brokers." Inman continues, "Laurie Janik, general counsel for the National Association of Realtors, said there 'were no surprises' in the judge's opinion. The rules of the court dictate that the judge must assume that the allegations brought by the Justice Department are true in weighing the association's motion, Janik said -- the lawsuit has not yet reached the trial phase and both sides are still gathering evidence. … 'He was very careful in his wording. I didn't view anything he had sent out as significant (to the overall case),' she added. 'We knew it was a long shot but we thought it was worth making. The sooner we can end this litigation, the better.'"

SCOTUS Hears Arguments In Antitrust Suit Against Weyerhaeuser. The AP (11/29) reports, "The Supreme Court on Tuesday questioned whether forest products giant Weyerhaeuser Co. drove a smaller competitor out of business by paying too much for logs that Weyerhaeuser allegedly didn't need." The AP continues, "The case focuses on the lumber industry in the Pacific Northwest and pits a defunct company, Ross-Simmons Hardwood Lumber Co., against Weyerhaeuser and the Bush administration." The AP adds, 'Weyerhaeuser is fighting an $80 million award to Ross-Simmons stemming from a jury verdict that found the larger company had violated federal antitrust law. .. .Ross-Simmons accused Weyerhaeuser of paying too much for alder sawlogs and not using what it

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bought, with the goal of driving out competing sawmills. .. .Arguments before the Supreme Court Tuesday turned on what legal standard Ross-Simmons must meet in order to win in court and whether a jury instruction in the case was faulty."

The Seattle Post-Intelligencer (11/29, Dlouhy) reports, "The lawyer for a now-defunct sawmill told the U.S. Supreme Court on Tuesday that timber giant Weyerhaeuser Co. broke federal antitrust laws by overpaying for more logs than it needed and then cutting its prices on the finished lumber used to make guitars and furniture. … The strategy drove the smaller timber processor, Ross-Simmons Hardwood Lumber Co., out of business at the same time it allowed Weyerhaeuser to strengthen its foothold in the Pacific Northwest alder saw-log market, said the lawyer, Michael Haglund. … 'Weyerhaeuser artificially increased the log market above where it otherwise would have been,' Haglund said. 'We have a situation where they warehoused large -- unprecedentedly high -- volumes of lumber because they' wanted to keep it out of competitors' hands." The P-I adds, "Ross-Simmons now wants Federal Way-based Weyerhaeuser to pay nearly $80 million in damages for the business tactics, which it says were part of a ploy to monopolize the market. The Longview-based sawmill says Weyerhaeuser's tactics forced it out of business in 2001 by driving prices for saw logs higher than it could afford and by depleting the supply of the trees. … The price of alder saw logs and that of finished lumber made from the material are usually tied together. But from 1998 to 2001, Ross-Simmons argued in court filings, the price of saw logs rose even as the price of finished lumber dropped. … In its defense, Weyerhaeuser contends it was only making smart business decisions and could afford to pay more for the logs because it was more efficient at processing the wood."

Judge Restrains Sale Of Bay Area Newspapers. The AP (11/29, Kravets) reports, "A previously undisclosed internal memo prompted a federal judge Tuesday to temporarily block the consolidation of some of the San Francisco Chronicle's business operations with those of rival newspapers owned by MediaNews Group Inc." The AP continues, "Denver-based MediaNews, which already owned the Oakland Tribune and seven other Bay Area newspapers, acquired the Monterey County Herald, San Jose Mercury News and Contra Costa Times from McClatchy Co. earlier this year. The complex $1 billion deal included $300 million in financing from Hearst Corp., owner of the Chronicle." The AP adds, "In July, U.S. District Judge Susan Illston let the deal go through, ruling against an antitrust lawsuit that claimed the deal would create a monopoly on readership and advertising in the region. … But in issuing Tuesday's restraining order, she said a memo had recently surfaced showing Hearst had an undisclosed motive for investing in the deal -- to consolidate its Bay Area advertising and distribution operations with those of the Chronicle's competitors -- a possible antitrust violation. … 'Such agreements would alter the court's analysis of this case as a whole,' Illston wrote, and would 'increase the likelihood that the transactions at issue here were anticompetitive, and illegal.'"

The Alameda (CA) Times-Star (11/29, Richman) reports, "Evidence of talks between MediaNews Group Inc. and Hearst Corp. -- the San Francisco Chronicle's owner, and a party to MediaNews' recent purchase of the San Jose Mercury News and Contra Costa Times -- raises the specter of antitrust violations, U.S. District Judge Susan Illston of San Francisco wrote in Tuesday's order. .. She'll hold a hearing Dec. 6 on whether her order should become a preliminary injunction, barring any such deals at least until a lawsuit challenging MediaNews' acquisitions goes to trial in April." The Times-Star adds, "Sacramento-based McClatchy Co. this year bought the now-defunct Knight Ridder Corp.'s 32 newspapers for $6.5 billion. From among those, the Mercury News and Contra Costa Times were then sold for $736.8 million to Denver-based MediaNews Group -- which also owns this newspaper -- and the Monterey County Herald and the St. Paul (Minn.) Pioneer Press were sold for $263.2 million to New York City-based Hearst Corp. .. .In a separate, simultaneous pact, Hearst agreed to give the St. Paul and Monterey papers to MediaNews in return for an equity investment in MediaNews' non-Bay Area assets. … San Francisco businessman, political consultant and former mayoral candidate Clint Reilly sued July 14 to halt the deal, claiming it would create a Bay Area newspaper monopoly with higher subscription and advertising rates and diminished journalistic quality, jobs and union contracts. .. .Illston refused his initial plea for a TRO to prevent the sale's closing, but Reilly went back to her last week with new evidence found among documents provided by the newspaper companies."

The San Francisco Chronicle (11/29, Egelko) reports, "The restraining order will be in effect until a Dec. 6 hearing on an injunction that would keep the ban in place until April 30. That is when a lawsuit by Clint Reilly, a real estate

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investor, former political consultant and onetime San Francisco mayoral candidate, is scheduled to go to trial." The Chronicle adds, "Reilly is seeking to block MediaNews' purchase of the Mercury News and Contra Costa Times, arguing that the deal, combined with MediaNews' financial arrangement with Hearst, would create a newspaper monopoly in the Bay Area. … Reilly's lawyer, Joseph Alioto, said today's ruling could be the first step toward upsetting MediaNews' purchase. … 'This agreement (on distribution and advertising) was the knot that ties the whole package together, and when this unravels, the whole package unravels,' Alioto said. … 'They're trying to monopolize the entire Bay Area,' Alioto said of MediaNews and Hearst. 'They did it secretly ... and they got caught.'"

Justices Hear Arguments In Closely Watched Patent Case. The Los Angeles Times (11/29, Puzzanghera, 850K) reports, "The Supreme Court heard oral arguments today in an abstract case involving automobile gas pedals that could apply the brakes to the recent dramatic growth in patents issued nationwide. Frustrated justices flipped through engineering diagrams as they pondered a question at the heart of many patent disputes -- was the invention of an adjustable pedal with electronic sensors truly unique in this case, or just an 'obvious' combination of existing components that anyone with a little skill in the field could have designed?" USA Today (11/29, Biskupic, 2.27M) notes there were "unusually spirited arguments," as "several Supreme Court justices challenged the prevailing standard for when an invention is too closely tied to existing works to qualify for patent protection." However, some justices also "worried that changing the rules of 'obviousness' would throw into doubt the validity of many existing patents." Justice David Souter "asked whether there would be '100,000 cases filed tomorrow morning' if the standard used by a lower federal court that oversees patent appeals were changed. He wondered if such a change would 'produce chaos.'" The New York Times (11/29, Greenhouse, 1.16M) runs a similar report.

Justices Skeptical Of Federal Circuit's Patent Test. The Legal Times (11/29, Mauro) reports, "In surprisingly blunt terms, Supreme Court justices Tuesday made it crystal clear that they are upset with the nation's patent system, the lawyers who litigate under it and the appeals court that referees it." The Times continues, "During a lively -- bordering on raucous -- hour of arguments on what makes an invention so obvious that it does not deserve a patent, justice after justice piled on criticism of the U.S. Court of Appeals for the Federal Circuit's three-part 'teaching-suggestion-motivation' test for determining obviousness, an issue that arises in virtually every patent application and appeal. The test has been criticized as too patent-friendly, resulting in a proliferation of junk patents that stifle competition. … 'Three imponderable nouns,' is how Justice Antonin Scalia dismissed the test, also calling it 'gobbledygook' for good measure. … Chief Justice John Roberts Jr. called it 'Federal Circuit jargon' that is inflexible and 'worse than meaningless.' … And when Justice Stephen Breyer said he had read the briefs in the case '15 times' and still could not understand the 'motivation' prong of the test, Scalia chimed in, 'Like Justice Breyer, I don't understand.' … The implied message to the Federal Circuit seemed to be: If two of the brainier justices on the Supreme Court don't have a clue what you are talking about, a new test might be in order. … By the end of the arguments in KSR International v. Teleflex, it seemed obvious that the Federal Circuit's three-part test for obviousness will be modified, if not scrapped altogether. But what will replace it was less clear." The Times notes, "After the argument Tuesday, the Federal Circuit's chief judge, Paul Michel, defended the test in a telephone interview, asserting, 'The judges of our court are quite clear on what it is and how to apply it.' He said the test goes back decades -- since before creation of the court in 1982 -- and has been applied with flexibility and common sense. 'I wonder if some of the descriptions of the test I have seen lately are accurate.'"

Supreme Court To Consider Company's Price Strategy. The Wall Street Journal (11/29, 2.04M) reports, "Companies often are accused of cutting prices unfairly to drive a competitor from the market, but is raising prices for the same purpose just as unfair?" The Supreme Court "questioned whether Weyerhaeuser Co. drove a smaller rival out of business by paying too much for logs that the Federal Way, Wash., forest-products company allegedly didn't need." Weyerhaeuser "is fighting an $80 million award to the now-defunct Ross-Simmons Hardwood Lumber Co. stemming from a jury verdict that found Weyerhaeuser violated federal antitrust law. Ross-Simmons, of Longview, Wash., accused Weyerhaeuser of paying too much for alder logs and not using what it bought, with the goal of driving out competing sawmills that use the wood in furniture and other products. Yesterday's oral arguments before the high court

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turned on what legal standard Ross-Simmons must meet in order to win in court and whether a jury instruction in the case was faulty."

Movie Studios Push Apple On Anti-Piracy Rules. The Financial Times (11/29, Garrahan, Birchall) reports, "Apple Computer is coming under pressure from some of Hollywood's biggest movie studios to change the operating environment of its popular iTunes platform, amid growing concern about digital piracy." The Times continues, "The studios – Universal, 20th Century Fox, Paramount and Warner Bros – are in talks with Apple about making their films available for digital download on iTunes. … After months of discussion, a sticking point has emerged over the studios' demand that Apple limit the number of devices that can use a film downloaded from iTunes." The Times adds, "The studios want to avoid the experience of the music industry, which has yet to recover from years of illegal digital piracy. Apple must introduce a 'new model' for feature film content delivery, said one studio executive involved in the talks. … With the average cost of a blockbuster film approaching $100m, movie studios had more to lose than music companies, he added. 'We're very willing to do a deal but we're keen to get some concessions from Apple that will account for the differences between the value of music and television content and feature film content.' … The talks between Apple and the studios come as retailers are scrambling to get to grips with digital delivery of film content. Wal-Mart, the largest US retailer, is entering the nascent market, challenging Amazon and Apple with a different model that ties digital downloads to the sale of DVDs."

NASD, NYSE To Merge Some Oversight Functions. The Wall Street Journal (11/29, C1, Smith, Scannell) reports, "In a victory for Wall Street, the two organizations that police brokerage firms unveiled, as expected, a plan to merge some of their operations -- the latest step in a deregulatory push in U.S. markets." The Journal continues, "Securities and Exchange Commission Chairman Christopher Cox hailed the pact, saying it would streamline Wall Street regulation and raise the competitiveness of U.S. capital markets. Some investor advocates said the merger could weaken protections for individual investors by effectively removing cops from the beat. No immediate job cuts are planned, with the regulators saying any reductions would come through attrition." The Journal adds, "The National Association of Securities Dealers and NYSE Group Inc.'s New York Stock Exchange plan to combine routine examinations, enforcement and rule-making for the securities industry. The plan, which must still be ratified by 5,100 current NASD members, follows a campaign waged intermittently since 2000 by Wall Street's lobbying group, recently renamed the Securities Industry and Financial Markets Association. … The regulatory relief for Wall Street comes as both NYSE Group and Nasdaq Stock Market Inc. are bidding to acquire exchanges in Europe. Both exchanges must persuade non-U.S. investors and overseas issuers of securities that they won't suffer from the increase in U.S. regulation, notably the Sarbanes-Oxley law that was passed in 2002 after the collapse of Enron Corp. and other post-bubble scandals and added layers of regulation for public companies trading in the U.S."

USA Today (11/29, Farrell) reports, "The new group, which is yet to be named, will merge the NASD's 2,400 regulators and examiners with the 470 regulators at the NYSE. Currently, the NASD oversees about 5,100 brokerages, from small operations to big broker-dealers, while NYSE regulators focus on 180 major firms that dominate business on the Big Board." USA adds, "Some details of the merger have yet to be worked out. Then the deal will need formal approval from the SEC. But Tuesday's announcement suggests that the merger, which has been encouraged by the firms that have been regulated by both parties, is virtually a done deal. … While the new group is officially a merger of equals, NASD Chairman and CEO Mary Schapiro will emerge as CEO of the new entity, while NYSE Regulation CEO Richard Ketchum becomes chairman. Ketchum will continue to run the NYSE's market surveillance programs, which will remain separate from the merged entity."

Mack-Cali To Bid On Reckson. The Wall Street Journal (11/29, B7, Forsyth) reports, "A chief competitor of Reckson Associates Realty Corp. says it is teaming with financier Carl Icahn and New York real-estate developer Harry Macklowe in their $4.6 billion competing bid to acquire Reckson, a real-estate investment trust." The Journal continues, "Mack-Cali Realty Corp. said last night it expects to be admitted as a partner with Messrs. Icahn and Macklowe. 'We believe the combined partnership will be a(n) ... enhancement, given our collective strengths,' Mack-Cali Chief Executive Mitchell Hersh said in an interview." The Journal adds, "Mack-Cali, of Edison, N.J., competes directly

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against Reckson, of Uniondale, N.Y., in the suburban markets of New York. Mack-Cali wasn't contacted as a possible suitor when Reckson put itself up for sale, in part because of two failed merger negotiations between the two companies. Mr. Hersh has said he would have wanted a chance to bid on Reckson's suburban assets. Reckson had no comment on Mr. Hersh's statement last night. … However, earlier yesterday, Reckson notified Messrs. Icahn and Macklowe -- via email to the partnership and a filing with the Securities and Exchange Commission -- that their request to bring in additional investors to comb through Reckson's books wouldn't be allowed under the terms of the confidentiality agreement."

Iberdrola Purchase Of Scottish Power Could Spur European Energy Sector Consolidation. The Wall Street Journal (11/29, Johnson, Singer) reports, "Spanish power company Iberdrola SA's £11.6 billion ($22.64 billion) offer for Scottish Power PLC could jump-start a long-awaited consolidation in the European power sector, which has been hamstrung by legal and political battles. If successful, the deal, announced yesterday, would create Europe's third-largest power company by market capitalization with a combined value of about €46 billion ($60.7 billion) and ratchet up the pressure on others in the sector to bulk up." The Journal adds, "Power companies across Europe have been struggling to consolidate for the past year, as they seek to boost their size to take advantage of deregulation of the sector by the end of 2007."

The New York Times (11/29, Mclean, Timmons) says Iberdrola's purchase of Scottish Power "would create one of Europe's largest utilities."

The AP (11/28, Barr) reports, "The proposal follows others in the European utility sector, where Germany's E.On AG is trying to buy Spain's Endesa SA and Gaz de France and France's Suez are planning to combine." The AP adds, "Jack McConnell, first minister of Scotland's regional government, expressed wariness, and said he would seek assurances from the European Union that the takeover would preserve competition." He "said he would seek assurances from European Commission President Jose Manuel Barroso that the EU would evaluate the takeover consistent with its competition rules."

The Financial Times (11/29, Shelley, Mulligan) reports the takeover bid "would create Europe's third largest utility – behind EdF of France and Germany's Eon – with an enterprise value of more than £43bn. But Iberdrola's successful search for a foreign tie-up, coupled with Eon's aggressive €37bn bid for Endesa, Spain's largest utility, comes as a blow for the Spanish government, which has attempted to foster the creation of national champions."

The Financial Times (11/29, Crooks) says, "Iberdrola surprised no one in launching a bid for Scottish Power. But the question many were asking was whether it would be the last of its kind for some time. A wave of mergers has swept through the European energy sector, and more consolidation has been widely expected." However, "with two of the biggest potential deals bogged down in legal and political quagmires, and this latest one viewed by the markets with a jaundiced eye, it seems enthusiasm is fading."

Dow Jones (11/28, MacDonald) says, "The deal will need approval from regulators including the European Commission, the U.S. Federal Energy Regulatory Commission and U.S. state regulatory commissions or authorities, Iberdrola said."

Novartis May Sell Off Gerber. The Wall Street Journal (11/29, A3, Berman, Whalen, Ball) reports, "Novartis AG may be prepared to sell Gerber Products Co., one of the world's largest and best-known makers of baby food, and could have a willing buyer in Nestlé SA." The Journal continues, "Novartis, a Swiss pharmaceutical concern, already is in negotiations with Nestlé, also of Switzerland, to sell a medical-nutrition business. Nestlé executives are toying with the idea of trying to make the acquisition of Gerber part of the same deal, according to people familiar with the matter." The Journal adds, "Novartis Chief Executive Daniel Vasella said in an interview yesterday that the company 'probably would act opportunistically' if an offer for Gerber emerged, although he added that there was no auction for Gerber under way." The Journal adds, "Gerber, of Fremont, Mich., and Novartis's medical-nutrition business together would fetch between $4 billion and $5 billion, estimate people familiar with the matter. They figure Gerber alone would be valued at more than $3 billion. … Nestlé has been hungry for Gerber for more than a decade. Even though the market for infant purées and other mushy concoctions has been relatively slow growing, the profit margin for baby food is among the highest in the prepared-food industry, at 24% in the U.S., compared with 16% for all packaged food, according to Morgan Stanley. … If Novartis decides to part

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with Gerber, Nestlé may have to compete with others for the business. Numico NV of the Netherlands, the maker of Nutrica baby food and other brands, is also likely to be interested, as would private-equity firms, people close to those firms say."

ENVIRONMENT/INDIAN AFFAIRS:

High Court To Hear Arguments On Global Warming. The New York Times (11/29, Barringer, 1.16M) reports, "The Supreme Court will hear oral arguments on Wednesday on the questions of whether the federal government, particularly the Environmental Protection Agency, is authorized and obligated to take action to alleviate global warming. Massachusetts, which has been joined by 11 other states, 3 cities and 13 environmental groups, will argue that the federal agency has shirked its legal responsibility to protect the public and ignored the requirements of the Clean Air Act." The Times adds, "Federal lawyers, in tandem with those of the auto industry, are arguing that existing law is inadequate to support far-reaching regulation, and that Congress, or the foreign policy arena, or both, are the appropriate venues to produce new global warming policies."

USA Today (11/29, Biskupic, 2.27M) reports, "The court's work on the case will focus on the scope of the federal Clean Air Act rather than the debate over emissions' impact on the climate. However, the justices' ruling could shape the US government's role in a pressing issue of the day and ultimately affect whether automakers will be required to build cleaner-running cars and trucks." The case "could have ramifications for those states because the authority to regulate emissions, even on the state level, derives from the Clean Air Act."

Writing in USA Today (11/29, 2.27M), Jonathan Adler, who teaches environmental and constitutional law at Case Western Reserve University School of Law, says that "if global warming requires regulation, that is a decision for Congress to make. … The petitioners argue that the Clean Air Act requires the EPA to regulate greenhouse gas emissions from new-vehicle tailpipes — and a superficial reading of the statutory text could suggest as much. et it is clear to all involved that the relevant statutory provisions were enacted to address local and regional pollution problems — such as soot, smog and acid rain -- not global concerns such as climate change. If global warming requires regulation, that is a decision for our elected representatives to make. … Global warming is a real concern, but global warming policy ultimately belongs to the political branches, not the judiciary."

More Commentary On EPA Cases. In an op-ed for the Wall Street Journal (11/29, A18, 2.04M) David Rivkin and Lee Casey, who "served in the departments of justice and energy under Presidents Reagan and George H.W. Bush," write, "The Supreme Court is now considering two environmental law cases that superbly illustrate the circumstances in which judges should overturn unlawful administrative actions, and when they should affirm sensible ones. The first, Environmental Defense v. Duke Energy, is one of the many enforcement actions the EPA has brought, mostly against electric utilities, under a relatively obscure part of the Clean Air Act known as 'New Source Review.'… By contrast, in Massachusetts v. EPA -- being argued today before the Supreme Court -- the court should uphold the agency's decision not to regulate carbon dioxide emissions from all of the new cars and light trucks sold in the U.S."

Investment In Cleaner-Burning Coal Plants Regarded As Urgent. In an op-ed for the New York Times (11/29, 1.16M) Thomas Homer-Dixon, director of the Trudeau Center for Peace and Conflict Studies at the University of Toronto, writes, "As the price of energy rises and as the planet gets hotter, we need significantly higher investment in innovation throughout society, from governments and corporations to universities. Perhaps the most urgent step, if humankind is going to return to coal as its major energy source, is to figure out ways of safely disposing of coal's harmful carbon dioxide — probably underground."

DOJ Launches Web Site On Tribal Crime. The Tulsa World (11/29) reports, "The U.S. Department of Justice announced Tuesday the launch of a Web site that will focus on crime in Indian Country. … 'I am honored to deliver the promise that I made to provide a one-stop-shop that will enhance the prevention of and response to crime and the administration of justice in Indian Country,' said Regina B. Schofield, assistant attorney general for the Office of Justice Programs. … 'This will serve as a medium for talking about promising practices across the nation. Crime knows no boundaries, and the Tribal Justice and Safety Web site is another way we are using technology to prevent crime and violence from taking root in our communities.'" The World adds, "The site's address is www.usdoj.gov/tribaljusticeandsafety. ... It is designed to serve

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as a single source of information about law enforcement for tribes, including crime statistics and other public safety issues, as well as a source for tribes on how the Justice Department can help them in fighting crime."

Michigan Tribal Casino Project Faces More Delays. The AP (11/29) reports, "A southwest Michigan casino project by the Gun Lake tribe faces another delay after the government pushed back its timetable for taking land into trust for the project." The AP continues, "The Justice Department said in a court filing last week that the government does not plan to take 146 acres in Wayland Township into trust for the casino before March 5, 2007. … The Interior Department was originally set to take the land into trust Jan. 5, clearing the way for the Gun Lake tribe to begin construction." The AP adds, "The delay was noted Tuesday by Station Casinos Inc. in a filing with the Securities and Exchange Commission. The Las Vegas-based company said it planned to 'continue contributing significant financial support to this project, even though there can be no assurances when or if the necessary approvals will be obtained.' … Michigan Gambling Opposition, an anti-casino group, sued in 2005 to block the government from taking the land into trust. U.S. District Judge John Penn in Washington is scheduled to consider government and tribal motions for dismissal on Wednesday."

Indian Tribal Membership Cause Of More Frequent Disputes. USA Today (11/29, Bazar) reports, "Native American tribes are facing allegations of greed and racism as they purge members from their rolls and deny the applications of others." USA continues, "The expulsions have sent tremors through Indian country. Thousands of Native Americans have lost their cultural identities and access to tribal benefits, such as medical care, housing and education. Certain gaming tribes divide casino profits among members, in some cases thousands of dollars a month per person. Those expelled lose their cut." USA adds, "Tribal officials say they're protecting legitimate members by making sure everyone in the tribe is qualified. … As sovereign nations, tribes have the final say in who can — and cannot — join. Each tribe determines what degree of Indian blood is necessary for membership, a requirement that varies among the 561 federally recognized tribes." USA notes, "In California, at least 2,000 Native Americans have been taken off the rolls of their tribes since 1999, says Laura Wass, executive director of the Many Lightnings American Indian Legacy Center, an education and advocacy group in Fresno. Disenrollments have surged with the rise of Indian casinos, she says. .. Thousands of Native Americans elsewhere have lost, or may lose, their tribal status. An upcoming vote at the Cherokee Nation in Oklahoma could deny citizenship to more than 1,000 of the tribe's 260,000 members. … State and federal courts do not have jurisdiction over Native American membership disputes, says Kevin Gover, law professor at Arizona State University and former assistant secretary of the Interior for Indian affairs. … 'Congress has not given individual Indians the right to sue their tribes,' he says."

FBI/DEA/ATF/USMS:

Mueller Appoints Love WFO Criminal Division Chief. Under the headline "FBI Appoints Veteran For Criminal Division," The Washington Times (11/29, Seper, Cella, 88K) reports, "A veteran FBI supervisor who oversaw the investigation into the high-profile, unsolved death of a federal prosecutor in Baltimore was appointed yesterday to lead the criminal division of the bureau's Washington field office. As head of the division, Jennifer Smith Love will direct all FBI investigations in Washington and Northern Virginia focused on violent, financial and organized crime; public corruption; civil rights violations; computer crimes; and drug-related offenses. FBI Director Robert S. Mueller III yesterday announced the appointment of Mrs. Love, who had been chief of the FBI's communication-exploitation section, where she led FBI efforts to disrupt the ability of terrorists to communicate with one another." The Times notes, "In May, during hearings before the Senate Judiciary Committee, Sen. Charles E. Grassley…questioned Mrs. Love's role" in the probe of Assistant US Attorney Jonathan Luna's death, "saying she and two other agents were 'the subject of allegations' that they had conducted an unauthorized search of another agent's laptop computer. … The inspector general's review found 'credible evidence' of wrongdoing to conclude the case should have been sent through the FBI's formal disciplinary process, rather than handled as a job-performance issue."

Former FBI Clerk Pleads Guilty To Leaking Hawaii Drug Probe Information. The AP (11/29) reports, "A former clerk-secretary on the FBI's organized crime-drug squad pleaded guilty today to getting information

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without authorization from a computer the bureau's Honolulu office. The FBI's investigation of Charmaine Moniz led to a two-year drug and gambling probe that resulted in charges filed against more than 35 people." The AP adds, "The FBI has said Moniz divulged sensitive information to drug dealers on Oahu's North Shore in 2003 and 2004. In court, Moniz said she got the information to warn her husband to stay away from certain people."

Witness Discusses Role In Shooting Of Two New York Detectives. The New York Times (11/29, Brick) writes, "In walked the first member of the Stapleton Crew, described by prosecutors as a band of outlaws who shot, robbed and pummeled their way to power among the gun and drug rings of Staten Island. … His real name is Jessie Jacobus, but he gave his street handle as J-Dot." He "was summoned to …federal court in Brooklyn, in violation of what he called his principles…to testify about the murder of two undercover detectives in March 2003." On March 10, 2003 Jacobus "said, he agreed to help rob a man during a staged gun sale. The man who arrived was an undercover detective, James V. Nemorin, 36, accompanied by Detective Rodney J. Andrews, 34, whom he identified as his brother-in-law."

Report On Drug Trafficking In Afghanistan Cites Government Involvement. The AP (11/29) reports a U.N. report released Tuesday "said Afghanistan's criminal underworld has compromised key government officials who protect drug traffickers, allowing a flourishing opium trade that will not be stamped out for a generation. The fight against opium production has so far achieved only limited success, mostly because of corruption, the joint report from the World Bank and the United Nations Office on Drugs and Crime said. The findings show a 'probability of high-level (government) involvement' in drugs, said Doris Buddenberg, the UNODC's Afghanistan representative and co-editor of the report." The AP also notes that opium cultivation in Afghanistan "rose 59 percent this year to 6,100 tons — enough to make 610 tons of heroin, nearly a third more than is consumed by the world's drug users, according to the report." The AP story was used by the New York Times, Washington Post, and Wall Street Journal.

ATF Ends Turf War With Massachusetts Authorities Over Blast Probe. The Boston Globe (11/29) reports, "Federal and state agencies announced today that they will cooperate in the investigation into last week's chemical plant explosion in Danvers." The Globe continues, "Town and state fire officials had questioned the jurisdiction of the US Chemical Safety Board, a federal agency that investigates such incidents. A turf war erupted Saturday when investigators from the board were denied access to the blast site. … In a joint statement this afternoon, federal and state officials and Chemical Safety Board investigators are on the site today of the plant, which was shared by CAI Inc. and Arnel Co. Inc. Investigators from the State Fire Marshal's office, the Massachusetts Department of Fire Services, the Danvers Fire Department, and the federal Bureau of Alcohol, Tobacco, Firearms, and Explosives are also involved. … 'All parties have agreed to cooperate in executing their different missions,' said the statement, issued after a meeting of all the agencies this morning. 'The CSB and ATF will coordinate to ensure the integrity of the ongoing civil and criminal investigations during the access to the site.'"

Man Who Impersonated ATF Agent Sentenced To 10 Years. The AP (11/29) reports, "A man who impersonated a federal agent during an armed robbery was sentenced Tuesday to 10 years in prison on charges of carrying an unregistered sawed-off shotgun and a homemade firearm silencer." The AP continues, "Prosecutors say Garfield Royes, 37 already had three felony armed robbery convictions on his record when he posed as an agent from the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives during another armed home invasion. … 'Today's sentencing of Mr. Royes validates that his only career is being an authentic career criminal,' said Vanessa L. McLemore, an ATF special agent." The AP adds, "Royes donned a tank-top adorned with the letters "ATF" in 2003 while robbing a group of suspected drug dealers, said U.S. Attorney David Nahmias. .. .He was arrested in June 2003 while attempting to flee from police officers trying to search his home, prosecutors said. Police later said they found a 12-gauge sawed-off shotgun, a homemade silencer and ammunition at his home - items that Royes is banned from owning."

Man Who Skipped Out On Iowa Drug Trial Returned From Mexico. The Sioux City (IA) Journal (11/29, Hytrek, Ebaugh) reports, "It was a day later than expected, but Ryan Mathison is back on U.S. soil. … Around 6

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p.m. Tuesday, Mathison and his girlfriend Janelle Rodriguez were walked halfway across a bridge into El Paso, Texas, by Mexican officials, where they were met by U.S. Marshals, said El Paso Supervisory Deputy U.S. Marshal Jerry Payan. … 'They are sitting in the El Paso County Jail awaiting extradition to Iowa,' Payan said." The Journal continues, "The pair were expelled from Mexico as "undesirables," Payan said, a faster and simpler procedure than extradition, a formal process that requires requests for extradition warrants that can take months. In expulsion, the Mexican government basically says the person in custody is not welcome. The person in custody also agrees to leave. … 'This is basically they want to leave, and Mexico wants them to leave, and they escort them to the border,' said Duane Walhof, supervisor of the U.S. Marshals Service Sioux City bureau. … 'It could be two days to two weeks before they are returned to Sioux City, depending on how fast the paperwork is processed,' Payan said." The Journal adds, "On Monday, federal officials in Sioux City announced that Mathison and Rodriguez had been located and arrested in Juarez, Mexico, Sunday afternoon. At a press conference, authorities said they expected the two to be turned over to the Marshals Service by Monday afternoon at the U.S. border at El Paso, Texas, just across the Rio Grande River from Juarez. … Mexican officials did not meet with them as expected that day. … The Sunday arrest ended a two-week search for Mathison, who, while on pretrial release, skipped town during his trial on charges that he oversaw a drug ring that transported hundreds of pounds of marijuana and cocaine from Mexico to Sioux City. The jury later found him guilty. He faces a mandatory minimum sentence of 20 years in prison, a sentence that could be enhanced because he discarded his electronic monitoring device and left town. A sentencing date has not been set."

IMMIGRATION:

Migrant Latinos Turning To "Mobile Consulates" For Assistance. On its front page, the Wall Street Journal (11/29, A1, Millman, 2.04M) reports that a "growing number of Mexicans, Salvadorans, Guatemalans and Dominicans…working in the remote reaches of Alaska, frequently illegally… turn for help to 'mobile consulates' -- collections of diplomats from their home countries who fly from barrio to barrio around the country." These so-called "Latino circuit riders" are "experts in immigration law and lobbying" that "press schools to offer bilingual instruction" and "counsel migrant workers on the intricacies of US immigration laws." These "mobile consulates" are "doing their best to help those who make it to the US to stay here," the Journal writes. Latin American nations, it notes, have "a big incentive to keep migrants working in the US," because "they send their families at home about $50 billion a year, according to the Inter-American Development Bank."

TAX:

Rangel Calls For Scrapping AMT. The Financial Times (11/29, Guerrera) reports incoming Ways and Means Committee Chairman Charles Rangel says the "new Democrat-controlled Congress should abolish an outdated tax that could condemn up to 23m Americans to pay a total $1,000bn next year, according to the incoming head of a powerful congressional committee." Rangel said "said scrapping the alternative minimum tax (AMT) was a top priority." But his position, "presented at a meeting with New York business leaders on Tuesday, is more radical than other senior Democrats, including the incoming House Speaker Nancy Pelosi, who have talked about extending a one-year relief from AMT for middle-income taxpayers."

CONGRESS-ADMINISTRATION:

Democrats Plan To Scrutinize Unprecedented Pentagon Spending Request. The Los Angeles Times (11/29, Barnes, Spiegel, 850K) reports, "The Pentagon is preparing an emergency spending proposal that could be larger and broader than any since the Sept. 11 attacks, covering not only the conflicts in Iraq and Afghanistan but extending to other military operations connected to the Bush administration's war on terrorism." According to the Times, the Pentagon will request $127 billion to $150 billion in new spending next year which "may push the Defense Department into a conflict with Democrats" when they take control of Congress." The Times notes the request "stands to be larger in part because of new rules laid out in an Oct. 25 memo from Deputy Defense Secretary Gordon England. Rather than strictly limit spending to Iraq and Afghanistan costs, the memo said the services could include costs associated with military operations that are part of the larger war on terrorism. … Democratic congressional aides said the new majority on Capitol Hill was

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likely to push back against a request that exceeded $100 billion."

US Wearing Out $2 Billion Worth Of Equipment Every Month. USA Today (11/29, 1A, Kelley, 2.27M) reports, "About $2 billion worth of Army and Marine Corps equipment — from rifles to tanks — is wearing out or being destroyed every month in Iraq and Afghanistan, military leaders and outside experts say. That's equal to about a quarter of the $8 billion per month in military war costs. The wear and tear may lead to future equipment shortages and cutbacks in more advanced weapons, such as the F-35 Joint Strike Fighter being…says William Cohen, secretary of Defense from 1997 to 2001. … The Pentagon needs $50 billion to $60 billion to re-equip and restore units returning from Iraq, says Leon Panetta, the former Clinton White House chief of staff and member of the bipartisan Iraq Study Group." USA Today notes that according to the GAO the Army and Marines "have reported using about 40% of their ground combat equipment in Iraq and Afghanistan. … A separate GAO report this month urged the incoming Democratic-controlled Congress to investigate the Pentagon's planning for repair, maintenance and replacement of war equipment."

Bush Aides Feel Under Siege As Hearings Approach. The White House Bulletin/US News (11/28) reports, "With the new incoming Democratic House and Senate chairs of key policy committees pledging a wave of oversight hearings, White House officials say they are starting to feel under pressure as they prepare to testify starting as early as January." One key aide said, "Many of us feel under siege." The Bulletin adds aides "working in the issue areas of education, terrorism, national security and defense are especially concerned about the hearings Democrats are promising to hold." Two former aides tell the Bulletin and US News "that they are advising former colleagues to prepare to testify on their actions over the past five years." "We don't know for sure who will be going up to testify but everybody in the top offices should be prepared for an invitation," said one of the former Bush advisors.

Medicare Drug Program $13 Billion Under Budget. The Washington Times/AP (11/29) reports the Medicare prescription drug benefit "has cost nearly $13 billion less than expected this year -- a rare federal program coming in under budget -- and projections show it will cost about $200 billion less in its first decade than initially estimated." President Bush "credits competition among the dozens of private insurance companies administering the program for the cost coming in at $30 billion in 2006, about 30 percent below the projected $43 billion." But figures "provided to the Associated Press by the agency that oversees the benefit for the elderly and disabled show two other factors: lower-than-expected enrollment and drug prices that went up less than expected before the benefit kicked in."

Bush And Webb Reportedly Exchanged Heated Words At White House Reception. The Washington Post (11/29, A1, Shear, 690K), in a front-page profile of Sen.-elect James Webb titled, "In Following His Own Script, Webb May Test Senate's Limits," reports that at a White House reception Webb "tried to avoid President Bush" and "declined to stand in a presidential receiving line or to have his picture taken with" Bush. According to the Post, Bush "found" Webb and asked him "How's your boy?" referring to Webb's son Jimmy who is serving with the Marines in Iraq. Webb answered, "I'd like to get them out of Iraq, Mr. President." To which Bush responded "That's not what I asked you…How's your boy?" The Post reports Webb shot back "coldly": "That's between me and my boy, Mr. President." The Hill (11/29, Heil) reports Webb "confessed that he was so angered by this that he was tempted to slug" Bush.

Webb Expected To Operate Independently Of Other Senate Democrats. The Washington Post (11/29, A1, Shear, 690K) reports Webb "was narrowly elected to the U.S. Senate this month with a brash, unpolished style that helped win over independent voters. .. If the exchange with Bush two weeks ago is any indication, Webb won't be a wallflower, especially when it comes to the war in Iraq. And he won't stick to a script drafted by top Democrats. 'I'm not particularly interested in having a picture of me and George W. Bush on my wall,' Webb said in an interview yesterday in which he confirmed the exchange between him and Bush. 'No offense to the institution of the presidency, and I'm certainly looking forward to working with him and his administration. [But] leaders do some symbolic things to try to convey who they are and what the message is.'"

Rice Sets Record For Time Without Deputy. The Washington Post's (11/29, A21) Al Kamen writes in his "In The Loop" column that Secretary of State Condoleezza Rice "will break the modern indoor record for being without a deputy secretary of state." Kamen notes that "even if Rice

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named someone now, there wouldn't be confirmation until early next year, so the record will be hers."

Schwab Says Bush Will Pursue Aggressive Trade Agenda. The AP (11/29, Crutsinger) reports US Trade Representative Susan Schwab said "the president still hopes to achieve bipartisan support for an aggressive trade liberalization agenda in the next Congress even with Democrats in control." Schwab said the Administration would "continue to push for the conclusion of global trade talks known as the Doha Round before negotiating authority expires on June 30. She said the administration also hopes to wrap up negotiations by early next year on free trade deals with South Korea and Malaysia and said that talks should be concluded soon with Panama." Speaking to the US Chamber of Commerce, Schwab "warned against any move to erect protectionist barriers against the flow of goods into the country, something that critics say are needed in the face of record-high trade deficits they contend are costing American jobs."

Paulson Warns Against Protectionist Sentiment. The Wall Street Journal (11/29, Solomon, 2.04M) reports in a London speech to the Confederation of British Industry and in remarks to reporters, Treasury Secretary Henry Paulson "warned that protectionist sentiment is rising all over the world, partly because 'the benefits of trade are not spread evenly in any part of the world.' But he said it would be 'morally wrong' to give in to 'protectionist elements.'" Paulson's remarks "echo some of the themes that have been sounded by Democratic Party critics of globalization in the U.S., and like-minded people in other countries." In contrast with "those who would seek to slow the pace of globalization and prevent the completion of the current Doha round of world trade talks, Mr. Paulson argued that it is essential that globalization continue in order to assure future prosperity of developed and developing countries."

GAO Finds CIS Lost 111,000 Files. The Washington Post (11/29, A21, Hsu, 690K) reports senators released a Government Accountability Office report yesterday that found US Citizenship and Immigration Services has lost track of 111,000 alien files, or A-files, "in 14 of the agency's busiest district offices and processed as many as 30,000 citizenship applications last year without the necessary files." The GAO conducted a review "at the request of Sens. Charles E. Grassley and Susan Collins after US authorities granted citizenship in 2002 to a man without checking his primary file. The file, which was lost, indicated ties to the militant Islamic group Hezbollah." A CIS "official said workers probably checked most of the files but failed to make note of it. … Steven J. Pecinovsky, an agency liaison to the GAO, said workers are not required to note that they have checked A-files but will be in the future."

In an article appearing on more than 40 news websites, the AP (11/28) reported, "The missing files also cause delays for immigrants with no security issues from becoming U.S. citizens, the senators said. The senators said the agency agreed with the GAO to require workers to record whether an A-file was used to process a naturalization application and to use an automated file tracking system."

Pelosi Passes Over Hastings For Intelligence Chair. The AP (11/29, Shrader) reports that in a decision "that could roil Democratic unity in the new House, Speaker-to-be Nancy Pelosi passed over Rep. Alcee Hastings Tuesday for the chairmanship of the Intelligence Committee." Hastings, currently "the No. 2 Democrat on the panel, had been aggressively making a case for the top position, supported by members of the Congressional Black Caucus." But his "critics pointed out that he had been impeached when he was a federal judge and said naming him to such a sensitive post would be a mistake just as the Democrats take over House control pledging reforms."

The Wall Street Journal (11/29, Rogers, 2.04M) reports Pelosi "gave no indication of who would get the post, but aides indicated that a decision could follow quickly this week in a bid to resolve the issue, which has been used by her critics to try to isolate the California Democrat and incoming House speaker." The "criticism of her leadership is striking given that no other speaker before her has had the same length of service on the intelligence panel as Ms. Pelosi. As speaker, she will have the power to single-handedly appoint the chair and members for the new Congress, but her discretion has been challenged by allies of fellow Californian, Rep. Jane Harman, the committee's ranking Democrat, who has campaigned for the post." If Pelosi "holds firm, as expected, and doesn't name Ms. Harman to the post, she has several options. One is to elevate Rep. Silvestre Reyes (D., Texas), a Vietnam veteran and former member of the U.S. Border Patrol before coming to Congress."

The Los Angeles Times (11/29, Miller, 850K) reports Pelosi's "decision leaves a hole in the Democratic leadership

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ranks. The anticipated elevation of Hastings as chairman and the expected removal of Harman from the panel were seen as efforts to settle a debt with the Congressional Black Caucus, to which Hastings belongs: Another caucus member had been bumped from the panel in 2001 when Harman returned to Congress — and regained her seniority on the committee — after an unsuccessful run for governor of California." Democratic aides "indicated that Pelosi would probably tap someone not on the committee to become its chairman."

The New York Times (11/29, Mazzetti, Zernike, 1.16M) reports members of Pelosi's staff "had said she favored Mr. Hastings. But his position was weakened because he was impeached and removed as a federal judge in 1989 in connection with a bribery case. He was subsequently acquitted in the criminal case." For Pelosi, "who had hammered the Republicans for ethical lapses in the fall campaigns, the decision to pass over Mr. Hastings was a sign that she did not relish another battle after the Democratic caucus rejected her choice for majority leader, John P. Murtha of Pennsylvania. On the other hand, her decision risked alienating the influential Congressional Black Caucus, which had strongly backed Mr. Hastings."

The Washington Post (11/29, A1, Weisman, Slevin, 690K) reports in a front page story, "The decisions came despite lobbying by conservative Democrats on Harman's behalf and a full-throttled campaign by Hastings to overcome the stigma of the 1988 impeachment that drove him from his federal judgeship." Instead of "picking Harman or Hastings, Pelosi will look for a compromise candidate, probably Rep. Silvestre Reyes (Tex.), but possibly Rep. Norman D. Dicks (Wash.), a hawkish member of the Appropriations defense subcommittee, or Rep. Sanford Bishop (Ga.), a conservative African American with experience on the intelligence committee." Hastings "took a shot at conservatives and media voices who have come out strongly against his appointment. 'Sorry, haters, God is not finished with me yet,' he wrote."

The Washington Times (11/29, Hurt, 88K) reports Pelosi "received intense criticism after suggestions that she would elevate Mr. Hastings to the top spot. Lawmakers on both sides of the aisle argued that the former federal judge would be a poor choice for chairman because he was charged in 1981 with accepting a $150,000 bribe. A jury acquitted Mr. Hastings after a key witness refused to testify." Still, "a Democrat-controlled House of Representatives later impeached Mr. Hastings on a 413-3 vote with support from Mrs. Pelosi and others in Congress who now support Mr. Hastings. The Democrat-led Senate convicted Mr. Hastings and he was removed from office."

Capuano Describes Democrats' Transition To Majority As "Disjointed." The Hill (11/29, Bolton) reports Rep. Michael Capuano, "heading the day-to-day transition of House Democrats from minority to majority party," says the "process has become 'disjointed' and that leaders need to do a better job communicating with each other." Capuano "also said the inevitable messiness of a new party taking over the House is just part of the democratic process. … 'A lot of people have their hands in it right now but the coordination isn't where I would like it to be." The Hill continues, "Capuano said that there has been confusion over the importance of seniority. He said there is a perception that seniority is virtually the sole factor in determining committee leadership and makeup, adding that has not been true for years."

Labor, House Democrat Leaders Meet To Discuss Agenda. The Hill (11/29, Bolton) reports, "Labor union representatives, liberal leaders, and aides to House Speaker-elect Nancy Pelosi (D-Calif.) met yesterday to begin work on a broad lobbying push to promote Pelosi's 100-legislative-hour agenda with a campaign expected to mimic the one that helped defeat President Bush's proposed reforms to Social Security." The meeting is "a signal that interest groups allied with Democrats are going on the offensive, transitioning from the defensive crouch they have held for much of Bush's time in office." The "purpose of the gathering was to ensure that party allies are unified during the first crucial weeks of the Democratic majority and that the agenda Democrats campaigned on this fall does not become entangled by interest-group squabbles and competition." Party strategists "are speculating that they will have a brief window of legislative productivity before a curtain of partisanship falls across town as Republicans and Democrats gear up for the 2008 presidential election." The "first priority of the lobbying plan is to pass a minimum-wage increase. The campaign will also focus on allowing the government to negotiate for lower prescription drug prices for Medicare beneficiaries, repealing tax benefits for oil companies, and cutting the interest rate for student loans." The "strategic advantage of the 100-hour agenda is that it is made up of proposals that are broadly popular, thereby allowing the Democrats' allies to

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achieve consensus and work together from the start of next year. After that agenda is passed, groups are likely to go off in their own directions and clash over competing priorities."

Liberal Activists Moderate Their Influence Over Congressional Democrats. The Hill (11/29, Schor) reports, "After a long battle with conservatives on social issues and judicial nominations, Democratic-aligned interest groups are hailing the coming congressional changeover and weighing exactly how and when to exert their influence. … NARAL has aimed its recent efforts less at preserving women's right to an abortion than at making the procedure, as former President Clinton first put it, 'safe, legal and rare.' One of the family-planning packages strongly backed by NARAL and Planned Parenthood boasts as its chief sponsor new Senate Majority Leader Harry Reid (D-Nev.), who describes himself as pro-life." The Hill adds that on gay-rights issues, Human Rights Campaign President Joe Solmonese "took a respectful view of the long to-do list facing his Democratic allies. 'One of the most important things we can do is be sensitive to the fact that the new leadership in this Congress…have a huge responsibility to speak to the issues the American people couldn't have been clearer about in putting them there: the war in Iraq and corruption in government."

Reid Sets Agenda For Senate's Next Session. The AP (11/29, Pickler) reports Senate Majority Leader-elect Harry Reid said "he's doing away with the 'do-nothing Congress' that Democrats campaigned against and plans to keep senators working long hours — focusing first on ethics, the minimum wage and stem cell research." Reid said he would "tackle those priorities after cleaning up the 'financial mess' the outgoing Republican Congress is leaving behind, a reference to nine long-overdue spending bills covering 13 Cabinet departments for the budget year that began Oct. 1." The "must-pass legislation totals more than $460 billion and could divert time from other items on the Democratic agenda."

McConnell Pledges Cooperation On Minimum Wage, Ethics Reform. The Washington Post (11/29, A21, Pianin, 690K) reports, "Sounding a conciliatory note, the new Senate Republican leader vowed yesterday to work with Democrats to pass a minimum-wage increase and a strong ethics reform package shortly after the new Democratic-controlled Congress begins work next year." Senate Minority Leader-elect Mitch McConnell (Ky.) "described as 'easy stuff' much of the Democrats' opening agenda, including a proposal to boost the minimum wage from $5.15 to $7.25 an hour and a congressional ethics package that would ban gifts, meals and travel from lobbyists, as well as impose new controls on the budget deficit. These issues, however, have not proved to be easy before." McConnell said he "is urging bolder action. He challenged House Speaker-designate Nancy Pelosi (D-Calif.) and Senate Majority Leader-elect Harry M. Reid (D-Nev.) to push for a long-term solution to financing the Social Security system and for a comprehensive overhaul of the nation's immigration laws." In a meeting with Washington Post editors and reporters, McConnell said, "One thing I hope we can do, now that we have the election out of the way, is see if we can quit kicking the can down the road on a number of significant issues. Left over from last year, I would put immigration at the top of the list. But I also share the view...that this would be the perfect time to tackle Social Security."

Fiscal Conservatives Prepare Strategy. The Washington Post (11/29, A2, Murray, 690K) in its "Political Dispatch" column reports, "In Congress, the minority life is mostly talk and little action, and yet for" conservative GOP lawmakers and "advocates of minimal spending and low taxes, that may not turn out to be so bad. It's easier to promote fiscal discipline in theory than to practice it as a party leader or committee chairman." One "chief target of the budget hawks is a group of Democratic House freshmen who won seats in conservative districts, including the Florida seat that was held by disgraced Rep. Mark Foley, and Tom DeLay's former seat in Texas. Republicans call these 'rented seats' and hope to win them back in 2008." When the GOP was in the minority in the 1980s they "sought to force Democrats to vote against small spending reductions, often fractions of a percent." And as longtime GOP aide Stuart Roy "pointed out, these little-noticed maneuvers helped Republicans build a case that Democrats' spending habits had spiraled out of control." And on taxes "fiscal conservatives will act as chief defenders of the numerous temporary tax cuts that Republicans have passed since President Bush took office." The Post notes, "The first showdown will come over the alternative minimum tax, which Democrats have vowed to address early in their tenure."

GOP Adjusting To Minority Status. The Hill (11/29, O'Connor) reports, "The Republican retreat from ornate leadership chambers and spacious committee offices

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has been a harsh awakening for members of the outgoing majority, but that is just one of the many difficult realities GOP members and staff must accept about life in the minority. Still stinging from their midterm defeat, leaders in the House must rewrite the party's internal rules to adapt to their diminished status and reorganize the Steering Committee to decide who will serve on each committee and who will be the ranking Republican before slinking off to the offices allocated to them."

Hensarling, Tiahrt Compete For Study Committee Post. The Hill (11/29, O'Connor) reports that a "major fight is brewing among conservatives in the House to elect the next chairman of the Republican Study Committee." Reps. Jeb Hensarling and Todd Tiahrt "have been calling members…to ask for their support in the election next Wednesday. … Many staffers consider Tiahrt, an appropriator, as the leadership-backed candidate who would mute the influence of conservative agitators as Republicans try to unite in the minority."

Senators Press For More Social Security Administration Funding. The Washington Post's (11/29, D4, Barr) "Federal Diary" column reports, "54 senators" -- 42 Democrats and 12 Republicans -- "have sent an appeal to the Senate leadership asking that the Social Security Administration receive adequate funding to avert workplace disruptions." The senators "called for a fiscal 2007 appropriation that would add $401 million to the agency's administrative account. Without the money, Social Security would be forced to send employees home without pay and shut offices for 10 days next year, the senators said." The Post adds that several agencies with the exception of DoD and DHS are bracing for possible cuts in funding as Congress has not yet passed a host of fiscal 2007 spending bills, and adds the "Senate's bill for Social Security would provide $9.1 billion for the agency's administrative expenses, $401 million less than the president requested and $54 million below what was appropriated in fiscal 2006. The House bill would leave Social Security about $200 million short of what the White House is seeking."

Controversial State Department Official Receives Award For Service. The Washington Post's (11/29, A21) Al Kamen writes in his "In The Loop" column that Secretary of State Condoleezza Rice announced this week that the recipient of this year's Edward R. Murrow Award for Excellence in Public Diplomacy is "none other than Alberto Fernandez, head of public diplomacy for the Mideast. Fernandez, who speaks Arabic fluently, is best known in this country for having told al-Jazeera television back in October that Washington had been arrogant and stupid in Iraq."

USAF Declines Food Donation From Nuns Who Damaged Silo Fence. The Washington Times (11/29, Richardson, 88K) reports, "Three nuns were thwarted yesterday in their effort to pay their debt to society with food instead of cash when officials at two Colorado Air Force bases refused to accept their donations. The Dominican sisters -- Carol Gilbert, Jackie Hudson and Ardeth Platte -- had collected thousands of cans of food in an effort to pay the military $3,082 in restitution for cutting through a chain-link fence at a Colorado missile silo in 2002. … But airmen at Buckley Air Force Base here turned away two pickup trucks loaded with thousands of cans of food yesterday, telling volunteer drivers that the facility had just received a large donation of food and had nowhere to store the nuns' delivery."

Policeman's Death Underscores Danger Caused By Presidential Motorcade. McClatchy (11/29, Thomma) reports presidential motorcades "can be dangerous. The most recent reminder: the death this week of a Honolulu motorcycle officer who was injured while escorting President Bush during a brief stop en route home from Asia. Sure, the president is safe in his limousine - so safe that no one can remember a commander in chief buckling his seat belt. But the rest of the entourage is at risk of accidents and injuries, and they happen more often than most people realize." McClatchy notes Steve Favela "suffered fatal injuries when he and two other officers crashed as the motorcade sped across Hickam Air Force Base on rain-slicked pavement."

OTHER NEWS:

Bernanke Says Economy Remains At Risk From Inflation, Housing Slump. The AP (11/29, Aversa) reports Federal Reserve Chairman Ben Bernanke "said Tuesday that risks from inflation or a worse-than-expected housing slump could further complicate things for an economy that already is in slowdown mode." Speaking to the National Italian American Foundation in New York,

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Bernanke said, "The deceleration in economic activity currently under way appears to be taking place roughly along the lines envisioned." He added that the "slowdown in overall activity mostly reflects the housing slump, he said. As the economy cools, inflation also should continue to gradually ease over the next year or so, the Fed chief added." Overall inflation "has showed signs of improving in recent months as once surging energy prices have calmed down. However, 'core' prices - which exclude energy and food and are closely watched by the Fed - still remain 'uncomfortably high,' Bernanke said."

ABC World News (11/28, story 6, 0:20, Gibson, 8.78M) reported, "In economic news, Federal Reserve Chairman Ben Bernanke says he expects the economy to enjoy moderate growth next year despite a slowdown in the housing market but he warned that inflation is still a danger. Analysts said they heard nothing that would signal nothing if the Fed would cut interest rates soon as some on Wall Street would hope."

USA Today (11/29, Kirchhoff, 2.27M) reports Bernanke said "the economy is growing at a 'solid pace' outside of housing and manufacturing, but a key inflation measure remains 'uncomfortably high.'" Bernanke said "it would be 'especially troublesome' if price pressures don't moderate, as the Fed has forecast." Economists "interpreted Bernanke's comments as a sign the central bank is not likely to cut interest rates anytime soon and could be forced to raise them in coming months to keep price pressures under control."

The Wall Street Journal (11/29, lp, Gerena-Morales, Corkery, 2.04M) reports that in a "contrast with the widely held view on Wall Street that slower economic growth will lead to interest-rate cuts, Federal Reserve Chairman Ben Bernanke offered an upbeat assessment of the nation's economy, warning that tight labor markets could put more pressure on wages and prices." Many investors "point to declining housing construction, mixed news on holiday sales and a tame reading on inflation as indications that the economy is weakening, inflation risks are fading and that the next move by the Fed will be to cut interest rates, perhaps as soon as next spring. However, Mr. Bernanke's hawkish message suggests rate cuts are unlikely in the months to come." But "stock and bond markets barely reacted -- underscoring how, in recent months, Fed officials and investors increasingly have seemed to be looking at two different economies."

The Washington Post (11/29, D2, Henderson, 690K) gives the story a positive spin with the headline, "Fed Chief Optimistic Of Soft Landing; With Eye on Inflation and Jobs, Bernanke Remains Upbeat." The Post reports "the nation's central bank is growing more confident that the U.S. economy will slow gradually in a way that should cause inflation to decline without tipping the nation into a recession, Federal Reserve Chairman Ben S. Bernanke said yesterday."

The Financial Times (11/29) reports Bernanke "appeared to head off talk of imminent US interest rate cuts by warning that inflation remained 'uncomfortably high.'" Bernanke's speech "follows days of jitters in financial markets, with investors betting that US economic weakness would force the Fed to cut interest rates next year, undermining the dollar." Bernanke's "message was reinforced by Hank Paulson, US Treasury Secretary, who told reporters in London the US economy was making a 'successful transition' to a more sustainable rate of growth, and by the Organisation for Economic Co-operation and Development, which said the outlook for the world economy remained bright."

Stock Markets Rise Slightly Despite Bernanke's Inflation Worries. The Wall Street Journal (11/29, C1, McKay, 2.04M) reports, "Stocks edged higher despite troubling comments about interest rates from Federal Reserve Chairman Ben Bernanke." The gains "erased little of Monday's steep market drop, which included a 158.46-point decline in the Dow Jones Industrial Average. After sliding further in early trading, the blue-chip average ended the day up 14.74 points, or 0.1%, at 12136.45, 13.2% higher for the year." The broad Standard & Poor's 500-stock index "also opened the session lower but climbed 4.82 points for the day to end at 1386.72, up 11.1% for the year. The technology-stock-heavy Nasdaq Composite Index rose 6.69 points to 2412.61, up 9.4% for the year. Both were up 0.3% for the day."

NBC Nightly News (11/28, story 6, 0:15, Williams, 9.87M) reported, "On Wall Street today modest gains after yesterday's stock sell off. The Dow was up almost 15 points [to close at 12,136.45]. NASDAQ was up almost 7 points [to close at 2,412.61]."

Previously-Owned Home Sales Pick Up, But Prices Fall. The Wall Street Journal (11/29, Gerena-Morales, Corkery, 2.04M) reports new data 'offered a mixed picture of the housing sector's condition as home sales picked up, but prices fell. Meanwhile, the first look at business investment in the fourth quarter revealed a sharp pullback, indicating that business spending won't lend as much support to economic

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growth as some analysts had been expecting." The National Association of Realtors "reported that previously owned home sales rose 0.5% from the previous month to a seasonably adjusted annual rate of 6.24 million units, which is up from an upwardly revised September sales pace of 6.21 million." It was the "first monthly rise in sales that the trade group has reported in eight months. But the national median home price plummeted 3.5% to $221,000 from a year ago -- the largest year-over-year price drop since the trade group began keeping records in 1968, and 'it's probably the largest price drop since World War II,'' said David Lereah, NAR's chief economist."

NBC Nightly News (11/28, story 5, 0:45, Williams, 9.87M) reported, "The housing market…is in the midst of a painful kind of correction. Sales of existing homes posted a small increase, half a percentage point, last month after seven straight months of declines. But home prices fell by a record amount, down 3.5% from a year ago. It is the biggest year-over-year price decline ever. It is also the third month in a row that prices have dropped. That's the longest stretch of price declines on record in US history. Federal Reserve Chairman Ben Bernanke warned today that a slump in the housing market that is more severe and widespread than the experts have been predicting is indeed possible but he said, as of now, he's still on the lookout for inflation pressures and he thinks the economy will grow at a moderate pace."

The Washington Post (11/29, D1, Brubaker, 690K) reports US existing home prices "dropped a record 3.5 percent last month, compared with the same month a year earlier, while the total number of residences sold fell 11.5 percent compared with October 2005, according to an industry report released yesterday." The "largest drop in sales prices -- 7 percent, or double the national average -- came in the South, which includes the Washington area."

USA Today (11/29, Knox, 2.27M) reports, "Prices of existing homes — which fell a record 3.5% last month — will likely drop further through year's end, delivering the bitter medicine needed to restore the health of the housing market, the National Association of Realtors said Tuesday." Today, "the Commerce Department will release October sales figures for new homes. Those figures are expected to show more weakness."

The Los Angeles Times (11/29, Sanchez, 850K) reports, "In California, October results were the opposite, with sales, excluding condominiums, slipping 0.3% from the previous month and the median sales price gaining 2% from October 2005 to $548,680, according to the California Assn. of Realtors." The "modest rebound in sales may indicate that the nationwide housing slow down might be bottoming out — but any noticeable relief for sellers probably won't come until next year, according to some housing observers." NAR economist David Lereah said in a statement, "After a period of price adjustment, we'll see more confidence in the market and a lift to home sales should be apparent in the first quarter of 2007." The Times adds, "But other economists say a turnaround is still far away, with many signs pointing to a buyer's market for some time to come. For example, the inventory of unsold homes, increased 1.9% in October to 3.85 million existing homes."

Dollar Falls To 20-Month Low Versus Euro. The Washington Post (11/29, D1, Goodman, Henderson, 690K) reports the US dollar "fell to a 20-month low against the euro Tuesday, the latest development in a year-long currency readjustment that could make some imported goods more expensive, but could also help American workers by boosting exports." Traders are "not entirely sure why the currency is falling, but several pointed Tuesday to signs of economic weakness in the United States and strength in Europe. That is fueling expectations that interest rates will rise in Europe relative to the United States, prompting investors to move assets out of dollars." Treasury Secretary Henry M. Paulson Jr. "reacted to the decline by speaking Tuesday of his support for a 'strong dollar.'" But as he "said the words, though, Paulson was preparing for a trip to China, during which he plans to press officials there to raise the value of China's currency, and thus lower the value of the dollar."

WSJournal Claims Uncertainty Over Democratic Congress Behind Dollar's Fall. The Wall Street Journal (11/29, 2.04M) says in an editorial, "The dollar's recent weakness against the euro and other currencies has brought out the usual suspects to blame the usual suspects. That is, the crowd that has long believed the greenback needs to be devalued because of the large U.S. trade deficit is declaring that day has finally arrived. The fact that the dollar has held up well for years despite the trade deficit doesn't seem to matter to this conventional wisdom." The Journal adds, "Our view is simpler: When U.S. economic policies look like they might take a turn for the worse, dollar-denominated assets lose some of their allure. So, for example, when the new Democratic majority in Congress talks about raising taxes on capital gains and dividends, investors in U.S. financial and corporate assets get the jitters. And when U.S. monetary

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policy accommodates more inflation, investors also look for other places to put their marginal cash."

NRSC Letter Acknowledges Debt. The AP (11/28, Kuhnhenn) reports the National Republican Senatorial Committee, "which lagged behind other national party committees in fundraising the past two years, emerged from the Nov. 7 election in debt and is soliciting donations to get out of the red." In an "urgent appeal to donors this week, Sen. Elizabeth Dole of North Carolina, "the chairwoman of the National Republican Senatorial Committee, beseeched contributors to 'help us retire our debt.'" Dole said, "If we let this debt linger, it will cripple our efforts to recruit great candidates for the next election and begin our drive to win the one additional seat we need to regain the Senate majority." The AP adds that as of "Oct. 18, the date of the last financial reports to the commission, the NRSC had $8.9 million of cash on hand. At that point in the two-year election cycle, it had raised $77.9 million and spent $70 million."

Wulsin Concedes To Schmidt In Ohio's 2nd CD. The AP (11/29) reports, "Three weeks after Election Day, Democrat Victoria Wulsin conceded to Republican Rep. Jean Schmidt on Tuesday but suggested that she might run again." Wulsin "conceded just before Clermont County reported final unofficial results that showed Schmidt with an overall total of 120,112 votes, or 50.5 percent, to 117,595 votes, or 49.5 percent for Wulsin."

Undervotes Could Determine Outcome In Florida's 13th CD. The Washington Post (11/29, A3, Whoriskey, 690K) reports "almost since the time the votes were tallied" in Sarasota "on election night, the race for Florida's 13th Congressional District has been surrounded by a contentious mystery: Why were there no votes for Congress recorded from more than 18,000 people who chose candidates in other races?" The answer is "central not only to the outcome of the election, which for now has been won by Republican Vern Buchanan by a mere 369 votes and is in litigation, but also to the ongoing debates over whether the electronic voting systems in use nationwide can yield reliable tallies and recounts." There are "three theories, and lots of political and legal posturing. Maybe, as scores of voters have claimed, there were glitches with the touch-screen systems and they dropped votes. Or maybe voters overlooked the congressional race simply because of a confusing ballot design. Or maybe, as some say, an astoundingly high number of Sarasota County residents decided to forgo voting in the high-profile race."

Dean's 2004 Webmaster Seeking Position With McCain Campaign. The Hill (11/29, Kaplan) reports, "Several sources said that Nicco Mele, the CEO of EchoDitto, an internet strategy firm, and Howard Dean's webmaster when Dean was running for president in the 2004 cycle, has let it be known that he wants to work for Sen. John McCain if he runs for president."

Hagel 2008 Bid Seen As More Realistic After GOP's Midterm Losses. The Washington Post's David Ignatius (11/29, A23) writes, "A month ago the idea that Sen. Chuck Hagel would make a serious run for the Republican presidential nomination would have been a non-starter. … It's a measure of the step change brought about by the Nov. 7 elections that Hagel is now seriously exploring a GOP presidential bid." Hagel "says he will make a formal decision in the next two months on whether to run." Ignatius contends that, "What would make a Hagel candidacy interesting is that he can claim to have been right about Iraq and other key issues earlier than almost any national politician, Republican or Democratic. … It strains credulity to imagine that a GOP controlled by Bush and Karl Rove could learn to love Hagel, but, as the Nebraskan says, this is a time of 'transformational politics.'"

Morris Says Women Want Democratic Presidential Candidate. In his column in The Hill (11/29), Dick Morris says, "What women want is a woman president. And their voting preferences are showing how strongly they feel." According to "the Gallup Poll of November 9-12, both Democratic and Republican women disproportionately support their party's potential female candidates. While it has not been unusual to see polls showing a bias by female voters in favor of women who run on the Democratic Party line, most of these surveys have failed to distinguish whether it is party or gender that is attracting female voters. And, until recently, Republican women have not shown a preference for a female candidate." But the Gallup Poll "tested Sen. Hillary Rodham Clinton (D-N.Y.) in a Democratic primary field and Condoleezza Rice in a Republican match-up. Among both sexes, Hillary ran first in her party with 31 percent of the vote, followed by newly hyped Sen. Barack Obama (Ill.) at 19 percent, John Edwards, likely

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benefiting from his wife's best-selling book, at 10 percent, Al Gore at 9 percent and Sen. John Kerry (Mass.), probably suffering from his foot-in-mouth disease, back at 7 percent." On the Republican side, Rudy Giuliani "led with 28 percent, followed by Sen. John McCain (Ariz.) at 26 percent, Rice at 13 percent, former House Speaker Newt Gingrich (Ga.) at 7 percent, outgoing Massachusetts Governor Mitt Romney at 5 percent and soon-to-be-former Senate Majority Leader Bill Frist (Tenn.) at 4 percent." But Clinton "was favored by 38 percent of the women in the Gallup Poll's Democratic Primary match-up but got only 23 percent of the men. On the Republican side, Rice won 18 percent of the women and only 8 percent of the men. Such a dramatic gender gap, on each side of the partisan divide, illustrates the power of a woman candidate, from either party, running for president."

Organizer Of Anti-Hillary PAC Is Also Giuliani Contributor. The New York Times (11/29, Hernandez, 1.16M) reports campaign finance reports show a "leading organizer of a political action committee created to derail Senator Hillary Rodham Clinton's presidential prospects is also a major contributor to Rudolph W. Giuliani." The organizer, Richard Collins, "a principal figure behind the group Stop Her Now, has given $10,000 to Mr. Giuliani's political action committee Solutions America over the last two years, according to campaign finance disclosure documents." On a Website "posted Monday, the Stop Her Now group says that its goals include attempting 'to shed light on the real Hillary Clinton and the danger she and her ideas pose for America.'" While the Giuliani camp "has no direct connection to Stop Her Now, some Democrats argued yesterday that Mr. Giuliani — who seems poised for a possible presidential run of his own — should disavow the personal nature of the criticisms that the group is leveling at Mrs. Clinton." Stop Her Now "is among the newest of the so-called 527 advocacy groups whose prominence has grown in recent years." Collins, "a wealthy Texas businessman, funneled $80,000 into the group's coffers in the last few months, making him the group's single largest donor in the third quarter of 2006, according to the disclosure documents."

Christian Coalition's Designated President Resigns. The Washington Post (11/29, A13, Cooperman, 690K) reports, "For the second time in little more than a year, the Christian Coalition of America named a new leader and then removed him before he ever fully took the reins of the conservative political advocacy group. The Rev. Joel Hunter, pastor of a nondenominational megachurch in Longwood, Fla., said he resigned as the coalition's incoming president because its board of directors disagreed with his plan to broaden the organization's agenda." Hunter "wanted to take on such issues as poverty, global warming and HIV/AIDS."

Bush Supports Adding More Countries To Visa-Waiver Program. USA Today (11/29, Hall, 2.27M) reports, "President Bush said Tuesday that he wants more countries in a program that allows foreigners to stay in the USA without visas, despite criticism that the move could open the door to terrorists. 'We want people to come to our country,' Bush said in Tallinn, Estonia, one of several European countries that have asked to be included in the visa-waiver program, in which 27 foreign countries now participate. 'It's in our nation's interest that people be able to come and visit.'" Bush "said his administration aims to add more countries to the program, created to facilitate tourism and business travel 15 years before the 9/11 attacks increased fears of terrorism. He pledged to ensure that 'those that want to continue to kill Americans aren't able to exploit the system.'" The Washington Post/AP (11/29, A9) notes "officials did not say which other countries the administration might try adding to the program. Countries from Central and Eastern Europe have expressed interest in entering the program, which lets travelers enter the United States with only a passport."

The Washington Times (11/29, Dinan, 88K) reports "the proposed expansion would run athwart concerns that the Department of Homeland Security (DHS) cannot keep up with the 27 countries already approved, as the Government Accountability Office (GAO), Congress' investigative branch, found in a July report. 'DHS cannot effectively monitor the law enforcement and security risks posed by visa waiver countries on a consistent, ongoing basis because it has not provided [the Office of International Enforcement] with adequate staffing and resources,' GAO investigators concluded, adding they also found 'weaknesses' in how DHS talks with overseas posts working on visa issues."

Bush Praises Estonia's Flat Tax. The AP (11/29, Riechmann) reports, "President Bush says the United States should have a simpler tax system. Apparently he has found one he likes -- Estonia's. In a brief stop in the Baltic nation on

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Tuesday, Bush managed to tout Estonia's flat income tax three times. 'They've got a tax system here that is transparent, open and simple,' Bush said in Tallinn after getting a look at how Estonian citizens can file their taxes online." The AP adds, "In a toast about an hour later to Estonian President Toomas Hendrik Ilves, Bush said, 'I am amazed to be in a country that has been able to effect a flat tax in such a positive way.'" And "before fielding reporters' questions with Ilves, Bush again praised Estonia's approach to taxation. 'I appreciate the fact that you got a flat tax, you got a tax system that's transparent and simple,' he said."

Rice To Meet With Abbas In Push To Restart Talks. The AP (11/29, Daraghmeh) reports Secretary Rice "put Washington's heft behind new Mideast peace overtures on Tuesday, scheduling an unexpected meeting with Palestinian President Mahmoud Abbas this week." The meeting was announced a day after Israeli Prime Minister Ehud Olmert called on the Palestinians to return to peace talk, and Rice's visit "was seen as a further push to use the momentum to start new peace talks." Rice will meet Abbas Thursday in the West Bank town of Jericho, and Assistant Secretary McCormack "raised the possibility that she would also meet with an Israeli official."

Jordan's Abdullah Expected To Push For Peace Talks In Meetings With Bush. In a report from Amman previewing President Bush's visit, NBC Nightly News (11/28, story 2, 2:20, Engel, 9.87M) noted, "There are many competing agendas here in Jordan tonight. King Abdullah has said he wants the revival of the Israeli-Palestinian process to be the top agenda of his meeting with President Bush. … Also Lebanon's prime minister has said he wants his conflict with Israel and internal power struggles with Hezbollah also to be part of this agenda." However, NBC says "the problem is President Bush will be on the ground here for about less than 24 hours." Similarly, the AP (11/29, Halaby) reports King Abdullah "made clear Tuesday he will press for a renewed effort to resolve the Palestinian-Israeli conflict when he meets with President Bush." In a speech to parliament, King Abdullah "described the Israeli-Palestinian dispute as the 'core' issue in the Middle East and indicated that in his talks with Bush, he would underline the need for the United States to push for peace."

Proposed UNSC Iran Resolution Drops Mention Of Sanctions. The New York Times (11/29, A8, Cooper, 1.16M) reports the six world powers "seeking to rein in Iran's nuclear ambitions are circulating a significantly weakened draft" for a UNSC resolution against Tehran's nuclear program, "in a bid to keep their fragile coalition from falling apart." The new text under consideration has "dropped all mention of sanctions against Iran's first nuclear power plant at Bushehr," according to European diplomats. Although the US "initially proposed including Bushehr on the list of programs to single out," Russia, which has been helping to build the plant, "balked." Meanwhile, the Times says that "complicating the matter is the steady drumbeat in Washington, from inside and outside the Bush administration, calling on President Bush to initiate talks with Iran over the worsening violence in Iraq."

Iranian Opposition Group Hindered By US Terrorist Label. In a front page article, the Wall Street Journal (11/29, A1, Higgins, Solomon, 2.04M) reports, "Early this summer, as Washington fretted about Iran's nuclear program, supporters of Mujahedin-e Khalq, an Iranian opposition group, held a rally in an auditorium two blocks from the White House. Prominent members of Congress addressed the crowd, as did the State Department's recently retired ambassador-at-large for war crimes." Mujahedin-e Khalq, known as MEK, is Iran's largest exile opposition group and, "say its supporters, the best hope of bringing democracy to Iran." But with the US armed forces "bogged down in Iraq and America's military options against neighboring Iran severely limited, the MEK and its fans are lobbying hard to present the group as an ally that can help curb Tehran's growing influence." Its supporters "include lawmakers and conservative foreign-policy analysts," but "most US officials scoff at forming any alliance with the MEK and dispute its claims of having a mass following in Iran, stressing that many Iranians despise the organization." Meanwhile, a senior White House official says the Bush administration continues to view the MEK as a terrorist organization and "not an advocate for democracy or human rights" in Iran.

US, North Korean Officials Meet For Second Day Of Talks. The AP (11/29, Ang) reports nuclear negotiators from the US, North Korea and China "met for a second day Wednesday, a US Embassy spokeswoman said, amid a diplomatic push to resume six-nation talks on Pyongyang's atomic weapons program." Assistant Secretary of State Christopher Hill met with North Korean Vice Foreign Minister Kim Kye Gwan and Chinese Vice Foreign Minister

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Wu Dawai in Beijinge for a second round of talks, according to Susan Stevenson, a spokeswoman for the US Embassy in Beijing. However, she "did not have details of the discussions or whether Hill met with Wu and Kim together or separately." In Washington, State Department spokesman Sean McCormack said the main goal of the current meetings was to "make sure that everybody, at least, has a good, solid understanding of what might happen" when six-nation talks reconvene.

Satterfield Rumored To Be Named New Ambassador To Pakistan. The Washington Post's (11/29, A21) Al Kamen writes in his "In The Loop" column that "chatter at State is that Iraq coordinator David Satterfield…may be headed to Pakistan to be ambassador, replacing Ryan Crocker, who's said to be heading to Baghdad…replacing Zalmay Khalilzad, who's said to be headed to just about every top foreign policy job."

Former Russian PM Stricken With Mysterious Illness. The Financial Times (11/29, Ostrovsky) reports former Russian prime minister, Yegor Gaidar, last week suffered "a sudden, unexplained and violent illness on a visit to Ireland, a day after Alexander Litvinenko, a former KGB spy, died in London from an apparent radiation poisoning." In an interview with the Times, Gaidar, who is now in a stable condition at an undisclosed Moscow hospital, "said the doctors had so far been unable to identify the cause of the violent vomiting and bleeding that he suffered during a conference in Ireland." The Times notes that news of his illness "comes after a series of mysterious incidents involving Russian public figures over the past month."

Ally Of Poisoned Ex-Spy Finds Radioactive Traces In Office. The New York Times (11/29, A10, Cowell, 1.16M) reports Boris A. Berezovsky, "an exiled Russian billionaire and fierce opponent of the Kremlin, confirmed Tuesday that the police found radioactive traces in his office after the death last week of his close associate, Alexander V. Litvinenko, who was poisoned by radiation." Berezovsky said the traces of radiation in his office had been "discovered as part of an ongoing police investigation of all the locations visited by Alexander Litvinenko" on Nov. 1. The Times says the discovery "highlighted their close ties and offered one more clue about Mr. Litvinenko's movements on…the day he first reported feeling unwell."

Blair Pledges To Pursue Probe Of Death. The Washington Post (11/29, A14, Jordan, 690K) reports British Prime Minister Tony Blair said Tuesday that "there is no diplomatic or political barrier in the way" of investigating Litvinenko's death and that he planned to speak with Russian President Vladimir Putin about the matter "at any time that is appropriate."

Pope Urges All Religions To "Utterly Refuse" Violence In The Name Of Faith. The AP (11/29, Simpson) reports, "Pope Benedict XVI urged leaders of all religions Tuesday to 'utterly refuse' to support any form of violence in the name of faith, while Turkey's top Muslim cleric complained to the pontiff of growing 'Islamophobia' in the world." In turkey, Benedict "sought a careful balance as he extended friendship and brotherhood to Muslims, hoping to end the outcry from many Muslims over his remarks linking Islam to violence. He expressed support for Turkey's efforts to join the European Union, moving away from opposition he voiced when he was a cardinal." But "the German pope also hammered away at key points of his 18-month papacy, telling diplomats that leaders of all religions must 'utterly refuse to sanction recourse to violence as a legitimate expression of faith.'" He "avoided mention of any specific religion, even as he decried terrorism and the 'disturbing conflicts across the Middle East.'"

ABC World News (11/28, story 3, 2:00, Miller, 8.78M) said, "At the Vatican embassy tonight, before an assembly of ambassadors, the Pope raised an alarm over conflicts in the Middle East. Warning they could lead to even more conflicts and spread terrorism. It was a dire warning from the Pope. He may be here on a journey of reconciliation, but he clearly sees even greater divisions erupting unless peace can be achieved in the Middle East."

The CBS Evening News (11/28, story 6, 2:00, Pizzey, 7.66M) reported, "The Pope mixed the volatile combination of politics and religion again when he told members of the diplomatic corps that religions should refuse to sanction what he called recourse to violence as an expression of religion. That risked rekindling the controversy of his use of a 14th century quote calling Islam violent, and in a country that is 99% Muslim, people here expect an apology or a show of contrition. Newspapers caught the public mood: Message to the Pope, this headline reads, 'Islam is peace.' Benedict called Turkey a bridge between religions, but it is one both he

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and the Turkish political leadership must cross carefully for the waters beneath it are most definitely troubled."

McClatchy (11/29, Schofield) notes the Pope also "called for an 'authentic dialogue between Christians and Muslims' and praised his Turkish hosts Tuesday as he began what's surely his most controversial journey since he was elevated to lead the world's 1 billion Roman Catholics in April 2005." The New York Times (11/29, Fisher, Tavernise, 1.16M) and Washington Post (11/29, Moore, 690K) run similar reports.

More Commentary. The New York Times (11/29, 1.16M) editorializes, "We hope that the pope's evolving stance -- coupled with his calls for Christian-Muslim dialogue -- will soothe popular anger in Turkey and across the Muslim world. ... As the pope champions the rights of Christians in Turkey and other Muslim lands, he should bear in mind that his words will be most effective if he makes clear that the West still has a long way to go in defending the rights of minorities."

In an editorial, the Los Angeles Times (11/29, 850K) says the Pope "will meet in Turkey with a representative of a religious tradition whose sometimes violent differences with the Roman Catholic Church can be traced back to the Crusades. That personage is not, as one might think, a Muslim, but a Christian: Ecumenical Patriarch Bartholomew I of the Eastern Orthodox Church. … News coverage of the pope's trip has focused on Catholic-Muslim relations, given the outrage in the Muslim world over a lecture in September in which Benedict quoted a medieval emperor who said Muhammad's teachings contained 'things only evil and inhuman.' … Yet the religious purpose of the journey is to strengthen relations between the Roman Catholic Church and Eastern churches that do not recognize the authority of the bishop of Rome. Benedict's attitude toward these ancient churches could offer as many insights into his view of his role as any of his dealings with Muslims."

Report Shows India's Muslims Lag Behind. The New York Times (11/29, A4, Sengupta, 1.16M) reports an official panel in India has concluded that Muslims, the nation's largest religious minority, are "lagging behind" on "most things that matter." Prime Minister Manmohan Singh's office, which is reviewing the report, summarized the panel's "biting conclusion," saying, "The community is relatively poor, more illiterate, has lower access to education, lower representation in public- and private-sector jobs and lower availability of bank credit for self-employment. In urban areas, the community mostly lives in slums characterized by poor municipal infrastructure." The Times notes that the report is expected to be made public "soon, but leaks in the last several weeks have already turned its contents into political fodder," with "a number of Muslim religious and political leaders have already begun to advocate quotas for Muslims."

Ukraine's Yushchenko Vows To Continue Democratic Reforms. Ukrainian President Victor Yushchenko writes in the Washington Post (11/29, A23, 690K) that since the so-called "Orange Revolution," it has been his "goal as president has been to institutionalize democracy and guarantee that it is irreversible." However, he says that "because we were preoccupied with domestic political reforms this year, we failed to communicate effectively with our international partners" about "where Ukraine stands and where we are heading." Yushchenko states that "democracy and stability" will "form the basis of [his] agenda. To this end, he vows to "continue constitutional reforms that facilitate the effective work of government and prevent a return to authoritarianism or the usurpation of power."

WPost Urges China To Rein In Its Trade Surplus. In an editorial, the Washington Post (11/29, A22, 690K) writes, "Two months after a high-profile visit to China, Treasury Secretary Henry M. Paulson Jr. is planning a December return -- this time accompanied by Federal Reserve Chairman Ben S. Bernanke as well as a handful of fellow Cabinet members." The Post says the trip "reflects Mr. Paulson's conviction that high-level intergovernment contacts can help promote policy breakthroughs," which it calls "a worthy effort." However, the Post says "there's no certain payoff," noting that US officials have "spent the past few years urging China to rein in its trade surplus," which "has nonetheless ballooned defiantly." China's policymakers "could stoke consumption if they wanted," the Post says, "but they have not taken the step that would make the biggest difference: Raising the government's spending on social services. … Nor has China allowed its currency to rise, a move that would help to ease the trade surplus. Although the yuan has gained modestly against the dollar over the past year, it has fallen against the currencies of other trading partners."

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THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Living Symbols Of Reform In Afghanistan."
"Art Or A Part Of History?."
"Controversy Over Pentagon's War-Spending Plan."
"Iraqi premier Wants More Control Over His Military."
"Firefighter Settlement Sharply Splits Council."
"Transplant Centers Penalized."

USA Today:
"Vehicle Contracts."
"Wars Wearing Down Military Gear At Cost Of About $2 Billion A Month."
"Native American? The Tribe Says No."
"Amtrak Ridership Up In USA."
"Tracking Growth."

New York Times:
"Bush Adviser's Memo Cites Doubts About Iraqi Leader."
"Deeper Crisis, Less U.S. Swayln Iraq."
"Pope Backs Turkey's Bid To Join European Union."
"Pelosi Won't Pick Tainted Lawmaker For Key Post."
"Plan Could Close 20 Or More New York Hospitals."
"Lawyers Debate Why Blacks Lag at Major Firms."
"Language Of A Losing Team? Read Their Bodies."

Washington Post:
"Bush To Press Iraqi Premier On Security."
"Hastings, Harman Rejected For Chairmanship."
"In Following His Own Script, Webb May Test Senate's Limits."
"Freshly Baked Handouts Forbidden In Fairfax."
"As Iraq Deteriorates, Iraqis Get More Blame."
"Five Years After Enron, Firms Seek Weaker Rules."

Washington Times:
"Bush Seeks To Ease Visa Requirement."
"Marshals Decry Imams' Charges."
"Shi'ites, Sunnis Amass Arms."
"Currency Changes Ordered To Help Blind."
"Top Toys For Big Boys."
"D.C. Council Eyes 24 Percent Pay Raise."

Atlanta Journal-Constitution:
"Delta Suitor To Make Its Pitch."
"'We Just Want To See The Truth Come To Light.'"
"2 Billion Dream Would Reshape Boswell Skyline."
"Iraq: Is It A Civil War."

Houston Chronicle:
"Student's Death In Drive –By Is Possibly Gang-Related."
"Houston Pair Are Accused Of Aiding Taliban."
"3 Americans Abducted On Hunting Trip In Mexico."
"You may Pay More To Play."
"Visit Aims To heal Rift With Muslims."

Story Lineup From Last Night's Network News:
ABC: Bush-Maliki Meeting; Iraq-Al Anbar Province; Pope-Turkey; Missouri Group Home Fire; Organic Food Industry; Economic Brief; Seattle Snowstorm;
CBS: Bush-Maliki Meeting; Iraq-ISG Plan; Iraq-Analysis; Moqtada Al-Sadr Profile; Iraq-F-16 Crash; Pope-Turkey; Teen Boot Camp Death Verdict; Dead Sea Profile;
NBC: Bush At NATO Summit-Latvia; Middle East Unrest; Sectarian Violence-Al Qaeda; Pope Visits Middle East; Housing Market Decline; Stock Market; Drug Coated Stents; Severe Snow Storm; New Test For Immigrants; Hollywood Goes To Louisiana.

Story Lineup From This Morning's Radio News Broadcasts:
CBS: Bush-NATO Summit; Bush, Maliki Meeting; FL-Charges Brought In Juvenile Boot Camp Death Case.
NPR: Bush-NATO Summit; Pelosi-Bush's Iraq Strategy; SCOTUS-Carbon Emissions, FL-Charges Brought In Juvenile Boot Camp Death Case; Tokyo Stock Market; Castro-80th Birthday Celebration; Wal-Mart-India Expansion; Oil Prices.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Participates in NATO Summit, Olympic Sports Centre, Riga; participates in official Summit photo, Olympic Sports Centre, Riga; attends NATO luncheon hosted by the President of Latvia, Olympic Sports Centre, Riga; meets with the King of Jordan and Prime Minister of Iraq, Raghadan Palace, Amman, Jordan; has dinner with the King of Jordan, Raghadan Palace.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

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Other: TEACHER CERTIFICATION _ The National Academies holds a conference on evaluation of the impact of teacher certification. Location: Keck Center, 500 5th St. NW.

AIDS SUMMIT _ CDC, the National Institute of Allergy and Infectious Diseases (NIAID), the American Foundation for AIDS Research (amfAR), the HIV Medicine Association of the Infectious Diseases Society of America, the American Academy of HIV Medicine and the Forum for Collaborative HIV Research sponsor ``Opportunities for Improving HIV Diagnosis, Prevention and Access to Care in the U.S.," a two-day summit of nearly 300 of the nation's leading medical, government and community experts. Highlights: 12 p.m. Press conference/telebriefing. Speakers include Athony S. Fauci, M.D., Director, National Institute of Allergy and Infectious Diseases (NIAID/NIH); Kevin Fenton, M.D., Ph.D., Director, CDC's National Center for HIV, STD and TB Prevention; David R. Holtgrave, Ph.D., Professor/Department Chair, Johns Hopkins Bloomberg School of Public Health; Michael S. Saag, M.D., Professor of Medicine/Director of the Center for AIDS Research, The University of Alabama at Birmingham; Marsha Martin, D.S.W., Senior Deputy Director, HIV/AIDS, Adnistration, Washington, D.C. Location: Mandarin Oriental Hotel (Sackler Room; Ballroom Level) 1330 Maryland Ave. SW.

WOMEN-HOUSING _ 8:30 a.m. - 3 p.m. Women in Housing and Finance hold a housing symposium. Highlights: 1 p.m. Rep. Barney Frank. 1:45 p.m. Panel with James Lockhart, Director, Office of Federal Housing Enterprise Oversight. Location: Skadden, Arps, Slate, Meagher and Flom, 11th floor, 1440 New York Ave. NW.

SINGLE-FIRM CONDUCT _ 9:30 a.m. - 4 p.m. The Justice Department's Antitrust Division on the Federral Trade Commsisison holds a joint public hearing to focus on loyalty discounts as part of a series of hearings designed to examine the implications of single-firm conduct under the antitrust laws. Location: FTC Conference Center, Conference Room C, 601 New Jersey Ave. NW.

HIGHER EDUCATION _ 11 a.m. - 5 p.m. Representatives of accrediting agencies and other key stakeholders in higher education will meet to discuss strategies for implementing the pertinent recommendations of the Secretarys Commission on the Future of Higher Education. The Commission called for making performance outcomes, especially student learning outcomes, the core of institutional and program quality assurance. Highlights: 2:30 p.m. Remarks by U.S. Secretary of Education Margaret Spellings. Location: Potomac Center Plaza, 10th floor Auditorium, 550 12th St. S W.

POPE-TURKEY _ 8:30 a.m. The Wilson International Center for Scholars holds a media breakfast breifing on ``The Pope in Turkey: Islam, Nationalism and Secularism on the Road to Europe" with Gerald Robbins of the Foreign Policy Reseearch Institute; Kemal Silay of Indiana University; John Sitildes of the Wilson Center; Omer Taspinar of the Brookings Institution. Location: 6th floor Moynihan Board Room, Wilson Center, Reagan Trade Building.

BIOLOGICAL WEAPONS _ 9 a.m. The Center for Strategic and International Studies and the Carnegie Endowment for International Peace hold a briefing on a new report about the nature of the biological weapons threat and the policy options for addressing that threat. Location: 1779 Massachusetts Ave. NW.

DETAINEE _ 9 a.m. Khaled El-Masri, who says he was unlawfully abducted, detained and abused by the CIA under its rendition program, will speak at a news conference with his attorneys. Location: National Press Club. Notes: CALL IN: 1-800-741-3792 (listen only).

POLLING PROBLEMS AND SUCCESSES _ 9:30 a.m. - 12 p.m. Electionline.org will release an analysis pf the 2006 vote, identifying where there were significant problems at the polls and what worked well. Following release of the analysis, the Pew Charitable Trusts will host a panel of experts who will discuss what can be done to improve American election policies and administration. Location: Suite 900, Pew Charitable Trusts, 1025 F St. NW.

AZERBAIJAN _ 10 a.m. Radio Free Europe/Radio Liberty hold a briefing on political prisoners in Azerbaijan, with Jamil Hasanli of the Azerbaijani parliament and Murad Sadaddinov of the Azerbaijan Foundation for Democracy Development and Human Rights Protection. Location: 4th floor conference room, 1201 Connecticut Ave. NW.

REED-IRAQ _ 11 a.m. Sen. Jack Reed, D-R.I., holds a media availability to discuss recent events in Iraq. Reed, a member of the Armed Services Committee, has traveled to Iraq nine times since the start of the war. He will discuss the escalating sectarian violence in Iraq and the options for redeploying U.S. troops. Location: Senate Radio/T Gallery.

VIDEO GAMES _ 11 a.m. Release of the 11th Annual MediaWise Video Game Report Card, with David Walsh of the National Institute on Media and the Family and Sen. Joseph Lieberman. Location: Room G-50, Dirksen.

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FOREIGN INVESTMENT _ 12 p.m. The Washington International Trade Association and the DC Bar Association hold a program on the future of the Committee on Foreign Investment in the US and what may happen with foreign investments in the US. Location: DC Bar Conference Center, 1250 H St. NW.

GUANTANAMO _ 12 p.m. The Constitution Project holds a discussion with Joseph Margulies and Lawrence Wilkerson about U.S. detention policies. Location: National Press Club.

LESSONS-INSURGENCIES _ 12 p.m. The RAND Corporation holds a briefing and panel discussion on a new study which says tactics used to battle Cold War-era insurgencies, such as offering amnesty to combatants and securing national borders, could help the United States as it confronts insurgents in Iraq and Afghanistan. Participants include James Dobbins of RAND, Bruce Hoffman of Georgetown University, and Austin Long, report author. Location: Room B-354, Rayburn.

TAIWAN _ 12 p.m. The Center for Strategic and International Studies hosts a speech by Dr. Hu Sheng-Cheng, Chairman of Taiwan's Council for Economic Planning and Development on U.S.-Taiwan economic relations. Location: B-1 conference level, 1800 K St. NW.

COURT-SCHOOLS _ 12 p.m. - 1:30 p.m. The American Consitution Society for Law and Policy sponsors a discussion of two Supreme Court cases questioning whether the Constitution denies local school districts the authority to voluntarily integrate racially segregated schools; Parents Involved in Community Schools v. Seattle School District; and Meredith v. Jefferson County Public School. Participants: Tomiko Brown-Nagin, Professor of Law and History, University of Virginia School of Law; Douglas N. Harris, Assistant Professor of Education and Economics, Florida State University ; Francisco Negrsn, Associate Executive Director and General Counsel, National School Boards Association; John Payton, Partner, WilmerHale; and Terence J. Pell, President, Center for Individual Rights. Moderator is Philip Tegeler, Executive Director, Poverty & Race Research Action Council. Location: Center for American Progress, 10th Floor, 1333 H St. NW.

CUSTOMS-BORDER PROTECTION _ 12 p.m. - 1:30 p.m. Women in International Trade holds a brown bag discussion on ``Customs and Border Protection's Office of Regulations and Rulings," its agenda for fiscal year 2007, as well as its integration into CBP's new Office of International Trade. Featured speaker is Sandra Bell, executive director, Office of Regulations and Rulings, Office of International Trade, US Customs and Border Protection. Location: Offices of Tyco International, 607 14th St. NW, Suite 550.

EL SALVADOR _ 12:15 p.m. Signing of the Millennium Challenge Compact between the US and El Salvador. Location: Franklin Room, State Department.

SCOTUS-GLOBAL WARMING _ 12:15 p.m. - 1:45 p.m. Georgetown Law hosts a panel discussion, ``Global Warming in the Supreme Court: Massachusetts v. EPA." Location: Georgetown University Law Center, Hart Auditorium, McDonough Hall, 600 New Jersey Ave. NW.

US-VISIT _ 12:30 p.m. US-VISIT Acting Director Robert Mocny delivers a keynote address on information sharing between the United States and international governments and organizations at the DHS Biometrics and Ethics Conference. Location: Horizon Ballroom, Reagan Trade Center.

PACE BRIEFING _ 1 p.m. Chairman of the Joint Chiefs of Staff Gen. Peter Pace holds a briefing. Location: DOD Briefing Studio, Pentagon 2E579.

RON BROWN AWARD _ 2:45 p.m. Commerce Secretary Gutierrez presents the Ron Brown Corporate Leadership Award, the only Presidential Award to recognize companies for outstanding achievements in employee and community relations. Location: Indian Treaty Room, Eisenhower EOB.

DASCHLE-HAMILTON _ 5 p.m. - 6:30 p.m. Tom Daschle, former Senate Majority Leader, and Rep. Lee Hamilton, current co-chair of the Iraq Study Group and Vice Chairman of the 9/11 Commission, will discuss the current state of homeland security and answer questions both from a live audience and from Internet webcast viewers. Location: Center for American Progress, 1333 H St. NW, 10th floor.

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THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: WEDNESDAY, NOVEMBER 29, 2006 7:45 AM EST

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TERRORISM NEWS:

Judge Rules Parts Of Terror Listing Order Unconstitutional. The Washington Post (11/29, A12, Eggen) reports, "A Los Angeles federal judge has ruled that key portions of a presidential order blocking financial assistance to terrorist groups are unconstitutional, further complicating the Bush administration's attempts to defend its aggressive anti-terrorism tactics in federal courts." The Post continues, "U.S. District Judge Audrey B. Collins, in a ruling released late Monday, found that two provisions of an executive order signed Sept. 23, 2001, are impermissibly vague because they allow the president to unilaterally designate organizations as terrorist groups and broadly prohibit association with such groups." The Post adds, "The ruling marks a victory for the Humanitarian Law Project and other plaintiffs in the case, who are seeking to provide support for the 'lawful, nonviolent activities' of two groups designated terrorist organizations by the U.S. government: the Kurdistan Workers' Party (PKK) in Turkey and the Liberation Tigers of Tamil Eelam (LTTE), also known as the Tamil Tigers, in Sri Lanka. … They argue that federal anti-terrorism laws put charities and individual donors at risk of prosecution for providing benign assistance to foreign groups that have been added to the government's terrorism list." The Post notes, "The Justice Department said it is too early to decide on an appeal. … 'We are pleased that the court rejected many of the constitutional arguments raised by the plaintiffs,' Justice Department spokesman Brian Roehrkasse said in a statement. 'However, we believe the court erred in finding that certain other aspects of the executive order were unconstitutional.'"

The New York Times (11/29, Liptak) reports that Judge Collins ruled that the "executive order violated the Constitution because it was made without any announced standards. … The order 'provides no explanation of the basis upon which these 27 groups and individuals were designated,'" Judge Collins ruled. "'The president's designation authority is subject only to his unfettered discretion.' … That means, Judge Collins wrote, that 'the president's designation authority is constitutionally vague.'" The Times adds, "David Cole, a lawyer for the plaintiffs, said yesterday that Judge Collins had broken new ground. … 'It's the first decision to challenge the constitutionality of what is clearly the broadest power to blacklist individuals and groups on the statute books,' Mr. Cole said. … The designation blocks financial and other interactions with the specified groups." The Times adds, "Tasia Scolinos, a spokeswoman for the Justice Department, said the government was pleased that Judge Collins upheld the ban on providing services to terrorist organizations. … 'However,' Ms. Scolinos said, 'we believe the court erred in finding that certain other aspects of the executive order were unconstitutional.'"

The Los Angeles Times (11/29, Schmitt) reports, "The ruling came in a long-running lawsuit before Collins in which humanitarian groups are seeking to support the nonviolent work of two groups that the secretary of State has designated as terrorist: the Kurdistan Workers Party, the main Kurdish political party in Turkey; and the Liberation Tigers of Tamil Eelam, a rebel group fighting for a separate homeland for Tamils in Sri Lanka. … Earlier in the case, Collins struck down portions of a law that made it a felony to provide 'material support' to terrorists, saying that language in the Patriot Act, which had amended the law, was ill-defined. The Justice Department has often used the material support law in prosecuting terrorist cases." The Times adds, "Brian Roehrkasse, a Justice Department spokesman, said the agency believed that the judge erred in her decision. … Collins' latest ruling could affect another one of the administration's most widely used authorities in its war on terrorism, although the full import of the ruling was not immediately clear." The Times notes, "U.S. officials have used the power to freeze the assets of hundreds of organizations and individuals around the world to try to choke off financing for what it views as illicit operations. … But Collins also said that many of the designations, especially those made by the Treasury Department rather than by Bush, were valid because they followed detailed procedures."

Civil Liberties Board Impressed By Bank-Data Monitoring Controls. The New York Times (11/29, Lichtblau) reports, "A civil liberties panel appointed by the White House received a classified briefing Tuesday on the Bush administration's program to monitor international banking transactions, and several members said they had come away impressed with the privacy controls in place to prevent abuses against Americans." The Times continues, "The program, which gives American intelligence officials access to large volumes of banking data through a Brussels consortium known as Swift, has been attacked by regulators in Europe, who view it as illegal and have threatened sanctions. But the administration gave no indication at Tuesday's briefing that it was rethinking the program, defending it as a vital tool in tracking terrorist financing. … The briefing, lasting nearly two hours, was held at the Treasury Department for the five members of the Privacy and Civil Liberties Oversight Board, created at Congress's direction in 2004 to examine privacy issues related to the war on terror. The board received a similar classified briefing last week on the National Security Agency's domestic wiretapping

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program, created by President Bush soon after the Sept. 11 attacks." The Times adds, "The board's only Democrat, Lanny J. Davis, who was a senior aide to President Bill Clinton, said that before the latest briefing he had had doubts about the Swift banking program. But 'I was impressed with the lengths to which these people have gone to avoid infringing on people's civil rights,' Mr. Davis said in an interview. 'It was less of a concern than I expected.' … Democrats in Congress, however, have questioned the independence and resources of the board and its ability to inquire deeply into highly classified programs. Until last month the White House had resisted allowing the board to be briefed on the Swift and N.S.A. programs."

El-Masri Seeks Redress After Being Mistakenly Abducted By CIA. The New York Times (11/29, Lewis) reports from Richmond, VA, "A lawyer for a German man who was abducted while on vacation in Macedonia and said he was tortured while in C.I.A. custody in Afghanistan urged a federal appeals court on Tuesday to reinstate his lawsuit against the agency, which had been dismissed for national security reasons." The Times continues, "In May, a federal trial judge threw out the suit brought by Khaled el-Masri, who said he was an innocent victim of the Central Intelligence Agency's program of transferring terrorism suspects secretly to other countries for detention and interrogation. Judge T. S. Ellis III of Federal District Court in Alexandria said that although it appeared a great injustice might have been done to Mr. Masri, he was persuaded by the government that there was no way to even begin a trial without impermissibly disclosing state secrets." The Times adds, "Benjamin Wizner, a lawyer with the American Civil Liberties Union, told a three-judge appeals panel on Tuesday that the government's position was absurd because what happened to Mr. Masri had hardly remained secret. He noted that the German government was openly investigating whether its officials had played a role in Mr. Masri's ordeal, and numerous news accounts have quoted unidentified American officials as confirming what happened. … Gregory G. Katsas, a senior Justice Department lawyer, told the judges that courts must defer to the executive branch when it invokes the state secrets doctrine, which was first recognized by the Supreme Court in 1953."

WWBT-TV, NBC 12, Richmond, VA (11/29, Garrity) reports, "Journalists from around the world packed a Richmond courtroom today, as three federal judges considered whether a German man who says he was tortured by the CIA should have his case heard in U.S. Court. Today, attorneys representing the German man named Khaled El-Masri, argued the U.S. government made a mistake that it now does not want to admit." WWBT-TV continues, "Khaled El-Masri used an interpreter to speak to a crowd of journalists from as a far away as Russia and Germany outside Richmond's U.S. Circuit Court of Appeals. 'I was humiliated, I was beaten, and I was drugged, and I was taken to Afghanistan against my will,' says El-Masri through his interpreter. … Attorney's representing El-Masri claim that back in December 2003, the CIA kidnapped him while he was on vacation in Macedonia. They say the CIA mistook El-Masri for a terrorist with a similar name. They say the CIA flew El-Masri to Afghanistan, tortured him, and held him in a prison for months. Eventually, they say El-Masri was released and left stranded on a mountain top in Albania, a country he had never been to. … But when El-Masri tried to bring a case against the CIA in U.S. District Court this May, a judge dismissed his case. So today, El-Masri's lawyers asked for an appeal."

The Washington Post (11/29, C1, Priest) reports, "Khaled al-Masri was supposed to have been disappeared by black-hooded CIA paramilitaries in the dead of night. One minute he was riding a bus in Macedonia, the next -- poof -- gone. Grabbed by Macedonian agents, handed off to junior CIA operatives in Skopje and then secretly flown to a prison in Afghanistan that didn't officially exist, to be interrogated with rough measures that weren't officially on the books. And then never to be heard from again -- one fewer terrorist in the post-9/11 world. … Instead, on Tuesday, Masri finds himself sitting in an American courtroom so elegant that even his experienced lawyers are commenting on its beautiful dark wood and graceful chandeliers. Dressed in white shirt sleeves and a modest maroon vest, Masri is waiting to see if the judges will allow the CIA to disappear him again." The Post adds, "This time, it's not the physical, flesh-and-blood, burly, ponytailed German citizen with six kids whom the U.S. government wants to make vanish from the face of the Earth. It's his legal case, his very right to have his argument heard in open court, that the CIA is seeking to have disappeared. They argue, citing the state-secrets privilege, that to proceed with the case would damage national security and that this damage outweighs any legal rights Masri may have. … The U.S. District Court for the Eastern District agreed with the government in May. … If they have their way this time, the pale Justice Department lawyers swaying back in their chairs before the three judges of the U.S. Court of Appeals for the 4th Circuit would prohibit any judge and any jury anywhere from ever hearing the arguments in Masri's six legal pleadings and 40 exhibits, more than 1,000 pages in all. Much of the evidence was unearthed by German prosecutors and European Parliament investigators."

Democrats Hope For Bipartisan Support To Limit NSA Surveillance. Bloomberg (11/29, Rowley) reports, "Democrats, about to take control of Congress, say they will forge a bipartisan compromise to put limits on

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President George W. Bush's program of domestic eavesdropping of suspected terrorists." Bloomberg continues, "Democrats say they already have a starting point for a compromise, noting that bipartisan proposals this year require court warrants for eavesdropping. At the same time, party leaders will be treading carefully in an effort to assure Americans that they can protect privacy without sacrificing vigilance, and to discredit Republican charges they are weak on national security. … 'How will the Democrats proceed? I think gingerly,' said Steven Aftergood, who directs a government secrecy project for the Federation of American Scientists in Washington. 'They can no longer function as a protest group.'" Bloomberg adds, "After the Sept. 11, 2001, attacks, Bush authorized the National Security Agency to eavesdrop without getting court warrants on communications between suspected al-Qaeda operatives in the U.S. and overseas. … While disclosure of the program triggered criticism from both parties, there is practically no chance the Republican- controlled Congress that returns to Washington next week will act on the issue, leaving it for the next Congress that convenes in January. … West Virginia Democrat Jay Rockefeller, who will head the Senate Intelligence Committee, said in an interview Congress may be able to pass bipartisan legislation in six months."

Columnist Lauds IG Review Of NSA Surveillance Program. In a column distributed by Scripps Howard News Service (11/29), Dale McFeatters writes, "The Bush administration would deny it, but the impending Democratic takeover of Congress seems to be already affecting how it does business. … After a year of refusing to do so, the Justice Department has announced a narrow review of President Bush's secret domestic eavesdropping program. The surveillance program, which monitors international communications to and from the United States, has been controversial since it was first disclosed _ and the subject of a preliminarily successful court challenge _ because the president had decreed that the National Security Agency need not obtain warrants." McFeatters continues, "Congressional Democrats had asked the department to review the program a year ago, but plans for even a preliminary investigation were derailed when Bush blocked security clearances for Justice investigators. Now, the White House has told the department it will approve the required clearances. … The review will be headed by Justice's respected watchdog, Inspector General Glenn Fine. But the review will be confined to examining whether department lawyers met all the legal requirements in dealing with the NSA and making use of any information obtained from intercepts. Fine will not weigh in on the key issue -- whether the warrantless eavesdropping is legal and constitutional." Mcfeatters adds, "The administration has been notoriously hostile to any questioning, criticism or skepticism of its national-security initiatives, and for six years a compliant Republican-run Congress neglected its vital oversight function. … Better late than never -- that seems about to change, although it took a political earthquake to do it."

EU Report Finds Countries Abetted CIA's Extraordinary Renditions. The New York Times (11/29, Knowlton, 1.16M) reports a report from the European Parliament "bluntly rejected the assertions by several European countries that they were unaware of a C.I.A. program to secretly abduct, transport and detain terror suspects. 'Many governments cooperated passively or actively' with the Central Intelligence Agency, said Giovanni Claudio Fava, who led a special inquiry." The report "said that 11 European countries, including Britain, Italy and Germany, knew of the agency's activities" and "offered new confirmation of the United States' practice of so-called extraordinary renditions. … Mr. Fava's draft report asserted that at least 1,245 C.I.A.-operated flights flew through Europe's airspace or stopped at its airports, and listed Poland as among the countries least cooperative with its inquiry." The Washington Post (11/29, Whitlock, 690K) reports John B. Bellinger III, legal adviser to Secretary of State Condoleezza Rice, "called the European Parliament report 'hysterical in its hyperbole.' He said the committee was leaping to conclusions about the missions of the CIA flights and improperly assuming that they all had a 'nefarious' intent." The European Parliament "accused Poland of blocking the probe, saying that high-ranking Polish officials refused to meet with the panel. It also accused the Polish government of withholding or destroying flight logs pertaining to CIA flights at Szymany and other airports."

German Mistakenly Detained By CIA Appeals Federal Judge's Ruling. The New York Times (11/29, Lewis, 1.16M) reports ACLU lawyer Benjamin Wizner, representing Khaled el-Masri, "a German man who was abducted while on vacation in Macedonia and said he was tortured" by the CIA "urged a federal appeals court on Tuesday to reinstate his lawsuit against the agency, which had been dismissed for national security reasons." In May Judge T. S. Ellis III of Federal District Court in Alexandria "said that although it appeared a great injustice might have been done to Mr. Masri, he was persuaded by the government that there was no way to even begin a trial without impermissibly disclosing state secrets." Wizner "told a three-judge appeals panel on Tuesday that the government's position was absurd because what happened to Mr. Masri had hardly remained secret. He noted that the German government was openly investigating whether its officials had played a role in Mr. Masri's ordeal, and numerous news accounts have quoted unidentified American officials as confirming what happened."

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US Citizen In Texas Pleads Guilty To Conspiring To Fight For Taliban. In a widely-distributed story, the AP (11/29, Stinebaker) reports, "A Houston man pleaded guilty after he and a Pakistani living illegally in the United States were charged with conspiring to join the Taliban and fight against U.S. forces, federal prosecutors said Tuesday." US citizen Kobie Diallo Williams and Pakistan national Adnan Babar Mirza "underwent training in guns and reconnaissance in the Houston area in preparation for joining up with the Taliban, prosecutors said." Williams surrendered Tuesday to members of the FBI's Joint Terrorism Task Force and pleaded guilty in U.S. District Court to the conspiracy charge. Mirza was already in custody on immigration violations. 'While these subjects did not operate at a high level of sophistication in comparison with the 9-11 hijackers, the expressed goal was to aid the Taliban by training to carry out jihad against coalition troops in the Middle East,' said Roderick Beverly, the head of the FBI's Houston office." ABC News' The Blotter (11/28, Ryan, 6:27 p.m.) noted, "In addition to the alleged firearms training, the men also agreed to provide financial support to the Taliban and their families, the indictment alleges. According to the indictment, Williams sent $350 to Taliban members and their family members on two occasions. 'The expressed goal was to aid the Taliban by training to carry out jihad against coalition troops in the Middle East,' said…Beverly."

KHOU-TV Houston (11/28, McShan) reported on its Web site from a story broadcast yesterday, "Mirza was attending Houston Community College and working as an accountant at a small business." Williams "attended U of H downtown and was working part time at Rice University in its engineering department." KHOU added, "How did the government learn about them? 'It was a referral from the border patrol as far as suspicious activity that they noted,' said Rod Beverly, head of the Houston FBI office. Beverly would not get into specifics, but Senator John Cornyn was quick to point out to us that Mirza was here illegally. 'Whether you provided aid to the Taliban or simply overstayed your visa, we ought to be enforcing our immigration laws,' said Sen. Cornyn." The Houston Chronicle (11/29, A1, George, Hassan, Lezon, 530K) also notes Beverly said in a statement yesterday, "While these subjects did not operate at a high level of sophistication in comparison with Sept. 11 hijackers, the expressed goal was to aid the Taliban by training to carry out jihad against coalition troops in the Middle East."

HOMELAND RESPONSE:

Tennessee White Supremacist Sentenced To 30 Years In Prison For Bomb Plot. WPTY-TV Memphis (11/28, Hartley) reported on its Web site from a broadcast story, "Federal authorities say a white supremacist will spend the next three decades behind bars for attempting to acquire nerve gas and explosives in a plot to destroy government buildings. A judge sentenced Demetrius 'Van' Crocker to 30 years in prison and lifetime supervised release. Crocker was arrested in 2004 after he tried to buy the weapons from undercover agents," telling "agents his dream was to set off a dirty bomb in Washington, D.C. while the House and the Senate were in session." The AP (11/29) notes, "The Tennessee Bureau of Investigation and the FBI started investigating him after an informant alerted the agencies to his anti-government rants. Crocker also told an agent he wanted a helicopter license so he could spray or bomb black neighborhoods in Jackson with poison gas and spike drugs with poison to kill black people."

Air Marshals Concerned Racism Fears Could Endanger Security. The Washington Times (11/29, Hudson, 88K) reports, "Air marshals, pilots and security officials yesterday expressed concern that airline passengers and crews will be reluctant to report suspicious behavior aboard for fear of being called 'racists,' after several Muslim imams made that charge in a press conference Monday at Ronald Reagan Washington National Airport." Following an incident last week in which they were removed from a US Airways flight in Minneapolis, six imams "urged Congress to enact laws to prohibit ethnic and religious 'profiling.'" One federal air marshal in Las Vegas, who asked that his name not be used, said that terrorists could use public fears of being labeled a racist "to their advantage in future aviation attacks."

Fox Special Report (11/28, story 10, 0:45, Hume) noted a report in Tuesday's Washington Times that said "passengers and flight attendants said the men switched from their assigned seats to a pattern associated with the September 11 terror attacks two in the very first row two in the middle next to the exit and two in the rear. The Times quotes an unidentified federal air marshal as explaining that pattern would enable a group to control the most important areas in the cabin. The imams yesterday staged a protest at Washington's Reagan Airport and have characterized their removal as an act of Islamophobia."

WPost Says More Information Needed To Explain Imams' Removal. The Washington Post (11/29, A22, 690K) editorializes that US Airways "and the authorities who detained the imams have questions to answer publicly about the incident. Were they switching seats suspiciously? Did the imams have round-trip or one-way tickets? Did the men ask for seat-belt extenders, and if so did they give any reason? Answers to these questions might help explain the

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airline and official actions, even if they do not end up justifying those actions."

Chertoff Announces First Responder Interoperability Deadlines. Long Island Newsday (11/29, Eisenberg, 414K) reports DHS Secretary Michael Chertoff told a gathering of state and local homeland security officials in Washington yesterday "that the nation's 35 highest-risk cities must have systems enabling first responders to communicate in a disaster by the end of next year. Every state must have such a system by the end of 2008, he said." The announcement came "five weeks before the start of a new Congress controlled by Democrats, many of whom have expressed frustration about the slow pace of progress on first-responder communications and pledged tougher oversight of his department. The secretary said public scorecards would be issued in the next few weeks to the highest-risk cities -- including Boston, Houston and Chicago -- to help them prioritize needed improvements. The focus, he said, would be regional because 'threats are region-based.'"

Bush Expected To Promote FEMA's Paulison. The Washington Post's (11/29, A21) Al Kamen writes in his "In The Loop" column that the "buzz" at FEMA is that Undersecretary R. David Paulison "will be nominated by President Bush for promotion to the deputy secretary level." Kamen notes that Congress "recently passed legislation raising the status of the FEMA administrator, effective March 31, mandating that he report directly to the secretary of the Homeland Security Department and advise the president and the White House Homeland Security Council during disasters."

Judge Rules In Favor Of Policyholders On Katrina Flood Claims. The New York Times (11/29, Treaster, 1.16M) reports, "A federal judge offered a glimmer of hope to the tens of thousands of people whose homes and businesses in New Orleans were flooded in Hurricane Katrina, ruling that insurance companies should pay for the widespread water damage." The ruling "could cost the insurers billions of dollars more than the $41 billion they have already paid to storm victims. But the insurers insist that their policies do not cover flooding, and they said yesterday that they expected an appeals court to reverse the decision. A final ruling could take months, if not years." Citing levee failures, the judge said the insurance policies on flood coverage "did not 'clearly exclude man-made' flood disasters."

WAR NEWS:

Leaked Hadley Memo To Bush Casts Doubt On Maliki's Ability To Stem Violence. As President Bush prepares to meet with Iraqi Prime Minister Nouri al-Malaki in Jordan today, the Administration is trying to send the message that it remains supportive of Maliki. As NBC Nightly News (11/28, lead story, 4:20, Gregory, 9.87M) reported, "White House officials" told NBC "the President will send a blunt but supportive message" at the summit: "One advisor said it will boil down to this -- 'We are in this together, we'll get out of this together.'" However, the leak of a classified memo to the President written by his national security advisor appears to have undermined the White House's message. Under the headline "Bush Adviser's Memo Cites Doubts About Iraqi Leader," the New York Times (11/29, Gordon, 1.16M) reports "a classified memorandum by…Bush's national security adviser expressed serious doubts about whether…Maliki had the capacity to control the sectarian violence in Iraq and recommended that the United States take new steps to strengthen the Iraqi leader's position. The Nov. 8 memo was prepared for Mr. Bush and his top deputies by Stephen J. Hadley, the national security adviser, and senior aides on the staff of the National Security Council after a trip by Mr. Hadley to Baghdad." The Times adds, "An administration official made a copy of the document available to a New York Times reporter seeking information on the administration's policy review. The Times read and transcribed the memo," and this morning makes it available to its readers in its entirety. The White House, says the Times, "has sought to avoid public criticism of Mr. Maliki." A "senior administration official discussed the memorandum in general terms after being told The New York Times was preparing an article on the subject." The official "stressed that the administration retains confidence in the Iraqi leader. 'What we are seeing is that he had the right intentions and is willing to act,' the senior official said. 'Our own review has opened a consultative process on where Maliki wants to take the government. A successful strategy has to be one that is driven by the Iraqis.'" In its front page article on Bush's meeting with Maliki, the Washington Post (11/29, A1, Abramowitz, 690K) mentions the memo "obtained by the New York Times," and says it "laid bare the doubts about Maliki," noting that the Bush-Maliki relationship "has grown fractious as repeated efforts to curb violence in Baghdad have failed."

In addition to the memo, a number of media stories suggest US officials and commentators, even the President, hold a dim view of the Iraqi leader's performance. The Washington Post (11/29, Abramowitz, 690K), in fact, reports Bush "hinted at the US government's growing impatience with Maliki" yesterday, "when he said he would query the prime

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minister about his 'strategy to be a country which can govern itself and sustain itself.'" ABC World News (11/28, lead story, 2:30, Gibson, 8.78M), meanwhile, said "US officials more and more express doubt Maliki can stop the violence. … In fact, a senior Defense official tells ABC News the Iraq government could collapse within weeks if there are more spectacular attacks like the Thanksgiving Day bombings that killed more than 200 civilians." The Los Angeles Times (11/29, Zavis, Wallsten, 850K) says Maliki feels "frustrated by US accusations that he isn't doing enough," and USA Today (11/29, Soriano, Nichols, 2.27M), in a story titled "Some Question Whether Al-Maliki Strong Enough," reports "analysts say there is growing evidence that al-Maliki is not up to the formidable task of bringing stability to his country." Wayne White, "head of the State Department's Iraq intelligence desk during the US invasion in 2003," is quoted saying Maliki "probably has neither the will nor the ability to address certain core issues, such as widespread abuses on the part of (Shiite) militias and the police. … He is beholden to the forces behind the militias for his political survival." Jeffrey White, a former Defense Intelligence Agency Middle East analyst, "said al-Maliki was chosen as prime minister by Shiite leaders 'because he was weak and pliable.'" Fox News Special Report With Brit Hume (11/28, Baier) offered a more positive assessment of the Administration's attitude toward Maliki, reporting, "Senior aides say the President is urging flexibility and is eager to look Prime Minister Maliki in the eye and ask him what his government needs to better deal with the increased sectarian bloodshed."

More negative coverage on the summit: The New York Times (11/29, Burns, Semple, 1.16M) says that "at a time of heightened urgency in the Bush administration's quest for solutions, American military and political leverage in Iraq has fallen sharply. Dismal trends in the war…have merged with growing American opposition at home to lend a sense of crisis to the talks in Amman. But American fortunes here are ever more dependent on feuding Iraqis who seem, at times, almost heedless to American appeals, American and Iraqi officials in Baghdad say." The Wall Street Journal (11/29, Shishkin, 2.04M), in a story headlined "Why Iraq's Discord Stalls Political Solution," says "Bush is expected to press Iraq's leader when they meet this week to act decisively against the violence coursing through Iraqi neighborhoods. That may prove extremely difficult, because the sectarian discord has paralyzed the country's fragile political structure -- and with it much of the leverage at Prime Minister Nouri al-Maliki's disposal." The Journal adds, "Nowhere is this paralysis more evident than in Iraq's national assembly. The Parliament was cast by Washington as a solution to the nation's problems when it was elected a year ago. Instead, it embodies Mr. Maliki's biggest challenge because it mirrors the sectarian battles raging on the Iraqi streets."

NYTimes Says Bush Must Warn Maliki "Americans' Patience Has All But Run Out." The New York Times (11/29, 1.16M) editorializes, "Mr. Bush needs to make clear that Americans' patience has all but run out and that he will start bringing the troops home unless Mr. Maliki moves to rein in sectarian bloodletting and Iraqi troops start shouldering more of the burden. Mr. Maliki needs to make Mr. Bush understand Iraq's full desperation -- and his own desperate political weakness. So long as Baghdad remains in chaos — and militias are better armed and more motivated than the Iraqi Army -- he has no chance of ending the blood feuds or breaking the cycle of retribution."

Bush Says Al Qaeda Behind Spike In Iraq Violence. The day before his summit with Iraqi Prime Minister Nouri al Maliki, President Bush said the US will not withdraw its troops from Iraq "before the mission is complete." Bush also made the case that Al Qaeda is behind the recent spike in violence in that country. As NBC Nightly News (11/28, lead story, 4:20, Williams, 9.87M) reported, the President "said it's al Qaeda that needs to be defeated in Iraq and toward that end, he says he will not pull US troops out of that battlefield unless and until that job is done." Bush also declined to call the conflict in Iraq a "civil war." The Washington Post (11/29, A1, Abramowitz, 690K) reports that despite "pointed emphasis on the Iraqi government's role in controlling the violence," Bush Tuesday "made clear his view that Iraq has not yet fallen into civil war." The New York Times (11/29, A18, Stolberg, 1.16M) also says Bush "blamed Al Qaeda for the latest wave of sectarian violence" and vowed not to withdraw troops "until the mission is complete."

Bush's comments are receiving markedly negative media coverage. The CBS Evening News (11/28, lead story, 3:00, Axelrod, 7.66M), for example, said that "heading into the summit Mr Bush seems to be looking back as much as looking forward, recycling, old claims that outside terrorists are to blame for the chaos in Iraq." ABC World News (11/28, lead story, 2:30, Raddatz, 8.78M) reported, "The problem is that it is virtually impossible for individual soldiers to tell the difference, for example, between a Sunni insurgent or an Al Qaeda terrorist. 'Anybody that is shooting at us,' said one commander recently, 'is an enemy.'" NBC Nightly News (11/28, lead story, 4:20, Gregory, 9.87M), which has officially termed the conflict a "civil war," reported, "Iraq's worsening civil war will dominate the President's meeting with…Maliki. Concluding his visit to Estonia earlier today, Mr. Bush blamed the violence not on civil war but on Sunni terrorists." Bush was shown saying, "There's a lot of sectarian violence taking place, fomented in my opinion because of these attacks by al Qaeda, causing people to seek reprisal. And we will work with the Maliki government to defeat these elements." NBC added, "Back in Washington, incoming House Speaker

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Nancy Pelosi disagreed, warning that such rhetoric about al Qaeda will make it harder for Democrats to work with the White House." Pelosi was shown saying, "The 9/11 commission dismissed that notion a long time ago and I feel sad that the President is resorting to it again."

CNN characterized Bush's strategy on Iraq as a repetition of his past policies. CNN's The Situation Room (11/28, Blitzer) said in its lead story, "Familiar words from a President now under intense pressure to change direction in Iraq, where more blood is being spilled every day." CNN correspondent Suzanne Malveaux: "Pressure is growing on…Bush to come up with a working strategy of his own." CNN's The Situation Room (11/28, Malveaux) in its second segment described Bush is "using an old and familiar argument, blaming the fighting on Al Qaeda."

The New York Times (11/29, Stolberg, 1.16M) runs a similar story under the headline "Bush Declines To Call Situation In Iraq Civil War," while the Washington Post (11/29, Baker, 690K) titles its report "White House Wages War Of Words Over 'Civil' Term." The Post reports, "It is not, no matter how much it may look like it, a civil war. Forget the debate over what to do about the war in Iraq. The White House is still debating what to call the war in Iraq. With retired generals, analysts, politicians and pundits increasingly using the term 'civil war,' the Bush administration insists that the definition does not fit as part of its latest effort to control the words of war." The Post continues, "To people dying in the streets of Sadr City, it may be just semantics. But the White House fiercely resists the phrase out of fear of its impact in both Iraq and the United States." The Post adds the "risk" for the White House is that "once again it will appear out of touch with reality over there and with public perception here at home." The AP (11/29, Raum) also notes the President "portrayed the battles in both Afghanistan and Iraq as central fronts in a war 'against the extremists who desire safe havens and are willing to kill innocents anywhere to achieve their objectives.'" USA Today (11/29, Jackson, 2.27M), McClatchy (11/29, Douglas) run similar stories.

A couple of TV reports, meanwhile, suggested Bush overstated Al Qaeda's role in Iraq in his comments yesterday. NBC Nightly News (11/28, story 3, 2:25, Williams, 9.87M) reported on Bush's "claim today that Al Qaeda is behind this rising tide of violence in Iraq." NBC's Brian Williams prompted Pentagon correspondent Jim Miklaszewski "to take a closer look at that claim," asking "how serious is it?" NBC's Miklaszewski responded, "There's no question that al Qaeda still remain as serious threat in Iraq. But US military officials admit, it's not the primary threat by a long shot. … Two weeks ago, the top US military commander for the Middle East," General John Abizaid, "told Congress, sectarian violence, not Al Qaeda is the primary long-term threat in Iraq. … In fact, according to military intelligence, Al Qaeda makes up only 2% to 3% of enemy forces in Iraq." Miklaszewski added, "Whatever that Al Qaeda threat, some experts blame it directly on the US war in Iraq. … Al Qaeda is not the reason the US invaded Iraq in the first place but now the Bush Administration is clearly out to convince the American people, al Qaeda is why American forces should now stay." The CBS Evening News' Katie Couric (11/28, story 3, 2:00) asked Richard Haas, president of the Council on Foreign Relations, if he "buys" the President's contention that al Qaeda "is basically responsible for the sectarian violence in Iraq." Haas responded, "In a word, no. It's clearly responsible for some of it. It's clearly exacerbated some of it. But even if al Qaeda disappeared tomorrow…the sectarian violence would continue."

Bush Rejects Expected ISG Recommendation On Iran And Syria. The CBS Evening News (11/28, lead story, 3:00, Couric, 7.66M) reported, "In Washington, the Baker-Hamilton commission continued its work hoping for a report by early next week." Bush, on the eve of his summit with Malaki in Jordan, "adamantly rejected what's expected to be a key recommendation -- engaging Iran and Syria for help calming Iraq. He says that's up to the Maliki government." Bush: "Iraq is a sovereign nation which is conducting its own foreign policy. They're having talks with their neighbors, and if that's what they think they ought to do, that's fine. I hope their talks yield results." Axelrod: "The results yielded today were not what the President wanted. Iraq's President Talabani was in Iran, listening to Iran's Supreme Leader, Ayatollah Khomeini, blame the United States for all the chaos in Iraq."

NBC Nightly News (11/28, story 2, 2;20, Engel, 9.87M) reported, "Iran has made it clear that it is an alternative address to Washington where Middle East diplomacy can take place. Iraq's President Talabani was in Tehran today meeting with the country's supreme leader. He was also accompanied by his oil minister. Iran is also reaching out to American allies, especially Egypt and saying today that it sees Iranian cooperation with Arab states as the key to a solution. If Washington can't give a comprehensive solution to the many problems in the Middle East, Iran has made it clear, it is willing to try."

The New York Times (11/29, A16 Fattah, 1.16M) reports that when Bush arrives in Amman Wednesday, "there will be no shortage of people seeking to make him feel unwelcome with a decidedly blunt message." According to the Times, in Amman "and throughout the Arab…Iran was foremost on a lot of minds." For many, the Times says "a resurgent Iran, with or without a nuclear bomb, is a central concern. An opening with Iran, many analysts said, would amount to a loss of face for the Arabs and a striking boost for Iran." Despite "growing anti-Americanism," Arab governments have been "eager to maintain an American presence in the region, fearing Iran would step in where the United States retreated." The Los Angeles Times (11/29,

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Richter, 850K) runs a similar story under the headline "Bush firm on Iran, Syria talks."

NBC Criticized For "Civil War" Decision. The Washington Times (11/29, Harper, 88K) reports, "'Civil war' has joined 'terrorist' and 'undocumented immigrant' in the growing lexicon of terms that prompt press organizations to get touchy about their coverage. In the name of neutrality, print and broadcast journalists alike have declared moratoriums on words deemed inflammatory or judgmental in the years since the September 11 attacks." Neutrality "might not be the motivation behind NBC's decision to announce that Iraq is now engaged in a civil war, despite statements from the White House to the contrary. … 'News organizations claim they don't want to be political in their coverage. But this declaration strikes me as very political. This is NBC saying, "Hey, George Bush is delusional, and we're not going to play along." That's the tenor of it,' Tim Graham of the Media Research Center said yesterday." Graham added, "The pomposity of the judgment is also troubling. The network is clearly seeking a tipping point to declare that the US is losing Iraq."

WSJournal Says Iraq Conflict Not A Civil War." The Wall Street Journal (11/29, 2.04M) editorializes, "The next Iraqi or American official to be asked about 'civil war' might want to reply by asking the journalist who, precisely, is fighting whom, and why Iraqi security officers of all backgrounds continue to risk their lives for the elected Baghdad government. The truth is that the enemies of Mr. Maliki's government are terrorists and thugs." Bush "could help give Mr. Maliki the confidence he needs for the tough fight ahead -- first against the Sunni terrorists, then against the Shiite revenge killers -- by assuring him that US policy will be based on this fact."

Carter Dismisses Comparisons Of Iraq With Sudan. Former President Jimmy Carter in an interview on MSNBC's Hardball With Chris Matthews (11/28) was asked, "There is a report that 650,000 civilians have been killed. Do you think it has the potential of being as bad as Sudan?" Carter replied, "I don't think so. Because Sudan had two million people died. And it is obviously serious and I don't think American intervention, even if we wanted to exert the full power of our military force there could successfully interrupt the violence that is killing people still on the streets."

Carter Calls Iraq Invasion "One Of The Greatest Blunders" Ever Made By A President. Carter, in an interview on CNN's The Situation Room (11/28, Blitzer), said invading Iraq "is going to prove, I believe, to be one of the greatest blunders that American presidents have ever made." Blitzer: "Bigger than Vietnam?: Carter: "I think it's going to be a close call, but perhaps much more vividly known by the rest of the world than Vietnam was. And, of course, my answer is predicated on not knowing what is going to happen in the future. I think president Bush could still salvage out of Iraq a conclusion that he could identify as victory. If he would agree that this international conference would help Iraq and if there could be an orderly withdrawal of American troops and Iraq could be sustained with the support of the rest of the world as a viable democracy, then he could say, in retrospect, this was a success -- and I think that's what he would like to see as an ultimate indication of a victory."

Gingrich Says White House Must Admit Change Of Course Needed. The Boston Globe (11/29, Pindell, 413K) reports that ex- House Speaker Newt Gingrich (R) "told a New Hampshire audience yesterday that unless the Bush administration admits that the war in Iraq is a 'failure,' it will never develop a strategy to leave the country successfully." Gingrich said that "the Bush administration needs to plan a 'third stage' in Iraq, following the military takeover stage and the recent democracy-building stage. But he says a third stage can come about only if officials admit they must change course. 'If the military, White House, and State Department continue to avoid the word 'failure,' how can you bring about a third stage?' Gingrich said." Gingrich "said a show of contrition by the White House would help the president regain the trust of the American people and avoid a quick pullout, which would be disastrous. The first goal in Iraq, Gingrich said, should be to rebuild the national military, even if it requires spending tantamount to the Marshall Plan effort in the aftermath of World War II, in which the United States spent up to 3 percent of its gross domestic product. 'We have to show we are serious about winning and that we will defeat any person, Sunni or Shi'ite, that hopes to disrupt progress,' he said. 'But we can only do that if we have Iraqi troops on the ground.'"

ISG To Set Deadline For Iraqis To Assume "Greater Responsibility" On Security Matters.

The CBS Evening News (11/28, story 2, 2:10, Couric, 7.66M) reported that the President "has repeatedly dismissed the idea of setting a schedule for withdrawing US troops," CBS "has learned the commission may have found a way around that by putting the onus on the Iraqis." CBS (Martin) added, "Sources close to the Iraq study group predict its final report will not call for a timetable for the withdrawal of American troops, which would almost certainly be rejected by the Bush Administration. Instead, these sources expect it to recommend a timetable for the Iraqi government to assume greater responsibility for its own security. Still unresolved is the question of what if any consequences there would be if the Iraqi government failed to meet the timetable. The study group is drafting its recommendations just as the Bush Administration is acknowledging the war has entered a new phase."

The Washington Post (11/29, A1, Ricks, Wright, 690K) reports, "Even Democrats who have criticized the Bush

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administration's conduct of the occupation say the people and government of Iraq are not doing enough to rebuild their society." The White House "is putting pressure on the government of…Maliki, and members of the bipartisan Iraq Study Group have debated how much to blame Iraqis for not performing civic duties." This "marks a shift in tone from earlier debate about the responsibility of the United States to restore order after the 2003 invasion, and it seemed to gain currency in October, when sectarian violence surged. Some see the talk of blame as the beginning of the end of US involvement."

Panel Unable To Reach Consensus On US Troop Levels. The AP (11/29, Baldor) reports the Iraq Study Group "could not reach a consensus Tuesday on how many or how long U.S. troops should remain in Iraq, forcing the group to return for a third day of debate, according to an official close to the panel's negotiations." Panel member Leon Panetta, former White House chief of staff to President Clinton, "hinted at some struggles, telling reporters, 'Trying, trying to find a ... trying to find consensus. ... It goes up and down.'" A second official "has said that the commission was unlikely to propose a timetable for withdrawing U.S. troops from Iraq but that some members seemed to favor setting a date for only an initial withdrawal. … The first official said Tuesday that the group was still struggling over whether to set a hard deadline for withdrawing U.S. forces or if there should be any short-term increase in troops." The AP notes the group "was initially expected to wrap up their deliberations Tuesday."

Carter Expects Bush To Adopt Most Commission Recommendations. Former President Jimmy Carter, in an interview on CNN's The Situation Room (11/28, Blitzer), said Bush "has his own recommendations to be derived from people in his Administration. But I think it would be natural for President Bush to adopt as many of the policies that Jim Baker and Lee Hamilton recommend in their committee as he possibly can. If there is some things he disagrees in order to save face and show his independence he is still the Commander in Chief, then he'll do it. But I think the recommendations of the committee will be seriously considered by the White House."

Bush's Faith Seen As Driving His Foreign Policy. CNN's The Situation Room (11/28, Blitzer) reported, "Good, evil and God-given duties. Both supporters and critics of President Bush believe they're the notions that drive the man and help shape this foreign policy. But they've also helped to put the United States, critics say, on a potential collision course with the Muslim world." CNN correspondent Zain Verjee: "When it comes to foreign policy, the President says he answers to a higher power. … Some experts say that the President's faith helps make him a decisive leader. Once he determines it's God's will to act, it's hard to sway him. They also say that could leave him less flexible and less likely to change course."

Bush Urged To Heed Saudi Officials' Advice On Iraq. In an op-ed for the Washington Post (11/29, A23, 690K), Nawaf Obaid, an advisor to the Saudi government, writes, "In February 2003, a month before the U.S.-led invasion of Iraq, the Saudi foreign minister, Prince Saud al-Faisal, warned President Bush that he would be 'solving one problem and creating five more' if he removed Saddam Hussein by force. Had Bush heeded his advice, Iraq would not now be on the brink of full-blown civil war and disintegration. One hopes he won't make the same mistake again by ignoring the counsel of Saudi Arabia's ambassador to the United States, Prince Turki al-Faisal, who said in a speech last month that 'since America came into Iraq uninvited, it should not leave Iraq uninvited.' If it does, one of the first consequences will be massive Saudi intervention to stop Iranian-backed Shiite militias from butchering Iraqi Sunnis."

More Commentary. The New York Times' Tom Friedman (11/29) writes, "We need to face our real choices in Iraq, which are: 10 months or 10 years. Either we just get out of Iraq in a phased withdrawal over 10 months, and try to stabilize it some other way, or we accept the fact that the only way it will not be a failed state is if we start over and rebuild it from the ground up, which would take 10 years. This would require reinvading Iraq, with at least 150,000 more troops, crushing the Sunni and Shiite militias, controlling borders, and building Iraq's institutions and political culture from scratch. Anyone who tells you that we can just train a few more Iraqi troops and police officers and then slip out in two or three years is either lying or a fool. The minute we would leave, Iraq would collapse."

In his column for the Washington Post (11/29, A23, 690K) Harold Meyerson writes that "on matters Iraqi, much of the Beltway -- and not just the administration -- remains impervious to fact. 'We've got to get the Iraqi army and police better equipped, better trained and into the fight,' retired Gen. Barry McCaffrey declared recently. 'And I think we've got 24 months.' The police, of course, are already into the fight, many of them working with Shiite militias to execute Sunnis. They are, from any dispassionate perspective, proficient enough. Train them for 24 months and they will be the terror of the Earth."

In an op-ed for the Wall Street Journal (11/29, 2.04M), author Amir Taheri writes, "While Mr. Bush should demonstrate that America remains committed to the new Iraq, he should only prepare to renew the US mission for one more year, dependent on a credible plan for transferring responsibility for security to the Maliki government. In that year, the US ought to intensify its training programs and examine options for expanding the weapons system of the new Iraqi army." The US should not "write blank checks."

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Gates Criticizes Prewar Iraq Planning. The New York Times (11/29, Cloud, 1.16M) reports, "In his first detailed public statement since his nomination as defense secretary, Robert M. Gates criticized the Pentagon as failing to prepare adequately for securing Iraq after the invasion in 2003. Asked in a questionnaire from the Senate Armed Services Committee what he would have done differently in Iraq…Gates responded: 'War planning should be done with the understanding that postmajor-combat phase of operations can be crucial. If confirmed, I intend to improve the department's capabilities in this area.'" The Times notes that by "criticizing the Iraq planning, however obliquely," Gates "offered a glimpse of how he might distance himself from" Defense Secretary Donald Rumsfeld. The Times adds that when asked whether the US "should engage in direct talks with Iran and Syria on stabilizing Iraq," Gates "shied from endorsing bilateral overtures to either country. 'Engagement with Iran might well come as part of an international conference,' he said. Talks with Damascus could 'take the form of Syrian participation in a regional conference,' he added. But he also said, 'No option should be taken off the table,' noting that 'even in the worst days of the cold war, the United States maintained a dialogue with the Soviet Union and China.'" According to the Times, Gates' reply "backed slightly from a study of which he was a co-author for the Council on Foreign Relations. The examination called for the United States to 'engage selectively' with Iran, in part to dissuade Iran from pursuing nuclear weapons." In contrast to the Times, the Washington Post (11/29, A5, Ricks, 690K) describes Gates' position on engagement of Iran and Syria as "consistent with his past views," and characterizes them as appearing to be "at odds with the Bush administration's current policies." According to the Post, Gates' "position conflicts with the U.S. stance on Syria particularly."

Gates Argues Against Precipitous Withdrawal. The Washington Post (11/29, A5, Ricks, 690K) reports Gates "said he opposes a swift pullout from Iraq, arguing in written testimony submitted yesterday to Congress that 'leaving Iraq in chaos would have dangerous consequences both in the region and globally for many years to come.'"

Pentagon Reportedly Considering Abandoning Anbar Province. ABC World News (11/28, story 2, 3:00, Gibson, 8.78M) reported, "The center for al Qaeda in Iraq is in that country's al Anbar province. More than 1,000 US troops have been killed there, more than 1 out of 3 American fatalities. And among military commanders, there's a sense that defeating the enemy there may be impossible or would come with a cost too great to bear." ABC added that it "has learned that the Pentagon is considering essentially writing off al Anbar province." US troops "will be taken out of al Anbar and move to fight what might be an even more difficult battle. The battle for Baghdad. … Under the plan now being considered by Joint Chiefs Chairman Peter Pace, US forces would turn al Anbar over to Iraq forces." ABC noted, "Some officials oppose the move, arguing al Qaeda could turn it into a power base."

Dowd Notes Speculation On "Writing Off" Anbar. In her column for the New York Times (11/29, 1.16M) Maureen Dowd writes President Bush "vowed yesterday that 'I'm not going to pull our troops off the battlefield before the mission is complete.' But his words about Iraq long ago lost their meaning. Especially the words 'mission' and 'complete.' At least in Anbar, the Pentagon may be about to pull troops off the battlefield. In another article yesterday, The Post, reporting on a classified Marine Corps intelligence report, said that 'the U.S. military is no longer able to defeat a bloody insurgency in western Iraq or counter Al Qaeda's rising popularity there.' … ABC Nightly News went even further last night, reporting that the Pentagon is 'writing off' Anbar."

Shiite, Sunni Militias Reportedly Preparing For Major Offensives. The Washington Times (11/29, Behn, 88K) reports, "Rival Shi'ite and Sunni groups are massing their militias in expectation of major confrontations. … Iraqis on both sides of their nation's sectarian divide report worrisome signs that the conflict will soon evolve into pitched battles between large armed groups. One secular Shi'ite speaking on the telephone from Baghdad said Shi'ite militias were massing in preparation for a large offensive against Sunnis in the capital. 'They had a big militarylike ceremony today for the Mahdi militia, to show their force. They are making themselves ready for something big -- protests, fighting, killing,' said the Shi'ite. A secular Sunni in close contact with one insurgent faction, said rebel Sunnis were also trying to form alliances among militias for a big push in the city against the Shi'ites, including more raids on government buildings." The Times adds that the "emergence of pitched battles between massed groups of Sunnis and Shi'ites would largely settle a long-running argument in Washington over whether the conflict in Iraq should be described as a civil war -- a description the Bush administration has so far rejected."

US Spokesman Predicts Sadr City Attack Will Spur Increased Violence. The Washington Post (11/29, A17, Trejos, 690K) reports Maj. Gen. William B. Caldwell "told reporters Tuesday that he expects to see 'elevated levels of violence' as a result of the car bombings that killed more than 200 people in Sadr City, a Shiite district in northeast Baghdad. The coordinated attacks set off a wave of retaliatory killings in Sunni neighborhoods. While acknowledging the sectarian conflict, Caldwell stopped short of characterizing it as a civil war." The Post goes on to report, "In the past 24 hours, 40 bodies were found in Baghdad,

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showing signs of torture and gunshot wounds to their heads. Among them were three beheaded bodies and two female bodies, said Col. Kareem Abdul Aziz Hussein of the Interior Ministry. Meanwhile, two car bombs exploded behind Yarmouk Hospital in west Baghdad, killing five people and wounding 11, Hussein said."

Sadr Profiled. The CBS Evening News (11/28, story 4, 2:30, Couric, 7.66M) profiles Moqtada al-Sadr, describing him as "a politician and a warrior, commander of a militia called the Mahdi Army. Intelligence estimates say it's grown eight-fold in the past year alone to some 60,000 men. Al-Sadr is the thirty something heir to a religious dynasty. … He flaunts his ferociously anti-American message which boils down to 'get your troops out.'"

Mahdi Army's Burning Of Six Sunni Worshippers Described. The AP (11/29, Hurst) reports, "The attack on the small Mustafa Sunni mosque began as worshippers were finishing Friday midday prayers. About 50 unarmed men, many in black uniforms and some wearing ski masks, walked through the district chanting 'We are the Mahdi Army, shield of the Shiites.' Fifteen minutes later," four vehicles "drove up to the marchers…suspected Shiite militiamen took automatic rifles and rocket-propelled grenade launchers from the vehicles. They then blasted open the front of the mosque, dragged six worshippers outside, doused them with kerosene and set them on fire."

Responding To Maliki Request, UN Security Council Extends Mandate. The AP (11/29, Lederer) reports the U.N. Security Council "voted unanimously Tuesday to extend the mandate of the 160,000-strong multinational force in Iraq for one year. ... The council responded to a request from Iraqi Prime Minister Nouri al-Maliki, who said a top government priority is to assume full responsibility for security and stability throughout the country but that it needs more time." The resolution drafted by the United States "extends the mandate of the multinational force for one year starting on Dec. 31 and authorizes a review of the mandate at the request of the Iraqi government or by June 15. The resolution contains the same provision as past resolutions — a commitment that the council 'will terminate this mandate earlier if requested by the government of Iraq.'"

Annan Endorses Regional Conference On Iraq Including Iran And Syria. The Washington Post (11/29, A17, Wright, Lynch, 690K) reports U.N. Secretary General Kofi Annan "proposed an international conference…to forge reconciliation among Iraq's political parties." Annan "said that Iran and Syria should be included in efforts to stabilize Iraq. 'The two countries have a role to play, and they should become part of the solution,' he told reporters, reflecting strong international momentum behind a broader approach to Iraq's strife. 'And we should bring them in and get them to work with us in resolving the issue and let them assume some of the responsibility.'"

US Soldiers Kill Five Iraqi Girls During Ramadi Firefight. The AP (11/29, Wagner) reports U.S. soldiers "fought with suspected insurgents using a building as a safe house in Ramadi…killing one Iraqi man and five females, ranging in age from an infant to teenagers, the U.S. military said. … The battle in Ramadi began when a US patrol discovered a roadside bomb in the Hamaniyah section of the city, and two suspected insurgents fled to a house, where they took up positions on the roof, the military said. As coalition forces removed the bomb, the militants fired on the soldiers, who fought back with machine guns and tanks, the statement said." The New York Times (11/29, Wong, 1.16M) reports, "It was unclear what happened to the suspected insurgents, but the military said 'it was reported' that one was injured in the fight and carried away by other insurgents."

US Pilot Unaccounted For After F-16 Crash Near Fallujah. The CBS Evening News (11/28, story 5, 0:55, Couric, 7.66M) reported, "US forces are still searching for the pilot of an F-16 that crashed yesterday near Fallujah. The wreckage was immediately surrounded by insurgents and by the time American rescuers got there, the pilot was missing. Videotape shot by a local journalist appeared to show a body near the plane, but the US military can't confirm whether the pilot is alive or dead."

Bush Urges NATO To Commit To Afghanistan Mission. The AP (11/29, Kole) reports, "NATO was divided at its summit Tuesday on deploying more troops to Afghanistan's volatile south, with Germany resisting any permanently expanded presence and Canada complaining of bearing the brunt of an increasingly bloody mission. Despite the strengthening Taliban insurgency and unexpectedly high casualties, NATO Secretary-General Jaap de Hoop Scheffer said that by 2008, he hopes Afghan forces can begin taking over security tasks." President Bush "called the Afghanistan mission -- which has mobilized 32,800 troops -- NATO's No. 1 operation. Defeating Taliban forces, he said, 'will require the full commitment of our alliance.'" Added Bush, "The commanders on the ground must have the resources and flexibility they need to do their jobs."

The Financial Times (11/29, Dombey, Fidler) reports France, Germany and Spain "all said this week they could relax restrictions on their troops in Afghanistan to enable them to help in the turbulent south in case of emergencies. On Tuesday James Jones, Nato's military chief, said that 10 to 15 per cent of restrictions were being lifted, a step equivalent to providing 2,000 soldiers." The Washington Times (11/29, A1, Dinan, 88K) runs a similar report under the

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headline "NATO To Bear Afghan Burden," while the Los Angeles Times (11/29, Wallsten, 850K) says "Bush has long called the defeat of the Taliban a triumph of freedom over tyranny. But on Tuesday he tacitly acknowledged that not all is well in Afghanistan, four years after the US-led invasion, and he exhorted allies to step up their cooperation or risk failure there."

More Commentary On NATO. The Washington Post (11/29, A22, 690K) editorializes, "The NATO alliance has been confounding prophets of its demise ever since the Cold War ended 15 years ago. For much of that time the military pact has played an unlikely but invaluable role as mentor to the formerly communist nations of Europe, granting 10 of them membership after requiring them to build democratic institutions. For the past several years it has played an increasingly important role in Afghanistan: Since the summer, NATO has led the fight against the Taliban in the unstable south, routing a large concentration of insurgents near Kandahar in the biggest battle in its history." Bush "spelled out a U.S. aim to bring Croatia, Albania and Macedonia into NATO by 2008 and to work toward membership for Georgia -- a democracy that Russia is doing its best to destabilize." Scheffer "rightly pointed to the need for the alliance to step up development and reconstruction operations in Afghanistan, so that areas cleared of the Taliban will have a shot at stabilizing. If NATO's leaders can follow through on those commitments and objectives, the alliance could defy the prophets of its doom once more."

The Los Angeles Times (11/29, 850K) editorializes, "The primary issue that NATO leaders hoped to address Tuesday is a shortage of troops in southern Afghanistan, where unexpectedly heavy resistance from the Taliban is endangering the alliance's most important mission. Among those not pulling their weight is France. Like Germany, Italy and Spain, France has placed caveats on the use of its 1,900 soldiers, preventing them from being shifted nimbly to the areas where they're most needed. The French also have refused to deploy a NATO strategic reserve battalion to address calls for 2,500 more combat troops." NATO's mission in Afghanistan, "unlike the war in Iraq, is a multilateral effort against a foe that presents a well-known threat to the West. A failure there would not only create a terrorist haven, it would expose NATO as a feeble, divided force."

Women In Parliament Seen As Evidence Of Afghanistan's Slow Liberalization. The Los Angeles Times (11/29, Rubin, 850K) reports Zahera Sharif "is the only woman among the four members of Afghanistan's parliament from Khowst province. In a conservative area where it is possible to drive through towns without seeing a single woman on the street, she is a rarity. As a member of parliament, she represents an institution that Western observers and experts in Afghanistan say is the country's best shot at building a stable democracy after years of war and religious extremism." The Times adds, "Even among the 68 women in parliament, U.S. and United Nations officials estimate that half have militia ties, and can be counted on to keep quiet and vote as they are told."

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Gonzales Among Those To Attend Calderon Inauguration. McClatchy Newspapers (11/29, Root) reports, "Fistfights and shoving matches broke out in the Mexican Congress Tuesday after leftist lawmakers, hoping to block the inauguration of conservative President-elect Felipe Calderon, stormed the podium and tried to seize control of the chamber. … Conservatives, surrounded by security guards, pushed back the protesting lawmakers and vowed to keep order until they formally bestow the presidential sash on Calderon in a ceremony in the Chamber of Deputies this Friday." McClatchy adds, "Calderon has promised to reach out to those who didn't support him. But his critics on the left say his Cabinet picks suggest otherwise. On Tuesday he announced that former Jalisco Gov. Francisco Ramirez Acuna, criticized for his hard-line approach in dealing with street protests, would be his new interior secretary, handling domestic security matters." McClatchy adds, "The U.S. Embassy said that former President George Bush, U.S. Attorney General Alberto Gonzales and U.S. Commerce Secretary Carlos Gutierrez would travel to Mexico to attend the inauguration. … What they'll find when they get here is anybody's guess. Tuesday's trouble started around lunchtime, as rumors swept the chamber that PRD supporters would try to seize the chamber. PAN leaders, who have the largest bloc of votes and control the gavel, began assembling near the dais, along with a coterie of guards."

Bloomberg (11/29, Harrington) reports, "Former U.S. President George H.W. Bush will attend the swearing-in ceremony, the U.S. Embassy in Mexico said in an e- mail statement. U.S. Attorney General Alberto Gonzales and U.S. Secretary of Commerce Carlos Gutierrez will also attend, according to the statement."

CORPORATE SCANDALS:

Business Interests Seek To Roll Back Regulation. The Washington Post (11/29, A1, Johnson, 690K) reports business interests, "seizing on concerns that a law passed in the wake of the Enron scandal has overreached, are advancing a broad agenda to limit government oversight of private industry, including making it tougher for investors to sue companies and auditors for

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fraud." A group "that has drawn support from Treasury Secretary Henry M. Paulson Jr. plans to issue a report tomorrow that argues that the United States may be losing its preeminent position in global capital markets to foreign stock exchanges because of costly regulations and nettlesome private lawsuits." And interest groups "are trying to build political support to review long-standing rules that govern companies, as well as parts of the 2002 Sarbanes-Oxley law, which imposed stringent responsibilities on accountants, boards of directors and corporate executives. Some key members of Congress have recently expressed concern that U.S. companies may be over-regulated."

Paulson's Call For Principle-Based Regulation Examined. In his Wall Street Journal column (11/29), Alan Murray notes Treasury Secretary Henry Paulson's call for "moving from a regulatory regime based on 'rules' to one based on 'principles.'" In a speech, Paulson "complained of 'an ever-expanding rule book in which multiple regulators impose rule upon rule upon rule.' He extolled 'the desirability, where practical, of moving toward a principles-based system.'" The "model for a principles-based regulatory approach, it turns out, is Britain's Financial Services Authority." Could "such a system work in the U.S.? Well, first, it would require a restaffing of the SEC: More economists, fewer lawyers. (The current count is 1,344 attorneys, 27 economists.) More importantly, it would require reining in the trial bar, which empowers corporate lawyers by creating the constant threat of lawsuits. It also would probably require curbs on state attorneys general like soon-to-be New York Gov. Eliot Spitzer, who was always happy to step in whenever he thought the SEC was going soft."

US May Challenge Ruling On Former Westar CEO. The Topeka (KS) Capital-Journal (11/29, Boczkiewicz) reports from Denver, "Prosecutors may ask an appeals court to reconsider last week's decision that set aside a five-year prison sentence for David Wittig, former chief executive of Westar Energy, for bank crimes." The Capital-Journal continues, "In a new filing at the 10th U.S. Circuit Court of Appeals, a federal prosecutor in Topeka said attorneys at Justice Department headquarters in Washington, D.C., are evaluating whether to ask the court to rehear Wittig's appeal. … A three-judge panel of the court dealt a blow to prosecutors on Nov. 22 by setting aside Wittig's sentence and instructing U.S. District Judge Julie Robinson, of Topeka, to resentence him." The Capital-Journal adds, "The appellate judges concluded that she erred in computing his sentence under sentencing guidelines. … They pointed out that a sentence of six months is the maximum recommended in the guidelines unless she justifies a longer sentence. … Wittig's sentence is for convictions in 2003 of hiding from bank regulators a $1.5 million loan he made to former Capital City Bank president Clinton Odell 'Del' Weidner II. Wittig is serving a separate 18-year sentence for convictions in 2005 of looting Westar of millions of dollars." The Capital-Journal n otes, "In the new filing, prosecutor Richard Hathaway said prosecutors are considering asking all of the appeals court judges to consider the case, instead of only the three judges who issued last week's decision. .. .The Denver-based court seldom agrees to rehear cases, especially those in which a three-judge panel was unanimous, as it was in last week's decision. … Hathaway said Dec. 6 is the deadline for prosecutors to ask the judges to rehear Wittig's appeal. The prosecutor said lawyers of the solicitor general's staff in Washington need more time to decide whether to make the request."

Suit Claims US Firm Bribed Chinese Banking Officials. The New York Times (11/29, Barboza) reports, "The American company says it was a legitimate cost of doing business in China, the price it had to pay to help secure a large software contract with one of China's biggest banks. … But a Chinese company that says it got pushed out of the deal has a different version: executives there say it was bribery, a case of an American company secretly funneling money to powerful Chinese government officials to ensure the lucrative banking contract." The Times continues, "According to a lawsuit filed earlier this year in United States District Court in Florida, Fidelity Information Services, an American software company, paid for two Chinese banking officials and family members to travel on vacation to Hong Kong, Paris, Rome, Las Vegas and the golfing resort of Pebble Beach, Calif. … The suit contends that Fidelity arranged for these trips through a consultant in China who was reimbursed for giving the Chinese bankers and their families an array of gifts, including expensive Sony cameras, luxury outfits from Versace and Burberry, and perhaps even a $330,000 apartment here in Shanghai." The Times adds, "The lawsuit grows out of a business dispute between Grace and Digital Information Technology, a Beijing-based consulting company and Fidelity, based in Jacksonville, Fla. It accuses Fidelity of trying to avoid paying $58 million in consulting fees after Grace helped the company win a series of software contracts worth $176 million with the China Construction Bank in 2001. … The lawsuit charges that after the contract was suspended in 2002, Fidelity dumped Grace and chose instead to hire another middleman, who was a close friend of the chairman of the huge Chinese bank. Fidelity, the lawsuit contends, made large cash payments to the middleman, who then passed money and gifts on to the Chinese bank's chairman and other bank officials, possibly in violation of the Foreign Corrupt Practices Act of 1977. … That law forbids American companies from paying off foreign government officials to win or influence business deals

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outside the United States. … Lawyers representing Fidelity, a division of Fidelity National Financial, strongly dispute the allegations, saying company executives simply reimbursed legitimate business expenses and that Fidelity never violated its contracts or the Foreign Corrupt Practices Act. … 'The Justice Department says paying for typical business expenses is not against the law,' said David W. Shapiro, a lawyer for Boies & Schiller, which is defending Fidelity in the case. 'If the golf game is inappropriate, most of the companies doing business in this country are engaged in inappropriate activity.' … In government filings earlier this year, Fidelity acknowledged that the Justice Department and the Securities and Exchange Commission were looking into the allegations."

CRIMINAL LAW:

Philadelphia Mayor's Brother Indicted On Corruption Charges. In a widely-distributed story, the AP (11/29, Dale) reports, "The older brother of Mayor John F. Street was indicted Tuesday, accused of using his last name to convince companies he could get them lucrative city contracts and failing to pay taxes on $2 million of income. Soon after Street took office in 2000, T. Milton Street Sr. began hiring himself out as a high-priced consultant to companies that thought he could help them get city contracts, the indictment charged. One firm paid Milton Street, who is a longtime hot dog vendor, a $30,000-a-month consulting fee and required him to do no work, authorities said. He and two other businessmen face charges of mail and wire fraud, filing false tax returns and related counts." The AP notes, "The wide-ranging probe, which ensnared the former city treasurer and several businessmen, became public three years ago when an FBI listening device was discovered in the mayor's office."

The Philadelphia Inquirer (11/29, Gelbart, Shiffman, 385K) reports, "U.S. Attorney Patrick L. Meehan said Street made 'millions on nothing more than his last name," but "in an interview in front of his Moorestown home, Milton Street said he was 'not going to lose any sleep' over the charges, which could mean two or more years in prison if he is convicted. 'Let's face it: They didn't get John, they have to go after somebody,' Milton Street said." The Inquirer notes, "The mayor…rejected Meehan's suggestion that Milton Street tried to profit from their relationship. … The Milton Street case was handled by some of the same FBI and IRS agents who worked on the City Hall corruption cases that have led to more than 20 convictions." The Philadelphia Daily News (11/29, Davies, 106K) adds, "Milton remained upbeat yesterday when he greeted reporters in front of his…home, predicting success in his coming legal battle and saying he wasn't feeling old. 'I think I'll run for office,' he said."

Philadelphia Inquirer Says Charges "Yet Another" Taint On Street's Tenure. The Philadelphia Inquirer (11/29, 385K) editorializes, "The indictment yesterday of Mayor Street's brother on tax-evasion charges seems an almost inevitable result of the crony-friendly city contracts that have defined the mayor's tenure. The charges against T. Milton Street Sr. arise from city contracts at Philadelphia International Airport, long a source of pay-to-play rewards for people with friends (or relatives) in City Hall." The Inquirer notes, "Mayor Street isn't responsible for making sure his brother pays taxes. But the final year of the mayor's tenure will be tainted by yet another criminal prosecution involving people close to him. It is no accidental legacy."

Maryland Executive Pleads Guilty To Racketeering In Corruption Probe. The Washington Post (11/29, B5, Rich) reports, "A construction executive at the center of Maryland's largest public corruption investigation in years pleaded guilty yesterday to racketeering and other offenses, agreeing to testify against his codefendant, former state senator Thomas L. Bromwell." The Post continues, "As part of his plea agreement, W. David Stoffregen certified as accurate a document that outlines secret payments to Bromwell and free or steeply discounted contracting work at the lawmaker's home in exchange for Bromwell's steering of state contracts to Stoffregen's firm, commercial contractor Poole and Kent Corp." The Post adds, "The guilty plea is by far the most significant of the six such pleas that federal prosecutors have netted in their investigation of Bromwell, a Baltimore County Democrat who was one of the most powerful figures in Annapolis before he left office in 2002. … Allegations of the improper exchange of cash and favors between the two men are at the heart of the prosecution's case, and with his plea, Stoffregen immediately becomes the star witness in a trial scheduled to begin in March. … The summary, filed in U.S. District Court in Baltimore, largely mirrors assertions made in the original racketeering indictment and in related cases involving other defendants." The Post notes, "Bromwell and his wife, Mary Pat, who was also charged in the racketeering indictment, have pleaded not guilty. … According to the summary, Stoffregen paid more than $190,000 to Bromwell, arranged the contracting work at his house and gave the lawmaker an ownership stake in International Partners Construction, a company that Stoffregen formed in 2000 to do business in Russia. … In exchange, it says, Bromwell saw to it that Poole and Kent was awarded a $13 million contract with the University of Maryland Medical System and arranged for expedited payments for work that the company performed on a state juvenile justice center project."

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Former Treasurer To California Town Sentenced For Plundering Public Coffers. The Los Angeles Times (11/29, Becerra) reports, "Former South Gate Treasurer Albert Robles was sentenced today to 10 years in federal prison for plundering $12 million over five years from the small working-class city." The Times continues, "A federal judge handed down the sentence after Robles made an impassioned speech, admitting he acted 'immorally' during his year as a leader of South Gate but claiming he never broke the law. … 'There are different levels of hoodwinking, but I didn't think hoodwinking was a crime,' Robles said. 'During that period, I decided not to be a very good man every day. But I did not decide to be a criminal.'" The Times adds, "Federal Judge Stephen V. Wilson seemed incredulous at Robles' statements, at one point telling the defendant's attorney that 'what you have just said is among the most absurd things I have ever heard.' … Wilson ultimately said he found Robles to be a 'puppet master' who won control of a corrupt enterprise that preyed on the city and its residents. … In addition to prison time, Robles was ordered to pay back more than $600,000 to the struggling city." The Times notes, "A federal grand jury in 2004 indicted Robles on 39 counts of money laundering, bribery, wire fraud and public corruption, alleging that he used his elected office and political influence to funnel money from a variety of city projects to family and friends between 1998 and 2003. He was convicted last year. .. Federal officials estimated that Robles, 41, personally received $1.2 million from the various schemes. The charges come a year after voters in the predominantly Latino city about seven miles southeast of downtown Los Angeles recalled Robles and several political allies from office."

Former Tennessee Senator Reports To Prison. The AP (11/29, Baird) reports, "Former Sen. Roscoe Dixon, the first state lawmaker to go to trial in the Tennessee Waltz corruption scandal, reported to a federal prison Tuesday to begin a five-year sentence. Dixon, 57, is to serve the sentence, which has no provision for parole, at the Federal Correction Complex at Oakdale about 35 miles south of Alexandria, La." The AP notes, "Dixon, a Memphis Democrat, was convicted in June of taking bribes from FBI agents posing as employees of E-Cycle Management," and "in all, the investigation has led to indictments against 11 defendants. … Dixon has vowed to appeal his conviction and has continued to argue that he was set up to take FBI money by overzealous federal agents and lying government informants."

US Charges Alabama, Florida Men With Child Pornography. The AP (11/29) reports, "A federal grand jury in Birmingham has charged two Florida men and one Alabama man on multiple charges related to an interstate child pornography business disguised as a child modeling agency." The AP continues, "An 80-count indictment was unsealed Tuesday charging 42-year-old Marc Evan Greenberg, 39-year-old Jeffrey Robert Libman and Webe Web Corporation, all of Ft. Lauderdale, Fla." The AP adds, "A two-count criminal information charging 43-year-old Jeff Pierson of Brookwood with conspiring to transport child pornography in interstate commerce using a computer was also unsealed Tuesday. … 'The indictment alleges that these defendants conspired to produce pornographic images of underage girls posing in lascivious positions for profit, under the pretense of offering professional modeling services,' said Assistant Attorney General Alice S. Fisher of the Justice Department's Criminal Division." The AP notes, "Greenberg and Libman are charged with establishing a 'child modeling' internet business called Webe Web Corporation. The indictment says Pierson was a photographer who provided images of minors engaged in sexually explicit conduct in Alabama and sent those images to Greenberg and Libman in Florida. … A statement from the Justice Department says that, from December 2002 through April 2005, Greenberg, Libman and Webe Web conspired with Pierson to 'use minors to engage in sexually explicit conduct for the purpose of producing visual depictions of that conduct.'"

Grand Jury Issues New Indictment In Pellicano-Related Perjury Case. The Los Angeles Times (11/29, Krikorian, 850K) reports, "Federal prosecutors have secured a new grand jury indictment against a former SBC employee who was acquitted in September of lying about her contacts with a co-worker indicted in the Anthony Pellicano wiretapping case. In the three-count indictment disclosed Tuesday, Joann Wiggan was charged again with perjury for allegedly telling a federal grand jury in October 2005 that she had never retrieved any voicemail messages at work from co-worker Ray Turner, who is accused of illegally accessing telephone company records for Pellicano, a Hollywood private investigator, and assisting him in his alleged wiretapping." The Times adds, "In the new indictment, the grand jury also charged Wiggan with lying to the FBI in October 2004 in saying she had not spoken to Turner in five or six years. The indictment says Wiggan and Turner, also a former SBC employee, had called each other at least 35 times between July 2001 and February 2003." Bloomberg (11/29) also reports on the new indictment.

FBI Says Jordanian Man Scammed Chicago Immigrants. The Chicago Tribune (11/29, Ahmed, 617K) reports, "A southwest suburban man allegedly preyed on immigrants by posing as a government or law enforcement official who could help them with legal problems in exchange

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for fees, the FBI disclosed." Omar Abbas "was charged with a felony count of extortion after he was arrested in Chicago by FBI and Department of Homeland Security special agents on Oct. 19, authorities said. Abbas, a Jordanian citizen who was working to obtain permanent U.S. residency, is accused of taking more than $25,000 from three different people since 2003." The Tribune notes, "The FBI believes there may have been additional victims and urged anyone with information to come forward. 'I would encourage anyone, regardless of their immigration status, who might have been victimized by Abbas to contact our office immediately,' said Robert D. Grant, the special agent-in-charge of the Chicago office of the FBI." The Chicago Sun-Times (11/29, Korecki) also reports, "Law enforcement officials believe more immigrants have been scammed but haven't alerted authorities because they fear their legal status will be questioned, FBI spokesman Tom Simon said. 'We want them to know they can come to us to complain,' Simon said. 'We will work with them every step of the way to make sure they're not punished for coming forward.'"

Senior ROC Official Says FBI Unresponsive To Pleas For Help With Cyber Crime. In a widely-distributed story, the AP (11/29) reports, "A senior Taiwanese law enforcement official said Tuesday he could not get American authorities to help the island fight cyber crime -- even in cases that directly affected the United States. Lee Hsiang-chen, director of the High-tech Criminal Center of the National Police Agency, said Taiwanese requests for help from the FBI representative at the American Embassy in Tokyo routinely went unanswered. Lee made his remarks from Taipei during a video conference with Raul Roldan, acting deputy assistant director of the FBI's cyber crime division. Roldan was taking part in the conference from Hong Kong. 'We have no FBI agents in Taiwan, so when we have cyber crimes involving the U.S., we go through the American Embassy in Tokyo,' Lee said. 'But very few (of our inquiries) come back. It makes us feel very depressed.' Roldan promised he would look into the problem."

Former NASA Director Disputes Corruption Allegations Against IG. The Orlando Sentinel (11/29, Cabbage, 230K) reports, "Two former NASA officials cast doubt this week on a pair of allegations outlined in a federal probe of space agency Inspector General Robert Cobb. … In a Nov. 17 letter to FBI Director Robert Mueller, Cobb described the report as 'replete with easily demonstrable factual errors and inaccuracies.' One of the allegations investigated in the report states that Cobb did former NASA Administrator Sean O'Keefe's 'bidding' by terminating a contract with…PricewaterhouseCoopers for the agency's annual chief financial audit," but "in an interview, O'Keefe said that the chronology in the report omitted several important details and ignored the timing of events that would have shown they had no connection." Additionally, former NASA general counsel Paul Pastorek said in an email to the Sentinel that "neither Cobb nor his office 'canceled the contract at any time.'"

Connecticut Woman Pleads Guilty To Extortion Charge. The AP (11/29) reports Pamela Boccanfuso of Fairfield "pleaded guilty Tuesday to a charge that she threatened to kill a man's son if he did not pay her $197,000, federal authorities said. … She faces up to 20 years in prison and a fine of up to $250,000 when she is sentenced on March 20." The AP notes, "In the letter, Boccanfuso accused the victim's son of supplying drugs to Boccanfuso's son, nearly killing him and causing significant financial hardship due to medical and rehabilitation costs associated with his drug addiction. About a week later, the victim received a second letter that directed him to place an advertisement in the Connecticut Post on Feb. 22 with a contact number. The FBI subsequently placed an advertisement in the newspaper that day listing a cellular telephone number as directed," eventually leading to Boccanfuso's arrest.

Atlanta Builder Pleads Guilty To Mortgage Fraud Charges. The Atlanta Business Chronicle (11/28, 3:47 p.m.) reported, "A metro Atlanta homebuilder and seller has pleaded guilty to selling incomplete or non-existent houses in Forsyth County, Ga., and arranging more than $5 million in fraudulent mortgage loans for the houses." Jeffery Alan Teague "pleaded guilty late Nov. 27 in federal district court to two counts of wire fraud for a scheme to defraud mortgage lenders by arranging loans to buy incomplete homes in the names of California, New York, and Florida 'investors.' Teague provided the lenders with false Certificates of Occupancy, stating the houses securing the loans were 'completed to code' and 'suitable for occupancy.' Teague was arrested by the FBI on Aug. 3 in connection with the execution of a series of search warrants on his offices and the incomplete Forsyth County houses."

Brief Questions California Execution Practices. The Los Angeles Times (11/29, Weinstein) reports, "California's procedures for executing prisoners by lethal injection fall short of standards set by the veterinary profession for animal euthanasia and were formulated with less care than methods in China, the world leader in capital punishment, according to a brief filed Tuesday in San Jose federal court by attorneys for a death row inmate." The Times continues, "In addition, the brief asserts that the execution team at San Quentin State Prison is 'unlicensed, untrained, unprofessional and incompetent' to carry out their duties." The Times adds, "The brief was lodged as U.S. District Judge

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Jeremy Fogel prepares to rule on perhaps the most fiercely fought of a number of legal challenges in several states to lethal injection, the dominant U.S. method of execution. Fogel is expected to rule by the end of the year in the case of Michael Morales, who argues California's lethal injection methods create an unnecessary risk of excessive pain and as a consequence violate the Eighth Amendment prohibition against cruel and unusual punishment. … The California Department of Corrections and Rehabilitation 'conducts its executions in an out-dated, cramped gas chamber with an undersized and dark anteroom,' from which prison staff are supposed to assure proper administration of a three-drug protocol, the brief says. .. .The brief also emphasizes that the state uses chemicals 'mixed by untrained and unsupervised prison staff, while ensuring that there is no meaningful oversight or review.' … Earlier this month, the California Attorney General's office issued a ringing defense of the state's procedures, maintaining in its brief that 'there is no evidence that any prior execution resulted in the unnecessary and wanton infliction of pain.' … But the 274-page brief filed by Morales' attorneys finds fault with virtually every aspect of California's administration of capital punishment, frequently citing admissions made by state personnel during the proceedings."

Judge Delays North Carolina Execution Pending Mental Tests. The AP (11/29) reports from Albemarle, NC, "A judge ordered an execution delayed for 60 days Monday so psychiatrists can evaluate a man who wore a Superman T-shirt while representing himself at trial and pleaded with jurors to sentence him to death." The AP continues, "Guy Tobias LeGrande, 47, had been set to die Friday for the 1993 murder of Ellen Munford, whose estranged husband offered to pay him $6,500 from a $50,000 life insurance policy. … The stay of execution granted Monday by Stanly Superior Judge William R. Bell includes 45 days for psychiatrists to submit their observations and evaluations to the court." The AP adds, "Death penalty opponents argue that LeGrande is one of the nation's most extreme examples of a mentally ill person who never should have been allowed to represent himself. Prosecutors suggest his courtroom antics were parts of an elaborate act. … Defense attorney James Coleman, a Duke University law professor, says a psychiatrist who recently examined LeGrande's records concluded that he is psychotic. The defense said LeGrande believes that the governor has already pardoned him and that he will receive billions of dollars from the state once freed. … A defense attorney who represents LeGrande without his permission said he doesn't know whether LeGrande will cooperate with the doctors."

NYTimes Blasts High Court's Refusal To Stop Review Of Reporters' Records. The New York Times (11/29, 1.16M), in an editorial, writes, "A journalist's ability to protect the identity of confidential sources has been further eroded by the Supreme Court's refusal this week to stop a prosecutor from reviewing the telephone records of two New York Times reporters. This is the latest legal blow to the diminishing right of journalists to shield informants who often provide information of great interest and importance but who might be punished if their identities were known."

CIVIL LAW:

Banking Case Could Give Clues To New Court's Attitude Towards Federalism. USA Today (11/29, Kirchhoff, 2.27M) reports, "The Supreme Court today takes up a hotly contested business case with major implications for the nation's banking industry and, more broadly, for states' ability to set consumer protection and other laws that are tougher than federal standards." The case, Watters v. Wachovia Bank, "pits Michigan regulators, supported by consumer groups and state attorneys general, against the banking industry, federal officials and business groups such as the US Chamber of Commerce. A decision is likely by July, when the court recesses for the term."

The Christian Science Monitor (11/29, Richey, 59K) reports, "For 11 years, the conservative wing of the US Supreme Court did something decidedly unconservative. It sought to tip the balance of power between the national government and the states. This so-called federalism revolution was aimed at bolstering the status of the states as dual sovereigns in the face of an ever-expanding sphere of federal power. The justices wrote of state sovereignty and the dignity of the states in terms reminiscent of Colonial distrust of the kind of draconian central authority wielded by the British crown." But "by the time Chief Justice William Rehnquist died in 2005, the 'revolution' resembled little more than a constitutional skirmish." Now, "with two new members of the Supreme Court, it is unclear whether the justices might again take up the mantle of states' rights. Will a majority seek to boldly build on the string of federalism precedents handed down by the Rehnquist court, or will the judicial minimalism of Chief Justice John Roberts leave it to federal regulatory agencies and Congress to police the constitutional contours of federal-state power? The high court's first significant opportunity to address those questions arrives in a case set for oral argument Wednesday." At issue in Watters v. Wachovia Bank "is whether a federal agency has the power to preempt state regulations governing national mortgage companies doing business within a state's borders. Put another way, the issue is who regulates mortgage companies

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affiliated with national banks, state regulators or federal regulators."

WSJournal Urges High Court To Side With Bank. The Wall Street Journal (11/29, 2.04M), in an editorial, writes, "in Watters v. Wachovia states are still trying to exercise authority over federally chartered banks. … Linda Watters, the petitioner in the case, is Michigan's state banking regulator. In 2003 she tried to bar Wachovia Mortgage Corporation from making loans in Michigan unless it submitted to direct state regulation." The Journal concludes, "Supporters of state regulation cry 'federalism,' and this paper yields to no one in trying to restrict Washington to its Constitutionally delegated powers. But the Constitution contains the Commerce Clause for a reason. If banking across state lines isn't interstate commerce, it's hard to know what is. Given that the appeals courts have sided with the banks in earlier cases, one is left to hope that the Supreme Court has taken Watters in order to eliminate whatever uncertainty remains when it comes to state regulation of national banks."

US Argues Against Strike Appeal By Northwest Airlines Attendants. The St. Paul (MN) Pioneer Press (11/29) reports, "The union representing flight attendants at Northwest Airlines asked an appeals court Tuesday to overturn a judge's ruling and allow them to go on strike." The P-P continues, Arguing before the 2nd U.S. Circuit Court of Appeals, a lawyer for the Association of Flight Attendants-CWA, Edward Gilmartin, said the law allows for a strike because Northwest made unilateral changes in its employees' contract terms and working conditions, including imposing pay cuts." The P-P adds, "A focus of the argument was on the federal Railway Labor Act, which governs labor relations at U.S. airlines. … The appeals court will decide whether New York U.S. District Court Judge Victor Marrero properly overruled a bankruptcy court judge over the summer when he stopped the flight attendants from engaging in any strike activity. … Northwest is operating in bankruptcy protection, and it imposed the cuts after union members twice voted down negotiated settlements with the airline. Northwest maintains it needs the cuts to exit bankruptcy." The P-P notes, "A lawyer for Northwest, meanwhile, said that the airline wants peace with its flight attendants and urged a federal appeals court to support a judge's decision to block the workers from striking. … And the U.S. Justice Department, represented by Assistant U.S. Attorney Heidi Wendel, argued that a strike, 'would come at the expense of the public.'"

NEA, School Districts In Three States Seek To Revive NCLB Lawsuit. The AP (11/29, Kinney) reports school districts "in three states and the nation's largest teachers union asked a federal appeals court Tuesday to revive a lawsuit challenging the way government-mandated programs are funded." The National Education Association "and districts in Michigan, Vermont and Texas had sued to block the No Child Left Behind law, President Bush's signature education policy. They argued that schools should not have to comply with requirements that aren't paid for by the federal government." The three judge panel of the 6th U.S. Circuit Court of Appeals "took the case under advisement and did not say when it will rule."

CIVIL RIGHTS:

DOJ Settles Housing Bias Claims With Alabama Landlord. The AP (11/29) reports, "The Justice Department reached a housing discrimination case settlement Tuesday with a landlord in Saraland (AL) accused of trying to force a white renter out of an apartment after learning she had a biracial daughter." The AP continues, "The settlement, which includes a $40,000 damages payment, stems from a federal complaint alleging that Beulah Stevens violated the federal Fair Housing Act in her actions against Michele Jones, according to the Justice Department. … Although Jones is white, the complaint states that Stevens tried to force Jones out of the apartment 'upon learning that her child is biracial and that she associated with African Americans,' the agency said in a news release. It also said Stevens was accused of using racial epithets when speaking about black people." The AP adds, "According to the complaint, two fair housing tests carried out by the Mobile Fair Housing Center — now called the Center for Fair Housing, Inc. — showed that Stevens, who manages 19 rental properties, treated white testers who asked about availability of rental units more favorably than black testers. … Under the settlement, Stevens agreed to pay more than $40,000 in damages and penalties, to post a non-discriminatory rental policy, to undergo training on the requirements of the Fair Housing Act and to submit periodic reports to the Justice Department. … The settlement still needs to be approved by the U.S. District Court for the Southern District of Alabama. … 'This case shows that the Department of Justice and this office believe that housing discrimination is a serious violation of the law,' said U.S. Attorney Deborah J. Rhodes of Mobile. 'We will enforce federal laws against racial discrimination.'"

DOJ Nears Decision On Probe Of NYC Police Shooting. CNN.com (11/29) reports, "New York Mayor Michael Bloomberg met Tuesday with the family of a man shot and killed by police early Saturday in an incident that has sparked community outrage and could lead to a federal investigation." CNN continues, "Sean Bell, 23, was shot to

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death by police officers outside a Queens nightclub hours before he was to be married to the mother of his two children. .. .Two others -- 31-year-old Joseph Guzman and 23-year-old Trent Benefield -- were seriously wounded in the incident." CNN adds, "Bloomberg told reporters he met for an hour with Bell's family and fiancee to express his condolences and discuss the investigation of the incident. … Community leaders have demanded to know why NYPD officers fired as many as 50 rounds -- one officer alone fired 31 shots -- at the unarmed group of men as they were leaving Bell's bachelor party early Saturday morning." CNN notes, "All five police officers involved in the shooting were placed on administrative leave Sunday pending an investigation by the Queens district attorney, Richard A. Brown. … Bloomberg said Brown's office was investigating the incident diligently and trying to determine whether a grand jury should be involved. … 'District Attorney Brown is the one who now has responsibility for trying to ascertain what happened,' Bloomberg said. … Bloomberg rejected claims that the incident was racially motivated, citing an NYPD policy against ethnic profiling." CNN adds, "Federal law enforcement officials said the Justice Department was nearing the formal opening of a federal civil rights investigation into the fatal shooting. … Justice Department officials acknowledged the matter remained under review and that federal authorities in Washington and New York continued to monitor events in the aftermath of the shooting. … Officials declined to confirm that a decision to formally investigate the case could be announced as early as Tuesday or Wednesday. … FBI officials asking not to be identified said they expected the Justice Department 'very soon' to request agents for the federal probe. … 'Until that happens, this investigation is completely in the hands of the Queens district attorney,' said one FBI official."

Undercover Officer Claims He Identified Himself Before Shooting. The New York Daily News (11/29, Gendar, Siemaszko) reports, "The undercover cop who fired the opening salvo in a 50-shot barrage that felled a Queens man on his wedding day told his story yesterday for the first time." The News continues, "The detective insisted he identified himself as a cop well before he fired on the car carrying Sean Bell and his buddies. … 'This cop screamed, "Police!" and he had his shield out,' attorney Philip Karasyk told the Daily News." The News adds, "The News is withholding the name of the Brooklyn-born detective to protect his safety and the undercover operations he has worked on. … The detective held his fire despite Bell clipping him with his Nissan Altima, said Karasyk, who refused to name his client, even as police sources confirmed his identity. … 'Once the car hit him, he jumped to the side,' Karasyk said. … But when the cop saw the man sitting in the passenger seat - whom police sources identified as Joseph Guzman - reach into his waistband, the officer fired the first of 11 rounds at the men." The News notes, "Four other officers, believing they were being shot at, also opened up on the car, Karasyk said. When the gunfire was over, Bell was dead and Guzman and another man, Trent Benefield, were badly wounded. … 'The other officers believed the shots were coming from the vehicle,' Karasyk said. 'They only did so in this case because they were in mortal fear for their lives.' … Queens District Attorney Richard Brown has vowed to get to the bottom of the Saturday morning shooting that has outraged black New Yorkers - and that Mayor Bloomberg said looked like 'excessive force.' … Karasyk, however, said the five cops involved in the shooting - none of whom ever fired his gun on the job before - had no qualms about telling their stories before a Queens grand jury. … 'That's our offer to the prosecutors - to waive immunity,' Karasyk said. … The Justice Department is monitoring the unfolding investigation, but Brooklyn U.S. Attorney Roslyn Mauskopf emphasized it is not independently collecting evidence or interviewing witnesses."

Marchers Protest Atlanta Police Shooting As Victim Laid To Rest. The Atlanta Journal-Constitution (11/29, Ahmed, 379K) reports, "About 70 residents gathered outside the house of Kathryn Johnston Tuesday evening, some holding placards condemning police, others venting angrily about the botched narcotics raid that claimed the life of the elderly woman a week ago. … The rally participants marched to a church for a community meeting, bringing the crowd to about 300. Atlanta police Chief Richard Pennington addressed the crowd, saying he became concerned after community response to the shooting" and noting that "he brought in the FBI to lead the investigation." The AJC adds, "Marchers to the church carried signs that mocked the police, passed around by rally organizers, the New Black Panther for Self-Defense. … As some of the attendees pumped fists into the air and shouted 'Black Power' at the exhortation of the organizers, a handful of stoic GBI and FBI agents stood by watching." The Atlanta Journal-Constitution (11/29, Reid, Cook, 379K) reports that at Johnston's funeral Tuesday, "Friends and family…said they just want to know the truth about the drug raid that led to the elderly woman's death. … The Rev. Markel Hutchins, who has acted as spokesman for the family, said Johnston's family is encouraged by the FBI's entry into the investigation." Hutchins noted, "They had zero confidence before yesterday. Now their confidence is increased."

Reactions To Shootings Demonstrate Changing Cultural Climate. USA Today (11/29, Copeland) reports, "An 88-year-old woman killed last week in a shootout with plainclothes police who burst into her home was laid to rest Tuesday amid a burgeoning national debate over police use of deadly force." USA continues, "Kathryn Johnston was killed Nov. 21 when she fired at undercover narcotics agents who had obtained a 'no-knock' search warrant for her home

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after telling a judge that a confidential informant had bought drugs there earlier in the day. … The FBI is leading a probe of the incident, in which Johnston wounded three officers, after the informant told Atlanta television station WAGA-TV that he never bought drugs at the house but that a narcotics officer had instructed him to say that he had. 'I'm telling them, I never went to that house,' he says in an interview in which his face was disguised." USA adds, "Atlanta Police Chief Richard Pennington says the man, who has not been publicly identified, 'told us he had no knowledge of going to that house and purchasing drugs. I don't know if he's telling the truth.' … Seven narcotics investigators and a police sergeant have been placed on paid leave until the inquiry is completed, a routine procedure in such cases." USA notes, "More than 200 people rallied in Johnston's northwest Atlanta neighborhood Tuesday evening to demand answers in the shooting, one of several that have put police use of deadly force under increased scrutiny. … In New York City early Saturday, Sean Bell, 23, was killed after he left a bachelor party at a strip club that was the target of an undercover police investigation. Police fired more than 50 shots at a car carrying Bell and two friends, both of whom were wounded." USA notes, "Some criminal justice experts cautioned against over-reacting to the shootings. … 'Police departments have become far more scrupulous in training and accountability and are recruiting people to try to minimize the number of police-involved shootings,' says Chuck Wexler, executive director of the Police Executive Research Forum, a think tank in Washington, D.C. … 'There are much tighter controls on the use of force. Police departments have significantly narrowed the conditions under which police can use deadly force,' he said."

The Christian Science Monitor (11/29, Marks) reports, "Call it a tale of two shootings. In each, an unarmed black man is killed in New York in a hail of bullets fired by police, fearing, rightly or wrongly, for their lives. … But the different responses of city leaders to last weekend's shooting of Sean Bell in Queens and the 1999 death of Amadou Diallo in the Bronx tell a tale of a city's evolution and its ability to learn the importance of acknowledging a community's outrage and responding to it. Such a changed response is evident not just in New York, but in other cities across the country." The Monitor continues, "Almost as soon as Mayor Michael Bloomberg heard Saturday that police fired 50 times on three possibly unarmed black men, he began reaching out to political, religious, and community leaders, assuring them a full, fair investigation would take place. By Monday morning, the mayor, police commissioner, and dozens of black leaders - many still angry - came together at City Hall. … In the immediate aftermath of the 1999 death of Mr. Diallo, a West African immigrant shot in the entry to his apartment building, then-Mayor Rudolph Giuliani defiantly defended the police. He didn't meet with local black leaders until weeks later. Thousands of protesters poured into the streets, prompting more than 1,700 arrests." The Monitor adds, "New York's reaction is emblematic of changes in community/police relations across the country. From Cincinnati to Atlanta to Los Angeles, police departments have realized they need the cooperation and support of minority communities - those that usually felt the brunt of the 'get tough' crime initiatives of the 1990s. In each city, fumbled political reactions to a charge of police misconduct - whether it was the 1991 beating of Rodney King in Los Angeles or the 2001 shooting of a young black man in Cincinnati - have taught lessons about the importance of reaching out, urging calm, and dealing with nothing but the facts."

More Commentary. In an op-ed in the Wall Street Journal (11/29, A18), Joseph D. McNamara, a retired NYPD deputy inspector and former police chief of Kansas City, Mo., and San Jose, Calif., is a research fellow at the Hoover Institution at Stanford, writes, "Inescapably, comparisons were made between Mr. Bell (who was to have been married later on Saturday) and Amadou Diallo, an unarmed African immigrant killed in a volley of 41 bullets by four NYPD plainclothes officers in February 1999. Mr. Diallo had committed no crime and was attempting to enter his own hallway when one of the undercover officers yelled, "Gun!" The four officers were acquitted in a trial held outside the city, based upon their defense that they reasonably believed their lives were in danger. … In both cases, the NYPD accurately cited statistics indicating that it had a comparatively low shooting rate, and that shootings by police were not rising. And in both instances, New York's black leaders and black communities reacted with understandable outrage that unarmed black men were killed with such a volume of gunfire. Both sides seemed to be talking past one another, instead of to each other." McNamara adds, "Simply put, the police culture in our country has changed. An emphasis on "officer safety" and paramilitary training pervades today's policing, in contrast to the older culture, which held that cops didn't shoot until they were about to be shot or stabbed. Police in large cities formerly carried revolvers holding six .38-caliber rounds. Nowadays, police carry semi-automatic pistols with 16 high-caliber rounds, shotguns and military assault rifles, weapons once relegated to SWAT teams facing extraordinary circumstances. Concern about such firepower in densely populated areas hitting innocent citizens has given way to an attitude that the police are fighting a war against drugs and crime and must be heavily armed." McNamara concludes, "There appear to be important differences between the killings of Mr. Diallo and Mr. Bell. Mr. Diallo was no threat to anyone. First reports are that the car occupied by Mr. Bell deliberately struck an undercover officer after he had identified himself. In addition, it is clear that the current police commissioner and mayor have established much better relations with the black community than their predecessors.

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Both Mayor Michael Bloomberg and Commissioner Raymond Kelly have been as critical of the current shooting as permitted under due process. Yet when all is said and done, those with official responsibility to ensure that the innocent are protected, not harmed, by the police must constantly evaluate all police training, tactics, arms and attitudes."

Los Angeles Police Commission Clears Officers In Toddler's Shooting. The Los Angeles Times (11/29, McGreevy, Winton, 850K) reports, "The LAPD officers who stormed a South L.A. auto shop last year, killing 19-month-old hostage Suzie Peña during a gun battle with her father, followed department rules and should not be punished, the Police Commission ruled Tuesday. But the oversight panel found problems in the way the Los Angeles Police Department field command responded and managed the crisis and singled out for potential discipline two officers who fired their weapons from the periphery very early in the 2 1/2 -hour siege. 'There was a systemic breakdown at the command and leadership level,' Commission President John Mack said." The Times notes, "Specifically, the commission wants to hold commanders managing the scene more accountable for the actions of officers on the ground. "

Wisconsin Man Pleads Guilty To Shrine Desecration. The AP (11/29) reports, "A 21-year-old man pleaded guilty Monday to desecrating one of Wisconsin's most popular religious shrines to commemorate 'Satan's birthday.'" The AP continues, "Tyler Groth pleaded guilty to felony criminal damage to religious property, and could face up to a year and a half in jail when he is sentenced Jan. 11. … Groth and his 17-year-old cousin, David J. Groth, were accused of spraying paint on statues and spray painting a devil's face at several locations in June at the Basilica of Holy Hill, National Shrine of Mary, in Erin." The AP adds, "It was to commemorate the date 06-06-06, and Tyler Groth told investigators the date is 'Satan's birthday.' In the Bible, the Book of Revelation describes triple sixes as the mark of the Antichrist. … Groth agreed to plead guilty in exchange for the dismissal of two unrelated misdemeanor graffiti charges, his attorney said."

Judge Schedules Hearing On Osceola, FL, Voting Districts. The Orlando Sentinel (11/29) reports, "A federal judge who ruled that Osceola's countywide elections for commissioners violates the U.S. Voting Rights Act on Monday ordered a hearing in the case next week." The Sentinel continues, "The announcement came just days after competing proposals by the county and the U.S. Department of Justice were submitted to the court." The Sentinel adds, "U.S. District Judge Gregory A. Presnell set aside two hours for the 2 p.m. hearing Dec. 7 at the federal courthouse in Orlando, 80 N. Hughey Ave. He had ruled that the current countywide system penalizes Hispanics in a 'racially polarized' county. … The Justice Department, which proposed single-member-district elections for all five commission seats, asked for the hearing with its filing Wednesday." The Sentinel notes, "Federal prosecutors offered two options with slightly different district lines. .. .The county's attorneys proposed a plan that would have two commissioners elected at-large and five from single-member districts. … All three plans center on a Hispanic-majority district that includes the Buenaventura Lakes community and the adjacent Kissimmee neighborhood of Lakeside."

Judge Orders Treasury Department To Make Bills Recognizable To Blind. The AP (11/29, Apuzzo) reports, "By keeping all currency bills the same size and texture, the U.S. government has denied blind people meaningful access to money, a federal judge said Tuesday." The AP continues, "U.S. District Judge James Robertson said the Treasury Department has violated the law, and he ordered the government to come up with ways for the blind to tell bills apart. … He said he wouldn't tell officials how to fix the problem, but he ordered them to begin working on it within 10 days. The American Council of the Blind has proposed several options, including printing bills of differing sizes, adding embossed dots or foil to the paper or using raised ink. … 'Of the more than 180 countries that issue paper currency, only the United States prints bills that are identical in size and color in all their denominations,' Robertson wrote. 'More than 100 of the other issuers vary their bills in size according to denomination, and every other issuer includes at least some features that help the visually impaired.'" The AP adds, "Government attorneys argued that forcing the Treasury Department to change the size of the bills or add texture would make it harder to prevent counterfeiting. Robertson was not swayed. … 'The fact that each of these features is currently used in other currencies suggests that, at least on the face of things, such accommodations are reasonable,' he wrote. … He said the government was violating the Rehabilitation Act, which prohibits discrimination on the basis of disability in government programs. The opinion came after a four-year legal fight."

The New York Times (11/29, Andrews) reports, "The judge pointed out that euro notes came in bigger sizes for higher denominations and had raised numerals as well as foil patches in different shapes. Japanese notes have rough patches to help identify them by touch. Swiss francs feature intaglio printing and perforated numerals, and other countries use sequences of perforated dots. … 'The fact that each of these features is currently used in other currencies suggests that, on the face of things, such accommodations are

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reasonable,' Judge Robertson wrote." The Times adds, "The Treasury Department refused to comment on the decision or on whether it would appeal the order, which came after a four-year court fight between the government and the American Council of the Blind. … The Treasury Department had argued that making bills identifiable by touch would create an undue financial burden for the government. It had estimated that the most expensive approach — printing different sizes for different denominations — would cost $178 million for new printing presses and as much as $50 million for new plates. … Judge Robertson said that cost would be small compared with the $4.2 billion that the government spent on currency production in the past 10 years."

The Washington Times (11/29, Haberkorn) reports, "Government attorneys argued that adding texture or changing the size of bills would be costly and make it harder to prevent counterfeiting." The Times notes, "The American Council of the Blind, which filed the suit in 2002, proposed a number of solutions that are used in other countries. … In Britain, each denomination is a different size, said Melanie Brunson, the Washington association's executive director. In Canada, currency has a series of dots in its corners, differentiated by denomination. And other countries use different patterns of raised dots or lines. … 'Our intent was to get Treasury to focus enough attention to incorporate those [ideas] or come up with something else to meet the needs of people who can't read them visually,' Mrs. Brunson said."

Florida Charges Eight In Youth Boot Camp Death. The Tallahassee Democrat (11/29, Price, 50K) reports, "Eleven months after 14-year-old Martin Lee Anderson died, a protest march on the state Capitol and complaints that the investigation took too long, State Attorney Mark Ober on Tuesday charged seven drill instructors and a nurse with felony aggravated manslaughter of a child in the teen's death. For Anderson's parents the charges were late but an answer to their prayers. … Gov. Jeb Bush, who spoke with Anderson's parents Tuesday, said he, too, was glad the investigation had concluded." The Democrat notes, "Charged are Henry Dickens, Charles Enfinger, Patrick Garrett, Raymond Hauck, Charles Helms Jr., Henry McFadden Jr., Kristin Schmidt and Joseph Walsh II, according to a filing by Ober. If convicted, the defendants could receive up to 30 years in prison." The AP (11/29, Nelson) adds, "The teen collapsed in the exercise yard at the camp in Panama City and died at a hospital the next day. The death sparked protests at the state Capitol and led to a shake-up in Florida's criminal justice system and the resignation of Florida's top law enforcement officer." For those charges yesterday, "bail was set at $25,000 apiece."

Virginia To Let Vermont Decide Lesbian Parent's Visitation Rights. The Washington Post/AP (11/29, A08) reports, "A Virginia appellate court sidestepped the issue of civil unions Tuesday in ruling that, because two former lesbian partners filed for their union in Vermont, that state's courts have jurisdiction in a custody battle." The AP continues, "The Court of Appeals of Virginia remanded the dispute between Janet Miller-Jenkins and Lisa Miller-Jenkins to a lower Virginia court and advised it to issue a new judgment recognizing Vermont's authority. … 'By so holding, we do not address whether Virginia law recognizes or endorses same-sex unions entered into in another state or jurisdiction,' the court wrote in its decision." The AP adds, "An attorney for Janet Miller-Jenkins called it a victory. … 'This is exactly what we have been arguing since January of 2005 -- that the Virginia trial court had no business under either Virginia or federal law interfering with the decision of the Vermont family court,' Joseph Price said. … Lisa Miller-Jenkins will continue to pursue the case, said her attorney, Erik Stanley."

Study Questions Racial Diversity At Major Law Firms. The New York Times (11/29, Liptak) reports, "Thanks to vigorous recruiting and pressure from corporate clients, black lawyers are well represented now among new associates at the nation's most prestigious law firms. But they remain far less likely to stay at the firms or to make partner than their white counterparts." The Times continues, "A recent study says grades help explain the gap. To ensure diversity among new associates, the study found, elite law firms hire minority lawyers with, on average, much lower grades than white ones. That may, the study says, set them up to fail. … The study, which was prepared by Richard H. Sander, a law professor at the University of California, Los Angeles, and was published in The North Carolina Law Review in July, has given rise to fierce and growing criticism in law review articles and in the legal press. In an opinion article in The National Law Journal this month, for instance, R. Bruce McClean, the chairman of Akin Gump Strauss Hauer & Feld, a major law firm, took issue with the study's 'sweeping conclusions' but not its 'detailed data analysis.'" The Times adds, "Achieving racial diversity at all levels is an urgent issue, law firms say, but they acknowledge that gains among new associates disappear by the time new partners are elected. "We've seen stagnation and even decline when it comes to race," said Meredith Moore, the director of the New York City Bar Association's diversity office. … The new study proposes an explanation. It found that the pool of black lawyers with excellent law-school grades is so small that firms must relax their standards if they are to have new associates who resemble the pool of new lawyers." The Times notes, "Professor Sander found that very few blacks graduated from

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top-30 law schools with high grades. … Yet grades, according to many hiring partners and law students, are a significant criterion in hiring decisions, rivaled only by the prestige of the law school in question. For instance, Professor Sander found, 'white law school graduates with G.P.A.'s of 3.5 or higher are nearly 20 times as likely to be working for a large law firm as are white graduates with G.P.A.'s of 3.0 or lower.'"

ANTITRUST:

Court Allows DOJ Antitrust Suit Against NAR To Proceed. Market Watch (11/29) reports, "A federal court in Chicago has allowed the Justice Department's antitrust lawsuit against the National Association of Realtors to proceed, the department said Tuesday." Market Watch continues, "The court rejected the association's argument that last-minute changes to its policies prevented judicial scrutiny, the department said. … In denying the association's motion to dismiss the case, the court said that 'NAR has failed ... to demonstrate that this case should be dismissed at the outset,' according to the Justice Department." Market Watch adds, "In September 2005 the department's antitrust division filed a lawsuit charging that NAR rules limit competition from real-estate brokers who use the Internet to serve their customers. The lawsuit alleged that the association's policy threatened to lock in outmoded business models and discourage discounting. … The Realtors association denies it discriminates against discount brokers or others who use the Internet to compete with conventional brokers."

Bloomberg (11/29) reports, "The ruling by a federal judge in Chicago lets the Justice Department proceed to pretrial fact-finding to try to prove that the Realtors and member brokers engaged in an 'ongoing contract, combination or conspiracy' to restrain competition. … U.S. District Judge Mark R. Filip rejected the Realtors' argument that the government had no case after the trade association in May 2005 changed the policy that limited online access to listings by customers of brokers who operate 'virtual office Web sites.' … The Realtors' 'contention that the United States has failed even to plead a claim is unpersuasive,' Filip wrote. … The trade association 'and its members have entered into a collective action that purports to regulate how they will compete in the marketplace,' the judge said." Bloomberg adds, "The government's complaint, filed in September 2005, said the Realtors' rules limited competition by preventing customers of online brokers from receiving full access to multiple listings. The Realtors' policy lets traditional brokers block competitors from having full online access to multiple listings. … The Chicago-based Realtors' group changed its policy after the Justice Department said it planned to sue to challenge the rules as anticompetitive, according to Filip's opinion. The modified policy still contains features that the government claims are anticompetitive, the judge wrote. … The government has argued that the original policy had 'enduring effects' in some markets and that the modified rules have 'not eliminated all effects,' Filip wrote. … 'We are pleased that the court has allowed the lawsuit to proceed and we look forward to presenting our case at trial,' J. Bruce McDonald, a deputy attorney general for antitrust, said in a statement released by the Justice Department."

Inman News (11/29, Roberts) reports, "Filip last month denied the Realtor group's motion to dismiss the lawsuit, which was filed in September 2005 and amended in October 2005. The lawsuit alleges that the trade group's policies governing the online display and sharing of property information are overly restrictive and can harm consumers and stifle innovation. … The National Association of Realtors in December filed the motion in U.S. District Court in Chicago in an attempt to toss out parts of the lawsuit that target the association's former online listings policy, known as the Virtual Office Website (VOW) policy and so-called 'opt-out' provisions of its policies that allow brokers to withhold online listings from other brokers." Inman continues, "Laurie Janik, general counsel for the National Association of Realtors, said there 'were no surprises' in the judge's opinion. The rules of the court dictate that the judge must assume that the allegations brought by the Justice Department are true in weighing the association's motion, Janik said -- the lawsuit has not yet reached the trial phase and both sides are still gathering evidence. … 'He was very careful in his wording. I didn't view anything he had sent out as significant (to the overall case),' she added. 'We knew it was a long shot but we thought it was worth making. The sooner we can end this litigation, the better.'"

SCOTUS Hears Arguments In Antitrust Suit Against Weyerhaeuser. The AP (11/29) reports, "The Supreme Court on Tuesday questioned whether forest products giant Weyerhaeuser Co. drove a smaller competitor out of business by paying too much for logs that Weyerhaeuser allegedly didn't need." The AP continues, "The case focuses on the lumber industry in the Pacific Northwest and pits a defunct company, Ross-Simmons Hardwood Lumber Co., against Weyerhaeuser and the Bush administration." The AP adds, 'Weyerhaeuser is fighting an $80 million award to Ross-Simmons stemming from a jury verdict that found the larger company had violated federal antitrust law. .. .Ross-Simmons accused Weyerhaeuser of paying too much for alder sawlogs and not using what it bought, with the goal of driving out competing sawmills. .. .Arguments before the Supreme Court Tuesday turned on what legal standard Ross-Simmons must meet in order to win in court and whether a jury instruction in the case was faulty."

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The Seattle Post-Intelligencer (11/29, Dlouhy) reports, "The lawyer for a now-defunct sawmill told the U.S. Supreme Court on Tuesday that timber giant Weyerhaeuser Co. broke federal antitrust laws by overpaying for more logs than it needed and then cutting its prices on the finished lumber used to make guitars and furniture. … The strategy drove the smaller timber processor, Ross-Simmons Hardwood Lumber Co., out of business at the same time it allowed Weyerhaeuser to strengthen its foothold in the Pacific Northwest alder saw-log market, said the lawyer, Michael Haglund. … 'Weyerhaeuser artificially increased the log market above where it otherwise would have been,' Haglund said. 'We have a situation where they warehoused large -- unprecedentedly high -- volumes of lumber because they' wanted to keep it out of competitors' hands." The P-I adds, "Ross-Simmons now wants Federal Way-based Weyerhaeuser to pay nearly $80 million in damages for the business tactics, which it says were part of a ploy to monopolize the market. The Longview-based sawmill says Weyerhaeuser's tactics forced it out of business in 2001 by driving prices for saw logs higher than it could afford and by depleting the supply of the trees. … The price of alder saw logs and that of finished lumber made from the material are usually tied together. But from 1998 to 2001, Ross-Simmons argued in court filings, the price of saw logs rose even as the price of finished lumber dropped. … In its defense, Weyerhaeuser contends it was only making smart business decisions and could afford to pay more for the logs because it was more efficient at processing the wood."

Judge Restrains Sale Of Bay Area Newspapers. The AP (11/29, Kravets) reports, "A previously undisclosed internal memo prompted a federal judge Tuesday to temporarily block the consolidation of some of the San Francisco Chronicle's business operations with those of rival newspapers owned by MediaNews Group Inc." The AP continues, "Denver-based MediaNews, which already owned the Oakland Tribune and seven other Bay Area newspapers, acquired the Monterey County Herald, San Jose Mercury News and Contra Costa Times from McClatchy Co. earlier this year. The complex $1 billion deal included $300 million in financing from Hearst Corp., owner of the Chronicle." The AP adds, "In July, U.S. District Judge Susan Illston let the deal go through, ruling against an antitrust lawsuit that claimed the deal would create a monopoly on readership and advertising in the region. … But in issuing Tuesday's restraining order, she said a memo had recently surfaced showing Hearst had an undisclosed motive for investing in the deal -- to consolidate its Bay Area advertising and distribution operations with those of the Chronicle's competitors -- a possible antitrust violation. … 'Such agreements would alter the court's analysis of this case as a whole,' Illston wrote, and would 'increase the likelihood that the transactions at issue here were anticompetitive, and illegal.'"

The Alameda (CA) Times-Star (11/29, Richman) reports, "Evidence of talks between MediaNews Group Inc. and Hearst Corp. -- the San Francisco Chronicle's owner, and a party to MediaNews' recent purchase of the San Jose Mercury News and Contra Costa Times -- raises the specter of antitrust violations, U.S. District Judge Susan Illston of San Francisco wrote in Tuesday's order. .. She'll hold a hearing Dec. 6 on whether her order should become a preliminary injunction, barring any such deals at least until a lawsuit challenging MediaNews' acquisitions goes to trial in April." The Times-Star adds, "Sacramento-based McClatchy Co. this year bought the now-defunct Knight Ridder Corp.'s 32 newspapers for $6.5 billion. From among those, the Mercury News and Contra Costa Times were then sold for $736.8 million to Denver-based MediaNews Group -- which also owns this newspaper -- and the Monterey County Herald and the St. Paul (Minn.) Pioneer Press were sold for $263.2 million to New York City-based Hearst Corp. .. .In a separate, simultaneous pact, Hearst agreed to give the St. Paul and Monterey papers to MediaNews in return for an equity investment in MediaNews' non-Bay Area assets. … San Francisco businessman, political consultant and former mayoral candidate Clint Reilly sued July 14 to halt the deal, claiming it would create a Bay Area newspaper monopoly with higher subscription and advertising rates and diminished journalistic quality, jobs and union contracts. .. .Illston refused his initial plea for a TRO to prevent the sale's closing, but Reilly went back to her last week with new evidence found among documents provided by the newspaper companies."

The San Francisco Chronicle (11/29, Egelko) reports, "The restraining order will be in effect until a Dec. 6 hearing on an injunction that would keep the ban in place until April 30. That is when a lawsuit by Clint Reilly, a real estate investor, former political consultant and onetime San Francisco mayoral candidate, is scheduled to go to trial." The Chronicle adds, "Reilly is seeking to block MediaNews' purchase of the Mercury News and Contra Costa Times, arguing that the deal, combined with MediaNews' financial arrangement with Hearst, would create a newspaper monopoly in the Bay Area. … Reilly's lawyer, Joseph Alioto, said today's ruling could be the first step toward upsetting MediaNews' purchase. … 'This agreement (on distribution and advertising) was the knot that ties the whole package together, and when this unravels, the whole package unravels,' Alioto said. … 'They're trying to monopolize the entire Bay Area,' Alioto said of MediaNews and Hearst. 'They did it secretly ... and they got caught.'"

Justices Hear Arguments In Closely Watched Patent Case. The Los Angeles Times (11/29,

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Puzzanghera, 850K) reports, "The Supreme Court heard oral arguments today in an abstract case involving automobile gas pedals that could apply the brakes to the recent dramatic growth in patents issued nationwide. Frustrated justices flipped through engineering diagrams as they pondered a question at the heart of many patent disputes -- was the invention of an adjustable pedal with electronic sensors truly unique in this case, or just an 'obvious' combination of existing components that anyone with a little skill in the field could have designed?" USA Today (11/29, Biskupic, 2.27M) notes there were "unusually spirited arguments," as "several Supreme Court justices challenged the prevailing standard for when an invention is too closely tied to existing works to qualify for patent protection." However, some justices also "worried that changing the rules of 'obviousness' would throw into doubt the validity of many existing patents." Justice David Souter "asked whether there would be '100,000 cases filed tomorrow morning' if the standard used by a lower federal court that oversees patent appeals were changed. He wondered if such a change would 'produce chaos.'" The New York Times (11/29, Greenhouse, 1.16M) runs a similar report.

Justices Skeptical Of Federal Circuit's Patent Test. The Legal Times (11/29, Mauro) reports, "In surprisingly blunt terms, Supreme Court justices Tuesday made it crystal clear that they are upset with the nation's patent system, the lawyers who litigate under it and the appeals court that referees it." The Times continues, "During a lively -- bordering on raucous -- hour of arguments on what makes an invention so obvious that it does not deserve a patent, justice after justice piled on criticism of the U.S. Court of Appeals for the Federal Circuit's three-part 'teaching-suggestion-motivation' test for determining obviousness, an issue that arises in virtually every patent application and appeal. The test has been criticized as too patent-friendly, resulting in a proliferation of junk patents that stifle competition. … 'Three imponderable nouns,' is how Justice Antonin Scalia dismissed the test, also calling it 'gobbledygook' for good measure. … Chief Justice John Roberts Jr. called it 'Federal Circuit jargon' that is inflexible and 'worse than meaningless.' … And when Justice Stephen Breyer said he had read the briefs in the case '15 times' and still could not understand the 'motivation' prong of the test, Scalia chimed in, 'Like Justice Breyer, I don't understand.' … The implied message to the Federal Circuit seemed to be: If two of the brainier justices on the Supreme Court don't have a clue what you are talking about, a new test might be in order. … By the end of the arguments in KSR International v. Teleflex, it seemed obvious that the Federal Circuit's three-part test for obviousness will be modified, if not scrapped altogether. But what will replace it was less clear." The Times notes, "After the argument Tuesday, the Federal Circuit's chief judge, Paul Michel, defended the test in a telephone interview, asserting, 'The judges of our court are quite clear on what it is and how to apply it.' He said the test goes back decades -- since before creation of the court in 1982 -- and has been applied with flexibility and common sense. 'I wonder if some of the descriptions of the test I have seen lately are accurate.'"

Supreme Court To Consider Company's Price Strategy. The Wall Street Journal (11/29, 2.04M) reports, "Companies often are accused of cutting prices unfairly to drive a competitor from the market, but is raising prices for the same purpose just as unfair?" The Supreme Court "questioned whether Weyerhaeuser Co. drove a smaller rival out of business by paying too much for logs that the Federal Way, Wash., forest-products company allegedly didn't need." Weyerhaeuser "is fighting an $80 million award to the now-defunct Ross-Simmons Hardwood Lumber Co. stemming from a jury verdict that found Weyerhaeuser violated federal antitrust law. Ross-Simmons, of Longview, Wash., accused Weyerhaeuser of paying too much for alder logs and not using what it bought, with the goal of driving out competing sawmills that use the wood in furniture and other products. Yesterday's oral arguments before the high court turned on what legal standard Ross-Simmons must meet in order to win in court and whether a jury instruction in the case was faulty."

Movie Studios Push Apple On Anti-Piracy Rules. The Financial Times (11/29, Garrahan, Birchall) reports, "Apple Computer is coming under pressure from some of Hollywood's biggest movie studios to change the operating environment of its popular iTunes platform, amid growing concern about digital piracy." The Times continues, "The studios – Universal, 20th Century Fox, Paramount and Warner Bros – are in talks with Apple about making their films available for digital download on iTunes. … After months of discussion, a sticking point has emerged over the studios' demand that Apple limit the number of devices that can use a film downloaded from iTunes." The Times adds, "The studios want to avoid the experience of the music industry, which has yet to recover from years of illegal digital piracy. Apple must introduce a 'new model' for feature film content delivery, said one studio executive involved in the talks. … With the average cost of a blockbuster film approaching $100m, movie studios had more to lose than music companies, he added. 'We're very willing to do a deal but we're keen to get some concessions from Apple that will account for the differences between the value of music and television content and feature film content.' … The talks between Apple and the studios come as retailers are scrambling to get to grips with digital delivery of film content. Wal-Mart, the largest US retailer, is entering the nascent market, challenging Amazon and Apple with a different model that ties digital downloads to the sale of DVDs."

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NASD, NYSE To Merge Some Oversight Functions. The Wall Street Journal (11/29, C1, Smith, Scannell) reports, "In a victory for Wall Street, the two organizations that police brokerage firms unveiled, as expected, a plan to merge some of their operations -- the latest step in a deregulatory push in U.S. markets." The Journal continues, "Securities and Exchange Commission Chairman Christopher Cox hailed the pact, saying it would streamline Wall Street regulation and raise the competitiveness of U.S. capital markets. Some investor advocates said the merger could weaken protections for individual investors by effectively removing cops from the beat. No immediate job cuts are planned, with the regulators saying any reductions would come through attrition." The Journal adds, "The National Association of Securities Dealers and NYSE Group Inc.'s New York Stock Exchange plan to combine routine examinations, enforcement and rule-making for the securities industry. The plan, which must still be ratified by 5,100 current NASD members, follows a campaign waged intermittently since 2000 by Wall Street's lobbying group, recently renamed the Securities Industry and Financial Markets Association. … The regulatory relief for Wall Street comes as both NYSE Group and Nasdaq Stock Market Inc. are bidding to acquire exchanges in Europe. Both exchanges must persuade non-U.S. investors and overseas issuers of securities that they won't suffer from the increase in U.S. regulation, notably the Sarbanes-Oxley law that was passed in 2002 after the collapse of Enron Corp. and other post-bubble scandals and added layers of regulation for public companies trading in the U.S."

USA Today (11/29, Farrell) reports, "The new group, which is yet to be named, will merge the NASD's 2,400 regulators and examiners with the 470 regulators at the NYSE. Currently, the NASD oversees about 5,100 brokerages, from small operations to big broker-dealers, while NYSE regulators focus on 180 major firms that dominate business on the Big Board." USA adds, "Some details of the merger have yet to be worked out. Then the deal will need formal approval from the SEC. But Tuesday's announcement suggests that the merger, which has been encouraged by the firms that have been regulated by both parties, is virtually a done deal. … While the new group is officially a merger of equals, NASD Chairman and CEO Mary Schapiro will emerge as CEO of the new entity, while NYSE Regulation CEO Richard Ketchum becomes chairman. Ketchum will continue to run the NYSE's market surveillance programs, which will remain separate from the merged entity."

Mack-Cali To Bid On Reckson. The Wall Street Journal (11/29, B7, Forsyth) reports, "A chief competitor of Reckson Associates Realty Corp. says it is teaming with financier Carl Icahn and New York real-estate developer Harry Macklowe in their $4.6 billion competing bid to acquire Reckson, a real-estate investment trust." The Journal continues, "Mack-Cali Realty Corp. said last night it expects to be admitted as a partner with Messrs. Icahn and Macklowe. 'We believe the combined partnership will be a(n) ... enhancement, given our collective strengths,' Mack-Cali Chief Executive Mitchell Hersh said in an interview." The Journal adds, "Mack-Cali, of Edison, N.J., competes directly against Reckson, of Uniondale, N.Y., in the suburban markets of New York. Mack-Cali wasn't contacted as a possible suitor when Reckson put itself up for sale, in part because of two failed merger negotiations between the two companies. Mr. Hersh has said he would have wanted a chance to bid on Reckson's suburban assets. Reckson had no comment on Mr. Hersh's statement last night. … However, earlier yesterday, Reckson notified Messrs. Icahn and Macklowe -- via email to the partnership and a filing with the Securities and Exchange Commission -- that their request to bring in additional investors to comb through Reckson's books wouldn't be allowed under the terms of the confidentiality agreement."

Iberdrola Purchase Of Scottish Power Could Spur European Energy Sector Consolidation. The Wall Street Journal (11/29, Johnson, Singer) reports, "Spanish power company Iberdrola SA's £11.6 billion ($22.64 billion) offer for Scottish Power PLC could jump-start a long-awaited consolidation in the European power sector, which has been hamstrung by legal and political battles. If successful, the deal, announced yesterday, would create Europe's third-largest power company by market capitalization with a combined value of about €46 billion ($60.7 billion) and ratchet up the pressure on others in the sector to bulk up." The Journal adds, "Power companies across Europe have been struggling to consolidate for the past year, as they seek to boost their size to take advantage of deregulation of the sector by the end of 2007."

The New York Times (11/29, Mclean, Timmons) says Iberdrola's purchase of Scottish Power "would create one of Europe's largest utilities."

The AP (11/28, Barr) reports, "The proposal follows others in the European utility sector, where Germany's E.On AG is trying to buy Spain's Endesa SA and Gaz de France and France's Suez are planning to combine." The AP adds, "Jack McConnell, first minister of Scotland's regional government, expressed wariness, and said he would seek assurances from the European Union that the takeover would preserve competition." He "said he would seek assurances from European Commission President Jose Manuel Barroso that the EU would evaluate the takeover consistent with its competition rules."

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The Financial Times (11/29, Shelley, Mulligan) reports the takeover bid "would create Europe's third largest utility – behind EdF of France and Germany's Eon – with an enterprise value of more than £43bn. But Iberdrola's successful search for a foreign tie-up, coupled with Eon's aggressive €37bn bid for Endesa, Spain's largest utility, comes as a blow for the Spanish government, which has attempted to foster the creation of national champions."

The Financial Times (11/29, Crooks) says, "Iberdrola surprised no one in launching a bid for Scottish Power. But the question many were asking was whether it would be the last of its kind for some time. A wave of mergers has swept through the European energy sector, and more consolidation has been widely expected." However, "with two of the biggest potential deals bogged down in legal and political quagmires, and this latest one viewed by the markets with a jaundiced eye, it seems enthusiasm is fading."

Dow Jones (11/28, MacDonald) says, "The deal will need approval from regulators including the European Commission, the U.S. Federal Energy Regulatory Commission and U.S. state regulatory commissions or authorities, Iberdrola said."

Novartis May Sell Off Gerber. The Wall Street Journal (11/29, A3, Berman, Whalen, Ball) reports, "Novartis AG may be prepared to sell Gerber Products Co., one of the world's largest and best-known makers of baby food, and could have a willing buyer in Nestlé SA." The Journal continues, "Novartis, a Swiss pharmaceutical concern, already is in negotiations with Nestlé, also of Switzerland, to sell a medical-nutrition business. Nestlé executives are toying with the idea of trying to make the acquisition of Gerber part of the same deal, according to people familiar with the matter." The Journal adds, "Novartis Chief Executive Daniel Vasella said in an interview yesterday that the company 'probably would act opportunistically' if an offer for Gerber emerged, although he added that there was no auction for Gerber under way." The Journal adds, "Gerber, of Fremont, Mich., and Novartis's medical-nutrition business together would fetch between $4 billion and $5 billion, estimate people familiar with the matter. They figure Gerber alone would be valued at more than $3 billion. … Nestlé has been hungry for Gerber for more than a decade. Even though the market for infant purées and other mushy concoctions has been relatively slow growing, the profit margin for baby food is among the highest in the prepared-food industry, at 24% in the U.S., compared with 16% for all packaged food, according to Morgan Stanley. … If Novartis decides to part with Gerber, Nestlé may have to compete with others for the business. Numico NV of the Netherlands, the maker of Nutrica baby food and other brands, is also likely to be interested, as would private-equity firms, people close to those firms say."

ENVIRONMENT/INDIAN AFFAIRS:

High Court To Hear Arguments On Global Warming. The New York Times (11/29, Barringer, 1.16M) reports, "The Supreme Court will hear oral arguments on Wednesday on the questions of whether the federal government, particularly the Environmental Protection Agency, is authorized and obligated to take action to alleviate global warming. Massachusetts, which has been joined by 11 other states, 3 cities and 13 environmental groups, will argue that the federal agency has shirked its legal responsibility to protect the public and ignored the requirements of the Clean Air Act." The Times adds, "Federal lawyers, in tandem with those of the auto industry, are arguing that existing law is inadequate to support far-reaching regulation, and that Congress, or the foreign policy arena, or both, are the appropriate venues to produce new global warming policies."

USA Today (11/29, Biskupic, 2.27M) reports, "The court's work on the case will focus on the scope of the federal Clean Air Act rather than the debate over emissions' impact on the climate. However, the justices' ruling could shape the US government's role in a pressing issue of the day and ultimately affect whether automakers will be required to build cleaner-running cars and trucks." The case "could have ramifications for those states because the authority to regulate emissions, even on the state level, derives from the Clean Air Act."

Writing in USA Today (11/29, 2.27M), Jonathan Adler, who teaches environmental and constitutional law at Case Western Reserve University School of Law, says that "if global warming requires regulation, that is a decision for Congress to make. … The petitioners argue that the Clean Air Act requires the EPA to regulate greenhouse gas emissions from new-vehicle tailpipes — and a superficial reading of the statutory text could suggest as much. et it is clear to all involved that the relevant statutory provisions were enacted to address local and regional pollution problems — such as soot, smog and acid rain -- not global concerns such as climate change. If global warming requires regulation, that is a decision for our elected representatives to make. … Global warming is a real concern, but global warming policy ultimately belongs to the political branches, not the judiciary."

More Commentary On EPA Cases. In an op-ed for the Wall Street Journal (11/29, A18, 2.04M) David Rivkin and Lee Casey, who "served in the departments of justice and energy under Presidents Reagan and George H.W. Bush," write, "The Supreme Court is now considering two environmental law cases that superbly illustrate the circumstances in which judges should overturn unlawful administrative actions, and when they should affirm sensible

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ones. The first, Environmental Defense v. Duke Energy, is one of the many enforcement actions the EPA has brought, mostly against electric utilities, under a relatively obscure part of the Clean Air Act known as 'New Source Review.'… By contrast, in Massachusetts v. EPA -- being argued today before the Supreme Court -- the court should uphold the agency's decision not to regulate carbon dioxide emissions from all of the new cars and light trucks sold in the U.S."

Investment In Cleaner-Burning Coal Plants Regarded As Urgent. In an op-ed for the New York Times (11/29, 1.16M) Thomas Homer-Dixon, director of the Trudeau Center for Peace and Conflict Studies at the University of Toronto, writes, "As the price of energy rises and as the planet gets hotter, we need significantly higher investment in innovation throughout society, from governments and corporations to universities. Perhaps the most urgent step, if humankind is going to return to coal as its major energy source, is to figure out ways of safely disposing of coal's harmful carbon dioxide — probably underground."

DOJ Launches Web Site On Tribal Crime. The Tulsa World (11/29) reports, "The U.S. Department of Justice announced Tuesday the launch of a Web site that will focus on crime in Indian Country. … 'I am honored to deliver the promise that I made to provide a one-stop-shop that will enhance the prevention of and response to crime and the administration of justice in Indian Country,' said Regina B. Schofield, assistant attorney general for the Office of Justice Programs. … 'This will serve as a medium for talking about promising practices across the nation. Crime knows no boundaries, and the Tribal Justice and Safety Web site is another way we are using technology to prevent crime and violence from taking root in our communities.'" The World adds, "The site's address is www.usdoj.gov/tribaljusticeandsafety. ... It is designed to serve as a single source of information about law enforcement for tribes, including crime statistics and other public safety issues, as well as a source for tribes on how the Justice Department can help them in fighting crime."

Michigan Tribal Casino Project Faces More Delays. The AP (11/29) reports, "A southwest Michigan casino project by the Gun Lake tribe faces another delay after the government pushed back its timetable for taking land into trust for the project." The AP continues, "The Justice Department said in a court filing last week that the government does not plan to take 146 acres in Wayland Township into trust for the casino before March 5, 2007. … The Interior Department was originally set to take the land into trust Jan. 5, clearing the way for the Gun Lake tribe to begin construction." The AP adds, "The delay was noted Tuesday by Station Casinos Inc. in a filing with the Securities and Exchange Commission. The Las Vegas-based company said it planned to 'continue contributing significant financial support to this project, even though there can be no assurances when or if the necessary approvals will be obtained.' … Michigan Gambling Opposition, an anti-casino group, sued in 2005 to block the government from taking the land into trust. U.S. District Judge John Penn in Washington is scheduled to consider government and tribal motions for dismissal on Wednesday."

Indian Tribal Membership Cause Of More Frequent Disputes. USA Today (11/29, Bazar) reports, "Native American tribes are facing allegations of greed and racism as they purge members from their rolls and deny the applications of others." USA continues, "The expulsions have sent tremors through Indian country. Thousands of Native Americans have lost their cultural identities and access to tribal benefits, such as medical care, housing and education. Certain gaming tribes divide casino profits among members, in some cases thousands of dollars a month per person. Those expelled lose their cut." USA adds, "Tribal officials say they're protecting legitimate members by making sure everyone in the tribe is qualified. … As sovereign nations, tribes have the final say in who can — and cannot — join. Each tribe determines what degree of Indian blood is necessary for membership, a requirement that varies among the 561 federally recognized tribes." USA notes, "In California, at least 2,000 Native Americans have been taken off the rolls of their tribes since 1999, says Laura Wass, executive director of the Many Lightnings American Indian Legacy Center, an education and advocacy group in Fresno. Disenrollments have surged with the rise of Indian casinos, she says. .. Thousands of Native Americans elsewhere have lost, or may lose, their tribal status. An upcoming vote at the Cherokee Nation in Oklahoma could deny citizenship to more than 1,000 of the tribe's 260,000 members. … State and federal courts do not have jurisdiction over Native American membership disputes, says Kevin Gover, law professor at Arizona State University and former assistant secretary of the Interior for Indian affairs. … 'Congress has not given individual Indians the right to sue their tribes,' he says."

FBI/DEA/ATF/USMS:

Mueller Appoints Love WFO Criminal Division Chief. Under the headline "FBI Appoints Veteran For Criminal Division," The Washington Times (11/29, Seper, Cella, 88K) reports, "A veteran FBI supervisor who oversaw the investigation into the high-profile, unsolved death of a federal prosecutor in Baltimore was appointed yesterday to lead the criminal division of the bureau's Washington field office. As head of the division, Jennifer Smith Love will direct all FBI investigations in Washington and Northern Virginia

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focused on violent, financial and organized crime; public corruption; civil rights violations; computer crimes; and drug-related offenses. FBI Director Robert S. Mueller III yesterday announced the appointment of Mrs. Love, who had been chief of the FBI's communication-exploitation section, where she led FBI efforts to disrupt the ability of terrorists to communicate with one another." The Times notes, "In May, during hearings before the Senate Judiciary Committee, Sen. Charles E. Grassley…questioned Mrs. Love's role" in the probe of Assistant US Attorney Jonathan Luna's death, "saying she and two other agents were 'the subject of allegations' that they had conducted an unauthorized search of another agent's laptop computer. … The inspector general's review found 'credible evidence' of wrongdoing to conclude the case should have been sent through the FBI's formal disciplinary process, rather than handled as a job-performance issue."

Former FBI Clerk Pleads Guilty To Leaking Hawaii Drug Probe Information. The AP (11/29) reports, "A former clerk-secretary on the FBI's organized crime-drug squad pleaded guilty today to getting information without authorization from a computer the bureau's Honolulu office. The FBI's investigation of Charmaine Moniz led to a two-year drug and gambling probe that resulted in charges filed against more than 35 people." The AP adds, "The FBI has said Moniz divulged sensitive information to drug dealers on Oahu's North Shore in 2003 and 2004. In court, Moniz said she got the information to warn her husband to stay away from certain people."

Witness Discusses Role In Shooting Of Two New York Detectives. The New York Times (11/29, Brick) writes, "In walked the first member of the Stapleton Crew, described by prosecutors as a band of outlaws who shot, robbed and pummeled their way to power among the gun and drug rings of Staten Island. … His real name is Jessie Jacobus, but he gave his street handle as J-Dot." He "was summoned to …federal court in Brooklyn, in violation of what he called his principles…to testify about the murder of two undercover detectives in March 2003." On March 10, 2003 Jacobus "said, he agreed to help rob a man during a staged gun sale. The man who arrived was an undercover detective, James V. Nemorin, 36, accompanied by Detective Rodney J. Andrews, 34, whom he identified as his brother-in-law."

Report On Drug Trafficking In Afghanistan Cites Government Involvement. The AP (11/29) reports a U.N. report released Tuesday "said Afghanistan's criminal underworld has compromised key government officials who protect drug traffickers, allowing a flourishing opium trade that will not be stamped out for a generation. The fight against opium production has so far achieved only limited success, mostly because of corruption, the joint report from the World Bank and the United Nations Office on Drugs and Crime said. The findings show a 'probability of high-level (government) involvement' in drugs, said Doris Buddenberg, the UNODC's Afghanistan representative and co-editor of the report." The AP also notes that opium cultivation in Afghanistan "rose 59 percent this year to 6,100 tons — enough to make 610 tons of heroin, nearly a third more than is consumed by the world's drug users, according to the report." The AP story was used by the New York Times, Washington Post, and Wall Street Journal.

ATF Ends Turf War With Massachusetts Authorities Over Blast Probe. The Boston Globe (11/29) reports, "Federal and state agencies announced today that they will cooperate in the investigation into last week's chemical plant explosion in Danvers." The Globe continues, "Town and state fire officials had questioned the jurisdiction of the US Chemical Safety Board, a federal agency that investigates such incidents. A turf war erupted Saturday when investigators from the board were denied access to the blast site. … In a joint statement this afternoon, federal and state officials and Chemical Safety Board investigators are on the site today of the plant, which was shared by CAI Inc. and Arnel Co. Inc. Investigators from the State Fire Marshal's office, the Massachusetts Department of Fire Services, the Danvers Fire Department, and the federal Bureau of Alcohol, Tobacco, Firearms, and Explosives are also involved. … 'All parties have agreed to cooperate in executing their different missions,' said the statement, issued after a meeting of all the agencies this morning. 'The CSB and ATF will coordinate to ensure the integrity of the ongoing civil and criminal investigations during the access to the site.'"

Man Who Impersonated ATF Agent Sentenced To 10 Years. The AP (11/29) reports, "A man who impersonated a federal agent during an armed robbery was sentenced Tuesday to 10 years in prison on charges of carrying an unregistered sawed-off shotgun and a homemade firearm silencer." The AP continues, "Prosecutors say Garfield Royes, 37 already had three felony armed robbery convictions on his record when he posed as an agent from the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives during another armed home invasion. … 'Today's sentencing of Mr. Royes validates that his only career is being an authentic career criminal,' said Vanessa L. McLemore, an ATF special agent." The AP adds, "Royes donned a tank-top adorned with the letters "ATF" in 2003 while robbing a group of suspected drug dealers, said U.S. Attorney David Nahmias. .. .He was arrested in June 2003

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while attempting to flee from police officers trying to search his home, prosecutors said. Police later said they found a 12-gauge sawed-off shotgun, a homemade silencer and ammunition at his home - items that Royes is banned from owning."

Man Who Skipped Out On Iowa Drug Trial Returned From Mexico. The Sioux City (IA) Journal (11/29, Hytrek, Ebaugh) reports, "It was a day later than expected, but Ryan Mathison is back on U.S. soil. … Around 6 p.m. Tuesday, Mathison and his girlfriend Janelle Rodriguez were walked halfway across a bridge into El Paso, Texas, by Mexican officials, where they were met by U.S. Marshals, said El Paso Supervisory Deputy U.S. Marshal Jerry Payan. … 'They are sitting in the El Paso County Jail awaiting extradition to Iowa,' Payan said." The Journal continues, "The pair were expelled from Mexico as "undesirables," Payan said, a faster and simpler procedure than extradition, a formal process that requires requests for extradition warrants that can take months. In expulsion, the Mexican government basically says the person in custody is not welcome. The person in custody also agrees to leave. … 'This is basically they want to leave, and Mexico wants them to leave, and they escort them to the border,' said Duane Walhof, supervisor of the U.S. Marshals Service Sioux City bureau. … 'It could be two days to two weeks before they are returned to Sioux City, depending on how fast the paperwork is processed,' Payan said." The Journal adds, "On Monday, federal officials in Sioux City announced that Mathison and Rodriguez had been located and arrested in Juarez, Mexico, Sunday afternoon. At a press conference, authorities said they expected the two to be turned over to the Marshals Service by Monday afternoon at the U.S. border at El Paso, Texas, just across the Rio Grande River from Juarez. … Mexican officials did not meet with them as expected that day. … The Sunday arrest ended a two-week search for Mathison, who, while on pretrial release, skipped town during his trial on charges that he oversaw a drug ring that transported hundreds of pounds of marijuana and cocaine from Mexico to Sioux City. The jury later found him guilty. He faces a mandatory minimum sentence of 20 years in prison, a sentence that could be enhanced because he discarded his electronic monitoring device and left town. A sentencing date has not been set."

IMMIGRATION:

Migrant Latinos Turning To "Mobile Consulates" For Assistance. On its front page, the Wall Street Journal (11/29, A1, Millman, 2.04M) reports that a "growing number of Mexicans, Salvadorans, Guatemalans and Dominicans…working in the remote reaches of Alaska, frequently illegally… turn for help to 'mobile consulates' -- collections of diplomats from their home countries who fly from barrio to barrio around the country." These so-called "Latino circuit riders" are "experts in immigration law and lobbying" that "press schools to offer bilingual instruction" and "counsel migrant workers on the intricacies of US immigration laws." These "mobile consulates" are "doing their best to help those who make it to the US to stay here," the Journal writes. Latin American nations, it notes, have "a big incentive to keep migrants working in the US," because "they send their families at home about $50 billion a year, according to the Inter-American Development Bank."

TAX:

Rangel Calls For Scrapping AMT. The Financial Times (11/29, Guerrera) reports incoming Ways and Means Committee Chairman Charles Rangel says the "new Democrat-controlled Congress should abolish an outdated tax that could condemn up to 23m Americans to pay a total $1,000bn next year, according to the incoming head of a powerful congressional committee." Rangel said "said scrapping the alternative minimum tax (AMT) was a top priority." But his position, "presented at a meeting with New York business leaders on Tuesday, is more radical than other senior Democrats, including the incoming House Speaker Nancy Pelosi, who have talked about extending a one-year relief from AMT for middle-income taxpayers."

CONGRESS-ADMINISTRATION:

Democrats Plan To Scrutinize Unprecedented Pentagon Spending Request. The Los Angeles Times (11/29, Barnes, Spiegel, 850K) reports, "The Pentagon is preparing an emergency spending proposal that could be larger and broader than any since the Sept. 11 attacks, covering not only the conflicts in Iraq and Afghanistan but extending to other military operations connected to the Bush administration's war on terrorism." According to the Times, the Pentagon will request $127 billion to $150 billion in new spending next year which "may push the Defense Department into a conflict with Democrats" when they take control of Congress." The Times notes the request "stands to be larger in part because of new rules laid out in an Oct. 25 memo from Deputy Defense Secretary Gordon England. Rather than strictly limit spending to Iraq and Afghanistan costs, the memo said the services could include costs associated with military operations that are part of the larger war on terrorism. … Democratic congressional aides said the new majority on Capitol Hill was likely to push back against a request that exceeded $100 billion."

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US Wearing Out $2 Billion Worth Of Equipment Every Month. USA Today (11/29, 1A, Kelley, 2.27M) reports, "About $2 billion worth of Army and Marine Corps equipment — from rifles to tanks — is wearing out or being destroyed every month in Iraq and Afghanistan, military leaders and outside experts say. That's equal to about a quarter of the $8 billion per month in military war costs. The wear and tear may lead to future equipment shortages and cutbacks in more advanced weapons, such as the F-35 Joint Strike Fighter being…says William Cohen, secretary of Defense from 1997 to 2001. … The Pentagon needs $50 billion to $60 billion to re-equip and restore units returning from Iraq, says Leon Panetta, the former Clinton White House chief of staff and member of the bipartisan Iraq Study Group." USA Today notes that according to the GAO the Army and Marines "have reported using about 40% of their ground combat equipment in Iraq and Afghanistan. … A separate GAO report this month urged the incoming Democratic-controlled Congress to investigate the Pentagon's planning for repair, maintenance and replacement of war equipment."

Bush Aides Feel Under Siege As Hearings Approach. The White House Bulletin/US News (11/28) reports, "With the new incoming Democratic House and Senate chairs of key policy committees pledging a wave of oversight hearings, White House officials say they are starting to feel under pressure as they prepare to testify starting as early as January." One key aide said, "Many of us feel under siege." The Bulletin adds aides "working in the issue areas of education, terrorism, national security and defense are especially concerned about the hearings Democrats are promising to hold." Two former aides tell the Bulletin and US News "that they are advising former colleagues to prepare to testify on their actions over the past five years." "We don't know for sure who will be going up to testify but everybody in the top offices should be prepared for an invitation," said one of the former Bush advisors.

Medicare Drug Program $13 Billion Under Budget. The Washington Times/AP (11/29) reports the Medicare prescription drug benefit "has cost nearly $13 billion less than expected this year -- a rare federal program coming in under budget -- and projections show it will cost about $200 billion less in its first decade than initially estimated." President Bush "credits competition among the dozens of private insurance companies administering the program for the cost coming in at $30 billion in 2006, about 30 percent below the projected $43 billion." But figures "provided to the Associated Press by the agency that oversees the benefit for the elderly and disabled show two other factors: lower-than-expected enrollment and drug prices that went up less than expected before the benefit kicked in."

Bush And Webb Reportedly Exchanged Heated Words At White House Reception. The Washington Post (11/29, A1, Shear, 690K), in a front-page profile of Sen.-elect James Webb titled, "In Following His Own Script, Webb May Test Senate's Limits," reports that at a White House reception Webb "tried to avoid President Bush" and "declined to stand in a presidential receiving line or to have his picture taken with" Bush. According to the Post, Bush "found" Webb and asked him "How's your boy?" referring to Webb's son Jimmy who is serving with the Marines in Iraq. Webb answered, "I'd like to get them out of Iraq, Mr. President." To which Bush responded "That's not what I asked you…How's your boy?" The Post reports Webb shot back "coldly": "That's between me and my boy, Mr. President." The Hill (11/29, Heil) reports Webb "confessed that he was so angered by this that he was tempted to slug" Bush.

Webb Expected To Operate Independently Of Other Senate Democrats. The Washington Post (11/29, A1, Shear, 690K) reports Webb "was narrowly elected to the U.S. Senate this month with a brash, unpolished style that helped win over independent voters. .. If the exchange with Bush two weeks ago is any indication, Webb won't be a wallflower, especially when it comes to the war in Iraq. And he won't stick to a script drafted by top Democrats. 'I'm not particularly interested in having a picture of me and George W. Bush on my wall,' Webb said in an interview yesterday in which he confirmed the exchange between him and Bush. 'No offense to the institution of the presidency, and I'm certainly looking forward to working with him and his administration. [But] leaders do some symbolic things to try to convey who they are and what the message is.'"

Rice Sets Record For Time Without Deputy. The Washington Post's (11/29, A21) Al Kamen writes in his "In The Loop" column that Secretary of State Condoleezza Rice "will break the modern indoor record for being without a deputy secretary of state." Kamen notes that "even if Rice named someone now, there wouldn't be confirmation until early next year, so the record will be hers."

Schwab Says Bush Will Pursue Aggressive Trade Agenda. The AP (11/29, Crutsinger) reports US Trade Representative Susan Schwab said "the president still hopes to achieve bipartisan support for an aggressive trade liberalization agenda in the next Congress even with Democrats in control." Schwab said the Administration would "continue to push for the conclusion of global trade talks known as the Doha Round before negotiating authority expires on June 30. She said the administration also hopes to wrap up negotiations by early next year on free trade deals with South Korea and Malaysia and said that talks should be

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concluded soon with Panama." Speaking to the US Chamber of Commerce, Schwab "warned against any move to erect protectionist barriers against the flow of goods into the country, something that critics say are needed in the face of record-high trade deficits they contend are costing American jobs."

Paulson Warns Against Protectionist Sentiment. The Wall Street Journal (11/29, Solomon, 2.04M) reports in a London speech to the Confederation of British Industry and in remarks to reporters, Treasury Secretary Henry Paulson "warned that protectionist sentiment is rising all over the world, partly because 'the benefits of trade are not spread evenly in any part of the world.' But he said it would be 'morally wrong' to give in to 'protectionist elements.'" Paulson's remarks "echo some of the themes that have been sounded by Democratic Party critics of globalization in the U.S., and like-minded people in other countries." In contrast with "those who would seek to slow the pace of globalization and prevent the completion of the current Doha round of world trade talks, Mr. Paulson argued that it is essential that globalization continue in order to assure future prosperity of developed and developing countries."

GAO Finds CIS Lost 111,000 Files. The Washington Post (11/29, A21, Hsu, 690K) reports senators released a Government Accountability Office report yesterday that found US Citizenship and Immigration Services has lost track of 111,000 alien files, or A-files, "in 14 of the agency's busiest district offices and processed as many as 30,000 citizenship applications last year without the necessary files." The GAO conducted a review "at the request of Sens. Charles E. Grassley and Susan Collins after US authorities granted citizenship in 2002 to a man without checking his primary file. The file, which was lost, indicated ties to the militant Islamic group Hezbollah." A CIS "official said workers probably checked most of the files but failed to make note of it. … Steven J. Pecinovsky, an agency liaison to the GAO, said workers are not required to note that they have checked A-files but will be in the future."

In an article appearing on more than 40 news websites, the AP (11/28) reported, "The missing files also cause delays for immigrants with no security issues from becoming U.S. citizens, the senators said. The senators said the agency agreed with the GAO to require workers to record whether an A-file was used to process a naturalization application and to use an automated file tracking system."

Pelosi Passes Over Hastings For Intelligence Chair. The AP (11/29, Shrader) reports that in a decision "that could roil Democratic unity in the new House, Speaker-to-be Nancy Pelosi passed over Rep. Alcee Hastings Tuesday for the chairmanship of the Intelligence Committee." Hastings, currently "the No. 2 Democrat on the panel, had been aggressively making a case for the top position, supported by members of the Congressional Black Caucus." But his "critics pointed out that he had been impeached when he was a federal judge and said naming him to such a sensitive post would be a mistake just as the Democrats take over House control pledging reforms."

The Wall Street Journal (11/29, Rogers, 2.04M) reports Pelosi "gave no indication of who would get the post, but aides indicated that a decision could follow quickly this week in a bid to resolve the issue, which has been used by her critics to try to isolate the California Democrat and incoming House speaker." The "criticism of her leadership is striking given that no other speaker before her has had the same length of service on the intelligence panel as Ms. Pelosi. As speaker, she will have the power to single-handedly appoint the chair and members for the new Congress, but her discretion has been challenged by allies of fellow Californian, Rep. Jane Harman, the committee's ranking Democrat, who has campaigned for the post." If Pelosi "holds firm, as expected, and doesn't name Ms. Harman to the post, she has several options. One is to elevate Rep. Silvestre Reyes (D., Texas), a Vietnam veteran and former member of the U.S. Border Patrol before coming to Congress."

The Los Angeles Times (11/29, Miller, 850K) reports Pelosi's "decision leaves a hole in the Democratic leadership ranks. The anticipated elevation of Hastings as chairman and the expected removal of Harman from the panel were seen as efforts to settle a debt with the Congressional Black Caucus, to which Hastings belongs: Another caucus member had been bumped from the panel in 2001 when Harman returned to Congress — and regained her seniority on the committee — after an unsuccessful run for governor of California." Democratic aides "indicated that Pelosi would probably tap someone not on the committee to become its chairman."

The New York Times (11/29, Mazzetti, Zernike, 1.16M) reports members of Pelosi's staff "had said she favored Mr. Hastings. But his position was weakened because he was impeached and removed as a federal judge in 1989 in connection with a bribery case. He was subsequently acquitted in the criminal case." For Pelosi, "who had hammered the Republicans for ethical lapses in the fall campaigns, the decision to pass over Mr. Hastings was a sign that she did not relish another battle after the Democratic caucus rejected her choice for majority leader, John P. Murtha of Pennsylvania. On the other hand, her decision risked alienating the influential Congressional Black Caucus, which had strongly backed Mr. Hastings."

The Washington Post (11/29, A1, Weisman, Slevin, 690K) reports in a front page story, "The decisions came despite lobbying by conservative Democrats on Harman's behalf and a full-throttled campaign by Hastings to overcome the stigma of the 1988 impeachment that drove him from his

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federal judgeship." Instead of "picking Harman or Hastings, Pelosi will look for a compromise candidate, probably Rep. Silvestre Reyes (Tex.), but possibly Rep. Norman D. Dicks (Wash.), a hawkish member of the Appropriations defense subcommittee, or Rep. Sanford Bishop (Ga.), a conservative African American with experience on the intelligence committee." Hastings "took a shot at conservatives and media voices who have come out strongly against his appointment. 'Sorry, haters, God is not finished with me yet,' he wrote."

The Washington Times (11/29, Hurt, 88K) reports Pelosi "received intense criticism after suggestions that she would elevate Mr. Hastings to the top spot. Lawmakers on both sides of the aisle argued that the former federal judge would be a poor choice for chairman because he was charged in 1981 with accepting a $150,000 bribe. A jury acquitted Mr. Hastings after a key witness refused to testify." Still, "a Democrat-controlled House of Representatives later impeached Mr. Hastings on a 413-3 vote with support from Mrs. Pelosi and others in Congress who now support Mr. Hastings. The Democrat-led Senate convicted Mr. Hastings and he was removed from office."

Capuano Describes Democrats' Transition To Majority As "Disjointed." The Hill (11/29, Bolton) reports Rep. Michael Capuano, "heading the day-to-day transition of House Democrats from minority to majority party," says the "process has become 'disjointed' and that leaders need to do a better job communicating with each other." Capuano "also said the inevitable messiness of a new party taking over the House is just part of the democratic process. … 'A lot of people have their hands in it right now but the coordination isn't where I would like it to be." The Hill continues, "Capuano said that there has been confusion over the importance of seniority. He said there is a perception that seniority is virtually the sole factor in determining committee leadership and makeup, adding that has not been true for years."

Labor, House Democrat Leaders Meet To Discuss Agenda. The Hill (11/29, Bolton) reports, "Labor union representatives, liberal leaders, and aides to House Speaker-elect Nancy Pelosi (D-Calif.) met yesterday to begin work on a broad lobbying push to promote Pelosi's 100-legislative-hour agenda with a campaign expected to mimic the one that helped defeat President Bush's proposed reforms to Social Security." The meeting is "a signal that interest groups allied with Democrats are going on the offensive, transitioning from the defensive crouch they have held for much of Bush's time in office." The "purpose of the gathering was to ensure that party allies are unified during the first crucial weeks of the Democratic majority and that the agenda Democrats campaigned on this fall does not become entangled by interest-group squabbles and competition." Party strategists "are speculating that they will have a brief window of legislative productivity before a curtain of partisanship falls across town as Republicans and Democrats gear up for the 2008 presidential election." The "first priority of the lobbying plan is to pass a minimum-wage increase. The campaign will also focus on allowing the government to negotiate for lower prescription drug prices for Medicare beneficiaries, repealing tax benefits for oil companies, and cutting the interest rate for student loans." The "strategic advantage of the 100-hour agenda is that it is made up of proposals that are broadly popular, thereby allowing the Democrats' allies to achieve consensus and work together from the start of next year. After that agenda is passed, groups are likely to go off in their own directions and clash over competing priorities."

Liberal Activists Moderate Their Influence Over Congressional Democrats. The Hill (11/29, Schor) reports, "After a long battle with conservatives on social issues and judicial nominations, Democratic-aligned interest groups are hailing the coming congressional changeover and weighing exactly how and when to exert their influence. … NARAL has aimed its recent efforts less at preserving women's right to an abortion than at making the procedure, as former President Clinton first put it, 'safe, legal and rare.' One of the family-planning packages strongly backed by NARAL and Planned Parenthood boasts as its chief sponsor new Senate Majority Leader Harry Reid (D-Nev.), who describes himself as pro-life." The Hill adds that on gay-rights issues, Human Rights Campaign President Joe Solmonese "took a respectful view of the long to-do list facing his Democratic allies. 'One of the most important things we can do is be sensitive to the fact that the new leadership in this Congress…have a huge responsibility to speak to the issues the American people couldn't have been clearer about in putting them there: the war in Iraq and corruption in government."

Reid Sets Agenda For Senate's Next Session. The AP (11/29, Pickler) reports Senate Majority Leader-elect Harry Reid said "he's doing away with the 'do-nothing Congress' that Democrats campaigned against and plans to keep senators working long hours — focusing first on ethics, the minimum wage and stem cell research." Reid said he would "tackle those priorities after cleaning up the 'financial mess' the outgoing Republican Congress is leaving behind, a reference to nine long-overdue spending bills covering 13 Cabinet departments for the budget year that began Oct. 1." The "must-pass legislation totals more than $460 billion and could divert time from other items on the Democratic agenda."

McConnell Pledges Cooperation On Minimum Wage, Ethics Reform. The Washington Post (11/29, A21, Pianin, 690K) reports, "Sounding a conciliatory note, the

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new Senate Republican leader vowed yesterday to work with Democrats to pass a minimum-wage increase and a strong ethics reform package shortly after the new Democratic-controlled Congress begins work next year." Senate Minority Leader-elect Mitch McConnell (Ky.) "described as 'easy stuff' much of the Democrats' opening agenda, including a proposal to boost the minimum wage from $5.15 to $7.25 an hour and a congressional ethics package that would ban gifts, meals and travel from lobbyists, as well as impose new controls on the budget deficit. These issues, however, have not proved to be easy before." McConnell said he "is urging bolder action. He challenged House Speaker-designate Nancy Pelosi (D-Calif.) and Senate Majority Leader-elect Harry M. Reid (D-Nev.) to push for a long-term solution to financing the Social Security system and for a comprehensive overhaul of the nation's immigration laws." In a meeting with Washington Post editors and reporters, McConnell said, "One thing I hope we can do, now that we have the election out of the way, is see if we can quit kicking the can down the road on a number of significant issues. Left over from last year, I would put immigration at the top of the list. But I also share the view...that this would be the perfect time to tackle Social Security."

Fiscal Conservatives Prepare Strategy. The Washington Post (11/29, A2, Murray, 690K) in its "Political Dispatch" column reports, "In Congress, the minority life is mostly talk and little action, and yet for" conservative GOP lawmakers and "advocates of minimal spending and low taxes, that may not turn out to be so bad. It's easier to promote fiscal discipline in theory than to practice it as a party leader or committee chairman." One "chief target of the budget hawks is a group of Democratic House freshmen who won seats in conservative districts, including the Florida seat that was held by disgraced Rep. Mark Foley, and Tom DeLay's former seat in Texas. Republicans call these 'rented seats' and hope to win them back in 2008." When the GOP was in the minority in the 1980s they "sought to force Democrats to vote against small spending reductions, often fractions of a percent." And as longtime GOP aide Stuart Roy "pointed out, these little-noticed maneuvers helped Republicans build a case that Democrats' spending habits had spiraled out of control." And on taxes "fiscal conservatives will act as chief defenders of the numerous temporary tax cuts that Republicans have passed since President Bush took office." The Post notes, "The first showdown will come over the alternative minimum tax, which Democrats have vowed to address early in their tenure."

GOP Adjusting To Minority Status. The Hill (11/29, O'Connor) reports, "The Republican retreat from ornate leadership chambers and spacious committee offices has been a harsh awakening for members of the outgoing majority, but that is just one of the many difficult realities GOP members and staff must accept about life in the minority. Still stinging from their midterm defeat, leaders in the House must rewrite the party's internal rules to adapt to their diminished status and reorganize the Steering Committee to decide who will serve on each committee and who will be the ranking Republican before slinking off to the offices allocated to them."

Hensarling, Tiahrt Compete For Study Committee Post. The Hill (11/29, O'Connor) reports that a "major fight is brewing among conservatives in the House to elect the next chairman of the Republican Study Committee." Reps. Jeb Hensarling and Todd Tiahrt "have been calling members…to ask for their support in the election next Wednesday. … Many staffers consider Tiahrt, an appropriator, as the leadership-backed candidate who would mute the influence of conservative agitators as Republicans try to unite in the minority."

Senators Press For More Social Security Administration Funding. The Washington Post's (11/29, D4, Barr) "Federal Diary" column reports, "54 senators" -- 42 Democrats and 12 Republicans -- "have sent an appeal to the Senate leadership asking that the Social Security Administration receive adequate funding to avert workplace disruptions." The senators "called for a fiscal 2007 appropriation that would add $401 million to the agency's administrative account. Without the money, Social Security would be forced to send employees home without pay and shut offices for 10 days next year, the senators said." The Post adds that several agencies with the exception of DoD and DHS are bracing for possible cuts in funding as Congress has not yet passed a host of fiscal 2007 spending bills, and adds the "Senate's bill for Social Security would provide $9.1 billion for the agency's administrative expenses, $401 million less than the president requested and $54 million below what was appropriated in fiscal 2006. The House bill would leave Social Security about $200 million short of what the White House is seeking."

Controversial State Department Official Receives Award For Service. The Washington Post's (11/29, A21) Al Kamen writes in his "In The Loop" column that Secretary of State Condoleezza Rice announced this week that the recipient of this year's Edward R. Murrow Award for Excellence in Public Diplomacy is "none other than Alberto Fernandez, head of public diplomacy for the Mideast. Fernandez, who speaks Arabic fluently, is best known in this country for having told al-Jazeera television back in October that Washington had been arrogant and stupid in Iraq."

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USAF Declines Food Donation From Nuns Who Damaged Silo Fence. The Washington Times (11/29, Richardson, 88K) reports, "Three nuns were thwarted yesterday in their effort to pay their debt to society with food instead of cash when officials at two Colorado Air Force bases refused to accept their donations. The Dominican sisters -- Carol Gilbert, Jackie Hudson and Ardeth Platte -- had collected thousands of cans of food in an effort to pay the military $3,082 in restitution for cutting through a chain-link fence at a Colorado missile silo in 2002. … But airmen at Buckley Air Force Base here turned away two pickup trucks loaded with thousands of cans of food yesterday, telling volunteer drivers that the facility had just received a large donation of food and had nowhere to store the nuns' delivery."

Policeman's Death Underscores Danger Caused By Presidential Motorcade. McClatchy (11/29, Thomma) reports presidential motorcades "can be dangerous. The most recent reminder: the death this week of a Honolulu motorcycle officer who was injured while escorting President Bush during a brief stop en route home from Asia. Sure, the president is safe in his limousine - so safe that no one can remember a commander in chief buckling his seat belt. But the rest of the entourage is at risk of accidents and injuries, and they happen more often than most people realize." McClatchy notes Steve Favela "suffered fatal injuries when he and two other officers crashed as the motorcade sped across Hickam Air Force Base on rain-slicked pavement."

OTHER NEWS:

Bernanke Says Economy Remains At Risk From Inflation, Housing Slump. The AP (11/29, Aversa) reports Federal Reserve Chairman Ben Bernanke "said Tuesday that risks from inflation or a worse-than-expected housing slump could further complicate things for an economy that already is in slowdown mode." Speaking to the National Italian American Foundation in New York, Bernanke said, "The deceleration in economic activity currently under way appears to be taking place roughly along the lines envisioned." He added that the "slowdown in overall activity mostly reflects the housing slump, he said. As the economy cools, inflation also should continue to gradually ease over the next year or so, the Fed chief added." Overall inflation "has showed signs of improving in recent months as once surging energy prices have calmed down. However, 'core' prices - which exclude energy and food and are closely watched by the Fed - still remain 'uncomfortably high,' Bernanke said."

ABC World News (11/28, story 6, 0:20, Gibson, 8.78M) reported, "In economic news, Federal Reserve Chairman Ben Bernanke says he expects the economy to enjoy moderate growth next year despite a slowdown in the housing market but he warned that inflation is still a danger. Analysts said they heard nothing that would signal nothing if the Fed would cut interest rates soon as some on Wall Street would hope."

USA Today (11/29, Kirchhoff, 2.27M) reports Bernanke said "the economy is growing at a 'solid pace' outside of housing and manufacturing, but a key inflation measure remains 'uncomfortably high.'" Bernanke said "it would be 'especially troublesome' if price pressures don't moderate, as the Fed has forecast." Economists "interpreted Bernanke's comments as a sign the central bank is not likely to cut interest rates anytime soon and could be forced to raise them in coming months to keep price pressures under control."

The Wall Street Journal (11/29, Ip, Gerena-Morales, Corkery, 2.04M) reports that in a "contrast with the widely held view on Wall Street that slower economic growth will lead to interest-rate cuts, Federal Reserve Chairman Ben Bernanke offered an upbeat assessment of the nation's economy, warning that tight labor markets could put more pressure on wages and prices." Many investors "point to declining housing construction, mixed news on holiday sales and a tame reading on inflation as indications that the economy is weakening, inflation risks are fading and that the next move by the Fed will be to cut interest rates, perhaps as soon as next spring. However, Mr. Bernanke's hawkish message suggests rate cuts are unlikely in the months to come." But "stock and bond markets barely reacted -- underscoring how, in recent months, Fed officials and investors increasingly have seemed to be looking at two different economies."

The Washington Post (11/29, D2, Henderson, 690K) gives the story a positive spin with the headline, "Fed Chief Optimistic Of Soft Landing; With Eye on Inflation and Jobs, Bernanke Remains Upbeat." The Post reports "the nation's central bank is growing more confident that the U.S. economy will slow gradually in a way that should cause inflation to decline without tipping the nation into a recession, Federal Reserve Chairman Ben S. Bernanke said yesterday."

The Financial Times (11/29) reports Bernanke "appeared to head off talk of imminent US interest rate cuts by warning that inflation remained 'uncomfortably high.'" Bernanke's speech "follows days of jitters in financial markets, with investors betting that US economic weakness would force the Fed to cut interest rates next year, undermining the dollar." Bernanke's "message was reinforced by Hank Paulson, US Treasury Secretary, who told reporters in London the US economy was making a 'successful transition' to a more sustainable rate of growth, and by the Organisation for Economic Co-operation and

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Development, which said the outlook for the world economy remained bright."

Stock Markets Rise Slightly Despite Bernanke's Inflation Worries. The Wall Street Journal (11/29, C1, McKay, 2.04M) reports, "Stocks edged higher despite troubling comments about interest rates from Federal Reserve Chairman Ben Bernanke." The gains "erased little of Monday's steep market drop, which included a 158.46-point decline in the Dow Jones Industrial Average. After sliding further in early trading, the blue-chip average ended the day up 14.74 points, or 0.1%, at 12136.45, 13.2% higher for the year." The broad Standard & Poor's 500-stock index "also opened the session lower but climbed 4.82 points for the day to end at 1386.72, up 11.1% for the year. The technology-stock-heavy Nasdaq Composite Index rose 6.69 points to 2412.61, up 9.4% for the year. Both were up 0.3% for the day."

NBC Nightly News (11/28, story 6, 0:15, Williams, 9.87M) reported, "On Wall Street today modest gains after yesterday's stock sell off. The Dow was up almost 15 points [to close at 12,136.45]. NASDAQ was up almost 7 points [to close at 2,412.61]."

Previously-Owned Home Sales Pick Up, But Prices Fall. The Wall Street Journal (11/29, Gerena-Morales, Corkery, 2.04M) reports new data 'offered a mixed picture of the housing sector's condition as home sales picked up, but prices fell. Meanwhile, the first look at business investment in the fourth quarter revealed a sharp pullback, indicating that business spending won't lend as much support to economic growth as some analysts had been expecting." The National Association of Realtors "reported that previously owned home sales rose 0.5% from the previous month to a seasonably adjusted annual rate of 6.24 million units, which is up from an upwardly revised September sales pace of 6.21 million." It was the "first monthly rise in sales that the trade group has reported in eight months. But the national median home price plummeted 3.5% to $221,000 from a year ago -- the largest year-over-year price drop since the trade group began keeping records in 1968, and 'it's probably the largest price drop since World War II,'' said David Lereah, NAR's chief economist."

NBC Nightly News (11/28, story 5, 0:45, Williams, 9.87M) reported, "The housing market…is in the midst of a painful kind of correction. Sales of existing homes posted a small increase, half a percentage point, last month after seven straight months of declines. But home prices fell by a record amount, down 3.5% from a year ago. It is the biggest year-over-year price decline ever. It is also the third month in a row that prices have dropped. That's the longest stretch of price declines on record in US history. Federal Reserve Chairman Ben Bernanke warned today that a slump in the housing market that is more severe and widespread than the experts have been predicting is indeed possible but he said, as of now, he's still on the lookout for inflation pressures and he thinks the economy will grow at a moderate pace."

The Washington Post (11/29, D1, Brubaker, 690K) reports US existing home prices "dropped a record 3.5 percent last month, compared with the same month a year earlier, while the total number of residences sold fell 11.5 percent compared with October 2005, according to an industry report released yesterday." The "largest drop in sales prices -- 7 percent, or double the national average -- came in the South, which includes the Washington area."

USA Today (11/29, Knox, 2.27M) reports, "Prices of existing homes — which fell a record 3.5% last month — will likely drop further through year's end, delivering the bitter medicine needed to restore the health of the housing market, the National Association of Realtors said Tuesday." Today, "the Commerce Department will release October sales figures for new homes. Those figures are expected to show more weakness."

The Los Angeles Times (11/29, Sanchez, 850K) reports, "In California, October results were the opposite, with sales, excluding condominiums, slipping 0.3% from the previous month and the median sales price gaining 2% from October 2005 to $548,680, according to the California Assn. of Realtors." The "modest rebound in sales may indicate that the nationwide housing slow down might be bottoming out — but any noticeable relief for sellers probably won't come until next year, according to some housing observers." NAR economist David Lereah said in a statement, "After a period of price adjustment, we'll see more confidence in the market and a lift to home sales should be apparent in the first quarter of 2007." The Times adds, "But other economists say a turnaround is still far away, with many signs pointing to a buyer's market for some time to come. For example, the inventory of unsold homes, increased 1.9% in October to 3.85 million existing homes."

Dollar Falls To 20-Month Low Versus Euro. The Washington Post (11/29, D1, Goodman, Henderson, 690K) reports the US dollar "fell to a 20-month low against the euro Tuesday, the latest development in a year-long currency readjustment that could make some imported goods more expensive, but could also help American workers by boosting exports." Traders are "not entirely sure why the currency is falling, but several pointed Tuesday to signs of economic weakness in the United States and strength in Europe. That is fueling expectations that interest rates will rise in Europe relative to the United States, prompting investors to move assets out of dollars." Treasury Secretary Henry M. Paulson Jr. "reacted to the decline by speaking Tuesday of his support for a 'strong dollar.'" But as he "said the words, though, Paulson was preparing for a trip to China, during which he plans to press officials there to raise the value of China's currency, and thus lower the value of the dollar."

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WSJournal Claims Uncertainty Over Democratic Congress Behind Dollar's Fall. The Wall Street Journal (11/29, 2.04M) says in an editorial, "The dollar's recent weakness against the euro and other currencies has brought out the usual suspects to blame the usual suspects. That is, the crowd that has long believed the greenback needs to be devalued because of the large U.S. trade deficit is declaring that day has finally arrived. The fact that the dollar has held up well for years despite the trade deficit doesn't seem to matter to this conventional wisdom." The Journal adds, "Our view is simpler: When U.S. economic policies look like they might take a turn for the worse, dollar-denominated assets lose some of their allure. So, for example, when the new Democratic majority in Congress talks about raising taxes on capital gains and dividends, investors in U.S. financial and corporate assets get the jitters. And when U.S. monetary policy accommodates more inflation, investors also look for other places to put their marginal cash."

NRSC Letter Acknowledges Debt. The AP (11/28, Kuhnhenn) reports the National Republican Senatorial Committee, "which lagged behind other national party committees in fundraising the past two years, emerged from the Nov. 7 election in debt and is soliciting donations to get out of the red." In an "urgent appeal to donors this week, Sen. Elizabeth Dole of North Carolina, "the chairwoman of the National Republican Senatorial Committee, beseeched contributors to 'help us retire our debt.'" Dole said, "If we let this debt linger, it will cripple our efforts to recruit great candidates for the next election and begin our drive to win the one additional seat we need to regain the Senate majority." The AP adds that as of "Oct. 18, the date of the last financial reports to the commission, the NRSC had $8.9 million of cash on hand. At that point in the two-year election cycle, it had raised $77.9 million and spent $70 million."

Wulsin Concedes To Schmidt In Ohio's 2nd CD. The AP (11/29) reports, "Three weeks after Election Day, Democrat Victoria Wulsin conceded to Republican Rep. Jean Schmidt on Tuesday but suggested that she might run again." Wulsin "conceded just before Clermont County reported final unofficial results that showed Schmidt with an overall total of 120,112 votes, or 50.5 percent, to 117,595 votes, or 49.5 percent for Wulsin."

Undervotes Could Determine Outcome In Florida's 13th CD. The Washington Post (11/29, A3, Whoriskey, 690K) reports "almost since the time the votes were tallied" in Sarasota "on election night, the race for Florida's 13th Congressional District has been surrounded by a contentious mystery: Why were there no votes for Congress recorded from more than 18,000 people who chose candidates in other races?" The answer is "central not only to the outcome of the election, which for now has been won by Republican Vern Buchanan by a mere 369 votes and is in litigation, but also to the ongoing debates over whether the electronic voting systems in use nationwide can yield reliable tallies and recounts." There are "three theories, and lots of political and legal posturing. Maybe, as scores of voters have claimed, there were glitches with the touch-screen systems and they dropped votes. Or maybe voters overlooked the congressional race simply because of a confusing ballot design. Or maybe, as some say, an astoundingly high number of Sarasota County residents decided to forgo voting in the high-profile race."

Dean's 2004 Webmaster Seeking Position With McCain Campaign. The Hill (11/29, Kaplan) reports, "Several sources said that Nicco Mele, the CEO of EchoDitto, an internet strategy firm, and Howard Dean's webmaster when Dean was running for president in the 2004 cycle, has let it be known that he wants to work for Sen. John McCain if he runs for president."

Hagel 2008 Bid Seen As More Realistic After GOP's Midterm Losses. The Washington Post's David Ignatius (11/29, A23) writes, "A month ago the idea that Sen. Chuck Hagel would make a serious run for the Republican presidential nomination would have been a non-starter. … It's a measure of the step change brought about by the Nov. 7 elections that Hagel is now seriously exploring a GOP presidential bid." Hagel "says he will make a formal decision in the next two months on whether to run." Ignatius contends that, "What would make a Hagel candidacy interesting is that he can claim to have been right about Iraq and other key issues earlier than almost any national politician, Republican or Democratic. … It strains credulity to imagine that a GOP controlled by Bush and Karl Rove could learn to love Hagel, but, as the Nebraskan says, this is a time of 'transformational politics.'"

Morris Says Women Want Democratic Presidential Candidate. In his column in The Hill (11/29), Dick Morris says, "What women want is a woman president. And their voting preferences are showing how strongly they feel." According to "the Gallup Poll of November 9-12, both Democratic and Republican women disproportionately support their party's potential female candidates. While it has not been unusual to see polls showing a bias by female voters in favor of women who run on the Democratic Party line, most of these surveys have failed to distinguish whether it is party or gender that is attracting female voters. And, until recently, Republican women have not shown a preference for a female candidate." But the Gallup Poll "tested Sen. Hillary Rodham Clinton (D-

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N.Y.) in a Democratic primary field and Condoleezza Rice in a Republican match-up. Among both sexes, Hillary ran first in her party with 31 percent of the vote, followed by newly hyped Sen. Barack Obama (Ill.) at 19 percent, John Edwards, likely benefiting from his wife's best-selling book, at 10 percent, Al Gore at 9 percent and Sen. John Kerry (Mass.), probably suffering from his foot-in-mouth disease, back at 7 percent." On the Republican side, Rudy Giuliani "led with 28 percent, followed by Sen. John McCain (Ariz.) at 26 percent, Rice at 13 percent, former House Speaker Newt Gingrich (Ga.) at 7 percent, outgoing Massachusetts Governor Mitt Romney at 5 percent and soon-to-be-former Senate Majority Leader Bill Frist (Tenn.) at 4 percent." But Clinton "was favored by 38 percent of the women in the Gallup Poll's Democratic Primary match-up but got only 23 percent of the men. On the Republican side, Rice won 18 percent of the women and only 8 percent of the men. Such a dramatic gender gap, on each side of the partisan divide, illustrates the power of a woman candidate, from either party, running for president."

Organizer Of Anti-Hillary PAC Is Also Giuliani Contributor. The New York Times (11/29, Hernandez, 1.16M) reports campaign finance reports show a "leading organizer of a political action committee created to derail Senator Hillary Rodham Clinton's presidential prospects is also a major contributor to Rudolph W. Giuliani." The organizer, Richard Collins, "a principal figure behind the group Stop Her Now, has given $10,000 to Mr. Giuliani's political action committee Solutions America over the last two years, according to campaign finance disclosure documents." On a Website "posted Monday, the Stop Her Now group says that its goals include attempting 'to shed light on the real Hillary Clinton and the danger she and her ideas pose for America.'" While the Giuliani camp "has no direct connection to Stop Her Now, some Democrats argued yesterday that Mr. Giuliani — who seems poised for a possible presidential run of his own — should disavow the personal nature of the criticisms that the group is leveling at Mrs. Clinton." Stop Her Now "is among the newest of the so-called 527 advocacy groups whose prominence has grown in recent years." Collins, "a wealthy Texas businessman, funneled $80,000 into the group's coffers in the last few months, making him the group's single largest donor in the third quarter of 2006, according to the disclosure documents."

Christian Coalition's Designated President Resigns. The Washington Post (11/29, A13, Cooperman, 690K) reports, "For the second time in little more than a year, the Christian Coalition of America named a new leader and then removed him before he ever fully took the reins of the conservative political advocacy group. The Rev. Joel Hunter, pastor of a nondenominational megachurch in Longwood, Fla., said he resigned as the coalition's incoming president because its board of directors disagreed with his plan to broaden the organization's agenda." Hunter "wanted to take on such issues as poverty, global warming and HIV/AIDS."

Bush Supports Adding More Countries To Visa-Waiver Program. USA Today (11/29, Hall, 2.27M) reports, "President Bush said Tuesday that he wants more countries in a program that allows foreigners to stay in the USA without visas, despite criticism that the move could open the door to terrorists. 'We want people to come to our country,' Bush said in Tallinn, Estonia, one of several European countries that have asked to be included in the visa-waiver program, in which 27 foreign countries now participate. 'It's in our nation's interest that people be able to come and visit.'" Bush "said his administration aims to add more countries to the program, created to facilitate tourism and business travel 15 years before the 9/11 attacks increased fears of terrorism. He pledged to ensure that 'those that want to continue to kill Americans aren't able to exploit the system.'" The Washington Post/AP (11/29, A9) notes "officials did not say which other countries the administration might try adding to the program. Countries from Central and Eastern Europe have expressed interest in entering the program, which lets travelers enter the United States with only a passport."

The Washington Times (11/29, Dinan, 88K) reports "the proposed expansion would run athwart concerns that the Department of Homeland Security (DHS) cannot keep up with the 27 countries already approved, as the Government Accountability Office (GAO), Congress' investigative branch, found in a July report. 'DHS cannot effectively monitor the law enforcement and security risks posed by visa waiver countries on a consistent, ongoing basis because it has not provided [the Office of International Enforcement] with adequate staffing and resources,' GAO investigators concluded, adding they also found 'weaknesses' in how DHS talks with overseas posts working on visa issues."

Bush Praises Estonia's Flat Tax. The AP (11/29, Riechmann) reports, "President Bush says the United States should have a simpler tax system. Apparently he has found one he likes -- Estonia's. In a brief stop in the Baltic nation on Tuesday, Bush managed to tout Estonia's flat income tax three times. 'They've got a tax system here that is transparent, open and simple,' Bush said in Tallinn after getting a look at how Estonian citizens can file their taxes online." The AP adds, "In a toast about an hour later to Estonian President Toomas Hendrik Ilves, Bush said, 'I am amazed to be in a country that has been able to effect a flat tax in such a positive way.'" And "before fielding reporters' questions with Ilves, Bush again praised Estonia's approach

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to taxation. 'I appreciate the fact that you got a flat tax, you got a tax system that's transparent and simple,' he said."

Rice To Meet With Abbas In Push To Restart Talks. The AP (11/29, Daraghmeh) reports Secretary Rice "put Washington's heft behind new Mideast peace overtures on Tuesday, scheduling an unexpected meeting with Palestinian President Mahmoud Abbas this week." The meeting was announced a day after Israeli Prime Minister Ehud Olmert called on the Palestinians to return to peace talk, and Rice's visit "was seen as a further push to use the momentum to start new peace talks." Rice will meet Abbas Thursday in the West Bank town of Jericho, and Assistant Secretary McCormack "raised the possibility that she would also meet with an Israeli official."

Jordan's Abdullah Expected To Push For Peace Talks In Meetings With Bush. In a report from Amman previewing President Bush's visit, NBC Nightly News (11/28, story 2, 2:20, Engel, 9.87M) noted, "There are many competing agendas here in Jordan tonight. King Abdullah has said he wants the revival of the Israeli-Palestinian process to be the top agenda of his meeting with President Bush. … Also Lebanon's prime minister has said he wants his conflict with Israel and internal power struggles with Hezbollah also to be part of this agenda." However, NBC says "the problem is President Bush will be on the ground here for about less than 24 hours." Similarly, the AP (11/29, Halaby) reports King Abdullah "made clear Tuesday he will press for a renewed effort to resolve the Palestinian-Israeli conflict when he meets with President Bush." In a speech to parliament, King Abdullah "described the Israeli-Palestinian dispute as the 'core' issue in the Middle East and indicated that in his talks with Bush, he would underline the need for the United States to push for peace."

Proposed UNSC Iran Resolution Drops Mention Of Sanctions. The New York Times (11/29, A8, Cooper, 1.16M) reports the six world powers "seeking to rein in Iran's nuclear ambitions are circulating a significantly weakened draft" for a UNSC resolution against Tehran's nuclear program, "in a bid to keep their fragile coalition from falling apart." The new text under consideration has "dropped all mention of sanctions against Iran's first nuclear power plant at Bushehr," according to European diplomats. Although the US "initially proposed including Bushehr on the list of programs to single out," Russia, which has been helping to build the plant, "balked." Meanwhile, the Times says that "complicating the matter is the steady drumbeat in Washington, from inside and outside the Bush administration, calling on President Bush to initiate talks with Iran over the worsening violence in Iraq."

Iranian Opposition Group Hindered By US Terrorist Label. In a front page article, the Wall Street Journal (11/29, A1, Higgins, Solomon, 2.04M) reports, "Early this summer, as Washington fretted about Iran's nuclear program, supporters of Mujahedin-e Khalq, an Iranian opposition group, held a rally in an auditorium two blocks from the White House. Prominent members of Congress addressed the crowd, as did the State Department's recently retired ambassador-at-large for war crimes." Mujahedin-e Khalq, known as MEK, is Iran's largest exile opposition group and, "say its supporters, the best hope of bringing democracy to Iran." But with the US armed forces "bogged down in Iraq and America's military options against neighboring Iran severely limited, the MEK and its fans are lobbying hard to present the group as an ally that can help curb Tehran's growing influence." Its supporters "include lawmakers and conservative foreign-policy analysts," but "most US officials scoff at forming any alliance with the MEK and dispute its claims of having a mass following in Iran, stressing that many Iranians despise the organization." Meanwhile, a senior White House official says the Bush administration continues to view the MEK as a terrorist organization and "not an advocate for democracy or human rights" in Iran.

US, North Korean Officials Meet For Second Day Of Talks. The AP (11/29, Ang) reports nuclear negotiators from the US, North Korea and China "met for a second day Wednesday, a US Embassy spokeswoman said, amid a diplomatic push to resume six-nation talks on Pyongyang's atomic weapons program." Assistant Secretary of State Christopher Hill met with North Korean Vice Foreign Minister Kim Kye Gwan and Chinese Vice Foreign Minister Wu Dawai in Beijinge for a second round of talks, according to Susan Stevenson, a spokeswoman for the US Embassy in Beijing. However, she "did not have details of the discussions or whether Hill met with Wu and Kim together or separately." In Washington, State Department spokesman Sean McCormack said the main goal of the current meetings was to "make sure that everybody, at least, has a good, solid understanding of what might happen" when six-nation talks reconvene.

Satterfield Rumored To Be Named New Ambassador To Pakistan. The Washington Post's (11/29, A21) Al Kamen writes in his "In The Loop" column that "chatter at State is that Iraq coordinator David Satterfield…may be headed to Pakistan to be ambassador, replacing Ryan Crocker, who's said to be heading to Baghdad…replacing Zalmay Khalilzad, who's said to be headed to just about every top foreign policy job."

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Former Russian PM Stricken With Mysterious Illness. The Financial Times (11/29, Ostrovsky) reports former Russian prime minister, Yegor Gaidar, last week suffered "a sudden, unexplained and violent illness on a visit to Ireland, a day after Alexander Litvinenko, a former KGB spy, died in London from an apparent radiation poisoning." In an interview with the Times, Gaidar, who is now in a stable condition at an undisclosed Moscow hospital, "said the doctors had so far been unable to identify the cause of the violent vomiting and bleeding that he suffered during a conference in Ireland." The Times notes that news of his illness "comes after a series of mysterious incidents involving Russian public figures over the past month."

Ally Of Poisoned Ex-Spy Finds Radioactive Traces In Office. The New York Times (11/29, A10, Cowell, 1.16M) reports Boris A. Berezovsky, "an exiled Russian billionaire and fierce opponent of the Kremlin, confirmed Tuesday that the police found radioactive traces in his office after the death last week of his close associate, Alexander V. Litvinenko, who was poisoned by radiation." Berezovsky said the traces of radiation in his office had been "discovered as part of an ongoing police investigation of all the locations visited by Alexander Litvinenko" on Nov. 1. The Times says the discovery "highlighted their close ties and offered one more clue about Mr. Litvinenko's movements on…the day he first reported feeling unwell."

Blair Pledges To Pursue Probe Of Death. The Washington Post (11/29, A14, Jordan, 690K) reports British Prime Minister Tony Blair said Tuesday that "there is no diplomatic or political barrier in the way" of investigating Litvinenko's death and that he planned to speak with Russian President Vladimir Putin about the matter "at any time that is appropriate."

Pope Urges All Religions To "Utterly Refuse" Violence In The Name Of Faith. The AP (11/29, Simpson) reports, "Pope Benedict XVI urged leaders of all religions Tuesday to 'utterly refuse' to support any form of violence in the name of faith, while Turkey's top Muslim cleric complained to the pontiff of growing 'Islamophobia' in the world." In turkey, Benedict "sought a careful balance as he extended friendship and brotherhood to Muslims, hoping to end the outcry from many Muslims over his remarks linking Islam to violence. He expressed support for Turkey's efforts to join the European Union, moving away from opposition he voiced when he was a cardinal." But "the German pope also hammered away at key points of his 18-month papacy, telling diplomats that leaders of all religions must 'utterly refuse to sanction recourse to violence as a legitimate expression of faith.'" He "avoided mention of any specific religion, even as he decried terrorism and the 'disturbing conflicts across the Middle East.'"

ABC World News (11/28, story 3, 2:00, Miller, 8.78M) said, "At the Vatican embassy tonight, before an assembly of ambassadors, the Pope raised an alarm over conflicts in the Middle East. Warning they could lead to even more conflicts and spread terrorism. It was a dire warning from the Pope. He may be here on a journey of reconciliation, but he clearly sees even greater divisions erupting unless peace can be achieved in the Middle East."

The CBS Evening News (11/28, story 6, 2:00, Pizzey, 7.66M) reported, "The Pope mixed the volatile combination of politics and religion again when he told members of the diplomatic corps that religions should refuse to sanction what he called recourse to violence as an expression of religion. That risked rekindling the controversy of his use of a 14th century quote calling Islam violent, and in a country that is 99% Muslim, people here expect an apology or a show of contrition. Newspapers caught the public mood: Message to the Pope, this headline reads, 'Islam is peace.' Benedict called Turkey a bridge between religions, but it is one both he and the Turkish political leadership must cross carefully for the waters beneath it are most definitely troubled."

McClatchy (11/29, Schofield) notes the Pope also "called for an 'authentic dialogue between Christians and Muslims' and praised his Turkish hosts Tuesday as he began what's surely his most controversial journey since he was elevated to lead the world's 1 billion Roman Catholics in April 2005." The New York Times (11/29, Fisher, Tavernise, 1.16M) and Washington Post (11/29, Moore, 690K) run similar reports.

More Commentary. The New York Times (11/29, 1.16M) editorializes, "We hope that the pope's evolving stance -- coupled with his calls for Christian-Muslim dialogue -- will soothe popular anger in Turkey and across the Muslim world. ... As the pope champions the rights of Christians in Turkey and other Muslim lands, he should bear in mind that his words will be most effective if he makes clear that the West still has a long way to go in defending the rights of minorities."

In an editorial, the Los Angeles Times (11/29, 850K) says the Pope "will meet in Turkey with a representative of a religious tradition whose sometimes violent differences with the Roman Catholic Church can be traced back to the Crusades. That personage is not, as one might think, a Muslim, but a Christian: Ecumenical Patriarch Bartholomew I of the Eastern Orthodox Church. … News coverage of the pope's trip has focused on Catholic-Muslim relations, given the outrage in the Muslim world over a lecture in September in which Benedict quoted a medieval emperor who said Muhammad's teachings contained 'things only evil and inhuman.' … Yet the religious purpose of the journey is to strengthen relations between the Roman Catholic Church and Eastern churches that do not recognize the authority of the bishop of Rome. Benedict's attitude toward these ancient

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churches could offer as many insights into his view of his role as any of his dealings with Muslims."

Report Shows India's Muslims Lag Behind. The New York Times (11/29, A4, Sengupta, 1.16M) reports an official panel in India has concluded that Muslims, the nation's largest religious minority, are "lagging behind" on "most things that matter." Prime Minister Manmohan Singh's office, which is reviewing the report, summarized the panel's "biting conclusion," saying, "The community is relatively poor, more illiterate, has lower access to education, lower representation in public- and private-sector jobs and lower availability of bank credit for self-employment. In urban areas, the community mostly lives in slums characterized by poor municipal infrastructure." The Times notes that the report is expected to be made public "soon, but leaks in the last several weeks have already turned its contents into political fodder," with "a number of Muslim religious and political leaders have already begun to advocate quotas for Muslims."

Ukraine's Yushchenko Vows To Continue Democratic Reforms. Ukrainian President Victor Yushchenko writes in the Washington Post (11/29, A23, 690K) that since the so-called "Orange Revolution," it has been his "goal as president has been to institutionalize democracy and guarantee that it is irreversible." However, he says that "because we were preoccupied with domestic political reforms this year, we failed to communicate effectively with our international partners" about "where Ukraine stands and where we are heading." Yushchenko states that "democracy and stability" will "form the basis of [his] agenda. To this end, he vows to "continue constitutional reforms that facilitate the effective work of government and prevent a return to authoritarianism or the usurpation of power."

WPost Urges China To Rein In Its Trade Surplus. In an editorial, the Washington Post (11/29, A22, 690K) writes, "Two months after a high-profile visit to China, Treasury Secretary Henry M. Paulson Jr. is planning a December return -- this time accompanied by Federal Reserve Chairman Ben S. Bernanke as well as a handful of fellow Cabinet members." The Post says the trip "reflects Mr. Paulson's conviction that high-level intergovernment contacts can help promote policy breakthroughs," which it calls "a worthy effort." However, the Post says "there's no certain payoff," noting that US officials have "spent the past few years urging China to rein in its trade surplus," which "has nonetheless ballooned defiantly." China's policymakers "could stoke consumption if they wanted," the Post says, "but they have not taken the step that would make the biggest difference: Raising the government's spending on social services. … Nor has China allowed its currency to rise, a move that would help to ease the trade surplus. Although the yuan has gained modestly against the dollar over the past year, it has fallen against the currencies of other trading partners."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Living Symbols Of Reform In Afghanistan."
"Art Or A Part Of History?."
"Controversy Over Pentagon's War-Spending Plan."
"Iraqi premier Wants More Control Over His Military."
"Firefighter Settlement Sharply Splits Council."
"Transplant Centers Penalized."

USA Today:
"Vehicle Contracts."
"Wars Wearing Down Military Gear At Cost Of About $2 Billion A Month."
"Native American? The Tribe Says No."
"Amtrak Ridership Up In USA."
"Tracking Growth."

New York Times:
"Bush Adviser's Memo Cites Doubts About Iraqi Leader."
"Deeper Crisis, Less U.S. SwayIn Iraq."
"Pope Backs Turkey's Bid To Join European Union."
"Pelosi Won't Pick Tainted Lawmaker For Key Post."
"Plan Could Close 20 Or More New York Hospitals."
"Lawyers Debate Why Blacks Lag at Major Firms."
"Language Of A Losing Team? Read Their Bodies."

Washington Post:
"Bush To Press Iraqi Premier On Security."
"Hastings, Harman Rejected For Chairmanship."
"In Following His Own Script, Webb May Test Senate's Limits."
"Freshly Baked Handouts Forbidden In Fairfax."
"As Iraq Deteriorates, Iraqis Get More Blame."
"Five Years After Enron, Firms Seek Weaker Rules."

Washington Times:
"Bush Seeks To Ease Visa Requirement."
"Marshals Decry Imams' Charges."
"Shi'ites, Sunnis Amass Arms."
"Currency Changes Ordered To Help Blind."
"Top Toys For Big Boys."
"D.C. Council Eyes 24 Percent Pay Raise."

Atlanta Journal-Constitution:
"Delta Suitor To Make Its Pitch."
"'We Just Want To See The Truth Come To Light.'"
"2 Billion Dream Would Reshape Boswell Skyline."

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"Iraq: Is It A Civil War."

Houston Chronicle:
"Student's Death In Drive –By Is Possibly Gang-Related."
"Houston Pair Are Accused Of Aiding Taliban."
"3 Americans Abducted On Hunting Trip In Mexico."
"You may Pay More To Play."
"Visit Aims To heal Rift With Muslims."

Story Lineup From Last Night's Network News:
ABC: Bush-Maliki Meeting; Iraq-Al Anbar Province; Pope-Turkey; Missouri Group Home Fire; Organic Food Industry; Economic Brief; Seattle Snowstorm;
CBS: Bush-Maliki Meeting; Iraq-ISG Plan; Iraq-Analysis; Moqtada Al-Sadr Profile; Iraq-F-16 Crash; Pope-Turkey; Teen Boot Camp Death Verdict; Dead Sea Profile;
NBC: Bush At NATO Summit-Latvia; Middle East Unrest; Sectarian Violence-Al Qaeda; Pope Visits Middle East; Housing Market Decline; Stock Market; Drug Coated Stents; Severe Snow Storm; New Test For Immigrants; Hollywood Goes To Louisiana.

Story Lineup From This Morning's Radio News Broadcasts:
CBS: Bush-NATO Summit; Bush, Maliki Meeting; FL-Charges Brought In Juvenile Boot Camp Death Case.
NPR: Bush-NATO Summit; Pelosi-Bush's Iraq Strategy; SCOTUS-Carbon Emissions, FL-Charges Brought In Juvenile Boot Camp Death Case; Tokyo Stock Market; Castro-80th Birthday Celebration; Wal-Mart-India Expansion; Oil Prices.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Participates in NATO Summit, Olympic Sports Centre, Riga; participates in official Summit photo, Olympic Sports Centre, Riga; attends NATO luncheon hosted by the President of Latvia, Olympic Sports Centre, Riga; meets with the King of Jordan and Prime Minister of Iraq, Raghadan Palace, Amman, Jordan; has dinner with the King of Jordan, Raghadan Palace.

VICE PRESIDENT CHENEY — No public schedule.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: TEACHER CERTIFICATION _ The National Academies holds a conference on evaluation of the impact of teacher certification. Location: Keck Center, 500 5th St. NW.

AIDS SUMMIT _ CDC, the National Institute of Allergy and Infectious Diseases (NIAID), the American Foundation for AIDS Research (amfAR), the HIV Medicine Association of the Infectious Diseases Society of America, the American Academy of HIV Medicine and the Forum for Collaborative HIV Research sponsor ``Opportunities for Improving HIV Diagnosis, Prevention and Access to Care in the U.S.," a two-day summit of nearly 300 of the nation's leading medical, government and community experts. Highlights: 12 p.m. Press conference/telebriefing. Speakers include Athony S. Fauci, M.D., Director, National Institute of Allergy and Infectious Diseases (NIAID/NIH); Kevin Fenton, M.D., Ph.D., Director, CDC's National Center for HIV, STD and TB Prevention; David R. Holtgrave, Ph.D., Professor/Department Chair, Johns Hopkins Bloomberg School of Public Health; Michael S. Saag, M.D., Professor of Medicine/Director of the Center for AIDS Research, The University of Alabama at Birmingham; Marsha Martin, D.S.W., Senior Deputy Director, HIV/AIDS, Adnistration, Washington, D.C. Location: Mandarin Oriental Hotel (Sackler Room; Ballroom Level) 1330 Maryland Ave. SW.

WOMEN-HOUSING _ 8:30 a.m. - 3 p.m. Women in Housing and Finance hold a housing symposium. Highlights: 1 p.m. Rep. Barney Frank. 1:45 p.m. Panel with James Lockhart, Director, Office of Federal Housing Enterprise Oversight. Location: Skadden, Arps, Slate, Meagher and Flom, 11th floor, 1440 New York Ave. NW.

SINGLE-FIRM CONDUCT _ 9:30 a.m. - 4 p.m. The Justice Department's Antitrust Division on the Federral Trade Commsisison holds a joint public hearing to focus on loyalty discounts as part of a series of hearings designed to examine the implications of single-firm conduct under the antitrust laws. Location: FTC Conference Center, Conference Room C, 601 New Jersey Ave. NW.

HIGHER EDUCATION _ 11 a.m. - 5 p.m. Representatives of accrediting agencies and other key stakeholders in higher education will meet to discuss strategies for implementing the pertinent recommendations of the Secretarys Commission on the Future of Higher Education. The Commission called for making performance outcomes, especially student learning outcomes, the core of institutional and program quality assurance. Highlights: 2:30 p.m. Remarks by U.S. Secretary of Education Margaret Spellings. Location: Potomac Center Plaza, 10th floor Auditorium, 550 12th St. S W.

POPE-TURKEY _ 8:30 a.m. The Wilson International Center for Scholars holds a media breakfast breifing on ``The Pope in Turkey: Islam, Nationalism and Secularism on the Road to Europe" with Gerald Robbins of the Foreign Policy Reseearch Institute; Kemal Silay of Indiana University; John Sitildes of the Wilson Center; Omer Taspinar of the Brookings Institution. Location: 6th floor Moynihan Board Room, Wilson Center, Reagan Trade Building.

BIOLOGICAL WEAPONS _ 9 a.m. The Center for Strategic and International Studies and the Carnegie Endowment for International Peace hold a briefing on a new report about the nature of the biological weapons threat and

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the policy options for addressing that threat. Location: 1779 Massachusetts Ave. NW.

DETAINEE _ 9 a.m. Khaled El-Masri, who says he was unlawfully abducted, detained and abused by the CIA under its rendition program, will speak at a news conference with his attorneys. Location: National Press Club. Notes: CALL IN: 1-800-741-3792 (listen only).

POLLING PROBLEMS AND SUCCESSES _ 9:30 a.m. - 12 p.m. Electionline.org will release an analysis pf the 2006 vote, identifying where there were significant problems at the polls and what worked well. Following release of the analysis, the Pew Charitable Trusts will host a panel of experts who will discuss what can be done to improve American election policies and administration. Location: Suite 900, Pew Charitable Trusts, 1025 F St. NW.

AZERBAIJAN _ 10 a.m. Radio Free Europe/Radio Liberty hold a briefing on political prisoners in Azerbaijan, with Jamil Hasanli of the Azerbaijani parliament and Murad Sadaddinov of the Azerbaijan Foundation for Democracy Development and Human Rights Protection. Location: 4th floor conference room, 1201 Connecticut Ave. NW.

REED-IRAQ _ 11 a.m. Sen. Jack Reed, D-R.I., holds a media availability to discuss recent events in Iraq. Reed, a member of the Armed Services Committee, has traveled to Iraq nine times since the start of the war. He will discuss the escalating sectarian violence in Iraq and the options for redeploying U.S. troops. Location: Senate Radio/T Gallery.

VIDEO GAMES _ 11 a.m. Release of the 11th Annual MediaWise Video Game Report Card, with David Walsh of the National Institute on Media and the Family and Sen. Joseph Lieberman. Location: Room G-50, Dirksen.

FOREIGN INVESTMENT _ 12 p.m. The Washington International Trade Association and the DC Bar Association hold a program on the future of the Committee on Foreign Investment in the US and what may happen with foreign investments in the US. Location: DC Bar Conference Center, 1250 H St. NW.

GUANTANAMO _ 12 p.m. The Constitution Project holds a discussion with Joseph Margulies and Lawrence Wilkerson about U.S. detention policies. Location: National Press Club.

LESSONS-INSURGENCIES _ 12 p.m. The RAND Corporation holds a briefing and panel discussion on a new study which says tactics used to battle Cold War-era insurgencies, such as offering amnesty to combatants and securing national borders, could help the United States as it confronts insurgents in Iraq and Afghanistan. Participants include James Dobbins of RAND, Bruce Hoffman of Georgetown University, and Austin Long, report author. Location: Room B-354, Rayburn.

TAIWAN _ 12 p.m. The Center for Strategic and International Studies hosts a speech by Dr. Hu Sheng-Cheng, Chairman of Taiwan's Council for Economic Planning and Development on U.S.-Taiwan economic relations. Location: B-1 conference level, 1800 K St. NW.

COURT-SCHOOLS _ 12 p.m. - 1:30 p.m. The American Consitution Society for Law and Policy sponsors a discussion of two Supreme Court cases questioning whether the Constitution denies local school districts the authority to voluntarily integrate racially segregated schools; Parents Involved in Community Schools v. Seattle School District; and Meredith v. Jefferson County Public School. Participants: Tomiko Brown-Nagin, Professor of Law and History, University of Virginia School of Law; Douglas N. Harris, Assistant Professor of Education and Economics, Florida State University ; Francisco Negrsn, Associate Executive Director and General Counsel, National School Boards Association; John Payton, Partner, WilmerHale; and Terence J. Pell, President, Center for Individual Rights. Moderator is Philip Tegeler, Executive Director, Poverty & Race Research Action Council. Location: Center for American Progress, 10th Floor, 1333 H St. NW.

CUSTOMS-BORDER PROTECTION _ 12 p.m. - 1:30 p.m. Women in International Trade holds a brown bag discussion on ``Customs and Border Protection's Office of Regulations and Rulings," its agenda for fiscal year 2007, as well as its integration into CBP's new Office of International Trade. Featured speaker is Sandra Bell, executive director, Office of Regulations and Rulings, Office of International Trade, US Customs and Border Protection. Location: Offices of Tyco International, 607 14th St. NW, Suite 550.

EL SALVADOR _ 12:15 p.m. Signing of the Millennium Challenge Compact between the US and El Salvador. Location: Franklin Room, State Department.

SCOTUS-GLOBAL WARMING _ 12:15 p.m. - 1:45 p.m. Georgetown Law hosts a panel discussion, ``Global Warming in the Supreme Court: Massachusetts v. EPA." Location: Georgetown University Law Center, Hart Auditorium, McDonough Hall, 600 New Jersey Ave. NW.

US-VISIT _ 12:30 p.m. US-VISIT Acting Director Robert Mocny delivers a keynote address on information sharing between the United States and international governments and organizations at the DHS Biometrics and Ethics Conference. Location: Horizon Ballroom, Reagan Trade Center.

PACE BRIEFING _ 1 p.m. Chairman of the Joint Chiefs of Staff Gen. Peter Pace holds a briefing. Location: DOD Briefing Studio, Pentagon 2E579.

RON BROWN AWARD _ 2:45 p.m. Commerce Secretary Gutierrez presents the Ron Brown Corporate Leadership Award, the only Presidential Award to recognize companies for outstanding achievements in employee and community relations. Location: Indian Treaty Room, Eisenhower EOB.

DASCHLE-HAMILTON _ 5 p.m. - 6:30 p.m. Tom Daschle, former Senate Majority Leader, and Rep. Lee

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Hamilton, current co-chair of the Iraq Study Group and Vice Chairman of the 9/11 Commission, will discuss the current state of homeland security and answer questions both from a live audience and from Internet webcast viewers. Location: Center for American Progress, 1333 H St. NW, 10th floor.

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

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TERRORISM NEWS:

Judge Strikes Down Parts Of Executive Order On Terrorism (WP)

By Dan Eggen, Washington Post Staff Writer

The Washington Post, November 29, 2006

A Los Angeles federal judge has ruled that key portions of a presidential order blocking financial assistance to terrorist groups are unconstitutional, further complicating the Bush administration's attempts to defend its aggressive anti-terrorism tactics in federal courts.

U.S. District Judge Audrey B. Collins, in a ruling released late Monday, found that two provisions of an executive order signed Sept. 23, 2001, are impermissibly vague because they allow the president to unilaterally designate organizations as terrorist groups and broadly prohibit association with such groups.

The ruling marks a victory for the Humanitarian Law Project and other plaintiffs in the case, who are seeking to provide support for the "lawful, nonviolent activities" of two groups designated terrorist organizations by the U.S. government: the Kurdistan Workers' Party (PKK) in Turkey and the Liberation Tigers of Tamil Eelam (LTTE), also known as the Tamil Tigers, in Sri Lanka.

They argue that federal anti-terrorism laws put charities and individual donors at risk of prosecution for providing benign assistance to foreign groups that have been added to the government's terrorism list.

David Cole, a Georgetown University law professor who is helping to represent the plaintiffs in the case, said the executive order and a related federal statute improperly allow President Bush to create "blacklists" and engage in "guilt by association."

"The court's decision confirms that even in fighting terror, unchecked executive authority and trampling on fundamental freedoms is not a permissible option," Cole said in a statement.

The ruling is the latest setback for the administration's terrorism and detention policies, in lower courts and at the Supreme Court. In August, a federal judge in Detroit ruled that a National Security Agency warrantless wiretap program is unconstitutional. The government has appealed that ruling.

Collins has previously issued similar rulings in favor of the Humanitarian Law Project, a Los Angeles group that has filed legal challenges to a 1996 anti-terrorism law and to the 2001 USA Patriot Act. Those issues are still being litigated after Congress rewrote parts of the Patriot Act.

The latest case focuses on Executive Order 13224, which is aimed at cutting off financing to alleged terrorist groups and is based on the 1977 International Emergency Economic Powers Act. Twenty-seven groups and individuals were initially named as "specially designated global terrorists" under the order -- including the PKK and the Tamil Tigers -- and hundreds more since have been added to the list.

In her ruling, Collins said the order is unconstitutional because there is "no apparent limit" on presidential authority to designate groups or individuals as terrorists. In addition, the judge ruled, language banning those "otherwise associated" with such groups is "unconstitutionally vague on its face." Collins rejected a number of other claims by the plaintiffs, however, including that the order's definition of a terrorist group is too vague.

The Justice Department said it is too early to decide on an appeal.

"We are pleased that the court rejected many of the constitutional arguments raised by the plaintiffs," Justice Department spokesman Brian Roehrkasse said in a statement. "However, we believe the court erred in finding that certain other aspects of the executive order were unconstitutional."

Bruce Fein, a Justice Department official in the Reagan years who has criticized the Bush administration's broad assertions of executive power, said that appealing Collins's ruling may carry more risks for the government than simply changing the executive order's language.

"If they take this up on appeal, they risk another repudiation of this omnipotent-presidency theory that they have," Fein said.

Staff researcher Julie Tate contributed to this report.

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Judge Rules 2001 Listing Of Terrorists Violated Law (NYT)

By Adam Liptak

The New York Times, November 29, 2006

A federal judge in Los Angeles has ruled that President Bush's designation of 27 groups and individuals as "specially designated global terrorists" in a Sept. 23, 2001, executive order violated the Constitution because it was made without any announced standards.

The order "provides no explanation of the basis upon which these 27 groups and individuals were designated," the judge, Audrey B. Collins of Federal District Court in Los Angeles, wrote Monday.

"The president's designation authority is subject only to his unfettered discretion."

That means, Judge Collins wrote, that "the president's designation authority is constitutionally vague."

David Cole, a lawyer for the plaintiffs, said yesterday that Judge Collins had broken new ground.

"It's the first decision to challenge the constitutionality of what is clearly the broadest power to blacklist individuals and groups on the statute books," Mr. Cole said.

The designation blocks financial and other interactions with the specified groups.

The challenge was brought by the Humanitarian Law Project, a human rights organization, and by groups of Tamil immigrants and people associated with them.

The plaintiffs said they wanted to provide lawful and nonviolent support to two of the organizations designated by Mr. Bush as terror organizations, the Kurdistan Workers' Party and the Liberation Tigers of Tamil Eelam.

Mr. Bush's order was based on a 1977 amendment to the Trading With the Enemy Act, which gave the president broad power to block transactions when the nation faces an "unusual and extraordinary threat."

In addition to designating the 27 groups and individuals, the order authorized the Treasury secretary to add more people or groups who provided services to or were "otherwise associated with" the original ones.

The plaintiffs said they feared being designated as terrorists given the breadth of the authority granted to the Treasury Department. The chilling effect of the possibility of being designated a terrorist organization, they said, impinged on their First Amendment right to freedom of association.

Judge Collins enjoined the government from designating the plaintiffs as terrorists based on their association with the two groups they sought to support but said the ban on providing services to them was not unconstitutionally vague.

Tasia Scolinos, a spokeswoman for the Justice Department, said the government was pleased that Judge Collins upheld the ban on providing services to terrorist organizations.

"However," Ms. Scolinos said, "we believe the court erred in finding that certain other aspects of the executive order were unconstitutional."

The government initially responded by saying it had never used the "otherwise associated with" provision as the sole basis for a designation. It later revised its statement, saying it had done so in at least 2 of 375 further designations.

"It is axiomatic," Judge Collins ruled, "that the Constitution prohibits punishing a person for mere association."

She added that nothing in the executive order "limits its application only to those instances of association involving activity, let alone activity that furthers or advances an organization's illegal goals."

Like Mr. Bush's own authority under the 1977 law, the authority he delegated to the Treasury Department, Judge Collins wrote, "contains no definable criteria" and so "is unconstitutionally vague on its face."

Order Freezing Alleged Terrorist Funds Ruled Down (LAT)

By Richard B. Schmitt, Times Staff Writer

The Los Angeles Times, November 29, 2006

WASHINGTON — A federal judge in Los Angeles has ruled that the Bush administration violated the Constitution when it froze the assets of more than two dozen alleged terrorist groups after the Sept. 11 attacks.

U.S. District Judge Audrey B. Collins, in a ruling released Monday, held that an executive order Bush issued Sept. 24, 2001 — designating 27 groups and individuals as "specially designated global terrorists" — was "unconstitutionally vague."

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Collins said the order was flawed because it failed to explain the criteria used to make the designations and because it included no process to challenge the decision.

"The president's designation authority is subject only to his unfettered discretion," the judge said.

The ruling came in a long-running lawsuit before Collins in which humanitarian groups are seeking to support the nonviolent work of two groups that the secretary of State has designated as terrorist: the Kurdistan Workers Party, the main Kurdish political party in Turkey; and the Liberation Tigers of Tamil Eelam, a rebel group fighting for a separate homeland for Tamils in Sri Lanka.

Earlier in the case, Collins struck down portions of a law that made it a felony to provide "material support" to terrorists, saying that language in the Patriot Act, which had amended the law, was ill-defined. The Justice Department has often used the material support law in prosecuting terrorist cases.

Brian Roehrkasse, a Justice Department spokesman, said the agency believed that the judge erred in her decision.

Collins' latest ruling could affect another one of the administration's most widely used authorities in its war on terrorism, although the full import of the ruling was not immediately clear.

U.S. officials have used the power to freeze the assets of hundreds of organizations and individuals around the world to try to choke off financing for what it views as illicit operations.

But Collins also said that many of the designations, especially those made by the Treasury Department rather than by Bush, were valid because they followed detailed procedures.

The executive order "was as sweeping as any in the government's post-9/11 arsenal, as it allowed the president to designate groups and individuals without finding that they fit any criteria whatsoever," said David Cole, a professor at Georgetown University Law Center. Cole was the lead counsel in the case, along with the Center for Constitutional Rights, a New York civil liberties group.

Cole said Collins' ruling was limited to protecting the humanitarian groups in the pending suit from being declared terrorist groups by Bush without a fair hearing or adequate notice. But he said her reasoning did "call into question the validity of many of the existing designations." He said it remained to be seen whether those designated would file legal challenges.

*

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Controls On Bank-Data Spying Impress Civil Liberties Board (NYT)

By Eric Lichtblau

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — A civil liberties panel appointed by the White House received a classified briefing Tuesday on the Bush administration's program to monitor international banking transactions, and several members said they had come away impressed with the privacy controls in place to prevent abuses against Americans.

The program, which gives American intelligence officials access to large volumes of banking data through a Brussels consortium known as Swift, has been attacked by regulators in Europe, who view it as illegal and have threatened sanctions. But the administration gave no indication at Tuesday's briefing that it was rethinking the program, defending it as a vital tool in tracking terrorist financing.

The briefing, lasting nearly two hours, was held at the Treasury Department for the five members of the Privacy and Civil Liberties Oversight Board, created at Congress's direction in 2004 to examine privacy issues related to the war on terror. The board received a similar classified briefing last week on the National Security Agency's domestic wiretapping program, created by President Bush soon after the Sept. 11 attacks.

The board's only Democrat, Lanny J. Davis, who was a senior aide to President Bill Clinton, said that before the latest briefing he had had doubts about the Swift banking program. But "I was impressed with the lengths to which these people have gone to avoid infringing on people's civil rights," Mr. Davis said in an interview. "It was less of a concern than I expected."

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Democrats in Congress, however, have questioned the independence and resources of the board and its ability to inquire deeply into highly classified programs. Until last month the White House had resisted allowing the board to be briefed on the Swift and N.S.A. programs.

The White House has now allowed security clearances for the board to look at both, and for the Justice Department's inspector general to examine the N.S.A. program. Democrats have suggested that the election victory giving them imminent control of Congress spurred the White House's change of heart, an assertion that administration officials deny.

On Monday, the board gave Congressional aides a briefing on its work, and Democratic staff members raised questions about its independence, according to four officials who were present. Democratic aides said they were troubled to learn at the briefing that any final report produced by the board would be vetted by the White House and that the panel would not examine issues related to civil liberties outside American borders — for instance, at the Guantánamo Bay detention center.

Alan C. Raul, a Reagan White House adviser who is vice chairman of the panel, said that given what he heard at Tuesday's briefing, the government appeared to have tight controls to ensure that only people with clear terrorist links were made targets of the banking program.

"When you hear program operators tell you how carefully they make these judgments, it's striking, and you'd have to say impressive," Mr. Raul said. "The execution seems to be done with scrupulous attention to the privacy and civil liberties implications."

Mr. Davis, the board's Democratic member, echoed that assessment. "Based on what I've seen so far in both programs," he said of the banking and N.S.A. efforts, "I think they have struck the right balance" between detecting terrorist threats and ensuring Americans' civil liberties.

"But there's a big caveat," he added. "I don't know what I don't know, and we are looking forward to getting more information."

Man Mistakenly Abducted By C.I.A. Seeks Redress (NYT)

By Neil A. Lewis

The New York Times, November 29, 2006

RICHMOND, Va., Nov. 28 — A lawyer for a German man who was abducted while on vacation in Macedonia and said he was tortured while in C.I.A. custody in Afghanistan urged a federal appeals court on Tuesday to reinstate his lawsuit against the agency, which had been dismissed for national security reasons.

In May, a federal trial judge threw out the suit brought by Khaled el-Masri, who said he was an innocent victim of the Central Intelligence Agency's program of transferring terrorism suspects secretly to other countries for detention and interrogation. Judge T. S. Ellis III of Federal District Court in Alexandria said that although it appeared a great injustice might have been done to Mr. Masri, he was persuaded by the government that there was no way to even begin a trial without impermissibly disclosing state secrets.

Benjamin Wizner, a lawyer with the American Civil Liberties Union, told a three-judge appeals panel on Tuesday that the government's position was absurd because what happened to Mr. Masri had hardly remained secret. He noted that the German government was openly investigating whether its officials had played a role in Mr. Masri's ordeal, and numerous news accounts have quoted unidentified American officials as confirming what happened.

Mr. Wizner said the government had not plausibly explained how national security interests might be harmed by a trial. He said President Bush acknowledged the C.I.A.'s program, known as extraordinary rendition, this summer, and it is widely known that other governments have been involved. A trial would not disclose state secrets but would merely involve "confirmation of a fact the entire world already knows," he said.

Gregory G. Katsas, a senior Justice Department lawyer, told the judges that courts must defer to the executive branch when it invokes the state secrets doctrine, which was first recognized by the Supreme Court in 1953.

Mr. Katsas said Porter J. Goss, who was the C.I.A. director when the suit was brought, filed a secret statement with the court outlining the agency's case against a trial. Mr. Katsas said the statement provided a detailed account of how seemingly innocuous disclosures "will have a cascading effect that will have devastating consequences" for national security.

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Mr. Masri sat stolidly in the first row of the courtroom during the 50-minute argument. A large man with graying hair cinched in a ponytail, he said in an interview later that he was infuriated with Judge Ellis's view that there might be no remedy for the injustice apparently done to him.

Mr. Masri, who was born in Kuwait, was arrested in Macedonia on Dec. 31, 2003, and flown to a prison in Afghanistan, where he was held for five months. During his incarceration, he has said, he was shackled, beaten and injected with drugs.

On Tuesday, he said through an interpreter that he was kept in deplorable conditions "not fit for a human being at all." Upon arrival in Afghanistan, he said, he was told that he was in a place where he had no right to recourse for what happened to him.

"I would like an explanation for what happened," he told reporters. "I would like an apology."

Mr. Wizner, his lawyer, said that although he believed Mr. Masri was entitled to financial compensation, he was not necessarily seeking anything beyond some official expression of remorse.

United States officials have been quoted anonymously in news reports as saying that Mr. Masri's case was one of mistaken identity; intelligence authorities may have confused him with an operative for Al Qaeda with a similar name.

The officials said Mr. Masri was released in May 2004 on the orders of Secretary of State Condoleezza Rice, then the national security adviser, after she learned he had been mistakenly identified as a terrorism suspect. He was freed in Albania, where he was left to make his way home to Germany, which he likened to being treated "like a piece of luggage."

Mr. Masri, who had earlier been denied permission to come to the United States to attend the hearing, said he has not been able to find a job since his return to Germany. "Both my Arab and German friends keep their distance," he said.

On Wednesday, he is scheduled to meet with some Democrats on the Senate Judiciary Committee who are exploring the rendition program and the Bush administration's increasingly frequent invocation of the state secrets doctrine to block lawsuits.

Federal Judges Consider Torture Case In Richmond Courtroom (WWVT)

By Mike Garrity

WWBT-TV, NBC 12, Richmond, VA, November 29, 2006

Journalists from around the world packed a Richmond courtroom today, as three federal judges considered whether a German man who says he was tortured by the CIA should have his case heard in U.S. Court. Today, attorneys representing the German man named Khaled El-Masri, argued the U.S. government made a mistake that it now does not want to admit.

Khaled El-Masri used an interpreter to speak to a crowd of journalists from as a far away as Russia and Germany outside Richmond's U.S. Circuit Court of Appeals. "I was humiliated, I was beaten, and I was drugged, and I was taken to Afghanistan against my will," says El-Masri through his interpreter.

Attorney's representing El-Masri claim that back in December 2003, the CIA kidnapped him while he was on vacation in Macedonia. They say the CIA mistook El-Masri for a terrorist with a similar name. They say the CIA flew El-Masri to Afghanistan, tortured him, and held him in a prison for months. Eventually, they say El-Masri was released and left stranded on a mountain top in Albania, a country he had never been to.

But when El-Masri tried to bring a case against the CIA in U.S. District Court this May, a judge dismissed his case. So today, El-Masri's lawyers asked for an appeal.

But both today and back in May, attorneys with the U.S. Justice Department argued that simply hearing the facts of El-Masri's case could jeopardize U.S. National Security. The government says the facts in the case could expose things like secret interrogation methods or the names of CIA operatives, but El-Masri's attorney, Ben Wizner, thinks otherwise. "That argument is not plausible. It's being used not to protect national security, but to avoid embarrassment and accountability," says Wizner.

Today U.S. Justice Department attorneys would not comment on the case. In the meantime, El-Masri says he's not looking for money, but an apology and explanation from the U.S. government. It could be months before the court of appeals rules whether to hear the case.

The Wronged Man (WP)

By Dana Priest, Washington Post Staff Writer

The Washington Post, November 29, 2006

Unjustly Imprisoned and Mistreated, Khaled al-Masri Wants Answers the U.S. Government Doesn't Want to Give

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RICHMOND, Nov. 28

Khaled al-Masri was supposed to have been disappeared by black-hooded CIA paramilitaries in the dead of night. One minute he was riding a bus in Macedonia, the next -- poof -- gone. Grabbed by Macedonian agents, handed off to junior CIA operatives in Skopje and then secretly flown to a prison in Afghanistan that didn't officially exist, to be interrogated with rough measures that weren't officially on the books. And then never to be heard from again -- one fewer terrorist in the post-9/11 world.

Instead, on Tuesday, Masri finds himself sitting in an American courtroom so elegant that even his experienced lawyers are commenting on its beautiful dark wood and graceful chandeliers. Dressed in white shirt sleeves and a modest maroon vest, Masri is waiting to see if the judges will allow the CIA to disappear him again.

This time, it's not the physical, flesh-and-blood, burly, ponytailed German citizen with six kids whom the U.S. government wants to make vanish from the face of the Earth. It's his legal case, his very right to have his argument heard in open court, that the CIA is seeking to have disappeared. They argue, citing the state-secrets privilege, that to proceed with the case would damage national security and that this damage outweighs any legal rights Masri may have.

The U.S. District Court for the Eastern District agreed with the government in May.

If they have their way this time, the pale Justice Department lawyers swaying back in their chairs before the three judges of the U.S. Court of Appeals for the 4th Circuit would prohibit any judge and any jury anywhere from ever hearing the arguments in Masri's six legal pleadings and 40 exhibits, more than 1,000 pages in all. Much of the evidence was unearthed by German prosecutors and European Parliament investigators.

There are also the eight U.S. officials who confirmed to at least one American reporter that Masri spent months in a dank Afghan cell because a couple of CIA officials in Washington had a hunch he was someone he was not and that they just didn't move fast enough when they found out he wasn't. Countless other reporters in the United States and Europe have been told the same by unnamed government officials.

So basically, "the entire world can discuss this case . . . but not the U.S. courts?" Masri's lawyer Ben Wizner will momentarily ask the panel.

But for now, the first Invisible Man to appear on U.S. soil is listening intently to the other cases the judges have to consider before his, including one about an Internet user's First Amendment free-speech rights. Masri's translator, Ulrike Wiesner, whispers in his ear: "They can even burn the American flag here." Burning a German flag is illegal in Germany. Those crazy Americans.

Masri whispers back: "Well, let's see if that applies to us Indians." They laugh quietly.

* * *

Much of Masri's ordeal has been confirmed by the German government. He fled the civil war in Lebanon in 1985 when he was 21 and married a German woman. He was divorced 10 years later and then married a Lebanese woman. He worked as a carpenter, then truck driver, then car salesman. Since 2004 he has been unemployed and living with his children and wife in a one-room apartment.

His deteriorating living conditions were a stress on his marriage. On Dec. 30, 2003, he decided to get away, to take a bus trip to Macedonia to clear his head. To make a very long story shorter, Macedonian police took him off the bus and interrogated him at the Skopski Merak Hotel for 23 days.

This being the Internet age, Masri says in one legal declaration: From the hotel Web site "I can identify the actual room where I was held. . . . I even recognize one of the waiters who served me food during my detention there."

At some point a couple of people who sounded American showed up. On Jan. 23, 2004, things took a bad turn. Current and former CIA officials say Masri was believed to have a fake passport and the same name as someone else they were looking for.

He was eventually brought to another room where, according to his affidavit, "I felt two people violently grab my arms. . . . I then felt someone else grab my head with both hands so I was unable to move. . . . Finally they stripped me completely naked and threw me to the ground. . . . I felt a boot in the small of my back. I then felt a stick or some other hard object being forced in my anus. I realized I was being sodomized. Of all the acts these men perpetrated against me, this was the most degrading and shameful."

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For his flight to Afghanistan, Masri was blindfolded, "my ears were plugged with cotton, and headphones were placed over my ears. A bag was placed over my head and a belt around my waist. They put something hard over my nose. Because of the bag, breathing was getting harder and harder for me. . . . I began to panic."

He spent five months in a filthy secret prison set up by the CIA and guarded by Afghans. He was made to drink water so putrid it made him vomit. He slept on a single blanket, shivered through the cold months and was fed chicken bones and skin. He was beaten and interrogated many times, sometimes by people he believes to be Americans. He went on a hunger strike, lost 60 pounds.

Eventually the CIA caught up with its mistake. They argued with the State Department over whether to tell the Germans and eventually agreed they could not lie to such a close ally. So they chose to tell then-Interior Minister Otto Schily because he was thought to be Washington-friendly.

Masri was released in Albania, then flown to Germany, where he made his way home to Ulm. There, he contacted a lawyer and then the German authorities. "What I really want is for them to admit that injustice was done. I'd like an explanation and I'd like an apology," he said.

* * *

Is a state secret still a secret if everyone knows it? That's what the court case boils down to at this point.

Masri's lawyers say no.

They point to President Bush's Sept. 6, 2006, disclosure that the CIA ran secret prisons abroad and conducted covert rendition flights as part of its counterterrorism campaign.

They point to Secretary of State Condoleezza Rice's statement that if there were injustices in these programs, they can be remedied in U.S. courts.

They point to the testimony of Schily before the German Parliament just last week in which he said that then-U.S. Ambassador Daniel R. Coats had told him that the CIA had mistakenly imprisoned Masri and offered an apology -- not to Masri, but to the German government. They point to reams and reams of official German evidence.

The CIA and Justice Department lawyers strongly disagree. They argue that allowing a case to go forward could lead to a "cascading" of disclosures, many unforeseen, and that foreign governments would refuse to work in secret with the CIA for fear they could end up in court.

"Just because some facts are in the public domain doesn't eliminate the need to keep others secret," Justice Department attorney Gregory Katsas argued Tuesday. The president's announcement, he added, has "zero overlap" with Masri's allegations. "Even disclosures to judges carry risks," he reminded them.

* * *

Before all this happened, "I was a very simple person with not many problems," Masri says, straining and pausing to find words, or gather his thoughts. "I had lots of friends. My head was not burdened with so many things. I felt more safe."

Today's Masri "has less freedom. . . . This Khaled stays mostly at home. There's too much stress. And my interests have changed. I am reading a lot now, about politics and prisoners."

He has testified before government panels in Spain, Germany and to the European Parliament investigating the CIA's covert activities. He is in the news constantly, often with allegations of alleged ties to terrorist groups. Still unemployed and reconciled with his wife, he hates the limelight. He hates the stares on the streets and the Germans who call out to him, as one did recently in the supermarket: "You are a bad man!"

He has flashbacks, too. And his mood turns bad whenever he sees war news, especially from the recent war in Lebanon, where he still has family. "I get in a bad mood and just want to be left alone in my room," he says, "to withdraw."

Today, 10 cameras are waiting for him to finish his omelet and coffee and walk into the courthouse. "I am very nervous inside," he says.

The last time Masri tried to come to the United States to listen to his court case, he and his attorney had walked off the plane in Atlanta and found 20 security guards waiting for them, both men said. He didn't have a visa because German citizens don't need visas to enter the United States. Instead of letting him in, one of officers drew his gun and threatened to shoot the lawyer if he did not put away his cellphone.

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Flying back to the United States this week, Masri expected another hostile airport scene: "I had a funny feeling. I always thought they would take me and send me back to somewhere other than home."

This time immigration authorities were polite, looked through his luggage, asked him some questions, even spoke a little German. Eventually, one of them said "Welcome to America" and let him pass to the other side.

"I think it's really good I've gotten this far," he says with a slight smile.

Asked how he feels toward the United States after all this, he shrugs.

"I never thought badly of the United States. I do think badly of the foreign policy aspects and the sitting government."

Nudge a little further and he'll say he'd like "an America without Bush."

And a little further:

"I'd like to drive with the top down in a fancy car through New York City and to look up at all the tall buildings," he laughs, looking up to the ceiling and throwing open his arms. "You've got a real view of the whole thing from a car without a top."

Democrats Seek Republican Backing To Limit Bush's Surveillance (BLOOM)

By James Rowley

Bloomberg, November 29, 2006

Nov. 29 (Bloomberg) -- Democrats, about to take control of Congress, say they will forge a bipartisan compromise to put limits on President George W. Bush's program of domestic eavesdropping of suspected terrorists.

Democrats say they already have a starting point for a compromise, noting that bipartisan proposals this year require court warrants for eavesdropping. At the same time, party leaders will be treading carefully in an effort to assure Americans that they can protect privacy without sacrificing vigilance, and to discredit Republican charges they are weak on national security.

``How will the Democrats proceed? I think gingerly," said Steven Aftergood, who directs a government secrecy project for the Federation of American Scientists in Washington. ``They can no longer function as a protest group."

After the Sept. 11, 2001, attacks, Bush authorized the National Security Agency to eavesdrop without getting court warrants on communications between suspected al-Qaeda operatives in the U.S. and overseas.

While disclosure of the program triggered criticism from both parties, there is practically no chance the Republican-controlled Congress that returns to Washington next week will act on the issue, leaving it for the next Congress that convenes in January.

Rockefeller's Timetable

West Virginia Democrat Jay Rockefeller, who will head the Senate Intelligence Committee, said in an interview Congress may be able to pass bipartisan legislation in six months.

Rockefeller said he supports ``collection of conversations where that is necessary for national security" but is disturbed by ``blanket" eavesdropping.

Vermont Democrat Patrick Leahy, the next Senate Judiciary Committee chairman, said the administration needs to provide more information to lawmakers about the program; Congress has been asked to ``legalize secret, unlawful actions that the administration has refused to fully divulge."

To pass legislation next year, Democrats will have to bridge a gap between lawmakers who favor requiring a search warrant in each case of surveillance, and those who would permit broad court authorization.

Democrats such as California Senator Dianne Feinstein have made individual warrants a prerequisite. Republicans say that would hobble the NSA's ability to move quickly.

Special Court

Bush agreed in negotiations with Republican Senate Judiciary Committee Chairman Arlen Specter to authorize a special court that oversees intelligence and operates in secret to decide whether the eavesdropping was legal. The court was created under the 1978 Foreign Intelligence Surveillance Act to review, behind closed doors, requests for eavesdropping on suspected spies, terrorists and other foreign agents.

Specter's measure stalled this year, as did a House-passed bill to permit surveillance on condition that the president brief leaders of Congress.

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Most Democrats opposed both measures, arguing that they failed to protect privacy and insisting that the 1978 law remain the exclusive means for authorizing surveillance. At the same time, no one in Congress has called for Bush to halt the program.

Democrats risk a political backlash ``if they tie the president's hands and if there are more attacks," said Robert Turner, who directs the center for national security law at the University of Virginia law school in Charlottesville. Any legislation must not ``require unplugging the headphones for a period of hours, days or weeks while some judge finds time to look at the paperwork," said Turner, who supports the president's program.

Specter's Support

Feinstein, a member of the Intelligence and Judiciary committees, would require the NSA to submit requests to the special court created under the 1978 law. Her legislation would permit emergency eavesdropping for seven days while a warrant is sought. Specter supports her proposal as an alternative to his own.

A separate House measure proposed by California Democrat Adam Schiff and Arizona Republican Jeff Flake would also require specific warrants and force Bush to tell congressional committees who is being wiretapped and why.

The measure ``has broad bipartisan support and would probably be a starting point" for debate next year, said Jennifer Crider, a spokeswoman for House Speaker-designate Nancy Pelosi of California.

Bush's allies say it is impractical to force the NSA to seek warrants because it must act quickly to sift through a large volume of messages. ``Something like that simply would not work," Senate Intelligence Committee Chairman Pat Roberts, a Kansas Republican, said in an interview.

Civil Libertarians

Caroline Fredrickson, director of the American Civil Liberties Union's Washington office, urged congressional hearings to ``grapple with this immediately."

A U.S. appeals court is reviewing a ruling by a federal judge in Detroit declaring that the NSA program is illegal. Justice Department Inspector General Glenn Fine told Congress this week he will investigate the agency's ``compliance with legal requirements governing the program."

Civil libertarians say that, with the midterm congressional elections over, they may pick up support from such Republicans as Senators Larry Craig of Idaho, Lisa Murkowski of Alaska and John Sununu of New Hampshire, who have voiced concern about the surveillance.

``The limited-government types and the strong-executive types" are split, increasing chances some Republicans will support constraints on the spying program, said Richard Epstein, a University of Chicago law school professor who favors court supervision of the surveillance.

The longer Congress waits, he said, ``the longer becomes the implied ratification that the president is within his rights." Last Updated: November 29, 2006 00:12 EST

Watching The Watchers (SCRIPPS)

By Dale McFeatters, Scripps Howard News Service

Scripps Howard column, November 29, 2006

The Bush administration would deny it, but the impending Democratic takeover of Congress seems to be already affecting how it does business.

After a year of refusing to do so, the Justice Department has announced a narrow review of President Bush's secret domestic eavesdropping program. The surveillance program, which monitors international communications to and from the United States, has been controversial since it was first disclosed _ and the subject of a preliminarily successful court challenge _ because the president had decreed that the National Security Agency need not obtain warrants.

Congressional Democrats had asked the department to review the program a year ago, but plans for even a preliminary investigation were derailed when Bush blocked security clearances for Justice investigators. Now, the White House has told the department it will approve the required clearances.

The review will be headed by Justice's respected watchdog, Inspector General Glenn Fine. But the review will be confined to examining whether department lawyers met all the legal requirements in dealing with the NSA and making use of any

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information obtained from intercepts. Fine will not weigh in on the key issue _ whether the warrantless eavesdropping is legal and constitutional.

The Democrats have promised congressional investigations into precisely that point when they take over next year.

Also, after only grudgingly acquiescing in its creation and then stalling it off for a year, the Bush administration allowed the NSA to brief the congressionally created and presidentially appointed Privacy and Civil Liberties Oversight Board. In guarded comments to reporters later, several board members said they were surprised and impressed by the NSA's privacy safeguards.

The administration has been notoriously hostile to any questioning, criticism or skepticism of its national-security initiatives, and for six years a compliant Republican-run Congress neglected its vital oversight function.

Better late than never _ that seems about to change, although it took a political earthquake to do it.

(Contact Dale McFeatters at mcfeattersd(at)shns.com.)

Report Rejects European Denial Of C.I.A. Activity (NYT)

By Brian Knowlton

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — A new report by the European Parliament bluntly rejected the assertions by several European countries that they were unaware of a C.I.A. program to secretly abduct, transport and detain terror suspects.

"Many governments cooperated passively or actively" with the Central Intelligence Agency, said Giovanni Claudio Fava, who led a special inquiry. "They knew." The report said that 11 European countries, including Britain, Italy and Germany, knew of the agency's activities.

The report, issued Tuesday in Brussels, offered new confirmation of the United States' practice of so-called extraordinary renditions, in which suspects were abducted, then transported, with European complicity, to third countries where they might face harsh interrogation methods.

Mr. Fava's report followed an inquiry conducted for the Council of Europe, the European human rights watchdog organization. That report, written by Dick Marty, a member of the Swiss Parliament, described what the council called a "reprehensible network" created by the C.I.A., one that was allowed to exist through the "intentional or grossly negligent collusion of the European partners."

Mr. Marty's report was based largely on news reports, legal proceedings and other public information. But Mr. Fava asserted that his committee had obtained, from a confidential source, records of an informal meeting of European Union and NATO foreign ministers on Dec. 7, 2005, "confirming that member states had knowledge of the program of extraordinary rendition and secret prisons." Secretary of State Condoleezza Rice was among the participants, it said.

President Bush confirmed on Sept. 6 that the C.I.A. had been operating a secret detention program, and said 14 prisoners held abroad were being sent to the United States naval base at Guantánamo Bay, Cuba.

The European Union-NATO meeting came just over a month after The Washington Post reported that the C.I.A. had been holding its "most important Al Qaeda captives at a Soviet-era compound in Eastern Europe." It did not name the country involved, though the group Human Rights Watch subsequently named Poland and Romania as leading possibilities.

Mr. Fava's draft report asserted that at least 1,245 C.I.A.-operated flights flew through Europe's airspace or stopped at its airports, and listed Poland as among the countries least cooperative with its inquiry.

The committee said that when it asked the Polish authorities for copies of the flight logs of 11 C.I.A.-operated flights, it was told that these were "said not to have been retained, then said to have been faxed and destroyed, and finally said to have been saved in an unspecified place." The report quoted Szymany airport employees as describing what it said transpired there in 2002 and 2003, when six Gulfstream jets with civilian registration numbers parked at the edge of the airport, not entering customs clearance.

Quoting a former senior airport official, it said that the authorities had been directly ordered not to approach the aircraft and that vehicles, bearing military registration numbers associated with the intelligence training base in nearby Stare Kiejkuty, would await each aircraft.

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Zbigniew Gniatkowski, a spokesman for the Polish mission to the European Union, said Tuesday that Poland stood by its previous denials of any involvement.

European Report Details Flights By CIA Aircraft (WP)

By Craig Whitlock

The Washington Post, November 29, 2006

BRUSSELS, Nov. 28 -- Most days, the skies are quiet over the Szymany airport, a mothballed runway in rural Poland. So the airport director took note when strangers showed up on at least six occasions in 2002 and 2003, offering to pay large sums of cash to land planes from faraway places such as Afghanistan.

When the chartered civilian planes arrived, they followed the same secretive drill, Mariola Przewlocka, former director of the airport, told investigators from the European Parliament last week. To avoid prying eyes, she said, the aircraft would sit at the end of the runway and wait for unmarked minivans to arrive. In the dark, it was hard to tell whether people got on or off. But in at least one case, a flight took off with several passengers for Guantanamo Bay, Cuba, records show.

"More money was being paid for these landings than any other landings," Przewlocka told the investigators, adding that the people who brought the money spoke excellent Polish but that the invoices indicated the jet owners were from the United States. "The landings of these aircraft were part of the work of secret services, as we understood it," she recalled.

Details of the flights and testimony from airport employees constitute "serious circumstantial evidence" that Szymany was the transfer point for a nearby secret prison run by the CIA, according to a report released Tuesday by a European Parliament committee that is investigating CIA counterterrorism operations in Europe.

John B. Bellinger III, legal adviser to Secretary of State Condoleezza Rice, called the European Parliament report "hysterical in its hyperbole." He said the committee was leaping to conclusions about the missions of the CIA flights and improperly assuming that they all had a "nefarious" intent.

"There are numerous, numerous reasons for CIA flights to Europe," he said in a telephone interview. "By and large, they are a symbol of cooperation between our countries and the sharing of information, not illegal activity."

The committee said that it had found records of 1,245 CIA-operated flights landing at European airports or passing through European airspace, though it found evidence of only a handful of cases in which prisoners were transported.

The investigative committee said it suspected that the prison held captured al-Qaeda leaders and that it was housed in a nearby Polish intelligence training center at Stare Kiejkuty, in northeastern Poland. Although the committee acknowledged that it lacked proof, it cited testimony of airport employees that they were kept away from the mysterious flights by Polish military officials and were prohibited from conducting passenger checks or customs inspections.

The CIA declined to comment Tuesday on the parliamentary findings. The government of Poland has repeatedly denied allowing the CIA to operate a prison on its territory.

"The committee's report, from what we know so far, is not based on any strong proof but only commonly repeated assumptions, suspicions and probabilities," Krzysztof Lapinski, spokesman for Poland's minister for special services, told the Associated Press in Warsaw.

The European Parliament accused Poland of blocking the probe, saying that high-ranking Polish officials refused to meet with the panel. It also accused the Polish government of withholding or destroying flight logs pertaining to CIA flights at Szymany and other airports.

Also Tuesday, the Polish newspaper Gazeta Wyborcza reported that international flight logs showed that a single Gulfstream jet used by the CIA landed five times in Warsaw, the capital, and once at Szymany between February and July 2003. Four of the flights originated in Afghanistan, the paper reported.

In November 2005, The Washington Post first reported the presence of clandestine CIA prisons in Eastern Europe. The Post withheld the exact locations at the request of the White House, which argued that divulging such details could jeopardize active counterterrorism operations and subject the host countries to retaliation from al-Qaeda and its sympathizers.

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In September, President Bush acknowledged the existence of the CIA's overseas prison network for the first time. He said that 14 inmates had been transferred to the U.S. Navy prison at Guantanamo Bay and that the "black sites" had been emptied, although he did not rule out using them again.

No European country has admitted allowing the CIA to run secret prisons on its territory. But the parliamentary committee said it had obtained records describing an "informal" Dec. 7, 2005, meeting of foreign ministers from the European Union and NATO "confirming that member states had knowledge" of the secret prisons. The meeting was attended by Rice and other U.S. officials, according to the report.

"The decision has been to keep mum and shroud decisions in secrecy," said Giovanni Claudio Fava, an Italian member of the European Parliament who led the investigation. "Many of our governments have cooperated actively and passively."

The committee report also cited evidence that the CIA may have operated a prison in Romania and said it "cannot exclude," based on testimony by Romanian officials, "the possibility that US secret services have operated in Romania on a clandestine basis."

The panel said it "expresses serious concern" about 21 stopovers by CIA-operated aircraft landing in Romania, including a crash landing by a Gulfstream jet in Bucharest on Dec. 6, 2004.

Although no one was reported injured, seven passengers on board the flight "disappeared" after the accident, and Romanian air transport investigators never learned their identities, according to the report. The plane had started its journey at Bagram air base, the site of a U.S. prison in Afghanistan.

Researcher Julie Tate in Washington contributed to this report.

Man Pleads Guilty In Plan To Aid Taliban (AP)

By Joe Stinebaker

The AP, November 28, 2006

HOUSTON -- A Houston man pleaded guilty after he and a Pakistani living illegally in the United States were charged with conspiring to join the Taliban and fight against U.S. forces, federal prosecutors said Tuesday.

Kobie Diallo Williams, 33, and Adnan Babar Mirza, 29, underwent training in guns and reconnaissance in the Houston area in preparation for joining up with the Taliban, prosecutors said.

The two men were charged with conspiracy. Mirza, a Pakistani who overstayed a student visa, also was charged with violating federal gun laws.

Williams, a U.S. citizen and a student also known as Abdul Kabir, surrendered Tuesday to members of the FBI's Joint Terrorism Task Force and pleaded guilty in U.S. District Court to the conspiracy charge. Mirza was already in custody on immigration violations.

"While these subjects did not operate at a high level of sophistication in comparison with the 9-11 hijackers, the expressed goal was to aid the Taliban by training to carry out jihad against coalition troops in the Middle East," said Roderick Beverly, the head of the FBI's Houston office.

Federal prosecutors also said Williams had provided about $350 to Taliban members or their families.

Williams' attorney, Alamdar S. Hamdani, said Williams chose not to fight the charges.

"He made a grave mistake," said Hamdani. "And he has come forward to own up to that."

Prosecutors could not say on Tuesday whether Mirza had an attorney.

Williams and Mirza were held without bail. Williams could get up to five years in prison, Mirza 35 years.

The indictment said Williams and Mirza viewed U.S. and coalition forces in Afghanistan and Iraq as "invaders" and decided in April 2005 that they should travel to the Middle East to fight with the Taliban in Afghanistan.

U.S. Citizen Wanted To Join The Taliban, Officials Say (ABC)

By Brian Ross

ABC News' The Blotter, November 29, 2006

A United States citizen and a Pakistani national who overstayed his visa have been charged with planning to provide aid and financial support to the Taliban.

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The two Houston-area men, Kobie Diallo Williams and Adnan Babar Mirza, have been indicted by a federal grand jury and have been charged with attempting to obtain firearms and training so they could join the Taliban and fight against U.S. and coalition forces.

According to the indictment, in April 2005, Williams and Mirza agreed that they should travel to the region and fight with the Taliban because they viewed U.S. and coalition forces as invaders.

The two allegedly sought firearms training in the Houston area on at least eight occasions between May 2005 and June 2006. Mirza was in possession of an Armalite M15A4 rifle, a .308 rifle and a 12-gage shotgun, the indictment states. Since he had entered the U.S. in August 2001 on a student visa that expired on Dec. 12, 2005, Mirza, under U.S. law, was prohibited from possessing any firearms. According to the U.S. Attorney's Office, the men were also in possession of a Glock pistol and other weapons.

The indictment unsealed today states, "Williams and Mirza would and did meet at various shooting ranges and camp sites in the Southern District of Texas for the purpose of conducting firearms and paramilitary training to hone their skills with weapons to assist fighters engaging United States forces in Afghanistan, Pakistan and Iraq."

In addition to the alleged firearms training, the men also agreed to provide financial support to the Taliban and their families, the indictment alleges. According to the indictment, Williams sent $350 to Taliban members and their family members on two occasions.

"The expressed goal was to aid the Taliban by training to carry out jihad against coalition troops in the Middle East," said FBI Special Agent in Charge Roderick Beverly.

Since it has been deemed a terrorist organization, federal law prohibits any financial or other support to the Taliban, the violation of which carries a maximum sentence of five years. In today's arraignment, Williams pleaded guilty while Mirza, who was arrested last Wednesday by federal agents for overstaying his visa, is scheduled to have his detention hearing in the next several days.

Sen. Cornyn: One Of Taliban Suspects Here Illegally (KHOU)

KHOU-TV, November 29, 2006

Two Houston men have been charged with planning to aid the Taliban.

One of the terror suspects attended U of H downtown and the other attended classes at several HCC campuses.

Currently, they are both being held without bond in the federal detention center downtown.

Federal authorities say Kobie Williams is one of two men who had been training to use firearms with hopes of leaving Houston and joining the Taliban.

“And to fight the Jihad against American and Coalition forces overseas in the battle that is going on now,” said U. S. Attorney Don DeGabrielle.

The other suspect is Adnan Mirza, a Pakistani citizen, who had overstayed his student visa and was living in a westside Houston apartment complex.

Mirza was attending Houston Community College and working as an accountant at a small business.

Kobie Williams, also known as Abdul Kabeer, lived in an apartment in the Galleria area.

He attended U of H downtown and was working part time at Rice University in its engineering department.

Both men were seen on several occasions practicing with firearms at the American Shooting Center off Westheimer. How did the government learn about them?

“It was a referral from the border patrol as far as suspicious activity that they noted,” said Rod Beverly, head of the Houston FBI office.

Beverly would not get into specifics, but Senator John Cornyn was quick to point out to us that Mirza was here illegally.

“Whether you provided aid to the Taliban or simply overstayed your visa, we ought to be enforcing our immigration laws,” said Sen. Cornyn.

The United States government says Williams, who is an American, provided financial support of $350, money he thought was going to the Taliban and their families.

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His attorney John Floyd said his client pleaded guilty today and is remorseful.

"I can tell you that he has expressed to us that this all began with frustration with what's going on with the war in Iraq. This was due to his frustration that he acted out in a way that now he sees was improper," said Floyd.

Houston Pair Are Accused Of Aiding Taliban (HC)

By Cindy George, Anita Hassan And Dale Lezon, Houston Chronicle

Houston Chronicle, November 29, 2006

One who made a 'donation' pleads guilty; officials say both men trained to fight U.S. forces

Kobie Williams left Ramadan baskets packed with chocolate-laced trail mix on his neighbors' doorsteps and wistfully spoke of going to Egypt to study the Quran. Adnan Mirza was active in Muslim groups and spent his Sundays at a Houston soup kitchen feeding the homeless.

To their friends and families, Williams, 33, and Mirza, 29, were enthusiastic college students dedicated to God and family.

But Justice Department officials presented a shockingly different view of the men Tuesday, branding both as Taliban supporters — one contributing $350 to terrorists — who conspired to train with weapons with the goal of fighting U.S.-led forces in the Mideast.

Williams, a University of Houston-Downtown student also known as Abdul Kabeer or Abdul Kabir, pleaded guilty to the accusations Tuesday before U.S. District Judge Ewing Werlein Jr. Scheduled for sentencing on Feb. 23, he faces up to five years in prison and a $250,000 fine.

Mirza, a Pakistani national who was in the country on an expired student visa, faces the same potential penalty if convicted. Additionally, he has been indicted on three firearms charges, each of which could bring a 10-year sentence and a $250,000 fine upon conviction.

"While these subjects did not operate at a high level of sophistication in comparison with Sept. 11 hijackers, the expressed goal was to aid the Taliban by training to carry out jihad against coalition troops in the Middle East," FBI Special Agent in Charge Roderick Beverly said in a statement.

"In this post 9/11 era," U.S. Attorney Don DeGabrielle said, "threats against our international security efforts are taken most seriously."

Late Tuesday, authorities took into custody a cousin of Mirza, searching the cousin's home and confiscating documents, receipts, and anything in Arabic they couldn't understand, relatives said.

The indictments unsealed Tuesday came five months after federal authorities in Miami said they had uncovered an Islamist plot to attack U.S. targets including the 110-story Sears Tower in Chicago. Seven people were apprehended in that investigation.

Firearms training allegedIn the Houston case, authorities contended Williams, a U.S. citizen, and Mirza engaged in firearms training on at least eight occasions in the past 18 months. Investigators said the sessions took place in Harris and nearby counties.

Additionally, Williams provided $350 in support to Taliban members or their families.

In Tuesday's court session, Williams told the judge that "We knew that you couldn't get money to the Taliban." He added that he gave $350 to a "gentleman."

"Adnan informed us that there was a hospital that most of the families go to," Williams said.

"What families?" Werlein asked.

"Widows and children," Williams responded.

Williams, a thick-bearded man dressed in a white shirt and black trousers, spoke in a firm voice as he confirmed the prosecutor's allegations of firearms practice at shooting ranges and area campgrounds. He also admitted that he considered coalition forces fighting in Afghanistan and Iraq invaders.

He told Werlein he was studying computer science at UH-Downtown after receiving an associate's degree in electrical engineering technology. Williams also was listed as a technician on Rice University's civil engineering Web site, but his connection with that institution could not be confirmed Tuesday night.

'Not a crazy dude'

Residents at the southwest Houston apartment complex where Williams lived with his wife expressed shock at the arrests.

"He was not a crazy dude," said Joshua White, who noted that last year the couple had organized the neighborhood's crime-fighting National Night Out.

Williams was "very into his religion," White said, but didn't seem fanatical. White, who had known Williams about 18 months, said they occasionally debated religion.

When Williams spoke of a desire to travel to Egypt to study the Quran, White admonished his neighbor "not to go crazy over there." Williams laughed.

Another neighbor, Taylor Cole, described Williams as "a real nice guy."

At Ramadan, he said, Williams and his wife left a basket of treats on his doorstep along with a booklet explaining the religious observance.

Shock and dismay also were expressed by Mirza's uncle, aunt and cousin, with whom he shared a two-bedroom townhome on the southwest side.

"We know these are false charges," the cousin, Ali Qazi, 22, said.

Five years in Houston

Qazi said Mirza, a Kuwait-reared Pakistani, is studying biomedical technology at Houston Community College's Town and Country campus. Mirza, he said, has lived in Houston for five years. Qazi said the accused man has been very active with Islamic community groups, and routinely collects spare food from restaurants to feed the homeless.

In the past year, Qazi said, Mirza had developed an interest in hunting. Authorities said that individuals in the United States on student visas — or illegally — may not legally own firearms. He said authorities confiscated a shotgun and ammunition when they raided the home last week.

As Qazi spoke with a reporter about the case, Mirza's aunt, who asked not to be identified, prayed and wept.

"He's almost 30 years old, so he does everything on his own," Qazi said. "We don't ask questions about how he lives."

Late Tuesday, Qazi said authorities had taken his brother into custody. Qazi said he did not know why.

Qazi said his brother's wife called relatives about 8 p.m., saying that either or both the FBI or immigration agents arrived at her southwest Houston apartment. Authorities took anything in Arabic they couldn't understand, the wife told Qazi, including her Quran.

A local FBI spokeswoman said she could not comment because she was not aware of an arrest.

At the nearby Masjid Lel-Farouq mosque that Mirza attended, members Tuesday night expressed surprise at the federal accusations.

"He's the kindest, sweetest person," said one, who identified himself only as Mohamad because he feared retaliation from authorities. "He would not harm a fly."

Another, who identified himself as Ali, called the suspect "a very decent person."

"Just because you have a beard and you like to go hunting," he said, "doesn't mean that you are a terrorist."

This article was reported by George, Hassan and Lezon and written by Houston Chronicle reporter Allan Turner.

HOMELAND RESPONSE:

Chemical Weapons Plot: Man Sentenced (WPTY)

WPTY-TV, November 29, 2006

Federal authorities say a white supremacist will spend the next three decades behind bars for attempting to acquire nerve gas and explosives in a plot to destroy government buildings. A judge sentenced Demetrius "Van" Crocker to 30 years in prison and lifetime supervised release.

Crocker was arrested in 2004 after he tried to buy the weapons from undercover agents. The 40 year-old told agents his dream was to set off a dirty bomb in Washington, D.C. while the House and the Senate were in session. A federal jury convicted him in April of 2006.

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Investigators say Crocker became involved with neo-Nazi groups as a teenager in Jackson, Tennessee. The TBI and the FBI started investigating him after an informant alerted the agencies to his anti-government rants.

White Supremacist Sentenced To 30 Years For Plot To Buy Chemical Weapons (AP)

AP, November 29, 2006

JACKSON, Tenn. Federal authorities announced today that a white supremacist was sentenced to 30 years in prison for attempting to acquire nerve gas and explosives in a plot to destroy government buildings.Demetrius Van Crocker, a farmhand from McKenzie in West Tennessee, was arrested in 2004 after he tried to buy the weapons from undercover federal agents.The 40-year-old divorced father of two told agents his dream was to set off a dirty bomb in Washington D-C while the House and the Senate were in session.A federal jury convicted Crocker in April of five charges of attempting to acquire chemical weapons and stolen explosives with intent to harm individuals or damage a building.Crocker became involved with neo-Nazi groups as a teenager in Jackson.The Tennessee Bureau of Investigation and the F-B-I started investigating him after an informant alerted the agencies to his anti-government rants.Crocker also told an agent he wanted a helicopter license so he could spray or bomb black neighborhoods in Jackson with poison gas and spike drugs with poison to kill black people.Crocker was also sentenced to lifetime supervised release.

Marshals Decry Imams' Charges (WT)

By Audrey Hudson, The Washington Times

The Washington Times, November 29, 2006

Air marshals, pilots and security officials yesterday expressed concern that airline passengers and crews will be reluctant to report suspicious behavior aboard for fear of being called "racists," after several Muslim imams made that charge in a press conference Monday at Ronald Reagan Washington National Airport.

Six imams, or Muslim holy men, accused a US Airways flight crew of inappropriately evicting them from a flight last week in Minneapolis after several passengers said the imams tried to intimidate them by loudly praying and moving around the airplane. The imams urged Congress to enact laws to prohibit ethnic and religious "profiling."

Federal air marshals and others yesterday urged passengers to remain vigilant to threats.

"The crew and passengers act as our additional eyes and ears on every flight," said a federal air marshal in Las Vegas, who asked that his name not be used. "If [crew and passengers] are afraid of reporting suspicious individuals out of fear of being labeled a racist or bigot, then terrorists will certainly use those fears to their advantage in future aviation attacks."

But Rabiah Ahmed, spokeswoman for the Council on American-Islamic Relations (CAIR), said Muslims "have to walk around on eggshells in public just because we don't want to be misconstrued as suspicious. You have to strike a balance between legitimate fears which people may have, but not allow passengers to have so much discretion that they can trigger a process that would violate a traveler's basic civil rights."

"Because one person misunderstood the actions of other law-abiding citizens, they were able to trigger a very long and daunting process for other travelers that were pulled off the plane in handcuffs and detained for many hours before they were cleared."

The imams say they were removed from the Phoenix-bound flight because they were praying quietly in the concourse. They had been in Minnesota for a conference sponsored by the North American Imams Federation.

But other passengers told police and aviation security officials a different version of the incident. They said suspicious behavior of the imams led to their eviction from the flight. The imams, they said, tested the forbearance of the passengers and flight crew in what the air marshal called a "[political correctness] probe."

"The political correctness needs to be left at the boarding gate," the marshal said. "Instilling politically correct fears in to the minds of airline passengers is nothing less than psychological terrorism."

The passengers and flight crew said the imams prayed loudly before boarding; switched seating assignments to a configuration used by terrorists in previous incidents; asked for seat-belt extensions, which could be used as weapons; and shouted hostile slogans about al Qaeda and the war in Iraq.

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Flight attendants said three of the six men, who did not appear to be overweight, asked for the seat-belt extensions, which include heavy metal buckles, and then threw them to the floor under their seats.

Robert MacLean, a former federal air marshal, expressed the fear yesterday that the situation "will make crews and passengers in the future second-guess reporting these events, thus compromising the aircraft's security out of fear of being labeled a dogmatist or a bigot, or being sued."

Flight attendants said they were concerned that the way the imams took seats that were not assigned to them -- two seats in the front row of first class, exit seats in the middle of the plane and two seats in the rear -- resembled the pattern used by September 11 hijackers, giving them control of the exits.

A Minneapolis police officer and a federal air marshal who were called to the plane after the imams refused to leave the plane for questioning said "the seating configuration, the request for seat-belt extensions, the prior praying and utterances about Allah and the United States in the gate area ... was suspicious."

One pilot for a competing airline said the incident would have a chilling effect on the flight crews.

"The flight crew may be a little more gun-shy about approaching people, they may have a higher standard for the next few weeks for screening unusual behavior. I hope that's not the case, because I do think US Airways did the proper thing."

Andrea Rader, spokeswoman for US Airways, said its employees "are going to do what is appropriate" to ensure that airplanes are safe and will not be dissuaded by uproar over last week's incident.

"I don't think people will be less vigilant as a result of this, and I think that's appropriate. There is a balance, and I think we will continue to achieve that. Our crews and people on the airplanes are going to watch for behavior that raises concerns."

Many airports offer private rooms for prayer, but CAIR's Miss Ahmed said travelers required to arrive at airports two hours in advance to go through security inspections are too exhausted and must pray at the gate.

"It's convenient to check in then get to the gate and pray there," she said.

Plane Prayers (WP)

The Washington Post, November 29, 2006

AUS AIRWAYS CREW invited controversy -- and a bevy of unanswered questions -- last week when it kicked six Muslim imams off a flight. That decision led to, among other things, a "pray-in" protest at Reagan National Airport on Monday. There's a disturbing possibility that innocent passengers were removed from their flight, handcuffed, detained and denied the opportunity to purchase another ticket home just because of a preflight expression of faith.

Many facts of the case are still the subject of debate, but we know this much: Last week, six imams heading home from a conference in Minnesota unrolled rugs before boarding a US Airways flight to Arizona and said their evening prayers. When they boarded, they sat in different sections of the aircraft. Another passenger passed a note to a flight attendant expressing discomfort that Arabic men were moving around the airplane. The captain threw them off, and the local police and the FBI detained them for questioning. The imams were later cleared for flying.

According to some accounts, the imams declined to sit in their assigned seats, instead choosing to occupy different sections of the plane in a manner akin to that of the Sept. 11 hijackers. While boarding, they may have expressed disdain for the American effort in Iraq and spoken favorably of former Iraqi dictator Saddam Hussein. A US Airways spokeswoman notes that they asked for seat-belt extenders, which some say could have been used to hit or strangle others, even though they are not obese. Another airline employee indicated that three of the men had one-way tickets and checked no baggage. The imams, however, say that they carried round-trip tickets and didn't talk politics on the jetway. A representative also said that any seat switching they did was innocent.

US Airways stands by its decision to boot the men from the plane, saying that, taken as a whole, their behavior after boarding was suspect. But the airline and the authorities who detained the imams have questions to answer publicly about the incident. Were they switching seats suspiciously? Did the imams have round-trip or one-way tickets? Did the men ask for seat-belt extenders, and if so did they give any reason?

Answers to these questions might help explain the airline and official actions, even if they do not end up justifying those actions. Pilots and others have to make difficult decisions when time is short and evidence tough to verify. But complete

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information on this case also could demonstrate that it stemmed from nothing more than a nervous passenger fueling unfair suspicion after seeing the men at prayer. And that's a scary possibility. America can't become a country so locked by fear that those who unfurl a prayer rug automatically become suspects.

Chertoff: First Responders Done By End Of '07 (NSDY)

By Carol Eisenberg, Newsday Washington Bureau

Long Island Newsday, November 29, 2006

WASHINGTON -- Homeland Security Secretary Michael Chertoff announced Tuesday that the nation's 35 highest-risk cities must have systems enabling first responders to communicate in a disaster by the end of next year. Every state must have such a system by the end of 2008, he said.

New York City has already achieved that goal, officials said, but will be expected to continue to improve communications with first responders in Nassau, Suffolk and Westchester.

"The bottom line is we have to be able to communicate during a disaster," Chertoff told more than 1,000 state and local homeland security officials assembled at the Washington Hilton Tuesday. "We're going to get it done."

The lack of interoperable communications among first responders, and the poor functioning of fire radios in the World Trade Towers, were contributing causes in the scores of firefighters' deaths in the Sept. 11 attacks. Hampered communication also slowed rescue and recovery after Hurricane Katrina.

Chertoff announced those deadlines five weeks before the start of a new Congress controlled by Democrats, many of whom have expressed frustration about the slow pace of progress on first-responder communications and pledged tougher oversight of his department.

The secretary said public scorecards would be issued in the next few weeks to the highest-risk cities -- including Boston, Houston and Chicago -- to help them prioritize needed improvements. The focus, he said, would be regional because "threats are region-based."

So the scorecard for New York City would assess communication not just among the city's first responders, but also among police, fire and emergency management groups in Nassau, Suffolk and Westchester.

The baseline goal is for incident command managers to be able to communicate with one another within one hour.

Local officials said they expect to do well in the ratings.

"Communications are vastly improved from what they were on Sept. 11," said New York Deputy Fire Commissioner Frank Gribbon. "We have radios where we share frequencies. We have an NYPD videofeed to our operations center."

Beyond hardware, Gribbon said the city has revamped protocols that set out who is in charge under what circumstances.

Chertoff also pledged Tuesday that next year's allocation of anti-terror grants would be more transparent. While continuing to allocate the lion's share of money to high-risk areas, he said, decisions would be based more on "common sense" than on "bean counting." This year's grants, which included 40-percent funding cuts to New York City and Washington, D.C., were widely criticized.

Changes to the program, he said, would include an extended timeline that will enable municipalities to fine-tune their proposals after getting feedback.

Chertoff also said that a comprehensive alert system is being developed with the goal of reaching 85 percent of Americans within 10 minutes.

"Those of you who grew up in the '50s remember that they used to break into television programing ... ," he said. "But we're in the 21st century. We have text messaging. We have the Internet. We have digital cable. We have satellite television. We have to upgrade the current patchwork system and build one that is national in scope for the 21st century."

Diplomacy Ain't What It Used To Be (column) (WP)

By Al Kamen

The Washington Post, November 28, 2006

The Federal National Agency Association

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Is the Federal Emergency Management Agency in line for a makeover? Seemed like it, judging from a press schedule issued Monday by FEMA's parent, the Department of Homeland Security.

At 12:30 p.m. tomorrow Undersecretary R. David Paulison, head of FEMA, the schedule said, will "participate in a press conference with the National Emergency Management Agency to announce a new emergency management tag logo and moniker."

Rebranding FEMA might make sense after last year's failed hurricane response and was in fact suggested by Senate investigators, among other changes.

Not to worry. FEMA's stationery, jackets and vehicle decals appear safe, at least for now.

Turns out that public-affairs staffers conflated two Paulison appearances: one to talk about his vision for a reorganized agency, and another to announce a new logo for the National Emergency Management Association, an organization of the top emergency officials from the 50 states.

FEMA? NEMA? Let's call the whole thing off.

A Deputized FEMA Director?

On the bright side for Paulison, buzz at the agency is that he will be nominated by President Bush for promotion to the deputy secretary level. Congress recently passed legislation raising the status of the FEMA administrator, effective March 31, mandating that he report directly to the secretary of the Homeland Security Department and advise the president and the White House Homeland Security Council during disasters.

Judge Upholds Policyholders' Katrina Flood Claims (NYT)

By Joseph B. Treaster

The New York Times, November 29, 2006

A federal judge offered a glimmer of hope to the tens of thousands of people whose homes and businesses in New Orleans were flooded in Hurricane Katrina, ruling that insurance companies should pay for the widespread water damage.

If upheld, the ruling late Monday by Judge Stanwood R. Duval Jr. of Federal District Court in New Orleans could cost the insurers billions of dollars more than the $41 billion they have already paid to storm victims. But the insurers insist that their policies do not cover flooding, and they said yesterday that they expected an appeals court to reverse the decision. A final ruling could take months, if not years.

Judge Duval's decision centered on the distinction between flooding caused by high winds and heavy rains and flooding caused by human error. Much of the destruction in New Orleans in the wake of Hurricane Katrina in August 2005 was a result of levee failures.

He said the language in the insurance policies on flood coverage was ambiguous because it did not "clearly exclude man-made" flood disasters. Since the insurers provided the wording for the policies, he said he felt "constrained to interpret it against the insurers."

He made an exception for State Farm and the Hartford Insurance Company, whose policies do not provide coverage for flooding "regardless of cause."

Lawyers for more than a dozen homeowners and Xavier University, which had business insurance, hailed Judge Duval's decision as a victory.

"This is a major breakthrough," said John N. Ellison, a member of the team of lawyers representing storm victims and a partner at Anderson Kill & Olick in New York. "Our hope is that this ruling may help get the redevelopment of the houses and the city going so the city can come back to life."

The ruling was the first by a court in Louisiana on damage from Hurricane Katrina. It ran counter to rulings by a federal judge in Mississippi that supported the industry's contention that most property insurance policies do not provide coverage for flooding.

But the judge in Mississippi, L. T. Senter of Federal District Court, disagreed with the insurers' contention that any damage due to flooding nullified the coverage. He cleared the way for trials early next year to determine how much damage to flooded homes and businesses resulted from high winds.

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The rulings differ, in part, because the nature of the flooding was different. In Mississippi, the storm drove water from the Gulf of Mexico ashore and wiped out tens of thousands of homes unprotected by artificial barriers. In New Orleans, flood waters breached some levees and poured into the city as the storm was moving away. The water lingered in parts of the city for weeks.

Mr. Ellison, the lawyer for the homeowners, said he believed that the New Orleans case would go to the United States Court of Appeals for the Fifth Circuit "on an expedited basis" and that deliberations could begin in the spring.

More than 200,000 homes and thousands of businesses were damaged or destroyed by the flooding in New Orleans. The insurers have refused to pay claims for water damage and the relatively small amounts that homeowners and businesses received for wind damage have been far from enough for most people to rebuild. The federal government has stepped in with promises of several billion dollars in assistance, but little of the money has reached the people who need it.

The insurers said that Judge Duval's decision was contrary to decades of case law and state insurance regulation and would turn out to be a short-lived loss for their side.

"The judge reached the wrong conclusion," said Robert P. Hartwig, the chief economist at the Insurance Information Institute, a trade group in New York. "The policies clearly exclude flood-related damage under any and all circumstances. We don't believe the decision will be upheld."

Randy J. Maniloff, a lawyer in Philadelphia who represents insurance companies, including several of those in the New Orleans lawsuit, said Judge Duval appeared to be overreaching to solve the social and economic problems caused by Hurricane Katrina.

"Here is a phenomenon for which there is no insurance, and the court isn't going to allow that to exist," Mr. Maniloff said.

"The court is finding who is in a better position to bear the loss, and it is coming out in favor of the individual, the policyholder," he said. "This is an aberration."

Judge Duval, who was appointed to the federal court by President Bill Clinton in 1994, said in an 85-page decision that the insurers could have made clear "that 'flood' means water damage caused by negligent acts or omissions." But, he said, they "chose not to do so."

Nearly a dozen insurance companies had sought dismissal of the lawsuits over flood losses. But Judge Duval ruled in favor of only two, State Farm, the largest home insurer in Louisiana, with about 20 percent of the market; and Hartford, a unit of the Hartford Financial Services Group, which has a much smaller share.

Judge Duval said he cleared the way for an immediate appeal because "there is a substantial ground for a difference of opinion."

WAR NEWS:

Bush Adviser's Memo Cites Doubts About Iraqi Leader (NYT)

By Michael R. Gordon

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — A classified memorandum by President Bush's national security adviser expressed serious doubts about whether Prime Minister Nuri Kamal al-Maliki had the capacity to control the sectarian violence in Iraq and recommended that the United States take new steps to strengthen the Iraqi leader's position.

The Nov. 8 memo was prepared for Mr. Bush and his top deputies by Stephen J. Hadley, the national security adviser, and senior aides on the staff of the National Security Council after a trip by Mr. Hadley to Baghdad.

The memo suggests that if Mr. Maliki fails to carry out a series of specified steps, it may ultimately be necessary to press him to reconfigure his parliamentary bloc, a step the United States could support by providing "monetary support to moderate groups," and by sending thousands of additional American troops to Baghdad to make up for what the document suggests is a current shortage of Iraqi forces. (Text of Memo)

The memo presents an unvarnished portrait of Mr. Maliki and notes that he relies for some of his political support on leaders of more extreme Shiite groups. The five-page document, classified secret, is based in part on a one-on-one meeting between Mr. Hadley and Mr. Maliki on Oct. 30.

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"His intentions seem good when he talks with Americans, and sensitive reporting suggests he is trying to stand up to the Shia hierarchy and force positive change," the memo said of the Iraqi leader. "But the reality on the streets of Baghdad suggests Maliki is either ignorant of what is going on, misrepresenting his intentions, or that his capabilities are not yet sufficient to turn his good intentions into action."

An administration official made a copy of the document available to a New York Times reporter seeking information on the administration's policy review. The Times read and transcribed the memo.

The White House has sought to avoid public criticism of Mr. Maliki, who is scheduled to meet with Mr. Bush in Jordan on Wednesday. The latest surge of sectarian violence in Baghdad and the Democratic victories in the midterm elections are prompting calls for sharp changes in American policy. Such changes are among options being debated by the Iraq Study Group, the bipartisan panel led by James A. Baker III and Lee H. Hamilton.

A senior administration official discussed the memorandum in general terms after being told The New York Times was preparing an article on the subject. The official described the document as "essentially a trip report" and not a result of the administration's review of its Iraq policy, which is still under way.

He said the purpose of the memo "was to provide a snapshot of the challenges facing Prime Minister Maliki and how we can best enhance his capabilities, mindful of the complex political and security environment in which he is operating."

The American delegation that went to Iraq with Mr. Hadley included Meghan L. O'Sullivan, the deputy national security adviser, and three other members of the National Security Council staff. The memo, prepared after that trip, has been circulated to cabinet-level officials who are participating in the administration's review of Iraq strategy.

There is nothing in the memo that suggests the Bush administration is interested in replacing Mr. Maliki as prime minister. But while Mr. Bush has stated that he has confidence in the Iraqi leader, the memo questions whether Mr. Maliki has the will and ability to establish a genuine unity government, saying the answer will emerge from actions he takes in the weeks and months ahead.

"We returned from Iraq convinced we need to determine if Prime Minister Maliki is both willing and able to rise above the sectarian agendas being promoted by others," the memo says. "Do we and Prime Minister Maliki share the same vision for Iraq? If so, is he able to curb those who seek Shia hegemony or the reassertion of Sunni power? The answers to these questions are key in determining whether we have the right strategy in Iraq."

In describing the Oct. 30 meeting between Mr. Hadley and Mr. Maliki, it says: "Maliki reiterated a vision of Shia, Sunni and Kurdish partnership, and in my one-on-one meeting with him, he impressed me as a leader who wanted to be strong but was having difficulty figuring out how to do so." It said the Iraqi leader's assurances seemed to have been contradicted by developments on the ground, including the Iraqi government's approach to the Mahdi Army, a Shiite militia known in Arabic as Jaish al-Mahdi and headed by Moktada al-Sadr.

"Reports of nondelivery of services to Sunni areas, intervention by the prime minister's office to stop military action against Shia targets and to encourage them against Sunni ones, removal of Iraq's most effective commanders on a sectarian basis and efforts to ensure Shia majorities in all ministries — when combined with the escalation of Jaish al-Mahdi (JAM) killings — all suggest a campaign to consolidate Shia power in Baghdad."

Among the concerns voiced in the memo was that Mr. Maliki was surrounded by a small group of advisers from the Shiite Dawa Party, a narrow circle that American officials worry may skew the information he receives.

The memo outlines a number of short-term steps Mr. Maliki could undertake to establish control. The Iraqi leader has recently indicated his intention to take some of those steps, like announcing his intention to expand the size of the Iraqi Army and declaring that Iraq will seek an extension of the United Nations mandate that provides for the deployment of the American-led multinational force in Iraq. The United Nations Security Council voted on Tuesday to extend that mandate.

The memo also lists steps the United States can take to strengthen Mr. Maliki's position. They include efforts to persuade Saudi Arabia to use its influence with the Sunnis in Iraq and encourage them to turn away from the insurgency and to seek a political accommodation.

Addressing Mr. Bush, the memo said one option was for the president to "direct your cabinet to begin an intensive press on Saudi Arabia to play a leadership role on Iraq, connecting this role with other areas in which Saudi Arabia wants to see U.S.

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action." Although the memo did not offer specifics, this appeared to be an allusion to a more active American role in the Arab-Israeli peace process. Recently, Israel's prime minister, Ehud Olmert, has reached out to the Palestinians and has said he wants to move ahead with peace talks. But the memo's authors also contemplate the possibility that Mr. Maliki's position may be too tenuous for him to take the steps needed to curb the power of Shiite militias, to establish a more diverse and representative personal staff and to arrest the escalating sectarian strife.

In that case, the memo suggests, it may ultimately be necessary for Mr. Maliki to recast his parliamentary bloc, a step the United States could support by pressing moderates to align themselves with the Iraqi leader and providing them with monetary support.

The memo refers to "the current four-brigade gap in Baghdad," a seeming acknowledgment that there is a substantial shortfall of troops in the Iraqi capital compared with the level needed to provide security there, in part because the Iraqi government has not dispatched all the forces it has promised. An American brigade generally numbers about 3,500 troops, though Iraqi units can be smaller. While Democrats have advocated beginning troop withdrawals as a means of putting pressure on Mr. Maliki, the memo suggests that such tactics may backfire by stirring up opposition against a politically vulnerable leader.

"Pushing Maliki to take these steps without augmenting his capabilities could force him to failure — if the Parliament removes him from office with a majority vote or if action against the Mahdi militia (JAM) causes elements of the Iraqi Security Forces to fracture and leads to major Shia disturbances in southern Iraq," the memo says.

The memo lists a number of possible steps to build up Mr. Maliki's capability. They include asking Gen. George W. Casey Jr., the senior American commander, to develop a plan to strengthen the Iraqi leader.

This could involve the formation of a new National Strike Force, significantly increasing the number of American advisers working with the Iraqi National Police, a force that has been infiltrated by Shiite militias, and putting more Iraqi forces directly under Mr. Maliki's control.

In addition, the memorandum suggests that Mr. Bush ask the Pentagon and General Casey "to make a recommendation about whether more forces are needed in Baghdad."

The administration appears to have already begun carrying out some of the steps recommended in the document. Among them were a trip over the weekend by Vice President Dick Cheney to Saudi Arabia as part of an effort to seek help from Sunni Arab powers in encouraging Sunni groups in Iraq to seek a political compromise with Mr. Maliki.

The senior administration official who agreed to discuss the memo would do so only on condition of anonymity. The official said some of the steps projected in the document were being carried out.

The official also stressed that the administration retains confidence in the Iraqi leader. "What we are seeing is that he had the right intentions and is willing to act," the senior official said. "Our own review has opened a consultative process on where Maliki wants to take the government. A successful strategy has to be one that is driven by the Iraqis."

Text Of U.S. Security Adviser's Iraq Memo (NYT)

The New York Times, November 29, 2006

Following is the text of a Nov. 8 memorandum prepared for cabinet-level officials by Stephen J. Hadley, the national security adviser, and his aides on the National Security Council. The five-page document, classified secret, was read and transcribed by The New York Times.

We returned from Iraq convinced we need to determine if Prime Minister Maliki is both willing and able to rise above the sectarian agendas being promoted by others. Do we and Prime Minister Maliki share the same vision for Iraq? If so, is he able to curb those who seek Shia hegemony or the reassertion of Sunni power? The answers to these questions are key in determining whether we have the right strategy in Iraq.

Maliki reiterated a vision of Shia, Sunni, and Kurdish partnership, and in my one-on-one meeting with him, he impressed me as a leader who wanted to be strong but was having difficulty figuring out how to do so. Maliki pointed to incidents, such as the use of Iraqi forces in Shia Karbala, to demonstrate his even hand. Perhaps because he is frustrated over his limited ability to command Iraqi forces against terrorists and insurgents, Maliki has been trying to show strength by standing up to the coalition. Hence the public spats with us over benchmarks and the Sadr City roadblocks.

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Despite Maliki's reassuring words, repeated reports from our commanders on the ground contributed to our concerns about Maliki's government. Reports of nondelivery of services to Sunni areas, intervention by the prime minister's office to stop military action against Shia targets and to encourage them against Sunni ones, removal of Iraq's most effective commanders on a sectarian basis and efforts to ensure Shia majorities in all ministries — when combined with the escalation of Jaish al-Mahdi's (JAM) [the Arabic name for the Mahdi Army] killings — all suggest a campaign to consolidate Shia power in Baghdad.

While there does seem to be an aggressive push to consolidate Shia power and influence, it is less clear whether Maliki is a witting participant. The information he receives is undoubtedly skewed by his small circle of Dawa advisers, coloring his actions and interpretation of reality. His intentions seem good when he talks with Americans, and sensitive reporting suggests he is trying to stand up to the Shia hierarchy and force positive change. But the reality on the streets of Baghdad suggests Maliki is either ignorant of what is going on, misrepresenting his intentions, or that his capabilities are not yet sufficient to turn his good intentions into action.

Steps Maliki Could Take

There is a range of actions that Maliki could take to improve the information he receives, demonstrate his intentions to build an Iraq for all Iraqis and increase his capabilities. The actions listed below are in order of escalating difficulty and, at some point, may require additional political and security resources to execute, as described on Page 3 of this memo. Maliki should:

¶Compel his ministers to take small steps — such as providing health services and opening bank branches in Sunni neighborhoods — to demonstrate that his government serves all ethnic communities;

¶Bring his political strategy with Moktada al-Sadr to closure and bring to justice any JAM actors that do not eschew violence;

¶Shake up his cabinet by appointing nonsectarian, capable technocrats in key service (and security) ministries;

¶Announce an overhaul of his own personal staff so that "it reflects the face of Iraq";

¶Demand that all government workers (in ministries, the Council of Representatives and his own offices) publicly renounce all violence for the pursuit of political goals as a condition for keeping their positions;

¶Declare that Iraq will support the renewal of the U.N. mandate for multinational forces and will seek, as appropriate, to address bilateral issues with the United States through a SOFA [status of forces agreement] to be negotiated over the next year;

¶Take one or more immediate steps to inject momentum back into the reconciliation process, such as a suspension of de-Baathification measures and the submission to the Parliament or "Council of Representatives" of a draft piece of legislation for a more judicial approach;

¶Announce plans to expand the Iraqi Army over the next nine months; and

¶Declare the immediate suspension of suspect Iraqi police units and a robust program of embedding coalition forces into MOI [Ministry of the Interior] units while the MOI is revetted and retrained.

What We Can Do to Help Maliki

If Maliki is willing to move decisively on the actions above, we can help him in a variety of ways. We should be willing to:

¶Continue to target Al Qaeda and insurgent strongholds in Baghdad to demonstrate the Shia do not need the JAM to protect their families — and that we are a reliable partner;

¶Encourage Zal [Zalmay Khalilzad, the American ambassador] to move into the background and let Maliki take more credit for positive developments. (We want Maliki to exert his authority — and demonstrate to Iraqis that he is a strong leader — by taking action against extremists, not by pushing back on the United States and the Coalition.);

¶Continue our diplomatic efforts to keep the Sunnis in the political process by pushing for the negotiation of a national compact and by talking up provincial council elections next spring/summer as a mechanism for Sunni empowerment;

¶Support his announcement to expand the Iraqi Army and reform the MOI more aggressively;

¶Seek ways to strengthen Maliki immediately by giving him additional control over Iraqi forces, although we must recognize that in the immediate time frame, we would likely be able to give him more authority over existing forces, not more forces;

¶Continue to pressure Iran and Syria to end their interference in Iraq, in part by hitting back at Iranian proxies in Iraq and by Secretary Rice holding an Iraq-plus-neighbors meeting in the region in early December; and

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¶Step up our efforts to get Saudi Arabia to take a leadership role in supporting Iraq by using its influence to move Sunni populations in Iraq out of violence into politics, to cut off any public or private funding provided to the insurgents or death squads from the region and to lean on Syria to terminate its support for Baathists and insurgent leaders.

Augmenting Maliki's Political and Security Capabilities

The above approach may prove difficult to execute even if Maliki has the right intentions. He may simply not have the political or security capabilities to take such steps, which risk alienating his narrow Sadrist political base and require a greater number of more reliable forces. Pushing Maliki to take these steps without augmenting his capabilities could force him to failure — if the Parliament removes him from office with a majority vote or if action against the Mahdi militia (JAM) causes elements of the Iraqi Security Forces to fracture and leads to major Shia disturbances in southern Iraq. We must also be mindful of Maliki's personal history as a figure in the Dawa Party — an underground conspiratorial movement — during Saddam's rule. Maliki and those around him are naturally inclined to distrust new actors, and it may take strong assurances from the United States ultimately to convince him to expand his circle of advisers or take action against the interests of his own Shia coalition and for the benefit of Iraq as a whole.

If it is Maliki's assessment that he does not have the capability — politically or militarily — to take the steps outlined above, we will need to work with him to augment his capabilities. We could do so in two ways. First, we could help him form a new political base among moderate politicians from Sunni, Shia, Kurdish and other communities. Ideally, this base would constitute a new parliamentary bloc that would free Maliki from his current narrow reliance on Shia actors. (This bloc would not require a new election, but would rather involve a realignment of political actors within the Parliament). In its creation, Maliki would need to be willing to risk alienating some of his Shia political base and may need to get the approval of Ayatollah Sistani for actions that could split the Shia politically. Second, we need to provide Maliki with additional forces of some kind.

This approach would require that we take steps beyond those laid out above, to include:

¶Actively support Maliki in helping him develop an alternative political base. We would likely need to use our own political capital to press moderates to align themselves with Maliki's new political bloc;

¶Consider monetary support to moderate groups that have been seeking to break with larger, more sectarian parties, as well as to support Maliki himself as he declares himself the leader of his bloc and risks his position within Dawa and the Sadrists; and

¶Provide Maliki with more resources to help build a nonsectarian national movement.

• If we expect him to adopt a nonsectarian security agenda, we must ensure he has reasonably nonsectarian security institutions to execute it — such as through a more robust embedding program.

• We might also need to fill the current four-brigade gap in Baghdad with coalition forces if reliable Iraqi forces are not identified.

Moving Ahead

We should waste no time in our efforts to determine Maliki's intentions and, if necessary, to augment his capabilities. We might take the following steps immediately:

¶Convince Maliki to deliver on key actions that might reassure Sunnis (open banks and direct electricity rebuilding in Sunni areas, depoliticize hospitals);

¶Tell Maliki that we understand that he is working his own strategy for dealing with the Sadrists and that:

• you have asked General Casey to support Maliki in this effort

• it is important that we see some tangible results in this strategy soon;

¶Send your personal representative to Baghdad to discuss this strategy with Maliki and to press other leaders to work with him, especially if he determines that he must build an alternative political base;

¶Ask Casey to develop a plan to empower Maliki, including:

• Formation of National Strike Forces

• Dramatic increase in National Police embedding

• More forces under Maliki command and control

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¶Ask Secretary of Defense and General Casey to make a recommendation about whether more forces are need in Baghdad;

¶Ask Secretary of Defense and General Casey to devise a more robust embedding plan and a plan to resource it;

¶Direct your cabinet to begin an intensive press on Saudi Arabia to play a leadership role on Iraq, connecting this role with other areas in which Saudi Arabia wants to see U.S. action;

¶If Maliki seeks to build an alternative political base:

• Press Sunni and other Iraqi leaders (especially Hakim) [Abdul Aziz al-Hakim, the leader of the Supreme Council for the Islamic Revolution in Iraq, a Maliki rival] to support Maliki

• Engage Sistani to reassure and seek his support for a new nonsectarian political movement.

Bush To Press Iraqi Premier On Security (WP)

By Michael Abramowitz

The Washington Post, November 29, 2006

RIGA, Latvia, Nov. 28 -- President Bush signaled plans to both reassure and pressure Iraqi Prime Minister Nouri al-Maliki over deteriorating conditions in Iraq, as the White House prepared for an unusual summit Wednesday in Jordan aimed at arresting the slide in security.

Speaking with reporters Tuesday in Tallinn, Estonia, before flying here for a NATO summit, Bush hinted at the U.S. government's growing impatience with Maliki when he said he would query the prime minister about his "strategy to be a country which can govern itself and sustain itself."

"My questions to him will be: What do we need to do to succeed? What is your strategy in dealing with the sectarian violence?" Bush said. Despite his pointed emphasis on the Iraqi government's role in controlling the violence, Bush also made clear his view that Iraq has not yet fallen into civil war and voiced determination to keep U.S. troops there despite growing pressure to bring them home.

"We will continue to be flexible, and we'll make the changes necessary to succeed. But there's one thing I'm not going to do: I'm not going to pull our troops off the battlefield before the mission is complete," Bush said later, in a speech here in the Latvian capital. "We can accept nothing less than victory for our children and our grandchildren."

With violence in Baghdad reaching levels not seen since the U.S.-led invasion in 2003, both Bush and Maliki face increasing pressure to accelerate a turnover in responsibility for security to Iraqis and to begin withdrawal of more than 140,000 U.S. ground troops. The White House is conducting an internal review of Iraq policy, and the commission headed by former secretary of state James A. Baker III and former Indiana representative Lee H. Hamilton is finishing its deliberations on what the U.S. government should do.

In a classified memo written earlier this month, national security adviser Stephen J. Hadley expressed the administration's private frustration with Maliki's performance, questioning whether "Prime Minister Maliki is both willing and able to rise above the sectarian agendas being promoted by others." The secret five-page memo, obtained by the New York Times and posted on its Web site Tuesday night, outlined a series of proposed steps for the United States and Iraq to take.

Among other things, the Nov. 8 memo suggested that Maliki should be pressured to distance himself from anti-American Shiite cleric Moqtada al-Sadr and "bring to justice" figures in Sadr's militia who "do not eschew violence"; shake up his cabinet to include more nonsectarian technocrats; expand the Iraqi army; and declare the immediate suspension of Iraqi police units suspected of involvement in sectarian conflict.

Hadley proposed that the United States help Maliki build a new political coalition within the Iraqi parliament that would rely more on moderate, less sectarian elements rather than harder-line Shiite representatives. To accomplish this, Hadley said, money could be provided to Maliki's political operation and moderate parties. The memo also raised the possibility of sending more forces to Iraq and recommended that U.S. Ambassador Zalmay Khalilzad take a lower profile "and let Maliki take more credit for positive developments."

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The memo laid bare the doubts about Maliki. Written shortly after Hadley met with the Iraqi prime minister, it noted concerns about various actions, including intervention to stop military action against Shiite targets, efforts to stack ministries with Shiite majorities and reported nondelivery of services to Sunni areas.

These actions "all suggest a campaign to consolidate Shia power in Baghdad," Hadley wrote. "While there does seem to be an aggressive push to consolidate Shia power and influence, it is less clear whether Maliki is a witting participant." Hadley wrote that Maliki "impressed me as a leader who wanted to be strong but was having difficulty figuring out how to do so." A White House spokeswoman Tuesday night had no comment on the memo.

Briefing reporters traveling with the president earlier Tuesday, Hadley said the broader White House Iraq review is not yet complete, suggesting that Bush's meetings with Maliki, scheduled for Wednesday evening and Thursday morning, will not produce any major developments -- at least publicly. But the meetings, the third between the two leaders since Maliki took office in May, will offer an opportunity to resolve tensions between the two governments over how to proceed.

The Bush-Maliki relationship had started with high hopes among White House officials that the prime minister would prove a more effective leader than his predecessor, Ibrahim al-Jafari. After a quick trip to Baghdad in June, Bush declared he had determined that Maliki was dedicated to a free Iraq.

But the relationship has grown fractious as repeated efforts to curb violence in Baghdad have failed. Administration aides have expressed frustration that Maliki has not moved more aggressively against Shiite Muslim militias, while he has bristled at pressure from Washington.

Sadr, the leader of one of those militias, is a key supporter of Maliki's government and a growing political power in the country. Curbing militias such as Sadr's Mahdi Army and bringing sectarian fighting under control are considered critical tests of Iraq's ability to govern itself -- and of the ability of U.S. forces to withdraw without leaving behind a chaotic situation.

Hadley, speaking Tuesday afternoon with reporters in Riga, offered a sober assessment of the Maliki government. He said efforts to secure Baghdad by U.S. and Iraqi forces have "not produced adequate progress in an acceptable time frame." He said Maliki had taken steps to reconcile warring religious and political factions but "obviously they have a long way to go."

Contrary to the doubts expressed in his memo, Hadley told reporters he was not criticizing Maliki, adding that he disagreed with the view in Iraq that Maliki is ineffectual. "We think that this unity government is doing pretty well in a very difficult situation," he said. "Maliki has been impatient and has said that his government has not produced the results they seek. And he's got some ideas about how to enhance their capabilities to do so."

Maliki faces criticism at home for going ahead with his meetings with Bush. Sadr's faction has threatened to bolt the government if the meetings take place, though it was unclear whether the threat would be carried out.

"We don't want or like this meeting, particularly at this time, because the country is in the midst of a security crisis, and the presence of the prime minister is necessary," said Bahaa al-Araji, a member of parliament from Sadr's bloc. "We are concerned that the prime minister may receive instructions from Bush on the security situation. We believe that the government must have the final say on such matters because the security situation is something that concerns Iraq and its government only."

Joost Hiltermann, who follows Iraq for the nonprofit International Crisis Group from Jordan, voiced skepticism that Maliki would crack down on private militias. "He is completely beholden to the Sadrists," he said. "The notion that he could confront the power of the militias that gave him power is absurd."

"There is a problem with saying that we need to get the Iraqis to take charge of the situation," said Eliot A. Cohen, a professor of military strategy at Johns Hopkins University. "By virtue of the kind of government we helped create -- particularly one based on proportional representation -- and because the institutions of the Iraqi state are weak, even if we can get him to promise, we cannot reasonably expect him to deliver much."

Before leaving for Jordan on Wednesday, Bush will finish meetings with other NATO leaders gathered here for a summit that is focusing heavily on the alliance's mission in Afghanistan. U.S. officials were hopeful that the summit would yield new troops for the fight against the resurgent Taliban, as well as a loosening of restrictions from member countries on how those troops can be used.

In a speech here, Bush alluded to these issues in saying that NATO commanders "must have the resources and flexibility they need to do their jobs."

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Bush started the day with a round of meetings in Tallinn with the leaders of Estonia, the first time a sitting U.S. president has visited the tiny Baltic country. Bush has now visited each of the three Baltic nations that gained independence with the collapse of the Soviet Union in 1991. Given their experiences with despotism, Bush has found a more congenial audience in these countries for his message of promoting democracy and the U.S. interventions in Afghanistan and Iraq.

Special correspondent K.I. Ibrahim in Baghdad and staff writers Peter Baker and Thomas E. Ricks in Washington contributed to this report.

Iraqi Premier Wants More Control Over His Military (LAT)

By Alexandra Zavis And Peter Wallsten, Times Staff Writers

The Los Angeles Times, November 29, 2006

Maliki will press Bush for the U.S. to relinquish some authority. His government holds direct talks with Syria and Iran.

BAGHDAD — Prime Minister Nouri Maliki will push for the U.S. military to relinquish control over his nation's security forces when he meets President Bush today to discuss a strategy to quell raging violence in Iraq, aides and political insiders said Tuesday.

Frustrated by U.S. accusations that he isn't doing enough, Maliki says his hands are tied as long as he does not have the authority to deploy forces as he sees fit. He wants Bush to accelerate the training of the army and police, fund more recruits and provide them with bigger and better weapons, lawmakers briefed by Maliki said.

The prime minister also will insist at the two-day summit in Jordan that his government should drive negotiations with Iraq's neighbors, Iran and Syria, they said.

Maliki's emboldened stand comes at a time of uncertainty for U.S. strategy in Iraq. Bush is under pressure to make changes after Democrats swept the midterm congressional election on a wave of unhappiness about the war's results.

Bush is waiting for recommendations from a bipartisan commission headed by former Secretary of State James A. Baker III and former Rep. Lee H. Hamilton (D-Ind.), which Tuesday continued work on its final report.

Democrats want Bush to set a timeline to start reducing the number of U.S. forces in Iraq. But Bush maintained Tuesday that there was no possibility of an immediate pullout.

"There's one thing I'm not going to do," he said during an afternoon speech in Riga, Latvia, where he was attending a NATO summit. "I'm not going to pull our troops off the battlefield before the mission is completed."

Bush is also under pressure to enlist the help of Iran and Syria in curbing the bloodshed. But he ruled out direct negotiation with Iran unless it halts a uranium enrichment program that potentially could be used to produce nuclear weapons.

While the United States considers its options, Maliki's government has opened direct talks with both countries.

Iraqi President Jalal Talabani was in Tehran on Tuesday, securing promises of assistance from his counterpart, Mahmoud Ahmadinejad, and Iran's supreme leader, Ayatollah Ali Khamenei. He also has accepted an invitation to visit Syria, said his spokesman, Hiwa Osman, reached by telephone in Tehran.

The comments came on the eve of a hastily arranged summit in Amman, the Jordanian capital, where King Abdullah II will hold talks with Bush and Maliki after a week of some of the fiercest fighting in Iraq's civil war.

At least 215 people were killed in coordinated car bombings Thursday in a Shiite Muslim slum of Baghdad, a stronghold of anti-American cleric Muqtada Sadr and his Al Mahdi militia. Hundreds more died in days of reprisal attacks, as Shiite and Sunni militiamen pounded neighborhoods with mortar rounds and gunfire.

As the toll grew, Iraqis on both sides of the sectarian divide directed their anger at the United States and demanded an immediate pullout.

"If the Americans withdraw, the fighting will stop," Iraq's most revered Sunni cleric, Harith Dhari, said in Jordan, where he met with Abdullah in the run-up to the summit. "Once Americans make the decision to withdraw, whether it is in one or two years, we can go to the resistance and tell them you have what you have been fighting for."

But other Sunnis trapped in Baghdad's strife-torn neighborhoods said they had no one besides the Sunni fighters to turn to for protection. They accused Iraq's Shiite-dominated police force of turning a blind eye to sectarian death squads and even colluding with them.

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Sunnis are likely to find threatening any consolidation of security forces in Maliki's hands.

Adnan Dulaimi, head of the Sunni bloc in parliament, found himself calling for U.S. help when gunmen attacked his home over the weekend.

"I think that without the Americans, there will be a security vacuum and the result will be civil war," he said Tuesday.

Sadr's political representatives threatened last week to pull out of parliament and the Cabinet if Maliki met with Bush, a move that could precipitate the collapse of a painfully crafted government drawing in representatives of Iraq's main ethnic and religious groups. By Tuesday, however, they had softened their stance.

"We will wait until we have the visit and then we will examine the situation: Are there any benefits or good results for the Iraqi people?" said Nassar Rubaie, a spokesman for Sadr's political bloc. "Then we will discuss it and eventually decide" whether to pull out.

Bush said he intended to ask questions of Maliki, rather than offer his own solutions.

"My questions to him will be: What do we need to do to succeed? What is your strategy in dealing with the sectarian violence?" Bush told reporters in the Estonian capital, Tallinn, en route to the Riga summit.

Maliki insiders said the prime minister's answer would be to tell U.S. commanders to give the Iraqi government full control over its security forces.

"This will not happen overnight; it needs a lot of preparation," said Haider Abadi, a lawmaker from Maliki's Islamic Dawa Party. "We need to build our forces, we need to train them, we need to arm them properly.... But if we can achieve a timeline, we will have achieved a lot."

U.S. and Iraqi officials also expect to discuss Talabani's visit to Iran. Khamenei on Tuesday blamed American policies for the violence in Iraq and told Talabani that Iran considered it a "religious and humane duty" to help establish security in the neighboring country, according to his office's website.

Bush is expected to press Maliki to deliver on promises to disarm Shiite militias, including Sadr's Al Mahdi army and the rival Badr Brigade, which are linked to key members of the political bloc that put the prime minister in power.

But Abadi and other officials close to Maliki ruled out military action against the militias.

"Unfortunately, you cannot disarm militias when your population feels the Iraqi security forces and the multinational forces are not doing enough to protect them from terrorists," he said. "This will result in the collapse of the government."

He said the government would seek a political solution to the problem of private armies and focus on cleaning up its security forces, which officials acknowledge have been infiltrated by Shiite militiamen.

U.S. and Iraqi officials have been vague about any expected outcome from the meeting, a silence that appeared to inspire little confidence among Iraqis reeling from last week's carnage.

"I don't think any good will come out of this meeting," said Kareem abu Karrar, whose world was upended when a car bomb exploded in the busy intersection where he sells electrical goods. He saw friends ripped to pieces and watched in a daze as a minivan packed with passengers flew through the air.

"We are now used to not expecting any good from Bush or Maliki," he said, "because we learned that after every attempt for national reconciliation, the exact opposite happens."

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Zavis reported from Baghdad and Wallsten from Riga. Times staff writers Said Rifai and Raheem Salman in Baghdad, special correspondent Ranya Kadri in Amman and special correspondents in Baghdad contributed to this report.

Some Question Whether Al-Maliki Strong Enough (USAT)

By César G. Soriano And Bill Nichols

USA Today, November 29, 2006

BAGHDAD — Two months ago, President Bush declared Iraqi Prime Minister Nouri al-Maliki was “the right man” for the job.

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As Bush prepares to meet with al-Maliki today and Thursday in Jordan, analysts say there is growing evidence that al-Maliki is not up to the formidable task of bringing stability to his country.

Since taking power May 20, al-Maliki has yet to confront violent militias or persuade rival Sunnis to support his government. The government's security forces are accused of taking sides in growing sectarian fighting.

Al-Maliki "probably has neither the will nor the ability to address certain core issues, such as widespread abuses on the part of (Shiite) militias and the police," said Wayne White, head of the State Department's Iraq intelligence desk during the U.S. invasion in 2003. "He is beholden to the forces behind the militias for his political survival."

Bush said he will ask al-Maliki "what is required and what is your strategy to be a country which can govern itself and sustain itself?"

"My question to him will be, what do you need to do to succeed?" Bush said Tuesday in Estonia.

National security adviser Stephen Hadley said Bush will not push al-Maliki to achieve quick results in trying to stabilize Iraq. "I think there's a lot of discussion about pushing Maliki. Maliki is doing a lot of pushing himself," Hadley said.

White and other analysts said that although the administration casts the Bush-al-Maliki meetings as a listening session on the part of the United States, Bush will probably underline the need for fast progress on a host of fronts. Hadley acknowledged that al-Maliki has taken steps forward, but "obviously, they have a long way to go."

Some key issues:

•Militias. U.S. and Iraqi military leaders have pressed al-Maliki for months to outlaw militias, some of which have close links to Shiite parties in Iraq's ruling coalition.

Al-Maliki told USA TODAY in October that his government will not force militias to disarm until possibly early next year. He has rejected U.S. timelines for curbing militias by year's end and has pulled U.S. and Iraqi troops back from raids and checkpoints in Sadr City, the teeming Shiite neighborhood in Baghdad where anti-U.S. cleric Muqtada al-Sadr draws support.

Military historian Andrew Bacevich said al-Maliki is beholden to al-Sadr for helping maintain his Shiite political power base. Al-Sadr's militia has clashed with U.S. forces on at least two occasions. His organization is represented in parliament and in the Cabinet.

Asked what al-Maliki has done to rein in militias, Bacevich said, "I know of nothing. The prime minister is dependent upon (Shiite) groups that are at a minimum in league with the militias, if not controlling the militias."

•Political reconciliation. Al-Maliki, 56, spoke of creating a "pluralist Iraq" when he assumed the job of prime minister in May. Sunni legislators complain that no olive branches have been offered and that Iraq's Sunni minority lives in fear of Shiite-inspired violence.

"We are in an unannounced civil war," said Adnan al-Dulaimi, who heads the main Sunni parliamentary bloc. "The violence will continue tomorrow and the day after tomorrow unless there is a real balance" in the government and Iraqi forces.

•Infiltration of Iraqi forces by death squads and Shiite militias. Al-Dulaimi said Sunnis do not trust Iraqi security forces "because these forces are participating with the militias in attacks against Sunnis."

Iraqi national security adviser Mouwafak al-Rubaie said such allegations "are baseless." He said Iraqi forces "are getting better trained, equipped and armed. They are getting stronger and more experienced, slowly but surely, week by week."

Phebe Marr, an Iraq expert and an adviser to the bipartisan Iraq Study Group that is due to report its findings soon, said al-Maliki appears ill-suited to try to bridge Iraq's sectarian divides, but Washington has no alternative.

The Sunni leadership is "equally fractured," Marr said and "there is no strong man there" who could replace al-Maliki.

Jeffrey White, a former Defense Intelligence Agency Middle East analyst, said al-Maliki was chosen as prime minister by Shiite leaders "because he was weak and pliable."

White also argued that criticism of Iraqi leaders by the White House and Congress comes from unrealistic expectations for al-Maliki or any other Iraqi leader. Leaders of the new Democratic majority in Congress have called for al-Maliki's government to take more security responsibility so some of the 140,000 U.S. troops in Iraq can come home.

"There is no way they can do what we want them to do," White said. "If these benchmarks could have been met, they would have been met. They are prisoners of their own history, system and personalities."

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Deeper Crisis, Less U.S. Sway In Iraq (NYT)

By John F. Burns And Kirk Semple

The New York Times, November 29, 2006

BAGHDAD, Nov. 28 — When President Bush meets in Jordan on Wednesday with Prime Minister Nuri Kamal al-Maliki of Iraq, it will be a moment of bitter paradox: at a time of heightened urgency in the Bush administration's quest for solutions, American military and political leverage in Iraq has fallen sharply.

Dismal trends in the war — measured in a rising number of civilian deaths, insurgent attacks, sectarian onslaughts and American troop casualties — have merged with growing American opposition at home to lend a sense of crisis to the talks in Amman. But American fortunes here are ever more dependent on feuding Iraqis who seem, at times, almost heedless to American appeals, American and Iraqi officials in Baghdad say.

They say they see few policy options that can turn the situation around, other than for Iraqi leaders to come to a realization that time is running out. It is not clear that the United States can gain new traction in Iraq with some of the proposals outlined in a classified White House memorandum, which was compiled after the national security adviser, Stephen J. Hadley, visited Baghdad last month.

Many of the proposals appear to be based on an assumption that the White House memo itself calls into question: that Prime Minister Maliki can be persuaded to break with 30 years of commitment to Shiite religious identity and set a new course, or abandon the ruling Shiite religious alliance to lead a radically different kind of government, a moderate coalition of Shiite, Sunni and Kurdish politicians.

The memo's assessment of Mr. Maliki tracks closely with what his American and Iraqi critics in Baghdad say: that six months after taking office, he has still not shown that he is willing or capable of rising above Shiite sectarianism.

These critics say, in effect, that the 56-year-old Iraqi leader has failed, so far, to meet the test set by Mr. Bush when the two men met for the first time in Baghdad in June. At that meeting, the American leader told Mr. Maliki he had come to "look you in the eye" and determine if America had a reliable partner here.

Against these judgments, some key passages in the Hadley memo seem at odds with the reality on the ground, as if the steady worsening of America's prospects here has driven the White House to reach for solutions that defy the gloomy conclusions of America's diplomats and field commanders, not to mention some of Mr. Maliki's closest political associates.

Even some powerful figures in the Shiite alliance have spoken recently of Mr. Maliki less as a possible leader of a parliamentary coup against the political movement that nurtured him than as an ineffective and ultimately dispensable figure, much like the man he succeeded in the prime minister's office, Ibrahim al-Jaafari.

Shiites in Iraq are riven by factional rivalries, and there may be opportunities for the Americans to exploit those divisions to create parliamentary realignments. Indeed, some Iraqi leaders have started exploring new alliances to break the political logjam, possibly involving a parliamentary coup against Mr. Maliki. But if Grand Ayatollah Ali al-Sistani, Iraq's most powerful Shiite cleric, has been clear about anything, it has been that the Shiites must subordinate their differences to the cause of consolidating Shiite power.

So it is hard to imagine Mr. Maliki approaching Ayatollah Sistani to win approval "for actions that could split the Shia politically," as the Hadley memo suggests. Shiite leaders, who are tiring of Mr. Maliki, appear to be thinking of replacing him with another Shiite religious leader, and not of sundering the alliance and surrendering the power the Shiites have awaited for centuries.

But if recent interviews in Baghdad with senior American and Iraqi officials are a guide, a bigger problem for the Bush administration in effecting change here may be that the United States, in toppling Saddam Hussein and sponsoring elections that brought the Shiites to power, began a process that left Washington with ever-diminishing influence.

One reason for the declining American influence lies in policies that, for various reasons, alienated the political class, most of them former exiles like Mr. Maliki who rode back to Baghdad on the strength of American military power.

Many Shiite leaders resent the Americans for compelling them to share power in the new government with the minority Sunni Arabs — a policy, the Shiites say, that guaranteed paralysis for the government.

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Sunni leaders still resent the American invasion, and the imposition of an electoral process that ended centuries of Sunni dominance. Just as much, they fume over the pervasive influence of neighboring Iran, which backs the Shiite parties.

And secular politicians, marginalized by the Shiite and Sunni Islamist politicians who dominate the government, say they, too, have lost faith in the Americans, for failing to protect Iraq's secular traditions.

"Politically, their position is weaker in all aspects," Mahmoud Othman, a Kurdish leader, said of the Americans. "They just got weaker and weaker, and many more people who were supporting them are supporting them less."

Meanwhile, the faltering of the latest effort to secure Baghdad has exposed the limitations of American ability to change the military equation. The White House memo raises the possibility of using additional American troops to fill what it calls "the four brigade gap" in troops committed to the Baghdad operation in August — a gap caused by Iraq's new army committing only two of the six brigades it promised.

That shortfall left Americans providing about two-thirds of the 25,000 troops, halting by mid-October the sweeps to clear districts of insurgents and death squads.

But American commanders interviewed said that committing additional American troops could send a signal to Shiites, Sunni Arabs and Kurds that they could continue to quarrel over their share of political and economic power behind an American military shield.

In recent days, Mr. Maliki has seemed to heed these American warnings, telling fellow Iraqi leaders on Sunday, three days after bombings that killed more than 200 Shiites in Sadr City, that they have to accept the blame for the surging violence.

"The crisis is political," Mr. Maliki said, "and the ones who can stop the cycle of aggravation and bloodletting of innocent people are the politicians."

Meanwhile, the political process has almost completely ground to a halt. Mr. Maliki's "national reconciliation plan," intended to reduce violence through dialogue and an amnesty program for militia fighters and insurgents, has stalled.

Political leaders have also made little progress on promises to review the new Constitution, a document resented by Sunnis, and a plan to draft a new law that will set terms for the future divisions of oil revenues that account for 90 percent of Iraq's economy.

Saleh Mutlak, a Sunni legislator, was blunt in his assessment of the government: "Do you not recognize that it's going backwards?"

Sectarian rifts between the nation's political leaders have deepened. During a session of Parliament last week, prominent Sunni and Shiite legislators bitterly accused each other of sectarianism and promoting violence. President Jalal Talabani, a Kurd, has warned fellow leaders about the possible collapse of the state. And even the Shiite leaders who control the government have taken to conspiring among themselves, with open jockeying for the succession if Mr. Maliki should fall.

At the crux of the most difficult decisions facing Mr. Maliki stands the Shiite cleric Moktada al-Sadr, whose control of one of the largest blocs in Parliament, several ministries and a large and restless militia, makes him arguably the most powerful politician in Iraq. Mr. Maliki is indebted to Mr. Sadr for providing the votes within the ruling Shiite alliance that made him prime minister.

But Mr. Sadr's volatile militia, the Mahdi Army, is blamed for many of the Shiite revenge attacks against Sunnis. The White House memo suggests that Shiites might be willing to drop their support of the militia if the Americans continue their military pressure against Sunni insurgents. But Shiites see the militia as their last defense against decimation by Sunni insurgents.

For the Iraqi leader, the challenge presented by Mr. Sadr and the Mahdi Army amounts to a zero-sum game. If Mr. Maliki moves too fast against the militia, he risks losing Mr. Sadr's support and splintering the Shiite bloc. If he moves too slowly, he will alienate the Sunni Arabs whose cooperation is crucial to any hope of reining in the insurgency.

Meanwhile, Mr. Maliki is in a vexed relationship with the United States. The Iraqi government needs the United States for the protection its 150,000 troops afford. At the same time, he has felt compelled to push back publicly against American pressures, partly to gain credibility among those in his power base who oppose the American presence, particularly the staunchly anti-American Mr. Sadr. Among other things, he has demanded effective control of Iraq's new 140,000-man army, which remains under overall American command.

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According to several Iraqi politicians, Mr. Bush may consent in Jordan to arrangements that give Mr. Maliki at least greater nominal authority over the Iraqi forces, something American commanders — and the White House memo — agree would be important to Mr. Maliki's credibility.

But the Americans will be careful about the practical implications, because of concerns that the Iraqi police and army, overwhelmingly Shiite, could be used as a sectarian militia.

Iraqis are growing impatient. "The government should say they are going to take things into their own hands," said Adel Abdul Mahdi, the Shiite vice president and one of Mr. Maliki's rivals for prime minister.

"We don't have enough time," he continued. "Iraqis have to deliver. We have to show the world that there is a state."

Why Iraq's Discord Stalls Political Solution (WSJ)

By Philip Shishkin

The Wall Street Journal, November 29, 2006

BAGHDAD, Iraq -- President Bush is expected to press Iraq's leader when they meet this week to act decisively against the violence coursing through Iraqi neighborhoods. That may prove extremely difficult, because the sectarian discord has paralyzed the country's fragile political structure -- and with it much of the leverage at Prime Minister Nouri al-Maliki's disposal.

Nowhere is this paralysis more evident than in Iraq's national assembly. The Parliament was cast by Washington as a solution to the nation's problems when it was elected a year ago. Instead, it embodies Mr. Maliki's biggest challenge because it mirrors the sectarian battles raging on the Iraqi streets.

Lawmakers routinely demonstrate their fury with one another by boycotting sessions to stymie the legislative process, using speeches in parliament to accuse fellow lawmakers of complicity in violence, and exchanging personal insults using epithets that ensure lingering mistrust and ill will.

In a typically charged exchange last week, a senior Shiite Muslim politician railed against attacks on his co-religionists in one Baghdad neighborhood and called for Iraqi security forces to move in to restore order. A leading Sunni Muslim lawmaker who lives in that neighborhood took the comment as a personal insult and accused Shiites of treating Sunnis like Jews -- fighting words in this mostly Arab land. This kind of acrimony has left Mr. Maliki unable to quell sectarian violence and to reconcile the warring Shiite and Sunni factions through an inclusive political process.

When Mr. Maliki's administration took office in May, it was billed as a government of national unity that could pacify the insurgency by bringing its Sunni leaders back into politics and then disarming Shiite militias by exerting pressure on the political parties that control them. After that, officials in Baghdad and Washington argued, American troops could start leaving the country.

After six months in office, Mr. Maliki is facing pressure from across Iraq's political spectrum. Sunnis are furious that the Shiite militias that target Sunnis for assassination and torture have grown even more active on his watch. While the government has pledged to tackle the militia problem, Mahmoud Mashadani, the outspoken Sunni speaker of parliament answers, "Show me, don't tell me."

Legislators loyal to combative Shiite cleric Moqtada al-Sadr are furious over Thursday's car bombs that killed more than 200 Shiite civilians in Baghdad's Sadr City district. Mr. Sadr blames the Americans for failing to prevent the violence, but anger at Mr. Maliki is running high. "He's like a bird trying to fly without wings," says Nasar al-Rubaie, a parliament member affiliated with the Sadr movement.

Mr. Maliki is blaming the political discord for the deteriorating situation in Iraq. "The crisis is political," he said after last week's bombings. "And it is the politicians who must try to prevent more violence."

His defenders say Mr. Maliki has a lot of responsibility but little authority because the Shiite political parties to whom he owes his post are also the ones controlling the militias. Several Iraqi politicians say the prime minister has repeatedly expressed frustration that he doesn't have enough operational control over Iraq's fledgling security forces.

In protest over last week's carnage in Baghdad, Mr. Sadr's political movement is threatening to suspend its participation in parliament and the cabinet if Mr. Maliki goes through with his plans to meet Mr. Bush in Amman, Jordan, this week. The boycott could touch off yet another political crisis here. But it would hardly be unusual for a parliament accustomed to arguments, walkouts, accusations and counter-accusations hurled across the floor.

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"These are the things that need to be transcended, these are the things that happen on a daily basis," Ashraf Qazi, the United Nations representative in Baghdad, says of Iraq's parliamentary quarrels. "There's mistrust, there's division, there's misunderstanding."

The 275-member Council of Representatives is dominated by Shiite political parties. Still, the Sunnis, who had boycotted an earlier round of elections, also have sizable representation. Kurdish factions are well represented, too, but their primary concern has been to ensure smooth sailing for their own autonomous region in northern Iraq.

Heated sectarian rhetoric has become such a common feature in the parliament hall that the assembly decided to push back member statements to the end of the session, knowing that once someone makes an accusation, the parliament quickly descends into chaos. Some lawmakers also want to post a roll call from every session on the parliament's Web site, hoping to name and shame those who don't attend. In fact, boycotts and absenteeism in protest of an attack or a policy have become so common that the parliament now wants to impose fines against those who skip sessions and thus endanger the quorum.

Once, when Mr. Maliki was planning to address the parliament on security matters, an anxious Mr. Mashadani waited two hours for enough members to gather in the parliament hall, and finally canceled the session after citing the lawmakers' "deplorable behavior" -- and then called one member "a dog" for good measure.

Lawmaking has taken a back seat to recriminations. A parliament official recently read aloud a list of 40 bills submitted by the cabinet to the assembly; most of them never left the committees. A key measure aimed at bringing some Sunni extremists into the political process fell apart when politicians couldn't agree which groups qualified for inclusion.

One bill that galvanized the parliament's attention was also the most divisive and sectarian issue ever to reach the floor. In October, several Shiite political parties took up a bill that would allow the formation of autonomous regions, a proposal vehemently rejected by Sunnis. The Sunnis, who make up about 20% of Iraq's population and live in landlocked and oil-poor central Iraq, are afraid the majority Shiites would carve out their own semi-independent enclave in the South where most of Iraq's oil is concentrated. Combined with the existing Kurdish region in the north, it would leave Sunnis with no natural resources.

Sunni parties lobbied frantically to derail the bill, striking a tactical alliance with Mr. Sadr's movement. Although a Shiite, Mr. Sadr is an Iraqi nationalist opposed to any federal division of the country. Observers were surprised to see hardline Sunni lawmakers and Mr. Sadr's deputies -- who usually don't agree on anything -- huddle in the hallways. In the end, though, the federalism bill passed by a narrow margin, widening the gulf between Sunnis and Shiites.

"The law is a recipe for dividing Iraq," says Adnan al-Dulaimi, a leading Sunni legislator who last week was involved in a televised argument in parliament that led to the Jew comment. In fact, he adds now, the Shiites are treating Sunnis even worse than they would treat Jews -- and claims the Shiites inflated the death toll of last week's massive bombings in Sadr city to demonize the Sunnis.

Jalaladdin al-Sagheer, a prominent Shiite deputy in parliament, says Mr. Dulaimi personifies everything that is wrong with the Sunni political leadership. "I don't want to say that he's sectarian, but he always talks only about his own sect," he says.

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Iraq And The Facts Of Life (NYT)

The New York Times, November 29, 2006

At this point it is hard to tell who is more out of touch: President Bush, who continues to insist that Iraq has not descended into civil war, or Prime Minister Nuri Kamal al-Maliki, who appears to believe that Americans will prop him up indefinitely.

When the two sit down in Jordan, we hope they will use the time — finally — to impress on each other the brutal facts of life in their respective capitals.

Mr. Bush needs to make clear that Americans' patience has all but run out and that he will start bringing the troops home unless Mr. Maliki moves to rein in sectarian bloodletting and Iraqi troops start shouldering more of the burden. Mr. Maliki needs to make Mr. Bush understand Iraq's full desperation — and his own desperate political weakness. So long as Baghdad remains in chaos — and militias are better armed and more motivated than the Iraqi Army — he has no chance of ending the blood feuds or breaking the cycle of retribution.

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This sort of truth-telling does not come easily to either man, and at this point there may not be anything that can salvage Iraq. But more denial and drift will only lead to more chaos. The very fact that the meeting is being held in Jordan — explanations range from concerns about safety in Iraq to the White House's desire to pry Mr. Maliki away from his more unsavory backers — should leave no doubt about the urgent need for a change in strategy.

Mr. Bush needs to start by giving the Iraqi leader a clear deadline for beginning national reconciliation talks, preferably as soon as Mr. Maliki returns to Baghdad. And he should insist that the talks continue until some agreement is reached on protecting minority rights, equitably dividing the country's oil wealth, and demobilizing sectarian militias. Mr. Bush does not need to insult Mr. Maliki by barking out orders. But he does need to make clear that he can hold off demands for an American withdrawal for only so long.

Mr. Bush should not be the only demander. Reconciliation talks will go nowhere until Iraqis see evidence that there is at least some hope for a better life. Mr. Maliki needs to give his own deadline to the Americans for launching a truly make-or-break campaign to retake the streets of Baghdad.

Mr. Maliki also needs to tell Mr. Bush that the American training of the Iraqi Army is failing, and without a more aggressive program, the army will collapse at the first sign the Americans are leaving. And he must warn that Mr. Bush's insistence on talking only to friends won't halt meddling by Iran and Syria.

King Abdullah II of Jordan, who will play host to the meetings, is warning that unless something drastic happens soon, the Middle East will face three full-blown civil wars: in the Palestinian territories, Lebanon and Iraq. If Iraq's desperate reality is not enough to inspire Mr. Bush and Mr. Maliki to tell each other the truth, perhaps a look into that wider abyss will.

Bush Declines To Call Situation In Iraq Civil War (NYT)

By Sheryl Gay Stolberg

The New York Times, November 29, 2006

RIGA, Latvia, Nov. 28 — On the eve of a high-profile trip to Jordan to meet Prime Minister Nuri Kamal al-Maliki of Iraq, President Bush on Tuesday dismissed suggestions that Iraq had descended into civil war, blamed Al Qaeda for the latest wave of sectarian violence and vowed not to withdraw troops "until the mission is complete."

The president's remarks, during a swing through the Baltics that took him from Tallinn, Estonia, on Tuesday morning to Riga for a NATO summit meeting, were his first on Iraq since a series of bombs killed more than 200 people in a Shiite district of Baghdad on Thursday. It was the deadliest attack since the American invasion in 2003, and it was followed by bloody Shiite reprisals.

At a morning news conference with President Toomas Hendrik Ilves of Estonia, Mr. Bush, making the first visit to Estonia by a sitting United States president, characterized talk of civil war in Iraq as "all kinds of speculation." Foreshadowing his message to Mr. Maliki, he said he would press the Iraqi prime minister to lay out a strategy for stopping the killings.

"My questions to him will be: 'What do we need to do to succeed? What is your strategy in dealing with the sectarian violence?' " Mr. Bush said. "I will assure him that we will continue to pursue Al Qaeda to make sure that they do not establish a safe haven in Iraq."

Mr. Bush is in Riga to talk about the other war — Afghanistan — which tops the NATO agenda. The alliance, which was formed to protect Europe, now has 32,000 troops in Afghanistan. But Mr. Bush wants NATO to commit more troops to the southern region of that country, to fend off a resurgence by the Taliban. In a speech at Latvia University, the president warned that terrorists, drug traffickers and warlords "remain active and committed to destroying democracy in Afghanistan."

Yet Iraq, not Afghanistan, is dominating the president's time, casting as heavy a shadow here as it does at home. Democrats, who are about to take control of Congress after midterm elections that were widely viewed as a referendum on the war, are pressing for a phased withdrawal of troops, but Mr. Bush held firm against that.

"We'll continue to be flexible, and we will make the changes necessary to succeed," he said in Riga. "But there's one thing I'm not going to do: I'm not going to pull the troops off the battlefield before the mission is complete."

In part, Mr. Bush is laying the foundation to push back against a high-level bipartisan commission, which has been meeting in Washington behind closed doors to review Iraq strategy. Though the panel is reportedly divided on the issue of withdrawal, it is

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widely expected to recommend greater United States engagement with Iraq's neighbors, Iran and Syria, two nations the White House has shunned.

Mr. Bush said Tuesday that he intended to leave such talks to Iraq, "a sovereign nation which is conducting its own foreign policy."

On Wednesday, after lunch with his fellow NATO heads of state, Mr. Bush is scheduled to leave for Amman, Jordan, for two days of meetings with Mr. Maliki. Experts say that the president must walk a fine line, reassuring Mr. Maliki while making clear that American patience may wear thin if the prime minister does not tamp down the violence so Iraqis can assume greater responsibility for securing their country.

"They're probably a little worried right now that if Maliki and others think maybe it's only a matter of time before the administration gets out, the last thing they are going to do is go after militias, because the militias are what they need for protection," said Dennis Ross, a former Middle East envoy for the Clinton and first Bush administrations.

But while Mr. Bush suggested he would lean on Mr. Maliki, White House officials were careful to say the president would not deliver any ultimatums.

"I think Maliki would be the first person to say he has not produced the kind of results he would like to have produced," Stephen J. Hadley, the president's national security adviser, told reporters, adding: "There is a lot of discussion about pushing Maliki. Maliki is doing a lot of pushing himself."

The president and Mr. Maliki appear to be at odds on the cause of the recent bombings. Mr. Maliki has called them "the reflection of political backgrounds" and has said that "the crisis is political." But instead of citing Shiite and Sunni militias on Tuesday, Mr. Bush placed blame on Al Qaeda.

"There's a lot of sectarian violence taking place," Mr. Bush said, "fomented in my opinion because of the attacks by Al Qaeda causing people to seek reprisal."

As the cycle of violence continues, officials outside the United States are warning that Iraq is verging on civil war. King Abdullah II of Jordan told ABC News on Tuesday that "something dramatic" must be done, and Kofi Annan, the United Nations secretary general, told reporters on Monday that the region would face civil war "unless something is done drastically and urgently to arrest the deteriorating situation."

But Mr. Bush, well aware that a label of civil war would make the Iraq mission even more difficult to justify, brushed aside that question on Tuesday.

"There's all kinds of speculation about what may or may not be happening," he said in Estonia, adding, "No question, it's tough."

White House Wages War Of Words Over 'Civil' Term (WP)

By Peter Baker

The Washington Post, November 29, 2006

The carnage in Iraq is "sectarian violence," President Bush says. It's a "struggle for freedom," the "central front in the war on terror." It is not, no matter how much it may look like it, a civil war.

Forget the debate over what to do about the war in Iraq. The White House is still debating what to call the war in Iraq. With retired generals, analysts, politicians and pundits increasingly using the term "civil war," the Bush administration insists that the definition does not fit as part of its latest effort to control the words of war.

To people dying in the streets of Sadr City, it may be just semantics. But the White House fiercely resists the phrase out of fear of its impact in both Iraq and the United States. Defining it as civil war, some strategists worry, could accelerate the conflict and encourage Iraqi factions that remain on the sidelines to join the struggle. And acknowledging that it has become a civil war, they fear, could collapse the already weak support for the mission among Americans.

But the risk for the White House, analysts said, is that once again it will appear out of touch with reality over there and with public perception here at home. For months after the invasion of Iraq, the administration denied there was an insurgency. Then it resisted the notion that there was sectarian violence. Now polls show that about two-thirds of the American public think that Iraq is mired in civil war.

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"If they can't characterize what's going on in Iraq in an honest fashion, we can't begin to address the problem," retired Gen. Barry R. McCaffrey, who led troops in the 1991 Persian Gulf War, said in an interview.

Asked about the matter at a news conference in Estonia yesterday, Bush skirted the issue and focused attention on al-Qaeda's role. "No question, it's tough," he said. "No question about it. There's a lot of sectarian violence taking place -- fomented, in my opinion, because of these attacks by al-Qaeda, causing people to seek reprisal."

White House press secretary Tony Snow rejected the term "civil war" on Monday because "you have not yet had a situation . . . where you have two clearly defined and opposing groups vying not only for power but for territory."

The issue of terminology has arisen periodically for months, especially since the February bombing of the Golden Mosque in Samarra touched off round after round of attacks between the once-dominant minority Sunnis and the majority Shiites who now control the government. The debate has flared more intensely in recent days amid the bloodiest assaults of the war in the Shiite slum of Baghdad known as Sadr City. U.N. Secretary General Kofi Annan warned Monday that when it comes to civil war, "we are almost there."

The decision by NBC News on Monday to use the term despite White House objections prompted a fresh examination by many in Washington about the nature of the conflict. As MSNBC began flashing the logo "Iraq: The Civil War," other news organizations staked out positions. The Los Angeles Times noted that it has been calling the violence a civil war since October. The New York Times said it will use the term, though sparingly. The Associated Press said it is still debating the issue, while The Washington Post has made no policy.

The Random House unabridged dictionary defines a civil war as "a war between political factions or regions within the same country." Scholars often further refine that to those conflicts that take at least 1,000 lives. Those who argue that Iraq does not qualify say that a true civil war involves organized military units contesting for territory on behalf of competing governments or quasi-governments.

"In American history, in the Civil War, you had borders and you had two sides," said Michael Ledeen, a scholar at the American Enterprise Institute. "I don't see anything like that. There's lots of people killing lots of other people, yes. Why not call it a terror war? That seems to cover it."

Sen. Jack Reed (D-R.I.), a member of the Armed Services Committee, said Bush would rather frame it in the terrorism context to preserve public support. "If it's a civil war and only a small portion of it involves al-Qaeda operatives, then it's suddenly not the central front in the war on terror, it's a struggle by Iraqis for political power," he said. "That means the rationales for this are severely undercut."

Polls suggest that most Americans have already settled this debate in their minds -- 61 percent of those surveyed in September by NBC News and the Wall Street Journal described the situation in Iraq as a civil war, while 65 percent agreed in a CNN poll and 72 percent in a Gallup poll. Of those who described the conflict as "out of control" and a "civil war" in a later Gallup-USA Today poll, 84 percent called U.S. involvement a mistake, compared with 25 percent of those who did not view the situation that way.

"There's a good deal of research to suggest that the American public is less willing to use troops to intervene in other countries' civil wars than in humanitarian-type missions," said Christopher F. Gelpi, a Duke University scholar who has studied public opinion in wartime. "So even if the facts on the ground are the same . . . the label used has a substantial effect on public opinion. That's why they're fighting over it."

Language also has the power to influence events in Iraq, where leaders engage in a similar debate. "If this is not civil war, then God knows what civil war is," former prime minister Ayad Allawi said as far back as eight months ago. But the current prime minister, Nouri al-Maliki, adamantly rejects the term, and analysts said his fragile government risks collapsing if it accepts the premise.

"There is a very tenuous and very weak hold on legitimacy," said Peter Khalil, a Eurasia Group consultant who served as a U.S. security adviser in Iraq. "If they were to admit that, then that last strand gets unraveled. You're not far off from falling off the ledge."

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Kurt M. Campbell, a Pentagon official in the Clinton administration, said many key players in Iraq have not engaged in violence but could decide to weigh in if they think the conflict has evolved into an all-out struggle for power -- which means the Iraqis and Americans have a legitimate reason to fear the disputed phrase.

"It may trigger the thing you're trying to forestall," he said. "It's not simply a matter of political correctness and trying to avoid harsh reaction." But Campbell, who is now at the Center for Strategic and International Studies, said it may soon be too late. "Where we're at right now is so close to all-out civil unrest that in the next few weeks if it continues the way it's going, it'll be all but unavoidable."

Polling director Jon Cohen contributed to this report.

Bush Says U.S. Won't Withdraw From Iraq (AP)

By Tom Raum

AP, November 29, 2006

Under intense pressure to change course, President Bush on Tuesday rejected suggestions Iraq has fallen into civil war and vowed not to pull U.S. troops out "until the mission is complete."

At the opening of a NATO summit, Bush also urged allies to increase their forces in Afghanistan to confront a strengthening Taliban insurgency.

On the eve of his visit to Jordan for meetings with Iraqi Prime Minister Nouri al-Maliki, Bush portrayed the battles in both Afghanistan and Iraq as central fronts in a war "against the extremists who desire safe havens and are willing to kill innocents anywhere to achieve their objectives."

The stakes in Iraq are huge for Bush. His war policies were repudiated in U.S. midterm elections that handed control of Congress to Democrats. A bipartisan blue-ribbon panel is about to issue a report proposing changes in the administration's approach in Iraq. And al-Maliki's government itself sometimes seems to be at cross purposes with Washington.

Bush set the stage for the Jordan talks with a speech at the NATO summit here and at an earlier news conference in neighboring Estonia. The president said he was flexible and eager to hear al-Maliki's ideas on how to ease the violence.

"There's one thing I'm not going to do, I'm not going to pull our troops off the battlefield before the mission is complete," Bush declared in his speech. There are about 140,000 U.S. forces in Iraq.

Earlier, speaking with reporters in Tallinn during a joint news conference with Estonia's president, Bush would not debate whether Iraq had fallen into civil war and blamed the increasing bloodshed on a pattern of sectarian violence that he said was set in motion last winter by al-Qaida followers.

"I'm going to bring this subject up, of course, with Prime Minister Maliki," Bush said. "My questions to him will be: What do you need to do to succeed? What is your strategy in dealing with the sectarian violence?"

Bush said he realized that "no question it's dangerous there, and violent. And the Maliki government is going to have to deal with that violence, and we want to help them do so."

Bush has been coming under increasing pressure, both overseas and at home, to reach out more to other countries, particularly to Syria and Iran to help with a solution in Iraq.

Such a recommendation may be among those issued by the Iraq Study Group headed by former Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton. The group is expected to finish its work next month.

Bush has resisted such talks, and he renewed a warning on Tuesday to both Iran and Syria not to meddle in Iraq. Still, al-Maliki's government itself has made overtures to both countries.

"As far as Iraq goes, the Iraqi government is a sovereign government capable of handling its own foreign policies and is in the process of doing so," Bush said in Tallinn.

Later, Bush's national security adviser, Stephen Hadley, said that Bush and al-Maliki have "a relationship of candor."

"A lot of discussion has been about (Bush) pushing Maliki. Maliki has done a lot of pushing himself," Hadley said. "There has been a coordinated effort between the Iraqi government and allied forces to get greater control. ... It has not produced satisfactory progress in a satisfactory timeframe."

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Meanwhile, in Washington, House Speaker-to-be Nancy Pelosi said Bush must work with Democrats on stopping the violence in Iraq.

"We want to work in a bipartisan way to settle this," Pelosi said. "If the president persists on the course that he is on, that will be more difficult."

In Riga, Bush pressed many of the 26 NATO allies to do more to marshal resources and troops in Afghanistan, particularly in the volatile south.

Bush said the Afghanistan mission — which has mobilized over 32,000 troops_ is NATO's top operation and defeating Taliban forces "will require the full commitment of our alliance."

"The commanders on the ground must have the resources and flexibility they need to do their jobs," he said.

Bush met individually with NATO Secretary-General Jaap de Hoop Scheffer and joined other leaders in attending a working dinner.

Hadley, Bush's national security adviser, said that Bush brought up a need for "additional defense capabilities and additional defense spending" in the meeting with the secretary-general and also intended to discuss it at the dinner.

In both Baltic countries, Bush on Tuesday saluted their persistence in eventually prevailing over Soviet occupiers, and he said it was a good example for both Afghanistan and Iraq.

Bush: No Troop Pullouts Until Mission 'complete' (USAT)

By David Jackson

USA Today, November 29, 2006

RIGA, Latvia — President Bush begins two days of meetings with Iraqi Prime Minister Nouri al-Maliki today aimed at easing sectarian violence in Iraq. He remains insistent that U.S. troops will not leave the war-torn country "before the mission is complete."

Speaking here before a NATO summit on Afghanistan, Bush said Tuesday that his goals for the meetings in Jordan with al-Maliki and local host King Abdullah II are to learn more about the situation on the ground in Iraq and the efforts to transfer more responsibility to Iraqi security forces.

"We'll continue to be flexible, and we'll make the changes necessary to succeed," he said. "But there is one thing I'm not going to do: I'm not going to pull our troops off the battlefield before the mission is complete."

The president urged NATO allies to support anti-terrorism efforts in Iraq and Afghanistan, where the security alliance has 32,000 troops. Bush also urged allies to contribute resources to the NATO forces fighting the resurgent Taliban in southern Afghanistan.

Earlier at a news conference in Estonia, Bush blamed al-Qaeda for the strife in Iraq. He traced it back to the February bombing of the Golden Mosque in Samarra, which sparked attacks and reprisals between the Shiite majority and Sunni minority.

Bush said he plans to ask al-Maliki how his country can seize control of its own future.

"I will assure him that we will continue to pursue al-Qaeda to make sure that they (al-Maliki's government) establish a safe haven in Iraq," Bush said during a news conference with Estonian President Toomas Hendrik Ilves.

The president also declined to call the rising violence in Iraq a civil war. United Nations Secretary-General Kofi Annan and Abdullah have suggested Iraq is headed in that direction.

Bush also suggested the United States will not negotiate with Iran and Syria to support Iraq, in part because Iraqi officials are already doing so. The administration has said it wants other nearby nations, such as Saudi Arabia and Egypt, to work with all the factions in Iraq to end the violence.

"We want Iraq's neighbors to help the Maliki government in its efforts to promote reconciliation and stabilize the country, and this includes encouraging Iraqis, Sunnis and others, to participate in their political process and support the new government," said Gordon Johndroe, a spokesman for the National Security Council.

Stephen Hadley, Bush's national security adviser, billed the Jordan meetings as listening sessions. Among those with the president's ear: a panel, headed by former secretary of State James Baker and former Indiana congressman Lee Hamilton, that will make its Iraq recommendations next month.

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"Everybody knows where we want to get," Hadley said. "The question is, can you get there in a way that will ensure that Iraqis really are able to control and provide for their own security."

Incoming House Speaker Nancy Pelosi told the Associated Press that Democrats are willing to work with Bush on Iraq, but "if the president persists on the course that he is on, that will be more difficult."

Bush Deflects Questions About Civil War In Iraq (MCT)

By William Douglas

McClatchy Newspapers, November 29, 2006

RIGA, Latvia - President Bush said Tuesday that he intended to press Iraqi Prime Minister Nouri al-Maliki this week for a plan to stem growing sectarian violence and a strategy for how the country will sustain and govern itself.

On the eve of his initial meeting with al-Maliki in Jordan, the president blamed the escalating violence on an al-Qaida plot aimed at fueling sectarian fighting, and he placed responsibility for ending it largely on al-Maliki's shoulders.

"No question it's dangerous there, and violent," Bush said at a news conference with Estonian President Toomas Hendrik during a stop in Tallinn, Estonia. "And the Maliki government is going to have to deal with that violence, and we want to help them to do so."

Although Washington is boiling with expectations that the new Democratic Congress and a blue-ribbon bipartisan commission soon will push Bush toward a plan for phased withdrawal from Iraq, the president gave no sign of that Tuesday. He vowed again that U.S. troops will stay until the mission is complete, and shrugged off talk of negotiating with Syria and Iran for help in calming Iraq.

His remarks about al-Maliki came before his arrival at Riga, Latvia, where he's attending a two-day North Atlantic Treaty Organization summit. The NATO agenda centers on improving the organization's ability to battle 21st-century security threats, but most of the talk in Riga has been about deteriorating security in Iraq and Afghanistan.

Iraq lately has experienced the worst bloodshed since U.S.-led forces invaded in March 2003. Last week's bombings killed at least 160 people and wounded more than 200. More than 3,700 Iraqis were killed in October, the highest monthly death toll since the war began. The spike in violence prompted United Nations Secretary-General Kofi Annan to say Monday that Iraq is close to civil war - and many independent authorities say it's already civil war.

Bush rejected that conclusion. Tuesday he blamed Iraq's worsening violence on al-Qaida.

"You know, the plans of Mr. Zarqawi was to foment sectarian violence," he said, referring to the late Abu Musab al-Zarqawi, who led the group al-Qaida in Iraq until a U.S. airstrike killed him last June. "The Samarra bombing that took place last winter was intended to create sectarian violence, and it has. The recent bombings were to perpetuate the sectarian violence. In other words, we've been in this phase for a while."

The bombing of the al-Askari mosque in Samarra last February did spark a surge in sectarian violence, but it's not known whether al-Zarqawi was responsible for it. In addition, sectarian violence between Sunni and Shiite Muslims has been a condition of life in Iraq for centuries. It exploded out of control again after the removal of Saddam Hussein's dictatorship left a vacuum of power, and U.S.-led occupation forces failed to fill it with enough troops to restrain the violence.

Bush promised to be flexible with his Iraq strategy, changing it as conditions there change - but he vowed that U.S. troops would stay as long as necessary.

"There's one thing I'm not going to do: I'm not going to pull our troops off the battlefield before the mission is complete," he said during a speech at Latvia University's Grand Hall. "We can accept nothing less than victory for our children and our grandchildren."

He framed the stakes as a struggle throughout the Middle East between forces of terrorism and freedom, and warned that if the terrorists win, they could pose "a mortal threat to Europe, America and the entire civilized world."

Earlier, in Estonia, Bush had shrugged off talk of negotiating with Syria and Iran toward a solution for Iraq. He said Iran would have to verifiably suspend its uranium enrichment program before the United States sat at a negotiating table with it.

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"But as far as Iraq goes, the Iraqi government is a sovereign government that is capable of handling its own foreign policies, and is in the process of doing so," he said. "And they have made it abundantly clear - and I agree with them - that the Iranians and Syrians should help, not destabilize this young democracy."

At the NATO summit, Bush turned his attention to Afghanistan, where the 26-nation alliance is struggling to provide security against resurgent Taliban forces. Despite having 40,000 U.S. and NATO-led troops on the ground, Afghanistan this year has experienced the most bloodshed since the 2001 military intervention that toppled the Taliban and drove al-Qaida out of the country.

Bush implored NATO members to provide commanders in Afghanistan with "the resources and flexibility they need to do their jobs," a veiled reference to the restrictions some countries have placed on how their troops are used in Afghanistan. The restrictions keep some units in the safer northern portion of the country while troops from Canada, the Netherlands and Great Britain endure most of the combat in the south.

Bush claimed that NATO's mission has helped to sustain Afghanistan's fledgling democracy but he warned that "defeating (the enemy) will require the full commitment of our alliance."

In Amman Enemies, And Allies, Await Bush (NYT)

By Hassan M. Fattah

The New York Times, November 29, 2006

AMMAN, Jordan, Nov. 28 — The ink on banners condemning American hegemony was still wet Tuesday as the details of a possible march were being worked out. DVDs of a British movie depicting the assassination of President Bush sold briskly in downtown Amman, while police cordoned off streets in preparation for a security nightmare.

When President Bush arrives here Wednesday to meet with Prime Minister Nuri Kamal al-Maliki of Iraq, there will be no shortage of people seeking to make him feel unwelcome with a decidedly blunt message.

“We want to stress that America’s battle for the hearts and minds of Arabs has failed,” said Zaki Bani Rsheid, director general of the Islamic Action Front, the political arm of the Muslim Brotherhood here. “We are raising banners all over Jordan condemning Bush’s visit. It should be self-explanatory why.”

But as many here and throughout the Arab world prepared for Mr. Bush in the halls of power and on the streets of Amman, Iran was foremost on a lot of minds.

“I am here to make sure the mistakes of the past are not repeated,” said Sheik Dhari al-Jirba, of the Iraqi Shummar tribe, who sat in his hotel suite Tuesday pondering what strategy Mr. Bush would present to Mr. Maliki to pursue stability in Iraq.

“We keep hearing they want to bring Iran in, but Iran will come with conditions,” he said. “We don’t want Iran’s conditions to be met at the cost of Iraq and its Sunni neighbors. That is our great fear.”

Mr. Jirba said he planned to meet with Zalmay Khalilzad, the American ambassador to Iraq, and hoped he would have an audience with the president himself. His first demand, he said, would be to say “no” to Iran.

A draft report by an American bipartisan commission studying new strategies for Iraq has urged that the United States open direct talks with Iran and Syria, according to American officials who have seen all or part of the document.

On Monday, the Iraqi president, Jalal Talabani, said at a meeting in Iran that his country needed Iran’s help to bring about peace.

Mr. Bush, who will be accompanied by Secretary of State Condoleeza Rice, is expected to try to enlist Arab leaders to help rein in the violence in Iraq by putting pressure on Sunni insurgents.

The United States wants moderate Arab governments like those of Egypt, Saudi Arabia and Jordan to help drive a wedge between Mr. Maliki and Moktada al Sadr, the anti-American Shiite cleric whose Mahdi Army has been behind many of the Shiite reprisal attacks in Iraq, senior administration official have said.

But that would require getting those governments to coax moderate Sunni Iraqis to support Mr. Maliki, a Shiite, boosting his ability to take on Mr. Sadr’s Shiite militias. The bipartisan commission would also open a line with Iran and Syria to help secure stability in Iraq.

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Yet for many, a resurgent Iran, with or without a nuclear bomb, is a central concern. An opening with Iran, many analysts said, would amount to a loss of face for the Arabs and a striking boost for Iran.

"The one thing scarier to these guys than a powerful Iran is an American deal with Iran," said Joost Hiltermann, Middle East project director at the International Crisis Group. "That would ratify Iran's dominant position in the Persian Gulf. Iran wants to underscore it is the pre-eminent power in the region, and the U.S. would hand them that."

Despite growing anti-Americanism, Arab governments have been eager to maintain an American presence in the region, fearing Iran would step in where the United States retreated. But a shift on Iran and Syria has caught many by surprise, as the Bush administration goes from "calling them the axis of evil, to considering them as an important element," Emad Gad, a researcher at Al Ahram Center for Political and Strategic Studies in Cairo, said last week.

"The security and stability of the Persian Gulf cannot endure a shaken U.S. image," Mr. Gad said. "When the big bodyguard leaves, they will have to succumb to the little bodyguard, and Iran has military power and has Shiites who could cause problems."

In the Amman suburb of Ruseifa, Abu Mutasim, who described himself as a jihadi and would give only his nickname for fear of arrest, greeted a possible American opening with Iran with optimism. "Iran is the source of all the problems in the Middle East, and now they want to create problems here," he said. "But including them would only be in the interest of the jihadis, because Iraq's Sunnis would quickly shift to Al Qaeda. This would ultimately be in our interests, not against it."

Bush Firm On Iran, Syria Talks (LAT)

By Paul Richter

The Los Angeles Times, November 29, 2006

WASHINGTON — As pressure mounts for the United States to seek direct talks on Iraq with Iran and Syria, President Bush appeared Tuesday to rule out any change in his administration's policy toward those Iraqi neighbors.

By reaffirming a long-standing administration policy setting strict conditions on talks with either country, Bush indicated that he may be unwilling to accept an expected recommendation by a bipartisan commission assessing policy options on Iraq.

The commission members have said they want the administration to negotiate with Iraq's neighbors. But Bush said Iran must first agree to international demands that it halt development of its nuclear program.

"Iran knows how to get to the table with us, and that is to do that which they said they would do, which is verifiably suspend their enrichment programs," Bush said Tuesday in Estonia during a trip that will take him to Jordan later this week to meet with Iraq's U.S.-backed leader. "And then we'll be happy to have a dialogue with them."

Bush was less specific about Syria, but gave no hint that he had grown more willing to hold talks with leaders in Damascus.

The Iraq Study Group is meeting this week in Washington to try to reach a bipartisan consensus for a final report expected by the end of the year. Although members agree on the need to negotiate with countries like Iran and Syria, they have been divided on other key issues, including U.S. troop levels.

The 10-member panel, headed by former Secretary of State James A. Baker III and former Rep. Lee Hamilton (D-Ind.), was scheduled to meet through Tuesday, but will reconvene today in an effort to reach agreement on a final report.

Although Bush has insisted he will receive the panel's recommendations with an open mind, his views on the possible recommendations have remained unyielding. Other administration officials have joined him in emphasizing the disadvantages of trying to negotiating with Iran or Syria.

National security advisor Stephen Hadley, asked by reporters whether Bush was closing the door on new openings to Damascus or Tehran, reiterated the administration's long-held stance.

"What the president was reaffirming today is we made it very clear we are prepared to talk with Iran, and those conversations clearly begin with the nuclear issue," Hadley said.

Vice President Dick Cheney has repeatedly emphasized the disadvantage of direct engagement with the two governments. And other government officials have in recent days sought to bolster the administration's case by pointing to what they say are efforts by Tehran and Damascus to disrupt the region.

One U.S. official said there was growing apprehension within the government that the Iraq Study Group's recommendations for talks would become "a club that's going to be used to bash the administration."

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Although many experts have been advising the study group to prescribe talks, there is wide agreement among hard-liners and pragmatists within the government that the idea "has serious downsides," said the official, discussing internal views on condition of anonymity.

Officials are especially reluctant to make an opening to Damascus at a time when Syria is seen as undermining U.S. goals in Lebanon and the Palestinian territories, as well as Iraq, the official said.

Although there may be less opposition to trying to engage Iran, the official noted that the administration had made repeated efforts to engage Tehran, but found them unproductive.

Mitchell B. Reiss, who was the State Department's director of policy planning during Bush's first term, said that the administration was "far from enthusiastic about engaging the Iranians in serious negotiations, and it's completely unclear that the Iranians are serious about engaging the United States, either."

Reiss, who is now vice provost at the College of William and Mary, said he believed it unlikely that such talks would take place in the short term.

"Or if they do, they'll be along the lines of the six-party talks with North Korea — a lot of pomp and circumstance and not much substance to them," he said.

Meanwhile, U.S. intelligence officials have expressed new concern over Iran's role in the spreading violence in Iraq and have leveled new charges against the country's leaders.

Officials on Tuesday cited indications that the Iranian-backed terrorist network, Hezbollah, had sent operatives to Iraq to help train members of Shiite militias. The officials also said that Shiite fighters from Iraq had traveled to Lebanon for training with Hezbollah.

A U.S. military official said that Defense intelligence estimates suggested that as many as 1,000 to 2,000 fighters from the Al Mahdi army in Iraq had been trained by Hezbollah in Lebanon. But officials at other U.S. intelligence agencies cautioned that the actual numbers were probably significantly lower. U.S. intelligence concern about Hezbollah's role was first reported by the New York Times on Tuesday.

NBC Assailed For Declaration Of 'Civil War' (WT)

By Jennifer Harper

The Washington Times, November 29, 2006

"Civil war" has joined "terrorist" and "undocumented immigrant" in the growing lexicon of terms that prompt press organizations to get touchy about their coverage.

In the name of neutrality, print and broadcast journalists alike have declared moratoriums on words deemed inflammatory or judgmental in the years since the September 11 attacks.

Neutrality might not be the motivation behind NBC's decision to announce that Iraq is now engaged in a civil war, despite statements from the White House to the contrary.

"NBC has decided the change in terminology is warranted, that the situation in Iraq with armed militarized factions fighting for their own political agendas can now be characterized a civil war," "Today" show host Matt Lauer said Monday.

"News organizations claim they don't want to be political in their coverage. But this declaration strikes me as very political. This is NBC saying, 'Hey, George Bush is delusional, and we're not going to play along.' That's the tenor of it," Tim Graham of the Media Research Center said yesterday.

"The pomposity of the judgment is also troubling. The network is clearly seeking a tipping point to declare that the U.S. is losing Iraq," Mr. Graham added. "But the phenomenon of selective description is not new. How many papers and networks refused to call Hamas a 'terrorist' group in the past?"

Whether NBC's position resonates with the public remains to be seen.

"Frankly, I don't think that a judgment NBC has made is as remotely important as the actual events on the ground in Iraq," said Alex Jones of Harvard University's Shorenstein Center on the Press, Politics and Public Policy.

The network is exercising typical editorial decision-making, Mr. Jones said, "but I don't think it's going to change any minds out there."

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Some cast NBC's public declaration as a benchmark that could potentially sway public opinion -- and press outlets themselves.

"Let's cut right to what this 'civil war' fanfare in the media is really all about: It has nothing to do with ongoing violence in Iraq, and everything to do with the fact that these media organizations, struggling to maintain their relevance in a rapidly changing industry feel the need to assert themselves and remind the public of their importance," Stephen Spruiell of National Review Online said yesterday.

An Editor & Publisher survey revealed that reporters and editors at the Los Angeles Times, New York Times, Christian Science Monitor and McClatchy Newspapers are allowed to use the term "civil war," while The Washington Post still opts for "sectarian strife." CNN leaves the hair-splitting decisions to individual editors and reporters. The Associated Press, CBS and ABC are undecided; Fox News has not made its policies public.

It can be a work in progress: Earlier this year, three minority journalism groups asked the American press to avoid terms such as "illegal alien" because it was "dehumanizing," recommending "undocumented worker" or "economic refugee" as less-offensive alternatives.

Bush And Maliki (WSJ)

The Wall Street Journal, November 29, 2006

President Bush is in Jordan today for meetings with Iraqi Prime Minister Nouri al-Maliki, and the most important message the two leaders could send would be to reaffirm their common commitment to their antiterror fight.

That task has clearly been complicated by recent events -- including more blood in Baghdad and the Republican wipeout in Congress caused in part by frustration with the Iraq war. There's also this week's spectacle of the wannabe Walter Cronkites at outlets like NBC News and the Los Angeles Times patting themselves on the back for declaring that the Iraq conflict is a "civil war." Mr. Cronkite is often credited with helping turn public opinion against the war in Vietnam, and today's media point seems to be to declare the war unwinnable, as if this were actually desirable.

To his credit, Mr. Bush refused to give ground to such defeatist rhetoric during meetings with NATO leaders yesterday. No doubt many critics will continue to snicker at his alleged lack of realism, but public confidence is crucial to avoiding disaster in Iraq. We're clearly at a hinge point in Iraq, with Mr. Bush himself saying there's a need for "fresh eyes" and James Baker's Iraq Study Group poised to report next month. Among the policy options being considered are redoubled military efforts against the insurgents and diplomatic outreach to Syria and Iran. But even supporters of reaching out to those regimes must realize that U.S. negotiating leverage will be zero if they sense the U.S. is ready to cut and run.

As for the talks with Mr. Maliki, let's hope Mr. Bush resists the pressure he will face from some Arab leaders (and his own State Department) to push Mr. Maliki to make concessions to Baathist and Sunni Islamist insurgents. Such tactics have been tried a number of times in recent years, with no discernible reduction in the insurgency.

That failure in turn has fed suspicions among the majority Shiites that the U.S. would secretly prefer that Iraq be led by a new Sunni strongman. Jordan's King Abdullah didn't help matters recently by hosting Harith al-Dari of the Sunni Association of Muslim Scholars -- a terrorist front group -- only days ahead of the Bush-Maliki summit.

One reassuring sign is that the President fingered Sunni extremists as the root cause of the violence during his press conference yesterday in Estonia: "There's a lot of sectarian violence taking place -- fomented, in my opinion, because of the attacks by al Qaeda causing people to seek reprisal." The point here is to define who the main enemy in Iraq continues to be, and that is the Baathist and al Qaeda insurgents. They are the source of the car bombs that continue to go off in Shiite neighborhoods and that have inspired Shiite reprisals. The undearly departed Musab al-Zarqawi's explicit strategy was to fan such sectarian attacks precisely so the Americans would lose patience and leave.

Mr. Maliki will, in turn, have a far easier time building political support for disarming Shiite militias such as the Mahdi Army once Sunni bombs stop killing Shiites. Mr. Maliki reportedly wants more control over the Iraqi Army and better weaponry to tackle Sunni insurgents, and we hope Mr. Bush listens to what the Prime Minister has to say.

Which brings us back to the alleged "civil war." The term seems to have acquired a totemic meaning in Iraq, although the U.S. has intervened successfully in civil wars before: the Balkans and Afghanistan, most recently. Regarding Iraq, the goal of the

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"civil war" chorus seems to be to delegitimize the war by painting what is a false picture of the balance of power and legitimacy between the Iraqi government and the terrorists.

The sectarian violence is a horrible problem. But by any reasonable definition, a "civil war" implies at least two militarily strong factions with a popular claim on political leadership. Neither of those conditions exists in Iraq.

The country's elected, pan-sectarian government and its several hundred thousand security forces remain the only legitimate power center. The Sunni insurgents, meanwhile, are a mix of Islamists and Baathists who enjoy little support and are capable only of terrorist-style attacks. They hold sway only through murder and intimidation in areas where the government lacks enough troops to assure public safety. Shiite militia leaders are also divided and what support they enjoy is due to the perception among ordinary Shiites that the government has been unable to protect them. Few Shiites would be eager to see Moqtada al-Sadr, the radical cleric, in Mr. Maliki's chair.

The next Iraqi or American official to be asked about "civil war" might want to reply by asking the journalist who, precisely, is fighting whom, and why Iraqi security officers of all backgrounds continue to risk their lives for the elected Baghdad government. The truth is that the enemies of Mr. Maliki's government are terrorists and thugs. Mr. Bush could help give Mr. Maliki the confidence he needs for the tough fight ahead -- first against the Sunni terrorists, then against the Shiite revenge killers -- by assuring him that U.S. policy will be based on this fact.

Gingrich Calls Iraq War A 'Failure' (BOS)

By James W. Pindell

The Boston Globe, November 29, 2006

BEDFORD, N.H. -- Former House speaker Newt Gingrich told a New Hampshire audience yesterday that unless the Bush administration admits that the war in Iraq is a "failure," it will never develop a strategy to leave the country successfully.

Gingrich, who has been laying the groundwork for a presidential run, said the Bush administration needs to plan a "third stage" in Iraq, following the military takeover stage and the recent democracy-building stage. But he says a third stage can come about only if officials admit they must change course.

"If the military, White House, and State Department continue to avoid the word 'failure,' how can you bring about a third stage?" Gingrich said.

Gingrich was in New Hampshire for three campaign-style events Monday night and yesterday. While the former speaker has expressed interest in a presidential run, he said yesterday that he is more interested in injecting ideas in to the 2008 campaign than in putting his name on the ballot. He said he will not seriously entertain a presidential campaign until September.

Gingrich, who served on a key Pentagon board that advised Defense Secretary Donald H. Rumsfeld in the runup to the Iraq war, was eager to distance himself from the Bush administration's handling of the war.

He said a show of contrition by the White House would help the president regain the trust of the American people and avoid a quick pullout, which would be disastrous.

The first goal in Iraq, Gingrich said, should be to rebuild the national military, even if it requires spending tantamount to the Marshall Plan effort in the aftermath of World War II, in which the United States spent up to 3 percent of its gross domestic product.

"We have to show we are serious about winning and that we will defeat any person, Sunni or Shi'ite, that hopes to disrupt progress," he said. "But we can only do that if we have Iraqi troops on the ground."

Speaking at various campaign-style events, Gingrich reiterated his belief that the Republican Party's loss of Congress earlier this month was attributable to a failure to follow conservative principles, particularly concerning spending.

On Monday night, Gingrich was the keynote speaker at a First Amendment dinner sponsored by the Union Leader of Manchester, the state's largest and historically conservative newspaper.

Yesterday morning he appeared at the classic New Hampshire primary stop "Politics and Eggs," where he fiercely defended the first-in-the-nation status of the Granite State's presidential primary on the grounds that its small size and engaged electorate make it a forum for a discussion of ideas.

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The former speaker also met privately with David Carney , a New Hampshire-based consultant who was the White House political director during the George H. W. Bush presidency. He wrapped up his visit by addressing 100 Republican legislators and activists at a lunch meeting that was part pep rally and part lecture on how to build a strong party.

The lecture was well-received by Republican leaders.

"He was exactly the right person we needed to hear from," said State Representative George Katsakiores , a Derry Republican.

As Iraq Deteriorates, Iraqis Get More Blame (WP)

By Thomas E. Ricks And Robin Wright

The Washington Post, November 29, 2006

From troops on the ground to members of Congress, Americans increasingly blame the continuing violence and destruction in Iraq on the people most affected by it: the Iraqis.

Even Democrats who have criticized the Bush administration's conduct of the occupation say the people and government of Iraq are not doing enough to rebuild their society. The White House is putting pressure on the government of Prime Minister Nouri al-Maliki, and members of the bipartisan Iraq Study Group have debated how much to blame Iraqis for not performing civic duties.

This marks a shift in tone from earlier debate about the responsibility of the United States to restore order after the 2003 invasion, and it seemed to gain currency in October, when sectarian violence surged. Some see the talk of blame as the beginning of the end of U.S. involvement.

"It is the first manifestation of a 'Who lost Iraq?' argument that will likely rage for years to come," said Bruce Hoffman, a Georgetown University expert on terrorism who has worked as a U.S. government consultant in Iraq.

Americans and Iraqis are increasingly seeing the situation in different terms, said retired Army Col. Jeffrey D. McCausland , who recently returned from a visit to Iraq. "We're just talking past each other," he said, adding that Americans are psychologically edging toward the door that leads to disengagement. "We're arguing about 'cut and run' versus 'cut and jog.' "

Iraqis' role in their own suffering has been an issue since shortly after the fall of Saddam Hussein in April 2003, when looters ransacked the national museum and Defense Secretary Donald H. Rumsfeld dismissed it by saying, "Stuff happens." But more than three years later, with schools and hospitals struggling, electrical service faltering, and police and government agencies infiltrated by sectarian death squads, the question of blame is more urgent.

For example, a Nov. 15 meeting of the Senate Armed Services Committee turned into a festival of bipartisan Iraqi-bashing.

"We should put the responsibility for Iraq's future squarely where it belongs -- on the Iraqis," began Sen. Carl M. Levin (D-Mich.), the committee's next chairman. "We cannot save the Iraqis from themselves." He has advocated announcing that U.S. troops are going to withdraw as a way of pressuring Iraqi politicians to find compromises.

Sen. Lindsey O. Graham (R-S.C.) followed by noting: "People in South Carolina come up to me in increasing numbers and suggest that no matter what we do in Iraq, the Iraqis are incapable of solving their own problems through the political process and will resort to violence, and we need to get the hell out of there."

"We all want them to succeed," agreed Sen. Evan Bayh (D-Ind.). "We all want them to be able to stabilize their country with the assistance that we've provided them." But, he added, "too often they seem unable or unwilling to do that."

Later the same day, members of the House Armed Services Committee took their turn. "If the Iraqis are determined and decide to destroy themselves and their country, I don't know how in the world we're going to stop them," said Rep. Robin Hayes (R-N.C.).

Iraqi Ambassador Samir Sumaidaie said he worries about the growing chorus of official voices blaming Iraq, and suggested that a little introspection on the U.S. side could help.

"I am indeed concerned about this trend," he said in an interview. "The U.S. through its actions and omissions has helped to create the current conditions in Iraq. Therefore the U.S. also bears responsibility in putting right the situation."

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It isn't just politicians who have decided that the problem with Iraq is the Iraqis. In the military establishment, said Joseph J. Collins, a professor at the National Defense University, "there is lots of disappointment in the performance of Iraqi officials of all stripes."

Thomas Donnelly, a hawkish defense expert at the Center for Strategic and International Studies, said he considers blame a legitimate issue. "Ultimately, just like success rests with the Iraqis, so does failure," he said. "We've made a lot of mistakes, but we've paid a huge price to give the Iraqis a chance at a decent future."

The blame game has also been playing out somewhat divisively within the secretive Iraq Study Group. The bipartisan commission, led by former secretary of state James A. Baker III and former congressman Lee H. Hamilton (D-Ind.), is deliberating policy recommendations to put forward next month.

"I'm tired of nit-picking over how we should bully the Iraqis into becoming better citizens of their own country," former CIA Middle East expert Ray Close wrote in an e-mail to the other advisers to the study group.

Several other experts of various political stripes said this tendency to dump on Baghdad feels like a preamble to withdrawal.

"It's their fault, and by implication not ours, is clearly a theme that's in the air," said retired Army Col. Andrew J. Bacevich, a Vietnam veteran and longtime skeptic of the war in Iraq. It reminds him, he said, of the sour last days of the Vietnam War, when "there was a tendency to blame everything on the 'gooks' -- meaning our South Vietnamese allies who had disappointed us."

"People never understood the culture and the challenges that we faced in trying to build a new Iraq," a senior U.S. intelligence official said. "There's incredible frustration . . . but it also shows a great deal of ignorance."

"Definitely," said Paul Rieckhoff, who served in Iraq as an Army officer in 2003-2004 and went on to found a veterans group critical of the conduct of the war. "It is growing into an angry, scolding tone." He said he finds it "sad" -- "especially after all the talk of our mission to 'save the Iraqis.' "

The long-term effect of blaming Iraqis also could be poisonous, said Juan Cole, a University of Michigan specialist in Middle Eastern issues. He predicted that it will "infuriate the Iraqis and worsen further the future relationship of the two countries."

The turning point in the blame game seems to have occurred in early October, when both Secretary of State Condoleezza Rice and Sen. John W. Warner (R-Va.) went public with their frustrations, warning the Baghdad government that it must do much more much faster. Warner suggested that the United States should explore a "change of course" if security had not improved within 90 days.

During a surprise visit to Baghdad on Oct. 5, Rice said with uncharacteristic bluntness that the security situation was not helped by "political inaction."

The Bush administration hoped the long-delayed formation of a government, which took about five months after the Dec. 15 election last year, would produce more initiative by Baghdad. But the security and political situation continued to deteriorate, so the administration increased the pressure on Maliki's government. Over the past three months, U.S. officials and foreign diplomats said, senior U.S. military and administration officials visiting Baghdad have conveyed the same message: Get on with it.

"Our role is not to resolve those issues for them," Rice told reporters last month after pressing Maliki to be bolder about disbanding militias and reconciling sectarian differences. "They are going to have to resolve those issues among themselves."

Blaming Iraqis for the woeful situation disregards recent history, some experts argue. Phebe Marr, an Iraq expert and adviser to the Iraq Study Group, calculates that because of policy missteps and other errors, the United States bears about 60 percent of the blame. "You can't say, 'We did this and the Iraqis didn't rise to the occasion,' " she said. "There's enough blame to go around."

U.S. Troop Levels In Iraq Stymie Panel (AP-Y)

By Lolita C. Baldor, Associated Press Writer

AP, November 29, 2006

Members of an independent commission on Iraq policy could not reach a consensus Tuesday on how many or how long U.S. troops should remain in Iraq, forcing the group to return for a third day of debate, according to an official close to the panel's negotiations.

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Panel members mostly made no comment as they left the Woodrow Wilson Center on Tuesday afternoon. But Leon Panetta, former White House chief of staff to President Clinton, hinted at some struggles, telling reporters, "Trying, trying to find a ... trying to find consensus. ... It goes up and down."

The Iraq Study Group, a bipartisan panel created to recommend changes in U.S. war policy, is having difficulties reaching agreement on what the appropriate level of U.S. troops should be in Iraq, whether there should be a phased withdrawal, and if so, under what time frame, said the official, who spoke on condition of anonymity because the panel's deliberations are private.

A second official has said that the commission was unlikely to propose a timetable for withdrawing U.S. troops from Iraq but that some members seemed to favor setting a date for only an initial withdrawal, an idea that has been pushed by many congressional Democrats.

The first official said Tuesday that the group was still struggling over whether to set a hard deadline for withdrawing U.S. forces or if there should be any short-term increase in troops as the U.S. works to train and build up Iraq's security forces. There are currently about 139,000 U.S. troops in Iraq.

The questions are key to the U.S. future policy in Iraq following the November election in which Democrats swept control of the House and Senate largely due to voters discontent with the progress of the war.

Leaving the daylong meeting Tuesday afternoon, members of the panel, which is headed by former Republican Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton, played down any divisions among the diverse group.

"It's a good group to work with, let's just put it that way," said Panetta, as he emerged with Vernon Jordan, who was a Clinton adviser, and former Republican Sen. Alan Simpson of Wyoming.

The group was initially expected to wrap up their deliberations Tuesday. People close to the commission said they expect the panel to issue a bipartisan, consensus report some time next month.

Officials have said a consensus report is the group's goal, rather than having the panel issue one that suggests two divergent opinions with no clear recommended path.

Panel members are also expected to urge the Bush administration to reach out to Iran and Syria, as part of an effort to get regional governments involved in stabilizing Iraq.

Bush, attending a NATO summit in Riga, Latvia, renewed his pledge Tuesday not to pull U.S. troops out "until the mission is complete." He also repeated a warning to both Iran and Syria not to meddle in Iraq.

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On the Net:

Iraq Study Group: http://www.usip.org/isg/

Stepping Into Iraq (WP)

By Nawaf Obaid

The Washington Post, November 29, 2006

In February 2003, a month before the U.S.-led invasion of Iraq, the Saudi foreign minister, Prince Saud al-Faisal, warned President Bush that he would be "solving one problem and creating five more" if he removed Saddam Hussein by force. Had Bush heeded his advice, Iraq would not now be on the brink of full-blown civil war and disintegration.

One hopes he won't make the same mistake again by ignoring the counsel of Saudi Arabia's ambassador to the United States, Prince Turki al-Faisal, who said in a speech last month that "since America came into Iraq uninvited, it should not leave Iraq uninvited." If it does, one of the first consequences will be massive Saudi intervention to stop Iranian-backed Shiite militias from butchering Iraqi Sunnis.

Over the past year, a chorus of voices has called for Saudi Arabia to protect the Sunni community in Iraq and thwart Iranian influence there. Senior Iraqi tribal and religious figures, along with the leaders of Egypt, Jordan and other Arab and Muslim countries, have petitioned the Saudi leadership to provide Iraqi Sunnis with weapons and financial support. Moreover, domestic pressure to intervene is intense. Major Saudi tribal confederations, which have extremely close historical and communal ties with their counterparts in Iraq, are demanding action. They are supported by a new generation of Saudi royals in strategic government positions who are eager to see the kingdom play a more muscular role in the region.

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Because King Abdullah has been working to minimize sectarian tensions in Iraq and reconcile Sunni and Shiite communities, because he gave President Bush his word that he wouldn't meddle in Iraq (and because it would be impossible to ensure that Saudi-funded militias wouldn't attack U.S. troops), these requests have all been refused. They will, however, be heeded if American troops begin a phased withdrawal from Iraq. As the economic powerhouse of the Middle East, the birthplace of Islam and the de facto leader of the world's Sunni community (which comprises 85 percent of all Muslims), Saudi Arabia has both the means and the religious responsibility to intervene.

Just a few months ago it was unthinkable that President Bush would prematurely withdraw a significant number of American troops from Iraq. But it seems possible today, and therefore the Saudi leadership is preparing to substantially revise its Iraq policy. Options now include providing Sunni military leaders (primarily ex-Baathist members of the former Iraqi officer corps, who make up the backbone of the insurgency) with the same types of assistance -- funding, arms and logistical support -- that Iran has been giving to Shiite armed groups for years.

Another possibility includes the establishment of new Sunni brigades to combat the Iranian-backed militias. Finally, Abdullah may decide to strangle Iranian funding of the militias through oil policy. If Saudi Arabia boosted production and cut the price of oil in half, the kingdom could still finance its current spending. But it would be devastating to Iran, which is facing economic difficulties even with today's high prices. The result would be to limit Tehran's ability to continue funneling hundreds of millions each year to Shiite militias in Iraq and elsewhere.

Both the Sunni insurgents and the Shiite death squads are to blame for the current bloodshed in Iraq. But while both sides share responsibility, Iraqi Shiites don't run the risk of being exterminated in a civil war, which the Sunnis clearly do. Since approximately 65 percent of Iraq's population is Shiite, the Sunni Arabs, who make up a mere 15 to 20 percent, would have a hard time surviving any full-blown ethnic cleansing campaign.

What's clear is that the Iraqi government won't be able to protect the Sunnis from Iranian-backed militias if American troops leave. Its army and police cannot be relied on to do so, as tens of thousands of Shiite militiamen have infiltrated their ranks. Worse, Iraq's prime minister, Nouri al-Maliki, cannot do anything about this, because he depends on the backing of two major leaders of Shiite forces.

There is reason to believe that the Bush administration, despite domestic pressure, will heed Saudi Arabia's advice. Vice President Cheney's visit to Riyadh last week to discuss the situation (there were no other stops on his marathon journey) underlines the preeminence of Saudi Arabia in the region and its importance to U.S. strategy in Iraq. But if a phased troop withdrawal does begin, the violence will escalate dramatically.

In this case, remaining on the sidelines would be unacceptable to Saudi Arabia. To turn a blind eye to the massacre of Iraqi Sunnis would be to abandon the principles upon which the kingdom was founded. It would undermine Saudi Arabia's credibility in the Sunni world and would be a capitulation to Iran's militarist actions in the region.

To be sure, Saudi engagement in Iraq carries great risks -- it could spark a regional war. So be it: The consequences of inaction are far worse.

The writer, an adviser to the Saudi government, is managing director of the Saudi National Security Assessment Project in Riyadh and an adjunct fellow at the Center for Strategic and International Studies in Washington. The opinions expressed here are his own and do not reflect official Saudi policy.

Ten Months Or Ten Years (NYT)

By Thomas L. Friedman

The New York Times, November 29, 2006

Here is the central truth about Iraq today: This country is so broken it can't even have a proper civil war.

There are so many people killing so many other people for so many different reasons — religion, crime, politics — that all the proposals for how to settle this problem seem laughable. It was possible to settle Bosnia's civil war by turning the country into a loose federation, because the main parties to that conflict were reasonably coherent, with leaders who could cut a deal and deliver their faction.

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But Iraq is in so many little pieces now, divided among warlords, foreign terrorists, gangs, militias, parties, the police and the army, that nobody seems able to deliver anybody. Iraq has entered a stage beyond civil war — it's gone from breaking apart to breaking down. This is not the Arab Yugoslavia anymore. It's Hobbes's jungle.

Given this, we need to face our real choices in Iraq, which are: 10 months or 10 years. Either we just get out of Iraq in a phased withdrawal over 10 months, and try to stabilize it some other way, or we accept the fact that the only way it will not be a failed state is if we start over and rebuild it from the ground up, which would take 10 years. This would require reinvading Iraq, with at least 150,000 more troops, crushing the Sunni and Shiite militias, controlling borders, and building Iraq's institutions and political culture from scratch.

Anyone who tells you that we can just train a few more Iraqi troops and police officers and then slip out in two or three years is either lying or a fool. The minute we would leave, Iraq would collapse. There is nothing we can do by the end of the Bush presidency that would produce a self-sustaining stable Iraq — and "self-sustaining" is the key metric.

In his must-read new book about the impact of culture on politics and economic development, "The Central Liberal Truth," Lawrence Harrison notes that some cultures are "progress-prone" and others are "progress- resistant." In the Arab-Muslim world today the progress-resistant cultural forces seem to be just too strong, especially in Iraq, which is why it is so hard to establish durable democratic institutions in that soil, he says.

"Some may hark back to our successful imposition of democracy on West Germany and Japan after World War II," adds Mr. Harrison. "But the people on whom democracy was imposed in those two countries were highly literate and entrepreneurial members of unified, institutionalized societies with strong traditions of association — what we refer to today as 'social capital.' Iraq was social capital-poor to start with and it now verges on bankruptcy."

On Feb. 12, 2003, before the war, I wrote a column offering what I called my "pottery store" rule for Iraq: "You break it, you own it." It was not an argument against the war, but rather a cautionary note about the need to do it with allies, because transforming Iraq would be such a huge undertaking. (Colin Powell later picked up on this and used the phrase to try to get President Bush to act with more caution, but Mr. Bush did not heed Mr. Powell's advice.)

But my Pottery Barn rule was wrong, because Iraq was already pretty broken before we got there — broken, it seems, by 1,000 years of Arab-Muslim authoritarianism, three brutal decades of Sunni Baathist rule, and a crippling decade of U.N. sanctions. It was held together only by Saddam's iron fist. Had we properly occupied the country, and begun political therapy, it is possible an American iron fist could have held Iraq together long enough to put it on a new course. But instead we created a vacuum by not deploying enough troops.

That vacuum was filled by murderous Sunni Baathists and Al Qaeda types, who butchered Iraqi Shiites until they finally wouldn't take it any longer and started butchering back, which brought us to where we are today. The Sunni Muslim world should hang its head in shame for the barbarism it has tolerated and tacitly supported by the Sunnis of Iraq, whose violence, from the start, has had only one goal: America must fail in its effort to bring progressive politics or democracy to this region. America must fail — no matter how many Iraqis have to be killed, America must fail.

This has left us with two impossible choices. If we're not ready to do what is necessary to crush the dark forces in Iraq and properly rebuild it, then we need to leave — because to just keep stumbling along as we have been makes no sense. It will only mean throwing more good lives after good lives into a deeper and deeper hole filled with more and more broken pieces.

Plumb Out Of Mission (WP)

By Harold Meyerson

The Washington Post, November 29, 2006

The meaning of the election was clear for all to see: The people plainly believed that the unified, pluralistic Iraq that the Bush administration insisted was growing stronger with each passing day actually had no future at all.

There's no other way to interpret the vote for the first Iraqi National Assembly, held one year ago, in December 2005. Overwhelmingly, Iraqis voted their sect rather than their nation. The Shiites, who constitute roughly 60 percent of Iraq's population, voted for Shiite parties, which now control roughly 60 percent of the National Assembly. The Sunnis and the Kurds voted for their own parties, too.

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There was, to be sure, a national unity slate, a coalition of nonsectarian parties headed by former prime minister Ayad Allawi. It pulled down 8 percent of the vote.

For a moment, the U.S. government seemed to understand what the election meant. "It looks as if people have preferred to vote for their ethnic or sectarian identities," said Zalmay Khalilzad, our harried proconsul (okay, ambassador) in Baghdad. "But for Iraq to succeed there has to be cross-ethnic and cross-sectarian cooperation."

But if Iraqis had wanted Iraq to succeed, they would have voted for Allawi. Iraq, it turns out, was not the name of their desire, or their fear. And the civil war that has been growing relentlessly more horrifying since the election is ultimately just the continuation of their politics by other means.

Which is why the parallels to Vietnam are way too optimistic. In Vietnam, at least the United States could identify a government and some genuinely anti-communist constituencies with which it was plainly allied. But with whom do we stand, and who stands with us, in Iraq? Prime Minister Nouri al-Maliki heads a Shiite-dominated government that grows closer to Iran and that is propped up by Moqtada al-Sadr, whose militia is the most powerful force in the country other than the U.S. Army, which Sadr has called on to leave Iraq forthwith.

As for the Sunni minority, it's among that group that the insurgency against both the U.S. occupation and the string of post-Hussein governments took root. At first the number of insurgents was relatively small, but as the Shiite-controlled police force joined the Shiite militias in anti-Sunni pogroms, the number of Sunnis taking up arms ballooned.

So -- which side are we on?

In the face of escalating civil war, of an increasingly Hobbesian conflict of each against all, the calls still coming from the U.S. military, the administration and Capitol Hill to step up our training of Iraqi forces seem light-years off the mark. The problem with Iraqi security isn't that Iraqi forces are poorly trained. It's that, like the rest of their countrymen, like the very government whose uniform they wear, they're not really invested in fighting for a unified, nonsectarian Iraq. Why do we expect them to defend an ideal that their countrymen either never believed in or were compelled to abandon under pressure of civil war?

But on matters Iraqi, much of the Beltway -- and not just the administration -- remains impervious to fact. "We've got to get the Iraqi army and police better equipped, better trained and into the fight," retired Gen. Barry McCaffrey declared recently. "And I think we've got 24 months." The police, of course, are already into the fight, many of them working with Shiite militias to execute Sunnis. They are, from any dispassionate perspective, proficient enough. Train them for 24 months and they will be the terror of the Earth.

We have plumb run out of mission in Iraq. We have enemies galore, but, other than the Kurds, precious few friends. We defend the idea of Iraq in the absence of Iraqis willing to do the same. We are at best a buffer -- unable to deter the daily atrocities but ensuring by our presence that they won't grow cataclysmically worse. Since we cannot deter the sectarian polarization, however, the cataclysm will follow our leave-taking whether it comes sooner or later.

Those who argue that we should send more troops (as if we had them) to Iraq, or train more Iraqis, or stay until the situation stabilizes should at least explain how the situation will stabilize, how nation-building will work in a nation that doesn't want to be built. We should, as George Packer has argued, rescue as many individual Iraqis as we possibly can on our way out. But rescuing Iraq from the forces we unleashed is plainly beyond us.

Or we could, I suppose, wait it out. About 100,000 Iraqis now flee the country every month for Syria or Jordan. At that rate, if we just hang on for 20 years, Iraq will be completely depopulated. The insurgency will be vanquished; sectarian strife will subside. Victory will be ours, and we can go home.

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America Doesn't Cut And Run . . . (WSJ)

By Amir Taheri

The Wall Street Journal, November 29, 2006

The meeting in Jordan this week between George W. Bush and Nouri al-Maliki could be their last opportunity to develop a joint strategy on Iraq. President Bush, entering his lame-duck phase with Congress controlled by political adversaries, may see his influence in shaping policy diminish. Prime Minister Maliki risks being forced from office, pressured by domestic rivals and

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Iranian mullahs who resent his emphasis on "uruqa" (Iraqi identity) rather than Shiism. In this context, what Messrs. Bush and Maliki tell each other assumes the utmost importance.

The last time the two leaders met, Mr. Bush promised a U.S. commitment until Iraq could defend itself against domestic and foreign foes, even hinting at measures that would guarantee the vow under the next administration. He is no longer in a position to offer as much. Still, Mr. Maliki ought to ask for a reassertion of American commitment, the most effective weapon against the Saddamist and al Qaeda terrorists in Iraq. At the end of this year, the mission of the U.S.-led multinational force, under a U.N. mandate, will end. Mr. Maliki should ask that it be extended for three years -- that is, until the next general election in Iraq.

While Iraq continues to need a U.S. and allied presence, the country is putting the final touches on a plan under which the army and police assume responsibility for security in all 18 provinces before the end of 2007. (This is already the case in five provinces, with two more slated to be handed over before the end of the year.) Mr. Maliki might also ask for renewed support for the Iraqi army, which the president has often praised, but to which his administration has been reluctant to give the vote of confidence it deserves.

In addition to a lack of modern equipment, the army has virtually no logistics -- without U.S. forces, it would have to hire taxis to reach any battlefield. Too few American and other allied officers and NCOs are seconded to the army. Iraq also faces a desperate shortage of officers. At the current rate of training it might need another 10 years to reach its targets.

There is also talk of approaching some of the enemies of the U.S., notably Iran and Syria, in the hope of getting their help in ending the violence in Iraq. Mr. Maliki must demand that Mr. Bush reject such talk. Suspicions that the U.S. might try to hand Iraq over to Iran would incite Iraqi nationalists against the very democratic process he wishes to defend. Mr. Maliki might suggest: Instead of talking to enemies, why not talk to friends? Ask, for example, the "moderate" Arab friends, and some NATO allies, to end their boycott of the new Iraq. Why do they refuse to reactivate their embassies in Baghdad and appoint full ambassadors? Why do they allow their territory to be used for jihadi recruitment, fundraising and deployment to Iraq?

But the real war over Iraq is fought in the U.S. Here, Mr. Bush's administration continues to fail to explain what is at stake. In the Middle East, the old status quo and the balance of power that sustained it have been shattered. The region needs new structures of stability, which could either be created by the U.S. and its allies, including the new regimes in Kabul and Baghdad, or by the enemies of the U.S., particularly Tehran and its Syrian clients. An undemocratic and anti-American region will become a marshland of fanaticism where terror is bred, a point Mr. Maliki should drive home. U.S. national security requires success not only in Afghanistan and Iraq but also throughout the Middle East.

Mr. Maliki should also emphasize the successes the U.S. has seen in Iraq: Saddam Hussein has been toppled; and power has been transferred to the people of Iraq, who have written their own constitution and conducted free elections. Not surprisingly, this new Iraq is challenged by all manner of retrograde forces: pan-Arabists, pan-Islamists, jihadists, Khomeinists and downright nihilists. That challenge, he should note, must be met with determination.

In his response, Mr. Bush should recognize his own limitations. As the recent elections revealed, a majority of Americans have doubts about the wisdom of involvement. It is not enough for him to say the U.S. has achieved its objectives if the lack of basic security in Baghdad makes it impossible for millions to enjoy their new freedoms. But as the power of the Tikriti clique has devolved on the people of Iraq, Mr. Bush must ask them to be its primary defenders. This will require the government and parliament to take a number of measures.

For one, it needs to postpone plans for a federal system that is anathema to Arab Sunnis and regarded with suspicion by secular Shiites, and recognize that it may take years to build an acceptable consensus on that issue. Parliament must freeze the issue of Kirkuk until after the next general election in 2009. It also needs to develop an equitable system of sharing oil revenues. Even if provinces that have no oil get a bigger role for a few years, the price is worth paying to maintain Iraq's unity.

Mr. Bush should also allow that the disbanding the army of the former regime was a mistake, albeit one done on the advice of the new Iraqi political elite, including Mr. Maliki's camp. The way to rectify the mistake is to invite all former offices and NCOs, if they wish, to return to service. With stringent screening measures in place, Iraq would be able to keep the undesirable elements out while allowing others a second chance. In the same spirit, parliament must also come up with a more comprehensive amnesty law to cover hundreds of thousands of people whose sole offense was membership in the Baath Party, often forced upon them by circumstances.

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Mr. Bush must also emphasize that Mr. Maliki's government has failed to develop a coherent strategy for dealing with security issues. It needs a coordinator to make sure that the ministries of defense and interior, the army command, the police hierarchy and the dozen or so different armed units attached to different ministries work together to prevent infiltration and rogue actors, including those that pose as Shiite militias. It also needs to root out corruption and nepotism. Mr. Maliki must have heard what they say in Baghdad teahouses about "a government of thieves and their cousins." Perhaps this is unfair. But corruption could become as much of a threat as the jihadists.

Finally, while Mr. Bush should demonstrate that America remains committed to the new Iraq, he should only prepare to renew the U.S. mission for one more year, dependent on a credible plan for transferring responsibility for security to the Maliki government. In that year, the U.S. ought to intensify its training programs and examine options for expanding the weapons system of the new Iraqi army. Contrary to some perceptions, America does not abandon its friends. It will certainly not hand Iraq to its enemies, least of all Iran. But nor does it write blank checks.

Mr. Taheri is author of "L'Irak: Le Dessous Des Cartes" (Editions Complexe, 2002).

In Statement, Defense Choice Criticizes Iraq Planning (NYT)

By David S. Cloud

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — In his first detailed public statement since his nomination as defense secretary, Robert M. Gates criticized the Pentagon as failing to prepare adequately for securing Iraq after the invasion in 2003.

Asked in a questionnaire from the Senate Armed Services Committee what he would have done differently in Iraq if he had been defense secretary in the last six years, Mr. Gates responded: “War planning should be done with the understanding that postmajor-combat phase of operations can be crucial. If confirmed, I intend to improve the department’s capabilities in this area.”

He added that “with the advantages of hindsight, I might have done some things differently.”

He kept mainly to generalities in the 60 pages of answers to committee members’ questions. The White House sent the document to committee members on Tuesday.

The confirmation hearing is set for next week.

By criticizing the Iraq planning, however obliquely, Mr. Gates offered a glimpse of how he might distance himself from the record of the current secretary, Donald H. Rumsfeld, who will step down.

Mr. Rumsfeld has acknowledged mistakes in Iraq, but has dismissed criticism that too few American troops were dispatched to preserve order after Saddam Hussein’s fall in 2003.

Mr. Gates is scheduled be the sole witness at a one-day hearing next week that appears to be likely to speed him toward confirmation, Congressional officials from both parties said.

Even Democrats on the committee say that barring an unexpected disclosure Mr. Gates is likely to be approved by the Armed Services Committee and, soon thereafter, by the full Senate before it adjourns next month.

Mr. Gates’s carefully couched answers displayed few policy differences between him and the administration and, in many cases, states administration policy in anodyne language.

Several replies appeared fashioned to reassure that Mr. Gates is entering the job with a realistic assessment of its challenges and leaving open the possibility of changes in policy.

Asked whether the United States should engage in direct talks with Iran and Syria on stabilizing Iraq, Mr. Gates shied from endorsing bilateral overtures to either country.

“Engagement with Iran might well come as part of an international conference,” he said.

Talks with Damascus could “take the form of Syrian participation in a regional conference,” he added.

But he also said, “No option should be taken off the table,” noting that “even in the worst days of the cold war, the United States maintained a dialogue with the Soviet Union and China.”

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A bipartisan commission led by former Secretary of State James A. Baker III and former Representative Lee H. Hamilton is widely expected to recommend an aggressive regional diplomatic initiative that includes direct talks with Iran and Syria. Mr. Gates was a member of that panel before resigning after his nomination.

His reply on Iran backed slightly from a study of which he was a co-author for the Council on Foreign Relations. The examination called for the United States to "engage selectively" with Iran, in part to dissuade Iran from pursuing nuclear weapons.

The administration has offered to hold direct talks only if Iran suspends its nuclear enrichment program.

"It is one thing to direct a study as a private citizen and another to serve as a senior policy maker," Mr. Gates said.

Senator Carl Levin, the Michigan Democrat who will become chairman of the Armed Services Committee in January, said in an interview he intended to question Mr. Gates carefully about his willingness to challenge Iraq strategy in internal administration discussions, something that Mr. Levin said had not been welcome at the top levels of the administration.

In a private meeting this month, Mr. Levin said, Mr. Gates "assured me that this is the approach he will be taking."

Mr. Gates, former director of the Central Intelligence Agency, signaled that he would re-examine Mr. Rumsfeld's efforts to build up intelligence gathering at the Pentagon and its use of special forces for counterterrorism operations.

Mr. Gates and other C.I.A. veterans have criticized that policy.

"Clearly, if confirmed, this will be an area that I would look into," he wrote.

Mr. Gates told the committee that he backed Mr. Bush's decision to invade Iraq in 2003. In response to a question noting that nonconventional weapons were not found, he said: "I believe the use of pre-emptive force should be based on very strong evidence. It is a decision that must not be taken lightly."

He defended the decision in 1991 by the first President Bush, for whom Mr. Gates was deputy national security adviser as well as intelligence director, not to push to Baghdad, after forcing the Iraqi army from Kuwait.

"I do not believe we were mistaken," he said. "The coalition had not planned for, or resourced for, military operations to occupy Iraq."

Gates Warns Against Leaving Iraq 'In Chaos' (WP)

By Thomas E. Ricks

The Washington Post, November 29, 2006

Robert M. Gates, President Bush's nominee to become the next secretary of defense, said he opposes a swift pullout from Iraq, arguing in written testimony submitted yesterday to Congress that "leaving Iraq in chaos would have dangerous consequences both in the region and globally for many years to come."

Gates, whose confirmation hearings are scheduled to begin next week, also staked out positions on Iran and Syria that are consistent with his past views but appear to be at odds with the Bush administration's current policies. He called for diplomatic engagement with both countries, noting that "even in the worst days of the cold war the U.S. maintained a dialogue with the Soviet Union and China and I believe those channels of communication helped us manage many potentially difficult situations."

Until he was nominated earlier this month by President Bush, Gates was a member of the bipartisan Iraq Study Group, led by former secretary of state James A. Baker III and former representative Lee H. Hamilton (D-Ind.). That group is said to be leaning toward recommending that the Bush administration seek stability in Iraq partly by holding an international conference that includes Iraq's neighbors. In 65 pages of written answers to the Senate Armed Services Committee, Gates repeatedly mentions such a conference.

"Our engagement with Syria need not be unilateral," Gates stated. "It could, for instance, take the form of Syrian participation in a regional conference."

That position conflicts with the U.S. stance on Syria particularly. The White House is deeply angry with Damascus, which it believes has broken a variety of commitments, such as pledges to contain traffic by foreign fighters across its border with Iraq and to close the offices of extremist groups. Its support for Hezbollah and its possible role in the assassination of former prime minister Rafiq al-Hariri in Lebanon -- the other beleaguered model for democracy in the region -- also have infuriated the administration. White House officials say they have already tried talking to Syria, to no avail.

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Gates, a veteran intelligence official, also staked out strong positions on a variety of other subjects, from the growing strength of the Chinese military to the need to deploy a missile defense system even if it is incomplete.

In other comments touching on Iraq, Gates appears to criticize the handling of the invasion. "I believe the use of pre-emptive force should be based on very strong evidence," he said when asked about the Bush administration's decision to invade Iraq in part because of the belief, now largely discredited, that Saddam Hussein's regime possessed weapons of mass destruction. But Gates also noted that in 2003, he believed that Hussein possessed such weapons or the capacity to develop them.

He also stated that he intends to "improve" the Pentagon's ability to carry out post-invasion operations. "With the advantage of hindsight, I might have done some things differently," he said in response to a question about the six years in which Donald H. Rumsfeld has been defense secretary.

Discussing the war in Afghanistan, Gates also took the interesting step of criticizing the administration of President Bush's father, of which Gates was part. "In my opinion, we must avoid repeating the mistakes of the late 1980s when in retrospect we neglected Afghanistan after the Soviet withdrawal," he stated.

But he stood by the earlier Bush administration's decision not to invade Iraq after ousting Hussein's military from Kuwait during the 1991 Persian Gulf War. Gates, who was then deputy national security adviser, argued that going to Baghdad was not part of the plan and would have shattered the coalition of nations that supported the war's limited objective of pushing Iraqi forces out of Kuwait.

Gates, who had the reputation of being a hawkish realist during the Cold War, seemed to be back in that mode in his discussion of China's growing military strength. "It appears to me that China is building capabilities to fight short duration, high-intensity conflict on its periphery," he wrote.

Although he believes China wants to take over Taiwan peacefully if possible, he writes, "their capabilities suggest they are prepared to consider the use of force if peaceful efforts fail."

He also endorsed continuing to develop and deploy strategic missile defense systems, even if they are incomplete or not fully tested. "North Korea and Iran continue to develop longer range missiles and are determined to pursue weapons of mass destruction," he wrote. "In this regard, defenses with a limited operational capability, at least initially, are better than no defenses."

Touching on a recent flurry of speculation about whether a military draft should be resumed, Gates said he is "absolutely" committed to preserving the all-volunteer force.

Staff writer Robin Wright contributed to this report.

Turning On The Puppet (NYT)

By Maureen Dowd

The New York Times, November 29, 2006

The pictures show a handsome blond kid. Nick Rapavi's family and friends described him as a tough guy with a selfless streak. He'd wanted to be a marine since high school, and his dress uniform had a parade of medals for heroism in Afghanistan and Iraq, including a Purple Heart. He was on his third overseas deployment, and planned to go to college when he finished this stint in the spring.

The 22-year-old corporal, the oldest son of a dentist, grew up in Northern Virginia in the shadow of the Pentagon. The kid described as being "full of life" died Friday in Anbar Province, the heartless heart of darkness in western Iraq, the hole-in-the-desert stronghold of the Sunni insurgency and Al Qaeda fighters.

His mother told The Washington Post that her son's squad had approached a gate on patrol, and Nick told his men to "stay back while he went through." He was shot in the neck by a spectral enemy that melted away, one of 2,874 brave Americans to die fighting in Iraq.

In Latvia, President Bush vowed yesterday that "I'm not going to pull our troops off the battlefield before the mission is complete." But his words about Iraq long ago lost their meaning. Especially the words "mission" and "complete."

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At least in Anbar, the Pentagon may be about to pull troops off the battlefield. In another article yesterday, The Post, reporting on a classified Marine Corps intelligence report, said that "the U.S. military is no longer able to defeat a bloody insurgency in western Iraq or counter Al Qaeda's rising popularity there."

The Post went on: "The report describes Iraq's Sunni minority as 'embroiled in a daily fight for survival,' fearful of 'pogroms' by the Shiite majority and increasingly dependent on Al Qaeda in Iraq as its only hope against growing Iranian dominance across the capital."

ABC Nightly News went even further last night, reporting that the Pentagon is "writing off" Anbar and will send the 30,000 marines stationed there to Baghdad. "If we are not going to do a better job doing what we are doing out there," a military official told Jonathan Karl, "what's the point of having them out there?"

President Bush is still playing games, trying to link the need to stay in Iraq with Al Qaeda. "No question it's tough," Mr. Bush said at a news conference. "There's a lot of sectarian violence taking place, fomented, in my opinion, because of the attacks by Al Qaeda, causing people to seek reprisal."

Never mind that W. dropped the ball on Osama, and that his own commanders have estimated that Al Qaeda forces represent only a fraction of the foe in Iraq. Al Qaeda wasn't even in Iraq until the Bush invasion.

The administration still won't admit the obvious, that our soldiers are stuck in the middle of a civil war and that it's going to take more than Dick Cheney powwowing with the Saudis to get us out of it. Stephen Hadley, the national security adviser, gingerly talks of "a new phase" in the conflict.

But reality does break through at moments. As Mr. Bush and Mr. Hadley head to Jordan to try to tell Prime Minister Nuri Kamal al-Maliki not to go all wobbly, a stunning secret memo from Mr. Hadley has surfaced, expressing severe skepticism about whether our latest puppet can cut it.

Michael Gordon reveals in today's Times that in a classified assessment, Mr. Hadley wrote that the Iraqi leader, who is getting pushed around by Moktada al-Sadr, was having trouble figuring out how to be strong.

"The memo suggests that if Mr. Maliki fails to carry out a series of specified steps," he writes, "it may ultimately be necessary to press him to reconfigure his parliamentary bloc, a step the United States could support by providing 'monetary support to moderate groups,' and by sending thousands of additional American troops into Baghdad to make up for what the document suggests is current shortage of Iraqi forces."

Just what the election said Americans want: More kids at risk in Baghdad. (W.'s kids, of course, are running their own risks, partying their way through Argentina.)

Mr. Hadley bluntly mused about Mr. Malaki: "His intentions seem good when he talks with Americans, and sensitive reporting suggests he is trying to stand up to the Shi'a hierarchy and force positive change. But the reality on the streets of Baghdad suggests Maliki is either ignorant of what is going on, misrepresenting his intentions, or that his capabilities are not yet sufficient to turn his good intentions into action."

It's bad enough to say that about the Iraqi puppet. But what about when the same is true of the American president?

Shi'ites, Sunnis Amass Arms (WT)

By Sharon Behn

The Washington Times, November 29, 2006

Rival Shi'ite and Sunni groups are massing their militias in expectation of major confrontations, Iraqis say, even as President Bush prepares to meet today with the nation's embattled prime minister, Nouri al-Maliki.

Mr. Bush's meeting in Jordan is part of a wider attempt to involve Iraq's neighbors in efforts to end Iraq's vicious sectarian violence before it spills over into a larger regional conflict.

But Iraqis on both sides of their nation's sectarian divide report worrisome signs that the conflict will soon evolve into pitched battles between large armed groups.

One secular Shi'ite speaking on the telephone from Baghdad said Shi'ite militias were massing in preparation for a large offensive against Sunnis in the capital.

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"They had a big militarylike ceremony today for the Mahdi militia, to show their force. They are making themselves ready for something big -- protests, fighting, killing," said the Shi'ite.

A secular Sunni in close contact with one insurgent faction, said rebel Sunnis were also trying to form alliances among militias for a big push in the city against the Shi'ites, including more raids on government buildings.

"I am waiting for the Sunnis to launch a 'Tet Offensive.' That is the one plug they have not pulled yet, and I could see that happening," said senior Rand defense analyst Ed O'Connell.

The Tet Offensive was a series of attacks by the North Vietnamese and their Viet Cong allies that many consider a turning point in the war, leading eventually to the U.S. withdrawal.

Any emergence of pitched battles between massed groups of Sunnis and Shi'ites would largely settle a long-running argument in Washington over whether the conflict in Iraq should be described as a civil war -- a description the Bush administration has so far rejected.

However the depth of concern over the rising levels of violence is evident in the flurry of diplomacy leading to Mr. Bush's meeting with Mr. al-Maliki in Amman today.

Vice President Dick Cheney met with King Abdullah in Saudi Arabia on Saturday, and Iraqi President Jalal Talabani held talks Monday and yesterday with Iranian President Mahmoud Ahmadinejad and religious leader Ayatollah Ali Khamenei.

Both Iranian leaders pledged to help Iraq, but sharpened the political divisions with the United States by accusing Washington of destabilizing the region by supporting Sunni "outlaws."

King Abdullah II of Jordan, meanwhile, has said that "something dramatic" must come out of the meeting because Iraq is "beginning to spiral out of control."

While the Bush administration has been reluctant to recruit clearly hostile regimes in Tehran and Damascus into the Iraq effort, many analysts have concluded that there is no other choice.

"The only people who are going to be able to put this back into the box are not the American politicians or American military -- it is the Iranians, the Syrians, the Jordanians and the Saudis," said Mr. O'Connell.

An adviser to the Iraq Study Group, headed by former Secretary of State James A. Baker III, said any talks with Iran must deal more with the violence in Iraq than with Tehran's nuclear program.

If Mr. Cheney's meeting with the Saudis "was more about Iraq -- rather than Iran and the nuclear issue -- that would be a more hopeful sign," said the former U.S. military officer who would only speak on the condition of anonymity because of his involvement with the Iraq Study Group.

"There might be some indication that the administration is having dialogue with Iran about Iraq," he said.

Mr. al-Maliki is expected to ask Mr. Bush to set a timetable for removing U.S. troops from Iraq, although there are deep disagreements in Washington whether that would make matters better or worse.

There are also serious questions as to how much control Mr. al-Maliki has over his own government and country.

"Al-Maliki is heavily under the sway of [radical Shi'ite cleric Muqtada] al-Sadr. He is afraid of al-Sadr, is kowtowing to the Iranians, has no idea of how to deal with the United States, and is the worst possible candidate to lead the country out of this mess," said Mr. O'Connell.

Iraqis in Baghdad note that Mr. al-Maliki was pelted with rocks on Sunday when he went to visit grieving families in Sadr City -- once the base of his support.

Mr. Bush is expected to publicly reiterate his support for Mr. al-Maliki, but privately push the Iraqi leader to take effective action against the Shi'ite militias, particularly the Mahdi Army of Sheik al-Sadr.

"You are faced with the fact that Sadr has to be stopped, or you have to concede the battle of Baghdad to him," said security analyst Robert Killebrew.

"In the past 30 days, what we've got is the Sadr militia openly trying to take over Baghdad and run the Sunnis out, and we simply can't tolerate Sadr any longer," Mr. Killebrew said. "He has emerged as our number one problem in Iraq."

U.S. Military Predicts Rising Violence In Iraq (WP)

By Nancy Trejos

DOJ_NMG_0099277

The Washington Post, November 29, 2006

BAGHDAD, Nov. 28 -- Parliament voted unanimously Tuesday to keep Iraq under a state of emergency for 30 more days, as a U.S. military spokesman said he expects violence to escalate over the next few weeks in response to Thursday's bombings in Sadr City.

Renewed every month since first authorized in November 2004, the state of emergency allows the Iraqi government to impose a nighttime curfew and make arrests without warrants.

The U.S. military spokesman, Maj. Gen. William B. Caldwell, told reporters Tuesday that he expects to see "elevated levels of violence" as a result of the car bombings that killed more than 200 people in Sadr City, a Shiite district in northeast Baghdad. The coordinated attacks set off a wave of retaliatory killings in Sunni neighborhoods.

While acknowledging the sectarian conflict, Caldwell stopped short of characterizing it as a civil war.

"We don't see somebody competing for control of the country here at all," he said at a press briefing. "What we see is a country that's still functioning and still has duly elected representatives in charge who are able to give instructions and orders to their security forces."

Late Tuesday, the military announced that six Iraqis, including five girls ranging in age from infant to teenager, were killed during a firefight between U.S. soldiers and suspected insurgents in western Iraq.

The fighting began when the soldiers tried to clear a roadside bomb in the town of Hamaniyah, northeast of Ramadi, a Sunni insurgent stronghold. As two men fired small arms from the roof of a house, the troops responded with machine guns and tank rounds.

Searching the house after the fighting ended, the U.S. patrol found six bodies and a wounded woman who refused treatment. There were no U.S. casualties, the military said.

In the past 24 hours, 40 bodies were found in Baghdad, showing signs of torture and gunshot wounds to their heads. Among them were three beheaded bodies and two female bodies, said Col. Kareem Abdul Aziz Hussein of the Interior Ministry.

Meanwhile, two car bombs exploded behind Yarmouk Hospital in west Baghdad, killing five people and wounding 11, Hussein said. In the northern city of Kirkuk, a suicide bomber attacked a convoy belonging to provincial Gov. Abdul Rahman Mustafa near the city's hospital, wounding four bodyguards and killing a civilian, Kirkuk police Capt. Shakhwan Abdulallah said.

Iraqi President Jalal Talabani, during his second day of meetings with Iranian leaders in Tehran, sought the counsel of the country's supreme leader, Ayatollah Ali Khamenei, in dealing with Iraq's sectarian strife. Khamenei blamed the United States for the violence, accusing it of hiring terrorists and former members of Saddam Hussein's ousted government, according to Iranian state-run television.

"The first step to resolve the instability in Iraq is the withdrawal of occupiers from this country and the transfer of security responsibilities to the popular Iraqi government," Khamenei said.

The U.N. Security Council, however, voted unanimously to extend the mandate of the 160,000-member multinational force in Iraq through Dec. 31, 2007. The council acted in response to a request from Iraqi Prime Minister Nouri al-Maliki, who said his government needs more time to assume full responsibility for security and stability in the country.

As in previous resolutions, the council committed to "terminate this mandate earlier if requested by the government of Iraq."

Meanwhile, the number of U.S. military deaths in Iraq announced by the Pentagon rose to 2,880. The U.S. military announced that a Marine died Monday in Anbar province from injuries sustained in combat.

The military is also investigating the crash of a U.S. Air Force F-16 fighter jet in a field 20 miles northwest of Baghdad on Monday afternoon. Caldwell said the pilot's fate was still unknown. He said there was no evidence that the plane had been shot down, despite the presence of insurgents in the area.

Air Force Brig. Gen. Stephen L. Hoog said at a press briefing that the ejection seat and other instruments had been found and that investigators were analyzing DNA samples. He said that insurgents were in the area immediately after the crash but that he did not know how long it took U.S. forces to get there.

Also on Tuesday, Iraqi police arrested 11 insurgents who set up a fake checkpoint in the Dora neighborhood in southern Baghdad after a two-hour chase, said Abdul Kareem al-Kinani, an Interior Ministry spokesman. One police officer was killed and three injured during the chase.

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Special correspondent Waleed Saffar contributed to this report.

Witnesses Detail Iraq Burning Deaths (AP-Y)

By Steven R. Hurst, Associated Press Writer

AP, November 29, 2006

The attack on the small Mustafa Sunni mosque began as worshippers were finishing Friday midday prayers. About 50 unarmed men, many in black uniforms and some wearing ski masks, walked through the district chanting "We are the Mahdi Army, shield of the Shiites."

Fifteen minutes later, two white pickup trucks, a black BMW and a black Opel drove up to the marchers. The suspected Shiite militiamen took automatic rifles and rocket-propelled grenade launchers from the vehicles. They then blasted open the front of the mosque, dragged six worshippers outside, doused them with kerosene and set them on fire.

This account of one of the most horrific alleged attacks of Iraq's sectarian war emerged Tuesday in separate interviews with residents of a Sunni enclave in the largely Shiite Hurriyah district of Baghdad.

The Associated Press first reported on Friday's incident that evening, based on the account of police Capt. Jamil Hussein and Imad al-Hashimi, a Sunni elder in Hurriyah, who told Al-Arabiya television he saw people who were soaked in kerosene, then set afire, burning before his eyes.

AP Television News also took video of the Mustafa mosque showing a large portion of the front wall around the door blown away. The interior of the mosque appeared to be badly damaged and there were signs of fire.

However, the U.S. military said in a letter to the AP late Monday, three days after the incident, that it had checked with the Iraqi Interior Ministry and was told that no one by the name of Jamil Hussein works for the ministry or as a Baghdad police officer. Lt. Michael B. Dean, a public affairs officer of the U.S. Navy Multi-National Corps-Iraq Joint Operations Center, signed the letter, a text of which was published subsequently on several Internet blogs. The letter also reiterated an earlier statement from the U.S. military that it had been unable to confirm the report of immolation.

The AP received no comment Friday when it first asked the U.S. military for information. It then carried portions of a U.S. military statement Saturday that said the U.S. had been unable to confirm media reports that six Sunni civilians were allegedly dragged out of Friday prayers and burned to death. The U.S. military said that neither police nor coalition forces had reports of such an incident.

The Iraqi Defense Ministry later said that al-Hashimi, the Sunni elder in Hurriyah, had recanted his account of the attack after being visited by a representative of the defense minister.

The dispute comes at a time when the military is taking a more active role in dealing with the media.

The AP reported on Sept. 26 that a Washington-based firm, the Lincoln Group, had won a two-year contract to monitor reporting on the Iraq conflict in English-language and Arabic media outlets.

That contract succeeded one held by another Washington firm, The Rendon Group. Controversy had arisen around the Lincoln Group in 2005 when it was disclosed that it was part of a U.S. military operation to pay Iraqi newspapers to run positive stories about U.S. military activities.

Seeking further information about Friday's attack, an AP reporter contacted Hussein for a third time about the incident to confirm there was no error. The captain has been a regular source of police information for two years and had been visited by the AP reporter in his office at the police station on several occasions. The captain, who gave his full name as Jamil Gholaiem Hussein, said six people were indeed set on fire.

On Tuesday, two AP reporters also went back to the Hurriyah neighborhood around the Mustafa mosque and found three witnesses who independently gave accounts of the attack. Others in the neighborhood said they were afraid to talk about what happened.

Those who would talk said the assault began about 2:15 p.m., and they believed the attackers were from the Mahdi Army militia loyal to radical anti-American cleric Muqtada al-Sadr. He and the Shiite militia are deeply rooted in and control the Sadr City enclave in northeastern Baghdad where suspected Sunni insurgents attacked with a series of car bombs and mortar shells, killing at least 215 people a day before.

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The witnesses refused to allow the use of their names because they feared retribution either from the original attackers or the police, whose ranks are infiltrated by Mahdi Army members or its associated death squads.

Two of the witnesses — a 45-year-old bookshop owner and a 48-year-old neighborhood grocery owner — gave nearly identical accounts of what happened. A third, a physician, said he saw the attack on the mosque from his home, saw it burning and heard people in the streets screaming that people had been set on fire. All three men are Sunni Muslims.

The two other witnesses said the mosque assault began in earnest about 2:30 p.m. after the arrival of the four vehicles filled with arms. They said the attackers fired into the mosque, then entered and set it on fire.

Then, the witnesses said, the attackers brought out six men, blindfolded and handcuffed, and lined them up on the street at the gate of the mosque. The witnesses said the six were doused with kerosene from a 1.3-gallon canister and set on fire at intervals, one after the other, with a torch made of rags. The fifth and sixth men in the line were set afire at the same time.

The witnesses said the burning victims rolled on the ground in agony until apparently dead, then the gunmen fired a single bullet into each of their heads.

The witnesses said residents, in the meantime, had taken up arms and began a gunbattle with the suspected militiamen that raged in the neighborhood until 4 p.m. They said eight to 10 gunmen were killed and left in the streets. Iraqi law allows each household to own an AK-47 assault rife for protection.

One witness said he and other people from the neighborhood took the six immolation victims to the Sunni cemetery near Baghdad's Abu Ghraib suburb and buried them after the gunbattle. That witness said one of the victims was the Mustafa mosque muezzin or prayer caller, Ahmed al-Mashadani. He did not know the names of the five others, but said they were all members of the al-Mashadani tribe.

Security Council Extends Mandate In Iraq (AP)

By Edith M. Lederer

AP, November 29, 2006

The U.N. Security Council voted unanimously Tuesday to extend the mandate of the 160,000-strong multinational force in Iraq for one year, acting quickly ahead of a key meeting between U.S. and Iraqi leaders aimed at halting escalating violence in the country and paving the way for a reduction of American troops.

The council responded to a request from Iraqi Prime Minister Nouri al-Maliki, who said a top government priority is to assume full responsibility for security and stability throughout the country but that it needs more time.

Al-Maliki, who was scheduled to meet with President Bush in Amman, Jordan, on Thursday, gave no timetable for a takeover of military and security operations. But the Iraqi prime minister said the government is committed to putting all 18 provinces under Iraqi control — up from the two now under Iraqi authority.

The resolution, drafted by the United States, extends the mandate of the multinational force for one year starting on Dec. 31 and authorizes a review of the mandate at the request of the Iraqi government or by June 15. The resolution contains the same provision as past resolutions — a commitment that the council "will terminate this mandate earlier if requested by the government of Iraq."

U.S. Ambassador John Bolton welcomed the council's support for the multinational force and its speedy adoption of the resolution, which was co-sponsored by Britain, Denmark, Japan and Slovakia.

"I think this is a very important decision by the council," Bolton said. "It shows the resolve to continue to cooperate with the government of Iraq."

Russia's U.N. Ambassador Vitaly Churkin backed the resolution but expressed concern that it did not include Moscow's proposal to continue "the political process in Iraq," or promote "a constructive interaction" with Iraq's neighbors to help stabilize the country quickly.

Despite efforts made by the Iraqi government and the multinational force, he said, "the growth of violence and terrorist activity continues." He called the continuing division of Iraq's Arab population a great threat for the future of the country and said national reconciliation is vital.

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France's U.N. Ambassador Jean-Marc de La Sabliere also expressed concern at the worsening security situation. "We all share the same objective, which is to help Iraq to not fall into the civil war that threatens it, and to recover the stability that it aspires to," he said.

Sectarian violence in Iraq is at its worst level in the 3 1/2 years since a U.S.-led coalition invaded the country and toppled Saddam Hussein.

Bush's summit comes as members of the Iraq Study Group, an independent U.S. panel, mull recommendations for changes in U.S. war policy that would help restore peace and security and enable the United States to reduce its 141,000 troops.

U.N. Secretary-General Kofi Annan said Tuesday that Iran and Syria should work with the United States and the international community to resolve the Iraq conflict.

"I have been quite clear that the two countries have a role to play and they should become part of the solution," he said. "And we should bring them in and get them to work with us in resolving the issue, and let them assume some of the responsibility."

Annan indicated this was one of "quite a few" recommendations he made to the Iraq Study Group's members by teleconference on Monday, hours after he told reporters Iraq is close to civil war.

"I think given the developments on the ground, unless something is done drastically and urgently to arrest the deteriorating situation, we could be there," Annan said. "In fact, we are almost there."

Asked about Annan's call for Iran and Syria to be brought into an Iraq solution, Bolton said, "We take due note." Bush has said the U.S. will not talk to Iran until it suspends uranium enrichment, a process that can be used to make nuclear weapons.

Annan Seeks Summit Outside Iraq To Reconcile Factions (WP)

By Robin Wright And Colum Lynch

The Washington Post, November 29, 2006

The U.N. Security Council unanimously extended the mandate for the 160,000-strong U.S.-led coalition in Iraq for an additional 12 months yesterday, as Secretary General Kofi Annan proposed an international conference at a venue outside the war-torn country to forge reconciliation among Iraq's political parties.

Addressing what may be the most controversial issue to face the Bush administration, Annan said that Iran and Syria should be included in efforts to stabilize Iraq.

"The two countries have a role to play, and they should become part of the solution," he told reporters, reflecting strong international momentum behind a broader approach to Iraq's strife. "And we should bring them in and get them to work with us in resolving the issue and let them assume some of the responsibility."

The Iraq Study Group, the independent, bipartisan U.S. panel that is wrapping up an eight-month search for alternatives, has been discussing whether to reach out to Tehran and Damascus. But on the eve of talks between President Bush and Iraqi Prime Minister Nouri al-Maliki, U.S. officials once again appeared to reject that option.

In its earlier discussions, the group of 10 prominent thinkers has explored ways to take a stronger regional approach to stabilizing Iraq, which overlaps with thinking at the United Nations.

In a surprise move, the panel heard last-minute testimony from Annan and Sen. John McCain, (R-Ariz.) a strong advocate of sending more troops to Iraq. Annan's testimony, by videoconference from New York, had been deferred from an earlier date, but the 10-member panel asked McCain to talk to them in a hastily organized teleconference, according to sources in McCain's office. The panel, which has held months of informal, secret hearings, was supposed to have finished its interviews last week.

Neither of the two options put forward by experts advising the panel called for deployment of additional troops, although the idea of sending as many as 50,000 more was advocated in testimony by other Middle East experts.

McCain's aides would not disclose the substance of the senator's comments but referred to recent media appearances. On NBC's "Meet the Press" this month, McCain warned that even providing a date for withdrawal would lead to chaos in the region.

"There are a lot of things that we can do to salvage this, but they all require the presence of additional troops," he said.

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To stabilize Iraq, McCain advocated first getting Sunni areas under control, to show Shiites that they do not need militias to protect themselves from Sunni attacks. The present formula is "unacceptable," he said. He also predicted that the U.S.-led coalition is "either going to lose this thing or win this thing within the next several months."

The final report of the panel, headed by former Secretary of State James A. Baker III and former congressman Lee H. Hamilton (D-Ind.), is due to be released as early as next week, before Congress adjourns.

Late yesterday, the panel decided to continue meeting for a third day of deliberations.

At the United Nations, Annan said the world body could host a conference to bring Iraq's ethnic and sectarian parties together, modeled on efforts to create stability in Afghanistan and the former Yugoslavia.

"The security in Iraq today is a major constraint," Annan said. "If we were to work out an arrangement where one can get the Iraqi political parties together, somewhere outside Iraq, as we did in Afghanistan, the United Nations can play the role it normally plays."

But in a reflection of growing concern about Iraq's turmoil, Annan and other U.N. officials have suggested that the United Nations would not be able to fill the vacuum if the United States lowered its profile in the country or left Baghdad.

"We should be very clear Washington can't move the problem a few hundred miles north" to the United Nations, the world body's deputy secretary general, Mark Malloch Brown, said at a recent conference on the Middle East sponsored by Princeton University. "Nobody should operate under the illusion that there is any other force out there which can replace the U.S. The U.N. couldn't do it. The neighbors won't do it."

Bush is likely to face more pressure for a broad solution when he meets with Jordan's King Abdullah, who will host a summit between Bush and Maliki. In a speech to parliament yesterday, Abdullah said the Arab-Israeli conflict remains the "core" issue in solving all other major problems in the Middle East.

6 Iraqis Killed As GIs Fight Insurgents (AP-Y)

By Thomas Wagner, Associated Press Writer

AP, November 29, 2006

U.S. soldiers fought with suspected insurgents using a building as a safe house in Ramadi on Tuesday, killing one Iraqi man and five females, ranging in age from an infant to teenagers, the U.S. military said.

Ramadi, 70 miles west of Baghdad, has been the scene of some of Iraq's fiercest fighting between U.S. forces and Sunni insurgents. It is the capital of Anbar province, where many Iraqi insurgents are based.

The bloodshed came on a day that saw sectarian violence kill nine other Iraqis and wound about 50, police said. The bodies of 50 torture victims also were discovered, most of them in Baghdad and the city of Baqouba to the north, police said. Several of the corpses had been dumped at a bus station or outside a government building.

The battle in Ramadi began when a U.S. patrol discovered a roadside bomb in the Hamaniyah section of the city, and two suspected insurgents fled to a house, where they took up positions on the roof, the military said.

As coalition forces removed the bomb, the militants fired on the soldiers, who fought back with machine guns and tanks, the statement said.

Afterward, coalition forces searched the house and found the six bodies, ranging in age from an infant to teenagers, the military said, without providing ages. Another female was wounded but refused treatment, it said.

One of the gunmen may have been wounded and removed from the scene by other militants, the statement said, adding that there were no coalition casualties.

The military quoted residents as saying the building "was a known anti-Iraqi force safe house."

Marine Lt. Col. Bryan Salas, a military spokesman, said efforts were under way to "coordinate and offer available assistance to surviving family members."

A U.S. Marine died Monday in another area of Anbar province, the military said, raising to at least 2,881 the number of members of the American military who have died since the beginning of the Iraq war in March 2003, according to an Associated Press count.

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Iranian supreme leader Ayatollah Ali Khamenei blamed the United States for the chaos in Iraq, saying the answer to the violence is the withdrawal of foreign forces.

But following Khamenei's comments, the U.N. Security Council voted unanimously to extend for one year the mandate of the 160,000-strong multinational force in Iraq.

The council acted ahead of a key meeting in Jordan between President Bush and Iraqi Prime Minister Nouri al-Maliki aimed at halting escalating violence in the country and paving the way for a reduction of American troops.

The Security Council responded to a request from al-Maliki, who said a top government priority is to assume full responsibility for security and stability throughout Iraq but that it needs more time.

The Iraqi Parliament voted to extend the country's state of emergency through December, but the U.S. military warned of even worse sectarian violence after last week's deadly insurgent attack on Shiites in the capital.

Citing the insurgent attack that killed at least 215 people in Baghdad's Sadr City Shiite slum on Thursday, Maj. Gen. William B. Caldwell, a U.S. military spokesman, said al-Qaida in Iraq is determined to dominate Baghdad, weaken the Iraqi government and kill as many Shiites as possible to deepen Iraq's sectarian divisions.

"We expect to see elevated levels of violence as a result of this over the next several weeks," Caldwell told reporters in the Green Zone, the heavily fortified section of Baghdad where the Iraqi government and the U.S. and British embassies are based.

He also said that while recent polling has indicated a large majority of Iraqis feel more loyalty to their democratically elected government than to their sect, ethnic group or tribe, "these numbers by themselves do little to counter the violence currently raging on Baghdad's streets."

The parliamentary vote continues the state of emergency that allows a nighttime curfew and gives the government extra powers to make arrests without warrants and launch police and military operations. The measures, in place everywhere except for the northern autonomous Kurdish region, have been renewed every month since they were first authorized in November 2004.

Meanwhile, videotape footage obtained by AP Television News appears to show the wreckage of a U.S. single-seat F-16CG jet in the farm field where it crashed Monday and the remains of an American serviceman with a tangled parachute nearby.

U.S. forces investigating the crash said insurgents had reached the site before American forces and the pilot is missing. Al-Jazeera satellite television broadcast similar pictures Monday, but declined to show the dead pilot, saying the footage was too graphic to air.

The U.S. Air Force jet crashed about 20 miles northwest of Baghdad while supporting extensive ground combat by coalition forces in Anbar, the Air Combat Command said.

U.S. Troops Kill 5 Girls In Assault On Insurgents (NYT)

By Edward Wong

The New York Times, November 29, 2006

BAGHDAD, Nov. 28 — American troops killed five girls, including at least one baby, and what the military described as either a boy or a man, when the troops attacked a house Tuesday in volatile Anbar Province after they suspected insurgents of firing at them from the roof of the house.

Another person, which the military described in a written statement as either a girl or a young woman, was wounded in the attack and refused treatment by the Americans.

The military said the killings occurred after troops spotted two suspected insurgents before dawn near a roadside bomb in the town of Hamaniyah, west of Baghdad. The men fled to the roof of a nearby house. When troops began defusing the bomb, the suspected insurgents began shooting, the military said.

The military said the Americans returned fire with machine guns and small arms and rounds from the main gun of one or more tanks. After the firefight, the Americans discovered the six dead Iraqis in the house.

It was unclear what happened to the suspected insurgents, but the military said “it was reported” that one was injured in the fight and carried away by other insurgents.

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“In a very tragic way, today reminds us that insurgents’ actions throughout Iraq are felt by all,” Lt. Col. Bryan Salas, a Marine spokesman, said in the statement. “Efforts are underway to coordinate and offer available assistance to surviving family members.”

Anbar Province, a vast swath of desert and Euphrates River towns stretching from Baghdad to Iraq’s western border, is the heartland of the Sunni Arab insurgency, which is battling to drive out the Americans and unseat the majority Shiites from the Iraqi government.

American troops in Anbar are fighting a holding action, unable to make any real headway against the insurgency while facing a mostly hostile civilian population. The pressures have already led to prominent incidents of civilian deaths — one unit of Marines is being investigated for whether it wrongfully killed 24 unarmed civilians in the town of Haditha last year.

In Baghdad, an Air Force spokesman, Brig. Gen. Stephen Hoog, said the military was still recovering parts from an F-16 fighter jet that crashed near the capital on Monday. It was unclear whether the jet and its pilot had been attacked, he said. Using an aerial drone, the military had observed insurgents in the area of the crash site, the general said.

The military said a marine died on Monday in Anbar from combat injuries.

Violence continued to roil Iraq one day before a scheduled meeting between President Bush and Prime Minister Nuri Kamal al-Maliki in Amman. At least 30 bodies were discovered in Baghdad, an Interior Ministry official said. Four people were killed and 40 wounded when two car bombs exploded behind the morgue at Yarmouk Hospital in western Baghdad. A barrage of mortar rounds in the Sunni neighborhood of Ghazaliya injured at least 20 people.

At least 19 people were killed or found dead in Diyala Province, a police official said. In Kirkuk, at least one civilian was killed and 22 wounded when a suicide belt bomber exploded near a convoy carrying the governor of Tamim Province.

NATO Seeks More Troops In Afghanistan (AP-Y)

By William J. Kole, Associated Press Writer

AP, November 29, 2006

NATO was divided at its summit Tuesday on deploying more troops to Afghanistan's volatile south, with Germany resisting any permanently expanded presence and Canada complaining of bearing the brunt of an increasingly bloody mission.

Despite the strengthening Taliban insurgency and unexpectedly high casualties, NATO Secretary-General Jaap de Hoop Scheffer said that by 2008, he hopes Afghan forces can begin taking over security tasks.

President Bush called the Afghanistan mission — which has mobilized 32,800 troops_ NATO's No. 1 operation. Defeating Taliban forces, he said, "will require the full commitment of our alliance."

"The commanders on the ground must have the resources and flexibility they need to do their jobs," Bush said, crediting the alliance for helping Afghanistan go from "a totalitarian nightmare" to stability and steadily growing prosperity.

But German Chancellor Angela Merkel made clear that her country would not permanently expand its 2,900-strong force, though she said German forces could be deployed in the south in an emergency. Canada's foreign minister warned that public support will fade if other countries don't relax restrictions on use of their troops and help Canadian forces in the south.

Canada has suffered 44 deaths in Afghanistan — 36 this year alone. Most occurred after NATO forces moved into the south this summer.

Poland's Defense Ministry, meanwhile, said the full deployment of hundreds of new Polish troops to Afghanistan will be delayed by about three weeks because barracks for them will not be ready as scheduled.

De Hoop Scheffer urged NATO allies not to lose heart, insisting the operation was a "mission possible."

"We need to be frank about the risks, but we also need to avoid overdramatizing," he said. "NATO has been in Afghanistan for three years — time enough to know what it takes to succeed."

Afghanistan dominated the discussion at a gala dinner Tuesday evening, a senior NATO diplomat told The Associated Press, speaking on condition of anonymity. But the leaders were unable to persuade some countries to ease restrictions on the movement of their troops, he said.

Wednesday's summit-ending communique "will call on the Afghan government to assume a more distinctive role in maintaining security, and also call on the U.N. to manifest a leading role in the country," the official said.

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Three countries pledged additional troops, one offered fighter aircraft, and in cases of emergency, all 26 NATO allies agreed "to come to the aid of each other," another alliance official said on customary condition of anonymity. He refused to elaborate on the countries or the troop levels.

The dangers to the NATO force were underscored by recent attacks that have shattered a period of relative calm.

On Tuesday, a suicide car bomber exploded his vehicle next to a counterterrorism police truck that had been chasing him in western Afghanistan, killing a police officer and wounding another. Two Canadian soldiers were reported slain by a suicide car bomber Monday, and on Sunday a suicide bomber killed 15 Afghans in a restaurant.

During a stop in Denmark en route to the summit, British Prime Minister Tony Blair stressed that NATO forces must have the flexibility and the troops to go where the need is greatest.

"We have got to send a clear message that NATO is prepared to make the military commitment necessary to sustain its mission in Afghanistan," he said. "It's important that we have the force generation and flexibility we need to make our mission successful."

"The important thing is that we recognize the operation in Afghanistan is of crucial importance to our own security," he added. "NATO's credibility is at stake here, and if we don't succeed in Afghanistan, the whole of our world will be less secure."

U.S. Gen. James L. Jones, NATO's supreme allied commander, said he had commitments from some of the nations that have imposed restrictions on the use of their troops that could free up about 2,000 additional soldiers for possible duty in the south.

Italy was expected to lift restrictions in extreme circumstances.

In addition to Afghanistan, NATO leaders plan to discuss the organization's emerging role as a guarantor of peace in global hotspots at the summit, which runs through Wednesday. They also planned to explore the possibility of forging closer ties with their Pacific allies.

Twenty-six presidents and prime ministers have gathered in Riga, the first to be held on the territory of the former Soviet Union.

Latvia, which shares a border with Russia, broke away from the Soviet sphere in 1991 and joined NATO in 2004.

De Hoop Scheffer called Russia, which long opposed NATO's expansion to its borders, an "important and privileged partner." He added that NATO's relations with Moscow must be "rejuvenated."

All 26 NATO allies have troops in the Afghanistan force, but military forces from Britain, Canada, the United States and others are fighting in the front line in the Taliban's southern heartland. These nations have complained that Germany, Italy, Spain and France are keeping their troops in the more peaceful north and west.

"Other NATO nations have troops there, but have imposed caveats on the use of them and on the use of their equipment — this at a time when NATO's commanders on the ground urgently require additional manpower," said Latvian President Vaira Vike-Freiberga.

"NATO cannot afford to lose this crucial struggle against the regressive forces of a resurgent insurgency by being indecisive or lacking commitment," she said.

France is preparing to assume an expanded role in the Afghan mission. Officials said President Jacques Chirac would propose forming a contact group on Afghanistan to ensure that a global strategy guides NATO action in the country.

"The Europeans have relied on their American allies for too long," Chirac said in a statement. "They have to shoulder their share of the burden."

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On the Net:

NATO, http://www.nato.int

Bush Asks Nato To Step Up Afghan Efforts (FT)

By Daniel Dombey And Stephen Fidler

Financial Times, November 29, 2006

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President George W. Bush on Tuesday demanded Nato governments step up efforts in Afghanistan ahead of an alliance summit that sought to overcome differences on issues ranging from energy security to relations with Iran.

In a pointed speech in Riga, Mr Bush urged greater commitment from Nato governments that have been reluctant to deploy troops in the south of Afghanistan or relax restrictions on their contingents elsewhere in the country – such as France, Germany, Turkey and Spain.

"For Nato to succeed the commanders must have the resources and the flexibility to do their job," he said.

France, Germany and Spain all said this week they could relax restrictions on their troops in Afghanistan to enable them to help in the turbulent south in case of emergencies. On Tuesday James Jones, Nato's military chief, said that 10 to 15 per cent of restrictions were being lifted, a step equivalent to providing 2,000 soldiers.

On Tuesday night, Jaap de Hoop Scheffer, Nato secretary-general, was due to ask Nato's 26 nations for confirmation that they would all come to the assistance of their allies in Afghanistan in case of emergency.

US officials say that the recent moves are encouraging but insufficient.

On Tuesday Tony Blair, the British prime minister, also called for greater flexibility in a speech in Copenhagen en route to the Riga summit. "It's important that we recognise that this operation in Afghanistan is of crucial importance to our security. Nato's credibility is at stake and if we don't succeed in Afghanistan the whole of our world will be less secure," he said.

Peter Mackay, Canadian foreign minister, also warned that support for the mission in his country – this week two Canadian soldiers died in Afghanistan – could deteriorate if other Nato missions did not reduce restrictions.

In one sign of emerging consensus, Mr de Hoop Scheffer said he "completely agreed with" a call from Jacques Chirac, French president, for an international "contact group" to work out international policy on Afghanistan. Such an entity would bring in neighbouring countries and international organisations.

But Washington has reservations about Mr Chirac's proposal to include Iran, which has influence over the west of Afghanistan but has faced off the world's big powers in a dispute over its nuclear programme. On Tuesday Mr Bush insisted that he would only contemplate direct talks with Tehran if it reined back on uranium enrichment, the most sensitive part of its nuclear programme.

In his speech, Mr Bush also highlighted the membership prospects of Georgia, although France and Germany are much less enthusiastic.

Nato officials sought to overcome their differences on a host of other issues, including energy security, an issue that Poland and the US would like to give greater prominence to but France says could distract the alliance from its core mission.

This week Richard Lugar, chairman of the US Senate's foreign relations committee, said that Nato should include energy security in its mutual defence commitments and that allies should focus on helping other Nato states cope with cut-offs of Russian gas.

NATO To Bear Afghan Burden (WT)

By Stephen Dinan

The Washington Times, November 29, 2006

TALLINN, Estonia -- President Bush yesterday challenged NATO members to boost their own defense spending and be willing to accept rough combat assignments, arguing that the alliance is now on a make-or-break mission in Afghanistan.

"To succeed in Afghanistan, NATO allies must provide the forces NATO military commanders require," the president said in Estonia, before heading to Latvia for a summit to chart the next two years' course for the North Atlantic Treaty Organization. "Member nations must accept difficult assignments if we expect to be successful."

Mr. Bush also blamed al Qaeda for the increased violence in Iraq, and vowed not to withdraw troops from that nation as he prepares to meet today with Iraqi Prime Minister Nouri al-Maliki in Jordan.

"There's a lot of sectarian violence taking place -- fomented, in my opinion, because of the attacks by al Qaeda causing people to seek reprisal," Mr. Bush said at a press conference with Estonian President Toomas Hendrik Ilves.

In the middle of a four-day international trip to deal with the twin wars to which he has committed U.S. troops, Mr. Bush finds himself at the limit of military options and pushing other nations to step up their commitments.

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In Iraq, he is dependent on how well Mr. al-Maliki's government handles the violence and political problems that threaten to tear the nation apart.

But on Afghanistan, he is not alone. Canadian Prime Minister Stephen Harper, British Prime Minister Tony Blair and NATO Secretary-General Jaap de Hoop Scheffer have called for European nations to step up their commitments and ease the burdens on the U.S., Canada, Britain and the Netherlands.

"It is not acceptable that our mission in the south still lacks 20 percent of its combined joint status of requirements," Mr. de Hoop Scheffer said yesterday, calling on governments to stop adding conditions and limits to how their forces can be deployed. "We can ill afford reconstruction armies that cannot handle combat."

During his swing through these two Baltic countries, Mr. Bush pointedly praised Estonia and Latvia for their commitments in the war on terrorism, and National Security Adviser Stephen J. Hadley said those two nations are "punching above their weight" in terms of their military commitments.

The two countries have committed nearly 10 percent of their armed forces to Afghanistan and Iraq, and are "providing leadership in European institutions, despite their small size."

Asked if that meant some larger NATO members such as Germany were failing in their obligations, Mr. Hadley did not answer directly, saying instead it was right for Latvia and Estonia to be "acknowledged and recognized."

Also yesterday Mr. Bush:

•Took a swipe at Belarus, whose authoritarian leader is a close ally of Russian President Vladimir Putin. Mr. Bush said oppression of democracy advocates in the former Soviet state "offends the conscience of Europe, and it offends the conscience of America."

•Said NATO will invite other nations to join at the next summit, in 2008, with Croatia, Albania and Macedonia being likely candidates. Georgia is also a potential member, and Mr. Bush said the United States supports Ukraine's membership -- if the Ukrainians want it themselves.

•Said talking to Iran and Syria about the situation in Iraq is a job for the sovereign Iraqi government, not the United States.

The president also ducked a question about whether Iraq has fallen into a "civil war," instead focusing on what he called increased sectarian violence. He said fomenting such violence is part of al Qaeda's plan in Iraq.

"The Samarra bombing that took place last winter was intended to create sectarian violence, and it has. The recent bombings were to perpetuate the sectarian violence," he said.

Meanwhile, Democrats are focusing on trying to get Mr. Bush to say the conflict has turned into a civil war.

"While news agencies, numerous experts and many American and Iraqi leaders all agree that Iraq is in the midst of a civil war, President Bush neither acknowledges the facts on the ground nor recognizes that his administration's failed policies have contributed to the chaos," said Democratic National Committee press secretary Stacie Paxton.

Bush's NATO Message Signals Concern On Afghanistan Front (LAT)

By Peter Wallsten And David Holley

The Los Angeles Times, November 29, 2006

RIGA, LATVIA — President Bush has long called the defeat of the Taliban a triumph of freedom over tyranny. But on Tuesday he tacitly acknowledged that not all is well in Afghanistan, four years after the U.S.-led invasion, and he exhorted allies to step up their cooperation or risk failure there.

Bush spoke on the first day of a summit among the 26 member nations of the North Atlantic Treaty Organization, which now oversees about 30,000 allied troops in Afghanistan.

Some European nations have been reluctant to commit troops to the more dangerous southern regions of the country, where NATO faces a stubborn Taliban insurgency.

"For NATO to succeed, its commanders on the ground must have the resources and flexibility they need to do their jobs," Bush said during a speech at a university here in the Latvian capital. "Today Afghanistan is NATO's most important military operation, and by standing together in Afghanistan, we'll protect our people, defend our freedom, and send a clear message to the extremists the forces of freedom and decency will prevail."

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Earlier in the day, in neighboring Estonia, Bush said NATO members "must accept difficult assignments if we expect to be successful."

Bush's comments, and the skittishness among allies in the face of an increasingly deadly Taliban insurgency, illustrate the troubles facing the president as he tries to build global support for his agenda, in Afghanistan and across the Middle East.

It served as a reminder that, although Iraq dominates the world headlines and shaped the debate in the U.S. midterm election, the war that was once considered a slam-dunk success is now very much in doubt.

Some of the early discussions Tuesday focused on Germany, which has troops in the safer, northern part of Afghanistan and has resisted sending troops to face combat in the south.

German Chancellor Angela Merkel reiterated those concerns during an appearance on Germany's N24 television, though she appeared to give some ground by pledging to do what she could to ensure NATO success.

"In emergencies we can help out in the south," she said. "But our place is in the north, where 40% of Afghanistan's population lives."

A NATO spokesman, referring to negotiations between Merkel and NATO Secretary-General Jaap de Hoop Scheffer, said Merkel's comments on emergency situations reflected a "meeting of the minds on the role of German forces in Afghanistan." The spokesman said that negotiations were ongoing but that the progress with Germany and other countries would lead to some improvement in the use of troops.

Officials are also taking a closer look at how violence has erupted anew in Afghanistan.

The White House said Tuesday that the insurgency had grown in the south largely because of an absence of government institutions outside of the capital, Kabul. Stephen Hadley, Bush's national security advisor, said the Taliban had "clearly exploited the absence of those institutions to begin burrowing into the south and mounting its attacks on coalition and Afghan forces."

NATO's supreme allied commander, U.S. Marine Gen. James L. Jones, told reporters that it was a mistake to blame all of the country's troubles on the Taliban, listing drug traffickers, common criminals and tribal warriors as additional culprits.

Although the bulk of Bush's four-day trip is focused on a seemingly uphill struggle in the Middle East, the president appeared to relish his brief time in a corner of the world where the U.S. remains popular.

In Estonia and Latvia, he was greeted with applause and welcomed by both countries' presidents as a friend. Citizens of the former Soviet republics credit the U.S. with helping them win independence.

It is no coincidence that NATO, an organization created as a counterweight to the Soviet Union, decided to hold its summit in a Baltic state — a symbolic choice at a time Bush and others are seeking to expand the organization to include additional former Soviet republics.

"We will also not falter in making Afghanistan more secure, where Estonian soldiers are helping to protect the welfare of Afghan citizens, again, together, hand in hand with the United States," said Estonian President Toomas Ilves, an Ivy League-educated former English teacher who made his remarks during Bush's visit to Tallinn, the country's capital.

Bush did not hesitate to express his enthusiasm for some of Estonia's more Republican-like policies, including its adoption 12 years ago of a flat income tax system. He mentioned Estonia's system no fewer than three times.

"They've got a tax system here that is transparent, open and simple," he said.

A Strained Alliance (WP)

The Washington Post, November 29, 2006

THE NATO alliance has been confounding prophets of its demise ever since the Cold War ended 15 years ago. For much of that time the military pact has played an unlikely but invaluable role as mentor to the formerly communist nations of Europe, granting 10 of them membership after requiring them to build democratic institutions. For the past several years it has played an increasingly important role in Afghanistan: Since the summer, NATO has led the fight against the Taliban in the unstable south, routing a large concentration of insurgents near Kandahar in the biggest battle in its history.

The skeptics were nevertheless back in force as NATO began its biennial summit meeting in Riga, Latvia, yesterday. They argue that despite NATO's battlefield success, Afghanistan is not looking good: The very fact that the Taliban has been able to infiltrate large parts of the south and stage major attacks on Western forces is one bad sign, along with a large increase in the

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production of poppies for opium, which funds insurgents and criminals. More than 90 percent of NATO's casualties have been borne by just three countries -- Canada, Britain and the United States -- which has created political problems on several home fronts as well as resentment toward those governments that refuse to send their troops to the south or that restrict the missions they can undertake.

NATO's democracy nursery is also in trouble. Western European governments suffering from "expansion fatigue" are resisting the entry of new countries into the process -- including several neighbors of Russia that badly need protection from the neo-imperialism of Vladimir Putin's Kremlin. Several Balkan countries that were already promised eventual membership are in danger of getting stuck halfway.

These are worrisome developments. Fortunately, there were signs at the summit that NATO's members will, as they often have before, do what is needed just before it's too late. The alliance's top commander, Marine Gen. James L. Jones, reported that a new appeal to governments for more troops and fewer restrictions in Afghanistan has yielded about 2,000 more soldiers who could be dispatched to the south. Poland will deploy a 1,000-member rapid reaction force early next year.

In a speech in Riga, President Bush spelled out a U.S. aim to bring Croatia, Albania and Macedonia into NATO by 2008 and to work toward membership for Georgia -- a democracy that Russia is doing its best to destabilize. NATO Secretary General Jaap de Hoop Scheffer rightly pointed to the need for the alliance to step up development and reconstruction operations in Afghanistan, so that areas cleared of the Taliban will have a shot at stabilizing. If NATO's leaders can follow through on those commitments and objectives, the alliance could defy the prophets of its doom once more.

France's Two Faces On NATO (LAT)

The Los Angeles Times, November 29, 2006

JACQUES CHIRAC IS expected to step down next year as France's president, so his clownish performance at Tuesday's NATO summit in Riga, Latvia, was apparently something of a final Bronx cheer for his fellow Atlantic Alliance leaders. At a time when the alliance is crying out for sober deeds, the French are yet again uttering meaningless words.

Chirac's office was negotiating with Russian President Vladimir V. Putin to drop by Riga after the summit to celebrate the French leader's 74th birthday and perhaps dine with Latvian President Vaira Vike-Freiberga. It's hard to imagine how even Chirac could be so tin-eared about politics in the Baltic states, where no Russian leader has visited since the Soviet collapse in 1991. The incident created an uproar, threatening to upstage the summit's few accomplishments, even though in the end the Kremlin canceled.

More tangibly damaging was Chirac's latest effort to assert French leadership out of one side of his mouth while limiting French support out of the other. "It is essential for each member state to agree to an appropriate defense effort," Chirac wrote in the Christian Science Monitor this week. "The Europeans have relied on their American allies for too long." Quite right, yet France is hardly setting a strong example.

The primary issue that NATO leaders hoped to address Tuesday is a shortage of troops in southern Afghanistan, where unexpectedly heavy resistance from the Taliban is endangering the alliance's most important mission. Among those not pulling their weight is France. Like Germany, Italy and Spain, France has placed caveats on the use of its 1,900 soldiers, preventing them from being shifted nimbly to the areas where they're most needed. The French also have refused to deploy a NATO strategic reserve battalion to address calls for 2,500 more combat troops.

NATO's mission in Afghanistan, unlike the war in Iraq, is a multilateral effort against a foe that presents a well-known threat to the West. A failure there would not only create a terrorist haven, it would expose NATO as a feeble, divided force. There were indicators Tuesday that some members have agreed to eliminate their caveats, which might bring more troops to the south. But the reluctance in many European capitals to commit the needed forces to such a vital effort is distressing.

This is not new territory for France. In 2005, Chirac announced with great fanfare that he would help stabilize Iraq by sending one (1) training officer to Brussels. When the call came out for a peacekeeping mission in Lebanon, Chirac's answer was a measly 200 French engineers. Stunts like the Putin invitation may make headlines, but it's the country's reluctance to participate fully in NATO — and lack of alternative ideas — that keep France from fulfilling a truly international role.

Living Symbols Of Reform In Afghanistan (LAT)

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By Alissa J. Rubin

The Los Angeles Times, November 29, 2006

AMONG the crowd of 800 turbaned elders who gathered in a vast tent, one person stood out: a slender woman in a white head scarf.

She took the podium only briefly, but when she did, most conversation came to a standstill. And though many of the bearded, tradition-bound elders are uncomfortable talking to a woman in public, several dozen clustered around her afterward to ask questions.

Her name is Zahera Sharif, and she is the only woman among the four members of Afghanistan's parliament from Khowst province. In a conservative area where it is possible to drive through towns without seeing a single woman on the street, she is a rarity.

As a member of parliament, she represents an institution that Western observers and experts in Afghanistan say is the country's best shot at building a stable democracy after years of war and religious extremism.

Among the 248 members of parliament's lower house, there are elders such as those Sharif met here. But there are also former exiles in Western-style business suits. All of the country's ethnic groups have a place: Uzbeks sit next to Tajiks; Pashtuns with Hazaras. There are onetime Taliban as well as their former Northern Alliance enemies. A quarter of the parliament members are women; not one wears a burka.

Some of those who gather in the low-slung building on the western edge of Kabul use old militia ties to get things done. Others take the floor to criticize the warlords. Or, like Sharif, they forgo the debate and focus instead on meeting the needs of their constituents.

"For the first time after 30 years of war, we've brought some major figures, who in the past would only talk to each other with a gun, under one roof," said Younis Qanooni, the speaker of parliament.

Western diplomats find some hope in that inclusiveness, as well as in the institution's willingness to challenge President Hamid Karzai.

The president has considerable authority, but parliament has insisted on its right to review his decisions. Deputies rejected five of Karzai's 25 nominations for Cabinet posts in the spring and seven of his picks for the Supreme Court, including one accused of selling legal decisions.

"More often than not, the reform impulse has come from the parliament," a senior Western diplomat said.

Not that it has been easy. The majority of Afghanistan's lawmakers still have their roots in the country's warring past. A number served as militia commanders and made their names and their money behind the barrel of a gun.

Even among the 68 women in parliament, U.S. and United Nations officials estimate that half have militia ties, and can be counted on to keep quiet and vote as they are told.

Some lawmakers still spit during sessions as though they were on a mountain road. Others doze off. A popular television news program was banned briefly from broadcasting parliamentary sessions because it showed lawmakers, heads thrown back, snoring. Many take the floor seemingly without any idea of what they want to say.

Despite their lack of experience in representative democracy, deputies have developed a range of styles to pursue their different political agendas on the floor of parliament and in visits to their districts.

Malalai Joya, a 27-year-old woman, publicly challenges the enduring power of warlords in a Western-style media campaign. For that, she has been pelted with water bottles in the parliament chamber, and twice her microphone has been shut off.

Haji Almas, 45, is a member of the old commanders network. He is angry that Karzai's government and its Western allies refuse to allow former warlords to run the country's military. But he also has embraced education and points with pride to schools that have been built.

Sharif, meanwhile, is a realist. Afghanistan will not change overnight, she believes. So she keeps quiet when commanders arrive at parliament sessions with their bodyguards in tow.

"They know they have done nothing for Afghanistan; they don't have answers for Afghanistan," said Sharif, 46. "But they are still there; they have supporters."

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"People in parliament need to focus on issues one by one: electricity, jobs, education," she told the Khowst elders who had gathered in the tent to discuss pressing nationwide problems. "Everybody should think of the benefit of the society."

Getting an education

Sharif is no stranger to the conservative religious attitudes of southern Afghanistan. Her father was an imam, and he objected to her going to school past age 11. Miserable, she stayed in the women's quarters of the family home and stopped eating.

Her eldest brother finally won permission from their father to let her return to school, and later to take all his siblings to Kabul to finish high school, because schools there were better. Sharif went on to Kabul University, where she earned a master's degree in education. She became a member of the elite Academy of Sciences. At the time, Afghanistan was a Soviet satellite and many women were attending university and becoming professionals.

At the university, she met the man who became her husband, Mohammed Sharif Zadran, a Khowst native who also holds an advanced degree in education. In his own way, he is no less remarkable.

From the beginning of their courtship, he helped her to advance. When she was required to submit two copies of her 300-page master's thesis, he copied the second one by hand because Afghanistan had no copy machines.

But then the Taliban took over. She and her husband were forced to quit their jobs. Zadran had to do manual labor to help the family get by. After two years, they fled to Pakistan, where Sharif started a magazine for women, organized classes for Afghan refugee girls and trained female teachers who she hoped would go back to Afghanistan after the Taliban fell.

Within days of their return to Khowst when the rule of the mullahs was over, Sharif took off her burka and walked down the main street.

"Everybody was watching her as if they thought something terrible would happen — they were leaning out of doors, staring out of windows," recalled Naquibullah, the deputy director of Khowst's main radio station.

Despite ridicule from other men, Zadran stood by his wife when she decided to plunge into politics, even though it meant doing something unheard of for a woman here: going door-to-door in remote villages and introducing herself to strangers.

"People would say to me, 'How can you let your wife do that?' " recalled Zadran. He shrugged. "I said, 'What do you want me to do? Lock her in the house?' "

The answer for many Afghan men would have been 'yes.'

Sharif and Zadran have four children; both are devoted to caring for their youngest daughter, Zala, 3, who has Down syndrome.

And Sharif has tried to address the problems of young people in her legislative work.

She successfully fought legislation that would have allowed children as young as 13 to be punished as adults if they were found guilty of crimes.

She has been less successful fighting the corruption that permeates public and private life, or getting the central government to respond to her district's needs.

The agriculture minister gave Sharif barely 15 minutes of his time and flatly refused her request for subsidized fertilizer for farmers in her district. He didn't even respond to her complaints that most of the 40 goats that were designated for needy Khowst women ended up going to families who had connections to Agriculture Ministry officials.

More than once Sharif has joined with other reform-minded legislators to urge Karzai to replace corrupt police chiefs and governors connected with the opium trade.

"I told Karzai, 'You are just playing chess, taking the same person and moving him from one job to another,' " she said. "Then Karzai said, 'Give me men, give me names.' And we gave him names and he said, 'No, he's a Communist, no, he's this, he's that.' And he took almost none of them."

Afghan and international observers say Karzai's weak government relies on such local strongmen.

When she does overcome barriers to helping her constituents, Sharif finds it difficult to get credit.

She persuaded a rich Kabul resident to donate uniforms, sneakers, nets and balls to the Khowst volleyball and soccer teams, and she brought them when she returned from Kabul for the summer. But when she invited team members to her home to

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hand out the equipment, her husband and the coaches did most of the talking, and her resourcefulness went largely unappreciated by her constituents.

Where Sharif really shines is in her interaction with women, her original inspiration for entering politics. Women cast 45% of the votes in Khowst, and though some voted for men, analysts in Kabul believe that the vast majority voted for Sharif.

When she entered the high-walled compound that surrounds the Khowst women's center and the school for girls, she had hardly stepped out of her car before the women surged around her. There were young girls in their school uniforms clutching notebooks and pencils, older women who worked as cleaners, some still carrying their brooms. Teachers, middle-aged women with worn faces, reached over their students to touch her shoulder or hand.

As she handed out books and information about Women's Ministry programs from two huge sacks of supplies she had brought from Kabul, it was possible to believe Sharif could achieve her dream of "taking all the women with me" on her way forward.

There is a long way to go. A bare room serves as the reception area in the women's center. In stark contrast to the rooms warlords use when they hold court, this one had no rug or cushions, just flimsy plastic chairs, three scarred desks and a few torn fliers pinned to the walls.

There were no tea and biscuits, no plates of fruit. But the women's voices rose and fell as if they were at a feast. They recounted their latest trials and small victories: the difficulty of getting a job as a midwife, recent cases of child brides abused by men, the challenge of teaching science to students when there is not a single Bunsen burner in all of Khowst.

Sharif listened closely, nodding, occasionally asking a question or jotting something in a small notebook.

She believes in personal persuasion to bring about change. She knows that without female teachers, many families will not send their daughters to school. So she goes to the homes of women who have a university education and asks why they are not teaching. If they say their families will not allow it, she meets with their husbands, uncles, fathers and brothers, until she gets their agreement.

"I do not accept 'no,' " she said. "Usually, the men have not thought so hard about it, they have not thought that their wife will be earning money, that the family will be richer if the wife works. When they understand this and they understand that she will be with women, most of them accept it."

An influential man

Sharif's journey to her legislative district could not be more different than such a trip by Almas, the former commander of the Northern Alliance's 5th Corps.

Almas conveys his status with every gesture. He is so well known in Parwan province that when he stops his car to point out the location of a strategic battle, half a dozen vehicles pull off the road so their drivers can greet him.

Thickset, he wears a spotless white shalwar kameez and, even in the hot Afghan summer, the brown wool hat favored by Northern Alliance leaders. He moves with a determined stride.

His tone with subordinates is often peremptory; with supplicants, impatient. With those who consider themselves equals, he listens, then issues orders.

Westerners and some Afghan police officials describe him privately as a bully and a criminal who is active on the periphery of the lucrative narcotics trade, complicit in kidnappings and enriched by corrupt business deals. Some election officials attempted to prevent him from running, but failed, said a senior Western diplomat.

"Almas is one of the former commanders who has really cemented his power since he came into government," the official said.

Nasreen Gross, a sociology lecturer at Kabul University, said the international community must make an effort to win over men such as Almas. These former commanders influence many Afghans, and without their support, democracy could well fail, she said.

"They desire so much to be accepted by the West," Gross said. "Before, they had to do things illegally. No one helped them when they were fighting the Taliban. When you get involved in illegal activities, it's a cycle, it's self-perpetuating and insidious.

"We have to find an opening for those who want to gain respectability.... They can help us."

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A trip home with Almas indicates that he is still divided between his warlord past and his emerging identity as a member of parliament, as though he has yet to decide whether the legitimacy of being in government is worth the payoff. So he veers wildly, dispensing tribal justice and bullying government officials, even while espousing education and adherence to the rule of law.

A man of limited education, Almas started fighting in his early teens. Now he is a fanatic about schooling.

In the early 1990s, when little education was available for girls, he built two schools in his district, one for boys and one for girls. His daughters are in high school, and he says he will allow them to attend university. He has two wives and is proud that the second is a university graduate.

When he arrived in his home village of Rabat to eat lunch at the funeral of a village elder, scores of men gathered around him, a mirror image of Sharif's experience with women.

A privileged few ate with him in a small room and pressed their demands. Chief among them was jobs. They wanted the government to start a long-promised water project. Almas listened as he gnawed on a mutton bone and scooped up saffron rice with his fingers in the traditional Afghan style.

A little later an elder cornered him as he walked to the mosque for Friday prayers and asked for help. There had been trouble the night before, a knife fight between two boys. Both were wounded.

At the mosque, Almas spoke after the imam finished. "Don't behave in ways that make people call us the thieves of Rabat," he admonished the villagers.

Then he lashed out at imams for failing to preach the importance of education. "The mullahs taught us to reach for our guns but not for our pens. That is why our country is so behind," he said as the imam shifted uncomfortably.

After prayers, Almas held a meeting in a vast open tent in his family's walled rose garden. As young men served tea and candy, the two wounded boys, their heads bandaged, appeared with their fathers and grandfathers to apologize to the community for fighting the night before.

Almas made the fathers sign a pledge that they would go to jail if their sons started another dispute.

The next morning, Almas and an entourage of armed bodyguards zoomed in SUVs to the Parwan governor's office to discuss the delayed water project.

The governor, who wears Western clothes and comes from another province, explained the delay. He was trying to determine who needed the water most. He often consulted a thin, elderly engineer, who nervously flipped through a folder.

As he spoke, the governor sipped a cup of coffee. He failed to offer any to Almas, an insult seemingly intended to show that he stood outside Almas' influence.

Almas looked pointedly at the cup. "We are parched, and you are drinking. Why don't you offer us some?"

The governor didn't answer. After a few more minutes Almas, who was less interested in who got the water than in starting the project and distributing the jobs, slapped his knees and got up. His entourage rose around him.

"So the project starts tomorrow," he said, less a question than a command. The governor said nothing, but gave a slight nod, indicating that Almas would get his way. Satisfied, Almas clapped him on the shoulder as though they were friends. He and his men moved on.

War of words

Joya focuses on one theme, the enduring power of men such as Almas. She uses radio and television exposure to denounce them, and despite Afghanistan's limited media outlets, hers is a familiar voice in the country's larger cities.

The youngest member of parliament is already a master of the well-turned phrase, the eloquent exaggeration, the slight simplification. Along with parliament colleague Ramazan Bashar Dost, who works out of a simple tent in the middle of a Kabul park, she is one of Afghanistan's most prominent populists.

Her message is that despite the changes in Afghanistan, corruption is still rampant and the warlords are still in power.

"How can we have democracy when we have these warlords? The majority of seats [in the parliament] have been taken by these black persons…. First they should be tried by a court, but unfortunately the courts don't do that in Afghanistan," she said in one of the many interviews she gives to foreign and domestic reporters.

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Even though she has become a well-known figure in many parts of Afghanistan, she remains a mystery in many ways. Most people who denounce the warlords will describe specific instances in which they, their families or perhaps their entire villages suffered. But Joya lived in Iran during much of the Taliban's rule.

Asked how she formed her viewpoint, she said only, "I suffered a lot and I saw people I know suffer. They cried, and I cried with them."

She has yet to make a concrete proposal for neutralizing the power of former commanders. So far, that doesn't seem to matter. Many people believe she is one of the few politicians who speak the truth.

They agree with her that brutal warlords now serving in high government positions are unlikely to look out for the best interests of the country.

"Malalai Joya says what many people know to be true," said Saad Mohseni, the director of Moby Capital Partners, which runs the popular Tolo TV channel.

Sharif's husband, Zadran, also says he admires Joya. "Not many people are willing to say the things she says, and to speak honestly about our situation in Afghanistan," he told his wife as they discussed corruption in their home province.

Joya's candor has provoked such serious threats that she canceled plans to visit her home province of Farah during parliament's six-week summer break because she could not get the United Nations to provide sufficient protection. In Kabul, she moves every few days among several houses where friends or relatives shelter her.

She stays in the public eye through high-profile speeches in parliament and regular interviews with journalists. One evening last summer, she invited 20 reporters to dinner at her home in Kabul.

"The current government is in the hands of warlords," she told the journalists. "Peace and security cannot be established. Bribery has reached its zenith. The current government is involved in bribery, smuggling and bombings."

There is little difference between the Taliban and its Northern Alliance enemies, she declared. "The Taliban and Northern Alliance are connected to each other like a chain. In fact, the Northern Alliance is a good brother of the Taliban."

Former militia commanders resent her deeply, some because she reminds the country of their misdeeds and others because they believe they deserve thanks for fighting the Taliban.

When Joya took to the parliament floor in May with another of her denunciations, some threw water bottles at her. Other legislators ran forward to shield her. Someone ordered her microphone turned off so her comments would not be audible on television.

Despite the obstacles, legislators all have their own reasons for staying in parliament. But for many, the frustration level is high and their commitment is tenuous. "Sometimes I wake up and I think I should just stay home and not go out and try to change things," said Sharif.

The bigger risk is that Afghanistan will fall back on the code of violence that has dominated its history.

Joya said that along with the water bottles came a threat from Abdul Rasul Sayyaf, a warlord notorious for his cruelty who has become a powerful member of parliament: "She is lucky it was water bottles and not knives."

DOJ:

Leftist Politicians Try To Take Control Of Mexican Congress (MCT)

By Jay Root

McClatchy Newspapers, November 29, 2006

MEXICO CITY - Fistfights and shoving matches broke out in the Mexican Congress Tuesday after leftist lawmakers, hoping to block the inauguration of conservative President-elect Felipe Calderon, stormed the podium and tried to seize control of the chamber.

Conservatives, surrounded by security guards, pushed back the protesting lawmakers and vowed to keep order until they formally bestow the presidential sash on Calderon in a ceremony in the Chamber of Deputies this Friday.

The fisticuffs underscore the deep well of bitterness that remains after the closest and most hotly contested presidential race in modern Mexican history and highlight the possibility that Friday's ceremony will be marred by violence.

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Members of the leftist Party of the Democratic Revolution, or PRD, claim Calderon, a member of the National Action Party, or PAN, stole the July election.

"We're not going to allow this inauguration to happen," said Roberto Lopez, a PRD spokesman. "Felipe Calderon will not govern a single day in this country."

Calderon's transition office declined comment. Calls placed to the PAN headquarters weren't returned.

But Ruben Aguilar, a spokesman for outgoing President Vicente Fox, said Calderon will take over on Friday no matter what happens in Congress.

"There is an institutional mechanism" for it, he said. "After the first second on the first day of December of this year, we will have a president who was elected by the majority of the citizens of this country."

Though PRD militants had made no secret of their plans to seize the podium to prevent Calderon's inauguration, the clashes inside the chamber were sudden and unexpected. Both sides blamed each other for inflaming tensions, and neither had abandoned their positions within the chamber as night fell.

In September, PRD militants seized the podium and forced Fox to deliver his final state of the nation address on television.

Calderon won the July elections by less than one percentage point over populist Andres Manuel Lopez Obrador. But the charismatic leftist claimed widespread fraud and never conceded, even after the nation's highest electoral court pronounced Calderon the victor in September. For weeks his followers camped out in downtown Mexico City, snarling traffic and shuttering shops.

Last week, Lopez Obrador declared himself the "legitimate president" of Mexico, strapped on his own presidential sash and began making plans for a "parallel" government. His supporters are planning a massive protest in Mexico City's central square, or Zocalo, to coincide with the inauguration on Friday.

Though Tuesday's clashes signal volatile times ahead, the increasingly bizarre protests have taken their toll on Lopez Obrador and his party. Polls taken weeks after the election show that Calderon would now trounce Lopez Obrador. Likewise, a poll in El Universal newspaper this week showed 64 percent of those surveyed opposed PRD moves to seize the chamber.

Calderon has promised to reach out to those who didn't support him. But his critics on the left say his Cabinet picks suggest otherwise. On Tuesday he announced that former Jalisco Gov. Francisco Ramirez Acuna, criticized for his hard-line approach in dealing with street protests, would be his new interior secretary, handling domestic security matters.

The U.S. Embassy said that former President George Bush, U.S. Attorney General Alberto Gonzales and U.S. Commerce Secretary Carlos Gutierrez would travel to Mexico to attend the inauguration.

What they'll find when they get here is anybody's guess. Tuesday's trouble started around lunchtime, as rumors swept the chamber that PRD supporters would try to seize the chamber. PAN leaders, who have the largest bloc of votes and control the gavel, began assembling near the dais, along with a coterie of guards.

When PRD members began pushing and shoving toward the crescent-shaped stage, they clashed with a human wall of conservative lawmakers.

Jorge Zermeno, the PAN leader who presides over the chamber, ordered the rebel legislators to stand down and asked a throng of reporters and cameramen to leave the chamber. He then called a recess, but lawmakers stayed in the chamber, hurling insults at each other.

A second clash broke out at about 5 p.m., but each side held its ground.

Root reports for the Fort Worth Star-Telegram.

Calderon Names Mexico Interior, Foreign Ministers (Update3) (BLOOM)

By Patrick Harrington

Bloomberg, November 29, 2006

Nov. 28 (Bloomberg) -- Mexico's President-elect Felipe Calderon named Francisco Ramirez Acuna as his interior minister, making the former Jalisco-state governor the country's chief political negotiator and strengthening the ruling party's hold on power.

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Calderon, who takes office Dec. 1, also named former ambassador to Austria Patricia Espinosa as foreign minister during a Mexico City news conference. Arturo Sarukhan, Calderon's former chief foreign policy adviser, will become a liaison for U.S. relations.

Calderon, 44, has so far used his Cabinet posts to appease leaders of his own National Action Party rather than opposition party members, said Chappell Lawson, a political science professor at the Massachusetts Institute of Technology. During his campaign, Calderon promised to forge legislative alliances in congress by building a coalition government.

``So far, his appointments are a representative sample of the National Action Party," Lawson said in a telephone interview. ``These are not a collection of people who are likely to elicit cooperation from congress."

Calderon today also named German Martinez, head attorney for his presidential campaign, as federal auditor. Juan Camilo Mourino will serve as chief of staff, Calderon said. The president-elect is expected to name his public-safety team tomorrow and must appoint all cabinet members by Dec. 1, when he is scheduled to swear in as president before congress.

U.S. Delegation

Former U.S. President George H.W. Bush will attend the swearing-in ceremony, the U.S. Embassy in Mexico said in an e-mail statement. U.S. Attorney General Alberto Gonzales and U.S. Secretary of Commerce Carlos Gutierrez will also attend, according to the statement.

Ramirez Acuna is known as a governor willing to use force as well as incentives to resolve conflicts, said Jorge Chabat, a political science professor at the Center for Economic Research and Teaching in Mexico City.

``He is a politician who knows how to get things done the old-fashioned way with a carrot and stick approach," Chabat said in a telephone interview. ``I don't know if that's the way things should be in a democracy, but it will probably work."

Speaking at today's news conference, Ramirez Acuna promised to maintain order and apply the law to attack corruption and impunity.

``Together we will return to Mexicans the peace and tranquility that they need to work and that is required to spur development in every corner of the country," he said.

Calderon Cabinet

On Nov. 24 Calderon named six non-economic Cabinet ministers from his National Action Party, including his former campaign manager Josefina Vazquez Mota as education minister.

On Nov. 21 Calderon named Agustin Carstens finance minister, making the former International Monetary Fund official leader of U.S.-educated economic team. Three of Calderon's six economy-related appointments have doctorate degrees in economics from U.S. universities.

Calderon's decision to avoid appointing opposition parties to his Cabinet is not necessarily a mistake, Michael Hood, chief Latin America economist with Barclays Capital Inc. in New York, said in a phone interview. Such choices can lead to infighting within the Cabinet, he said.

``It's one of those situations where legislative progress is going to have to come from the top," he said. ``It's going to come down to his political capital and how he's going to employ it."

CORPORATE SCANDALS:

Five Years After Enron, Firms Seek Weaker Rules (WP)

By Carrie Johnson

The Washington Post, November 29, 2006

Business interests, seizing on concerns that a law passed in the wake of the Enron scandal has overreached, are advancing a broad agenda to limit government oversight of private industry, including making it tougher for investors to sue companies and auditors for fraud.

A group that has drawn support from Treasury Secretary Henry M. Paulson Jr. plans to issue a report tomorrow that argues that the United States may be losing its preeminent position in global capital markets to foreign stock exchanges because of costly regulations and nettlesome private lawsuits.

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Interest groups are trying to build political support to review long-standing rules that govern companies, as well as parts of the 2002 Sarbanes-Oxley law, which imposed stringent responsibilities on accountants, boards of directors and corporate executives. Some key members of Congress have recently expressed concern that U.S. companies may be over-regulated.

For example, Sen. Charles E. Schumer (D-N.Y.) joined New York City Mayor Michael R. Bloomberg (R) to commission a study by McKinsey & Co. on whether U.S. stock exchanges are losing listings to more lightly regulated overseas markets. Sen. Christopher J. Dodd (D-Conn.), who is set to head the Banking Committee, has expressed skepticism that the Sarbanes-Oxley law has led businesses to flee overseas but has signaled a willingness to hold hearings next year on how the legislation is working.

The business groups are initially focused on getting rules changed at the Securities and Exchange Commission, the independent federal agency that oversees U.S. capital markets and companies. The growing bipartisan concern about over-regulation will help set the tone for deliberations at the agency, which is led by Christopher Cox, a Republican and former congressman from California.

"From our perspective, the more people talking about this, the better," said David C. Chavern, director of the U.S. Chamber of Commerce's corporate-governance initiative. The chamber plans to publish its own study next year that attacks what it views as duplicative rules and overly aggressive enforcement by securities regulators.

The renewed push to soften government oversight of business comes as the outcry begins to diminish over a series of financial scandals that erupted five years ago after Enron collapsed, costing thousands of employees their jobs and wiping out billions of investor dollars. The phony accounting at Enron and the bankruptcy of WorldCom months later prompted Congress to pass the Sarbanes-Oxley law.

The chamber panel studying regulation contains several prominent Democrats, including two members of President Bill Clinton's Cabinet -- William M. Daley, who headed the Commerce Department, and former U.S. trade representative Mickey Kantor.

Lobbyists at the chamber are moving to line up meetings with Dodd, who is considering a bid for the presidency in 2008, and soon-to-be House Financial Services Chairman Barney Frank (D-Mass.). Frank recently spoke in general terms of his willingness to compromise with business on some matters to win concessions on minimum-wage legislation and housing reforms.

The current drive to roll back regulation pivots on a complex rule that requires companies to assess their financial controls to prevent fraud and mistakes. The provision, contained in Sarbanes-Oxley, has proved more expensive than regulators envisioned, particularly for small businesses.

With the encouragement of senior federal lawmakers, officials from the SEC and the Public Company Accounting Oversight Board, which sets rules and oversees accountants, are meeting to hash out an accord on scaling back the rule. How far they go, perhaps effectively exempting smaller companies, is raising intense concerns from those who think the rules are necessary to protect investors from fraud.

If they decide to exempt small companies, that would take out "the guts of getting accounting and auditing straightened out" after years of cursory reviews by accountants helped fuel financial scandals, warned Charles A. Bowsher, former comptroller general.

But business groups are not stopping there. They were encouraged when Paulson gave a speech last week calling for "a more balanced approach" to regulation.

The private panel is frequently called "the Paulson group," even though Paulson is not a member. Instead, the panel is directed by Harvard University law professor Hal S. Scott. Other members include R. Glenn Hubbard, former chairman of President Bush's Council of Economic Advisers, and Brookings Institution Chairman John L. Thornton.

The group's report tomorrow is to advocate raising the standard for charging companies with crimes, according to sources briefed on its content who spoke on condition of anonymity because the document has not been officially released. It also is to propose shielding accountants from fraud lawsuits under certain circumstances.

Many of the group's recommendations would require congressional action, and passage of new laws is uncertain in the last two years of the Bush administration, even with a growing concern over regulation among senior lawmakers.

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University of Rochester President Joel Seligman expressed concern about any new limits on the ability of people to sue companies over accounting, saying it could "handicap the ability of the SEC to be a vigilant watchdog."

"To have this occur, so soon after the dramatic increase in fraud that led to Sarbanes-Oxley, would be deeply troublesome," he said.

Paulson Walks Fine Line Amid Calls (WSJ)

The Wall Street Journal, November 29, 2006

Some of the best minds in American finance have put their heads together and come up with a diagnosis for Wall Street's competitiveness problem:

Too many lawyers.

They aren't just talking about the securities-class-action-lawsuit type, although those certainly top their hit list. They also are talking about the battalion of legal beagles who staff the Securities and Exchange Commission and write the mind-numbing rules that publicly traded companies have to follow. And the armies of lawyers who represent those publicly traded companies and demand excruciatingly detailed rules for their clients to hide behind.

Or worst of all, the politically ambitious lawyers who become state attorneys general and U.S. attorneys and believe beating up corporations is their ticket to career advancement.

While I haven't seen the report of the Committee on Capital Markets Regulation, which is scheduled to be released tomorrow, I have talked to others who have seen it. Beyond that, I listened to a speech that the committee's unofficial godfather, Treasury Secretary Hank Paulson -- who isn't a lawyer -- gave last week to the Economic Club of New York.

The committee has been portrayed as an effort to roll back the law written by Sen. Paul Sarbanes and Rep. Michael Oxley -- both lawyers -- in the wake of the corporate scandals of 2002. That may be the least controversial part of its work.

Like almost everyone else, the committee concludes that the current interpretation of section 404 of Sarbanes-Oxley, which requires publicly traded companies to do costly audits of their internal financial controls, needs to be relaxed, especially for smaller companies. The SEC is already at work on that.

More interesting is the call for moving from a regulatory regime based on "rules" to one based on "principles." In his speech, Mr. Paulson complained of "an ever-expanding rule book in which multiple regulators impose rule upon rule upon rule." He extolled "the desirability, where practical, of moving toward a principles-based system."

As I listened to Mr. Paulson last week, I had no clue what the practical consequences of his call for "principles-based" regulation might be. So I investigated and discovered that the world's leading financial market has, rather suddenly, developed a bad case of Anglophilia. The model for a principles-based regulatory approach, it turns out, is Britain's Financial Services Authority.

I called up Sir Howard Davies, the founding chairman of the FSA who is now the director of the London School of Economics. Sir Howard is most definitely not a lawyer -- he studied French and history, then attended Stanford Business School.

He explained that when the FSA was created in 1997, in an effort to consolidate Britain's financial regulators, it wrote a rule book that began with a set of principles explaining what the regulators hoped to accomplish.

"There are, of course, also rules," he says. "But you can afford to be less intrusive because as a regulator, you have principles you can fall back on." In other words, once you have said no killing, there is no need to specifically prohibit sticking a hunting knife through another man's sternum.

As simple as that sounds, it proved difficult in practice. The reason? Lawyers. "It's a struggle," Sir Howard said. "We wanted more principles and fewer rules, but the market pushed back."

For instance, the FSA wanted a simple principle saying financial firms must segregate their clients' money from their own money. Lawyers representing the financial firms responded: "What do you mean by clients? What do you mean by money? What do you mean by segregated?"

Still, the FSA was able to limit its rule-making, in part because it was staffed largely by economists. The lawyers were relegated to the general counsel's office. "We kept them on tap, not on top," Sir Howard says.

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Could such a system work in the U.S.? Well, first, it would require a restaffing of the SEC: More economists, fewer lawyers. (The current count is 1,344 attorneys, 27 economists.) More importantly, it would require reining in the trial bar, which empowers corporate lawyers by creating the constant threat of lawsuits. It also would probably require curbs on state attorneys general like soon-to-be New York Gov. Eliot Spitzer, who was always happy to step in whenever he thought the SEC was going soft.

The biggest problem facing Mr. Paulson and the Committee for Capital Markets Regulation is one of perception. Can they convince people that their call for principles-based regulation isn't just an effort to go soft on corporate miscreants? With public approval ratings of corporate executives still in the dumps, that won't be easy.

Setting Aside Of Wittig Sentence May Be Challenged (TCJ)

By Robert Boczkiewicz, Special to The Capital-Journal

Topeka (KS) Capital-Journal, November 29, 2006

DENVER -- Prosecutors may ask an appeals court to reconsider last week's decision that set aside a five-year prison sentence for David Wittig, former chief executive of Westar Energy, for bank crimes.

In a new filing at the 10th U.S. Circuit Court of Appeals, a federal prosecutor in Topeka said attorneys at Justice Department headquarters in Washington, D.C., are evaluating whether to ask the court to rehear Wittig's appeal.

A three-judge panel of the court dealt a blow to prosecutors on Nov. 22 by setting aside Wittig's sentence and instructing U.S. District Judge Julie Robinson, of Topeka, to resentence him.

The appellate judges concluded that she erred in computing his sentence under sentencing guidelines.

They pointed out that a sentence of six months is the maximum recommended in the guidelines unless she justifies a longer sentence.

Wittig's sentence is for convictions in 2003 of hiding from bank regulators a $1.5 million loan he made to former Capital City Bank president Clinton Odell "Del" Weidner II. Wittig is serving a separate 18-year sentence for convictions in 2005 of looting Westar of millions of dollars.

In the new filing, prosecutor Richard Hathaway said prosecutors are considering asking all of the appeals court judges to consider the case, instead of only the three judges who issued last week's decision.

The Denver-based court seldom agrees to rehear cases, especially those in which a three-judge panel was unanimous, as it was in last week's decision.

The court typically operates in three-judge panels.

Hathaway said Dec. 6 is the deadline for prosecutors to ask the judges to rehear Wittig's appeal. The prosecutor said lawyers of the solicitor general's staff in Washington need more time to decide whether to make the request.

Hathaway asked for a 30-day extension of the deadline but said Wittig's lead attorney opposes an extension.

Robert Boczkiewicz covers the 10th U.S. Circuit Court of Appeals in Denver. He can be reached at REB1den@aol.com.

Charges Of Bribery In A Chinese Bank Deal (NYT)

By David Barboza

The New York Times, November 29, 2006

SHANGHAI, Nov. 28 — The American company says it was a legitimate cost of doing business in China, the price it had to pay to help secure a large software contract with one of China's biggest banks.

But a Chinese company that says it got pushed out of the deal has a different version: executives there say it was bribery, a case of an American company secretly funneling money to powerful Chinese government officials to ensure the lucrative banking contract.

According to a lawsuit filed earlier this year in United States District Court in Florida, Fidelity Information Services, an American software company, paid for two Chinese banking officials and family members to travel on vacation to Hong Kong, Paris, Rome, Las Vegas and the golfing resort of Pebble Beach, Calif.

The suit contends that Fidelity arranged for these trips through a consultant in China who was reimbursed for giving the Chinese bankers and their families an array of gifts, including expensive Sony cameras, luxury outfits from Versace and Burberry, and perhaps even a $330,000 apartment here in Shanghai.

The lawsuit grows out of a business dispute between Grace and Digital Information Technology, a Beijing-based consulting company and Fidelity, based in Jacksonville, Fla. It accuses Fidelity of trying to avoid paying $58 million in consulting fees after Grace helped the company win a series of software contracts worth $176 million with the China Construction Bank in 2001.

The lawsuit charges that after the contract was suspended in 2002, Fidelity dumped Grace and chose instead to hire another middleman, who was a close friend of the chairman of the huge Chinese bank. Fidelity, the lawsuit contends, made large cash payments to the middleman, who then passed money and gifts on to the Chinese bank's chairman and other bank officials, possibly in violation of the Foreign Corrupt Practices Act of 1977.

That law forbids American companies from paying off foreign government officials to win or influence business deals outside the United States.

"This was bribery," said John Zhang, a lawyer working for Grace and Digital. "They were paying bribes to government officials and their families. What else could those payments be?"

Lawyers representing Fidelity, a division of Fidelity National Financial, strongly dispute the allegations, saying company executives simply reimbursed legitimate business expenses and that Fidelity never violated its contracts or the Foreign Corrupt Practices Act.

"The Justice Department says paying for typical business expenses is not against the law," said David W. Shapiro, a lawyer for Boies & Schiller, which is defending Fidelity in the case. "If the golf game is inappropriate, most of the companies doing business in this country are engaged in inappropriate activity."

In government filings earlier this year, Fidelity acknowledged that the Justice Department and the Securities and Exchange Commission were looking into the allegations.

Three weeks ago, a Beijing court sentenced Zhang Enzhao, the 60-year-old former chairman of China Construction Bank, to 15 years in prison for accepting more than $500,000 in gifts and bribes, including gifts that came from a consultant who worked for Fidelity, as well as I.B.M. and Cisco Systems, according to Bloomberg News and Cai Jing, a Chinese business magazine. None of the American companies have been charged with any crimes.

Whether or not the lawsuit brought by Grace and Digital stands up in court, the case could force other large American and European companies doing business in China to consider whether they are exposed to similar lawsuits or dangers as they move operations and executives to China, a country where corruption and bribery are endemic.

Amanda Garland, a spokeswoman for I.B.M., said the company was investigating the bribery case against Mr. Zhang of China Construction Bank. NCR and Hitachi are also looking into the charges.

The case began in December 2004, when Grace and Digital initially sued Fidelity in Superior Court in California, charging in its filing that Mr. Zhang, then the chairman of China Construction Bank, had been paid a $1 million bribe.

The case was dismissed after a judge ruled that California was not the proper locale for the lawsuit. The suit was then refiled in Florida.

In March 2005, after reports about the suit spread, Mr. Zhang stepped down as chairman of Construction Bank for "personal reasons." The Chinese police later detained him, just months ahead of the bank's planned initial public offering.

A new chairman was appointed and the bank went ahead with its public listing, which raised over $9 billion in October 2005 in the world's biggest stock offering of that year.

In court filings, lawyers for Grace said they had obtained copies of detailed e-mails and other records that show that Fidelity made a $1 million payment to a Hong Kong company called Prosten Technology. A Chinese consultant named Zou Jianhua, who was a close friend of Mr. Zhang, represented that company.

Mr. Zou, the filings said, submitted about $170,000 in expenses that were reimbursed by Fidelity covering an array of gifts, hotels, shopping sprees and entertainment costs.

For instance, in May 2002, the suit says, a Fidelity official e-mailed another company executive saying the chairman of China Construction Bank was interested in playing golf at "Cobble Beach," though he meant Pebble Beach.

Soon after, Fidelity paid for Mr. Zhang's hotel, car services and green fees in Pebble Beach.

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And in October 2004, after the chairman expressed an interest in seeing Florida, the lawsuit says Fidelity sent its corporate jet to fly him from San Francisco, where he had been visiting with I.B.M., to its headquarters in Jacksonville.

The lawsuit also charges that Fidelity reimbursed tickets for Mr. Zhang's wife and son to travel in China and the United States. It also paid, the lawsuit claims, for his son's tennis club fees in Shanghai and golfing fees in Shenzhen and for the daughter of the bank's chief information officer to travel to Europe.

Mr. Zou, the Fidelity consultant, accompanied Mr. Zhang's son to Las Vegas and also escorted the daughter of the bank's chief information officer on a trip to Europe.

Grace lawyers also say that on one occasion, after Mr. Zou's expenses were questioned by Fidelity, Mr. Zou responded that he was renting a hotel room in Beijing because Mr. Zhang and his wife needed to use the hotel's gym and swimming pool.

Mr. Zhang, the lawyer at Greenberg Traurig who is representing Grace, said the trips were "payoffs" to the family of the banking executives and that among the expenses reimbursed were luxury goods from Dunhill, Versace, Burberry, Mont Blanc and at least nine Sony and Canon cameras bought in Hong Kong. "What kind of business trips are these?" Mr. Zhang asked.

Fidelity's lawyers counter that entertaining government officials and their families is proper promotional activity. The company also says there was no breach of the original consulting contract, which was suspended by the government. A new software contract was later negotiated with another middleman, Mr. Zou, the lawyers said.

China Construction Bank officials have refused to comment on the case, saying it was a personal matter involving Mr. Zhang.

Citing court documents in the case, Bloomberg News said the Beijing No. 1 Intermediate Court indicated that I.B.M. had paid $225,000 to Success Century Technology, a company registered in Hong Kong by Mr. Zou, who was named by the government as one of the three businessmen who bribed Mr. Zhang.

Through Ms. Garland, I.B.M. released a statement: "I.B.M. has been unable to access the court documentation regarding this case, and therefore cannot comment on the allegations. I.B.M.'s Business Conduct Guidelines, to which I.B.M. employees in China certify annually, require I.B.M. employees to comply with all laws and regulations that apply to I.B.M.'s business worldwide. The guidelines also specifically prohibit bribery of any kind."

The statement went on: "We have turned this matter over to our legal team, who are investigating the allegations."

A reporter at the "21st Century Business Herald" says he got special access to the court documents in the bribery case. He says the documents show that Mr. Zhang accepted large gifts and bribes from three Chinese business executives in exchange for helping them secure large loans or software contracts.

Those court documents also show, he said, that Mr. Zou met with officials from I.B.M., NCR and Hitachi and that he recommended Hong Kong Hitachi as a supplier to Mr. Zhang and his bank.

NCR, based in Dayton, Ohio, issued a statement, which reads: "Under our marketing agent agreement with Mr. Zou, we required him to conduct business activities in a lawful manner. NCR maintains a clear and stringent code of conduct that requires the highest ethical standards and compliance with the local laws in all business dealings."

Hitachi, the Japanese electronics company, released its own statement, saying the case is under investigation and "according to the internal audit, up to now, we find no connection between Hitachi data systems and Mr. Zhang."

The Beijing court documents did not name Fidelity, though Mr. Zou worked as a paid consultant for Fidelity from 2002 to 2005. Gao Zicheng, a lawyer who represented Zhang Enzhao, the banker, in court, said his client admitted to mistakes.

"Zhang Enzhao said that as a government official he shouldn't have received money from friends," Mr. Gao said, but he declined to comment beyond that on the Fidelity case.

In its Florida court filing, Grace charges that Fidelity made a $1 million payment to Mr. Zou and that part of that money was funneled to Zhang Enzhao, partly through the gift of a luxury apartment.

Lawyers for Fidelity say Grace helped secure the original $176 million software contract in 2000, when Wang Xuebing was the chairman of China Construction Bank.

The software was supposed to allow the bank to track its lending activities. But Mr. Wang was fired and jailed in January 2002, after he was accused of accepting bribes during an earlier tenure, while he was serving at another large state-owned bank, the Bank of China.

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After the firing of Mr. Wang, the government suspended the huge Fidelity contract. Then, after Zhang Enzhao came in as chairman, Fidelity hired Mr. Zou, a longtime friend, and 18 months later Fidelity signed a new software contract, Fidelity's lawyers say. Then Fidelity made a $1 million payment to Prosten, which had employed Mr. Zou.

Strangely, however, Prosten now denies that Mr. Zou ever worked for the company. An individual who picked up the phone at the Hong Kong headquarters said Mr. Zou had never worked for the company.

Mr. Shapiro, Fidelity's lawyer, said that its payments were legitimate. "It's only bribery," he said, "if he promised to do it in exchange for something."

But Patrick M. Norton, a lawyer at O'Melveny & Myers in Washington and an expert on the Foreign Corrupt Practices Act, said the law went further than that.

While some promotional activities may be allowed, Mr. Norton said, "the operative language in the statute is you can't provide a government official anything of value."

CRIMINAL LAW:

Brother Of Philadelphia Mayor Indicted On Fraud, Tax Charges Involving City Contracts (AP)

By Maryclaire Dale, Associated Press Writer

AP, November 29, 2006

The older brother of Mayor John F. Street was indicted Tuesday, accused of using his last name to convince companies he could get them lucrative city contracts and failing to pay taxes on $2 million of income.

Soon after Street took office in 2000, T. Milton Street Sr. began hiring himself out as a high-priced consultant to companies that thought he could help them get city contracts, the indictment charged. One firm paid Milton Street, who is a longtime hot dog vendor, a $30,000-a.m.onth consulting fee and required him to do no work, authorities said.

He and two other businessmen face charges of mail and wire fraud, filing false tax returns and related counts.

"Milton Street wanted the IRS to believe he was a humble street vendor selling hot dogs and soda," U.S. Attorney Patrick Meehan said. "What he didn't tell them was that he was making millions on nothing more than his last name."

Milton Street, a state lawmaker in the 1980s, has long been a colorful character on the local scene. He made news in recent years with entrepreneurial efforts including a startup company that offers "Duck boat" tours, a venture that landed him in court in a fight with an established tour operator.

The 69-year-old vowed he would be vindicated of the charges and blamed any problems on poor record-keeping.

"I think, honestly, that I stayed in bounds (of the law)" Milton Street said as he arrived at a home in Moorestown, N.J., on Tuesday. "Now, I have to tell you, I am the worst record-keeper in the history of the modern man."

The mayor, who was not charged, said he did not know details of his brother's financial dealings but defended his right to pursue city contracts.

"My brother is allowed to do business with the city of Philadelphia just like any other person," Mayor Street said at a news conference. "As far as I know, he has played by the rules."

The indictment stemmed from an investigation into municipal corruption in Philadelphia.

The wide-ranging probe, which ensnared the former city treasurer and several businessmen, became public three years ago when an FBI listening device was discovered in the mayor's office. The mayor was never charged.

Federal prosecutors say Milton Street was awarded consulting contracts with companies doing business at two city-owned airports even though he had no experience in facilities maintenance work. His consulting firms contained the name Notlim, which is Milton spelled backward.

One company, General Asphalt Paving, paid him $8,000 a month _ and later $12,500 a month _ to get city business, including a contract for maintenance at Philadelphia International Airport and Northeast Philadelphia Airport, prosecutors said.

Milton Street also was accused of defrauding a prospective airport contractor, who gave him $80,000 on a promise from Milton Street that he could get them a $3.2 million contract that didn't exist, prosecutors said.

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Mayor's Brother Indicted In Alleged Scams (PHI)

By Marcia Gelbart And John Shiffman

The Philadelphia Inquirer, November 29, 2006

Mayor Street's flamboyant brother, T. Milton Street Sr., was indicted on federal corruption and tax charges yesterday in connection with alleged scams at Philadelphia International Airport.

Specifically, Milton Street is accused of failing to pay taxes on more than $2 million worth of income from 2000 to 2004.

He also was accused of defrauding a prospective airport contractor, which gave him $80,000 on the promise that Street could get it a $3.2 million contract that didn't exist.

In another instance, Street is accused of kicking back almost $100,000 to a businessman in exchange for help that businessman provided in ensuring that Street obtained a lucrative airport contract.

U.S. Attorney Patrick L. Meehan said Street made "millions on nothing more than his last name," securing a $30,000-a-month consulting job on an airport-maintenance contract for which he did little or no work.

The mayor was not involved in his brother's alleged crimes, Meehan said, but the case is related to the broader pay-to-play climate that has tainted the current administration.

In an interview in front of his Moorestown home, Milton Street said he was "not going to lose any sleep" over the charges, which could mean two or more years in prison if he is convicted.

"Let's face it: They didn't get John, they have to go after somebody," Milton Street said. "We will go to court. They will present their side, and I will present my side. And 12 people will decide. It will work out. I've been through lots of battles, lots of battle scars. I'll be OK."

The mayor, appearing somber and subdued, defended his brother to reporters outside his City Hall office about three hours after the public release of the indictment.

"My brother Milton has been one of my best friends in all the world," Street said, calling the charges a "very, very sad and distressing development for me... . He will have the full support of me and my family as he goes through this very difficult time."

The mayor - who phoned his brother yesterday but would not discuss what was said - rejected Meehan's suggestion that Milton Street tried to profit from their relationship. "My brother is allowed to do business with the City of Philadelphia just like any other person, and as far as I know he has played by the rules."

The Milton Street case was handled by some of the same FBI and IRS agents who worked on the City Hall corruption cases that have led to more than 20 convictions.

The grand jury alleged that Street did not file income-tax returns for 2002, 2003 and 2004, and that he underreported income for 2000 and 2001 by $175,000.

It was during those years that Street allegedly brought in $2 million, thanks to contracts he obtained at the airport.

Milton Street, 67, is a former hot-dog and T-shirt vendor, and served as a Pennsylvania state representative and a state senator. He filed for personal bankruptcy last year.

The 25-page indictment alleged that after John Street took office in January 2000, Milton Street "began hiring himself out as a highly paid consultant to area businesses who believed that Milton Street could help them obtain business with the City of Philadelphia."

Those actions did not represent a crime, but provided the backdrop for crimes allegedly committed, according to the indictment.

One of the businesses that hired Street was General Asphalt Paving Inc., which is owned by the family of city Republican Party chairman Michael Meehan (no relationship to Patrick Meehan). The company was then part of a joint venture named Philadelphia Airport Services (PAS). It hired Milton Street as a consultant to help land a $50 million, four-year contract to maintain airport facilities.

For his work, Street was paid $8,000 and then $12,500 a month, according to the indictment.

General Asphalt is no longer part of the joint venture, which has netted almost $74 million from the city since 2001, and company officials have said Street is no longer a consultant on the project. The current contract expires Jan. 1.

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Under his arrangement with PAS, Street created a company to maintain the airport's baggage-conveyor system. The company, named Notlim (Milton spelled backward) Service Management Co., had no experience in the field.

Under the alleged scheme, Street in November 2002 began collecting $166,000 a month from PAS. Because his company had no experience or employees to do the work it was contracted to perform, it returned $133,000 to PAS, which then performed the work in question.

In the process, Street kept $33,000 for himself each month, the indictment alleged.

That represented some of the income Street is alleged to have failed to pay taxes on, according to the indictment.

Federal officials yesterday also charged two men, both employees of Philadelphia Airport Services, with conspiring with Street to defraud their company. They are John H. Velardi Sr., 53, of Drexel Hill, and Matthias A. Schwabe, 38, of Malvern.

The indictment says Street paid $98,000 to Schwabe, who in return did favors for Street.

Schwabe provided cell phones from his company for Street to use. Moreover, the indictment said, Schwabe put together a bid for Street to maintain kitchen exhaust hoods at the airport, and also helped arrange renovation work for Street's girlfriend's hair salon. All of this was done without PAS's knowledge or approval, according to the indictment.

The indictment also alleges that Street and Velardi defrauded a company called V-Tech out of more than $80,000 after promising the company owner they would deliver $3.2 million worth of airport work. Street and Velardi had no authority to assign such a contract.

Neither Velardi nor Schwabe could be reached for comment.

Milton Street is expected to surrender to the FBI this week. He is scheduled to be arraigned tomorrow in U.S. District Court. The case has been assigned to Judge Legrome D. Davis.

Life: A One-way Street (PHDN)

By Dave Davies

Philadelphia Daily News, November 29, 2006

One thought no doubt occurred to veteran observers of Milton Street after his indictment yesterday on fraud charges: for sheer entertainment, this should go to trial - and Milton should take the stand.

There's no more colorful figure in local politics in the past quarter century than the mayor's brother. He's been a state legislator (both Democrat and Republican), a truck driver, a street vendor, a wig salesman, and a duckboat entrepreneur.

While he's left behind a trail of bad debts and colorful quotes - like calling a mayor "a Mafioso," a City Council president "a lying bastard" and a congressman "an Uncle Tom" - he's managed to stay out of serious criminal trouble before now.

"I've never known Milton to be a crook," Shawn Fordham, Milton's nephew by marriage, said yesterday. "Can he talk you out of five dollars? Yes. But that's his skill. He makes his case, and then you think he needs your last five dollars more than you do.

"But he's a really generous guy, too," Fordham added. "He'd give you the shirt off his back."

Milton remained upbeat yesterday when he greeted reporters in front of his Moorestown, N.J. home, predicting success in his coming legal battle and saying he wasn't feeling old.

"I think I'll run for office," he said.

Milton Street was a housing and vending activist in the 1970s who made it to the state legislature, changed parties and got voted out, blew a patronage job in traffic court by racking up fines, then pursued a string of business opportunities which became more lucrative when his brother John was elected mayor in 1999.

Among the more colorful episodes in the Milton Street story:

• In 1982, after changing parties in the State Senate to become a Republican, Milton challenged U.S. Rep. Bill Gray in one of the nastiest elections in memory. He called Gray "an Uncle Tom and a house n-----... controlled by white people." Milton lost.

• In 1989, Republicans rewarded Milton for his help in the legislature by making him an assistant budget director in traffic court. He lost the post for failing to pay $2,000 in traffic tickets. "Why the f--- should I pay?" he told an Inquirer reporter at the time.

• In the 1990s, Milton returned to street vending. Despite numerous citations by the Department of Licenses and Inspections, the Rendell administration in 1996 and '97 put Milton in charge of controlling vending at the Penn Relays. The Penn's Landing Corporation took Milton to court last year for unpaid vendor fees.

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• In 2000, political contributors got invitations to pay from $300 to $10,000 to sponsor a birthday gala for Mayor Street. It turned out the money was to go to a new political committee registered to Milton and an associate, and the mayor didn't even know about the event. He pulled the plug on it.

• In 2004, Milton emerged as an operative in Super Ducks, a business of amphibious touring vehicles which sought to use a pier controlled by its rival, Ride the Ducks. Milton was accused in a court filing of threatening to get access to the pier "the hard way." He denied the charge, but his firm lost the case.

Staff writer Chris Reber contributed to this story.

Editorial | Milton Street Indicted (PHI)

The Philadelphia Inquirer, November 29, 2006

The indictment yesterday of Mayor Street's brother on tax-evasion charges seems an almost inevitable result of the crony-friendly city contracts that have defined the mayor's tenure. The charges against T. Milton Street Sr. arise from city contracts at Philadelphia International Airport, long a source of pay-to-play rewards for people with friends (or relatives) in City Hall.

Milton Street says he's innocent. And that should be easy enough to prove or disprove in federal court. The mayor's brother either paid income taxes on his sweet, $30,000-per-month salary as an airport maintenance "consultant," or he didn't. The IRS says he didn't.

Also indicted were two officials of Philadelphia Airport Services, John H. Velardi Sr. and Matthias A. Schwabe. General Asphalt Paving Co., a joint-venture partner of PAS, put the mayor's brother on the payroll in 2001 to help PAS get a $50 million city contract to maintain the airport grounds and non-flying equipment.

Milton Street's qualifications for airport maintenance work, other than being the mayor's sibling, included stints as a state senator and a hot-dog vendor. Later, he launched a duck-boat business.

In 2003, PAS tried to award Milton Street a $1.2 million, no-bid contract to maintain the airport's baggage conveyors. The mayor, in the midst of his reelection campaign, nixed the deal amid cries of cronyism. The public didn't find out until nearly two years later that Milton Street still earned about $1 million from the airport contract, courtesy of a $30,000-a-month consulting deal.

His brother's airport deal has weighed down the mayor with plenty of political baggage. That's because, other than the one occasion in which he intervened, the mayor has tolerated cronyism and nepotism in city-funded work at the airport.

For example, the FBI investigation of City Hall corruption showed that the mayor's rainmaker, the late Ron White, got an airport printing contract for his girlfriend, who didn't own a real printing company.

Philadelphia's airport is the first place for the region to make a good impression on visitors. A seamless, customer-friendly operation is crucial to the city's image and its economic future. Instead, the mayor has allowed a system in which patronage takes precedent over efficiency. It's an odious system that puts private agendas ahead of serving the public.

The airport has endured baggage headaches enough without having the mayor's career-challenged brother in a position to potentially run the luggage carousels.

Mayor Street isn't responsible for making sure his brother pays taxes. But the final year of the mayor's tenure will be tainted by yet another criminal prosecution involving people close to him. It is no accidental legacy.

Executive Pleads Guilty To Racketeering, Agrees To Testify Against Ex-Senator (WP)

By Eric Rich

The Washington Post, November 29, 2006

A construction executive at the center of Maryland's largest public corruption investigation in years pleaded guilty yesterday to racketeering and other offenses, agreeing to testify against his codefendant, former state senator Thomas L. Bromwell.

As part of his plea agreement, W. David Stoffregen certified as accurate a document that outlines secret payments to Bromwell and free or steeply discounted contracting work at the lawmaker's home in exchange for Bromwell's steering of state contracts to Stoffregen's firm, commercial contractor Poole and Kent Corp.

The guilty plea is by far the most significant of the six such pleas that federal prosecutors have netted in their investigation of Bromwell, a Baltimore County Democrat who was one of the most powerful figures in Annapolis before he left office in 2002.

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Allegations of the improper exchange of cash and favors between the two men are at the heart of the prosecution's case, and with his plea, Stoffregen immediately becomes the star witness in a trial scheduled to begin in March.

The summary, filed in U.S. District Court in Baltimore, largely mirrors assertions made in the original racketeering indictment and in related cases involving other defendants.

Bromwell and his wife, Mary Pat, who was also charged in the racketeering indictment, have pleaded not guilty. Joshua Treem, one of Bromwell's attorneys, did not respond to a message seeking comment on the plea agreement. Stoffregen's attorneys and U.S. Attorney Rod J. Rosenstein declined to comment.

According to the summary, Stoffregen paid more than $190,000 to Bromwell, arranged the contracting work at his house and gave the lawmaker an ownership stake in International Partners Construction, a company that Stoffregen formed in 2000 to do business in Russia.

In exchange, it says, Bromwell saw to it that Poole and Kent was awarded a $13 million contract with the University of Maryland Medical System and arranged for expedited payments for work that the company performed on a state juvenile justice center project.

Bromwell's influence in the state Senate was considered so valuable, the summary says, that when he considered leaving the legislature for financial reasons, Stoffregen told him that if he agreed to stay, his wife would be given a job -- with an annual salary of $80,000 and no requirement to show up. Bromwell agreed, it says, and received payments of $192,000 disguised as salary from Namco, a company that Stoffregen controlled.

Stoffregen, 53, of Towson, pleaded guilty to racketeering conspiracy, mail fraud and filing a false tax return. Under the terms of the agreement, he will probably be sentenced to six to 18 years in prison. Stoffregen also agreed to forfeit more than $5.6 million, including his residence and a number of bank and other accounts.

The plea agreement is all but certain to complicate efforts to defend Bromwell, who was one of the most colorful figures in the legislature and who has been the head of a state agency, the Injured Workers' Insurance Fund, for three years.

Bromwell, a former tavern owner, was elected to the Senate in 1983. He rose to the powerful position of Finance Committee chairman and staged a daring but failed campaign to dislodge the Senate's longtime president, Thomas V. Mike Miller Jr. (D-Calvert), in the final days of 2000.

In the summary filed, Stoffregen also acknowledged orchestrating a minority contracting fraud scheme involving Namco, a front company that was certified as female-owned and whose presence on a job allowed Pool and Kent to appear to meet minority contracting goals or requirements. The company, for example, enabled Poole and Kent to meet such requirements on a 2003 terminal expansion at Baltimore-Washington International Airport, it says.

The summary says that Stoffregen and others went to elaborate lengths to make the front company appear legitimate when inspectors from the Maryland Aviation Administration, which oversaw the project, announced that they wanted to visit Namco offices.

Stoffregen ordered that furniture, computers and documents be delivered to the largely empty space listed as the company address, the summary states. He directed Poole and Kent employees to create a company brochure. And on the day of the visit, it says, Mary Pat Bromwell posed as a receptionist.

South Gate's Former Treasurer Gets 10 Years (LAT)

By Hector Becerra

The Los Angeles Times, November 29, 2006

Former South Gate Treasurer Albert Robles was sentenced today to 10 years in federal prison for plundering $12 million over five years from the small working-class city.

A federal judge handed down the sentence after Robles made an impassioned speech, admitting he acted "immorally" during his year as a leader of South Gate but claiming he never broke the law.

"There are different levels of hoodwinking, but I didn't think hoodwinking was a crime," Robles said. "During that period, I decided not to be a very good man every day. But I did not decide to be a criminal."

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Federal Judge Stephen V. Wilson seemed incredulous at Robles' statements, at one point telling the defendant's attorney that "what you have just said is among the most absurd things I have ever heard."

Wilson ultimately said he found Robles to be a "puppet master" who won control of a corrupt enterprise that preyed on the city and its residents.

In addition to prison time, Robles was ordered to pay back more than $600,000 to the struggling city.

A federal grand jury in 2004 indicted Robles on 39 counts of money laundering, bribery, wire fraud and public corruption, alleging that he used his elected office and political influence to funnel money from a variety of city projects to family and friends between 1998 and 2003. He was convicted last year.

Federal officials estimated that Robles, 41, personally received $1.2 million from the various schemes. The charges come a year after voters in the predominantly Latino city about seven miles southeast of downtown Los Angeles recalled Robles and several political allies from office.

The recall capped a tumultuous period in the city's history, when one councilman was shot, the city neared bankruptcy, and Robles was accused of threatening to kill political opponents.

Ex-state Lawmaker Sent To Prison (KNOXNS/AP)

By Woody Baird, Associated Press

Knoxville News Sentinel (TN), November 29, 2006

Roscoe Dixon, former senator, was guilty of bribery in Waltz case

MEMPHIS - Former Sen. Roscoe Dixon, the first state lawmaker to go to trial in the Tennessee Waltz corruption scandal, reported to a federal prison Tuesday to begin a five-year sentence.

Dixon, 57, is to serve the sentence, which has no provision for parole, at the Federal Correction Complex at Oakdale about 35 miles south of Alexandria, La., in the south-central part of the state.

Dixon is assigned to an unfenced prison camp at the complex and will bunk with about 70 other inmates in an open-bay dormitory, said public information officer Roland Jimenez.

While in prison, Dixon likely will work at a manual-labor job paying 12 cents to 40 cents an hour. "All inmates who are medically able are required to work," Jimenez said.

Dixon, a Memphis Democrat, was convicted in June of taking bribes from FBI agents posing as employees of E-Cycle Management, a company that offered payoffs for favors from state lawmakers and local officials in Memphis and Chattanooga.

Former Rep. Chris Newton, R-Cleveland, pleaded guilty to Tennessee Waltz bribery charges last year and is serving a one-year sentence at a federal prison in Atlanta.

State Sen. Ward Crutchfield, D-Chattanooga, and former Sens. Kathryn Bowers and John Ford, both Democrats from Memphis, are awaiting trials.

In all, the investigation has led to indictments against 11 defendants. Four have pleaded guilty, with three still waiting to be sentenced. A former county commissioner in Chattanooga was convicted at trial and sentenced to three years in prison.

Dixon was convicted on all charges in a five-count indictment and sentenced to five years and three months in prison. He also was sentenced to three years of supervised release when the prison term ends.

Dixon has vowed to appeal his conviction and has continued to argue that he was set up to take FBI money by overzealous federal agents and lying government informants.

In handing down the longest sentence in a Tennessee Waltz conviction, Judge Jon McCalla noted Dixon's lack of a public showing of remorse.

The Louisiana prison camp is part of a complex that includes a detention center for prisoners awaiting trial and a fenced prison for low-security inmates.

While the camp is not surrounded by a fence, any inmate leaving without authorization can be charged with escape and sent to a tougher prison.

Ala. And Fla. Men Face Child Pornography Charges (AP)

AP, November 29, 2006

DOJ_NMG_0099307

A federal grand jury in Birmingham has charged two Florida men and one Alabama man on multiple charges related to an interstate child pornography business disguised as a child modeling agency.

An 80-count indictment was unsealed Tuesday charging 42-year-old Marc Evan Greenberg, 39-year-old Jeffrey Robert Libman and Webe Web Corporation, all of Ft. Lauderdale, Fla.

A two-count criminal information charging 43-year-old Jeff Pierson of Brookwood with conspiring to transport child pornography in interstate commerce using a computer was also unsealed Tuesday.

"The indictment alleges that these defendants conspired to produce pornographic images of underage girls posing in lascivious positions for profit, under the pretense of offering professional modeling services," said Assistant Attorney General Alice S. Fisher of the Justice Department's Criminal Division.

Greenberg and Libman are charged with establishing a "child modeling" internet business called Webe Web Corporation. The indictment says Pierson was a photographer who provided images of minors engaged in sexually explicit conduct in Alabama and sent those images to Greenberg and Libman in Florida.

A statement from the Justice Department says that, from December 2002 through April 2005, Greenberg, Libman and Webe Web conspired with Pierson to "use minors to engage in sexually explicit conduct for the purpose of producing visual depictions of that conduct."

The Web site was presented as "a Web site to promote models age 7 thru 16 and their photographers." Visitors to the site could view between 15 and 21 photos of underage girls for free and could subscribe - for a $25 initial fee and then $20 per month - to the individual Web site of the "model" to see additional photos.

If convicted, Greenberg and Libman face 15 to 30 years in prison and a fine of $250,000. The corporation faces a $500,000 fine. And Pierson would face five to 20 years on each count and a $250,000 fine on each count.

Pellicano Witness Charged (BLOOM)

Bloomberg, November 29, 2006

Former SBC employee accused of lying under oath

A former SBC Communications employee, who was acquitted in September of lying to a grand jury in the investigation of Hollywood private investigator Anthony Pellicano, was charged again with lying under oath.

Joann Wiggan, 52, is accused by U.S. prosecutors of lying during trial testimony about voicemail messages from another former SBC employee, who is charged with helping Pellicano wiretap the telephones of actors and producers. Wiggan is also charged with lying to investigators and the grand jury.

Wiggan's lawyer, David Reed, didn't immediately return a call to his office. Her case was the first to go to trial in an investigation that has led to charges against 14 people, including Terry Christensen, a lawyer for Kirk Kerkorian and "Die Hard" helmer John McTiernan.

A federal jury in Los Angeles found Wiggan not guilty on four counts of perjury and deadlocked on a fifth count. McTiernan pleaded guilty in April to lying to the FBI about hiring Pellicano to wiretap the phone of a movie producer.

Wiggan had been ordered to testify before a grand jury in October 2005 and again in January. She denied using a voicemail account that Ray Turner, the other indicted former SBC employee, called more than 100 times.

FBI: Ill. Man Targeted Immigrants (CHIT)

By Azam Ahmed, Tribune Staff Reporter

Chicago Tribune, November 29, 2006

A southwest suburban man allegedly preyed on immigrants by posing as a government or law enforcement official who could help them with legal problems in exchange for fees, the FBI disclosed today.

Omar Abbas, 40, of Justice, was charged with a felony count of extortion after he was arrested in Chicago by FBI and Department of Homeland Security special agents on Oct. 19, authorities said.

Abbas, a Jordanian citizen who was working to obtain permanent U.S. residency, is accused of taking more than $25,000 from three different people since 2003. Abbas was living in the U.S. legally at the time, the FBI said.

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In the first instance, Abbas posed as an FBI agent and was paid more than $8,000 after he offered to assist a man facing possible deportation from the U.S., according to a criminal complaint.

In the second incident, Abbas pretended that he could bribe high-level City of Chicago attorneys to secure the release of a victim's son, who was held on an attempted murder charge, the complaint said. The father paid Abbas an estimated $5,000, according to the complaint.

In the third case, Abbas, posing as a government official, was paid more than $13,000 by an individual whose grocery store had been robbed, after Abbas said he could recover the stolen merchandise or get money for what was stolen, the complaint stated.

In all three instances, Abbas was introduced to the victims by third-party associates, authorities said.

Abbas, whose last known address was in the 8000 block of Marion Drive in Justice, was ordered held on $100,000 bond at his detention hearing at U.S. District Court in Chicago five days after his arrest, the FBI said.

Abbas is currently being held at the Metropolitan Correctional Center, awaiting his next court appearance in early January. If convicted, he could face up to 20 years in prison.

The FBI believes there may have been additional victims and urged anyone with information to come forward.

"I would encourage anyone, regardless of their immigration status, who might have been victimized by Abbas to contact our office immediately," said Robert D. Grant, the special agent-in-charge of the Chicago office of the FBI.

FBI Says Man Targeted Troubled Immigrants For Extortion (CHIST)

By Natasha Korecki, Federal Courts Reporter

Chicago Sun-Times, November 29, 2006

Omar Abbas told people he could fix their problems -- for the right price.

One man gave Abbas $8,500 because Abbas allegedly said he was an FBI agent. Another trusted Abbas to be a high-level attorney and paid him $5,500.

Abbas was nothing but an extortionist, the FBI said Tuesday.

Abbas, 40, made promises he didn't keep as he collected $25,000 from just three people, according to charges.

Abbas usually preyed on immigrants caught in tough circumstances, authorities said. He was arrested last month on extortion charges and is being held at the Metropolitan Correctional Center on a $100,000 bond.

Law enforcement officials believe more immigrants have been scammed but haven't alerted authorities because they fear their legal status will be questioned, FBI spokesman Tom Simon said.

"We want them to know they can come to us to complain," Simon said. "We will work with them every step of the way to make sure they're not punished for coming forward."

In one case, a man asked Abbas for help in getting his son out of jail pending his trial. Abbas allegedly said he was connected to assistant state's attorneys who would get his son out of jail immediately for the right price. The two met at the Daley Center downtown where the man handed cash to Abbas.

Faces 20 years if convicted He never saw Abbas again.

The man's son wasn't released until months later.

Another man went to Abbas when he faced deportation. Abbas allegedly said he was an FBI agent and would fix the problem for him. But Abbas allegedly pocketed the payments and did nothing.

Official: FBI Unresponsive To Taiwan (NSDY/AP)

By Associated Press, November 28, 2006, 5:18 Pm Est

Long Island Newsday, November 29, 2006

Lee Hsiang-chen, director of the High-tech Criminal Center of the National Police Agency, said Taiwanese requests for help from the FBI representative at the American Embassy in Tokyo routinely went unanswered.

Lee made his remarks from Taipei during a video conference with Raul Roldan, acting deputy assistant director of the FBI's cyber crime division. Roldan was taking part in the conference from Hong Kong.

"We have no FBI agents in Taiwan, so when we have cyber crimes involving the U.S., we go through the American Embassy in Tokyo," Lee said. "But very few (of our inquiries) come back. It makes us feel very depressed."

Roldan promised he would look into the problem.

Lee's complaint appeared to stem from the deliberately low profile assumed by the U.S. representative office in Taiwan, which was set up when Washington transferred its recognition to Beijing in 1979.

The mainland and Taiwan split amid civil war in 1949, and the U.S. operates according to the principles of the "one China policy," which keeps its presence in Taipei deliberately low key.

While diplomats and military officers no longer need to go through the subterfuge of serving on a contract basis, some U.S. government agencies are not represented on the island, despite its relative importance.

This includes the FBI, which maintains representatives in 12 Asian locations, including Cambodia, a far smaller country than Taiwan.

2 Ex-NASA Officials Take Issue With Investigation (ORS)

By Michael Cabbage

The Orlando Sentinel, November 29, 2006

CAPE CANAVERAL -- Two former NASA officials cast doubt this week on a pair of allegations outlined in a federal probe of space agency Inspector General Robert Cobb.

An oversight group, the President's Council on Integrity and Efficiency, is reviewing preliminary findings from an investigation into Cobb's conduct to determine what, if any, action to take. An internal report from the probe, obtained by the Orlando Sentinel, details the findings from 69 allegations made against Cobb, a former White House ethics lawyer.

Cobb has denied any wrongdoing. In a Nov. 17 letter to FBI Director Robert Mueller, Cobb described the report as "replete with easily demonstrable factual errors and inaccuracies."

One of the allegations investigated in the report states that Cobb did former NASA Administrator Sean O'Keefe's "bidding" by terminating a contract with the accounting firm PricewaterhouseCoopers for the agency's annual chief financial audit. NASA's inspector general is responsible for independently monitoring the agency.

Investigators wrote that O'Keefe was "not happy" with the audit, and after discussing the matter with then-Inspector General Roberta Gross, she "subsequently [was] asked to resign." The report notes "Cobb [was] selected" to replace Gross and "Cobb subsequently terminate[d] the contract with PWC [PricewaterhouseCoopers]."

In an interview, O'Keefe said that the chronology in the report omitted several important details and ignored the timing of events that would have shown they had no connection.

It "was a completely unrelated set of events," said O'Keefe, now chancellor of Louisiana State University. "It was not even in the same time span that we're talking about here."

The report makes no mention that more than a year passed between Cobb's arrival at NASA in 2002 and the end of the PricewaterhouseCoopers contract. Nor does the report state that the contract was allowed to expire instead of being terminated.

Paul Pastorek, NASA's former general counsel, made those points in an e-mail to the Sentinel on Monday. Neither Cobb nor his office "canceled the contract at any time," Pastorek wrote.

"It expired on its own terms. As the PricewaterhouseCoopers contract came to its natural conclusion, it was competed and another nationally recognized and well qualified firm won the competition."

O'Keefe also discussed the report's contention that Gross was asked to resign because he was unhappy with the audit. Factors behind her departure, he said, included her lack of awareness about systemic NASA accounting problems turned up by the audit.

Gross, a widely respected veteran investigator, told the Sentinel in an interview Tuesday that she monitored the audit closely, but NASA accountants did not produce needed records in a timely fashion.

"Of course, I knew the agency had problems with its records," Gross said.

"For him [O'Keefe] to say I didn't know there were problems misconstrues what happened."

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O'Keefe said the overly contentious relationship between the inspector general's office and other NASA departments was another reason he asked for Gross' resignation. O'Keefe cited an ongoing turf war with NASA's security office. Gross contends the tension was caused by her staff "doing their jobs."

One of the report's allegations appears related to that rivalry between the inspector general's office and NASA security personnel.

Several current and former employees in Cobb's office accused him of failing to investigate claims that NASA security specialists were carrying firearms aboard commercial aircraft without legal authority. One of the report's findings related to that allegation was an excerpt from an e-mail Cobb sent telling his staff they would get along with the security office "whether they like it or not."

A copy of the Feb. 14, 2003, e-mail obtained by the Sentinel shows it had no connection to the firearms issue, but instead was a message from Cobb to his employees in the aftermath of the space shuttle Columbia accident. The e-mail praised the work of his staff and asked them to get along better with security personnel while working on shuttle debris collection and removal.

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Fairfield Woman Pleads Guilty To Attempted Extortion (AP)

AP, November 29, 2006

NEW HAVEN, Conn. -- A Fairfield woman pleaded guilty Tuesday to a charge that she threatened to kill a man's son if he did not pay her $197,000, federal authorities said.

Pamela Boccanfuso, 44, pleaded guilty in U.S. District Court in New Haven to mailing threatening communications. She faces up to 20 years in prison and a fine of up to $250,000 when she is sentenced on March 20. She also must pay $50,000 restitution to a previous victim of an extortion scheme in 2004.

In February, the victim received a seven-page typewritten letter threatening to kill his son if he did not deliver $197,347.72 to the author, later identified as Boccanfuso. In the letter, Boccanfuso accused the victim's son of supplying drugs to Boccanfuso's son, nearly killing him and causing significant financial hardship due to medical and rehabilitation costs associated with his drug addiction.

About a week later, the victim received a second letter that directed him to place an advertisement in the Connecticut Post on Feb. 22 with a contact number. The FBI subsequently placed an advertisement in the newspaper that day listing a cellular telephone number as directed.

A few days later, the victim received several telephone calls between 3 a.m. and 3:45 a.m. over the number provided in the ad. The woman told him to place the money in a plastic bag and drive to Interstate 95 south, and that he then would receive another telephone call.

The victim told the caller that he could not raise that amount of money that quickly. Later, at about 3:45 a.m., the victim received another telephone call from the same female caller who said she had spoken to "her uncle" and that the man had two weeks to raise the money or his son would be killed.

On March 10, the FBI captured an incoming telephone number and identified it as belonging to a public telephone in Norwalk. Around the same time, a law enforcement surveillance team observed a woman, later identified as Boccanfuso, using that telephone.

Boccanfuso consented to a search of her car, which resulted in the seizure of gloves, an electronic voice changer and an Orbits gum box with the cellular telephone number identified in the Connecticut Post, authorities said.

Boccanfuso said she had telephoned the victim because she had been instructed to do so by unknown individuals who were threatening to disclose intimate pictures of her if she did not follow their instructions, authorities said.

A search of her home recovered a handwritten note containing instructions for the making of an extortion payment and other evidence, authorities said.

John Robert Gulash, Boccanfuso's attorney, said the claims in the February letter related to drugs were not true. He declined further comment.

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Atlanta Homebuilder Faces Up To 40 Years In Jail For Wire Fraud (ABC)

Atlanta Business Chronicle, November 29, 2006

A metro Atlanta homebuilder and seller has pleaded guilty to selling incomplete or non-existent houses in Forsyth County, Ga., and arranging more than $5 million in fraudulent mortgage loans for the houses.

Jeffery Alan Teague (also known as Jeffrey Allen Bryant), 49, pleaded guilty late Nov. 27 in federal district court to two counts of wire fraud for a scheme to defraud mortgage lenders by arranging loans to buy incomplete homes in the names of California, New York, and Florida "investors." Teague provided the lenders with false Certificates of Occupancy, stating the houses securing the loans were "completed to code" and "suitable for occupancy."

Teague was arrested by the FBI on Aug. 3 in connection with the execution of a series of search warrants on his offices and the incomplete Forsyth County houses.

He now faces a maximum sentence of 40 years in prison and a fine of up to $500,000. Sentencing is set for Feb. 9 before U.S. District Judge Thomas W. Thrash.

According to information provided by U.S. Attorney David E. Nahmias, from 1999 to 2001 Teague, using the name "Jeffrey Allen Bryant" and operating as the builder/seller "Quantum Builders" and "Premium Property Management," defrauded mortgage lenders by obtaining more $10 million in loans for the purchase of non-existent and incomplete houses in Rockdale County from Bryant/Quantum Builders. These loans were obtained in the names of unqualified "straw borrowers," using fraudulent appraisals with photographs of completed houses and false Certificates of Occupancy provided by Teague.

Following detection of this scheme, Teague moved to Maryland, but returned to Atlanta in 2006 under the name Jeffery Alan Teague and "The Pacific Group Inc., d/b/a Value Homes Ltd." Teague again began to arrange mortgage loans for the purchase of incomplete houses in Forsyth County from Teague/Value Homes in the names of California, New York and Florida "investors." In 2006, Teague also collected "investor" money for property in subdivisions in Fayette and Fulton Counties which he did not own.

"This case highlights the problems created by mortgage fraud where the builder is involved in the fraud and out-of-state 'investors' sign loans without inspecting the properties," Nahmias said. "Even the partially built houses in this case may be subject to condemnation as the portions completed were not built to code, thereby leaving mortgage lenders with little security for their loans and 'investors' with nothing to resell."

San Quentin's Execution Team Is Called Incompetent (LAT)

By Henry Weinstein, Times Staff Writer

The Los Angeles Times, November 29, 2006

A brief filed on behalf of killer Michael Morales finds broad problems with death penalty cases.

California's procedures for executing prisoners by lethal injection fall short of standards set by the veterinary profession for animal euthanasia and were formulated with less care than methods in China, the world leader in capital punishment, according to a brief filed Tuesday in San Jose federal court by attorneys for a death row inmate.

In addition, the brief asserts that the execution team at San Quentin State Prison is "unlicensed, untrained, unprofessional and incompetent" to carry out its duties.

The brief was lodged as U.S. District Judge Jeremy Fogel prepares to rule on perhaps the most fiercely fought of a number of legal challenges in several states to lethal injection, the dominant method of execution in the nation. Fogel is expected to rule by the end of the year in the case of Michael Morales, who argues that California's injection methods create an unnecessary risk of excessive pain and as a consequence violate the 8th Amendment prohibition against cruel and unusual punishment.

The California Department of Corrections and Rehabilitation "conducts its executions in an outdated, cramped gas chamber with an undersized and dark anteroom," from which prison staff are supposed to assure proper administration of a three-drug protocol, the brief says.

The brief also says the state uses chemicals "mixed by untrained and unsupervised prison staff, while ensuring that there is no meaningful oversight or review."

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Earlier this month, the California attorney general's office issued a ringing defense of the state's procedures, maintaining in its brief that "there is no evidence that any prior execution resulted in the unnecessary and wanton infliction of pain."

But the 274-page brief filed by Morales' attorneys finds fault with virtually every aspect of California's administration of capital punishment, frequently citing statements by state personnel during the proceedings.

For example, the execution team leader, identified only as Witness No. 5, said that for the last eight executions, he did not require team members to practice mixing sodium thiopental, which is supposed to anesthetize the inmate before the two other drugs — pancuronium bromide, which paralyzes the inmate, and potassium chloride, which causes cardiac arrest — are administered.

One of the key arguments in the Morales case, and in several other lethal injection challenges around the country, is that the anesthetic has not been properly administered, with the result that the inmate experiences excruciating pain but cannot express it because he is paralyzed.

Witness No. 4, a licensed vocational nurse, said in a deposition that she was not trained to mix thiopental. The first time she prepared it was the night of an execution, she said.

The Department of Corrections "has failed to comprehend both the importance of properly preparing [the drug] and the difficulty of doing so," according to the brief filed by defense lawyers David A. Senior, Kathleen T. Saenz and Benjamin D. Weston of Century City. Attorneys Ginger Anders of Washington, John Grele of San Francisco and Richard Steinken of Chicago helped prepare the brief.

In response to a question from the judge, the defense brief indicated that it might be less risky to use a single drug. Still, Morales' lawyers cautioned that there would still be risks. Significant problems with the execution chamber and drug delivery apparatus, including cramped quarters, poor lighting and bad sight lines, still exist.

Fogel asked the lawyers how the procedure could be improved. But Morales' lawyers said that they were ethically constrained in their answers, saying they could not "be put in the position of designing for the state its execution procedure."

In response to another question from Fogel, defense lawyers said many of the dangers in monitoring the inmate, inserting the IVs and injecting the drugs "flow from the fact" that the state continues to execute prisoners in San Quentin's old gas chamber, instead of in a facility designed for lethal injection.

"It is common sense that a facility should be designed to accommodate the specific elements of the procedure that will be performed in that facility. The veterinary profession has recognized this and advocates using dedicated rooms for euthanasia," the defense brief stated.

Defense lawyers noted that a witness for the state, Dr. Robert Singler, observed that "the cramped quarters and positioning of the gurney rendered placing the IVs more difficult than in a clinical setting." Execution staffers have repeatedly experienced difficulty inserting IVs to deliver the lethal drugs, the brief pointed out. It noted that several other states have built a facilities for lethal injections.

Defense lawyers said there may be a better execution anesthetic than thiopental. But as long as the protocol includes pancuronium bromide and potassium chloride, "it is imperative" that the state provide for a clinical bedside evaluation of anesthetic levels by a trained professional, the brief said.

The defense said it "should not be that difficult" for the state to retain such a doctor, although a brief filed by the California attorney general's office earlier this month asserted that such a requirement would effectively shut down capital punishment in California because leading physicians' organizations have urged their members not to participate in executions.

Morales' lawyers criticized state officials for failing to adequately research either their original lethal injection protocol or a modified procedure adopted in the face of his legal challenge. In contrast, they said, Chinese government officials conducted detailed experiments on animals before executing humans by lethal injection

Morales' lawyers argued that the state needed to bring its execution procedures into the open.

"For the past 14 years," they said, the Corrections Department has undertaken the recruiting, screening and training of execution team members "in total secrecy. That secrecy has permitted the execution system at San Quentin to operate in an unbelievably dysfunctional manner."

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NC Execution Delayed For Mental Tests (FINDLAW/AP)

AP, November 29, 2006

(AP) - ALBEMARLE, N.C.-A judge ordered an execution delayed for 60 days Monday so psychiatrists can evaluate a man who wore a Superman T-shirt while representing himself at trial and pleaded with jurors to sentence him to death.

Guy Tobias LeGrande, 47, had been set to die Friday for the 1993 murder of Ellen Munford, whose estranged husband offered to pay him $6,500 from a $50,000 life insurance policy.

The stay of execution granted Monday by Stanly Superior Judge William R. Bell includes 45 days for psychiatrists to submit their observations and evaluations to the court.

Death penalty opponents argue that LeGrande is one of the nation's most extreme examples of a mentally ill person who never should have been allowed to represent himself. Prosecutors suggest his courtroom antics were parts of an elaborate act.

Defense attorney James Coleman, a Duke University law professor, says a psychiatrist who recently examined LeGrande's records concluded that he is psychotic. The defense said LeGrande believes that the governor has already pardoned him and that he will receive billions of dollars from the state once freed.

A defense attorney who represents LeGrande without his permission said he doesn't know whether LeGrande will cooperate with the doctors.

"Mr. LeGrande doesn't want any of this to occur because in his mind he has been pardoned," attorney Jay Ferguson said.

Michael Parker, the current district attorney, said transcripts from LeGrande's 1996 trial show he appeared to know what he was doing much of the time. LeGrande's outbursts came at the end of the trial, when he didn't get the verdict he wanted, Parker said.

Beyond the issue of whether LeGrande should have been allowed to represent himself, his defenders question whether the state should execute an inmate they believe is mentally ill. Both the American Bar Association and American Psychiatric Association oppose executing defendants with severe mental disorders.

LeGrande's attorneys also are challenging the motivations of trial witnesses, saying they likely were paid for their testimony.

Protecting Reporters' Phone Records (NYT)

The New York Times, November 29, 2006

A journalist's ability to protect the identity of confidential sources has been further eroded by the Supreme Court's refusal this week to stop a prosecutor from reviewing the telephone records of two New York Times reporters. This is the latest legal blow to the diminishing right of journalists to shield informants who often provide information of great interest and importance but who might be punished if their identities were known.

The case arose from a Chicago grand jury investigation into who told the two reporters, Judith Miller and Philip Shenon, about actions the government planned to take against two Islamic charities in late 2001. The government contends that the reporters, in performing the normal journalistic practice of calling the charities for comment, effectively tipped them off to impending raids and asset seizures, undermining the effort.

Rather than drag the reporters into court, where they could have protected their sources by refusing to testify, the prosecutor subpoenaed their phone records for 11 days in 2001. A trial court prohibited the government from obtaining the records from the phone companies, but a divided appeals court reversed that decision. Now the Supreme Court, in refusing to intervene, has effectively allowed the prosecutor to search through the records in hopes he can pinpoint the source of the leak.

This is a bad outcome for the press and for the public. The phone records reveal the identities of lots of sources having nothing to do with the leaks. The appeals court's disingenuous suggestion that The Times might redact irrelevant records would simply have helped point to possible leakers.

The public will be ill served if this case reduces the willingness of officials to reveal important but sensitive information. The privilege granted to journalists to protect their sources needs to be bolstered with a strong federal shield law that would preserve the public interest in newsgathering and dissemination of information.

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CIVIL LAW:

Justices Today Tackle Consumer Protection (USAT)

By Sue Kirchhoff

USA Today, November 29, 2006

WASHINGTON — The Supreme Court today takes up a hotly contested business case with major implications for the nation's banking industry and, more broadly, for states' ability to set consumer protection and other laws that are tougher than federal standards.

The case, Watters v. Wachovia Bank, pits Michigan regulators, supported by consumer groups and state attorneys general, against the banking industry, federal officials and business groups such as the U.S. Chamber of Commerce. A decision is likely by July, when the court recesses for the term.

"This is really the front lines of the ongoing, evolutionary struggle over the balance of power between the federal government and the states," says Columbia Law School professor Thomas Merrill.

The states and federal government have shared jurisdiction over the banking industry. In the past several years, however, the federal Office of the Comptroller of the Currency (OCC) has issued rules that, among other things, expanded its authority to oversee not just national banks, but their subsidiaries.

In response, Wachovia Mortgage, operating under a Michigan charter, changed its status in 2003 to become an operating subsidiary of Wachovia Bank and told Michigan regulators it was now subject to OCC regulation. Michigan moved to bar Wachovia Mortgage from operating in the state, and Wachovia sued.

The Michigan Office of Financial and Insurance Services, headed by Linda Watters, says the OCC rules have transformed state-charted subsidiaries into "creatures of the federal government" without the permission of states. Michigan argues that the OCC's pre-emption of state regulations exceeds its power under federal law and infringes on state sovereignty in violation of the U.S. Constitution.

Banking groups, which have won in the lower courts, say the OCC has federal law and court precedent on its side. Vance Beck, associate general counsel of Wachovia, says transforming Wachovia Mortgage into a subsidiary allows the bank to operate under one federal standard rather than a costly, inefficient patchwork of state laws.

The U.S. Chamber of Commerce has filed a legal brief in support of the OCC, noting the decision could affect a wide swath of businesses.

The case comes as financial products have become more complex and states have passed a rash of laws to combat predatory mortgage and other lending.

Consumer groups say the case will, at a minimum, affect hundreds of banks and weaken consumer protections. They say state banking regulators have more expertise in such areas as mortgage lending and far more enforcement personnel than the OCC, and that the OCC has brought only a handful of consumer-protection cases.

"The notion that states should lose their ability to protect consumers when they're dealing with national banks or their operating subsidiaries is pretty disturbing," says Ellen Harnick of the Center for Responsible Lending.

AARP, National Consumer Federation and other groups supporting the Watters complaint assert that the OCC, rather than working on behalf of consumers, has in recent years frequently intervened on the side of national banks or their operating subsidiaries against consumers.

While the debate is now in court, it could move to Congress. Incoming House Financial Services Chairman Barney Frank, D-Mass., would like to set national standards to combat predatory mortgage lending.

Key Test Of State Power For Supreme Court (CSM)

By Warren Richey

The Christian Science Monitor, November 29, 2006

For 11 years, the conservative wing of the US Supreme Court did something decidedly unconservative. It sought to tip the balance of power between the national government and the states.

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This so-called federalism revolution was aimed at bolstering the status of the states as dual sovereigns in the face of an ever-expanding sphere of federal power. The justices wrote of state sovereignty and the dignity of the states in terms reminiscent of Colonial distrust of the kind of draconian central authority wielded by the British crown.

But by the time Chief Justice William Rehnquist died in 2005, the "revolution" resembled little more than a constitutional skirmish.

Now with two new members of the Supreme Court, it is unclear whether the justices might again take up the mantle of states' rights. Will a majority seek to boldly build on the string of federalism precedents handed down by the Rehnquist court, or will the judicial minimalism of Chief Justice John Roberts leave it to federal regulatory agencies and Congress to police the constitutional contours of federal-state power?

The high court's first significant opportunity to address those questions arrives in a case set for oral argument Wednesday.

At issue in Watters v. Wachovia Bank is whether a federal agency has the power to preempt state regulations governing national mortgage companies doing business within a state's borders. Put another way, the issue is who regulates mortgage companies affiliated with national banks, state regulators or federal regulators.

Traditionally, mortgage companies had to comply with state registration and other requirements. But in 2001, the federal Office of the Comptroller of the Currency (OCC), which regulates national banks, issued a new rule that subsidiary companies of national banks are governed by federal, not state, regulations.

That action preempted state laws and rules governing mortgage companies and other national bank subsidiaries operating in a particular state.

The current case arose in Michigan. Wachovia Mortgage Corp., a subsidiary of Wachovia Bank, had long done business there. The mortgage company was set up as a Michigan corporation. But because it is a subsidiary of a national bank, company officials said after the OCC rule change that they did not have to comply with Michigan regulations, only federal ones enforced by the OCC.

Linda Watters, who heads Michigan's Office of Insurance and Financial Services, insisted that the company would have to comply with state laws if it wanted to continue to conduct business there.

The dispute went to court. A federal judge and a federal appeals court panel ruled for the company. Two other federal appeals courts have also ruled against state governments in similar litigation.

Michigan is now asking the Supreme Court to reverse the lower court decision, in part, according to state lawyers, because the OCC's preemptive actions encroach on an area of traditional state power enforced by principles of federalism guaranteed in the 10th Amendment.

"In the absence of Congressional authorization, the OCC has no independent power to preempt the validly enacted legislation of a sovereign state," writes Michigan Solicitor General Thomas Casey in his brief to the court.

Lawyers for Wachovia disagree. "These rules are within the OCC's delegated rulemaking authority," says Robert Long in his brief. Any protections of state power under the 10th Amendment are abrogated by Congress's constitutional power under the commerce clause to regulate national banking, Mr. Long adds.

The Bush administration is backing Wachovia and the OCC. Federal agencies have the power to issue regulations that preempt state laws even when Congress has not specifically authorized such preemption, says Solicitor General Paul Clement in his brief.

The case is being closely followed by bankers as well as other nationwide businesses that face a patchwork quilt of differing state regulations. Federal preemption offers a significantly more efficient means of conducting business nationwide.

"For some of us, we're not even sure how the 10th Amendment ended up in this case," says Robin Conrad of the National Chamber Litigation Center of the US Chamber of Commerce. "We have two new members of the court, and they have yet to show their cards in cases involving federal preemption," she says. "We see this as a pretty clear case that uniform national law is of primary importance."

Also watching the case are attorneys general from the nation's 49 other states, the District of Columbia, and Puerto Rico, who are urging the justices to uphold Michigan's power to regulate companies doing business within its own borders.

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"If [the OCC rule] is allowed to stand, it would render states powerless to protect their residents from abusive and discriminatory consumer practices by state- created entities that are operating subsidiaries of national banks," writes Caitlin Halligan, New York solicitor general, in a friend-of-the-court brief filed by the states.

Consumer protection is an area traditionally regulated by the states, Mr. Casey writes in the Michigan brief. In contrast, he says, the primary mission of the OCC is to ensure the safety and soundness of the national banking system.

There are 40 full-time OCC staff members in a central office to investigate consumer complaints against national banks and their subsidiaries, Casey says. By contrast, there are nearly 700 full-time examiners and lawyers at the state level who handle consumer complaints, he says.

Lawyers for National City Bank offer different numbers in their friend-of-the-court brief. Of OCC's 1,800 examiners, they say, 300 spend all or part of their time enforcing bank compliance with consumer-protection laws.

The OCC receives 70,000 consumer complaints a year, the National City Bank brief says, and in 2004 returned $4 million in wrongful fees and charges to complaining customers.

The brief says that state and local consumer-protection efforts "provide no real benefit to consumers." It adds that federal examiners located on-site in large national banks effectively monitor not only the financial soundness of the bank's operations but also compliance with federal consumer-protection laws.

The Power To Destroy (WSJ)

The Wall Street Journal, November 29, 2006

The Supreme Court today is hearing Watters v. Wachovia, a case whose lineage goes all the way back to McColluch v. Maryland in 1819. In that seminal case on the powers of the federal government, Chief Justice John Marshall famously ruled that Maryland could not levy a tax against the Bank of the United States because "the power to tax involves the power to destroy," and states lacked authority under the Constitution to "destroy" federal entities through taxation.

The Bank of the United States is long gone, but in Watters v. Wachovia states are still trying to exercise authority over federally chartered banks. The refrain in today's case could well be that the power to regulate is the power to destroy. Linda Watters, the petitioner in the case, is Michigan's state banking regulator. In 2003 she tried to bar Wachovia Mortgage Corporation from making loans in Michigan unless it submitted to direct state regulation.

Wachovia Mortgage happens to be a wholly owned, North Carolina-based subsidiary of Wachovia Bank, a national bank chartered by the Office of the Comptroller of the Currency, or OCC. And so Wachovia argued that its subsidiary, like the parent bank, was not subject to state regulation or registration when it came to banking activities that the parent company was authorized to conduct under federal law.

That the power to destroy is no exaggeration is illustrated best by a similar case involving Wells Fargo. California's banking regulator came within 72 hours of shutting down all Wells Fargo mortgage-lending activities in the state after the bank announced that it would no longer submit to state regulation of its mortgage-lending subsidiary. Only prompt judicial action prevented Wells Fargo's entire portfolio of mortgages in the state from being wiped off its books.

Banks have been winning cases such as Watters, in part because federal law is clear that national banks are not subject to state regulation when they conduct business authorized by the National Bank Act and regulated by the OCC. The only ambiguity is whether this federal pre-emption of state law applies equally to subsidiaries and the parent companies. But even that is a slender reed, because the subsidiaries in question aren't doing anything that the parent companies couldn't do themselves. After its brush with death in California, Wells Fargo absorbed the offending subsidiary into the parent company, despite winning in court, rather than face future state threats.

This hasn't stopped all 50 state Attorneys General from filing an amicus brief supporting state regulation of national bank subsidiaries. It should surprise no one that the brief was authored by none other than New York AG Eliot Spitzer, who has made a specialty out of intruding on traditional federal authority. Mr. Spitzer has already tangled with the OCC (and has so far lost) over national mortgage lenders, and he is not one to forget a slight. His case is to be heard by an appeals court next week.

Supporters of state regulation cry "federalism," and this paper yields to no one in trying to restrict Washington to its Constitutionally delegated powers. But the Constitution contains the Commerce Clause for a reason. If banking across state lines

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isn't interstate commerce, it's hard to know what is. Given that the appeals courts have sided with the banks in earlier cases, one is left to hope that the Supreme Court has taken Watters in order to eliminate whatever uncertainty remains when it comes to state regulation of national banks.

NWA Strike Appeal Argued (STPPP)

The St. Paul Pioneer-Press, November 29, 2006

The union representing flight attendants at Northwest Airlines asked an appeals court Tuesday to overturn a judge's ruling and allow them to go on strike.

Arguing before the 2nd U.S. Circuit Court of Appeals, a lawyer for the Association of Flight Attendants-CWA, Edward Gilmartin, said the law allows for a strike because Northwest made unilateral changes in its employees' contract terms and working conditions, including imposing pay cuts.

A focus of the argument was on the federal Railway Labor Act, which governs labor relations at U.S. airlines.

The appeals court will decide whether New York U.S. District Court Judge Victor Marrero properly overruled a bankruptcy court judge over the summer when he stopped the flight attendants from engaging in any strike activity.

Northwest is operating in bankruptcy protection, and it imposed the cuts after union members twice voted down negotiated settlements with the airline. Northwest maintains it needs the cuts to exit bankruptcy.

A lawyer for Northwest, meanwhile, said that the airline wants peace with its flight attendants and urged a federal appeals court to support a judge's decision to block the workers from striking.

And the U.S. Justice Department, represented by Assistant U.S. Attorney Heidi Wendel, argued that a strike, "would come at the expense of the public."

Northwest lawyer Brian Leitch told the court that the airline would continue to negotiate with representatives of its 7,300 active flight attendants who were prevented from striking on Aug. 25 after the company imposed the pay cuts.

"Northwest recognizes we still have to achieve an agreement with our flight attendants," Leitch told the three-judge panel. "It's just good business."

The bankruptcy judge let Northwest slice pay and benefits for its flight attendants. The union has said the cuts amounted to 40 percent.

At Tuesday's hearing, lawyers for the Air Line Pilots Association appeared in court in support of the AFA's appeal.

Northwest said it believes the appeals court will uphold the judge's ruling. The Eagan-based airline outlined to the court "why it believes that provisions of the Railway Labor Act apply during the airline's Chapter 11 bankruptcy proceedings," said company spokesman Roman Blahoski.

"We feel very confident that the appeals court will uphold the Railway Labor Act and our right to go on strike," said Ricky Thornton, a spokesman for the AFA at Northwest.

The three-judge panel, which didn't immediately rule, acknowledged that it had never considered a case quite like it.

Chief Judge Dennis Jacobs cautioned the lawyers to keep in mind that there was more to the dispute than flight attendants and an airline company that carries 130,000 passengers a day on 1,200 flights.

"There's a third party — the public interest," Jacobs said. He noted that Congress has purposely structured labor laws regarding the transportation industry to ensure "the ability to travel from here to there."

Another judge, John Walker Jr., interrupted AFA attorney Gilmartin shortly after he said Northwest tried to win concessions through the courts that it was unable to get at the bargaining table.

"That's one way to look at it," Walker said. "Another way is to say that this is a company in financial distress looking to get reorganized."

Judge Reene Raggi said Northwest did what the law permitted it to do by seeking permission from the bankruptcy judge to impose pay cuts.

In a related development, Northwest and the AFA are scheduled to continue their mediated negotiations on a consensual contract on Dec. 12 in Minneapolis. The airline remains committed to negotiating a consensual agreement with its flight attendants. The AFA has repeatedly said that talks are at an impasse.

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Staff writer Sheryl Jean contributed to this story.

Schools Appeal Ruling On No Child Suit (AP-Y)

By Terry Kinney, Associated Press Writer

AP, November 29, 2006

School districts in three states and the nation's largest teachers union asked a federal appeals court Tuesday to revive a lawsuit challenging the way government-mandated programs are funded.

The National Education Association and districts in Michigan, Vermont and Texas had sued to block the No Child Left Behind law, President Bush's signature education policy. They argued that schools should not have to comply with requirements that aren't paid for by the federal government.

Chief U.S. District Judge Bernard A. Friedman in Detroit dismissed the lawsuit in November 2005.

Attorney Robert Chanin, representing the Pontiac, Mich., school district and the other plaintiffs, told the 6th U.S. Circuit Court of Appeals on Tuesday that states submitted compliance plans based on their understanding of the level of government support that would be provided. But Congress appropriated far less than needed, leaving local school districts to make up the difference, he said.

Government attorney Alisa Klein told the panel that the intent of the law was never to fully fund the provisions laid out in No Child Left Behind.

The law requires states to revise academic standards and develop tests to measure students' progress annually. If students fail to make progress, the law requires states to take action against school districts.

The three-judge appeals court panel took the case under advisement and did not say when it will rule. The outcome would apply directly to the districts in the case, but could affect how the law is enforced in schools across the country.

CIVIL RIGHTS:

Justice Dept. Settles Saraland Housing Discrimination Claims (AP)

AP, November 29, 2006

SARALAND, Ala. (AP) — The Justice Department reached a housing discrimination case settlement Tuesday with a landlord in Saraland accused of trying to force a white renter out of an apartment after learning she had a biracial daughter.

The settlement, which includes a $40,000 damages payment, stems from a federal complaint alleging that Beulah Stevens violated the federal Fair Housing Act in her actions against Michele Jones, according to the Justice Department.

Although Jones is white, the complaint states that Stevens tried to force Jones out of the apartment "upon learning that her child is biracial and that she associated with African Americans," the agency said in a news release. It also said Stevens was accused of using racial epithets when speaking about black people.

According to the complaint, two fair housing tests carried out by the Mobile Fair Housing Center — now called the Center for Fair Housing, Inc. — showed that Stevens, who manages 19 rental properties, treated white testers who asked about availability of rental units more favorably than black testers.

Stevens said Tuesday that the claims were baseless.

"There's not a prejudiced bone in my body," she told The Associated Press in a phone interview. "I like black people. I grew up playing with black people, eating with them and everything else."

Stevens said her objection to Jones was based on other legitimate grounds.

Under the settlement, Stevens agreed to pay more than $40,000 in damages and penalties, to post a non-discriminatory rental policy, to undergo training on the requirements of the Fair Housing Act and to submit periodic reports to the Justice Department.

The settlement still needs to be approved by the U.S. District Court for the Southern District of Alabama.

"This case shows that the Department of Justice and this office believe that housing discrimination is a serious violation of the law," said U.S. Attorney Deborah J. Rhodes of Mobile. "We will enforce federal laws against racial discrimination."

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N.Y. Mayor Meets With Dead Groom's Family (CNN)

CNN.com, November 29, 2006

NEW YORK (CNN) -- New York Mayor Michael Bloomberg met Tuesday with the family of a man shot and killed by police early Saturday in an incident that has sparked community outrage and could lead to a federal investigation.

Sean Bell, 23, was shot to death by police officers outside a Queens nightclub hours before he was to be married to the mother of his two children.

Two others -- 31-year-old Joseph Guzman and 23-year-old Trent Benefield -- were seriously wounded in the incident.

Bloomberg told reporters he met for an hour with Bell's family and fiancee to express his condolences and discuss the investigation of the incident. (Watch Bell's father explain his son's fear of police)

Community leaders have demanded to know why NYPD officers fired as many as 50 rounds -- one officer alone fired 31 shots -- at the unarmed group of men as they were leaving Bell's bachelor party early Saturday morning. (Watch police acknowledge 'contagious shooting')

"They are obviously feeling a terrible pain, and the one thing that they would like the mayor to say is the one thing the mayor can't say -- that there is nothing the mayor can do to bring back their son or their fiance," Bloomberg said of Bell's loved ones.

Bell was pronounced dead Saturday at Jamaica Hospital in Queens. An autopsy showed he was struck four times in the neck and torso.

As of Tuesday, Guzman remained in critical condition after being shot at least 11 times and Benefield was in stable condition with three bullet wounds, said a representative of Mary Immaculate Hospital in Queens where the two are being treated.

All five police officers involved in the shooting were placed on administrative leave Sunday pending an investigation by the Queens district attorney, Richard A. Brown.

Bloomberg said Brown's office was investigating the incident diligently and trying to determine whether a grand jury should be involved.

"District Attorney Brown is the one who now has responsibility for trying to ascertain what happened," Bloomberg said.

Bloomberg rejected claims that the incident was racially motivated, citing an NYPD policy against ethnic profiling.

Many black leaders have said the victims, all African-American, were unjustly targeted because of their race.

"There's no evidence that race had anything to do with it," Bloomberg said. "The police officers were as diverse as the people in the car." (Watch how high-capacity police weapons may bear part of blame)

Federal law enforcement officials said the Justice Department was nearing the formal opening of a federal civil rights investigation into the fatal shooting.

Justice Department officials acknowledged the matter remained under review and that federal authorities in Washington and New York continued to monitor events in the aftermath of the shooting.

Officials declined to confirm that a decision to formally investigate the case could be announced as early as Tuesday or Wednesday.

FBI officials asking not to be identified said they expected the Justice Department "very soon" to request agents for the federal probe.

"Until that happens, this investigation is completely in the hands of the Queens district attorney," said one FBI official.

The Justice Department's Civil Rights Division frequently investigates cases in which law enforcement actions taken against members of minority groups prompt complaints of police violations of federal civil rights statutes.

CNN's Stacey Francisco, Terry Frieden and Ellen Rose contributed to this report.

Shooter: They Knew I Was Cop (NYDN)

By Alison Gendar And Corky Siemaszko, Daily News Staff Writers

New York Daily News, November 29, 2006

The undercover cop who fired the opening salvo in a 50-shot barrage that felled a Queens man on his wedding day told his story yesterday for the first time.

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The detective insisted he identified himself as a cop well before he fired on the car carrying Sean Bell and his buddies.

"This cop screamed, 'Police!' and he had his shield out," attorney Philip Karasyk told the Daily News.

The News is withholding the name of the Brooklyn-born detective to protect his safety and the undercover operations he has worked on.

The detective held his fire despite Bell clipping him with his Nissan Altima, said Karasyk, who refused to name his client, even as police sources confirmed his identity.

"Once the car hit him, he jumped to the side," Karasyk said.

But when the cop saw the man sitting in the passenger seat - whom police sources identified as Joseph Guzman - reach into his waistband, the officer fired the first of 11 rounds at the men.

Four other officers, believing they were being shot at, also opened up on the car, Karasyk said. When the gunfire was over, Bell was dead and Guzman and another man, Trent Benefield, were badly wounded.

"The other officers believed the shots were coming from the vehicle," Karasyk said. "They only did so in this case because they were in mortal fear for their lives."

Queens District Attorney Richard Brown has vowed to get to the bottom of the Saturday morning shooting that has outraged black New Yorkers - and that Mayor Bloomberg said looked like "excessive force."

Karasyk, however, said the five cops involved in the shooting - none of whom ever fired his gun on the job before - had no qualms about telling their stories before a Queens grand jury.

"That's our offer to the prosecutors - to waive immunity," Karasyk said.

The lawyer's client is a Hispanic officer in his late 20s.

A 66-year-old relative told The News that the detective is a good cop.

"Only God knows what happened," he said. "Police never shoot for no reason. Maybe he's got a reason."

The Justice Department is monitoring the unfolding investigation, but Brooklyn U.S. Attorney Roslyn Mauskopf emphasized it is not independently collecting evidence or interviewing witnesses.

At an NAACP meeting in Queens last night, black leaders called for the feds to appoint a special prosecutor if Brown doesn't obtain an indictment.

Police Commissioner Raymond Kelly said police were questioning a new witness. Sources said that witness was China Flores, who had told The News that a fourth man nearly jumped in Bell's car before the shooting.

Police are still searching for that fourth man, who is believed to have left the Kalua Cabaret in Jamaica, Queens, with the victims - and to have disappeared shortly before the shooting started. Police also believe that the mystery man may have been armed.

All five officers have been placed on paid leave and ordered to surrender their guns.

Life-long friends Guzman and Benefield took Bell out for a bachelor bash at the club - unaware that cops investigating drugs and prostitution were staking out the joint.

Two undercover detectives - Karasyk's client and a female officer - were inside. NYPD guidelines permitted them to have two drinks; Kelly said it wasn't yet known whether Karasyk's client was drinking because he hasn't been questioned pending the grand jury probe.

When Bell and his pals left at 4 a.m., Karasyk's client followed. Kelly conceded on Monday that it was unusual for an undercover officer to pursue suspects; normally, the undercover signals his colleagues to move in.

Karasyk said his client followed because he heard Guzman say outside the club that he was going to get a gun to settle a beef with another club patron.

Many in the African-American community believe there was a racial component to the shooting because Bell and Benefield are both black.

Detective Mike Oliver, who fired 31 shots, and Officer Mike Carey, who fired three times, are both white - as is Lt. Gerard Napoli, the supervising officer who did not fire his weapon. The two other officers who fired the remaining shots are both black. Their names have not been revealed.

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Investigators have a mountain of evidence to go through, and there also are more than 50 people to interview, delaying the empaneling of the grand jury. If charges are brought, all the cops' names will come out.

With Oren Yaniv and Scott Shifrel

Rally Held For Elderly Woman Slain By Police (AJC)

By Saeed Ahmed, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, November 28, 2006

About 70 residents gathered outside the house of Kathryn Johnston Tuesday evening, some holding placards condemning police, others venting angrily about the botched narcotics raid that claimed the life of the elderly woman a week ago.

"I'm enraged," said Walterine Jones, 50. "I mean, my God, if they can do this to an elderly woman like her, what does it mean for the safety of the rest of us."

The rally participants marched to a church for a community meeting, bringing the crowd to about 300.

Atlanta police Chief Richard Pennington addressed the crowd, saying he became concerned after community response to the shooting.

When he learned that the information he received conflicted with what a confidential informant told the Internal Affairs Unit, he brought in the FBI to lead the investigation, he said.

"I am not new to police misconduct," he said. "I've worked in Washington, D.C., and New Orleans. I've made this move based on law enforcement and my gut feeling."

Marchers to the church carried signs that mocked the police, passed around by rally organizers, the New Black Panther for Self-Defense.

"Warning taxpayers & black citizens. Don't dial 911. The police will kill you," said one.

Another was a cartoon of a smiling uniformed officer holding a phone, with the caption: "They gave me administrative leave ... with pay. Kill a black citizen and get paid."

The message was a reference to Pennington's decision to place on paid leave the sargeant and seven detectives who are part of it.

Residents angry

Even without the signs, there was plenty of anger to go around among those who gathered in front of a makeshift memorial outside the now-boarded up house where Johnston died in a gunbattle with officers.

Residents said that while crime is rampant in the area, the stretch of Neal Street where Johnson lived alone for almost two decades was home to other elderly residents.

"There's crime that needs to be tackled here, that's true. But this road right here, there's never been any drug dealing here," said Michael Jaye, 46, who has lived in the area since he was 4.

"But the police don't come here to fight crime. They come to knock heads," he added. Johnny Colbert, 27, echoed many of the attendees' suspicion that police made up the description of "Sam," who they said was the man who sold drug to an undercover informant.

"There are a lot of 'Sam' around here. They are all make-believe by the police," he said.

As some of the attendees pumped fists into the air and shouted "Black Power" at the exhortation of the organizers, a handful of stoic GBI and FBI agents stood by watching.

On a nearby porch, an elderly woman leaned on the railing, straining to catch what was happening.

She too would have walked down and shown her support, she said. But she was too feeble to, she said.

The meeting, at the Lindsay Street Baptist Church on North Avenue, was organized by State Sen. Vincent Fort and Rep. "Able" Mabel Thomas, both Democrats from Atlanta.

"I just don't understand how you bust in someone's house and don't know who lives there," said Mary Thomas, an usher at the church. "My daughter and I said this could be any of us."

Joe Cobb, who works in the neighborhood, said he never believed Johnston or anyone else sold drugs at the house.

"What's unfolding just reinforces what I first thought: the police lied," he said.

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Services Held For Woman Slain By Atlanta Police (AJC)

By S.a. Reid , Rhonda Cook, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, November 29, 2006

Friends and family who gathered at an East Point funeral home Tuesday for the funeral of Kathryn Johnston said they just want to know the truth about the drug raid that led to the elderly woman's death.

"When this occurred, we were shocked that this could be real," said Johnston's niece, JoAnne Trawick. "I've always believed from the beginning that this was a mistake."

Commenting on revelations that the informant narcotics officers say led them to the Johnston's house is accusing the officers of asking him to lie about his role, Trawick said, "I hope he is telling the truth.

"Nobody wins in this situation," Trawick said, outside Gus Thornhill's Funeral Home. "We just want to see the truth come to light."

Vera Washington, Johnston's sister-in-law, said she suspected police "were lying all the time. A woman that age would not be selling drugs."

The Rev. Markel Hutchins, who has acted as spokesman for the family, said Johnston's family is encouraged by the FBI's entry into the investigation of the Nov. 21 gun battle that left Johnston dead and three narcotics officers wounded.

"They had zero confidence before yesterday," Hutchins said. "Now their confidence is increased."

"Finally, the truth is coming out so that her name will not be seen in such a bad light," said family friend Carletta Sutton. "I think that a number of people expressed concern that her memory and her name has been sullied by the allegations that drugs have been sold from her house."

A neighbor of Johnston's, Utamu Onaje, said Johnston practiced holistic health and "didn't even take medications, let alone drugs.

"She should have been able to be safe in her hown house," Onaje said.

Johnston's funeral service drew about 100 people, including members of the New Black Panthers Party for Self-Defense and Atlanta City Council members C.T. Martin and Mary Norwood.

The Rev. Robert Melson offered words of comfort and encouragement as Johnston lay in a steel gray, closed casket topped with a spray of pink and white carnations mixed with baby's breath.

Melson prayed for justice and for God to bring peace to the souls of Johnston's family and friends.

"Sleep on mother," he said, referring to Johnston. "We love you, but God loves you best."

Kelly Hill, a young friend, described Johnston as " the strongest person I've ever known "and said she often spoke, as senior citizens sometime do, of being ready for death and that the time was near.

"I never thought I'd see her leave this earth the way that I did," said Hill during her emotional remarks at the service.

Atlanta police Chief Richard Pennington confirmed Monday that the informant now claims police asked him to lie about his role in an alleged drug buy that led to the shooting.

The informant, who has not been identified, complained to department officials that the drug investigators involved in the bust had asked him to go along with a story they concocted after the shooting, said Pennington. He said the informant had been placed in protective custody.

The informant told an Atlanta television station that the officers asked him to lie to provide them cover in the shooting.

Pennington confirmed the television station's account of what the informant had claimed and said it mirrored what the informant had told his internal affairs unit over the weekend.

"The informant said he had no knowledge of going into that house and purchasing drugs," Pennington said. "We don't know if he's telling the truth."

8 officers suspended with pay

All seven narcotics investigators and a sergeant have been suspended with pay pending the investigation, Pennington said. Their names were not made public.

"The complete truth will be known," Pennington said.

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After nearly a week of unanswered questions prompted by the northwest Atlanta shooting of Johnston, the chief on Monday called for an unusual multi-agency review of the incident.

Pennington announced the investigation at a news conference that featured officials from the U.S. attorney's office, the FBI, the Georgia Bureau of Investigation and the Fulton district attorney's office.

David Nahmias, the U.S. attorney in Atlanta, said federal agents "come to this investigation with an open mind," but he cautioned that anyone who lies could face federal charges.

"No one should get in the way of the truth," Nahmias said.

Johnston was shot to death last Tuesday night as the drug investigators burst into her house at 933 Neal St. Johnston was shot twice in the chest by officers who have said that they were returning her fire.

The 88-year-old woman, whose age was previously reported as 92, wounded three of the officers with a rusty revolver her niece said she had bought her aunt for her protection. One officer was hit three times, including once in the center of his bulletproof vest, while the other two where shot once each. None of their wounds were life threatening.

Police officials have said the officers went to Johnston's small brick house after the informant purchased drugs there from a man identified only as "Sam." Police have obtained an arrest warrant for Sam.

In a court affidavit released Monday, Jason R. Smith, an Atlanta narcotics officer, said that the informant had used $50 of city money to buy crack cocaine from Sam at the Neal Street house. Smith, who could not be reached for comment Monday night, described the informant as a reliable source who has helped police make drug arrests in the past.

In the affidavit, Smith said Sam greeted the informant at the front door and spoke briefly to him on the porch. Sam disappeared into the house and reappeared with two bags of crack cocaine, which the informant later turned over to the officers, according to the affidavit. Smith's statement also said that the informant had alleged that Sam had installed surveillance cameras at the house and monitored them constantly.

Smith's affidavit was sufficient to persuade Fulton County Magistrate Kimberly Warden to sign a warrant allowing the officers to enter the house without knocking at the door. Smith asked for the special "no-knock" authorization because of the possibility that officers would be injured or evidence would be destroyed. Warden signed the warrant shortly before 6 p.m., about an hour before the shooting.

However, the informant has since denied to police and a local television station that he purchased the drugs. He also said there was no person named Sam.

The informant, who said he worked with Atlanta police for four years, also told WAGA-TV that he hadn't been to 933 Neal St. His identity hidden, he told the TV station that one of the drug officers called him soon after the shooting with instructions.

Quoting the officers, the informant told Fox 5 News: " 'This is what you need to do. You need to cover our [rear]. ... It's all on you man. ... You need to tell them about this Sam dude.' "

Pennington said investigators were trying to determine the truth. "I don't know if he went in or not," he said.

Many questions and conflicting accounts have surfaced since police shot the woman, described by neighbors as feeble and afraid to open her door after dark. At first police said that the drug buy was made by undercover police, but later they said the purchase was made by an informant. Early on, police said narcotics were found at the house after the shooting, but on Sunday investigators said they had found only a small amount of marijuana, which police don't consider a narcotic.

Also, even though the affidavit said that the house was outfitted with surveillance cameras, Pennington said the informant had told internal affairs investigators that police officers had asked him to lie about the cameras. Pennington could not confirm whether the cameras existed.

From the beginning, it has been unclear why police targeted the woman's house, and the affidavit and warrant documents shed little light. The documents do not suggest that police had been keeping the house under surveillance and provide no rationale for entering it other than the informant's alleged buy earlier in the afternoon. The raid did not produce the cocaine, money, computers and other equipment related to the drug business alleged in the affidavit. The documents listed the only resident as Sam, who was described as at least 6 feet tall and 250 to 260 pounds. Johnston's family said she lived alone.

Court officials initially refused to release the affidavits and search warrant even though state law requires that such records be made available immediately. The documents were made public Monday, nearly a week after the incident.

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"There are many unanswered questions," said Pennington, who returned Sunday after being out of town for the Thanksgiving holiday when the shooting occurred.

Mayor Shirley Franklin, who has said little publicly about the shooting, said she had discussed the allegations with Pennington. Franklin said the chief has "my confidence that they will be transparent and honest and very thorough in their review. ..."

"I certainly share the concern that all of us have on the loss of life," Franklin said. "We were not expecting something like that could happen in the city of Atlanta."

Staff writers Ernie Suggs, David Pendered and Saeed Ahmed contributed to this story.

Shootings By Police Spur Debate (USAT)

By Larry Copeland, Usa Today

USA Today, November 29, 2006

ATLANTA — An 88-year-old woman killed last week in a shootout with plainclothes police who burst into her home was laid to rest Tuesday amid a burgeoning national debate over police use of deadly force.

Kathryn Johnston was killed Nov. 21 when she fired at undercover narcotics agents who had obtained a "no-knock" search warrant for her home after telling a judge that a confidential informant had bought drugs there earlier in the day.

The FBI is leading a probe of the incident, in which Johnston wounded three officers, after the informant told Atlanta television station WAGA-TV that he never bought drugs at the house but that a narcotics officer had instructed him to say that he had. "I'm telling them, I never went to that house," he says in an interview in which his face was disguised.

Atlanta Police Chief Richard Pennington says the man, who has not been publicly identified, "told us he had no knowledge of going to that house and purchasing drugs. I don't know if he's telling the truth."

Seven narcotics investigators and a police sergeant have been placed on paid leave until the inquiry is completed, a routine procedure in such cases.

More than 200 people rallied in Johnston's northwest Atlanta neighborhood Tuesday evening to demand answers in the shooting, one of several that have put police use of deadly force under increased scrutiny.

In New York City early Saturday, Sean Bell, 23, was killed after he left a bachelor party at a strip club that was the target of an undercover police investigation. Police fired more than 50 shots at a car carrying Bell and two friends, both of whom were wounded.

NEW YORK SHOOTING: Bloomberg meets with family

The district attorney in DeKalb County, an Atlanta suburb where 12 people have been killed by police this year, says she may present evidence to a grand jury.

Rep. Cynthia McKinney, D-Ga., whose district includes DeKalb County, is seeking congressional hearings on police use of deadly force nationwide, according to a letter she sent to Attorney General Alberto Gonzales and incoming House Judiciary Committee Chairman John Conyers, D-Mich.

"While I support police officers in their efforts to combat crime, our citizens have become alarmingly frightened ... that some, if not most, of these police involved shootings may have been preventable," wrote McKinney, who is leaving office in January after losing a re-election bid.

Charles Steele, president of the Southern Christian Leadership Conference, an Atlanta-based civil rights organization, called "for an evaluation of adequate and proper communication efforts by police departments nationwide. These senseless deaths ... must cease immediately."

Some criminal justice experts cautioned against over-reacting to the shootings.

"Police departments have become far more scrupulous in training and accountability and are recruiting people to try to minimize the number of police-involved shootings," says Chuck Wexler, executive director of the Police Executive Research Forum, a think tank in Washington, D.C.

"There are much tighter controls on the use of force. Police departments have significantly narrowed the conditions under which police can use deadly force," he said.

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He says there were 80 to 100 police-involved shooting fatalities a year in New York during the 1970s; in recent years, that has fallen to 10 to 15.

Robert J. Kane, a professor of criminal justice at Northeastern University in Boston who specializes in police authority and accountability, says the shootings by police stem from a more aggressive approach nationally to policing.

"They come at a time when police officers are rapidly expanding the use of police paramilitary units and highly aggressive drug enforcement units," Kane says. "In the 1990s, you had a community policing movement. Police departments were encouraged to share some crime prevention responsibility with the public. Around 1996, you had this movement toward zero-tolerance strategies. ... A lot of cities are creating police paramilitary units. They drive around and look for trouble, and they often find trouble."

In Johnston's northwest Atlanta community, a gentrifying neighborhood that has pockets of crime and drug activity, neighbors say Johnston was not involved in anything illegal.

"That lady was no drug dealer," says Vickie Harris, 33, who has lived in the neighborhood for about eight years. Police, she says, "made a mistake. They ought to just admit it."

Contributing: Associated Press

Police Shootings And New York: Lessons Learned (CSM)

By Alexandra Marks

The Christian Science Monitor, November 29, 2006

NEW YORK

Call it a tale of two shootings. In each, an unarmed black man is killed in New York in a hail of bullets fired by police, fearing, rightly or wrongly, for their lives.

But the different responses of city leaders to last weekend's shooting of Sean Bell in Queens and the 1999 death of Amadou Diallo in the Bronx tell a tale of a city's evolution and its ability to learn the importance of acknowledging a community's outrage and responding to it. Such a changed response is evident not just in New York, but in other cities across the country.

Almost as soon as Mayor Michael Bloomberg heard Saturday that police fired 50 times on three possibly unarmed black men, he began reaching out to political, religious, and community leaders, assuring them a full, fair investigation would take place. By Monday morning, the mayor, police commissioner, and dozens of black leaders - many still angry - came together at City Hall.

In the immediate aftermath of the 1999 death of Mr. Diallo, a West African immigrant shot in the entry to his apartment building, then-Mayor Rudolph Giuliani defiantly defended the police. He didn't meet with local black leaders until weeks later. Thousands of protesters poured into the streets, prompting more than 1,700 arrests.

"You learn from your errors," says Douglas Muzzio, a political analyst at the School of Public Affairs at Baruch College in New York. "The reaction reflects in part the mayor's personality and the police commissioner's professional personality, but they learned from what Giuliani did, and they're not going to make the same mistakes."

New York's reaction is emblematic of changes in community/police relations across the country. From Cincinnati to Atlanta to Los Angeles, police departments have realized they need the cooperation and support of minority communities - those that usually felt the brunt of the "get tough" crime initiatives of the 1990s. In each city, fumbled political reactions to a charge of police misconduct - whether it was the 1991 beating of Rodney King in Los Angeles or the 2001 shooting of a young black man in Cincinnati - have taught lessons about the importance of reaching out, urging calm, and dealing with nothing but the facts.

"There's now a more proactive, customer-service-oriented attitude and response in the aftermath of these incidents because police departments all over the country now understand their aggressive enforcement actions are typically felt disproportionately in the minority communities, and that further strains police/community relations," says Jack Riley, acting director of the Center on Quality Policing at the RAND Corp. in Pittsburgh. "With crime rates heading back up, the last thing you want to do is alienate a constituency you need to help keep crime level."

In New York, at a press conference with community leaders this week, Mayor Bloomberg remarked several times that no one was more "disturbed" than he and Police Commissioner Raymond Kelly by last Saturday's shooting. Mr. Bell and two friends

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were leaving a strip joint after a bachelor party when an undercover officer, who was part of a larger operation at the club, thought he heard one of Bell's group say, "Yo, go get my gun." When the officer approached the car, an altercation erupted and police started firing. It's unclear whether the officer identified himself as a policeman or what prompted the gunfire that killed Bell and wounded two others, one critically.

"To me, it is unacceptable and inexplicable how you have 50-odd shots fired, but that's for the investigation to find out what happened," says Bloomberg. "We will tell everyone everything we know when we know, and we will not speculate."

Bloomberg also said he did not believe the shooting was racially motivated. Two of the shooting victims were black, and one was Hispanic. Two of the officers involved were black, two were white, and one was Hispanic. All five have been suspended.

"This is a much better response than the Giuliani administration [to the Diallo shooting], much more open and much more direct," says City Councilman Leroy Comrie of Queens. "A lot of people in this city are uncomfortable with the police department and its tone on the streets, but so far I'm satisfied [that] the mayor and the police commissioner have done their utmost to provide as much detail as possible."

Most political analysts are applauding the city's response so far, but some say it's unfair to compare the way Mr. Giuliani and Bloomberg handled the two shootings. Giuliani, who defeated the city's first African-American mayor, had strained relations with the minority community from the start. In reforming the city's finances, he also took on its various interest groups, including those in the black community, according to political analyst Fred Siegel, author of "The Prince of the City: Giuliani, New York and the Genius of American Life." Finally, the Diallo incident occurred at a time when the mayor's personal and marital problems had become regular public fodder.

"The Diallo affair comes at the beginning of Giuliani's personal meltdown," says Mr. Siegel. "This isn't a criticism of Bloomberg. I just don't think it's a fair comparison."

Other analysts say the city is also different as a result of 9/11 and the work Bloomberg has done in repairing relations with the black and Hispanic communities. He's worked to keep lines of communication open on a regular basis.

"You can't just have people talking to each other at a time of crisis. There has to be a foundation for communication. Otherwise, you're just managing the consequences of the crisis," says Mr. Riley of RAND.

50 Shots (WSJ)

By Joseph D. Mcnamara

The Wall Street Journal, November 29, 2006

Around 4 a.m. on Saturday, Nov. 25, several New York City police officers in plain clothes fired an estimated 50 shots at a car, wounding two black men and killing a third, 23-year-old Sean Bell. Some police bullets penetrated nearby homes. Although an undercover officer had called for back-up, indicating that the three suspects had a gun, no weapon was found in the aftermath.

Inescapably, comparisons were made between Mr. Bell (who was to have been married later on Saturday) and Amadou Diallo, an unarmed African immigrant killed in a volley of 41 bullets by four NYPD plainclothes officers in February 1999. Mr. Diallo had committed no crime and was attempting to enter his own hallway when one of the undercover officers yelled, "Gun!" The four officers were acquitted in a trial held outside the city, based upon their defense that they reasonably believed their lives were in danger.

In both cases, the NYPD accurately cited statistics indicating that it had a comparatively low shooting rate, and that shootings by police were not rising. And in both instances, New York's black leaders and black communities reacted with understandable outrage that unarmed black men were killed with such a volume of gunfire. Both sides seemed to be talking past one another, instead of to each other.

After the Diallo case, I wrote that I, my father, older brother and countless other relatives had collectively served the NYPD for more than a century and a half and that none of us would have fired at Mr. Diallo. I say the same about the lethal volley that took Mr. Bell's life, based on initial reports.

Simply put, the police culture in our country has changed. An emphasis on "officer safety" and paramilitary training pervades today's policing, in contrast to the older culture, which held that cops didn't shoot until they were about to be shot or

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stabbed. Police in large cities formerly carried revolvers holding six .38-caliber rounds. Nowadays, police carry semi-automatic pistols with 16 high-caliber rounds, shotguns and military assault rifles, weapons once relegated to SWAT teams facing extraordinary circumstances. Concern about such firepower in densely populated areas hitting innocent citizens has given way to an attitude that the police are fighting a war against drugs and crime and must be heavily armed.

Yes, police work is dangerous, and the police see a lot of violence. On the other hand, 51 officers were slain in the line of duty last year, out of some 700,000 to 800,000 American cops. That is far fewer than the police fatalities occurring when I patrolled New York's highest crime precincts, when the total number of cops in the country was half that of today. Each of these police deaths and numerous other police injuries is a tragedy and we owe support to those who protect us. On the other hand, this isn't Iraq. The need to give our officers what they require to protect themselves and us has to be balanced against the fact that the fundamental duty of the police is to protect human life and that law officers are only justified in taking a life as a last resort.

There appear to be important differences between the killings of Mr. Diallo and Mr. Bell. Mr. Diallo was no threat to anyone. First reports are that the car occupied by Mr. Bell deliberately struck an undercover officer after he had identified himself. In addition, it is clear that the current police commissioner and mayor have established much better relations with the black community than their predecessors. Both Mayor Michael Bloomberg and Commissioner Raymond Kelly have been as critical of the current shooting as permitted under due process. Yet when all is said and done, those with official responsibility to ensure that the innocent are protected, not harmed, by the police must constantly evaluate all police training, tactics, arms and attitudes.

Mr. McNamara, a retired NYPD deputy inspector and former police chief of Kansas City, Mo., and San Jose, Calif., is a research fellow at the Hoover Institution at Stanford.

L.A. Officers Cleared In Child's Killing (LAT)

By Patrick Mcgreevy And Richard Winton, Times Staff Writers

The Los Angeles Times, November 29, 2006

The police board says toddler Suzie Peña's death in a gun battle was the fault of her father, but mistakes were made.

The LAPD officers who stormed a South L.A. auto shop last year, killing 19-month-old hostage Suzie Peña during a gun battle with her father, followed department rules and should not be punished, the Police Commission ruled Tuesday.

But the oversight panel found problems in the way the Los Angeles Police Department field command responded and managed the crisis and singled out for potential discipline two officers who fired their weapons from the periphery very early in the 2 1/2 -hour siege.

"There was a systemic breakdown at the command and leadership level," Commission President John Mack said. "This incident is nothing short of tragic. It's tragic for all of us. The officers involved, and the community at large. It is a loss for Los Angeles and will be remembered as a sad and tragic day in our history."

One SWAT officer was wounded in the gun battle with Jose Raul Peña, who held his daughter in his arm as he repeatedly fired his gun at officers at his Watts car sales business in July 2005.

The commission announcement came hours after the district attorney cleared of criminal wrongdoing the 11 police officers who fired their weapons, even as the toddler's family and community activists demanded that the panel discipline the officers involved in the confrontation.

The commission announced its finding after a nine-hour, closed-door meeting with Police Chief William J. Bratton in which the panel unanimously backed all of his recommendations on which officers acted in and out of policy.

Mack and other panelists said the SWAT standoff highlighted shortcomings in the way the LAPD handles such incidents — including communications among elite units — that must be immediately addressed.

Specifically, the commission wants to hold commanders managing the scene more accountable for the actions of officers on the ground. The panel ordered Bratton in the future to review the actions of commanders with the same degree of detail that officers' actions receive.

Other reforms proposed include modifications for the use of urban police rifles and better training for officers as well as commanders and an examination of how to better storm a building in hostage situations.

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Altogether, 13 officers, three sergeants and one lieutenant were ordered to undergo additional training because of concerns about their tactics during the incident.

The commission went out of its way to clear the handful of officers who actually stormed the building at the end of the standoff. In fact, the panel said many officers involved in the case "took courageous steps to defuse a frightening situation."

They noted that Suzie's father fired 15 of his 39 rounds at the officers in the final moments of the conflict while holding his daughter in his arms.

But they also found that two officers who fired and missed Peña from the periphery of the site near the beginning of the confrontation violated department policy in their tactics and the firing of their weapons.

Suzi's mother, Lorena Lopez, said afterward that she was disappointed that the officers involved in the final confrontation were not found to have violated policy.

"I did not get justice," Lopez said, adding that she would press ahead with her lawsuit "to get justice."

Bratton acknowledged the command and control concerns and said some officers will be disciplined and receive training as a result of failing to follow department policy on tactics and the use of force.

"This was not a good day for anybody," Bratton said. "It was a tragic day."

But, he added that officers did an "outstanding job" overall, given the chaotic situation.

"I want to commend the men and women of this department who in every instance of this incident behaved courageously, marching toward danger, every one of whose interest and intent was to save the life of the hostages," Bratton said.

His use of the word "outstanding" drew a sharp rebuke from Luis Carrillo, the attorney for Lopez.

"The police could have waited before storming in like cowboys," Carrillo told the chief and commission as he and the family stormed out of the meeting. "It was not an outstanding day when a baby died at the end of the day."

Hours earlier, the Los Angeles County district attorney's office announced that it had declined to file criminal charges against the officers involved in the standoff.

A report by that office found that the officers acted in defense of their own lives when they shot and killed Peña and "inadvertently hit with rounds" and killed Suzie, who was being used as a shield.

In a 10-page letter, Deputy Dist. Atty. Renee S. Cartaya wrote that the 11 officers "acted lawfully in self-defense and in defense of others when they used deadly force against Jose Peña." Prosecutors noted that Peña was using cocaine, engaged in a series of gun battles and had become irrational and told police he was fictional gangster Tony Montana from the movie "Scarface."

Police commissioners and prosecutors were particularly affected by tapes of telephone conversations during the siege.

Peña told an officer by phone earlier, according to prosecutors, "I'm going to hell. Me and the baby will go to hell before I ever leave this baby with my wife."

A 15-month investigation was unable to determine which of the officers killed the child as they tried to rescue her from her father's arms.

Commissioners agreed with Bratton that ultimately, Jose Peña was responsible for the toddler's death.

According to the district's attorney's account, the final confrontation began about 6:20 p.m. after Peña cut off communications and appeared with a pistol in his waistband.

He was holding the child by a backdoor and refused an order to put her down.

Seeing Peña trying to draw his weapon, Officer Dennis O'Sullivan, positioned on top of an armored vehicle, fired at him, according to the report.

SWAT Officer Chester McMillion then ordered an emergency assault after seeing Peña flinch as if he had been struck.

Once inside, officers found that Peña had fled to an inner office. SWAT officers heard gunshots and saw bullets come through the wall of the office, the report said.

Deploying a flash-bang device, Officers Dan Sanchez, Eduardo Perez, William Casey and Robert Gallegos Jr. entered the office and a gun battle ensued. Sanchez was shot in the shoulder by Peña.

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Seeing Peña slump behind the desk with the baby on his lap, an officer rushed forward to grab the child only to realize Suzie had been fatally wounded. Simultaneously, prosecutors said, Peña reached for his pistol and Perez and Gallegos shot him in the head.

The toddler's family disputed the district attorney's finding that the officers acted in self-defense.

"There were plenty of police officers. The SWAT team was there," said Suzie's sister Ilsy DePaz, who was rescued from the scene by police.

"I don't see how they were acting in defense," she said. "You don't shoot a flash-bang grenade into a small office and expect for a little baby to come out alive."

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Man Pleads Guilty In Shrine Desecration (FINDLAW/AP)

AP, November 29, 2006

(AP) - WEST BEND, Wis.-A 21-year-old man pleaded guilty Monday to desecrating one of Wisconsin's most popular religious shrines to commemorate "Satan's birthday."

Tyler Groth pleaded guilty to felony criminal damage to religious property, and could face up to a year and a half in jail when he is sentenced Jan. 11.

Groth and his 17-year-old cousin, David J. Groth, were accused of spraying paint on statues and spray painting a devil's face at several locations in June at the Basilica of Holy Hill, National Shrine of Mary, in Erin.

It was to commemorate the date 06-06-06, and Tyler Groth told investigators the date is "Satan's birthday." In the Bible, the Book of Revelation describes triple sixes as the mark of the Antichrist.

Groth agreed to plead guilty in exchange for the dismissal of two unrelated misdemeanor graffiti charges, his attorney said.

David Groth had pleaded no contest to the same charge. He is scheduled to be sentenced Jan. 11.

Judge Orders Hearing On Voting Districts (ORS)

The Orlando Sentinel, November 29, 2006

OSCEOLA COUNTY -- - A federal judge who ruled that Osceola's countywide elections for commissioners violates the U.S. Voting Rights Act on Monday ordered a hearing in the case next week.

The announcement came just days after competing proposals by the county and the U.S. Department of Justice were submitted to the court.

U.S. District Judge Gregory A. Presnell set aside two hours for the 2 p.m. hearing Dec. 7 at the federal courthouse in Orlando, 80 N. Hughey Ave. He had ruled that the current countywide system penalizes Hispanics in a "racially polarized" county.

The Justice Department, which proposed single-member-district elections for all five commission seats, asked for the hearing with its filing Wednesday.

Federal prosecutors offered two options with slightly different district lines.

The county's attorneys proposed a plan that would have two commissioners elected at-large and five from single-member districts.

All three plans center on a Hispanic-majority district that includes the Buenaventura Lakes community and the adjacent Kissimmee neighborhood of Lakeside.

Both sides have disputed the other's methodology in drawing the districts to account for Osceola's exploding growth since the 2000 census.

Hispanics make up about a third of the county population, but only one has ever been elected to the commission, under single-member-district voting a decade ago.

Osceola has spent nearly $2 million in fees for attorneys and experts defending itself since the Justice Department sued last year.

Mark Pino, Henry Pierson Curtis, Christopher Sherman, Gary Taylor and Willoughby Mariano of the Sentinel staff contributed to this report.

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Treasury Ordered To Make Bills Recognizable To Blind People (FINDLAW/AP)

By Matt Apuzzo, Associated Press Writer

AP, November 29, 2006

(AP) - WASHINGTON-By keeping all currency bills the same size and texture, the U.S. government has denied blind people meaningful access to money, a federal judge said Tuesday.

U.S. District Judge James Robertson said the Treasury Department has violated the law, and he ordered the government to come up with ways for the blind to tell bills apart.

He said he wouldn't tell officials how to fix the problem, but he ordered them to begin working on it within 10 days. The American Council of the Blind has proposed several options, including printing bills of differing sizes, adding embossed dots or foil to the paper or using raised ink.

"Of the more than 180 countries that issue paper currency, only the United States prints bills that are identical in size and color in all their denominations," Robertson wrote. "More than 100 of the other issuers vary their bills in size according to denomination, and every other issuer includes at least some features that help the visually impaired."

Government attorneys argued that forcing the Treasury Department to change the size of the bills or add texture would make it harder to prevent counterfeiting. Robertson was not swayed.

"The fact that each of these features is currently used in other currencies suggests that, at least on the face of things, such accommodations are reasonable," he wrote.

He said the government was violating the Rehabilitation Act, which prohibits discrimination on the basis of disability in government programs. The opinion came after a four-year legal fight.

"It's a landmark decision. I believe it will benefit millions of people," said Jeffrey A. Lovitky, attorney for plaintiffs in the lawsuit.

U.S. Currency Discriminates Against Blind, Judge Rules (NYT)

By Edmund L. Andrews

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — A federal judge here ruled on Tuesday that the government illegally discriminated against blind people by printing its paper currency on bills of the same size that could not be distinguished by touch.

The judge, James Robertson of Federal District Court, ordered the Treasury Department to start discussing within 30 days potential remedies, including different note sizes for different denominations and raised numerals and perforated dots on the bills.

“Of the more than 180 countries that issue paper currency,” Judge Robertson wrote, “only the United States prints bills that are identical in size and color in all their denominations.”

The judge pointed out that euro notes came in bigger sizes for higher denominations and had raised numerals as well as foil patches in different shapes. Japanese notes have rough patches to help identify them by touch. Swiss francs feature intaglio printing and perforated numerals, and other countries use sequences of perforated dots.

“The fact that each of these features is currently used in other currencies suggests that, on the face of things, such accommodations are reasonable,” Judge Robertson wrote.

The Treasury Department refused to comment on the decision or on whether it would appeal the order, which came after a four-year court fight between the government and the American Council of the Blind.

The Treasury Department had argued that making bills identifiable by touch would create an undue financial burden for the government. It had estimated that the most expensive approach — printing different sizes for different denominations — would cost $178 million for new printing presses and as much as $50 million for new plates.

Judge Robertson said that cost would be small compared with the $4.2 billion that the government spent on currency production in the past 10 years.

He also rejected as “utterly unpersuasive” government pleas that new tactile features might undermine the anticounterfeiting features. He also dismissed the government’s argument that such features might undermine the greenback’s international acceptance, saying, “This contention is not only not supported but, on its face, absurd.”

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Day Al-Mohamed, director of advocacy and government affairs for the American Council of the Blind, said the decision addressed a constant problem for people with little or no eyesight.

Paper currency "is one of the biggest parts of everyday life, and we just don't have access to it," Ms. Al-Mohamed said. About 937,000 people in the United States are legally blind, and an additional 2.3 million people have "low vision" even when wearing corrective lenses.

The American Council of the Blind had argued that American paper currency was "inaccessible" to blind people and violated the Rehabilitation Act, which prohibits discrimination in government programs against people with disabilities.

Judge Robertson said people with severely impaired vision were inherently vulnerable to being cheated if they had to depend on other people to distinguish among a $1 bill, a $20 bill or a $100 bill.

In 1995, he added, the National Academy of Sciences concluded that three features could be incorporated into American banknotes: distinctive sizes for each denomination; increasing the size and contrast of numerals; and varying the notes' colors to help people with limited vision.

In 1996, the government redesigned banknotes and added two features: one larger number at a slightly different height from the rest of the bill, and an infrared symbol to encourage the development of handheld currency readers for the blind.

Judge Robertson said those changes fell "well short" of what the National Academy of Sciences had recommended and were mainly intended to prevent counterfeiting.

Currency Changes Ordered To Help Blind (WT)

By Jen Haberkorn

The Washington Times, November 29, 2006

A federal judge ruled yesterday that the Treasury Department must change currencies -- potentially changing the size, shape or feel of each denomination -- so blind people can use them.

U.S. District Judge James Robertson said that by making different denominations of bills the same size and shape, the government has violated the Rehabilitation Act and denied blind people a way to use money.

The judge did not provide a solution, but ordered Treasury to find one.

Government attorneys argued that adding texture or changing the size of bills would be costly and make it harder to prevent counterfeiting.

The American Council of the Blind, which filed the suit in 2002, proposed a number of solutions that are used in other countries.

In Britain, each denomination is a different size, said Melanie Brunson, the Washington association's executive director. In Canada, currency has a series of dots in its corners, differentiated by denomination. And other countries use different patterns of raised dots or lines.

"Our intent was to get Treasury to focus enough attention to incorporate those [ideas] or come up with something else to meet the needs of people who can't read them visually," Mrs. Brunson said.

About 937,000 Americans are legally blind, which means that their vision is no better than 20/200 when corrected.

Judge Robertson said that if other countries can print denominations that blind people can use without counterfeiting problems, then so can the United States.

The Treasury Department did not return calls for comment.

Government lawyers argued that changing the size of currency could cost up to $228 million in initial costs and $52 million annually to make currency in different sizes. The least expensive change, adding a raised numeral, would cost $45.5 million initially and $16 million annually. The government estimated it would have to spend another $70 million to $90 million in public education for any changes.

"If additional savings could be gained by incorporating the new feature into a larger redesign, such as those that took place in 1996 or 2004, the total burden of adding such a feature would be even smaller," wrote Judge Robertson, who was appointed by President Clinton in 1994.

In 1996, the Bureau of Engraving and Printing began inserting color and larger faces on bills to prevent counterfeiting.

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Blind people must ask other people for assistance, fold different denominations in different ways, or keep different denominations in separate parts of wallets or purses, putting them at risk of being cheated, the American Council of the Blind argued in court.

Members of Congress have proposed legislation changing the size and shape of currency, but it has never passed, Judge Robertson wrote in his opinion. The 1996 redesign of the $20 bill included a larger font to identify the $20, which helped people with reduced vision, but did not help blind people.

The judge found that the similarities among the bills is a violation of the Rehabilitation Act, which prohibits discrimination in government programs on the basis of disability.

"We believe this is a very significant step," Mrs. Brunson said. "This is the first time a judge has ruled that a failure to provide means of identifying currency is a violation of the Rehabilitation Act."

The judge ordered a status conference in about 30 days.

Eight Face Charges In Boot-camp Death (TALLDEM)

By Stephen D. Price, FLORIDA CAPITAL BUREAU

Tallahassee Democrat, November 29, 2006

'Today is a good day for me,' says Martin Lee Anderson's mother

Eleven months after 14-year-old Martin Lee Anderson died, a protest march on the state Capitol and complaints that the investigation took too long, State Attorney Mark Ober on Tuesday charged seven drill instructors and a nurse with felony aggravated manslaughter of a child in the teen's death.

For Anderson's parents the charges were late but an answer to their prayers.

"Today is a good day for me," said Anderson's mother, Gina Jones, unable to control her emotions. "I'm finally getting justice for my baby."

Gov. Jeb Bush, who spoke with Anderson's parents Tuesday, said he, too, was glad the investigation had concluded.

"In spite of, admittedly, my frustrations at the delays of this, I'm pleased that (State Attorney Mark Ober) did his job well," Bush said.

Charged are Henry Dickens, Charles Enfinger, Patrick Garrett, Raymond Hauck, Charles Helms Jr., Henry McFadden Jr., Kristin Schmidt and Joseph Walsh II, according to a filing by Ober.

If convicted, the defendants could receive up to 30 years in prison.

Late Tuesday, Ober said that all seven of the drill instructors had been arrested and booked at the Bay County jail. Officials expected to arrest the nurse, Schmidt, later in the evening.

Ober's charges said in part that the defendants "did cause the death of Martin Lee Anderson by culpable negligence, without lawful justification or excuse, by neglecting Martin Lee Anderson by failure or omission to provide Martin Lee Anderson with care, supervision or services necessary to maintain his physical or mental health."

Ober's nine-month investigation cleared higher-level officials. In a letter to Bush, Ober said Guy Tunnell, former director of the Florida Department of Law Enforcement; State Attorney Steve Meadows; Bay County Sheriff Frank McKeithen and Bay County Medical Examiner Dr. Charles Siebert, who performed the first autopsy on Anderson, had acted properly in the aftermath of Anderson's death.

Anderson, who was sent to the juvenile boot camp on a probation violation, collapsed during exercises at the boot camp Jan. 5 and died early the next day at Sacred Heart Hospital in Pensacola.

In a letter to Bush, Ober explained how Anderson fell during a running exercise and drill instructors grabbed him, held him by the arms, applied pressure-point applications and covered his mouth while forcing him to inhale ammonia.

A surveillance video of the incident showed drill instructors kicking and punching Anderson.

An autopsy done by Siebert concluded Anderson died from natural causes related to sickle-cell trait.

A second autopsy done by Hillsborough County Medical Examiner Dr. Vernard Adams found that Anderson died from suffocation by drill instructors who forced ammonia tablets into his nose while covering his mouth.

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Anderson's death and video of his beating captured nationwide attention and calls in the state legislature to close all boot camps.

Last spring, Bush signed the Martin Lee Anderson Act, which, among other things, would create "STAR" academies, or boot camps modeled after a program in Martin County that places more emphasis on juvenile prevention programs and follow-up counseling.

Anderson's parents have sued the Bay County Sheriff's Office; the Department of Juvenile Justice, which contracted with the sheriff's office to operate the camps; and the seven drill instructors who now have been charged in the boy's death, seeking more than $40 million in the wrongful-death suit.

The charges bring to an end an investigation many said was too long.

In April, college students staged a sit-in at the Capitol to protest the fact that no one had been charged. Thousands of protesters, including Jesse Jackson and Al Sharpton, marched and rallied at the Capitol that same week, demanding arrests in Anderson's death.

Last week the state NAACP and the Black Caucus threatened to have a silent protest during the inauguration ceremony of Gov.-elect Charlie Crist if charges in Anderson's death had not been filed.

Ober said in a statement to Bush that his office had to review more than 20,000 pages of documents in the case and conducted a multitude of interviews of witnesses.

"In the pursuit of justice, we have conducted a thorough investigation and have ignored demands from those calling for a rush to judgment," the statement said.

In a meeting with Ober on Tuesday morning, Anderson's mother said the special prosecutor explained why the investigation took so long.

"I was impatient, but it was worth it," Jones said.

Ben Crump, Anderson's parents' attorney, called Ober "courageous" for filing the charges against the drill instructors and nurse. Since the investigation took so long, Crump said he and Anderson's parents began to doubt any charges would come.

"This aggravated manslaughter of a child equals, to us, humanity and justice for Martin Lee Anderson," Crump said. "Our faith was tested."

State Sen. Tony Hill, D-Jacksonville, said, "We, the members of the Black Caucus, can feel some relief knowing some justice has been brought to the family of Martin Lee Anderson."

Pam Bondi, spokesman for Ober's office, said all the defendants will be tried together and will be arraigned sometime in January.

In a press conference in front of the Leon County Courthouse on Tuesday, Ober said, referring to the charged drill instructors: "This conduct cannot and will not be tolerated in our society, and none of us are above the law."

When asked if the charges were a tough call, Ober said, "We make a lot of tough calls every day."

Anderson's parents said the months they've waited for charges in their son's death has caused many sleepless nights. On Tuesday morning, they said they felt relieved.

Anderson's father, Robert Anderson, said, "Tonight, I will get me some rest."

7 Guards, Nurse Charged In Death Of Teen At Florida Boot Camp (USAT/AP)

By Melissa Nelson, The Associated Press

USA Today, November 29, 2006

Case led to dismantling of military-style program

PENSACOLA, Fla. — Seven former guards at a juvenile boot camp were charged with aggravated manslaughter of a child Tuesday for the pummeling of a 14-year-old boy who later died. The action was caught on security videotape, and the case led to the dismantling of Florida's military-style detention system for young offenders.

Also charged was a nurse seen on the tape watching as guards repeatedly kneed and hit Martin Lee Anderson during a 30-minute scuffle on Jan. 5. Guards said the boy was uncooperative and had refused to participate in exercises.

The teen collapsed in the exercise yard at the camp in Panama City and died at a hospital the next day.

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The death sparked protests at the state Capitol and led to a shake-up in Florida's criminal justice system and the resignation of Florida's top law enforcement officer.

If convicted, the former guards and the nurse could each get up to 30 years in prison. Bail was set at $25,000 apiece.

Nurse Kristin Anne Schmidt was expected to surrender Tuesday evening, said Pamela Bondi, a spokeswoman for special prosecutor Mark Ober.

Attorneys for three of the former guards — Charles Helms, Joseph Walsh and Raymond Hauck — said their clients denied any wrongdoing. Phone messages were left for lawyers representing Schmidt and two other former guards.

Anderson had been sent to the boot camp for violating probation in a theft case. Boot camps often use grueling exercise to instill discipline in juvenile delinquents.

An initial autopsy found Anderson died of complications of sickle cell trait, a usually benign blood disorder. After cries of a coverup, a second autopsy was conducted by another medical examiner, and it concluded Anderson suffocated because of the actions of guards.

Vernard Adams, the doctor who did the second autopsy, said the suffocation was caused by hands covering the boy's mouth, as well as the "forced inhalation of ammonia fumes" that caused his vocal cords to spasm, blocking his airway.

The guards said in an incident report that they used ammonia capsules five times on Anderson to gain his cooperation.

"Today is a good day for me," said Gina Jones, Anderson's mother. "I'm finally getting justice for my baby."

Benjamin Crump, lawyer for the boy's parents, who have been demanding for months that the guards be charged with murder, said the videotape leaves no doubt the guards are guilty.

"You wouldn't do this to your dog," Crump said. "Stuffing ammonia tablets up his nose, pulling his neck back, covering his mouth."

In April, college students staged a two-day protest in Gov. Jeb Bush's office. Jesse Jackson and Al Sharpton joined the students for a march on the state Capitol.

Florida Department of Law Enforcement chief Guy Tunnell, who started Bay County's boot camp when he was sheriff there, resigned after he compared Jackson to Jesse James and Sen. Barack Obama, D-Ill., to Osama bin Laden in an agency meeting. Bush signed a bill in May to replace the boot camps with programs that offer job training and counseling.

Va. Will Let Vt. Decide Visitation For Lesbian Parent (WP/AP)

Associated Press

The Washington Post, November 29, 2006

RICHMOND, Nov. 28 -- A Virginia appellate court sidestepped the issue of civil unions Tuesday in ruling that, because two former lesbian partners filed for their union in Vermont, that state's courts have jurisdiction in a custody battle.

The Court of Appeals of Virginia remanded the dispute between Janet Miller-Jenkins and Lisa Miller-Jenkins to a lower Virginia court and advised it to issue a new judgment recognizing Vermont's authority.

"By so holding, we do not address whether Virginia law recognizes or endorses same-sex unions entered into in another state or jurisdiction," the court wrote in its decision.

An attorney for Janet Miller-Jenkins called it a victory.

"This is exactly what we have been arguing since January of 2005 -- that the Virginia trial court had no business under either Virginia or federal law interfering with the decision of the Vermont family court," Joseph Price said.

Lisa Miller-Jenkins will continue to pursue the case, said her attorney, Erik Stanley.

The women were Virginia residents in 2000 when they traveled to Vermont to join in a civil union. Lisa Miller-Jenkins conceived a child through artificial insemination in 2001 while the couple were together, and a child, Isabella, was born the following April. They eventually moved to Vermont in August 2002.

In the fall of 2003, the women separated. After moving back to Virginia, Lisa Miller-Jenkins filed for a dissolution of their civil union, an action akin to a divorce, and sought custody of Isabella.

In June 2004, a Vermont family court granted Janet Miller-Jenkins visitation rights; that October, a Frederick County court issued a contradicting decision.

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In August, the Vermont Supreme Court ruled that Vermont courts had exclusive jurisdiction in the custody battle, and on Tuesday, Virginia Appeals Judge Jere M.H. Willis Jr. agreed.

Lawyers Debate Why Blacks Lag At Major Firms (NYT)

By Adam Liptak

The New York Times, November 29, 2006

Thanks to vigorous recruiting and pressure from corporate clients, black lawyers are well represented now among new associates at the nation's most prestigious law firms. But they remain far less likely to stay at the firms or to make partner than their white counterparts.

A recent study says grades help explain the gap. To ensure diversity among new associates, the study found, elite law firms hire minority lawyers with, on average, much lower grades than white ones. That may, the study says, set them up to fail.

The study, which was prepared by Richard H. Sander, a law professor at the University of California, Los Angeles, and was published in The North Carolina Law Review in July, has given rise to fierce and growing criticism in law review articles and in the legal press. In an opinion article in The National Law Journal this month, for instance, R. Bruce McClean, the chairman of Akin Gump Strauss Hauer & Feld, a major law firm, took issue with the study's "sweeping conclusions" but not its "detailed data analysis."

James E. Coleman Jr., the first black lawyer to make partner at Wilmer Cutler & Pickering, a prestigious Washington law firm now known as WilmerHale, said Professor Sander was overemphasizing grades at the expense of other qualities like writing skills, temperament and the ability to analyze complex problems.

"I don't think you can do what he is trying to do, which is to use purely objective data to explain what is happening in law firms," said Professor Coleman, who now teaches law at Duke and is a co-author of a response to Professor Sander called "Is It Really All About the Grades?"

Achieving racial diversity at all levels is an urgent issue, law firms say, but they acknowledge that gains among new associates disappear by the time new partners are elected. "We've seen stagnation and even decline when it comes to race," said Meredith Moore, the director of the New York City Bar Association's diversity office.

The new study proposes an explanation. It found that the pool of black lawyers with excellent law-school grades is so small that firms must relax their standards if they are to have new associates who resemble the pool of new lawyers.

Professor Sander found that very few blacks graduated from top-30 law schools with high grades.

Yet grades, according to many hiring partners and law students, are a significant criterion in hiring decisions, rivaled only by the prestige of the law school in question. For instance, Professor Sander found, "white law school graduates with G.P.A.'s of 3.5 or higher are nearly 20 times as likely to be working for a large law firm as are white graduates with G.P.A.'s of 3.0 or lower."

The story for black students appears to be different. Black students, who make up 1 to 2 percent of students with high grades (meaning a grade point average in the top half of the class) make up 8 percent of corporate law firm hires, Professor Sander found. "Blacks are far more likely to be working at large firms than are other new lawyers with similar credentials," he said.

But black lawyers, the study found, are about one-fourth as likely to make partner as white lawyers from the same entering class of associates.

Professor Coleman attributed that largely to law firms' failure to provide minority associates with mentoring, encouragement and good assignments. "It's such a high-pressure place that places so much emphasis on getting it right that a young associate easily loses confidence," he said. "But to succeed you have to take risks."

No one disputes that firms are failing to retain and promote most of the minority lawyers they hired, at salaries that can start at $135,000.

"Black and Hispanic attrition at corporate firms is devastatingly high," Professor Sander wrote, "with blacks from their first year onwards leaving firms at two to three times the rate of whites. By the time partnership decisions roll around, black and Hispanic pools at corporate firms are tiny."

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Less prestigious firms are much less likely to hire minority lawyers with substantially lower grades than white lawyers, Professor Sander said in an interview.

"Black associates report experiences at small firms — in mentoring, job responsibility and contact with partners — that are generally indistinguishable from the experiences reported by white associates," Professor Sander said. Those experiences suggest that minority lawyers at small firms have a good shot at partnership, but Professor Sander said he did not have direct evidence on that point.

Critics generally concede the raw numbers. But they offer different reasons for the gap between hiring and promotion. Some point to old-fashioned racism. Others say that firms act institutionally in hiring but leave work assignments to individual partners. Those partners often provide poor training, rote assignments and little mentoring to minority lawyers.

That should be unsurprising given the credentials gap, said Roger Clegg, president of the Center for Equal Opportunity, which opposes hiring preferences based on race.

"If everyone in the law firms knows you're hiring according to a double standard, you actually may end up compromising the confidence that partners and others have in the ability of people hired on the basis of preference," Mr. Clegg added. "It actually reinforces stereotypes."

The experience of white female associates provides a series of contrasts. Women at large firms have slightly better grades than men, yet they are also underrepresented in classes of new partners. But women do not report the absence of mentoring and choice assignments that minority associates do.

"Strikingly, women's self-reported work experiences — in terms of mentoring, level of responsibility and access to partners — are positive and indistinguishable from the self-reports of white men," Professor Sander said. "Consistent with this picture, white women's attrition rates as entering and midlevel associates are nearly as low as those of white men."

Associates typically work for about eight years before being considered for partnership. "As women of all races approach the seventh year of their tenure, and contemplate the compatibility of big-firm partnership with their family and quality-of-life goals," Professor Sander said, "many women pull out of the running for partners and seek out less demanding jobs."

Though many supporters of affirmative action question Professor Sander's conclusions, most academic experts say his empirical work is sound.

"He makes a good case," said Kenneth G. Dau-Schmidt, an authority on the economic analysis of legal problems at the Indiana University School of Law. "What the data tells him is that there's a mismatch going on and it's hurting black students."

In their response to the Sander study, Professor Coleman and Mitu Gulati, another law professor at Duke, wrote that the Sander paper would aggravate the problem it described.

"The harm of the Sander article," the two professors wrote, "is that it will contribute to the stereotyping that already undermines the success of black associates in elite corporate law firms."

Stephen F. Hanlon, a partner with Holland & Knight, a national law firm, said the Sander study overlooked a positive reason for high attrition rates among minority lawyers. Female and minority lawyers, he said, are often hired away from law firms by corporate law departments, and that will have an impact over time.

"We have trained a very bright generation of women and minority lawyers who have gone to our corporate clients and who now decide whether to hire us," Mr. Hanlon said.

Supporters of affirmative action acknowledge that trend, and add that high rates of minority attrition should be unsurprising given the grinding, mercenary culture of most law firms.

"Minorities, when they look at management structures and see that so few make it, they probably give up," said Veta T. Richardson, the executive director of the Minority Corporate Counsel Association.

Even Professor Sander's critics say he has started an important discussion.

"We have done our share of stone throwing," Professor Coleman and Professor Gulati wrote in their response, "but that should not take away from the fact that Professor Sander has identified a real problem that needs serious study, and that his study has added considerably to the limited body of available, public research, even though his conclusions are, at best, premature."

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ANTITRUST:

Court Allows U.S. Suit Vs. Realtors To Proceed (MRKTWTCH)

By Robert Schroeder, MarketWatch

Market Watch, November 29, 2006

WASHINGTON (MarketWatch) -- A federal court in Chicago has allowed the Justice Department's antitrust lawsuit against the National Association of Realtors to proceed, the department said Tuesday.

The court rejected the association's argument that last-minute changes to its policies prevented judicial scrutiny, the department said.

In denying the association's motion to dismiss the case, the court said that "NAR has failed ... to demonstrate that this case should be dismissed at the outset," according to the Justice Department.

In September 2005 the department's antitrust division filed a lawsuit charging that NAR rules limit competition from real-estate brokers who use the Internet to serve their customers. The lawsuit alleged that the association's policy threatened to lock in outmoded business models and discourage discounting.

The Realtors association denies it discriminates against discount brokers or others who use the Internet to compete with conventional brokers.

Listings Lawsuit OK'd (BSUN/BLOOM)

Bloomberg News

The Baltimore Sun, November 29, 2006

The National Association of Realtors lost a bid to dismiss a U.S. government antitrust lawsuit challenging its limits on access to multiple listings by consumers who use lower-cost Internet brokers.

The ruling by a federal judge in Chicago lets the Justice Department proceed to pretrial fact-finding to try to prove that the Realtors and member brokers engaged in an "ongoing contract, combination or conspiracy" to restrain competition.

U.S. District Judge Mark R. Filip rejected the Realtors' argument that the government had no case after the trade association in May 2005 changed the policy that limited online access to listings by customers of brokers who operate "virtual office Web sites."

The Realtors' "contention that the United States has failed even to plead a claim is unpersuasive," Filip wrote.

The trade association "and its members have entered into a collective action that purports to regulate how they will compete in the marketplace," the judge said.

The government's complaint, filed in September 2005, said the Realtors' rules limited competition by preventing customers of online brokers from receiving full access to multiple listings. The Realtors' policy lets traditional brokers block competitors from having full online access to multiple listings.

The Chicago-based Realtors' group changed its policy after the Justice Department said it planned to sue to challenge the rules as anticompetitive, according to Filip's opinion. The modified policy still contains features that the government claims are anticompetitive, the judge wrote.

The government has argued that the original policy had "enduring effects" in some markets and that the modified rules have "not eliminated all effects," Filip wrote.

"We are pleased that the court has allowed the lawsuit to proceed and we look forward to presenting our case at trial," J. Bruce McDonald, a deputy attorney general for antitrust, said in a statement released by the Justice Department.

Steve Cook, a Washington-based spokesman for the trade association, said the ruling "was very much expected and we are confident we can win on the merits of the case."

Filip, who was appointed to the federal bench in 2004 by President Bush, announced his ruling from the bench in September and released the opinion outlining his reasons late yesterday, Cook said.

Court Issues Opinion Related To DOJ Vs. NAR Lawsuit (INMAN)

DOJ_NMG_0099338

By Glenn Roberts Jr., Inman News

Inman News, November 29, 2006

Judge explains rejection of attempt to dismiss case

U.S. District Court Judge Mark Filip, in a 29-page opinion released Monday, offered a detailed explanation on why he earlier rejected a motion by the National Association of Realtors trade group to dismiss an antitrust complaint brought by the U.S. Department of Justice.

Filip last month denied the Realtor group's motion to dismiss the lawsuit, which was filed in September 2005 and amended in October 2005. The lawsuit alleges that the trade group's policies governing the online display and sharing of property information are overly restrictive and can harm consumers and stifle innovation.

The National Association of Realtors in December filed the motion in U.S. District Court in Chicago in an attempt to toss out parts of the lawsuit that target the association's former online listings policy, known as the Virtual Office Website (VOW) policy and so-called "opt-out" provisions of its policies that allow brokers to withhold online listings from other brokers.

Laurie Janik, general counsel for the National Association of Realtors, said there "were no surprises" in the judge's opinion. The rules of the court dictate that the judge must assume that the allegations brought by the Justice Department are true in weighing the association's motion, Janik said -- the lawsuit has not yet reached the trial phase and both sides are still gathering evidence.

"He was very careful in his wording. I didn't view anything he had sent out as significant (to the overall case)," she added. "We knew it was a long shot but we thought it was worth making. The sooner we can end this litigation, the better."

J. Bruce McDonald, deputy assistant attorney general for the Justice Department's Antitrust Division, said in a statement, "We are pleased that the court has allowed the lawsuit to proceed and we look forward to representing our case at trial. The (division) is committed to preserving competition in this vital sector of our nation's economy."

While the Realtor group announced the withdrawal of its VOW rules and the adoption of modified Internet listings rules after receiving notice that the Justice Department intended to file the lawsuit, Filip said in his opinion that Justice Department is entitled to proceed with its case against both the old policy and the modified policy, the Internet Listings Display (ILD) policy.

The Justice Department has alleged that the VOW and ILD policies are part of a "single, ongoing contract, combination or conspiracy," according to the opinion, and that the "two policies are part of a continuing conspiracy among NAR and its member brokers to restrain competition from VOW brokers." NAR has argued that there is no ongoing conspiracy because the modified policy replaced the old policy, though the Justice Department alleged that the two policies have "a common purpose driven by a common motive -- to restrain the competitive threat posed by Internet-based brokerages."

The court found that the Justice Department's allegations provided sufficient basis for both policies to be included in the lawsuit, as it has argued that "the allegedly anti-competitive effects which flowed from adoption of the initial VOW policy have had enduring effects, at least in certain markets, such that ... the modified VOW policy ... has not eliminated all the effects of the initial VOW policy."

Russ Cofano, a Seattle-based lawyer who has represented real estate industry clients and ran a real estate technology company, said he thought it was interesting to read the judge's statement that the court could choose a remedy for proven anti-competitive practices that "can go beyond the prohibition of those practices which ... were found to constitute the illegal conduct." The court also stated that the alleged "effects of the initial VOW, and the ways by which it allegedly would impair competitive forces and incentives in relevant markets, cannot be cabined from this case at the outset, as (NAR) apparently desires."

Cofano said, "The court is basically saying that relief to the United States -- in a claim like this -- is not limited only to stopping a policy. It can go well beyond that." If the Justice Department is able to prove its allegations, Cofano said that potentially opens up the door to a range of actions that the judge could take, he said. "That creates an unknown risk for NAR as to what the relief might be" if the Justice Department can prove its case, Cofano said.

He also stated that it was "strategically the right thing to do" for the Realtor association to ask the judge to dismiss aspects of the Justice Department's complaint. "I think the court has given them insight," he said. "I would presume (NAR officials) are reading this very carefully. Some of the language in the opinion certainly is instructive."

The judge's opinion states that the Realtor group's original VOW policy is relevant because "issues about the intent of the NAR in passing it will potentially help to illuminate (NAR's) intent generally as either benign or improper." The opinion also noted the potential for NAR to reinstate the original VOW as a justification for not tossing out provisions of the Justice Department complaint.

The Justice Department has alleged that members of an NAR working group for VOW policy wrote that aspects of the policy "would be 'abused beyond belief,' with traditional brokers selectively withholding listings from particular VOW-based competitors," and that the chairman of the working group "took comfort in the fact that the rule did not require brokers to disclose to clients that their listings would be withheld from some prospective purchasers as a result of the brokers' opt-out decision, thus providing brokers 'flexibility without conversation,' " court documents state.

In his opinion, Filip stated that the Justice Department has "alleged substantial concrete evidence that, if credited and true, could be understood to reflect that the new VOW policies were developed and utilized with anti-competitive animus, as well as with a recognition that the VOW policies would harm American consumers." Janik said that the association denies that there was any animus -- or willful antitrust violations -- in adopting the policies.

About 200 Realtor boards implemented the Realtor association's original VOW policy, the Justice Department has alleged. The association has advised that local boards do not adopt controversial provisions of the VOW policy and that the boards do not adopt the ILD policy.

While the modified VOW policy provides a so-called "blanket opt-out" provision that allows a broker to withhold online listings from other MLS participants provided that the broker does not display the other participants' listings, the judge's opinion states that NAR "does not meaningfully challenge" the Justice Department's facts "that the opt-out is of more detriment to a VOW broker than to a broker that does not use a Web site to deliver listings to a client, or that the opt-out undermines brokers who have a referral-based business model."

Robert D. Butters, a lawyer for Arnstein & Lehr LLP in Chicago who has represented real estate brokerages, technology companies and MLSs, said that the potential for the Justice Department to present evidence for anti-competitive intent in NAR's adoption of the original online listings policy "is particularly threatening in my view for NAR's subsequent defense of the case."

The Justice Department spent two years investigating the original VOW policy, and Butters said the evidence that the Justice Department has introduced already "could just be the tip of the iceberg."

Butters also said that the judge's opinion "didn't draw much distinction between the blanket and selective opt-out" provisions in the ILD and VOW policies. The original VOW policy approved in 2003 provided a selective opt-out provision that allowed participating brokers to pick and choose which brokers they would share their listings with, while the modified VOW policy -- also known as the ILD policy -- provided a blanket opt-out provision requiring that brokers who withhold listings from other participants cannot show those participants' listings on their own Web sites.

"The court pretty much treated the opt-out issue as a singular issue," in the opinion, Butters said.

The judge's opinion states, "Underlying (NAR's) argument is an assumption that the 'blanket' opt-out imposes higher costs on the broker deciding to opt-out, and thus it is less likely to be used than the selective opt-out," and adds that the Justice Department's allegations do not "depend upon a 'selective' or 'targeted' opt-out right."

"This judge clearly gets it," Butters said. "He understands how VOWs operate and the potential they have for making the marketing process far more efficient and consumer-friendly. He clearly comprehends that."

Supreme Court Justices Hear Weyerhaeuser Logging Case (AP)

AP, November 29, 2006

WASHINGTON (AP) - The Supreme Court on Tuesday questioned whether forest products giant Weyerhaeuser Co. drove a smaller competitor out of business by paying too much for logs that Weyerhaeuser allegedly didn't need.

The case focuses on the lumber industry in the Pacific Northwest and pits a defunct company, Ross-Simmons Hardwood Lumber Co., against Weyerhaeuser and the Bush administration.

Weyerhaeuser is fighting an $80 million award to Ross-Simmons stemming from a jury verdict that found the larger company had violated federal antitrust law.

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Ross-Simmons accused Weyerhaeuser of paying too much for alder sawlogs and not using what it bought, with the goal of driving out competing sawmills.

Arguments before the Supreme Court Tuesday turned on what legal standard Ross-Simmons must meet in order to win in court and whether a jury instruction in the case was faulty.

Companies often attack competitors by selling products at a lower price, benefiting consumers in the short term. A high legal standard must be met for a company engaging in such conduct to be found to have acted illegally. But there is no such apparent benefit in the Weyerhaeuser case. Isn't that a reason not to apply the elevated standard? asked Chief Justice John Roberts.

"We don't think so," replied Andrew Pincus, representing Weyerhaeuser. Pincus pointed out that buying at a higher price in this instance would benefit the sellers supplying logs to Weyerhaeuser.

Kannon Shanmugam, a Justice Department lawyer from the solicitor general's office, suggested that Weyerhaeuser's conduct may well have been helpful to the marketplace.

"Aggressive bidding no less than price-cutting is usually pro-competitive," Shanmugam told the justices.

Justice Antonin Scalia suggested Weyerhaeuser's conduct might make perfect sense - paying more to ensure that its mills had an adequate supply of logs.

That prompted Justice David Souter to interject that those circumstances apparently aren't present in this case. Evidence presented by Ross-Simmons, Souter said, is that the supply of logs was limited.

Supreme Court Hears Sawmill Suit (SEAPI)

By JENNIFER A. DLOUHY, HEARST NEWSPAPERS

Seattle Post-Intelligencer, November 29, 2006

WASHINGTON -- The lawyer for a now-defunct sawmill told the U.S. Supreme Court on Tuesday that timber giant Weyerhaeuser Co. broke federal antitrust laws by overpaying for more logs than it needed and then cutting its prices on the finished lumber used to make guitars and furniture.

The strategy drove the smaller timber processor, Ross-Simmons Hardwood Lumber Co., out of business at the same time it allowed Weyerhaeuser to strengthen its foothold in the Pacific Northwest alder saw-log market, said the lawyer, Michael Haglund.

"Weyerhaeuser artificially increased the log market above where it otherwise would have been," Haglund said. "We have a situation where they warehoused large -- unprecedentedly high -- volumes of lumber because they" wanted to keep it out of competitors' hands.

Ross-Simmons now wants Federal Way-based Weyerhaeuser to pay nearly $80 million in damages for the business tactics, which it says were part of a ploy to monopolize the market. The Longview-based sawmill says Weyerhaeuser's tactics forced it out of business in 2001 by driving prices for saw logs higher than it could afford and by depleting the supply of the trees.

The price of alder saw logs and that of finished lumber made from the material are usually tied together. But from 1998 to 2001, Ross-Simmons argued in court filings, the price of saw logs rose even as the price of finished lumber dropped.

In its defense, Weyerhaeuser contends it was only making smart business decisions and could afford to pay more for the logs because it was more efficient at processing the wood.

The two lumber mills are feuding over the appropriate legal standard for determining when buying practices are predatory, and therefore a violation of federal antitrust laws.

A federal district court in Portland ruled in favor of Ross-Simmons and said the lumber company did not have to prove Weyerhaeuser took a financial loss to prevail. Instead, the district court found, it was enough that Ross-Simmons proved in court that Weyerhaeuser had decided to cut its profit margin on finished lumber made from alder saw logs.

Ross-Simmons won a verdict of $78 million, an award that was affirmed by the 9th U.S. Circuit Court of Appeals, which said Weyerhaeuser had intended to monopolize the alder saw-log market in the Pacific Northwest.

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Weyerhaeuser appealed to the Supreme Court. The company has the backing of the Bush administration, which says aggressive buying tactics make for good business competition by ensuring that companies have access to enough raw materials to manufacture more products.

Businesses far outside the Pacific Northwest are watching the case because it will force the justices to draw the line between savvy business strategies and illegal anti-competitive behavior.

Tactics that may appear underhanded may simply be aggressive -- but legal -- business competition, said Andrew Pincus, Weyerhaeuser's lawyer.

"It's very hard to distinguish ... between hard-fought competition and anti-competitive intent," Pincus said. "Increasing the prices that are paid for inputs -- like lowering sales prices -- is a mechanism by which a firm competes. It's a result that we would expect from a buyer's ordinary competitive instincts."

Chief Justice John Roberts noted that while predatory selling can benefit consumers by lowering prices, predatory buying does not help them. Given that, Roberts asked, shouldn't predatory buying be judged by a looser standard?

Justice John Paul Stevens seemed concerned that a ruling for Weyerhaeuser would mean an end to cases in which there is clear evidence -- such as internal company memos -- that a business paid more for raw materials as part of a ploy to drive a competitor out of business.

In the absence of evidence, Justices Stephen Breyer and Ruth Bader Ginsburg wondered how to judge what motivates a company's buying practices.

"If you're trying to decide whether people are hogging goods unnecessarily for bad purposes or (are) storing up nuts for winter for good purposes, then a very good key to that is (whether) these people expect in the long run to make money out of this," Breyer said.

The Supreme Court is expected to rule on the case by July. The case is Weyerhaeuser v. Ross-Simmons, 05-381.

Judge Bars Newspaper Consolidation (AP)

By David Kravets, Associated Press Writer

AP, November 29, 2006

Judge Issues Restraining Order in Bay Area Newspaper Sale

SAN FRANCISCO (AP) -- A previously undisclosed internal memo prompted a federal judge Tuesday to temporarily block the consolidation of some of the San Francisco Chronicle's business operations with those of rival newspapers owned by MediaNews Group Inc.

Denver-based MediaNews, which already owned the Oakland Tribune and seven other Bay Area newspapers, acquired the Monterey County Herald, San Jose Mercury News and Contra Costa Times from McClatchy Co. earlier this year. The complex $1 billion deal included $300 million in financing from Hearst Corp., owner of the Chronicle.

In July, U.S. District Judge Susan Illston let the deal go through, ruling against an antitrust lawsuit that claimed the deal would create a monopoly on readership and advertising in the region.

But in issuing Tuesday's restraining order, she said a memo had recently surfaced showing Hearst had an undisclosed motive for investing in the deal -- to consolidate its Bay Area advertising and distribution operations with those of the Chronicle's competitors -- a possible antitrust violation.

"Such agreements would alter the court's analysis of this case as a whole," Illston wrote, and would "increase the likelihood that the transactions at issue here were anticompetitive, and illegal."

Illston said she previously "accepted defendants' representations that Hearst's involvement in the transactions was solely that of a passive equity investor."

"Though defendants offered no explanation why Hearst was willing to help finance an acquisition that would only make its competition stronger, the court did not understand that Hearst expected, or would later receive, any quid pro quo," the judge wrote.

The April 26 letter is from Hearst Senior Vice President James Asher to Joseph Lodovic, president of MediaNews.

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"The Hearst Corporation and MediaNews Group, Inc. agree that they shall negotiate in good faith agreements to offer national advertising and Internet advertising sales for their San Francisco Bay area newspapers on a joint basis," it reads, "and to consolidate the San Francisco Bay area distribution networks of such newspapers."

Lodovic said Tuesday that there has been no further dialogue between the two companies about shared advertising or distribution.

"So she basically issued an order that has no immediate effect whatsoever," he said. "There is nothing planned."

Paul Luthringer, a spokesman for New York-based Hearst, said the publisher had no comment.

Illston was skeptical the two companies haven't been working together behind the scenes, saying in her ruling that "the parties have engaged in more than just an abstract agreement to negotiate at some later date."

MediaNews and Hearst last week joined forces as part of a newspaper industry consortium that will try to generate more online advertising revenue by working with Yahoo Inc., the Internet's most trafficked site. William Dean Singleton, MediaNews' chief executive and chairman-elect of The Associated Press, played an instrumental role in forming the alliance involving more than 150 dailies in 38 states.

Illston said the "Yahoo Internet advertising deal announced recently suggests that Hearst and MediaNews have made significant progress towards cooperative deals somewhat similar to those discussed in the letter."

San Francisco real estate magnate Clint Reilly filed the antitrust lawsuit seeking to block McClatchy's sale of the Bay Area papers to MediaNews. His laywer, Joseph Alioto, said he recently discovered the memo on cooperation while scouring boxes of documents in the case.

"It's not just a smoking gun," Alioto said. "It's a picture of the bullet coming out of the nozzle."

Peter Scheer, executive director of the California First Amendment Coalition, speculated that Illston will eventually issue a permanent order blocking MediaNews and Hearst from cooperating in the ways the April 26 letter discusses.

"If that's the $64,000 question, the $65,000 question is: Does Hearst want to be in the deal with MediaNews and does MediaNews want to be in with Hearst if they are barred by the judge from cooperating in those ways?" Scheer said.

Reilly, a former San Francisco mayoral candidate, unsuccessfully sued to block the 2000 sale of the Chronicle to the Hearst Corp.

Hearst paid $660 million for the Chronicle. But to assuage antitrust concerns, it gave away its flagship San Francisco Examiner and subsidized the Examiner's new owners with $66 million over three years. The Examiner survived as a free daily tabloid.

Illston said Reilly's antitrust case will go to trial sometime in April 2007.

Sacramento-based McClatchy got the newspapers targeted in Reilly's suit as part of its $4 billion acquisition of San Jose-based Knight Ridder Inc.

McClatchy subsequently struck deals to sell 12 of Knight Ridder's former 32 daily papers for $2 billion.

The case is Reilly v. MediaNews Group, 06-4332.

Judge Restrains Advertising Deals Between Bay Area Newspaper Companies (ALAMTS)

By Josh Richman, STAFF WRITER

Alameda (CA) Times-Star, November 29, 2006

A federal judge issued a temporary restraining order Tuesday to keep the Bay Area's two major newspaper companies from inking deals to consolidate their national advertising sales and distribution operations.

Evidence of talks between MediaNews Group Inc. and Hearst Corp. -- the San Francisco Chronicle's owner, and a party to MediaNews' recent purchase of the San Jose Mercury News and Contra Costa Times -- raises the specter of antitrust violations, U.S. District Judge Susan Illston of San Francisco wrote in Tuesday's order.

She'll hold a hearing Dec. 6 on whether her order should become a preliminary injunction, barring any such deals at least until a lawsuit challenging MediaNews' acquisitions goes to trial in April.

Sacramento-based McClatchy Co. this year bought the now-defunct Knight Ridder Corp.'s 32 newspapers for $6.5 billion. From among those, the Mercury News and Contra Costa Times were then sold for $736.8 million to Denver-based MediaNews

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Group -- which also owns this newspaper -- and the Monterey County Herald and the St. Paul (Minn.) Pioneer Press were sold for $263.2 million to New York City-based Hearst Corp.

In a separate, simultaneous pact, Hearst agreed to give the St. Paul and Monterey papers to MediaNews in return for an equity investment in MediaNews' non-Bay Area assets.

San Francisco businessman, political consultant and former mayoral candidate Clint Reilly sued July 14 to halt the deal, claiming it would create a Bay Area newspaper monopoly

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with higher subscription and advertising rates and diminished journalistic quality, jobs and union contracts.

Illston refused his initial plea for a TRO to prevent the sale's closing, but Reilly went back to her last week with new evidence found among documents provided by the newspaper companies.

An April 26 letter from Hearst Senior Vice President James Asher to MediaNews President Jody Lodovic IV said the two companies "shall negotiate in good faith agreements to offer national advertising and Internet advertising sales for their San Francisco Bay area newspapers on a joint basis, and to consolidate the San Francisco Bay area distribution networks of such newspapers." The letter also said they would jointly seek a deal with online classified advertising companies.

Illston wrote Tuesday that this "casts serious doubt on several key findings underlying" her July ruling.

She had taken the companies at their word that Hearst's involvement was solely that of a passive equity investor, but the April 26 letter now suggests "Hearst's investment was specifically tied to an agreement by MediaNews to limit its competition with Hearst in certain ways" -- a quid pro quo for Hearst's help in MediaNews' purchase of the newspapers.

The judge wrote she's no longer sure the Chronicle is a strong competitor for MediaNews' papers: "The principal source of revenue for newspapers is advertising. The principal costs presumably include distribution and printing. The April 26 letter suggests, at the very least, an intent to limit some aspects of competition between Hearst and MediaNews in advertising and distribution."

The companies "have engaged in more than just an abstract agreement to negotiate at some later date," Illston wrote; these and other companies' recent announcement of an Internet advertising deal with Yahoo! "suggests that Hearst and MediaNews have made significant progress towards cooperative deals somewhat similar to those discussed in the letter."

If a Bay Area-wide ad buy becomes national advertisers' only option, "the agreement might well be per se illegal," she wrote. Having one geographic market's only two "competitors" in cahoots "would raise a significant risk of price manipulation." And colluding on distribution to cut costs "also may raise barriers to entry by other competitors," she added.

MediaNews President Jody Lodovic IV said Tuesday's order means little because "nothing was being planned as relates to those things outlined in the letter... Quite frankly, there has been no further discussions since that time and there's nothing imminent."

"This is not the real battle here -- the real battle is what happens at trial in April," he added.

A Hearst Corp. spokesman declined comment Tuesday.

Reilly's lawyer, Joseph Alioto, called Tuesday's order "a strong statement by the court, and we think it's the beginning." He said he expects that as Hearst and MediaNews executives give depositions in December and January, "this house of cards is going to crumble... This concealed, secret, clandestine agreement was the knot that held this whole thing together."

Contact Josh Richman at jrichman@angnewspapers.com.

Restraining Order In Sale Of Bay Area Papers (SFC)

By Bob Egelko, Chronicle Staff Writer

San Francisco Chronicle, November 29, 2006

SAN FRANCISCO -- A federal judge issued an order today temporarily prohibiting the owner of The Chronicle from collaborating with the owner of the San Jose Mercury News and other Bay Area newspapers in local distribution and national advertising sales, saying the proposed agreement might be monopolistic.

U.S. District Judge Susan Illston denied a request to halt further consolidation of operations at the Mercury News and the Contra Costa Times by their new owner, MediaNews Corp., while she considers the legality of the firm's purchase of the

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newspapers. But in a temporary restraining order that barred joint distribution and ad sales by MediaNews and Hearst Corp., Illston said newly disclosed evidence of the proposed collaboration between the companies has increased "the likelihood that the transactions at issue here were anti-competitive and illegal."

The judge said she "is not convinced that an agreement between the only two competitors in a market, to share distribution networks, does not raise serious competitive questions."

The restraining order will be in effect until a Dec. 6 hearing on an injunction that would keep the ban in place until April 30. That is when a lawsuit by Clint Reilly, a real estate investor, former political consultant and onetime San Francisco mayoral candidate, is scheduled to go to trial.

Reilly is seeking to block MediaNews' purchase of the Mercury News and Contra Costa Times, arguing that the deal, combined with MediaNews' financial arrangement with Hearst, would create a newspaper monopoly in the Bay Area.

Reilly's lawyer, Joseph Alioto, said today's ruling could be the first step toward upsetting MediaNews' purchase.

"This agreement (on distribution and advertising) was the knot that ties the whole package together, and when this unravels, the whole package unravels," Alioto said.

"They're trying to monopolize the entire Bay Area," Alioto said of MediaNews and Hearst. They did it secretly ... and they got caught."

MediaNews President Jody Lodovic said the ruling would have little impact because the companies had no immediate plans to collaborate on advertising or distribution, and hadn't even discussed the subject since the proposal was outlined in an April 26 letter from a Hearst executive. He said the idea hadn't been discarded, but "there's no urgency to anything."

"To the extent that it makes sense to do some things like joint distribution, we will explore it," Lodovic said. But he noted that the letter, which Illston quoted in today's ruling, contained the stipulation that any arrangements between the companies would follow the law.

Hearst spokesman Paul Luthringer declined to comment on the ruling.

MediaNews, which already owned the Oakland Tribune, Hayward Daily Review, Marin Independent Journal, San Mateo County Times and other Bay Area dailies, bought the Mercury News and Contra Costa Times from McClatchy Corp. this summer for $736.8 million. McClatchy had acquired the newspapers in March as part of its purchase of the Knight Ridder chain.

Hearst, which owns The Chronicle and 11 other newspapers, put up $263 million to acquire two other McClatchy papers, the Monterey County Herald and the St. Paul (Minn.) Pioneer Press, which it agreed to transfer to MediaNews. In exchange, Hearst gets a share in MediaNews papers outside the Bay Area. That share was not revealed at the time, but Illston said today it was 30 percent.

In July, Illston denied a request by Reilly to block the MediaNews purchase while she considered his antitrust suit. Reilly renewed his request for a restraining order after learning of the proposed collaboration in advertising and distribution.

The previously sealed April 26 letter, sent by Hearst senior vice president James Asher to Lodovic and signed by both men, contained an agreement to negotiate plans to consolidate the companies' Bay Area distribution networks and jointly offer national advertising and Internet ad sales.

Illston said the letter "casts serious doubt on several key findings" that were the basis for her July order refusing to block the transactions.

She cited the two companies' assertion that Hearst was merely a passive investor in MediaNews. The judge noted that Hearst had not explained why it was willing to help finance an acquisition that would strengthen its competitor, and said the April 26 letter "suggests, at the very least, that Hearst's investment was specifically tied to an agreement by MediaNews to limit its competition with Hearst in certain ways."

At the same time, she said, the letter indicates that The Chronicle may not continue to be a strong source of competition for the other Bay Area newspapers, as she assumed in her earlier ruling.

In addition, Illston said, if national advertisers who wanted to place ads in any Bay Area newspaper had the sole option of buying space in all papers owned by the two companies, the arrangement might well violate antitrust law.

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Supreme Court Hearing Abstract Patents Case (LAT)

By Jim Puzzanghera

The Los Angeles Times, November 28, 2006

WASHINGTON — The Supreme Court heard oral arguments today in an abstract case involving automobile gas pedals that could apply the brakes to the recent dramatic growth in patents issued nationwide.

Frustrated justices flipped through engineering diagrams as they pondered a question at the heart of many patent disputes -- was the invention of an adjustable pedal with electronic sensors truly unique in this case, or just an "obvious" combination of existing components that anyone with a little skill in the field could have designed?

For the past two decades, critics have said the federal appeals court that handles all patent cases has made it easy to get patent protection for such "obvious" or minor innovations. Many companies have built their businesses on the patents upheld through that process.

Chief Justice John Roberts and several of his colleagues sharply criticized the lower court's test for invalidating patents on grounds that they are obvious advances. They said it was too rigid, leading to patents that fell short of real innovations.

But some of those same justices pondered how to loosen the standard without making it too vague, and what impact changing it would have on existing patents.

Justice David Souter wondered if 100,000 new patent lawsuits would be filed the morning after a court decision invalidating the current standard.

And Justice Antonin Scalia, who derided the existing obviousness test as "gobbledygook," at the same time asked, "Does it make sense to assume patents are valid that have been issued under an erroneous test for 20 years?"

The case, which pits Canadian-based automotive parts maker KSR International Co. against rival Teleflex Inc. of Pennsylvania, is the most significant of several cases the Supreme Court has taken recently involving the overburdened U.S. patent system.

That system has strained over the past two decades to keep up with a flood of patent applications from new fields, such as biotechnology and personal computing. From 1985 to 2005, annual applications have nearly tripled and the number of patents issued each year has more than doubled, to 165,485.

If the justices loosen the standard for invalidating a patent because it is simply an obvious improvement over existing products, it could cut the number of patents issued and open the door to new lawsuits, said Steve Maebius, an intellectual property attorney and partner with partner with Foley & Lardner, LLP.

"Clearly, it is a ruling that will have the potential to cut across all industry, and affect everything from computers to biotech," he said. "I think the court will have a real challenge to strike the right balance here."

jim.puzzanghera@latimes.com

Supreme Court Patent Case Comes Down To Stating ‘obvious' (USAT)

By Joan Biskupic

USA Today, November 29, 2006

WASHINGTON — In unusually spirited arguments Tuesday, several Supreme Court justices challenged the prevailing standard for when an invention is too closely tied to existing works to qualify for patent protection.

However, some justices also worried that changing the rules of “obviousness” would throw into doubt the validity of many existing patents.

Justice David Souter asked whether there would be “100,000 cases filed tomorrow morning” if the standard used by a lower federal court that oversees patent appeals were changed. He wondered if such a change would “produce chaos.”

Justice Antonin Scalia said that the current lower-court test for determining whether an invention is innovative or “obvious” is “gobbledygook,” but he also questioned “what happens to the presumption of validity” for patents if the justices change the standard.

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The case — brought by Teleflex and KSR International, dueling manufacturers of adjustable gas pedals — touches on concerns that patents are being issued for products and processes whose differences from existing works are too small to matter.

Justice Stephen Breyer noted that some lawyers have claimed that judges on the lower federal court have "leaned too far in the direction of never seeing a patent they didn't like."

The dispute is receiving national attention because it goes to the heart of determining what is truly new — and when inventors should be entitled to the exclusive right to make and sell an item. The case's resolution could make a difference in money for research and development of a product and, ultimately, in what consumers pay for it.

After Teleflex accused KSR International of violating the patent on a Teleflex gas pedal, KSR countered that Teleflex never should have gotten a patent on its pedal because it was "obvious," based on other works.

The U.S. Court of Appeals for the Federal Circuit ruled that KSR failed to make a sufficient case for "obviousness." The court said KRS did not show that existing technology offered a "teaching, suggestion or motivation" for the new gas pedal device.

James Dabney, representing KSR, said the test for what's obvious should be whether someone in the industry would have been capable of adapting existing technology for a new result, not whether "motivation" was there.

Justices Breyer and Scalia complained that the lower court's test was difficult to apply. Chief Justice John Roberts said it "complicates the inquiry" over what's obvious.

Thomas Goldstein, representing Teleflex, argued that the teaching-and-motivation test is neither confusing nor problematic. He said it helps prevent "hindsight" from distorting assessments of whether a variation is obvious. He said the Federal Circuit looks at whether an invention "was apparent or not apparent to a person of ordinary skill at the time of the invention."

Prior Art, Teaching, Skill? It Must Be A Patent Case (NYT)

By Linda Greenhouse

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — To be eligible for a patent, an invention must be novel, useful and, according to the statute, not "obvious" to a person of "ordinary skill" in the field. While the meaning of the term "obvious" might appear to be obvious, a lively and surprisingly entertaining Supreme Court argument on Tuesday demonstrated that it is anything but.

The question was how patent examiners and judges should evaluate the obviousness of a new product that combines, albeit in a novel way, two or more existing products. Since most inventions use elements of what patent law calls "prior art," this case presents the court with what is widely viewed as its most important patent case in years.

The patent in dispute is for an adjustable gas pedal, designed to work in vehicles equipped with electronic engine controls. In the past, gas pedals that could be adjusted for the driver's comfort worked mechanically. The new version, produced by a Canadian company, the KSR International Company, under contract to General Motors, combined an adjustable pedal with an electronic sensor.

Claiming that it had already patented such a product, a rival company, Teleflex Inc., sued. KSR argued that Teleflex's patent was invalid because the combination of the two elements was obvious. A federal district judge in Detroit agreed, and dismissed the infringement suit.

But the United States Court of Appeals for the Federal Circuit, which has jurisdiction over all patent appeals, overturned that decision. It ordered the district court to reconsider the case under a test that makes obviousness harder to prove — and therefore makes patents easier to obtain and defend. It is the validity of that test that is at issue in the case, KSR International Co. v. Teleflex Inc., No. 04-1350.

The Federal Circuit's test for obviousness is usually referred to as the teaching-suggestion-motivation test. Under the test, a patent cannot be rejected as obvious unless the party challenging it can show that at the time of the invention, there existed a "teaching, suggestion, or motivation" that would have led a person familiar with the field to put existing products together. Meeting that test often requires a jury trial, making patent litigation prolonged and expensive.

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James W. Dabney, the lawyer representing KSR, told the justices that the Federal Circuit had improperly displaced "skill and ingenuity" as the benchmark for obtaining a patent and replaced it with what amounted to an "entitlement" to patent protection. But the Supreme Court itself "has rejected time and time again the notion that someone who was the first simply to take advantage of the known capability of technology was entitled to a patent," he added.

The federal Patent and Trademark Office agrees with the critique and entered the case on the side of KSR. Thomas G. Hungar, a deputy solicitor general, told the justices that "as the sole means of proving obviousness, the teaching-suggestion-motivation test is contrary to the Patent Act, irreconcilable with this court's precedents, and bad policy."

Mr. Hungar added, "It asks the wrong question and, in cases like this one, it produces the wrong answer."

But as Chief Justice John G. Roberts Jr. pointed out, the Federal Circuit had a rationale for adding its distinctive gloss to the concept of obviousness. "They say obviousness is deceptive in hindsight," the chief justice observed to Mr. Dabney. "In hindsight, everybody says, 'I could have thought of that,' " he said, adding that in the Federal Circuit's view, "if you don't have the sort of constraint that their test imposes, it's going to be too easy to say that everything was obvious."

The chief justice's comment came early in the argument; any implication that he was sympathetic to the appeals court proved premature. When it came time for the lawyer for Teleflex, Thomas C. Goldstein, to take the podium, Chief Justice Roberts made clear his disdain for the Federal Circuit's approach.

The test "adds a layer of Federal Circuit jargon that lawyers can then bandy back and forth," he said, adding, "It seems to me that it's worse than meaningless because it complicates the inquiry rather than focusing on the statute."

When Mr. Goldstein noted that "every single major patent bar association in the country has filed on our side," the chief justice interjected: "Well, which way does that cut? That just indicates that this is profitable for the patent bar." And when Mr. Goldstein referred to experts who had testified that the Teleflex patent was not obvious, the chief justice asked: "Who do you get to be an expert to tell you something's not obvious? I mean, the least insightful person you can find?"

Chief Justice Roberts made the comments with a smile, and the courtroom audience responded with laughter. Mr. Goldstein, an experienced Supreme Court advocate, was unfazed at finding himself the straight man in a courtroom comedy. He kept returning to his theme, which was that the Federal Circuit's test, properly understood, served the function of focusing the inquiry.

"Invention isn't at the end when you put the two things together," Mr. Goldstein said. "Invention is finding the problem, deciding what pieces of the prior art to use, and deciding how to put them together." He warned that there would be "genuine, dramatic instability" if the court disavowed the approach the Federal Circuit has used nearly since its creation in 1982.

Congress created the centralized court for the purpose of reducing instability in the patent system. Underlying the legal arguments was the deeper question of how patent law has fared in the court's hands — whether, as Justice Stephen G. Breyer put it, "they've leaned too far in the direction of never seeing a patent they didn't like." There was, Justice Breyer said, "a huge argument going on." With that observation, Mr. Goldstein readily agreed.

Justices Slam Nation's Patent System; Federal Circuit Chief Defends 'Obviousness' Test (LAW)

By Tony Mauro, Legal Times

Legal Times, November 29, 2006

In surprisingly blunt terms, Supreme Court justices Tuesday made it crystal clear that they are upset with the nation's patent system, the lawyers who litigate under it and the appeals court that referees it.

During a lively -- bordering on raucous -- hour of arguments on what makes an invention so obvious that it does not deserve a patent, justice after justice piled on criticism of the U.S. Court of Appeals for the Federal Circuit's three-part "teaching-suggestion-motivation" test for determining obviousness, an issue that arises in virtually every patent application and appeal. The test has been criticized as too patent-friendly, resulting in a proliferation of junk patents that stifle competition.

"Three imponderable nouns," is how Justice Antonin Scalia dismissed the test, also calling it "gobbledygook" for good measure.

Chief Justice John Roberts Jr. called it "Federal Circuit jargon" that is inflexible and "worse than meaningless."

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And when Justice Stephen Breyer said he had read the briefs in the case "15 times" and still could not understand the "motivation" prong of the test, Scalia chimed in, "Like Justice Breyer, I don't understand."

The implied message to the Federal Circuit seemed to be: If two of the brainier justices on the Supreme Court don't have a clue what you are talking about, a new test might be in order.

By the end of the arguments in KSR International v. Teleflex, it seemed obvious that the Federal Circuit's three-part test for obviousness will be modified, if not scrapped altogether. But what will replace it was less clear.

After the argument Tuesday, the Federal Circuit's chief judge, Paul Michel, defended the test in a telephone interview, asserting, "The judges of our court are quite clear on what it is and how to apply it." He said the test goes back decades -- since before creation of the court in 1982 -- and has been applied with flexibility and common sense. "I wonder if some of the descriptions of the test I have seen lately are accurate."

Michel stressed that he did not attend Tuesday's high court arguments and was not responding to specific comments by any justice.

Under the Federal Circuit's test, anyone challenging a patent must show some evidence that there are prior teachings, suggestions, or motivations or incentives in the field that make the challenged item an obvious development rather than a patentable innovation.

Because it requires some kind of evidence, even in fast-moving technologies in which such evidence can be hard to document, the test has been attacked for making it too hard for examiners to deny a patent application and for competitors to topple existing patents. James Dabney, arguing against the test, told the Court the test makes it very difficult to challenge a patent claim, "no matter how small might be the difference between a patent claim and prior art."

Dabney, a partner in New York's Fried, Frank, Harris, Shriver & Jacobson, represented KSR, a company that challenged Teleflex's patent for an adjustable gas pedal for cars. The Federal Circuit, using its disputed test, upheld the patent, prompting KSR's plea to the high court.

Dabney's adversary, Thomas Goldstein, who had the suddenly unenviable task of defending the circuit and its test, made a last-ditch effort that could limit the damage. He warned the justices that if they come up with a completely new test, millions of patents that were reviewed or upheld under the old standard for the past 20 years or more could be challenged in court.

"It will create genuine, dramatic instability," said Goldstein, partner in Akin Gump Strauss Hauer & Feld, who represented Teleflex. [Goldstein is a contributor to Legal Times.]

Goldstein's floodgate argument appeared to give pause to some justices. "Are there going to be 100,000 cases filed tomorrow morning?" asked Justice David Souter.

Goldstein also noted that all of the patent bar associations that filed briefs in the case were on his side, endorsing the Federal Circuit's test as a balanced and workable standard.

That brought a sharp rebuke from Roberts. "Well, which way does that cut? That just indicates this is profitable for the patent bar," he said.

At another point, Roberts also ridiculed the concept of hiring expert witnesses to testify that a certain innovation was not obvious from prior art.

"Who do you get to be an expert to tell you something's not obvious?" Roberts asked aloud. "I mean, the least insightful person you can find?"

After the argument, Goldstein said that if the Court does only minor tinkering with the standard, litigation might be limited, but if it adds significant new factors to the test, legal challenges to past patents could be "a huge problem."

During one of the hour's lighter moments, Breyer revealed his own aspirations as an inventor. He said that at his home -- he did not specify which one -- raccoons have been eating the mechanism on his garage-door opener that detects when a car is coming or going. He said he had the bright idea of putting the mechanism at the top of the door, rather than on the ground, to protect it from critters. "How could I get a patent for that?" Breyer asked.

High Court To Weigh Price Strategy In Weyerhaeuser Antitrust Case (WSJ)

The Wall Street Journal, November 29, 2006

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WASHINGTON -- Companies often are accused of cutting prices unfairly to drive a competitor from the market, but is raising prices for the same purpose just as unfair?

The Supreme Court questioned whether Weyerhaeuser Co. drove a smaller rival out of business by paying too much for logs that the Federal Way, Wash., forest-products company allegedly didn't need.

Weyerhaeuser is fighting an $80 million award to the now-defunct Ross-Simmons Hardwood Lumber Co. stemming from a jury verdict that found Weyerhaeuser violated federal antitrust law. Ross-Simmons, of Longview, Wash., accused Weyerhaeuser of paying too much for alder logs and not using what it bought, with the goal of driving out competing sawmills that use the wood in furniture and other products.

Yesterday's oral arguments before the high court turned on what legal standard Ross-Simmons must meet in order to win in court and whether a jury instruction in the case was faulty.

Companies often attack competitors by selling products at a lower price, benefiting consumers in the short term. A high legal standard must be met for a company engaging in such conduct to be found to have acted illegally. But there is no such apparent benefit in the Weyerhaeuser case. Chief Justice John Roberts asked whether the lack of such a benefit was a reason not to apply the elevated standard.

"We don't think so," said Andrew Pincus, who was representing Weyerhaeuser. Mr. Pincus pointed out that buying at a higher price in this instance would benefit the sellers supplying logs to Weyerhaeuser.

Ross-Simmons lawyer Michael Haglund said there is evidence in the case that Weyerhaeuser warehoused large volumes of lumber rather than processing it.

(Weyerhaeuser v. Ross-Simmons)

During arguments about a patent dispute, several justices expressed discomfort with a legal test for when an invention is too obvious to patent.

KSR International Inc. and Teleflex Inc. have been locked in a dispute over gas-pedal designs. The Federal U.S. Circuit Court of Appeals, a special patent-appeals court, determined a new design for vehicle gas pedals with electronic sensors qualified for a patent despite being a combination of existing inventions.

The Supreme Court will decide whether the Federal Circuit, through tweaks to a longstanding "obviousness" test in patent law, has made it too easy to get a patent on improvements to existing technologies. The Federal Circuit set a test that the challenger of a patent must prove existing "teaching, suggestion or motivation would have led a person of ordinary skill in the art" to think of the innovation.

Obviousness is a key element in defending against allegations of patent infringement because it allows an accused manufacturer the chance to prove a claimed invention is just the obvious next step in existing technology. If obviousness can be proven, the patent is invalid, and the infringement lawsuit is over. Several justices indicated they are unhappy with the current state of this obviousness test in patent law. "It adds a layer of Federal Circuit jargon on so that attorneys can barter back and forth," said the chief justice.

In the case, Teleflex created the gas pedal design to meet requirements from Ford Motor Co. for its F-350 truck by changing the usual location of electronic sensors in modern gas-pedal systems.

James Dabney, a New York attorney who represented Ontario-based KSR, said the design-patent claim was illegally broad. Thomas Goldstein, a Washington attorney who represented of Limerick, Pa.-based Teleflex, said the Federal Circuit's legal test was meant to "be inclusive" and give protection to innovations that haven't been created from existing patents.

(KSR International Co. v. Teleflex Inc.)

Studios Push Anti-piracy Rules On Apple (FT)

By Matthew Garrahan In Los Angeles And Jonathan Birchall

Financial Times, November 29, 2006

Apple Computer is coming under pressure from some of Hollywood's biggest movie studios to change the operating environment of its popular iTunes platform, amid growing concern about digital piracy.

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The studios – Universal, 20th Century Fox, Paramount and Warner Bros – are in talks with Apple about making their films available for digital download on iTunes.

After months of discussion, a sticking point has emerged over the studios' demand that Apple limit the number of devices that can use a film downloaded from iTunes.

The studios want to avoid the experience of the music industry, which has yet to recover from years of illegal digital piracy. Apple must introduce a "new model" for feature film content delivery, said one studio executive involved in the talks.

With the average cost of a blockbuster film approaching $100m, movie studios had more to lose than music companies, he added. "We're very willing to do a deal but we're keen to get some concessions from Apple that will account for the differences between the value of music and television content and feature film content."

The talks between Apple and the studios come as retailers are scrambling to get to grips with digital delivery of film content. Wal-Mart, the largest US retailer, is entering the nascent market, challenging Amazon and Apple with a different model that ties digital downloads to the sale of DVDs.

Customers buying the newly released DVD of Warner Bros' Superman Returns, will be able to download a digital version of the film on to a portable device, a personal computer, or both for a small extra payment.

NASD, NYSE Agree To Merge Some Oversight (WSJ)

By Randall Smith And Kara Scannell

The Wall Street Journal, November 29, 2006

IN A VICTORY for Wall Street, the two organizations that police brokerage firms unveiled, as expected, a plan to merge some of their operations -- the latest step in a deregulatory push in U.S. markets.

Securities and Exchange Commission Chairman Christopher Cox hailed the pact, saying it would streamline Wall Street regulation and raise the competitiveness of U.S. capital markets. Some investor advocates said the merger could weaken protections for individual investors by effectively removing cops from the beat. No immediate job cuts are planned, with the regulators saying any reductions would come through attrition.

The National Association of Securities Dealers and NYSE Group Inc.'s New York Stock Exchange plan to combine routine examinations, enforcement and rule-making for the securities industry. The plan, which must still be ratified by 5,100 current NASD members, follows a campaign waged intermittently since 2000 by Wall Street's lobbying group, recently renamed the Securities Industry and Financial Markets Association.

WALL STREET JOURNAL VIDEO

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SEC Chairman Christopher Cox hosts a press conference to discuss the new combined regulation of the NYSE and the NASD2. Cox calls today's announcement "a new beginning" and says that the greater integration of world markets requires expanded oversight.

"In ushering in these changes, we'll be improving America's capital markets and making our nation more competitive," Mr. Cox said. He said the merger would eliminate "needless and often harmful duplication" of routine brokerage regulation, while leaving the NYSE free to police its own trading.

However, Jacob Zamansky, a lawyer who represents investors in disputes with Wall Street brokers, said: "I believe the merger is not in the interest of ordinary investors and is being done to promote the interests of Wall Street." He added, "When you have competition among regulators, they all try to do a better job. Generally in monopolies the service goes down."

The regulatory relief for Wall Street comes as both NYSE Group and Nasdaq Stock Market Inc. are bidding to acquire exchanges in Europe. Both exchanges must persuade non-U.S. investors and overseas issuers of securities that they won't suffer from the increase in U.S. regulation, notably the Sarbanes-Oxley law that was passed in 2002 after the collapse of Enron Corp. and other post-bubble scandals and added layers of regulation for public companies trading in the U.S.

The tentative pact appears to favor the NASD, whose chairman and chief executive officer, Mary Schapiro, 51 years old, will become CEO of the merged organization, as yet unnamed. A 23-member board will be split evenly between the NASD and the NYSE, with three members named jointly.

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Richard G. Ketchum, 55, CEO of the NYSE's regulatory unit, will become nonexecutive chairman, while retaining his current post. He said 470 of the 700 NYSE regulatory employees will join the NASD staff of 2,400, with the rest continuing to police NYSE trading.

Although the NASD itself had to be bolstered after a stock-price bid-rigging scandal in the mid-1990s, since then the smaller NYSE self-regulatory effort has been viewed as the weaker of the two organizations. Indeed, in 2005, the SEC criticized the NYSE for lapses in overseeing stock trading on its own floor.

The NASD, which has faced dissent among its smaller members over the cost of regulation, is offering $35,000 per firm, or a total of $178.5 million for its 5,100 members, "in recognition of anticipated cost savings" if the merger wins the needed votes. The NASD is also cutting fees paid by smaller firms, and it estimates that 200 firms regulated as brokerages by both agencies could save tens of millions in annual compliance costs.

The NASD will also pay the NYSE itself $103 million, Ms. Schapiro said, aimed at ensuring the merger is "revenue neutral" to shareholders of NYSE Group, which went public earlier this year, based on "lost regulatory revenues" during a transition period. The NASD has assets of $2.6 billion based mainly on its past sales of stock of the Nasdaq stock trading system.

Combining the two industry self-regulators, which are overseen by the SEC, picked up steam over the past three years, after the stock market began to rebound and investor memories faded of losses they had suffered.

As they vie to acquire European trading platforms, the two main U.S. exchanges are under pressure to maintain their market share amid the growth of non-U.S. markets. But foreign regulators have criticized the U.S. system for being multilayered. Mr. Cox said the new regulator will be "more capable of working with other regulators around the world."

Over the summer, pressure on the two regulatory groups, which had clashed in the past over control, ramped up. SEC Commissioner Annette Nazareth, a former director of SEC market regulation, began working with them on a compromise. So did former NASD chief Frank Zarb. "This new organization is an idea whose time has come," Mr. Ketchum said.

In addition to the NASD member vote, needed for bylaw changes, the merger requires a public comment period and SEC approval. Officials say they expect the regulator to be up and running by mid-2007.

Some other investor advocates said they supported the move. They included Joseph Borg, president of the North American Securities Administrators Association, and Barbara Roper, director of investor protection at the Consumer Federation of America, with Ms. Roper saying she didn't think investors had been helped by the presence of both regulators.

Richard Herr, an analyst at Keefe, Bruyette & Woods, said the deal "takes some of the conflict out of the business model" of the NYSE, a reference to the fact that the Big Board has long sought trading business from the brokerage firms that it regulates. Mr. Herr spoke on a panel at a conference in Chicago sponsored by the Futures Industry Association.

Nasdaq, NYSE To Combine Regulators (USAT)

By Greg Farrell

USA Today, November 29, 2006

NEW YORK — In one of the biggest changes in the regulation of the U.S. stock markets in more than 70 years, the two organizations responsible for policing the USA's major stock exchanges said Tuesday they will combine forces by the middle of 2007. Together, the combined regulatory group will oversee the New York Stock Exchange and Nasdaq Stock Market.

The new group, which is yet to be named, will merge the NASD's 2,400 regulators and examiners with the 470 regulators at the NYSE. Currently, the NASD oversees about 5,100 brokerages, from small operations to big broker-dealers, while NYSE regulators focus on 180 major firms that dominate business on the Big Board.

Securities and Exchange Commission Chairman Christopher Cox hailed the merger as a way to simplify a complex system.

“This could make our self-regulatory system more efficient and more robust from an investor protection standpoint,” he said. “Instead of two rulebooks, two separate regulatory staffs, and two completely different enforcement systems, we'll have a coordinated, integrated effort to keep our markets free of fraud and unfair dealing.”

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Some details of the merger have yet to be worked out. Then the deal will need formal approval from the SEC. But Tuesday's announcement suggests that the merger, which has been encouraged by the firms that have been regulated by both parties, is virtually a done deal.

While the new group is officially a merger of equals, NASD Chairman and CEO Mary Schapiro will emerge as CEO of the new entity, while NYSE Regulation CEO Richard Ketchum becomes chairman. Ketchum will continue to run the NYSE's market surveillance programs, which will remain separate from the merged entity.

Joseph Borg, head of the North American Securities Administrators Association, praised the proposed merger but said state regulators retain an important role in enforcing U.S. securities laws.

"As the combined resources of the regulatory arms of the NASD and NYSE concentrate on international competitiveness and creating efficiencies in national markets, state securities regulators will continue to focus our energies on serving as the local cop on the beat protecting millions of Main Street investors, the backbone of the American economy," Borg said in a statement.

"In general, this idea is a good idea," said Damon Silvers, associate general counsel of the AFL-CIO, which has billions of dollars invested in the market through its pension funds. "The (SEC) is to be commended for pushing it forward."

Mack-Cali Says It Will Vie For Reckson (WSJ)

By Jennifer S. Forsyth

The Wall Street Journal, November 29, 2006

A chief competitor of Reckson Associates Realty Corp. says it is teaming with financier Carl Icahn and New York real-estate developer Harry Macklowe in their $4.6 billion competing bid to acquire Reckson, a real-estate investment trust.

Mack-Cali Realty Corp. said last night it expects to be admitted as a partner with Messrs. Icahn and Macklowe. "We believe the combined partnership will be a(n) ... enhancement, given our collective strengths," Mack-Cali Chief Executive Mitchell Hersh said in an interview. Mr. Macklowe, through a spokesman, declined to comment.

Mack-Cali, of Edison, N.J., competes directly against Reckson, of Uniondale, N.Y., in the suburban markets of New York. Mack-Cali wasn't contacted as a possible suitor when Reckson put itself up for sale, in part because of two failed merger negotiations between the two companies. Mr. Hersh has said he would have wanted a chance to bid on Reckson's suburban assets. Reckson had no comment on Mr. Hersh's statement last night.

However, earlier yesterday, Reckson notified Messrs. Icahn and Macklowe -- via email to the partnership and a filing with the Securities and Exchange Commission -- that their request to bring in additional investors to comb through Reckson's books wouldn't be allowed under the terms of the confidentiality agreement. "We are concerned that you are making a request to bring on additional partners so late in the process of your review," wrote Peter Quick, Reckson's lead independent director.

The developments are the latest in a series of volleys between Reckson directors and Messrs. Macklowe and Icahn, who made an unsolicited competing bid for Reckson on Nov. 16 for $49 a Reckson share. Reckson announced Aug. 3 it would be bought by SL Green Realty Corp., a New York REIT, for $4.1 billion, plus $2 billion in debt assumption, in a cash-and-stock deal equal to about $46 a share today. The pending deal has been contentious because of a secondary transaction in which an investor group led by Reckson Chief Executive Scott Rechler was to buy back about one-third of the portfolio, all in New York City suburbs, for $2.1 billion -- a value some shareholders say was too low.

Mr. Quick's email pointed out that Reckson had given the partnership until today to provide detailed financial information about their proposed bid. A shareholder meeting scheduled for yesterday has been postponed until Dec. 6 while Reckson's directors consider the Icahn/Macklowe bid.

The email said SL Green had advised Reckson that allowing Messrs. Macklowe and Icahn to bring in additional partners isn't permitted under the merger pact. A spokesman for SL Green had no comment about Mr. Hersh's announcement. Under terms of the merger agreement, if Reckson decides that a competing bid is superior, SL Green would have an opportunity to make a counteroffer. If Mr. Hersh and Mr. Macklowe succeed in acquiring Reckson, it could prove awkward for SL Green and Mr. Rechler. SL Green coveted Reckson's New York City buildings and now risks seeing those in the hands of Macklowe Properties, which competes directly in the same Grand Central Terminal corridor of Manhattan. And Mr. Rechler risks losing his

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suburban portfolio -- particularly in Long Island where his family first made its name in real estate -- to Mack-Cali's Mr. Hersh, a rival. However, it wasn't clear last night whether the Icahn/Macklowe partnership would separate the suburban buildings from the New York properties if their competing bid for Reckson is successful.

Separately, Mr. Macklowe disclosed that several weeks before he teamed with Mr. Icahn to make a competing bid, he explored buying the REIT on his own, according to a SEC filing.

Iberdrola Bid For Scottish Power May Energize European Sector (WSJ)

By Keith Johnson and Jason Singer

The Wall Street Journal, November 29, 2006

Spanish power company Iberdrola SA's £11.6 billion ($22.64 billion) offer for Scottish Power PLC could jump-start a long-awaited consolidation in the European power sector, which has been hamstrung by legal and political battles.

If successful, the deal, announced yesterday, would create Europe's third-largest power company by market capitalization with a combined value of about €46 billion ($60.7 billion) and ratchet up the pressure on others in the sector to bulk up.

Power companies across Europe have been struggling to consolidate for the past year, as they seek to boost their size to take advantage of deregulation of the sector by the end of 2007. Greater scale also would give them more purchasing leverage to deal with volatile prices for raw materials such as natural gas. Iberdrola estimates it could slash its capital expenditures by about €40 million a year for the next five years after the tie-up with Scottish Power, as it uses greater muscle to get cheaper prices for natural-gas contracts and wind turbines.

Other sectors, such as telecommunications, infrastructure and banking, have already begun cross-border consolidation in Europe, but political opposition and the lack of physical interconnections between many European countries have stymied power companies' efforts.

E.On AG of Germany, which last year made a 570-pence offer for Scottish Power that was rejected, is trying to acquire Endesa SA, Spain's biggest power company. But its bid is bogged down in courts. Gaz de France SA and Suez are trying to merge to create a French giant, but the deal has run into opposition from Suez shareholders concerned that the price is too low. Enel SpA of Italy, another power company flush with cash, had been interested in Suez as well but stopped short of making a bid.

Iberdrola's bid for Scottish Power is friendly, so it should avoid many of those pitfalls. The part-cash, part-stock offer of 777 pence a share was slightly less than the market anticipated, sending shares in both down. But it was recommended by Scottish Power's board, which said that linkup will help it achieve its objectives of diversifying and increasing size without negative merger effects such as layoffs.

The offer still must pass muster with shareholders at both companies and secure regulatory clearance from authorities in the European Union, the United Kingdom and the U.S., where Scottish Power has wind-power and gas-trading operations. Pending approvals, the deal could be finalized by late April, Iberdrola said.

Iberdrola is offering 400 pence and 0.1646 share for each Scottish Power share, a 21% premium to the average share price in the three months before Scottish Power said, early this month, it was in talks with potential bidders. Iberdrola plans to issue 245 million new shares, or 21% of the new company's capital, to finance the offer.

Iberdrola Chairman Ignacio Sánchez Galán said the deal would boost earnings per share from the first year and wouldn't jeopardize Iberdrola's single-A credit ratings.

Iberdrola shares have risen about 50% in the past year thanks to strong profitability, growth prospects and constant rumors of further consolidation in Spain. The shares now trade at higher multiples than most of its peers. That makes them a powerful currency for acquisitions. Iberdrola has also been able to tap into a flood of money made available by banks. Barclays PLC, Royal Bank of Scotland Group PLC, and ABN Amro Holding NV provided £7.9 billion through a credit facility for the deal, and Mr. Sánchez Galán said an additional seven banks offered loan facilities of €5 billion to €15 billion each.

"Our credit may not be unlimited, but it's pretty close," he said.

Spanish companies have one additional advantage over European rivals in cross-border takeovers. Under Spanish law, goodwill accumulated on foreign operations is tax-deductible. That has allowed Spanish firms such as Telefónica SA and Ferrovial SA to outbid rivals for numerous acquisitions across Europe.

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For Iberdrola, the deal would boost its position in renewable energy, especially in wind power, at a time when European utilities are hunting for ways to produce cleaner energy to comply with strict environmental legislation.

The deal would also give the Spanish firm diversification of its business, adding deregulated power markets in the U.K. and the U.S. to its traditional base in Spain and Latin America. Iberdrola would also get Scottish Power's sophisticated gas- and financial-trading operations, people close to the deal said.

Write to Keith Johnson at keith.johnson@wsj.com1 and Jason Singer at jason.singer@wsj.com2

2nd-Biggest Spanish Power Concern To Buy ScottishPower (NYT)

By Renwick Mclean and Heather Timmons

The New York Times, November 29, 2006

MADRID, Nov. 28 — The Spanish power company Iberdrola announced Tuesday that it had agreed to buy ScottishPower for $22.5 billion, a move that would create one of Europe's largest utilities.

The board of ScottishPower said Tuesday that it would approve the bid, which would amount to 777 pence, or about $15 a share, slightly more than half of that in cash.

Iberdrola is Spain's second-largest power company behind Endesa and one of the world's leading producers of wind power. The deal with ScottishPower would enable it to increase its wind power capacity by as much as 50 percent, analysts said, and to broaden its access not only to the British market but also to the American one, where it has been looking to expand in recent months.

The deal would also allow the company to lower costs and to diversify beyond the Spanish market, where opportunities for growth are increasingly limited.

"Together we will be able to guarantee immediate synergies and to access future economies of scale," Ignacio Galán, the chief executive of Iberdrola, said in a statement.

"The resulting group will be very well positioned for the future European energy market and will have a strong platform for growth, especially in renewable energies, a market in which it will be world leader."

There has been heavy activity recently in Spain's energy market, with E.On of Germany and Gas Natural of Spain vying for Endesa.

The activity led analysts to speculate that Iberdrola saw itself as a possible takeover target as well.

"This deal is a way for the company's directors to protect themselves from takeovers from abroad and within Spain," said Jordi Padilla, the director of equities at Atlas Capital in Madrid.

Over the longer term, Mr. Padilla said, the deal could allow Iberdrola to eventually make a move for a Spanish energy company, like Gas Natural, without having to subject itself to Spanish regulations, which would probably require it to sell assets to avert monopoly concerns.

By joining with ScottishPower, he said, "a large part of its business would be outside of Spain, so regulatory authority could lie with the European Union rather than Spain if it decides to make a move for a Spanish company."

Iberdrola's offer was slightly lower than the 800 pence (about $15.50) some analysts said they had expected. But the price still struck many as elevated.

"Iberdrola is offering what we considered a high price for ScottishPower," Citigroup said in a note released. "We estimate a slightly negative impact in our Iberdrola evaluation, although we consider that the company's medium/long-term fundamentals could improve, particularly in the wind power business."

Spanish companies, buoyed by a robust economic expansion that has lasted more than a decade, have been aggressively looking abroad for investment opportunities in recent years, particularly in Latin America and, more recently, in Britain.

Grupo Ferrovial announced the takeover of the British airport company BAA in June for $20.5 billion. Last year, Telefónica acquired the British mobile phone company O2 for $31.5 billion, and in 2004 Grupo Santander acquired the British bank Abbey National.

Iberdrola, which is based in Bilbao, in northern Spain, has operations in 28 countries and had $15.3 billion in sales last year. The combined company would be worth $84 billion, the companies said.

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ScottishPower, based in Glasgow, has been considered a takeover target for more than 18 months, after a foray into the United States failed to generate the expected revenue.

The company sold its United States unit, PacifiCorp, to Berkshire Hathaway in May 2005, recording a $1.7 billion loss. ScottishPower retains some wind power and gas storage businesses in the United States, however.

E.On of Germany made an unsolicited bid for ScottishPower in September 2005 that was rebuffed several times. E.On gave up the chase after offering 570 pence a share.

Philip Bowman, chief executive of ScottishPower, said in a statement that the deal with Iberdrola avoided "the negative consequences for employees" posed by most possible mergers. "The combination of the two companies will permit ScottishPower to develop on a global scale in an increasingly competitive environment, and the conditions offered by Iberdrola represent an attractive price for our shareholders," he said.

The deal, which Iberdrola said should be completed in April, is subject to approval from European regulators and shareholders of both companies.

Jack McConnell, first minister of the regional government in Scotland, told reporters Tuesday that he expected the European Union to take a close look at the deal. "Today's announcement will be of concern to Scottish consumers and the employees of ScottishPower," he said, according to The Associated Press.

Iberdrola said it expected cost savings of about $170 million once it acquired ScottishPower, a figure that analysts at Dresdner Kleinwort called "aggressive." But they added that because of Iberdrola's "high operating standards, we give them the benefit of the doubt."

Scottish Power OK's $22.5B Takeover Bid (HC/AP)

By Robert Barr, Associated Press Writer

Houston Chronicle/AP, November 29, 2006

LONDON — Scottish Power PLC said Tuesday it has agreed to a $22.5 billion buyout offer from Spanish company Iberdrola SA that would create one of Europe's biggest utilities in a consolidating market.

But the cash-and-stock bid was lower than some had expected, and analysts said it opened the possibility of a rival bid even though Scottish Power's price finished below the offered price on Tuesday.

A Scottish official, meanwhile, raised concerns about the deal's impact on competition.

The proposal follows others in the European utility sector, where Germany's E.On AG is trying to buy Spain's Endesa SA and Gaz de France and France's Suez are planning to combine.

Iberdrola said the deal for Scottish Power could result in cost savings of as much as $170 million a year and Chairman Ignacio Sanchez Galan said Iberdrola intends to sell assets worth more than 1 billion euros ($1.2 billion) in the year after the deal is completed.

Jack McConnell, first minister of Scotland's regional government, expressed wariness, and said he would seek assurances from the European Union that the takeover would preserve competition.

"Today's announcement will be of concern to Scottish consumers and the employees of Scottish Power," McConnell told reporters, refusing to say whether he regarded it as good or bad for Scotland.

McConnell said he would seek assurances from European Commission President Jose Manuel Barroso that the EU would evaluate the takeover consistent with its competition rules.

Sanchez Galan said the planned takeover will favor future consolidation in Spain's energy sector.

By acquiring Scottish Power, Iberdrola will gain a significant percentage of non-Spanish sales and will therefore face fewer restrictions on mergers and acquisitions from Spain's stringent industry regulators, he said at a news conference.

Under European Union takeover law, mergers and acquisitions must be reviewed by EU regulators if any of the companies involved have EU sales outside their home market accounting for one-third or more of total sales.

Sanchez Galan said Iberdrola's acquisition of significant European interests outside its home market will therefore pave the way for any potential Spanish deal "from both a legal and regulatory standpoint" by giving the EU the final say on the conditions for such a deal.

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Iberdrola offered 400 pence ($7.75) in cash and 0.1646 new Iberdrola shares for every Scottish Power share, the company said in a statement. That meant the offer was equivalent to 777 pence ($15.06) per share.

"The combination of part cash and part Iberdrola shares just convolutes the offer somewhat," said Martin Slaney, an analyst at GFT Global Markets.

He said speculation had been the bid would be as much as 12 billion pounds, or 800 pence a share.

In trading on the London Stock Exchange, Scottish Power shares fell 0.8 percent to close at 740 pence ($14.34).

The takeover is to be completed by April, subject to regulatory and shareholder approval, and Iberdrola is planning to issue 245 million new shares to finance the deal, director for corporate development Jose Luis del Valle told analysts on a conference call.

Sanchez Galan reiterated Iberdrola's target of paying a dividend of 1.50 euros per share ($1.97) in 2009.

Analyst Andrew Moulder of New York-based Creditsights commented that it was "hard to see a compelling rationale for the tie-up." The key to the deal, he said, is the development of the renewables business.

Iberdrola said the combined company would be a leading producer of renewable energy, with installed capacity of 5,707 megawatts of wind generation and 333 megawatts of hydroelectric power.

Global Insight analyst Matthew Hall, however, said the agreement would likely bring several benefits such as geographic diversification, greater economies of scale and operational synergies.

"With the companies largely residing in separate markets they seem well placed to keep job losses to a minimum, and regulatory concerns over market dominance are also likely to be reduced," he wrote.

Iberdrola, based in Bilbao, has business operations in gas and electricity in 28 countries. In 2005 Iberdrola reported revenue of 11.738 billion euros ($15.4 billion) and operating profit of 2.26 billion euros ($2.97 billion).

Scottish Power supplies gas and electric services to more than 5.2 million homes and businesses in the United Kingdom, and operates electricity generation and gas storage facilities in Britain, the U.S. and western Canada.

In March, Scottish Power completed the sale of its U.S. unit, PacifiCorp, to Warren Buffet's Berkshire Hathaway Inc. for $5.1 billion in cash. Berkshire Hathaway also assumed $4.3 billion in debt.

Scottish Power reported earlier this month that its net profit dropped 21 percent to 180.8 million pounds ($345.1 million) in the first half while revenue rose 23 percent.

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On the Net:

http://www.scottishpower.com

http://www.iberdrola.com

Scottish Power Backs Iberdrola Bid (FT)

By Toby Shelley and Mark Mulligan

Financial Times, November 29, 2006

Iberdrola of Spain on Tuesday unveiled an agreed £11.6bn (€17.2bn, $22.5bn) takeover bid for Scottish Power which would create Europe's third-biggest integrated power utility.

The Spanish company, which has been in talks with the UK group for at least a month, said it had won a recommendation from the board of Scottish Power for its terms, finalised during intense negotiations at the weekend.

Under the terms announced on Tuesday, investors will receive 777p a share, with 53 per cent paid in cash and the remainder as 0.1646 of a share in the combined group.

There will also be a special 12p dividend for Scottish Power shareholders. New Iberdrola shares to the value of 21.4 per cent of the issued share capital of the combined group will be issued.

In early London trading, Scottish Power shares were flat at 746p on disappointment that the offer was not all cash. Iberdrola shares were down 1.5 per cent at €32.27 in Madrid.

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The offer price is below the 800p that had been mooted in recent days, but early analyst reaction was that it was a good price for Scottish Power shareholders. One said it represented a premium of 40 per cent on his bank's calculation of the worth of the sum of the part of the group.

Peter Atherton, analyst at Citigroup, said it was very unlikely that a rival bidder could stretch the valuation as far as Iberdrola. The Spanish company benefits from an ability to write off goodwill against tax, which is reckoned to be worth 50p a share to its offer.

Mr Atherton said the only alternative would be a buyer breaking up Scottish Power, which is vertically integrated – but that would involve regulatory hurdles and might provoke opposition in Scotland.

The acquisition, which requires regulatory and shareholder approval, is expected to complete in April and to be earnings-enhancing from the start, according to Iberdola, which is one of the world's biggest producers of renewable energy.

Operating cost savings before tax of £88m a year are forecast, along with annual capital expenditure savings of £30m. However, one analyst said that most of the £88m appeared to come from group level overheads rather than synergies.

Ignacio Galán, Iberdrola chairman, said: "Together we will be able to guarantee immediate synergies and secure economies of scale in the medium and long term."

The combination would create Europe's third largest utility – behind EdF of France and Germany's Eon – with an enterprise value of more than £43bn. But Iberdrola's successful search for a foreign tie-up, coupled with Eon's aggressive €37bn bid for Endesa, Spain's largest utility, comes as a blow for the Spanish government, which has attempted to foster the creation of national champions.

Just over a year ago Madrid backed a bid by Gas Natural, the gas supplier, for Endesa under which Iberdrola would have been offered up to €9bn in surplus assets.

Iberdrola is being advised by ABN Amro, while Morgan Stanley is acting for Scottish Power.

Power Merger Surge May Blow A Fuse (FT)

By Ed Crooks

Financial Times, November 29, 2006

Iberdrola surprised no one in launching a bid for Scottish Power. But the question many were asking was whether it would be the last of its kind for some time.

A wave of mergers has swept through the European energy sector, and more consolidation has been widely expected.

But with two of the biggest potential deals bogged down in legal and political quagmires, and this latest one viewed by the markets with a jaundiced eye, it seems enthusiasm is fading.

The argument for mergers between European utilities, expounded most eloquently by Wulf Bernotat, chief executive of Eon, is that in the future a small number of big operators will dominate the market, and the smaller ones will fall by the wayside.

The European Union's energy market is being shaped by two forces - the pressure coming from the European Commission for more liberalisation and integration of national markets, to create a truly competitive EU energy market, and the intensifying competition between countries for scarce energy resources.

Only what Mr Bernotat describes as the "pan-European energy majors" will be able to cut their costs enough, by running centralised systems serving big customer bases, to compete in this single European market. And as the EU becomes increasingly dependent on Russia for its gas supplies, only those biggest companies will be able to stand up to Gaz-prom, Russia's monopoly.

Many analysts view those arguments as a rationalisation of decisions made for other reasons. European utilities have been awash with cash and have few opportunities to use it, so they are looking at acquisitions. But it is an argument that several companies have made, and it is one of the reasons Iberdrola cites for buying Scottish Power. The problem with the strategy is in its execution. Eon's bid for Endesa has faced determined government opposition and a series of court battles, and Eon has been forced to raise its offer significantly.

The proposed merger of the state-controlled Gaz de France with Suez, the private French utility, has been tied up in court and is the subject of ferocious controversy. Iberdrola does not look likely to face any such serious regulatory or legal obstacles in

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winning Scottish Power. But it has faced an unenthusiastic response from investors. Its shares have been falling since the talks with Scottish Power were revealed, and yesterday they lost another 2 per cent.

Iberdrola argues that the agreement will enhance earnings from the start because of cost savings and the tax break given to Spanish companies for writing off acquisition goodwill.

But several analysts suggested that even at 777p a share, lower than the 800p originally suggested, the price for Scottish Power looked very full.

High valuations are common across the European utilities sector.

So for companies considering launching a bid, the calculation is this: do they want to let themselves in for a long and painful struggle, at the end of which the rewards could be meagre?

Graham Weale, director of European consulting at Global Insight, suspects not. "These deals are extremely hard work, and whether any acquirer would be doing the right thing in buying an overpriced company is open to question," he says.

But for as long as utilities' profits remain high and money is cheap, there is always a chance that someone will make a move.

As one analyst puts it: "Are there more people out there who are ambitious fools? Probably yes."

The remaining two independent energy suppliers, Centrica and Scottish and Southern Energy, look more tempting than most because the UK market has been relatively accessible. But Peter Atherton of Citigroup says: "Both would extract very substantial premiums and just to get a deal done, RWE or EdF, for example, might not be prepared to go that far."

MORE 3rd UPDATE: Iberdrola To Buy Scottish Power For GBP11.6B (DJ)

By Alex MacDonald

Dow Jones, November 28, 2006

(This updates an item published at 0838 GMT with additional background information and CEO and analyst comments.)

LONDON (Dow Jones)--Spanish utility Iberdrola SA (IBE.MC) Tuesday agreed to buy U.K. utility Scottish Power PLC (SPI) in a combination of cash and shares that values the Scottish utility at GBP11.6 billion.

Iberdrola, Spain's second-largest utility by market capitalization, said its offer represents the equivalent of 777 pence a share to Scottish Power shareholders.

The Iberdrola proposal offers 400 pence in cash and 0.1646 of a new Iberdrola share for every Scottish Power share. It will also offer a special dividend of 12 pence a share. The cash component of the deal, including the special dividend, accounts for about 53% of the deal's value, or GBP6.1 billion.

Scottish Power, the U.K.'s fifth-largest energy supplier by number of customers, said it has agreed to the offer. The board of directors will recommend the cash and shares tie-up to shareholders in an extraordinary meeting at a later date.

The deal will need approval from regulators including the European Commission, the U.S. Federal Energy Regulatory Commission and U.S. state regulatory commissions or authorities, Iberdrola said.

The combined company would make Iberdrola the third-largest European utility by market capitalization behind Electricite de France (1024251.FR) and E.ON AG (EON) of Germany.

E.ON has bid for Spanish utility Endesa SA (ELE) in a planned deal that would create Europe's largest energy utility.

The planned Iberdrola takeover of Scottish Power would boost the combined company's annual revenues to GBP13.5 billion on a pro forma basis and give the company a strong presence in Spain, the U.K., the U.S. and other countries as well, Iberdrola said.

"The proposed integration of Scottish Power with Iberdrola is fully in line with our respective strategies ... it will create value for both our companies," said Ignacio Galan, chairman and chief executive of Iberdrola. "The new group will be well positioned (strong growth) ... particularly in renewable energy, a sector in which it will be a world leader. All of this will be positive for all our stakeholders."

Iberdrola expects to achieve GBP88 million a year in cost savings over the next five years by reducing corporate head count, combining wholesale natural gas purchases and implementing best practices, a person familiar with the matter said.

The company said it expects to save another GBP30 million from its combined capital expenditure program.

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The combined company would have an aggregate installed generation capacity on a pro forma basis of 36,603 megawatts and one of the world's largest portfolios of wind farms - about 5,707 megawatts of installed wind generation capacity.

Iberdrola said it would have to issue shares equivalent to 21.4% of the combined company's issued share capital.

Andrew Moulder of independent credit and equity research company Credit Sights said Iberdrola's bid for Scottish Power looks expensive. "It's hard to see a compelling rationale for the tie-up," he said, adding that the synergies are likely to be small.

Moulder said the deal rationale would hinge "on what they do with the renewables business" and added that Scottish Power shareholders may be slightly dismayed that the 777-pence-a-share offer wasn't closer to 800 pence.

As of 1031 GMT, Scottish Power's shares were down 2 pence, or 0.27%, at 744 pence.

The cash and dividends component of the bid will be financed through a credit facility of GBP7.96 billion that Iberdrola has raised from ABN Amro Holdings NV (ABN), Royal Bank of Scotland Group PLC (RBS.LN) and Barclays Capital, a division of Barclays PLC (BCS). About GBP6.1 billion will be used to fund the cash part of the bid while the remainder will be used to refinance Scottish Power's debt.

Philip Bowman, CEO of Scottish Power, welcomed the deal as a way to diversify the Glasgow-based utility's business at a time when increased mergers and acquisitions have led to a "massive change within the European utilities landscape."

"Scottish Power needs to expand its geographical presence, diversify operating risks, achieve greater economies of scale and have the financial strength to invest in substantially larger infrastructure projects over coming years," Bowman said. "This transaction achieves these objectives without the adverse social consequences for employees."

ABN AMRO advised Iberdrola on the deal, while Morgan Stanley (MS) advised Scottish Power on the deal.

Company Web site: http://www.scottishpower.com

http://www.iberdrola.com

Novartis, Focused On Medicine, May Shed Gerber (WSJ)

By Jason Singer, Dennis K. Berman, Jeanne Whalen And Deborah Ball

The Wall Street Journal, November 29, 2006

Nestlé Weighs Buying Unit It Has Long Sought as Part Of Deal Already on the Table

Novartis AG may be prepared to sell Gerber Products Co., one of the world's largest and best-known makers of baby food, and could have a willing buyer in Nestlé SA.

Novartis, a Swiss pharmaceutical concern, already is in negotiations with Nestlé, also of Switzerland, to sell a medical-nutrition business. Nestlé executives are toying with the idea of trying to make the acquisition of Gerber part of the same deal, according to people familiar with the matter.

Novartis Chief Executive Daniel Vasella said in an interview yesterday that the company "probably would act opportunistically" if an offer for Gerber emerged, although he added that there was no auction for Gerber under way.

WALL STREET JOURNAL VIDEO

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Reporter Dennis Berman2 has more on the potential pair-up.

Gerber, of Fremont, Mich., and Novartis's medical-nutrition business together would fetch between $4 billion and $5 billion, estimate people familiar with the matter. They figure Gerber alone would be valued at more than $3 billion.

Nestlé has been hungry for Gerber for more than a decade. Even though the market for infant purées and other mushy concoctions has been relatively slow growing, the profit margin for baby food is among the highest in the prepared-food industry, at 24% in the U.S., compared with 16% for all packaged food, according to Morgan Stanley.

If Novartis decides to part with Gerber, Nestlé may have to compete with others for the business. Numico NV of the Netherlands, the maker of Nutrica baby food and other brands, is also likely to be interested, as would private-equity firms, people close to those firms say.

Dr. Vasella said Gerber is growing and profitable but has been challenged by other baby-food brands undercutting its prices. And, he said, Novartis is trying to focus on medicines and vaccines. Dr. Vasella said nutrition, including Gerber, was a

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"more tangential" business for the company, although he also said that didn't mean the nutrition business necessarily had to be sold.

Gerber is part of Novartis's consumer-health division, which also includes over-the-counter medicines, animal-health products, medical nutrition and Ciba-brand contact lenses. The consumer-health unit had total sales of $7.3 billion last year, representing about 23% of Novartis's sales of $32.2 billion. The prescription-drug unit had sales of $20.3 billion last year.

Nestlé first tried to acquire Gerber in 1994, but lost to Sandoz AG, which later merged with Ciba-Geigy to form Novartis. Since then, Novartis has taken steps to broaden Gerber's business beyond jarred foods. In 2000, Gerber began selling a line of powders, oils and other toiletries for children, and in 2002 it launched microwavable meals for older toddlers. It also has a life-insurance unit. But the baby-food business has never been a good fit for a parent company that mainly sells medications.

Nestlé is the world's largest manufacturer of infant nutritional products, largely through its leading positions in fast-growing developing countries such as Brazil and China, as well as some European countries such as Spain. However, in the U.S., the world's largest infant-nutrition market, it has a small No. 3 position in infant formula, behind the two dominant players, Bristol-Myers Squibb Co. and Abbott Laboratories.

Nestlé has no presence in baby food in the U.S., where Novartis, thanks to Gerber, is dominant with a 79% market share, according to Morgan Stanley.

Infant nutrition is one of the best businesses in the food industry because it has strong customer loyalty and limited competition from private labels. Once parents find a formula or food for their babies that they like and trust, they tend to stick to it and are willing to pay higher prices. As a result, it is difficult for new companies to break into the business without buying an established brand.

That could make Gerber an attractive asset for Nestlé Chief Executive Peter Brabeck, who has steadily rearranged Nestlé's food portfolio in the past 10 years, shedding underperforming businesses and making major acquisitions in pet food, ice cream and diet products. Infant nutrition remains one of the last major gaps in Nestlé's portfolio, particularly in the U.S.

In the past several years, Mr. Brabeck has made Nestlé's nutrition business, from sports nutrition to clinical nutrition, a major priority, betting that growth and profits will come from health-related areas.

In 2005, Nestlé's sales from nutrition products amounted to 5.2 billion Swiss francs ($4.3 billion), half of that in infant formula and a third of it from baby food. Along with the Nestlé brand, it also owns the Neslac, Nan and Cerelac brands. Nestlé has a goal of raising annual growth in sales of nutrition products to about 10% in the long term from 6.1% achieved in the first nine months of this year. The company wants to raise the operating-profit margin in the division to 20% from around 17% now.

Novartis has also been realigning its business. The company is pursuing three main areas: inventing new prescription medicines; vaccines; and selling low-cost generic drugs and over-the-counter medicines.

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ENVIRONMENT/INDIAN AFFAIRS:

Justices To Decide Merits Of Global Warming Petition (NYT)

By Felicity Barringer

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — The Supreme Court will hear oral arguments on Wednesday on the questions of whether the federal government, particularly the Environmental Protection Agency, is authorized and obligated to take action to alleviate global warming.

Massachusetts, which has been joined by 11 other states, 3 cities and 13 environmental groups, will argue that the federal agency has shirked its legal responsibility to protect the public and ignored the requirements of the Clean Air Act.

Federal lawyers, in tandem with those of the auto industry, are arguing that existing law is inadequate to support far-reaching regulation, and that Congress, or the foreign policy arena, or both, are the appropriate venues to produce new global warming policies.

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Calling the case "the most pressing environmental case in decades," Massachusetts's attorney general, Thomas F. Reilly, said, "The most indisputable fact in this case is that our climate is changing and that change is being caused by dangerous greenhouse-gas emissions."

He added, "The federal government's willing suspension of belief when it comes to global climate change has left it to the states to stand up and force action."

But, lawyers on both sides of the issue agree, the justices' answers to a more basic question — whether the plaintiffs have a right to bring the case — may have the greatest ramifications.

In deciding that issue, known legally as a question of standing, the justices may determine whether Massachusetts and its fellow petitioners have made a good enough case that the atmosphere and oceans are warming at a dangerous rate, fueled in part by human actions like burning fossil fuels, and that the petitioners have been harmed in the process.

Second, the court may decide whether any person or state injured by a worldwide phenomenon may seek legal redress even though it would only partly alleviate any damage.

The question of standing was not decided by the appeals court. That panel rejected Massachusetts's claim that the federal environmental agency was obligated to regulate the emission of heat-trapping chemicals from the tailpipes of new passenger vehicles. One judge said the harm the state had suffered was too generalized to give it standing. A second said the potential loss of coastal land was enough to give it automatic standing, and the third judge did not address the issue.

The case originally stemmed from a 1999 application by 19 environmental groups asking the E.P.A. to regulate greenhouse-gas emissions in new passenger vehicles.

"I think by far the issue that could have the most far-ranging impact is the standing issue," said Jeffrey Holmstead, who until recently was assistant administrator for air and radiation at the E.P.A. "Just because if the court determines that these petitioners don't have standing, what that means is the federal courts really won't be available for people who want to bring lawsuits related to climate change."

Mr. Holmstead, who is a partner at Bracewell & Giuliani, a lobbying firm, added, "From my perspective, I think that's not a bad thing because I don't think the courts are equipped to deal with issues like this."

Environmental groups are also concentrating heavily on the question of the agency's authority, under the Clean Air Act, to regulate carbon dioxide and other so-called greenhouse gases as air pollutants.

Paul D. Clement, the solicitor general, opposes this, saying in his brief not only that Massachusetts and the other petitioners lack standing, but also that the action they seek would have little impact on global climate change. The United States transportation sector, which is mostly made up of passenger vehicles, accounted for about 7 percent of worldwide fossil-fuel emissions in the 1990s.

E.P.A. action, he argued, "would therefore result in, at most, a tiny percentage reduction in worldwide greenhouse-gas emissions."

For Mr. Reilly, that is beside the point. He argues in the Massachusetts brief that under the Clean Air Act, the federal agency "is free to propose a comprehensive solution to the problem of climate change if it wishes to do so, but it is not free to reject the approach Congress explicitly set forth."

The question of the agency's authority to regulate carbon dioxide and other greenhouse gases as pollutants "is the environmentalists' big issue," said Richard J. Lazarus, a law professor at Georgetown University. For the government, he added, a third issue, whether the agency is not just permitted to regulate greenhouse gases but is obliged to do so, may loom largest.

Supreme Court To Hear Case On Global Warming (USAT)

By Joan Biskupic

USA Today, November 29, 2006

WASHINGTON — The Supreme Court will take up its first-ever case on global warming today as it hears arguments from states and environmentalists seeking federal regulation of motor-vehicle emissions.

The Environmental Protection Agency contends that the problem of carbon dioxide emissions and other so-called greenhouse gases is too big and falls beyond its statutory mandate.

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The court's work on the case will focus on the scope of the federal Clean Air Act rather than the debate over emissions' impact on the climate. However, the justices' ruling could shape the U.S. government's role in a pressing issue of the day and ultimately affect whether automakers will be required to build cleaner-running cars and trucks.

As the Bush administration has resisted forcing industries to control the greenhouse gases that the National Academy of Sciences and numerous scientific groups say cause global warming, California and 10 other states have made plans to enforce their own regulations for tailpipe emissions.

The case could have ramifications for those states because the authority to regulate emissions, even on the state level, derives from the Clean Air Act.

The case's significance is reflected in the more than 20 "friend of the court" briefs filed from a range of industry groups, scientists, and conservation and recreation interests. Rising temperatures have been linked to numerous environmental problems, including glacier thaw in Alaska, reduced water supply in the Great Lakes and lost coastal land in Massachusetts.

Massachusetts, along with 11 other states, three cities and several environmental groups, brought the case in an effort to force the administration to regulate emissions.

The dispute revolves around a part of the Clean Air Act that requires regulation of "any air pollutant" from vehicles that "may reasonably be anticipated to endanger public health or welfare." The act defines "welfare" to include effects on climate and weather.

The EPA says the provision does not cover greenhouse gases and says that even if it did, the agency has the option to not exercise its authority based on policy considerations.

The states say the Clean Air Act plainly authorizes regulation of greenhouse gases and that if the EPA were to step in, it could address "sources responsible for some 60% of this country's carbon dioxide emissions — 23% from vehicles and the rest from the power plants left unregulated" by the EPA.

"We simply want the justices to tell EPA to get it right on the law," says Lisa Heinzerling, a Georgetown University professor assisting the Massachusetts attorney general.

U.S. Solicitor General Paul Clement says in a brief on behalf of the EPA that the agency lacks the authority to take on global climate change, given the "extraordinary economic and political ramifications" of the issue. He contends the states lack legal standing to press the case because they have not shown they will be harmed by the EPA's decision to not regulate emissions in this country, "which involves only a tiny fraction of global greenhouse gas emissions."

The Sierra Club and other environmentalist groups hope the case increases pressure on the White House and Congress to act on climate change.

It's Not Up To The EPA (USAT)

By Jonathan Adler

USA Today, November 29, 2006

Several states and environmentalist groups are asking the Supreme Court to force the Environmental Protection Agency (EPA) to impose nationwide regulations on greenhouse gases, the most ubiquitous byproducts of modern industrial society.

The EPA only has the authority it has been delegated by Congress, and — as of yet — Congress has never given the EPA regulatory authority over greenhouse gases. Congress has not been silent on the matter of global warming, however. Since 1978, it has repeatedly addressed global climate concerns without once giving any indication that it sought to authorize federal regulation.

To the contrary, Congress has rejected specific regulatory proposals, endorsing non-regulatory measures in their stead. The Bush administration has also been reticent, but it should not be criticized for failing to exert regulatory authority it does not have. If current climate policies are inadequate and unwise, the place to seek redress is back in Congress, not the courts.

The petitioners argue that the Clean Air Act requires the EPA to regulate greenhouse gas emissions from new-vehicle tailpipes — and a superficial reading of the statutory text could suggest as much. Yet it is clear to all involved that the relevant statutory provisions were enacted to address local and regional pollution problems — such as soot, smog and acid rain — not

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global concerns such as climate change. If global warming requires regulation, that is a decision for our elected representatives to make.

This case also presents the important legal question of whether states and environmentalist groups have “standing” to bring their complaint to federal courts in the first place. Standing requires that a plaintiff show actual or imminent concrete injury.

This is easy to do when pollution harms a specific property or environmental resource, but it's much more difficult in the context of nationwide emissions anticipated to have global effects over many decades. The fact that climate change is a global concern is yet one more reason to leave the question to elected legislators and treaty negotiators.

Global warming is a real concern, but global warming policy ultimately belongs to the political branches, not the judiciary.

Jonathan Adler teaches environmental and constitutional law at Case Western Reserve University School of Law. He participated in a legal brief submitted in Massachusetts v. EPA by the Cato Institute.

Greenhouse Courts (WSJ)

By David B. Rivkin And Lee A. Casey Jr.

The Wall Street Journal, November 29, 2006

Like it or not, the courts play a central role in the modern administrative state. When Congress began to delegate rulemaking powers to federal agencies in the 1930s and 1940s, it subjected their activities to numerous procedural safeguards, compliance with which, in the end, is adjudicated in court. This does not mean, however, that courts should always play the leading role. The Supreme Court is now considering two environmental law cases that superbly illustrate the circumstances in which judges should overturn unlawful administrative actions, and when they should affirm sensible ones.

The first, Environmental Defense v. Duke Energy, is one of the many enforcement actions the EPA has brought, mostly against electric utilities, under a relatively obscure part of the Clean Air Act known as "New Source Review." NSR is a preconstruction permitting program that requires installation of advanced pollution control equipment. For 30 years, the EPA and the states controlled existing air pollution through a variety of other programs to comply with health-based standards. NSR was applied only when an industrial facility was built from scratch, adding new air pollution, or altered so fundamentally that its emitting capacity was increased.

Unfortunately, beginning in the late 1990s, the EPA asserted that NSR was necessary whenever plants changed or upgraded their equipment, even if there was no increase in their underlying emission capacity. Remarkably, the EPA also claimed that this was its position all along and that, as a result, electric utilities owed billions of dollars in penalties. This dramatic about-face was particularly shameful because the EPA knew about the industry's non-NSR-triggering repair and replacement practices for decades, never objected to them, and even confirmed to the states and the industry that their approach was correct.

Not surprisingly, the federal appeals court in Virginia concluded last year that the EPA's new interpretation was not only inconsistent with its regulations, but was unsupportable by the Clean Air Act's language. The case was then appealed to the Supreme Court, where government lawyers had the temerity to claim that, even if the EPA changed the rules of the game, no court can now consider the industry's arguments. Perversely, the government based this claim on a part of the act designed to ensure that citizens and industry are able to challenge meaningfully unlawful EPA actions.

The Duke Energy case shows the administrative state at its most abusive, and cries out for judicial intervention. The EPA can revise its NSR rules, but only in compliance with the statutory text, prospectively, and though the statutorily required "notice and comment" administrative process. It cannot change the rules midstream and then claim that companies have broken laws of which they were never properly informed. The correct judicial response here is to reverse EPA's actions, and to end the enforcement cases.

By contrast, in Massachusetts v. EPA -- being argued today before the Supreme Court -- the court should uphold the agency's decision not to regulate carbon dioxide emissions from all of the new cars and light trucks sold in the U.S. The EPA refused to impose such rules, as a means of addressing global warming fears, because it believed that Congress did not mean to treat carbon dioxide, otherwise harmless to people, as a "pollutant" under the Clean Air Act. In addition, the EPA noted that there were still many scientific uncertainties about global warming, and that any solution must be global, involving developing as

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well as developed countries. The D.C. federal appeals court upheld this decision and the Supreme Court is now reviewing the case.

Here, the justices should dismiss the matter because the complainants -- states and environmental activists -- cannot meet the constitutionally required "standing" to maintain a lawsuit. The Constitution requires federal litigants to meet three elements before they have standing: (1) an individualized injury for which the law provides redress; (2) proof that the injury was actually caused by the challenged action -- here, the EPA's decision not to undertake a rulemaking; and (3) proof that the injury is likely to be redressed by the court order sought. The complainants in this and in other "global warming" cases have not and cannot meet these requirements.

First, their "injury," assuming it exists at all, is a series of actions (or inaction) that arguably impacts the earth's climate. This is not an individualized injury to some recognized legal interest. If manmade warming is happening, it affects every human being on the planet and is not "individualized." Second, proving that any particular government, corporate or individual action has contributed to global warming is also impossible. The earth has been warming since the end of the "little ice age" began to end around 1750, and humans have been pumping carbon dioxide into the atmosphere since the discovery of fire. Although scientists speculate that the increased use of fossil fuels is responsible for the warming trend, they cannot say how much carbon in the atmosphere is too much, or when that point was reached -- if it has been -- or whether the making of a rule regarding future regulation of a segment of the U.S. motor vehicle fleet can have any discernable impact on global climate at all.

Third, and most important, the complainants cannot show how a judicial decision requiring EPA to regulate greenhouse gas emissions would actually remedy the problem. They can only speculate that, if the U.S. begins to reduce at some future date carbon emissions from some motor vehicles, the rest of the world will follow suit not only for those types of vehicles but all other possible sources of emissions. But other countries may not. Most industrialized nations that have already promised, by the Kyoto Protocol, to reduce their greenhouse gas emissions are not meeting the agreed targets. Meanwhile, India and China refuse even to consider accepting binding emission reduction targets.

Technological advances will some day permit substantial greenhouse gas reductions and economic expansion at the same time. Indeed, the U.S. is the world's leader in the development and commercialization of revolutionary zero-emission manufacturing, power generation and automotive technologies. In the meantime, if economic growth is to be sacrificed because of global warming fears, the decision should be taken by Congress and the president, the people's elected representatives, and not by the courts.

Messrs. Rivkin and Casey served in the departments of justice and energy under Presidents Reagan and George H.W. Bush. They have filed amicus briefs in both cases discussed here.

The End Of Ingenuity (NYT)

By Thomas Homer-Dixon

The New York Times, November 29, 2006

MAYBE Malthus was on to something, after all.

First, some background: Twenty-six years ago, in one of the most famous wagers in the history of science, Paul Ehrlich, John Harte and John P. Holdren bet Julian Simon that the prices of five key metals would rise in the next decade. Mr. Ehrlich and his colleagues, all environmental scientists, believed that humankind's growing population and appetite for natural resources would eventually drive the metals' costs up. Simon, a professor of business administration, thought that human innovation would drive costs down.

Ten years later, Mr. Ehrlich and his colleagues sent Simon a check for $576.07 — an amount representing the decline in the metals' prices after accounting for inflation. To many, the bet's outcome refuted Malthusian arguments that human population growth and resource consumption — and economic growth more generally — would run headlong into the limits of a finite planet. Human inventiveness, stimulated by modern markets, would always trump scarcity.

Indeed, the 1990s seemed to confirm this wisdom. Energy and commodity prices collapsed; ideas (not physical capital or material resources) were the new source of wealth, and local air and water got cleaner — at least in rich countries.

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But today, it seems, Mr. Ehrlich and his colleagues may have the last (grim) laugh. The debate about limits to growth is coming back with a vengeance. The world's supply of cheap energy is tightening, and humankind's enormous output of greenhouse gases is disrupting the earth's climate. Together, these two constraints could eventually hobble global economic growth and cap the size of the global economy.

The most important resource to consider in this situation is energy, because it is our economy's "master resource" — the one ingredient essential for every economic activity. Sure, the price of a barrel of oil has dropped sharply from its peak of $78 last summer, but that's probably just a fluctuation in a longer upward trend in the cost of oil — and of energy more generally. In any case, the day-to-day price of oil isn't a particularly good indicator of changes in energy's underlying cost, because it's influenced by everything from Middle East politics to fears of hurricanes.

A better measure of the cost of oil, or any energy source, is the amount of energy required to produce it. Just as we evaluate a financial investment by comparing the size of the return with the size of the original expenditure, we can evaluate any project that generates energy by dividing the amount of energy the project produces by the amount it consumes.

Economists and physicists call this quantity the "energy return on investment" or E.R.O.I. For a modern coal mine, for instance, we divide the useful energy in the coal that the mine produces by the total of all the energy needed to dig the coal from the ground and prepare it for burning — including the energy in the diesel fuel that powers the jackhammers, shovels and off-road dump trucks, the energy in the electricity that runs the machines that crush and sort the coal, as well as all the energy needed to build and maintain these machines.

As the average E.R.O.I. of an economy's energy sources drops toward 1 to 1, an ever-larger fraction of the economy's wealth must go to finding and producing energy. This means less wealth is left over for everything else that needs to be done, from building houses to moving around information to educating children. The energy return on investment for conventional oil, which provides about 40 percent of the world's commercial energy and more than 95 percent of America's transportation energy, has been falling for decades. The trend is most advanced in United States production, where petroleum resources have been exploited the longest and drillers have been forced to look for ever-smaller and ever-deeper pools of oil.

Cutler Cleveland, an energy scientist at Boston University who helped developed the concept of E.R.O.I. two decades ago, calculates that from the early 1970s to today the return on investment of oil and natural gas extraction in the United States fell from about 25 to 1 to about 15 to 1.

This basic trend can be seen around the globe with many energy sources. We've most likely already found and tapped the biggest, most accessible and highest-E.R.O.I. oil and gas fields, just as we've already exploited the best rivers for hydropower. Now, as we're extracting new oil and gas in more extreme environments — in deep water far offshore, for example — and as we're turning to energy alternatives like nuclear power and converting tar sands to gasoline, we're spending steadily more energy to get energy.

For example, the tar sands of Alberta, likely to be a prime energy source for the United States in the future, have an E.R.O.I. of around 4 to 1, because a huge amount of energy (mainly from natural gas) is needed to convert the sands' raw bitumen into useable oil.

Having to search farther and longer for our resources isn't the only new hurdle we face. Climate change could also constrain growth. A steady stream of evidence now indicates that the planet is warming quickly and that the economic impact on agriculture, our built environment, ecosystems and human health could, in time, be very large. For instance, a report prepared for the British government by Sir Nicholas Stern, a former chief economist of the World Bank, calculated that without restraints on greenhouse gas emissions, by 2100 the annual worldwide costs of damage from climate change could reach 20 percent of global economic output.

Humankind's energy and climate problems are intimately connected. Petroleum's falling energy return on investment will encourage many economies to burn more coal (which in many parts of the world still has a relatively good E.R.O.I.), but coal emits far more greenhouse-inducing carbon dioxide for every unit of useful energy obtained than other energy sources. Also, many potential solutions to climate change — like moving water to newly arid regions or building dikes and relocating communities along vulnerable coastlines — will require huge amounts of energy.

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Without a doubt, mankind can find ways to push back these constraints on global growth with market-driven innovation on energy supply, efficient use of energy and pollution cleanup. But we probably can't push them back indefinitely, because our species' capacity to innovate, and to deliver the fruits of that innovation when and where they're needed, isn't infinite.

Sometimes even the best scientific minds can't crack a technical problem quickly (take, for instance, the painfully slow evolution of battery technology in recent decades), sometimes market prices give entrepreneurs poor price signals (gasoline today is still far too cheap to encourage quick innovation in fuel-efficient vehicles) and, most important, sometimes there just isn't the political will to back the institutional and technological changes needed.

We can see glaring examples of such failures of innovation even in the United States — home to the world's most dynamic economy. Despite decades of increasingly dire warnings about the risks of dependence on foreign energy, the country now imports two-thirds of its oil; and during the last 20 years, despite increasingly clear scientific evidence regarding the dangers of climate change, the country's output of carbon dioxide has increased by a fifth.

As the price of energy rises and as the planet gets hotter, we need significantly higher investment in innovation throughout society, from governments and corporations to universities. Perhaps the most urgent step, if humankind is going to return to coal as its major energy source, is to figure out ways of safely disposing of coal's harmful carbon dioxide — probably underground.

But in the larger sense, we really need to start thinking hard about how our societies — especially those that are already very rich — can maintain their social and political stability, and satisfy the aspirations of their citizens, when we can no longer count on endless economic growth.

U.S. Opens Web Site On Crime For Tribes (TULSAW)

By World Washington Bureau

Tulsa World, November 29, 2006

WASHINGTON -- The U.S. Department of Justice announced Tuesday the launch of a Web site that will focus on crime in Indian Country.

"I am honored to deliver the promise that I made to provide a one-stop-shop that will enhance the prevention of and response to crime and the administration of justice in Indian Country," said Regina B. Schofield, assistant attorney general for the Office of Justice Programs.

"This will serve as a medium for talking about promising practices across the nation. Crime knows no boundaries, and the Tribal Justice and Safety Web site is another way we are using technology to prevent crime and violence from taking root in our communities."

The site's address is www.usdoj.gov/tribaljusticeandsafety.

It is designed to serve as a single source of information about law enforcement for tribes, including crime statistics and other public safety issues, as well as a source for tribes on how the Justice Department can help them in fighting crime.

Last year, Schofield launched the Justice Programs Council on Native American Affairs.

Gun Lake Casino Project Faces Further Delays (AP)

AP, November 29, 2006

WASHINGTON - A southwest Michigan casino project by the Gun Lake tribe faces another delay after the government pushed back its timetable for taking land into trust for the project.

The Justice Department said in a court filing last week that the government does not plan to take 146 acres in Wayland Township into trust for the casino before March 5, 2007.

The Interior Department was originally set to take the land into trust Jan. 5, clearing the way for the Gun Lake tribe to begin construction.

The delay was noted Tuesday by Station Casinos Inc. in a filing with the Securities and Exchange Commission. The Las Vegas-based company said it planned to "continue contributing significant financial support to this project, even though there can be no assurances when or if the necessary approvals will be obtained."

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Michigan Gambling Opposition, an anti-casino group, sued in 2005 to block the government from taking the land into trust. U.S. District Judge John Penn in Washington is scheduled to consider government and tribal motions for dismissal on Wednesday.

James Nye, a Gun Lake spokesman, said the new March 5 deadline will "provide the judge with more time to consider making a ruling on the merits of the case, so we see this as significant progress toward the tribe obtaining trust land for the construction of its casino."

John Helmholdt, a spokesman for Michigan Gambling Opposition, said the group will likely file an appeal if the judge dismisses the lawsuit. If the judge denies the motion for dismissal, the group would likely seek a preliminary injunction to block the land from being taken into trust.

Native American? The Tribe Says No (USAT)

By Emily Bazar

USA Today, November 29, 2006

Native American tribes are facing allegations of greed and racism as they purge members from their rolls and deny the applications of others.

The expulsions have sent tremors through Indian country. Thousands of Native Americans have lost their cultural identities and access to tribal benefits, such as medical care, housing and education. Certain gaming tribes divide casino profits among members, in some cases thousands of dollars a month per person. Those expelled lose their cut.

Tribal officials say they're protecting legitimate members by making sure everyone in the tribe is qualified.

As sovereign nations, tribes have the final say in who can — and cannot — join. Each tribe determines what degree of Indian blood is necessary for membership, a requirement that varies among the 561 federally recognized tribes.

In California, at least 2,000 Native Americans have been taken off the rolls of their tribes since 1999, says Laura Wass, executive director of the Many Lightnings American Indian Legacy Center, an education and advocacy group in Fresno. Disenrollments have surged with the rise of Indian casinos, she says.

Thousands of Native Americans elsewhere have lost, or may lose, their tribal status. An upcoming vote at the Cherokee Nation in Oklahoma could deny citizenship to more than 1,000 of the tribe's 260,000 members.

“The motive varies from tribe to tribe,” says Daniel Littlefield, director of the Sequoyah Research Center at the University of Arkansas, Little Rock, an archive for contemporary Native American issues. “I would say money is at the bottom of a lot of it.”

Mary Chapman of Fresno was disenrolled from the Picayune Rancheria of the Chukchansi Indians last month, along with 20 members of her family. About 250 members of the tribe have been disenrolled this year, Wass says, and about 400 others have received letters questioning their status.

The 1,200-member tribe, which opened a casino in Coarsegold, Calif., in 2003, expelled Chapman because she didn't meet the eligibility criteria in the tribe's constitution, a complex set of categories based on ancestry, according to a disenrollment letter sent to her by the tribe.

Mark Levitan, attorney for the tribe, wouldn't discuss numbers. There is a moratorium on enrollment until the tribe completes an audit of every member's eligibility, he says, and tribal leaders “are a government that's responsible for following their own laws.”

Chapman, 69, says she traces her Chukchansi lineage to her great-great-grandmother. She blames the tribe's move on casino-related greed, which Levitan disputes.

He says the tribe does not yet distribute casino profits to members and has to show it is meeting the needs of the tribe before it can do so.

“As far as they're concerned, I'm a non-Indian,” Chapman says tearfully. “I feel totally displaced, totally homeless. Just kicked to the curb.”

She feels helpless, she says, because there's nothing she can do: “There's no way to fight it.”

State and federal courts do not have jurisdiction over Native American membership disputes, says Kevin Gover, law professor at Arizona State University and former assistant secretary of the Interior for Indian affairs.

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“Congress has not given individual Indians the right to sue their tribes,” he says.

Gover does not believe disenrollments are up because of gaming but says casino profits raise the stakes. He thinks expulsions are most often related to feuding families that form political factions.

“The majority family will throw the others out,” he says. “It's clannish and unworthy of institutions that claim to be nations.”

Yvette Champlain told The Providence Journal that she and dozens of her relatives were kicked out of the Narragansett Indian Tribe in Rhode Island this year because she questioned how the tribe spent $1 million it received from Harrah's Entertainment, which had been planning a casino with the tribe. “They don't want real accountability,” she told the newspaper.

The casino plan was rejected by Rhode Island voters this month.

Tribal councilman Randy Noka declined to discuss the specifics of Champlain's case but says her allegations are false.

Members must be able to document that they're descendants of Narragansetts listed on a tribal roll from the 1880s, Noka says. The tribe has about 2,500 people enrolled.

“It has nothing to do with personalities or politics,” he says. “Tribes have a responsibility to look out for their members. No one would expect to recognize someone that isn't a member of their family as a family member.

“You don't want anybody who may be looking to benefit from opportunities, who don't deserve them, to take away from someone who truly is a member,” Noka says.

“If someone does have a definite interest in trying to prove themselves to be a member, and can prove it, they deserve every benefit other tribal members receive.”

At the Cherokee Nation, a membership dispute centers on the Cherokee Freedmen, who are descendants of former slaves owned by Cherokees or, in some cases, descendants of free blacks who lived with the Cherokees. After the Civil War, the Cherokees, who had sided with the Confederacy, signed a treaty with the American government granting freedmen and their descendants tribal citizenship.

The tribe, which ratified a new constitution in 1976, has denied freedmen citizenship for much of the past three decades.

The tribe's highest court ruled in March that freedmen could obtain citizenship. Since then, more than 1,500 have enrolled, tribe spokesman Mike Miller says.

The dispute didn't end there. After Cherokee citizens circulated a referendum petition, Chief Chad Smith called a special election for February 2007 to consider changing the constitution. The proposed amendment would limit citizenship to those of Indian ancestry, based on membership rolls from the early 20th century. Those whose ancestors were freedmen would not be eligible.

Marilyn Vann's membership hangs in the balance.

“I've always considered myself a Cherokee Native American with African blood,” says Vann, who says she is Cherokee, Chickasaw and black, and that being listed as a freedman means her Indian ancestry is ignored.

Vann, a petroleum engineer in Oklahoma City, says she was shocked when her citizenship application was rejected in 2001. She reapplied after the court's ruling in March and is now a citizen.

She wanted to join so she could vote and “have a voice in the affairs of the tribe,” she says. “I did not come to my tribe to get something.”

The Cherokees do not pay gaming profits to members. The money funds the government, social services and job creation.

Vann believes the tribe fears the freedmen's voting power. Littlefield's assessment is more blunt: “It's racism.”

Some recently disenrolled members of the Pechanga Band of Luiseño Indians in California cite greed.

John Gomez Jr., 38, helped found the American Indian Rights and Resources Organization last year to address civil rights issues. Gomez and about 130 adults in his family were disenrolled from the tribe in 2004. Another family of about 90 adults was kicked out earlier this year.

“Both were large families that opposed the leadership,” he says.

The Pechanga Indians run a lucrative casino in Temecula, Calif., and split the profits among tribe members. Each member of Gomez's family used to get about $15,000 a month, he says. Once they were disenrolled, the payments stopped and the money went to remaining tribe members.

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In an e-mailed statement, Pechanga Chairman Mark Macarro says courts have consistently upheld tribes' sole responsibility for determining their citizenship. He noted that a state court this month dismissed a suit brought by disenrolled members. His tribe has 1,370 members.

The allegation of casino-related greed "is ridiculous, irresponsible and simply distorts the facts," he says. "This is about determining who is a rightful citizen and who was enrolled under false pretenses."

Michael Madariaga lost his membership this year.

The tribe had hired John Johnson, curator of anthropology at the Santa Barbara Museum of Natural History, to trace the family's lineage.

Johnson determined that Madariaga's family can be traced to one of the original members of the tribe. "They did disregard my findings," Johnson says.

Madariaga, 43, and his family lost access to tribal benefits, including the monthly casino payout and meals for the elderly, he says. He lost his job at the casino. The children had to leave the reservation school.

Madariaga's 89-year-old grandfather, Lawrence, has prostate cancer. After his health insurance was cut off, he didn't take his medications for a few months, Madariaga says. Now, he's dipping into his retirement to pay for them.

Madariaga describes his grandfather as an integral member of the tribe who helped upgrade the water system and bring electricity and phones to tribe members. "He designed and helped build the health clinic," he says of his grandfather.

Madariaga says disenrollment "took a lot out of" his grandfather and grandmother, Sophia, 86.

"The anger, the stress, that's not good at their age and for their health," he says. "When they were cut off from the health benefits, they were very stressed."

But the hardest part hasn't been losing benefits and casino payouts, Madariaga says.

"What matters is taking away our heritage," he says.

"It's like taking your family and wiping them out of history."

FBI/DEA/ATF/USMS:

FBI Appoints Veteran For Criminal Division (WT)

By Jerry Seper And Matthew Cella

The Washington Times, November 29, 2006

A veteran FBI supervisor who oversaw the investigation into the high-profile, unsolved death of a federal prosecutor in Baltimore was appointed yesterday to lead the criminal division of the bureau's Washington field office.

As head of the division, Jennifer Smith Love will direct all FBI investigations in Washington and Northern Virginia focused on violent, financial and organized crime; public corruption; civil rights violations; computer crimes; and drug-related offenses.

FBI Director Robert S. Mueller III yesterday announced the appointment of Mrs. Love, who had been chief of the FBI's communication-exploitation section, where she led FBI efforts to disrupt the ability of terrorists to communicate with one another.

Mrs. Love was the acting special agent in charge of the FBI's Baltimore field office and oversaw the bureau's investigation into the high-profile death of Assistant U.S. Attorney Jonathan Luna, whose body was found Dec. 4, 2003, in a ditch in Pennsylvania.

Mr. Luna, 38, drowned after being stabbed 36 times with his own penknife and left facedown in a creek near Brecknock Township, Pa. Nearly three years later, the death has raised more questions than answers.

In May, during hearings before the Senate Judiciary Committee, Sen. Charles E. Grassley, Iowa Republican, questioned Mrs. Love's role in the Luna investigation, saying she and two other agents were "the subject of allegations" that they had conducted an unauthorized search of another agent's laptop computer.

Mr. Grassley said Mrs. Love's conduct was the subject of a later FBI investigation and a review by the Justice Department's Office of Inspector General. The FBI probe cleared Mrs. Love of any wrongdoing. The inspector general's review found "credible evidence" of wrongdoing to conclude the case should have been sent through the FBI's formal disciplinary process, rather than handled as a job-performance issue.

After serving as a new agent in New Orleans in January 1987, Mrs. Love went on to work in the Chicago field office and as the Baton Rouge resident agent, where she investigated white-collar crime, violent crimes and civil rights matters. As a street agent in all three offices, she was the case agent on numerous public corruption investigations that led to the successful convictions of numerous prominent public officials and police officers.

In 1997, she was appointed supervisory special agent in the FBI's Office of Professional Responsibility at bureau headquarters in Washington, where she conducted investigations into accusations of employee misconduct. Two years later, she was appointed supervisory special agent in the Philadelphia field office where she led a white-collar crime and computer-intrusions squad.

During her tenure in Philadelphia, she oversaw the division's first undercover operation focusing on check-fraud rings.

In December 2002, she was named assistant special agent in charge of the Baltimore field office, where she initially headed the office's white-collar crimes, civil rights, administrative and surveillance programs, along with the Annapolis and Wilmington, Del., resident agencies. She concluded her assignment in Baltimore by being responsible for all of the FBI's criminal violations in the states of Maryland and Delaware.

In January 2005, Mrs. Love was promoted to section chief in the Counterterrorism Division at FBI headquarters, where she oversaw a multimillion-dollar budget, employee and information-security matters, training and continuing-education initiatives, and human-intelligence validation.

Mrs. Love is a 1983 graduate of Jackson State University in Jackson, Miss., where she received a bachelor's degree in accounting. Prior to joining the FBI, she worked as a cost accountant at McDonnell Douglas Corp. in St Louis and as a financial analyst in the FBI's St. Louis division.

Former FBI Secretary Admits Guilt (AP)

AP, November 29, 2006

HONOLULU (AP) _ A former clerk-secretary on the F-B-I's organized crime-drug squad pleaded guilty today to getting information without authorization from a computer the bureau's Honolulu office.

The F-B-I's investigation of Charmaine Moniz led to a two-year drug and gambling probe that resulted in charges filed against more than 35 people.

In addition to Moniz, the defendants include her husband, Eric, five Honolulu police officers and a Honolulu Liquor Commission inspector.

The F-B-I has said Moniz divulged sensitive information to drug dealers on Oahu's North Shore in 2003 and 2004.

In court, Moniz said she got the information to warn her husband to stay away from certain people.

Moniz is to be sentenced April ninth. She faces up to five years in prison and a 250-thousand-dollar fine.

Witness Tells Of Role In Gang, And Killings (NYT)

By Michael Brick

The New York Times, November 29, 2006

In walked the first member of the Stapleton Crew, described by prosecutors as a band of outlaws who shot, robbed and pummeled their way to power among the gun and drug rings of Staten Island.

He was 20 years old, 6 feet 3 inches tall and 320 pounds, and for court he had squeezed all that into a blue blazer with golden buttons.

His real name is Jessie Jacobus, but he gave his street handle as J-Dot, which he said was short for J-Doing Other Things.

The thing Mr. Jacobus was summoned to do yesterday in federal court in Brooklyn, in violation of what he called his principles, was to testify about the murder of two undercover detectives in March 2003.

Another member, Ronell Wilson, 24, faces the death penalty if he is convicted of pulling the trigger to advance the activities of the crew, which prosecutors describe in legal parlance as a racketeer-influenced corrupt organization.

Mr. Jacobus has pleaded guilty to murder and admitted being the fourth man in the car when the detectives were shot; he is cooperating with prosecutors in exchange for a letter to his sentencing judge.

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Federal prosecutors obtained the racketeering indictment and took over the case after the state death penalty was effectively halted in 2004. They said the two men had not seen each other since they were arrested three and a half years ago.

Mr. Jacobus walked across the courtroom with his back to Mr. Wilson. He turned at the witness stand, and the two seemed to lock eyes. Then he sat and promised to tell the truth about his role in the crew.

"I was supposed to be the strong-arm," he said.

Mr. Jacobus was 17 in 2003, a 10th-grade remedial school dropout, the son of a drug addict who moved up and down the East Coast. He started committing crimes at 14, though no one in the gang would let him hold a gun during robberies or revenge trips against a rival New Brighton gang.

As the strong-arm, Mr. Jacobus was relegated to rifling victims' pockets for money and contraband. It was also his job to probe their body cavities for hidden rocks of cocaine and extract them.

"Basically on the come-up, basically," Mr. Jacobus said. "I was making my way up."

He described a series of minor, violent assignments he had accepted to increase his status. Under questioning from an assistant United States attorney, Jack Smith, Mr. Jacobus said crew members acted as a team.

"A team was like, you know, um, basically like a basketball team, everybody plays a part," he said. "Some people sold drugs, some people robbed, you understand what I'm saying."

Photographs of the crew showed no women and no girls, just young men and boys in oversize athletic clothing smiling and contorting their fingers into gun shapes and gang signs. In one picture, they posed arm in arm before a refrigerator case at a bodega. Another was a souvenir of a trip to a Six Flags theme park.

Mr. Jacobus displayed vague knowledge of the drug-dealing operations, but he described robbing street-level marijuana and cocaine dealers. He said he had agreed to help Mr. Wilson rob a retail clothing store two blocks from the Stapleton Houses project where they lived.

The plan was to enter the store at midday, display a gun, take all the clothes and drive off in a rented van. His job would have been to gather the clothes, but the plan was eventually dismissed as foolhardy.

On March 10, 2003, Mr. Jacobus said, he agreed to help rob a man during a staged gun sale. The man who arrived was an undercover detective, James V. Nemorin, 36, accompanied by Detective Rodney J. Andrews, 34, whom he identified as his brother-in-law. Mr. Jacobus said he and Mr. Wilson got in the back seat of the detectives' car.

As prosecutors played a surveillance recording of that drive, relatives of the slain detectives sobbed and wailed, prompting Judge Nicholas G. Garaufis to clear the courtroom. He did not grant a defense motion for a mistrial.

As the tape resumed, Mr. Jacobus translated street slang for the jury ("burner" means gun, "hot" means under surveillance, "Shaolin" means Staten Island, even sitting around has several euphemisms) and filled in gaps in the recording.

He said Detective Andrews bought a pack of Newports and offered the cigarettes around. Detective Nemorin drove some more, then Mr. Wilson shot both detectives dead, starting with the passenger.

"Did the driver say anything?" the prosecutor asked.

"He was pleading for his life," Mr. Jacobus said.

They hid the gun in an apartment and returned to search the car. They did not find the $1,200 Detective Nemorin was carrying, but they did find a gun under the seat. Mr. Jacobus said Mr. Wilson told him, "They was going to get us before we got them."

On cross-examination, Mr. Jacobus said he had lied to the police after his arrest but told the truth since signing the cooperation agreement.

A defense lawyer, Ephraim Savitt, asked about the gang's name.

"When you were out on the street, before you were arrested, did you ever hear of the term Stapleton Crew?" Mr. Savitt said.

Mr. Jacobus said, "No, sir."

Afghan Police Aiding Drug Traffickers, U.N. Study Says (AP)

AP, November 29, 2006

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KABUL, Afghanistan -- Afghanistan's criminal underworld has compromised key government officials who protect drug traffickers, allowing a flourishing opium trade that will not be stamped out for a generation, an ominous U.N. report released Tuesday said.

The fight against opium production has so far achieved only limited success, mostly because of corruption, the joint report from the World Bank and the United Nations Office on Drugs and Crime said.

The findings show a "probability of high-level (government) involvement" in drugs, said Doris Buddenberg, the UNODC's Afghanistan representative and co-editor of the report.

The report in particular presented a strong indictment of the Interior Ministry, which runs the country's police, and said Afghanistan's criminal underworld could not operate without the support of the political "upperworld."

"The majority of police chiefs are involved," one senior police officer told the report's authors on condition of anonymity. "If you are not, you will be threatened to be killed and replaced."

Without naming officials, the report said it was possible that powerful interests in the Interior Ministry are appointing district police chiefs "to both protect and promote criminal interests."

The result is a "complex pyramid of protection and patronage, effectively providing state protection to criminal trafficking activities."

The spokesman for the counter-narcotics ministry said there is no evidence that high-ranking officials are involved in Afghanistan's drug trade.

"If there is evidence we welcome the evidence and the arrest will be on the spot," Zalmai Afzali said.

Poppy cultivation and the heroin it produces has become a major problem in Afghanistan, providing funds for the Taliban insurgency that has caused the deaths of more than 3,700 people this year.

Opium production in Afghanistan rose 49% this year to 6,100 metric tons. The harvest provided more than 90% of the world's opium supply and was worth more than $3.1 billion.

Gen. Khodaidad, Afghanistan's deputy minister for counter-narcotics, told The Associated Press that next year's harvest will be as large as this year's in several key southern provinces where Taliban militants have a heavy presence. A U.S. official has also told the AP he expects next year's yield to be about the same.

The 210-page report, titled "Afghanistan's Drug Industry," is the first comprehensive assessment of the country's drug production, from poppy-growing farmers to international drug traffickers.

Barnett Rubin, director of studies and senior fellow at New York University's Center on International Cooperation, said his research has led to many of the same conclusions as the report's.

"There are many cases where honest prosecutors or police chiefs try to do something about corruption, and they say they receive phone calls from very high officials in Kabul saying to leave the people alone," said Mr. Rubin, an expert on Afghanistan.

Like the report, Mr. Rubin said he could not name names. "Getting indictable evidence is very, very difficult," he said. "I'm not mentioning any individual's name to you because I don't want to be sued or bumped off."

Interior Ministry spokesman Zemeri Bashary said the ministry has reformed its process for selecting police chiefs.

"At the moment we don't have any problems with our police chiefs," he said. "If the government is saying that poppy cultivation is prohibited, so they are obliged to implement the orders of the government."

Instead of sustained declines in cultivation, successful efforts to reduce poppy growing in one province often leads to increases elsewhere, the report found.

"History teaches us that it will take a generation to render Afghanistan opium-free," said Antonio Maria Costa, executive director of UNODC. "Those driving the drug industry must be brought to justice and officials who support it sacked."

Poppies take up less than 4% of the total cultivated area in Afghanistan, and most districts do not grow opium, the report said. But the $3.1 billion export value of last year's crop accounted for around one-third of total economic activity in the country, and about 13% of Afghans are involved in the trade.

The report says there is also a need to curtail demand. The major consumers of Afghanistan's opium are Iran, Pakistan, the U.K., Italy, Spain and Germany, Ms. Buddenberg said.

Mr. Rubin said the report shows the international community's approach to the drug fight here is wrong.

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"It should focus its efforts to remove big drug money from the political process," he said. "But instead what we have done is put big drug traffickers in positions of power, failed to take or support strong actions against them while we attack the livelihoods of small farmers and laborers through eradication, and they then turn to the Taliban or warlords for protection."

Agencies End Turf War Over Danvers Blast Probe (BOS)

The Boston Globe, November 29, 2006

Federal and state agencies announced today that they will cooperate in the investigation into last week's chemical plant explosion in Danvers.

Town and state fire officials had questioned the jurisdiction of the US Chemical Safety Board, a federal agency that investigates such incidents. A turf war erupted Saturday when investigators from the board were denied access to the blast site.

In a joint statement this afternoon, federal and state officials and Chemical Safety Board investigators are on the site today of the plant, which was shared by CAI Inc. and Arnel Co. Inc. Investigators from the State Fire Marshal's office, the Massachusetts Department of Fire Services, the Danvers Fire Department, and the federal Bureau of Alcohol, Tobacco, Firearms, and Explosives are also involved.

"All parties have agreed to cooperate in executing their different missions," said the statement, issued after a meeting of all the agencies this morning. "The CSB and ATF will coordinate to ensure the integrity of the ongoing civil and criminal investigations during the access to the site."

Man Who Impersonated Federal Agent Gets 10-year Sentence (AP)

AP, November 29, 2006

ATLANTA - A man who impersonated a federal agent during an armed robbery was sentenced Tuesday to 10 years in prison on charges of carrying an unregistered sawed-off shotgun and a homemade firearm silencer.

Prosecutors say Garfield Royes, 37 already had three felony armed robbery convictions on his record when he posed as an agent from the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives during another armed home invasion.

"Today's sentencing of Mr. Royes validates that his only career is being an authentic career criminal," said Vanessa L. McLemore, an ATF special agent.

Royes donned a tank-top adorned with the letters "ATF" in 2003 while robbing a group of suspected drug dealers, said U.S. Attorney David Nahmias.

He was arrested in June 2003 while attempting to flee from police officers trying to search his home, prosecutors said. Police later said they found a 12-gauge sawed-off shotgun, a homemade silencer and ammunition at his home - items that Royes is banned from owning.

Royes, of Woodstock, must also serve three years of supervised release following his sentence.

Mathison Returned To U.S. (SCJ)

By Nick Hytrek And Alicia Ebaugh, Journal staff writers

Sioux City (IA) Journal, November 29, 2006

It was a day later than expected, but Ryan Mathison is back on U.S. soil.

Around 6 p.m. Tuesday, Mathison and his girlfriend Janelle Rodriguez were walked halfway across a bridge into El Paso, Texas, by Mexican officials, where they were met by U.S. Marshals, said El Paso Supervisory Deputy U.S. Marshal Jerry Payan.

"They are sitting in the El Paso County Jail awaiting extradition to Iowa," Payan said.

The pair were expelled from Mexico as "undesirables," Payan said, a faster and simpler procedure than extradition, a formal process that requires requests for extradition warrants that can take months. In expulsion, the Mexican government basically says the person in custody is not welcome. The person in custody also agrees to leave.

"This is basically they want to leave, and Mexico wants them to leave, and they escort them to the border," said Duane Walhof, supervisor of the U.S. Marshals Service Sioux City bureau.

"It could be two days to two weeks before they are returned to Sioux City, depending on how fast the paperwork is processed," Payan said.

On Monday, federal officials in Sioux City announced that Mathison and Rodriguez had been located and arrested in Juarez, Mexico, Sunday afternoon. At a press conference, authorities said they expected the two to be turned over to the Marshals Service by Monday afternoon at the U.S. border at El Paso, Texas, just across the Rio Grande River from Juarez.

Mexican officials did not meet with them as expected that day.

"We were there ready to take (Mathison and Rodriguez), and they wouldn't release them," Walhof said.

The Sunday arrest ended a two-week search for Mathison, who, while on pretrial release, skipped town during his trial on charges that he oversaw a drug ring that transported hundreds of pounds of marijuana and cocaine from Mexico to Sioux City. The jury later found him guilty. He faces a mandatory minimum sentence of 20 years in prison, a sentence that could be enhanced because he discarded his electronic monitoring device and left town. A sentencing date has not been set.

Mathison and Rodriguez were located in a Juarez hotel across the street from the U.S. Drug Enforcement Administration office. Mathison, 38, of Sioux City, was wanted for violating terms of his pretrial release.

Rodriguez, 20, North Sioux City, who left town with Mathison, was arrested on a material witness warrant.

Citing a Marshals Service policy not to comment on details of investigations, Walhof declined Tuesday to elaborate on the investigation or Sunday's tip that led to Mathison's capture.

Readers posting comments on the Journal's Web site at www.siouxcityjournal.com Tuesday gave their own theories on how the case was cracked. Walhof declined to say if those statements were accurate.

"I've read that same speculation," he said.

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IMMIGRATION:

Consulates In U.S. Hit The Road To Help Far-Flung Paisanos (WSJ)

By Joel Millman

The Wall Street Journal, November 29, 2006

KODIAK, Alaska -- On his latest trip to Alaska, Salvadoran consular official Luis Roberto Castellanos saw bear cubs, a killer whale and 200 natives of El Salvador who might lose their jobs in canneries here unless they solve their immigration problems.

A growing number of Mexicans, Salvadorans, Guatemalans and Dominicans are working in the remote reaches of Alaska, frequently illegally, and cut off from the bulk of Latino immigrants in the U.S. They turn for help to "mobile consulates" -- collections of diplomats from their home countries who fly from barrio to barrio around the country.

These Latino circuit riders are experts in immigration law and lobbying. They press schools to offer bilingual instruction and persuade banks to accept foreign ID cards, called matrículas, in lieu of Social Security cards, so immigrants can open checking accounts. They also counsel migrant workers on the intricacies of U.S. immigration laws, including an array of regulatory loopholes that Central Americans might be able to use to stay in the U.S. even if they entered illegally. (Two legal grounds for staying: earthquake damage in home countries and fear of torture back home.)

The mobile consulates are doing their best to help those who make it to the U.S. to stay here. "Getting over the border is expensive, but it's not difficult," said Orlando Castillo, a Salvadoran cannery worker who made his way to America illegally by crossing through Mexico. "But finding a way to stay? That's hard."

Latin American nations have a big incentive to keep migrants working in the U.S. They send their families at home about $50 billion a year, according to the Inter-American Development Bank. For El Salvador, Haiti and Nicaragua, such remittances are their largest source of hard currency. So far this year, Latin American nations have sent five mobile missions to Alaska -- two from Mexico's Seattle consulate, and one each from California consulates of Guatemala, the Dominican Republic and El Salvador. Other countries that have mobile consulates around the U.S. include Nicaragua, Brazil, Perú and Colombia.

The Mexican team that swept into Anchorage at the end of September was a model of efficiency. Taking over the offices of Local 878 of the Unite/HERE restaurant and hotel workers union, the group moved about 50 applicants through a kind of

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assembly line. The diplomats proofread applications, verified identification and processed passports and matrícula cards by using a digital camera linked via laptop to a fingerprint scanner. New passports cost $84, matrículas $27.

While they were waiting, the Mexican migrants could thumb through brochures left by bank marketers touting low-cost money transfers to Latin America. Wells Fargo's Anchorage office has a deal with Mexico's Seattle consulate that lets it distribute materials on remitting cash every time a mobile team visits. Western Union has similar arrangements with mobile consulates visiting other cities.

Sometimes the mobile consulates attract anti-immigration ire. In February, 100 members of the Colorado Alliance for Immigration Reform picketed a Colorado Springs public library when Denver's Mexican consul came to distribute matrículas. "Meddling Mexican Consulate Officials Issuing Mickey Mouse Matrícula Cards to Foreigners" was how the protesters described the visit on the group's Web page. This past summer, a group called Oregonians for Immigration Reform demonstrated against mobile consulates in Independence and Portland, Ore. To try to limit controversy, many mobile consulates no longer hold sessions in schools or other government buildings.

With 1.5 million Salvadorans living in the U.S., El Salvador's 15 permanent consulates frequently send diplomats on the road to meet far-flung paisanos. According to San Francisco vice consul Ana María Canizalez, El Salvador's Miami consulate pioneered the use of mobile units, starting in the late 1990s. Her office started sending teams out of town just a few times a year, she recalls. "Now it feels like we're on the road every week."

It's not what the 53-year-old expected to be doing when she left her job working for El Salvador's public health ministry in 1982 to take a plum diplomatic post in San Francisco. Taking three children and a husband -- now an employee of the U.S. Postal Service -- she has seen the Bay Area's Salvadoran population swell to 50,000, including her own U.S.-born grandchildren. Across 12 states covered by her consulate, she estimates, more than a quarter million Salvadorans have settled in.

Over the years, Mrs. Canizalez has assisted hotel workers in Reno, Nev., fig-grove workers in Mendota, Calif., fruit pickers in Wenatchee, Wash., and potato harvesters in Nampa, Idaho. People are grateful for the attention paid to remote communities, she says. Dollars and cents count as much as solidarity. "Imagine if they had to pay $1,000 each to come to San Francisco," she explains. "That's hundreds of dollars saved by us coming here. A lot of that money goes home."

A trip to Alaska is especially grueling. After she participated in two marathon sessions in Seattle in August, she left with two consulate staffers for Alaska. Their prop plane didn't arrive at Kodiak Island until midnight. Over cups of tea, the diplomats laid out plans for the following day's meeting, finally getting to sleep around 2 a.m.

About a third of the 600 Salvadorans who live in Kodiak came to visit the traveling band, which set up shop in a Pentecostal church. There, Salvadoran women prepared traditional snacks to sell of fried yucca and pork cracklings.

The island, known for its evergreen rain forests and unique species of brown bear, has long been a haven for immigrants who work at salmon and halibut-processing plants. About 60% of the 6,000 residents of Kodiak were born abroad or are children of immigrants. "In the 1970s, it was Filipinos, in the 1980s it was Mexicans, now it's Central Americans," says Tony Olazabal, a Peruvian native who is production manager for Ocean Beauty Seafoods, a local cannery.

The first Latinos arrived in 1964, when foreign construction workers were sought to rebuild Kodiak after an earthquake and tsunami destroyed the island's harbor city. Today, while most of the Salvadorans who live on the island qualify for permanent legal residency and have green cards, they need help in updating passports, or registering children born in Alaska. The children are dual citizens under Salvadoran law.

Mr. Castillo, the cannery worker, told the diplomats that he entered the U.S. illegally. He first crossed the Texas-Mexico border in 1993, he said, then sneaked across again last year into Arizona, the second time paying a coyote $5,000 to guide him past border patrol agents. To qualify for a temporary work permit, he filed a petition for asylum, claiming he can't go home because criminal gangs have threatened his life.

He said he wants to stay for the money. The 48-year-old laborer earns $8 an hour hauling slabs of fresh halibut across slippery floors at Ocean Beauty. In the summer he can pocket $650 a week by working 16-hour days -- at least 10 times what he could earn at home. Each month, he said, he sends $300 home to support a family of six in La Trinidad, Cabañas.

The visiting diplomats advised Mr. Castillo that it would be hard to prove that he fears for his life since he has visited El Salvador since entering the U.S. Maybe he could qualify for Temporary Protected Status.

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TPS started as a humanitarian program to allow Central Americans who fled civil wars at home in the 1980s to stay in the U.S. temporarily. TPS was extended in 2001 after earthquakes ravaged the region and again this year, many immigrant specialists believe, as a kind of thank-you to El Salvador for having sent 400 soldiers to Iraq. Now El Salvador is lobbying Congress to give all TPS holders, including the 225,000 from El Salvador, green cards entitling them to work and reside permanently in the U.S.

Barely able to write his name, Mr. Castillo labored painfully over each line in the Department of Homeland Security TPS form as Mrs. Canizalez watched, silently mouthing words of encouragement. Then she handed Mr. Castillo a stamped envelope, addressed to the federal office that processes the forms. She helped 50 other Salvadorans in Kodiak apply for TPS, too. The applicants won't know for several weeks whether they qualify, or what to try next if they don't.

Mr. Castillo hasn't heard yet, but he has a Plan B. He said he might join his son, who works in a meat-processing plant near Lexington, Neb., and switch from filleting fish to slicing beef. The son might marry an American girl one day, the cannery worker said, making him eligible to sponsor his father for legal permanent residency. "That would work best for me," the cannery worker said. "With God's help, something will work out."

TAX:

Democrat Calls For Outdated Tax To Be Axed (FT)

By Francesco Guerrera

Financial Times, November 29, 2006

The new Democrat-controlled Congress should abolish an outdated tax that could condemn up to 23m Americans to pay a total $1,000bn next year, according to the incoming head of a powerful congressional committee.

Charles Rangel, the New York Democratic congressman who is expected to become chairman of the tax-writing ways and means committee in the House of Representatives, said scrapping the alternative minimum tax (AMT) was a top priority.

Mr Rangel's position, presented at a meeting with New York business leaders on Tuesday, is more radical than other senior Democrats, including the incoming House Speaker Nancy Pelosi, who have talked about extending a one-year relief from AMT for middle-income taxpayers.

Introduced in 1969 to ensure that most upper-income households paid at least some tax, AMT has become emblematic of the inefficiencies plaguing the US tax collection system.

The problems stem largely from a technical mistake: the tax was not indexed for inflation – an oversight that meant that every year more and more middle-income citizens ended up paying it. It will be levied on some 3.5m people this year and the number could rise to more than 23m in 2007.

Both Republicans and Democrats support changes in the AMT regime because the tax is hitting middle and upper-income families – a crucial constituency.

But previous attempts at wholesale reform have stalled because of the need to find large revenue gains or spending cuts to offset the money raised by the tax. For the past few years Congress had agreed on temporary tax relief which costs about $30bn, considerably less than abolishing AMT, and is still considered the most likely option for 2007.

However, Mr Rangel said: "Nobody can challenge that is basic good policy to [scrap it]. The only question is where are we going to find the money to do it."

The financial pressures have been exacerbated by the Democratic leadership's pledge to match the cost of any tax change with spending cuts or other tax increases.

Mr Rangel said about $350bn of the $1,000bn needed to match AMT revenues could be found by closing "the tax gap" – a pool of funds that, for a number of reasons, goes unclaimed by the tax authorities. But he acknowledged the remainder would have to come from a bipartisan effort to close tax loopholes and find other sources of revenue.

Mr Rangel dampened hopes that the Democrats would roll back tax cuts introduced by President George W. Bush over the past few years, partly because the White House retains a veto on any such measures.

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CONGRESS-ADMINISTRATION:

Pentagon Takes Broader View On Emergency Spending (LAT)

By Julian E. Barnes And Peter Spiegel

The Los Angeles Times, November 29, 2006

WASHINGTON -- The Pentagon is preparing an emergency spending proposal that could be larger and broader than any since the Sept. 11 attacks, covering not only the conflicts in Iraq and Afghanistan but extending to other military operations connected to the Bush administration's war on terrorism.

The spending plans by military commanders may push the Defense Department into a conflict with Democrats as they take control of Capitol Hill next year. Democrats had been planning to limit the emergency "supplemental" spending measures that have funded the wars in favor of the regular federal budget process, which affords greater oversight and congressional control.

Congressional and military officials have said the Pentagon is considering a request of $127 billion to $150 billion in new emergency war spending, the largest such request since the special spending measures were begun in 2001. So far, Congress has allocated $495 billion for Afghanistan, Iraq and terrorism-related efforts.

Even within the Pentagon, the spending request is generating controversy. The Pentagon was due to forward its request to the White House by about Nov. 15. But a senior Defense official said the decision had been held up and Pentagon officials had asked Army and Air Force officials to provide more justification for the spending demands.

Pentagon officials would not comment on the budget figures, due to be made public in February.

The upcoming request, added to the $70 billion already allocated for next year, would easily exceed the annual cost of the Vietnam War at its height. Adjusted for inflation, the United States spent $121 billion on the Vietnam War in 1968, according to the nonpartisan Congressional Research Service.

Still, the overall cost of the Vietnam War -- about $663 billion adjusted for inflation -- still exceeds the combined costs of the fighting thus far in Afghanistan and Iraq, according to the Congressional Research Service.

The next request stands to be larger in part because of new rules laid out in an Oct. 25 memo from Deputy Defense Secretary Gordon England. Rather than strictly limit spending to Iraq and Afghanistan costs, the memo said the services could include costs associated with military operations that are part of the larger war on terrorism.

Previously, the military portion of the supplemental spending measures has been used almost exclusively for operations in Iraq and Afghanistan. England's memo would allow the military branches to include a greater number of expenses more loosely tied to the wars, such as new military weapons systems and training exercises.

The cost and approach of the spending request are likely to meet with resistance in Congress. Democratic congressional aides said the new majority on Capitol Hill was likely to push back against a request that exceeded $100 billion.

"This was a dream list for the military," said one aide, who, like others, spoke on condition of anonymity because the Pentagon has not formalized its request and because some members of Congress believe it is premature to comment publicly.

Democrats said a supplemental of $80 billion to $100 billion would be more realistic. House and Senate aides say they want to push in the opposite direction of the Pentagon, moving money out of the supplemental and into the regular budget.

"We are going to show more oversight," one Democratic aide said.

But Democrats acknowledged that it would be difficult to move a majority of the costs to the regular budget without forcing massive budget cuts in other departments.

Although there will be more scrutiny of the Pentagon requests, and the most outrageous spending proposals could be nixed, there is little doubt a large supplemental will be approved, some Democratic aides said.

"People will grouse that they are loading up the supplemental, but they will be hard-pressed to say no, because they realize the services need the equipment," one Democratic aide said.

According to the England memo, the Pentagon wants to include money in the supplemental to replace equipment destroyed in combat or run down by accelerated wear and tear. More controversially, it might allow the services to replace old equipment with new models.

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Defense officials declined to lay out specifics about what constituted expenditures that would be allowed in the next supplemental spending bill.

A Defense official said the Navy and Marine Corps request of $30 billion has been viewed as relatively uncontroversial. But the Army and Air Force requested far more than the Pentagon was willing to take to the White House's Office of Management and Budget and were asked to provide more information to top Defense officials.

The Army, outside military analysts have said, has requested about $80 billion in the upcoming supplemental. Army officials have not confirmed the figure.

The Air Force has requested $33 billion in supplemental funding, said Maj. Morshe Araujo, a spokeswoman. The Air Force originally requested $17.4 billion; after the England memo was circulated, the Air Force added $16 billion more in requests, Araujo said.

Critics of the Pentagon budget process say the memo has encouraged the various services to inflate their requests.

"The England memo basically said, 'Let 'er rip,'" said Winslow Wheeler, director of the Straus Military Reform Project and a former congressional budget aide. "Anything goes as long as you can put it under the pretext of not only Iraq or Afghanistan but the global war on terror."

Loren Thompson, a military analyst at the nonpartisan Lexington Institute in Arlington, Va., said the timing of the memo suggested that Defense Secretary Donald H. Rumsfeld, who has resigned and is likely to be out by the end of the year, was punting on tough spending choices.

"It really does have the feeling of opening up the floodgates and letting someone else drown," Thompson said.

Bryan Whitman, Pentagon spokesman, said the supplemental amounts being discussed publicly were "wildly speculative." The England memo, he said, was meant to enable the services to request money to replace worn-out equipment.

"It is fair to say: You are five years into this conflict and equipment is being used at a higher rate than its peacetime service life would be," Whitman said. "Those are costs directly related to the war, and we are going to have to figure out how we are going to deal with it."

But Wheeler said the services were doing more than replacing equipment destroyed in Iraq or Afghanistan. He was particularly critical of the Marine Corps' decision to use the emergency spending requests to replace old helicopters with the V-22 Osprey, a controversial and expensive tilt-rotor airplane that has yet to be deployed in Iraq or Afghanistan.

"That is like telling your wife she has worn out the Yugo for getting to the train station and you are going to buy her a Ferrari," Wheeler said.

In a meeting with reporters last week, Gen. James T. Conway, the new Marine Corps commandant, said buying outdated equipment would be wasteful.

"What we have to do is be smart about it," Conway said. "We have to be good custodians of the nation's resources. We have to ask ourselves: Do we buy new old stuff, or do we go to the next generation of equipment and modernize in the process?"

Wars Wearing Down Military Gear At Cost Of About $2 Billion A Month (USAT)

By Matt Kelley

USA Today, November 29, 2006

WASHINGTON — About $2 billion worth of Army and Marine Corps equipment — from rifles to tanks — is wearing out or being destroyed every month in Iraq and Afghanistan, military leaders and outside experts say.

That's equal to about a quarter of the $8 billion per month in military war costs. The wear and tear may lead to future equipment shortages and cutbacks in more advanced weapons, such as the F-35 Joint Strike Fighter being developed with allies around the world and the Army's new, high-tech family of weapons and equipment, says William Cohen, secretary of Defense from 1997 to 2001.

Pressure to keep spending under control can lead to cuts in both current maintenance and future weapons, Cohen says, but “the longer we defer on that, the more expensive it's going to be.”

The Pentagon needs $50 billion to $60 billion to re-equip and restore units returning from Iraq, says Leon Panetta, the former Clinton White House chief of staff and member of the bipartisan Iraq Study Group.

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On Monday, the Pentagon said it had issued more than $1.7 billion in equipment repair and replacement contracts during November alone. This summer, the leaders of the Army and Marine Corps said their services rack up a combined $23 billion a year in repair costs.

Army Gen. Peter Schoomaker and Marine Gen. James Conway told Congress that repair money comes only in special requests for war funding, not in annual budgets. That, they said, makes it hard to plan for future needs.

"They've been falling badly behind," says Winslow Wheeler, a former congressional budget analyst now at the independent Center for Defense Information.

The Pentagon is considering $127 billion to $160 billion in requests for war funding next year.

Vehicles and other equipment are far more complex now than they were in previous conflicts such as Vietnam, making repairs and replacements even more expensive, Wheeler says. The Congressional Research Service says the entire Vietnam War cost an estimated $650 billion in today's money, while the global war on terrorism, including Iraq, has cost more than $500 billion so far.

The Army and Marines have reported using about 40% of their ground combat equipment in Iraq and Afghanistan, according to the Government Accountability Office (GAO). Units departing Iraq leave much of their heavy equipment behind, which further delays major maintenance and leaves holes in training for future missions, the report says.

A separate GAO report this month urged the incoming Democratic-controlled Congress to investigate the Pentagon's planning for repair, maintenance and replacement of war equipment.

If the United States entered another war, "it would be difficult for us to accomplish anything," says retired lieutenant general Donald Kerrick, who served on the National Security Council under presidents Clinton and Bush.

Defense Secretary Donald Rumsfeld has acknowledged the problem and said he is working with the White House to get more money for repairs.

"I think we have some reasonable understandings about the coming year and the importance of not having a two- or three-year lag," Rumsfeld said last month.

Medicare Costs Come In $13 Billion Under Budget (WT/AP)

The Washington Times/AP, November 29, 2006

The Medicare drug benefit has cost nearly $13 billion less than expected this year -- a rare federal program coming in under budget -- and projections show it will cost about $200 billion less in its first decade than initially estimated.

President Bush credits competition among the dozens of private insurance companies administering the program for the cost coming in at $30 billion in 2006, about 30 percent below the projected $43 billion.

But figures provided to the Associated Press by the agency that oversees the benefit for the elderly and disabled show two other factors: lower-than-expected enrollment and drug prices that went up less than expected before the benefit kicked in.

Democrats say they can cut costs further by having the government directly negotiate drug prices with pharmaceutical companies on behalf of beneficiaries. Rep. Nancy Pelosi, the incoming House speaker from California, says granting the government that authority will be one of her priorities for the new Congress' first 100 hours.

Why the program has been costing less than anticipated will be an important element of that debate. To date, however, there has been little detailed analysis of how the savings are being achieved.

The Centers for Medicare and Medicaid Services, the federal agency that oversees the new drug benefit, provided the AP with its accounting of where the program saved money this year:

•Lower than projected enrollment: $7.5 billion.

•Competition: $6.9 billion.

•Drug prices rising less than expected in the two years before the benefit even began: $3.7 billion.

About $141 billion of projected savings over the decade result from slower growth in drug prices, said John Shatto, a Medicare actuary.

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The savings being achieved by the program could make it harder for Democrats to make changes, particularly with surveys showing high satisfaction rates among seniors and the disabled. So Democratic lawmakers may focus on where the savings are coming from.

"Republicans would have you believe that the drug and insurance companies have sacrificed profits in the name of competition, but nothing could be further from the truth," said Rep. Pete Stark, California Democrat. "In fact, the dirty little secret is that costs are lower because of low enrollment and a slowdown in drug spending."

Leslie V. Norwalk, the acting administrator for the Centers for Medicare and Medicaid Services, says enrollment is actually lower because the agency's actuaries underestimated how many people already had drug coverage before Jan. 1, when the Medicare benefits started.

Nearly 10 million fewer people enrolled in the program than projected after Congress created the drug benefit in 2003.

In Following His Own Script, Webb May Test Senate's Limits (WP)

By Michael D. Shear

The Washington Post, November 29, 2006

At a recent White House reception for freshman members of Congress, Virginia's newest senator tried to avoid President Bush. Democrat James Webb declined to stand in a presidential receiving line or to have his picture taken with the man he had often criticized on the stump this fall. But it wasn't long before Bush found him.

"How's your boy?" Bush asked, referring to Webb's son, a Marine serving in Iraq.

"I'd like to get them out of Iraq, Mr. President," Webb responded, echoing a campaign theme.

"That's not what I asked you," Bush said. "How's your boy?"

"That's between me and my boy, Mr. President," Webb said coldly, ending the conversation on the State Floor of the East Wing of the White House.

Webb was narrowly elected to the U.S. Senate this month with a brash, unpolished style that helped win over independent voters in Virginia and earned him support from national party leaders. Now, his Democratic colleagues in the Senate are getting a close-up view of the former boxer, military officer and Republican who is joining their ranks.

If the exchange with Bush two weeks ago is any indication, Webb won't be a wallflower, especially when it comes to the war in Iraq. And he won't stick to a script drafted by top Democrats.

"I'm not particularly interested in having a picture of me and George W. Bush on my wall," Webb said in an interview yesterday in which he confirmed the exchange between him and Bush. "No offense to the institution of the presidency, and I'm certainly looking forward to working with him and his administration. [But] leaders do some symbolic things to try to convey who they are and what the message is."

In the days after the election, Webb's Democratic colleagues on Capitol Hill went out of their way to make nice with Bush and be seen by his side. House Speaker-elect Nancy Pelosi (D-Calif.) sat down for a lunch and photo opportunity with Bush, as did Democratic leaders in the Senate.

Not Webb, who said he tried to avoid a confrontation with Bush at the White House reception but did not shy away from one when the president approached.

The White House declined to discuss the encounter. "As a general matter, we do not comment on private receptions hosted by the president at the White House," said White House spokeswoman Dana M. Perino.

Webb said he has "strong ideas," but he also insisted that -- as a former Marine in Vietnam -- he knows how to work in a place such as the Senate, where being part of a team is important.

He plans to push for a new GI bill for soldiers who have served in the days since the Sept. 11, 2001, attacks, but not as a freshman senator. He has approached the Democratic leadership about getting senior legislators to sponsor the bill when the 110th Congress convenes in January.

A strong backer of gun rights, Webb may find himself at odds with many in his party. He expressed support during the campaign for a bill by his opponent, Sen. George Allen (R-Va.), that would allow concealed weapons in national parks. But an aide said this week that Webb will review Allen's legislation.

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"There are going to be times when I've got some strong ideas, but I'm not looking to simply be a renegade," he said. "I think people in the Democratic Party leadership have already begun to understand that I know how to work inside a structure."

His party's leaders hope that he means it.

Top Democratic senators, including incoming Majority Leader Harry M. Reid (D-Nev.) and Charles E. Schumer (D-N.Y.), had invested their money and prestige in Webb before he won the party primary in June. His victory was also theirs, but now they have to make sure he's not a liability.

"He's not a typical politician. He really has deep convictions," said Schumer, who headed the Senate Democrats' campaign arm. "We saw this in the campaign. We would have disagreements. But when you made a persuasive argument, he would say, 'You're right.' I am truly not worried about it. He understands the need to be part of a team."

One senior Democratic staff member on Capitol Hill, who spoke on condition that he not be identified so he could speak freely about the new senator, said that Webb's lack of political polish was part of his charm as a candidate but could be a problem as a senator.

"I think he's going to be a total pain. He is going to do things his own way. That's a good thing and a bad thing," the staff member said. But he said that Webb's personality may be just what the Senate needs. "You need a little of everything. Some element of that personality is helpful."

Webb has started to put himself out front. On "Meet the Press" last week, he dispensed with the normal banter with host Tim Russert to talk seriously about Iraq and the need for economic justice in the United States.

He announced yesterday that he has hired Paul J. Reagan, a communications director for former governor Mark R. Warner (D) and a former chief of staff for U.S. Rep. James P. Moran Jr. (D-Va.). It will be Reagan's job to help his boss navigate the intricacies of Washington and Capitol Hill without losing the essence of his personality.

"The relationships he has built over his long career will serve me well," Webb said in a statement yesterday.

Virginia Gov. Timothy M. Kaine (D), who campaigned hard to get Webb elected, said yesterday that the first-time officeholder doesn't have the finesse of most experienced politicians.

"He is not a backslapper," Kaine said. "There are different models that succeed in politics. There's the hail-fellow-well-met model of backslapping. That's not his style."

But Kaine said that Webb's background, including a stint as Ronald Reagan's Navy secretary, will make him an important -- if unpredictable -- voice on the war in Iraq.

"There are no senators who have that everyday anxiety that he has as a dad with a youngster on the front lines. That gives him gravitas and credibility on this issue," Kaine said. "People in the Senate, I'm sure, will agree with him or disagree with him on issue to issue. But they won't doubt that he's coming at it from a real sense of duty."

Son Also Rises In Testy Webb-Bush Exchange (HILL)

By Emily Heil

The Hill, November 29, 2006

President Bush has pledged to work with the new Democratic majorities in Congress, but he has already gotten off on the wrong foot with Jim Webb, whose surprise victory over Sen. George Allen (R-Va.) tipped the Senate to the Democrats.

Webb, a decorated former Marine officer, hammered Allen and Bush over the unpopular war in Iraq while wearing his son's old combat boots on the campaign trail. It seems the president may have some lingering resentment.

At a private reception held at the White House with newly elected lawmakers shortly after the election, Bush asked Webb how his son, a Marine lance corporal serving in Iraq, was doing.

Webb responded that he really wanted to see his son brought back home, said a person who heard about the exchange from Webb.

"I didn't ask you that, I asked how he's doing," Bush retorted, according to the source.

Webb confessed that he was so angered by this that he was tempted to slug the commander-in-chief, reported the source, but of course didn't. It's safe to say, however, that Bush and Webb won't be taking any overseas trips together anytime soon.

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"Jim did have a conversation with Bush at that dinner," said Webb's spokeswoman Kristian Denny Todd. "Basically, he asked about Jim's son, Jim expressed the fact that he wanted to have him home." Todd did not want to escalate matters by commenting on Bush's response, saying, "It was a private conversation."

A White House spokeswoman declined to give Bush's version of the conversation.

Fake Rep. takes on colorful causes

Rep. Sherri Davis, a Republican from California, has a plucky resume, fabulous fashion sense, and a mission to eradicate yoga mat-borne illnesses. She's colorful, quotable and, unfortunately, totally fake.

Those who aren't up on their members of Congress, or who don't have a congressional directory handy, might be fooled by Rep. Davis's Internet footprints, which include a smattering of press releases, mentions on various blogs, and video clips posted on YouTube.com. She even has recommended items on Amazon.com.

The tales spread about her are just detailed enough to appear plausible. According to the press releases, which are posted on the website www.pr-inside.com and show up in Google news searches, the congresswoman is pressing legislative priorities including "a program designed to capitalize on the current 'scrapbooking craze' to increase youth reading levels through individual vouchers and through major tax-breaks to the American scrapbooking industry" and the Yoga Mat Cleanliness Act (YMCA), which the congresswoman promoted through appearances with actress Sarah Jessica Parker. According to the release, Parker "caught a bad case of tinea cruris [don't ask] from using an unclean yoga mat".

A woman purporting to be Davis appears in the YouTube clips offering bizarre policy prescriptions, such as suggesting that the problem of illegal immigration be solved by rounding up all illegal immigrants and forcing them to live in a tent city in the desert. Some viewers appeared fooled by the clips, posting comments like, "Is anyone else baffled as to how this ditz got elected? Or scared and embarrassed that she is one of the lawmakers of our country?"

Some details, though, are just too over-the-top. Davis' releases claim she "skyrocketed to fame in the 1990s with her raunchy rock-anthem '(Doing the) Baby Dance,' which reached No. 4 on the Billboard pop charts." Before taking office, Davis also played the role of Penny Pingleton in numerous regional performances of "Hairspray."

We tried to get to the bottom of the bottom of the ruse, but her "staffer," who identifies himself as Jake Barnes (oddly, that's the name of the lead character from Ernest Hemingway's "The Sun Also Rises") refuses to give up his "boss." "The idea that Congresswoman Sherri Davis, R-CA [sic] is a fictional character and not a real congresswoman is one that was planted in the media by Sherri's Democratic opponent in the congressional election this fall," he wrote us in an e-mail.

He said he hoped to have the congresswoman, who was traveling in Vienna, give us a call. We're holding our breath.

Sheriff, congressman, liquor-store owner … now lobbyist

The strange career of former Rep. Tommy Robinson just got a little stranger. The former Republican congressman from Arkansas is also a former sheriff who gained notoriety by chaining convicted prisoners to a fence. Now he owns a liquor store and, according to The Arkansas Democrat-Gazette, just landed a new gig: as a lobbyist for the new president of the Democratic Republic of the Congo.

Robinson told the paper he would be "brokering oil and other business deals between a number of U.S. companies" and Congo President Joseph Kabila. Robinson will get to keep the $10,000 to $12,000 monthly income earned from the lobbying position under the terms of his bankruptcy proceedings in Little Rock, the story says.

According to the report, Robinson served a five-day jail sentence earlier this year for attacking a creditor in a Brinkley, Ark. barbeque restaurant.

Wal-Mart, GOP forsake God, groups say

Some Christian conservative groups say both Wal-Mart and the Republican Party have "forsaken God." And just as the GOP took a hit in the elections earlier this month, the groups say the retail giant's lower-than-expected November sales figures are the wages of that sin.

Why are sales below estimates? "It is for the same reason things went south for the Republican Party this past election cycle," read a statement by the Rev. Flip Benham and Pat McEwan, with Operation Save America and Operation Save Wal-Mart. "Wal-Mart has forsaken God and it has forsaken the people who love Him."

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The groups led protesters on Nov. 24 to picket the “gates of hell” — that is, Wal-Mart stores around the country. They say Wal-Mart, like the GOP, has strayed from its founding principles, set by founder Sam Walton, citing Wal-Mart’s dispensing of “Plan B” contraception and the fact that the retailer is a corporate member of the National Gay & Lesbian Chamber of Commerce.

GOP not taking loss by the book

Looks like Republicans aren’t looking for answers after losses in the November elections — at least not in books.

Tom Nissley, senior books editor for Amazon.com, says he hasn’t seen the same post-election bump in sales for what he thinks of as “self-help” books for losers. After Democrats got trounced in the 2004 election, he noticed a spike in sales of left-friendly books such as Tom Franks’s “What’s the Matter With Kansas” and George Lakoff’s “Don’t Think of an Elephant,” books he describes as “what can we do and how to fix things” tomes.

This time, there’s no Republican analogue, he said. “That was a surprise for me,” Nissley said. “It might be that conservatives don’t think of themselves as needing to make a change.”

The two political books that have seen big boosts are “Fields of Fire,” the novel set in the Vietnam War by incoming Sen. Jim Webb (D-Va.) and “Pieces of Intelligence: The Existential Poetry of Donald Rumsfeld.”

Bush Willing To Work With Dems On Trade (AP-Y)

By Martin Crutsinger, Ap Economics Writer

AP, November 29, 2006

President Bush's top trade negotiator said Tuesday the president still hopes to achieve bipartisan support for an aggressive trade liberalization agenda in the next Congress even with Democrats in control.

U.S. Trade Representative Susan Schwab said the administration would continue to push for the conclusion of global trade talks known as the Doha Round before negotiating authority expires on June 30.

She said the administration also hopes to wrap up negotiations by early next year on free trade deals with South Korea and Malaysia and said that talks should be concluded soon with Panama.

She called gaining congressional approval for agreements already completed with Peru and Colombia a high priority.

In a speech to the U.S. Chamber of Commerce, Schwab warned against any move to erect protectionist barriers against the flow of goods into the country, something that critics say are needed in the face of record-high trade deficits they contend are costing American jobs.

Many Democrats campaigned against Bush's trade policies in the November congressional elections, saying the administration had failed to do enough to halt the loss of manufacturing jobs to low-wage foreign countries such as China. Since Bush took office in 2001, the country has lost nearly 3 million manufacturing jobs.

The Democratic takeover of the House and Senate has raised speculation that the administration's trade agenda will face serious obstacles in the new Congress.

But Schwab labeled this the "conventional wisdom" that a Democratic-controlled Congress would stop the administration's trade agenda "dead in its tracks."

"There are those in the extremes of both parties ready to preach retreating to protectionism and economic isolationism," Schwab said in her speech. She said nothing could be more harmful to the American economy.

"My hand is outstretched to any and all members of Congress — the new Democratic leadership and our Republican colleagues," she said. "We must think about the next generation, not just the next election."

Rep. Sander Levin, D-Mich., said in a statement that the administration needed to be prepared to seek compromises with Democrats on contentious trade issues.

"I hope Ambassador Schwab's remarks are not meant to say that the Bush administration's approach to trade is 'stay the course.' There needs to be a change in course," Levin said.

Schwab said she had been encouraged by comments on the need for bipartisanship made by Sen. Max Baucus, D-Mont., who will head up the Senate Finance Committee and Rep. Charles Rangel, D-N.Y., who will head the House Ways and Means Committee, the two panels with responsibility for trade.

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But trade experts said Schwab may being far too optimistic about what can be done in the next Congress.

"I see rough waters ahead for the administration's trade agenda," said Dan Griswold, a trade expert at the Cato Institute, a think tank in Washington. "All the signs point toward legislative stalemate on trade."

Some analysts suggested for Bush to win approval of further trade deals he will have to drop opposition to providing greater benefits to workers laid off because of foreign competition and also accept Democratic demands to increase protections so that U.S. jobs are not moved to low-wage countries with lax labor and environmental standards.

Gary Hufbauer, a trade expert at the Institute for International Economics, said an early test for Bush will be whether he can get Congress to approve normalizing trade relations with Vietnam.

Bush suffered an embarrassing defeat on this issue when the House failed to approve it by the necessary majority earlier this month right before he left on a trip to Vietnam.

"If Vietnam is held over until next year, that would indicate tough sledding for the administration," Hufbauer said.

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On the Net:

U.S. Trade Representative: http://www.ustr.gov

Treasury's Paulson Sounds Warning On Protectionism (WSJ)

By Deborah Solomon

The Wall Street Journal, November 29, 2006

LONDON -- U.S. Treasury Secretary Henry Paulson warned that protectionist sentiment is rising all over the world, partly because "the benefits of trade are not spread evenly in any part of the world." But he said it would be "morally wrong" to give in to "protectionist elements."

Mr. Paulson's remarks, in a speech to the Confederation of British Industry and in subsequent comments to reporters, echo some of the themes that have been sounded by Democratic Party critics of globalization in the U.S., and like-minded people in other countries.

In contrast with those who would seek to slow the pace of globalization and prevent the completion of the current Doha round of world trade talks, Mr. Paulson argued that it is essential that globalization continue in order to assure future prosperity of developed and developing countries.

"Giving in to protectionist sentiment," he said, "would be telling developing nations that while we have benefited from increased trade, we aren't going to allow them the same opportunity to develop." That, he said, is "not only bad policy, it is morally wrong."

In Washington, U.S. Trade Representative Susan Schwab echoed Mr. Paulson, raising alarms about the "extremes" in both major U.S. political parties that preach economic isolationism. "Those are forces we must confront in a bipartisan way," Ms. Schwab said. In an appearance before the U.S. Chamber of Commerce, Ms. Schwab vowed to work with Democrats in Congress next year.

Ms. Schwab suggested the Bush administration has made strides in already-completed trade deals to improve labor and environmental standards abroad, issues of importance to Democrats. And without offering specifics, Ms. Schwab suggested the administration needs to better respond to the needs of workers who lose their jobs as a result of foreign competition. The "dislocations are real," she said.

In London, Mr. Paulson acknowledged that trade in goods and services can eliminate jobs in the short run, especially jobs for workers with few skills. This, he said, is fueling resentment toward global trade and investment in many countries. "For over 20 years now, we've seen a trend driven by globalization: Those who have skills are getting greater rewards."

Public concern that trade is driving a wedge between winners and losers in the U.S. economy, he said, is a factor in tension between the U.S. and China. "Part of this relates to a feeling that the benefits of the trade between our two countries aren't being shared equally or fairly," he said in response to a question after his speech.

--Greg Hitt in Washington contributed to this article.

Write to Deborah Solomon at deborah.solomon@wsj.com1

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Citizenship Agency Lost 111,000 Files (WP)

By Spencer S. Hsu

The Washington Post, November 29, 2006

U.S. Citizenship and Immigration Services has lost track of 111,000 files in 14 of the agency's busiest district offices and processed as many as 30,000 citizenship applications last year without the necessary files, congressional investigators reported yesterday.

The Government Accountability Office, Congress's audit arm, conducted the review at the request of Sens. Charles E. Grassley (R-Iowa) and Susan Collins (R-Maine) after U.S. authorities granted citizenship in 2002 to a man without checking his primary file. The file, which was lost, indicated ties to the militant Islamic group Hezbollah.

"It only takes one missing file of somebody with links to a terrorist organization to become an American citizen," said Grassley, who is chairman of the Senate Finance Committee. "We can't afford to be handing out citizenship with blinders on."

Collins, head of the Senate Homeland Security Committee, noted that some of the Sept. 11 hijackers entered the U.S. legally, disappearing until the terrorist attacks. She called it "unthinkable" that the U.S. immigration system could still grant citizenship to a potential terrorist "simply because they can't find the person's file."

An agency official said workers probably checked most of the files but failed to make note of it.

The GAO report, dated Oct. 27 and released by the senators yesterday, underscored long-standing problems at the agency, which was created out of the Immigration and Naturalization Service and is expected to bear the brunt of administering new rules if Congress overhauls immigration policy.

The $1.8 billion agency handled 7.5 million applications for immigration benefits in 2005 but relies on paper files. The agency awarded a five-year, $150 million contract in August to begin digitizing 55 million "alien files," or A-files, but for now it still relies on paper files.

The GAO found that the agency's workers failed to record A-file use in processing 30,000 of 715,000 naturalization cases last year, or 4 percent of cases. The GAO also found that as of July 27, Citizenship and Immigration Services' electronic tracking system reported that 111,000 A-files were lost in the 14 offices that manage two-thirds of naturalization cases.

Steven J. Pecinovsky, an agency liaison to the GAO, said workers are not required to note that they have checked A-files but will be in the future. A 2005 internal audit found a much lower incidence of unchecked A-files than the GAO cited -- about 0.5 percent.

The GAO also cited internal audits that found that 21 percent of files were not where they were supposed to be in Immigration Services' San Diego office in 2005 and that 6 percent of files could not be found in the Los Angeles office earlier this year.

Senators Irked Over Missing Immigration Files (AP)

The AP, November 28, 2006

WASHINGTON -- About 30,000 applications from immigrants seeking citizenship were processed by the government even though thousands of background files used to determine eligibility were missing, congressional investigators found.

Details of the investigation by the Government Accountability Office were released by Republican Sens. Chuck Grassley of Iowa and Susan Collins of Maine Tuesday.

According to the GAO, 14 Citizenship and Immigration Services offices were missing 110,000 so-called alien files, or A-files. Such files contain applications and other documents of some noncitizens and serve as the primary file for the immigrant and help determine eligibility.

Grassley and Collins said the citizenship and immigration offices, which are part of the Department of Homeland Security, rely on A-files to help determine eligibility for immigration benefits. The files are used by homeland security and law enforcement agencies during criminal investigations and to decide whether someone should remain in the U.S.

The GAO said the citizenship and immigration agency may not have consulted A-files when processing 30,000 naturalization applications in 2005. A-files were checked in 96 percent of the naturalization cases processed that year. The agency manages 55 million A-files.

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In addition, the number of applications processed without consulting A-files could have been less because workers sometimes don't record whether they've consulted the files, the GAO said.

Spokesmen at Department of Homeland Security and Citizenship and Immigration Services could not be reached immediately Tuesday evening.

Grassley and Collins said they requested the investigation after the Homeland Security agency granted U.S. citizenship to a suspected terrorist, without checking an A-file, in 2002.

"It only takes one missing file of somebody with links to a terrorist organization to become an American citizen," Grassley said in a news release.

The missing files also cause delays for immigrants with no security issues from becoming U.S. citizens, the senators said.

The senators said the agency agreed with the GAO to require workers to record whether an A-file was used to process a naturalization application and to use an automated file tracking system.

Pelosi Passes Hastings For Intel Chair (AP-Y)

By Katherine Shrader, Associated Press Writer

AP, November 29, 2006

In a decision that could roil Democratic unity in the new House, Speaker-to-be Nancy Pelosi passed over Rep. Alcee Hastings Tuesday for the chairmanship of the Intelligence Committee.

Hastings, currently the No. 2 Democrat on the panel, had been aggressively making a case for the top position, supported by members of the Congressional Black Caucus.

Critics pointed out that he had been impeached when he was a federal judge and said naming him to such a sensitive post would be a mistake just as the Democrats take over House control pledging reforms.

"I am obviously disappointed with this decision," Hastings, D-Fla., said in a statement thanking his supporters. "I will be seeking better and bigger opportunities in a Democratic Congress."

He learned his bid for the chairmanship was unsuccessful during a closed-door meeting with Pelosi on Tuesday.

In a statement, Pelosi, D-Calif., said Hastings has made national security his highest priority. "He has served our country well, and I have full confidence that he will continue to do so," she said.

In a sign of the bitterness that has surrounded the debate, Hastings closed his statement by saying: "Sorry, haters, God is not finished with me yet."

The Black Caucus had no immediate comment.

A Democratic congressional aide, who spoke on condition of anonymity about internal party deliberations, said Pelosi has not yet decided who will get the position when the new Congress convenes in January.

Rep. Silvestre Reyes, D-Texas, is next in line in seniority and is considered a strong contender for the job. Still, naming him would be a snub to the current senior Democrat on the panel, Jane Harman of California. Her committee leadership term expires at year's end, and she could be reappointed by Pelosi. Yet the two are believed to have deep differences.

Hastings, who came to Congress in 1992, was charged in an FBI bribery sting but acquitted by a federal jury in 1983. Some judicial colleagues said Hastings fabricated his defense, and their allegations led to his impeachment by the U.S. House in 1988. He was removed from the bench by the Senate the following year.

In 1997, the Justice Department found an agent had falsely testified against Hastings, but no action was taken to reopen his case.

In 2000, Democrats passed over another member of the Congressional Black Caucus — Rep. Sanford Bishop of Georgia — for the senior Democratic spot on the intelligence panel. Party leaders had agreed to give the position to Harman when she ran for Congress after an unsuccessful bid to be California governor.

Pelosi Moves To End Quarrel Over Intelligence Post (WSJ)

By David Rogers

The Wall Street Journal, November 29, 2006

DOJ_NMG_0099387

WASHINGTON -- Moving to end weeks of damaging speculation, Democratic leader Nancy Pelosi said she wouldn't appoint Rep. Alcee Hastings, who was impeached as a federal judge, to be the next chairman of the House Intelligence Committee.

Ms. Pelosi gave no indication of who would get the post, but aides indicated that a decision could follow quickly this week in a bid to resolve the issue, which has been used by her critics to try to isolate the California Democrat and incoming House speaker.

The criticism of her leadership is striking given that no other speaker before her has had the same length of service on the intelligence panel as Ms. Pelosi. As speaker, she will have the power to single-handedly appoint the chair and members for the new Congress, but her discretion has been challenged by allies of fellow Californian, Rep. Jane Harman, the committee's ranking Democrat, who has campaigned for the post.

This pressure has increased since Ms. Pelosi defied expectations earlier this month by publicly interceding on behalf of Rep. John Murtha (D., Pa.) in his uphill and ultimately unsuccessful contest against Rep. Steny Hoyer (D., Md.) to become House majority leader.

Ms. Pelosi said she was backing Mr. Murtha out of friendship and in recognition of his speaking out against the war in Iraq -- a major issue for Democrats in the midterm elections. But in going against the Washington establishment and Mr. Hoyer, she also made herself more vulnerable to pressure from allies to Ms. Harman, who was part of the Hoyer camp.

Pelosi allies argue that the lawmaker is being unfairly browbeaten by editorialists and critics in the caucus, who try to isolate her as a San Francisco liberal. The Murtha candidacy, however costly, was about opposition to the war, not an ideological issue, they say, and once the party has had time to begin to move its agenda in January, these fights will be forgotten.

Yesterday's announcement, which followed a meeting with Mr. Hastings, appeared designed as a first step in this direction and a bid to re-establish more control. In a brief statement, Ms. Pelosi said the two had had "extensive consultations, and today I advised him that I would select someone else as chairman."

In his statement, Mr. Hastings confirmed this decision. "I am obviously disappointed," he said. "As we learn in Ecclesiastes, however, for everything there is a season."

An African-American lawmaker from Florida, Mr. Hastings was drawn into the fray because he is next-in-line on the committee behind Ms. Harman, whose tenure is slated to expire at the end of this Congress. But from the outset Mr. Hastings's impeachment has been a liability, and one Ms. Pelosi had discussed with allies in the House.

As a judge, Mr. Hastings was charged and acquitted in federal court in a Federal Bureau of Investigation bribery sting. He was later impeached by the House and removed by the Senate in 1989 on different charges, including findings of an investigation by a special judicial panel that he had fabricated evidence that secured his acquittal.

If Ms. Pelosi holds firm, as expected, and doesn't name Ms. Harman to the post, she has several options. One is to elevate Rep. Silvestre Reyes (D., Texas), a Vietnam veteran and former member of the U.S. Border Patrol before coming to Congress. But she is also free to shake up the committee by appointing new members or bringing back past leaders of the panel, such as Rep. Norm Dicks (D., Wash), the former ranking Democrat and someone who could be a candidate for the chairmanship as well.

Hastings Won't Chair Intel Panel, Pelosi Says (LAT)

By Greg Miller

The Los Angeles Times, November 29, 2006

WASHINGTON — Incoming House Speaker Nancy Pelosi said Tuesday that she would not name Rep. Alcee L. Hastings (D-Fla.) as the next chairman of the House Intelligence Committee, creating new uncertainty around one of the chamber's most important leadership positions.

In a written statement, Pelosi said she had met with Hastings and "advised him that I would select someone else as chairman of the House Intelligence Committee."

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Pelosi, the San Francisco Democrat who will become speaker when her party takes control of the House in January, did not explain why she was bypassing Hastings, the panel's second-ranking Democrat. Her office has previously indicated that the committee's top Democrat, Rep. Jane Harman of Venice, will not be reappointed.

The possibility that Hastings would get the post created a torrent of criticism, especially because Pelosi pledged to lead "the most honest, the most open and the most ethical Congress in history."

In 1989, Hastings was forced to step down as a federal judge in Florida after being impeached by the House and convicted by the Senate of taking part in a bribery scheme that involved the sentencing of two defendants convicted in his court of racketeering.

Hastings, who has steadfastly maintained his innocence, had been acquitted of similar charges in a criminal trial six years earlier, but a federal judicial commission urged Congress to re-consider his case. He first ran for Congress in 1992 and has been overwhelmingly reelected since.

Last week, he wrote a letter to Democratic colleagues, lobbying for the chairmanship.

On Tuesday he released a statement acknowledging he did not get the post but indicating a desire to remain on the panel, known formally as the House Permanent Select Committee on Intelligence, where he has served for seven years.

"I am obviously disappointed with this decision," Hastings said in the statement, which included a swipe at his critics. "I will be seeking better and bigger opportunities in a Democratic Congress. Sorry, haters, God is not finished with me yet."

Pelosi's decision leaves a hole in the Democratic leadership ranks. The anticipated elevation of Hastings as chairman and the expected removal of Harman from the panel were seen as efforts to settle a debt with the Congressional Black Caucus, to which Hastings belongs: Another caucus member had been bumped from the panel in 2001 when Harman returned to Congress — and regained her seniority on the committee — after an unsuccessful run for governor of California.

Democratic aides indicated that Pelosi would probably tap someone not on the committee to become its chairman. Among the potential candidates is Rep. Norm Dicks (D-Wash.), who was on the panel for eight years in the 1990s and is familiar with the classified budgets of the nation's spy agencies from his service on the House Appropriations Committee.

Such a move is already gathering support among influential Democrats on Capitol Hill. Timothy J. Roemer, a former Democratic congressman from Indiana and a member of the Sept. 11 commission, said Pelosi should "go off the committee and appoint somebody brand new."

Pelosi Won't Pick Tainted Lawmaker For Key Post (NYT)

By Mark Mazzetti And Kate Zernike

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — Representative Nancy Pelosi announced on Tuesday that she would not award the chairmanship of the House Intelligence Committee to Representative Alcee L. Hastings of Florida, who was a leading contender for the post.

The decision by Mrs. Pelosi, the incoming speaker, ended weeks of speculation over whether she would tap Mr. Hastings, tainted by an old bribery scandal, for one of the most sensitive chairmanships when the Democrats take control of Congress in January.

Members of her staff had said she favored Mr. Hastings. But his position was weakened because he was impeached and removed as a federal judge in 1989 in connection with a bribery case. He was subsequently acquitted in the criminal case.

For Mrs. Pelosi, who had hammered the Republicans for ethical lapses in the fall campaigns, the decision to pass over Mr. Hastings was a sign that she did not relish another battle after the Democratic caucus rejected her choice for majority leader, John P. Murtha of Pennsylvania.

On the other hand, her decision risked alienating the influential Congressional Black Caucus, which had strongly backed Mr. Hastings.

Mr. Hastings said in a statement he was "disappointed" with Mrs. Pelosi's decision and promised to work with her. He also took a shot at people who had publicly opposed his candidacy.

"Sorry, haters, God is not finished with me yet," he said.

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Mrs. Pelosi's allies said she remained committed to selecting someone other than Representative Jane Harman of California, who is the ranking Democrat on the panel. Two possible compromise candidates are a committee member, Silvestre Reyes of Texas, and Sanford D. Bishop Jr. of Georgia.

The news that someone is not being given a post is rarely the subject of announcements here. But the question of who will lead the Intelligence Committee has developed into something of a soap opera.

More than a year ago, Mrs. Pelosi told reporters of her intention to replace Ms. Harman as the top Democrat on the committee regardless of the results of the election.

Mrs. Pelosi and Ms. Harman have long had a contentious relationship, and Mrs. Pelosi has told colleagues that she is angry that Ms. Harman has not used her position to attack the administration more directly on issues like the faulty prewar intelligence on Iraq and the domestic eavesdropping by the National Security Agency.

Ms. Harman has been enlisting friends, allies and powerful Democratic donors to lobby Mrs. Pelosi on her behalf. Mrs. Pelosi's supporters say that has only hardened her stance.

This month, Ms. Harman said that the Democratic moderates' victories in the elections proved that the party needed to navigate a centrist stance on national security, as she has done on the Intelligence Committee for four years.

Ms. Harman has earned the support of the Blue Dog Democrats, a coalition of conservative and moderate Democrats.

Influential party members warned that selecting Mr. Hastings would provide too much ammunition for Republicans, warnings that Mrs. Pelosi's supporters said helped sway her.

Mrs. Pelosi has pointed out that it is her prerogative to choose the leader of the Intelligence Committee and that she does not need to select someone who is a panel member. The appointment is not subject to a vote.

Representative Norm Dicks of Washington, who was on the panel for eight years in the 1990s, has been mentioned as a possible candidate for the post. On Tuesday, however, a spokesman for Mr. Dicks said the congressman was not a serious candidate and would prefer a different committee.

The appointment is crucial for Mrs. Pelosi. She included a promise to improve the intelligence in the Democrats' six-point platform for the elections. She also came into office as minority leader promising to uphold the highest ethical standards. And she has campaigned against what she calls the Republican's "culture of corruption."

This year, Mrs. Pelosi removed Representative William J. Jefferson of Louisiana from his spot on the powerful Ways and Means Committee after he had been accused of taking hundreds of thousands of dollars in bribes.

Mr. Jefferson, like Mr. Hastings, is black, and just as his removal caused tension between Mrs. Pelosi and the Congressional Black Caucus, so did the decision not to choose Mr. Hastings.

A statement by the caucus praised Mr. Hastings for "unequivocal commitment to our nation's security, selflessness and true statesmanship," saying, "He would have made an outstanding Intelligence chairman, and we still hope he will at some point in our nation's future."

But unlike caucus statements in the Jefferson case, it avoided any direct criticism of Mrs. Pelosi.

Hastings, Harman Rejected For Chairmanship (WP)

By Jonathan Weisman And Peter Slevin

The Washington Post, November 29, 2006

House Speaker-elect Nancy Pelosi (D-Calif.) has decided against naming either Rep. Jane Harman (Calif.), the senior Democrat on the House intelligence committee, or Rep. Alcee L. Hastings (Fla.), the panel's No. 2 Democrat, to chair the pivotal committee next year.

The decisions came despite lobbying by conservative Democrats on Harman's behalf and a full-throttled campaign by Hastings to overcome the stigma of the 1988 impeachment that drove him from his federal judgeship.

The fight over the top spot on the House Permanent Select Committee on Intelligence has exposed the kind of factional politics that bedeviled House Democrats before they were swept from control in 1994. Harman, a moderate, strong-on-defense "Blue Dog" Democrat, had angered liberals with her reluctance to challenge the Bush administration's use of intelligence.

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Hastings, an African American, was strongly backed by the Congressional Black Caucus but was ardently opposed by the Blue Dogs, who said his removal from the bench disqualifies him from such a sensitive post.

Complicating the matter was Pelosi's relationship with black Democrats. Earlier this year, she enraged the Black Caucus by removing one of its members, Rep. William J. Jefferson (La.), from the Ways and Means Committee after court documents revealed that federal investigators looking into allegations of bribery had found $90,000 in cash neatly bundled in his freezer.

Instead of picking Harman or Hastings, Pelosi will look for a compromise candidate, probably Rep. Silvestre Reyes (Tex.), but possibly Rep. Norman D. Dicks (Wash.), a hawkish member of the Appropriations defense subcommittee, or Rep. Sanford Bishop (Ga.), a conservative African American with experience on the intelligence committee. To entice Harman to run in 2000 for a House seat she had vacated for an unsuccessful bid for the California governorship, the Democratic leadership shunted Bishop off the committee -- another perceived slap at black lawmakers.

In announcing her decision, Pelosi praised Hastings. "Alcee Hastings has always placed national security as his highest priority," she said. "He has served our country well, and I have full confidence that he will continue to do so."

Hastings took a shot at conservatives and media voices who have come out strongly against his appointment. "Sorry, haters, God is not finished with me yet," he wrote.

Rep. Melvin Watt (D-N.C.), chairman of the Congressional Black Caucus, voiced disappointment, saying in a statement that Hastings "would have made an outstanding Intelligence Chairman." Privately, caucus aides said they had dismissed reports that Hastings would not get the post and were taken aback that Pelosi had cut out an ally such as Hastings. Hastings himself suggested that a decision against him would be a victory for "Newt Gingrich, Sean Hannity, Ann Coulter, Michelle Malkin, Michael Barone, Drudge, anonymous bloggers, and other assorted misinformed fools."

In the end, Pelosi's pledge to clean up Congress after two years of scandal made Hastings's appointment impossible, Democrats said.

Likewise, Pelosi was not willing to bend the committee's unique term-limit rules for Harman, who she believes had violated a promise to step aside, according to Democrats. Harman had angered some Democrats with a tough management style that helped drive away longtime Democratic staffers.

In recent days, Hastings and his allies had launched a spirited campaign to clear his name from the stigma of his impeachment. Hastings distributed to Democratic colleagues six documents totaling 70 pages, including court testimony, letters from Republican and Democratic senators questioning his treatment, and a five-page letter from Hastings excoriating "the noise and misleading, poorly informed, misinformed, and sometimes venomous attacks on my integrity and character by pundits, politicians, and editors screaming the word 'impeachment.' "

He pointed repeatedly to his 1983 acquittal by a Miami jury and wrote that it is "amazing how little importance" his critics give that verdict. The events that followed that trial, he said, "are so convoluted, voluminous, complex and mundane that it would boggle the mind."

In fact, there is a certain simplicity in the conclusion drawn by an investigating committee of five eminent federal judges, each with strong civil rights credentials. Those judges, and later more than three dozen others, concluded that Hastings lied to the Miami jury as many as 15 times to win acquittal.

The original case against Florida's first black federal trial judge was circumstantial. A federal grand jury charged Hastings with conspiring with Washington lawyer William A. Borders Jr. to sell a lenient sentence to two convicted Florida racketeers for $150,000.

A sequence of meetings, telephone calls, judicial actions and taped conversations in 1981 convinced federal investigators that Hastings was on the take. But after 17 1/2 hours of deliberations at the end of a three-week trial, jurors voted not guilty.

Two federal judges soon filed an administrative complaint, accusing Hastings of conduct prejudicial to the courts, which led to the judicial investigation. John Doar, the chief House Watergate counsel, and a panel of judges investigating the matter said they uncovered substantial new evidence that convinced them that Hastings joined the bribery conspiracy and then fabricated a defense to hoodwink the jury.

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In one example, they focused on Hastings's testimony about telephone calls. The issue was a taped conversation with Borders that prosecutors considered coded talk about a bribe. Hastings said it was an innocent discussion about helping a friend, Hemphill Pride, regain his law license.

Pride said that he knew of no such effort, that he would have rejected one and that he was not even eligible for reinstatement. He told the panel that Hastings, while under indictment, had urged him to remember details that, as far as Pride recalled, had never happened.

On the witness stand in Miami, however, Hastings showed the jury records of four telephone calls and confidently declared that he had made them to Pride. In fact, the Doar investigation revealed, the numbers called belonged to other people with no connection to Pride.

"Judge Hastings' conduct was premeditated, deliberate and contrived," wrote the committee, whose most prominent member was U.S. District Judge Frank M. Johnson Jr., famous for rulings integrating Alabama's public institutions.

When the Hastings case reached the House, Rep. John Conyers Jr. (D-Mich.), skeptical about the evidence, investigated further. In time, Conyers, an African American, became so certain of Hastings's guilt that he delivered an impassioned speech about race and justice -- and made an opening statement during the Senate proceedings, which ended with Hastings's conviction on 11 counts, including seven counts of making false statements.

"We did not wage that civil rights battle merely to replace one form of judicial corruption for another," Conyers said in the House, which voted 413 to 3 to impeach Hastings.

Hastings Denied Top Intelligence Seat (WT)

By Charles Hurt

The Washington Times, November 29, 2006

Speaker-elect Nancy Pelosi yesterday informed Rep. Alcee L. Hastings, the Florida Democrat who was removed as a federal judge over bribery charges, that he would be passed over for the chairmanship of one of the most sensitive and powerful committees on Capitol Hill.

"Congressman Alcee Hastings and I have had extensive consultations, and today I advised him that I would select someone else as chairman of the House intelligence committee," Mrs. Pelosi said in a short statement after meeting behind closed doors with Mr. Hastings.

Mrs. Pelosi received intense criticism after suggestions that she would elevate Mr. Hastings to the top spot.

Lawmakers on both sides of the aisle argued that the former federal judge would be a poor choice for chairman because he was charged in 1981 with accepting a $150,000 bribe. A jury acquitted Mr. Hastings after a key witness refused to testify.

Still, a Democrat-controlled House of Representatives later impeached Mr. Hastings on a 413-3 vote with support from Mrs. Pelosi and others in Congress who now support Mr. Hastings. The Democrat-led Senate convicted Mr. Hastings and he was removed from office.

Mr. Hastings, the second-ranking Democrat on the House Permanent Select Committee on Intelligence, maintains his innocence and dismissed the importance of his impeachment.

In a letter to colleagues last week, he said, "Most of the congresspersons and senators who voted never saw the evidence. Many of them never read the reports of the committee or reviewed the daily videos. Iraq and the budget are not the only times votes have been cast without adequate review and knowledge of the facts."

The speaker in waiting was attacked for considering Mr. Hastings for the chairmanship after suffering an embarrassing defeat when the majority of her caucus rejected her candidate for majority leader, Rep. John P. Murtha of Pennsylvania, in part because of ethics questions.

Mrs. Pelosi did not publicly explain why she passed over Mr. Hastings, saying only that he will continue to play a major role in the party's national security decisions.

Mrs. Pelosi, who represents San Francisco's congressional district, did not say whom else she is considering for the intelligence chairmanship. Rep. Jane Harman of California, the most senior Democrat on the panel, is not expected to be chosen because of personal and philosophical differences with Mrs. Pelosi.

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Among Mr. Hastings' strongest supporters were fellow members of the Congressional Black Caucus, whose relations with Mrs. Pelosi have been strained. Caucus members have complained about unfair treatment and accused Mrs. Pelosi of holding them to a double standard on ethics matters.

Rep. Melvin L. Watt, North Carolina Democrat and caucus chairman, called the Hastings decision disappointing.

"The statement issued by Rep. Hastings following his meeting with Speaker-elect Nancy Pelosi reflects the qualities for which the Congressional Black Caucus so strongly supported him to be the next Chairman of the House Permanent Select Committee on Intelligence -- an unequivocal commitment to our nation's security, selflessness and true statesmanship," Mr. Watt said. "He would have made an outstanding Intelligence Chairman and we still hope he will at some point in our nation's future."

Mr. Hastings seemed to accept the decision.

"Now I must, and will seek other ways to better serve the citizens of Florida's 23rd Congressional District and our great Nation," he said. "As has been the case over the past seven years of my service on the Intelligence Committee, the next Chair of the Committee will have my full support to do everything we can to protect the national security of the United States and our allies. Our nation's national security is far more important than my professional security."

Capuano Says Dem Transition Is 'disjointed' And Confusing (HILL)

By Alexander Bolton

The Hill, November 29, 2006

The lawmaker heading the day-to-day transition of House Democrats from minority to majority party says that process has become "disjointed" and that leaders need to do a better job communicating with each other.

But Rep. Michael Capuano (D-Mass.), whom Speaker-elect Nancy Pelosi (D-Calif.) tapped after the election to head that transition, also said the inevitable messiness of a new party taking over the House is just part of the democratic process.

"I'm trying to deal with the physical [office] space, the personnel issues, House rules, and some of the legislative changes that may be done, and trying to get a handle on coordination," said Capuano in an interview with The Hill.

"A lot of people have their hands in it right now but the coordination isn't where I would like it to be," he said. "It's disjointed."

Capuano said that Pelosi and incoming Majority Leader Steny Hoyer (D-Md.), Majority Whip James Clyburn (D-S.C.) and Democratic Caucus Chairman Rahm Emanuel (D-Ill.) are involved in the transition effort.

Part of the question that has arisen, he said, is figuring out exactly who's in charge of various aspects of the transition. He said that he believes there does not need to be military-style delineations of responsibilities and argued against centralizing the effort in any one office.

"I just want to make sure that everyone is talking to everyone about what they're doing," he said. "It should be done in a coordinated manner."

Emanuel took the lead on ethics reform last week when he sent a memo to colleagues emphasizing the importance of approving rules changes and legislation implementing ethics and lobbying reform.

"Failing to deliver on this promise would be devastating to our standing with the public, and certainly jeopardize some of our marginal seats," wrote Emanuel. "The voters are looking to us for leadership, and it starts with real reform."

But other than Emanuel, Democratic leaders have remained quiet on what changes to House and Democratic Caucus rules they are contemplating. House Democrats are divided over how far they should go in changing House ethics rules.

Rep. John Murtha (D-Pa.), a close ally of Pelosi's, caused a stir last month when he told a group of colleagues that he thought the Democratic lobbying reform package was "total crap."

Hoyer and Clyburn, meanwhile, are taking prominent roles.

Stacey Bernards, Hoyer's spokeswoman, said her boss was involved in all the transition issues, had met with Pelosi to discuss them last week, and plans to meet with her again this week.

Kristie Greco, Clyburn's aide, said that the incoming whip is "working for an effective and efficient transition that's driven by a tone of civility" as well as assembling "a staff and whip team that will be the most effective of any majority."

The Democratic leaders have yet to make final decisions on any potential changes to the House rules and the Democratic Caucus rules.

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"It's all in the discussion stages," said Capuano.

One of the most sensitive subjects is how much weight should be given to seniority when deciding who will serve as committee and subcommittee chairmen.

Capuano said that there has been confusion over the importance of seniority. He said there is a perception that seniority is virtually the sole factor in determining committee leadership and makeup, adding that has not been true for years.

"People have misread the caucus rules and thought seniority is absolute," he said. "Not in 30 years has it been absolute. It is a factor.

"Seniority, the diversity of the caucus, and commitment to Democratic principles and agenda" are factors, he said, explaining that merit is the first factor listed in the expiring caucus rules but that it is not necessarily more important than seniority.

Pelosi and other leaders have laid out broad outlines of changes they would like to see made, but they still have to hammer out the crucial details.

As far as the procedures of the House, Pelosi has called for bipartisan administration of the committees and for the legislative process to return to a "more regular democratic order."

She has called for the elected Democratic and Republican leaders to consult regularly on scheduling and operation questions and for committee chairmen and ranking minority members to do the same. Pelosi has also proposed that the minority should control at least one-third of panel budgets and office space.

Pelosi also wants legislative changes to address complaints that she and her Democratic colleagues had of Republicans during their 12-year rule:

Bills should be written after full committee hearings and markups.

The minority party should be allowed to fully debate and offer alternatives to legislation receiving votes on the House floor.

Lawmakers should have at least 24 hours to examine bills and conference reports before voting on them.

Floor votes should be completed within 17 minutes and should not be held open to manipulate the outcome.

House and Senate conference committees should hold weekly meetings including all conference members.

Democrats complained in previous Congresses of the Republicans' habit of limiting bicameral negotiations to House and Senate committee chairmen or a few additional appointed conferees.

Pelosi and Democratic leaders have also proposed a series of ethics reforms. They include banning gifts and travel, extending the time former lawmakers are not allowed to lobby former colleagues, and requiring lobbyists to disclose more information about their activities.

Capuano said that Democratic leaders agree that the House should have something akin to an office of public integrity to police improper behavior. Such an office is one of the most controversial elements of ethics reform. Senators voted overwhelmingly against it earlier this year.

But he said they must decide how it should be set up and "what their full responsibility would be."

Dems, Allies Plot Strategy (HILL)

By Alexander Bolton

The Hill, November 29, 2006

Labor union representatives, liberal leaders, and aides to House Speaker-elect Nancy Pelosi (D-Calif.) met yesterday to begin work on a broad lobbying push to promote Pelosi's 100-legislative-hour agenda with a campaign expected to mimic the one that helped defeat President Bush's proposed reforms to Social Security.

Yesterday's meeting is a signal that interest groups allied with Democrats are going on the offensive, transitioning from the defensive crouch they have held for much of Bush's time in office.

The purpose of the gathering was to ensure that party allies are unified during the first crucial weeks of the Democratic majority and that the agenda Democrats campaigned on this fall does not become entangled by interest-group squabbles and competition.

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"We're talking about engaging in many of the same activities we engaged in during the Social Security effort," said Chuck Loveless, director of legislation at the American Federation of State, County and Municipal Employees (AFSCME), which hosted the meeting. Loveless said the campaign would launch immediately and work to mobilize support in December and January.

Party strategists are speculating that they will have a brief window of legislative productivity before a curtain of partisanship falls across town as Republicans and Democrats gear up for the 2008 presidential election.

The first priority of the lobbying plan is to pass a minimum-wage increase. The campaign will also focus on allowing the government to negotiate for lower prescription drug prices for Medicare beneficiaries, repealing tax benefits for oil companies, and cutting the interest rate for student loans.

The strategic advantage of the 100-hour agenda is that it is made up of proposals that are broadly popular, thereby allowing the Democrats' allies to achieve consensus and work together from the start of next year. After that agenda is passed, groups are likely to go off in their own directions and clash over competing priorities.

Aides to incoming Senate Majority Leader Harry Reid (D-Nev.) did not attend the meeting, according to one participant, because the immediate focus of unions and liberal groups is to pass quickly the 100-hour agenda in the House. Fast passage will allow Democrats and their allies to launch Phase II of their legislative plan, which will be to put pressure on the Senate to pass the same agenda.

The third phase will be to convince Bush to sign the measures into law.

"The assumption is to pass it quickly in the House so we can get a head of steam and put pressure on the Senate," said Bob Borosage, co-director of the liberal advocacy group Campaign for America's Future, who attended the meeting. "As you remember, most of the Contract With America passed the House and never emerged from the Senate. We want to avoid that."

Borosage predicted that as many as 100 groups would ultimately participate in the initiative and that it would be broader than the campaign against Bush's plans for Social Security.

Groups will mobilize their members to contact and meet with members of Congress and to hold events in their home states and districts. The campaign is expected to include minimal television advertising.

Representatives from AFSCME, AFL-CIO, the Service Employees International Union (SEIU), the National Education Association, the American Federation of Teachers, Americans United, a labor-funded advocacy group, and a slew of progressive groups — including USAction, ACORN, Campaign for America's Future, and MoveOn.org — attended the meeting.

Bill Samuel, legislative director for the AFL-CIO, estimated that the first 100 legislative hours of the new Congress would span about two weeks. Democratic-leaning groups will then begin to pursue their more narrowly shared legislative goals.

"The 100 hours' agenda is really stuff that can be done quickly and have popular support and is not terribly complicated," said Samuel. "It's a down payment, there's a much larger agenda."

Samuel said that Congress has to tackle big economic issues related to wages, retirement security, and healthcare.

Both Samuel and Anna Burger, the secretary-treasurer of SEIU, said that Congress must take major steps toward providing universal healthcare coverage in the U.S.

"We need a healthcare policy that guarantees every man, woman and child in America has quality and affordable healthcare," said Burger, who also chairs Change to Win, a coalition of seven unions representing 6 million workers. "There have been lots of policies out there — it's a matter of political will to get the job done."

But legislation providing for universal healthcare coverage will be expensive, and Democrats have promised to pass budget rules that would require all new spending to be paid for.

Asked how to pay for expanded healthcare, Samuel said "We have to review tax cuts for the wealthy."

Samuel said that unions would also press for Congress to allow Bush less freedom to negotiate trade agreements, noting that Bush's so-called fast-track trade negotiating authority expires in June.

"They need to set negotiating objectives that are enforceable," he said of Congress.

Unions will also lobby for Democrats to pass the Employee Free Choice Act, which Burger said would protect workers who want to join unions from employer intimidation. That bill is expected to draw strong opposition from Republicans and industry groups.

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Culture-war Veterans Hold Fire, For Now (HILL)

By Elana Schor

The Hill, November 29, 2006

After a long battle with conservatives on social issues and judicial nominations, Democratic-aligned interest groups are hailing the coming congressional changeover and weighing exactly how and when to exert their influence.

Republican control of the Capitol may have forced abortion-rights and civil-liberties advocates to play perpetual defense, but those wilderness years also gave the groups valuable practice at building coalitions across the aisle and branding themselves as more mainstream than their conservative counterparts.

Now, as Democrats prepare to assume the majority, these veterans of the culture wars are seeking to shape the agenda of the new leadership. Democratic lawmakers have outlined ambitious goals on Iraq and economic policy, however, challenging their interest-group allies to pick their battles without adopting the confrontational tactics that many believe helped derail the GOP.

"We're definitely taking a look at the way conservative groups approach" abortion, said Donna Crane, government relations director at NARAL Pro-Choice America. "Specifically, we are going to not do what they do, which is use this issue for political gain."

NARAL has aimed its recent efforts less at preserving women's right to an abortion than at making the procedure, as former President Clinton first put it, "safe, legal and rare." One of the family-planning packages strongly backed by NARAL and Planned Parenthood boasts as its chief sponsor new Senate Majority Leader Harry Reid (D-Nev.), who describes himself as pro-life.

That "prevention-first" approach is designed to win support from both Democratic and Republican abortion opponents in both parties, capitalizing on the defeat of anti-abortion initiatives in South Dakota, Oregon and California. Jackie Payne, government-relations director at Planned Parenthood, predicted that the Reid bill, which "polls extremely well," would gain freshman supporters next year.

"I don't think we need to play games," Payne said. "I honestly believe we're going for such a common-sense agenda … We don't have to look to [conservatives] for strategies."

Conservative groups of all stripes, from the Concerned Women of America to the Committee for Justice, found common ground this session in the campaign to confirm Supreme Court Justices John Roberts and Samuel Alito as well as a slew of federal circuit nominees whose conservative records alarmed Democrats and civil-liberties groups alike. Yet a Senate Judiciary Committee gavel held by Patrick Leahy (D-Vt.) does not herald an interest-group role reversal, said Elliot Mincberg, vice president and legal director at People for the American Way.

"The basic M.O. and attitude is a little bit different" among liberal-leaning groups active on nominations, Mincberg said, adding that "you're not going to see us saying the harsh things that some of the Manny Mirandas of the world have said." Miranda, a former Senate GOP leadership aide, earned a reputation for aggression as head of the conservative Third Branch Conference.

Mincberg, like several fellow advocates, also asserted his willingness to disagree with Democrats when necessary. Democrats will face their first civil liberties test on the Bush administration's program of surveillance without warrants — which the Justice Department inspector general this week began investigating — as well as on the White House-pushed detainee trials bill that Sen. Chris Dodd (D-Conn.) has proposed rolling back.

"Were going to push just as hard on the Democrats … as we did on the Republicans," said Caroline Fredrickson, Washington director of the American Civil Liberties Union. "Their voting records on our scorecard are definitely better, but that does not mean they're perfect."

Fredrickson pointed to a different risk for interest groups looking forward to a Democratic Congress — that activists might become less eager to pressure a party perceived as more friendly. "We're not willing to wait," she said.

The Judiciary chairmanship belongs to Sen. Arlen Specter (R-Pa.) for at least one more week, a narrow window in which to take up six hotly contested judicial nominations that the White House resubmitted to the Senate just after the election. Specter has expressed an intention to vote again on the six while acknowledging the emboldened opposition from Leahy and other panel Democrats.

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"The White House can send these nominations up to the Hill, but that does not mean they're going to be taken up," said Dick Woodruff, senior legislative adviser at Alliance for Justice. "Gridlock for the next two years would be fine [on judicial picks]."

Woodruff said he would be watching closely as Democrats weigh "how far they are willing to go" in revisiting the detainee bill, a move likely to spark a veto threat from Bush that would require 16 Senate Republican votes to override.

On gay-rights issues, such as employment non-discrimination and expansion of the hate-crimes law, Human Rights Campaign President Joe Solmonese took a respectful view of the long to-do list facing his Democratic allies.

"One of the most important things we can do is be sensitive to the fact that the new leadership in this Congress, [Speaker Nancy] Pelosi [D-Calif.] and Reid, have a huge responsibility to speak to the issues the American people couldn't have been clearer about in putting them there: the war in Iraq and corruption in government," Solmonese said.

Though the gay community might see its issues move lower on the priority list, Solmonese said, such pragmatism is a small price to pay to end the Republicans' prolonged attacks on gay marriage. The page he plans to borrow from conservative groups' playbook: "Be really smart and be really strategic."

Like abortion-rights groups, the Brady Campaign to Prevent Gun Violence has used the Republican majority to develop a political strategy with bipartisan appeal that it will continue to pursue. Reinstating the lapsed assault weapons ban, a high priority for many urban Democrats, is outranked on the Brady Campaign agenda by boosting law enforcement funding and strengthening background checks.

"My goal is to get us to a position where both Republicans and Democrats are coming to us and asking for our endorsement," Helmke said. "That hasn't really been the case."

Endorsements and contributions often help bolster interest groups' influence with lawmakers. The groups consulted for this story that maintain PACs gave more than $1.6 million this cycle, according to PoliticalMoneyLine, but only two GOP recipients of their largess, Reps. Christopher Shays (Conn.) and Deborah Pryce (Ohio), who will cede her leadership post next year, won reelection.

Senate Leader-elect Sets Agenda (AP-Y)

By Nedra Pickler, Associated Press Writer

AP, November 29, 2006

Senate Majority Leader-elect Harry Reid said Tuesday he's doing away with the "do-nothing Congress" that Democrats campaigned against and plans to keep senators working long hours — focusing first on ethics, the minimum wage and stem cell research.

The Nevada Democrat said he would tackle those priorities after cleaning up the "financial mess" the outgoing Republican Congress is leaving behind, a reference to nine long-overdue spending bills covering 13 Cabinet departments for the budget year that began Oct. 1.

"They're just leaving town, it appears," Reid said during an interview with The Associated Press in his Capitol office. "And so we're going to have to find a way to fund the government for the next year."

The must-pass legislation totals more than $460 billion and could divert time from other items on the Democratic agenda. "It's certainly not going to help it," Reid said.

He is wrapping up his final days as Senate minority leader. He will assume control of the Senate's agenda on Jan. 4, when the next Congress convenes with 10 new senators, at least 52 new House members and Democrats holding majorities in both houses for the first time since 1994.

"We're going to put in some hours here that haven't been put in in a long time," Reid said. That means "being here more days in the week, and we start off this year with seven weeks without a break. That hasn't been done in many, many years here."

Reid said he hopes President Bush is willing to work with Democratic congressional leaders, but he added that the early signs have not been encouraging. He said the White House has not reached out to him since his meeting with Bush in the Oval Office on Nov. 10.

"He said when I met with him after the election he wanted to work together, and I told him, `Mr. President, you said that two years ago and we haven't gotten anything done,'" Reid said.

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White House spokesman Tony Fratto said lawmakers have been out of town for most of the time since the Nov. 10 meeting and the president has been traveling abroad. He said Bush "has been very forthright in his interest in having a bipartisan dialogue on the Hill. That wasn't just a gesture in the days after the election — that was an authentic, sincere effort."

Reid said he hoped Bush would use his State of the Union address before Congress early next year to lay out plans for health care, retirement security, decreasing dependence on foreign oil, reducing government deficits and, most importantly, Iraq.

He said the Senate will conduct hearings to investigate problems in Iraq but Democrats have no immediate plans to cut spending on the war.

"Now he's the commander in chief, and we're not going to do anything to limit funding or cut off funds, even though there are some on the outside who suggest that," Reid said. "I think we want to make sure that the troops have everything that they need."

With only a two-seat majority and a Republican president with veto power, Reid's Democrats will have an incentive to work with political opponents to get their priorities into the law books.

Kentucky Sen. Mitch McConnell, whom Republicans voted to be their minority leader in the new year, said while he and Reid are not going to agree on every item, they agree on the need for bipartisan achievements on special spending bills and other matters.

"Earmark transparency is a good start, but I would also like to see us find common ground on Social Security, homeland security, extending tax relief and other major issues that we can't just kick down the road," McConnell told the AP.

Bush used the only veto of his presidency so far to reject a bill passed by Congress last year that would have expanded embryonic stem cell research through government funding.

Supporters of such research say it could lead to treatments and cures for a wide variety of ailments, including Alzheimer's and Parkinson's diseases as well as spinal cord injuries. Bush and abortion foes, however, have opposed expanding embryonic stem cell research because the embryos die in the process of harvesting the stem cells from them.

Fratto said Bush gave the matter deep thought and consulted with researchers and religious leaders on the moral and ethical implications of his position. Reid said he hoped the president "will relent and see the light."

In the meantime, Reid said the Senate is "not even close" to having the two-thirds vote necessary to override Bush's veto but he hopes some Republicans will join the Democrats after the GOP's election losses this month.

He pointed to Missouri, where the issue helped pro-stem cell candidate Claire McCaskill defeat incumbent Republican Sen. Jim Talent, who said embryonic stem cell research destroys human life at its earliest stages.

The midterm election came on the heels of several ethical scandals involving lawmakers, and Reid said reform is needed. He said "the first thing we do" will be to require lawmakers to put their names on "earmarks" — spending items added to bills that often help a specific company or project in their districts. Bush supports such transparency, Fratto said.

Citizens Against Government Waste, a taxpayer watchdog group, said there were 9,963 such projects in the spending bills for the 2006 budget year, costing $29 billion.

The third item at the top of Reid's agenda is increasing the minimum wage from $5.15 to $7.25 an hour. It's also one of several measures that Speaker-to-be Nancy Pelosi has promised to bring to the House floor in the first 100 hours that chamber is in session. Fratto said Bush is willing to support an increase in the minimum wage, although he doesn't want to publicly debate the amount and wants to make sure it won't hurt small businesses.

McConnell Pledges Cooperation (WP)

By Eric Pianin

The Washington Post, November 29, 2006

Sounding a conciliatory note, the new Senate Republican leader vowed yesterday to work with Democrats to pass a minimum-wage increase and a strong ethics reform package shortly after the new Democratic-controlled Congress begins work next year.

Senate Minority Leader-elect Mitch McConnell (Ky.) described as "easy stuff" much of the Democrats' opening agenda, including a proposal to boost the minimum wage from $5.15 to $7.25 an hour and a congressional ethics package that would

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ban gifts, meals and travel from lobbyists, as well as impose new controls on the budget deficit. These issues, however, have not proved to be easy before.

McConnell said he is urging bolder action. He challenged House Speaker-designate Nancy Pelosi (D-Calif.) and Senate Majority Leader-elect Harry M. Reid (D-Nev.) to push for a long-term solution to financing the Social Security system and for a comprehensive overhaul of the nation's immigration laws. Democrats in the current Congress blocked President Bush's proposal to partially privatize Social Security, while an impasse between House and Senate Republicans over approaches to immigration changes thwarted a deal.

"One thing I hope we can do, now that we have the election out of the way, is see if we can quit kicking the can down the road on a number of significant issues," McConnell told a meeting of Washington Post editors and reporters. "Left over from last year, I would put immigration at the top of the list. But I also share the view . . . that this would be the perfect time to tackle Social Security."

While some fear that the new Congress will become a political battleground in the run-up to the 2008 presidential campaign -- with at least eight Democratic and Republican senators considering bids for the White House -- McConnell asserted that a grand deal on Social Security is still possible, even with a Democratic-controlled House and Senate and a Republican White House. He noted that divided government did not prevent President Ronald Reagan and a Democratic Congress in 1983 from striking a landmark deal ensuring the long-term solvency of Social Security.

McConnell said the two parties should be open to a wide range of approaches -- "I don't think we should rule anything in or out."

In recent days, Bush and senior administration officials have revived talk of reaching an accord on an overhaul of Social Security that would maintain the program's solvency beyond the baby boom generation's retirement. In an interview with The Washington Post last week, Treasury Secretary Henry M. Paulson Jr., the president's point man on Social Security, promised that the White House will enter talks with Democrats with "no preconditions." That is a significant shift for Bush, who had previously said that any Social Security legislation would have to include private accounts that would allow workers to divert some of their payroll taxes to investments in stocks or bonds.

McConnell added another concession yesterday, saying that Social Security legislation should "solve the problem as far into the future as possible" -- a standard that is far more flexible than Bush's insistence on nothing short of a "permanent" fix.

McConnell, 64, will succeed Sen. Bill Frist (Tenn.) as the Senate Republican leader in January, when Frist steps down to explore a possible bid for the GOP presidential nomination.

The Kentucky lawmaker, like Reid, is a consummate dealmaker whose top priority is legislative achievement. They both rose through the Senate ranks by mastering the rules and building strong relationships with colleagues. Both are combative lawyer-politicians who overcame childhood challenges and are now in their mid-60s. Unlike Frist, a surgeon, McConnell and Reid are veteran practitioners of the Senate's opaque, clubby brand of politics, with no apparent desire to become president or grab television time to espouse their parties' goals.

Yesterday, McConnell said he and Reid "have a good relationship" and talk practically every day that the Senate is in session. He said that he and the new majority leader are determined to avoid legislative gridlock in the coming Congress.

In a wide-ranging session, McConnell said that although a majority of voters voiced their discontent with the administration's Iraq war policies, he doubts the Democrats can muster support for a resolution setting a timetable for a withdrawal of U.S. troops. He said that Republicans would back a boost in the minimum wage, but that it would have to be linked to a GOP priority, such as a tax cut for small businesses to ease the impact.

For Fiscal Conservatives, Losing May Be Liberating (WP)

By Shailagh Murray

The Washington Post, November 29, 2006

All Republicans had a lousy November. For fiscal conservatives, the gloom only started on Election Day, when the GOP lost control of Congress.

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Conservative candidates suffered humiliating losses in the House GOP leadership elections. Democrats threatened to govern from the center, turning conservatives into a minority of the minority. Milton Friedman, the patron saint of free-market economics, died on Nov. 16. Just yesterday, Sen. Charles E. Schumer (D-N.Y.) declared to the New York Daily News editorial board that "Reaganomics is dead."

But does that make the glass half empty, or half full?

In Congress, the minority life is mostly talk and little action, and yet for advocates of minimal spending and low taxes, that may not turn out to be so bad. It's easier to promote fiscal discipline in theory than to practice it as a party leader or committee chairman. Remember that $200 million-plus "Bridge to Nowhere" in Alaska? It still makes conservatives cringe.

"Now that Republicans are in the opposition, they're going to be the most saintly budget hawks you can imagine," said American Enterprise Institute economist Kevin A. Hassett. With the absence of power, he notes, comes the absence of accountability and blame. As Hassett put it, "being in the minority means never having to say you're sorry."

Fiscal conservatives started to agitate days after the election, when the Republican-led 109th Congress reconvened to wrap up unfinished business. At the top of the to-do list: nine remaining spending bills for the fiscal year that started Oct. 1.

Few Republicans returned to Washington expecting to complete all the outstanding bills. But many wanted to pass at least a few, if only to show that the GOP wasn't abrogating its governing duties. But several fiscal conservatives in the Senate saw an opportunity to take a stand against "earmarks," the special projects that members from both parties had tucked inside the bills. The rebels announced their intention to block all spending bills from advancing -- even one that financed veterans benefits and military housing.

"We need to examine the bills in the light of the last election, in which I think the American people were unhappy with our spending habits," Sen. Jeff Sessions (R-Ala.) explained to reporters. He and his allies, including Sen. Jim DeMint (R-S.C.) and Sen. Tom Coburn (R-Okla.), want Congress to pass a "continuing resolution" to extend funding from the previous fiscal year. "We'd save the taxpayers a lot of money," Sessions said.

Their quest has reinvigorated fiscal conservative groups such as the Club for Growth, which suffered several major election defeats this year. "The Senate showdown on earmarks is next week," the club's blog reported yesterday. "The good guys, Tom Coburn and Jim DeMint, are battling the appropriators and the big spenders." The article warned, though, that the continuing resolution "isn't a done deal."

A chief target of the budget hawks is a group of Democratic House freshmen who won seats in conservative districts, including the Florida seat that was held by disgraced Rep. Mark Foley, and Tom DeLay's former seat in Texas. Republicans call these "rented seats" and hope to win them back in 2008.

"Democrats aren't going to want to make massive cuts," said Stuart Roy, a longtime senior Republican House aide who works as a public-affairs consultant. Back in the GOP-minority days of the 1980s, House Republicans sought to force Democrats to vote against small spending reductions, often fractions of a percent. But as Roy pointed out, these little-noticed maneuvers helped Republicans build a case that Democrats' spending habits had spiraled out of control.

"Spending cuts resonate in a macro sense, especially if you can show they are tied specifically to waste," he said.

The trick, Roy added, is to avoid programs that happen to be popular, such as public television funding. "There will be a substantial number of people who will want to go out and do that." That impulse should be resisted: "This is not a governing strategy, it is a minority strategy."

Another enticing realm is taxes. In the 110th Congress, fiscal conservatives will act as chief defenders of the numerous temporary tax cuts that Republicans have passed since President Bush took office. Breaks that benefit wealthy individuals are particularly unpopular with Democrats, but particularly cherished by fiscal conservatives, who believe low tax rates at the top of the economic ladder fuel growth.

The first showdown will come over the alternative minimum tax, which Democrats have vowed to address early in their tenure. Adjusting the tax so that it will not envelop another 20 million or so middle-class families will cost $50 billion-plus per year, official estimates show. The incoming House Ways and Means chairman, Rep. Charles B. Rangel (D-N.Y.), has vowed to pay for the fix, but that could be politically difficult.

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"Rangel is going to need a really large tax increase to keep his promise," wrote Bruce Bartlett, a conservative economist, anticipating the Democratic dilemma with glee.

GOP's Bleak Retreat Into The Minority (HILL)

By Patrick O'connor

The Hill, November 29, 2006

Rep. Sam Johnson (R-Texas) expressed astonishment during a recent meeting of conservative lawmakers that Republicans would soon lose the room where members hold their regular Bible study, an aide present said.

On a similar note, Republicans across Capitol Hill have been forced to confront the unwelcome presence of Democrats touring their offices to map out arrangements for the coming Congress.

The Republican retreat from ornate leadership chambers and spacious committee offices has been a harsh awakening for members of the outgoing majority, but that is just one of the many difficult realities GOP members and staff must accept about life in the minority.

Still stinging from their midterm defeat, leaders in the House must rewrite the party's internal rules to adapt to their diminished status and reorganize the Steering Committee to decide who will serve on each committee and who will be the ranking Republican before slinking off to the offices allocated to them by Speaker-designate Nancy Pelosi (D-Calif.).

A small group of leadership aides in the offices of outgoing Speaker Dennis Hastert (R-Ill.), incoming Minority Leader John Boehner (R-Ohio) and outgoing Rules Chairman David Dreier (R-Calif.) are leading that effort, but none of the major decisions is expected to be announced until early next week. Those aides are meeting throughout the week, leadership staff said.

The challenge for Boehner will be incorporating those Republicans left alienated by the results of leadership contests earlier this month while he secures his grip on GOP lawmakers in the House, aides said in the wake of those leadership elections.

A major fight is brewing among conservatives in the House to elect the next chairman of the Republican Study Committee.

Reps. Jeb Hensarling (R-Texas) and Todd Tiahrt (R-Kan.) have been calling members of the increasingly influential committee to ask for their support in the election next Wednesday.

Conservatives were among the most affected by the results of the leadership contests, in which a slate of familiar faces convincingly defeated a handful of outspoken challengers, including Reps. Mike Pence (R-Ind.), the outgoing RSC chairman, and John Shadegg (R-Ariz.), another staunch conservative. These candidates ran on a message of change following the midterm defeat but were rebuffed by their colleagues.

Shadegg, who lost his bid to oust Rep. Roy Blunt (R-Mo.) as whip, said one of the reasons members did not answer his call for change was because so many had just survived similar campaigns for change in their own reelection fights.

"I don't think they've had enough time to decide what the election means," Shadegg said moments after leaving the leadership race.

Hensarling has been an outspoken ally of Pence, who suffered a landslide defeat to Boehner in the leader's race. Pence and Hensarling led a small band of upstarts who, over the past two years, have waged public battles with the leadership over revised budget rules and federal funding for the hurricane-battered Gulf Coast. The Texas Republican also backed Rep. Jeff Flake (R-Ariz.) in his confrontation with appropriators last summer over earmarks included in spending bills that reached the House floor.

Many staffers consider Tiahrt, an appropriator, as the leadership-backed candidate who would mute the influence of conservative agitators as Republicans try to unite in the minority.

"It's an effort to neuter the RSC," one aide said. "It's an effort to split the powerbase."

Tiahrt spokesman Chuck Knapp said his boss met with the group's three remaining founders because members asked him to run and that the Kansas Republican has not had any conversations with Boehner or his staff about chairing the RSC.

Hensarling, Tiahrt and Rep. Steve King (R-Iowa), who would also like to be considered, met with the founders before Thanksgiving. In the past, those founders have nominated each incoming chairman, but leaders of the committee changed the rules under Pence to create the Steering Committee and to allow non-founders to nominate members before the vote.

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The remaining founders — Johnson and Reps. Dan Burton (R-Ind.) and John Doolittle (R-Calif.) — were expected to nominate Tiahrt, aides said before the holiday break, but that seems less certain this week, some of the same aides now say.

The founders are discussing options and could make an announcement before members return to Washington, aides said yesterday.

Retiring Rep. Ernest Istook (R-Okla.) also plays an uncertain role in the nominating process because he will not be a member in the next Congress, but he has met with each of the candidates, aides said.

Knapp said his boss would "proudly accept" the founders' nomination but would not seek it on the floor if those lawmakers select someone else.

"There has been a process in place, and he is one to respect that process," Knapp said.

Rep. Tom Feeney's (R-Fla.) office distributed a "dear colleague" letter on behalf of Hensarling to members of the committee yesterday. Reps. Gresham Barrett (R-S.C.), Marsha Blackburn (R-Tenn.), Kevin Brady (R-Texas) and Paul Ryan (R-Wis.) joined Feeney, Flake, Pence and Shadegg on the letter.

"He's been very encouraged by the support he has received over the phone," Hensarling spokesman Brad Dayspring said.

One question heading into the race is how many members of the committee will vote. The official number hovers somewhere above 100, but only 40 to 50 members attend most meetings, with 80 to 90 attending some of the biggest.

There is grumbling that some members may leave the RSC if Tiahrt wins, creating an early divide among Republicans in the minority. Shadegg created similar grumbling before the 109th Congress until Pence was named chairman.

Other members are seeking colleagues' support for an impending decision by the soon-to-be-reconfigured Steering Committee about who will serve as the ranking Republican on the various committees.

Rep. Ed Royce (R-Calif.), for example, circulated a "dear colleague" to members of the Steering Committee highlighting his legislative accomplishments since 1993 and his television appearances during the last year in his own bid to be the ranking Republican on the International Relations Committee.

The Steering Committee is expected to look similar to the structure under Hastert, with leaders, regional reps and class reps expected to have one vote with Boehner holding more sway, aides said this week. Outgoing Ways and Means Chairman Bill Thomas (R-Calif.) will not have a vote because he is retiring from Congress, and many of the current leaders were replaced in the elections before Thanksgiving.

Senators Back More Funds For Social Security Administration (WP)

By Stephen Barr

The Washington Post, November 29, 2006

With spending bills apparently stalled, 54 senators have sent an appeal to the Senate leadership asking that the Social Security Administration receive adequate funding to avert workplace disruptions.

The senators -- 42 Democrats and 12 Republicans -- called for a fiscal 2007 appropriation that would add $401 million to the agency's administrative account. Without the money, Social Security would be forced to send employees home without pay and shut offices for 10 days next year, the senators said.

"A furlough of this scope and magnitude will create a significant hardship on the elderly and disabled persons who depend heavily on field office staff resources -- particularly those in rural areas who must travel long distances to access services," the senators said in a letter to Senate Republican and Democratic leaders.

Fears of the lack of spending bills -- or what those spending bills might bring -- are hitting other agencies. Except for the Defense and Homeland Security departments, Congress has not enacted the regular spending bills for the government, and some agencies are worrying about being caught in a pinch. Until budgets are settled, for example, the Energy Department has suspended employee bonuses, and the Labor Department has adopted a "soft freeze" on hiring.

Since Oct. 1, the agencies have operated under continuing resolutions -- interim funding bills known as CRs. They finance operations at the lowest of three possible levels -- the 2006 budget, the Senate's 2007 proposed budget or the House's version for 2007. Congress returns next week for what some Capitol Hill aides think will be a short legislative session, and it's likely that

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Congress will again put off budget decisions until next year. In that event, Hill aides predict, some small agencies could be at risk of layoffs or short-term layoffs, called furloughs.

The Food Safety and Inspection Service, for example, has no plans for furloughs, but more than 80 percent of its budget goes toward salaries and benefits. "When an agency has that large of a percentage going to salaries, and if there are salary increases that take effect in January, it will be difficult to make up the increase out of program costs," said Steven Cohen, senior press officer at the agency.

The Veterans Affairs Department has been counting on a $2.8 billion increase for veterans' health care in fiscal 2007. "Operating under a long-term continuing resolution will, before long, adversely affect the timely delivery of care and the effective and efficient management of the department," said Lisette Mondello, the department's assistant secretary for public and intergovernmental affairs.

The White House's Office of Management and Budget hopes to work with Congress on a solution that avoids staffing problems. "There is currently language in the existing CR that prevents furloughs, and we expect the next CR to address reductions in force," said Christin Baker, OMB associate director for communications. "If the government continues to operate under a long-term CR, we will work closely with agencies and lawmakers to ensure there are no major disruptions to essential government services."

Concern about the plight of Social Security has been mounting since mid-September, in part because it provides benefits to nearly 49 million Americans.

The Senate's bill for Social Security would provide $9.1 billion for the agency's administrative expenses, $401 million less than the president requested and $54 million below what was appropriated in fiscal 2006. The House bill would leave Social Security about $200 million short of what the White House is seeking.

Sens. Olympia J. Snowe (R-Maine) and Kent Conrad (D-N.D.) organized the letter to Senate leadership. It pointed out that Social Security has been given additional work, such as handling the new Medicare prescription drug benefit, while coping with staffing shortages caused by previous budget shortfalls. New workloads and lack of staff "have slowed processing times for disability claims" and "lessened the quality of service" to the public, the letter said.

Asked about the letter, Social Security Commissioner Jo Anne B. Barnhart said she appreciated "the widespread bipartisan support for the president's budget request," which she said would allow the agency to provide "the public with the service they expect and deserve."

Jenny Manley, spokeswoman for the Senate Appropriations Committee, said the committee chairman, Sen. Thad Cochran (R-Miss.), "is well aware of the needs of the Social Security Administration." Manley said: "Our preference would have been to address this in regular order and in an appropriations bill, but that does not seem to be in the cards at this point."

Bases Refuse Offering Of Nuns (WT)

By Valerie Richardson

The Washington Times, November 29, 2006

AURORA, Colo. -- Three nuns were thwarted yesterday in their effort to pay their debt to society with food instead of cash when officials at two Colorado Air Force bases refused to accept their donations.

The Dominican sisters -- Carol Gilbert, Jackie Hudson and Ardeth Platte -- had collected thousands of cans of food in an effort to pay the military $3,082 in restitution for cutting through a chain-link fence at a Colorado missile silo in 2002.

The sisters, who each served jail time for the break-in, said they devised the plan because they could not in good conscience give money to the military. They are still awaiting court approval for their proposal.

But airmen at Buckley Air Force Base here turned away two pickup trucks loaded with thousands of cans of food yesterday, telling volunteer drivers that the facility had just received a large donation of food and had nowhere to store the nuns' delivery.

An hour later, officials at Peterson Air Force Base in Colorado Springs told volunteer Bill Sulzman that the facility couldn't accept a truckload of canned goods "because it was part of the restitution plan," he said.

Mr. Sulzman said he was surprised because he had coordinated the drop-off with a base sergeant.

He called the base's refusal "a political decision."

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"Clearly, the decision at Buckley got back to Petersen and canceled the deal here," said Mr. Sulzman, who works for Citizens for Peace in Space. "It was a case of the chain of command overruling a lower-level decision to give food to lower-income Air Force families."

He then dropped off the containers of baby food, coffee and peanut butter at the ecumenical food bank run by Colorado Springs churches. The canned goods intended for Buckley were donated to a Denver rescue mission.

The nuns called the military's reaction disappointing but not entirely unexpected. The U.S. attorney's office here has said the restitution should be paid in cash, not food, although U.S. District Court Judge Robert Blackburn will make the final decision.

The sisters could return to in prison if they refuse to comply with the restitution requirement.

"Any effort to collect food for those in need is a tremendous gesture," U.S. attorney's office spokesman Jeff Dorschner said. "But it is the government's continued position that food should not count toward restitution."

He noted that fixing the fence at the Weld County, Colo., missile silo was paid for with cash.

"Real money was used to repair the damage done by the sisters, and the taxpayers should be reimbursed with real money," Mr. Dorschner said.

Although the delivery didn't make it to its intended destination, the sisters argued that the canned food should count toward their restitution. As many as 30 percent of men who visit food banks are veterans, they said.

After the drop-offs, the sisters delivered a 19-page list of the donated canned goods to their probation officer.

"Some of this food will still get to people who are military veterans, and that's the best we can do," Sister Gilbert said.

Presidential Motorcades Can Be Dangerous (MCT)

By Steven Thomma

McClatchy Newspapers, November 29, 2006

WASHINGTON - They look glamorous from the curb, exciting and powerful as they race through a city with lights flashing, sirens blaring and a very, very important person waving from inside an armored limousine.

But presidential motorcades can be dangerous. The most recent reminder: the death this week of a Honolulu motorcycle officer who was injured while escorting President Bush during a brief stop en route home from Asia.

Sure, the president is safe in his limousine - so safe that no one can remember a commander in chief buckling his seat belt.

But the rest of the entourage is at risk of accidents and injuries, and they happen more often than most people realize.

First are the motorcycle cops, usually local officers who block intersections along the route.

Once the motorcade passes them, they race ahead to block another intersection up the road. Rushing at speeds up to 85 miles per hour or more, even well-trained riders can have trouble on wet pavement or curves.

"You really get your adrenaline running. You're leaping from intersection to intersection, blocking traffic, and you're putting yourself in harm's way," said Jim Kelley, a retired Houston motorcycle officer who worked motorcades for presidents from Dwight Eisenhower through Gerald Ford.

"If it's raining, you've got to worry about the oil slicks. You've got to worry about railroad tracks. You're trained for it, but it's risky."

In Hawaii, Steve Favela, 30, suffered fatal injuries when he and two other officers crashed as the motorcade sped across Hickam Air Force Base on rain-slicked pavement. A fourth motorcycle officer suffered a broken wrist when he crashed while working a different Bush motorcade.

In New Mexico last February, a motorcycle cop was injured when he lost control and crashed into a wall while escorting a Bush motorcade on Interstate 25.

Another risk is the accordion effect, when the front of the motorcade slows or stops, and cars, vans and buses at the rear are following one another so closely and so fast - maybe 10 or 15 feet apart at speeds as high as 60 miles per hour - that they can't avoid a crash.

Last December, a Bush motorcade was two blocks from the White House when an ambulance crashed into a communications van, which in turn crashed into another van in front of it. There were no injuries.

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Secret Service spokeswoman Kim Bruce said the agency doesn't keep records of how many motorcades have involved accidents. "Thankfully, they usually don't include either fatalities or injuries," she said.

Still, they sometimes do.

In New Mexico in 1998, for example, two vans crashed into each other in a slow-moving motorcade carrying then-Vice President Al Gore down wet roads from the Albuquerque airport. That crash in turn caused three motorcycle cops to spin out, injuring all three officers.

In California in 1996, a bus at the end of a Bob Dole presidential campaign caravan had to slam on the brakes when the front end of the police-escorted motorcade slowed abruptly. NBC reporter Kelly O'Donnell flew through the aisle of the bus, suffering bruises and a broken clavicle when she landed.

Making matters even dicier, Secret Service agents drive only the "control package" or "secure package," consisting of the president's limo and a few vehicles in front of and behind him.

"Those guys are the best, finest, most well-trained drivers for that kind of circumstance in the world," said John Podesta, a White House chief of staff under Bill Clinton. "But that's only about eight vehicles."

The rest of the motorcade, which often numbers 20 or more vehicles - vans carrying local guests, White House aides and the news media - are driven by volunteers or locally hired drivers.

"You're at the mercy of volunteers," Podesta said.

The risks of motorcades aren't unique to the United States.

In Malaysia last year, a police officer crashed into a cow while escorting a sultan's motorcade. The police officer was injured. The cow died.

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OTHER NEWS:

Bernanke: Economy Slowing As Expected (AP)

By Jeannine Aversa

AP, November 29, 2006

Federal Reserve Chairman Ben Bernanke said Tuesday that risks from inflation or a worse-than-expected housing slump could further complicate things for an economy that already is in slowdown mode.

"The deceleration in economic activity currently under way appears to be taking place roughly along the lines envisioned," Bernanke said in his most extensive comments on the economy since the summer. The slowdown in overall activity mostly reflects the housing slump, he said. As the economy cools, inflation also should continue to gradually ease over the next year or so, the Fed chief added.

Yet, "substantial uncertainties" surround the Fed's outlook, Bernanke said in prepared remarks to the National Italian American Foundation in New York.

The slowdown in the once sizzling housing market could turn out to be deeper than expected, putting an even greater drag on overall economic activity. Or, Bernanke surmised, economic growth could rebound more strongly than expected, which could lead to a flare-up in inflation.

"A failure of inflation to moderate as expected would be especially troublesome," he said.

Overall inflation has showed signs of improving in recent months as once surging energy prices have calmed down. However, "core" prices - which exclude energy and food and are closely watched by the Fed - still remain "uncomfortably high," Bernanke said. Looking ahead, Bernanke said he expects those core prices to moderate gradually over the next year or so.

But he made clear the Fed will be keep a close eye on the matter, especially on labor costs, which can spark inflation if they grow rapidly.

Although the Federal Reserve has left interest rates alone since August, Bernanke repeated the central bank's interest in keeping open the possibility of a rate increase down the road, if such action would be needed to fend off inflation.

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To thwart inflation, the Fed had hoisted interest rates 17 times since June 2004, its longest string of increases in its history. With the economy slowing, the Fed has stayed on the sidelines since August. Many economists believe the Fed will keep its finger on the interest rate pause button it meets next on Dec. 12, the last such session this year.

Bernanke's remarks followed a batch of mostly downbeat economic reports issued Tuesday.

Orders placed to U.S. factories for manufactured goods plunged in October by the largest amount in more than six years. The median price of an existing home sold last month dropped by a record amount. And, consumer confidence in the economy sank in November.

Economic growth during the July-to-September quarter slowed to a pace of just 1.6 percent, the most sluggish in more than three years. That mostly reflected the housing slump. Investment in home building was cut by the largest amount in 15 years.

"The slowing pace of residential construction is likely to be a drag on economic growth into next year," Bernanke predicted. Even though there are signs that the demand for homes is stabilizing, builders still need to work off a bloated inventory of unsold homes and that will take time and further adjustments, he said.

The Fed chief added that even with the drag on the economy from the housing slump and a struggling auto sector, the jobs climate is still fairly healthy.

The nation's unemployment rate sank to a five-year low of 4.4 percent in October and workers' wages grew solidly. Those factors should help cushion the blows to the economy from the housing slump, Bernanke said.

Bernanke: Inflation 'uncomfortably High' (USAT)

By Sue Kirchhoff

USA Today, November 29, 2006

The economy is growing at a "solid pace" outside of housing and manufacturing, but a key inflation measure remains "uncomfortably high," Federal Reserve Chairman Ben Bernanke said Tuesday.

In a speech to the National Italian American Foundation in New York, Bernanke said it would be "especially troublesome" if price pressures don't moderate, as the Fed has forecast. He said the sputtering housing market will be a drag on growth into 2007, even if sales stay near the current pace. "Overall, the economy is likely to expand at a moderate pace going forward," Bernanke said, adding that growth should accelerate over the coming year.

Economists interpreted Bernanke's comments as a sign the central bank is not likely to cut interest rates anytime soon and could be forced to raise them in coming months to keep price pressures under control. Although the Fed does not directly set mortgage or other private-sector loan rates, its short-term rate target is used as a benchmark when banks price consumer and business loans.

"Whether further policy action against inflation (to raise rates) will be needed depends on the incoming data," Bernanke said, adding that the risks to the inflation forecast were "primarily to the upside."

To control inflation and remove excess economic stimulus, the Fed raised short-term interest rates from a low 1% to 5.25% from June 2004 to June 2006. Economists polled by USA TODAY in October predicted the Fed would start cutting rates next year.

Stephen Stanley of Greenwich Capital Markets said Bernanke's remarks made it clear the "two policy options in the near term" are to leave rates alone or raise them.

The National Association of Realtors on Tuesday said existing home sales unexpectedly ticked up in October, though annual prices fell for a third-consecutive month (story, above). Also, the government said orders for long-lasting durable goods plunged 8.3% in October, the biggest drop since July 2000.

Overall, the economy grew at a slow 1.6% annual pace in the third quarter, down from the 5.6% rate of the first. Core inflation, which doesn't include food and energy, is running 2.7% annually, above the Fed's informal 1%-2% comfort zone.

While falling energy and housing prices have taken some of the edge off inflation, the Fed is watching wage growth and the tight labor market. Rising wages help workers but could breed growing inflation if companies pass on labor costs via higher prices. Also supporting growth: The auto sector may be firming, and consumer spending has held up.

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Bernanke Warns Inflation Remains A Significant Risk (WSJ)

By Greg Ip And Rafael Gerena-morales And Michael Corkery

The Wall Street Journal, November 29, 2006

In a contrast with the widely held view on Wall Street that slower economic growth will lead to interest-rate cuts, Federal Reserve Chairman Ben Bernanke offered an upbeat assessment of the nation's economy, warning that tight labor markets could put more pressure on wages and prices.

Many investors point to declining housing construction, mixed news on holiday sales and a tame reading on inflation as indications that the economy is weakening, inflation risks are fading and that the next move by the Fed will be to cut interest rates, perhaps as soon as next spring.

However, Mr. Bernanke's hawkish message suggests rate cuts are unlikely in the months to come.

In his first major speech on the economic outlook since his testimony to Congress in July, Mr. Bernanke said growth outside of housing and autos remains "solid," underlying inflation "uncomfortably high" and that the choice before the Fed is whether to raise rates, not whether to cut them. Since June, the central bank has held its target for short-term interest rates steady at 5.25%.

"A failure of inflation to moderate as expected would be especially troublesome," Mr. Bernanke told the National Italian American Foundation in New York yesterday. "Whether further policy action against inflation will be required depends on the incoming data."

Stock and bond markets barely reacted -- underscoring how, in recent months, Fed officials and investors increasingly have seemed to be looking at two different economies.

The Dow Jones Industrial Average gained 14.74 points yesterday to 12136.45, after falling 158 points in the previous session. (See related article7.)

Long-term bond yields, which fell yesterday morning on news of a surprisingly large drop in durable goods orders, retraced only a bit of that decline after Mr. Bernanke's speech. Long-term bond yields tend to rise on expectations of stronger growth, higher inflation and higher short-term interest rates.

Indeed, futures markets still see a high likelihood of a rate cut in the next six months. Long-term bond rates, at 4.51%, remain well below short-term rates, a relationship that in the past has often foreshadowed recession.

"Market participants are simply much more pessimistic...and, clearly, not easily convinced that the chairman's sanguine outlook is the most likely scenario," said Stephen Stanley, an economist at RBS Greenwich Capital.

Whether the Fed's optimism or the market's pessimism will prove correct remains to be seen. However, as long as investor pessimism keeps long-term rates, including mortgage rates low, that provides support to the housing market and makes it less likely the Fed will have to cut rates.

Yesterday, Mr. Bernanke spotlighted the labor market as a potential source of inflation pressure. "It seems clear that labor costs...have been rising more quickly of late. Some part of this acceleration no doubt reflects the current tightness in labor markets," he said.

The unemployment rate fell to 4.4% in October, well below the 4.75% to 5% range Fed officials had projected in July.

Mr. Bernanke raised the possibility that corporations could absorb higher labor costs without raising prices by reducing their profit margins, which now are relatively wide. But "the more worrisome possibility is that tight product markets might allow firms to pass all, or part of, their higher labor costs through to prices, adding to inflation pressures."

Charles Plosser, president of the Federal Reserve Bank of Philadelphia, reinforced the Fed's hawkish message yesterday in a speech at the University of Rochester in Rochester, N.Y. "There remains some risk that policy is not yet firm enough to ensure a return to price stability over a reasonable time horizon," he said.

Economists themselves are divided on the outlook for the economy, with some predicting that a housing-led slowdown will intensify and others saying that low unemployment rates and buoyant financial markets will fuel a pickup in economic activity.

Economic data released yesterday provided ammunition for both sides. In October, orders for durable goods -- big-ticket items, such as machine tools and dishwashers, designed to last three or more years -- fell 8.3% from September, fueled by a steep drop in commercial airplane orders, the Commerce Department said.

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Orders for capital goods, excluding defense and aircraft products -- a barometer of business spending -- fell 5.1%, the first decrease in six months. That was led by a 25.6% plunge in orders for computers and related products. Economic consulting firm Global Insight attributed most of that drop to Microsoft Corp.'s planned launch of a new operating system next year, which is causing some potential buyers to delay purchases.

Stuart Hoffman, chief economist of PNC Financial Services Group Inc., said the latest data suggest that capital spending "won't provide as big of a cushion" as expected for an economy that is being undercut by a struggling housing market.

Separately, the Conference Board, a nonprofit business research group in New York, reported that its consumer confidence index fell to 102.9 this month from 105.1 in October.

On the positive side, the National Association of Realtors said sales of previously owned homes in October rose 0.5% from September to an annual rate of 6.24 million, the first monthly rise since February. But the median home price fell to $221,000, down 3.5% from a year earlier. That was probably the largest such drop since World War II, said David Lereah, NAR's chief economist. However, the latest decline followed an unprecedented multiyear run-up in prices.

Mr. Lereah said sellers in many markets have been cutting prices and those reductions, coupled with relatively low mortgage rates, have helped spur more sales. He attributed part of the decline in median prices to the fact the homes in lower-priced markets like Texas accounted for a larger share of sales than a year ago.

While buyers are creeping back into the market, the inventory of homes for sale rose 1.9% in October to 3.85 million, or a 7.4-month supply.

Since July, the Fed's forecast has been for economic growth to slow to slightly less than its long-term trend rate, taking some of the pressure off existing labor and business capacity. It expects the slowdown, coupled with the indirect effects of the recent decline in energy prices, should nudge core inflation down.

Mr. Bernanke said yesterday that the economy was broadly following that forecast. "Outside of the housing and motor-vehicle sectors, economic activity has, on balance, been expanding at a solid pace," he said. Trends in core inflation, which excludes food and energy, are less worrisome than in the spring, though at 2.7% in October, the rate "remains uncomfortably high."

The biggest risk to growth, Mr. Bernanke said, is that "the correction in the housing market could turn out to be more severe and widespread."

"The rate of home-price appreciation has slowed significantly," and the overhang of unsold homes is likely even larger than official figures show, he said.

Yet the Fed is clearly gaining confidence that housing won't experience a hard landing. While home construction will probably fall further to bring supply back in line with demand, Mr. Bernanke said demand for homes appears to have stabilized, thanks to lower mortgage rates and home prices.

Mr. Bernanke's predecessor, Alan Greenspan, made a similar observation yesterday to another New York audience, saying the worst of the housing adjustment was over. But he added that the decline in prices might yet make consumers feel poor enough to depress their spending.

Mr. Bernanke said there is "little evidence" that a weak housing market is "spilling over more broadly to consumer spending or aggregate employment." As long as that remains true, he said, growth could reaccelerate in such a way that the economy starts to overheat, generating inflation pressure.

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Fed Chief Optimistic Of Soft Landing (WP)

By Nell Henderson

The Washington Post, November 29, 2006

The nation's central bank is growing more confident that the U.S. economy will slow gradually in a way that should cause inflation to decline without tipping the nation into a recession, Federal Reserve Chairman Ben S. Bernanke said yesterday.

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"Over the next year or so, the economy appears likely to expand at a moderate rate, close to or modestly below the economy's long-run sustainable pace," Bernanke told the National Italian American Foundation in New York, in his most extensive remarks on the economy since July. Inflation "is expected to slow gradually from its recent level."

The primary risk to the Fed's forecast is the possibility that a tight labor market could push inflation higher than expected, which could prompt the Fed to raise interest rates, Bernanke said, according to a text of his prepared remarks.

Inflation "has been somewhat better behaved of late" but also remains "uncomfortably high," he said.

Bernanke delivered his speech just a few hours after two economic reports fanned concerns that the economy might be weakening further. The reports showed that new orders for long-lasting durable goods, including automobiles and appliances, fell sharply in October and that consumer confidence dipped in November.

The economy expanded at a sluggish 1.6 percent annual rate in the three months ended in September, down from a 2.6 percent pace in the three months ended in June.

Bernanke did not directly address yesterday's economic statistics nor did he discuss a recent fall in the value of the dollar that could have wide-ranging effects on U.S. companies and workers.

He said the economic slowdown "primarily reflects a cooling of the housing market." He struck an upbeat tone, however, saying, "to date, there is little evidence that the weakness in housing markets is spilling over more broadly to consumer spending" or the labor market.

Bernanke's comments reinforced financial-market expectations that Fed policymakers will leave their benchmark overnight interest rate unchanged at 5.25 percent when they meet in two weeks and hold it steady in the months ahead.

"The Fed is firmly on hold," said Stuart G. Hoffman, chief economist for PNC Financial Services Group. He said Bernanke's remarks show that the Fed thinks "the economy is not snowballing down a slope toward a hard landing or a recession. There are plenty of cushions along the way."

The slower pace of home construction "is likely to be a drag on economic growth into next year," Bernanke said. But he also pointed to signs that home sales may be stabilizing. Sales of new homes rose in August and September, and sales of previously owned homes rose in October. Mortgage applications have been increasing since July.

Bernanke said most of the economy outside of the housing market "appears to be expanding at a solid rate." Many factories are churning out more goods for export. U.S. businesses are spending more on non-residential construction, equipment and software.

And consumer spending has continued to rise, buoyed by low unemployment, rising wages and falling fuel prices.

Rather than sound concerned about a slowdown, Bernanke suggested it was just what the Fed expected when it raised interest rates steadily over two years through June to keep the economy from overheating and driving inflation higher.

Markets Uncertain Despite Fed Comments (FT)

By Our International Staff

Financial Times, November 29, 2006

Financial markets remained gripped by uncertainty over the outlook for the dollar on Tuesday, even as Ben Bernanke appeared to head off talk of imminent US interest rate cuts by warning that inflation remained “uncomfortably high”.

The dollar strengthened briefly on the comments by the Federal Reserve chairman, but they failed to claim the markets, with currencies still volatile in later trading.

The euro hit a 20-month high against both the dollar and the yen, while the pound rose 0.5 per cent to $1.9480. That brought it close to peak of 1.9548 reached on December 2004, the highest level since sterling was ejected from Exchange Rate Mechanism in 1992.

Bonds were also unsettled, while equities slipped back in early trading, and the cost of buying insurance against credit risk increased.

Speaking in New York, Mr Bernanke reassured investors that the outlook for the US economy remained fair, and the slowdown to more moderate growth was proceeding largely as expected.

He said incoming data would determine “whether further policy action against inflation will be required”.

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The speech follows days of jitters in financial markets, with investors betting that US economic weakness would force the Fed to cut interest rates next year, undermining the dollar.

Earlier in the day, fresh US data showed house sales inching up, but prices falling on one measure, with confidence weaker and a significant drop in durable goods orders.

While investors have been troubled by recent US data, however, Mr Bernanke said the slowdown "appears to be taking place roughly along the lines envisaged in the Federal Reserve's July report".

His message was reinforced by Hank Paulson, US Treasury Secretary, who told reporters in London the US economy was making a "successful transition" to a more sustainable rate of growth, and by the Organisation for Economic Co-operation and Development, which said the outlook for the world economy remained bright.

Releasing its twice-yearly outlook, the OECD said it saw signs of a smooth rebalancing of global economic growth, with faster growth in Europe offsetting much of the slowdown in the US.

Jean-Philippe Cotis, the OECD's chief economist, said there were signs that the growth of global trade imbalances had now stopped, raising the chances of a benign outcome.

Attributing the recent fall in the dollar to signs of economic strength in Europe and elsewhere, he added: "Even a smooth adjustment of imbalances has to start somewhere...we are not yet in a position where the depreciation of the dollar suggests people are fleeing the US."

Report by Krishna Guha and Eoin Callan in Washington, Chris Giles, Tony Tassell and Scheherazade Daneshkhu in London

Blue Chips Stage A Slight Recovery Despite Glum Signals On Interest Rates (WSJ)

By Peter A. Mckay

The Wall Street Journal, November 29, 2006

Stocks edged higher despite troubling comments about interest rates from Federal Reserve Chairman Ben Bernanke.

The gains erased little of Monday's steep market drop, which included a 158.46-point decline in the Dow Jones Industrial Average. After sliding further in early trading, the blue-chip average ended the day up 14.74 points, or 0.1%, at 12136.45, 13.2% higher for the year. Among the Dow's strongest components was Exxon Mobil Corp., which rose 2.3%, helped by the second consecutive rise in crude-oil prices.

Forecasts of colder weather in the Northeastern U.S. and continuing supply worries drove crude futures contracts for January delivery up 67 cents, or 1.1%, to $60.99 a barrel, now off just 0.1% for the year at the New York Mercantile Exchange.

The broad Standard & Poor's 500-stock index also opened the session lower but climbed 4.82 points for the day to end at 1386.72, up 11.1% for the year. The technology-stock-heavy Nasdaq Composite Index rose 6.69 points to 2412.61, up 9.4% for the year. Both were up 0.3% for the day.

In a speech to the National Italian American Foundation in New York, Mr. Bernanke said that inflation remains "uncomfortably high" and that the main decision facing the central bank is whether to raise interest rates to keep the economy in check, not whether to cut rates to stimulate further growth.

Wall Street likes low interest rates because cheap borrowing costs encourage spending by businesses and consumers.

Tobias Levkovich, chief U.S. equity strategist at Citigroup, said Mr. Bernanke's comments probably disappointed investors who had been hoping for a Fed cut sooner rather than later, perhaps early in 2007. On the other hand, he said the speech and recent data released by the government signal that Wall Street's hopes for a gradual slowdown in economic growth are coming true.

"The economy hasn't collapsed," Mr. Levkovich said. "Housing prices are off, but that hasn't really hurt the consumer. Employment is still solid, consumers have income and they're spending it."

Housing data released yesterday by the National Association of Realtors showed an increase in the number of new homes sold in October, but a steep drop in home prices. The median new-home price fell 3.5% from the year-earlier period, to $221,000, a record-setting third straight decline in that measure.

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With the holiday shopping season in full swing, many analysts are watching closely for any sign that consumers might curtail their spending. In a glum development along those lines, the Conference Board reported that its consumer confidence index slipped to 102.9 in November, worse than analysts had expected.

For the Dow, the rise yesterday halted two consecutive days of declines, and the average now is 206.11 points below its record close, established less than two weeks ago, on Nov. 17.

Outside the U.S., stocks fell in dollar terms. The Dow Jones World Stock Index, excluding U.S. shares, declined 0.3%, or 0.7 point, to 231.45.

In major U.S. market action:

Stocks rose1. Total trading volume for stocks listed on the New York Stock Exchange was 2.65 billion shares, as 2,144 stocks advanced and 1,173 fell.

Bond prices rose2. The 10-year note gained 8/32 point, or $2.50 for each $1,000 invested, pushing the yield down to 4.505%. The 30-year bond rose 10/32 to yield 4.594%.

The dollar was mixed3. Against the Japanese currency, the dollar rose slightly to 116.09 yen, compared with 116.08 yen. The euro rose against the dollar to $1.3198, compared with $1.3126.

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Existing-Home Sales Climb, But Prices Show Record Drop (WSJ)

By Rafael Gerena-morales And Michael Corkery

The Wall Street Journal, November 29, 2006

New data offered a mixed picture of the housing sector's condition as home sales picked up, but prices fell. Meanwhile, the first look at business investment in the fourth quarter revealed a sharp pullback, indicating that business spending won't lend as much support to economic growth as some analysts had been expecting.

The National Association of Realtors reported that previously owned home sales rose 0.5% from the previous month to a seasonably adjusted annual rate of 6.24 million units, which is up from an upwardly revised September sales pace of 6.21 million.

It's the first monthly rise in sales that the trade group has reported in eight months. But the national median home price plummeted 3.5% to $221,000 from a year ago -- the largest year-over-year price drop since the trade group began keeping records in 1968, and "it's probably the largest price drop since World War II," said David Lereah, NAR's chief economist. It follows a 2.2% price decline in September and a 1.7% drop in August.

Mr. Lereah said sellers in many markets have been cutting prices and that, coupled with relatively low mortgage rates, have helped spur more sales. But he also attributed part of the median price decline to the fact that there were a greater number of lower priced homes and fewer high priced homes sold in October than a year ago. He said sales in markets such as Texas, where home prices are lower than many U.S. markets, were fairly strong in October. That strength contributed to the overall mix of more lower-priced homes selling.

Mr. Lereah also said prospective buyers of high-priced homes in once hot markets are more likely to wait to buy in anticipation of further price declines than first-time buyers who may be buying a home because of a job change.

While the slight uptick in sales suggests buyers are creeping back into the market, the inventory of unsold homes remains relatively high. Total housing inventory rose 1.9% in October from the previous month to 3.85 million existing homes for sale, which represents a 7.4 month supply at the current sales pace. Economists said that weak condominium and co-op sales -- which declined 4.8 % in October from the previous month-- weighed heavily on the overall housing market. By comparison, single family home sales -- which make up the bulk of housing sales -- rose 1.3% in October.

While the improved sales pace could help prevent job losses in industries heavily tied to housing, such as furniture and mortgages, Mr. Lereah said "the wealth effect of housing right now is certainly turning negative," because of the price declines.

Decline in Durable Goods

Durable-goods orders fell 8.3% last month to a seasonally adjusted $209.97 billion, reflecting a steep drop in commercial airplane orders, the Commerce Department said Tuesday. That was the sharpest drop since July 2000. Moreover, "core" orders

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of capital goods, a barometer of business spending that excludes defense and aircraft products, fell for the first time in six months, underscoring widespread weakness. New orders for core goods fell 5.1% in October, as orders for computers and related products plunged 25.6% last month. Core orders had risen by a monthly average of 1.1% in the nine months through September.

Economists at consulting firm Global Insight said computer orders likely dropped sharply because Microsoft Corp. is introducing a new computer operating system in 2007, which may have caused companies to delay computer purchases. Meanwhile, orders for communications equipment and fabricated metals also fell last month.

Yesterday's report surprised analysts, who had been expecting business spending on core goods to continue growing at a steady pace, a development that has helped the economy soften the blow of this year's housing industry contraction.

Business orders last month were "far, far weaker than expected" said Stuart Hoffman, chief economist of PNC Financial Services Group Inc. The report suggests that capital spending will weaken in the current quarter and that "it won't provide as big of a cushion" for an economy being undercut by a struggling housing market, he said.

Following yesterday's report, Mr. Hoffman lowered his forecast for economic growth in the fourth quarter to 2.25%, on an annualized basis, from roughly 2.5%. Last week, many other forecasters lowered their estimates of fourth-quarter growth after the Commerce Department reported that construction of new homes slid to a six-year low in October.

Separately, The Conference Board, a nonprofit business research group, reported that its consumer confidence index fell to a reading of 102.9 this month [Nov] from 105.1 in October.

Home Prices Fell At Record Pace In October (WP)

By Bill Brubaker

The Washington Post, November 29, 2006

U.S. existing home prices dropped a record 3.5 percent last month, compared with the same month a year earlier, while the total number of residences sold fell 11.5 percent compared with October 2005, according to an industry report released yesterday.

Nationwide, the median price of a single-family home, condominium or cooperative apartment dropped to $221,000 last month from $229,000 in October 2005, according to a report by the National Association of Realtors, a trade group representing U.S. real estate agents. The median is the point at which half the homes sell for more and half for less.

The largest drop in sales prices -- 7 percent, or double the national average -- came in the South, which includes the Washington area.

In a rare piece of good news for the beleaguered U.S. real estate industry, however, sales of existing homes rose 0.5 percent from September to a seasonally adjusted annual rate of 6.24 million in October, the first monthly increase since February, the report said.

Pat Vredevoogd Combs, president of the Realtors' group, attributed the October uptick in sales volume to "sellers cutting their price enough to encourage sales."

By region, home sales rose 6.4 percent in the West; were flat in the Midwest; fell 2.9 percent in the Northeast; and declined 1.2 percent in the South, according to the trade group's report.

David Lereah, the group's chief economist, predicted a sales rebound during the first three months of next year.

"The demographics of our growing population, historically low and declining mortgage interest rates, and healthy job creation mean the wherewithal is there to buy homes in most of the country, but many buyers remain on the sidelines," Lereah said in a statement. "After a period of price adjustment, we'll see more confidence in the market and a lift to home sales should be apparent in the first quarter of 2007."

Lereah also predicted home-sale prices will experience "modest appreciation" in the early spring.

Other reports have noted some variation in sales volume and prices around the region. Prices have dipped more in Northern Virginia and the District than in much of Maryland.

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While median home prices rose 6.7 percent in Prince George's County, 1.95 percent in Anne Arundel County and 0.70 percent in Montgomery County over the past year, they fell 6.4 percent in Northern Virginia, 11.8 percent in the District and 10.8 percent in Loudoun County, according to the Metropolitan Regional Information Systems, the region's multiple listing service.

Prices Of Existing Homes Plummet (USAT)

By Noelle Knox

USA Today, November 29, 2006

Prices of existing homes — which fell a record 3.5% last month — will likely drop further through year's end, delivering the bitter medicine needed to restore the health of the housing market, the National Association of Realtors said Tuesday.

The median price fell in October for a third-consecutive month, to $221,000, as sellers were forced to cut prices. Those price drops, coupled with a dip in mortgage rates, seem to be reviving sales. Existing home sales ended a six-month losing streak in October, unexpectedly inching up 0.5%.

Prices still have further to fall, says David Lereah, the NAR's chief economist. But, he notes, the faster they fall, the faster the correction in the home market will end. “The correction is working, and sales are stabilizing,” Lereah says. “That's good news for the economy.”

In the meantime, buyers in many areas continue to enjoy an advantage. They have an ample 7.4-month supply of homes to choose from, and, “Sellers will have to overcome their state of denial and start dropping prices even more to clear this market,” says Joel Naroff of Naroff Economic Advisors. “And once that happens, we will then have to convince buyers that prices have stopped falling. We are a long way from that point.”

Fear of falling prices keeps Christopher Robinette awake at night. Robinette, a 25-year-old engineer, wants to buy his first house in Reno but frets: “I don't want to buy and have the value of the house go down and then try to sell it at a loss. I have a job where I have the potential to move, and the value of homes is unstable at this point, and that makes me hesitant.”

The median price for an existing single-family home in October was $221,300, down 3.4% from October last year. Sales of existing single-family homes rose 1.3% from September, though they were down 11% from October last year. Condo owners felt even more pain. The median price skidded 5.3% to $214,300. Sales fell 4.8% from September and 14.5% from 2005.

Today, the Commerce Department will release October sales figures for new homes. Those figures are expected to show more weakness.

Hardest hit last month were homeowners in the South, where the median price plunged 7% to $185,000 from a spike in October 2005. Sales in the South were down nearly 9% from a year ago. A big drag on the region: sales in Florida, which tumbled 22%.

One surprise was in the West, where prices were nearly flat at $340,000, despite chronic affordability problems for the working class. Sales actually rose 6.4% from September to October. California's median price, the highest in the nation, gained 2% to a wallet-draining $548,680 in October from October last year.

“I am so confused about California,” Lereah says. “You really expect California to have a big price correction. And that's not happening.”

Existing Home Prices Tumble Despite Sales Uptick (LAT)

By Jesus Sanchez

The Los Angeles Times, November 29, 2006

Nationwide existing home sales rebounded last month but the median sales price took its biggest year-over-year decline in nearly four decades, according to real estate figures released today.

In California, October results were the opposite, with sales, excluding condominiums, slipping 0.3% from the previous month and the median sales price gaining 2% from October 2005 to $548,680, according to the California Assn. of Realtors.

Nationally, sales of existing homes, including condos, rose 0.5% in October from the previous month to a seasonally adjusted, annual rate of 6.24 million units, according to the National Assn. of Realtors. It was the first monthly increase since February.

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However, the sales pace remained below last year's level and prices also tumbled for the third consecutive month. In October, the median price fell 3.5% from the same month last year to $221,000, according to NAR.

The median is a typical market price, where half of the homes sold for more and half sold for less.

The modest rebound in sales may indicate that the nationwide housing slow down might be bottoming out — but any noticeable relief for sellers probably won't come until next year, according to some housing observers.

"After a period of price adjustment, we'll see more confidence in the market and a lift to home sales should be apparent in the first quarter of 2007," NAR economist David Lereah said in a statement. "The annual decline in the October median home price is skewed because there was an uncharacteristic spike in October 2005, but the trend for the fourth quarter will be prices remaining slightly below a year ago. Overall prices are projected to see modest appreciation around early spring."

But other economists say a turnaround is still far away, with many signs pointing to a buyer's market for some time to come. For example, the inventory of unsold homes, increased 1.9% in October to 3.85 million existing homes.

"There is little chance of significant near-term relief, and we expect prices to continue falling at an accelerating rate for both single family and condo homes," said Ian Shepherdson, an economist with High Frequency Economics.

In California, it took significantly longer to sell a home compared to a year ago, when sales were near record highs. Last month, the median number of days it took to sell a single-family home was 57, up from a revised 34 from a year ago.

Officials with the California Assn. of Realtors were also cautious about the outlook.

"While it appears that home sales have stabilized over the past three months, it's too soon to say whether or not the market has bottomed out," CAR President Colleen Badagliacco said in a statement. "We do expect smaller year-over-year declines in home sales for the remainder of the year.

On a regional basis, the West reported the strongest results, with existing-home sales in October rising 6.4% from the previous month. The median price, however, sank 0.6% from October 2005 to $340,000. The California Assn. of Realtors was scheduled to release statewide figures later today.

In other economic news today, new Federal Reserve Chairman Ben Bernanke said that a slow down in economic activity is taking place as expected but warned of economic "uncertainties."

"The deceleration in economic activity currently underway appears to be taking place roughly along the lines envisioned," Bernanke said in prepared remarks to the National Italian American Foundation in New York.

Yet, "substantial uncertainties" still cloud the economic outlook, Bernanke said in an account by the Associated Press. "A failure of inflation to moderate as expected would be especially troublesome."

In a separate announcement, the Commerce Department said today that orders for durable goods fell by a larger than expected 8.3% in October from the previous month as demand for such items as commercial aircraft and computers waned.

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The Associated Press contributed to this report.

Dollar At 20-Month Low Vs. The Euro (WP)

By Peter S. Goodman And Nell Henderson

The Washington Post, November 29, 2006

NEW YORK, Nov. 28 -- The U.S. dollar fell to a 20-month low against the euro Tuesday, the latest development in a year-long currency readjustment that could make some imported goods more expensive, but could also help American workers by boosting exports.

Traders are not entirely sure why the currency is falling, but several pointed Tuesday to signs of economic weakness in the United States and strength in Europe. That is fueling expectations that interest rates will rise in Europe relative to the United States, prompting investors to move assets out of dollars.

Many economists welcomed the decline. Despite six trading days of fairly sharp drops, they say, the dollar remains significantly overvalued against other currencies, making U.S.-made goods more expensive on world markets while encouraging imports.

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That, combined with the willingness of U.S. consumers to continue spending despite rising debt, has helped to give the United States a trade deficit expected to reach $900 billion by the end of the year, according to the International Monetary Fund.

"The strength of the dollar has contributed to this historically high trade deficit," said William R. Cline, a senior fellow at the Peterson Institute for International Economics in the District. "The dollar needs to fall, and that should be seen as a good sign, not a bad sign."

At the close of trading here Tuesday, one dollar was worth 0.758 euro, a drop of about 12 percent since December 2005. The rapid movement in recent days, though eliciting considerable attention from traders, has amounted to a drop of less than 3 percent. Economists say that is too small by itself to make much of a dent in the trade balance.

Moreover, changes in foreign exchange rates typically take from nine months to two years to be reflected in business and in the price of goods on shelves because orders and investment decisions are made months in advance.

"The movement so far is negligible," said Desmond Lachman, a resident fellow at the American Enterprise Institute in Washington. "That's going to do nothing in terms of adjusting the U.S. balance."

President's Bush's Treasury secretary, Henry M. Paulson Jr., reacted to the decline by speaking Tuesday of his support for a "strong dollar." That is a ritual that Treasury secretaries have followed for years -- they cannot welcome declines for fear of precipitating a rout of the currency. As he said the words, though, Paulson was preparing for a trip to China, during which he plans to press officials there to raise the value of China's currency, and thus lower the value of the dollar. Such a move would boost the U.S. competitive position in global trade.

U.S. manufacturers have complained that China keeps its currency too low on world markets, making Chinese goods artificially cheap and taking jobs from U.S. workers.

"China is the real problem," Lachman said. "That's where the real friction is going to occur."

In recent years, as the U.S. trade deficit has swelled and as fast-growing Asian countries -- not least, China -- have captured a greater share of commerce, economists have grown increasingly fretful about the imbalances imperiling the global economy.

According to economic textbooks, when a country runs a large trade deficit, its currency is supposed to feel downward pressure. The United States has defied this economic truism in recent years. China and Japan have plowed the spoils of their burgeoning exports into U.S. Treasury bills and other dollar-denominated investments, propping up the dollar, helping keep U.S. interest rates low and fueling consumer spending in this country. That has boosted imports from Asia, sending more dollars there and keeping the cycle going.

Economists assume the imbalances cannot last forever. China has amassed a pile of foreign exchange reserves exceeding $1 trillion. The U.S. current account deficit, which is calculated as the trade deficit plus capital transferred across borders and interest on investments, is expected to reach $870 billion by the end of the year, according to the IMF. That is about 7 percent of the total output of the U.S. economy.

The Bush administration asserts that this is an endorsement of the economy, with foreigners continuing to express confidence in the United States as a place to invest. Economists say that, one way or another, balance will be restored, with a significantly weaker U.S. dollar.

Kristin Forbes, a former U.S. Treasury official and now a business professor at the Massachusetts Institute of Technology, estimated that the dollar would have to drop to 30 percent from 20 percent against major currencies to trim the current account deficit to 4 percent of the overall economy.

The key question is how and when the adjustment comes: Policymakers want an orderly and gradual decline in the dollar as opposed to a sudden collapse. The latter could jack up interest rates and send housing prices plummeting, while diminishing demand for the Asian exports that have propelled growth across the Pacific.

On Tuesday, economists said the dollar's recent drop against the euro looks more like the next phase of a gradual decline than the beginning of a disastrous unraveling. But much depends on the psychology of traders, particularly as there is talk that China and other countries are moving to diversify their holdings, putting some of their savings into currencies other than the dollar.

"There is a risk that if the financial markets feed on this, you could have quite a bit of turmoil," said Edwin M. Truman, a senior fellow at the Peterson Institute.

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Traders and analysts said the recent flight from the dollar largely reflects expectations that the U.S. economy will continue to grow more sluggishly than the global economy in the months ahead.

Investors' concerns about U.S. economic weakness were fanned Tuesday by reports showing that new orders for durable goods, such as automobiles and appliances, fell sharply in October, and that consumer confidence slipped lower in November.

Many investors think that the Federal Reserve will hold interest rates steady for a while and that it is likely to cut rates next year. In contrast, the European Central Bank appears likely to continue boosting interest rates in the 12-country zone that uses the euro currency, enhancing the return on investments in that region.

"That's definitely a key relationship," said Alan Ruskin, chief international strategist at RBS Greenwich Capital.

Henderson reported from Washington. Staff researcher Richard Drezen contributed to this report.

The Devaluationists (WSJ)

The Wall Street Journal, November 29, 2006

The dollar's recent weakness against the euro and other currencies has brought out the usual suspects to blame the usual suspects. That is, the crowd that has long believed the greenback needs to be devalued because of the large U.S. trade defic it is declaring that day has finally arrived. The fact that the dollar has held up well for years despite the trade deficit doesn't seem to matter to this conventional wisdom.

Our view is simpler: When U.S. economic policies look like they might take a turn for the worse, dollar-denominated assets lose some of their allure. So, for example, when the new Democratic majority in Congress talks about raising taxes on capital gains and dividends, investors in U.S. financial and corporate assets get the jitters. And when U.S. monetary policy accommodates more inflation, investors also look for other places to put their marginal cash. Talk of a tax increase has certainly been in the news in recent weeks, and the jury is still out on the Federal Reserve's resolve to correct its inflationary easy-money blunder of 2003-2005.

On one issue we do agree with the trade-deficit devaluationists: The margin for error in American economic policy has been reduced. There are many more places, such as China and the former Eastern Europe, where high returns can be had. The euro has also emerged as a potential alternative as a reserve currency.

That's all the more reason for Treasury Secretary Hank Paulson to say, as he did yesterday, that a strong dollar is "clearly in our nation's interest." Federal Reserve Chairman Ben Bernanke also sounded the right note in saying that inflation remains too high and the Fed will be vigilant in seeing it fall. The dollar's fate is very much in our own hands.

GOP Senatorial Committee In The Red (AP-Y)

By Jim Kuhnhenn

AP, November 29, 2006

The Republicans' senatorial campaign arm, which lagged behind other national party committees in fundraising the past two years, emerged from the Nov. 7 election in debt and is soliciting donations to get out of the red.

In an urgent appeal to donors this week, Sen. Elizabeth Dole of North Carolina, the chairwoman of the National Republican Senatorial Committee, beseeched contributors to "help us retire our debt."

"If we let this debt linger, it will cripple our efforts to recruit great candidates for the next election and begin our drive to win the one additional seat we need to regain the Senate majority," Dole wrote.

The Associated Press obtained a copy of the letter, which was confirmed by NRSC spokesman Dan Ronayne. "We do have a debt, as Senator Dole noted," Ronayne said.

Ronayne would not divulge the amount of the debt. Party committees are required to file postelection financial reports with the Federal Election Commission on Dec. 7.

As of Oct. 18, the date of the last financial reports to the commission, the NRSC had $8.9 million of cash on hand. At that point in the two-year election cycle, it had raised $77.9 million and spent $70 million.

Of the six Republican and Democratic Party committees, however, the NRSC had been the least successful in raising contributions. Its Democratic counterpart, the Democratic Senatorial Campaign Committee, had raised $103.9 million by Oct.

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18. According to their financial reports, Democratic senators were far more generous in contributing to the DSCC than Republican senators were in giving to Dole's committee.

In her letter, Dole said she authorized the committee to go into debt to make a last-ditch effort to win close races.

The NRSC obtained significant help from the Republican National Committee, which in the final week of the campaign targeted Senate contests in Missouri and Tennessee. In that same week, the NRSC spent about $5 million in losing Republican efforts in New Jersey, Virginia, Montana, Maryland and Rhode Island.

Wulsin Concedes To Schmidt In Ohio (AP-Y)

AP, November 29, 2006

Three weeks after Election Day, Democrat Victoria Wulsin conceded to Republican Rep. Jean Schmidt on Tuesday but suggested that she might run again.

The Associated Press declared Schmidt the winner Nov. 21 after the first provisional ballot tallies were reported in the 2nd District, but Wulsin said then that she wanted to make sure all ballots were counted before conceding.

"I definitely want to try again," Wulsin said.

Wulsin conceded just before Clermont County reported final unofficial results that showed Schmidt with an overall total of 120,112 votes, or 50.5 percent, to 117,595 votes, or 49.5 percent for Wulsin.

"I've worked hard in Congress for the people of southern Ohio, and I look forward to continuing that work thanks to the confidence that the voters have shown in me," Schmidt said in a statement.

Schmidt, a backer of President Bush's Iraq policy, gained national attention in Congress last year with a verbal assault on the House floor against Rep. John Murtha, a Pennsylvania Democrat and decorated Marine veteran who served in Vietnam. Of Murtha's call to withdraw U.S. troops from Iraq, Schmidt said: "Cowards cut and run. Marines never do." She later apologized.

Vote Disparity Still A Mystery In Fla. Election For Congress (WP)

By Peter Whoriskey

The Washington Post, November 29, 2006

SARASOTA, Fla., Nov. 28 -- Almost since the time the votes were tallied here on election night, the race for Florida's 13th Congressional District has been surrounded by a contentious mystery:

Why were there no votes for Congress recorded from more than 18,000 people who chose candidates in other races?

The answer is central not only to the outcome of the election, which for now has been won by Republican Vern Buchanan by a mere 369 votes and is in litigation, but also to the ongoing debates over whether the electronic voting systems in use nationwide can yield reliable tallies and recounts. Coincidentally, the latest dust-up has occurred in the contest for the seat being vacated by Katherine Harris, who presided over Florida's election apparatus during the much-disputed 2000 contest between President Bush and former vice president Al Gore.

So far, there are three theories, and lots of political and legal posturing.

Maybe, as scores of voters have claimed, there were glitches with the touch-screen systems and they dropped votes.

Or maybe voters overlooked the congressional race simply because of a confusing ballot design.

Or maybe, as some say, an astoundingly high number of Sarasota County residents decided to forgo voting in the high-profile race.

On Tuesday, as state election officials here ran a mock election to test the machines for defects, there were no clear answers. By evening, as clerical workers input votes, no major problems were reported with the machines, but the review will continue through the week.

"Our analysis of the results shows that something went very wrong," said Kendall Coffey, an attorney for Buchanan's challenger, Christine Jennings. He played down the significance of the tests, saying they did not faithfully replicate the voting because the state clerical workers were presumably more adept at the machinery than voters in general would be.

Hayden Dempsey, an attorney for Buchanan, said: "There is nothing wrong with the machines, as these tests show."

The essence of the dispute arises from the fact that once all the votes were counted in the Nov. 7 election, a troubling anomaly appeared in the tally.

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More than 18,000 people who had voted in other contests did not have selections recorded in the congressional race.

The phenomenon of voters casting ballots without making selections in every race is known as "undervoting," and it happens in virtually every big election, particularly in contests for lesser-known offices that some voters ignore.

But the magnitude of the undervoting in the Buchanan-Jennings race was startling -- about 15 percent of those who cast ballots in Sarasota. By contrast, it was about 2.5 percent among voters in other counties.

Jennings has filed a lawsuit alleging that thousands of Sarasota County votes were not counted because of "the pervasive malfunctioning of electronic voting machines." The county tilts in her favor.

The broken-machine theory is backed by two voting experts and scores of sworn statements from voters who had trouble with the machines, Coffey said. The Sarasota Herald-Tribune has reported that more than 100 have reported problems with the machines.

But other experts who have analyzed the ballots and the results argue that the culprit might be not the machines but rather voters confused by a poorly designed ballot.

The congressional race appeared on the same screen as the gubernatorial contest, which had a brighter banner and took up more space.

Ted Selker of the Massachusetts Institute of Technology, a director of the CalTech/MIT Voting Technology Project, said that tests in his lab have shown that as many as 60 percent of voters can miss races when they are displayed in such a manner.

If the missing votes were caused by ballot design, that is bad news for the challenger, because it is more difficult under Florida law to challenge an election because of ballot design or voter confusion.

Jennings's legal team has dismissed the idea of a bad ballot.

"I don't see any history to show that, with a highly visible, hotly contested race like this, voters are going to fail to find it on the ballot," Coffey said. "It's just not such an awful ballot design that you can explain the disappearance of 15 percent of the votes."

The final theory, that the missing votes reflect many voters' disgust with the aggressive campaigns, is largely dismissed by many experts. It seems extremely unlikely, they said, that only Sarasota County residents decided not to vote.

Like many here, Joan Tallman, 70, a retired bank vice president, said she was appalled and mystified by the trouble.

"Funky machines? I don't know," she said, shaking her head. "But a lot of those votes didn't count."

2008 Candidates Search Web For Next New Thing (HILL)

By Jonathan E. Kaplan

The Hill, November 29, 2006

Former Sen. John Edwards's favorite books include "The Trial of Socrates," "God's Politics" and "Into Thin Air." His favorite musician is Bruce Springsteen. His heroes are his wife, Elizabeth, and the American people.

How did this information about a likely 2008 presidential candidate become public? Through MySpace.com, a networking website where Edwards (D-N.C.), like former Iowa Gov. Tom Vilsack (D), has set up pages to tell people about himself. Sen. Evan Bayh (D-Ind.) has 6,000 friends on his page at Facebook.com. Visitors to those pages can join the candidates' "networks" and candidates can use the sites to communicate with narrow groups of likely voters.

Ret. Gen. Wesley Clark (D) has focused his efforts on podcasting, creating an audio message that his supporters can listen to at his website or download from Apple's iTunes. Clark has the second most listened-to podcast among likely 2008 contenders, after Sen. Barack Obama (D-Ill.), as measured by iTunes.

Seemingly overnight, the Internet has changed politics and the course of campaigns. The 30-second television advertisement has been a staple of campaigning for decades. But last summer, Sen. George Allen (R-Va.) made YouTube a must-use campaign website. The site allows users to post and circulate video instantly, and Allen was caught on videotape calling S.R. Sidarth, a volunteer of Indian descent for Sen.-elect Jim Webb (D-Va.), "macaca," which was said to be a racial insult.

Candidates face a serious challenge from the new ways people gather information and news. Fewer people are watching network television or reading major newspapers, turning instead to the Internet. This trend has left candidates hustling to figure out how technology can help them communicate with a fragmented audience.

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"The way to get it back is to develop a message and put it out across different channels," said Jerome Armstrong, a consultant to former Virginia Gov. Mark Warner's (D) political action committee, Move Forward Together. "Those are the two overriding big things out there. The key is having a message broadcast all in sync. I'm not sure how it's going to get done."

Armstrong and other technology-savvy aides said candidates must integrate all of the different messaging platforms — blogging, instant messaging, text-messaging, social networking — with a campaign's field and communications programs.

"It's not about technology. It's the principles behind the technology," said Peter Daou, a consultant to Sen. Hillary Rodham Clinton (D-N.Y.). "What campaigns miss are the principles about how this bottom-up approach works."

"Having a MySpace profile is great, but it's kind of a like [having] a phone and voter file and not using them together," said Matt Burgess, an associate with the media-consulting firm of MacWilliams, Robinson & Partners.

Potential 2008 candidates have been searching for talented whiz kids who could thrive in both Silicon Valley and Capitol Hill.

Warner's hire of Armstrong, a cofounder of the liberal blog MyDD.com, created buzz in the mainstream media and blogosphere. President Clinton hosted a lunch in his Harlem office in September for bloggers. Several sources said that Nicco Mele, the CEO of EchoDitto, an internet strategy firm, and Howard Dean's webmaster when Dean was running for president in the 2004 cycle, has let it be known that he wants to work for Sen. John McCain (R-Ariz.) if he runs for president.

Clark does not rely on consultants. His supporters have created pages at MySpace.com and Facebook.com, said Erik Mullen, Clark's spokesman.

The search for new organizing tools continues. One new fad, used by a handful of campaigns in 2006, is the use of technology that lets candidates create an incentive program for online supporters. New software would let campaigns measure a volunteer's level of activity and reward him or her with campaign paraphernalia.

Texas Gov. Rick Perry (R), who defeated three candidates to win reelection, created the Perry Alliance Network, a system for online supporters to help the campaign and earn T-shirts and bumper stickers.

The Michigan Coalition for Progress, a liberal 527 group and a client of MacWilliams, Robinson & Partners, held a text-messaging contest and awarded two iPods to the winners.

Another new enthusiasm appears to be for "virtual campaigning" on websites such as Second Life, a virtual world with more than 1.6 million users where Warner first campaigned for and then later explained why he decided to drop out of the 2008 race.

Social networking sites carry some risks for candidates because political opponents can use material against them. Some candidates banned their 20-something-year-old aides from using MySpace or Facebook because they feared their opponents would use the content against them.

Rep.-elect Brad Ellsworth (D-Ind.) said some Republican activists criticized him because his 20-year-old daughter's Facebook profile included a photo of her holding a beer.

Hagel's Moment? (WP)

By David Ignatius

The Washington Post, November 29, 2006

A month ago the idea that Sen. Chuck Hagel would make a serious run for the Republican presidential nomination would have been a non-starter. As an outspoken critic of President Bush on Iraq and other issues, Hagel's way was blocked. His best hope was nomination by a quixotic third party in an online convention.

It's a measure of the step change brought about by the Nov. 7 elections that Hagel is now seriously exploring a GOP presidential bid. The Republican blowout, he says, reflected a "breakdown of confidence and trust in governance" and opened the way for what he believes will be "the most wide-open presidential race since 1952." The Nebraska senator says he will make a formal decision in the next two months on whether to run.

What would make a Hagel candidacy interesting is that he can claim to have been right about Iraq and other key issues earlier than almost any national politician, Republican or Democratic. Though a Vietnam veteran and a hawk on many national

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security issues, he had prescient misgivings about the Iraq war -- and, more important, the political courage to express these doubts clearly, at a time when many politicians were running for cover.

Hagel warned about the dangers of invading Iraq in a Feb. 20, 2003, speech in Kansas. He noted that America stood "nearly alone" in advocating military force to disarm Iraq and cautioned against "a rush to war." Some of Hagel's premonitions were almost eerie: "What comes after Saddam Hussein? The uncertainties of a post-Saddam, post-conflict Middle East should give us pause, encourage prudence and force us to recognize the necessity of coalitions in seeing it through." He urged the Bush administration to transfer postwar oversight to the United Nations as soon as possible, and he admonished Iraq boosters to "put aside the mistaken delusion that democracy is just around the corner."

Hagel was also early to understand the importance of talking to Iran, another idea that has since become commonplace but at the time took political guts. In a July 10, 2003, speech on the Senate floor, he said that a direct U.S. dialogue with Tehran about the nuclear issue might be necessary. In a Nov. 15, 2005, speech to the Council on Foreign Relations, he was emphatic: "The fact that our two governments cannot -- or will not -- sit down to exchange views must end."

Such outspoken criticisms of Bush policies had put Hagel outside the respectable Republican perimeter -- until Election Day. Hagel delivered his own blunt postmortem in a Nov. 16 speech to a conservative political action committee, GOPAC. The message of the election, he said, "is the American people saying you failed." Republicans had become so focused on keeping power that "we came loose of our moorings."

Hagel went on to criticize his party's failings in language you rarely hear in the usual pre-masticated sound bites of today's politicians. On GOP ethics lapses: "When you blow past the ethical standards and you play on the edge of legality, you're in trouble." On Bush administration foreign policy: "You cannot have a foreign policy based on divine mission. We tried that in the Middle Ages, that's what the Crusades were about."

It strains credulity to imagine that a GOP controlled by Bush and Karl Rove could learn to love Hagel, but, as the Nebraskan says, this is a time of "transformational politics." A more practical problem is that if Hagel does decide to seek the nomination, he will be competing for the same niche as the GOP front-runner, Sen. John McCain, who has been on his "straight-talk express" longer than has Hagel. And although McCain's centrist halo has been tarnished by his efforts to woo the far right, he remains a far more polished speaker and campaigner than Hagel. But on Iraq, Hagel has a clearer stance than does McCain, whose call for a big increase in troops is out of step with both the recommendations of U.S. military commanders and the public mood.

Hagel likes to evoke the Republicanism of Dwight Eisenhower, another former military officer who could be devastating in his criticism of the policies advocated by the military-industrial complex. "This was a real Republican president," he told the GOPAC audience.

Will that pre-Reagan Revolution message play to the party faithful in Iowa and New Hampshire in 2008? Will the Bush administration's problems become so severe that Republicans would embrace a senator from the radical center? The very fact that Hagel is mulling a campaign reminds us that American politics turned a corner this month and that we are in new territory.

Women Want A Woman President (HILL)

The Hill, November 29, 2006

Almost a hundred years ago, Sigmund Freud famously asked, “What do women want?” In political terms, the answer is unmistakable: What women want is a woman president. And their voting preferences are showing how strongly they feel.

According to the Gallup Poll of November 9-12, both Democratic and Republican women disproportionately support their party’s potential female candidates. While it has not been unusual to see polls showing a bias by female voters in favor of women who run on the Democratic Party line, most of these surveys have failed to distinguish whether it is party or gender that is attracting female voters. And, until recently, Republican women have not shown a preference for a female candidate.

But the Gallup Poll tested Sen. Hillary Rodham Clinton (D-N.Y.) in a Democratic primary field and Condoleezza Rice in a Republican match-up. Among both sexes, Hillary ran first in her party with 31 percent of the vote, followed by newly hyped Sen. Barack Obama (Ill.) at 19 percent, John Edwards, likely benefiting from his wife’s best-selling book, at 10 percent, Al Gore at 9 percent and Sen. John Kerry (Mass.), probably suffering from his foot-in-mouth disease, back at 7 percent.

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On the Republican side, Rudy Giuliani led with 28 percent, followed by Sen. John McCain (Ariz.) at 26 percent, Rice at 13 percent, former House Speaker Newt Gingrich (Ga.) at 7 percent, outgoing Massachusetts Governor Mitt Romney at 5 percent and soon-to-be-former Senate Majority Leader Bill Frist (Tenn.) at 4 percent.

But since both fields are cluttered with possible non-candidates, the real relevance of this survey is to demonstrate the impact of a female candidate on voters of both parties.

Hillary was favored by 38 percent of the women in the Gallup Poll's Democratic Primary match-up but got only 23 percent of the men. On the Republican side, Rice won 18 percent of the women and only 8 percent of the men.

Such a dramatic gender gap, on each side of the partisan divide, illustrates the power of a woman candidate, from either party, running for president.

Remember that women are 52 percent of our population, 54 percent of the registered vote, and usually between 55 percent and 56 percent of actual turnout.

Indeed, so powerful is the female vote that it is credited with swinging two of our last three presidential elections. In 1996, it was the soccer moms who turned away from the abstract "family values" of the Republicans to embrace the more pragmatic and specific child- and education-focused programs of the Clinton administration. In 2004, these same moms, now designated "security moms," turned away from the bite-sized measures of the Democrats and voted for the tough anti-terrorist policies of George Bush.

Nineteen million single women voted in 2000 and 27 million came out in 2004. If a woman runs for president, it stands to reason that such turnout will rise still further. If single women vote in proportion to their share of the national population, they could account for 32 million votes in 2008. Since women who are either divorced, widowed, or never married voted Democratic by a two-to-one margin in 2004 and 2006, it is likely that this influx of single women will be crucial to Hillary's candidacy (or to Rice's if she decides to run).

In our male-dominated political world, where pundits speak mainly to one another and confirm each other's wisdom, we do not fully appreciate the power of a woman candidate. Single moms, disproportionately in poverty, burdened by the need for good daycare and schools, often rotting in minimum-wage jobs, are natural fodder for a woman Democrat who can identify with their plight and focus on their needs. The cultural outpouring that would likely greet the first woman to be nominated by a party to run for president would probably drive these women out in droves to vote and participate in the political process.

It could be that women get what they want in 2008.

Morris, a former political adviser to Sen. Trent Lott (R-Miss.) and President Bill Clinton, is the author of "Condi vs. Hillary: The Next Great Presidential Race." To get Dick Morris's columns e-mailed to you for free, please send him your e-mail address. His e-mail is dickmorris2006@aol.com.

Anti-Clinton Donor Reported As Donor To Giuliani As Well (NYT)

By Raymond Hernandez

The New York Times, November 29, 2006

A leading organizer of a political action committee created to derail Senator Hillary Rodham Clinton's presidential prospects is also a major contributor to Rudolph W. Giuliani, according to campaign finance reports.

The organizer, Richard Collins, a principal figure behind the group Stop Her Now, has given $10,000 to Mr. Giuliani's political action committee Solutions America over the last two years, according to campaign finance disclosure documents.

On a Web site postedMonday, the Stop Her Now group says that its goals include attempting "to shed light on the real Hillary Clinton and the danger she and her ideas pose for America."

Mrs. Clinton's advisers predicted the group's efforts would fail. "As the last campaign demonstrated, attempts to throw around inaccurate, distorted charges about Hillary's record are not going to impress the public," said Ann Lewis, a spokeswoman for Mrs. Clinton, referring to her re-election victory earlier this month.

While the Giuliani camp has no direct connection to Stop Her Now, some Democrats argued yesterday that Mr. Giuliani — who seems poised for a possible presidential run of his own — should disavow the personal nature of the criticisms that the group is leveling at Mrs. Clinton.

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Sunny Mindel, a spokeswoman for Mr. Giuliani, declined to comment.

Stop Her Now is among the newest of the so-called 527 advocacy groups whose prominence has grown in recent years. These partisan groups, known as 527s because of the tax code that governs them, have helped Democrats and Republicans raise enormous sums of money and energize their political bases.

The groups began playing a more prominent role in 2004 after new federal campaign finance laws prohibited major donors, unions and corporations from giving unlimited amounts of money to parties. Many of those donors, in turn, began contributing large sums of money to 527s instead.

In the case of Stop Her Now, Mr. Collins, a wealthy Texas businessman, funneled $80,000 into the group's coffers in the last few months, making him the group's single largest donor in the third quarter of 2006, according to the disclosure documents.

The group has struggled to raise money and gain attention since last year, when Arthur J. Finkelstein, a longtime Republican strategist, began lining up donors to help the committee wage a campaign against Mrs. Clinton's 2006 Senate re-election bid.

In an interview yesterday, Mr. Collins, a Republican activist, said he hoped to line up "a couple of hundred thousand donors" to help finance his group in advance of a possible presidential run by Mrs. Clinton. He said Mr. Finkelstein was a close personal friend and described himself as the chairman of the Stop Her Now organization.

Second New Leader Resigns From The Christian Coalition (WP)

By Alan Cooperman

The Washington Post, November 29, 2006

For the second time in little more than a year, the Christian Coalition of America named a new leader and then removed him before he ever fully took the reins of the conservative political advocacy group.

The Rev. Joel Hunter, pastor of a nondenominational megachurch in Longwood, Fla., said he resigned as the coalition's incoming president because its board of directors disagreed with his plan to broaden the organization's agenda. In addition to opposing abortion and same-sex marriage, Hunter, 58, wanted to take on such issues as poverty, global warming and HIV/AIDS.

"My position is, unless we are caring as much for the vulnerable outside the womb as inside the womb, we're not carrying out the full message of Jesus," he said in a telephone interview yesterday. "They began to think this might threaten their base or evaporate some of their support, and they said they just couldn't go there."

Roberta Combs, chairman of the coalition's four-member board, said that Hunter "is still a good friend" but that they agreed during a Nov. 21 conference call that "it would be best for everyone" if he did not become president.

The Christian Coalition announced Hunter's appointment in early October, and he was scheduled to take over day-to-day operations from Combs on Jan. 1. In the interim, his positions in favor of tackling global warming, increasing the minimum wage and opposing the death penalty were reported in The Washington Post and some other newspapers, causing unrest among the coalition's grass-roots supporters.

Four state chapters -- in Alabama, Georgia, Iowa and Ohio -- have broken away from the national organization in recent months, and some of the mutinous state leaders cited Hunter's pronouncements as a factor.

"We have been wanting to broaden our agenda for some time," Combs said. "But there's a way to do that. We wanted to survey our supporters first and make sure they're on board on new issues. Joel saw it differently -- he just wanted to go out and do it."

Founded in 1989 by the Rev. Pat Robertson, the Christian Coalition was once a powerhouse in domestic politics with a budget that reached $25 million a year in the mid-1990s. But since Ralph Reed left as its president in 1997, it has fallen on hard times, running up more than $2 million in debt, according to tax filings.

Hunter had offered to work for the coalition with no salary while remaining pastor of his Northland Church near Orlando. He said finances were not the reason for his early departure.

"I got a look at who they owed money to. It's sobering," he said. "But with the right leadership and the capability of rebuilding a grass-roots organization, it's not insurmountable. My church budget is $15 million a year. . . . It's not too intimidating for me to think I could have raised that kind of money."

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According to some former officials of the Christian Coalition, the turmoil at the top reflects Combs's reluctance to yield control. In September 2005, she named Jason T. Christy as the coalition's executive director, a new position. Three weeks later, he resigned.

Christy, 36, owns a Scottsdale, Ariz., media company that publishes a daily Christian newsletter and a monthly magazine called the Church Report. He said yesterday that Combs had promised to step aside and let him run the Christian Coalition but that he quickly discovered she was "a micromanager" with "a narcissistic leadership style."

Christy added that his political views are far different from those of Hunter, author of a book called "Right Wing, Wrong Bird: Why the Tactics of the Religious Right Won't Fly With Most Conservative Christians."

"In terms of Hunter, they picked the wrong captain for the wrong ship," he said. "The title of his book alone tells me that they did not do their due diligence."

Hunter said he made clear from the moment that Combs approached him about the job in April that he wanted to pursue a broad agenda of "compassion issues."

"I hope we can break out of 'liberal' and 'conservative.' I'm not sure when compassion became fitted under 'liberal,' " he said. "There are many Christians, especially in their twenties and thirties, who don't care about liberal and conservative. They just see that if you're going to love your neighbor, you have to address things like the environment."

Initially, Hunter added, Combs "seemed to be interested" in his approach. "But I think it's very difficult once you have poured your life into an organization to transfer authority to someone else," he said.

Bush Wants More Countries In Visa-waiver Program (USAT)

By Mimi Hall

USA Today, November 29, 2006

President Bush said Tuesday that he wants more countries in a program that allows foreigners to stay in the USA without visas, despite criticism that the move could open the door to terrorists.

“We want people to come to our country,” Bush said in Tallinn, Estonia, one of several European countries that have asked to be included in the visa-waiver program, in which 27 foreign countries now participate. “It's in our nation's interest that people be able to come and visit.”

Bush said his administration aims to add more countries to the program, created to facilitate tourism and business travel 15 years before the 9/11 attacks increased fears of terrorism. He pledged to ensure that “those that want to continue to kill Americans aren't able to exploit the system.”

Under the program, citizens from visa-waiver countries can travel to the USA for up to 90 days without a visa. To be eligible, countries must prove that only a small percentage of their citizens violate the terms of their visas and only a small percentage are rejected when they apply for them. Residents of waiver countries don't have to go through the time-consuming security interviews and checks required for those who must apply for visas.

Critics blasted Bush's plan as an expansion of a dangerous loophole in the nation's effort to secure its borders. Several terrorists — including shoe-bomber Richard Reid and 9/11 conspirator Zacarias Moussaoui — boarded planes to the USA with passports from visa-waiver countries.

“That's a step in the wrong direction,” said Clark Kent Ervin, former inspector general at the Homeland Security Department. “We ought to be ending the visa-waiver program, not expanding it. There's a reason why terrorists are keen to obtain passports from visa-waiver countries: They don't have to undergo extensive security checks.”

In September, the Government Accountability Office found that “stolen passports from visa-waiver countries are prized travel documents among terrorists, criminals and immigration-law violators.”

Homeland Security Secretary Michael Chertoff said any expansion of the program must include measures to make the USA safer. Among such measures would be a requirement that countries provide more information about airline passengers before takeoff so that U.S. officials would have more time to check their names against terrorist watch lists, he said. “I want a net increase in security,” Chertoff said.

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The travel industry backs Bush's plan. Rick Webster of the Travel Industry Association said, "The program is essential. It facilitates almost two-thirds of overseas travel. It's good for our economy and … our diplomatic efforts. The end of the program would mean tens of billions of dollars in lost revenue and a worsened U.S. image."

Visa Waivers May Be Offered To More Nations (WP/AP)

Associated Press

The Washington Post, November 29, 2006

The Bush administration will ask Congress to change and expand a program that allows citizens of some countries to enter the United States without visas. In exchange, the U.S. government would require visitors to provide more data about themselves before they board planes.

During stops yesterday in Latvia and Estonia, President Bush told officials of those countries that he would try to persuade Congress to add countries to the visa waiver program.

In a statement, Homeland Security Secretary Michael Chertoff said that in addition to being expanded, the program should be changed to increase security. For example, participating nations would be asked to quickly provide information on lost or stolen passports.

Officials did not say which other countries the administration might try adding to the program. Countries from Central and Eastern Europe have expressed interest in entering the program, which lets travelers enter the United States with only a passport.

The visa waiver program was created in 1988 and was originally focused on preventing illegal immigration into the country. But since the terrorist attacks of Sept. 11, 2001, the focus has shifted to security, and the program has been altered several times in hopes of strengthening the government's ability to detect and deter terrorists.

The program applies to citizens of 27 countries traveling to the United States for 90 days or less for tourism or business, said Homeland Security spokesman Jarrod Agen. About 15 million people visit the country under the program each year.

Bush Seeks To Ease Visa Requirement (WT)

By Stephen Dinan

The Washington Times, November 29, 2006

TALLINN, Estonia -- President Bush said yesterday he will push Congress for a "loosening" of requirements for foreigners to visit the United States without a visa, pitting him against those who have called for the program instead to be tightened or even scrapped altogether after September 11.

The Visa Waiver Program allows visitors with valid passports from 27 approved countries to enter the United States for up to 90 days without a visa. That makes tourism and business travel easier by eliminating the need for a visa, though such travelers can avoid a security screening.

After meeting with Estonian President Toomas Hendrik Ilves in Tallinn, Mr. Bush said he will press Congress to revamp the program to allow more countries to join.

"I'm going to work with our Congress and our international partners to modify our Visa Waiver Program," Mr. Bush said. "It's a way to make sure that nations like Estonia qualify more quickly for the program and, at the same time, strengthen the program's security components."

But the proposed expansion would run athwart concerns that the Department of Homeland Security (DHS) cannot keep up with the 27 countries already approved, as the Government Accountability Office (GAO), Congress' investigative branch, found in a July report.

"DHS cannot effectively monitor the law enforcement and security risks posed by visa waiver countries on a consistent, ongoing basis because it has not provided [the Office of International Enforcement] with adequate staffing and resources," GAO investigators concluded, adding they also found "weaknesses" in how DHS talks with overseas posts working on visa issues.

European Union officials have complained that while U.S. nationals can visit any of the 25 EU member states without a visa, only 15 of these countries receive reciprocal privileges from the United States. Mr. Bush discussed the problem with EU officials at a July summit in Vienna, Austria.

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Exclusion from the waiver program is a point of contention in former communist bloc countries such as Estonia, Poland and Hungary that have become staunch U.S. allies in the war on terrorism.

Mr. Bush said the economic and political progress those nations have made earns them the privilege of participating in the program.

"Both the [Estonian] president and the prime minister made this a important part of our discussions," he said. "They made it clear to me that if we're an ally in NATO, people ought to be able to come to our country in a much easier fashion."

Mr. Bush said he wanted to "assure members of Congress that in loosening the visa-waiver issue, or changing the visa-waiver issue, that we'll still be able to protect our country from people who would exploit the Visa Waiver Program to come to our country to do harm."

Among the current requirements is that the visa-refusal rate from a country be below 3 percent and that they have a low rate of travelers who violate the 90-day limit.

Gordon Johndroe, spokesman for the National Security Council, said Mr. Bush will ask Congress for the power to waive the 3 percent rule for some countries as long as those nations meet new enhanced security requirements.

The waiver program recently began requiring passports to include a machine-readable computer chip containing passport data as a security measure.

The GAO warned that tightening or ending the Visa Waiver Program could lead to other countries retaliating and requiring visas for U.S. visitors. But the investigators said the program has drawbacks because travelers from visa-waiver countries don't have to be screened as closely as other travelers -- a concern Michael W. Cutler, a retired Immigration and Naturalization Service agent, said shows why everyone entering the United States should have to obtain a visa.

Without it, the only mandatory screening is done by a Customs and Border Protection inspector who is trying to move visitors along the entry line, Mr. Cutler said. He said the visa application process provides investigators leads to go after terror suspects. Lying on the application is punishable by a stiff prison sentence -- a charge authorities can often make stick even in cases where they can't prove terrorist or criminal involvement.

The former agent said the examples of would-be shoe bomber Richard C. Reid and this summer's foiled plot to blow up airplanes headed from London to the United States, show the vulnerabilities.

"These terrorists were able to gain access to airliners and potentially our nation without first applying for visas. This is because Great Britain, the country of citizenship for all of these terrorists, participates in the Visa Waiver Program," Mr. Cutler said.

Half of all trips by non-immigrant foreigners into the United States are people traveling on passports from visa-waiver countries.

In a statement yesterday Homeland Security Secretary Michael Chertoff did not say how his department will handle the increased demands but described the new security enhancements.

"We envision a secure travel-authorization system that will allow us to receive data about travelers from countries before they get on the plane," he said. "Countries that are willing to assist the United States in doing effective checks on travelers could be put on track to enter the program soon."

Bush Touts Estonia's Flat Income Tax (AP-Y)

By Deb Riechmann, Associated Press Writer

AP, November 29, 2006

President Bush says the United States should have a simpler tax system. Apparently he has found one he likes — Estonia's. In a brief stop in the Baltic nation on Tuesday, Bush managed to tout Estonia's flat income tax three times.

"They've got a tax system here that is transparent, open and simple," Bush said in Tallinn after getting a look at how Estonian citizens can file their taxes online.

In a toast about an hour later to Estonian President Toomas Hendrik Ilves, Bush said, "I am amazed to be in a country that has been able to effect a flat tax in such a positive way."

And before fielding reporters' questions with Ilves, Bush again praised Estonia's approach to taxation.

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"I appreciate the fact that you got a flat tax, you got a tax system that's transparent and simple," he said.

Bush stopped in Estonia en route to a NATO summit in neighboring Latvia.

Back home, Bush has pledged to simplify the tax laws in the United States, which he calls a complicated mess. One idea is a flat tax, which taxes all income at a single rate and gets rid of deductions. Yet comprehensive reform of the U.S. tax system has gone nowhere in Congress.

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Bush smiled and nodded — then nodded some more — as Estonian Prime Minister Andrus Ansip enthusiastically explained how his government holds paperless Cabinet meetings.

The system, which uses digital signatures, permits legislation to be OK'd with the click of a mouse.

Ansip's explanation, though, was not as lickety split. He described in detail how the dozen members of the Cabinet — in a room dubbed the "Starship Enterprise" — can vote or make comments online. Cabinet meetings that used last about four to five hours now wrap up in about 30 minutes.

Bush endured the lengthy explanation, shifting his weight back and forth.

He seemed charmed by Estonia's use of the Internet in making daily life easier for its citizens.

"They've got an e-government system that should be the envy of a lot of nations," Bush said.

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Bush received two gifts from his Estonian hosts: a glass sculpture and a Skype wireless phone that can be used to make calls over the Internet.

The country is often nicknamed "E-Stonia" for its booming high-tech industry, and it is the main hub of Skype, the Internet telephone company that eBay bought last year for $2.6 billion.

If the phone and accompanying headset Bush received illustrated Estonia's technological savvy, the other one represented its yearning for light during the dark winter months.

Titled "Northern Light," the sculpture symbolizes "the Nordic freshness and crispness, the longing for light during lasting dark periods, strength of purpose and perseverance," the Estonian government said.

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Bush said he was honored to be the first sitting American president to visit Estonia, with one regret: his wife couldn't make the trip.

He told Ilves that first lady Laura Bush had an important schedule conflict at home.

"She's receiving the Christmas tree at the White House," Bush explained to the Estonian president.

Laura Bush received the tree from a Pennsylvania family on Monday in the Blue Room. The event is the ceremonial start to the holiday season and considered a big deal at the White House.

Rice, Abbas To Hold Meeting In West Bank (AP)

By Mohammed Daraghmeh

AP, November 29, 2006

Secretary of State Condoleezza Rice put Washington's heft behind new Mideast peace overtures on Tuesday, scheduling an unexpected meeting with Palestinian President Mahmoud Abbas this week.

The meeting — the second between Rice and Abbas in two months — was announced a day after Israeli Prime Minister Ehud Olmert called on the Palestinians to return to peace talks, saying his country would be willing to leave most of the West Bank in exchange for a "real peace."

Israel and the Palestinians also agreed Saturday on a cease-fire to end five months of fighting in the Gaza Strip, and Rice's visit was seen as a further push to use the momentum to start new peace talks.

Rice, who is accompanying President Bush on a trip to neighboring Jordan, will meet Abbas on Thursday in the West Bank town of Jericho, said Saeb Erekat, a top Abbas aide. Sean McCormack, a State Department spokesman, raised the possibility that she would also meet with an Israeli official.

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The United States was the main engine behind the phased "road map" peace plan, which calls for the establishment of a Palestinian state alongside Israel. The plan foundered shortly after it was presented in 2003, with both sides failing to live up to their initial obligations.

Subsequent efforts to get the sides talking again suffered another blow in January, when Hamas militants won Palestinian parliamentary elections. Israel and the West boycotted the new government, imposing crippling economic sanctions on the Palestinian Authority to try to force the Islamic group to moderate its violently anti-Israel views.

Tensions exploded in June when Hamas-linked militants captured an Israeli soldier, sparking an Israeli military offensive in Gaza. But the cease-fire that went into effect early Sunday has raised hopes that new peace moves could be on the horizon.

In his speech Monday, Olmert said Israel would release frozen funds to the Palestinian Authority, free Palestinian prisoners and ease checkpoints if Palestinians choose the path of peace.

Abbas said Tuesday that Olmert's speech was a "positive" step toward peacemaking.

If Olmert's "intentions are good, then we can build on this (his initiative) in order to put forward a plan for future negotiations on all issues related to the Palestinian cause," Abbas said during a visit to Jordan.

The cease-fire remains fragile, with militants still firing homemade rockets at Israel since the truce took effect. Militants launched two more rockets at Israel on Tuesday night, Palestinian witnesses said. There were no reports of injuries.

Olmert said he was "a bit frustrated" the rocket fire had not stopped.

"I hope the Palestinians will meet their commitment to the cease-fire just as we are," he said, adding that Israel plans to continue to show restraint in responding.

But Defense Minister Amir Peretz warned there was a limit to Israel's patience.

"Whoever agrees to a cease-fire must be able to impose it," Peretz said. "Violations of cease-fire understandings will provoke a harsh response on our part."

McCormack, the State Department spokesman, praised Israel for showing "great restraint in not responding to some of the rocket attacks that actually have taken place after the cease-fire officially went into effect."

McCormack said the Palestinians must have a government that complies with international demands to stop attacks on Israel, accept Israel's right to exist and respect past Israeli-Palestinian agreements. Hamas has not yet agreed to those demands.

Military officials said Israel has agreed in principle to let Abbas bring 1,200 Jordan-based Palestine Liberation Organization forces into Gaza to help monitor the cease-fire. They spoke on condition of anonymity because they were not authorized to speak to the media.

The Palestinians were informed of Israel's decision, the officials said, but Erekat said no deal had been finalized.

Also Tuesday, Palestinian Prime Minister Ismail Haniyeh of Hamas left Gaza for his first trip abroad since taking office in March. Haniyeh was to hold meetings in Egypt on Wednesday. He will also visit Lebanon, Kuwait, Saudi Arabia, Qatar, Syria and Iran to seek political and financial support for his government.

Jordan's King To Push Different Agenda (AP)

By Jamal Halaby

AP, November 29, 2006

Jordan's king made clear Tuesday he will press for a renewed effort to resolve the Palestinian-Israeli conflict when he meets with President Bush this week for talks in which the U.S. priority will likely be Iraq.

In a speech to parliament, King Abdullah II described the Israeli-Palestinian dispute as the "core" issue in the Middle East and indicated that in his talks with Bush, he would underline the need for the United States to push for peace.

Bush is likely to focus on Iraq's deteriorating security when he starts a two-day visit to Jordan on Wednesday for talks with Iraqi Prime Minister Nouri al-Maliki, hosted by King Abdullah II.

But Abdullah and the leaders of two other U.S. allies in the Middle East — Egypt and Saudi Arabia — argue the Israeli-Palestinian conflict is the most pressing crisis in the region, and fear Islamic militancy will strengthen if it is not resolved.

Moderate Arabs want the Bush administration to devote an equal amount of diplomatic energy on the Israeli-Palestinian peace process — stagnant since 2000 — as on Iraq.

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Abdullah pledged "all possible support to the Palestinians so they can regain their rights," though he warned that his country would not accept a deal that causes an influx of Palestinians.

"Jordan will not accept an unjust settlement of the issue, nor will Jordan accept any settlement that comes at its expense," Abdullah told lawmakers, who applauded loudly.

He was referring to fears of a settlement that would cause thousands of Palestinians to settle in the kingdom, upsetting the country's delicate demographic balance.

Roughly half of Jordan's 5.5 million population consists of Palestinian families who fled, or were driven out of, their homes in the 1948 and 1967 Arab-Israeli wars.

From Abdullah's point of view, "the Palestinian issue lies at the center of regional problems," said chief government spokesman Nasser Judeh.

"While the king will discuss Iraq and Lebanon with President Bush, the core issue remains the unresolved Palestinian-Israeli crisis," Judeh told The Associated Press.

Arab diplomats said Abdullah was also expected to present Bush with a proposal to curb Iraq's sectarian strife before it becomes a full-blown civil war and give Iraqi security and government greater responsibilities.

Few details were available on the proposal, which envisions the possible formation of a military or new national unity government in Iraq, according to the diplomats, who asked for anonymity because of the sensitivity of the issue.

Jordan and other moderate Arabs are concerned that growing Shiite influence in Iran, Syria and Lebanon, will help hard-line Iran dominate the region and give rise to more extremism.

Iran Resolution, Still Not Final, Drops Mention Of Sanctions (NYT)

By Helene Cooper

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — The six world powers seeking to rein in Iran's nuclear ambitions are circulating a significantly weakened draft for a United Nations Security Council resolution against Tehran's nuclear program, in a bid to keep their fragile coalition from falling apart.

The new text under consideration has dropped all mention of sanctions against Iran's first nuclear power plant at Bushehr, according to European diplomats. The United States had initially proposed including Bushehr on the list of programs to single out, but Russia, which has been helping to build the power plant with the Iranians, balked.

Diplomats from the six countries, which also include Britain, France, Germany and China, have been squabbling about the draft resolution for almost three months. There is still no agreement on a final draft.

Complicating the matter is the steady drumbeat in Washington, from inside and outside the Bush administration, calling on President Bush to initiate talks with Iran over the worsening violence in Iraq.

"This has to be carefully managed," said one European diplomat, speaking under condition of anonymity under normal diplomatic practice. "It's important for the U.S. to separate the two issues, because the Iranians would like everything to be combined."

It has been six months since the six powers offered Iran a list of incentives to stop enriching uranium and threatened sanctions if Iran did not. In June, at the time of the initial offer, American officials said Iran had "weeks, not months" to comply.

The growing call for Washington to initiate talks with Tehran over Iraq is only one of the complicating factors. Also holding things up is that Russia and China—but Russia in particular — dislike like the idea of punitive sanctions, and have been dragged along kicking and screaming, according to diplomats.

American officials have sought a strongly worded resolution that would prohibit any technical or financial assistance that could benefit Iran's nuclear program, and would impose a ban on visas for any Iranians involved in nuclear activities, according to American and European diplomats involved in the talks.

Iranian Imbroglio Gives New Boost To Odd Exile Group (WSJ)

By Andrew Higgins And Jay Solomon

The Wall Street Journal, November 29, 2006

DOJ_NMG_0099428

Early this summer, as Washington fretted about Iran's nuclear program, supporters of Mujahedin-e Khalq, an Iranian opposition group, held a rally in an auditorium two blocks from the White House. Prominent members of Congress addressed the crowd, as did the State Department's recently retired ambassador-at-large for war crimes.

Maryam Rajavi, the dissident outfit's leader, beamed in a stirring speech via satellite from France. Denouncing Iran's clerical rulers and their nuclear ambitions, she proclaimed democracy "the answer to Islamic fundamentalism."

Mujahedin-e Khalq, known as MEK, is Iran's largest exile opposition group and, say its supporters, the best hope of bringing democracy to Iran. It reaches into Iran through its own satellite TV channel and claims an underground network of activists inside the Islamic republic. It also has a big presence in neighboring Iraq, where U.S. soldiers watch over more than 3,000 MEK members gathered in a sprawling camp north of Baghdad.

The MEK, however, has a big handicap: The U.S. government says it's a terrorist organization. Officials cite its role in the murder of Americans in the 1970s and subsequent terror attacks that killed hundreds of Iranians. Another big blemish is the group's long collaboration with Saddam Hussein. On top of all that, former members describe the MEK as a personality cult obsessed with celibacy and martyrdom.

So how does an outlaw organization with a bloodstained past, a history of intimacy with Iraq's toppled despot and a reputation for oddness generate thunderous applause almost within earshot of the Oval Office?

Part of the answer lies in subterfuge: Mujahedin-e Khalq, which means People's Holy Warriors, has a raft of support groups with innocuous names, such as the National Convention for a Democratic, Secular Republic in Iran, the host of the Washington event. These haven't been banned and disavow violence.

More important in blurring the MEK's status, however, is the muddle surrounding U.S. policy toward Iran. With the U.S. armed forces bogged down in Iraq and America's military options against neighboring Iran severely limited, the MEK and its fans are lobbying hard to present the group as an ally that can help curb Tehran's growing influence. These supporters, who include lawmakers and conservative foreign-policy analysts, insist the MEK has no links to terrorism.

Most U.S. officials scoff at forming any alliance with the MEK and dispute its claims of having a mass following in Iran, stressing that many Iranians despise the organization. A senior White House official says the Bush administration continues to view the MEK as a terrorist organization and "not an advocate for democracy or human rights" in Iran.

But some Iran analysts say the MEK's thinly disguised presence in the U.S. makes a mockery of the administration's antiterrorism campaign. The White House accuses Iran of supporting terrorist groups, they say, yet turns a blind eye toward the MEK. "It gives the impression that some terrorist organizations are better than others," says Trita Parsi, president of the National Iranian American Council, an Iranian-American civic organization.

Charm Offensive

Leading the push to get the MEK's "terrorist" tag removed, with help from some members of Congress, is an outfit called the Iran Policy Committee. The committee's president, Raymond Tanter, a former National Security Council official under President Reagan, says the MEK's designation is "restraining" the organization's ability to promote democratic change in Iran. His group recently published a glossy book that challenges the terrorism charges made against the MEK, and this month helped host an event on Capitol Hill arguing the same point.

The charm offensive has taken the MEK far from its origins. First set up in 1965 by vaguely Islamic left-wing intellectuals in Tehran, Mujahedin-e Khalq used to curse American "imperialism" and murdered a string of U.S. military personnel and defense contractors in the 1970s, says the State Department. The group blames the attacks on rogue Marxist factions and says they were not endorsed by MEK's leaders, who were in jail at the time or had been executed.

Shortly before Iran's 1979 Islamic revolution, the Shah's crumbling America-backed regime released jailed MEK activists. One of them, Massoud Rajavi, a former law student at Tehran University, became the group's paramount leader and allied with Islamist forces to topple the Shah. But the group quickly split with Iran's new clerical rulers led by Ayatollah Khomeini, who executed thousands of MEK supporters. The MEK retaliated with a wave of terror of its own.

Mr. Rajavi fled to France, where his brother, a doctor, has a house in Auvers-sur-Oise, a sleepy town outside Paris. To rally Iranians to his cause, Mr. Rajavi sent Massoud Khodabandeh, a British-educated electrical engineer, to Iran's Kurdish region to set up a radio transmitter. He began to broadcast taped tirades against Ayatollah Khomeini.

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In France, the group swiftly fell prey to political and romantic bickering. Mr. Rajavi, who had just divorced his second wife, shocked supporters by taking up with the wife of a close friend and fellow MEK activist. They married and she took the name Maryam Rajavi.

Another contentious liaison followed. Mr. Rajavi moved to Iraq in 1986 with his new wife and forged an alliance with Saddam Hussein, then at war with Iran. Former MEK members say the Iraq dictator provided a six-story office building in Baghdad and military bases, including Camp Ashraf, named in honor of Mr. Rajavi's first wife, who had been killed in Iran by Ayatollah Khomeini's regime.

After a disastrous lunge into Iran in 1988, the MEK embarked on a more successful military venture. It helped Saddam Hussein crush an uprising by Kurds after Iraq's defeat by U.S. forces during the 1991 Gulf War, according to U.S. diplomats and the State Department's 2005 Country Reports on Terrorism.

Increasingly seen in the West as an Iraqi stooge, Mr. Rajavi sent Ms. Rajavi back to France to drum up support. Her campaign made some headway but foundered when the U.S. and Europe began looking for ways to reach out to Iran's newly elected reformist president, Mohammad Khatami.

Senior diplomats in the Clinton administration say the MEK figured prominently as a bargaining chip in a bridge-building effort with Tehran. Washington hoped it could get Iran to back a Middle East peace initiative, stop funding terrorist groups and forswear nuclear weapons. Iran, for its part, wanted the U.S. to take a hard line against the MEK.

In 1997, the State Department added the MEK to a list of global terrorist organizations as "a signal" of the U.S.'s desire for rapprochement with Tehran's reformists, says Martin Indyk, who at the time was assistant secretary of state for Near East Affairs. President Khatami's government "considered it a pretty big deal," Mr. Indyk says.

The MEK also got hit by a string of defections. Among those to quit was Mr. Khodabandeh, the electrical engineer. He married another defector, Anne Singleton, an English woman who had visited Camp Ashraf, where she says she was taught an anti-imperialist song that vowed "death to America." Ms. Singleton wrote a book denouncing the MEK as a crazed cult of enforced celibacy and brutal discipline.

Other former members describe a good cause warped by methods reminiscent of Mao Tse-tung's Cultural Revolution -- a constant hunt for internal enemies, ideological "cleansing" sessions and harsh punishment of real or imagined dissent. Mohsen Abbasloo, a 28-year-old former MEK activist, says he was jailed and beaten at Camp Ashraf for over a month after he voiced mild doubts. "I went there full of hope but it was not even 1% of what I expected," says Mr. Abbasloo, who says he spent four years at the huge desert complex of barracks, office buildings and military training grounds between Baghdad and Iraq's border with Iran.

Mohammad Mohaddessin, a veteran MEK member and chief foreign-affairs official of its political arm, denies accusations of brutality and describes defectors as "tools of the Iranian regime."

Throughout the 1990s, the MEK continued to operate in Washington and elsewhere through various front organizations, the most prominent of which was the Paris-based National Council of Resistance of Iran. In 1999, the State Department banned the NCRI on the grounds that it is the MEK's official political arm. The NCRI describes itself as an Iranian parliament-in-exile comprising 530 members and not just representing the MEK.

Its former U.S.-based spokesman, Alireza Jafarzadeh, remained a regular on the Washington lobbying and policy circuits. In recent years he appeared routinely on Fox News as a foreign-affairs analyst. In 2002, he held a Washington news conference to reveal a secret uranium enrichment facility in the Iranian city of Natanz. The International Atomic Energy Agency in Vienna later confirmed the claim. President Bush and other senior U.S. officials publicly praised what they called an Iranian "dissident group" for unearthing the information.

Former MEK members and some U.S. officials say they believe the Natanz information was fed to the MEK by Israel, which wanted to make it public. The MEK derides this as nonsense.

John Moody, a Fox News senior vice president, says Mr. Jafarzadeh's contract as a foreign-affairs analyst lapsed, but doesn't rule out further employment. "He consistently provides accurate and sometimes exclusive information," he says.

In 2002, 150 members of the House of Representatives signed a petition seeking the MEK's removal from the U.S. government's terrorist list.

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As America geared up for war with Iraq in early 2003, the MEK muted its adulation of Saddam Hussein, say people who were in Ashraf at the time. Top leaders, including the Rajavi couple, quietly bailed from Camp Ashraf.

"We suddenly noticed that a lot of senior people were missing," says Behzad Alishahi, an Iranian who spent more than 15 years at the camp working as an MEK TV presenter. Just before the U.S. invaded in March, he says, hundreds of MEK fighters rushed toward the Iraq-Iran border for an attack on Iran. They turned back, he says, after U.S. planes bombed their convoy and Camp Ashraf.

Ms. Rajavi fled to the group's compound in Auvers-sur-Oise, France. Her husband vanished, along with his hairdresser and bodyguards. This stirred rumors that he had been picked up by the U.S. military and was providing intelligence about Saddam Hussein and also Iran.

A State Department official says Mr. Rajavi was last seen in Baghdad in March 2003 and is now either dead or in hiding. The MEK says he's alive and evading Iranian assassins.

When American troops pulled up outside Camp Ashraf shortly after the fall of Baghdad in April 2003, the MEK offered no resistance and later agreed to disarm. Mr. Alishahi says he and colleagues at the TV station were ordered by MEK commanders to destroy film and other evidence of close ties to Saddam Hussein.

U.S. officials launched a review of camp residents to decide if they should be prosecuted for terrorism. At the same time, the Central Intelligence Agency warned French authorities to watch out for the MEK. The French dispatched hundreds of police to storm the MEK's Auvers-sur-Oise compound. They arrested Maryam Rajavi and carted away $9 million in cash and documents detailing bank accounts in France, the U.S. and elsewhere holding tens of millions of dollars.

Also confiscated, says a senior French security official, were videos of Mr. Rajavi meeting Saddam Hussein and 99 satellite-positioning devices programmed with coordinates for Iran. The French also found what they say were signs that the Iraqi dictator had bankrolled the organization, something the MEK has always denied. These included stacks of dollar bills wrapped in Iraqi newspapers and documents relating to a gift of Iraqi oil, say French officials who were involved.

Drawing Criticism

The raid drew criticism from lawmakers and others in France and also the U.S. About 10 MEK members set themselves on fire in Europe and Canada in protest. Two died from their burns. French police released Ms. Rajavi but launched a formal terrorism-conspiracy investigation of her and 16 others.

Mr. Mohaddessin, the group's foreign-affairs spokesman, who was also detained and later released, ridicules the raid as a publicity stunt to win favor with Iran. There were enough police, he says, "for a coup in an African country."

The U.S. review of Camp Ashraf, which began around the same time as the French raid and finished in summer 2004, partially vindicated the MEK. Only one person has faced any U.S. charges, a naturalized U.S. citizen from Iran who was arrested in September in New York for allegedly providing support to a terrorist group. The roughly 3,300 now still in Ashraf were given the status of "protected persons" under the Geneva Convention, which promises humane treatment for nonnationals in a country at war. The U.S. military, as the occupying power, took on the role of protector. A White House official says this "protected" status applies only to individuals, not to the MEK as an organization.

Former Ashraf residents say MEK commanders, most of whom are women, have worked hard to woo the American soldiers who are now nominally in charge, inviting them to use a big swimming pool and serving them pizza. American forces have, under an agreement with the MEK, confiscated the group's roughly 300 tanks, 250 armored personnel carriers, 250 artillery pieces and 10,000 small arms. They also blew up most of the MEK's ammunition. But Camp Ashraf still functions as a bastion of opposition to Iran, shielded from the turmoil elsewhere in Iraq by American soldiers.

In June, the MEK camp hosted a mass rally of Iranian dissidents and thousands of Iraqis. Ms. Rajavi sent a message from France urging them to "cut off the tentacles of the Iranian regime." The MEK's satellite TV station, meanwhile, pumps out adulatory propaganda for Ms. Rajavi and her missing husband, Massoud.

Both the Pentagon and the U.S. Central Command declined to comment on the military's dealings with the MEK in Iraq. But individual officers have expressed support for the MEK. In May 2003, Maj. Gen. Raymond Odierno, then-commander of America's 4th Infantry Division, commended MEK members at Camp Ashraf for their cooperation and told reporters that "this should lead to a review of whether they are still a terrorist organization."

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In 2005, following a report by Human Rights Watch detailing torture and other abuses at MEK camps in Iraq before the U.S. invasion, the commander of a U.S. military police unit that had been stationed at Camp Ashraf wrote to the U.S.-based human-rights group to defend the MEK. He said U.S. forces had not found "any credible evidence" of any such abuses and said he would "like my own daughter to someday visit these units for the cultural exchange."

In Washington, debate raged during this time over how to deal with the MEK, say current and former U.S. officials. Amid the screening of Ashraf residents, some in the Pentagon pushed to use the MEK as a tool against Iran and Iranian-backed militants operating inside Iraq, say current and former State Department officials involved in Iraq policy.

Colin Powell, who was then secretary of state, pushed back against the idea of cooperating with the MEK, say current and former officials. Mr. Powell and his underlings argued that any flirtation with the MEK would undermine Washington's stand against terrorism. The State Department then designated the group's previously tolerated U.S. affiliate, NCRI-U.S., as a terrorist front for the MEK. In August 2003, the Federal Bureau of Investigation shut down its offices at the National Press Club in Washington.

"There was this kind of language [being offered by Pentagon officials] that one man's terrorist was another man's freedom fighter," says Lawrence Wilkerson, who served as Mr. Powell's chief of staff at the time. He says the State Department pushed through 2003 and 2004 for the MEK's disarmament.

Douglas Feith, who served as the Pentagon's No. 3 civilian official until last year, denies any desire by the Pentagon to cozy up to the MEK. "The idea that we would use them against Iran is fantasy," he says.

MEK leaders sheltering in the West are now ramping up a campaign, along with their American and European fans, to present Maryam Rajavi and her missing husband as the only way to stop Iran from developing a nuclear bomb. This summer, thousands of their supporters gathered in a Paris convention hall. Ms. Rajavi arrived in a chauffeured Bentley, stepping onto a red carpet to the sound of trumpets. Rose petals were strewn at her feet. A former French prime minister and other VIPs applauded.

Among the MEK's Washington supporters are a significant mix of lawmakers on both sides of the aisle. Rep. Ileana Ros-Lehtinen, a Florida Republican who chairs the International Relations Subcommittee on the Middle East and Central Asia, drafted legislation this year that would require the White House to provide funding to Iran's largest opposition groups, although the bill doesn't explicitly name the MEK.

Mr. Abbasloo, the former Camp Ashraf resident, who is now in Europe, says he doesn't like Iran's current regime but mocks the MEK as an alternative. "This would only replace a snake with a crocodile," he says. "I hope America is not going to be that stupid."

U.S., N.Korean Envoys To Hold More Talks (AP)

By Audra Ang

AP, November 29, 2006

The top American, North Korean and Chinese nuclear negotiators met for a second day Wednesday, a U.S. Embassy spokeswoman said, amid a diplomatic push to resume six-nation talks on Pyongyang's atomic weapons program.

U.S. Assistant Secretary of State Christopher Hill met with North Korean Vice Foreign Minister Kim Kye Gwan and Chinese Vice Foreign Minister Wu Dawai at the Diaoyutai state guesthouse for a second round of talks, said Susan Stevenson, spokeswoman for the U.S. Embassy in Beijing.

She did not have details of the discussions or whether Hill met with Wu and Kim together or separately. The three met on Tuesday.

U.S. State Department spokesman Sean McCormack said in Washington that the main goal of the current meetings was to "make sure that everybody, at least, has a good, solid understanding of what might happen" when six-nation talks aimed at persuading the North to abandon its nuclear weapons reconvene.

"What Chris did today (Tuesday) was to start to provide information on how we might be able to define what is an effective round of the six-party talks that produces concrete results," he said.

According to South Korea's Yonhap news agency, Hill on Tuesday "stressed that the North needs to report all of its nuclear programs before seeking economic incentives."

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On his part, Kim insisted that Washington lift its financial sanctions on Pyongyang and "take steps to help normalize relations between the two enemies," Yonhap said.

North Korea agreed in September 2005 to abandon its nuclear program in exchange for security guarantees and aid. But Washington imposed the financial sanctions against a Macau-based bank on suspicions it was laundering counterfeit money for the North Koreans. Angered by the move, Pyongyang withdrew from the talks two months later.

Kim said before Tuesday's meetings got started that the timing of the next round of six-party talks on his country's nuclear program "depends on the United States."

"There are too many outstanding issues" and both parties should narrow their differences, Kim told reporters.

Officials have yet to determine an exact date for the next round of negotiations. The China-hosted talks involve the United States, North Korea, Japan, South Korea and Russia, which has not sent an envoy to Beijing.

"We hope all sides can grasp this opportunity and take a flexible, pragmatic and constructive approach in order to realize the early resumption of six-party talks," Chinese Foreign Ministry spokeswoman Jiang Yu said at a regular briefing.

Kim's trip to Beijing — a rare overseas visit — and the presence of other negotiators added to prospects of compromises to give new life to the talks.

An unannounced meeting between Hill and Kim last month in Beijing led to Pyongyang agreeing to return to the arms negotiations amid heightened tensions after its first nuclear test on Oct. 9.

Hill told reporters when he arrived Monday that the U.S. anticipated that the talks would "get going at some point very soon."

Hill has also met with South Korea's nuclear envoy, Chun Yung-woo, and Japan's representative Kenichiro Sasae.

Mystery Illness Hits Former Russian PM (FT)

By Arkady Ostrovsky

Financial Times, November 29, 2006

Yegor Gaidar, Russia's former prime minister and the architect of the country's market reforms, last week suffered a sudden, unexplained and violent illness on a visit to Ireland, a day after Alexander Litvinenko, a former KGB spy, died in London from an apparent radiation poisoning.

Mr Gaidar is now in a stable condition at an undisclosed Moscow hospital, undergoing tests. In a telephone interview with the FT, Mr Gaidar said the doctors had so far been unable to identify the cause of the violent vomiting and bleeding that he suffered during a conference in Ireland.

Anatoly Chubais, his former associate and the head of Russia's electricity monopoly, said he suspected Mr Gaidar may have been poisoned. However, he strongly ruled out that either Russia's security services or the Kremlin could have had any involvement. There is no indication of radiation being the cause of his illness.

Mr Gaidar is one of Russian President Vladimir Putin's softer critics and his daughter is a leader of an opposition movement. Mr Gaidar, who heads an economic think-tank in Moscow, has close connections with the government and occasionally advises them on economic matters.

"I have suffered sudden problems with my health on November 24 which posed a threat to my life. This threat has not been realised. After a few hours the situation stabilised," Mr Gaidar said.

Mr Chubais and Mr Gaidar said the doctors could not explain the symptoms he had suffered.

Mr Gaidar said he felt ill after eating a simple breakfast where he was staying near Dublin. He said he could barely move any of his limbs and had to lie down for most of the afternoon.

Ekaterina Genieva, who helped to organise the conference at National University of Ireland, Maynooth, said Mr Gaidar looked pale and unwell when a few hours later he came down to answer questions about his book The Death of the Empire: Lessons for Contemporary Russia. After about 10 minutes, Mr Gaidar said he had to leave the room.

"I rushed after him and found him lying on the floor, unconscious. He was vomiting blood and also bleeding from the nose for about 35 minutes," Ms Genieva said. Mr Gaidar was taken to James Connolly Memorial Hospital in Blanchardstown, where he was treated overnight. The following morning, Mr Gaidar had asked to be discharged and, after a visit to the Russian embassy, was put on a flight back to Moscow.

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Mr Gaidar declined to comment about whether he believed he had suffered a poisoning attack. The news of his illness comes after a series of mysterious incidents involving Russian public figures over the past month. It emerged as the Kremlin and state-run television continued to suggest the murky world of Russia's recent émigrés was behind the death of Mr Litvinenko.

Sources in Dublin said they did not suspect anything untoward in Mr Gaidar's illness.

Additional reporting by Jimmy Burns

Billionaire Ally Of Dead Spy Issues Statement (NYT)

By Alan Cowell

The New York Times, November 29, 2006

LONDON, Nov. 28 — Boris A. Berezovsky, an exiled Russian billionaire and fierce opponent of the Kremlin, confirmed Tuesday that the police found radioactive traces in his office after the death last week of his close associate, Alexander V. Litvinenko, who was poisoned by radiation.

While the association between the men has become widely known, the discovery of radioactive traces at Mr. Berezovsky's Mayfair office highlighted their close ties and offered one more clue about Mr. Litvinenko's movements on Nov. 1, the day he first reported feeling unwell.

Late Tuesday, the police said they had broadened their efforts to trace Mr. Litvinenko's whereabouts before he died, searching two more places in central London — an address in Mayfair and the Sheraton Park Lane Hotel.

Mr. Berezovsky, one of the most prominent and wealthy Russian exiles in London, visited Mr. Litvinenko in the hospital before he died. Apart from the traces at his office, where Mr. Litvinenko was a frequent visitor, he has not been implicated in the police inquiry.

Mr. Litvinenko, a former secret service agent, accused the Russian authorities of poisoning him with what the police said was a radioactive isotope, polonium 210. Mr. Berezovsky pointedly refrained Tuesday from making a similarly direct accusation.

In what aides said was his first formal statement since Mr. Litvinenko's death, Mr. Berezovsky said he was "deeply saddened" by the death of his associate, who had worked for both the K.G.B. and its successor organization, known by its Russian initials, F.S.B.

Referring to Mr. Litvinenko's claim that he had refused an order to assassinate Mr. Berezovsky in the late 1990s, Mr. Berezovsky said: "I credit him with saving my life, and he remained a close friend and ally ever since. I will remember him for his bravery, his determination and his honor.

"Many of Mr. Litvinenko's friends and I have already publicly expressed our views about what we think might have happened. Therefore I believe the most helpful course we can take is to let the police get on with their work," the statement said. "I have complete faith in the British authorities and the police. They are conducting a thorough and professional investigation, and we should now wait for the results."

Mr. Berezovsky said the traces of radiation in his office had been "discovered as part of an ongoing police investigation of all the locations visited by Alexander Litvinenko" on Nov. 1.

Previously, the police tracked Mr. Litvinenko on that day to a sushi bar, the five-star Millennium Mayfair hotel in central London and his own home in north London. Officers have also discovered traces of radiation at a security company in Mayfair called Erinys, the company acknowledged in a statement.

Mr. Litvinenko visited its office "on a matter totally unrelated to issues now being investigated by the police," the company said.

Friends of Mr. Litvinenko have said he was a frequent visitor to Mr. Berezovsky's office. Mr. Berezovsky fled Russia in late 2000, after amassing a fortune in the freewheeling 1990s through a car dealership, a media empire, the Aeroflot airline and holdings in oil and aluminum.

An autopsy is to be carried out on Mr. Litvinenko on Friday, following the formal opening of a coroner's inquest on Thursday.

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The British authorities said Tuesday that eight people had been sent to a clinic to be tested for radiation traces. One of them was a reporter for The Daily Mirror tabloid, Graham Brough, who said he was tested after shaking hands with Mario Scaramella, an Italian academic who said he met Mr. Litvinenko in the Itsu sushi bar in Piccadilly on Nov. 1.

Mr. Brough wrote in The Daily Mirror on Tuesday that he had been singled out for testing because "Scaramella's palms had been slightly sweaty when I shook hands" with him during an interview last week in Naples.

British health authorities and the police have said polonium 210 cannot be transmitted through the skin and is not harmful unless it is swallowed, breathed in or passed through an open wound.

Mr. Scaramella has also been tested for radiation by the British police, according to Paolo Guzzanti, an Italian senator who led a parliamentary commission investigating the possibility of K.G.B. activity in Italy. The panel employed Mario Scaramella as a consultant, according to Mr. Guzzanti, who said he spoke to Mr. Scaramella on Tuesday.

"He said he was in a castle outside of London, and I don't know if it is official, but he is under police protection," Mr. Guzzanti said in a telephone interview on Tuesday. "He has three armored cars around him with bodyguards and the police or secret service," he added. The British police have declined to confirm those assertions.

Mr. Scaramella has told Italian reporters that when he met with Mr. Litvinenko on Nov. 1, he showed the Russian man e-mail messages from a mutual intelligence acquaintance listing individuals whose lives were said to be in danger from criminals based in St. Petersburg.

The messages reportedly claimed that the same criminals killed Anna Politkovskaya, a Russian investigative journalist, in Moscow last month. Mr. Litvinenko's associates say he was investigating her fatal shooting when he was poisoned.

In his first public remarks on the matter, Prime Minister Tony Blair said Tuesday that no "diplomatic or political barrier" would be allowed to thwart the police inquiry into Mr. Litvinenko's death. "It is obviously a very, very serious matter indeed," Mr. Blair told a news conference. "We are determined to find out what happened and who is responsible."

Blair Pledges To Pursue Probe Of Ex-Spy's Death (WP)

By Mary Jordan

The Washington Post, November 29, 2006

LONDON, Nov. 28 -- Prime Minister Tony Blair said Tuesday that "there is no diplomatic or political barrier in the way" of investigating the mysterious fatal poisoning of a former Russian spy in London and that he planned to speak with Russian President Vladimir Putin about the matter "at any time that is appropriate."

"It obviously is a very serious matter and we are determined to find out what happened and who is responsible," Blair said about the death of Alexander Litvinenko, 43, the former agent and a vocal critic of Putin. Doctors said Litvinenko was poisoned by a radioactive substance known as polonium-210.

Litvinenko, whose hair fell out and organs failed three weeks after he first felt ill, blamed Putin for his death, according to a statement that friends said he dictated as he lay dying last week. The Kremlin has called that allegation "nonsense."

Blair's remarks came as Russian billionaire Boris Berezovsky, another ardent critic of Putin living in London, confirmed that traces of the radioactive substance were found in his office in central London.

In a statement Tuesday, Berezovsky said the substance was discovered as a result of "police investigation of all the locations visited by Andrew Litvinenko" on Nov. 1, the day he became ill. Police closed and sealed Berezovsky's office.

Berezovsky did not say in his statement whether he had met with Litvinenko on Nov. 1 -- the day police believe he was poisoned. Police are trying to retrace Litvinenko's steps, piecing together his whereabouts with security camera footage, his cellphone records and interviews with him before he died Thursday.

Alex Goldfarb, a friend of both Litvinenko and Berezovsky, said in an interview that Berezovsky and his staff had been tested for exposure to radiation. Litvinenko used Berezovsky's facilities as a "back office," Goldfarb said. "If he needed to make a Xerox copy, he would come in and use the Xerox machine and then go out."

Scotland Yard has said it also found traces of polonium-210 in Litvinenko's home and at a central London sushi restaurant and a hotel he visited Nov. 1.

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Late Tuesday, police began to search two more locations -- a building at 58 Grosvenor and the Sheraton Park Lane Hotel in Piccadilly. A spokesman said that as of almost midnight, no radiation had been found.

More than 1,100 people have called a help line for those worried over possible exposure to the radiation, health officials said, and eight people showing some symptoms were being referred for further tests.

Mario Scaramella, an Italian who has said he met with Litvinenko at the restaurant Nov. 1 and showed him sensitive e-mail messages, said Tuesday that he was under British protection and being tested for contamination, the Associated Press reported.

Russia's top nuclear official, Sergei Kiriyenko, weighed in on the case Tuesday, saying that controls on the export of polonium are very tight. "Allegations that someone stole it during production are absolutely unfounded," Kiriyenko told reporters.

Kiriyenko said Russia exports eight grams of polonium-210 monthly, all of it to the United States. He said that Russia used to provide it to British companies but that exports to Britain ended about five years ago.

Kremlin supporters have been fingering Berezovsky as a likely assassin of Litvinenko; they say he gained from Litvinenko's death because he is using it to try to smear Putin's reputation internationally.

Oleg Morozov, a top official of the pro-Kremlin United Russia party, told journalists that "Russia and the Russian authorities had the most to lose from the death. . . . There is a well-known formula: If you cannot figure out what happened, try to understand who could have benefited from it. . . . That is why, from this standpoint, the appearance of traces of polonium-210, which reportedly caused Litvinenko's death, in an office of businessman Boris Berezovsky will help make clear certain things."

Morozov said Litvinenko "was exposed to polonium somewhere. Maybe it happened at this office. I do not know."

Berezovsky visited Litvinenko in the hospital and has said he believed Putin was behind the poisoning. When Litvinenko was a member of the Federal Security Service, the domestic successor to the KGB, he accused his superiors of ordering him to kill Berezovsky.

Pope Urges Leaders To Renounce Violence (AP)

By Victor L. Simpson

AP, November 29, 2006

Pope Benedict XVI urged leaders of all religions Tuesday to "utterly refuse" to support any form of violence in the name of faith, while Turkey's top Muslim cleric complained to the pontiff of growing "Islamophobia" in the world.

As he began his first visit to a Muslim country — a trip that drew extraordinary security but few onlookers — Benedict sought a careful balance as he extended friendship and brotherhood to Muslims, hoping to end the outcry from many Muslims over his remarks linking Islam to violence.

He expressed support for Turkey's efforts to join the European Union, moving away from opposition he voiced when he was a cardinal.

But the German pope also hammered away at key points of his 18-month papacy, telling diplomats that leaders of all religions must "utterly refuse to sanction recourse to violence as a legitimate expression of faith."

He avoided mention of any specific religion, even as he decried terrorism and the "disturbing conflicts across the Middle East."

Benedict also said guarantees of religious freedom are essential for a just society, and the Vatican said he raised specific issues such as property rights of Turkey's tiny 32,000-member Catholic community during talks with Turkish officials.

His comments could be reinforced later during the four-day visit when the pope meets in Istanbul with Ecumenical Patriarch Bartholomew I, the spiritual leader of the world's Orthodox Christians.

The pope is expected to call for greater rights and protections for Christian minorities in the Muslim world, including the small Greek Orthodox community in Turkey.

The 79-year-old made reconciliation a priority of his first day, taking on a taxing series of meetings that saw him needing a drink of water after coughing repeatedly while addressing diplomats in the last public appearance in the evening.

Benedict's journey is extraordinarily sensitive, a closely watched pilgrimage full of symbolism that could offer hope of religious reconciliation or deepen what many say is a growing divide between the Christian and Islamic worlds.

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Seeking to ease anger over his perceived criticism of Islam, Benedict met with Ali Bardakoglu, who heads religious affairs in Turkey, warmly grasping hands. Benedict sat nearby as the Muslim cleric defended his religion.

"The so-called conviction that the sword is used to expand Islam in the world and growing Islamophobia hurts all Muslims," Bardakoglu said.

The comment appeared to be a reference to Benedict's remarks in a speech in September when he quoted a 14th-century Christian emperor who characterized the Prophet Muhammad's teachings as "evil and inhuman, such as his command to spread by thy sword the faith he preached."

The Vatican described the cleric's speech as "positive, respectful and non-polemical," applauding what the church sees as efforts for a true dialogue between faiths.

On Sunday, more than 25,000 Turks showed up to an anti-Vatican protest in Istanbul, asking the pope to stay at home, but on the streets of Ankara most people went about their usual business and only a tiny protest was held outside the religious affairs office hours before the pope arrived.

"Today we had the sensation he was a welcome guest," said Vatican spokesman the Rev. Federico Lombardi.

"All feel the same responsibility in this difficult moment in history, let's work together," Benedict said during his flight from Rome to Ankara, where more than 3,000 police and sharpshooters joined a security effort that surpassed even the visit of President Bush two years ago.

"We know that the scope of this trip is dialogue and brotherhood and the commitment for understanding between cultures ... and for reconciliation," he said.

Prime Minister Recep Tayyip Erdogan — in a last-minute change of plans — welcomed the pope at the foot of the plane and described the visit as "very meaningful." Erdogan's political party has Islamic roots, though the government is secular.

In his first official act, Benedict visited the mausoleum of Mustafa Kemal Ataturk, the founder of modern Turkey, and wrote a message in a guest book calling Turkey "a meeting point of different religions and cultures and a bridge between Asia and Europe."

Police monitored the highway leading to Ankara from the airport, where Turkish and Vatican flags waved in a light breeze. Snipers climbed atop buildings and hilltops. In wooded areas along the route, soldiers in camouflage fatigues set up observation points and sniffer dogs passed along bridges.

It was his first visit to a Muslim country as pontiff. The original goal of the pope's trip to Turkey was to meet Bartholomew I, leader of the world's 300 million Orthodox Christians. The two major branches of Christianity represented by Bartholomew and Benedict split in 1054 over differences in opinion on the power of the papacy, and the two spiritual heads will meet in an attempt to breach the divide and reunite the churches.

Benedict leaves Ankara on Wednesday for Ephesus, where the Virgin Mary is thought to have spent her last years, and will then travel to Istanbul.

A closely watched moment of the trip will come Thursday during Benedict's visit to Haghia Sophia, a 1,500-year-old site that was originally a Byzantine church and then turned into a mosque after the Muslim conquest of Istanbul — then known as Constantinople — in 1453. It is now a museum, and Turks would take offense at any religious gestures by the pontiff, who also plans to visit the nearby Blue Mosque.

In 1967, Pope Paul VI fell to his knees in prayer, touching off protests by Turks claiming he violated the secular nature of the domed complex. In 1979, Pope John Paul II made no overt religious signs during his visit.

Pope Calls For Dialogue Between Christians, Muslims In Turkey (MCT)

By Matthew Schofield

McClatchy Newspapers, November 29, 2006

ANKARA, Turkey - Pope Benedict XVI called for an "authentic dialogue between Christians and Muslims" and praised his Turkish hosts Tuesday as he began what's surely his most controversial journey since he was elevated to lead the world's 1 billion Roman Catholics in April 2005.

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The pope didn't directly address the anger he set off in September when he quoted a Byzantine Emperor as saying that in Islam, "you will find things only evil and inhuman, such as his (the prophet Muhammad's) command to spread by the sword the faith he preached."

But it was clear that those words weren't forgotten. Turkey's president of religious affairs, Ali Bardakoglu, bluntly told the pope at a joint appearance that Western leaders were distorting Islam's message as a religion of peace.

"Prejudices are nourished mostly by historical fears and concerns," said Bardakoglu, who in September accused the pope of "having hatred in his heart" for Muslims. "The establishment of universal peace is based on the fact that we, men of religion and religious institutes, should not be the slaves of such prejudices, nourished by such fears and concerns, and we should act with common sense."

Sitting on the stage next to Bardakoglu, Benedict XVI didn't react to the statement.

But he did retract comments he'd made as a cardinal in 2004, when he openly and frequently opposed Turkish membership in the European Union, saying that he now favored it. In a goodwill gesture, he signed the Golden Book at the memorial to modern Turkey's founder, Kemal Ataturk, noting that he was proud to quote Ataturk by writing, "Peace at home, peace abroad."

Later, he tried to calm Muslim anger in remarks to diplomats at the Vatican Embassy: "I wish to reiterate my great esteem for Muslims, encouraging them to continue to work together, in mutual respect, to promote the dignity of every human being and the growth of a society where personal freedom and care for others provide peace and serenity for all."

The pope said the purpose of this trip was "dialogue, brotherhood and reconciliation" after a tumultuous period in Christian-Muslim relations. In addition to his September comments, Muslim sentiments have been bruised by European efforts to ban Islamic religious dress and the rejection of Turkish membership in the European Union.

But the pope's visit drew little attention in a country in which fewer than 100,000 people are Christians and fewer still are Catholic. Unlike Pope John Paul II's trip here in 1979, no well-wishers lined the route, jostling to catch a glimpse of the leader of the world's largest organized religion.

Protesters were few, too.

While Benedict visited the Ataturk Memorial, a small group gathered several blocks away. On the streets of the city, there was some hostility: taxi driver Yilmaz Kulum, 49, said he wished the pope hadn't come.

"I don't want him in Turkey because he criticised the prophet Muhammad," he said. "His words disturbed my conscience."

Kezban Turkoglu, 32, a secretary in a hijab, the head scarf that's the sign of a very religious woman in largely secular Turkey, wished that the pope simply would apologize for his comments in September.

"He mentions common values, but this is not enough," she said.

But just as many people seemed to share the view of businessman Ertan Kuscu, 38: "I don't like him, but he is more than welcome if this serves as an advertisement for Turkey."

While preparing to meet the pope at the airport, before flying to the NATO summit that he'd said would make it impossible to meet, Prime Minister Recep Tayyip Erdogan said it was essential to show hospitality during the pope's four-day visit.

"If we behave improperly, if someone tries to convert this to political rant, we will lose," he said. "We will think and calm down."

Tuesday was the most political day of the visit. On Wednesday, the pope leaves Ankara for Ephesus, which is believed to have once been home to Mary, Jesus' mother. From there, he'll go to Istanbul to meet Patriarch Bartholomew I, the so-called first among equals of leaders in the Eastern Orthodox churches, which split with the Catholic Church 1,000 years ago over theological issues and the power of the pope.

Pope Backs Turkey's Bid To Join European Union (NYT)

By Ian Fisher And Sabrina Tavernise

The New York Times, November 29, 2006

DOJ_NMG_0099438

ANKARA, Turkey, Nov. 28 — Pope Benedict XVI arrived in Turkey on Tuesday armed with a surprise gesture of good will aimed at blunting Muslim anger toward him: he backed Turkey's long-stalled desire to join the European Union, reversing a statement he made two years ago.

Turkey's prime minister, Recep Tayyip Erdogan, told reporters after a brief meeting with Benedict at the airport here that he had asked the pope to support Turkey in its attempt to become a member of the European Union.

"He said, 'You know we don't have a political role, but we wish for Turkey's entry into the E.U.,' " Mr. Erdogan said the pope told him. "His wish is a positive recommendation for us."

Although the Vatican does not play a formal role in the European Union, or delve publicly into domestic matters of other states, the pope's gesture was nonetheless a piece of political stagecraft at a delicate time both in relations between Muslims and the West and in Benedict's own damaged reputation among Muslims.

Long before he angered the Muslim world two months ago with a speech criticized as equating Islam with violence, Benedict was disliked here because of comments he made, as a cardinal in 2004, opposing Turkish membership in Europe. As the successor to the Ottoman Empire, Turkey had always stood, he said at the time, "in permanent contrast to Europe."

But the 79-year-old pope's concession on Tuesday, at the start of a four-day trip here, seemed to make good on his pledge to heal the wounds between East and West. It may also have the practical effect of tamping down anger here. Security for the pope's visit was extensive, with helicopters hovering at the airport, commandos guarding the pope's plane and sharpshooters on the roofs of buildings.

It is unclear what effect the pope's reversal will have on the fraught debate in Europe over Turkey's membership, especially among conservatives who share the views he expressed as a cardinal two years ago. Much of that opposition is rooted in the increased tension between the West and Islam, including fears of more terrorist attacks in Europe and the already difficult integration of millions of Muslims there.

Some of the tension, though, is tied to the difficulty Turkey has had in meeting Europe's specific demands — and the pope's visit comes at a particularly delicate time in Turkey's talks with European negotiators.

Admission talks, which officially began this year, have hit a snag over the European Union's insistence that Turkey open its ports and harbors to vessels from Greek Cyprus, an internationally recognized state opposed by Turkey. But Turkish officials say they cannot act until an international embargo that has been in place on the Turkish part of the island for more than 20 years is lifted.

Because Benedict did not announce his new position himself on Tuesday, the shift appeared to some degree to be a concession won by Mr. Erdogan — a deft act of diplomacy by the pope that critics said his speech two months ago lacked.

Although Mr. Erdogan's government is rooted in moderate political Islam, he had said until Monday that he would not be able to meet the pope under pressure from his conservative constituency. As the leader of the only Muslim country in NATO, he left immediately afterward to attend a meeting of the Western military alliance in Latvia.

Hours later, the pope's spokesman, the Rev. Federico Lombardi, released a brief statement repeating that the Vatican has "neither the power nor the specific political task" of getting Turkey admitted to the European Union.

But Father Lombardi said the Vatican "views positively and encourages the road of dialogue and of moving toward integration of Turkey in Europe on the basis of common values and principles."

It remains to be seen whether the pope's gesture will have a warming effect in Turkey, or in the broader Muslim world.

In Ankara, residents expressed doubts about the pope's sincerity. "It's not support, it's a lie," said Hakan Ozgunaydin, a 29-year-old co-owner of a shoe shop in downtown Ankara. "I would expect him to say, 'those bloody Turks,' when he leaves this country."

Merve Celikkol, a 21-year-old physics student, was just as blunt, calling the pope a hypocrite: "How is it possible that he changed so much?"

"This can be his way of confessing his sins for the wrong he has done to the Muslim world," said Ismail Aytac, a 51-year-old sitting in a luxury watch shop. "After all, he's human, and humans make mistakes."

A number of those interviewed did say they thought that the new support was a decisive achievement for Mr. Erdogan, who has led the push for entry into Europe, at no small political cost to himself.

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Benedict's trip here is his fifth outside Italy since he was elected pope last year, and his first outside the European Union and to a predominantly Muslim country. His main aim is to visit leaders of the Orthodox patriarchy here, as part of his goal to mend the 1,000-year rift between the Roman Catholic Church and the 220 million members of the Orthodox Church.

But Christians make up less than half a percent of Turkey's 72 million people, and it was clear that this trip would be far different from those to Christian countries, even before Benedict quoted a Byzantine emperor as referring to Islam as "evil and inhuman" in a speech in Germany in September. The trip to Turkey, though a modern and secular democracy, was loaded with symbolism: here, Christian and Muslim warriors battled for centuries, as the Byzantine Empire, founded by Rome's first Christian emperor, gave way to Muslim Ottoman Turks who established their own empire and pushed deep into Europe.

After his plane touched down, the pope, wearing white robes, was met at the airport with a red carpet and a small honor guard, but with none of the fanfare of his other trips. Rather, small demonstrations protesting Benedict's visit were held here and in Istanbul, which the pope will visit on Wednesday.

In brief comments on his plane, Benedict made clear that one of his chief aims was to stimulate a "dialogue" to bring Christians and Muslims, and West and East, closer.

"The scope of this visit is dialogue, brotherhood, a commitment to understanding between cultures, between religions, for reconciliation," he told reporters before his plane took off from Rome.

Mr. Erdogan, who unexpectedly greeted the pope at his plane, spoke too of the need for greater understanding.

"We are going through a tough period when the culture of violence has been expanding and our world faces disaster scenarios like the clashes of civilizations and polarizations in various directions," Mr. Erdogan told reporters after his 20-minute meeting with the pope. "Therefore, we need mutual understanding among different beliefs and civilizations more than any time in history."

Over the weekend, the Vatican began signaling that it was warming to the idea of Turkey's membership in the European Union. The Vatican has never issued a formal position on Turkish membership. In 2004, when the pope was Cardinal Joseph Ratzinger, he said it would be a "grave error," both he and other church officials described the remarks as his personal opinion.

The stalemate over Turkey's bid to join the European Union has frustrated Turkish officials, who are smoothing their negotiating positions ahead of meetings with union members in December.

"Everything is just stuck," said Namik Tan, spokesman for Turkey's Foreign Ministry, said in an interview on Monday. "How can an elected government with all these restrictions over the Turkish Cypriots open its ports without any restrictions? This government has a public here."

On Tuesday night, officials from the European Union met to set conditions for the future of the talks.

"Look, they said there would be a train crash," Mr. Erdogan said at the news conference. "Now they say there is no train crash, but the train slowed down."

After his meeting with Mr. Erdogan, Benedict visited the grave of Mustafa Kemal Ataturk, the founder of the secular Turkish state after World War I.

He met later with the nation's chief Muslim religious figure, Ali Bardakoglu, who was among the fiercest critics of the pope's speech two months ago, and Turkey's president, Ahmed Necdet Sezer. Later in the evening, he met with members of the world's diplomatic corps. At every stop, he stressed the need for greater joint efforts to end terrorism, war and misunderstanding.

"I appreciate the efforts of numerous countries currently engaged in rebuilding peace in Lebanon, Turkey among them," he told the diplomats. "In your presence, ambassadors, I appeal once more to the vigilance of the international community, that it not abandon its responsibilities, but make every effort to promote peace and dialogue."

In Turkey, Pope Reaches Out To Islam (WP)

By Molly Moore

The Washington Post, November 29, 2006

ANKARA, Turkey, Nov. 28 -- Pope Benedict XVI, beginning the most politically precarious journey of his papacy, called Tuesday for an "authentic dialogue between Christians and Muslims" to help stanch terrorism and conflicts around the globe.

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The pontiff, trying to assuage the hostility he provoked in September when he quoted a medieval Christian emperor who associated Islam with violence, said he wanted to use his visit to Turkey -- his first trip to a Muslim country since becoming pope -- "to reiterate my great esteem for Muslims."

Few papal tours in recent years have been more ambitious in their efforts to patch religious rivalries or more fraught with the danger of inciting deeper divides than Benedict's four-day, three-city Turkish itinerary. The visit comes not only at a diplomatically sensitive moment in Benedict's 19-month-old papacy, but at a critical juncture in Turkey's relations with the West and at a time of internal struggle over the soul of this constitutionally secular republic.

Instead of the crowds of emotional faithful that greet traveling popes on most of their foreign excursions, Benedict was met Tuesday with empty highways lined by soldiers and sharpshooters, and headlines such as the Islamic newspaper Vakit's "Unwanted Guest." On Sunday, an estimated 25,000 people turned out for a protest rally in Istanbul to demand that he cancel the trip.

The Turkish government has deployed thousands of security officers and riot police for the papal tour, a police presence that Turkish officials said is larger than the one used when President Bush attended a NATO summit here two years ago.

Vatican and Turkish officials scrambled to make last-minute schedule changes in an effort to avoid embarrassments or appearances of slights. Prime Minister Recep Tayyip Erdogan, who initially said he had no time to see the pope, squeezed in a 20-minute visit at the airport Tuesday afternoon before departing for a NATO summit in Latvia. The pope, who has alarmed some Muslims with his plans to visit Istanbul's Haghia Sophia museum -- built as a church in the 6th century and later converted into a mosque -- added the renowned Blue Mosque to his agenda as an overture to Muslims.

Even so, every visit and meeting on the pope's agenda is heavily laden with symbolism, stark contradictions or the prospect of controversy. In his first public event, the world's most visible religious leader laid a wreath of red and white carnations at the tomb of Kemal Ataturk, the founder of modern, secular Turkey and the man who removed Islam as the state religion.

Within hours of his arrival in the Turkish capital, Benedict stood on an auditorium stage with Turkey's chief Islamic cleric, Ali Bardakoglu, who last September accused the pontiff of harboring "hatred in his heart" for Muslims.

Both men wore shimmering, floor-grazing robes -- the pope a simple, caped vestment, Bardakoglu an elaborate, embroidered coat.

Bardakoglu, who heads Turkey's Directorate of Religious Affairs, confronted the pontiff's September remarks head-on.

"We Muslims condemn all types of violence and terror, regardless of whoever commits it against whosever," he said. "However, we all regret to observe that during the recent times Islamophobia has been in escalation promoting such notions that the religion of Islam with its sources and history encourages violence."

Bardakoglu said every Muslim is "deeply touched and offended by such accusations," which he said "only serve to encourage those who perform wrongdoings on behalf of religion." Despite his disagreements with the pope, Bardakoglu described the papal trip as "a positive step toward cultivating a culture of reconciliation."

In his address, Benedict said, "The best way forward is via authentic dialogue between Christians and Muslims, based on truth and inspired by a sincere wish to know one another better, respecting differences and recognizing what we have in common."

He also offered up another historical anecdote, one that conveyed a more positive view of Islam. The pontiff cited Pope Gregory VII, who in 1076 praised a Muslim prince who treated Christians with "great benevolence . . . because we believe in one God, albeit in a different manner."

According to Erdogan, the prime minister, the pope also made another conciliatory gesture Tuesday, reversing the position he took in 2004 when, as Cardinal Joseph Ratzinger, he said Turkey was "in permanent contrast to Europe" and should not be admitted into the European Union.

"I asked the pope for his support on our road to the European Union," Erdogan said after their meeting. "He told me, 'We want Turkey to be part of the E.U.' " The Vatican did not comment on Erdogan's statement.

Over the next two days, the pope will meet in Istanbul with Ecumenical Patriarch Bartholomew I, spiritual leader of the world's Orthodox Christians. The Vatican has been attempting to improve relations with the Orthodox church after more than 1,000 years of division, while Turkey has attempted to suppress many activities of the Orthodox church.

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The pope acknowledged to reporters traveling on his plane that his agenda in Turkey is ambitious. "Naturally, we should not exaggerate," he said, speaking in Italian. "It is not possible to expect major results in three days. The value, I might say, is symbolic."

The government has banned protests during the pope's visit, and only a small demonstration was held in Ankara on Tuesday. But the government has been unable to change public opinion.

"His words against the Islamic world led to this criticism," said Yetkin Bayer, 40, a physician working in a busy government clinic in one of Istanbul's poorer neighborhoods. "Otherwise, the Turkish people would be neutral about his visit. Now, no matter what he might say, he won't get much sympathy."

Special correspondent Yonca Poyraz-Dogan in Istanbul contributed to this report.

Benedict Goes To Turkey (NYT)

The New York Times, November 29, 2006

The visit of Pope Benedict XVI to Turkey was bound to be fraught, even before the pontiff's tone-deaf comments about Islam in September. As a high-ranking Vatican official in 2004 — the year before he became pope — Benedict went on record opposing Turkey's entry into the European Union, saying, in effect, that a predominantly Muslim country would never fit into a Christian Europe.

On his trip this week, the pope is being more diplomatic. Turkey's prime minister, Recep Tayyip Erdogan, announced that Benedict had told him it was now the Vatican's wish that Turkey join the European Union. A papal spokesman was less direct, saying the Vatican was encouraging Turkey's "integration" into Europe. We hope that the pope's evolving stance — coupled with his calls for Christian-Muslim dialogue — will soothe popular anger in Turkey and across the Muslim world.

During his papacy, Benedict has repeatedly emphasized what he calls reciprocity, the notion that Christian minorities in Muslim countries should be as free to practice their faith as Muslims are in the West. Turkey's rigid secularism has been a central tenet of the republic since its founding — and all too often has led to repressing minority rights and religious freedom. The rigidity is now giving way — due in large part to the reforms required to meet the membership criteria of the European Union. As the pope champions the rights of Christians in Turkey and other Muslim lands, he should bear in mind that his words will be most effective if he makes clear that the West still has a long way to go in defending the rights of minorities.

The pope and his Turkish hosts are to be commended for going ahead with the trip in the face of so much dissension. Turkey needs to engage in a full debate over minority and religious rights — and how it relates to the West. Benedict's role in furthering that debate and promoting better interfaith relations may prove to be helpful.

More Catholic Than The ... (LAT)

The Los Angeles Times, November 29, 2006

TODAY, POPE BENEDICT XVI will meet in Turkey with a representative of a religious tradition whose sometimes violent differences with the Roman Catholic Church can be traced back to the Crusades. That personage is not, as one might think, a Muslim, but a Christian: Ecumenical Patriarch Bartholomew I of the Eastern Orthodox Church.

Although the Crusades were called to wrest back the Holy Land from Muslims, the Catholic foot soldiers in that "holy war" vandalized the sacred places of Orthodox Christians, looting Hagia Sophia, the Cathedral of Holy Wisdom, in Constantinople. (On Thursday, Benedict will visit Hagia Sophia, which was transformed into a mosque in the 15th century and is now a museum.)

News coverage of the pope's trip has focused on Catholic-Muslim relations, given the outrage in the Muslim world over a lecture in September in which Benedict quoted a medieval emperor who said Muhammad's teachings contained "things only evil and inhuman." The visit also has been shadowed by the pope's opposition as a cardinal to the admission of Turkey into the European Union, a position he repudiated Tuesday.

Yet the religious purpose of the journey is to strengthen relations between the Roman Catholic Church and Eastern churches that do not recognize the authority of the bishop of Rome. Benedict's attitude toward these ancient churches could offer as many insights into his view of his role as any of his dealings with Muslims.

Benedict will travel to Istanbul — the former Constantinople — to meet Patriarch Bartholomew, the "first among equals" among Orthodox prelates. After a service in the Orthodox cathedral, the two will sign a joint declaration. It's likely to be more

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substantive than a conversation in Rome last week between Benedict and Archbishop of Canterbury Rowan Williams. That encounter, while cordial, ended with a communique noting that a reunion between the Roman Catholic and Anglican churches faced "serious obstacles," including the ordination of women as Anglican priests and the acceptance by some Anglican churches of openly gay clergy.

By contrast, the Eastern Orthodox Church, like the Roman Catholic Church, limits its priesthood to men, condemns homosexual relations and values traditional forms of worship. The affinities between the pope and the patriarch are theological, but they could have political consequences. Many of the churches that complain of oppression by Islamic governments (including the Orthodox Church in Turkey) have roots in Constantinople, not Rome. If the pope plans to be their champion, he will need to build bridges to Muslims as well as fellow Christians.

Report Shows Muslims Near Bottom Of Social Ladder (NYT)

By Somini Sengupta

The New York Times, November 29, 2006

NEW DELHI, Nov. 24 — Even those who caution against "illusions of grandeur and power," as the head of India's governing coalition, Sonia Gandhi, did last week, cannot hide their sense of pride at the idea of India as a nation that extends the concessions of secular democracy to its many castes, creeds and faiths.

Yet that notion has come under some strain in recent days, with an official panel having concluded that Muslims, India's largest religious minority, are "lagging behind" on most things that matter.

Prime Minister Manmohan Singh's office, which is reviewing the report, summarized the panel's biting conclusion this way: "The community is relatively poor, more illiterate, has lower access to education, lower representation in public- and private-sector jobs and lower availability of bank credit for self-employment. In urban areas, the community mostly lives in slums characterized by poor municipal infrastructure."

Muslims make up roughly 13 percent of India's population of 1.1 billion, and their numbers are nearly equal to the entire population of Pakistan, which was carved out of British India nearly 60 years ago as the homeland of the subcontinent's Muslims. Soul-searching about Muslim rights and well-being in this country, which has witnessed periodic outbreaks of religious violence, has been a recurrent leitmotif ever since.

The latest findings have prompted fresh debate. In an editorial in The Indian Express, an English-language daily, Pratap Bhanu Mehta, the president of the Delhi-based Center for Policy Research, suggested that the government's panel had revealed "the hollowness of our concept of republican citizenship."

"What is at stake," Mr. Mehta said, "is not just uplifting this or that group, but the very idea of India itself: whether it has the capacity for transcending the cant, indifference and identity traps that have brought us to this pass."

The report is expected to be made public soon, but leaks in the last several weeks have already turned its contents into political fodder. Trial balloons have been floated about extending affirmative action benefits originally devised to uplift low-caste Hindus and others considered "backward," by offering additional set-asides in education and employment for Muslims.

The mark of "backwardness" is a boon in this country, where a government job can lift a family's fortunes forever, just as it is a vital part of political arithmetic: Secure jobs for a group, the reasoning goes, and you secure its loyalty at the polls.

A number of Muslim religious and political leaders have already begun to advocate quotas for Muslims. But the Hindu nationalist Bharatiya Janata Party has pointed out that Indian law prohibits faith-based quotas.

The secretary of the panel that issued the report, Abusaleh Shariff, said in an interview this week that in some states, education and poverty indicators showed that Muslims had fallen behind even low-caste Hindus. Mr. Shariff said the panel recommended, among other things, free and compulsory education up to age 14, as well as financial support to promote industries in which Muslims are concentrated, like textiles.

The findings of the panel, headed by a retired high court judge, Rajinder Sachar, are expected to add to sparring over the Muslim vote, particularly in the elections to be held next year in India's largest state, Uttar Pradesh, where Muslims are a vital chunk of the electorate. The report will become public when Mr. Singh submits it to Parliament, possibly during its current session.

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Among the panel's most damning statistics, as reported by The Indian Express, are that in many states Muslims are significantly overrepresented in prison. In the western state of Maharashtra, for instance, Muslims make up 10.6 percent of the population but 32.4 percent of those convicted or facing trial. In the famed national bureaucracy, the Indian Administrative Service, Muslims made up only 2 percent of officers in 2006. Among district judges in 15 states surveyed, 2.7 percent were Muslim.

Educational disparities were among the most striking. Among Muslims, Mr. Shariff said, the literacy rate is about 59 percent, compared with more than 65 percent among Indians as a whole. On average, a Muslim child attends school for three years and four months, compared with a national average of four years.

Less than 4 percent of Muslims graduate from school, compared with 6 percent of the total population. Less than 2 percent of the students at the elite Indian Institutes of Technology are Muslim. Equally revealing, only 4 percent of Muslim children attend madrasas, Mr. Shariff said.

The gaps in employment are likely to be among the most politically explosive. Muslims appear to be overrepresented in the informal sector of day laborers and street vendors and underrepresented in the public sector. Muslims secured about 15 percent of all government jobs, considerably less than the share filled by "backward" castes and Dalits, those who were considered "untouchables" in the Hindu caste system.

Whatever action the government decides to take, it will have to contend with a peculiar dimension of Muslim identity here. Since they are mostly converts from Hinduism or descendants of converts, Muslims in India are riven by caste. In other words, there are Muslim Dalits, as well as Muslims who are considered "backward."

To ignore those divides and entitle all Muslims to the same affirmative action benefits, Imtiaz Ahmad, a retired professor at Jawaharlal Nehru University argued, would be to reward only those at the upper reaches of the Muslim social ladder.

Many well-to-do Muslims, he said, particularly those with access to education, have benefited from the Indian economic advance in recent years. The Muslim community, he and other scholars point out, is made up of a small elite, vast numbers of poor people and very few people in between.

Whether India can deliver the fruits of economic progress to the many Muslims at the bottom of the ladder remains a crucial question.

At least, Mr. Ahmad argued, India has managed to address Muslim concerns without what he called the "coercive apparatus" that some European countries have adopted. He compared India's approach with that of the Netherlands, which recently banned the wearing of the Muslim burqa, or face-covering veil, in public places.

"There are many things we can say about Indian democracy," Mr. Ahmad said. "But it has given assurances, to minorities included, that things are negotiable."

Building A Democracy (WP)

By Viktor Yushchenko

The Washington Post, November 29, 2006

Two years ago an authoritarian regime's attempt to hijack the presidential election in Ukraine failed. As official results were announced, disbelief provoked millions of citizens to pour into the streets in protest. They took a stand against those discredited officials who hid behind law enforcement bodies in an attempt to prolong their corrupt hold on power. Those days and weeks are known as Ukraine's Orange Revolution.

In the time since, my main goal as president has been to institutionalize democracy and guarantee that it is irreversible. Many of the wrongs in my country have been corrected. We are maintaining our unwavering commitment to the principles of freedom. We agreed to shift constitutional powers from an authoritarian presidency to a coalition government formed by parliament to end the country's political impasse. And we abolished state censorship of the media, while also forbidding interference in news reporting.

This year free and fair elections were held at national, regional and local levels. Overseeing the peaceful and democratic transition of power was my unique test, as it brought back to office my former political opponents.

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But along with our national successes and economic achievements under two "orange" prime ministers, there have been disappointments and miscalculations. Infighting among my political allies has been the biggest disappointment. Some "orange" politicians have ignored their fundamental duty to deliver results for the public good. Instead, gaining political power and seeking the limelight have become their goal. As our country's democracy continues to mature, I am convinced that a young cadre of leaders will rise through the ranks of Ukraine's democratic parties to create a political renewal.

On my watch, the corruption that has historically emanated from the president's office ceased. Thousands of election officials, tax collectors, foot patrols, road police and customs agents were brought to justice for petty corruption. Yet the biggest abusers of public office remain at large because of unreformed prosecutors and corruption in the courts. I have recently initiated a number of anti-corruption bills to reform the criminal justice system and the courts, and I will continue to press parliament for speedy action.

Because we were preoccupied with domestic political reforms this year, we failed to communicate effectively with our international partners. I want to explain where Ukraine stands and where we are heading. Democracy and stability -- two interdependent principles -- form the basis of my agenda. To this end, I will continue constitutional reforms that facilitate the effective work of government and prevent a return to authoritarianism or the usurpation of power.

Today there is a balance of political power between two directly elected democratic bodies: the president and parliament. The prime minister, although not directly elected, represents a majority of the parliamentarians. Bills specifying the role of the governing coalition and the opposition have yet to be passed. But let there be no mistake: Together we share responsibility for shaping, executing and controlling laws and state policies.

Second, constitutional reforms are incomplete, and as a result there is a political asymmetry. We will continue refining a reliable system of checks and balances between the presidency, parliament and coalition government to expedite policy decision making. To meet these objectives, I have commissioned a group of constitutional experts to recommend amendments to strengthen our nascent democratic institutions.

Third, our law on national security promotes participation and membership in pan-European and regional systems of collective security. Membership in the European Union and NATO, as well as good relations and strategic partnerships with Russia and other countries in the Commonwealth of Independent States, are not romantic ideas of the Orange Revolution -- they are founded in Ukrainian law. The president, coalition government and parliament determine the speed with which these goals are reached.

Most important, the democratic debates in Kiev's halls of power are now centered on ideas about competing economic theories, values and worldviews. Our current system of checks and balances requires policy coordination, party coexistence and political compromise for us to move forward. Not everyone likes the new rules of the game, and some are having trouble playing in this new reality -- but Ukraine's democracy is here to stay.

As president, my historic mission is to guarantee that Ukraine's national goals are reached not through political dictates but through an institutionalized democratic process that brings together governing bodies and citizen groups. I am convinced an inclusive democracy is one of the most significant and lasting achievements of the Orange Revolution.

The writer is president of Ukraine.

Back To Beijing (WP)

The Washington Post, November 29, 2006

TWO MONTHS after a high-profile visit to China, Treasury Secretary Henry M. Paulson Jr. is planning a December return -- this time accompanied by Federal Reserve Chairman Ben S. Bernanke as well as a handful of fellow Cabinet members. The visit is the first in a series of biannual meetings and reflects Mr. Paulson's conviction that high-level intergovernment contacts can help promote policy breakthroughs. It's a worthy effort, but there's no certain payoff. U.S. officials have spent the past few years urging China to rein in its trade surplus, which causes an imbalance in the world economy as well as impatience in Congress. But China's surplus has nonetheless ballooned defiantly.

China's trade surplus reflects an extremely high savings rate: The Chinese are saving so hard that they don't buy what they make and instead export it. Taming the trade surplus must involve shifting China's economy from saving to consumption. But

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despite repeated promises from its top leaders to move in this direction, China has done nothing of the sort. As of 2005, the Chinese consumed only 38 percent of their gross domestic product (GDP) -- less than in the 1990s and less than every other country, according to Nicholas R. Lardy of the Peterson Institute for International Economics. By contrast, India consumes 61 percent of GDP and the United States consumes an excessive 70 percent.

China's policymakers could stoke consumption if they wanted. They have experimented with modest tax cuts and aim to reduce corporate saving by requiring state-owned firms to pay dividends, starting next year. But they have not taken the step that would make the biggest difference: Raising the government's spending on social services, which would directly boost the government's own consumption and have some effect on households, since one reason for high private savings is the absence of a public safety net. Nor has China allowed its currency to rise, a move that would help to ease the trade surplus. Although the yuan has gained modestly against the dollar over the past year, it has fallen against the currencies of other trading partners.

China has an interest in boosting consumption, so in theory Mr. Paulson should be pushing on an open door. The high-savings model depends on foreigners' readiness to buy ever more Chinese exports, but this will eventually trigger a protectionist backlash. It promotes capital-intensive growth, which is not the most effective way to create jobs for Chinese workers. And the path of capital-intensive growth tends to be energy-intensive, which is one reason China's coal consumption has shot up by two-thirds since 2000 and why China is home to 16 of the 20 cities in the world that score worst for air pollution. Yet all these arguments for a more consumption-based growth model have long been understood by Chinese technocrats. Change has been blocked by a combination of vested interests and political caution.

The United States has an interest in seeing the technocrats prevail. The environmental fallout from capital-intensive growth affects global warming, and China's manipulation of its currency and suppression of consumption undermine public faith in the fairness of globalization. Mr. Paulson is right to press these points to the Chinese. The question is whether China takes its global responsibilities seriously enough to listen.

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TERRORISM NEWS:

Judge Strikes Down Parts Of Executive Order On Terrorism (WP)

By Dan Eggen, Washington Post Staff Writer

The Washington Post, November 29, 2006

A Los Angeles federal judge has ruled that key portions of a presidential order blocking financial assistance to terrorist groups are unconstitutional, further complicating the Bush administration's attempts to defend its aggressive anti-terrorism tactics in federal courts.

U.S. District Judge Audrey B. Collins, in a ruling released late Monday, found that two provisions of an executive order signed Sept. 23, 2001, are impermissibly vague because they allow the president to unilaterally designate organizations as terrorist groups and broadly prohibit association with such groups.

The ruling marks a victory for the Humanitarian Law Project and other plaintiffs in the case, who are seeking to provide support for the "lawful, nonviolent activities" of two groups designated terrorist organizations by the U.S. government: the Kurdistan Workers' Party (PKK) in Turkey and the Liberation Tigers of Tamil Eelam (LTTE), also known as the Tamil Tigers, in Sri Lanka.

They argue that federal anti-terrorism laws put charities and individual donors at risk of prosecution for providing benign assistance to foreign groups that have been added to the government's terrorism list.

David Cole, a Georgetown University law professor who is helping to represent the plaintiffs in the case, said the executive order and a related federal statute improperly allow President Bush to create "blacklists" and engage in "guilt by association."

"The court's decision confirms that even in fighting terror, unchecked executive authority and trampling on fundamental freedoms is not a permissible option," Cole said in a statement.

The ruling is the latest setback for the administration's terrorism and detention policies, in lower courts and at the Supreme Court. In August, a federal judge in Detroit ruled that a National Security Agency warrantless wiretap program is unconstitutional. The government has appealed that ruling.

Collins has previously issued similar rulings in favor of the Humanitarian Law Project, a Los Angeles group that has filed legal challenges to a 1996 anti-terrorism law and to the 2001 USA Patriot Act. Those issues are still being litigated after Congress rewrote parts of the Patriot Act.

The latest case focuses on Executive Order 13224, which is aimed at cutting off financing to alleged terrorist groups and is based on the 1977 International Emergency Economic Powers Act. Twenty-seven groups and individuals were initially named as "specially designated global terrorists" under the order -- including the PKK and the Tamil Tigers -- and hundreds more since have been added to the list.

In her ruling, Collins said the order is unconstitutional because there is "no apparent limit" on presidential authority to designate groups or individuals as terrorists. In addition, the judge ruled, language banning those "otherwise associated" with such groups is "unconstitutionally vague on its face." Collins rejected a number of other claims by the plaintiffs, however, including that the order's definition of a terrorist group is too vague.

The Justice Department said it is too early to decide on an appeal.

"We are pleased that the court rejected many of the constitutional arguments raised by the plaintiffs," Justice Department spokesman Brian Roehrkasse said in a statement. "However, we believe the court erred in finding that certain other aspects of the executive order were unconstitutional."

Bruce Fein, a Justice Department official in the Reagan years who has criticized the Bush administration's broad assertions of executive power, said that appealing Collins's ruling may carry more risks for the government than simply changing the executive order's language.

"If they take this up on appeal, they risk another repudiation of this omnipotent-presidency theory that they have," Fein said.

Staff researcher Julie Tate contributed to this report.

Judge Rules 2001 Listing Of Terrorists Violated Law (NYT)

By Adam Liptak

The New York Times, November 29, 2006

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A federal judge in Los Angeles has ruled that President Bush's designation of 27 groups and individuals as "specially designated global terrorists" in a Sept. 23, 2001, executive order violated the Constitution because it was made without any announced standards.

The order "provides no explanation of the basis upon which these 27 groups and individuals were designated," the judge, Audrey B. Collins of Federal District Court in Los Angeles, wrote Monday.

"The president's designation authority is subject only to his unfettered discretion."

That means, Judge Collins wrote, that "the president's designation authority is constitutionally vague."

David Cole, a lawyer for the plaintiffs, said yesterday that Judge Collins had broken new ground.

"It's the first decision to challenge the constitutionality of what is clearly the broadest power to blacklist individuals and groups on the statute books," Mr. Cole said.

The designation blocks financial and other interactions with the specified groups.

The challenge was brought by the Humanitarian Law Project, a human rights organization, and by groups of Tamil immigrants and people associated with them.

The plaintiffs said they wanted to provide lawful and nonviolent support to two of the organizations designated by Mr. Bush as terror organizations, the Kurdistan Workers' Party and the Liberation Tigers of Tamil Eelam.

Mr. Bush's order was based on a 1977 amendment to the Trading With the Enemy Act, which gave the president broad power to block transactions when the nation faces an "unusual and extraordinary threat."

In addition to designating the 27 groups and individuals, the order authorized the Treasury secretary to add more people or groups who provided services to or were "otherwise associated with" the original ones.

The plaintiffs said they feared being designated as terrorists given the breadth of the authority granted to the Treasury Department. The chilling effect of the possibility of being designated a terrorist organization, they said, impinged on their First Amendment right to freedom of association.

Judge Collins enjoined the government from designating the plaintiffs as terrorists based on their association with the two groups they sought to support but said the ban on providing services to them was not unconstitutionally vague.

Tasia Scolinos, a spokeswoman for the Justice Department, said the government was pleased that Judge Collins upheld the ban on providing services to terrorist organizations.

"However," Ms. Scolinos said, "we believe the court erred in finding that certain other aspects of the executive order were unconstitutional."

The government initially responded by saying it had never used the "otherwise associated with" provision as the sole basis for a designation. It later revised its statement, saying it had done so in at least 2 of 375 further designations.

"It is axiomatic," Judge Collins ruled, "that the Constitution prohibits punishing a person for mere association."

She added that nothing in the executive order "limits its application only to those instances of association involving activity, let alone activity that furthers or advances an organization's illegal goals."

Like Mr. Bush's own authority under the 1977 law, the authority he delegated to the Treasury Department, Judge Collins wrote, "contains no definable criteria" and so "is unconstitutionally vague on its face."

Order Freezing Alleged Terrorist Funds Ruled Down (LAT)

By Richard B. Schmitt, Times Staff Writer

The Los Angeles Times, November 29, 2006

WASHINGTON — A federal judge in Los Angeles has ruled that the Bush administration violated the Constitution when it froze the assets of more than two dozen alleged terrorist groups after the Sept. 11 attacks.

U.S. District Judge Audrey B. Collins, in a ruling released Monday, held that an executive order Bush issued Sept. 24, 2001 — designating 27 groups and individuals as "specially designated global terrorists" — was "unconstitutionally vague."

Collins said the order was flawed because it failed to explain the criteria used to make the designations and because it included no process to challenge the decision.

"The president's designation authority is subject only to his unfettered discretion," the judge said.

The ruling came in a long-running lawsuit before Collins in which humanitarian groups are seeking to support the nonviolent work of two groups that the secretary of State has designated as terrorist: the Kurdistan Workers Party, the main Kurdish political party in Turkey; and the Liberation Tigers of Tamil Eelam, a rebel group fighting for a separate homeland for Tamils in Sri Lanka.

Earlier in the case, Collins struck down portions of a law that made it a felony to provide "material support" to terrorists, saying that language in the Patriot Act, which had amended the law, was ill-defined. The Justice Department has often used the material support law in prosecuting terrorist cases.

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Brian Roehrkasse, a Justice Department spokesman, said the agency believed that the judge erred in her decision.

Collins' latest ruling could affect another one of the administration's most widely used authorities in its war on terrorism, although the full import of the ruling was not immediately clear.

U.S. officials have used the power to freeze the assets of hundreds of organizations and individuals around the world to try to choke off financing for what it views as illicit operations.

But Collins also said that many of the designations, especially those made by the Treasury Department rather than by Bush, were valid because they followed detailed procedures.

The executive order "was as sweeping as any in the government's post-9/11 arsenal, as it allowed the president to designate groups and individuals without finding that they fit any criteria whatsoever," said David Cole, a professor at Georgetown University Law Center. Cole was the lead counsel in the case, along with the Center for Constitutional Rights, a New York civil liberties group.

Cole said Collins' ruling was limited to protecting the humanitarian groups in the pending suit from being declared terrorist groups by Bush without a fair hearing or adequate notice. But he said her reasoning did "call into question the validity of many of the existing designations." He said it remained to be seen whether those designated would file legal challenges.

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Controls On Bank-Data Spying Impress Civil Liberties Board (NYT)

By Eric Lichtblau

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — A civil liberties panel appointed by the White House received a classified briefing Tuesday on the Bush administration's program to monitor international banking transactions, and several members said they had come away impressed with the privacy controls in place to prevent abuses against Americans.

The program, which gives American intelligence officials access to large volumes of banking data through a Brussels consortium known as Swift, has been attacked by regulators in Europe, who view it as illegal and have threatened sanctions. But the administration gave no indication at Tuesday's briefing that it was rethinking the program, defending it as a vital tool in tracking terrorist financing.

The briefing, lasting nearly two hours, was held at the Treasury Department for the five members of the Privacy and Civil Liberties Oversight Board, created at Congress's direction in 2004 to examine privacy issues related to the war on terror. The board received a similar classified briefing last week on the National Security Agency's domestic wiretapping program, created by President Bush soon after the Sept. 11 attacks.

The board's only Democrat, Lanny J. Davis, who was a senior aide to President Bill Clinton, said that before the latest briefing he had had doubts about the Swift banking program. But "I was impressed with the lengths to which these people have gone to avoid infringing on people's civil rights," Mr. Davis said in an interview. "It was less of a concern than I expected."

Democrats in Congress, however, have questioned the independence and resources of the board and its ability to inquire deeply into highly classified programs. Until last month the White House had resisted allowing the board to be briefed on the Swift and N.S.A. programs.

The White House has now allowed security clearances for the board to look at both, and for the Justice Department's inspector general to examine the N.S.A. program. Democrats have suggested that the election victory giving them imminent control of Congress spurred the White House's change of heart, an assertion that administration officials deny.

On Monday, the board gave Congressional aides a briefing on its work, and Democratic staff members raised questions about its independence, according to four officials who were present. Democratic aides said they were troubled to learn at the briefing that any final report produced by the board would be vetted by the White House and that the panel would not examine issues related to civil liberties outside American borders — for instance, at the Guantánamo Bay detention center.

Alan C. Raul, a Reagan White House adviser who is vice chairman of the panel, said that given what he heard at Tuesday's briefing, the government appeared to have tight controls to ensure that only people with clear terrorist links were made targets of the banking program.

"When you hear program operators tell you how carefully they make these judgments, it's striking, and you'd have to say impressive," Mr. Raul said. "The execution seems to be done with scrupulous attention to the privacy and civil liberties implications."

Mr. Davis, the board's Democratic member, echoed that assessment. "Based on what I've seen so far in both programs," he said of the banking and N.S.A. efforts, "I think they have struck the right balance" between detecting terrorist threats and ensuring Americans' civil liberties.

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"But there's a big caveat," he added. "I don't know what I don't know, and we are looking forward to getting more information."

Man Mistakenly Abducted By C.I.A. Seeks Redress (NYT)

By Neil A. Lewis

The New York Times, November 29, 2006

RICHMOND, Va., Nov. 28 — A lawyer for a German man who was abducted while on vacation in Macedonia and said he was tortured while in C.I.A. custody in Afghanistan urged a federal appeals court on Tuesday to reinstate his lawsuit against the agency, which had been dismissed for national security reasons.

In May, a federal trial judge threw out the suit brought by Khaled el-Masri, who said he was an innocent victim of the Central Intelligence Agency's program of transferring terrorism suspects secretly to other countries for detention and interrogation. Judge T. S. Ellis III of Federal District Court in Alexandria said that although it appeared a great injustice might have been done to Mr. Masri, he was persuaded by the government that there was no way to even begin a trial without impermissibly disclosing state secrets.

Benjamin Wizner, a lawyer with the American Civil Liberties Union, told a three-judge appeals panel on Tuesday that the government's position was absurd because what happened to Mr. Masri had hardly remained secret. He noted that the German government was openly investigating whether its officials had played a role in Mr. Masri's ordeal, and numerous news accounts have quoted unidentified American officials as confirming what happened.

Mr. Wizner said the government had not plausibly explained how national security interests might be harmed by a trial. He said President Bush acknowledged the C.I.A.'s program, known as extraordinary rendition, this summer, and it is widely known that other governments have been involved. A trial would not disclose state secrets but would merely involve "confirmation of a fact the entire world already knows," he said.

Gregory G. Katsas, a senior Justice Department lawyer, told the judges that courts must defer to the executive branch when it invokes the state secrets doctrine, which was first recognized by the Supreme Court in 1953.

Mr. Katsas said Porter J. Goss, who was the C.I.A. director when the suit was brought, filed a secret statement with the court outlining the agency's case against a trial. Mr. Katsas said the statement provided a detailed account of how seemingly innocuous disclosures "will have a cascading effect that will have devastating consequences" for national security.

Mr. Masri sat stolidly in the first row of the courtroom during the 50-minute argument. A large man with graying hair cinched in a ponytail, he said in an interview later that he was infuriated with Judge Ellis's view that there might be no remedy for the injustice apparently done to him.

Mr. Masri, who was born in Kuwait, was arrested in Macedonia on Dec. 31, 2003, and flown to a prison in Afghanistan, where he was held for five months. During his incarceration, he has said, he was shackled, beaten and injected with drugs.

On Tuesday, he said through an interpreter that he was kept in deplorable conditions "not fit for a human being at all." Upon arrival in Afghanistan, he said, he was told that he was in a place where he had no right to recourse for what happened to him.

"I would like an explanation for what happened," he told reporters. "I would like an apology."

Mr. Wizner, his lawyer, said that although he believed Mr. Masri was entitled to financial compensation, he was not necessarily seeking anything beyond some official expression of remorse.

United States officials have been quoted anonymously in news reports as saying that Mr. Masri's case was one of mistaken identity; intelligence authorities may have confused him with an operative for Al Qaeda with a similar name.

The officials said Mr. Masri was released in May 2004 on the orders of Secretary of State Condoleezza Rice, then the national security adviser, after she learned he had been mistakenly identified as a terrorism suspect. He was freed in Albania, where he was left to make his way home to Germany, which he likened to being treated "like a piece of luggage."

Mr. Masri, who had earlier been denied permission to come to the United States to attend the hearing, said he has not been able to find a job since his return to Germany. "Both my Arab and German friends keep their distance," he said.

On Wednesday, he is scheduled to meet with some Democrats on the Senate Judiciary Committee who are exploring the rendition program and the Bush administration's increasingly frequent invocation of the state secrets doctrine to block lawsuits.

Federal Judges Consider Torture Case In Richmond Courtroom (WWVT)

By Mike Garrity

WWBT-TV, NBC 12, Richmond, VA, November 29, 2006

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Journalists from around the world packed a Richmond courtroom today, as three federal judges considered whether a German man who says he was tortured by the CIA should have his case heard in U.S. Court. Today, attorneys representing the German man named Khaled El-Masri, argued the U.S. government made a mistake that it now does not want to admit.

Khaled El-Masri used an interpreter to speak to a crowd of journalists from as a far away as Russia and Germany outside Richmond's U.S. Circuit Court of Appeals. "I was humiliated, I was beaten, and I was drugged, and I was taken to Afghanistan against my will," says El-Masri through his interpreter.

Attorney's representing El-Masri claim that back in December 2003, the CIA kidnapped him while he was on vacation in Macedonia. They say the CIA mistook El-Masri for a terrorist with a similar name. They say the CIA flew El-Masri to Afghanistan, tortured him, and held him in a prison for months. Eventually, they say El-Masri was released and left stranded on a mountain top in Albania, a country he had never been to.

But when El-Masri tried to bring a case against the CIA in U.S. District Court this May, a judge dismissed his case. So today, El-Masri's lawyers asked for an appeal.

But both today and back in May, attorneys with the U.S. Justice Department argued that simply hearing the facts of El-Masri's case could jeopardize U.S. National Security. The government says the facts in the case could expose things like secret interrogation methods or the names of CIA operatives, but El-Masri's attorney, Ben Wizner, thinks otherwise. "That argument is not plausible. It's being used not to protect national security, but to avoid embarrassment and accountability," says Wizner.

Today U.S. Justice Department attorneys would not comment on the case. In the meantime, El-Masri says he's not looking for money, but an apology and explanation from the U.S. government. It could be months before the court of appeals rules whether to hear the case.

The Wronged Man (WP)

By Dana Priest, Washington Post Staff Writer

The Washington Post, November 29, 2006

Unjustly Imprisoned and Mistreated, Khaled al-Masri Wants Answers the U.S. Government Doesn't Want to Give

RICHMOND, Nov. 28

Khaled al-Masri was supposed to have been disappeared by black-hooded CIA paramilitaries in the dead of night. One minute he was riding a bus in Macedonia, the next -- poof -- gone. Grabbed by Macedonian agents, handed off to junior CIA operatives in Skopje and then secretly flown to a prison in Afghanistan that didn't officially exist, to be interrogated with rough measures that weren't officially on the books. And then never to be heard from again -- one fewer terrorist in the post-9/11 world.

Instead, on Tuesday, Masri finds himself sitting in an American courtroom so elegant that even his experienced lawyers are commenting on its beautiful dark wood and graceful chandeliers. Dressed in white shirt sleeves and a modest maroon vest, Masri is waiting to see if the judges will allow the CIA to disappear him again.

This time, it's not the physical, flesh-and-blood, burly, ponytailed German citizen with six kids whom the U.S. government wants to make vanish from the face of the Earth. It's his legal case, his very right to have his argument heard in open court, that the CIA is seeking to have disappeared. They argue, citing the state-secrets privilege, that to proceed with the case would damage national security and that this damage outweighs any legal rights Masri may have.

The U.S. District Court for the Eastern District agreed with the government in May.

If they have their way this time, the pale Justice Department lawyers swaying back in their chairs before the three judges of the U.S. Court of Appeals for the 4th Circuit would prohibit any judge and any jury anywhere from ever hearing the arguments in Masri's six legal pleadings and 40 exhibits, more than 1,000 pages in all. Much of the evidence was unearthed by German prosecutors and European Parliament investigators.

There are also the eight U.S. officials who confirmed to at least one American reporter that Masri spent months in a dank Afghan cell because a couple of CIA officials in Washington had a hunch he was someone he was not and that they just didn't move fast enough when they found out he wasn't. Countless other reporters in the United States and Europe have been told the same by unnamed government officials.

So basically, "the entire world can discuss this case . . . but not the U.S. courts?" Masri's lawyer Ben Wizner will momentarily ask the panel.

But for now, the first Invisible Man to appear on U.S. soil is listening intently to the other cases the judges have to consider before his, including one about an Internet user's First Amendment free-speech rights. Masri's translator, Ulrike Wiesner, whispers in his ear: "They can even burn the American flag here." Burning a German flag is illegal in Germany. Those crazy Americans.

Masri whispers back: "Well, let's see if that applies to us Indians." They laugh quietly.

* * *

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Much of Masri's ordeal has been confirmed by the German government. He fled the civil war in Lebanon in 1985 when he was 21 and married a German woman. He was divorced 10 years later and then married a Lebanese woman. He worked as a carpenter, then truck driver, then car salesman. Since 2004 he has been unemployed and living with his children and wife in a one-room apartment.

His deteriorating living conditions were a stress on his marriage. On Dec. 30, 2003, he decided to get away, to take a bus trip to Macedonia to clear his head. To make a very long story shorter, Macedonian police took him off the bus and interrogated him at the Skopski Merak Hotel for 23 days.

This being the Internet age, Masri says in one legal declaration: From the hotel Web site "I can identify the actual room where I was held. . . . I even recognize one of the waiters who served me food during my detention there."

At some point a couple of people who sounded American showed up. On Jan. 23, 2004, things took a bad turn. Current and former CIA officials say Masri was believed to have a fake passport and the same name as someone else they were looking for.

He was eventually brought to another room where, according to his affidavit, "I felt two people violently grab my arms. . . . I then felt someone else grab my head with both hands so I was unable to move. . . . Finally they stripped me completely naked and threw me to the ground. . . . I felt a boot in the small of my back. I then felt a stick or some other hard object being forced in my anus. I realized I was being sodomized. Of all the acts these men perpetrated against me, this was the most degrading and shameful."

For his flight to Afghanistan, Masri was blindfolded, "my ears were plugged with cotton, and headphones were placed over my ears. A bag was placed over my head and a belt around my waist. They put something hard over my nose. Because of the bag, breathing was getting harder and harder for me. . . . I began to panic."

He spent five months in a filthy secret prison set up by the CIA and guarded by Afghans. He was made to drink water so putrid it made him vomit. He slept on a single blanket, shivered through the cold months and was fed chicken bones and skin. He was beaten and interrogated many times, sometimes by people he believes to be Americans. He went on a hunger strike, lost 60 pounds.

Eventually the CIA caught up with its mistake. They argued with the State Department over whether to tell the Germans and eventually agreed they could not lie to such a close ally. So they chose to tell then-Interior Minister Otto Schily because he was thought to be Washington-friendly.

Masri was released in Albania, then flown to Germany, where he made his way home to Ulm. There, he contacted a lawyer and then the German authorities. "What I really want is for them to admit that injustice was done. I'd like an explanation and I'd like an apology," he said.

* * *

Is a state secret still a secret if everyone knows it? That's what the court case boils down to at this point.

Masri's lawyers say no.

They point to President Bush's Sept. 6, 2006, disclosure that the CIA ran secret prisons abroad and conducted covert rendition flights as part of its counterterrorism campaign.

They point to Secretary of State Condoleezza Rice's statement that if there were injustices in these programs, they can be remedied in U.S. courts.

They point to the testimony of Schily before the German Parliament just last week in which he said that then-U.S. Ambassador Daniel R. Coats had told him that the CIA had mistakenly imprisoned Masri and offered an apology -- not to Masri, but to the German government. They point to reams and reams of official German evidence.

The CIA and Justice Department lawyers strongly disagree. They argue that allowing a case to go forward could lead to a "cascading" of disclosures, many unforeseen, and that foreign governments would refuse to work in secret with the CIA for fear they could end up in court.

"Just because some facts are in the public domain doesn't eliminate the need to keep others secret," Justice Department attorney Gregory Katsas argued Tuesday. The president's announcement, he added, has "zero overlap" with Masri's allegations. "Even disclosures to judges carry risks," he reminded them.

* * *

Before all this happened, "I was a very simple person with not many problems," Masri says, straining and pausing to find words, or gather his thoughts. "I had lots of friends. My head was not burdened with so many things. I felt more safe."

Today's Masri "has less freedom. . . . This Khaled stays mostly at home. There's too much stress. And my interests have changed. I am reading a lot now, about politics and prisoners."

He has testified before government panels in Spain, Germany and to the European Parliament investigating the CIA's covert activities. He is in the news constantly, often with allegations of alleged ties to terrorist groups. Still unemployed and

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reconciled with his wife, he hates the limelight. He hates the stares on the streets and the Germans who call out to him, as one did recently in the supermarket: "You are a bad man!"

He has flashbacks, too. And his mood turns bad whenever he sees war news, especially from the recent war in Lebanon, where he still has family. "I get in a bad mood and just want to be left alone in my room," he says, "to withdraw."

Today, 10 cameras are waiting for him to finish his omelet and coffee and walk into the courthouse. "I am very nervous inside," he says.

The last time Masri tried to come to the United States to listen to his court case, he and his attorney had walked off the plane in Atlanta and found 20 security guards waiting for them, both men said. He didn't have a visa because German citizens don't need visas to enter the United States. Instead of letting him in, one of officers drew his gun and threatened to shoot the lawyer if he did not put away his cellphone.

Flying back to the United States this week, Masri expected another hostile airport scene: "I had a funny feeling. I always thought they would take me and send me back to somewhere other than home."

This time immigration authorities were polite, looked through his luggage, asked him some questions, even spoke a little German. Eventually, one of them said "Welcome to America" and let him pass to the other side.

"I think it's really good I've gotten this far," he says with a slight smile.

Asked how he feels toward the United States after all this, he shrugs.

"I never thought badly of the United States. I do think badly of the foreign policy aspects and the sitting government."

Nudge a little further and he'll say he'd like "an America without Bush."

And a little further:

"I'd like to drive with the top down in a fancy car through New York City and to look up at all the tall buildings," he laughs, looking up to the ceiling and throwing open his arms. "You've got a real view of the whole thing from a car without a top."

Democrats Seek Republican Backing To Limit Bush's Surveillance (BLOOM)

By James Rowley

Bloomberg, November 29, 2006

Nov. 29 (Bloomberg) -- Democrats, about to take control of Congress, say they will forge a bipartisan compromise to put limits on President George W. Bush's program of domestic eavesdropping of suspected terrorists.

Democrats say they already have a starting point for a compromise, noting that bipartisan proposals this year require court warrants for eavesdropping. At the same time, party leaders will be treading carefully in an effort to assure Americans that they can protect privacy without sacrificing vigilance, and to discredit Republican charges they are weak on national security.

``How will the Democrats proceed? I think gingerly," said Steven Aftergood, who directs a government secrecy project for the Federation of American Scientists in Washington. ``They can no longer function as a protest group."

After the Sept. 11, 2001, attacks, Bush authorized the National Security Agency to eavesdrop without getting court warrants on communications between suspected al-Qaeda operatives in the U.S. and overseas.

While disclosure of the program triggered criticism from both parties, there is practically no chance the Republican-controlled Congress that returns to Washington next week will act on the issue, leaving it for the next Congress that convenes in January.

Rockefeller's Timetable

West Virginia Democrat Jay Rockefeller, who will head the Senate Intelligence Committee, said in an interview Congress may be able to pass bipartisan legislation in six months.

Rockefeller said he supports ``collection of conversations where that is necessary for national security" but is disturbed by ``blanket" eavesdropping.

Vermont Democrat Patrick Leahy, the next Senate Judiciary Committee chairman, said the administration needs to provide more information to lawmakers about the program; Congress has been asked to ``legalize secret, unlawful actions that the administration has refused to fully divulge."

To pass legislation next year, Democrats will have to bridge a gap between lawmakers who favor requiring a search warrant in each case of surveillance, and those who would permit broad court authorization.

Democrats such as California Senator Dianne Feinstein have made individual warrants a prerequisite. Republicans say that would hobble the NSA's ability to move quickly.

Special Court

Bush agreed in negotiations with Republican Senate Judiciary Committee Chairman Arlen Specter to authorize a special court that oversees intelligence and operates in secret to decide whether the eavesdropping was legal. The court was created

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under the 1978 Foreign Intelligence Surveillance Act to review, behind closed doors, requests for eavesdropping on suspected spies, terrorists and other foreign agents.

Specter's measure stalled this year, as did a House-passed bill to permit surveillance on condition that the president brief leaders of Congress.

Most Democrats opposed both measures, arguing that they failed to protect privacy and insisting that the 1978 law remain the exclusive means for authorizing surveillance. At the same time, no one in Congress has called for Bush to halt the program.

Democrats risk a political backlash ``if they tie the president's hands and if there are more attacks," said Robert Turner, who directs the center for national security law at the University of Virginia law school in Charlottesville. Any legislation must not ``require unplugging the headphones for a period of hours, days or weeks while some judge finds time to look at the paperwork," said Turner, who supports the president's program.

Specter's Support

Feinstein, a member of the Intelligence and Judiciary committees, would require the NSA to submit requests to the special court created under the 1978 law. Her legislation would permit emergency eavesdropping for seven days while a warrant is sought. Specter supports her proposal as an alternative to his own.

A separate House measure proposed by California Democrat Adam Schiff and Arizona Republican Jeff Flake would also require specific warrants and force Bush to tell congressional committees who is being wiretapped and why.

The measure ``has broad bipartisan support and would probably be a starting point" for debate next year, said Jennifer Crider, a spokeswoman for House Speaker-designate Nancy Pelosi of California.

Bush's allies say it is impractical to force the NSA to seek warrants because it must act quickly to sift through a large volume of messages. ``Something like that simply would not work," Senate Intelligence Committee Chairman Pat Roberts, a Kansas Republican, said in an interview.

Civil Libertarians

Caroline Fredrickson, director of the American Civil Liberties Union's Washington office, urged congressional hearings to ``grapple with this immediately."

A U.S. appeals court is reviewing a ruling by a federal judge in Detroit declaring that the NSA program is illegal. Justice Department Inspector General Glenn Fine told Congress this week he will investigate the agency's ``compliance with legal requirements governing the program."

Civil libertarians say that, with the midterm congressional elections over, they may pick up support from such Republicans as Senators Larry Craig of Idaho, Lisa Murkowski of Alaska and John Sununu of New Hampshire, who have voiced concern about the surveillance.

``The limited-government types and the strong-executive types" are split, increasing chances some Republicans will support constraints on the spying program, said Richard Epstein, a University of Chicago law school professor who favors court supervision of the surveillance.

The longer Congress waits, he said, ``the longer becomes the implied ratification that the president is within his rights." Last Updated: November 29, 2006 00:12 EST

Watching The Watchers (SCRIPPS)

By Dale McFeatters, Scripps Howard News Service

Scripps Howard column, November 29, 2006

The Bush administration would deny it, but the impending Democratic takeover of Congress seems to be already affecting how it does business.

After a year of refusing to do so, the Justice Department has announced a narrow review of President Bush's secret domestic eavesdropping program. The surveillance program, which monitors international communications to and from the United States, has been controversial since it was first disclosed _ and the subject of a preliminarily successful court challenge _ because the president had decreed that the National Security Agency need not obtain warrants.

Congressional Democrats had asked the department to review the program a year ago, but plans for even a preliminary investigation were derailed when Bush blocked security clearances for Justice investigators. Now, the White House has told the department it will approve the required clearances.

The review will be headed by Justice's respected watchdog, Inspector General Glenn Fine. But the review will be confined to examining whether department lawyers met all the legal requirements in dealing with the NSA and making use of any information obtained from intercepts. Fine will not weigh in on the key issue _ whether the warrantless eavesdropping is legal and constitutional.

The Democrats have promised congressional investigations into precisely that point when they take over next year.

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Also, after only grudgingly acquiescing in its creation and then stalling it off for a year, the Bush administration allowed the NSA to brief the congressionally created and presidentially appointed Privacy and Civil Liberties Oversight Board. In guarded comments to reporters later, several board members said they were surprised and impressed by the NSA's privacy safeguards.

The administration has been notoriously hostile to any questioning, criticism or skepticism of its national-security initiatives, and for six years a compliant Republican-run Congress neglected its vital oversight function.

Better late than never _ that seems about to change, although it took a political earthquake to do it.

(Contact Dale McFeatters at mcfeattersd(at)shns.com.)

Report Rejects European Denial Of C.I.A. Activity (NYT)

By Brian Knowlton

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — A new report by the European Parliament bluntly rejected the assertions by several European countries that they were unaware of a C.I.A. program to secretly abduct, transport and detain terror suspects.

"Many governments cooperated passively or actively" with the Central Intelligence Agency, said Giovanni Claudio Fava, who led a special inquiry. "They knew." The report said that 11 European countries, including Britain, Italy and Germany, knew of the agency's activities.

The report, issued Tuesday in Brussels, offered new confirmation of the United States' practice of so-called extraordinary renditions, in which suspects were abducted, then transported, with European complicity, to third countries where they might face harsh interrogation methods.

Mr. Fava's report followed an inquiry conducted for the Council of Europe, the European human rights watchdog organization. That report, written by Dick Marty, a member of the Swiss Parliament, described what the council called a "reprehensible network" created by the C.I.A., one that was allowed to exist through the "intentional or grossly negligent collusion of the European partners."

Mr. Marty's report was based largely on news reports, legal proceedings and other public information. But Mr. Fava asserted that his committee had obtained, from a confidential source, records of an informal meeting of European Union and NATO foreign ministers on Dec. 7, 2005, "confirming that member states had knowledge of the program of extraordinary rendition and secret prisons." Secretary of State Condoleezza Rice was among the participants, it said.

President Bush confirmed on Sept. 6 that the C.I.A. had been operating a secret detention program, and said 14 prisoners held abroad were being sent to the United States naval base at Guantánamo Bay, Cuba.

The European Union-NATO meeting came just over a month after The Washington Post reported that the C.I.A. had been holding its "most important Al Qaeda captives at a Soviet-era compound in Eastern Europe." It did not name the country involved, though the group Human Rights Watch subsequently named Poland and Romania as leading possibilities.

Mr. Fava's draft report asserted that at least 1,245 C.I.A.-operated flights flew through Europe's airspace or stopped at its airports, and listed Poland as among the countries least cooperative with its inquiry.

The committee said that when it asked the Polish authorities for copies of the flight logs of 11 C.I.A.-operated flights, it was told that these were "said not to have been retained, then said to have been faxed and destroyed, and finally said to have been saved in an unspecified place." The report quoted Szymany airport employees as describing what it said transpired there in 2002 and 2003, when six Gulfstream jets with civilian registration numbers parked at the edge of the airport, not entering customs clearance.

Quoting a former senior airport official, it said that the authorities had been directly ordered not to approach the aircraft and that vehicles, bearing military registration numbers associated with the intelligence training base in nearby Stare Kiejkuty, would await each aircraft.

Zbigniew Gniatkowski, a spokesman for the Polish mission to the European Union, said Tuesday that Poland stood by its previous denials of any involvement.

European Report Details Flights By CIA Aircraft (WP)

By Craig Whitlock

The Washington Post, November 29, 2006

BRUSSELS, Nov. 28 -- Most days, the skies are quiet over the Szymany airport, a mothballed runway in rural Poland. So the airport director took note when strangers showed up on at least six occasions in 2002 and 2003, offering to pay large sums of cash to land planes from faraway places such as Afghanistan.

When the chartered civilian planes arrived, they followed the same secretive drill, Mariola Przewlocka, former director of the airport, told investigators from the European Parliament last week. To avoid prying eyes, she said, the aircraft would sit at the

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end of the runway and wait for unmarked minivans to arrive. In the dark, it was hard to tell whether people got on or off. But in at least one case, a flight took off with several passengers for Guantanamo Bay, Cuba, records show.

"More money was being paid for these landings than any other landings," Przewlocka told the investigators, adding that the people who brought the money spoke excellent Polish but that the invoices indicated the jet owners were from the United States. "The landings of these aircraft were part of the work of secret services, as we understood it," she recalled.

Details of the flights and testimony from airport employees constitute "serious circumstantial evidence" that Szymany was the transfer point for a nearby secret prison run by the CIA, according to a report released Tuesday by a European Parliament committee that is investigating CIA counterterrorism operations in Europe.

John B. Bellinger III, legal adviser to Secretary of State Condoleezza Rice, called the European Parliament report "hysterical in its hyperbole." He said the committee was leaping to conclusions about the missions of the CIA flights and improperly assuming that they all had a "nefarious" intent.

"There are numerous, numerous reasons for CIA flights to Europe," he said in a telephone interview. "By and large, they are a symbol of cooperation between our countries and the sharing of information, not illegal activity."

The committee said that it had found records of 1,245 CIA-operated flights landing at European airports or passing through European airspace, though it found evidence of only a handful of cases in which prisoners were transported.

The investigative committee said it suspected that the prison held captured al-Qaeda leaders and that it was housed in a nearby Polish intelligence training center at Stare Kiejkuty, in northeastern Poland. Although the committee acknowledged that it lacked proof, it cited testimony of airport employees that they were kept away from the mysterious flights by Polish military officials and were prohibited from conducting passenger checks or customs inspections.

The CIA declined to comment Tuesday on the parliamentary findings. The government of Poland has repeatedly denied allowing the CIA to operate a prison on its territory.

"The committee's report, from what we know so far, is not based on any strong proof but only commonly repeated assumptions, suspicions and probabilities," Krzysztof Lapinski, spokesman for Poland's minister for special services, told the Associated Press in Warsaw.

The European Parliament accused Poland of blocking the probe, saying that high-ranking Polish officials refused to meet with the panel. It also accused the Polish government of withholding or destroying flight logs pertaining to CIA flights at Szymany and other airports.

Also Tuesday, the Polish newspaper Gazeta Wyborcza reported that international flight logs showed that a single Gulfstream jet used by the CIA landed five times in Warsaw, the capital, and once at Szymany between February and July 2003. Four of the flights originated in Afghanistan, the paper reported.

In November 2005, The Washington Post first reported the presence of clandestine CIA prisons in Eastern Europe. The Post withheld the exact locations at the request of the White House, which argued that divulging such details could jeopardize active counterterrorism operations and subject the host countries to retaliation from al-Qaeda and its sympathizers.

In September, President Bush acknowledged the existence of the CIA's overseas prison network for the first time. He said that 14 inmates had been transferred to the U.S. Navy prison at Guantanamo Bay and that the "black sites" had been emptied, although he did not rule out using them again.

No European country has admitted allowing the CIA to run secret prisons on its territory. But the parliamentary committee said it had obtained records describing an "informal" Dec. 7, 2005, meeting of foreign ministers from the European Union and NATO "confirming that member states had knowledge" of the secret prisons. The meeting was attended by Rice and other U.S. officials, according to the report.

"The decision has been to keep mum and shroud decisions in secrecy," said Giovanni Claudio Fava, an Italian member of the European Parliament who led the investigation. "Many of our governments have cooperated actively and passively."

The committee report also cited evidence that the CIA may have operated a prison in Romania and said it "cannot exclude," based on testimony by Romanian officials, "the possibility that US secret services have operated in Romania on a clandestine basis."

The panel said it "expresses serious concern" about 21 stopovers by CIA-operated aircraft landing in Romania, including a crash landing by a Gulfstream jet in Bucharest on Dec. 6, 2004.

Although no one was reported injured, seven passengers on board the flight "disappeared" after the accident, and Romanian air transport investigators never learned their identities, according to the report. The plane had started its journey at Bagram air base, the site of a U.S. prison in Afghanistan.

Researcher Julie Tate in Washington contributed to this report.

Man Pleads Guilty In Plan To Aid Taliban (AP)

DOJ_NMG_0099459

By Joe Stinebaker

The AP, November 28, 2006

HOUSTON -- A Houston man pleaded guilty after he and a Pakistani living illegally in the United States were charged with conspiring to join the Taliban and fight against U.S. forces, federal prosecutors said Tuesday.

Kobie Diallo Williams, 33, and Adnan Babar Mirza, 29, underwent training in guns and reconnaissance in the Houston area in preparation for joining up with the Taliban, prosecutors said.

The two men were charged with conspiracy. Mirza, a Pakistani who overstayed a student visa, also was charged with violating federal gun laws.

Williams, a U.S. citizen and a student also known as Abdul Kabir, surrendered Tuesday to members of the FBI's Joint Terrorism Task Force and pleaded guilty in U.S. District Court to the conspiracy charge. Mirza was already in custody on immigration violations.

"While these subjects did not operate at a high level of sophistication in comparison with the 9-11 hijackers, the expressed goal was to aid the Taliban by training to carry out jihad against coalition troops in the Middle East," said Roderick Beverly, the head of the FBI's Houston office.

Federal prosecutors also said Williams had provided about $350 to Taliban members or their families.

Williams' attorney, Alamdar S. Hamdani, said Williams chose not to fight the charges.

"He made a grave mistake," said Hamdani. "And he has come forward to own up to that."

Prosecutors could not say on Tuesday whether Mirza had an attorney.

Williams and Mirza were held without bail. Williams could get up to five years in prison, Mirza 35 years.

The indictment said Williams and Mirza viewed U.S. and coalition forces in Afghanistan and Iraq as "invaders" and decided in April 2005 that they should travel to the Middle East to fight with the Taliban in Afghanistan.

U.S. Citizen Wanted To Join The Taliban, Officials Say (ABC)

By Brian Ross

ABC News' The Blotter, November 29, 2006

A United States citizen and a Pakistani national who overstayed his visa have been charged with planning to provide aid and financial support to the Taliban.

The two Houston-area men, Kobie Diallo Williams and Adnan Babar Mirza, have been indicted by a federal grand jury and have been charged with attempting to obtain firearms and training so they could join the Taliban and fight against U.S. and coalition forces.

According to the indictment, in April 2005, Williams and Mirza agreed that they should travel to the region and fight with the Taliban because they viewed U.S. and coalition forces as invaders.

The two allegedly sought firearms training in the Houston area on at least eight occasions between May 2005 and June 2006. Mirza was in possession of an Armalite M15A4 rifle, a .308 rifle and a 12-gage shotgun, the indictment states. Since he had entered the U.S. in August 2001 on a student visa that expired on Dec. 12, 2005, Mirza, under U.S. law, was prohibited from possessing any firearms. According to the U.S. Attorney's Office, the men were also in possession of a Glock pistol and other weapons.

The indictment unsealed today states, "Williams and Mirza would and did meet at various shooting ranges and camp sites in the Southern District of Texas for the purpose of conducting firearms and paramilitary training to hone their skills with weapons to assist fighters engaging United States forces in Afghanistan, Pakistan and Iraq."

In addition to the alleged firearms training, the men also agreed to provide financial support to the Taliban and their families, the indictment alleges. According to the indictment, Williams sent $350 to Taliban members and their family members on two occasions.

"The expressed goal was to aid the Taliban by training to carry out jihad against coalition troops in the Middle East," said FBI Special Agent in Charge Roderick Beverly.

Since it has been deemed a terrorist organization, federal law prohibits any financial or other support to the Taliban, the violation of which carries a maximum sentence of five years. In today's arraignment, Williams pleaded guilty while Mirza, who was arrested last Wednesday by federal agents for overstaying his visa, is scheduled to have his detention hearing in the next several days.

Sen. Cornyn: One Of Taliban Suspects Here Illegally (KHOU)

KHOU-TV, November 29, 2006

Two Houston men have been charged with planning to aid the Taliban.

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One of the terror suspects attended U of H downtown and the other attended classes at several HCC campuses.

Currently, they are both being held without bond in the federal detention center downtown.

Federal authorities say Kobie Williams is one of two men who had been training to use firearms with hopes of leaving Houston and joining the Taliban.

"And to fight the Jihad against American and Coalition forces overseas in the battle that is going on now," said U. S. Attorney Don DeGabrielle.

The other suspect is Adnan Mirza, a Pakistani citizen, who had overstayed his student visa and was living in a westside Houston apartment complex.

Mirza was attending Houston Community College and working as an accountant at a small business.

Kobie Williams, also known as Abdul Kabeer, lived in an apartment in the Galleria area.

He attended U of H downtown and was working part time at Rice University in its engineering department.

Both men were seen on several occasions practicing with firearms at the American Shooting Center off Westheimer. How did the government learn about them?

"It was a referral from the border patrol as far as suspicious activity that they noted," said Rod Beverly, head of the Houston FBI office.

Beverly would not get into specifics, but Senator John Cornyn was quick to point out to us that Mirza was here illegally.

"Whether you provided aid to the Taliban or simply overstayed your visa, we ought to be enforcing our immigration laws," said Sen. Cornyn.

The United States government says Williams, who is an American, provided financial support of $350, money he thought was going to the Taliban and their families.

His attorney John Floyd said his client pleaded guilty today and is remorseful.

"I can tell you that he has expressed to us that this all began with frustration with what's going on with the war in Iraq. This was due to his frustration that he acted out in a way that now he sees was improper," said Floyd.

Houston Pair Are Accused Of Aiding Taliban (HC)

By Cindy George, Anita Hassan And Dale Lezon, Houston Chronicle

Houston Chronicle, November 29, 2006

One who made a 'donation' pleads guilty; officials say both men trained to fight U.S. forces

Kobie Williams left Ramadan baskets packed with chocolate-laced trail mix on his neighbors' doorsteps and wistfully spoke of going to Egypt to study the Quran. Adnan Mirza was active in Muslim groups and spent his Sundays at a Houston soup kitchen feeding the homeless.

To their friends and families, Williams, 33, and Mirza, 29, were enthusiastic college students dedicated to God and family.

But Justice Department officials presented a shockingly different view of the men Tuesday, branding both as Taliban supporters — one contributing $350 to terrorists — who conspired to train with weapons with the goal of fighting U.S.-led forces in the Mideast.

Williams, a University of Houston-Downtown student also known as Abdul Kabeer or Abdul Kabir, pleaded guilty to the accusations Tuesday before U.S. District Judge Ewing Werlein Jr. Scheduled for sentencing on Feb. 23, he faces up to five years in prison and a $250,000 fine.

Mirza, a Pakistani national who was in the country on an expired student visa, faces the same potential penalty if convicted. Additionally, he has been indicted on three firearms charges, each of which could bring a 10-year sentence and a $250,000 fine upon conviction.

"While these subjects did not operate at a high level of sophistication in comparison with Sept. 11 hijackers, the expressed goal was to aid the Taliban by training to carry out jihad against coalition troops in the Middle East," FBI Special Agent in Charge Roderick Beverly said in a statement.

"In this post 9/11 era," U.S. Attorney Don DeGabrielle said, "threats against our international security efforts are taken most seriously."

Late Tuesday, authorities took into custody a cousin of Mirza, searching the cousin's home and confiscating documents, receipts, and anything in Arabic they couldn't understand, relatives said.

The indictments unsealed Tuesday came five months after federal authorities in Miami said they had uncovered an Islamist plot to attack U.S. targets including the 110-story Sears Tower in Chicago. Seven people were apprehended in that investigation.

Firearms training allegedIn the Houston case, authorities contended Williams, a U.S. citizen, and Mirza engaged in firearms training on at least eight occasions in the past 18 months. Investigators said the sessions took place in Harris and nearby counties.

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Additionally, Williams provided $350 in support to Taliban members or their families.

In Tuesday's court session, Williams told the judge that "We knew that you couldn't get money to the Taliban." He added that he gave $350 to a "gentleman."

"Adnan informed us that there was a hospital that most of the families go to," Williams said.

"What families?" Werlein asked.

"Widows and children," Williams responded.

Williams, a thick-bearded man dressed in a white shirt and black trousers, spoke in a firm voice as he confirmed the prosecutor's allegations of firearms practice at shooting ranges and area campgrounds. He also admitted that he considered coalition forces fighting in Afghanistan and Iraq invaders.

He told Werlein he was studying computer science at UH-Downtown after receiving an associate's degree in electrical engineering technology. Williams also was listed as a technician on Rice University's civil engineering Web site, but his connection with that institution could not be confirmed Tuesday night.

'Not a crazy dude'

Residents at the southwest Houston apartment complex where Williams lived with his wife expressed shock at the arrests.

"He was not a crazy dude," said Joshua White, who noted that last year the couple had organized the neighborhood's crime-fighting National Night Out.

Williams was "very into his religion," White said, but didn't seem fanatical. White, who had known Williams about 18 months, said they occasionally debated religion.

When Williams spoke of a desire to travel to Egypt to study the Quran, White admonished his neighbor "not to go crazy over there." Williams laughed.

Another neighbor, Taylor Cole, described Williams as "a real nice guy."

At Ramadan, he said, Williams and his wife left a basket of treats on his doorstep along with a booklet explaining the religious observance.

Shock and dismay also were expressed by Mirza's uncle, aunt and cousin, with whom he shared a two-bedroom townhome on the southwest side.

"We know these are false charges," the cousin, Ali Qazi, 22, said.

Five years in Houston

Qazi said Mirza, a Kuwait-reared Pakistani, is studying biomedical technology at Houston Community College's Town and Country campus. Mirza, he said, has lived in Houston for five years. Qazi said the accused man has been very active with Islamic community groups, and routinely collects spare food from restaurants to feed the homeless.

In the past year, Qazi said, Mirza had developed an interest in hunting. Authorities said that individuals in the United States on student visas — or illegally — may not legally own firearms. He said authorities confiscated a shotgun and ammunition when they raided the home last week.

As Qazi spoke with a reporter about the case, Mirza's aunt, who asked not to be identified, prayed and wept.

"He's almost 30 years old, so he does everything on his own," Qazi said. "We don't ask questions about how he lives."

Late Tuesday, Qazi said authorities had taken his brother into custody. Qazi said he did not know why.

Qazi said his brother's wife called relatives about 8 p.m., saying that either or both the FBI or immigration agents arrived at her southwest Houston apartment. Authorities took anything in Arabic they couldn't understand, the wife told Qazi, including her Quran.

A local FBI spokeswoman said she could not comment because she was not aware of an arrest.

At the nearby Masjid Lel-Farouq mosque that Mirza attended, members Tuesday night expressed surprise at the federal accusations.

"He's the kindest, sweetest person," said one, who identified himself only as Mohamad because he feared retaliation from authorities. "He would not harm a fly."

Another, who identified himself as Ali, called the suspect "a very decent person."

"Just because you have a beard and you like to go hunting," he said, "doesn't mean that you are a terrorist."

This article was reported by George, Hassan and Lezon and written by Houston Chronicle reporter Allan Turner.

HOMELAND RESPONSE:

Chemical Weapons Plot: Man Sentenced (WPTY)

WPTY-TV, November 29, 2006

DOJ_NMG_0099462

Federal authorities say a white supremacist will spend the next three decades behind bars for attempting to acquire nerve gas and explosives in a plot to destroy government buildings. A judge sentenced Demetrius “Van” Crocker to 30 years in prison and lifetime supervised release.

Crocker was arrested in 2004 after he tried to buy the weapons from undercover agents. The 40 year-old told agents his dream was to set off a dirty bomb in Washington, D.C. while the House and the Senate were in session. A federal jury convicted him in April of 2006.

Investigators say Crocker became involved with neo-Nazi groups as a teenager in Jackson, Tennessee. The TBI and the FBI started investigating him after an informant alerted the agencies to his anti-government rants.

White Supremacist Sentenced To 30 Years For Plot To Buy Chemical Weapons (AP)

AP, November 29, 2006

JACKSON, Tenn. Federal authorities announced today that a white supremacist was sentenced to 30 years in prison for attempting to acquire nerve gas and explosives in a plot to destroy government buildings.Demetrius Van Crocker, a farmhand from McKenzie in West Tennessee, was arrested in 2004 after he tried to buy the weapons from undercover federal agents.The 40-year-old divorced father of two told agents his dream was to set off a dirty bomb in Washington D-C while the House and the Senate were in session.A federal jury convicted Crocker in April of five charges of attempting to acquire chemical weapons and stolen explosives with intent to harm individuals or damage a building.Crocker became involved with neo-Nazi groups as a teenager in Jackson.The Tennessee Bureau of Investigation and the F-B-I started investigating him after an informant alerted the agencies to his anti-government rants.Crocker also told an agent he wanted a helicopter license so he could spray or bomb black neighborhoods in Jackson with poison gas and spike drugs with poison to kill black people.Crocker was also sentenced to lifetime supervised release.

Marshals Decry Imams' Charges (WT)

By Audrey Hudson, The Washington Times

The Washington Times, November 29, 2006

Air marshals, pilots and security officials yesterday expressed concern that airline passengers and crews will be reluctant to report suspicious behavior aboard for fear of being called "racists," after several Muslim imams made that charge in a press conference Monday at Ronald Reagan Washington National Airport.

Six imams, or Muslim holy men, accused a US Airways flight crew of inappropriately evicting them from a flight last week in Minneapolis after several passengers said the imams tried to intimidate them by loudly praying and moving around the airplane. The imams urged Congress to enact laws to prohibit ethnic and religious "profiling."

Federal air marshals and others yesterday urged passengers to remain vigilant to threats.

"The crew and passengers act as our additional eyes and ears on every flight," said a federal air marshal in Las Vegas, who asked that his name not be used. "If [crew and passengers] are afraid of reporting suspicious individuals out of fear of being labeled a racist or bigot, then terrorists will certainly use those fears to their advantage in future aviation attacks."

But Rabiah Ahmed, spokeswoman for the Council on American-Islamic Relations (CAIR), said Muslims "have to walk around on eggshells in public just because we don't want to be misconstrued as suspicious. You have to strike a balance between legitimate fears which people may have, but not allow passengers to have so much discretion that they can trigger a process that would violate a traveler's basic civil rights."

"Because one person misunderstood the actions of other law-abiding citizens, they were able to trigger a very long and daunting process for other travelers that were pulled off the plane in handcuffs and detained for many hours before they were cleared."

The imams say they were removed from the Phoenix-bound flight because they were praying quietly in the concourse. They had been in Minnesota for a conference sponsored by the North American Imams Federation.

But other passengers told police and aviation security officials a different version of the incident. They said suspicious behavior of the imams led to their eviction from the flight. The imams, they said, tested the forbearance of the passengers and flight crew in what the air marshal called a "[political correctness] probe."

"The political correctness needs to be left at the boarding gate," the marshal said. "Instilling politically correct fears into the minds of airline passengers is nothing less than psychological terrorism."

The passengers and flight crew said the imams prayed loudly before boarding; switched seating assignments to a configuration used by terrorists in previous incidents; asked for seat-belt extensions, which could be used as weapons; and shouted hostile slogans about al Qaeda and the war in Iraq.

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Flight attendants said three of the six men, who did not appear to be overweight, asked for the seat-belt extensions, which include heavy metal buckles, and then threw them to the floor under their seats.

Robert MacLean, a former federal air marshal, expressed the fear yesterday that the situation "will make crews and passengers in the future second-guess reporting these events, thus compromising the aircraft's security out of fear of being labeled a dogmatist or a bigot, or being sued."

Flight attendants said they were concerned that the way the imams took seats that were not assigned to them -- two seats in the front row of first class, exit seats in the middle of the plane and two seats in the rear -- resembled the pattern used by September 11 hijackers, giving them control of the exits.

A Minneapolis police officer and a federal air marshal who were called to the plane after the imams refused to leave the plane for questioning said "the seating configuration, the request for seat-belt extensions, the prior praying and utterances about Allah and the United States in the gate area ... was suspicious."

One pilot for a competing airline said the incident would have a chilling effect on the flight crews.

"The flight crew may be a little more gun-shy about approaching people, they may have a higher standard for the next few weeks for screening unusual behavior. I hope that's not the case, because I do think US Airways did the proper thing."

Andrea Rader, spokeswoman for US Airways, said its employees "are going to do what is appropriate" to ensure that airplanes are safe and will not be dissuaded by uproar over last week's incident.

"I don't think people will be less vigilant as a result of this, and I think that's appropriate. There is a balance, and I think we will continue to achieve that. Our crews and people on the airplanes are going to watch for behavior that raises concerns."

Many airports offer private rooms for prayer, but CAIR's Miss Ahmed said travelers required to arrive at airports two hours in advance to go through security inspections are too exhausted and must pray at the gate.

"It's convenient to check in then get to the gate and pray there," she said.

Plane Prayers (WP)

The Washington Post, November 29, 2006

AUS AIRWAYS CREW invited controversy -- and a bevy of unanswered questions -- last week when it kicked six Muslim imams off a flight. That decision led to, among other things, a "pray-in" protest at Reagan National Airport on Monday. There's a disturbing possibility that innocent passengers were removed from their flight, handcuffed, detained and denied the opportunity to purchase another ticket home just because of a preflight expression of faith.

Many facts of the case are still the subject of debate, but we know this much: Last week, six imams heading home from a conference in Minnesota unrolled rugs before boarding a US Airways flight to Arizona and said their evening prayers. When they boarded, they sat in different sections of the aircraft. Another passenger passed a note to a flight attendant expressing discomfort that Arabic men were moving around the airplane. The captain threw them off, and the local police and the FBI detained them for questioning. The imams were later cleared for flying.

According to some accounts, the imams declined to sit in their assigned seats, instead choosing to occupy different sections of the plane in a manner akin to that of the Sept. 11 hijackers. While boarding, they may have expressed disdain for the American effort in Iraq and spoken favorably of former Iraqi dictator Saddam Hussein. A US Airways spokeswoman notes that they asked for seat-belt extenders, which some say could have been used to hit or strangle others, even though they are not obese. Another airline employee indicated that three of the men had one-way tickets and checked no baggage. The imams, however, say that they carried round-trip tickets and didn't talk politics on the jetway. A representative also said that any seat switching they did was innocent.

US Airways stands by its decision to boot the men from the plane, saying that, taken as a whole, their behavior after boarding was suspect. But the airline and the authorities who detained the imams have questions to answer publicly about the incident. Were they switching seats suspiciously? Did the imams have round-trip or one-way tickets? Did the men ask for seat-belt extenders, and if so did they give any reason?

Answers to these questions might help explain the airline and official actions, even if they do not end up justifying those actions. Pilots and others have to make difficult decisions when time is short and evidence tough to verify. But complete information on this case also could demonstrate that it stemmed from nothing more than a nervous passenger fueling unfair suspicion after seeing the men at prayer. And that's a scary possibility. America can't become a country so locked by fear that those who unfurl a prayer rug automatically become suspects.

Chertoff: First Responders Done By End Of '07 (NSDY)

By Carol Eisenberg, Newsday Washington Bureau

Long Island Newsday, November 29, 2006

DOJ_NMG_0099464

WASHINGTON -- Homeland Security Secretary Michael Chertoff announced Tuesday that the nation's 35 highest-risk cities must have systems enabling first responders to communicate in a disaster by the end of next year. Every state must have such a system by the end of 2008, he said.

New York City has already achieved that goal, officials said, but will be expected to continue to improve communications with first responders in Nassau, Suffolk and Westchester.

"The bottom line is we have to be able to communicate during a disaster," Chertoff told more than 1,000 state and local homeland security officials assembled at the Washington Hilton Tuesday. "We're going to get it done."

The lack of interoperable communications among first responders, and the poor functioning of fire radios in the World Trade Towers, were contributing causes in the scores of firefighters' deaths in the Sept. 11 attacks. Hampered communication also slowed rescue and recovery after Hurricane Katrina.

Chertoff announced those deadlines five weeks before the start of a new Congress controlled by Democrats, many of whom have expressed frustration about the slow pace of progress on first-responder communications and pledged tougher oversight of his department.

The secretary said public scorecards would be issued in the next few weeks to the highest-risk cities -- including Boston, Houston and Chicago -- to help them prioritize needed improvements. The focus, he said, would be regional because "threats are region-based."

So the scorecard for New York City would assess communication not just among the city's first responders, but also among police, fire and emergency management groups in Nassau, Suffolk and Westchester.

The baseline goal is for incident command managers to be able to communicate with one another within one hour.

Local officials said they expect to do well in the ratings.

"Communications are vastly improved from what they were on Sept. 11," said New York Deputy Fire Commissioner Frank Gribbon. "We have radios where we share frequencies. We have an NYPD videofeed to our operations center."

Beyond hardware, Gribbon said the city has revamped protocols that set out who is in charge under what circumstances.

Chertoff also pledged Tuesday that next year's allocation of anti-terror grants would be more transparent. While continuing to allocate the lion's share of money to high-risk areas, he said, decisions would be based more on "common sense" than on "bean counting." This year's grants, which included 40-percent funding cuts to New York City and Washington, D.C., were widely criticized.

Changes to the program, he said, would include an extended timeline that will enable municipalities to fine-tune their proposals after getting feedback.

Chertoff also said that a comprehensive alert system is being developed with the goal of reaching 85 percent of Americans within 10 minutes.

"Those of you who grew up in the '50s remember that they used to break into television programing ... ," he said. "But we're in the 21st century. We have text messaging. We have the Internet. We have digital cable. We have satellite television. We have to upgrade the current patchwork system and build one that is national in scope for the 21st century."

Diplomacy Ain't What It Used To Be (column) (WP)

By Al Kamen

The Washington Post, November 28, 2006

The Federal National Agency Association

Is the Federal Emergency Management Agency in line for a makeover? Seemed like it, judging from a press schedule issued Monday by FEMA's parent, the Department of Homeland Security.

At 12:30 p.m. tomorrow Undersecretary R. David Paulison, head of FEMA, the schedule said, will "participate in a press conference with the National Emergency Management Agency to announce a new emergency management tag logo and moniker."

Rebranding FEMA might make sense after last year's failed hurricane response and was in fact suggested by Senate investigators, among other changes.

Not to worry. FEMA's stationery, jackets and vehicle decals appear safe, at least for now.

Turns out that public-affairs staffers conflated two Paulison appearances: one to talk about his vision for a reorganized agency, and another to announce a new logo for the National Emergency Management Association, an organization of the top emergency officials from the 50 states.

FEMA? NEMA? Let's call the whole thing off.

A Deputized FEMA Director?

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On the bright side for Paulison, buzz at the agency is that he will be nominated by President Bush for promotion to the deputy secretary level. Congress recently passed legislation raising the status of the FEMA administrator, effective March 31, mandating that he report directly to the secretary of the Homeland Security Department and advise the president and the White House Homeland Security Council during disasters.

Judge Upholds Policyholders' Katrina Flood Claims (NYT)

By Joseph B. Treaster

The New York Times, November 29, 2006

A federal judge offered a glimmer of hope to the tens of thousands of people whose homes and businesses in New Orleans were flooded in Hurricane Katrina, ruling that insurance companies should pay for the widespread water damage.

If upheld, the ruling late Monday by Judge Stanwood R. Duval Jr. of Federal District Court in New Orleans could cost the insurers billions of dollars more than the $41 billion they have already paid to storm victims. But the insurers insist that their policies do not cover flooding, and they said yesterday that they expected an appeals court to reverse the decision. A final ruling could take months, if not years.

Judge Duval's decision centered on the distinction between flooding caused by high winds and heavy rains and flooding caused by human error. Much of the destruction in New Orleans in the wake of Hurricane Katrina in August 2005 was a result of levee failures.

He said the language in the insurance policies on flood coverage was ambiguous because it did not "clearly exclude man-made" flood disasters. Since the insurers provided the wording for the policies, he said he felt "constrained to interpret it against the insurers."

He made an exception for State Farm and the Hartford Insurance Company, whose policies do not provide coverage for flooding "regardless of cause."

Lawyers for more than a dozen homeowners and Xavier University, which had business insurance, hailed Judge Duval's decision as a victory.

"This is a major breakthrough," said John N. Ellison, a member of the team of lawyers representing storm victims and a partner at Anderson Kill & Olick in New York. "Our hope is that this ruling may help get the redevelopment of the houses and the city going so the city can come back to life."

The ruling was the first by a court in Louisiana on damage from Hurricane Katrina. It ran counter to rulings by a federal judge in Mississippi that supported the industry's contention that most property insurance policies do not provide coverage for flooding.

But the judge in Mississippi, L. T. Senter of Federal District Court, disagreed with the insurers' contention that any damage due to flooding nullified the coverage. He cleared the way for trials early next year to determine how much damage to flooded homes and businesses resulted from high winds.

The rulings differ, in part, because the nature of the flooding was different. In Mississippi, the storm drove water from the Gulf of Mexico ashore and wiped out tens of thousands of homes unprotected by artificial barriers. In New Orleans, flood waters breached some levees and poured into the city as the storm was moving away. The water lingered in parts of the city for weeks.

Mr. Ellison, the lawyer for the homeowners, said he believed that the New Orleans case would go to the United States Court of Appeals for the Fifth Circuit "on an expedited basis" and that deliberations could begin in the spring.

More than 200,000 homes and thousands of businesses were damaged or destroyed by the flooding in New Orleans. The insurers have refused to pay claims for water damage and the relatively small amounts that homeowners and businesses received for wind damage have been far from enough for most people to rebuild. The federal government has stepped in with promises of several billion dollars in assistance, but little of the money has reached the people who need it.

The insurers said that Judge Duval's decision was contrary to decades of case law and state insurance regulation and would turn out to be a short-lived loss for their side.

"The judge reached the wrong conclusion," said Robert P. Hartwig, the chief economist at the Insurance Information Institute, a trade group in New York. "The policies clearly exclude flood-related damage under any and all circumstances. We don't believe the decision will be upheld."

Randy J. Maniloff, a lawyer in Philadelphia who represents insurance companies, including several of those in the New Orleans lawsuit, said Judge Duval appeared to be overreaching to solve the social and economic problems caused by Hurricane Katrina.

"Here is a phenomenon for which there is no insurance, and the court isn't going to allow that to exist," Mr. Maniloff said.

"The court is finding who is in a better position to bear the loss, and it is coming out in favor of the individual, the policyholder," he said. "This is an aberration."

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Judge Duval, who was appointed to the federal court by President Bill Clinton in 1994, said in an 85-page decision that the insurers could have made clear "that 'flood' means water damage caused by negligent acts or omissions." But, he said, they "chose not to do so."

Nearly a dozen insurance companies had sought dismissal of the lawsuits over flood losses. But Judge Duval ruled in favor of only two, State Farm, the largest home insurer in Louisiana, with about 20 percent of the market; and Hartford, a unit of the Hartford Financial Services Group, which has a much smaller share.

Judge Duval said he cleared the way for an immediate appeal because "there is a substantial ground for a difference of opinion."

WAR NEWS:

Bush Adviser's Memo Cites Doubts About Iraqi Leader (NYT)

By Michael R. Gordon

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — A classified memorandum by President Bush's national security adviser expressed serious doubts about whether Prime Minister Nuri Kamal al-Maliki had the capacity to control the sectarian violence in Iraq and recommended that the United States take new steps to strengthen the Iraqi leader's position.

The Nov. 8 memo was prepared for Mr. Bush and his top deputies by Stephen J. Hadley, the national security adviser, and senior aides on the staff of the National Security Council after a trip by Mr. Hadley to Baghdad.

The memo suggests that if Mr. Maliki fails to carry out a series of specified steps, it may ultimately be necessary to press him to reconfigure his parliamentary bloc, a step the United States could support by providing "monetary support to moderate groups," and by sending thousands of additional American troops to Baghdad to make up for what the document suggests is a current shortage of Iraqi forces. (Text of Memo)

The memo presents an unvarnished portrait of Mr. Maliki and notes that he relies for some of his political support on leaders of more extreme Shiite groups. The five-page document, classified secret, is based in part on a one-on-one meeting between Mr. Hadley and Mr. Maliki on Oct. 30.

"His intentions seem good when he talks with Americans, and sensitive reporting suggests he is trying to stand up to the Shia hierarchy and force positive change," the memo said of the Iraqi leader. "But the reality on the streets of Baghdad suggests Maliki is either ignorant of what is going on, misrepresenting his intentions, or that his capabilities are not yet sufficient to turn his good intentions into action."

An administration official made a copy of the document available to a New York Times reporter seeking information on the administration's policy review. The Times read and transcribed the memo.

The White House has sought to avoid public criticism of Mr. Maliki, who is scheduled to meet with Mr. Bush in Jordan on Wednesday. The latest surge of sectarian violence in Baghdad and the Democratic victories in the midterm elections are prompting calls for sharp changes in American policy. Such changes are among options being debated by the Iraq Study Group, the bipartisan panel led by James A. Baker III and Lee H. Hamilton.

A senior administration official discussed the memorandum in general terms after being told The New York Times was preparing an article on the subject. The official described the document as "essentially a trip report" and not a result of the administration's review of its Iraq policy, which is still under way.

He said the purpose of the memo "was to provide a snapshot of the challenges facing Prime Minister Maliki and how we can best enhance his capabilities, mindful of the complex political and security environment in which he is operating."

The American delegation that went to Iraq with Mr. Hadley included Meghan L. O'Sullivan, the deputy national security adviser, and three other members of the National Security Council staff. The memo, prepared after that trip, has been circulated to cabinet-level officials who are participating in the administration's review of Iraq strategy.

There is nothing in the memo that suggests the Bush administration is interested in replacing Mr. Maliki as prime minister. But while Mr. Bush has stated that he has confidence in the Iraqi leader, the memo questions whether Mr. Maliki has the will and ability to establish a genuine unity government, saying the answer will emerge from actions he takes in the weeks and months ahead.

"We returned from Iraq convinced we need to determine if Prime Minister Maliki is both willing and able to rise above the sectarian agendas being promoted by others," the memo says. "Do we and Prime Minister Maliki share the same vision for Iraq? If so, is he able to curb those who seek Shia hegemony or the reassertion of Sunni power? The answers to these questions are key in determining whether we have the right strategy in Iraq."

DOJ_NMG_0099467

In describing the Oct. 30 meeting between Mr. Hadley and Mr. Maliki, it says: "Maliki reiterated a vision of Shia, Sunni and Kurdish partnership, and in my one-on-one meeting with him, he impressed me as a leader who wanted to be strong but was having difficulty figuring out how to do so." It said the Iraqi leader's assurances seemed to have been contradicted by developments on the ground, including the Iraqi government's approach to the Mahdi Army, a Shiite militia known in Arabic as Jaish al-Mahdi and headed by Moktada al-Sadr.

"Reports of nondelivery of services to Sunni areas, intervention by the prime minister's office to stop military action against Shia targets and to encourage them against Sunni ones, removal of Iraq's most effective commanders on a sectarian basis and efforts to ensure Shia majorities in all ministries — when combined with the escalation of Jaish al-Mahdi (JAM) killings — all suggest a campaign to consolidate Shia power in Baghdad."

Among the concerns voiced in the memo was that Mr. Maliki was surrounded by a small group of advisers from the Shiite Dawa Party, a narrow circle that American officials worry may skew the information he receives.

The memo outlines a number of short-term steps Mr. Maliki could undertake to establish control. The Iraqi leader has recently indicated his intention to take some of those steps, like announcing his intention to expand the size of the Iraqi Army and declaring that Iraq will seek an extension of the United Nations mandate that provides for the deployment of the American-led multinational force in Iraq. The United Nations Security Council voted on Tuesday to extend that mandate.

The memo also lists steps the United States can take to strengthen Mr. Maliki's position. They include efforts to persuade Saudi Arabia to use its influence with the Sunnis in Iraq and encourage them to turn away from the insurgency and to seek a political accommodation.

Addressing Mr. Bush, the memo said one option was for the president to "direct your cabinet to begin an intensive press on Saudi Arabia to play a leadership role on Iraq, connecting this role with other areas in which Saudi Arabia wants to see U.S. action." Although the memo did not offer specifics, this appeared to be an allusion to a more active American role in the Arab-Israeli peace process. Recently, Israel's prime minister, Ehud Olmert, has reached out to the Palestinians and has said he wants to move ahead with peace talks. But the memo's authors also contemplate the possibility that Mr. Maliki's position may be too tenuous for him to take the steps needed to curb the power of Shiite militias, to establish a more diverse and representative personal staff and to arrest the escalating sectarian strife.

In that case, the memo suggests, it may ultimately be necessary for Mr. Maliki to recast his parliamentary bloc, a step the United States could support by pressing moderates to align themselves with the Iraqi leader and providing them with monetary support.

The memo refers to "the current four-brigade gap in Baghdad," a seeming acknowledgment that there is a substantial shortfall of troops in the Iraqi capital compared with the level needed to provide security there, in part because the Iraqi government has not dispatched all the forces it has promised. An American brigade generally numbers about 3,500 troops, though Iraqi units can be smaller. While Democrats have advocated beginning troop withdrawals as a means of putting pressure on Mr. Maliki, the memo suggests that such tactics may backfire by stirring up opposition against a politically vulnerable leader.

"Pushing Maliki to take these steps without augmenting his capabilities could force him to failure — if the Parliament removes him from office with a majority vote or if action against the Mahdi militia (JAM) causes elements of the Iraqi Security Forces to fracture and leads to major Shia disturbances in southern Iraq," the memo says.

The memo lists a number of possible steps to build up Mr. Maliki's capability. They include asking Gen. George W. Casey Jr., the senior American commander, to develop a plan to strengthen the Iraqi leader.

This could involve the formation of a new National Strike Force, significantly increasing the number of American advisers working with the Iraqi National Police, a force that has been infiltrated by Shiite militias, and putting more Iraqi forces directly under Mr. Maliki's control.

In addition, the memorandum suggests that Mr. Bush ask the Pentagon and General Casey "to make a recommendation about whether more forces are needed in Baghdad."

The administration appears to have already begun carrying out some of the steps recommended in the document. Among them were a trip over the weekend by Vice President Dick Cheney to Saudi Arabia as part of an effort to seek help from Sunni Arab powers in encouraging Sunni groups in Iraq to seek a political compromise with Mr. Maliki.

The senior administration official who agreed to discuss the memo would do so only on condition of anonymity. The official said some of the steps projected in the document were being carried out.

The official also stressed that the administration retains confidence in the Iraqi leader. "What we are seeing is that he had the right intentions and is willing to act," the senior official said. "Our own review has opened a consultative process on where Maliki wants to take the government. A successful strategy has to be one that is driven by the Iraqis."

Text Of U.S. Security Adviser's Iraq Memo (NYT)

The New York Times, November 29, 2006

Following is the text of a Nov. 8 memorandum prepared for cabinet-level officials by Stephen J. Hadley, the national security adviser, and his aides on the National Security Council. The five-page document, classified secret, was read and transcribed by The New York Times.

We returned from Iraq convinced we need to determine if Prime Minister Maliki is both willing and able to rise above the sectarian agendas being promoted by others. Do we and Prime Minister Maliki share the same vision for Iraq? If so, is he able to curb those who seek Shia hegemony or the reassertion of Sunni power? The answers to these questions are key in determining whether we have the right strategy in Iraq.

Maliki reiterated a vision of Shia, Sunni, and Kurdish partnership, and in my one-on-one meeting with him, he impressed me as a leader who wanted to be strong but was having difficulty figuring out how to do so. Maliki pointed to incidents, such as the use of Iraqi forces in Shia Karbala, to demonstrate his even hand. Perhaps because he is frustrated over his limited ability to command Iraqi forces against terrorists and insurgents, Maliki has been trying to show strength by standing up to the coalition. Hence the public spats with us over benchmarks and the Sadr City roadblocks.

Despite Maliki's reassuring words, repeated reports from our commanders on the ground contributed to our concerns about Maliki's government. Reports of nondelivery of services to Sunni areas, intervention by the prime minister's office to stop military action against Shia targets and to encourage them against Sunni ones, removal of Iraq's most effective commanders on a sectarian basis and efforts to ensure Shia majorities in all ministries — when combined with the escalation of Jaish al-Mahdi's (JAM) [the Arabic name for the Mahdi Army] killings — all suggest a campaign to consolidate Shia power in Baghdad.

While there does seem to be an aggressive push to consolidate Shia power and influence, it is less clear whether Maliki is a witting participant. The information he receives is undoubtedly skewed by his small circle of Dawa advisers, coloring his actions and interpretation of reality. His intentions seem good when he talks with Americans, and sensitive reporting suggests he is trying to stand up to the Shia hierarchy and force positive change. But the reality on the streets of Baghdad suggests Maliki is either ignorant of what is going on, misrepresenting his intentions, or that his capabilities are not yet sufficient to turn his good intentions into action.

Steps Maliki Could Take

There is a range of actions that Maliki could take to improve the information he receives, demonstrate his intentions to build an Iraq for all Iraqis and increase his capabilities. The actions listed below are in order of escalating difficulty and, at some point, may require additional political and security resources to execute, as described on Page 3 of this memo. Maliki should:

¶Compel his ministers to take small steps — such as providing health services and opening bank branches in Sunni neighborhoods — to demonstrate that his government serves all ethnic communities;

¶Bring his political strategy with Moktada al-Sadr to closure and bring to justice any JAM actors that do not eschew violence;

¶Shake up his cabinet by appointing nonsectarian, capable technocrats in key service (and security) ministries;

¶Announce an overhaul of his own personal staff so that "it reflects the face of Iraq";

¶Demand that all government workers (in ministries, the Council of Representatives and his own offices) publicly renounce all violence for the pursuit of political goals as a condition for keeping their positions;

¶Declare that Iraq will support the renewal of the U.N. mandate for multinational forces and will seek, as appropriate, to address bilateral issues with the United States through a SOFA [status of forces agreement] to be negotiated over the next year;

¶Take one or more immediate steps to inject momentum back into the reconciliation process, such as a suspension of de-Baathification measures and the submission to the Parliament or "Council of Representatives" of a draft piece of legislation for a more judicial approach;

¶Announce plans to expand the Iraqi Army over the next nine months; and

¶Declare the immediate suspension of suspect Iraqi police units and a robust program of embedding coalition forces into MOI [Ministry of the Interior] units while the MOI is revetted and retrained.

What We Can Do to Help Maliki

If Maliki is willing to move decisively on the actions above, we can help him in a variety of ways. We should be willing to:

¶Continue to target Al Qaeda and insurgent strongholds in Baghdad to demonstrate the Shia do not need the JAM to protect their families — and that we are a reliable partner;

¶Encourage Zal [Zalmay Khalilzad, the American ambassador] to move into the background and let Maliki take more credit for positive developments. (We want Maliki to exert his authority — and demonstrate to Iraqis that he is a strong leader — by taking action against extremists, not by pushing back on the United States and the Coalition.);

¶Continue our diplomatic efforts to keep the Sunnis in the political process by pushing for the negotiation of a national compact and by talking up provincial council elections next spring/summer as a mechanism for Sunni empowerment;

¶Support his announcement to expand the Iraqi Army and reform the MOI more aggressively;

¶Seek ways to strengthen Maliki immediately by giving him additional control over Iraqi forces, although we must recognize that in the immediate time frame, we would likely be able to give him more authority over existing forces, not more forces;

¶Continue to pressure Iran and Syria to end their interference in Iraq, in part by hitting back at Iranian proxies in Iraq and by Secretary Rice holding an Iraq-plus-neighbors meeting in the region in early December; and

¶Step up our efforts to get Saudi Arabia to take a leadership role in supporting Iraq by using its influence to move Sunni populations in Iraq out of violence into politics, to cut off any public or private funding provided to the insurgents or death squads from the region and to lean on Syria to terminate its support for Baathists and insurgent leaders.

Augmenting Maliki's Political and Security Capabilities

The above approach may prove difficult to execute even if Maliki has the right intentions. He may simply not have the political or security capabilities to take such steps, which risk alienating his narrow Sadrist political base and require a greater number of more reliable forces. Pushing Maliki to take these steps without augmenting his capabilities could force him to failure — if the Parliament removes him from office with a majority vote or if action against the Mahdi militia (JAM) causes elements of the Iraqi Security Forces to fracture and leads to major Shia disturbances in southern Iraq. We must also be mindful of Maliki's personal history as a figure in the Dawa Party — an underground conspiratorial movement — during Saddam's rule. Maliki and those around him are naturally inclined to distrust new actors, and it may take strong assurances from the United States ultimately to convince him to expand his circle of advisers or take action against the interests of his own Shia coalition and for the benefit of Iraq as a whole.

If it is Maliki's assessment that he does not have the capability — politically or militarily — to take the steps outlined above, we will need to work with him to augment his capabilities. We could do so in two ways. First, we could help him form a new political base among moderate politicians from Sunni, Shia, Kurdish and other communities. Ideally, this base would constitute a new parliamentary bloc that would free Maliki from his current narrow reliance on Shia actors. (This bloc would not require a new election, but would rather involve a realignment of political actors within the Parliament). In its creation, Maliki would need to be willing to risk alienating some of his Shia political base and may need to get the approval of Ayatollah Sistani for actions that could split the Shia politically. Second, we need to provide Maliki with additional forces of some kind.

This approach would require that we take steps beyond those laid out above, to include:

¶Actively support Maliki in helping him develop an alternative political base. We would likely need to use our own political capital to press moderates to align themselves with Maliki's new political bloc;

¶Consider monetary support to moderate groups that have been seeking to break with larger, more sectarian parties, as well as to support Maliki himself as he declares himself the leader of his bloc and risks his position within Dawa and the Sadrists; and

¶Provide Maliki with more resources to help build a nonsectarian national movement.

· If we expect him to adopt a nonsectarian security agenda, we must ensure he has reasonably nonsectarian security institutions to execute it — such as through a more robust embedding program.

· We might also need to fill the current four-brigade gap in Baghdad with coalition forces if reliable Iraqi forces are not identified.

Moving Ahead

We should waste no time in our efforts to determine Maliki's intentions and, if necessary, to augment his capabilities. We might take the following steps immediately:

¶Convince Maliki to deliver on key actions that might reassure Sunnis (open banks and direct electricity rebuilding in Sunni areas, depoliticize hospitals);

¶Tell Maliki that we understand that he is working his own strategy for dealing with the Sadrists and that:

· you have asked General Casey to support Maliki in this effort

· it is important that we see some tangible results in this strategy soon;

¶Send your personal representative to Baghdad to discuss this strategy with Maliki and to press other leaders to work with him, especially if he determines that he must build an alternative political base;

¶Ask Casey to develop a plan to empower Maliki, including:

· Formation of National Strike Forces

· Dramatic increase in National Police embedding

· More forces under Maliki command and control

¶Ask Secretary of Defense and General Casey to make a recommendation about whether more forces are need in Baghdad;

¶Ask Secretary of Defense and General Casey to devise a more robust embedding plan and a plan to resource it;

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¶Direct your cabinet to begin an intensive press on Saudi Arabia to play a leadership role on Iraq, connecting this role with other areas in which Saudi Arabia wants to see U.S. action;

¶If Maliki seeks to build an alternative political base:

· Press Sunni and other Iraqi leaders (especially Hakim) [Abdul Aziz al-Hakim, the leader of the Supreme Council for the Islamic Revolution in Iraq, a Maliki rival] to support Maliki

· Engage Sistani to reassure and seek his support for a new nonsectarian political movement.

Bush To Press Iraqi Premier On Security (WP)

By Michael Abramowitz

The Washington Post, November 29, 2006

RIGA, Latvia, Nov. 28 -- President Bush signaled plans to both reassure and pressure Iraqi Prime Minister Nouri al-Maliki over deteriorating conditions in Iraq, as the White House prepared for an unusual summit Wednesday in Jordan aimed at arresting the slide in security.

Speaking with reporters Tuesday in Tallinn, Estonia, before flying here for a NATO summit, Bush hinted at the U.S. government's growing impatience with Maliki when he said he would query the prime minister about his "strategy to be a country which can govern itself and sustain itself."

"My questions to him will be: What do we need to do to succeed? What is your strategy in dealing with the sectarian violence?" Bush said. Despite his pointed emphasis on the Iraqi government's role in controlling the violence, Bush also made clear his view that Iraq has not yet fallen into civil war and voiced determination to keep U.S. troops there despite growing pressure to bring them home.

"We will continue to be flexible, and we'll make the changes necessary to succeed. But there's one thing I'm not going to do: I'm not going to pull our troops off the battlefield before the mission is complete," Bush said later, in a speech here in the Latvian capital. "We can accept nothing less than victory for our children and our grandchildren."

With violence in Baghdad reaching levels not seen since the U.S.-led invasion in 2003, both Bush and Maliki face increasing pressure to accelerate a turnover in responsibility for security to Iraqis and to begin withdrawal of more than 140,000 U.S. ground troops. The White House is conducting an internal review of Iraq policy, and the commission headed by former secretary of state James A. Baker III and former Indiana representative Lee H. Hamilton is finishing its deliberations on what the U.S. government should do.

In a classified memo written earlier this month, national security adviser Stephen J. Hadley expressed the administration's private frustration with Maliki's performance, questioning whether "Prime Minister Maliki is both willing and able to rise above the sectarian agendas being promoted by others." The secret five-page memo, obtained by the New York Times and posted on its Web site Tuesday night, outlined a series of proposed steps for the United States and Iraq to take.

Among other things, the Nov. 8 memo suggested that Maliki should be pressured to distance himself from anti-American Shiite cleric Moqtada al-Sadr and "bring to justice" figures in Sadr's militia who "do not eschew violence"; shake up his cabinet to include more nonsectarian technocrats; expand the Iraqi army; and declare the immediate suspension of Iraqi police units suspected of involvement in sectarian conflict.

Hadley proposed that the United States help Maliki build a new political coalition within the Iraqi parliament that would rely more on moderate, less sectarian elements rather than harder-line Shiite representatives. To accomplish this, Hadley said, money could be provided to Maliki's political operation and moderate parties. The memo also raised the possibility of sending more forces to Iraq and recommended that U.S. Ambassador Zalmay Khalilzad take a lower profile "and let Maliki take more credit for positive developments."

The memo laid bare the doubts about Maliki. Written shortly after Hadley met with the Iraqi prime minister, it noted concerns about various actions, including intervention to stop military action against Shiite targets, efforts to stack ministries with Shiite majorities and reported nondelivery of services to Sunni areas.

These actions "all suggest a campaign to consolidate Shia power in Baghdad," Hadley wrote. "While there does seem to be an aggressive push to consolidate Shia power and influence, it is less clear whether Maliki is a witting participant." Hadley wrote that Maliki "impressed me as a leader who wanted to be strong but was having difficulty figuring out how to do so." A White House spokeswoman Tuesday night had no comment on the memo.

Briefing reporters traveling with the president earlier Tuesday, Hadley said the broader White House Iraq review is not yet complete, suggesting that Bush's meetings with Maliki, scheduled for Wednesday evening and Thursday morning, will not produce any major developments -- at least publicly. But the meetings, the third between the two leaders since Maliki took office in May, will offer an opportunity to resolve tensions between the two governments over how to proceed.

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The Bush-Maliki relationship had started with high hopes among White House officials that the prime minister would prove a more effective leader than his predecessor, Ibrahim al-Jafari. After a quick trip to Baghdad in June, Bush declared he had determined that Maliki was dedicated to a free Iraq.

But the relationship has grown fractious as repeated efforts to curb violence in Baghdad have failed. Administration aides have expressed frustration that Maliki has not moved more aggressively against Shiite Muslim militias, while he has bristled at pressure from Washington.

Sadr, the leader of one of those militias, is a key supporter of Maliki's government and a growing political power in the country. Curbing militias such as Sadr's Mahdi Army and bringing sectarian fighting under control are considered critical tests of Iraq's ability to govern itself -- and of the ability of U.S. forces to withdraw without leaving behind a chaotic situation.

Hadley, speaking Tuesday afternoon with reporters in Riga, offered a sober assessment of the Maliki government. He said efforts to secure Baghdad by U.S. and Iraqi forces have "not produced adequate progress in an acceptable time frame." He said Maliki had taken steps to reconcile warring religious and political factions but "obviously they have a long way to go."

Contrary to the doubts expressed in his memo, Hadley told reporters he was not criticizing Maliki, adding that he disagreed with the view in Iraq that Maliki is ineffectual. "We think that this unity government is doing pretty well in a very difficult situation," he said. "Maliki has been impatient and has said that his government has not produced the results they seek. And he's got some ideas about how to enhance their capabilities to do so."

Maliki faces criticism at home for going ahead with his meetings with Bush. Sadr's faction has threatened to bolt the government if the meetings take place, though it was unclear whether the threat would be carried out.

"We don't want or like this meeting, particularly at this time, because the country is in the midst of a security crisis, and the presence of the prime minister is necessary," said Bahaa al-Araji, a member of parliament from Sadr's bloc. "We are concerned that the prime minister may receive instructions from Bush on the security situation. We believe that the government must have the final say on such matters because the security situation is something that concerns Iraq and its government only."

Joost Hiltermann, who follows Iraq for the nonprofit International Crisis Group from Jordan, voiced skepticism that Maliki would crack down on private militias. "He is completely beholden to the Sadrists," he said. "The notion that he could confront the power of the militias that gave him power is absurd."

"There is a problem with saying that we need to get the Iraqis to take charge of the situation," said Eliot A. Cohen, a professor of military strategy at Johns Hopkins University. "By virtue of the kind of government we helped create -- particularly one based on proportional representation -- and because the institutions of the Iraqi state are weak, even if we can get him to promise, we cannot reasonably expect him to deliver much."

Before leaving for Jordan on Wednesday, Bush will finish meetings with other NATO leaders gathered here for a summit that is focusing heavily on the alliance's mission in Afghanistan. U.S. officials were hopeful that the summit would yield new troops for the fight against the resurgent Taliban, as well as a loosening of restrictions from member countries on how those troops can be used.

In a speech here, Bush alluded to these issues in saying that NATO commanders "must have the resources and flexibility they need to do their jobs."

Bush started the day with a round of meetings in Tallinn with the leaders of Estonia, the first time a sitting U.S. president has visited the tiny Baltic country. Bush has now visited each of the three Baltic nations that gained independence with the collapse of the Soviet Union in 1991. Given their experiences with despotism, Bush has found a more congenial audience in these countries for his message of promoting democracy and the U.S. interventions in Afghanistan and Iraq.

Special correspondent K.I. Ibrahim in Baghdad and staff writers Peter Baker and Thomas E. Ricks in Washington contributed to this report.

Iraqi Premier Wants More Control Over His Military (LAT)

By Alexandra Zavis And Peter Wallsten, Times Staff Writers

The Los Angeles Times, November 29, 2006

Maliki will press Bush for the U.S. to relinquish some authority. His government holds direct talks with Syria and Iran.

BAGHDAD — Prime Minister Nouri Maliki will push for the U.S. military to relinquish control over his nation's security forces when he meets President Bush today to discuss a strategy to quell raging violence in Iraq, aides and political insiders said Tuesday.

Frustrated by U.S. accusations that he isn't doing enough, Maliki says his hands are tied as long as he does not have the authority to deploy forces as he sees fit. He wants Bush to accelerate the training of the army and police, fund more recruits and provide them with bigger and better weapons, lawmakers briefed by Maliki said.

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The prime minister also will insist at the two-day summit in Jordan that his government should drive negotiations with Iraq's neighbors, Iran and Syria, they said.

Maliki's emboldened stand comes at a time of uncertainty for U.S. strategy in Iraq. Bush is under pressure to make changes after Democrats swept the midterm congressional election on a wave of unhappiness about the war's results.

Bush is waiting for recommendations from a bipartisan commission headed by former Secretary of State James A. Baker III and former Rep. Lee H. Hamilton (D-Ind.), which Tuesday continued work on its final report.

Democrats want Bush to set a timeline to start reducing the number of U.S. forces in Iraq. But Bush maintained Tuesday that there was no possibility of an immediate pullout.

"There's one thing I'm not going to do," he said during an afternoon speech in Riga, Latvia, where he was attending a NATO summit. "I'm not going to pull our troops off the battlefield before the mission is completed."

Bush is also under pressure to enlist the help of Iran and Syria in curbing the bloodshed. But he ruled out direct negotiation with Iran unless it halts a uranium enrichment program that potentially could be used to produce nuclear weapons.

While the United States considers its options, Maliki's government has opened direct talks with both countries.

Iraqi President Jalal Talabani was in Tehran on Tuesday, securing promises of assistance from his counterpart, Mahmoud Ahmadinejad, and Iran's supreme leader, Ayatollah Ali Khamenei. He also has accepted an invitation to visit Syria, said his spokesman, Hiwa Osman, reached by telephone in Tehran.

The comments came on the eve of a hastily arranged summit in Amman, the Jordanian capital, where King Abdullah II will hold talks with Bush and Maliki after a week of some of the fiercest fighting in Iraq's civil war.

At least 215 people were killed in coordinated car bombings Thursday in a Shiite Muslim slum of Baghdad, a stronghold of anti-American cleric Muqtada Sadr and his Al Mahdi militia. Hundreds more died in days of reprisal attacks, as Shiite and Sunni militiamen pounded neighborhoods with mortar rounds and gunfire.

As the toll grew, Iraqis on both sides of the sectarian divide directed their anger at the United States and demanded an immediate pullout.

"If the Americans withdraw, the fighting will stop," Iraq's most revered Sunni cleric, Harith Dhari, said in Jordan, where he met with Abdullah in the run-up to the summit. "Once Americans make the decision to withdraw, whether it is in one or two years, we can go to the resistance and tell them you have what you have been fighting for."

But other Sunnis trapped in Baghdad's strife-torn neighborhoods said they had no one besides the Sunni fighters to turn to for protection. They accused Iraq's Shiite-dominated police force of turning a blind eye to sectarian death squads and even colluding with them.

Sunnis are likely to find threatening any consolidation of security forces in Maliki's hands.

Adnan Dulaimi, head of the Sunni bloc in parliament, found himself calling for U.S. help when gunmen attacked his home over the weekend.

"I think that without the Americans, there will be a security vacuum and the result will be civil war," he said Tuesday.

Sadr's political representatives threatened last week to pull out of parliament and the Cabinet if Maliki met with Bush, a move that could precipitate the collapse of a painfully crafted government drawing in representatives of Iraq's main ethnic and religious groups. By Tuesday, however, they had softened their stance.

"We will wait until we have the visit and then we will examine the situation: Are there any benefits or good results for the Iraqi people?" said Nassar Rubaie, a spokesman for Sadr's political bloc. "Then we will discuss it and eventually decide" whether to pull out.

Bush said he intended to ask questions of Maliki, rather than offer his own solutions.

"My questions to him will be: What do we need to do to succeed? What is your strategy in dealing with the sectarian violence?" Bush told reporters in the Estonian capital, Tallinn, en route to the Riga summit.

Maliki insiders said the prime minister's answer would be to tell U.S. commanders to give the Iraqi government full control over its security forces.

"This will not happen overnight; it needs a lot of preparation," said Haider Abadi, a lawmaker from Maliki's Islamic Dawa Party. "We need to build our forces, we need to train them, we need to arm them properly…. But if we can achieve a timeline, we will have achieved a lot."

U.S. and Iraqi officials also expect to discuss Talabani's visit to Iran. Khamenei on Tuesday blamed American policies for the violence in Iraq and told Talabani that Iran considered it a "religious and humane duty" to help establish security in the neighboring country, according to his office's website.

Bush is expected to press Maliki to deliver on promises to disarm Shiite militias, including Sadr's Al Mahdi army and the rival Badr Brigade, which are linked to key members of the political bloc that put the prime minister in power.

But Abadi and other officials close to Maliki ruled out military action against the militias.

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"Unfortunately, you cannot disarm militias when your population feels the Iraqi security forces and the multinational forces are not doing enough to protect them from terrorists," he said. "This will result in the collapse of the government."

He said the government would seek a political solution to the problem of private armies and focus on cleaning up its security forces, which officials acknowledge have been infiltrated by Shiite militiamen.

U.S. and Iraqi officials have been vague about any expected outcome from the meeting, a silence that appeared to inspire little confidence among Iraqis reeling from last week's carnage.

"I don't think any good will come out of this meeting," said Kareem abu Karrar, whose world was upended when a car bomb exploded in the busy intersection where he sells electrical goods. He saw friends ripped to pieces and watched in a daze as a minivan packed with passengers flew through the air.

"We are now used to not expecting any good from Bush or Maliki," he said, "because we learned that after every attempt for national reconciliation, the exact opposite happens."

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Zavis reported from Baghdad and Wallsten from Riga. Times staff writers Said Rifai and Raheem Salman in Baghdad, special correspondent Ranya Kadri in Amman and special correspondents in Baghdad contributed to this report.

Some Question Whether Al-Maliki Strong Enough (USAT)

By César G. Soriano And Bill Nichols

USA Today, November 29, 2006

BAGHDAD — Two months ago, President Bush declared Iraqi Prime Minister Nouri al-Maliki was "the right man" for the job.

As Bush prepares to meet with al-Maliki today and Thursday in Jordan, analysts say there is growing evidence that al-Maliki is not up to the formidable task of bringing stability to his country.

Since taking power May 20, al-Maliki has yet to confront violent militias or persuade rival Sunnis to support his government. The government's security forces are accused of taking sides in growing sectarian fighting.

Al-Maliki "probably has neither the will nor the ability to address certain core issues, such as widespread abuses on the part of (Shiite) militias and the police," said Wayne White, head of the State Department's Iraq intelligence desk during the U.S. invasion in 2003. "He is beholden to the forces behind the militias for his political survival."

Bush said he will ask al-Maliki "what is required and what is your strategy to be a country which can govern itself and sustain itself?"

"My question to him will be, what do you need to do to succeed?" Bush said Tuesday in Estonia.

National security adviser Stephen Hadley said Bush will not push al-Maliki to achieve quick results in trying to stabilize Iraq. "I think there's a lot of discussion about pushing Maliki. Maliki is doing a lot of pushing himself," Hadley said.

White and other analysts said that although the administration casts the Bush-al-Maliki meetings as a listening session on the part of the United States, Bush will probably underline the need for fast progress on a host of fronts. Hadley acknowledged that al-Maliki has taken steps forward, but "obviously, they have a long way to go."

Some key issues:

·Militias. U.S. and Iraqi military leaders have pressed al-Maliki for months to outlaw militias, some of which have close links to Shiite parties in Iraq's ruling coalition.

Al-Maliki told USA TODAY in October that his government will not force militias to disarm until possibly early next year. He has rejected U.S. timelines for curbing militias by year's end and has pulled U.S. and Iraqi troops back from raids and checkpoints in Sadr City, the teeming Shiite neighborhood in Baghdad where anti-U.S. cleric Muqtada al-Sadr draws support.

Military historian Andrew Bacevich said al-Maliki is beholden to al-Sadr for helping maintain his Shiite political power base. Al-Sadr's militia has clashed with U.S. forces on at least two occasions. His organization is represented in parliament and in the Cabinet.

Asked what al-Maliki has done to rein in militias, Bacevich said, "I know of nothing. The prime minister is dependent upon (Shiite) groups that are at a minimum in league with the militias, if not controlling the militias."

·Political reconciliation. Al-Maliki, 56, spoke of creating a "pluralist Iraq" when he assumed the job of prime minister in May. Sunni legislators complain that no olive branches have been offered and that Iraq's Sunni minority lives in fear of Shiite-inspired violence.

"We are in an unannounced civil war," said Adnan al-Dulaimi, who heads the main Sunni parliamentary bloc. "The violence will continue tomorrow and the day after tomorrow unless there is a real balance" in the government and Iraqi forces.

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·Infiltration of Iraqi forces by death squads and Shiite militias. Al-Dulaimi said Sunnis do not trust Iraqi security forces "because these forces are participating with the militias in attacks against Sunnis."

Iraqi national security adviser Mouwafak al-Rubaie said such allegations "are baseless." He said Iraqi forces "are getting better trained, equipped and armed. They are getting stronger and more experienced, slowly but surely, week by week."

Phebe Marr, an Iraq expert and an adviser to the bipartisan Iraq Study Group that is due to report its findings soon, said al-Maliki appears ill-suited to try to bridge Iraq's sectarian divides, but Washington has no alternative.

The Sunni leadership is "equally fractured," Marr said and "there is no strong man there" who could replace al-Maliki.

Jeffrey White, a former Defense Intelligence Agency Middle East analyst, said al-Maliki was chosen as prime minister by Shiite leaders "because he was weak and pliable."

White also argued that criticism of Iraqi leaders by the White House and Congress comes from unrealistic expectations for al-Maliki or any other Iraqi leader. Leaders of the new Democratic majority in Congress have called for al-Maliki's government to take more security responsibility so some of the 140,000 U.S. troops in Iraq can come home.

"There is no way they can do what we want them to do," White said. "If these benchmarks could have been met, they would have been met. They are prisoners of their own history, system and personalities."

Deeper Crisis, Less U.S. Sway In Iraq (NYT)

By John F. Burns And Kirk Semple

The New York Times, November 29, 2006

BAGHDAD, Nov. 28 — When President Bush meets in Jordan on Wednesday with Prime Minister Nuri Kamal al-Maliki of Iraq, it will be a moment of bitter paradox: at a time of heightened urgency in the Bush administration's quest for solutions, American military and political leverage in Iraq has fallen sharply.

Dismal trends in the war — measured in a rising number of civilian deaths, insurgent attacks, sectarian onslaughts and American troop casualties — have merged with growing American opposition at home to lend a sense of crisis to the talks in Amman. But American fortunes here are ever more dependent on feuding Iraqis who seem, at times, almost heedless to American appeals, American and Iraqi officials in Baghdad say.

They say they see few policy options that can turn the situation around, other than for Iraqi leaders to come to a realization that time is running out. It is not clear that the United States can gain new traction in Iraq with some of the proposals outlined in a classified White House memorandum, which was compiled after the national security adviser, Stephen J. Hadley, visited Baghdad last month.

Many of the proposals appear to be based on an assumption that the White House memo itself calls into question: that Prime Minister Maliki can be persuaded to break with 30 years of commitment to Shiite religious identity and set a new course, or abandon the ruling Shiite religious alliance to lead a radically different kind of government, a moderate coalition of Shiite, Sunni and Kurdish politicians.

The memo's assessment of Mr. Maliki tracks closely with what his American and Iraqi critics in Baghdad say: that six months after taking office, he has still not shown that he is willing or capable of rising above Shiite sectarianism.

These critics say, in effect, that the 56-year-old Iraqi leader has failed, so far, to meet the test set by Mr. Bush when the two men met for the first time in Baghdad in June. At that meeting, the American leader told Mr. Maliki he had come to "look you in the eye" and determine if America had a reliable partner here.

Against these judgments, some key passages in the Hadley memo seem at odds with the reality on the ground, as if the steady worsening of America's prospects here has driven the White House to reach for solutions that defy the gloomy conclusions of America's diplomats and field commanders, not to mention some of Mr. Maliki's closest political associates.

Even some powerful figures in the Shiite alliance have spoken recently of Mr. Maliki less as a possible leader of a parliamentary coup against the political movement that nurtured him than as an ineffective and ultimately dispensable figure, much like the man he succeeded in the prime minister's office, Ibrahim al-Jaafari.

Shiites in Iraq are riven by factional rivalries, and there may be opportunities for the Americans to exploit those divisions to create parliamentary realignments. Indeed, some Iraqi leaders have started exploring new alliances to break the political logjam, possibly involving a parliamentary coup against Mr. Maliki. But if Grand Ayatollah Ali al- Sistani, Iraq's most powerful Shiite cleric, has been clear about anything, it has been that the Shiites must subordinate their differences to the cause of consolidating Shiite power.

So it is hard to imagine Mr. Maliki approaching Ayatollah Sistani to win approval "for actions that could split the Shia politically," as the Hadley memo suggests. Shiite leaders, who are tiring of Mr. Maliki, appear to be thinking of replacing him with another Shiite religious leader, and not of sundering the alliance and surrendering the power the Shiites have awaited for centuries.

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But if recent interviews in Baghdad with senior American and Iraqi officials are a guide, a bigger problem for the Bush administration in effecting change here may be that the United States, in toppling Saddam Hussein and sponsoring elections that brought the Shiites to power, began a process that left Washington with ever-diminishing influence.

One reason for the declining American influence lies in policies that, for various reasons, alienated the political class, most of them former exiles like Mr. Maliki who rode back to Baghdad on the strength of American military power.

Many Shiite leaders resent the Americans for compelling them to share power in the new government with the minority Sunni Arabs — a policy, the Shiites say, that guaranteed paralysis for the government.

Sunni leaders still resent the American invasion, and the imposition of an electoral process that ended centuries of Sunni dominance. Just as much, they fume over the pervasive influence of neighboring Iran, which backs the Shiite parties.

And secular politicians, marginalized by the Shiite and Sunni Islamist politicians who dominate the government, say they, too, have lost faith in the Americans, for failing to protect Iraq's secular traditions.

"Politically, their position is weaker in all aspects," Mahmoud Othman, a Kurdish leader, said of the Americans. "They just got weaker and weaker, and many more people who were supporting them are supporting them less."

Meanwhile, the faltering of the latest effort to secure Baghdad has exposed the limitations of American ability to change the military equation. The White House memo raises the possibility of using additional American troops to fill what it calls "the four brigade gap" in troops committed to the Baghdad operation in August — a gap caused by Iraq's new army committing only two of the six brigades it promised.

That shortfall left Americans providing about two-thirds of the 25,000 troops, halting by mid-October the sweeps to clear districts of insurgents and death squads.

But American commanders interviewed said that committing additional American troops could send a signal to Shiites, Sunni Arabs and Kurds that they could continue to quarrel over their share of political and economic power behind an American military shield.

In recent days, Mr. Maliki has seemed to heed these American warnings, telling fellow Iraqi leaders on Sunday, three days after bombings that killed more than 200 Shiites in Sadr City, that they have to accept the blame for the surging violence.

"The crisis is political," Mr. Maliki said, "and the ones who can stop the cycle of aggravation and bloodletting of innocent people are the politicians."

Meanwhile, the political process has almost completely ground to a halt. Mr. Maliki's "national reconciliation plan," intended to reduce violence through dialogue and an amnesty program for militia fighters and insurgents, has stalled.

Political leaders have also made little progress on promises to review the new Constitution, a document resented by Sunnis, and a plan to draft a new law that will set terms for the future divisions of oil revenues that account for 90 percent of Iraq's economy.

Saleh Mutlak, a Sunni legislator, was blunt in his assessment of the government: "Do you not recognize that it's going backwards?"

Sectarian rifts between the nation's political leaders have deepened. During a session of Parliament last week, prominent Sunni and Shiite legislators bitterly accused each other of sectarianism and promoting violence. President Jalal Talabani, a Kurd, has warned fellow leaders about the possible collapse of the state. And even the Shiite leaders who control the government have taken to conspiring among themselves, with open jockeying for the succession if Mr. Maliki should fall.

At the crux of the most difficult decisions facing Mr. Maliki stands the Shiite cleric Moktada al-Sadr, whose control of one of the largest blocs in Parliament, several ministries and a large and restless militia, makes him arguably the most powerful politician in Iraq. Mr. Maliki is indebted to Mr. Sadr for providing the votes within the ruling Shiite alliance that made him prime minister.

But Mr. Sadr's volatile militia, the Mahdi Army, is blamed for many of the Shiite revenge attacks against Sunnis. The White House memo suggests that Shiites might be willing to drop their support of the militia if the Americans continue their military pressure against Sunni insurgents. But Shiites see the militia as their last defense against decimation by Sunni insurgents.

For the Iraqi leader, the challenge presented by Mr. Sadr and the Mahdi Army amounts to a zero-sum game. If Mr. Maliki moves too fast against the militia, he risks losing Mr. Sadr's support and splintering the Shiite bloc. If he moves too slowly, he will alienate the Sunni Arabs whose cooperation is crucial to any hope of reining in the insurgency.

Meanwhile, Mr. Maliki is in a vexed relationship with the United States. The Iraqi government needs the United States for the protection its 150,000 troops afford. At the same time, he has felt compelled to push back publicly against American pressures, partly to gain credibility among those in his power base who oppose the American presence, particularly the staunchly anti-American Mr. Sadr. Among other things, he has demanded effective control of Iraq's new 140,000-man army, which remains under overall American command.

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According to several Iraqi politicians, Mr. Bush may consent in Jordan to arrangements that give Mr. Maliki at least greater nominal authority over the Iraqi forces, something American commanders — and the White House memo — agree would be important to Mr. Maliki's credibility.

But the Americans will be careful about the practical implications, because of concerns that the Iraqi police and army, overwhelmingly Shiite, could be used as a sectarian militia.

Iraqis are growing impatient. "The government should say they are going to take things into their own hands," said Adel Abdul Mahdi, the Shiite vice president and one of Mr. Maliki's rivals for prime minister.

"We don't have enough time," he continued. "Iraqis have to deliver. We have to show the world that there is a state."

Why Iraq's Discord Stalls Political Solution (WSJ)

By Philip Shishkin

The Wall Street Journal, November 29, 2006

BAGHDAD, Iraq -- President Bush is expected to press Iraq's leader when they meet this week to act decisively against the violence coursing through Iraqi neighborhoods. That may prove extremely difficult, because the sectarian discord has paralyzed the country's fragile political structure -- and with it much of the leverage at Prime Minister Nouri al-Maliki's disposal.

Nowhere is this paralysis more evident than in Iraq's national assembly. The Parliament was cast by Washington as a solution to the nation's problems when it was elected a year ago. Instead, it embodies Mr. Maliki's biggest challenge because it mirrors the sectarian battles raging on the Iraqi streets.

Lawmakers routinely demonstrate their fury with one another by boycotting sessions to stymie the legislative process, using speeches in parliament to accuse fellow lawmakers of complicity in violence, and exchanging personal insults using epithets that ensure lingering mistrust and ill will.

In a typically charged exchange last week, a senior Shiite Muslim politician railed against attacks on his co-religionists in one Baghdad neighborhood and called for Iraqi security forces to move in to restore order. A leading Sunni Muslim lawmaker who lives in that neighborhood took the comment as a personal insult and accused Shiites of treating Sunnis like Jews -- fighting words in this mostly Arab land. This kind of acrimony has left Mr. Maliki unable to quell sectarian violence and to reconcile the warring Shiite and Sunni factions through an inclusive political process.

When Mr. Maliki's administration took office in May, it was billed as a government of national unity that could pacify the insurgency by bringing its Sunni leaders back into politics and then disarming Shiite militias by exerting pressure on the political parties that control them. After that, officials in Baghdad and Washington argued, American troops could start leaving the country.

After six months in office, Mr. Maliki is facing pressure from across Iraq's political spectrum. Sunnis are furious that the Shiite militias that target Sunnis for assassination and torture have grown even more active on his watch. While the government has pledged to tackle the militia problem, Mahmoud Mashadani, the outspoken Sunni speaker of parliament answers, "Show me, don't tell me."

Legislators loyal to combative Shiite cleric Moqtada al-Sadr are furious over Thursday's car bombs that killed more than 200 Shiite civilians in Baghdad's Sadr City district. Mr. Sadr blames the Americans for failing to prevent the violence, but anger at Mr. Maliki is running high. "He's like a bird trying to fly without wings," says Nasar al-Rubaie, a parliament member affiliated with the Sadr movement.

Mr. Maliki is blaming the political discord for the deteriorating situation in Iraq. "The crisis is political," he said after last week's bombings. "And it is the politicians who must try to prevent more violence."

His defenders say Mr. Maliki has a lot of responsibility but little authority because the Shiite political parties to whom he owes his post are also the ones controlling the militias. Several Iraqi politicians say the prime minister has repeatedly expressed frustration that he doesn't have enough operational control over Iraq's fledgling security forces.

In protest over last week's carnage in Baghdad, Mr. Sadr's political movement is threatening to suspend its participation in parliament and the cabinet if Mr. Maliki goes through with his plans to meet Mr. Bush in Amman, Jordan, this week. The boycott could touch off yet another political crisis here. But it would hardly be unusual for a parliament accustomed to arguments, walkouts, accusations and counter-accusations hurled across the floor.

"These are the things that need to be transcended, these are the things that happen on a daily basis," Ashraf Qazi, the United Nations representative in Baghdad, says of Iraq's parliamentary quarrels. "There's mistrust, there's division, there's misunderstanding."

The 275-member Council of Representatives is dominated by Shiite political parties. Still, the Sunnis, who had boycotted an earlier round of elections, also have sizable representation. Kurdish factions are well represented, too, but their primary concern has been to ensure smooth sailing for their own autonomous region in northern Iraq.

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Heated sectarian rhetoric has become such a common feature in the parliament hall that the assembly decided to push back member statements to the end of the session, knowing that once someone makes an accusation, the parliament quickly descends into chaos. Some lawmakers also want to post a roll call from every session on the parliament's Web site, hoping to name and shame those who don't attend. In fact, boycotts and absenteeism in protest of an attack or a policy have become so common that the parliament now wants to impose fines against those who skip sessions and thus endanger the quorum.

Once, when Mr. Maliki was planning to address the parliament on security matters, an anxious Mr. Mashadani waited two hours for enough members to gather in the parliament hall, and finally canceled the session after citing the lawmakers' "deplorable behavior" -- and then called one member "a dog" for good measure.

Lawmaking has taken a back seat to recriminations. A parliament official recently read aloud a list of 40 bills submitted by the cabinet to the assembly; most of them never left the committees. A key measure aimed at bringing some Sunni extremists into the political process fell apart when politicians couldn't agree which groups qualified for inclusion.

One bill that galvanized the parliament's attention was also the most divisive and sectarian issue ever to reach the floor. In October, several Shiite political parties took up a bill that would allow the formation of autonomous regions, a proposal vehemently rejected by Sunnis. The Sunnis, who make up about 20% of Iraq's population and live in landlocked and oil-poor central Iraq, are afraid the majority Shiites would carve out their own semi-independent enclave in the South where most of Iraq's oil is concentrated. Combined with the existing Kurdish region in the north, it would leave Sunnis with no natural resources.

Sunni parties lobbied frantically to derail the bill, striking a tactical alliance with Mr. Sadr's movement. Although a Shiite, Mr. Sadr is an Iraqi nationalist opposed to any federal division of the country. Observers were surprised to see hardline Sunni lawmakers and Mr. Sadr's deputies -- who usually don't agree on anything -- huddle in the hallways. In the end, though, the federalism bill passed by a narrow margin, widening the gulf between Sunnis and Shiites.

"The law is a recipe for dividing Iraq," says Adnan al-Dulaimi, a leading Sunni legislator who last week was involved in a televised argument in parliament that led to the Jew comment. In fact, he adds now, the Shiites are treating Sunnis even worse than they would treat Jews -- and claims the Shiites inflated the death toll of last week's massive bombings in Sadr city to demonize the Sunnis.

Jalaladdin al-Sagheer, a prominent Shiite deputy in parliament, says Mr. Dulaimi personifies everything that is wrong with the Sunni political leadership. "I don't want to say that he's sectarian, but he always talks only about his own sect," he says.

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Iraq And The Facts Of Life (NYT)

The New York Times, November 29, 2006

At this point it is hard to tell who is more out of touch: President Bush, who continues to insist that Iraq has not descended into civil war, or Prime Minister Nuri Kamal al-Maliki, who appears to believe that Americans will prop him up indefinitely.

When the two sit down in Jordan, we hope they will use the time — finally — to impress on each other the brutal facts of life in their respective capitals.

Mr. Bush needs to make clear that Americans' patience has all but run out and that he will start bringing the troops home unless Mr. Maliki moves to rein in sectarian bloodletting and Iraqi troops start shouldering more of the burden. Mr. Maliki needs to make Mr. Bush understand Iraq's full desperation — and his own desperate political weakness. So long as Baghdad remains in chaos — and militias are better armed and more motivated than the Iraqi Army — he has no chance of ending the blood feuds or breaking the cycle of retribution.

This sort of truth-telling does not come easily to either man, and at this point there may not be anything that can salvage Iraq. But more denial and drift will only lead to more chaos. The very fact that the meeting is being held in Jordan — explanations range from concerns about safety in Iraq to the White House's desire to pry Mr. Maliki away from his more unsavory backers — should leave no doubt about the urgent need for a change in strategy.

Mr. Bush needs to start by giving the Iraqi leader a clear deadline for beginning national reconciliation talks, preferably as soon as Mr. Maliki returns to Baghdad. And he should insist that the talks continue until some agreement is reached on protecting minority rights, equitably dividing the country's oil wealth, and demobilizing sectarian militias. Mr. Bush does not need to insult Mr. Maliki by barking out orders. But he does need to make clear that he can hold off demands for an American withdrawal for only so long.

Mr. Bush should not be the only demander. Reconciliation talks will go nowhere until Iraqis see evidence that there is at least some hope for a better life. Mr. Maliki needs to give his own deadline to the Americans for launching a truly make-or-break campaign to retake the streets of Baghdad.

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Mr. Maliki also needs to tell Mr. Bush that the American training of the Iraqi Army is failing, and without a more aggressive program, the army will collapse at the first sign the Americans are leaving. And he must warn that Mr. Bush's insistence on talking only to friends won't halt meddling by Iran and Syria.

King Abdullah II of Jordan, who will play host to the meetings, is warning that unless something drastic happens soon, the Middle East will face three full-blown civil wars: in the Palestinian territories, Lebanon and Iraq. If Iraq's desperate reality is not enough to inspire Mr. Bush and Mr. Maliki to tell each other the truth, perhaps a look into that wider abyss will.

Bush Declines To Call Situation In Iraq Civil War (NYT)

By Sheryl Gay Stolberg

The New York Times, November 29, 2006

RIGA, Latvia, Nov. 28 — On the eve of a high-profile trip to Jordan to meet Prime Minister Nuri Kamal al-Maliki of Iraq, President Bush on Tuesday dismissed suggestions that Iraq had descended into civil war, blamed Al Qaeda for the latest wave of sectarian violence and vowed not to withdraw troops "until the mission is complete."

The president's remarks, during a swing through the Baltics that took him from Tallinn, Estonia, on Tuesday morning to Riga for a NATO summit meeting, were his first on Iraq since a series of bombs killed more than 200 people in a Shiite district of Baghdad on Thursday. It was the deadliest attack since the American invasion in 2003, and it was followed by bloody Shiite reprisals.

At a morning news conference with President Toomas Hendrik Ilves of Estonia, Mr. Bush, making the first visit to Estonia by a sitting United States president, characterized talk of civil war in Iraq as "all kinds of speculation." Foreshadowing his message to Mr. Maliki, he said he would press the Iraqi prime minister to lay out a strategy for stopping the killings.

"My questions to him will be: 'What do we need to do to succeed? What is your strategy in dealing with the sectarian violence?' " Mr. Bush said. "I will assure him that we will continue to pursue Al Qaeda to make sure that they do not establish a safe haven in Iraq."

Mr. Bush is in Riga to talk about the other war — Afghanistan — which tops the NATO agenda. The alliance, which was formed to protect Europe, now has 32,000 troops in Afghanistan. But Mr. Bush wants NATO to commit more troops to the southern region of that country, to fend off a resurgence by the Taliban. In a speech at Latvia University, the president warned that terrorists, drug traffickers and warlords "remain active and committed to destroying democracy in Afghanistan."

Yet Iraq, not Afghanistan, is dominating the president's time, casting as heavy a shadow here as it does at home. Democrats, who are about to take control of Congress after midterm elections that were widely viewed as a referendum on the war, are pressing for a phased withdrawal of troops, but Mr. Bush held firm against that.

"We'll continue to be flexible, and we will make the changes necessary to succeed," he said in Riga. "But there's one thing I'm not going to do: I'm not going to pull the troops off the battlefield before the mission is complete."

In part, Mr. Bush is laying the foundation to push back against a high-level bipartisan commission, which has been meeting in Washington behind closed doors to review Iraq strategy. Though the panel is reportedly divided on the issue of withdrawal, it is widely expected to recommend greater United States engagement with Iraq's neighbors, Iran and Syria, two nations the White House has shunned.

Mr. Bush said Tuesday that he intended to leave such talks to Iraq, "a sovereign nation which is conducting its own foreign policy."

On Wednesday, after lunch with his fellow NATO heads of state, Mr. Bush is scheduled to leave for Amman, Jordan, for two days of meetings with Mr. Maliki. Experts say that the president must walk a fine line, reassuring Mr. Maliki while making clear that American patience may wear thin if the prime minister does not tamp down the violence so Iraqis can assume greater responsibility for securing their country.

"They're probably a little worried right now that if Maliki and others think maybe it's only a matter of time before the administration gets out, the last thing they are going to do is go after militias, because the militias are what they need for protection," said Dennis Ross, a former Middle East envoy for the Clinton and first Bush administrations.

But while Mr. Bush suggested he would lean on Mr. Maliki, White House officials were careful to say the president would not deliver any ultimatums.

"I think Maliki would be the first person to say he has not produced the kind of results he would like to have produced," Stephen J. Hadley, the president's national security adviser, told reporters, adding: "There is a lot of discussion about pushing Maliki. Maliki is doing a lot of pushing himself."

The president and Mr. Maliki appear to be at odds on the cause of the recent bombings. Mr. Maliki has called them "the reflection of political backgrounds" and has said that "the crisis is political." But instead of citing Shiite and Sunni militias on Tuesday, Mr. Bush placed blame on Al Qaeda.

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“There’s a lot of sectarian violence taking place,” Mr. Bush said, “fomented in my opinion because of the attacks by Al Qaeda causing people to seek reprisal.”

As the cycle of violence continues, officials outside the United States are warning that Iraq is verging on civil war. King Abdullah II of Jordan told ABC News on Tuesday that “something dramatic” must be done, and Kofi Annan, the United Nations secretary general, told reporters on Monday that the region would face civil war “unless something is done drastically and urgently to arrest the deteriorating situation.”

But Mr. Bush, well aware that a label of civil war would make the Iraq mission even more difficult to justify, brushed aside that question on Tuesday.

“There’s all kinds of speculation about what may or may not be happening,” he said in Estonia, adding, “No question, it’s tough.”

White House Wages War Of Words Over 'Civil' Term (WP)

By Peter Baker

The Washington Post, November 29, 2006

The carnage in Iraq is "sectarian violence," President Bush says. It's a "struggle for freedom," the "central front in the war on terror." It is not, no matter how much it may look like it, a civil war.

Forget the debate over what to do about the war in Iraq. The White House is still debating what to call the war in Iraq. With retired generals, analysts, politicians and pundits increasingly using the term "civil war," the Bush administration insists that the definition does not fit as part of its latest effort to control the words of war.

To people dying in the streets of Sadr City, it may be just semantics. But the White House fiercely resists the phrase out of fear of its impact in both Iraq and the United States. Defining it as civil war, some strategists worry, could accelerate the conflict and encourage Iraqi factions that remain on the sidelines to join the struggle. And acknowledging that it has become a civil war, they fear, could collapse the already weak support for the mission among Americans.

But the risk for the White House, analysts said, is that once again it will appear out of touch with reality over there and with public perception here at home. For months after the invasion of Iraq, the administration denied there was an insurgency. Then it resisted the notion that there was sectarian violence. Now polls show that about two-thirds of the American public think that Iraq is mired in civil war.

"If they can't characterize what's going on in Iraq in an honest fashion, we can't begin to address the problem," retired Gen. Barry R. McCaffrey, who led troops in the 1991 Persian Gulf War, said in an interview.

Asked about the matter at a news conference in Estonia yesterday, Bush skirted the issue and focused attention on al-Qaeda's role. "No question, it's tough," he said. "No question about it. There's a lot of sectarian violence taking place -- fomented, in my opinion, because of these attacks by al-Qaeda, causing people to seek reprisal."

White House press secretary Tony Snow rejected the term "civil war" on Monday because "you have not yet had a situation . . . where you have two clearly defined and opposing groups vying not only for power but for territory."

The issue of terminology has arisen periodically for months, especially since the February bombing of the Golden Mosque in Samarra touched off round after round of attacks between the once-dominant minority Sunnis and the majority Shiites who now control the government. The debate has flared more intensely in recent days amid the bloodiest assaults of the war in the Shiite slum of Baghdad known as Sadr City. U.N. Secretary General Kofi Annan warned Monday that when it comes to civil war, "we are almost there."

The decision by NBC News on Monday to use the term despite White House objections prompted a fresh examination by many in Washington about the nature of the conflict. As MSNBC began flashing the logo "Iraq: The Civil War," other news organizations staked out positions. The Los Angeles Times noted that it has been calling the violence a civil war since October. The New York Times said it will use the term, though sparingly. The Associated Press said it is still debating the issue, while The Washington Post has made no policy.

The Random House unabridged dictionary defines a civil war as "a war between political factions or regions within the same country." Scholars often further refine that to those conflicts that take at least 1,000 lives. Those who argue that Iraq does not qualify say that a true civil war involves organized military units contesting for territory on behalf of competing governments or quasi-governments.

"In American history, in the Civil War, you had borders and you had two sides," said Michael Ledeen, a scholar at the American Enterprise Institute. "I don't see anything like that. There's lots of people killing lots of other people, yes. Why not call it a terror war? That seems to cover it."

Sen. Jack Reed (D-R.I.), a member of the Armed Services Committee, said Bush would rather frame it in the terrorism context to preserve public support. "If it's a civil war and only a small portion of it involves al-Qaeda operatives, then it's suddenly

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not the central front in the war on terror, it's a struggle by Iraqis for political power," he said. "That means the rationales for this are severely undercut."

Polls suggest that most Americans have already settled this debate in their minds -- 61 percent of those surveyed in September by NBC News and the Wall Street Journal described the situation in Iraq as a civil war, while 65 percent agreed in a CNN poll and 72 percent in a Gallup poll. Of those who described the conflict as "out of control" and a "civil war" in a later Gallup-USA Today poll, 84 percent called U.S. involvement a mistake, compared with 25 percent of those who did not view the situation that way.

"There's a good deal of research to suggest that the American public is less willing to use troops to intervene in other countries' civil wars than in humanitarian-type missions," said Christopher F. Gelpi, a Duke University scholar who has studied public opinion in wartime. "So even if the facts on the ground are the same . . . the label used has a substantial effect on public opinion. That's why they're fighting over it."

Language also has the power to influence events in Iraq, where leaders engage in a similar debate. "If this is not civil war, then God knows what civil war is," former prime minister Ayad Allawi said as far back as eight months ago. But the current prime minister, Nouri al-Maliki, adamantly rejects the term, and analysts said his fragile government risks collapsing if it accepts the premise.

"There is a very tenuous and very weak hold on legitimacy," said Peter Khalil, a Eurasia Group consultant who served as a U.S. security adviser in Iraq. "If they were to admit that, then that last strand gets unraveled. You're not far off from falling off the ledge."

Kurt M. Campbell, a Pentagon official in the Clinton administration, said many key players in Iraq have not engaged in violence but could decide to weigh in if they think the conflict has evolved into an all-out struggle for power -- which means the Iraqis and Americans have a legitimate reason to fear the disputed phrase.

"It may trigger the thing you're trying to forestall," he said. "It's not simply a matter of political correctness and trying to avoid harsh reaction." But Campbell, who is now at the Center for Strategic and International Studies, said it may soon be too late. "Where we're at right now is so close to all-out civil unrest that in the next few weeks if it continues the way it's going, it'll be all but unavoidable."

Polling director Jon Cohen contributed to this report.

Bush Says U.S. Won't Withdraw From Iraq (AP)

By Tom Raum

AP, November 29, 2006

Under intense pressure to change course, President Bush on Tuesday rejected suggestions Iraq has fallen into civil war and vowed not to pull U.S. troops out "until the mission is complete."

At the opening of a NATO summit, Bush also urged allies to increase their forces in Afghanistan to confront a strengthening Taliban insurgency.

On the eve of his visit to Jordan for meetings with Iraqi Prime Minister Nouri al-Maliki, Bush portrayed the battles in both Afghanistan and Iraq as central fronts in a war "against the extremists who desire safe havens and are willing to kill innocents anywhere to achieve their objectives."

The stakes in Iraq are huge for Bush. His war policies were repudiated in U.S. midterm elections that handed control of Congress to Democrats. A bipartisan blue-ribbon panel is about to issue a report proposing changes in the administration's approach in Iraq. And al-Maliki's government itself sometimes seems to be at cross purposes with Washington.

Bush set the stage for the Jordan talks with a speech at the NATO summit here and at an earlier news conference in neighboring Estonia. The president said he was flexible and eager to hear al-Maliki's ideas on how to ease the violence.

"There's one thing I'm not going to do, I'm not going to pull our troops off the battlefield before the mission is complete," Bush declared in his speech. There are about 140,000 U.S. forces in Iraq.

Earlier, speaking with reporters in Tallinn during a joint news conference with Estonia's president, Bush would not debate whether Iraq had fallen into civil war and blamed the increasing bloodshed on a pattern of sectarian violence that he said was set in motion last winter by al-Qaida followers.

"I'm going to bring this subject up, of course, with Prime Minister Maliki," Bush said. "My questions to him will be: What do you need to do to succeed? What is your strategy in dealing with the sectarian violence?"

Bush said he realized that "no question it's dangerous there, and violent. And the Maliki government is going to have to deal with that violence, and we want to help them do so."

Bush has been coming under increasing pressure, both overseas and at home, to reach out more to other countries, particularly to Syria and Iran to help with a solution in Iraq.

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Such a recommendation may be among those issued by the Iraq Study Group headed by former Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton. The group is expected to finish its work next month.

Bush has resisted such talks, and he renewed a warning on Tuesday to both Iran and Syria not to meddle in Iraq. Still, al-Maliki's government itself has made overtures to both countries.

"As far as Iraq goes, the Iraqi government is a sovereign government capable of handling its own foreign policies and is in the process of doing so," Bush said in Tallinn.

Later, Bush's national security adviser, Stephen Hadley, said that Bush and al-Maliki have "a relationship of candor."

"A lot of discussion has been about (Bush) pushing Maliki. Maliki has done a lot of pushing himself," Hadley said. "There has been a coordinated effort between the Iraqi government and allied forces to get greater control. ... It has not produced satisfactory progress in a satisfactory timeframe."

Meanwhile, in Washington, House Speaker-to-be Nancy Pelosi said Bush must work with Democrats on stopping the violence in Iraq.

"We want to work in a bipartisan way to settle this," Pelosi said. "If the president persists on the course that he is on, that will be more difficult."

In Riga, Bush pressed many of the 26 NATO allies to do more to marshal resources and troops in Afghanistan, particularly in the volatile south.

Bush said the Afghanistan mission — which has mobilized over 32,000 troops_ is NATO's top operation and defeating Taliban forces "will require the full commitment of our alliance."

"The commanders on the ground must have the resources and flexibility they need to do their jobs," he said.

Bush met individually with NATO Secretary-General Jaap de Hoop Scheffer and joined other leaders in attending a working dinner.

Hadley, Bush's national security adviser, said that Bush brought up a need for "additional defense capabilities and additional defense spending" in the meeting with the secretary-general and also intended to discuss it at the dinner.

In both Baltic countries, Bush on Tuesday saluted their persistence in eventually prevailing over Soviet occupiers, and he said it was a good example for both Afghanistan and Iraq.

Bush: No Troop Pullouts Until Mission 'complete' (USAT)

By David Jackson

USA Today, November 29, 2006

RIGA, Latvia — President Bush begins two days of meetings with Iraqi Prime Minister Nouri al-Maliki today aimed at easing sectarian violence in Iraq. He remains insistent that U.S. troops will not leave the war-torn country "before the mission is complete."

Speaking here before a NATO summit on Afghanistan, Bush said Tuesday that his goals for the meetings in Jordan with al-Maliki and local host King Abdullah II are to learn more about the situation on the ground in Iraq and the efforts to transfer more responsibility to Iraqi security forces.

"We'll continue to be flexible, and we'll make the changes necessary to succeed," he said. "But there is one thing I'm not going to do: I'm not going to pull our troops off the battlefield before the mission is complete."

The president urged NATO allies to support anti-terrorism efforts in Iraq and Afghanistan, where the security alliance has 32,000 troops. Bush also urged allies to contribute resources to the NATO forces fighting the resurgent Taliban in southern Afghanistan.

Earlier at a news conference in Estonia, Bush blamed al-Qaeda for the strife in Iraq. He traced it back to the February bombing of the Golden Mosque in Samarra, which sparked attacks and reprisals between the Shiite majority and Sunni minority.

Bush said he plans to ask al-Maliki how his country can seize control of its own future.

"I will assure him that we will continue to pursue al-Qaeda to make sure that they (al-Maliki's government) establish a safe haven in Iraq," Bush said during a news conference with Estonian President Toomas Hendrik Ilves.

The president also declined to call the rising violence in Iraq a civil war. United Nations Secretary-General Kofi Annan and Abdullah have suggested Iraq is headed in that direction.

Bush also suggested the United States will not negotiate with Iran and Syria to support Iraq, in part because Iraqi officials are already doing so. The administration has said it wants other nearby nations, such as Saudi Arabia and Egypt, to work with all the factions in Iraq to end the violence.

"We want Iraq's neighbors to help the Maliki government in its efforts to promote reconciliation and stabilize the country, and this includes encouraging Iraqis, Sunnis and others, to participate in their political process and support the new government," said Gordon Johndroe, a spokesman for the National Security Council.

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Stephen Hadley, Bush's national security adviser, billed the Jordan meetings as listening sessions. Among those with the president's ear: a panel, headed by former secretary of State James Baker and former Indiana congressman Lee Hamilton, that will make its Iraq recommendations next month.

"Everybody knows where we want to get," Hadley said. "The question is, can you get there in a way that will ensure that Iraqis really are able to control and provide for their own security."

Incoming House Speaker Nancy Pelosi told the Associated Press that Democrats are willing to work with Bush on Iraq, but "if the president persists on the course that he is on, that will be more difficult."

Bush Deflects Questions About Civil War In Iraq (MCT)

By William Douglas

McClatchy Newspapers, November 29, 2006

RIGA, Latvia - President Bush said Tuesday that he intended to press Iraqi Prime Minister Nouri al-Maliki this week for a plan to stem growing sectarian violence and a strategy for how the country will sustain and govern itself.

On the eve of his initial meeting with al-Maliki in Jordan, the president blamed the escalating violence on an al-Qaida plot aimed at fueling sectarian fighting, and he placed responsibility for ending it largely on al-Maliki's shoulders.

"No question it's dangerous there, and violent," Bush said at a news conference with Estonian President Toomas Hendrik during a stop in Tallinn, Estonia. "And the Maliki government is going to have to deal with that violence, and we want to help them to do so."

Although Washington is boiling with expectations that the new Democratic Congress and a blue-ribbon bipartisan commission soon will push Bush toward a plan for phased withdrawal from Iraq, the president gave no sign of that Tuesday. He vowed again that U.S. troops will stay until the mission is complete, and shrugged off talk of negotiating with Syria and Iran for help in calming Iraq.

His remarks about al-Maliki came before his arrival at Riga, Latvia, where he's attending a two-day North Atlantic Treaty Organization summit. The NATO agenda centers on improving the organization's ability to battle 21st-century security threats, but most of the talk in Riga has been about deteriorating security in Iraq and Afghanistan.

Iraq lately has experienced the worst bloodshed since U.S.-led forces invaded in March 2003. Last week's bombings killed at least 160 people and wounded more than 200. More than 3,700 Iraqis were killed in October, the highest monthly death toll since the war began. The spike in violence prompted United Nations Secretary-General Kofi Annan to say Monday that Iraq is close to civil war - and many independent authorities say it's already civil war.

Bush rejected that conclusion. Tuesday he blamed Iraq's worsening violence on al-Qaida.

"You know, the plans of Mr. Zarqawi was to foment sectarian violence," he said, referring to the late Abu Musab al-Zarqawi, who led the group al-Qaida in Iraq until a U.S. airstrike killed him last June. "The Samarra bombing that took place last winter was intended to create sectarian violence, and it has. The recent bombings were to perpetuate the sectarian violence. In other words, we've been in this phase for a while."

The bombing of the al-Askari mosque in Samarra last February did spark a surge in sectarian violence, but it's not known whether al-Zarqawi was responsible for it. In addition, sectarian violence between Sunni and Shiite Muslims has been a condition of life in Iraq for centuries. It exploded out of control again after the removal of Saddam Hussein's dictatorship left a vacuum of power, and U.S.-led occupation forces failed to fill it with enough troops to restrain the violence.

Bush promised to be flexible with his Iraq strategy, changing it as conditions there change - but he vowed that U.S. troops would stay as long as necessary.

"There's one thing I'm not going to do: I'm not going to pull our troops off the battlefield before the mission is complete," he said during a speech at Latvia University's Grand Hall. "We can accept nothing less than victory for our children and our grandchildren."

He framed the stakes as a struggle throughout the Middle East between forces of terrorism and freedom, and warned that if the terrorists win, they could pose "a mortal threat to Europe, America and the entire civilized world."

Earlier, in Estonia, Bush had shrugged off talk of negotiating with Syria and Iran toward a solution for Iraq. He said Iran would have to verifiably suspend its uranium enrichment program before the United States sat at a negotiating table with it.

"But as far as Iraq goes, the Iraqi government is a sovereign government that is capable of handling its own foreign policies, and is in the process of doing so," he said. "And they have made it abundantly clear - and I agree with them - that the Iranians and Syrians should help, not destabilize this young democracy."

At the NATO summit, Bush turned his attention to Afghanistan, where the 26-nation alliance is struggling to provide security against resurgent Taliban forces. Despite having 40,000 U.S. and NATO-led troops on the ground, Afghanistan this year

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has experienced the most bloodshed since the 2001 military intervention that toppled the Taliban and drove al-Qaida out of the country.

Bush implored NATO members to provide commanders in Afghanistan with "the resources and flexibility they need to do their jobs," a veiled reference to the restrictions some countries have placed on how their troops are used in Afghanistan. The restrictions keep some units in the safer northern portion of the country while troops from Canada, the Netherlands and Great Britain endure most of the combat in the south.

Bush claimed that NATO's mission has helped to sustain Afghanistan's fledgling democracy but he warned that "defeating (the enemy) will require the full commitment of our alliance."

In Amman Enemies, And Allies, Await Bush (NYT)

By Hassan M. Fattah

The New York Times, November 29, 2006

AMMAN, Jordan, Nov. 28 — The ink on banners condemning American hegemony was still wet Tuesday as the details of a possible march were being worked out. DVDs of a British movie depicting the assassination of President Bush sold briskly in downtown Amman, while police cordoned off streets in preparation for a security nightmare.

When President Bush arrives here Wednesday to meet with Prime Minister Nuri Kamal al-Maliki of Iraq, there will be no shortage of people seeking to make him feel unwelcome with a decidedly blunt message.

“We want to stress that America’s battle for the hearts and minds of Arabs has failed,” said Zaki Bani Rsheid, director general of the Islamic Action Front, the political arm of the Muslim Brotherhood here. “We are raising banners all over Jordan condemning Bush’s visit. It should be self-explanatory why.”

But as many here and throughout the Arab world prepared for Mr. Bush in the halls of power and on the streets of Amman, Iran was foremost on a lot of minds.

“I am here to make sure the mistakes of the past are not repeated,” said Sheik Dhari al-Jirba, of the Iraqi Shummar tribe, who sat in his hotel suite Tuesday pondering what strategy Mr. Bush would present to Mr. Maliki to pursue stability in Iraq.

“We keep hearing they want to bring Iran in, but Iran will come with conditions,” he said. “We don’t want Iran’s conditions to be met at the cost of Iraq and its Sunni neighbors. That is our great fear.”

Mr. Jirba said he planned to meet with Zalmay Khalilzad, the American ambassador to Iraq, and hoped he would have an audience with the president himself. His first demand, he said, would be to say “no” to Iran.

A draft report by an American bipartisan commission studying new strategies for Iraq has urged that the United States open direct talks with Iran and Syria, according to American officials who have seen all or part of the document.

On Monday, the Iraqi president, Jalal Talabani, said at a meeting in Iran that his country needed Iran’s help to bring about peace.

Mr. Bush, who will be accompanied by Secretary of State Condoleeza Rice, is expected to try to enlist Arab leaders to help rein in the violence in Iraq by putting pressure on Sunni insurgents.

The United States wants moderate Arab governments like those of Egypt, Saudi Arabia and Jordan to help drive a wedge between Mr. Maliki and Moktada al Sadr, the anti-American Shiite cleric whose Mahdi Army has been behind many of the Shiite reprisal attacks in Iraq, senior administration official have said.

But that would require getting those governments to coax moderate Sunni Iraqis to support Mr. Maliki, a Shiite, boosting his ability to take on Mr. Sadr’s Shiite militias. The bipartisan commission would also open a line with Iran and Syria to help secure stability in Iraq.

Yet for many, a resurgent Iran, with or without a nuclear bomb, is a central concern. An opening with Iran, many analysts said, would amount to a loss of face for the Arabs and a striking boost for Iran.

“The one thing scarier to these guys than a powerful Iran is an American deal with Iran,” said Joost Hiltermann, Middle East project director at the International Crisis Group. “That would ratify Iran’s dominant position in the Persian Gulf. Iran wants to underscore it is the pre-eminent power in the region, and the U.S. would hand them that.”

Despite growing anti-Americanism, Arab governments have been eager to maintain an American presence in the region, fearing Iran would step in where the United States retreated. But a shift on Iran and Syria has caught many by surprise, as the Bush administration goes from “calling them the axis of evil, to considering them as an important element,” Emad Gad, a researcher at Al Ahram Center for Political and Strategic Studies in Cairo, said last week.

“The security and stability of the Persian Gulf cannot endure a shaken U.S. image,” Mr. Gad said. “When the big bodyguard leaves, they will have to succumb to the little bodyguard, and Iran has military power and has Shiites who could cause problems.”

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In the Amman suburb of Ruseifa, Abu Mutasim, who described himself as a jihadi and would give only his nickname for fear of arrest, greeted a possible American opening with Iran with optimism. “Iran is the source of all the problems in the Middle East, and now they want to create problems here,” he said. “But including them would only be in the interest of the jihadis, because Iraq’s Sunnis would quickly shift to Al Qaeda. This would ultimately be in our interests, not against it.”

Bush Firm On Iran, Syria Talks (LAT)

By Paul Richter

The Los Angeles Times, November 29, 2006

WASHINGTON — As pressure mounts for the United States to seek direct talks on Iraq with Iran and Syria, President Bush appeared Tuesday to rule out any change in his administration's policy toward those Iraqi neighbors.

By reaffirming a long-standing administration policy setting strict conditions on talks with either country, Bush indicated that he may be unwilling to accept an expected recommendation by a bipartisan commission assessing policy options on Iraq.

The commission members have said they want the administration to negotiate with Iraq's neighbors. But Bush said Iran must first agree to international demands that it halt development of its nuclear program.

"Iran knows how to get to the table with us, and that is to do that which they said they would do, which is verifiably suspend their enrichment programs," Bush said Tuesday in Estonia during a trip that will take him to Jordan later this week to meet with Iraq's U.S.-backed leader. "And then we'll be happy to have a dialogue with them."

Bush was less specific about Syria, but gave no hint that he had grown more willing to hold talks with leaders in Damascus.

The Iraq Study Group is meeting this week in Washington to try to reach a bipartisan consensus for a final report expected by the end of the year. Although members agree on the need to negotiate with countries like Iran and Syria, they have been divided on other key issues, including U.S. troop levels.

The 10-member panel, headed by former Secretary of State James A. Baker III and former Rep. Lee Hamilton (D-Ind.), was scheduled to meet through Tuesday, but will reconvene today in an effort to reach agreement on a final report.

Although Bush has insisted he will receive the panel's recommendations with an open mind, his views on the possible recommendations have remained unyielding. Other administration officials have joined him in emphasizing the disadvantages of trying to negotiating with Iran or Syria.

National security advisor Stephen Hadley, asked by reporters whether Bush was closing the door on new openings to Damascus or Tehran, reiterated the administration's long-held stance.

"What the president was reaffirming today is we made it very clear we are prepared to talk with Iran, and those conversations clearly begin with the nuclear issue," Hadley said.

Vice President Dick Cheney has repeatedly emphasized the disadvantage of direct engagement with the two governments. And other government officials have in recent days sought to bolster the administration's case by pointing to what they say are efforts by Tehran and Damascus to disrupt the region.

One U.S. official said there was growing apprehension within the government that the Iraq Study Group's recommendations for talks would become "a club that's going to be used to bash the administration."

Although many experts have been advising the study group to prescribe talks, there is wide agreement among hard-liners and pragmatists within the government that the idea "has serious downsides," said the official, discussing internal views on condition of anonymity.

Officials are especially reluctant to make an opening to Damascus at a time when Syria is seen as undermining U.S. goals in Lebanon and the Palestinian territories, as well as Iraq, the official said.

Although there may be less opposition to trying to engage Iran, the official noted that the administration had made repeated efforts to engage Tehran, but found them unproductive.

Mitchell B. Reiss, who was the State Department's director of policy planning during Bush's first term, said that the administration was "far from enthusiastic about engaging the Iranians in serious negotiations, and it's completely unclear that the Iranians are serious about engaging the United States, either."

Reiss, who is now vice provost at the College of William and Mary, said he believed it unlikely that such talks would take place in the short term.

"Or if they do, they'll be along the lines of the six-party talks with North Korea — a lot of pomp and circumstance and not much substance to them," he said.

Meanwhile, U.S. intelligence officials have expressed new concern over Iran's role in the spreading violence in Iraq and have leveled new charges against the country's leaders.

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Officials on Tuesday cited indications that the Iranian-backed terrorist network, Hezbollah, had sent operatives to Iraq to help train members of Shiite militias. The officials also said that Shiite fighters from Iraq had traveled to Lebanon for training with Hezbollah.

A U.S. military official said that Defense intelligence estimates suggested that as many as 1,000 to 2,000 fighters from the Al Mahdi army in Iraq had been trained by Hezbollah in Lebanon. But officials at other U.S. intelligence agencies cautioned that the actual numbers were probably significantly lower. U.S. intelligence concern about Hezbollah's role was first reported by the New York Times on Tuesday.

NBC Assailed For Declaration Of 'Civil War' (WT)

By Jennifer Harper

The Washington Times, November 29, 2006

"Civil war" has joined "terrorist" and "undocumented immigrant" in the growing lexicon of terms that prompt press organizations to get touchy about their coverage.

In the name of neutrality, print and broadcast journalists alike have declared moratoriums on words deemed inflammatory or judgmental in the years since the September 11 attacks.

Neutrality might not be the motivation behind NBC's decision to announce that Iraq is now engaged in a civil war, despite statements from the White House to the contrary.

"NBC has decided the change in terminology is warranted, that the situation in Iraq with armed militarized factions fighting for their own political agendas can now be characterized a civil war," "Today" show host Matt Lauer said Monday.

"News organizations claim they don't want to be political in their coverage. But this declaration strikes me as very political. This is NBC saying, 'Hey, George Bush is delusional, and we're not going to play along.' That's the tenor of it," Tim Graham of the Media Research Center said yesterday.

"The pomposity of the judgment is also troubling. The network is clearly seeking a tipping point to declare that the U.S. is losing Iraq," Mr. Graham added. "But the phenomenon of selective description is not new. How many papers and networks refused to call Hamas a 'terrorist' group in the past?"

Whether NBC's position resonates with the public remains to be seen.

"Frankly, I don't think that a judgment NBC has made is as remotely important as the actual events on the ground in Iraq," said Alex Jones of Harvard University's Shorenstein Center on the Press, Politics and Public Policy.

The network is exercising typical editorial decision-making, Mr. Jones said, "but I don't think it's going to change any minds out there."

Some cast NBC's public declaration as a benchmark that could potentially sway public opinion -- and press outlets themselves.

"Let's cut right to what this 'civil war' fanfare in the media is really all about: It has nothing to do with ongoing violence in Iraq, and everything to do with the fact that these media organizations, struggling to maintain their relevance in a rapidly changing industry feel the need to assert themselves and remind the public of their importance," Stephen Spruiell of National Review Online said yesterday.

An Editor & Publisher survey revealed that reporters and editors at the Los Angeles Times, New York Times, Christian Science Monitor and McClatchy Newspapers are allowed to use the term "civil war," while The Washington Post still opts for "sectarian strife." CNN leaves the hair-splitting decisions to individual editors and reporters. The Associated Press, CBS and ABC are undecided; Fox News has not made its policies public.

It can be a work in progress: Earlier this year, three minority journalism groups asked the American press to avoid terms such as "illegal alien" because it was "dehumanizing," recommending "undocumented worker" or "economic refugee" as less-offensive alternatives.

Bush And Maliki (WSJ)

The Wall Street Journal, November 29, 2006

President Bush is in Jordan today for meetings with Iraqi Prime Minister Nouri al-Maliki, and the most important message the two leaders could send would be to reaffirm their common commitment to their antiterror fight.

That task has clearly been complicated by recent events -- including more blood in Baghdad and the Republican wipeout in Congress caused in part by frustration with the Iraq war. There's also this week's spectacle of the wannabe Walter Cronkites at outlets like NBC News and the Los Angeles Times patting themselves on the back for declaring that the Iraq conflict is a "civil war." Mr. Cronkite is often credited with helping turn public opinion against the war in Vietnam, and today's media point seems to be to declare the war unwinnable, as if this were actually desirable.

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To his credit, Mr. Bush refused to give ground to such defeatist rhetoric during meetings with NATO leaders yesterday. No doubt many critics will continue to snicker at his alleged lack of realism, but public confidence is crucial to avoiding disaster in Iraq. We're clearly at a hinge point in Iraq, with Mr. Bush himself saying there's a need for "fresh eyes" and James Baker's Iraq Study Group poised to report next month. Among the policy options being considered are redoubled military efforts against the insurgents and diplomatic outreach to Syria and Iran. But even supporters of reaching out to those regimes must realize that U.S. negotiating leverage will be zero if they sense the U.S. is ready to cut and run.

As for the talks with Mr. Maliki, let's hope Mr. Bush resists the pressure he will face from some Arab leaders (and his own State Department) to push Mr. Maliki to make concessions to Baathist and Sunni Islamist insurgents. Such tactics have been tried a number of times in recent years, with no discernible reduction in the insurgency.

That failure in turn has fed suspicions among the majority Shiites that the U.S. would secretly prefer that Iraq be led by a new Sunni strongman. Jordan's King Abdullah didn't help matters recently by hosting Harith al-Dari of the Sunni Association of Muslim Scholars -- a terrorist front group -- only days ahead of the Bush-Maliki summit.

One reassuring sign is that the President fingered Sunni extremists as the root cause of the violence during his press conference yesterday in Estonia: "There's a lot of sectarian violence taking place -- fomented, in my opinion, because of the attacks by al Qaeda causing people to seek reprisal." The point here is to define who the main enemy in Iraq continues to be, and that is the Baathist and al Qaeda insurgents. They are the source of the car bombs that continue to go off in Shiite neighborhoods and that have inspired Shiite reprisals. The undearly departed Musab al-Zarqawi's explicit strategy was to fan such sectarian attacks precisely so the Americans would lose patience and leave.

Mr. Maliki will, in turn, have a far easier time building political support for disarming Shiite militias such as the Mahdi Army once Sunni bombs stop killing Shiites. Mr. Maliki reportedly wants more control over the Iraqi Army and better weaponry to tackle Sunni insurgents, and we hope Mr. Bush listens to what the Prime Minister has to say.

Which brings us back to the alleged "civil war." The term seems to have acquired a totemic meaning in Iraq, although the U.S. has intervened successfully in civil wars before: the Balkans and Afghanistan, most recently. Regarding Iraq, the goal of the "civil war" chorus seems to be to delegitimize the war by painting what is a false picture of the balance of power and legitimacy between the Iraqi government and the terrorists.

The sectarian violence is a horrible problem. But by any reasonable definition, a "civil war" implies at least two militarily strong factions with a popular claim on political leadership. Neither of those conditions exists in Iraq.

The country's elected, pan-sectarian government and its several hundred thousand security forces remain the only legitimate power center. The Sunni insurgents, meanwhile, are a mix of Islamists and Baathists who enjoy little support and are capable only of terrorist-style attacks. They hold sway only through murder and intimidation in areas where the government lacks enough troops to assure public safety. Shiite militia leaders are also divided and what support they enjoy is due to the perception among ordinary Shiites that the government has been unable to protect them. Few Shiites would be eager to see Moqtada al-Sadr, the radical cleric, in Mr. Maliki's chair.

The next Iraqi or American official to be asked about "civil war" might want to reply by asking the journalist who, precisely, is fighting whom, and why Iraqi security officers of all backgrounds continue to risk their lives for the elected Baghdad government. The truth is that the enemies of Mr. Maliki's government are terrorists and thugs. Mr. Bush could help give Mr. Maliki the confidence he needs for the tough fight ahead -- first against the Sunni terrorists, then against the Shiite revenge killers -- by assuring him that U.S. policy will be based on this fact.

Gingrich Calls Iraq War A 'Failure' (BOS)

By James W. Pindell

The Boston Globe, November 29, 2006

BEDFORD, N.H. -- Former House speaker Newt Gingrich told a New Hampshire audience yesterday that unless the Bush administration admits that the war in Iraq is a "failure," it will never develop a strategy to leave the country successfully.

Gingrich, who has been laying the groundwork for a presidential run, said the Bush administration needs to plan a "third stage" in Iraq, following the military takeover stage and the recent democracy-building stage. But he says a third stage can come about only if officials admit they must change course.

"If the military, White House, and State Department continue to avoid the word 'failure,' how can you bring about a third stage?" Gingrich said.

Gingrich was in New Hampshire for three campaign-style events Monday night and yesterday. While the former speaker has expressed interest in a presidential run, he said yesterday that he is more interested in injecting ideas in to the 2008 campaign than in putting his name on the ballot. He said he will not seriously entertain a presidential campaign until September.

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Gingrich, who served on a key Pentagon board that advised Defense Secretary Donald H. Rumsfeld in the runup to the Iraq war, was eager to distance himself from the Bush administration's handling of the war.

He said a show of contrition by the White House would help the president regain the trust of the American people and avoid a quick pullout, which would be disastrous.

The first goal in Iraq, Gingrich said, should be to rebuild the national military, even if it requires spending tantamount to the Marshall Plan effort in the aftermath of World War II, in which the United States spent up to 3 percent of its gross domestic product.

"We have to show we are serious about winning and that we will defeat any person, Sunni or Shi'ite, that hopes to disrupt progress," he said. "But we can only do that if we have Iraqi troops on the ground."

Speaking at various campaign-style events, Gingrich reiterated his belief that the Republican Party's loss of Congress earlier this month was attributable to a failure to follow conservative principles, particularly concerning spending.

On Monday night, Gingrich was the keynote speaker at a First Amendment dinner sponsored by the Union Leader of Manchester, the state's largest and historically conservative newspaper.

Yesterday morning he appeared at the classic New Hampshire primary stop "Politics and Eggs," where he fiercely defended the first-in-the-nation status of the Granite State's presidential primary on the grounds that its small size and engaged electorate make it a forum for a discussion of ideas.

The former speaker also met privately with David Carney , a New Hampshire-based consultant who was the White House political director during the George H. W. Bush presidency. He wrapped up his visit by addressing 100 Republican legislators and activists at a lunch meeting that was part pep rally and part lecture on how to build a strong party.

The lecture was well-received by Republican leaders.

"He was exactly the right person we needed to hear from," said State Representative George Katsakiores , a Derry Republican.

As Iraq Deteriorates, Iraqis Get More Blame (WP)

By Thomas E. Ricks And Robin Wright

The Washington Post, November 29, 2006

From troops on the ground to members of Congress, Americans increasingly blame the continuing violence and destruction in Iraq on the people most affected by it: the Iraqis.

Even Democrats who have criticized the Bush administration's conduct of the occupation say the people and government of Iraq are not doing enough to rebuild their society. The White House is putting pressure on the government of Prime Minister Nouri al-Maliki, and members of the bipartisan Iraq Study Group have debated how much to blame Iraqis for not performing civic duties.

This marks a shift in tone from earlier debate about the responsibility of the United States to restore order after the 2003 invasion, and it seemed to gain currency in October, when sectarian violence surged. Some see the talk of blame as the beginning of the end of U.S. involvement.

"It is the first manifestation of a 'Who lost Iraq?' argument that will likely rage for years to come," said Bruce Hoffman, a Georgetown University expert on terrorism who has worked as a U.S. government consultant in Iraq.

Americans and Iraqis are increasingly seeing the situation in different terms, said retired Army Col. Jeffrey D. McCausland , who recently returned from a visit to Iraq. "We're just talking past each other," he said, adding that Americans are psychologically edging toward the door that leads to disengagement. "We're arguing about 'cut and run' versus 'cut and jog.' "

Iraqis' role in their own suffering has been an issue since shortly after the fall of Saddam Hussein in April 2003, when looters ransacked the national museum and Defense Secretary Donald H. Rumsfeld dismissed it by saying, "Stuff happens." But more than three years later, with schools and hospitals struggling, electrical service faltering, and police and government agencies infiltrated by sectarian death squads, the question of blame is more urgent.

For example, a Nov. 15 meeting of the Senate Armed Services Committee turned into a festival of bipartisan Iraqi-bashing.

"We should put the responsibility for Iraq's future squarely where it belongs -- on the Iraqis," began Sen. Carl M. Levin (D-Mich.), the committee's next chairman. "We cannot save the Iraqis from themselves." He has advocated announcing that U.S. troops are going to withdraw as a way of pressuring Iraqi politicians to find compromises.

Sen. Lindsey O. Graham (R-S.C.) followed by noting: "People in South Carolina come up to me in increasing numbers and suggest that no matter what we do in Iraq, the Iraqis are incapable of solving their own problems through the political process and will resort to violence, and we need to get the hell out of there."

"We all want them to succeed," agreed Sen. Evan Bayh (D-Ind.). "We all want them to be able to stabilize their country with the assistance that we've provided them." But, he added, "too often they seem unable or unwilling to do that."

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Later the same day, members of the House Armed Services Committee took their turn. "If the Iraqis are determined and decide to destroy themselves and their country, I don't know how in the world we're going to stop them," said Rep. Robin Hayes (R-N.C.).

Iraqi Ambassador Samir Sumaidaie said he worries about the growing chorus of official voices blaming Iraq, and suggested that a little introspection on the U.S. side could help.

"I am indeed concerned about this trend," he said in an interview. "The U.S. through its actions and omissions has helped to create the current conditions in Iraq. Therefore the U.S. also bears responsibility in putting right the situation."

It isn't just politicians who have decided that the problem with Iraq is the Iraqis. In the military establishment, said Joseph J. Collins, a professor at the National Defense University, "there is lots of disappointment in the performance of Iraqi officials of all stripes."

Thomas Donnelly, a hawkish defense expert at the Center for Strategic and International Studies, said he considers blame a legitimate issue. "Ultimately, just like success rests with the Iraqis, so does failure," he said. "We've made a lot of mistakes, but we've paid a huge price to give the Iraqis a chance at a decent future."

The blame game has also been playing out somewhat divisively within the secretive Iraq Study Group. The bipartisan commission, led by former secretary of state James A. Baker III and former congressman Lee H. Hamilton (D-Ind.), is deliberating policy recommendations to put forward next month.

"I'm tired of nit-picking over how we should bully the Iraqis into becoming better citizens of their own country," former CIA Middle East expert Ray Close wrote in an e-mail to the other advisers to the study group.

Several other experts of various political stripes said this tendency to dump on Baghdad feels like a preamble to withdrawal.

"It's their fault, and by implication not ours, is clearly a theme that's in the air," said retired Army Col. Andrew J. Bacevich, a Vietnam veteran and longtime skeptic of the war in Iraq. It reminds him, he said, of the sour last days of the Vietnam War, when "there was a tendency to blame everything on the 'gooks' -- meaning our South Vietnamese allies who had disappointed us."

"People never understood the culture and the challenges that we faced in trying to build a new Iraq," a senior U.S. intelligence official said. "There's incredible frustration . . . but it also shows a great deal of ignorance."

"Definitely," said Paul Rieckhoff, who served in Iraq as an Army officer in 2003-2004 and went on to found a veterans group critical of the conduct of the war. "It is growing into an angry, scolding tone." He said he finds it "sad" -- "especially after all the talk of our mission to 'save the Iraqis.' "

The long-term effect of blaming Iraqis also could be poisonous, said Juan Cole, a University of Michigan specialist in Middle Eastern issues. He predicted that it will "infuriate the Iraqis and worsen further the future relationship of the two countries."

The turning point in the blame game seems to have occurred in early October, when both Secretary of State Condoleezza Rice and Sen. John W. Warner (R-Va.) went public with their frustrations, warning the Baghdad government that it must do much more much faster. Warner suggested that the United States should explore a "change of course" if security had not improved within 90 days.

During a surprise visit to Baghdad on Oct. 5, Rice said with uncharacteristic bluntness that the security situation was not helped by "political inaction."

The Bush administration hoped the long-delayed formation of a government, which took about five months after the Dec. 15 election last year, would produce more initiative by Baghdad. But the security and political situation continued to deteriorate, so the administration increased the pressure on Maliki's government. Over the past three months, U.S. officials and foreign diplomats said, senior U.S. military and administration officials visiting Baghdad have conveyed the same message: Get on with it.

"Our role is not to resolve those issues for them," Rice told reporters last month after pressing Maliki to be bolder about disbanding militias and reconciling sectarian differences. "They are going to have to resolve those issues among themselves."

Blaming Iraqis for the woeful situation disregards recent history, some experts argue. Phebe Marr, an Iraq expert and adviser to the Iraq Study Group, calculates that because of policy missteps and other errors, the United States bears about 60 percent of the blame. "You can't say, 'We did this and the Iraqis didn't rise to the occasion,' " she said. "There's enough blame to go around."

U.S. Troop Levels In Iraq Stymie Panel (AP-Y)

By Lolita C. Baldor, Associated Press Writer

AP, November 29, 2006

DOJ_NMG_0099489

Members of an independent commission on Iraq policy could not reach a consensus Tuesday on how many or how long U.S. troops should remain in Iraq, forcing the group to return for a third day of debate, according to an official close to the panel's negotiations.

Panel members mostly made no comment as they left the Woodrow Wilson Center on Tuesday afternoon. But Leon Panetta, former White House chief of staff to President Clinton, hinted at some struggles, telling reporters, "Trying, trying to find a ... trying to find consensus. ... It goes up and down."

The Iraq Study Group, a bipartisan panel created to recommend changes in U.S. war policy, is having difficulties reaching agreement on what the appropriate level of U.S. troops should be in Iraq, whether there should be a phased withdrawal, and if so, under what time frame, said the official, who spoke on condition of anonymity because the panel's deliberations are private.

A second official has said that the commission was unlikely to propose a timetable for withdrawing U.S. troops from Iraq but that some members seemed to favor setting a date for only an initial withdrawal, an idea that has been pushed by many congressional Democrats.

The first official said Tuesday that the group was still struggling over whether to set a hard deadline for withdrawing U.S. forces or if there should be any short-term increase in troops as the U.S. works to train and build up Iraq's security forces. There are currently about 139,000 U.S. troops in Iraq.

The questions are key to the U.S. future policy in Iraq following the November election in which Democrats swept control of the House and Senate largely due to voters discontent with the progress of the war.

Leaving the daylong meeting Tuesday afternoon, members of the panel, which is headed by former Republican Secretary of State James A. Baker III and former Democratic Rep. Lee Hamilton, played down any divisions among the diverse group.

"It's a good group to work with, let's just put it that way," said Panetta, as he emerged with Vernon Jordan, who was a Clinton adviser, and former Republican Sen. Alan Simpson of Wyoming.

The group was initially expected to wrap up their deliberations Tuesday. People close to the commission said they expect the panel to issue a bipartisan, consensus report some time next month.

Officials have said a consensus report is the group's goal, rather than having the panel issue one that suggests two divergent opinions with no clear recommended path.

Panel members are also expected to urge the Bush administration to reach out to Iran and Syria, as part of an effort to get regional governments involved in stabilizing Iraq.

Bush, attending a NATO summit in Riga, Latvia, renewed his pledge Tuesday not to pull U.S. troops out "until the mission is complete." He also repeated a warning to both Iran and Syria not to meddle in Iraq.

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On the Net:

Iraq Study Group: http://www.usip.org/isg/

Stepping Into Iraq (WP)

By Nawaf Obaid

The Washington Post, November 29, 2006

In February 2003, a month before the U.S.-led invasion of Iraq, the Saudi foreign minister, Prince Saud al-Faisal, warned President Bush that he would be "solving one problem and creating five more" if he removed Saddam Hussein by force. Had Bush heeded his advice, Iraq would not now be on the brink of full-blown civil war and disintegration.

One hopes he won't make the same mistake again by ignoring the counsel of Saudi Arabia's ambassador to the United States, Prince Turki al-Faisal, who said in a speech last month that "since America came into Iraq uninvited, it should not leave Iraq uninvited." If it does, one of the first consequences will be massive Saudi intervention to stop Iranian-backed Shiite militias from butchering Iraqi Sunnis.

Over the past year, a chorus of voices has called for Saudi Arabia to protect the Sunni community in Iraq and thwart Iranian influence there. Senior Iraqi tribal and religious figures, along with the leaders of Egypt, Jordan and other Arab and Muslim countries, have petitioned the Saudi leadership to provide Iraqi Sunnis with weapons and financial support. Moreover, domestic pressure to intervene is intense. Major Saudi tribal confederations, which have extremely close historical and communal ties with their counterparts in Iraq, are demanding action. They are supported by a new generation of Saudi royals in strategic government positions who are eager to see the kingdom play a more muscular role in the region.

Because King Abdullah has been working to minimize sectarian tensions in Iraq and reconcile Sunni and Shiite communities, because he gave President Bush his word that he wouldn't meddle in Iraq (and because it would be impossible to ensure that Saudi-funded militias wouldn't attack U.S. troops), these requests have all been refused. They will, however, be heeded if American troops begin a phased withdrawal from Iraq. As the economic powerhouse of the Middle East, the birthplace

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of Islam and the de facto leader of the world's Sunni community (which comprises 85 percent of all Muslims), Saudi Arabia has both the means and the religious responsibility to intervene.

Just a few months ago it was unthinkable that President Bush would prematurely withdraw a significant number of American troops from Iraq. But it seems possible today, and therefore the Saudi leadership is preparing to substantially revise its Iraq policy. Options now include providing Sunni military leaders (primarily ex-Baathist members of the former Iraqi officer corps, who make up the backbone of the insurgency) with the same types of assistance -- funding, arms and logistical support -- that Iran has been giving to Shiite armed groups for years.

Another possibility includes the establishment of new Sunni brigades to combat the Iranian-backed militias. Finally, Abdullah may decide to strangle Iranian funding of the militias through oil policy. If Saudi Arabia boosted production and cut the price of oil in half, the kingdom could still finance its current spending. But it would be devastating to Iran, which is facing economic difficulties even with today's high prices. The result would be to limit Tehran's ability to continue funneling hundreds of millions each year to Shiite militias in Iraq and elsewhere.

Both the Sunni insurgents and the Shiite death squads are to blame for the current bloodshed in Iraq. But while both sides share responsibility, Iraqi Shiites don't run the risk of being exterminated in a civil war, which the Sunnis clearly do. Since approximately 65 percent of Iraq's population is Shiite, the Sunni Arabs, who make up a mere 15 to 20 percent, would have a hard time surviving any full-blown ethnic cleansing campaign.

What's clear is that the Iraqi government won't be able to protect the Sunnis from Iranian-backed militias if American troops leave. Its army and police cannot be relied on to do so, as tens of thousands of Shiite militiamen have infiltrated their ranks. Worse, Iraq's prime minister, Nouri al-Maliki, cannot do anything about this, because he depends on the backing of two major leaders of Shiite forces.

There is reason to believe that the Bush administration, despite domestic pressure, will heed Saudi Arabia's advice. Vice President Cheney's visit to Riyadh last week to discuss the situation (there were no other stops on his marathon journey) underlines the preeminence of Saudi Arabia in the region and its importance to U.S. strategy in Iraq. But if a phased troop withdrawal does begin, the violence will escalate dramatically.

In this case, remaining on the sidelines would be unacceptable to Saudi Arabia. To turn a blind eye to the massacre of Iraqi Sunnis would be to abandon the principles upon which the kingdom was founded. It would undermine Saudi Arabia's credibility in the Sunni world and would be a capitulation to Iran's militarist actions in the region.

To be sure, Saudi engagement in Iraq carries great risks -- it could spark a regional war. So be it: The consequences of inaction are far worse.

The writer, an adviser to the Saudi government, is managing director of the Saudi National Security Assessment Project in Riyadh and an adjunct fellow at the Center for Strategic and International Studies in Washington. The opinions expressed here are his own and do not reflect official Saudi policy.

Ten Months Or Ten Years (NYT)

By Thomas L. Friedman

The New York Times, November 29, 2006

Here is the central truth about Iraq today: This country is so broken it can't even have a proper civil war.

There are so many people killing so many other people for so many different reasons — religion, crime, politics — that all the proposals for how to settle this problem seem laughable. It was possible to settle Bosnia's civil war by turning the country into a loose federation, because the main parties to that conflict were reasonably coherent, with leaders who could cut a deal and deliver their faction.

But Iraq is in so many little pieces now, divided among warlords, foreign terrorists, gangs, militias, parties, the police and the army, that nobody seems able to deliver anybody. Iraq has entered a stage beyond civil war — it's gone from breaking apart to breaking down. This is not the Arab Yugoslavia anymore. It's Hobbes's jungle.

Given this, we need to face our real choices in Iraq, which are: 10 months or 10 years. Either we just get out of Iraq in a phased withdrawal over 10 months, and try to stabilize it some other way, or we accept the fact that the only way it will not be a failed state is if we start over and rebuild it from the ground up, which would take 10 years. This would require reinvading Iraq, with at least 150,000 more troops, crushing the Sunni and Shiite militias, controlling borders, and building Iraq's institutions and political culture from scratch.

Anyone who tells you that we can just train a few more Iraqi troops and police officers and then slip out in two or three years is either lying or a fool. The minute we would leave, Iraq would collapse. There is nothing we can do by the end of the Bush presidency that would produce a self-sustaining stable Iraq — and "self-sustaining" is the key metric.

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In his must-read new book about the impact of culture on politics and economic development, "The Central Liberal Truth," Lawrence Harrison notes that some cultures are "progress-prone" and others are "progress- resistant." In the Arab-Muslim world today the progress-resistant cultural forces seem to be just too strong, especially in Iraq, which is why it is so hard to establish durable democratic institutions in that soil, he says.

"Some may hark back to our successful imposition of democracy on West Germany and Japan after World War II," adds Mr. Harrison. "But the people on whom democracy was imposed in those two countries were highly literate and entrepreneurial members of unified, institutionalized societies with strong traditions of association — what we refer to today as 'social capital.' Iraq was social capital-poor to start with and it now verges on bankruptcy."

On Feb. 12, 2003, before the war, I wrote a column offering what I called my "pottery store" rule for Iraq: "You break it, you own it." It was not an argument against the war, but rather a cautionary note about the need to do it with allies, because transforming Iraq would be such a huge undertaking. (Colin Powell later picked up on this and used the phrase to try to get President Bush to act with more caution, but Mr. Bush did not heed Mr. Powell's advice.)

But my Pottery Barn rule was wrong, because Iraq was already pretty broken before we got there — broken, it seems, by 1,000 years of Arab-Muslim authoritarianism, three brutal decades of Sunni Baathist rule, and a crippling decade of U.N. sanctions. It was held together only by Saddam's iron fist. Had we properly occupied the country, and begun political therapy, it is possible an American iron fist could have held Iraq together long enough to put it on a new course. But instead we created a vacuum by not deploying enough troops.

That vacuum was filled by murderous Sunni Baathists and Al Qaeda types, who butchered Iraqi Shiites until they finally wouldn't take it any longer and started butchering back, which brought us to where we are today. The Sunni Muslim world should hang its head in shame for the barbarism it has tolerated and tacitly supported by the Sunnis of Iraq, whose violence, from the start, has had only one goal: America must fail in its effort to bring progressive politics or democracy to this region. America must fail — no matter how many Iraqis have to be killed, America must fail.

This has left us with two impossible choices. If we're not ready to do what is necessary to crush the dark forces in Iraq and properly rebuild it, then we need to leave — because to just keep stumbling along as we have been makes no sense. It will only mean throwing more good lives after good lives into a deeper and deeper hole filled with more and more broken pieces.

Plumb Out Of Mission (WP)

By Harold Meyerson

The Washington Post, November 29, 2006

The meaning of the election was clear for all to see: The people plainly believed that the unified, pluralistic Iraq that the Bush administration insisted was growing stronger with each passing day actually had no future at all.

There's no other way to interpret the vote for the first Iraqi National Assembly, held one year ago, in December 2005. Overwhelmingly, Iraqis voted their sect rather than their nation. The Shiites, who constitute roughly 60 percent of Iraq's population, voted for Shiite parties, which now control roughly 60 percent of the National Assembly. The Sunnis and the Kurds voted for their own parties, too.

There was, to be sure, a national unity slate, a coalition of nonsectarian parties headed by former prime minister Ayad Allawi. It pulled down 8 percent of the vote.

For a moment, the U.S. government seemed to understand what the election meant. "It looks as if people have preferred to vote for their ethnic or sectarian identities," said Zalmay Khalilzad, our harried proconsul (okay, ambassador) in Baghdad. "But for Iraq to succeed there has to be cross-ethnic and cross-sectarian cooperation."

But if Iraqis had wanted Iraq to succeed, they would have voted for Allawi. Iraq, it turns out, was not the name of their desire, or their fear. And the civil war that has been growing relentlessly more horrifying since the election is ultimately just the continuation of their politics by other means.

Which is why the parallels to Vietnam are way too optimistic. In Vietnam, at least the United States could identify a government and some genuinely anti-communist constituencies with which it was plainly allied. But with whom do we stand, and who stands with us, in Iraq? Prime Minister Nouri al-Maliki heads a Shiite-dominated government that grows closer to Iran and that is propped up by Moqtada al-Sadr, whose militia is the most powerful force in the country other than the U.S. Army, which Sadr has called on to leave Iraq forthwith.

As for the Sunni minority, it's among that group that the insurgency against both the U.S. occupation and the string of post-Hussein governments took root. At first the number of insurgents was relatively small, but as the Shiite-controlled police force joined the Shiite militias in anti-Sunni pogroms, the number of Sunnis taking up arms ballooned.

So -- which side are we on?

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In the face of escalating civil war, of an increasingly Hobbesian conflict of each against all, the calls still coming from the U.S. military, the administration and Capitol Hill to step up our training of Iraqi forces seem light-years off the mark. The problem with Iraqi security isn't that Iraqi forces are poorly trained. It's that, like the rest of their countrymen, like the very government whose uniform they wear, they're not really invested in fighting for a unified, nonsectarian Iraq. Why do we expect them to defend an ideal that their countrymen either never believed in or were compelled to abandon under pressure of civil war?

But on matters Iraqi, much of the Beltway -- and not just the administration -- remains impervious to fact. "We've got to get the Iraqi army and police better equipped, better trained and into the fight," retired Gen. Barry McCaffrey declared recently. "And I think we've got 24 months." The police, of course, are already into the fight, many of them working with Shiite militias to execute Sunnis. They are, from any dispassionate perspective, proficient enough. Train them for 24 months and they will be the terror of the Earth.

We have plumb run out of mission in Iraq. We have enemies galore, but, other than the Kurds, precious few friends. We defend the idea of Iraq in the absence of Iraqis willing to do the same. We are at best a buffer -- unable to deter the daily atrocities but ensuring by our presence that they won't grow cataclysmically worse. Since we cannot deter the sectarian polarization, however, the cataclysm will follow our leave-taking whether it comes sooner or later.

Those who argue that we should send more troops (as if we had them) to Iraq, or train more Iraqis, or stay until the situation stabilizes should at least explain how the situation will stabilize, how nation-building will work in a nation that doesn't want to be built. We should, as George Packer has argued, rescue as many individual Iraqis as we possibly can on our way out. But rescuing Iraq from the forces we unleashed is plainly beyond us.

Or we could, I suppose, wait it out. About 100,000 Iraqis now flee the country every month for Syria or Jordan. At that rate, if we just hang on for 20 years, Iraq will be completely depopulated. The insurgency will be vanquished; sectarian strife will subside. Victory will be ours, and we can go home.

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America Doesn't Cut And Run . . . (WSJ)

By Amir Taheri

The Wall Street Journal, November 29, 2006

The meeting in Jordan this week between George W. Bush and Nouri al-Maliki could be their last opportunity to develop a joint strategy on Iraq. President Bush, entering his lame-duck phase with Congress controlled by political adversaries, may see his influence in shaping policy diminish. Prime Minister Maliki risks being forced from office, pressured by domestic rivals and Iranian mullahs who resent his emphasis on "uruqa" (Iraqi identity) rather than Shiism. In this context, what Messrs. Bush and Maliki tell each other assumes the utmost importance.

The last time the two leaders met, Mr. Bush promised a U.S. commitment until Iraq could defend itself against domestic and foreign foes, even hinting at measures that would guarantee the vow under the next administration. He is no longer in a position to offer as much. Still, Mr. Maliki ought to ask for a reassertion of American commitment, the most effective weapon against the Saddamist and al Qaeda terrorists in Iraq. At the end of this year, the mission of the U.S.-led multinational force, under a U.N. mandate, will end. Mr. Maliki should ask that it be extended for three years -- that is, until the next general election in Iraq.

While Iraq continues to need a U.S. and allied presence, the country is putting the final touches on a plan under which the army and police assume responsibility for security in all 18 provinces before the end of 2007. (This is already the case in five provinces, with two more slated to be handed over before the end of the year.) Mr. Maliki might also ask for renewed support for the Iraqi army, which the president has often praised, but to which his administration has been reluctant to give the vote of confidence it deserves.

In addition to a lack of modern equipment, the army has virtually no logistics -- without U.S. forces, it would have to hire taxis to reach any battlefield. Too few American and other allied officers and NCOs are seconded to the army. Iraq also faces a desperate shortage of officers. At the current rate of training it might need another 10 years to reach its targets.

There is also talk of approaching some of the enemies of the U.S., notably Iran and Syria, in the hope of getting their help in ending the violence in Iraq. Mr. Maliki must demand that Mr. Bush reject such talk. Suspicions that the U.S. might try to hand Iraq over to Iran would incite Iraqi nationalists against the very democratic process he wishes to defend. Mr. Maliki might suggest: Instead of talking to enemies, why not talk to friends? Ask, for example, the "moderate" Arab friends, and some NATO allies, to end their boycott of the new Iraq. Why do they refuse to reactivate their embassies in Baghdad and appoint full ambassadors? Why do they allow their territory to be used for jihadi recruitment, fundraising and deployment to Iraq?

But the real war over Iraq is fought in the U.S. Here, Mr. Bush's administration continues to fail to explain what is at stake. In the Middle East, the old status quo and the balance of power that sustained it have been shattered. The region needs new

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structures of stability, which could either be created by the U.S. and its allies, including the new regimes in Kabul and Baghdad, or by the enemies of the U.S., particularly Tehran and its Syrian clients. An undemocratic and anti-American region will become a marshland of fanaticism where terror is bred, a point Mr. Maliki should drive home. U.S. national security requires success not only in Afghanistan and Iraq but also throughout the Middle East.

Mr. Maliki should also emphasize the successes the U.S. has seen in Iraq: Saddam Hussein has been toppled; and power has been transferred to the people of Iraq, who have written their own constitution and conducted free elections. Not surprisingly, this new Iraq is challenged by all manner of retrograde forces: pan-Arabists, pan-Islamists, jihadists, Khomeinists and downright nihilists. That challenge, he should note, must be met with determination.

In his response, Mr. Bush should recognize his own limitations. As the recent elections revealed, a majority of Americans have doubts about the wisdom of involvement. It is not enough for him to say the U.S. has achieved its objectives if the lack of basic security in Baghdad makes it impossible for millions to enjoy their new freedoms. But as the power of the Tikriti clique has devolved on the people of Iraq, Mr. Bush must ask them to be its primary defenders. This will require the government and parliament to take a number of measures.

For one, it needs to postpone plans for a federal system that is anathema to Arab Sunnis and regarded with suspicion by secular Shiites, and recognize that it may take years to build an acceptable consensus on that issue. Parliament must freeze the issue of Kirkuk until after the next general election in 2009. It also needs to develop an equitable system of sharing oil revenues. Even if provinces that have no oil get a bigger role for a few years, the price is worth paying to maintain Iraq's unity.

Mr. Bush should also allow that the disbanding the army of the former regime was a mistake, albeit one done on the advice of the new Iraqi political elite, including Mr. Maliki's camp. The way to rectify the mistake is to invite all former offices and NCOs, if they wish, to return to service. With stringent screening measures in place, Iraq would be able to keep the undesirable elements out while allowing others a second chance. In the same spirit, parliament must also come up with a more comprehensive amnesty law to cover hundreds of thousands of people whose sole offense was membership in the Baath Party, often forced upon them by circumstances.

Mr. Bush must also emphasize that Mr. Maliki's government has failed to develop a coherent strategy for dealing with security issues. It needs a coordinator to make sure that the ministries of defense and interior, the army command, the police hierarchy and the dozen or so different armed units attached to different ministries work together to prevent infiltration and rogue actors, including those that pose as Shiite militias. It also needs to root out corruption and nepotism. Mr. Maliki must have heard what they say in Baghdad teahouses about "a government of thieves and their cousins." Perhaps this is unfair. But corruption could become as much of a threat as the jihadists.

Finally, while Mr. Bush should demonstrate that America remains committed to the new Iraq, he should only prepare to renew the U.S. mission for one more year, dependent on a credible plan for transferring responsibility for security to the Maliki government. In that year, the U.S. ought to intensify its training programs and examine options for expanding the weapons system of the new Iraqi army. Contrary to some perceptions, America does not abandon its friends. It will certainly not hand Iraq to its enemies, least of all Iran. But nor does it write blank checks.

Mr. Taheri is author of "L'Irak: Le Dessous Des Cartes" (Editions Complexe, 2002).

In Statement, Defense Choice Criticizes Iraq Planning (NYT)

By David S. Cloud

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — In his first detailed public statement since his nomination as defense secretary, Robert M. Gates criticized the Pentagon as failing to prepare adequately for securing Iraq after the invasion in 2003.

Asked in a questionnaire from the Senate Armed Services Committee what he would have done differently in Iraq if he had been defense secretary in the last six years, Mr. Gates responded: “War planning should be done with the understanding that postmajor-combat phase of operations can be crucial. If confirmed, I intend to improve the department’s capabilities in this area.”

He added that “with the advantages of hindsight, I might have done some things differently.”

He kept mainly to generalities in the 60 pages of answers to committee members’ questions. The White House sent the document to committee members on Tuesday.

The confirmation hearing is set for next week.

By criticizing the Iraq planning, however obliquely, Mr. Gates offered a glimpse of how he might distance himself from the record of the current secretary, Donald H. Rumsfeld, who will step down.

Mr. Rumsfeld has acknowledged mistakes in Iraq, but has dismissed criticism that too few American troops were dispatched to preserve order after Saddam Hussein’s fall in 2003.

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Mr. Gates is scheduled be the sole witness at a one-day hearing next week that appears to be likely to speed him toward confirmation, Congressional officials from both parties said.

Even Democrats on the committee say that barring an unexpected disclosure Mr. Gates is likely to be approved by the Armed Services Committee and, soon thereafter, by the full Senate before it adjourns next month.

Mr. Gates's carefully couched answers displayed few policy differences between him and the administration and, in many cases, states administration policy in anodyne language.

Several replies appeared fashioned to reassure that Mr. Gates is entering the job with a realistic assessment of its challenges and leaving open the possibility of changes in policy.

Asked whether the United States should engage in direct talks with Iran and Syria on stabilizing Iraq, Mr. Gates shied from endorsing bilateral overtures to either country.

"Engagement with Iran might well come as part of an international conference," he said.

Talks with Damascus could "take the form of Syrian participation in a regional conference," he added.

But he also said, "No option should be taken off the table," noting that "even in the worst days of the cold war, the United States maintained a dialogue with the Soviet Union and China."

A bipartisan commission led by former Secretary of State James A. Baker III and former Representative Lee H. Hamilton is widely expected to recommend an aggressive regional diplomatic initiative that includes direct talks with Iran and Syria. Mr. Gates was a member of that panel before resigning after his nomination.

His reply on Iran backed slightly from a study of which he was a co-author for the Council on Foreign Relations. The examination called for the United States to "engage selectively" with Iran, in part to dissuade Iran from pursuing nuclear weapons.

The administration has offered to hold direct talks only if Iran suspends its nuclear enrichment program.

"It is one thing to direct a study as a private citizen and another to serve as a senior policy maker," Mr. Gates said.

Senator Carl Levin, the Michigan Democrat who will become chairman of the Armed Services Committee in January, said in an interview he intended to question Mr. Gates carefully about his willingness to challenge Iraq strategy in internal administration discussions, something that Mr. Levin said had not been welcome at the top levels of the administration.

In a private meeting this month, Mr. Levin said, Mr. Gates "assured me that this is the approach he will be taking."

Mr. Gates, former director of the Central Intelligence Agency, signaled that he would re-examine Mr. Rumsfeld's efforts to build up intelligence gathering at the Pentagon and its use of special forces for counterterrorism operations.

Mr. Gates and other C.I.A. veterans have criticized that policy.

"Clearly, if confirmed, this will be an area that I would look into," he wrote.

Mr. Gates told the committee that he backed Mr. Bush's decision to invade Iraq in 2003. In response to a question noting that nonconventional weapons were not found, he said: "I believe the use of pre-emptive force should be based on very strong evidence. It is a decision that must not be taken lightly."

He defended the decision in 1991 by the first President Bush, for whom Mr. Gates was deputy national security adviser as well as intelligence director, not to push to Baghdad, after forcing the Iraqi army from Kuwait.

"I do not believe we were mistaken," he said. "The coalition had not planned for, or resourced for, military operations to occupy Iraq."

Gates Warns Against Leaving Iraq 'In Chaos' (WP)

By Thomas E. Ricks

The Washington Post, November 29, 2006

Robert M. Gates, President Bush's nominee to become the next secretary of defense, said he opposes a swift pullout from Iraq, arguing in written testimony submitted yesterday to Congress that "leaving Iraq in chaos would have dangerous consequences both in the region and globally for many years to come."

Gates, whose confirmation hearings are scheduled to begin next week, also staked out positions on Iran and Syria that are consistent with his past views but appear to be at odds with the Bush administration's current policies. He called for diplomatic engagement with both countries, noting that "even in the worst days of the cold war the U.S. maintained a dialogue with the Soviet Union and China and I believe those channels of communication helped us manage many potentially difficult situations."

Until he was nominated earlier this month by President Bush, Gates was a member of the bipartisan Iraq Study Group, led by former secretary of state James A. Baker III and former representative Lee H. Hamilton (D-Ind.). That group is said to be leaning toward recommending that the Bush administration seek stability in Iraq partly by holding an international conference that includes Iraq's neighbors. In 65 pages of written answers to the Senate Armed Services Committee, Gates repeatedly mentions such a conference.

"Our engagement with Syria need not be unilateral," Gates stated. "It could, for instance, take the form of Syrian participation in a regional conference."

That position conflicts with the U.S. stance on Syria particularly. The White House is deeply angry with Damascus, which it believes has broken a variety of commitments, such as pledges to contain traffic by foreign fighters across its border with Iraq and to close the offices of extremist groups. Its support for Hezbollah and its possible role in the assassination of former prime minister Rafiq al-Hariri in Lebanon -- the other beleaguered model for democracy in the region -- also have infuriated the administration. White House officials say they have already tried talking to Syria, to no avail.

Gates, a veteran intelligence official, also staked out strong positions on a variety of other subjects, from the growing strength of the Chinese military to the need to deploy a missile defense system even if it is incomplete.

In other comments touching on Iraq, Gates appears to criticize the handling of the invasion. "I believe the use of pre-emptive force should be based on very strong evidence," he said when asked about the Bush administration's decision to invade Iraq in part because of the belief, now largely discredited, that Saddam Hussein's regime possessed weapons of mass destruction. But Gates also noted that in 2003, he believed that Hussein possessed such weapons or the capacity to develop them.

He also stated that he intends to "improve" the Pentagon's ability to carry out post-invasion operations. "With the advantage of hindsight, I might have done some things differently," he said in response to a question about the six years in which Donald H. Rumsfeld has been defense secretary.

Discussing the war in Afghanistan, Gates also took the interesting step of criticizing the administration of President Bush's father, of which Gates was part. "In my opinion, we must avoid repeating the mistakes of the late 1980s when in retrospect we neglected Afghanistan after the Soviet withdrawal," he stated.

But he stood by the earlier Bush administration's decision not to invade Iraq after ousting Hussein's military from Kuwait during the 1991 Persian Gulf War. Gates, who was then deputy national security adviser, argued that going to Baghdad was not part of the plan and would have shattered the coalition of nations that supported the war's limited objective of pushing Iraqi forces out of Kuwait.

Gates, who had the reputation of being a hawkish realist during the Cold War, seemed to be back in that mode in his discussion of China's growing military strength. "It appears to me that China is building capabilities to fight short duration, high-intensity conflict on its periphery," he wrote.

Although he believes China wants to take over Taiwan peacefully if possible, he writes, "their capabilities suggest they are prepared to consider the use of force if peaceful efforts fail."

He also endorsed continuing to develop and deploy strategic missile defense systems, even if they are incomplete or not fully tested. "North Korea and Iran continue to develop longer range missiles and are determined to pursue weapons of mass destruction," he wrote. "In this regard, defenses with a limited operational capability, at least initially, are better than no defenses."

Touching on a recent flurry of speculation about whether a military draft should be resumed, Gates said he is "absolutely" committed to preserving the all-volunteer force.

Staff writer Robin Wright contributed to this report.

Turning On The Puppet (NYT)

By Maureen Dowd

The New York Times, November 29, 2006

The pictures show a handsome blond kid. Nick Rapavi's family and friends described him as a tough guy with a selfless streak. He'd wanted to be a marine since high school, and his dress uniform had a parade of medals for heroism in Afghanistan and Iraq, including a Purple Heart. He was on his third overseas deployment, and planned to go to college when he finished this stint in the spring.

The 22-year-old corporal, the oldest son of a dentist, grew up in Northern Virginia in the shadow of the Pentagon. The kid described as being "full of life" died Friday in Anbar Province, the heartless heart of darkness in western Iraq, the hole-in-the-desert stronghold of the Sunni insurgency and Al Qaeda fighters.

His mother told The Washington Post that her son's squad had approached a gate on patrol, and Nick told his men to "stay back while he went through." He was shot in the neck by a spectral enemy that melted away, one of 2,874 brave Americans to die fighting in Iraq.

In Latvia, President Bush vowed yesterday that "I'm not going to pull our troops off the battlefield before the mission is complete." But his words about Iraq long ago lost their meaning. Especially the words "mission" and "complete."

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At least in Anbar, the Pentagon may be about to pull troops off the battlefield. In another article yesterday, The Post, reporting on a classified Marine Corps intelligence report, said that "the U.S. military is no longer able to defeat a bloody insurgency in western Iraq or counter Al Qaeda's rising popularity there."

The Post went on: "The report describes Iraq's Sunni minority as 'embroiled in a daily fight for survival,' fearful of 'pogroms' by the Shiite majority and increasingly dependent on Al Qaeda in Iraq as its only hope against growing Iranian dominance across the capital."

ABC Nightly News went even further last night, reporting that the Pentagon is "writing off" Anbar and will send the 30,000 marines stationed there to Baghdad. "If we are not going to do a better job doing what we are doing out there," a military official told Jonathan Karl, "what's the point of having them out there?"

President Bush is still playing games, trying to link the need to stay in Iraq with Al Qaeda. "No question it's tough," Mr. Bush said at a news conference. "There's a lot of sectarian violence taking place, fomented, in my opinion, because of the attacks by Al Qaeda, causing people to seek reprisal."

Never mind that W. dropped the ball on Osama, and that his own commanders have estimated that Al Qaeda forces represent only a fraction of the foe in Iraq. Al Qaeda wasn't even in Iraq until the Bush invasion.

The administration still won't admit the obvious, that our soldiers are stuck in the middle of a civil war and that it's going to take more than Dick Cheney powwowing with the Saudis to get us out of it. Stephen Hadley, the national security adviser, gingerly talks of "a new phase" in the conflict.

But reality does break through at moments. As Mr. Bush and Mr. Hadley head to Jordan to try to tell Prime Minister Nuri Kamal al-Maliki not to go all wobbly, a stunning secret memo from Mr. Hadley has surfaced, expressing severe skepticism about whether our latest puppet can cut it.

Michael Gordon reveals in today's Times that in a classified assessment, Mr. Hadley wrote that the Iraqi leader, who is getting pushed around by Moktada al-Sadr, was having trouble figuring out how to be strong.

"The memo suggests that if Mr. Maliki fails to carry out a series of specified steps," he writes, "it may ultimately be necessary to press him to reconfigure his parliamentary bloc, a step the United States could support by providing 'monetary support to moderate groups,' and by sending thousands of additional American troops into Baghdad to make up for what the document suggests is current shortage of Iraqi forces."

Just what the election said Americans want: More kids at risk in Baghdad. (W.'s kids, of course, are running their own risks, partying their way through Argentina.)

Mr. Hadley bluntly mused about Mr. Malaki: "His intentions seem good when he talks with Americans, and sensitive reporting suggests he is trying to stand up to the Shi'a hierarchy and force positive change. But the reality on the streets of Baghdad suggests Maliki is either ignorant of what is going on, misrepresenting his intentions, or that his capabilities are not yet sufficient to turn his good intentions into action."

It's bad enough to say that about the Iraqi puppet. But what about when the same is true of the American president?

Shi'ites, Sunnis Amass Arms (WT)

By Sharon Behn

The Washington Times, November 29, 2006

Rival Shi'ite and Sunni groups are massing their militias in expectation of major confrontations, Iraqis say, even as President Bush prepares to meet today with the nation's embattled prime minister, Nouri al-Maliki.

Mr. Bush's meeting in Jordan is part of a wider attempt to involve Iraq's neighbors in efforts to end Iraq's vicious sectarian violence before it spills over into a larger regional conflict.

But Iraqis on both sides of their nation's sectarian divide report worrisome signs that the conflict will soon evolve into pitched battles between large armed groups.

One secular Shi'ite speaking on the telephone from Baghdad said Shi'ite militias were massing in preparation for a large offensive against Sunnis in the capital.

"They had a big militarylike ceremony today for the Mahdi militia, to show their force. They are making themselves ready for something big -- protests, fighting, killing," said the Shi'ite.

A secular Sunni in close contact with one insurgent faction, said rebel Sunnis were also trying to form alliances among militias for a big push in the city against the Shi'ites, including more raids on government buildings.

"I am waiting for the Sunnis to launch a 'Tet Offensive.' That is the one plug they have not pulled yet, and I could see that happening," said senior Rand defense analyst Ed O'Connell.

The Tet Offensive was a series of attacks by the North Vietnamese and their Viet Cong allies that many consider a turning point in the war, leading eventually to the U.S. withdrawal.

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Any emergence of pitched battles between massed groups of Sunnis and Shi'ites would largely settle a long-running argument in Washington over whether the conflict in Iraq should be described as a civil war -- a description the Bush administration has so far rejected.

However the depth of concern over the rising levels of violence is evident in the flurry of diplomacy leading to Mr. Bush's meeting with Mr. al-Maliki in Amman today.

Vice President Dick Cheney met with King Abdullah in Saudi Arabia on Saturday, and Iraqi President Jalal Talabani held talks Monday and yesterday with Iranian President Mahmoud Ahmadinejad and religious leader Ayatollah Ali Khamenei.

Both Iranian leaders pledged to help Iraq, but sharpened the political divisions with the United States by accusing Washington of destabilizing the region by supporting Sunni "outlaws."

King Abdullah II of Jordan, meanwhile, has said that "something dramatic" must come out of the meeting because Iraq is "beginning to spiral out of control."

While the Bush administration has been reluctant to recruit clearly hostile regimes in Tehran and Damascus into the Iraq effort, many analysts have concluded that there is no other choice.

"The only people who are going to be able to put this back into the box are not the American politicians or American military -- it is the Iranians, the Syrians, the Jordanians and the Saudis," said Mr. O'Connell.

An adviser to the Iraq Study Group, headed by former Secretary of State James A. Baker III, said any talks with Iran must deal more with the violence in Iraq than with Tehran's nuclear program.

If Mr. Cheney's meeting with the Saudis "was more about Iraq -- rather than Iran and the nuclear issue -- that would be a more hopeful sign," said the former U.S. military officer who would only speak on the condition of anonymity because of his involvement with the Iraq Study Group.

"There might be some indication that the administration is having dialogue with Iran about Iraq," he said.

Mr. al-Maliki is expected to ask Mr. Bush to set a timetable for removing U.S. troops from Iraq, although there are deep disagreements in Washington whether that would make matters better or worse.

There are also serious questions as to how much control Mr. al-Maliki has over his own government and country.

"Al-Maliki is heavily under the sway of [radical Shi'ite cleric Muqtada] al-Sadr. He is afraid of al-Sadr, is kowtowing to the Iranians, has no idea of how to deal with the United States, and is the worst possible candidate to lead the country out of this mess," said Mr. O'Connell.

Iraqis in Baghdad note that Mr. al-Maliki was pelted with rocks on Sunday when he went to visit grieving families in Sadr City -- once the base of his support.

Mr. Bush is expected to publicly reiterate his support for Mr. al-Maliki, but privately push the Iraqi leader to take effective action against the Shi'ite militias, particularly the Mahdi Army of Sheik al-Sadr.

"You are faced with the fact that Sadr has to be stopped, or you have to concede the battle of Baghdad to him," said security analyst Robert Killebrew.

"In the past 30 days, what we've got is the Sadr militia openly trying to take over Baghdad and run the Sunnis out, and we simply can't tolerate Sadr any longer," Mr. Killebrew said. "He has emerged as our number one problem in Iraq."

U.S. Military Predicts Rising Violence In Iraq (WP)

By Nancy Trejos

The Washington Post, November 29, 2006

BAGHDAD, Nov. 28 -- Parliament voted unanimously Tuesday to keep Iraq under a state of emergency for 30 more days, as a U.S. military spokesman said he expects violence to escalate over the next few weeks in response to Thursday's bombings in Sadr City.

Renewed every month since first authorized in November 2004, the state of emergency allows the Iraqi government to impose a nighttime curfew and make arrests without warrants.

The U.S. military spokesman, Maj. Gen. William B. Caldwell, told reporters Tuesday that he expects to see "elevated levels of violence" as a result of the car bombings that killed more than 200 people in Sadr City, a Shiite district in northeast Baghdad. The coordinated attacks set off a wave of retaliatory killings in Sunni neighborhoods.

While acknowledging the sectarian conflict, Caldwell stopped short of characterizing it as a civil war.

"We don't see somebody competing for control of the country here at all," he said at a press briefing. "What we see is a country that's still functioning and still has duly elected representatives in charge who are able to give instructions and orders to their security forces."

Late Tuesday, the military announced that six Iraqis, including five girls ranging in age from infant to teenager, were killed during a firefight between U.S. soldiers and suspected insurgents in western Iraq.

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The fighting began when the soldiers tried to clear a roadside bomb in the town of Hamaniyah, northeast of Ramadi, a Sunni insurgent stronghold. As two men fired small arms from the roof of a house, the troops responded with machine guns and tank rounds.

Searching the house after the fighting ended, the U.S. patrol found six bodies and a wounded woman who refused treatment. There were no U.S. casualties, the military said.

In the past 24 hours, 40 bodies were found in Baghdad, showing signs of torture and gunshot wounds to their heads. Among them were three beheaded bodies and two female bodies, said Col. Kareem Abdul Aziz Hussein of the Interior Ministry.

Meanwhile, two car bombs exploded behind Yarmouk Hospital in west Baghdad, killing five people and wounding 11, Hussein said. In the northern city of Kirkuk, a suicide bomber attacked a convoy belonging to provincial Gov. Abdul Rahman Mustafa near the city's hospital, wounding four bodyguards and killing a civilian, Kirkuk police Capt. Shakhwan Abdulallah said.

Iraqi President Jalal Talabani, during his second day of meetings with Iranian leaders in Tehran, sought the counsel of the country's supreme leader, Ayatollah Ali Khamenei, in dealing with Iraq's sectarian strife. Khamenei blamed the United States for the violence, accusing it of hiring terrorists and former members of Saddam Hussein's ousted government, according to Iranian state-run television.

"The first step to resolve the instability in Iraq is the withdrawal of occupiers from this country and the transfer of security responsibilities to the popular Iraqi government," Khamenei said.

The U.N. Security Council, however, voted unanimously to extend the mandate of the 160,000-member multinational force in Iraq through Dec. 31, 2007. The council acted in response to a request from Iraqi Prime Minister Nouri al-Maliki, who said his government needs more time to assume full responsibility for security and stability in the country.

As in previous resolutions, the council committed to "terminate this mandate earlier if requested by the government of Iraq."

Meanwhile, the number of U.S. military deaths in Iraq announced by the Pentagon rose to 2,880. The U.S. military announced that a Marine died Monday in Anbar province from injuries sustained in combat.

The military is also investigating the crash of a U.S. Air Force F-16 fighter jet in a field 20 miles northwest of Baghdad on Monday afternoon. Caldwell said the pilot's fate was still unknown. He said there was no evidence that the plane had been shot down, despite the presence of insurgents in the area.

Air Force Brig. Gen. Stephen L. Hoog said at a press briefing that the ejection seat and other instruments had been found and that investigators were analyzing DNA samples. He said that insurgents were in the area immediately after the crash but that he did not know how long it took U.S. forces to get there.

Also on Tuesday, Iraqi police arrested 11 insurgents who set up a fake checkpoint in the Dora neighborhood in southern Baghdad after a two-hour chase, said Abdul Kareem al-Kinani, an Interior Ministry spokesman. One police officer was killed and three injured during the chase.

Special correspondent Waleed Saffar contributed to this report.

Witnesses Detail Iraq Burning Deaths (AP-Y)

By Steven R. Hurst, Associated Press Writer

AP, November 29, 2006

The attack on the small Mustafa Sunni mosque began as worshippers were finishing Friday midday prayers. About 50 unarmed men, many in black uniforms and some wearing ski masks, walked through the district chanting "We are the Mahdi Army, shield of the Shiites."

Fifteen minutes later, two white pickup trucks, a black BMW and a black Opel drove up to the marchers. The suspected Shiite militiamen took automatic rifles and rocket-propelled grenade launchers from the vehicles. They then blasted open the front of the mosque, dragged six worshippers outside, doused them with kerosene and set them on fire.

This account of one of the most horrific alleged attacks of Iraq's sectarian war emerged Tuesday in separate interviews with residents of a Sunni enclave in the largely Shiite Hurriyah district of Baghdad.

The Associated Press first reported on Friday's incident that evening, based on the account of police Capt. Jamil Hussein and Imad al-Hashimi, a Sunni elder in Hurriyah, who told Al-Arabiya television he saw people who were soaked in kerosene, then set afire, burning before his eyes.

AP Television News also took video of the Mustafa mosque showing a large portion of the front wall around the door blown away. The interior of the mosque appeared to be badly damaged and there were signs of fire.

However, the U.S. military said in a letter to the AP late Monday, three days after the incident, that it had checked with the Iraqi Interior Ministry and was told that no one by the name of Jamil Hussein works for the ministry or as a Baghdad police officer. Lt. Michael B. Dean, a public affairs officer of the U.S. Navy Multi-National Corps-Iraq Joint Operations Center, signed the

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letter, a text of which was published subsequently on several Internet blogs. The letter also reiterated an earlier statement from the U.S. military that it had been unable to confirm the report of immolation.

The AP received no comment Friday when it first asked the U.S. military for information. It then carried portions of a U.S. military statement Saturday that said the U.S. had been unable to confirm media reports that six Sunni civilians were allegedly dragged out of Friday prayers and burned to death. The U.S. military said that neither police nor coalition forces had reports of such an incident.

The Iraqi Defense Ministry later said that al-Hashimi, the Sunni elder in Hurriyah, had recanted his account of the attack after being visited by a representative of the defense minister.

The dispute comes at a time when the military is taking a more active role in dealing with the media.

The AP reported on Sept. 26 that a Washington-based firm, the Lincoln Group, had won a two-year contract to monitor reporting on the Iraq conflict in English-language and Arabic media outlets.

That contract succeeded one held by another Washington firm, The Rendon Group. Controversy had arisen around the Lincoln Group in 2005 when it was disclosed that it was part of a U.S. military operation to pay Iraqi newspapers to run positive stories about U.S. military activities.

Seeking further information about Friday's attack, an AP reporter contacted Hussein for a third time about the incident to confirm there was no error. The captain has been a regular source of police information for two years and had been visited by the AP reporter in his office at the police station on several occasions. The captain, who gave his full name as Jamil Gholaiem Hussein, said six people were indeed set on fire.

On Tuesday, two AP reporters also went back to the Hurriyah neighborhood around the Mustafa mosque and found three witnesses who independently gave accounts of the attack. Others in the neighborhood said they were afraid to talk about what happened.

Those who would talk said the assault began about 2:15 p.m., and they believed the attackers were from the Mahdi Army militia loyal to radical anti-American cleric Muqtada al-Sadr. He and the Shiite militia are deeply rooted in and control the Sadr City enclave in northeastern Baghdad where suspected Sunni insurgents attacked with a series of car bombs and mortar shells, killing at least 215 people a day before.

The witnesses refused to allow the use of their names because they feared retribution either from the original attackers or the police, whose ranks are infiltrated by Mahdi Army members or its associated death squads.

Two of the witnesses — a 45-year-old bookshop owner and a 48-year-old neighborhood grocery owner — gave nearly identical accounts of what happened. A third, a physician, said he saw the attack on the mosque from his home, saw it burning and heard people in the streets screaming that people had been set on fire. All three men are Sunni Muslims.

The two other witnesses said the mosque assault began in earnest about 2:30 p.m. after the arrival of the four vehicles filled with arms. They said the attackers fired into the mosque, then entered and set it on fire.

Then, the witnesses said, the attackers brought out six men, blindfolded and handcuffed, and lined them up on the street at the gate of the mosque. The witnesses said the six were doused with kerosene from a 1.3-gallon canister and set on fire at intervals, one after the other, with a torch made of rags. The fifth and sixth men in the line were set afire at the same time.

The witnesses said the burning victims rolled on the ground in agony until apparently dead, then the gunmen fired a single bullet into each of their heads.

The witnesses said residents, in the meantime, had taken up arms and began a gunbattle with the suspected militiamen that raged in the neighborhood until 4 p.m. They said eight to 10 gunmen were killed and left in the streets. Iraqi law allows each household to own an AK-47 assault rife for protection.

One witness said he and other people from the neighborhood took the six immolation victims to the Sunni cemetery near Baghdad's Abu Ghraib suburb and buried them after the gunbattle. That witness said one of the victims was the Mustafa mosque muezzin or prayer caller, Ahmed al-Mashadani. He did not know the names of the five others, but said they were all members of the al-Mashadani tribe.

Security Council Extends Mandate In Iraq (AP)

By Edith M. Lederer

AP, November 29, 2006

The U.N. Security Council voted unanimously Tuesday to extend the mandate of the 160,000-strong multinational force in Iraq for one year, acting quickly ahead of a key meeting between U.S. and Iraqi leaders aimed at halting escalating violence in the country and paving the way for a reduction of American troops.

The council responded to a request from Iraqi Prime Minister Nouri al-Maliki, who said a top government priority is to assume full responsibility for security and stability throughout the country but that it needs more time.

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Al-Maliki, who was scheduled to meet with President Bush in Amman, Jordan, on Thursday, gave no timetable for a takeover of military and security operations. But the Iraqi prime minister said the government is committed to putting all 18 provinces under Iraqi control — up from the two now under Iraqi authority.

The resolution, drafted by the United States, extends the mandate of the multinational force for one year starting on Dec. 31 and authorizes a review of the mandate at the request of the Iraqi government or by June 15. The resolution contains the same provision as past resolutions — a commitment that the council "will terminate this mandate earlier if requested by the government of Iraq."

U.S. Ambassador John Bolton welcomed the council's support for the multinational force and its speedy adoption of the resolution, which was co-sponsored by Britain, Denmark, Japan and Slovakia.

"I think this is a very important decision by the council," Bolton said. "It shows the resolve to continue to cooperate with the government of Iraq."

Russia's U.N. Ambassador Vitaly Churkin backed the resolution but expressed concern that it did not include Moscow's proposal to continue "the political process in Iraq," or promote "a constructive interaction" with Iraq's neighbors to help stabilize the country quickly.

Despite efforts made by the Iraqi government and the multinational force, he said, "the growth of violence and terrorist activity continues." He called the continuing division of Iraq's Arab population a great threat for the future of the country and said national reconciliation is vital.

France's U.N. Ambassador Jean-Marc de La Sabliere also expressed concern at the worsening security situation. "We all share the same objective, which is to help Iraq to not fall into the civil war that threatens it, and to recover the stability that it aspires to," he said.

Sectarian violence in Iraq is at its worst level in the 3 1/2 years since a U.S.-led coalition invaded the country and toppled Saddam Hussein.

Bush's summit comes as members of the Iraq Study Group, an independent U.S. panel, mull recommendations for changes in U.S. war policy that would help restore peace and security and enable the United States to reduce its 141,000 troops.

U.N. Secretary-General Kofi Annan said Tuesday that Iran and Syria should work with the United States and the international community to resolve the Iraq conflict.

"I have been quite clear that the two countries have a role to play and they should become part of the solution," he said. "And we should bring them in and get them to work with us in resolving the issue, and let them assume some of the responsibility."

Annan indicated this was one of "quite a few" recommendations he made to the Iraq Study Group's members by teleconference on Monday, hours after he told reporters Iraq is close to civil war.

"I think given the developments on the ground, unless something is done drastically and urgently to arrest the deteriorating situation, we could be there," Annan said. "In fact, we are almost there."

Asked about Annan's call for Iran and Syria to be brought into an Iraq solution, Bolton said, "We take due note." Bush has said the U.S. will not talk to Iran until it suspends uranium enrichment, a process that can be used to make nuclear weapons.

Annan Seeks Summit Outside Iraq To Reconcile Factions (WP)

By Robin Wright And Colum Lynch

The Washington Post, November 29, 2006

The U.N. Security Council unanimously extended the mandate for the 160,000-strong U.S.-led coalition in Iraq for an additional 12 months yesterday, as Secretary General Kofi Annan proposed an international conference at a venue outside the war-torn country to forge reconciliation among Iraq's political parties.

Addressing what may be the most controversial issue to face the Bush administration, Annan said that Iran and Syria should be included in efforts to stabilize Iraq.

"The two countries have a role to play, and they should become part of the solution," he told reporters, reflecting strong international momentum behind a broader approach to Iraq's strife. "And we should bring them in and get them to work with us in resolving the issue and let them assume some of the responsibility."

The Iraq Study Group, the independent, bipartisan U.S. panel that is wrapping up an eight-month search for alternatives, has been discussing whether to reach out to Tehran and Damascus. But on the eve of talks between President Bush and Iraqi Prime Minister Nouri al-Maliki, U.S. officials once again appeared to reject that option.

In its earlier discussions, the group of 10 prominent thinkers has explored ways to take a stronger regional approach to stabilizing Iraq, which overlaps with thinking at the United Nations.

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In a surprise move, the panel heard last-minute testimony from Annan and Sen. John McCain, (R-Ariz.) a strong advocate of sending more troops to Iraq. Annan's testimony, by videoconference from New York, had been deferred from an earlier date, but the 10-member panel asked McCain to talk to them in a hastily organized teleconference, according to sources in McCain's office. The panel, which has held months of informal, secret hearings, was supposed to have finished its interviews last week.

Neither of the two options put forward by experts advising the panel called for deployment of additional troops, although the idea of sending as many as 50,000 more was advocated in testimony by other Middle East experts.

McCain's aides would not disclose the substance of the senator's comments but referred to recent media appearances. On NBC's "Meet the Press" this month, McCain warned that even providing a date for withdrawal would lead to chaos in the region.

"There are a lot of things that we can do to salvage this, but they all require the presence of additional troops," he said.

To stabilize Iraq, McCain advocated first getting Sunni areas under control, to show Shiites that they do not need militias to protect themselves from Sunni attacks. The present formula is "unacceptable," he said. He also predicted that the U.S.-led coalition is "either going to lose this thing or win this thing within the next several months."

The final report of the panel, headed by former Secretary of State James A. Baker III and former congressman Lee H. Hamilton (D-Ind.), is due to be released as early as next week, before Congress adjourns.

Late yesterday, the panel decided to continue meeting for a third day of deliberations.

At the United Nations, Annan said the world body could host a conference to bring Iraq's ethnic and sectarian parties together, modeled on efforts to create stability in Afghanistan and the former Yugoslavia.

"The security in Iraq today is a major constraint," Annan said. "If we were to work out an arrangement where one can get the Iraqi political parties together, somewhere outside Iraq, as we did in Afghanistan, the United Nations can play the role it normally plays."

But in a reflection of growing concern about Iraq's turmoil, Annan and other U.N. officials have suggested that the United Nations would not be able to fill the vacuum if the United States lowered its profile in the country or left Baghdad.

"We should be very clear Washington can't move the problem a few hundred miles north" to the United Nations, the world body's deputy secretary general, Mark Malloch Brown, said at a recent conference on the Middle East sponsored by Princeton University. "Nobody should operate under the illusion that there is any other force out there which can replace the U.S. The U.N. couldn't do it. The neighbors won't do it."

Bush is likely to face more pressure for a broad solution when he meets with Jordan's King Abdullah, who will host a summit between Bush and Maliki. In a speech to parliament yesterday, Abdullah said the Arab-Israeli conflict remains the "core" issue in solving all other major problems in the Middle East.

6 Iraqis Killed As GIs Fight Insurgents (AP-Y)

By Thomas Wagner, Associated Press Writer

AP, November 29, 2006

U.S. soldiers fought with suspected insurgents using a building as a safe house in Ramadi on Tuesday, killing one Iraqi man and five females, ranging in age from an infant to teenagers, the U.S. military said.

Ramadi, 70 miles west of Baghdad, has been the scene of some of Iraq's fiercest fighting between U.S. forces and Sunni insurgents. It is the capital of Anbar province, where many Iraqi insurgents are based.

The bloodshed came on a day that saw sectarian violence kill nine other Iraqis and wound about 50, police said. The bodies of 50 torture victims also were discovered, most of them in Baghdad and the city of Baqouba to the north, police said. Several of the corpses had been dumped at a bus station or outside a government building.

The battle in Ramadi began when a U.S. patrol discovered a roadside bomb in the Hamaniyah section of the city, and two suspected insurgents fled to a house, where they took up positions on the roof, the military said.

As coalition forces removed the bomb, the militants fired on the soldiers, who fought back with machine guns and tanks, the statement said.

Afterward, coalition forces searched the house and found the six bodies, ranging in age from an infant to teenagers, the military said, without providing ages. Another female was wounded but refused treatment, it said.

One of the gunmen may have been wounded and removed from the scene by other militants, the statement said, adding that there were no coalition casualties.

The military quoted residents as saying the building "was a known anti-Iraqi force safe house."

Marine Lt. Col. Bryan Salas, a military spokesman, said efforts were under way to "coordinate and offer available assistance to surviving family members."

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A U.S. Marine died Monday in another area of Anbar province, the military said, raising to at least 2,881 the number of members of the American military who have died since the beginning of the Iraq war in March 2003, according to an Associated Press count.

Iranian supreme leader Ayatollah Ali Khamenei blamed the United States for the chaos in Iraq, saying the answer to the violence is the withdrawal of foreign forces.

But following Khamenei's comments, the U.N. Security Council voted unanimously to extend for one year the mandate of the 160,000-strong multinational force in Iraq.

The council acted ahead of a key meeting in Jordan between President Bush and Iraqi Prime Minister Nouri al-Maliki aimed at halting escalating violence in the country and paving the way for a reduction of American troops.

The Security Council responded to a request from al-Maliki, who said a top government priority is to assume full responsibility for security and stability throughout Iraq but that it needs more time.

The Iraqi Parliament voted to extend the country's state of emergency through December, but the U.S. military warned of even worse sectarian violence after last week's deadly insurgent attack on Shiites in the capital.

Citing the insurgent attack that killed at least 215 people in Baghdad's Sadr City Shiite slum on Thursday, Maj. Gen. William B. Caldwell, a U.S. military spokesman, said al-Qaida in Iraq is determined to dominate Baghdad, weaken the Iraqi government and kill as many Shiites as possible to deepen Iraq's sectarian divisions.

"We expect to see elevated levels of violence as a result of this over the next several weeks," Caldwell told reporters in the Green Zone, the heavily fortified section of Baghdad where the Iraqi government and the U.S. and British embassies are based.

He also said that while recent polling has indicated a large majority of Iraqis feel more loyalty to their democratically elected government than to their sect, ethnic group or tribe, "these numbers by themselves do little to counter the violence currently raging on Baghdad's streets."

The parliamentary vote continues the state of emergency that allows a nighttime curfew and gives the government extra powers to make arrests without warrants and launch police and military operations. The measures, in place everywhere except for the northern autonomous Kurdish region, have been renewed every month since they were first authorized in November 2004.

Meanwhile, videotape footage obtained by AP Television News appears to show the wreckage of a U.S. single-seat F-16CG jet in the farm field where it crashed Monday and the remains of an American serviceman with a tangled parachute nearby.

U.S. forces investigating the crash said insurgents had reached the site before American forces and the pilot is missing. Al-Jazeera satellite television broadcast similar pictures Monday, but declined to show the dead pilot, saying the footage was too graphic to air.

The U.S. Air Force jet crashed about 20 miles northwest of Baghdad while supporting extensive ground combat by coalition forces in Anbar, the Air Combat Command said.

U.S. Troops Kill 5 Girls In Assault On Insurgents (NYT)

By Edward Wong

The New York Times, November 29, 2006

BAGHDAD, Nov. 28 — American troops killed five girls, including at least one baby, and what the military described as either a boy or a man, when the troops attacked a house Tuesday in volatile Anbar Province after they suspected insurgents of firing at them from the roof of the house.

Another person, which the military described in a written statement as either a girl or a young woman, was wounded in the attack and refused treatment by the Americans.

The military said the killings occurred after troops spotted two suspected insurgents before dawn near a roadside bomb in the town of Hamaniyah, west of Baghdad. The men fled to the roof of a nearby house. When troops began defusing the bomb, the suspected insurgents began shooting, the military said.

The military said the Americans returned fire with machine guns and small arms and rounds from the main gun of one or more tanks. After the firefight, the Americans discovered the six dead Iraqis in the house.

It was unclear what happened to the suspected insurgents, but the military said “it was reported” that one was injured in the fight and carried away by other insurgents.

“In a very tragic way, today reminds us that insurgents’ actions throughout Iraq are felt by all,” Lt. Col. Bryan Salas, a Marine spokesman, said in the statement. “Efforts are underway to coordinate and offer available assistance to surviving family members.”

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Anbar Province, a vast swath of desert and Euphrates River towns stretching from Baghdad to Iraq's western border, is the heartland of the Sunni Arab insurgency, which is battling to drive out the Americans and unseat the majority Shiites from the Iraqi government.

American troops in Anbar are fighting a holding action, unable to make any real headway against the insurgency while facing a mostly hostile civilian population. The pressures have already led to prominent incidents of civilian deaths — one unit of Marines is being investigated for whether it wrongfully killed 24 unarmed civilians in the town of Haditha last year.

In Baghdad, an Air Force spokesman, Brig. Gen. Stephen Hoog, said the military was still recovering parts from an F-16 fighter jet that crashed near the capital on Monday. It was unclear whether the jet and its pilot had been attacked, he said. Using an aerial drone, the military had observed insurgents in the area of the crash site, the general said.

The military said a marine died on Monday in Anbar from combat injuries.

Violence continued to roil Iraq one day before a scheduled meeting between President Bush and Prime Minister Nuri Kamal al-Maliki in Amman. At least 30 bodies were discovered in Baghdad, an Interior Ministry official said. Four people were killed and 40 wounded when two car bombs exploded behind the morgue at Yarmouk Hospital in western Baghdad. A barrage of mortar rounds in the Sunni neighborhood of Ghazaliya injured at least 20 people.

At least 19 people were killed or found dead in Diyala Province, a police official said. In Kirkuk, at least one civilian was killed and 22 wounded when a suicide belt bomber exploded near a convoy carrying the governor of Tamim Province.

NATO Seeks More Troops In Afghanistan (AP-Y)

By William J. Kole, Associated Press Writer

AP, November 29, 2006

NATO was divided at its summit Tuesday on deploying more troops to Afghanistan's volatile south, with Germany resisting any permanently expanded presence and Canada complaining of bearing the brunt of an increasingly bloody mission.

Despite the strengthening Taliban insurgency and unexpectedly high casualties, NATO Secretary-General Jaap de Hoop Scheffer said that by 2008, he hopes Afghan forces can begin taking over security tasks.

President Bush called the Afghanistan mission — which has mobilized 32,800 troops_ NATO's No. 1 operation. Defeating Taliban forces, he said, "will require the full commitment of our alliance."

"The commanders on the ground must have the resources and flexibility they need to do their jobs," Bush said, crediting the alliance for helping Afghanistan go from "a totalitarian nightmare" to stability and steadily growing prosperity.

But German Chancellor Angela Merkel made clear that her country would not permanently expand its 2,900-strong force, though she said German forces could be deployed in the south in an emergency. Canada's foreign minister warned that public support will fade if other countries don't relax restrictions on use of their troops and help Canadian forces in the south.

Canada has suffered 44 deaths in Afghanistan — 36 this year alone. Most occurred after NATO forces moved into the south this summer.

Poland's Defense Ministry, meanwhile, said the full deployment of hundreds of new Polish troops to Afghanistan will be delayed by about three weeks because barracks for them will not be ready as scheduled.

De Hoop Scheffer urged NATO allies not to lose heart, insisting the operation was a "mission possible."

"We need to be frank about the risks, but we also need to avoid overdramatizing," he said. "NATO has been in Afghanistan for three years — time enough to know what it takes to succeed."

Afghanistan dominated the discussion at a gala dinner Tuesday evening, a senior NATO diplomat told The Associated Press, speaking on condition of anonymity. But the leaders were unable to persuade some countries to ease restrictions on the movement of their troops, he said.

Wednesday's summit-ending communique "will call on the Afghan government to assume a more distinctive role in maintaining security, and also call on the U.N. to manifest a leading role in the country," the official said.

Three countries pledged additional troops, one offered fighter aircraft, and in cases of emergency, all 26 NATO allies agreed "to come to the aid of each other," another alliance official said on customary condition of anonymity. He refused to elaborate on the countries or the troop levels.

The dangers to the NATO force were underscored by recent attacks that have shattered a period of relative calm.

On Tuesday, a suicide car bomber exploded his vehicle next to a counterterrorism police truck that had been chasing him in western Afghanistan, killing a police officer and wounding another. Two Canadian soldiers were reported slain by a suicide car bomber Monday, and on Sunday a suicide bomber killed 15 Afghans in a restaurant.

During a stop in Denmark en route to the summit, British Prime Minister Tony Blair stressed that NATO forces must have the flexibility and the troops to go where the need is greatest.

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"We have got to send a clear message that NATO is prepared to make the military commitment necessary to sustain its mission in Afghanistan," he said. "It's important that we have the force generation and flexibility we need to make our mission successful."

"The important thing is that we recognize the operation in Afghanistan is of crucial importance to our own security," he added. "NATO's credibility is at stake here, and if we don't succeed in Afghanistan, the whole of our world will be less secure."

U.S. Gen. James L. Jones, NATO's supreme allied commander, said he had commitments from some of the nations that have imposed restrictions on the use of their troops that could free up about 2,000 additional soldiers for possible duty in the south.

Italy was expected to lift restrictions in extreme circumstances.

In addition to Afghanistan, NATO leaders plan to discuss the organization's emerging role as a guarantor of peace in global hotspots at the summit, which runs through Wednesday. They also planned to explore the possibility of forging closer ties with their Pacific allies.

Twenty-six presidents and prime ministers have gathered in Riga, the first to be held on the territory of the former Soviet Union.

Latvia, which shares a border with Russia, broke away from the Soviet sphere in 1991 and joined NATO in 2004.

De Hoop Scheffer called Russia, which long opposed NATO's expansion to its borders, an "important and privileged partner." He added that NATO's relations with Moscow must be "rejuvenated."

All 26 NATO allies have troops in the Afghanistan force, but military forces from Britain, Canada, the United States and others are fighting in the front line in the Taliban's southern heartland. These nations have complained that Germany, Italy, Spain and France are keeping their troops in the more peaceful north and west.

"Other NATO nations have troops there, but have imposed caveats on the use of them and on the use of their equipment — this at a time when NATO's commanders on the ground urgently require additional manpower," said Latvian President Vaira Vike-Freiberga.

"NATO cannot afford to lose this crucial struggle against the regressive forces of a resurgent insurgency by being indecisive or lacking commitment," she said.

France is preparing to assume an expanded role in the Afghan mission. Officials said President Jacques Chirac would propose forming a contact group on Afghanistan to ensure that a global strategy guides NATO action in the country.

"The Europeans have relied on their American allies for too long," Chirac said in a statement. "They have to shoulder their share of the burden."

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On the Net:

NATO, http://www.nato.int

Bush Asks Nato To Step Up Afghan Efforts (FT)

By Daniel Dombey And Stephen Fidler

Financial Times, November 29, 2006

President George W. Bush on Tuesday demanded Nato governments step up efforts in Afghanistan ahead of an alliance summit that sought to overcome differences on issues ranging from energy security to relations with Iran.

In a pointed speech in Riga, Mr Bush urged greater commitment from Nato governments that have been reluctant to deploy troops in the south of Afghanistan or relax restrictions on their contingents elsewhere in the country – such as France, Germany, Turkey and Spain.

“For Nato to succeed the commanders must have the resources and the flexibility to do their job,” he said.

France, Germany and Spain all said this week they could relax restrictions on their troops in Afghanistan to enable them to help in the turbulent south in case of emergencies. On Tuesday James Jones, Nato’s military chief, said that 10 to 15 per cent of restrictions were being lifted, a step equivalent to providing 2,000 soldiers.

On Tuesday night, Jaap de Hoop Scheffer, Nato secretary-general, was due to ask Nato’s 26 nations for confirmation that they would all come to the assistance of their allies in Afghanistan in case of emergency.

US officials say that the recent moves are encouraging but insufficient.

On Tuesday Tony Blair, the British prime minister, also called for greater flexibility in a speech in Copenhagen en route to the Riga summit. “It’s important that we recognise that this operation in Afghanistan is of crucial importance to our security. Nato’s credibility is at stake and if we don’t succeed in Afghanistan the whole of our world will be less secure,” he said.

Peter Mackay, Canadian foreign minister, also warned that support for the mission in his country – this week two Canadian soldiers died in Afghanistan – could deteriorate if other Nato missions did not reduce restrictions.

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In one sign of emerging consensus, Mr de Hoop Scheffer said he “completely agreed with” a call from Jacques Chirac, French president, for an international “contact group” to work out international policy on Afghanistan. Such an entity would bring in neighbouring countries and international organisations.

But Washington has reservations about Mr Chirac’s proposal to include Iran, which has influence over the west of Afghanistan but has faced off the world’s big powers in a dispute over its nuclear programme. On Tuesday Mr Bush insisted that he would only contemplate direct talks with Tehran if it reined back on uranium enrichment, the most sensitive part of its nuclear programme.

In his speech, Mr Bush also highlighted the membership prospects of Georgia, although France and Germany are much less enthusiastic.

Nato officials sought to overcome their differences on a host of other issues, including energy security, an issue that Poland and the US would like to give greater prominence to but France says could distract the alliance from its core mission.

This week Richard Lugar, chairman of the US Senate’s foreign relations committee, said that Nato should include energy security in its mutual defence commitments and that allies should focus on helping other Nato states cope with cut-offs of Russian gas.

NATO To Bear Afghan Burden (WT)

By Stephen Dinan

The Washington Times, November 29, 2006

TALLINN, Estonia -- President Bush yesterday challenged NATO members to boost their own defense spending and be willing to accept rough combat assignments, arguing that the alliance is now on a make-or-break mission in Afghanistan.

"To succeed in Afghanistan, NATO allies must provide the forces NATO military commanders require," the president said in Estonia, before heading to Latvia for a summit to chart the next two years' course for the North Atlantic Treaty Organization. "Member nations must accept difficult assignments if we expect to be successful."

Mr. Bush also blamed al Qaeda for the increased violence in Iraq, and vowed not to withdraw troops from that nation as he prepares to meet today with Iraqi Prime Minister Nouri al-Maliki in Jordan.

"There's a lot of sectarian violence taking place -- fomented, in my opinion, because of the attacks by al Qaeda causing people to seek reprisal," Mr. Bush said at a press conference with Estonian President Toomas Hendrik Ilves.

In the middle of a four-day international trip to deal with the twin wars to which he has committed U.S. troops, Mr. Bush finds himself at the limit of military options and pushing other nations to step up their commitments.

In Iraq, he is dependent on how well Mr. al-Maliki's government handles the violence and political problems that threaten to tear the nation apart.

But on Afghanistan, he is not alone. Canadian Prime Minister Stephen Harper, British Prime Minister Tony Blair and NATO Secretary-General Jaap de Hoop Scheffer have called for European nations to step up their commitments and ease the burdens on the U.S., Canada, Britain and the Netherlands.

"It is not acceptable that our mission in the south still lacks 20 percent of its combined joint status of requirements," Mr. de Hoop Scheffer said yesterday, calling on governments to stop adding conditions and limits to how their forces can be deployed. "We can ill afford reconstruction armies that cannot handle combat."

During his swing through these two Baltic countries, Mr. Bush pointedly praised Estonia and Latvia for their commitments in the war on terrorism, and National Security Adviser Stephen J. Hadley said those two nations are "punching above their weight" in terms of their military commitments.

The two countries have committed nearly 10 percent of their armed forces to Afghanistan and Iraq, and are "providing leadership in European institutions, despite their small size."

Asked if that meant some larger NATO members such as Germany were failing in their obligations, Mr. Hadley did not answer directly, saying instead it was right for Latvia and Estonia to be "acknowledged and recognized."

Also yesterday Mr. Bush:

·Took a swipe at Belarus, whose authoritarian leader is a close ally of Russian President Vladimir Putin. Mr. Bush said oppression of democracy advocates in the former Soviet state "offends the conscience of Europe, and it offends the conscience of America."

·Said NATO will invite other nations to join at the next summit, in 2008, with Croatia, Albania and Macedonia being likely candidates. Georgia is also a potential member, and Mr. Bush said the United States supports Ukraine's membership -- if the Ukrainians want it themselves.

·Said talking to Iran and Syria about the situation in Iraq is a job for the sovereign Iraqi government, not the United States.

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The president also ducked a question about whether Iraq has fallen into a "civil war," instead focusing on what he called increased sectarian violence. He said fomenting such violence is part of al Qaeda's plan in Iraq.

"The Samarra bombing that took place last winter was intended to create sectarian violence, and it has. The recent bombings were to perpetuate the sectarian violence," he said.

Meanwhile, Democrats are focusing on trying to get Mr. Bush to say the conflict has turned into a civil war.

"While news agencies, numerous experts and many American and Iraqi leaders all agree that Iraq is in the midst of a civil war, President Bush neither acknowledges the facts on the ground nor recognizes that his administration's failed policies have contributed to the chaos," said Democratic National Committee press secretary Stacie Paxton.

Bush's NATO Message Signals Concern On Afghanistan Front (LAT)

By Peter Wallsten And David Holley

The Los Angeles Times, November 29, 2006

RIGA, LATVIA — President Bush has long called the defeat of the Taliban a triumph of freedom over tyranny. But on Tuesday he tacitly acknowledged that not all is well in Afghanistan, four years after the U.S.-led invasion, and he exhorted allies to step up their cooperation or risk failure there.

Bush spoke on the first day of a summit among the 26 member nations of the North Atlantic Treaty Organization, which now oversees about 30,000 allied troops in Afghanistan.

Some European nations have been reluctant to commit troops to the more dangerous southern regions of the country, where NATO faces a stubborn Taliban insurgency.

"For NATO to succeed, its commanders on the ground must have the resources and flexibility they need to do their jobs," Bush said during a speech at a university here in the Latvian capital. "Today Afghanistan is NATO's most important military operation, and by standing together in Afghanistan, we'll protect our people, defend our freedom, and send a clear message to the extremists the forces of freedom and decency will prevail."

Earlier in the day, in neighboring Estonia, Bush said NATO members "must accept difficult assignments if we expect to be successful."

Bush's comments, and the skittishness among allies in the face of an increasingly deadly Taliban insurgency, illustrate the troubles facing the president as he tries to build global support for his agenda, in Afghanistan and across the Middle East.

It served as a reminder that, although Iraq dominates the world headlines and shaped the debate in the U.S. midterm election, the war that was once considered a slam-dunk success is now very much in doubt.

Some of the early discussions Tuesday focused on Germany, which has troops in the safer, northern part of Afghanistan and has resisted sending troops to face combat in the south.

German Chancellor Angela Merkel reiterated those concerns during an appearance on Germany's N24 television, though she appeared to give some ground by pledging to do what she could to ensure NATO success.

"In emergencies we can help out in the south," she said. "But our place is in the north, where 40% of Afghanistan's population lives."

A NATO spokesman, referring to negotiations between Merkel and NATO Secretary-General Jaap de Hoop Scheffer, said Merkel's comments on emergency situations reflected a "meeting of the minds on the role of German forces in Afghanistan." The spokesman said that negotiations were ongoing but that the progress with Germany and other countries would lead to some improvement in the use of troops.

Officials are also taking a closer look at how violence has erupted anew in Afghanistan.

The White House said Tuesday that the insurgency had grown in the south largely because of an absence of government institutions outside of the capital, Kabul. Stephen Hadley, Bush's national security advisor, said the Taliban had "clearly exploited the absence of those institutions to begin burrowing into the south and mounting its attacks on coalition and Afghan forces."

NATO's supreme allied commander, U.S. Marine Gen. James L. Jones, told reporters that it was a mistake to blame all of the country's troubles on the Taliban, listing drug traffickers, common criminals and tribal warriors as additional culprits.

Although the bulk of Bush's four-day trip is focused on a seemingly uphill struggle in the Middle East, the president appeared to relish his brief time in a corner of the world where the U.S. remains popular.

In Estonia and Latvia, he was greeted with applause and welcomed by both countries' presidents as a friend. Citizens of the former Soviet republics credit the U.S. with helping them win independence.

It is no coincidence that NATO, an organization created as a counterweight to the Soviet Union, decided to hold its summit in a Baltic state — a symbolic choice at a time Bush and others are seeking to expand the organization to include additional former Soviet republics.

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"We will also not falter in making Afghanistan more secure, where Estonian soldiers are helping to protect the welfare of Afghan citizens, again, together, hand in hand with the United States," said Estonian President Toomas Ilves, an Ivy League-educated former English teacher who made his remarks during Bush's visit to Tallinn, the country's capital.

Bush did not hesitate to express his enthusiasm for some of Estonia's more Republican-like policies, including its adoption 12 years ago of a flat income tax system. He mentioned Estonia's system no fewer than three times.

"They've got a tax system here that is transparent, open and simple," he said.

A Strained Alliance (WP)

The Washington Post, November 29, 2006

THE NATO alliance has been confounding prophets of its demise ever since the Cold War ended 15 years ago. For much of that time the military pact has played an unlikely but invaluable role as mentor to the formerly communist nations of Europe, granting 10 of them membership after requiring them to build democratic institutions. For the past several years it has played an increasingly important role in Afghanistan: Since the summer, NATO has led the fight against the Taliban in the unstable south, routing a large concentration of insurgents near Kandahar in the biggest battle in its history.

The skeptics were nevertheless back in force as NATO began its biennial summit meeting in Riga, Latvia, yesterday. They argue that despite NATO's battlefield success, Afghanistan is not looking good: The very fact that the Taliban has been able to infiltrate large parts of the south and stage major attacks on Western forces is one bad sign, along with a large increase in the production of poppies for opium, which funds insurgents and criminals. More than 90 percent of NATO's casualties have been borne by just three countries -- Canada, Britain and the United States -- which has created political problems on several home fronts as well as resentment toward those governments that refuse to send their troops to the south or that restrict the missions they can undertake.

NATO's democracy nursery is also in trouble. Western European governments suffering from "expansion fatigue" are resisting the entry of new countries into the process -- including several neighbors of Russia that badly need protection from the neo-imperialism of Vladimir Putin's Kremlin. Several Balkan countries that were already promised eventual membership are in danger of getting stuck halfway.

These are worrisome developments. Fortunately, there were signs at the summit that NATO's members will, as they often have before, do what is needed just before it's too late. The alliance's top commander, Marine Gen. James L. Jones, reported that a new appeal to governments for more troops and fewer restrictions in Afghanistan has yielded about 2,000 more soldiers who could be dispatched to the south. Poland will deploy a 1,000-member rapid reaction force early next year.

In a speech in Riga, President Bush spelled out a U.S. aim to bring Croatia, Albania and Macedonia into NATO by 2008 and to work toward membership for Georgia -- a democracy that Russia is doing its best to destabilize. NATO Secretary General Jaap de Hoop Scheffer rightly pointed to the need for the alliance to step up development and reconstruction operations in Afghanistan, so that areas cleared of the Taliban will have a shot at stabilizing. If NATO's leaders can follow through on those commitments and objectives, the alliance could defy the prophets of its doom once more.

France's Two Faces On NATO (LAT)

The Los Angeles Times, November 29, 2006

JACQUES CHIRAC IS expected to step down next year as France's president, so his clownish performance at Tuesday's NATO summit in Riga, Latvia, was apparently something of a final Bronx cheer for his fellow Atlantic Alliance leaders. At a time when the alliance is crying out for sober deeds, the French are yet again uttering meaningless words.

Chirac's office was negotiating with Russian President Vladimir V. Putin to drop by Riga after the summit to celebrate the French leader's 74th birthday and perhaps dine with Latvian President Vaira Vike-Freiberga. It's hard to imagine how even Chirac could be so tin-eared about politics in the Baltic states, where no Russian leader has visited since the Soviet collapse in 1991. The incident created an uproar, threatening to upstage the summit's few accomplishments, even though in the end the Kremlin canceled.

More tangibly damaging was Chirac's latest effort to assert French leadership out of one side of his mouth while limiting French support out of the other. "It is essential for each member state to agree to an appropriate defense effort," Chirac wrote in the Christian Science Monitor this week. "The Europeans have relied on their American allies for too long." Quite right, yet France is hardly setting a strong example.

The primary issue that NATO leaders hoped to address Tuesday is a shortage of troops in southern Afghanistan, where unexpectedly heavy resistance from the Taliban is endangering the alliance's most important mission. Among those not pulling their weight is France. Like Germany, Italy and Spain, France has placed caveats on the use of its 1,900 soldiers, preventing

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them from being shifted nimbly to the areas where they're most needed. The French also have refused to deploy a NATO strategic reserve battalion to address calls for 2,500 more combat troops.

NATO's mission in Afghanistan, unlike the war in Iraq, is a multilateral effort against a foe that presents a well-known threat to the West. A failure there would not only create a terrorist haven, it would expose NATO as a feeble, divided force. There were indicators Tuesday that some members have agreed to eliminate their caveats, which might bring more troops to the south. But the reluctance in many European capitals to commit the needed forces to such a vital effort is distressing.

This is not new territory for France. In 2005, Chirac announced with great fanfare that he would help stabilize Iraq by sending one (1) training officer to Brussels. When the call came out for a peacekeeping mission in Lebanon, Chirac's answer was a measly 200 French engineers. Stunts like the Putin invitation may make headlines, but it's the country's reluctance to participate fully in NATO — and lack of alternative ideas — that keep France from fulfilling a truly international role.

Living Symbols Of Reform In Afghanistan (LAT)

By Alissa J. Rubin

The Los Angeles Times, November 29, 2006

AMONG the crowd of 800 turbaned elders who gathered in a vast tent, one person stood out: a slender woman in a white head scarf.

She took the podium only briefly, but when she did, most conversation came to a standstill. And though many of the bearded, tradition-bound elders are uncomfortable talking to a woman in public, several dozen clustered around her afterward to ask questions.

Her name is Zahera Sharif, and she is the only woman among the four members of Afghanistan's parliament from Khowst province. In a conservative area where it is possible to drive through towns without seeing a single woman on the street, she is a rarity.

As a member of parliament, she represents an institution that Western observers and experts in Afghanistan say is the country's best shot at building a stable democracy after years of war and religious extremism.

Among the 248 members of parliament's lower house, there are elders such as those Sharif met here. But there are also former exiles in Western-style business suits. All of the country's ethnic groups have a place: Uzbeks sit next to Tajiks; Pashtuns with Hazaras. There are onetime Taliban as well as their former Northern Alliance enemies. A quarter of the parliament members are women; not one wears a burka.

Some of those who gather in the low-slung building on the western edge of Kabul use old militia ties to get things done. Others take the floor to criticize the warlords. Or, like Sharif, they forgo the debate and focus instead on meeting the needs of their constituents.

"For the first time after 30 years of war, we've brought some major figures, who in the past would only talk to each other with a gun, under one roof," said Younis Qanooni, the speaker of parliament.

Western diplomats find some hope in that inclusiveness, as well as in the institution's willingness to challenge President Hamid Karzai.

The president has considerable authority, but parliament has insisted on its right to review his decisions. Deputies rejected five of Karzai's 25 nominations for Cabinet posts in the spring and seven of his picks for the Supreme Court, including one accused of selling legal decisions.

"More often than not, the reform impulse has come from the parliament," a senior Western diplomat said.

Not that it has been easy. The majority of Afghanistan's lawmakers still have their roots in the country's warring past. A number served as militia commanders and made their names and their money behind the barrel of a gun.

Even among the 68 women in parliament, U.S. and United Nations officials estimate that half have militia ties, and can be counted on to keep quiet and vote as they are told.

Some lawmakers still spit during sessions as though they were on a mountain road. Others doze off. A popular television news program was banned briefly from broadcasting parliamentary sessions because it showed lawmakers, heads thrown back, snoring. Many take the floor seemingly without any idea of what they want to say.

Despite their lack of experience in representative democracy, deputies have developed a range of styles to pursue their different political agendas on the floor of parliament and in visits to their districts.

Malalai Joya, a 27-year-old woman, publicly challenges the enduring power of warlords in a Western-style media campaign. For that, she has been pelted with water bottles in the parliament chamber, and twice her microphone has been shut off.

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Haji Almas, 45, is a member of the old commanders network. He is angry that Karzai's government and its Western allies refuse to allow former warlords to run the country's military. But he also has embraced education and points with pride to schools that have been built.

Sharif, meanwhile, is a realist. Afghanistan will not change overnight, she believes. So she keeps quiet when commanders arrive at parliament sessions with their bodyguards in tow.

"They know they have done nothing for Afghanistan; they don't have answers for Afghanistan," said Sharif, 46. "But they are still there; they have supporters."

"People in parliament need to focus on issues one by one: electricity, jobs, education," she told the Khowst elders who had gathered in the tent to discuss pressing nationwide problems. "Everybody should think of the benefit of the society."

Getting an education

Sharif is no stranger to the conservative religious attitudes of southern Afghanistan. Her father was an imam, and he objected to her going to school past age 11. Miserable, she stayed in the women's quarters of the family home and stopped eating.

Her eldest brother finally won permission from their father to let her return to school, and later to take all his siblings to Kabul to finish high school, because schools there were better. Sharif went on to Kabul University, where she earned a master's degree in education. She became a member of the elite Academy of Sciences. At the time, Afghanistan was a Soviet satellite and many women were attending university and becoming professionals.

At the university, she met the man who became her husband, Mohammed Sharif Zadran, a Khowst native who also holds an advanced degree in education. In his own way, he is no less remarkable.

From the beginning of their courtship, he helped her to advance. When she was required to submit two copies of her 300-page master's thesis, he copied the second one by hand because Afghanistan had no copy machines.

But then the Taliban took over. She and her husband were forced to quit their jobs. Zadran had to do manual labor to help the family get by. After two years, they fled to Pakistan, where Sharif started a magazine for women, organized classes for Afghan refugee girls and trained female teachers who she hoped would go back to Afghanistan after the Taliban fell.

Within days of their return to Khowst when the rule of the mullahs was over, Sharif took off her burka and walked down the main street.

"Everybody was watching her as if they thought something terrible would happen — they were leaning out of doors, staring out of windows," recalled Naquibullah, the deputy director of Khowst's main radio station.

Despite ridicule from other men, Zadran stood by his wife when she decided to plunge into politics, even though it meant doing something unheard of for a woman here: going door-to-door in remote villages and introducing herself to strangers.

"People would say to me, 'How can you let your wife do that?' " recalled Zadran. He shrugged. "I said, 'What do you want me to do? Lock her in the house?' "

The answer for many Afghan men would have been 'yes.'

Sharif and Zadran have four children; both are devoted to caring for their youngest daughter, Zala, 3, who has Down syndrome.

And Sharif has tried to address the problems of young people in her legislative work.

She successfully fought legislation that would have allowed children as young as 13 to be punished as adults if they were found guilty of crimes.

She has been less successful fighting the corruption that permeates public and private life, or getting the central government to respond to her district's needs.

The agriculture minister gave Sharif barely 15 minutes of his time and flatly refused her request for subsidized fertilizer for farmers in her district. He didn't even respond to her complaints that most of the 40 goats that were designated for needy Khowst women ended up going to families who had connections to Agriculture Ministry officials.

More than once Sharif has joined with other reform-minded legislators to urge Karzai to replace corrupt police chiefs and governors connected with the opium trade.

"I told Karzai, 'You are just playing chess, taking the same person and moving him from one job to another,' " she said. "Then Karzai said, 'Give me men, give me names.' And we gave him names and he said, 'No, he's a Communist, no, he's this, he's that.' And he took almost none of them."

Afghan and international observers say Karzai's weak government relies on such local strongmen.

When she does overcome barriers to helping her constituents, Sharif finds it difficult to get credit.

She persuaded a rich Kabul resident to donate uniforms, sneakers, nets and balls to the Khowst volleyball and soccer teams, and she brought them when she returned from Kabul for the summer. But when she invited team members to her home

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to hand out the equipment, her husband and the coaches did most of the talking, and her resourcefulness went largely unappreciated by her constituents.

Where Sharif really shines is in her interaction with women, her original inspiration for entering politics. Women cast 45% of the votes in Khowst, and though some voted for men, analysts in Kabul believe that the vast majority voted for Sharif.

When she entered the high-walled compound that surrounds the Khowst women's center and the school for girls, she had hardly stepped out of her car before the women surged around her. There were young girls in their school uniforms clutching notebooks and pencils, older women who worked as cleaners, some still carrying their brooms. Teachers, middle-aged women with worn faces, reached over their students to touch her shoulder or hand.

As she handed out books and information about Women's Ministry programs from two huge sacks of supplies she had brought from Kabul, it was possible to believe Sharif could achieve her dream of "taking all the women with me" on her way forward.

There is a long way to go. A bare room serves as the reception area in the women's center. In stark contrast to the rooms warlords use when they hold court, this one had no rug or cushions, just flimsy plastic chairs, three scarred desks and a few torn fliers pinned to the walls.

There were no tea and biscuits, no plates of fruit. But the women's voices rose and fell as if they were at a feast. They recounted their latest trials and small victories: the difficulty of getting a job as a midwife, recent cases of child brides abused by men, the challenge of teaching science to students when there is not a single Bunsen burner in all of Khowst.

Sharif listened closely, nodding, occasionally asking a question or jotting something in a small notebook.

She believes in personal persuasion to bring about change. She knows that without female teachers, many families will not send their daughters to school. So she goes to the homes of women who have a university education and asks why they are not teaching. If they say their families will not allow it, she meets with their husbands, uncles, fathers and brothers, until she gets their agreement.

"I do not accept 'no,' " she said. "Usually, the men have not thought so hard about it, they have not thought that their wife will be earning money, that the family will be richer if the wife works. When they understand this and they understand that she will be with women, most of them accept it."

An influential man

Sharif's journey to her legislative district could not be more different than such a trip by Almas, the former commander of the Northern Alliance's 5th Corps.

Almas conveys his status with every gesture. He is so well known in Parwan province that when he stops his car to point out the location of a strategic battle, half a dozen vehicles pull off the road so their drivers can greet him.

Thickset, he wears a spotless white shalwar kameez and, even in the hot Afghan summer, the brown wool hat favored by Northern Alliance leaders. He moves with a determined stride.

His tone with subordinates is often peremptory; with supplicants, impatient. With those who consider themselves equals, he listens, then issues orders.

Westerners and some Afghan police officials describe him privately as a bully and a criminal who is active on the periphery of the lucrative narcotics trade, complicit in kidnappings and enriched by corrupt business deals. Some election officials attempted to prevent him from running, but failed, said a senior Western diplomat.

"Almas is one of the former commanders who has really cemented his power since he came into government," the official said.

Nasreen Gross, a sociology lecturer at Kabul University, said the international community must make an effort to win over men such as Almas. These former commanders influence many Afghans, and without their support, democracy could well fail, she said.

"They desire so much to be accepted by the West," Gross said. "Before, they had to do things illegally. No one helped them when they were fighting the Taliban. When you get involved in illegal activities, it's a cycle, it's self-perpetuating and insidious.

"We have to find an opening for those who want to gain respectability…. They can help us."

A trip home with Almas indicates that he is still divided between his warlord past and his emerging identity as a member of parliament, as though he has yet to decide whether the legitimacy of being in government is worth the payoff. So he veers wildly, dispensing tribal justice and bullying government officials, even while espousing education and adherence to the rule of law.

A man of limited education, Almas started fighting in his early teens. Now he is a fanatic about schooling.

In the early 1990s, when little education was available for girls, he built two schools in his district, one for boys and one for girls. His daughters are in high school, and he says he will allow them to attend university. He has two wives and is proud that the second is a university graduate.

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When he arrived in his home village of Rabat to eat lunch at the funeral of a village elder, scores of men gathered around him, a mirror image of Sharif's experience with women.

A privileged few ate with him in a small room and pressed their demands. Chief among them was jobs. They wanted the government to start a long-promised water project. Almas listened as he gnawed on a mutton bone and scooped up saffron rice with his fingers in the traditional Afghan style.

A little later an elder cornered him as he walked to the mosque for Friday prayers and asked for help. There had been trouble the night before, a knife fight between two boys. Both were wounded.

At the mosque, Almas spoke after the imam finished. "Don't behave in ways that make people call us the thieves of Rabat," he admonished the villagers.

Then he lashed out at imams for failing to preach the importance of education. "The mullahs taught us to reach for our guns but not for our pens. That is why our country is so behind," he said as the imam shifted uncomfortably.

After prayers, Almas held a meeting in a vast open tent in his family's walled rose garden. As young men served tea and candy, the two wounded boys, their heads bandaged, appeared with their fathers and grandfathers to apologize to the community for fighting the night before.

Almas made the fathers sign a pledge that they would go to jail if their sons started another dispute.

The next morning, Almas and an entourage of armed bodyguards zoomed in SUVs to the Parwan governor's office to discuss the delayed water project.

The governor, who wears Western clothes and comes from another province, explained the delay. He was trying to determine who needed the water most. He often consulted a thin, elderly engineer, who nervously flipped through a folder.

As he spoke, the governor sipped a cup of coffee. He failed to offer any to Almas, an insult seemingly intended to show that he stood outside Almas' influence.

Almas looked pointedly at the cup. "We are parched, and you are drinking. Why don't you offer us some?"

The governor didn't answer. After a few more minutes Almas, who was less interested in who got the water than in starting the project and distributing the jobs, slapped his knees and got up. His entourage rose around him.

"So the project starts tomorrow," he said, less a question than a command. The governor said nothing, but gave a slight nod, indicating that Almas would get his way. Satisfied, Almas clapped him on the shoulder as though they were friends. He and his men moved on.

War of words

Joya focuses on one theme, the enduring power of men such as Almas. She uses radio and television exposure to denounce them, and despite Afghanistan's limited media outlets, hers is a familiar voice in the country's larger cities.

The youngest member of parliament is already a master of the well-turned phrase, the eloquent exaggeration, the slight simplification. Along with parliament colleague Ramazan Bashar Dost, who works out of a simple tent in the middle of a Kabul park, she is one of Afghanistan's most prominent populists.

Her message is that despite the changes in Afghanistan, corruption is still rampant and the warlords are still in power.

"How can we have democracy when we have these warlords? The majority of seats [in the parliament] have been taken by these black persons…. First they should be tried by a court, but unfortunately the courts don't do that in Afghanistan," she said in one of the many interviews she gives to foreign and domestic reporters.

Even though she has become a well-known figure in many parts of Afghanistan, she remains a mystery in many ways. Most people who denounce the warlords will describe specific instances in which they, their families or perhaps their entire villages suffered. But Joya lived in Iran during much of the Taliban's rule.

Asked how she formed her viewpoint, she said only, "I suffered a lot and I saw people I know suffer. They cried, and I cried with them."

She has yet to make a concrete proposal for neutralizing the power of former commanders. So far, that doesn't seem to matter. Many people believe she is one of the few politicians who speak the truth.

They agree with her that brutal warlords now serving in high government positions are unlikely to look out for the best interests of the country.

"Malalai Joya says what many people know to be true," said Saad Mohseni, the director of Moby Capital Partners, which runs the popular Tolo TV channel.

Sharif's husband, Zadran, also says he admires Joya. "Not many people are willing to say the things she says, and to speak honestly about our situation in Afghanistan," he told his wife as they discussed corruption in their home province.

Joya's candor has provoked such serious threats that she canceled plans to visit her home province of Farah during parliament's six-week summer break because she could not get the United Nations to provide sufficient protection. In Kabul, she moves every few days among several houses where friends or relatives shelter her.

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She stays in the public eye through high-profile speeches in parliament and regular interviews with journalists. One evening last summer, she invited 20 reporters to dinner at her home in Kabul.

"The current government is in the hands of warlords," she told the journalists. "Peace and security cannot be established. Bribery has reached its zenith. The current government is involved in bribery, smuggling and bombings."

There is little difference between the Taliban and its Northern Alliance enemies, she declared. "The Taliban and Northern Alliance are connected to each other like a chain. In fact, the Northern Alliance is a good brother of the Taliban."

Former militia commanders resent her deeply, some because she reminds the country of their misdeeds and others because they believe they deserve thanks for fighting the Taliban.

When Joya took to the parliament floor in May with another of her denunciations, some threw water bottles at her. Other legislators ran forward to shield her. Someone ordered her microphone turned off so her comments would not be audible on television.

Despite the obstacles, legislators all have their own reasons for staying in parliament. But for many, the frustration level is high and their commitment is tenuous. "Sometimes I wake up and I think I should just stay home and not go out and try to change things," said Sharif.

The bigger risk is that Afghanistan will fall back on the code of violence that has dominated its history.

Joya said that along with the water bottles came a threat from Abdul Rasul Sayyaf, a warlord notorious for his cruelty who has become a powerful member of parliament: "She is lucky it was water bottles and not knives."

DOJ:

Leftist Politicians Try To Take Control Of Mexican Congress (MCT)

By Jay Root

McClatchy Newspapers, November 29, 2006

MEXICO CITY - Fistfights and shoving matches broke out in the Mexican Congress Tuesday after leftist lawmakers, hoping to block the inauguration of conservative President-elect Felipe Calderon, stormed the podium and tried to seize control of the chamber.

Conservatives, surrounded by security guards, pushed back the protesting lawmakers and vowed to keep order until they formally bestow the presidential sash on Calderon in a ceremony in the Chamber of Deputies this Friday.

The fisticuffs underscore the deep well of bitterness that remains after the closest and most hotly contested presidential race in modern Mexican history and highlight the possibility that Friday's ceremony will be marred by violence.

Members of the leftist Party of the Democratic Revolution, or PRD, claim Calderon, a member of the National Action Party, or PAN, stole the July election.

"We're not going to allow this inauguration to happen," said Roberto Lopez, a PRD spokesman. "Felipe Calderon will not govern a single day in this country."

Calderon's transition office declined comment. Calls placed to the PAN headquarters weren't returned.

But Ruben Aguilar, a spokesman for outgoing President Vicente Fox, said Calderon will take over on Friday no matter what happens in Congress.

"There is an institutional mechanism" for it, he said. "After the first second on the first day of December of this year, we will have a president who was elected by the majority of the citizens of this country."

Though PRD militants had made no secret of their plans to seize the podium to prevent Calderon's inauguration, the clashes inside the chamber were sudden and unexpected. Both sides blamed each other for inflaming tensions, and neither had abandoned their positions within the chamber as night fell.

In September, PRD militants seized the podium and forced Fox to deliver his final state of the nation address on television.

Calderon won the July elections by less than one percentage point over populist Andres Manuel Lopez Obrador. But the charismatic leftist claimed widespread fraud and never conceded, even after the nation's highest electoral court pronounced Calderon the victor in September. For weeks his followers camped out in downtown Mexico City, snarling traffic and shuttering shops.

Last week, Lopez Obrador declared himself the "legitimate president" of Mexico, strapped on his own presidential sash and began making plans for a "parallel" government. His supporters are planning a massive protest in Mexico City's central square, or Zocalo, to coincide with the inauguration on Friday.

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Though Tuesday's clashes signal volatile times ahead, the increasingly bizarre protests have taken their toll on Lopez Obrador and his party. Polls taken weeks after the election show that Calderon would now trounce Lopez Obrador. Likewise, a poll in El Universal newspaper this week showed 64 percent of those surveyed opposed PRD moves to seize the chamber.

Calderon has promised to reach out to those who didn't support him. But his critics on the left say his Cabinet picks suggest otherwise. On Tuesday he announced that former Jalisco Gov. Francisco Ramirez Acuna, criticized for his hard-line approach in dealing with street protests, would be his new interior secretary, handling domestic security matters.

The U.S. Embassy said that former President George Bush, U.S. Attorney General Alberto Gonzales and U.S. Commerce Secretary Carlos Gutierrez would travel to Mexico to attend the inauguration.

What they'll find when they get here is anybody's guess. Tuesday's trouble started around lunchtime, as rumors swept the chamber that PRD supporters would try to seize the chamber. PAN leaders, who have the largest bloc of votes and control the gavel, began assembling near the dais, along with a coterie of guards.

When PRD members began pushing and shoving toward the crescent-shaped stage, they clashed with a human wall of conservative lawmakers.

Jorge Zermeno, the PAN leader who presides over the chamber, ordered the rebel legislators to stand down and asked a throng of reporters and cameramen to leave the chamber. He then called a recess, but lawmakers stayed in the chamber, hurling insults at each other.

A second clash broke out at about 5 p.m., but each side held its ground.

Root reports for the Fort Worth Star-Telegram.

Calderon Names Mexico Interior, Foreign Ministers (Update3) (BLOOM)

By Patrick Harrington

Bloomberg, November 29, 2006

Nov. 28 (Bloomberg) -- Mexico's President-elect Felipe Calderon named Francisco Ramirez Acuna as his interior minister, making the former Jalisco-state governor the country's chief political negotiator and strengthening the ruling party's hold on power.

Calderon, who takes office Dec. 1, also named former ambassador to Austria Patricia Espinosa as foreign minister during a Mexico City news conference. Arturo Sarukhan, Calderon's former chief foreign policy adviser, will become a liaison for U.S. relations.

Calderon, 44, has so far used his Cabinet posts to appease leaders of his own National Action Party rather than opposition party members, said Chappell Lawson, a political science professor at the Massachusetts Institute of Technology. During his campaign, Calderon promised to forge legislative alliances in congress by building a coalition government.

``So far, his appointments are a representative sample of the National Action Party," Lawson said in a telephone interview. ``These are not a collection of people who are likely to elicit cooperation from congress."

Calderon today also named German Martinez, head attorney for his presidential campaign, as federal auditor. Juan Camilo Mourino will serve as chief of staff, Calderon said. The president-elect is expected to name his public-safety team tomorrow and must appoint all cabinet members by Dec. 1, when he is scheduled to swear in as president before congress.

U.S. Delegation

Former U.S. President George H.W. Bush will attend the swearing-in ceremony, the U.S. Embassy in Mexico said in an e-mail statement. U.S. Attorney General Alberto Gonzales and U.S. Secretary of Commerce Carlos Gutierrez will also attend, according to the statement.

Ramirez Acuna is known as a governor willing to use force as well as incentives to resolve conflicts, said Jorge Chabat, a political science professor at the Center for Economic Research and Teaching in Mexico City.

``He is a politician who knows how to get things done the old-fashioned way with a carrot and stick approach," Chabat said in a telephone interview. ``I don't know if that's the way things should be in a democracy, but it will probably work."

Speaking at today's news conference, Ramirez Acuna promised to maintain order and apply the law to attack corruption and impunity.

``Together we will return to Mexicans the peace and tranquility that they need to work and that is required to spur development in every corner of the country," he said.

Calderon Cabinet

On Nov. 24 Calderon named six non-economic Cabinet ministers from his National Action Party, including his former campaign manager Josefina Vazquez Mota as education minister.

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On Nov. 21 Calderon named Agustin Carstens finance minister, making the former International Monetary Fund official leader of U.S.-educated economic team. Three of Calderon's six economy-related appointments have doctorate degrees in economics from U.S. universities.

Calderon's decision to avoid appointing opposition parties to his Cabinet is not necessarily a mistake, Michael Hood, chief Latin America economist with Barclays Capital Inc. in New York, said in a phone interview. Such choices can lead to infighting within the Cabinet, he said.

``It's one of those situations where legislative progress is going to have to come from the top," he said. ``It's going to come down to his political capital and how he's going to employ it."

CORPORATE SCANDALS:

Five Years After Enron, Firms Seek Weaker Rules (WP)

By Carrie Johnson

The Washington Post, November 29, 2006

Business interests, seizing on concerns that a law passed in the wake of the Enron scandal has overreached, are advancing a broad agenda to limit government oversight of private industry, including making it tougher for investors to sue companies and auditors for fraud.

A group that has drawn support from Treasury Secretary Henry M. Paulson Jr. plans to issue a report tomorrow that argues that the United States may be losing its preeminent position in global capital markets to foreign stock exchanges because of costly regulations and nettlesome private lawsuits.

Interest groups are trying to build political support to review long-standing rules that govern companies, as well as parts of the 2002 Sarbanes-Oxley law, which imposed stringent responsibilities on accountants, boards of directors and corporate executives. Some key members of Congress have recently expressed concern that U.S. companies may be over-regulated.

For example, Sen. Charles E. Schumer (D-N.Y.) joined New York City Mayor Michael R. Bloomberg (R) to commission a study by McKinsey & Co. on whether U.S. stock exchanges are losing listings to more lightly regulated overseas markets. Sen. Christopher J. Dodd (D-Conn.), who is set to head the Banking Committee, has expressed skepticism that the Sarbanes-Oxley law has led businesses to flee overseas but has signaled a willingness to hold hearings next year on how the legislation is working.

The business groups are initially focused on getting rules changed at the Securities and Exchange Commission, the independent federal agency that oversees U.S. capital markets and companies. The growing bipartisan concern about over-regulation will help set the tone for deliberations at the agency, which is led by Christopher Cox, a Republican and former congressman from California.

"From our perspective, the more people talking about this, the better," said David C. Chavern, director of the U.S. Chamber of Commerce's corporate-governance initiative. The chamber plans to publish its own study next year that attacks what it views as duplicative rules and overly aggressive enforcement by securities regulators.

The renewed push to soften government oversight of business comes as the outcry begins to diminish over a series of financial scandals that erupted five years ago after Enron collapsed, costing thousands of employees their jobs and wiping out billions of investor dollars. The phony accounting at Enron and the bankruptcy of WorldCom months later prompted Congress to pass the Sarbanes-Oxley law.

The chamber panel studying regulation contains several prominent Democrats, including two members of President Bill Clinton's Cabinet -- William M. Daley, who headed the Commerce Department, and former U.S. trade representative Mickey Kantor.

Lobbyists at the chamber are moving to line up meetings with Dodd, who is considering a bid for the presidency in 2008, and soon-to-be House Financial Services Chairman Barney Frank (D-Mass.). Frank recently spoke in general terms of his willingness to compromise with business on some matters to win concessions on minimum-wage legislation and housing reforms.

The current drive to roll back regulation pivots on a complex rule that requires companies to assess their financial controls to prevent fraud and mistakes. The provision, contained in Sarbanes-Oxley, has proved more expensive than regulators envisioned, particularly for small businesses.

With the encouragement of senior federal lawmakers, officials from the SEC and the Public Company Accounting Oversight Board, which sets rules and oversees accountants, are meeting to hash out an accord on scaling back the rule. How

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far they go, perhaps effectively exempting smaller companies, is raising intense concerns from those who think the rules are necessary to protect investors from fraud.

If they decide to exempt small companies, that would take out "the guts of getting accounting and auditing straightened out" after years of cursory reviews by accountants helped fuel financial scandals, warned Charles A. Bowsher, former comptroller general.

But business groups are not stopping there. They were encouraged when Paulson gave a speech last week calling for "a more balanced approach" to regulation.

The private panel is frequently called "the Paulson group," even though Paulson is not a member. Instead, the panel is directed by Harvard University law professor Hal S. Scott. Other members include R. Glenn Hubbard, former chairman of President Bush's Council of Economic Advisers, and Brookings Institution Chairman John L. Thornton.

The group's report tomorrow is to advocate raising the standard for charging companies with crimes, according to sources briefed on its content who spoke on condition of anonymity because the document has not been officially released. It also is to propose shielding accountants from fraud lawsuits under certain circumstances.

Many of the group's recommendations would require congressional action, and passage of new laws is uncertain in the last two years of the Bush administration, even with a growing concern over regulation among senior lawmakers.

University of Rochester President Joel Seligman expressed concern about any new limits on the ability of people to sue companies over accounting, saying it could "handicap the ability of the SEC to be a vigilant watchdog."

"To have this occur, so soon after the dramatic increase in fraud that led to Sarbanes-Oxley, would be deeply troublesome," he said.

Paulson Walks Fine Line Amid Calls (WSJ)

The Wall Street Journal, November 29, 2006

Some of the best minds in American finance have put their heads together and come up with a diagnosis for Wall Street's competitiveness problem:

Too many lawyers.

They aren't just talking about the securities-class-action-lawsuit type, although those certainly top their hit list. They also are talking about the battalion of legal beagles who staff the Securities and Exchange Commission and write the mind-numbing rules that publicly traded companies have to follow. And the armies of lawyers who represent those publicly traded companies and demand excruciatingly detailed rules for their clients to hide behind.

Or worst of all, the politically ambitious lawyers who become state attorneys general and U.S. attorneys and believe beating up corporations is their ticket to career advancement.

While I haven't seen the report of the Committee on Capital Markets Regulation, which is scheduled to be released tomorrow, I have talked to others who have seen it. Beyond that, I listened to a speech that the committee's unofficial godfather, Treasury Secretary Hank Paulson -- who isn't a lawyer -- gave last week to the Economic Club of New York.

The committee has been portrayed as an effort to roll back the law written by Sen. Paul Sarbanes and Rep. Michael Oxley -- both lawyers -- in the wake of the corporate scandals of 2002. That may be the least controversial part of its work.

Like almost everyone else, the committee concludes that the current interpretation of section 404 of Sarbanes-Oxley, which requires publicly traded companies to do costly audits of their internal financial controls, needs to be relaxed, especially for smaller companies. The SEC is already at work on that.

More interesting is the call for moving from a regulatory regime based on "rules" to one based on "principles." In his speech, Mr. Paulson complained of "an ever-expanding rule book in which multiple regulators impose rule upon rule upon rule." He extolled "the desirability, where practical, of moving toward a principles-based system."

As I listened to Mr. Paulson last week, I had no clue what the practical consequences of his call for "principles-based" regulation might be. So I investigated and discovered that the world's leading financial market has, rather suddenly, developed a bad case of Anglophilia. The model for a principles-based regulatory approach, it turns out, is Britain's Financial Services Authority.

I called up Sir Howard Davies, the founding chairman of the FSA who is now the director of the London School of Economics. Sir Howard is most definitely not a lawyer -- he studied French and history, then attended Stanford Business School.

He explained that when the FSA was created in 1997, in an effort to consolidate Britain's financial regulators, it wrote a rule book that began with a set of principles explaining what the regulators hoped to accomplish.

"There are, of course, also rules," he says. "But you can afford to be less intrusive because as a regulator, you have principles you can fall back on." In other words, once you have said no killing, there is no need to specifically prohibit sticking a hunting knife through another man's sternum.

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As simple as that sounds, it proved difficult in practice. The reason? Lawyers. "It's a struggle," Sir Howard said. "We wanted more principles and fewer rules, but the market pushed back."

For instance, the FSA wanted a simple principle saying financial firms must segregate their clients' money from their own money. Lawyers representing the financial firms responded: "What do you mean by clients? What do you mean by money? What do you mean by segregated?"

Still, the FSA was able to limit its rule-making, in part because it was staffed largely by economists. The lawyers were relegated to the general counsel's office. "We kept them on tap, not on top," Sir Howard says.

Could such a system work in the U.S.? Well, first, it would require a restaffing of the SEC: More economists, fewer lawyers. (The current count is 1,344 attorneys, 27 economists.) More importantly, it would require reining in the trial bar, which empowers corporate lawyers by creating the constant threat of lawsuits. It also would probably require curbs on state attorneys general like soon-to-be New York Gov. Eliot Spitzer, who was always happy to step in whenever he thought the SEC was going soft.

The biggest problem facing Mr. Paulson and the Committee for Capital Markets Regulation is one of perception. Can they convince people that their call for principles-based regulation isn't just an effort to go soft on corporate miscreants? With public approval ratings of corporate executives still in the dumps, that won't be easy.

Setting Aside Of Wittig Sentence May Be Challenged (TCJ)

By Robert Boczkiewicz, Special to The Capital-Journal

Topeka (KS) Capital-Journal, November 29, 2006

DENVER -- Prosecutors may ask an appeals court to reconsider last week's decision that set aside a five-year prison sentence for David Wittig, former chief executive of Westar Energy, for bank crimes.

In a new filing at the 10th U.S. Circuit Court of Appeals, a federal prosecutor in Topeka said attorneys at Justice Department headquarters in Washington, D.C., are evaluating whether to ask the court to rehear Wittig's appeal.

A three-judge panel of the court dealt a blow to prosecutors on Nov. 22 by setting aside Wittig's sentence and instructing U.S. District Judge Julie Robinson, of Topeka, to resentence him.

The appellate judges concluded that she erred in computing his sentence under sentencing guidelines.

They pointed out that a sentence of six months is the maximum recommended in the guidelines unless she justifies a longer sentence.

Wittig's sentence is for convictions in 2003 of hiding from bank regulators a $1.5 million loan he made to former Capital City Bank president Clinton Odell "Del" Weidner II. Wittig is serving a separate 18-year sentence for convictions in 2005 of looting Westar of millions of dollars.

In the new filing, prosecutor Richard Hathaway said prosecutors are considering asking all of the appeals court judges to consider the case, instead of only the three judges who issued last week's decision.

The Denver-based court seldom agrees to rehear cases, especially those in which a three-judge panel was unanimous, as it was in last week's decision.

The court typically operates in three-judge panels.

Hathaway said Dec. 6 is the deadline for prosecutors to ask the judges to rehear Wittig's appeal. The prosecutor said lawyers of the solicitor general's staff in Washington need more time to decide whether to make the request.

Hathaway asked for a 30-day extension of the deadline but said Wittig's lead attorney opposes an extension.

Robert Boczkiewicz covers the 10th U.S. Circuit Court of Appeals in Denver. He can be reached at REB1den@aol.com.

Charges Of Bribery In A Chinese Bank Deal (NYT)

By David Barboza

The New York Times, November 29, 2006

SHANGHAI, Nov. 28 — The American company says it was a legitimate cost of doing business in China, the price it had to pay to help secure a large software contract with one of China's biggest banks.

But a Chinese company that says it got pushed out of the deal has a different version: executives there say it was bribery, a case of an American company secretly funneling money to powerful Chinese government officials to ensure the lucrative banking contract.

According to a lawsuit filed earlier this year in United States District Court in Florida, Fidelity Information Services, an American software company, paid for two Chinese banking officials and family members to travel on vacation to Hong Kong, Paris, Rome, Las Vegas and the golfing resort of Pebble Beach, Calif.

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The suit contends that Fidelity arranged for these trips through a consultant in China who was reimbursed for giving the Chinese bankers and their families an array of gifts, including expensive Sony cameras, luxury outfits from Versace and Burberry, and perhaps even a $330,000 apartment here in Shanghai.

The lawsuit grows out of a business dispute between Grace and Digital Information Technology, a Beijing-based consulting company and Fidelity, based in Jacksonville, Fla. It accuses Fidelity of trying to avoid paying $58 million in consulting fees after Grace helped the company win a series of software contracts worth $176 million with the China Construction Bank in 2001.

The lawsuit charges that after the contract was suspended in 2002, Fidelity dumped Grace and chose instead to hire another middleman, who was a close friend of the chairman of the huge Chinese bank. Fidelity, the lawsuit contends, made large cash payments to the middleman, who then passed money and gifts on to the Chinese bank's chairman and other bank officials, possibly in violation of the Foreign Corrupt Practices Act of 1977.

That law forbids American companies from paying off foreign government officials to win or influence business deals outside the United States.

"This was bribery," said John Zhang, a lawyer working for Grace and Digital. "They were paying bribes to government officials and their families. What else could those payments be?"

Lawyers representing Fidelity, a division of Fidelity National Financial, strongly dispute the allegations, saying company executives simply reimbursed legitimate business expenses and that Fidelity never violated its contracts or the Foreign Corrupt Practices Act.

"The Justice Department says paying for typical business expenses is not against the law," said David W. Shapiro, a lawyer for Boies & Schiller, which is defending Fidelity in the case. "If the golf game is inappropriate, most of the companies doing business in this country are engaged in inappropriate activity."

In government filings earlier this year, Fidelity acknowledged that the Justice Department and the Securities and Exchange Commission were looking into the allegations.

Three weeks ago, a Beijing court sentenced Zhang Enzhao, the 60-year-old former chairman of China Construction Bank, to 15 years in prison for accepting more than $500,000 in gifts and bribes, including gifts that came from a consultant who worked for Fidelity, as well as I.B.M. and Cisco Systems, according to Bloomberg News and Cai Jing, a Chinese business magazine. None of the American companies have been charged with any crimes.

Whether or not the lawsuit brought by Grace and Digital stands up in court, the case could force other large American and European companies doing business in China to consider whether they are exposed to similar lawsuits or dangers as they move operations and executives to China, a country where corruption and bribery are endemic.

Amanda Garland, a spokeswoman for I.B.M., said the company was investigating the bribery case against Mr. Zhang of China Construction Bank. NCR and Hitachi are also looking into the charges.

The case began in December 2004, when Grace and Digital initially sued Fidelity in Superior Court in California, charging in its filing that Mr. Zhang, then the chairman of China Construction Bank, had been paid a $1 million bribe.

The case was dismissed after a judge ruled that California was not the proper locale for the lawsuit. The suit was then refiled in Florida.

In March 2005, after reports about the suit spread, Mr. Zhang stepped down as chairman of Construction Bank for "personal reasons." The Chinese police later detained him, just months ahead of the bank's planned initial public offering.

A new chairman was appointed and the bank went ahead with its public listing, which raised over $9 billion in October 2005 in the world's biggest stock offering of that year.

In court filings, lawyers for Grace said they had obtained copies of detailed e-mails and other records that show that Fidelity made a $1 million payment to a Hong Kong company called Prosten Technology. A Chinese consultant named Zou Jianhua, who was a close friend of Mr. Zhang, represented that company.

Mr. Zou, the filings said, submitted about $170,000 in expenses that were reimbursed by Fidelity covering an array of gifts, hotels, shopping sprees and entertainment costs.

For instance, in May 2002, the suit says, a Fidelity official e-mailed another company executive saying the chairman of China Construction Bank was interested in playing golf at "Cobble Beach," though he meant Pebble Beach.

Soon after, Fidelity paid for Mr. Zhang's hotel, car services and green fees in Pebble Beach.

And in October 2004, after the chairman expressed an interest in seeing Florida, the lawsuit says Fidelity sent its corporate jet to fly him from San Francisco, where he had been visiting with I.B.M., to its headquarters in Jacksonville.

The lawsuit also charges that Fidelity reimbursed tickets for Mr. Zhang's wife and son to travel in China and the United States. It also paid, the lawsuit claims, for his son's tennis club fees in Shanghai and golfing fees in Shenzhen and for the daughter of the bank's chief information officer to travel to Europe.

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Mr. Zou, the Fidelity consultant, accompanied Mr. Zhang's son to Las Vegas and also escorted the daughter of the bank's chief information officer on a trip to Europe.

Grace lawyers also say that on one occasion, after Mr. Zou's expenses were questioned by Fidelity, Mr. Zou responded that he was renting a hotel room in Beijing because Mr. Zhang and his wife needed to use the hotel's gym and swimming pool.

Mr. Zhang, the lawyer at Greenberg Traurig who is representing Grace, said the trips were "payoffs" to the family of the banking executives and that among the expenses reimbursed were luxury goods from Dunhill, Versace, Burberry, Mont Blanc and at least nine Sony and Canon cameras bought in Hong Kong. "What kind of business trips are these?" Mr. Zhang asked.

Fidelity's lawyers counter that entertaining government officials and their families is proper promotional activity. The company also says there was no breach of the original consulting contract, which was suspended by the government. A new software contract was later negotiated with another middleman, Mr. Zou, the lawyers said.

China Construction Bank officials have refused to comment on the case, saying it was a personal matter involving Mr. Zhang.

Citing court documents in the case, Bloomberg News said the Beijing No. 1 Intermediate Court indicated that I.B.M. had paid $225,000 to Success Century Technology, a company registered in Hong Kong by Mr. Zou, who was named by the government as one of the three businessmen who bribed Mr. Zhang.

Through Ms. Garland, I.B.M. released a statement: "I.B.M. has been unable to access the court documentation regarding this case, and therefore cannot comment on the allegations. I.B.M.'s Business Conduct Guidelines, to which I.B.M. employees in China certify annually, require I.B.M. employees to comply with all laws and regulations that apply to I.B.M.'s business worldwide. The guidelines also specifically prohibit bribery of any kind."

The statement went on: "We have turned this matter over to our legal team, who are investigating the allegations."

A reporter at the "21st Century Business Herald" says he got special access to the court documents in the bribery case. He says the documents show that Mr. Zhang accepted large gifts and bribes from three Chinese business executives in exchange for helping them secure large loans or software contracts.

Those court documents also show, he said, that Mr. Zou met with officials from I.B.M., NCR and Hitachi and that he recommended Hong Kong Hitachi as a supplier to Mr. Zhang and his bank.

NCR, based in Dayton, Ohio, issued a statement, which reads: "Under our marketing agent agreement with Mr. Zou, we required him to conduct business activities in a lawful manner. NCR maintains a clear and stringent code of conduct that requires the highest ethical standards and compliance with the local laws in all business dealings."

Hitachi, the Japanese electronics company, released its own statement, saying the case is under investigation and "according to the internal audit, up to now, we find no connection between Hitachi data systems and Mr. Zhang."

The Beijing court documents did not name Fidelity, though Mr. Zou worked as a paid consultant for Fidelity from 2002 to 2005. Gao Zicheng, a lawyer who represented Zhang Enzhao, the banker, in court, said his client admitted to mistakes.

"Zhang Enzhao said that as a government official he shouldn't have received money from friends," Mr. Gao said, but he declined to comment beyond that on the Fidelity case.

In its Florida court filing, Grace charges that Fidelity made a $1 million payment to Mr. Zou and that part of that money was funneled to Zhang Enzhao, partly through the gift of a luxury apartment.

Lawyers for Fidelity say Grace helped secure the original $176 million software contract in 2000, when Wang Xuebing was the chairman of China Construction Bank.

The software was supposed to allow the bank to track its lending activities. But Mr. Wang was fired and jailed in January 2002, after he was accused of accepting bribes during an earlier tenure, while he was serving at another large state-owned bank, the Bank of China.

After the firing of Mr. Wang, the government suspended the huge Fidelity contract. Then, after Zhang Enzhao came in as chairman, Fidelity hired Mr. Zou, a longtime friend, and 18 months later Fidelity signed a new software contract, Fidelity's lawyers say. Then Fidelity made a $1 million payment to Prosten, which had employed Mr. Zou.

Strangely, however, Prosten now denies that Mr. Zou ever worked for the company. An individual who picked up the phone at the Hong Kong headquarters said Mr. Zou had never worked for the company.

Mr. Shapiro, Fidelity's lawyer, said that its payments were legitimate. "It's only bribery," he said, "if he promised to do it in exchange for something."

But Patrick M. Norton, a lawyer at O'Melveny & Myers in Washington and an expert on the Foreign Corrupt Practices Act, said the law went further than that.

While some promotional activities may be allowed, Mr. Norton said, "the operative language in the statute is you can't provide a government official anything of value."

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CRIMINAL LAW:

Brother Of Philadelphia Mayor Indicted On Fraud, Tax Charges Involving City Contracts (AP)

By Maryclaire Dale, Associated Press Writer

AP, November 29, 2006

The older brother of Mayor John F. Street was indicted Tuesday, accused of using his last name to convince companies he could get them lucrative city contracts and failing to pay taxes on $2 million of income.

Soon after Street took office in 2000, T. Milton Street Sr. began hiring himself out as a high-priced consultant to companies that thought he could help them get city contracts, the indictment charged. One firm paid Milton Street, who is a longtime hot dog vendor, a $30,000-a.m.onth consulting fee and required him to do no work, authorities said.

He and two other businessmen face charges of mail and wire fraud, filing false tax returns and related counts.

"Milton Street wanted the IRS to believe he was a humble street vendor selling hot dogs and soda," U.S. Attorney Patrick Meehan said. "What he didn't tell them was that he was making millions on nothing more than his last name."

Milton Street, a state lawmaker in the 1980s, has long been a colorful character on the local scene. He made news in recent years with entrepreneurial efforts including a startup company that offers "Duck boat" tours, a venture that landed him in court in a fight with an established tour operator.

The 69-year-old vowed he would be vindicated of the charges and blamed any problems on poor record-keeping.

"I think, honestly, that I stayed in bounds (of the law)" Milton Street said as he arrived at a home in Moorestown, N.J., on Tuesday. "Now, I have to tell you, I am the worst record-keeper in the history of the modern man."

The mayor, who was not charged, said he did not know details of his brother's financial dealings but defended his right to pursue city contracts.

"My brother is allowed to do business with the city of Philadelphia just like any other person," Mayor Street said at a news conference. "As far as I know, he has played by the rules."

The indictment stemmed from an investigation into municipal corruption in Philadelphia.

The wide-ranging probe, which ensnared the former city treasurer and several businessmen, became public three years ago when an FBI listening device was discovered in the mayor's office. The mayor was never charged.

Federal prosecutors say Milton Street was awarded consulting contracts with companies doing business at two city-owned airports even though he had no experience in facilities maintenance work. His consulting firms contained the name Notlim, which is Milton spelled backward.

One company, General Asphalt Paving, paid him $8,000 a month _ and later $12,500 a month _ to get city business, including a contract for maintenance at Philadelphia International Airport and Northeast Philadelphia Airport, prosecutors said.

Milton Street also was accused of defrauding a prospective airport contractor, who gave him $80,000 on a promise from Milton Street that he could get them a $3.2 million contract that didn't exist, prosecutors said.

Mayor's Brother Indicted In Alleged Scams (PHI)

By Marcia Gelbart And John Shiffman

The Philadelphia Inquirer, November 29, 2006

Mayor Street's flamboyant brother, T. Milton Street Sr., was indicted on federal corruption and tax charges yesterday in connection with alleged scams at Philadelphia International Airport.

Specifically, Milton Street is accused of failing to pay taxes on more than $2 million worth of income from 2000 to 2004.

He also was accused of defrauding a prospective airport contractor, which gave him $80,000 on the promise that Street could get it a $3.2 million contract that didn't exist.

In another instance, Street is accused of kicking back almost $100,000 to a businessman in exchange for help that businessman provided in ensuring that Street obtained a lucrative airport contract.

U.S. Attorney Patrick L. Meehan said Street made "millions on nothing more than his last name," securing a $30,000-a-month consulting job on an airport-maintenance contract for which he did little or no work.

The mayor was not involved in his brother's alleged crimes, Meehan said, but the case is related to the broader pay-to-play climate that has tainted the current administration.

In an interview in front of his Moorestown home, Milton Street said he was "not going to lose any sleep" over the charges, which could mean two or more years in prison if he is convicted.

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"Let's face it: They didn't get John, they have to go after somebody," Milton Street said. "We will go to court. They will present their side, and I will present my side. And 12 people will decide. It will work out. I've been through lots of battles, lots of battle scars. I'll be OK."

The mayor, appearing somber and subdued, defended his brother to reporters outside his City Hall office about three hours after the public release of the indictment.

"My brother Milton has been one of my best friends in all the world," Street said, calling the charges a "very, very sad and distressing development for me... . He will have the full support of me and my family as he goes through this very difficult time."

The mayor - who phoned his brother yesterday but would not discuss what was said - rejected Meehan's suggestion that Milton Street tried to profit from their relationship. "My brother is allowed to do business with the City of Philadelphia just like any other person, and as far as I know he has played by the rules."

The Milton Street case was handled by some of the same FBI and IRS agents who worked on the City Hall corruption cases that have led to more than 20 convictions.

The grand jury alleged that Street did not file income-tax returns for 2002, 2003 and 2004, and that he underreported income for 2000 and 2001 by $175,000.

It was during those years that Street allegedly brought in $2 million, thanks to contracts he obtained at the airport.

Milton Street, 67, is a former hot-dog and T-shirt vendor, and served as a Pennsylvania state representative and a state senator. He filed for personal bankruptcy last year.

The 25-page indictment alleged that after John Street took office in January 2000, Milton Street "began hiring himself out as a highly paid consultant to area businesses who believed that Milton Street could help them obtain business with the City of Philadelphia."

Those actions did not represent a crime, but provided the backdrop for crimes allegedly committed, according to the indictment.

One of the businesses that hired Street was General Asphalt Paving Inc., which is owned by the family of city Republican Party chairman Michael Meehan (no relationship to Patrick Meehan). The company was then part of a joint venture named Philadelphia Airport Services (PAS). It hired Milton Street as a consultant to help land a $50 million, four-year contract to maintain airport facilities.

For his work, Street was paid $8,000 and then $12,500 a month, according to the indictment.

General Asphalt is no longer part of the joint venture, which has netted almost $74 million from the city since 2001, and company officials have said Street is no longer a consultant on the project. The current contract expires Jan. 1.

Under his arrangement with PAS, Street created a company to maintain the airport's baggage-conveyor system. The company, named Notlim (Milton spelled backward) Service Management Co., had no experience in the field.

Under the alleged scheme, Street in November 2002 began collecting $166,000 a month from PAS. Because his company had no experience or employees to do the work it was contracted to perform, it returned $133,000 to PAS, which then performed the work in question.

In the process, Street kept $33,000 for himself each month, the indictment alleged.

That represented some of the income Street is alleged to have failed to pay taxes on, according to the indictment.

Federal officials yesterday also charged two men, both employees of Philadelphia Airport Services, with conspiring with Street to defraud their company. They are John H. Velardi Sr., 53, of Drexel Hill, and Matthias A. Schwabe, 38, of Malvern.

The indictment says Street paid $98,000 to Schwabe, who in return did favors for Street.

Schwabe provided cell phones from his company for Street to use. Moreover, the indictment said, Schwabe put together a bid for Street to maintain kitchen exhaust hoods at the airport, and also helped arrange renovation work for Street's girlfriend's hair salon. All of this was done without PAS's knowledge or approval, according to the indictment.

The indictment also alleges that Street and Velardi defrauded a company called V-Tech out of more than $80,000 after promising the company owner they would deliver $3.2 million worth of airport work. Street and Velardi had no authority to assign such a contract.

Neither Velardi nor Schwabe could be reached for comment.

Milton Street is expected to surrender to the FBI this week. He is scheduled to be arraigned tomorrow in U.S. District Court. The case has been assigned to Judge Legrome D. Davis.

Life: A One-way Street (PHDN)

By Dave Davies

Philadelphia Daily News, November 29, 2006

DOJ_NMG_0099521

One thought no doubt occurred to veteran observers of Milton Street after his indictment yesterday on fraud charges: for sheer entertainment, this should go to trial - and Milton should take the stand.

There's no more colorful figure in local politics in the past quarter century than the mayor's brother. He's been a state legislator (both Democrat and Republican), a truck driver, a street vendor, a wig salesman, and a duckboat entrepreneur.

While he's left behind a trail of bad debts and colorful quotes - like calling a mayor "a Mafioso," a City Council president "a lying bastard" and a congressman "an Uncle Tom" - he's managed to stay out of serious criminal trouble before now.

"I've never known Milton to be a crook," Shawn Fordham, Milton's nephew by marriage, said yesterday. "Can he talk you out of five dollars? Yes. But that's his skill. He makes his case, and then you think he needs your last five dollars more than you do.

"But he's a really generous guy, too," Fordham added. "He'd give you the shirt off his back."

Milton remained upbeat yesterday when he greeted reporters in front of his Moorestown, N.J. home, predicting success in his coming legal battle and saying he wasn't feeling old.

"I think I'll run for office," he said.

Milton Street was a housing and vending activist in the 1970s who made it to the state legislature, changed parties and got voted out, blew a patronage job in traffic court by racking up fines, then pursued a string of business opportunities which became more lucrative when his brother John was elected mayor in 1999.

Among the more colorful episodes in the Milton Street story:

· In 1982, after changing parties in the State Senate to become a Republican, Milton challenged U.S. Rep. Bill Gray in one of the nastiest elections in memory. He called Gray "an Uncle Tom and a house n-----... controlled by white people." Milton lost.

· In 1989, Republicans rewarded Milton for his help in the legislature by making him an assistant budget director in traffic court. He lost the post for failing to pay $2,000 in traffic tickets. "Why the f--- should I pay?" he told an Inquirer reporter at the time.

· In the 1990s, Milton returned to street vending. Despite numerous citations by the Department of Licenses and Inspections, the Rendell administration in 1996 and '97 put Milton in charge of controlling vending at the Penn Relays. The Penn's Landing Corporation took Milton to court last year for unpaid vendor fees.

· In 2000, political contributors got invitations to pay from $300 to $10,000 to sponsor a birthday gala for Mayor Street. It turned out the money was to go to a new political committee registered to Milton and an associate, and the mayor didn't even know about the event. He pulled the plug on it.

· In 2004, Milton emerged as an operative in Super Ducks, a business of amphibious touring vehicles which sought to use a pier controlled by its rival, Ride the Ducks. Milton was accused in a court filing of threatening to get access to the pier "the hard way." He denied the charge, but his firm lost the case.

Staff writer Chris Reber contributed to this story.

Editorial | Milton Street Indicted (PHI)

The Philadelphia Inquirer, November 29, 2006

The indictment yesterday of Mayor Street's brother on tax-evasion charges seems an almost inevitable result of the crony-friendly city contracts that have defined the mayor's tenure. The charges against T. Milton Street Sr. arise from city contracts at Philadelphia International Airport, long a source of pay-to-play rewards for people with friends (or relatives) in City Hall.

Milton Street says he's innocent. And that should be easy enough to prove or disprove in federal court. The mayor's brother either paid income taxes on his sweet, $30,000-per-month salary as an airport maintenance "consultant," or he didn't. The IRS says he didn't.

Also indicted were two officials of Philadelphia Airport Services, John H. Velardi Sr. and Matthias A. Schwabe. General Asphalt Paving Co., a joint-venture partner of PAS, put the mayor's brother on the payroll in 2001 to help PAS get a $50 million city contract to maintain the airport grounds and non-flying equipment.

Milton Street's qualifications for airport maintenance work, other than being the mayor's sibling, included stints as a state senator and a hot-dog vendor. Later, he launched a duck-boat business.

In 2003, PAS tried to award Milton Street a $1.2 million, no-bid contract to maintain the airport's baggage conveyors. The mayor, in the midst of his reelection campaign, nixed the deal amid cries of cronyism. The public didn't find out until nearly two years later that Milton Street still earned about $1 million from the airport contract, courtesy of a $30,000-a-month consulting deal.

His brother's airport deal has weighed down the mayor with plenty of political baggage. That's because, other than the one occasion in which he intervened, the mayor has tolerated cronyism and nepotism in city-funded work at the airport.

For example, the FBI investigation of City Hall corruption showed that the mayor's rainmaker, the late Ron White, got an airport printing contract for his girlfriend, who didn't own a real printing company.

Philadelphia's airport is the first place for the region to make a good impression on visitors. A seamless, customer-friendly operation is crucial to the city's image and its economic future. Instead, the mayor has allowed a system in which patronage takes precedent over efficiency. It's an odious system that puts private agendas ahead of serving the public.

The airport has endured baggage headaches enough without having the mayor's career-challenged brother in a position to potentially run the luggage carousels.

Mayor Street isn't responsible for making sure his brother pays taxes. But the final year of the mayor's tenure will be tainted by yet another criminal prosecution involving people close to him. It is no accidental legacy.

Executive Pleads Guilty To Racketeering, Agrees To Testify Against Ex-Senator (WP)

By Eric Rich

The Washington Post, November 29, 2006

A construction executive at the center of Maryland's largest public corruption investigation in years pleaded guilty yesterday to racketeering and other offenses, agreeing to testify against his codefendant, former state senator Thomas L. Bromwell.

As part of his plea agreement, W. David Stoffregen certified as accurate a document that outlines secret payments to Bromwell and free or steeply discounted contracting work at the lawmaker's home in exchange for Bromwell's steering of state contracts to Stoffregen's firm, commercial contractor Poole and Kent Corp.

The guilty plea is by far the most significant of the six such pleas that federal prosecutors have netted in their investigation of Bromwell, a Baltimore County Democrat who was one of the most powerful figures in Annapolis before he left office in 2002.

Allegations of the improper exchange of cash and favors between the two men are at the heart of the prosecution's case, and with his plea, Stoffregen immediately becomes the star witness in a trial scheduled to begin in March.

The summary, filed in U.S. District Court in Baltimore, largely mirrors assertions made in the original racketeering indictment and in related cases involving other defendants.

Bromwell and his wife, Mary Pat, who was also charged in the racketeering indictment, have pleaded not guilty. Joshua Treem, one of Bromwell's attorneys, did not respond to a message seeking comment on the plea agreement. Stoffregen's attorneys and U.S. Attorney Rod J. Rosenstein declined to comment.

According to the summary, Stoffregen paid more than $190,000 to Bromwell, arranged the contracting work at his house and gave the lawmaker an ownership stake in International Partners Construction, a company that Stoffregen formed in 2000 to do business in Russia.

In exchange, it says, Bromwell saw to it that Poole and Kent was awarded a $13 million contract with the University of Maryland Medical System and arranged for expedited payments for work that the company performed on a state juvenile justice center project.

Bromwell's influence in the state Senate was considered so valuable, the summary says, that when he considered leaving the legislature for financial reasons, Stoffregen told him that if he agreed to stay, his wife would be given a job -- with an annual salary of $80,000 and no requirement to show up. Bromwell agreed, it says, and received payments of $192,000 disguised as salary from Namco, a company that Stoffregen controlled.

Stoffregen, 53, of Towson, pleaded guilty to racketeering conspiracy, mail fraud and filing a false tax return. Under the terms of the agreement, he will probably be sentenced to six to 18 years in prison. Stoffregen also agreed to forfeit more than $5.6 million, including his residence and a number of bank and other accounts.

The plea agreement is all but certain to complicate efforts to defend Bromwell, who was one of the most colorful figures in the legislature and who has been the head of a state agency, the Injured Workers' Insurance Fund, for three years.

Bromwell, a former tavern owner, was elected to the Senate in 1983. He rose to the powerful position of Finance Committee chairman and staged a daring but failed campaign to dislodge the Senate's longtime president, Thomas V. Mike Miller Jr. (D-Calvert), in the final days of 2000.

In the summary filed, Stoffregen also acknowledged orchestrating a minority contracting fraud scheme involving Namco, a front company that was certified as female-owned and whose presence on a job allowed Pool and Kent to appear to meet minority contracting goals or requirements. The company, for example, enabled Poole and Kent to meet such requirements on a 2003 terminal expansion at Baltimore-Washington International Airport, it says.

The summary says that Stoffregen and others went to elaborate lengths to make the front company appear legitimate when inspectors from the Maryland Aviation Administration, which oversaw the project, announced that they wanted to visit Namco offices.

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Stoffregen ordered that furniture, computers and documents be delivered to the largely empty space listed as the company address, the summary states. He directed Poole and Kent employees to create a company brochure. And on the day of the visit, it says, Mary Pat Bromwell posed as a receptionist.

South Gate's Former Treasurer Gets 10 Years (LAT)

By Hector Becerra

The Los Angeles Times, November 29, 2006

Former South Gate Treasurer Albert Robles was sentenced today to 10 years in federal prison for plundering $12 million over five years from the small working-class city.

A federal judge handed down the sentence after Robles made an impassioned speech, admitting he acted "immorally" during his year as a leader of South Gate but claiming he never broke the law.

"There are different levels of hoodwinking, but I didn't think hoodwinking was a crime," Robles said. "During that period, I decided not to be a very good man every day. But I did not decide to be a criminal."

Federal Judge Stephen V. Wilson seemed incredulous at Robles' statements, at one point telling the defendant's attorney that "what you have just said is among the most absurd things I have ever heard."

Wilson ultimately said he found Robles to be a "puppet master" who won control of a corrupt enterprise that preyed on the city and its residents.

In addition to prison time, Robles was ordered to pay back more than $600,000 to the struggling city.

A federal grand jury in 2004 indicted Robles on 39 counts of money laundering, bribery, wire fraud and public corruption, alleging that he used his elected office and political influence to funnel money from a variety of city projects to family and friends between 1998 and 2003. He was convicted last year.

Federal officials estimated that Robles, 41, personally received $1.2 million from the various schemes. The charges come a year after voters in the predominantly Latino city about seven miles southeast of downtown Los Angeles recalled Robles and several political allies from office.

The recall capped a tumultuous period in the city's history, when one councilman was shot, the city neared bankruptcy, and Robles was accused of threatening to kill political opponents.

Ex-state Lawmaker Sent To Prison (KNOXNS/AP)

By Woody Baird, Associated Press

Knoxville News Sentinel (TN), November 29, 2006

Roscoe Dixon, former senator, was guilty of bribery in Waltz case

MEMPHIS - Former Sen. Roscoe Dixon, the first state lawmaker to go to trial in the Tennessee Waltz corruption scandal, reported to a federal prison Tuesday to begin a five-year sentence.

Dixon, 57, is to serve the sentence, which has no provision for parole, at the Federal Correction Complex at Oakdale about 35 miles south of Alexandria, La., in the south-central part of the state.

Dixon is assigned to an unfenced prison camp at the complex and will bunk with about 70 other inmates in an open-bay dormitory, said public information officer Roland Jimenez.

While in prison, Dixon likely will work at a manual-labor job paying 12 cents to 40 cents an hour. "All inmates who are medically able are required to work," Jimenez said.

Dixon, a Memphis Democrat, was convicted in June of taking bribes from FBI agents posing as employees of E-Cycle Management, a company that offered payoffs for favors from state lawmakers and local officials in Memphis and Chattanooga.

Former Rep. Chris Newton, R-Cleveland, pleaded guilty to Tennessee Waltz bribery charges last year and is serving a one-year sentence at a federal prison in Atlanta.

State Sen. Ward Crutchfield, D-Chattanooga, and former Sens. Kathryn Bowers and John Ford, both Democrats from Memphis, are awaiting trials.

In all, the investigation has led to indictments against 11 defendants. Four have pleaded guilty, with three still waiting to be sentenced. A former county commissioner in Chattanooga was convicted at trial and sentenced to three years in prison.

Dixon was convicted on all charges in a five-count indictment and sentenced to five years and three months in prison. He also was sentenced to three years of supervised release when the prison term ends.

Dixon has vowed to appeal his conviction and has continued to argue that he was set up to take FBI money by overzealous federal agents and lying government informants.

In handing down the longest sentence in a Tennessee Waltz conviction, Judge Jon McCalla noted Dixon's lack of a public showing of remorse.

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The Louisiana prison camp is part of a complex that includes a detention center for prisoners awaiting trial and a fenced prison for low-security inmates.

While the camp is not surrounded by a fence, any inmate leaving without authorization can be charged with escape and sent to a tougher prison.

Ala. And Fla. Men Face Child Pornography Charges (AP)

AP, November 29, 2006

A federal grand jury in Birmingham has charged two Florida men and one Alabama man on multiple charges related to an interstate child pornography business disguised as a child modeling agency.

An 80-count indictment was unsealed Tuesday charging 42-year-old Marc Evan Greenberg, 39-year-old Jeffrey Robert Libman and Webe Web Corporation, all of Ft. Lauderdale, Fla.

A two-count criminal information charging 43-year-old Jeff Pierson of Brookwood with conspiring to transport child pornography in interstate commerce using a computer was also unsealed Tuesday.

"The indictment alleges that these defendants conspired to produce pornographic images of underage girls posing in lascivious positions for profit, under the pretense of offering professional modeling services," said Assistant Attorney General Alice S. Fisher of the Justice Department's Criminal Division.

Greenberg and Libman are charged with establishing a "child modeling" internet business called Webe Web Corporation. The indictment says Pierson was a photographer who provided images of minors engaged in sexually explicit conduct in Alabama and sent those images to Greenberg and Libman in Florida.

A statement from the Justice Department says that, from December 2002 through April 2005, Greenberg, Libman and Webe Web conspired with Pierson to "use minors to engage in sexually explicit conduct for the purpose of producing visual depictions of that conduct."

The Web site was presented as "a Web site to promote models age 7 thru 16 and their photographers." Visitors to the site could view between 15 and 21 photos of underage girls for free and could subscribe - for a $25 initial fee and then $20 per month - to the individual Web site of the "model" to see additional photos.

If convicted, Greenberg and Libman face 15 to 30 years in prison and a fine of $250,000. The corporation faces a $500,000 fine. And Pierson would face five to 20 years on each count and a $250,000 fine on each count.

Pellicano Witness Charged (BLOOM)

Bloomberg, November 29, 2006

Former SBC employee accused of lying under oath

A former SBC Communications employee, who was acquitted in September of lying to a grand jury in the investigation of Hollywood private investigator Anthony Pellicano, was charged again with lying under oath.

Joann Wiggan, 52, is accused by U.S. prosecutors of lying during trial testimony about voicemail messages from another former SBC employee, who is charged with helping Pellicano wiretap the telephones of actors and producers. Wiggan is also charged with lying to investigators and the grand jury.

Wiggan's lawyer, David Reed, didn't immediately return a call to his office. Her case was the first to go to trial in an investigation that has led to charges against 14 people, including Terry Christensen, a lawyer for Kirk Kerkorian and "Die Hard" helmer John McTiernan.

A federal jury in Los Angeles found Wiggan not guilty on four counts of perjury and deadlocked on a fifth count. McTiernan pleaded guilty in April to lying to the FBI about hiring Pellicano to wiretap the phone of a movie producer.

Wiggan had been ordered to testify before a grand jury in October 2005 and again in January. She denied using a voicemail account that Ray Turner, the other indicted former SBC employee, called more than 100 times.

FBI: Ill. Man Targeted Immigrants (CHIT)

By Azam Ahmed, Tribune Staff Reporter

Chicago Tribune, November 29, 2006

A southwest suburban man allegedly preyed on immigrants by posing as a government or law enforcement official who could help them with legal problems in exchange for fees, the FBI disclosed today.

Omar Abbas, 40, of Justice, was charged with a felony count of extortion after he was arrested in Chicago by FBI and Department of Homeland Security special agents on Oct. 19, authorities said.

Abbas, a Jordanian citizen who was working to obtain permanent U.S. residency, is accused of taking more than $25,000 from three different people since 2003. Abbas was living in the U.S. legally at the time, the FBI said.

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In the first instance, Abbas posed as an FBI agent and was paid more than $8,000 after he offered to assist a man facing possible deportation from the U.S., according to a criminal complaint.

In the second incident, Abbas pretended that he could bribe high-level City of Chicago attorneys to secure the release of a victim's son, who was held on an attempted murder charge, the complaint said. The father paid Abbas an estimated $5,000, according to the complaint.

In the third case, Abbas, posing as a government official, was paid more than $13,000 by an individual whose grocery store had been robbed, after Abbas said he could recover the stolen merchandise or get money for what was stolen, the complaint stated.

In all three instances, Abbas was introduced to the victims by third-party associates, authorities said.

Abbas, whose last known address was in the 8000 block of Marion Drive in Justice, was ordered held on $100,000 bond at his detention hearing at U.S. District Court in Chicago five days after his arrest, the FBI said.

Abbas is currently being held at the Metropolitan Correctional Center, awaiting his next court appearance in early January. If convicted, he could face up to 20 years in prison.

The FBI believes there may have been additional victims and urged anyone with information to come forward.

"I would encourage anyone, regardless of their immigration status, who might have been victimized by Abbas to contact our office immediately," said Robert D. Grant, the special agent-in-charge of the Chicago office of the FBI.

FBI Says Man Targeted Troubled Immigrants For Extortion (CHIST)

By Natasha Korecki, Federal Courts Reporter

Chicago Sun-Times, November 29, 2006

Omar Abbas told people he could fix their problems -- for the right price.

One man gave Abbas $8,500 because Abbas allegedly said he was an FBI agent. Another trusted Abbas to be a high-level attorney and paid him $5,500.

Abbas was nothing but an extortionist, the FBI said Tuesday.

Abbas, 40, made promises he didn't keep as he collected $25,000 from just three people, according to charges.

Abbas usually preyed on immigrants caught in tough circumstances, authorities said. He was arrested last month on extortion charges and is being held at the Metropolitan Correctional Center on a $100,000 bond.

Law enforcement officials believe more immigrants have been scammed but haven't alerted authorities because they fear their legal status will be questioned, FBI spokesman Tom Simon said.

"We want them to know they can come to us to complain," Simon said. "We will work with them every step of the way to make sure they're not punished for coming forward."

In one case, a man asked Abbas for help in getting his son out of jail pending his trial. Abbas allegedly said he was connected to assistant state's attorneys who would get his son out of jail immediately for the right price. The two met at the Daley Center downtown where the man handed cash to Abbas.

Faces 20 years if convicted He never saw Abbas again.

The man's son wasn't released until months later.

Another man went to Abbas when he faced deportation. Abbas allegedly said he was an FBI agent and would fix the problem for him. But Abbas allegedly pocketed the payments and did nothing.

Official: FBI Unresponsive To Taiwan (NSDY/AP)

By Associated Press, November 28, 2006, 5:18 Pm Est

Long Island Newsday, November 29, 2006

Lee Hsiang-chen, director of the High-tech Criminal Center of the National Police Agency, said Taiwanese requests for help from the FBI representative at the American Embassy in Tokyo routinely went unanswered.

Lee made his remarks from Taipei during a video conference with Raul Roldan, acting deputy assistant director of the FBI's cyber crime division. Roldan was taking part in the conference from Hong Kong.

"We have no FBI agents in Taiwan, so when we have cyber crimes involving the U.S., we go through the American Embassy in Tokyo," Lee said. "But very few (of our inquiries) come back. It makes us feel very depressed."

Roldan promised he would look into the problem.

Lee's complaint appeared to stem from the deliberately low profile assumed by the U.S. representative office in Taiwan, which was set up when Washington transferred its recognition to Beijing in 1979.

The mainland and Taiwan split amid civil war in 1949, and the U.S. operates according to the principles of the "one China policy," which keeps its presence in Taipei deliberately low key.

While diplomats and military officers no longer need to go through the subterfuge of serving on a contract basis, some U.S. government agencies are not represented on the island, despite its relative importance.

This includes the FBI, which maintains representatives in 12 Asian locations, including Cambodia, a far smaller country than Taiwan.

2 Ex-NASA Officials Take Issue With Investigation (ORS)

By Michael Cabbage

The Orlando Sentinel, November 29, 2006

CAPE CANAVERAL -- Two former NASA officials cast doubt this week on a pair of allegations outlined in a federal probe of space agency Inspector General Robert Cobb.

An oversight group, the President's Council on Integrity and Efficiency, is reviewing preliminary findings from an investigation into Cobb's conduct to determine what, if any, action to take. An internal report from the probe, obtained by the Orlando Sentinel, details the findings from 69 allegations made against Cobb, a former White House ethics lawyer.

Cobb has denied any wrongdoing. In a Nov. 17 letter to FBI Director Robert Mueller, Cobb described the report as "replete with easily demonstrable factual errors and inaccuracies."

One of the allegations investigated in the report states that Cobb did former NASA Administrator Sean O'Keefe's "bidding" by terminating a contract with the accounting firm PricewaterhouseCoopers for the agency's annual chief financial audit. NASA's inspector general is responsible for independently monitoring the agency.

Investigators wrote that O'Keefe was "not happy" with the audit, and after discussing the matter with then-Inspector General Roberta Gross, she "subsequently [was] asked to resign." The report notes "Cobb [was] selected" to replace Gross and "Cobb subsequently terminate[d] the contract with PWC [PricewaterhouseCoopers]."

In an interview, O'Keefe said that the chronology in the report omitted several important details and ignored the timing of events that would have shown they had no connection.

It "was a completely unrelated set of events," said O'Keefe, now chancellor of Louisiana State University. "It was not even in the same time span that we're talking about here."

The report makes no mention that more than a year passed between Cobb's arrival at NASA in 2002 and the end of the PricewaterhouseCoopers contract. Nor does the report state that the contract was allowed to expire instead of being terminated.

Paul Pastorek, NASA's former general counsel, made those points in an e-mail to the Sentinel on Monday. Neither Cobb nor his office "canceled the contract at any time," Pastorek wrote.

"It expired on its own terms. As the PricewaterhouseCoopers contract came to its natural conclusion, it was competed and another nationally recognized and well qualified firm won the competition."

O'Keefe also discussed the report's contention that Gross was asked to resign because he was unhappy with the audit. Factors behind her departure, he said, included her lack of awareness about systemic NASA accounting problems turned up by the audit.

Gross, a widely respected veteran investigator, told the Sentinel in an interview Tuesday that she monitored the audit closely, but NASA accountants did not produce needed records in a timely fashion.

"Of course, I knew the agency had problems with its records," Gross said.

"For him [O'Keefe] to say I didn't know there were problems misconstrues what happened."

O'Keefe said the overly contentious relationship between the inspector general's office and other NASA departments was another reason he asked for Gross' resignation. O'Keefe cited an ongoing turf war with NASA's security office. Gross contends the tension was caused by her staff "doing their jobs."

One of the report's allegations appears related to that rivalry between the inspector general's office and NASA security personnel.

Several current and former employees in Cobb's office accused him of failing to investigate claims that NASA security specialists were carrying firearms aboard commercial aircraft without legal authority. One of the report's findings related to that allegation was an excerpt from an e-mail Cobb sent telling his staff they would get along with the security office "whether they like it or not."

A copy of the Feb. 14, 2003, e-mail obtained by the Sentinel shows it had no connection to the firearms issue, but instead was a message from Cobb to his employees in the aftermath of the space shuttle Columbia accident. The e-mail praised the work of his staff and asked them to get along better with security personnel while working on shuttle debris collection and removal.

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DOJ_NMG_0099527

Fairfield Woman Pleads Guilty To Attempted Extortion (AP)

AP, November 29, 2006

NEW HAVEN, Conn. -- A Fairfield woman pleaded guilty Tuesday to a charge that she threatened to kill a man's son if he did not pay her $197,000, federal authorities said.

Pamela Boccanfuso, 44, pleaded guilty in U.S. District Court in New Haven to mailing threatening communications. She faces up to 20 years in prison and a fine of up to $250,000 when she is sentenced on March 20. She also must pay $50,000 restitution to a previous victim of an extortion scheme in 2004.

In February, the victim received a seven-page typewritten letter threatening to kill his son if he did not deliver $197,347.72 to the author, later identified as Boccanfuso. In the letter, Boccanfuso accused the victim's son of supplying drugs to Boccanfuso's son, nearly killing him and causing significant financial hardship due to medical and rehabilitation costs associated with his drug addiction.

About a week later, the victim received a second letter that directed him to place an advertisement in the Connecticut Post on Feb. 22 with a contact number. The FBI subsequently placed an advertisement in the newspaper that day listing a cellular telephone number as directed.

A few days later, the victim received several telephone calls between 3 a.m. and 3:45 a.m. over the number provided in the ad. The woman told him to place the money in a plastic bag and drive to Interstate 95 south, and that he then would receive another telephone call.

The victim told the caller that he could not raise that amount of money that quickly. Later, at about 3:45 a.m., the victim received another telephone call from the same female caller who said she had spoken to "her uncle" and that the man had two weeks to raise the money or his son would be killed.

On March 10, the FBI captured an incoming telephone number and identified it as belonging to a public telephone in Norwalk. Around the same time, a law enforcement surveillance team observed a woman, later identified as Boccanfuso, using that telephone.

Boccanfuso consented to a search of her car, which resulted in the seizure of gloves, an electronic voice changer and an Orbits gum box with the cellular telephone number identified in the Connecticut Post, authorities said.

Boccanfuso said she had telephoned the victim because she had been instructed to do so by unknown individuals who were threatening to disclose intimate pictures of her if she did not follow their instructions, authorities said.

A search of her home recovered a handwritten note containing instructions for the making of an extortion payment and other evidence, authorities said.

John Robert Gulash, Boccanfuso's attorney, said the claims in the February letter related to drugs were not true. He declined further comment.

Atlanta Homebuilder Faces Up To 40 Years In Jail For Wire Fraud (ABC)

Atlanta Business Chronicle, November 29, 2006

A metro Atlanta homebuilder and seller has pleaded guilty to selling incomplete or non-existent houses in Forsyth County, Ga., and arranging more than $5 million in fraudulent mortgage loans for the houses.

Jeffery Alan Teague (also known as Jeffrey Allen Bryant), 49, pleaded guilty late Nov. 27 in federal district court to two counts of wire fraud for a scheme to defraud mortgage lenders by arranging loans to buy incomplete homes in the names of California, New York, and Florida "investors." Teague provided the lenders with false Certificates of Occupancy, stating the houses securing the loans were "completed to code" and "suitable for occupancy."

Teague was arrested by the FBI on Aug. 3 in connection with the execution of a series of search warrants on his offices and the incomplete Forsyth County houses.

He now faces a maximum sentence of 40 years in prison and a fine of up to $500,000. Sentencing is set for Feb. 9 before U.S. District Judge Thomas W. Thrash.

According to information provided by U.S. Attorney David E. Nahmias, from 1999 to 2001 Teague, using the name "Jeffrey Allen Bryant" and operating as the builder/seller "Quantum Builders" and "Premium Property Management," defrauded mortgage lenders by obtaining more $10 million in loans for the purchase of non-existent and incomplete houses in Rockdale County from Bryant/Quantum Builders. These loans were obtained in the names of unqualified "straw borrowers," using fraudulent appraisals with photographs of completed houses and false Certificates of Occupancy provided by Teague.

Following detection of this scheme, Teague moved to Maryland, but returned to Atlanta in 2006 under the name Jeffery Alan Teague and "The Pacific Group Inc., d/b/a Value Homes Ltd." Teague again began to arrange mortgage loans for the purchase of incomplete houses in Forsyth County from Teague/Value Homes in the names of California, New York and Florida

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"investors." In 2006, Teague also collected "investor" money for property in subdivisions in Fayette and Fulton Counties which he did not own.

"This case highlights the problems created by mortgage fraud where the builder is involved in the fraud and out-of-state 'investors' sign loans without inspecting the properties," Nahmias said. "Even the partially built houses in this case may be subject to condemnation as the portions completed were not built to code, thereby leaving mortgage lenders with little security for their loans and 'investors' with nothing to resell."

San Quentin's Execution Team Is Called Incompetent (LAT)

By Henry Weinstein, Times Staff Writer

The Los Angeles Times, November 29, 2006

A brief filed on behalf of killer Michael Morales finds broad problems with death penalty cases.

California's procedures for executing prisoners by lethal injection fall short of standards set by the veterinary profession for animal euthanasia and were formulated with less care than methods in China, the world leader in capital punishment, according to a brief filed Tuesday in San Jose federal court by attorneys for a death row inmate.

In addition, the brief asserts that the execution team at San Quentin State Prison is "unlicensed, untrained, unprofessional and incompetent" to carry out its duties.

The brief was lodged as U.S. District Judge Jeremy Fogel prepares to rule on perhaps the most fiercely fought of a number of legal challenges in several states to lethal injection, the dominant method of execution in the nation. Fogel is expected to rule by the end of the year in the case of Michael Morales, who argues that California's injection methods create an unnecessary risk of excessive pain and as a consequence violate the 8th Amendment prohibition against cruel and unusual punishment.

The California Department of Corrections and Rehabilitation "conducts its executions in an outdated, cramped gas chamber with an undersized and dark anteroom," from which prison staff are supposed to assure proper administration of a three-drug protocol, the brief says.

The brief also says the state uses chemicals "mixed by untrained and unsupervised prison staff, while ensuring that there is no meaningful oversight or review."

Earlier this month, the California attorney general's office issued a ringing defense of the state's procedures, maintaining in its brief that "there is no evidence that any prior execution resulted in the unnecessary and wanton infliction of pain."

But the 274-page brief filed by Morales' attorneys finds fault with virtually every aspect of California's administration of capital punishment, frequently citing statements by state personnel during the proceedings.

For example, the execution team leader, identified only as Witness No. 5, said that for the last eight executions, he did not require team members to practice mixing sodium thiopental, which is supposed to anesthetize the inmate before the two other drugs — pancuronium bromide, which paralyzes the inmate, and potassium chloride, which causes cardiac arrest — are administered.

One of the key arguments in the Morales case, and in several other lethal injection challenges around the country, is that the anesthetic has not been properly administered, with the result that the inmate experiences excruciating pain but cannot express it because he is paralyzed.

Witness No. 4, a licensed vocational nurse, said in a deposition that she was not trained to mix thiopental. The first time she prepared it was the night of an execution, she said.

The Department of Corrections "has failed to comprehend both the importance of properly preparing [the drug] and the difficulty of doing so," according to the brief filed by defense lawyers David A. Senior, Kathleen T. Saenz and Benjamin D. Weston of Century City. Attorneys Ginger Anders of Washington, John Grele of San Francisco and Richard Steinken of Chicago helped prepare the brief.

In response to a question from the judge, the defense brief indicated that it might be less risky to use a single drug. Still, Morales' lawyers cautioned that there would still be risks. Significant problems with the execution chamber and drug delivery apparatus, including cramped quarters, poor lighting and bad sight lines, still exist.

Fogel asked the lawyers how the procedure could be improved. But Morales' lawyers said that they were ethically constrained in their answers, saying they could not "be put in the position of designing for the state its execution procedure."

In response to another question from Fogel, defense lawyers said many of the dangers in monitoring the inmate, inserting the IVs and injecting the drugs "flow from the fact" that the state continues to execute prisoners in San Quentin's old gas chamber, instead of in a facility designed for lethal injection.

"It is common sense that a facility should be designed to accommodate the specific elements of the procedure that will be performed in that facility. The veterinary profession has recognized this and advocates using dedicated rooms for euthanasia," the defense brief stated.

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Defense lawyers noted that a witness for the state, Dr. Robert Singler, observed that "the cramped quarters and positioning of the gurney rendered placing the IVs more difficult than in a clinical setting." Execution staffers have repeatedly experienced difficulty inserting IVs to deliver the lethal drugs, the brief pointed out. It noted that several other states have built a facilities for lethal injections.

Defense lawyers said there may be a better execution anesthetic than thiopental. But as long as the protocol includes pancuronium bromide and potassium chloride, "it is imperative" that the state provide for a clinical bedside evaluation of anesthetic levels by a trained professional, the brief said.

The defense said it "should not be that difficult" for the state to retain such a doctor, although a brief filed by the California attorney general's office earlier this month asserted that such a requirement would effectively shut down capital punishment in California because leading physicians' organizations have urged their members not to participate in executions.

Morales' lawyers criticized state officials for failing to adequately research either their original lethal injection protocol or a modified procedure adopted in the face of his legal challenge. In contrast, they said, Chinese government officials conducted detailed experiments on animals before executing humans by lethal injection

Morales' lawyers argued that the state needed to bring its execution procedures into the open.

"For the past 14 years," they said, the Corrections Department has undertaken the recruiting, screening and training of execution team members "in total secrecy. That secrecy has permitted the execution system at San Quentin to operate in an unbelievably dysfunctional manner."

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NC Execution Delayed For Mental Tests (FINDLAW/AP)

AP, November 29, 2006

(AP) - ALBEMARLE, N.C.-A judge ordered an execution delayed for 60 days Monday so psychiatrists can evaluate a man who wore a Superman T-shirt while representing himself at trial and pleaded with jurors to sentence him to death.

Guy Tobias LeGrande, 47, had been set to die Friday for the 1993 murder of Ellen Munford, whose estranged husband offered to pay him $6,500 from a $50,000 life insurance policy.

The stay of execution granted Monday by Stanly Superior Judge William R. Bell includes 45 days for psychiatrists to submit their observations and evaluations to the court.

Death penalty opponents argue that LeGrande is one of the nation's most extreme examples of a mentally ill person who never should have been allowed to represent himself. Prosecutors suggest his courtroom antics were parts of an elaborate act.

Defense attorney James Coleman, a Duke University law professor, says a psychiatrist who recently examined LeGrande's records concluded that he is psychotic. The defense said LeGrande believes that the governor has already pardoned him and that he will receive billions of dollars from the state once freed.

A defense attorney who represents LeGrande without his permission said he doesn't know whether LeGrande will cooperate with the doctors.

"Mr. LeGrande doesn't want any of this to occur because in his mind he has been pardoned," attorney Jay Ferguson said.

Michael Parker, the current district attorney, said transcripts from LeGrande's 1996 trial show he appeared to know what he was doing much of the time. LeGrande's outbursts came at the end of the trial, when he didn't get the verdict he wanted, Parker said.

Beyond the issue of whether LeGrande should have been allowed to represent himself, his defenders question whether the state should execute an inmate they believe is mentally ill. Both the American Bar Association and American Psychiatric Association oppose executing defendants with severe mental disorders.

LeGrande's attorneys also are challenging the motivations of trial witnesses, saying they likely were paid for their testimony.

Protecting Reporters' Phone Records (NYT)

The New York Times, November 29, 2006

A journalist's ability to protect the identity of confidential sources has been further eroded by the Supreme Court's refusal this week to stop a prosecutor from reviewing the telephone records of two New York Times reporters. This is the latest legal blow to the diminishing right of journalists to shield informants who often provide information of great interest and importance but who might be punished if their identities were known.

The case arose from a Chicago grand jury investigation into who told the two reporters, Judith Miller and Philip Shenon, about actions the government planned to take against two Islamic charities in late 2001. The government contends that the

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reporters, in performing the normal journalistic practice of calling the charities for comment, effectively tipped them off to impending raids and asset seizures, undermining the effort.

Rather than drag the reporters into court, where they could have protected their sources by refusing to testify, the prosecutor subpoenaed their phone records for 11 days in 2001. A trial court prohibited the government from obtaining the records from the phone companies, but a divided appeals court reversed that decision. Now the Supreme Court, in refusing to intervene, has effectively allowed the prosecutor to search through the records in hopes he can pinpoint the source of the leak.

This is a bad outcome for the press and for the public. The phone records reveal the identities of lots of sources having nothing to do with the leaks. The appeals court's disingenuous suggestion that The Times might redact irrelevant records would simply have helped point to possible leakers.

The public will be ill served if this case reduces the willingness of officials to reveal important but sensitive information. The privilege granted to journalists to protect their sources needs to be bolstered with a strong federal shield law that would preserve the public interest in newsgathering and dissemination of information.

CIVIL LAW:

Justices Today Tackle Consumer Protection (USAT)

By Sue Kirchhoff

USA Today, November 29, 2006

WASHINGTON — The Supreme Court today takes up a hotly contested business case with major implications for the nation's banking industry and, more broadly, for states' ability to set consumer protection and other laws that are tougher than federal standards.

The case, Watters v. Wachovia Bank, pits Michigan regulators, supported by consumer groups and state attorneys general, against the banking industry, federal officials and business groups such as the U.S. Chamber of Commerce. A decision is likely by July, when the court recesses for the term.

"This is really the front lines of the ongoing, evolutionary struggle over the balance of power between the federal government and the states," says Columbia Law School professor Thomas Merrill.

The states and federal government have shared jurisdiction over the banking industry. In the past several years, however, the federal Office of the Comptroller of the Currency (OCC) has issued rules that, among other things, expanded its authority to oversee not just national banks, but their subsidiaries.

In response, Wachovia Mortgage, operating under a Michigan charter, changed its status in 2003 to become an operating subsidiary of Wachovia Bank and told Michigan regulators it was now subject to OCC regulation. Michigan moved to bar Wachovia Mortgage from operating in the state, and Wachovia sued.

The Michigan Office of Financial and Insurance Services, headed by Linda Watters, says the OCC rules have transformed state-charted subsidiaries into "creatures of the federal government" without the permission of states. Michigan argues that the OCC's pre-emption of state regulations exceeds its power under federal law and infringes on state sovereignty in violation of the U.S. Constitution.

Banking groups, which have won in the lower courts, say the OCC has federal law and court precedent on its side. Vance Beck, associate general counsel of Wachovia, says transforming Wachovia Mortgage into a subsidiary allows the bank to operate under one federal standard rather than a costly, inefficient patchwork of state laws.

The U.S. Chamber of Commerce has filed a legal brief in support of the OCC, noting the decision could affect a wide swath of businesses.

The case comes as financial products have become more complex and states have passed a rash of laws to combat predatory mortgage and other lending.

Consumer groups say the case will, at a minimum, affect hundreds of banks and weaken consumer protections. They say state banking regulators have more expertise in such areas as mortgage lending and far more enforcement personnel than the OCC, and that the OCC has brought only a handful of consumer-protection cases.

"The notion that states should lose their ability to protect consumers when they're dealing with national banks or their operating subsidiaries is pretty disturbing," says Ellen Harnick of the Center for Responsible Lending.

AARP, National Consumer Federation and other groups supporting the Watters complaint assert that the OCC, rather than working on behalf of consumers, has in recent years frequently intervened on the side of national banks or their operating subsidiaries against consumers.

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While the debate is now in court, it could move to Congress. Incoming House Financial Services Chairman Barney Frank, D-Mass., would like to set national standards to combat predatory mortgage lending.

Key Test Of State Power For Supreme Court (CSM)

By Warren Richey

The Christian Science Monitor, November 29, 2006

For 11 years, the conservative wing of the US Supreme Court did something decidedly unconservative. It sought to tip the balance of power between the national government and the states.

This so-called federalism revolution was aimed at bolstering the status of the states as dual sovereigns in the face of an ever-expanding sphere of federal power. The justices wrote of state sovereignty and the dignity of the states in terms reminiscent of Colonial distrust of the kind of draconian central authority wielded by the British crown.

But by the time Chief Justice William Rehnquist died in 2005, the "revolution" resembled little more than a constitutional skirmish.

Now with two new members of the Supreme Court, it is unclear whether the justices might again take up the mantle of states' rights. Will a majority seek to boldly build on the string of federalism precedents handed down by the Rehnquist court, or will the judicial minimalism of Chief Justice John Roberts leave it to federal regulatory agencies and Congress to police the constitutional contours of federal-state power?

The high court's first significant opportunity to address those questions arrives in a case set for oral argument Wednesday.

At issue in Watters v. Wachovia Bank is whether a federal agency has the power to preempt state regulations governing national mortgage companies doing business within a state's borders. Put another way, the issue is who regulates mortgage companies affiliated with national banks, state regulators or federal regulators.

Traditionally, mortgage companies had to comply with state registration and other requirements. But in 2001, the federal Office of the Comptroller of the Currency (OCC), which regulates national banks, issued a new rule that subsidiary companies of national banks are governed by federal, not state, regulations.

That action preempted state laws and rules governing mortgage companies and other national bank subsidiaries operating in a particular state.

The current case arose in Michigan. Wachovia Mortgage Corp., a subsidiary of Wachovia Bank, had long done business there. The mortgage company was set up as a Michigan corporation. But because it is a subsidiary of a national bank, company officials said after the OCC rule change that they did not have to comply with Michigan regulations, only federal ones enforced by the OCC.

Linda Watters, who heads Michigan's Office of Insurance and Financial Services, insisted that the company would have to comply with state laws if it wanted to continue to conduct business there.

The dispute went to court. A federal judge and a federal appeals court panel ruled for the company. Two other federal appeals courts have also ruled against state governments in similar litigation.

Michigan is now asking the Supreme Court to reverse the lower court decision, in part, according to state lawyers, because the OCC's preemptive actions encroach on an area of traditional state power enforced by principles of federalism guaranteed in the 10th Amendment.

"In the absence of Congressional authorization, the OCC has no independent power to preempt the validly enacted legislation of a sovereign state," writes Michigan Solicitor General Thomas Casey in his brief to the court.

Lawyers for Wachovia disagree. "These rules are within the OCC's delegated rulemaking authority," says Robert Long in his brief. Any protections of state power under the 10th Amendment are abrogated by Congress's constitutional power under the commerce clause to regulate national banking, Mr. Long adds.

The Bush administration is backing Wachovia and the OCC. Federal agencies have the power to issue regulations that preempt state laws even when Congress has not specifically authorized such preemption, says Solicitor General Paul Clement in his brief.

The case is being closely followed by bankers as well as other nationwide businesses that face a patchwork quilt of differing state regulations. Federal preemption offers a significantly more efficient means of conducting business nationwide.

"For some of us, we're not even sure how the 10th Amendment ended up in this case," says Robin Conrad of the National Chamber Litigation Center of the US Chamber of Commerce. "We have two new members of the court, and they have yet to show their cards in cases involving federal preemption," she says. "We see this as a pretty clear case that uniform national law is of primary importance."

Also watching the case are attorneys general from the nation's 49 other states, the District of Columbia, and Puerto Rico, who are urging the justices to uphold Michigan's power to regulate companies doing business within its own borders.

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"If [the OCC rule] is allowed to stand, it would render states powerless to protect their residents from abusive and discriminatory consumer practices by state- created entities that are operating subsidiaries of national banks," writes Caitlin Halligan, New York solicitor general, in a friend-of-the-court brief filed by the states.

Consumer protection is an area traditionally regulated by the states, Mr. Casey writes in the Michigan brief. In contrast, he says, the primary mission of the OCC is to ensure the safety and soundness of the national banking system.

There are 40 full-time OCC staff members in a central office to investigate consumer complaints against national banks and their subsidiaries, Casey says. By contrast, there are nearly 700 full-time examiners and lawyers at the state level who handle consumer complaints, he says.

Lawyers for National City Bank offer different numbers in their friend-of-the-court brief. Of OCC's 1,800 examiners, they say, 300 spend all or part of their time enforcing bank compliance with consumer-protection laws.

The OCC receives 70,000 consumer complaints a year, the National City Bank brief says, and in 2004 returned $4 million in wrongful fees and charges to complaining customers.

The brief says that state and local consumer-protection efforts "provide no real benefit to consumers." It adds that federal examiners located on-site in large national banks effectively monitor not only the financial soundness of the bank's operations but also compliance with federal consumer-protection laws.

The Power To Destroy (WSJ)

The Wall Street Journal, November 29, 2006

The Supreme Court today is hearing Watters v. Wachovia, a case whose lineage goes all the way back to McColluch v. Maryland in 1819. In that seminal case on the powers of the federal government, Chief Justice John Marshall famously ruled that Maryland could not levy a tax against the Bank of the United States because "the power to tax involves the power to destroy," and states lacked authority under the Constitution to "destroy" federal entities through taxation.

The Bank of the United States is long gone, but in Watters v. Wachovia states are still trying to exercise authority over federally chartered banks. The refrain in today's case could well be that the power to regulate is the power to destroy. Linda Watters, the petitioner in the case, is Michigan's state banking regulator. In 2003 she tried to bar Wachovia Mortgage Corporation from making loans in Michigan unless it submitted to direct state regulation.

Wachovia Mortgage happens to be a wholly owned, North Carolina-based subsidiary of Wachovia Bank, a national bank chartered by the Office of the Comptroller of the Currency, or OCC. And so Wachovia argued that its subsidiary, like the parent bank, was not subject to state regulation or registration when it came to banking activities that the parent company was authorized to conduct under federal law.

That the power to destroy is no exaggeration is illustrated best by a similar case involving Wells Fargo. California's banking regulator came within 72 hours of shutting down all Wells Fargo mortgage-lending activities in the state after the bank announced that it would no longer submit to state regulation of its mortgage-lending subsidiary. Only prompt judicial action prevented Wells Fargo's entire portfolio of mortgages in the state from being wiped off its books.

Banks have been winning cases such as Watters, in part because federal law is clear that national banks are not subject to state regulation when they conduct business authorized by the National Bank Act and regulated by the OCC. The only ambiguity is whether this federal pre-emption of state law applies equally to subsidiaries and the parent companies. But even that is a slender reed, because the subsidiaries in question aren't doing anything that the parent companies couldn't do themselves. After its brush with death in California, Wells Fargo absorbed the offending subsidiary into the parent company, despite winning in court, rather than face future state threats.

This hasn't stopped all 50 state Attorneys General from filing an amicus brief supporting state regulation of national bank subsidiaries. It should surprise no one that the brief was authored by none other than New York AG Eliot Spitzer, who has made a specialty out of intruding on traditional federal authority. Mr. Spitzer has already tangled with the OCC (and has so far lost) over national mortgage lenders, and he is not one to forget a slight. His case is to be heard by an appeals court next week.

Supporters of state regulation cry "federalism," and this paper yields to no one in trying to restrict Washington to its Constitutionally delegated powers. But the Constitution contains the Commerce Clause for a reason. If banking across state lines isn't interstate commerce, it's hard to know what is. Given that the appeals courts have sided with the banks in earlier cases, one is left to hope that the Supreme Court has taken Watters in order to eliminate whatever uncertainty remains when it comes to state regulation of national banks.

NWA Strike Appeal Argued (STPPP)

The St. Paul Pioneer-Press, November 29, 2006

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The union representing flight attendants at Northwest Airlines asked an appeals court Tuesday to overturn a judge's ruling and allow them to go on strike.

Arguing before the 2nd U.S. Circuit Court of Appeals, a lawyer for the Association of Flight Attendants-CWA, Edward Gilmartin, said the law allows for a strike because Northwest made unilateral changes in its employees' contract terms and working conditions, including imposing pay cuts.

A focus of the argument was on the federal Railway Labor Act, which governs labor relations at U.S. airlines.

The appeals court will decide whether New York U.S. District Court Judge Victor Marrero properly overruled a bankruptcy court judge over the summer when he stopped the flight attendants from engaging in any strike activity.

Northwest is operating in bankruptcy protection, and it imposed the cuts after union members twice voted down negotiated settlements with the airline. Northwest maintains it needs the cuts to exit bankruptcy.

A lawyer for Northwest, meanwhile, said that the airline wants peace with its flight attendants and urged a federal appeals court to support a judge's decision to block the workers from striking.

And the U.S. Justice Department, represented by Assistant U.S. Attorney Heidi Wendel, argued that a strike, "would come at the expense of the public."

Northwest lawyer Brian Leitch told the court that the airline would continue to negotiate with representatives of its 7,300 active flight attendants who were prevented from striking on Aug. 25 after the company imposed the pay cuts.

"Northwest recognizes we still have to achieve an agreement with our flight attendants," Leitch told the three-judge panel. "It's just good business."

The bankruptcy judge let Northwest slice pay and benefits for its flight attendants. The union has said the cuts amounted to 40 percent.

At Tuesday's hearing, lawyers for the Air Line Pilots Association appeared in court in support of the AFA's appeal.

Northwest said it believes the appeals court will uphold the judge's ruling. The Eagan-based airline outlined to the court "why it believes that provisions of the Railway Labor Act apply during the airline's Chapter 11 bankruptcy proceedings," said company spokesman Roman Blahoski.

"We feel very confident that the appeals court will uphold the Railway Labor Act and our right to go on strike," said Ricky Thornton, a spokesman for the AFA at Northwest.

The three-judge panel, which didn't immediately rule, acknowledged that it had never considered a case quite like it.

Chief Judge Dennis Jacobs cautioned the lawyers to keep in mind that there was more to the dispute than flight attendants and an airline company that carries 130,000 passengers a day on 1,200 flights.

"There's a third party — the public interest," Jacobs said. He noted that Congress has purposely structured labor laws regarding the transportation industry to ensure "the ability to travel from here to there."

Another judge, John Walker Jr., interrupted AFA attorney Gilmartin shortly after he said Northwest tried to win concessions through the courts that it was unable to get at the bargaining table.

"That's one way to look at it," Walker said. "Another way is to say that this is a company in financial distress looking to get reorganized."

Judge Reene Raggi said Northwest did what the law permitted it to do by seeking permission from the bankruptcy judge to impose pay cuts.

In a related development, Northwest and the AFA are scheduled to continue their mediated negotiations on a consensual contract on Dec. 12 in Minneapolis. The airline remains committed to negotiating a consensual agreement with its flight attendants. The AFA has repeatedly said that talks are at an impasse.

Staff writer Sheryl Jean contributed to this story.

Schools Appeal Ruling On No Child Suit (AP-Y)

By Terry Kinney, Associated Press Writer

AP, November 29, 2006

School districts in three states and the nation's largest teachers union asked a federal appeals court Tuesday to revive a lawsuit challenging the way government-mandated programs are funded.

The National Education Association and districts in Michigan, Vermont and Texas had sued to block the No Child Left Behind law, President Bush's signature education policy. They argued that schools should not have to comply with requirements that aren't paid for by the federal government.

Chief U.S. District Judge Bernard A. Friedman in Detroit dismissed the lawsuit in November 2005.

Attorney Robert Chanin, representing the Pontiac, Mich., school district and the other plaintiffs, told the 6th U.S. Circuit Court of Appeals on Tuesday that states submitted compliance plans based on their understanding of the level of government

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support that would be provided. But Congress appropriated far less than needed, leaving local school districts to make up the difference, he said.

Government attorney Alisa Klein told the panel that the intent of the law was never to fully fund the provisions laid out in No Child Left Behind.

The law requires states to revise academic standards and develop tests to measure students' progress annually. If students fail to make progress, the law requires states to take action against school districts.

The three-judge appeals court panel took the case under advisement and did not say when it will rule. The outcome would apply directly to the districts in the case, but could affect how the law is enforced in schools across the country.

CIVIL RIGHTS:

Justice Dept. Settles Saraland Housing Discrimination Claims (AP)

AP, November 29, 2006

SARALAND, Ala. (AP) — The Justice Department reached a housing discrimination case settlement Tuesday with a landlord in Saraland accused of trying to force a white renter out of an apartment after learning she had a biracial daughter.

The settlement, which includes a $40,000 damages payment, stems from a federal complaint alleging that Beulah Stevens violated the federal Fair Housing Act in her actions against Michele Jones, according to the Justice Department.

Although Jones is white, the complaint states that Stevens tried to force Jones out of the apartment "upon learning that her child is biracial and that she associated with African Americans," the agency said in a news release. It also said Stevens was accused of using racial epithets when speaking about black people.

According to the complaint, two fair housing tests carried out by the Mobile Fair Housing Center — now called the Center for Fair Housing, Inc. — showed that Stevens, who manages 19 rental properties, treated white testers who asked about availability of rental units more favorably than black testers.

Stevens said Tuesday that the claims were baseless.

"There's not a prejudiced bone in my body," she told The Associated Press in a phone interview. "I like black people. I grew up playing with black people, eating with them and everything else."

Stevens said her objection to Jones was based on other legitimate grounds.

Under the settlement, Stevens agreed to pay more than $40,000 in damages and penalties, to post a non-discriminatory rental policy, to undergo training on the requirements of the Fair Housing Act and to submit periodic reports to the Justice Department.

The settlement still needs to be approved by the U.S. District Court for the Southern District of Alabama.

"This case shows that the Department of Justice and this office believe that housing discrimination is a serious violation of the law," said U.S. Attorney Deborah J. Rhodes of Mobile. "We will enforce federal laws against racial discrimination."

N.Y. Mayor Meets With Dead Groom's Family (CNN)

CNN.com, November 29, 2006

NEW YORK (CNN) -- New York Mayor Michael Bloomberg met Tuesday with the family of a man shot and killed by police early Saturday in an incident that has sparked community outrage and could lead to a federal investigation.

Sean Bell, 23, was shot to death by police officers outside a Queens nightclub hours before he was to be married to the mother of his two children.

Two others -- 31-year-old Joseph Guzman and 23-year-old Trent Benefield -- were seriously wounded in the incident.

Bloomberg told reporters he met for an hour with Bell's family and fiancee to express his condolences and discuss the investigation of the incident. (Watch Bell's father explain his son's fear of police)

Community leaders have demanded to know why NYPD officers fired as many as 50 rounds -- one officer alone fired 31 shots -- at the unarmed group of men as they were leaving Bell's bachelor party early Saturday morning. (Watch police acknowledge 'contagious shooting')

"They are obviously feeling a terrible pain, and the one thing that they would like the mayor to say is the one thing the mayor can't say -- that there is nothing the mayor can do to bring back their son or their fiance," Bloomberg said of Bell's loved ones.

Bell was pronounced dead Saturday at Jamaica Hospital in Queens. An autopsy showed he was struck four times in the neck and torso.

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As of Tuesday, Guzman remained in critical condition after being shot at least 11 times and Benefield was in stable condition with three bullet wounds, said a representative of Mary Immaculate Hospital in Queens where the two are being treated.

All five police officers involved in the shooting were placed on administrative leave Sunday pending an investigation by the Queens district attorney, Richard A. Brown.

Bloomberg said Brown's office was investigating the incident diligently and trying to determine whether a grand jury should be involved.

"District Attorney Brown is the one who now has responsibility for trying to ascertain what happened," Bloomberg said.

Bloomberg rejected claims that the incident was racially motivated, citing an NYPD policy against ethnic profiling.

Many black leaders have said the victims, all African-American, were unjustly targeted because of their race.

"There's no evidence that race had anything to do with it," Bloomberg said. "The police officers were as diverse as the people in the car." (Watch how high-capacity police weapons may bear part of blame)

Federal law enforcement officials said the Justice Department was nearing the formal opening of a federal civil rights investigation into the fatal shooting.

Justice Department officials acknowledged the matter remained under review and that federal authorities in Washington and New York continued to monitor events in the aftermath of the shooting.

Officials declined to confirm that a decision to formally investigate the case could be announced as early as Tuesday or Wednesday.

FBI officials asking not to be identified said they expected the Justice Department "very soon" to request agents for the federal probe.

"Until that happens, this investigation is completely in the hands of the Queens district attorney," said one FBI official.

The Justice Department's Civil Rights Division frequently investigates cases in which law enforcement actions taken against members of minority groups prompt complaints of police violations of federal civil rights statutes.

CNN's Stacey Francisco, Terry Frieden and Ellen Rose contributed to this report.

Shooter: They Knew I Was Cop (NYDN)

By Alison Gendar And Corky Siemaszko, Daily News Staff Writers

New York Daily News, November 29, 2006

The undercover cop who fired the opening salvo in a 50-shot barrage that felled a Queens man on his wedding day told his story yesterday for the first time.

The detective insisted he identified himself as a cop well before he fired on the car carrying Sean Bell and his buddies.

"This cop screamed, 'Police!' and he had his shield out," attorney Philip Karasyk told the Daily News.

The News is withholding the name of the Brooklyn-born detective to protect his safety and the undercover operations he has worked on.

The detective held his fire despite Bell clipping him with his Nissan Altima, said Karasyk, who refused to name his client, even as police sources confirmed his identity.

"Once the car hit him, he jumped to the side," Karasyk said.

But when the cop saw the man sitting in the passenger seat - whom police sources identified as Joseph Guzman - reach into his waistband, the officer fired the first of 11 rounds at the men.

Four other officers, believing they were being shot at, also opened up on the car, Karasyk said. When the gunfire was over, Bell was dead and Guzman and another man, Trent Benefield, were badly wounded.

"The other officers believed the shots were coming from the vehicle," Karasyk said. "They only did so in this case because they were in mortal fear for their lives."

Queens District Attorney Richard Brown has vowed to get to the bottom of the Saturday morning shooting that has outraged black New Yorkers - and that Mayor Bloomberg said looked like "excessive force."

Karasyk, however, said the five cops involved in the shooting - none of whom ever fired his gun on the job before - had no qualms about telling their stories before a Queens grand jury.

"That's our offer to the prosecutors - to waive immunity," Karasyk said.

The lawyer's client is a Hispanic officer in his late 20s.

A 66-year-old relative told The News that the detective is a good cop.

"Only God knows what happened," he said. "Police never shoot for no reason. Maybe he's got a reason."

The Justice Department is monitoring the unfolding investigation, but Brooklyn U.S. Attorney Roslyn Mauskopf emphasized it is not independently collecting evidence or interviewing witnesses.

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At an NAACP meeting in Queens last night, black leaders called for the feds to appoint a special prosecutor if Brown doesn't obtain an indictment.

Police Commissioner Raymond Kelly said police were questioning a new witness. Sources said that witness was China Flores, who had told The News that a fourth man nearly jumped in Bell's car before the shooting.

Police are still searching for that fourth man, who is believed to have left the Kalua Cabaret in Jamaica, Queens, with the victims - and to have disappeared shortly before the shooting started. Police also believe that the mystery man may have been armed.

All five officers have been placed on paid leave and ordered to surrender their guns.

Life-long friends Guzman and Benefield took Bell out for a bachelor bash at the club - unaware that cops investigating drugs and prostitution were staking out the joint.

Two undercover detectives - Karasyk's client and a female officer - were inside. NYPD guidelines permitted them to have two drinks; Kelly said it wasn't yet known whether Karasyk's client was drinking because he hasn't been questioned pending the grand jury probe.

When Bell and his pals left at 4 a.m., Karasyk's client followed. Kelly conceded on Monday that it was unusual for an undercover officer to pursue suspects; normally, the undercover signals his colleagues to move in.

Karasyk said his client followed because he heard Guzman say outside the club that he was going to get a gun to settle a beef with another club patron.

Many in the African-American community believe there was a racial component to the shooting because Bell and Benefield are both black.

Detective Mike Oliver, who fired 31 shots, and Officer Mike Carey, who fired three times, are both white - as is Lt. Gerard Napoli, the supervising officer who did not fire his weapon. The two other officers who fired the remaining shots are both black. Their names have not been revealed.

Investigators have a mountain of evidence to go through, and there also are more than 50 people to interview, delaying the empaneling of the grand jury. If charges are brought, all the cops' names will come out.

With Oren Yaniv and Scott Shifrel

Rally Held For Elderly Woman Slain By Police (AJC)

By Saeed Ahmed, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, November 28, 2006

About 70 residents gathered outside the house of Kathryn Johnston Tuesday evening, some holding placards condemning police, others venting angrily about the botched narcotics raid that claimed the life of the elderly woman a week ago.

"I'm enraged," said Walterine Jones, 50. "I mean, my God, if they can do this to an elderly woman like her, what does it mean for the safety of the rest of us."

The rally participants marched to a church for a community meeting, bringing the crowd to about 300.

Atlanta police Chief Richard Pennington addressed the crowd, saying he became concerned after community response to the shooting.

When he learned that the information he received conflicted with what a confidential informant told the Internal Affairs Unit, he brought in the FBI to lead the investigation, he said.

"I am not new to police misconduct," he said. "I've worked in Washington, D.C., and New Orleans. I've made this move based on law enforcement and my gut feeling."

Marchers to the church carried signs that mocked the police, passed around by rally organizers, the New Black Panther for Self-Defense.

"Warning taxpayers & black citizens. Don't dial 911. The police will kill you," said one.

Another was a cartoon of a smiling uniformed officer holding a phone, with the caption: "They gave me administrative leave ... with pay. Kill a black citizen and get paid."

The message was a reference to Pennington's decision to place on paid leave the sargeant and seven detectives who are part of it.

Residents angry

Even without the signs, there was plenty of anger to go around among those who gathered in front of a makeshift memorial outside the now-boarded up house where Johnston died in a gunbattle with officers.

Residents said that while crime is rampant in the area, the stretch of Neal Street where Johnson lived alone for almost two decades was home to other elderly residents.

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"There's crime that needs to be tackled here, that's true. But this road right here, there's never been any drug dealing here," said Michael Jaye, 46, who has lived in the area since he was 4.

"But the police don't come here to fight crime. They come to knock heads," he added. Johnny Colbert, 27, echoed many of the attendees' suspicion that police made up the description of "Sam," who they said was the man who sold drug to an undercover informant.

"There are a lot of 'Sam' around here. They are all make-believe by the police," he said.

As some of the attendees pumped fists into the air and shouted "Black Power" at the exhortation of the organizers, a handful of stoic GBI and FBI agents stood by watching.

On a nearby porch, an elderly woman leaned on the railing, straining to catch what was happening.

She too would have walked down and shown her support, she said. But she was too feeble to, she said.

The meeting, at the Lindsay Street Baptist Church on North Avenue, was organized by State Sen. Vincent Fort and Rep. "Able" Mabel Thomas, both Democrats from Atlanta.

"I just don't understand how you bust in someone's house and don't know who lives there," said Mary Thomas, an usher at the church. "My daughter and I said this could be any of us."

Joe Cobb, who works in the neighborhood, said he never believed Johnston or anyone else sold drugs at the house.

"What's unfolding just reinforces what I first thought: the police lied," he said.

Services Held For Woman Slain By Atlanta Police (AJC)

By S.a. Reid , Rhonda Cook, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, November 29, 2006

Friends and family who gathered at an East Point funeral home Tuesday for the funeral of Kathryn Johnston said they just want to know the truth about the drug raid that led to the elderly woman's death.

"When this occurred, we were shocked that this could be real," said Johnston's niece, JoAnne Trawick. "I've always believed from the beginning that this was a mistake."

Commenting on revelations that the informant narcotics officers say led them to the Johnston's house is accusing the officers of asking him to lie about his role, Trawick said, "I hope he is telling the truth.

"Nobody wins in this situation," Trawick said, outside Gus Thornhill's Funeral Home. "We just want to see the truth come to light."

Vera Washington, Johnston's sister-in-law, said she suspected police "were lying all the time. A woman that age would not be selling drugs."

The Rev. Markel Hutchins, who has acted as spokesman for the family, said Johnston's family is encouraged by the FBI's entry into the investigation of the Nov. 21 gun battle that left Johnston dead and three narcotics officers wounded.

"They had zero confidence before yesterday," Hutchins said. "Now their confidence is increased."

"Finally, the truth is coming out so that her name will not be seen in such a bad light," said family friend Carletta Sutton. "I think that a number of people expressed concern that her memory and her name has been sullied by the allegations that drugs have been sold from her house."

A neighbor of Johnston's, Utamu Onaje, said Johnston practiced holistic health and "didn't even take medications, let alone drugs.

"She should have been able to be safe in her hown house," Onaje said.

Johnston's funeral service drew about 100 people, including members of the New Black Panthers Party for Self-Defense and Atlanta City Council members C.T. Martin and Mary Norwood.

The Rev. Robert Melson offered words of comfort and encouragement as Johnston lay in a steel gray, closed casket topped with a spray of pink and white carnations mixed with baby's breath.

Melson prayed for justice and for God to bring peace to the souls of Johnston's family and friends.

"Sleep on mother," he said, referring to Johnston. "We love you, but God loves you best."

Kelly Hill, a young friend, described Johnston as " the strongest person I've ever known "and said she often spoke, as senior citizens sometime do, of being ready for death and that the time was near.

"I never thought I'd see her leave this earth the way that I did," said Hill during her emotional remarks at the service.

Atlanta police Chief Richard Pennington confirmed Monday that the informant now claims police asked him to lie about his role in an alleged drug buy that led to the shooting.

The informant, who has not been identified, complained to department officials that the drug investigators involved in the bust had asked him to go along with a story they concocted after the shooting, said Pennington. He said the informant had been placed in protective custody.

The informant told an Atlanta television station that the officers asked him to lie to provide them cover in the shooting.

Pennington confirmed the television station's account of what the informant had claimed and said it mirrored what the informant had told his internal affairs unit over the weekend.

"The informant said he had no knowledge of going into that house and purchasing drugs," Pennington said. "We don't know if he's telling the truth."

8 officers suspended with pay

All seven narcotics investigators and a sergeant have been suspended with pay pending the investigation, Pennington said. Their names were not made public.

"The complete truth will be known," Pennington said.

After nearly a week of unanswered questions prompted by the northwest Atlanta shooting of Johnston, the chief on Monday called for an unusual multi-agency review of the incident.

Pennington announced the investigation at a news conference that featured officials from the U.S. attorney's office, the FBI, the Georgia Bureau of Investigation and the Fulton district attorney's office.

David Nahmias, the U.S. attorney in Atlanta, said federal agents "come to this investigation with an open mind," but he cautioned that anyone who lies could face federal charges.

"No one should get in the way of the truth," Nahmias said.

Johnston was shot to death last Tuesday night as the drug investigators burst into her house at 933 Neal St. Johnston was shot twice in the chest by officers who have said that they were returning her fire.

The 88-year-old woman, whose age was previously reported as 92, wounded three of the officers with a rusty revolver her niece said she had bought her aunt for her protection. One officer was hit three times, including once in the center of his bulletproof vest, while the other two where shot once each. None of their wounds were life threatening.

Police officials have said the officers went to Johnston's small brick house after the informant purchased drugs there from a man identified only as "Sam." Police have obtained an arrest warrant for Sam.

In a court affidavit released Monday, Jason R. Smith, an Atlanta narcotics officer, said that the informant had used $50 of city money to buy crack cocaine from Sam at the Neal Street house. Smith, who could not be reached for comment Monday night, described the informant as a reliable source who has helped police make drug arrests in the past.

In the affidavit, Smith said Sam greeted the informant at the front door and spoke briefly to him on the porch. Sam disappeared into the house and reappeared with two bags of crack cocaine, which the informant later turned over to the officers, according to the affidavit. Smith's statement also said that the informant had alleged that Sam had installed surveillance cameras at the house and monitored them constantly.

Smith's affidavit was sufficient to persuade Fulton County Magistrate Kimberly Warden to sign a warrant allowing the officers to enter the house without knocking at the door. Smith asked for the special "no-knock" authorization because of the possibility that officers would be injured or evidence would be destroyed. Warden signed the warrant shortly before 6 p.m., about an hour before the shooting.

However, the informant has since denied to police and a local television station that he purchased the drugs. He also said there was no person named Sam.

The informant, who said he worked with Atlanta police for four years, also told WAGA-TV that he hadn't been to 933 Neal St. His identity hidden, he told the TV station that one of the drug officers called him soon after the shooting with instructions.

Quoting the officers, the informant told Fox 5 News: " 'This is what you need to do. You need to cover our [rear]. ... It's all on you man. ... You need to tell them about this Sam dude.' "

Pennington said investigators were trying to determine the truth. "I don't know if he went in or not," he said.

Many questions and conflicting accounts have surfaced since police shot the woman, described by neighbors as feeble and afraid to open her door after dark. At first police said that the drug buy was made by undercover police, but later they said the purchase was made by an informant. Early on, police said narcotics were found at the house after the shooting, but on Sunday investigators said they had found only a small amount of marijuana, which police don't consider a narcotic.

Also, even though the affidavit said that the house was outfitted with surveillance cameras, Pennington said the informant had told internal affairs investigators that police officers had asked him to lie about the cameras. Pennington could not confirm whether the cameras existed.

From the beginning, it has been unclear why police targeted the woman's house, and the affidavit and warrant documents shed little light. The documents do not suggest that police had been keeping the house under surveillance and provide no rationale for entering it other than the informant's alleged buy earlier in the afternoon. The raid did not produce the cocaine, money, computers and other equipment related to the drug business alleged in the affidavit. The documents listed the only resident as Sam, who was described as at least 6 feet tall and 250 to 260 pounds. Johnston's family said she lived alone.

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Court officials initially refused to release the affidavits and search warrant even though state law requires that such records be made available immediately. The documents were made public Monday, nearly a week after the incident.

"There are many unanswered questions," said Pennington, who returned Sunday after being out of town for the Thanksgiving holiday when the shooting occurred.

Mayor Shirley Franklin, who has said little publicly about the shooting, said she had discussed the allegations with Pennington. Franklin said the chief has "my confidence that they will be transparent and honest and very thorough in their review. ..."

"I certainly share the concern that all of us have on the loss of life," Franklin said. "We were not expecting something like that could happen in the city of Atlanta."

Staff writers Ernie Suggs, David Pendered and Saeed Ahmed contributed to this story.

Shootings By Police Spur Debate (USAT)

By Larry Copeland, Usa Today

USA Today, November 29, 2006

ATLANTA — An 88-year-old woman killed last week in a shootout with plainclothes police who burst into her home was laid to rest Tuesday amid a burgeoning national debate over police use of deadly force.

Kathryn Johnston was killed Nov. 21 when she fired at undercover narcotics agents who had obtained a "no-knock" search warrant for her home after telling a judge that a confidential informant had bought drugs there earlier in the day.

The FBI is leading a probe of the incident, in which Johnston wounded three officers, after the informant told Atlanta television station WAGA-TV that he never bought drugs at the house but that a narcotics officer had instructed him to say that he had. "I'm telling them, I never went to that house," he says in an interview in which his face was disguised.

Atlanta Police Chief Richard Pennington says the man, who has not been publicly identified, "told us he had no knowledge of going to that house and purchasing drugs. I don't know if he's telling the truth."

Seven narcotics investigators and a police sergeant have been placed on paid leave until the inquiry is completed, a routine procedure in such cases.

More than 200 people rallied in Johnston's northwest Atlanta neighborhood Tuesday evening to demand answers in the shooting, one of several that have put police use of deadly force under increased scrutiny.

In New York City early Saturday, Sean Bell, 23, was killed after he left a bachelor party at a strip club that was the target of an undercover police investigation. Police fired more than 50 shots at a car carrying Bell and two friends, both of whom were wounded.

NEW YORK SHOOTING: Bloomberg meets with family

The district attorney in DeKalb County, an Atlanta suburb where 12 people have been killed by police this year, says she may present evidence to a grand jury.

Rep. Cynthia McKinney, D-Ga., whose district includes DeKalb County, is seeking congressional hearings on police use of deadly force nationwide, according to a letter she sent to Attorney General Alberto Gonzales and incoming House Judiciary Committee Chairman John Conyers, D-Mich.

"While I support police officers in their efforts to combat crime, our citizens have become alarmingly frightened ... that some, if not most, of these police involved shootings may have been preventable," wrote McKinney, who is leaving office in January after losing a re-election bid.

Charles Steele, president of the Southern Christian Leadership Conference, an Atlanta-based civil rights organization, called "for an evaluation of adequate and proper communication efforts by police departments nationwide. These senseless deaths ... must cease immediately."

Some criminal justice experts cautioned against over-reacting to the shootings.

"Police departments have become far more scrupulous in training and accountability and are recruiting people to try to minimize the number of police-involved shootings," says Chuck Wexler, executive director of the Police Executive Research Forum, a think tank in Washington, D.C.

"There are much tighter controls on the use of force. Police departments have significantly narrowed the conditions under which police can use deadly force," he said.

He says there were 80 to 100 police-involved shooting fatalities a year in New York during the 1970s; in recent years, that has fallen to 10 to 15.

Robert J. Kane, a professor of criminal justice at Northeastern University in Boston who specializes in police authority and accountability, says the shootings by police stem from a more aggressive approach nationally to policing.

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"They come at a time when police officers are rapidly expanding the use of police paramilitary units and highly aggressive drug enforcement units," Kane says. "In the 1990s, you had a community policing movement. Police departments were encouraged to share some crime prevention responsibility with the public. Around 1996, you had this movement toward zero-tolerance strategies. ... A lot of cities are creating police paramilitary units. They drive around and look for trouble, and they often find trouble."

In Johnston's northwest Atlanta community, a gentrifying neighborhood that has pockets of crime and drug activity, neighbors say Johnston was not involved in anything illegal.

"That lady was no drug dealer," says Vickie Harris, 33, who has lived in the neighborhood for about eight years. Police, she says, "made a mistake. They ought to just admit it."

Contributing: Associated Press

Police Shootings And New York: Lessons Learned (CSM)

By Alexandra Marks

The Christian Science Monitor, November 29, 2006

NEW YORK

Call it a tale of two shootings. In each, an unarmed black man is killed in New York in a hail of bullets fired by police, fearing, rightly or wrongly, for their lives.

But the different responses of city leaders to last weekend's shooting of Sean Bell in Queens and the 1999 death of Amadou Diallo in the Bronx tell a tale of a city's evolution and its ability to learn the importance of acknowledging a community's outrage and responding to it. Such a changed response is evident not just in New York, but in other cities across the country.

Almost as soon as Mayor Michael Bloomberg heard Saturday that police fired 50 times on three possibly unarmed black men, he began reaching out to political, religious, and community leaders, assuring them a full, fair investigation would take place. By Monday morning, the mayor, police commissioner, and dozens of black leaders - many still angry - came together at City Hall.

In the immediate aftermath of the 1999 death of Mr. Diallo, a West African immigrant shot in the entry to his apartment building, then-Mayor Rudolph Giuliani defiantly defended the police. He didn't meet with local black leaders until weeks later. Thousands of protesters poured into the streets, prompting more than 1,700 arrests.

"You learn from your errors," says Douglas Muzzio, a political analyst at the School of Public Affairs at Baruch College in New York. "The reaction reflects in part the mayor's personality and the police commissioner's professional personality, but they learned from what Giuliani did, and they're not going to make the same mistakes."

New York's reaction is emblematic of changes in community/police relations across the country. From Cincinnati to Atlanta to Los Angeles, police departments have realized they need the cooperation and support of minority communities - those that usually felt the brunt of the "get tough" crime initiatives of the 1990s. In each city, fumbled political reactions to a charge of police misconduct - whether it was the 1991 beating of Rodney King in Los Angeles or the 2001 shooting of a young black man in Cincinnati - have taught lessons about the importance of reaching out, urging calm, and dealing with nothing but the facts.

"There's now a more proactive, customer-service-oriented attitude and response in the aftermath of these incidents because police departments all over the country now understand their aggressive enforcement actions are typically felt disproportionately in the minority communities, and that further strains police/community relations," says Jack Riley, acting director of the Center on Quality Policing at the RAND Corp. in Pittsburgh. "With crime rates heading back up, the last thing you want to do is alienate a constituency you need to help keep crime level."

In New York, at a press conference with community leaders this week, Mayor Bloomberg remarked several times that no one was more "disturbed" than he and Police Commissioner Raymond Kelly by last Saturday's shooting. Mr. Bell and two friends were leaving a strip joint after a bachelor party when an undercover officer, who was part of a larger operation at the club, thought he heard one of Bell's group say, "Yo, go get my gun." When the officer approached the car, an altercation erupted and police started firing. It's unclear whether the officer identified himself as a policeman or what prompted the gunfire that killed Bell and wounded two others, one critically.

"To me, it is unacceptable and inexplicable how you have 50-odd shots fired, but that's for the investigation to find out what happened," says Bloomberg. "We will tell everyone everything we know when we know, and we will not speculate."

Bloomberg also said he did not believe the shooting was racially motivated. Two of the shooting victims were black, and one was Hispanic. Two of the officers involved were black, two were white, and one was Hispanic. All five have been suspended.

"This is a much better response than the Giuliani administration [to the Diallo shooting], much more open and much more direct," says City Councilman Leroy Comrie of Queens. "A lot of people in this city are uncomfortable with the police department

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and its tone on the streets, but so far I'm satisfied [that] the mayor and the police commissioner have done their utmost to provide as much detail as possible."

Most political analysts are applauding the city's response so far, but some say it's unfair to compare the way Mr. Giuliani and Bloomberg handled the two shootings. Giuliani, who defeated the city's first African-American mayor, had strained relations with the minority community from the start. In reforming the city's finances, he also took on its various interest groups, including those in the black community, according to political analyst Fred Siegel, author of "The Prince of the City: Giuliani, New York and the Genius of American Life." Finally, the Diallo incident occurred at a time when the mayor's personal and marital problems had become regular public fodder.

"The Diallo affair comes at the beginning of Giuliani's personal meltdown," says Mr. Siegel. "This isn't a criticism of Bloomberg. I just don't think it's a fair comparison."

Other analysts say the city is also different as a result of 9/11 and the work Bloomberg has done in repairing relations with the black and Hispanic communities. He's worked to keep lines of communication open on a regular basis.

"You can't just have people talking to each other at a time of crisis. There has to be a foundation for communication. Otherwise, you're just managing the consequences of the crisis," says Mr. Riley of RAND.

50 Shots (WSJ)

By Joseph D. Mcnamara

The Wall Street Journal, November 29, 2006

Around 4 a.m. on Saturday, Nov. 25, several New York City police officers in plain clothes fired an estimated 50 shots at a car, wounding two black men and killing a third, 23-year-old Sean Bell. Some police bullets penetrated nearby homes. Although an undercover officer had called for back-up, indicating that the three suspects had a gun, no weapon was found in the aftermath.

Inescapably, comparisons were made between Mr. Bell (who was to have been married later on Saturday) and Amadou Diallo, an unarmed African immigrant killed in a volley of 41 bullets by four NYPD plainclothes officers in February 1999. Mr. Diallo had committed no crime and was attempting to enter his own hallway when one of the undercover officers yelled, "Gun!" The four officers were acquitted in a trial held outside the city, based upon their defense that they reasonably believed their lives were in danger.

In both cases, the NYPD accurately cited statistics indicating that it had a comparatively low shooting rate, and that shootings by police were not rising. And in both instances, New York's black leaders and black communities reacted with understandable outrage that unarmed black men were killed with such a volume of gunfire. Both sides seemed to be talking past one another, instead of to each other.

After the Diallo case, I wrote that I, my father, older brother and countless other relatives had collectively served the NYPD for more than a century and a half and that none of us would have fired at Mr. Diallo. I say the same about the lethal volley that took Mr. Bell's life, based on initial reports.

Simply put, the police culture in our country has changed. An emphasis on "officer safety" and paramilitary training pervades today's policing, in contrast to the older culture, which held that cops didn't shoot until they were about to be shot or stabbed. Police in large cities formerly carried revolvers holding six .38-caliber rounds. Nowadays, police carry semi-automatic pistols with 16 high-caliber rounds, shotguns and military assault rifles, weapons once relegated to SWAT teams facing extraordinary circumstances. Concern about such firepower in densely populated areas hitting innocent citizens has given way to an attitude that the police are fighting a war against drugs and crime and must be heavily armed.

Yes, police work is dangerous, and the police see a lot of violence. On the other hand, 51 officers were slain in the line of duty last year, out of some 700,000 to 800,000 American cops. That is far fewer than the police fatalities occurring when I patrolled New York's highest crime precincts, when the total number of cops in the country was half that of today. Each of these police deaths and numerous other police injuries is a tragedy and we owe support to those who protect us. On the other hand, this isn't Iraq. The need to give our officers what they require to protect themselves and us has to be balanced against the fact that the fundamental duty of the police is to protect human life and that law officers are only justified in taking a life as a last resort.

There appear to be important differences between the killings of Mr. Diallo and Mr. Bell. Mr. Diallo was no threat to anyone. First reports are that the car occupied by Mr. Bell deliberately struck an undercover officer after he had identified himself. In addition, it is clear that the current police commissioner and mayor have established much better relations with the black community than their predecessors. Both Mayor Michael Bloomberg and Commissioner Raymond Kelly have been as critical of the current shooting as permitted under due process. Yet when all is said and done, those with official responsibility to ensure that the innocent are protected, not harmed, by the police must constantly evaluate all police training, tactics, arms and attitudes.

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Mr. McNamara, a retired NYPD deputy inspector and former police chief of Kansas City, Mo., and San Jose, Calif., is a research fellow at the Hoover Institution at Stanford.

L.A. Officers Cleared In Child's Killing (LAT)

By Patrick Mcgreevy And Richard Winton, Times Staff Writers

The Los Angeles Times, November 29, 2006

The police board says toddler Suzie Peña's death in a gun battle was the fault of her father, but mistakes were made.

The LAPD officers who stormed a South L.A. auto shop last year, killing 19-month-old hostage Suzie Peña during a gun battle with her father, followed department rules and should not be punished, the Police Commission ruled Tuesday.

But the oversight panel found problems in the way the Los Angeles Police Department field command responded and managed the crisis and singled out for potential discipline two officers who fired their weapons from the periphery very early in the 2 1/2 -hour siege.

"There was a systemic breakdown at the command and leadership level," Commission President John Mack said. "This incident is nothing short of tragic. It's tragic for all of us. The officers involved, and the community at large. It is a loss for Los Angeles and will be remembered as a sad and tragic day in our history."

One SWAT officer was wounded in the gun battle with Jose Raul Peña, who held his daughter in his arm as he repeatedly fired his gun at officers at his Watts car sales business in July 2005.

The commission announcement came hours after the district attorney cleared of criminal wrongdoing the 11 police officers who fired their weapons, even as the toddler's family and community activists demanded that the panel discipline the officers involved in the confrontation.

The commission announced its finding after a nine-hour, closed-door meeting with Police Chief William J. Bratton in which the panel unanimously backed all of his recommendations on which officers acted in and out of policy.

Mack and other panelists said the SWAT standoff highlighted shortcomings in the way the LAPD handles such incidents — including communications among elite units — that must be immediately addressed.

Specifically, the commission wants to hold commanders managing the scene more accountable for the actions of officers on the ground. The panel ordered Bratton in the future to review the actions of commanders with the same degree of detail that officers' actions receive.

Other reforms proposed include modifications for the use of urban police rifles and better training for officers as well as commanders and an examination of how to better storm a building in hostage situations.

Altogether, 13 officers, three sergeants and one lieutenant were ordered to undergo additional training because of concerns about their tactics during the incident.

The commission went out of its way to clear the handful of officers who actually stormed the building at the end of the standoff. In fact, the panel said many officers involved in the case "took courageous steps to defuse a frightening situation."

They noted that Suzie's father fired 15 of his 39 rounds at the officers in the final moments of the conflict while holding his daughter in his arms.

But they also found that two officers who fired and missed Peña from the periphery of the site near the beginning of the confrontation violated department policy in their tactics and the firing of their weapons.

Suzi's mother, Lorena Lopez, said afterward that she was disappointed that the officers involved in the final confrontation were not found to have violated policy.

"I did not get justice," Lopez said, adding that she would press ahead with her lawsuit "to get justice."

Bratton acknowledged the command and control concerns and said some officers will be disciplined and receive training as a result of failing to follow department policy on tactics and the use of force.

"This was not a good day for anybody," Bratton said. "It was a tragic day."

But, he added that officers did an "outstanding job" overall, given the chaotic situation.

"I want to commend the men and women of this department who in every instance of this incident behaved courageously, marching toward danger, every one of whose interest and intent was to save the life of the hostages," Bratton said.

His use of the word "outstanding" drew a sharp rebuke from Luis Carrillo, the attorney for Lopez.

"The police could have waited before storming in like cowboys," Carrillo told the chief and commission as he and the family stormed out of the meeting. "It was not an outstanding day when a baby died at the end of the day."

Hours earlier, the Los Angeles County district attorney's office announced that it had declined to file criminal charges against the officers involved in the standoff.

A report by that office found that the officers acted in defense of their own lives when they shot and killed Peña and "inadvertently hit with rounds" and killed Suzie, who was being used as a shield.

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In a 10-page letter, Deputy Dist. Atty. Renee S. Cartaya wrote that the 11 officers "acted lawfully in self-defense and in defense of others when they used deadly force against Jose Peña." Prosecutors noted that Peña was using cocaine, engaged in a series of gun battles and had become irrational and told police he was fictional gangster Tony Montana from the movie "Scarface."

Police commissioners and prosecutors were particularly affected by tapes of telephone conversations during the siege.

Peña told an officer by phone earlier, according to prosecutors, "I'm going to hell. Me and the baby will go to hell before I ever leave this baby with my wife."

A 15-month investigation was unable to determine which of the officers killed the child as they tried to rescue her from her father's arms.

Commissioners agreed with Bratton that ultimately, Jose Peña was responsible for the toddler's death.

According to the district's attorney's account, the final confrontation began about 6:20 p.m. after Peña cut off communications and appeared with a pistol in his waistband.

He was holding the child by a backdoor and refused an order to put her down.

Seeing Peña trying to draw his weapon, Officer Dennis O'Sullivan, positioned on top of an armored vehicle, fired at him, according to the report.

SWAT Officer Chester McMillion then ordered an emergency assault after seeing Peña flinch as if he had been struck.

Once inside, officers found that Peña had fled to an inner office. SWAT officers heard gunshots and saw bullets come through the wall of the office, the report said.

Deploying a flash-bang device, Officers Dan Sanchez, Eduardo Perez, William Casey and Robert Gallegos Jr. entered the office and a gun battle ensued. Sanchez was shot in the shoulder by Peña.

Seeing Peña slump behind the desk with the baby on his lap, an officer rushed forward to grab the child only to realize Suzie had been fatally wounded. Simultaneously, prosecutors said, Peña reached for his pistol and Perez and Gallegos shot him in the head.

The toddler's family disputed the district attorney's finding that the officers acted in self-defense.

"There were plenty of police officers. The SWAT team was there," said Suzie's sister Ilsy DePaz, who was rescued from the scene by police.

"I don't see how they were acting in defense," she said. "You don't shoot a flash-bang grenade into a small office and expect for a little baby to come out alive."

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Man Pleads Guilty In Shrine Desecration (FINDLAW/AP)

AP, November 29, 2006

(AP) - WEST BEND, Wis.-A 21-year-old man pleaded guilty Monday to desecrating one of Wisconsin's most popular religious shrines to commemorate "Satan's birthday."

Tyler Groth pleaded guilty to felony criminal damage to religious property, and could face up to a year and a half in jail when he is sentenced Jan. 11.

Groth and his 17-year-old cousin, David J. Groth, were accused of spraying paint on statues and spray painting a devil's face at several locations in June at the Basilica of Holy Hill, National Shrine of Mary, in Erin.

It was to commemorate the date 06-06-06, and Tyler Groth told investigators the date is "Satan's birthday." In the Bible, the Book of Revelation describes triple sixes as the mark of the Antichrist.

Groth agreed to plead guilty in exchange for the dismissal of two unrelated misdemeanor graffiti charges, his attorney said.

David Groth had pleaded no contest to the same charge. He is scheduled to be sentenced Jan. 11.

Judge Orders Hearing On Voting Districts (ORS)

The Orlando Sentinel, November 29, 2006

OSCEOLA COUNTY -- - A federal judge who ruled that Osceola's countywide elections for commissioners violates the U.S. Voting Rights Act on Monday ordered a hearing in the case next week.

The announcement came just days after competing proposals by the county and the U.S. Department of Justice were submitted to the court.

U.S. District Judge Gregory A. Presnell set aside two hours for the 2 p.m. hearing Dec. 7 at the federal courthouse in Orlando, 80 N. Hughey Ave. He had ruled that the current countywide system penalizes Hispanics in a "racially polarized" county.

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The Justice Department, which proposed single-member-district elections for all five commission seats, asked for the hearing with its filing Wednesday.

Federal prosecutors offered two options with slightly different district lines.

The county's attorneys proposed a plan that would have two commissioners elected at-large and five from single-member districts.

All three plans center on a Hispanic-majority district that includes the Buenaventura Lakes community and the adjacent Kissimmee neighborhood of Lakeside.

Both sides have disputed the other's methodology in drawing the districts to account for Osceola's exploding growth since the 2000 census.

Hispanics make up about a third of the county population, but only one has ever been elected to the commission, under single-member-district voting a decade ago.

Osceola has spent nearly $2 million in fees for attorneys and experts defending itself since the Justice Department sued last year.

Mark Pino, Henry Pierson Curtis, Christopher Sherman, Gary Taylor and Willoughby Mariano of the Sentinel staff contributed to this report.

Treasury Ordered To Make Bills Recognizable To Blind People (FINDLAW/AP)

By Matt Apuzzo, Associated Press Writer

AP, November 29, 2006

(AP) - WASHINGTON-By keeping all currency bills the same size and texture, the U.S. government has denied blind people meaningful access to money, a federal judge said Tuesday.

U.S. District Judge James Robertson said the Treasury Department has violated the law, and he ordered the government to come up with ways for the blind to tell bills apart.

He said he wouldn't tell officials how to fix the problem, but he ordered them to begin working on it within 10 days. The American Council of the Blind has proposed several options, including printing bills of differing sizes, adding embossed dots or foil to the paper or using raised ink.

"Of the more than 180 countries that issue paper currency, only the United States prints bills that are identical in size and color in all their denominations," Robertson wrote. "More than 100 of the other issuers vary their bills in size according to denomination, and every other issuer includes at least some features that help the visually impaired."

Government attorneys argued that forcing the Treasury Department to change the size of the bills or add texture would make it harder to prevent counterfeiting. Robertson was not swayed.

"The fact that each of these features is currently used in other currencies suggests that, at least on the face of things, such accommodations are reasonable," he wrote.

He said the government was violating the Rehabilitation Act, which prohibits discrimination on the basis of disability in government programs. The opinion came after a four-year legal fight.

"It's a landmark decision. I believe it will benefit millions of people," said Jeffrey A. Lovitky, attorney for plaintiffs in the lawsuit.

U.S. Currency Discriminates Against Blind, Judge Rules (NYT)

By Edmund L. Andrews

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — A federal judge here ruled on Tuesday that the government illegally discriminated against blind people by printing its paper currency on bills of the same size that could not be distinguished by touch.

The judge, James Robertson of Federal District Court, ordered the Treasury Department to start discussing within 30 days potential remedies, including different note sizes for different denominations and raised numerals and perforated dots on the bills.

“Of the more than 180 countries that issue paper currency,” Judge Robertson wrote, “only the United States prints bills that are identical in size and color in all their denominations.”

The judge pointed out that euro notes came in bigger sizes for higher denominations and had raised numerals as well as foil patches in different shapes. Japanese notes have rough patches to help identify them by touch. Swiss francs feature intaglio printing and perforated numerals, and other countries use sequences of perforated dots.

“The fact that each of these features is currently used in other currencies suggests that, on the face of things, such accommodations are reasonable,” Judge Robertson wrote.

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The Treasury Department refused to comment on the decision or on whether it would appeal the order, which came after a four-year court fight between the government and the American Council of the Blind.

The Treasury Department had argued that making bills identifiable by touch would create an undue financial burden for the government. It had estimated that the most expensive approach — printing different sizes for different denominations — would cost $178 million for new printing presses and as much as $50 million for new plates.

Judge Robertson said that cost would be small compared with the $4.2 billion that the government spent on currency production in the past 10 years.

He also rejected as "utterly unpersuasive" government pleas that new tactile features might undermine the anticounterfeiting features. He also dismissed the government's argument that such features might undermine the greenback's international acceptance, saying, "This contention is not only not supported but, on its face, absurd."

Day Al-Mohamed, director of advocacy and government affairs for the American Council of the Blind, said the decision addressed a constant problem for people with little or no eyesight.

Paper currency "is one of the biggest parts of everyday life, and we just don't have access to it," Ms. Al-Mohamed said. About 937,000 people in the United States are legally blind, and an additional 2.3 million people have "low vision" even when wearing corrective lenses.

The American Council of the Blind had argued that American paper currency was "inaccessible" to blind people and violated the Rehabilitation Act, which prohibits discrimination in government programs against people with disabilities.

Judge Robertson said people with severely impaired vision were inherently vulnerable to being cheated if they had to depend on other people to distinguish among a $1 bill, a $20 bill or a $100 bill.

In 1995, he added, the National Academy of Sciences concluded that three features could be incorporated into American banknotes: distinctive sizes for each denomination; increasing the size and contrast of numerals; and varying the notes' colors to help people with limited vision.

In 1996, the government redesigned banknotes and added two features: one larger number at a slightly different height from the rest of the bill, and an infrared symbol to encourage the development of handheld currency readers for the blind.

Judge Robertson said those changes fell "well short" of what the National Academy of Sciences had recommended and were mainly intended to prevent counterfeiting.

Currency Changes Ordered To Help Blind (WT)

By Jen Haberkorn

The Washington Times, November 29, 2006

A federal judge ruled yesterday that the Treasury Department must change currencies -- potentially changing the size, shape or feel of each denomination -- so blind people can use them.

U.S. District Judge James Robertson said that by making different denominations of bills the same size and shape, the government has violated the Rehabilitation Act and denied blind people a way to use money.

The judge did not provide a solution, but ordered Treasury to find one.

Government attorneys argued that adding texture or changing the size of bills would be costly and make it harder to prevent counterfeiting.

The American Council of the Blind, which filed the suit in 2002, proposed a number of solutions that are used in other countries.

In Britain, each denomination is a different size, said Melanie Brunson, the Washington association's executive director. In Canada, currency has a series of dots in its corners, differentiated by denomination. And other countries use different patterns of raised dots or lines.

"Our intent was to get Treasury to focus enough attention to incorporate those [ideas] or come up with something else to meet the needs of people who can't read them visually," Mrs. Brunson said.

About 937,000 Americans are legally blind, which means that their vision is no better than 20/200 when corrected.

Judge Robertson said that if other countries can print denominations that blind people can use without counterfeiting problems, then so can the United States.

The Treasury Department did not return calls for comment.

Government lawyers argued that changing the size of currency could cost up to $228 million in initial costs and $52 million annually to make currency in different sizes. The least expensive change, adding a raised numeral, would cost $45.5 million initially and $16 million annually. The government estimated it would have to spend another $70 million to $90 million in public education for any changes.

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"If additional savings could be gained by incorporating the new feature into a larger redesign, such as those that took place in 1996 or 2004, the total burden of adding such a feature would be even smaller," wrote Judge Robertson, who was appointed by President Clinton in 1994.

In 1996, the Bureau of Engraving and Printing began inserting color and larger faces on bills to prevent counterfeiting.

Blind people must ask other people for assistance, fold different denominations in different ways, or keep different denominations in separate parts of wallets or purses, putting them at risk of being cheated, the American Council of the Blind argued in court.

Members of Congress have proposed legislation changing the size and shape of currency, but it has never passed, Judge Robertson wrote in his opinion. The 1996 redesign of the $20 bill included a larger font to identify the $20, which helped people with reduced vision, but did not help blind people.

The judge found that the similarities among the bills is a violation of the Rehabilitation Act, which prohibits discrimination in government programs on the basis of disability.

"We believe this is a very significant step," Mrs. Brunson said. "This is the first time a judge has ruled that a failure to provide means of identifying currency is a violation of the Rehabilitation Act."

The judge ordered a status conference in about 30 days.

Eight Face Charges In Boot-camp Death (TALLDEM)

By Stephen D. Price, FLORIDA CAPITAL BUREAU

Tallahassee Democrat, November 29, 2006

'Today is a good day for me,' says Martin Lee Anderson's mother

Eleven months after 14-year-old Martin Lee Anderson died, a protest march on the state Capitol and complaints that the investigation took too long, State Attorney Mark Ober on Tuesday charged seven drill instructors and a nurse with felony aggravated manslaughter of a child in the teen's death.

For Anderson's parents the charges were late but an answer to their prayers.

"Today is a good day for me," said Anderson's mother, Gina Jones, unable to control her emotions. "I'm finally getting justice for my baby."

Gov. Jeb Bush, who spoke with Anderson's parents Tuesday, said he, too, was glad the investigation had concluded.

"In spite of, admittedly, my frustrations at the delays of this, I'm pleased that (State Attorney Mark Ober) did his job well," Bush said.

Charged are Henry Dickens, Charles Enfinger, Patrick Garrett, Raymond Hauck, Charles Helms Jr., Henry McFadden Jr., Kristin Schmidt and Joseph Walsh II, according to a filing by Ober.

If convicted, the defendants could receive up to 30 years in prison.

Late Tuesday, Ober said that all seven of the drill instructors had been arrested and booked at the Bay County jail. Officials expected to arrest the nurse, Schmidt, later in the evening.

Ober's charges said in part that the defendants "did cause the death of Martin Lee Anderson by culpable negligence, without lawful justification or excuse, by neglecting Martin Lee Anderson by failure or omission to provide Martin Lee Anderson with care, supervision or services necessary to maintain his physical or mental health."

Ober's nine-month investigation cleared higher-level officials. In a letter to Bush, Ober said Guy Tunnell, former director of the Florida Department of Law Enforcement; State Attorney Steve Meadows; Bay County Sheriff Frank McKeithen and Bay County Medical Examiner Dr. Charles Siebert, who performed the first autopsy on Anderson, had acted properly in the aftermath of Anderson's death.

Anderson, who was sent to the juvenile boot camp on a probation violation, collapsed during exercises at the boot camp Jan. 5 and died early the next day at Sacred Heart Hospital in Pensacola.

In a letter to Bush, Ober explained how Anderson fell during a running exercise and drill instructors grabbed him, held him by the arms, applied pressure-point applications and covered his mouth while forcing him to inhale ammonia.

A surveillance video of the incident showed drill instructors kicking and punching Anderson.

An autopsy done by Siebert concluded Anderson died from natural causes related to sickle-cell trait.

A second autopsy done by Hillsborough County Medical Examiner Dr. Vernard Adams found that Anderson died from suffocation by drill instructors who forced ammonia tablets into his nose while covering his mouth.

Anderson's death and video of his beating captured nationwide attention and calls in the state legislature to close all boot camps.

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Last spring, Bush signed the Martin Lee Anderson Act, which, among other things, would create "STAR" academies, or boot camps modeled after a program in Martin County that places more emphasis on juvenile prevention programs and follow-up counseling.

Anderson's parents have sued the Bay County Sheriff's Office; the Department of Juvenile Justice, which contracted with the sheriff's office to operate the camps; and the seven drill instructors who now have been charged in the boy's death, seeking more than $40 million in the wrongful-death suit.

The charges bring to an end an investigation many said was too long.

In April, college students staged a sit-in at the Capitol to protest the fact that no one had been charged. Thousands of protesters, including Jesse Jackson and Al Sharpton, marched and rallied at the Capitol that same week, demanding arrests in Anderson's death.

Last week the state NAACP and the Black Caucus threatened to have a silent protest during the inauguration ceremony of Gov.-elect Charlie Crist if charges in Anderson's death had not been filed.

Ober said in a statement to Bush that his office had to review more than 20,000 pages of documents in the case and conducted a multitude of interviews of witnesses.

"In the pursuit of justice, we have conducted a thorough investigation and have ignored demands from those calling for a rush to judgment," the statement said.

In a meeting with Ober on Tuesday morning, Anderson's mother said the special prosecutor explained why the investigation took so long.

"I was impatient, but it was worth it," Jones said.

Ben Crump, Anderson's parents' attorney, called Ober "courageous" for filing the charges against the drill instructors and nurse. Since the investigation took so long, Crump said he and Anderson's parents began to doubt any charges would come.

"This aggravated manslaughter of a child equals, to us, humanity and justice for Martin Lee Anderson," Crump said. "Our faith was tested."

State Sen. Tony Hill, D-Jacksonville, said, "We, the members of the Black Caucus, can feel some relief knowing some justice has been brought to the family of Martin Lee Anderson."

Pam Bondi, spokesman for Ober's office, said all the defendants will be tried together and will be arraigned sometime in January.

In a press conference in front of the Leon County Courthouse on Tuesday, Ober said, referring to the charged drill instructors: "This conduct cannot and will not be tolerated in our society, and none of us are above the law."

When asked if the charges were a tough call, Ober said, "We make a lot of tough calls every day."

Anderson's parents said the months they've waited for charges in their son's death has caused many sleepless nights. On Tuesday morning, they said they felt relieved.

Anderson's father, Robert Anderson, said, "Tonight, I will get me some rest."

7 Guards, Nurse Charged In Death Of Teen At Florida Boot Camp (USAT/AP)

By Melissa Nelson, The Associated Press

USA Today, November 29, 2006

Case led to dismantling of military-style program

PENSACOLA, Fla. — Seven former guards at a juvenile boot camp were charged with aggravated manslaughter of a child Tuesday for the pummeling of a 14-year-old boy who later died. The action was caught on security videotape, and the case led to the dismantling of Florida's military-style detention system for young offenders.

Also charged was a nurse seen on the tape watching as guards repeatedly kneed and hit Martin Lee Anderson during a 30-minute scuffle on Jan. 5. Guards said the boy was uncooperative and had refused to participate in exercises.

The teen collapsed in the exercise yard at the camp in Panama City and died at a hospital the next day.

The death sparked protests at the state Capitol and led to a shake-up in Florida's criminal justice system and the resignation of Florida's top law enforcement officer.

If convicted, the former guards and the nurse could each get up to 30 years in prison. Bail was set at $25,000 apiece.

Nurse Kristin Anne Schmidt was expected to surrender Tuesday evening, said Pamela Bondi, a spokeswoman for special prosecutor Mark Ober.

Attorneys for three of the former guards — Charles Helms, Joseph Walsh and Raymond Hauck — said their clients denied any wrongdoing. Phone messages were left for lawyers representing Schmidt and two other former guards.

Anderson had been sent to the boot camp for violating probation in a theft case. Boot camps often use grueling exercise to instill discipline in juvenile delinquents.

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An initial autopsy found Anderson died of complications of sickle cell trait, a usually benign blood disorder. After cries of a coverup, a second autopsy was conducted by another medical examiner, and it concluded Anderson suffocated because of the actions of guards.

Vernard Adams, the doctor who did the second autopsy, said the suffocation was caused by hands covering the boy's mouth, as well as the "forced inhalation of ammonia fumes" that caused his vocal cords to spasm, blocking his airway.

The guards said in an incident report that they used ammonia capsules five times on Anderson to gain his cooperation.

"Today is a good day for me," said Gina Jones, Anderson's mother. "I'm finally getting justice for my baby."

Benjamin Crump, lawyer for the boy's parents, who have been demanding for months that the guards be charged with murder, said the videotape leaves no doubt the guards are guilty.

"You wouldn't do this to your dog," Crump said. "Stuffing ammonia tablets up his nose, pulling his neck back, covering his mouth."

In April, college students staged a two-day protest in Gov. Jeb Bush's office. Jesse Jackson and Al Sharpton joined the students for a march on the state Capitol.

Florida Department of Law Enforcement chief Guy Tunnell, who started Bay County's boot camp when he was sheriff there, resigned after he compared Jackson to Jesse James and Sen. Barack Obama, D-Ill., to Osama bin Laden in an agency meeting. Bush signed a bill in May to replace the boot camps with programs that offer job training and counseling.

Va. Will Let Vt. Decide Visitation For Lesbian Parent (WP/AP)

Associated Press

The Washington Post, November 29, 2006

RICHMOND, Nov. 28 -- A Virginia appellate court sidestepped the issue of civil unions Tuesday in ruling that, because two former lesbian partners filed for their union in Vermont, that state's courts have jurisdiction in a custody battle.

The Court of Appeals of Virginia remanded the dispute between Janet Miller-Jenkins and Lisa Miller-Jenkins to a lower Virginia court and advised it to issue a new judgment recognizing Vermont's authority.

"By so holding, we do not address whether Virginia law recognizes or endorses same-sex unions entered into in another state or jurisdiction," the court wrote in its decision.

An attorney for Janet Miller-Jenkins called it a victory.

"This is exactly what we have been arguing since January of 2005 -- that the Virginia trial court had no business under either Virginia or federal law interfering with the decision of the Vermont family court," Joseph Price said.

Lisa Miller-Jenkins will continue to pursue the case, said her attorney, Erik Stanley.

The women were Virginia residents in 2000 when they traveled to Vermont to join in a civil union. Lisa Miller-Jenkins conceived a child through artificial insemination in 2001 while the couple were together, and a child, Isabella, was born the following April. They eventually moved to Vermont in August 2002.

In the fall of 2003, the women separated. After moving back to Virginia, Lisa Miller-Jenkins filed for a dissolution of their civil union, an action akin to a divorce, and sought custody of Isabella.

In June 2004, a Vermont family court granted Janet Miller-Jenkins visitation rights; that October, a Frederick County court issued a contradicting decision.

In August, the Vermont Supreme Court ruled that Vermont courts had exclusive jurisdiction in the custody battle, and on Tuesday, Virginia Appeals Judge Jere M.H. Willis Jr. agreed.

Lawyers Debate Why Blacks Lag At Major Firms (NYT)

By Adam Liptak

The New York Times, November 29, 2006

Thanks to vigorous recruiting and pressure from corporate clients, black lawyers are well represented now among new associates at the nation's most prestigious law firms. But they remain far less likely to stay at the firms or to make partner than their white counterparts.

A recent study says grades help explain the gap. To ensure diversity among new associates, the study found, elite law firms hire minority lawyers with, on average, much lower grades than white ones. That may, the study says, set them up to fail.

The study, which was prepared by Richard H. Sander, a law professor at the University of California, Los Angeles, and was published in The North Carolina Law Review in July, has given rise to fierce and growing criticism in law review articles and in the legal press. In an opinion article in The National Law Journal this month, for instance, R. Bruce McClean, the chairman of Akin Gump Strauss Hauer & Feld, a major law firm, took issue with the study's "sweeping conclusions" but not its "detailed data analysis."

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James E. Coleman Jr., the first black lawyer to make partner at Wilmer Cutler & Pickering, a prestigious Washington law firm now known as WilmerHale, said Professor Sander was overemphasizing grades at the expense of other qualities like writing skills, temperament and the ability to analyze complex problems.

"I don't think you can do what he is trying to do, which is to use purely objective data to explain what is happening in law firms," said Professor Coleman, who now teaches law at Duke and is a co-author of a response to Professor Sander called "Is It Really All About the Grades?"

Achieving racial diversity at all levels is an urgent issue, law firms say, but they acknowledge that gains among new associates disappear by the time new partners are elected. "We've seen stagnation and even decline when it comes to race," said Meredith Moore, the director of the New York City Bar Association's diversity office.

The new study proposes an explanation. It found that the pool of black lawyers with excellent law-school grades is so small that firms must relax their standards if they are to have new associates who resemble the pool of new lawyers.

Professor Sander found that very few blacks graduated from top-30 law schools with high grades.

Yet grades, according to many hiring partners and law students, are a significant criterion in hiring decisions, rivaled only by the prestige of the law school in question. For instance, Professor Sander found, "white law school graduates with G.P.A.'s of 3.5 or higher are nearly 20 times as likely to be working for a large law firm as are white graduates with G.P.A.'s of 3.0 or lower."

The story for black students appears to be different. Black students, who make up 1 to 2 percent of students with high grades (meaning a grade point average in the top half of the class) make up 8 percent of corporate law firm hires, Professor Sander found. "Blacks are far more likely to be working at large firms than are other new lawyers with similar credentials," he said.

But black lawyers, the study found, are about one-fourth as likely to make partner as white lawyers from the same entering class of associates.

Professor Coleman attributed that largely to law firms' failure to provide minority associates with mentoring, encouragement and good assignments. "It's such a high-pressure place that places so much emphasis on getting it right that a young associate easily loses confidence," he said. "But to succeed you have to take risks."

No one disputes that firms are failing to retain and promote most of the minority lawyers they hired, at salaries that can start at $135,000.

"Black and Hispanic attrition at corporate firms is devastatingly high," Professor Sander wrote, "with blacks from their first year onwards leaving firms at two to three times the rate of whites. By the time partnership decisions roll around, black and Hispanic pools at corporate firms are tiny."

Less prestigious firms are much less likely to hire minority lawyers with substantially lower grades than white lawyers, Professor Sander said in an interview.

"Black associates report experiences at small firms — in mentoring, job responsibility and contact with partners — that are generally indistinguishable from the experiences reported by white associates," Professor Sander said. Those experiences suggest that minority lawyers at small firms have a good shot at partnership, but Professor Sander said he did not have direct evidence on that point.

Critics generally concede the raw numbers. But they offer different reasons for the gap between hiring and promotion. Some point to old-fashioned racism. Others say that firms act institutionally in hiring but leave work assignments to individual partners. Those partners often provide poor training, rote assignments and little mentoring to minority lawyers.

That should be unsurprising given the credentials gap, said Roger Clegg, president of the Center for Equal Opportunity, which opposes hiring preferences based on race.

"If everyone in the law firms knows you're hiring according to a double standard, you actually may end up compromising the confidence that partners and others have in the ability of people hired on the basis of preference," Mr. Clegg added. "It actually reinforces stereotypes."

The experience of white female associates provides a series of contrasts. Women at large firms have slightly better grades than men, yet they are also underrepresented in classes of new partners. But women do not report the absence of mentoring and choice assignments that minority associates do.

"Strikingly, women's self-reported work experiences — in terms of mentoring, level of responsibility and access to partners — are positive and indistinguishable from the self-reports of white men," Professor Sander said. "Consistent with this picture, white women's attrition rates as entering and midlevel associates are nearly as low as those of white men."

Associates typically work for about eight years before being considered for partnership. "As women of all races approach the seventh year of their tenure, and contemplate the compatibility of big-firm partnership with their family and quality-of-life goals," Professor Sander said, "many women pull out of the running for partners and seek out less demanding jobs."

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Though many supporters of affirmative action question Professor Sander's conclusions, most academic experts say his empirical work is sound.

"He makes a good case," said Kenneth G. Dau-Schmidt, an authority on the economic analysis of legal problems at the Indiana University School of Law. "What the data tells him is that there's a mismatch going on and it's hurting black students."

In their response to the Sander study, Professor Coleman and Mitu Gulati, another law professor at Duke, wrote that the Sander paper would aggravate the problem it described.

"The harm of the Sander article," the two professors wrote, "is that it will contribute to the stereotyping that already undermines the success of black associates in elite corporate law firms."

Stephen F. Hanlon, a partner with Holland & Knight, a national law firm, said the Sander study overlooked a positive reason for high attrition rates among minority lawyers. Female and minority lawyers, he said, are often hired away from law firms by corporate law departments, and that will have an impact over time.

"We have trained a very bright generation of women and minority lawyers who have gone to our corporate clients and who now decide whether to hire us," Mr. Hanlon said.

Supporters of affirmative action acknowledge that trend, and add that high rates of minority attrition should be unsurprising given the grinding, mercenary culture of most law firms.

"Minorities, when they look at management structures and see that so few make it, they probably give up," said Veta T. Richardson, the executive director of the Minority Corporate Counsel Association.

Even Professor Sander's critics say he has started an important discussion.

"We have done our share of stone throwing," Professor Coleman and Professor Gulati wrote in their response, "but that should not take away from the fact that Professor Sander has identified a real problem that needs serious study, and that his study has added considerably to the limited body of available, public research, even though his conclusions are, at best, premature."

ANTITRUST:

Court Allows U.S. Suit Vs. Realtors To Proceed (MRKTWTCH)

By Robert Schroeder, MarketWatch

Market Watch, November 29, 2006

WASHINGTON (MarketWatch) -- A federal court in Chicago has allowed the Justice Department's antitrust lawsuit against the National Association of Realtors to proceed, the department said Tuesday.

The court rejected the association's argument that last-minute changes to its policies prevented judicial scrutiny, the department said.

In denying the association's motion to dismiss the case, the court said that "NAR has failed ... to demonstrate that this case should be dismissed at the outset," according to the Justice Department.

In September 2005 the department's antitrust division filed a lawsuit charging that NAR rules limit competition from real-estate brokers who use the Internet to serve their customers. The lawsuit alleged that the association's policy threatened to lock in outmoded business models and discourage discounting.

The Realtors association denies it discriminates against discount brokers or others who use the Internet to compete with conventional brokers.

Listings Lawsuit OK'd (BSUN/BLOOM)

Bloomberg News

The Baltimore Sun, November 29, 2006

The National Association of Realtors lost a bid to dismiss a U.S. government antitrust lawsuit challenging its limits on access to multiple listings by consumers who use lower-cost Internet brokers.

The ruling by a federal judge in Chicago lets the Justice Department proceed to pretrial fact-finding to try to prove that the Realtors and member brokers engaged in an "ongoing contract, combination or conspiracy" to restrain competition.

U.S. District Judge Mark R. Filip rejected the Realtors' argument that the government had no case after the trade association in May 2005 changed the policy that limited online access to listings by customers of brokers who operate "virtual office Web sites."

The Realtors' "contention that the United States has failed even to plead a claim is unpersuasive," Filip wrote.

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The trade association "and its members have entered into a collective action that purports to regulate how they will compete in the marketplace," the judge said.

The government's complaint, filed in September 2005, said the Realtors' rules limited competition by preventing customers of online brokers from receiving full access to multiple listings. The Realtors' policy lets traditional brokers block competitors from having full online access to multiple listings.

The Chicago-based Realtors' group changed its policy after the Justice Department said it planned to sue to challenge the rules as anticompetitive, according to Filip's opinion. The modified policy still contains features that the government claims are anticompetitive, the judge wrote.

The government has argued that the original policy had "enduring effects" in some markets and that the modified rules have "not eliminated all effects," Filip wrote.

"We are pleased that the court has allowed the lawsuit to proceed and we look forward to presenting our case at trial," J. Bruce McDonald, a deputy attorney general for antitrust, said in a statement released by the Justice Department.

Steve Cook, a Washington-based spokesman for the trade association, said the ruling "was very much expected and we are confident we can win on the merits of the case."

Filip, who was appointed to the federal bench in 2004 by President Bush, announced his ruling from the bench in September and released the opinion outlining his reasons late yesterday, Cook said.

Court Issues Opinion Related To DOJ Vs. NAR Lawsuit (INMAN)

By Glenn Roberts Jr., Inman News

Inman News, November 29, 2006

Judge explains rejection of attempt to dismiss case

U.S. District Court Judge Mark Filip, in a 29-page opinion released Monday, offered a detailed explanation on why he earlier rejected a motion by the National Association of Realtors trade group to dismiss an antitrust complaint brought by the U.S. Department of Justice.

Filip last month denied the Realtor group's motion to dismiss the lawsuit, which was filed in September 2005 and amended in October 2005. The lawsuit alleges that the trade group's policies governing the online display and sharing of property information are overly restrictive and can harm consumers and stifle innovation.

The National Association of Realtors in December filed the motion in U.S. District Court in Chicago in an attempt to toss out parts of the lawsuit that target the association's former online listings policy, known as the Virtual Office Website (VOW) policy and so-called "opt-out" provisions of its policies that allow brokers to withhold online listings from other brokers.

Laurie Janik, general counsel for the National Association of Realtors, said there "were no surprises" in the judge's opinion. The rules of the court dictate that the judge must assume that the allegations brought by the Justice Department are true in weighing the association's motion, Janik said -- the lawsuit has not yet reached the trial phase and both sides are still gathering evidence.

"He was very careful in his wording. I didn't view anything he had sent out as significant (to the overall case)," she added. "We knew it was a long shot but we thought it was worth making. The sooner we can end this litigation, the better."

J. Bruce McDonald, deputy assistant attorney general for the Justice Department's Antitrust Division, said in a statement, "We are pleased that the court has allowed the lawsuit to proceed and we look forward to representing our case at trial. The (division) is committed to preserving competition in this vital sector of our nation's economy."

While the Realtor group announced the withdrawal of its VOW rules and the adoption of modified Internet listings rules after receiving notice that the Justice Department intended to file the lawsuit, Filip said in his opinion that Justice Department is entitled to proceed with its case against both the old policy and the modified policy, the Internet Listings Display (ILD) policy.

The Justice Department has alleged that the VOW and ILD policies are part of a "single, ongoing contract, combination or conspiracy," according to the opinion, and that the "two policies are part of a continuing conspiracy among NAR and its member brokers to restrain competition from VOW brokers." NAR has argued that there is no ongoing conspiracy because the modified policy replaced the old policy, though the Justice Department alleged that the two policies have "a common purpose driven by a common motive -- to restrain the competitive threat posed by Internet-based brokerages."

The court found that the Justice Department's allegations provided sufficient basis for both policies to be included in the lawsuit, as it has argued that "the allegedly anti-competitive effects which flowed from adoption of the initial VOW policy have had enduring effects, at least in certain markets, such that ... the modified VOW policy ... has not eliminated all the effects of the initial VOW policy."

Russ Cofano, a Seattle-based lawyer who has represented real estate industry clients and ran a real estate technology company, said he thought it was interesting to read the judge's statement that the court could choose a remedy for proven anti-

competitive practices that "can go beyond the prohibition of those practices which ... were found to constitute the illegal conduct." The court also stated that the alleged "effects of the initial VOW, and the ways by which it allegedly would impair competitive forces and incentives in relevant markets, cannot be cabined from this case at the outset, as (NAR) apparently desires."

Cofano said, "The court is basically saying that relief to the United States -- in a claim like this -- is not limited only to stopping a policy. It can go well beyond that." If the Justice Department is able to prove its allegations, Cofano said that potentially opens up the door to a range of actions that the judge could take, he said. "That creates an unknown risk for NAR as to what the relief might be" if the Justice Department can prove its case, Cofano said.

He also stated that it was "strategically the right thing to do" for the Realtor association to ask the judge to dismiss aspects of the Justice Department's complaint. "I think the court has given them insight," he said. "I would presume (NAR officials) are reading this very carefully. Some of the language in the opinion certainly is instructive."

The judge's opinion states that the Realtor group's original VOW policy is relevant because "issues about the intent of the NAR in passing it will potentially help to illuminate (NAR's) intent generally as either benign or improper." The opinion also noted the potential for NAR to reinstate the original VOW as a justification for not tossing out provisions of the Justice Department complaint.

The Justice Department has alleged that members of an NAR working group for VOW policy wrote that aspects of the policy "would be 'abused beyond belief,' with traditional brokers selectively withholding listings from particular VOW-based competitors," and that the chairman of the working group "took comfort in the fact that the rule did not require brokers to disclose to clients that their listings would be withheld from some prospective purchasers as a result of the brokers' opt-out decision, thus providing brokers 'flexibility without conversation,' " court documents state.

In his opinion, Filip stated that the Justice Department has "alleged substantial concrete evidence that, if credited and true, could be understood to reflect that the new VOW policies were developed and utilized with anti-competitive animus, as well as with a recognition that the VOW policies would harm American consumers." Janik said that the association denies that there was any animus -- or willful antitrust violations -- in adopting the policies.

About 200 Realtor boards implemented the Realtor association's original VOW policy, the Justice Department has alleged. The association has advised that local boards do not adopt controversial provisions of the VOW policy and that the boards do not adopt the ILD policy.

While the modified VOW policy provides a so-called "blanket opt-out" provision that allows a broker to withhold online listings from other MLS participants provided that the broker does not display the other participants' listings, the judge's opinion states that NAR "does not meaningfully challenge" the Justice Department's facts "that the opt-out is of more detriment to a VOW broker than to a broker that does not use a Web site to deliver listings to a client, or that the opt-out undermines brokers who have a referral-based business model."

Robert D. Butters, a lawyer for Arnstein & Lehr LLP in Chicago who has represented real estate brokerages, technology companies and MLSs, said that the potential for the Justice Department to present evidence for anti-competitive intent in NAR's adoption of the original online listings policy "is particularly threatening in my view for NAR's subsequent defense of the case."

The Justice Department spent two years investigating the original VOW policy, and Butters said the evidence that the Justice Department has introduced already "could just be the tip of the iceberg."

Butters also said that the judge's opinion "didn't draw much distinction between the blanket and selective opt-out" provisions in the ILD and VOW policies. The original VOW policy approved in 2003 provided a selective opt-out provision that allowed participating brokers to pick and choose which brokers they would share their listings with, while the modified VOW policy -- also known as the ILD policy -- provided a blanket opt-out provision requiring that brokers who withhold listings from other participants cannot show those participants' listings on their own Web sites.

"The court pretty much treated the opt-out issue as a singular issue," in the opinion, Butters said.

The judge's opinion states, "Underlying (NAR's) argument is an assumption that the 'blanket' opt-out imposes higher costs on the broker deciding to opt-out, and thus it is less likely to be used than the selective opt-out," and adds that the Justice Department's allegations do not "depend upon a 'selective' or 'targeted' opt-out right."

"This judge clearly gets it," Butters said. "He understands how VOWs operate and the potential they have for making the marketing process far more efficient and consumer-friendly. He clearly comprehends that."

Supreme Court Justices Hear Weyerhaeuser Logging Case (AP)

AP, November 29, 2006

WASHINGTON (AP) - The Supreme Court on Tuesday questioned whether forest products giant Weyerhaeuser Co. drove a smaller competitor out of business by paying too much for logs that Weyerhaeuser allegedly didn't need.

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The case focuses on the lumber industry in the Pacific Northwest and pits a defunct company, Ross-Simmons Hardwood Lumber Co., against Weyerhaeuser and the Bush administration.

Weyerhaeuser is fighting an $80 million award to Ross-Simmons stemming from a jury verdict that found the larger company had violated federal antitrust law.

Ross-Simmons accused Weyerhaeuser of paying too much for alder sawlogs and not using what it bought, with the goal of driving out competing sawmills.

Arguments before the Supreme Court Tuesday turned on what legal standard Ross-Simmons must meet in order to win in court and whether a jury instruction in the case was faulty.

Companies often attack competitors by selling products at a lower price, benefiting consumers in the short term. A high legal standard must be met for a company engaging in such conduct to be found to have acted illegally. But there is no such apparent benefit in the Weyerhaeuser case. Isn't that a reason not to apply the elevated standard? asked Chief Justice John Roberts.

"We don't think so," replied Andrew Pincus, representing Weyerhaeuser. Pincus pointed out that buying at a higher price in this instance would benefit the sellers supplying logs to Weyerhaeuser.

Kannon Shanmugam, a Justice Department lawyer from the solicitor general's office, suggested that Weyerhaeuser's conduct may well have been helpful to the marketplace.

"Aggressive bidding no less than price-cutting is usually pro-competitive," Shanmugam told the justices.

Justice Antonin Scalia suggested Weyerhaeuser's conduct might make perfect sense - paying more to ensure that its mills had an adequate supply of logs.

That prompted Justice David Souter to interject that those circumstances apparently aren't present in this case. Evidence presented by Ross-Simmons, Souter said, is that the supply of logs was limited.

Supreme Court Hears Sawmill Suit (SEAPI)

By JENNIFER A. DLOUHY, HEARST NEWSPAPERS

Seattle Post-Intelligencer, November 29, 2006

WASHINGTON -- The lawyer for a now-defunct sawmill told the U.S. Supreme Court on Tuesday that timber giant Weyerhaeuser Co. broke federal antitrust laws by overpaying for more logs than it needed and then cutting its prices on the finished lumber used to make guitars and furniture.

The strategy drove the smaller timber processor, Ross-Simmons Hardwood Lumber Co., out of business at the same time it allowed Weyerhaeuser to strengthen its foothold in the Pacific Northwest alder saw-log market, said the lawyer, Michael Haglund.

"Weyerhaeuser artificially increased the log market above where it otherwise would have been," Haglund said. "We have a situation where they warehoused large -- unprecedentedly high -- volumes of lumber because they" wanted to keep it out of competitors' hands.

Ross-Simmons now wants Federal Way-based Weyerhaeuser to pay nearly $80 million in damages for the business tactics, which it says were part of a ploy to monopolize the market. The Longview-based sawmill says Weyerhaeuser's tactics forced it out of business in 2001 by driving prices for saw logs higher than it could afford and by depleting the supply of the trees.

The price of alder saw logs and that of finished lumber made from the material are usually tied together. But from 1998 to 2001, Ross-Simmons argued in court filings, the price of saw logs rose even as the price of finished lumber dropped.

In its defense, Weyerhaeuser contends it was only making smart business decisions and could afford to pay more for the logs because it was more efficient at processing the wood.

The two lumber mills are feuding over the appropriate legal standard for determining when buying practices are predatory, and therefore a violation of federal antitrust laws.

A federal district court in Portland ruled in favor of Ross-Simmons and said the lumber company did not have to prove Weyerhaeuser took a financial loss to prevail. Instead, the district court found, it was enough that Ross-Simmons proved in court that Weyerhaeuser had decided to cut its profit margin on finished lumber made from alder saw logs.

Ross-Simmons won a verdict of $78 million, an award that was affirmed by the 9th U.S. Circuit Court of Appeals, which said Weyerhaeuser had intended to monopolize the alder saw-log market in the Pacific Northwest.

Weyerhaeuser appealed to the Supreme Court. The company has the backing of the Bush administration, which says aggressive buying tactics make for good business competition by ensuring that companies have access to enough raw materials to manufacture more products.

Businesses far outside the Pacific Northwest are watching the case because it will force the justices to draw the line between savvy business strategies and illegal anti-competitive behavior.

Tactics that may appear underhanded may simply be aggressive -- but legal -- business competition, said Andrew Pincus, Weyerhaeuser's lawyer.

"It's very hard to distinguish ... between hard-fought competition and anti-competitive intent," Pincus said. "Increasing the prices that are paid for inputs -- like lowering sales prices -- is a mechanism by which a firm competes. It's a result that we would expect from a buyer's ordinary competitive instincts."

Chief Justice John Roberts noted that while predatory selling can benefit consumers by lowering prices, predatory buying does not help them. Given that, Roberts asked, shouldn't predatory buying be judged by a looser standard?

Justice John Paul Stevens seemed concerned that a ruling for Weyerhaeuser would mean an end to cases in which there is clear evidence -- such as internal company memos -- that a business paid more for raw materials as part of a ploy to drive a competitor out of business.

In the absence of evidence, Justices Stephen Breyer and Ruth Bader Ginsburg wondered how to judge what motivates a company's buying practices.

"If you're trying to decide whether people are hogging goods unnecessarily for bad purposes or (are) storing up nuts for winter for good purposes, then a very good key to that is (whether) these people expect in the long run to make money out of this," Breyer said.

The Supreme Court is expected to rule on the case by July. The case is Weyerhaeuser v. Ross-Simmons, 05-381.

Judge Bars Newspaper Consolidation (AP)

By David Kravets, Associated Press Writer

AP, November 29, 2006

Judge Issues Restraining Order in Bay Area Newspaper Sale

SAN FRANCISCO (AP) -- A previously undisclosed internal memo prompted a federal judge Tuesday to temporarily block the consolidation of some of the San Francisco Chronicle's business operations with those of rival newspapers owned by MediaNews Group Inc.

Denver-based MediaNews, which already owned the Oakland Tribune and seven other Bay Area newspapers, acquired the Monterey County Herald, San Jose Mercury News and Contra Costa Times from McClatchy Co. earlier this year. The complex $1 billion deal included $300 million in financing from Hearst Corp., owner of the Chronicle.

In July, U.S. District Judge Susan Illston let the deal go through, ruling against an antitrust lawsuit that claimed the deal would create a monopoly on readership and advertising in the region.

But in issuing Tuesday's restraining order, she said a memo had recently surfaced showing Hearst had an undisclosed motive for investing in the deal -- to consolidate its Bay Area advertising and distribution operations with those of the Chronicle's competitors -- a possible antitrust violation.

"Such agreements would alter the court's analysis of this case as a whole," Illston wrote, and would "increase the likelihood that the transactions at issue here were anticompetitive, and illegal."

Illston said she previously "accepted defendants' representations that Hearst's involvement in the transactions was solely that of a passive equity investor."

"Though defendants offered no explanation why Hearst was willing to help finance an acquisition that would only make its competition stronger, the court did not understand that Hearst expected, or would later receive, any quid pro quo," the judge wrote.

The April 26 letter is from Hearst Senior Vice President James Asher to Joseph Lodovic, president of MediaNews.

"The Hearst Corporation and MediaNews Group, Inc. agree that they shall negotiate in good faith agreements to offer national advertising and Internet advertising sales for their San Francisco Bay area newspapers on a joint basis," it reads, "and to consolidate the San Francisco Bay area distribution networks of such newspapers."

Lodovic said Tuesday that there has been no further dialogue between the two companies about shared advertising or distribution.

"So she basically issued an order that has no immediate effect whatsoever," he said. "There is nothing planned."

Paul Luthringer, a spokesman for New York-based Hearst, said the publisher had no comment.

Illston was skeptical the two companies haven't been working together behind the scenes, saying in her ruling that "the parties have engaged in more than just an abstract agreement to negotiate at some later date."

MediaNews and Hearst last week joined forces as part of a newspaper industry consortium that will try to generate more online advertising revenue by working with Yahoo Inc., the Internet's most trafficked site. William Dean Singleton, MediaNews' chief executive and chairman-elect of The Associated Press, played an instrumental role in forming the alliance involving more than 150 dailies in 38 states.

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Illston said the "Yahoo Internet advertising deal announced recently suggests that Hearst and MediaNews have made significant progress towards cooperative deals somewhat similar to those discussed in the letter."

San Francisco real estate magnate Clint Reilly filed the antitrust lawsuit seeking to block McClatchy's sale of the Bay Area papers to MediaNews. His laywer, Joseph Alioto, said he recently discovered the memo on cooperation while scouring boxes of documents in the case.

"It's not just a smoking gun," Alioto said. "It's a picture of the bullet coming out of the nozzle."

Peter Scheer, executive director of the California First Amendment Coalition, speculated that Illston will eventually issue a permanent order blocking MediaNews and Hearst from cooperating in the ways the April 26 letter discusses.

"If that's the $64,000 question, the $65,000 question is: Does Hearst want to be in the deal with MediaNews and does MediaNews want to be in with Hearst if they are barred by the judge from cooperating in those ways?" Scheer said.

Reilly, a former San Francisco mayoral candidate, unsuccessfully sued to block the 2000 sale of the Chronicle to the Hearst Corp.

Hearst paid $660 million for the Chronicle. But to assuage antitrust concerns, it gave away its flagship San Francisco Examiner and subsidized the Examiner's new owners with $66 million over three years. The Examiner survived as a free daily tabloid.

Illston said Reilly's antitrust case will go to trial sometime in April 2007.

Sacramento-based McClatchy got the newspapers targeted in Reilly's suit as part of its $4 billion acquisition of San Jose-based Knight Ridder Inc.

McClatchy subsequently struck deals to sell 12 of Knight Ridder's former 32 daily papers for $2 billion.

The case is Reilly v. MediaNews Group, 06-4332.

Judge Restrains Advertising Deals Between Bay Area Newspaper Companies (ALAMTS)

By Josh Richman, STAFF WRITER

Alameda (CA) Times-Star, November 29, 2006

A federal judge issued a temporary restraining order Tuesday to keep the Bay Area's two major newspaper companies from inking deals to consolidate their national advertising sales and distribution operations.

Evidence of talks between MediaNews Group Inc. and Hearst Corp. -- the San Francisco Chronicle's owner, and a party to MediaNews' recent purchase of the San Jose Mercury News and Contra Costa Times -- raises the specter of antitrust violations, U.S. District Judge Susan Illston of San Francisco wrote in Tuesday's order.

She'll hold a hearing Dec. 6 on whether her order should become a preliminary injunction, barring any such deals at least until a lawsuit challenging MediaNews' acquisitions goes to trial in April.

Sacramento-based McClatchy Co. this year bought the now-defunct Knight Ridder Corp.'s 32 newspapers for $6.5 billion. From among those, the Mercury News and Contra Costa Times were then sold for $736.8 million to Denver-based MediaNews Group -- which also owns this newspaper -- and the Monterey County Herald and the St. Paul (Minn.) Pioneer Press were sold for $263.2 million to New York City-based Hearst Corp.

In a separate, simultaneous pact, Hearst agreed to give the St. Paul and Monterey papers to MediaNews in return for an equity investment in MediaNews' non-Bay Area assets.

San Francisco businessman, political consultant and former mayoral candidate Clint Reilly sued July 14 to halt the deal, claiming it would create a Bay Area newspaper monopoly

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with higher subscription and advertising rates and diminished journalistic quality, jobs and union contracts.

Illston refused his initial plea for a TRO to prevent the sale's closing, but Reilly went back to her last week with new evidence found among documents provided by the newspaper companies.

An April 26 letter from Hearst Senior Vice President James Asher to MediaNews President Jody Lodovic IV said the two companies "shall negotiate in good faith agreements to offer national advertising and Internet advertising sales for their San Francisco Bay area newspapers on a joint basis, and to consolidate the San Francisco Bay area distribution networks of such newspapers." The letter also said they would jointly seek a deal with online classified advertising companies.

Illston wrote Tuesday that this "casts serious doubt on several key findings underlying" her July ruling.

She had taken the companies at their word that Hearst's involvement was solely that of a passive equity investor, but the April 26 letter now suggests "Hearst's investment was specifically tied to an agreement by MediaNews to limit its competition with Hearst in certain ways" -- a quid pro quo for Hearst's help in MediaNews' purchase of the newspapers.

The judge wrote she's no longer sure the Chronicle is a strong competitor for MediaNews' papers: "The principal source of revenue for newspapers is advertising. The principal costs presumably include distribution and printing. The April 26 letter

suggests, at the very least, an intent to limit some aspects of competition between Hearst and MediaNews in advertising and distribution."

The companies "have engaged in more than just an abstract agreement to negotiate at some later date," Illston wrote; these and other companies' recent announcement of an Internet advertising deal with Yahoo! "suggests that Hearst and MediaNews have made significant progress towards cooperative deals somewhat similar to those discussed in the letter."

If a Bay Area-wide ad buy becomes national advertisers' only option, "the agreement might well be per se illegal," she wrote. Having one geographic market's only two "competitors" in cahoots "would raise a significant risk of price manipulation." And colluding on distribution to cut costs "also may raise barriers to entry by other competitors," she added.

MediaNews President Jody Lodovic IV said Tuesday's order means little because "nothing was being planned as relates to those things outlined in the letter... Quite frankly, there has been no further discussions since that time and there's nothing imminent."

"This is not the real battle here -- the real battle is what happens at trial in April," he added.

A Hearst Corp. spokesman declined comment Tuesday.

Reilly's lawyer, Joseph Alioto, called Tuesday's order "a strong statement by the court, and we think it's the beginning." He said he expects that as Hearst and MediaNews executives give depositions in December and January, "this house of cards is going to crumble... This concealed, secret, clandestine agreement was the knot that held this whole thing together."

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Restraining Order In Sale Of Bay Area Papers (SFC)

By Bob Egelko, Chronicle Staff Writer

San Francisco Chronicle, November 29, 2006

SAN FRANCISCO -- A federal judge issued an order today temporarily prohibiting the owner of The Chronicle from collaborating with the owner of the San Jose Mercury News and other Bay Area newspapers in local distribution and national advertising sales, saying the proposed agreement might be monopolistic.

U.S. District Judge Susan Illston denied a request to halt further consolidation of operations at the Mercury News and the Contra Costa Times by their new owner, MediaNews Corp., while she considers the legality of the firm's purchase of the newspapers. But in a temporary restraining order that barred joint distribution and ad sales by MediaNews and Hearst Corp., Illston said newly disclosed evidence of the proposed collaboration between the companies has increased "the likelihood that the transactions at issue here were anti-competitive and illegal."

The judge said she "is not convinced that an agreement between the only two competitors in a market, to share distribution networks, does not raise serious competitive questions."

The restraining order will be in effect until a Dec. 6 hearing on an injunction that would keep the ban in place until April 30. That is when a lawsuit by Clint Reilly, a real estate investor, former political consultant and onetime San Francisco mayoral candidate, is scheduled to go to trial.

Reilly is seeking to block MediaNews' purchase of the Mercury News and Contra Costa Times, arguing that the deal, combined with MediaNews' financial arrangement with Hearst, would create a newspaper monopoly in the Bay Area.

Reilly's lawyer, Joseph Alioto, said today's ruling could be the first step toward upsetting MediaNews' purchase.

"This agreement (on distribution and advertising) was the knot that ties the whole package together, and when this unravels, the whole package unravels," Alioto said.

"They're trying to monopolize the entire Bay Area," Alioto said of MediaNews and Hearst. They did it secretly ... and they got caught."

MediaNews President Jody Lodovic said the ruling would have little impact because the companies had no immediate plans to collaborate on advertising or distribution, and hadn't even discussed the subject since the proposal was outlined in an April 26 letter from a Hearst executive. He said the idea hadn't been discarded, but "there's no urgency to anything."

"To the extent that it makes sense to do some things like joint distribution, we will explore it," Lodovic said. But he noted that the letter, which Illston quoted in today's ruling, contained the stipulation that any arrangements between the companies would follow the law.

Hearst spokesman Paul Luthringer declined to comment on the ruling.

MediaNews, which already owned the Oakland Tribune, Hayward Daily Review, Marin Independent Journal, San Mateo County Times and other Bay Area dailies, bought the Mercury News and Contra Costa Times from McClatchy Corp. this summer for $736.8 million. McClatchy had acquired the newspapers in March as part of its purchase of the Knight Ridder chain.

Hearst, which owns The Chronicle and 11 other newspapers, put up $263 million to acquire two other McClatchy papers, the Monterey County Herald and the St. Paul (Minn.) Pioneer Press, which it agreed to transfer to MediaNews. In exchange,

Hearst gets a share in MediaNews papers outside the Bay Area. That share was not revealed at the time, but Illston said today it was 30 percent.

In July, Illston denied a request by Reilly to block the MediaNews purchase while she considered his antitrust suit. Reilly renewed his request for a restraining order after learning of the proposed collaboration in advertising and distribution.

The previously sealed April 26 letter, sent by Hearst senior vice president James Asher to Lodovic and signed by both men, contained an agreement to negotiate plans to consolidate the companies' Bay Area distribution networks and jointly offer national advertising and Internet ad sales.

Illston said the letter "casts serious doubt on several key findings" that were the basis for her July order refusing to block the transactions.

She cited the two companies' assertion that Hearst was merely a passive investor in MediaNews. The judge noted that Hearst had not explained why it was willing to help finance an acquisition that would strengthen its competitor, and said the April 26 letter "suggests, at the very least, that Hearst's investment was specifically tied to an agreement by MediaNews to limit its competition with Hearst in certain ways."

At the same time, she said, the letter indicates that The Chronicle may not continue to be a strong source of competition for the other Bay Area newspapers, as she assumed in her earlier ruling.

In addition, Illston said, if national advertisers who wanted to place ads in any Bay Area newspaper had the sole option of buying space in all papers owned by the two companies, the arrangement might well violate antitrust law.

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Supreme Court Hearing Abstract Patents Case (LAT)

By Jim Puzzanghera

The Los Angeles Times, November 28, 2006

WASHINGTON — The Supreme Court heard oral arguments today in an abstract case involving automobile gas pedals that could apply the brakes to the recent dramatic growth in patents issued nationwide.

Frustrated justices flipped through engineering diagrams as they pondered a question at the heart of many patent disputes -- was the invention of an adjustable pedal with electronic sensors truly unique in this case, or just an "obvious" combination of existing components that anyone with a little skill in the field could have designed?

For the past two decades, critics have said the federal appeals court that handles all patent cases has made it easy to get patent protection for such "obvious" or minor innovations. Many companies have built their businesses on the patents upheld through that process.

Chief Justice John Roberts and several of his colleagues sharply criticized the lower court's test for invalidating patents on grounds that they are obvious advances. They said it was too rigid, leading to patents that fell short of real innovations.

But some of those same justices pondered how to loosen the standard without making it too vague, and what impact changing it would have on existing patents.

Justice David Souter wondered if 100,000 new patent lawsuits would be filed the morning after a court decision invalidating the current standard.

And Justice Antonin Scalia, who derided the existing obviousness test as "gobbledygook," at the same time asked, "Does it make sense to assume patents are valid that have been issued under an erroneous test for 20 years?"

The case, which pits Canadian-based automotive parts maker KSR International Co. against rival Teleflex Inc. of Pennsylvania, is the most significant of several cases the Supreme Court has taken recently involving the overburdened U.S. patent system.

That system has strained over the past two decades to keep up with a flood of patent applications from new fields, such as biotechnology and personal computing. From 1985 to 2005, annual applications have nearly tripled and the number of patents issued each year has more than doubled, to 165,485.

If the justices loosen the standard for invalidating a patent because it is simply an obvious improvement over existing products, it could cut the number of patents issued and open the door to new lawsuits, said Steve Maebius, an intellectual property attorney and partner with partner with Foley & Lardner, LLP.

"Clearly, it is a ruling that will have the potential to cut across all industry, and affect everything from computers to biotech," he said. "I think the court will have a real challenge to strike the right balance here."

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Supreme Court Patent Case Comes Down To Stating ‘obvious' (USAT)

By Joan Biskupic

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USA Today, November 29, 2006

WASHINGTON — In unusually spirited arguments Tuesday, several Supreme Court justices challenged the prevailing standard for when an invention is too closely tied to existing works to qualify for patent protection.

However, some justices also worried that changing the rules of "obviousness" would throw into doubt the validity of many existing patents.

Justice David Souter asked whether there would be "100,000 cases filed tomorrow morning" if the standard used by a lower federal court that oversees patent appeals were changed. He wondered if such a change would "produce chaos."

Justice Antonin Scalia said that the current lower-court test for determining whether an invention is innovative or "obvious" is "gobbledygook," but he also questioned "what happens to the presumption of validity" for patents if the justices change the standard.

The case — brought by Teleflex and KSR International, dueling manufacturers of adjustable gas pedals — touches on concerns that patents are being issued for products and processes whose differences from existing works are too small to matter.

Justice Stephen Breyer noted that some lawyers have claimed that judges on the lower federal court have "leaned too far in the direction of never seeing a patent they didn't like."

The dispute is receiving national attention because it goes to the heart of determining what is truly new — and when inventors should be entitled to the exclusive right to make and sell an item. The case's resolution could make a difference in money for research and development of a product and, ultimately, in what consumers pay for it.

After Teleflex accused KSR International of violating the patent on a Teleflex gas pedal, KSR countered that Teleflex never should have gotten a patent on its pedal because it was "obvious," based on other works.

The U.S. Court of Appeals for the Federal Circuit ruled that KSR failed to make a sufficient case for "obviousness." The court said KRS did not show that existing technology offered a "teaching, suggestion or motivation" for the new gas pedal device.

James Dabney, representing KSR, said the test for what's obvious should be whether someone in the industry would have been capable of adapting existing technology for a new result, not whether "motivation" was there.

Justices Breyer and Scalia complained that the lower court's test was difficult to apply. Chief Justice John Roberts said it "complicates the inquiry" over what's obvious.

Thomas Goldstein, representing Teleflex, argued that the teaching-and-motivation test is neither confusing nor problematic. He said it helps prevent "hindsight" from distorting assessments of whether a variation is obvious. He said the Federal Circuit looks at whether an invention "was apparent or not apparent to a person of ordinary skill at the time of the invention."

Prior Art, Teaching, Skill? It Must Be A Patent Case (NYT)

By Linda Greenhouse

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — To be eligible for a patent, an invention must be novel, useful and, according to the statute, not "obvious" to a person of "ordinary skill" in the field. While the meaning of the term "obvious" might appear to be obvious, a lively and surprisingly entertaining Supreme Court argument on Tuesday demonstrated that it is anything but.

The question was how patent examiners and judges should evaluate the obviousness of a new product that combines, albeit in a novel way, two or more existing products. Since most inventions use elements of what patent law calls "prior art," this case presents the court with what is widely viewed as its most important patent case in years.

The patent in dispute is for an adjustable gas pedal, designed to work in vehicles equipped with electronic engine controls. In the past, gas pedals that could be adjusted for the driver's comfort worked mechanically. The new version, produced by a Canadian company, the KSR International Company, under contract to General Motors, combined an adjustable pedal with an electronic sensor.

Claiming that it had already patented such a product, a rival company, Teleflex Inc., sued. KSR argued that Teleflex's patent was invalid because the combination of the two elements was obvious. A federal district judge in Detroit agreed, and dismissed the infringement suit.

But the United States Court of Appeals for the Federal Circuit, which has jurisdiction over all patent appeals, overturned that decision. It ordered the district court to reconsider the case under a test that makes obviousness harder to prove — and therefore makes patents easier to obtain and defend. It is the validity of that test that is at issue in the case, KSR International Co. v. Teleflex Inc., No. 04-1350.

The Federal Circuit's test for obviousness is usually referred to as the teaching-suggestion-motivation test. Under the test, a patent cannot be rejected as obvious unless the party challenging it can show that at the time of the invention, there existed a

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"teaching, suggestion, or motivation" that would have led a person familiar with the field to put existing products together. Meeting that test often requires a jury trial, making patent litigation prolonged and expensive.

James W. Dabney, the lawyer representing KSR, told the justices that the Federal Circuit had improperly displaced "skill and ingenuity" as the benchmark for obtaining a patent and replaced it with what amounted to an "entitlement" to patent protection. But the Supreme Court itself "has rejected time and time again the notion that someone who was the first simply to take advantage of the known capability of technology was entitled to a patent," he added.

The federal Patent and Trademark Office agrees with the critique and entered the case on the side of KSR. Thomas G. Hungar, a deputy solicitor general, told the justices that "as the sole means of proving obviousness, the teaching-suggestion-motivation test is contrary to the Patent Act, irreconcilable with this court's precedents, and bad policy."

Mr. Hungar added, "It asks the wrong question and, in cases like this one, it produces the wrong answer."

But as Chief Justice John G. Roberts Jr. pointed out, the Federal Circuit had a rationale for adding its distinctive gloss to the concept of obviousness. "They say obviousness is deceptive in hindsight," the chief justice observed to Mr. Dabney. "In hindsight, everybody says, 'I could have thought of that,' " he said, adding that in the Federal Circuit's view, "if you don't have the sort of constraint that their test imposes, it's going to be too easy to say that everything was obvious."

The chief justice's comment came early in the argument; any implication that he was sympathetic to the appeals court proved premature. When it came time for the lawyer for Teleflex, Thomas C. Goldstein, to take the podium, Chief Justice Roberts made clear his disdain for the Federal Circuit's approach.

The test "adds a layer of Federal Circuit jargon that lawyers can then bandy back and forth," he said, adding, "It seems to me that it's worse than meaningless because it complicates the inquiry rather than focusing on the statute."

When Mr. Goldstein noted that "every single major patent bar association in the country has filed on our side," the chief justice interjected: "Well, which way does that cut? That just indicates that this is profitable for the patent bar." And when Mr. Goldstein referred to experts who had testified that the Teleflex patent was not obvious, the chief justice asked: "Who do you get to be an expert to tell you something's not obvious? I mean, the least insightful person you can find?"

Chief Justice Roberts made the comments with a smile, and the courtroom audience responded with laughter. Mr. Goldstein, an experienced Supreme Court advocate, was unfazed at finding himself the straight man in a courtroom comedy. He kept returning to his theme, which was that the Federal Circuit's test, properly understood, served the function of focusing the inquiry.

"Invention isn't at the end when you put the two things together," Mr. Goldstein said. "Invention is finding the problem, deciding what pieces of the prior art to use, and deciding how to put them together." He warned that there would be "genuine, dramatic instability" if the court disavowed the approach the Federal Circuit has used nearly since its creation in 1982.

Congress created the centralized court for the purpose of reducing instability in the patent system. Underlying the legal arguments was the deeper question of how patent law has fared in the court's hands — whether, as Justice Stephen G. Breyer put it, "they've leaned too far in the direction of never seeing a patent they didn't like." There was, Justice Breyer said, "a huge argument going on." With that observation, Mr. Goldstein readily agreed.

Justices Slam Nation's Patent System; Federal Circuit Chief Defends 'Obviousness' Test (LAW)

By Tony Mauro, Legal Times

Legal Times, November 29, 2006

In surprisingly blunt terms, Supreme Court justices Tuesday made it crystal clear that they are upset with the nation's patent system, the lawyers who litigate under it and the appeals court that referees it.

During a lively -- bordering on raucous -- hour of arguments on what makes an invention so obvious that it does not deserve a patent, justice after justice piled on criticism of the U.S. Court of Appeals for the Federal Circuit's three-part "teaching-suggestion-motivation" test for determining obviousness, an issue that arises in virtually every patent application and appeal. The test has been criticized as too patent-friendly, resulting in a proliferation of junk patents that stifle competition.

"Three imponderable nouns," is how Justice Antonin Scalia dismissed the test, also calling it "gobbledygook" for good measure.

Chief Justice John Roberts Jr. called it "Federal Circuit jargon" that is inflexible and "worse than meaningless."

And when Justice Stephen Breyer said he had read the briefs in the case "15 times" and still could not understand the "motivation" prong of the test, Scalia chimed in, "Like Justice Breyer, I don't understand."

The implied message to the Federal Circuit seemed to be: If two of the brainier justices on the Supreme Court don't have a clue what you are talking about, a new test might be in order.

By the end of the arguments in KSR International v. Teleflex, it seemed obvious that the Federal Circuit's three-part test for obviousness will be modified, if not scrapped altogether. But what will replace it was less clear.

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After the argument Tuesday, the Federal Circuit's chief judge, Paul Michel, defended the test in a telephone interview, asserting, "The judges of our court are quite clear on what it is and how to apply it." He said the test goes back decades -- since before creation of the court in 1982 -- and has been applied with flexibility and common sense. "I wonder if some of the descriptions of the test I have seen lately are accurate."

Michel stressed that he did not attend Tuesday's high court arguments and was not responding to specific comments by any justice.

Under the Federal Circuit's test, anyone challenging a patent must show some evidence that there are prior teachings, suggestions, or motivations or incentives in the field that make the challenged item an obvious development rather than a patentable innovation.

Because it requires some kind of evidence, even in fast-moving technologies in which such evidence can be hard to document, the test has been attacked for making it too hard for examiners to deny a patent application and for competitors to topple existing patents. James Dabney, arguing against the test, told the Court the test makes it very difficult to challenge a patent claim, "no matter how small might be the difference between a patent claim and prior art."

Dabney, a partner in New York's Fried, Frank, Harris, Shriver & Jacobson, represented KSR, a company that challenged Teleflex's patent for an adjustable gas pedal for cars. The Federal Circuit, using its disputed test, upheld the patent, prompting KSR's plea to the high court.

Dabney's adversary, Thomas Goldstein, who had the suddenly unenviable task of defending the circuit and its test, made a last-ditch effort that could limit the damage. He warned the justices that if they come up with a completely new test, millions of patents that were reviewed or upheld under the old standard for the past 20 years or more could be challenged in court.

"It will create genuine, dramatic instability," said Goldstein, partner in Akin Gump Strauss Hauer & Feld, who represented Teleflex. [Goldstein is a contributor to Legal Times.]

Goldstein's floodgate argument appeared to give pause to some justices. "Are there going to be 100,000 cases filed tomorrow morning?" asked Justice David Souter.

Goldstein also noted that all of the patent bar associations that filed briefs in the case were on his side, endorsing the Federal Circuit's test as a balanced and workable standard.

That brought a sharp rebuke from Roberts. "Well, which way does that cut? That just indicates this is profitable for the patent bar," he said.

At another point, Roberts also ridiculed the concept of hiring expert witnesses to testify that a certain innovation was not obvious from prior art.

"Who do you get to be an expert to tell you something's not obvious?" Roberts asked aloud. "I mean, the least insightful person you can find?"

After the argument, Goldstein said that if the Court does only minor tinkering with the standard, litigation might be limited, but if it adds significant new factors to the test, legal challenges to past patents could be "a huge problem."

During one of the hour's lighter moments, Breyer revealed his own aspirations as an inventor. He said that at his home -- he did not specify which one -- raccoons have been eating the mechanism on his garage-door opener that detects when a car is coming or going. He said he had the bright idea of putting the mechanism at the top of the door, rather than on the ground, to protect it from critters. "How could I get a patent for that?" Breyer asked.

High Court To Weigh Price Strategy In Weyerhaeuser Antitrust Case (WSJ)

The Wall Street Journal, November 29, 2006

WASHINGTON -- Companies often are accused of cutting prices unfairly to drive a competitor from the market, but is raising prices for the same purpose just as unfair?

The Supreme Court questioned whether Weyerhaeuser Co. drove a smaller rival out of business by paying too much for logs that the Federal Way, Wash., forest-products company allegedly didn't need.

Weyerhaeuser is fighting an $80 million award to the now-defunct Ross-Simmons Hardwood Lumber Co. stemming from a jury verdict that found Weyerhaeuser violated federal antitrust law. Ross-Simmons, of Longview, Wash., accused Weyerhaeuser of paying too much for alder logs and not using what it bought, with the goal of driving out competing sawmills that use the wood in furniture and other products.

Yesterday's oral arguments before the high court turned on what legal standard Ross-Simmons must meet in order to win in court and whether a jury instruction in the case was faulty.

Companies often attack competitors by selling products at a lower price, benefiting consumers in the short term. A high legal standard must be met for a company engaging in such conduct to be found to have acted illegally. But there is no such

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apparent benefit in the Weyerhaeuser case. Chief Justice John Roberts asked whether the lack of such a benefit was a reason not to apply the elevated standard.

"We don't think so," said Andrew Pincus, who was representing Weyerhaeuser. Mr. Pincus pointed out that buying at a higher price in this instance would benefit the sellers supplying logs to Weyerhaeuser.

Ross-Simmons lawyer Michael Haglund said there is evidence in the case that Weyerhaeuser warehoused large volumes of lumber rather than processing it.

(Weyerhaeuser v. Ross-Simmons)

During arguments about a patent dispute, several justices expressed discomfort with a legal test for when an invention is too obvious to patent.

KSR International Inc. and Teleflex Inc. have been locked in a dispute over gas-pedal designs. The Federal U.S. Circuit Court of Appeals, a special patent-appeals court, determined a new design for vehicle gas pedals with electronic sensors qualified for a patent despite being a combination of existing inventions.

The Supreme Court will decide whether the Federal Circuit, through tweaks to a longstanding "obviousness" test in patent law, has made it too easy to get a patent on improvements to existing technologies. The Federal Circuit set a test that the challenger of a patent must prove existing "teaching, suggestion or motivation would have led a person of ordinary skill in the art" to think of the innovation.

Obviousness is a key element in defending against allegations of patent infringement because it allows an accused manufacturer the chance to prove a claimed invention is just the obvious next step in existing technology. If obviousness can be proven, the patent is invalid, and the infringement lawsuit is over. Several justices indicated they are unhappy with the current state of this obviousness test in patent law. "It adds a layer of Federal Circuit jargon on so that attorneys can barter back and forth," said the chief justice.

In the case, Teleflex created the gas pedal design to meet requirements from Ford Motor Co. for its F-350 truck by changing the usual location of electronic sensors in modern gas-pedal systems.

James Dabney, a New York attorney who represented Ontario-based KSR, said the design-patent claim was illegally broad. Thomas Goldstein, a Washington attorney who represented of Limerick, Pa.-based Teleflex, said the Federal Circuit's legal test was meant to "be inclusive" and give protection to innovations that haven't been created from existing patents.

(KSR International Co. v. Teleflex Inc.)

Studios Push Anti-piracy Rules On Apple (FT)

By Matthew Garrahan In Los Angeles And Jonathan Birchall

Financial Times, November 29, 2006

Apple Computer is coming under pressure from some of Hollywood's biggest movie studios to change the operating environment of its popular iTunes platform, amid growing concern about digital piracy.

The studios – Universal, 20th Century Fox, Paramount and Warner Bros – are in talks with Apple about making their films available for digital download on iTunes.

After months of discussion, a sticking point has emerged over the studios' demand that Apple limit the number of devices that can use a film downloaded from iTunes.

The studios want to avoid the experience of the music industry, which has yet to recover from years of illegal digital piracy. Apple must introduce a "new model" for feature film content delivery, said one studio executive involved in the talks.

With the average cost of a blockbuster film approaching $100m, movie studios had more to lose than music companies, he added. "We're very willing to do a deal but we're keen to get some concessions from Apple that will account for the differences between the value of music and television content and feature film content."

The talks between Apple and the studios come as retailers are scrambling to get to grips with digital delivery of film content. Wal-Mart, the largest US retailer, is entering the nascent market, challenging Amazon and Apple with a different model that ties digital downloads to the sale of DVDs.

Customers buying the newly released DVD of Warner Bros' Superman Returns, will be able to download a digital version of the film on to a portable device, a personal computer, or both for a small extra payment.

NASD, NYSE Agree To Merge Some Oversight (WSJ)

By Randall Smith And Kara Scannell

The Wall Street Journal, November 29, 2006

IN A VICTORY for Wall Street, the two organizations that police brokerage firms unveiled, as expected, a plan to merge some of their operations -- the latest step in a deregulatory push in U.S. markets.

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Securities and Exchange Commission Chairman Christopher Cox hailed the pact, saying it would streamline Wall Street regulation and raise the competitiveness of U.S. capital markets. Some investor advocates said the merger could weaken protections for individual investors by effectively removing cops from the beat. No immediate job cuts are planned, with the regulators saying any reductions would come through attrition.

The National Association of Securities Dealers and NYSE Group Inc.'s New York Stock Exchange plan to combine routine examinations, enforcement and rule-making for the securities industry. The plan, which must still be ratified by 5,100 current NASD members, follows a campaign waged intermittently since 2000 by Wall Street's lobbying group, recently renamed the Securities Industry and Financial Markets Association.

WALL STREET JOURNAL VIDEO

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SEC Chairman Christopher Cox hosts a press conference to discuss the new combined regulation of the NYSE and the NASD2. Cox calls today's announcement "a new beginning" and says that the greater integration of world markets requires expanded oversight.

"In ushering in these changes, we'll be improving America's capital markets and making our nation more competitive," Mr. Cox said. He said the merger would eliminate "needless and often harmful duplication" of routine brokerage regulation, while leaving the NYSE free to police its own trading.

However, Jacob Zamansky, a lawyer who represents investors in disputes with Wall Street brokers, said: "I believe the merger is not in the interest of ordinary investors and is being done to promote the interests of Wall Street." He added, "When you have competition among regulators, they all try to do a better job. Generally in monopolies the service goes down."

The regulatory relief for Wall Street comes as both NYSE Group and Nasdaq Stock Market Inc. are bidding to acquire exchanges in Europe. Both exchanges must persuade non-U.S. investors and overseas issuers of securities that they won't suffer from the increase in U.S. regulation, notably the Sarbanes-Oxley law that was passed in 2002 after the collapse of Enron Corp. and other post-bubble scandals and added layers of regulation for public companies trading in the U.S.

The tentative pact appears to favor the NASD, whose chairman and chief executive officer, Mary Schapiro, 51 years old, will become CEO of the merged organization, as yet unnamed. A 23-member board will be split evenly between the NASD and the NYSE, with three members named jointly.

Richard G. Ketchum, 55, CEO of the NYSE's regulatory unit, will become nonexecutive chairman, while retaining his current post. He said 470 of the 700 NYSE regulatory employees will join the NASD staff of 2,400, with the rest continuing to police NYSE trading.

Although the NASD itself had to be bolstered after a stock-price bid-rigging scandal in the mid-1990s, since then the smaller NYSE self-regulatory effort has been viewed as the weaker of the two organizations. Indeed, in 2005, the SEC criticized the NYSE for lapses in overseeing stock trading on its own floor.

The NASD, which has faced dissent among its smaller members over the cost of regulation, is offering $35,000 per firm, or a total of $178.5 million for its 5,100 members, "in recognition of anticipated cost savings" if the merger wins the needed votes. The NASD is also cutting fees paid by smaller firms, and it estimates that 200 firms regulated as brokerages by both agencies could save tens of millions in annual compliance costs.

The NASD will also pay the NYSE itself $103 million, Ms. Schapiro said, aimed at ensuring the merger is "revenue neutral" to shareholders of NYSE Group, which went public earlier this year, based on "lost regulatory revenues" during a transition period. The NASD has assets of $2.6 billion based mainly on its past sales of stock of the Nasdaq stock trading system.

Combining the two industry self-regulators, which are overseen by the SEC, picked up steam over the past three years, after the stock market began to rebound and investor memories faded of losses they had suffered.

As they vie to acquire European trading platforms, the two main U.S. exchanges are under pressure to maintain their market share amid the growth of non-U.S. markets. But foreign regulators have criticized the U.S. system for being multilayered. Mr. Cox said the new regulator will be "more capable of working with other regulators around the world."

Over the summer, pressure on the two regulatory groups, which had clashed in the past over control, ramped up. SEC Commissioner Annette Nazareth, a former director of SEC market regulation, began working with them on a compromise. So did former NASD chief Frank Zarb. "This new organization is an idea whose time has come," Mr. Ketchum said.

In addition to the NASD member vote, needed for bylaw changes, the merger requires a public comment period and SEC approval. Officials say they expect the regulator to be up and running by mid-2007.

Some other investor advocates said they supported the move. They included Joseph Borg, president of the North American Securities Administrators Association, and Barbara Roper, director of investor protection at the Consumer Federation of America, with Ms. Roper saying she didn't think investors had been helped by the presence of both regulators.

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Richard Herr, an analyst at Keefe, Bruyette & Woods, said the deal "takes some of the conflict out of the business model" of the NYSE, a reference to the fact that the Big Board has long sought trading business from the brokerage firms that it regulates. Mr. Herr spoke on a panel at a conference in Chicago sponsored by the Futures Industry Association.

Nasdaq, NYSE To Combine Regulators (USAT)

By Greg Farrell

USA Today, November 29, 2006

NEW YORK — In one of the biggest changes in the regulation of the U.S. stock markets in more than 70 years, the two organizations responsible for policing the USA's major stock exchanges said Tuesday they will combine forces by the middle of 2007. Together, the combined regulatory group will oversee the New York Stock Exchange and Nasdaq Stock Market.

The new group, which is yet to be named, will merge the NASD's 2,400 regulators and examiners with the 470 regulators at the NYSE. Currently, the NASD oversees about 5,100 brokerages, from small operations to big broker-dealers, while NYSE regulators focus on 180 major firms that dominate business on the Big Board.

Securities and Exchange Commission Chairman Christopher Cox hailed the merger as a way to simplify a complex system.

“This could make our self-regulatory system more efficient and more robust from an investor protection standpoint,” he said. “Instead of two rulebooks, two separate regulatory staffs, and two completely different enforcement systems, we'll have a coordinated, integrated effort to keep our markets free of fraud and unfair dealing.”

Some details of the merger have yet to be worked out. Then the deal will need formal approval from the SEC. But Tuesday's announcement suggests that the merger, which has been encouraged by the firms that have been regulated by both parties, is virtually a done deal.

While the new group is officially a merger of equals, NASD Chairman and CEO Mary Schapiro will emerge as CEO of the new entity, while NYSE Regulation CEO Richard Ketchum becomes chairman. Ketchum will continue to run the NYSE's market surveillance programs, which will remain separate from the merged entity.

Joseph Borg, head of the North American Securities Administrators Association, praised the proposed merger but said state regulators retain an important role in enforcing U.S. securities laws.

“As the combined resources of the regulatory arms of the NASD and NYSE concentrate on international competitiveness and creating efficiencies in national markets, state securities regulators will continue to focus our energies on serving as the local cop on the beat protecting millions of Main Street investors, the backbone of the American economy,” Borg said in a statement.

“In general, this idea is a good idea,” said Damon Silvers, associate general counsel of the AFL-CIO, which has billions of dollars invested in the market through its pension funds. “The (SEC) is to be commended for pushing it forward.”

Mack-Cali Says It Will Vie For Reckson (WSJ)

By Jennifer S. Forsyth

The Wall Street Journal, November 29, 2006

A chief competitor of Reckson Associates Realty Corp. says it is teaming with financier Carl Icahn and New York real-estate developer Harry Macklowe in their $4.6 billion competing bid to acquire Reckson, a real-estate investment trust.

Mack-Cali Realty Corp. said last night it expects to be admitted as a partner with Messrs. Icahn and Macklowe. "We believe the combined partnership will be a(n) ... enhancement, given our collective strengths," Mack-Cali Chief Executive Mitchell Hersh said in an interview. Mr. Macklowe, through a spokesman, declined to comment.

Mack-Cali, of Edison, N.J., competes directly against Reckson, of Uniondale, N.Y., in the suburban markets of New York. Mack-Cali wasn't contacted as a possible suitor when Reckson put itself up for sale, in part because of two failed merger negotiations between the two companies. Mr. Hersh has said he would have wanted a chance to bid on Reckson's suburban assets. Reckson had no comment on Mr. Hersh's statement last night.

However, earlier yesterday, Reckson notified Messrs. Icahn and Macklowe -- via email to the partnership and a filing with the Securities and Exchange Commission -- that their request to bring in additional investors to comb through Reckson's books wouldn't be allowed under the terms of the confidentiality agreement. "We are concerned that you are making a request to bring on additional partners so late in the process of your review," wrote Peter Quick, Reckson's lead independent director.

The developments are the latest in a series of volleys between Reckson directors and Messrs. Macklowe and Icahn, who made an unsolicited competing bid for Reckson on Nov. 16 for $49 a Reckson share. Reckson announced Aug. 3 it would be bought by SL Green Realty Corp., a New York REIT, for $4.1 billion, plus $2 billion in debt assumption, in a cash-and-stock deal equal to about $46 a share today. The pending deal has been contentious because of a secondary transaction in which an

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investor group led by Reckson Chief Executive Scott Rechler was to buy back about one-third of the portfolio, all in New York City suburbs, for $2.1 billion -- a value some shareholders say was too low.

Mr. Quick's email pointed out that Reckson had given the partnership until today to provide detailed financial information about their proposed bid. A shareholder meeting scheduled for yesterday has been postponed until Dec. 6 while Reckson's directors consider the Icahn/Macklowe bid.

The email said SL Green had advised Reckson that allowing Messrs. Macklowe and Icahn to bring in additional partners isn't permitted under the merger pact. A spokesman for SL Green had no comment about Mr. Hersh's announcement. Under terms of the merger agreement, if Reckson decides that a competing bid is superior, SL Green would have an opportunity to make a counteroffer. If Mr. Hersh and Mr. Macklowe succeed in acquiring Reckson, it could prove awkward for SL Green and Mr. Rechler. SL Green coveted Reckson's New York City buildings and now risks seeing those in the hands of Macklowe Properties, which competes directly in the same Grand Central Terminal corridor of Manhattan. And Mr. Rechler risks losing his suburban portfolio -- particularly in Long Island where his family first made its name in real estate -- to Mack-Cali's Mr. Hersh, a rival. However, it wasn't clear last night whether the Icahn/Macklowe partnership would separate the suburban buildings from the New York properties if their competing bid for Reckson is successful.

Separately, Mr. Macklowe disclosed that several weeks before he teamed with Mr. Icahn to make a competing bid, he explored buying the REIT on his own, according to a SEC filing.

Iberdrola Bid For Scottish Power May Energize European Sector (WSJ)

By Keith Johnson and Jason Singer

The Wall Street Journal, November 29, 2006

Spanish power company Iberdrola SA's £11.6 billion ($22.64 billion) offer for Scottish Power PLC could jump-start a long-awaited consolidation in the European power sector, which has been hamstrung by legal and political battles.

If successful, the deal, announced yesterday, would create Europe's third-largest power company by market capitalization with a combined value of about €46 billion ($60.7 billion) and ratchet up the pressure on others in the sector to bulk up.

Power companies across Europe have been struggling to consolidate for the past year, as they seek to boost their size to take advantage of deregulation of the sector by the end of 2007. Greater scale also would give them more purchasing leverage to deal with volatile prices for raw materials such as natural gas. Iberdrola estimates it could slash its capital expenditures by about €40 million a year for the next five years after the tie-up with Scottish Power, as it uses greater muscle to get cheaper prices for natural-gas contracts and wind turbines.

Other sectors, such as telecommunications, infrastructure and banking, have already begun cross-border consolidation in Europe, but political opposition and the lack of physical interconnections between many European countries have stymied power companies' efforts.

E.On AG of Germany, which last year made a 570-pence offer for Scottish Power that was rejected, is trying to acquire Endesa SA, Spain's biggest power company. But its bid is bogged down in courts. Gaz de France SA and Suez are trying to merge to create a French giant, but the deal has run into opposition from Suez shareholders concerned that the price is too low. Enel SpA of Italy, another power company flush with cash, had been interested in Suez as well but stopped short of making a bid.

Iberdrola's bid for Scottish Power is friendly, so it should avoid many of those pitfalls. The part-cash, part-stock offer of 777 pence a share was slightly less than the market anticipated, sending shares in both down. But it was recommended by Scottish Power's board, which said that linkup will help it achieve its objectives of diversifying and increasing size without negative merger effects such as layoffs.

The offer still must pass muster with shareholders at both companies and secure regulatory clearance from authorities in the European Union, the United Kingdom and the U.S., where Scottish Power has wind-power and gas-trading operations. Pending approvals, the deal could be finalized by late April, Iberdrola said.

Iberdrola is offering 400 pence and 0.1646 share for each Scottish Power share, a 21% premium to the average share price in the three months before Scottish Power said, early this month, it was in talks with potential bidders. Iberdrola plans to issue 245 million new shares, or 21% of the new company's capital, to finance the offer.

Iberdrola Chairman Ignacio Sánchez Galán said the deal would boost earnings per share from the first year and wouldn't jeopardize Iberdrola's single-A credit ratings.

Iberdrola shares have risen about 50% in the past year thanks to strong profitability, growth prospects and constant rumors of further consolidation in Spain. The shares now trade at higher multiples than most of its peers. That makes them a powerful currency for acquisitions. Iberdrola has also been able to tap into a flood of money made available by banks. Barclays PLC,

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Royal Bank of Scotland Group PLC, and ABN Amro Holding NV provided £7.9 billion through a credit facility for the deal, and Mr. Sánchez Galán said an additional seven banks offered loan facilities of €5 billion to €15 billion each.

"Our credit may not be unlimited, but it's pretty close," he said.

Spanish companies have one additional advantage over European rivals in cross-border takeovers. Under Spanish law, goodwill accumulated on foreign operations is tax-deductible. That has allowed Spanish firms such as Telefónica SA and Ferrovial SA to outbid rivals for numerous acquisitions across Europe.

For Iberdrola, the deal would boost its position in renewable energy, especially in wind power, at a time when European utilities are hunting for ways to produce cleaner energy to comply with strict environmental legislation.

The deal would also give the Spanish firm diversification of its business, adding deregulated power markets in the U.K. and the U.S. to its traditional base in Spain and Latin America. Iberdrola would also get Scottish Power's sophisticated gas- and financial-trading operations, people close to the deal said.

Write to Keith Johnson at keith.johnson@wsj.com1 and Jason Singer at jason.singer@wsj.com2

2nd-Biggest Spanish Power Concern To Buy ScottishPower (NYT)

By Renwick Mclean and Heather Timmons

The New York Times, November 29, 2006

MADRID, Nov. 28 — The Spanish power company Iberdrola announced Tuesday that it had agreed to buy ScottishPower for $22.5 billion, a move that would create one of Europe's largest utilities.

The board of ScottishPower said Tuesday that it would approve the bid, which would amount to 777 pence, or about $15 a share, slightly more than half of that in cash.

Iberdrola is Spain's second-largest power company behind Endesa and one of the world's leading producers of wind power. The deal with ScottishPower would enable it to increase its wind power capacity by as much as 50 percent, analysts said, and to broaden its access not only to the British market but also to the American one, where it has been looking to expand in recent months.

The deal would also allow the company to lower costs and to diversify beyond the Spanish market, where opportunities for growth are increasingly limited.

"Together we will be able to guarantee immediate synergies and to access future economies of scale," Ignacio Galán, the chief executive of Iberdrola, said in a statement.

"The resulting group will be very well positioned for the future European energy market and will have a strong platform for growth, especially in renewable energies, a market in which it will be world leader."

There has been heavy activity recently in Spain's energy market, with E.On of Germany and Gas Natural of Spain vying for Endesa.

The activity led analysts to speculate that Iberdrola saw itself as a possible takeover target as well.

"This deal is a way for the company's directors to protect themselves from takeovers from abroad and within Spain," said Jordi Padilla, the director of equities at Atlas Capital in Madrid.

Over the longer term, Mr. Padilla said, the deal could allow Iberdrola to eventually make a move for a Spanish energy company, like Gas Natural, without having to subject itself to Spanish regulations, which would probably require it to sell assets to avert monopoly concerns.

By joining with ScottishPower, he said, "a large part of its business would be outside of Spain, so regulatory authority could lie with the European Union rather than Spain if it decides to make a move for a Spanish company."

Iberdrola's offer was slightly lower than the 800 pence (about $15.50) some analysts said they had expected. But the price still struck many as elevated.

"Iberdrola is offering what we considered a high price for ScottishPower," Citigroup said in a note released. "We estimate a slightly negative impact in our Iberdrola evaluation, although we consider that the company's medium/long-term fundamentals could improve, particularly in the wind power business."

Spanish companies, buoyed by a robust economic expansion that has lasted more than a decade, have been aggressively looking abroad for investment opportunities in recent years, particularly in Latin America and, more recently, in Britain.

Grupo Ferrovial announced the takeover of the British airport company BAA in June for $20.5 billion. Last year, Telefónica acquired the British mobile phone company O2 for $31.5 billion, and in 2004 Grupo Santander acquired the British bank Abbey National.

Iberdrola, which is based in Bilbao, in northern Spain, has operations in 28 countries and had $15.3 billion in sales last year. The combined company would be worth $84 billion, the companies said.

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ScottishPower, based in Glasgow, has been considered a takeover target for more than 18 months, after a foray into the United States failed to generate the expected revenue.

The company sold its United States unit, PacifiCorp, to Berkshire Hathaway in May 2005, recording a $1.7 billion loss. ScottishPower retains some wind power and gas storage businesses in the United States, however.

E.On of Germany made an unsolicited bid for ScottishPower in September 2005 that was rebuffed several times. E.On gave up the chase after offering 570 pence a share.

Philip Bowman, chief executive of ScottishPower, said in a statement that the deal with Iberdrola avoided "the negative consequences for employees" posed by most possible mergers. "The combination of the two companies will permit ScottishPower to develop on a global scale in an increasingly competitive environment, and the conditions offered by Iberdrola represent an attractive price for our shareholders," he said.

The deal, which Iberdrola said should be completed in April, is subject to approval from European regulators and shareholders of both companies.

Jack McConnell, first minister of the regional government in Scotland, told reporters Tuesday that he expected the European Union to take a close look at the deal. "Today's announcement will be of concern to Scottish consumers and the employees of ScottishPower," he said, according to The Associated Press.

Iberdrola said it expected cost savings of about $170 million once it acquired ScottishPower, a figure that analysts at Dresdner Kleinwort called "aggressive." But they added that because of Iberdrola's "high operating standards, we give them the benefit of the doubt."

Scottish Power OK's $22.5B Takeover Bid (HC/AP)

By Robert Barr, Associated Press Writer

Houston Chronicle/AP, November 29, 2006

LONDON — Scottish Power PLC said Tuesday it has agreed to a $22.5 billion buyout offer from Spanish company Iberdrola SA that would create one of Europe's biggest utilities in a consolidating market.

But the cash-and-stock bid was lower than some had expected, and analysts said it opened the possibility of a rival bid even though Scottish Power's price finished below the offered price on Tuesday.

A Scottish official, meanwhile, raised concerns about the deal's impact on competition.

The proposal follows others in the European utility sector, where Germany's E.On AG is trying to buy Spain's Endesa SA and Gaz de France and France's Suez are planning to combine.

Iberdrola said the deal for Scottish Power could result in cost savings of as much as $170 million a year and Chairman Ignacio Sanchez Galan said Iberdrola intends to sell assets worth more than 1 billion euros ($1.2 billion) in the year after the deal is completed.

Jack McConnell, first minister of Scotland's regional government, expressed wariness, and said he would seek assurances from the European Union that the takeover would preserve competition.

"Today's announcement will be of concern to Scottish consumers and the employees of Scottish Power," McConnell told reporters, refusing to say whether he regarded it as good or bad for Scotland.

McConnell said he would seek assurances from European Commission President Jose Manuel Barroso that the EU would evaluate the takeover consistent with its competition rules.

Sanchez Galan said the planned takeover will favor future consolidation in Spain's energy sector.

By acquiring Scottish Power, Iberdrola will gain a significant percentage of non-Spanish sales and will therefore face fewer restrictions on mergers and acquisitions from Spain's stringent industry regulators, he said at a news conference.

Under European Union takeover law, mergers and acquisitions must be reviewed by EU regulators if any of the companies involved have EU sales outside their home market accounting for one-third or more of total sales.

Sanchez Galan said Iberdrola's acquisition of significant European interests outside its home market will therefore pave the way for any potential Spanish deal "from both a legal and regulatory standpoint" by giving the EU the final say on the conditions for such a deal.

Iberdrola offered 400 pence ($7.75) in cash and 0.1646 new Iberdrola shares for every Scottish Power share, the company said in a statement. That meant the offer was equivalent to 777 pence ($15.06) per share.

"The combination of part cash and part Iberdrola shares just convolutes the offer somewhat," said Martin Slaney, an analyst at GFT Global Markets.

He said speculation had been the bid would be as much as 12 billion pounds, or 800 pence a share.

In trading on the London Stock Exchange, Scottish Power shares fell 0.8 percent to close at 740 pence ($14.34).

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The takeover is to be completed by April, subject to regulatory and shareholder approval, and Iberdrola is planning to issue 245 million new shares to finance the deal, director for corporate development Jose Luis del Valle told analysts on a conference call.

Sanchez Galan reiterated Iberdrola's target of paying a dividend of 1.50 euros per share ($1.97) in 2009.

Analyst Andrew Moulder of New York-based Creditsights commented that it was "hard to see a compelling rationale for the tie-up." The key to the deal, he said, is the development of the renewables business.

Iberdrola said the combined company would be a leading producer of renewable energy, with installed capacity of 5,707 megawatts of wind generation and 333 megawatts of hydroelectric power.

Global Insight analyst Matthew Hall, however, said the agreement would likely bring several benefits such as geographic diversification, greater economies of scale and operational synergies.

"With the companies largely residing in separate markets they seem well placed to keep job losses to a minimum, and regulatory concerns over market dominance are also likely to be reduced," he wrote.

Iberdrola, based in Bilbao, has business operations in gas and electricity in 28 countries. In 2005 Iberdrola reported revenue of 11.738 billion euros ($15.4 billion) and operating profit of 2.26 billion euros ($2.97 billion).

Scottish Power supplies gas and electric services to more than 5.2 million homes and businesses in the United Kingdom, and operates electricity generation and gas storage facilities in Britain, the U.S. and western Canada.

In March, Scottish Power completed the sale of its U.S. unit, PacifiCorp, to Warren Buffet's Berkshire Hathaway Inc. for $5.1 billion in cash. Berkshire Hathaway also assumed $4.3 billion in debt.

Scottish Power reported earlier this month that its net profit dropped 21 percent to 180.8 million pounds ($345.1 million) in the first half while revenue rose 23 percent.

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On the Net:
http://www.scottishpower.com
http://www.iberdrola.com

Scottish Power Backs Iberdrola Bid (FT)

By Toby Shelley and Mark Mulligan
Financial Times, November 29, 2006

Iberdrola of Spain on Tuesday unveiled an agreed £11.6bn (€17.2bn, $22.5bn) takeover bid for Scottish Power which would create Europe's third-biggest integrated power utility.

The Spanish company, which has been in talks with the UK group for at least a month, said it had won a recommendation from the board of Scottish Power for its terms, finalised during intense negotiations at the weekend.

Under the terms announced on Tuesday, investors will receive 777p a share, with 53 per cent paid in cash and the remainder as 0.1646 of a share in the combined group.

There will also be a special 12p dividend for Scottish Power shareholders. New Iberdrola shares to the value of 21.4 per cent of the issued share capital of the combined group will be issued.

In early London trading, Scottish Power shares were flat at 746p on disappointment that the offer was not all cash. Iberdrola shares were down 1.5 per cent at €32.27 in Madrid.

The offer price is below the 800p that had been mooted in recent days, but early analyst reaction was that it was a good price for Scottish Power shareholders. One said it represented a premium of 40 per cent on his bank's calculation of the worth of the sum of the part of the group.

Peter Atherton, analyst at Citigroup, said it was very unlikely that a rival bidder could stretch the valuation as far as Iberdrola. The Spanish company benefits from an ability to write off goodwill against tax, which is reckoned to be worth 50p a share to its offer.

Mr Atherton said the only alternative would be a buyer breaking up Scottish Power, which is vertically integrated – but that would involve regulatory hurdles and might provoke opposition in Scotland.

The acquisition, which requires regulatory and shareholder approval, is expected to complete in April and to be earnings-enhancing from the start, according to Iberdola, which is one of the world's biggest producers of renewable energy.

Operating cost savings before tax of £88m a year are forecast, along with annual capital expenditure savings of £30m. However, one analyst said that most of the £88m appeared to come from group level overheads rather than synergies.

Ignacio Galán, Iberdrola chairman, said: "Together we will be able to guarantee immediate synergies and secure economies of scale in the medium and long term."

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The combination would create Europe's third largest utility – behind EdF of France and Germany's Eon – with an enterprise value of more than £43bn. But Iberdrola's successful search for a foreign tie-up, coupled with Eon's aggressive €37bn bid for Endesa, Spain's largest utility, comes as a blow for the Spanish government, which has attempted to foster the creation of national champions.

Just over a year ago Madrid backed a bid by Gas Natural, the gas supplier, for Endesa under which Iberdrola would have been offered up to €9bn in surplus assets.

Iberdrola is being advised by ABN Amro, while Morgan Stanley is acting for Scottish Power.

Power Merger Surge May Blow A Fuse (FT)

By Ed Crooks

Financial Times, November 29, 2006

Iberdrola surprised no one in launching a bid for Scottish Power. But the question many were asking was whether it would be the last of its kind for some time.

A wave of mergers has swept through the European energy sector, and more consolidation has been widely expected.

But with two of the biggest potential deals bogged down in legal and political quagmires, and this latest one viewed by the markets with a jaundiced eye, it seems enthusiasm is fading.

The argument for mergers between European utilities, expounded most eloquently by Wulf Bernotat, chief executive of Eon, is that in the future a small number of big operators will dominate the market, and the smaller ones will fall by the wayside.

The European Union's energy market is being shaped by two forces - the pressure coming from the European Commission for more liberalisation and integration of national markets, to create a truly competitive EU energy market, and the intensifying competition between countries for scarce energy resources.

Only what Mr Bernotat describes as the "pan-European energy majors" will be able to cut their costs enough, by running centralised systems serving big customer bases, to compete in this single European market. And as the EU becomes increasingly dependent on Russia for its gas supplies, only those biggest companies will be able to stand up to Gaz-prom, Russia's monopoly.

Many analysts view those arguments as a rationalisation of decisions made for other reasons. European utilities have been awash with cash and have few opportunities to use it, so they are looking at acquisitions. But it is an argument that several companies have made, and it is one of the reasons Iberdrola cites for buying Scottish Power. The problem with the strategy is in its execution. Eon's bid for Endesa has faced determined government opposition and a series of court battles, and Eon has been forced to raise its offer significantly.

The proposed merger of the state-controlled Gaz de France with Suez, the private French utility, has been tied up in court and is the subject of ferocious controversy. Iberdrola does not look likely to face any such serious regulatory or legal obstacles in winning Scottish Power. But it has faced an unenthusiastic response from investors. Its shares have been falling since the talks with Scottish Power were revealed, and yesterday they lost another 2 per cent.

Iberdrola argues that the agreement will enhance earnings from the start because of cost savings and the tax break given to Spanish companies for writing off acquisition goodwill.

But several analysts suggested that even at 777p a share, lower than the 800p originally suggested, the price for Scottish Power looked very full.

High valuations are common across the European utilities sector.

So for companies considering launching a bid, the calculation is this: do they want to let themselves in for a long and painful struggle, at the end of which the rewards could be meagre?

Graham Weale, director of European consulting at Global Insight, suspects not. "These deals are extremely hard work, and whether any acquirer would be doing the right thing in buying an overpriced company is open to question," he says.

But for as long as utilities' profits remain high and money is cheap, there is always a chance that someone will make a move.

As one analyst puts it: "Are there more people out there who are ambitious fools? Probably yes."

The remaining two independent energy suppliers, Centrica and Scottish and Southern Energy, look more tempting than most because the UK market has been relatively accessible. But Peter Atherton of Citigroup says: "Both would extract very substantial premiums and just to get a deal done, RWE or EdF, for example, might not be prepared to go that far."

MORE 3rd UPDATE: Iberdrola To Buy Scottish Power For GBP11.6B (DJ)

By Alex MacDonald

Dow Jones, November 28, 2006

DOJ_NMG_0099569

(This updates an item published at 0838 GMT with additional background information and CEO and analyst comments.)

LONDON (Dow Jones)--Spanish utility Iberdrola SA (IBE.MC) Tuesday agreed to buy U.K. utility Scottish Power PLC (SPI) in a combination of cash and shares that values the Scottish utility at GBP11.6 billion.

Iberdrola, Spain's second-largest utility by market capitalization, said its offer represents the equivalent of 777 pence a share to Scottish Power shareholders.

The Iberdrola proposal offers 400 pence in cash and 0.1646 of a new Iberdrola share for every Scottish Power share. It will also offer a special dividend of 12 pence a share. The cash component of the deal, including the special dividend, accounts for about 53% of the deal's value, or GBP6.1 billion.

Scottish Power, the U.K.'s fifth-largest energy supplier by number of customers, said it has agreed to the offer. The board of directors will recommend the cash and shares tie-up to shareholders in an extraordinary meeting at a later date.

The deal will need approval from regulators including the European Commission, the U.S. Federal Energy Regulatory Commission and U.S. state regulatory commissions or authorities, Iberdrola said.

The combined company would make Iberdrola the third-largest European utility by market capitalization behind Electricite de France (1024251.FR) and E.ON AG (EON) of Germany.

E.ON has bid for Spanish utility Endesa SA (ELE) in a planned deal that would create Europe's largest energy utility.

The planned Iberdrola takeover of Scottish Power would boost the combined company's annual revenues to GBP13.5 billion on a pro forma basis and give the company a strong presence in Spain, the U.K., the U.S. and other countries as well, Iberdrola said.

"The proposed integration of Scottish Power with Iberdrola is fully in line with our respective strategies ... it will create value for both our companies," said Ignacio Galan, chairman and chief executive of Iberdrola. "The new group will be well positioned (strong growth) ... particularly in renewable energy, a sector in which it will be a world leader. All of this will be positive for all our stakeholders."

Iberdrola expects to achieve GBP88 million a year in cost savings over the next five years by reducing corporate head count, combining wholesale natural gas purchases and implementing best practices, a person familiar with the matter said.

The company said it expects to save another GBP30 million from its combined capital expenditure program.

The combined company would have an aggregate installed generation capacity on a pro forma basis of 36,603 megawatts and one of the world's largest portfolios of wind farms - about 5,707 megawatts of installed wind generation capacity.

Iberdrola said it would have to issue shares equivalent to 21.4% of the combined company's issued share capital.

Andrew Moulder of independent credit and equity research company Credit Sights said Iberdrola's bid for Scottish Power looks expensive. "It's hard to see a compelling rationale for the tie-up," he said, adding that the synergies are likely to be small.

Moulder said the deal rationale would hinge "on what they do with the renewables business" and added that Scottish Power shareholders may be slightly dismayed that the 777-pence-a-share offer wasn't closer to 800 pence.

As of 1031 GMT, Scottish Power's shares were down 2 pence, or 0.27%, at 744 pence.

The cash and dividends component of the bid will be financed through a credit facility of GBP7.96 billion that Iberdrola has raised from ABN Amro Holdings NV (ABN), Royal Bank of Scotland Group PLC (RBS.LN) and Barclays Capital, a division of Barclays PLC (BCS). About GBP6.1 billion will be used to fund the cash part of the bid while the remainder will be used to refinance Scottish Power's debt.

Philip Bowman, CEO of Scottish Power, welcomed the deal as a way to diversify the Glasgow-based utility's business at a time when increased mergers and acquisitions have led to a "massive change within the European utilities landscape."

"Scottish Power needs to expand its geographical presence, diversify operating risks, achieve greater economies of scale and have the financial strength to invest in substantially larger infrastructure projects over coming years," Bowman said. "This transaction achieves these objectives without the adverse social consequences for employees."

ABN AMRO advised Iberdrola on the deal, while Morgan Stanley (MS) advised Scottish Power on the deal.

Company Web site: http://www.scottishpower.com

http://www.iberdrola.com

Novartis, Focused On Medicine, May Shed Gerber (WSJ)

By Jason Singer, Dennis K. Berman, Jeanne Whalen And Deborah Ball

The Wall Street Journal, November 29, 2006

Nestlé Weighs Buying Unit It Has Long Sought as Part Of Deal Already on the Table

Novartis AG may be prepared to sell Gerber Products Co., one of the world's largest and best-known makers of baby food, and could have a willing buyer in Nestlé SA.

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Novartis, a Swiss pharmaceutical concern, already is in negotiations with Nestlé, also of Switzerland, to sell a medical-nutrition business. Nestlé executives are toying with the idea of trying to make the acquisition of Gerber part of the same deal, according to people familiar with the matter.

Novartis Chief Executive Daniel Vasella said in an interview yesterday that the company "probably would act opportunistically" if an offer for Gerber emerged, although he added that there was no auction for Gerber under way.

WALL STREET JOURNAL VIDEO

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Reporter Dennis Berman2 has more on the potential pair-up.

Gerber, of Fremont, Mich., and Novartis's medical-nutrition business together would fetch between $4 billion and $5 billion, estimate people familiar with the matter. They figure Gerber alone would be valued at more than $3 billion.

Nestlé has been hungry for Gerber for more than a decade. Even though the market for infant purées and other mushy concoctions has been relatively slow growing, the profit margin for baby food is among the highest in the prepared-food industry, at 24% in the U.S., compared with 16% for all packaged food, according to Morgan Stanley.

If Novartis decides to part with Gerber, Nestlé may have to compete with others for the business. Numico NV of the Netherlands, the maker of Nutrica baby food and other brands, is also likely to be interested, as would private-equity firms, people close to those firms say.

Dr. Vasella said Gerber is growing and profitable but has been challenged by other baby-food brands undercutting its prices. And, he said, Novartis is trying to focus on medicines and vaccines. Dr. Vasella said nutrition, including Gerber, was a "more tangential" business for the company, although he also said that didn't mean the nutrition business necessarily had to be sold.

Gerber is part of Novartis's consumer-health division, which also includes over-the-counter medicines, animal-health products, medical nutrition and Ciba-brand contact lenses. The consumer-health unit had total sales of $7.3 billion last year, representing about 23% of Novartis's sales of $32.2 billion. The prescription-drug unit had sales of $20.3 billion last year.

Nestlé first tried to acquire Gerber in 1994, but lost to Sandoz AG, which later merged with Ciba-Geigy to form Novartis. Since then, Novartis has taken steps to broaden Gerber's business beyond jarred foods. In 2000, Gerber began selling a line of powders, oils and other toiletries for children, and in 2002 it launched microwavable meals for older toddlers. It also has a life-insurance unit. But the baby-food business has never been a good fit for a parent company that mainly sells medications.

Nestlé is the world's largest manufacturer of infant nutritional products, largely through its leading positions in fast-growing developing countries such as Brazil and China, as well as some European countries such as Spain. However, in the U.S., the world's largest infant-nutrition market, it has a small No. 3 position in infant formula, behind the two dominant players, Bristol-Myers Squibb Co. and Abbott Laboratories.

Nestlé has no presence in baby food in the U.S., where Novartis, thanks to Gerber, is dominant with a 79% market share, according to Morgan Stanley.

Infant nutrition is one of the best businesses in the food industry because it has strong customer loyalty and limited competition from private labels. Once parents find a formula or food for their babies that they like and trust, they tend to stick to it and are willing to pay higher prices. As a result, it is difficult for new companies to break into the business without buying an established brand.

That could make Gerber an attractive asset for Nestlé Chief Executive Peter Brabeck, who has steadily rearranged Nestlé's food portfolio in the past 10 years, shedding underperforming businesses and making major acquisitions in pet food, ice cream and diet products. Infant nutrition remains one of the last major gaps in Nestlé's portfolio, particularly in the U.S.

In the past several years, Mr. Brabeck has made Nestlé's nutrition business, from sports nutrition to clinical nutrition, a major priority, betting that growth and profits will come from health-related areas.

In 2005, Nestlé's sales from nutrition products amounted to 5.2 billion Swiss francs ($4.3 billion), half of that in infant formula and a third of it from baby food. Along with the Nestlé brand, it also owns the Neslac, Nan and Cerelac brands. Nestlé has a goal of raising annual growth in sales of nutrition products to about 10% in the long term from 6.1% achieved in the first nine months of this year. The company wants to raise the operating-profit margin in the division to 20% from around 17% now.

Novartis has also been realigning its business. The company is pursuing three main areas: inventing new prescription medicines; vaccines; and selling low-cost generic drugs and over-the-counter medicines.

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ENVIRONMENT/INDIAN AFFAIRS:

Justices To Decide Merits Of Global Warming Petition (NYT)

By Felicity Barringer

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — The Supreme Court will hear oral arguments on Wednesday on the questions of whether the federal government, particularly the Environmental Protection Agency, is authorized and obligated to take action to alleviate global warming.

Massachusetts, which has been joined by 11 other states, 3 cities and 13 environmental groups, will argue that the federal agency has shirked its legal responsibility to protect the public and ignored the requirements of the Clean Air Act.

Federal lawyers, in tandem with those of the auto industry, are arguing that existing law is inadequate to support far-reaching regulation, and that Congress, or the foreign policy arena, or both, are the appropriate venues to produce new global warming policies.

Calling the case "the most pressing environmental case in decades," Massachusetts's attorney general, Thomas F. Reilly, said, "The most indisputable fact in this case is that our climate is changing and that change is being caused by dangerous greenhouse-gas emissions."

He added, "The federal government's willing suspension of belief when it comes to global climate change has left it to the states to stand up and force action."

But, lawyers on both sides of the issue agree, the justices' answers to a more basic question — whether the plaintiffs have a right to bring the case — may have the greatest ramifications.

In deciding that issue, known legally as a question of standing, the justices may determine whether Massachusetts and its fellow petitioners have made a good enough case that the atmosphere and oceans are warming at a dangerous rate, fueled in part by human actions like burning fossil fuels, and that the petitioners have been harmed in the process.

Second, the court may decide whether any person or state injured by a worldwide phenomenon may seek legal redress even though it would only partly alleviate any damage.

The question of standing was not decided by the appeals court. That panel rejected Massachusetts's claim that the federal environmental agency was obligated to regulate the emission of heat-trapping chemicals from the tailpipes of new passenger vehicles. One judge said the harm the state had suffered was too generalized to give it standing. A second said the potential loss of coastal land was enough to give it automatic standing, and the third judge did not address the issue.

The case originally stemmed from a 1999 application by 19 environmental groups asking the E.P.A. to regulate greenhouse-gas emissions in new passenger vehicles.

"I think by far the issue that could have the most far-ranging impact is the standing issue," said Jeffrey Holmstead, who until recently was assistant administrator for air and radiation at the E.P.A. "Just because if the court determines that these petitioners don't have standing, what that means is the federal courts really won't be available for people who want to bring lawsuits related to climate change."

Mr. Holmstead, who is a partner at Bracewell & Giuliani, a lobbying firm, added, "From my perspective, I think that's not a bad thing because I don't think the courts are equipped to deal with issues like this."

Environmental groups are also concentrating heavily on the question of the agency's authority, under the Clean Air Act, to regulate carbon dioxide and other so-called greenhouse gases as air pollutants.

Paul D. Clement, the solicitor general, opposes this, saying in his brief not only that Massachusetts and the other petitioners lack standing, but also that the action they seek would have little impact on global climate change. The United States transportation sector, which is mostly made up of passenger vehicles, accounted for about 7 percent of worldwide fossil-fuel emissions in the 1990s.

E.P.A. action, he argued, "would therefore result in, at most, a tiny percentage reduction in worldwide greenhouse-gas emissions."

For Mr. Reilly, that is beside the point. He argues in the Massachusetts brief that under the Clean Air Act, the federal agency "is free to propose a comprehensive solution to the problem of climate change if it wishes to do so, but it is not free to reject the approach Congress explicitly set forth."

The question of the agency's authority to regulate carbon dioxide and other greenhouse gases as pollutants "is the environmentalists' big issue," said Richard J. Lazarus, a law professor at Georgetown University. For the government, he added, a third issue, whether the agency is not just permitted to regulate greenhouse gases but is obliged to do so, may loom largest.

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Supreme Court To Hear Case On Global Warming (USAT)

By Joan Biskupic

USA Today, November 29, 2006

WASHINGTON — The Supreme Court will take up its first-ever case on global warming today as it hears arguments from states and environmentalists seeking federal regulation of motor-vehicle emissions.

The Environmental Protection Agency contends that the problem of carbon dioxide emissions and other so-called greenhouse gases is too big and falls beyond its statutory mandate.

The court's work on the case will focus on the scope of the federal Clean Air Act rather than the debate over emissions' impact on the climate. However, the justices' ruling could shape the U.S. government's role in a pressing issue of the day and ultimately affect whether automakers will be required to build cleaner-running cars and trucks.

As the Bush administration has resisted forcing industries to control the greenhouse gases that the National Academy of Sciences and numerous scientific groups say cause global warming, California and 10 other states have made plans to enforce their own regulations for tailpipe emissions.

The case could have ramifications for those states because the authority to regulate emissions, even on the state level, derives from the Clean Air Act.

The case's significance is reflected in the more than 20 "friend of the court" briefs filed from a range of industry groups, scientists, and conservation and recreation interests. Rising temperatures have been linked to numerous environmental problems, including glacier thaw in Alaska, reduced water supply in the Great Lakes and lost coastal land in Massachusetts.

Massachusetts, along with 11 other states, three cities and several environmental groups, brought the case in an effort to force the administration to regulate emissions.

The dispute revolves around a part of the Clean Air Act that requires regulation of "any air pollutant" from vehicles that "may reasonably be anticipated to endanger public health or welfare." The act defines "welfare" to include effects on climate and weather.

The EPA says the provision does not cover greenhouse gases and says that even if it did, the agency has the option to not exercise its authority based on policy considerations.

The states say the Clean Air Act plainly authorizes regulation of greenhouse gases and that if the EPA were to step in, it could address "sources responsible for some 60% of this country's carbon dioxide emissions — 23% from vehicles and the rest from the power plants left unregulated" by the EPA.

"We simply want the justices to tell EPA to get it right on the law," says Lisa Heinzerling, a Georgetown University professor assisting the Massachusetts attorney general.

U.S. Solicitor General Paul Clement says in a brief on behalf of the EPA that the agency lacks the authority to take on global climate change, given the "extraordinary economic and political ramifications" of the issue. He contends the states lack legal standing to press the case because they have not shown they will be harmed by the EPA's decision to not regulate emissions in this country, "which involves only a tiny fraction of global greenhouse gas emissions."

The Sierra Club and other environmentalist groups hope the case increases pressure on the White House and Congress to act on climate change.

It's Not Up To The EPA (USAT)

By Jonathan Adler

USA Today, November 29, 2006

Several states and environmentalist groups are asking the Supreme Court to force the Environmental Protection Agency (EPA) to impose nationwide regulations on greenhouse gases, the most ubiquitous byproducts of modern industrial society.

The EPA only has the authority it has been delegated by Congress, and — as of yet — Congress has never given the EPA regulatory authority over greenhouse gases. Congress has not been silent on the matter of global warming, however. Since 1978, it has repeatedly addressed global climate concerns without once giving any indication that it sought to authorize federal regulation.

To the contrary, Congress has rejected specific regulatory proposals, endorsing non-regulatory measures in their stead. The Bush administration has also been reticent, but it should not be criticized for failing to exert regulatory authority it does not have. If current climate policies are inadequate and unwise, the place to seek redress is back in Congress, not the courts.

The petitioners argue that the Clean Air Act requires the EPA to regulate greenhouse gas emissions from new-vehicle tailpipes — and a superficial reading of the statutory text could suggest as much. Yet it is clear to all involved that the relevant statutory provisions were enacted to address local and regional pollution problems — such as soot, smog and acid rain — not

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global concerns such as climate change. If global warming requires regulation, that is a decision for our elected representatives to make.

This case also presents the important legal question of whether states and environmentalist groups have “standing” to bring their complaint to federal courts in the first place. Standing requires that a plaintiff show actual or imminent concrete injury.

This is easy to do when pollution harms a specific property or environmental resource, but it's much more difficult in the context of nationwide emissions anticipated to have global effects over many decades. The fact that climate change is a global concern is yet one more reason to leave the question to elected legislators and treaty negotiators.

Global warming is a real concern, but global warming policy ultimately belongs to the political branches, not the judiciary.

Jonathan Adler teaches environmental and constitutional law at Case Western Reserve University School of Law. He participated in a legal brief submitted in Massachusetts v. EPA by the Cato Institute.

Greenhouse Courts (WSJ)

By David B. Rivkin And Lee A. Casey Jr.

The Wall Street Journal, November 29, 2006

Like it or not, the courts play a central role in the modern administrative state. When Congress began to delegate rulemaking powers to federal agencies in the 1930s and 1940s, it subjected their activities to numerous procedural safeguards, compliance with which, in the end, is adjudicated in court. This does not mean, however, that courts should always play the leading role. The Supreme Court is now considering two environmental law cases that superbly illustrate the circumstances in which judges should overturn unlawful administrative actions, and when they should affirm sensible ones.

The first, Environmental Defense v. Duke Energy, is one of the many enforcement actions the EPA has brought, mostly against electric utilities, under a relatively obscure part of the Clean Air Act known as "New Source Review." NSR is a preconstruction permitting program that requires installation of advanced pollution control equipment. For 30 years, the EPA and the states controlled existing air pollution through a variety of other programs to comply with health-based standards. NSR was applied only when an industrial facility was built from scratch, adding new air pollution, or altered so fundamentally that its emitting capacity was increased.

Unfortunately, beginning in the late 1990s, the EPA asserted that NSR was necessary whenever plants changed or upgraded their equipment, even if there was no increase in their underlying emission capacity. Remarkably, the EPA also claimed that this was its position all along and that, as a result, electric utilities owed billions of dollars in penalties. This dramatic about-face was particularly shameful because the EPA knew about the industry's non-NSR-triggering repair and replacement practices for decades, never objected to them, and even confirmed to the states and the industry that their approach was correct.

Not surprisingly, the federal appeals court in Virginia concluded last year that the EPA's new interpretation was not only inconsistent with its regulations, but was unsupportable by the Clean Air Act's language. The case was then appealed to the Supreme Court, where government lawyers had the temerity to claim that, even if the EPA changed the rules of the game, no court can now consider the industry's arguments. Perversely, the government based this claim on a part of the act designed to ensure that citizens and industry are able to challenge meaningfully unlawful EPA actions.

The Duke Energy case shows the administrative state at its most abusive, and cries out for judicial intervention. The EPA can revise its NSR rules, but only in compliance with the statutory text, prospectively, and though the statutorily required "notice and comment" administrative process. It cannot change the rules midstream and then claim that companies have broken laws of which they were never properly informed. The correct judicial response here is to reverse EPA's actions, and to end the enforcement cases.

By contrast, in Massachusetts v. EPA -- being argued today before the Supreme Court -- the court should uphold the agency's decision not to regulate carbon dioxide emissions from all of the new cars and light trucks sold in the U.S. The EPA refused to impose such rules, as a means of addressing global warming fears, because it believed that Congress did not mean to treat carbon dioxide, otherwise harmless to people, as a "pollutant" under the Clean Air Act. In addition, the EPA noted that there were still many scientific uncertainties about global warming, and that any solution must be global, involving developing as well as developed countries. The D.C. federal appeals court upheld this decision and the Supreme Court is now reviewing the case.

Here, the justices should dismiss the matter because the complainants -- states and environmental activists -- cannot meet the constitutionally required "standing" to maintain a lawsuit. The Constitution requires federal litigants to meet three elements before they have standing: (1) an individualized injury for which the law provides redress; (2) proof that the injury was actually caused by the challenged action -- here, the EPA's decision not to undertake a rulemaking; and (3) proof that the injury is likely to be redressed by the court order sought. The complainants in this and in other "global warming" cases have not and cannot meet these requirements.

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First, their "injury," assuming it exists at all, is a series of actions (or inaction) that arguably impacts the earth's climate. This is not an individualized injury to some recognized legal interest. If manmade warming is happening, it affects every human being on the planet and is not "individualized." Second, proving that any particular government, corporate or individual action has contributed to global warming is also impossible. The earth has been warming since the end of the "little ice age" began to end around 1750, and humans have been pumping carbon dioxide into the atmosphere since the discovery of fire. Although scientists speculate that the increased use of fossil fuels is responsible for the warming trend, they cannot say how much carbon in the atmosphere is too much, or when that point was reached -- if it has been -- or whether the making of a rule regarding future regulation of a segment of the U.S. motor vehicle fleet can have any discernable impact on global climate at all.

Third, and most important, the complainants cannot show how a judicial decision requiring EPA to regulate greenhouse gas emissions would actually remedy the problem. They can only speculate that, if the U.S. begins to reduce at some future date carbon emissions from some motor vehicles, the rest of the world will follow suit not only for those types of vehicles but all other possible sources of emissions. But other countries may not. Most industrialized nations that have already promised, by the Kyoto Protocol, to reduce their greenhouse gas emissions are not meeting the agreed targets. Meanwhile, India and China refuse even to consider accepting binding emission reduction targets.

Technological advances will some day permit substantial greenhouse gas reductions and economic expansion at the same time. Indeed, the U.S. is the world's leader in the development and commercialization of revolutionary zero-emission manufacturing, power generation and automotive technologies. In the meantime, if economic growth is to be sacrificed because of global warming fears, the decision should be taken by Congress and the president, the people's elected representatives, and not by the courts.

Messrs. Rivkin and Casey served in the departments of justice and energy under Presidents Reagan and George H.W. Bush. They have filed amicus briefs in both cases discussed here.

The End Of Ingenuity (NYT)

By Thomas Homer-Dixon

The New York Times, November 29, 2006

MAYBE Malthus was on to something, after all.

First, some background: Twenty-six years ago, in one of the most famous wagers in the history of science, Paul Ehrlich, John Harte and John P. Holdren bet Julian Simon that the prices of five key metals would rise in the next decade. Mr. Ehrlich and his colleagues, all environmental scientists, believed that humankind's growing population and appetite for natural resources would eventually drive the metals' costs up. Simon, a professor of business administration, thought that human innovation would drive costs down.

Ten years later, Mr. Ehrlich and his colleagues sent Simon a check for $576.07 — an amount representing the decline in the metals' prices after accounting for inflation. To many, the bet's outcome refuted Malthusian arguments that human population growth and resource consumption — and economic growth more generally — would run headlong into the limits of a finite planet. Human inventiveness, stimulated by modern markets, would always trump scarcity.

Indeed, the 1990s seemed to confirm this wisdom. Energy and commodity prices collapsed; ideas (not physical capital or material resources) were the new source of wealth, and local air and water got cleaner — at least in rich countries.

But today, it seems, Mr. Ehrlich and his colleagues may have the last (grim) laugh. The debate about limits to growth is coming back with a vengeance. The world's supply of cheap energy is tightening, and humankind's enormous output of greenhouse gases is disrupting the earth's climate. Together, these two constraints could eventually hobble global economic growth and cap the size of the global economy.

The most important resource to consider in this situation is energy, because it is our economy's "master resource" — the one ingredient essential for every economic activity. Sure, the price of a barrel of oil has dropped sharply from its peak of $78 last summer, but that's probably just a fluctuation in a longer upward trend in the cost of oil — and of energy more generally. In any case, the day-to-day price of oil isn't a particularly good indicator of changes in energy's underlying cost, because it's influenced by everything from Middle East politics to fears of hurricanes.

A better measure of the cost of oil, or any energy source, is the amount of energy required to produce it. Just as we evaluate a financial investment by comparing the size of the return with the size of the original expenditure, we can evaluate any project that generates energy by dividing the amount of energy the project produces by the amount it consumes.

Economists and physicists call this quantity the "energy return on investment" or E.R.O.I. For a modern coal mine, for instance, we divide the useful energy in the coal that the mine produces by the total of all the energy needed to dig the coal from the ground and prepare it for burning — including the energy in the diesel fuel that powers the jackhammers, shovels and off-

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road dump trucks, the energy in the electricity that runs the machines that crush and sort the coal, as well as all the energy needed to build and maintain these machines.

As the average E.R.O.I. of an economy's energy sources drops toward 1 to 1, an ever-larger fraction of the economy's wealth must go to finding and producing energy. This means less wealth is left over for everything else that needs to be done, from building houses to moving around information to educating children. The energy return on investment for conventional oil, which provides about 40 percent of the world's commercial energy and more than 95 percent of America's transportation energy, has been falling for decades. The trend is most advanced in United States production, where petroleum resources have been exploited the longest and drillers have been forced to look for ever-smaller and ever-deeper pools of oil.

Cutler Cleveland, an energy scientist at Boston University who helped developed the concept of E.R.O.I. two decades ago, calculates that from the early 1970s to today the return on investment of oil and natural gas extraction in the United States fell from about 25 to 1 to about 15 to 1.

This basic trend can be seen around the globe with many energy sources. We've most likely already found and tapped the biggest, most accessible and highest-E.R.O.I. oil and gas fields, just as we've already exploited the best rivers for hydropower. Now, as we're extracting new oil and gas in more extreme environments — in deep water far offshore, for example — and as we're turning to energy alternatives like nuclear power and converting tar sands to gasoline, we're spending steadily more energy to get energy.

For example, the tar sands of Alberta, likely to be a prime energy source for the United States in the future, have an E.R.O.I. of around 4 to 1, because a huge amount of energy (mainly from natural gas) is needed to convert the sands' raw bitumen into useable oil.

Having to search farther and longer for our resources isn't the only new hurdle we face. Climate change could also constrain growth. A steady stream of evidence now indicates that the planet is warming quickly and that the economic impact on agriculture, our built environment, ecosystems and human health could, in time, be very large. For instance, a report prepared for the British government by Sir Nicholas Stern, a former chief economist of the World Bank, calculated that without restraints on greenhouse gas emissions, by 2100 the annual worldwide costs of damage from climate change could reach 20 percent of global economic output.

Humankind's energy and climate problems are intimately connected. Petroleum's falling energy return on investment will encourage many economies to burn more coal (which in many parts of the world still has a relatively good E.R.O.I.), but coal emits far more greenhouse-inducing carbon dioxide for every unit of useful energy obtained than other energy sources. Also, many potential solutions to climate change — like moving water to newly arid regions or building dikes and relocating communities along vulnerable coastlines — will require huge amounts of energy.

Without a doubt, mankind can find ways to push back these constraints on global growth with market-driven innovation on energy supply, efficient use of energy and pollution cleanup. But we probably can't push them back indefinitely, because our species' capacity to innovate, and to deliver the fruits of that innovation when and where they're needed, isn't infinite.

Sometimes even the best scientific minds can't crack a technical problem quickly (take, for instance, the painfully slow evolution of battery technology in recent decades), sometimes market prices give entrepreneurs poor price signals (gasoline today is still far too cheap to encourage quick innovation in fuel-efficient vehicles) and, most important, sometimes there just isn't the political will to back the institutional and technological changes needed.

We can see glaring examples of such failures of innovation even in the United States — home to the world's most dynamic economy. Despite decades of increasingly dire warnings about the risks of dependence on foreign energy, the country now imports two-thirds of its oil; and during the last 20 years, despite increasingly clear scientific evidence regarding the dangers of climate change, the country's output of carbon dioxide has increased by a fifth.

As the price of energy rises and as the planet gets hotter, we need significantly higher investment in innovation throughout society, from governments and corporations to universities. Perhaps the most urgent step, if humankind is going to return to coal as its major energy source, is to figure out ways of safely disposing of coal's harmful carbon dioxide — probably underground.

But in the larger sense, we really need to start thinking hard about how our societies — especially those that are already very rich — can maintain their social and political stability, and satisfy the aspirations of their citizens, when we can no longer count on endless economic growth.

U.S. Opens Web Site On Crime For Tribes (TULSAW)

By World Washington Bureau

Tulsa World, November 29, 2006

WASHINGTON -- The U.S. Department of Justice announced Tuesday the launch of a Web site that will focus on crime in Indian Country.

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"I am honored to deliver the promise that I made to provide a one-stop-shop that will enhance the prevention of and response to crime and the administration of justice in Indian Country," said Regina B. Schofield, assistant attorney general for the Office of Justice Programs.

"This will serve as a medium for talking about promising practices across the nation. Crime knows no boundaries, and the Tribal Justice and Safety Web site is another way we are using technology to prevent crime and violence from taking root in our communities."

The site's address is www.usdoj.gov/tribaljusticeandsafety.

It is designed to serve as a single source of information about law enforcement for tribes, including crime statistics and other public safety issues, as well as a source for tribes on how the Justice Department can help them in fighting crime.

Last year, Schofield launched the Justice Programs Council on Native American Affairs.

Gun Lake Casino Project Faces Further Delays (AP)

AP, November 29, 2006

WASHINGTON - A southwest Michigan casino project by the Gun Lake tribe faces another delay after the government pushed back its timetable for taking land into trust for the project.

The Justice Department said in a court filing last week that the government does not plan to take 146 acres in Wayland Township into trust for the casino before March 5, 2007.

The Interior Department was originally set to take the land into trust Jan. 5, clearing the way for the Gun Lake tribe to begin construction.

The delay was noted Tuesday by Station Casinos Inc. in a filing with the Securities and Exchange Commission. The Las Vegas-based company said it planned to "continue contributing significant financial support to this project, even though there can be no assurances when or if the necessary approvals will be obtained."

Michigan Gambling Opposition, an anti-casino group, sued in 2005 to block the government from taking the land into trust. U.S. District Judge John Penn in Washington is scheduled to consider government and tribal motions for dismissal on Wednesday.

James Nye, a Gun Lake spokesman, said the new March 5 deadline will "provide the judge with more time to consider making a ruling on the merits of the case, so we see this as significant progress toward the tribe obtaining trust land for the construction of its casino."

John Helmholdt, a spokesman for Michigan Gambling Opposition, said the group will likely file an appeal if the judge dismisses the lawsuit. If the judge denies the motion for dismissal, the group would likely seek a preliminary injunction to block the land from being taken into trust.

Native American? The Tribe Says No (USAT)

By Emily Bazar

USA Today, November 29, 2006

Native American tribes are facing allegations of greed and racism as they purge members from their rolls and deny the applications of others.

The expulsions have sent tremors through Indian country. Thousands of Native Americans have lost their cultural identities and access to tribal benefits, such as medical care, housing and education. Certain gaming tribes divide casino profits among members, in some cases thousands of dollars a month per person. Those expelled lose their cut.

Tribal officials say they're protecting legitimate members by making sure everyone in the tribe is qualified.

As sovereign nations, tribes have the final say in who can — and cannot — join. Each tribe determines what degree of Indian blood is necessary for membership, a requirement that varies among the 561 federally recognized tribes.

In California, at least 2,000 Native Americans have been taken off the rolls of their tribes since 1999, says Laura Wass, executive director of the Many Lightnings American Indian Legacy Center, an education and advocacy group in Fresno. Disenrollments have surged with the rise of Indian casinos, she says.

Thousands of Native Americans elsewhere have lost, or may lose, their tribal status. An upcoming vote at the Cherokee Nation in Oklahoma could deny citizenship to more than 1,000 of the tribe's 260,000 members.

“The motive varies from tribe to tribe,” says Daniel Littlefield, director of the Sequoyah Research Center at the University of Arkansas, Little Rock, an archive for contemporary Native American issues. “I would say money is at the bottom of a lot of it.”

Mary Chapman of Fresno was disenrolled from the Picayune Rancheria of the Chukchansi Indians last month, along with 20 members of her family. About 250 members of the tribe have been disenrolled this year, Wass says, and about 400 others have received letters questioning their status.

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The 1,200-member tribe, which opened a casino in Coarsegold, Calif., in 2003, expelled Chapman because she didn't meet the eligibility criteria in the tribe's constitution, a complex set of categories based on ancestry, according to a disenrollment letter sent to her by the tribe.

Mark Levitan, attorney for the tribe, wouldn't discuss numbers. There is a moratorium on enrollment until the tribe completes an audit of every member's eligibility, he says, and tribal leaders "are a government that's responsible for following their own laws."

Chapman, 69, says she traces her Chukchansi lineage to her great-great-grandmother. She blames the tribe's move on casino-related greed, which Levitan disputes.

He says the tribe does not yet distribute casino profits to members and has to show it is meeting the needs of the tribe before it can do so.

"As far as they're concerned, I'm a non-Indian," Chapman says tearfully. "I feel totally displaced, totally homeless. Just kicked to the curb."

She feels helpless, she says, because there's nothing she can do: "There's no way to fight it."

State and federal courts do not have jurisdiction over Native American membership disputes, says Kevin Gover, law professor at Arizona State University and former assistant secretary of the Interior for Indian affairs.

"Congress has not given individual Indians the right to sue their tribes," he says.

Gover does not believe disenrollments are up because of gaming but says casino profits raise the stakes. He thinks expulsions are most often related to feuding families that form political factions.

"The majority family will throw the others out," he says. "It's clannish and unworthy of institutions that claim to be nations."

Yvette Champlain told The Providence Journal that she and dozens of her relatives were kicked out of the Narragansett Indian Tribe in Rhode Island this year because she questioned how the tribe spent $1 million it received from Harrah's Entertainment, which had been planning a casino with the tribe. "They don't want real accountability," she told the newspaper.

The casino plan was rejected by Rhode Island voters this month.

Tribal councilman Randy Noka declined to discuss the specifics of Champlain's case but says her allegations are false.

Members must be able to document that they're descendants of Narragansetts listed on a tribal roll from the 1880s, Noka says. The tribe has about 2,500 people enrolled.

"It has nothing to do with personalities or politics," he says. "Tribes have a responsibility to look out for their members. No one would expect to recognize someone that isn't a member of their family as a family member.

"You don't want anybody who may be looking to benefit from opportunities, who don't deserve them, to take away from someone who truly is a member," Noka says.

"If someone does have a definite interest in trying to prove themselves to be a member, and can prove it, they deserve every benefit other tribal members receive."

At the Cherokee Nation, a membership dispute centers on the Cherokee Freedmen, who are descendants of former slaves owned by Cherokees or, in some cases, descendants of free blacks who lived with the Cherokees. After the Civil War, the Cherokees, who had sided with the Confederacy, signed a treaty with the American government granting freedmen and their descendants tribal citizenship.

The tribe, which ratified a new constitution in 1976, has denied freedmen citizenship for much of the past three decades.

The tribe's highest court ruled in March that freedmen could obtain citizenship. Since then, more than 1,500 have enrolled, tribe spokesman Mike Miller says.

The dispute didn't end there. After Cherokee citizens circulated a referendum petition, Chief Chad Smith called a special election for February 2007 to consider changing the constitution. The proposed amendment would limit citizenship to those of Indian ancestry, based on membership rolls from the early 20th century. Those whose ancestors were freedmen would not be eligible.

Marilyn Vann's membership hangs in the balance.

"I've always considered myself a Cherokee Native American with African blood," says Vann, who says she is Cherokee, Chickasaw and black, and that being listed as a freedman means her Indian ancestry is ignored.

Vann, a petroleum engineer in Oklahoma City, says she was shocked when her citizenship application was rejected in 2001. She reapplied after the court's ruling in March and is now a citizen.

She wanted to join so she could vote and "have a voice in the affairs of the tribe," she says. "I did not come to my tribe to get something."

The Cherokees do not pay gaming profits to members. The money funds the government, social services and job creation.

Vann believes the tribe fears the freedmen's voting power. Littlefield's assessment is more blunt: "It's racism."

Some recently disenrolled members of the Pechanga Band of Luiseño Indians in California cite greed.

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John Gomez Jr., 38, helped found the American Indian Rights and Resources Organization last year to address civil rights issues. Gomez and about 130 adults in his family were disenrolled from the tribe in 2004. Another family of about 90 adults was kicked out earlier this year.

"Both were large families that opposed the leadership," he says.

The Pechanga Indians run a lucrative casino in Temecula, Calif., and split the profits among tribe members. Each member of Gomez's family used to get about $15,000 a month, he says. Once they were disenrolled, the payments stopped and the money went to remaining tribe members.

In an e-mailed statement, Pechanga Chairman Mark Macarro says courts have consistently upheld tribes' sole responsibility for determining their citizenship. He noted that a state court this month dismissed a suit brought by disenrolled members. His tribe has 1,370 members.

The allegation of casino-related greed "is ridiculous, irresponsible and simply distorts the facts," he says. "This is about determining who is a rightful citizen and who was enrolled under false pretenses."

Michael Madariaga lost his membership this year.

The tribe had hired John Johnson, curator of anthropology at the Santa Barbara Museum of Natural History, to trace the family's lineage.

Johnson determined that Madariaga's family can be traced to one of the original members of the tribe. "They did disregard my findings," Johnson says.

Madariaga, 43, and his family lost access to tribal benefits, including the monthly casino payout and meals for the elderly, he says. He lost his job at the casino. The children had to leave the reservation school.

Madariaga's 89-year-old grandfather, Lawrence, has prostate cancer. After his health insurance was cut off, he didn't take his medications for a few months, Madariaga says. Now, he's dipping into his retirement to pay for them.

Madariaga describes his grandfather as an integral member of the tribe who helped upgrade the water system and bring electricity and phones to tribe members. "He designed and helped build the health clinic," he says of his grandfather.

Madariaga says disenrollment "took a lot out of" his grandfather and grandmother, Sophia, 86.

"The anger, the stress, that's not good at their age and for their health," he says. "When they were cut off from the health benefits, they were very stressed."

But the hardest part hasn't been losing benefits and casino payouts, Madariaga says.

"What matters is taking away our heritage," he says.

"It's like taking your family and wiping them out of history."

FBI/DEA/ATF/USMS:

FBI Appoints Veteran For Criminal Division (WT)

By Jerry Seper And Matthew Cella

The Washington Times, November 29, 2006

A veteran FBI supervisor who oversaw the investigation into the high-profile, unsolved death of a federal prosecutor in Baltimore was appointed yesterday to lead the criminal division of the bureau's Washington field office.

As head of the division, Jennifer Smith Love will direct all FBI investigations in Washington and Northern Virginia focused on violent, financial and organized crime; public corruption; civil rights violations; computer crimes; and drug-related offenses.

FBI Director Robert S. Mueller III yesterday announced the appointment of Mrs. Love, who had been chief of the FBI's communication-exploitation section, where she led FBI efforts to disrupt the ability of terrorists to communicate with one another.

Mrs. Love was the acting special agent in charge of the FBI's Baltimore field office and oversaw the bureau's investigation into the high-profile death of Assistant U.S. Attorney Jonathan Luna, whose body was found Dec. 4, 2003, in a ditch in Pennsylvania.

Mr. Luna, 38, drowned after being stabbed 36 times with his own penknife and left facedown in a creek near Brecknock Township, Pa. Nearly three years later, the death has raised more questions than answers.

In May, during hearings before the Senate Judiciary Committee, Sen. Charles E. Grassley, Iowa Republican, questioned Mrs. Love's role in the Luna investigation, saying she and two other agents were "the subject of allegations" that they had conducted an unauthorized search of another agent's laptop computer.

Mr. Grassley said Mrs. Love's conduct was the subject of a later FBI investigation and a review by the Justice Department's Office of Inspector General. The FBI probe cleared Mrs. Love of any wrongdoing. The inspector general's review found "credible

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evidence" of wrongdoing to conclude the case should have been sent through the FBI's formal disciplinary process, rather than handled as a job-performance issue.

After serving as a new agent in New Orleans in January 1987, Mrs. Love went on to work in the Chicago field office and as the Baton Rouge resident agent, where she investigated white-collar crime, violent crimes and civil rights matters. As a street agent in all three offices, she was the case agent on numerous public corruption investigations that led to the successful convictions of numerous prominent public officials and police officers.

In 1997, she was appointed supervisory special agent in the FBI's Office of Professional Responsibility at bureau headquarters in Washington, where she conducted investigations into accusations of employee misconduct. Two years later, she was appointed supervisory special agent in the Philadelphia field office where she led a white-collar crime and computer-intrusions squad.

During her tenure in Philadelphia, she oversaw the division's first undercover operation focusing on check-fraud rings.

In December 2002, she was named assistant special agent in charge of the Baltimore field office, where she initially headed the office's white-collar crimes, civil rights, administrative and surveillance programs, along with the Annapolis and Wilmington, Del., resident agencies. She concluded her assignment in Baltimore by being responsible for all of the FBI's criminal violations in the states of Maryland and Delaware.

In January 2005, Mrs. Love was promoted to section chief in the Counterterrorism Division at FBI headquarters, where she oversaw a multimillion-dollar budget, employee and information-security matters, training and continuing-education initiatives, and human-intelligence validation.

Mrs. Love is a 1983 graduate of Jackson State University in Jackson, Miss., where she received a bachelor's degree in accounting. Prior to joining the FBI, she worked as a cost accountant at McDonnell Douglas Corp. in St Louis and as a financial analyst in the FBI's St. Louis division.

Former FBI Secretary Admits Guilt (AP)

AP, November 29, 2006

HONOLULU (AP) _ A former clerk-secretary on the F-B-I's organized crime-drug squad pleaded guilty today to getting information without authorization from a computer the bureau's Honolulu office.

The F-B-I's investigation of Charmaine Moniz led to a two-year drug and gambling probe that resulted in charges filed against more than 35 people.

In addition to Moniz, the defendants include her husband, Eric, five Honolulu police officers and a Honolulu Liquor Commission inspector.

The F-B-I has said Moniz divulged sensitive information to drug dealers on Oahu's North Shore in 2003 and 2004.

In court, Moniz said she got the information to warn her husband to stay away from certain people.

Moniz is to be sentenced April ninth. She faces up to five years in prison and a 250-thousand-dollar fine.

Witness Tells Of Role In Gang, And Killings (NYT)

By Michael Brick

The New York Times, November 29, 2006

In walked the first member of the Stapleton Crew, described by prosecutors as a band of outlaws who shot, robbed and pummeled their way to power among the gun and drug rings of Staten Island.

He was 20 years old, 6 feet 3 inches tall and 320 pounds, and for court he had squeezed all that into a blue blazer with golden buttons.

His real name is Jessie Jacobus, but he gave his street handle as J-Dot, which he said was short for J-Doing Other Things.

The thing Mr. Jacobus was summoned to do yesterday in federal court in Brooklyn, in violation of what he called his principles, was to testify about the murder of two undercover detectives in March 2003.

Another member, Ronell Wilson, 24, faces the death penalty if he is convicted of pulling the trigger to advance the activities of the crew, which prosecutors describe in legal parlance as a racketeer-influenced corrupt organization.

Mr. Jacobus has pleaded guilty to murder and admitted being the fourth man in the car when the detectives were shot; he is cooperating with prosecutors in exchange for a letter to his sentencing judge.

Federal prosecutors obtained the racketeering indictment and took over the case after the state death penalty was effectively halted in 2004. They said the two men had not seen each other since they were arrested three and a half years ago.

Mr. Jacobus walked across the courtroom with his back to Mr. Wilson. He turned at the witness stand, and the two seemed to lock eyes. Then he sat and promised to tell the truth about his role in the crew.

“I was supposed to be the strong-arm,” he said.

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Mr. Jacobus was 17 in 2003, a 10th-grade remedial school dropout, the son of a drug addict who moved up and down the East Coast. He started committing crimes at 14, though no one in the gang would let him hold a gun during robberies or revenge trips against a rival New Brighton gang.

As the strong-arm, Mr. Jacobus was relegated to rifling victims' pockets for money and contraband. It was also his job to probe their body cavities for hidden rocks of cocaine and extract them.

"Basically on the come-up, basically," Mr. Jacobus said. "I was making my way up."

He described a series of minor, violent assignments he had accepted to increase his status. Under questioning from an assistant United States attorney, Jack Smith, Mr. Jacobus said crew members acted as a team.

"A team was like, you know, um, basically like a basketball team, everybody plays a part," he said. "Some people sold drugs, some people robbed, you understand what I'm saying."

Photographs of the crew showed no women and no girls, just young men and boys in oversize athletic clothing smiling and contorting their fingers into gun shapes and gang signs. In one picture, they posed arm in arm before a refrigerator case at a bodega. Another was a souvenir of a trip to a Six Flags theme park.

Mr. Jacobus displayed vague knowledge of the drug-dealing operations, but he described robbing street-level marijuana and cocaine dealers. He said he had agreed to help Mr. Wilson rob a retail clothing store two blocks from the Stapleton Houses project where they lived.

The plan was to enter the store at midday, display a gun, take all the clothes and drive off in a rented van. His job would have been to gather the clothes, but the plan was eventually dismissed as foolhardy.

On March 10, 2003, Mr. Jacobus said, he agreed to help rob a man during a staged gun sale. The man who arrived was an undercover detective, James V. Nemorin, 36, accompanied by Detective Rodney J. Andrews, 34, whom he identified as his brother-in-law. Mr. Jacobus said he and Mr. Wilson got in the back seat of the detectives' car.

As prosecutors played a surveillance recording of that drive, relatives of the slain detectives sobbed and wailed, prompting Judge Nicholas G. Garaufis to clear the courtroom. He did not grant a defense motion for a mistrial.

As the tape resumed, Mr. Jacobus translated street slang for the jury ("burner" means gun, "hot" means under surveillance, "Shaolin" means Staten Island, even sitting around has several euphemisms) and filled in gaps in the recording.

He said Detective Andrews bought a pack of Newports and offered the cigarettes around. Detective Nemorin drove some more, then Mr. Wilson shot both detectives dead, starting with the passenger.

"Did the driver say anything?" the prosecutor asked.

"He was pleading for his life," Mr. Jacobus said.

They hid the gun in an apartment and returned to search the car. They did not find the $1,200 Detective Nemorin was carrying, but they did find a gun under the seat. Mr. Jacobus said Mr. Wilson told him, "They was going to get us before we got them."

On cross-examination, Mr. Jacobus said he had lied to the police after his arrest but told the truth since signing the cooperation agreement.

A defense lawyer, Ephraim Savitt, asked about the gang's name.

"When you were out on the street, before you were arrested, did you ever hear of the term Stapleton Crew?" Mr. Savitt said.

Mr. Jacobus said, "No, sir."

Afghan Police Aiding Drug Traffickers, U.N. Study Says (AP)

AP, November 29, 2006

KABUL, Afghanistan -- Afghanistan's criminal underworld has compromised key government officials who protect drug traffickers, allowing a flourishing opium trade that will not be stamped out for a generation, an ominous U.N. report released Tuesday said.

The fight against opium production has so far achieved only limited success, mostly because of corruption, the joint report from the World Bank and the United Nations Office on Drugs and Crime said.

The findings show a "probability of high-level (government) involvement" in drugs, said Doris Buddenberg, the UNODC's Afghanistan representative and co-editor of the report.

The report in particular presented a strong indictment of the Interior Ministry, which runs the country's police, and said Afghanistan's criminal underworld could not operate without the support of the political "upperworld."

"The majority of police chiefs are involved," one senior police officer told the report's authors on condition of anonymity. "If you are not, you will be threatened to be killed and replaced."

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Without naming officials, the report said it was possible that powerful interests in the Interior Ministry are appointing district police chiefs "to both protect and promote criminal interests."

The result is a "complex pyramid of protection and patronage, effectively providing state protection to criminal trafficking activities."

The spokesman for the counter-narcotics ministry said there is no evidence that high-ranking officials are involved in Afghanistan's drug trade.

"If there is evidence we welcome the evidence and the arrest will be on the spot," Zalmai Afzali said.

Poppy cultivation and the heroin it produces has become a major problem in Afghanistan, providing funds for the Taliban insurgency that has caused the deaths of more than 3,700 people this year.

Opium production in Afghanistan rose 49% this year to 6,100 metric tons. The harvest provided more than 90% of the world's opium supply and was worth more than $3.1 billion.

Gen. Khodaidad, Afghanistan's deputy minister for counter-narcotics, told The Associated Press that next year's harvest will be as large as this year's in several key southern provinces where Taliban militants have a heavy presence. A U.S. official has also told the AP he expects next year's yield to be about the same.

The 210-page report, titled "Afghanistan's Drug Industry," is the first comprehensive assessment of the country's drug production, from poppy-growing farmers to international drug traffickers.

Barnett Rubin, director of studies and senior fellow at New York University's Center on International Cooperation, said his research has led to many of the same conclusions as the report's.

"There are many cases where honest prosecutors or police chiefs try to do something about corruption, and they say they receive phone calls from very high officials in Kabul saying to leave the people alone," said Mr. Rubin, an expert on Afghanistan.

Like the report, Mr. Rubin said he could not name names. "Getting indictable evidence is very, very difficult," he said. "I'm not mentioning any individual's name to you because I don't want to be sued or bumped off."

Interior Ministry spokesman Zemeri Bashary said the ministry has reformed its process for selecting police chiefs.

"At the moment we don't have any problems with our police chiefs," he said. "If the government is saying that poppy cultivation is prohibited, so they are obliged to implement the orders of the government."

Instead of sustained declines in cultivation, successful efforts to reduce poppy growing in one province often leads to increases elsewhere, the report found.

"History teaches us that it will take a generation to render Afghanistan opium-free," said Antonio Maria Costa, executive director of UNODC. "Those driving the drug industry must be brought to justice and officials who support it sacked."

Poppies take up less than 4% of the total cultivated area in Afghanistan, and most districts do not grow opium, the report said. But the $3.1 billion export value of last year's crop accounted for around one-third of total economic activity in the country, and about 13% of Afghans are involved in the trade.

The report says there is also a need to curtail demand. The major consumers of Afghanistan's opium are Iran, Pakistan, the U.K., Italy, Spain and Germany, Ms. Buddenberg said.

Mr. Rubin said the report shows the international community's approach to the drug fight here is wrong.

"It should focus its efforts to remove big drug money from the political process," he said. "But instead what we have done is put big drug traffickers in positions of power, failed to take or support strong actions against them while we attack the livelihoods of small farmers and laborers through eradication, and they then turn to the Taliban or warlords for protection."

Agencies End Turf War Over Danvers Blast Probe (BOS)

The Boston Globe, November 29, 2006

Federal and state agencies announced today that they will cooperate in the investigation into last week's chemical plant explosion in Danvers.

Town and state fire officials had questioned the jurisdiction of the US Chemical Safety Board, a federal agency that investigates such incidents. A turf war erupted Saturday when investigators from the board were denied access to the blast site.

In a joint statement this afternoon, federal and state officials and Chemical Safety Board investigators are on the site today of the plant, which was shared by CAI Inc. and Arnel Co. Inc. Investigators from the State Fire Marshal's office, the Massachusetts Department of Fire Services, the Danvers Fire Department, and the federal Bureau of Alcohol, Tobacco, Firearms, and Explosives are also involved.

"All parties have agreed to cooperate in executing their different missions," said the statement, issued after a meeting of all the agencies this morning. "The CSB and ATF will coordinate to ensure the integrity of the ongoing civil and criminal investigations during the access to the site."

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Man Who Impersonated Federal Agent Gets 10-year Sentence (AP)

AP, November 29, 2006

ATLANTA - A man who impersonated a federal agent during an armed robbery was sentenced Tuesday to 10 years in prison on charges of carrying an unregistered sawed-off shotgun and a homemade firearm silencer.

Prosecutors say Garfield Royes, 37 already had three felony armed robbery convictions on his record when he posed as an agent from the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives during another armed home invasion.

"Today's sentencing of Mr. Royes validates that his only career is being an authentic career criminal," said Vanessa L. McLemore, an ATF special agent.

Royes donned a tank-top adorned with the letters "ATF" in 2003 while robbing a group of suspected drug dealers, said U.S. Attorney David Nahmias.

He was arrested in June 2003 while attempting to flee from police officers trying to search his home, prosecutors said. Police later said they found a 12-gauge sawed-off shotgun, a homemade silencer and ammunition at his home - items that Royes is banned from owning.

Royes, of Woodstock, must also serve three years of supervised release following his sentence.

Mathison Returned To U.S. (SCJ)

By Nick Hytrek And Alicia Ebaugh, Journal staff writers

Sioux City (IA) Journal, November 29, 2006

It was a day later than expected, but Ryan Mathison is back on U.S. soil.

Around 6 p.m. Tuesday, Mathison and his girlfriend Janelle Rodriguez were walked halfway across a bridge into El Paso, Texas, by Mexican officials, where they were met by U.S. Marshals, said El Paso Supervisory Deputy U.S. Marshal Jerry Payan.

"They are sitting in the El Paso County Jail awaiting extradition to Iowa," Payan said.

The pair were expelled from Mexico as "undesirables," Payan said, a faster and simpler procedure than extradition, a formal process that requires requests for extradition warrants that can take months. In expulsion, the Mexican government basically says the person in custody is not welcome. The person in custody also agrees to leave.

"This is basically they want to leave, and Mexico wants them to leave, and they escort them to the border," said Duane Walhof, supervisor of the U.S. Marshals Service Sioux City bureau.

"It could be two days to two weeks before they are returned to Sioux City, depending on how fast the paperwork is processed," Payan said.

On Monday, federal officials in Sioux City announced that Mathison and Rodriguez had been located and arrested in Juarez, Mexico, Sunday afternoon. At a press conference, authorities said they expected the two to be turned over to the Marshals Service by Monday afternoon at the U.S. border at El Paso, Texas, just across the Rio Grande River from Juarez.

Mexican officials did not meet with them as expected that day.

"We were there ready to take (Mathison and Rodriguez), and they wouldn't release them," Walhof said.

The Sunday arrest ended a two-week search for Mathison, who, while on pretrial release, skipped town during his trial on charges that he oversaw a drug ring that transported hundreds of pounds of marijuana and cocaine from Mexico to Sioux City. The jury later found him guilty. He faces a mandatory minimum sentence of 20 years in prison, a sentence that could be enhanced because he discarded his electronic monitoring device and left town. A sentencing date has not been set.

Mathison and Rodriguez were located in a Juarez hotel across the street from the U.S. Drug Enforcement Administration office. Mathison, 38, of Sioux City, was wanted for violating terms of his pretrial release.

Rodriguez, 20, North Sioux City, who left town with Mathison, was arrested on a material witness warrant.

Citing a Marshals Service policy not to comment on details of investigations, Walhof declined Tuesday to elaborate on the investigation or Sunday's tip that led to Mathison's capture.

Readers posting comments on the Journal's Web site at www.siouxcityjournal.com Tuesday gave their own theories on how the case was cracked. Walhof declined to say if those statements were accurate.

"I've read that same speculation," he said.

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IMMIGRATION:

Consulates In U.S. Hit The Road To Help Far-Flung Paisanos (WSJ)

By Joel Millman

The Wall Street Journal, November 29, 2006

KODIAK, Alaska -- On his latest trip to Alaska, Salvadoran consular official Luis Roberto Castellanos saw bear cubs, a killer whale and 200 natives of El Salvador who might lose their jobs in canneries here unless they solve their immigration problems.

A growing number of Mexicans, Salvadorans, Guatemalans and Dominicans are working in the remote reaches of Alaska, frequently illegally, and cut off from the bulk of Latino immigrants in the U.S. They turn for help to "mobile consulates" -- collections of diplomats from their home countries who fly from barrio to barrio around the country.

These Latino circuit riders are experts in immigration law and lobbying. They press schools to offer bilingual instruction and persuade banks to accept foreign ID cards, called matrículas, in lieu of Social Security cards, so immigrants can open checking accounts. They also counsel migrant workers on the intricacies of U.S. immigration laws, including an array of regulatory loopholes that Central Americans might be able to use to stay in the U.S. even if they entered illegally. (Two legal grounds for staying: earthquake damage in home countries and fear of torture back home.)

The mobile consulates are doing their best to help those who make it to the U.S. to stay here. "Getting over the border is expensive, but it's not difficult," said Orlando Castillo, a Salvadoran cannery worker who made his way to America illegally by crossing through Mexico. "But finding a way to stay? That's hard."

Latin American nations have a big incentive to keep migrants working in the U.S. They send their families at home about $50 billion a year, according to the Inter-American Development Bank. For El Salvador, Haiti and Nicaragua, such remittances are their largest source of hard currency. So far this year, Latin American nations have sent five mobile missions to Alaska -- two from Mexico's Seattle consulate, and one each from California consulates of Guatemala, the Dominican Republic and El Salvador. Other countries that have mobile consulates around the U.S. include Nicaragua, Brazil, Perú and Colombia.

The Mexican team that swept into Anchorage at the end of September was a model of efficiency. Taking over the offices of Local 878 of the Unite/HERE restaurant and hotel workers union, the group moved about 50 applicants through a kind of assembly line. The diplomats proofread applications, verified identification and processed passports and matrícula cards by using a digital camera linked via laptop to a fingerprint scanner. New passports cost $84, matrículas $27.

While they were waiting, the Mexican migrants could thumb through brochures left by bank marketers touting low-cost money transfers to Latin America. Wells Fargo's Anchorage office has a deal with Mexico's Seattle consulate that lets it distribute materials on remitting cash every time a mobile team visits. Western Union has similar arrangements with mobile consulates visiting other cities.

Sometimes the mobile consulates attract anti-immigration ire. In February, 100 members of the Colorado Alliance for Immigration Reform picketed a Colorado Springs public library when Denver's Mexican consul came to distribute matrículas. "Meddling Mexican Consulate Officials Issuing Mickey Mouse Matrícula Cards to Foreigners" was how the protesters described the visit on the group's Web page. This past summer, a group called Oregonians for Immigration Reform demonstrated against mobile consulates in Independence and Portland, Ore. To try to limit controversy, many mobile consulates no longer hold sessions in schools or other government buildings.

With 1.5 million Salvadorans living in the U.S., El Salvador's 15 permanent consulates frequently send diplomats on the road to meet far-flung paisanos. According to San Francisco vice consul Ana María Canizalez, El Salvador's Miami consulate pioneered the use of mobile units, starting in the late 1990s. Her office started sending teams out of town just a few times a year, she recalls. "Now it feels like we're on the road every week."

It's not what the 53-year-old expected to be doing when she left her job working for El Salvador's public health ministry in 1982 to take a plum diplomatic post in San Francisco. Taking three children and a husband -- now an employee of the U.S. Postal Service -- she has seen the Bay Area's Salvadoran population swell to 50,000, including her own U.S.-born grandchildren. Across 12 states covered by her consulate, she estimates, more than a quarter million Salvadorans have settled in.

Over the years, Mrs. Canizalez has assisted hotel workers in Reno, Nev., fig-grove workers in Mendota, Calif., fruit pickers in Wenatchee, Wash., and potato harvesters in Nampa, Idaho. People are grateful for the attention paid to remote communities, she says. Dollars and cents count as much as solidarity. "Imagine if they had to pay $1,000 each to come to San Francisco," she explains. "That's hundreds of dollars saved by us coming here. A lot of that money goes home."

A trip to Alaska is especially grueling. After she participated in two marathon sessions in Seattle in August, she left with two consulate staffers for Alaska. Their prop plane didn't arrive at Kodiak Island until midnight. Over cups of tea, the diplomats laid out plans for the following day's meeting, finally getting to sleep around 2 a.m.

About a third of the 600 Salvadorans who live in Kodiak came to visit the traveling band, which set up shop in a Pentecostal church. There, Salvadoran women prepared traditional snacks to sell of fried yucca and pork cracklings.

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The island, known for its evergreen rain forests and unique species of brown bear, has long been a haven for immigrants who work at salmon and halibut-processing plants. About 60% of the 6,000 residents of Kodiak were born abroad or are children of immigrants. "In the 1970s, it was Filipinos, in the 1980s it was Mexicans, now it's Central Americans," says Tony Olazabal, a Peruvian native who is production manager for Ocean Beauty Seafoods, a local cannery.

The first Latinos arrived in 1964, when foreign construction workers were sought to rebuild Kodiak after an earthquake and tsunami destroyed the island's harbor city. Today, while most of the Salvadorans who live on the island qualify for permanent legal residency and have green cards, they need help in updating passports, or registering children born in Alaska. The children are dual citizens under Salvadoran law.

Mr. Castillo, the cannery worker, told the diplomats that he entered the U.S. illegally. He first crossed the Texas-Mexico border in 1993, he said, then sneaked across again last year into Arizona, the second time paying a coyote $5,000 to guide him past border patrol agents. To qualify for a temporary work permit, he filed a petition for asylum, claiming he can't go home because criminal gangs have threatened his life.

He said he wants to stay for the money. The 48-year-old laborer earns $8 an hour hauling slabs of fresh halibut across slippery floors at Ocean Beauty. In the summer he can pocket $650 a week by working 16-hour days -- at least 10 times what he could earn at home. Each month, he said, he sends $300 home to support a family of six in La Trinidad, Cabañas.

The visiting diplomats advised Mr. Castillo that it would be hard to prove that he fears for his life since he has visited El Salvador since entering the U.S. Maybe he could qualify for Temporary Protected Status.

TPS started as a humanitarian program to allow Central Americans who fled civil wars at home in the 1980s to stay in the U.S. temporarily. TPS was extended in 2001 after earthquakes ravaged the region and again this year, many immigrant specialists believe, as a kind of thank-you to El Salvador for having sent 400 soldiers to Iraq. Now El Salvador is lobbying Congress to give all TPS holders, including the 225,000 from El Salvador, green cards entitling them to work and reside permanently in the U.S.

Barely able to write his name, Mr. Castillo labored painfully over each line in the Department of Homeland Security TPS form as Mrs. Canizalez watched, silently mouthing words of encouragement. Then she handed Mr. Castillo a stamped envelope, addressed to the federal office that processes the forms. She helped 50 other Salvadorans in Kodiak apply for TPS, too. The applicants won't know for several weeks whether they qualify, or what to try next if they don't.

Mr. Castillo hasn't heard yet, but he has a Plan B. He said he might join his son, who works in a meat-processing plant near Lexington, Neb., and switch from filleting fish to slicing beef. The son might marry an American girl one day, the cannery worker said, making him eligible to sponsor his father for legal permanent residency. "That would work best for me," the cannery worker said. "With God's help, something will work out."

TAX:

Democrat Calls For Outdated Tax To Be Axed (FT)

By Francesco Guerrera

Financial Times, November 29, 2006

The new Democrat-controlled Congress should abolish an outdated tax that could condemn up to 23m Americans to pay a total $1,000bn next year, according to the incoming head of a powerful congressional committee.

Charles Rangel, the New York Democratic congressman who is expected to become chairman of the tax-writing ways and means committee in the House of Representatives, said scrapping the alternative minimum tax (AMT) was a top priority.

Mr Rangel's position, presented at a meeting with New York business leaders on Tuesday, is more radical than other senior Democrats, including the incoming House Speaker Nancy Pelosi, who have talked about extending a one-year relief from AMT for middle-income taxpayers.

Introduced in 1969 to ensure that most upper-income households paid at least some tax, AMT has become emblematic of the inefficiencies plaguing the US tax collection system.

The problems stem largely from a technical mistake: the tax was not indexed for inflation – an oversight that meant that every year more and more middle-income citizens ended up paying it. It will be levied on some 3.5m people this year and the number could rise to more than 23m in 2007.

Both Republicans and Democrats support changes in the AMT regime because the tax is hitting middle and upper-income families – a crucial constituency.

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But previous attempts at wholesale reform have stalled because of the need to find large revenue gains or spending cuts to offset the money raised by the tax. For the past few years Congress had agreed on temporary tax relief which costs about $30bn, considerably less than abolishing AMT, and is still considered the most likely option for 2007.

However, Mr Rangel said: "Nobody can challenge that is basic good policy to [scrap it]. The only question is where are we going to find the money to do it."

The financial pressures have been exacerbated by the Democratic leadership's pledge to match the cost of any tax change with spending cuts or other tax increases.

Mr Rangel said about $350bn of the $1,000bn needed to match AMT revenues could be found by closing "the tax gap" – a pool of funds that, for a number of reasons, goes unclaimed by the tax authorities. But he acknowledged the remainder would have to come from a bipartisan effort to close tax loopholes and find other sources of revenue.

Mr Rangel dampened hopes that the Democrats would roll back tax cuts introduced by President George W. Bush over the past few years, partly because the White House retains a veto on any such measures.

CONGRESS-ADMINISTRATION:

Pentagon Takes Broader View On Emergency Spending (LAT)

By Julian E. Barnes And Peter Spiegel

The Los Angeles Times, November 29, 2006

WASHINGTON -- The Pentagon is preparing an emergency spending proposal that could be larger and broader than any since the Sept. 11 attacks, covering not only the conflicts in Iraq and Afghanistan but extending to other military operations connected to the Bush administration's war on terrorism.

The spending plans by military commanders may push the Defense Department into a conflict with Democrats as they take control of Capitol Hill next year. Democrats had been planning to limit the emergency "supplemental" spending measures that have funded the wars in favor of the regular federal budget process, which affords greater oversight and congressional control.

Congressional and military officials have said the Pentagon is considering a request of $127 billion to $150 billion in new emergency war spending, the largest such request since the special spending measures were begun in 2001. So far, Congress has allocated $495 billion for Afghanistan, Iraq and terrorism-related efforts.

Even within the Pentagon, the spending request is generating controversy. The Pentagon was due to forward its request to the White House by about Nov. 15. But a senior Defense official said the decision had been held up and Pentagon officials had asked Army and Air Force officials to provide more justification for the spending demands.

Pentagon officials would not comment on the budget figures, due to be made public in February.

The upcoming request, added to the $70 billion already allocated for next year, would easily exceed the annual cost of the Vietnam War at its height. Adjusted for inflation, the United States spent $121 billion on the Vietnam War in 1968, according to the nonpartisan Congressional Research Service.

Still, the overall cost of the Vietnam War -- about $663 billion adjusted for inflation -- still exceeds the combined costs of the fighting thus far in Afghanistan and Iraq, according to the Congressional Research Service.

The next request stands to be larger in part because of new rules laid out in an Oct. 25 memo from Deputy Defense Secretary Gordon England. Rather than strictly limit spending to Iraq and Afghanistan costs, the memo said the services could include costs associated with military operations that are part of the larger war on terrorism.

Previously, the military portion of the supplemental spending measures has been used almost exclusively for operations in Iraq and Afghanistan. England's memo would allow the military branches to include a greater number of expenses more loosely tied to the wars, such as new military weapons systems and training exercises.

The cost and approach of the spending request are likely to meet with resistance in Congress. Democratic congressional aides said the new majority on Capitol Hill was likely to push back against a request that exceeded $100 billion.

"This was a dream list for the military," said one aide, who, like others, spoke on condition of anonymity because the Pentagon has not formalized its request and because some members of Congress believe it is premature to comment publicly.

Democrats said a supplemental of $80 billion to $100 billion would be more realistic. House and Senate aides say they want to push in the opposite direction of the Pentagon, moving money out of the supplemental and into the regular budget.

"We are going to show more oversight," one Democratic aide said.

But Democrats acknowledged that it would be difficult to move a majority of the costs to the regular budget without forcing massive budget cuts in other departments.

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Although there will be more scrutiny of the Pentagon requests, and the most outrageous spending proposals could be nixed, there is little doubt a large supplemental will be approved, some Democratic aides said.

"People will grouse that they are loading up the supplemental, but they will be hard-pressed to say no, because they realize the services need the equipment," one Democratic aide said.

According to the England memo, the Pentagon wants to include money in the supplemental to replace equipment destroyed in combat or run down by accelerated wear and tear. More controversially, it might allow the services to replace old equipment with new models.

Defense officials declined to lay out specifics about what constituted expenditures that would be allowed in the next supplemental spending bill.

A Defense official said the Navy and Marine Corps request of $30 billion has been viewed as relatively uncontroversial. But the Army and Air Force requested far more than the Pentagon was willing to take to the White House's Office of Management and Budget and were asked to provide more information to top Defense officials.

The Army, outside military analysts have said, has requested about $80 billion in the upcoming supplemental. Army officials have not confirmed the figure.

The Air Force has requested $33 billion in supplemental funding, said Maj. Morshe Araujo, a spokeswoman. The Air Force originally requested $17.4 billion; after the England memo was circulated, the Air Force added $16 billion more in requests, Araujo said.

Critics of the Pentagon budget process say the memo has encouraged the various services to inflate their requests.

"The England memo basically said, 'Let 'er rip,'" said Winslow Wheeler, director of the Straus Military Reform Project and a former congressional budget aide. "Anything goes as long as you can put it under the pretext of not only Iraq or Afghanistan but the global war on terror."

Loren Thompson, a military analyst at the nonpartisan Lexington Institute in Arlington, Va., said the timing of the memo suggested that Defense Secretary Donald H. Rumsfeld, who has resigned and is likely to be out by the end of the year, was punting on tough spending choices.

"It really does have the feeling of opening up the floodgates and letting someone else drown," Thompson said.

Bryan Whitman, Pentagon spokesman, said the supplemental amounts being discussed publicly were "wildly speculative." The England memo, he said, was meant to enable the services to request money to replace worn-out equipment.

"It is fair to say: You are five years into this conflict and equipment is being used at a higher rate than its peacetime service life would be," Whitman said. "Those are costs directly related to the war, and we are going to have to figure out how we are going to deal with it."

But Wheeler said the services were doing more than replacing equipment destroyed in Iraq or Afghanistan. He was particularly critical of the Marine Corps' decision to use the emergency spending requests to replace old helicopters with the V-22 Osprey, a controversial and expensive tilt-rotor airplane that has yet to be deployed in Iraq or Afghanistan.

"That is like telling your wife she has worn out the Yugo for getting to the train station and you are going to buy her a Ferrari," Wheeler said.

In a meeting with reporters last week, Gen. James T. Conway, the new Marine Corps commandant, said buying outdated equipment would be wasteful.

"What we have to do is be smart about it," Conway said. "We have to be good custodians of the nation's resources. We have to ask ourselves: Do we buy new old stuff, or do we go to the next generation of equipment and modernize in the process?"

Wars Wearing Down Military Gear At Cost Of About $2 Billion A Month (USAT)

By Matt Kelley

USA Today, November 29, 2006

WASHINGTON — About $2 billion worth of Army and Marine Corps equipment — from rifles to tanks — is wearing out or being destroyed every month in Iraq and Afghanistan, military leaders and outside experts say.

That's equal to about a quarter of the $8 billion per month in military war costs. The wear and tear may lead to future equipment shortages and cutbacks in more advanced weapons, such as the F-35 Joint Strike Fighter being developed with allies around the world and the Army's new, high-tech family of weapons and equipment, says William Cohen, secretary of Defense from 1997 to 2001.

Pressure to keep spending under control can lead to cuts in both current maintenance and future weapons, Cohen says, but “the longer we defer on that, the more expensive it's going to be.”

The Pentagon needs $50 billion to $60 billion to re-equip and restore units returning from Iraq, says Leon Panetta, the former Clinton White House chief of staff and member of the bipartisan Iraq Study Group.

On Monday, the Pentagon said it had issued more than $1.7 billion in equipment repair and replacement contracts during November alone. This summer, the leaders of the Army and Marine Corps said their services rack up a combined $23 billion a year in repair costs.

Army Gen. Peter Schoomaker and Marine Gen. James Conway told Congress that repair money comes only in special requests for war funding, not in annual budgets. That, they said, makes it hard to plan for future needs.

"They've been falling badly behind," says Winslow Wheeler, a former congressional budget analyst now at the independent Center for Defense Information.

The Pentagon is considering $127 billion to $160 billion in requests for war funding next year.

Vehicles and other equipment are far more complex now than they were in previous conflicts such as Vietnam, making repairs and replacements even more expensive, Wheeler says. The Congressional Research Service says the entire Vietnam War cost an estimated $650 billion in today's money, while the global war on terrorism, including Iraq, has cost more than $500 billion so far.

The Army and Marines have reported using about 40% of their ground combat equipment in Iraq and Afghanistan, according to the Government Accountability Office (GAO). Units departing Iraq leave much of their heavy equipment behind, which further delays major maintenance and leaves holes in training for future missions, the report says.

A separate GAO report this month urged the incoming Democratic-controlled Congress to investigate the Pentagon's planning for repair, maintenance and replacement of war equipment.

If the United States entered another war, "it would be difficult for us to accomplish anything," says retired lieutenant general Donald Kerrick, who served on the National Security Council under presidents Clinton and Bush.

Defense Secretary Donald Rumsfeld has acknowledged the problem and said he is working with the White House to get more money for repairs.

"I think we have some reasonable understandings about the coming year and the importance of not having a two- or three-year lag," Rumsfeld said last month.

Medicare Costs Come In $13 Billion Under Budget (WT/AP)

The Washington Times/AP, November 29, 2006

The Medicare drug benefit has cost nearly $13 billion less than expected this year -- a rare federal program coming in under budget -- and projections show it will cost about $200 billion less in its first decade than initially estimated.

President Bush credits competition among the dozens of private insurance companies administering the program for the cost coming in at $30 billion in 2006, about 30 percent below the projected $43 billion.

But figures provided to the Associated Press by the agency that oversees the benefit for the elderly and disabled show two other factors: lower-than-expected enrollment and drug prices that went up less than expected before the benefit kicked in.

Democrats say they can cut costs further by having the government directly negotiate drug prices with pharmaceutical companies on behalf of beneficiaries. Rep. Nancy Pelosi, the incoming House speaker from California, says granting the government that authority will be one of her priorities for the new Congress' first 100 hours.

Why the program has been costing less than anticipated will be an important element of that debate. To date, however, there has been little detailed analysis of how the savings are being achieved.

The Centers for Medicare and Medicaid Services, the federal agency that oversees the new drug benefit, provided the AP with its accounting of where the program saved money this year:

·Lower than projected enrollment: $7.5 billion.

·Competition: $6.9 billion.

·Drug prices rising less than expected in the two years before the benefit even began: $3.7 billion.

About $141 billion of projected savings over the decade result from slower growth in drug prices, said John Shatto, a Medicare actuary.

The savings being achieved by the program could make it harder for Democrats to make changes, particularly with surveys showing high satisfaction rates among seniors and the disabled. So Democratic lawmakers may focus on where the savings are coming from.

"Republicans would have you believe that the drug and insurance companies have sacrificed profits in the name of competition, but nothing could be further from the truth," said Rep. Pete Stark, California Democrat. "In fact, the dirty little secret is that costs are lower because of low enrollment and a slowdown in drug spending."

Leslie V. Norwalk, the acting administrator for the Centers for Medicare and Medicaid Services, says enrollment is actually lower because the agency's actuaries underestimated how many people already had drug coverage before Jan. 1, when the Medicare benefits started.

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Nearly 10 million fewer people enrolled in the program than projected after Congress created the drug benefit in 2003.

In Following His Own Script, Webb May Test Senate's Limits (WP)

By Michael D. Shear

The Washington Post, November 29, 2006

At a recent White House reception for freshman members of Congress, Virginia's newest senator tried to avoid President Bush. Democrat James Webb declined to stand in a presidential receiving line or to have his picture taken with the man he had often criticized on the stump this fall. But it wasn't long before Bush found him.

"How's your boy?" Bush asked, referring to Webb's son, a Marine serving in Iraq.

"I'd like to get them out of Iraq, Mr. President," Webb responded, echoing a campaign theme.

"That's not what I asked you," Bush said. "How's your boy?"

"That's between me and my boy, Mr. President," Webb said coldly, ending the conversation on the State Floor of the East Wing of the White House.

Webb was narrowly elected to the U.S. Senate this month with a brash, unpolished style that helped win over independent voters in Virginia and earned him support from national party leaders. Now, his Democratic colleagues in the Senate are getting a close-up view of the former boxer, military officer and Republican who is joining their ranks.

If the exchange with Bush two weeks ago is any indication, Webb won't be a wallflower, especially when it comes to the war in Iraq. And he won't stick to a script drafted by top Democrats.

"I'm not particularly interested in having a picture of me and George W. Bush on my wall," Webb said in an interview yesterday in which he confirmed the exchange between him and Bush. "No offense to the institution of the presidency, and I'm certainly looking forward to working with him and his administration. [But] leaders do some symbolic things to try to convey who they are and what the message is."

In the days after the election, Webb's Democratic colleagues on Capitol Hill went out of their way to make nice with Bush and be seen by his side. House Speaker-elect Nancy Pelosi (D-Calif.) sat down for a lunch and photo opportunity with Bush, as did Democratic leaders in the Senate.

Not Webb, who said he tried to avoid a confrontation with Bush at the White House reception but did not shy away from one when the president approached.

The White House declined to discuss the encounter. "As a general matter, we do not comment on private receptions hosted by the president at the White House," said White House spokeswoman Dana M. Perino.

Webb said he has "strong ideas," but he also insisted that -- as a former Marine in Vietnam -- he knows how to work in a place such as the Senate, where being part of a team is important.

He plans to push for a new GI bill for soldiers who have served in the days since the Sept. 11, 2001, attacks, but not as a freshman senator. He has approached the Democratic leadership about getting senior legislators to sponsor the bill when the 110th Congress convenes in January.

A strong backer of gun rights, Webb may find himself at odds with many in his party. He expressed support during the campaign for a bill by his opponent, Sen. George Allen (R-Va.), that would allow concealed weapons in national parks. But an aide said this week that Webb will review Allen's legislation.

"There are going to be times when I've got some strong ideas, but I'm not looking to simply be a renegade," he said. "I think people in the Democratic Party leadership have already begun to understand that I know how to work inside a structure."

His party's leaders hope that he means it.

Top Democratic senators, including incoming Majority Leader Harry M. Reid (D-Nev.) and Charles E. Schumer (D-N.Y.), had invested their money and prestige in Webb before he won the party primary in June. His victory was also theirs, but now they have to make sure he's not a liability.

"He's not a typical politician. He really has deep convictions," said Schumer, who headed the Senate Democrats' campaign arm. "We saw this in the campaign. We would have disagreements. But when you made a persuasive argument, he would say, 'You're right.' I am truly not worried about it. He understands the need to be part of a team."

One senior Democratic staff member on Capitol Hill, who spoke on condition that he not be identified so he could speak freely about the new senator, said that Webb's lack of political polish was part of his charm as a candidate but could be a problem as a senator.

"I think he's going to be a total pain. He is going to do things his own way. That's a good thing and a bad thing," the staff member said. But he said that Webb's personality may be just what the Senate needs. "You need a little of everything. Some element of that personality is helpful."

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Webb has started to put himself out front. On "Meet the Press" last week, he dispensed with the normal banter with host Tim Russert to talk seriously about Iraq and the need for economic justice in the United States.

He announced yesterday that he has hired Paul J. Reagan, a communications director for former governor Mark R. Warner (D) and a former chief of staff for U.S. Rep. James P. Moran Jr. (D-Va.). It will be Reagan's job to help his boss navigate the intricacies of Washington and Capitol Hill without losing the essence of his personality.

"The relationships he has built over his long career will serve me well," Webb said in a statement yesterday.

Virginia Gov. Timothy M. Kaine (D), who campaigned hard to get Webb elected, said yesterday that the first-time officeholder doesn't have the finesse of most experienced politicians.

"He is not a backslapper," Kaine said. "There are different models that succeed in politics. There's the hail-fellow-well-met model of backslapping. That's not his style."

But Kaine said that Webb's background, including a stint as Ronald Reagan's Navy secretary, will make him an important -- if unpredictable -- voice on the war in Iraq.

"There are no senators who have that everyday anxiety that he has as a dad with a youngster on the front lines. That gives him gravitas and credibility on this issue," Kaine said. "People in the Senate, I'm sure, will agree with him or disagree with him on issue to issue. But they won't doubt that he's coming at it from a real sense of duty."

Son Also Rises In Testy Webb-Bush Exchange (HILL)

By Emily Heil

The Hill, November 29, 2006

President Bush has pledged to work with the new Democratic majorities in Congress, but he has already gotten off on the wrong foot with Jim Webb, whose surprise victory over Sen. George Allen (R-Va.) tipped the Senate to the Democrats.

Webb, a decorated former Marine officer, hammered Allen and Bush over the unpopular war in Iraq while wearing his son's old combat boots on the campaign trail. It seems the president may have some lingering resentment.

At a private reception held at the White House with newly elected lawmakers shortly after the election, Bush asked Webb how his son, a Marine lance corporal serving in Iraq, was doing.

Webb responded that he really wanted to see his son brought back home, said a person who heard about the exchange from Webb.

"I didn't ask you that, I asked how he's doing," Bush retorted, according to the source.

Webb confessed that he was so angered by this that he was tempted to slug the commander-in-chief, reported the source, but of course didn't. It's safe to say, however, that Bush and Webb won't be taking any overseas trips together anytime soon.

"Jim did have a conversation with Bush at that dinner," said Webb's spokeswoman Kristian Denny Todd. "Basically, he asked about Jim's son, Jim expressed the fact that he wanted to have him home." Todd did not want to escalate matters by commenting on Bush's response, saying, "It was a private conversation."

A White House spokeswoman declined to give Bush's version of the conversation.

Fake Rep. takes on colorful causes

Rep. Sherri Davis, a Republican from California, has a plucky resume, fabulous fashion sense, and a mission to eradicate yoga mat-borne illnesses. She's colorful, quotable and, unfortunately, totally fake.

Those who aren't up on their members of Congress, or who don't have a congressional directory handy, might be fooled by Rep. Davis's Internet footprints, which include a smattering of press releases, mentions on various blogs, and video clips posted on YouTube.com. She even has recommended items on Amazon.com.

The tales spread about her are just detailed enough to appear plausible. According to the press releases, which are posted on the website www.pr-inside.com and show up in Google news searches, the congresswoman is pressing legislative priorities including "a program designed to capitalize on the current 'scrapbooking craze' to increase youth reading levels through individual vouchers and through major tax-breaks to the American scrapbooking industry" and the Yoga Mat Cleanliness Act (YMCA), which the congresswoman promoted through appearances with actress Sarah Jessica Parker. According to the release, Parker "caught a bad case of tinea cruris [don't ask] from using an unclean yoga mat".

A woman purporting to be Davis appears in the YouTube clips offering bizarre policy prescriptions, such as suggesting that the problem of illegal immigration be solved by rounding up all illegal immigrants and forcing them to live in a tent city in the desert. Some viewers appeared fooled by the clips, posting comments like, "Is anyone else baffled as to how this ditz got elected? Or scared and embarrassed that she is one of the lawmakers of our country?"

Some details, though, are just too over-the-top. Davis' releases claim she "skyrocketed to fame in the 1990s with her raunchy rock-anthem '(Doing the) Baby Dance,' which reached No. 4 on the Billboard pop charts." Before taking office, Davis also played the role of Penny Pingleton in numerous regional performances of "Hairspray."

We tried to get to the bottom of the bottom of the ruse, but her "staffer," who identifies himself as Jake Barnes (oddly, that's the name of the lead character from Ernest Hemingway's "The Sun Also Rises") refuses to give up his "boss." "The idea that Congresswoman Sherri Davis, R-CA [sic] is a fictional character and not a real congresswoman is one that was planted in the media by Sherri's Democratic opponent in the congressional election this fall," he wrote us in an e-mail.

He said he hoped to have the congresswoman, who was traveling in Vienna, give us a call. We're holding our breath.

Sheriff, congressman, liquor-store owner … now lobbyist

The strange career of former Rep. Tommy Robinson just got a little stranger. The former Republican congressman from Arkansas is also a former sheriff who gained notoriety by chaining convicted prisoners to a fence. Now he owns a liquor store and, according to The Arkansas Democrat-Gazette, just landed a new gig: as a lobbyist for the new president of the Democratic Republic of the Congo.

Robinson told the paper he would be "brokering oil and other business deals between a number of U.S. companies" and Congo President Joseph Kabila. Robinson will get to keep the $10,000 to $12,000 monthly income earned from the lobbying position under the terms of his bankruptcy proceedings in Little Rock, the story says.

According to the report, Robinson served a five-day jail sentence earlier this year for attacking a creditor in a Brinkley, Ark. barbeque restaurant.

Wal-Mart, GOP forsake God, groups say

Some Christian conservative groups say both Wal-Mart and the Republican Party have "forsaken God." And just as the GOP took a hit in the elections earlier this month, the groups say the retail giant's lower-than-expected November sales figures are the wages of that sin.

Why are sales below estimates? "It is for the same reason things went south for the Republican Party this past election cycle," read a statement by the Rev. Flip Benham and Pat McEwan, with Operation Save America and Operation Save Wal-Mart. "Wal-Mart has forsaken God and it has forsaken the people who love Him."

The groups led protesters on Nov. 24 to picket the "gates of hell" — that is, Wal-Mart stores around the country. They say Wal-Mart, like the GOP, has strayed from its founding principles, set by founder Sam Walton, citing Wal-Mart's dispensing of "Plan B" contraception and the fact that the retailer is a corporate member of the National Gay & Lesbian Chamber of Commerce.

GOP not taking loss by the book

Looks like Republicans aren't looking for answers after losses in the November elections — at least not in books.

Tom Nissley, senior books editor for Amazon.com, says he hasn't seen the same post-election bump in sales for what he thinks of as "self-help" books for losers. After Democrats got trounced in the 2004 election, he noticed a spike in sales of left-friendly books such as Tom Franks's "What's the Matter With Kansas" and George Lakoff's "Don't Think of an Elephant," books he describes as "what can we do and how to fix things" tomes.

This time, there's no Republican analogue, he said. "That was a surprise for me," Nissley said. "It might be that conservatives don't think of themselves as needing to make a change."

The two political books that have seen big boosts are "Fields of Fire," the novel set in the Vietnam War by incoming Sen. Jim Webb (D-Va.) and "Pieces of Intelligence: The Existential Poetry of Donald Rumsfeld."

Bush Willing To Work With Dems On Trade (AP-Y)

By Martin Crutsinger, Ap Economics Writer

AP, November 29, 2006

President Bush's top trade negotiator said Tuesday the president still hopes to achieve bipartisan support for an aggressive trade liberalization agenda in the next Congress even with Democrats in control.

U.S. Trade Representative Susan Schwab said the administration would continue to push for the conclusion of global trade talks known as the Doha Round before negotiating authority expires on June 30.

She said the administration also hopes to wrap up negotiations by early next year on free trade deals with South Korea and Malaysia and said that talks should be concluded soon with Panama.

She called gaining congressional approval for agreements already completed with Peru and Colombia a high priority.

In a speech to the U.S. Chamber of Commerce, Schwab warned against any move to erect protectionist barriers against the flow of goods into the country, something that critics say are needed in the face of record-high trade deficits they contend are costing American jobs.

Many Democrats campaigned against Bush's trade policies in the November congressional elections, saying the administration had failed to do enough to halt the loss of manufacturing jobs to low-wage foreign countries such as China. Since Bush took office in 2001, the country has lost nearly 3 million manufacturing jobs.

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The Democratic takeover of the House and Senate has raised speculation that the administration's trade agenda will face serious obstacles in the new Congress.

But Schwab labeled this the "conventional wisdom" that a Democratic-controlled Congress would stop the administration's trade agenda "dead in its tracks."

"There are those in the extremes of both parties ready to preach retreating to protectionism and economic isolationism," Schwab said in her speech. She said nothing could be more harmful to the American economy.

"My hand is outstretched to any and all members of Congress — the new Democratic leadership and our Republican colleagues," she said. "We must think about the next generation, not just the next election."

Rep. Sander Levin, D-Mich., said in a statement that the administration needed to be prepared to seek compromises with Democrats on contentious trade issues.

"I hope Ambassador Schwab's remarks are not meant to say that the Bush administration's approach to trade is 'stay the course.' There needs to be a change in course," Levin said.

Schwab said she had been encouraged by comments on the need for bipartisanship made by Sen. Max Baucus, D-Mont., who will head up the Senate Finance Committee and Rep. Charles Rangel, D-N.Y., who will head the House Ways and Means Committee, the two panels with responsibility for trade.

But trade experts said Schwab may being far too optimistic about what can be done in the next Congress.

"I see rough waters ahead for the administration's trade agenda," said Dan Griswold, a trade expert at the Cato Institute, a think tank in Washington. "All the signs point toward legislative stalemate on trade."

Some analysts suggested for Bush to win approval of further trade deals he will have to drop opposition to providing greater benefits to workers laid off because of foreign competition and also accept Democratic demands to increase protections so that U.S. jobs are not moved to low-wage countries with lax labor and environmental standards.

Gary Hufbauer, a trade expert at the Institute for International Economics, said an early test for Bush will be whether he can get Congress to approve normalizing trade relations with Vietnam.

Bush suffered an embarrassing defeat on this issue when the House failed to approve it by the necessary majority earlier this month right before he left on a trip to Vietnam.

"If Vietnam is held over until next year, that would indicate tough sledding for the administration," Hufbauer said.

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On the Net:

U.S. Trade Representative: http://www.ustr.gov

Treasury's Paulson Sounds Warning On Protectionism (WSJ)

By Deborah Solomon

The Wall Street Journal, November 29, 2006

LONDON -- U.S. Treasury Secretary Henry Paulson warned that protectionist sentiment is rising all over the world, partly because "the benefits of trade are not spread evenly in any part of the world." But he said it would be "morally wrong" to give in to "protectionist elements."

Mr. Paulson's remarks, in a speech to the Confederation of British Industry and in subsequent comments to reporters, echo some of the themes that have been sounded by Democratic Party critics of globalization in the U.S., and like-minded people in other countries.

In contrast with those who would seek to slow the pace of globalization and prevent the completion of the current Doha round of world trade talks, Mr. Paulson argued that it is essential that globalization continue in order to assure future prosperity of developed and developing countries.

"Giving in to protectionist sentiment," he said, "would be telling developing nations that while we have benefited from increased trade, we aren't going to allow them the same opportunity to develop." That, he said, is "not only bad policy, it is morally wrong."

In Washington, U.S. Trade Representative Susan Schwab echoed Mr. Paulson, raising alarms about the "extremes" in both major U.S. political parties that preach economic isolationism. "Those are forces we must confront in a bipartisan way," Ms. Schwab said. In an appearance before the U.S. Chamber of Commerce, Ms. Schwab vowed to work with Democrats in Congress next year.

Ms. Schwab suggested the Bush administration has made strides in already-completed trade deals to improve labor and environmental standards abroad, issues of importance to Democrats. And without offering specifics, Ms. Schwab suggested the administration needs to better respond to the needs of workers who lose their jobs as a result of foreign competition. The "dislocations are real," she said.

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In London, Mr. Paulson acknowledged that trade in goods and services can eliminate jobs in the short run, especially jobs for workers with few skills. This, he said, is fueling resentment toward global trade and investment in many countries. "For over 20 years now, we've seen a trend driven by globalization: Those who have skills are getting greater rewards."

Public concern that trade is driving a wedge between winners and losers in the U.S. economy, he said, is a factor in tension between the U.S. and China. "Part of this relates to a feeling that the benefits of the trade between our two countries aren't being shared equally or fairly," he said in response to a question after his speech.

--Greg Hitt in Washington contributed to this article.

Write to Deborah Solomon at deborah.solomon@wsj.com1

Citizenship Agency Lost 111,000 Files (WP)

By Spencer S. Hsu

The Washington Post, November 29, 2006

U.S. Citizenship and Immigration Services has lost track of 111,000 files in 14 of the agency's busiest district offices and processed as many as 30,000 citizenship applications last year without the necessary files, congressional investigators reported yesterday.

The Government Accountability Office, Congress's audit arm, conducted the review at the request of Sens. Charles E. Grassley (R-Iowa) and Susan Collins (R-Maine) after U.S. authorities granted citizenship in 2002 to a man without checking his primary file. The file, which was lost, indicated ties to the militant Islamic group Hezbollah.

"It only takes one missing file of somebody with links to a terrorist organization to become an American citizen," said Grassley, who is chairman of the Senate Finance Committee. "We can't afford to be handing out citizenship with blinders on."

Collins, head of the Senate Homeland Security Committee, noted that some of the Sept. 11 hijackers entered the U.S. legally, disappearing until the terrorist attacks. She called it "unthinkable" that the U.S. immigration system could still grant citizenship to a potential terrorist "simply because they can't find the person's file."

An agency official said workers probably checked most of the files but failed to make note of it.

The GAO report, dated Oct. 27 and released by the senators yesterday, underscored long-standing problems at the agency, which was created out of the Immigration and Naturalization Service and is expected to bear the brunt of administering new rules if Congress overhauls immigration policy.

The $1.8 billion agency handled 7.5 million applications for immigration benefits in 2005 but relies on paper files. The agency awarded a five-year, $150 million contract in August to begin digitizing 55 million "alien files," or A-files, but for now it still relies on paper files.

The GAO found that the agency's workers failed to record A-file use in processing 30,000 of 715,000 naturalization cases last year, or 4 percent of cases. The GAO also found that as of July 27, Citizenship and Immigration Services' electronic tracking system reported that 111,000 A-files were lost in the 14 offices that manage two-thirds of naturalization cases.

Steven J. Pecinovsky, an agency liaison to the GAO, said workers are not required to note that they have checked A-files but will be in the future. A 2005 internal audit found a much lower incidence of unchecked A-files than the GAO cited -- about 0.5 percent.

The GAO also cited internal audits that found that 21 percent of files were not where they were supposed to be in Immigration Services' San Diego office in 2005 and that 6 percent of files could not be found in the Los Angeles office earlier this year.

Senators Irked Over Missing Immigration Files (AP)

The AP, November 28, 2006

WASHINGTON -- About 30,000 applications from immigrants seeking citizenship were processed by the government even though thousands of background files used to determine eligibility were missing, congressional investigators found.

Details of the investigation by the Government Accountability Office were released by Republican Sens. Chuck Grassley of Iowa and Susan Collins of Maine Tuesday.

According to the GAO, 14 Citizenship and Immigration Services offices were missing 110,000 so-called alien files, or A-files. Such files contain applications and other documents of some noncitizens and serve as the primary file for the immigrant and help determine eligibility.

Grassley and Collins said the citizenship and immigration offices, which are part of the Department of Homeland Security, rely on A-files to help determine eligibility for immigration benefits. The files are used by homeland security and law enforcement agencies during criminal investigations and to decide whether someone should remain in the U.S.

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The GAO said the citizenship and immigration agency may not have consulted A-files when processing 30,000 naturalization applications in 2005. A-files were checked in 96 percent of the naturalization cases processed that year. The agency manages 55 million A-files.

In addition, the number of applications processed without consulting A-files could have been less because workers sometimes don't record whether they've consulted the files, the GAO said.

Spokesmen at Department of Homeland Security and Citizenship and Immigration Services could not be reached immediately Tuesday evening.

Grassley and Collins said they requested the investigation after the Homeland Security agency granted U.S. citizenship to a suspected terrorist, without checking an A-file, in 2002.

"It only takes one missing file of somebody with links to a terrorist organization to become an American citizen," Grassley said in a news release.

The missing files also cause delays for immigrants with no security issues from becoming U.S. citizens, the senators said.

The senators said the agency agreed with the GAO to require workers to record whether an A-file was used to process a naturalization application and to use an automated file tracking system.

Pelosi Passes Hastings For Intel Chair (AP-Y)

By Katherine Shrader, Associated Press Writer

AP, November 29, 2006

In a decision that could roil Democratic unity in the new House, Speaker-to-be Nancy Pelosi passed over Rep. Alcee Hastings Tuesday for the chairmanship of the Intelligence Committee.

Hastings, currently the No. 2 Democrat on the panel, had been aggressively making a case for the top position, supported by members of the Congressional Black Caucus.

Critics pointed out that he had been impeached when he was a federal judge and said naming him to such a sensitive post would be a mistake just as the Democrats take over House control pledging reforms.

"I am obviously disappointed with this decision," Hastings, D-Fla., said in a statement thanking his supporters. "I will be seeking better and bigger opportunities in a Democratic Congress."

He learned his bid for the chairmanship was unsuccessful during a closed-door meeting with Pelosi on Tuesday.

In a statement, Pelosi, D-Calif., said Hastings has made national security his highest priority. "He has served our country well, and I have full confidence that he will continue to do so," she said.

In a sign of the bitterness that has surrounded the debate, Hastings closed his statement by saying: "Sorry, haters, God is not finished with me yet."

The Black Caucus had no immediate comment.

A Democratic congressional aide, who spoke on condition of anonymity about internal party deliberations, said Pelosi has not yet decided who will get the position when the new Congress convenes in January.

Rep. Silvestre Reyes, D-Texas, is next in line in seniority and is considered a strong contender for the job. Still, naming him would be a snub to the current senior Democrat on the panel, Jane Harman of California. Her committee leadership term expires at year's end, and she could be reappointed by Pelosi. Yet the two are believed to have deep differences.

Hastings, who came to Congress in 1992, was charged in an FBI bribery sting but acquitted by a federal jury in 1983. Some judicial colleagues said Hastings fabricated his defense, and their allegations led to his impeachment by the U.S. House in 1988. He was removed from the bench by the Senate the following year.

In 1997, the Justice Department found an agent had falsely testified against Hastings, but no action was taken to reopen his case.

In 2000, Democrats passed over another member of the Congressional Black Caucus — Rep. Sanford Bishop of Georgia — for the senior Democratic spot on the intelligence panel. Party leaders had agreed to give the position to Harman when she ran for Congress after an unsuccessful bid to be California governor.

Pelosi Moves To End Quarrel Over Intelligence Post (WSJ)

By David Rogers

The Wall Street Journal, November 29, 2006

WASHINGTON -- Moving to end weeks of damaging speculation, Democratic leader Nancy Pelosi said she wouldn't appoint Rep. Alcee Hastings, who was impeached as a federal judge, to be the next chairman of the House Intelligence Committee.

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Ms. Pelosi gave no indication of who would get the post, but aides indicated that a decision could follow quickly this week in a bid to resolve the issue, which has been used by her critics to try to isolate the California Democrat and incoming House speaker.

The criticism of her leadership is striking given that no other speaker before her has had the same length of service on the intelligence panel as Ms. Pelosi. As speaker, she will have the power to single-handedly appoint the chair and members for the new Congress, but her discretion has been challenged by allies of fellow Californian, Rep. Jane Harman, the committee's ranking Democrat, who has campaigned for the post.

This pressure has increased since Ms. Pelosi defied expectations earlier this month by publicly interceding on behalf of Rep. John Murtha (D., Pa.) in his uphill and ultimately unsuccessful contest against Rep. Steny Hoyer (D., Md.) to become House majority leader.

Ms. Pelosi said she was backing Mr. Murtha out of friendship and in recognition of his speaking out against the war in Iraq -- a major issue for Democrats in the midterm elections. But in going against the Washington establishment and Mr. Hoyer, she also made herself more vulnerable to pressure from allies to Ms. Harman, who was part of the Hoyer camp.

Pelosi allies argue that the lawmaker is being unfairly browbeaten by editorialists and critics in the caucus, who try to isolate her as a San Francisco liberal. The Murtha candidacy, however costly, was about opposition to the war, not an ideological issue, they say, and once the party has had time to begin to move its agenda in January, these fights will be forgotten.

Yesterday's announcement, which followed a meeting with Mr. Hastings, appeared designed as a first step in this direction and a bid to re-establish more control. In a brief statement, Ms. Pelosi said the two had had "extensive consultations, and today I advised him that I would select someone else as chairman."

In his statement, Mr. Hastings confirmed this decision. "I am obviously disappointed," he said. "As we learn in Ecclesiastes, however, for everything there is a season."

An African-American lawmaker from Florida, Mr. Hastings was drawn into the fray because he is next-in-line on the committee behind Ms. Harman, whose tenure is slated to expire at the end of this Congress. But from the outset Mr. Hastings's impeachment has been a liability, and one Ms. Pelosi had discussed with allies in the House.

As a judge, Mr. Hastings was charged and acquitted in federal court in a Federal Bureau of Investigation bribery sting. He was later impeached by the House and removed by the Senate in 1989 on different charges, including findings of an investigation by a special judicial panel that he had fabricated evidence that secured his acquittal.

If Ms. Pelosi holds firm, as expected, and doesn't name Ms. Harman to the post, she has several options. One is to elevate Rep. Silvestre Reyes (D., Texas), a Vietnam veteran and former member of the U.S. Border Patrol before coming to Congress. But she is also free to shake up the committee by appointing new members or bringing back past leaders of the panel, such as Rep. Norm Dicks (D., Wash), the former ranking Democrat and someone who could be a candidate for the chairmanship as well.

Hastings Won't Chair Intel Panel, Pelosi Says (LAT)

By Greg Miller

The Los Angeles Times, November 29, 2006

WASHINGTON — Incoming House Speaker Nancy Pelosi said Tuesday that she would not name Rep. Alcee L. Hastings (D-Fla.) as the next chairman of the House Intelligence Committee, creating new uncertainty around one of the chamber's most important leadership positions.

In a written statement, Pelosi said she had met with Hastings and "advised him that I would select someone else as chairman of the House Intelligence Committee."

Pelosi, the San Francisco Democrat who will become speaker when her party takes control of the House in January, did not explain why she was bypassing Hastings, the panel's second-ranking Democrat. Her office has previously indicated that the committee's top Democrat, Rep. Jane Harman of Venice, will not be reappointed.

The possibility that Hastings would get the post created a torrent of criticism, especially because Pelosi pledged to lead "the most honest, the most open and the most ethical Congress in history."

In 1989, Hastings was forced to step down as a federal judge in Florida after being impeached by the House and convicted by the Senate of taking part in a bribery scheme that involved the sentencing of two defendants convicted in his court of racketeering.

Hastings, who has steadfastly maintained his innocence, had been acquitted of similar charges in a criminal trial six years earlier, but a federal judicial commission urged Congress to re-consider his case. He first ran for Congress in 1992 and has been overwhelmingly reelected since.

Last week, he wrote a letter to Democratic colleagues, lobbying for the chairmanship.

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On Tuesday he released a statement acknowledging he did not get the post but indicating a desire to remain on the panel, known formally as the House Permanent Select Committee on Intelligence, where he has served for seven years.

"I am obviously disappointed with this decision," Hastings said in the statement, which included a swipe at his critics. "I will be seeking better and bigger opportunities in a Democratic Congress. Sorry, haters, God is not finished with me yet."

Pelosi's decision leaves a hole in the Democratic leadership ranks. The anticipated elevation of Hastings as chairman and the expected removal of Harman from the panel were seen as efforts to settle a debt with the Congressional Black Caucus, to which Hastings belongs: Another caucus member had been bumped from the panel in 2001 when Harman returned to Congress — and regained her seniority on the committee — after an unsuccessful run for governor of California.

Democratic aides indicated that Pelosi would probably tap someone not on the committee to become its chairman. Among the potential candidates is Rep. Norm Dicks (D-Wash.), who was on the panel for eight years in the 1990s and is familiar with the classified budgets of the nation's spy agencies from his service on the House Appropriations Committee.

Such a move is already gathering support among influential Democrats on Capitol Hill. Timothy J. Roemer, a former Democratic congressman from Indiana and a member of the Sept. 11 commission, said Pelosi should "go off the committee and appoint somebody brand new."

Pelosi Won't Pick Tainted Lawmaker For Key Post (NYT)

By Mark Mazzetti And Kate Zernike

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — Representative Nancy Pelosi announced on Tuesday that she would not award the chairmanship of the House Intelligence Committee to Representative Alcee L. Hastings of Florida, who was a leading contender for the post.

The decision by Mrs. Pelosi, the incoming speaker, ended weeks of speculation over whether she would tap Mr. Hastings, tainted by an old bribery scandal, for one of the most sensitive chairmanships when the Democrats take control of Congress in January.

Members of her staff had said she favored Mr. Hastings. But his position was weakened because he was impeached and removed as a federal judge in 1989 in connection with a bribery case. He was subsequently acquitted in the criminal case.

For Mrs. Pelosi, who had hammered the Republicans for ethical lapses in the fall campaigns, the decision to pass over Mr. Hastings was a sign that she did not relish another battle after the Democratic caucus rejected her choice for majority leader, John P. Murtha of Pennsylvania.

On the other hand, her decision risked alienating the influential Congressional Black Caucus, which had strongly backed Mr. Hastings.

Mr. Hastings said in a statement he was "disappointed" with Mrs. Pelosi's decision and promised to work with her. He also took a shot at people who had publicly opposed his candidacy.

"Sorry, haters, God is not finished with me yet," he said.

Mrs. Pelosi's allies said she remained committed to selecting someone other than Representative Jane Harman of California, who is the ranking Democrat on the panel. Two possible compromise candidates are a committee member, Silvestre Reyes of Texas, and Sanford D. Bishop Jr. of Georgia.

The news that someone is not being given a post is rarely the subject of announcements here. But the question of who will lead the Intelligence Committee has developed into something of a soap opera.

More than a year ago, Mrs. Pelosi told reporters of her intention to replace Ms. Harman as the top Democrat on the committee regardless of the results of the election.

Mrs. Pelosi and Ms. Harman have long had a contentious relationship, and Mrs. Pelosi has told colleagues that she is angry that Ms. Harman has not used her position to attack the administration more directly on issues like the faulty prewar intelligence on Iraq and the domestic eavesdropping by the National Security Agency.

Ms. Harman has been enlisting friends, allies and powerful Democratic donors to lobby Mrs. Pelosi on her behalf. Mrs. Pelosi's supporters say that has only hardened her stance.

This month, Ms. Harman said that the Democratic moderates' victories in the elections proved that the party needed to navigate a centrist stance on national security, as she has done on the Intelligence Committee for four years.

Ms. Harman has earned the support of the Blue Dog Democrats, a coalition of conservative and moderate Democrats.

Influential party members warned that selecting Mr. Hastings would provide too much ammunition for Republicans, warnings that Mrs. Pelosi's supporters said helped sway her.

Mrs. Pelosi has pointed out that it is her prerogative to choose the leader of the Intelligence Committee and that she does not need to select someone who is a panel member. The appointment is not subject to a vote.

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Representative Norm Dicks of Washington, who was on the panel for eight years in the 1990s, has been mentioned as a possible candidate for the post. On Tuesday, however, a spokesman for Mr. Dicks said the congressman was not a serious candidate and would prefer a different committee.

The appointment is crucial for Mrs. Pelosi. She included a promise to improve the intelligence in the Democrats' six-point platform for the elections. She also came into office as minority leader promising to uphold the highest ethical standards. And she has campaigned against what she calls the Republican's "culture of corruption."

This year, Mrs. Pelosi removed Representative William J. Jefferson of Louisiana from his spot on the powerful Ways and Means Committee after he had been accused of taking hundreds of thousands of dollars in bribes.

Mr. Jefferson, like Mr. Hastings, is black, and just as his removal caused tension between Mrs. Pelosi and the Congressional Black Caucus, so did the decision not to choose Mr. Hastings.

A statement by the caucus praised Mr. Hastings for "unequivocal commitment to our nation's security, selflessness and true statesmanship," saying, "He would have made an outstanding Intelligence chairman, and we still hope he will at some point in our nation's future."

But unlike caucus statements in the Jefferson case, it avoided any direct criticism of Mrs. Pelosi.

Hastings, Harman Rejected For Chairmanship (WP)

By Jonathan Weisman And Peter Slevin

The Washington Post, November 29, 2006

House Speaker-elect Nancy Pelosi (D-Calif.) has decided against naming either Rep. Jane Harman (Calif.), the senior Democrat on the House intelligence committee, or Rep. Alcee L. Hastings (Fla.), the panel's No. 2 Democrat, to chair the pivotal committee next year.

The decisions came despite lobbying by conservative Democrats on Harman's behalf and a full-throttled campaign by Hastings to overcome the stigma of the 1988 impeachment that drove him from his federal judgeship.

The fight over the top spot on the House Permanent Select Committee on Intelligence has exposed the kind of factional politics that bedeviled House Democrats before they were swept from control in 1994. Harman, a moderate, strong-on-defense "Blue Dog" Democrat, had angered liberals with her reluctance to challenge the Bush administration's use of intelligence. Hastings, an African American, was strongly backed by the Congressional Black Caucus but was ardently opposed by the Blue Dogs, who said his removal from the bench disqualifies him from such a sensitive post.

Complicating the matter was Pelosi's relationship with black Democrats. Earlier this year, she enraged the Black Caucus by removing one of its members, Rep. William J. Jefferson (La.), from the Ways and Means Committee after court documents revealed that federal investigators looking into allegations of bribery had found $90,000 in cash neatly bundled in his freezer.

Instead of picking Harman or Hastings, Pelosi will look for a compromise candidate, probably Rep. Silvestre Reyes (Tex.), but possibly Rep. Norman D. Dicks (Wash.), a hawkish member of the Appropriations defense subcommittee, or Rep. Sanford Bishop (Ga.), a conservative African American with experience on the intelligence committee. To entice Harman to run in 2000 for a House seat she had vacated for an unsuccessful bid for the California governorship, the Democratic leadership shunted Bishop off the committee -- another perceived slap at black lawmakers.

In announcing her decision, Pelosi praised Hastings. "Alcee Hastings has always placed national security as his highest priority," she said. "He has served our country well, and I have full confidence that he will continue to do so."

Hastings took a shot at conservatives and media voices who have come out strongly against his appointment. "Sorry, haters, God is not finished with me yet," he wrote.

Rep. Melvin Watt (D-N.C.), chairman of the Congressional Black Caucus, voiced disappointment, saying in a statement that Hastings "would have made an outstanding Intelligence Chairman." Privately, caucus aides said they had dismissed reports that Hastings would not get the post and were taken aback that Pelosi had cut out an ally such as Hastings. Hastings himself suggested that a decision against him would be a victory for "Newt Gingrich, Sean Hannity, Ann Coulter, Michelle Malkin, Michael Barone, Drudge, anonymous bloggers, and other assorted misinformed fools."

In the end, Pelosi's pledge to clean up Congress after two years of scandal made Hastings's appointment impossible, Democrats said.

Likewise, Pelosi was not willing to bend the committee's unique term-limit rules for Harman, who she believes had violated a promise to step aside, according to Democrats. Harman had angered some Democrats with a tough management style that helped drive away longtime Democratic staffers.

In recent days, Hastings and his allies had launched a spirited campaign to clear his name from the stigma of his impeachment. Hastings distributed to Democratic colleagues six documents totaling 70 pages, including court testimony, letters from Republican and Democratic senators questioning his treatment, and a five-page letter from Hastings excoriating "the noise

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and misleading, poorly informed, misinformed, and sometimes venomous attacks on my integrity and character by pundits, politicians, and editors screaming the word 'impeachment.' "

He pointed repeatedly to his 1983 acquittal by a Miami jury and wrote that it is "amazing how little importance" his critics give that verdict. The events that followed that trial, he said, "are so convoluted, voluminous, complex and mundane that it would boggle the mind."

In fact, there is a certain simplicity in the conclusion drawn by an investigating committee of five eminent federal judges, each with strong civil rights credentials. Those judges, and later more than three dozen others, concluded that Hastings lied to the Miami jury as many as 15 times to win acquittal.

The original case against Florida's first black federal trial judge was circumstantial. A federal grand jury charged Hastings with conspiring with Washington lawyer William A. Borders Jr. to sell a lenient sentence to two convicted Florida racketeers for $150,000.

A sequence of meetings, telephone calls, judicial actions and taped conversations in 1981 convinced federal investigators that Hastings was on the take. But after 17 1/2 hours of deliberations at the end of a three-week trial, jurors voted not guilty.

Two federal judges soon filed an administrative complaint, accusing Hastings of conduct prejudicial to the courts, which led to the judicial investigation. John Doar, the chief House Watergate counsel, and a panel of judges investigating the matter said they uncovered substantial new evidence that convinced them that Hastings joined the bribery conspiracy and then fabricated a defense to hoodwink the jury.

In one example, they focused on Hastings's testimony about telephone calls. The issue was a taped conversation with Borders that prosecutors considered coded talk about a bribe. Hastings said it was an innocent discussion about helping a friend, Hemphill Pride, regain his law license.

Pride said that he knew of no such effort, that he would have rejected one and that he was not even eligible for reinstatement. He told the panel that Hastings, while under indictment, had urged him to remember details that, as far as Pride recalled, had never happened.

On the witness stand in Miami, however, Hastings showed the jury records of four telephone calls and confidently declared that he had made them to Pride. In fact, the Doar investigation revealed, the numbers called belonged to other people with no connection to Pride.

"Judge Hastings' conduct was premeditated, deliberate and contrived," wrote the committee, whose most prominent member was U.S. District Judge Frank M. Johnson Jr., famous for rulings integrating Alabama's public institutions.

When the Hastings case reached the House, Rep. John Conyers Jr. (D-Mich.), skeptical about the evidence, investigated further. In time, Conyers, an African American, became so certain of Hastings's guilt that he delivered an impassioned speech about race and justice -- and made an opening statement during the Senate proceedings, which ended with Hastings's conviction on 11 counts, including seven counts of making false statements.

"We did not wage that civil rights battle merely to replace one form of judicial corruption for another," Conyers said in the House, which voted 413 to 3 to impeach Hastings.

Hastings Denied Top Intelligence Seat (WT)

By Charles Hurt

The Washington Times, November 29, 2006

Speaker-elect Nancy Pelosi yesterday informed Rep. Alcee L. Hastings, the Florida Democrat who was removed as a federal judge over bribery charges, that he would be passed over for the chairmanship of one of the most sensitive and powerful committees on Capitol Hill.

"Congressman Alcee Hastings and I have had extensive consultations, and today I advised him that I would select someone else as chairman of the House intelligence committee," Mrs. Pelosi said in a short statement after meeting behind closed doors with Mr. Hastings.

Mrs. Pelosi received intense criticism after suggestions that she would elevate Mr. Hastings to the top spot.

Lawmakers on both sides of the aisle argued that the former federal judge would be a poor choice for chairman because he was charged in 1981 with accepting a $150,000 bribe. A jury acquitted Mr. Hastings after a key witness refused to testify.

Still, a Democrat-controlled House of Representatives later impeached Mr. Hastings on a 413-3 vote with support from Mrs. Pelosi and others in Congress who now support Mr. Hastings. The Democrat-led Senate convicted Mr. Hastings and he was removed from office.

Mr. Hastings, the second-ranking Democrat on the House Permanent Select Committee on Intelligence, maintains his innocence and dismissed the importance of his impeachment.

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In a letter to colleagues last week, he said, "Most of the congresspersons and senators who voted never saw the evidence. Many of them never read the reports of the committee or reviewed the daily videos. Iraq and the budget are not the only times votes have been cast without adequate review and knowledge of the facts."

The speaker in waiting was attacked for considering Mr. Hastings for the chairmanship after suffering an embarrassing defeat when the majority of her caucus rejected her candidate for majority leader, Rep. John P. Murtha of Pennsylvania, in part because of ethics questions.

Mrs. Pelosi did not publicly explain why she passed over Mr. Hastings, saying only that he will continue to play a major role in the party's national security decisions.

Mrs. Pelosi, who represents San Francisco's congressional district, did not say whom else she is considering for the intelligence chairmanship. Rep. Jane Harman of California, the most senior Democrat on the panel, is not expected to be chosen because of personal and philosophical differences with Mrs. Pelosi.

Among Mr. Hastings' strongest supporters were fellow members of the Congressional Black Caucus, whose relations with Mrs. Pelosi have been strained. Caucus members have complained about unfair treatment and accused Mrs. Pelosi of holding them to a double standard on ethics matters.

Rep. Melvin L. Watt, North Carolina Democrat and caucus chairman, called the Hastings decision disappointing.

"The statement issued by Rep. Hastings following his meeting with Speaker-elect Nancy Pelosi reflects the qualities for which the Congressional Black Caucus so strongly supported him to be the next Chairman of the House Permanent Select Committee on Intelligence -- an unequivocal commitment to our nation's security, selflessness and true statesmanship," Mr. Watt said. "He would have made an outstanding Intelligence Chairman and we still hope he will at some point in our nation's future."

Mr. Hastings seemed to accept the decision.

"Now I must, and will seek other ways to better serve the citizens of Florida's 23rd Congressional District and our great Nation," he said. "As has been the case over the past seven years of my service on the Intelligence Committee, the next Chair of the Committee will have my full support to do everything we can to protect the national security of the United States and our allies. Our nation's national security is far more important than my professional security."

Capuano Says Dem Transition Is 'disjointed' And Confusing (HILL)

By Alexander Bolton

The Hill, November 29, 2006

The lawmaker heading the day-to-day transition of House Democrats from minority to majority party says that process has become "disjointed" and that leaders need to do a better job communicating with each other.

But Rep. Michael Capuano (D-Mass.), whom Speaker-elect Nancy Pelosi (D-Calif.) tapped after the election to head that transition, also said the inevitable messiness of a new party taking over the House is just part of the democratic process.

"I'm trying to deal with the physical [office] space, the personnel issues, House rules, and some of the legislative changes that may be done, and trying to get a handle on coordination," said Capuano in an interview with The Hill.

"A lot of people have their hands in it right now but the coordination isn't where I would like it to be," he said. "It's disjointed."

Capuano said that Pelosi and incoming Majority Leader Steny Hoyer (D-Md.), Majority Whip James Clyburn (D-S.C.) and Democratic Caucus Chairman Rahm Emanuel (D-Ill.) are involved in the transition effort.

Part of the question that has arisen, he said, is figuring out exactly who's in charge of various aspects of the transition. He said that he believes there does not need to be military-style delineations of responsibilities and argued against centralizing the effort in any one office.

"I just want to make sure that everyone is talking to everyone about what they're doing," he said. "It should be done in a coordinated manner."

Emanuel took the lead on ethics reform last week when he sent a memo to colleagues emphasizing the importance of approving rules changes and legislation implementing ethics and lobbying reform.

"Failing to deliver on this promise would be devastating to our standing with the public, and certainly jeopardize some of our marginal seats," wrote Emanuel. "The voters are looking to us for leadership, and it starts with real reform."

But other than Emanuel, Democratic leaders have remained quiet on what changes to House and Democratic Caucus rules they are contemplating. House Democrats are divided over how far they should go in changing House ethics rules.

Rep. John Murtha (D-Pa.), a close ally of Pelosi's, caused a stir last month when he told a group of colleagues that he thought the Democratic lobbying reform package was "total crap."

Hoyer and Clyburn, meanwhile, are taking prominent roles.

Stacey Bernards, Hoyer's spokeswoman, said her boss was involved in all the transition issues, had met with Pelosi to discuss them last week, and plans to meet with her again this week.

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Kristie Greco, Clyburn's aide, said that the incoming whip is "working for an effective and efficient transition that's driven by a tone of civility" as well as assembling "a staff and whip team that will be the most effective of any majority."

The Democratic leaders have yet to make final decisions on any potential changes to the House rules and the Democratic Caucus rules.

"It's all in the discussion stages," said Capuano.

One of the most sensitive subjects is how much weight should be given to seniority when deciding who will serve as committee and subcommittee chairmen.

Capuano said that there has been confusion over the importance of seniority. He said there is a perception that seniority is virtually the sole factor in determining committee leadership and makeup, adding that has not been true for years.

"People have misread the caucus rules and thought seniority is absolute," he said. "Not in 30 years has it been absolute. It is a factor.

"Seniority, the diversity of the caucus, and commitment to Democratic principles and agenda" are factors, he said, explaining that merit is the first factor listed in the expiring caucus rules but that it is not necessarily more important than seniority.

Pelosi and other leaders have laid out broad outlines of changes they would like to see made, but they still have to hammer out the crucial details.

As far as the procedures of the House, Pelosi has called for bipartisan administration of the committees and for the legislative process to return to a "more regular democratic order."

She has called for the elected Democratic and Republican leaders to consult regularly on scheduling and operation questions and for committee chairmen and ranking minority members to do the same. Pelosi has also proposed that the minority should control at least one-third of panel budgets and office space.

Pelosi also wants legislative changes to address complaints that she and her Democratic colleagues had of Republicans during their 12-year rule:

Bills should be written after full committee hearings and markups.

The minority party should be allowed to fully debate and offer alternatives to legislation receiving votes on the House floor.

Lawmakers should have at least 24 hours to examine bills and conference reports before voting on them.

Floor votes should be completed within 17 minutes and should not be held open to manipulate the outcome.

House and Senate conference committees should hold weekly meetings including all conference members.

Democrats complained in previous Congresses of the Republicans' habit of limiting bicameral negotiations to House and Senate committee chairmen or a few additional appointed conferees.

Pelosi and Democratic leaders have also proposed a series of ethics reforms. They include banning gifts and travel, extending the time former lawmakers are not allowed to lobby former colleagues, and requiring lobbyists to disclose more information about their activities.

Capuano said that Democratic leaders agree that the House should have something akin to an office of public integrity to police improper behavior. Such an office is one of the most controversial elements of ethics reform. Senators voted overwhelmingly against it earlier this year.

But he said they must decide how it should be set up and "what their full responsibility would be."

Dems, Allies Plot Strategy (HILL)

By Alexander Bolton

The Hill, November 29, 2006

Labor union representatives, liberal leaders, and aides to House Speaker-elect Nancy Pelosi (D-Calif.) met yesterday to begin work on a broad lobbying push to promote Pelosi's 100-legislative-hour agenda with a campaign expected to mimic the one that helped defeat President Bush's proposed reforms to Social Security.

Yesterday's meeting is a signal that interest groups allied with Democrats are going on the offensive, transitioning from the defensive crouch they have held for much of Bush's time in office.

The purpose of the gathering was to ensure that party allies are unified during the first crucial weeks of the Democratic majority and that the agenda Democrats campaigned on this fall does not become entangled by interest-group squabbles and competition.

"We're talking about engaging in many of the same activities we engaged in during the Social Security effort," said Chuck Loveless, director of legislation at the American Federation of State, County and Municipal Employees (AFSCME), which hosted the meeting. Loveless said the campaign would launch immediately and work to mobilize support in December and January.

Party strategists are speculating that they will have a brief window of legislative productivity before a curtain of partisanship falls across town as Republicans and Democrats gear up for the 2008 presidential election.

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The first priority of the lobbying plan is to pass a minimum-wage increase. The campaign will also focus on allowing the government to negotiate for lower prescription drug prices for Medicare beneficiaries, repealing tax benefits for oil companies, and cutting the interest rate for student loans.

The strategic advantage of the 100-hour agenda is that it is made up of proposals that are broadly popular, thereby allowing the Democrats' allies to achieve consensus and work together from the start of next year. After that agenda is passed, groups are likely to go off in their own directions and clash over competing priorities.

Aides to incoming Senate Majority Leader Harry Reid (D-Nev.) did not attend the meeting, according to one participant, because the immediate focus of unions and liberal groups is to pass quickly the 100-hour agenda in the House. Fast passage will allow Democrats and their allies to launch Phase II of their legislative plan, which will be to put pressure on the Senate to pass the same agenda.

The third phase will be to convince Bush to sign the measures into law.

"The assumption is to pass it quickly in the House so we can get a head of steam and put pressure on the Senate," said Bob Borosage, co-director of the liberal advocacy group Campaign for America's Future, who attended the meeting. "As you remember, most of the Contract With America passed the House and never emerged from the Senate. We want to avoid that."

Borosage predicted that as many as 100 groups would ultimately participate in the initiative and that it would be broader than the campaign against Bush's plans for Social Security.

Groups will mobilize their members to contact and meet with members of Congress and to hold events in their home states and districts. The campaign is expected to include minimal television advertising.

Representatives from AFSCME, AFL-CIO, the Service Employees International Union (SEIU), the National Education Association, the American Federation of Teachers, Americans United, a labor-funded advocacy group, and a slew of progressive groups — including USAction, ACORN, Campaign for America's Future, and MoveOn.org — attended the meeting.

Bill Samuel, legislative director for the AFL-CIO, estimated that the first 100 legislative hours of the new Congress would span about two weeks. Democratic-leaning groups will then begin to pursue their more narrowly shared legislative goals.

"The 100 hours' agenda is really stuff that can be done quickly and have popular support and is not terribly complicated," said Samuel. "It's a down payment, there's a much larger agenda."

Samuel said that Congress has to tackle big economic issues related to wages, retirement security, and healthcare.

Both Samuel and Anna Burger, the secretary-treasurer of SEIU, said that Congress must take major steps toward providing universal healthcare coverage in the U.S.

"We need a healthcare policy that guarantees every man, woman and child in America has quality and affordable healthcare," said Burger, who also chairs Change to Win, a coalition of seven unions representing 6 million workers. "There have been lots of policies out there — it's a matter of political will to get the job done."

But legislation providing for universal healthcare coverage will be expensive, and Democrats have promised to pass budget rules that would require all new spending to be paid for.

Asked how to pay for expanded healthcare, Samuel said "We have to review tax cuts for the wealthy."

Samuel said that unions would also press for Congress to allow Bush less freedom to negotiate trade agreements, noting that Bush's so-called fast-track trade negotiating authority expires in June.

"They need to set negotiating objectives that are enforceable," he said of Congress.

Unions will also lobby for Democrats to pass the Employee Free Choice Act, which Burger said would protect workers who want to join unions from employer intimidation. That bill is expected to draw strong opposition from Republicans and industry groups.

Culture-war Veterans Hold Fire, For Now (HILL)

By Elana Schor

The Hill, November 29, 2006

After a long battle with conservatives on social issues and judicial nominations, Democratic-aligned interest groups are hailing the coming congressional changeover and weighing exactly how and when to exert their influence.

Republican control of the Capitol may have forced abortion-rights and civil-liberties advocates to play perpetual defense, but those wilderness years also gave the groups valuable practice at building coalitions across the aisle and branding themselves as more mainstream than their conservative counterparts.

Now, as Democrats prepare to assume the majority, these veterans of the culture wars are seeking to shape the agenda of the new leadership. Democratic lawmakers have outlined ambitious goals on Iraq and economic policy, however, challenging their interest-group allies to pick their battles without adopting the confrontational tactics that many believe helped derail the GOP.

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"We're definitely taking a look at the way conservative groups approach" abortion, said Donna Crane, government relations director at NARAL Pro-Choice America. "Specifically, we are going to not do what they do, which is use this issue for political gain."

NARAL has aimed its recent efforts less at preserving women's right to an abortion than at making the procedure, as former President Clinton first put it, "safe, legal and rare." One of the family-planning packages strongly backed by NARAL and Planned Parenthood boasts as its chief sponsor new Senate Majority Leader Harry Reid (D-Nev.), who describes himself as pro-life.

That "prevention-first" approach is designed to win support from both Democratic and Republican abortion opponents in both parties, capitalizing on the defeat of anti-abortion initiatives in South Dakota, Oregon and California. Jackie Payne, government-relations director at Planned Parenthood, predicted that the Reid bill, which "polls extremely well," would gain freshman supporters next year.

"I don't think we need to play games," Payne said. "I honestly believe we're going for such a common-sense agenda … We don't have to look to [conservatives] for strategies."

Conservative groups of all stripes, from the Concerned Women of America to the Committee for Justice, found common ground this session in the campaign to confirm Supreme Court Justices John Roberts and Samuel Alito as well as a slew of federal circuit nominees whose conservative records alarmed Democrats and civil-liberties groups alike. Yet a Senate Judiciary Committee gavel held by Patrick Leahy (D-Vt.) does not herald an interest-group role reversal, said Elliot Mincberg, vice president and legal director at People for the American Way.

"The basic M.O. and attitude is a little bit different" among liberal-leaning groups active on nominations, Mincberg said, adding that "you're not going to see us saying the harsh things that some of the Manny Mirandas of the world have said." Miranda, a former Senate GOP leadership aide, earned a reputation for aggression as head of the conservative Third Branch Conference.

Mincberg, like several fellow advocates, also asserted his willingness to disagree with Democrats when necessary. Democrats will face their first civil liberties test on the Bush administration's program of surveillance without warrants — which the Justice Department inspector general this week began investigating — as well as on the White House-pushed detainee trials bill that Sen. Chris Dodd (D-Conn.) has proposed rolling back.

"Were going to push just as hard on the Democrats … as we did on the Republicans," said Caroline Fredrickson, Washington director of the American Civil Liberties Union. "Their voting records on our scorecard are definitely better, but that does not mean they're perfect."

Fredrickson pointed to a different risk for interest groups looking forward to a Democratic Congress — that activists might become less eager to pressure a party perceived as more friendly. "We're not willing to wait," she said.

The Judiciary chairmanship belongs to Sen. Arlen Specter (R-Pa.) for at least one more week, a narrow window in which to take up six hotly contested judicial nominations that the White House resubmitted to the Senate just after the election. Specter has expressed an intention to vote again on the six while acknowledging the emboldened opposition from Leahy and other panel Democrats.

"The White House can send these nominations up to the Hill, but that does not mean they're going to be taken up," said Dick Woodruff, senior legislative adviser at Alliance for Justice. "Gridlock for the next two years would be fine [on judicial picks]."

Woodruff said he would be watching closely as Democrats weigh "how far they are willing to go" in revisiting the detainee bill, a move likely to spark a veto threat from Bush that would require 16 Senate Republican votes to override.

On gay-rights issues, such as employment non-discrimination and expansion of the hate-crimes law, Human Rights Campaign President Joe Solmonese took a respectful view of the long to-do list facing his Democratic allies.

"One of the most important things we can do is be sensitive to the fact that the new leadership in this Congress, [Speaker Nancy] Pelosi [D-Calif.] and Reid, have a huge responsibility to speak to the issues the American people couldn't have been clearer about in putting them there: the war in Iraq and corruption in government," Solmonese said.

Though the gay community might see its issues move lower on the priority list, Solmonese said, such pragmatism is a small price to pay to end the Republicans' prolonged attacks on gay marriage. The page he plans to borrow from conservative groups' playbook: "Be really smart and be really strategic."

Like abortion-rights groups, the Brady Campaign to Prevent Gun Violence has used the Republican majority to develop a political strategy with bipartisan appeal that it will continue to pursue. Reinstating the lapsed assault weapons ban, a high priority for many urban Democrats, is outranked on the Brady Campaign agenda by boosting law enforcement funding and strengthening background checks.

"My goal is to get us to a position where both Republicans and Democrats are coming to us and asking for our endorsement," Helmke said. "That hasn't really been the case."

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Endorsements and contributions often help bolster interest groups' influence with lawmakers. The groups consulted for this story that maintain PACs gave more than $1.6 million this cycle, according to PoliticalMoneyLine, but only two GOP recipients of their largess, Reps. Christopher Shays (Conn.) and Deborah Pryce (Ohio), who will cede her leadership post next year, won reelection.

Senate Leader-elect Sets Agenda (AP-Y)

By Nedra Pickler, Associated Press Writer

AP, November 29, 2006

Senate Majority Leader-elect Harry Reid said Tuesday he's doing away with the "do-nothing Congress" that Democrats campaigned against and plans to keep senators working long hours — focusing first on ethics, the minimum wage and stem cell research.

The Nevada Democrat said he would tackle those priorities after cleaning up the "financial mess" the outgoing Republican Congress is leaving behind, a reference to nine long-overdue spending bills covering 13 Cabinet departments for the budget year that began Oct. 1.

"They're just leaving town, it appears," Reid said during an interview with The Associated Press in his Capitol office. "And so we're going to have to find a way to fund the government for the next year."

The must-pass legislation totals more than $460 billion and could divert time from other items on the Democratic agenda. "It's certainly not going to help it," Reid said.

He is wrapping up his final days as Senate minority leader. He will assume control of the Senate's agenda on Jan. 4, when the next Congress convenes with 10 new senators, at least 52 new House members and Democrats holding majorities in both houses for the first time since 1994.

"We're going to put in some hours here that haven't been put in in a long time," Reid said. That means "being here more days in the week, and we start off this year with seven weeks without a break. That hasn't been done in many, many years here."

Reid said he hopes President Bush is willing to work with Democratic congressional leaders, but he added that the early signs have not been encouraging. He said the White House has not reached out to him since his meeting with Bush in the Oval Office on Nov. 10.

"He said when I met with him after the election he wanted to work together, and I told him, `Mr. President, you said that two years ago and we haven't gotten anything done,'" Reid said.

White House spokesman Tony Fratto said lawmakers have been out of town for most of the time since the Nov. 10 meeting and the president has been traveling abroad. He said Bush "has been very forthright in his interest in having a bipartisan dialogue on the Hill. That wasn't just a gesture in the days after the election — that was an authentic, sincere effort."

Reid said he hoped Bush would use his State of the Union address before Congress early next year to lay out plans for health care, retirement security, decreasing dependence on foreign oil, reducing government deficits and, most importantly, Iraq.

He said the Senate will conduct hearings to investigate problems in Iraq but Democrats have no immediate plans to cut spending on the war.

"Now he's the commander in chief, and we're not going to do anything to limit funding or cut off funds, even though there are some on the outside who suggest that," Reid said. "I think we want to make sure that the troops have everything that they need."

With only a two-seat majority and a Republican president with veto power, Reid's Democrats will have an incentive to work with political opponents to get their priorities into the law books.

Kentucky Sen. Mitch McConnell, whom Republicans voted to be their minority leader in the new year, said while he and Reid are not going to agree on every item, they agree on the need for bipartisan achievements on special spending bills and other matters.

"Earmark transparency is a good start, but I would also like to see us find common ground on Social Security, homeland security, extending tax relief and other major issues that we can't just kick down the road," McConnell told the AP.

Bush used the only veto of his presidency so far to reject a bill passed by Congress last year that would have expanded embryonic stem cell research through government funding.

Supporters of such research say it could lead to treatments and cures for a wide variety of ailments, including Alzheimer's and Parkinson's diseases as well as spinal cord injuries. Bush and abortion foes, however, have opposed expanding embryonic stem cell research because the embryos die in the process of harvesting the stem cells from them.

Fratto said Bush gave the matter deep thought and consulted with researchers and religious leaders on the moral and ethical implications of his position. Reid said he hoped the president "will relent and see the light."

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In the meantime, Reid said the Senate is "not even close" to having the two-thirds vote necessary to override Bush's veto but he hopes some Republicans will join the Democrats after the GOP's election losses this month.

He pointed to Missouri, where the issue helped pro-stem cell candidate Claire McCaskill defeat incumbent Republican Sen. Jim Talent, who said embryonic stem cell research destroys human life at its earliest stages.

The midterm election came on the heels of several ethical scandals involving lawmakers, and Reid said reform is needed. He said "the first thing we do" will be to require lawmakers to put their names on "earmarks" — spending items added to bills that often help a specific company or project in their districts. Bush supports such transparency, Fratto said.

Citizens Against Government Waste, a taxpayer watchdog group, said there were 9,963 such projects in the spending bills for the 2006 budget year, costing $29 billion.

The third item at the top of Reid's agenda is increasing the minimum wage from $5.15 to $7.25 an hour. It's also one of several measures that Speaker-to-be Nancy Pelosi has promised to bring to the House floor in the first 100 hours that chamber is in session. Fratto said Bush is willing to support an increase in the minimum wage, although he doesn't want to publicly debate the amount and wants to make sure it won't hurt small businesses.

McConnell Pledges Cooperation (WP)

By Eric Pianin

The Washington Post, November 29, 2006

Sounding a conciliatory note, the new Senate Republican leader vowed yesterday to work with Democrats to pass a minimum-wage increase and a strong ethics reform package shortly after the new Democratic-controlled Congress begins work next year.

Senate Minority Leader-elect Mitch McConnell (Ky.) described as "easy stuff" much of the Democrats' opening agenda, including a proposal to boost the minimum wage from $5.15 to $7.25 an hour and a congressional ethics package that would ban gifts, meals and travel from lobbyists, as well as impose new controls on the budget deficit. These issues, however, have not proved to be easy before.

McConnell said he is urging bolder action. He challenged House Speaker-designate Nancy Pelosi (D-Calif.) and Senate Majority Leader-elect Harry M. Reid (D-Nev.) to push for a long-term solution to financing the Social Security system and for a comprehensive overhaul of the nation's immigration laws. Democrats in the current Congress blocked President Bush's proposal to partially privatize Social Security, while an impasse between House and Senate Republicans over approaches to immigration changes thwarted a deal.

"One thing I hope we can do, now that we have the election out of the way, is see if we can quit kicking the can down the road on a number of significant issues," McConnell told a meeting of Washington Post editors and reporters. "Left over from last year, I would put immigration at the top of the list. But I also share the view . . . that this would be the perfect time to tackle Social Security."

While some fear that the new Congress will become a political battleground in the run-up to the 2008 presidential campaign -- with at least eight Democratic and Republican senators considering bids for the White House -- McConnell asserted that a grand deal on Social Security is still possible, even with a Democratic-controlled House and Senate and a Republican White House. He noted that divided government did not prevent President Ronald Reagan and a Democratic Congress in 1983 from striking a landmark deal ensuring the long-term solvency of Social Security.

McConnell said the two parties should be open to a wide range of approaches -- "I don't think we should rule anything in or out."

In recent days, Bush and senior administration officials have revived talk of reaching an accord on an overhaul of Social Security that would maintain the program's solvency beyond the baby boom generation's retirement. In an interview with The Washington Post last week, Treasury Secretary Henry M. Paulson Jr., the president's point man on Social Security, promised that the White House will enter talks with Democrats with "no preconditions." That is a significant shift for Bush, who had previously said that any Social Security legislation would have to include private accounts that would allow workers to divert some of their payroll taxes to investments in stocks or bonds.

McConnell added another concession yesterday, saying that Social Security legislation should "solve the problem as far into the future as possible" -- a standard that is far more flexible than Bush's insistence on nothing short of a "permanent" fix.

McConnell, 64, will succeed Sen. Bill Frist (Tenn.) as the Senate Republican leader in January, when Frist steps down to explore a possible bid for the GOP presidential nomination.

The Kentucky lawmaker, like Reid, is a consummate dealmaker whose top priority is legislative achievement. They both rose through the Senate ranks by mastering the rules and building strong relationships with colleagues. Both are combative lawyer-politicians who overcame childhood challenges and are now in their mid-60s. Unlike Frist, a surgeon, McConnell and Reid

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are veteran practitioners of the Senate's opaque, clubby brand of politics, with no apparent desire to become president or grab television time to espouse their parties' goals.

Yesterday, McConnell said he and Reid "have a good relationship" and talk practically every day that the Senate is in session. He said that he and the new majority leader are determined to avoid legislative gridlock in the coming Congress.

In a wide-ranging session, McConnell said that although a majority of voters voiced their discontent with the administration's Iraq war policies, he doubts the Democrats can muster support for a resolution setting a timetable for a withdrawal of U.S. troops. He said that Republicans would back a boost in the minimum wage, but that it would have to be linked to a GOP priority, such as a tax cut for small businesses to ease the impact.

For Fiscal Conservatives, Losing May Be Liberating (WP)

By Shailagh Murray

The Washington Post, November 29, 2006

All Republicans had a lousy November. For fiscal conservatives, the gloom only started on Election Day, when the GOP lost control of Congress.

Conservative candidates suffered humiliating losses in the House GOP leadership elections. Democrats threatened to govern from the center, turning conservatives into a minority of the minority. Milton Friedman, the patron saint of free-market economics, died on Nov. 16. Just yesterday, Sen. Charles E. Schumer (D-N.Y.) declared to the New York Daily News editorial board that "Reaganomics is dead."

But does that make the glass half empty, or half full?

In Congress, the minority life is mostly talk and little action, and yet for advocates of minimal spending and low taxes, that may not turn out to be so bad. It's easier to promote fiscal discipline in theory than to practice it as a party leader or committee chairman. Remember that $200 million-plus "Bridge to Nowhere" in Alaska? It still makes conservatives cringe.

"Now that Republicans are in the opposition, they're going to be the most saintly budget hawks you can imagine," said American Enterprise Institute economist Kevin A. Hassett. With the absence of power, he notes, comes the absence of accountability and blame. As Hassett put it, "being in the minority means never having to say you're sorry."

Fiscal conservatives started to agitate days after the election, when the Republican-led 109th Congress reconvened to wrap up unfinished business. At the top of the to-do list: nine remaining spending bills for the fiscal year that started Oct. 1.

Few Republicans returned to Washington expecting to complete all the outstanding bills. But many wanted to pass at least a few, if only to show that the GOP wasn't abrogating its governing duties. But several fiscal conservatives in the Senate saw an opportunity to take a stand against "earmarks," the special projects that members from both parties had tucked inside the bills. The rebels announced their intention to block all spending bills from advancing -- even one that financed veterans benefits and military housing.

"We need to examine the bills in the light of the last election, in which I think the American people were unhappy with our spending habits," Sen. Jeff Sessions (R-Ala.) explained to reporters. He and his allies, including Sen. Jim DeMint (R-S.C.) and Sen. Tom Coburn (R-Okla.), want Congress to pass a "continuing resolution" to extend funding from the previous fiscal year. "We'd save the taxpayers a lot of money," Sessions said.

Their quest has reinvigorated fiscal conservative groups such as the Club for Growth, which suffered several major election defeats this year. "The Senate showdown on earmarks is next week," the club's blog reported yesterday. "The good guys, Tom Coburn and Jim DeMint, are battling the appropriators and the big spenders." The article warned, though, that the continuing resolution "isn't a done deal."

A chief target of the budget hawks is a group of Democratic House freshmen who won seats in conservative districts, including the Florida seat that was held by disgraced Rep. Mark Foley, and Tom DeLay's former seat in Texas. Republicans call these "rented seats" and hope to win them back in 2008.

"Democrats aren't going to want to make massive cuts," said Stuart Roy, a longtime senior Republican House aide who works as a public-affairs consultant. Back in the GOP-minority days of the 1980s, House Republicans sought to force Democrats to vote against small spending reductions, often fractions of a percent. But as Roy pointed out, these little-noticed maneuvers helped Republicans build a case that Democrats' spending habits had spiraled out of control.

"Spending cuts resonate in a macro sense, especially if you can show they are tied specifically to waste," he said.

The trick, Roy added, is to avoid programs that happen to be popular, such as public television funding. "There will be a substantial number of people who will want to go out and do that." That impulse should be resisted: "This is not a governing strategy, it is a minority strategy."

Another enticing realm is taxes. In the 110th Congress, fiscal conservatives will act as chief defenders of the numerous temporary tax cuts that Republicans have passed since President Bush took office. Breaks that benefit wealthy individuals are

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particularly unpopular with Democrats, but particularly cherished by fiscal conservatives, who believe low tax rates at the top of the economic ladder fuel growth.

The first showdown will come over the alternative minimum tax, which Democrats have vowed to address early in their tenure. Adjusting the tax so that it will not envelop another 20 million or so middle-class families will cost $50 billion-plus per year, official estimates show. The incoming House Ways and Means chairman, Rep. Charles B. Rangel (D-N.Y.), has vowed to pay for the fix, but that could be politically difficult.

"Rangel is going to need a really large tax increase to keep his promise," wrote Bruce Bartlett, a conservative economist, anticipating the Democratic dilemma with glee.

GOP's Bleak Retreat Into The Minority (HILL)

By Patrick O'connor

The Hill, November 29, 2006

Rep. Sam Johnson (R-Texas) expressed astonishment during a recent meeting of conservative lawmakers that Republicans would soon lose the room where members hold their regular Bible study, an aide present said.

On a similar note, Republicans across Capitol Hill have been forced to confront the unwelcome presence of Democrats touring their offices to map out arrangements for the coming Congress.

The Republican retreat from ornate leadership chambers and spacious committee offices has been a harsh awakening for members of the outgoing majority, but that is just one of the many difficult realities GOP members and staff must accept about life in the minority.

Still stinging from their midterm defeat, leaders in the House must rewrite the party's internal rules to adapt to their diminished status and reorganize the Steering Committee to decide who will serve on each committee and who will be the ranking Republican before slinking off to the offices allocated to them by Speaker-designate Nancy Pelosi (D-Calif.).

A small group of leadership aides in the offices of outgoing Speaker Dennis Hastert (R-Ill.), incoming Minority Leader John Boehner (R-Ohio) and outgoing Rules Chairman David Dreier (R-Calif.) are leading that effort, but none of the major decisions is expected to be announced until early next week. Those aides are meeting throughout the week, leadership staff said.

The challenge for Boehner will be incorporating those Republicans left alienated by the results of leadership contests earlier this month while he secures his grip on GOP lawmakers in the House, aides said in the wake of those leadership elections.

A major fight is brewing among conservatives in the House to elect the next chairman of the Republican Study Committee.

Reps. Jeb Hensarling (R-Texas) and Todd Tiahrt (R-Kan.) have been calling members of the increasingly influential committee to ask for their support in the election next Wednesday.

Conservatives were among the most affected by the results of the leadership contests, in which a slate of familiar faces convincingly defeated a handful of outspoken challengers, including Reps. Mike Pence (R-Ind.), the outgoing RSC chairman, and John Shadegg (R-Ariz.), another staunch conservative. These candidates ran on a message of change following the midterm defeat but were rebuffed by their colleagues.

Shadegg, who lost his bid to oust Rep. Roy Blunt (R-Mo.) as whip, said one of the reasons members did not answer his call for change was because so many had just survived similar campaigns for change in their own reelection fights.

"I don't think they've had enough time to decide what the election means," Shadegg said moments after leaving the leadership race.

Hensarling has been an outspoken ally of Pence, who suffered a landslide defeat to Boehner in the leader's race. Pence and Hensarling led a small band of upstarts who, over the past two years, have waged public battles with the leadership over revised budget rules and federal funding for the hurricane-battered Gulf Coast. The Texas Republican also backed Rep. Jeff Flake (R-Ariz.) in his confrontation with appropriators last summer over earmarks included in spending bills that reached the House floor.

Many staffers consider Tiahrt, an appropriator, as the leadership-backed candidate who would mute the influence of conservative agitators as Republicans try to unite in the minority.

"It's an effort to neuter the RSC," one aide said. "It's an effort to split the powerbase."

Tiahrt spokesman Chuck Knapp said his boss met with the group's three remaining founders because members asked him to run and that the Kansas Republican has not had any conversations with Boehner or his staff about chairing the RSC.

Hensarling, Tiahrt and Rep. Steve King (R-Iowa), who would also like to be considered, met with the founders before Thanksgiving. In the past, those founders have nominated each incoming chairman, but leaders of the committee changed the rules under Pence to create the Steering Committee and to allow non-founders to nominate members before the vote.

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The remaining founders — Johnson and Reps. Dan Burton (R-Ind.) and John Doolittle (R-Calif.) — were expected to nominate Tiahrt, aides said before the holiday break, but that seems less certain this week, some of the same aides now say.

The founders are discussing options and could make an announcement before members return to Washington, aides said yesterday.

Retiring Rep. Ernest Istook (R-Okla.) also plays an uncertain role in the nominating process because he will not be a member in the next Congress, but he has met with each of the candidates, aides said.

Knapp said his boss would "proudly accept" the founders' nomination but would not seek it on the floor if those lawmakers select someone else.

"There has been a process in place, and he is one to respect that process," Knapp said.

Rep. Tom Feeney's (R-Fla.) office distributed a "dear colleague" letter on behalf of Hensarling to members of the committee yesterday. Reps. Gresham Barrett (R-S.C.), Marsha Blackburn (R-Tenn.), Kevin Brady (R-Texas) and Paul Ryan (R-Wis.) joined Feeney, Flake, Pence and Shadegg on the letter.

"He's been very encouraged by the support he has received over the phone," Hensarling spokesman Brad Dayspring said.

One question heading into the race is how many members of the committee will vote. The official number hovers somewhere above 100, but only 40 to 50 members attend most meetings, with 80 to 90 attending some of the biggest.

There is grumbling that some members may leave the RSC if Tiahrt wins, creating an early divide among Republicans in the minority. Shadegg created similar grumbling before the 109th Congress until Pence was named chairman.

Other members are seeking colleagues' support for an impending decision by the soon-to-be-reconfigured Steering Committee about who will serve as the ranking Republican on the various committees.

Rep. Ed Royce (R-Calif.), for example, circulated a "dear colleague" to members of the Steering Committee highlighting his legislative accomplishments since 1993 and his television appearances during the last year in his own bid to be the ranking Republican on the International Relations Committee.

The Steering Committee is expected to look similar to the structure under Hastert, with leaders, regional reps and class reps expected to have one vote with Boehner holding more sway, aides said this week. Outgoing Ways and Means Chairman Bill Thomas (R-Calif.) will not have a vote because he is retiring from Congress, and many of the current leaders were replaced in the elections before Thanksgiving.

Senators Back More Funds For Social Security Administration (WP)

By Stephen Barr

The Washington Post, November 29, 2006

With spending bills apparently stalled, 54 senators have sent an appeal to the Senate leadership asking that the Social Security Administration receive adequate funding to avert workplace disruptions.

The senators -- 42 Democrats and 12 Republicans -- called for a fiscal 2007 appropriation that would add $401 million to the agency's administrative account. Without the money, Social Security would be forced to send employees home without pay and shut offices for 10 days next year, the senators said.

"A furlough of this scope and magnitude will create a significant hardship on the elderly and disabled persons who depend heavily on field office staff resources -- particularly those in rural areas who must travel long distances to access services," the senators said in a letter to Senate Republican and Democratic leaders.

Fears of the lack of spending bills -- or what those spending bills might bring -- are hitting other agencies. Except for the Defense and Homeland Security departments, Congress has not enacted the regular spending bills for the government, and some agencies are worrying about being caught in a pinch. Until budgets are settled, for example, the Energy Department has suspended employee bonuses, and the Labor Department has adopted a "soft freeze" on hiring.

Since Oct. 1, the agencies have operated under continuing resolutions -- interim funding bills known as CRs. They finance operations at the lowest of three possible levels -- the 2006 budget, the Senate's 2007 proposed budget or the House's version for 2007. Congress returns next week for what some Capitol Hill aides think will be a short legislative session, and it's likely that Congress will again put off budget decisions until next year. In that event, Hill aides predict, some small agencies could be at risk of layoffs or short-term layoffs, called furloughs.

The Food Safety and Inspection Service, for example, has no plans for furloughs, but more than 80 percent of its budget goes toward salaries and benefits. "When an agency has that large of a percentage going to salaries, and if there are salary increases that take effect in January, it will be difficult to make up the increase out of program costs," said Steven Cohen, senior press officer at the agency.

The Veterans Affairs Department has been counting on a $2.8 billion increase for veterans' health care in fiscal 2007. "Operating under a long-term continuing resolution will, before long, adversely affect the timely delivery of care and the effective

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and efficient management of the department," said Lisette Mondello, the department's assistant secretary for public and intergovernmental affairs.

The White House's Office of Management and Budget hopes to work with Congress on a solution that avoids staffing problems. "There is currently language in the existing CR that prevents furloughs, and we expect the next CR to address reductions in force," said Christin Baker, OMB associate director for communications. "If the government continues to operate under a long-term CR, we will work closely with agencies and lawmakers to ensure there are no major disruptions to essential government services."

Concern about the plight of Social Security has been mounting since mid-September, in part because it provides benefits to nearly 49 million Americans.

The Senate's bill for Social Security would provide $9.1 billion for the agency's administrative expenses, $401 million less than the president requested and $54 million below what was appropriated in fiscal 2006. The House bill would leave Social Security about $200 million short of what the White House is seeking.

Sens. Olympia J. Snowe (R-Maine) and Kent Conrad (D-N.D.) organized the letter to Senate leadership. It pointed out that Social Security has been given additional work, such as handling the new Medicare prescription drug benefit, while coping with staffing shortages caused by previous budget shortfalls. New workloads and lack of staff "have slowed processing times for disability claims" and "lessened the quality of service" to the public, the letter said.

Asked about the letter, Social Security Commissioner Jo Anne B. Barnhart said she appreciated "the widespread bipartisan support for the president's budget request," which she said would allow the agency to provide "the public with the service they expect and deserve."

Jenny Manley, spokeswoman for the Senate Appropriations Committee, said the committee chairman, Sen. Thad Cochran (R-Miss.), "is well aware of the needs of the Social Security Administration." Manley said: "Our preference would have been to address this in regular order and in an appropriations bill, but that does not seem to be in the cards at this point."

Bases Refuse Offering Of Nuns (WT)

By Valerie Richardson

The Washington Times, November 29, 2006

AURORA, Colo. -- Three nuns were thwarted yesterday in their effort to pay their debt to society with food instead of cash when officials at two Colorado Air Force bases refused to accept their donations.

The Dominican sisters -- Carol Gilbert, Jackie Hudson and Ardeth Platte -- had collected thousands of cans of food in an effort to pay the military $3,082 in restitution for cutting through a chain-link fence at a Colorado missile silo in 2002.

The sisters, who each served jail time for the break-in, said they devised the plan because they could not in good conscience give money to the military. They are still awaiting court approval for their proposal.

But airmen at Buckley Air Force Base here turned away two pickup trucks loaded with thousands of cans of food yesterday, telling volunteer drivers that the facility had just received a large donation of food and had nowhere to store the nuns' delivery.

An hour later, officials at Peterson Air Force Base in Colorado Springs told volunteer Bill Sulzman that the facility couldn't accept a truckload of canned goods "because it was part of the restitution plan," he said.

Mr. Sulzman said he was surprised because he had coordinated the drop-off with a base sergeant.

He called the base's refusal "a political decision."

"Clearly, the decision at Buckley got back to Petersen and canceled the deal here," said Mr. Sulzman, who works for Citizens for Peace in Space. "It was a case of the chain of command overruling a lower-level decision to give food to lower-income Air Force families."

He then dropped off the containers of baby food, coffee and peanut butter at the ecumenical food bank run by Colorado Springs churches. The canned goods intended for Buckley were donated to a Denver rescue mission.

The nuns called the military's reaction disappointing but not entirely unexpected. The U.S. attorney's office here has said the restitution should be paid in cash, not food, although U.S. District Court Judge Robert Blackburn will make the final decision.

The sisters could return to in prison if they refuse to comply with the restitution requirement.

"Any effort to collect food for those in need is a tremendous gesture," U.S. attorney's office spokesman Jeff Dorschner said. "But it is the government's continued position that food should not count toward restitution."

He noted that fixing the fence at the Weld County, Colo., missile silo was paid for with cash.

"Real money was used to repair the damage done by the sisters, and the taxpayers should be reimbursed with real money," Mr. Dorschner said.

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Although the delivery didn't make it to its intended destination, the sisters argued that the canned food should count toward their restitution. As many as 30 percent of men who visit food banks are veterans, they said.

After the drop-offs, the sisters delivered a 19-page list of the donated canned goods to their probation officer.

"Some of this food will still get to people who are military veterans, and that's the best we can do," Sister Gilbert said.

Presidential Motorcades Can Be Dangerous (MCT)

By Steven Thomma

McClatchy Newspapers, November 29, 2006

WASHINGTON - They look glamorous from the curb, exciting and powerful as they race through a city with lights flashing, sirens blaring and a very, very important person waving from inside an armored limousine.

But presidential motorcades can be dangerous. The most recent reminder: the death this week of a Honolulu motorcycle officer who was injured while escorting President Bush during a brief stop en route home from Asia.

Sure, the president is safe in his limousine - so safe that no one can remember a commander in chief buckling his seat belt.

But the rest of the entourage is at risk of accidents and injuries, and they happen more often than most people realize.

First are the motorcycle cops, usually local officers who block intersections along the route.

Once the motorcade passes them, they race ahead to block another intersection up the road. Rushing at speeds up to 85 miles per hour or more, even well-trained riders can have trouble on wet pavement or curves.

"You really get your adrenaline running. You're leaping from intersection to intersection, blocking traffic, and you're putting yourself in harm's way," said Jim Kelley, a retired Houston motorcycle officer who worked motorcades for presidents from Dwight Eisenhower through Gerald Ford.

"If it's raining, you've got to worry about the oil slicks. You've got to worry about railroad tracks. You're trained for it, but it's risky."

In Hawaii, Steve Favela, 30, suffered fatal injuries when he and two other officers crashed as the motorcade sped across Hickam Air Force Base on rain-slicked pavement. A fourth motorcycle officer suffered a broken wrist when he crashed while working a different Bush motorcade.

In New Mexico last February, a motorcycle cop was injured when he lost control and crashed into a wall while escorting a Bush motorcade on Interstate 25.

Another risk is the accordion effect, when the front of the motorcade slows or stops, and cars, vans and buses at the rear are following one another so closely and so fast - maybe 10 or 15 feet apart at speeds as high as 60 miles per hour - that they can't avoid a crash.

Last December, a Bush motorcade was two blocks from the White House when an ambulance crashed into a communications van, which in turn crashed into another van in front of it. There were no injuries.

Secret Service spokeswoman Kim Bruce said the agency doesn't keep records of how many motorcades have involved accidents. "Thankfully, they usually don't include either fatalities or injuries," she said.

Still, they sometimes do.

In New Mexico in 1998, for example, two vans crashed into each other in a slow-moving motorcade carrying then-Vice President Al Gore down wet roads from the Albuquerque airport. That crash in turn caused three motorcycle cops to spin out, injuring all three officers.

In California in 1996, a bus at the end of a Bob Dole presidential campaign caravan had to slam on the brakes when the front end of the police-escorted motorcade slowed abruptly. NBC reporter Kelly O'Donnell flew through the aisle of the bus, suffering bruises and a broken clavicle when she landed.

Making matters even dicier, Secret Service agents drive only the "control package" or "secure package," consisting of the president's limo and a few vehicles in front of and behind him.

"Those guys are the best, finest, most well-trained drivers for that kind of circumstance in the world," said John Podesta, a White House chief of staff under Bill Clinton. "But that's only about eight vehicles."

The rest of the motorcade, which often numbers 20 or more vehicles - vans carrying local guests, White House aides and the news media - are driven by volunteers or locally hired drivers.

"You're at the mercy of volunteers," Podesta said.

The risks of motorcades aren't unique to the United States.

In Malaysia last year, a police officer crashed into a cow while escorting a sultan's motorcade. The police officer was injured. The cow died.

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OTHER NEWS:

Bernanke: Economy Slowing As Expected (AP)

By Jeannine Aversa

AP, November 29, 2006

Federal Reserve Chairman Ben Bernanke said Tuesday that risks from inflation or a worse-than-expected housing slump could further complicate things for an economy that already is in slowdown mode.

"The deceleration in economic activity currently under way appears to be taking place roughly along the lines envisioned," Bernanke said in his most extensive comments on the economy since the summer. The slowdown in overall activity mostly reflects the housing slump, he said. As the economy cools, inflation also should continue to gradually ease over the next year or so, the Fed chief added.

Yet, "substantial uncertainties" surround the Fed's outlook, Bernanke said in prepared remarks to the National Italian American Foundation in New York.

The slowdown in the once sizzling housing market could turn out to be deeper than expected, putting an even greater drag on overall economic activity. Or, Bernanke surmised, economic growth could rebound more strongly than expected, which could lead to a flare-up in inflation.

"A failure of inflation to moderate as expected would be especially troublesome," he said.

Overall inflation has showed signs of improving in recent months as once surging energy prices have calmed down. However, "core" prices - which exclude energy and food and are closely watched by the Fed - still remain "uncomfortably high," Bernanke said. Looking ahead, Bernanke said he expects those core prices to moderate gradually over the next year or so.

But he made clear the Fed will be keep a close eye on the matter, especially on labor costs, which can spark inflation if they grow rapidly.

Although the Federal Reserve has left interest rates alone since August, Bernanke repeated the central bank's interest in keeping open the possibility of a rate increase down the road, if such action would be needed to fend off inflation.

To thwart inflation, the Fed had hoisted interest rates 17 times since June 2004, its longest string of increases in its history. With the economy slowing, the Fed has stayed on the sidelines since August. Many economists believe the Fed will keep its finger on the interest rate pause button it meets next on Dec. 12, the last such session this year.

Bernanke's remarks followed a batch of mostly downbeat economic reports issued Tuesday.

Orders placed to U.S. factories for manufactured goods plunged in October by the largest amount in more than six years. The median price of an existing home sold last month dropped by a record amount. And, consumer confidence in the economy sank in November.

Economic growth during the July-to-September quarter slowed to a pace of just 1.6 percent, the most sluggish in more than three years. That mostly reflected the housing slump. Investment in home building was cut by the largest amount in 15 years.

"The slowing pace of residential construction is likely to be a drag on economic growth into next year," Bernanke predicted. Even though there are signs that the demand for homes is stabilizing, builders still need to work off a bloated inventory of unsold homes and that will take time and further adjustments, he said.

The Fed chief added that even with the drag on the economy from the housing slump and a struggling auto sector, the jobs climate is still fairly healthy.

The nation's unemployment rate sank to a five-year low of 4.4 percent in October and workers' wages grew solidly. Those factors should help cushion the blows to the economy from the housing slump, Bernanke said.

Bernanke: Inflation 'uncomfortably High' (USAT)

By Sue Kirchhoff

USA Today, November 29, 2006

The economy is growing at a "solid pace" outside of housing and manufacturing, but a key inflation measure remains "uncomfortably high," Federal Reserve Chairman Ben Bernanke said Tuesday.

In a speech to the National Italian American Foundation in New York, Bernanke said it would be "especially troublesome" if price pressures don't moderate, as the Fed has forecast. He said the sputtering housing market will be a drag on growth into

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2007, even if sales stay near the current pace. “Overall, the economy is likely to expand at a moderate pace going forward,” Bernanke said, adding that growth should accelerate over the coming year.

Economists interpreted Bernanke's comments as a sign the central bank is not likely to cut interest rates anytime soon and could be forced to raise them in coming months to keep price pressures under control. Although the Fed does not directly set mortgage or other private-sector loan rates, its short-term rate target is used as a benchmark when banks price consumer and business loans.

“Whether further policy action against inflation (to raise rates) will be needed depends on the incoming data,” Bernanke said, adding that the risks to the inflation forecast were “primarily to the upside.”

To control inflation and remove excess economic stimulus, the Fed raised short-term interest rates from a low 1% to 5.25% from June 2004 to June 2006. Economists polled by USA TODAY in October predicted the Fed would start cutting rates next year.

Stephen Stanley of Greenwich Capital Markets said Bernanke's remarks made it clear the “two policy options in the near term” are to leave rates alone or raise them.

The National Association of Realtors on Tuesday said existing home sales unexpectedly ticked up in October, though annual prices fell for a third-consecutive month (story, above). Also, the government said orders for long-lasting durable goods plunged 8.3% in October, the biggest drop since July 2000.

Overall, the economy grew at a slow 1.6% annual pace in the third quarter, down from the 5.6% rate of the first. Core inflation, which doesn't include food and energy, is running 2.7% annually, above the Fed's informal 1%-2% comfort zone.

While falling energy and housing prices have taken some of the edge off inflation, the Fed is watching wage growth and the tight labor market. Rising wages help workers but could breed growing inflation if companies pass on labor costs via higher prices. Also supporting growth: The auto sector may be firming, and consumer spending has held up.

Bernanke Warns Inflation Remains A Significant Risk (WSJ)

By Greg Ip And Rafael Gerena-morales And Michael Corkery

The Wall Street Journal, November 29, 2006

In a contrast with the widely held view on Wall Street that slower economic growth will lead to interest-rate cuts, Federal Reserve Chairman Ben Bernanke offered an upbeat assessment of the nation's economy, warning that tight labor markets could put more pressure on wages and prices.

Many investors point to declining housing construction, mixed news on holiday sales and a tame reading on inflation as indications that the economy is weakening, inflation risks are fading and that the next move by the Fed will be to cut interest rates, perhaps as soon as next spring.

However, Mr. Bernanke's hawkish message suggests rate cuts are unlikely in the months to come.

In his first major speech on the economic outlook since his testimony to Congress in July, Mr. Bernanke said growth outside of housing and autos remains "solid," underlying inflation "uncomfortably high" and that the choice before the Fed is whether to raise rates, not whether to cut them. Since June, the central bank has held its target for short-term interest rates steady at 5.25%.

"A failure of inflation to moderate as expected would be especially troublesome," Mr. Bernanke told the National Italian American Foundation in New York yesterday. "Whether further policy action against inflation will be required depends on the incoming data."

Stock and bond markets barely reacted -- underscoring how, in recent months, Fed officials and investors increasingly have seemed to be looking at two different economies.

The Dow Jones Industrial Average gained 14.74 points yesterday to 12136.45, after falling 158 points in the previous session. (See related article7.)

Long-term bond yields, which fell yesterday morning on news of a surprisingly large drop in durable goods orders, retraced only a bit of that decline after Mr. Bernanke's speech. Long-term bond yields tend to rise on expectations of stronger growth, higher inflation and higher short-term interest rates.

Indeed, futures markets still see a high likelihood of a rate cut in the next six months. Long-term bond rates, at 4.51%, remain well below short-term rates, a relationship that in the past has often foreshadowed recession.

"Market participants are simply much more pessimistic...and, clearly, not easily convinced that the chairman's sanguine outlook is the most likely scenario," said Stephen Stanley, an economist at RBS Greenwich Capital.

Whether the Fed's optimism or the market's pessimism will prove correct remains to be seen. However, as long as investor pessimism keeps long-term rates, including mortgage rates low, that provides support to the housing market and makes it less likely the Fed will have to cut rates.

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Yesterday, Mr. Bernanke spotlighted the labor market as a potential source of inflation pressure. "It seems clear that labor costs...have been rising more quickly of late. Some part of this acceleration no doubt reflects the current tightness in labor markets," he said.

The unemployment rate fell to 4.4% in October, well below the 4.75% to 5% range Fed officials had projected in July.

Mr. Bernanke raised the possibility that corporations could absorb higher labor costs without raising prices by reducing their profit margins, which now are relatively wide. But "the more worrisome possibility is that tight product markets might allow firms to pass all, or part of, their higher labor costs through to prices, adding to inflation pressures."

Charles Plosser, president of the Federal Reserve Bank of Philadelphia, reinforced the Fed's hawkish message yesterday in a speech at the University of Rochester in Rochester, N.Y. "There remains some risk that policy is not yet firm enough to ensure a return to price stability over a reasonable time horizon," he said.

Economists themselves are divided on the outlook for the economy, with some predicting that a housing-led slowdown will intensify and others saying that low unemployment rates and buoyant financial markets will fuel a pickup in economic activity.

Economic data released yesterday provided ammunition for both sides. In October, orders for durable goods -- big-ticket items, such as machine tools and dishwashers, designed to last three or more years -- fell 8.3% from September, fueled by a steep drop in commercial airplane orders, the Commerce Department said.

Orders for capital goods, excluding defense and aircraft products -- a barometer of business spending -- fell 5.1%, the first decrease in six months. That was led by a 25.6% plunge in orders for computers and related products. Economic consulting firm Global Insight attributed most of that drop to Microsoft Corp.'s planned launch of a new operating system next year, which is causing some potential buyers to delay purchases.

Stuart Hoffman, chief economist of PNC Financial Services Group Inc., said the latest data suggest that capital spending "won't provide as big of a cushion" as expected for an economy that is being undercut by a struggling housing market.

Separately, the Conference Board, a nonprofit business research group in New York, reported that its consumer confidence index fell to 102.9 this month from 105.1 in October.

On the positive side, the National Association of Realtors said sales of previously owned homes in October rose 0.5% from September to an annual rate of 6.24 million, the first monthly rise since February. But the median home price fell to $221,000, down 3.5% from a year earlier. That was probably the largest such drop since World War II, said David Lereah, NAR's chief economist. However, the latest decline followed an unprecedented multiyear run-up in prices.

Mr. Lereah said sellers in many markets have been cutting prices and those reductions, coupled with relatively low mortgage rates, have helped spur more sales. He attributed part of the decline in median prices to the fact the homes in lower-priced markets like Texas accounted for a larger share of sales than a year ago.

While buyers are creeping back into the market, the inventory of homes for sale rose 1.9% in October to 3.85 million, or a 7.4-month supply.

Since July, the Fed's forecast has been for economic growth to slow to slightly less than its long-term trend rate, taking some of the pressure off existing labor and business capacity. It expects the slowdown, coupled with the indirect effects of the recent decline in energy prices, should nudge core inflation down.

Mr. Bernanke said yesterday that the economy was broadly following that forecast. "Outside of the housing and motor-vehicle sectors, economic activity has, on balance, been expanding at a solid pace," he said. Trends in core inflation, which excludes food and energy, are less worrisome than in the spring, though at 2.7% in October, the rate "remains uncomfortably high."

The biggest risk to growth, Mr. Bernanke said, is that "the correction in the housing market could turn out to be more severe and widespread."

"The rate of home-price appreciation has slowed significantly," and the overhang of unsold homes is likely even larger than official figures show, he said.

Yet the Fed is clearly gaining confidence that housing won't experience a hard landing. While home construction will probably fall further to bring supply back in line with demand, Mr. Bernanke said demand for homes appears to have stabilized, thanks to lower mortgage rates and home prices.

Mr. Bernanke's predecessor, Alan Greenspan, made a similar observation yesterday to another New York audience, saying the worst of the housing adjustment was over. But he added that the decline in prices might yet make consumers feel poor enough to depress their spending.

Mr. Bernanke said there is "little evidence" that a weak housing market is "spilling over more broadly to consumer spending or aggregate employment." As long as that remains true, he said, growth could reaccelerate in such a way that the economy starts to overheat, generating inflation pressure.

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Fed Chief Optimistic Of Soft Landing (WP)

By Nell Henderson

The Washington Post, November 29, 2006

The nation's central bank is growing more confident that the U.S. economy will slow gradually in a way that should cause inflation to decline without tipping the nation into a recession, Federal Reserve Chairman Ben S. Bernanke said yesterday.

"Over the next year or so, the economy appears likely to expand at a moderate rate, close to or modestly below the economy's long-run sustainable pace," Bernanke told the National Italian American Foundation in New York, in his most extensive remarks on the economy since July. Inflation "is expected to slow gradually from its recent level."

The primary risk to the Fed's forecast is the possibility that a tight labor market could push inflation higher than expected, which could prompt the Fed to raise interest rates, Bernanke said, according to a text of his prepared remarks.

Inflation "has been somewhat better behaved of late" but also remains "uncomfortably high," he said.

Bernanke delivered his speech just a few hours after two economic reports fanned concerns that the economy might be weakening further. The reports showed that new orders for long-lasting durable goods, including automobiles and appliances, fell sharply in October and that consumer confidence dipped in November.

The economy expanded at a sluggish 1.6 percent annual rate in the three months ended in September, down from a 2.6 percent pace in the three months ended in June.

Bernanke did not directly address yesterday's economic statistics nor did he discuss a recent fall in the value of the dollar that could have wide-ranging effects on U.S. companies and workers.

He said the economic slowdown "primarily reflects a cooling of the housing market." He struck an upbeat tone, however, saying, "to date, there is little evidence that the weakness in housing markets is spilling over more broadly to consumer spending" or the labor market.

Bernanke's comments reinforced financial-market expectations that Fed policymakers will leave their benchmark overnight interest rate unchanged at 5.25 percent when they meet in two weeks and hold it steady in the months ahead.

"The Fed is firmly on hold," said Stuart G. Hoffman, chief economist for PNC Financial Services Group. He said Bernanke's remarks show that the Fed thinks "the economy is not snowballing down a slope toward a hard landing or a recession. There are plenty of cushions along the way."

The slower pace of home construction "is likely to be a drag on economic growth into next year," Bernanke said. But he also pointed to signs that home sales may be stabilizing. Sales of new homes rose in August and September, and sales of previously owned homes rose in October. Mortgage applications have been increasing since July.

Bernanke said most of the economy outside of the housing market "appears to be expanding at a solid rate." Many factories are churning out more goods for export. U.S. businesses are spending more on non-residential construction, equipment and software.

And consumer spending has continued to rise, buoyed by low unemployment, rising wages and falling fuel prices.

Rather than sound concerned about a slowdown, Bernanke suggested it was just what the Fed expected when it raised interest rates steadily over two years through June to keep the economy from overheating and driving inflation higher.

Markets Uncertain Despite Fed Comments (FT)

By Our International Staff

Financial Times, November 29, 2006

Financial markets remained gripped by uncertainty over the outlook for the dollar on Tuesday, even as Ben Bernanke appeared to head off talk of imminent US interest rate cuts by warning that inflation remained “uncomfortably high”.

The dollar strengthened briefly on the comments by the Federal Reserve chairman, but they failed to claim the markets, with currencies still volatile in later trading.

The euro hit a 20-month high against both the dollar and the yen, while the pound rose 0.5 per cent to $1.9480. That brought it close to peak of 1.9548 reached on December 2004, the highest level since sterling was ejected from Exchange Rate Mechanism in 1992.

Bonds were also unsettled, while equities slipped back in early trading, and the cost of buying insurance against credit risk increased.

Speaking in New York, Mr Bernanke reassured investors that the outlook for the US economy remained fair, and the slowdown to more moderate growth was proceeding largely as expected.

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He said incoming data would determine “whether further policy action against inflation will be required”.

The speech follows days of jitters in financial markets, with investors betting that US economic weakness would force the Fed to cut interest rates next year, undermining the dollar.

Earlier in the day, fresh US data showed house sales inching up, but prices falling on one measure, with confidence weaker and a significant drop in durable goods orders.

While investors have been troubled by recent US data, however, Mr Bernanke said the slowdown “appears to be taking place roughly along the lines envisaged in the Federal Reserve’s July report”.

His message was reinforced by Hank Paulson, US Treasury Secretary, who told reporters in London the US economy was making a “successful transition” to a more sustainable rate of growth, and by the Organisation for Economic Co-operation and Development, which said the outlook for the world economy remained bright.

Releasing its twice-yearly outlook, the OECD said it saw signs of a smooth rebalancing of global economic growth, with faster growth in Europe offsetting much of the slowdown in the US.

Jean-Philippe Cotis, the OECD’s chief economist, said there were signs that the growth of global trade imbalances had now stopped, raising the chances of a benign outcome.

Attributing the recent fall in the dollar to signs of economic strength in Europe and elsewhere, he added: “Even a smooth adjustment of imbalances has to start somewhere...we are not yet in a position where the depreciation of the dollar suggests people are fleeing the US.”

Report by Krishna Guha and Eoin Callan in Washington, Chris Giles, Tony Tassell and Scheherazade Daneshkhu in London

Blue Chips Stage A Slight Recovery Despite Glum Signals On Interest Rates (WSJ)

By Peter A. Mckay

The Wall Street Journal, November 29, 2006

Stocks edged higher despite troubling comments about interest rates from Federal Reserve Chairman Ben Bernanke.

The gains erased little of Monday's steep market drop, which included a 158.46-point decline in the Dow Jones Industrial Average. After sliding further in early trading, the blue-chip average ended the day up 14.74 points, or 0.1%, at 12136.45, 13.2% higher for the year. Among the Dow's strongest components was Exxon Mobil Corp., which rose 2.3%, helped by the second consecutive rise in crude-oil prices.

Forecasts of colder weather in the Northeastern U.S. and continuing supply worries drove crude futures contracts for January delivery up 67 cents, or 1.1%, to $60.99 a barrel, now off just 0.1% for the year at the New York Mercantile Exchange.

The broad Standard & Poor's 500-stock index also opened the session lower but climbed 4.82 points for the day to end at 1386.72, up 11.1% for the year. The technology-stock-heavy Nasdaq Composite Index rose 6.69 points to 2412.61, up 9.4% for the year. Both were up 0.3% for the day.

In a speech to the National Italian American Foundation in New York, Mr. Bernanke said that inflation remains "uncomfortably high" and that the main decision facing the central bank is whether to raise interest rates to keep the economy in check, not whether to cut rates to stimulate further growth.

Wall Street likes low interest rates because cheap borrowing costs encourage spending by businesses and consumers.

Tobias Levkovich, chief U.S. equity strategist at Citigroup, said Mr. Bernanke's comments probably disappointed investors who had been hoping for a Fed cut sooner rather than later, perhaps early in 2007. On the other hand, he said the speech and recent data released by the government signal that Wall Street's hopes for a gradual slowdown in economic growth are coming true.

"The economy hasn't collapsed," Mr. Levkovich said. "Housing prices are off, but that hasn't really hurt the consumer. Employment is still solid, consumers have income and they're spending it."

Housing data released yesterday by the National Association of Realtors showed an increase in the number of new homes sold in October, but a steep drop in home prices. The median new-home price fell 3.5% from the year-earlier period, to $221,000, a record-setting third straight decline in that measure.

With the holiday shopping season in full swing, many analysts are watching closely for any sign that consumers might curtail their spending. In a glum development along those lines, the Conference Board reported that its consumer confidence index slipped to 102.9 in November, worse than analysts had expected.

For the Dow, the rise yesterday halted two consecutive days of declines, and the average now is 206.11 points below its record close, established less than two weeks ago, on Nov. 17.

Outside the U.S., stocks fell in dollar terms. The Dow Jones World Stock Index, excluding U.S. shares, declined 0.3%, or 0.7 point, to 231.45.

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In major U.S. market action:

Stocks rose1. Total trading volume for stocks listed on the New York Stock Exchange was 2.65 billion shares, as 2,144 stocks advanced and 1,173 fell.

Bond prices rose2. The 10-year note gained 8/32 point, or $2.50 for each $1,000 invested, pushing the yield down to 4.505%. The 30-year bond rose 10/32 to yield 4.594%.

The dollar was mixed3. Against the Japanese currency, the dollar rose slightly to 116.09 yen, compared with 116.08 yen. The euro rose against the dollar to $1.3198, compared with $1.3126.

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Existing-Home Sales Climb, But Prices Show Record Drop (WSJ)

By Rafael Gerena-morales And Michael Corkery

The Wall Street Journal, November 29, 2006

New data offered a mixed picture of the housing sector's condition as home sales picked up, but prices fell. Meanwhile, the first look at business investment in the fourth quarter revealed a sharp pullback, indicating that business spending won't lend as much support to economic growth as some analysts had been expecting.

The National Association of Realtors reported that previously owned home sales rose 0.5% from the previous month to a seasonably adjusted annual rate of 6.24 million units, which is up from an upwardly revised September sales pace of 6.21 million.

It's the first monthly rise in sales that the trade group has reported in eight months. But the national median home price plummeted 3.5% to $221,000 from a year ago -- the largest year-over-year price drop since the trade group began keeping records in 1968, and "it's probably the largest price drop since World War II," said David Lereah, NAR's chief economist. It follows a 2.2% price decline in September and a 1.7% drop in August.

Mr. Lereah said sellers in many markets have been cutting prices and that, coupled with relatively low mortgage rates, have helped spur more sales. But he also attributed part of the median price decline to the fact that there were a greater number of lower priced homes and fewer high priced homes sold in October than a year ago. He said sales in markets such as Texas, where home prices are lower than many U.S. markets, were fairly strong in October. That strength contributed to the overall mix of more lower-priced homes selling.

Mr. Lereah also said prospective buyers of high-priced homes in once hot markets are more likely to wait to buy in anticipation of further price declines than first-time buyers who may be buying a home because of a job change.

While the slight uptick in sales suggests buyers are creeping back into the market, the inventory of unsold homes remains relatively high. Total housing inventory rose 1.9% in October from the previous month to 3.85 million existing homes for sale, which represents a 7.4 month supply at the current sales pace. Economists said that weak condominium and co-op sales -- which declined 4.8 % in October from the previous month-- weighed heavily on the overall housing market. By comparison, single family home sales -- which make up the bulk of housing sales -- rose 1.3% in October.

While the improved sales pace could help prevent job losses in industries heavily tied to housing, such as furniture and mortgages, Mr. Lereah said "the wealth effect of housing right now is certainly turning negative," because of the price declines.

Decline in Durable Goods

Durable-goods orders fell 8.3% last month to a seasonally adjusted $209.97 billion, reflecting a steep drop in commercial airplane orders, the Commerce Department said Tuesday. That was the sharpest drop since July 2000. Moreover, "core" orders of capital goods, a barometer of business spending that excludes defense and aircraft products, fell for the first time in six months, underscoring widespread weakness. New orders for core goods fell 5.1% in October, as orders for computers and related products plunged 25.6% last month. Core orders had risen by a monthly average of 1.1% in the nine months through September.

Economists at consulting firm Global Insight said computer orders likely dropped sharply because Microsoft Corp. is introducing a new computer operating system in 2007, which may have caused companies to delay computer purchases. Meanwhile, orders for communications equipment and fabricated metals also fell last month.

Yesterday's report surprised analysts, who had been expecting business spending on core goods to continue growing at a steady pace, a development that has helped the economy soften the blow of this year's housing industry contraction.

Business orders last month were "far, far weaker than expected" said Stuart Hoffman, chief economist of PNC Financial Services Group Inc. The report suggests that capital spending will weaken in the current quarter and that "it won't provide as big of a cushion" for an economy being undercut by a struggling housing market, he said.

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Following yesterday's report, Mr. Hoffman lowered his forecast for economic growth in the fourth quarter to 2.25%, on an annualized basis, from roughly 2.5%. Last week, many other forecasters lowered their estimates of fourth-quarter growth after the Commerce Department reported that construction of new homes slid to a six-year low in October.

Separately, The Conference Board, a nonprofit business research group, reported that its consumer confidence index fell to a reading of 102.9 this month [Nov] from 105.1 in October.

Home Prices Fell At Record Pace In October (WP)

By Bill Brubaker

The Washington Post, November 29, 2006

U.S. existing home prices dropped a record 3.5 percent last month, compared with the same month a year earlier, while the total number of residences sold fell 11.5 percent compared with October 2005, according to an industry report released yesterday.

Nationwide, the median price of a single-family home, condominium or cooperative apartment dropped to $221,000 last month from $229,000 in October 2005, according to a report by the National Association of Realtors, a trade group representing U.S. real estate agents. The median is the point at which half the homes sell for more and half for less.

The largest drop in sales prices -- 7 percent, or double the national average -- came in the South, which includes the Washington area.

In a rare piece of good news for the beleaguered U.S. real estate industry, however, sales of existing homes rose 0.5 percent from September to a seasonally adjusted annual rate of 6.24 million in October, the first monthly increase since February, the report said.

Pat Vredevoogd Combs, president of the Realtors' group, attributed the October uptick in sales volume to "sellers cutting their price enough to encourage sales."

By region, home sales rose 6.4 percent in the West; were flat in the Midwest; fell 2.9 percent in the Northeast; and declined 1.2 percent in the South, according to the trade group's report.

David Lereah, the group's chief economist, predicted a sales rebound during the first three months of next year.

"The demographics of our growing population, historically low and declining mortgage interest rates, and healthy job creation mean the wherewithal is there to buy homes in most of the country, but many buyers remain on the sidelines," Lereah said in a statement. "After a period of price adjustment, we'll see more confidence in the market and a lift to home sales should be apparent in the first quarter of 2007."

Lereah also predicted home-sale prices will experience "modest appreciation" in the early spring.

Other reports have noted some variation in sales volume and prices around the region. Prices have dipped more in Northern Virginia and the District than in much of Maryland.

While median home prices rose 6.7 percent in Prince George's County, 1.95 percent in Anne Arundel County and 0.70 percent in Montgomery County over the past year, they fell 6.4 percent in Northern Virginia, 11.8 percent in the District and 10.8 percent in Loudoun County, according to the Metropolitan Regional Information Systems, the region's multiple listing service.

Prices Of Existing Homes Plummet (USAT)

By Noelle Knox

USA Today, November 29, 2006

Prices of existing homes — which fell a record 3.5% last month — will likely drop further through year's end, delivering the bitter medicine needed to restore the health of the housing market, the National Association of Realtors said Tuesday.

The median price fell in October for a third-consecutive month, to $221,000, as sellers were forced to cut prices. Those price drops, coupled with a dip in mortgage rates, seem to be reviving sales. Existing home sales ended a six-month losing streak in October, unexpectedly inching up 0.5%.

Prices still have further to fall, says David Lereah, the NAR's chief economist. But, he notes, the faster they fall, the faster the correction in the home market will end. “The correction is working, and sales are stabilizing,” Lereah says. “That's good news for the economy.”

In the meantime, buyers in many areas continue to enjoy an advantage. They have an ample 7.4-month supply of homes to choose from, and, “Sellers will have to overcome their state of denial and start dropping prices even more to clear this market,” says Joel Naroff of Naroff Economic Advisors. “And once that happens, we will then have to convince buyers that prices have stopped falling. We are a long way from that point.”

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Fear of falling prices keeps Christopher Robinette awake at night. Robinette, a 25-year-old engineer, wants to buy his first house in Reno but frets: “I don't want to buy and have the value of the house go down and then try to sell it at a loss. I have a job where I have the potential to move, and the value of homes is unstable at this point, and that makes me hesitant.”

The median price for an existing single-family home in October was $221,300, down 3.4% from October last year. Sales of existing single-family homes rose 1.3% from September, though they were down 11% from October last year. Condo owners felt even more pain. The median price skidded 5.3% to $214,300. Sales fell 4.8% from September and 14.5% from 2005.

Today, the Commerce Department will release October sales figures for new homes. Those figures are expected to show more weakness.

Hardest hit last month were homeowners in the South, where the median price plunged 7% to $185,000 from a spike in October 2005. Sales in the South were down nearly 9% from a year ago. A big drag on the region: sales in Florida, which tumbled 22%.

One surprise was in the West, where prices were nearly flat at $340,000, despite chronic affordability problems for the working class. Sales actually rose 6.4% from September to October. California's median price, the highest in the nation, gained 2% to a wallet-draining $548,680 in October from October last year.

“I am so confused about California,” Lereah says. “You really expect California to have a big price correction. And that's not happening.”

Existing Home Prices Tumble Despite Sales Uptick (LAT)

By Jesus Sanchez

The Los Angeles Times, November 29, 2006

Nationwide existing home sales rebounded last month but the median sales price took its biggest year-over-year decline in nearly four decades, according to real estate figures released today.

In California, October results were the opposite, with sales, excluding condominiums, slipping 0.3% from the previous month and the median sales price gaining 2% from October 2005 to $548,680, according to the California Assn. of Realtors.

Nationally, sales of existing homes, including condos, rose 0.5% in October from the previous month to a seasonally adjusted, annual rate of 6.24 million units, according to the National Assn. of Realtors. It was the first monthly increase since February.

However, the sales pace remained below last year's level and prices also tumbled for the third consecutive month. In October, the median price fell 3.5% from the same month last year to $221,000, according to NAR.

The median is a typical market price, where half of the homes sold for more and half sold for less.

The modest rebound in sales may indicate that the nationwide housing slow down might be bottoming out — but any noticeable relief for sellers probably won't come until next year, according to some housing observers.

"After a period of price adjustment, we'll see more confidence in the market and a lift to home sales should be apparent in the first quarter of 2007," NAR economist David Lereah said in a statement. "The annual decline in the October median home price is skewed because there was an uncharacteristic spike in October 2005, but the trend for the fourth quarter will be prices remaining slightly below a year ago. Overall prices are projected to see modest appreciation around early spring."

But other economists say a turnaround is still far away, with many signs pointing to a buyer's market for some time to come. For example, the inventory of unsold homes, increased 1.9% in October to 3.85 million existing homes.

"There is little chance of significant near-term relief, and we expect prices to continue falling at an accelerating rate for both single family and condo homes," said Ian Shepherdson, an economist with High Frequency Economics.

In California, it took significantly longer to sell a home compared to a year ago, when sales were near record highs. Last month, the median number of days it took to sell a single-family home was 57, up from a revised 34 from a year ago.

Officials with the California Assn. of Realtors were also cautious about the outlook.

"While it appears that home sales have stabilized over the past three months, it's too soon to say whether or not the market has bottomed out," CAR President Colleen Badagliacco said in a statement. "We do expect smaller year-over-year declines in home sales for the remainder of the year.

On a regional basis, the West reported the strongest results, with existing-home sales in October rising 6.4% from the previous month. The median price, however, sank 0.6% from October 2005 to $340,000. The California Assn. of Realtors was scheduled to release statewide figures later today.

In other economic news today, new Federal Reserve Chairman Ben Bernanke said that a slow down in economic activity is taking place as expected but warned of economic "uncertainties."

"The deceleration in economic activity currently underway appears to be taking place roughly along the lines envisioned," Bernanke said in prepared remarks to the National Italian American Foundation in New York.

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Yet, "substantial uncertainties" still cloud the economic outlook, Bernanke said in an account by the Associated Press. "A failure of inflation to moderate as expected would be especially troublesome."

In a separate announcement, the Commerce Department said today that orders for durable goods fell by a larger than expected 8.3% in October from the previous month as demand for such items as commercial aircraft and computers waned.

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The Associated Press contributed to this report.

Dollar At 20-Month Low Vs. The Euro (WP)

By Peter S. Goodman And Nell Henderson

The Washington Post, November 29, 2006

NEW YORK, Nov. 28 -- The U.S. dollar fell to a 20-month low against the euro Tuesday, the latest development in a year-long currency readjustment that could make some imported goods more expensive, but could also help American workers by boosting exports.

Traders are not entirely sure why the currency is falling, but several pointed Tuesday to signs of economic weakness in the United States and strength in Europe. That is fueling expectations that interest rates will rise in Europe relative to the United States, prompting investors to move assets out of dollars.

Many economists welcomed the decline. Despite six trading days of fairly sharp drops, they say, the dollar remains significantly overvalued against other currencies, making U.S.-made goods more expensive on world markets while encouraging imports.

That, combined with the willingness of U.S. consumers to continue spending despite rising debt, has helped to give the United States a trade deficit expected to reach $900 billion by the end of the year, according to the International Monetary Fund.

"The strength of the dollar has contributed to this historically high trade deficit," said William R. Cline, a senior fellow at the Peterson Institute for International Economics in the District. "The dollar needs to fall, and that should be seen as a good sign, not a bad sign."

At the close of trading here Tuesday, one dollar was worth 0.758 euro, a drop of about 12 percent since December 2005. The rapid movement in recent days, though eliciting considerable attention from traders, has amounted to a drop of less than 3 percent. Economists say that is too small by itself to make much of a dent in the trade balance.

Moreover, changes in foreign exchange rates typically take from nine months to two years to be reflected in business and in the price of goods on shelves because orders and investment decisions are made months in advance.

"The movement so far is negligible," said Desmond Lachman, a resident fellow at the American Enterprise Institute in Washington. "That's going to do nothing in terms of adjusting the U.S. balance."

President's Bush's Treasury secretary, Henry M. Paulson Jr., reacted to the decline by speaking Tuesday of his support for a "strong dollar." That is a ritual that Treasury secretaries have followed for years -- they cannot welcome declines for fear of precipitating a rout of the currency. As he said the words, though, Paulson was preparing for a trip to China, during which he plans to press officials there to raise the value of China's currency, and thus lower the value of the dollar. Such a move would boost the U.S. competitive position in global trade.

U.S. manufacturers have complained that China keeps its currency too low on world markets, making Chinese goods artificially cheap and taking jobs from U.S. workers.

"China is the real problem," Lachman said. "That's where the real friction is going to occur."

In recent years, as the U.S. trade deficit has swelled and as fast-growing Asian countries -- not least, China -- have captured a greater share of commerce, economists have grown increasingly fretful about the imbalances imperiling the global economy.

According to economic textbooks, when a country runs a large trade deficit, its currency is supposed to feel downward pressure. The United States has defied this economic truism in recent years. China and Japan have plowed the spoils of their burgeoning exports into U.S. Treasury bills and other dollar-denominated investments, propping up the dollar, helping keep U.S. interest rates low and fueling consumer spending in this country. That has boosted imports from Asia, sending more dollars there and keeping the cycle going.

Economists assume the imbalances cannot last forever. China has amassed a pile of foreign exchange reserves exceeding $1 trillion. The U.S. current account deficit, which is calculated as the trade deficit plus capital transferred across borders and interest on investments, is expected to reach $870 billion by the end of the year, according to the IMF. That is about 7 percent of the total output of the U.S. economy.

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The Bush administration asserts that this is an endorsement of the economy, with foreigners continuing to express confidence in the United States as a place to invest. Economists say that, one way or another, balance will be restored, with a significantly weaker U.S. dollar.

Kristin Forbes, a former U.S. Treasury official and now a business professor at the Massachusetts Institute of Technology, estimated that the dollar would have to drop to 30 percent from 20 percent against major currencies to trim the current account deficit to 4 percent of the overall economy.

The key question is how and when the adjustment comes: Policymakers want an orderly and gradual decline in the dollar as opposed to a sudden collapse. The latter could jack up interest rates and send housing prices plummeting, while diminishing demand for the Asian exports that have propelled growth across the Pacific.

On Tuesday, economists said the dollar's recent drop against the euro looks more like the next phase of a gradual decline than the beginning of a disastrous unraveling. But much depends on the psychology of traders, particularly as there is talk that China and other countries are moving to diversify their holdings, putting some of their savings into currencies other than the dollar.

"There is a risk that if the financial markets feed on this, you could have quite a bit of turmoil," said Edwin M. Truman, a senior fellow at the Peterson Institute.

Traders and analysts said the recent flight from the dollar largely reflects expectations that the U.S. economy will continue to grow more sluggishly than the global economy in the months ahead.

Investors' concerns about U.S. economic weakness were fanned Tuesday by reports showing that new orders for durable goods, such as automobiles and appliances, fell sharply in October, and that consumer confidence slipped lower in November.

Many investors think that the Federal Reserve will hold interest rates steady for a while and that it is likely to cut rates next year. In contrast, the European Central Bank appears likely to continue boosting interest rates in the 12-country zone that uses the euro currency, enhancing the return on investments in that region.

"That's definitely a key relationship," said Alan Ruskin, chief international strategist at RBS Greenwich Capital.

Henderson reported from Washington. Staff researcher Richard Drezen contributed to this report.

The Devaluationists (WSJ)

The Wall Street Journal, November 29, 2006

The dollar's recent weakness against the euro and other currencies has brought out the usual suspects to blame the usual suspects. That is, the crowd that has long believed the greenback needs to be devalued because of the large U.S. trade deficit is declaring that day has finally arrived. The fact that the dollar has held up well for years despite the trade deficit doesn't seem to matter to this conventional wisdom.

Our view is simpler: When U.S. economic policies look like they might take a turn for the worse, dollar-denominated assets lose some of their allure. So, for example, when the new Democratic majority in Congress talks about raising taxes on capital gains and dividends, investors in U.S. financial and corporate assets get the jitters. And when U.S. monetary policy accommodates more inflation, investors also look for other places to put their marginal cash. Talk of a tax increase has certainly been in the news in recent weeks, and the jury is still out on the Federal Reserve's resolve to correct its inflationary easy-money blunder of 2003-2005.

On one issue we do agree with the trade-deficit devaluationists: The margin for error in American economic policy has been reduced. There are many more places, such as China and the former Eastern Europe, where high returns can be had. The euro has also emerged as a potential alternative as a reserve currency.

That's all the more reason for Treasury Secretary Hank Paulson to say, as he did yesterday, that a strong dollar is "clearly in our nation's interest." Federal Reserve Chairman Ben Bernanke also sounded the right note in saying that inflation remains too high and the Fed will be vigilant in seeing it fall. The dollar's fate is very much in our own hands.

GOP Senatorial Committee In The Red (AP-Y)

By Jim Kuhnhenn

AP, November 29, 2006

The Republicans' senatorial campaign arm, which lagged behind other national party committees in fundraising the past two years, emerged from the Nov. 7 election in debt and is soliciting donations to get out of the red.

In an urgent appeal to donors this week, Sen. Elizabeth Dole of North Carolina, the chairwoman of the National Republican Senatorial Committee, beseeched contributors to "help us retire our debt."

"If we let this debt linger, it will cripple our efforts to recruit great candidates for the next election and begin our drive to win the one additional seat we need to regain the Senate majority," Dole wrote.

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The Associated Press obtained a copy of the letter, which was confirmed by NRSC spokesman Dan Ronayne. "We do have a debt, as Senator Dole noted," Ronayne said.

Ronayne would not divulge the amount of the debt. Party committees are required to file postelection financial reports with the Federal Election Commission on Dec. 7.

As of Oct. 18, the date of the last financial reports to the commission, the NRSC had $8.9 million of cash on hand. At that point in the two-year election cycle, it had raised $77.9 million and spent $70 million.

Of the six Republican and Democratic Party committees, however, the NRSC had been the least successful in raising contributions. Its Democratic counterpart, the Democratic Senatorial Campaign Committee, had raised $103.9 million by Oct. 18. According to their financial reports, Democratic senators were far more generous in contributing to the DSCC than Republican senators were in giving to Dole's committee.

In her letter, Dole said she authorized the committee to go into debt to make a last-ditch effort to win close races.

The NRSC obtained significant help from the Republican National Committee, which in the final week of the campaign targeted Senate contests in Missouri and Tennessee. In that same week, the NRSC spent about $5 million in losing Republican efforts in New Jersey, Virginia, Montana, Maryland and Rhode Island.

Wulsin Concedes To Schmidt In Ohio (AP-Y)

AP, November 29, 2006

Three weeks after Election Day, Democrat Victoria Wulsin conceded to Republican Rep. Jean Schmidt on Tuesday but suggested that she might run again.

The Associated Press declared Schmidt the winner Nov. 21 after the first provisional ballot tallies were reported in the 2nd District, but Wulsin said then that she wanted to make sure all ballots were counted before conceding.

"I definitely want to try again," Wulsin said.

Wulsin conceded just before Clermont County reported final unofficial results that showed Schmidt with an overall total of 120,112 votes, or 50.5 percent, to 117,595 votes, or 49.5 percent for Wulsin.

"I've worked hard in Congress for the people of southern Ohio, and I look forward to continuing that work thanks to the confidence that the voters have shown in me," Schmidt said in a statement.

Schmidt, a backer of President Bush's Iraq policy, gained national attention in Congress last year with a verbal assault on the House floor against Rep. John Murtha, a Pennsylvania Democrat and decorated Marine veteran who served in Vietnam. Of Murtha's call to withdraw U.S. troops from Iraq, Schmidt said: "Cowards cut and run. Marines never do." She later apologized.

Vote Disparity Still A Mystery In Fla. Election For Congress (WP)

By Peter Whoriskey

The Washington Post, November 29, 2006

SARASOTA, Fla., Nov. 28 -- Almost since the time the votes were tallied here on election night, the race for Florida's 13th Congressional District has been surrounded by a contentious mystery:

Why were there no votes for Congress recorded from more than 18,000 people who chose candidates in other races?

The answer is central not only to the outcome of the election, which for now has been won by Republican Vern Buchanan by a mere 369 votes and is in litigation, but also to the ongoing debates over whether the electronic voting systems in use nationwide can yield reliable tallies and recounts. Coincidentally, the latest dust-up has occurred in the contest for the seat being vacated by Katherine Harris, who presided over Florida's election apparatus during the much-disputed 2000 contest between President Bush and former vice president Al Gore.

So far, there are three theories, and lots of political and legal posturing.

Maybe, as scores of voters have claimed, there were glitches with the touch-screen systems and they dropped votes.

Or maybe voters overlooked the congressional race simply because of a confusing ballot design.

Or maybe, as some say, an astoundingly high number of Sarasota County residents decided to forgo voting in the high-profile race.

On Tuesday, as state election officials here ran a mock election to test the machines for defects, there were no clear answers. By evening, as clerical workers input votes, no major problems were reported with the machines, but the review will continue through the week.

"Our analysis of the results shows that something went very wrong," said Kendall Coffey, an attorney for Buchanan's challenger, Christine Jennings. He played down the significance of the tests, saying they did not faithfully replicate the voting because the state clerical workers were presumably more adept at the machinery than voters in general would be.

Hayden Dempsey, an attorney for Buchanan, said: "There is nothing wrong with the machines, as these tests show."

The essence of the dispute arises from the fact that once all the votes were counted in the Nov. 7 election, a troubling anomaly appeared in the tally.

More than 18,000 people who had voted in other contests did not have selections recorded in the congressional race.

The phenomenon of voters casting ballots without making selections in every race is known as "undervoting," and it happens in virtually every big election, particularly in contests for lesser-known offices that some voters ignore.

But the magnitude of the undervoting in the Buchanan-Jennings race was startling -- about 15 percent of those who cast ballots in Sarasota. By contrast, it was about 2.5 percent among voters in other counties.

Jennings has filed a lawsuit alleging that thousands of Sarasota County votes were not counted because of "the pervasive malfunctioning of electronic voting machines." The county tilts in her favor.

The broken-machine theory is backed by two voting experts and scores of sworn statements from voters who had trouble with the machines, Coffey said. The Sarasota Herald-Tribune has reported that more than 100 have reported problems with the machines.

But other experts who have analyzed the ballots and the results argue that the culprit might be not the machines but rather voters confused by a poorly designed ballot.

The congressional race appeared on the same screen as the gubernatorial contest, which had a brighter banner and took up more space.

Ted Selker of the Massachusetts Institute of Technology, a director of the CalTech/MIT Voting Technology Project, said that tests in his lab have shown that as many as 60 percent of voters can miss races when they are displayed in such a manner.

If the missing votes were caused by ballot design, that is bad news for the challenger, because it is more difficult under Florida law to challenge an election because of ballot design or voter confusion.

Jennings's legal team has dismissed the idea of a bad ballot.

"I don't see any history to show that, with a highly visible, hotly contested race like this, voters are going to fail to find it on the ballot," Coffey said. "It's just not such an awful ballot design that you can explain the disappearance of 15 percent of the votes."

The final theory, that the missing votes reflect many voters' disgust with the aggressive campaigns, is largely dismissed by many experts. It seems extremely unlikely, they said, that only Sarasota County residents decided not to vote.

Like many here, Joan Tallman, 70, a retired bank vice president, said she was appalled and mystified by the trouble.

"Funky machines? I don't know," she said, shaking her head. "But a lot of those votes didn't count."

2008 Candidates Search Web For Next New Thing (HILL)

By Jonathan E. Kaplan

The Hill, November 29, 2006

Former Sen. John Edwards's favorite books include "The Trial of Socrates," "God's Politics" and "Into Thin Air." His favorite musician is Bruce Springsteen. His heroes are his wife, Elizabeth, and the American people.

How did this information about a likely 2008 presidential candidate become public? Through MySpace.com, a networking website where Edwards (D-N.C.), like former Iowa Gov. Tom Vilsack (D), has set up pages to tell people about himself. Sen. Evan Bayh (D-Ind.) has 6,000 friends on his page at Facebook.com. Visitors to those pages can join the candidates' "networks" and candidates can use the sites to communicate with narrow groups of likely voters.

Ret. Gen. Wesley Clark (D) has focused his efforts on podcasting, creating an audio message that his supporters can listen to at his website or download from Apple's iTunes. Clark has the second most listened-to podcast among likely 2008 contenders, after Sen. Barack Obama (D-Ill.), as measured by iTunes.

Seemingly overnight, the Internet has changed politics and the course of campaigns. The 30-second television advertisement has been a staple of campaigning for decades. But last summer, Sen. George Allen (R-Va.) made YouTube a must-use campaign website. The site allows users to post and circulate video instantly, and Allen was caught on videotape calling S.R. Sidarth, a volunteer of Indian descent for Sen.-elect Jim Webb (D-Va.), "macaca," which was said to be a racial insult.

Candidates face a serious challenge from the new ways people gather information and news. Fewer people are watching network television or reading major newspapers, turning instead to the Internet. This trend has left candidates hustling to figure out how technology can help them communicate with a fragmented audience.

"The way to get it back is to develop a message and put it out across different channels," said Jerome Armstrong, a consultant to former Virginia Gov. Mark Warner's (D) political action committee, Move Forward Together. "Those are the two overriding big things out there. The key is having a message broadcast all in sync. I'm not sure how it's going to get done."

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Armstrong and other technology-savvy aides said candidates must integrate all of the different messaging platforms — blogging, instant messaging, text-messaging, social networking — with a campaign's field and communications programs.

"It's not about technology. It's the principles behind the technology," said Peter Daou, a consultant to Sen. Hillary Rodham Clinton (D-N.Y.). "What campaigns miss are the principles about how this bottom-up approach works."

"Having a MySpace profile is great, but it's kind of a like [having] a phone and voter file and not using them together," said Matt Burgess, an associate with the media-consulting firm of MacWilliams, Robinson & Partners.

Potential 2008 candidates have been searching for talented whiz kids who could thrive in both Silicon Valley and Capitol Hill.

Warner's hire of Armstrong, a cofounder of the liberal blog MyDD.com, created buzz in the mainstream media and blogosphere. President Clinton hosted a lunch in his Harlem office in September for bloggers. Several sources said that Nicco Mele, the CEO of EchoDitto, an internet strategy firm, and Howard Dean's webmaster when Dean was running for president in the 2004 cycle, has let it be known that he wants to work for Sen. John McCain (R-Ariz.) if he runs for president.

Clark does not rely on consultants. His supporters have created pages at MySpace.com and Facebook.com, said Erik Mullen, Clark's spokesman.

The search for new organizing tools continues. One new fad, used by a handful of campaigns in 2006, is the use of technology that lets candidates create an incentive program for online supporters. New software would let campaigns measure a volunteer's level of activity and reward him or her with campaign paraphernalia.

Texas Gov. Rick Perry (R), who defeated three candidates to win reelection, created the Perry Alliance Network, a system for online supporters to help the campaign and earn T-shirts and bumper stickers.

The Michigan Coalition for Progress, a liberal 527 group and a client of MacWilliams, Robinson & Partners, held a text-messaging contest and awarded two iPods to the winners.

Another new enthusiasm appears to be for "virtual campaigning" on websites such as Second Life, a virtual world with more than 1.6 million users where Warner first campaigned for and then later explained why he decided to drop out of the 2008 race.

Social networking sites carry some risks for candidates because political opponents can use material against them. Some candidates banned their 20-something-year-old aides from using MySpace or Facebook because they feared their opponents would use the content against them.

Rep.-elect Brad Ellsworth (D-Ind.) said some Republican activists criticized him because his 20-year-old daughter's Facebook profile included a photo of her holding a beer.

Hagel's Moment? (WP)

By David Ignatius

The Washington Post, November 29, 2006

A month ago the idea that Sen. Chuck Hagel would make a serious run for the Republican presidential nomination would have been a non-starter. As an outspoken critic of President Bush on Iraq and other issues, Hagel's way was blocked. His best hope was nomination by a quixotic third party in an online convention.

It's a measure of the step change brought about by the Nov. 7 elections that Hagel is now seriously exploring a GOP presidential bid. The Republican blowout, he says, reflected a "breakdown of confidence and trust in governance" and opened the way for what he believes will be "the most wide-open presidential race since 1952." The Nebraska senator says he will make a formal decision in the next two months on whether to run.

What would make a Hagel candidacy interesting is that he can claim to have been right about Iraq and other key issues earlier than almost any national politician, Republican or Democratic. Though a Vietnam veteran and a hawk on many national security issues, he had prescient misgivings about the Iraq war -- and, more important, the political courage to express these doubts clearly, at a time when many politicians were running for cover.

Hagel warned about the dangers of invading Iraq in a Feb. 20, 2003, speech in Kansas. He noted that America stood "nearly alone" in advocating military force to disarm Iraq and cautioned against "a rush to war." Some of Hagel's premonitions were almost eerie: "What comes after Saddam Hussein? The uncertainties of a post-Saddam, post-conflict Middle East should give us pause, encourage prudence and force us to recognize the necessity of coalitions in seeing it through." He urged the Bush administration to transfer postwar oversight to the United Nations as soon as possible, and he admonished Iraq boosters to "put aside the mistaken delusion that democracy is just around the corner."

Hagel was also early to understand the importance of talking to Iran, another idea that has since become commonplace but at the time took political guts. In a July 10, 2003, speech on the Senate floor, he said that a direct U.S. dialogue with Tehran

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about the nuclear issue might be necessary. In a Nov. 15, 2005, speech to the Council on Foreign Relations, he was emphatic: "The fact that our two governments cannot -- or will not -- sit down to exchange views must end."

Such outspoken criticisms of Bush policies had put Hagel outside the respectable Republican perimeter -- until Election Day. Hagel delivered his own blunt postmortem in a Nov. 16 speech to a conservative political action committee, GOPAC. The message of the election, he said, "is the American people saying you failed." Republicans had become so focused on keeping power that "we came loose of our moorings."

Hagel went on to criticize his party's failings in language you rarely hear in the usual pre-masticated sound bites of today's politicians. On GOP ethics lapses: "When you blow past the ethical standards and you play on the edge of legality, you're in trouble." On Bush administration foreign policy: "You cannot have a foreign policy based on divine mission. We tried that in the Middle Ages, that's what the Crusades were about."

It strains credulity to imagine that a GOP controlled by Bush and Karl Rove could learn to love Hagel, but, as the Nebraskan says, this is a time of "transformational politics." A more practical problem is that if Hagel does decide to seek the nomination, he will be competing for the same niche as the GOP front-runner, Sen. John McCain, who has been on his "straight-talk express" longer than has Hagel. And although McCain's centrist halo has been tarnished by his efforts to woo the far right, he remains a far more polished speaker and campaigner than Hagel. But on Iraq, Hagel has a clearer stance than does McCain, whose call for a big increase in troops is out of step with both the recommendations of U.S. military commanders and the public mood.

Hagel likes to evoke the Republicanism of Dwight Eisenhower, another former military officer who could be devastating in his criticism of the policies advocated by the military-industrial complex. "This was a real Republican president," he told the GOPAC audience.

Will that pre-Reagan Revolution message play to the party faithful in Iowa and New Hampshire in 2008? Will the Bush administration's problems become so severe that Republicans would embrace a senator from the radical center? The very fact that Hagel is mulling a campaign reminds us that American politics turned a corner this month and that we are in new territory.

Women Want A Woman President (HILL)

The Hill, November 29, 2006

Almost a hundred years ago, Sigmund Freud famously asked, “What do women want?” In political terms, the answer is unmistakable: What women want is a woman president. And their voting preferences are showing how strongly they feel.

According to the Gallup Poll of November 9-12, both Democratic and Republican women disproportionately support their party’s potential female candidates. While it has not been unusual to see polls showing a bias by female voters in favor of women who run on the Democratic Party line, most of these surveys have failed to distinguish whether it is party or gender that is attracting female voters. And, until recently, Republican women have not shown a preference for a female candidate.

But the Gallup Poll tested Sen. Hillary Rodham Clinton (D-N.Y.) in a Democratic primary field and Condoleezza Rice in a Republican match-up. Among both sexes, Hillary ran first in her party with 31 percent of the vote, followed by newly hyped Sen. Barack Obama (Ill.) at 19 percent, John Edwards, likely benefiting from his wife’s best-selling book, at 10 percent, Al Gore at 9 percent and Sen. John Kerry (Mass.), probably suffering from his foot-in-mouth disease, back at 7 percent.

On the Republican side, Rudy Giuliani led with 28 percent, followed by Sen. John McCain (Ariz.) at 26 percent, Rice at 13 percent, former House Speaker Newt Gingrich (Ga.) at 7 percent, outgoing Massachusetts Governor Mitt Romney at 5 percent and soon-to-be-former Senate Majority Leader Bill Frist (Tenn.) at 4 percent.

But since both fields are cluttered with possible non-candidates, the real relevance of this survey is to demonstrate the impact of a female candidate on voters of both parties.

Hillary was favored by 38 percent of the women in the Gallup Poll’s Democratic Primary match-up but got only 23 percent of the men. On the Republican side, Rice won 18 percent of the women and only 8 percent of the men.

Such a dramatic gender gap, on each side of the partisan divide, illustrates the power of a woman candidate, from either party, running for president.

Remember that women are 52 percent of our population, 54 percent of the registered vote, and usually between 55 percent and 56 percent of actual turnout.

Indeed, so powerful is the female vote that it is credited with swinging two of our last three presidential elections. In 1996, it was the soccer moms who turned away from the abstract “family values” of the Republicans to embrace the more pragmatic and specific child- and education-focused programs of the Clinton administration. In 2004, these same moms, now designated “security moms,” turned away from the bite-sized measures of the Democrats and voted for the tough anti-terrorist policies of George Bush.

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Nineteen million single women voted in 2000 and 27 million came out in 2004. If a woman runs for president, it stands to reason that such turnout will rise still further. If single women vote in proportion to their share of the national population, they could account for 32 million votes in 2008. Since women who are either divorced, widowed, or never married voted Democratic by a two-to-one margin in 2004 and 2006, it is likely that this influx of single women will be crucial to Hillary's candidacy (or to Rice's if she decides to run).

In our male-dominated political world, where pundits speak mainly to one another and confirm each other's wisdom, we do not fully appreciate the power of a woman candidate. Single moms, disproportionately in poverty, burdened by the need for good daycare and schools, often rotting in minimum-wage jobs, are natural fodder for a woman Democrat who can identify with their plight and focus on their needs. The cultural outpouring that would likely greet the first woman to be nominated by a party to run for president would probably drive these women out in droves to vote and participate in the political process.

It could be that women get what they want in 2008.

Morris, a former political adviser to Sen. Trent Lott (R-Miss.) and President Bill Clinton, is the author of "Condi vs. Hillary: The Next Great Presidential Race." To get Dick Morris's columns e-mailed to you for free, please send him your e-mail address. His e-mail is dickmorris2006@aol.com.

Anti-Clinton Donor Reported As Donor To Giuliani As Well (NYT)

By Raymond Hernandez

The New York Times, November 29, 2006

A leading organizer of a political action committee created to derail Senator Hillary Rodham Clinton's presidential prospects is also a major contributor to Rudolph W. Giuliani, according to campaign finance reports.

The organizer, Richard Collins, a principal figure behind the group Stop Her Now, has given $10,000 to Mr. Giuliani's political action committee Solutions America over the last two years, according to campaign finance disclosure documents.

On a Web site postedMonday, the Stop Her Now group says that its goals include attempting "to shed light on the real Hillary Clinton and the danger she and her ideas pose for America."

Mrs. Clinton's advisers predicted the group's efforts would fail. "As the last campaign demonstrated, attempts to throw around inaccurate, distorted charges about Hillary's record are not going to impress the public," said Ann Lewis, a spokeswoman for Mrs. Clinton, referring to her re-election victory earlier this month.

While the Giuliani camp has no direct connection to Stop Her Now, some Democrats argued yesterday that Mr. Giuliani — who seems poised for a possible presidential run of his own — should disavow the personal nature of the criticisms that the group is leveling at Mrs. Clinton.

Sunny Mindel, a spokeswoman for Mr. Giuliani, declined to comment.

Stop Her Now is among the newest of the so-called 527 advocacy groups whose prominence has grown in recent years. These partisan groups, known as 527s because of the tax code that governs them, have helped Democrats and Republicans raise enormous sums of money and energize their political bases.

The groups began playing a more prominent role in 2004 after new federal campaign finance laws prohibited major donors, unions and corporations from giving unlimited amounts of money to parties. Many of those donors, in turn, began contributing large sums of money to 527s instead.

In the case of Stop Her Now, Mr. Collins, a wealthy Texas businessman, funneled $80,000 into the group's coffers in the last few months, making him the group's single largest donor in the third quarter of 2006, according to the disclosure documents.

The group has struggled to raise money and gain attention since last year, when Arthur J. Finkelstein, a longtime Republican strategist, began lining up donors to help the committee wage a campaign against Mrs. Clinton's 2006 Senate re-election bid.

In an interview yesterday, Mr. Collins, a Republican activist, said he hoped to line up "a couple of hundred thousand donors" to help finance his group in advance of a possible presidential run by Mrs. Clinton. He said Mr. Finkelstein was a close personal friend and described himself as the chairman of the Stop Her Now organization.

Second New Leader Resigns From The Christian Coalition (WP)

By Alan Cooperman

The Washington Post, November 29, 2006

For the second time in little more than a year, the Christian Coalition of America named a new leader and then removed him before he ever fully took the reins of the conservative political advocacy group.

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The Rev. Joel Hunter, pastor of a nondenominational megachurch in Longwood, Fla., said he resigned as the coalition's incoming president because its board of directors disagreed with his plan to broaden the organization's agenda. In addition to opposing abortion and same-sex marriage, Hunter, 58, wanted to take on such issues as poverty, global warming and HIV/AIDS.

"My position is, unless we are caring as much for the vulnerable outside the womb as inside the womb, we're not carrying out the full message of Jesus," he said in a telephone interview yesterday. "They began to think this might threaten their base or evaporate some of their support, and they said they just couldn't go there."

Roberta Combs, chairman of the coalition's four-member board, said that Hunter "is still a good friend" but that they agreed during a Nov. 21 conference call that "it would be best for everyone" if he did not become president.

The Christian Coalition announced Hunter's appointment in early October, and he was scheduled to take over day-to-day operations from Combs on Jan. 1. In the interim, his positions in favor of tackling global warming, increasing the minimum wage and opposing the death penalty were reported in The Washington Post and some other newspapers, causing unrest among the coalition's grass-roots supporters.

Four state chapters -- in Alabama, Georgia, Iowa and Ohio -- have broken away from the national organization in recent months, and some of the mutinous state leaders cited Hunter's pronouncements as a factor.

"We have been wanting to broaden our agenda for some time," Combs said. "But there's a way to do that. We wanted to survey our supporters first and make sure they're on board on new issues. Joel saw it differently -- he just wanted to go out and do it."

Founded in 1989 by the Rev. Pat Robertson, the Christian Coalition was once a powerhouse in domestic politics with a budget that reached $25 million a year in the mid-1990s. But since Ralph Reed left as its president in 1997, it has fallen on hard times, running up more than $2 million in debt, according to tax filings.

Hunter had offered to work for the coalition with no salary while remaining pastor of his Northland Church near Orlando. He said finances were not the reason for his early departure.

"I got a look at who they owed money to. It's sobering," he said. "But with the right leadership and the capability of rebuilding a grass-roots organization, it's not insurmountable. My church budget is $15 million a year. . . . It's not too intimidating for me to think I could have raised that kind of money."

According to some former officials of the Christian Coalition, the turmoil at the top reflects Combs's reluctance to yield control. In September 2005, she named Jason T. Christy as the coalition's executive director, a new position. Three weeks later, he resigned.

Christy, 36, owns a Scottsdale, Ariz., media company that publishes a daily Christian newsletter and a monthly magazine called the Church Report. He said yesterday that Combs had promised to step aside and let him run the Christian Coalition but that he quickly discovered she was "a micromanager" with "a narcissistic leadership style."

Christy added that his political views are far different from those of Hunter, author of a book called "Right Wing, Wrong Bird: Why the Tactics of the Religious Right Won't Fly With Most Conservative Christians."

"In terms of Hunter, they picked the wrong captain for the wrong ship," he said. "The title of his book alone tells me that they did not do their due diligence."

Hunter said he made clear from the moment that Combs approached him about the job in April that he wanted to pursue a broad agenda of "compassion issues."

"I hope we can break out of 'liberal' and 'conservative.' I'm not sure when compassion became fitted under 'liberal,' " he said. "There are many Christians, especially in their twenties and thirties, who don't care about liberal and conservative. They just see that if you're going to love your neighbor, you have to address things like the environment."

Initially, Hunter added, Combs "seemed to be interested" in his approach. "But I think it's very difficult once you have poured your life into an organization to transfer authority to someone else," he said.

Bush Wants More Countries In Visa-waiver Program (USAT)

By Mimi Hall

USA Today, November 29, 2006

President Bush said Tuesday that he wants more countries in a program that allows foreigners to stay in the USA without visas, despite criticism that the move could open the door to terrorists.

“We want people to come to our country,” Bush said in Tallinn, Estonia, one of several European countries that have asked to be included in the visa-waiver program, in which 27 foreign countries now participate. “It's in our nation's interest that people be able to come and visit.”

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Bush said his administration aims to add more countries to the program, created to facilitate tourism and business travel 15 years before the 9/11 attacks increased fears of terrorism. He pledged to ensure that "those that want to continue to kill Americans aren't able to exploit the system."

Under the program, citizens from visa-waiver countries can travel to the USA for up to 90 days without a visa. To be eligible, countries must prove that only a small percentage of their citizens violate the terms of their visas and only a small percentage are rejected when they apply for them. Residents of waiver countries don't have to go through the time-consuming security interviews and checks required for those who must apply for visas.

Critics blasted Bush's plan as an expansion of a dangerous loophole in the nation's effort to secure its borders. Several terrorists — including shoe-bomber Richard Reid and 9/11 conspirator Zacarias Moussaoui — boarded planes to the USA with passports from visa-waiver countries.

"That's a step in the wrong direction," said Clark Kent Ervin, former inspector general at the Homeland Security Department. "We ought to be ending the visa-waiver program, not expanding it. There's a reason why terrorists are keen to obtain passports from visa-waiver countries: They don't have to undergo extensive security checks."

In September, the Government Accountability Office found that "stolen passports from visa-waiver countries are prized travel documents among terrorists, criminals and immigration-law violators."

Homeland Security Secretary Michael Chertoff said any expansion of the program must include measures to make the USA safer. Among such measures would be a requirement that countries provide more information about airline passengers before takeoff so that U.S. officials would have more time to check their names against terrorist watch lists, he said. "I want a net increase in security," Chertoff said.

The travel industry backs Bush's plan. Rick Webster of the Travel Industry Association said, "The program is essential. It facilitates almost two-thirds of overseas travel. It's good for our economy and … our diplomatic efforts. The end of the program would mean tens of billions of dollars in lost revenue and a worsened U.S. image."

Visa Waivers May Be Offered To More Nations (WP/AP)

Associated Press

The Washington Post, November 29, 2006

The Bush administration will ask Congress to change and expand a program that allows citizens of some countries to enter the United States without visas. In exchange, the U.S. government would require visitors to provide more data about themselves before they board planes.

During stops yesterday in Latvia and Estonia, President Bush told officials of those countries that he would try to persuade Congress to add countries to the visa waiver program.

In a statement, Homeland Security Secretary Michael Chertoff said that in addition to being expanded, the program should be changed to increase security. For example, participating nations would be asked to quickly provide information on lost or stolen passports.

Officials did not say which other countries the administration might try adding to the program. Countries from Central and Eastern Europe have expressed interest in entering the program, which lets travelers enter the United States with only a passport.

The visa waiver program was created in 1988 and was originally focused on preventing illegal immigration into the country. But since the terrorist attacks of Sept. 11, 2001, the focus has shifted to security, and the program has been altered several times in hopes of strengthening the government's ability to detect and deter terrorists.

The program applies to citizens of 27 countries traveling to the United States for 90 days or less for tourism or business, said Homeland Security spokesman Jarrod Agen. About 15 million people visit the country under the program each year.

Bush Seeks To Ease Visa Requirement (WT)

By Stephen Dinan

The Washington Times, November 29, 2006

TALLINN, Estonia -- President Bush said yesterday he will push Congress for a "loosening" of requirements for foreigners to visit the United States without a visa, pitting him against those who have called for the program instead to be tightened or even scrapped altogether after September 11.

The Visa Waiver Program allows visitors with valid passports from 27 approved countries to enter the United States for up to 90 days without a visa. That makes tourism and business travel easier by eliminating the need for a visa, though such travelers can avoid a security screening.

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After meeting with Estonian President Toomas Hendrik Ilves in Tallinn, Mr. Bush said he will press Congress to revamp the program to allow more countries to join.

"I'm going to work with our Congress and our international partners to modify our Visa Waiver Program," Mr. Bush said. "It's a way to make sure that nations like Estonia qualify more quickly for the program and, at the same time, strengthen the program's security components."

But the proposed expansion would run athwart concerns that the Department of Homeland Security (DHS) cannot keep up with the 27 countries already approved, as the Government Accountability Office (GAO), Congress' investigative branch, found in a July report.

"DHS cannot effectively monitor the law enforcement and security risks posed by visa waiver countries on a consistent, ongoing basis because it has not provided [the Office of International Enforcement] with adequate staffing and resources," GAO investigators concluded, adding they also found "weaknesses" in how DHS talks with overseas posts working on visa issues.

European Union officials have complained that while U.S. nationals can visit any of the 25 EU member states without a visa, only 15 of these countries receive reciprocal privileges from the United States. Mr. Bush discussed the problem with EU officials at a July summit in Vienna, Austria.

Exclusion from the waiver program is a point of contention in former communist bloc countries such as Estonia, Poland and Hungary that have become staunch U.S. allies in the war on terrorism.

Mr. Bush said the economic and political progress those nations have made earns them the privilege of participating in the program.

"Both the [Estonian] president and the prime minister made this a important part of our discussions," he said. "They made it clear to me that if we're an ally in NATO, people ought to be able to come to our country in a much easier fashion."

Mr. Bush said he wanted to "assure members of Congress that in loosening the visa-waiver issue, or changing the visa-waiver issue, that we'll still be able to protect our country from people who would exploit the Visa Waiver Program to come to our country to do harm."

Among the current requirements is that the visa-refusal rate from a country be below 3 percent and that they have a low rate of travelers who violate the 90-day limit.

Gordon Johndroe, spokesman for the National Security Council, said Mr. Bush will ask Congress for the power to waive the 3 percent rule for some countries as long as those nations meet new enhanced security requirements.

The waiver program recently began requiring passports to include a machine-readable computer chip containing passport data as a security measure.

The GAO warned that tightening or ending the Visa Waiver Program could lead to other countries retaliating and requiring visas for U.S. visitors. But the investigators said the program has drawbacks because travelers from visa-waiver countries don't have to be screened as closely as other travelers -- a concern Michael W. Cutler, a retired Immigration and Naturalization Service agent, said shows why everyone entering the United States should have to obtain a visa.

Without it, the only mandatory screening is done by a Customs and Border Protection inspector who is trying to move visitors along the entry line, Mr. Cutler said. He said the visa application process provides investigators leads to go after terror suspects. Lying on the application is punishable by a stiff prison sentence -- a charge authorities can often make stick even in cases where they can't prove terrorist or criminal involvement.

The former agent said the examples of would-be shoe bomber Richard C. Reid and this summer's foiled plot to blow up airplanes headed from London to the United States, show the vulnerabilities.

"These terrorists were able to gain access to airliners and potentially our nation without first applying for visas. This is because Great Britain, the country of citizenship for all of these terrorists, participates in the Visa Waiver Program," Mr. Cutler said.

Half of all trips by non-immigrant foreigners into the United States are people traveling on passports from visa-waiver countries.

In a statement yesterday Homeland Security Secretary Michael Chertoff did not say how his department will handle the increased demands but described the new security enhancements.

"We envision a secure travel-authorization system that will allow us to receive data about travelers from countries before they get on the plane," he said. "Countries that are willing to assist the United States in doing effective checks on travelers could be put on track to enter the program soon."

Bush Touts Estonia's Flat Income Tax (AP-Y)

By Deb Riechmann, Associated Press Writer

AP, November 29, 2006

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President Bush says the United States should have a simpler tax system. Apparently he has found one he likes — Estonia's. In a brief stop in the Baltic nation on Tuesday, Bush managed to tout Estonia's flat income tax three times.

"They've got a tax system here that is transparent, open and simple," Bush said in Tallinn after getting a look at how Estonian citizens can file their taxes online.

In a toast about an hour later to Estonian President Toomas Hendrik Ilves, Bush said, "I am amazed to be in a country that has been able to effect a flat tax in such a positive way."

And before fielding reporters' questions with Ilves, Bush again praised Estonia's approach to taxation.

"I appreciate the fact that you got a flat tax, you got a tax system that's transparent and simple," he said.

Bush stopped in Estonia en route to a NATO summit in neighboring Latvia.

Back home, Bush has pledged to simplify the tax laws in the United States, which he calls a complicated mess. One idea is a flat tax, which taxes all income at a single rate and gets rid of deductions. Yet comprehensive reform of the U.S. tax system has gone nowhere in Congress.

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Bush smiled and nodded — then nodded some more — as Estonian Prime Minister Andrus Ansip enthusiastically explained how his government holds paperless Cabinet meetings.

The system, which uses digital signatures, permits legislation to be OK'd with the click of a mouse.

Ansip's explanation, though, was not as lickety split. He described in detail how the dozen members of the Cabinet — in a room dubbed the "Starship Enterprise" — can vote or make comments online. Cabinet meetings that used last about four to five hours now wrap up in about 30 minutes.

Bush endured the lengthy explanation, shifting his weight back and forth.

He seemed charmed by Estonia's use of the Internet in making daily life easier for its citizens.

"They've got an e-government system that should be the envy of a lot of nations," Bush said.

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Bush received two gifts from his Estonian hosts: a glass sculpture and a Skype wireless phone that can be used to make calls over the Internet.

The country is often nicknamed "E-Stonia" for its booming high-tech industry, and it is the main hub of Skype, the Internet telephone company that eBay bought last year for $2.6 billion.

If the phone and accompanying headset Bush received illustrated Estonia's technological savvy, the other one represented its yearning for light during the dark winter months.

Titled "Northern Light," the sculpture symbolizes "the Nordic freshness and crispness, the longing for light during lasting dark periods, strength of purpose and perseverance," the Estonian government said.

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Bush said he was honored to be the first sitting American president to visit Estonia, with one regret: his wife couldn't make the trip.

He told Ilves that first lady Laura Bush had an important schedule conflict at home.

"She's receiving the Christmas tree at the White House," Bush explained to the Estonian president.

Laura Bush received the tree from a Pennsylvania family on Monday in the Blue Room. The event is the ceremonial start to the holiday season and considered a big deal at the White House.

Rice, Abbas To Hold Meeting In West Bank (AP)

By Mohammed Daraghmeh

AP, November 29, 2006

Secretary of State Condoleezza Rice put Washington's heft behind new Mideast peace overtures on Tuesday, scheduling an unexpected meeting with Palestinian President Mahmoud Abbas this week.

The meeting — the second between Rice and Abbas in two months — was announced a day after Israeli Prime Minister Ehud Olmert called on the Palestinians to return to peace talks, saying his country would be willing to leave most of the West Bank in exchange for a "real peace."

Israel and the Palestinians also agreed Saturday on a cease-fire to end five months of fighting in the Gaza Strip, and Rice's visit was seen as a further push to use the momentum to start new peace talks.

Rice, who is accompanying President Bush on a trip to neighboring Jordan, will meet Abbas on Thursday in the West Bank town of Jericho, said Saeb Erekat, a top Abbas aide. Sean McCormack, a State Department spokesman, raised the possibility that she would also meet with an Israeli official.

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The United States was the main engine behind the phased "road map" peace plan, which calls for the establishment of a Palestinian state alongside Israel. The plan foundered shortly after it was presented in 2003, with both sides failing to live up to their initial obligations.

Subsequent efforts to get the sides talking again suffered another blow in January, when Hamas militants won Palestinian parliamentary elections. Israel and the West boycotted the new government, imposing crippling economic sanctions on the Palestinian Authority to try to force the Islamic group to moderate its violently anti-Israel views.

Tensions exploded in June when Hamas-linked militants captured an Israeli soldier, sparking an Israeli military offensive in Gaza. But the cease-fire that went into effect early Sunday has raised hopes that new peace moves could be on the horizon.

In his speech Monday, Olmert said Israel would release frozen funds to the Palestinian Authority, free Palestinian prisoners and ease checkpoints if Palestinians choose the path of peace.

Abbas said Tuesday that Olmert's speech was a "positive" step toward peacemaking.

If Olmert's "intentions are good, then we can build on this (his initiative) in order to put forward a plan for future negotiations on all issues related to the Palestinian cause," Abbas said during a visit to Jordan.

The cease-fire remains fragile, with militants still firing homemade rockets at Israel since the truce took effect. Militants launched two more rockets at Israel on Tuesday night, Palestinian witnesses said. There were no reports of injuries.

Olmert said he was "a bit frustrated" the rocket fire had not stopped.

"I hope the Palestinians will meet their commitment to the cease-fire just as we are," he said, adding that Israel plans to continue to show restraint in responding.

But Defense Minister Amir Peretz warned there was a limit to Israel's patience.

"Whoever agrees to a cease-fire must be able to impose it," Peretz said. "Violations of cease-fire understandings will provoke a harsh response on our part."

McCormack, the State Department spokesman, praised Israel for showing "great restraint in not responding to some of the rocket attacks that actually have taken place after the cease-fire officially went into effect."

McCormack said the Palestinians must have a government that complies with international demands to stop attacks on Israel, accept Israel's right to exist and respect past Israeli-Palestinian agreements. Hamas has not yet agreed to those demands.

Military officials said Israel has agreed in principle to let Abbas bring 1,200 Jordan-based Palestine Liberation Organization forces into Gaza to help monitor the cease-fire. They spoke on condition of anonymity because they were not authorized to speak to the media.

The Palestinians were informed of Israel's decision, the officials said, but Erekat said no deal had been finalized.

Also Tuesday, Palestinian Prime Minister Ismail Haniyeh of Hamas left Gaza for his first trip abroad since taking office in March. Haniyeh was to hold meetings in Egypt on Wednesday. He will also visit Lebanon, Kuwait, Saudi Arabia, Qatar, Syria and Iran to seek political and financial support for his government.

Jordan's King To Push Different Agenda (AP)

By Jamal Halaby

AP, November 29, 2006

Jordan's king made clear Tuesday he will press for a renewed effort to resolve the Palestinian-Israeli conflict when he meets with President Bush this week for talks in which the U.S. priority will likely be Iraq.

In a speech to parliament, King Abdullah II described the Israeli-Palestinian dispute as the "core" issue in the Middle East and indicated that in his talks with Bush, he would underline the need for the United States to push for peace.

Bush is likely to focus on Iraq's deteriorating security when he starts a two-day visit to Jordan on Wednesday for talks with Iraqi Prime Minister Nouri al-Maliki, hosted by King Abdullah II.

But Abdullah and the leaders of two other U.S. allies in the Middle East — Egypt and Saudi Arabia — argue the Israeli-Palestinian conflict is the most pressing crisis in the region, and fear Islamic militancy will strengthen if it is not resolved.

Moderate Arabs want the Bush administration to devote an equal amount of diplomatic energy on the Israeli-Palestinian peace process — stagnant since 2000 — as on Iraq.

Abdullah pledged "all possible support to the Palestinians so they can regain their rights," though he warned that his country would not accept a deal that causes an influx of Palestinians.

"Jordan will not accept an unjust settlement of the issue, nor will Jordan accept any settlement that comes at its expense," Abdullah told lawmakers, who applauded loudly.

He was referring to fears of a settlement that would cause thousands of Palestinians to settle in the kingdom, upsetting the country's delicate demographic balance.

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Roughly half of Jordan's 5.5 million population consists of Palestinian families who fled, or were driven out of, their homes in the 1948 and 1967 Arab-Israeli wars.

From Abdullah's point of view, "the Palestinian issue lies at the center of regional problems," said chief government spokesman Nasser Judeh.

"While the king will discuss Iraq and Lebanon with President Bush, the core issue remains the unresolved Palestinian-Israeli crisis," Judeh told The Associated Press.

Arab diplomats said Abdullah was also expected to present Bush with a proposal to curb Iraq's sectarian strife before it becomes a full-blown civil war and give Iraqi security and government greater responsibilities.

Few details were available on the proposal, which envisions the possible formation of a military or new national unity government in Iraq, according to the diplomats, who asked for anonymity because of the sensitivity of the issue.

Jordan and other moderate Arabs are concerned that growing Shiite influence in Iran, Syria and Lebanon, will help hard-line Iran dominate the region and give rise to more extremism.

Iran Resolution, Still Not Final, Drops Mention Of Sanctions (NYT)

By Helene Cooper

The New York Times, November 29, 2006

WASHINGTON, Nov. 28 — The six world powers seeking to rein in Iran's nuclear ambitions are circulating a significantly weakened draft for a United Nations Security Council resolution against Tehran's nuclear program, in a bid to keep their fragile coalition from falling apart.

The new text under consideration has dropped all mention of sanctions against Iran's first nuclear power plant at Bushehr, according to European diplomats. The United States had initially proposed including Bushehr on the list of programs to single out, but Russia, which has been helping to build the power plant with the Iranians, balked.

Diplomats from the six countries, which also include Britain, France, Germany and China, have been squabbling about the draft resolution for almost three months. There is still no agreement on a final draft.

Complicating the matter is the steady drumbeat in Washington, from inside and outside the Bush administration, calling on President Bush to initiate talks with Iran over the worsening violence in Iraq.

"This has to be carefully managed," said one European diplomat, speaking under condition of anonymity under normal diplomatic practice. "It's important for the U.S. to separate the two issues, because the Iranians would like everything to be combined."

It has been six months since the six powers offered Iran a list of incentives to stop enriching uranium and threatened sanctions if Iran did not. In June, at the time of the initial offer, American officials said Iran had "weeks, not months" to comply.

The growing call for Washington to initiate talks with Tehran over Iraq is only one of the complicating factors. Also holding things up is that Russia and China—but Russia in particular — dislike like the idea of punitive sanctions, and have been dragged along kicking and screaming, according to diplomats.

American officials have sought a strongly worded resolution that would prohibit any technical or financial assistance that could benefit Iran's nuclear program, and would impose a ban on visas for any Iranians involved in nuclear activities, according to American and European diplomats involved in the talks.

Iranian Imbroglio Gives New Boost To Odd Exile Group (WSJ)

By Andrew Higgins And Jay Solomon

The Wall Street Journal, November 29, 2006

Early this summer, as Washington fretted about Iran's nuclear program, supporters of Mujahedin-e Khalq, an Iranian opposition group, held a rally in an auditorium two blocks from the White House. Prominent members of Congress addressed the crowd, as did the State Department's recently retired ambassador-at-large for war crimes.

Maryam Rajavi, the dissident outfit's leader, beamed in a stirring speech via satellite from France. Denouncing Iran's clerical rulers and their nuclear ambitions, she proclaimed democracy "the answer to Islamic fundamentalism."

Mujahedin-e Khalq, known as MEK, is Iran's largest exile opposition group and, say its supporters, the best hope of bringing democracy to Iran. It reaches into Iran through its own satellite TV channel and claims an underground network of activists inside the Islamic republic. It also has a big presence in neighboring Iraq, where U.S. soldiers watch over more than 3,000 MEK members gathered in a sprawling camp north of Baghdad.

The MEK, however, has a big handicap: The U.S. government says it's a terrorist organization. Officials cite its role in the murder of Americans in the 1970s and subsequent terror attacks that killed hundreds of Iranians. Another big blemish is the

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group's long collaboration with Saddam Hussein. On top of all that, former members describe the MEK as a personality cult obsessed with celibacy and martyrdom.

So how does an outlaw organization with a bloodstained past, a history of intimacy with Iraq's toppled despot and a reputation for oddness generate thunderous applause almost within earshot of the Oval Office?

Part of the answer lies in subterfuge: Mujahedin-e Khalq, which means People's Holy Warriors, has a raft of support groups with innocuous names, such as the National Convention for a Democratic, Secular Republic in Iran, the host of the Washington event. These haven't been banned and disavow violence.

More important in blurring the MEK's status, however, is the muddle surrounding U.S. policy toward Iran. With the U.S. armed forces bogged down in Iraq and America's military options against neighboring Iran severely limited, the MEK and its fans are lobbying hard to present the group as an ally that can help curb Tehran's growing influence. These supporters, who include lawmakers and conservative foreign-policy analysts, insist the MEK has no links to terrorism.

Most U.S. officials scoff at forming any alliance with the MEK and dispute its claims of having a mass following in Iran, stressing that many Iranians despise the organization. A senior White House official says the Bush administration continues to view the MEK as a terrorist organization and "not an advocate for democracy or human rights" in Iran.

But some Iran analysts say the MEK's thinly disguised presence in the U.S. makes a mockery of the administration's antiterrorism campaign. The White House accuses Iran of supporting terrorist groups, they say, yet turns a blind eye toward the MEK. "It gives the impression that some terrorist organizations are better than others," says Trita Parsi, president of the National Iranian American Council, an Iranian-American civic organization.

Charm Offensive

Leading the push to get the MEK's "terrorist" tag removed, with help from some members of Congress, is an outfit called the Iran Policy Committee. The committee's president, Raymond Tanter, a former National Security Council official under President Reagan, says the MEK's designation is "restraining" the organization's ability to promote democratic change in Iran. His group recently published a glossy book that challenges the terrorism charges made against the MEK, and this month helped host an event on Capitol Hill arguing the same point.

The charm offensive has taken the MEK far from its origins. First set up in 1965 by vaguely Islamic left-wing intellectuals in Tehran, Mujahedin-e Khalq used to curse American "imperialism" and murdered a string of U.S. military personnel and defense contractors in the 1970s, says the State Department. The group blames the attacks on rogue Marxist factions and says they were not endorsed by MEK's leaders, who were in jail at the time or had been executed.

Shortly before Iran's 1979 Islamic revolution, the Shah's crumbling America-backed regime released jailed MEK activists. One of them, Massoud Rajavi, a former law student at Tehran University, became the group's paramount leader and allied with Islamist forces to topple the Shah. But the group quickly split with Iran's new clerical rulers led by Ayatollah Khomeini, who executed thousands of MEK supporters. The MEK retaliated with a wave of terror of its own.

Mr. Rajavi fled to France, where his brother, a doctor, has a house in Auvers-sur-Oise, a sleepy town outside Paris. To rally Iranians to his cause, Mr. Rajavi sent Massoud Khodabandeh, a British-educated electrical engineer, to Iran's Kurdish region to set up a radio transmitter. He began to broadcast taped tirades against Ayatollah Khomeini.

In France, the group swiftly fell prey to political and romantic bickering. Mr. Rajavi, who had just divorced his second wife, shocked supporters by taking up with the wife of a close friend and fellow MEK activist. They married and she took the name Maryam Rajavi.

Another contentious liaison followed. Mr. Rajavi moved to Iraq in 1986 with his new wife and forged an alliance with Saddam Hussein, then at war with Iran. Former MEK members say the Iraq dictator provided a six-story office building in Baghdad and military bases, including Camp Ashraf, named in honor of Mr. Rajavi's first wife, who had been killed in Iran by Ayatollah Khomeini's regime.

After a disastrous lunge into Iran in 1988, the MEK embarked on a more successful military venture. It helped Saddam Hussein crush an uprising by Kurds after Iraq's defeat by U.S. forces during the 1991 Gulf War, according to U.S. diplomats and the State Department's 2005 Country Reports on Terrorism.

Increasingly seen in the West as an Iraqi stooge, Mr. Rajavi sent Ms. Rajavi back to France to drum up support. Her campaign made some headway but foundered when the U.S. and Europe began looking for ways to reach out to Iran's newly elected reformist president, Mohammad Khatami.

Senior diplomats in the Clinton administration say the MEK figured prominently as a bargaining chip in a bridge-building effort with Tehran. Washington hoped it could get Iran to back a Middle East peace initiative, stop funding terrorist groups and forswear nuclear weapons. Iran, for its part, wanted the U.S. to take a hard line against the MEK.

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In 1997, the State Department added the MEK to a list of global terrorist organizations as "a signal" of the U.S.'s desire for rapprochement with Tehran's reformists, says Martin Indyk, who at the time was assistant secretary of state for Near East Affairs. President Khatami's government "considered it a pretty big deal," Mr. Indyk says.

The MEK also got hit by a string of defections. Among those to quit was Mr. Khodabandeh, the electrical engineer. He married another defector, Anne Singleton, an English woman who had visited Camp Ashraf, where she says she was taught an anti-imperialist song that vowed "death to America." Ms. Singleton wrote a book denouncing the MEK as a crazed cult of enforced celibacy and brutal discipline.

Other former members describe a good cause warped by methods reminiscent of Mao Tse-tung's Cultural Revolution -- a constant hunt for internal enemies, ideological "cleansing" sessions and harsh punishment of real or imagined dissent. Mohsen Abbasloo, a 28-year-old former MEK activist, says he was jailed and beaten at Camp Ashraf for over a month after he voiced mild doubts. "I went there full of hope but it was not even 1% of what I expected," says Mr. Abbasloo, who says he spent four years at the huge desert complex of barracks, office buildings and military training grounds between Baghdad and Iraq's border with Iran.

Mohammad Mohaddessin, a veteran MEK member and chief foreign-affairs official of its political arm, denies accusations of brutality and describes defectors as "tools of the Iranian regime."

Throughout the 1990s, the MEK continued to operate in Washington and elsewhere through various front organizations, the most prominent of which was the Paris-based National Council of Resistance of Iran. In 1999, the State Department banned the NCRI on the grounds that it is the MEK's official political arm. The NCRI describes itself as an Iranian parliament-in-exile comprising 530 members and not just representing the MEK.

Its former U.S.-based spokesman, Alireza Jafarzadeh, remained a regular on the Washington lobbying and policy circuits. In recent years he appeared routinely on Fox News as a foreign-affairs analyst. In 2002, he held a Washington news conference to reveal a secret uranium enrichment facility in the Iranian city of Natanz. The International Atomic Energy Agency in Vienna later confirmed the claim. President Bush and other senior U.S. officials publicly praised what they called an Iranian "dissident group" for unearthing the information.

Former MEK members and some U.S. officials say they believe the Natanz information was fed to the MEK by Israel, which wanted to make it public. The MEK derides this as nonsense.

John Moody, a Fox News senior vice president, says Mr. Jafarzadeh's contract as a foreign-affairs analyst lapsed, but doesn't rule out further employment. "He consistently provides accurate and sometimes exclusive information," he says.

In 2002, 150 members of the House of Representatives signed a petition seeking the MEK's removal from the U.S. government's terrorist list.

As America geared up for war with Iraq in early 2003, the MEK muted its adulation of Saddam Hussein, say people who were in Ashraf at the time. Top leaders, including the Rajavi couple, quietly bailed from Camp Ashraf.

"We suddenly noticed that a lot of senior people were missing," says Behzad Alishahi, an Iranian who spent more than 15 years at the camp working as an MEK TV presenter. Just before the U.S. invaded in March, he says, hundreds of MEK fighters rushed toward the Iraq-Iran border for an attack on Iran. They turned back, he says, after U.S. planes bombed their convoy and Camp Ashraf.

Ms. Rajavi fled to the group's compound in Auvers-sur-Oise, France. Her husband vanished, along with his hairdresser and bodyguards. This stirred rumors that he had been picked up by the U.S. military and was providing intelligence about Saddam Hussein and also Iran.

A State Department official says Mr. Rajavi was last seen in Baghdad in March 2003 and is now either dead or in hiding. The MEK says he's alive and evading Iranian assassins.

When American troops pulled up outside Camp Ashraf shortly after the fall of Baghdad in April 2003, the MEK offered no resistance and later agreed to disarm. Mr. Alishahi says he and colleagues at the TV station were ordered by MEK commanders to destroy film and other evidence of close ties to Saddam Hussein.

U.S. officials launched a review of camp residents to decide if they should be prosecuted for terrorism. At the same time, the Central Intelligence Agency warned French authorities to watch out for the MEK. The French dispatched hundreds of police to storm the MEK's Auvers-sur-Oise compound. They arrested Maryam Rajavi and carted away $9 million in cash and documents detailing bank accounts in France, the U.S. and elsewhere holding tens of millions of dollars.

Also confiscated, says a senior French security official, were videos of Mr. Rajavi meeting Saddam Hussein and 99 satellite-positioning devices programmed with coordinates for Iran. The French also found what they say were signs that the Iraqi dictator had bankrolled the organization, something the MEK has always denied. These included stacks of dollar bills wrapped in Iraqi newspapers and documents relating to a gift of Iraqi oil, say French officials who were involved.

Drawing Criticism

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The raid drew criticism from lawmakers and others in France and also the U.S. About 10 MEK members set themselves on fire in Europe and Canada in protest. Two died from their burns. French police released Ms. Rajavi but launched a formal terrorism-conspiracy investigation of her and 16 others.

Mr. Mohaddessin, the group's foreign-affairs spokesman, who was also detained and later released, ridicules the raid as a publicity stunt to win favor with Iran. There were enough police, he says, "for a coup in an African country."

The U.S. review of Camp Ashraf, which began around the same time as the French raid and finished in summer 2004, partially vindicated the MEK. Only one person has faced any U.S. charges, a naturalized U.S. citizen from Iran who was arrested in September in New York for allegedly providing support to a terrorist group. The roughly 3,300 now still in Ashraf were given the status of "protected persons" under the Geneva Convention, which promises humane treatment for nonnationals in a country at war. The U.S. military, as the occupying power, took on the role of protector. A White House official says this "protected" status applies only to individuals, not to the MEK as an organization.

Former Ashraf residents say MEK commanders, most of whom are women, have worked hard to woo the American soldiers who are now nominally in charge, inviting them to use a big swimming pool and serving them pizza. American forces have, under an agreement with the MEK, confiscated the group's roughly 300 tanks, 250 armored personnel carriers, 250 artillery pieces and 10,000 small arms. They also blew up most of the MEK's ammunition. But Camp Ashraf still functions as a bastion of opposition to Iran, shielded from the turmoil elsewhere in Iraq by American soldiers.

In June, the MEK camp hosted a mass rally of Iranian dissidents and thousands of Iraqis. Ms. Rajavi sent a message from France urging them to "cut off the tentacles of the Iranian regime." The MEK's satellite TV station, meanwhile, pumps out adulatory propaganda for Ms. Rajavi and her missing husband, Massoud.

Both the Pentagon and the U.S. Central Command declined to comment on the military's dealings with the MEK in Iraq. But individual officers have expressed support for the MEK. In May 2003, Maj. Gen. Raymond Odierno, then-commander of America's 4th Infantry Division, commended MEK members at Camp Ashraf for their cooperation and told reporters that "this should lead to a review of whether they are still a terrorist organization."

In 2005, following a report by Human Rights Watch detailing torture and other abuses at MEK camps in Iraq before the U.S. invasion, the commander of a U.S. military police unit that had been stationed at Camp Ashraf wrote to the U.S.-based human-rights group to defend the MEK. He said U.S. forces had not found "any credible evidence" of any such abuses and said he would "like my own daughter to someday visit these units for the cultural exchange."

In Washington, debate raged during this time over how to deal with the MEK, say current and former U.S. officials. Amid the screening of Ashraf residents, some in the Pentagon pushed to use the MEK as a tool against Iran and Iranian-backed militants operating inside Iraq, say current and former State Department officials involved in Iraq policy.

Colin Powell, who was then secretary of state, pushed back against the idea of cooperating with the MEK, say current and former officials. Mr. Powell and his underlings argued that any flirtation with the MEK would undermine Washington's stand against terrorism. The State Department then designated the group's previously tolerated U.S. affiliate, NCRI-U.S., as a terrorist front for the MEK. In August 2003, the Federal Bureau of Investigation shut down its offices at the National Press Club in Washington.

"There was this kind of language [being offered by Pentagon officials] that one man's terrorist was another man's freedom fighter," says Lawrence Wilkerson, who served as Mr. Powell's chief of staff at the time. He says the State Department pushed through 2003 and 2004 for the MEK's disarmament.

Douglas Feith, who served as the Pentagon's No. 3 civilian official until last year, denies any desire by the Pentagon to cozy up to the MEK. "The idea that we would use them against Iran is fantasy," he says.

MEK leaders sheltering in the West are now ramping up a campaign, along with their American and European fans, to present Maryam Rajavi and her missing husband as the only way to stop Iran from developing a nuclear bomb. This summer, thousands of their supporters gathered in a Paris convention hall. Ms. Rajavi arrived in a chauffeured Bentley, stepping onto a red carpet to the sound of trumpets. Rose petals were strewn at her feet. A former French prime minister and other VIPs applauded.

Among the MEK's Washington supporters are a significant mix of lawmakers on both sides of the aisle. Rep. Ileana Ros-Lehtinen, a Florida Republican who chairs the International Relations Subcommittee on the Middle East and Central Asia, drafted legislation this year that would require the White House to provide funding to Iran's largest opposition groups, although the bill doesn't explicitly name the MEK.

Mr. Abbasloo, the former Camp Ashraf resident, who is now in Europe, says he doesn't like Iran's current regime but mocks the MEK as an alternative. "This would only replace a snake with a crocodile," he says. "I hope America is not going to be that stupid."

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U.S., N.Korean Envoys To Hold More Talks (AP)

By Audra Ang

AP, November 29, 2006

The top American, North Korean and Chinese nuclear negotiators met for a second day Wednesday, a U.S. Embassy spokeswoman said, amid a diplomatic push to resume six-nation talks on Pyongyang's atomic weapons program.

U.S. Assistant Secretary of State Christopher Hill met with North Korean Vice Foreign Minister Kim Kye Gwan and Chinese Vice Foreign Minister Wu Dawai at the Diaoyutai state guesthouse for a second round of talks, said Susan Stevenson, spokeswoman for the U.S. Embassy in Beijing.

She did not have details of the discussions or whether Hill met with Wu and Kim together or separately. The three met on Tuesday.

U.S. State Department spokesman Sean McCormack said in Washington that the main goal of the current meetings was to "make sure that everybody, at least, has a good, solid understanding of what might happen" when six-nation talks aimed at persuading the North to abandon its nuclear weapons reconvene.

"What Chris did today (Tuesday) was to start to provide information on how we might be able to define what is an effective round of the six-party talks that produces concrete results," he said.

According to South Korea's Yonhap news agency, Hill on Tuesday "stressed that the North needs to report all of its nuclear programs before seeking economic incentives."

On his part, Kim insisted that Washington lift its financial sanctions on Pyongyang and "take steps to help normalize relations between the two enemies," Yonhap said.

North Korea agreed in September 2005 to abandon its nuclear program in exchange for security guarantees and aid. But Washington imposed the financial sanctions against a Macau-based bank on suspicions it was laundering counterfeit money for the North Koreans. Angered by the move, Pyongyang withdrew from the talks two months later.

Kim said before Tuesday's meetings got started that the timing of the next round of six-party talks on his country's nuclear program "depends on the United States."

"There are too many outstanding issues" and both parties should narrow their differences, Kim told reporters.

Officials have yet to determine an exact date for the next round of negotiations. The China-hosted talks involve the United States, North Korea, Japan, South Korea and Russia, which has not sent an envoy to Beijing.

"We hope all sides can grasp this opportunity and take a flexible, pragmatic and constructive approach in order to realize the early resumption of six-party talks," Chinese Foreign Ministry spokeswoman Jiang Yu said at a regular briefing.

Kim's trip to Beijing — a rare overseas visit — and the presence of other negotiators added to prospects of compromises to give new life to the talks.

An unannounced meeting between Hill and Kim last month in Beijing led to Pyongyang agreeing to return to the arms negotiations amid heightened tensions after its first nuclear test on Oct. 9.

Hill told reporters when he arrived Monday that the U.S. anticipated that the talks would "get going at some point very soon."

Hill has also met with South Korea's nuclear envoy, Chun Yung-woo, and Japan's representative Kenichiro Sasae.

Mystery Illness Hits Former Russian PM (FT)

By Arkady Ostrovsky

Financial Times, November 29, 2006

Yegor Gaidar, Russia's former prime minister and the architect of the country's market reforms, last week suffered a sudden, unexplained and violent illness on a visit to Ireland, a day after Alexander Litvinenko, a former KGB spy, died in London from an apparent radiation poisoning.

Mr Gaidar is now in a stable condition at an undisclosed Moscow hospital, undergoing tests. In a telephone interview with the FT, Mr Gaidar said the doctors had so far been unable to identify the cause of the violent vomiting and bleeding that he suffered during a conference in Ireland.

Anatoly Chubais, his former associate and the head of Russia's electricity monopoly, said he suspected Mr Gaidar may have been poisoned. However, he strongly ruled out that either Russia's security services or the Kremlin could have had any involvement. There is no indication of radiation being the cause of his illness.

Mr Gaidar is one of Russian President Vladimir Putin's softer critics and his daughter is a leader of an opposition movement. Mr Gaidar, who heads an economic think-tank in Moscow, has close connections with the government and occasionally advises them on economic matters.

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"I have suffered sudden problems with my health on November 24 which posed a threat to my life. This threat has not been realised. After a few hours the situation stabilised," Mr Gaidar said.

Mr Chubais and Mr Gaidar said the doctors could not explain the symptoms he had suffered.

Mr Gaidar said he felt ill after eating a simple breakfast where he was staying near Dublin. He said he could barely move any of his limbs and had to lie down for most of the afternoon.

Ekaterina Genieva, who helped to organise the conference at National University of Ireland, Maynooth, said Mr Gaidar looked pale and unwell when a few hours later he came down to answer questions about his book The Death of the Empire: Lessons for Contemporary Russia. After about 10 minutes, Mr Gaidar said he had to leave the room.

"I rushed after him and found him lying on the floor, unconscious. He was vomiting blood and also bleeding from the nose for about 35 minutes," Ms Genieva said. Mr Gaidar was taken to James Connolly Memorial Hospital in Blanchardstown, where he was treated overnight. The following morning, Mr Gaidar had asked to be discharged and, after a visit to the Russian embassy, was put on a flight back to Moscow.

Mr Gaidar declined to comment about whether he believed he had suffered a poisoning attack. The news of his illness comes after a series of mysterious incidents involving Russian public figures over the past month. It emerged as the Kremlin and state-run television continued to suggest the murky world of Russia's recent émigrés was behind the death of Mr Litvinenko.

Sources in Dublin said they did not suspect anything untoward in Mr Gaidar's illness.

Additional reporting by Jimmy Burns

Billionaire Ally Of Dead Spy Issues Statement (NYT)

By Alan Cowell

The New York Times, November 29, 2006

LONDON, Nov. 28 — Boris A. Berezovsky, an exiled Russian billionaire and fierce opponent of the Kremlin, confirmed Tuesday that the police found radioactive traces in his office after the death last week of his close associate, Alexander V. Litvinenko, who was poisoned by radiation.

While the association between the men has become widely known, the discovery of radioactive traces at Mr. Berezovsky's Mayfair office highlighted their close ties and offered one more clue about Mr. Litvinenko's movements on Nov. 1, the day he first reported feeling unwell.

Late Tuesday, the police said they had broadened their efforts to trace Mr. Litvinenko's whereabouts before he died, searching two more places in central London — an address in Mayfair and the Sheraton Park Lane Hotel.

Mr. Berezovsky, one of the most prominent and wealthy Russian exiles in London, visited Mr. Litvinenko in the hospital before he died. Apart from the traces at his office, where Mr. Litvinenko was a frequent visitor, he has not been implicated in the police inquiry.

Mr. Litvinenko, a former secret service agent, accused the Russian authorities of poisoning him with what the police said was a radioactive isotope, polonium 210. Mr. Berezovsky pointedly refrained Tuesday from making a similarly direct accusation.

In what aides said was his first formal statement since Mr. Litvinenko's death, Mr. Berezovsky said he was "deeply saddened" by the death of his associate, who had worked for both the K.G.B. and its successor organization, known by its Russian initials, F.S.B.

Referring to Mr. Litvinenko's claim that he had refused an order to assassinate Mr. Berezovsky in the late 1990s, Mr. Berezovsky said: "I credit him with saving my life, and he remained a close friend and ally ever since. I will remember him for his bravery, his determination and his honor.

"Many of Mr. Litvinenko's friends and I have already publicly expressed our views about what we think might have happened. Therefore I believe the most helpful course we can take is to let the police get on with their work," the statement said. "I have complete faith in the British authorities and the police. They are conducting a thorough and professional investigation, and we should now wait for the results."

Mr. Berezovsky said the traces of radiation in his office had been "discovered as part of an ongoing police investigation of all the locations visited by Alexander Litvinenko" on Nov. 1.

Previously, the police tracked Mr. Litvinenko on that day to a sushi bar, the five-star Millennium Mayfair hotel in central London and his own home in north London. Officers have also discovered traces of radiation at a security company in Mayfair called Erinys, the company acknowledged in a statement.

Mr. Litvinenko visited its office "on a matter totally unrelated to issues now being investigated by the police," the company said.

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Friends of Mr. Litvinenko have said he was a frequent visitor to Mr. Berezovsky's office. Mr. Berezovsky fled Russia in late 2000, after amassing a fortune in the freewheeling 1990s through a car dealership, a media empire, the Aeroflot airline and holdings in oil and aluminum.

An autopsy is to be carried out on Mr. Litvinenko on Friday, following the formal opening of a coroner's inquest on Thursday.

The British authorities said Tuesday that eight people had been sent to a clinic to be tested for radiation traces. One of them was a reporter for The Daily Mirror tabloid, Graham Brough, who said he was tested after shaking hands with Mario Scaramella, an Italian academic who said he met Mr. Litvinenko in the Itsu sushi bar in Piccadilly on Nov. 1.

Mr. Brough wrote in The Daily Mirror on Tuesday that he had been singled out for testing because "Scaramella's palms had been slightly sweaty when I shook hands" with him during an interview last week in Naples.

British health authorities and the police have said polonium 210 cannot be transmitted through the skin and is not harmful unless it is swallowed, breathed in or passed through an open wound.

Mr. Scaramella has also been tested for radiation by the British police, according to Paolo Guzzanti, an Italian senator who led a parliamentary commission investigating the possibility of K.G.B. activity in Italy. The panel employed Mario Scaramella as a consultant, according to Mr. Guzzanti, who said he spoke to Mr. Scaramella on Tuesday.

"He said he was in a castle outside of London, and I don't know if it is official, but he is under police protection," Mr. Guzzanti said in a telephone interview on Tuesday. "He has three armored cars around him with bodyguards and the police or secret service," he added. The British police have declined to confirm those assertions.

Mr. Scaramella has told Italian reporters that when he met with Mr. Litvinenko on Nov. 1, he showed the Russian man e-mail messages from a mutual intelligence acquaintance listing individuals whose lives were said to be in danger from criminals based in St. Petersburg.

The messages reportedly claimed that the same criminals killed Anna Politkovskaya, a Russian investigative journalist, in Moscow last month. Mr. Litvinenko's associates say he was investigating her fatal shooting when he was poisoned.

In his first public remarks on the matter, Prime Minister Tony Blair said Tuesday that no "diplomatic or political barrier" would be allowed to thwart the police inquiry into Mr. Litvinenko's death. "It is obviously a very, very serious matter indeed," Mr. Blair told a news conference. "We are determined to find out what happened and who is responsible."

Blair Pledges To Pursue Probe Of Ex-Spy's Death (WP)

By Mary Jordan

The Washington Post, November 29, 2006

LONDON, Nov. 28 -- Prime Minister Tony Blair said Tuesday that "there is no diplomatic or political barrier in the way" of investigating the mysterious fatal poisoning of a former Russian spy in London and that he planned to speak with Russian President Vladimir Putin about the matter "at any time that is appropriate."

"It obviously is a very serious matter and we are determined to find out what happened and who is responsible," Blair said about the death of Alexander Litvinenko, 43, the former agent and a vocal critic of Putin. Doctors said Litvinenko was poisoned by a radioactive substance known as polonium-210.

Litvinenko, whose hair fell out and organs failed three weeks after he first felt ill, blamed Putin for his death, according to a statement that friends said he dictated as he lay dying last week. The Kremlin has called that allegation "nonsense."

Blair's remarks came as Russian billionaire Boris Berezovsky, another ardent critic of Putin living in London, confirmed that traces of the radioactive substance were found in his office in central London.

In a statement Tuesday, Berezovsky said the substance was discovered as a result of "police investigation of all the locations visited by Andrew Litvinenko" on Nov. 1, the day he became ill. Police closed and sealed Berezovsky's office.

Berezovsky did not say in his statement whether he had met with Litvinenko on Nov. 1 -- the day police believe he was poisoned. Police are trying to retrace Litvinenko's steps, piecing together his whereabouts with security camera footage, his cellphone records and interviews with him before he died Thursday.

Alex Goldfarb, a friend of both Litvinenko and Berezovsky, said in an interview that Berezovsky and his staff had been tested for exposure to radiation. Litvinenko used Berezovsky's facilities as a "back office," Goldfarb said. "If he needed to make a Xerox copy, he would come in and use the Xerox machine and then go out."

Scotland Yard has said it also found traces of polonium-210 in Litvinenko's home and at a central London sushi restaurant and a hotel he visited Nov. 1.

Late Tuesday, police began to search two more locations -- a building at 58 Grosvenor and the Sheraton Park Lane Hotel in Piccadilly. A spokesman said that as of almost midnight, no radiation had been found.

More than 1,100 people have called a help line for those worried over possible exposure to the radiation, health officials said, and eight people showing some symptoms were being referred for further tests.

Mario Scaramella, an Italian who has said he met with Litvinenko at the restaurant Nov. 1 and showed him sensitive e-mail messages, said Tuesday that he was under British protection and being tested for contamination, the Associated Press reported.

Russia's top nuclear official, Sergei Kiriyenko, weighed in on the case Tuesday, saying that controls on the export of polonium are very tight. "Allegations that someone stole it during production are absolutely unfounded," Kiriyenko told reporters.

Kiriyenko said Russia exports eight grams of polonium-210 monthly, all of it to the United States. He said that Russia used to provide it to British companies but that exports to Britain ended about five years ago.

Kremlin supporters have been fingering Berezovsky as a likely assassin of Litvinenko; they say he gained from Litvinenko's death because he is using it to try to smear Putin's reputation internationally.

Oleg Morozov, a top official of the pro-Kremlin United Russia party, told journalists that "Russia and the Russian authorities had the most to lose from the death. . . . There is a well-known formula: If you cannot figure out what happened, try to understand who could have benefited from it. . . . That is why, from this standpoint, the appearance of traces of polonium-210, which reportedly caused Litvinenko's death, in an office of businessman Boris Berezovsky will help make clear certain things."

Morozov said Litvinenko "was exposed to polonium somewhere. Maybe it happened at this office. I do not know."

Berezovsky visited Litvinenko in the hospital and has said he believed Putin was behind the poisoning. When Litvinenko was a member of the Federal Security Service, the domestic successor to the KGB, he accused his superiors of ordering him to kill Berezovsky.

Pope Urges Leaders To Renounce Violence (AP)

By Victor L. Simpson

AP, November 29, 2006

Pope Benedict XVI urged leaders of all religions Tuesday to "utterly refuse" to support any form of violence in the name of faith, while Turkey's top Muslim cleric complained to the pontiff of growing "Islamophobia" in the world.

As he began his first visit to a Muslim country — a trip that drew extraordinary security but few onlookers — Benedict sought a careful balance as he extended friendship and brotherhood to Muslims, hoping to end the outcry from many Muslims over his remarks linking Islam to violence.

He expressed support for Turkey's efforts to join the European Union, moving away from opposition he voiced when he was a cardinal.

But the German pope also hammered away at key points of his 18-month papacy, telling diplomats that leaders of all religions must "utterly refuse to sanction recourse to violence as a legitimate expression of faith."

He avoided mention of any specific religion, even as he decried terrorism and the "disturbing conflicts across the Middle East."

Benedict also said guarantees of religious freedom are essential for a just society, and the Vatican said he raised specific issues such as property rights of Turkey's tiny 32,000-member Catholic community during talks with Turkish officials.

His comments could be reinforced later during the four-day visit when the pope meets in Istanbul with Ecumenical Patriarch Bartholomew I, the spiritual leader of the world's Orthodox Christians.

The pope is expected to call for greater rights and protections for Christian minorities in the Muslim world, including the small Greek Orthodox community in Turkey.

The 79-year-old made reconciliation a priority of his first day, taking on a taxing series of meetings that saw him needing a drink of water after coughing repeatedly while addressing diplomats in the last public appearance in the evening.

Benedict's journey is extraordinarily sensitive, a closely watched pilgrimage full of symbolism that could offer hope of religious reconciliation or deepen what many say is a growing divide between the Christian and Islamic worlds.

Seeking to ease anger over his perceived criticism of Islam, Benedict met with Ali Bardakoglu, who heads religious affairs in Turkey, warmly grasping hands. Benedict sat nearby as the Muslim cleric defended his religion.

"The so-called conviction that the sword is used to expand Islam in the world and growing Islamophobia hurts all Muslims," Bardakoglu said.

The comment appeared to be a reference to Benedict's remarks in a speech in September when he quoted a 14th-century Christian emperor who characterized the Prophet Muhammad's teachings as "evil and inhuman, such as his command to spread by thy sword the faith he preached."

The Vatican described the cleric's speech as "positive, respectful and non-polemical," applauding what the church sees as efforts for a true dialogue between faiths.

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On Sunday, more than 25,000 Turks showed up to an anti-Vatican protest in Istanbul, asking the pope to stay at home, but on the streets of Ankara most people went about their usual business and only a tiny protest was held outside the religious affairs office hours before the pope arrived.

"Today we had the sensation he was a welcome guest," said Vatican spokesman the Rev. Federico Lombardi.

"All feel the same responsibility in this difficult moment in history, let's work together," Benedict said during his flight from Rome to Ankara, where more than 3,000 police and sharpshooters joined a security effort that surpassed even the visit of President Bush two years ago.

"We know that the scope of this trip is dialogue and brotherhood and the commitment for understanding between cultures ... and for reconciliation," he said.

Prime Minister Recep Tayyip Erdogan — in a last-minute change of plans — welcomed the pope at the foot of the plane and described the visit as "very meaningful." Erdogan's political party has Islamic roots, though the government is secular.

In his first official act, Benedict visited the mausoleum of Mustafa Kemal Ataturk, the founder of modern Turkey, and wrote a message in a guest book calling Turkey "a meeting point of different religions and cultures and a bridge between Asia and Europe."

Police monitored the highway leading to Ankara from the airport, where Turkish and Vatican flags waved in a light breeze. Snipers climbed atop buildings and hilltops. In wooded areas along the route, soldiers in camouflage fatigues set up observation points and sniffer dogs passed along bridges.

It was his first visit to a Muslim country as pontiff. The original goal of the pope's trip to Turkey was to meet Bartholomew I, leader of the world's 300 million Orthodox Christians. The two major branches of Christianity represented by Bartholomew and Benedict split in 1054 over differences in opinion on the power of the papacy, and the two spiritual heads will meet in an attempt to breach the divide and reunite the churches.

Benedict leaves Ankara on Wednesday for Ephesus, where the Virgin Mary is thought to have spent her last years, and will then travel to Istanbul.

A closely watched moment of the trip will come Thursday during Benedict's visit to Haghia Sophia, a 1,500-year-old site that was originally a Byzantine church and then turned into a mosque after the Muslim conquest of Istanbul — then known as Constantinople — in 1453. It is now a museum, and Turks would take offense at any religious gestures by the pontiff, who also plans to visit the nearby Blue Mosque.

In 1967, Pope Paul VI fell to his knees in prayer, touching off protests by Turks claiming he violated the secular nature of the domed complex. In 1979, Pope John Paul II made no overt religious signs during his visit.

Pope Calls For Dialogue Between Christians, Muslims In Turkey (MCT)

By Matthew Schofield

McClatchy Newspapers, November 29, 2006

ANKARA, Turkey - Pope Benedict XVI called for an "authentic dialogue between Christians and Muslims" and praised his Turkish hosts Tuesday as he began what's surely his most controversial journey since he was elevated to lead the world's 1 billion Roman Catholics in April 2005.

The pope didn't directly address the anger he set off in September when he quoted a Byzantine Emperor as saying that in Islam, "you will find things only evil and inhuman, such as his (the prophet Muhammad's) command to spread by the sword the faith he preached."

But it was clear that those words weren't forgotten. Turkey's president of religious affairs, Ali Bardakoglu, bluntly told the pope at a joint appearance that Western leaders were distorting Islam's message as a religion of peace.

"Prejudices are nourished mostly by historical fears and concerns," said Bardakoglu, who in September accused the pope of "having hatred in his heart" for Muslims. "The establishment of universal peace is based on the fact that we, men of religion and religious institutes, should not be the slaves of such prejudices, nourished by such fears and concerns, and we should act with common sense."

Sitting on the stage next to Bardakoglu, Benedict XVI didn't react to the statement.

But he did retract comments he'd made as a cardinal in 2004, when he openly and frequently opposed Turkish membership in the European Union, saying that he now favored it. In a goodwill gesture, he signed the Golden Book at the memorial to modern Turkey's founder, Kemal Ataturk, noting that he was proud to quote Ataturk by writing, "Peace at home, peace abroad."

Later, he tried to calm Muslim anger in remarks to diplomats at the Vatican Embassy: "I wish to reiterate my great esteem for Muslims, encouraging them to continue to work together, in mutual respect, to promote the dignity of every human being and the growth of a society where personal freedom and care for others provide peace and serenity for all."

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The pope said the purpose of this trip was "dialogue, brotherhood and reconciliation" after a tumultuous period in Christian-Muslim relations. In addition to his September comments, Muslim sentiments have been bruised by European efforts to ban Islamic religious dress and the rejection of Turkish membership in the European Union.

But the pope's visit drew little attention in a country in which fewer than 100,000 people are Christians and fewer still are Catholic. Unlike Pope John Paul II's trip here in 1979, no well-wishers lined the route, jostling to catch a glimpse of the leader of the world's largest organized religion.

Protesters were few, too.

While Benedict visited the Ataturk Memorial, a small group gathered several blocks away. On the streets of the city, there was some hostility: taxi driver Yilmaz Kulum, 49, said he wished the pope hadn't come.

"I don't want him in Turkey because he criticised the prophet Muhammad," he said. "His words disturbed my conscience."

Kezban Turkoglu, 32, a secretary in a hijab, the head scarf that's the sign of a very religious woman in largely secular Turkey, wished that the pope simply would apologize for his comments in September.

"He mentions common values, but this is not enough," she said.

But just as many people seemed to share the view of businessman Ertan Kuscu, 38: "I don't like him, but he is more than welcome if this serves as an advertisement for Turkey."

While preparing to meet the pope at the airport, before flying to the NATO summit that he'd said would make it impossible to meet, Prime Minister Recep Tayyip Erdogan said it was essential to show hospitality during the pope's four-day visit.

"If we behave improperly, if someone tries to convert this to political rant, we will lose," he said. "We will think and calm down."

Tuesday was the most political day of the visit. On Wednesday, the pope leaves Ankara for Ephesus, which is believed to have once been home to Mary, Jesus' mother. From there, he'll go to Istanbul to meet Patriarch Bartholomew I, the so-called first among equals of leaders in the Eastern Orthodox churches, which split with the Catholic Church 1,000 years ago over theological issues and the power of the pope.

Pope Backs Turkey's Bid To Join European Union (NYT)

By Ian Fisher And Sabrina Tavernise

The New York Times, November 29, 2006

ANKARA, Turkey, Nov. 28 — Pope Benedict XVI arrived in Turkey on Tuesday armed with a surprise gesture of good will aimed at blunting Muslim anger toward him: he backed Turkey's long-stalled desire to join the European Union, reversing a statement he made two years ago.

Turkey's prime minister, Recep Tayyip Erdogan, told reporters after a brief meeting with Benedict at the airport here that he had asked the pope to support Turkey in its attempt to become a member of the European Union.

"He said, 'You know we don't have a political role, but we wish for Turkey's entry into the E.U.,' " Mr. Erdogan said the pope told him. "His wish is a positive recommendation for us."

Although the Vatican does not play a formal role in the European Union, or delve publicly into domestic matters of other states, the pope's gesture was nonetheless a piece of political stagecraft at a delicate time both in relations between Muslims and the West and in Benedict's own damaged reputation among Muslims.

Long before he angered the Muslim world two months ago with a speech criticized as equating Islam with violence, Benedict was disliked here because of comments he made, as a cardinal in 2004, opposing Turkish membership in Europe. As the successor to the Ottoman Empire, Turkey had always stood, he said at the time, "in permanent contrast to Europe."

But the 79-year-old pope's concession on Tuesday, at the start of a four-day trip here, seemed to make good on his pledge to heal the wounds between East and West. It may also have the practical effect of tamping down anger here. Security for the pope's visit was extensive, with helicopters hovering at the airport, commandos guarding the pope's plane and sharpshooters on the roofs of buildings.

It is unclear what effect the pope's reversal will have on the fraught debate in Europe over Turkey's membership, especially among conservatives who share the views he expressed as a cardinal two years ago. Much of that opposition is rooted in the increased tension between the West and Islam, including fears of more terrorist attacks in Europe and the already difficult integration of millions of Muslims there.

Some of the tension, though, is tied to the difficulty Turkey has had in meeting Europe's specific demands — and the pope's visit comes at a particularly delicate time in Turkey's talks with European negotiators.

Admission talks, which officially began this year, have hit a snag over the European Union's insistence that Turkey open its ports and harbors to vessels from Greek Cyprus, an internationally recognized state opposed by Turkey. But Turkish officials say

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they cannot act until an international embargo that has been in place on the Turkish part of the island for more than 20 years is lifted.

Because Benedict did not announce his new position himself on Tuesday, the shift appeared to some degree to be a concession won by Mr. Erdogan — a deft act of diplomacy by the pope that critics said his speech two months ago lacked.

Although Mr. Erdogan's government is rooted in moderate political Islam, he had said until Monday that he would not be able to meet the pope under pressure from his conservative constituency. As the leader of the only Muslim country in NATO, he left immediately afterward to attend a meeting of the Western military alliance in Latvia.

Hours later, the pope's spokesman, the Rev. Federico Lombardi, released a brief statement repeating that the Vatican has "neither the power nor the specific political task" of getting Turkey admitted to the European Union.

But Father Lombardi said the Vatican "views positively and encourages the road of dialogue and of moving toward integration of Turkey in Europe on the basis of common values and principles."

It remains to be seen whether the pope's gesture will have a warming effect in Turkey, or in the broader Muslim world.

In Ankara, residents expressed doubts about the pope's sincerity. "It's not support, it's a lie," said Hakan Ozgunaydin, a 29-year-old co-owner of a shoe shop in downtown Ankara. "I would expect him to say, 'those bloody Turks,' when he leaves this country."

Merve Celikkol, a 21-year-old physics student, was just as blunt, calling the pope a hypocrite: "How is it possible that he changed so much?"

"This can be his way of confessing his sins for the wrong he has done to the Muslim world," said Ismail Aytac, a 51-year-old sitting in a luxury watch shop. "After all, he's human, and humans make mistakes."

A number of those interviewed did say they thought that the new support was a decisive achievement for Mr. Erdogan, who has led the push for entry into Europe, at no small political cost to himself.

Benedict's trip here is his fifth outside Italy since he was elected pope last year, and his first outside the European Union and to a predominantly Muslim country. His main aim is to visit leaders of the Orthodox patriarchy here, as part of his goal to mend the 1,000-year rift between the Roman Catholic Church and the 220 million members of the Orthodox Church.

But Christians make up less than half a percent of Turkey's 72 million people, and it was clear that this trip would be far different from those to Christian countries, even before Benedict quoted a Byzantine emperor as referring to Islam as "evil and inhuman" in a speech in Germany in September. The trip to Turkey, though a modern and secular democracy, was loaded with symbolism: here, Christian and Muslim warriors battled for centuries, as the Byzantine Empire, founded by Rome's first Christian emperor, gave way to Muslim Ottoman Turks who established their own empire and pushed deep into Europe.

After his plane touched down, the pope, wearing white robes, was met at the airport with a red carpet and a small honor guard, but with none of the fanfare of his other trips. Rather, small demonstrations protesting Benedict's visit were held here and in Istanbul, which the pope will visit on Wednesday.

In brief comments on his plane, Benedict made clear that one of his chief aims was to stimulate a "dialogue" to bring Christians and Muslims, and West and East, closer.

"The scope of this visit is dialogue, brotherhood, a commitment to understanding between cultures, between religions, for reconciliation," he told reporters before his plane took off from Rome.

Mr. Erdogan, who unexpectedly greeted the pope at his plane, spoke too of the need for greater understanding.

"We are going through a tough period when the culture of violence has been expanding and our world faces disaster scenarios like the clashes of civilizations and polarizations in various directions," Mr. Erdogan told reporters after his 20-minute meeting with the pope. "Therefore, we need mutual understanding among different beliefs and civilizations more than any time in history."

Over the weekend, the Vatican began signaling that it was warming to the idea of Turkey's membership in the European Union. The Vatican has never issued a formal position on Turkish membership. In 2004, when the pope was Cardinal Joseph Ratzinger, he said it would be a "grave error," both he and other church officials described the remarks as his personal opinion.

The stalemate over Turkey's bid to join the European Union has frustrated Turkish officials, who are smoothing their negotiating positions ahead of meetings with union members in December.

"Everything is just stuck," said Namik Tan, spokesman for Turkey's Foreign Ministry, said in an interview on Monday. "How can an elected government with all these restrictions over the Turkish Cypriots open its ports without any restrictions? This government has a public here."

On Tuesday night, officials from the European Union met to set conditions for the future of the talks.

"Look, they said there would be a train crash," Mr. Erdogan said at the news conference. "Now they say there is no train crash, but the train slowed down."

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After his meeting with Mr. Erdogan, Benedict visited the grave of Mustafa Kemal Ataturk, the founder of the secular Turkish state after World War I.

He met later with the nation's chief Muslim religious figure, Ali Bardakoglu, who was among the fiercest critics of the pope's speech two months ago, and Turkey's president, Ahmed Necdet Sezer. Later in the evening, he met with members of the world's diplomatic corps. At every stop, he stressed the need for greater joint efforts to end terrorism, war and misunderstanding.

"I appreciate the efforts of numerous countries currently engaged in rebuilding peace in Lebanon, Turkey among them," he told the diplomats. "In your presence, ambassadors, I appeal once more to the vigilance of the international community, that it not abandon its responsibilities, but make every effort to promote peace and dialogue."

In Turkey, Pope Reaches Out To Islam (WP)

By Molly Moore

The Washington Post, November 29, 2006

ANKARA, Turkey, Nov. 28 -- Pope Benedict XVI, beginning the most politically precarious journey of his papacy, called Tuesday for an "authentic dialogue between Christians and Muslims" to help stanch terrorism and conflicts around the globe.

The pontiff, trying to assuage the hostility he provoked in September when he quoted a medieval Christian emperor who associated Islam with violence, said he wanted to use his visit to Turkey -- his first trip to a Muslim country since becoming pope -- "to reiterate my great esteem for Muslims."

Few papal tours in recent years have been more ambitious in their efforts to patch religious rivalries or more fraught with the danger of inciting deeper divides than Benedict's four-day, three-city Turkish itinerary. The visit comes not only at a diplomatically sensitive moment in Benedict's 19-month-old papacy, but at a critical juncture in Turkey's relations with the West and at a time of internal struggle over the soul of this constitutionally secular republic.

Instead of the crowds of emotional faithful that greet traveling popes on most of their foreign excursions, Benedict was met Tuesday with empty highways lined by soldiers and sharpshooters, and headlines such as the Islamic newspaper Vakit's "Unwanted Guest." On Sunday, an estimated 25,000 people turned out for a protest rally in Istanbul to demand that he cancel the trip.

The Turkish government has deployed thousands of security officers and riot police for the papal tour, a police presence that Turkish officials said is larger than the one used when President Bush attended a NATO summit here two years ago.

Vatican and Turkish officials scrambled to make last-minute schedule changes in an effort to avoid embarrassments or appearances of slights. Prime Minister Recep Tayyip Erdogan, who initially said he had no time to see the pope, squeezed in a 20-minute visit at the airport Tuesday afternoon before departing for a NATO summit in Latvia. The pope, who has alarmed some Muslims with his plans to visit Istanbul's Haghia Sophia museum -- built as a church in the 6th century and later converted into a mosque -- added the renowned Blue Mosque to his agenda as an overture to Muslims.

Even so, every visit and meeting on the pope's agenda is heavily laden with symbolism, stark contradictions or the prospect of controversy. In his first public event, the world's most visible religious leader laid a wreath of red and white carnations at the tomb of Kemal Ataturk, the founder of modern, secular Turkey and the man who removed Islam as the state religion.

Within hours of his arrival in the Turkish capital, Benedict stood on an auditorium stage with Turkey's chief Islamic cleric, Ali Bardakoglu, who last September accused the pontiff of harboring "hatred in his heart" for Muslims.

Both men wore shimmering, floor-grazing robes -- the pope a simple, caped vestment, Bardakoglu an elaborate, embroidered coat.

Bardakoglu, who heads Turkey's Directorate of Religious Affairs, confronted the pontiff's September remarks head-on.

"We Muslims condemn all types of violence and terror, regardless of whoever commits it against whosever," he said. "However, we all regret to observe that during the recent times Islamophobia has been in escalation promoting such notions that the religion of Islam with its sources and history encourages violence."

Bardakoglu said every Muslim is "deeply touched and offended by such accusations," which he said "only serve to encourage those who perform wrongdoings on behalf of religion." Despite his disagreements with the pope, Bardakoglu described the papal trip as "a positive step toward cultivating a culture of reconciliation."

In his address, Benedict said, "The best way forward is via authentic dialogue between Christians and Muslims, based on truth and inspired by a sincere wish to know one another better, respecting differences and recognizing what we have in common."

He also offered up another historical anecdote, one that conveyed a more positive view of Islam. The pontiff cited Pope Gregory VII, who in 1076 praised a Muslim prince who treated Christians with "great benevolence . . . because we believe in one God, albeit in a different manner."

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According to Erdogan, the prime minister, the pope also made another conciliatory gesture Tuesday, reversing the position he took in 2004 when, as Cardinal Joseph Ratzinger, he said Turkey was "in permanent contrast to Europe" and should not be admitted into the European Union.

"I asked the pope for his support on our road to the European Union," Erdogan said after their meeting. "He told me, 'We want Turkey to be part of the E.U.' " The Vatican did not comment on Erdogan's statement.

Over the next two days, the pope will meet in Istanbul with Ecumenical Patriarch Bartholomew I, spiritual leader of the world's Orthodox Christians. The Vatican has been attempting to improve relations with the Orthodox church after more than 1,000 years of division, while Turkey has attempted to suppress many activities of the Orthodox church.

The pope acknowledged to reporters traveling on his plane that his agenda in Turkey is ambitious. "Naturally, we should not exaggerate," he said, speaking in Italian. "It is not possible to expect major results in three days. The value, I might say, is symbolic."

The government has banned protests during the pope's visit, and only a small demonstration was held in Ankara on Tuesday. But the government has been unable to change public opinion.

"His words against the Islamic world led to this criticism," said Yetkin Bayer, 40, a physician working in a busy government clinic in one of Istanbul's poorer neighborhoods. "Otherwise, the Turkish people would be neutral about his visit. Now, no matter what he might say, he won't get much sympathy."

Special correspondent Yonca Poyraz-Dogan in Istanbul contributed to this report.

Benedict Goes To Turkey (NYT)

The New York Times, November 29, 2006

The visit of Pope Benedict XVI to Turkey was bound to be fraught, even before the pontiff's tone-deaf comments about Islam in September. As a high-ranking Vatican official in 2004 — the year before he became pope — Benedict went on record opposing Turkey's entry into the European Union, saying, in effect, that a predominantly Muslim country would never fit into a Christian Europe.

On his trip this week, the pope is being more diplomatic. Turkey's prime minister, Recep Tayyip Erdogan, announced that Benedict had told him it was now the Vatican's wish that Turkey join the European Union. A papal spokesman was less direct, saying the Vatican was encouraging Turkey's "integration" into Europe. We hope that the pope's evolving stance — coupled with his calls for Christian-Muslim dialogue — will soothe popular anger in Turkey and across the Muslim world.

During his papacy, Benedict has repeatedly emphasized what he calls reciprocity, the notion that Christian minorities in Muslim countries should be as free to practice their faith as Muslims are in the West. Turkey's rigid secularism has been a central tenet of the republic since its founding — and all too often has led to repressing minority rights and religious freedom. The rigidity is now giving way — due in large part to the reforms required to meet the membership criteria of the European Union. As the pope champions the rights of Christians in Turkey and other Muslim lands, he should bear in mind that his words will be most effective if he makes clear that the West still has a long way to go in defending the rights of minorities.

The pope and his Turkish hosts are to be commended for going ahead with the trip in the face of so much dissension. Turkey needs to engage in a full debate over minority and religious rights — and how it relates to the West. Benedict's role in furthering that debate and promoting better interfaith relations may prove to be helpful.

More Catholic Than The ... (LAT)

The Los Angeles Times, November 29, 2006

TODAY, POPE BENEDICT XVI will meet in Turkey with a representative of a religious tradition whose sometimes violent differences with the Roman Catholic Church can be traced back to the Crusades. That personage is not, as one might think, a Muslim, but a Christian: Ecumenical Patriarch Bartholomew I of the Eastern Orthodox Church.

Although the Crusades were called to wrest back the Holy Land from Muslims, the Catholic foot soldiers in that "holy war" vandalized the sacred places of Orthodox Christians, looting Hagia Sophia, the Cathedral of Holy Wisdom, in Constantinople. (On Thursday, Benedict will visit Hagia Sophia, which was transformed into a mosque in the 15th century and is now a museum.)

News coverage of the pope's trip has focused on Catholic-Muslim relations, given the outrage in the Muslim world over a lecture in September in which Benedict quoted a medieval emperor who said Muhammad's teachings contained "things only evil and inhuman." The visit also has been shadowed by the pope's opposition as a cardinal to the admission of Turkey into the European Union, a position he repudiated Tuesday.

Yet the religious purpose of the journey is to strengthen relations between the Roman Catholic Church and Eastern churches that do not recognize the authority of the bishop of Rome. Benedict's attitude toward these ancient churches could offer as many insights into his view of his role as any of his dealings with Muslims.

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Benedict will travel to Istanbul — the former Constantinople — to meet Patriarch Bartholomew, the "first among equals" among Orthodox prelates. After a service in the Orthodox cathedral, the two will sign a joint declaration. It's likely to be more substantive than a conversation in Rome last week between Benedict and Archbishop of Canterbury Rowan Williams. That encounter, while cordial, ended with a communique noting that a reunion between the Roman Catholic and Anglican churches faced "serious obstacles," including the ordination of women as Anglican priests and the acceptance by some Anglican churches of openly gay clergy.

By contrast, the Eastern Orthodox Church, like the Roman Catholic Church, limits its priesthood to men, condemns homosexual relations and values traditional forms of worship. The affinities between the pope and the patriarch are theological, but they could have political consequences. Many of the churches that complain of oppression by Islamic governments (including the Orthodox Church in Turkey) have roots in Constantinople, not Rome. If the pope plans to be their champion, he will need to build bridges to Muslims as well as fellow Christians.

Report Shows Muslims Near Bottom Of Social Ladder (NYT)

By Somini Sengupta

The New York Times, November 29, 2006

NEW DELHI, Nov. 24 — Even those who caution against "illusions of grandeur and power," as the head of India's governing coalition, Sonia Gandhi, did last week, cannot hide their sense of pride at the idea of India as a nation that extends the concessions of secular democracy to its many castes, creeds and faiths.

Yet that notion has come under some strain in recent days, with an official panel having concluded that Muslims, India's largest religious minority, are "lagging behind" on most things that matter.

Prime Minister Manmohan Singh's office, which is reviewing the report, summarized the panel's biting conclusion this way: "The community is relatively poor, more illiterate, has lower access to education, lower representation in public- and private-sector jobs and lower availability of bank credit for self-employment. In urban areas, the community mostly lives in slums characterized by poor municipal infrastructure."

Muslims make up roughly 13 percent of India's population of 1.1 billion, and their numbers are nearly equal to the entire population of Pakistan, which was carved out of British India nearly 60 years ago as the homeland of the subcontinent's Muslims. Soul-searching about Muslim rights and well-being in this country, which has witnessed periodic outbreaks of religious violence, has been a recurrent leitmotif ever since.

The latest findings have prompted fresh debate. In an editorial in The Indian Express, an English-language daily, Pratap Bhanu Mehta, the president of the Delhi-based Center for Policy Research, suggested that the government's panel had revealed "the hollowness of our concept of republican citizenship."

"What is at stake," Mr. Mehta said, "is not just uplifting this or that group, but the very idea of India itself: whether it has the capacity for transcending the cant, indifference and identity traps that have brought us to this pass."

The report is expected to be made public soon, but leaks in the last several weeks have already turned its contents into political fodder. Trial balloons have been floated about extending affirmative action benefits originally devised to uplift low-caste Hindus and others considered "backward," by offering additional set-asides in education and employment for Muslims.

The mark of "backwardness" is a boon in this country, where a government job can lift a family's fortunes forever, just as it is a vital part of political arithmetic: Secure jobs for a group, the reasoning goes, and you secure its loyalty at the polls.

A number of Muslim religious and political leaders have already begun to advocate quotas for Muslims. But the Hindu nationalist Bharatiya Janata Party has pointed out that Indian law prohibits faith-based quotas.

The secretary of the panel that issued the report, Abusaleh Shariff, said in an interview this week that in some states, education and poverty indicators showed that Muslims had fallen behind even low-caste Hindus. Mr. Shariff said the panel recommended, among other things, free and compulsory education up to age 14, as well as financial support to promote industries in which Muslims are concentrated, like textiles.

The findings of the panel, headed by a retired high court judge, Rajinder Sachar, are expected to add to sparring over the Muslim vote, particularly in the elections to be held next year in India's largest state, Uttar Pradesh, where Muslims are a vital chunk of the electorate. The report will become public when Mr. Singh submits it to Parliament, possibly during its current session.

Among the panel's most damning statistics, as reported by The Indian Express, are that in many states Muslims are significantly overrepresented in prison. In the western state of Maharashtra, for instance, Muslims make up 10.6 percent of the population but 32.4 percent of those convicted or facing trial. In the famed national bureaucracy, the Indian Administrative Service, Muslims made up only 2 percent of officers in 2006. Among district judges in 15 states surveyed, 2.7 percent were Muslim.

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Educational disparities were among the most striking. Among Muslims, Mr. Shariff said, the literacy rate is about 59 percent, compared with more than 65 percent among Indians as a whole. On average, a Muslim child attends school for three years and four months, compared with a national average of four years.

Less than 4 percent of Muslims graduate from school, compared with 6 percent of the total population. Less than 2 percent of the students at the elite Indian Institutes of Technology are Muslim. Equally revealing, only 4 percent of Muslim children attend madrasas, Mr. Shariff said.

The gaps in employment are likely to be among the most politically explosive. Muslims appear to be overrepresented in the informal sector of day laborers and street vendors and underrepresented in the public sector. Muslims secured about 15 percent of all government jobs, considerably less than the share filled by "backward" castes and Dalits, those who were considered "untouchables" in the Hindu caste system.

Whatever action the government decides to take, it will have to contend with a peculiar dimension of Muslim identity here. Since they are mostly converts from Hinduism or descendants of converts, Muslims in India are riven by caste. In other words, there are Muslim Dalits, as well as Muslims who are considered "backward."

To ignore those divides and entitle all Muslims to the same affirmative action benefits, Imtiaz Ahmad, a retired professor at Jawaharlal Nehru University argued, would be to reward only those at the upper reaches of the Muslim social ladder.

Many well-to-do Muslims, he said, particularly those with access to education, have benefited from the Indian economic advance in recent years. The Muslim community, he and other scholars point out, is made up of a small elite, vast numbers of poor people and very few people in between.

Whether India can deliver the fruits of economic progress to the many Muslims at the bottom of the ladder remains a crucial question.

At least, Mr. Ahmad argued, India has managed to address Muslim concerns without what he called the "coercive apparatus" that some European countries have adopted. He compared India's approach with that of the Netherlands, which recently banned the wearing of the Muslim burqa, or face-covering veil, in public places.

"There are many things we can say about Indian democracy," Mr. Ahmad said. "But it has given assurances, to minorities included, that things are negotiable."

Building A Democracy (WP)

By Viktor Yushchenko

The Washington Post, November 29, 2006

Two years ago an authoritarian regime's attempt to hijack the presidential election in Ukraine failed. As official results were announced, disbelief provoked millions of citizens to pour into the streets in protest. They took a stand against those discredited officials who hid behind law enforcement bodies in an attempt to prolong their corrupt hold on power. Those days and weeks are known as Ukraine's Orange Revolution.

In the time since, my main goal as president has been to institutionalize democracy and guarantee that it is irreversible. Many of the wrongs in my country have been corrected. We are maintaining our unwavering commitment to the principles of freedom. We agreed to shift constitutional powers from an authoritarian presidency to a coalition government formed by parliament to end the country's political impasse. And we abolished state censorship of the media, while also forbidding interference in news reporting.

This year free and fair elections were held at national, regional and local levels. Overseeing the peaceful and democratic transition of power was my unique test, as it brought back to office my former political opponents.

But along with our national successes and economic achievements under two "orange" prime ministers, there have been disappointments and miscalculations. Infighting among my political allies has been the biggest disappointment. Some "orange" politicians have ignored their fundamental duty to deliver results for the public good. Instead, gaining political power and seeking the limelight have become their goal. As our country's democracy continues to mature, I am convinced that a young cadre of leaders will rise through the ranks of Ukraine's democratic parties to create a political renewal.

On my watch, the corruption that has historically emanated from the president's office ceased. Thousands of election officials, tax collectors, foot patrols, road police and customs agents were brought to justice for petty corruption. Yet the biggest abusers of public office remain at large because of unreformed prosecutors and corruption in the courts. I have recently initiated a number of anti-corruption bills to reform the criminal justice system and the courts, and I will continue to press parliament for speedy action.

Because we were preoccupied with domestic political reforms this year, we failed to communicate effectively with our international partners. I want to explain where Ukraine stands and where we are heading. Democracy and stability -- two

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interdependent principles -- form the basis of my agenda. To this end, I will continue constitutional reforms that facilitate the effective work of government and prevent a return to authoritarianism or the usurpation of power.

Today there is a balance of political power between two directly elected democratic bodies: the president and parliament. The prime minister, although not directly elected, represents a majority of the parliamentarians. Bills specifying the role of the governing coalition and the opposition have yet to be passed. But let there be no mistake: Together we share responsibility for shaping, executing and controlling laws and state policies.

Second, constitutional reforms are incomplete, and as a result there is a political asymmetry. We will continue refining a reliable system of checks and balances between the presidency, parliament and coalition government to expedite policy decision making. To meet these objectives, I have commissioned a group of constitutional experts to recommend amendments to strengthen our nascent democratic institutions.

Third, our law on national security promotes participation and membership in pan-European and regional systems of collective security. Membership in the European Union and NATO, as well as good relations and strategic partnerships with Russia and other countries in the Commonwealth of Independent States, are not romantic ideas of the Orange Revolution -- they are founded in Ukrainian law. The president, coalition government and parliament determine the speed with which these goals are reached.

Most important, the democratic debates in Kiev's halls of power are now centered on ideas about competing economic theories, values and worldviews. Our current system of checks and balances requires policy coordination, party coexistence and political compromise for us to move forward. Not everyone likes the new rules of the game, and some are having trouble playing in this new reality -- but Ukraine's democracy is here to stay.

As president, my historic mission is to guarantee that Ukraine's national goals are reached not through political dictates but through an institutionalized democratic process that brings together governing bodies and citizen groups. I am convinced an inclusive democracy is one of the most significant and lasting achievements of the Orange Revolution.

The writer is president of Ukraine.

Back To Beijing (WP)

The Washington Post, November 29, 2006

TWO MONTHS after a high-profile visit to China, Treasury Secretary Henry M. Paulson Jr. is planning a December return -- this time accompanied by Federal Reserve Chairman Ben S. Bernanke as well as a handful of fellow Cabinet members. The visit is the first in a series of biannual meetings and reflects Mr. Paulson's conviction that high-level intergovernment contacts can help promote policy breakthroughs. It's a worthy effort, but there's no certain payoff. U.S. officials have spent the past few years urging China to rein in its trade surplus, which causes an imbalance in the world economy as well as impatience in Congress. But China's surplus has nonetheless ballooned defiantly.

China's trade surplus reflects an extremely high savings rate: The Chinese are saving so hard that they don't buy what they make and instead export it. Taming the trade surplus must involve shifting China's economy from saving to consumption. But despite repeated promises from its top leaders to move in this direction, China has done nothing of the sort. As of 2005, the Chinese consumed only 38 percent of their gross domestic product (GDP) -- less than in the 1990s and less than every other country, according to Nicholas R. Lardy of the Peterson Institute for International Economics. By contrast, India consumes 61 percent of GDP and the United States consumes an excessive 70 percent.

China's policymakers could stoke consumption if they wanted. They have experimented with modest tax cuts and aim to reduce corporate saving by requiring state-owned firms to pay dividends, starting next year. But they have not taken the step that would make the biggest difference: Raising the government's spending on social services, which would directly boost the government's own consumption and have some effect on households, since one reason for high private savings is the absence of a public safety net. Nor has China allowed its currency to rise, a move that would help to ease the trade surplus. Although the yuan has gained modestly against the dollar over the past year, it has fallen against the currencies of other trading partners.

China has an interest in boosting consumption, so in theory Mr. Paulson should be pushing on an open door. The high-savings model depends on foreigners' readiness to buy ever more Chinese exports, but this will eventually trigger a protectionist backlash. It promotes capital-intensive growth, which is not the most effective way to create jobs for Chinese workers. And the path of capital-intensive growth tends to be energy-intensive, which is one reason China's coal consumption has shot up by two-thirds since 2000 and why China is home to 16 of the 20 cities in the world that score worst for air pollution. Yet all these arguments for a more consumption-based growth model have long been understood by Chinese technocrats. Change has been blocked by a combination of vested interests and political caution.

The United States has an interest in seeing the technocrats prevail. The environmental fallout from capital-intensive growth affects global warming, and China's manipulation of its currency and suppression of consumption undermine public faith in the

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fairness of globalization. Mr. Paulson is right to press these points to the Chinese. The question is whether China takes its global responsibilities seriously enough to listen.

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Miller, Charles S

From: Miller, Charles S
Sent: Wednesday, November 29, 2006 10:51 AM
To: Agarwal, Asheesh (CRT); Ames, Andrew; Battaglia, John T; Baxter, Felix (CIV); Beckner, Rick (CIV); Blomquist, Kathleen M; Branda, Joyce (CIV); Bucholtz, Jeffrey (CIV); Bukvics, Jennifer (CIV); Claterbos, Barbara (CIV); Cohen, David M. (CIV); Cohn, Jonathan (CIV); Davidson, Jeanne (CIV); Davis, Dan (CIV); Davis, Deborah J; Fargo, John (CIV); Fielding, Gabrielle (CIV); Flentje, August (CIV); Frost, Peter (CIV); Garren, Timothy (CIV); Glynn, J.Patrick (CIV); Gorsuch, Neil M; Gunn, Currie (SMO); Hertz, Michael (CIV); Hollis, Robert (CIV); Hunt, Jody (CIV); Hussey, Thom (CIV); Jeweler, James (CIV); Katsas, Gregory; Keisler, Peter D (CIV); Kohn, Chris (CIV); Kopp, Robert (CIV); Letter, Douglas (CIV); Levine, Larry (EOIR); Lindemann, Michael (CIV); Magnuson, Cynthia; McCallum, Robert (SMO); McDonald, Esther Slater; McMahon, Linda M (CIV); Miller, Charles S; Nichols, Carl (CIV); Nowacki, John; O'Quinn, John C; Osborn, Tara (CIV); Pyles, Phyllis (CIV); Rivera, Jennifer (CIV); Roehrkasse, Brian; Schiffer, Stuart (CIV); Scolinos, Tasia; Seidel, Rebecca; Senger, Jeffrey M; Shaw, Aloma A; Spellberg, Dianne (CIV); Swenson, Lily F; Thirolf, Eugene; Wilson, Karen L; Zwick, Ken (CIV)
Subject: 11/29/06 Civil Division News

German who alleges CIA torture expresses confidence in U.S. justice system

Man Mistakenly Abducted by C.I.A. Seeks Reinstatement of Suit

The Wronged Man; Unjustly Imprisoned and Mistreated, Khaled al-Masri Wants Answers the U.S. Government Doesn't Want to Give

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AP

November 29, 2006

German who alleges CIA torture expresses confidence in U.S. justice system

By DESMOND BUTLER

Associated Press Writer

WASHINGTON_On his first visit to the United States, Khaled el-Masri, who claims the CIA tortured him at a prison in Afghanistan, is expressing confidence in the U.S. justice system.

El-Masri spoke to reporters after a federal appeals court in Richmond, Virginia, heard arguments by his attorneys Tuesday that a lawsuit he filed against the former head of the CIA should be reinstated. He arrived Sunday from Germany and planned to hold a Washington news conference Wednesday morning.

His accusations against the CIA have put a spotlight on the intelligence agency's secret rendition program to capture terror suspects for interrogation in foreign countries, which has been heavily criticized by human rights groups.

"I have confidence in the American judicial systems and its courts. What I really want is that they admit to me that an injustice was done to me," el-Masri said through a translator after the appeals court hearing. "I would like an explanation and I would like an apology."'

El-Masri previously was denied entry into the United States when he arrived to publicize the filing of his lawsuit last year, according to the American Civil Liberties Union, which has supported his case. In recent weeks, he was issued a visa.

The lawsuit filed against former CIA director George Tenet and others was dismissed in May when a judge ruled that a trial could harm national security by revealing details about CIA activities.

ACLU lawyer Ben Wizner told the court Tuesday that el-Masri was "the public face of a publicly acknowledged program." Since the basics of the rendition program already are common knowledge, he argued, the lawsuit could be considered without exposing state secrets.

Greg Katsis, a lawyer for the U.S. Department of Justice, argued that the government properly invoked its state secrets privilege to protect information outlined in a classified affidavit that Judge T.S. Ellis III read before dismissing the lawsuit\l "l".

El-Masri alleges he was mistakenly identified as an associate of the Sept\l "l". 11\l "l", 2001, hijackers and was kidnapped while attempting to enter Macedonia for a vacation on Dec. 31, 2003. He claims he was flown to a CIA-run prison known as the "salt pit" in Kabul, Afghanistan, where he was beaten and sodomized with an object during five months in captivity.

The CIA has refused throughout to comment on el-Masri's allegations.

El-Masri's allegations also are the subject of a German parliamentary investigation that is trying to clarify when German government officials became aware of el-Masri's case and whether German security services participated in interrogations in Afghanistan.

The appeals court usually takes several weeks to issue its ruling.

END

New York Times

November 29, 2006

Man Mistakenly Abducted by C.I.A. Seeks Reinstatement of Suit

NEIL A. LEWIS

RICHMOND, Va., Nov. 28 A lawyer for a German man who was abducted while on vacation in Macedonia and said he was tortured while in C.I.A. custody in Afghanistan urged a federal appeals court on Tuesday to reinstate his lawsuit against the agency, which had been dismissed for national security reasons.

In May, a federal trial judge threw out the suit brought by Khaled el-Masri, who said he was an innocent victim of the Central Intelligence Agency's program of transferring terrorism suspects secretly to other countries for detention and interrogation. Judge T. S. Ellis III of Federal District Court in Alexandria said that although it appeared a great injustice might have been done to Mr. Masri, he was persuaded by the government that there was no way to even begin a trial without impermissibly disclosing state secrets.

Benjamin Wizner, a lawyer with the American Civil Liberties Union, told a three-judge appeals panel on Tuesday that the government's position was absurd because what happened to Mr. Masri had hardly remained secret. He noted that the German government was openly investigating whether its officials had played a role in Mr. Masri's ordeal, and numerous news accounts have quoted unidentified American officials as confirming what happened.

Mr. Wizner said the government had not plausibly explained how national security interests might be harmed by a trial. He said President Bush acknowledged the C.I.A.'s program, known as extraordinary rendition, this summer, and it is widely known that other governments have been involved. A trial would not disclose state secrets but would merely involve "confirmation of a fact the entire world already knows," he said.

Gregory G. Katsas, a senior Justice Department lawyer, told the judges that courts must defer to the executive branch when it invokes the state secrets doctrine, which was first recognized by the Supreme Court in 1953.

Mr. Katsas said Porter J. Goss, who was the C.I.A. director when the suit was brought, filed a secret statement with the court outlining the agency's case against a trial. Mr. Katsas said the statement provided a detailed account of how seemingly innocuous disclosures "will have a cascading effect that will have devastating consequences" for national security.

Mr. Masri sat stolidly in the first row of the courtroom during the 50-minute argument. A large man with graying hair cinched in a ponytail, he said in an interview later that he was infuriated with Judge Ellis's view that there might be no remedy for the injustice apparently done to him.

Mr. Masri, who was born in Kuwait, was arrested in Macedonia on Dec. 31, 2003, and flown to a prison in Afghanistan, where he was held for five months. During his incarceration, he has said, he was shackled, beaten and injected with drugs.

On Tuesday, he said through an interpreter that he was kept in deplorable conditions "not fit for a human being at all." Upon arrival in Afghanistan, he said, he was told that he was in a place where he had no right to recourse for what happened to him.

"I would like an explanation for what happened," he told reporters. "I would like an apology."

Mr. Wizner, his lawyer, said that although he believed Mr. Masri was entitled to financial compensation, he was not necessarily seeking anything beyond some official expression of remorse.

United States officials have been quoted anonymously in news reports as saying that Mr. Masri's case was one of mistaken identity; intelligence authorities may have confused him with an operative for Al Qaeda with a similar name.

The officials said Mr. Masri was released in May 2004 on the orders of Secretary of State Condoleezza Rice, then the national security adviser, after she learned he had been mistakenly identified as a terrorism suspect. He was freed in Albania, where he was left to make his way home to Germany, which he likened to being treated "like a piece of luggage."

Mr. Masri, who had earlier been denied permission to come to the United States to attend the hearing, said he has not been able to find a job since his return to Germany. "Both my Arab and German friends keep their distance," he said.

On Wednesday, he is scheduled to meet with some Democrats on the Senate Judiciary Committee who are exploring the rendition program and the Bush administration's increasingly frequent invocation of the state secrets doctrine to block lawsuits.

END

Washington Post
November 29, 2006

The Wronged Man; Unjustly Imprisoned and Mistreated, Khaled al-Masri Wants Answers the U.S. Government Doesn't Want to Give

By Dana Priest
Washington Post Staff Writer

RICHMOND, Nov. 28

Khaled al-Masri was supposed to have been disappeared by black-hooded CIA paramilitaries in the dead of night. One minute he was riding a bus in Macedonia, the next -- poof -- gone. Grabbed by Macedonian agents, handed off to junior CIA operatives in Skopje and then secretly flown to a prison in Afghanistan that didn't officially exist, to be interrogated with rough measures that weren't officially on the books. And then never to be heard from again -- one fewer terrorist in the post-9/11 world.

Instead, on Tuesday, Masri finds himself sitting in an American courtroom so elegant that even his experienced lawyers are commenting on its beautiful dark wood and graceful chandeliers. Dressed in white shirt sleeves and a modest maroon vest, Masri is waiting to see if the judges will allow the CIA to disappear him again.

This time, it's not the physical, flesh-and-blood, burly, ponytailed German citizen with six kids whom the U.S. government wants to make vanish from the face of the Earth. It's his legal case, his very right to have his argument heard in open court, that the CIA is seeking to have disappeared. They argue, citing the state-secrets privilege, that to proceed with the case would damage national security and that this damage outweighs any legal rights Masri may have.

The U.S. District Court for the Eastern District agreed with the government in May.

If they have their way this time, the pale Justice Department lawyers swaying back in their chairs before the three judges of the U.S. Court of Appeals for the 4th Circuit would prohibit any judge and any jury anywhere from ever hearing the arguments in Masri's six legal pleadings and 40 exhibits, more than 1,000 pages in all. Much of the evidence was unearthed by German prosecutors and European Parliament investigators.

There are also the eight U.S. officials who confirmed to at least one American reporter that Masri spent months in a dank Afghan cell because a couple of CIA officials in Washington had a hunch he was

someone he was not and that they just didn't move fast enough when they found out he wasn't. Countless other reporters in the United States and Europe have been told the same by unnamed government officials.

So basically, "the entire world can discuss this case . . . but not the U.S. courts?" Masri's lawyer Ben Wizner will momentarily ask the panel.

But for now, the first Invisible Man to appear on U.S. soil is listening intently to the other cases the judges have to consider before his, including one about an Internet user's First Amendment free-speech rights. Masri's translator, Ulrike Wiesner, whispers in his ear: "They can even burn the American flag here." Burning a German flag is illegal in Germany. Those crazy Americans.

Masri whispers back: "Well, let's see if that applies to us Indians." They laugh quietly.

* * *

Much of Masri's ordeal has been confirmed by the German government. He fled the civil war in Lebanon in 1985 when he was 21 and married a German woman. He was divorced 10 years later and then married a Lebanese woman. He worked as a carpenter, then truck driver, then car salesman. Since 2004 he has been unemployed and living with his children and wife in a one-room apartment.

His deteriorating living conditions were a stress on his marriage. On Dec. 30, 2003, he decided to get away, to take a bus trip to Macedonia to clear his head. To make a very long story shorter, Macedonian police took him off the bus and interrogated him at the Skopski Merak Hotel for 23 days.

This being the Internet age, Masri says in one legal declaration: From the hotel Web site "I can identify the actual room where I was held. . . . I even recognize one of the waiters who served me food during my detention there."

At some point a couple of people who sounded American showed up. On Jan. 23, 2004, things took a bad turn. Current and former CIA officials say Masri was believed to have a fake passport and the same name as someone else they were looking for.

He was eventually brought to another room where, according to his affidavit, "I felt two people violently grab my arms. . . . I then felt someone else grab my head with both hands so I was unable to move. . . . Finally they stripped me completely naked and threw me to the ground. . . . I felt a boot in the small of my back. I then felt a stick or some other hard object being forced in my anus. I realized I was being sodomized. Of all the acts these men perpetrated against me, this was the most degrading and shameful."

For his flight to Afghanistan, Masri was blindfolded, "my ears were plugged with cotton, and headphones were placed over my ears. A bag was placed over my head and a belt around my waist. They put something hard over my nose. Because of the bag, breathing was getting harder and harder for me. . . . I began to panic."

He spent five months in a filthy secret prison set up by the CIA and guarded by Afghans. He was made to drink water so putrid it made him vomit. He slept on a single blanket, shivered through the cold months and was fed chicken bones and skin. He was beaten and interrogated many times, sometimes by people he believes to be Americans. He went on a hunger strike, lost 60 pounds.

Eventually the CIA caught up with its mistake. They argued with the State Department over whether to tell the Germans and eventually agreed they could not lie to such a close ally. So they chose to tell then-Interior Minister Otto Schily because he was thought to be Washington-friendly.

Masri was released in Albania, then flown to Germany, where he made his way home to Ulm. There, he contacted a lawyer and then the German authorities. "What I really want is for them to admit that injustice

was done. I'd like an explanation and I'd like an apology," he said.

* * *

Is a state secret still a secret if everyone knows it? That's what the court case boils down to at this point.

Masri's lawyers say no.

They point to President Bush's Sept. 6, 2006, disclosure that the CIA ran secret prisons abroad and conducted covert rendition flights as part of its counterterrorism campaign.

They point to Secretary of State Condoleezza Rice's statement that if there were injustices in these programs, they can be remedied in U.S. courts.

They point to the testimony of Schily before the German Parliament just last week in which he said that then-U.S. Ambassador Daniel R. Coats had told him that the CIA had mistakenly imprisoned Masri and offered an apology -- not to Masri, but to the German government. They point to reams and reams of official German evidence.

The CIA and Justice Department lawyers strongly disagree. They argue that allowing a case to go forward could lead to a "cascading" of disclosures, many unforeseen, and that foreign governments would refuse to work in secret with the CIA for fear they could end up in court.

"Just because some facts are in the public domain doesn't eliminate the need to keep others secret," Justice Department attorney Gregory Katsas argued Tuesday. The president's announcement, he added, has "zero overlap" with Masri's allegations. "Even disclosures to judges carry risks," he reminded them.

* * *

Before all this happened, "I was a very simple person with not many problems," Masri says, straining and pausing to find words, or gather his thoughts. "I had lots of friends. My head was not burdened with so many things. I felt more safe."

Today's Masri "has less freedom. . . . This Khaled stays mostly at home. There's too much stress. And my interests have changed. I am reading a lot now, about politics and prisoners."

He has testified before government panels in Spain, Germany and to the European Parliament investigating the CIA's covert activities. He is in the news constantly, often with allegations of alleged ties to terrorist groups. Still unemployed and reconciled with his wife, he hates the limelight. He hates the stares on the streets and the Germans who call out to him, as one did recently in the supermarket: "You are a bad man!"

He has flashbacks, too. And his mood turns bad whenever he sees war news, especially from the recent war in Lebanon, where he still has family. "I get in a bad mood and just want to be left alone in my room," he says, "to withdraw."

Today, 10 cameras are waiting for him to finish his omelet and coffee and walk into the courthouse. "I am very nervous inside," he says.

The last time Masri tried to come to the United States to listen to his court case, he and his attorney had walked off the plane in Atlanta and found 20 security guards waiting for them, both men said. He didn't have a visa because German citizens don't need visas to enter the United States. Instead of letting him in, one of officers drew his gun and threatened to shoot the lawyer if he did not put away his cellphone.

Flying back to the United States this week, Masri expected another hostile airport scene: "I had a funny feeling. I always thought they would take me and send me back to somewhere other than home."

This time immigration authorities were polite, looked through his luggage, asked him some questions, even spoke a little German. Eventually, one of them said "Welcome to America" and let him pass to the other side.

"I think it's really good I've gotten this far," he says with a slight smile.

Asked how he feels toward the United States after all this, he shrugs.

"I never thought badly of the United States. I do think badly of the foreign policy aspects and the sitting government."

Nudge a little further and he'll say he'd like "an America without Bush."

And a little further:

"I'd like to drive with the top down in a fancy car through New York City and to look up at all the tall buildings," he laughs, looking up to the ceiling and throwing open his arms. "You've got a real view of the whole thing from a car without a top."

END

CanWest News

November 29, 2006

McLellan says she was in dark about Arar

Andrew Mayeda, CanWest News Service

OTTAWA - Anne McLellan has added her name to the list of former Liberal cabinet ministers who say they were not fully briefed by the RCMP on Maher Arar.

McLellan was appointed public safety minister in December 2003 and, shortly thereafter, called a judicial inquiry into the case.

This fall, Justice Dennis O'Connor concluded the RCMP passed inaccurate information to the United States on Arar that likely led to his detention and torture in Syria.

On Tuesday, McLellan confirmed she was briefed on the "Arar situation" by RCMP Commissioner Giuliano Zaccardelli and former CSIS director Ward Elcock.

But she said she only learned that the RCMP had passed along false information on Arar to the U.S. when the O'Connor report was released in late September.

The RCMP described Arar to U.S. authorities as an Islamic extremist suspected of ties to al-Qaida, even though he was never more than a "person of interest" in an RCMP national-security investigation.

"In my presence, (neither) Commissioner Zaccardelli, nor anyone else, either from the RCMP or CSIS, (ever) referred to Mr. Arar as an Islamic extremist," McLellan told a Commons public safety committee that has been probing the Arar affair.

"That was an expression that was never used in relation to Mr. Arar in my presence. Ever."

McLellan's statements appear to contradict assertions by Zaccardelli that he briefed the government about the mistakes by the RCMP.

In an appearance before the same committee in late September, Zaccardelli said he informed former solicitor general Wayne Easter about the errors. The solicitor general was the minister in charge of the RCMP before the position was abolished last year.

But last month, Easter testified that he was never so informed.

"There is no situation where the RCMP came to me and basically said, 'We screwed up. We provided improper information,'" he said at the time.

Earlier this month, Elcock of CSIS also testified he did not learn of the RCMP's mislabeling of Arar until after the O'Connor report was released.

On Tuesday, McLellan described an environment in which concern about the Arar affair reached to the top of the political ladder.

She said that soon after former prime minister Paul Martin took office in December 2003, he asked her to "get to the bottom of what had happened to Mr. Arar."

McLellan insisted that she has "no evidence whatsoever that the RCMP ever withheld any information from me." But she never recalls Arar being referred to as anything other than a person of interest in RCMP and CSIS briefings.

Given the priority given to the case by the former Liberal government, some committee members wondered why McLellan wasn't asking tougher questions of RCMP and other government officials.

"I'm having a little bit of trouble believing that the minister responsible for what was, at that time, a huge public security case, that it wouldn't dawn on you to ask these questions," said Conservative MP Gord Brown.

Zaccardelli has agreed to appear again before the committee to clarify his statements. He is scheduled to appear on Dec. 5.

END

AP

November 29, 2006

Judge strikes down Bush on terror groups

By LINDA DEUTSCH
AP SPECIAL CORRESPONDENT

LOS ANGELES -- A federal judge struck down President Bush's authority to designate groups as terrorists, saying his post-Sept. 11 executive order was unconstitutional and vague.

Some parts of the Sept. 24, 2001 order tagging 27 groups and individuals as "specially designated global terrorists" were too vague and could impinge on First Amendment rights of free association, U.S. District Judge Audrey Collins said.

The order gave the president "unfettered discretion" to label groups without giving them a way to challenge the designations, she said in a Nov. 21 ruling that was made public Tuesday.

The judge, who two years ago invalidated portions of the U.S. Patriot Act, rejected several sections of Bush's Executive Order 13224 and enjoined the government from blocking the assets of two foreign groups.

However, she let stand sections that would penalize those who provide "services" to designated terrorist groups.

She said such services would include the humanitarian aid and rights training proposed by the plaintiffs.

The ruling was praised by David Cole, a lawyer for the Washington, D.C.-based Center for Constitutional Rights, who represented the plaintiff Humanitarian Law Project.

It "says that even in fighting terrorism the president cannot be given a blank check to blacklist anyone he considers a bad guy or a bad group and you can't imply guilt by association," Cole said.

He said the Humanitarian Law Project will appeal those portions of the executive order which were allowed to stand.

A U.S. Department of Justice spokesman had a mixed reaction to the judge's ruling.

"We are pleased the court rejected many of the constitutional arguments raised by the plaintiffs, including their challenge to the government's ban on providing services to terrorist organizations," Justice spokesman Charles Miller said Tuesday. "However, we believe the court erred in finding that certain other aspects of the executive order were unconstitutional."

The judge's ruling was a reversal of her own tentative findings last July in which she indicated she would uphold wide powers asserted by Bush under an anti-terror financing law. She delayed her ruling then to allow more legal briefs to be filed.

The long-running litigation has centered on two groups, the Liberation Tigers, which seeks a separate homeland for the Tamil people in Sri Lanka, and Partiya Karkeran Kurdistan, a political organization representing the interests of Kurds in Turkey.

Both groups have been designated by the United States as foreign terrorist organizations.

The judge's 45-page ruling granted in part and denied in part a legal challenge brought by the Humanitarian Law Project, which seeks to provide training to the groups in human rights advocacy and provide them with humanitarian aid.

END

New York Times

November 29, 2006

U.S. Currency Discriminates Against Blind, Judge Rules

By EDMUND L. ANDREWS

WASHINGTON, Nov. 28 — A federal judge here ruled on Tuesday that the government illegally discriminated against blind people by printing its paper currency on bills of the same size that could not be distinguished by touch.

The judge, James Robertson of Federal District Court, ordered the Treasury Department to start

discussing within 30 days potential remedies, including different note sizes for different denominations and raised numerals and perforated dots on the bills.

“Of the more than 180 countries that issue paper currency,” Judge Robertson wrote, “only the United States prints bills that are identical in size and color in all their denominations.”

The judge pointed out that euro notes came in bigger sizes for higher denominations and had raised numerals as well as foil patches in different shapes. Japanese notes have rough patches to help identify them by touch. Swiss francs feature intaglio printing and perforated numerals, and other countries use sequences of perforated dots.

“The fact that each of these features is currently used in other currencies suggests that, on the face of things, such accommodations are reasonable,” Judge Robertson wrote.

The Treasury Department refused to comment on the decision or on whether it would appeal the order, which came after a four-year court fight between the government and the American Council of the Blind.

The Treasury Department had argued that making bills identifiable by touch would create an undue financial burden for the government. It had estimated that the most expensive approach — printing different sizes for different denominations — would cost $178 million for new printing presses and as much as $50 million for new plates.

Judge Robertson said that cost would be small compared with the $4.2 billion that the government spent on currency production in the past 10 years.

He also rejected as “utterly unpersuasive” government pleas that new tactile features might undermine the anticounterfeiting features. He also dismissed the government’s argument that such features might undermine the greenback’s international acceptance, saying, “This contention is not only not supported but, on its face, absurd.”

Day Al-Mohamed, director of advocacy and government affairs for the American Council of the Blind, said the decision addressed a constant problem for people with little or no eyesight.

Paper currency “is one of the biggest parts of everyday life, and we just don’t have access to it,” Ms. Al-Mohamed said. About 937,000 people in the United States are legally blind, and an additional 2.3 million people have “low vision” even when wearing corrective lenses.

The American Council of the Blind had argued that American paper currency was “inaccessible” to blind people and violated the Rehabilitation Act, which prohibits discrimination in government programs against people with disabilities.

Judge Robertson said people with severely impaired vision were inherently vulnerable to being cheated if they had to depend on other people to distinguish among a $1 bill, a $20 bill or a $100 bill.

In 1995, he added, the National Academy of Sciences concluded that three features could be incorporated into American banknotes: distinctive sizes for each denomination; increasing the size and contrast of numerals; and varying the notes’ colors to help people with limited vision.

In 1996, the government redesigned banknotes and added two features: one larger number at a slightly different height from the rest of the bill, and an infrared symbol to encourage the development of handheld currency readers for the blind.

Judge Robertson said those changes fell “well short” of what the National Academy of Sciences had recommended and were mainly intended to prevent counterfeiting.

END

AP
November 29, 2006

To aid blind, alter money, judge orders

BY MATT APUZZO
ASSOCIATED PRESS

WASHINGTON -- The government discriminates against blind people by printing money that all looks and feels the same, a federal judge said Tuesday in a ruling that could change the appearance of U.S. currency.

District Judge James Robertson ordered the Treasury Department to come up with ways for blind people to tell bills apart.

"Of the more than 180 countries that issue paper currency, only the United States prints bills that are identical in size and color in all their denominations," Robertson wrote.

"More than 100 of the other issuers vary their bills in size according to denomination, and every other issuer includes at least some features that help the visually impaired."

U.S. bills haven't always been the same size. In 1929, the government standardized the size.

The government has 10 days to decide whether to appeal.

END

AP

November 29, 2006

Schools asks court to revive challenge to education mandate

CINCINNATI_School districts in three states and the nation's largest teachers union asked a federal appeals court today to revive a lawsuit challenging the way a government education program is funded.

The National Education Association, its affiliates in Connecticut and eight other states, and school districts in Michigan, Vermont and Texas had sued to block the No Child Left Behind law.

They argued that schools should not have to comply with requirements that aren't paid for by the federal government. They also say the government is imposing unfunded mandates even though the act itself prohibits unfunded mandates.

A chief U.S. District judge in Detroit dismissed the lawsuit in November 2005, saying the plaintiffs failed to support their claim.

END

Bloomberg

November 29, 2006

Justices skeptical of patent process

Bloomberg News.

WASHINGTON The U.S . Supreme Court on Tuesday indicated that it might make it easier to challenge patents granted to some inventions as the justices criticized a lower court test used for more than two decades.

The court heard arguments in a bid by KSR International Co. to stop a lawsuit that accuses it of using Teleflex Inc.'s patented invention for adjustable gas pedals. KSR is asking the court to rule that innovations that merely combine existing products often don't qualify for a patent.

Most patents are issued for improvements to existing products rather than entirely new inventions. Under the current standard, a challenger seeking to invalidate a patent on grounds it simply combined previous inventions must prove there was a "teaching, suggestion or motivation" to put those earlier inventions together.

"It is misleading to say that the whole world is embraced within these three nouns," Justice Antonin Scalia said. "This is gobbledygook. It really is. It's irrational."

The test has been in effect since shortly after the 1982 creation of the U.S. Court of Appeals for the Federal Circuit in Washington, which handles almost all appeals in patent cases.

A ruling for KSR could make it harder to get patents and easier to challenge them in court. Backing KSR are Intel Corp. and Cisco Systems Inc., which say getting a patent is too easy. Supporting Teleflex are Johnson & Johnson, 3M Co. and General Electric Co. They say weakening patent protection would hinder innovation.

Teleflex sued KSR in 2002. KSR makes the pedals for General Motors Corp.'s Chevrolet and GMC trucks and sport-utility vehicles. Teleflex developed the technology for use in Ford Motor Co.'s F350 pickup.

A ruling is expected by July.

END

USDOJ- Office of Public Affairs

From:	USDOJ- Office of Public Affairs
Sent:	Thursday, November 30, 2006 7:58 AM
To:	USDOJ- Office of Public Affairs
Subject:	Attorney General's News Briefing for Thursday, November 30, 2006
Attachments:	agnb061130.pdf; agnb061130.doc

THE ATTORNEY GENERAL'S *NEWS BRIEFING*

PREPARED FOR THE OFFICE OF PUBLIC AFFAIRS, U.S. DEPARTMENT OF JUSTICE BY BULLETIN NEWS WWW.BULLETINNEWS.COM/JUSTICE

TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: THURSDAY, NOVEMBER 30, 2006 7:45 AM EST

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TERRORISM NEWS:

US To Pay $2 Million Settlement For Terror Probe Fingerprint Error. The AP (11/30, Skidmore) reports, "The federal government has agreed to pay an Oregon lawyer $2 million to settle part of a lawsuit he filed after the FBI misidentified a fingerprint and wrongly arrested him in the 2004 Madrid terrorist bombings. 'The pain and torture and humiliation that this (case) has caused my family is hard to put into words,' Brandon Mayfield said after the settlement was announced Wednesday." The AP adds, "The local FBI office said it was proud of its work in the case, and disagreed Mayfield's religion was a factor because it was discovered after the fingerprint identification, said agent Robert Jordan. … The government did not admit liability or fault but issued a formal apology to Mayfield as part of the settlement, said Justice Department spokeswoman Tasia Scolinos."

McClatchy (11/30, Taylor) reports that "Mayfield's arrest is one of the FBI's most embarrassing episodes in its five-year campaign to detect terrorist cells inside the United States. The case also cast doubt on the accuracy of the FBI's troubled fingerprint-identification program and raised questions about sweeping anti-terror measures passed by Congress in the wake of the Sept. 11, 2001, terrorist attacks. … Justice Department officials deny that religion played any part in his arrest. But Mayfield called any other conclusion 'ridiculous.'" McClatchy notes, "Since the arrest, FBI officials said they've made 'significant' changes to the fingerprint identification program to prevent a future mistake."

USA Today (11/30, 3A, Johnson, 2.27M) adds, "Despite the agreement, Mayfield said he would continue to press a separate legal action challenging the USA Patriot Act. … 'The power of the government to secretly search your home or business without probable cause, under the guise of a terrorist investigation, must be stopped,' Mayfield said in a written statement." However, Scolinos "said the department's inspector general concluded earlier this year that Mayfield was not targeted because of his religion and found that the FBI had not misused provisions of the Patriot Act."

The Washington Post (11/30, 3A, Eggen, 690K) notes that "the FBI bungled a fingerprint match" and adds that the "payment is a clear embarrassment for the FBI. … Mayfield said in a statement yesterday that he was threatened with the death penalty while in custody, that he and his family were targeted 'because of our Muslim religion,' and that he looks forward 'to the day when the Patriot Act is declared unconstitutional.'" However, "Scolinos issued a statement emphasizing that the FBI was not aware of Mayfield's Muslim faith when he was first identified as a suspect and that investigators 'did not misuse any provisions of the USA Patriot Act.'"

The Los Angeles Times (11/30, Verhovek, 850K) reports, "The case highlighted the error potential for fingerprint matching, which some experts say is unacceptably high," and the New York Times (11/30, Lichtblau, 1.16M) adds, "Several legal experts said they considered the settlement significant because of the public apology and the substantial payment. … Former CIA lawyer Suzanne Spaulding "said that the terms of the settlement allowing Mr. Mayfield to continue his lawsuit over the Patriot Act were also significant." She noted, "That and the two million dollars are further evidence that they were vulnerable and that he clearly had some significant leverage in these negotiations."

CNN.com (11/30, Schuster, Frieden) reports, "Wednesday's settlement includes not only a $2 million payment and an apology, but also an agreement by the government to destroy communications intercepts conducted by the FBI against Mayfield's home and office during the investigation. … A Justice Department statement released Wednesday said Mayfield was not targeted because of his Muslim faith and that the FBI had taken steps to improve its fingerprint identification process 'to ensure that what happened to Mr. Mayfield does not happen again.'"

The AP (11/30, Peterson) reports that the Portland, OR, FBI office "said Wednesday that it was proud of its work in the case – other than the fingerprint error. … 'If a similar investigation was being conducted, and we were provided a fingerprint identification, we would do exactly what we did in the case of Mr. Mayfield,' said agent Robert Jordan. 'We are very proud of what we did here, but we recognize that our laboratory made a mistake.'" The AP adds, "Justice Department spokeswoman Tasia Scolinos said the FBI has since adopted suggestions for improving its fingerprint identification process 'to ensure that what happened to Mr. Mayfield does not happen again.'" The AP notes, "The U.S. formally apologized to Mayfield as part of the settlement,

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Scolinos said. … Two internal Justice investigations cleared the FBI and prosecutors of wrongdoing, she said. A December 2005 review by the department's Office of Professional Responsibility found that federal prosecutors who handled the investigation acted appropriately. … A month later, Justice Inspector General Glenn A. Fine concluded that Mayfield's faith was not the reason the FBI began its investigation, and that the agency did not misuse provisions of the USA Patriot Act."

The Oregonian (11/30, Denson, 318K) reports, "Mayfield and his wife, Mona, said the $2 million settlement will help pay their lawyers and put their children through college. But they said the money could never make them whole for what they described as illegal violations of their privacy. 'To this date,' Mayfield said, 'the government has refused to tell us where they placed their electronic listening devices and cameras, leaving myself and family to forever wonder if they were listening to our most private conversations, watching our most intimate interactions.'" The Oregonian adds that Jordan "disputed the contention that Mayfield was targeted because of his faith. He pointed out that the event triggering the investigation was a fingerprint found in a bag of detonators in Madrid; only later did the FBI learn that the lawyer was Muslim. … 'Not only did we do nothing wrong here, but everything we did was premised on a fingerprint identification. Our investigation was extremely thorough and extremely professional.' 'But the investigation,' Jordan acknowledged, 'was built on sand, because the investigation was predicated on this fingerprint that the (FBI) lab later determined they were wrong about.'"

CNN Live Today (11/29, Whitfield, 1:39 p.m.) reported, "Remember the 2004 Madrid train bombings? … Perhaps you also remember that an Oregon lawyer was arrested for suspicion of involvement in this train bombing. Now his attorneys…say he has settled a lawsuit with the US government, and now he will get $2 million as a result of his wrongful arrest and the FBI had claimed at the time that his fingerprints were found on a detonator." CNN.com (11/29, Schuster, Frieden) added, "'We lived in 1984,' Mayfield told reporters Wednesday. … 'I, myself, have dark memories of stifling paranoia, of being monitored, followed, watched, tracked,' he said, choking back emotion. 'I've been surveilled, followed, targeted primarily because I've been an outspoken critic of this administration and doing my job to defend others who can't defend themselves, to give them their day in court, and mostly for being a Muslim.'"

Oregonian Says System Remains Too Opaque. Under the headline "Mayfield Settlement Still Leaves A Lot To Be Settled," The Oregonian (11/30, 318K) editorializes, "Any government will always make mistakes, and this outcome shows that the U.S. government can still be held accountable. Robert Jordan, special agent in charge of the Portland FBI, insisted Wednesday that aside from the fingerprint misidentification, 'We are very proud of what we did here.' But a cloak of secrecy makes it hard to check government power or defend citizens' rights, to know just how much Mayfield's Muslim identity overwhelmed doubts about the evidence that the Spanish raised very early in the process. It makes it impossible for Mayfield to know, even now, what the FBI learned about him and who else might know it now." The Oregonian adds, "You could sit in the news conference Wednesday and conclude that the system worked. But you'd also conclude that it needs to work better."

Gonzales Defends Warrantless Surveillance Program. KQXT-FM, San Antonio (11/30, Forsyth) reports, "The strongest defense to date of the controversial warrantless surveillance program from Attorney General Alberto Gonzales. As the Justice Department's inspector general opens an investigation into the effort, Gonzales told WOAI radio in his hometown of San Antonio that it is an 'effective and important program' and he's confident it will eventually be upheld in the courts. … The entire interview will air Thursday morning at 6:20 and 7:10 on San Antonio's First News." KQXT-FM continues, "Gonzales also pledged to correct any 'shortcomings' in the program that may be identified by the IG's probe. … Gonzales said the program to wiretap conversations between people in the United States and people overseas that the government suspects of being involved in terrorism is 'most definitely' continuing despite a ruling of a federal judge in Detroit that the program is unconstitutional, and loud complaints about it from Democrats in Congress. Justice Department IG Glenn Fine notified Rep. Zoe Lofgren (D-Calif) Tuesday that he has opened an investigation into the department's handling of the program, but not into whether the program itself is legal. … 'Even those who have been critical of the President's authority to do this, except for maybe one person in Congress, nobody has suggested that the program stop,' Gonzales said. 'I think people understand that it is an effective program. The Director of the CIA has testified that it has been a very effective program in protecting America. It's for that reason, while

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questions have been raised about the legal authorities of the President, we do believe that the President has the authority to authorize surveillance of the enemy at time of war, and that authority comes from the authorization by Congress to use military force which came shortly after the September 11th attacks.' … Gonzales, however, rejected demands from Lofgren and other Congressional Democrats, to order Fine to probe not just the implementation of the warrantless surveillance program, but its legality as well. … 'He doesn't have the expertise or authority to do that, quite frankly. It is the job for the lawyers within the Department of Justice to determine if something is legal. We have reviewed this program, and in our judgment it is lawful.'"

NYTimes Urges Democrats To Probe NSA Surveillance Program. The New York Times (11/30, 1.16M) editorializes, "It was one of the more outrageous moments in the story of the Bush administration's illegal domestic wiretapping. Almost a year ago, Congressional Democrats called for a review of the Justice Department's role in the program. But the department investigators assigned to do the job were unable to proceed because the White House, at President Bush's personal direction, refused to give them the necessary security clearance. Now the president, for reasons we can't help thinking might have something to do with this month's elections, has changed his mind. The White House will give Justice Department inspectors the required clearance, and a review will go forward." The Times adds, "That's all to the good, as long as the investigation is not intended to pre-empt any efforts by the new Democratic majority to conduct its own Congressional review of the wiretap program. The Justice Department inquiry will hardly do the full job." The Justice Department inquiry "will do nothing to fix the biggest problem with Mr. Bush's eavesdropping program, which is that -- once again -- he ignored existing law and instead tried to create a system outside the law, resting on his dangerously expansive claims of executive power."

Judge Accepts Plea Agreements In Former Colorado Terrorism Case. The Denver Post (11/30, Finley, 256K) reports US District Judge Lewis Babcock "on Wednesday declared the end of the government's four-year case against a Denver Pakistani-American family once targeted by the FBI as terrorists. Family members whose lives were turned upside down simply wept. 'We've lost everything,' longtime Colorado restaurateur Abdul Qayyum said." Babcock "accepted plea deals with federal prosecutors who dropped and reduced immigration charges they pursued after their terrorism case fizzled against Qayyum, his daughter Saima Saima, wife Chris Warren and nephew Irfan Kamran." The Post notes, "FBI agents targeted this family of naturalized U.S. citizens…based on secret evidence after the 9/11 attacks. U.S. Attorney General John Ashcroft trumpeted the case as aggressive action against terrorists. 'When the attorney general of the United States declares your family terrorists,' the result is damage 'far beyond anything this court can do,' defense attorney Ray Moore told Babcock during one of two emotional hearings Wednesday."

El-Masri Tells Senate Aides Of Alleged Torture By CIA. The AP (11/30, Butler) reports, "Khaled el-Masri, who claims the CIA kidnapped and tortured him, recounted his story on Capitol Hill on Wednesday and said he hoped he could help prevent others from suffering a similar fate." The AP continues, "The Kuwaiti-born German citizen said he had brought his story to Washington to encourage greater oversight of CIA activities and force the U.S. government to acknowledge what happened to him. … 'I really want to raise awareness in the Congress so that they can bring some pressure to bear and make changes,' el-Masri said in German after he briefed Senate aides." The AP adds, "A federal appeals court in Richmond, Va., heard arguments Tuesday by el-Masri's lawyers urging the judges to reinstate his lawsuit against a former CIA director, George Tenet, and others. … Discussing the case, el-Masri told reporters, 'What really matters to me is that I would like to know why this was done to me, and I want an explanation and an apology.' … He added, 'I think that we can all benefit from what happens in my case, including others who are still in prison in other parts of the world without the rule of law.'" The AP notes, "El-Masri alleges he was kidnapped while trying to enter Macedonia for a vacation on Dec. 31, 2003. He claims he was flown to a CIA-run prison known as the 'salt pit' in Kabul, Afghanistan, where he was beaten and sodomized with an object during five months in captivity. … The CIA has refused to comment on el-Masri's allegations, which have put a spotlight on the intelligence agency's secret program to deliver suspected terrorists for interrogation in foreign countries. The practice has been heavily criticized by human rights groups."

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Legal Showdown Over Padilla Complicated By Security Issues. In an online exclusive in Newsweek (11/30), Michael Isikoff and Mark Hosenball write, "A looming court fight over claims that one-time enemy combatant Jose Padilla was 'tortured' by the U.S. military is threatening to create new difficulties for one of the Bush administration's most high-profile terrorism cases." Isikoff and Hosenball continue, "In a motion last week, the Justice Department asked a federal judge to block any public testimony about the circumstances of Padilla's interrogations during the more than three years he was detained and interrogated in a military brig in South Carolina. For most of that time, Padilla, a 35-year-old Brooklyn-born U.S. citizen who was raised in Chicago, was held incommunicado, unable to meet with his lawyer or any other visitors. … Even permitting Padilla's lawyers to raise the issue of his alleged mistreatment, prosecutors argued, may 'inflame the jury' and invite 'jury nullification'—the term used to describe what happens when rebellious jurors declare a defendant not guilty, no matter what the evidence, because they are so offended by the government's conduct. (The prosecutors also say there is 'not a shred of record evidence' to back up Padilla's claims that he was tortured and asserted that the 'conditions of his confinement were humane and designed to ensure his safety and security.') … But defense lawyers are convinced that given the seriousness and the specificity of Padilla's claims of mistreatment—many of which involve the use of aggressive interrogation techniques virtually identical to those the Pentagon has confirmed using at Guantánamo—the judge in his case, Marcia Cooke, may have little choice but to order a pretrial hearing on his allegations." Isikoff and Hosenball add, "Padilla's lawyers say they will soon file "additional material" to back up their torture claims. And if Cook grants them a hearing, it could open the door for the first time to questioning in a U.S. courtroom about controversial interrogation methods that were used against one of the most sensitive detainees in U.S. government custody. Padilla's fate is all the more important because his incarceration by the U.S. military was directly ordered from the White House by President Bush. … The matter could prove even more awkward because, according to a source close to Padilla's defense team—who asked not to be identified talking about sensitive matters—any hearing could end up requiring the Pentagon to turn over highly classified video and audiotapes allegedly made of Padilla's interrogation sessions at the U.S. military brig in Charleston, S.C. The content of the tapes has been the subject of recent discussion among lawyers in the case, the source said."

Judge Rules Parts Of Terror Listing Order Unconstitutional. The Washington Times (11/30, Seper) reports, "President Bush lacks the constitutional authority to designate groups and persons as terrorists under a post-September 11 executive order, according to a federal judge in Los Angeles." The Times continues, "U.S. District Judge Audrey B. Collins, in a challenge brought by the Washington, D.C.-based Center for Constitutional Rights on behalf of the Humanitarian Law Project, said a Sept. 24, 2001, executive order naming 27 groups and persons as 'specially designated global terrorists' (SDGTs) allowed no way for those designated to challenge the ruling." The Times adds, "In a 45-page ruling, Judge Collins said the executive order 'contains no definable criteria' to constrain the president's use of it, and, as a result, 'is unconstitutionally vague on its face.' She said the order is subject only to Mr. Bush's 'unfettered discretion.' … The judge also said the order 'contains no definable criteria for designating individuals and groups as SDGTs,' and improperly gives the secretary of the Treasury the power to impose penalties for 'mere association' with the groups." The Times notes, "The ruling, made public on Tuesday, came in a lawsuit in which the Humanitarian Law Project, through the Center for Constitutional Rights, sought to support the nonviolent work of two groups designated as terrorist: The Kurdistan Workers Party, the main Kurdish political party in Turkey, and the Liberation Tigers of Tamil Eelam, a rebel group fighting for a separate homeland for Tamils in Sri Lanka. … The Justice Department said the agency thought Judge Collins had erred in her decision."

State Department Says Al Qaeda Operating With "Great Comfort" In Somalia. The AP (11/30, Gedda) reports, "Al-Qaida militants are operating with 'great comfort in Somalia, providing training and assistance to a radical military element loyal to the Islamic group that controls most of southern Somalia, a senior State Department official said Wednesday." Jendayi Frazer, who heads the department's Africa bureau, "said a priority US goal is the capture of three militants wanted for the bombings of US Embassies in Kenya and Tanzania in 1998 and a hotel in Kenya in 2002. The three are from Sudan, Kenya and the Camoros Islands, located off Africa's east coast. 'We're

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continuing to work with all sides in Somalia to try get those terrorists turned over and to prevent Somalia from becoming a safe haven,' Frazer told a small group of reporters."

HOMELAND RESPONSE:

Despite "Solemn Pledge," Democrats Reject "Key" Tenet Of 9/11 Commission Report. Under the headline "Democrats Reject Key 9/11 Panel Suggestion," the Washington Post (11/30, A7, Weisman, 690K) reports, "It was a solemn pledge, repeated by Democratic leaders and candidates over and over: If elected to the majority in Congress, Democrats would implement all of the recommendations of the bipartisan commission that examined the attacks of Sept. 11, 2001." But "with control of Congress now secured, Democratic leaders have decided for now against implementing the one measure that would affect them most directly: a wholesale reorganization of Congress to improve oversight and funding of the nation's intelligence agencies. Instead, Democratic leaders may create a panel to look at the issue and produce recommendations, according to congressional aides and lawmakers." The Post adds, "Because plans for implementing the commission's recommendations are still fluid, Democratic officials would not speak for the record. But aides on the House and Senate appropriations, armed services and intelligence committees confirmed this week that a reorganization of Congress would not be part of the package of homeland-security changes up for passage in the 'first 100 hours' of the Democratic Congress." Democrats, adds the Post, "are balking, just as Republicans did before them. The decision will almost certainly anger commission members, as well as families of victims of the Sept. 11 attacks."

New Law Expands US Powers To Prosecute Animal Rights Extremists. United Press International (11/30, Waterman) reports, "A new law that comes into force this week gives federal authorities expanded powers to prosecute animal rights militants -- as the State Department is warning that their activities eclipse terrorism as a day-to-day security problem for U.S. companies in Western Europe." UPI continues, "Bush signed S 3880, the Animal Enterprise Terrorism Act, without fanfare at the White House Monday morning, before flying to the Baltic for a NATO summit. … The bill is designed to make it easier for the FBI and Justice Department to wire-tap and prosecute animal rights extremists who mount campaigns of low-level criminal harassment against animal researchers both in the commercial and educational sectors." UPI adds, "Animal rights campaigners and their supporters say it will chill legal protest, and accuse lawmakers of ramming the bill through during the waning days of the lame-duck congress. But supporters retort that there were hearings in both the House and Senate last year and that the ACLU dropped objections to the new law after amendments it backed were incorporated by the bill's authors."

FEMA Ordered To Restore Housing Aid For Evacuees. The Washington Post (11/30, A1, Hsu, 690K) reports on its front page, "The Bush administration unconstitutionally denied aid to tens of thousands of Gulf Coast residents displaced by hurricanes Katrina and Rita and must resume payments immediately, a federal judge ordered yesterday. US District Judge Richard J. Leon said the Federal Emergency Management Agency created a 'Kafkaesque' process that began cutting off rental aid in February to victims of the 2005 storms, did not provide clear reasons for the denials, and hindered applicants' due-process rights to fix errors or appeal government mistakes." The Post adds that the judge's "decision again casts a spotlight on the fate of the poorest members of the diaspora created by the 2005 disasters in New Orleans and along the Louisiana and Mississippi coasts."

Reporting on its front page, USA Today (11/30, 1A, Hall, 2.27M) also notes the judge's assessment of FEMA's policies as "Kafkaesque," adding that he said their "letters to evacuees explaining the process were vague and the application process confusing. He ordered FEMA to resume payments until it either allows evacuees to appeal or better explains its actions. … FEMA spokesman Aaron Walker defended the agency. By law, he said, the emergency housing assistance program is designed as a short-term solution to shelter evacuees. Those who apply and qualify can receive additional longer-term assistance through a separate program, he said."

The New York Times (11/30, Dewan, 1.16M) reports Walker said the agency "had not decided whether to seek a stay of the decision." In a statement following the decision, Walker wrote that the agency had "established a team dedicated to handling appeals on an expedited basis and initiated calls to applicants in an effort to help them

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understand what documentation was needed to process their case.'"

The Los Angeles Times (11/30, Gauette, Simmons, 850K) reports, "FEMA's critics in Congress used the opportunity presented by the ruling to call for changes. 'While this is a victory for the thousands who lost their homes during Hurricane Katrina, it is also a reminder that the system is still in desperate need of reform,' said Rep. Bennie Thompson (D-Miss.), the incoming chairman of the House Homeland Security Committee, which oversees FEMA. 'It is unacceptable to force overburdened victims to navigate through bureaucratic red tape to find out whether they will ever have a place to go home to.'"

The AP (11/29, Apuzzo) reported that Wednesday's decision was "the second court victory for Katrina victims this week. A federal judge in Louisiana said Monday that many homeowners might be entitled to more insurance money for flood damage."

WAR NEWS:

Memo Cited As Reason For Maliki's "Abrupt" Cancellation Of Initial Bush Meeting. USA Today (11/30, 2A, Jackson, Nichols, 2.27M) reports, "President Bush and Iraqi Prime Minister Nouri al-Maliki began high-stakes talks early today, in the wake of last-minute scheduling changes and a parliamentary walkout in Baghdad." The two leaders "had breakfast a day after the abrupt cancellation of a scheduled opening meeting that was also to have included Jordan's King Abdullah II, the host of this summit." The AP (11/30, Raum) reports that after meeting with Maliki this morning, Bush said that "he and Iraqi Prime Minister Nouri al-Maliki agreed in high-stakes talks that Iraq should not be partitioned into separate, semiautonomous zones. 'The prime minister made clear that splitting his country into parts, as some have suggested, is not what the Iraqi people want, and that any partition of Iraq would only lead to an increase in sectarian violence,' Bush said after nearly two and a half hours of talks aimed at stabilizing Iraq. 'I agree.'" Maliki "left the door open for countries like Iran and Syria to play a part in Iraq's struggle for peace. 'We are ready to cooperate with everybody who believes that the need to cooperate with the national unity government, especially our neighbors,' al-Maliki said."

The Financial Times (11/30, Devi, Dinmore, Khalaf) notes "Maliki left a political storm behind him at home. Shia lawmakers and cabinet ministers led by Mr al-Sadr suspended their participation in government institutions in protest at the summit. The boycott by the five Sadrist ministers and 30 lawmakers may not cause lasting damage but it piles the pressure on Mr Maliki." The Washington Post (11/30, A19, Raghavan, 690K) also remarks on Sadr's "swift maneuver," which "cast a shadow over the diplomacy in Amman and issued a reminder of his growing influence in Iraq."

But the cancelled Wednesday meeting dominated today's headlines and TV coverage. The AP (11/30, Raum) calls yesterday's cancellation "a stunning turn of events" that took place "after disclosure of US doubts about the Iraqi leader's capabilities and a political boycott in Baghdad protesting his attendance." The "abrupt cancellation" was "an almost unheard-of development in the high-level diplomatic circles of a US president, a king and a prime minister."

Maliki's move led to a series of apparently contradictory Administration explanations -- and denials that the leaked memo had played a part in Maliki's decision. McClatchy (11/30, Allam, Douglas) reports "Administration officials were at a loss to offer a single version of why the Maliki-Bush dinner was canceled. One senior administration official insisted that the dinner had never been planned, but a schedule given to reporters traveling with the president on Tuesday listed a 7:45 p.m. meeting among Bush, Maliki and Jordan's King Abdullah II, followed by an 8:35 p.m. dinner." Spokesmen for King Abdullah "said that the schedule had been changed to give the king more time to meet with Bush on Jordanian issues. They said that Abdullah had met with Maliki earlier in the day." Overall, the incident produced another day of markedly negative press coverage of Bush's trip. The New York Times (11/30, A1, Stolberg, Wong, 1.16M) reports "the careful orchestration leading up to the Bush-Maliki summit meeting -- including a news conference in Estonia on Tuesday where Mr. Bush promised to press the Iraqi prime minister on his strategy for stability -- was upended when The New York Times published the classified assessment of Mr. Maliki in Wednesday's issue."

The Los Angeles Times (11/30, Wallsten, Moore, 850K) says "White House officials spent the day on the defensive -- insisting they had faith in Maliki despite the harsh content of the leaked memo, and struggling to explain why a meeting

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that had been on the president's calendar for days was suddenly scrubbed." The Times adds, "Senior Bush aides offered at least four explanations for the cancellation -- finally dispatching a more junior official to tell reporters late Wednesday that Maliki and Jordan's King Abdullah II had decided mutually that a three-way conversation was not necessary." The Washington Times (11/30, Dinan, 88K), under the headline "Iraq Cancels Meeting After 'Ignorant' Memo," notes the memo "says the Iraqi leader is either 'ignorant,' devious or incapable of governing right now."

ABC World News (11/29, lead story, 2:50, Raddatz, 8.78M) said "the White House is trying to downplay the significance of this. But it's a huge embarrassment." The White House "insisted this was not a snub. This is how White House counselor Dan Bartlett explained it. 'There was going to be a trilateral meeting and then the dinner with the King. Now, since they already had a bilateral themselves, the King of Jordan and the Prime Minister, everybody felt, well, there's no reason for them to do a trilateral meeting beforehand, because matters had been discussed.' We spoke, tonight, with the US Ambassador to Iraq. Whose idea was that to first cancel it?" The White House also "denied that Malaki's sudden decision had anything to do with a leaked memo that appeared in this morning's 'New York Times,' calling into doubt Malaki's ability and will to stop sectarian violence." Despite the White House's assertion, ABC World News (11/29, story 2, 2:30, McCarthy, 8.78M) later mused that "Maliki perhaps pulled out of tonight's meeting, angered at the memo, or keen to show his political base he's not an American puppet."

The CBS Evening News (11/29, lead story, 2:40, Axelrod, 7.66M) also noted "the White House insists this has nothing to do" with the memo, NBC Nightly News (11/29, lead story, 4:10, Williams, 9.87M) said "Maliki's "decision…looked a lot like an angry reaction to the emergence today of a White House memo critical of his leadership." NBC interviewed Zalmay Khalilzad, US Ambassador to Iraq. Asked whether he expects "people to believe that this was not a snub of the President," Khalilzad said, "Oh, absolutely it was not a snub of the President." On the subject of the leak, "the White House maintained it didn't know where the memo came from. But the timing is striking because it comes at a time when the White House is eager to put the pressure very publicly on the Iraqi leader." The CBS Evening News (11/29, story 4, 2:10, Couric, 7.66M) also interviewed Khalilzad. Asked about Maliki, he said, "He has my confidence. I believe that he wants Iraq to succeed and he's a Prime Minister. Iraq's failure will be his failure. His success will be Iraq's success."

NBC Nightly News (11/29, story 2, 2:35, Williams, 9.87M) also reported that "to Iraqis like Maliki, pride is very potent in life and how might that play in here?" NBC (Engel) added, "It is one of the characteristics that has probably been most understood in the last four years of this war in Iraq: Iraqi pride. It is misunderstood by American diplomats and soldiers, so to invite Prime Minister Maliki for this summit and then to have this very insulting memo put out talking about spying on him, questioning his intentions, it is not the kind of thing that will win trust, particularly anywhere in Iraq or almost anywhere else in the Middle East."

The Washington Post (11/30, A1, Abramowitz, Tyson, 690K) quotes Bartlett saying, "No one should read too much into this," and White House press secretary Tony Snow assuring reporters that "there's no snub" by Maliki. The Post adds, "Two senior administration officials" held "a contentious background briefing with White House reporters who repeatedly challenged their explanation."

On MSNBC's Hardball (11/29, Shuster), State Department senior adviser David Satterfield was asked if it "was a snub" when Iraqi officials would not meet with President Bush. Satterfield said, "Well, the trilateral meeting that was planned for this evening was a social call between the King, the President and the Prime Minister. The Prime Minister had had a very good session with King Abdullah earlier in the day. The decision was made that there was no need for this essentially courtesy meeting. The real meeting will be tomorrow morning with the President." Shuster: "But courtesy meeting or not, it can still be a snub, even if it's just drinks and dinner." Satterfield: "We don't see it that way, and that's certainly not the way the President views it."

On CNN's The Situation Room (11/29, Blitzer), Satterfield said, "He's not boycotting the meeting. It was agreed that the meeting would not take place, the meeting wasn't necessary. And with respect to Muqtada al-Sadr, its threats or the action taken by his parliamentarians, they haven't had any impact on the Prime Minister's willingness to come to Jordan in the first instance, or to meet with the President in the second. It's going ahead regardless."

The content of the leaked memo is also coming under criticism. McClatchy (11/30, Landay, Youssef) reports, "It would be extremely difficult, if not impossible, to implement most of the key ideas for quelling the Iraqi civil war that are outlined in a classified Nov. 8 memo to President Bush from

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National Security Adviser Stephen Hadley, experts said Wednesday. Trying to push anti-U.S. Shiite Muslim cleric Muqtada al-Sadr out of the ruling coalition led by Prime Minister Nouri al-Maliki, as the memo suggests, would be throwing gasoline on a fire, they said." Sadr's party "is the largest in parliament, with 32 seats, and Maliki became prime minister only with his support." The Christian Science Monitor (11/30, Murphy, 59K) quotes Chris Toensing, executive director of the Middle East Research and Information Project in Washington, saying Malaki "is not likely to abandon his Shiite political powerbase, including Sadr. … 'It's a calculus about his own protection, and for a future when the US eventually leaves,' he says."

Extreme pessimism about the future of the US mission in Iraq once again pervaded the network TV coverage. On NBC Nightly News (11/29, story 4, 1:50, 9.87M), Tim Russert said, "You talk to Republicans and Democrats and you hear the same thing, almost a complete sense of resignation, that there is no good probable outcome for Iraq." ABC World News (11/29, story 4, 6:00, Gibson, 8.78M) interviewed Ret. Gen. Jack Keane, former Army Vice Chief of Staff, US Army, who said, "The strategy we have, which, was in its essence, a defensive military strategy. It was never designed to defeat the insurgency. It was simply designed to transition to the Iraqi security forces, as its core principal." Fareed Zakaria, editor 'Newsweek International: "More forces would have worked if the only problem you were dealing was insurgency. What you are dealing with now is a civil war." Richard Haass, Pres. Council on Foreign Relations: "We've already sent more troops. We're up to about 150,000 American soldiers. We could send a few more. It won't do a lot militarily. But what it may do is help the Administration politically. We're probably reaching a point where the President's trip and more broadly US policy, now, is probably the last hurrah. I do not believe the challenges we face are the sort of challenges that can be successfully met with more firepower." Haass also said, "The word 'success' the word 'victory' should be expunged from our vocabulary now. We should be cutting cost options. That's all that's left for the United States in Iraq." Haass said on MSNBC's Hardball (11/29, Shuster) that Maliki is "under tremendous pressure at home for being too close to the Americans. At the same time, he's obviously reading in the New York Times and elsewhere the fact that the United States is extraordinarily unhappy with him. So he's in an extraordinarily difficult position."

ISG Will Recommend Withdrawal Of US Combat Troops From Iraq. The New York Times (11/30, A1, Sanger, Cloud, 1.16M) reports, "The bipartisan Iraq Study Group reached a consensus on Wednesday on a final report that will call for a gradual pullback of the 15 American combat brigades now in Iraq but stop short of setting a firm timetable for their withdrawal, according to people familiar with the panel's deliberations." The report, "unanimously approved by the 10-member panel, led by James A. Baker III and Lee H. Hamilton, is to be delivered to President Bush next week. It is a compromise between distinct paths that the group has debated since March, avoiding a specific timetable, which has been opposed by Mr. Bush, but making it clear that the American troop commitment should not be open-ended. The recommendations of the group, formed at the request of members of Congress, are nonbinding." The Times adds, "A person who participated in the commission's debate said that unless the government of Prime Minister Nuri Kamal al-Maliki believed that Mr. Bush was under pressure to pull back troops in the near future, 'there will be zero sense of urgency to reach the political settlement that needs to be reached.'" The report "recommends that Mr. Bush make it clear that he intends to start the withdrawal relatively soon, and people familiar with the debate over the final language said the implicit message was that the process should begin sometime next year. The report leaves unstated whether the 15 combat brigades that are the bulk of American fighting forces in Iraq would be brought home, or simply pulled back to bases in Iraq or in neighboring countries." Meanwhile, the Washington Times (11/30, Scarborough, 88K) says "all six members of the Joint Chiefs of Staff, amid an ongoing Pentagon review of strategy for Iraq, oppose pulling out US troops now, and are also against a specific withdrawal timetable, a defense source said yesterday. 'The chiefs are solid. They want victory,' the source said. 'There is no dissent.'"

The CBS Evening News (11/29, story 2, 2:20, Martin, 7.66M) reported, "Members of the Iraq Study Group headed by former Secretary of State Baker have reached agreement on their recommendations for a new war strategy, which will be delivered to the President and released publicly a week from today. Sources close to the group expected to recommend a restructuring of US military forces, putting in more trainers and fewer combat troops, setting a timetable for the Iraqi government to take responsibility for its own security,

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and holding talks with Iran and Syria." The White House "says the group's report will be a factor but not a blueprint for the President in deciding on changes in his war strategy."

ABC World News (11/29, story 3, 0:30, Gibson, 8.78M) said "the Iraq Study Group is expected to call for direct talks with Iran and Syria to end the violence. Both countries had messages for America today. Neither one sounded at all cooperative. Syria's President, Assad, said his country will continue to challenge US efforts to exert control over the Middle East. 'As colonialism continues,' he said, 'revolution and resistance continue.' And Iran's President, Mahmoud Ahmadinejad, called the US involvement in Iraq, a military misadventure. He said Americans should demand the withdrawal of US troops."

USA Today (11/30, 1A, Page, Slavin, 2.27M) reports, "The war has become a Rubik's Cube: Move to fix one side of the puzzle and another side is upended. … The Baker commission could provide bipartisan cover to take difficult steps, says Sen. Joseph Biden, D-Del., incoming chairman of the Foreign Relations Committee. 'I think the president will have to listen,' he says."

Reacting to the news about the ISG on CNN's The Situation Room (11/29, Blitzer), Rep. Charles Rangel said, "Democrats may be in the majority in the Congress but we are not a part of the executive branch. The President has heard the American people loud and clear. They're against the war. I hope this Iraqi Study Group reflects that type of feeling. I'm certain it will." And Rep.-elect Chris Carney said on MSNBC's Hardball (11/29, Shuster), "I have not called for a timetable myself. I did hear Gen. Casey a couple of weeks ago, when he was talking about the insurgency, saying that it would take 12-24 months to train up the Iraqis to take care of the situation themselves. That's what I advocate, is that the Iraqis start to take control of their own destiny here."

In his "Washington Sketch" column in the Washington Post (11/30, A2, 690K), Dana Milbank writes, "Does anybody have a good plan for Iraq? Not President Bush. … Neither does the Pentagon appear to have a solution. Gen. Pete Pace, chairman of the Joint Chiefs of Staff, called a news conference yesterday to advise the American public not to expect big conclusions from a major Iraq study he ordered. 'There's not an end product,' he announced. Nor, apparently, do the Democrats have the answer." Milbank adds, "Political Washington is in a state of suspended animation these days: waiting for Bob Gates to replace Donald Rumsfeld as secretary of defense, waiting for the Baker-Hamilton commission, waiting to see whether Bush will raise or lower troop levels."

Bush Said To Back Talks With Syria And Iran "In Principle." The Wall Street Journal (11/30, A1, Dreazen, Simpson, Fam, 2.04M) reports that as President Bush "arrived in Jordan last night, the White House has made clear that it is open -- at least in principle -- to considering talks with longstanding rivals Syria and Iran, though it wants them to first change their behavior." Secretary of State Condoleezza Rice "announced yesterday that she is meeting with Israeli Prime Minister Ehud Olmert today amid efforts to revive the moribund Israeli-Palestinian peace process that allies say the Bush administration has never really embraced. And the administration has toned down its pressure on allied authoritarian countries such as Egypt and Saudi Arabia, which it previously suggested should embrace democratic measures. Taken together, the administration's diplomatic initiatives represent an effort to cobble together as much of the decades-old Middle East power structure as possible as a way of restoring stability to Iraq and deterring Iran."

Gates Signals Support For Talks With Syria, Iran. CNN's The Situation Room (11/29, Koppel) reported, "Even as…Bush's plane was touching down in Amman, Jordan, today for his summit with Iraq's prime minister, back here in Washington, Robert Gates, the former head of the CIA, was signaling that he and Mr. Bush do not necessarily see eye-to-eye on Iraq." Gates says he "believes the U.S. needs to talk to Iraq's other neighbors, like Iran and Syria. That would be at odds with current U.S. policy. Gates laid out his position in written testimony obtained by CNN to the Senate Armed Services Committee, which begins his confirmation hearing next week. On Iran, Gates likens the situation to the cold war era, when even during the worst days, he said, the U.S. maintained a dialogue with the Soviet Union and China. In the case of Iran, Gates says: 'I believe no option that could potentially benefit U.S. policy should be off the table.' He goes on to suggest that 'dialogue could be as part of an international conference,' an approach Gates believes should also be considered with Syria."

Democrats Want "Special Envoy." The New York Times (11/30, Hulse, 1.16M) reports, "Leading Senate Democrats called Wednesday for…Bush to appoint a special envoy to work with Iraqi leaders to bring increasing violence in Iraq under control. 'Violence in Iraq has reached critical levels, and the violence is not predominantly instigated by insurgents, but is taking place between Sunnis and Shia,'

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said Senator Harry Reid, who will become the majority leader, and four other top Senate Democrats in a letter sent to Mr. Bush. 'It is our belief that coalition military action alone cannot end this violence.'" The lawmakers "said in the letter that the special American envoy could follow up on issues raised between Mr. Bush and Prime Minister Nuri Kamal al-Maliki of Iraq during their planned meeting on Thursday in Jordan."

In a "Web Exclusive," Michael Hirsh writes in Newsweek (11/30, 3.12M), "The forthcoming report by James Baker's Iraq Study Group has enjoyed the biggest public buildup since the Segway. And it is likely to be just as big of a bust. Here's why the Baker-Hamilton report is destined to land with a thud, after weeks of messianic hype. … This major shift is going to occur no matter what Baker-Hamilton says. The future course of U.S. involvement is set for a long time to come: as the Iraqi Army matures beyond the five or so divisions that are now functioning, very brave American officers will join them, guiding their movements with the latest technology that effectively will give them a proxy air force. This will be a slow, painstaking process, neither cut and run nor stay the course. Just find a medium-term way to extricate yourself with your scalp intact." Iraq "is not winnable or losable. All it is, in the best case, is manageable. What's needed instead of careful consensus building in Washington is a Richard Holbrooke or a Henry Kissinger out in the field, a tough, no-nonsense negotiator who can grapple with the reality of the American failure in the region and simply seek the most honorable way out."

More Commentary. Author Scott Turow writes in the Wall Street Journal (11/30, 2.04M), "Our government must urge Iraqi leaders to hold an immediate plebiscite on a single question: Should American forces remain in Iraq until a stable democratic order emerges, however long that takes, or should we instead withdraw in stages over a fixed period, say, the next 12 months? I have a guess about which way the vote will go. Since opinion-sampling began a year after the invasion, one poll after another has found that an increasing majority of Iraqis would like us to pack our gear and leave." But "who knows how accurate polling is in a society like Iraq, where so many citizens have reasons to be guarded about their views? And even if the results reflected opinions at the time, it's possible that an informed national discussion might change minds."

In a New York Times op-ed column (11/30), author Thomas Powers says, "The chaotic war in Iraq is the great piece of unfinished business that will soon face Robert M. Gates, President Bush's choice to replace Donald Rumsfeld as secretary of defense." Defeating the "insurgents is only half of the challenge; harder will be finding some way to restrain or disband the Shiite militias without bringing them into the war against us. Down that road would lie a spiraling conflict as protracted and unwinnable as the war in Vietnam. The Republicans may have lost the midterm elections, but to my ear, on the subject of Iraq, the president has never sounded ready to accept anything that might be called defeat. Iraq is not Vietnam, but we are the same. We find ourselves, at a parallel moment, militarily committed to a policy on the verge of conspicuous failure. The American people, now as then, are unsettled by the phrase 'cut and run' and reluctant to put their judgment ahead of the president's."

US Commanders Order Reinforcements Into Baghdad. The AP (11/30, Jelinek) reports, "The Pentagon is developing plans to send four more battalions to Iraq early next year, partly to boost security in Baghdad, defense officials said Wednesday. … The extra combat engineer battalions of reserves, likely to be sent to Baghdad, would total about 3,500 troops, officials said. They said the units, coming from around the United States, have already done tours in Iraq but there has been no final decision on which will go." The moves "come as violence continues to rise in Baghdad, and President Bush is under growing pressure to craft an exit strategy that would withdraw a substantial number of US troops from Iraq while shifting more responsibility to the Iraqi government."

The CBS Evening News (11/29, story 2, 2:20, Couric, 7.66M) reported "the Pentagon is getting ready to send more troops in." CBS (Martin) added, "With conditions in Baghdad too dire to wait for the outcome of either the summit or the Administration's strategy review, commanders in Iraq have ordered reinforcements into the capital. About 3,500 US combat troops are being moved from over parts of the country into the city where a combined force of 40,000 Americans and Iraqis have so far been unable to stop the spiral of violence. The American reinforcements will take the place of Iraqi troops, which the government had promised but never delivered. But as Democratic Senator Jack Reed said, numbers alone are not likely to determine the outcome."

NBC Nightly News (11/29, story 3, 2:25, Miklaszewski, 9.87M) reported, "NBC News has learned the US military is looking at a temporary increase of up to 20,000 troops. That

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could be done by extending the tours of three brigades of soldiers who have already spent a year in Iraq and by accelerating deployment for two other brigades, sending them into Iraq earlier than scheduled. The Army will also activate four battalions of reserve combat engineers, some 2,800 troops. Their mission -- help build security barriers in Baghdad around heavily congested areas, like open air markets, prime targets for suicide car bombers. The US military is also pushing Iraqi officials to send more Iraqi security forces into Baghdad, but sectarian differences within the Iraqi military itself could lead to more violence if Shi'ia soldiers moved into a Sunni neighborhood or vice versa."

The CBS Evening News (11/29, story 3, 1:00, Palmer, 7.66M) reported from Baghdad, "I have to say it's going to be skepticism on the part of most Iraqis because they've been promised two big troop initiatives, US troop initiatives in the past six months that were designed to quell the violence here, neither has worked out that way. Although they recognize they need help with security, they're not at all convinced that more US soldiers is the answer. Now, as for Moqtada al-Sadr's followers, they're going to regard this as a deliberate provocation. They have said from the beginning they want US troops out and quickly. So the idea that the troop strength is going to be beefed up has made them very angry. In fact, when we talked to them a couple of hours ago, they said this might not only make them boycott the government indefinitely, but they May even decide to quit all together."

Powell Says Iraq Conflict A "Civil War." ABC World News (11/29, story 5, 2:50, Gibson, 8.78M) reported, "The former Secretary of State, Colin Powell, said today that the situation there could be considered a civil war. That's in sharp contrast to President Bush, who has rejected any such characterization. Powell made the comment at a business conference in Dubai." The AP (11/30, Krane) notes "no cameras were allowed in to record" Powell's talk.' During his speech, reportedly, "Powell said the Iraq war had three phases. The first, the invasion phase, went as planned. But the second phase, the military occupation, was 'badly handled,' Powell said, according to the conference organizer. Mistakes during the second phase led to the third, 'which could be considered a civil war,' Powell told the conference."

The Christian Science Monitor (11/30, Feldmann, 59K) reports, "Bit by bit, the mainstream media are referring to the war in Iraq as a 'civil war' in news coverage. … Most scholars who study war view the Iraq situation as a civil war; the only debate is when it became one -- in 2004 when the US transferred sovereignty to Iraqis, or early this year when the bombing of a Shiite mosque in Samarra sparked a wave of sectarian violence that continues? Academics cite the standard definition of civil war: groups from the same country fighting for political control, and a death toll of at least 1,000. A majority of Americans view the conflict as a civil war, polls show." The debate over terminology "seems to have sprung from the latest surge in sectarian violence, and perhaps from a greater sense of freedom among US media, after the November elections, to call the situation as they see it without being accused of political bias, analysts say."

68% Of US Adults See "Civil War" In Iraq. On its website, the Wall Street Journal (11/30, 2.04M) reports "a majority of Americans think Iraq is in the midst of a civil war, a new Harris Interactive poll finds, and few are confident that Robert Gates's nomination as Secretary of Defense will improve the situation there. Sixty-eight percent of US adults said they believe there is a civil war in Iraq, the online poll from Nov. 13 to Nov. 20 found, compared with 14% who disagree and 18% who aren't sure."

Iraq Police Academy In Jordan Beset By Sectarian Divisions. The CBS Evening News (11/29, story 5, 2:25, Couric, 7.66M) reported, "On the eve of the summit here in Amman, there is no greater priority for President Bush and Prime Minister Maliki than training Iraqi security forces so they can take the place of US troops. Surprisingly, the effort to rebuild Iraq's police force started right here in Jordan. But…it's been a very bumpy ride." CBS (Phillips) added, "Once it was hoped the march to the new Iraq would begin here on a parade ground just outside of Amman, Jordan. Now the future of this police academy and of its graduates is as uncertain as that of the country itself. The academy, set up here shortly after the fall of Saddam, has brought Iraqi recruits in to be trained by international instructors in the hope that they'd be the seed crop of a new Iraqi police culture, one that would protect citizens, not prop up a repressive regime. More than 40,000 have been trained here, a third of Iraq's total force. … That's the good news. The bad is that the same divisions that are tearing Iraq apart at home are at work here. The cadets are Iraqi Shias and Sunnis and Kurds, communities that are virtually at war. Here's a little fact that illustrates the problem. When the firing range was designed, the instructors were worried about giving weapons with live ammunition to Iraqis from the various

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warring communities, so they built these sandbag defenses to hide behind just in case. Not only that, but all the instructors are armed. While fighting never broke out here, loyalties to the warring militias are a problem, which is why the Iraqi instructors fear their identities becoming known."

WSJournal Highlights Findings Of Australia's Oil-For-Food Probe. The Wall Street Journal (11/30, 2.04M) reports, "Australia's involvement in Saddam Hussein's Oil for Food scam has been known for years. But the bright light shone this week by the Cole Commission report is nonetheless illuminating -- and a lesson for other countries. In 2,065 pages, Sir Terence Cole and his team unmask the vast corruption in AWB Ltd., Australia's former wheat board and supplier for a time of 16% of the world's wheat. That alone is a huge public service. AWB was the single largest payer of kickbacks to Saddam." Regarding the UN, Cole "notes that 'the United Nations knew that Iraq was breaching sanctions by requiring payment of inland transport fees and surcharges or after-sales-service fees. It knew this between 1999 and 2003. … It took no steps to publicize or warn member states of the Iraqi practices, and it took no steps to stop the practices.'"

NATO To Add Troops In Afghanistan, Will Remove Some Combat Restrictions. The Washington Post (11/30, A14, Abramowitz, 690K) reports, "European NATO countries pledged Wednesday to remove some of the restrictions on combat by their troops in Afghanistan, officials here said, as the alliance sought to close ranks and bring new force to bear against a resurgent Taliban militia." The NATO governments "declared that attaining peace and security in Afghanistan is now the 'key priority' for a grouping originally formed to confront Soviet military power in the Cold War." The Washington Times (11/30, Dinan, 88K) notes the NATO leaders also "agreed…to add troops to the 32,000 already in Afghanistan, but European countries such as France and Spain retained some of the restrictions that prevent their troops from taking a more active role in the fighting."

The Financial Times (11/30, Dombey, Fidler, Bokhari) reports that at the close of a two-day summit in Riga, "Jaap de Hoop Scheffer, Nato's secretary-general, said the alliance had met 90 per cent of the requirements for its mission in Afghanistan – chiefly by reducing or eliminating national 'caveats' or restrictions on the use of troops. Previously Nato had said it had fulfilled 85 per cent of the requirements. 'We still have to work on the other 10 per cent,' Mr de Hoop Scheffer said."

The Christian Science Monitor (11/30, LaFranchi, 59K) reports, "The question looming over NATO's summit in this Baltic country this week was essentially this: What are friends for? With the focus on the NATO-commanded counterinsurgency operation in Afghanistan, leaders from President George Bush to Canada's Prime Minister Stephen Harper wanted to know if just a few NATO countries would continue to carry the weight and face the worst of the danger. Or, would more of NATO's 26 members help out their partners with more troops - and fewer restrictions on how their troops can be used?" The answer "was only partially positive. At the close of the summit Wednesday, a few countries had pledged more forces for the 33,000-troop operation, while others -- in particular Germany, France, Spain, and Italy -- loosened restrictions on 'emergency' engagement of their forces, so that they now can be used for the evacuation of injured NATO soldiers."

White House Planning For NATO Summit Detailed. The New York Times (11/30, A16, Stolberg, 1.16M) reports in a "Reporter's Notebook" feature about the behind-the scenes events during President Bush's visit this to the NATO summit. The Times notes that presidential trips "require the right lighting, the right mix of people, the right backdrops," therefore the White House "began sending out advance teams as early as August to create the perfect imagery for the president's NATO summit swing through Estonia and Latvia." In Riga, for example, the conference was held at the city's "most ornate" building, the Black Heads House. However, "its name and scantily clad black figurines proved too much for a White House intent on repairing strained relations with African-Americans," the Times notes.

Putin Presence At NATO Summit Said To Be "A Little Creepy." Columnist Jackson Diehl from the Washington Post (11/30, A23, Diehl, 690K) writes that at the NATO summit in Riga, Latvia, the "Chirac-Putin stink bomb produced a wave of revulsion, confusion and, eventually, tactical maneuvering among the allied delegations," but there was a "lingering lesson." The Western allies have no idea what to do about Putin." Putin is now "generally understood to be an autocratic imperialist whose political enemies suffer from a high rate of sinister poisonings," and "Bush and other NATO leaders aren't ready to act on that understanding, or even to state it out loud." However, "the idea of having the

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man to their summit meeting has become a little creepy -- something only a bitter French lame duck would do."

DOJ:

Bush Taps Buchanan To Head DOJ's Office On Violence Against Women. The AP (11/30) reports, "U.S. Attorney Mary Beth Buchanan was appointed acting director of the Justice Department's Office on Violence Against Women." The AP continues, "Buchanan will remain the lead prosecutor in the 25-county Western District of Pennsylvania, while also heading the Washington, D.C.-based office. President Bush announced the appointment Wednesday. … The office administers financial and technical assistance to communities around the country that are creating programs and policies aimed at ending domestic violence." The AP adds, "Buchanan became an assistant prosecutor in 1988 and specialized in white collar and child exploitation crimes before being sworn in as U.S. attorney in September 2001. She also served as the director of the Executive Office of United States Attorneys from June 2004 to June 2005."'

The Pittsburgh Post-Gazette (11/30, Ward) reports, "The Washington, D.C., office administers assistance -- both financial and technical -- to communities around the country that are creating programs and policies aimed at ending all forms of domestic violence. Its main mission is to encourage the use of the Violence Against Women Act, which went into effect in 1995. .. .Next year, Ms. Buchanan will oversee the spending of some $400 million in various program areas in the office." The Post-Gazette adds, "Some of that will be used to provide legal assistance to victims, to pay for supervised visitation and safe exchanges for children involved in custody disputes, and to provide support for elderly victims, Ms. Buchanan said. … 'Issues involving violence against women and families have been one of my most significant interests,' she said. 'I welcome the opportunity to be effective on a national level in addressing this problem.' … She plans to focus on increasing outreach to Native American tribes and on college campuses. In addition, she hopes to target young people to educate them about the damage caused by domestic violence."

CORPORATE SCANDALS:

DOJ Rethinking Policy On Corporate Prosecutions. The AP (11/30, Jordan) reports, "The Justice Department is considering scaling back tough policies used to prosecute scandal-plagued corporations, legal tools criticized as unfairly pressuring companies and employees to cooperate in investigations." The AP continues, "The policies, used in criminal investigations of accounting firms Arthur Anderson and KPMG, could be changed as early as next week, according to people familiar with discussions among Bush administration officials and congressional leaders." The AP adds, "No final decisions have been made, department officials said. But the review comes as outgoing Senate Judiciary Chairman Arlen Specter, R-Pa., threatens to ease parts of the 2003 crackdown on white collar crimes in legislation he plans to file next week. … Additionally, an odd coalition of critics — from the U.S. Chamber of Commerce and the American Bar Association to former Attorney General Ed Meese and the American Civil Liberties Union — are calling for greater protections for those targeted in cases." The AP notes, "At issue is what has become known as the Thompson Memo, written by former Deputy Attorney General Larry Thompson. In the wake of scandals involving Enron Corp. and WorldCom Corp., it sought to coordinate prosecution tactics among the country's 94 U.S. attorneys. … The policy allows prosecutors to show leniency to companies that cooperate with investigators by refusing to pay employees legal fees and disclosing confidential discussions between company lawyers and executives targeted by the government. The memo suggests that companies not cooperating could be indicted."

The Washington Post (11/30, D1, Johnson) reports, "The changes, which could require local U.S. attorneys to obtain input from high-level Justice Department officials before seeking corporate indictments, could be unveiled by Deputy Attorney General Paul J. McNulty next month, according to sources briefed on the issue who spoke on condition of anonymity because the deliberations are not yet complete. The administrative revisions also may forbid government lawyers from forcing companies to stop paying attorney fees to employees ensnared in investigations, a move that was declared unconstitutional in June by a federal judge in New York." The Post adds, "Separately, Senate Judiciary Chairman Arlen Specter (R-Pa.) is drafting legislation that

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would bar prosecutors from forcing companies to waive their attorney-client privilege over internal documents in order to avoid criminal charges, a key part of the current guidelines. Specter, who has received support from Sen. Patrick J. Leahy (D-Vt.), could release the bill as early as Monday." The Post notes, "Debate about the appropriate use of prosecutorial power over business has simmered for years, reigniting in 2002 when the Justice Department charged Arthur Andersen LLP with obstruction of justice, a move that prompted partners and clients to flee and hastened the death of the audit firm."

Report Recommends Reducing Corporate Regulations. The Wall Street Journal (11/30, Ip, Scannell, Solomon, 2.04M) reports a "blue-ribbon committee on financial regulation has called for better protection of auditors, company employees and outside directors from authorities and lawsuits, as well as less-detailed rule-making and lower-key investigations." The Committee on Capital Markets Regulation's report "is one of the most high-profile efforts to date to address concerns that excessive regulation -- much of it a response to recent corporate scandals -- is adding to corporate costs, stifling the public securities markets and causing the U.S. markets to lose business to foreign competitors." The committee is "directed by Harvard law professor Hal Scott and co-chaired by former White House adviser Glenn Hubbard, now dean of Columbia University's business school, and John Thornton, former president at Goldman Sachs Group Inc. and now chairman of the Brookings Institution." The report "makes 32 recommendations, of which six relate to easing the application of Section 404 of the 2002 Sarbanes-Oxley Act governing internal company-financial controls. The SEC already plans to present new guidance on section 404 on Dec. 13. Companies have complained that the section is expensive and onerous to implement."

USA Today (11/30, 1B, Farrell, 2.27M) reports, "A group of prominent business executives and academics is planning to issue a call today for government regulators to ease up on the enforcement of the Sarbanes-Oxley Act." The group "asserts that some elements of the stringent law, which was passed in the wake of accounting meltdowns at Enron and WorldCom, have threatened the USA's leadership position in the global capital markets." According to "Hal Scott, the Harvard Law School professor who spearheaded the study, recent trends in litigation and regulation threaten to undermine the USA's position as the world's dominant capital market."

The New York Times (11/30, Norris, Labaton, 1.16M) reports the committee will recommend "making it harder for companies to be indicted by the government or sued by private lawyers, and urges policies to keep the Securities and Exchange Commission from adopting rules that impose high costs on business." The panel, "formed with the endorsement of Treasury Secretary Henry M. Paulson Jr., said the S.E.C. should be required to perform cost-benefit analyses on all rules before they were adopted. It said the S.E.C. should also take steps to rein in private securities litigation and adopt policies to shield corporate directors and auditors from some lawsuits."

Bloomberg (11/30, Westbrook, Anand) reports, "The Committee on Capital Markets Regulation, led by former White House Economic Adviser Glenn Hubbard and former Goldman Sachs Group Inc. President John Thornton, in a report to be published tomorrow, called for a broad overhaul of securities regulation, saying the Justice Department should pursue corporate criminal indictments only as a last resort. The group's recommendations may shape the debate about how to revise the Sarbanes-Oxley Act. … 'Firms must choose to come to the United States: they do not have to come,' the group said in an advance copy of the 135- page report. 'It is the committee's view that in the shift of regulatory intensity, balance has been lost to the competitive disadvantage of U.S. financial markets.'" Bloomberg adds, "Paulson has questioned whether laws like Sarbanes-Oxley, passed in the wake of corporate scandals, went too far. The Treasury secretary has been waiting for the report as he prepares meetings next year to examine the U.S. accounting and legal systems. … Members of Congress have said they are concerned the U.S. may lose its status as the world's top financial center because of costs stemming from Sarbanes-Oxley."

The Los Angeles Times (11/30, Peterson) reports, "Business lobbyists and their intellectual allies have begun a broad effort to lighten the regulatory burden of corporate America, warning that U.S. companies and the capital markets they rely on are losing the competitive battle to rivals overseas. … In the latest development, the private Committee on Capital Markets Regulation today plans to release an interim report contending that regulation, enforcement and litigation have become a weighty burden on the economy, and cite evidence that America's long-envied capital markets

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have lost some of their allure. … 'The first conclusion is that we have a real competitiveness problem,' said Hal S. Scott, a Harvard University law professor who directed the work of the panel." The Times adds, "To make its case, the panel cites the rising prominence of private equity firms, which are increasingly buying publicly traded companies and taking them into private ownership. … The report also warns that the U.S. is losing its dominant role in initial public offerings. 'As measured by value of IPOs, the U.S. share declined from 50% in 2000 to 5% in 2005,' it says. .. 'Foreign companies are not coming here, and private companies are not going public as much as they did in the past,' Scott said in an interview Wednesday. 'Over time, if we don't deal with the problems, it's not just going to be foreign companies that don't want to come here but our own companies won't want to be traded here.' … Such complaints aren't new, but some see a change in the nation's attitude toward big business that could give the panel's report greater currency. .. .Memories of fraud at Enron Corp., WorldCom Inc. and elsewhere are starting to fade, and the corporate investments held by millions of Americans through stocks, 401(k) plans and mutual funds are swelling thanks to a booming stock market."

Hubbard, Thornton Tout Recommendations. In a Wall Street Journal op-ed (11/30, A16), Hubbard and Thornton say, "Our 135-page report offers numerous recommendations and suggestions for areas of further study -- principally for regulation, though, in some cases, for legislation. The theme is simple: To maintain and enhance the value of U.S. public markets, we must do a better job of assessing and evaluating the benefits and costs of our regulatory and legal system and strengthen the rights of shareholders. Our 22-member committee's initial recommendations should be implemented: They represent the consensus of a diverse group of legal and finance scholars, CEOs, auditors, practicing corporate attorneys, institutional investors and investor advocates drawn from both political parties. Taken together, the proposed changes would enhance shareholder value by reducing the cost of capital, increasing expected firm cash flows, and reducing excessive risk aversion of corporate managers, auditors and directors."

New York Appeals Court Skeptical Of Grasso's Bid To Disqualify Judge. The New York Law Journal (11/30, Bar) reports, "Appellate judges reacted with skepticism Wednesday to arguments that Manhattan Supreme Court Justice Charles E. Ramos should be disqualified from hearing a state lawsuit to force former New York Stock Exchange Chairman Richard A. Grasso to return much of his $187.5 million compensation package." The Journal continues, "Attorneys for Grasso appeared Wednesday before a four-judge panel of New York's Appellate Division, 1st Department, to appeal Ramos' refusing to recuse himself from the case and saying he would decide the reasonableness of the compensation in a bench trial. … Among other things, Grasso's attorneys argued that Ramos should have recused himself because he promised to do so before engaging in settlement discussions during which he expressed strong opinions about the case."

CRIMINAL LAW:

DOJ Study Finds One In 32 American Adults In Jail, On Probation Or Parole. The AP (11/30, Hunt) reports, "A record 7 million people - or one in every 32 American adults - were behind bars, on probation or on parole by the end of last year, according to the Justice Department. Of those, 2.2 million were in prison or jail, an increase of 2.7 percent over the previous year, according to a report released Wednesday." The AP continues, "More than 4.1 million people were on probation and 784,208 were on parole at the end of 2005. Prison releases are increasing, but admissions are increasing more. … Men still far outnumber women in prisons and jails, but the female population is growing faster. Over the past year, the female population in state or federal prison increased 2.6 percent while the number of male inmates rose 1.9 percent. By year's end, 7 percent of all inmates were women. The gender figures do not include inmates in local jails. … 'Today's figures fail to capture incarceration's impact on the thousands of children left behind by mothers in prison,' Marc Mauer, the executive director of the Sentencing Project, a Washington-based group supporting criminal justice reform, said in a statement. 'Misguided policies that create harsher sentences for nonviolent drug offenses are disproportionately responsible for the increasing rates of women in prisons and jails.'" The AP notes, "From 1995 to 2003, inmates in federal prison for drug offenses have accounted for 49 percent of total prison population growth. .. The numbers are from the annual report from the Justice Department's Bureau of Justice Statistics. The report breaks down inmate populations for state and federal prisons and local jails."

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US Mulls Death Penalty In Virginia Kidnapping, Murder. The Virginian-Pilot (11/30, McGlone) reports, "The Justice Department is considering pursuing the death penalty against Tanya Y. Torrence, the 35-year-old woman charged with the kidnapping and murder of her estranged boyfriend's mother this summer." The V-P continues, "Torrence was arraigned Wednesday in U.S. District Court on a four-count indictment that could carry a death sentence if convicted. Led to the magistrate court's podium in shackles, Torrence pleaded not guilty to the charges." The V-P adds, "The indictment charges Torrence with murder, kidnapping, interstate kidnapping resulting in death and use of a firearm. Magistrate James E. Bradberry set a trial date of March 13. .. Assistant U.S. Attorney Laura P. Tayman told the judge that she expects a decision from Washington by Jan. 23 on whether to seek the death penalty." The V-P notes, "Torrence is accused of kidnapping 72-year-old Mary Knight from her Virginia Beach home July 1 and driving north in Knight's minivan. Along the way, Torrence shot Knight twice, killing her, according to the indictment and other court filings. … She continued driving, ending up in Philadelphia where she exchanged the handgun for crack cocaine, according to the court records. She turned herself in to police there and Knight's body was found in the minivan. … The indictment says Torrence committed the crimes 'to punish her estranged boyfriend.' In a confession to authorities after her arrest in Philadelphia, Torrence said the shooting was an accident. … Torrence remains jailed without bond."

Court Allows Former Illinois Governor Freedom Pending Appeal. The AP (11/30, Robinson) reports, "Former (Illinois) Governor George Ryan can remain free while he appeals his conviction in the corruption scandal that ruined his political career, a federal appeals court has ruled." The AP continues, "The decision by the 7th U.S. Circuit Court of Appeals was issued without explanation Tuesday, but the court said if it upholds Ryan's conviction, he must go to prison immediately." The AP adds, 'Ryan, 72, was sentenced in September to 6 1/2 years in federal prison for racketeering and fraud involving corruption when he was secretary of state in the 1990s and later governor. … U.S. District Judge Rebecca L. Pallmeyer had refused to grant bail to Ryan. But the appeals court overruled her and said Ryan may remain free while appealing his conviction. He had been due to report to prison Jan. 4." The AP notes, "Federal prosecutors opposed bail for Ryan, saying it was unlikely his conviction would be overturned. But Ryan's attorneys argued that jury deliberations in the case were flawed and that Ryan should be granted a new trial. … Ryan was convicted in April of steering lucrative state contracts and leases to lobbyists and friends; using state employees and tax dollars to operate his political campaigns; and sabotaging an investigation of driver's license bribery."

Louisiana Lawmakers Steered Millions To Jefferson-Linked State Agencies. The AP (11/30, DeSlatte) reports, "At least $2.5 million in state money was steered by New Orleans lawmakers over a 10-year period to two nonprofit agencies with family ties to U.S. Rep. William Jefferson, according to documents released by the governor's office. … The documents were subpoenaed by the Federal Bureau of Investigation and provided to The Associated Press this week by the governor's office in response to a public records request. The FBI has declined to say what information it is seeking in the documents. But Jefferson…is the subject of a federal bribery probe." The AP notes, "The earmarks for Care Unlimited and Orleans Metropolitan Housing were added by lawmakers connected to Jefferson: his daughter, Rep. Jalila Jefferson-Bullock, and former Rep. Renee Gill Pratt, a former legislative aide to the congressman and former New Orleans City councilwoman who was hired by Care Unlimited when she lost her re-election bid. Also listed as sponsor of the add-ons in some instances was Sen. Diana Bajoie, D-New Orleans."

DOJ's Decision Not To Probe Porter Fundraising Calls Raises Enforcement Concerns. Scripps Howard (11/30, Mascaro) reports, "The Justice Department's decision not to investigate allegations that Rep. Jon Porter, R-Nev., made illegal campaign fund-raising calls from his office raises a question central to ethics reform in the new Congress: What if there's a law on the books and no one enforces it?" Scripps Howard continues, Experts say they know of no congressman ever being prosecuted under the law banning them from soliciting cash from their offices, a violation punishable by fines and imprisonment. … Justice Department officials have 'bigger fish to fry,' as one veteran Washington election-law attorney put it - pointing to the bribery of now-imprisoned former Rep. Randy 'Duke' Cunningham, R-Calif., and the $90,000 allegedly found in the freezer of re-elected Rep. William Jefferson, D-La. … But ethics-reform groups say the failure to

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investigate less sensational allegations feeds into a culture of corruption in Washington, which Democrats have vowed to clean up in January as the party in control of Congress. … 'There are a lot of rules, that have been in place for reasons, that have been ignored,' said Mary Boyle, a spokeswoman for Common Cause, a political watchdog group." Scripps Howard notes, "In the weeks before the Nov. 7 election, a former Porter staff member claimed that the congressman made fund-raising calls from his offices in Washington and Henderson, Nev. E-mails obtained by the Las Vegas Sun showed conversations, apparently dealing with the phone calls, between the aide and other members of Porter's staff and campaign. .. .Porter has steadfastly denied having made the calls. … The former Porter aide, Jim Shepard, said last week that he would try to have the matter heard by the House ethics committee, which has jurisdiction over representatives' behavior. … The panel does not comment on its work. But experts said they doubt that it will take up the matter, arguing that it has become 'toothless' in recent years."

Massachusetts City Roiled By FBI Probe Of Police Grant Spending. The Boston Globe (11/30, McConville, 413K) reports, "The federal investigation into the Methuen Police Department's use of grant money is causing a lot of anguish in the city, officials say. 'It's like a cloud hanging over the city,' said City Councilor Kathleen Corey Rahme. 'It's really wearing on the minds and hearts of our citizens.' In shops and in city offices, everyone, it seems, has questions about who is involved and what is being investigated." The Globe notes, "The investigation caught the public's attention this past summer, when agents from the Federal Bureau of Investigation arrived at City Hall with subpoenas. They left with records showing how the city had spent federal grant money in recent years. … The story heated up a couple of weeks ago when Methuen Police Chief Joseph E. Solomon launched an internal investigation to try to identify officers who are talking to the FBI or gossiping about possible indictments, according to a lawyer for the police union."

Report For Federal Lawsuit Says Chicago Police Officials Ignore Corruption. The Chicago Tribune (11/29, Heinzmann, 617K) reported, "Chicago police officials have deliberately ignored corruption within the ranks, giving bad cops a sense of security to commit crimes on the job without being caught, according to a national expert on internal affairs hired by plaintiffs suing the city. The damning report by Lou Reiter, a former deputy chief of the Los Angeles Police Department, contends that police officials, including Supt. Philip Cline, have continued a 'practice of indifference' toward corruption that 'makes officers who engage in misconduct feel protected.'" However, "Chicago police officials say the criticism is based on limited knowledge of the department, and it does not take into consideration policy reforms currently under way to thwart corruption and abuse before it becomes a problem." The Tribune added, "Reiter's report is part of a federal lawsuit filed a decade ago by a husband and wife pair of Bureau of Alcohol, Tobacco and Firearms agents. They charge that after they blew the whistle on corrupt cop Joseph Miedzianowski, he influenced the Internal Affairs Division to turn the tables and attack their credibility."

The AP (11/30) notes, "Pressure on the department to deal with corruption allegations has intensified in recent months. In July, two special prosecutors released a report claiming that officers under former Chicago Police Lt. Jon Burge tortured suspects in the 1980s. And in September, four members of the Special Operations Section were charged with robbery, kidnapping and false arrests." In the lawsuit, the ATF agents say that "instead of investigating Miedzianowski, internal affairs officials targeted them, the agents claim. It took years before the FBI was able to indict Miedzianowski on drug charges; he is serving a life prison term."

Former California City Treasurer Sentenced To 10 Years In Prison For Embezzlement. The Los Angeles Times (11/29, Becerra, 850K) reported, "Former South Gate Treasurer Albert Robles was sentenced Tuesday to 10 years in federal prison for plundering more than $20 million from the small, working-class city. A federal judge handed down the sentence after Robles said in an impassioned speech that he had acted 'immorally' during his years as leader of South Gate, but never broke the law." Judge Stephen V. Wilson "said he found the man who once boasted of being 'the King of South Gate' to be a 'puppet master' who controlled a corrupt enterprise that preyed on the city's coffers and residents. Wilson seemed incredulous at Robles' defense. When Robles' attorney argued that what the ex-treasurer did was business as usual in California politics, the judge responded that 'what you have just said is among the most absurd things I have ever heard.'"

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The AP (11/29) noted, "Prosecutors depicted the city as a corrupt fiefdom in which Robles solicited bribes from contractors and was able to hire and fire city employees at will. The illicit money paid for everything from a seaside condo for his mother to an exclusive membership in the group operated by motivational guru Tony Robbins, authorities said. … 'He turned it into a pay-to-play town,' Assistant U.S. Attorney David Vaughn said outside court, alluding to a scheme in which contractors were forced to pay bribes for city business."

Former New York Fugitive Pleads Guilty To Killing Trooper. The New York Times (11/30, Staba, 1.16M) reports, "Ralph Phillips, the police say, spent most of the spring and summer roaming along the New York-Pennsylvania line after escaping from a jail outside Buffalo in April, venturing as far as Ohio to the west and the Canadian border to the north to evade a sweeping manhunt." Yesterday, Phillips "admitted in guilty pleas to killing one New York state trooper and wounding two others during his flight. As part of a plea agreement that prosecutors said will keep Mr. Phillips in prison for life, he admitted shooting Troopers Joseph A. Longobardo and Donald Baker Jr. with a high-powered rifle in a wooded area outside his former companion's home in rural Chautauqua County on Aug. 31. … Earlier in the day, in Chemung County, Mr. Phillips also admitted to shooting Trooper Sean M. Brown with a .38 revolver during a traffic stop outside Elmira on June 10." The Times notes that "he became something of a folk hero to some," but "most sympathy evaporated after the shootings of Troopers Longobardo and Baker. He went on the F.B.I.'s 10 Most Wanted List, and rewards totaling $425,000 were offered for information leading to his capture."

The Albany Times-Union (11/30, Perry, Yusko) also notes that Phillips was on the FBI most-wanted list, and reports, "As the charges were read…Phillips alternately rolled his eyes, grinned, stared vacantly and looked out the window. He admitted to stealing a car and shooting the trooper with a gun he had loaded himself. At times, Phillips sarcastically answered Chemung County Court Judge Peter C. Buckley's questions about his actions, often replying 'Indeed, I did.' When asked if the gun he used to shoot Brown was loaded, he answered, 'Very.'" The AP (11/30, Thompson, Dobbin) also reports on Phillips pleas.

FBI Arrests Missouri Man For Impersonating Decorated Marine. The Marine Corps Times (11/29, Hoellwarth) reported, "A member of the Marine Corps League in St. Louis was arrested by FBI agents Tuesday evening after being photographed allegedly wearing a Navy Cross medal he doesn't rate at the league's Marine Corps ball earlier this month, according to a Fox News report. Michael Weilbacher wore a Navy Cross, two Silver Stars and four Bronze Stars to the ball, where he told Marines he had earned the nation's second-highest valor award during drug interdictions in Colombia, according to Maj. George Dragan, the Corps' Marine for Life representative in St. Louis, who attended the ball. This raised a red flag with Doug Sterner," who "said that no Navy Cross has ever been awarded for actions in Colombia. Personnel records at Marine Corps headquarters' Manpower branch show no record of Weilbacher ever serving in the Corps." The St. Louis Post-Dispatch (11/29, Patrick, 297K) reported the story on its Web site, noting Weilbacher "has been charged with wearing military medals without authorization, a crime punishable by 6 months in prison or a fine of $50,000, or both. He was released on $1,000 bond."

Florida Gambino Capo, Three Associates Convicted Of RICO Charges. WTSP-TV Tampa (11/29) reported on its Web site from a story broadcast yesterday, "A federal jury in Tampa has found four men guilty of various crimes related to the Gambino Mafia family. Ronald J. Trucchio (Ronnie One-Arm), Steven Catalano, Kevin M. McMahon, and Terry L. Scaglione were found guilty of conspiracy to violate the Racketeer Influenced and Corrupt Organization…statute. The jury also found Scaglione guilty of one count of extortion." WTSP noted, "The Pinellas Resident Agency of the Tampa Field Office of the FBI, the Miami and Brooklyn-Queens Metropolitan FBI offices, the Pinellas County Sheriff's Office, the Tampa Police Department, the New York City Police Department, the Queens County District Attorney's Office, the FBI Legal Attache to Brazil, the Brazilian federal police, and Interpol coordinated this investigation."

The Tampa Tribune (11/30, Silvestrini) reports, "Carl Whitehead, special agent in charge of the Tampa FBI, called Wednesday's verdicts 'a big blow to organized crime in the Tampa area and to the Gambino family operated out of New York.' … Whitehead said Trucchio was thought to be among the top five members of the family 'and clearly the most significant [organized crime] figure that operated crews within the Tampa area.' When asked whether the mob continues to

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operate here, Whitehead said he couldn't discuss open investigations. In general, though, he said, 'There are other businesses we have gotten information that they might try to infiltrate, different nightclubs, things like that.'" The St. Petersburg Times (11/30, Weimar) also reports on the convictions.

Illinois Man Pleads Guilty To Running Gambling Ring. The Rockford (IL) Register Star (11/30, Wise) reports, "One of nine men indicted for running a gambling ring that took bets on football and basketball games pleaded guilty Wednesday in federal court afternoon. … And Joesph Saladino's plea may be the first of several guilty pleas from men whom prosecutors allege were connected to a conspiracy that runs as far back as the 1980s. … 'There's a total of five' guilty pleas in the works, including Saladino, said Assistant U.S. Attorney John Scully as he left Judge Philip Reinhard's courtroom. … The other possible guilty pleas are John P. 'Tiger' Frisella, Joseph F. 'Pep' Fiorenza, and Joesph's two sons, Nicholas and Rick." The Star adds, "Wednesday, Reinhard set Friday afternoon hearing dates for the four. Their trial was initially scheduled to start Dec. 11. … It's still not clear what will happen with the other men who were indicted in the case. They are Charles A. Purin, Frank C. Giardono, Nick Provenzano and John F. Salamone. A tentative trial date for them has been set for Feb. 12. … All of the men, except Saladino, were indicted and arrested in early February, just days before the Super Bowl, on gambling charges." The Star notes, "Federal prosecutors have been characteristically tight-lipped about details of the alleged conspiracy, but court papers filed this week list some of the evidence the Justice Department plans to present if the case goes to trial. … The documents say that Frisella and Saladino had, at least by 2001, set up a 'wireroom' in a Rockford apartment building at 1912 17th Ave. where they would take bookmaking calls from bettors over two telephones that were listed under the name of a woman known to Saladino. … The feds also obtained phone records that show hundreds of calls made from the men to 800 and 888 numbers."

6th Circuit Upholds Use Of Confession In Tennessee Drug Trial. The Knoxville News Sentinel (TN) (11/30, Satterfield) reports, "That 'anything you say can and will be used against you' warning, it turns out, is true. … Just ask five-time felon and Knoxville crack house manager Richard Jones Jr." The Sentinel continues, "Plowing through uncharted legal terrain, the 6th U.S. Circuit Court of Appeals on Wednesday approved the use of Jones' confession against him at trial. .. .The ruling proved vindication for similar decisions made by Knoxville federal Judges James H. Jarvis and Tom Varlan. Both U.S. District Court judges had backed up Assistant U.S. Attorney Mike Winck's move to hold against Jones his own incriminating words in a November 2004 trial. … It was quite a gamble, as there was little case law to guide Winck." The Sentinel adds, "Jones actually had been busted in August 2000 after a raid at his home. At the time, authorities counted Jones as a garden-variety dope dealer with a rather nasty criminal history that included a first-degree manslaughter conviction. … Winck wasn't assigned to the case then. Instead, former Knoxville federal prosecutor David Folmar was. Folmar struck a deal with Jones, and Jones coughed up information on his cocaine suppliers. Part of the deal included giving Jones a shot at appealing the legality of the raid on his house. … The odds on appeal usually favor the government. But Jones beat the odds, winning his appeal. Flush with victory, he chucked his plea deal altogether. … Enter Winck. … The way Winck saw it, if Jones was nullifying his plea deal, all bets were off. That was especially bad news for Jones because, by then, FBI agent Steven Fisher had unearthed evidence that Jones was not just a crack dealer - he was a dangerous mastermind of an entire operation." The Sentinel notes, "Trial testimony would later show that Jones had wined and dined young men with relatively clean criminal backgrounds to lure them into the crack trade. He set them up in Knoxville crack houses, supplied them with drugs to peddle and guns to protect the trade. … Winck secured a new indictment against Jones and then rolled the dice at trial, sending Fisher to the witness stand to detail the confession Jones had made as part of the plea deal he later rejected. … It has proven a costly gamble for Jones. Under the original plea deal, Jones was sentenced to 210 months. After his conviction on the new indictment, Varlan slapped him with a 420-month prison term."

Attorneys For Convicted Atlanta Child Killer Seek DNA Tests. The Fulton County (GA) Daily Report (11/30, McDonald) reports, "Attorneys for convicted killer Wayne Williams, long reputed to be the man behind Atlanta's infamous child murders, are asking a Fulton County, Ga., judge for permission to perform DNA testing on 25-year-old evidence." The Report continues, "On Tuesday, Williams' defense lawyers John R. 'Jack' Martin and Lynn H. Whatley

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filed a motion in Fulton County Superior Court seeking comparative DNA tests on samples of animal and human hair recovered from the bodies of 11 men and boys whose deaths were attributed to Williams." The Report adds, "Williams was convicted in 1982 of the murders of Jimmy Ray Payne, 21, and Nathaniel Cater, 28 -- two of 29 black men and children who were among what became known as 'Atlanta's missing and murdered children' cases. (The list included one still-unsolved disappearance.) After Williams' convictions in the slayings of Payne and Cater, prosecutors closed the books on 22 other cases. … For two years, from 1979 to 1981, the bodies of 29 victims -- all of them black and all but two of them men and boys -- were found dumped throughout metro Atlanta in vacant lots and buildings, on roadsides, in gullies, in wooded areas and in the South and Chattahoochee rivers. Fear gripped Atlanta during what many regard as one of the darkest periods in the city's history. … With the discovery of each new body, authorities became increasingly desperate to identify the killer. Parents in black neighborhoods formed vigilante patrols, and many came to believe the Ku Klux Klan must be behind the killings since only blacks were slain. Mayor Maynard Jackson offered a $100,000 reward for information that might lead to an arrest. Finally, before dawn on May 22, 1981, police staking out a Chattahoochee River bridge near where one body had been found heard a splash. Seconds later, officers spotted Williams' station wagon driving slowly across the bridge. Williams was stopped, questioned, but released." The Report notes, "A month would pass before police finally arrested Williams, a 23-year-old self-styled talent recruiter and freelance photographer. Prosecutors would later argue that only after Williams' arrest did the string of serial slayings stop. Still, many were never satisfied that police arrested the right man. As recently as 2005, former DeKalb County police chief Louis Graham reopened an investigation into five of the deaths and declared his belief that Williams was not Atlanta's child killer. … Williams always has maintained his innocence."

Genovese Crime Family Said To Have New Boss. In the New York Sun (11/30), Jerry Capeci writes, "Less than a year after the death of legendary Mafia boss Vincent 'Chin' Gigante, a cagy wiseguy who understands the wisdom of keeping a low profile has taken the reins of the powerful Genovese crime family, Gang Land has learned. Meet Daniel Leo, 65, a reputed member of the violent, East Harlem-based Purple Gang during the 1970s who now resides in a $2 million home in Rockleigh, N.J., a town on the Palisades that boasts the highest median household income in the state, according to the 2000 census. … During the 1970s, according to a 1976 Drug Enforcement Administration report, Leo was a member of the Purple Gang, a loosely connected group of 127 drug dealers that includes dozens of gangsters from East Harlem and the Bronx who became Luchese and Genovese family mobsters, including Leo."

Tennessee Serial Bank Robber Sentenced To 11 Years In Prison. The Knoxville News Sentinel (11/30, Satterfield) reports, "Assistant U.S. Attorney Tracy Stone argued Wednesday in U.S. District Court that he already had given serial bank robber Thomas J. Hunt Jr. a 25-year sentencing cut by dropping one of three cases against him. Still, Hunt stood before Senior U.S. District Judge James H. Jarvis with Assistant Federal Defender Paula Voss asking for more leniency." The News Sentinel adds, "Jarvis sided with Stone, imposing a sentence of 135 months, or just more than 11 years, which the prosecutor recommended. Hunt, nabbed shortly after the robberies by FBI agents, told the judge he had longtime addictions to alcohol and drugs."

Microsoft Software Counterfeiter Sentenced To Prison, $9.4 Million Restitution. The Seattle Post-Intelligencer (11/30, Bishop, 124K) reports, "A former southwest Washington man was sentenced Wednesday to pay $9.4 million in restitution to Microsoft Corp. and serve five years in prison for illegal trafficking in the company's software." Scott Laney "pleaded guilty to money laundering and counterfeiting conspiracy charges. The scheme involved acquiring Microsoft programs at cut rates -- in some cases from employees who were abusing the company's internal ordering system -- and reselling them with falsified labels, documents and licenses that boosted their value. As part of the case, Laney admitted that he and his co-conspirators sold up to $20 million of software with counterfeit labeling and licenses." The P-I notes, "The FBI, IRS and U.S. Immigration and Customs Enforcement investigated the case. … Several former Microsoft employees have been charged separately with taking advantage of previous loopholes in the company's internal software ordering system." The AP (11/30) also reports on Laney's sentencing.

23 Charged With FEMA Relief Fraud In Alabama. The AP (11/30) reports, "Fraud charges were

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announced Wednesday against 23 north Alabama residents, most accused of making false claims to get $2,000 in expedited disaster relief, with one accused of wrongly pocketing $14,749 in Federal Emergency Management Agency funds. 'Theft of disaster relief funds will be prosecuted to the fullest extent of the law,' said U.S. Attorney Alice H. Martin in a statement. 'I continue to ask the public to report illegal claims to law enforcement.'" The AP notes, "The charges include making false claims against the government, theft of government money or property and mail fraud for falsely claiming to be a resident of an affected area."

Mississippi Man Pleads Guilty To FEMA Fraud, As Five Others Arrested. The AP (11/29) reported, "One man has pleaded guilty to filing a false Hurricane Katrina claim and five others have been arrested for fraud against the Federal Emergency Management Agency. Robert A. Martin, of Gulfport, pleaded guilty to submitting a false claim for disaster assistance funds in the wake of Katrina and will be sentenced in federal court in February, the Department of Justice said Tuesday in a news release. At the time Katrina hit the Mississippi Gulf Coast Martin was at the Harrison County Correctional Facility." The AP adds, "Five more Gulf Coast residents have been accused of defrauding FEMA. Authorities said all five provided false addresses in Gulfport or Biloxi, then made claims on those addresses. All were indicted on Nov. 7 and arrested Tuesday."

Kansas Man Who Challenged Child Solicitation Sting Sentenced To Prison. In a widely-distributed story, the AP (11/30) reports that the Kansas "lawyer convicted in an Internet sex sting was sentenced Wednesday to five years in prison, capping a legal battle that challenged a common tool police use to catch sexual predators online. Moments after a federal jury convicted Jan P. Helder Jr. in August 2005, the judge set aside the verdict and ordered him acquitted. U.S. District Judge Dean Whipple said Helder couldn't be guilty because the person he communicated with online was actually an undercover detective in Platte County, Mo., not a 14-year-old girl as he had believed." However, "The 8th U.S. Circuit Court of Appeals in St. Louis reinstated the jury's verdict against Helder and sent the case back to Whipple for sentencing. The appeals court said the critical issue was that Helder thought he was seducing a minor, not whether the minor truly existed."

Man Sentenced To Time Served For Threatening President Bush. The AP (11/30, Suhr) reports, "A mental patient who threatened to castrate President George W. Bush was sentenced to federal prison, but a judge ordered him freed because of time he has already served." The AP continues, "Arafat Nijmeh, 27, who is of Palestinian descent, was sentenced Tuesday to seven months in prison after pleading guilty to two counts of threatening the president. … 'This would have been an interesting trial,' said his attorney, John O'Gara." The AP adds, "He was released after U.S. District Judge David Herndon credited him with the eight months he spent in custody. Nijmeh had been jailed without bail after being declared a flight risk and a threat to society. … Nijmeh was accused of threatening to harm Bush in comments March 18 to workers at the Alton Mental Health Center and to two Secret Service agents the next day. … The indictment alleged Nijmeh told the agents his earlier threat to castrate Bush was 'not too harsh, considering what he has done to my country.'"

Fairfax County Probing Fuel Thefts By Employees. The Washington Post (11/30, Rein) reports, "They sometimes filled up their tanks in the dead of night, keying in a generic code at any of dozens of Fairfax County fuel pumps, then sticking the nozzle into the tanks of their personal cars or into drums to bring home for snowblowers or lawn mowers." The Post continues, "The county's auditor and several county supervisors say they suspect the abuse of fuel pumps by employees assigned government cars went on for years. They are uncertain how many workers were involved -- it could have been hundreds -- or how much fuel was stolen, inflating a monthly fuel bill that has doubled in three years because of rising prices. … But in a report that the Board of Supervisors is scheduled to receive Monday, the county is getting a handle on the scope of the fraud with help from new controls. The county auditor will report that the Fairfax fleet is on track to use close to 75,000 gallons less this year than last, and officials suspect that most of that amount was stolen." The Post adds, "The most egregious case officials know of involved a worker in the Department of Facilities Management who was stealing diesel fuel and gasoline for more than two years. Fairfax police staked out Bryan Coup after investigating him for several months. They caught him filling up the tank of his county car one night last January and then putting diesel into large drums. … Police followed him to

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his home in Shady Side, where he planned to use the diesel to heat his home, officials said. Coup, 36, was fired, and he was found guilty of embezzlement in August. He made restitution for hundreds of gallons of stolen fuel, auditor John Adair said. Another employee was charged with stealing fuel, although Adair and police officials could not provide details."

Former CIA Employee Pleads Guilty To Virginia Thefts. The Washington Post (11/30, B1, Kunkle) reports, "George C. Dalmas III, a CIA employee for almost 20 years, yesterday admitted to breaking into 10 homes in the McLean area about a year ago and taking valuables and curiosities." The Post continues, "The loot from his daylight burglaries included Camp David cuff links, a Daughters of the American Revolution pin, a gold Phi Beta Kappa necklace, Cartier hoop earrings, a Tiffany gold scarab ring, a sapphire-diamond necklace, rhinestone bracelets, a Rolex watch and even a Fauquier High School ring. He also helped himself to several antique clocks and old radios -- all treasures he told his wife he had picked up at yard sales." The Post adds, "Dalmas did not explain why he did what he did, and the format in Fairfax County Circuit Court for accepting his guilty plea did not really allow for it. Neither his attorney nor the prosecutor mentioned the most intriguing object of Dalmas's criminal treasure-hunting expeditions: women's panties. … Search warrants list 1,074 pairs of women's undergarments that he stole, many of which were stuffed in shopping bags inside a filing cabinet at his Fulton Avenue home in Falls Church. … Police believe Dalmas kept the undies as trophies. In fact, they believe Dalmas squirreled away everything he took. Court documents say he never tried to pawn or sell any of the jewelry or other valuable goods. Rodway described Dalmas as a packrat. … Dalmas, 48, pleaded guilty to 10 burglaries that each carry a maximum sentence of 20 years in prison. Dalmas, who has no prior criminal record, was fired from his mid-level administrative post at the CIA. Mark Mansfield, a CIA spokesman, said Dalmas joined the agency in November 1986. He was suspended without pay in February and terminated in August."

CIVIL LAW:

Halliburton Unit Settles Army Billing Fraud Allegations For $8 Million. CNN.com (11/30, Frieden, Byron) reports, "Halliburton subsidiary KBR has agreed to pay $8 million to settle allegations the firm overcharged the U.S. Army for logistical support of military operations in the Balkans in 1999 and 2000." CNN continues, "The allegations involved double billing and delivery of products that did not conform to requirements for use in construction of an Army camp in Kosovo. Other claims involved inflation of prices for various goods resulting from the alleged failure to ensure competitive procurements, the Justice Department said. … 'The Department of Justice remains committed to vigorously pursuing allegations of procurement abuses affecting the military,' said Peter Keisler, assistant attorney general for the department's Civil Division." CNN adds, "The Justice Department said the settlement resolves allegations that concerned various purchase orders awarded to 10 foreign KBR subcontractors or vendors. … Company spokeswoman Melissa Norcross issued a statement noting that 'the government closed its investigation without making allegations of fraud or filing a complaint.'"

The AP (11/30, Jordan) reports, "Kellogg, Brown & Root, a subsidiary of Houston-based Halliburton Co., was accused of double-billing the government and ordering unusable products while helping build Camp Bondsteel in Kosovo, prosecutors said. .. .The contractor also allegedly inflated prices for some unspecified goods that were not put out for competitive bid, the department said. … Prosecutors said those incidents occurred between 1999 and 2000." AFP (11/30) also reports on the settlement.

The Houston Chronicle (11/30, Ivanovich) reports, "In a recent filing with the Securities and Exchange Commission, company officials noted the disputed charges were 'part of the Balkans contract under which approximately $100 million in work was done.' … Justice Department officials provided few other details, while none of the several Pentagon officials contacted Wednesday could address the matter."

Judge Orders Michigan Farmer To Pay $2 Million For False Insurance Claims. The Saginaw News (MI) (11/30, Coleman) reports, "BAY CITY -- Federal authorities have ordered a Bay County farmer to pay more than $2 million for false crop insurance claims." The News continues, "Bli Farms, Richard Bli and the estate of his brother, James E. Bli, must repay $2,128,920 to the federal government for claims filed for their 1992, 1994 and 1995 potato crops, U.S. Attorney Stephen J. Murphy said Monday." The News adds, "U.S. District Judge David M. Lawson, after a bench trial, found that Richard Bli, acting on behalf of the partnership the Bli brothers formed in 1992, knowingly

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violated the False Claims Act. … Lawson said Bli submitted false claims for crop insurance indemnities and false certifications of potato production for the crop years in question. … The court found that the claims were false because Bli Farms had 'substantial unreported sold potato production' for the specified years. … 'Had Bli Farms reported all of its 1994 sole potato production, it would have received a significantly reduced indemnity for losses on its insured potato crop,' Murphy said in a statement from the Justice Department. … Bli Farms received $704,640 in crop insurance indemnities to which it was not entitled, he said."

US Considering Response To Ruling On Money Design. The Los Angeles Times (11/30, Mohammed, Mendoza) reports, "The Treasury Department on Wednesday began considering its response to a federal court ruling that ordered changes to paper currency so each denomination could be easily identified by blind and visually impaired people." The Times continues, "The ruling by U.S. District Judge James Robertson came in a lawsuit filed against the department by the American Council of the Blind, a Washington-based advocacy group. The group argued that the government's failure to differentiate among denominations amounted to illegal discrimination, and Robertson agreed. … 'We are still reviewing the court order, and the government has made no determination as to what its next step will be in this matter,' said Charles Miller, a spokesman for the Justice Department's civil division." The Times adds, "The Treasury Department has 10 days from Tuesday's ruling to decide whether to appeal. .. .In his opinion, Robertson ordered the Treasury Department to consider such options as changing the size and color of banknotes for each denomination and adding tactile differences, such as foil, raised numbers or perforations, to the bills. … Other currencies, such as those of the European Union, Japan, Switzerland and Saudi Arabia, include such differences, he said, adding that the United States could have incorporated similar changes during recent redesigns that added anti-counterfeiting features. … The government has argued that doing so would prove a financial burden. But Robertson said that making one change — adding a raised numeral — would have increased the government's $4.2-billion cost of manufacturing currency over the last decade by only 5%."

Vending Machine Industry Worried About Mandated Currency Changes. The Washington Times (11/30, Baschuk) reports, "The vending machine industry would have to spend hundreds of millions of dollars so its machines could handle new currency that blind people could use if a new ruling on U.S. bills is enforced." The Times continues, "U.S. District Judge James Robertson ruled Tuesday that the current bills discriminate against blind people. He ordered the Treasury Department to find a solution. … 'If the government is mandated to change U.S. currency, there would be a tremendous financial impact across a number of industries, including the automated vending industry,' said Jim Brinton, a director of the National Automatic Merchandising Association (NAMA), a trade association of the food and refreshment vending industry." The Times adds, "There are 7 million food and beverage machines in the United States, and 1.5 million of them accept both $1 and $5 bills, according to NAMA. .. .The vending machine industry would have to spend an estimated $200 to $300 to retrofit each machine, Mr. Brinton said. … The American Council of the Blind filed the lawsuit against the government in 2002, saying U.S. currency should be redesigned to help blind and visually impaired people distinguish among denominations. … 'We're not deliberately setting out to overturn American industries,' said Melanie Brunson, executive director of the American Council of the Blind in Washington. … 'We wanted the government to add accessibility [to the U.S. currency], and we wanted to make it an issue while our currency was being redesigned,' she said."

Court Hears Case On State Assertion Of Authority Over Mortgage Lenders. The Wall Street Journal (11/30, Bravin, Anderson, 2.04M) reports the Supreme Court yesterday heard a banking case that involves "an effort by some states to assert authority over mortgage lenders that federal officials say they can pre-empt." Michigan "asked the court to strike down a federal policy that pre-empts state consumer laws for state-chartered operating subsidiaries owned by national banks but affords those banks liability protections under state law. A win for Michigan could open the door to tougher state consumer protections, while making it costlier for banks to do business because they must meet each state's rules." US banking regulation "is governed by a system in which banks themselves select which entity will regulate them -- the federal Office of the Comptroller of the Currency or a state banking agency. This dual banking oversight has led to competition between federal and state

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regulators seeking to sign up banks, which support the agencies' budgets with regulatory fees."

The Washington Post (11/30, D1, Tse, 690K) reports, "All 50 states and the District of Columbia yesterday urged the Supreme Court to overturn lower court rulings that they said would give federal authorities the ability to block states from prosecuting financial institutions for predatory lending practices." But the justices "posed tough questions about the implications of a mortgage-lending case that could affect the way state-chartered subsidiaries of national banks are regulated. Chief Justice John G. Roberts Jr. expressed concern about the banks' apparent effort to seek immunity from state regulations, but other justices suggested that banks are stumbling under excessive regulation by being required to report to both state and federal officials." Critics of the OCC "have long said the federal agency falls short in consumer protection and that it bases its regulatory decisions on maintaining the banks' safety and soundness."

CIVIL RIGHTS:

DOJ Reportedly Probing Massachusetts Elections. The Boston Globe (11/30, Slack, Abraham) reports, "The US Department of Justice has launched an investigation into the state's failure to ensure that equipment for disabled voters was provided at polling places across Massachusetts during this year's elections, according to three people who spoke with federal investigators this week." The Globe continues, "Two investigators from the voting section of the Justice Department's Civil Rights Division -- trial lawyer James 'Nick' Boeving and special litigation counsel Susana Lorenzo-Giguere -- are to arrive in Boston today to begin gathering documents and conducting interviews, according to one of the two people. … Boeving is planning to inquire about the state's failure to comply with the federal Help America Vote Act, which requires that every polling place have at least one machine that allows disabled people to vote privately and independently, said Brenda Wright, managing attorney at the Boston-based National Voting Rights Institute. Wright received a call from a Department of Justice lawyer Tuesday." The Globe adds, "Problems with access for disabled voters would be just the latest accusation to plague election officials in Massachusetts, where irregularities in four cities have been investigated in recent years. Boston agreed last year to federal monitoring after the Justice Department accused the city of failing to protect the rights of voters with limited English skills. In September's primary, workers failed to count hundreds of ballots, and in the final election some 30 polling places ran out of ballots. … 'The investigating attorney appeared to be looking at the question of whether the state is in compliance with the HAVA requirements,' Wright said. 'They seemed to be aware of the press reports that have been fairly clear in indicating the state was not going to be in compliance, either in the primary or the general' elections. … Justice Department spokeswoman Cynthia Magnuson would neither confirm nor deny the existence of an investigation."

Texas Asks DOJ To Approve Congressional Runoff Election Date. The AP (11/30, Gamboa) reports, "Texas is asking the Justice Department to approve Dec. 12 for a congressional runoff election - a date opposed by a Latino civil rights group because it is a religious day for many Hispanics." The AP continues, "The runoff between incumbent Republican Henry Bonilla and Democrat Ciro Rodriguez, a former congressman, is in Texas' 23rd congressional district, which includes portions of San Antonio. The district was redrawn after the U.S. Supreme Court ruled previous boundaries discriminated against Latino voters." The AP adds, "Dec. 12 is the Feast of the Virgin of Guadalupe, the patron saint of Mexico and Latin America. The League of United Latin American Citizens (LULAC) wants the election held on Dec. 19, arguing that the earlier date discriminates against Hispanic voters and benefits Bonilla, whose support among Latinos has eroded. … States like Texas that have had a history of voting discrimination against minority groups are required under federal law to get Justice Department approval, known as preclearance, of election changes or decisions. … Texas officials, who filed the date request Tuesday, said the state doesn't need federal approval because a court ordered the runoff election set for the earliest time possible."

Probe Of New York City Police Shooting Continues Amid Protests. The New York Times (11/30, Chan, Khan) reports, "The Revs. Jesse Jackson and Al Sharpton led relatives and community members on an angry and emotional visit yesterday morning to the Queens street where Sean Bell, an unarmed 23-year-old black man, was shot to death in a hail of police bullets early Saturday morning." The Times continues, "As the two civil rights leaders led their group, police officers continued searching the site for evidence yesterday, and investigators were

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seeking additional witnesses." The Times adds, "The police were trying to locate a man who may have been in Mr. Bell's car on Saturday morning and another who witnesses say was at the heart of arguments outside Club Kalua, a cabaret, with groups that included Mr. Bell. That man was last seen dressed in black and standing in front of a sport utility vehicle with silver wheels in the moments before the shooting. It is unclear what role, if any, he played, the police said. .. .The police described the man who may have been in Mr. Bell's car as being last seen wearing a beige jacket and running away from the shooting onto 95th Avenue, the police said." The Times notes, "As investigators working on the case seek the two men, the police are asking everyone arrested in the city whether they have any information about the case. .. .The case has attracted national attention, a fact underscored by the arrival of Mr. Jackson and by a call from Mayor Michael R. Bloomberg to Bruce S. Gordon, president and chief executive of the N.A.A.C.P., which wants the Justice Department to review whether the shooting violated federal civil rights laws. Mr. Jackson echoed that sentiment yesterday."

NYC Police Commissioner Faces Another Furor Over Shooting. The New York Times (11/30, Healy) reports, "Police Commissioner Raymond W. Kelly has overseen the streets of New York for the last five years in the style of a global warrior against terrorism. With a self-confidence that strikes some people as imperious, and some as impressive, Mr. Kelly has created a network of police officials overseas, recruited former C.I.A. officers and built a 1,000-member terror unit. .. Yet over the last few days, Mr. Kelly has had to return to an earlier, less-novel role: the face of a police department involved in yet another public furor, this one a fatal shooting that has the makings of a combustible controversy involving race, politics and the police use of deadly force." The Times continues, "Mr. Kelly's role in the investigation and his handling of that shooting in Jamaica, Queens last Saturday, in which a young black bridegroom died, has all but been a flashback to his first tour as commissioner, in 1992 and 1993. Then, as the choice of New York's first black mayor in the aftermath of confrontations in Crown Heights, Brooklyn, Mr. Kelly took charge at a moment of considerable daily violence and raw racial emotion, in a city of metastasizing mistrust between black and Hispanic New Yorkers and police officers." The Times notes, "Those tensions have in some ways eased, and Mr. Kelly's relationship with police critics like the Rev. Al Sharpton is good enough that the two men talked just hours after the Queens shooting. … Mr. Kelly also took the more forceful step of putting the five officers who together fired 50 rounds in the 4 a.m. confrontation with the group of young black and Hispanic men on paid administrative leave and stripping them of their weapons. … But the return to this delicate public role as a truly local commissioner also brings new complications for Mr. Kelly, 65. He is routinely discussed in political circles as a possible candidate for mayor in 2009, something he has not ruled out, and his actions are apt to be seen as having potential political consequences."

More Commentary. In his New York Times column (11/30), Bob Herbert writes, "Here is my first quick take on this case: If I was in my car outside a rowdy nightclub in the wee hours of the morning and someone who looked like a club patron came running toward me, screaming and waving a gun, I would immediately slam the gearshift into drive, hit the accelerator and try to get the hell out of there. … This appears to be what happened. The cops, dressed to blend in with the club crowd, were single-mindedly looking for trouble — evidence of prostitution, underage drinking, illegal guns, and so forth. They were looking so hard for criminal behavior that they seem to have imagined it where none was occurring." Herbert adds, "One officer is said to have believed that one of Mr. Bell's companions may have had a gun. No gun was found and there is no evidence that any of the three men were armed at any time. … The thing that is most unacceptable about this case is not the total number of shots fired, but the fact that five New York City cops were so willing to begin firing at all — willing to take the life of another human being, and maybe a number of human beings — without ever establishing that there was a good reason for doing so." Herbert concludes, "The Rev. Al Sharpton, who represents the Bell family, has publicly called for patience and calm. But he added, and I agree, that the mayor and Police Commissioner Ray Kelly have an obligation to develop effective new strategies for reining in reckless police behavior. .. .The crucial first step, in my opinion, is to insist that police officers, including those who are black, recognize the essential humanity of all the people they are supposed to be protecting and serving. Not everyone with dark skin is a perp."

Police Officer In Atlanta Shooting Was Accused Of Lying About Traffic Accident. The Atlanta Journal-Constitution (11/30, Reid, 379K) reports, "An Atlanta narcotics officer tied to last week's deadly drug

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raid on a elderly woman's home was the subject of a 2002 lawsuit that said he 'fabricated' the events that led to his head-on traffic collision with a motorcyclist. That rider, Samuel T. Gulley Jr., received a $450,000 payment from the city last year to settle his claims against Officer Arthur B. Tesler, the city and the Atlanta Police Department. The civil case was dismissed from Fulton County State Court after the settlement in September 2005. That lawsuit alleged Tesler and other unnamed officers '"fabricated traffic charges against Plaintiff, ignored evidence ... and improperly initiated criminal proceedings' against Gulley to cover up the fact that Tesler was at fault in the accident that left Gulley with a broken pelvis and broken leg." The AJC notes, "Tesler was one of two officers who told a judge they directed a confidential informant through the process of an undercover drug buy at the house occupied by Kathryn Johnston, according to court records."

Informant Has Long History Of Drug-Related Arrests. The Atlanta Journal-Constitution (11/30, Torpy, Cook, 379K) reports, "The confidential informant who says police told him to lie about his role" in the drug bust "is a petty criminal with a series of drug arrests in the past few years." Alexis Antonio White's "background and honesty are likely to be taken into consideration as law enforcement agencies, led by the FBI, reach a conclusion about whether to believe the police officers or a suspected drug dealer-turned-informant." The AJC notes, "Police Chief Richard Pennington this week confirmed that the informant had told investigators that he was never at the house where Johnston was killed and that police asked him to lie about the events surrounding the case. Pennington said the investigation will determine if White is telling the truth."

Black Panthers Protest Again, Call For Probe Of 14 Police Shootings. WXIA-TV Atlanta (11/30, Bridgers) reports on its Web site from a story broadcast yesterday, "The New Black Panther Party held another meeting Wednesday night. This one focused on the 14 officer involved shootings in DeKalb County. The meeting at Atlanta's Tupac Amaru Shakur Center for the Arts went on for hours with lots of angry and frustration placed on DeKalb County police. … Those attending the rally want a federal investigation launched into all police related shootings in DeKalb County. They also called on DeKalb County CEO Vernon Jones to step down."

Ohio Man Pleads Guilty To Racist Intimidation Of Neighbors. The Cleveland Plain Dealer (11/28, 352K) reported, "A Cleveland man will probably spend two years in prison after admitting he helped spread mercury around a neighbor's house to scare black families out of Slavic Village. Joseph Kuzlik, who is white, pleaded guilty Monday to conspiracy and two other charges in U.S. District Court. … Kuzlik's friend David Fredericy pleaded guilty to similar charges earlier this year. Between 2002 and 2005, Kuzlik and Fredericy yelled racial slurs and threatened black neighbors, including children," culminating in the mercury incident. The AP (11/28) also reported on the plea.

Los Angeles Council Rejects Fire Department's Bias Settlement. The Los Angeles Times (11/30, Hymon, Helfand) reports, "The career of Los Angeles Fire Chief William Bamattre dangled in the balance Wednesday as the City Council backed away from a settlement offered to a black firefighter who accused the department of racial discrimination." The Times continues, "After a lengthy closed session with city attorneys, only six of the 15 council members voted to buck Mayor Antonio Villaraigosa's veto of the deal. Janice Hahn, Tom LaBonge and President Eric Garcetti joined the council's three black members in an attempt to keep the settlement in place. But at least 10 votes would have been needed to override the mayor." The Times adds, "Firefighter Tennie Pierce, a robust personality whom some firefighters called Big Dog, sued the city after dog food was slipped into his firehouse meal two years ago by several firefighters. … Two white captains and a Latino firefighter were punished for the incident. But Pierce, who is on administrative leave, said he was ultimately driven from his job by continuing department harassment. … The council had overwhelmingly agreed to settle the case for $2.7 million, but a public outcry prompted Villaraigosa last week to veto the agreement, leading to Wednesday's vote." The Times notes, "Bamattre was present throughout the closed session and was questioned repeatedly by council members over his handling of the Pierce case and other incidents in a department long plagued by allegations of insensitivity. One aide said that while the tone was respectful, there was obvious tension between the council and the chief. … Although the council action does not preclude City Atty. Rocky Delgadillo from conducting further settlement talks, for now the case is headed to court March 19."

More Commentary. The Los Angeles Times (11/30) editorializes, "Tennie Pierce has already had his day at City

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Hall, testifying before the City Council about harassment and discrimination in the Los Angeles Fire Department. Now it appears that he will get his day in court — and it will be the Fire Department that is on trial." The Times continues, "Pierce is the black former firefighter who was fed dog food by his colleagues and sued the city, agreeing to a $2.7-million settlement that was accepted by the city attorney and approved by the City Council. But last week Mayor Antonio Villaraigosa vetoed that settlement, and on Wednesday, after two days of contentious debate, the council failed to override his veto. So it looks as if the case is headed for trial. … That's good — but not necessarily because the mayor's decision was the right one or because the incident is defensible. It's because, win or lose, the city will now get a chance to hear just how dysfunctional its Fire Department is. " The Times adds, "A trial will air the damaging evidence that led the city attorney to recommend a settlement. And for the LAFD, a department that for decades has been plagued with racism, sexism and other types of harassment, that evidence could be embarrassing. If firefighters think sneaking dog food into someone's dinner and watching him eat is just a bad joke, what's a good one? How much dehumanizing behavior is someone supposed to endure in the name of camaraderie? … Whatever happens, the real victory for the city won't come until the Fire Department changes its ways. Scathing audits have outlined the LAFD's erratic disciplinary policies, poor leadership and hostile work environment, yet those reports have failed to dislodge the frat-boy culture. Maybe a public airing of its dirty laundry will."

Use Of Police Videos Sparks Debate. USA Today (11/30, 3A, Welch) reports from Los Angeles, "A series of recent videotaped arrests is providing an unfiltered look at often physical, sometimes brutal police work, due to the broadening technology of cellphone cameras and online video viewing." USA continues, "Some law enforcement experts say the technology is shedding light on a long-standing if uncomfortable fact of life: Police frequently have to use force. And society and the law expect them to do so. … 'The core function of police is, they're the ones who step up and use force when it is necessary,' says Eugene O'Donnell, a former New York City police officer and prosecutor. … 'The cops are doing our dirty work. And when someone puts it on camera and shoves it out there, we say, "Isn't this terrible."' … The tape of the beating of Rodney King by police in Los Angeles in 1991 had to be handed to television stations nationwide before the public saw it." USA adds, "Nowadays, advances in computer technology and the advent of websites such as YouTube allow a person to post immediately a video online for millions of people to view. … Some defense lawyers say the videos are giving the American public a glimpse into brutality they never knew existed. … But the videos often provide an incomplete picture of events, police and law-enforcement advocates say — sometimes failing to show the actions that led to the confrontation and a suspect's behavior. .. .And after all, some experts say, a police officer's job is to control violent and potentially violent people. That generally requires using a level of force just above that used by the suspect."

WPost Lauds Suspension Of Virginia Police Officer After Shooting. The Washington Post (11/30, A22) editorializes, "Fairfax County police officer Deval V. Bullock is a good cop who made one disastrous mistake: Bumped by his own car door, he accidentally fired his weapon and killed an unarmed, nonviolent, non-threatening suspect during a routine arrest in January. The shooting of Salvatore J. Culosi, an optometrist under investigation for being a sports bookmaker, was unintentional. But it was also negligent; under the circumstances, Mr. Bullock should not have had his finger on the trigger, nor even aimed his weapon at Mr. Culosi. Now the Fairfax police department is recommending a slap on the wrist for Mr. Bullock -- three weeks without pay and his removal from the police SWAT team. The punishment is lenient, to say the least, but even so it is too much for the police union." The Post adds, "Mr. Bullock, a 17-year veteran of the police force, was trained in firearms and tactics. He well knew that during a routine arrest, his finger should not have been on the trigger and his gun should not have been pointed at the suspect. So it is no real excuse that, in jumping from his car, the car door bounced back, striking him in the side and causing him to pull the trigger. Like people in other lines of work who make disastrous mistakes, Mr. Bullock should be held accountable for his actions, even though they were unintentional. The chief prosecutor in Fairfax, Robert F. Horan Jr., already declined to prosecute Mr. Bullock or refer the case to a grand jury, yet now police union officials howl that even a three-week suspension is unfair. It's not. It is in fact little more than symbolic discipline. But in such a case symbolism is important and well placed."

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WPost Praises Virginia Ruling In Lesbian Parental Rights Case. The Washington Post (11/30, A22) editorializes, "For more than two years, Janet Miller-Jenkins has been blocked from seeing her 4-year-old daughter because of a nasty custody dispute with her ex-spouse, who has been defying a court order to allow regular visits. This week, the Virginia Court of Appeals issued an opinion that should be utterly unremarkable: It held that under federal law, Virginia courts must honor the custody orders of their sister courts in Vermont, where Ms. Miller-Jenkins and her ex were joined and where they asked a court to dissolve their union. … Yet the court's decision in Miller-Jenkins v. Miller-Jenkins is a big deal, because what's in question is a civil union, not a marriage. A lower Virginia court had refused to give effect to the Vermont courts' orders allowing Ms. Miller-Jenkins to visit her daughter, citing a state law that prohibits any recognition of civil unions or other same-sex relationships from out of state." The Post concludes, "Federal law prevents any Virginia court from interfering in an ongoing custody case in Vermont or any other state. There is no exception for gays or lesbians. The idea is to prevent parents who don't like the result they get in one state's courts from trying their luck elsewhere. Whatever hateful things Virginia law may say about civil unions are therefore irrelevant; its courts must honor the orders of that Vermont court. .. .Sadly, further appeals are likely, so in the immediate future her clear victory in court may not bring Janet Miller-Jenkins closer to her daughter. That's wrong. Their unlawful separation has lasted far too long already."

ANTITRUST:

DOJ Delays Deadline For Mittal Steel Mill Sale Decision. The AP (11/30, Smith) reports, "The U.S. Department of Justice on Wednesday gave Mittal Steel Co. until Jan. 28 to decide which U.S. mill it will sell to settle antitrust issues over its merger with rival Arcelor SA, a union official said." The AP continues, "Mittal had planned to sell Canada's Dofasco Inc. as part of its merger with Arcelor, but an independent trust controlling Dofasco said earlier this month it would not allow the sale. .. .That forces a choice between the other tin assets, the former Weirton Steel Corp. in West Virginia's Northern Panhandle or the Sparrows Point mill in Maryland." The AP adds, "Though Mittal has not made a final decision, it has publicly said its first choice would be Weirton, a historically high-cost producer and the largest tin operation. .. .Mark Glyptis, president of the 1,200-member Independent Steelworkers Union, said the justice department has ultimate authority over any sale. .. .Gina Talamona, a Justice Department spokeswoman in Washington, D.C., did not immediately return a telephone message about the case."

Chicago Mercantile Exchange Defends Monopoly In Trading Its Own Products. The Financial Times (11/30, Cameron) reports, "The Chicago Mercantile Exchange on Wednesday defended the monopoly in trading its own products, and said any regulatory push to change the current industry structure would be 'disastrous'." The Times continues, "The CME has been one of the stoutest opponents of 'fungibility' which would allow contracts listed by one exchange to be traded on rival platforms, arguing it would be inefficient and stifle innovation. … 'I would suggest that having something like that would be kind of disastrous for the industry,' said Kim Taylor, president of clearing at the CME, during an industry conference in Chicago." The Times adds, "Ms Taylor said exchanges would lose the 'upside' from the investment in product development which has helped spur annual growth rates of 25 per cent across a futures industry serving a wider client base of banks, institutional investors and hedge funds. … Her remarks come amid intensifying scrutiny of the derivatives business on both sides of the Atlantic, notably over the impact of exchanges such as the CME and Eurex which control their own clearinghouses. Some users claim the vertical integration creates excessive pricing power." The Times notes, "The Department of Justice is currently reviewing the CME's planned $8bn purchase of the Chicago Board of Trade, and assessing any potential anticompetitive impact from its ownership of their shared clearinghouse, which accounts for 90 per cent of on-exchange US futures trades. … The CME insists it does not expect the proposed deal to run into antitrust problems, and like other exchanges has pointed to intense competition from over-the-counter markets as well as the large investment banks which make up their main customer base."

US Air To Pitch Delta Bid To Creditors. The Wall Street Journal (11/30, A15, Trottman, Dade) reports, "Executives of US Airways Group Inc. and Delta Air Lines Inc. will face off in New York today in front of the major creditors who could ultimately decide whether an $8.5 billion hostile

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merger of the two airlines takes place." The Journal continues, "Delta executives, who have been waging a campaign against the offer, insist they will seriously consider the proposal. But Delta also will try to bolster creditors' confidence in its own plan to take the Atlanta airline out of bankruptcy-court protection as soon as April as a standalone carrier. US Airways, Tempe, Ariz., argues that a merger would create a healthier airline with annual cost savings of $1.65 billion." The Journal adds, "Today's meeting at an undisclosed location in Manhattan, the first direct encounter between executives of the two airlines since the hostile offer was announced Nov. 15, is expected to last several hours. US Airways Chief Executive Doug Parker, the architect of the bid, and his management team are expected to attend, along with Delta Operating Chief Jim Whitehurst and Delta Finance Chief Edward Bastian, according to people familiar with the situation. It was unclear whether Delta Chairman and CEO Gerald Grinstein would attend. … US Airways hopes to show that its plan is superior to the standalone strategy Delta expects to present to its creditors by Dec. 15, and to persuade Delta to open its books as part of due diligence on the deal, according to a US Airways spokeswoman. A person familiar with US Airways' strategy said the airline will show how it could extract the cost-saving synergies it has promised as part of the deal, and attempt to defuse worries that the merger can't pass muster with antitrust regulators. US Airways and Delta compete in many of the same markets, mostly on the East Coast. The combination of the two carriers would create the largest U.S. airline in terms of passenger traffic, at least before any assets are sold."

USA Today (11/30, 4B, Adams) reports, "The merger would require approval from Delta's creditors committee, Delta's bankruptcy judge, US Airways' shareholders, the U.S. Department of Justice and the U.S. Department of Transportation. … Delta's unsecured creditors include bondholders, suppliers and Delta's pilots union, all of whose bankruptcy claims are not secured by tangible assets such as planes." USA adds, "The offer's cash component is significant because unsecured creditors of a company in Chapter 11 usually receive only stock in the reorganized company as payment. … Today's meeting is expected to include dozens of players from both Delta and US Airways. Attendees will include the airlines' senior management teams, along with both airlines' lawyers and financial advisers, and lawyers and advisers for Delta's creditors committee. …. No decision is expected today. US Airways still seeks access to Delta's books. Opinion on the proposed merger is divided."

Bloomberg (11/30, Schlangenstein, Torbenson) reports, "The meeting will be the first for the three parties since US Airways made its hostile bid Nov. 15, and the first time US Airways CEO Officer Doug Parker will have a chance to brief Delta creditors on his $8.6 billion cash-and-stock offer. … 'The committee is going in with an open mind to hear what US Airways has to say,' lawyer Daniel Golden said in an interview yesterday. 'I fully expect senior executives from both Delta and US Air to be there, as well as their advisers and the committee's advisers.' … US Airways declined to comment on the meeting, which is to be held in New York. Delta spokesman Michael Freitag said the airline 'will be well represented,' but declined to elaborate." Bloomberg adds, "Delta CEO Gerald Grinstein, who rejected US Airways' initial offer, has said he wants his Atlanta-based airline to emerge from Chapter 11 in the first half of 2007 as an independent carrier. … Tempe, Arizona-based US Airways offered $4 billion in cash and 78.5 million US Airways shares. Delta creditors would own 45 percent of the merged airline. … Delta is still the nation's third-largest airline, and a US Airways-Delta combination would surpass AMR Corp.'s American Airlines as the world's biggest carrier, based on miles flown by paying passengers. … US Airways, the seventh-biggest U.S. carrier, already has met with the U.S. Justice Department to discuss possible antitrust concerns. The airline has said it would expect to sell one of the two northeastern shuttle operations a merged carrier would own. 'We are looking at the proposed transaction,' said Gina Talamona, a Justice spokeswoman."

Unions Wary Of Airline Merger Talks. The Houston Chronicle (11/30, Hensel) reports, "Airline union leaders are keeping a wary eye out as merger speculation swirls, but they're reluctant to say how they'd react in the event of a takeover." The Chronicle continues, "The talk began in earnest earlier this month when US Airways made an offer to buy Delta Air Lines. … That could trigger additional deals by smaller carriers seeking to remain competitive, according to airline analysts who are talking up pairings — like United Airlines and Continental Airlines." The Chronicle adds, "Big takeovers can be traumatic for workers. .. 'It makes pilots nervous,' Capt. Dave Earnest, who heads the local Continental pilots union, said Wednesday. 'Mergers are a tough time for employees, wondering what is going to happen.'" The Chronicle notes, "One of their biggest

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concerns is the impact a merger can have on the airline's seniority lists, which can determine who gets their pick of the best jobs, or in the event of layoffs who loses out. … United has been at the center of a lot of the merger talk because after three years in bankruptcy court its outlook is brighter. … The carrier's chief executive, Glenn Tilton, has said there is too much capacity and that consolidation in the industry is needed."

Judge Limits Gates' Role In Iowa Microsoft Trial. The AP (11/30, Pitt) reports, "Microsoft Corp. Chairman Bill Gates must travel to Iowa only once to defend his company in a class-action antitrust case beginning Thursday that accuses him of running a monopoly that overcharged Iowans millions of dollars." The AP continues, "The company has denied the allegations and said it will prove customers received high-quality software for a reasonable price. … In a ruling filed Wednesday, Polk County District Court Judge Scott Rosenberg said that Gates and Microsoft CEO Steve Ballmer must testify only once." The AP adds, "The plaintiffs' attorney, Roxanne Conlin of Des Moines, wanted to present her case in its entirety -- including calling Gates and Ballmer to the witness stand -- without allowing the company's attorneys to question them directly. That would have required the two top executives of the Washington-based software maker to travel to Iowa a second time if their own attorneys wanted to question them directly. … The judge ruled all questioning of the men will occur at one time. … Microsoft attorneys said Gates is expected to testify in January and Ballmer will likely appear in February. Both men are expected to be on the stand for about four days."

EU Keeps Eye On Microsoft's Vista. The Financial Times (11/30, Buck) reports, "The launch of Vista has been followed with keen interest not only by Microsoft's customers and the software industry but also by the European Union's top antitrust regulator." The Times continues, "The European Commission has repeatedly warned Microsoft that the new operating system could raise competition concerns similar to the ones that sparked the body's 2004 landmark ruling against the software giant. At the time, the Commission fined Microsoft a record €497m for abusing its dominant market position." The Times adds, "In particular, the Commission is worried about the 'bundling' of new features and programmes into Vista. It has argued that the integration of security software, an internet search engine and a fixed document reader similar to Adobe's Acrobat Reader could undermine competition from companies that sell such programmes on a stand-alone basis. … Neelie Kroes, EU competition commissioner, first made public her concerns in a letter sent to Microsoft in March. Since then, the two sides have engaged in several rounds of negotiations designed to limit any competitive harm created by Vista and avoid the threat of a fresh antitrust case against Microsoft."

EU Fines Companies For Fixing Rubber Prices. The AP (11/30, White) reports, "The European Commission fined five oil refiners and chemical producers about $682 million on Wednesday, saying they fixed the price of synthetic rubber used to make tires. A sixth company that had alerted authorities escaped a fine. … 'The fines are so high because it's a large market and several of the companies are repeat offenders,' said European Union spokesman Jonathan Todd." The AP continues, "It was the second-largest fine ever in an EU cartel case. The largest a fine of 790 million euros levied in 2001 against eight pharmaceutical makers including Roche Holding AG and BASF AG for fixing vitamin prices." The AP adds, "In the latest case, Italy's Eni SPA was ordered to pay the largest fine – 272 million euros ($357.6 million) – while Royal Dutch Shell PLC was fined 160.8 million euros ($211 million). Their fines were hiked by half for it being a repeat offense. … Bayer AG told European Union regulators that the companies were fixing prices and sharing information on customers for certain types of synthetic rubber known as butadiene rubber and emulsion styrene butadiene rubber from 1996 to 2002. It got full immunity, escaping a potential 204 million euros ($268 million) fine."

AFP (11/30, Thomas) reports, "The overall penalty was second only to a 790.5 million euro fine that the commission imposed on vitamin makers in a landmark 2001 anti-cartel ruling. … 'Cartels strike at the heart of healthy economic activity,' Competition Commissioner Kroes said. 'They undermine competition, raise prices for consumers and reduce the diversity, quality and innovation of European companies,' she added." AFP adds, "The Dutch commissioner has made cracking down on cartels a top priority this year and has targeted about 10 of them, nearly double last year's figure."

Bloomberg (11/30, Newman) reports, "The EU has been investigating price-fixing in the chemical industry since 2002. In December of that year, EU inspectors raided the offices of a unit of Eni, the world's fourth-largest oil company,

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looking for evidence of price fixing in EPDM or ethylene propylene diene monomer. … In July 2006, the EU closed its probe of the EPDM, urethanes, urethane chemicals market without charging any company."

EU Raises Pressure On Spain To Drop Endesa Restrictions. AFP (11/30) reports, "EU regulators have raised pressure on Spain to lift restrictions on German energy group EON's bid for Spanish electricity company Endesa by ruling that Madrid's new, eased conditions still broke EU law." AFP continues, "The European Commission found that the 'new measures concerning the proposed EON takeover of Endesa ... are in violation of the merger regulation provisions,' said spokesman for competition issues, Jonathan Todd Wednesday." AFP adds, "Spain eased its conditions on the bid earlier this month after the European Commission had determined at the end of September that Madrid was in breach of EU regulations by trying to protect Endesa. … After Brussels regulators' new complaint, a Spanish government official stood firm, saying Madrid is now fully compliant with European rules on the matter." AFP notes, "The commission has given Spanish authorities until December 13 to respond officially to its latest ruling. If Brussels regulators are unsatisfied with the response, then they could legally require Spain to drop the conditions."

WSJournal Praises NASD, NYSE For Merging Enforcement Operations. The Wall Street Journal (11/30, A16, 2.04M) editorializes, "One of life's rarer -- to the point of being miraculous -- events is an enforcement agency deciding to voluntarily give up power. So congratulations are due this week both to the New York Stock Exchange and the National Association of Securities Dealers (NASD) for agreeing to merge most of their enforcement operations." The merger "will reduce regulatory duplication and thus the costs of compliance. In some circles, and by some strange logic, the merger is being described as deregulatory. But a single, independent private regulator is likely to have more clout, not less, and the post-Enron SEC isn't going away any time soon."

ENVIRONMENT/INDIAN AFFAIRS:

Kennedy Likely Key Vote As Court Hears Greenhouse Gas Case. The Los Angeles Times (11/30, Savage, 850K) reports the Supreme Court "seemed closely split today as the Bush administration went before the justices to defend its refusal to regulate the greenhouse gases that are believed to cause global warming." The lawsuit concerns "whether a coalition of coastal states, led by Massachusetts and California, can spur federal regulators into action on global warming." Justices David H. Souter and Stephen G. Breyer "attacked" deputy US Solicitor General Gregroy Garre's "contention the states did not have standing to sue." The court's "four conservatives, led by Chief Justice John G. Roberts Jr. and Justice Antonin Scalia, sounded as though they agreed with the administration's argument." The outcome "probably depends on centrist Justice Anthony M. Kennedy. A California native, he joined the court's liberal bloc in June to preserve broad federal regulation of wetlands, although he wrote a separate opinion to explain his reasons."

NBC Nightly News (11/29, story 6, 2:10, Williams, 9.87M) reported, "The issue before the justices boiled down to this one fundamental question, can the Environmental Protection Agency be required to regulate greenhouse gases that come out of the tailpipes of new automobiles." NBC (P. Williams) added, "Massachusetts warns it's literally losing ground to a rising ocean. It joined environmental groups and 11 other states which say global warming is melting glaciers asking the Supreme Court today to order the Federal Government to act." Thomas Reilly, Massachusetts Attorney General: "All we're asking this court to do send it back to the EPA and tell them, 'Do your job.'" Williams: "They want the EPA to limit emissions from new cars of carbon dioxide, a gas that helps trap heat in the atmosphere. But the Bush Administration says Congress never gave the EPA authority over carbon dioxide, so different from the kind of air pollution it does regulate. Besides, EPA says, US cars put out a tiny fraction of world greenhouse gases so limits would have little effect on climate change. The court's conservatives today seemed to agree. Chief Justice Roberts said it was 'spinning out conjecture on conjecture' to say that US limits would lead to improvements worldwide. Some unions say going it alone could also undermine efforts to get global pollution treaties."

USA Today (11/30, 5A, Biskupic, 2.27M) reports Chief Justice John Roberts "and fellow conservatives questioned whether states' environmental problems truly would be helped if the U.S. government changed its decision not to regulate emissions from new cars and trucks." At the "same time, Justice John Paul Stevens and other liberal justices were sympathetic to arguments from Massachusetts Assistant Attorney General James Milkey that the impact of carbon

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dioxide emissions and other greenhouse gases is imminent and serious." Justice Anthony Kennedy "did not tip his hand."

The Wall Street Journal (11/30, Bravin, Anderson, 2.04M) reports the case "involved carbon-dioxide emissions and other 'greenhouse gases' blamed by many scientists for global warming. Joined by environmental groups, Massachusetts and 11 other states have urged that the administration regulate such gases as pollutants." The Administration, "reversing a Clinton administration opinion, argued that such emissions don't fall under the Clean Air Act's definition of pollutants -- adding that even if they did, the agency need not regulate them because of uncertainty and a preference for international action over a unilateral approach." The states "contend the law requires the Environmental Protection Agency at least to begin the formal process that could lead to regulation." The Court "appeared sharply divided on whether states had standing to sue over their claim."

The Washington Post (11/30, A3, Barnes, 690K) reports the states "and the environmental organizations that support them say the standards should be the first step in a broader effort to reduce carbon dioxide and other gases that they say are harming the atmosphere and leading to global warming and rising sea levels. But they faced a court sometimes skeptical about whether the remedy they seek would make much difference in the long run, and whether they can even show they are facing the kind of imminent harm that is required before they can press their case."

CNN.com (11/30, Mears) reports, "The major environmental case pits states against the Bush administration over damage claims blamed on global warming. … 'Isn't it intuitively reasonable to suppose that with some reduction of the greenhouse gases, there will be some reduction of the ensuing damage or the ensuing climate change which causes the damage?' asked Justice David Souter. 'Isn't that fair?' … 'There's something of a consensus on warming, but not a consensus on how much is attributable to human activity,' countered Justice Antonin Scalia." CNN adds, "At issue is whether the Environmental Protection Agency is required by law to regulate carbon dioxide emissions from newly manufactured motor vehicles. … The debate centers on whether carbon dioxide constitutes a 'pollutant' under the Clean Air Act. EPA officials argue it is not and that the agency alone has the discretion to decide such matters. … The oil and gas industry supports the EPA's position. In the late 1990s, the Clinton administration concluded the EPA has the regulatory authority to reduce carbon dioxide emissions, but the Bush administration in 2003 reversed that position, prompting the current legal fight."

Market Watch (11/30, Cohen) reports, "A dozen states, frustrated by what they see as lax U.S. policy on curbing emissions of harmful greenhouse gases like carbon dioxide, sued the Environmental Protection Agency in 2003 for failing to reduce emissions from cars after years of agency debate that ended in no new rules. … 'We are certainly glad to have our day in court. We've waited seven years for this day...seven precious years,' said Joe Mendelson, legal director of the International Center for Technology Assessment, in an interview ahead of the court date. The group was responsible for originally seeking EPA action on vehicle pollution." Market Watch adds, "In oral arguments Wednesday, the justices aggressively questioned both sides. They asked the attorney for the EPA to justify doing nothing about climate change, while peppering the attorney for the states about their standing to sue and about what harm has actually been done by the EPA's failure to regulate carbon dioxide. … The Supreme Court agreed to hear the case - Commonwealth of Massachusetts et al. v. Environmental Protection Agency et al. - and consider two questions, first whether the EPA has the authority to regulate these emissions and whether the agency can decide not to issue emissions regulations for vehicles even if it has authority. Read more about the case at the American Bar Association's Supreme Court site."

Bloomberg (11/30, Stohr) reports, "Several justices, led by Antonin Scalia and John Roberts, questioned whether 12 states have the legal right to challenge an Environmental Protection Agency decision not to regulate those emissions. Roberts, the chief justice, said the states were 'spinning out conjecture on conjecture' to support the argument that they would benefit from EPA rules. … Other justices suggested during the hour-long argument in Washington that the agency relied on impermissible factors in making its decision. Justice John Paul Stevens criticized the EPA's reliance on three National Academy of Sciences reports for the notion that scientists are unsure whether so-called greenhouse gases are increasing the earth's temperature. … 'In their selective quotations, they left out the parts that indicated there was far less uncertainty than the agency purported to find,' Stevens said." Bloomberg notes, "The case raises the prospect of new regulations on automakers including General Motors Corp. and Ford Motor Co., companies already facing reductions in sales. Depending on how broadly the court rules, the case

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might also affect utilities, which have fought efforts to cut emissions of carbon dioxide and other so-called greenhouse gases from power plants."

The Washington Times (11/30, Fagan) reports, "Massachusetts Assistant Attorney General James R. Milkey, representing 12 states and 13 environmental groups, yesterday called on the Supreme Court to force the federal government to regulate greenhouse-gas emissions from new automobiles." The Times continues, "As the court waded into the politically charged issue of global warming for the first time, Chief Justice John G. Roberts Jr. and Justice Antonin Scalia pressed Mr. Milkey to explain when and how greenhouse gases will injure his state. … Mr. Milkey said Massachusetts has 200 miles of coastal land that is being lost to rising seas caused by global warming and that the damage will increase. … 'It's not so much a cataclysm as [it is] ongoing harm,' he said under questioning by Justice Scalia in a courtroom packed for the case's hour of oral arguments." The Times notes, "Any reduction to the 6 percent of global greenhouse-gas emissions caused by vehicles in the United States would help, Mr. Milkey said, because 'once they are emitted, the laws of physics take over' and damage is inevitable. … Justice Department Deputy Solicitor General Gregory G. Garre -- representing the EPA, the car-manufacturing state of Michigan and eight other states -- said there is 'substantial scientific uncertainty' about global climate change. … He said he knows of no studies suggesting that regulating this 'minuscule' percent of greenhouse gases would have any effect."

The Legal Times (11/30, Mauro) reports, "Supreme Court Justice Anthony Kennedy appears to hold the key to the outcome of the Court's first case assessing the environmental impact of global warming." The Times continues, "During oral arguments Wednesday in the closely watched case Massachusetts v. Environmental Protection Agency, justices seemed deeply divided on two questions: whether the EPA can be compelled to regulate greenhouse gas emissions from cars when the agency has chosen not to, and whether Massachusetts and 11 other states even have standing to challenge the EPA's actions. … Kennedy was relatively quiet during the hour, but several other justices seemed to tip their hands on the claim by the states that they have standing to compel the agency to regulate such emissions. The EPA decided in 2003 that it did not have the authority under the Clean Air Act to regulate carbon dioxide emissions -- and that because of scientific uncertainty about the effect of global warming, it would not regulate even if it had the power to do so."

EPA To Require More Stringent Toxic Release Reporting. The Washington Post (11/30, A21, Eilperin, 690K) reports that under "pressure from Democratic senators, the Bush administration has modified its proposal to ease public reporting requirements for companies that handle or release toxic chemicals." The Environmental Protection Agency has "proposed new rules for the Toxics Release Inventory, an annual accounting of more than 650 chemicals that industry releases into the air, land and water. The changes would raise the threshold for reporting releases of toxic chemicals in detail from 500 to 5,000 pounds and would allow companies to report every other year instead of annually." New Jersey Democratic senators Frank Lautenberg and Robert Menendez "in July blocked confirmation of Bush's nominee to head the EPA's Office of Environmental Information, Molly O'Neill." Now, in a letter to Lautenberg and Menendez, EPA Administrator Stephen L. Johnson said "he is revising the proposal to restore the requirement for annual reports. 'Your perspective on the program is invaluable to us,' Johnson wrote."

Preserved Open Space Reaches Parity With Developed Land. USA Today (11/30, O'Driscoll, 2.27M) reports, "Growing efforts to save privately owned farms, ranches and forests from industrial and residential development now preserve about as much open space each year as is lost to sprawl, according to a report out today." The National Land Trust Census, "conducted every five years by an umbrella organization for land conservation groups, says private land under protective trusts and easements now total 37 million acres, a 54% increase from the last count in 2000." Conservation of "private land from 2000 to 2005 averaged 2.6 million acres a year — about half the size of New Jersey, according to the Land Trust Alliance, which represents 1,200 of the USA's 1,667 local, state and national land trusts. This means additional land protected each year exceeds the 2.2 million acres that the Agriculture Department has estimated is converted annually to 'developed land.'"

Studies Find Plutonium Triggers Reliable Much Longer Than Thought. The Washington Post (11/30, A9, Pincus, 690K) reports, "The National Nuclear Security Administration said" their "studies have concluded

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that the plutonium used to trigger US nuclear warheads and bombs will remain reliable for about 100 years, far longer than had been believed. 'These studies show that the degradation of plutonium in our nuclear weapons will not affect warhead reliability for decades,' NNSA Administrator Linton F. Brooks said in a statement." An "independent panel" called the "Jason group reviewed the studies by the Los Alamos and Lawrence Livermore national laboratories and concluded that 'most plutonium pit types have credible lifetimes of at least 100 years,' according to the NNSA statement." The "studies could affect the Bush administration's plans for building a new generation of nuclear weapons under the Reliable Replacement Warhead (RRW) program."

US Says Indian Casino Ruling Hinders Oversight. USA Today (11/30, 5A, Johnson) reports, "Federal auditors say a court ruling last month has crippled their ability to examine operations at Indian casinos, raising concerns that the $22 billion Indian gaming industry could be increasingly vulnerable to corruption." USA continues, "The National Indian Gaming Commission (NIGC), a regulatory panel within the Department of Interior, says its auditors have been prohibited from conducting reviews of personnel and finances at Indian casinos across the nation since the D.C. Circuit Court of Appeals ruled Oct. 20 that the commission's regulatory authority does not extend much beyond its oversight of bingo games." USA adds, "The court accepted an Arizona tribe's argument that audits of Indian casinos — which account for about 88% of all gaming revenue in Indian Country — should be the responsibility of states and tribes. Since the ruling, 15 federal audits of Indian casinos have been suspended and a dozen casinos have barred NIGC investigators from tribal gaming facilities in Oregon, California, Arizona, Minnesota and Oklahoma, according to the commission. … 'We've had doors slammed in our faces,' NIGC Chairman Philip Hogen said in an interview. He said federal involvement in the casino audits is necessary because some states and tribes are not able to provide enough oversight of the businesses. He would not say which ones. … Randy Jackson, director of the FBI's Indian Country unit, says the bureau is 'deeply concerned' by the ruling. 'If Indian gaming operations are not regulated, the integrity of the … industry is at risk.'"

Washington Tribe In Land Dispute With US Parks Service. The AP (11/30, Corte) reports from La Push, WA, "The small Quileute Indian reservation sits on a shoreline of storm-tossed driftwood and pebble beaches, with dramatic views of rock formations rising out of the Pacific Ocean. … But the same ocean that crashes daily on these beaches is at the center of a long-simmering boundary battle between the tribe and the National Park Service." The AP continues, "The tribe has closed public access to one beach, and threatens to close another if members don't get additional land on higher ground, fearing the sea will sweep away the tribe's lower village." The AP adds, "The tribe has offered a land swap - it will hand over eight acres of disputed land at Rialto Beach and reopen access to Second Beach if the park cedes - or buys for the tribe - enough land to more than double the size of the reservation. … 'We don't have anything against the public,' said James Jaime, the tribe's executive director. 'It was the only way to get the federal government's attention.'" The AP notes, "The reservation is bounded on one side by the ocean and three sides by Olympic National Park. The tribe wants to move its school, senior center, tribal offices and some housing to higher ground as well as expand its reservation to build more housing developments. … 'Our primary concern is the health, safety and welfare of not only the tribal members, but the entire community,' said Jaime. .. Tribal leaders originally sought 1,200 acres, but are now asking for about 800 acres to add to their one square mile reservation - 309 acres of park lands, and another 480 acres of private land that it wants the National Park Service to purchase for them. … The tribe and the park have been debating the boundary at Rialto Beach for decades. The tribe argues that it owns most of Rialto Beach, but the park has built a parking lot and a restroom at the edge of the beach and both sides are disputing eight acres of land there."

FBI/DEA/ATF/USMS:

US Launches Effort To Curb Meth Use, Manufacture. The Arizona Republic/Gannett (11/30, Brogan) reports, "A coalition of federal, state and local officials will lead a nationwide anti-methamphetamine campaign that kicks off Thursday to educate the public about the dangers of the highly addictive drug." Gannett continues, "President Bush has proclaimed the day National

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Methamphetamine Awareness Day, and more than 100 events are planned to highlight the risks of meth use and the treatment available. … Participants include the Drug Enforcement Administration, Partnership for a Drug-Free America, National Association of Attorneys General and the Community Anti-Drug Coalitions of America." Gannett adds, "This year, state and local communities said meth was the top drug problem, ahead of cocaine, heroin and marijuana, according to the Justice Department's National Drug Threat Survey. … Attorney General Alberto Gonzales says the health, community and environmental risks posed by meth 'is nothing short of horrifying.'"

The AP (11/30, Poovey) reports from Chattanooga, TN, "Methamphetamine, an illegal drug, gets its own day and Tennessee law officers say the addictive stimulant deserves it." The AP continues, "U.S. Attorney General Alberto Gonzales declared Thursday as National Meth Awareness Day. In Tennessee, officials are observing 'Stop Meth in Tennessee, Start Right Now,' starting with a Grundy County news conference and enforcement promotional stops in Cleveland and Madisonville." The AP adds, "After ranking as a leader among states in meth-making operations seized, the work of the 7-year-old Tennessee Methamphetamine Task Force — now expanded statewide — along with new laws restricting products used to make the drug have helped the state reduce the number of labs. .. .Since passage of the Meth-Free Tennessee Act of 2005 and the federal Combat Meth Act of 2005, lab seizures in Tennessee have dropped significantly. … Records show 55 labs seized in October, down by 25 from October 2005." The AP notes, "U.S. Attorney James R. 'Russ' Dedrick of Knoxville said in a statement that 'public awareness and education concerning the harmful effects of methamphetamine are the keys to protecting our children and stopping the spread of methamphetamine addiction.'"

The AP (11/30, Jordan) reports, "Methamphetamine use is increasing along the East Coast after years of largely being confined to rural areas west of the Mississippi River, a government report shows. … But officials nationwide are finding fewer meth labs where the highly addictive drug is cooked - a bright spot in the nation's war against a drug the White House describes as dangerous as cocaine and heroin." The AP continues, "Meth 'is as bad, or worse, than most of those drugs for most of those people who have encountered it,' John P. Walters, director of the White House Office of National Drug Control Policy, said Wednesday in an interview with The Associated Press. … 'The good news is, at this point it looks like we have reacted before this became a bigger problem,' Walters said. 'But the onus is on us to follow through.'" The AP adds, The number of workplace employees who tested positive for meth dipped dramatically in several Midwest and western states where the drug so far has provided the largest punch, including Missouri, Iowa and New Mexico. .. But it surged along the East Coast, including in Connecticut and Maine, and by a whopping 115 percent increase in the District of Columbia. … The data by New Jersey-based Quest Diagnostics Inc. compared state-by-state drug tests from the first five months of 2006 to the same period last year, the most recent data available. Nationally, positive drug tests decreased by 12 percent between the two years." The AP notes, "As part of the campaign, Attorney General Alberto Gonzales will lead a government discussion in Washington about stanching meth use with state and local health and law enforcement officials. … Justice Department officials cite mostly anecdotal evidence showing that meth use and cooking labs are spreading to inner cities. Walters said that's in part because drug traffickers, largely from Mexico, are now selling meth to cocaine and heroin customers in urban areas. Additionally, many East Coast states do not have state laws that require cold medicines containing pseudoephedrine - the ingredient used to cook meth with other household chemicals - to be placed behind pharmacy counters."

The Grand Island (NE) Independent (11/30, Schultz) reports, "Angela Fatino, an Iowa preteen, had her first hit of methamphetamine at age 12. By 15, she had taken her own life. … Fatino's story, along with shocking photos of how she transformed from a pretty child to a meth addict, are featured in an advertising campaign, 'Meth: It's Getting Ugly,' by the Partners for Methamphetamine Prevention. … The national organization is participating in education and public outreach kicked off on Wednesday, which was declared National Methamphetamine Awareness Day by President George W. Bush." The Independent continues, "The program focuses on highlighting national efforts to increase awareness of meth use and aims to decrease demand for the highly addictive and dangerous drug, according to Partners for Methamphetamine Prevention. … Education and awareness are the only ways law enforcement will get the meth problem, and the general drug problem, under control, said Grand Island police Sgt. Clyde Church, a member of the Tri-City Drug Task Force." The Independent adds, "A variety of

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education events will be hosted nationwide by U.S. Attorney General Alberto R. Gonzales. In Nebraska, members of the U.S. attorney's office will conduct a series of education presentations to various colleges, high schools and community and civic groups. … 'In Nebraska, we have been battling methamphetamine for the past 10 to 12 years on all fronts through prevention and awareness, legislation, enforcement, prosecution and treatment,' U.S. Attorney Joe Stecher said."

The North County Times (11/30) reports that to "commemorate National Methamphetamine Awareness Day today, authorities are urging residents to call the county's meth hotline or visit its Web site for information on abuse of the drug. … According to a San Diego Association of Governments report released in late October, meth use is a growing problem in San Diego County. The report said that among people in custody at county jails between 2000 and 2005, usage of the drug increased from 28 percent to 44 percent among men, and 29 percent to 51 percent among women."

In Auburn, California, Rocklin & Roseville Today (11/30) reports Placer County "is joining many other local, state and federal agencies to designate Nov. 30 as National Methamphetamine Awareness Day. The purpose of the day is to call attention to the damaging effects this illegal drug has on individuals, families, friends and the community. … Of all the child abuse in Placer County, 85 percent to 90 percent is from drug abuse by parents. And methamphetamine is responsible for 60 percent of that abuse."

The Reno (NV) Gazette Journal (11/30) reports, "Marking the nation's first Methamphetamine Awareness Day, local law enforcement, education and treatment professionals will provide the public with a snapshot of how meth affects the community. The point of gathering meth-related data today is to draw attention to a drug epidemic that knows no boundaries, said special agent Mark Snyder of the federal Drug Enforcement Administration in Reno. … Snyder said although meth is not new to the area, it has emerged as the primary drug threat in Northern Nevada."

The Tucson (AZ) Citizen (11/30) reports middle-school students in Tucson "were to learn about the dangers of methamphetamine today from Drug Enforcement Administration officials as part of a nationwide awareness day. Federal, state and local officials are reaching out to potential meth users to discuss prevention and to users about programs to help them."

Guam's Pacific Daily News (11/30) reports the Department of Justice "sponsored today as National Methamphetamine Day for Guam and the Commonwealth of the Northern Mariana Islands, to highlight nationwide efforts to increase awareness and decrease demand of the highly addictive drug."

Guam's KUAM-TV (11/30) also notes various anti-meth efforts.

The Oregonian (11/30) editorializes, "Today is National Methamphetamine Awareness Day -- the first time a president has designated a day to focus national attention on methamphetamine, an extremely destructive and harmful drug. … Today is also an occasion to reflect on the progress our nation has made in attacking methamphetamine. In 2005, the number of methamphetamine laboratory incidents in America declined by 29 percent from the previous year and is continuing to decline this year. … This good news is proof that a balanced drug control strategy can yield meaningful results."

An About.com (11/30) article notes that today "has been declared National Methamphetamine Awareness Day as a part of a nationwide effort to further educate the American public about the effects of methamphetamine abuse on families and communities. The effort hopes to increase awareness and decrease demand of the highly-addictive drug." The DEA's participation is noted.

In Lexington, the University of Kentucky News (11/29) notes that a meth awareness event will take place on campus, which will include a question-and-answer session.

On its Web site, KCAL-TV, Los Angeles (11/29) reports President Bush "has proclaimed Thursday as National Methamphetamine Awareness Day in an effort to bring attention to the challenges the nation confronts because of the drug. Methamphetamine is a highly addictive central nervous system stimulant that can lead to brain damage and psychotic behavior, including auditory hallucinations, mood disturbances, delusions and paranoia, possibly resulting in homicidal or suicidal thoughts, according to the Office of National Drug Control Policy. … The Bush administration's Synthetic Drug Control Strategy released earlier this year set goals of a 15 percent decrease in methamphetamine use and 25 percent reduction in domestic methamphetamine labs over the next three years."

In Los Angeles, KNX Radio (11/29) reports on its Web site, "The Drug Enforcement Administration and the U.S. Attorney's Office plan to hold a Meth Awareness Exhibit for the

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media at a federal building in Los Angeles …to highlight the dangers of meth. It will include a mock meth lab, presentations by the DEA lab and may feature a former meth user, the DEA said in a statement."

Local Television. WVLT- TV (11/29, 11 p.m.) broadcasts, "US Attorney General Alberto Gonzales has declared tomorrow as National Meth Awareness Day. In Tennessee, officials are observing 'Stop Meth In Tennessee, Start Right Now.' Meth labs are popping up all over the country, and its makers use relatively inexpensive over-the-counter medicines like pseudoephedrine."

Former Tennessee Hockey Star Gets 3-Year Sentence In Marijuana Case. The Knoxville (TN) News Sentinel (11/30, Satterfield) reports one of Knoxville's most popular hockey players "will spend the next three years in a penalty box. … Senior U.S. District Judge James H. Jarvis on Wednesday ordered [Alex] Alepin to spend 38 months in a federal prison for conspiring with fellow Canadians to peddle hydroponic marijuana, a pricey and potent strain of the illegal drug." Alepin "had been ensnared in a probe led by U.S. Immigration and Customs Enforcement Agent John Witsell III and U.S. Drug Enforcement Administration Agent Dave Lewis of a Canadian drug smuggling ring. … Alepin's name surfaced in 2004 as Witsell, Lewis and fellow agents were investigating a smuggling network in which hydroponic marijuana grown in Quebec was being sneaked across the border, largely through tractor-trailers, and distributed to customers along the Eastern Seaboard," according to Assistant U.S. Attorney Hugh Ward.

2nd Circuit Reinstates Blind New York Inmate's Lawsuit. In New York, the AP (11/30, Neumeister) reports a California man who "said he went blind in prison because he was denied medication can sue the prison officials he thinks are responsible, a federal appeals court ruled as it reinstated a lawsuit that had been tossed out. The decision by the 2nd U.S. Circuit Court of Appeals means Rodney Thomas can pursue his claim that authorities failed to ensure he received medication for glaucoma after he was arrested by Drug Enforcement Administration agents in Los Angeles on Sept. 7, 2001. … The decision, handed down Tuesday but made public Wednesday, upheld a lower court's ruling that the DEA agents could not be held responsible in federal court in New York, but it reinstated the lawsuit against three prison officials."

"Drug-Stuffed" Submarines Create Concerns Among Authorities. The Wall Street Journal (11/30) reports, "This month, the Coast Guard detained four men who were allegedly trying to smuggle 3.5 tons of cocaine meant for the U.S. News accounts of the Nov. 16 bust, about 90 miles southwest of Costa Rica, described their unusual vessel as a 50-foot homemade fiberglass submarine. … After reading reports and seeing photographs of the captured vessel, hobbyists concluded that the gray drug craft was crudely constructed and not a serious attempt at building a submarine. … Law-enforcement agencies from Colombia to California are increasingly worried about drug-stuffed submarines slinking along beneath the seas. … Authorities in Colombia have seized a couple of homemade subs in the past two years.

Drug Traffickers Said To Be Rewriting Rules In Mexico. The Dallas Morning News (11/29) editorialized, "The news that popular banda musician Valentín Elizalde was gunned down Saturday in Mexico near the Reynosa fairgrounds stunned many residents on both sides of the border. … Such is the surreal world of the Mexican drug trade, a world in which newspapers are silenced by gunfire and a drug cartel takes out advertising blaming its rivals for the mayhem. … The traffickers don't seem the least bit put off by increased federal efforts and more soldiers on the ground. After all, they've succeeded in pressuring newspapers to stop investigative coverage of cartels and to give little attention to drug-related violence. And when stories aren't reported in the Mexican press, it's even more difficult for the media in the U.S. to know what's really going on just across the border."

Colombian Authorities Accused Of Leaking Information Compromising DEA Agents. McClatchy Newspapers (11/29) reported, "The former director of Colombia's FBI, known as DAS, ordered that information compromising agents of the U.S. Drug Enforcement Administration be leaked to drug traffickers," according to former DAS official Rafael Garcia. Garcia "confirmed to El Nuevo Herald in a telephone interview from prison that he has told Supreme Court investigators that Jorge Noguera ordered him to deliver the information to the traffickers. … While testifying before the Supreme Court, Garcia said that Noguera 'almost made me feel that Colombian President Alvaro Uribe knew of and approved

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what we were doing,' according to records. Uribe has denied knowing of the alleged DAS corruption." The McClatchy story was published by the Monterey Herald and San Luis Obispo Tribune.

TAX:

New York Woman Pleads Guilty To Tax Fraud Charges In Trash-Hauling Probe. The Danbury (CT) News Times (11/30) reports, "A New York state woman who prosecutors said had a 'no-show' job at Danbury's Automated Waste Disposal pled guilty Wednesday to one count of conspiring to defraud the Internal Revenue Service. Her plea is the seventh taken by a federal judge in connection with an extensive racketeering case centering on Danbury trash magnate James Galante." The Times notes that Anna Priskie "received employee compensation and health insurance benefits from AWD, even though she provided no work to AWD or any related company. Her family also received the free use of a Lexus during part of this time."

IRS Redeems Or Refunds Billions In Suspect Municipal Bonds. Dow Jones (11/30, Connor) reports, "An estimated $30 billion of municipal bonds have been redeemed or refunded over the last six years after coming under Internal Revenue Service audit, a senior IRS muni enforcement official said Wednesday." Dow Jones continues, "And Charles Anderson, head of field operations for the IRS's Tax-Exempt Bond Office, estimated that as much as an additional $30 billion of bonds similar to those being audited were redeemed or refunded over the same period." Dow Jones adds, "Anderson offered his estimates at an IRS briefing Wednesday by way of underscoring his view that there is a substantial compliance problem in the muni market and a substantial amount of suspect bonds. … A leading abuse is diverting arbitrage profits - derived from investing tax- exempt bond proceeds in higher-yielding obligations - to bond deal participants instead of rebating the arbitrage profits to the federal government. Cliff Gannett, director of the Tax-Exempt Bond Office, said arbitrage-driven deals have become ever more sophisticated." Dow Jones notes, "Anderson said the IRS's muni enforcement team will focus increasingly on the people responsible for abusive bond transactions as well as the transactions themselves. … He said the IRS's interest in professional behavior in the muni market is shared by the Securities and Exchange Commission and Department of Justice Department, which are investigating suspected illegalities in the muni market."

CONGRESS-ADMINISTRATION:

Reyes Said To Be "Leading Contender" For Intelligence Chair. McClatchy (11/30, Recio) reports Democratic Rep. Silvestre Reyes "has an unusual pedigree for a member of Congress: He was a Border Patrol agent for 26 years before being elected in 1996." Reyes "can point to that law enforcement background, along with his work on defense, veterans and immigration issues, as the Texas Democrat emerges as the leading contender to become the chairman of the House Intelligence Committee." Reyes is not "campaigning for the post, a tactic that backfired on Florida Rep. Alcee Hastings, whom Speaker-elect Nancy Pelosi rejected as chairman Tuesday," but he "definitely is interested." Reyes "has the backing of congressional Hispanics, which may quell the unhappiness of the Congressional Black Caucus over Hastings being denied the job," and he "would be the only Hispanic chairman of a major committee. New York Rep. Nydia Velazquez is in line to become the chairman of the House Small Business Committee."

Wynn Says Hastings Supporters Should Not Overreact. Rep. Al Wynn said on MSNBC's Tucker (11/29, Carlson), "I think we can't overreact to this situation [Pelosi's decision to pass over Hastings.] Whenever you're reorganizing, moving into the majority, there are going to be bruised feelings. There are going to be winners and losers. We understand that. I think we're mature enough to accept the fact that everyone can't be a winner, everyone won't be the committee chairman or the majority leader and we'll move forward. … I think [Speaker-elect Pelosi] definitely knows what she is doing. She has made some tough calls. She has been very loyal to her friends. She has tried to accomplish some things. She hasn't necessarily won them all. But I think that without question she will win most of them."

LATimes Criticizes Pelosi For Decision To Dump Harman. The Los Angeles Times (11/30, 850K) says in an editorial that incoming Speaker Pelosi "has wisely decided not to appoint" Hastings, "who as a federal judge was impeached and convicted by Congress in the 1980s, as chairman of the House Intelligence Committee." But "unfortunately, Pelosi has yet to bestow the chairmanship on the obvious alternative: her fellow Californian, Rep. Jane

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Harman of Venice, the current ranking Democrat on the Intelligence Committee. Instead, Pelosi is scrambling to find an alternative to Harman, even if it is someone with no recent experience on the panel." Pelosi's "problem with Harman is reminiscent of her ill-fated endorsement of Rep. John P. Murtha (D-Pa.) to be House majority leader. In both cases, her attitude seemed to be shaped by personal considerations — friendship with Murtha, rivalry with Harman — and tunnel vision induced by the war in Iraq." Pelosi's "reluctance to appoint Harman raises the question of whether the incoming speaker of the House is ready to be a national leader as well as a party boss. A boss' priority is to settle scores and reward supporters; a leader has higher obligations — especially now. In the case of the Intelligence Committee chairmanship, those obligations make the selection of Harman a no-brainer."

McConnell Pledges To Work With Democrats. The New York Times (11/30, Hulse, 1.16M) reports incoming Senate Minority Leader Mitchell McConnell is "preparing for a role he had not planned on." McConnell, a "tough Kentucky legislative operator best known for intense opposition to the campaign finance changes enacted in 2002, saw his hope of becoming majority leader fall victim to an Election Day outcome that handed Senate control to the Democrats. So he is instead the incoming leader of the new Senate minority, albeit one who, with 49 votes in his pocket, will have the ability to block Democratic initiatives more or less at will." McConnell said, "There will be nothing here they can do without some degree of cooperation from a very robust 49-vote minority." Despite his "reputation for partisanship, Mr. McConnell said he accepted the judgment of a frustrated electorate, and expressed optimism for cooperating with Democrats, most quickly on an ethics overhaul. He also said the new sharing of government power could give the two parties an opening to take on some of the most difficult issues, including changes to Social Security." McConnell "acknowledged that his overtures were likely to be met with some skepticism: is he being sincere or instead trying to lure Democrats into a political trap by getting them to agree to changes in an entitlement program enormously popular with their constituents? Democrats, though cautious, say he deserves the benefit of the doubt." Sen. Charles Schumer said, "We want to work with them, and we hope they work with us. You have to take an offer to sit down and discuss things on its face." McConnell is "in a pivotal spot. Not only will he be the nexus between his party and Senate Democrats, and between Senate and House Republicans, he will also be a main conduit between Congressional Republicans and President Bush, making him responsible for managing a relationship that has been altered and complicated by the election." Some Senate Republicans "are unhappy with the administration, attributing much of the blame for their party's defeat to the president and his political strategists."

Daschle Says Democrats Comfortable With McConnell, Lott. Asked about incoming Senate Republican leaders Mitch McConnell and Trent Lott on MSNBC's Hardball (11/29, Shuster), former Sen. Tom Daschle said, "I think in both cases, you have people that Democrats are very comfortable with. They're both institutional people. They both came with an appreciation of the body of the Senate, the extraordinary traditions, the importance of working with both sides. And so I expect you're going to see a lot better chemistry in the next couple years than you've seen in recent times."

Congress Expected To Debate Voting Equipment Security Bill. The Wall Street Journal (11/30, Kronholz, 2.04M) reports the "debate about touch-screen voting" is "likely to get even louder when a new Congress takes office in January and the run-up to the 2008 contest begins." The electoral system "didn't fail under new voting equipment, concludes a report by electionline.org, a nonpartisan research group. But it also wasn't put to the test of a presidential election year, when turnout and tensions are higher, the group adds." The House "seems likely to quickly pass a long-stalled bill that would tighten the security of touch-screen voting. California Sen. Dianne Feinstein, who will head the rules committee in the new Democratic-controlled Senate, has announced hearings on an identical measure." The measure would "require that touch screens provide a paper record of each ballot and a random audit of a fraction of those records to verify that votes are being counted correctly. Seventeen states already use paper trails, and a dozen require random audits. But some of this month's closest elections -- including for House seats in Florida, Pennsylvania and Indiana -- were in states that don't use either."

House GOP May Schedule Vote On Fetal Pain Bill. The AP (11/30, Kellman) reports House

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Republicans "are looking at scheduling a vote next week on a fetal pain abortion bill in a parting shot at incoming majority Democrats and a last bid for loyalty from the GOP's base of social conservatives." The measure is "tentatively on House GOP leaders' list of bills to be considered in a lame-duck session before Democrats assume control of Congress. It has no chance of passing the Senate during the waning days of Republican control. But, with Democrats ascending to agenda-setting roles, passage isn't the point, said one conservative leader." Douglas Johnson, legislative director of the National Right to Life Committee, said, "Next year, the leadership of the House will be hardcore pro-abortion loyalists. They will block votes on even modest pro-life measures like this one."

NYTimes Says Treasury Should Advance Hedge Fund Regulation. In an editorial, the New York Times (11/30, 1.16M) says, "In October, a month after the Amaranth hedge fund lost $6.6 billion — the most ever by a hedge fund — Henry Paulson Jr., the Treasury secretary, spoke with Bloomberg News about the importance of 'transparency' at hedge funds and 'liquidity' in the system. His remarks were interpreted at the time as a warning, perhaps even a harbinger of more oversight. What a difference a month makes." In what "was billed as a major economic address last week, Mr. Paulson devoted less than one-tenth of his speech to hedge funds, leaving the impression that he is basically satisfied with the regulatory status quo." Paulson "was right when he noted in his speech that the need for regulation must be balanced against the benefits of flexibility. But the challenge of striking a balance is beginning to sound like an excuse for delay. It's time to move the discussion beyond whether hedge funds require more regulation to how they should be regulated."

WSJournal Warns Bush Against Concessions On Social Security. The Wall Street Journal (11/30, A16, 2.04M) says in an editorial, "The Bush Administration has been around long enough that by now we can smell a retreat in the making. To wit, the White House is getting ready to throw personal retirement accounts over the side in an attempt to cut a Social Security deal with the new Democratic Congress. Will a tax increase be the next concession?" Without "quite admitting that personal accounts have to go, White House aides say dropping them is the price Democrats will demand even to discuss Social Security. While an attempt at bipartisanship is fine, the contents of the potential deal are worrisome." The "evident White House hope is that, in return for this retreat on personal accounts, Democrats would agree to reduce the growth of future Social Security benefits. Specifically, that means some form of 'progressive indexing' that Mr. Bush endorsed in a failed attempt to coax Democrats from their just-say-no Social Security strategy in 2005." But "more broadly, genuine Social Security reform is about more than federal accounting and 'solvency.' It ought to be about individual ownership and retirement independence."

OTHER NEWS:

Economy Grew At 2.2% In Third Quarter. The Financial Times (11/30, Callan, Guha) reports the US economy "grew at a rate of 2.2 per cent in the third quarter, faster than previously thought, while wage growth earlier this year was revised down on Wednesday, adding to evidence that the economy is on track for a soft landing." That scenario was "reinforced by the latest Fed Beige Book survey of economic conditions, which offered little sign of a deterioration in the US economy during October and early November." The "improved estimate for third-quarter growth is significantly higher than the government's initial estimate of 1.6 per cent annualised and well above Wall Street's expectations of 1.8 per cent, though still lower than the 2.6 per cent growth in the second quarter." The growth rate "underlines the Federal Reserve's optimistic view that the US economy is expanding at a moderate rate, in spite of the drag from a severe correction in housing."

The Washington Post (11/30, D3, Henderson, 690K) reports the "new figures still show the economy has slowed this year, after expanding at a torrid 5.6 percent annual rate in the first three months and at a moderate 2.6 percent pace in the second quarter. But the revised figures show an economy that continues to expand, not sputter toward a recession as many analysts had feared after seeing estimates of third-quarter growth." Consumers "increased their spending at a faster rate in the third quarter than in the previous quarter, while business investment and exports also rose more briskly."

The New York Times (11/30, Peters, 1.16M) reports, "New signs surfaced yesterday suggesting the economy may be headed for a steeper decline during the rest of the year, with corporate inventories bulging and home sales

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deteriorating further. Economists said that the slide in growth had still not bottomed out on its way down from the lofty 5.6 percent expansion in the first quarter." The housing sector, "by far the biggest drag on growth in the third quarter, wilted at a slightly faster rate in the third quarter than the government initially reported. In all, the contraction in the housing market subtracted 1.16 percentage points from the annualized growth rate, compared with the 1.12 percentage points reported last month."

USA Today (11/30, Hagenbaugh, Kirchhoff, 2.27M) reports, "Investors in a market in which participants bet on future Fed moves predict the Fed will not change interest rates for the fourth-consecutive meeting next month. After raising interest rates 17 times over two years, the Fed's target for short-term interest rates is at 5.25%, the highest level in nearly six years."

Positive GDP Report Gives Stocks Strong Boost. The Wall Street Journal (11/30, C1, McKay, 2.04M) reports the Commerce Department's GDP report showed "surprisingly strong economic growth" that "helped stocks finish higher for a second straight day, as investors played down the possibility of higher interest rates." On the "heels of Tuesday's 14.74-point gain, the Dow Jones Industrial Average jumped 90.28 points, or 0.7%, to 12226.73, up 14.1% on the year. The Standard & Poor's 500-stock index rose 0.9%, or 12.76 points, to 1399.48, up 12.1% on the year. The Nasdaq Composite Index gained 0.8%, or 19.62 points, to 2432.23, up 10.3% on the year." Some analysts "said the higher estimate lent credence to Federal Reserve Chairman Benjamin Bernanke's comments Tuesday that the threat of inflation remains so intense that the central bank's primary worry is whether to raise interest rates again to slow runaway price increases throughout the economy."

NBC Nightly News (11/29, story 10, 0:20, Williams, 9.87M) reported, "Back home in New York, on Wall Street today, rising energy prices pushed energy stocks higher and the blue chip stocks gained back much of what they lost in Monday's trading. The Dow finished the day up more than 90 points [to close at 12,226.73], and the Nasdaq was up nearly 20 [to close at 2,432.23]."

New Home Sales Fell 3.2% In October. The Wall Street Journal (11/30, Gerena-Morales, 2.04M) reports new home sales "fell in October, suggesting that the housing sector will continue to hamper economic growth in the fourth quarter at a time when business investment is also weakening." Sales of "single-family homes declined last month to a seasonally adjusted annual rate of 1.004 million, down 3.2% from September and 25.4% from a year earlier, the Commerce Department said yesterday. At the same time, the number of new homes on the market climbed to a seven-month supply, based on the current sales rate, up from a 6.7-month supply in September."

The Christian Science Monitor (11/30, Trumbull, 59K) reports, "Usually, housing downturns precede broader recessions in the whole economy. But this time, forecasters say that, for a range of reasons, the economy may continue on a path of growth." Housing and "the rest of the economy may be traveling on divergent tracks. In 2001, the last time the nation was in recession, housing did well as home prices continued to climb. Now, the reverse appears to be occurring." The Monitor also lists "several factors" that "suggest that the current housing downturn may not drag the wider economy into recession."

Sperling Hopes To Make US High Value Job Magnet. In his Wall Street Journal "Capital" column (11/30), David Wessel says, "In campaign rhetoric, Democrats raised expectations they would do more than Republicans to boost wages and living standards of ordinary Americans." Now Democrats "have to deliver, or at least look like they're trying." This "brings us to what's preoccupying Gene Sperling, a Democratic cabinet-secretary-in-waiting firmly in the pro-globalization wing of the party. Democrats, he says, must figure out what government can do to encourage business to create more middle-class jobs in the U.S." Sperling is "reaching for something that sounds, well, less like tired Democratic rhetoric. 'One of the great challenges for 'pro-growth progressives' is coming up with a vision of where middle-class jobs are coming from that doesn't rely on 'industrial policy' or public works,' he says." Sperling's "goal is easily expressed: Make the U.S. 'a magnet for high-value job creation.' But the available options are limited. On the substance, he says, 'It's tough to say with confidence what will work because, given the global labor market, jobs will go to where the lowest wages' are. And the politics are hard, too. 'It's very abstract for people who are suffering to say: 'We're going to double the National Institutes of Health budget.'"

Samuelson Warns Against Rise Of Trade "Obstructionism." In his Washington Post column (11/30, A23), Robert Samuelson says, "We may be about to

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shoot ourselves in the foot -- or maybe the chest -- on trade. In the name of 'fair trade,' we may punish our own exporters. In 2005 worldwide exports exceeded $10 trillion. Since 1980 they've more than tripled while the overall global economy doubled. Like it or not, massive international flows of goods and services (aka 'globalization') underpin all modern economies. Supply chains have dispersed. We can accept this reality and try to benefit from it. Or we can rail against it. We seem to be edging toward railing." Samuelson says the new trend "transcends traditional protectionism, which tries to shield specific industries and workers from imports. It's trade obstructionism: A reflexive reaction against almost any trade agreement. The idea is that much trade is inherently 'unfair.' Multinational companies use it to ship U.S. jobs abroad; other countries compete unfairly with low wages and substandard labor practices. (Indeed, lax labor standards are cited to oppose the Peruvian and Colombian agreements.) Vast US trade deficits measure the destructiveness. If trade is so unfair, why encourage more of it?" Samuelson adds, "Much of this indictment is wrong or wildly exaggerated." Trade is "a relatively minor factor in job loss. It is, however, an easy scapegoat. It enables critics to blame foreigners and suggest a solution: restrict trade."

Responsibility For Healthcare Costs Linked To Price Awareness. The Washington Post (11/30, A10, Lee, 690K) reports, "People in a new kind of health plan that makes consumers pay for a bigger share of their care appear to be more cost-conscious than those in traditional plans, but half say they would switch if they had the chance, according to a survey released yesterday." The survey "of 1,389 people by the nonprofit Kaiser Family Foundation found that 71 percent of those in the new 'consumer-directed health plans' said the policies prompted them to consider cost when seeking health care, compared with 49 percent of those with more traditional employer-sponsored coverage." Such findings "are in line with assertions by the Bush administration and other advocates who say that the new plans will check spiraling health-care spending by giving consumers a financial incentive to shop around for the best care at a reasonable price -- and to get only the care they need."

Nancy Reagan, Daughter Agree On Backing Stem Cell Research. ABC World News (11/29, story 10, 0:20, Gibson, 8.78M) reported on "an extraordinary glimpse of two members of a famous family, coming together for a cause. After years of tension, the former First Lady, Nancy Reagan, and her daughter are joining together on stem cell research. Davis tells 'Life' magazine that while politics once pulled her family apart, this effort has brought them together."

Democratic Challenger Concedes In North Carolina House Seat. The AP (11/30, Whitmire) reports Democrat challenger Larry Kissell "conceded defeat Wednesday to Rep. Robin Hayes, after the initial phase of a hand recount showed the result was not likely to change." Kissell "conceded even though only five of the 10 counties in the district had completed the hand recount of sample precincts that he requested. He picked up 2 votes, but would have needed a total of about 10 votes to trigger a full recount." Kissell also "said he was starting his 2008 congressional bid immediately."

Frist Bows Out Of Presidential Race. In a move some believe could benefit social conservative candidates in the GOP field, Senate Majority Leader Bill Frist yesterday announced that he will not seek the presidency in 2008. The story was reported by a broad range of news media. The AP (11/30, Espo), in an article published by well over 100 papers and websites, quoting the senator saying, "In the Bible, God tells us for everything there is a season, and for me, for now, this season of being an elected official has come to a close." Frist's statement made no mention of a reason for the decision, but "said he 'will take a sabbatical from public life' and 'return to my professional roots as a healer and to refocus my creative energies on innovative solutions to seemingly insurmountable challenges Americans face.'"

The Los Angeles Times (11/30, Havemann, 850K) says this morning Frist's decision "may boost support for other Republicans who have courted the party's social conservatives. Frist had advanced the key bloc's agenda during the four years he was Senate majority leader. With his withdrawal, several potential GOP candidates will have less competition wooing those voters." The Times includes Romney, Kansas Sen. Sam Brownback, Huckabee and Gingrich in this number. "Frist, who did not seek a third Senate term this year, had only mixed success in attracting social conservatives to his side."

The Tennessean (11/29, Theobald) adds, "The announcement comes after Frist spent several years laying the groundwork for a presidential bid. Frist had spent much of

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the past two years visiting key presidential states, including Iowa, creating a field operation and raising money for national, state and local candidates in these states." The Washington Post's (11/30, A4, Fletcher) says Frist had "worked to cultivate an image as a staunch and thoughtful conservative." His decision "creates an opening on the right flank of the GOP political spectrum, while still leaving a broad field of potential presidential candidates for 2008."

The Wall Street Journal (11/30, A3, Rogers, 2.04M) reports that given Virginia GOP Sen. George Allen's reelection defeat, Frist was the only "major center-to-right Southern figure in the party's presidential field thus far." Such frontrunners as McCain, Giuliani and Massachusetts Gov. Mitt Romney "all are outsiders to the region and each could face problems reaching out to the Christian conservative voters who have been such a force behind President Bush." However, "Arkansas Gov. Mike Huckabee could try to fill the gap, and Newt Gingrich may emphasize his Georgia bona fides."

ABC World News (11/29, story 7, 0:15, Gibson, 8.78M) and NBC Nightly News briefly noted Frist's announcement. The Hill (11/30, Schor) says it "comes as little surprise to Washington prognosticators who saw scant opportunities for Frist to overcome his lackluster showing in early straw polls."

CQ Politics (11/30, Kapochunas) adds that Frist's "decision comes after he received some blame for his party's drubbing in this month's midterm elections." The article notes that Frist's adherence to his term limit pledge and VOLPAC's success in raising funds for the GOP "signaled to many that he was setting the stage for a presidential bid," but that he now "plans to return to the medical profession where he worked as a transplant surgeon."

The New York Times (11/29, Zernike, 1.16M) also reports on Frist's announcement, featuring his reference to the Bible, and adding, "Frist had acknowledged that any campaign for the presidency would be uphill. But his party's loss of the Senate majority in the elections this month, on his watch, would have made it all the more difficult." The Times suggests that Frist's support for stem cell research may have cost him the support of conservative voters, and the Schiavo affair may have done the same with moderates. The Times cites Frist aides as saying he "simply did not have the fire to run," and quotes spokeswoman Amy Call as saying, "He in his heart knew that if he did this he'd have to spend a year and a half on a campaign. He wanted to get back to something more basic." In response to Democratic allegations that Frist had piloted a "do-nothing Congress," Frist's staff "issued a 'fact sheet' that included a list of his accomplishments, among them legislation on energy, highway spending and bankruptcy and class-action reform, as well as the confirmation of two Supreme Court appointees." USA Today (11/30, A8, 2.27M) runs a similar report.

Daschle Sees Frist As "More Comfortable" In Medicine. Former Sen. Tom Daschle said on MSNBC's Hardball (11/29, Shuster), "I'm actually not surprised. Bill Frist has always been more comfortable in the field of medicine than in the field of politics. And I think he became increasingly uncomfortable. You're put under the microscope as a leader, especially as the majority leader. And he was put under the microscope, and that isn't a very good feeling in some cases. My guess is that he felt much more comfortable going back into medicine."

Florida GOP Planning Presidential Straw Poll For October '07. The St. Petersburg Times (11/30, Smith) reports, "Tired of playing second fiddle to the likes of Iowa and New Hampshire in picking presidential nominees, Florida Republicans are positioning the Sunshine State to play a potentially huge role in the 2008 presidential race. Not only are state legislative leaders working on moving Florida's primary to be one of the earliest in the country, but the state GOP is planning a straw vote convention for October 2007. If the plan moves forward, next year the state would be crawling with Republican presidential contenders wooing 3,500 party activists in hopes of getting a big, early shot of momentum from America's biggest battleground state. The state GOP has already blocked hundreds of rooms in Orlando for the non-binding 'Presidency IV' gathering Oct. 17-20, hired a consultant to organize it, and briefed potential presidential candidates about an event that could cost the campaigns hundreds of thousands of dollars to organize for a strong showing."

Daschle To Make Announcement On Presidential Race Soon. Asked about a possible 2008 presidential run on MSNBC's Hardball (11/29, Shuster), former Sen. Tom Daschle said, "I'll be making an announcement sometime in the course of the next couple of months. No later than that. I think everyone has to make their decisions sometime soon. We have some terrific candidates. And regardless of whether I run or not, there's going to be a

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real interesting competition on both sides, but especially on the Democratic side."

Pastor Defends Obama Invitation To Speak At AIDS Summit. The AP (11/30, Pickler) reports, "Famed pastor and best-selling author Rick Warren on Wednesday defended his invitation to Sen. Barack Obama to speak at his church despite objections from some evangelicals who oppose the Democrat's support for abortion rights." Obama is "one of nearly 60 speakers scheduled to address the second annual Global Summit on AIDS and the Church beginning Thursday at Warren's Saddleback Church in Lake Forest, Calif." Obama "plans to take an HIV test during his appearance Friday and encourage others to do the same. The Illinois Democrat will be joined by a potential 2008 White House rival — Republican Sen. Sam Brownback of Kansas — and is urging unity to fight AIDS despite differences on other issues." But "conservative evangelical Rob Schenck, president of the National Clergy Council, e-mailed reporters Tuesday to protest the visit because of Obama's support of abortion rights."

The Washington Post (11/30, A4, Cooperman, 690K) reports, "Antiabortion groups are assailing one of the nation's most influential evangelicals, the Rev. Rick Warren, for inviting Sen. Barack Obama (D-Ill.) to speak at a conference on HIV/AIDS at his Southern California megachurch this weekend." In a statement, "18 antiabortion leaders called on Warren to rescind the invitation because Obama supports keeping abortion legal." Warren, "author of the bestseller 'The Purpose Driven Life,' responded yesterday by asserting that he and his wife, Kay, are 'staunchly pro-life' and 'completely disagree' with Obama's position in favor of abortion rights."

LATimes Praises Involvement Of Christian Leaders In Fight Against AIDS. The Los Angeles Times (11/30, 850K) says in an editorial, "Of all the international forums and events to mark World AIDS Day on Friday, what may be the biggest will happen in an unlikely place: little Lake Forest, Calif., just north of Mission Viejo. Its coming signals a shift in political momentum as AIDS awareness is promoted not just by Hollywood celebrities and gay activists but by conservative evangelical Christians." The "focus on AIDS by evangelicals isn't new, but" Rev. Warren is "taking it to a new level." All this "religious intervention in the traditional province of doctors and scientists hasn't been entirely positive," but the "troublesome policy issues are also relatively minor. Bush and his Christian supporters seldom get the credit they deserve for their role in the global fight against AIDS. U.S. spending on the disease overseas has risen more than tenfold under Bush, while Christian groups have given unselfishly to the cause."

US Muslims Make Electoral Gains. The Washington Post (11/30, A1, Boorstein, 690K) reports that since Gaithersburg software engineer Saqib Ali "was elected to the Maryland House of Delegates this month, he has been flooded with calls and e-mails from across the country asking: How'd you do it?" The calls "come from American Muslims like Ali, who, longtime political watchers and Muslim activists in the area say, is the first Muslim elected to a statewide -- or districtwide -- office in Maryland, Virginia or the District." Although the 31-year-old "made little of his faith during the campaign -- in fact, he bucked those who said he should put it on his campaign literature -- he is part of a concerted march of Muslims into civic and political life. His campaign was part of a push that began after Sept. 11, 2001, with worries about civil liberties and immigration policy and has blossomed this year." Minnesota Democrat Keith Ellison "became the first Muslim to be elected to Congress. In the D.C. area, eight Muslims ran for office in Maryland this year, significantly more than in previous years, although only Ali won. And initial polling data and anecdotal evidence suggest that significantly more Muslims in Virginia registered and voted this month than in previous elections."

New York GOP's Decline Examined. In a Wall Street Journal op-ed (11/30, A17), University of Massachusetts Professor Vincent Cannato contrasts the fate of outgoing New York Gov. George Pataki and former Mayor Rudolph Giuliani since 1994, noting that "It is 12 years later and both Messrs. Giuliani and Pataki are making noises about running for president. Given the events of 1994, it is hard to believe that Mr. Giuliani is leading in some polls for the Republican nomination, while Mr. Pataki's ambitions are stuck in the low single digits." In "many ways, the open pit in Lower Manhattan is a depressing symbol of the Pataki years: That five years after 9/11 Ground Zero is still unbuilt is a sad testament to the political paralysis currently afflicting New York. This inability to provide leadership was coupled with an inability to change fundamentally the way business is done in Albany, reform the state's political culture and revive its economy. Mr. Pataki's tenure has too often been marked by a sleepy indifference to public policy and governance. And that has cost Republicans dearly." Though the "Iraq war and

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President Bush's low approval ratings helped drag down the party, there was something deeper going on. Republicans grew too comfortable with power and in so doing often forgot why they were elected in the first place. What happens when a party, whose central philosophical principle is that of limited government and the attendant preference for the free market over state bureaucracy, takes the reins of power? Unfortunately, we now have a good idea what the answer is. With few exceptions, we have gotten bigger government and more spending, and few reforms of already existing programs." This "kind of dissonance between the ideological beliefs of the Republicans and the way they govern has been a big reason for the morass in which the GOP now finds itself. If Republicans hope to succeed in New York and elsewhere, they need to figure out what a governing conservatism should look like."

Brooks Offers GOP Advice On Winning Back Majority. In his New York Times column (11/30), David Brooks says he is "one of those suburbanites who thought the G.O.P. deserved to lose the last election, and now I find myself floating out there in independent-land, not a Democrat, just looking for something new. It's like being the belle of the ball, because the Republicans really need to woo back people like me. I hope they won't mind if I offer a little advice on how to do it." Brooks offers seven points, such as ignoring consultants who "pick out the key demographic groups (left-handed Catholic orthopedists) and offer advice on how to kiss up to those people. Majorities are never built that way. You end up proposing inconsequential micropolicies and selling your soul." Other suggestions include being "policy-centric, not philosophy-centric," creating a "Republican Leadership Council" to win the center in the ideological debate, "support stem cell research" and "free trade, while responding to the downside of globalization," "spread assets," and "raise taxes on carbon emissions and use the revenue to make the tax cuts on capital gains and dividends permanent."

Leach Attributes Defeat To Dissatisfaction With GOP. In his Washington Post column (11/30, A23), David Broder says defeated Republican Rep. Jim Leach, "noted for his independence, was the only Iowa legislator to oppose going to war in Iraq. That kind of record helped him prevail in past races despite his heavily Democratic district, which gave a higher percentage of its presidential vote to John Kerry than any other district held by a Republican." But "this year two special factors helped tip the balance against him. First, he became a target for crafting the Unlawful Internet Gambling Enforcement Act, which passed Congress as part of a larger bill in October and was signed into law just before the election." The Poker Players Alliance, "which had fought the measure banning banks and credit card companies from servicing Internet gambling firms, targeted Leach and other sponsors with e-mails to its members and publicity in poker magazines. A post-election survey paid for by the gambling group found a net 5-point swing against Leach attributable to that issue." In addition, the Christian Coalition "criticized Leach for his support of embryonic stem cell research and for his insistence that the national GOP drop a planned mailing attacking Loebsack on the issue of gay marriage." Leach said, "But the big force was the accountability thing -- the overwhelming dissatisfaction with the Republican Congress."

Will Says Webb A "Pompous Poseur." In his Washington Post column (11/30, A23), George Will says, "Washington has a way of quickly acculturating people, especially those who are most susceptible to derangement by the derivative dignity of office. But Jim Webb, Democratic senator-elect from Virginia, has become a pompous poseur and an abuser of the English language before actually becoming a senator." Wednesday's Post "reported that at a White House reception for newly elected members of Congress, Webb 'tried to avoid President Bush,' refusing to pass through the reception line or have his picture taken with the president. When Bush asked Webb, whose son is a Marine in Iraq, 'How's your boy?' Webb replied, 'I'd like to get them [sic] out of Iraq.' When the president again asked 'How's your boy?' Webb replied, 'That's between me and my boy.'" Will adds, "Webb certainly has conveyed what he is: a boor. Never mind the patent disrespect for the presidency. Webb's more gross offense was calculated rudeness toward another human being -- one who, disregarding many hard things Webb had said about him during the campaign, asked a civil and caring question, as one parent to another. When -- if ever -- Webb grows weary of admiring his new grandeur as a 'leader' who carefully calibrates the 'symbolic things' he does to convey messages, he might consider this: In a republic, people decline to be led by leaders who are insufferably full of themselves."

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Abortion Opponents Excited By Independent Film "Bella." In his column in the Washington Post (11/30, A23, 690K), Robert Novak says, "An invited audience that included Commerce Secretary Carlos Gutierrez gathered at National Geographic Society's auditorium Monday night for a screening of 'Bella,' an independently produced feature film. No mere movie, it offers hope for the beleaguered antiabortion movement to reverse the political tide running against it." The movie is "no propaganda film but a dramatic depiction of choices facing an unmarried pregnant woman." While the film has "generated excitement and anticipation in conservative Catholic and other antiabortion circles," the "problem is getting the film in theaters around the country for its public premiere early next April. That is never easy for an independent film with no box-office names, but the problems are magnified when its message runs counter to the social mores of Hollywood."

Ahmadinejad Appeals To Americans In Open Letter. The New York Times (11/30, A16, Slackman, 1.16M) reports Iranian President Mahmoud Ahmadinejad "told the American people on Wednesday that he was certain they detested President Bush's policies -- his support for Israel, war in Iraq and curtailed civil liberties -- and he offered to work with them to reverse those policies." The six-page letter in English was seen as "the latest public step" by Ahmadinejad "to promote a dialogue with the United States." However, Undersecretary of State Nicholas Burns dismissed the letter as "transparently hypocritical and cynical," saying "it reflects a profound lack of understanding of the United States." However, the Times says that "at least tactically the letter seemed to take a page from Mr. Bush himself, who, speaking to the United Nations General Assembly in September, sought to bypass the Iranian government and address the people directly."

The Washington Post (11/30, A17, Wright, 690K) says the State Department dismissed "unusual letter" as a public relations stunt that included nothing new. Spokesman Tom Casey said, "Actions speak louder than words, and I think if you look at the record of Iranian action, we, unfortunately, haven't seen any change in behavior that would indicate that they've got a new approach to things." Casey also told reporters that Iran has no credibility on Iraq, given Tehran's support for violence and the Shiite militias. "That includes its support for terrorism in Iraq. It includes its support for Hezbollah. It includes its support for Palestinian rejectionist groups. It includes its continued defiance of the international community's efforts to deal with the Iranian nuclear program. ... And that's why Iran finds itself in a very isolated place right now," Casey said.

The AP (11/30, Lederer) notes Ahmadinejad also "suggested it would be beneficial for the US to withdraw its troops from Iraq and spend its money instead on domestic problems, citing the 'many victims' of Hurricane Katrina who continue to suffer and 'countless' Americans living in poverty." The Washington Times (11/30, Pisik, 88K) says Ahmadinejad "implicitly urged the Bush administration to heed the wishes of the American voters who returned the House and Senate to Democrats' control, based largely on discontent over the Iraq war." USA Today (11/30, 2A, Slavin, 2.27M) also reports on the letter.

Some Israelis Liken Iran's Nuclear Ambitions To Holocaust. The Washington Times (11/30, Rabinovich, 88K) reports, "Iran's reported drive to make an atomic bomb has become an existential threat to Israel that some Israelis are likening to the Holocaust -- especially with the United States appearing to back away from confrontation with Tehran." Addressing a Jewish audience in Los Angeles this month, former Israeli Prime Minister Benjamin Netanyahu "added his voice to a growing sense of alarm in Israel about Iran's seemingly inexorable march toward nuclear capability," referring to Ahmadinejad's "repeated calls for wiping Israel off the map." At the same time, the Times says "a war-weary Washington seems to be backing away from a confrontation" with Iran, noting that in a recent meeting with French President Jacques Chirac, President Bush said that he would "understand" if Israel chose to attack Iran's nuclear installations. There was "likewise little comfort from Secretary of State Condoleezza Rice's remark that the US lacked sufficient intelligence on Iran's nuclear facilities to carry out a strike at this time."

Rice To Meet Abbas, Olmert In Push To Restart Talks. The Washington Post (11/30, A17, Kessler, 690K) reports Secretary Rice will meet Thursday with Israeli Prime Minister Ehud Olmert and the Palestinian President Mahmoud Abbas "as part of a US effort to demonstrate progress on the Israeli-Palestinian peace effort." US officials say the renewed attempt to promote peace between the Israelis and Palestinians "is separate from efforts to bring stability to Iraq. But Rice's trip comes as US officials

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have sought to persuade moderate Arab states to support US endeavors in Iraq," the Post notes. At the same time, US officials "predicted no major breakthroughs from Rice's visit." The Post adds the "renewed emphasis on Middle East peace marks a shift for the Bush administration."

The AP (11/30, Flaherty) says Rice is "trying to cement a shaky cease-fire agreement between the two sides," but while US officials "are reluctant to express optimism, a long-lasting political deal between Israel and the Palestinians…would be a considerable victory for the Bush administration and is considered a necessity to quiet violence throughout the region, including Iraq." Meanwhile the AP notes that Rice's trip "was initially centered on a Mideast democracy and development summit sponsored by Jordan and Russia" where US officials "say they hope to gain momentum there for two US-backed initiatives that would spend money in Mideast countries to aid small businesses and non-governmental organizations."

In a news analysis, the New York Times (11/30, A12, Erlanger, 1.16M) writes that "with the Palestinians unable to agree on a new unity government, little significant movement is expected and Ms. Rice is likely to limit herself to public encouragement and private exhortation." Furthermore, the Times says that "as much as the Bush administration would like to show serious progress in the Middle East, as a part of its effort to shore up support in the region for possible economic sanctions on Iran, both the Israeli and Palestinian governments are politically damaged by the summer's conflicts, with Hamas in the Gaza Strip and Hezbollah in Lebanon, and seem unable to make bold moves." In fact, the Times reports that "there was a debate among those around" Abbas "about whether even to meet with Ms. Rice, since he had made so little progress since their last meeting."

WPost Says Olmert's Offer Represents "Genuine Opportunity" For Arabs. In an editorial, the Washington Post (11/30, A22, 690K) says "with Secretary of State Condoleezza Rice due to meet with Mr. Abbas today, it's easy to dismiss Mr. Olmert's initiative as a public relations effort aimed at helping the Bush administration gain support it desperately needs from moderate Arab governments on Iraq and Iran. … Yet whatever its strategic motive, the Olmert initiative represents a genuine opportunity for Arab governments and Mr. Abbas." The challenge for Abbas, and the Arab leaders who support him, the Post says, "is to use Mr. Olmert's words to break the deadlock on forming a government that can…commit itself to a peaceful settlement."

Abbas Calls For International Peace Conference. The AP (11/30, Lederer) reports Palestinian President Mahmoud Abbas called Wednesday for "an international conference to solve the Arab-Israeli conflict and urged Israel to drop its opposition to a meeting that would address all outstanding issues." He said the so-called Quartet should "play the role of an honest intermediary and guarantor" of the agreements reached at the conference.

Lebanese Fear Possibility Of Second Civil War. The Los Angeles Times (11/30, Stack, 850K) reports, "As recently as last year, many Lebanese emphatically stated that there would never be another civil war," but "with Shiite Hezbollah making a hard play for greater power, and with Sunni-Shiite warfare in Iraq exacerbating religious friction throughout the region, conventional wisdom among Lebanese elites has become bleak. On both sides, a tone of wary negotiation has been replaced by hardened faces and fiery pledges to risk death to ensure that their own vision of Lebanon, and their faction's political power, prevails." The Times also observes that last summer's "war between Hezbollah and Israel stripped many Lebanese of their livelihoods and drained them of hope," leaving "a sense that the status quo is not worth preserving."

US, North Korean Negotiators Fail To Reach Agreement On Talks. The AP (11/30, Hutzler) reports US and North Korean negotiators "failed to reach an agreement Wednesday on when to resume six-nation talks," but "stressed their commitment to moving the process forward." Assistant Secretary of State Christopher Hill "left Thursday after two days of talks with North Korean Vice Foreign Minister Kim Kye Gwan, during which he said presented ideas on how the regime…could disarm." Hill told reporters "these are ideas designed to make rapid progress. We discussed them and they're taking them back to Pyongyang and we hope to hear from them soon." Hill also said dates for the next round of six-nation discussions were raised but gave no details. Meanwhile, Japan's Kyodo News agency "cited unidentified officials at the talks as saying Kim had demanded the US lift financial sanctions and freeze UN sanctions." Hill said the issue of the sanctions "was discussed but he made it clear that denuclearization had to be addressed first." However, AFP (11/30, Martin) says a US State Department spokesman late Wednesday "would not rule out eventually suspending sanctions when the full talks

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restart," saying that, "If circumstances change, then we'll see what happens."

State Department Hopes Ban On Luxury Items Might Encourage Pyongyang. The Washington Post (11/30, A1, Williamson, 690K) reports in a front page article that after Pyongyang tested a nuclear bomb in October, the UN Security Council voted unanimously to "deny the rogue nation and its leader, Kim Jong Il, foreign weapons, nuclear technology -- and luxury goods." According to the Post, the State Department's "newly released list of no-go goodies blends knowledge and legend of the diminutive strongman's high-end tastes. Denying Kim what he craves, the theory goes, might prompt better behavior from a dictator who reportedly spends nearly a million dollars a year on rare cognac."

Bush Visa Waiver Proposal Draws Mixed Reactions. The Washington Times (11/30, Sands, Seper, 88K) reports President Bush's proposal to loosen US visa rules for a select group of allies yesterday "drew strong protests from security analysts and strong support from countries that hope to benefit from the liberalized rules." The Times says the "starkly different reactions underscored the political force of the immigration security issue five years after the September 11 attacks, an issue that will quickly confront the new Democratic Congress early next year." While DHS said yesterday there is "no firm list of countries that would be given the waiver privilege," and says there is no timeline for the proposed changes, which still must be approved by Congress.

Halliburton Subsidiary To Pay Government $8 Million For Kosovo Overbilling. The Washington Post (11/30, A9, Witte, 690K) reports, "A Halliburton subsidiary agreed to pay the government $8 million to resolve accusations of overbilling related to the firm's work for the Army in the Balkans, the Justice Department said yesterday." The allegations against KBR, "formerly known as Kellogg Brown & Root, stemmed from orders placed with 10 foreign subcontractors that were working for KBR on military logistics support in 1999 and 2000. The accusations, made under the federal False Claims Act, included double-billing, inflating prices and providing products that didn't fit the Army's needs during the construction of Camp Bondsteel in Kosovo."

EU Leaders Try To Prevent Rift With Turkey. The Financial Times (11/30, Parker) reports, "Europe's leaders on Wednesday sought to prevent Turkey's troubled European Union membership bid from plunging into a full-blown crisis, as Ankara responded angrily to a call for much of the negotiations to be put on hold." The events "were sparked by a recommendation from the European Commission to freeze talks on almost a quarter of the negotiating topics because of a dispute between Turkey and Cyprus," and Turkish officials "expressed anger that they were not informed by Brussels in advance." One official said the decision and its timing was like a "a bolt of lightning." At a NATO Summit in Riga, EU leaders pleaded with Turkey's prime minister, Recep Tayyip Erdogan to "not walk away from membership talks." EU enlargement commissioner, Olli Rehn, "proposed on Wednesday that Turkey should be barred from opening detailed membership talks in eight out of the 35 policy areas." He "hopes the EU's 25 foreign ministers can bury their differences and agree to the new conditions for Turkey at a meeting on December 11."

The Washington Post (11/30, A14, Moore, 690K) reports, "The European Union's executive arm on Wednesday recommended cutting off talks with Turkey on several key issues in its efforts to join the 25-country bloc, a day after Pope Benedict XVI expressed support for the predominantly Muslim country's pursuit of membership." Prime Minister Erdogan said the recommendation was "unacceptable." The European Commission "recommended suspension of talks with Turkey on eight of the 35 crucial policy areas judged for E.U. membership," and the decision followed "over Turkey's refusal to open its ports to vessels from parts of Cyprus controlled by the island's internationally recognized government."

Al Qaeda Denounces Papal Visit. The AP (11/30, Murphy) reports, "Pope Benedict XVI began his pilgrimage among Turkey's tiny Christian communities Wednesday by paying homage to an Italian priest slain during Islamic protests and expressing sympathy for the pressures facing religious minorities in the Muslim world." The Pope is expected "to sharpen his calls for what the Vatican calls 'reciprocity' -- that Muslim demands for greater respect in the West must be matched by increased tolerance and freedom for Christians in Islamic nations." Iraq's Al-Qaeda released a statement "denounce[ing] the pope's visit as part of a 'crusader campaign' against Islam and an attempt to 'extinguish the burning ember of Islam' in Turkey." On

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Tuesday, the pope "urged religious leaders of all faiths to 'utterly refuse' to support any form of violence in the name of faith," and said "religious freedom was an essential element of democratic values." He "sought a careful balance as he held out a hand of friendship and brotherhood to Muslims," and "expressed support for measures that Turkey has taken in its campaign to join the European Union."

Meanwhile, the Washington Times (11/30, Phillips, 88K) reports Turkey "praised Pope Benedict XVI yesterday for dropping his opposition to Turkish membership in the European Union." On Tuesday, the pope "began a delicate four-day trip to this Muslim NATO nation by meeting Turkish Prime Minister Recep Tayyip Erdogan who afterward quoted the conservative German pope as having dropped his previous well-known hostility to Turkey becoming an EU member." While the Vatican did not confirm the remarks, Rev. Federico Lombardi, Vatican spokesman said the pope "sees positively and encourages the passage of dialogue for the inserting of Turkey in the EU, on the basis of specific common values." Turkey's biggest mass circulation newspapers, the Hurriyet and Milliyet said, "It started beautifully, the pope told the world from Ankara that Islam was a religion of peace."

British Find Radiation Traces On Two British Airways Planes. The New York Times (11/30, Cowell, Myers, 1.16M) reports, "The case of the poisoned former KGB agent took a bizarre twist when British Airways said that traces of radiation had been detected Wednesday on jets that flew between London and Moscow, establishing a possible Russian link and indicating that more than 30,000 people might have been exposed to the radiation." British Airways said "tests had found 'very low traces' of radioactivity so far on two of three Boeing 767s, which were singled out because the police suspected that passengers included people linked to the investigation." Authorities "did not say what substance was detected, but said the radiation posed little danger to the public." Willie Walsh, the chief executive of British Airways, said that "the three airplanes had made 221 flights, including trips to and from Moscow, since late October, carrying 33,000 people." It was "not clear how the traces of radioactivity got onto the British Airways planes or whether polonium 210 had been found."

The Wall Street Journal/AP (11/30) reports that British Airways will "contact passengers who flew on the two jets." The three planes "had been on the London-to-Moscow route," and in "the last three weeks the planes had also traveled to routes across Europe including Barcelona, Frankfurt and Athens." Meanwhile, "an Italian security expert who was one of the last people to meet with Mr. Litvinenko said that tests cleared him of radioactive contamination."

The Washington Post (11/30, A15, Sullivan, Finn, 690K) reports that although "the risk to public health is low" from contamination found on the Boeing 767 planes, airline officials urged passengers to call "Britain's National Health Service or their doctors if they have symptoms or want information." The radiation found on the planes "is an important new clue for investigators who are trying to solve an extraordinary case that has caused political tensions between London and Moscow," because "it may help determine where the polonium-210 came from as detectives follow the trail of the radioactive substance." Traces of radiation "have also been found at Litvinenko's London home, as well as a central London restaurant, a hotel and two offices that he visited Nov. 1, the day he fell violently ill."

USA Today (11/30, 1A, Stinson, 2.27M) reports that Britain's Health Protection Agency "stressed that the risk to the public was slight," and said in a statement, "It can only represent a radiation hazard if it is taken into the body — by breathing it in, by taking it into the mouth, or if it gets into a wound. It is not a radiological hazard as long as it remains outside the body." British Home Secretary John Reid said "radiation tests on the airliners were part of the Litvinenko investigation."

Putin Wishes Gaidar A Speedy Recovery. The Financial Times (11/30, Ostrovsky) reports, "President Vladimir Putin telephoned Yegor Gaidar on Wednesday as the former Russian prime minister recovered in hospital from a mysterious illness friends claim was an attempt to poison him." Putin "wished him a speedy recovery from the violent attack he suffered in Ireland last week, the day after former Russian spy Alexander Litvinenko died in London from apparent radiation poisoning." On Wednesday, a colleague of Gaidar, Anatoly Chubais, head of the country's electricity monopoly, "blamed Mr. Putin's opponents for what he feared was a poisoning attack." Chubais said "the sudden bleeding and vomiting Mr. Gaidar suffered while attending a conference in Dublin should be considered in the same chain of events as Mr. Litvinenko's death and last month's murder of Anna Politkovskaya, a journalist." Gaidar, head of an economic think-tank in Moscow, "told the Financial Times he had felt ill after eating a simple breakfast and collapsed in

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the afternoon." His illness "subsided after a few hours but doctors have been unable to identify the cause of his symptoms," and he was "in a stable condition on Wednesday, undergoing more tests at a Moscow hospital." Gaidar is "a soft critic" of Putin, but Chubais and others close to Gaidar "have ruled out the possibility of a Kremlin-sponsored attempt on Mr. Gaidar."

Correa Calls For End To US Anti-Drug Program. The Washington Times (11/30, Gentile, 88K) reports, "Ecuador's outspoken new leader has promised to end the U.S. military's counternarcotics operations in the South American country, saying it targets rebels from neighboring Colombia." Although "his victory will not be official until later this week," Rafael Correa said "he would not renew the agreement with the United States." Correa "is firm on ending the program," and claims that Washington "uses the base to carry out attacks on Colombian rebels known to hide along the porous jungle border dividing Ecuador and Colombia." The US military "denies" Correa's claim, but "adds that the Manta operation would not shy away from capturing traffickers on Ecuadoran soil that were associated with Colombian groups."

Iraq War Supporter Frontrunner For Canada's Liberal Party Leadership. The Christian Science Monitor (11/30, Dube, 59K) reports that Canada's Michael Ignatieff "is the front-runner going into this weekend's Liberal Party leadership election," and "with the Conservative minority government barely holding on to power, the contest's winner could be next in line to become the next prime minister of Canada." Despite a campaign "dogged by controversy," and his support of the "deeply unpopular Iraq war," from the beginning Ignatieff "has been compared to the legendary former Prime Minister Pierre Trudeau - not so much for his policies as for the aura of hope and charisma that surrounds him." Voting for the Liberal Party begins Friday night, and his main rival is Bob Rae, "a political veteran and former premier of Ontario." They are "trailed by Stéphane Dion, an experienced member of parliament from Quebec, and Gerard Kennedy, a former Ontario education minister."

EU Toughens Emissions Measures To Address Global Warming. The Wall Street Journal (11/30, A6, Ball, Abboud, 2.04M) reports that yesterday, European Union officials "told some member countries to impose tougher curbs on industries starting in 2008 -- a move that could increase costs for businesses -- because the European system is failing to produce big-enough emissions cuts." The EU said "nine of the 10 countries that had submitted proposals for capping emissions between 2008 and 2012 had been too generous to industry," and "told those countries that during the 2008-12 period, they must cut the emissions of their industries covered under the cap by a collective 7% from the 2005 level." They also said "further emissions cuts are crucial to address global warming." The dispute "dispute highlights the practical difficulties of implementing global-warming-emission constraints."

Wyden Urges Investigation Of Chinese Logging. The AP (11/30, Daly) reports that Oregon Sen. Ron Wyden (D) "urged the administration to investigate practices ranging from subsidies of China's timber industry to possible fraudulent labeling of Chinese hardwood plywood and illegal logging." A June report by the US International Trade Commission said that "a relatively large portion of China's log imports may be from questionable sources," and estimated that "as much as half of China's hardwood log imports from Russia and West Africa are from suspicious or illegal sources." He said "he would seek to hold a hearing on the issue next year after Democrats take control of Congress." Susan Schwab, a spokesman for U.S. Trade Representative said "her office will review the letter."

Laptop Project For Developing Countries Stirs Debate. The New York Times (11/30, Markoff, 1.16M) reports that Mary Lou Jepsen, a former Intel chip designer, "found a way to modify conventional laptop displays, cutting the screen's manufacturing cost to $40 while reducing its power consumption by more than 80 percent," to allow the nonprofit project, "One Laptop Per Child" to give $100 laptops for the developing world's children. Five countries: Argentina, Brazil, Libya, Nigeria and Thailand, "have made tentative commitments to put the computers into the hands of millions of students, with production in Taiwan expected to begin by mid-2007." Nicholas Negroponte jumpstarted the effort, but the project has become a "focal point of a debate over the value of computers to both learning and economic development." Now, the project "has tentative commitments for three million computers and will begin large-scale manufacturing when it reaches five million with

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separate commitments from at least one country each in Africa, Latin America and Asia."

Feingold Voices Concern Over Kenya's Political Upheaval. AFP (11/30) reports that Wisconsin Sen. Russell Feingold "voiced concern over political developments in Kenya ahead of next year's general elections, as the opposition warned of mass action to protest alleged government malfeasance," and Kenya's founding president's son Uhuru Kenyatta, "was ousted as opposition leader with reported government backing." He "referred to Kenya's much-hailed 2002 polls in which Kenyatta was defeated by current President Mwai Kibaki in what many observers believed was one of Africa's most and free and fair elections," and on Tuesday, Kenyatta "lost that position when the government recognized a splinter KANU faction and named a scandal-plagued former minister close to Moi, Nicholas Biwott, as the new party chief."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Planting Themselves In Brazil."
"Council Backs Mayor's Veto In Race Bias Case."
"Lebanese Think The Unthinkable: Another Civil War."
"Bush Meets Maliki, Stands Firm On Iraq."
"Ancient Machine Opened The Heavens."
"A Dukakis Win In Westwood."

USA Today:
"Report: Conservation Efforts Offset Land Lost To Sprawl."
"Three Options For Iraq War, But Dangers, Risks Abound."
"Judge: Resume Katrina payments."
"Radiation Found On British Airways."

New York Times:
"Iraq Panel to Recommend Pullback of Combat Troops."
"Iraq's Premier Abruptly Skips a Bush Session."
"Wal-Mart Trips as It Changes a Bit Too Fast."
"More Doctors Turning to the Business of Beauty."
"Police Commissioner Looks Ahead, and Back."
"For $150, Third-World Laptop Stirs a Big Debate."

Washington Post:
"Bush, Maliki Put Off Meeting."
"More Muslims Gaining Political Ground."
"FEMA Told to Resume Storm Aid."
"Do Not Pry Open Until Christmas."
"Hitting Kim Jong Il Right in the Cognac."
"Investigation Of Spy's Death Finds Radiation On 2 Jetliners."

Washington Times:
"Joint Chiefs Oppose Iraq Pullout."
"Strong Protest For Visa Changes."
"Turkey Lauds Pope's EU Support."
"Ford's Buyouts Cut Staff."
"Iran's Nuclear Ambitions Seen Similar To Holocaust."
"vendors Protest Mandated Currency Changes For Blind."

Atlanta Journal-Constitution:
"Officer Accused Of Lying In '01 Wreck."
"Police Informant Has Criminal Past."
"Delta Pilot Recall Shows Recovery Is Progressing."
"Riches To Roads?"
"Iraq Summit Delayed After Leak Of Memo."

Story Lineup From Last Night's Network News:
ABC: Maliki Cancels Session-Jordan; Maliki Cancellation-Analysis; ISG Calls For Direct Talks Iraq's Future-Analysis; Powell Calls Iraq Violence Civil War; Employees Take Ford Buyouts; Frist Not To Run For President; Litvinenko Investigation; Castro's Birthday Celebration; Famous Family Comes Together; Iraqi Refugees-Jordan.
CBS: Maliki Cancels Session-Jordan; ISG Has New Iraq Strategy; More Troops Too Baghdad; Khalilzad Interview; Iraq Police Training Academy; Litvinenko Investigation; Pope Visits Shrine To Virgin Mary; Employees Take Ford Buyouts; Weight Loss Pill; Iraqi Refugees-Jordan.
NBC: Maliki Cancels Session; Al-Sadr-Political Protest; Pentagon-Troop Levels; Iraq-Analysis; Frist-2008; SCOTUS-Global Warming; Pope-Turkey; Litvinenko Investigation; Ford-Buyouts; Stock Markets; Jordan-Iraqi Immigrants.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Bush, Maliki Meeting; Iraq Study Group-Review Completed; NASA-Discovery To Launch Dec. 7th; Seattle-Record Precipitation; Stock Markets; Ford-Buyouts; GM-Hybrid SUV; Chicago-Businessman Handing Out Money To Strangers.
CBS: Bush, Maliki Meeting; Iraq Study Group- Review Completed; FEMA-Rent For Katrina Victims; Justice Department To Pay $2 Million To Oregon Man Mistakenly Linked To Madrid Train Bombing; Google Answers Shutting Down.

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NPR: Bush, Maliki Meeting; Iraq Study Group-Review Completed; Iraq Violence; NASA-Discovery To Launch Dec. 7th; Justice Department To Pay $2 Million To Oregon Man Mistakenly Linked To Madrid Train Bombing; Tokyo Stock Market; Frist-2008; Sewage Handling By Great Lakes Cities.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Meets with the Prime Minister of Iraq, Amman; holds media availability with the Prime Minister of Iraq, Amman; arrives at White House via Marine One.

VICE PRESIDENT CHENEY — Photo opportunity with the 2006 US Nobel Laureates, Roosevelt Room.

LAURA BUSH — Hosts a media preview of the 2006 holiday decorations and tasting event, State Floor.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

Other: PRESIDENT ANTONIO SACA OF EL SALVADOR _ Highlights: 9 a.m. Meets with Senate Majority Whip Mitch McConnell to discuss foreign assistance, trade and security issues. There will be a photo op at the top of the meeting. Office of the Majority Whip, Room S-208, Capitol.

METHAMPHETAMINE AWARENESS _ Various Methamphetamine Awareness Day events. 10:30 a.m. Attorney General Gonzales leads a panel discussion regarding the dangers of meth use and what individuals and communities can do to address the problem. Others include Virginia Attorney General Robert McDonnell, Assistant DEA Administrator Joseph Rannazzisi, NIDA Director Nora Volkow. George Washington University Media and Public Affairs Building. 11 a.m. Deputy Attorney General Paul J. McNulty joins Alex M. Azar II, Deputy Secretary, U.S. Department of Health and Human Services; James Cox, Sergeant, Fairfax County Police Department; and Eileen McLaughlin, Special Project Teacher, Safe and Drug Free Youth, Fairfax County Public Schools, for an educational presentation on the dangers of methamphetamine. Long & Foster Realtors, 6101 Redwood Square Center, Centreville, Va. 1 p.m. Interior Secretary Kempthorne holds a news conference with the National Congress of American Indians to announce a partnership to do meth prevention programs in Indian Country. National Press Club. Contact: Shane Wolf, 202-208-6416.

FINANCIAL SERVICES _ The Consumer Federation of America holds its 19th annual Financial Services Conference, ``The Consumer in the Financial Services Revolution." Highlights: 9 a.m. Rep. Barney Frank. 1:15 p.m. FDIC Chairman Sheila Bair. 4:45 p.m. Rep. Brad Miller discusses predatory lending. Location: Washington Plaza Hotel, 10 Thomas Circle.

SECURITY LAW _ The American Bar Association Standing Committee on Law and National Security joins the Center for national Security Law, University of Virginia School of Law, and the Center on Law, Ethics and National Security, Duke University School of Law, for the 16th annual Review of the Field of National Security Law. Highlights: 1:30 p.m. Luncheon address by Sen. Arlen Specter, D-Pa., chairman, Senate Judiciary Committee. 8 p.m. Homeland Security Secretary Michael Chertoff delivers keynote dinner address. Location: Marriott at Metro Center, Main Ballroom, 775 12th St., NW.

FIXING FAILING SCHOOLS _ 9 a.m. - 5 p.m. The American Enterprise Institute hosts a discussion, ``Fixing Failing Schools: Is the NCLB Toolkit Working?" Highlights: Location: Wohlstetter Conference Center, 12th floor, AEI 1150 17th St. NW.

AVIATION ISSUES _ 9:15 a.m. - 4:45 p.m. The Airports Council International holds an international aviation issues seminar focusing on EU-U.S. aviation relations, U.S. facilities and security issues and air service developments. Highlights: 9:15 a.m. Daniel Calleja, Director of Air Transport EC, discusses EU perspective on EUY-U.S. aviation relations. 10 a.m. Assistant Transportation Secretary Andrew Steinberg. Location: Hotel Monaco, 700 F St. NW.

CLEAN COAL _ 9 a.m. Energy Secretary Bodman speaks to the fall meeting of the National Coal Council ti discuss the importance and significance of clean coal technologies. Location: Fairmont Hotel, 2401 M St. NW.

CREDIT CARD MARKETS _ 9 a.m. - 10:30 a.m. The Center for American Progress hosts a panel, ``Who's in Charge? Exploring Issues in and Policy Solutions for Credit Card Markets." Keynote address will be delivered by Sen. Carl Levin, D-Mich. Location: Center for American Progress, 10th floor, 1333 H St. NW.

VENEZUELA _ 9:15 a.m. The Center for Strategic and International Studies holds a briefing regarding the upcoming election in Venezuela, the energy situation there and democracy issues in Latin America. Location: CSIS, 1800 K St. NW.

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FEMA _ 10:30 a.m. Under Secretary for Preparedness George Foresman and Federal Emergency Management Agency Director David Paulison hold a press conference with National Emergency Management Agency to introduce NEMAs new emergency management tag logo and moniker. Location: National Press Club.

NORTH KOREAN DEFECTORS _ 10:30 a.m. The Defense Forum Foundation holds a news conference with North Korean defectors including a construction worker, a factory worker, a sales woman and a housewife, discussing their escape through China and what drove them to leave their homeland. Location: National Press Club.

INTERNET-LIBRARIES _ 11 a.m. The Bill and Melinda Gates Foundation holds a teleconference on expansion of global libraries initiative to provide no-cost Internet access in public libraries. Notes: Material embargoed until 11 a.m. EST. Please RSVP by email to megan.sathergmmb.com. Upon confirmation, dial-in information will be provided.

EL SALVADOR _ 11:30 a.m. Millennium Challenge Corp. CEO John Danilovich makes remarks at an outreach meeting to discuss the new compact with El Salvador. President Antonio Saca will deliver the keynote address. Location: Hall of the Americas, OAS, 17th St. and Constitution Ave. NW.

ECONOMIC STRATEGY _ 12 p.m. NDN holds a forum on economic strategy, with Ross Eisenbrey of the Economic Policy Institute, John Irons of the Center for American Progress, and Peter Brodnitz, chief strategist for Jim Webb and Harold Ford Jr. Location: Phoenix Hotel, 520 N. Capitol St.

HEALTH INSURANCE _ 12 p.m. America's Health Insurance Plans holds a briefing on a new policy proposal to expand access to health insurance coverage. Location: Room S-207, Capitol.

NORTH KOREA _ 12 p.m. The American Society of International Law will host an ``off-the-record lunchtime panel discussion, ``Iran and North Korea: International Legal Issues and Implications for the Nuclear Non-Proliferation Treaty and Other International Agreements," with Dave Jonas, General Counsel, National Nuclear Safety Administration; Newell Highsmith, Assistant Legal Advisor on Nuclear Non-Proliferation, State Department; and Daryl Kimball, Executive Director, Arms Control Association. Location: 2233 Massachusetts Ave. NW.

FEMA-PAULISON _ 12:30 p.m. Federal Emergency Management Agency Director David Paulison addresses a National Press Club. Contacts: Melinda Cooke, 202-662-7501.

KENNEDY-GATES _ 2 p.m. Sen. Edward M. Kennedy, D-Mass., meets with Robert Gates to discuss Gates' nomination to become the next Secretary of Defense. Prior to their meeting they will be available for a brief photo opportunity. Location: Room 317, Russell Senate Office Building. Notes: Cameras only.

NOBEL LAUREATES _ 2 p.m. 2006 Nobel Laureates John Mather and George Smoot, both winners in Physics, and Andrew Fire and Craig Mello, both in Medicine, discuss how their discoveries can potentially improve life or influence mankind, at a symposium sponsored by the Swedish Ambassador. Location: Alfred Nobel Hall, House of Sweden, 2900 K St. NW.

AFRICA-PETROLEUM _ 3:45 p.m. - 5:15 p.m. The Minister of Petroleum from Chad, Emmanuel Nadingar, will give remarks during a workshop titled. ``African Voices Address the Changing Landscape of Competition" at CCA's Oil & Gas Forum. Algeria's Minister of Energy and Mining, Hon. Chakib Khelil, will also deliver remarks. Location: Bethesda Marriott Hotel, 5151 Pooks Hill Road, Bethesda, Md.

ARABS-EASTERN EUROPE _ 4:30 p.m. - 6 p.m. The Woodrow Wilson Center hosts the 2006 Ion Ratiu Democracy Lecture, :Are There Democracy Lessons Arabs Can Learn From Eastern Europe?," delivered by Saad El-Din Ibrahim, American University in Cairo, Recipient of the 2006 Ion Ratiu Democracy Lecture Award. Location: Woodrow Wilson International Center for Scholars Ronald Reagan Building and International Trade Center, One Woodrow Wilson Plaza, 1300 Pennsylvania Ave. NW.

ETHANOL-ENERGY SECURITY _ 6:30 p.m. The Council on Foreign Relations holds an on-the-record meeting on ethanol and energy security, with Vinod Khosla at Khosla Ventures. Location: 1779 Massachusetts Ave. NW.

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THE ATTORNEY GENERAL'S NEWS BRIEFING

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: THURSDAY, NOVEMBER 30, 2006 7:45 AM EST

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TERRORISM NEWS:

US To Pay $2 Million Settlement For Terror Probe Fingerprint Error. The AP (11/30, Skidmore) reports, "The federal government has agreed to pay an Oregon lawyer $2 million to settle part of a lawsuit he filed after the FBI misidentified a fingerprint and wrongly arrested him in the 2004 Madrid terrorist bombings. 'The pain and torture and humiliation that this (case) has caused my family is hard to put into words,' Brandon Mayfield said after the settlement was announced Wednesday." The AP adds, "The local FBI office said it was proud of its work in the case, and disagreed Mayfield's religion was a factor because it was discovered after the fingerprint identification, said agent Robert Jordan. … The government did not admit liability or fault but issued a formal apology to Mayfield as part of the settlement, said Justice Department spokeswoman Tasia Scolinos."

McClatchy (11/30, Taylor) reports that "Mayfield's arrest is one of the FBI's most embarrassing episodes in its five-year campaign to detect terrorist cells inside the United States. The case also cast doubt on the accuracy of the FBI's troubled fingerprint-identification program and raised questions about sweeping anti-terror measures passed by Congress in the wake of the Sept. 11, 2001, terrorist attacks. … Justice Department officials deny that religion played any part in his arrest. But Mayfield called any other conclusion 'ridiculous.'" McClatchy notes, "Since the arrest, FBI officials said they've made 'significant' changes to the fingerprint identification program to prevent a future mistake."

USA Today (11/30, 3A, Johnson, 2.27M) adds, "Despite the agreement, Mayfield said he would continue to press a separate legal action challenging the USA Patriot Act. … 'The power of the government to secretly search your home or business without probable cause, under the guise of a terrorist investigation, must be stopped,' Mayfield said in a written statement." However, Scolinos "said the department's inspector general concluded earlier this year that Mayfield was not targeted because of his religion and found that the FBI had not misused provisions of the Patriot Act."

The Washington Post (11/30, 3A, Eggen, 690K) notes that "the FBI bungled a fingerprint match" and adds that the "payment is a clear embarrassment for the FBI. … Mayfield said in a statement yesterday that he was threatened with the death penalty while in custody, that he and his family were targeted 'because of our Muslim religion,' and that he looks forward 'to the day when the Patriot Act is declared unconstitutional.'" However, "Scolinos issued a statement emphasizing that the FBI was not aware of Mayfield's Muslim faith when he was first identified as a suspect and that investigators 'did not misuse any provisions of the USA Patriot Act.'"

The Los Angeles Times (11/30, Verhovek, 850K) reports, "The case highlighted the error potential for fingerprint matching, which some experts say is unacceptably high," and the New York Times (11/30, Lichtblau, 1.16M) adds, "Several legal experts said they considered the settlement significant because of the public apology and the substantial payment. … Former CIA lawyer Suzanne Spaulding "said that the terms of the settlement allowing Mr. Mayfield to continue his lawsuit over the Patriot Act were also significant." She noted, "That and the two million dollars are further evidence that they were vulnerable and that he clearly had some significant leverage in these negotiations."

CNN.com (11/30, Schuster, Frieden) reports, "Wednesday's settlement includes not only a $2 million payment and an apology, but also an agreement by the government to destroy communications intercepts conducted by the FBI against Mayfield's home and office during the investigation. … A Justice Department statement released Wednesday said Mayfield was not targeted because of his Muslim faith and that the FBI had taken steps to improve its fingerprint identification process 'to ensure that what happened to Mr. Mayfield does not happen again.'"

The AP (11/30, Peterson) reports that the Portland, OR, FBI office "said Wednesday that it was proud of its work in the case – other than the fingerprint error. … 'If a similar investigation was being conducted, and we were provided a fingerprint identification, we would do exactly what we did in the case of Mr. Mayfield,' said agent Robert Jordan. 'We are very proud of what we did here, but we recognize that our laboratory made a mistake.'" The AP adds, "Justice Department spokeswoman Tasia Scolinos said the FBI has since adopted suggestions for improving its fingerprint identification process 'to ensure that what happened to Mr. Mayfield does not happen again.'" The AP notes, "The U.S. formally apologized to Mayfield as part of the settlement, Scolinos said. … Two internal Justice investigations cleared the FBI and prosecutors of wrongdoing, she said. A December 2005 review by the department's Office of Professional Responsibility found that federal prosecutors who handled the investigation acted appropriately. … A month later, Justice Inspector General Glenn A. Fine concluded that Mayfield's faith was not the reason the FBI began its investigation, and that the agency did not misuse provisions of the USA Patriot Act."

The Oregonian (11/30, Denson, 318K) reports, "Mayfield and his wife, Mona, said the $2 million settlement will help pay their lawyers and put their children through college. But they said the money could never make them

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whole for what they described as illegal violations of their privacy. 'To this date,' Mayfield said, 'the government has refused to tell us where they placed their electronic listening devices and cameras, leaving myself and family to forever wonder if they were listening to our most private conversations, watching our most intimate interactions.'" The Oregonian adds that Jordan "disputed the contention that Mayfield was targeted because of his faith. He pointed out that the event triggering the investigation was a fingerprint found in a bag of detonators in Madrid; only later did the FBI learn that the lawyer was Muslim. … 'Not only did we do nothing wrong here, but everything we did was premised on a fingerprint identification. Our investigation was extremely thorough and extremely professional.' 'But the investigation,' Jordan acknowledged, 'was built on sand, because the investigation was predicated on this fingerprint that the (FBI) lab later determined they were wrong about.'"

CNN Live Today (11/29, Whitfield, 1:39 p.m.) reported, "Remember the 2004 Madrid train bombings? … Perhaps you also remember that an Oregon lawyer was arrested for suspicion of involvement in this train bombing. Now his attorneys…say he has settled a lawsuit with the US government, and now he will get $2 million as a result of his wrongful arrest and the FBI had claimed at the time that his fingerprints were found on a detonator." CNN.com (11/29, Schuster, Frieden) added, "'We lived in 1984,' Mayfield told reporters Wednesday. … 'I, myself, have dark memories of stifling paranoia, of being monitored, followed, watched, tracked,' he said, choking back emotion. 'I've been surveilled, followed, targeted primarily because I've been an outspoken critic of this administration and doing my job to defend others who can't defend themselves, to give them their day in court, and mostly for being a Muslim.'"

Oregonian Says System Remains Too Opaque. Under the headline "Mayfield Settlement Still Leaves A Lot To Be Settled," The Oregonian (11/30, 318K) editorializes, "Any government will always make mistakes, and this outcome shows that the U.S. government can still be held accountable. Robert Jordan, special agent in charge of the Portland FBI, insisted Wednesday that aside from the fingerprint misidentification, 'We are very proud of what we did here.' But a cloak of secrecy makes it hard to check government power or defend citizens' rights, to know just how much Mayfield's Muslim identity overwhelmed doubts about the evidence that the Spanish raised very early in the process. It makes it impossible for Mayfield to know, even now, what the FBI learned about him and who else might know it now." The Oregonian adds, "You could sit in the news conference Wednesday and conclude that the system worked. But you'd also conclude that it needs to work better."

Gonzales Defends Warrantless Surveillance Program. KQXT-FM, San Antonio (11/30, Forsyth) reports, "The strongest defense to date of the controversial warrantless surveillance program from Attorney General Alberto Gonzales. As the Justice Department's inspector general opens an investigation into the effort, Gonzales told WOAI radio in his hometown of San Antonio that it is an 'effective and important program' and he's confident it will eventually be upheld in the courts. … The entire interview will air Thursday morning at 6:20 and 7:10 on San Antonio's First News." KQXT-FM continues, "Gonzales also pledged to correct any 'shortcomings' in the program that may be identified by the IG's probe. … Gonzales said the program to wiretap conversations between people in the United States and people overseas that the government suspects of being involved in terrorism is 'most definitely' continuing despite a ruling of a federal judge in Detroit that the program is unconstitutional, and loud complaints about it from Democrats in Congress. Justice Department IG Glenn Fine notified Rep. Zoe Lofgren (D-Calif) Tuesday that he has opened an investigation into the department's handling of the program, but not into whether the program itself is legal. … 'Even those who have been critical of the President's authority to do this, except for maybe one person in Congress, nobody has suggested that the program stop,' Gonzales said. 'I think people understand that it is an effective program. The Director of the CIA has testified that it has been a very effective program in protecting America. It's for that reason, while questions have been raised about the legal authorities of the President, we do believe that the President has the authority to authorize surveillance of the enemy at time of war, and that authority comes from the authorization by Congress to use military force which came shortly after the September 11th attacks.' … Gonzales, however, rejected demands from Lofgren and other Congressional Democrats, to order Fine to probe not just the implementation of the warrantless surveillance program, but its legality as well. … 'He doesn't have the expertise or authority to do that, quite frankly. It is the job for the lawyers within the Department of Justice to determine if something is legal. We have reviewed this program, and in our judgment it is lawful.'"

NYTimes Urges Democrats To Probe NSA Surveillance Program. The New York Times (11/30, 1.16M) editorializes, "It was one of the more outrageous moments in the story of the Bush administration's illegal domestic wiretapping. Almost a year ago, Congressional Democrats called for a review of the Justice Department's role in the program. But the department investigators assigned to do the job were unable to proceed because the White House, at President Bush's personal direction, refused to give them the necessary security clearance. Now the president, for reasons we can't help thinking might have something to do with this

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month's elections, has changed his mind. The White House will give Justice Department inspectors the required clearance, and a review will go forward." The Times adds, "That's all to the good, as long as the investigation is not intended to pre-empt any efforts by the new Democratic majority to conduct its own Congressional review of the wiretap program. The Justice Department inquiry will hardly do the full job." The Justice Department inquiry "will do nothing to fix the biggest problem with Mr. Bush's eavesdropping program, which is that -- once again -- he ignored existing law and instead tried to create a system outside the law, resting on his dangerously expansive claims of executive power."

Judge Accepts Plea Agreements In Former Colorado Terrorism Case. The Denver Post (11/30, Finley, 256K) reports US District Judge Lewis Babcock "on Wednesday declared the end of the government's four-year case against a Denver Pakistani-American family once targeted by the FBI as terrorists. Family members whose lives were turned upside down simply wept. 'We've lost everything,' longtime Colorado restaurateur Abdul Qayyum said." Babcock "accepted plea deals with federal prosecutors who dropped and reduced immigration charges they pursued after their terrorism case fizzled against Qayyum, his daughter Saima Saima, wife Chris Warren and nephew Irfan Kamran." The Post notes, "FBI agents targeted this family of naturalized U.S. citizens…based on secret evidence after the 9/11 attacks. U.S. Attorney General John Ashcroft trumpeted the case as aggressive action against terrorists. 'When the attorney general of the United States declares your family terrorists,' the result is damage 'far beyond anything this court can do,' defense attorney Ray Moore told Babcock during one of two emotional hearings Wednesday."

El-Masri Tells Senate Aides Of Alleged Torture By CIA. The AP (11/30, Butler) reports, "Khaled el-Masri, who claims the CIA kidnapped and tortured him, recounted his story on Capitol Hill on Wednesday and said he hoped he could help prevent others from suffering a similar fate." The AP continues, "The Kuwaiti-born German citizen said he had brought his story to Washington to encourage greater oversight of CIA activities and force the U.S. government to acknowledge what happened to him. … 'I really want to raise awareness in the Congress so that they can bring some pressure to bear and make changes,' el-Masri said in German after he briefed Senate aides." The AP adds, "A federal appeals court in Richmond, Va., heard arguments Tuesday by el-Masri's lawyers urging the judges to reinstate his lawsuit against a former CIA director, George Tenet, and others. … Discussing the case, el-Masri told reporters, 'What really matters to me is that I would like to know why this was done to me, and I want an explanation and an apology.' … He added, 'I think that we can all benefit from what happens in my case, including others who are still in prison in other parts of the world without the rule of law.'" The AP notes, "El-Masri alleges he was kidnapped while trying to enter Macedonia for a vacation on Dec. 31, 2003. He claims he was flown to a CIA-run prison known as the 'salt pit' in Kabul, Afghanistan, where he was beaten and sodomized with an object during five months in captivity. … The CIA has refused to comment on el-Masri's allegations, which have put a spotlight on the intelligence agency's secret program to deliver suspected terrorists for interrogation in foreign countries. The practice has been heavily criticized by human rights groups."

Legal Showdown Over Padilla Complicated By Security Issues. In an online exclusive in Newsweek (11/30), Michael Isikoff and Mark Hosenball write, "A looming court fight over claims that one-time enemy combatant Jose Padilla was 'tortured' by the U.S. military is threatening to create new difficulties for one of the Bush administration's most high-profile terrorism cases." Isikoff and Hosenball continue, "In a motion last week, the Justice Department asked a federal judge to block any public testimony about the circumstances of Padilla's interrogations during the more than three years he was detained and interrogated in a military brig in South Carolina. For most of that time, Padilla, a 35-year-old Brooklyn-born U.S. citizen who was raised in Chicago, was held incommunicado, unable to meet with his lawyer or any other visitors. … Even permitting Padilla's lawyers to raise the issue of his alleged mistreatment, prosecutors argued, may 'inflame the jury' and invite 'jury nullification'—the term used to describe what happens when rebellious jurors declare a defendant not guilty, no matter what the evidence, because they are so offended by the government's conduct. (The prosecutors also say there is 'not a shred of record evidence' to back up Padilla's claims that he was tortured and asserted that the 'conditions of his confinement were humane and designed to ensure his safety and security.') … But defense lawyers are convinced that given the seriousness and the specificity of Padilla's claims of mistreatment—many of which involve the use of aggressive interrogation techniques virtually identical to those the Pentagon has confirmed using at Guantánamo—the judge in his case, Marcia Cooke, may have little choice but to order a pretrial hearing on his allegations." Isikoff and Hosenball add, "Padilla's lawyers say they will soon file "additional material" to back up their torture claims. And if Cook grants them a hearing, it could open the door for the first time to questioning in a U.S. courtroom about controversial interrogation methods that were used against one of the most sensitive detainees in U.S. government custody. Padilla's fate is all the more

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important because his incarceration by the U.S. military was directly ordered from the White House by President Bush. … The matter could prove even more awkward because, according to a source close to Padilla's defense team—who asked not to be identified talking about sensitive matters—any hearing could end up requiring the Pentagon to turn over highly classified video and audiotapes allegedly made of Padilla's interrogation sessions at the U.S. military brig in Charleston, S.C. The content of the tapes has been the subject of recent discussion among lawyers in the case, the source said."

Judge Rules Parts Of Terror Listing Order Unconstitutional. The Washington Times (11/30, Seper) reports, "President Bush lacks the constitutional authority to designate groups and persons as terrorists under a post-September 11 executive order, according to a federal judge in Los Angeles." The Times continues, "U.S. District Judge Audrey B. Collins, in a challenge brought by the Washington, D.C.-based Center for Constitutional Rights on behalf of the Humanitarian Law Project, said a Sept. 24, 2001, executive order naming 27 groups and persons as 'specially designated global terrorists' (SDGTs) allowed no way for those designated to challenge the ruling." The Times adds, "In a 45-page ruling, Judge Collins said the executive order 'contains no definable criteria' to constrain the president's use of it, and, as a result, 'is unconstitutionally vague on its face.' She said the order is subject only to Mr. Bush's 'unfettered discretion.' … The judge also said the order 'contains no definable criteria for designating individuals and groups as SDGTs,' and improperly gives the secretary of the Treasury the power to impose penalties for 'mere association' with the groups." The Times notes, "The ruling, made public on Tuesday, came in a lawsuit in which the Humanitarian Law Project, through the Center for Constitutional Rights, sought to support the nonviolent work of two groups designated as terrorist: The Kurdistan Workers Party, the main Kurdish political party in Turkey, and the Liberation Tigers of Tamil Eelam, a rebel group fighting for a separate homeland for Tamils in Sri Lanka. … The Justice Department said the agency thought Judge Collins had erred in her decision."

State Department Says Al Qaeda Operating With "Great Comfort" In Somalia. The AP (11/30, Gedda) reports, "Al-Qaida militants are operating with 'great comfort in Somalia, providing training and assistance to a radical military element loyal to the Islamic group that controls most of southern Somalia, a senior State Department official said Wednesday." Jendayi Frazer, who heads the department's Africa bureau, "said a priority US goal is the capture of three militants wanted for the bombings of US Embassies in Kenya and Tanzania in 1998 and a hotel in Kenya in 2002. The three are from Sudan, Kenya and the Camoros Islands, located off Africa's east coast. 'We're continuing to work with all sides in Somalia to try get those terrorists turned over and to prevent Somalia from becoming a safe haven,' Frazer told a small group of reporters."

HOMELAND RESPONSE:

Despite "Solemn Pledge," Democrats Reject "Key" Tenet Of 9/11 Commission Report. Under the headline "Democrats Reject Key 9/11 Panel Suggestion," the Washington Post (11/30, A7, Weisman, 690K) reports, "It was a solemn pledge, repeated by Democratic leaders and candidates over and over: If elected to the majority in Congress, Democrats would implement all of the recommendations of the bipartisan commission that examined the attacks of Sept. 11, 2001." But "with control of Congress now secured, Democratic leaders have decided for now against implementing the one measure that would affect them most directly: a wholesale reorganization of Congress to improve oversight and funding of the nation's intelligence agencies. Instead, Democratic leaders may create a panel to look at the issue and produce recommendations, according to congressional aides and lawmakers." The Post adds, "Because plans for implementing the commission's recommendations are still fluid, Democratic officials would not speak for the record. But aides on the House and Senate appropriations, armed services and intelligence committees confirmed this week that a reorganization of Congress would not be part of the package of homeland-security changes up for passage in the 'first 100 hours' of the Democratic Congress." Democrats, adds the Post, "are balking, just as Republicans did before them. The decision will almost certainly anger commission members, as well as families of victims of the Sept. 11 attacks."

New Law Expands US Powers To Prosecute Animal Rights Extremists. United Press International (11/30, Waterman) reports, "A new law that comes into force this week gives federal authorities expanded powers to prosecute animal rights militants -- as the State Department is warning that their activities eclipse terrorism as a day-to-day security problem for U.S. companies in Western Europe." UPI continues, "Bush signed S 3880, the Animal Enterprise Terrorism Act, without fanfare at the White House Monday morning, before flying to the Baltic for a NATO summit. … The bill is designed to make it easier for the FBI and Justice Department to wire-tap and prosecute animal rights extremists who mount campaigns of low-level criminal harassment against animal researchers both in the commercial and educational sectors." UPI adds, "Animal

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rights campaigners and their supporters say it will chill legal protest, and accuse lawmakers of ramming the bill through during the waning days of the lame-duck congress. But supporters retort that there were hearings in both the House and Senate last year and that the ACLU dropped objections to the new law after amendments it backed were incorporated by the bill's authors."

FEMA Ordered To Restore Housing Aid For Evacuees. The Washington Post (11/30, A1, Hsu, 690K) reports on its front page, "The Bush administration unconstitutionally denied aid to tens of thousands of Gulf Coast residents displaced by hurricanes Katrina and Rita and must resume payments immediately, a federal judge ordered yesterday. US District Judge Richard J. Leon said the Federal Emergency Management Agency created a 'Kafkaesque' process that began cutting off rental aid in February to victims of the 2005 storms, did not provide clear reasons for the denials, and hindered applicants' due-process rights to fix errors or appeal government mistakes." The Post adds that the judge's "decision again casts a spotlight on the fate of the poorest members of the diaspora created by the 2005 disasters in New Orleans and along the Louisiana and Mississippi coasts."

Reporting on its front page, USA Today (11/30, 1A, Hall, 2.27M) also notes the judge's assessment of FEMA's policies as "Kafkaesque," adding that he said their "letters to evacuees explaining the process were vague and the application process confusing. He ordered FEMA to resume payments until it either allows evacuees to appeal or better explains its actions. … FEMA spokesman Aaron Walker defended the agency. By law, he said, the emergency housing assistance program is designed as a short-term solution to shelter evacuees. Those who apply and qualify can receive additional longer-term assistance through a separate program, he said."

The New York Times (11/30, Dewan, 1.16M) reports Walker said the agency "had not decided whether to seek a stay of the decision." In a statement following the decision, Walker wrote that the agency had "established a team dedicated to handling appeals on an expedited basis and initiated calls to applicants in an effort to help them understand what documentation was needed to process their case.'"

The Los Angeles Times (11/30, Gauette, Simmons, 850K) reports, "FEMA's critics in Congress used the opportunity presented by the ruling to call for changes. 'While this is a victory for the thousands who lost their homes during Hurricane Katrina, it is also a reminder that the system is still in desperate need of reform,' said Rep. Bennie Thompson (D-Miss.), the incoming chairman of the House Homeland Security Committee, which oversees FEMA. 'It is unacceptable to force overburdened victims to navigate through bureaucratic red tape to find out whether they will ever have a place to go home to.'"

The AP (11/29, Apuzzo) reported that Wednesday's decision was "the second court victory for Katrina victims this week. A federal judge in Louisiana said Monday that many homeowners might be entitled to more insurance money for flood damage."

WAR NEWS:

Memo Cited As Reason For Maliki's "Abrupt" Cancellation Of Initial Bush Meeting. USA Today (11/30, 2A, Jackson, Nichols, 2.27M) reports, "President Bush and Iraqi Prime Minister Nouri al-Maliki began high-stakes talks early today, in the wake of last-minute scheduling changes and a parliamentary walkout in Baghdad." The two leaders "had breakfast a day after the abrupt cancellation of a scheduled opening meeting that was also to have included Jordan's King Abdullah II, the host of this summit." The AP (11/30, Raum) reports that after meeting with Maliki this morning, Bush said that "he and Iraqi Prime Minister Nouri al-Maliki agreed in high-stakes talks that Iraq should not be partitioned into separate, semiautonomous zones. 'The prime minister made clear that splitting his country into parts, as some have suggested, is not what the Iraqi people want, and that any partition of Iraq would only lead to an increase in sectarian violence,' Bush said after nearly two and a half hours of talks aimed at stabilizing Iraq. 'I agree.'" Maliki "left the door open for countries like Iran and Syria to play a part in Iraq's struggle for peace. 'We are ready to cooperate with everybody who believes that the need to cooperate with the national unity government, especially our neighbors,' al-Maliki said."

The Financial Times (11/30, Devi, Dinmore, Khalaf) notes "Maliki left a political storm behind him at home. Shia lawmakers and cabinet ministers led by Mr al-Sadr suspended their participation in government institutions in protest at the summit. The boycott by the five Sadrist ministers and 30 lawmakers may not cause lasting damage but it piles the pressure on Mr Maliki." The Washington Post (11/30, A19, Raghavan, 690K) also remarks on Sadr's "swift maneuver," which "cast a shadow over the diplomacy in Amman and issued a reminder of his growing influence in Iraq."

But the cancelled Wednesday meeting dominated today's headlines and TV coverage. The AP (11/30, Raum) calls yesterday's cancellation "a stunning turn of events" that took place "after disclosure of US doubts about the Iraqi leader's capabilities and a political boycott in Baghdad protesting his attendance." The "abrupt cancellation" was "an

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almost unheard-of development in the high-level diplomatic circles of a US president, a king and a prime minister."

Maliki's move led to a series of apparently contradictory Administration explanations -- and denials that the leaked memo had played a part in Maliki's decision. McClatchy (11/30, Allam, Douglas) reports "Administration officials were at a loss to offer a single version of why the Maliki-Bush dinner was canceled. One senior administration official insisted that the dinner had never been planned, but a schedule given to reporters traveling with the president on Tuesday listed a 7:45 p.m. meeting among Bush, Maliki and Jordan's King Abdullah II, followed by an 8:35 p.m. dinner." Spokesmen for King Abdullah "said that the schedule had been changed to give the king more time to meet with Bush on Jordanian issues. They said that Abdullah had met with Maliki earlier in the day." Overall, the incident produced another day of markedly negative press coverage of Bush's trip. The New York Times (11/30, A1, Stolberg, Wong, 1.16M) reports "the careful orchestration leading up to the Bush-Maliki summit meeting -- including a news conference in Estonia on Tuesday where Mr. Bush promised to press the Iraqi prime minister on his strategy for stability -- was upended when The New York Times published the classified assessment of Mr. Maliki in Wednesday's issue."

The Los Angeles Times (11/30, Wallsten, Moore, 850K) says "White House officials spent the day on the defensive -- insisting they had faith in Maliki despite the harsh content of the leaked memo, and struggling to explain why a meeting that had been on the president's calendar for days was suddenly scrubbed." The Times adds, "Senior Bush aides offered at least four explanations for the cancellation -- finally dispatching a more junior official to tell reporters late Wednesday that Maliki and Jordan's King Abdullah II had decided mutually that a three-way conversation was not necessary." The Washington Times (11/30, Dinan, 88K), under the headline "Iraq Cancels Meeting After 'Ignorant' Memo," notes the memo "says the Iraqi leader is either 'ignorant,' devious or incapable of governing right now."

ABC World News (11/29, lead story, 2:50, Raddatz, 8.78M) said "the White House is trying to downplay the significance of this. But it's a huge embarrassment." The White House "insisted this was not a snub. This is how White House counselor Dan Bartlett explained it. 'There was going to be a trilateral meeting and then the dinner with the King. Now, since they already had a bilateral themselves, the King of Jordan and the Prime Minister, everybody felt, well, there's no reason for them to do a trilateral meeting beforehand, because matters had been discussed.' We spoke, tonight, with the US Ambassador to Iraq. Whose idea was that to first cancel it?" The White House also "denied that Malaki's sudden decision had anything to do with a leaked memo that appeared in this morning's 'New York Times,' calling into doubt Malaki's ability and will to stop sectarian violence." Despite the White House's assertion, ABC World News (11/29, story 2, 2:30, McCarthy, 8.78M) later mused that "Maliki perhaps pulled out of tonight's meeting, angered at the memo, or keen to show his political base he's not an American puppet."

The CBS Evening News (11/29, lead story, 2:40, Axelrod, 7.66M) also noted "the White House insists this has nothing to do" with the memo, NBC Nightly News (11/29, lead story, 4:10, Williams, 9.87M) said "Maliki's "decision…looked a lot like an angry reaction to the emergence today of a White House memo critical of his leadership." NBC interviewed Zalmay Khalilzad, US Ambassador to Iraq. Asked whether he expects "people to believe that this was not a snub of the President," Khalilzad said, "Oh, absolutely it was not a snub of the President." On the subject of the leak, "the White House maintained it didn't know where the memo came from. But the timing is striking because it comes at a time when the White House is eager to put the pressure very publicly on the Iraqi leader." The CBS Evening News (11/29, story 4, 2:10, Couric, 7.66M) also interviewed Khalilzad. Asked about Maliki, he said, "He has my confidence. I believe that he wants Iraq to succeed and he's a Prime Minister. Iraq's failure will be his failure. His success will be Iraq's success."

NBC Nightly News (11/29, story 2, 2:35, Williams, 9.87M) also reported that "to Iraqis like Maliki, pride is very potent in life and how might that play in here?" NBC (Engel) added, "It is one of the characteristics that has probably been most understood in the last four years of this war in Iraq: Iraqi pride. It is misunderstood by American diplomats and soldiers, so to invite Prime Minister Maliki for this summit and then to have this very insulting memo put out talking about spying on him, questioning his intentions, it is not the kind of thing that will win trust, particularly anywhere in Iraq or almost anywhere else in the Middle East."

The Washington Post (11/30, A1, Abramowitz, Tyson, 690K) quotes Bartlett saying, "No one should read too much into this," and White House press secretary Tony Snow assuring reporters that "there's no snub" by Maliki. The Post adds, "Two senior administration officials" held "a contentious background briefing with White House reporters who repeatedly challenged their explanation."

On MSNBC's Hardball (11/29, Shuster), State Department senior adviser David Satterfield was asked if it "was a snub" when Iraqi officials would not meet with President Bush. Satterfield said, "Well, the trilateral meeting that was planned for this evening was a social call between the King, the President and the Prime Minister. The Prime Minister had had a very good session with King Abdullah earlier in the day. The decision was made that there was no need for this essentially courtesy meeting. The real meeting will be tomorrow morning with the President." Shuster: "But courtesy meeting or not, it can still be a snub, even if it's just

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drinks and dinner." Satterfield: "We don't see it that way, and that's certainly not the way the President views it."

On CNN's The Situation Room (11/29, Blitzer), Satterfield said, "He's not boycotting the meeting. It was agreed that the meeting would not take place, the meeting wasn't necessary. And with respect to Muqtada al-Sadr, its threats or the action taken by his parliamentarians, they haven't had any impact on the Prime Minister's willingness to come to Jordan in the first instance, or to meet with the President in the second. It's going ahead regardless."

The content of the leaked memo is also coming under criticism. McClatchy (11/30, Landay, Youssef) reports, "It would be extremely difficult, if not impossible, to implement most of the key ideas for quelling the Iraqi civil war that are outlined in a classified Nov. 8 memo to President Bush from National Security Adviser Stephen Hadley, experts said Wednesday. Trying to push anti-U.S. Shiite Muslim cleric Muqtada al-Sadr out of the ruling coalition led by Prime Minister Nouri al-Maliki, as the memo suggests, would be throwing gasoline on a fire, they said." Sadr's party "is the largest in parliament, with 32 seats, and Maliki became prime minister only with his support." The Christian Science Monitor (11/30, Murphy, 59K) quotes Chris Toensing, executive director of the Middle East Research and Information Project in Washington, saying Malaki "is not likely to abandon his Shiite political powerbase, including Sadr. … 'It's a calculus about his own protection, and for a future when the US eventually leaves,' he says."

Extreme pessimism about the future of the US mission in Iraq once again pervaded the network TV coverage. On NBC Nightly News (11/29, story 4, 1:50, 9.87M), Tim Russert said, "You talk to Republicans and Democrats and you hear the same thing, almost a complete sense of resignation, that there is no good probable outcome for Iraq." ABC World News (11/29, story 4, 6:00, Gibson, 8.78M) interviewed Ret. Gen. Jack Keane, former Army Vice Chief of Staff, US Army, who said, "The strategy we have, which, was in its essence, a defensive military strategy. It was never designed to defeat the insurgency. It was simply designed to transition to the Iraqi security forces, as its core principal." Fareed Zakaria, editor 'Newsweek International: "More forces would have worked if the only problem you were dealing was insurgency. What you are dealing with now is a civil war." Richard Haass, Pres. Council on Foreign Relations: "We've already sent more troops. We're up to about 150,000 American soldiers. We could send a few more. It won't do a lot militarily. But what it may do is help the Administration politically. We're probably reaching a point where the President's trip and more broadly US policy, now, is probably the last hurrah. I do not believe the challenges we face are the sort of challenges that can be successfully met with more firepower." Haass also said, "The word 'success' the word 'victory' should be expunged from our vocabulary now. We should be cutting cost options. That's all that's left for the United States in Iraq." Haass said on MSNBC's Hardball (11/29, Shuster) that Maliki is "under tremendous pressure at home for being too close to the Americans. At the same time, he's obviously reading in the New York Times and elsewhere the fact that the United States is extraordinarily unhappy with him. So he's in an extraordinarily difficult position."

ISG Will Recommend Withdrawal Of US Combat Troops From Iraq. The New York Times (11/30, A1, Sanger, Cloud, 1.16M) reports, "The bipartisan Iraq Study Group reached a consensus on Wednesday on a final report that will call for a gradual pullback of the 15 American combat brigades now in Iraq but stop short of setting a firm timetable for their withdrawal, according to people familiar with the panel's deliberations." The report, "unanimously approved by the 10-member panel, led by James A. Baker III and Lee H. Hamilton, is to be delivered to President Bush next week. It is a compromise between distinct paths that the group has debated since March, avoiding a specific timetable, which has been opposed by Mr. Bush, but making it clear that the American troop commitment should not be open-ended. The recommendations of the group, formed at the request of members of Congress, are nonbinding." The Times adds, "A person who participated in the commission's debate said that unless the government of Prime Minister Nuri Kamal al-Maliki believed that Mr. Bush was under pressure to pull back troops in the near future, 'there will be zero sense of urgency to reach the political settlement that needs to be reached.'" The report "recommends that Mr. Bush make it clear that he intends to start the withdrawal relatively soon, and people familiar with the debate over the final language said the implicit message was that the process should begin sometime next year. The report leaves unstated whether the 15 combat brigades that are the bulk of American fighting forces in Iraq would be brought home, or simply pulled back to bases in Iraq or in neighboring countries." Meanwhile, the Washington Times (11/30, Scarborough, 88K) says "all six members of the Joint Chiefs of Staff, amid an ongoing Pentagon review of strategy for Iraq, oppose pulling out US troops now, and are also against a specific withdrawal timetable, a defense source said yesterday. 'The chiefs are solid. They want victory,' the source said. 'There is no dissent.'"

The CBS Evening News (11/29, story 2, 2:20, Martin, 7.66M) reported, "Members of the Iraq Study Group headed by former Secretary of State Baker have reached agreement on their recommendations for a new war strategy, which will be delivered to the President and released publicly a week from today. Sources close to the group expected to recommend a restructuring of US military forces, putting in more trainers and fewer combat troops, setting a timetable for

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the Iraqi government to take responsibility for its own security, and holding talks with Iran and Syria." The White House "says the group's report will be a factor but not a blueprint for the President in deciding on changes in his war strategy."

ABC World News (11/29, story 3, 0:30, Gibson, 8.78M) said "the Iraq Study Group is expected to call for direct talks with Iran and Syria to end the violence. Both countries had messages for America today. Neither one sounded at all cooperative. Syria's President, Assad, said his country will continue to challenge US efforts to exert control over the Middle East. 'As colonialism continues,' he said, 'revolution and resistance continue.' And Iran's President, Mahmoud Ahmadinejad, called the US involvement in Iraq, a military misadventure. He said Americans should demand the withdrawal of US troops."

USA Today (11/30, 1A, Page, Slavin, 2.27M) reports, "The war has become a Rubik's Cube: Move to fix one side of the puzzle and another side is upended. … The Baker commission could provide bipartisan cover to take difficult steps, says Sen. Joseph Biden, D-Del., incoming chairman of the Foreign Relations Committee. 'I think the president will have to listen,' he says."

Reacting to the news about the ISG on CNN's The Situation Room (11/29, Blitzer), Rep. Charles Rangel said, "Democrats may be in the majority in the Congress but we are not a part of the executive branch. The President has heard the American people loud and clear. They're against the war. I hope this Iraqi Study Group reflects that type of feeling. I'm certain it will." And Rep.-elect Chris Carney said on MSNBC's Hardball (11/29, Shuster), "I have not called for a timetable myself. I did hear Gen. Casey a couple of weeks ago, when he was talking about the insurgency, saying that it would take 12-24 months to train up the Iraqis to take care of the situation themselves. That's what I advocate, is that the Iraqis start to take control of their own destiny here."

In his "Washington Sketch" column in the Washington Post (11/30, A2, 690K), Dana Milbank writes, "Does anybody have a good plan for Iraq? Not President Bush. … Neither does the Pentagon appear to have a solution. Gen. Pete Pace, chairman of the Joint Chiefs of Staff, called a news conference yesterday to advise the American public not to expect big conclusions from a major Iraq study he ordered. 'There's not an end product,' he announced. Nor, apparently, do the Democrats have the answer." Milbank adds, "Political Washington is in a state of suspended animation these days: waiting for Bob Gates to replace Donald Rumsfeld as secretary of defense, waiting for the Baker-Hamilton commission, waiting to see whether Bush will raise or lower troop levels."

Bush Said To Back Talks With Syria And Iran "In Principle." The Wall Street Journal (11/30, A1, Dreazen, Simpson, Fam, 2.04M) reports that as President Bush "arrived in Jordan last night, the White House has made clear that it is open -- at least in principle -- to considering talks with longstanding rivals Syria and Iran, though it wants them to first change their behavior." Secretary of State Condoleezza Rice "announced yesterday that she is meeting with Israeli Prime Minister Ehud Olmert today amid efforts to revive the moribund Israeli-Palestinian peace process that allies say the Bush administration has never really embraced. And the administration has toned down its pressure on allied authoritarian countries such as Egypt and Saudi Arabia, which it previously suggested should embrace democratic measures. Taken together, the administration's diplomatic initiatives represent an effort to cobble together as much of the decades-old Middle East power structure as possible as a way of restoring stability to Iraq and deterring Iran."

Gates Signals Support For Talks With Syria, Iran. CNN's The Situation Room (11/29, Koppel) reported, "Even as…Bush's plane was touching down in Amman, Jordan, today for his summit with Iraq's prime minister, back here in Washington, Robert Gates, the former head of the CIA, was signaling that he and Mr. Bush do not necessarily see eye-to-eye on Iraq." Gates says he "believes the U.S. needs to talk to Iraq's other neighbors, like Iran and Syria. That would be at odds with current U.S. policy. Gates laid out his position in written testimony obtained by CNN to the Senate Armed Services Committee, which begins his confirmation hearing next week. On Iran, Gates likens the situation to the cold war era, when even during the worst days, he said, the U.S. maintained a dialogue with the Soviet Union and China. In the case of Iran, Gates says: 'I believe no option that could potentially benefit U.S. policy should be off the table.' He goes on to suggest that 'dialogue could be as part of an international conference,' an approach Gates believes should also be considered with Syria."

Democrats Want "Special Envoy." The New York Times (11/30, Hulse, 1.16M) reports, "Leading Senate Democrats called Wednesday for…Bush to appoint a special envoy to work with Iraqi leaders to bring increasing violence in Iraq under control. 'Violence in Iraq has reached critical levels, and the violence is not predominantly instigated by insurgents, but is taking place between Sunnis and Shia,' said Senator Harry Reid, who will become the majority leader, and four other top Senate Democrats in a letter sent to Mr. Bush. 'It is our belief that coalition military action alone cannot end this violence.'" The lawmakers "said in the letter that the special American envoy could follow up on issues raised between Mr. Bush and Prime Minister Nuri Kamal al-Maliki of Iraq during their planned meeting on Thursday in Jordan."

In a "Web Exclusive," Michael Hirsh writes in Newsweek (11/30, 3.12M), "The forthcoming report by James Baker's Iraq Study Group has enjoyed the biggest public buildup since the Segway. And it is likely to be just as big of a bust. Here's why the Baker-Hamilton report is destined to

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land with a thud, after weeks of messianic hype. … This major shift is going to occur no matter what Baker-Hamilton says. The future course of U.S. involvement is set for a long time to come: as the Iraqi Army matures beyond the five or so divisions that are now functioning, very brave American officers will join them, guiding their movements with the latest technology that effectively will give them a proxy air force. This will be a slow, painstaking process, neither cut and run nor stay the course. Just find a medium-term way to extricate yourself with your scalp intact." Iraq "is not winnable or losable. All it is, in the best case, is manageable. What's needed instead of careful consensus building in Washington is a Richard Holbrooke or a Henry Kissinger out in the field, a tough, no-nonsense negotiator who can grapple with the reality of the American failure in the region and simply seek the most honorable way out."

More Commentary. Author Scott Turow writes in the Wall Street Journal (11/30, 2.04M), "Our government must urge Iraqi leaders to hold an immediate plebiscite on a single question: Should American forces remain in Iraq until a stable democratic order emerges, however long that takes, or should we instead withdraw in stages over a fixed period, say, the next 12 months? I have a guess about which way the vote will go. Since opinion-sampling began a year after the invasion, one poll after another has found that an increasing majority of Iraqis would like us to pack our gear and leave." But "who knows how accurate polling is in a society like Iraq, where so many citizens have reasons to be guarded about their views? And even if the results reflected opinions at the time, it's possible that an informed national discussion might change minds."

In a New York Times op-ed column (11/30), author Thomas Powers says, "The chaotic war in Iraq is the great piece of unfinished business that will soon face Robert M. Gates, President Bush's choice to replace Donald Rumsfeld as secretary of defense." Defeating the "insurgents is only half of the challenge; harder will be finding some way to restrain or disband the Shiite militias without bringing them into the war against us. Down that road would lie a spiraling conflict as protracted and unwinnable as the war in Vietnam. The Republicans may have lost the midterm elections, but to my ear, on the subject of Iraq, the president has never sounded ready to accept anything that might be called defeat. Iraq is not Vietnam, but we are the same. We find ourselves, at a parallel moment, militarily committed to a policy on the verge of conspicuous failure. The American people, now as then, are unsettled by the phrase 'cut and run' and reluctant to put their judgment ahead of the president's."

US Commanders Order Reinforcements Into Baghdad. The AP (11/30, Jelinek) reports, "The Pentagon is developing plans to send four more battalions to Iraq early next year, partly to boost security in Baghdad, defense officials said Wednesday. … The extra combat engineer battalions of reserves, likely to be sent to Baghdad, would total about 3,500 troops, officials said. They said the units, coming from around the United States, have already done tours in Iraq but there has been no final decision on which will go." The moves "come as violence continues to rise in Baghdad, and President Bush is under growing pressure to craft an exit strategy that would withdraw a substantial number of US troops from Iraq while shifting more responsibility to the Iraqi government."

The CBS Evening News (11/29, story 2, 2:20, Couric, 7.66M) reported "the Pentagon is getting ready to send more troops in." CBS (Martin) added, "With conditions in Baghdad too dire to wait for the outcome of either the summit or the Administration's strategy review, commanders in Iraq have ordered reinforcements into the capital. About 3,500 US combat troops are being moved from over parts of the country into the city where a combined force of 40,000 Americans and Iraqis have so far been unable to stop the spiral of violence. The American reinforcements will take the place of Iraqi troops, which the government had promised but never delivered. But as Democratic Senator Jack Reed said, numbers alone are not likely to determine the outcome."

NBC Nightly News (11/29, story 3, 2:25, Miklaszewski, 9.87M) reported, "NBC News has learned the US military is looking at a temporary increase of up to 20,000 troops. That could be done by extending the tours of three brigades of soldiers who have already spent a year in Iraq and by accelerating deployment for two other brigades, sending them into Iraq earlier than scheduled. The Army will also activate four battalions of reserve combat engineers, some 2,800 troops. Their mission -- help build security barriers in Baghdad around heavily congested areas, like open air markets, prime targets for suicide car bombers. The US military is also pushing Iraqi officials to send more Iraqi security forces into Baghdad, but sectarian differences within the Iraqi military itself could lead to more violence if Shi'ia soldiers moved into a Sunni neighborhood or vice versa."

The CBS Evening News (11/29, story 3, 1:00, Palmer, 7.66M) reported from Baghdad, "I have to say it's going to be skepticism on the part of most Iraqis because they've been promised two big troop initiatives, US troop initiatives in the past six months that were designed to quell the violence here, neither has worked out that way. Although they recognize they need help with security, they're not at all convinced that more US soldiers is the answer. Now, as for Moqtada al-Sadr's followers, they're going to regard this as a deliberate provocation. They have said from the beginning they want US troops out and quickly. So the idea that the troop strength is going to be beefed up has made them very angry. In fact, when we talked to them a couple of hours ago, they said this

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might not only make them boycott the government indefinitely, but they May even decide to quit all together."

Powell Says Iraq Conflict A "Civil War." ABC World News (11/29, story 5, 2:50, Gibson, 8.78M) reported, "The former Secretary of State, Colin Powell, said today that the situation there could be considered a civil war. That's in sharp contrast to President Bush, who has rejected any such characterization. Powell made the comment at a business conference in Dubai." The AP (11/30, Krane) notes "no cameras were allowed in to record" Powell's talk.' During his speech, reportedly, "Powell said the Iraq war had three phases. The first, the invasion phase, went as planned. But the second phase, the military occupation, was 'badly handled,' Powell said, according to the conference organizer. Mistakes during the second phase led to the third, 'which could be considered a civil war,' Powell told the conference."

The Christian Science Monitor (11/30, Feldmann, 59K) reports, "Bit by bit, the mainstream media are referring to the war in Iraq as a 'civil war' in news coverage. … Most scholars who study war view the Iraq situation as a civil war; the only debate is when it became one -- in 2004 when the US transferred sovereignty to Iraqis, or early this year when the bombing of a Shiite mosque in Samarra sparked a wave of sectarian violence that continues? Academics cite the standard definition of civil war: groups from the same country fighting for political control, and a death toll of at least 1,000. A majority of Americans view the conflict as a civil war, polls show." The debate over terminology "seems to have sprung from the latest surge in sectarian violence, and perhaps from a greater sense of freedom among US media, after the November elections, to call the situation as they see it without being accused of political bias, analysts say."

68% Of US Adults See "Civil War" In Iraq. On its website, the Wall Street Journal (11/30, 2.04M) reports "a majority of Americans think Iraq is in the midst of a civil war, a new Harris Interactive poll finds, and few are confident that Robert Gates's nomination as Secretary of Defense will improve the situation there. Sixty-eight percent of US adults said they believe there is a civil war in Iraq, the online poll from Nov. 13 to Nov. 20 found, compared with 14% who disagree and 18% who aren't sure."

Iraq Police Academy In Jordan Beset By Sectarian Divisions. The CBS Evening News (11/29, story 5, 2:25, Couric, 7.66M) reported, "On the eve of the summit here in Amman, there is no greater priority for President Bush and Prime Minister Maliki than training Iraqi security forces so they can take the place of US troops. Surprisingly, the effort to rebuild Iraq's police force started right here in Jordan. But…it's been a very bumpy ride." CBS (Phillips) added, "Once it was hoped the march to the new Iraq would begin here on a parade ground just outside of Amman, Jordan. Now the future of this police academy and of its graduates is as uncertain as that of the country itself. The academy, set up here shortly after the fall of Saddam, has brought Iraqi recruits in to be trained by international instructors in the hope that they'd be the seed crop of a new Iraqi police culture, one that would protect citizens, not prop up a repressive regime. More than 40,000 have been trained here, a third of Iraq's total force. … That's the good news. The bad is that the same divisions that are tearing Iraq apart at home are at work here. The cadets are Iraqi Shias and Sunnis and Kurds, communities that are virtually at war. Here's a little fact that illustrates the problem. When the firing range was designed, the instructors were worried about giving weapons with live ammunition to Iraqis from the various warring communities, so they built these sandbag defenses to hide behind just in case. Not only that, but all the instructors are armed. While fighting never broke out here, loyalties to the warring militias are a problem, which is why the Iraqi instructors fear their identities becoming known."

WSJournal Highlights Findings Of Australia's Oil-For-Food Probe. The Wall Street Journal (11/30, 2.04M) reports, "Australia's involvement in Saddam Hussein's Oil for Food scam has been known for years. But the bright light shone this week by the Cole Commission report is nonetheless illuminating -- and a lesson for other countries. In 2,065 pages, Sir Terence Cole and his team unmask the vast corruption in AWB Ltd., Australia's former wheat board and supplier for a time of 16% of the world's wheat. That alone is a huge public service. AWB was the single largest payer of kickbacks to Saddam." Regarding the UN, Cole "notes that 'the United Nations knew that Iraq was breaching sanctions by requiring payment of inland transport fees and surcharges or after-sales-service fees. It knew this between 1999 and 2003. … It took no steps to publicize or warn member states of the Iraqi practices, and it took no steps to stop the practices.'"

NATO To Add Troops In Afghanistan, Will Remove Some Combat Restrictions. The Washington Post (11/30, A14, Abramowitz, 690K) reports, "European NATO countries pledged Wednesday to remove some of the restrictions on combat by their troops in Afghanistan, officials here said, as the alliance sought to close ranks and bring new force to bear against a resurgent Taliban militia." The NATO governments "declared that attaining peace and security in Afghanistan is now the 'key priority' for a grouping originally formed to confront Soviet military power in the Cold War." The Washington Times (11/30, Dinan, 88K) notes the NATO leaders also "agreed…to add troops to the 32,000 already in Afghanistan, but European countries such as France and Spain retained

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some of the restrictions that prevent their troops from taking a more active role in the fighting."

The Financial Times (11/30, Dombey, Fidler, Bokhari) reports that at the close of a two-day summit in Riga, "Jaap de Hoop Scheffer, Nato's secretary-general, said the alliance had met 90 per cent of the requirements for its mission in Afghanistan – chiefly by reducing or eliminating national 'caveats' or restrictions on the use of troops. Previously Nato had said it had fulfilled 85 per cent of the requirements. 'We still have to work on the other 10 per cent,' Mr de Hoop Scheffer said."

The Christian Science Monitor (11/30, LaFranchi, 59K) reports, "The question looming over NATO's summit in this Baltic country this week was essentially this: What are friends for? With the focus on the NATO-commanded counterinsurgency operation in Afghanistan, leaders from President George Bush to Canada's Prime Minister Stephen Harper wanted to know if just a few NATO countries would continue to carry the weight and face the worst of the danger. Or, would more of NATO's 26 members help out their partners with more troops - and fewer restrictions on how their troops can be used?" The answer "was only partially positive. At the close of the summit Wednesday, a few countries had pledged more forces for the 33,000-troop operation, while others -- in particular Germany, France, Spain, and Italy -- loosened restrictions on 'emergency' engagement of their forces, so that they now can be used for the evacuation of injured NATO soldiers."

White House Planning For NATO Summit Detailed. The New York Times (11/30, A16, Stolberg, 1.16M) reports in a "Reporter's Notebook" feature about the behind-the scenes events during President Bush's visit this to the NATO summit. The Times notes that presidential trips "require the right lighting, the right mix of people, the right backdrops," therefore the White House "began sending out advance teams as early as August to create the perfect imagery for the president's NATO summit swing through Estonia and Latvia." In Riga, for example, the conference was held at the city's "most ornate" building, the Black Heads House. However, "its name and scantily clad black figurines proved too much for a White House intent on repairing strained relations with African-Americans," the Times notes.

Putin Presence At NATO Summit Said To Be "A Little Creepy." Columnist Jackson Diehl from the Washington Post (11/30, A23, Diehl, 690K) writes that at the NATO summit in Riga, Latvia, the "Chirac-Putin stink bomb produced a wave of revulsion, confusion and, eventually, tactical maneuvering among the allied delegations," but there was a "lingering lesson." The Western allies have no idea what to do about Putin." Putin is now "generally understood to be an autocratic imperialist whose political enemies suffer from a high rate of sinister poisonings," and "Bush and other NATO leaders aren't ready to act on that understanding, or even to state it out loud." However, "the idea of having the man to their summit meeting has become a little creepy -- something only a bitter French lame duck would do."

DOJ:

Bush Taps Buchanan To Head DOJ's Office On Violence Against Women. The AP (11/30) reports, "U.S. Attorney Mary Beth Buchanan was appointed acting director of the Justice Department's Office on Violence Against Women." The AP continues, "Buchanan will remain the lead prosecutor in the 25-county Western District of Pennsylvania, while also heading the Washington, D.C.-based office. President Bush announced the appointment Wednesday. … The office administers financial and technical assistance to communities around the country that are creating programs and policies aimed at ending domestic violence." The AP adds, "Buchanan became an assistant prosecutor in 1988 and specialized in white collar and child exploitation crimes before being sworn in as U.S. attorney in September 2001. She also served as the director of the Executive Office of United States Attorneys from June 2004 to June 2005."'

The Pittsburgh Post-Gazette (11/30, Ward) reports, "The Washington, D.C., office administers assistance -- both financial and technical -- to communities around the country that are creating programs and policies aimed at ending all forms of domestic violence. Its main mission is to encourage the use of the Violence Against Women Act, which went into effect in 1995. .. .Next year, Ms. Buchanan will oversee the spending of some $400 million in various program areas in the office." The Post-Gazette adds, "Some of that will be used to provide legal assistance to victims, to pay for supervised visitation and safe exchanges for children involved in custody disputes, and to provide support for elderly victims, Ms. Buchanan said. … 'Issues involving violence against women and families have been one of my most significant interests,' she said. 'I welcome the opportunity to be effective on a national level in addressing this problem.' … She plans to focus on increasing outreach to Native American tribes and on college campuses. In addition, she hopes to target young people to educate them about the damage caused by domestic violence."

CORPORATE SCANDALS:

DOJ Rethinking Policy On Corporate Prosecutions. The AP (11/30, Jordan) reports, "The Justice Department is considering scaling back tough policies used to prosecute scandal-plagued corporations, legal tools criticized as unfairly pressuring companies and employees to

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cooperate in investigations." The AP continues, "The policies, used in criminal investigations of accounting firms Arthur Anderson and KPMG, could be changed as early as next week, according to people familiar with discussions among Bush administration officials and congressional leaders." The AP adds, "No final decisions have been made, department officials said. But the review comes as outgoing Senate Judiciary Chairman Arlen Specter, R-Pa., threatens to ease parts of the 2003 crackdown on white collar crimes in legislation he plans to file next week. … Additionally, an odd coalition of critics — from the U.S. Chamber of Commerce and the American Bar Association to former Attorney General Ed Meese and the American Civil Liberties Union — are calling for greater protections for those targeted in cases." The AP notes, "At issue is what has become known as the Thompson Memo, written by former Deputy Attorney General Larry Thompson. In the wake of scandals involving Enron Corp. and WorldCom Corp., it sought to coordinate prosecution tactics among the country's 94 U.S. attorneys. … The policy allows prosecutors to show leniency to companies that cooperate with investigators by refusing to pay employees legal fees and disclosing confidential discussions between company lawyers and executives targeted by the government. The memo suggests that companies not cooperating could be indicted."

The Washington Post (11/30, D1, Johnson) reports, "The changes, which could require local U.S. attorneys to obtain input from high-level Justice Department officials before seeking corporate indictments, could be unveiled by Deputy Attorney General Paul J. McNulty next month, according to sources briefed on the issue who spoke on condition of anonymity because the deliberations are not yet complete. The administrative revisions also may forbid government lawyers from forcing companies to stop paying attorney fees to employees ensnared in investigations, a move that was declared unconstitutional in June by a federal judge in New York." The Post adds, "Separately, Senate Judiciary Chairman Arlen Specter (R-Pa.) is drafting legislation that would bar prosecutors from forcing companies to waive their attorney-client privilege over internal documents in order to avoid criminal charges, a key part of the current guidelines. Specter, who has received support from Sen. Patrick J. Leahy (D-Vt.), could release the bill as early as Monday." The Post notes, "Debate about the appropriate use of prosecutorial power over business has simmered for years, reigniting in 2002 when the Justice Department charged Arthur Andersen LLP with obstruction of justice, a move that prompted partners and clients to flee and hastened the death of the audit firm."

Report Recommends Reducing Corporate Regulations. The Wall Street Journal (11/30, Ip, Scannell, Solomon, 2.04M) reports a "blue-ribbon committee on financial regulation has called for better protection of auditors, company employees and outside directors from authorities and lawsuits, as well as less-detailed rule-making and lower-key investigations." The Committee on Capital Markets Regulation's report "is one of the most high-profile efforts to date to address concerns that excessive regulation -- much of it a response to recent corporate scandals -- is adding to corporate costs, stifling the public securities markets and causing the U.S. markets to lose business to foreign competitors." The committee is "directed by Harvard law professor Hal Scott and co-chaired by former White House adviser Glenn Hubbard, now dean of Columbia University's business school, and John Thornton, former president at Goldman Sachs Group Inc. and now chairman of the Brookings Institution." The report "makes 32 recommendations, of which six relate to easing the application of Section 404 of the 2002 Sarbanes-Oxley Act governing internal company-financial controls. The SEC already plans to present new guidance on section 404 on Dec. 13. Companies have complained that the section is expensive and onerous to implement."

USA Today (11/30, 1B, Farrell, 2.27M) reports, "A group of prominent business executives and academics is planning to issue a call today for government regulators to ease up on the enforcement of the Sarbanes-Oxley Act." The group "asserts that some elements of the stringent law, which was passed in the wake of accounting meltdowns at Enron and WorldCom, have threatened the USA's leadership position in the global capital markets." According to "Hal Scott, the Harvard Law School professor who spearheaded the study, recent trends in litigation and regulation threaten to undermine the USA's position as the world's dominant capital market."

The New York Times (11/30, Norris, Labaton, 1.16M) reports the committee will recommend "making it harder for companies to be indicted by the government or sued by private lawyers, and urges policies to keep the Securities and Exchange Commission from adopting rules that impose high costs on business." The panel, "formed with the endorsement of Treasury Secretary Henry M. Paulson Jr., said the S.E.C. should be required to perform cost-benefit analyses on all rules before they were adopted. It said the S.E.C. should also take steps to rein in private securities litigation and adopt policies to shield corporate directors and auditors from some lawsuits."

Bloomberg (11/30, Westbrook, Anand) reports, "The Committee on Capital Markets Regulation, led by former White House Economic Adviser Glenn Hubbard and former Goldman Sachs Group Inc. President John Thornton, in a report to be published tomorrow, called for a broad overhaul of securities regulation, saying the Justice Department should pursue corporate criminal indictments only as a last resort.

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The group's recommendations may shape the debate about how to revise the Sarbanes-Oxley Act. … 'Firms must choose to come to the United States: they do not have to come,' the group said in an advance copy of the 135- page report. 'It is the committee's view that in the shift of regulatory intensity, balance has been lost to the competitive disadvantage of U.S. financial markets.'" Bloomberg adds, "Paulson has questioned whether laws like Sarbanes-Oxley, passed in the wake of corporate scandals, went too far. The Treasury secretary has been waiting for the report as he prepares meetings next year to examine the U.S. accounting and legal systems. … Members of Congress have said they are concerned the U.S. may lose its status as the world's top financial center because of costs stemming from Sarbanes-Oxley."

The Los Angeles Times (11/30, Peterson) reports, "Business lobbyists and their intellectual allies have begun a broad effort to lighten the regulatory burden of corporate America, warning that U.S. companies and the capital markets they rely on are losing the competitive battle to rivals overseas. … In the latest development, the private Committee on Capital Markets Regulation today plans to release an interim report contending that regulation, enforcement and litigation have become a weighty burden on the economy, and cite evidence that America's long-envied capital markets have lost some of their allure. … 'The first conclusion is that we have a real competitiveness problem,' said Hal S. Scott, a Harvard University law professor who directed the work of the panel." The Times adds, "To make its case, the panel cites the rising prominence of private equity firms, which are increasingly buying publicly traded companies and taking them into private ownership. … The report also warns that the U.S. is losing its dominant role in initial public offerings. 'As measured by value of IPOs, the U.S. share declined from 50% in 2000 to 5% in 2005,' it says. .. 'Foreign companies are not coming here, and private companies are not going public as much as they did in the past,' Scott said in an interview Wednesday. 'Over time, if we don't deal with the problems, it's not just going to be foreign companies that don't want to come here but our own companies won't want to be traded here.' … Such complaints aren't new, but some see a change in the nation's attitude toward big business that could give the panel's report greater currency. .. .Memories of fraud at Enron Corp., WorldCom Inc. and elsewhere are starting to fade, and the corporate investments held by millions of Americans through stocks, 401(k) plans and mutual funds are swelling thanks to a booming stock market."

Hubbard, Thornton Tout Recommendations. In a Wall Street Journal op-ed (11/30, A16), Hubbard and Thornton say, "Our 135-page report offers numerous recommendations and suggestions for areas of further study -- principally for regulation, though, in some cases, for legislation. The theme is simple: To maintain and enhance the value of U.S. public markets, we must do a better job of assessing and evaluating the benefits and costs of our regulatory and legal system and strengthen the rights of shareholders. Our 22-member committee's initial recommendations should be implemented: They represent the consensus of a diverse group of legal and finance scholars, CEOs, auditors, practicing corporate attorneys, institutional investors and investor advocates drawn from both political parties. Taken together, the proposed changes would enhance shareholder value by reducing the cost of capital, increasing expected firm cash flows, and reducing excessive risk aversion of corporate managers, auditors and directors."

New York Appeals Court Skeptical Of Grasso's Bid To Disqualify Judge. The New York Law Journal (11/30, Bar) reports, "Appellate judges reacted with skepticism Wednesday to arguments that Manhattan Supreme Court Justice Charles E. Ramos should be disqualified from hearing a state lawsuit to force former New York Stock Exchange Chairman Richard A. Grasso to return much of his $187.5 million compensation package." The Journal continues, "Attorneys for Grasso appeared Wednesday before a four-judge panel of New York's Appellate Division, 1st Department, to appeal Ramos' refusing to recuse himself from the case and saying he would decide the reasonableness of the compensation in a bench trial. … Among other things, Grasso's attorneys argued that Ramos should have recused himself because he promised to do so before engaging in settlement discussions during which he expressed strong opinions about the case."

CRIMINAL LAW:

DOJ Study Finds One In 32 American Adults In Jail, On Probation Or Parole. The AP (11/30, Hunt) reports, "A record 7 million people - or one in every 32 American adults - were behind bars, on probation or on parole by the end of last year, according to the Justice Department. Of those, 2.2 million were in prison or jail, an increase of 2.7 percent over the previous year, according to a report released Wednesday." The AP continues, "More than 4.1 million people were on probation and 784,208 were on parole at the end of 2005. Prison releases are increasing, but admissions are increasing more. … Men still far outnumber women in prisons and jails, but the female population is growing faster. Over the past year, the female population in state or federal prison increased 2.6 percent while the number of male inmates rose 1.9 percent. By year's end, 7 percent of all inmates were women. The gender figures do not include inmates in local jails. … 'Today's figures fail to

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capture incarceration's impact on the thousands of children left behind by mothers in prison,' Marc Mauer, the executive director of the Sentencing Project, a Washington-based group supporting criminal justice reform, said in a statement. 'Misguided policies that create harsher sentences for nonviolent drug offenses are disproportionately responsible for the increasing rates of women in prisons and jails.'" The AP notes, "From 1995 to 2003, inmates in federal prison for drug offenses have accounted for 49 percent of total prison population growth. .. The numbers are from the annual report from the Justice Department's Bureau of Justice Statistics. The report breaks down inmate populations for state and federal prisons and local jails."

US Mulls Death Penalty In Virginia Kidnapping, Murder. The Virginian-Pilot (11/30, McGlone) reports, "The Justice Department is considering pursuing the death penalty against Tanya Y. Torrence, the 35-year-old woman charged with the kidnapping and murder of her estranged boyfriend's mother this summer." The V-P continues, "Torrence was arraigned Wednesday in U.S. District Court on a four-count indictment that could carry a death sentence if convicted. Led to the magistrate court's podium in shackles, Torrence pleaded not guilty to the charges." The V-P adds, "The indictment charges Torrence with murder, kidnapping, interstate kidnapping resulting in death and use of a firearm. Magistrate James E. Bradberry set a trial date of March 13. .. Assistant U.S. Attorney Laura P. Tayman told the judge that she expects a decision from Washington by Jan. 23 on whether to seek the death penalty." The V-P notes, "Torrence is accused of kidnapping 72-year-old Mary Knight from her Virginia Beach home July 1 and driving north in Knight's minivan. Along the way, Torrence shot Knight twice, killing her, according to the indictment and other court filings. … She continued driving, ending up in Philadelphia where she exchanged the handgun for crack cocaine, according to the court records. She turned herself in to police there and Knight's body was found in the minivan. … The indictment says Torrence committed the crimes 'to punish her estranged boyfriend.' In a confession to authorities after her arrest in Philadelphia, Torrence said the shooting was an accident. … Torrence remains jailed without bond."

Court Allows Former Illinois Governor Freedom Pending Appeal. The AP (11/30, Robinson) reports, "Former (Illinois) Governor George Ryan can remain free while he appeals his conviction in the corruption scandal that ruined his political career, a federal appeals court has ruled." The AP continues, "The decision by the 7th U.S. Circuit Court of Appeals was issued without explanation Tuesday, but the court said if it upholds Ryan's conviction, he must go to prison immediately." The AP adds, 'Ryan, 72, was sentenced in September to 6 1/2 years in federal prison for racketeering and fraud involving corruption when he was secretary of state in the 1990s and later governor. … U.S. District Judge Rebecca L. Pallmeyer had refused to grant bail to Ryan. But the appeals court overruled her and said Ryan may remain free while appealing his conviction. He had been due to report to prison Jan. 4." The AP notes, "Federal prosecutors opposed bail for Ryan, saying it was unlikely his conviction would be overturned. But Ryan's attorneys argued that jury deliberations in the case were flawed and that Ryan should be granted a new trial. … Ryan was convicted in April of steering lucrative state contracts and leases to lobbyists and friends; using state employees and tax dollars to operate his political campaigns; and sabotaging an investigation of driver's license bribery."

Louisiana Lawmakers Steered Millions To Jefferson-Linked State Agencies. The AP (11/30, DeSlatte) reports, "At least $2.5 million in state money was steered by New Orleans lawmakers over a 10-year period to two nonprofit agencies with family ties to U.S. Rep. William Jefferson, according to documents released by the governor's office. … The documents were subpoenaed by the Federal Bureau of Investigation and provided to The Associated Press this week by the governor's office in response to a public records request. The FBI has declined to say what information it is seeking in the documents. But Jefferson…is the subject of a federal bribery probe." The AP notes, "The earmarks for Care Unlimited and Orleans Metropolitan Housing were added by lawmakers connected to Jefferson: his daughter, Rep. Jalila Jefferson-Bullock, and former Rep. Renee Gill Pratt, a former legislative aide to the congressman and former New Orleans City councilwoman who was hired by Care Unlimited when she lost her re-election bid. Also listed as sponsor of the add-ons in some instances was Sen. Diana Bajoie, D-New Orleans."

DOJ's Decision Not To Probe Porter Fundraising Calls Raises Enforcement Concerns. Scripps Howard (11/30, Mascaro) reports, "The Justice Department's decision not to investigate allegations that Rep. Jon Porter, R-Nev., made illegal campaign fund-raising calls from his office raises a question central to ethics reform in the new Congress: What if there's a law on the books and no one enforces it?" Scripps Howard continues, Experts say they know of no congressman ever being prosecuted under the law banning them from soliciting cash from their offices, a violation punishable by fines and imprisonment. … Justice Department officials have 'bigger fish to fry,' as one veteran Washington election-law attorney put it - pointing to the bribery of now-imprisoned former Rep. Randy 'Duke' Cunningham, R-Calif., and the $90,000

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allegedly found in the freezer of re-elected Rep. William Jefferson, D-La. … But ethics-reform groups say the failure to investigate less sensational allegations feeds into a culture of corruption in Washington, which Democrats have vowed to clean up in January as the party in control of Congress. … 'There are a lot of rules, that have been in place for reasons, that have been ignored,' said Mary Boyle, a spokeswoman for Common Cause, a political watchdog group." Scripps Howard notes, "In the weeks before the Nov. 7 election, a former Porter staff member claimed that the congressman made fund-raising calls from his offices in Washington and Henderson, Nev. E-mails obtained by the Las Vegas Sun showed conversations, apparently dealing with the phone calls, between the aide and other members of Porter's staff and campaign. .. .Porter has steadfastly denied having made the calls. … The former Porter aide, Jim Shepard, said last week that he would try to have the matter heard by the House ethics committee, which has jurisdiction over representatives' behavior. … The panel does not comment on its work. But experts said they doubt that it will take up the matter, arguing that it has become 'toothless' in recent years."

Massachusetts City Roiled By FBI Probe Of Police Grant Spending. The Boston Globe (11/30, McConville, 413K) reports, "The federal investigation into the Methuen Police Department's use of grant money is causing a lot of anguish in the city, officials say. 'It's like a cloud hanging over the city,' said City Councilor Kathleen Corey Rahme. 'It's really wearing on the minds and hearts of our citizens.' In shops and in city offices, everyone, it seems, has questions about who is involved and what is being investigated." The Globe notes, "The investigation caught the public's attention this past summer, when agents from the Federal Bureau of Investigation arrived at City Hall with subpoenas. They left with records showing how the city had spent federal grant money in recent years. … The story heated up a couple of weeks ago when Methuen Police Chief Joseph E. Solomon launched an internal investigation to try to identify officers who are talking to the FBI or gossiping about possible indictments, according to a lawyer for the police union."

Report For Federal Lawsuit Says Chicago Police Officials Ignore Corruption. The Chicago Tribune (11/29, Heinzmann, 617K) reported, "Chicago police officials have deliberately ignored corruption within the ranks, giving bad cops a sense of security to commit crimes on the job without being caught, according to a national expert on internal affairs hired by plaintiffs suing the city. The damning report by Lou Reiter, a former deputy chief of the Los Angeles Police Department, contends that police officials, including Supt. Philip Cline, have continued a 'practice of indifference' toward corruption that 'makes officers who engage in misconduct feel protected.'" However, "Chicago police officials say the criticism is based on limited knowledge of the department, and it does not take into consideration policy reforms currently under way to thwart corruption and abuse before it becomes a problem." The Tribune added, "Reiter's report is part of a federal lawsuit filed a decade ago by a husband and wife pair of Bureau of Alcohol, Tobacco and Firearms agents. They charge that after they blew the whistle on corrupt cop Joseph Miedzianowski, he influenced the Internal Affairs Division to turn the tables and attack their credibility."

The AP (11/30) notes, "Pressure on the department to deal with corruption allegations has intensified in recent months. In July, two special prosecutors released a report claiming that officers under former Chicago Police Lt. Jon Burge tortured suspects in the 1980s. And in September, four members of the Special Operations Section were charged with robbery, kidnapping and false arrests." In the lawsuit, the ATF agents say that "instead of investigating Miedzianowski, internal affairs officials targeted them, the agents claim. It took years before the FBI was able to indict Miedzianowski on drug charges; he is serving a life prison term."

Former California City Treasurer Sentenced To 10 Years In Prison For Embezzlement. The Los Angeles Times (11/29, Becerra, 850K) reported, "Former South Gate Treasurer Albert Robles was sentenced Tuesday to 10 years in federal prison for plundering more than $20 million from the small, working-class city. A federal judge handed down the sentence after Robles said in an impassioned speech that he had acted 'immorally' during his years as leader of South Gate, but never broke the law." Judge Stephen V. Wilson "said he found the man who once boasted of being 'the King of South Gate' to be a 'puppet master' who controlled a corrupt enterprise that preyed on the city's coffers and residents. Wilson seemed incredulous at Robles' defense. When Robles' attorney argued that what the ex-treasurer did was business as usual in California politics, the judge responded that 'what you have just said is among the most absurd things I have ever heard.'"

The AP (11/29) noted, "Prosecutors depicted the city as a corrupt fiefdom in which Robles solicited bribes from contractors and was able to hire and fire city employees at will. The illicit money paid for everything from a seaside condo for his mother to an exclusive membership in the group operated by motivational guru Tony Robbins, authorities said. … 'He turned it into a pay-to-play town,' Assistant U.S. Attorney David Vaughn said outside court, alluding to a scheme in which contractors were forced to pay bribes for city business."

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Former New York Fugitive Pleads Guilty To Killing Trooper. The New York Times (11/30, Staba, 1.16M) reports, "Ralph Phillips, the police say, spent most of the spring and summer roaming along the New York-Pennsylvania line after escaping from a jail outside Buffalo in April, venturing as far as Ohio to the west and the Canadian border to the north to evade a sweeping manhunt." Yesterday, Phillips "admitted in guilty pleas to killing one New York state trooper and wounding two others during his flight. As part of a plea agreement that prosecutors said will keep Mr. Phillips in prison for life, he admitted shooting Troopers Joseph A. Longobardo and Donald Baker Jr. with a high-powered rifle in a wooded area outside his former companion's home in rural Chautauqua County on Aug. 31. … Earlier in the day, in Chemung County, Mr. Phillips also admitted to shooting Trooper Sean M. Brown with a .38 revolver during a traffic stop outside Elmira on June 10." The Times notes that "he became something of a folk hero to some," but "most sympathy evaporated after the shootings of Troopers Longobardo and Baker. He went on the F.B.I.'s 10 Most Wanted List, and rewards totaling $425,000 were offered for information leading to his capture."

The Albany Times-Union (11/30, Perry, Yusko) also notes that Phillips was on the FBI most-wanted list, and reports, "As the charges were read…Phillips alternately rolled his eyes, grinned, stared vacantly and looked out the window. He admitted to stealing a car and shooting the trooper with a gun he had loaded himself. At times, Phillips sarcastically answered Chemung County Court Judge Peter C. Buckley's questions about his actions, often replying 'Indeed, I did.' When asked if the gun he used to shoot Brown was loaded, he answered, 'Very.'" The AP (11/30, Thompson, Dobbin) also reports on Phillips pleas.

FBI Arrests Missouri Man For Impersonating Decorated Marine. The Marine Corps Times (11/29, Hoellwarth) reported, "A member of the Marine Corps League in St. Louis was arrested by FBI agents Tuesday evening after being photographed allegedly wearing a Navy Cross medal he doesn't rate at the league's Marine Corps ball earlier this month, according to a Fox News report. Michael Weilbacher wore a Navy Cross, two Silver Stars and four Bronze Stars to the ball, where he told Marines he had earned the nation's second-highest valor award during drug interdictions in Colombia, according to Maj. George Dragan, the Corps' Marine for Life representative in St. Louis, who attended the ball. This raised a red flag with Doug Sterner," who "said that no Navy Cross has ever been awarded for actions in Colombia. Personnel records at Marine Corps headquarters' Manpower branch show no record of Weilbacher ever serving in the Corps." The St. Louis Post-Dispatch (11/29, Patrick, 297K) reported the story on its Web site, noting Weilbacher "has been charged with wearing military medals without authorization, a crime punishable by 6 months in prison or a fine of $50,000, or both. He was released on $1,000 bond."

Florida Gambino Capo, Three Associates Convicted Of RICO Charges. WTSP-TV Tampa (11/29) reported on its Web site from a story broadcast yesterday, "A federal jury in Tampa has found four men guilty of various crimes related to the Gambino Mafia family. Ronald J. Trucchio (Ronnie One-Arm), Steven Catalano, Kevin M. McMahon, and Terry L. Scaglione were found guilty of conspiracy to violate the Racketeer Influenced and Corrupt Organization…statute. The jury also found Scaglione guilty of one count of extortion." WTSP noted, "The Pinellas Resident Agency of the Tampa Field Office of the FBI, the Miami and Brooklyn-Queens Metropolitan FBI offices, the Pinellas County Sheriff's Office, the Tampa Police Department, the New York City Police Department, the Queens County District Attorney's Office, the FBI Legal Attache to Brazil, the Brazilian federal police, and Interpol coordinated this investigation."

The Tampa Tribune (11/30, Silvestrini) reports, "Carl Whitehead, special agent in charge of the Tampa FBI, called Wednesday's verdicts 'a big blow to organized crime in the Tampa area and to the Gambino family operated out of New York.' … Whitehead said Trucchio was thought to be among the top five members of the family 'and clearly the most significant [organized crime] figure that operated crews within the Tampa area.' When asked whether the mob continues to operate here, Whitehead said he couldn't discuss open investigations. In general, though, he said, 'There are other businesses we have gotten information that they might try to infiltrate, different nightclubs, things like that.'" The St. Petersburg Times (11/30, Weimar) also reports on the convictions.

Illinois Man Pleads Guilty To Running Gambling Ring. The Rockford (IL) Register Star (11/30, Wise) reports, "One of nine men indicted for running a gambling ring that took bets on football and basketball games pleaded guilty Wednesday in federal court afternoon. … And Joesph Saladino's plea may be the first of several guilty pleas from men whom prosecutors allege were connected to a conspiracy that runs as far back as the 1980s. … 'There's a total of five' guilty pleas in the works, including Saladino, said Assistant U.S. Attorney John Scully as he left Judge Philip Reinhard's courtroom. … The other possible guilty pleas are John P. 'Tiger' Frisella, Joseph F. 'Pep' Fiorenza, and Joesph's two sons, Nicholas and Rick." The Star adds, "Wednesday, Reinhard set Friday afternoon hearing dates for the four. Their trial was initially scheduled to start Dec. 11. …

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It's still not clear what will happen with the other men who were indicted in the case. They are Charles A. Purin, Frank C. Giardono, Nick Provenzano and John F. Salamone. A tentative trial date for them has been set for Feb. 12. … All of the men, except Saladino, were indicted and arrested in early February, just days before the Super Bowl, on gambling charges." The Star notes, "Federal prosecutors have been characteristically tight-lipped about details of the alleged conspiracy, but court papers filed this week list some of the evidence the Justice Department plans to present if the case goes to trial. … The documents say that Frisella and Saladino had, at least by 2001, set up a 'wireroom' in a Rockford apartment building at 1912 17th Ave. where they would take bookmaking calls from bettors over two telephones that were listed under the name of a woman known to Saladino. … The feds also obtained phone records that show hundreds of calls made from the men to 800 and 888 numbers."

6th Circuit Upholds Use Of Confession In Tennessee Drug Trial. The Knoxville News Sentinel (TN) (11/30, Satterfield) reports, "That 'anything you say can and will be used against you' warning, it turns out, is true. … Just ask five-time felon and Knoxville crack house manager Richard Jones Jr." The Sentinel continues, "Plowing through uncharted legal terrain, the 6th U.S. Circuit Court of Appeals on Wednesday approved the use of Jones' confession against him at trial. .. .The ruling proved vindication for similar decisions made by Knoxville federal Judges James H. Jarvis and Tom Varlan. Both U.S. District Court judges had backed up Assistant U.S. Attorney Mike Winck's move to hold against Jones his own incriminating words in a November 2004 trial. … It was quite a gamble, as there was little case law to guide Winck." The Sentinel adds, "Jones actually had been busted in August 2000 after a raid at his home. At the time, authorities counted Jones as a garden-variety dope dealer with a rather nasty criminal history that included a first-degree manslaughter conviction. … Winck wasn't assigned to the case then. Instead, former Knoxville federal prosecutor David Folmar was. Folmar struck a deal with Jones, and Jones coughed up information on his cocaine suppliers. Part of the deal included giving Jones a shot at appealing the legality of the raid on his house. … The odds on appeal usually favor the government. But Jones beat the odds, winning his appeal. Flush with victory, he chucked his plea deal altogether. … Enter Winck. … The way Winck saw it, if Jones was nullifying his plea deal, all bets were off. That was especially bad news for Jones because, by then, FBI agent Steven Fisher had unearthed evidence that Jones was not just a crack dealer - he was a dangerous mastermind of an entire operation." The Sentinel notes, "Trial testimony would later show that Jones had wined and dined young men with relatively clean criminal backgrounds to lure them into the crack trade. He set them up in Knoxville crack houses, supplied them with drugs to peddle and guns to protect the trade. … Winck secured a new indictment against Jones and then rolled the dice at trial, sending Fisher to the witness stand to detail the confession Jones had made as part of the plea deal he later rejected. … It has proven a costly gamble for Jones. Under the original plea deal, Jones was sentenced to 210 months. After his conviction on the new indictment, Varlan slapped him with a 420-month prison term."

Attorneys For Convicted Atlanta Child Killer Seek DNA Tests. The Fulton County (GA) Daily Report (11/30, McDonald) reports, "Attorneys for convicted killer Wayne Williams, long reputed to be the man behind Atlanta's infamous child murders, are asking a Fulton County, Ga., judge for permission to perform DNA testing on 25-year-old evidence." The Report continues, "On Tuesday, Williams' defense lawyers John R. 'Jack' Martin and Lynn H. Whatley filed a motion in Fulton County Superior Court seeking comparative DNA tests on samples of animal and human hair recovered from the bodies of 11 men and boys whose deaths were attributed to Williams." The Report adds, "Williams was convicted in 1982 of the murders of Jimmy Ray Payne, 21, and Nathaniel Cater, 28 -- two of 29 black men and children who were among what became known as 'Atlanta's missing and murdered children' cases. (The list included one still-unsolved disappearance.) After Williams' convictions in the slayings of Payne and Cater, prosecutors closed the books on 22 other cases. … For two years, from 1979 to 1981, the bodies of 29 victims -- all of them black and all but two of them men and boys -- were found dumped throughout metro Atlanta in vacant lots and buildings, on roadsides, in gullies, in wooded areas and in the South and Chattahoochee rivers. Fear gripped Atlanta during what many regard as one of the darkest periods in the city's history. … With the discovery of each new body, authorities became increasingly desperate to identify the killer. Parents in black neighborhoods formed vigilante patrols, and many came to believe the Ku Klux Klan must be behind the killings since only blacks were slain. Mayor Maynard Jackson offered a $100,000 reward for information that might lead to an arrest. Finally, before dawn on May 22, 1981, police staking out a Chattahoochee River bridge near where one body had been found heard a splash. Seconds later, officers spotted Williams' station wagon driving slowly across the bridge. Williams was stopped, questioned, but released." The Report notes, "A month would pass before police finally arrested Williams, a 23-year-old self-styled talent recruiter and freelance photographer. Prosecutors would later argue that only after Williams' arrest did the string of serial slayings stop. Still, many were never satisfied that police arrested the right man. As recently as 2005, former DeKalb County police chief Louis Graham reopened an investigation

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into five of the deaths and declared his belief that Williams was not Atlanta's child killer. … Williams always has maintained his innocence."

Genovese Crime Family Said To Have New Boss. In the New York Sun (11/30), Jerry Capeci writes, "Less than a year after the death of legendary Mafia boss Vincent 'Chin' Gigante, a cagy wiseguy who understands the wisdom of keeping a low profile has taken the reins of the powerful Genovese crime family, Gang Land has learned. Meet Daniel Leo, 65, a reputed member of the violent, East Harlem-based Purple Gang during the 1970s who now resides in a $2 million home in Rockleigh, N.J., a town on the Palisades that boasts the highest median household income in the state, according to the 2000 census. … During the 1970s, according to a 1976 Drug Enforcement Administration report, Leo was a member of the Purple Gang, a loosely connected group of 127 drug dealers that includes dozens of gangsters from East Harlem and the Bronx who became Luchese and Genovese family mobsters, including Leo."

Tennessee Serial Bank Robber Sentenced To 11 Years In Prison. The Knoxville News Sentinel (11/30, Satterfield) reports, "Assistant U.S. Attorney Tracy Stone argued Wednesday in U.S. District Court that he already had given serial bank robber Thomas J. Hunt Jr. a 25-year sentencing cut by dropping one of three cases against him. Still, Hunt stood before Senior U.S. District Judge James H. Jarvis with Assistant Federal Defender Paula Voss asking for more leniency." The News Sentinel adds, "Jarvis sided with Stone, imposing a sentence of 135 months, or just more than 11 years, which the prosecutor recommended. Hunt, nabbed shortly after the robberies by FBI agents, told the judge he had longtime addictions to alcohol and drugs."

Microsoft Software Counterfeiter Sentenced To Prison, $9.4 Million Restitution. The Seattle Post-Intelligencer (11/30, Bishop, 124K) reports, "A former southwest Washington man was sentenced Wednesday to pay $9.4 million in restitution to Microsoft Corp. and serve five years in prison for illegal trafficking in the company's software." Scott Laney "pleaded guilty to money laundering and counterfeiting conspiracy charges. The scheme involved acquiring Microsoft programs at cut rates -- in some cases from employees who were abusing the company's internal ordering system -- and reselling them with falsified labels, documents and licenses that boosted their value. As part of the case, Laney admitted that he and his co-conspirators sold up to $20 million of software with counterfeit labeling and licenses." The P-I notes, "The FBI, IRS and U.S. Immigration and Customs Enforcement investigated the case. … Several former Microsoft employees have been charged separately with taking advantage of previous loopholes in the company's internal software ordering system." The AP (11/30) also reports on Laney's sentencing.

23 Charged With FEMA Relief Fraud In Alabama. The AP (11/30) reports, "Fraud charges were announced Wednesday against 23 north Alabama residents, most accused of making false claims to get $2,000 in expedited disaster relief, with one accused of wrongly pocketing $14,749 in Federal Emergency Management Agency funds. 'Theft of disaster relief funds will be prosecuted to the fullest extent of the law,' said U.S. Attorney Alice H. Martin in a statement. 'I continue to ask the public to report illegal claims to law enforcement.'" The AP notes, "The charges include making false claims against the government, theft of government money or property and mail fraud for falsely claiming to be a resident of an affected area."

Mississippi Man Pleads Guilty To FEMA Fraud, As Five Others Arrested. The AP (11/29) reported, "One man has pleaded guilty to filing a false Hurricane Katrina claim and five others have been arrested for fraud against the Federal Emergency Management Agency. Robert A. Martin, of Gulfport, pleaded guilty to submitting a false claim for disaster assistance funds in the wake of Katrina and will be sentenced in federal court in February, the Department of Justice said Tuesday in a news release. At the time Katrina hit the Mississippi Gulf Coast Martin was at the Harrison County Correctional Facility." The AP adds, "Five more Gulf Coast residents have been accused of defrauding FEMA. Authorities said all five provided false addresses in Gulfport or Biloxi, then made claims on those addresses. All were indicted on Nov. 7 and arrested Tuesday."

Kansas Man Who Challenged Child Solicitation Sting Sentenced To Prison. In a widely-distributed story, the AP (11/30) reports that the Kansas "lawyer convicted in an Internet sex sting was sentenced Wednesday to five years in prison, capping a legal battle that challenged a common tool police use to catch sexual predators online. Moments after a federal jury convicted Jan P. Helder Jr. in August 2005, the judge set aside the verdict and ordered him acquitted. U.S. District Judge Dean Whipple said Helder couldn't be guilty because the person he communicated with online was actually an undercover detective in Platte County, Mo., not a 14-year-old girl as he had believed." However, "The 8th U.S. Circuit Court of Appeals in St. Louis reinstated the jury's verdict against Helder and sent the case back to Whipple for sentencing. The appeals court said the critical issue was that Helder thought he was seducing a minor, not whether the minor truly existed."

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Man Sentenced To Time Served For Threatening President Bush. The AP (11/30, Suhr) reports, "A mental patient who threatened to castrate President George W. Bush was sentenced to federal prison, but a judge ordered him freed because of time he has already served." The AP continues, "Arafat Nijmeh, 27, who is of Palestinian descent, was sentenced Tuesday to seven months in prison after pleading guilty to two counts of threatening the president. … 'This would have been an interesting trial,' said his attorney, John O'Gara." The AP adds, "He was released after U.S. District Judge David Herndon credited him with the eight months he spent in custody. Nijmeh had been jailed without bail after being declared a flight risk and a threat to society. … Nijmeh was accused of threatening to harm Bush in comments March 18 to workers at the Alton Mental Health Center and to two Secret Service agents the next day. … The indictment alleged Nijmeh told the agents his earlier threat to castrate Bush was 'not too harsh, considering what he has done to my country.'"

Fairfax County Probing Fuel Thefts By Employees. The Washington Post (11/30, Rein) reports, "They sometimes filled up their tanks in the dead of night, keying in a generic code at any of dozens of Fairfax County fuel pumps, then sticking the nozzle into the tanks of their personal cars or into drums to bring home for snowblowers or lawn mowers." The Post continues, "The county's auditor and several county supervisors say they suspect the abuse of fuel pumps by employees assigned government cars went on for years. They are uncertain how many workers were involved -- it could have been hundreds -- or how much fuel was stolen, inflating a monthly fuel bill that has doubled in three years because of rising prices. … But in a report that the Board of Supervisors is scheduled to receive Monday, the county is getting a handle on the scope of the fraud with help from new controls. The county auditor will report that the Fairfax fleet is on track to use close to 75,000 gallons less this year than last, and officials suspect that most of that amount was stolen." The Post adds, "The most egregious case officials know of involved a worker in the Department of Facilities Management who was stealing diesel fuel and gasoline for more than two years. Fairfax police staked out Bryan Coup after investigating him for several months. They caught him filling up the tank of his county car one night last January and then putting diesel into large drums. … Police followed him to his home in Shady Side, where he planned to use the diesel to heat his home, officials said. Coup, 36, was fired, and he was found guilty of embezzlement in August. He made restitution for hundreds of gallons of stolen fuel, auditor John Adair said. Another employee was charged with stealing fuel, although Adair and police officials could not provide details."

Former CIA Employee Pleads Guilty To Virginia Thefts. The Washington Post (11/30, B1, Kunkle) reports, "George C. Dalmas III, a CIA employee for almost 20 years, yesterday admitted to breaking into 10 homes in the McLean area about a year ago and taking valuables and curiosities." The Post continues, "The loot from his daylight burglaries included Camp David cuff links, a Daughters of the American Revolution pin, a gold Phi Beta Kappa necklace, Cartier hoop earrings, a Tiffany gold scarab ring, a sapphire-diamond necklace, rhinestone bracelets, a Rolex watch and even a Fauquier High School ring. He also helped himself to several antique clocks and old radios -- all treasures he told his wife he had picked up at yard sales." The Post adds, "Dalmas did not explain why he did what he did, and the format in Fairfax County Circuit Court for accepting his guilty plea did not really allow for it. Neither his attorney nor the prosecutor mentioned the most intriguing object of Dalmas's criminal treasure-hunting expeditions: women's panties. … Search warrants list 1,074 pairs of women's undergarments that he stole, many of which were stuffed in shopping bags inside a filing cabinet at his Fulton Avenue home in Falls Church. … Police believe Dalmas kept the undies as trophies. In fact, they believe Dalmas squirreled away everything he took. Court documents say he never tried to pawn or sell any of the jewelry or other valuable goods. Rodway described Dalmas as a packrat. … Dalmas, 48, pleaded guilty to 10 burglaries that each carry a maximum sentence of 20 years in prison. Dalmas, who has no prior criminal record, was fired from his mid-level administrative post at the CIA. Mark Mansfield, a CIA spokesman, said Dalmas joined the agency in November 1986. He was suspended without pay in February and terminated in August."

CIVIL LAW:

Halliburton Unit Settles Army Billing Fraud Allegations For $8 Million. CNN.com (11/30, Frieden, Byron) reports, "Halliburton subsidiary KBR has agreed to pay $8 million to settle allegations the firm overcharged the U.S. Army for logistical support of military operations in the Balkans in 1999 and 2000." CNN continues, "The allegations involved double billing and delivery of products that did not conform to requirements for use in construction of an Army camp in Kosovo. Other claims involved inflation of prices for various goods resulting from the alleged failure to ensure competitive procurements, the Justice Department said. … 'The Department of Justice remains committed to vigorously pursuing allegations of procurement abuses affecting the military,' said Peter Keisler, assistant attorney general for the department's Civil Division." CNN adds, "The Justice Department said the settlement resolves allegations that

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concerned various purchase orders awarded to 10 foreign KBR subcontractors or vendors. … Company spokeswoman Melissa Norcross issued a statement noting that 'the government closed its investigation without making allegations of fraud or filing a complaint.'"

The AP (11/30, Jordan) reports, "Kellogg, Brown & Root, a subsidiary of Houston-based Halliburton Co., was accused of double-billing the government and ordering unusable products while helping build Camp Bondsteel in Kosovo, prosecutors said. .. .The contractor also allegedly inflated prices for some unspecified goods that were not put out for competitive bid, the department said. … Prosecutors said those incidents occurred between 1999 and 2000." AFP (11/30) also reports on the settlement.

The Houston Chronicle (11/30, Ivanovich) reports, "In a recent filing with the Securities and Exchange Commission, company officials noted the disputed charges were 'part of the Balkans contract under which approximately $100 million in work was done.' … Justice Department officials provided few other details, while none of the several Pentagon officials contacted Wednesday could address the matter."

Judge Orders Michigan Farmer To Pay $2 Million For False Insurance Claims. The Saginaw News (MI) (11/30, Coleman) reports, "BAY CITY -- Federal authorities have ordered a Bay County farmer to pay more than $2 million for false crop insurance claims." The News continues, "Bli Farms, Richard Bli and the estate of his brother, James E. Bli, must repay $2,128,920 to the federal government for claims filed for their 1992, 1994 and 1995 potato crops, U.S. Attorney Stephen J. Murphy said Monday." The News adds, "U.S. District Judge David M. Lawson, after a bench trial, found that Richard Bli, acting on behalf of the partnership the Bli brothers formed in 1992, knowingly violated the False Claims Act. … Lawson said Bli submitted false claims for crop insurance indemnities and false certifications of potato production for the crop years in question. … The court found that the claims were false because Bli Farms had 'substantial unreported sold potato production' for the specified years. … 'Had Bli Farms reported all of its 1994 sole potato production, it would have received a significantly reduced indemnity for losses on its insured potato crop,' Murphy said in a statement from the Justice Department. … Bli Farms received $704,640 in crop insurance indemnities to which it was not entitled, he said."

US Considering Response To Ruling On Money Design. The Los Angeles Times (11/30, Mohammed, Mendoza) reports, "The Treasury Department on Wednesday began considering its response to a federal court ruling that ordered changes to paper currency so each denomination could be easily identified by blind and visually impaired people." The Times continues, "The ruling by U.S. District Judge James Robertson came in a lawsuit filed against the department by the American Council of the Blind, a Washington-based advocacy group. The group argued that the government's failure to differentiate among denominations amounted to illegal discrimination, and Robertson agreed. … 'We are still reviewing the court order, and the government has made no determination as to what its next step will be in this matter,' said Charles Miller, a spokesman for the Justice Department's civil division." The Times adds, "The Treasury Department has 10 days from Tuesday's ruling to decide whether to appeal. .. .In his opinion, Robertson ordered the Treasury Department to consider such options as changing the size and color of banknotes for each denomination and adding tactile differences, such as foil, raised numbers or perforations, to the bills. … Other currencies, such as those of the European Union, Japan, Switzerland and Saudi Arabia, include such differences, he said, adding that the United States could have incorporated similar changes during recent redesigns that added anti-counterfeiting features. … The government has argued that doing so would prove a financial burden. But Robertson said that making one change — adding a raised numeral — would have increased the government's $4.2-billion cost of manufacturing currency over the last decade by only 5%."

Vending Machine Industry Worried About Mandated Currency Changes. The Washington Times (11/30, Baschuk) reports, "The vending machine industry would have to spend hundreds of millions of dollars so its machines could handle new currency that blind people could use if a new ruling on U.S. bills is enforced." The Times continues, "U.S. District Judge James Robertson ruled Tuesday that the current bills discriminate against blind people. He ordered the Treasury Department to find a solution. … 'If the government is mandated to change U.S. currency, there would be a tremendous financial impact across a number of industries, including the automated vending industry,' said Jim Brinton, a director of the National Automatic Merchandising Association (NAMA), a trade association of the food and refreshment vending industry." The Times adds, "There are 7 million food and beverage machines in the United States, and 1.5 million of them accept both $1 and $5 bills, according to NAMA. .. .The vending machine industry would have to spend an estimated $200 to $300 to retrofit each machine, Mr. Brinton said. … The American Council of the Blind filed the lawsuit against the government in 2002, saying U.S. currency should be redesigned to help blind and visually impaired people distinguish among denominations. … 'We're not deliberately setting out to overturn American industries,' said Melanie Brunson, executive director of the American Council of the Blind in Washington. … 'We wanted the government to add

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accessibility [to the U.S. currency], and we wanted to make it an issue while our currency was being redesigned,' she said."

Court Hears Case On State Assertion Of Authority Over Mortgage Lenders. The Wall Street Journal (11/30, Bravin, Anderson, 2.04M) reports the Supreme Court yesterday heard a banking case that involves "an effort by some states to assert authority over mortgage lenders that federal officials say they can pre-empt." Michigan "asked the court to strike down a federal policy that pre-empts state consumer laws for state-chartered operating subsidiaries owned by national banks but affords those banks liability protections under state law. A win for Michigan could open the door to tougher state consumer protections, while making it costlier for banks to do business because they must meet each state's rules." US banking regulation "is governed by a system in which banks themselves select which entity will regulate them -- the federal Office of the Comptroller of the Currency or a state banking agency. This dual banking oversight has led to competition between federal and state regulators seeking to sign up banks, which support the agencies' budgets with regulatory fees."

The Washington Post (11/30, D1, Tse, 690K) reports, "All 50 states and the District of Columbia yesterday urged the Supreme Court to overturn lower court rulings that they said would give federal authorities the ability to block states from prosecuting financial institutions for predatory lending practices." But the justices "posed tough questions about the implications of a mortgage-lending case that could affect the way state-chartered subsidiaries of national banks are regulated. Chief Justice John G. Roberts Jr. expressed concern about the banks' apparent effort to seek immunity from state regulations, but other justices suggested that banks are stumbling under excessive regulation by being required to report to both state and federal officials." Critics of the OCC "have long said the federal agency falls short in consumer protection and that it bases its regulatory decisions on maintaining the banks' safety and soundness."

CIVIL RIGHTS:

DOJ Reportedly Probing Massachusetts Elections. The Boston Globe (11/30, Slack, Abraham) reports, "The US Department of Justice has launched an investigation into the state's failure to ensure that equipment for disabled voters was provided at polling places across Massachusetts during this year's elections, according to three people who spoke with federal investigators this week." The Globe continues, "Two investigators from the voting section of the Justice Department's Civil Rights Division -- trial lawyer James 'Nick' Boeving and special litigation counsel Susana Lorenzo-Giguere -- are to arrive in Boston today to begin gathering documents and conducting interviews, according to one of the two people. … Boeving is planning to inquire about the state's failure to comply with the federal Help America Vote Act, which requires that every polling place have at least one machine that allows disabled people to vote privately and independently, said Brenda Wright, managing attorney at the Boston-based National Voting Rights Institute. Wright received a call from a Department of Justice lawyer Tuesday." The Globe adds, "Problems with access for disabled voters would be just the latest accusation to plague election officials in Massachusetts, where irregularities in four cities have been investigated in recent years. Boston agreed last year to federal monitoring after the Justice Department accused the city of failing to protect the rights of voters with limited English skills. In September's primary, workers failed to count hundreds of ballots, and in the final election some 30 polling places ran out of ballots. … 'The investigating attorney appeared to be looking at the question of whether the state is in compliance with the HAVA requirements,' Wright said. 'They seemed to be aware of the press reports that have been fairly clear in indicating the state was not going to be in compliance, either in the primary or the general' elections. … Justice Department spokeswoman Cynthia Magnuson would neither confirm nor deny the existence of an investigation."

Texas Asks DOJ To Approve Congressional Runoff Election Date. The AP (11/30, Gamboa) reports, "Texas is asking the Justice Department to approve Dec. 12 for a congressional runoff election - a date opposed by a Latino civil rights group because it is a religious day for many Hispanics." The AP continues, "The runoff between incumbent Republican Henry Bonilla and Democrat Ciro Rodriguez, a former congressman, is in Texas' 23rd congressional district, which includes portions of San Antonio. The district was redrawn after the U.S. Supreme Court ruled previous boundaries discriminated against Latino voters." The AP adds, "Dec. 12 is the Feast of the Virgin of Guadalupe, the patron saint of Mexico and Latin America. The League of United Latin American Citizens (LULAC) wants the election held on Dec. 19, arguing that the earlier date discriminates against Hispanic voters and benefits Bonilla, whose support among Latinos has eroded. … States like Texas that have had a history of voting discrimination against minority groups are required under federal law to get Justice Department approval, known as preclearance, of election changes or decisions. … Texas officials, who filed the date request Tuesday, said the state doesn't need federal approval because a court ordered the runoff election set for the earliest time possible."

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Probe Of New York City Police Shooting Continues Amid Protests. The New York Times (11/30, Chan, Khan) reports, "The Revs. Jesse Jackson and Al Sharpton led relatives and community members on an angry and emotional visit yesterday morning to the Queens street where Sean Bell, an unarmed 23-year-old black man, was shot to death in a hail of police bullets early Saturday morning." The Times continues, "As the two civil rights leaders led their group, police officers continued searching the site for evidence yesterday, and investigators were seeking additional witnesses." The Times adds, "The police were trying to locate a man who may have been in Mr. Bell's car on Saturday morning and another who witnesses say was at the heart of arguments outside Club Kalua, a cabaret, with groups that included Mr. Bell. That man was last seen dressed in black and standing in front of a sport utility vehicle with silver wheels in the moments before the shooting. It is unclear what role, if any, he played, the police said. .. .The police described the man who may have been in Mr. Bell's car as being last seen wearing a beige jacket and running away from the shooting onto 95th Avenue, the police said." The Times notes, "As investigators working on the case seek the two men, the police are asking everyone arrested in the city whether they have any information about the case. .. .The case has attracted national attention, a fact underscored by the arrival of Mr. Jackson and by a call from Mayor Michael R. Bloomberg to Bruce S. Gordon, president and chief executive of the N.A.A.C.P., which wants the Justice Department to review whether the shooting violated federal civil rights laws. Mr. Jackson echoed that sentiment yesterday."

NYC Police Commissioner Faces Another Furor Over Shooting. The New York Times (11/30, Healy) reports, "Police Commissioner Raymond W. Kelly has overseen the streets of New York for the last five years in the style of a global warrior against terrorism. With a self-confidence that strikes some people as imperious, and some as impressive, Mr. Kelly has created a network of police officials overseas, recruited former C.I.A. officers and built a 1,000-member terror unit. .. Yet over the last few days, Mr. Kelly has had to return to an earlier, less-novel role: the face of a police department involved in yet another public furor, this one a fatal shooting that has the makings of a combustible controversy involving race, politics and the police use of deadly force." The Times continues, "Mr. Kelly's role in the investigation and his handling of that shooting in Jamaica, Queens last Saturday, in which a young black bridegroom died, has all but been a flashback to his first tour as commissioner, in 1992 and 1993. Then, as the choice of New York's first black mayor in the aftermath of confrontations in Crown Heights, Brooklyn, Mr. Kelly took charge at a moment of considerable daily violence and raw racial emotion, in a city of metastasizing mistrust between black and Hispanic New Yorkers and police officers." The Times notes, "Those tensions have in some ways eased, and Mr. Kelly's relationship with police critics like the Rev. Al Sharpton is good enough that the two men talked just hours after the Queens shooting. … Mr. Kelly also took the more forceful step of putting the five officers who together fired 50 rounds in the 4 a.m. confrontation with the group of young black and Hispanic men on paid administrative leave and stripping them of their weapons. … But the return to this delicate public role as a truly local commissioner also brings new complications for Mr. Kelly, 65. He is routinely discussed in political circles as a possible candidate for mayor in 2009, something he has not ruled out, and his actions are apt to be seen as having potential political consequences."

More Commentary. In his New York Times column (11/30), Bob Herbert writes, "Here is my first quick take on this case: If I was in my car outside a rowdy nightclub in the wee hours of the morning and someone who looked like a club patron came running toward me, screaming and waving a gun, I would immediately slam the gearshift into drive, hit the accelerator and try to get the hell out of there. … This appears to be what happened. The cops, dressed to blend in with the club crowd, were single-mindedly looking for trouble — evidence of prostitution, underage drinking, illegal guns, and so forth. They were looking so hard for criminal behavior that they seem to have imagined it where none was occurring." Herbert adds, "One officer is said to have believed that one of Mr. Bell's companions may have had a gun. No gun was found and there is no evidence that any of the three men were armed at any time. … The thing that is most unacceptable about this case is not the total number of shots fired, but the fact that five New York City cops were so willing to begin firing at all — willing to take the life of another human being, and maybe a number of human beings — without ever establishing that there was a good reason for doing so." Herbert concludes, "The Rev. Al Sharpton, who represents the Bell family, has publicly called for patience and calm. But he added, and I agree, that the mayor and Police Commissioner Ray Kelly have an obligation to develop effective new strategies for reining in reckless police behavior. .. .The crucial first step, in my opinion, is to insist that police officers, including those who are black, recognize the essential humanity of all the people they are supposed to be protecting and serving. Not everyone with dark skin is a perp."

Police Officer In Atlanta Shooting Was Accused Of Lying About Traffic Accident. The Atlanta Journal-Constitution (11/30, Reid, 379K) reports, "An Atlanta narcotics officer tied to last week's deadly drug raid on a elderly woman's home was the subject of a 2002 lawsuit that

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said he 'fabricated' the events that led to his head-on traffic collision with a motorcyclist. That rider, Samuel T. Gulley Jr., received a $450,000 payment from the city last year to settle his claims against Officer Arthur B. Tesler, the city and the Atlanta Police Department. The civil case was dismissed from Fulton County State Court after the settlement in September 2005. That lawsuit alleged Tesler and other unnamed officers '"fabricated traffic charges against Plaintiff, ignored evidence ... and improperly initiated criminal proceedings' against Gulley to cover up the fact that Tesler was at fault in the accident that left Gulley with a broken pelvis and broken leg." The AJC notes, "Tesler was one of two officers who told a judge they directed a confidential informant through the process of an undercover drug buy at the house occupied by Kathryn Johnston, according to court records."

Informant Has Long History Of Drug-Related Arrests. The Atlanta Journal-Constitution (11/30, Torpy, Cook, 379K) reports, "The confidential informant who says police told him to lie about his role" in the drug bust "is a petty criminal with a series of drug arrests in the past few years." Alexis Antonio White's "background and honesty are likely to be taken into consideration as law enforcement agencies, led by the FBI, reach a conclusion about whether to believe the police officers or a suspected drug dealer-turned-informant." The AJC notes, "Police Chief Richard Pennington this week confirmed that the informant had told investigators that he was never at the house where Johnston was killed and that police asked him to lie about the events surrounding the case. Pennington said the investigation will determine if White is telling the truth."

Black Panthers Protest Again, Call For Probe Of 14 Police Shootings. WXIA-TV Atlanta (11/30, Bridgers) reports on its Web site from a story broadcast yesterday, "The New Black Panther Party held another meeting Wednesday night. This one focused on the 14 officer involved shootings in DeKalb County. The meeting at Atlanta's Tupac Amaru Shakur Center for the Arts went on for hours with lots of angry and frustration placed on DeKalb County police. … Those attending the rally want a federal investigation launched into all police related shootings in DeKalb County. They also called on DeKalb County CEO Vernon Jones to step down."

Ohio Man Pleads Guilty To Racist Intimidation Of Neighbors. The Cleveland Plain Dealer (11/28, 352K) reported, "A Cleveland man will probably spend two years in prison after admitting he helped spread mercury around a neighbor's house to scare black families out of Slavic Village. Joseph Kuzlik, who is white, pleaded guilty Monday to conspiracy and two other charges in U.S. District Court. … Kuzlik's friend David Fredericy pleaded guilty to similar charges earlier this year. Between 2002 and 2005, Kuzlik and Fredericy yelled racial slurs and threatened black neighbors, including children," culminating in the mercury incident. The AP (11/28) also reported on the plea.

Los Angeles Council Rejects Fire Department's Bias Settlement. The Los Angeles Times (11/30, Hymon, Helfand) reports, "The career of Los Angeles Fire Chief William Bamattre dangled in the balance Wednesday as the City Council backed away from a settlement offered to a black firefighter who accused the department of racial discrimination." The Times continues, "After a lengthy closed session with city attorneys, only six of the 15 council members voted to buck Mayor Antonio Villaraigosa's veto of the deal. Janice Hahn, Tom LaBonge and President Eric Garcetti joined the council's three black members in an attempt to keep the settlement in place. But at least 10 votes would have been needed to override the mayor." The Times adds, "Firefighter Tennie Pierce, a robust personality whom some firefighters called Big Dog, sued the city after dog food was slipped into his firehouse meal two years ago by several firefighters. … Two white captains and a Latino firefighter were punished for the incident. But Pierce, who is on administrative leave, said he was ultimately driven from his job by continuing department harassment. … The council had overwhelmingly agreed to settle the case for $2.7 million, but a public outcry prompted Villaraigosa last week to veto the agreement, leading to Wednesday's vote." The Times notes, "Bamattre was present throughout the closed session and was questioned repeatedly by council members over his handling of the Pierce case and other incidents in a department long plagued by allegations of insensitivity. One aide said that while the tone was respectful, there was obvious tension between the council and the chief. … Although the council action does not preclude City Atty. Rocky Delgadillo from conducting further settlement talks, for now the case is headed to court March 19."

More Commentary. The Los Angeles Times (11/30) editorializes, "Tennie Pierce has already had his day at City Hall, testifying before the City Council about harassment and discrimination in the Los Angeles Fire Department. Now it appears that he will get his day in court — and it will be the Fire Department that is on trial." The Times continues, "Pierce is the black former firefighter who was fed dog food by his colleagues and sued the city, agreeing to a $2.7-million settlement that was accepted by the city attorney and approved by the City Council. But last week Mayor Antonio Villaraigosa vetoed that settlement, and on Wednesday, after two days of contentious debate, the council failed to override his veto. So it looks as if the case is headed for trial. … That's good — but not necessarily because the mayor's decision was the right one or because the incident is defensible. It's because, win or lose, the city will now get a chance to hear

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just how dysfunctional its Fire Department is. " The Times adds, "A trial will air the damaging evidence that led the city attorney to recommend a settlement. And for the LAFD, a department that for decades has been plagued with racism, sexism and other types of harassment, that evidence could be embarrassing. If firefighters think sneaking dog food into someone's dinner and watching him eat is just a bad joke, what's a good one? How much dehumanizing behavior is someone supposed to endure in the name of camaraderie? … Whatever happens, the real victory for the city won't come until the Fire Department changes its ways. Scathing audits have outlined the LAFD's erratic disciplinary policies, poor leadership and hostile work environment, yet those reports have failed to dislodge the frat-boy culture. Maybe a public airing of its dirty laundry will."

Use Of Police Videos Sparks Debate. USA Today (11/30, 3A, Welch) reports from Los Angeles, "A series of recent videotaped arrests is providing an unfiltered look at often physical, sometimes brutal police work, due to the broadening technology of cellphone cameras and online video viewing." USA continues, "Some law enforcement experts say the technology is shedding light on a long-standing if uncomfortable fact of life: Police frequently have to use force. And society and the law expect them to do so. … 'The core function of police is, they're the ones who step up and use force when it is necessary,' says Eugene O'Donnell, a former New York City police officer and prosecutor. … 'The cops are doing our dirty work. And when someone puts it on camera and shoves it out there, we say, "Isn't this terrible."' … The tape of the beating of Rodney King by police in Los Angeles in 1991 had to be handed to television stations nationwide before the public saw it." USA adds, "Nowadays, advances in computer technology and the advent of websites such as YouTube allow a person to post immediately a video online for millions of people to view. … Some defense lawyers say the videos are giving the American public a glimpse into brutality they never knew existed. … But the videos often provide an incomplete picture of events, police and law-enforcement advocates say — sometimes failing to show the actions that led to the confrontation and a suspect's behavior. .. .And after all, some experts say, a police officer's job is to control violent and potentially violent people. That generally requires using a level of force just above that used by the suspect."

WPost Lauds Suspension Of Virginia Police Officer After Shooting. The Washington Post (11/30, A22) editorializes, "Fairfax County police officer Deval V. Bullock is a good cop who made one disastrous mistake: Bumped by his own car door, he accidentally fired his weapon and killed an unarmed, nonviolent, non-threatening suspect during a routine arrest in January. The shooting of Salvatore J. Culosi, an optometrist under investigation for being a sports bookmaker, was unintentional. But it was also negligent; under the circumstances, Mr. Bullock should not have had his finger on the trigger, nor even aimed his weapon at Mr. Culosi. Now the Fairfax police department is recommending a slap on the wrist for Mr. Bullock -- three weeks without pay and his removal from the police SWAT team. The punishment is lenient, to say the least, but even so it is too much for the police union." The Post adds, "Mr. Bullock, a 17-year veteran of the police force, was trained in firearms and tactics. He well knew that during a routine arrest, his finger should not have been on the trigger and his gun should not have been pointed at the suspect. So it is no real excuse that, in jumping from his car, the car door bounced back, striking him in the side and causing him to pull the trigger. Like people in other lines of work who make disastrous mistakes, Mr. Bullock should be held accountable for his actions, even though they were unintentional. The chief prosecutor in Fairfax, Robert F. Horan Jr., already declined to prosecute Mr. Bullock or refer the case to a grand jury, yet now police union officials howl that even a three-week suspension is unfair. It's not. It is in fact little more than symbolic discipline. But in such a case symbolism is important and well placed."

WPost Praises Virginia Ruling In Lesbian Parental Rights Case. The Washington Post (11/30, A22) editorializes, "For more than two years, Janet Miller-Jenkins has been blocked from seeing her 4-year-old daughter because of a nasty custody dispute with her ex-spouse, who has been defying a court order to allow regular visits. This week, the Virginia Court of Appeals issued an opinion that should be utterly unremarkable: It held that under federal law, Virginia courts must honor the custody orders of their sister courts in Vermont, where Ms. Miller-Jenkins and her ex were joined and where they asked a court to dissolve their union. … Yet the court's decision in Miller-Jenkins v. Miller-Jenkins is a big deal, because what's in question is a civil union, not a marriage. A lower Virginia court had refused to give effect to the Vermont courts' orders allowing Ms. Miller-Jenkins to visit her daughter, citing a state law that prohibits any recognition of civil unions or other same-sex relationships from out of state." The Post concludes, "Federal law prevents any Virginia court from interfering in an ongoing custody case in Vermont or any other state. There is no exception for gays or lesbians. The idea is to prevent parents who don't like the result they get in one state's courts from trying their luck elsewhere. Whatever hateful things Virginia law may say about civil unions are therefore irrelevant; its courts must honor the orders of that Vermont court. .. .Sadly, further appeals are likely, so in the immediate future her clear victory in court may not bring Janet Miller-Jenkins closer to

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her daughter. That's wrong. Their unlawful separation has lasted far too long already."

ANTITRUST:

DOJ Delays Deadline For Mittal Steel Mill Sale Decision. The AP (11/30, Smith) reports, "The U.S. Department of Justice on Wednesday gave Mittal Steel Co. until Jan. 28 to decide which U.S. mill it will sell to settle antitrust issues over its merger with rival Arcelor SA, a union official said." The AP continues, "Mittal had planned to sell Canada's Dofasco Inc. as part of its merger with Arcelor, but an independent trust controlling Dofasco said earlier this month it would not allow the sale. .. .That forces a choice between the other tin assets, the former Weirton Steel Corp. in West Virginia's Northern Panhandle or the Sparrows Point mill in Maryland." The AP adds, "Though Mittal has not made a final decision, it has publicly said its first choice would be Weirton, a historically high-cost producer and the largest tin operation. .. .Mark Glyptis, president of the 1,200-member Independent Steelworkers Union, said the justice department has ultimate authority over any sale. .. .Gina Talamona, a Justice Department spokeswoman in Washington, D.C., did not immediately return a telephone message about the case."

Chicago Mercantile Exchange Defends Monopoly In Trading Its Own Products. The Financial Times (11/30, Cameron) reports, "The Chicago Mercantile Exchange on Wednesday defended the monopoly in trading its own products, and said any regulatory push to change the current industry structure would be 'disastrous'." The Times continues, "The CME has been one of the stoutest opponents of 'fungibility' which would allow contracts listed by one exchange to be traded on rival platforms, arguing it would be inefficient and stifle innovation. … 'I would suggest that having something like that would be kind of disastrous for the industry,' said Kim Taylor, president of clearing at the CME, during an industry conference in Chicago." The Times adds, "Ms Taylor said exchanges would lose the 'upside' from the investment in product development which has helped spur annual growth rates of 25 per cent across a futures industry serving a wider client base of banks, institutional investors and hedge funds. … Her remarks come amid intensifying scrutiny of the derivatives business on both sides of the Atlantic, notably over the impact of exchanges such as the CME and Eurex which control their own clearinghouses. Some users claim the vertical integration creates excessive pricing power." The Times notes, "The Department of Justice is currently reviewing the CME's planned $8bn purchase of the Chicago Board of Trade, and assessing any potential anticompetitive impact from its ownership of their shared clearinghouse, which accounts for 90 per cent of on-exchange US futures trades. … The CME insists it does not expect the proposed deal to run into antitrust problems, and like other exchanges has pointed to intense competition from over-the-counter markets as well as the large investment banks which make up their main customer base."

US Air To Pitch Delta Bid To Creditors. The Wall Street Journal (11/30, A15, Trottman, Dade) reports, "Executives of US Airways Group Inc. and Delta Air Lines Inc. will face off in New York today in front of the major creditors who could ultimately decide whether an $8.5 billion hostile merger of the two airlines takes place." The Journal continues, "Delta executives, who have been waging a campaign against the offer, insist they will seriously consider the proposal. But Delta also will try to bolster creditors' confidence in its own plan to take the Atlanta airline out of bankruptcy-court protection as soon as April as a standalone carrier. US Airways, Tempe, Ariz., argues that a merger would create a healthier airline with annual cost savings of $1.65 billion." The Journal adds, "Today's meeting at an undisclosed location in Manhattan, the first direct encounter between executives of the two airlines since the hostile offer was announced Nov. 15, is expected to last several hours. US Airways Chief Executive Doug Parker, the architect of the bid, and his management team are expected to attend, along with Delta Operating Chief Jim Whitehurst and Delta Finance Chief Edward Bastian, according to people familiar with the situation. It was unclear whether Delta Chairman and CEO Gerald Grinstein would attend. … US Airways hopes to show that its plan is superior to the standalone strategy Delta expects to present to its creditors by Dec. 15, and to persuade Delta to open its books as part of due diligence on the deal, according to a US Airways spokeswoman. A person familiar with US Airways' strategy said the airline will show how it could extract the cost-saving synergies it has promised as part of the deal, and attempt to defuse worries that the merger can't pass muster with antitrust regulators. US Airways and Delta compete in many of the same markets, mostly on the East Coast. The combination of the two carriers would create the largest U.S. airline in terms of passenger traffic, at least before any assets are sold."

USA Today (11/30, 4B, Adams) reports, "The merger would require approval from Delta's creditors committee, Delta's bankruptcy judge, US Airways' shareholders, the U.S. Department of Justice and the U.S. Department of Transportation. … Delta's unsecured creditors include bondholders, suppliers and Delta's pilots union, all of whose bankruptcy claims are not secured by tangible assets such as planes." USA adds, "The offer's cash component is significant because unsecured creditors of a company in Chapter 11 usually receive only stock in the reorganized company as payment. … Today's meeting is expected to include dozens of players from both Delta and US Airways. Attendees will

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include the airlines' senior management teams, along with both airlines' lawyers and financial advisers, and lawyers and advisers for Delta's creditors committee. …. No decision is expected today. US Airways still seeks access to Delta's books. Opinion on the proposed merger is divided."

Bloomberg (11/30, Schlangenstein, Torbenson) reports, "The meeting will be the first for the three parties since US Airways made its hostile bid Nov. 15, and the first time US Airways CEO Officer Doug Parker will have a chance to brief Delta creditors on his $8.6 billion cash-and-stock offer. … 'The committee is going in with an open mind to hear what US Airways has to say,' lawyer Daniel Golden said in an interview yesterday. 'I fully expect senior executives from both Delta and US Air to be there, as well as their advisers and the committee's advisers.' … US Airways declined to comment on the meeting, which is to be held in New York. Delta spokesman Michael Freitag said the airline 'will be well represented,' but declined to elaborate." Bloomberg adds, "Delta CEO Gerald Grinstein, who rejected US Airways' initial offer, has said he wants his Atlanta-based airline to emerge from Chapter 11 in the first half of 2007 as an independent carrier. … Tempe, Arizona-based US Airways offered $4 billion in cash and 78.5 million US Airways shares. Delta creditors would own 45 percent of the merged airline. … Delta is still the nation's third-largest airline, and a US Airways-Delta combination would surpass AMR Corp.'s American Airlines as the world's biggest carrier, based on miles flown by paying passengers. … US Airways, the seventh-biggest U.S. carrier, already has met with the U.S. Justice Department to discuss possible antitrust concerns. The airline has said it would expect to sell one of the two northeastern shuttle operations a merged carrier would own. 'We are looking at the proposed transaction,' said Gina Talamona, a Justice spokeswoman."

Unions Wary Of Airline Merger Talks. The Houston Chronicle (11/30, Hensel) reports, "Airline union leaders are keeping a wary eye out as merger speculation swirls, but they're reluctant to say how they'd react in the event of a takeover." The Chronicle continues, "The talk began in earnest earlier this month when US Airways made an offer to buy Delta Air Lines. … That could trigger additional deals by smaller carriers seeking to remain competitive, according to airline analysts who are talking up pairings — like United Airlines and Continental Airlines." The Chronicle adds, "Big takeovers can be traumatic for workers. .. 'It makes pilots nervous,' Capt. Dave Earnest, who heads the local Continental pilots union, said Wednesday. 'Mergers are a tough time for employees, wondering what is going to happen.'" The Chronicle notes, "One of their biggest concerns is the impact a merger can have on the airline's seniority lists, which can determine who gets their pick of the best jobs, or in the event of layoffs who loses out. … United has been at the center of a lot of the merger talk because after three years in bankruptcy court its outlook is brighter. … The carrier's chief executive, Glenn Tilton, has said there is too much capacity and that consolidation in the industry is needed."

Judge Limits Gates' Role In Iowa Microsoft Trial. The AP (11/30, Pitt) reports, "Microsoft Corp. Chairman Bill Gates must travel to Iowa only once to defend his company in a class-action antitrust case beginning Thursday that accuses him of running a monopoly that overcharged Iowans millions of dollars." The AP continues, "The company has denied the allegations and said it will prove customers received high-quality software for a reasonable price. … In a ruling filed Wednesday, Polk County District Court Judge Scott Rosenberg said that Gates and Microsoft CEO Steve Ballmer must testify only once." The AP adds, "The plaintiffs' attorney, Roxanne Conlin of Des Moines, wanted to present her case in its entirety -- including calling Gates and Ballmer to the witness stand -- without allowing the company's attorneys to question them directly. That would have required the two top executives of the Washington-based software maker to travel to Iowa a second time if their own attorneys wanted to question them directly. … The judge ruled all questioning of the men will occur at one time. … Microsoft attorneys said Gates is expected to testify in January and Ballmer will likely appear in February. Both men are expected to be on the stand for about four days."

EU Keeps Eye On Microsoft's Vista. The Financial Times (11/30, Buck) reports, "The launch of Vista has been followed with keen interest not only by Microsoft's customers and the software industry but also by the European Union's top antitrust regulator." The Times continues, "The European Commission has repeatedly warned Microsoft that the new operating system could raise competition concerns similar to the ones that sparked the body's 2004 landmark ruling against the software giant. At the time, the Commission fined Microsoft a record €497m for abusing its dominant market position." The Times adds, "In particular, the Commission is worried about the 'bundling' of new features and programmes into Vista. It has argued that the integration of security software, an internet search engine and a fixed document reader similar to Adobe's Acrobat Reader could undermine competition from companies that sell such programmes on a stand-alone basis. … Neelie Kroes, EU competition commissioner, first made public her concerns in a letter sent to Microsoft in March. Since then, the two sides have engaged in several rounds of negotiations designed to limit any competitive harm created by Vista and avoid the threat of a fresh antitrust case against Microsoft."

EU Fines Companies For Fixing Rubber Prices. The AP (11/30, White) reports, "The European Commission fined five oil refiners and chemical producers about $682

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million on Wednesday, saying they fixed the price of synthetic rubber used to make tires. A sixth company that had alerted authorities escaped a fine. … 'The fines are so high because it's a large market and several of the companies are repeat offenders,' said European Union spokesman Jonathan Todd." The AP continues, "It was the second-largest fine ever in an EU cartel case. The largest a fine of 790 million euros levied in 2001 against eight pharmaceutical makers including Roche Holding AG and BASF AG for fixing vitamin prices." The AP adds, "In the latest case, Italy's Eni SPA was ordered to pay the largest fine – 272 million euros ($357.6 million) – while Royal Dutch Shell PLC was fined 160.8 million euros ($211 million). Their fines were hiked by half for it being a repeat offense. … Bayer AG told European Union regulators that the companies were fixing prices and sharing information on customers for certain types of synthetic rubber known as butadiene rubber and emulsion styrene butadiene rubber from 1996 to 2002. It got full immunity, escaping a potential 204 million euros ($268 million) fine."

AFP (11/30, Thomas) reports, "The overall penalty was second only to a 790.5 million euro fine that the commission imposed on vitamin makers in a landmark 2001 anti-cartel ruling. … 'Cartels strike at the heart of healthy economic activity,' Competition Commissioner Kroes said. 'They undermine competition, raise prices for consumers and reduce the diversity, quality and innovation of European companies,' she added." AFP adds, "The Dutch commissioner has made cracking down on cartels a top priority this year and has targeted about 10 of them, nearly double last year's figure."

Bloomberg (11/30, Newman) reports, "The EU has been investigating price-fixing in the chemical industry since 2002. In December of that year, EU inspectors raided the offices of a unit of Eni, the world's fourth-largest oil company, looking for evidence of price fixing in EPDM or ethylene propylene diene monomer. … In July 2006, the EU closed its probe of the EPDM, urethanes, urethane chemicals market without charging any company."

EU Raises Pressure On Spain To Drop Endesa Restrictions. AFP (11/30) reports, "EU regulators have raised pressure on Spain to lift restrictions on German energy group EON's bid for Spanish electricity company Endesa by ruling that Madrid's new, eased conditions still broke EU law." AFP continues, "The European Commission found that the 'new measures concerning the proposed EON takeover of Endesa ... are in violation of the merger regulation provisions,' said spokesman for competition issues, Jonathan Todd Wednesday." AFP adds, "Spain eased its conditions on the bid earlier this month after the European Commission had determined at the end of September that Madrid was in breach of EU regulations by trying to protect Endesa. … After Brussels regulators' new complaint, a Spanish government official stood firm, saying Madrid is now fully compliant with European rules on the matter." AFP notes, "The commission has given Spanish authorities until December 13 to respond officially to its latest ruling. If Brussels regulators are unsatisfied with the response, then they could legally require Spain to drop the conditions."

WSJournal Praises NASD, NYSE For Merging Enforcement Operations. The Wall Street Journal (11/30, A16, 2.04M) editorializes, "One of life's rarer -- to the point of being miraculous -- events is an enforcement agency deciding to voluntarily give up power. So congratulations are due this week both to the New York Stock Exchange and the National Association of Securities Dealers (NASD) for agreeing to merge most of their enforcement operations." The merger "will reduce regulatory duplication and thus the costs of compliance. In some circles, and by some strange logic, the merger is being described as deregulatory. But a single, independent private regulator is likely to have more clout, not less, and the post-Enron SEC isn't going away any time soon."

ENVIRONMENT/INDIAN AFFAIRS:

Kennedy Likely Key Vote As Court Hears Greenhouse Gas Case. The Los Angeles Times (11/30, Savage, 850K) reports the Supreme Court "seemed closely split today as the Bush administration went before the justices to defend its refusal to regulate the greenhouse gases that are believed to cause global warming." The lawsuit concerns "whether a coalition of coastal states, led by Massachusetts and California, can spur federal regulators into action on global warming." Justices David H. Souter and Stephen G. Breyer "attacked" deputy US Solicitor General Gregroy Garre's "contention the states did not have standing to sue." The court's "four conservatives, led by Chief Justice John G. Roberts Jr. and Justice Antonin Scalia, sounded as though they agreed with the administration's argument." The outcome "probably depends on centrist Justice Anthony M. Kennedy. A California native, he joined the court's liberal bloc in June to preserve broad federal regulation of wetlands, although he wrote a separate opinion to explain his reasons."

NBC Nightly News (11/29, story 6, 2:10, Williams, 9.87M) reported, "The issue before the justices boiled down to this one fundamental question, can the Environmental Protection Agency be required to regulate greenhouse gases that come out of the tailpipes of new automobiles." NBC (P. Williams) added, "Massachusetts warns it's literally losing ground to a rising ocean. It joined environmental groups and 11 other states which say global warming is melting glaciers asking the Supreme Court today to order the Federal

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Government to act." Thomas Reilly, Massachusetts Attorney General: "All we're asking this court to do send it back to the EPA and tell them, 'Do your job.'" Williams: "They want the EPA to limit emissions from new cars of carbon dioxide, a gas that helps trap heat in the atmosphere. But the Bush Administration says Congress never gave the EPA authority over carbon dioxide, so different from the kind of air pollution it does regulate. Besides, EPA says, US cars put out a tiny fraction of world greenhouse gases so limits would have little effect on climate change. The court's conservatives today seemed to agree. Chief Justice Roberts said it was 'spinning out conjecture on conjecture' to say that US limits would lead to improvements worldwide. Some unions say going it alone could also undermine efforts to get global pollution treaties."

USA Today (11/30, 5A, Biskupic, 2.27M) reports Chief Justice John Roberts "and fellow conservatives questioned whether states' environmental problems truly would be helped if the U.S. government changed its decision not to regulate emissions from new cars and trucks." At the "same time, Justice John Paul Stevens and other liberal justices were sympathetic to arguments from Massachusetts Assistant Attorney General James Milkey that the impact of carbon dioxide emissions and other greenhouse gases is imminent and serious." Justice Anthony Kennedy "did not tip his hand."

The Wall Street Journal (11/30, Bravin, Anderson, 2.04M) reports the case "involved carbon-dioxide emissions and other 'greenhouse gases' blamed by many scientists for global warming. Joined by environmental groups, Massachusetts and 11 other states have urged that the administration regulate such gases as pollutants." The Administration, "reversing a Clinton administration opinion, argued that such emissions don't fall under the Clean Air Act's definition of pollutants -- adding that even if they did, the agency need not regulate them because of uncertainty and a preference for international action over a unilateral approach." The states "contend the law requires the Environmental Protection Agency at least to begin the formal process that could lead to regulation." The Court "appeared sharply divided on whether states had standing to sue over their claim."

The Washington Post (11/30, A3, Barnes, 690K) reports the states "and the environmental organizations that support them say the standards should be the first step in a broader effort to reduce carbon dioxide and other gases that they say are harming the atmosphere and leading to global warming and rising sea levels. But they faced a court sometimes skeptical about whether the remedy they seek would make much difference in the long run, and whether they can even show they are facing the kind of imminent harm that is required before they can press their case."

CNN.com (11/30, Mears) reports, "The major environmental case pits states against the Bush administration over damage claims blamed on global warming. … 'Isn't it intuitively reasonable to suppose that with some reduction of the greenhouse gases, there will be some reduction of the ensuing damage or the ensuing climate change which causes the damage?' asked Justice David Souter. 'Isn't that fair?' … 'There's something of a consensus on warming, but not a consensus on how much is attributable to human activity,' countered Justice Antonin Scalia." CNN adds, "At issue is whether the Environmental Protection Agency is required by law to regulate carbon dioxide emissions from newly manufactured motor vehicles. … The debate centers on whether carbon dioxide constitutes a 'pollutant' under the Clean Air Act. EPA officials argue it is not and that the agency alone has the discretion to decide such matters. … The oil and gas industry supports the EPA's position. In the late 1990s, the Clinton administration concluded the EPA has the regulatory authority to reduce carbon dioxide emissions, but the Bush administration in 2003 reversed that position, prompting the current legal fight."

Market Watch (11/30, Cohen) reports, "A dozen states, frustrated by what they see as lax U.S. policy on curbing emissions of harmful greenhouse gases like carbon dioxide, sued the Environmental Protection Agency in 2003 for failing to reduce emissions from cars after years of agency debate that ended in no new rules. … 'We are certainly glad to have our day in court. We've waited seven years for this day...seven precious years,' said Joe Mendelson, legal director of the International Center for Technology Assessment, in an interview ahead of the court date. The group was responsible for originally seeking EPA action on vehicle pollution." Market Watch adds, "In oral arguments Wednesday, the justices aggressively questioned both sides. They asked the attorney for the EPA to justify doing nothing about climate change, while peppering the attorney for the states about their standing to sue and about what harm has actually been done by the EPA's failure to regulate carbon dioxide. … The Supreme Court agreed to hear the case - Commonwealth of Massachusetts et al. v. Environmental Protection Agency et al. - and consider two questions, first whether the EPA has the authority to regulate these emissions and whether the agency can decide not to issue emissions regulations for vehicles even if it has authority. Read more about the case at the American Bar Association's Supreme Court site."

Bloomberg (11/30, Stohr) reports, "Several justices, led by Antonin Scalia and John Roberts, questioned whether 12 states have the legal right to challenge an Environmental Protection Agency decision not to regulate those emissions. Roberts, the chief justice, said the states were 'spinning out conjecture on conjecture' to support the argument that they would benefit from EPA rules. … Other justices suggested during the hour-long argument in Washington that the agency relied on impermissible factors in making its decision. Justice

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John Paul Stevens criticized the EPA's reliance on three National Academy of Sciences reports for the notion that scientists are unsure whether so-called greenhouse gases are increasing the earth's temperature. … 'In their selective quotations, they left out the parts that indicated there was far less uncertainty than the agency purported to find,' Stevens said." Bloomberg notes, "The case raises the prospect of new regulations on automakers including General Motors Corp. and Ford Motor Co., companies already facing reductions in sales. Depending on how broadly the court rules, the case might also affect utilities, which have fought efforts to cut emissions of carbon dioxide and other so-called greenhouse gases from power plants."

The Washington Times (11/30, Fagan) reports, "Massachusetts Assistant Attorney General James R. Milkey, representing 12 states and 13 environmental groups, yesterday called on the Supreme Court to force the federal government to regulate greenhouse-gas emissions from new automobiles." The Times continues, "As the court waded into the politically charged issue of global warming for the first time, Chief Justice John G. Roberts Jr. and Justice Antonin Scalia pressed Mr. Milkey to explain when and how greenhouse gases will injure his state. … Mr. Milkey said Massachusetts has 200 miles of coastal land that is being lost to rising seas caused by global warming and that the damage will increase. … 'It's not so much a cataclysm as [it is] ongoing harm,' he said under questioning by Justice Scalia in a courtroom packed for the case's hour of oral arguments." The Times notes, "Any reduction to the 6 percent of global greenhouse-gas emissions caused by vehicles in the United States would help, Mr. Milkey said, because 'once they are emitted, the laws of physics take over' and damage is inevitable. … Justice Department Deputy Solicitor General Gregory G. Garre -- representing the EPA, the car-manufacturing state of Michigan and eight other states -- said there is 'substantial scientific uncertainty' about global climate change. … He said he knows of no studies suggesting that regulating this 'minuscule' percent of greenhouse gases would have any effect."

The Legal Times (11/30, Mauro) reports, "Supreme Court Justice Anthony Kennedy appears to hold the key to the outcome of the Court's first case assessing the environmental impact of global warming." The Times continues, "During oral arguments Wednesday in the closely watched case Massachusetts v. Environmental Protection Agency, justices seemed deeply divided on two questions: whether the EPA can be compelled to regulate greenhouse gas emissions from cars when the agency has chosen not to, and whether Massachusetts and 11 other states even have standing to challenge the EPA's actions. … Kennedy was relatively quiet during the hour, but several other justices seemed to tip their hands on the claim by the states that they have standing to compel the agency to regulate such emissions. The EPA decided in 2003 that it did not have the authority under the Clean Air Act to regulate carbon dioxide emissions -- and that because of scientific uncertainty about the effect of global warming, it would not regulate even if it had the power to do so."

EPA To Require More Stringent Toxic Release Reporting. The Washington Post (11/30, A21, Eilperin, 690K) reports that under "pressure from Democratic senators, the Bush administration has modified its proposal to ease public reporting requirements for companies that handle or release toxic chemicals." The Environmental Protection Agency has "proposed new rules for the Toxics Release Inventory, an annual accounting of more than 650 chemicals that industry releases into the air, land and water. The changes would raise the threshold for reporting releases of toxic chemicals in detail from 500 to 5,000 pounds and would allow companies to report every other year instead of annually." New Jersey Democratic senators Frank Lautenberg and Robert Menendez "in July blocked confirmation of Bush's nominee to head the EPA's Office of Environmental Information, Molly O'Neill." Now, in a letter to Lautenberg and Menendez, EPA Administrator Stephen L. Johnson said "he is revising the proposal to restore the requirement for annual reports. 'Your perspective on the program is invaluable to us,' Johnson wrote."

Preserved Open Space Reaches Parity With Developed Land. USA Today (11/30, O'Driscoll, 2.27M) reports, "Growing efforts to save privately owned farms, ranches and forests from industrial and residential development now preserve about as much open space each year as is lost to sprawl, according to a report out today." The National Land Trust Census, "conducted every five years by an umbrella organization for land conservation groups, says private land under protective trusts and easements now total 37 million acres, a 54% increase from the last count in 2000." Conservation of "private land from 2000 to 2005 averaged 2.6 million acres a year — about half the size of New Jersey, according to the Land Trust Alliance, which represents 1,200 of the USA's 1,667 local, state and national land trusts. This means additional land protected each year exceeds the 2.2 million acres that the Agriculture Department has estimated is converted annually to 'developed land.'"

Studies Find Plutonium Triggers Reliable Much Longer Than Thought. The Washington Post (11/30, A9, Pincus, 690K) reports, "The National Nuclear Security Administration said" their "studies have concluded that the plutonium used to trigger US nuclear warheads and bombs will remain reliable for about 100 years, far longer than had been believed. 'These studies show that the degradation of

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plutonium in our nuclear weapons will not affect warhead reliability for decades,' NNSA Administrator Linton F. Brooks said in a statement." An "independent panel" called the "Jason group reviewed the studies by the Los Alamos and Lawrence Livermore national laboratories and concluded that 'most plutonium pit types have credible lifetimes of at least 100 years,' according to the NNSA statement." The "studies could affect the Bush administration's plans for building a new generation of nuclear weapons under the Reliable Replacement Warhead (RRW) program."

US Says Indian Casino Ruling Hinders Oversight. USA Today (11/30, 5A, Johnson) reports, "Federal auditors say a court ruling last month has crippled their ability to examine operations at Indian casinos, raising concerns that the $22 billion Indian gaming industry could be increasingly vulnerable to corruption." USA continues, "The National Indian Gaming Commission (NIGC), a regulatory panel within the Department of Interior, says its auditors have been prohibited from conducting reviews of personnel and finances at Indian casinos across the nation since the D.C. Circuit Court of Appeals ruled Oct. 20 that the commission's regulatory authority does not extend much beyond its oversight of bingo games." USA adds, "The court accepted an Arizona tribe's argument that audits of Indian casinos — which account for about 88% of all gaming revenue in Indian Country — should be the responsibility of states and tribes. Since the ruling, 15 federal audits of Indian casinos have been suspended and a dozen casinos have barred NIGC investigators from tribal gaming facilities in Oregon, California, Arizona, Minnesota and Oklahoma, according to the commission. … 'We've had doors slammed in our faces,' NIGC Chairman Philip Hogen said in an interview. He said federal involvement in the casino audits is necessary because some states and tribes are not able to provide enough oversight of the businesses. He would not say which ones. … Randy Jackson, director of the FBI's Indian Country unit, says the bureau is 'deeply concerned' by the ruling. 'If Indian gaming operations are not regulated, the integrity of the … industry is at risk.'"

Washington Tribe In Land Dispute With US Parks Service. The AP (11/30, Corte) reports from La Push, WA, "The small Quileute Indian reservation sits on a shoreline of storm-tossed driftwood and pebble beaches, with dramatic views of rock formations rising out of the Pacific Ocean. … But the same ocean that crashes daily on these beaches is at the center of a long-simmering boundary battle between the tribe and the National Park Service." The AP continues, "The tribe has closed public access to one beach, and threatens to close another if members don't get additional land on higher ground, fearing the sea will sweep away the tribe's lower village." The AP adds, "The tribe has offered a land swap - it will hand over eight acres of disputed land at Rialto Beach and reopen access to Second Beach if the park cedes - or buys for the tribe - enough land to more than double the size of the reservation. … 'We don't have anything against the public,' said James Jaime, the tribe's executive director. 'It was the only way to get the federal government's attention.'" The AP notes, "The reservation is bounded on one side by the ocean and three sides by Olympic National Park. The tribe wants to move its school, senior center, tribal offices and some housing to higher ground as well as expand its reservation to build more housing developments. … 'Our primary concern is the health, safety and welfare of not only the tribal members, but the entire community,' said Jaime. .. Tribal leaders originally sought 1,200 acres, but are now asking for about 800 acres to add to their one square mile reservation - 309 acres of park lands, and another 480 acres of private land that it wants the National Park Service to purchase for them. … The tribe and the park have been debating the boundary at Rialto Beach for decades. The tribe argues that it owns most of Rialto Beach, but the park has built a parking lot and a restroom at the edge of the beach and both sides are disputing eight acres of land there."

FBI/DEA/ATF/USMS:

US Launches Effort To Curb Meth Use, Manufacture. The Arizona Republic/Gannett (11/30, Brogan) reports, "A coalition of federal, state and local officials will lead a nationwide anti-methamphetamine campaign that kicks off Thursday to educate the public about the dangers of the highly addictive drug." Gannett continues, "President Bush has proclaimed the day National Methamphetamine Awareness Day, and more than 100 events are planned to highlight the risks of meth use and the treatment available. … Participants include the Drug Enforcement Administration, Partnership for a Drug-Free America, National Association of Attorneys General and the Community Anti-Drug Coalitions of America." Gannett adds, "This year, state and local communities said meth was the top drug problem, ahead of cocaine, heroin and marijuana, according to the Justice Department's National Drug Threat Survey. … Attorney General Alberto Gonzales says the health, community and environmental risks posed by meth 'is nothing short of horrifying.'"

The AP (11/30, Poovey) reports from Chattanooga, TN, "Methamphetamine, an illegal drug, gets its own day and Tennessee law officers say the addictive stimulant deserves it." The AP continues, "U.S. Attorney General Alberto Gonzales declared Thursday as National Meth Awareness Day. In Tennessee, officials are observing 'Stop Meth in

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Tennessee, Start Right Now,' starting with a Grundy County news conference and enforcement promotional stops in Cleveland and Madisonville." The AP adds, "After ranking as a leader among states in meth-making operations seized, the work of the 7-year-old Tennessee Methamphetamine Task Force — now expanded statewide — along with new laws restricting products used to make the drug have helped the state reduce the number of labs. .. .Since passage of the Meth-Free Tennessee Act of 2005 and the federal Combat Meth Act of 2005, lab seizures in Tennessee have dropped significantly. … Records show 55 labs seized in October, down by 25 from October 2005." The AP notes, "U.S. Attorney James R. 'Russ' Dedrick of Knoxville said in a statement that 'public awareness and education concerning the harmful effects of methamphetamine are the keys to protecting our children and stopping the spread of methamphetamine addiction.'"

The AP (11/30, Jordan) reports, "Methamphetamine use is increasing along the East Coast after years of largely being confined to rural areas west of the Mississippi River, a government report shows. … But officials nationwide are finding fewer meth labs where the highly addictive drug is cooked - a bright spot in the nation's war against a drug the White House describes as dangerous as cocaine and heroin." The AP continues, "Meth 'is as bad, or worse, than most of those drugs for most of those people who have encountered it,' John P. Walters, director of the White House Office of National Drug Control Policy, said Wednesday in an interview with The Associated Press. … 'The good news is, at this point it looks like we have reacted before this became a bigger problem,' Walters said. 'But the onus is on us to follow through.'" The AP adds, The number of workplace employees who tested positive for meth dipped dramatically in several Midwest and western states where the drug so far has provided the largest punch, including Missouri, Iowa and New Mexico. .. But it surged along the East Coast, including in Connecticut and Maine, and by a whopping 115 percent increase in the District of Columbia. … The data by New Jersey-based Quest Diagnostics Inc. compared state-by-state drug tests from the first five months of 2006 to the same period last year, the most recent data available. Nationally, positive drug tests decreased by 12 percent between the two years." The AP notes, "As part of the campaign, Attorney General Alberto Gonzales will lead a government discussion in Washington about stanching meth use with state and local health and law enforcement officials. … Justice Department officials cite mostly anecdotal evidence showing that meth use and cooking labs are spreading to inner cities. Walters said that's in part because drug traffickers, largely from Mexico, are now selling meth to cocaine and heroin customers in urban areas. Additionally, many East Coast states do not have state laws that require cold medicines containing pseudoephedrine - the ingredient used to cook meth with other household chemicals - to be placed behind pharmacy counters."

The Grand Island (NE) Independent (11/30, Schultz) reports, "Angela Fatino, an Iowa preteen, had her first hit of methamphetamine at age 12. By 15, she had taken her own life. … Fatino's story, along with shocking photos of how she transformed from a pretty child to a meth addict, are featured in an advertising campaign, 'Meth: It's Getting Ugly,' by the Partners for Methamphetamine Prevention. … The national organization is participating in education and public outreach kicked off on Wednesday, which was declared National Methamphetamine Awareness Day by President George W. Bush." The Independent continues, "The program focuses on highlighting national efforts to increase awareness of meth use and aims to decrease demand for the highly addictive and dangerous drug, according to Partners for Methamphetamine Prevention. … Education and awareness are the only ways law enforcement will get the meth problem, and the general drug problem, under control, said Grand Island police Sgt. Clyde Church, a member of the Tri-City Drug Task Force." The Independent adds, "A variety of education events will be hosted nationwide by U.S. Attorney General Alberto R. Gonzales. In Nebraska, members of the U.S. attorney's office will conduct a series of education presentations to various colleges, high schools and community and civic groups. … 'In Nebraska, we have been battling methamphetamine for the past 10 to 12 years on all fronts through prevention and awareness, legislation, enforcement, prosecution and treatment,' U.S. Attorney Joe Stecher said."

The North County Times (11/30) reports that to "commemorate National Methamphetamine Awareness Day today, authorities are urging residents to call the county's meth hotline or visit its Web site for information on abuse of the drug. … According to a San Diego Association of Governments report released in late October, meth use is a growing problem in San Diego County. The report said that among people in custody at county jails between 2000 and 2005, usage of the drug increased from 28 percent to 44 percent among men, and 29 percent to 51 percent among women."

In Auburn, California, Rocklin & Roseville Today (11/30) reports Placer County "is joining many other local, state and federal agencies to designate Nov. 30 as National Methamphetamine Awareness Day. The purpose of the day is to call attention to the damaging effects this illegal drug has on individuals, families, friends and the community. … Of all the child abuse in Placer County, 85 percent to 90 percent is from drug abuse by parents. And methamphetamine is responsible for 60 percent of that abuse."

The Reno (NV) Gazette Journal (11/30) reports, "Marking the nation's first Methamphetamine Awareness Day, local law enforcement, education and treatment professionals

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will provide the public with a snapshot of how meth affects the community. The point of gathering meth-related data today is to draw attention to a drug epidemic that knows no boundaries, said special agent Mark Snyder of the federal Drug Enforcement Administration in Reno. … Snyder said although meth is not new to the area, it has emerged as the primary drug threat in Northern Nevada."

The Tucson (AZ) Citizen (11/30) reports middle-school students in Tucson "were to learn about the dangers of methamphetamine today from Drug Enforcement Administration officials as part of a nationwide awareness day. Federal, state and local officials are reaching out to potential meth users to discuss prevention and to users about programs to help them."

Guam's Pacific Daily News (11/30) reports the Department of Justice "sponsored today as National Methamphetamine Day for Guam and the Commonwealth of the Northern Mariana Islands, to highlight nationwide efforts to increase awareness and decrease demand of the highly addictive drug."

Guam's KUAM-TV (11/30) also notes various anti-meth efforts.

The Oregonian (11/30) editorializes, "Today is National Methamphetamine Awareness Day -- the first time a president has designated a day to focus national attention on methamphetamine, an extremely destructive and harmful drug. … Today is also an occasion to reflect on the progress our nation has made in attacking methamphetamine. In 2005, the number of methamphetamine laboratory incidents in America declined by 29 percent from the previous year and is continuing to decline this year. … This good news is proof that a balanced drug control strategy can yield meaningful results."

An About.com (11/30) article notes that today "has been declared National Methamphetamine Awareness Day as a part of a nationwide effort to further educate the American public about the effects of methamphetamine abuse on families and communities. The effort hopes to increase awareness and decrease demand of the highly-addictive drug." The DEA's participation is noted.

In Lexington, the University of Kentucky News (11/29) notes that a meth awareness event will take place on campus, which will include a question-and-answer session.

On its Web site, KCAL-TV, Los Angeles (11/29) reports President Bush "has proclaimed Thursday as National Methamphetamine Awareness Day in an effort to bring attention to the challenges the nation confronts because of the drug. Methamphetamine is a highly addictive central nervous system stimulant that can lead to brain damage and psychotic behavior, including auditory hallucinations, mood disturbances, delusions and paranoia, possibly resulting in homicidal or suicidal thoughts, according to the Office of National Drug Control Policy. … The Bush administration's Synthetic Drug Control Strategy released earlier this year set goals of a 15 percent decrease in methamphetamine use and 25 percent reduction in domestic methamphetamine labs over the next three years."

In Los Angeles, KNX Radio (11/29) reports on its Web site, "The Drug Enforcement Administration and the U.S. Attorney's Office plan to hold a Meth Awareness Exhibit for the media at a federal building in Los Angeles …to highlight the dangers of meth. It will include a mock meth lab, presentations by the DEA lab and may feature a former meth user, the DEA said in a statement."

Local Television. WVLT- TV (11/29, 11 p.m.) broadcasts, "US Attorney General Alberto Gonzales has declared tomorrow as National Meth Awareness Day. In Tennessee, officials are observing 'Stop Meth In Tennessee, Start Right Now.' Meth labs are popping up all over the country, and its makers use relatively inexpensive over-the-counter medicines like pseudoephedrine."

Former Tennessee Hockey Star Gets 3-Year Sentence In Marijuana Case. The Knoxville (TN) News Sentinel (11/30, Satterfield) reports one of Knoxville's most popular hockey players "will spend the next three years in a penalty box. … Senior U.S. District Judge James H. Jarvis on Wednesday ordered [Alex] Alepin to spend 38 months in a federal prison for conspiring with fellow Canadians to peddle hydroponic marijuana, a pricey and potent strain of the illegal drug." Alepin "had been ensnared in a probe led by U.S. Immigration and Customs Enforcement Agent John Witsell III and U.S. Drug Enforcement Administration Agent Dave Lewis of a Canadian drug smuggling ring. … Alepin's name surfaced in 2004 as Witsell, Lewis and fellow agents were investigating a smuggling network in which hydroponic marijuana grown in Quebec was being sneaked across the border, largely through tractor-trailers, and distributed to customers along the Eastern Seaboard," according to Assistant U.S. Attorney Hugh Ward.

2nd Circuit Reinstates Blind New York Inmate's Lawsuit. In New York, the AP (11/30, Neumeister) reports a California man who "said he went blind in prison because he was denied medication can sue the prison officials he thinks are responsible, a federal appeals court ruled as it reinstated a lawsuit that had been tossed out. The decision by the 2nd U.S. Circuit Court of Appeals means Rodney Thomas can pursue his claim that authorities failed to ensure he received medication for glaucoma after he was arrested by Drug Enforcement Administration agents in Los Angeles on Sept. 7, 2001. … The decision, handed down Tuesday but made public Wednesday, upheld a lower court's ruling that the DEA agents could not be held responsible in federal

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court in New York, but it reinstated the lawsuit against three prison officials."

"Drug-Stuffed" Submarines Create Concerns Among Authorities. The Wall Street Journal (11/30) reports, "This month, the Coast Guard detained four men who were allegedly trying to smuggle 3.5 tons of cocaine meant for the U.S. News accounts of the Nov. 16 bust, about 90 miles southwest of Costa Rica, described their unusual vessel as a 50-foot homemade fiberglass submarine. … After reading reports and seeing photographs of the captured vessel, hobbyists concluded that the gray drug craft was crudely constructed and not a serious attempt at building a submarine. … Law-enforcement agencies from Colombia to California are increasingly worried about drug-stuffed submarines slinking along beneath the seas. … Authorities in Colombia have seized a couple of homemade subs in the past two years.

Drug Traffickers Said To Be Rewriting Rules In Mexico. The Dallas Morning News (11/29) editorialized, "The news that popular banda musician Valentín Elizalde was gunned down Saturday in Mexico near the Reynosa fairgrounds stunned many residents on both sides of the border. … Such is the surreal world of the Mexican drug trade, a world in which newspapers are silenced by gunfire and a drug cartel takes out advertising blaming its rivals for the mayhem. … The traffickers don't seem the least bit put off by increased federal efforts and more soldiers on the ground. After all, they've succeeded in pressuring newspapers to stop investigative coverage of cartels and to give little attention to drug-related violence. And when stories aren't reported in the Mexican press, it's even more difficult for the media in the U.S. to know what's really going on just across the border."

Colombian Authorities Accused Of Leaking Information Compromising DEA Agents. McClatchy Newspapers (11/29) reported, "The former director of Colombia's FBI, known as DAS, ordered that information compromising agents of the U.S. Drug Enforcement Administration be leaked to drug traffickers," according to former DAS official Rafael Garcia. Garcia "confirmed to El Nuevo Herald in a telephone interview from prison that he has told Supreme Court investigators that Jorge Noguera ordered him to deliver the information to the traffickers. … While testifying before the Supreme Court, Garcia said that Noguera 'almost made me feel that Colombian President Alvaro Uribe knew of and approved what we were doing,' according to records. Uribe has denied knowing of the alleged DAS corruption." The McClatchy story was published by the Monterey Herald and San Luis Obispo Tribune.

TAX:

New York Woman Pleads Guilty To Tax Fraud Charges In Trash-Hauling Probe. The Danbury (CT) News Times (11/30) reports, "A New York state woman who prosecutors said had a 'no-show' job at Danbury's Automated Waste Disposal pled guilty Wednesday to one count of conspiring to defraud the Internal Revenue Service. Her plea is the seventh taken by a federal judge in connection with an extensive racketeering case centering on Danbury trash magnate James Galante." The Times notes that Anna Priskie "received employee compensation and health insurance benefits from AWD, even though she provided no work to AWD or any related company. Her family also received the free use of a Lexus during part of this time."

IRS Redeems Or Refunds Billions In Suspect Municipal Bonds. Dow Jones (11/30, Connor) reports, "An estimated $30 billion of municipal bonds have been redeemed or refunded over the last six years after coming under Internal Revenue Service audit, a senior IRS muni enforcement official said Wednesday." Dow Jones continues, "And Charles Anderson, head of field operations for the IRS's Tax-Exempt Bond Office, estimated that as much as an additional $30 billion of bonds similar to those being audited were redeemed or refunded over the same period." Dow Jones adds, "Anderson offered his estimates at an IRS briefing Wednesday by way of underscoring his view that there is a substantial compliance problem in the muni market and a substantial amount of suspect bonds. … A leading abuse is diverting arbitrage profits - derived from investing tax- exempt bond proceeds in higher-yielding obligations - to bond deal participants instead of rebating the arbitrage profits to the federal government. Cliff Gannett, director of the Tax-Exempt Bond Office, said arbitrage-driven deals have become ever more sophisticated." Dow Jones notes, "Anderson said the IRS's muni enforcement team will focus increasingly on the people responsible for abusive bond transactions as well as the transactions themselves. … He said the IRS's interest in professional behavior in the muni market is shared by the Securities and Exchange Commission and Department of Justice Department, which are investigating suspected illegalities in the muni market."

CONGRESS-ADMINISTRATION:

Reyes Said To Be "Leading Contender" For Intelligence Chair. McClatchy (11/30, Recio) reports Democratic Rep. Silvestre Reyes "has an unusual pedigree

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for a member of Congress: He was a Border Patrol agent for 26 years before being elected in 1996." Reyes "can point to that law enforcement background, along with his work on defense, veterans and immigration issues, as the Texas Democrat emerges as the leading contender to become the chairman of the House Intelligence Committee." Reyes is not "campaigning for the post, a tactic that backfired on Florida Rep. Alcee Hastings, whom Speaker-elect Nancy Pelosi rejected as chairman Tuesday," but he "definitely is interested." Reyes "has the backing of congressional Hispanics, which may quell the unhappiness of the Congressional Black Caucus over Hastings being denied the job," and he "would be the only Hispanic chairman of a major committee. New York Rep. Nydia Velazquez is in line to become the chairman of the House Small Business Committee."

Wynn Says Hastings Supporters Should Not Overreact. Rep. Al Wynn said on MSNBC's Tucker (11/29, Carlson), "I think we can't overreact to this situation [Pelosi's decision to pass over Hastings.] Whenever you're reorganizing, moving into the majority, there are going to be bruised feelings. There are going to be winners and losers. We understand that. I think we're mature enough to accept the fact that everyone can't be a winner, everyone won't be the committee chairman or the majority leader and we'll move forward. … I think [Speaker-elect Pelosi] definitely knows what she is doing. She has made some tough calls. She has been very loyal to her friends. She has tried to accomplish some things. She hasn't necessarily won them all. But I think that without question she will win most of them."

LATimes Criticizes Pelosi For Decision To Dump Harman. The Los Angeles Times (11/30, 850K) says in an editorial that incoming Speaker Pelosi "has wisely decided not to appoint" Hastings, "who as a federal judge was impeached and convicted by Congress in the 1980s, as chairman of the House Intelligence Committee." But "unfortunately, Pelosi has yet to bestow the chairmanship on the obvious alternative: her fellow Californian, Rep. Jane Harman of Venice, the current ranking Democrat on the Intelligence Committee. Instead, Pelosi is scrambling to find an alternative to Harman, even if it is someone with no recent experience on the panel." Pelosi's "problem with Harman is reminiscent of her ill-fated endorsement of Rep. John P. Murtha (D-Pa.) to be House majority leader. In both cases, her attitude seemed to be shaped by personal considerations — friendship with Murtha, rivalry with Harman — and tunnel vision induced by the war in Iraq." Pelosi's "reluctance to appoint Harman raises the question of whether the incoming speaker of the House is ready to be a national leader as well as a party boss. A boss' priority is to settle scores and reward supporters; a leader has higher obligations — especially now. In the case of the Intelligence Committee chairmanship, those obligations make the selection of Harman a no-brainer."

McConnell Pledges To Work With Democrats.

The New York Times (11/30, Hulse, 1.16M) reports incoming Senate Minority Leader Mitchell McConnell is "preparing for a role he had not planned on." McConnell, a "tough Kentucky legislative operator best known for intense opposition to the campaign finance changes enacted in 2002, saw his hope of becoming majority leader fall victim to an Election Day outcome that handed Senate control to the Democrats. So he is instead the incoming leader of the new Senate minority, albeit one who, with 49 votes in his pocket, will have the ability to block Democratic initiatives more or less at will." McConnell said, "There will be nothing here they can do without some degree of cooperation from a very robust 49-vote minority." Despite his "reputation for partisanship, Mr. McConnell said he accepted the judgment of a frustrated electorate, and expressed optimism for cooperating with Democrats, most quickly on an ethics overhaul. He also said the new sharing of government power could give the two parties an opening to take on some of the most difficult issues, including changes to Social Security." McConnell "acknowledged that his overtures were likely to be met with some skepticism: is he being sincere or instead trying to lure Democrats into a political trap by getting them to agree to changes in an entitlement program enormously popular with their constituents? Democrats, though cautious, say he deserves the benefit of the doubt." Sen. Charles Schumer said, "We want to work with them, and we hope they work with us. You have to take an offer to sit down and discuss things on its face." McConnell is "in a pivotal spot. Not only will he be the nexus between his party and Senate Democrats, and between Senate and House Republicans, he will also be a main conduit between Congressional Republicans and President Bush, making him responsible for managing a relationship that has been altered and complicated by the election." Some Senate Republicans "are unhappy with the administration, attributing much of the blame for their party's defeat to the president and his political strategists."

Daschle Says Democrats Comfortable With McConnell, Lott. Asked about incoming Senate Republican leaders Mitch McConnell and Trent Lott on MSNBC's Hardball (11/29, Shuster), former Sen. Tom Daschle said, "I think in both cases, you have people that Democrats are very comfortable with. They're both institutional people. They both came with an appreciation of the body of the Senate, the extraordinary traditions, the importance of working with both sides. And so I expect you're going to see a lot better chemistry in the next couple years than you've seen in recent times."

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Congress Expected To Debate Voting Equipment Security Bill. The Wall Street Journal (11/30, Kronholz, 2.04M) reports the "debate about touch-screen voting" is "likely to get even louder when a new Congress takes office in January and the run-up to the 2008 contest begins." The electoral system "didn't fail under new voting equipment, concludes a report by electionline.org, a nonpartisan research group. But it also wasn't put to the test of a presidential election year, when turnout and tensions are higher, the group adds." The House "seems likely to quickly pass a long-stalled bill that would tighten the security of touch-screen voting. California Sen. Dianne Feinstein, who will head the rules committee in the new Democratic-controlled Senate, has announced hearings on an identical measure." The measure would "require that touch screens provide a paper record of each ballot and a random audit of a fraction of those records to verify that votes are being counted correctly. Seventeen states already use paper trails, and a dozen require random audits. But some of this month's closest elections -- including for House seats in Florida, Pennsylvania and Indiana -- were in states that don't use either."

House GOP May Schedule Vote On Fetal Pain Bill. The AP (11/30, Kellman) reports House Republicans "are looking at scheduling a vote next week on a fetal pain abortion bill in a parting shot at incoming majority Democrats and a last bid for loyalty from the GOP's base of social conservatives." The measure is "tentatively on House GOP leaders' list of bills to be considered in a lame-duck session before Democrats assume control of Congress. It has no chance of passing the Senate during the waning days of Republican control. But, with Democrats ascending to agenda-setting roles, passage isn't the point, said one conservative leader." Douglas Johnson, legislative director of the National Right to Life Committee, said, "Next year, the leadership of the House will be hardcore pro-abortion loyalists. They will block votes on even modest pro-life measures like this one."

NYTimes Says Treasury Should Advance Hedge Fund Regulation. In an editorial, the New York Times (11/30, 1.16M) says, "In October, a month after the Amaranth hedge fund lost $6.6 billion — the most ever by a hedge fund — Henry Paulson Jr., the Treasury secretary, spoke with Bloomberg News about the importance of 'transparency' at hedge funds and 'liquidity' in the system. His remarks were interpreted at the time as a warning, perhaps even a harbinger of more oversight. What a difference a month makes." In what "was billed as a major economic address last week, Mr. Paulson devoted less than one-tenth of his speech to hedge funds, leaving the impression that he is basically satisfied with the regulatory status quo." Paulson "was right when he noted in his speech that the need for regulation must be balanced against the benefits of flexibility. But the challenge of striking a balance is beginning to sound like an excuse for delay. It's time to move the discussion beyond whether hedge funds require more regulation to how they should be regulated."

WSJournal Warns Bush Against Concessions On Social Security. The Wall Street Journal (11/30, A16, 2.04M) says in an editorial, "The Bush Administration has been around long enough that by now we can smell a retreat in the making. To wit, the White House is getting ready to throw personal retirement accounts over the side in an attempt to cut a Social Security deal with the new Democratic Congress. Will a tax increase be the next concession?" Without "quite admitting that personal accounts have to go, White House aides say dropping them is the price Democrats will demand even to discuss Social Security. While an attempt at bipartisanship is fine, the contents of the potential deal are worrisome." The "evident White House hope is that, in return for this retreat on personal accounts, Democrats would agree to reduce the growth of future Social Security benefits. Specifically, that means some form of 'progressive indexing' that Mr. Bush endorsed in a failed attempt to coax Democrats from their just-say-no Social Security strategy in 2005." But "more broadly, genuine Social Security reform is about more than federal accounting and 'solvency.' It ought to be about individual ownership and retirement independence."

OTHER NEWS:

Economy Grew At 2.2% In Third Quarter. The Financial Times (11/30, Callan, Guha) reports the US economy "grew at a rate of 2.2 per cent in the third quarter, faster than previously thought, while wage growth earlier this year was revised down on Wednesday, adding to evidence that the economy is on track for a soft landing." That scenario was "reinforced by the latest Fed Beige Book survey of economic conditions, which offered little sign of a deterioration in the US economy during October and early November." The "improved estimate for third-quarter growth is significantly higher than the government's initial estimate of 1.6 per cent annualised and well above Wall Street's expectations of 1.8 per cent, though still lower than the 2.6 per cent growth in the second quarter." The growth rate "underlines the Federal Reserve's optimistic view that the US economy is expanding at a moderate rate, in spite of the drag from a severe correction in housing."

The Washington Post (11/30, D3, Henderson, 690K) reports the "new figures still show the economy has slowed

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this year, after expanding at a torrid 5.6 percent annual rate in the first three months and at a moderate 2.6 percent pace in the second quarter. But the revised figures show an economy that continues to expand, not sputter toward a recession as many analysts had feared after seeing estimates of third-quarter growth." Consumers "increased their spending at a faster rate in the third quarter than in the previous quarter, while business investment and exports also rose more briskly."

The New York Times (11/30, Peters, 1.16M) reports, "New signs surfaced yesterday suggesting the economy may be headed for a steeper decline during the rest of the year, with corporate inventories bulging and home sales deteriorating further. Economists said that the slide in growth had still not bottomed out on its way down from the lofty 5.6 percent expansion in the first quarter." The housing sector, "by far the biggest drag on growth in the third quarter, wilted at a slightly faster rate in the third quarter than the government initially reported. In all, the contraction in the housing market subtracted 1.16 percentage points from the annualized growth rate, compared with the 1.12 percentage points reported last month."

USA Today (11/30, Hagenbaugh, Kirchhoff, 2.27M) reports, "Investors in a market in which participants bet on future Fed moves predict the Fed will not change interest rates for the fourth-consecutive meeting next month. After raising interest rates 17 times over two years, the Fed's target for short-term interest rates is at 5.25%, the highest level in nearly six years."

Positive GDP Report Gives Stocks Strong Boost. The Wall Street Journal (11/30, C1, McKay, 2.04M) reports the Commerce Department's GDP report showed "surprisingly strong economic growth" that "helped stocks finish higher for a second straight day, as investors played down the possibility of higher interest rates." On the "heels of Tuesday's 14.74-point gain, the Dow Jones Industrial Average jumped 90.28 points, or 0.7%, to 12226.73, up 14.1% on the year. The Standard & Poor's 500-stock index rose 0.9%, or 12.76 points, to 1399.48, up 12.1% on the year. The Nasdaq Composite Index gained 0.8%, or 19.62 points, to 2432.23, up 10.3% on the year." Some analysts "said the higher estimate lent credence to Federal Reserve Chairman Benjamin Bernanke's comments Tuesday that the threat of inflation remains so intense that the central bank's primary worry is whether to raise interest rates again to slow runaway price increases throughout the economy."

NBC Nightly News (11/29, story 10, 0:20, Williams, 9.87M) reported, "Back home in New York, on Wall Street today, rising energy prices pushed energy stocks higher and the blue chip stocks gained back much of what they lost in Monday's trading. The Dow finished the day up more than 90 points [to close at 12,226.73], and the Nasdaq was up nearly 20 [to close at 2,432.23]."

New Home Sales Fell 3.2% In October. The Wall Street Journal (11/30, Gerena-Morales, 2.04M) reports new home sales "fell in October, suggesting that the housing sector will continue to hamper economic growth in the fourth quarter at a time when business investment is also weakening." Sales of "single-family homes declined last month to a seasonally adjusted annual rate of 1.004 million, down 3.2% from September and 25.4% from a year earlier, the Commerce Department said yesterday. At the same time, the number of new homes on the market climbed to a seven-month supply, based on the current sales rate, up from a 6.7-month supply in September."

The Christian Science Monitor (11/30, Trumbull, 59K) reports, "Usually, housing downturns precede broader recessions in the whole economy. But this time, forecasters say that, for a range of reasons, the economy may continue on a path of growth." Housing and "the rest of the economy may be traveling on divergent tracks. In 2001, the last time the nation was in recession, housing did well as home prices continued to climb. Now, the reverse appears to be occurring." The Monitor also lists "several factors" that "suggest that the current housing downturn may not drag the wider economy into recession."

Sperling Hopes To Make US High Value Job Magnet. In his Wall Street Journal "Capital" column (11/30), David Wessel says, "In campaign rhetoric, Democrats raised expectations they would do more than Republicans to boost wages and living standards of ordinary Americans." Now Democrats "have to deliver, or at least look like they're trying." This "brings us to what's preoccupying Gene Sperling, a Democratic cabinet-secretary-in-waiting firmly in the pro-globalization wing of the party. Democrats, he says, must figure out what government can do to encourage business to create more middle-class jobs in the U.S." Sperling is "reaching for something that sounds, well, less like tired Democratic rhetoric. 'One of the great challenges for 'pro-growth progressives' is coming up with a vision of where middle-class jobs are coming from that doesn't rely on 'industrial policy' or public works,' he says." Sperling's "goal is easily expressed: Make the U.S. 'a magnet for high-value job creation.' But the available options are limited. On the substance, he says, 'It's tough to say with confidence what will work because, given the global labor market, jobs will go to where the lowest wages' are. And the politics are hard, too. 'It's very abstract for people who are suffering to say: 'We're going to double the National Institutes of Health budget.'"

Samuelson Warns Against Rise Of Trade "Obstructionism." In his Washington Post column (11/30, A23), Robert Samuelson says, "We may be about to

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shoot ourselves in the foot -- or maybe the chest -- on trade. In the name of 'fair trade,' we may punish our own exporters. In 2005 worldwide exports exceeded $10 trillion. Since 1980 they've more than tripled while the overall global economy doubled. Like it or not, massive international flows of goods and services (aka 'globalization') underpin all modern economies. Supply chains have dispersed. We can accept this reality and try to benefit from it. Or we can rail against it. We seem to be edging toward railing." Samuelson says the new trend "transcends traditional protectionism, which tries to shield specific industries and workers from imports. It's trade obstructionism: A reflexive reaction against almost any trade agreement. The idea is that much trade is inherently 'unfair.' Multinational companies use it to ship U.S. jobs abroad; other countries compete unfairly with low wages and substandard labor practices. (Indeed, lax labor standards are cited to oppose the Peruvian and Colombian agreements.) Vast US trade deficits measure the destructiveness. If trade is so unfair, why encourage more of it?" Samuelson adds, "Much of this indictment is wrong or wildly exaggerated." Trade is "a relatively minor factor in job loss. It is, however, an easy scapegoat. It enables critics to blame foreigners and suggest a solution: restrict trade."

Responsibility For Healthcare Costs Linked To Price Awareness. The Washington Post (11/30, A10, Lee, 690K) reports, "People in a new kind of health plan that makes consumers pay for a bigger share of their care appear to be more cost-conscious than those in traditional plans, but half say they would switch if they had the chance, according to a survey released yesterday." The survey "of 1,389 people by the nonprofit Kaiser Family Foundation found that 71 percent of those in the new 'consumer-directed health plans' said the policies prompted them to consider cost when seeking health care, compared with 49 percent of those with more traditional employer-sponsored coverage." Such findings "are in line with assertions by the Bush administration and other advocates who say that the new plans will check spiraling health-care spending by giving consumers a financial incentive to shop around for the best care at a reasonable price -- and to get only the care they need."

Nancy Reagan, Daughter Agree On Backing Stem Cell Research. ABC World News (11/29, story 10, 0:20, Gibson, 8.78M) reported on "an extraordinary glimpse of two members of a famous family, coming together for a cause. After years of tension, the former First Lady, Nancy Reagan, and her daughter are joining together on stem cell research. Davis tells 'Life' magazine that while politics once pulled her family apart, this effort has brought them together."

Democratic Challenger Concedes In North Carolina House Seat. The AP (11/30, Whitmire) reports Democrat challenger Larry Kissell "conceded defeat Wednesday to Rep. Robin Hayes, after the initial phase of a hand recount showed the result was not likely to change." Kissell "conceded even though only five of the 10 counties in the district had completed the hand recount of sample precincts that he requested. He picked up 2 votes, but would have needed a total of about 10 votes to trigger a full recount." Kissell also "said he was starting his 2008 congressional bid immediately."

Frist Bows Out Of Presidential Race. In a move some believe could benefit social conservative candidates in the GOP field, Senate Majority Leader Bill Frist yesterday announced that he will not seek the presidency in 2008. The story was reported by a broad range of news media. The AP (11/30, Espo), in an article published by well over 100 papers and websites, quoting the senator saying, "In the Bible, God tells us for everything there is a season, and for me, for now, this season of being an elected official has come to a close." Frist's statement made no mention of a reason for the decision, but "said he 'will take a sabbatical from public life' and 'return to my professional roots as a healer and to refocus my creative energies on innovative solutions to seemingly insurmountable challenges Americans face.'"

The Los Angeles Times (11/30, Havemann, 850K) says this morning Frist's decision "may boost support for other Republicans who have courted the party's social conservatives. Frist had advanced the key bloc's agenda during the four years he was Senate majority leader. With his withdrawal, several potential GOP candidates will have less competition wooing those voters." The Times includes Romney, Kansas Sen. Sam Brownback, Huckabee and Gingrich in this number. "Frist, who did not seek a third Senate term this year, had only mixed success in attracting social conservatives to his side."

The Tennessean (11/29, Theobald) adds, "The announcement comes after Frist spent several years laying the groundwork for a presidential bid. Frist had spent much of the past two years visiting key presidential states, including Iowa, creating a field operation and raising money for national, state and local candidates in these states." The Washington Post's (11/30, A4, Fletcher) says Frist had "worked to cultivate an image as a staunch and thoughtful conservative." His decision "creates an opening on the right flank of the GOP political spectrum, while still leaving a broad field of potential presidential candidates for 2008."

The Wall Street Journal (11/30, A3, Rogers, 2.04M) reports that given Virginia GOP Sen. George Allen's reelection defeat, Frist was the only "major center-to-right Southern figure in the party's presidential field thus far." Such

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frontrunners as McCain, Giuliani and Massachusetts Gov. Mitt Romney "all are outsiders to the region and each could face problems reaching out to the Christian conservative voters who have been such a force behind President Bush." However, "Arkansas Gov. Mike Huckabee could try to fill the gap, and Newt Gingrich may emphasize his Georgia bona fides."

ABC World News (11/29, story 7, 0:15, Gibson, 8.78M) and NBC Nightly News briefly noted Frist's announcement. The Hill (11/30, Schor) says it "comes as little surprise to Washington prognosticators who saw scant opportunities for Frist to overcome his lackluster showing in early straw polls."

CQ Politics (11/30, Kapochunas) adds that Frist's "decision comes after he received some blame for his party's drubbing in this month's midterm elections." The article notes that Frist's adherence to his term limit pledge and VOLPAC's success in raising funds for the GOP "signaled to many that he was setting the stage for a presidential bid," but that he now "plans to return to the medical profession where he worked as a transplant surgeon."

The New York Times (11/29, Zernike, 1.16M) also reports on Frist's announcement, featuring his reference to the Bible, and adding, "Frist had acknowledged that any campaign for the presidency would be uphill. But his party's loss of the Senate majority in the elections this month, on his watch, would have made it all the more difficult." The Times suggests that Frist's support for stem cell research may have cost him the support of conservative voters, and the Schiavo affair may have done the same with moderates. The Times cites Frist aides as saying he "simply did not have the fire to run," and quotes spokeswoman Amy Call as saying, "He in his heart knew that if he did this he'd have to spend a year and a half on a campaign. He wanted to get back to something more basic." In response to Democratic allegations that Frist had piloted a "do-nothing Congress," Frist's staff "issued a 'fact sheet' that included a list of his accomplishments, among them legislation on energy, highway spending and bankruptcy and class-action reform, as well as the confirmation of two Supreme Court appointees." USA Today (11/30, A8, 2.27M) runs a similar report.

Daschle Sees Frist As "More Comfortable" In Medicine. Former Sen. Tom Daschle said on MSNBC's Hardball (11/29, Shuster), "I'm actually not surprised. Bill Frist has always been more comfortable in the field of medicine than in the field of politics. And I think he became increasingly uncomfortable. You're put under the microscope as a leader, especially as the majority leader. And he was put under the microscope, and that isn't a very good feeling in some cases. My guess is that he felt much more comfortable going back into medicine."

Florida GOP Planning Presidential Straw Poll For October '07. The St. Petersburg Times (11/30, Smith) reports, "Tired of playing second fiddle to the likes of Iowa and New Hampshire in picking presidential nominees, Florida Republicans are positioning the Sunshine State to play a potentially huge role in the 2008 presidential race. Not only are state legislative leaders working on moving Florida's primary to be one of the earliest in the country, but the state GOP is planning a straw vote convention for October 2007. If the plan moves forward, next year the state would be crawling with Republican presidential contenders wooing 3,500 party activists in hopes of getting a big, early shot of momentum from America's biggest battleground state. The state GOP has already blocked hundreds of rooms in Orlando for the non-binding 'Presidency IV' gathering Oct. 17-20, hired a consultant to organize it, and briefed potential presidential candidates about an event that could cost the campaigns hundreds of thousands of dollars to organize for a strong showing."

Daschle To Make Announcement On Presidential Race Soon. Asked about a possible 2008 presidential run on MSNBC's Hardball (11/29, Shuster), former Sen. Tom Daschle said, "I'll be making an announcement sometime in the course of the next couple of months. No later than that. I think everyone has to make their decisions sometime soon. We have some terrific candidates. And regardless of whether I run or not, there's going to be a real interesting competition on both sides, but especially on the Democratic side."

Pastor Defends Obama Invitation To Speak At AIDS Summit. The AP (11/30, Pickler) reports, "Famed pastor and best-selling author Rick Warren on Wednesday defended his invitation to Sen. Barack Obama to speak at his church despite objections from some evangelicals who oppose the Democrat's support for abortion rights." Obama is "one of nearly 60 speakers scheduled to address the second annual Global Summit on AIDS and the Church beginning Thursday at Warren's Saddleback Church in Lake Forest, Calif." Obama "plans to take an HIV test during his appearance Friday and encourage others to do the same. The Illinois Democrat will be joined by a potential 2008 White House rival — Republican Sen. Sam Brownback of Kansas — and is urging unity to fight AIDS despite differences on other issues." But "conservative evangelical Rob Schenck, president of the National Clergy Council, e-mailed reporters Tuesday to protest the visit because of Obama's support of abortion rights."

The Washington Post (11/30, A4, Cooperman, 690K) reports, "Antiabortion groups are assailing one of the nation's most influential evangelicals, the Rev. Rick Warren, for

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inviting Sen. Barack Obama (D-Ill.) to speak at a conference on HIV/AIDS at his Southern California megachurch this weekend." In a statement, "18 antiabortion leaders called on Warren to rescind the invitation because Obama supports keeping abortion legal." Warren, "author of the bestseller 'The Purpose Driven Life,' responded yesterday by asserting that he and his wife, Kay, are 'staunchly pro-life' and 'completely disagree' with Obama's position in favor of abortion rights."

LATimes Praises Involvement Of Christian Leaders In Fight Against AIDS. The Los Angeles Times (11/30, 850K) says in an editorial, "Of all the international forums and events to mark World AIDS Day on Friday, what may be the biggest will happen in an unlikely place: little Lake Forest, Calif., just north of Mission Viejo. Its coming signals a shift in political momentum as AIDS awareness is promoted not just by Hollywood celebrities and gay activists but by conservative evangelical Christians." The "focus on AIDS by evangelicals isn't new, but" Rev. Warren is "taking it to a new level." All this "religious intervention in the traditional province of doctors and scientists hasn't been entirely positive," but the "troublesome policy issues are also relatively minor. Bush and his Christian supporters seldom get the credit they deserve for their role in the global fight against AIDS. U.S. spending on the disease overseas has risen more than tenfold under Bush, while Christian groups have given unselfishly to the cause."

US Muslims Make Electoral Gains. The Washington Post (11/30, A1, Boorstein, 690K) reports that since Gaithersburg software engineer Saqib Ali "was elected to the Maryland House of Delegates this month, he has been flooded with calls and e-mails from across the country asking: How'd you do it?" The calls "come from American Muslims like Ali, who, longtime political watchers and Muslim activists in the area say, is the first Muslim elected to a statewide -- or districtwide -- office in Maryland, Virginia or the District." Although the 31-year-old "made little of his faith during the campaign -- in fact, he bucked those who said he should put it on his campaign literature -- he is part of a concerted march of Muslims into civic and political life. His campaign was part of a push that began after Sept. 11, 2001, with worries about civil liberties and immigration policy and has blossomed this year." Minnesota Democrat Keith Ellison "became the first Muslim to be elected to Congress. In the D.C. area, eight Muslims ran for office in Maryland this year, significantly more than in previous years, although only Ali won. And initial polling data and anecdotal evidence suggest that significantly more Muslims in Virginia registered and voted this month than in previous elections."

New York GOP's Decline Examined. In a Wall Street Journal op-ed (11/30, A17), University of Massachusetts Professor Vincent Cannato contrasts the fate of outgoing New York Gov. George Pataki and former Mayor Rudolph Giuliani since 1994, noting that "It is 12 years later and both Messrs. Giuliani and Pataki are making noises about running for president. Given the events of 1994, it is hard to believe that Mr. Giuliani is leading in some polls for the Republican nomination, while Mr. Pataki's ambitions are stuck in the low single digits." In "many ways, the open pit in Lower Manhattan is a depressing symbol of the Pataki years: That five years after 9/11 Ground Zero is still unbuilt is a sad testament to the political paralysis currently afflicting New York. This inability to provide leadership was coupled with an inability to change fundamentally the way business is done in Albany, reform the state's political culture and revive its economy. Mr. Pataki's tenure has too often been marked by a sleepy indifference to public policy and governance. And that has cost Republicans dearly." Though the "Iraq war and President Bush's low approval ratings helped drag down the party, there was something deeper going on. Republicans grew too comfortable with power and in so doing often forgot why they were elected in the first place. What happens when a party, whose central philosophical principle is that of limited government and the attendant preference for the free market over state bureaucracy, takes the reins of power? Unfortunately, we now have a good idea what the answer is. With few exceptions, we have gotten bigger government and more spending, and few reforms of already existing programs." This "kind of dissonance between the ideological beliefs of the Republicans and the way they govern has been a big reason for the morass in which the GOP now finds itself. If Republicans hope to succeed in New York and elsewhere, they need to figure out what a governing conservatism should look like."

Brooks Offers GOP Advice On Winning Back Majority. In his New York Times column (11/30), David Brooks says he is "one of those suburbanites who thought the G.O.P. deserved to lose the last election, and now I find myself floating out there in independent-land, not a Democrat, just looking for something new. It's like being the belle of the ball, because the Republicans really need to woo back people like me. I hope they won't mind if I offer a little advice on how to do it." Brooks offers seven points, such as ignoring consultants who "pick out the key demographic groups (left-handed Catholic orthopedists) and offer advice on how to kiss up to those people. Majorities are never built that way. You end up proposing inconsequential micropolicies and selling your soul." Other suggestions include being "policy-centric, not philosophy-centric," creating a "Republican Leadership Council" to win the center in the ideological debate, "support stem cell research" and "free trade, while responding to the downside of globalization," "spread assets," and "raise taxes

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on carbon emissions and use the revenue to make the tax cuts on capital gains and dividends permanent."

Leach Attributes Defeat To Dissatisfaction With GOP. In his Washington Post column (11/30, A23), David Broder says defeated Republican Rep. Jim Leach, "noted for his independence, was the only Iowa legislator to oppose going to war in Iraq. That kind of record helped him prevail in past races despite his heavily Democratic district, which gave a higher percentage of its presidential vote to John Kerry than any other district held by a Republican." But "this year two special factors helped tip the balance against him. First, he became a target for crafting the Unlawful Internet Gambling Enforcement Act, which passed Congress as part of a larger bill in October and was signed into law just before the election." The Poker Players Alliance, "which had fought the measure banning banks and credit card companies from servicing Internet gambling firms, targeted Leach and other sponsors with e-mails to its members and publicity in poker magazines. A post-election survey paid for by the gambling group found a net 5-point swing against Leach attributable to that issue." In addition, the Christian Coalition "criticized Leach for his support of embryonic stem cell research and for his insistence that the national GOP drop a planned mailing attacking Loebsack on the issue of gay marriage." Leach said, "But the big force was the accountability thing -- the overwhelming dissatisfaction with the Republican Congress."

Will Says Webb A "Pompous Poseur." In his Washington Post column (11/30, A23), George Will says, "Washington has a way of quickly acculturating people, especially those who are most susceptible to derangement by the derivative dignity of office. But Jim Webb, Democratic senator-elect from Virginia, has become a pompous poseur and an abuser of the English language before actually becoming a senator." Wednesday's Post "reported that at a White House reception for newly elected members of Congress, Webb 'tried to avoid President Bush,' refusing to pass through the reception line or have his picture taken with the president. When Bush asked Webb, whose son is a Marine in Iraq, 'How's your boy?' Webb replied, 'I'd like to get them [sic] out of Iraq.' When the president again asked 'How's your boy?' Webb replied, 'That's between me and my boy.'" Will adds, "Webb certainly has conveyed what he is: a boor. Never mind the patent disrespect for the presidency. Webb's more gross offense was calculated rudeness toward another human being -- one who, disregarding many hard things Webb had said about him during the campaign, asked a civil and caring question, as one parent to another. When -- if ever -- Webb grows weary of admiring his new grandeur as a 'leader' who carefully calibrates the 'symbolic things' he does to convey messages, he might consider this: In a republic, people decline to be led by leaders who are insufferably full of themselves."

Abortion Opponents Excited By Independent Film "Bella." In his column in the Washington Post (11/30, A23, 690K), Robert Novak says, "An invited audience that included Commerce Secretary Carlos Gutierrez gathered at National Geographic Society's auditorium Monday night for a screening of 'Bella,' an independently produced feature film. No mere movie, it offers hope for the beleaguered antiabortion movement to reverse the political tide running against it." The movie is "no propaganda film but a dramatic depiction of choices facing an unmarried pregnant woman." While the film has "generated excitement and anticipation in conservative Catholic and other antiabortion circles," the "problem is getting the film in theaters around the country for its public premiere early next April. That is never easy for an independent film with no box-office names, but the problems are magnified when its message runs counter to the social mores of Hollywood."

Ahmadinejad Appeals To Americans In Open Letter. The New York Times (11/30, A16, Slackman, 1.16M) reports Iranian President Mahmoud Ahmadinejad "told the American people on Wednesday that he was certain they detested President Bush's policies -- his support for Israel, war in Iraq and curtailed civil liberties -- and he offered to work with them to reverse those policies." The six-page letter in English was seen as "the latest public step" by Ahmadinejad "to promote a dialogue with the United States." However, Undersecretary of State Nicholas Burns dismissed the letter as "transparently hypocritical and cynical," saying "it reflects a profound lack of understanding of the United States." However, the Times says that "at least tactically the letter seemed to take a page from Mr. Bush himself, who, speaking to the United Nations General Assembly in September, sought to bypass the Iranian government and address the people directly."

The Washington Post (11/30, A17, Wright, 690K) says the State Department dismissed "unusual letter" as a public relations stunt that included nothing new. Spokesman Tom Casey said, "Actions speak louder than words, and I think if you look at the record of Iranian action, we, unfortunately, haven't seen any change in behavior that would indicate that they've got a new approach to things." Casey also told reporters that Iran has no credibility on Iraq, given Tehran's support for violence and the Shiite militias. "That includes its support for terrorism in Iraq. It includes its support for Hezbollah. It includes its support for Palestinian rejectionist groups. It includes its continued defiance of the international community's efforts to deal with the Iranian nuclear program.

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... And that's why Iran finds itself in a very isolated place right now," Casey said.

The AP (11/30, Lederer) notes Ahmadinejad also "suggested it would be beneficial for the US to withdraw its troops from Iraq and spend its money instead on domestic problems, citing the 'many victims' of Hurricane Katrina who continue to suffer and 'countless' Americans living in poverty." The Washington Times (11/30, Pisik, 88K) says Ahmadinejad "implicitly urged the Bush administration to heed the wishes of the American voters who returned the House and Senate to Democrats' control, based largely on discontent over the Iraq war." USA Today (11/30, 2A, Slavin, 2.27M) also reports on the letter.

Some Israelis Liken Iran's Nuclear Ambitions To Holocaust. The Washington Times (11/30, Rabinovich, 88K) reports, "Iran's reported drive to make an atomic bomb has become an existential threat to Israel that some Israelis are likening to the Holocaust -- especially with the United States appearing to back away from confrontation with Tehran." Addressing a Jewish audience in Los Angeles this month, former Israeli Prime Minister Benjamin Netanyahu "added his voice to a growing sense of alarm in Israel about Iran's seemingly inexorable march toward nuclear capability," referring to Ahmadinejad's "repeated calls for wiping Israel off the map." At the same time, the Times says "a war-weary Washington seems to be backing away from a confrontation" with Iran, noting that in a recent meeting with French President Jacques Chirac, President Bush said that he would "understand" if Israel chose to attack Iran's nuclear installations. There was "likewise little comfort from Secretary of State Condoleezza Rice's remark that the US lacked sufficient intelligence on Iran's nuclear facilities to carry out a strike at this time."

Rice To Meet Abbas, Olmert In Push To Restart Talks. The Washington Post (11/30, A17, Kessler, 690K) reports Secretary Rice will meet Thursday with Israeli Prime Minister Ehud Olmert and the Palestinian President Mahmoud Abbas "as part of a US effort to demonstrate progress on the Israeli-Palestinian peace effort." US officials say the renewed attempt to promote peace between the Israelis and Palestinians "is separate from efforts to bring stability to Iraq. But Rice's trip comes as US officials have sought to persuade moderate Arab states to support US endeavors in Iraq," the Post notes. At the same time, US officials "predicted no major breakthroughs from Rice's visit." The Post adds the "renewed emphasis on Middle East peace marks a shift for the Bush administration."

The AP (11/30, Flaherty) says Rice is "trying to cement a shaky cease-fire agreement between the two sides," but while US officials "are reluctant to express optimism, a long-lasting political deal between Israel and the Palestinians…would be a considerable victory for the Bush administration and is considered a necessity to quiet violence throughout the region, including Iraq." Meanwhile the AP notes that Rice's trip "was initially centered on a Mideast democracy and development summit sponsored by Jordan and Russia" where US officials "say they hope to gain momentum there for two US-backed initiatives that would spend money in Mideast countries to aid small businesses and non-governmental organizations."

In a news analysis, the New York Times (11/30, A12, Erlanger, 1.16M) writes that "with the Palestinians unable to agree on a new unity government, little significant movement is expected and Ms. Rice is likely to limit herself to public encouragement and private exhortation." Furthermore, the Times says that "as much as the Bush administration would like to show serious progress in the Middle East, as a part of its effort to shore up support in the region for possible economic sanctions on Iran, both the Israeli and Palestinian governments are politically damaged by the summer's conflicts, with Hamas in the Gaza Strip and Hezbollah in Lebanon, and seem unable to make bold moves." In fact, the Times reports that "there was a debate among those around" Abbas "about whether even to meet with Ms. Rice, since he had made so little progress since their last meeting."

WPost Says Olmert's Offer Represents "Genuine Opportunity" For Arabs. In an editorial, the Washington Post (11/30, A22, 690K) says "with Secretary of State Condoleezza Rice due to meet with Mr. Abbas today, it's easy to dismiss Mr. Olmert's initiative as a public relations effort aimed at helping the Bush administration gain support it desperately needs from moderate Arab governments on Iraq and Iran. … Yet whatever its strategic motive, the Olmert initiative represents a genuine opportunity for Arab governments and Mr. Abbas." The challenge for Abbas, and the Arab leaders who support him, the Post says, "is to use Mr. Olmert's words to break the deadlock on forming a government that can…commit itself to a peaceful settlement."

Abbas Calls For International Peace Conference. The AP (11/30, Lederer) reports Palestinian President Mahmoud Abbas called Wednesday for "an international conference to solve the Arab-Israeli conflict and urged Israel to drop its opposition to a meeting that would address all outstanding issues." He said the so-called Quartet should "play the role of an honest intermediary and guarantor" of the agreements reached at the conference.

Lebanese Fear Possibility Of Second Civil War. The Los Angeles Times (11/30, Stack, 850K) reports, "As recently as last year, many Lebanese emphatically stated that there would never be another civil war," but "with Shiite Hezbollah making a hard play for greater power, and with Sunni-Shiite warfare in Iraq exacerbating religious friction throughout the region, conventional wisdom among

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Lebanese elites has become bleak. On both sides, a tone of wary negotiation has been replaced by hardened faces and fiery pledges to risk death to ensure that their own vision of Lebanon, and their faction's political power, prevails." The Times also observes that last summer's "war between Hezbollah and Israel stripped many Lebanese of their livelihoods and drained them of hope," leaving "a sense that the status quo is not worth preserving."

US, North Korean Negotiators Fail To Reach Agreement On Talks. The AP (11/30, Hutzler) reports US and North Korean negotiators "failed to reach an agreement Wednesday on when to resume six-nation talks," but "stressed their commitment to moving the process forward." Assistant Secretary of State Christopher Hill "left Thursday after two days of talks with North Korean Vice Foreign Minister Kim Kye Gwan, during which he said presented ideas on how the regime…could disarm." Hill told reporters "these are ideas designed to make rapid progress. We discussed them and they're taking them back to Pyongyang and we hope to hear from them soon." Hill also said dates for the next round of six-nation discussions were raised but gave no details. Meanwhile, Japan's Kyodo News agency "cited unidentified officials at the talks as saying Kim had demanded the US lift financial sanctions and freeze UN sanctions." Hill said the issue of the sanctions "was discussed but he made it clear that denuclearization had to be addressed first." However, AFP (11/30, Martin) says a US State Department spokesman late Wednesday "would not rule out eventually suspending sanctions when the full talks restart," saying that, "If circumstances change, then we'll see what happens."

State Department Hopes Ban On Luxury Items Might Encourage Pyongyang. The Washington Post (11/30, A1, Williamson, 690K) reports in a front page article that after Pyongyang tested a nuclear bomb in October, the UN Security Council voted unanimously to "deny the rogue nation and its leader, Kim Jong Il, foreign weapons, nuclear technology -- and luxury goods." According to the Post, the State Department's "newly released list of no-go goodies blends knowledge and legend of the diminutive strongman's high-end tastes. Denying Kim what he craves, the theory goes, might prompt better behavior from a dictator who reportedly spends nearly a million dollars a year on rare cognac."

Bush Visa Waiver Proposal Draws Mixed Reactions. The Washington Times (11/30, Sands, Seper, 88K) reports President Bush's proposal to loosen US visa rules for a select group of allies yesterday "drew strong protests from security analysts and strong support from countries that hope to benefit from the liberalized rules." The Times says the "starkly different reactions underscored the political force of the immigration security issue five years after the September 11 attacks, an issue that will quickly confront the new Democratic Congress early next year." While DHS said yesterday there is "no firm list of countries that would be given the waiver privilege," and says there is no timeline for the proposed changes, which still must be approved by Congress.

Halliburton Subsidiary To Pay Government $8 Million For Kosovo Overbilling. The Washington Post (11/30, A9, Witte, 690K) reports, "A Halliburton subsidiary agreed to pay the government $8 million to resolve accusations of overbilling related to the firm's work for the Army in the Balkans, the Justice Department said yesterday." The allegations against KBR, "formerly known as Kellogg Brown & Root, stemmed from orders placed with 10 foreign subcontractors that were working for KBR on military logistics support in 1999 and 2000. The accusations, made under the federal False Claims Act, included double-billing, inflating prices and providing products that didn't fit the Army's needs during the construction of Camp Bondsteel in Kosovo."

EU Leaders Try To Prevent Rift With Turkey. The Financial Times (11/30, Parker) reports, "Europe's leaders on Wednesday sought to prevent Turkey's troubled European Union membership bid from plunging into a full-blown crisis, as Ankara responded angrily to a call for much of the negotiations to be put on hold." The events "were sparked by a recommendation from the European Commission to freeze talks on almost a quarter of the negotiating topics because of a dispute between Turkey and Cyprus," and Turkish officials "expressed anger that they were not informed by Brussels in advance." One official said the decision and its timing was like a "a bolt of lightning." At a NATO Summit in Riga, EU leaders pleaded with Turkey's prime minister, Recep Tayyip Erdogan to "not walk away from membership talks." EU enlargement commissioner, Olli Rehn, "proposed on Wednesday that Turkey should be barred from opening detailed membership talks in eight out of the 35 policy areas." He "hopes the EU's 25 foreign ministers can bury their differences and agree to the new conditions for Turkey at a meeting on December 11."

The Washington Post (11/30, A14, Moore, 690K) reports, "The European Union's executive arm on Wednesday recommended cutting off talks with Turkey on several key issues in its efforts to join the 25-country bloc, a day after Pope Benedict XVI expressed support for the predominantly Muslim country's pursuit of membership." Prime Minister Erdogan said the recommendation was "unacceptable." The European Commission "recommended suspension of talks with Turkey on eight of the 35 crucial policy areas judged for E.U. membership," and the decision

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followed "over Turkey's refusal to open its ports to vessels from parts of Cyprus controlled by the island's internationally recognized government."

Al Qaeda Denounces Papal Visit. The AP (11/30, Murphy) reports, "Pope Benedict XVI began his pilgrimage among Turkey's tiny Christian communities Wednesday by paying homage to an Italian priest slain during Islamic protests and expressing sympathy for the pressures facing religious minorities in the Muslim world." The Pope is expected "to sharpen his calls for what the Vatican calls 'reciprocity' -- that Muslim demands for greater respect in the West must be matched by increased tolerance and freedom for Christians in Islamic nations." Iraq's Al-Qaeda released a statement "denounce[ing] the pope's visit as part of a 'crusader campaign' against Islam and an attempt to 'extinguish the burning ember of Islam' in Turkey." On Tuesday, the pope "urged religious leaders of all faiths to 'utterly refuse' to support any form of violence in the name of faith," and said "religious freedom was an essential element of democratic values." He "sought a careful balance as he held out a hand of friendship and brotherhood to Muslims," and "expressed support for measures that Turkey has taken in its campaign to join the European Union."

Meanwhile, the Washington Times (11/30, Phillips, 88K) reports Turkey "praised Pope Benedict XVI yesterday for dropping his opposition to Turkish membership in the European Union." On Tuesday, the pope "began a delicate four-day trip to this Muslim NATO nation by meeting Turkish Prime Minister Recep Tayyip Erdogan who afterward quoted the conservative German pope as having dropped his previous well-known hostility to Turkey becoming an EU member." While the Vatican did not confirm the remarks, Rev. Federico Lombardi, Vatican spokesman said the pope "sees positively and encourages the passage of dialogue for the inserting of Turkey in the EU, on the basis of specific common values." Turkey's biggest mass circulation newspapers, the Hurriyet and Milliyet said, "It started beautifully, the pope told the world from Ankara that Islam was a religion of peace."

British Find Radiation Traces On Two British Airways Planes. The New York Times (11/30, Cowell, Myers, 1.16M) reports, "The case of the poisoned former KGB agent took a bizarre twist when British Airways said that traces of radiation had been detected Wednesday on jets that flew between London and Moscow, establishing a possible Russian link and indicating that more than 30,000 people might have been exposed to the radiation." British Airways said "tests had found 'very low traces' of radioactivity so far on two of three Boeing 767s, which were singled out because the police suspected that passengers included people linked to the investigation." Authorities "did not say what substance was detected, but said the radiation posed little danger to the public." Willie Walsh, the chief executive of British Airways, said that "the three airplanes had made 221 flights, including trips to and from Moscow, since late October, carrying 33,000 people." It was "not clear how the traces of radioactivity got onto the British Airways planes or whether polonium 210 had been found."

The Wall Street Journal/AP (11/30) reports that British Airways will "contact passengers who flew on the two jets." The three planes "had been on the London-to-Moscow route," and in "the last three weeks the planes had also traveled to routes across Europe including Barcelona, Frankfurt and Athens." Meanwhile, "an Italian security expert who was one of the last people to meet with Mr. Litvinenko said that tests cleared him of radioactive contamination."

The Washington Post (11/30, A15, Sullivan, Finn, 690K) reports that although "the risk to public health is low" from contamination found on the Boeing 767 planes, airline officials urged passengers to call "Britain's National Health Service or their doctors if they have symptoms or want information." The radiation found on the planes "is an important new clue for investigators who are trying to solve an extraordinary case that has caused political tensions between London and Moscow," because "it may help determine where the polonium-210 came from as detectives follow the trail of the radioactive substance." Traces of radiation "have also been found at Litvinenko's London home, as well as a central London restaurant, a hotel and two offices that he visited Nov. 1, the day he fell violently ill."

USA Today (11/30, 1A, Stinson, 2.27M) reports that Britain's Health Protection Agency "stressed that the risk to the public was slight," and said in a statement, "It can only represent a radiation hazard if it is taken into the body — by breathing it in, by taking it into the mouth, or if it gets into a wound. It is not a radiological hazard as long as it remains outside the body." British Home Secretary John Reid said "radiation tests on the airliners were part of the Litvinenko investigation."

Putin Wishes Gaidar A Speedy Recovery. The Financial Times (11/30, Ostrovsky) reports, "President Vladimir Putin telephoned Yegor Gaidar on Wednesday as the former Russian prime minister recovered in hospital from a mysterious illness friends claim was an attempt to poison him." Putin "wished him a speedy recovery from the violent attack he suffered in Ireland last week, the day after former Russian spy Alexander Litvinenko died in London from apparent radiation poisoning." On Wednesday, a colleague of Gaidar, Anatoly Chubais, head of the country's electricity monopoly, "blamed Mr. Putin's opponents for what he feared was a poisoning attack." Chubais said "the sudden bleeding and vomiting Mr. Gaidar suffered while attending a conference in Dublin should be considered in the same chain of events as Mr. Litvinenko's death and last month's murder

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of Anna Politkovskaya, a journalist." Gaidar, head of an economic think-tank in Moscow, "told the Financial Times he had felt ill after eating a simple breakfast and collapsed in the afternoon." His illness "subsided after a few hours but doctors have been unable to identify the cause of his symptoms," and he was "in a stable condition on Wednesday, undergoing more tests at a Moscow hospital." Gaidar is "a soft critic" of Putin, but Chubais and others close to Gaidar "have ruled out the possibility of a Kremlin-sponsored attempt on Mr. Gaidar."

Correa Calls For End To US Anti-Drug Program. The Washington Times (11/30, Gentile, 88K) reports, "Ecuador's outspoken new leader has promised to end the U.S. military's counternarcotics operations in the South American country, saying it targets rebels from neighboring Colombia." Although "his victory will not be official until later this week," Rafael Correa said "he would not renew the agreement with the United States." Correa "is firm on ending the program," and claims that Washington "uses the base to carry out attacks on Colombian rebels known to hide along the porous jungle border dividing Ecuador and Colombia." The US military "denies" Correa's claim, but "adds that the Manta operation would not shy away from capturing traffickers on Ecuadoran soil that were associated with Colombian groups."

Iraq War Supporter Frontrunner For Canada's Liberal Party Leadership. The Christian Science Monitor (11/30, Dube, 59K) reports that Canada's Michael Ignatieff "is the front-runner going into this weekend's Liberal Party leadership election," and "with the Conservative minority government barely holding on to power, the contest's winner could be next in line to become the next prime minister of Canada." Despite a campaign "dogged by controversy," and his support of the "deeply unpopular Iraq war," from the beginning Ignatieff "has been compared to the legendary former Prime Minister Pierre Trudeau - not so much for his policies as for the aura of hope and charisma that surrounds him." Voting for the Liberal Party begins Friday night, and his main rival is Bob Rae, "a political veteran and former premier of Ontario." They are "trailed by Stéphane Dion, an experienced member of parliament from Quebec, and Gerard Kennedy, a former Ontario education minister."

EU Toughens Emissions Measures To Address Global Warming. The Wall Street Journal (11/30, A6, Ball, Abboud, 2.04M) reports that yesterday, European Union officials "told some member countries to impose tougher curbs on industries starting in 2008 -- a move that could increase costs for businesses -- because the European system is failing to produce big-enough emissions cuts." The EU said "nine of the 10 countries that had submitted proposals for capping emissions between 2008 and 2012 had been too generous to industry," and "told those countries that during the 2008-12 period, they must cut the emissions of their industries covered under the cap by a collective 7% from the 2005 level." They also said "further emissions cuts are crucial to address global warming." The dispute "dispute highlights the practical difficulties of implementing global-warming-emission constraints."

Wyden Urges Investigation Of Chinese Logging. The AP (11/30, Daly) reports that Oregon Sen. Ron Wyden (D) "urged the administration to investigate practices ranging from subsidies of China's timber industry to possible fraudulent labeling of Chinese hardwood plywood and illegal logging." A June report by the US International Trade Commission said that "a relatively large portion of China's log imports may be from questionable sources," and estimated that "as much as half of China's hardwood log imports from Russia and West Africa are from suspicious or illegal sources." He said "he would seek to hold a hearing on the issue next year after Democrats take control of Congress." Susan Schwab, a spokesman for U.S. Trade Representative said "her office will review the letter."

Laptop Project For Developing Countries Stirs Debate. The New York Times (11/30, Markoff, 1.16M) reports that Mary Lou Jepsen, a former Intel chip designer, "found a way to modify conventional laptop displays, cutting the screen's manufacturing cost to $40 while reducing its power consumption by more than 80 percent," to allow the nonprofit project, "One Laptop Per Child" to give $100 laptops for the developing world's children. Five countries: Argentina, Brazil, Libya, Nigeria and Thailand, "have made tentative commitments to put the computers into the hands of millions of students, with production in Taiwan expected to begin by mid-2007." Nicholas Negroponte jumpstarted the effort, but the project has become a "focal point of a debate over the value of computers to both learning and economic development." Now, the project "has tentative commitments for three million computers and will begin large-scale manufacturing when it reaches five million with separate commitments from at least one country each in Africa, Latin America and Asia."

Feingold Voices Concern Over Kenya's Political Upheaval. AFP (11/30) reports that Wisconsin Sen. Russell Feingold "voiced concern over political developments in Kenya ahead of next year's general elections, as the opposition warned of mass action to protest alleged government malfeasance," and Kenya's founding president's son Uhuru Kenyatta, "was ousted as opposition

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leader with reported government backing." He "referred to Kenya's much-hailed 2002 polls in which Kenyatta was defeated by current President Mwai Kibaki in what many observers believed was one of Africa's most and free and fair elections," and on Tuesday, Kenyatta "lost that position when the government recognized a splinter KANU faction and named a scandal-plagued former minister close to Moi, Nicholas Biwott, as the new party chief."

THE BIG PICTURE:

Headlines From Today's Front Pages.

Los Angeles Times:
"Planting Themselves In Brazil."
"Council Backs Mayor's Veto In Race Bias Case."
"Lebanese Think The Unthinkable: Another Civil War."
"Bush Meets Maliki, Stands Firm On Iraq."
"Ancient Machine Opened The Heavens."
"A Dukakis Win In Westwood."

USA Today:
"Report: Conservation Efforts Offset Land Lost To Sprawl."
"Three Options For Iraq War, But Dangers, Risks Abound."
"Judge: Resume Katrina payments."
"Radiation Found On British Airways."

New York Times:
"Iraq Panel to Recommend Pullback of Combat Troops."
"Iraq's Premier Abruptly Skips a Bush Session."
"Wal-Mart Trips as It Changes a Bit Too Fast."
"More Doctors Turning to the Business of Beauty."
"Police Commissioner Looks Ahead, and Back."
"For $150, Third-World Laptop Stirs a Big Debate."

Washington Post:
"Bush, Maliki Put Off Meeting."
"More Muslims Gaining Political Ground."
"FEMA Told to Resume Storm Aid."
"Do Not Pry Open Until Christmas."
"Hitting Kim Jong Il Right in the Cognac."
"Investigation Of Spy's Death Finds Radiation On 2 Jetliners."

Washington Times:
"Joint Chiefs Oppose Iraq Pullout."
"Strong Protest For Visa Changes."
"Turkey Lauds Pope's EU Support."
"Ford's Buyouts Cut Staff."
"Iran's Nuclear Ambitions Seen Similar To Holocaust."
"vendors Protest Mandated Currency Changes For Blind."

Atlanta Journal-Constitution:
"Officer Accused Of Lying In '01 Wreck."
"Police Informant Has Criminal Past."
"Delta Pilot Recall Shows Recovery Is Progressing."
"Riches To Roads?"
"Iraq Summit Delayed After Leak Of Memo."

Story Lineup From Last Night's Network News:
ABC: Maliki Cancels Session-Jordan; Maliki Cancellation-Analysis; ISG Calls For Direct Talks Iraq's Future-Analysis; Powell Calls Iraq Violence Civil War; Employees Take Ford Buyouts; Frist Not To Run For President; Litvinenko Investigation; Castro's Birthday Celebration; Famous Family Comes Together; Iraqi Refugees-Jordan.
CBS: Maliki Cancels Session-Jordan; ISG Has New Iraq Strategy; More Troops Too Baghdad; Khalilzad Interview; Iraq Police Training Academy; Litvinenko Investigation; Pope Visits Shrine To Virgin Mary; Employees Take Ford Buyouts; Weight Loss Pill; Iraqi Refugees-Jordan.
NBC: Maliki Cancels Session; Al-Sadr-Political Protest; Pentagon-Troop Levels; Iraq-Analysis; Frist-2008; SCOTUS-Global Warming; Pope-Turkey; Litvinenko Investigation; Ford-Buyouts; Stock Markets; Jordan-Iraqi Immigrants.

Story Lineup From This Morning's Radio News Broadcasts:
ABC: Bush, Maliki Meeting; Iraq Study Group-Review Completed; NASA-Discovery To Launch Dec. 7th; Seattle-Record Precipitation; Stock Markets; Ford-Buyouts; GM-Hybrid SUV; Chicago-Businessman Handing Out Money To Strangers.
CBS: Bush, Maliki Meeting; Iraq Study Group- Review Completed; FEMA-Rent For Katrina Victims; Justice Department To Pay $2 Million To Oregon Man Mistakenly Linked To Madrid Train Bombing; Google Answers Shutting Down.
NPR: Bush, Maliki Meeting; Iraq Study Group-Review Completed; Iraq Violence; NASA-Discovery To Launch Dec. 7th; Justice Department To Pay $2 Million To Oregon Man Mistakenly Linked To Madrid Train Bombing; Tokyo Stock Market; Frist-2008; Sewage Handling By Great Lakes Cities.

WASHINGTON'S SCHEDULE:

Today's Events In Washington.

White House:

PRESIDENT BUSH — Meets with the Prime Minister of Iraq, Amman; holds media availability with the Prime Minister of Iraq, Amman; arrives at White House via Marine One.

VICE PRESIDENT CHENEY — Photo opportunity with the 2006 US Nobel Laureates, Roosevelt Room.

LAURA BUSH — Hosts a media preview of the 2006 holiday decorations and tasting event, State Floor.

US Senate: No Scheduled Events.

US House: No Scheduled Events.

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Other: PRESIDENT ANTONIO SACA OF EL SALVADOR _ Highlights: 9 a.m. Meets with Senate Majority Whip Mitch McConnell to discuss foreign assistance, trade and security issues. There will be a photo op at the top of the meeting. Office of the Majority Whip, Room S-208, Capitol.

METHAMPHETAMINE AWARENESS _ Various Methamphetamine Awareness Day events. 10:30 a.m. Attorney General Gonzales leads a panel discussion regarding the dangers of meth use and what individuals and communities can do to address the problem. Others include Virginia Attorney General Robert McDonnell, Assistant DEA Administrator Joseph Rannazzisi, NIDA Director Nora Volkow. George Washington University Media and Public Affairs Building. 11 a.m. Deputy Attorney General Paul J. McNulty joins Alex M. Azar II, Deputy Secretary, U.S. Department of Health and Human Services; James Cox, Sergeant, Fairfax County Police Department; and Eileen McLaughlin, Special Project Teacher, Safe and Drug Free Youth, Fairfax County Public Schools, for an educational presentation on the dangers of methamphetamine. Long & Foster Realtors, 6101 Redwood Square Center, Centreville, Va. 1 p.m. Interior Secretary Kempthorne holds a news conference with the National Congress of American Indians to announce a partnership to do meth prevention programs in Indian Country. National Press Club. Contact: Shane Wolf, 202-208-6416.

FINANCIAL SERVICES _ The Consumer Federation of America holds its 19th annual Financial Services Conference, ``The Consumer in the Financial Services Revolution." Highlights: 9 a.m. Rep. Barney Frank. 1:15 p.m. FDIC Chairman Sheila Bair. 4:45 p.m. Rep. Brad Miller discusses predatory lending. Location: Washington Plaza Hotel, 10 Thomas Circle.

SECURITY LAW _ The American Bar Association Standing Committee on Law and National Security joins the Center for national Security Law, University of Virginia School of Law, and the Center on Law, Ethics and National Security, Duke University School of Law, for the 16th annual Review of the Field of National Security Law. Highlights: 1:30 p.m. Luncheon address by Sen. Arlen Specter, D-Pa., chairman, Senate Judiciary Committee. 8 p.m. Homeland Security Secretary Michael Chertoff delivers keynote dinner address. Location: Marriott at Metro Center, Main Ballroom, 775 12th St., NW.

FIXING FAILING SCHOOLS _ 9 a.m. - 5 p.m. The American Enterprise Institute hosts a discussion, ``Fixing Failing Schools: Is the NCLB Toolkit Working?" Highlights: Location: Wohlstetter Conference Center, 12th floor, AEI 1150 17th St. NW.

AVIATION ISSUES _ 9:15 a.m. - 4:45 p.m. The Airports Council International holds an international aviation issues seminar focusing on EU-U.S. aviation relations, U.S. facilities and security issues and air service developments. Highlights: 9:15 a.m. Daniel Calleja, Director of Air Transport EC, discusses EU perspective on EUY-U.S. aviation relations. 10 a.m. Assistant Transportation Secretary Andrew Steinberg. Location: Hotel Monaco, 700 F St. NW.

CLEAN COAL _ 9 a.m. Energy Secretary Bodman speaks to the fall meeting of the National Coal Council ti discuss the importance and significance of clean coal technologies. Location: Fairmont Hotel, 2401 M St. NW.

CREDIT CARD MARKETS _ 9 a.m. - 10:30 a.m. The Center for American Progress hosts a panel, ``Who's in Charge? Exploring Issues in and Policy Solutions for Credit Card Markets." Keynote address will be delivered by Sen. Carl Levin, D-Mich. Location: Center for American Progress, 10th floor, 1333 H St. NW.

VENEZUELA _ 9:15 a.m. The Center for Strategic and International Studies holds a briefing regarding the upcoming election in Venezuela, the energy situation there and democracy issues in Latin America. Location: CSIS, 1800 K St. NW.

FEMA _ 10:30 a.m. Under Secretary for Preparedness George Foresman and Federal Emergency Management Agency Director David Paulison hold a press conference with National Emergency Management Agency to introduce NEMAs new emergency management tag logo and moniker. Location: National Press Club.

NORTH KOREAN DEFECTORS _ 10:30 a.m. The Defense Forum Foundation holds a news conference with North Korean defectors including a construction worker, a factory worker, a sales woman and a housewife, discussing their escape through China and what drove them to leave their homeland. Location: National Press Club.

INTERNET-LIBRARIES _ 11 a.m. The Bill and Melinda Gates Foundation holds a teleconference on expansion of global libraries initiative to provide no-cost Internet access in public libraries. Notes: Material embargoed until 11 a.m. EST. Please RSVP by email to megan.sathergmmb.com. Upon confirmation, dial-in information will be provided.

EL SALVADOR _ 11:30 a.m. Millennium Challenge Corp. CEO John Danilovich makes remarks at an outreach meeting to discuss the new compact with El Salvador. President Antonio Saca will deliver the keynote address. Location: Hall of the Americas, OAS, 17th St. and Constitution Ave. NW.

ECONOMIC STRATEGY _ 12 p.m. NDN holds a forum on economic strategy, with Ross Eisenbrey of the Economic Policy Institute, John Irons of the Center for American Progress, and Peter Brodnitz, chief strategist for Jim Webb and Harold Ford Jr. Location: Phoenix Hotel, 520 N. Capitol St.

HEALTH INSURANCE _ 12 p.m. America's Health Insurance Plans holds a briefing on a new policy proposal to

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expand access to health insurance coverage. Location: Room S-207, Capitol.

NORTH KOREA _ 12 p.m. The American Society of International Law will host an ``off-the-record lunchtime panel discussion, ``Iran and North Korea: International Legal Issues and Implications for the Nuclear Non-Proliferation Treaty and Other International Agreements," with Dave Jonas, General Counsel, National Nuclear Safety Administration; Newell Highsmith, Assistant Legal Advisor on Nuclear Non-Proliferation, State Department; and Daryl Kimball, Executive Director, Arms Control Association. Location: 2233 Massachusetts Ave. NW.

FEMA-PAULISON _ 12:30 p.m. Federal Emergency Management Agency Director David Paulison addresses a National Press Club. Contacts: Melinda Cooke, 202-662-7501.

KENNEDY-GATES _ 2 p.m. Sen. Edward M. Kennedy, D-Mass., meets with Robert Gates to discuss Gates' nomination to become the next Secretary of Defense. Prior to their meeting they will be available for a brief photo opportunity. Location: Room 317, Russell Senate Office Building. Notes: Cameras only.

NOBEL LAUREATES _ 2 p.m. 2006 Nobel Laureates John Mather and George Smoot, both winners in Physics, and Andrew Fire and Craig Mello, both in Medicine, discuss how their discoveries can potentially improve life or influence mankind, at a symposium sponsored by the Swedish Ambassador. Location: Alfred Nobel Hall, House of Sweden, 2900 K St. NW.

AFRICA-PETROLEUM _ 3:45 p.m. - 5:15 p.m. The Minister of Petroleum from Chad, Emmanuel Nadingar, will give remarks during a workshop titled. ``African Voices Address the Changing Landscape of Competition" at CCA's Oil & Gas Forum. Algeria's Minister of Energy and Mining, Hon. Chakib Khelil, will also deliver remarks. Location: Bethesda Marriott Hotel, 5151 Pooks Hill Road, Bethesda, Md.

ARABS-EASTERN EUROPE _ 4:30 p.m. - 6 p.m. The Woodrow Wilson Center hosts the 2006 Ion Ratiu Democracy Lecture, :Are There Democracy Lessons Arabs Can Learn From Eastern Europe?," delivered by Saad El-Din Ibrahim, American University in Cairo, Recipient of the 2006 Ion Ratiu Democracy Lecture Award. Location: Woodrow Wilson International Center for Scholars Ronald Reagan Building and International Trade Center, One Woodrow Wilson Plaza, 1300 Pennsylvania Ave. NW.

ETHANOL-ENERGY SECURITY _ 6:30 p.m. The Council on Foreign Relations holds an on-the-record meeting on ethanol and energy security, with Vinod Khosla at Khosla Ventures. Location: 1779 Massachusetts Ave. NW.

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USDOJ- Office of Public Affairs

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DEPARTMENT OF JUSTICE *NEWS CLIPS*

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TO: THE ATTORNEY GENERAL AND SENIOR STAFF

DATE: THURSDAY, NOVEMBER 30, 2006 7:45 AM EST

TODAY'S EDITION

Terrorism News:

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TERRORISM NEWS:

Wrongly Accused Man Settles Bomb Suit (AP)

By Sarah Skidmore

AP, November 30, 2006

DOJ_NMG_0099770

PORTLAND, Ore. - The federal government has agreed to pay an Oregon lawyer $2 million to settle part of a lawsuit he filed after the FBI misidentified a fingerprint and wrongly arrested him in the 2004 Madrid terrorist bombings.

"The pain and torture and humiliation that this (case) has caused my family is hard to put into words," Brandon Mayfield said after the settlement was announced Wednesday.

Mayfield was arrested in May 2004 on the basis of a fingerprint found on a bag of detonators in Madrid that was mistakenly matched to him after the March 11, 2004, train bombings that killed 191 people and wounded more than 1,500. Mayfield was jailed on a material witness warrant but was released after the FBI acknowledged the fingerprint was not his.

Mayfield, who was detained for two weeks, and his wife, Mona, maintained that he was arrested because of his Muslim faith.

"We are Muslims. We are American. We are patriotic," Mona Mayfield said. "We are unhappy with the current administration stripping away our rights."

The local FBI office said it was proud of its work in the case, and disagreed Mayfield's religion was a factor because it was discovered after the fingerprint identification, said agent Robert Jordan.

"If a similar investigation was being conducted, and we were provided a fingerprint identification, we would do exactly what we did in the case of Mr. Mayfield," Jordan said. "Of course we regret what happened to Mr. Mayfield, but again, we are proud of what we did here."

The government did not admit liability or fault but issued a formal apology to Mayfield as part of the settlement, said Justice Department spokeswoman Tasia Scolinos.

The FBI has since adopted suggestions for improving its fingerprint identification process "to ensure that what happened to Mr. Mayfield does not happen again," Scolinos said.

Two internal Justice investigations cleared the FBI and prosecutors of wrongdoing, she said. A December 2005 review by the department's Office of Professional Responsibility found that federal prosecutors who handled the investigation acted appropriately.

A month later, Justice Inspector General Glenn A. Fine concluded that Mayfield's faith was not the reason the FBI began its investigation, and that the agency did not misuse provisions of the USA Patriot Act.

The government acknowledged in the settlement that it "performed covert physical searches of the Mayfield home and law office, and it also conducted electronic surveillance targeting Mr. Mayfield at both his home and law office," according to a news release from Mayfield's attorney, Elden Rosenthal.

The settlement allows Mayfield to continue to pursue his challenge of the USA Patriot Act, Rosenthal said. Mayfield claims the act violates the Fourth Amendment because it allows government searches without probable cause that a crime has been committed.

"I look forward to the day the Patriot Act is declared unconstitutional, and all citizens are safe from unwarranted arrest and searches by the federal government," Mayfield said in a statement.

FBI Settles Case Against Lawyer For $2 Million (BVND/MCT)

By Marisa Taylor

The Belleville News Democrat, November 30, 2006

WASHINGTON - Two years ago the FBI branded Oregon attorney Brandon Mayfield a terror suspect, secretly searched his house and eavesdropped on his conversations with his family and co-workers.

On Wednesday, Justice Department officials agreed to pay Mayfield $2 million to settle one part of his lawsuit for his wrongful arrest in connection with the 2004 Madrid train bombings that killed 191 people.

Mayfield, a former Army officer, also got a formal apology. And the settlement allows him to continue his legal challenge to the USA Patriot Act, which Mayfield charges violates the Fourth Amendment by permitting government searches without demonstrating probable cause that a crime has been committed.

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"The United States acknowledges that the investigation and arrest were deeply upsetting to Mr. Mayfield, to Mrs. Mayfield and to their three young children," said Tasia Scolinos, a Justice Department spokeswoman, in a prepared statement. "And the United States regrets that it mistakenly linked Mr. Mayfield to this terrorist attack."

Mayfield believed he was singled out because of his Muslim faith. FBI agents, however, insisted that his arrest was based on a faulty fingerprint identification that linked him to the attack.

Either way, Mayfield's arrest is one of the FBI's most embarrassing episodes in its five-year campaign to detect terrorist cells inside the United States.

The case also cast doubt on the accuracy of the FBI's troubled fingerprint-identification program and raised questions about sweeping anti-terror measures passed by Congress in the wake of the Sept. 11, 2001, terrorist attacks.

Mayfield, 40, was detained for two weeks after agents matched the print of his left index finger with one found on a bag of detonators connected to the Madrid attack.

Spanish authorities, however, were pursuing other suspects. They warned the FBI that their own tests hadn't matched Mayfield's fingerprints with the evidence.

Despite the conflicting reports, FBI agents received approval for "sneak and peak" searches and eavesdropping on his home and office from a secret federal court, authorized by the Foreign Intelligence Surveillance Act, Mayfield's lawsuit alleges.

On May 6, 2004, FBI agents arrested him as a material witness. While in prison for two weeks, Mayfield said, agents threatened him with the death penalty.

Mayfield said he wasn't notified of the searches or the eavesdropping until after he was released. Initially, he thought that his home had been burglarized.

Justice Department Inspector General Glenn A. Fine later found that "contrary to public speculation" the FBI didn't use new provisions of the Patriot Act for the surveillance or searches.

Instead, the report found that the Patriot Act allowed agents to share information with other law enforcement and intelligence officials.

The inspector general's office also concluded that Mayfield's religion wasn't a "sole" cause of the arrest, but likely contributed to the failure "to sufficiently reconsider the identification after legitimate questions about it were raised."

Justice Department officials deny that religion played any part in his arrest.

But Mayfield called any other conclusion "ridiculous." Agents repeatedly cited his religion and ties to the Muslim community in documents given to a federal judge to support his arrest, he said.

Mayfield said that he wouldn't have settled if he'd been barred from pursuing his constitutional challenge to the Patriot Act.

"I am happy with the settlement," he said. "It allows us to move forward with the most important thing, which is the challenge to the Patriot Act. And even though there are pitfalls, I am confident we can win those challenges."

Since the arrest, FBI officials said they've made "significant" changes to the fingerprint identification program to prevent a future mistake.

Ore. Lawyer Settles Suit Over Madrid Bombings (USAT)

By Kevin Johnson, Usa Today

USA Today, November 30, 2006

Gets $2 million, apology from U.S. government

WASHINGTON — An Oregon lawyer erroneously linked to the Madrid train bombings received a written apology and $2 million from the federal government Wednesday.

The monetary settlement involving Brandon Mayfield comes more than two years after he was detained by U.S. authorities who had misidentified a fingerprint lifted from the scene of the Madrid bombings, which killed 191 people in March 2004.

“The United States acknowledges that the investigation and arrest were deeply upsetting to Mr. Mayfield, to Mrs. Mayfield and to their three children,” the government said in a written statement.

It said the FBI has taken steps to ensure that similar errors are not repeated.

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Despite the agreement, Mayfield said he would continue to press a separate legal action challenging the USA Patriot Act. He said provisions of the law, which allows the government broader surveillance authority, represented "unwarranted violations" of privacy in his case.

"The power of the government to secretly search your home or business without probable cause, under the guise of a terrorist investigation, must be stopped," Mayfield said in a written statement.

Mayfield, a convert to Islam, also alleged that investigators went after him because of his faith. "The U.S. government targeted me and my family because of our Muslim religion," he said.

The Justice Department said that was untrue. Spokeswoman Tasia Scolinos said the department's inspector general concluded earlier this year that Mayfield was not targeted because of his religion and found that the FBI had not misused provisions of the Patriot Act.

Investigators in the United States and in Spain were drawn to Mayfield by a fingerprint lifted from bags of detonators found at the scene of the Madrid attacks.

Investigators also learned that Mayfield had represented a member of a group of Oregon residents implicated in an effort to support the Taliban. Mayfield's legal representation involved a child-custody issue, separate from the criminal case.

The FBI said in a written statement that its fingerprint analysis had been based on a digital image of the prints provided by Spanish authorities and not the actual prints.

Mayfield was held under the material-witness law, which allows the government to detain indefinitely people who are believed to have knowledge of terrorist plots and who might flee if they are not in custody.

The government does not often issue public apologies and monetary settlements in cases of mistaken identity.

U.S. Settles Suit Filed By Ore. Lawyer (WP)

By Dan Eggen

The Washington Post, November 30, 2006

The U.S. government agreed yesterday to pay $2 million to settle a lawsuit filed by an Oregon lawyer who was arrested and jailed for two weeks in 2004 after the FBI bungled a fingerprint match and mistakenly linked him to a terrorist attack in Spain.

Under the terms of the settlement filed yesterday in U.S. District Court in Portland, the government also issued an unusual apology to Brandon Mayfield for the "suffering" caused by his wrongful arrest and imprisonment. It acknowledged that the ordeal was "deeply upsetting" to Mayfield and his family.

Mayfield will be able to continue pursuing his legal challenge to the constitutionality of the USA Patriot Act anti-terrorism law, which was used to obtain his personal records while he was under investigation.

The payment is a clear embarrassment for the FBI, which arrested Mayfield as a material witness in May 2004. FBI examiners had erroneously linked him to a partial fingerprint on a bag of detonators found after terrorists bombed commuter trains in Madrid in March, killing 191 people. The bureau compounded its error by stridently resisting the conclusions of the Spanish National Police, which notified the FBI three weeks before Mayfield was arrested that the fingerprint did not belong to him.

Mayfield's lawsuit alleged that his civil rights had been violated and that he was arrested because he is a Muslim convert who had represented some defendants in terrorism-related cases.

The settlement includes payments of $1.9 million to Mayfield and $25,000 each to his wife and three daughters, according to court documents. The amount is more than twice what the U.S. government agreed to pay earlier this year to Wen Ho Lee, a U.S. nuclear scientist who alleged that officials violated privacy laws by identifying him as a suspect in a spying investigation.

The government has also agreed to destroy all material obtained during electronic surveillance of Mayfield and clandestine searches of his home and office.

The case has become a potent symbol for civil liberties advocates who argue that it shows how easily the government can abuse its powers to detain alleged terrorism suspects under relaxed standards of probable cause.

DOJ_NMG_0099773

Mayfield said in a statement yesterday that he was threatened with the death penalty while in custody, that he and his family were targeted "because of our Muslim religion," and that he looks forward "to the day when the Patriot Act is declared unconstitutional."

"The power of the government to secretly search your home or business without probable cause, under the guise of an alleged terrorist investigation, must be stopped," Mayfield said.

Justice Department spokeswoman Tasia Scolinos issued a statement emphasizing that the FBI was not aware of Mayfield's Muslim faith when he was first identified as a suspect and that investigators "did not misuse any provisions of the USA Patriot Act." Scolinos also said the FBI has implemented reforms to avoid a similar mistake in the future.

A report released in March by Justice Department Inspector General Glenn A. Fine found that although Mayfield's religion was not a factor in his initial identification, it contributed to the FBI's reluctance to reexamine its conclusions after challenges from Spanish police.

Fine also found that the FBI used expanded powers under the Patriot Act to demand personal information about Mayfield from banks and other companies, and that the law "amplified the consequences" of the FBI's mistakes by allowing other government agencies to share flawed information.

On March 11, 2004, terrorists later linked to al-Qaeda detonated bombs on several commuter trains in Madrid. The FBI assisted Spanish police by comparing latent fingerprints found nearby on a bag of detonators against its massive fingerprint database, which includes prints from former U.S. soldiers. Mayfield served in the U.S. Army.

Two FBI examiners and a unit chief eventually narrowed the fingerprint match to Mayfield. Spanish police conducted their own analysis and concluded that the print was not Mayfield's. The FBI disputed that finding, dispatching an examiner to Madrid to press its case. Mayfield was arrested three weeks later amid media leaks about the ongoing investigation.

The FBI, which did not comment on yesterday's settlement, has repeatedly said that there were unusual similarities between Mayfield's fingerprints and the one found on the bag of detonators, which was eventually identified as belonging to an Algerian national named Ouhnane Daoud. FBI officials also have denied that Mayfield's status as a Muslim convert influenced investigators' treatment of him.

$2 Million, Apology Settle FBI Fingerprint Error Case (LAT)

By Sam Howe Verhovek, Times Staff Writer

The Los Angeles Times, November 30, 2006

SEATTLE — A misidentified fingerprint cost federal taxpayers $2 million Wednesday and led to an unusual formal apology to Brandon Mayfield, a Muslim lawyer in Oregon whom the FBI says it wrongly named as a suspect in the 2004 Madrid train bombings.

The federal government "regrets that it mistakenly linked Mr. Mayfield to this attack," according to the apology issued by the Justice Department. It added that the FBI had implemented measures to "ensure that what happened to Mr. Mayfield and the Mayfield family does not happen again."

But Mayfield, who under the settlement can still proceed with a legal challenge to the controversial Patriot Act, said the nightmare he endured could happen to someone else.

"I look forward to the day the Patriot Act is declared unconstitutional and all citizens are safe from unwarranted arrest and searches by the federal government," Mayfield said in a statement.

Mayfield was detained in May 2004 after federal officials matched his fingerprint to one found on a bag of detonators in Madrid after the March 11, 2004, commuter train bombings that killed 191 people.

Two weeks later, however, Spanish police said the print belonged to an Algerian man, and the U.S. government said it had made a mistake.

The case highlighted the error potential for fingerprint matching, which some experts say is unacceptably high.

"This is a tip-of-the-iceberg phenomenon," said Simon A. Cole, a professor of criminology, law and society at UC Irvine and author of "Suspect Identities: A History of Fingerprinting and Criminal Identification."

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"The argument has always been that no two people have fingerprints exactly alike," Cole said. "But that's not what you need to have an error. What you need is for two people to have very similar fingerprints, and that's what happened here."

Michael Cherry, president of Cherry Biometrics, an identification-technology company, said misidentification problems could grow worse as the U.S. and other governments add more fingerprints to their databases.

"I really believe there are a lot more Mayfields out there," Cherry said. "We just don't know about these cases because the Spanish police don't always get to oversee them. We simply don't have an identification standard that fits with today's times."

In a report on the Mayfield case in January, the Office of the Inspector General, the Justice Department's internal watchdog, said FBI experts had overlooked "important differences" between Mayfield's prints and those of the Algerian man, and had essentially ignored information from Spanish police that pointed to the other suspect.

"We believe that the FBI laboratory's overconfidence in the skill and superiority of its examiners prevented it from taking the [Spanish report] as seriously as it should have," Inspector General Glenn A. Fine said in a summary of that report.

The Justice Department reiterated its contention that mistakes in fingerprint identification were extremely rare.

"The inspector general made suggestions for improving the FBI's fingerprint identification process, and the FBI has adopted many of those suggestions," said Tasia Scolinos, director of public affairs for the Justice Department.

Mayfield, a former Army lieutenant and a convert to Islam, said Wednesday that the government had "targeted me and my family because of our Muslim religion."

But Fine, in his report, concluded that Mayfield's faith was not the reason the FBI came after him, and he said agency officials had not misused the Patriot Act, which Congress passed after the 2001 terrorist attacks.

President Bush and other defenders of the act say it is an important anti-terrorism tool, but critics say it has handed the government too much surveillance and wiretapping power and tramples on civil liberties. Mayfield's challenge contends the act violates the constitutional guarantee against unreasonable government searches.

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Times staff writer Lynn Marshall contributed to this report.

U.S. Will Pay $2 Million To Lawyer Wrongly Jailed (NYT)

By Eric Lichtblau

The New York Times, November 30, 2006

WASHINGTON, Nov. 29 — The federal government agreed to pay $2 million Wednesday to an Oregon lawyer wrongly jailed in connection with the 2004 terrorist bombings in Madrid, and it issued a formal apology to him and his family.

The unusual settlement caps a two-and-a-half-year ordeal that saw the lawyer, Brandon Mayfield, go from being a suspected terrorist operative to a symbol, in the eyes of his supporters, of government overzealousness in the war on terrorism.

“The United States of America apologizes to Mr. Brandon Mayfield and his family for the suffering caused” by his mistaken arrest, the government’s apology began. It added that the Federal Bureau of Investigation, which erroneously linked him to the Madrid bombs through a fingerprinting mistake, had taken steps “to ensure that what happened to Mr. Mayfield and the Mayfield family does not happen again.”

At an emotional news conference in Portland announcing the settlement, Mr. Mayfield said he and his wife, an Egyptian immigrant, and their three children still suffered from the scars left by the government’s surveillance of him and his jailing for two weeks in May 2004.

“The horrific pain, torture and humiliation that this has caused myself and my family is hard to put into words,” said Mr. Mayfield, an American-born convert to Islam and a former lieutenant in the Army.

“The days, weeks and months following my arrest,” he said, “were some of the darkest we have had to endure. I personally was subject to lockdown, strip searches, sleep deprivation, unsanitary living conditions, shackles and chains, threats, physical pain and humiliation.”

Fingerprint examiners at the F.B.I. erroneously linked Mr. Mayfield to the terrorist bombings in Madrid through a mistaken identification of a print taken from a plastic bag containing detonator caps that was found at the scene of the bombings. The

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bombings, on March 11, 2004, killed 191 people and left 2,000 injured in the deadliest terrorist attack in Europe since World War II.

Despite doubts from Spanish officials about the validity of the fingerprint match, American officials began an aggressive high-level investigation into Mr. Mayfield in the weeks after the bombings. The fact that he had represented a terrorism defendant in a child-custody case in Portland spurred further interest in him. Using expanded surveillance powers under the USA Patriot Act, the government wiretapped his conversations, conducted secret searches of his home and his law office and jailed him for two weeks as a material witness in the case before a judge threw out the case against him.

The settlement includes an unusual condition that frees the government from future liability except in one important area: Mr. Mayfield is allowed to continue a lawsuit seeking to overturn parts of the Patriot Act as a violation of the Fourth Amendment protection against unreasonable search and seizure.

Several legal experts said they considered the settlement significant because of the public apology and the substantial payment.

"You almost never see something like this," said Peter Neufeld, co-director of the Innocence Project, a legal clinic in New York City. "It's extraordinary, but the harm caused him was extraordinary. What I really think it speaks to is just how clearly the U.S. government crossed the line when it went after Mayfield."

Suzanne Spaulding, a former lawyer with the Central Intelligence Agency who specializes in national security law, said that the terms of the settlement allowing Mr. Mayfield to continue his lawsuit over the Patriot Act were also significant.

"You've got to think that the Justice Department did not want to make that concession," she said. "That and the two million dollars are further evidence that they were vulnerable and that he clearly had some significant leverage in these negotiations."

Justice Department officials said they were confident that the legal foundation of the Patriot Act, including the surveillance and search provisions challenged by Mr. Mayfield, would hold up in court.

Although the F.B.I. has acknowledged serious missteps in the case, an investigation by the Justice Department inspector general released this year concluded that the government did not misuse its expanded counterterrorism powers under the Patriot Act and that Mr. Mayfield's Muslim faith was not the reason he was initially investigated. Still, Mr. Mayfield continued to assert Wednesday that he and his family were a target "because of our Muslim religion."

"Our freedom of religion in this country is a sacred right," he said, "and the exercise of one's beliefs in a lawful manner should never be a factor in a government's investigation of any citizen."

In Washington, the settlement was applauded by Representative John Conyers Jr., the Michigan Democrat who is expected to become the chairman of the House Judiciary Committee in January.

"The Mayfield case cries out for checks and balances on what has been, at times, an overzealous pursuit of innocent Americans," Mr. Conyers said. "I am heartened that Mr. Mayfield has received this small measure of justice."

Lawyer Wrongly Arrested In Bombings: 'We Lived In 1984' (CNN)

By Henry Schuster And Terry Frieden

CNN.com, November 30, 2006

PORTLAND, Oregon (CNN) -- The U.S. Justice Department said Wednesday it is paying $2 million and apologizing to an Oregon lawyer wrongly accused of being involved with the 2004 train bombings in Madrid, Spain.

Brandon Mayfield was arrested in Portland on a material witness warrant in May 2004, less than two months after the bombings.

According to an FBI affidavit at the time, his fingerprint was identified as being on a blue plastic bag containing detonators found in a van used by the bombers.

The FBI's fingerprint identification was wrong, however, and Mayfield was released several days later.

The bombings of four commuter trains March 11, 2004, killed 191 people and wounded more than 1,800.

Mayfield charged he was a victim of profiling because the Portland-area attorney was a Muslim convert.

He and his family later sued the U.S. government for damages.

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"We lived in 1984," Mayfield told reporters Wednesday. "I'm talking about the George Orwell, frightening brave new world in which Big Brother is constantly watching you."

"I, myself, have dark memories of stifling paranoia, of being monitored, followed, watched, tracked," he said, choking back emotion.

"I've been surveilled, followed, targeted primarily because I've been an outspoken critic of this administration and doing my job to defend others who can't defend themselves, to give them their day in court, and mostly for being a Muslim."

The government refused, he said, to tell him where they put their cameras and surveillance devices, leaving his family wondering if their private conversations and intimate moments were on display.

"The days and weeks and months following my arrest were some of the hardest and darkest that myself and my family have ever had to endure," he said.

"And all because of this government's ill-conceived war on terror. ... What I really want is for this not to happen to anyone else."

Wednesday's settlement includes not only a $2 million payment and an apology, but also an agreement by the government to destroy communications intercepts conducted by the FBI against Mayfield's home and office during the investigation.

The written apology reads:

"The United States of America apologizes to Mr. Brandon Mayfield and his family for the suffering caused by the FBI's misidentification of Mr. Mayfield's fingerprint and the resulting investigation of Mr. Mayfield, including his arrest as a material witness in connection with the 2004 Madrid train bombings and the execution of search warrants and other court orders in the Mayfield family home and in Mr. Mayfield's law office."

A Justice Department statement released Wednesday said Mayfield was not targeted because of his Muslim faith and that the FBI had taken steps to improve its fingerprint identification process "to ensure that what happened to Mr. Mayfield does not happen again."

"Mr. Mayfield and his family felt it was in their best interest to get on with their lives," said Mayfield's attorney, Elden Rosenthal.

"No amount of money can compensate Mr. Mayfield for being held as a prisoner and being told he faced the death penalty [for the Madrid bombings]."

Mayfield said his suit was not about money.

"It's about regaining our civil rights, our freedom and most important, our privacy," he said.

He and his attorneys said the settlement will allow him to continue the portion of his lawsuit challenging the constitutionality of the Patriot Act.

Mayfield contends that his home was searched under provisions of the Patriot Act.

Oregon Lawyer Wrongly Arrested After Madrid Bombings Settles Lawsuit For $2 Million (AP)

By Anne M. Peterson, Associated Press

AP, November 30, 2006

PORTLAND, Ore. – A lawyer the FBI wrongly arrested after the 2004 Madrid terrorist bombings because of a misidentified fingerprint has settled part of his lawsuit against the U.S. government for $2 million.

Brandon Mayfield, who was detained for two weeks in 2004, maintained that he was arrested because of his Muslim faith.

“Not only does my detention as a material witness in the Madrid bombing underscore the fallacy that fingerprint identification is reliable, I hope the public will remember that the U.S. government also targeted me and my family because of our Muslim religion,” he said in a statement Wednesday.

The local FBI office said Wednesday that it was proud of its work in the case – other than the fingerprint error.

“If a similar investigation was being conducted, and we were provided a fingerprint identification, we would do exactly what we did in the case of Mr. Mayfield,” said agent Robert Jordan. “We are very proud of what we did here, but we recognize that our laboratory made a mistake.”

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Justice Department spokeswoman Tasia Scolinos said the FBI has since adopted suggestions for improving its fingerprint identification process "to ensure that what happened to Mr. Mayfield does not happen again."

The U.S. formally apologized to Mayfield as part of the settlement, Scolinos said.

Two internal Justice investigations cleared the FBI and prosecutors of wrongdoing, she said. A December 2005 review by the department's Office of Professional Responsibility found that federal prosecutors who handled the investigation acted appropriately.

A month later, Justice Inspector General Glenn A. Fine concluded that Mayfield's faith was not the reason the FBI began its investigation, and that the agency did not misuse provisions of the USA Patriot Act.

Mayfield was arrested in May 2004 on the basis of a fingerprint found on a bag of detonators in Madrid that was mistakenly matched to him after the March 11, 2004, train bombings that killed 191 people and wounded more than 1,500. Mayfield was jailed on a material witness warrant but was released after the FBI acknowledged the fingerprint was not his.

The government acknowledged in the settlement that it "performed covert physical searches of the Mayfield home and law office, and it also conducted electronic surveillance targeting Mr. Mayfield at both his home and law office," according to a news release from Mayfield's attorney, Elden Rosenthal.

The settlement allows Mayfield to continue to pursue his challenge of the USA Patriot Act, Rosenthal said. Mayfield claims the act violates the Fourth Amendment because it allows government searches without probable cause that a crime has been committed.

"The Patriot Act is decidedly not patriotic," Rosenthal said. "We will vigorously pursue this constitutional challenge to the highest courts in the country."

Mayfield Settles For $2 Million (OREG)

By Bryan Denson, The Oregonian

The Oregonian, November 30, 2006

A Portland-area man, who sued the U.S. over his treatment in a bombing case, tells of ordeal

Brandon Mayfield, the Portland-area lawyer wrongly linked to the deadly Madrid, Spain, train bombings of 2004, accepted a $2 million settlement Wednesday in his lawsuit against the federal government, setting up a legal showdown over the constitutionality of the USA Patriot Act.

The United States will pay the convert to Islam $1.9 million for the emotional toll he suffered from two weeks of imprisonment as a material witness to a crime he knew nothing about, with another $100,000 going to his wife and three children for their suffering.

The government also agreed to destroy all materials seized from Mayfield's home and office. And it agreed to issue the 40-year-old lawyer another apology for FBI foulups that matched him to a fingerprint found in Madrid, leading to his investigation as a possible terrorist.

At a news conference Wednesday in a downtown Portland high-rise, the lean, bespectacled lawyer likened his ordeal to an Orwellian nightmare.

"I am talking about the George Orwell frightening brave new world in which Big Brother is constantly watching you, complete with 24-hour surveillance, thought control and doublespeak," Mayfield said. "Where war means peace. Freedom is slavery. Ignorance is strength. Where torture is morality. And an act that strips you of your civil rights could be called a Patriot Act."

Mayfield and his wife, Mona, said the $2 million settlement will help pay their lawyers and put their children through college. But they said the money could never make them whole for what they described as illegal violations of their privacy.

"To this date," Mayfield said, "the government has refused to tell us where they placed their electronic listening devices and cameras, leaving myself and family to forever wonder if they were listening to our most private conversations, watching our most intimate interactions."

The Mayfields hired celebrity lawyer Gerry Spence of Wyoming, prominent Portland civil rights attorney Elden Rosenthal and Newport attorney Michele Longo Eder, to sue federal officials, contending that he was targeted because he is a Muslim. The lawsuit also challenged the constitutionality of a provision of the USA Patriot Act.

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Mayfield said he would continue to pursue his challenge to key provisions of the 2001 law, including one that allows searches without requiring the government to show probable cause that a crime has been committed.

The lawyer was taken into custody by federal agents in May 2004 and detained for two weeks as a material witness in the Madrid bombings. But he acknowledged that he and his family felt they had been watched well before the arrest, including the day they found dirty shoe prints on a clean carpet in their home, a place in which shoes were never worn.

"The government agents came into my home," said Mona Mayfield. "They bugged my home. They tapped my phone lines and terrorized my family -- and simply because we're Muslim."

Robert Jordan, the special agent in charge of the FBI in Oregon, disputed the contention that Mayfield was targeted because of his faith. He pointed out that the event triggering the investigation was a fingerprint found in a bag of detonators in Madrid; only later did the FBI learn that the lawyer was Muslim.

"If the same fingerprint identification came in again, we would do the exact same thing," Jordan said. "Not only did we do nothing wrong here, but everything we did was premised on a fingerprint identification. Our investigation was extremely thorough and extremely professional."

"But the investigation," Jordan acknowledged, "was built on sand, because the investigation was predicated on this fingerprint that the (FBI) lab later determined they were wrong about."

Two weeks after Mayfield's arrest, Spanish investigators linked the fingerprint to an Algerian national. Mayfield was released from custody the same day.

The Mayfield case prompted reforms of FBI fingerprint analysis procedures, Jordan said. Agents are now more circumspect in the manner by which they take fingerprint data, which must now be corroborated by an independent investigator, he said.

Jordan publicly apologized to Mayfield when the FBI acknowledged the fingerprint error in May 2004. But Wednesday, by agreement of the government and Mayfield's lawyers, it was the U.S. Department of Justice's turn to apologize.

"The United States acknowledges that the investigation and arrest were deeply upsetting to Mr. Mayfield, to Mrs. Mayfield, and to their three young children," the Justice Department wrote, "and the United States regrets that it mistakenly linked Mr. Mayfield to this terrorist attack."

Wednesday's settlement amounts to part one of Mayfield's case against the U.S. government. The settlement allows the lawyer to continue his lawsuit challenging the constitutionality of the Patriot Act provision that put him under secret surveillance.

Prior to enactment of the Patriot Act, government agents could, under the Foreign Intelligence Surveillance Act, get a judge's approval for wiretaps and other surveillance only if they could show their primary purpose was to investigate a foreign agent as part of a matter of national security.

The Patriot Act changed that law, said Rosenthal. Government agents can now get permission for the secret surveillance by saying their investigation is partly rooted in an international terrorism case.

"Here Mr. Mayfield fell right in the cross hairs," Rosenthal said. "They were investigating the crime of international terrorism, and without presenting probable cause to anybody that Mr. Mayfield could be connected to the crime, they got all these warrants."

Mayfield is challenging the law on grounds that it violates constitutional search-and-seizure constraints.

Constitutional law professor Carl Tobias, a professor at the University of Richmond, said he was leery of a challenge to the Patriot Act on grounds that it allowed flimsy pretexts for government snooping. "But that doesn't mean you shouldn't try," he said.

Rosenthal said lawyers for Mayfield and the government will set up a briefing schedule in the next week or two. The case is expected to be argued before U.S. District Judge Ann Aiken early next year.

Spence told reporters Wednesday that the Patriot Act should worry all Americans.

"We have some secret agents," he said on a conference line from Jackson Hole, Wyo., "who file secret papers that we can never see. And they're filed in a secret proceeding, and no right is given to the citizens . . . And out of those secret papers comes a secret order. And then people come secretly to your house, and they secretly break into your house. And they secretly put in listening devices.

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"So that secretly the entire lives of these people become the property -- not of us, not of the parties, not of the citizens -- but our private lives become the property of the United States government. . . . So that this becomes their asset.

"They've stolen the most sacred part of our lives."

Noelle Crombie and Lynne Palombo of The Oregonian staff contributed to this report. Bryan Denson: 503-294-7614; bryandenson@news.oregonian.com

Mayfield Settlement Still Leaves A Lot To Be Settled (POREG)

The Oregonian, November 30, 2006

It was just possible, at Wednesday afternoon's news conference to announce a partial settlement in Brandon Mayfield's case against the U.S. government, to reassure oneself that the system worked.

After all, the Beaverton attorney -- who was arrested and held and had his office and home secretly searched and monitored following a fingerprint misidentification -- is receiving $2 million and an apology from the government that abused his rights and his family.

But the experience of the case, and the procedures and the laws involved, argue that the system is still a ways from working. Just how far will be considered by another Mayfield lawsuit, challenging the constitutionality of parts of the U.S.A. Patriot Act, and new congressional judiciary committees likely to take a more challenging view of expanding claims of government power.

Mayfield, an active Muslim convert, was arrested in May 2004 after Spanish officials reported a computer match of his fingerprint with one found on a bag of detonators after a massive terrorist train bombing in Madrid. The match turned out to be false, and Spanish investigators doubted it well before the fingerprint was matched to a Moroccan militant and Mayfield was released.

But by then, Mayfield had been held for two weeks as a material witness on charges that could bring the death penalty, and his home and office were searched -- with cameras and microphones installed -- under sections of the Patriot Act allowing the government to act in secret and give him no opportunity to challenge the actions.

Mayfield's experience, pointed out his attorney Gerry Spence, was based on "secret papers that we can never see, and out of those papers came a secret order, and then people come secretly to your house, and they secretly break in."

Any government will always make mistakes, and this outcome shows that the U.S. government can still be held accountable. Robert Jordan, special agent in charge of the Portland FBI, insisted Wednesday that aside from the fingerprint misidentification, "We are very proud of what we did here."

But a cloak of secrecy makes it hard to check government power or defend citizens' rights, to know just how much Mayfield's Muslim identity overwhelmed doubts about the evidence that the Spanish raised very early in the process. It makes it impossible for Mayfield to know, even now, what the FBI learned about him and who else might know it now.

"There's a part of me that walked into the Multnomah County Detention Center," said Mayfield, "that never walked out."

You could sit in the news conference Wednesday and conclude that the system worked.

But you'd also conclude that it needs to work better.

Gonzales Pledges Warrantless Wiretaps Will Continue (KQXT)

By Jim Forsyth

KQXT-FM, San Antonio, November 30, 2006

Exclusive interview with 1200 WOAI news

The strongest defense to date of the controversial warrantless surveillance program from Attorney General Alberto Gonzales. As the Justice Department's inspector general opens an investigation into the effort, Gonzales told WOAI radio in his hometown of San Antonio that it is an 'effective and important program' and he's confident it will eventually be upheld in the courts.

The entire interview will air Thursday morning at 6:20 and 7:10 on San Antonio's First News.

Gonzales also pledged to correct any 'shortcomings' in the program that may be identified by the IG's probe.

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Gonzales said the program to wiretap conversations between people in the United States and people overseas that the government suspects of being involved in terrorism is 'most definitely' continuing despite a ruling of a federal judge in Detroit that the program is unconstitutional, and loud complaints about it from Democrats in Congress. Justice Department IG Glenn Fine notified Rep. Zoe Lofgren (D-Calif) Tuesday that he has opened an investigation into the department's handling of the program, but not into whether the program itself is legal.

"Even those who have been critical of the President's authority to do this, except for maybe one person in Congress, nobody has suggested that the program stop," Gonzales said. "I think people understand that it is an effective program. The Director of the CIA has testified that it has been a very effective program in protecting America. It's for that reason, while questions have been raised about the legal authorities of the President, we do believe that the President has the authority to authorize surveillance of the enemy at time of war, and that authority comes from the authorization by Congress to use military force which came shortly after the September 11th attacks."

Gonzales, however, rejected demands from Lofgren and other Congressional Democrats, to order Fine to probe not just the implementation of the warrantless surveillance program, but its legality as well.

"He doesn't have the expertise or authority to do that, quite frankly. It is the job for the lawyers within the Department of Justice to determine if something is legal. We have reviewed this program, and in our judgment it is lawful."

Gonzales also said the American people want the program to continue, saying 'the American people want their government to ascertain why someone in the U.S. is talking to Al-Queda.'

Gonzales declined to say whether the warrantless surveillance program will continue if the current lame duck Congress or the Democrat dominated Congress that takes office in January fails to pass legislation pushed by the White House which would grant statutory legality to the program.

"We'll continue to work with Congress," he said. "I know the next Congress will be committed to doing everything it can to protect America, and we will just work together and try to find the best way to do that. The program is important, and we're going to have to find a way to help it continue."

A Crack In The Stone Wall (NYT)

The New York Times, November 30, 2006

It was one of the more outrageous moments in the story of the Bush administration's illegal domestic wiretapping. Almost a year ago, Congressional Democrats called for a review of the Justice Department's role in the program. But the department investigators assigned to do the job were unable to proceed because the White House, at President Bush's personal direction, refused to give them the necessary security clearance.

Now the president, for reasons we can't help thinking might have something to do with this month's elections, has changed his mind. The White House will give Justice Department inspectors the required clearance, and a review will go forward.

That's all to the good, as long as the investigation is not intended to pre-empt any efforts by the new Democratic majority to conduct its own Congressional review of the wiretap program. The Justice Department inquiry will hardly do the full job.

The department's inspector general, Glenn Fine, has already said that the question of whether the program was legal is beyond his jurisdiction. Instead, he will investigate whether department employees followed the rules governing the program — rules that were established in a secret executive order signed by the president in October 2001.

Whether or not Justice Department employees followed the rules they were given may have bearing on their individual performance evaluations, but it will tell us very little else. Since the rules Mr. Bush established under his secret order will presumably stay secret, the investigation will not even help us to understand just how far from established legal standards he strayed when he authorized the government to eavesdrop on Americans' international calls and e-mail without a court-issued warrant.

The Justice Department inquiry also will do nothing to fix the biggest problem with Mr. Bush's eavesdropping program, which is that — once again — he ignored existing law and instead tried to create a system outside the law, resting on his dangerously expansive claims of executive power.

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If Mr. Bush had wanted to conduct the wiretapping within the law, he could have quite easily done so, using the Foreign Intelligence Surveillance Act. That law, written after the Watergate scandal and the eavesdropping abuses of the Vietnam era, created a special court to approve applications for domestic surveillance. The court operates in secret, and has rarely denied the authorities' requests. Even in the post-9/11 era, it should have met the administration's needs. And if there was a problem, Congress had shown itself ready and willing to amend the law.

Mr. Fine, who has proved himself willing to criticize administration operations before, could still provide an important — if limited — service. He says, for instance, that he will examine how information gleaned from the wiretaps was used to pursue criminal cases. That inquiry should be useful for those who have been wondering whether the enormous amount of information collected significantly helped antiterrorism efforts, or simply complicated them with a flood of unmanageable data.

The investigation might also help Congress understand whether FISA needs updating — something the administration has been loath to discuss as long as it has been able to end-run the court. Senator Dianne Feinstein, who has introduced a bill aimed at making it easy for the government to get quick court approval of wiretaps on those suspected of terrorism or spying, has already said that nothing she has heard in secret briefings suggests that anything the administration needed could not have been conducted under FISA.

The question of the wiretap program's constitutionality is now making its way through the courts and should ultimately be decided by the Supreme Court. Congress should not be satisfied with Mr. Fine's very limited investigation. It should mount its own independent inquiry into how the war on terror, and American civil liberties, are being affected by an eavesdropping program about which we have been told so little.

Terrorist Case Against Denver Family Ended (DENP)

By Bruce Finley, Denver Post Staff Writer

Denver Post, November 30, 2006

A federal judge on Wednesday declared the end of the government's four-year case against a Denver Pakistani-American family once targeted by the FBI as terrorists.

Family members whose lives were turned upside down simply wept. "We've lost everything," longtime Colorado restaurateur Abdul Qayyum said.

Chief U.S. District Judge Lewis Babcock accepted plea deals with federal prosecutors who dropped and reduced immigration charges they pursued after their terrorism case fizzled against Qayyum, his daughter Saima Saima, wife Chris Warren and nephew Irfan Kamran.

Now only Haroon Rashid, Saima's husband, is jailed. Federal prosecutors dropped all charges against him, too. But Rashid, jailed for more than two years, still faces deportation after a misdemeanor assault on a gang member who hassled his family.

A federal appeals court on Nov. 20 temporarily blocked Rashid's deportation pending an appeal to the U.S. Supreme Court.

FBI agents targeted this family of naturalized U.S. citizens from the Pakistan-Afghanistan borderlands based on secret evidence after the 9/11 attacks. U.S. Attorney General John Ashcroft trumpeted the case as aggressive action against terrorists.

"When the attorney general of the United States declares your family terrorists," the result is damage "far beyond anything this court can do," defense attorney Ray Moore told Babcock during one of two emotional hearings Wednesday.

The family suffered financially as their restaurant in Castle Rock closed. Children faced teasing; mothers grew deeply depressed.

Babcock acknowledged that the long, hard case was trying on everyone involved. "Sometimes these things take too long. ... This is one of those cases where it just took time to get it right."

The immigration charges FBI agents pursued after allegations of links to al-Qaeda evaporated in 2004 involved statements family members made about a relative to get him a visa to enter the U.S. In multiple plea deals made final Wednesday, Qayyum pleaded guilty to one charge of making a false statement to a federal agent. He received a sentence of one year's probation.

And Kamran, a father of four, pleaded guilty to a petty offense after prosecutors dropped two felony charges. All charges were dropped against Warren and Saima.

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"The most important thing that hurt me emotionally was when they pointed guns at my kid and he was shivering" during a raid, Kamran said.

Yet "I still haven't changed my mind about this country," he said. "I'm still positive. There are still a lot of people with good values."

Federal prosecutors defended their actions.

"I don't know if there was any excess in this case. It was done just like any other case would be," Assistant U.S. Attorney David Gaouette said.

Now defense attorneys say they're trying to make sure family members' names aren't on federal terrorist watch lists.

Alleged CIA Torture Victim Speaks Out (AP)

By Desmond Butler

AP, November 30, 2006

WASHINGTON - Khaled el-Masri, who claims the CIA kidnapped and tortured him, recounted his story on Capitol Hill on Wednesday and said he hoped he could help prevent others from suffering a similar fate.

The Kuwaiti-born German citizen said he had brought his story to Washington to encourage greater oversight of CIA activities and force the U.S. government to acknowledge what happened to him.

"I really want to raise awareness in the Congress so that they can bring some pressure to bear and make changes," el-Masri said in German after he briefed Senate aides.

A federal appeals court in Richmond, Va., heard arguments Tuesday by el-Masri's lawyers urging the judges to reinstate his lawsuit against a former CIA director, George Tenet, and others.

Discussing the case, el-Masri told reporters, "What really matters to me is that I would like to know why this was done to me, and I want an explanation and an apology."

He added, "I think that we can all benefit from what happens in my case, including others who are still in prison in other parts of the world without the rule of law."

El-Masri alleges he was kidnapped while trying to enter Macedonia for a vacation on Dec. 31, 2003. He claims he was flown to a CIA-run prison known as the "salt pit" in Kabul, Afghanistan, where he was beaten and sodomized with an object during five months in captivity.

"The conditions that I was confronted with were not fit for a human," he told reporters. He said his food was barely edible and the water putrid.

"It was like water you left in an aquarium for years," he said. "When you took one sip, the taste stayed in your mouth for hours."

The CIA has refused to comment on el-Masri's allegations, which have put a spotlight on the intelligence agency's secret program to deliver suspected terrorists for interrogation in foreign countries. The practice has been heavily criticized by human rights groups.

El-Masri's suit was dismissed in May when a judge ruled that a trial could harm national security by revealing details about CIA activities.

El-Masri said that despite the setback, he had confidence in the courts and the U.S. justice system. He previously was denied entry into the United States when he arrived to publicize the filing of his suit last year, according to the American Civil Liberties Union, which has supported his case. In recent weeks, he was issued a visa.

ACLU lawyer Ben Wizner told the appeals court on Tuesday that el-Masri was "the public face of a publicly acknowledged program" whose basics generally have become known. Thus, the lawyer said, the case could be considered without exposing government secrets.

Justice Department lawyer Greg Katsis argued that the government properly invoked its state secrets privilege to protect information outlined in a classified affidavit that Judge T.S. Ellis III read before dismissing the suit

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El-Masri's allegations also are the subject of a German parliamentary investigation that is trying to clarify when German government officials became aware of el-Masri's case and whether German security services participated in interrogations in Afghanistan.

The appeals court usually takes several weeks to issue its ruling.

Terror Watch: Showdown Over Padilla (NSWK)

By Michael Isikoff And Mark Hosenball

Newsweek, November 30, 2006

Accused terrorist Jose Padilla wants to describe how he was treated in a military brig. The government is trying to keep him quiet.

A looming court fight over claims that one-time enemy combatant Jose Padilla was "tortured" by the U.S. military is threatening to create new difficulties for one of the Bush administration's most high-profile terrorism cases.

In a motion last week, the Justice Department asked a federal judge to block any public testimony about the circumstances of Padilla's interrogations during the more than three years he was detained and interrogated in a military brig in South Carolina. For most of that time, Padilla, a 35-year-old Brooklyn-born U.S. citizen who was raised in Chicago, was held incommunicado, unable to meet with his lawyer or any other visitors.

Even permitting Padilla's lawyers to raise the issue of his alleged mistreatment, prosecutors argued, may "inflame the jury" and invite "jury nullification"—the term used to describe what happens when rebellious jurors declare a defendant not guilty, no matter what the evidence, because they are so offended by the government's conduct. (The prosecutors also say there is "not a shred of record evidence" to back up Padilla's claims that he was tortured and asserted that the "conditions of his confinement were humane and designed to ensure his safety and security.")

But defense lawyers are convinced that given the seriousness and the specificity of Padilla's claims of mistreatment—many of which involve the use of aggressive interrogation techniques virtually identical to those the Pentagon has confirmed using at Guantánamo—the judge in his case, Marcia Cooke, may have little choice but to order a pretrial hearing on his allegations.

Padilla's lawyers say they will soon file "additional material" to back up their torture claims. And if Cook grants them a hearing, it could open the door for the first time to questioning in a U.S. courtroom about controversial interrogation methods that were used against one of the most sensitive detainees in U.S. government custody. Padilla's fate is all the more important because his incarceration by the U.S. military was directly ordered from the White House by President Bush.

The matter could prove even more awkward because, according to a source close to Padilla's defense team—who asked not to be identified talking about sensitive matters—any hearing could end up requiring the Pentagon to turn over highly classified video and audiotapes allegedly made of Padilla's interrogation sessions at the U.S. military brig in Charleston, S.C. The content of the tapes has been the subject of recent discussion among lawyers in the case, the source said.

Cmdr. J. D. Gordon, a Pentagon spokesman, declined to comment on the existence of any secret tapes made of Padilla's interrogation sessions. "We don't comment on cases that are under litigation," he said. Asked about interrogation tapes, Anthony Natale, one of Padilla's defense lawyers, said: "It would be unlawful for me to make any comment about that matter." The court docket in Padilla's case shows that a number of recent motions have been filed in the case under seal in order to avoid public disclosure of material that remains classified.

Padilla's story first became public on June 9, 2002, when Attorney General John Ashcroft announced in a press conference from Moscow that the former Chicago gang member had been apprehended a month earlier coming into the country because he had plans to carry out a radiological "dirty bomb" attack on behalf of Al Qaeda. That same day, President Bush signed an extraordinary order declaring that Padilla, who converted to Islam while living in Florida, was "closely associated with Al Qaeda" and was "an enemy combatant" in the war on terror. Padilla was then removed from the criminal justice system, stripped of his constitutional rights—including the right to consult with his lawyer—and dispatched to the military brig.

But last year, in what was widely seen as an attempt to avoid a potentially adverse U.S. Supreme Court ruling on the constitutionality of President Bush's actions, Padilla's case was abruptly transferred back to a regular criminal court, where he was indicted on charges that he was part of a North American "jihad" cell that supported Islamic extremists overseas. The

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indictment made no mention of any plans to set off a "dirty bomb"; law-enforcement officials have since acknowledged that the supposed dirty-bomb attack, which was based on claims made by other Al Qaeda detainees, never got beyond the talking stage anyway.

But the Justice Department's efforts to criminally prosecute Padilla have run into repeated problems. Judge Cook dismissed the most serious conspiracy count against him, removing the possibility that he will receive a life sentence. The case took a further unexpected turn last month when Padilla's lawyers filed a highly detailed 20-page motion alleging that all the criminal charges against him should be dismissed because of "outrageous government conduct," including a claim that he was forcibly administered mind-altering drugs in an effort to get him to provide information about his alleged Al Qaeda accomplices.

Among the specific allegations made in the motion were claims that Padilla was kept in a state of "complete sensory deprivation," confined for months at a time in a "tiny cell" where the temperatures were manipulated to "extremely cold" levels and "noxious fumes" were introduced, causing his eyes and nose to run. Loud clanging noises were repeatedly heard making it impossible for him to sleep, the motion stated. Padilla himself was hooded, forced to stand in uncomfortable stress positions and kept "shackled and manacled with a belly chain," the motion further states. He was also threatened with being forcibly removed from the United States to another country, including the U.S. Naval Base at Guantánamo as well as threatened with being cut with a knife and having alcohol poured on his wounds, it says.

"Often, he had to endure multiple interrogators who would scream, shake and otherwise assault Mr. Padilla," the motion states. "Additionally, Mr. Padilla was given drugs against his will, believed to be some form of lysergic acid diethylmamide (LSD) or phencyclidine (PACP) to act as a sort of truth serum during his interrogations."

Gordon, the Pentagon spokesman, said in response: "The government in the strongest terms denies Padilla's allegations of torture—allegations made without support and without citing a shred of record evidence. It is our policy to treat all detainees humanely."

But at least some of the allegations in Padilla's motion mirror claims that were first made by FBI agents and lawyers for detainees held at Guantánamo and which were later confirmed by the U.S. military. An investigation ordered by Gen. Bantz J. Craddock, commander of the U.S. Southern Command, found last year that military interrogators at Guantánamo did in fact subject some detainees to yelling and loud noises, disrupt their sleep patterns, lower the temperatures in their cells to make them uncomfortable—all in an effort to "lower their resistance" and get them to provide interrogators with more information. The report found that in 2002, Secretary of Defense Donald Rumsfeld himself approved sleep deprivation as an authorized technique to use against one particularly high-value detainee, a Saudi prisoner named Mohammed Qahtani who was suspected of being the 20th hijacker in the 9/11 attacks. Rumsfeld also approved the use of adjusting the air conditioner to extremely cold levels in the interrogation of a second Guantánamo detainee, the report found.

It is still far from clear that, even if Judge Cook orders a hearing on Padilla's claims, it will make a difference to the outcome of his case. Prosecutors have argued that because they are not planning on using any evidence derived from Padilla's interrogations, the circumstances of how he was treated make no legal difference. Cook would essentially have to find that the treatment of Padilla "shocks the conscience" of the court—a heavy legal burden—for the case against him to be dismissed.

But defense lawyers may have hinted at the ultimate significance of their claims in a portion of their motion last month, when they referred to the "psychological damage" done to Padilla as a result of the aggressive methods used against him. Natale, Padilla's lawyer, said the defense will expand on this reference in a court filing that may be filed by the end of the week. One possibility is that Padilla's lawyers will ask that he be deemed incompetent to stand trial, said the source close to Padilla's defense team who declined to be identified. In court hearings and in private meetings, the source said, Padilla has shown signs of being withdrawn, unable to communicate or respond when questions about what happened to him arise. "It's almost like you're dealing with a turtle," the source said.

Federal Judge Rules Bush Executive Order Invalid (WT)

By Jerry Seper, The Washington Times

The Washington Times, November 30, 2006

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President Bush lacks the constitutional authority to designate groups and persons as terrorists under a post-September 11 executive order, according to a federal judge in Los Angeles.

U.S. District Judge Audrey B. Collins, in a challenge brought by the Washington, D.C.-based Center for Constitutional Rights on behalf of the Humanitarian Law Project, said a Sept. 24, 2001, executive order naming 27 groups and persons as "specially designated global terrorists" (SDGTs) allowed no way for those designated to challenge the ruling.

In a 45-page ruling, Judge Collins said the executive order "contains no definable criteria" to constrain the president's use of it, and, as a result, "is unconstitutionally vague on its face." She said the order is subject only to Mr. Bush's "unfettered discretion."

The judge also said the order "contains no definable criteria for designating individuals and groups as SDGTs," and improperly gives the secretary of the Treasury the power to impose penalties for "mere association" with the groups.

The ruling, made public on Tuesday, came in a lawsuit in which the Humanitarian Law Project, through the Center for Constitutional Rights, sought to support the nonviolent work of two groups designated as terrorist: The Kurdistan Workers Party, the main Kurdish political party in Turkey, and the Liberation Tigers of Tamil Eelam, a rebel group fighting for a separate homeland for Tamils in Sri Lanka.

"This law gave the president unfettered authority to create blacklists, an authority President Bush then used to empower the secretary of the Treasury to impose guilt by association," said David Cole, a Center for Constitutional Rights board member.

"The court's decision confirms that even in fighting terror, unchecked executive authority and trampling on fundamental freedoms is not a permissible option," he said.

The Justice Department said the agency thought Judge Collins had erred in her decision.

Days after the September 11 attacks, Mr. Bush invoked his authority under the International Emergency Economic Powers Act and issued Executive Order 13224, declaring that the "grave acts of terrorism" and the "continuing and immediate threat of future attacks" on the United States constituted a national emergency.

He blocked all property and interests in property of 27 groups and persons, each of whom were identified as terrorists. He also authorized the secretary of the Treasury, in consultation with the secretary of state and the attorney general, to designate additional terrorist groups and persons under the order.

Judge Collins did let stand some sections of the order that penalize those who provide "services" to designated terrorist groups, including humanitarian aid and rights training.

A former Los Angeles prosecutor nominated to the federal bench in 1994 by President Clinton, Judge Collins is the first judge to declare any section of the USA Patriot Act as unconstitutional. In a January 2004 decision, she declared unconstitutional a Patriot Act provision that forbid giving advice or assistance to groups identified as foreign terrorist organizations by the U.S. government.

In that ruling, she said the provision was too vague to enforce and violated the Constitution's First and Fifth amendments, which protect freedom of speech and defendants from self-incrimination, respectively. Congress revised the act last year in response to her rulings and the case was sent back to District Court. The matter is still being litigated.

Al-Qaida Said To Be Operating In Somalia (AP)

By George Gedda

AP, November 30, 2006

Al-Qaida militants are operating with "great comfort" in Somalia, providing training and assistance to a radical military element loyal to the Islamic group that controls most of southern Somalia, a senior State Department official said Wednesday.

Jendayi Frazer, who heads the department's Africa bureau, said a priority U.S. goal is the capture of three militants wanted for the bombings of U.S. Embassies in Kenya and Tanzania in 1998 and a hotel in Kenya in 2002. The three are from Sudan, Kenya and the Camoros Islands, located off Africa's east coast.

"We're continuing to work with all sides in Somalia to try get those terrorists turned over and to prevent Somalia from becoming a safe haven," Frazer told a small group of reporters.

She emphasized that the al-Qaida presence goes well beyond the three suspects.

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The administration has looked on with anxiety as Islamic militants, operating under the umbrella of the Union of Islamic Courts (UIC), have expanded their zone of influence in the country while marginalizing a secular government that lacks authority despite the backing of the United Nations and the United States.

The secular authority, known as the transitional federal government, is based in the western Somali town of Baidoa, unable to expand its reach further.

The administration supports the creation of an African force, totaling a battalion or two, to train and protect the transition government. The goal is to establish a balance in Somalia that would convince the Islamists that a military victory is impossible, thus creating conditions for a negotiated settlement between the two.

The African Union and the Intergovernmental Authority on Development, a seven-nation East African group, originally proposed deployment of an African force in Somalia.

The Islamists said in June they had no interest in forming a government but their actions since then suggest otherwise, the administration believes. The rise of the UIC over the past six months has alarmed non-Muslim countries throughout East Africa and generated fears of armed conflict throughout the region.

From the outset, the United States has supported a dialogue between the Islamists and the transition government.

In a statement Tuesday night, the State Department said the "continued military expansion by the UIC has prevented this dialogue from moving forward and has created the need for deployment of a regional force.

"The force will deter further aggression against the transition government, create the required space for dialogue and stabilize the situation."

The only country that has volunteered troops for the African force thus far is Uganda.

HOMELAND RESPONSE:

Democrats Reject Key 9/11 Panel Suggestion (WP)

By Jonathan Weisman

The Washington Post, November 30, 2006

It was a solemn pledge, repeated by Democratic leaders and candidates over and over: If elected to the majority in Congress, Democrats would implement all of the recommendations of the bipartisan commission that examined the attacks of Sept. 11, 2001.

But with control of Congress now secured, Democratic leaders have decided for now against implementing the one measure that would affect them most directly: a wholesale reorganization of Congress to improve oversight and funding of the nation's intelligence agencies. Instead, Democratic leaders may create a panel to look at the issue and produce recommendations, according to congressional aides and lawmakers.

Because plans for implementing the commission's recommendations are still fluid, Democratic officials would not speak for the record. But aides on the House and Senate appropriations, armed services and intelligence committees confirmed this week that a reorganization of Congress would not be part of the package of homeland-security changes up for passage in the "first 100 hours" of the Democratic Congress.

"I don't think that suggestion is going anywhere," said Rep. C.W. Bill Young (R-Fla.), the chairman of the Appropriations defense subcommittee and a close ally of the incoming subcommittee chairman, Rep. John P. Murtha (D-Pa.). "That is not going to be their party position."

It may seem like a minor matter, but members of the commission say Congress's failure to change itself is anything but inconsequential. In 2004, the commission urged Congress to grant the House and Senate intelligence committees the power not only to oversee the nation's intelligence agencies but also to fund them and shape intelligence policy. The intelligence committees' gains would come at the expense of the armed services committees and the appropriations panels' defense subcommittees. Powerful lawmakers on those panels would have to give up prized legislative turf.

But the commission was unequivocal about the need.

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"Of all our recommendations, strengthening congressional oversight may be among the most difficult and important," the panel wrote. "So long as oversight is governed by current congressional rules and resolutions, we believe the American people will not get the security they want and need."

Now Democrats are balking, just as Republicans did before them.

The decision will almost certainly anger commission members, as well as families of victims of the Sept. 11 attacks, many of whom have pressed hard for implementation of the recommendations.

"The Democrats pledged to implement all the remaining 9/11 reforms, not some of them," said former representative Timothy J. Roemer (D-Ind.), who served on the commission.

Carie Lemack, whose mother was in one of the jets that hit the World Trade Center, echoed that sentiment: "It wasn't a Chinese takeout menu, the 41 recommendations. You have to do all of them."

Democratic leadership dust-ups this month severely limited the ability of House Speaker-elect Nancy Pelosi (Calif.) to implement the commission's recommendations, according to Democratic aides.

Pelosi strongly backed Murtha for House majority leader, only to see him soundly defeated by Rep. Steny H. Hoyer (Md.). That chain of events made it difficult for her to ask Murtha, a longtime ally, to relinquish control of the intelligence budget from his consolation prize, the chairmanship of the Appropriations defense subcommittee, according to Democratic sources.

Likewise, a controversy over the choice of a new chairman of the House intelligence committee proved to be a factor in the decision. The Sept. 11 commission urged Congress to do away with traditional term limits on the intelligence committees to preserve continuity and expertise, a recommendation the House implemented in 2003. But in her search for a reason to drop the committee's most senior Democrat, Jane Harman (Calif.), from the panel, Pelosi fell back on the tradition of term limits. She has decided to pass over the intelligence committee's second-ranking Democrat, Alcee L. Hastings (Fla.), as well.

To the Sept. 11 commission, the call for congressional overhaul was vital, said former New Jersey governor Thomas H. Kean (R), the commission's co-chairman. Because intelligence committee membership affords lawmakers access to classified information, only intelligence committee members can develop the expertise to watch over operations properly, he said. But because the panels do not control the budget, intelligence agencies tend to dismiss them.

"The person who controls your budget is the person you listen to," Kean said.

Those people, the appropriators, do not seem to care much, he said. The intelligence budget is a small fraction of the nearly $500 billion overseen by the armed services committees and the appropriations panels' defense subcommittees. Kean said that Sen. John McCain (R-Ariz.), an Armed Services Committee member, told the Sept. 11 commission that if his panel spends 10 minutes considering the intelligence budget, it has been a good year.

"We think this is extremely crucial," Kean said of a reorganization shifting budget authority to the intelligence committees. But, he added, there are "a lot of old bulls in both parties who just don't want to do it."

In 2004, the Senate tried to reach a compromise on the issue, proposing to create intelligence subcommittees under the House and Senate appropriations committees. The appropriators would maintain most of their power, but at least distinct panels would have to watch over intelligence spending.

The idea went nowhere in the House. To make it work, total spending on intelligence would have to be declassified, another commission recommendation that Congress has rejected. Besides, Young said, an intelligence subcommittee effectively exists in the form of the Appropriations defense subcommittee chairman and ranking member, who have taken serious interest in intelligence spending.

Democratic aides yesterday chose to talk up what they will do in the opening hours of the 110th Congress. Plans are not complete, but the incoming Democratic majority is likely to expand efforts to stop the proliferation of nuclear, chemical and biological weapons; ensure the interoperability of communications equipment so first responders can communicate more effectively; develop a comprehensive screening system for air cargo; and establish a civil-liberties board to protect the public against intelligence agencies expanding their reach.

Analysis: New Animal Rights Terror Law (UPI)

By Shaun Waterman, Upi Homeland And National Security Editor

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United Press International, November 30, 2006

WASHINGTON, Nov. 29 (UPI) -- A new law that comes into force this week gives federal authorities expanded powers to prosecute animal rights militants -- as the State Department is warning that their activities eclipse terrorism as a day-to-day security problem for U.S. companies in Western Europe.

Bush signed S 3880, the Animal Enterprise Terrorism Act, without fanfare at the White House Monday morning, before flying to the Baltic for a NATO summit.

The bill is designed to make it easier for the FBI and Justice Department to wire-tap and prosecute animal rights extremists who mount campaigns of low-level criminal harassment against animal researchers both in the commercial and educational sectors.

Animal rights campaigners and their supporters say it will chill legal protest, and accuse lawmakers of ramming the bill through during the waning days of the lame-duck congress. But supporters retort that there were hearings in both the House and Senate last year and that the ACLU dropped objections to the new law after amendments it backed were incorporated by the bill's authors.

A State Department security briefing earlier this month for U.S. companies with overseas operations highlighted the threat from animal rights extremists as a major one in Western Europe and the United States.

"Although incidents related to terrorism are most likely to make the front page news, Animal Rights Extremism is what's most likely to affect your day-to-day business operations in Western Europe," read the speaker's notes for a PowerPoint presentation at the Overseas Security Advisory Council's annual briefing Nov. 15.

The presentation goes on to warn that extremist groups like the Animal Liberation Front "cause fear and distress, major property damage, and in some instances ... physical injury, and often put lives at risk."

Victims of one campaign have been assaulted with baseball bats, had their homes and cars vandalized, obscene messages painted in their street, late night telephone calls threatening the lives of their family and non-stop bullhorn protests in front of their homes.

But figures in the presentation suggest that the number of attacks in Britain and worldwide has fallen over the past two years.

The Association of the British Pharmaceutical Industry reported a drop off in the number of reports from its member companies of animal rights "incidents" -- defined to include threats, demonstrations and home visits by protestors, as well as property damage and the use of incendiary devices. From a high of 1,600 in 2004, the number fell to 1,400 last year, and only just over 400 were reported in the first half of 2006.

The association attributed this "sea change" to new legislation and an increased focus by British law enforcement, the presentation said.

Figures in the presentation from the Foundation for Biomedical Research, a U.S. advocacy group that supports medical experiments on animals, suggested that the same decline was mirrored worldwide. Their figures -- of illegal attacks by animal rights groups -- showed a drop from 100 in 2003, to 90 in 2004 and just over 80 the following year.

The presentation cautioned that the statistics "don't give the whole picture."

"Anecdotal evidence and reporting furnished by a broad cross-section of (U.S. companies) and by ... London's Metropolitan Police suggest that although street protests are down, ... site visits and autonomous acts of vandalism are on the rise throughout the region," say the speaker's notes.

Foundation for Biomedical Research President Frankie Trull told United Press International that many universities and other academic institutions in the United States had swung behind the bill after protests against one UCLA researcher culminated over the summer in an arson attack against his home.

"This is the kind of thing that we hope will now stop" because of the new law signed Monday, she said.

But Will Potter, a freelance journalist and animal rights sympathizer, said the bill would chill legitimate protest by campaigners, but not discourage real extremists.

"These people have shown that they are not going to stop doing these actions," he said, pointing out that immediately following the successful prosecution and jailing of campaigners against a research firm in New Jersey earlier this year, other

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militants had staged a break in a laboratory in Massachusetts, and dedicated their action to their jailed comrades in an internet communiqué.

"They will not be deterred," he said.

The new law strengthens existing federal legislation, which protects animal researchers and other businesses using animals from "physical disruption." The act signed Monday expands federal offenses under the law to cover campaigns of threats and intimidation that might financially cripple a company without any "physical disruption;" and increases penalties.

It also expands the law to cover so-called secondary and tertiary targets -- companies who do business with animal enterprises, like their bankers or stockbrokers -- and individual employees, neither of which were protected by the 1992 law.

Federal law enforcement officials say the new powers will enable them to launch investigations, including electronic surveillance of telephones, web sites and e-mail, against small groups of militants who are exploiting loopholes in the existing legislation.

Extremists "know what their rights are," according to the State Department presentation, "and as such, commit acts of nuisance that come right up to the line (of legality) without crossing it."

But it is precisely this kind of controversial, envelope-pushing -- but still legal -- campaigning tactics, like noisy but peaceful demonstrations at the homes of research company executives, which Potter says will be chilled by the new law.

"All this talk of 'terrorism' is sending a message.... It is making a lot of people very nervous," he said.

FEMA Told To Resume Storm Aid (WP)

By Spencer S. Hsu

The Washington Post, November 29, 2006

The Bush administration unconstitutionally denied aid to tens of thousands of Gulf Coast residents displaced by hurricanes Katrina and Rita and must resume payments immediately, a federal judge ordered yesterday.

U.S. District Judge Richard J. Leon said the Federal Emergency Management Agency created a "Kafkaesque" process that began cutting off rental aid in February to victims of the 2005 storms, did not provide clear reasons for the denials, and hindered applicants' due-process rights to fix errors or appeal government mistakes.

"It is unfortunate, if not incredible, that FEMA and its counsel could not devise a sufficient notice system to spare these beleaguered evacuees the added burden of federal litigation to vindicate their constitutional rights," Leon, a D.C. federal judge, wrote in a 19-page opinion.

"Free these evacuees from the 'Kafkaesque' application process they have had to endure," he wrote.

The decision again casts a spotlight on the fate of the poorest members of the diaspora created by the 2005 disasters in New Orleans and along the Louisiana and Mississippi coasts. The hurricanes forced a search for housing that was one of their least visible but most far-reaching consequences.

According to FEMA, of the 720,590 households that have received rental assistance, only 33,889 families remained eligible for aid as of Oct. 19. An additional 108,088 families, mostly homeowners, are still in FEMA-provided trailers and mobile homes. As a rule of thumb, analysts estimate each household includes nearly three people.

FEMA expects fewer than 4,700 of 2.6 million applicant families to exceed a $26,200 cap on all forms of post-disaster aid by March, when an 18-month statutory cutoff takes effect.

Advocates for storm victims say FEMA has resisted providing details about its programs to them or to applicants and has whittled down rolls by imposing obstacles to obtaining aid that is mandated under federal disaster laws. Administration defenders say that FEMA adopted tougher rules to combat fraud, and that plummeting rolls are a sign that victims have recovered and are moving on.

Yesterday, FEMA spokesman Aaron T. Walker would not say how many people are affected by Leon's decision, how much has been paid to them or how much is owed. He cited "ongoing litigation" and a possible appeal.

"FEMA's emergency sheltering initiative was conceived as a compassionate but short-term solution to shelter evacuees," Walker said in a written statement. "FEMA is considering the Court's order in consultation with the Department of Homeland Security and the Department of Justice, determining how the agency will proceed."

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The case affects at least 11,000 families, said Robert W. Doggett, a lawyer with Texas Rio Grande Legal Aid. Doggett and the Public Citizen Litigation Group filed suit Aug. 31 for the Association of Community Organizations for Reform Now (ACORN), an anti-poverty group.

The case was brought on behalf of storm victims cut off beginning Feb. 22 from the smaller of two post-Katrina FEMA rental assistance programs, known as Section 403 aid.

FEMA phased out the program, under which cities such as Houston, Dallas and other public entities paid landlords directly for 60,000 apartments to house evacuees and were reimbursed by the federal government.

Instead, FEMA required evacuees to reapply for its larger Section 408 program, which provides households with rental cash for three months at a time pending recertification. Applicants must provide written proof that they made pre-hurricane rental payments and that their income had dropped or rent had increased since the storm. They also must document a plan for securing permanent housing, among other requirements. About 22,195 households still receiving rental aid transferred from the 403 program.

Leon ordered that FEMA restore benefits to evacuees who were ruled ineligible to make the switch and provide three months' payments. The agency must offer details on why applicants were cut off and how they can fix their applications or appeal FEMA's decision. Both programs expire in March.

Assuming a monthly rent of $800 for a two-bedroom apartment, the cost to extend aid if every family is located would be about $20 million.

According to Leon, FEMA issued "ambiguous and unintelligible" computer-generated denial letters that included "only a cryptic code and a phrase such as 'Ineligible-Other' " to explain why benefits were denied. Recipients were referred to a vague "Applicant Guide," which in turn referred them back to the "specific reason" in the letter.

Several evacuees told the court they received "contradictory and confusing" answers when they called FEMA for explanations. Plaintiffs "are unable to address, let alone intelligently appeal, decisions they cannot understand," Leon wrote. "Guessing by an applicant from among several explanations for ineligibility does not serve the fundamental purposes of due process."

ACORN spokesman Kevin Whelan called on FEMA to comply quickly with the ruling, adding: "It's certainly possible the new Congress will take a look at some of this."

Judge: Resume Katrina Payments (USAT)

By Mimi Hall

USA Today, November 30, 2006

WASHINGTON — A federal judge on Wednesday ordered FEMA to resume payments to thousands who lost homes to Hurricane Katrina, calling the agency's policies confusing and “Kafkaesque.”

U.S. District Judge Richard Leon found that the Federal Emergency Management Agency (FEMA) failed earlier this year to explain to aid recipients why they suddenly had to reapply or were no longer eligible for emergency assistance.

Leon ruled that FEMA's letters to evacuees explaining the process were vague and the application process confusing. He ordered FEMA to resume payments until it either allows evacuees to appeal or better explains its actions.

“It is unfortunate, if not incredible, that FEMA and its counsel could not devise a sufficient notice system to spare these beleaguered evacuees the added burden of federal litigation to vindicate their constitutional rights,” Leon wrote.

Charles Jackson, a spokesman for the Association of Community Organizations for Reform Now, which filed the lawsuit on behalf of the evacuees, said his group was “ecstatic” about the ruling. He said it would affect up to 11,000 families.

FEMA spokesman Aaron Walker defended the agency. By law, he said, the emergency housing assistance program is designed as a short-term solution to shelter evacuees. Those who apply and qualify can receive additional longer-term assistance through a separate program, he said.

Wednesday's ruling was the second win for Katrina evacuees this week. On Monday, a federal judge in Louisiana ruled that homeowners might be entitled to more insurance for flood damage because some policies excluding water damage were ambiguous.

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FEMA Ordered To Restore Evacuees' Housing Aid (NYT)

By Shaila Dewan

The New York Times, November 30, 2006

FEMA has to restore housing assistance and pay back rent to thousands of Hurricane Katrina evacuees who had been deemed ineligible for long-term housing assistance, a federal judge ruled yesterday.

The judge, Richard J. Leon of Federal District Court for the District of Columbia, wrote that the agency also had to improve an appeals process that evacuees had long said was confusing, contradictory and amounted to an arbitrary denial of help.

"It is unfortunate, if not incredible, that FEMA and its counsel could not devise a sufficient notice system to spare these beleaguered evacuees the added burden of federal litigation to vindicate their constitutional rights," Judge Leon wrote.

The suit was brought by Acorn, a housing advocacy group that runs the Katrina Survivors Association. Michael Kirkpatrick, a lawyer with Public Citizen who represented Acorn, said that as many as 11,000 families could be affected based on numbers that the Federal Emergency Management Agency provided in court papers.

A spokesman for the agency, Aaron Walker, said it had not decided whether to seek a stay of the decision.

Last spring, the agency began notifying thousands of families given emergency shelter that they did not qualify for long-term help with rent and utility payments. That surprised many families who had been given housing vouchers valid for a year.

For months, families who had lost everything struggled to understand why they had been rejected and how to appeal that decision.

In a process that Judge Leon called Kafkaesque, families received notification letters with "reason codes" instead of actual reasons, were given different information each time they called the agency help line or found that the agency had erroneously determined that their house had "insufficient damage" or that someone else in their household (often a roommate) had already applied for assistance.

Mayor Bill White of Houston, where many evacuees fled from the Gulf Coast, was so outraged that he sent building inspectors to New Orleans to certify that the evacuees' houses were uninhabitable.

"Some families were told, 'Reason for denial: Other,' and there's no explanation for what 'other' means," Mr. Kirkpatrick said.

Some families received two letters with two different codes.

The judge said that the lack of clarity deprived evacuees of their rights of due process, pointing out that the agency had conceded that thousands of families had been incorrectly ruled ineligible.

In a statement after the decision, Mr. Walker of FEMA continued defending the process, saying the agency had given applicants 60 days to appeal and had listed the requirements.

"Additionally," Mr. Walker wrote, "FEMA established a team dedicated to handling appeals on an expedited basis and initiated calls to applicants in an effort to help them understand what documentation was needed to process their case."

The transfers of families from emergency housing to long-term help began last spring. Mayor White repeatedly persuaded the agency to delay evictions while it reviewed each family's file.

The families who managed to stay in apartments financed by the agency until the end of August are entitled to the reinstatement of rent payments and reimbursement for three months' back rent, the judge said.

All families deemed ineligible, no matter when, will receive more thorough explanations of the reasons and how to appeal their cases.

Judge Orders FEMA Payments To Katrina Victims (LAT)

By Nicole Gaouette And Ann Simmons

The Los Angeles Times, November 30, 2006

WASHINGTON -- Condemning the bureaucracy at the Federal Emergency Management Agency as "Kafkaesque," a federal judge Wednesday ordered the government to immediately resume housing payments to Gulf Coast residents who lost their homes to Hurricane Katrina.

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Barely six months after Katrina ravaged the region, FEMA ended benefit payments to several thousand families still in temporary housing and unable to return to their homes.

U.S. District Judge Richard J. Leon said the agency had violated the evacuees' rights by not adequately explaining why it was ending the benefits, making it difficult for storm victims to appeal the decisions.

"It is unfortunate, if not incredible, that FEMA and its counsel could not devise a sufficient notice system to spare these beleaguered evacuees the added burden of federal litigation to vindicate their constitutional rights," he wrote.

Leon ordered the agency to explain its actions, restore short-term benefits to evacuees who had been cut off and give them the two months of housing payments they would have received after payments finally stopped in August 2006. The ruling affects 11,000 families, mostly in Louisiana and Texas.

The judge cited letters from FEMA that gave contradictory explanations for decisions. He also described FEMA's practice of conveying its decisions "cryptically ... by a code or phrase" decipherable only after evacuees obtained a separate pamphlet explaining the codes.

The judge quoted one evacuee telling of her efforts to get her benefits restored:

"The reasons I have been given for the termination are not what is in the documents, and/or the reasons change each time I call," Carmen Handy wrote to the court. "Every time I call back, the person answering the call knows nothing about what the previous person told me."

FEMA's critics in Congress used the opportunity presented by the ruling to call for changes.

"While this is a victory for the thousands who lost their homes during Hurricane Katrina, it is also a reminder that the system is still in desperate need of reform," said Rep. Bennie Thompson, D-Miss., the incoming chairman of the House Homeland Security Committee, which oversees FEMA. "It is unacceptable to force overburdened victims to navigate through bureaucratic red tape to find out whether they will ever have a place to go home to."

Under FEMA's transitional housing program for victims of Hurricane Katrina and Hurricane Rita, evacuees were entitled to financial assistance either for 18 months or to a maximum of $26,200.

After Katrina hit on Aug. 29, 2005, FEMA began providing victims with short-term housing assistance. In February 2006, it attempted to transfer eligible evacuees to a longer-term assistance program, which required recipients to meet certain criteria, but denied thousands of their applications, according to Leon's ruling. After a 30-day notice period, FEMA cut their short-term benefits as well.

Stephen Bradberry, head organizer for the New Orleans chapter of the Association of Community Organizations for Reform Now, an advocacy group that filed the lawsuit, said the ruling "allows families more time to try and take care of their affairs. And it will buy more time to put pressure on the government to step up to the plate and handle its responsibilities."

FEMA press secretary Aaron Walker said the agency's "emergency sheltering initiative was conceived as a compassionate but short-term solution to shelter evacuees. By law, sheltering assistance can be provided for only a limited period of time."

He added that FEMA had always intended to transfer eligible evacuees to the long-term benefits program.

"However," he said, "some individuals and households do not qualify."

Housing advocates said the agency's decisions about eligibility were arbitrary at best.

"They classified people on the basis of what kind of aid they got and what their perceived status was going forward. If you didn't fit a category you were cut off, and the appeals process was a joke," said Sheila Crowley, president of the National Low Income Housing Coalition.

Given the scale of the disaster, she said, FEMA's 18-month limit on aid is inadequate.

"That is predicated on the assumption that it takes a community 18 months to recover from a disaster. That doesn't apply in this case. There's still no place for people to go," Crowley said.

FEMA Ordered To Resume Katrina Payments (AP)

By Matt Apuzzo

AP, November 30, 2006

DOJ_NMG_0099793

The Bush administration must immediately resume housing payments for thousands of people displaced by Hurricane Katrina, a federal judge said Wednesday, heaping more criticism on the government's handling of the 2005 disaster.

U.S. District Judge Richard J. Leon's ruling sharply criticized the Federal Emergency Management Agency for illegally cutting housing funding and subjecting storm victims to a convoluted application process he called "Kafkaesque."

It is the second court victory for Katrina victims this week. A federal judge in Louisiana said Monday that many homeowners might be entitled to more insurance money for flood damage.

In the Washington case, Leon said FEMA mishandled the transition from a short-term housing program to a longer-term program this spring and summer.

FEMA, which was criticized in the wake of the storm for responding too slowly, defended itself in a statement released Wednesday night. FEMA said it sent letters outlining the program changes, explaining why some people were ineligible and describing the appeal process.

Leon, however, said those letters contained only program codes and agency jargon and didn't explain anything. Some evacuees got multiple letters with conflicting information, he said, leaving families unable to understand why their aid was being cut.

Until FEMA explains itself and allows victims to appeal, Leon said the government must keep making housing payments.

"It is unfortunate, if not incredible, that FEMA and its counsel could not devise a sufficient notice system to spare these beleaguered evacuees the added burden of federal litigation to vindicate their constitutional rights," Leon wrote.

In his ruling, Leon cited statements submitted by evacuees describing the ordeal.

"The reasons I have been given for the termination are not what is in the documents and/or the reasons change each time I call," said Carmen Handy, an evacuee whose statement was cited. "Every time I call back, the person answering the call knows nothing about what the previous person told me."

Leon's ruling came in a case brought in August by the Association of Community Organizations for Reform Now, which said more than 11,000 families would be affected. FEMA did not immediately have data on how much the ruling would cost and said it was considering its legal options.

ACORN spokesman Charles D. Jackson said the agency was trying to spread word about the ruling through the scattered communities of evacuees, some of whom were left homeless by FEMA's decisions.

In Louisiana, U.S. District Judge Stanwood Duval Jr. sided with New Orleans homeowners who argued that the language in some insurance policies that excluded water damage was ambiguous. He said a suit against The Allstate Corp., The St. Paul Travelers Companies Inc. and other insurers could go forward.

Duval said the policies did not distinguish between floods caused by an act of God — such as excessive rainfall — and floods caused by an act of man, which would include the levee breaches following Katrina's landfall on Aug. 29, 2005.

If successful, this suit could cost insurers $1 billion in Louisiana alone, industry officials said, and could lead to similar suits elsewhere. Insurers pledged to appeal.

The ruling was hailed by Xavier University, a historically black college in New Orleans that was inundated by six feet of water when nearby levees gave way. Xavier sued Travelers after the company only paid for a fraction of more than $50 million in damage to the school.

"When you pay for as much insurance as you can, you never dream that this kind of a catastrophe wouldn't be covered," said school President Norman Francis. "This ruling gives us a glimmer of hope."

WAR NEWS:

Bush, Al-Maliki Meet In Jordan (USAT)

By David Jackson And Bill Nichols

USA Today, November 30, 2006

AMMAN, Jordan — President Bush and Iraqi Prime Minister Nouri al-Maliki began high-stakes talks early today, in the wake of last-minute scheduling changes and a parliamentary walkout in Baghdad.

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The two leaders had breakfast a day after the abrupt cancellation of a scheduled opening meeting that was also to have included Jordan's King Abdullah II, the host of this summit. A more formal meeting between Bush and Maliki was scheduled for later today.

Al-Maliki is under pressure at home, where 30 Iraqi lawmakers and six Cabinet members loyal to anti-U.S. Shiite cleric Muqtada al-Sadr walked out of the parliament Wednesday to protest the Bush meeting.

The Bush administration has urged al-Maliki's fledgling government to take action against militias responsible for escalating violence. Al-Maliki has struggled to exert control over security forces and reduce sectarian violence.

White House counselor Dan Bartlett said the cancellation of the three-way meeting with Bush, al-Maliki and Abdullah was not a snub. But Charles Peña, an analyst with the Independent Institute, said pressure from anti-U.S. forces in Iraq and the publication of a classified memo from national security adviser Stephen Hadley criticizing al-Maliki may have prompted the Iraqi leader to send Bush a message by skipping the meeting.

The memo is "the sort of thing that leaders get upset about," Peña said.

White House spokesman Tony Snow would not comment on the memo, which was published in The New York Times, but did not question its authenticity. The state of Iraq "suggests Maliki is either ignorant of what is going on, misrepresenting his intentions or that his capabilities are not yet sufficient to turn his good intentions into actions," said Hadley's memo, according to the Times.

In Iraq, the walkout by al-Sadr's bloc positions the cleric to potentially bring down al-Maliki's government in a "clever bit of political brinksmanship," said Vali Nasr, a Shiite expert at the Naval Postgraduate School in Monterey, Calif. Al-Sadr's bloc left open the possibility of rejoining or leaving al-Maliki's coalition government, Nasr said.

In other Iraq news:

•South Korea plans to withdraw all its troops from Iraq by the end of 2007, the ruling Uri Party said today. The move needs parliamentary approval.

•Fighting broke out Wednesday between coalition forces and insurgents in Baqouba. Coalition forces killed eight al-Qaeda in Iraq insurgents in a raid near the city, the U.S. military said.

U.S.-Iraq Summit Abruptly Canceled (AP)

By Tom Raum

AP, November 30, 2006

President Bush's high-profile meeting with Prime Minister Nouri al-Maliki on Wednesday was canceled in a stunning turn of events after disclosure of U.S. doubts about the Iraqi leader's capabilities and a political boycott in Baghdad protesting his attendance.

Instead of two days of talks, Bush and al-Maliki will have breakfast and a single meeting followed by a news conference on Thursday morning, the White House said.

The abrupt cancellation was an almost unheard-of development in the high-level diplomatic circles of a U.S. president, a king and a prime minister. There was confusion — and conflicting explanations — about what happened.

Bush had been scheduled to meet in a three-way session with al-Maliki and Jordan's King Abdullah II on Wednesday night, and had rearranged his schedule to be in Amman for both days for talks aimed at reducing the spiral of violence in Iraq.

The last-minute cancellation was not announced until Bush had already come to Raghadan Palace and posed for photographs alone with the king.

White House counselor Dan Bartlett denied that the delay was a snub by al-Maliki directed at Bush or was related to the leak of a memo written by White House National Security Adviser Stephen Hadley questioning the prime minister's capacity for controlling violence in Iraq.

"Absolutely not," Bartlett said." He said the king and the prime minister had met before Bush arrived from a NATO summit in Latvia. "That negated the purpose to meet tonight together in a trilateral setting."

A senior administration official, who spoke with U.S. Ambassador to Iraq Zalmay Khalilzad, basically echoed Bartlett's account.

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The Jordanians and the Iraqis jointly decided it was not the best use of time because they both would be seeing the president separately, said the official.

Members of the Jordanian and Iraqi delegations contacted Khalilzad, who called Air Force One and spoke with Bush and Secretary of State Condoleezza Rice, giving them a heads-up, the official said.

However, Redha Jawad Taqi, a senior aide of top Shiite politician Abdul-Aziz al-Hakim who also was in Amman, said the Iraqis balked at the three-way meeting after learning the king wanted to broaden the talks to include the Israeli-Palestinian conflict.

Two senior officials traveling with al-Maliki, who spoke on condition of anonymity because of the sensitivity of the information, said the prime minister had been reluctant to travel to Jordan in the first place and decided, once in Amman, that he did not want "a third party" involved in talks about subjects specific to the U.S.-Iraqi relationship.

With Maliki already gone from the palace, Bush had an abbreviated meeting and dinner with the king before heading early to his hotel.

The cancellation came after the disclosure of a classified White House memo, written Nov. 8 by Hadley. In one particularly harsh section, Hadley asserted: "The reality on the streets of Baghdad suggests Maliki is either ignorant of what is going on, misrepresenting his intentions or that his capabilities are not yet sufficient to turn his good intentions into action."

Administration officials did not dispute the leaked account, saying that on balance the document was supportive of the Iraqi leader and generally portrayed him as well-meaning.

The president "has confidence in Prime Minister Maliki," said Bush spokesman Tony Snow, who added that al-Maliki "has been very aggressive in recent weeks in taking on some of the key challenges."

The memo recommended steps to strengthen the Iraqi leader's position, including possibly sending more troops to defend Baghdad and providing monetary support for moderate political candidates for Iraq's parliament.

The Iraqi prime minister also faced political pressure at home about the summit. Thirty Iraqi lawmakers and five cabinet ministers loyal to anti-American cleric Muqtada al-Sadr said they were boycotting Parliament and the government to protest al-Maliki's presence at the summit.

Bartlett said that Wednesday night's three-way meeting had always been planned as "more of a social meeting" and that Bush and Maliki on Thursday would have a "robust" meeting on their own.

The president was expected to ask the embattled Iraqi prime minister how best to train Iraqi forces faster so they can shoulder more responsibility for halting the sectarian violence and, specifically, mending a gaping Sunni-Shiite divide. There are about 140,000 U.S. troops in Iraq, and Bush is under unrelenting pressure from Democrats and many Republicans to start bringing them home.

Some analysts suggested that the memo might actually help more than damage al-Maliki, showing distance between him and Bush.

Jon Alterman, former special assistant secretary of state for Near Eastern affairs, said the memo's doubts about al-Maliki "seemed calculated to steel his spine."

"This memo reads to me more like a memo to Prime Minister al-Maliki than to President Bush," said Alterman, now with the Center for Strategic and International Studies. "It has his entire to-do list as well as a list of what he'll get if he agrees."

In Washington, Sen. Jack Reed, D-R.I., called on Bush to appoint a high-ranking special envoy to work with the Iraqi government on disbanding militias, including all Iraq's factions in the nation's political process and equitably distributing resources such as oil revenue.

"Steps have to be taken now," he said.

Bush's meeting with al-Maliki is part of a new flurry of diplomacy the administration has undertaken across the Middle East. Hadley's memo suggests that Secretary of State Rice should hold a meeting for Iraq and its neighbors in the region early next month and also that the U.S. could step up efforts to get Saudi Arabia to help. It was written just weeks before Secretary of State Dick Cheney was dispatched to Saudi Arabia.

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Senior administration officials, speaking on the condition of anonymity because the document is still classified even though published, said that many of the concerns raised by Hadley have been or are being rectified in the month that has passed since his trip to Baghdad.

US Sends More Troops Into Baghdad (FT)

By Sharmila Devi, Guy Dinmore And Roula Khalaf

Financial Times, November 30, 2006

More US and Iraqi troops are to be deployed in Baghdad, US commanders said on Wednesday, in an effort to shore up the weakened Iraqi prime minister as he prepares to meet George W. Bush in Amman on Thursday.

Officials insisted that Nouri al-Maliki – who is weakened by mounting disaffection in Washington while his own government fragments – and the US president would hold long talks on Thursday morning even though a three-way summit with Jordan's King Abdullah was called off on Wednesday night.

A senior US official denied that Mr Maliki had snubbed the president following the leak to the New York Times of a memo written by Stephen Hadley, national security adviser, who expressed strong doubts about the Iraqi prime minister's intentions and ability to control sectarian violence.

One of Mr Hadley's main recommendations in his November 8 memo was that Mr Maliki should shake up his cabinet by appointing technocrats and end his "political strategy" with Moqtada al-Sadr, the radical cleric whose militia are accused of violence against Sunni Arabs.

Mr Maliki left a political storm behind him at home. Shia lawmakers and cabinet ministers led by Mr al-Sadr suspended their participation in government institutions in protest at the summit. The boycott by the five Sadrist ministers and 30 lawmakers may not cause lasting damage but it piles the pressure on Mr Maliki.

Iraqi officials say the prime minister is looking for a faster handover of security to Iraqis and discussion on an agreement to regulate the presence of the 160,000-strong multinational forces.

In Washington, General Peter Pace, chairman of the joint chiefs of staff, said all ideas were under review but meanwhile General George Casey, commander of US forces in Iraq, had decided to send two battalions – about 1,200 troops – to the capital.

Gen Pace expressed his support for sending more Iraqi forces to Baghdad. He said the Iraqi and US political leadership was discussing where they should be drawn from and what "cultural flavour" – Shia or Sunni – the units should have in their deployment.

US officials played down suggestions of US displeasure with Mr Maliki, as the consequences of the leaked memo reverberated around their capitals.

Abdelaziz al-Hakim, one of Mr Maliki's main Shia rivals and a coalition partner, has been invited by the White House to Washington next week.

Separately, Mr Bush, dining on Wednesday night with King Abdullah, ruled out US engagement with Syria at this moment, a US official said.

Sadr Casts A Shadow Over Bush-Maliki Meeting (WP)

By Sudarsan Raghavan

The Washington Post, November 30, 2006

BAGHDAD, Nov. 29 -- When President Bush meets Iraqi Prime Minister Nouri al-Maliki in Amman, Jordan, on Thursday, it will be clear that the real power in Iraq rests with radical cleric and militia leader Moqtada al-Sadr.

In one swift maneuver Wednesday, Sadr cast a shadow over the diplomacy in Amman and issued a reminder of his growing influence in Iraq when a bloc of his party's lawmakers and cabinet members suspended their participation in the government to protest Maliki's decision to meet with Bush in Jordan.

The move raises concerns about the ability of Maliki and Iraq's fragile unity government -- beset by political paralysis, feuding rivalries and corruption -- to survive. If Sadr decides to prolong his departure from government, it could lead to deeper crisis in a nation already divided by sectarian strife.

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Sadr is bringing pressure to bear on Maliki to not give in to demands by the United States on security matters. They include the U.S. drive to dismantle Iraq's Shiite militias, of which Sadr runs the largest and most violent, the Mahdi Army.

Shiite leaders, including Sadr and Maliki, want the United States to cede more operational control of Iraq's security forces. At the same time, Sadr appears to be sending a clear message to Washington, analysts and Iraqi politicians say, as tensions are growing between Sadr and U.S. military forces, which routinely stage raids inside his Baghdad stronghold of Sadr City.

"It was a way to make both Maliki and Washington understand that he holds a lot of cards," Vali Nasr, an expert on Shiite politics, said of the walkout from parliament.

Sadr's popularity and confidence are rising. The latest boost came last week, in the aftermath of a barrage of car bombs, mortars and missiles that battered the Shiite slum of Sadr City. More than 200 were killed in the attacks, the single deadliest assault against Iraqis since the U.S.-led invasion in 2003. A day after those attacks, powerful politicians allied with Sadr vowed to pull out of the government if Maliki met with Bush.

On Wednesday, they kept their promise. In a statement, the 30 lawmakers and five cabinet ministers loyal to Sadr launched the boycott. It is not clear what this will mean for the future of Iraq's government and the country.

Nasar al-Rubaie, president of Sadr's bloc in parliament, cautioned that its action did not mean it was pulling out of the government. "The suspension does not mean our withdrawal from the political process," Rubaie said.

He added that the Sadr allies would discuss in coming days how long they would stay out. "It's an indefinite suspension," he said.

Hasan Suneid, an Islamic Dawa party parliament member and close aide to Maliki, played down the significance of the Sadr bloc members' action, describing it as "a sort of protest."

"They need to show their political attitude against the meeting of Maliki and Bush," Suneid said. "The suspension is very normal for any parliament member, and it could last for three or four days."

Whether it was intended or not, Sadr's action also could boost Maliki's influence with the U.S. president, analysts and politicians said. "This will put him in a strong position with Mr. Bush," said Saleh Mutlaq, leader of the Iraqi National Dialogue Party, the second biggest Sunni Muslim party in parliament. "Then, the pressure on Maliki to dissolve the militias will be reduced."

Maliki needs Sadr's support to survive politically. He has preferred political dialogue to military confrontation in dealing with Sadr, even as pressure mounts from U.S. generals and lawmakers for tougher action. The prospect of dismantling such militias as the Mahdi Army is becoming more difficult with every attack and every bombing by Sunni Arab insurgents, which make more Shiites turn to the Mahdi Army for protection.

Many Shiites, including such leaders as Maliki, believe the U.S. military is unfairly targeting Shiite militias instead of focusing its efforts on taking down the Sunni insurgents.

"I think the Sadr City attacks make them feel they are being targeted by the Americans," Ali Dabbagh, an Iraqi government spokesman, said of the lawmakers' pullout from the government. "They want to show they are against the Americans."

Sadr has plenty of incentives to remain inside the Iraqi government. His efforts to wage a guerrilla war to drive out the U.S. forces, including brutal confrontations in Najaf and Fallujah in 2004, nearly decimated his militia forces. Afterward, he opted for a political approach, capitalizing on the popularity he had reaped for fighting the U.S. occupiers. In government, he controls key ministries such as health and education, allowing him to build his base and his militia by channeling vital services and jobs to his supporters.

Sadr has also appeared to savor his role as political kingmaker and religious leader. He has made public comments seeking to rein in violence by what he considers rogue elements of his Mahdi Army. He is widely believed to model his movement on Lebanon's Hezbollah, which has both an armed wing and a political wing that participates in government.

He leads the second largest army in Iraq, after the U.S. military. His support ranges from southern Iraq, where Shiites dominate, to Sadr City in Baghdad. "If there's going to be a new election, he will be the biggest beneficiary," Nasr said.

If Sadr decided to remain outside and the government weakened or collapsed, it would set back U.S. efforts to bring stability to Iraq and the region, Nasr said. So would any American escalation of tensions with Sadr, he added.

"We are already bogged down with Sadr's army without even waging a war with him," Nasr said.

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Dabbagh said the Bush administration needs to do more to engage Sadr and treat him as a politician rather than a militia leader.

"They want to be recognized," Dabbagh said, referring to Sadr and his followers. "They want to show they are also a player in Iraq and they should be taken care of and recognized."

Mahmoud Othman, a Kurdish legislator, warned that Bush administration officials should tread cautiously with Maliki in the wake of Sadr's boycott.

"They should be very careful," Othman said. "Before putting pressure on Maliki, the United States should give him more authority, so he will be more capable. If they pressure him too much now, it may backfire."

U.S.-Iraq Summit Put Off Until Thursday (AP)

By Tom Raum

AP, November 30, 2006

President Bush's high-profile meeting with Prime Minister Nouri al-Maliki on Wednesday was canceled in a stunning turn of events after disclosure of U.S. doubts about the Iraqi leader's capabilities and a political boycott in Baghdad protesting his attendance.

Instead of two days of talks, Bush and al-Maliki will have breakfast and a single meeting followed by a news conference on Thursday morning, the White House said.

The abrupt cancellation was an almost unheard-of development in the high-level diplomatic circles of a U.S. president, a king and a prime minister. There was confusion — and conflicting explanations — about what happened.

Bush had been scheduled to meet in a three-way session with al-Maliki and Jordan's King Abdullah II on Wednesday night, and had rearranged his schedule to be in Amman for both days for talks aimed at reducing the spiral of violence in Iraq.

The last-minute cancellation was not announced until Bush had already come to Raghadan Palace and posed for photographs alone with the king.

White House counselor Dan Bartlett denied that the delay was a snub by al-Maliki directed at Bush or was related to the leak of a memo written by White House National Security Adviser Stephen Hadley questioning the prime minister's capacity for controlling violence in Iraq.

"Absolutely not," Bartlett said." He said the king and the prime minister had met before Bush arrived from a NATO summit in Latvia. "That negated the purpose to meet tonight together in a trilateral setting."

A senior administration official, who spoke with U.S. Ambassador to Iraq Zalmay Khalilzad, basically echoed Bartlett's account.

The Jordanians and the Iraqis jointly decided it was not the best use of time because they both would be seeing the president separately, said the official.

Members of the Jordanian and Iraqi delegations contacted Khalilzad, who called Air Force One and spoke with Bush and Secretary of State Condoleezza Rice, giving them a heads-up, the official said.

However, Redha Jawad Taqi, a senior aide of top Shiite politician Abdul-Aziz al-Hakim who also was in Amman, said the Iraqis balked at the three-way meeting after learning the king wanted to broaden the talks to include the Israeli-Palestinian conflict.

Two senior officials traveling with al-Maliki, who spoke on condition of anonymity because of the sensitivity of the information, said the prime minister had been reluctant to travel to Jordan in the first place and decided, once in Amman, that he did not want "a third party" involved in talks about subjects specific to the U.S.-Iraqi relationship.

With Maliki already gone from the palace, Bush had an abbreviated meeting and dinner with the king before heading early to his hotel.

The cancellation came after the disclosure of a classified White House memo, written Nov. 8 by Hadley. In one particularly harsh section, Hadley asserted: "The reality on the streets of Baghdad suggests Maliki is either ignorant of what is going on, misrepresenting his intentions or that his capabilities are not yet sufficient to turn his good intentions into action."

DOJ_NMG_0099799

Administration officials did not dispute the leaked account, saying that on balance the document was supportive of the Iraqi leader and generally portrayed him as well-meaning.

The president "has confidence in Prime Minister Maliki," said Bush spokesman Tony Snow, who added that al-Maliki "has been very aggressive in recent weeks in taking on some of the key challenges."

The memo recommended steps to strengthen the Iraqi leader's position, including possibly sending more troops to defend Baghdad and providing monetary support for moderate political candidates for Iraq's parliament.

The Iraqi prime minister also faced political pressure at home about the summit. Thirty Iraqi lawmakers and five cabinet ministers loyal to anti-American cleric Muqtada al-Sadr said they were boycotting Parliament and the government to protest al-Maliki's presence at the summit.

Bartlett said that Wednesday night's three-way meeting had always been planned as "more of a social meeting" and that Bush and Maliki on Thursday would have a "robust" meeting on their own.

The president was expected to ask the embattled Iraqi prime minister how best to train Iraqi forces faster so they can shoulder more responsibility for halting the sectarian violence and, specifically, mending a gaping Sunni-Shiite divide. There are about 140,000 U.S. troops in Iraq, and Bush is under unrelenting pressure from Democrats and many Republicans to start bringing them home.

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"This memo reads to me more like a memo to Prime Minister al-Maliki than to President Bush," said Alterman, now with the Center for Strategic and International Studies. "It has his entire to-do list as well as a list of what he'll get if he agrees."

In Washington, Sen. Jack Reed, D-R.I., called on Bush to appoint a high-ranking special envoy to work with the Iraqi government on disbanding militias, including all Iraq's factions in the nation's political process and equitably distributing resources such as oil revenue.

"Steps have to be taken now," he said.

Bush's meeting with al-Maliki is part of a new flurry of diplomacy the administration has undertaken across the Middle East. Hadley's memo suggests that Secretary of State Rice should hold a meeting for Iraq and its neighbors in the region early next month and also that the U.S. could step up efforts to get Saudi Arabia to help. It was written just weeks before Secretary of State Dick Cheney was dispatched to Saudi Arabia.

Senior administration officials, speaking on the condition of anonymity because the document is still classified even though published, said that many of the concerns raised by Hadley have been or are being rectified in the month that has passed since his trip to Baghdad.

Bush-Maliki Meeting Canceled; Lawmakers Withdraw From Posts (MCT)

By Hannah Allam And William Douglas

McClatchy Newspapers, November 30, 2006

AMMAN, Jordan - A scheduled dinner meeting between President Bush and Iraqi Prime Minister Nouri al-Maliki was canceled Wednesday, hours after 36 Iraqi politicians loyal to militant Shiite Muslim cleric Muqtada al-Sadr withdrew from their government posts and denounced Bush as "the world's biggest evil."

The White House denied that the delay was a snub by the Iraqi leader and insisted that "robust" talks would continue as planned on Thursday, despite the political turmoil in Baghdad and the leak of an administration memo detailing U.S. concerns about Maliki's ability to control sectarian violence.

The cancellation was clearly a surprise, however, and coupled with the withdrawal of the Sadrists who are a key part of Maliki's political base, it underscored how volatile Iraq has become as violence has reached record levels.

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At least 57 bodies were found scattered around Baghdad on Wednesday, and there were reports of widespread violence around the country, including a raid by Sunni insurgents on the police station in Baqouba, apparently in an effort to cement control of that city north of the capital.

The U.S. military announced the deaths of two more American soldiers: One died on Wednesday from "wounds sustained due to enemy action" in western Anbar province; the other was killed on Tuesday by a roadside bomb in northern Salahuddin province.

Meanwhile, in Washington, the high-level Iraq Study Group, co-chaired by former Secretary of State James A. Baker III and retired Democratic congressman Lee Hamilton, wrapped up three days of consultations Wednesday and announced that it will present its recommendations to Congress, the White House and the public on Dec. 6.

Experts close to the panel said the five Republican and five Democratic commissioners have reached a consensus and will present what one called "a candid, frank assessment" of the deteriorating situation in Iraq. The panel appears unlikely, however, to recommend a deadline to begin withdrawing U.S. troops from Iraq, though its final recommendation on that issue isn't known.

Administration officials were at a loss to offer a single version of why the Maliki-Bush dinner was canceled. One senior administration official insisted that the dinner had never been planned, but a schedule given to reporters traveling with the president on Tuesday listed a 7:45 p.m. meeting among Bush, Maliki and Jordan's King Abdullah II, followed by an 8:35 p.m. dinner.

Spokesmen for King Abdullah said that the schedule had been changed to give the king more time to meet with Bush on Jordanian issues. They said that Abdullah had met with Maliki earlier in the day.

Whatever the reason, the cancellation heightened the drama surrounding Thursday's planned Maliki-Bush session, which roiled Iraq's delicate political balance even before it took place.

In a stinging rebuke to Maliki, the Sadr supporters - six Shiite Cabinet ministers and 30 legislators - said that any meeting with Bush was against the will of the Iraqi people. They said their boycott of the government was open-ended.

"This is an objection to the policy of an Iraqi government that insists on importing solutions from foreign countries when all the crises we face are because of the presence of the occupation forces," said Bahaa al-Araji, one of the Sadr-allied lawmakers. "There is no need to open paths for U.S. and regional forces to get involved in our affairs, especially if it means giving these forces the authority to run our security policy."

The Sadr forces have been crucial allies for Maliki, and their decision to withdraw from the government put the prime minister, already considered weak, in the difficult position of having to reject his Iraqi supporters to avoid humiliating Bush, even as administration officials leaked a secret memo questioning Maliki's competence and leadership abilities.

White House counselor Dan Bartlett denied that the leaked document, which was published by The New York Times on Wednesday, played a role in the dinner's cancellation.

"Absolutely not," he said. "No one should read too much into this, except for the fact that they (Bush and Abdullah) had a good meeting."

The Sadrists' anti-American remarks were ominous reminders that they remain opposed to the presence of U.S. forces in Iraq. Sadr forces clashed openly with American forces twice in 2004.

Al-Araji said the Sadrists weren't out to topple Maliki's government, just to "register objections" to the meeting. The boycotting politicians would present Maliki with a set of unspecified demands upon his return from Jordan, al-Araji said.

Many Sadrists said they were infuriated by Maliki's decision to meet with Bush after recent U.S. military raids on their stronghold of Sadr City in Baghdad. They also accused Maliki of bowing to U.S. pressure with reported plans to expand the number of American troops in Baghdad.

"This is not a visit. It's a summons," said Maha Adil Mahdi, a legislator from the Sadrist bloc. "It's an insult to the people of Sadr City. They bombed the city, and people were in a sea of blood, but then when they call him, he goes."

Maliki's top aides were out of the country with the prime minister and couldn't be reached for comment.

Both U.S. and Iraqi forces appear increasingly powerless to halt the escalating insurgent and sectarian violence in Baghdad and other provinces.

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Ten civilians were injured in separate mortar attacks in the Shoala and Shurta neighborhoods, where Sunni insurgents are battling Shiite militias for supremacy.

A homemade bomb exploded at a bus stop in Baghdad, killing two Iraqi civilians and injuring four others, including two policemen, the interior ministry announced. Three car bombs were detonated in other attacks on patrols and checkpoints in the capital, killing two civilians and one policeman. Eight civilians and nine officers were wounded, police said.

Large-scale gun battles and other violence broke out in areas north of Baghdad, according to Iraqi security officials in Salahuddin province. Four policemen were killed and six were wounded in a car bombing in Tikrit, the hometown of Saddam Hussein.

In Samarra, police said, 10 carloads of gunmen ambushed a police checkpoint, killing two policemen and injuring three others. The attackers seized some police weapons, but were driven off by intervening U.S. troops. A curfew was imposed on the city shortly after the attack.

Residents of Baqouba in Diyala province said that Sunni insurgents are working to cement their control of the city, which is mostly shuttered after several days of intense fighting. As many as 50 attackers armed with mortars, machine guns and rocket-propelled grenades stormed the main police station from three sides Wednesday, Iraqi security officials said. Five gunmen were killed at the scene; no other casualties were reported.

A health ministry official in Diyala, whose name was withheld for security reasons, said the Baqouba hospital's morgue could no longer cope with the unidentified bodies that are piling up after the recent spasm of violence. Health officials on Wednesday gave local residents two days to claim 19 bodies before they were buried in unmarked graves.

The official said he's received reports of additional corpses being consumed by dogs because Baqouba's streets remain too dangerous for recovery crews.

Allam reported from Baghdad, Douglas from Amman, Jordan. Warren P. Strobel in Washington; Nancy A. Youssef in Amman; and McClatchy special correspondents Mohammed al Awsy, Shatha al Awsy, Laith Hammoudi and Zaineb Obeid in Baghdad contributed to this report. A special correspondent in Baqouba, Iraq, isn't named for security reasons.

Iraq's Premier Abruptly Skips A Bush Session (NYT)

By Sheryl Gay Stolberg And Edward Wong

The New York Times, November 30, 2006

AMMAN, Jordan, Nov. 29 — Prime Minister Nuri Kamal al-Maliki of Iraq and King Abdullah II of Jordan abruptly backed out of a meeting with President Bush on Wednesday, leaving the White House scrambling to explain why a carefully planned summit meeting had suddenly been cut from two days to one.

The decision occurred on a day that a classified White House memorandum expressing doubts about Mr. Maliki was disclosed and after Iraqi officials loyal to a powerful Shiite cleric said they were suspending participation in the Maliki government because he had ignored their request to cancel the Bush meeting entirely.

The president and Secretary of State Condoleezza Rice were already aboard Air Force One, on the way to Amman from Riga, Latvia, where they had been attending a NATO summit meeting, when they received the news by telephone from the United States ambassador to Iraq, Zalmay Khalilzad. The White House insisted Mr. Bush was not upset and had not been snubbed.

"Absolutely not," said Dan Bartlett, counselor to the president.

With the Wednesday night meeting with the king canceled, Mr. Bush and Mr. Maliki still intend to have breakfast together here Thursday. A senior White House official said that after the king and Mr. Maliki had held a productive private meeting earlier in the day, they had decided that a three-way session with Mr. Bush was not "the best use of time."

In Baghdad, the immediate effect of the walkout by officials loyal to Moktada al-Sadr, the anti-American Shiite cleric, was unclear. But the departure of the Sadr followers — 30 Parliament members and six ministers — raises questions about the viability of the fragile coalition government, made up of feuding blocs of religious Shiites, religious Sunni Arabs, Kurds and secularists.

The day's events underscore the delicate task Mr. Bush and Mr. Maliki face as they head into Thursday's meeting. As tensions rise in Iraq, friction has grown between the leaders, despite Mr. Bush's insistence that he has faith in Mr. Maliki.

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Each man is under pressure at home to extract concessions from the other. Mr. Maliki is facing demands from Mr. Sadr for the Iraqi government to wrest control of security forces from the Americans, and the boycott places more pressure on the prime minister to do just that.

Mr. Bush, for his part, must demonstrate to an uneasy American public that he is taking control of the increasingly violent situation in Iraq. Democrats, triumphant in a midterm election that was widely viewed as a referendum on the war, are pressing for a troop withdrawal and demanding that Mr. Bush send a message to Mr. Maliki that the troops' presence is not open-ended. A bipartisan commission will make recommendations on Iraq next week.

The White House tacked the hastily planned trip to Amman onto Mr. Bush's swing through the Baltics so he could meet Mr. Maliki on safe ground. But the careful orchestration leading up to the Bush-Maliki summit meeting — including a news conference in Estonia on Tuesday where Mr. Bush promised to press the Iraqi prime minister on his strategy for stability — was upended when The New York Times published the classified assessment of Mr. Maliki in Wednesday's issue.

The document, written by the national security adviser, Stephen J. Hadley, said that while Mr. Maliki seemed to have good intentions when talking with Americans, "the reality on the streets suggests Maliki is either ignorant of what's going on, misrepresenting his intentions or that his capabilities are not yet sufficient."

Publication of the memorandum just as Mr. Bush was to see Mr. Maliki left the White House struggling to put a positive spin on the news on a day when it had hoped to highlight a decision by NATO members that would lift some restrictions on troops operating in Afghanistan.

"The president has confidence in Prime Minister Maliki," Tony Snow, the White House press secretary, told reporters in Riga, where the president's aides seemed clearly worried about how the document would affect the talks.

Later, after Mr. Maliki canceled, senior officials insisted the document had nothing to do with it. "The president and Prime Minister Maliki will have a very robust and lengthy dialogue tomorrow morning," Mr. Bartlett said in Amman, adding, "No one should read too much into this."

But it was impossible not to read some palace intrigue into the scrubbing of such a meeting, especially when it involved a White House known for its meticulous planning.

As Bush aides tried to provide an explanation for the cancellation — before conceding that Mr. Maliki and the king had called the session off — they at one point went so far as to suggest it had been put on the schedule erroneously. Mr. Snow was still talking about photo opportunities for the meeting when Air Force One landed in Amman — after Mr. Bush had already received word from the ambassador.

The president was not received warmly here. Hundreds of Jordanians held a rare sit-in at Jordan's Parliament house on Wednesday morning, while up to 500 marched through the streets Wednesday afternoon, holding banners calling Mr. Bush a criminal and a murderer. Many carried photographs of Saddam Hussein.

"We see his arrival here as an insult to the martyrs killed by U.S. weapons," said Bassim Qiswani, head of Jordan's Doctors Syndicate as he marched toward the prime minister's office. "Bush created all these problems, and now he wants the Arabs to fix them."

Mr. Bush is indeed trying to reach out to moderate Arab nations to alter the dynamic in the Middle East. He dined Wednesday night with King Abdullah, where the two leaders and their aides discussed Israeli-Palestinian relations and Syria's involvement in Lebanon.

According to a senior administration official who attended the dinner, Iraq was not a primary focus of the meal. But the king and the president also met privately; it was unclear if they discussed Iraq out of earshot of their aides.

Although Mr. Bush is under pressure to engage Syria as well as Iran in direct talks aimed at bringing stability to Iraq, the official said the president "made clear his view that this is not the time for engagement with Syria because the Syrian government always seems to see any such form of engagement as a gesture of approval, or as a way of getting off the hook for actions that it is taking."

The president's trip to Jordan comes as Secretary Rice is going to Israel on Thursday to see Prime Minister Ehud Olmert. It also comes amid a new wave of sectarian violence in Iraq. Last week, more than 200 people died in bombings and mortar strikes in a Shiite district of Baghdad, the deadliest attack since the American invasion. A bloody Shiite reprisal followed.

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That prospect seemed heightened by Wednesday's boycott. At the urging of senior ayatollahs, the religious Shiite bloc that dominates the government is expected to stay together despite the walkout. But the balance of power within it would change drastically if Mr. Sadr were to prolong the walkout.

Baha al-Aaraji, a leader of the Sadr legislators, said the organization had two conditions for rejoining the government: that Mr. Maliki wrest more control of the Iraqi security forces from the Americans and increase their number, and that the government provide more electricity, gas and other basic services.

In recent months Mr. Sadr has chafed as American and British forces have been conducting more operations across the capital and southern Iraq aimed at undermining his populist militia.

Mr. Sadr, in his early 30s, is arguably the most powerful politician in Iraq because Mr. Maliki is beholden to him for his support in staving off the prime minister's Shiite rivals, and because Mr. Sadr controls a militia that, numbering in the tens of thousands, is regarded by many of the majority Shiites as a protector against Sunni extremists. Mr. Hadley's memorandum said that the Americans must press Mr. Maliki to "bring his political strategy with Moktada al-Sadr to closure and bring to justice" any Mahdi Army members who "do not eschew violence."

Mr. Sadr's mercurial nature makes it difficult to predict what will happen next. Mr. Sadr has incentives to return to the government — he is protected from American pressure by Mr. Maliki, and he is able to play the role of statesman, even meeting with foreign leaders in neighboring countries.

Bush administration officials consider Mr. Sadr to be one of the most vexing problems facing Mr. Maliki. Though American commanders have been urging the prime minister to turn against Mr. Sadr and his militia, Mr. Maliki has found it impossible to betray his Shiite compatriot. That task grows exponentially more difficult each time a car bombing by Sunni Arabs wipes out dozens of Shiites in a marketplace or mosque, spurring the Shiites to turn to the Sadr militia, called the Mahdi Army, for revenge and protection.

One Shiite official close to the Sadr organization said that the current walkout was simply stagecraft intended to play to anti-American sentiments here.

"They're just doing that to show their supporters that they are against any deals or contact with Americans," said the official, who spoke on the condition of anonymity because of a fear of reprisal by the Sadr loyalists. "It's pointless. It's just for show."

"They will cancel their suspension in a week or so," the official predicted. "It's a very stupid act."

Attacks Continue Across Iraq

BAGHDAD, Nov. 29 — Bombings across Baghdad left at least four people dead and five wounded on Wednesday, and another five were killed in Diyala Province after insurgents killed a store owner and planted a bomb in his shop, according to the Interior Ministry and the American military.

A marine was killed Wednesday in combat in Anbar Province, and a soldier was killed Tuesday by a roadside bomb in northern Iraq, the military said. The Air Force declared a pilot, Maj. Troy Gilbert, missing after his F-16 crashed northwest of Baghdad on Monday. The Air Force is conducting tests on human remains at the site.

Bush Meets Maliki, Stands Firm On Iraq (LAT)

By Peter Wallsten And Solomon Moore

The Los Angeles Times, November 30, 2006

AMMAN, JORDAN — President Bush and Iraqi Prime Minister Nouri Maliki convened for breakfast this morning, the day after an abrupt cancellation of their initial meeting embarrassed the White House and hinted at diplomatic tensions between the two countries.

The cancellation followed the disclosure of a White House memo questioning Maliki's ability to pacify his country and came after a Shiite bloc announced a boycott of the Baghdad government.

Bush and Maliki also met privately today and then held a joint news conference before the president's return to Washington. Bush and Maliki said they agreed to speed the training of Iraqi security forces, and they pledged to continue cooperation between the U.S. and Iraq to stem violence.

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"I told the prime minister that our goal in Iraq is to strengthen his government and support his efforts to build a free Iraq," Bush said.

But Wednesday's developments threatened to spoil a summit that administration officials had hoped would demonstrate progress in devising strategies for stemming civil strife in Iraq.

White House officials spent the day on the defensive, insisting they had faith in Maliki despite the harsh content of the leaked memo and struggling to explain why a meeting that had been on the president's calendar for days was suddenly scrubbed.

Senior Bush aides offered at least four explanations for the cancellation — finally dispatching a more junior official to tell reporters late Wednesday that Maliki and Jordan's King Abdullah II had decided mutually that a three-way conversation was not necessary.

The Jordanian and Iraqi leaders had met earlier in the day and sent word of their decision to Bush as the president flew to Amman from a North Atlantic Treaty Organization summit in Latvia.

White House officials insisted the schedule change was not a snub in response to the memo, disclosed Wednesday by the New York Times, nor was it related, they said, to a government boycott in Iraq by Shiite legislators affiliated with anti-American cleric Muqtada Sadr.

"No one should read too much into this," said Dan Bartlett, a Bush advisor.

Bush and Abdullah met privately for 30 minutes before joining their aides for a dinner lasting more than an hour. They discussed the Israeli-Palestinian conflict, Lebanon and Syria but did not focus on Iraq, officials said.

Despite recent assurances from Bush and his aides that the president would use his meetings in Amman to ask tough questions of Maliki about the Iraqi leader's plans to stem the violence, Bartlett said the initial gathering had been foreseen as "more of a social meeting anyways."

"Look, they were not going to be doing a full-detail discussion in a [three-way] setting about Iraq and the future of Iraq and the strategy anyway. That just wouldn't be appropriate," Bartlett said.

Still, the surprising change of plans suggested more was at work than a scheduling matter among friends.

Bush rarely deviates from plans — and officials acknowledged that they departed Latvia with the understanding that he would meet with Maliki that night.

The Jordanians and Iraqis offered different explanations for the cancellation.

A royal court source said Abdullah and Bush met longer than expected and had to cancel the meeting with Maliki. The source said Maliki could be using the delay, which was requested by Abdullah, for political advantage in calming the Sadr movement.

"The king and Maliki saw each other for an hour and a half this afternoon, and Maliki's meeting Bush tomorrow," the source said. "The king and Bush were supposed to talk for an hour and a half, but the meeting went longer because of discussion about the Palestinian issue. This was a matter of rescheduling, nothing else. It wasn't Maliki's decision."

The source suggested that Maliki might be claiming that he canceled the meeting as a way to appease hard-line Sadr supporters who have boycotted the government in protest of his meeting with Bush.

The Sadr loyalists denounced Bush as "the biggest representative of evil in the world" and his meeting with Maliki as a "provocation and insult to the feelings of the Iraqi people."

Other Iraqi politicians, however, dismissed the gesture as political posturing aimed at Sadr's militant base, millions of mostly impoverished Shiites in Baghdad and southern Iraq.

The boycott appears to fall short of Sadr's threat last week to withdraw from the government.

His movement controls 30 seats in parliament and several ministries, enough to topple the prime minister if they were to quit the government.

All told, a day that the White House had hoped might showcase Bush taking charge in Iraq just weeks after voters rebuked his policies turned ugly for the administration.

The internal memo, written Nov. 8 by national security advisor Stephen Hadley, hinted at rising tensions between Washington and Baghdad.

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"His intentions seem good when he talks with Americans, and sensitive reporting suggests he is trying to stand up to the Shia hierarchy and force positive change," the memo says of Maliki, according to a text posted on the New York Times website. "But the reality on the streets of Baghdad suggests Maliki is either ignorant of what is going on, misrepresenting his intentions or that his capabilities are not yet sufficient to turn his good intentions into action."

The disclosure of Hadley's memo was potentially more troublesome because it appeared to contrast with what Hadley had said as recently as Tuesday: that Maliki's government was "doing pretty well in a very difficult situation."

Administration officials said the memo was a "hard look, a probing look" at the conditions in Iraq but should not be interpreted as a criticism of Maliki.

"The president has confidence in Prime Minister Maliki, and the administration is working with the prime minister to improve his capabilities in terms of dealing with the fundamental challenges in Iraq," said White House spokesman Tony Snow.

The memo was drafted about a week after Hadley visited Baghdad and the day after Republicans suffered sweeping losses in congressional elections dominated by public dissatisfaction with Bush's policies in Iraq.

The memo also suggests urging Saudi Arabia to "take a leadership role in supporting Iraq by using its influence to move Sunni populations in Iraq out of violence into politics, to cut off any public or private funding provided to the insurgents or death squads from the region and to lean on Syria to terminate its support for Baathists [followers of Saddam Hussein] and insurgent leaders."

The mention of Saudi Arabia could explain why Vice President Dick Cheney paid a surprise visit to Riyadh, the Saudi capital, last week for what Hadley called a "very confidential conversation."

Iraq Cancels Meeting After 'Ignorant' Memo (WT)

By Stephen Dinan

The Washington Times, November 30, 2006

AMMAN, Jordan -- Iraqi Prime Minister Nouri al-Maliki abruptly canceled the first round of face-to-face meetings scheduled here last night with President Bush, just hours after publication of a classified memo from the president's top security aide that says the Iraqi leader is either "ignorant," devious or incapable of governing right now.

The White House said the events were not related, said the cancellation was not a snub, and said the two men will have enough time together this morning, when they have a working breakfast and meeting planned.

"No one should read too much into this," said Dan Bartlett, senior counselor to Mr. Bush.

The meeting had been scheduled to include Mr. Bush, Mr. al-Maliki and Jordan's King Abdullah II. Yesterday evening, though, the meeting was reduced to a one-on-one between the president and the king, who were also scheduled to have dinner later.

The cancellation and the leaked memo by National Security Adviser Stephen J. Hadley set off a day of "background" briefings by White House officials who refused to be named but tried to explain the ups and downs of diplomacy.

An administration official told reporters Mr. al-Maliki and King Abdullah, after holding their own bilateral talks, decided "they did not feel it was necessary" for Mr. Bush to meet them together. They had Zalmay Khalilzad, the U.S. ambassador to Iraq, call Mr. Bush, flying on Air Force One from Latvia, to tell him they wanted to cancel the meeting. The president agreed, the official said.

The Associated Press quoted Iraqi officials here with Mr. al-Maliki saying the Iraqi leader canceled the meeting because he didn't want King Abdullah to be a part of U.S.-Iraq discussions.

The president only recently tacked this trip on to the end of his journey to Latvia for the NATO summit, with the White House announcing last week Mr. Bush wanted face-to-face time with Mr. al-Maliki. Mr. Hadley said there "is really no substitute for the two men getting together, sitting across a table and talking face to face."

But the canceled meetings reduce the amount of face-to-face time substantially.

The memo, obtained by the New York Times and printed in yesterday's editions, offers a stark assessment of Mr. al-Maliki.

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"The reality on the streets of Baghdad suggests Mr. Maliki is either ignorant of what is going on, misrepresenting his intentions, or that his capabilities are not yet sufficient to turn his good intentions into action," Mr. Hadley wrote Nov. 8, after an Oct. 30 trip to Iraq to meet with Mr. al-Maliki.

That third explanation is the administration's chosen conclusion, said two senior administration officials briefing reporters in Latvia.

"This is an enormously complicated situation for which there is no cookbook answer," said one of the officials. "There is not summary judgment of Prime Minister Maliki, but instead there is a great deal of respect for the enormity and complexity of the challenge he faces."

Just how complex was underscored yesterday when Mr. al-Maliki lost part of his governing coalition.

Lawmakers and Cabinet ministers loyal to anti-U.S. cleric Muqtada al-Sadr suspended participation in parliament and the government to protest the meeting, according to wire service reports.

"This visit hijacked the will of the people during days when the sons of Iraq write their destiny with blood and not ink," the Associated Press quoted lawmakers and ministers saying in a statement which referred to Mr. Bush as a "criminal" and the "world's biggest evil."

Meanwhile, the recent upsurge in violence continued, with fighting between coalition troops and insurgents shutting down the city of Baqouba, about 35 miles northeast of Baghdad.

While Mr. al-Maliki faces fractured support in Iraq, Mr. Bush is facing his own political pressures at home.

The independent Iraq Study Group has announced it will release its recommendations for how to handle the U.S. commitment to Iraq on Monday, and key Democrats now in the majority in Congress are already raising the stakes for the report as a means to force Mr. Bush to change course.

Other top Democrats are calling on Mr. Bush to appoint a special envoy to Iraq to follow up on the specifics Mr. Bush and Mr. al-Maliki discuss today.

"They know what they have to accomplish," said Sen. Jack Reed, Rhode Island Democrat. "Somehow controlling the militias, somehow developing a more inclusive government, or a government at least who respects the minority rights of the Sunni community, somehow getting public services out to all of the people of Iraq, and it's got to be done with some type of time limits, a timetable."

On those points, he seemed to echo much of Mr. Hadley's classified memo.

The five-page memo lists nine items on which Mr. Hadley says Mr. al-Maliki should take action, including: bringing "his political strategy with Moktada al-Sadr to closure," diversify his Cabinet and his personal staff to include those who are not Shi'ite allies, expand the Iraqi army over the next nine months, and support renewal of the U.N. mandate for coalition forces to operate in Iraq.

Yesterday the senior administration officials said Mr. al-Maliki has taken steps on at least two of the nine items, including supporting this week's extension of the U.N. mandate for coalition forces.

They said the bulk of today's conversations will be about those action items but also said Mr. al-Maliki will have some things he wants the U.S. to work on as well.

"This is not the president dictating terms," one official said. "Prime Minister Maliki is the sovereign head of state. The president respects that."

Mr. Hadley in the memo said some steps the United States could take were to have Secretary of State Condoleezza Rice hold an "Iraq-plus-neighbors" meeting to try to end Syrian and Iranian meddling, and to step up efforts to get Saudi Arabia to cut off funding to insurgents and ask Sunni Muslims in Iraq to stop sectarian violence and join the political process.

Bush, Maliki Put Off Meeting (WP)

By Michael Abramowitz And Ann Scott Tyson

The Washington Post, November 30, 2006

DOJ_NMG_0099807

AMMAN, Jordan, Nov. 29-- President Bush arrived here Wednesday evening for consultations with Iraqi Prime Minister Nouri al-Maliki on how to halt the deterioration of security in his country, but their scheduled opening meeting was canceled following political turmoil in Baghdad and disclosure of U.S. doubts about Maliki's capabilities.

Iraqi lawmakers and cabinet ministers allied with Shiite cleric and militia leader Moqtada al-Sadr, a bloc that was pivotal in bringing Maliki to power in May, launched a boycott Wednesday of their governmental duties to protest Maliki's decision to meet with Bush. At the same time, relations between the U.S. and Iraqi governments were complicated by the leak of a confidential White House memo suggesting the Bush administration was close to losing confidence in Maliki's ability to deliver results.

At the Pentagon, the chairman of the Joint Chiefs of Staff said Wednesday that the U.S. military is bolstering its forces in Baghdad to deal with "unacceptable" levels of violence in Iraq.

Marine Gen. Peter Pace said that the senior U.S. commander in Iraq, Army Gen. George W. Casey Jr., is moving "a couple of battalions" to Baghdad from elsewhere in the country and is determining how many troops he can move to the capital without creating gaps in other parts of Iraq. A Pentagon official, speaking on condition of anonymity, said the battalions would replace units being rotated out of the country.

In addition, the official said, the Joint Chiefs are considering calling up 2,800 troops from four Army Reserve combat engineer battalions and sending them to Baghdad and other Iraqi cities in early January. Such a call-up could be politically sensitive, because three of the reserve battalions have already deployed, meaning some soldiers in the units could be involuntarily mobilized for a second time. Under Pentagon policy, that would require the approval of the defense secretary.

As late as Wednesday afternoon, it appeared that the White House was planning to go ahead with a three-way meeting that evening among Bush, Maliki and King Abdullah of Jordan. But when reporters showed up at the palace where the meeting was to take place, they were told by White House counselor Dan Bartlett that the session was off.

Officials later said Bush planned to meet with Maliki on Thursday morning and signaled that the focus of their talks would be on how to strengthen the capacity of the Iraqi government to quell sectarian violence.

White House officials said the cancellation had nothing to do with Maliki's political problems at home or the leak of a memo, written for Bush by national security adviser Stephen J. Hadley, that was published in Wednesday's New York Times.

Bartlett said Maliki had already had a productive meeting with Abdullah on Wednesday, and that Bush and Maliki both felt "there was not an agenda for the three for a trilateral that they felt was necessary."

"No one should read too much into this," Bartlett said.

White House press secretary Tony Snow said that "there's no snub" by Maliki.

Two senior administration officials, at a contentious background briefing with White House reporters who repeatedly challenged their explanation, said all the parties involved believed it would be more productive to have two separate meetings, one on Wednesday between Bush and Abdullah and one on Thursday between Bush and Maliki. They noted that Bush and the king had a variety of issues to discuss, including broader Middle East peace initiatives and the situation in Lebanon.

"You have one shot at dealing with the king," one senior official said.

Abdullah had made clear that he planned to use his own meeting with Bush to push for a renewed U.S. drive to address the Israeli-Palestinian dispute, which the king has described as the "core" issue in the region. White House aides said the king pressed Bush during a dinner meeting Wednesday to move faster to resolve the so-far intractable problem.

After the briefing, another senior official returned to the press center with more details about the cancellation, saying that the U.S. ambassador to Iraq, Zalmay Khalilzad, had received word in the afternoon from the Jordanians and the Iraqis that there was no need for a three-way meeting. Khalilzad called Air Force One, on its way to Amman from Latvia, with the news. This official said Bush concurred.

Administration officials insisted that the president maintains full confidence in Maliki, despite the bluntly worded Nov. 8 memo by Hadley raising pointed doubts about the prime minister's ability to curb sectarian violence.

"His intentions seem good when he talks with Americans, and sensitive reporting suggests he is trying to stand up to the Shia hierarchy and force positive change," Hadley wrote. "But the reality on the streets of Baghdad suggests Maliki is either ignorant of what is going on, misrepresenting his intentions, or that his capabilities are not yet sufficient to turn his good intentions into action."

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Administration officials would not discuss the memo on the record, saying it remains classified despite its publication. One senior official said it was appropriate for Hadley, who visited Baghdad and met with Maliki several weeks ago, to raise "probing questions" about the government but said the memo did not constitute a "summary judgment" about the current Iraqi government.

Although the memo suggests several alternatives for the lack of progress by Maliki, the official said the White House has concluded that the main problem with Maliki is a "capability" issue. He said a focus of the Bush-Maliki sessions would be: "How do we increase his capability to turn his good intentions, as described in this memo, into concrete action?"

In Washington, a bipartisan panel that has spent eight months reviewing U.S. policy toward Iraq wrapped up its deliberations Wednesday and announced it will roll out its report and recommendations to President Bush and Congress on Dec. 6.

The Iraq Study Group's report, which is close to 100 pages, will offer a comprehensive look at regional political and security issues as well as the troubled U.S. deployment in Iraq, according to sources close to the panel.

"We reached a consensus, which in itself is remarkable," said one source.

But one Democratic senator questioned whether the commission would produce recommendations that would fix the Iraq situation. "The question, I think, is how much detail and specific guidance they can give and still reach a consensus," said Sen. Jack Reed (D-R.I.).

Reed called for the president to immediately appoint a special envoy to try to bring Iraqi factions to some form of reconciliation.

"I don't think we have a great deal of time," Reed said, urging Bush not to wait for the Iraq Study Group's recommendations. "I think there's still an opportunity, but that opportunity is rapidly closing on us."

At the Pentagon, an official speaking on condition of anonymity said the U.S. battalions to be shifted to Baghdad from elsewhere in Iraq would include about 1,600 soldiers from an Army brigade equipped with advanced Stryker armored vehicles. The unit, now in the northern city of Mosul, would replace departing troops from the Alaska-based 172nd Stryker Brigade.

Pace, the Joint Chiefs chairman, acknowledged that the U.S. military fell short last summer when it attempted to quell spiraling sectarian fighting in Baghdad with a significant increase in U.S. and Iraqi forces. Instead, fighting in the capital between Shiite and Sunni Muslims has soared to new extremes.

"The amount of violence in Baghdad . . . right now is not where we want to be," Pace said. "The impact of those increases has not been what we wanted it to be." Pace, however, said Iraq is not in a state of civil war because its government and security forces are "functioning."

He emphasized that Casey and Iraqi leaders have identified more Iraqi units to move to Baghdad from elsewhere in the country. But he acknowledged that this process is hampered by the sectarian and parochial nature of many Iraqi military units.

"There are some units around Iraq that, if moved to Baghdad, would not be helpful," Pace said. "If a Sunni unit somewhere else in Iraq moved into a Shia neighborhood, or a Shia unit . . . moved into a Sunni neighborhood," he said, that "is not going to help the problem." Moreover, commanders want to avoid creating a regional security vacuum by moving Iraqi troops to Baghdad, he said.

Pace denied that there are any immediate plans to pull U.S. troops wholesale out of the volatile western province of Anbar and send them to Baghdad, leaving the province -- U.S. commanders call it a Sunni insurgent stronghold -- in the hands of Iraqi forces. "Why would we want to forfeit any part of Iraq to the enemy? We don't," he said. But he said the goal "eventually" was to transfer security responsibilities in all provinces to Iraqi forces.

Pace said he is considering further U.S. troop increases in Iraq among a range of options as he reviews military strategy there, but he acknowledged the stress that would inflict on American ground forces. "If you determine to surge more today, you are taking it out of your rotation base and, therefore, using it today and not having it available for tomorrow," he said. "It's pure math."

Gen. John P. Abizaid, the top U.S. commander in the Middle East, said in congressional testimony this month that the Army and Marine Corps could rapidly shift 20,000 more troops into Iraq, but could not sustain that increase given their current size.

Pace said he and the Joint Chiefs routinely question whether the Army and Marines are large and resilient enough to handle their current missions, but indicated he had not yet recommended increasing the size of those forces.

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Experts Question Proposals In Leaked Iraq Memo (MCT)

By Jonathan S. Landay And Nancy A. Youssef

McClatchy Newspapers, November 30, 2006

WASHINGTON - It would be extremely difficult, if not impossible, to implement most of the key ideas for quelling the Iraqi civil war that are outlined in a classified Nov. 8 memo to President Bush from National Security Adviser Stephen Hadley, experts said Wednesday.

Trying to push anti-U.S. Shiite Muslim cleric Muqtada al-Sadr out of the ruling coalition led by Prime Minister Nouri al-Maliki, as the memo suggests, would be throwing gasoline on a fire, they said.

Sadr's party is the largest in parliament, with 32 seats, and Maliki became prime minister only with his support. Sadr's Mahdi Army militia controls large parts of Baghdad and southern Iraq, and many Iraqi Shiites hail him as their only protection from attacks by rival Sunni Muslims, which American and Iraqi forces have failed to stop.

"Sadr is aware of the considerable extent to which his forces ... constitute a significant part of the power in the streets, and there is no reason why he would simply want to surrender that leverage," said Paul Pillar, the former top U.S. intelligence analyst on the Middle East.

In what appeared to be a warning from Sadr to Maliki, Sadr followers suspended their participation in the government and parliament to protest Maliki's plan to meet Bush on Wednesday in Jordan. Within an hour of the statement, Jordanian officials announced that the meeting had been postponed.

Hadley's memo was leaked to The New York Times on the eve of the Bush-Maliki talks. He wrote the five-page classified document after meeting with Maliki on Oct. 30 in Baghdad.

Since then, the violence in Iraq has surged to its worst level since the 2003 U.S.-led invasion. It's been especially fierce in the capital since bombings last Thursday killed more than 200 people in Sadr City, a Shiite slum in Baghdad that the Mahdi Army controls.

In the memo, Hadley expressed doubts about Maliki's ability or willingness to go beyond the Shiite sectarian agenda and forge a unity government.

Hadley recommended steps that Maliki could take to curb the violence and measures that the United States could implement to strengthen him, including sending more forces into Baghdad.

Hadley's central suggestion was to bring Maliki's political reliance on Sadr "to closure" and pursue Mahdi Army members who "do not eschew violence."

Trying to force Sadr out of the government - in which his followers control some of the key ministries - and crack down on his militia almost certainly would lead to the government's collapse.

It also would ignite a wave of violence by his militia and supporters in Baghdad and the Shiite-dominated south, much of it probably aimed at the U.S.-led multinational force.

"Sadr is not going to rein in the Mahdi Army," said Vali Nasr of the Naval Postgraduate School, in Monterey, Calif., and the author of a new book on modern political Shiism.

Hadley suggested that Maliki overhaul his Cabinet by replacing key members of Shiite and Sunni religious parties with "nonsectarian, capable technocrats."

But the Iraqi Constitution requires that new ministers be approved by two-thirds of parliament, a vote that Sadr could block. A Cabinet shakeup also would unravel the power-sharing deal on controlling the ministries that took the religious parties months to negotiate.

"The ministries are run like fiefdoms," Nasr said. "Most ministers don't even come to Cabinet meetings."

Experts also were skeptical of a Hadley proposal that the United States provide "monetary support" for forming a new coalition of moderate Shiite, Sunni and ethnic Kurdish parliamentarians to keep Maliki in power if he's unable to cut loose from Sadr.

Several experts wondered what moderates Hadley was referring to.

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Moreover, such an alliance would require Maliki to forge stronger bonds with Sadr's chief rival, Abdul-Aziz al-Hakim. He's the head of another Shiite party that belongs to the ruling coalition and whose militia maintains even closer ties to the Islamic regime of neighboring Iran than the Mahdi Army does.

Finding Sunnis to join such a grouping would be impossible, because Hakim has been a leading proponent of purging members of deposed dictator Saddam Hussein's Baath Party from the bureaucracy and the military, Nasr said.

Hakim met with Jordan's King Abdullah hours before Bush arrived in Amman, and was scheduled to travel to Washington, where he was expected to visit the White House.

Maliki already has tried unsuccessfully to implement some of Hadley's ideas, several experts noted. These include attempts to purge the police and Interior Ministry of sectarian death squads and to disarm militias.

Phebe Marr, a leading U.S. expert on Iraq, said that some of the more modest ideas that Hadley proposed in the memo - such as appointing technocrats to the government and cleaning up the Interior Ministry - were achievable.

"I think these small steps can be done. I think Maliki is doing them. But we have very different perceptions of time and timetable," Marr said, referring to growing political pressure in the United States to withdraw troops.

As for a "spectacular breakthrough" from the Iraqi government in the near future, "forget it," she said.

Youssef reported from Amman, Jordan. Warren P. Strobel in Washington contributed to this report.

In public, top Bush administration officials have taken a very different view of Iraqi Prime Minister Nouri al-Maliki than the one expressed in a classified National Security Council memo:

Sept. 30. Army Gen. George W. Casey in Baghdad: Maliki is "a determined, courageous leader taking on some very difficult issues. ... He has an awful lot of challenges facing him, and I do believe he is very much up to the task."

Oct. 5. Secretary of State Condoleezza Rice in Baghdad: "I do think he has the strength. I think he's a very good and strong prime minister."

Oct. 24. Marine Gen. Pete Pace, the chairman of the Joint Chiefs of Staff: "I do know that Prime Minister Maliki is working very hard right now in his five-month-old government - he's working very hard to try to find those political agreements that would reconcile the needs of Sunni, Shia and Kurds so he can get on about being the unifying leader that he's trying to be."

Oct. 25. President Bush: "I do believe Prime Minister Maliki is the right man to achieve the goal in Iraq."

Nov. 8. Memo prepared by National Security Adviser Stephen J. Hadley and his aides after a visit to Baghdad: "Do we and Prime Minister Maliki share the same vision for Iraq? If so, is he able to curb those who seek Shia hegemony or the reassertion of Sunni power?

"... Despite Maliki's reassuring words, repeated reports from our commanders on the ground contributed to our concerns about Maliki's government. Reports of nondelivery of services to Sunni areas, intervention by the prime minister's office to stop military action against Shia targets and to encourage them against Sunni ones, removal of Iraq's most effective commanders on a sectarian basis and efforts to ensure Shia majorities in all ministries - when combined with the escalation of Jaish al-Mahdi's (JAM) (the Mahdi Army militia of militant Shiite cleric Muqtada al-Sadr) killings - all suggest a campaign to consolidate Shia power in Baghdad.

"... His intentions seem good when he talks with Americans, and sensitive reporting suggests he is trying to stand up to the Shia hierarchy and force positive change. But the reality on the streets of Baghdad suggests Maliki is either ignorant of what is going on, misrepresenting his intentions, or that his capabilities are not yet sufficient to turn his good intentions into action."

Nov. 28. Rice in Riga, Latvia: "I think that if you meet these leaders of the central government, you recognize the challenges that they have, you will be quite impressed with what they have achieved and continue to achieve."

Three 'More' Options For Bush And Maliki (CSM)

By Dan Murphy

The Christian Science Monitor, November 30, 2006

CAIRO

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Even before President Bush was scheduled to meet Iraqi Prime Minister Nouri al-Maliki in Jordan to talk about how to stop the spiraling violence in Iraq, the administration had already made clear many of the options.

As outlined in a Nov. 8 memo from national security adviser Stephen Hadley and provided to The New York Times, as well as in discussions among key advisers to the president, the ideas from the US can be boiled down to "three mores": More troops, more money, more regional diplomacy.

The first more is what some advisers to the Iraq Study Group, led by former Secretary of State James Baker, are calling the "surge" option, essentially pouring thousands more American troops into the country in the hope that boots on the ground will translate into law and order. Baghdad, the religiously mixed capi- tal where death squads now roam, would be the principal beneficiary.

In his memo, Mr. Hadley refers to a "four brigade gap" in combat power in Baghdad, implying that US officials believe the city needs roughly 13,000 additional soldiers. While he says he hopes that local troops will be mustered to do the job, he writes that "we might also need to fill the [gap] ... with coalition forces if reliable Iraqi forces are not identified."

While that would be politically unpopular at home, with anger over the extended war in Iraq leading to the major Republican reverses in national elections this month, Bush could use his meeting with Maliki as a springboard to make this case, since Maliki himself has said he would welcome more troops and resources to pacify the country.

But Maliki, from the Shiite Islamist's Dawa Party, has also frequently complained that he has insufficient direct control of troops on the ground, arguing that it's unfair to expect him to deliver results when the US calls the shots on troop deployments.

He's expected to press Bush for more control during the summit in Amman. That's something the Hadley memo recommends - but contingent on Maliki first meeting US conditions, such as cutting off his close relations with Shiite cleric Moqtada al-Sadr, purging divisive Shiite leaders from his cabinet, and suspending the de-Baathification program designed to purge former loyalists of Saddam Hussein from the government.

While it's unclear if meeting these demands is within Maliki's power, Hadley's memo also provides reason for the US to worry about giving the prime minister more control over the Iraqi military.

It cites "repeated reports" from US generals on the ground of a failure to provide government services in Sunni Arab areas and "intervention by the prime minister's office to stop military action against Shia targets and to encourage them against Sunni ones."

That sort of behavior has fed Iraq's worsening civil war, creating the impression among Sunnis, who were a privileged class under Saddam Hussein, that they have little future in the new Iraq.

Mr. Sadr's Mahdi Army has been blamed by the US and Sunni Arab politicians for a string of sectarian atrocities in and around Baghdad, while aides to Sadr counter that the force is largely defensive and is needed because of the Iraqi government and US failure to stop terrorist attacks on Shiites.

Sadr and his supporters are fervently anti-American and have been angry at recent US offensives to curtail his militia's power. Wednesday, 30 legislators and six cabinet members loyal to Sadr said they were temporarily boycotting the government to protest the meeting between Maliki and Bush. In a statement, they described Bush as "the world's greatest evil."

Hadley's memo also says the US can help Maliki by encouraging Saudi Arabia to encourage Sunni insurgents to give up violence, and to "lean on Syria to terminate its support for Baathists and insurgent leaders." Syria has denied it is playing any role in the fighting.

Then there is the question of money. US reconstruction spending in Iraq has largely run out, and some advisers to the Iraq Study Group, as well as outside analysts like Anthony Cordesman at the Center for Strategic and International Studies in Washington, are urging that the US unveil a large aid package to act as a carrot to get Iraqi leaders of waring factions to sit at the negotiating table.

While Hadley's memo refers to providing Maliki with more money, it doesn't refer to an aid program. Instead, he appears to be advocating using US resources to try to split Maliki and other leaders described as moderate away from their Shiite power base.

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The memo argues that if Maliki proves unable to take the steps the US asks of him, then the US would use money and its prestige to try to cobble together a nonsectarian parliamentary bloc that would effectively divorce Maliki from his own Dawa Party, which has close ties to Iran, and the other Islamist Shiite parties in the government.

But Malaki is not likely to abandon his Shiite political powerbase, including Sadr, says Chris Toensing, executive director of the Middle East Research and Information Project in Washington. "It's a calculus about his own protection, and for a future when the US eventually leaves," he says. Leaked memo: US suggestions for Iraq's leader

Excerpts from a memo by national security adviser Stephen Hadley that was leaked to The New York Times:

"Steps Maliki Could Take ... There is a range of actions that [Prime Minister Nouri al-Maliki] could take to improve the information he receives, demonstrate his intentions to build an Iraq for all Iraqis ...

"Compel his ministers to take small steps - such as providing health services and opening bank branches in Sunni neighborhoods - to demonstrate that his government serves all ethnic communities ... Bring his political strategy with Moktada al-Sadr to closure ... Announce plans to expand the Iraqi Army over the next nine months ... Declare the immediate suspension of suspect Iraqi police units ...

"What We Can Do to Help Maliki ... Continue to target Al Qaeda and insurgent strongholds in Baghdad to demonstrate the Shia do not need the [Mahdi Army] to protect their families ... Continue our diplomatic efforts to keep the Sunnis in the political process ... Seek ways to strengthen Maliki immediately by giving him additional control over Iraqi forces ...

"The above approach may prove difficult to execute even if Maliki has the right intentions. He may simply not have the political or security capabilities ... Pushing Maliki to take these steps without augmenting his capabilities could force him to failure ..."

Iraq Panel To Recommend Pullback Of Combat Troops (NYT)

By David E. Sanger And David S. Cloud

The New York Times, November 30, 2006

WASHINGTON, Nov. 29 — The bipartisan Iraq Study Group reached a consensus on Wednesday on a final report that will call for a gradual pullback of the 15 American combat brigades now in Iraq but stop short of setting a firm timetable for their withdrawal, according to people familiar with the panel's deliberations.

The report, unanimously approved by the 10-member panel, led by James A. Baker III and Lee H. Hamilton, is to be delivered to President Bush next week. It is a compromise between distinct paths that the group has debated since March, avoiding a specific timetable, which has been opposed by Mr. Bush, but making it clear that the American troop commitment should not be open-ended. The recommendations of the group, formed at the request of members of Congress, are nonbinding.

A person who participated in the commission's debate said that unless the government of Prime Minister Nuri Kamal al-Maliki believed that Mr. Bush was under pressure to pull back troops in the near future, "there will be zero sense of urgency to reach the political settlement that needs to be reached."

The report recommends that Mr. Bush make it clear that he intends to start the withdrawal relatively soon, and people familiar with the debate over the final language said the implicit message was that the process should begin sometime next year.

The report leaves unstated whether the 15 combat brigades that are the bulk of American fighting forces in Iraq would be brought home, or simply pulled back to bases in Iraq or in neighboring countries. (A brigade typically consists of 3,000 to 5,000 troops.) From those bases, they would still be responsible for protecting a substantial number of American troops who would remain in Iraq, including 70,000 or more American trainers, logistics experts and members of a rapid reaction force.

As the commission wound up two and a half days of deliberation in Washington, the group said in a public statement only that a consensus had been reached and that the report would be delivered next Wednesday to President Bush, Congress and the American public. Members of the commission were warned by Mr. Baker and Mr. Hamilton not to discuss the contents of the report.

But four people involved in the debate, representing different points of view, agreed to outline its conclusions in broad terms to address what they said might otherwise be misperceptions about the findings. Some said their major concern was that the report might be too late.

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"I think we've played a constructive role," one person involved in the committee's deliberations said, "but from the beginning, we've worried that this entire agenda could be swept away by events."

Even as word of the study group's conclusions began to leak out, Gen. Peter Pace, chairman of the Joint Chiefs of Staff, said two or three battalions of American troops were being sent to Baghdad from elsewhere in Iraq to assist in shoring up security there. Another Pentagon official said the additional troops for Baghdad would be drawn from a brigade in Mosul equipped with fast-moving, armored Stryker vehicles.

As described by the people involved in the deliberations, the bulk of the report by the Baker-Hamilton group focused on a recommendation that the United States devise a far more aggressive diplomatic initiative in the Middle East than Mr. Bush has been willing to try so far, including direct engagement with Iran and Syria. Initially, those contacts might be part of a regional conference on Iraq or broader Middle East peace issues, like the Israeli-Palestinian situation, but they would ultimately involve direct, high-level talks with Tehran and Damascus.

Mr. Bush has rejected such contacts until now, and he has also rejected withdrawal, declaring in Riga, Latvia, on Tuesday that while he will show flexibility, "there's one thing I'm not going to do: I'm not going to pull the troops off the battlefield before the mission is complete."

Commission members have said in recent days that they had to navigate around such declarations, or, as one said, "We had to move the national debate from whether to stay the course to how do we start down the path out."

Their report, as described by those familiar with the compromise, may give Republicans political cover to back away from parts of the president's current strategy, even if Democrats claim that the report is short on specific deadlines.

While the White House reviews its strategy options, Pentagon planners are also looking beyond the immediate reinforcements for Baghdad to the question of whether they will need to draw more on reserve units to meet troop requirements in the Iraqi capital, military officials said. In particular, the Army is considering sending about 3,000 combat engineers from reserve units.

The proposal would not increase the overall number of troops in Baghdad, but it is controversial because it would require sending units that had already been deployed to Iraq in recent years, a step National Guard officials have been trying to avoid.

The move has not been approved by the Bush administration, but the decision could be made in the coming weeks, and the first of the additional troops may begin arriving in Iraq by next spring, officials said.

American military officials said that the forces in Iraq that were being shifted to Baghdad were to take the place of the 172nd Stryker Brigade, which is returning to its base in Alaska, and that there would be no increase in American forces in the Iraqi capital. In fact, one officer said there might be a brief decrease until the adjustments were completed.

As the Iraq Study Group finished its meetings in Washington, it heard final testimony from Senator John Kerry of Massachusetts, a Democrat who has urged a specific timeline for withdrawal, and Senator John McCain of Arizona, who has called for a significant bolstering of troops to gain control of the Iraqi capital. Two former secretaries of state, Henry A. Kissinger and George P. Shultz, also spoke to the group as it debated its final conclusions.

Although the diplomatic strategy takes up the majority of the report, it was the military recommendations that prompted the most debate, people familiar with the deliberations said. They said a draft report put together under the direction of Mr. Baker and Mr. Hamilton had collided with another, circulated by other Democrats on the commission, that included an explicit timeline calling for withdrawal of the combat brigades to be completed by the end of next year. In the end, the two proposals were blended.

If Mr. Bush adopts the recommendations, far more American training teams will be embedded with Iraqi forces, a last-ditch effort to make the Iraqi Army more capable of fighting alone. That is a step already embraced in a memorandum that Stephen J. Hadley, the national security adviser, wrote to the president this month.

"I think everyone felt good about where we ended up," one person involved in the commission's debates said after the group ended its meeting. "It is neither 'cut and run' nor 'stay the course.' "

"Those who favor immediate withdrawal will not like it," he said, but it also "deviates significantly from the president's strategy."

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The report also would offer military commanders — and therefore the president — great flexibility to determine the timing and phasing of the pullback of the combat brigades.

Throughout the debates, Mr. Baker, who served as secretary of state under Mr. Bush's father and was the central figure in developing the strategy to win the 2000 Florida recount for Mr. Bush, was highly reluctant to allow a timetable for withdrawal to be included in the report, participants said.

Mr. Baker cited what Mr. Bush had also called a danger: that any firm deadline would be an invitation to insurgents and sectarian groups to bide their time until the last American troops were withdrawn, then seek to overthrow the government. But Democrats on the commission also suspected that Mr. Baker was reluctant to embarrass the president by embracing a strategy Mr. Bush had repeatedly rejected.

Committee members struggled with ways, short of a deadline, to signal to the Iraqis that Washington would not prop up the government with military forces endlessly, and that if sectarian warfare continued the pressure to withdraw American forces would become overwhelming. What they ended up with appears to be a classic Washington compromise: a report that sets no explicit timetable but, between the lines, appears to have one built in.

As one senior American military officer involved in Iraq strategy said, "The question is whether it doesn't look like a timeline to Bush, and does to Maliki."

In addition to Mr. Hamilton, a former Democratic congressman, the group includes two Democrats who are veterans of the Clinton administration, Leon E. Panetta and William J. Perry, and a Clinton adviser, Vernon E. Jordan Jr. Charles S. Robb, former Democratic governor of Virginia, and Alan K. Simpson, a former Republican senator from Wyoming, are also on the panel, along with Sandra Day O'Connor, a former Supreme Court justice who was nominated by President Reagan.

Other members includes Edwin Meese III, who served as attorney general under Mr. Reagan, and Lawrence S. Eagleburger, a former secretary of state under Mr. Bush's father. Mr. Eagleburger replaced Robert M. Gates, who resigned when he was nominated to be the next secretary of defense.

If confirmed he will have to carry out whatever change of military strategy, if any, Mr. Bush embraces.

Joint Chiefs Oppose Iraq Pullout (WT)

By Rowan Scarborough

The Washington Times, November 30, 2006

All six members of the Joint Chiefs of Staff, amid an ongoing Pentagon review of strategy for Iraq, oppose pulling out U.S. troops now, and are also against a specific withdrawal timetable, a defense source said yesterday.

"The chiefs are solid. They want victory," the source said. "There is no dissent."

The Joint Chiefs -- which includes Gen. Peter Pace, the chairman, along with a vice chairman and the heads of the Air Force, Army, Marine Corps and Navy -- have been meeting several times a week to review a list of Iraq options for President Bush.

The Pentagon has said all options are open for consideration during the far-reaching review. But on the question of withdrawal, the issue is settled in favor of Mr. Bush's position, the source said.

"We are looking at the whole spectrum of possible military actions," Gen. Pace said yesterday. "I'm not going to say to you where I am personally, nor where the chiefs are, because our responsibility is to give our best military advice."

A Pentagon spokesman said he had no information on the chiefs' positions.

At a press conference, Gen. Pace endorsed the idea of shifting more Iraqi forces into violence-wracked Baghdad, where Shi'ite and Sunni terrorists are on a killing spree to gain control of the capital. A number of lawmakers, including Rep. Duncan Hunter, California Republican and House Armed Services Committee chairman, advocate sending more Iraqi battalions to the capital.

"I think that idea has a good amount of appeal for multiple reasons," Gen. Pace said. "Because Baghdad is extremely important to the Iraqi government, and their armed forces and their security forces are the proper long-term solution to that problem."

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Gen. Pace said that putting into practice a Baghdad redeployment depends on whether Army Gen. George Casey, the top U.S. commander in Iraq, and Iraqi Prime Minister Nouri al-Maliki think they have sufficient personnel from a total force of more than 300,000.

"The question is, when they move them from where they are, what condition does that create from where they moved them," he said.

The Iraq Study Group, a bipartisan commission of former officeholders, completed work yesterday on its final report to Mr. Bush. The report will be released Wednesday, the day after Senate confirmation hearings begin for Defense Secretary-designate Robert M. Gates.

Mr. Bush is not likely to warmly embrace the study group's centerpiece proposal -- direct diplomatic engagement with U.S. adversaries Syria and Iran, which are fueling the various insurgency groups in Iraq that are killing U.S. troops and Iraqi civilians by the thousands.

Defense sources said the group, led by former Secretary of State James A. Baker III and former Rep. Lee Hamilton, decided not to call for a specific timetable to bring home troops because such an idea lacked unanimous support on the panel.

Gen. Pace told reporters that Gen. Casey has started, after a buildup in August, to put yet more U.S. troops into Baghdad.

"The impact of those [August] increases has not been what we wanted it to be," he said.

Defense officials say Gen. Casey is moving a Stryker armored-vehicle brigade from northern Iraq into Baghdad. An incoming brigade will eventually replace it in Mosul.

Gen. Pace said the Joint Chiefs review has been augmented by senior officers who have recently served in Iraq. They have compiled a list of ideas and personally discussed them with the chiefs in the "tank," the group's secure meeting place.

"We're doing our job, which is to meet multiple times a week and to talk through individual pieces of the global military environment," he said.

December is shaping up as a time of major decision-making by Mr. Bush. He will receive the study group report, more input from Gen. Pace and ideas from the National Security Council staff.

He has resisted direct talks with Syria and Iran, two U.S.-designated terrorism sponsors whom the administration thinks are using unrest in Iraq to spread violence in Lebanon and the Palestinian territories. Mr. Bush has also ruled out a direct timetable for troop pullouts. He says reductions should be based on achieving peace and on the Iraqis' ability to take control of security in more of the country's 18 provinces.

Three Options For Iraq War, But Dangers, Risks Abound (USAT)

By Susan Page And Barbara Slavin

USA Today, November 30, 2006

WASHINGTON — There is no shortage of reviews in the works on U.S. policy in Iraq — from the Pentagon to the White House to an independent commission led by former secretary of State James Baker — and each faces the same dilemma: All the options carry downsides and dangers.

Withdraw U.S. troops quickly and court chaos, the White House warns. Send more troops to secure Baghdad and strain a U.S. military that's already stretched thin, the Pentagon says. Appeal to Iran for help and hear demands that Washington in turn ease its objections to Tehran's nuclear program, diplomats predict. Divide Iraq into autonomous regions and give al-Qaeda terrorists a safe haven in Sunni territory, the administration says.

The war has become a Rubik's Cube: Move to fix one side of the puzzle and another side is upended.

As Baker's Iraq Study Group prepares to release its recommendations next Wednesday, pressure is mounting at the White House and on Capitol Hill to find new approaches and even reconsider those that have been rejected before.

A majority of voters surveyed as they left polling places in this month's elections want some or all U.S. troops withdrawn now. Democrats, who take over Congress in January, are about to have responsibility to do more than criticize.

The task ahead is defined not only by military, diplomatic and political quandaries in Iraq but also by brewing civil wars in Lebanon and the Palestinian territories, says a key ally, King Abdullah II of Jordan. And the United States' ability to control events — to hold Iraq together, avoid a full-scale bloodbath and shape developments in the region — has diminished.

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“U.S. influence in the Middle East is ebbing, largely as a result of the consequences of our decision to invade Iraq,” says Richard Haass, who served as a foreign-policy adviser to President Bush and his father. “The U.S. will still have influence but will have to share it as never before with a motley crew of local forces ranging from Iran to Hamas and Hezbollah.”

The Baker commission could provide bipartisan cover to take difficult steps, says Sen. Joseph Biden, D-Del., incoming chairman of the Foreign Relations Committee. “I think the president will have to listen,” he says.

“We'll see their report and their ideas in due course and take a good, solid look at them,” says Sean McCormack of the State Department.

The five Democrats and five Republicans on the commission finished their meetings on Wednesday. “We reached a consensus,” Co-chairman Lee Hamilton told the liberal Center for American Progress late in the day.

Two top advisers to the panel, speaking on condition of anonymity because they aren't authorized to discuss its deliberations, say the group ruled out three strategies: Partition Iraq. Withdraw immediately. And stay the course.

The New York Times reported in its online edition Wednesday that the study group's final report will call for a gradual pullback of the 15 American combat brigades now in Iraq but stop short of setting a firm timetable for their withdrawal. The Times said the report will also recommend the United States use diplomacy with Iran and Syria to help stop violence in Iraq.

The Times based its reporting on members of the group who spoke on condition of anonymity. USA TODAY was not able to independently confirm the details of the report.

If there were a ready solution to Iraq's travails, policymakers presumably would have chosen it already. Instead, they are left with balancing tough trade-offs — and a sense that time is running out.

“The level of sectarian violence is 10 to 12 times higher than it was in January, and there is no sign that it is being reduced,” says Anthony Cordesman of the Center for Strategic and International Studies. “Whatever the options are chosen, we have to have a degree of realism and self-honesty that we have lacked. … We need to understand that whatever we do will involve high risk and high cost.”

Increasing fragmentation in Iraq and declining support for the war in the USA have eliminated ideas that might have worked a year or two ago, says former U.S. diplomat David Mack, a consultant to Baker's group. Gen. John Abizaid, commander of U.S. forces in the Middle East, told a Senate panel two weeks ago that there were four to six months left to get control of the violence in Iraq.

Zalmay Khalilzad, the U.S. ambassador to Iraq, offered a different timetable in an interview with USA TODAY on May 31. He said the Iraqi government had three to six months to turn around the situation — a period that expires today.

While the Baker commission recommendations, the Pentagon review and the National Security Council report all are being drafted in private, there's no secret about the options available as the United States faces its worst military crisis since the Vietnam War:

Sen. John McCain, R-Ariz., has proposed deploying 20,000 troops to Iraq in addition to the 140,000 already there — a step he estimates would require expanding the Army and Marine Corps by 100,000. William Kristol, an influential neoconservative, says 50,000 more troops should be dispatched to secure Baghdad without shifting U.S. forces from other parts of Iraq.

Abizaid suggests there might be a temporary increase in troop levels to bolster training of Iraqi units.

However, the Army and Marines can't sustain higher force levels for long, Abizaid says. Other than troops in South Korea, nearly every Army unit is either deployed in Iraq and Afghanistan, recovering from a deployment or preparing for one.

What's more, Abizaid says, sending more U.S. troops might reduce the pressure on Iraqis to take over their own security.

And withdrawing troops?

Sen. Carl Levin, D-Mich., the incoming chairman of the Armed Services Committee, says a phased withdrawal of U.S. troops should begin in four to six months, an approach embraced by many other Democrats. Some anti-war Democrats want faster action. Rep. John Murtha, D-Pa., says U.S. troops should be redeployed as soon as they can safely move out of Iraq.

The administration says setting a timetable or pulling out troops would embolden insurgents, increase sectarian violence and create a vacuum that Iran and Syria could exploit. “There's one thing I'm not going to do,” Bush said Tuesday during a visit to Latvia. “I'm not going to pull our troops off the battlefield before the mission is complete.”

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Bush said he would ask Iraqi Prime Minister Nouri al-Maliki at their meeting today in Jordan to detail what stronger action he'll take to unify the government and tackle the sectarian militias blamed for the spreading violence.

The White House wants al-Maliki to offer political concessions to Sunnis and give amnesty to insurgents who are willing to lay down their arms. David Satterfield, the State Department's Iraq coordinator, told the Senate this month that the Shiite-dominated Iraqi government also should pass a law distributing oil earnings fairly, including to Sunnis.

The American axiom that all politics is local applies in Baghdad, too. Al-Maliki won the prime minister's job last spring by one vote because of support from Shiite cleric Muqtada al-Sadr. Phebe Marr, an Iraq historian and adviser to the Iraq Study Group, asks how al-Maliki could go after al-Sadr's Mahdi Army without losing his own job.

"It's so fractured," Marr says. "The thought that there's a person who can come and give an order and have it obeyed is a great mistake." She cautions that pushing al-Maliki aside could empower competing Shiite factions that are more closely aligned with Iran.

Al-Maliki has made little progress on two critical fronts: preparing Iraqi forces to take over security operations and disbanding the Shiite militias. He's blocked U.S. efforts to arrest top members of the Mahdi Army. A joint U.S.-Iraqi operation to stabilize Baghdad, announced with fanfare when he met with Bush at the White House in July, has been a dramatic failure.

Bush's national security adviser, Stephen Hadley, wrote a classified memo this month, reported Wednesday by The New York Times, that questioned al-Maliki's intentions and ability to counter sectarian violence.

If he doesn't, U.S. troops might have to take military action against the militias in Sadr City, a sprawling Baghdad slum named for the cleric's father and home to 2 million Shiites. That step, Marr and other analysts warn, could topple the al-Maliki government and enrage Shiites across the region.

Bush administration officials are urging U.S. allies in the Arab world to help tamp the turmoil in Iraq. Vice President Cheney met last week with King Abdullah of Saudi Arabia and Bush met Wednesday with King Abdullah II of Jordan. Both could use their ties with Sunni tribal groups to encourage Sunni cooperation with al-Maliki, strengthening his political standing.

However, they have little influence with the Shiite majority or Sunni insurgents in Iraq, and the Bush administration has refused to meet with two neighbors that do. The administration has had no serious talks with Iran since 2003 and no high-level meetings with Syria since early 2005.

Baker says that policy should be reversed. "You can't fulfill the mission without talking to the neighboring countries," he said in an interview with USA TODAY in September. He has talked to Syrian Foreign Minister Walid al-Moallem and Iran's United Nations ambassador, Mohammad Javad Zarif. His commission has met twice with Syria's ambassador to the United States, Imad Mustapha.

Some experts doubt either nation could do much. Judith Yaphe, a Middle East expert at the National Defense University in Washington, D.C., says Sunni fighters are no longer dependent on Syria for financial help because they've become self-sufficient through smuggling and other criminal activities.

What's more, both countries presumably would demand something in return. "We believe we can play a constructive role," Mustapha, the Syrian ambassador, said in an interview. However, he said, "The U.S. has to respect Syrian interests in the region we live in."

Syria would like to limit a U.N. probe into the 2004 murder of former Lebanese prime minister Rafiq Hariri that may implicate senior Syrian officials.

For its part, Iran wants to end a quarter-century of U.S. economic sanctions and to win recognition of its rising role in the region. Chas Freeman, another adviser to the Iraq Study Group and a former U.S. ambassador to Saudi Arabia, predicts the Bush administration wouldn't be able to enlist Iranian support on Iraq without agreeing to broader negotiations.

Bush on Tuesday took a hard line, reiterating that talks with Iran were off-limits until it suspends its uranium enrichment program. In any case, Yaphe says, Iran probably wouldn't be willing to curtail its support for the Shiite militias.

"Talking with Iran and Syria over the fate of Iraq is not guaranteed to get the U.S. government the results it wants," she says.

There also are no guarantees that Bush will choose to change course, though his decision this month to replace Defense Secretary Donald Rumsfeld, an architect of the war, seems to open the door. Robert Gates, the former CIA director nominated to replace Rumsfeld, had been a member of the Iraq Study Group.

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In a statement submitted to Congress this week in advance of his confirmation hearings, Gates endorsed diplomatic engagement with Syria and Iran.

Baker's group will publish its report next Wednesday, according to the U.S. Institute of Peace, the taxpayer-funded think tank that organized the study. The recommendations will be sent first to the White House and Congress.

Biden says he then plans “extensive hearings” exploring the range of proposals on Iraq.

Meanwhile, in Iraq, some politicians have begun hedging their bets in anticipation of a reduction in U.S. troops and influence.

Last week, al-Maliki welcomed Syria's foreign minister to Baghdad, restoring diplomatic ties between the two countries after a breach of nearly a quarter-century.

And on Monday, Iraqi President Jalal Talabani went to Iran, long Iraq's arch foe, and met with Iranian President Mahmoud Ahmadinejad. Talabani urged him to help “restore stability and security” in Iraq.

One War, No Answers (WP)

By Dana Milbank

The Washington Post, November 30, 2006

Does anybody have a good plan for Iraq?

Not President Bush. He arrived in Jordan yesterday for a crucial meeting with Iraqi Prime Minister Nouri al-Maliki, only for the White House to discover that the Iraqi was a no-show. "It was going to be more of a social meeting anyways," Bush aide Dan Bartlett told reporters at the Raghadan Palace in Amman.

Neither does the Pentagon appear to have a solution. Gen. Pete Pace, chairman of the Joint Chiefs of Staff, called a news conference yesterday to advise the American public not to expect big conclusions from a major Iraq study he ordered. "There's not an end product," he announced.

Nor, apparently, do the Democrats have the answer. Sen. Jack Reed (R.I.), a Democratic point man on Iraq, called his own press briefing in the Capitol yesterday to call for (drum roll, please) "a high-ranking special envoy to work with the Iraqi government."

And what of the congressionally appointed Iraq Study Group? After nearly nine months of studying, the commission will finally give some recommendations next week. Its deliberations are so relaxed that its co-chairmen, James Baker and Lee Hamilton, found time on Monday to pose for an Annie Leibovitz photo shoot for Men's Vogue. (The current issue has features on "the new Bond temptress," the "Alpha Suit" and "power" wristwatches.)

Political Washington is in a state of suspended animation these days: waiting for Bob Gates to replace Donald Rumsfeld as secretary of defense, waiting for the Baker-Hamilton commission, waiting to see whether Bush will raise or lower troop levels. But with good ideas in short supply, and hopes falling that the Men's Vogue Study Group will produce a magic solution, leaders of both parties seem unable to do much more than heap blame on Maliki and argue about whether or not to call the Iraq carnage a civil war.

Yesterday's installment began when Reed, a former Army Ranger from the 82nd Airborne, hopped onto the stage in the Senate press gallery. Demanding "immediate and tangible" actions by Maliki, the senator stipulated that "the critical issue is what the Iraqi government is going to do to keep their government together, quell the violence and provide the services to the people that a government should and must provide."

Having established that, Reed made his entry into the great nomenclature debate. What's happening in Iraq, he said, "is a working definition of a civil war."

Other than his envoy suggestion, Reed had little in the way of fresh ideas for Iraq. But he made it clear that he didn't expect ideas from the Baker-Hamilton group or the Pentagon either. "I don't think we can afford to wait for the Iraqi Study Group report," Reed advised, questioning "how much detail and specific guidance they can give and still reach a consensus."

His hopes were not much higher for the Pentagon. Asked about Pace, the Joint Chiefs chairman, Reed smiled. "I think he's been extremely loyal to the secretary and the administration." Previewing the general's news conference, the senator said it "will probably be the best sort of indication of whether there is a new sense of candor or whether his position remains the same."

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Pace opted for the latter. Under the watchful eye of Bryan Whitman, Rumsfeld's spokesman, he energetically offered his view that Iraq is not in a civil war but provided little other information, because "we need to be circumspect about what we say in public."

How about current efforts to increase troops in Baghdad? "That is a province of General Casey," he demurred.

Gen. John Abizaid's warning that violence must be controlled within six months? "I doubt that General Abizaid meant to pick a particular point on the calendar," Pace said.

Abizaid's caution that the military couldn't sustain a big increase of troops in Iraq? "The United States military can today and tomorrow handle any additional challenge."

Over in Amman, White House aide Bartlett was delivering the less-cheerful tidings that Maliki would be skipping the meeting that Bush had rearranged his schedule to attend -- and that the postponement to today had nothing to do with a leaked White House memo saying Maliki was either ignorant or incompetent.

"Since the king of Jordan and Prime Minister Maliki had a bilateral themselves, earlier today, everybody believed that negated the purpose for the three of them to meet tonight," Bartlett argued.

He continued this line of logic: "They had a very good conversation, and afterwards they felt, well, since we had good conversations, we addressed issues, there was not an agenda for the three for a trilateral that they felt was necessary."

No agenda? It was an odd way to characterize the Iraq war, civil or otherwise. But Bartlett and his colleagues were not the only ones feeling unhurried.

NBC's Andrea Mitchell discovered that the Baker-Hamilton commission had taken time from its deliberations for "a class photo . . . shot by celebrity photographer Annie Leibovitz." The Washington Post's Robin Wright learned yesterday that Men's Vogue would be publishing the spread.

"Through coverage of art and architecture, travel and food, politics and finance, books and sports, custom tailoring and fine watches," the magazine's mission statement says, it "will define a new male sensibility -- smart, worldly, mature, and ready to discover more." Such as how to fix Iraq.

Mideast Turmoil Pressures Bush To Revise Tactics (WSJ)

By Yochi J. Dreazen, Cam Simpson And Mariam Fam

The Wall Street Journal, November 30, 2006

President Bush long shunned the intensive Middle East diplomacy of the 1990s. But with Iraq, Lebanon and the Palestinian territories wracked by bloody turmoil, he may have little choice but to reconsider the regional political order he once derided as a "false stability."

As Mr. Bush arrived in Jordan last night, the White House has made clear that it is open -- at least in principle -- to considering talks with longstanding rivals Syria and Iran, though it wants them to first change their behavior. Secretary of State Condoleezza Rice announced yesterday that she is meeting with Israeli Prime Minister Ehud Olmert today amid efforts to revive the moribund Israeli-Palestinian peace process that allies say the Bush administration has never really embraced. And the administration has toned down its pressure on allied authoritarian countries such as Egypt and Saudi Arabia, which it previously suggested should embrace democratic measures.

Taken together, the administration's diplomatic initiatives represent an effort to cobble together as much of the decades-old Middle East power structure as possible as a way of restoring stability to Iraq and deterring Iran.

"Without arguing that the old Middle East was perfect, it sure looks an awful lot better than the new Middle East," says Richard Haass, who headed the State Department's policy-planning staff during the Bush administration's first term. Still, Mr. Haass cautions, it will be hard to piece together the old order.

The new diplomatic initiatives are fueled primarily by the rapidly deteriorating situation in Iraq, where a worsening civil war is killing thousands of civilians. Yesterday, Pentagon officials said they are considering sending more than 3,000 new troops to Baghdad in yet another attempt to quell the violence in the capital. U.S. officials, meanwhile, are harboring growing doubts about Prime Minister Nouri al-Maliki's ability to control the situation.

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Mr. Bush had planned to meet the Iraqi leader last night in a joint meeting with Jordan's King Abdullah II, but Mr. Maliki abruptly canceled the session. Iraqi officials traveling with the Iraqi leader said he wanted to meet directly with the American president, without Jordan's leader present. Mr. Maliki is also taking political heat at home for the session, with several cabinet members saying yesterday they were boycotting parliament as a protest over the planned summit. Iraqi officials may also have been angry about a U.S. memo leaked to the New York Times questioning Mr. Maliki's intentions and capabilities.

But White House spokesman Tony Snow insisted the cancellation was unrelated to the flap over the memo, and said Mr. Maliki didn't "snub" Mr. Bush. U.S. officials say Mr. Bush and Mr. Maliki will meet today as scheduled. White House officials say Mr. Bush is planning to push the Iraqi leader to detail his strategy for stemming Iraq's surging violence and reconciling the country's warring sectarian groups.

Mr. Bush said earlier on the trip that he planned to reassure Mr. Maliki that the U.S. remains committed to victory in Iraq, wouldn't withdraw troops prematurely, and is seeking ways to bolster the Iraqi premier's authority. Administration officials say one idea being considered is to give Mr. Maliki expanded authority over Iraq's security forces.

Ms. Rice, meanwhile, will head to Jerusalem and to the West Bank town of Jericho today for separate talks with Mr. Olmert and Palestinian Authority President Mahmoud Abbas. Ms. Rice will also be meeting in coming days with the foreign ministers of Saudi Arabia, Jordan and Egypt as part of a broad U.S. push to build a coalition of Sunni Muslim Arab allies to help contain Iran's Shiite Muslim regime.

Indeed, the administration is confronting a region in the midst of profound political shifts that the U.S. helped ignite -- by invading Iraq and promoting democracy -- but now finds itself largely unable to control.

The Palestinian government long led by the late Yasser Arafat's political organization is now run by the militant Islamist group Hamas, which took power in elections Mr. Bush strongly endorsed and which refuses to recognize Israel or forswear political violence. In Egypt, mounting public support for the Islamic opposition is leading the country's ruling party to back away from promises of greater democratization there. Lebanon faces growing tensions between the Western-backed government of Prime Minister Fuad Siniora and the militant Shiite movement Hezbollah, which wants a bigger role in Beirut's governing coalition. The Sunni rulers of Jordan and Saudi Arabia, meanwhile, are increasingly concerned about the growing influence of Shiite Iran.

At the same time, powerful officials within the Bush administration will continue to resist calls to lean on Israel or to engage substantively with Syria.

The broader regional instability is being fueled by the dire situation in Iraq, where the administration is anxiously seeking a solution to the escalating cycle of sectarian bloodshed. A bipartisan commission headed by former Secretary of State James Baker III and former Rep. Lee Hamilton, seeking new strategies for dealing with the situation, will next week recommend that the U.S. expand its diplomatic outreach to Tehran and Damascus, according to people familiar with the panel's recommendations.

White House officials caution that they are deeply skeptical that either country would be willing to take constructive steps to calm the situation in Iraq, with which both share a border. "There's a combination of Iran, Syria, Hezbollah and Hamas that is trying to frustrate the dreams of the people of the region," National Security Adviser Stephen Hadley said in an interview earlier this week. And senior officials don't think Iran and Syria have much power to stabilize Iraq, even if their leaders were so inclined.

But Bush advisers do think Tehran and Damascus can make things inside Iraq much worse. "They are important in a negative way in Iraq," said a senior State Department official. "They can make things considerably worse."

U.S. officials say Syria could allow -- or even encourage -- an unimpaired flow of fighters, weapons and cash to Sunni insurgents in Iraq. Tehran could similarly step up its military and financial support for Iraq's Shiite militias or push those fighters -- who have been nurtured and financed by the Iranians for years -- to escalate their bloody campaign against Sunni targets.

Beyond Iraq, White House officials have been pushing to revive the moribund Israeli-Palestinian peace process. Formal talks between the two sides broke down several years ago, but Israeli and Palestinian officials managed to cobble together a cease-fire package in recent days that has largely ended months of bloodshed in the Gaza Strip, and Mr. Olmert this week publicly called on Palestinians to return to the negotiating table.

In part, the White House's Palestinian initiative is a response to entreaties from U.S. allies such as Britain and Saudi Arabia, which have been pressing the Bush administration for years to force momentum in the Israeli-Palestinian peace process,

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arguing that progress would contribute to broader regional stability. U.S.-friendly countries in the region say that if that irritant were removed, Washington would have greater diplomatic leverage with Arab leaders in trying to solve other problems, such as Iraq.

Saudi Arabia's King Abdullah asked Vice President Cheney to come to his country earlier this week to express concerns that Iraq's deterioration is destabilizing the entire region, including his own country, according to a person familiar with the closed-door session. This person says the king also reiterated his longstanding proposal for the entire Arab world to recognize Israel in exchange for a full Israeli withdrawal from lands it conquered in 1967.

Mr. Cheney's trip to Riyadh -- and the administration's apparent willingness to put its pro-democracy agenda on hold in Egypt -- indicate the administration has concluded that U.S. interests would be better served by having its traditional Arab allies remain in power, such as King Abdullah and Egyptian President Hosni Mubarak.

"If you talk about a democratic Middle East, then you might end up with Islamic forces in power, so Mubarak is better for them," says Emad Gad, a senior researcher at Cairo's Al-Ahram Center for Political and Strategic Studies. "The war in Lebanon and the elections of Hamas convinced the U.S. administration that the so-called moderate Arab regimes are more moderate than their people and more in line with U.S. policies."

Still, it is unclear how far the administration is willing to go diplomatically. U.S. officials have already ruled out easing their pressure on Tehran to abandon its nuclear program in exchange for Iranian assistance in stabilizing Iraq. Administration officials also say Mr. Bush is unlikely to press Israel to make far-reaching concessions to either Syria or the Palestinians.

Indeed, Mr. Cheney, long a skeptic of peace talks with the Palestinians, notched a bureaucratic victory earlier this week when Philip Zelikow, a top Rice aide who has been a vocal advocate of greater U.S. involvement in Israeli-Palestinian peace talks, said he would resign by the end of the year. A White House official who described himself as a friend of Mr. Zelikow said the diplomat was frustrated by the administration's reluctance to expand its diplomatic efforts in the Mideast and other key regions, and didn't see indications that would change any time soon.

Mr. Zelikow had been one of the Bush officials arguing most strongly for a new effort to restart the Israeli-Palestinian peace talks. In a keynote address Sept. 15 at a conference sponsored by a pro-Israeli Washington policy group, Mr. Zelikow said that "active policy on the Arab-Israeli dispute is an essential ingredient to forging a coalition that deals with the most dangerous problems" in the region.

Mr. Zelikow's address kicked up so much controversy in Israel and Washington that senior State Department officials had to publicly distance the Bush administration from his remarks, though a senior administration official involved in Middle East policy said that Mr. Zelikow's views are supported by several other members of Washington's top policy ranks.

Indeed, in another sign of the difficulties of the administration's attempts to return to old-fashioned Mideast diplomacy, a second senior State Department official traveling with Ms. Rice acknowledged last night that an important piece of the administration's plan -- creating a so-called caretaker government in the Palestinian territories to replace the one led by Hamas -- was stalled for the foreseeable future. Palestinian leaders had already declared those talks at a dead end.

Such a change is a key to starting meaningful talks, since the White House can't legally deal with Hamas because the U.S. has deemed it a terrorist organization.

Democratic Leaders Seek Special Iraq Envoy To Try To Stem The Violence (NYT)

By Carl Hulse

The New York Times, November 30, 2006

WASHINGTON, Nov. 29 — Leading Senate Democrats called Wednesday for President Bush to appoint a special envoy to work with Iraqi leaders to bring increasing violence in Iraq under control.

“Violence in Iraq has reached critical levels, and the violence is not predominantly instigated by insurgents, but is taking place between Sunnis and Shia,” said Senator Harry Reid, who will become the majority leader, and four other top Senate Democrats in a letter sent to Mr. Bush. “It is our belief that coalition military action alone cannot end this violence.”

The lawmakers said in the letter that the special American envoy could follow up on issues raised between Mr. Bush and Prime Minister Nuri Kamal al-Maliki of Iraq during their planned meeting on Thursday in Jordan.

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Democrats also said Wednesday that a newly disclosed administration memo raising doubts about Mr. Maliki's ability to bring the turmoil under control was in some ways reassuring because it showed that some senior administration officials recognized how serious the situation had become.

" I think that was a pretty realistic appreciation of Maliki," Senator Jack Reed, Democrat of Rhode Island, told reporters on Wednesday. "And I hope it does represent a much more realistic assessment of what's going on there rather than just, you know, the slogans that we've heard for so long."

Mr. Reed helped initiate the letter, which was also signed by the incoming majority leader; Senator Richard J. Durbin of Illinois, the No. 2 Democrat; Senator Carl Levin, Democrat of Michigan and the incoming chairman of the Armed Services Committee; and Senator John D. Rockefeller IV, Democrat of West Virginia, who will become chairman of the Intelligence Committee.

"My fear is that this meeting in Amman ends just with sort of some concepts, some discussions, some photos, and Maliki goes back into Baghdad, nothing's going to get done, and months from now, precious time will have been lost," Mr. Reed said.

In their letter, the Democrats said that a special envoy with existing relationships in Iraq and elsewhere in the region could devote full attention to keeping the pressure on Mr. Maliki to try to contain the violence. They said the current American ambassador to Iraq, Zalmay Khalilzad, had too many other duties to give his full attention to such an initiative.

"A special envoy can play an indispensable role in assisting the Iraqis in finding solutions," wrote the Democrats, who are hoping that Mr. Bush will take their views more seriously now that they will control the House and Senate beginning in January.

With Mr. Bush in the Middle East and Congress out of session until next week, other Democrats were quiet Wednesday about their expectations for Mr. Bush's meeting with Mr. Maliki, which was postponed from Wednesday.

But senior aides said the disclosure of the memo by Stephen J. Hadley, the national security adviser, expressing skepticism about the prime minister's capacity to quell the violence was seen as another sign from the administration that it needed to change its thinking on Iraq.

House Democrats have scheduled an informal forum on Iraq policy for next Tuesday at which they plan to hear from foreign policy, national security and military experts. They hope that the session will help to increase the pressure on the administration for a change in strategy and consideration of a withdrawal of American forces.

In their letter, the Senate Democrats called for Mr. Bush to urge the American-backed Iraqi government to take a number of actions, including condemning the current sectarian violence, disbanding armed militias and encouraging equal treatment of all Iraqis as well as to be careful not to favor one Muslim group over another.

"We understand that all of these steps are difficult," the letter said. "We are also aware that the Iraqi government has pledged to take many of the above steps but none have been accomplished. In the meantime, our U.S. forces continue to be injured and killed."

Four American state governors — Jon S. Corzine of New Jersey; George E. Pataki of New York; Theodore R. Kulongoski of Oregon; and Jon Huntsman Jr. of Utah — on Wednesday completed a two-day trip to Iraq that had not been publicly announced.

Mr. Corzine, in a conference call with reporters, said he was surprised by how much security conditions had deteriorated in the country from his previous visits in May 2005 and December 2003 as a senator from New Jersey.

"I think it is significantly more unstable than I would have thought, and the need for additional forces, particularly Iraqi forces, is pretty obvious," Mr. Corzine said.

A Bust In Bakersville (NSWK)

By Michael Hirsh

Newsweek, November 30, 2006

Nov. 29, 2006 - The forthcoming report by James Baker's Iraq Study Group has enjoyed the biggest public buildup since the Segway. And it is likely to be just as big of a bust.

Here's why the Baker-Hamilton report is destined to land with a thud, after weeks of messianic hype. According to sources who have seen the draft report introduced this week, the group will recommend deeper engagement with Iran and Syria in hopes these countries can help us quell the violence in Iraq. But George W. Bush, who remains a true neocon believer—"It's the regime,

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stupid"—is very unlikely to cut deals with such evil states, except in the most foot-dragging way. In any case, with each passing week Iraq's sectarian fratricide makes these neighboring countries less and less relevant. One doesn't have to be trained by Hizbullah or the Iranian secret service to grab a few Sunnis off the street every night and shoot them in the head. But until those killings stop, the yes-it-is-a-civil war-no-it's-not-a-civil-war in Iraq will continue to rage out of control.

The James Baker-Lee Hamilton group will also recommend tackling the problem of Israeli-Palestinian peace. But this central issue of Islamist discontent no longer has much to do with the violence in Iraq, just as the violence has less and less to do with Al Qaeda. The neocon fantasists, in their headiest days, used to say that "the road to Jerusalem goes through Baghdad." This meant that somehow, in ways they could never spell out, the Israeli-Palestinian issue would be resolved after democracy was achieved in Iraq. Now Baker's thought seems to be that the road to Baghdad goes through Jerusalem. This is just as silly as the earlier idea. Take this down: the road to Baghdad goes through Iraq.

Above all, sources indicate the Baker-Hamilton group will fudge the issue of what the size of the U.S. troop presence in Iraq should be, and what a specific timetable for withdrawal should look like. This means that, almost as soon as the report comes out in early December, Iraqi Prime Minister Nuri al-Maliki will be able to ignore it, and he likely will. Prominent Democrats like Sens. Carl Levin, Jack Reed and Joseph Biden will begin to dismiss it and reintroduce their own plans. Biden, for example, plans to hold six weeks of hearings in January, after he takes over the Senate Foreign Relations Committee, that will quickly turn Baker-Hamilton into a relic of that long-ago autumn of 2006.

What's happening in Washington right now is the worst sort of cover-your-backside politics. The nation's officialdom, Republicans and Democrats both, continue to indulge in the outer-galactic notion that Iraq is "winnable" or "losable." President Bush still seems to be deluding himself that "Al Qaeda" is behind the violence in Iraq, as he said in Latvia yesterday, and this week he's supposed to meet with Maliki in Jordan in hopes he can get the Iraqi leader to crack down on the violence. This requires the pretense the Maliki doesn't owe his political life to one of the chief authors of the violence, radical cleric Moqtada al-Sadr. Assuming the Bush trip was well-thought-out strategy and not merely a political ploy—not a safe assumption—the only possible explanation for it is that the president wants to split Maliki off from Sadr, forcing him to reform his government. But that is playing with dynamite in the middle of a conflagration. And Sadr, in any case, is probably too smart to give up his political hold on Maliki: his loyalists in Parliament announced today that they would merely suspend their participation in the government.

The biggest reason why Baker-Hamilton will bust big time, however, is that while the diplomatic Baker cautiously forges consensus, the fast-moving events in Iraq are making him look as if he's standing still. Consider: out at Ft. Riley in Kansas, the U.S. Army is engaged in its biggest training of "transition teams"—advisers to be embedded in the Iraqi military—since the Vietnam war. The 11-man transition teams amount to only about 5,000 advisers so far, and some 15,000 are needed to truly professionalize the Iraqi Army, says Lt. Col. John Nagl, commander of the 1-34 Armor. In order to train up those additional U.S. advisers, President Bush must decide to stand down U.S. forces in Iraq and give the Iraqi Army the lead. That would allow regular U.S. Army battalions to park their tanks and artillery pieces, so that U.S. officers and noncoms could become advisers.

This major shift is going to occur no matter what Baker-Hamilton says. The future course of U.S. involvement is set for a long time to come: as the Iraqi Army matures beyond the five or so divisions that are now functioning, very brave American officers will join them, guiding their movements with the latest technology that effectively will give them a proxy air force. This will be a slow, painstaking process, neither cut and run nor stay the course. Just find a medium-term way to extricate yourself with your scalp intact.

Iraq is not winnable or losable. All it is, in the best case, is manageable. What's needed instead of careful consensus building in Washington is a Richard Holbrooke or a Henry Kissinger out in the field, a tough, no-nonsense negotiator who can grapple with the reality of the American failure in the region and simply seek the most honorable way out. Perhaps the best hope for this kind of adult solution now lies with Robert Gates, who served on the Baker-Hamilton group until he was named to replace Donald Rumsfeld as secretary of Defense. Gates, a longtime CIA analyst, is a true big-tent guy who has made a career out of sifting out nonsense. In his 1996 memoir, "From the Shadows: the Ultimate Insider's story of Five Presidents and How They Won the Cold War," Gates took a nonideologue's view, identifying useful elements of foreign policy from Jimmy Carter to Ronald Reagan. Both hawks and doves, he says, had part of the cold war equation right. "If presidents had listened only to the hawks, U.S. belligerence and aggressiveness would have been so overwhelming that the Soviets would have been afraid to undertake

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changes in their system, to have let down their guard at all," he wrote. "If presidents had listened only to the doves, not only would the Soviets have seen many opportunities to gain strategic military advantage and new influence in the Third World; there would have been significantly less pressure on them to change." His interpretation of the victory over the Soviet Union is that it was won through "both confrontation and conciliation, conflict and dialogue."

In the end, the most enduring legacy of the Baker-Hamilton report may be Gates himself, a philosophy of management over vision. At least that's better than what we have now.

When Should The U.S. Withdraw? Ask The Iraqis. (WSJ)

By Scott Turow

The Wall Street Journal, November 30, 2006

Now that we have a divided government, a new defense secretary and the Iraq Study Group prepared to issue its report, we appear ready to descend into a period of rancorous national debate about how long our troops should remain in Iraq. But before Americans go toe-to-toe with one another, I have a new idea. Why don't we ask the people of Iraq what they think?

I'm not a foreign-policy wonk. I am merely one of millions of Americans who despairs over the news from Baghdad, and yearns to see this country as united as we were in the days after 9/11. The Americans who opposed the Iraq invasion -- like me -- and those who fully supported our military action now find themselves in accord on two fundamental points: First, the war has not gone well. Second, we are prisoners of an ethical dilemma of our own making, crystallized in the "Pottery Barn Rule" Colin Powell reportedly invoked to President Bush: You break it, you own it. Whatever the validity of our reasons for going into Iraq, we terminated not only a despotic government but a stable, civil society. It seems selfish and unjust for us simply to leave the country in chaos, and we will be required to spend billions repairing Iraq for years to come.

But that does not resolve the question of our military presence, which is sharpened by the young Americans being killed and maimed there every day. Many foreign-policy experts believe that a large-scale American force on Iraqi soil aggravates ethnic rivalries by forcibly enhancing power differentials between those groups, thus robbing the current government of legitimacy in the eyes of many citizens. Others, including many of our generals, say that the 140,000 American troops stationed in the country are all that stand in the way of a full-scale civil war. But why attempt to resolve this as a debate among our dueling experts when we can ask the genuine authorities -- the Iraqi people? They are there. They know their country and their countrymen. And naturally, it is they who care most intensely about their future.

So here's what I propose. Our government must urge Iraqi leaders to hold an immediate plebiscite on a single question: Should American forces remain in Iraq until a stable democratic order emerges, however long that takes, or should we instead withdraw in stages over a fixed period, say, the next 12 months?

I have a guess about which way the vote will go. Since opinion-sampling began a year after the invasion, one poll after another has found that an increasing majority of Iraqis would like us to pack our gear and leave. But who knows how accurate polling is in a society like Iraq, where so many citizens have reasons to be guarded about their views? And even if the results reflected opinions at the time, it's possible that an informed national discussion might change minds. Yet if the remaining rationale for our presence in Iraq hinges on our commitment to democracy there, what possible excuse can we have for not letting the Iraqis make the ultimate choice about our occupation? If a solid majority throughout the country wants us out, then we can leave knowing that we are not deserting a people eager for our presence.

And if instead a majority of Iraqis prefer that we remain, we can revert to our own national debate about the kind of commitment we are willing to make, knowing we have an open invitation. I am not proposing that we give the people of Iraq veto power over how long Americans must fight and die on their behalf. We must fix goals for our inevitable departure. But even the Americans who believe we should depart tomorrow will have to reflect twice if the beleaguered citizens of Iraq, 150,000 of whom have already died according to their government, say the future presence of our troops will be helpful. And attacks on American soldiers will perhaps slacken if it becomes fact-established that we are invited guests, not an occupying army.

The results of the vote would probably not be the same in the various ethnic regions of Iraq. In prior opinion polls, the Kurds have overwhelmingly favored the American presence that has freed them from the menacing hand of Iraq's central government. But a split verdict may suit our aims. American troops must continue to be stationed somewhere in the region to prevent active

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coercion by Iraq's neighbors, especially Syria and Iran, and to respond in case the direst predictions prove out and parts of Iraq become a lawless terrorist breeding ground, like Afghanistan under the Taliban. The emerging Kurdish canton might be the ideal place for our soldiers to wait out events, while removing themselves from the cross-fire in the rest of the country.

After the blood and treasure America has expended in Iraq, all Americans should hope that a stable society emerges there, governed by people who are not actively hostile to American interests. That is an ever more distant dream at this stage. But the longer we remain in Iraq without considering the will of its people, the more certainly we imperil the dwindling hopes we have by breeding enduring resentments.

Mr. Turow is author, most recently, of the novella "Limitations" (Picador, 2006).

The War Last Time (NYT)

By Thomas Powers

The New York Times, November 30, 2006

South Royalton, Vt.

THE chaotic war in Iraq is the great piece of unfinished business that will soon face Robert M. Gates, President Bush's choice to replace Donald Rumsfeld as secretary of defense. He will assume the difficult charge of halting the collapse of American strategy at a moment when the president's freedom to maneuver has been curtailed by the election of Democratic majorities in both houses of Congress, and by the free-for-all sectarian killing in Iraq.

Mr. Gates arrives at the Pentagon with no background in running the immense American military establishment, no broad political constituency, and no experience fighting or managing a big ground war. What he does bring is a survivor's knowledge of how to push forward a controversial policy — President Ronald Reagan's campaign against the Sandinistas in Nicaragua in the 1980s — and a history of close association with President Bush's father. It was President George H. W. Bush who appointed Mr. Gates to his biggest job — running the Central Intelligence Agency.

Simple realism — totting up the Congressional votes the president can count on to back or oppose him — suggests that a turning point has been reached in Iraq. Getting in is over, and getting out is about to begin. I am reminded of a similar moment 41 years ago, when Lyndon Johnson was facing the bleak but imminent prospect of his South Vietnamese allies' collapse in Saigon. The year was 1965, and Johnson had just been overwhelmingly re-elected president over Senator Barry Goldwater on the oft-repeated campaign pledge not to send American boys thousands of miles away to fight a war that Asian boys ought to fight.

Johnson's advisers put it to him straight: Saigon was going to lose, Hanoi was going to win, and there wasn't much time to waste. The choice was clear: lose the war or expand the war, find a formula of words to mask failure or send more troops and increase the bet on the table. Johnson chose to expand the war.

Raising the bet was already a pattern. Just two years earlier, President John F. Kennedy had faced a similarly stark choice. The government of Ngo Dinh Diem, installed and sustained by the United States, was locked in a destructive battle with Buddhists in its own country, and though it was fighting the war erratically and ineffectively, it seemed impervious to American counsel. Even worse, from Washington's point of view, the Diem government had entered into secret conversations with the Communists. Some American officials thought a deal was in the works.

At the end of a long period of crisis, Kennedy's government backed a coup by Vietnamese generals who were being advised by a French-born C.I.A. operative named Lucien Conein. The Diem government was quickly removed and replaced, but in the process Diem and his brother were brutally murdered. The war went better for a while, and then didn't, in a pattern that repeated itself many times.

About 20 years ago, a friend and I were picking up a takeout dinner from a Vietnamese restaurant in Washington run by Tran Van Don, one of the generals who organized the 1963 coup. Tran pointed out a portly, white-haired man at a table overlooking the room, dining alone: it was his old friend, Lucien Conein. In a sense, they were both exiles. I often think about the conversations they must have had. The war that followed their coup killed 57,000 Americans and a million Vietnamese.

It was during this period, in 1968, that Robert Gates joined the C.I.A., specializing in Soviet strategic arms programs. In the early 1980s, the central intelligence chief, William Casey, picked him to be the C.I.A.'s deputy director, which won him a front row

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seat while the agency put a contra army into the field to bring down the Sandinista government of Nicaragua — a goal Casey and President Reagan never publicly admitted.

The contras were expensive and ineffective. The public turned against the war, and eventually Congress passed the Boland Amendment, blocking all further expenditure on the clandestine war. Then began what would be known as the Iran-contra scandal, and then ended Mr. Gates's knowledge of what his chief was up to. So Mr. Gates testified, and the Iran-contra special prosecutor, Lawrence Walsh, never managed to prove otherwise, despite years of tireless effort.

Mr. Gates kept out of trouble and earned the trust of two presidents, who both nominated him to run the C.I.A. The first time opposition was so bitter that Mr. Gates withdrew his name; the second time, he was confirmed only after drawn-out hearings in which agency professionals accused Mr. Gates of shaping intelligence to please his bosses. Three volumes of hearing records prove only that Mr. Gates knew how to answer the question that he was asked and could get the people who worked for him to do likewise.

Today the choice facing Washington is not quite as stark as the one that confronted Lyndon Johnson in 1965, but it is close. Mr. Gates has spent the last nine months working as a member of the Iraq Study Group, whose much awaited recommendations will be revealed next Wednesday. Getting out is the simplest remedy, but no one wants to shoulder the blame for what follows. Staying the course has already been rejected by the president. That leaves only some kind of altered or renewed effort to postpone the day of reckoning.

Defeating the insurgents is only half of the challenge; harder will be finding some way to restrain or disband the Shiite militias without bringing them into the war against us. Down that road would lie a spiraling conflict as protracted and unwinnable as the war in Vietnam. The Republicans may have lost the midterm elections, but to my ear, on the subject of Iraq, the president has never sounded ready to accept anything that might be called defeat. Iraq is not Vietnam, but we are the same. We find ourselves, at a parallel moment, militarily committed to a policy on the verge of conspicuous failure. The American people, now as then, are unsettled by the phrase "cut and run" and reluctant to put their judgment ahead of the president's.

Above all, American presidents are the same. Bad news from Baghdad and opposition at home may point to a lowering of expectations, at the very least, but I wouldn't bet on it. Presidents take failure personally, can lift their voices above the din of opponents, and can use the immense power of their office to force events in the directions they choose.

The verdict of the elections was clear. The public wants to let Iraqis handle their own troubles from here on out, while we start bringing our soldiers home. But that's not what President Bush has said he wants, so there will very likely be a series of fights over Iraq that will extend to the president's last day in office. Robert Gates is smart, quiet, dogged and loyal: a well-considered choice for defense secretary by a president determined to bring home that "coonskin on the wall," to borrow a phrase made memorable by an earlier president in a similar fix, Lyndon Johnson.

Defense Eyeing More Deployments To Iraq (AP)

By Pauline Jelinek

AP, November 30, 2006

The Pentagon is developing plans to send four more battalions to Iraq early next year, partly to boost security in Baghdad, defense officials said Wednesday. Meanwhile, a commission studying Iraq policy said it would make its report next week.

The extra combat engineer battalions of reserves, likely to be sent to Baghdad, would total about 3,500 troops, officials said. They said the units, coming from around the United States, have already done tours in Iraq but there has been no final decision on which will go.

The moves come as violence continues to rise in Baghdad, and President Bush is under growing pressure to craft an exit strategy that would withdraw a substantial number of U.S. troops from Iraq while shifting more responsibility to the Iraqi government. The Iraq Study Group, a bipartisan commission looking into Iraq war policy, said it will release its report to the president, Congress and the public on Dec. 6.

The commission, led by former Secretary of State James A. Baker III and former Rep. Lee Hamilton, D-Ind., is widely expected to call for regional talks as part of its recommendations, including involvement by Syria and Iran. The Bush administration has been reluctant to engage those two countries, which it says have abetted the violence in Iraq.

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It remained unclear what the group would recommend regarding possible U.S. troop withdrawals. As of Tuesday, its members — five Democrats and five Republicans — were divided over the appropriate U.S. troop levels in Iraq, and whether and how to pull American forces out, according to one official close to the panel's deliberations.

A second official has said that the commission is unlikely to propose a timetable for withdrawing all U.S. troops but that some members seem to favor setting a date for an initial withdrawal, an idea that has been pushed by many congressional Democrats.

There are 139,000 U.S. troops in Iraq, with some 20,000 in and around Baghdad.

At a Pentagon press conference, Gen. Peter Pace, chairman of the Joint Chiefs of Staff, would not say whether more troops are planned for Baghdad, but he did say that was among many ideas commanders are debating. He said there was no plan to shift all troops out of the volatile Anbar Province into Baghdad.

Pace was asked if the advice of generals is becoming less important because of the upcoming Iraq Study Group report and the fact that power in Congress has shifted to Democrats, some of whom have been critical of the war.

"This is a very complex problem, and the more 10-pound brains we can bring to bear on the problem for our nation, the better," Pace said.

The Pentagon's decisions on which reserve battalions to send to Iraq next year would depend on how long the units had already served on the battlefront, because the Pentagon is trying to not break a policy of deploying troops no longer than 24 months on the ground in Iraq. The decision-making process was described by defense officials who requested anonymity because the plans have not yet been announced.

In addition, military leaders are shifting brigades within Iraq. The officials said they are moving a Stryker Brigade into Baghdad to help shore up security there. The 3rd Stryker Brigade, 2nd Infantry Division will move from Mosul in northern Iraq, down to Baghdad to replace a Stryker brigade that has gone home to Alaska.

Portions of the 2nd Brigade, 1st Infantry Division are moving into Iraq and heading up to Mosul to take its place, officials said.

In another development, former CIA Director Robert Gates, President Bush's nominee for defense secretary, endorsed the idea of engaging Iran and Syria for help in stabilizing increasingly violent Iraq, an opinion somewhat at odds with Bush's.

Gates made the comments in response to a questionnaire from the Senate Armed Services Committee, which is to hold a confirmation hearing next week.

"War planning should be done with the understanding that post-major combat phase of operations can be crucial," Gates said in a 65-page written response submitted to the committee Tuesday.

"If confirmed, I intend to improve the department's capabilities in this area," he said. "With the advantage of hindsight, I might have done some things differently."

Gates also appeared to subtly criticize the invasion of Iraq.

"I believe the use of pre-emptive force should be based on very strong evidence," he said.

Powell: Iraq Meets Civil War Definition (AP)

By Jim Krane

AP, November 30, 2006

Former Secretary of State Colin Powell said Wednesday at a business conference here that the war in Iraq "could be considered a civil war," the conference organizer said.

Powell made the comment during a question-and-answer session after a keynote speech, according to David Hellaby, who organized the "Leaders in Dubai Business Forum." No cameras were allowed in to record the talk, but Hellaby was present and issued a press release quoting Powell.

Powell could not be immediately reached for comment. Hellaby said Powell was leaving Dubai immediately after Wednesday's conference.

Powell's comments come in sharp contrast to those of President Bush, who said Tuesday that Iraq is not in a civil war. Bush blamed al-Qaida extremists for the daily violence there.

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Bush said Iraqis had "a chance to fall apart and they didn't."

The issue has become the focus of intense political debate in the United States in recent days. Powell is a retired general who served as chairman of the Joint Chiefs of Staff, and was secretary of state during Bush's first term in office.

During his speech, Hellaby said, Powell said the Iraq war had three phases. The first, the invasion phase, went as planned. But the second phase, the military occupation, was "badly handled," Powell said, according to the conference organizer.

Mistakes during the second phase led to the third, "which could be considered a civil war," Powell told the conference, according to Hellaby.

The session was moderated by CNN International correspondent Hala Gorani, but no cameras were allowed, Hellaby said. The forum drew 2,000 business people from around the Middle East.

Is Iraq A Civil War? Scholars Say Yes. Media Debate It. (CSM)

By Linda Feldmann

The Christian Science Monitor, November 30, 2006

WASHINGTON

Bit by bit, the mainstream media are referring to the war in Iraq as a "civil war" in news coverage. NBC News took the leap on Monday. The Los Angeles Times and The New York Times have made the switch. Other news organizations are still using "sectarian conflict" or "on the verge of civil war," but are actively debating using the more loaded term, which the Bush administration still eschews.

Most scholars who study war view the Iraq situation as a civil war; the only debate is when it became one - in 2004 when the US transferred sovereignty to Iraqis, or early this year when the bombing of a Shiite mosque in Samarra sparked a wave of sectarian violence that continues? Academics cite the standard definition of civil war: groups from the same country fighting for political control, and a death toll of at least 1,000. A majority of Americans view the conflict as a civil war, polls show.

The debate over terminology seems to have sprung from the latest surge in sectarian violence, and perhaps from a greater sense of freedom among US media, after the November elections, to call the situation as they see it without being accused of political bias, analysts say.

"It's a political debate, not a semantic debate or a theoretical debate," says David Gergen, a professor at Harvard's Kennedy School of Government and a former adviser to four US presidents of both parties. "In politics, the conventional wisdom has held for some time that if the public concludes our soldiers were in the middle of a civil war, they would think it hopeless and want to withdraw quickly."

Mr. Gergen says the administration's resistance to the term is understandable. "Calling it a civil war, in the minds of many supporters of the war, could pull the plug on all remaining support," he says.

The Bush administration, along with its British allies, is not alone is resisting the term "civil war." UN Secretary General Kofi Annan warned on Monday that Iraq was "almost there." But as UN chief, he too faces political considerations in his use of terminology. And at this delicate moment, with the US-led coalition and Middle East nations considering next steps, Mr. Annan is walking a careful line.

In the academic world, British war historian John Keegan writes in the current issue of Prospect magazine that the Iraq war does not meet his own criteria for civil war, which include "identifiability of the combatants." By Mr. Keegan's definition, there have been only five civil wars since the 17th century. By the reckoning of Molly Toft, an expert on civil wars at the Kennedy School, there have been 142 since 1940.

For the mainstream media, whose franchise on the news has been under increasing challenge, bucking the administration early on in the war would have been seen as a political statement that they were not willing to make.

"There's a tendency on the part of the mainstream media to defer to the basic definitions of the administration, and I think that's what happened here," says Chris Hanson, who teaches journalism at the University of Maryland.

The press, in an almost unconscious way, did not want to be drawn into a situation where it might be blamed for the outcome, and so has danced around flat assertions that Iraq is in civil war, he says.

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"There's a nervousness about appearing to make a political decision, when in fact it should be based on reality rather than political," says Bill Kovach, a counselor at the Project for Excellence in Journalism. "But explaining all that is too difficult for most news organizations, or has been."

Since the start of the war, news organizations have preferred to describe events on the ground, rather than applying labels. But now, a growing number of news organizations are willing to change their approach, and explain why. On Monday, New York Times Executive Editor Bill Keller released a statement on the paper's decision to allow news reporters and editors to describe Iraq as being in "civil war" when they see fit.

"We expect to use the phrase sparingly and carefully, not to the exclusion of other formulations, not for dramatic effect," Mr. Keller wrote. "The main shortcoming of 'civil war' is that, like other labels, it fails to capture the complexity of what is happening on the ground. The war in Iraq is, in addition to being a civil war, an occupation, a Baathist insurgency, a sectarian conflict, a front in a war against terrorists, a scene of criminal gangsterism and a cycle of vengeance. We believe 'civil war' should not become reductionist shorthand for a war that is colossally complicated."

Similarly, The Christian Science Monitor has used a wide number of terms. Two of its news articles out of Iraq this week referred to the nation's "deepening civil war" and to "driving Iraq further into civil war." "We try to give our reporters a reasonable amount of analytical freedom to describe what they find in plain language, but not to force conclusions on readers," says Managing Editor Marshall Ingwerson. "In the end, I think our language has shifted as gradually as the situation in Iraq has evolved."

Some observers believe President Bush should accede to growing public perception and agree that Iraq is in a state of civil war - and then explain what he proposes to do. Perceptions of a "credibility gap" on Iraq have dogged the administration, and an acceptance of the public's view could help bring the public along with next steps.

"They'd be better off acknowledging the reality that it is a civil war, and then say, 'Let me tell you why we still need to stay here and fight and here's why it's still an important mission,' says Chris Gelpi, an expert on war and public opinion at Duke University.

An important aspect of the bipartisan Iraq Study Group's forthcoming recommendations will be whether the group refers to Iraq as being in civil war, says Gergen.

Majority Of Americans Believe Iraq Is In 'Civil War', Poll Finds (WSJ)

The Wall Street Journal, November 30, 2006

A majority of Americans think Iraq is in the midst of a civil war, a new Harris Interactive poll finds, and few are confident that Robert Gates's nomination as Secretary of Defense will improve the situation there.

Sixty-eight percent of U.S. adults said they believe there is a civil war in Iraq, the online poll from Nov. 13 to Nov. 20 found, compared with 14% who disagree and 18% who aren't sure.

Mr. Bush nominated former director of the Central Intelligence Agency Mr. Gates as a successor to Donald Rumsfeld on Nov. 9.

Of 2,429 U.S. adults polled, only 13% think Mr. Gates will make the situation in Iraq better. Forty-two percent think he will make no difference and another 40% say they aren't sure of the impact.

About half of those polled would like the government to set a timetable for withdrawal of U.S. troops in Iraq, while 18% favor withdrawing all U.S. troops now and 19% favor sending more troops to stabilize the situation.

See full results of the poll: "Do you believe there is a civil war in Iraq now?"

Base: All Adults "Which of the following possible scenarios would you like to see the U.S. government undertake with regard to Iraq?"

Base: All Adults "Which of the following is closest to your opinion?"

Base: All Adults

Note: Percentages may not add up exactly to 100% due to rounding. "President Bush has recently announced that Secretary of Defense Donald Rumsfeld will be stepping down. Do you think this is a good or bad thing for the U.S.?"

Base: All Adults

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Note: Percentages may not add up exactly to 100% due to rounding. "Robert Gates, the former director of the Central Intelligence Agency (CIA), has been nominated by President Bush to succeed Donald Rumsfeld as Secretary of Defense. "Do you think this will:

Base: All Adults

Methodology:

The Harris poll was conducted online within the U.S. between Nov. 13 - 20, 2006 among 2,429 adults. Figures for age, sex, race, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents' propensity to be online. In theory, with probability samples of this size, one can say with 95% certainty that the overall results have a sampling error of +/- 2 percentage points of what they would be if the entire U.S. adult population had been polled with complete accuracy. This online sample is not a probability sample.

Oil For Food Justice (WSJ)

The Wall Street Journal, November 30, 2006

Australia's involvement in Saddam Hussein's Oil for Food scam has been known for years. But the bright light shone this week by the Cole Commission report is nonetheless illuminating -- and a lesson for other countries.

In 2,065 pages, Sir Terence Cole and his team unmask the vast corruption in AWB Ltd., Australia's former wheat board and supplier for a time of 16% of the world's wheat. That alone is a huge public service. AWB was the single largest payer of kickbacks to Saddam. From 1999 to 2003, the company paid $221.7 million to Iraq through "transportation" fees and "after-sales-service" fees designed to evade U.N. sanctions and Australian law. Given such compliant partners, it is little wonder Saddam thought the world would never act against him.

AWB's complicity started in July 1999, when the Iraqi Grain Board asked for a $12 per metric ton "transportation" fee for the wheat AWB wanted to sell to Iraq. Under U.N. sanctions, Iraq couldn't receive foreign currency; it was allowed to sell oil and deposit the proceeds in a U.N. escrow account for the purpose of buying food. But rather than reject Baghdad's blackmail, AWB rolled over and figured out a way to pay the bribe through third parties.

Mr. Cole's report demonstrates that AWB's senior directors devised front companies to disguise the illegal fees to Saddam and evade U.N. sanctions. Then they lied about it. "At no time did AWB tell the Australian government or the United Nations of its true arrangements with Iraq," Mr. Cole wrote. Canadian and American wheat companies did complain to their governments about AWB's practices. But AWB lied to Australia's Department of Foreign Affairs and Trade, the Australian Trade Commission, the Coalition Provisional Authority in Iraq, and Paul Volcker's Oil for Food investigation.

The Australian government started to act once Mr. Volcker's probe began turning over the rocks. Apart from the U.S., no other nation has launched a full-scale, independent criminal investigation into the crimes committed as part of Oil for Food. Mr. Cole's thoroughly readable report is available at www.oilforfoodinquiry.gov.au. He has recommended 11 AWB employees, plus a BHP Billiton executive, for criminal prosecution.

Meanwhile, most other countries have done little or nothing to come clean. France, which was given preferential oil allocations, has only a lone prosecutor moving ahead, with little support from the Elysée Palace. Russia, which facilitated the oil allocations and blocked moves on the Security Council to investigate kickbacks, refused to assist Mr. Volcker, much less prosecute anyone. Ditto for China, which received huge oil allocations, and Vietnam, whose state-owned food companies paid kickbacks in exchange for business contracts.

Regarding the U.N., Mr. Cole notes that "The United Nations knew that Iraq was breaching sanctions by requiring payment of inland transport fees and surcharges or after-sales-service fees. It knew this between 1999 and 2003. . . It took no steps to publicize or warn member states of the Iraqi practices, and it took no steps to stop the practices." Mark it down as another coda to Kofi Annan's disastrous legacy as Secretary General.

Afghanistan Called 'Key Priority' For NATO (WP)

By Michael Abramowitz

The Washington Post, November 30, 2006

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RIGA, Latvia, Nov. 29 -- European NATO countries pledged Wednesday to remove some of the restrictions on combat by their troops in Afghanistan, officials here said, as the alliance sought to close ranks and bring new force to bear against a resurgent Taliban militia.

At the conclusion of a summit here, leaders of the 26 NATO governments declared that attaining peace and security in Afghanistan is now the "key priority" for a grouping originally formed to confront Soviet military power in the Cold War.

The Bush administration has been pushing for more troops in Afghanistan and fewer restrictions by NATO members on how those troops could be used. President Bush has said success in Afghanistan is possible only if members accept "difficult assignments." NATO has about 33,000 troops in Afghanistan, about a third of them American.

Tensions have risen within the alliance over the refusal of Germany, France and Italy to send their forces into southern Afghanistan, focus of the alliance's battle against the Taliban militia. The increasing violence there has raised doubts about the viability of Afghan President Hamid Karzai's government.

Restrictions on use of troops has reflected a reluctance by some member countries to get involved in a war that, with suicide attacks and roadside bombs, is coming to resemble the one in Iraq more.

A statement from NATO indicated that the leaders had agreed to remove some of the "caveats" that countries had placed on the use of their troops, though exactly how much will change remained uncertain.

Though Germany, France and some others have maintained restrictions that will largely keep their troops in the relatively calm north, the Netherlands and Romania removed limits on how their troops can be used. Some other countries offered more troops and equipment for the effort, officials said.

During a news conference, NATO Secretary General Jaap de Hoop Scheffer said that about 26,000 of the troops in Afghanistan were now "more usable" in combat and noncombat operations and that all member countries had agreed their troops could be called on in a crisis by British Lt. Gen. David Richards, NATO's Afghanistan commander.

"In an emergency, they will support each other. That is the most fundamental demonstration of NATO solidarity," de Hoop Scheffer said.

U.S. officials pronounced themselves pleased with the summit. "We heard new pledges last night, so I think the commanders have a great deal to work with," said Daniel Fried, assistant secretary of state for European and Eurasian affairs, briefing reporters on board Air Force One. "The fighting season, so to speak, is going to end with the coming of winter. The NATO forces in the south did a very good job. Now you're going to see NATO trying to consolidate its battlefield gains."

Fried and other officials said the challenges facing Afghanistan are more than military, and the NATO leaders called on other countries to step up economic support and help for reconstruction. "There can be no security in Afghanistan without development, and no development without security," the communique stated.

Afghanistan was a major focus of a dinner Tuesday night for Bush and other leaders gathered for the summit here. British Prime Minister Tony Blair briefed the others on his recent trip to Afghanistan, saying the operation there is of "crucial importance to our own security. NATO's credibility is at stake here."

White House counselor Dan Bartlett described Bush as pleased with the dialogue Tuesday night. There was a "clear understanding of the stakes in Afghanistan," Bartlett said.

Unlike some recent summits, this year's NATO gathering did not focus on the immediate induction of new member countries. But the leaders' statement indicated that they might issue invitations to three Balkan nations -- Croatia, Macedonia and Albania -- at the next gathering in 2008.

They also invited Montenegro, Bosnia and Serbia to join the alliance's Partnership for Peace program, a first step toward possible NATO membership. The alliance had previously indicated it would first require greater cooperation from Serbia and Bosnia in tracking down suspected war criminals from the ethnic wars of the 1990s.

NATO also declared its 25,000-member rapid reaction force to be fully operational. The force is designed to allow NATO to respond to crises around the world on short notice.

NATO Adds To Afghan Force (WT)

By Stephen Dinan

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The Washington Times, November 30, 2006

RIGA, Latvia -- NATO leaders agreed yesterday to add troops to the 32,000 already in Afghanistan, but European countries such as France and Spain retained some of the restrictions that prevent their troops from taking a more active role in the fighting.

President Bush's goals for the summit were to achieve the troop commitment, persuade other NATO members to pledge increased defense spending, gain a recognition that Afghanistan is a make-or-break fight for the future of NATO, and break down restrictions that keep some allies' troops out of the heaviest fighting in the south, where Canada, Britain, the Netherlands, the United States and Estonia bear the burden.

He won progress on all of those goals, though in varying degrees.

The final communique makes it clear that Afghanistan is the defining battle for the alliance, but it simply encourages nations to boost defense spending. Although some European nations dropped caveats to deployment, they gave no hard agreement to push more of those troops to the south where the fighting is heaviest.

"We got a good deal the last couple of days in Riga," said Daniel Fried, assistant secretary at the State Department for European and Eurasian affairs. "Some allies brought more commitments to the table. Other allies said they would, in fact, even if they kept on some of the caveats on their missions, would respond to other allies if they needed help."

He said the allies also agreed to heed any requests by the NATO commander to shift troops inside Afghanistan.

NATO Secretary-General Jaap de Hoop Scheffer said the meeting produced a consensus that Afghanistan is critical, that the alliance's military commitment there is open-ended and that progress is being made.

"It is winnable, it is being won, but it is not yet won," he said.

Britain and Canada were optimistic that other nations would take some of the brunt of fighting in southern Afghanistan, but Spain and Italy said they would refuse to deploy troops.

Mr. de Hoop Scheffer said agreements to reduce caveats that constrain troops stationed in Afghanistan will help.

"A number of nations have diminished the caveats and the result is that, as we speak, about 20,000 of the total of 32,000 NATO ... forces are now more usable than they were for NATO combat and noncombat missions," he said.

Pledges to increase forces bring NATO to 90 percent of what military commanders have requested. Members have pledged additional fighter helicopters, several infantry companies and embedded training teams to help train the Afghan army.

"We still have to work on the other 10 percent," Mr. de Hoop Scheffer said.

The NATO leaders also discussed another round of expansion, with Albania, Croatia and Macedonia the likeliest candidates, and invited Serbia, Montenegro and Bosnia-Herzegovina to take the first step toward membership.

The United States hopes that former Soviet republics Georgia and Ukraine will be given a chance to meet the requirements for NATO membership.

Nato Discord Mars Afghan Headway (FT)

By Daniel Dombey And Stephen Fidler And Farhan Bokhari

Financial Times, November 30, 2006

Nato's leaders made modest progress on Wednesday on reducing the restrictions on the use of the alliance's 32,000 troops in Afghanistan, but differences soon broke out over the scope of changes.

At the close of a two-day summit in Riga, Jaap de Hoop Scheffer, Nato's secretary-general, said the alliance had met 90 per cent of the requirements for its mission in Afghanistan – chiefly by reducing or eliminating national "caveats" or restrictions on the use of troops. Previously Nato had said it had fulfilled 85 per cent of the requirements.

"We still have to work on the other 10 per cent," Mr de Hoop Scheffer said.

Nato officials said that five to eight of the 50 specific restrictions on national troops had been eliminated, making it easier to move soldiers and equipment across different sectors in Afghanistan.

Mr de Hoop Scheffer added that he had received commitments from the leaders of all 26 Nato countries that such restrictions would be waived in the case of emergency. "An emergency is defined by one man and only one man and that is the commander [of Nato's force]," he said.

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But seconds later both José Luis Rodríguez Zapatero, Spain's prime minister, and Romano Prodi, his Italian counterpart, insisted that their countries retained the right to decide when troops should be deployed.

"In emergency situations it is the Spanish command that decides," Mr Zapatero said. He added that Spain would not lift any of its restrictions on the use of its forces, since no such step was required by the troops' United Nations mandate.

Mr Prodi said the position of Italy, France, Germany and Spain, none of which station or intend to deploy troops in the turbulent south of Afghanistan, was the same. At a separate press conference, President Jac-ques Chirac said France could consider sending its troops outside Kabul case by case.

But Nato officials said that the political signal sent by the leaders at the summit would make it near impossible for national capitals in the future to resist emergency calls by commanders in the field. "Nato's credibility is on the line," said Tony Blair, Britain's prime minister. "The mission in Afghanistan is not yet won but it is winnable and indeed we are winning," he added, echoing comments made by many other leaders.

On Wednesday night, however, a senior Pakistani official insisted that Nato needed to reach an accommodation with the insurgency. "Instead of fighting Taliban militants, foreign troops should reconcile themselves to this reality," he said. "If the western world makes the mistake of prolonging this war, we would only see a never-ending conflict".

In an attempt to increase the effectiveness of the battle, Nato leaders agreed to give greater emphasis to non-military efforts, backing a call by Mr Chirac to set up a "contact group" to co-ordinate policy on Afghanistan with neighbouring countries and international institutions. Mr de Hoop Scheffer hoped the European Union would provide greater co-operation after an EU Brussels summit next month.

A UK official also emphasised that Bulgaria, Spain and Macedonia were sending reinforcements to the Afgh-an-istan mission. But Nato diplomats acknowledged that the contributions were relatively small and had been decided beforehand.

US Sees Afghanistan As Test Of NATO Role (CSM)

By Howard Lafranchi

The Christian Science Monitor, November 30, 2006

RIGA, LATVIA

The question looming over NATO's summit in this Baltic country this week was essentially this: What are friends for?

With the focus on the NATO-commanded counterinsurgency operation in Afghanistan, leaders from President George Bush to Canada's Prime Minister Stephen Harper wanted to know if just a few NATO countries would continue to carry the weight and face the worst of the danger. Or, would more of NATO's 26 members help out their partners with more troops - and fewer restrictions on how their troops can be used?

"Clearly there is still work to be done" to equalize the tasks of NATO assignments, says NATO Secretary-General Jaap de Hoop Scheffer.

The answer was only partially positive. At the close of the summit Wednesday, a few countries had pledged more forces for the 33,000-troop operation, while others - in particular Germany, France, Spain, and Italy - loosened restrictions on "emergency" engagement of their forces, so that they now can be used for the evacuation of injured NATO soldiers.

The controversy over who is doing the heavy lifting - and taking the worst of the fire - in Afghanistan is not just a row among friends. NATO's operation in Afghanistan, and controversy over burden-sharing in the fight against a resurgent Taliban in particular, dominated a summit originally envisioned as a venue for furthering the alliance's transformation from a cold-war institution defending Western Europe. But the Afghanistan debate largely pushed other big issues aside, with some leaders saying that success of the NATO operation there would be crucial to the alliance's long-term worth as a global force for peace and security.

"Contributing to peace and stability in Afghanistan is a just cause vital to our collective security and our shared values," Mr. De Hoop Scheffer told leaders at Riga's closing session Wednesday. "Together with other international actors, we will stand with the Afghan people for the long term to help them build a democratic country free from terror and drugs."

Employing a cautiously optimistic tone, NATO Supreme Allied Commander Gen. James Jones said, "Many nations involved in Afghanistan reduced or eliminated many of the national restrictions imposed for the use of their forces, known as

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caveats, and this will now allow the commander of the mission to more effectively use troops throughout Afghanistan." Unequal share of burden?

The controversy sparked in September, when European countries rejected calls from fellow NATO countries that they send part of their forces based in relatively peaceful parts of Afghanistan to reinforce efforts in the south, where the Taliban is most active. The issue was kept alive in Riga by Canadian officials, who noted that their troops in the south have suffered 36 deaths since March, while Germany, with a slightly larger force in the country, has lost no soldiers this year.

President Bush also focused on the issue, noting in a speech at Latvia University Tuesday that "this alliance was founded on a clear principle: An attack on one is an attack on all. That principle holds true," he added, "whether the attack is on our home soil or on our forces deployed on our NATO mission abroad."

French President Jacques Chirac responded Wednesday by announcing that France would allow "case by case" emergency assignment of its troops outside Kabul. But he gave a flat " non" to calls for additional troops - offering instead some additional materiel, including additional helicopters. Spain said its troops could be used in "exceptional circumstances" to evacuate wounded soldiers, but not for combat.

Bush left Riga directly after the traditional group photo Wednesday for talks in Jordan with Iraqi Prime Minister Nouri al-Maliki. But the president came away from the summit "encouraged" by the substantive discussions and "the commitment to success" in Afghanistan, according to senior White House officials.

Still, the questions over deployment "caveats" and burden-sharing in Afghanistan will continue to rattle the alliance, some experts say. "Frankly, if an alliance does not face collectively and equally the central threats to its members - and by that I mean the terrorist threat and security challenges coming out of the broader Middle East today - then that alliance will not be central to their thinking," says Ronald Asmus, director of the German Marshall Fund's Transatlantic Center in Brussels. New 'pre-members'

Yet such doubts have not weakened the alliance's attractiveness to other countries. As evidence of that, NATO leaders overcame their lingering resistance and invited Montenegro, Serbia, and Bosnia and Herzegovina to become "partners" of the Euro-Atlantic Council - essentially pre-membership status. Some NATO countries, including the US, had resisted this step because they consider Serbia and Bosnia less than fully cooperative with the United Nations war crimes tribunal. They wanted to see first the arrests of two former Bosnian Serb leaders, Radovan Karadzic and Ratko Mladic, as goodwill gestures.

In the end, even the US lifted its opposition, with some officials citing as a deciding factor a letter from reformist Serbian President Boris Tadic, in which he called on NATO to send a signal of support to democratic forces in his country.

The NATO leaders' final communique does call on Serbia and Bosnia and Herzegovina to "cooperate fully" with the UN tribunal and says NATO will "closely monitor" those efforts. Rapid-reaction force

Offsetting to a certain degree the modest progress on deployments in Afghanistan was De Hoop Scheffer's declaration that NATO's new 25,000-strong rapid-reaction force is fully operational. The force, envisioned as a means of putting NATO quickly on the scene of security and humanitarian emergencies, was first tested last year in response to the Pakistan earthquake. The new force is expected to lead over time to increased flexibility and "interoperability" of forces from more than two dozen countries.

In Estonia, Bush Finds A Tax Actually To His Liking (NYT)

By Sheryl Gay Stolberg

The New York Times, November 30, 2006

RIGA, Latvia, Nov. 29 — There was much for President Bush to like about Estonia, an efficient little nation of 1.4 million people sandwiched between Russia and the Baltic Sea.

He liked Estonia's biography, the story of a young democracy that blossomed from a breakaway Baltic republic shedding the yoke of Soviet rule. He liked his Estonian counterpart, Toomas Hendrik Ilves, a reformed reporter (for Radio Free Europe) who favors bow ties and, having been raised in the United States, speaks flawless English — albeit with a faint New Jersey accent. He liked the country's paperless bureaucracy, which allows citizens to pay parking tickets with their cellphones and file their taxes over the Internet — a system the president proclaimed "the envy of all nations."

But if there was one thing about Estonia Mr. Bush really seemed to like, it was the Estonian flat tax. "I appreciate the fact that you got a flat tax, you got a tax system that's transparent and simple," the president told Mr. Ilves when the two attended a news

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conferences held, perhaps not coincidentally, at the National Bank of Estonia. Later, toasting Mr. Ilves at a luncheon, Mr. Bush gushed, "I am amazed to be in a country that has been able to effect a flat tax in such a positive way."

The flat tax, as it turns out, was the brainchild of the former prime minister, Mart Laar. Mr. Laar was inspired by the only economics book he had ever read, Milton Friedman's paean to capitalism, "Free to Choose." Believing, erroneously, that the flat tax had been put into practice throughout the West, Mr. Laar introduced it to Estonia. This year, the Cato Institute, a libertarian policy organization, gave Mr. Laar its "Milton Friedman Award of Freedom."

A Change of Venue

Presidential trips require the right lighting, the right mix of people, the right backdrops. For the Bush White House, which began sending out advance teams as early as August to create the perfect imagery for the president's NATO summit swing through Estonia and Latvia, that meant a hasty change of venue for a presidential speech here in Riga.

Mr. Bush was scheduled to give a major address to the Riga Conference, a kind of parallel summit meeting put on by the Latvian government that drew government officials, academics, military leaders and opinion makers from around the world to debate the state of trans-Atlantic relations while the heads of state met separately.

The conference was held in Riga's most ornate building, a grand Renaissance affair that in the 17th century was home to the Society of the Black Heads, a group of German merchants whose patron was St. Mauritius, often depicted as a Moor. His likeness is reproduced in statues and paintings throughout the building, named the Black Heads House. The building, which dates to 1334, is a great source of local pride. But its name and scantily clad black figurines proved too much for a White House intent on repairing strained relations with African-Americans.

"They didn't want to speak at a place called Black Heads," said Eric Leland, co-chairman of the German Marshall Fund, an American foundation that helped the Latvians organize the event. "Just walk around here, look at all these statues." So the speech was held at the politically neutral site of Latvia University.

Bush's Body Language

Body language is everything when foreign leaders get together, especially when one of those leaders is Mr. Bush. Though the NATO summit meeting was mostly closed to the news media, the few snippets of video that TV journalists managed to eke out were without speech but, as the old saw goes, worth 1,000 words.

There was Mr. Bush entering the Olympic Sports Center, the convention hall that played host to the summit meeting, walking with a foreign leader of whom he is not particularly fond, President Jacques Chirac of France. Mr. Chirac is seen speaking animatedly, his right hand moving up and down. Mr. Bush, frowning as he looks in the other direction, appears to be taking a deep breath — the kind you might take when you are counting to 10 to keep yourself from saying what is really on your mind.

Later, as the leaders of the 26 member nations gathered, Mr. Bush seemed far more at ease. That, perhaps, was a fluke of the seating chart, which was arranged alphabetically by head of state. Mr. Bush landed next to his good friend Prime Minister Tony Blair of Britain. At the official photograph, where leaders were free to arrange themselves, Mr. Bush parked next to another friend, Chancellor Angela Merkel of Germany. Mr. Chirac was four leaders down the line, a safe distance away.

Dinner With Jacques (WP)

By Jackson Diehl

The Washington Post, November 30, 2006

RIGA, Latvia -- NATO's summit meeting here this week was supposed to be focused on bolstering its fight in Afghanistan and celebrating the freedom of Latvia and two other Baltic states that have made an astounding transition from captive nations under Soviet rule to democratic Western allies. So why was all the intrigue and backroom maneuvering about Vladimir Putin?

The answer to that question is a tangled diplomatic tale about the stubborn vainglory of French President Jacques Chirac and the equally implacable determination of Putin to humiliate and undermine the independent governments of former Soviet republics. It says a lot about the state of the Western alliance: the weakness of much of its present leadership and the deep confusion about how to answer the growing challenge -- some would say menace -- of Putin's Russia.

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For senior officials of the Bush administration, the drama began Monday, when they abruptly learned that Chirac had -- without consulting fellow allies -- agreed with Putin on a dinner in Riga on Wednesday night, immediately after the summit's conclusion. Supposedly the intent was to celebrate the 74th birthday of the lame-duck Chirac, whose term ends next spring. But U.S. officials quickly perceived the gambit for what it was: a last attempt to needle and upstage the lame-duck American president with whom Chirac has quarreled for six years.

Bush, after all, was to deliver a speech in Riga celebrating the Baltic revolt against rule from Moscow and urging an open door at NATO for other nations trying to free themselves from Russian dominion: Georgia, Ukraine, even Belarus. And as Chirac knew, Bush was to leave Riga well before the dinner hour.

Putin had his own special interest. No Russian president has set foot in Latvia, Lithuania or Estonia since they gained independence in 1991. Moscow's policy toward those countries has featured border disputes, demands for special treatment for Russian minorities and attempts to gain control over key pieces of economic infrastructure. Nominally a Putin visit would have done an honor to Latvia's already much-honored president, Vaira Vike-Freiberga. Only Putin's intention was to insult Vike-Freiberga by relegating her to the status of third wheel at a summit dinner -- as if she were a provincial governor rather than a head of state.

As NATO technocrats bargained over the conclusions of the summit -- which ended up giving a modest boost to the Afghanistan mission and the prospects for the future acceptance of new members -- the Chirac-Putin stink bomb produced a wave of revulsion, confusion and, eventually, tactical maneuvering among the allied delegations. German Chancellor Angela Merkel was invited to attend the dinner and thus recreate the Berlin-Paris-Moscow troika that opposed Bush during the Iraq war. But she declined, citing a suddenly urgent cabinet meeting in Berlin.

U.S. officials, meanwhile, pointed out to Latvian counterparts that they need not go along with the dinner if there was no benefit for Latvia. To her credit, Vike-Freiberga -- whom Bush called "the Iron Lady of the Baltics" when he appeared with her Tuesday -- let it be known that Putin would be welcome, provided that he made time for a bilateral visit with the Latvian president.

The Russian response was entirely predictable: Putin, who was attending his own summit meeting of the Commonwealth of Independent States in nearby Minsk, Belarus, suddenly couldn't fit a stop-off in Riga into his schedule after all. Birthday-boy Chirac was relegated to accepting a cake from Vike-Freiberga, along with the usual French role of bickering over the fine points of a NATO agenda driven by the United States.

In all, a trivial tempest. But there was a lingering lesson: The Western allies have no idea what to do about Putin. Five years ago the energetic former KGB colonel was regarded as a strategic partner for NATO and its members. Now he is generally understood to be an autocratic imperialist whose political enemies suffer from a high rate of sinister poisonings. Bush and other NATO leaders aren't ready to act on that understanding, or even to state it out loud. But the idea of having the man to their summit meeting has become a little creepy -- something only a bitter French lame duck would do.

DOJ:

U.S. Attorney Buchanan Chosen For Justice Department Post (AP)

AP, November 30, 2006

PITTSBURGH - U.S. Attorney Mary Beth Buchanan was appointed acting director of the Justice Department's Office on Violence Against Women.

Buchanan will remain the lead prosecutor in the 25-county Western District of Pennsylvania, while also heading the Washington, D.C.-based office. President Bush announced the appointment Wednesday.

The office administers financial and technical assistance to communities around the country that are creating programs and policies aimed at ending domestic violence.

Buchanan became an assistant prosecutor in 1988 and specialized in white collar and child exploitation crimes before being sworn in as U.S. attorney in September 2001. She also served as the director of the Executive Office of United States Attorneys from June 2004 to June 2005.

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U.S. Attorney Mary Beth Buchanan Gets National Justice Post (PPG)

By Paula Reed Ward, Pittsburgh Post-gazette

Pittsburgh Post-Gazette, November 30, 2006

President George Bush announced yesterday that Mary Beth Buchanan, the U.S. attorney for the Western District of Pennsylvania, has been appointed to a national post within the Department of Justice.

Ms. Buchanan, 43, will serve as the acting director of the Office on Violence Against Women.

She will continue to serve as the U.S. attorney here and will split time between the two posts.

The Washington, D.C., office administers assistance -- both financial and technical -- to communities around the country that are creating programs and policies aimed at ending all forms of domestic violence. Its main mission is to encourage the use of the Violence Against Women Act, which went into effect in 1995.

Next year, Ms. Buchanan will oversee the spending of some $400 million in various program areas in the office.

Some of that will be used to provide legal assistance to victims, to pay for supervised visitation and safe exchanges for children involved in custody disputes, and to provide support for elderly victims, Ms. Buchanan said.

"Issues involving violence against women and families have been one of my most significant interests," she said. "I welcome the opportunity to be effective on a national level in addressing this problem."

She plans to focus on increasing outreach to Native American tribes and on college campuses. In addition, she hopes to target young people to educate them about the damage caused by domestic violence.

"Many of the negative actions that we see are behaviors learned at very early ages," she said.

The Office on Violence Against Women was created under former President Bill Clinton. One of the greatest achievements in its 11-year history is the creation of 15 Family Justice centers.

There, victims of domestic violence will find all of the resources and services they need to recover -- the police officers, lawyers, medical care, forensic services and counseling -- available in one place.

Centers have opened in the past year in Boston, Buffalo, N.Y., St. Louis, Tulsa, Okla., Brooklyn, N.Y., and San Antonio.

In her new role, Ms. Buchanan will travel and speak extensively.

This is Ms. Buchanan's second appointment to a national Justice Department position. She served as director of the Executive Office of United States Attorneys from June 2004 to June 2005.

Ms. Buchanan was appointed U.S. attorney in 2001. She began working in the office as an assistant prosecutor in 1988.

CORPORATE SCANDALS:

Justice Policy On Corporate Prosecutions Under Review (AP)

By Lara Jakes Jordan, Associated Press

AP, November 30, 2006

WASHINGTON — The Justice Department is considering scaling back tough policies used to prosecute scandal-plagued corporations, legal tools criticized as unfairly pressuring companies and employees to cooperate in investigations.

The policies, used in criminal investigations of accounting firms Arthur Anderson and KPMG, could be changed as early as next week, according to people familiar with discussions among Bush administration officials and congressional leaders.

No final decisions have been made, department officials said. But the review comes as outgoing Senate Judiciary Chairman Arlen Specter, R-Pa., threatens to ease parts of the 2003 crackdown on white collar crimes in legislation he plans to file next week.

Additionally, an odd coalition of critics — from the U.S. Chamber of Commerce and the American Bar Association to former Attorney General Ed Meese and the American Civil Liberties Union — are calling for greater protections for those targeted in cases.

At issue is what has become known as the Thompson Memo, written by former Deputy Attorney General Larry Thompson. In the wake of scandals involving Enron Corp. and WorldCom Corp., it sought to coordinate prosecution tactics among the country's 94 U.S. attorneys.

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The policy allows prosecutors to show leniency to companies that cooperate with investigators by refusing to pay employees legal fees and disclosing confidential discussions between company lawyers and executives targeted by the government. The memo suggests that companies not cooperating could be indicted.

"There's a general understanding that there's going to be a change that would eliminate any reliance on whether a company was paying attorney fees for employees when making the decision to charge or indict a corporation," said Brian Walsh, senior legal research fellow at the Heritage Foundation think-tank in Washington. The think-tank scheduled a discussion Thursday about the memo, led by Thompson.

Walsh, who has been briefed on some of the department's discussions, said the department might require the attorney general or the top deputy to review and approve any government access to confidential attorney-client discussions. That would take away the discretion from U.S. attorneys in the states.

That, however, "won't do enough to restore the historical protections of the attorney-client relationship," Walsh said.

Few, if any, critics take issue with the Thompson memo's overarching goals. It has helped secure hundreds of corporate fraud convictions since it was written, and is "designed to protect the American investor," department spokesman Brian Roehrkasse said.

Roehrkasse signaled that major changes are not likely, noting that waiving the confidentiality of attorney-client discussions "may very well be in the corporation's best interest."

"Doing so has allowed prosecutors to complete as expeditiously as possible their investigation while minimizing the disruptive effect a criminal investigation can have on a corporation," he said.

Jonathan Macey, a corporate governance and finance professor at Yale Law School, said the policy lets prosecutors proceed as though companies already have been proved guilty.

"If you have a situation where someone is actually innocent but they've been branded as uncooperative — it's a very scary Kafkaesque thought," Macey said.

In June, a federal judge in New York criticized the policy as it was used in a 2004 case against KPMG. Trying to cooperate with prosecutors and avoid indictment, the company cut off legal aid to 16 employees charged with setting up illegal tax shelters.

"KPMG refused to pay because the government held the proverbial gun to its head," U.S. District Judge Lewis A. Kaplan wrote. By doing so, the judge said, the government violated the employees' rights to fair trials.

On the Web

Justice Department: http://www.usdoj.gov

Shift In Corporate Prosecution Ahead (WP)

By Carrie Johnson

The Washington Post, November 30, 2006

Justice Department officials are revising controversial guidelines for criminal prosecutions of companies in response to pressure from business groups, civil liberties lobbyists and an influential lawmaker who is expected to introduce legislation on the issue early next week.

The changes, which could require local U.S. attorneys to obtain input from high-level Justice Department officials before seeking corporate indictments, could be unveiled by Deputy Attorney General Paul J. McNulty next month, according to sources briefed on the issue who spoke on condition of anonymity because the deliberations are not yet complete. The administrative revisions also may forbid government lawyers from forcing companies to stop paying attorney fees to employees ensnared in investigations, a move that was declared unconstitutional in June by a federal judge in New York.

Separately, Senate Judiciary Chairman Arlen Specter (R-Pa.) is drafting legislation that would bar prosecutors from forcing companies to waive their attorney-client privilege over internal documents in order to avoid criminal charges, a key part of the current guidelines. Specter, who has received support from Sen. Patrick J. Leahy (D-Vt.), could release the bill as early as Monday.

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Debate about the appropriate use of prosecutorial power over business has simmered for years, reigniting in 2002 when the Justice Department charged Arthur Andersen LLP with obstruction of justice, a move that prompted partners and clients to flee and hastened the death of the audit firm.

Larry D. Thompson, then deputy attorney general, developed the guidelines in a memo the next year. After leaving government for a top legal job at PepsiCo, Thompson has quietly continued to defend his approach. In June, Thompson told the Texas bar association that his policy never was intended to force companies to waive their legal privilege except in "limited circumstances" in which prosecutors could not get information from other sources. Instead, Thompson said, companies should be prepared to cooperate with the government and turn over key facts about wrongdoing. He is to speak today at the Heritage Foundation, a conservative think tank in the District.

Some legal analysts argue that the push back is a reflection of increased confidence among business interests whose influence was devastated by the accounting scandals and resulting investor losses. In practice, they argued, debate over the Thompson memo is overblown because few government attorneys cross the line and demand confidential material to which they are not entitled.

Yet a strange-bedfellows coalition, including the National Association of Criminal Defense Lawyers, U.S. Chamber of Commerce, American Civil Liberties Union and National Association of Manufacturers, has formed to protest what it views as overly aggressive implementation of the guidelines. Peter H. Lawson, the chamber's congressional affairs director, and chief executive Thomas J. Donohue have visited top Justice Department officials repeatedly this year to make their case.

For business groups, the biggest concern is waiver of the attorney-client privilege to avoid prosecution, a move that puts sensitive documents and e-mail messages -- often involving communication with company lawyers -- into the hands of prosecutors, securities regulators and, ultimately, plaintiff lawyers who can use the waivers to obtain potentially damaging information in costly class-action lawsuits. Qwest Communications lost a bid in July to keep 220,000 documents from plaintiff attorneys after a federal appeals court ruled against the telecommunications company. Qwest had waived the attorney-client privilege over the documents to avoid criminal prosecution.

Defense lawyers and ACLU advocates, on the other hand, fear government practices that encourage businesses to point the finger at their own employees to save the companies from indictment. An ongoing prosecution of more than a dozen former KPMG officials over the marketing of tax shelters cast a spotlight on the issue after the accounting firm bent over backward to avoid indictment and helped implicate its own former executives.

In a letter earlier this year, a bipartisan group of former Justice Department officials, including attorneys general Griffin Bell and Richard L. Thornburgh; Clinton-era deputy attorney general Jamie S. Gorelick; and former solicitors general Theodore B. Olson, Kenneth W. Starr and Seth P. Waxman, called the memo "seriously flawed."

"You know you have a bad policy when people from across the spectrum are against it," said former deputy attorney general George J. Terwilliger III, who also signed the missive.

Panel Urges Relaxing Rules For Oversight (WSJ)

By Greg Ip, Kara Scannell And Deborah Solomon

The Wall Street Journal, November 30, 2006

A blue-ribbon committee on financial regulation has called for better protection of auditors, company employees and outside directors from authorities and lawsuits, as well as less-detailed rule-making and lower-key investigations.

The Committee on Capital Markets Regulation's report, to be released publicly today, is one of the most high-profile efforts to date to address concerns that excessive regulation -- much of it a response to recent corporate scandals -- is adding to corporate costs, stifling the public securities markets and causing the U.S. markets to lose business to foreign competitors.

AN ACTION PLAN

• Commentary:1 Panel chairs Glenn Hubbard and John Thornton on balancing the costs and benefits of regulation.

"The United States is losing its leading competitive position," the 148-page report says. One reason is "the growth of U.S. regulatory compliance costs and liability risk."

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The committee is directed by Harvard law professor Hal Scott and co-chaired by former White House adviser Glenn Hubbard, now dean of Columbia University's business school, and John Thornton, former president at Goldman Sachs Group Inc. and now chairman of the Brookings Institution. The group's recommendations for the most part either parallel efforts already under way or would require a different implementation of existing laws, primarily by the Securities and Exchange Commission. Only a few would require new legislation.

Treasury Secretary Henry Paulson is likely to welcome the report; the former chief executive of Goldman Sachs already is advocating many of its recommendations and recently called for a broad re-examination of regulations and laws.

He will hear more opinions before long. Early next year, the U.S. Chamber of Commerce is expected to release its own report, and Sen. Charles Schumer, (D., N.Y.), along with New York City Mayor Michael Bloomberg, have hired McKinsey & Co. to assess market competitiveness and its impact on the city's economy. Early next year, Treasury will host a conference to discuss the regulatory, legal and accounting structure.

The group would like the President's Working Group, a coordinating group headed by Mr. Paulson and including the heads of the SEC, Federal Reserve and Commodity Futures Trading Commission, to use its report to recommend specific reforms. That would give the issue "national economic significance," said Mr. Scott.

But Mr. Paulson will also have to decide which ideas are politically viable and which are dead-on-arrival. "Obviously anything you need congressional approval for would be difficult," said Mr. Scott, such as auditor-liability caps and reduced state-federal enforcement overlap.

Mr. Hubbard said, "I'm not sure this is as horrible a political [environment] as people think. There are Democratic leaders who have been quite bold in this area," citing, for example, incoming Senate Banking Committee Chairman Christopher Dodd's (D., Conn.) role in limiting shareholder class-action lawsuits in the 1990s.

The report makes 32 recommendations, of which six relate to easing the application of Section 404 of the 2002 Sarbanes-Oxley Act governing internal company-financial controls. The SEC already plans to present new guidance on section 404 on Dec. 13. Companies have complained that the section is expensive and onerous to implement.

Other recommendations call for setting a higher bar for regulators or private litigants to go after outside auditors, independent directors and company employees, especially when they act in good faith. It also recommends Congress cap auditors' liabilities, as some European countries do.

It recommends lawyers who donate to the officials who run public pension funds be barred from representing those funds in a class-action securities lawsuit. This could be done by the Department of Labor passing a rule under pension laws, or separate legislation.

The report's overarching theme is a change in regulatory philosophy. The revised philosophy is one based more on general principles than prescriptive rules, more aware of costs as well as benefits of new rules and less intrusive. It lauds Britain's Financial Services Authority, which uses "principles"-based regulation and oversees all British financial firms, in comparison with the U.S.'s multiple federal and state banking and securities regulators.

It suggests the SEC act more like federal banking regulators, such as the Federal Reserve, which concentrate on the soundness of the financial system and less on individual acts of wrongdoing, "with less publicity surrounding enforcement actions." That would encourage securities firms to step forward when they find problems, it says.

The report also says the U.S. has fallen behind some other countries in protecting shareholders' rights. It recommends that companies be required to submit "poison pills," meant to deter hostile takeovers, to shareholder approval.

It also says companies should require directors to be elected by a majority of voting shareholders.

On the contentious issue of executive compensation, it advises no action.

The SEC, it says, should create a special staff group to measure costs and benefits of rules before they are implemented.

Group: Sarbanes-Oxley Needs To Loosen Up (USAT)

By Greg Farrell

USA Today, November 30, 2006

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A group of prominent business executives and academics is planning to issue a call today for government regulators to ease up on the enforcement of the Sarbanes-Oxley Act. The group, dubbed the Committee on Capital Markets Regulation, asserts that some elements of the stringent law, which was passed in the wake of accounting meltdowns at Enron and WorldCom, have threatened the USA's leadership position in the global capital markets.

While the group has no legal standing, its recommendations are expected to be taken seriously by Congress, the business community and the Securities and Exchange Commission, which is expected to discuss the paper's contents at its public meeting Dec. 13. The reasons:

•Treasury Secretary Henry Paulson gave his blessing to the group in September, saying it was important for U.S. capital markets to remain competitive.

•Several lawmakers, including Sen. Chuck Schumer, D-N.Y., have publicly bemoaned the fact that foreign companies have been scared away by the USA's regulatory environment and increasingly looked to London or other financial centers to list their shares.

•One of the co-chairs of the group, Columbia Business School Dean Glenn Hubbard, served as chairman of the Council of Economic Advisers under President Bush.

According to Hal Scott, the Harvard Law School professor who spearheaded the study, recent trends in litigation and regulation threaten to undermine the USA's position as the world's dominant capital market.

Scott says that 40 years ago, onerous banking regulations drove U.S. banks to London, where they helped spark the growth of the Eurobond market. He sees a similar trend with initial public offerings: Fewer than 10% of foreign companies that went public in the last year did so in the USA.

"We've got a major problem here," he says.

The solution, according to the committee, is to change the legal environment in the USA, where class-action lawyers win billions in settlements from public companies each year; ease up on Section 404 of the Sarbanes-Oxley Act, which forces even small companies to spend several million dollars to establish strong internal accounting controls; and urge the SEC to ensure its rules make sense from a cost/benefit point of view.

Jack Coffee, an expert in securities law at Columbia who consulted on the project, doesn't think over-regulation has scared away foreign issuers. Instead, he says, the threat of getting sued in U.S. courts is more of a concern.

Scott says the study was funded by the Starr Foundation, a group headed by former AIG chairman Maurice "Hank" Greenberg, and a philanthropist who didn't want to be named.

Panel To Urge Rewriting Rules To Aid Companies (NYT)

By Floyd Norris And Stephen Labaton

The New York Times, November 30, 2006

Saying it is concerned about a loss of American competitiveness, an independent committee will call today for a sweeping overhaul of securities market regulations.

It recommends making it harder for companies to be indicted by the government or sued by private lawyers, and urges policies to keep the Securities and Exchange Commission from adopting rules that impose high costs on business.

The committee, formed with the endorsement of Treasury Secretary Henry M. Paulson Jr., said the S.E.C. should be required to perform cost-benefit analyses on all rules before they were adopted. It said the S.E.C. should also take steps to rein in private securities litigation and adopt policies to shield corporate directors and auditors from some lawsuits.

With Congress soon to be under control of the Democrats, the report recommends changes that can be made without legislation. Even so, it remains unclear how much of the report will be adopted by the Treasury or the S.E.C. While the committee said its recommendations would help investors, they drew immediate criticism from one former member of the S.E.C., who said the recommendations would damage the commission and roll back needed regulation.

The report said President Bush should direct the President's Working Group on Financial Markets — composed of Mr. Paulson and the chairmen of the Federal Reserve, the S.E.C. and the Commodities Futures Trading Commission — "to examine the legal and regulatory concerns we raise and to propose whatever reforms it views necessary."

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That could include permitting the group to review cost-benefit analyses before S.E.C. rules take effect, providing businesses with one more avenue of appeal against new rules they oppose.

The report also calls for relatively modest changes in the enforcement of the Sarbanes-Oxley Act and supports greater shareholder democracy by limiting antitakeover defenses of companies.

"Strong shareholder rights go hand in hand with reduced regulation or litigation, as strong shareholder rights invite greater dependence on shareholders to discipline management and directors," the report states.

The report was produced by the Committee on Capital Markets Regulation, a group co-chaired by R. Glenn Hubbard, the dean of the Columbia University Graduate School of Business, and John L. Thornton, the chairman of the Brookings Institution.

The committee has no official standing, but the identities of its leaders and its formation with an endorsement from Mr. Paulson have created an expectation that it may map out the Bush administration's final two years of strategy in capital markets. President Bush came to office talking of reduced regulation, but the Enron and WorldCom scandals led to passage of the Sarbanes-Oxley Act, which tightened regulation and established a new regulator for auditing firms, the Public Company Accounting Oversight Board.

Mr. Hubbard is a former chairman of President Bush's Council of Economic Advisers, and Mr. Thornton was president of Goldman Sachs when Mr. Paulson was its chief executive. The committee was directed by Hal S. Scott, a Harvard Law School professor.

The Treasury has not indicated what its agenda will be. In a speech last week, Mr. Paulson said the department would set up its own roundtable on the issues next year, an indication he was not yet willing to stake out definitive positions. Nor is it clear if Christopher Cox, the S.E.C. chairman, or the other commissioners will back the proposals.

The S.EC. analyzes some costs and benefits through its Office of Economic Analysis. But the committee proposes making that more formal, establishing "an internal staff group of qualified economists and business analysts to perform a systematic cost-benefit analysis as a regular part of the rule-writing process."

A draft copy of the report was provided to The New York Times yesterday by a committee member who asked not to be identified because the committee had determined it would not be publicly disclosed until today. The committee also gave reporters an embargoed copy of the report, but this article was not based on that release.

Although many of the changes could be made without legislation, some of the provisions, like imposing limits on damages against auditing firms — a major goal of two committee members who are heads of major auditing firms — would require Congressional action.

The report calls on the Justice Department to change its policy on corporate prosecutions. That approach is contained in a memorandum by Larry Thompson, who was deputy attorney general when the corporate scandals erupted. At the moment, prosecutors, in determining whether to bring criminal charges against a company, are permitted to consider whether the company waived lawyer-client privileges to aid the government's investigation and whether the company is paying defense costs for current or former executives facing criminal charges.

Instead, the report said, the Justice Department should prohibit prosecutors from seeking waivers of lawyer-client privilege or the denial of legal fees for company officials.

In general, it said, the government should be hesitant to ever indict companies, given possible damage to innocent shareholders and to the economy, and it said the law should be changed to give Washington the power to block state indictments of accounting or financial firms.

Federal indictments of corporations should occur only "in exceptional circumstances of pervasive culpability throughout all offices and ranks," the report stated. It added that if a state wanted to bring charges against either an auditing firm or a financial firm, the Justice Department should be able to block the prosecution "on the grounds of national interest."

A major focus of the report is what the committee sees as a loss of competitiveness for American capital markets, which no longer list the bulk of new initial public offerings. The report concedes that some of the reasons for that change cannot be altered, like improved foreign markets and the fact that some offerings are from companies controlled by foreign governments. But it wants to take action on the rest.

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One way would be to exempt foreign companies from Section 404 of the Sarbanes-Oxley Act, which requires audits of internal controls, if they have something similar in their home markets. For American companies, it said, the S.E.C. and the accounting oversight board should provide guidance to make application of the rule less costly, something they have promised to do.

Companies whose securities now trade in the United States generally cannot leave unless the number of American shareholders falls below 300. The committee suggested that the S.E.C. change that to omit institutional shareholders from the count, on the theory that it is individual investors who most need protection. That would make it a little easier for such companies to leave the American markets.

For foreign companies not now registered in the United States, the report suggests that the S.E.C. abandon most restrictions on leaving, so long as American investors are warned before they invest that such a departure is possible. “If foreign companies know they can leave U.S. markets, they may be more willing to come in the first place,” the report states.

A focus of the report is on excessive litigation. It urges the S.E.C. to offer rules and interpretations to raise the standard of materiality needed to make an error important and therefore subject to litigation.

It suggests that companies, with shareholder approval, be permitted to divert some complaints to arbitration rather than to court, or to require that such disputes that do go to court be heard by judges rather than juries. It also urges the commission to provide protection from lawsuits for directors who rely in good faith on auditors or on corporate officials. And it suggests Congress consider limiting the liability of accounting firms, to protect them from collapse if they lose a major case.

When the committee was formed, it did not include any former S.E.C. officials. “We would not want to put people in the position who had formulated these rules in the past,” Mr. Scott said. “They may have a lack of objectivity.”

But those people may have influence, and at least one of them said yesterday that he was not impressed by the report.

"The report pays lip service to the need for rigorous enforcement but would dramatically diminish the effectiveness of the S.E.C., of criminal enforcement, of state attorney general enforcement and of private damage actions,” said Harvey J. Goldschmid, a professor at Columbia Law School who had served as general counsel and as a member of the S.E.C. He said he had seen the final report but declined to discuss or disclose details of it.

“The recent drive for accountability and deterrence would be replaced by a world in which almost anything goes,” he added. “The committee raised legitimate questions but over all their recommendations are unbalanced and unwise.”

Paulson-Backed Group Seeks Reduced Business Penalties (Update2) (BLOOM)

By Jesse Westbrook And Vineeta Anand

Bloomberg, November 30, 2006

Nov. 29 (Bloomberg) -- U.S. lawmakers and regulators should reduce penalties on companies and their auditors to help American financial markets compete globally, a group of prominent executives and academics backed by Treasury Secretary Henry Paulson said.

The Committee on Capital Markets Regulation, led by former White House Economic Adviser Glenn Hubbard and former Goldman Sachs Group Inc. President John Thornton, in a report to be published tomorrow, called for a broad overhaul of securities regulation, saying the Justice Department should pursue corporate criminal indictments only as a last resort. The group's recommendations may shape the debate about how to revise the Sarbanes-Oxley Act.

``Firms must choose to come to the United States: they do not have to come," the group said in an advance copy of the 135- page report. ``It is the committee's view that in the shift of regulatory intensity, balance has been lost to the competitive disadvantage of U.S. financial markets."

Paulson has questioned whether laws like Sarbanes-Oxley, passed in the wake of corporate scandals, went too far. The Treasury secretary has been waiting for the report as he prepares meetings next year to examine the U.S. accounting and legal systems.

Members of Congress have said they are concerned the U.S. may lose its status as the world's top financial center because of costs stemming from Sarbanes-Oxley.

Sarbanes-Oxley

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House Financial Services Committee Chairman Michael Oxley and Senator Paul Sarbanes, a Maryland Democrat, drafted the law in 2002 after accounting scams at Enron Corp. and WorldCom Inc. cost investors about $65 billion, according to government estimates and shareholder lawsuits.

Sarbanes-Oxley requires outside auditors to evaluate the procedures companies have in place to ensure accurate financial statements, drawing business complaints. Critics say accountants have interpreted the provision too stringently, driving up compliance fees and prompting companies to take initial public offerings overseas.

The committee headed by Hubbard and Thornton said Congress should exempt companies with market values of less than $75 million from Sarbanes-Oxley audit requirements if costs can't be brought in line with benefits. SEC Chairman Christopher Cox has said he opposes exemptions for small firms.

Representative Barney Frank, a Massachusetts Democrat who's poised to replace Oxley in January, says he supports easing the law's costs. Representative Nancy Pelosi, a California Democrat who will become House Speaker, has said she wants to reduce burdens on small companies.

Cost of Regulation

U.S. companies paid $4.36 million on average to comply with Sarbanes-Oxley in 2004, the group said.

To ensure that regulation doesn't become too expensive in the future, the group suggested the SEC periodically review its rules to make sure benefits exceed costs.

The capital markets committee says it doesn't want to emasculate Sarbanes-Oxley, which it says has ``significantly strengthened the financial reporting and governance processes for public companies." In addition to tightening accounting rules, the law stiffened penalties for corporate fraud and requires top executives to certify that company books are accurate.

To prompt overseas companies to sell shares in the U.S. and prevent domestic firms from going elsewhere, the Justice Department should stipulate that it will only pursue criminal prosecutions in instances of ``pervasive culpability throughout all offices and ranks."

Investor Confidence

Charles Niemeier, a member of the Public Accounting Oversight Board, said in an interview regulators are already working to resolve most of the committee's concerns about Sarbanes-Oxley by revising audit standards to save companies time and money.

SEC Commissioner Roel Campos, a Democrat, said in an interview that securities regulations give U.S. markets advantages over foreign rivals by boosting investor confidence.

``Foreign investors tell me every day that they invest billions of dollars in the U.S. because they feel that our system protects capital and minority shareholders better than anywhere else in the world," Campos said.

Civil litigation presents another problem. U.S. settlements from class action lawsuits soared to $3.5 billion in 2005 from $150 million 10 years earlier, the group said. The risk of litigation has prompted insurers to charge U.S. firms six times as much as they do European companies for coverage protecting executives and directors from lawsuits.

Lawsuit Limits

The committee said Congress should limit liability for accountants by ``preventing damage awards against audit firms and their employees at a level that could destroy a firm." U.S. financial markets couldn't sustain the demise of another accounting firm after Arthur Andersen LLP went out of business following its indictment for aiding Enron's fraud, the group said.

The SEC should shield independent directors from shareholder lawsuits when board members can show decisions were based on ``good-faith reliance on an audited financial statement," the report said. Such a change would encourage more people to serve on public boards.

There is no guarantee regulators will take up the committee's recommendations. Democrats, considered less friendly to business, will take control of Congress in January and similar suggestions have been rejected before, said Damon Silvers, associate general counsel of the AFL-CIO labor federation.

The report is ``destined for the desk drawer," Silvers said in an interview. ``It's the same old stuff the business lobby has been shopping around for a generation."

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Market Panel Issues Call For Relaxing Rules (LAT)

By Jonathan Peterson, Times Staff Writer

The Los Angeles Times, November 30, 2006

Post-Enron regulation has hurt competitiveness of U.S. firms, a business and academic study says.

WASHINGTON — Business lobbyists and their intellectual allies have begun a broad effort to lighten the regulatory burden of corporate America, warning that U.S. companies and the capital markets they rely on are losing the competitive battle to rivals overseas.

In the latest development, the private Committee on Capital Markets Regulation today plans to release an interim report contending that regulation, enforcement and litigation have become a weighty burden on the economy, and cite evidence that America's long-envied capital markets have lost some of their allure.

"The first conclusion is that we have a real competitiveness problem," said Hal S. Scott, a Harvard University law professor who directed the work of the panel.

The 22-member committee includes corporate chieftains and leading academics and was launched Sept. 12 with the backing of Treasury Secretary Henry M. Paulson Jr.

To make its case, the panel cites the rising prominence of private equity firms, which are increasingly buying publicly traded companies and taking them into private ownership.

The report also warns that the U.S. is losing its dominant role in initial public offerings. "As measured by value of IPOs, the U.S. share declined from 50% in 2000 to 5% in 2005," it says.

"Foreign companies are not coming here, and private companies are not going public as much as they did in the past," Scott said in an interview Wednesday. "Over time, if we don't deal with the problems, it's not just going to be foreign companies that don't want to come here but our own companies won't want to be traded here."

Such complaints aren't new, but some see a change in the nation's attitude toward big business that could give the panel's report greater currency.

Memories of fraud at Enron Corp., WorldCom Inc. and elsewhere are starting to fade, and the corporate investments held by millions of Americans through stocks, 401(k) plans and mutual funds are swelling thanks to a booming stock market.

Business leaders are also encouraged by signs that some Democrats are willing to consider working with Republicans to ease the regulatory burden.

"Right after Enron, the American business community felt they had to keep their mouths shut and not complain even when they saw poor regulation or poor management of capital markets issues," said David C. Chavern, chief legal officer of the U.S. Chamber of Commerce. "Now, people are saying just because some executives did bad things, that doesn't mean we should screw up our whole capital markets system because of it."

The new report calls on the Securities and Exchange Commission to place greater emphasis on analyzing the costs as well as the benefits of new rules. It will suggest that the SEC, the Justice Department and state regulators do a better job of coordinating their enforcement efforts so that companies aren't vulnerable to multiple attacks.

It also proposes easing of liability for independent corporate directors when companies get into trouble, and it will urge a change in the standards demanded for internal controls that were required by the Sarbanes-Oxley corporate reform law.

The controls, used by companies to guarantee the accuracy of their financial records, have been assailed as unduly, costly and burdensome by many firms.

The group emphasizes investor protections as a "bedrock principle" of the marketplace but nonetheless concludes that the intensity of regulation has become extreme. "The evidence suggests that the balance needs to be restored," said a summary of the report that was obtained Wednesday.

Other proposals to ease red-tape burdens also are in store. The U.S. Chamber of Commerce plans next year to release its own recommendations by a panel that is being co-chaired by William M. Daley, the Democratic Commerce secretary during the Clinton administration, and A.B. Culvahouse, chairman of the O'Melveny & Myers law firm.

More narrowly, the SEC is preparing to propose guidelines next month that some fear will ease the requirements for internal controls.

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The combination of developments has become a concern for shareholder-rights activists who have applauded an array of post-Enron measures and until now have been able to rely on bipartisan congressional support to uphold them.

"I'm very worried," said Barbara Roper, director of investor protection for the Consumer Federation of America. "We have a huge fight on our hands. They are very well funded and very well organized," she said of business groups.

Democrats, who won control of the House and the Senate in the midterm elections, have been careful not to alarm big business interests that have traditionally favored Republicans.

On Wednesday, Rep. Charles B. Rangel (D-N.Y.), likely to be the next chairman of the House Ways and Means Committee, said he planned to hold a bipartisan retreat with Treasury Secretary Paulson to consider cooperative approaches on such matters as taxation and trade.

And Rep. Barney Frank (D-Mass.), soon to be chairman of the House Financial Services Committee, believes that regulators can exert their discretion in implementing the Sarbanes-Oxley rules to address business concerns without having to amend the law itself.

"In a nutshell, he believes there's enough flexibility in the law to reduce some of the costly burdens — especially to small business — before any legislative remedy is sought or even thought about," said Steve Adamske, a spokesman for Frank.

The Bush administration may be an ally of some of the business proposals. In a recent speech, Paulson alluded to the nation's "complex and confusing regulatory structure and enforcement environment." Furthermore, he noted that some of the post-Enron rules, although necessary, were being implemented in a way that might create unnecessary costs and new risks to the economy.

Paulson has been closely identified with the Committee on Capital Markets Regulation, with some even referring to it as the "Paulson group." But although Paulson hailed the creation of the committee at its launch, there is no formal connection. The Treasury Department plans its own conference early next year on the concerns related to U.S. capital markets and economic competitiveness.

"Treasury is not a member of the committee nor is it working in collaboration with this committee," said Jennifer Zuccarelli, a Treasury spokeswoman. "But the department is open to hearing new ideas from respected academics and industry leaders to encourage the strength of the capital markets and uphold investor protections."

In addition to Harvard's Scott, other members of the capital markets panel include R. Glenn Hubbard, who served as chairman of the White House Council of Economic Advisors earlier in the Bush administration; John L. Thornton, chairman of the Brookings Institution and former president of investment bank Goldman Sachs; and James Rothenberg, chairman of Los Angeles-based Capital Research & Management Co., the parent of American Funds.

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Action Plan For Capital Markets (WSJ)

By R. Glenn Hubbard And John L. Thornton

The Wall Street Journal, November 30, 2006

Today, the Committee on Capital Markets Regulation will issue its first report on regulatory changes needed to maintain and improve the global competitive position of U.S. capital markets for investors. Our 135-page report offers numerous recommendations and suggestions for areas of further study -- principally for regulation, though, in some cases, for legislation. The theme is simple: To maintain and enhance the value of U.S. public markets, we must do a better job of assessing and evaluating the benefits and costs of our regulatory and legal system and strengthen the rights of shareholders.

Our 22-member committee's initial recommendations should be implemented: They represent the consensus of a diverse group of legal and finance scholars, CEOs, auditors, practicing corporate attorneys, institutional investors and investor advocates drawn from both political parties. Taken together, the proposed changes would enhance shareholder value by reducing the cost of capital, increasing expected firm cash flows, and reducing excessive risk aversion of corporate managers, auditors and directors. * * *

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Public capital markets play a vital role in any modern economy. They offer the means for growing firms to finance investment. They allow investors' funds to flow to the most promising opportunities. And the risk-sharing, liquidity and information services provided by well functioning capital markets enhance the value of investors' assets and lower the cost of capital for firms. Legal and regulatory regimes that promote shareholder rights, accountability, disclosure and transparency are an important element in the success of capital markets and the economy as a whole.

In our column on this page late last month, we observed that U.S. capital markets are losing their competitiveness in global markets, to the detriment of investors. Our report concludes that regulatory and legal costs play a leading role in this adverse shift. And the debate over foreign listings in the U.S. is instructive.

Foreign firms still receive a benefit on average from listing in the U.S., according to evidence from economic research. But that benefit has declined in recent years. Since 2002, the average listing premium has declined 19 percentage points. Of particular interest is the variation across countries. It might be that extra regulation is harmful for firms from countries with poor corporate governance -- the cost of meeting the standards is difficult to bear by any measure. On the other hand, the new regulation might be beneficial, even for companies from countries with strong corporate governance -- but too costly relative to the benefits. In this case, the decline in listing premiums should be for firms in countries with good corporate governance (that is, who already have the benefit, but now must pay higher costs).

The report presents evidence to support the latter view. In concert with evidence on global IPOs and private equity transactions, this finding underscores the need to balance costs and benefits of regulation to maintain the global position of U.S. markets. Doing so requires examining all pieces of the puzzle to ensure that regulation enhances shareholder value by improving the incentives of corporate managers, auditors and directors while advancing shareholders' rights in the markets for corporate control.

• Sarbanes-Oxley Section 404 can be implemented more cost-effectively. Section 404 is aimed at reducing the market impact of accounting "errors" -- whether from fraud, inadvertent misstatements or omissions -- by assuring investors that public companies maintain effective controls over financial reporting. The issue is not the statute's underlying objectives, but whether the implementation approach taken by the SEC and the Public Company Accounting Oversight Board (PCAOB) strikes the right cost-benefit balance. The evidence about declining listing premiums suggests that it has not. Combined with other evidence presented in the report, this point leads us to conclude that the costs of Section 404 are substantial -- many multiples of the SEC's original estimate.

Better implementation of Section 404 can lead to a capture of benefits at a lower cost. First, reform should start by revising the materiality standards in Auditing Standard No. 2 to ensure that reviews are truly risk-based and focus on significant control weaknesses, as the SEC and the PCAOB are now acknowledging. The SEC should define materiality quantitatively and consistently with the definition of materiality in financial reporting.

Second, the SEC and PCAOB should clarify and permit greater judgment as to the auditor's role in understanding and evaluating management's assessment process. Third, consistent with the objective of focusing control review on higher-risk components of financial processes, the SEC and the PCAOB should give guidance to management and auditors to allow multiyear cycling of testing where appropriate. Fourth, small companies (under $75 million market capitalization) should either be subject to the same (revised) Section 404 requirements as large companies, or Congress should consider reshaping Section 404 for small companies by eliminating auditor attestation while providing for a reasonable form of certification of internal controls by management. Finally, we would not apply Section 404 to non-U.S. companies subject to equivalent home-country requirements.

• The U.S. litigation and enforcement system requires reform. Our enforcement system has many virtues. A vigorous system that includes civil and criminal enforcement against individual wrongdoers, including CEOs, makes financial markets safer and more competitively attractive. We do conclude, however, that our private litigation system needs modification in several important ways, and the criminal enforcement system needs better balance.

First, for private enforcement, while claims under Rule 10b-5 account for the bulk of securities litigation, considerable uncertainty exists about many of the elements of 10b-5 liability as a result of conflicting court interpretations over the years. The size and frequency of damage settlements in securities class-action suits, moreover, sets the U.S. apart from other major

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financial centers and is an important factor in the declining competitive position of our securities markets. The SEC should provide more guidance, using a risk-based approach. This review should include materiality, scienter (knowledge of wrongdoing), and reliance.

Second, criminal enforcement against entire companies, reflecting the experience with the (now vacated) Arthur Andersen decision, should be truly a last resort, reserved for companies that have become criminal enterprises from top to bottom. In addition, the Justice Department's Thompson Memorandum makes the decision to prosecute a firm turn in part on whether the firm is willing to refuse to advance legal fees to employees who are being prosecuted and waive its attorney-client privilege. A district court has held these restrictions to be unconstitutional. The Justice Department should revise its prosecutorial guidelines to prohibit federal prosecutors from seeking waivers of attorney-client privilege or the denial of legal fees to employees, officers or directors.

• Shareholder rights should be strengthened. Matters of corporate control are part of the fundamental framework of shareholder rights. And a well functioning market for corporate control is crucial to an efficient and competitive capital market. The combination of a poison pill and a staggered board raises barriers to hostile bids, impairing the market for corporate control and investors' asset values. Classified boards should be required, as a matter of course, to obtain shareholder authorization prior to the adoption of a poison pill, unless the firm is the target of a takeover. In that case, the firm should be given no more than three months to obtain shareholder authorization.

Another element of shareholder rights is the need to allow shareholders to devise private alternatives to the present costly litigation system. Such procedures might include the waiver of jury trials (a waiver already commonly made in a variety of circumstances) or arbitration (with or without class actions). This choice should be afforded for IPOs as part of an initial public offering for new companies, provided it is done by shareholder vote after the IPO. Shareholders of companies that are already public should similarly be able to amend their charters and bylaws.

In addition, we applaud the increasing number of companies that have adopted majority voting requirements. Majority voting is a cornerstone of any effective system of shareholder rights, along with the right of shareholders to vote on poison pills and alternative remedies. In a related area, the SEC should resolve the confusion over the ability of shareholders to place their own director nominees on the company's proxy (confusion created by a recent decision of the Second Circuit Court of Appeals in AFSCME v. AIG).

Finally, the SEC's new executive-compensation disclosure requirements should be rigorously assessed before assessing any policy changes toward the market for executive talent.

• Excessive gatekeeper litigation is harmful to shareholders. Gatekeepers such as auditors and directors play critical roles in monitoring corporate management on behalf of shareholders. Significant increases in potential liability for these gatekeepers in recent years can induce risk aversion behavior not in shareholders' long-term interests and possibly reduce the supply of willing and competent professionals to perform these tasks.

Audit firms play the part of ensuring the integrity of financial statements and the effectiveness of internal controls of public companies. Remedies for excessive litigation here will require congressional action. Like so many of the issues touched on by our committee, this is a complex area. Nevertheless, we recommend that Congress explore alternatives to avoid catastrophic loss and its consequences. One approach would be to set a cap on auditor liability (an approach some European countries already pursue, and which Charlie McCreevy, Commissioner for Internal Markets, has recommended for the European Union). An alternative would be to create a safe harbor for certain defined auditing practices. Preventing economic damage awards against audit firms and their employees at a level that would destroy the firm would allow insurers to re-enter this market. Insurance would allow audit firms to conduct prudent oversight with a knowable risk and create an additional source of recovery for shareholders. To ensure that investors are protected against auditor misconduct, such legislation could provide that invocation of a cap or safe harbor by an audit firm would trigger an investigation by federal regulators, who, based on their findings, may impose appropriate sanctions on the firm.

Likewise, we should not hold outside directors responsible for corporate malfeasance they cannot possibly detect. In particular, the SEC should modify Rule 176 to make an outside director's good faith reliance on an audited financial statement or an auditor's comfort letter sufficient for meeting this standard of care.

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• Effective regulation requires economic analysis. While there are existing mechanisms at the SEC for applying cost-benefit analysis to proposed rules and regulations, we believe more can be done in this regard to assure that regulations are achieving the intended effects of investor protection at a cost that is sensible in the context of individual firms, the markets at large, and the economy as a whole. The SEC and self-regulatory organizations need to engage in a more risk-based process, focused explicitly on the economic costs and benefits of regulation (as is the case for the FSA in the United Kingdom) for companies and investors, while strengthening shareholder protections. In weighing the costs and benefits of new rules, regulators should assess and rely on empirical evidence to the extent possible.

• A broader policy engagement is now required. Because the competitiveness and integrity of U.S. capital markets are central to overall national economic health and investors' well being, we recommend that the president direct his Working Group on Financial Markets to evaluate these key legal and regulatory issues and formalize a process of cost-benefit analysis for capital markets regulation. This opportunity -- affecting our nation's wealth and future growth -- is one that transcends politics. And it calls for action.

Mr. Hubbard, Dean and Russell L. Carson Professor of Finance and Economics at Columbia Business School, was chairman of the Council of Economic Advisers under George W. Bush. Mr. Thornton, chairman of the Brookings Institution, was president of Goldman Sachs. The Report of the Committee on Capital Markets Regulation, which they chair, will be released today, and can be obtained at http://www.capmktsreg.org1.

Appellate Panel Skeptical Of Grasso's Bid To Disqualify Judge From Compensation Case (LAW)

By Beth Bar, New York Law Journal

New York Law Journal, November 30, 2006

Appellate judges reacted with skepticism Wednesday to arguments that Manhattan Supreme Court Justice Charles E. Ramos should be disqualified from hearing a state lawsuit to force former New York Stock Exchange Chairman Richard A. Grasso to return much of his $187.5 million compensation package.

Attorneys for Grasso appeared Wednesday before a four-judge panel of New York's Appellate Division, 1st Department, to appeal Ramos' refusing to recuse himself from the case and saying he would decide the reasonableness of the compensation in a bench trial.

Among other things, Grasso's attorneys argued that Ramos should have recused himself because he promised to do so before engaging in settlement discussions during which he expressed strong opinions about the case.

Justices John T. Buckley, Angela M. Mazzarelli, David B. Saxe and James M. McGuire sat on the panel for the hour-long argument.

"You are asking us to say that anytime a judge conducts settlement talks he must recuse himself," Mazzarelli told Gerson A. Zweifach, a partner at Williams & Connolly who represents Grasso.

Saxe predicted that ruling in favor of Grasso could have a "chilling effect" on trial judges' efforts to engage in settlement discussions in future cases.

Zweifach has said that, before engaging in settlement talks on May 10, 2006, Ramos promised not to preside over any subsequent trial should Grasso later object to his involvement in the case.

In an affidavit, Mark Zauderer, a partner at Flemming Zulack Williamson Zauderer who also represents Grasso, has offered a slightly different account. He said Ramos promised to reassign the case "depending on 'how far things go' with the settlement discussions."

Ramos has verified Zauderer's depiction of the conversation, and Deputy Attorney General Avi Schick said Wednesday that Ramos indicated he would recuse himself if he became "heavily involved" in talks, but insisted that they never reached that point.

Schick, who said in court documents that the parties were engaged in "brief settlement discussions," has argued that requiring judges who engage in settlement talks to recuse themselves from a subsequent trial "is not the law in this State and would wreak havoc upon the judicial process."

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Robert L. Michels, an attorney for the New York Stock Exchange, stressed Wednesday that judges are encouraged under the Civil Practice Law and Rules to conduct settlement discussions.

Grasso, who was sued by Attorney General Eliot Spitzer in May 2004 under New York's not-for-profit law, declined to comment after the hearing.

In addition to the recusal request, Grasso asked the court Wednesday to hold that a central issue in the dispute -- whether his pay package was reasonable -- must be heard by a jury instead of by Ramos.

Zweifach said Grasso was "promised by the Legislature the right to a jury trial," and, by holding a bench trial on the reasonableness of his compensation, Grasso is effectively being denied a right to a jury trial on other charges.

Schick, however, said the state is seeking restitution via a constructive trust instead of damages, and that under the law Grasso is therefore not automatically entitled to a jury trial.

In addition to the issues addressed Wednesday, the Appellate Division is considering several other appeals filed by Grasso, including a challenge to Ramos' decision last month ordering Grasso to pay back what could be as much as $100 million to his former employer.

CRIMINAL LAW:

7M In U.S. Jails, On Probation Or Parole (AP)

By Kasie Hunt, Associated Press Writer

AP, November 30, 2006

WASHINGTON — A record 7 million people - or one in every 32 American adults - were behind bars, on probation or on parole by the end of last year, according to the Justice Department. Of those, 2.2 million were in prison or jail, an increase of 2.7 percent over the previous year, according to a report released Wednesday.

More than 4.1 million people were on probation and 784,208 were on parole at the end of 2005. Prison releases are increasing, but admissions are increasing more.

Men still far outnumber women in prisons and jails, but the female population is growing faster. Over the past year, the female population in state or federal prison increased 2.6 percent while the number of male inmates rose 1.9 percent. By year's end, 7 percent of all inmates were women. The gender figures do not include inmates in local jails.

"Today's figures fail to capture incarceration's impact on the thousands of children left behind by mothers in prison," Marc Mauer, the executive director of the Sentencing Project, a Washington-based group supporting criminal justice reform, said in a statement. "Misguided policies that create harsher sentences for nonviolent drug offenses are disproportionately responsible for the increasing rates of women in prisons and jails."

From 1995 to 2003, inmates in federal prison for drug offenses have accounted for 49 percent of total prison population growth.

The numbers are from the annual report from the Justice Department's Bureau of Justice Statistics. The report breaks down inmate populations for state and federal prisons and local jails.

Racial disparities among prisoners persist. In the 25-29 age group, 8.1 percent of black men - about one in 13 - are incarcerated, compared with 2.6 percent of Hispanic men and 1.1 percent of white men. And it's not much different among women. By the end of 2005, black women were more than twice as likely as Hispanics and over three times as likely as white women to be in prison.

Certain states saw more significant changes in prison population. In South Dakota, the number of inmates increased 11 percent over the past year, more than any other state. Montana and Kentucky were next in line with increases of 10.4 percent and 7.9 percent, respectively. Georgia had the biggest decrease, losing 4.6 percent, followed by Maryland with a 2.4 percent decrease and Louisiana with a 2.3 percent drop.

Death Penalty Weighed In Beach Kidnapping, Murder (V-P)

By Tim Mcglone, The Virginian-Pilot

DOJ_NMG_0099851

Virginian-Pilot, November 30, 2006

NORFOLK — The Justice Department is considering pursuing the death penalty against Tanya Y. Torrence, the 35-year-old woman charged with the kidnapping and murder of her estranged boyfriend's mother this summer.

Torrence was arraigned Wednesday in U.S. District Court on a four-count indictment that could carry a death sentence if convicted. Led to the magistrate court's podium in shackles, Torrence pleaded not guilty to the charges.

The indictment charges Torrence with murder, kidnapping, interstate kidnapping resulting in death and use of a firearm. Magistrate James E. Bradberry set a trial date of March 13.

Assistant U.S. Attorney Laura P. Tayman told the judge that she expects a decision from Washington by Jan. 23 on whether to seek the death penalty.

Torrence is accused of kidnapping 72-year-old Mary Knight from her Virginia Beach home July 1 and driving north in Knight's minivan. Along the way, Torrence shot Knight twice, killing her, according to the indictment and other court filings.

She continued driving, ending up in Philadelphia where she exchanged the handgun for crack cocaine, according to the court records. She turned herself in to police there and Knight's body was found in the minivan.

The indictment says Torrence committed the crimes "to punish her estranged boyfriend." In a confession to authorities after her arrest in Philadelphia, Torrence said the shooting was an accident.

Torrence remains jailed without bond.

The court records indicate that Torrence suffers from mental health issues, has attempted suicide in the recent past and was a daily crack cocaine user for the four months prior to her arrest.

Reach Tim McGlone at (757) 446-2343 or tim.mcglone@pilotonline.com.

Court Says Former Governor Of US State Illinois Can Avoid Jail While He Appeals Conviction (FINDLAW/AP)

By Mike Robinson, Associated Press Writer

AP, November 30, 2006

(AP) - CHICAGO-Former Governor George Ryan can remain free while he appeals his conviction in the corruption scandal that ruined his political career, a federal appeals court has ruled.

The decision by the 7th U.S. Circuit Court of Appeals was issued without explanation Tuesday, but the court said if it upholds Ryan's conviction, he must go to prison immediately.

Ryan, 72, was sentenced in September to 6 1/2 years in federal prison for racketeering and fraud involving corruption when he was secretary of state in the 1990s and later governor.

U.S. District Judge Rebecca L. Pallmeyer had refused to grant bail to Ryan. But the appeals court overruled her and said Ryan may remain free while appealing his conviction. He had been due to report to prison Jan. 4.

Federal prosecutors opposed bail for Ryan, saying it was unlikely his conviction would be overturned. But Ryan's attorneys argued that jury deliberations in the case were flawed and that Ryan should be granted a new trial.

Ryan was convicted in April of steering lucrative state contracts and leases to lobbyists and friends; using state employees and tax dollars to operate his political campaigns; and sabotaging an investigation of driver's license bribery.

A spokesman for the U.S. attorney's office, Randall Samborn, said Wednesday the government had no comment on the appeals court's decision.

Also Wednesday, the state stripped Ryan of his $197,000 (â‚¬150,000) annual pension, ruling that his conviction wiped out all benefits from his 35-year career in public office.

Nonprofits Subjects Of Federal Probe Got $2.5 Million From State (AP)

By Melinda Deslatte, The Associated Press

AP, November 30, 2006

DOJ_NMG_0099852

BATON ROUGE, La. (AP) — At least $2.5 million in state money was steered by New Orleans lawmakers over a 10-year period to two nonprofit agencies with family ties to U.S. Rep. William Jefferson, according to documents released by the governor's office.

The documents from the defunct Gov.'s Office of Urban Affairs show at least $1 million was given to Care Unlimited Inc. and another $1.5 million to Orleans Metropolitan Housing and Community Development Inc. The documents were subpoenaed by the Federal Bureau of Investigation and provided to The Associated Press this week by the governor's office in response to a public records request.

The FBI has declined to say what information it is seeking in the documents. But Jefferson — a New Orleans Democrat embroiled in a campaign for re-election to a ninth term — is the subject of a federal bribery probe. Jefferson has not been charged with a crime and has denied wrongdoing, but a businessman and a former Jefferson aide have pleaded guilty in the case.

The FBI documents covering allocations from January 1996 to the present, involving five nonprofit agencies, four of which had documented ties to the Jefferson family. Marie Centanni, Blanco's press secretary, said only Care Unlimited and Orleans Metropolitan Housing received funding through the Office of Urban Affairs.

The earmarks for Care Unlimited and Orleans Metropolitan Housing were added by lawmakers connected to Jefferson: his daughter, Rep. Jalila Jefferson-Bullock, and former Rep. Renee Gill Pratt, a former legislative aide to the congressman and former New Orleans City councilwoman who was hired by Care Unlimited when she lost her re-election bid. Also listed as sponsor of the add-ons in some instances was Sen. Diana Bajoie, D-New Orleans.

The nonprofit agencies themselves were tied to the congressman. One of Jefferson's brothers is chairman of the board of directors for Orleans Metropolitan Housing, and Care Unlimited was founded by another Jefferson brother.

The Office of Urban Affairs supervised grants to nonprofits in black lawmakers' districts before it was disbanded this year by Blanco. A similar office for rural nonprofit agencies also was disbanded. Both were criticized as slush funds used by the governor's office to steer dollars to lawmakers' pet projects in response to favorable votes.

Care Unlimited and Orleans Metropolitan Housing are among hundreds of pet causes added into spending bills over the years by legislators through the regular budget construction process.

But the documents given to the FBI show state funding appeared to be the only sources of income in some years for Care Unlimited and Orleans Metropolitan Housing.

The money paid for salaries and benefits, accounting services, insurance, telephone service, utilities and supplies. In the 2003-04 budget year, Orleans Metropolitan Housing paid for the company picnic with state cash, and a year earlier, state money paid for building renovations.

Care Unlimited sponsored several programs that received money through the state budget process, according to the financial documents.

The programs were described as education initiatives for pregnant teens, tutoring, career workshops for high schoolers, assistance with scholarship services and a pilot project to focus on the "broad problems of black males" to coordinate family, health, education and counseling services through local churches, schools and community agencies.

Orleans Metropolitan Housing and Community Development was described in documents as a nonprofit that helped rehabilitate and improve housing for low- and moderate-income residents, conducting carbon monoxide testing and energy conservation education.

The phone number listed in the New Orleans phone book and on financial documents for Orleans Metropolitan Housing was disconnected. Phone numbers listed for Care Unlimited also were disconnected. Calls to the legislative district offices of Bajoie and Jefferson-Bullock weren't immediately returned Wednesday.

In July, Blanco eliminated $450,000 in the state budget that would have gone to the two nonprofits in the current 2006-07 fiscal year.

Justice Dept. Decision Not To Probe Lawmaker Raises Key Question (SCRIPPS)

By Lisa Mascaro

Scripps Howard, November 30, 2006

The Justice Department's decision not to investigate allegations that Rep. Jon Porter, R-Nev., made illegal campaign fund-raising calls from his office raises a question central to ethics reform in the new Congress: What if there's a law on the books and no one enforces it?

Experts say they know of no congressman ever being prosecuted under the law banning them from soliciting cash from their offices, a violation punishable by fines and imprisonment.

Justice Department officials have "bigger fish to fry," as one veteran Washington election-law attorney put it - pointing to the bribery of now-imprisoned former Rep. Randy "Duke" Cunningham, R-Calif., and the $90,000 allegedly found in the freezer of re-elected Rep. William Jefferson, D-La.

But ethics-reform groups say the failure to investigate less sensational allegations feeds into a culture of corruption in Washington, which Democrats have vowed to clean up in January as the party in control of Congress.

"There are a lot of rules, that have been in place for reasons, that have been ignored," said Mary Boyle, a spokeswoman for Common Cause, a political watchdog group.

In the weeks before the Nov. 7 election, a former Porter staff member claimed that the congressman made fund-raising calls from his offices in Washington and Henderson, Nev. E-mails obtained by the Las Vegas Sun showed conversations, apparently dealing with the phone calls, between the aide and other members of Porter's staff and campaign.

Porter has steadfastly denied having made the calls.

"Congressman Porter has stated, repeatedly, that he has done nothing wrong and welcomes any investigation," his spokesman, Trevor Kolego, said in a statement Tuesday.

The former Porter aide, Jim Shepard, said last week that he would try to have the matter heard by the House ethics committee, which has jurisdiction over representatives' behavior.

Kolego said Tuesday that Porter has not been contacted by the committee.

The panel does not comment on its work. But experts said they doubt that it will take up the matter, arguing that it has become "toothless" in recent years.

Gerry Hebert, executive director of Campaign Legal Center, an ethics-reform organization, said an "unholy alliance" has developed on the panel: Republican members don't go after Democrats and, in return, Democrats don't go after Republicans.

The truce dates from the late 1990s, after the committee investigated former Republican House Speaker Newt Gingrich, who ultimately resigned.

Last year the Republican leadership sent a "chilling" message, Boyle said, when it replaced committee members who investigated former House GOP leader Tom DeLay of Texas, who stepped down from his leadership post and later resigned from Congress.

Because only the committee or a member of Congress can request an investigation, outsiders have little recourse under the current climate, experts said.

Hebert's organization and others are pushing Democrats to create an independent Office of Public Integrity to investigate matters involving members of Congress.

"That's why the voters voted for reform," said Hebert, a former federal prosecutor. "It's because they see the system as being broken. Here's a chance to fix it. Matters like this will be investigated and will be dealt with."

But longtime election-law expert Jan Witold Baran calls such reforms "overkill."

He said members of Congress are well aware of the laws banning them from using their offices for campaign calls, which is why both Republicans and Democrats have so-called call rooms set up just steps from the U.S. Capitol.

For investigators who need to decide where to put limited resources, dialing for dollars from campaign offices hardly compares to the pay-to-play scandals that have rocked Capitol Hill.

"It's not a big deal," Baran said of the Porter case. "One, he denied it. Two, making a few phone calls from a House office is not a capital crime. You've got a congressman with $90,000 in his freezer ... You've got bigger fish to fry."

Besides, "there's always a jury every two years to evaluate what someone does - that's the voters," he added.

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Police Probe Has Methuen On Edge (BOS)

By Christine Mcconville, Globe Staff

The Boston Globe, November 30, 2006

Feds mum on trace of grant spending

The federal investigation into the Methuen Police Department's use of grant money is causing a lot of anguish in the city, officials say.

"It's like a cloud hanging over the city," said City Councilor Kathleen Corey Rahme. "It's really wearing on the minds and hearts of our citizens."

In shops and in city offices, everyone, it seems, has questions about who is involved and what is being investigated. There are questions, too, about how and when it will all end.

At City Hall, Mayor William Manzi III said the focus has to remain on regular city business. "Yes, the rumor mill is active, but it is incumbent on us to do our jobs," he said. "The taxpayers don't deserve any less."

According to some councilors, that's getting harder and harder to do. "It's become a circus," Councilor Deborah Quinn said of the swirling speculation, "and the morale in the Police Department is really low."

The investigation caught the public's attention this past summer, when agents from the Federal Bureau of Investigation arrived at City Hall with subpoenas. They left with records showing how the city had spent federal grant money in recent years.

City officials confirmed that a federal grand jury subpoenaed records for all federal grants given to police since 2001.

For their part, federal agencies have had nothing to say about their probe. Gail Marcinkiewicz, spokeswoman for the FBI, and Samantha Martin, spokeswoman for US Attorney Michael J. Sullivan, declined to comment.

The story heated up a couple of weeks ago when Methuen Police Chief Joseph E. Solomon launched an internal investigation to try to identify officers who are talking to the FBI or gossiping about possible indictments, according to a lawyer for the police union.

The union's lawyer called it "abuse of power."

Solomon did not return phone calls seeking comment for this article. But he issued a statement last week saying, "in no way would this department or myself interfere with any outside agencies ' investigation."

Last week, City Councilor John A. Cronin Jr. called a special meeting to discuss the legality of Solomon's investigation.

"With everything that is going on, he might not be effective as a chief anymore," Cronin told the Globe a week ago.

If Solomon has been asking officers in his department if they are talking to federal agents, "it is very, very wrong, and probably illegal," he said.

A few days later, the meeting was canceled. The city's lawyer said it was a union dispute that ought to be addressed through the grievance process.

In the meantime, some councilor questioned Cronin's motives, because his son Shaun resigned from the forc e in January 2004, after 17 years on the job. He sued the department soon afterward, alleging that Solomon prevented him from getting another job by criticizing him to prospective employers. The dispute is unresolved.

Quinn, who called herself "defiantly pro-blue," said Cronin's actions appear to her as a "personal vendetta." It's a charge that the elder Cronin denies.

Howard B. Lenow, the police union lawyer, said he has advised the officers not to speak about any ongoing investigations. Still, he added, "any time a chief engages in what we view as a frivolous investigation, it hurts morale."

For now, residents are just hoping for a quick resolution.

Report: Chicago Police Dept. Not Doing Enough To Stop Corruption (AP)

AP, November 30, 2006

CHICAGO - Chicago police officials are aware of corruption and misconduct in the department but aren't doing enough to stop it, according to a report from an expert on internal police affairs.

Lou Reiter, a former deputy chief of the Los Angeles Police Department, said Chicago officials have perpetuated "a practice of indifference" to corruption that "makes officers who engage in misconduct feel protected."

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Reiter, who has advised about 1,000 police departments, completed his report this summer for two Bureau of Alcohol, Tobacco and Firearms agents who are suing the city of Chicago in federal court, the Chicago Tribune reported Wednesday.

Chicago police officials contend Reiter's criticism is based on limited knowledge of the department, and doesn't consider current policy reforms aimed at blocking corruption and abuse before it becomes a problem.

Pressure on the department to deal with corruption allegations has intensified in recent months. In July, two special prosecutors released a report claiming that officers under former Chicago Police Lt. Jon Burge tortured suspects in the 1980s.

And in September, four members of the Special Operations Section were charged with robbery, kidnapping and false arrests.

The ATF agents suing the city are a husband and wife who say their careers and credibility were attacked when they tried to blow the whistle on convicted former police officer Joseph Miedzianowski.

But instead of investigating Miedzianowski, internal affairs officials targeted them, the agents claim. It took years before the FBI was able to indict Miedzianowski on drug charges; he is serving a life prison term.

As part of the couple's lawsuit, former assistant U.S. attorney Brian Netols also testified that when he tried to prosecute 18 cases of alleged police corruption, he was met with a "blue wall of silence" - officers who resisted helping with investigations of each other.

Chicago police officials acknowledge there have been problems in the past but said they are intensifying efforts to root out corruption before it starts.

"Most large law enforcement agencies are struggling to identify poor performance issues," said Assistant Deputy Supt. Deb Kirby, head of the department's Internal Affairs Division. "Most are doing it under mandates with the federal government. The Chicago Police Department is doing this on their own."

Former South Gate Treasurer Sentenced To 10 Years In Bribery Case (MERCN)

The San Jose Mercury News, November 30, 2006

LOS ANGELES - The former treasurer of the city of South Gate was sentenced Tuesday to 10 years in federal prison for extracting nearly $2 million in bribes from contractors and sharing the money with family and friends.

Albert Robles, 41, was taken into custody immediately after his sentencing. He was also ordered by U.S. District Judge Stephen V. Wilson to pay back more than $600,000 to the city in southeast Los Angeles County.

Robles was convicted in July 2005 of five counts of bribery, four counts of money laundering and 21 counts of defrauding citizens of South Gate.

Prosecutors depicted the city as a corrupt fiefdom in which Robles solicited bribes from contractors and was able to hire and fire city employees at will. The illicit money paid for everything from a seaside condo for his mother to an exclusive membership in the group operated by motivational guru Tony Robbins, authorities said.

In a rambling statement in court, Robles suggested he was guilty of arrogance and pomposity but not criminal acts.

"My activities were not illegal," he said at one point.

Prosecutors have estimated the corruption cost the city as much as $20 million.

"He turned it into a pay-to-play town," Assistant U.S. Attorney David Vaughn said outside court, alluding to a scheme in which contractors were forced to pay bribes for city business.

Much of the evidence against Robles came from a New Jersey financial consultant who offered testimony in hopes of receiving a more lenient sentence. He told jurors he frequently distributed kickbacks in the form of checks to family and friends of Robles.

Last year Robbins agreed to refund $45,000 in taxpayer money - most of what Robles spent on the membership to his organization.

Ex-Fugitive Admits Slaying Trooper And Wounding Two (NYT)

By David Staba

The New York Times, November 30, 2006

DOJ_NMG_0099856

MAYVILLE, N.Y., Nov. 29 — Ralph Phillips, the police say, spent most of the spring and summer roaming along the New York-Pennsylvania line after escaping from a jail outside Buffalo in April, venturing as far as Ohio to the west and the Canadian border to the north to evade a sweeping manhunt.

On Wednesday, within five hours in courtrooms 150 miles apart, the fugitive, who became nationally known simply by his nickname, Bucky, admitted in guilty pleas to killing one New York state trooper and wounding two others during his flight.

As part of a plea agreement that prosecutors said will keep Mr. Phillips in prison for life, he admitted shooting Troopers Joseph A. Longobardo and Donald Baker Jr. with a high-powered rifle in a wooded area outside his former companion's home in rural Chautauqua County on Aug. 31. One bullet severed an artery in Trooper Longobardo's thigh; he died on Sept. 3. Trooper Baker left the hospital last week.

After his capture, Mr. Phillips told the police that he mistook the men, who were wearing camouflaged clothes, for bounty hunters and intended to wound them, prosecutors said. In Chautauqua County, though, he did not qualify his actions. When Justice Richard C. Kloch of State Supreme Court asked a shackled Mr. Phillips if he knew the rifle's .308-caliber ammunition would most likely cause a fatal wound, he responded: "Indeed I did."

Earlier in the day, in Chemung County, Mr. Phillips also admitted to shooting Trooper Sean M. Brown with a .38 revolver during a traffic stop outside Elmira on June 10. He walked into the Chemung County Courthouse in Elmira for his morning hearing wearing a black jumpsuit unbuttoned midway down his chest, and greeted members of the news media gathered outside with a smile, saying, "Have a good day."

Mr. Phillips, 44, appeared by turns uninterested and defiant, pleading "very guilty" to possession of the stolen vehicle he was driving when approached by Trooper Brown. When Justice Peter C. Buckley asked him if any promises had been made for his admissions, Mr. Phillips said, "Oh, no, absolutely not."

When asked if he knew Trooper Brown was a police officer when he pulled over before the shooting, Mr. Phillips said, "I didn't see he was a trooper because he was tailgating me — I pulled off because I thought it was a drunk tailgating me."

"That's just him," his sister, Mitty Cornelius, said of her brother's courtroom demeanor, which seemed at times at odds with the seriousness of the charges. "That's his sense of humor, and a way to get a little jab in, probably."

But Trooper Brown's commander, Maj. Steven White of the state police, said, "He showed absolutely no remorse, like it was comical," adding, "I really don't think he cares at all about the pain he's caused to so many people."

Other than mugging with mock surprise when he entered the crowded courtroom, Mr. Phillips sounded more contrite during his Chautauqua County appearance. He had changed into a horizontally striped, two-tone gray jumpsuit.

The summer-long search for Mr. Phillips brought roadblocks and shortened tempers to the small towns of Chautauqua County, where he was raised and the search primarily centered.

As Mr. Phillips remained at large and was blamed for a series of automobile thefts and break-ins, most at hunting cabins and seasonal homes, he became something of a folk hero to some, with T-shirts bearing slogans like "Run, Bucky, Run" and "Where's Bucky?" sold at local stores and on the Internet.

Most sympathy evaporated after the shootings of Troopers Longobardo and Baker. He went on the F.B.I.'s 10 Most Wanted List, and rewards totaling $425,000 were offered for information leading to his capture.

He surrendered in a field just across the state line in Pennsylvania at sundown on Sept. 8.

The Chemung County district attorney, John R. Trice, said Mr. Phillips's lawyer, Richard W. Rich Jr., approached him with the idea of resolving the entire case. He still faces escape charges, to which he is expected to admit at a Thursday morning hearing in Buffalo, as well as possible federal weapons counts stemming from the theft of 41 guns, including the rifle used to shoot troopers Longobardo and Baker.

The most serious of the charges, aggravated murder, carries a sentence of life in prison without the possibility of parole. Mrs. Cornelius said he admitted to shooting the troopers so that the charges against his former companion, Kasey Crowe, who is charged with hindering prosecution, and their daughter, Patrina Gloss, who is accused of endangering the welfare of Mr. Phillips' grandchild, would be dropped.

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“He doesn’t want to see his daughter lose her child — he’s not happy with what he has to do, but he’s doing it for them,” said Mrs. Cornelius, who accused Mrs. Crowe and Ms. Gloss of pressuring Mr. Phillips into agreeing to the deal. “I can’t believe they’re letting him hang like this.”

Mrs. Crowe and Ms. Gloss left court without comment.

The Chautauqua County district attorney, David W. Foley, said details of the plea agreement would not be made public until after Mr. Phillips’s sentencing, scheduled for December.

Ralph 'Bucky' Phillips Pleads Guilty To Murder (ALBANYTU)

By Kate Perry And Dennis Yusko, Staff Writers

Albany Times Union, November 30, 2006

Former fugitive admits killing Joseph Longobardo in second court hearing, guaranteeing life sentence

MAYVILLE -- Ralph ``Bucky'' Phillips pleaded guilty this afternoon to murdering a state trooper and attempting to murder another in August, guaranteeing he will spend the rest of his life in prison without the possibility of parole. Earlier in the day, he admitted shooting a third trooper in June.

On Aug. 31, Phillips, 44, shot and wounded Trooper Joseph Longobardo, 32, of Greenfield, who later died of his injuries, and Trooper Donald Baker Jr., 38, of Halfmoon, who was severely wounded.

Phillips had not previously been charged with shooting Longobardo and Baker.

His appearance in State Supreme Court in Chautauqua County drew many of his family members, but was noticeably more staid than his earlier hearing at another court three hours east of here.

In Chemung County Court in Elmira this morning, an impatient Phillips pleaded guilty to shooting and wounding Trooper Sean Brown on June 10 at a traffic stop near Elmira during his months-long run from the law.

As the charges were read this morning, Phillips alternately rolled his eyes, grinned, stared vacantly and looked out the window. He admitted to stealing a car and shooting the trooper with a gun he had loaded himself.

At times, Phillips sarcastically answered Chemung County Court Judge Peter C. Buckley's questions about his actions, often replying ``Indeed, I did.''

When asked if the gun he used to shoot Brown was loaded, he answered, ``Very.''

Phillips said on the day of the shooting, he thought a drunk was tailgating him on a Chemung County road. It was not until the car's flashing lights were turned on that Phillips realized it was a trooper.

He said he was aware Brown was a trooper when he shot him.

Brown was not in court this morning. However, at least 22 uniformed officers, including state troopers and Chemung County Sheriff's deputies as well as police in civilian clothes, provided security or attended the proceeding.

A mother and daughter from Buffalo, Wendy and Katie Gambles, arrived outside the courthouse in a Jeep with ``We love Buck Phillips'' written on the windows.

Inside the courtroom after the proceedings, the women blew him kisses, and he smiled and waved to them as he left, saying something inaudible.

Back outside, the women, who described themselves as lifelong family friends of Phillips, screamed his name and he said ``I love you.''

His only words to reporters were to have a nice day.

Phillips pleaded guilty to attempted aggravated murder, second-degree attempted murder charges, criminal possession of a weapon -- a .38-caliber revolver -- and criminal possession of stolen property -- a 1995 Ford Mustang.

Chemung County District Attorney John R. Trice did not comment during the proceedings nor would he elaborate on the plea deal afterward.

He told reporters he was not disappointed the case will not go to trial. He said Phillips' attorney, Richard Rich Jr., approached the DA's office with the deal.

``I talked to Trooper Brown and I believe he's satisfied because (Phillips) pleaded guilty to exactly what he did on that day,'' Trice said.

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The judge set sentencing for Dec. 20 in Chemung County.

State Police long suspected Phillips, who escaped from an Erie County jail in April and eluded authorities for six months, ambushed Longobardo and Baker as they closed in on Phillips at the home of his ex-girlfriend in Pomfret, Chautauqua County.

In April, Phillips cut his way out of an Erie County jail in Alden with a can opener and spent months as a fugitive running from police in western New York and northern Pennsylvania.

Phillips also is suspected of stealing 41 weapons from a Chautauqua County gun shop in August.

At this afternoon's appearance before state Supreme Court Justice Richard Kloch Sr., Phillips pleaded guilty to both aggravated murder and attempted aggravated murder.

Baker and Longobardo had been sent to western New York with the State Police's Mobile Response Unit to find Phillips.

Baker returned home last week after spending months in hospitals in Pennsylvania and Albany.

The Buffalo News, citing anonymous sources, said Phillips is expected to plead guilty in Buffalo on Thursday to the jail escape and is discussing a possible federal guilty plea in the gun theft case.

Phillips became one of the FBI's 10 Most Wanted fugitives and was caught Sept. 8 in a wooded field in Pennsylvania just south of the state line, bringing to an end one of the biggest police manhunts in state history.

Since shortly after his capture, he has been held in the Chemung County Jail in Elmira.

Kate Perry can be reached at 454-5092 or by e-mail at kperry@timesunion.com

Ex-fugitive Admits Shooting NY Troopers (HC/AP)

By Carolyn Thompson And Ben Dobbin Associated Press Writers, The Associated Press

Houston Chronicle, November 30, 2006

MAYVILLE, N.Y. — An escaped convict who vowed never to be taken alive before he was captured in the biggest manhunt in New York history swaggered into court Wednesday and pleaded guilty to murdering one state trooper and wounding two others.

Asked by a judge if he knew the rifle he used was capable of killing, 44-year-old career criminal Ralph "Bucky" Phillips said: "Indeed I did."

Phillips broke out of a Buffalo-area jail in April by using an industrial can opener to cut a hole in kitchen ceiling, then became something of a folk hero as he led police along a trail of stolen cars, burglaries, sightings and shootings.

He pleaded guilty to murder for killing Joseph Longobardo and attempted murder for wounding Donald Baker Jr. as the troopers staked out his ex-girlfriend's home while searching for him Aug. 31. Longobardo's leg had to be amputated, and he died three days later.

Phillips also pleaded guilty to the attempted murder of Sean Brown, who was shot during a traffic stop near Elmira on June 10.

He is expected to get life in prison without parole when he is sentenced Dec. 20.

Phillips entered his pleas in back-to-back court appearances in Elmira and then Mayville.

He appeared upbeat as he entered the courtroom in Mayville, waving to relatives and mugging for the cameras.

"We love you Bucky!" supporters shouted when he arrived at court. "I love you, too!" he shouted back.

Mitty Cornelius, Phillips' sister, said she was not surprised by his bravado: "That's him. That's his sense of humor and a way to get a little jab in, probably."

"It was very disturbing to me to watch his mannerisms," State Police Maj. Steven White said. "My perception is that he was indifferent, demonstrated no remorse whatsoever and almost couldn't be bothered with today's proceedings."

Authorities finally closed in on Phillips near the New York-Pennsylvania line Sept. 8. He emerged from a field with his hands up, clearly worn down by the long chase.

Phillips also is expected to plead guilty on Thursday to escape.

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Ben Dobbin contributed to this report from Elmira.

Man Arrested For Allegedly Wearing Unearned Medal (MARINECT)

By John Hoellwarth, Staff writer

Marine Corps Times, November 30, 2006

A member of the Marine Corps League in St. Louis was arrested by FBI agents Tuesday evening after being photographed allegedly wearing a Navy Cross medal he doesn't rate at the league's Marine Corps ball earlier this month, according to a Fox News report.

Michael Weilbacher wore a Navy Cross, two Silver Stars and four Bronze Stars to the ball, where he told Marines he had earned the nation's second-highest valor award during drug interdictions in Colombia, according to Maj. George Dragan, the Corps' Marine for Life representative in St. Louis, who attended the ball.

This raised a red flag with Doug Sterner, who maintains a comprehensive database of every Navy Cross awarded. Sterner said that no Navy Cross has ever been awarded for actions in Colombia.

Personnel records at Marine Corps headquarters' Manpower branch show no record of Weilbacher ever serving in the Corps.

Manpower spokesman 1st Lt. Rob Dolan said, "I have more time standing on the yellow footprints than he does in the Marine Corps."

Under current law, Weilbacher faces a maximum of six months in jail and $5,000 in fines in connection with the misdemeanor charge of wearing unearned military decorations.

Legislation in the House would put more teeth into the law, making the crime a felony and doubling the maximum penalty. A version of the Stolen Valor Act was passed unanimously by the Senate in September but has been bottled up in the House Judiciary Committee, despite having attracted more than 100 co-sponsors, including five Judiciary Committee members.

Weilbacher would be unaffected by any change in the law.

After learning of Weilbacher's arrest, his congressman, Rep. Roy Blunt, R-Mo., said he would consider co-sponsoring the legislation after the next congressional session begins in January, according to Blunt's spokeswoman, Jessica Boulanger.

Kirkwood Man Charged With Impersonating A Marine (SLPD)

By Robert Patrick, ST. LOUIS POST-DISPATCH

St. Louis Post-Dispatch, November 30, 2006

The FBI has arrested a Kirkwood man accused of impersonating a U.S. Marine and wearing a Navy Cross and other medals he did not earn.

Michael Gerald Weilbacher, 48, of the 200 block of Horseshoe Drive was arrested by FBI agents last night, the U.S. Attorney's office said today.

In an affidavit filed in federal court, FBI Special Agent Mark Wood said that Weilbacher attended a Marine Corps Ball in St. Louis County on Nov. 11 wearing a number of medals, including the Navy Cross.

After a complaint, Wood investigated and said he discovered that Weilbacher had never been in the Marines and did not earn the medals.

Weilbacher, who is employed as a consultant, has been charged with wearing military medals without authorization, a crime punishable by 6 months in prison or a fine of $50,000, or both.

He was released on $1,000 bond today.

"Anyone who impersonates military servicemen does a dishonor to those who have made real sacrifices serving our country," U.S. Attorney Catherine Hanaway said in a prepared statement.

Tampa Men Convicted As Members Of Gambino Crime Family (WTSP)

WTSP-TV, November 30, 2006

Tampa, Florida - A federal jury in Tampa has found four men guilty of various crimes related to the Gambino Mafia family.

Ronald J. Trucchio (Ronnie One-Arm), Steven Catalano, Kevin M. McMahon, and Terry L. Scaglione were found guilty of conspiracy to violate the Racketeer Influenced and Corrupt Organizations ("RICO") statute.

The jury also found Scaglione guilty of one count of extortion. Trucchio and Catalano each face a maximum sentence of life imprisonment. McMahon and Scaglione each face a maximum sentence of twenty years' imprisonment.

Trucchio, Catalano, and McMahon are now in the custody of the U.S. Marshals Service. Scaglione remains free on bond pending his sentencing hearing.

Sentencing hearings for all four defendants have been set for March 2, 2007.

The US Attorney's Office says during the last 20 years, Catalano, McMahon, Scaglione, Trucchio were under the control of the Gambino Organized Crime Family of La Cosa Nostra in Tampa. The Gambino Crime Family is one "family" in a nationwide criminal organization commonly referred to as "La Cosa Nostra," or the "Mafia."

Federal officials say Trucchio was a captain in Family and he supervised the wide-ranging criminal activities of the crew. The crew's principal purpose was to generate money for its members and associates through the commission of various criminal acts.

The jury felt Trucchio supervised the crew that engaged in multiple acts and threats involving murder, robbery, extortion, dealing in controlled substances, interference with commerce by threats and violence, interstate travel in aid of racketeering enterprises, making extortionate extensions of credit, collection of extensions of credit by extortionate means, and interstate transportation of stolen property.

The Pinellas Resident Agency of the Tampa Field Office of the FBI, the Miami and Brooklyn-Queens Metropolitan FBI offices, the Pinellas County Sheriff's Office, the Tampa Police Department, the New York City Police Department, the Queens County District Attorney's Office, the FBI Legal Attache to Brazil, the Brazilian federal police, and Interpol coordinated this investigation.

Persistent Jury Convicts 4 Of Racketeering Charges (TAMPTRIB)

By Elaine Silvestrini

Tampa Tribune, November 30, 2006

TAMPA - Ronnie One Arm came close to talking his way out of another conviction, but not close enough.

After deadlocking on whether to convict Ronald Trucchio, jurors tried again and Wednesday afternoon announced they had reached a decision:

Guilty verdicts for Trucchio and his three co-defendants, Steven Catalano, Terry Scaglione and Kevin McMahon, on charges they worked as a crew for the Gambino crime family.

Carl Whitehead, special agent in charge of the Tampa FBI, called Wednesday's verdicts "a big blow to organized crime in the Tampa area and to the Gambino family operated out of New York."

The verdicts were announced as authorities in Port St. Lucie investigated an arson fire at Catalano's home late Tuesday night. No one was injured, although Catalano's wife and four of his seven children were home at the time, officials said. Authorities said they don't know whether La Cosa Nostra was involved.

The defendants showed no reaction to the verdicts.

Asked if he wanted to talk to reporters, Scaglione said, "No, thank you," as he walked out of the courtroom, the only one of the four defendants to remain free on bail after the convictions.

Afterward, Trucchio's attorney, Joseph Corozzo Jr., had a statement for reporters: "It's unfortunate that the jurors who think my client was not guilty didn't stand strong, and that they were pressured into a verdict, because my client's not guilty of the charges."

Corozzo missed the start of the trial because he was tied up in another case. Trucchio represented himself for a few days, rather than depend on a backup attorney, who Trucchio said didn't know the case. 'I Don't Deserve To Be Here'

In one of the trial's more colorful moments, Trucchio gave an opening statement including words such as "youse." He told jurors he didn't benefit financially from any of the crimes in the case. "Not one red cent did I get, and I swear that on my other arm, should I lose the use of it."

"My hand to God, I don't deserve to be here," he said

He called prosecutors "the real godfathers."

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Prosecutors said Trucchio - who has a withered arm as the result of a childhood auto accident - is a capo in the Gambino crime family who headed the crew as it committed crimes, including robbery and murder, in Florida, New York and New Jersey. Trucchio is already serving 20 years for a similar conviction in Miami.

The Gambino family once was directed by "Dapper Don" John Gotti from his Queens, N.Y., Ravenite Social Club. Trial exhibits included a photo of Trucchio outside the Ravenite standing behind Gotti and Sammy "the Bull" Gravano as they celebrated Gotti's acquittal on federal charges.

All four Tampa defendants were convicted on a charge of racketeering conspiracy. Scaglione also was convicted of extortion for his role in the crew's efforts to muscle its way into the lucrative valet parking business in the Tampa area.

Whitehead said Trucchio was thought to be among the top five members of the family "and clearly the most significant [organized crime] figure that operated crews within the Tampa area."

When asked whether the mob continues to operate here, Whitehead said he couldn't discuss open investigations. In general, though, he said, "There are other businesses we have gotten information that they might try to infiltrate, different nightclubs, things like that."

Asked whether the prosecutions had eliminated organized crime in the area, Assistant U.S. Attorney Jay Trezevant smiled and said: "Nothing's ever eliminated. We've just got to keep fighting."

Trucchio and Catalano face possible life sentences. Catiline and McMahon face up to 20 years in federal prison when they are sentenced in March. Defendant's Home Hit By Arson

Before the verdict was read, Catalano waited restlessly in the courtroom. He said his wife had called at 3 a.m. and told him about the fire. He had tried to get permission to leave court to go to his family, but he hadn't had any luck.

Catalano said authorities told him an explosive normally used by the military had been used. Police later said they had no such information. Catalano said he had no idea who would do something like that.

The fire had damaged his 10-year-old daughter's bedroom, he said, but she was sleeping with her mother in another part of the house when it happened.

Capt. Derek Foxx of the St. Lucie County Fire District said the department received a call at 11:50 p.m. Tuesday and responded to a fire at 1697 Southwest Taurus Lane. Crews found an older model Cadillac engulfed in flames.

The car was parked in the driveway, 10 to 15 feet from the open garage door. The inside of the garage was fully involved in the fire, Fox said.

Investigators determined that the fire was caused by arson of the car, which had recently been purchased by Catalano's teenage son.

Catalano's attorney, Thomas Ostrander, asked U.S. District Judge Susan Bucklew to allow his client to remain free on bail.

Trezevant argued that Catalano was a danger to the community. One witness, Billy Kaso, found a note on his truck, Trezevant said. It read, "I'm a good man. I've always gone to church. Steven."

Suggesting the note was an attempt at intimidation, Trezevant said Catalano was a danger to the community.

Reporter Elaine Silvestrini can be reached at (813) 259-7837 or esilvestrini@tampatrib.com.

Four Convicted In Mob Trial (SPT)

By Carrie Weimar

St. Petersburg Times, November 30, 2006

Early edition: A jury decided that the men were guilty of extortion and racketeering, and had ties to the Gambino organized crime family.

TAMPA — After five days of deliberation, jurors in federal court on Wednesday found Ronald “Ronnie One Arm” Trucchio and his three co-defendants guilty on all charges of racketeering and extortion in the name of the Gambino crime family.

Trucchio and one co-defendant, Steven Catalano, face a maximum punishment of life in prison when they are sentenced March 2. Kevin McMahon and Terry Scaglione, the only Tampa defendant, could be sentenced to up to 20 years.

On Tuesday, jurors said they had reached a verdict for three of the defendants but were deadlocked on the fourth.

Court papers showed they were undecided on Trucchio, who is the alleged captain or “capo” of the Tampa crew.

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"It's unfortunate that the jurors who didn't think my client was guilty did not stand strong because my client was not guilty of these charges," said Joseph Corozzo, Trucchio's New York-based attorney.

The trial began with an unusual twist when Trucchio opted to represent himself because his lawyer, Joseph Corozzo Jr., was stuck in another Mafia-related trial in New York City.

"My hand to God, I don't deserve to be here," Trucchio told jurors during his opening statement. "This is an abomination."

For almost a week, Trucchio cross-examined the government's witnesses. Corozzo took over when he arrived Oct. 30.

Despite the seriousness of the crimes alleged, there were some moments of levity during the month-long trial.

One witness, a valet parking attendant named Ian McGeehan, told jurors he thought it was a joke when he received a threatening phone call from Alite, who wanted information about the lot where he worked.

"It was almost a like a cliche," McGeehan said.

Corozzo asked him what he meant. "You mean, like the Sopranos? Gangsters from New Jersey?"

McGeehan paused.

"I don't have cable TV," he said. "It was more like Goodfellas."

The courtroom erupted in laughter.

The trial was also unusual in that the defendant accused of being the link between the New York mobsters to crimes in Tampa wasn't in the courtroom.

Prosecutors say John Alite, 44, was the crew's street boss who ran its everyday activities from Tampa. However, Alite fled the country before he was charged and is currently in a Brazilian prison fighting extradition.

Alite, a former University of Tampa student, is not being tried in absentia but faces prosecution if he returns to the United States. He has said he is innocent of all charges and is being pressured by the government because of his ties to John Gotti Jr.

The defendants were charged in the indictment with forming a criminal crew that reported to the Gambinos. Prosecutors said crew members engaged in a wide range of criminal conduct from New York to New Jersey to Florida, including murder, drug dealing, robbery and extortion.

Among the specific crimes alleged by the government are the robbery of a Sears department store in Vineland, NJ, the murder of a man inside a Queens, NY, bar and the robbery of a $25,000 Rolex from Tampa car dealer Ernie Haire following a scuffle at Thee Doll House.

Throughout the trial, defense attorneys tried to poke holes in the credibility of the government's witnesses. Many of them are convicted criminals hoping for reduced sentences in exchange for cooperating with the government. Several also admitted to being heavy drug users.

"I'm disappointed," said Bjorn Brunvand, McMahon's lawyer. He said the only evidence linking his client to the Gambinos came from two witnesses who are convicted criminals.

"Both had every reason to lie," Brunvand said.

Trucchio, Catalano and McMahon were all taken into custody. Scaglione was allowed to remain free on bond.

Throughout the trial, Assistant U.S. Attorney Jay Trezevant maintained Scaglione was not as culpable as the other defendants.

"There was very little testimony concerning physical violence engaged in or triggered by Mr. Scaglione," Trezevant said. "There was no evidence he traveled to Queens, NY, to participate in violent armed robberies or other acts. His involvement was less."

Asked if the jury's verdict purged Tampa of the mob's influence, Trezevant smiled.

"Nothing's ever eliminated," he said. "You've just got to keep fighting."

One Pleads Guilty In Gambling Ring, Four Others Expected (RRS)

By Mike Wiser, ROCKFORD REGISTER STAR

Rockford (IL) Register Star, November 30, 2006

ROCKFORD — One of nine men indicted for running a gambling ring that took bets on football and basketball games pleaded guilty Wednesday in federal court afternoon.

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And Joesph Saladino's plea may be the first of several guilty pleas from men whom prosecutors allege were connected to a conspiracy that runs as far back as the 1980s.

"There's a total of five" guilty pleas in the works, including Saladino, said Assistant U.S. Attorney John Scully as he left Judge Philip Reinhard's courtroom.

The other possible guilty pleas are John P. "Tiger" Frisella, Joseph F. "Pep" Fiorenza, and Joesph's two sons, Nicholas and Rick.

Wednesday, Reinhard set Friday afternoon hearing dates for the four. Their trial was initially scheduled to start Dec. 11.

It's still not clear what will happen with the other men who were indicted in the case. They are Charles A. Purin, Frank C. Giardono, Nick Provenzano and John F. Salamone. A tentative trial date for them has been set for Feb. 12.

All of the men, except Saladino, were indicted and arrested in early February, just days before the Super Bowl, on gambling charges.

Federal prosecutors have been characteristically tight-lipped about details of the alleged conspiracy, but court papers filed this week list some of the evidence the Justice Department plans to present if the case goes to trial.

The documents say that Frisella and Saladino had, at least by 2001, set up a "wireroom" in a Rockford apartment building at 1912 17th Ave. where they would take bookmaking calls from bettors over two telephones that were listed under the name of a woman known to Saladino.

The feds also obtained phone records that show hundreds of calls made from the men to 800 and 888 numbers.

A government wiretap that was placed on one of the phones in the wireroom was activated Nov. 26, 2001, according to court documents.

"It was immediately apparent that Joseph Saladino was involved in a sports betting business and there were ultimately several thousand conversations intercepted on this phone," the documents read. "Some of the calls were with the defendants and other conspirators, but the majority were with bettors."

The Justice Department is also apparently prepared to present witnesses that placed bets with the members of the alleged ring or could identify some members as people who picked up or delivered gambling payments.

Among these witnesses is a person identified only as "a family member of Charles Purin" who would testify that they helped drum up business for the bookmaking operation run by Saladino and Frisella.

Saladino, who did not file an official plea deal with the court, faces up to five years in prison and the government is seeking to seize $500,000 in assets.

His sentencing is set for March 16.

Staff writer Mike Wiser can be reached at 815-987-1377 or mwiser@rrstar.com.

Felon Loses Big-time Gamble (KNOXNS)

By Jamie Satterfield

Knoxville News Sentinel (TN), November 30, 2006

Appellate court upholds using confession at trial

That "anything you say can and will be used against you" warning, it turns out, is true.

Just ask five-time felon and Knoxville crack house manager Richard Jones Jr.

Plowing through uncharted legal terrain, the 6th U.S. Circuit Court of Appeals on Wednesday approved the use of Jones' confession against him at trial.

The ruling proved vindication for similar decisions made by Knoxville federal Judges James H. Jarvis and Tom Varlan. Both U.S. District Court judges had backed up Assistant U.S. Attorney Mike Winck's move to hold against Jones his own incriminating words in a November 2004 trial.

It was quite a gamble, as there was little case law to guide Winck.

Jones actually had been busted in August 2000 after a raid at his home. At the time, authorities counted Jones as a garden-variety dope dealer with a rather nasty criminal history that included a first-degree manslaughter conviction.

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Winck wasn't assigned to the case then. Instead, former Knoxville federal prosecutor David Folmar was. Folmar struck a deal with Jones, and Jones coughed up information on his cocaine suppliers. Part of the deal included giving Jones a shot at appealing the legality of the raid on his house.

The odds on appeal usually favor the government. But Jones beat the odds, winning his appeal. Flush with victory, he chucked his plea deal altogether.

Enter Winck.

The way Winck saw it, if Jones was nullifying his plea deal, all bets were off. That was especially bad news for Jones because, by then, FBI agent Steven Fisher had unearthed evidence that Jones was not just a crack dealer - he was a dangerous mastermind of an entire operation.

Trial testimony would later show that Jones had wined and dined young men with relatively clean criminal backgrounds to lure them into the crack trade. He set them up in Knoxville crack houses, supplied them with drugs to peddle and guns to protect the trade.

Winck secured a new indictment against Jones and then rolled the dice at trial, sending Fisher to the witness stand to detail the confession Jones had made as part of the plea deal he later rejected.

Jones' attorney, James W. Bell, contended Jones was being punished for beating the government on appeal. He also argued that Winck was legally barred from using Jones' confession against him.

Winck countered that Jones "simply wanted to have his cake and eat it, too" by backing out of his plea deal but still using it as a shield to protect him against his own guilty statements to Fisher.

In its opinion, delivered by Senior Judge Gilbert S. Merritt, the 6th Circuit sided with Winck.

If Jones did not want his words to come back and haunt him, he should have been a better negotiator or kept his mouth shut, the court opined.

"If Jones wanted to prevent the government from using his statement against him, he could have attempted to negotiate a provision in the plea agreement that barred use of the statement against him after a successful appeal," Merritt wrote. "Instead, he chose to provide a statement to the government that could be used against him in the event of a successful appeal."

It has proven a costly gamble for Jones. Under the original plea deal, Jones was sentenced to 210 months. After his conviction on the new indictment, Varlan slapped him with a 420-month prison term.

The appellate opinion revealed yet another gamble Jones made in the handling of his own fate. According to the opinion, Winck offered Jones a plea deal before trial that would have netted him the original 210-month sentence. Jones turned it down.

It's unlikely the U.S. Attorney's Office will be offering up any more deals for Jones. Authorities have since revealed that Jones had threatened to attack Winck at his sentencing hearing. A jail snitch foiled the plot, and deputies with the U.S. Marshals Service kept Jones shackled and chained during the hearing.

Jamie Satterfield may be reached at 865-342-6308.

Attorneys Seek DNA Tests For Man Reputed To Be Behind Infamous Child Murders (LAW)

By R. Robin Mcdonald, Fulton County Daily Report

Fulton County (GA) Daily Report, November 30, 2006

Attorneys for convicted killer Wayne Williams, long reputed to be the man behind Atlanta's infamous child murders, are asking a Fulton County, Ga., judge for permission to perform DNA testing on 25-year-old evidence.

On Tuesday, Williams' defense lawyers John R. "Jack" Martin and Lynn H. Whatley filed a motion in Fulton County Superior Court seeking comparative DNA tests on samples of animal and human hair recovered from the bodies of 11 men and boys whose deaths were attributed to Williams.

Williams was convicted in 1982 of the murders of Jimmy Ray Payne, 21, and Nathaniel Cater, 28 -- two of 29 black men and children who were among what became known as "Atlanta's missing and murdered children" cases. (The list included one still-unsolved disappearance.) After Williams' convictions in the slayings of Payne and Cater, prosecutors closed the books on 22 other cases.

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For two years, from 1979 to 1981, the bodies of 29 victims -- all of them black and all but two of them men and boys -- were found dumped throughout metro Atlanta in vacant lots and buildings, on roadsides, in gullies, in wooded areas and in the South and Chattahoochee rivers. Fear gripped Atlanta during what many regard as one of the darkest periods in the city's history.

With the discovery of each new body, authorities became increasingly desperate to identify the killer. Parents in black neighborhoods formed vigilante patrols, and many came to believe the Ku Klux Klan must be behind the killings since only blacks were slain. Mayor Maynard Jackson offered a $100,000 reward for information that might lead to an arrest. Finally, before dawn on May 22, 1981, police staking out a Chattahoochee River bridge near where one body had been found heard a splash. Seconds later, officers spotted Williams' station wagon driving slowly across the bridge. Williams was stopped, questioned, but released.

A month would pass before police finally arrested Williams, a 23-year-old self-styled talent recruiter and freelance photographer. Prosecutors would later argue that only after Williams' arrest did the string of serial slayings stop. Still, many were never satisfied that police arrested the right man. As recently as 2005, former DeKalb County police chief Louis Graham reopened an investigation into five of the deaths and declared his belief that Williams was not Atlanta's child killer.

Williams always has maintained his innocence.

Attached to the motion filed Tuesday was a statement of verification signed by Williams, who, according to Martin, is certain that DNA tests will clear him of the crimes for which he has been imprisoned since his arrest in June 1981.

"We hope to find that the DNA shows no matches," Martin said Tuesday. "Wayne's taking a risk. But he's all for it."

"I'm really more excited about this than some of the appeals," said Whatley, who has been Williams' appellate lawyer for 25 years. "We're dealing with science now."

WEB OF CIRCUMSTANTIAL INFORMATION

The human and dog hairs that Williams' defense hopes to test were part of a tightly woven web of circumstantial evidence that convicted Williams. Fabric fibers found on the victims' bodies that microscopically matched fibers found in Williams' car and home, as well as samples of human and animal hair recovered from the victims, were critical in securing Williams' conviction in what has become a landmark case in the annals of forensic science. Samples of bloodstains were recovered from the rear seat of Williams' station wagon that, according to state witnesses, matched the blood types and specific blood enzymes of two of Williams' suspected victims.

At the time Williams was tried, however, comparative DNA testing had never been used in a criminal case and the technology for testing of animal DNA did not exist. Forensic experts called by the prosecution testified that microscopic comparisons of animal hairs recovered from the bodies of Payne, Cater and nine other slaying victims were consistent with the characteristics of hairs obtained from Williams' mixed-breed German shepherd. Prosecutors argued that those comparisons strongly suggested that Williams' victims had been in close contact with him shortly before their deaths.

In addition, forensic experts testified that a microscopic comparison of two human scalp hairs recovered from 11-year-old slaying victim Patrick Baltazar were consistent with Williams' scalp hair.

"The evidence of dog hairs found either on the bodies or the clothing of both of the victims for whose murders [Williams] was convicted, as well as nine of the other alleged murders offered to prove [Williams'] identity as the person who perpetrated the murders of Mr. Payne and Mr. Cater, was powerful evidence of the defendant's guilt emphasized by the prosecution," Williams' motion acknowledged.

But, it continued, "Should DNA testing prove that the dog hairs did not come from [Williams'] dog, this circumstance would raise a reasonable probability that the defendant would have been acquitted if the results of DNA testing had been available at the time of the conviction."

"Indeed," the motion said, "if the testing shows that the animal hairs did not come from the defendant's dog but all came from the same, but some other dog or animal, then this would be powerful evidence that these terrible crimes were committed by a single perpetrator who is not Wayne Williams and who has never been brought to justice."

If DNA tests of the foreign scalp hair recovered from Baltazar's body fail to match DNA extracted from Williams' scalp hair, "this evidence would further undermine the state's case for guilt and would at least raise a reasonable probability that [Williams] would have been acquitted if the results of DNA testing had been available at the time of trial," Williams' motion said.

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On Tuesday, Lyn Vaughn, a spokeswoman for Fulton County District Attorney Paul L. Howard, said Howard and his staff will review the motion "and make a determination following that review."

Russell D. Willard, a spokesman for Georgia Attorney General Thurbert Baker, said the attorney general's office will work with the Fulton DA "to assure that an appropriate response is filed."

Williams first began calling for DNA tests in 1999. That year, Whatley told The Associated Press that he was considering whether to seek a court order to run DNA tests on the bloodstains found in Williams' car. Williams told the AP, "If you want to prove Wayne Williams did this conclusively, then let's get the DNA tests."

It wasn't until Tuesday, however, that Williams' defense team initiated the legal steps required to conduct the DNA tests.

OUTSIDE INVESTIGATION

In 2005, after Graham announced he was reopening an investigation into five of the slayings that were administratively closed with Williams' 1982 conviction, the Daily Report embarked on a yearlong search for the forensic evidence in the case.

The newspaper spent months locating and then combing through trial testimony and lists of exhibits, filed numerous public records requests to confirm that evidence still existed and, eventually, determined where it was stored. The Daily Report recruited two of the top fiber experts in the country to examine magnified photographic images of fiber recovered in the investigation. Those experts concluded that, 25 years later, the fiber evidence against Williams remains compelling and credible. (Daily Report, June 30, 2006.)

The newspaper also enlisted the help of the Georgia Innocence Project and, in April, formally asked Fulton County Superior Court Chief Judge Doris L. Downs to permit the Innocence Project to conduct comparative DNA tests of the blood and hair evidence admitted during Williams' trial. Downs rejected that request, explaining that Georgia's open records law did not permit the newspaper to remove evidence from the courthouse to have it tested at a forensic lab, even under the supervision of the Innocence Project.

As chief judge, Downs handled the public records request because Williams' trial judge, Clarence Cooper, is now a U.S. District Court judge.

However, Downs allowed a supervised inspection of the evidence by the Daily Report. On May 22 -- accompanied by Williams' defense attorneys, lawyers representing the Fulton County district attorney and the state attorney general -- the newspaper, under court supervision, located and inspected numerous forensic slides on which the animal and human hair evidence had been preserved.

Blood evidence collected in the investigation, including a blood-stained seat taken from Williams' car, couldn't be located.

After that inspection, Martin and Whatley vowed to ask for DNA tests on Williams' behalf and sought the advice of the Innocence Project in finding a qualified laboratory. At the time, Williams had a motion for reconsideration of his habeas corpus appeal pending before U.S. District Judge Beverly B. Martin (who is no relation to Jack Martin). The federal judge already had rejected Williams' appeal in a 251-page order she handed down in February. Last month, she turned down Williams' motion for reconsideration of her earlier ruling. Williams' lawyers are appealing that decision to the 11th U.S. Circuit Court of Appeals.

If the DNA tests produce no matches between Williams, his dog and evidence recovered from the victims that prosecutors directly linked to Williams at his trial, defense lawyers say they will file an extraordinary motion for a new trial based on the newly discovered evidence. "Much of the case [against Williams] was circumstantial," Jack Martin said Tuesday. "They built the case on fibers and hairs." However, if comparative DNA tests "prove he [Williams] is not guilty but innocent, then the circumstantial case starts to unravel."

State forensic experts testified that more than 100 animal hairs recovered from 11 victims were consistent with hair taken from Williams' dog. Williams' motion proposes that a representative sample of dog hairs taken from the victims, as well as samples of hairs from Williams' dog that were preserved, be tested by the forensic laboratory at the University of California at Davis, which pioneered the study of animal DNA. The forensic laboratory at the Georgia Bureau of Investigation currently does not have the capability to perform such tests, according to Williams' motion.

Williams' motion also asks the state to pay for the tests, which will cost from $150-$500 per animal hair, depending on the test.

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Williams' motion also seeks a court order to locate the missing blood evidence and bloodstained car seat that were shown to jurors. According to Williams' motion, his lawyers have "endeavored without success" to locate the blood evidence and speculated that it may still be in the custody of either the Fulton County district attorney or Atlanta police.

In response to a 2005 public records request by the Daily Report, the GBI acknowledged that its forensic laboratory disposed of dated biological evidence years ago and transferred the majority of evidence attached to the Atlanta child murders to the Atlanta Police Department. Atlanta police never responded to several public records requests made by the Daily Report to document the existence of forensic evidence in the Williams case.

Defense lawyers acknowledged a risk in asking for the DNA tests. "If the dog hairs found on the victims truly match [Williams'] dog or if the scalp hair found on victim Baltazar truly matches [Williams'] hair, doubts about [Williams'] guilt would obviously vanish. However, [Williams] is so confident in his innocence that he urgently asks that this testing be done."

"Why would the state oppose this?" Martin asked Tuesday. "It seems they would be as interested in finding out the truth as anyone else."

Said Whatley: "This cloud has been on the city too long."

Meet The Genovese Crime Family's New Boss (NYS)

By Jerry Capeci

New York Sun, November 30, 2006

Less than a year after the death of legendary Mafia boss Vincent "Chin" Gigante, a cagy wiseguy who understands the wisdom of keeping a low profile has taken the reins of the powerful Genovese crime family, Gang Land has learned.

Meet Daniel Leo, 65, a reputed member of the violent, East Harlem-based Purple Gang during the 1970s who now resides in a $2 million home in Rockleigh, N.J., a town on the Palisades that boasts the highest median household income in the state, according to the 2000 census.

There is scant public record on Leo, but several top law enforcement sources told Gang Land this week that he is currently at the pinnacle of the crime family whose members and rackets surpass all the others. The officials disagree about his title.

"We're carrying him as the acting boss," a law enforcement official who has been involved in several major investigations into the family's sophisticated labor racketeering schemes said.

Two other highly placed mob busters said they were not sure about Leo's official mob rank, but agreed that Leo is a low-key and "well-respected" family leader who has beaten the system.The lawmen agreed that in the wake of Gigante's death — and after the recent prosecutions of many top Genovese mobsters — no other family gangster now has more power and influence than Leo.

"Leo is a heavyweight, a major player, and he may be the acting boss, but we don't know for sure, yet," one source said. "This is the family that didn't tell the other four families for years that Chin was really the boss and that 'Fat Tony' Salerno was merely a figurehead."

All the sources do agree that Leo has served for many years as a top official in the crime family with little fanfare.

Leo, whose two-story brick house sits on a 1-acre plot on Rockleigh Road that in the 1680s was rich Colonial Dutch farmland, also owns a condominium in Boca Raton, Fla., according to real estate records. He did not respond to a call to his home for comment.

Bank Robber Denied Further Leniency, Gets 11-year Term (KNOXNS)

By Jamie Satterfield

Knoxville News Sentinel (TN), November 30, 2006

Give a bank robber an inch, and he'll ask for a mile.

Assistant U.S. Attorney Tracy Stone argued Wednesday in U.S. District Court that he already had given serial bank robber Thomas J. Hunt Jr. a 25-year sentencing cut by dropping one of three cases against him.

Still, Hunt stood before Senior U.S. District Judge James H. Jarvis with Assistant Federal Defender Paula Voss asking for more leniency.

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Hunt, who pleaded guilty to robbing a bank in Greenback and another in Maryville earlier this year, escaped as part of his plea deal a gun conviction that could have netted him an automatic 25-year prison term required by law to be stacked onto whatever other punishment he would have drawn, Stone noted.

Jarvis sided with Stone, imposing a sentence of 135 months, or just more than 11 years, which the prosecutor recommended.

Hunt, nabbed shortly after the robberies by FBI agents, told the judge he had longtime addictions to alcohol and drugs.

Man Ordered To Pay Microsoft $9.4 Million (SEAPI)

By Todd Bishop, P-I REPORTER

Seattle Post-Intelligencer, November 30, 2006

Laney also jailed for 5 years for illegal trafficking in firm's software

A former southwest Washington man was sentenced Wednesday to pay $9.4 million in restitution to Microsoft Corp. and serve five years in prison for illegal trafficking in the company's software.

Scott Laney, 35, pleaded guilty to money laundering and counterfeiting conspiracy charges. The scheme involved acquiring Microsoft programs at cut rates -- in some cases from employees who were abusing the company's internal ordering system -- and reselling them with falsified labels, documents and licenses that boosted their value.

As part of the case, Laney admitted that he and his co-conspirators sold up to $20 million of software with counterfeit labeling and licenses. Microsoft alleged that it lost at least $12.4 million. Symantec Corp. programs also were resold illegally, according to court papers, although the security software company didn't claim any restitution.

Tobias Grace, of Vancouver, Wash., who was charged with conspiring with Laney, is scheduled for sentencing Jan. 19. Laney, a resident of Battle Ground at the time he was charged, has since moved to Ogden, Utah, prosecutors said.

According to court papers, the two obtained discounted software intended for computer manufacturers or academic institutions and altered the labels to sell it near full price. In other cases, they altered server software licenses to allow for more users, boosting the price.

Businesses that bought the software often didn't know it wasn't legitimately licensed until they called for product support, prosecutors said.

Assistant U.S. Attorney Annette Hayes had asked for a long sentence against Laney. She cited a U.S. Chamber of Commerce survey estimating that U.S. businesses lose $200 billion to $250 billion over counterfeiting of products.

Judge Franklin Burgess at the U.S. District Court in Tacoma sentenced Laney. His lawyer, Richard Troberman, couldn't be reached.

The FBI, IRS and U.S. Immigration and Customs Enforcement investigated the case. Grace and Laney both were charged in August 2004.

Several former Microsoft employees have been charged separately with taking advantage of previous loopholes in the company's internal software ordering system. Microsoft says it has changed its system and procedures to prevent such abuses.

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Man Gets 5 Years For Software Fraud (HC/AP)

The Associated Press

Houston Chronicle, November 30, 2006

TACOMA, Wash. — A 35-year-old man was sentenced Wednesday to five years in prison and $9.4 million in restitution for selling computer software with fraudulent licenses.

Scott Laney, formerly of Battle Ground, near Vancouver, and now of Ogden, Utah, was sentenced in federal court nine months after he pleaded guilty to conspiracy to traffic in counterfeit labels and computer program documentation, as well as conspiracy to engage in money laundering. His coconspirator, Tobias Grace, of Vancouver, is to be sentenced in January.

Prosecutors said the two obtained some of their software at a fraction of the retail value from Microsoft Corp. workers who exploited the company's internal ordering system. Laney and Grace created a web of companies to relabel and sell the software as if it were legitimate.

They also altered the software licenses for expensive server software to authorize more users than originally provided for, enabling them to reap a greater profit.

Microsoft said it lost $12.4 million as a result of the fraudulent activity. Several of the workers who abused the internal system have been charged and convicted in federal court.

Alabama Residents Indicted In FEMA Fraud (AP)

AP, November 30, 2006

BIRMINGHAM, Ala. (AP) — Fraud charges were announced Wednesday against 23 north Alabama residents, most accused of making false claims to get $2,000 in expedited disaster relief, with one accused of wrongly pocketing $14,749 in Federal Emergency Management Agency funds.

"Theft of disaster relief funds will be prosecuted to the fullest extent of the law," said U.S. Attorney Alice H. Martin in a statement. "I continue to ask the public to report illegal claims to law enforcement."

Fourteen of those charged are from Bessemer, including Linda Williams, accused of making false claims, theft of government money and mail fraud for allegedly receiving $14,749 in Katrina disaster relief funds she was not entitled to. Four were from Midfield, two from Birmingham, and one each from Jasper, Brighton and Homewood.

FEMA made the $2,000 available to eligible evacuees for immediate food, shelter and clothing needs.

Eligibility was based on housing needs. The damaged home had to be located in disaster areas and had to be where the applicant was living at the time of the disaster.

The charges include making false claims against the government, theft of government money or property and mail fraud for falsely claiming to be a resident of an affected area.

One Pleads Guilty In Storm Fraud Probe; 5 Others Arrested (AP)

AP, November 30, 2006

JACKSON — One man has pleaded guilty to filing a false Hurricane Katrina claim and five others have been arrested for fraud against the Federal Emergency Management Agency.

Robert A. Martin, of Gulfport, pleaded guilty to submitting a false claim for disaster assistance funds in the wake of Katrina and will be sentenced in federal court in February, the Department of Justice said Tuesday in a news release.

At the time Katrina hit the Mississippi Gulf Coast Martin was at the Harrison County Correctional Facility.

Yet, Martin received $5,864 from FEMA by providing a false address in Gulfport and claiming damage at that property.

He faces up to five years in prison and a $250,000 fine.

Five more Gulf Coast residents have been accused of defrauding FEMA. Authorities said all five provided false addresses in Gulfport or Biloxi, then made claims on those addresses.

All were indicted on Nov. 7 and arrested Tuesday.

Shirann M. Everett of Gulfport is accused of receiving $19,921.13 after filing a false claim.

The other four accused of the crime are all from Biloxi and received less than $6,000.

They are Curtis Morrow ($4,358), Carolin Morrow ($5,648), Ronald Nguyen ($4,358) and Greg J. Parish ($4,358).

They face prison sentences ranging from 40 to 80 years and fines ranging from $1 million to $1.5 million.

The arrests were made with the help of the national Hurricane Katrina Fraud Task Force, created in September 2005 after the Aug. 29, 2005, storm devastated Gulf Coast communities in Mississippi and Louisiana.

The group is designed to investigate and prosecute crimes such as charity fraud, identity theft, procurement fraud and identity theft.

Kan. Man Sentenced In Internet Sex Sting (LAT/AP)

By Associated Press

The Los Angeles Times, November 30, 2006

KANSAS CITY, Mo. — A lawyer convicted in an Internet sex sting was sentenced Wednesday to five years in prison, capping a legal battle that challenged a common tool police use to catch sexual predators online.

DOJ_NMG_0099870

Moments after a federal jury convicted Jan P. Helder Jr. in August 2005, the judge set aside the verdict and ordered him acquitted.

U.S. District Judge Dean Whipple said Helder couldn't be guilty because the person he communicated with online was actually an undercover detective in Platte County, Mo., not a 14-year-old girl as he had believed.

Defense attorneys in similar cases around the country had raised the same argument as such stings became a common tool for trapping Internet sexual predators. Whipple's ruling was believed to be the first in which the argument succeeded.

The 8th U.S. Circuit Court of Appeals in St. Louis reinstated the jury's verdict against Helder and sent the case back to Whipple for sentencing. The appeals court said the critical issue was that Helder thought he was seducing a minor, not whether the minor truly existed.

Helder, 43, of Mission Hills, will not be eligible for parole under.

Man Gets Prison Term For Threatening President George W. Bush, But Freed For Time Served (FINDLAW/AP)

By Jim Suhr, Associated Press Writer

AP, November 30, 2006

(AP) - EAST ST. LOUIS, Illinois-A mental patient who threatened to castrate President George W. Bush was sentenced to federal prison, but a judge ordered him freed because of time he has already served.

Arafat Nijmeh, 27, who is of Palestinian descent, was sentenced Tuesday to seven months in prison after pleading guilty to two counts of threatening the president.

"This would have been an interesting trial," said his attorney, John O'Gara.

He was released after U.S. District Judge David Herndon credited him with the eight months he spent in custody. Nijmeh had been jailed without bail after being declared a flight risk and a threat to society.

Nijmeh was accused of threatening to harm Bush in comments March 18 to workers at the Alton Mental Health Center and to two Secret Service agents the next day.

The indictment alleged Nijmeh told the agents his earlier threat to castrate Bush was "not too harsh, considering what he has done to my country."

O'Gara said Nijmeh is a U.S. citizen.

Secret Service agent John Brooks has testified that Nijmeh was placed in the center against his will by his mother, who said Nijmeh threatened to slice his brother's throat, crashed his car into the brother's garage and tried to hit a nephew with his car.

Brooks said Nijmeh also told a supervisory nurse at the center he was going to "make her life a living hell" and threatened to kill Jews.

Widespread County Fuel Thefts Suspected In Fairfax (WP)

By Lisa Rein

The Washington Post, November 30, 2006

They sometimes filled up their tanks in the dead of night, keying in a generic code at any of dozens of Fairfax County fuel pumps, then sticking the nozzle into the tanks of their personal cars or into drums to bring home for snowblowers or lawn mowers.

The county's auditor and several county supervisors say they suspect the abuse of fuel pumps by employees assigned government cars went on for years. They are uncertain how many workers were involved -- it could have been hundreds -- or how much fuel was stolen, inflating a monthly fuel bill that has doubled in three years because of rising prices.

But in a report that the Board of Supervisors is scheduled to receive Monday, the county is getting a handle on the scope of the fraud with help from new controls. The county auditor will report that the Fairfax fleet is on track to use close to 75,000 gallons less this year than last, and officials suspect that most of that amount was stolen.

DOJ_NMG_0099871

"It was people playing games," said Supervisor Elaine N. McConnell (R-Springfield). "It was going on forever. I don't think anybody had checked on it before."

The most egregious case officials know of involved a worker in the Department of Facilities Management who was stealing diesel fuel and gasoline for more than two years. Fairfax police staked out Bryan Coup after investigating him for several months. They caught him filling up the tank of his county car one night last January and then putting diesel into large drums.

Police followed him to his home in Shady Side, where he planned to use the diesel to heat his home, officials said. Coup, 36, was fired, and he was found guilty of embezzlement in August. He made restitution for hundreds of gallons of stolen fuel, auditor John Adair said. Another employee was charged with stealing fuel, although Adair and police officials could not provide details.

The projected fuel savings in the report represent 1.87 percent of the 3.9 million gallons of fuel consumed each year by the county's fleet of 3,500 cars and trucks, including police and fire vehicles and those used by homeless-outreach and park workers. But fuel consumption started to drop as soon as the county made it harder for employees to fill up their government cars.

"Month by month, the savings are all over the place," across numerous agencies, Adair said. At first, he said, he thought that the drop might be explained by fuel conservation, but now he suspects it's the crackdown on fraud.

With about 1,300 cars, the Police Department has the largest agency fleet. But spokeswoman Mary Anne Jennings said that the large number of cars does not prove any abuse.

"I'm failing to see the connections," Jennings said. "I have not heard of any issues within the Police Department of anyone using gas for personal use."

Board Chairman Gerald E. Connolly (D) said a drop in fuel consumption by police could be a result of an effort by Chief David M. Rohrer to reduce the number of take-home cars in the department.

The possibility that employees were stealing fuel came to the attention of the board's audit committee last spring, when gas prices hit $3 a gallon. Coup and the other employee had been arrested, and some officials suspected fraud at the pump. "We wanted to be sure no one was yielding to temptation," Connolly said.

The system was open to abuse. To fill up at the 47 county pumps, employees with county cars were supposed to punch in a vehicle number, an agency number and an odometer reading. But a "miscellaneous" code could be used to obtain fuel for other equipment or if there was a problem using the code assigned to a car.

Operators of dozens, if not hundreds, of cars in each agency knew the miscellaneous code, and its use grew to 352,000 gallons in fiscal 2006, according to a September audit on the fuel program. An employee using the code could get fuel without creating a record.

Now an employee has to punch in a number that identifies the car and the employee, and the county tracks the day and the time. Only a select group of employees can use the miscellaneous code.

"The good news for taxpayers is that we're effectuating a significant saving and reversing a trend of ever-increasing fuel consumption," Connolly said. The savings this year are estimated at $184,000.

Jim Gorby, the head of the county's Department of Vehicle Services, expressed concerns about fraud as far back as 2003, when he instituted a limit of three gallons for cars using the "miscellaneous" code. However, thousands of police and fire vehicles were exempted from the limit, and the code could be typed in repeatedly, Adair said.

"Now," he said, "we at least know who's taking what fuel and when."

Ex-CIA Worker Admits Theft Of Items Pricey And Peculiar (WP)

By Fredrick Kunkle

The Washington Post, November 30, 2006

George C. Dalmas III, a CIA employee for almost 20 years, yesterday admitted to breaking into 10 homes in the McLean area about a year ago and taking valuables and curiosities.

The loot from his daylight burglaries included Camp David cuff links, a Daughters of the American Revolution pin, a gold Phi Beta Kappa necklace, Cartier hoop earrings, a Tiffany gold scarab ring, a sapphire-diamond necklace, rhinestone bracelets,

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a Rolex watch and even a Fauquier High School ring. He also helped himself to several antique clocks and old radios -- all treasures he told his wife he had picked up at yard sales.

Dalmas did not explain why he did what he did, and the format in Fairfax County Circuit Court for accepting his guilty plea did not really allow for it. Neither his attorney nor the prosecutor mentioned the most intriguing object of Dalmas's criminal treasure-hunting expeditions: women's panties.

Search warrants list 1,074 pairs of women's undergarments that he stole, many of which were stuffed in shopping bags inside a filing cabinet at his Fulton Avenue home in Falls Church.

"I don't profess to be that knowledgeable about ladies' undergarments," Assistant Commonwealth's Attorney Ian M. Rodway said afterward when asked to describe the evidence. "They ran the gamut from frilly things to mundane things."

Police believe Dalmas kept the undies as trophies. In fact, they believe Dalmas squirreled away everything he took. Court documents say he never tried to pawn or sell any of the jewelry or other valuable goods. Rodway described Dalmas as a packrat.

"He's as strange as you're going to find," Rodway said.

Dalmas, 48, pleaded guilty to 10 burglaries that each carry a maximum sentence of 20 years in prison. Dalmas, who has no prior criminal record, was fired from his mid-level administrative post at the CIA. Mark Mansfield, a CIA spokesman, said Dalmas joined the agency in November 1986. He was suspended without pay in February and terminated in August.

Wearing wire-rim glasses and a fastidious beard, Dalmas looked like a kindly high school science teacher when he entered the courtroom, except for the county jail jumpsuit that hung loosely on his slight frame. Dalmas kept his hands folded in front of him and addressed the judge in a thin, almost timid voice. An immaculate swept-back wing of silver hair bobbed in response to questions.

Dalmas admitted breaking into the homes beginning in October 2005. He was arrested after a McLean homeowner surprised him in her house Jan. 24, pursued his vehicle and obtained a license plate number that was tracked to him. It was the second time a resident came upon Dalmas during a break-in, the prosecutor said.

But Dalmas's attorney said he would "never harm a flea."

"He's a bright, articulate guy. He's the nicest, most gentle guy," defense attorney Gary Moliken said after the hearing.

Dalmas was driven to take things for reasons that could not be easily fathomed, especially because he grabbed many things of little value, Moliken said.

"He doesn't really touch a lot of valuable things, which I think is demonstrable that mental health issues are involved," Moliken said. "This was not driven by a need for financial gain."

Dalmas's wife and two young children have moved to the Midwest, but she remains loyal to him, Moliken said.

"She is supporting him and standing by him, and hopefully they'll get through this and resume a normal life," Moliken said. He said his client's predicament has left him depressed and at times confused.

Fairfax County Circuit Court Judge Robert W. Wooldridge Jr. set sentencing for Feb. 9.

Theoretically, Dalmas faces up to 200 years in prison, but the prosecutor and the defense attorney said he is likely to receive less, though the plea agreement did not set a recommended range of penalties.

CIVIL LAW:

KBR Agrees To Settle Army Fraud Allegations (CNN)

By Terry Frieden And Katy Byron

CNN.com, November 30, 2006

Military contractor agrees to pay $8M after Feds claimed firm overcharged U.S. Army for services in Balkans in 1999 and 2000.

WASHINGTON (CNN) -- Halliburton subsidiary KBR has agreed to pay $8 million to settle allegations the firm overcharged the U.S. Army for logistical support of military operations in the Balkans in 1999 and 2000.

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The allegations involved double billing and delivery of products that did not conform to requirements for use in construction of an Army camp in Kosovo. Other claims involved inflation of prices for various goods resulting from the alleged failure to ensure competitive procurements, the Justice Department said.

"The Department of Justice remains committed to vigorously pursuing allegations of procurement abuses affecting the military," said Peter Keisler, assistant attorney general for the department's Civil Division.

The Justice Department said the settlement resolves allegations that concerned various purchase orders awarded to 10 foreign KBR subcontractors or vendors.

Company spokeswoman Melissa Norcross issued a statement noting that "the government closed its investigation without making allegations of fraud or filing a complaint."

"KBR has agreed to make a payment totaling $8 million to the government, representing an adjustment to the contracts under which KBR provided logistical support to the U.S. military in the Balkans," she said.

"Of that amount, $2.1 million was previously credited to our customer in January 2001 as the result of an internal investigation. The remaining sum will be paid directly to the U.S. Treasury because the appropriations accounts under which a contract credit could have been made have since expired."

KBR also has been the subject of investigations into military contracts it gained to support military operations in Iraq.

Halliburton (up $0.96 to $33.59, Charts) has initiated steps to spin off the KBR unit, which issued an initial public offering of stock earlier this month.

KBR (up $0.03 to $21.98, Charts) shares edged lower in afternoon trade Wednesday on the New York Stock Exchange.

Contractor KBR Settles Overbilling Claims For $8 Million (AP)

By Lara Jakes Jordan, Associated Press

AP, November 30, 2006

WASHINGTON – One of the government's largest military contractors will pay $8 million to settle six-year old claims it overcharged the Army for construction and other support services in the Balkans, the Justice Department said Wednesday.

Kellogg, Brown & Root, a subsidiary of Houston-based Halliburton Co., was accused of double-billing the government and ordering unusable products while helping build Camp Bondsteel in Kosovo, prosecutors said.

The contractor also allegedly inflated prices for some unspecified goods that were not put out for competitive bid, the department said.

Prosecutors said those incidents occurred between 1999 and 2000.

The department “remains committed to vigorously pursuing allegations of procurement abuses affecting the military,” Assistant Attorney General Peter D. Keisler said in a statement.

Halliburton spokeswoman Melissa Norcross said the company was pleased with the settlement, which was reached without charges being filed.

“The government closed its investigation without making allegations of fraud or filing a complaint,” Norcross said in a statement.

Halliburton Unit To Pay 8 Mln Dlrs To Settle Army Fraud Claims (AFP)

AFP, November 30, 2006

A Halliburton subsidiary, KBR, has agreed to pay the US government eight million dollars to settle fraud claims related to an Army supply contract, the Justice Department said.

The agreement follows a Justice Department probe into allegations of overcharging and other "procurement irregularities" related to KBR's billings on an Army contract for services provided in the Balkans between 1999 and 2000.

"The settlement resolves allegations under the False Claims Act that concerned various purchase orders awarded to 10 different foreign KBR subcontractors or vendors," a Justice Department statement said.

"The Department of Justice remains committed to vigorously pursuing allegations of procurement abuses affecting the military," said Peter Keisler, an assistant attorney general for the department's civil division.

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Some of the allegations against KBR concerned double-billing and the delivery of "non-conforming products" by suppliers for use in the construction of Camp Bondsteel in Kosovo.

KBR is an engineering, construction and services subsidiary of the Houston-based energy firm Halliburton, which was formerly led by Vice President Dick Cheney.

Halliburton and KBR have weathered numerous contracting controversies since Halliburton was awarded a no-bid 2.4 billion dollar contract to supply the US military on the eve of the US-led invasion of Iraq in 2003.

Halliburton, Army Settle Balkans Case (HC)

By David Ivanovich, Houston Chronicle Washington Bureau

Houston Chronicle, November 30, 2006

$8 million ends the long-running billing dispute

WASHINGTON - Houston's Halliburton Co. has agreed to pay $8 million to settle a long-running dispute with the U.S. Army over alleged overbilling when providing logistical support during the conflict in the Balkans.

The agreement, announced by the Justice Department Wednesday, resolves allegations under the False Claims Act regarding purchase orders Halliburton subsidiary KBR awarded to 10 foreign subcontractors in 1999 and 2000.

KBR, which has admitted no wrongdoing, had been accused of double-billing and providing products that did not conform to the Army's specifications during construction of Camp Bondsteel, a sprawling base in Kosovo built to accommodate 5,000 troops and contractors.

The government also had alleged the company inflated prices by failing to ensure adequate competition existed when making procurements.

"The Department of Justice remains committed to vigorously pursuing allegations of procurement abuses affecting the military," Peter Keisler, assistant attorney general for the Justice Department's civil division, said in a prepared statement.

Company spokeswoman Melissa Norcross, in an e-mail, said "KBR is pleased to confirm the close of the United States' investigation into KBR's government contracting in the Balkans in 1999 and 2000."

The government closed the investigation, Norcross added, "without making allegations of fraud or filing a complaint."

The company already has paid $2.1 million and will pay another $5.9 million within the next few days.

In a recent filing with the Securities and Exchange Commission, company officials noted the disputed charges were "part of the Balkans contract under which approximately $100 million in work was done."

Justice Department officials provided few other details, while none of the several Pentagon officials contacted Wednesday could address the matter.

KBR was first awarded a contract by the Army in 1992 to provide a broad array of support services for the troops, from serving meals to operating fire departments.

When the U.S. military moved into the Balkans in 1995, KBR was ordered to build bases and provide basic services.

Two years later, the logistics contract expired, and a new agreement was awarded to another company, DynCorp.

But wanting to keep KBR in place, the Pentagon split off the Balkans operations into a new sole-source contract.

KBR eventually won back the broad logistics contract and has been building bases and providing an array of services for U.S. troops in Iraq. But the company's work there has come under repeated criticism for possible overcharges.

Such disputes, however, have not kept KBR from winning new Pentagon contracts. Earlier this month, for instance, the Army's Field and Installation Readiness Support Team awarded KBR a new contract to provide professional, administrative and management support services, according to a federal government Web site.

Neither Halliburton nor the Pentagon would provide any details about that new contract. Halliburton is in the process of spinning off KBR.

Farmer Must Pay $2 Million For False Insurance Claims (SANEWS)

By Lania Coleman, The Saginaw News

The Saginaw News (MI), November 30, 2006

DOJ_NMG_0099875

BAY CITY -- Federal authorities have ordered a Bay County farmer to pay more than $2 million for false crop insurance claims.

Bli Farms, Richard Bli and the estate of his brother, James E. Bli, must repay $2,128,920 to the federal government for claims filed for their 1992, 1994 and 1995 potato crops, U.S. Attorney Stephen J. Murphy said Monday.

U.S. District Judge David M. Lawson, after a bench trial, found that Richard Bli, acting on behalf of the partnership the Bli brothers formed in 1992, knowingly violated the False Claims Act.

Lawson said Bli submitted false claims for crop insurance indemnities and false certifications of potato production for the crop years in question.

The court found that the claims were false because Bli Farms had "substantial unreported sold potato production" for the specified years.

"Had Bli Farms reported all of its 1994 sole potato production, it would have received a significantly reduced indemnity for losses on its insured potato crop," Murphy said in a statement from the Justice Department.

Bli Farms received $704,640 in crop insurance indemnities to which it was not entitled, he said.

"Under the False Claims Act, these damages are trebled, to $2,113,920," Murphy said.

The court also imposed penalties totaling $15,000.

In addition, Bli Farms and Richard Bli now face exclusion from federal programs.

"The public should not bear the cost of false or exaggerated claims for crop insurance," Murphy said. "(It's) fraud, pure and simple." v

LaNia Coleman covers law enforcement. You may reach her at 776-9690.

Treasury Ordered To Redesign Money For The Blind (LAT)

By Mima Mohammed And Moises Mendoza, Times Staff Writers

The Los Angeles Times, November 30, 2006

The Treasury Department on Wednesday began considering its response to a federal court ruling that ordered changes to paper currency so each denomination could be easily identified by blind and visually impaired people.

The ruling by U.S. District Judge James Robertson came in a lawsuit filed against the department by the American Council of the Blind, a Washington-based advocacy group. The group argued that the government's failure to differentiate among denominations amounted to illegal discrimination, and Robertson agreed.

"We are still reviewing the court order, and the government has made no determination as to what its next step will be in this matter," said Charles Miller, a spokesman for the Justice Department's civil division.

The Treasury Department has 10 days from Tuesday's ruling to decide whether to appeal.

In his opinion, Robertson ordered the Treasury Department to consider such options as changing the size and color of banknotes for each denomination and adding tactile differences, such as foil, raised numbers or perforations, to the bills.

Other currencies, such as those of the European Union, Japan, Switzerland and Saudi Arabia, include such differences, he said, adding that the United States could have incorporated similar changes during recent redesigns that added anti-counterfeiting features.

The government has argued that doing so would prove a financial burden. But Robertson said that making one change — adding a raised numeral — would have increased the government's $4.2-billion cost of manufacturing currency over the last decade by only 5%.

"Of the more than 180 countries that issue paper currency, only the United States prints bills that are identical in size and color in all their denominations," the judge wrote.

That puts blind and low-vision individuals at the risk of being cheated if they are unable to identify the value of paper money without help from others, he said.

The issue has divided the visually impaired community, with some believing that the ruling reinforces negative stereotypes.

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"We believe in solving real problems of discrimination — not in doing gimmicks that look like they solve a problem and could make things actually worse," James Gashel, executive director for strategic initiatives at the National Federation of the Blind, said Wednesday. "For a federal court to say that we are being discriminated against is simply wrong."

But the American Council of the Blind, which filed the lawsuit four years ago, was "very happy" with the ruling, said Executive Director Melanie Brunson.

"We don't see it as a negative, and we believe that it could improve opportunities for blind people," she said, enabling them to work at cash registers or as vendors.

According to the National Institutes of Health, about 3 million Americans have a visual impairment that cannot be corrected with glasses or contact lenses.

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Vendors Protest Mandated Currency Changes For Blind (WT)

By Bryce Baschuk

The Washington Times, November 30, 2006

The vending machine industry would have to spend hundreds of millions of dollars so its machines could handle new currency that blind people could use if a new ruling on U.S. bills is enforced.

U.S. District Judge James Robertson ruled Tuesday that the current bills discriminate against blind people. He ordered the Treasury Department to find a solution.

"If the government is mandated to change U.S. currency, there would be a tremendous financial impact across a number of industries, including the automated vending industry," said Jim Brinton, a director of the National Automatic Merchandising Association (NAMA), a trade association of the food and refreshment vending industry.

There are 7 million food and beverage machines in the United States, and 1.5 million of them accept both $1 and $5 bills, according to NAMA.

The vending machine industry would have to spend an estimated $200 to $300 to retrofit each machine, Mr. Brinton said.

"I couldn't afford to spend $300 per machine. I simply wouldn't be able to do it," said Mr. Brinton, who is also the president of Evergreen Food Services Inc., a vending company in Tukwila, Wash.

The American Council of the Blind filed the lawsuit against the government in 2002, saying U.S. currency should be redesigned to help blind and visually impaired people distinguish among denominations.

"We're not deliberately setting out to overturn American industries," said Melanie Brunson, executive director of the American Council of the Blind in Washington.

"We wanted the government to add accessibility [to the U.S. currency], and we wanted to make it an issue while our currency was being redesigned," she said.

Ms. Brunson couldn't say exactly what impact the decision might have on the nation's industries, but conceded that "the cost to retrofit vending machines could be somewhat substantial."

NAMA filed a brief during the trial, noting that a decision to change U.S. currency would cost the vending industry substantial amounts.

Metro officials yesterday could not estimate how much it would cost to retrofit their fare-card machines to handle new currency.

"A lot will depend on what the U.S. Treasury will do," said Stephen Taubenkibel, a representative from the Washington Metropolitan Area Transit Authority.

Metro's fare-card machines accept denominations of $1, $5, $10 and $20.

"At this point, it's too early to tell what the impact would be on our vending machines," he said.

Treasury has 10 days to file an appeal based on financial and administrative burden.

Government attorneys argued during the trial that changing the size of currency could cost up to $228 million in initial costs and $52 million annually to make currency in different sizes.

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The least expensive change, adding a raised numeral, would cost $45.5 million initially and $16 million annually. The government estimated it would have to spend an additional $70 million to $90 million in public education for any changes.

The National Federation of the Blind (NFB) criticized the decision yesterday, saying it misinforms the public about the abilities of blind people. The organization of blind people has more than 50,000 members.

"This ruling puts a roadblock in the way of solving the real problem, which is the 70 percent unemployment rate among working-age blind Americans that severely limits our access to cash," said NFB President Marc Maurer. "The ruling will do nothing to alleviate that situation."

Blind people have developed ways to identify denominations by folding bills in different ways. Readily available machines identify paper money as well, the nonprofit said.

Mr. Maurer said the decision hurts public perception of blind people's capabilities.

"It argues that the blind cannot handle currency or documents in the workplace and that virtually everything must be modified for the use of the blind."

Justices Hear Cases Related To Global Warming, Banking Regulation (WSJ)

By Jess Bravin And Mark H. Anderson

The Wall Street Journal, November 30, 2006

WASHINGTON -- The Supreme Court heard arguments in two fights between the federal government and states, one a closely watched case on emissions that may cause global warming, the other a dispute over bank regulation.

The environmental case involved carbon-dioxide emissions and other "greenhouse gases" blamed by many scientists for global warming. Joined by environmental groups, Massachusetts and 11 other states have urged that the administration regulate such gases as pollutants.

Read the case docket1 in Massachusetts v. EPA, courtesy of FindLaw2.

The administration, reversing a Clinton administration opinion, argued that such emissions don't fall under the Clean Air Act's definition of pollutants -- adding that even if they did, the agency need not regulate them because of uncertainty and a preference for international action over a unilateral approach.

The states contend the law requires the Environmental Protection Agency at least to begin the formal process that could lead to regulation. A federal appeals court rejected the argument, and the Supreme Court appeared sharply divided on whether states had standing to sue over their claim.

"I thought standing requires imminent harm," said Justice Antonin Scalia. "When is the predictable cataclysm?"

Massachusetts Assistant Attorney General James Milkey, representing the states, told the court his state has been harmed by the EPA's refusal to regulate automobile emissions through, among other things, loss of land from rising oceans. "It's not so much a cataclysm as an ongoing harm," he said.

Justice Anthony Kennedy appeared to be the swing vote. The court's conservative justices appeared prepared to side with the federal government, while more moderate to liberal justices appeared ready to order additional deliberations in the case.

Deputy Solicitor General Gregory Garre told the court that "this is an extraordinarily complex area of science" in which the EPA deserves deference from federal courts on its regulatory decisions. He also cautioned that EPA regulation could have a significant economic impact.

(Massachusetts v. Environmental Protection Agency)

The bank case involved an effort by some states to assert authority over mortgage lenders that federal officials say they can pre-empt.

Michigan asked the court to strike down a federal policy that pre-empts state consumer laws for state-chartered operating subsidiaries owned by national banks but affords those banks liability protections under state law.

A win for Michigan could open the door to tougher state consumer protections, while making it costlier for banks to do business because they must meet each state's rules.

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U.S. banking regulation is governed by a system in which banks themselves select which entity will regulate them -- the federal Office of the Comptroller of the Currency or a state banking agency. This dual banking oversight has led to competition between federal and state regulators seeking to sign up banks, which support the agencies' budgets with regulatory fees.

State banking regulators traditionally have charged lower fees and claimed to be more nimble in responding to local needs than their federal counterparts. But the OCC has lured banks with its power to pre-empt state laws. Federal courts have construed that power broadly, allowing the OCC to set aside state and local laws that limit automatic-teller machine fees, require additional disclosures to consumers, and impose other burdens.

But as banking companies have expanded and gotten more complex, it has become harder to tell which entities controlled by national banks remain susceptible to at least some state regulation.

Michigan maintained that its consumer-protection laws applied to state-licensed mortgage-lending subsidiaries owned by national banks. The OCC disagreed, concluding that since a national bank could engage in mortgage lending free from state oversight, so could a state-licensed operating subsidiary.

Michigan lost in the lower courts, and the Supreme Court's decision to hear the case was a surprise. When granting review, the justices hinted of broader constitutional concerns, asking attorneys to consider how the 10th Amendment, which reserves unspecified powers to the states, fits into the puzzle.

At oral arguments, the justices asked no 10th Amendment questions. Questioning Wachovia Bank attorney Robert Long, Chief Justice John Roberts suggested the bank wanted to have its cake "and eat it too," by pre-empting Michigan laws against predatory lending, while being shielded from any liability the subsidiary might incur. Mr. Long didn't dispute the liability protections of structuring the business that way, but said "managerial reasons" made the state subsidiary-national bank parent model a "useful tool of banking."

Federal Oversight Of Banks Risks Abuse, States Argue (WP)

By Tomoeh Murakami Tse

The Washington Post, November 30, 2006

All 50 states and the District of Columbia yesterday urged the Supreme Court to overturn lower court rulings that they said would give federal authorities the ability to block states from prosecuting financial institutions for predatory lending practices.

In oral arguments, the justices posed tough questions about the implications of a mortgage-lending case that could affect the way state-chartered subsidiaries of national banks are regulated. Chief Justice John G. Roberts Jr. expressed concern about the banks' apparent effort to seek immunity from state regulations, but other justices suggested that banks are stumbling under excessive regulation by being required to report to both state and federal officials.

The case, Watters v. Wachovia Bank, is the latest in a series of legal skirmishes between state officials and the banking industry. Although the case centers on the lending practices of banks, legal experts said that it has broader implications for other industries that are also regulated on both the state and federal levels, in such areas as transportation safety, civil rights and environmental protection.

At issue is whether state-chartered subsidiaries of national banks should be subject to the regulations of state governments or be solely under the purview of the federal Office of the Comptroller of the Currency.

For 35 years, states have regulated the mortgage-lending practices of state-chartered subsidiaries of national banks. The parent national banks are regulated by the OCC. In 2001, the OCC ruled that those lenders should be overseen by the federal government under the National Banking Act of 1864, not by state regulators. And in 2003, officials at North Carolina-based Wachovia decided that their state-chartered subsidiaries, which are mortgage lenders but are not themselves banks, would no longer abide by the regulations of local jurisdictions and would answer only to the OCC. Michigan protested, so Wachovia sued for release from state oversight. The bank won on the lower court levels, and Michigan appealed to the Supreme Court.

Critics of the OCC have long said the federal agency falls short in consumer protection and that it bases its regulatory decisions on maintaining the banks' safety and soundness.

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In oral arguments, E. John Blanchard, who represented Michigan and whose case is supported by the 49 other states, argued that "preemption" of local authority by the OCC would prevent states from protecting their residents. "Michigan and the states want to be able to help their citizens with abusive and predatory lending complaints," he said.

A lawyer for the banking industry countered that courts have long acknowledged the primacy of federal regulators over local authorities when evaluating large banks and that this instance was no different. Bankers have also complained of the burden of excessive regulation on the local and federal levels.

"The court has recognized for a century that in that area, when national banks have powers, including incidental powers recognized by the comptroller, they generally preempt any state law," said Robert A. Long Jr., who represents Wachovia, but whose case is supported by the entire banking industry.

Roberts said it seemed that banks wanted to be viewed as federally governed on regulation issues but state-based to shelter themselves from liability issues. "You are really trying to have your cake and eat it too," he said.

Justice John Paul Stevens questioned whether the OCC had the manpower to handle the increased responsibility it took when it preempted state law in 2001. He asked specifically how many additional investigators the OCC had hired when it took over this responsibility.

"Well, I don't have an empirical answer to that question," said Sri Srinivasan, assistant to the solicitor general of the Justice Department.

Justice David H. Souter, however, noted that banks could be forced to go through two separate rounds of inspection -- state and federal. "Regulation costs the regulated entity something," he said. "It is a burden on them."

CIVIL RIGHTS:

US Is Said To Probe Bay State Elections (BOS)

By Donovan Slack And Yvonne Abraham, Globe Staff

The Boston Globe, November 30, 2006

At issue is access by disabled voters

The US Department of Justice has launched an investigation into the state's failure to ensure that equipment for disabled voters was provided at polling places across Massachusetts during this year's elections, according to three people who spoke with federal investigators this week.

Two investigators from the voting section of the Justice Department's Civil Rights Division -- trial lawyer James "Nick" Boeving and special litigation counsel Susana Lorenzo-Giguere -- are to arrive in Boston today to begin gathering documents and conducting interviews, according to one of the two people.

Boeving is planning to inquire about the state's failure to comply with the federal Help America Vote Act, which requires that every polling place have at least one machine that allows disabled people to vote privately and independently, said Brenda Wright, managing attorney at the Boston-based National Voting Rights Institute. Wright received a call from a Department of Justice lawyer Tuesday.

Problems with access for disabled voters would be just the latest accusation to plague election officials in Massachusetts, where irregularities in four cities have been investigated in recent years. Boston agreed last year to federal monitoring after the Justice Department accused the city of failing to protect the rights of voters with limited English skills. In September's primary, workers failed to count hundreds of ballots, and in the final election some 30 polling places ran out of ballots.

"The investigating attorney appeared to be looking at the question of whether the state is in compliance with the HAVA requirements," Wright said. "They seemed to be aware of the press reports that have been fairly clear in indicating the state was not going to be in compliance, either in the primary or the general" elections.

Wright said the attorney was looking for people who had monitored polling places across the state on Election Day and that investigators would speak with advocates from voting rights and disability rights organizations. Giovanna Negretti, executive director of the voting advocacy group F;Oiste?, and another person who asked not to be named said the attorney also appeared to be interested in other election irregularities.

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Justice Department spokeswoman Cynthia Magnuson would neither confirm nor deny the existence of an investigation.

The 2002 Help America Vote Act requires that states provide voting machines that are accessible to the disabled in every polling place by this year's elections. Secretary of State William F. Galvin said in October that Massachusetts would fall short in at least two-thirds of the state's 1,700 polling places.

Galvin said last night that he had not been notified of the federal probe, though he added, "I'm not surprised."

"I'm sure we'll cooperate with them as we always do," Galvin said. "We'll be happy to review with them exactly what we've done."

He said that his office has been testing various types of equipment for disabled voters and that he plans to decide which to purchase in the coming months and have them in polling places by the presidential election in 2008. Galvin said his staff has been meeting with a monitor from the Justice Department who is aware of the state's failure to meet this year's deadline.

Nearly two weeks ago, a coalition of 16 voting and civil rights groups called on Governor-elect Deval L. Patrick to appoint an independent commission to investigate Galvin's oversight of the elections. The coalition, which includes the Institute for Race and Justice at Harvard Law School, the American Civil Liberties Union of Massachusetts, and Common Cause of Massachusetts, charged that disabled and minority voters' rights have been violated repeatedly in recent years in several municipalities, including Boston and Springfield.

"The reality here is that the vast majority of communities in the state were not at all providing the kind of accessibility that is required under HAVA," said John Bonifaz, founder and general counsel of the National Voting Rights Institute, who ran against Galvin in this year's Democratic primary. Bonifaz and others said that responsibility for compliance with federal requirements is Galvin's.

Voting problems in Massachusetts in recent years have resulted not only in the lawsuit filed by the US Department of Justice against the City of Boston regarding voters with limited English skills, but also Justice Department probes in Lowell, Lawrence, and Springfield. In September's primary, a recount in a Boston Senate district was triggered by the discovery of uncounted ballots, and, in the final election this month, some 30 Boston polling stations ran out of ballots as crowds were forced to wait.

A Harvard University elections consultant hired by Mayor Thomas M. Menino said yesterday that the Boston problems came about in part because the city's Election Department is understaffed, poorly trained, and ill-prepared to make problem-solving decisions to avert crises.

Giving his initial impressions of the Election Department in an interview with the Globe, David King said the department has "no effective mechanism for saying: 'This is priority one. This is priority two.' "

King, who is to issue a report early next year, plans a thorough investigation before making detailed recommendations in March. Still, he said numerous problems are evident.

A four-member Election Commission charged under city law with overseeing the department has not met or exerted any authority for years. There are only three members, and all are employees of the Election Department, a situation that King says makes the commission vulnerable to political pressure.

King also said that "training within the department needs to be dramatically improved."

Election Commissioner Geraldine Cuddyer, in an interview with the Globe yesterday, said the department is doing the best it can with the resources it has. She declined to comment about what happened during this month's election because Galvin's office has launched an investigation of the election.

King began reviewing documents and speaking with election employees last week.

He said task force members reported several concerns aside from ballot shortages during this month's election. They said that on Election Day, roughly 70 special touch-screen voting machines for the disabled did not record votes; that there were no Spanish-speaking workers in at least one East Boston precinct, and that several polling places in Dorchester and Roxbury were not accessible to the handicapped, King said.

Texas Seeks Approval Of Election Date (AP)

By Suzanne Gamboa, Associated Press Writer

DOJ_NMG_0099881

AP, November 30, 2006

WASHINGTON — Texas is asking the Justice Department to approve Dec. 12 for a congressional runoff election - a date opposed by a Latino civil rights group because it is a religious day for many Hispanics.

The runoff between incumbent Republican Henry Bonilla and Democrat Ciro Rodriguez, a former congressman, is in Texas' 23rd congressional district, which includes portions of San Antonio. The district was redrawn after the U.S. Supreme Court ruled previous boundaries discriminated against Latino voters.

Dec. 12 is the Feast of the Virgin of Guadalupe, the patron saint of Mexico and Latin America. The League of United Latin American Citizens (LULAC) wants the election held on Dec. 19, arguing that the earlier date discriminates against Hispanic voters and benefits Bonilla, whose support among Latinos has eroded.

States like Texas that have had a history of voting discrimination against minority groups are required under federal law to get Justice Department approval, known as preclearance, of election changes or decisions.

Texas officials, who filed the date request Tuesday, said the state doesn't need federal approval because a court ordered the runoff election set for the earliest time possible.

Scott Haywood, spokesman for the Texas secretary of state, said he doesn't believe his office knew the date was a Latino holy day, but putting the runoff back another week would push the election into Hanukkah, which begins at sundown Dec. 15, and close to Christmas.

"The date ordered is fully compliant with the law," he said.

Luis Vera Jr., national counsel for LULAC and Rodriguez's campaign treasurer in the runoff, said he will ask the Justice Department to reject Dec. 12.

"The vast majority of Hispanics in South Texas are Latinos and they honor that day," Vera said. "They way it works, they go to Mass, go to work and then go to Mass. They fast. They pray. They are in church all night. ... Voting is way at the bottom of the list." Some communities also hold processions and family gatherings.

After the district was redrawn to restore Latino voting strength, the congressional race drew eight contenders. Bonilla led with 49 percent of the vote, just under the 50 percent required to win. That prompted the runoff with Rodriguez, the next highest vote-getter at 20 percent.

Sharpton And Jesse Jackson Lead Angry Group To Site Of Deadly Police Shooting (NYT)

By Sewell Chan And Daryl Khan

The New York Times, November 30, 2006

The Revs. Jesse Jackson and Al Sharpton led relatives and community members on an angry and emotional visit yesterday morning to the Queens street where Sean Bell, an unarmed 23-year-old black man, was shot to death in a hail of police bullets early Saturday morning.

As the two civil rights leaders led their group, police officers continued searching the site for evidence yesterday, and investigators were seeking additional witnesses.

The police were trying to locate a man who may have been in Mr. Bell's car on Saturday morning and another who witnesses say was at the heart of arguments outside Club Kalua, a cabaret, with groups that included Mr. Bell. That man was last seen dressed in black and standing in front of a sport utility vehicle with silver wheels in the moments before the shooting. It is unclear what role, if any, he played, the police said.

The police described the man who may have been in Mr. Bell's car as being last seen wearing a beige jacket and running away from the shooting onto 95th Avenue, the police said.

As investigators working on the case seek the two men, the police are asking everyone arrested in the city whether they have any information about the case.

The case has attracted national attention, a fact underscored by the arrival of Mr. Jackson and by a call from Mayor Michael R. Bloomberg to Bruce S. Gordon, president and chief executive of the N.A.A.C.P., which wants the Justice Department to review whether the shooting violated federal civil rights laws. Mr. Jackson echoed that sentiment yesterday.

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Mr. Gordon said the mayor, who has made fighting poverty a priority of his second term, had expressed interest in improving education and job opportunities for young black men. "I at least find his approach to be refreshing," Mr. Gordon said, "but in no way am I comforted, because this incident just points out the disparities and abuses in the system that have to be changed."

On Monday the mayor called the shooting "excessive," a characterization that Gov. George E. Pataki agreed with.

"Obviously, 50 bullets fired into or at an unarmed individual in New York is excessive force," Mr. Pataki said yesterday in a news conference broadcast by satellite from Kuwait, "but the appropriate response to that is something that I think the investigation of the mayor and the police commissioner will reveal."

Mr. Sharpton hinted yesterday that he might call for a shopping boycott to protest the shooting.

Shortly before 9 a.m., Mr. Sharpton and Mr. Jackson led elected officials and clergy members to the spot in Jamaica, Queens, where five officers fired 50 shots at Mr. Bell's car during a confrontation in which he drove into one of the officers and an unmarked police van. Two friends of Mr. Bell, Trent Benefield, 23, and Joseph Guzman, 31, were also in the car and were seriously wounded.

On Liverpool Street, at an impromptu sidewalk memorial of white carnations, red roses, candles and photographs taped to a brick wall, Mr. Bell's aunt, the Rev. Diane Shepherd-Oliver, a minister at the New Life Temple of Praise in Syracuse, called for God's help. "Pray for the policemen and the other individuals who are injured," she said.

Mr. Bell's parents, William and Valerie, and his fiancée, Nicole Paultre, whom he was to wed the day he was killed, were among those in the group.

"We appeal to people: Don't do anything disruptive or in any way contrary to the memory of Sean Bell," Mr. Sharpton said. "We do not want the world to see him as anything other than what he was. He was not violent. He was not a thug. He was not in the street. Don't use your anger to distort who he was."

Mr. Jackson said of the shooting: "This is a symbol, not an aberration. Our criminal justice system has broken down for black Americans and the young black males."

Mr. Guzman's sister, Yolanda, who has been at his bedside at Mary Immaculate Hospital, said of her brother, whom she helped raise: "He's critical. He cannot talk. He has 19 holes in him."

Mr. Guzman's companion, Ebony Browning, squeezed the hand of their son, Juan, 6, and lighted a candle and taped up a photo of Mr. Guzman. "Pray for my child and pray for my husband, too," she said.

Police Commissioner Looks Ahead, And Back (NYT)

By Patrick Healy

The New York Times, November 30, 2006

Police Commissioner Raymond W. Kelly has overseen the streets of New York for the last five years in the style of a global warrior against terrorism. With a self-confidence that strikes some people as imperious, and some as impressive, Mr. Kelly has created a network of police officials overseas, recruited former C.I.A. officers and built a 1,000-member terror unit.

Yet over the last few days, Mr. Kelly has had to return to an earlier, less-novel role: the face of a police department involved in yet another public furor, this one a fatal shooting that has the makings of a combustible controversy involving race, politics and the police use of deadly force.

Mr. Kelly's role in the investigation and his handling of that shooting in Jamaica, Queens last Saturday, in which a young black bridegroom died, has all but been a flashback to his first tour as commissioner, in 1992 and 1993. Then, as the choice of New York's first black mayor in the aftermath of confrontations in Crown Heights, Brooklyn, Mr. Kelly took charge at a moment of considerable daily violence and raw racial emotion, in a city of metastasizing mistrust between black and Hispanic New Yorkers and police officers.

Those tensions have in some ways eased, and Mr. Kelly's relationship with police critics like the Rev. Al Sharpton is good enough that the two men talked just hours after the Queens shooting. The commissioner said in an interview: "We have an arms-length relationship, but we've dealt with each other for years, and I've always found him to be forthright. He is telling it as he sees it, and not being duplicitous in any way. I think he would say the same about me."

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Mr. Kelly also took the more forceful step of putting the five officers who together fired 50 rounds in the 4 a.m. confrontation with the group of young black and Hispanic men on paid administrative leave and stripping them of their weapons.

But the return to this delicate public role as a truly local commissioner also brings new complications for Mr. Kelly, 65. He is routinely discussed in political circles as a possible candidate for mayor in 2009, something he has not ruled out, and his actions are apt to be seen as having potential political consequences.

He is also, for the moment, caught between a mayor who has called the shooting "inexplicable," an array of black leaders who want answers that Mr. Kelly has yet to deliver, and his own officers.

"This is a tough situation for everybody involved, and especially Ray," said former Mayor David N. Dinkins, who named Mr. Kelly commissioner more than a decade ago. "He's a straight arrow and I would expect the best from him. There's also a lot of people who expect a lot from Ray in this."

Mr. Kelly said that he is as comfortable as ever being the face of the police in a controversy, though he is not so cocky as to predict outcomes.

"I think you build relationships, and you can go back to other incidents perhaps where people relied on something I've said or I've done, and hopefully that's built up a certain level of trust," Mr. Kelly said. "You hope that is something that is going to play a role."

"I've always prided myself on being forthright and open with the community, and not holding very much back — what you see is what you get with me," he added.

In the hours after the shooting and since then, Mr. Kelly has been more visible than usual in his take-charge role, and it has been far from simple.

He was at the scene in Queens within hours of the shooting, and spent the day gathering details and sharing them with the mayor's office, other leaders, and Mr. Sharpton, who was designated as an adviser by the family of the slain man, Sean Bell. Mr. Kelly delivered the city's explanation of the shooting, at a news conference that night.

The next day, Sunday, Mr. Kelly took the guns from the officers.

"There were, and are, still too many unanswered questions," Mr. Kelly said in the interview. "It's a privilege to have a gun; you don't have a right to have a gun."

And on Monday, the commissioner calmly answered his critics at a private meeting with black leaders and department critics, including one who called for Mr. Kelly's resignation. He also found himself standing by as Mayor Michael R. Bloomberg described the 50 shots that killed Mr. Bell as unacceptable.

Later that day, on an NY1 News political talk show, Mr. Kelly was no longer discussing Qaeda sleeper cells and was instead trying to address all sides in the Queens case.

"The mayor is certainly entitled to his opinion," he said on NY1. "I think we need an in-depth examination of all the facts. It is unusual to have this number of shots fired."

Explaining police culture in pithy, made-for-television language is not always a skill commissioners possess, but it is a trademark of Mr. Kelly's — not to mention a political asset, said Lee Brown, who preceded Mr. Kelly as commissioner under Mr. Dinkins.

"Ray brings, to any issue, his experience as a well-educated, well-trained, well-disciplined former marine who knows how to talk like people talk," Mr. Brown said. "When things occur, like his work with us in restoring calm in Crown Heights, you can expect him to stand on that foundation."

Mr. Kelly has earned some praise for sharing information with sometime critics like Mr. Sharpton, even if doing so made him seem unconcerned with irritating some of Mr. Sharpton's detractors in his department.

Mr. Sharpton had his own blunt way of saying what is still at stake for Mr. Kelly.

"Ray Kelly's word is seen as good in a lot of our community, but now his word is on trial," Mr. Sharpton said. "He has to come up with more definitive answers about why this young man was shot and killed in Queens. I think this is the greatest challenge of his career. It could result in Ray Kelly having a halo around his head, or the undoing of a very popular image."

But there are also skeptics, and there is anger. Complaints about Mr. Kelly this week have boiled down to this: Despite his personal touch, relations between the police and minorities remain in many ways strained, and sometimes explosive.

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"Ray Kelly may be the same man who was police commissioner under Mayor Dinkins, but I think he is a different kind of commissioner today, and that worries me," said the Rev. Charles L. Norris, pastor of Bethesda Missionary Baptist Church, in Jamaica. "I'm not confident anymore that he is solving the problem."

Mr. Kelly said he has a long history inside the department and as a government official in Washington of improving the culture of agencies, combating racial profiling, and holding his own people accountable. He also said his diplomatic skills in times of crisis have not atrophied in the years that his focus has been pulled toward domestic security, an effort that is without precedent in the department.

He cited the case of Timothy Stansbury Jr., the unarmed 19-year-old who was fatally shot by a police officer in Bedford-Stuyvesant, Brooklyn, in 2004, as an instance in which, early on, he judged a shooting to be unjustified.

"In the Stansbury case, we had information because of statements from the nonshooting officers, so we put out the information," Mr. Kelly said. "We don't have enough information yet in this case. I make a determination about what to say based only on the facts."

Some observers have said that Mr. Kelly's recent reimmersion into the world of shootings and racial politics and the perceptions of police officers in southeast Queens, rather than those in Scotland Yard, may have a political payoff if he indeed runs for mayor. Mr. Kelly said he was not thinking about 2009, but declined to flatly rule out a bid. If it is not on Mr. Kelly's mind, though, his performance this week nevertheless has displayed some political prowess.

"I think the way he conducts himself in front of the press, acting as the objective conveyer of information, while still appealing to everybody to reserve judgment, shows how he would handle a city crisis, political or otherwise," said Richard Aborn, president of the Citizens Crime Commission, a nonpartisan group that monitors police policies in New York. "You can't see every police commissioner as a political candidate, but you can with Ray."

Badges, Guns And Another Unarmed Victim (NYT)

By Bob Herbert

The New York Times, November 30, 2006

This time it was 50 shots from five officers. With Amadou Diallo it was 41 shots from four officers. With Eleanor Bumpurs, an aging, overweight, disoriented grandmother, it was a pair of shotgun blasts from a single officer — inside her apartment!

The decades pass. The stories remain the same. Nathaniel Gaines Jr., a 25-year-old Navy veteran, was shot to death by a cop on a subway platform in the Bronx on the Fourth of July in 1996. The mayor at the time, Rudolph Giuliani, no softy on crime, said of the shooting: "There does not seem to be any reason for it."

On an April morning in 1973 a veteran cop named Thomas Shea pulled his service revolver and blew away a black kid on a street in Jamaica, Queens. There was no reason on God's glittering earth for that killing. The kid, Clifford Glover, was 10 years old. The cop shot him in the back.

On Thanksgiving Day in 1976 an officer named Robert Torsney fired a bullet into the head of Randolph Evans, 15, outside a housing project in Brooklyn. No one could explain that killing, either.

Yesterday, under an overcast sky and with a crush of reporters around them, the relatives and fiancée of Sean Bell visited the narrow street in Queens where he was killed in a sudden frantic fusillade of police bullets early last Saturday morning, just a few hours before he was to be married.

Mr. Bell and two friends who had attended his bachelor party at a nearby club were in his car when they were set upon by a group of undercover cops who had been staking out the club. The two friends were seriously wounded in the shooting.

Here is my first quick take on this case: If I was in my car outside a rowdy nightclub in the wee hours of the morning and someone who looked like a club patron came running toward me, screaming and waving a gun, I would immediately slam the gearshift into drive, hit the accelerator and try to get the hell out of there.

This appears to be what happened. The cops, dressed to blend in with the club crowd, were single-mindedly looking for trouble — evidence of prostitution, underage drinking, illegal guns, and so forth. They were looking so hard for criminal behavior that they seem to have imagined it where none was occurring.

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One officer is said to have believed that one of Mr. Bell's companions may have had a gun. No gun was found and there is no evidence that any of the three men were armed at any time.

"It sounds to me like excessive force was used," said Mayor Michael Bloomberg, who characterized the 50-shot barrage as "unacceptable" and "inexplicable." Referring to Mr. Bell and his two friends, the mayor said, "There is no evidence that they were doing anything wrong."

The thing that is most unacceptable about this case is not the total number of shots fired, but the fact that five New York City cops were so willing to begin firing at all — willing to take the life of another human being, and maybe a number of human beings — without ever establishing that there was a good reason for doing so.

Under Mayor Bloomberg, there is a much better tone in the city with regard to police-community relations, and race relations in general. But when it comes to the Police Department, an improved tone won't count for much if policies and procedures aren't changed to prevent cops from blowing away innocent individuals with impunity.

This has gone on for far too many decades. Yet there is still no sense among public officials that big changes are necessary. The cops who killed Sean Bell and wounded his two friends haven't even been questioned yet by the police or investigators from the Queens district attorney's office. The D.A., Richard Brown, is preparing a grand jury investigation but he told me it could still be weeks before the cops are questioned.

Meanwhile, the community, which is sick of these killings, is simmering. Along with the candles and flower arrangements that have been placed at the site of the shooting were bitter signs denouncing "police murder" and, in some instances, calling for violence.

The Rev. Al Sharpton, who represents the Bell family, has publicly called for patience and calm. But he added, and I agree, that the mayor and Police Commissioner Ray Kelly have an obligation to develop effective new strategies for reining in reckless police behavior.

The crucial first step, in my opinion, is to insist that police officers, including those who are black, recognize the essential humanity of all the people they are supposed to be protecting and serving. Not everyone with dark skin is a perp.

Officer Accused Of Lying In '01 Wreck (AJC)

By S.a. Reid, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, November 30, 2006

An Atlanta narcotics officer tied to last week's deadly drug raid on a elderly woman's home was the subject of a 2002 lawsuit that said he "fabricated" the events that led to his head-on traffic collision with a motorcyclist.

That rider, Samuel T. Gulley Jr., received a $450,000 payment from the city last year to settle his claims against Officer Arthur B. Tesler, the city and the Atlanta Police Department. The civil case was dismissed from Fulton County State Court after the settlement in September 2005.

That lawsuit alleged Tesler and other unnamed officers "fabricated traffic charges against Plaintiff, ignored evidence ... and improperly initiated criminal proceedings" against Gulley to cover up the fact that Tesler was at fault in the accident that left Gulley with a broken pelvis and broken leg.

Now the credibility of Tesler and other officers involved in last week's killing is being called into question. Tesler was one of two officers who told a judge they directed a confidential informant through the process of an undercover drug buy at the house occupied by Kathryn Johnston, according to court records.

After the fatal raid, the informant told the Atlanta police internal affairs unit and a local television station that he wasn't involved in the buy that led to the shooting, and that police officers asked him to fabricate his role in the incident.

Denies allegations in lawsuit

In a phone interview, Tesler denied the allegations in the lawsuit but refused to discuss the matter in detail. He said he was aware that the city had settled the traffic case but didn't know the amount.

He refused to comment on the drug raid.

"I really don't want to comment on anything or on any other specific cases until everything is done with," he said in a telephone interview Tuesday.

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Tesler is one of seven narcotics officers and one sergeant on administrative leave pending the outcome of internal, state and federal investigations into the Nov. 21 firefight between three drug officers and Johnston, who was buried Tuesday. Johnston has been identified as 88 years old by authorities but as 92 by family and friends.

Johnston fired on the officers, wounding all three, after they broke down the front door of her Neal Street home in an attempt to serve a "no-knock" search warrant. She died from gunshots to her chest and extremities.

Gulley, who accused Tesler in the civil case, did not return calls left with his father. Steven Barnhart, his lawyer in the case, on Wednesday doubted that Gulley would be willing to talk.

In his lawsuit, Gulley said he was seriously injured when Tesler's patrol car hit his motorcycle head-on after the officer swung wide as he pulled out of a parking lot and into his southbound lane, going the wrong way, the night of May 27, 2001, on Marietta Boulevard in northwest Atlanta.

The lawsuit accused Tesler of giving an inaccurate description of the events leading up to the accident, which resulted in traffic charges against Gulley that were later dropped.

Deputy City Attorney Jerry DeLoach said Gulley's injuries and medical expenses, as well as liability issues, justified the $450,000 settlement, which shouldn't be considered an admission of guilt.

"Looking at all the facts and evidence," he said, "we thought it would be to the city's advantage and the employee's advantage if we minimized our exposure."

A police report written by Officer Jackson Christopher listed Tesler as the victim and suggested that Gulley ran into the officer's police cruiser.

Tesler's account had him pursuing a fleeing suspect when he pulled out. But Tesler didn't alert radio dispatchers to the chase because of heavy radio traffic, according to court papers. The lawsuit contradicted Tesler's account by alleging that the officer was on routine patrol and didn't have his emergency lights or siren on at impact.

Christopher issued Tesler a ticket for driving on the wrong side of the road, according to Barnhart.

The traffic citation was dropped when Christopher and Gulley failed to appear at Tesler's hearing, court papers said. Christopher was away on military duty at the time and Gulley was recovering from the wreck.

Gulley suffered serious injuries in the crash that sent him to the hospital for more than 90 days and left him with more than $90,000 in medical bills.

Based on Tesler's account, Christopher charged Gulley with driving under the influence, failure to yield to an emergency vehicle, reckless driving, driving too fast for conditions, failure to maintain lane and driving with an expired tag, Barnhart said. Christopher also was named as a defendant in the civil lawsuit.

Bbood alcohol level below legal limit

Subsequent test results showed Gulley's blood alcohol level to be below the legal limit, Barnhart said.

The city's solicitor's office abandoned the failure to yield to an emergency vehicle charge, Barnhart said. All the other charges, except driving with an expired tag, were eventually dismissed, Barnhart said.

"I think it was pretty stupid," Barnhart said, adding that the accident report didn't support the alleged violations. "The charges were clearly false. The only way to avoid liability is to say he was chasing a subject. Otherwise, he was a negligent driver himself."

Tesler received a written reprimand after an office of professional standards investigation found that he had violated department policy regarding the operation of city vehicles, according to court papers.

Atlanta police officials deferred to the FBI, the lead investigative agency in the fatal drug bust case, on questions regarding the case and his punishment. FBI officials declined to comment.

Informant In Shooting Of Elderly Woman Has String Of Drug Arrests (AJC)

By Bill Torpy, Rhonda Cook, The Atlanta Journal-constitution

The Atlanta Journal-Constitution, November 30, 2006

The confidential informant who says police told him to lie about his role in a drug bust that led police to kill an elderly Atlanta woman is a petty criminal with a series of drug arrests in the past few years.

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The informant, Alexis Antonio White, 24, has said he was told to cover the police and lie about activities at the home of Kathryn Johnston, who was killed in an exchange of gunfire with three officers who burst into her northwest Atlanta home Nov. 21.

White, whose identity was confirmed by law enforcement officials, is now in protective custody as federal, state and Fulton County officials try to sort out what happened in the raid.

White's background and honesty are likely to be taken into consideration as law enforcement agencies, led by the FBI, reach a conclusion about whether to believe the police officers or a suspected drug dealer-turned-informant.

Informants are a necessary evil in developing drug cases but they are frequently untrustworthy, said Steve Sadow, an Atlanta defense attorney who is an expert on Georgia law. He has no connection to the case.

"How do you prove he's right or wrong?" Sadow asked. "How do you prove the informant is now lying?"

He said it is important to find out if the informant was being paid by police or was working for them trying to stay out of prison.

In recent days, White, known as Alex, approached WAGA-TV and told the station that he has worked with police for four years as an informant. Records show he has been arrested at least once during that time on drug charges — last year, when he was charged with carrying 48 bags of marijuana. Police said he refused to stop his car for several blocks and his car reeked of pot.

Outside of arrest records and court documents, not much could be learned about White, who at 17 was detained after jumping the gate at a MARTA station and who was arrested later on theft and drug charges. He has been convicted of at least one cocaine-related charge and served two years' probation, records show.

A list of numerous arrests stretching back over the past seven years has him living at six different apartments.

Atlanta police in a 2001 arrest report noted White's occupation as "drug dealer." He was 19 at the time.

In that arrest, White was standing at a gas station parking lot on Bankhead Highway leaning inside a car in what appeared to be a drug transaction, according to records. The arresting officer said he recognized White from a previous drug arrest. A search found suspected crack cocaine. The man he was selling drugs to was driving a stolen car.

Police Chief Richard Pennington this week confirmed that the informant had told investigators that he was never at the house where Johnston was killed and that police asked him to lie about the events surrounding the case. Pennington said the investigation will determine if White is telling the truth.

The chief declined Wednesday to speak about White.

Seven narcotics officers and a supervisor are on administrative leave pending the investigation's outcome.

In an affidavit for a search warrant filed about an hour before the shooting, narcotics officers told a judge that an informant bought $50 worth of crack cocaine from a man named Sam at the house.

Their sworn statement was sufficient to convince a magistrate to provide them a "no-knock" search warrant, which allowed them to smash through the front door without announcing themselves first.

This week, the informant told WAGA-TV that he was never at the house, that police told him after the shooting that "you need to cover our [rear]. ... It's all on you man. ... You need to tell them about this Sam dude." According to the WAGA report, the informant said Sam didn't exist.

Bill Torpy can be reached at 404-526-7601. Rhonda Cook can be reached at 404-526-5966.

Black Panthers Hold 2nd Rally In Atl (WXIA)

WXIA-TV, November 30, 2006

The New Black Panther Party held another meeting Wednesday night. This one focused on the 14 officer involved shootings in DeKalb County.

The meeting at Atlanta's Tupac Amaru Shakur Center for the Arts went on for hours with lots of angry and frustration placed on DeKalb County police.

"They are not here to protect and serve you. They are here to kill you. Now if they kill a 92-year-old lady, then how can we stand a chance," said Yusuf Shabazz, New Black Panther Party.

Those attending the rally want a federal investigation launched into all police related shootings in DeKalb County.

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They also called on DeKalb County CEO Vernon Jones to step down.

On Tuesday, the New Black Panther Party held a rally in Kathryn Johnston's northwest Atlanta neighborhood.

Johnston, who family members say was 92-years-old, was killed last week after she shot and wounded three police officers.

The officers entered Johnson's home looking for drugs based on a tip from an informant. That informant has since claimed he did not buy drugs at Johnston's home. He also claimed the officers asked him to lie.

Atlanta Police Chief Richard Pennington has asked the FBI, GBI, and U.S. Attorney's Office to investigate Johnson's shooting.

Man Admits Trying To Scare Black Families (CLPD)

The Cleveland Plain Dealer, November 30, 2006

A Cleveland man will probably spend two years in prison after admitting he helped spread mercury around a neighbor's house to scare black families out of Slavic Village.

Joseph Kuzlik, who is white, pleaded guilty Monday to conspiracy and two other charges in U.S. District Court.

Sentencing guidelines call for a prison term between 21 and 27 months when Kuzlik is sentenced in February. Kuzlik's friend David Fredericy pleaded guilty to similar charges earlier this year.

Between 2002 and 2005, Kuzlik and Fredericy yelled racial slurs and threatened black neighbors, including children, as part of a plan to drive them away from East 50th Street, prosecutors said.

In February 2005, Kuzlik, now 57, got a syringe filled with mercury, which can be toxic. Fredericy squirted the mercury on and around the house of an interracial family that lived near the two men, prosecutors said.

Second Man Admits To Conspiracy In Mercury Hate Crime (ABJ)

Akron Beacon Journal, November 30, 2006

CLEVELAND - A man accused of serving as a lookout in a scheme to use mercury to scare black families from his neighborhood pleaded guilty Monday to conspiracy and other charges.

Prosecutors said Joseph Kuzlik, 57, of Cleveland was the lookout while an accomplice spread mercury around an interracial couple's house last year.

Kuzlik, who is white, entered his pleas in U.S. District Court to conspiracy, making false statements and criminal interference with housing rights. He could face two years in prison at his sentencing in February.

David Fredericy, 50, of Cleveland, who also is white, pleaded guilty in October to similar counts.

Fredericy said he and Kuzlik wanted to drive black residents out of their Slavic Village neighborhood. The two would yell racial slurs and threaten black neighbors, Fredericy's plea agreement said.

In February 2005, Fredericy used a syringe to squirt mercury around the interracial couple's house, while Kuzlik acted as a lookout, according to the plea agreement.

The neighbors touched the liquid, which can be toxic, and brought it into their home on their shoes. The house had to be evacuated and an environmental cleanup was ordered. No one was injured.

Council Backs Mayor's Veto In Race Bias Case (LAT)

By Steve Hymon And Duke Helfand, Times Staff Writers

The Los Angeles Times, November 30, 2006

Comments by Villaraigosa suggest the fire chief may be on the way out.

The career of Los Angeles Fire Chief William Bamattre dangled in the balance Wednesday as the City Council backed away from a settlement offered to a black firefighter who accused the department of racial discrimination.

After a lengthy closed session with city attorneys, only six of the 15 council members voted to buck Mayor Antonio Villaraigosa's veto of the deal. Janice Hahn, Tom LaBonge and President Eric Garcetti joined the council's three black members in an attempt to keep the settlement in place. But at least 10 votes would have been needed to override the mayor.

Firefighter Tennie Pierce, a robust personality whom some firefighters called Big Dog, sued the city after dog food was slipped into his firehouse meal two years ago by several firefighters.

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Two white captains and a Latino firefighter were punished for the incident. But Pierce, who is on administrative leave, said he was ultimately driven from his job by continuing department harassment.

The council had overwhelmingly agreed to settle the case for $2.7 million, but a public outcry prompted Villaraigosa last week to veto the agreement, leading to Wednesday's vote.

Bamattre was present throughout the closed session and was questioned repeatedly by council members over his handling of the Pierce case and other incidents in a department long plagued by allegations of insensitivity. One aide said that while the tone was respectful, there was obvious tension between the council and the chief.

Although the council action does not preclude City Atty. Rocky Delgadillo from conducting further settlement talks, for now the case is headed to court March 19.

"All I have to say is that I look forward to trying the case," said Genie Harrison, Pierce's attorney.

On Tuesday, Pierce offered a tearful appeal to the council and appeared to move several members. Even before, the members who had most consistently supported a settlement were its three African Americans — Bernard C. Parks, Jan Perry and Herb Wesson — who each had his or her own reasons.

"I think we" — the council — "blew this one," Wesson said after the vote. "The entire Fire Department will go on trial."

A visibly troubled Parks — the former Los Angeles police chief long known for his composure — said he believed that the council's action would send a message to African Americans that they cannot get justice even if they raise valid issues of harassment or racism.

He predicted that the case would end up costing the city "significant dollars" in court.

"I think it will come back to haunt the mayor and the city," he said. "The greater message is you can be dehumanized, and nobody cares. I think it was a very poor [decision] that will send shock waves through a community … that will sit back and say, 'The same old thing.' "

Applauding the decision was Councilman Dennis Zine, who had cast the lone vote against settling because he viewed Pierce as the victim of a prank rather than discrimination and thought the payout was excessive.

"I believe we have an obligation to do what's right for the taxpayers," Zine said.

Lisa Hansen, deputy chief of staff for Councilman Jack Weiss, said her boss — a steady ally of Villaraigosa — did not vote to override the veto because he wanted more time to ascertain details of the case.

Councilwoman Wendy Greuel said she also had a "lot more questions."

"I do believe there will be some discussion of a [new] settlement but people felt they didn't have all the information available to them," she said.

Villaraigosa said the council "made the right decision," given the amount of the proposed settlement and the fact that photos had come to light showing Pierce himself participating in Fire Department hazing.

Hours before, the mayor had made cryptic comments that seemed to be paving the way for Bamattre's exit.

A Stanford graduate and one-time Dana Point mayor, Bamattre was promoted to chief in 1995 specifically to clean up the department's reputation. He has already announced his intention to retire in February 2008.

Several City Hall sources confirmed that some officials have discussed whether Bamattre should step down sooner.

When asked directly if Bamattre would still have a job Monday, Villaraigosa declined to answer. During a news conference, the mayor was also asked if the time had come for the city to have a black fire chief.

"We have a chief currently, as you all know," Villaraigosa said. "Should there be a vacancy, nothing would make me prouder than to have a department that is headed by an African American, [a] woman, [or a] Latino."

Late Wednesday, Bamattre said the mayor had not told him he could be removed from his job. "I've always planned on doing a smooth transition with the new person, when they decide to select a new person," the chief said. "I would like them to come in with a firm foundation."

He said the Pierce case showed the difficulties he has faced in rooting out harassment.

"Inside the fire station, there's a strong argument that certain pranks are OK," Bamattre said. "That's an attitude I can't subscribe to, but I can't get the organization to accept that."

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Times staff writers Sandy Banks, Patrick McGreevy and Jim Newton contributed to this report.
*
(INFOBOX BELOW)
Problems persist

In 1994, after numerous complaints from female and minority firefighters, the city Personnel Department conducted an audit of the Los Angeles Fire Department. A decade later, continued complaints sparked another audit, this one by the city controller's office, which released its results in 2006. Both inquiries found widespread sexual and racial harassment and a command structure dominated by white men.

1994

• African Americans made up about 11% of the department, with Latinos accounting for approximately 24%, whites 60% and Asians or others 5%.

• White men constituted 95% of the 20 highest-ranking administrators.

• Women comprised 3% of the 3,100 uniformed department members.

• African Americans and women reported significant hostility at eight so-called kill stations, where management allegedly sent firefighters to be run out of the department.

• The department lacked comprehensive training to combat racial and sexual harassment.

2006

• African Americans made up about 12% of the department, with Latinos accounting for 29%, whites 52% and Asians or others 7%.

• White men made up 56% of the chiefs and battalion chiefs.

• Women constituted 2.7% of the 3,600 uniformed personnel.

• Nearly 90% of African American firefighters said they had been the victims of racial harassment or knew of someone who had been harassed. Among women, 80% said they were aware of or had been a victim of sexual harassment.

• The department had established training to combat racial and sexual harassment, but policies and guidelines were not being followed or enforced.

Source: City of Los Angeles. Compiled by Robert J. Lopez

The LAFD On Trial (LAT)

The Los Angeles Times, November 30, 2006

If the Tennie Pierce case goes to court, it could be good for the city -- but not because it will be cheap.

TENNIE PIERCE HAS already had his day at City Hall, testifying before the City Council about harassment and discrimination in the Los Angeles Fire Department. Now it appears that he will get his day in court — and it will be the Fire Department that is on trial.

Pierce is the black former firefighter who was fed dog food by his colleagues and sued the city, agreeing to a $2.7-million settlement that was accepted by the city attorney and approved by the City Council. But last week Mayor Antonio Villaraigosa vetoed that settlement, and on Wednesday, after two days of contentious debate, the council failed to override his veto. So it looks as if the case is headed for trial.

That's good — but not necessarily because the mayor's decision was the right one or because the incident is defensible. It's because, win or lose, the city will now get a chance to hear just how dysfunctional its Fire Department is.

A trial will air the damaging evidence that led the city attorney to recommend a settlement. And for the LAFD, a department that for decades has been plagued with racism, sexism and other types of harassment, that evidence could be embarrassing. If firefighters think sneaking dog food into someone's dinner and watching him eat is just a bad joke, what's a good one? How much dehumanizing behavior is someone supposed to endure in the name of camaraderie?

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In opting to send the case to trial, the council members who sustained the mayor's veto said they did not see the dog food incident as racial harassment. Or rather, they agreed it was harassment, but they didn't see it as racial. This is a point that testimony about the incident, about the work environment at station houses and the department's subsequent investigation may clarify.

Financially, much is at stake. In similar cases, the city has wound up paying large awards to plaintiffs. In 2004, veteran police officer Richard Nagatoshi won $4.1 million after suing for racial discrimination, harassment and retaliation. In that case, as in this one, the city decided to fight instead of settle, and a jury unanimously sided with Nagatoshi.

There is also a chance that the city could prevail. But what a shame that it now must spend time and money to mount a defense of adolescent boorishness and departmental dysfunction — racial or otherwise.

Whatever happens, the real victory for the city won't come until the Fire Department changes its ways. Scathing audits have outlined the LAFD's erratic disciplinary policies, poor leadership and hostile work environment, yet those reports have failed to dislodge the frat-boy culture. Maybe a public airing of its dirty laundry will.

Some Say Cop Videos Misleading (USAT)

By William M. Welch

USA Today, November 30, 2006

Violent scenes caught on tape may not be brutality, just police doing their jobs, some say; cruiser cams may fill out picture

LOS ANGELES — A series of recent videotaped arrests is providing an unfiltered look at often physical, sometimes brutal police work, due to the broadening technology of cellphone cameras and online video viewing.

Some law enforcement experts say the technology is shedding light on a long-standing if uncomfortable fact of life: Police frequently have to use force. And society and the law expect them to do so.

“The core function of police is, they're the ones who step up and use force when it is necessary,” says Eugene O'Donnell, a former New York City police officer and prosecutor.

“The cops are doing our dirty work. And when someone puts it on camera and shoves it out there, we say, ‘Isn't this terrible.' ”

The tape of the beating of Rodney King by police in Los Angeles in 1991 had to be handed to television stations nationwide before the public saw it.

Nowadays, advances in computer technology and the advent of websites such as YouTube allow a person to post immediately a video online for millions of people to view.

In the latest videos:

•A man is seen being pepper-sprayed by officers in Venice Beach as he is put in a squad car. The incident happened last year but was posted online in November.

•An officer is seen punching a suspect in the face while a fellow officer tries to handcuff him during a struggle on a Hollywood street in August.

•A UCLA student is seen being shocked with a Taser stun gun by a campus police officer during a library ID check.

Some defense lawyers say the videos are giving the American public a glimpse into brutality they never knew existed.

“I can't see how anyone would think it would be OK to mete out punishment to someone who has been subdued and is not any threat,” says John Raphling, lawyer for the man pepper-sprayed by officers.

The videos have been shocking to some Americans, a more raw real-life police drama than they may have expected after countless hours of television cop shows.

But the videos often provide an incomplete picture of events, police and law-enforcement advocates say — sometimes failing to show the actions that led to the confrontation and a suspect's behavior.

And after all, some experts say, a police officer's job is to control violent and potentially violent people. That generally requires using a level of force just above that used by the suspect.

“Somewhere in America, cops are beating up on somebody right now. It's legal and justifiable, even though it may be offensive to watch,” says O'Donnell, professor of law and police studies at John Jay College of Criminal Justice.

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Los Angeles Police Chief William Bratton says his officers were using justifiable force in subduing suspects in the Hollywood and Venice Beach incidents, even if the video strikes viewers as disturbing.

In the Venice Beach pepper-spraying, Bratton said county prosecutors examined the video and cleared officers of wrongdoing because the video showed the man was clearly combative.

"The officers showed remarkable restraint," Bratton said.

Likewise, the officers in the Hollywood incident were cleared after a court hearing.

Some experts say the number of videos is bound to increase, as will their impact on police work and the judicial system.

In January, video captured a San Bernardino county sheriff's deputy shooting an unarmed Air Force airman after a chase in Chino, Calif. The footage appears to show the deputy firing three times as the suspect begins to comply with orders to get up from the ground. The officer was charged with attempted voluntary manslaughter.

A videotape of a Westminster, Colo., police takedown of a man after a seven-hour hostage drama drew attention when it was aired on TV and the Internet in 2005. The video appeared to show officers hitting the man after he was down.

In Inglewood, Calif., a jury last year found in favor of two police officers who filed suit claiming they were unfairly disciplined after a videotaped beating of a teenager in a confrontation at a gas station in 2002.

"Because of the technology, everybody has a camera, and everybody's ready to use it," says Charles Whitebread, a professor of criminal procedure at the University of Southern California law school.

The impact could be especially significant in Los Angeles. The city has a long and troubled history with police, use of force, and arrest videos.

Rodney King's arrest and beating after a traffic stop, videotaped by a bystander, made nationwide news. Four officers were charged with using excessive force. Their acquittal in a 1992 trial sparked riots.

The Los Angeles Police Department is still feeling the effects of a 1999 scandal involving abuses by gang-control officers in the city's Rampart Division. The city agreed to comply with a federal court order that imposed numerous requirements for managing the force and reviewing instances of potential abuse. It is still in effect.

Connie Rice, a civil rights lawyer who headed a review panel that investigated the scandal, credits the department with improvement in dealing with the public.

"I still think LAPD has an excessive force culture," she says. "LAPD needs to tell its officers you don't get to spray people just because they mouth off."

Whether the actions were justified or not, the videos have hurt the reputation of police, Whitebread says.

"It may well be that there are explanations. At first blush, it's pretty rough to look at," he says. "It can't do LAPD any good to have these videos disseminated."

Police are well aware of the power of such images. One response has been a move by some police forces around the country to install video cameras in police cars — allowing law enforcement to have its own more complete visual record of confrontations.

O'Donnell sees videos as possibly doing some good: They may help the public decide for itself what is reasonable force and what is not.

"People become used to the idea this is the police and what they do. … That may allow people to kind of clarify misconduct from things that are not misconduct.

"People see the police acting in a way that may not be pretty but may be justifiable," he said.

O'Donnell says the videos will also demonstrate that police are asked to bear a heavy burden in the criminal justice system, not just enforcing the law but acting as social workers with the mentally ill, the homeless and the addicted.

"It's a brutal system," says O'Donnell, "and cops bear the brunt of that brutality."

A Killing Without Cause (WP)

The Washington Post, November 30, 2006

FAIRFAX COUNTY police officer Deval V. Bullock is a good cop who made one disastrous mistake: Bumped by his own car door, he accidentally fired his weapon and killed an unarmed, nonviolent, non-threatening suspect during a routine arrest in

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January. The shooting of Salvatore J. Culosi, an optometrist under investigation for being a sports bookmaker, was unintentional. But it was also negligent; under the circumstances, Mr. Bullock should not have had his finger on the trigger, nor even aimed his weapon at Mr. Culosi. Now the Fairfax police department is recommending a slap on the wrist for Mr. Bullock -- three weeks without pay and his removal from the police SWAT team. The punishment is lenient, to say the least, but even so it is too much for the police union.

For months before this egregious shooting, an undercover police detective had been placing bets with Mr. Culosi, who had no criminal record; had never owned a firearm; and presented no threat of violence, flight or resisting arrest. It is still unclear, 10 months after the fact, why despite that profile police decided to arrest Mr. Culosi with a SWAT team, which is trained and equipped for use in dangerous situations. After Mr. Culosi's death, the police department said it would conduct a review of policies and procedures involving the use of such teams. But if there was such a review, its results have not been made public. One wonders if the SWAT team in Fairfax, lacking frequent opportunities to respond to situations involving imminent danger and threats, is deployed simply to give its officers something to do. If so, that's bad policy and bad policing.

Mr. Bullock, a 17-year veteran of the police force, was trained in firearms and tactics. He well knew that during a routine arrest, his finger should not have been on the trigger and his gun should not have been pointed at the suspect. So it is no real excuse that, in jumping from his car, the car door bounced back, striking him in the side and causing him to pull the trigger. Like people in other lines of work who make disastrous mistakes, Mr. Bullock should be held accountable for his actions, even though they were unintentional. The chief prosecutor in Fairfax, Robert F. Horan Jr., already declined to prosecute Mr. Bullock or refer the case to a grand jury, yet now police union officials howl that even a three-week suspension is unfair. It's not. It is in fact little more than symbolic discipline. But in such a case symbolism is important and well placed.

Justice For A Parent And Child (WP)

The Washington Post, November 30, 2006

FOR MORE THAN two years, Janet Miller-Jenkins has been blocked from seeing her 4-year-old daughter because of a nasty custody dispute with her ex-spouse, who has been defying a court order to allow regular visits. This week, the Virginia Court of Appeals issued an opinion that should be utterly unremarkable: It held that under federal law, Virginia courts must honor the custody orders of their sister courts in Vermont, where Ms. Miller-Jenkins and her ex were joined and where they asked a court to dissolve their union.

Yet the court's decision in Miller-Jenkins v. Miller-Jenkins is a big deal, because what's in question is a civil union, not a marriage. A lower Virginia court had refused to give effect to the Vermont courts' orders allowing Ms. Miller-Jenkins to visit her daughter, citing a state law that prohibits any recognition of civil unions or other same-sex relationships from out of state.

Legally, this case isn't hard. Morally, it's even easier. Janet and Lisa Miller-Jenkins entered a civil union in Vermont, had a child together -- Lisa is the biological mother -- and then split. After petitioning the Vermont courts to dissolve the union and make a custody determination that explicitly recognized Janet as a parent, Lisa took their child, Isabella, to Virginia and began defying the very order she had requested. The Vermont court held her in contempt, but Frederick County Circuit Judge John R. Prosser gave her sanctuary, ruling in 2004 that under Virginia law she was "the sole biological and natural parent" and that she "solely has the legal rights, privileges, duties and obligations as parent."

This was lawless, as the appeals court has now found -- it was a triumph of anti-gay politics over clear statutory command. Federal law prevents any Virginia court from interfering in an ongoing custody case in Vermont or any other state. There is no exception for gays or lesbians. The idea is to prevent parents who don't like the result they get in one state's courts from trying their luck elsewhere. Whatever hateful things Virginia law may say about civil unions are therefore irrelevant; its courts must honor the orders of that Vermont court.

Sadly, further appeals are likely, so in the immediate future her clear victory in court may not bring Janet Miller-Jenkins closer to her daughter. That's wrong. Their unlawful separation has lasted far too long already.

ANTITRUST:

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Union: DOJ Delays Mittal Sale Decision (AP)

By Vicki Smith, Associated Press Writer

AP, November 30, 2006

Department of Justice Gives Mittal Until Jan. 28 to Decide Which U.S. Mill to Sell, Union Says

MORGANTOWN, W.Va. (AP) -- The U.S. Department of Justice on Wednesday gave Mittal Steel Co. until Jan. 28 to decide which U.S. mill it will sell to settle antitrust issues over its merger with rival Arcelor SA, a union official said.

Mittal had planned to sell Canada's Dofasco Inc. as part of its merger with Arcelor, but an independent trust controlling Dofasco said earlier this month it would not allow the sale.

That forces a choice between the other tin assets, the former Weirton Steel Corp. in West Virginia's Northern Panhandle or the Sparrows Point mill in Maryland.

Though Mittal has not made a final decision, it has publicly said its first choice would be Weirton, a historically high-cost producer and the largest tin operation.

Mark Glyptis, president of the 1,200-member Independent Steelworkers Union, said the justice department has ultimate authority over any sale.

Gina Talamona, a Justice Department spokeswoman in Washington, D.C., did not immediately return a telephone message about the case.

Glyptis said the union is eager to explore all opportunities that could lead to new and stable ownership.

"If we are divested, we want to make sure we're put into the best possible situation, so life has been extremely busy" talking with potential buyers, he said. "The tenacity the employees has shown has been unprecedented."

Weirton filed for Chapter 11 bankruptcy protection in May 2003 and was sold twice in 18 months, first to Ohio-based International Steel Group Inc., then to Mittal.

Weirton still has attractive assets in both its hot end and its tin, pickling and tandem mills, and Mittal has said it has at least 10 potential buyers.

The company taking over nearby sheet steel and coated steel products maker Wheeling-Pittsburgh Corp. is among those interested. Executives with Illinois-based Esmark Inc. said they are prepared to make a cash offer for the Weirton division.

But former ISG executive Mitchell Hecht is also in the hunt. He says Mittal has ignored his offers to buy Weirton, restart the blast furnace to make pig iron and rehire several hundred workers.

Neither the union nor Mittal has named the other potential buyers.

The ISU has a successorship clause in its contract that essentially gives it veto power over a change in ownership, and Glyptis said the union will scrutinize all interested parties.

The union is eager to see business plans that secure existing jobs, encourage growth and commit to reinvestment in a mill that once employed some 13,000 people.

Glyptis said workers and Weirton-area residents tend to get excited when they read the names of potential buyers in a newspaper, but the union will support the deal that makes the best sense on many levels.

"We have an excellent steel operation in Weirton and we want the right fit for future years," he said.

Mittal is in the process of completing its $33.4 billion acquisition of Arcelor. The merger, due to be completed by April or May, will create a steel titan with close to 10 percent of global production.

CME Defends Monopoly Over Own Products (FT)

By Doug Cameron In Chicago

Financial Times, November 30, 2006

The Chicago Mercantile Exchange on Wednesday defended the monopoly in trading its own products, and said any regulatory push to change the current industry structure would be “disastrous”.

The CME has been one of the stoutest opponents of “fungibility” which would allow contracts listed by one exchange to be traded on rival platforms, arguing it would be inefficient and stifle innovation.

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"I would suggest that having something like that would be kind of disastrous for the industry," said Kim Taylor, president of clearing at the CME, during an industry conference in Chicago.

Ms Taylor said exchanges would lose the "upside" from the investment in product development which has helped spur annual growth rates of 25 per cent across a futures industry serving a wider client base of banks, institutional investors and hedge funds.

Her remarks come amid intensifying scrutiny of the derivatives business on both sides of the Atlantic, notably over the impact of exchanges such as the CME and Eurex which control their own clearinghouses. Some users claim the vertical integration creates excessive pricing power.

The Department of Justice is currently reviewing the CME's planned $8bn purchase of the Chicago Board of Trade, and assessing any potential anticompetitive impact from its ownership of their shared clearinghouse, which accounts for 90 per cent of on-exchange US futures trades.

The CME insists it does not expect the proposed deal to run into antitrust problems, and like other exchanges has pointed to intense competition from over-the-counter markets as well as the large investment banks which make up their main customer base.

Seven banks recently announced plans to set up a new equities trading platform in Europe in response to long-running dissatisfaction over clearing and transaction fees. The banks have indicated they could turn their attention to the derivatives' market, despite exchanges' insistence that fees have fallen while efficiencies have improved.

Ms Taylor pointed to the $2bn in savings from the common CME-CBOT clearing link established three years ago, and said some customers were forecasting $1m-$2m in annual savings from contract efficiencies released by the proposed acquisition. Clearing and transaction fees are the major contributor to rising earnings at the CME, Eurex – jointly owned by Deutsche Börse and the SWX Swiss Exchange – as they push higher trading volumes through platforms with effectively fixed costs.

Exchange leaders on both sides of the Atlantic admit they have to "educate" lawmakers amid the increased scrutiny of clearing systems, pointing to the efficiencies created by vertical integration and the competition in the sector, notably from banks.

Daniel Gisler, the outgoing head of clearing at Eurex, told the conference that allowing contacts to be traded on any exchange would be beneficial if it was extended to include banks' over-the-counter products such as swap books. "I think it's a great idea to have such a mandate…and it would be even greater if it included all the products from the banks," he said. Mr Gisler also estimated that the migration of most OTC products o exchanges could release $10bn in efficiencies from more simplified back-office processing.

US Air, Delta Aim To Coax Creditors To Their Camps In Merger Standoff (WSJ)

By Melanie Trottman And Corey Dade

The Wall Street Journal, November 30, 2006

Executives of US Airways Group Inc. and Delta Air Lines Inc. will face off in New York today in front of the major creditors who could ultimately decide whether an $8.5 billion hostile merger of the two airlines takes place.

Delta executives, who have been waging a campaign against the offer, insist they will seriously consider the proposal. But Delta also will try to bolster creditors' confidence in its own plan to take the Atlanta airline out of bankruptcy-court protection as soon as April as a standalone carrier. US Airways, Tempe, Ariz., argues that a merger would create a healthier airline with annual cost savings of $1.65 billion.

Today's meeting at an undisclosed location in Manhattan, the first direct encounter between executives of the two airlines since the hostile offer was announced Nov. 15, is expected to last several hours. US Airways Chief Executive Doug Parker, the architect of the bid, and his management team are expected to attend, along with Delta Operating Chief Jim Whitehurst and Delta Finance Chief Edward Bastian, according to people familiar with the situation. It was unclear whether Delta Chairman and CEO Gerald Grinstein would attend.

US Airways hopes to show that its plan is superior to the standalone strategy Delta expects to present to its creditors by Dec. 15, and to persuade Delta to open its books as part of due diligence on the deal, according to a US Airways spokeswoman. A person familiar with US Airways' strategy said the airline will show how it could extract the cost-saving synergies it has promised

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as part of the deal, and attempt to defuse worries that the merger can't pass muster with antitrust regulators. US Airways and Delta compete in many of the same markets, mostly on the East Coast. The combination of the two carriers would create the largest U.S. airline in terms of passenger traffic, at least before any assets are sold.

Delta executives believe the US Airways offer undervalues the company, which they believe will be worth about $12 billion when it emerges from bankruptcy protection, according to a person familiar with the company's internal calculations.

Delta management has the exclusive right until Feb. 15 to present a reorganization plan to creditors through the bankruptcy proceedings. It is possible that another bidder for Delta could emerge.

Key to the struggle is Delta's official committee of unsecured creditors, which represents the largest claims against the airline out of an estimated $16 billion to $18 billion total. The group of nine, which includes two U.S. Bancorp units, Delta's pilots union and Boeing Co. unit Boeing Capital Corp., wields significant influence in whether the bid succeeds. US Airways needs to win over at least a third of Delta's creditors to derail the restructuring plan.

The Air Line Pilots Association, the union representing 6,500 Delta pilots, and which holds about $3.1 billion in claims on the airline, has publicly criticized the bid. Other committee members have criticized the offer privately but said little in public.

Some creditors appear to support Delta because of their longstanding business associations with the airline. For example, Delta is a loyal customer of Boeing and currently has on order 55 new planes, worth billions of dollars. Boeing's financing arm, Boeing Capital Corp., says it holds various claims valued at a combined $117.5 million. US Airways has a strong relationship with Airbus.

Meantime, a separate group of Delta bondholders has formed its own committee and this week hired legal counsel to pressure Delta to consider the US Airways bid or to improve Delta's treatment of smaller creditors in a restructuring plan it will file in December. The group, which includes Deutsche Bank AG, holds claims totaling roughly one third of all unsecured Delta claims, limiting its leverage at least for now.

US Airways Set To Pitch Delta Its Buyout Bid (USAT)

By Marilyn Adams

USA Today, November 30, 2006

Two weeks after proposing the biggest airline merger ever, US Airways today will make its case directly to Delta Air Lines and its creditors at a meeting in New York.

The gathering will be Delta's first face-to-face meeting with its suitor since US Airways' $8 billion hostile bid on Nov. 15 to create the world's biggest airline.

Senior executives at Delta, which is in Chapter 11 reorganization, have rebuffed the offer, saying Delta would be better off as a stand-alone carrier because a merger would be too risky. CEO Gerald Grinstein, at the time of the bid, reiterated his target for emerging from Chapter 11 in 2007.

But both Delta and its committee of unsecured creditors are obligated to study the offer, which includes $4 billion in cash and 78 million shares of US Airways stock, worth $4.5 billion at Wednesday's closing share price of $56.76. US Airways has lined up $7.2 billion in financing from Citigroup for the deal.

The merger would require approval from Delta's creditors committee, Delta's bankruptcy judge, US Airways' shareholders, the U.S. Department of Justice and the U.S. Department of Transportation.

Delta's unsecured creditors include bondholders, suppliers and Delta's pilots union, all of whose bankruptcy claims are not secured by tangible assets such as planes.

The offer's cash component is significant because unsecured creditors of a company in Chapter 11 usually receive only stock in the reorganized company as payment.

Creditors' committee lawyer Daniel Golden, of Akin Gump Strauss Hauer & Feld in New York, has said Delta and the committee will decide whether the offer is worthwhile.

Today's meeting is expected to include dozens of players from both Delta and US Airways. Attendees will include the airlines' senior management teams, along with both airlines' lawyers and financial advisers, and lawyers and advisers for Delta's creditors committee.

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No decision is expected today. US Airways still seeks access to Delta's books. Opinion on the proposed merger is divided.

Bond investors are bullish. Delta's unsecured bonds Wednesday were trading at 60 cents on the dollar, up from 39 cents on the dollar on Nov. 14, the day before the offer was announced.

But the chairman of Delta's pilots union has blasted the proposal. In a strongly worded letter last week to Delta's 6,000 pilots, union Chairman Lee Moak said it "appears to lack any substantial benefit" for Delta, its employees or customers.

US Airways CEO Doug Parker says the deal makes sense only if it can close while Delta is still in bankruptcy court, where it can reject or amend contracts and aircraft leases to cut costs.

Tempe, Ariz.-based US Airways says it would operate the merged airline under the Delta name. US Airways is the product of a similar 2005 merger in bankruptcy of the old US Airways and America West.

US Airways To Meet With Delta Execs, Creditors (BLOOM)

By Mary Schlangenstein And Eric Torbenson, Bloomberg News

Bloomberg, November 30, 2006

US Airways Group Inc. senior executives will present their case for acquiring bankrupt Delta Air Lines Inc. to Delta officers and creditors this week, a creditor attorney said yesterday.

Advertisement

The meeting will be the first for the three parties since US Airways made its hostile bid Nov. 15, and the first time US Airways CEO Officer Doug Parker will have a chance to brief Delta creditors on his $8.6 billion cash-and-stock offer.

"The committee is going in with an open mind to hear what US Airways has to say," lawyer Daniel Golden said in an interview yesterday. "I fully expect senior executives from both Delta and US Air to be there, as well as their advisers and the committee's advisers."

US Airways declined to comment on the meeting, which is to be held in New York. Delta spokesman Michael Freitag said the airline "will be well represented," but declined to elaborate.

Delta CEO Gerald Grinstein, who rejected US Airways' initial offer, has said he wants his Atlanta-based airline to emerge from Chapter 11 in the first half of 2007 as an independent carrier.

Tempe, Arizona-based US Airways offered $4 billion in cash and 78.5 million US Airways shares. Delta creditors would own 45 percent of the merged airline.

Delta is still the nation's third-largest airline, and a US Airways-Delta combination would surpass AMR Corp.'s American Airlines as the world's biggest carrier, based on miles flown by paying passengers.

This week's session with US Airways, Delta and the creditors committee may be followed by a variety of other meetings, Golden said. Those sessions haven't been scheduled.

"I fully expect a wide-open, full-ranging meeting where there will be substantial give and take on both sides between US Airways and Delta," said Golden, of Akin Gump Strauss Hauer & Feld, in New York.

Delta will outline its own plan to reorganize and operate independently by the end of December. It has the exclusive right to file such a plan with the U.S. bankruptcy court in New York, until Feb. 15. The case is: "In re Delta Air Lines Inc.," 05-17923, U.S. Bankruptcy Court, Southern District of New York (White Plains).

The airline's nine-member unsecured creditors' committee represents groups to which Delta owed money when it sought Chapter 11 protection in September 2005. Committee members have access to nonpublic information on Delta's business and bankruptcy case, and negotiate the terms of the airline's plan to exit court protection and repay creditors.

The US Airways proposal is contingent upon a merger occurring while Delta is still in bankruptcy, to achieve about $1.65 billion in annual savings over two years, Parker has said. US Airways used that tactic in combining with America West Holdings Corp. to exit Chapter 11 in 2005. Outside of bankruptcy, a US Airways-Delta merger would achieve only about half those savings.

US Airways, the seventh-biggest U.S. carrier, already has met with the U.S. Justice Department to discuss possible antitrust concerns. The airline has said it would expect to sell one of the two northeastern shuttle operations a merged carrier would own. "We are looking at the proposed transaction," said Gina Talamona, a Justice spokeswoman.

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US Airways shares fell 98 cents yesterday, to $58.18, in New York Stock Exchange composite trading. Delta's shares declined 6 cents to $1.19 in over-the-counter trading. Delta's 7.9 percent notes maturing in 2009 fell 2.75 cents to 57.25 cents on the dollar, according to Trace, the bond price reporting system of the NASD. The yield rose to 30.2 percent.

Merger Buzz Has Unions Wary (HC)

By Bill Hensel Jr., Houston Chronicle

Houston Chronicle, November 30, 2006

Employees of airlines saying little on how they'd react to takeover

Airline union leaders are keeping a wary eye out as merger speculation swirls, but they're reluctant to say how they'd react in the event of a takeover.

The talk began in earnest earlier this month when US Airways made an offer to buy Delta Air Lines.

That could trigger additional deals by smaller carriers seeking to remain competitive, according to airline analysts who are talking up pairings — like United Airlines and Continental Airlines.

Big takeovers can be traumatic for workers.

"It makes pilots nervous," Capt. Dave Earnest, who heads the local Continental pilots union, said Wednesday. "Mergers are a tough time for employees, wondering what is going to happen."

One of their biggest concerns is the impact a merger can have on the airline's seniority lists, which can determine who gets their pick of the best jobs, or in the event of layoffs who loses out.

United has been at the center of a lot of the merger talk because after three years in bankruptcy court its outlook is brighter.

The carrier's chief executive, Glenn Tilton, has said there is too much capacity and that consolidation in the industry is needed.

When asked about takeover reports, a United spokeswoman has said the company does not comment on rumors or speculation.

The Chicago chapter of the Association of Flight Attendants has also been hearing rumors about an impending merger, the union's president, Hettie Collins, said Wednesday.

"The company has been really mum," Collins said. "In fact, they've denied it. Whenever they deny something so strongly, we've come to learn there is something cooking in the kitchen."

A formula for successGordon Bethune, former chairman and chief executive at Continental, said that while labor issues generally won't block a merger, they are important to running an airline.

"Success is always predicated on the willingness of employees to want to do their jobs," Bethune said. "If they are not happy, things don't go well and airplanes don't get fixed on time."

The International Brotherhood of Teamsters, which represents mechanics at Continental, said it is aware of the rumors and is looking at them.

"These things can happen quickly," the Teamsters' Don Treichler said Wednesday.

Continental's pilots union has a standing merger committee and an attorney on retainer in the event of such a deal.

"We also have a merger fund where pilots have paid into a fund that we can tap if the committee has to swing into high gear," Earnest said.

A significant factorLabor issues are a fairly significant factor in airline mergers, particularly as different cultures are thrown together. Employee seniority becomes a key consideration.

The machinists union believes that mergers are not in the best interests of consumers or labor, said Robert Roach of the International Association of Mechanics and Aerospace Workers.

"People are losing jobs over this issue," he said. "We think this is so other people can make fees and make money."

Looking at pairingsA Continental/United pairing is one such deal that the union for Continental's flight attendants has looked at, Roach said.

"We think one that creates the most problems is Continental and United because we don't think the Justice Department would approve that," Roach said. "We have been down this road before with United and US Airways."

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If a merger is proposed, the union will discuss it with management, Roach said. If a determination is made it is good for the members, the union can work with management to ensure they are protected.

Continental and United both are strong airlines with strong roots, which may create potential problems for the Justice Department, he said.

"If you take a weak airline and link it with a strong airline, it would be easier," Roach said.

A better fit?But Goldman Sachs said in a report issued Wednesday that while United also could make a bid for Delta, which remains in bankruptcy, it generally has been considered a better fit for Continental.

"And from a Justice Department perspective, the deal would seem easier to get done given Continental is smaller than many of its legacy peers," analyst Robert Barry wrote.

Chronicle reporter Brad Hem contributed to this report

Judge Clarifies Gates' Role In Trial (AP)

By David Pitt, Ap Business Writer

AP, November 30, 2006

Judge Limits Gates' Iowa Visits As Trial Begins

DES MOINES, Iowa (AP) -- Microsoft Corp. Chairman Bill Gates must travel to Iowa only once to defend his company in a class-action antitrust case beginning Thursday that accuses him of running a monopoly that overcharged Iowans millions of dollars.

The company has denied the allegations and said it will prove customers received high-quality software for a reasonable price.

In a ruling filed Wednesday, Polk County District Court Judge Scott Rosenberg said that Gates and Microsoft CEO Steve Ballmer must testify only once.

The plaintiffs' attorney, Roxanne Conlin of Des Moines, wanted to present her case in its entirety -- including calling Gates and Ballmer to the witness stand -- without allowing the company's attorneys to question them directly. That would have required the two top executives of the Washington-based software maker to travel to Iowa a second time if their own attorneys wanted to question them directly.

The judge ruled all questioning of the men will occur at one time.

Microsoft attorneys said Gates is expected to testify in January and Ballmer will likely appear in February. Both men are expected to be on the stand for about four days.

Microsoft attorney Rich Wallis said Gates will explain how early decisions and innovation placed Microsoft in a position as the leader in the software industry. He'll discuss how his business model of providing less expensive machines to the masses caught on at a time when IBM and other major players were providing few customers with large, costly computer systems.

That business model, not anticompetitive behavior, allowed Microsoft to dominate the software industry, Wallis said.

"This case is about whether Iowans were overcharged for Microsoft products," he said. "We're confident the evidence will show that Iowans received great value from Microsoft products that enable them to communicate with family and friends across the world, manage personal finances in their businesses and navigate the Internet for information they might need to help them enrich their lives."

The lawsuit seeks about $330 million for Iowans who have purchased the software maker's products since 1994.

"After nearly seven years, we are anxious to move forward and we are confident that we will ultimately prevail," Conlin said in a statement.

The case, which has been in the Iowa court system for years, has been to the state supreme court three times for various issues.

Jurors on Thursday morning will first hear hours of instructions from Rosenberg.

Conlin is expected to open her case by discussing numerous company e-mails -- many of which contain graphic language -- to portray Microsoft as a predatory company aiming to destroy competitors.

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During her case, she'll be allowed to play an unflattering 1998 deposition of Gates from another lawsuit that shows a fidgety, nervous looking chief executive.

She said Wednesday that getting the 10-hour videotape before jurors in this case was a major victory for her because it will give jurors "good insight into the motivation and business practices of Microsoft."

The jury of seven men and five women have been told the case will likely last about six months.

More than 80 prospective jurors were questioned to get the pool of 12. Most were allowed to leave because the length of the trial would have been too much of a hardship. Some were sole income earners, others worked for commission only and some were single parents.

Attorneys for each side have taken about 50 depositions and have collected an estimated 25 million pages of documents.

In other pretrial rulings Wednesday, Rosenberg said:

--Jurors will be allowed to question witnesses during the trial by passing a note to the judge. If he determines the question is legitimate, it will be asked of the witness.

--Twelve jurors are on the jury. All those who remain at the end of the trial will be permitted to deliberate. Normally an Iowa civil trial has eight jurors and a few alternates. Attorneys agreed that it would unfair to jurors to sit through months of testimony and not have a say in the verdict at the end.

Both sides also agreed to permit the jury to fall to as few as six jurors.

Brussels To Keep Watchful Eye On Vista (FT)

By Tobias Buck In Brussels

Financial Times, November 30, 2006

The launch of Vista has been followed with keen interest not only by Microsoft's customers and the software industry but also by the European Union's top antitrust regulator.

The European Commission has repeatedly warned Microsoft that the new operating system could raise competition concerns similar to the ones that sparked the body's 2004 landmark ruling against the software giant. At the time, the Commission fined Microsoft a record €497m for abusing its dominant market position.

In particular, the Commission is worried about the "bundling" of new features and programmes into Vista. It has argued that the integration of security software, an internet search engine and a fixed document reader similar to Adobe's Acrobat Reader could undermine competition from companies that sell such programmes on a stand-alone basis.

Neelie Kroes, EU competition commissioner, first made public her concerns in a letter sent to Microsoft in March. Since then, the two sides have engaged in several rounds of negotiations designed to limit any competitive harm created by Vista and avoid the threat of a fresh antitrust case against Microsoft.

Several Microsoft rivals – including an industry body that represents IBM, Nokia and Oracle, among others – have urged the Commission to crack down severely on Vista, arguing that the new operating system is likely to cement and even expand the group's dominant position.

Microsoft at one point warned that the legal uncertainty over the Commission's approach towards Vista risked delaying the launch further. It also warned the regulator against forcing through changes that could undermine the security of the new product.

Last month, however, the Commission and Microsoft appeared to step back from their tussle over Vista, after the group announced a string of last-minute changes to the operating system that were designed to address the regulator's concerns.

Ms Kroes, in an off-the-cuff remark, pronounced herself a "happy woman" but the Commission's official line was more cautious. Indeed, it insisted that it had not given a regulatory "green light", adding that Brussels would "closely monitor the effects of Vista in the market and, in particular, examine any complaints concerning Vista on their own merits".

European Union Fines Companies About $682M For Fixing Prices For Rubber Used In Tires (AP)

By Aoife White, Associated Press

AP, November 30, 2006

BRUSSELS, Belgium – The European Commission fined five oil refiners and chemical producers about $682 million on Wednesday, saying they fixed the price of synthetic rubber used to make tires. A sixth company that had alerted authorities escaped a fine.

"The fines are so high because it's a large market and several of the companies are repeat offenders," said European Union spokesman Jonathan Todd.

It was the second-largest fine ever in an EU cartel case. The largest a fine of 790 million euros levied in 2001 against eight pharmaceutical makers including Roche Holding AG and BASF AG for fixing vitamin prices.

In the latest case, Italy's Eni SPA was ordered to pay the largest fine – 272 million euros ($357.6 million) – while Royal Dutch Shell PLC was fined 160.8 million euros ($211 million). Their fines were hiked by half for it being a repeat offense.

Bayer AG told European Union regulators that the companies were fixing prices and sharing information on customers for certain types of synthetic rubber known as butadiene rubber and emulsion styrene butadiene rubber from 1996 to 2002. It got full immunity, escaping a potential 204 million euros ($268 million) fine.

Dow Chemical Co. was fined 64.5 million euros ($84.8 million), getting a 40 percent reduction for supplying regulators with information confirming Bayer's claims. Shell also admitted it was part of the cartel at a late stage – but too little and too late to win a lesser fine.

Czech refiner Unipetrol AS was ordered to pay 17.5 million euros ($23 million) and Poland's Trade-Stomil was fined 3.8 million euros ($5 million).

Regulators said the cartel agreements were made before or after companies met for talks with a synthetic rubber industry group in Milan, Vienna, Amsterdam, Prague and London among others.

"During these meetings the participants agreed (on) prices and exchanged information on key customers and the amounts of synthetic rubber supplied to them," they said.

EU antitrust chief Neelie Kroes said in a statement that cartels struck "at the heart of healthy economic activity."

Eni said the EU was wrong to hold it responsible for the actions of its unit Polimeri Europe, claiming the fine was "entirely disproportionate and unjustified" and saying it would consider appealing the fine to the EU courts. The behavior at stake – secret deals with rivals – would "in no way" have hurt the final consumer, it said.

Customers for the rubber are tire manufacturers Michelin SA, Pirelli & C. SpA and Goodyear Tire & Rubber Co., as well as other companies that make shoe soles, floor coverings and golf balls. All the cartel players made emulsion styrene butadiene rubber but butadiene rubber was only produced by Eni, Bayer, Shell and Dow, the Commission said.

EU Turns Anti-cartel Crusade To Rubber Market With Huge Fine (AFP)

By Leigh Thomas

AFP, November 30, 2006

BRUSSELS (AFP) - The European Union's top competition regulator Neelie Kroes stepped up her anti-cartel campaign by hitting five companies in the rubber market with the EU's second-highest fine against a cartel.

The European Commission slapped a fine of 519 million euros (683 million dollars) on Eni (Milan: ENI.MI - news) of Italy, Shell (LSE: RDSB.L - news) of The Netherlands, Dow of the United States, Unipetrol of the Czech Republic and Trade-Stomil of Poland.

The commission accused the companies of breaking EU competition law by agreeing on prices and sharing customers for some types of synthetic rubber used for tyres and other consumer goods like shoe soles, floor coverings and golf balls.

Bayer (Xetra: 575200 - news) also participated in the cartel, which operated from at least 1996 to 2002, but was not fined because the German company tipped off regulators.

The overall penalty was second only to a 790.5 million euro fine that the commission imposed on vitamin makers in a landmark 2001 anti-cartel ruling.

"Cartels strike at the heart of healthy economic activity," Competition Commissioner Kroes said. "They undermine competition, raise prices for consumers and reduce the diversity, quality and innovation of European companies," she added.

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The Dutch commissioner has made cracking down on cartels a top priority this year and has targeted about 10 of them, nearly double last year's figure.

Bayer, which received immunity from fines after tipping off EU authorities, would itself have faced a heavy fine if the cartel had been otherwise discovered, because it has been found guilty for participating in other cartels in the past.

Eni and Shell are also repeat offenders and as a result were slapped with the most painful penalties, receiving 272,250,000 euros and 160,875,000 euros in fines respectively.

In reaction, Eni rejected the charges and fine and said it reserved its right to appeal before the European Court of First Instance in Luxembourg. The group said that "this application of the antitrust regulations is without precedent in European Commission rulings."

Meanwhile, a Shell spokeswoman in London said: "Shell has constantly and fully cooperated with the European Commission investigation." "We need to study the decision in detail before we can comment and respond further," she added.

Kroes said she would not hesitate to lift the fines if the companies ignored her ruling against them. "The Commission has imposed high fines in this case, but if companies continue to indulge in cartel activities, then they can expect their fines to be even higher in the future," she said.

Wednesday's penalty brings the total amount the commission has fined in cartel cases this year to 1.843 billion euros, an annual record for EU regulators. In addition to the rubber case, the commission has so far fined cartels in the markets for steel beams, copper fittings, bitumen in The Netherlands, acrylic glass and hydrogen peroxide.

Dow Chemical, Eni Fined By European Union For Price-Fixing (BLOOM)

By Matthew Newman

Bloomberg, November 30, 2006

Nov. 29 (Bloomberg) -- Dow Chemical Co., the largest U.S. chemical maker, Eni SpA and three chemical makers were fined 519 million euros ($682 million) by the European Union for fixing the prices of ingredients in rubber used in tires and shoes.

Eni received the biggest penalty at 272.2 million euros, followed by Royal Dutch Shell Plc at 160.9 million euros and Dow at 64.6 million euros, the European Commission, the EU's Brussels-based antitrust authority, said in a statement today.

``The commission has imposed high fines in this case, but if companies continue to indulge in cartel activities, then they can expect their fines to be even higher in the future," Competition Commissioner Neelie Kroes said in the statement.

The penalties make 2006 the biggest ever for antitrust fines, breaking a 2001 record of 1.83 billion euros. Kroes has made busting cartels her top priority and can fine offenders as much as 10 percent of annual sales.

The EU also fined Poland's Trade-Stomil and Unipetrol AS, the Czech Republic's biggest oil company. Unipetrol is controlled by Polish oil company PKN Orlen SA.

Shell said it will study the ruling.

Trade-Stomil Deputy CEO Piotr Mlodawski said the company was ``surprised with the decision."

``We will not comment until we receive the EU statement and detailed information," Mlodawski said in a phone interview from Lodz, Poland.

Dow Chemical spokesman Matthias Graf wasn't immediately available to comment. Bayer spokesman Christian Hartel couldn't immediately be reached for comment. Unipetrol's spokeswoman in Prague Michaela Lagronova had no comment. Rene Keller, a spokesman for Unipetrol's rubber subsidiary, Kaucuk AS, couldn't be immediately reached via his mobile phone. An Enel spokesman needed more time to review the decision before commenting on the matter.

Price-Fixing

The EU has been investigating price-fixing in the chemical industry since 2002. In December of that year, EU inspectors raided the offices of a unit of Eni, the world's fourth-largest oil company, looking for evidence of price fixing in EPDM or ethylene propylene diene monomer.

In July 2006, the EU closed its probe of the EPDM, urethanes, urethane chemicals market without charging any company.

Rubber Production

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Synthetic rubber was first developed more than a hundred years ago and perfected during the 1930s in Germany. The U.S. began large-scale production of synthetic rubber during World War II, when natural rubber exports from East Asia were cut off.

The majority of the world's rubber production is now synthetic, according to the Houston-based International Institute of Synthetic Rubber Producers Inc., which has 50 members including Dow and DuPont Co.'s DuPont Performance Elastomers unit.

Today's decision, the sixth this year, focuses on two synthetic rubber products: styrene butadiene and emulsion styrene butadiene. These rubbers are used in a wide variety of applications, including the production of tires, footwear, conveyor belts, hoses, flooring and adhesives.

The EU's synthetic rubber production fell in 2005 to 2.7 million metric tons from 2.8 million metric tons in 2004, according to the International Rubber Study Group, a London- based organization made up of 19 countries and the EU.

In June 2005, the commission sent Dow, Bayer and other companies an official charge sheet, known as a ``statement of objections,'' in the synthetic rubber investigation, Dow and Leverkusen, Germany-based Bayer said in statements.

Dow bought a European synthetic rubber business from Royal Dutch/Shell Group in 1998 to expand its rubber operations, which began in 1996.

Bayer wasn't fined because it was first to provide the commission with evidence of the cartel.

EU Ups Pressure On Spain To Drop Restrictions On EON's Endesa Bid (AFP)

AFP, November 30, 2006

BRUSSELS (AFP) - EU regulators have raised pressure on Spain to lift restrictions on German energy group EON (Xetra: 761440 - news) 's bid for Spanish electricity company Endesa (Madrid: ELE.MC - news) by ruling that Madrid's new, eased conditions still broke EU law.

The European Commission found that the "new measures concerning the proposed EON takeover of Endesa ... are in violation of the merger regulation provisions," said spokesman for competition issues, Jonathan Todd Wednesday.

Spain eased its conditions on the bid earlier this month after the European Commission had determined at the end of September that Madrid was in breach of EU regulations by trying to protect Endesa.

After Brussels regulators' new complaint, a Spanish government official stood firm, saying Madrid is now fully compliant with European rules on the matter.

The commission has given Spanish authorities until December 13 to respond officially to its latest ruling. If Brussels regulators are unsatisfied with the response, then they could legally require Spain to drop the conditions.

Eager to ward off state meddling in cross-border EU deals, Brussels has fought against Madrid's opposition to the takeover ever since Spanish authorities first raised objections shortly after EON lodged its bid. In February, EON launched a hostile offer to buy Endesa for 29.1 billion euros (38.2 billion dollars) and the commission gave the group the green light in April to press ahead with its takeover plans. But Madrid preferred a merger between Endesa and the biggest Spanish gas supplier Gas Natural (Madrid: GAS.MC - news) .

Spain's own energy regulator, CNE, placed 19 conditions, most of them contested by the commission, on EON's offer. Prior to EON making its offer, Gas Natural had made a bid for Endesa of 22.5 billion euros.

Earlier this month, Spain eased some of the 19 conditions attached to the sale of Endesa to EON, with the industry ministry indicating that the German company would not after all be obliged to sell Endesa's production activities.

Spain also said it would ease an earlier requirement forcing EON to sell Endesa's nuclear and coal power plants. However, the ministry said it was maintaining its requirement for a sale of Endesa shares if more than 50 percent of the capital of EON is acquired by a third party within the next 10 years.

The commission spokesman said that the antitrust regulator was in particular concerned about Madrid's demand that the German company not sell any assets on the country's islands, keep the Endesa brand, use domestically produced coal and not divert gas to other markets than Spain. "All of these provisions are in the commission's view incompatible with the treaty rules on the right of establishment and the free movement of capital," said Todd.

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But in the southeastern Spanish city of Murcia, Spanish media quoted deputy economy minister David Vegara as saying: "We believe that the new conditions scrupulously respect European standards." Vegara said Madrid would respond officially to the EU commission in the next few days. He added that the Spanish industry ministry had taken an "adequate" decision in the matter and that he hoped the affair would not end up before a European court.

One Beats Two (WSJ)

The Wall Street Journal, November 30, 2006

One of life's rarer -- to the point of being miraculous -- events is an enforcement agency deciding to voluntarily give up power. So congratulations are due this week both to the New York Stock Exchange and the National Association of Securities Dealers (NASD) for agreeing to merge most of their enforcement operations.

It no doubt helped the decision that these are self-regulating bodies run by the private sector; unlike public bureaucracies, they realize the main goal of enforcement is honest and well-functioning markets, not enhancing their own turf. Special credit in this regard goes to Richard Ketchum, the Big Board's enforcement chief, who ceded the number one job in the combined operation to the NASD's Mary Schapiro, who is no shrinking violet. SEC Chairman Chris Cox also gave the two outfits a push in the right direction.

The merger will reduce regulatory duplication and thus the costs of compliance. In some circles, and by some strange logic, the merger is being described as deregulatory. But a single, independent private regulator is likely to have more clout, not less, and the post-Enron SEC isn't going away any time soon. Alas.

A special dunce cap goes to those claiming this will reduce "regulatory competition." It is precisely this American legal free-for-all -- with the SEC competing with the self-regulators competing with 50 state attorneys general competing with the class-action trial bar -- that has made the U.S. capital markets less appealing for many foreign companies. At a time when world markets are integrating, the merger will allow the U.S. securities industry to speak with one enforcement voice.

All of which should help both small American investors and the U.S. capital markets. If only Congress would ever reconsider its own many redundancies.

ENVIRONMENT/INDIAN AFFAIRS:

Justices Closely Split On Greenhouse Gases (LAT)

By David G. Savage

The Los Angeles Times, November 30, 2006

WASHINGTON — The Supreme Court seemed closely split today as the Bush administration went before the justices to defend its refusal to regulate the greenhouse gases that are believed to cause global warming.

At issue is whether a coalition of coastal states, led by Massachusetts and California, can spur federal regulators into action on global warming.

The states and several environmental groups went to court two years ago, arguing that the Republican administration had ignored the Clean Air Act and its requirement for regulating "any air pollutant" that is likely to endanger the public's health or welfare.

Greenhouse gases are warming the planet and threaten to trigger an environmental catastrophe, they said. It is like "lighting a fuse on a bomb," Massachusetts state lawyer James R. Milkey told the justices.

A top administration official urged the court to throw out the lawsuit and thereby uphold the government's policy.

"Now is not the time" to put new limits on tailpipe emissions "in light of the substantial scientific uncertainty surrounding climate change," said deputy U.S. Solicitor Gen. Gregory Garre.

He insisted that carbon dioxide and other greenhouse gases are not "air pollutants" subject to the Clean Air Act. He also argued that since the states could not prove that reducing auto emissions would spare their coastal regions from environmental damage, they had no "standing" to pursue their lawsuit.

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American cars and trucks produce about 6% of the world's greenhouse gases, Garre noted. Requiring more fuel efficient cars would not make much difference, he said.

Garre ran into skeptical questioning from the court's four liberal justices.

"Is there uncertainty on the basic proposition that these greenhouse gases contribute to global warming?" asked Justice John Paul Stevens.

It is "likely there is a connection, but it cannot unequivocally be established," Garre replied.

Justices David H. Souter and Stephen G. Breyer attacked Garre's contention the states did not have standing to sue.

"They don't have to show that [new emissions standards] will stop global warming," Souter said. "It will reduce the degree of global warming and reduce the degree of coastal loss." Meanwhile, the court's four conservatives, led by Chief Justice John G. Roberts Jr. and Justice Antonin Scalia, sounded as though they agreed with the administration's argument.

"I thought that standing requires imminent harm When is the predicted cataclysm?" Scalia asked in mocking tone.

Roberts questioned whether regulating American cars would reduce greenhouse gases worldwide. That "assumes there isn't going to be a greater contribution of greenhouse gases from economic development in China and other places that's going to displace whatever marginal benefit you get here," he said.

Justice Samuel A. Alito Jr., also a Bush appointee, questioned whether new regulations would have much effect. "The reductions that you could achieve under the best of circumstances with these regulations would be a small portion" of the greenhouse gases produced worldwide, he said.

Justice Clarence Thomas, who as usual said nothing during the argument, has regularly voted with Scalia to narrow the environmental laws.

The outcome probably depends on centrist Justice Anthony M. Kennedy. A California native, he joined the court's liberal bloc in June to preserve broad federal regulation of wetlands, although he wrote a separate opinion to explain his reasons.

During today's argument, he did not tip his hand. He avoided the skeptical questioning from the competing wings of the court and instead probed the standing issue with the lawyers from both sides.

The justices have at least three options before them. They could throw out the lawsuit. They could rule that greenhouse gases are "air pollutants" under the Clean Air Act but leave it to the administration to decide on whether new auto regulations are required. Or, they could rule that the Clean Air Act requires new regulations because there is a consensus among scientists that greenhouse gases are endangering the public's welfare.

A ruling in the case, Massachusetts vs. EPA, may also determine whether California can move ahead with its own rules to combat global warming.

The state has adopted rules for new motor vehicles sold in 2009, but those standards stem from the Clean Air Act. If the court upholds the administration's view that greenhouse gases are not air pollutants, California's rules could be struck down as well.

The other states that joined the suit against the EPA are Connecticut, Illinois, Maine, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont and Washington.

Court Considers Role Of U.S. In Regulating Emissions (USAT)

By Joan Biskupic

USA Today, November 30, 2006

WASHINGTON — The Supreme Court entered the debate over global warming Wednesday, as Chief Justice John Roberts and fellow conservatives questioned whether states' environmental problems truly would be helped if the U.S. government changed its decision not to regulate emissions from new cars and trucks.

Roberts suggested that economic development in China, for example, could produce pollution that would offset whatever “marginal benefit” states hope to win through federal limits on tailpipe emissions. Justice Antonin Scalia also seemed skeptical about warnings of looming harm from so-called greenhouse gases, asking, “When is the predicted cataclysm?”

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At the same time, Justice John Paul Stevens and other liberal justices were sympathetic to arguments from Massachusetts Assistant Attorney General James Milkey that the impact of carbon dioxide emissions and other greenhouse gases is imminent and serious.

Justice Anthony Kennedy, who is at the ideological center of the divided, nine-member court and could be the decisive vote, did not tip his hand.

Kennedy is from California, the state that has taken the lead in setting standards for vehicle emissions. He also cast the key vote last term for significant federal regulation of endangered wetlands.

However, it was difficult Wednesday to discern how he might vote — and therefore how the court could rule — in a case that ultimately could determine whether manufacturers will be forced to build cleaner-running cars and trucks.

Twelve states, three cities and several public health and environmental groups are challenging the Environmental Protection Agency's decision not to regulate greenhouse gases that the National Academy of Sciences and other groups say cause global warming. The harm caused by vehicle emissions to the environment is key to the states' claim that they have legal standing to challenge the EPA.

"Our harm is imminent in the sense that lighting a fuse on a bomb is imminent harm," Milkey said, adding that once gases are emitted they become dangerous, although their effects may play out over years. He acknowledged only 6% of global carbon dioxide emissions come from U.S. vehicles, but said any action that reduces emissions here would help protect the nation's coastline and other threatened land and waters. Rising temperatures have been linked to glacier thaw, reduced water supply in lakes and lost coastal land.

At issue is a provision of the Clean Air Act requiring regulation of "any air pollutant" from vehicles that "may reasonably be anticipated to endanger public health or welfare." The act defines "welfare" to include effects on climate and weather. The EPA says that the provision does not cover greenhouse gases and that even if it did, the agency has the option not to exercise its authority based on domestic and foreign policy considerations.

"We are not asking the court to pass judgment on the science of climate change or to order EPA to set emissions standards," Milkey said. "We simply want EPA to revisit the rulemaking" process.

Kennedy said the justices might have to address the larger question to decide whether states face the "imminent" harm required for legal standing in the case. He focused on the rules for standing and whether the states might be in a special position to bring the case.

Representing the EPA, Deputy U.S. Solicitor General Gregory Garre said the agency was reluctant to claim authority under the Clean Air Act particularly "in light of the substantial scientific uncertainty surrounding global climate change and the ongoing studies designed to address those uncertainties."

Court Hears Global Warming Case (WP)

By Robert Barnes

The Washington Post, November 30, 2006

The Supreme Court yesterday cautiously confronted for the first time the issue of global warming, hearing a challenge to the Bush administration's refusal to regulate emissions of greenhouse gases in new vehicles.

Twelve states, led by Massachusetts and joined by the District of Columbia, are objecting to the Environmental Protection Agency's decision to decline to issue emissions standards for new cars and trucks. They and the environmental organizations that support them say the standards should be the first step in a broader effort to reduce carbon dioxide and other gases that they say are harming the atmosphere and leading to global warming and rising sea levels.

But they faced a court sometimes skeptical about whether the remedy they seek would make much difference in the long run, and whether they can even show they are facing the kind of imminent harm that is required before they can press their case.

"I mean," asked Justice Antonin Scalia, "when is the predicted cataclysm?"

Scalia was one of several justices to remark on a lack of scientific expertise during an hour of questioning that touched on whether the states have "standing" to challenge the EPA's refusal, the level of evidence proving the existence of global warming

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and its causes, and even whether unilateral action by the United States to reduce greenhouse gases would hamper negotiations with other countries on the issue.

The debate inside the court is echoed outside the chamber. Former vice president Al Gore's film "An Inconvenient Truth" increased public awareness of the issue. And the Democrats who won control of Congress this month have said they will make the issue a priority: Sen. Barbara Boxer (D-Calif.), who is in line to become chairman of the Environment and Public Works Committee, said a failure to limit greenhouse gases will lead to "economic decline and environmental ruin." She would replace Chairman James M. Inhofe (R-Okla.), who has called global warming a hoax.

Massachusetts Assistant Attorney General James R. Milkey told the court that 200 miles of the state's coastline are threatened by rising seas, a result of global warming.

"The harm does not suddenly spring up in the year 2100; it plays out continuously over time," Milkey said in answer to Scalia's question. "Once these gases are emitted . . . they stay a long time -- the laws of physics take over."

Milkey faced skeptical questioning from Chief Justice John G. Roberts Jr. and Justice Samuel A. Alito Jr., the court's newest members, but the most sustained -- and entertaining -- interrogation came from Scalia.

At one point, he acknowledged the role of carbon dioxide as a pollutant in the air but wondered about it being a pollutant in the "stratosphere."

"Respectfully, Your Honor, it is not the stratosphere. It's the troposphere," Milkey said.

"Troposphere, whatever. I told you before I'm not a scientist," Scalia said to laughter. "That's why I don't want to have to deal with global warming, to tell you the truth."

Milkey had already said that the court need not pass judgment on the science of climate change to find that the EPA did not do its job when deciding not to regulate new vehicle emissions.

The case started in 1999, when an environmental group, the International Center for Technology Assessment, and others petitioned the EPA to set greenhouse gas emissions standards for new vehicles.

In 2003, the agency denied the petition, saying said that it lacked statutory authority to regulate greenhouse gas emissions, even though the agency in previous administrations had held that it did. Further, the agency said, even if it did have authority, it was not required to use it.

The agency decided, according to Deputy Solicitor General Gregory C. Garre, "now is not the time to exercise such authority, in light of the substantial scientific uncertainty surrounding global climate change and the ongoing studies designed to address those uncertainties."

Even if the court sides with the states, it is only being asked to remand the issue back to the EPA with specifications on what to look at in deciding whether to issue the emissions standards. And both sides agree that vehicle admissions in the United States amount to only 6 percent of total carbon dioxide emissions; tougher standards on new vehicles would only moderately reduce that.

But the court's decision could affect other efforts by environmentalists to force action on emissions from power plants -- stalled in the courts -- and shed light on the appropriateness of individual states' actions. California, for instance, has passed greenhouse gas emissions standards that are to go into effect in 2009 but are being challenged by industry.

Justice Stephen G. Breyer said a change of heart by the EPA could set off a string of similarly small decisions by other agencies, "each of which has an impact, and lo and behold, Cape Cod is saved." He seemed most sympathetic to the states' case, along with Justices John Paul Stevens, David H. Souter and Ruth Bader Ginsburg.

Justice Clarence Thomas, who as usual asked no questions, is presumed to be in line with Scalia, Roberts and Alito. That leaves Justice Anthony M. Kennedy as a pivotal vote in whether the states have proven they have standing for the case to go forward.

He noted Milkey's "perhaps reassuring statement" that the court does not have to make a judgment about global warming. "But," Kennedy asked, "don't we have to do that in order to decide the standing argument, because there's no injury if there's not global warming?"

Global Warming Debate Hits Supreme Court (CNN)

DOJ_NMG_0099908

By Bill Mears, CNN Washington Bureau

CNN.com, November 30, 2006

WASHINGTON (CNN) -- The Supreme Court appeared sharply divided Wednesday over what role the federal government should play in regulating carbon dioxide emissions from new cars.

The major environmental case pits states against the Bush administration over damage claims blamed on global warming.

"Isn't it intuitively reasonable to suppose that with some reduction of the greenhouse gases, there will be some reduction of the ensuing damage or the ensuing climate change which causes the damage?" asked Justice David Souter. "Isn't that fair?"

"There's something of a consensus on warming, but not a consensus on how much is attributable to human activity," countered Justice Antonin Scalia.

Carbon dioxide -- the principal greenhouse gas -- drifts into the atmosphere from the burning of fossil fuels such as petroleum and coal.

At issue is whether the Environmental Protection Agency is required by law to regulate carbon dioxide emissions from newly manufactured motor vehicles.

The debate centers on whether carbon dioxide constitutes a "pollutant" under the Clean Air Act. EPA officials argue it is not and that the agency alone has the discretion to decide such matters.

The oil and gas industry supports the EPA's position. In the late 1990s, the Clinton administration concluded the EPA has the regulatory authority to reduce carbon dioxide emissions, but the Bush administration in 2003 reversed that position, prompting the current legal fight.

Twelve states, led by Massachusetts, have sued the Bush administration, demanding the executive branch take the lead in curtailing potentially harmful emissions.An important precedent at stake

It is the first time the high court has addressed global warming and could set an important precedent on federal discretion to recognize and regulate any environmental and health damage.

The majority of scientific studies have concluded the emissions are the principal cause of manmade greenhouse gases -- trapping heat and leading to a recent rise in the planet's temperatures.

Some environmentalists think such drastic climate changes can lead to rising sea levels and dramatic, often catastrophic meteorological changes such as drought and hurricanes.

The high court debated not only whether the EPA was within its discretion by refusing to impose mandatory limits, but also whether there is actual statutory power.

There was no consensus among the justices whether Congress specifically authorized the executive branch to maintain a sweeping greenhouse-gas control program.

A federal appeals court upheld the right of the administration to stay out of the regulatory scheme.

The states argue mandatory controls by manufacturing plants and automobile makers would reduce the carbon dioxide emissions.

Lawyers for the states call the threat of global warming "the most pressing environmental problem of our time."

Other states filing appeals are California, Connecticut, Illinois, Maine, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont, and Washington.

Several cities also filed suit, including New York and Washington, as well as Alaskan native groups and the Union of Concerned Scientists.Scalia: Carbon dioxide not an air pollutant

In oral arguments, Justice Samuel Alito quizzed Massachusetts Assistant Attorney General James Milkey to quantify the "imminent" harm caused by greenhouse gases.

The issue is important because the states must prove such specific harm to individuals in the face of EPA inaction before they can establish legal "standing" to continue their lawsuit.

"Let's say we're looking [ahead] at five years or 10 years, what particularized harm does the record show that Massachusetts will, or faces an imminent threat of suffering?" Alito asked.

"Given the nature of the harms, even small reductions can be significant," Milkey replied.

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Chief Justice John Roberts questioned the impact of any specific reductions by the United States alone, noting even if carbon dioxide emissions on new cars were regulated in the United States, broader global sources of pollution would remain.

"It assumes there isn't going to be a greater contribution of greenhouse gases from economic development in China and other places that's going to displace whatever marginal benefit you get here," Roberts said.

Milkey was hard pressed to estimate precisely how much reduction in greenhouse gases would occur if the EPA stepped in to reduce output from new cars.

Currently about 6 percent of the world's output of carbon dioxide comes from U.S. vehicles. Scalia wondered what effect a reduction to 4 percent would represent.

Scalia also disagreed that carbon dioxide causes air pollution, since he said its destructive effects were as a "stratospheric pollutant" above the Earth's atmosphere.

"I think it has to endanger health by reason of polluting the air, and this does not endanger health by reason of polluting the air at all," said Scalia.

Milkey said the EPA's claim that carbon dioxide is not a pollutant "fails the common-sense test," and pointed out the agency is already regulating acid rain and other forms of pollution caused by chemical emissions.What is the federal government's role?

Gregory Garre, a Justice Department attorney, told the justices the federal government should not be forced "to embark on the extraordinarily complex and scientifically uncertain" global issue of greenhouse gas emissions.

"Now is not the time to exercise such authority," he said.

Justice Anthony Kennedy, who could prove a key swing vote in the case, seemed concerned about when individuals could suffer serious enough health risks to go to court.

"Your problem," he told Garre, "you take the position, the proposition that the greater the harm the greater the risk, the smaller the probability has to be before it is reasonable to act, and necessary to act."

Souter took the point further, pressing Garre over why the state's claims of long-term "ongoing harm" should not be considered.

"You are saying unless they can pinpoint the correlation between reduction of gas and effect, let's say in coastline loss, they have not shown either causation or redressibility," Souter said.

"But why do they have to show a precise correlation as opposed to simply establishing what I think is not really contested, that there is a correlation between greenhouse gases and the kind of loss that they're talking about?"

The issue of new car emissions could have broader environmental and legal implications.

A separate case dealing with EPA authority over carbon dioxide emissions from power plants -- which represent an estimated 9 percent of global greenhouse gas emissions -- is already being litigated in other federal courts.

The current case is Massachusetts et al. v. EPA (05-1120). A ruling is expected by June.

Supreme Court Wades Into Global Warming Debate (MRKTWTCH)

By Stephanie I. Cohen

Market Watch, November 30, 2006

States seek to force EPA to regulate greenhouse-gas emissions from cars

WASHINGTON (MarketWatch) - The nation's highest court tackled the hottest environmental issue on Wednesday - whether the U.S. government must address the dangers of global warming and cap the greenhouse gases that are spewed from vehicles.

A dozen states, frustrated by what they see as lax U.S. policy on curbing emissions of harmful greenhouse gases like carbon dioxide, sued the Environmental Protection Agency in 2003 for failing to reduce emissions from cars after years of agency debate that ended in no new rules.

"We are certainly glad to have our day in court. We've waited seven years for this day...seven precious years," said Joe Mendelson, legal director of the International Center for Technology Assessment, in an interview ahead of the court date. The group was responsible for originally seeking EPA action on vehicle pollution.

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In oral arguments Wednesday, the justices aggressively questioned both sides. They asked the attorney for the EPA to justify doing nothing about climate change, while peppering the attorney for the states about their standing to sue and about what harm has actually been done by the EPA's failure to regulate carbon dioxide.

The Supreme Court agreed to hear the case - Commonwealth of Massachusetts et al. v. Environmental Protection Agency et al. - and consider two questions, first whether the EPA has the authority to regulate these emissions and whether the agency can decide not to issue emissions regulations for vehicles even if it has authority. Read more about the case at the American Bar Association's Supreme Court site.

The bulk of carbon-dioxide emissions in the U.S. are generated from burning dirty fossil fuels for energy. These gases trap heat in the earth's atmosphere and are expected to contribute to warming temperatures in the coming decades.

Global-warming activists say would every action help and are concerned that a failure to rein in carbon dioxide emissions will lead to warming temperatures, more frequent and more violent storms, rising sea levels, and increased spread of disease.

The U.S. transportation sector, which runs predominantly on petroleum products, accounts for about 6% of global carbon emissions and 33% of total U.S. energy-related carbon-dioxide emissions in 2005, according to the Energy Department's statistical arm.

Question of standing

The case could be a precedent-setting environmental ruling, deciding whether EPA can and must regulate tailpipe emissions. But before the court considers the merits of the case, the plaintiffs must first convince the court they have standing under the Constitution to proceed and can prove that the states have suffered direct injury from EPA's failure to regulate emissions.

Justice Antonin Scalia was particularly concerned with the question of standing at the oral hearing on Wednesday. Scalia honed in on the issue of whether the states can prove damage from climate change, pointing out that emissions stay in the air for some time before leading to climate change later.

Scalia also questioned the significance of requiring regulations for only new U.S. vehicles when climate change is a global problem, saying this point gets to the matter of how eminent is the danger to states.

James Milkey, attorney for Massachusetts, argued that the injury was "ongoing" and won't just spring up all at once in the coming decades. He added that "the injury doesn't get any more specific" than losing the hundreds of miles of shoreline as Massachusetts has predicted. "Even small reductions can be significant," Milkey said.

EPA argued that the states' case rests on general grievances and that the states haven't shown how a failure to regulate vehicle emissions has caused direct actual injuries or how such injuries could be redressed by a court. EPA also argued that 6% is a small portion of global emissions and that it would make an insignificant difference over the years, especially if other countries ramp up their emissions over the same period.

"The fact that you're injured doesn't necessarily mean that the government's failure to regulate emissions caused your injury," said Jeff Holmstead, a former EPA administrator who was involved in the agency's initial review of the case and its determination that it lacked authority to regulate emissions. Holmstead spoke on Tuesday.

Defining a pollutant

The Clean Air Act authorizes the EPA to set standards for air pollutants that may "reasonably be anticipated" to endanger public health or welfare and devise controls for motor vehicle pollution.

Milkey told the court that carbon is clearly an air pollutant, but EPA disagrees.

EPA, which enforces the nation's clean air laws, claims Congress did not give it the authority to regulate carbon emissions specifically to address climate change when it crafted the Clean Air Act. And even if it had authority, EPA has said it has discretion to act and wouldn't address climate change, arguing that the science behind climate change still has too many uncertainties.

Gregory Garre, the Justice Department attorney representing the EPA in the case, hammered home the agency's position that the science of climate change remains uncertain, that EPA has discretion over whether to act based on current studies, and that U.S. car emissions are an insignificant portion of total global emissions.

But several justices seemed to question the government's premise. Justice John Paul Stevens pointed to scientists who've worked on government studies and have said facts were omitted that would indicate the science is far less uncertain than EPA

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says. Both Justice Stephen Breyer and Justice David Souter asked EPA why a 6% reduction in emissions wasn't enough of a starting point for the agency.

"Why is it unreasonable to go to an agency and say, 'you do your 6%'?" Breyer asked Garre.

Several justices also made a comparison between climate change and acid rain, which is a global air problem that EPA regulates.

A number of states are siding with EPA, saying they don't want to face responsibility for enforcing new regulations, including Texas, Michigan, Idaho, Alaska, North Dakota, Kansas, Nebraska, Utah, Ohio, South Dakota, and Indiana.

In July 2005 a three-judge panel of the United States Court of Appeals for the District of Columbia Circuit issued three separate opinions in the case. Two of the judges agreed to let EPA's administrative decision stand, but for different reasons. A third judge agreed with the states that EPA must regulate greenhouse gases.

Most parties following the case agree that even if the court rules in favor of the states, the decision is unlikely to lead to caps on carbon emissions any time soon.

"Whichever way the court decision comes out, there is going to be a big debate on climate change," said Holmstead, who is now a partner at the lobbying firm Bracewell Giuliani in Washington. If the states win, "it goes back to the agency where it will be probably for several years."

Groups backing the states agree that even a court victory would not be an ideal solution. "We all would prefer a comprehensive global warming bill to come out of Congress," said David Bookbinder, senior attorney for the Sierra Club, in an interview on Tuesday.

The court is expected to render a decision in the case by next summer. Stephanie I. Cohen is a freelance journalist based in Washington.

Global Warming Dispute Divides U.S. Supreme Court (Update1) (BLOOM)

By Greg Stohr

Bloomberg, November 30, 2006

Nov. 29 (Bloomberg) -- A divided U.S. Supreme Court wrestled with its first global warming case, a bid by states and environmentalists to force the Bush administration to regulate tailpipe emissions.

Several justices, led by Antonin Scalia and John Roberts, questioned whether 12 states have the legal right to challenge an Environmental Protection Agency decision not to regulate those emissions. Roberts, the chief justice, said the states were ``spinning out conjecture on conjecture" to support the argument that they would benefit from EPA rules.

Other justices suggested during the hour-long argument in Washington that the agency relied on impermissible factors in making its decision. Justice John Paul Stevens criticized the EPA's reliance on three National Academy of Sciences reports for the notion that scientists are unsure whether so-called greenhouse gases are increasing the earth's temperature.

``In their selective quotations, they left out the parts that indicated there was far less uncertainty than the agency purported to find," Stevens said.

The case raises the prospect of new regulations on automakers including General Motors Corp. and Ford Motor Co., companies already facing reductions in sales. Depending on how broadly the court rules, the case might also affect utilities, which have fought efforts to cut emissions of carbon dioxide and other so-called greenhouse gases from power plants.

The court today also heard arguments in a second high- profile business case, a bid by Michigan to regulate the mortgage-lending business of Wachovia Corp. and potentially other so-called national banks.

Banking Case

In the global warming case, the divide may leave Justice Anthony Kennedy as the deciding vote, as he was in a land-use case in the court's last term. Kennedy didn't tip his hand today, directing a handful of questions to both sides.

The EPA said in 2003 that it wouldn't regulate greenhouse- gas emissions from new cars and trucks, pointing to ``substantial scientific uncertainty" about the effects of climate change on human health and the environment and about the best means to address the issue.

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The agency also questioned the wisdom of a ``piecemeal'' approach to greenhouse gases and said that unilateral EPA regulation would undermine the president's ability to persuade developing countries to cut their emissions.

In addition, the agency said Congress hasn't given it authority to regulate greenhouse gases, regardless of what the scientific evidence showed.

Clean Air Act

The states and environmentalists say agency action is required by the wording of the U.S. Clean Air Act, which instructs the EPA to regulate ``air pollutants'' that ``may reasonably be anticipated to endanger public health or welfare.'' They contend the agency was wrong to consider other factors in its decision not to regulate.

The Bush administration says the Clean Air Act confers broad discretion on the EPA to decide whether to regulate. The government also contends the states lack the legal standing to sue because they can't show they would reap any environmental benefit from EPA regulation.

The high court today spent much of its time focused on a preliminary question that may have broad implications: whether the states have legal standing to sue the EPA.

On that point, Scalia, Roberts and Justice Samuel Alito all pressed the lawyer for the states, Massachusetts Assistant Attorney General James R. Milkey. Scalia said previous Supreme court cases required a showing of ``imminent'' harm, and he questioned whether that was occurring.

Small Portion

Alito said U.S. motor vehicles account for only 6 percent of the total carbon dioxide emissions worldwide.

``So the reduction that you could achieve under the best of circumstances with these regulations would be a small portion of that, would it not?'' Alito asked.

Milkey told Alito that ``even small reductions can be significant.'' The lawyer said that Massachusetts already was losing land along 200 miles of coastland because of rising sea levels caused by global warming.

Milkey drew support from Justices Stephen Breyer and David Souter, both of whom directed the bulk of their questions at Justice Department lawyer Greg Garre.

``It will reduce the degree of global warming and reduce the degree of coastal loss,'' Souter said. ``That's their argument -- not all or nothing, but a part.''

Scalia Resistance

Garre told the justices that the EPA had made a ``quintessential administrative judgment'' that shouldn't be second-guessed by the courts.

He drew resistance on that issue from a number of justices, including Scalia, who said Milkey had made a ``persuasive'' point in comparing global warming to acid rain. The EPA regulates sulfur dioxide, which causes acid rain.

``Why isn't it air pollution within the meaning of the statute, when whatever it is that causes acid rain is?'' Scalia asked Garre.

The U.S. Court of Appeals for the D.C. Circuit upheld the agency's decision last year on a 2-1 vote, though the two judges in the majority differed in their reasoning.

The case is one of two efforts by northeastern and western states to make the EPA adopt emissions standards to address global warming. New York is leading a second effort to force regulation of power-plant pollution.

The Supreme Court has two air-pollution cases on its 2006-07 calendar. The justices heard arguments Nov. 1 on federal government efforts to force Duke Energy Corp. and other utilities to install billions of dollars in new pollution-control equipment.

The justices are scheduled to rule by July in the global warming case, Massachusetts v. EPA, 05-1120.

Global Warming Goes To High Court (WT)

By Amy Fagan

The Washington Times, November 30, 2006

Massachusetts Assistant Attorney General James R. Milkey, representing 12 states and 13 environmental groups, yesterday called on the Supreme Court to force the federal government to regulate greenhouse-gas emissions from new automobiles.

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As the court waded into the politically charged issue of global warming for the first time, Chief Justice John G. Roberts Jr. and Justice Antonin Scalia pressed Mr. Milkey to explain when and how greenhouse gases will injure his state.

Mr. Milkey said Massachusetts has 200 miles of coastal land that is being lost to rising seas caused by global warming and that the damage will increase.

"It's not so much a cataclysm as [it is] ongoing harm," he said under questioning by Justice Scalia in a courtroom packed for the case's hour of oral arguments.

Any reduction to the 6 percent of global greenhouse-gas emissions caused by vehicles in the United States would help, Mr. Milkey said, because "once they are emitted, the laws of physics take over" and damage is inevitable.

Although there is "something of a consensus" that global warming is occurring, Justice Scalia said, there is no consensus on how much of the problem is caused by human pollutants.

The states say the Environmental Protection Agency (EPA) has failed to fulfill its role of regulating car emissions under the Clean Air Act of 1970.

The Bush administration has resisted such regulations, contending that the EPA has no such authority under the Clean Air Act. Backers of the administration's stance say the regulations would put U.S. industry at a competitive risk.

Justice Department Deputy Solicitor General Gregory G. Garre -- representing the EPA, the car-manufacturing state of Michigan and eight other states -- said there is "substantial scientific uncertainty" about global climate change.

He said he knows of no studies suggesting that regulating this "minuscule" percent of greenhouse gases would have any effect.

Justice Steven G. Breyer appeared unimpressed.

"Why is it unreasonable to go to an agency and say, 'Now you do your part'?" he asked.

Outside the court, Massachusetts Attorney General Tom Reilly said the law is clear and that the EPA is refusing to do its job.

"That's all we're asking: Do your job," he said. "Global warming is the most serious environmental problem of our time."

The Clean Air Act states that the EPA administrator "shall by regulation prescribe ... standards applicable to the emission of any air pollutant from any class or classes of new motor vehicles or new motor vehicle engines, which in his judgment cause, or contribute to, air pollution which may reasonably be anticipated to endanger public health or welfare."

At issue isn't whether carbon dioxide and other emissions are linked to global warming, but whether the government has the authority to limit these emissions.

Carbon dioxide is produced when fossil fuels such as oil and natural gas are burned. Scientists think it is the main greenhouse gas, flowing into the atmosphere at a high rate and causing a warming of the Earth and environmental changes.

The court is expected to rule before July, and the decision could have a ripple effect. Another case involving the EPA's refusal to regulate greenhouse-gas emissions from power plants is being debated in federal court.

Regardless of the outcome of the Massachusetts case, Congress may soon tackle the topic. Democrats, who take control of Congress in January, say it's long past time the administration step up the fight against global warming.

"With the new Congress elected to change Washington, I am hopeful that we can finally go to work on addressing global climate change rather than denying the obvious," said Sen. John Kerry, Massachusetts Democrat.

•This article is based in part on wire service reports.

Eyes On Kennedy As Supreme Court Debates Global Warming Case (LAW)

By Tony Mauro, Legal Times

Legal Times, November 30, 2006

Supreme Court Justice Anthony Kennedy appears to hold the key to the outcome of the Court's first case assessing the environmental impact of global warming.

During oral arguments Wednesday in the closely watched case Massachusetts v. Environmental Protection Agency, justices seemed deeply divided on two questions: whether the EPA can be compelled to regulate greenhouse gas emissions

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from cars when the agency has chosen not to, and whether Massachusetts and 11 other states even have standing to challenge the EPA's actions.

Kennedy was relatively quiet during the hour, but several other justices seemed to tip their hands on the claim by the states that they have standing to compel the agency to regulate such emissions. The EPA decided in 2003 that it did not have the authority under the Clean Air Act to regulate carbon dioxide emissions -- and that because of scientific uncertainty about the effect of global warming, it would not regulate even if it had the power to do so.

The dispute comes to the Court as a growing number of states are becoming impatient with the federal government on the issue.

"The United States is the largest polluter on the planet, and leadership from our federal government is essential to curb global warming," said California Attorney General Bill Lockyer after the arguments. "But California will not stand by if the Bush administration continues to stall." California is one of the states suing the EPA.

Massachusetts Assistant Attorney General James Milkey began his arguments to the Court by reassuring the justices he was not asking them to "pass judgment on the science of climate change." All he wants, he said, is for the EPA to reconsider the issue, as required by the Clean Air Act.

Almost immediately, though, justices were debating global warming nonetheless as part of their inquiry into whether the states had standing to sue. The Court has been stingy on standing in environmental cases, so the justices spent considerable time asking whether the states could show they were injured by the EPA's decision not to regulate carbon dioxide -- and whether a Court decision against the EPA would alleviate the harm.

Justice Antonin Scalia, recalling his own 1992 ruling on standing, Lujan v. Defenders of Wildlife, said the harm had to be imminent in order for the suing party to achieve standing. "When is the predicted cataclysm?" Scalia said in a flat voice.

"It's not so much a cataclysm as ongoing harm," Milkey replied. "There's nothing conjectural about that. Once these gases are emitted into the area, and they stay a long time, the laws of physics take over."

The harm to his state's sovereignty -- in the form of reducing its coastal land mass -- had already begun and was ongoing, Milkey said, likening it to "lighting the fuse on a bomb." Milkey also said, "The injury doesn't get any more particular than states losing 200 miles of coastline ... to rising seas."

But Scalia asserted that even if the EPA did regulate emissions, the impact on the state's coastline would be minimal. Milkey replied, "Relatively small percentage reductions can lead to real-world results."

Chief Justice John Roberts Jr. seemed doubtful, as well, that the states had achieved standing to pursue the case. He said testimony about the future impact of EPA regulations on global warming amounted to "spinning conjecture on conjecture" and was insufficient to achieve standing.

Roberts has his own expertise in the area. As deputy solicitor general in 1990, he argued and won the Lujan case.

The chief justice seemed skeptical about the merits of the Massachusetts case, too, suggesting there was more scientific uncertainty about the harm from global warming, than, for example, the effects of lead in gasoline.

But Milkey countered that when lead was regulated in 1973, "there were huge amounts of uncertainty at that time." The high court upheld those regulations in 1976.

From the few questions he asked, Justice Samuel Alito Jr. seemed likely to join Roberts and Scalia in opposing standing. As usual, Justice Clarence Thomas asked no questions, but his track record on standing suggests he would oppose it.

On the other side, Justice David Souter appeared to be the strongest champion for the states, especially on the issue of standing. Even if the impact of EPA regulations on the global warming program is relatively small, he said it was enough to justify action by the EPA. "They don't have to show that it will stop global warming," said Souter. "Their point is that it will reduce the degree of global warming, if it only by 2 1/2 percent. What's wrong with that?"

Deputy Solicitor General Gregory Garre, representing the government, said that was not enough. "They have to show the regulation of that tiny fraction would have an effect on their alleged injuries," Garre said, adding, "They haven't even tried to make that showing."

Comments by Justices John Paul Stevens, Ruth Bader Ginsburg, and Stephen Breyer seemed to place them on Souter's side, leaving Kennedy as the unknown and decisive vote.

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EPA Backtracks On Easing Toxin Rule (WP)

By Juliet Eilperin

The Washington Post, November 30, 2006

Under pressure from Democratic senators, the Bush administration has modified its proposal to ease public reporting requirements for companies that handle or release toxic chemicals.

The Environmental Protection Agency has proposed new rules for the Toxics Release Inventory, an annual accounting of more than 650 chemicals that industry releases into the air, land and water. The changes would raise the threshold for reporting releases of toxic chemicals in detail from 500 to 5,000 pounds and would allow companies to report every other year instead of annually.

In response, New Jersey Democratic senators Frank Lautenberg and Robert Menendez in July blocked confirmation of Bush's nominee to head the EPA's Office of Environmental Information, Molly O'Neill.

EPA Administrator Stephen L. Johnson, in a letter obtained by The Washington Post, has written to the two senators telling them that he is revising the proposal to restore the requirement for annual reports. "Your perspective on the program is invaluable to us," Johnson wrote.

The EPA had been tinkering with its proposal since shortly before this month's midterm elections, but Johnson's letter highlights how the political climate has shifted since the Democrats won control of the House and Senate. The administration is not likely to bend on its top environmental priorities, such as climate change, but it may make concessions on other fronts.

James L. Connaughton, who chairs the White House Council on Environmental Quality, said in an interview after the elections that the administration may be able to make common cause with Democrats on some issues.

"The history of environmental legislation is a history of reasonable balance," Connaughton said. "At the end of the day, if you want to see progress on the environment, you got to strike that reasonable balance."

Lautenberg, who said he will release his hold on O'Neill's nomination but will continue to fight any effort to weaken the toxin-reporting requirements, said the administration's new flexibility underscores how lawmakers' stance is likely to change over the next two years.

"Unlike the last six years, the Bush administration will no longer get a free pass from Congress," he said in a statement. "Democrats will now control the EPA's budget and will run the committees that oversee the agency's activities. EPA will be held accountable for every abuse and misreading of the law it engages in."

Congress created the Toxics Release Inventory program 20 years ago in the wake of the 1984 Union Carbide disaster in Bhopal, India, where an accidental release of toxins killed and injured thousands of people living near the plant. U.S. toxic releases have dropped sharply since companies were compelled to file the reports, but some complain that the regulation is too costly.

The EPA had calculated that industry could save $2 million a year by reporting its releases every other year. It would save an additional $7.4 million by no longer having to report in detail on toxic releases between 500 and 5,000 pounds or on releases of persistent toxins such as lead and mercury below 50 pounds.

Sean Moulton, who directs federal information policy for the public policy watchdog group OMB Watch, said the proposal emphasized saving money for the agency and industry over protecting the public's health.

"The EPA just hasn't done its homework on these proposals," Moulton said. "They haven't done the research on whether there are serious health risks [associated with] the different thresholds they're proposing."

Alex Fidis, a staff attorney at the U.S. Public Interest Research Group, an advocacy organization, said the EPA could reduce the regulatory burden on industry by developing software to help companies calculate their harmful releases and file their reports electronically.

The EPA plans to issue a final rule on the reporting program "by the end of the year," said spokeswoman Jennifer Wood. She said officials are weighing the more than 100,000 comments they received, many objecting to the changes.

"EPA's working to making a good program better," Wood said.

Lautenberg said he would continue to press the administration to abandon the new rule.

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Report: Conservation Efforts Offset Land Lost To Sprawl (USAT)

By Patrick O'driscoll

USA Today, November 30, 2006

DENVER — Growing efforts to save privately owned farms, ranches and forests from industrial and residential development now preserve about as much open space each year as is lost to sprawl, according to a report out today.

The National Land Trust Census, conducted every five years by an umbrella organization for land conservation groups, says private land under protective trusts and easements now total 37 million acres, a 54% increase from the last count in 2000.

Conservation of private land from 2000 to 2005 averaged 2.6 million acres a year — about half the size of New Jersey, according to the Land Trust Alliance, which represents 1,200 of the USA's 1,667 local, state and national land trusts.

This means additional land protected each year exceeds the 2.2 million acres that the Agriculture Department has estimated is converted annually to "developed land."

Most of the growth was in action by local and state trusts. Unlike larger national trusts, many of these groups are run primarily by volunteers. Yet such trusts tripled the average acreage they were able to set aside annually compared with the previous five-year census.

The results "took my breath away," says Land Trust Alliance president Rand Wentworth. "They showed that a movement of local volunteer groups is making a huge difference in conserving places they love."

The biggest acreage is in conservation easements, legal pacts between landowners and trusts or government agencies that permanently limit the land's use. The land census says easements have risen 148% since the last count.

An easement preserves open space permanently as scenic landscape, watershed or wildlife habitat from other development. The landowner, often a rancher or farmer, receives a tax credit in exchange and can continue to graze livestock or grow crops on the property.

"When you're driving through California and see all this land, you assume the government owns it and it's protected. But half of it is privately owned. The public gets the benefit of (landowners') management," says Nita Vail of the California Rangeland Trust, which promotes easements.

Land conservation increased in all regions, especially in the West, which has 43% of the private land conserved since 2000 by local and state trusts. The Northeast tallied 30% of the state and local total, largely through easements. That included the single largest conservation transaction: more than 762,000 acres in Maine's Pingree forest in 2001.

Plutonium Lifespan In U.S. Weapons Much Longer Than Thought (WP)

By Walter Pincus

The Washington Post, November 30, 2006

The National Nuclear Security Administration said yesterday that studies have concluded that the plutonium used to trigger U.S. nuclear warheads and bombs will remain reliable for about 100 years, far longer than had been believed.

"These studies show that the degradation of plutonium in our nuclear weapons will not affect warhead reliability for decades," NNSA Administrator Linton F. Brooks said in a statement. An independent panel of renowned scientists and academics known as the Jason group reviewed the studies by the Los Alamos and Lawrence Livermore national laboratories and concluded that "most plutonium pit types have credible lifetimes of at least 100 years," according to the NNSA statement.

Results of the studies could affect the Bush administration's plans for building a new generation of nuclear weapons under the Reliable Replacement Warhead (RRW) program. A major reason for going to a new nuclear warhead was the belief that highly radioactive plutonium would degrade so much within 45 years that it could affect the reliability of currently deployed and stockpiled nuclear weapons, which were built beginning in the 1960s.

The present refurbishment program, which does not include the nuclear package, is directed at upgrading for 20 more years the aging conventional explosives and hundreds of the thousands of nonnuclear components in each weapon.

The father of the RRW program, Rep. David L. Hobson (R-Ohio), chairman of the House Appropriations subcommittee that handles funding for the nuclear weapons complex, said in a recent interview that he had heard that the plutonium study found

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that aging "is not as much of a problem as they thought it would be." As a result, he said, "that may throw some sand in the eye of RRW."

Robert W. Nelson, a senior scientist associated with the Union of Concerned Scientists, said yesterday that the studies "dramatically undercut the prime justification for having to rebuild the existing stockpile." The core plutonium component "will not need to be replaced for 50 years or more."

NNSA officials said yesterday that they do not agree that the plutonium findings mean that the RRW program does not need to go forward. "Plutonium aging is but one variable that can affect overall system reliability," the NNSA statement said. Brooks added: "It is now clear that although plutonium aging contributes, other factors control the overall life expectancy of nuclear weapons systems."

When Hobson first proposed the RRW program three years ago, it was designed to replace the Bush administration's proposal to study a possible nuclear "bunker buster" to go after underground fortified shelters or to look at new effects from nuclear devices that would destroy chemical or biological agents. Instead, Hobson wanted to rebuild the nonnuclear parts of the current stockpile to make the components safer, more secure and more reliable.

The administration then adopted RRW and by this year turned it into a program that would lead within 20 years to a new generation of nuclear weapons based on old tested designs, which would not require restarting an underground testing program. Los Alamos and Livermore are working on competing RRW designs with a winner expected to be selected soon.

Feds: Ruling Hurts Oversight Of Indian Casinos (USAT)

By Kevin Johnson

USA Today, November 30, 2006

Audits blocked; some see threat to integrity

WASHINGTON — Federal auditors say a court ruling last month has crippled their ability to examine operations at Indian casinos, raising concerns that the $22 billion Indian gaming industry could be increasingly vulnerable to corruption.

The National Indian Gaming Commission (NIGC), a regulatory panel within the Department of Interior, says its auditors have been prohibited from conducting reviews of personnel and finances at Indian casinos across the nation since the D.C. Circuit Court of Appeals ruled Oct. 20 that the commission's regulatory authority does not extend much beyond its oversight of bingo games.

The court accepted an Arizona tribe's argument that audits of Indian casinos — which account for about 88% of all gaming revenue in Indian Country — should be the responsibility of states and tribes. Since the ruling, 15 federal audits of Indian casinos have been suspended and a dozen casinos have barred NIGC investigators from tribal gaming facilities in Oregon, California, Arizona, Minnesota and Oklahoma, according to the commission.

“We've had doors slammed in our faces,” NIGC Chairman Philip Hogen said in an interview. He said federal involvement in the casino audits is necessary because some states and tribes are not able to provide enough oversight of the businesses. He would not say which ones.

In a Nov. 8 letter to the Senate Indian Affairs Committee, Hogen said that if the court's ruling stands, federal law enforcement would be “crippled in its effort to protect the integrity of tribal gaming operations” without the NIGC. The NIGC is weighing whether to appeal the court decision or ask Congress for more authority to regulate Indian casinos.

Randy Jackson, director of the FBI's Indian Country unit, says the bureau is “deeply concerned” by the ruling. “If Indian gaming operations are not regulated, the integrity of the … industry is at risk.”

Indian officials, however, call the court's ruling a victory for tribal sovereignty and an acknowledgement that tribes and states provide adequate oversight. Ernest Stevens Jr. of the National Indian Gaming Association says tribes have 259 agreements with authorities in 22 states to regulate Indian casinos.

The NIGC “does not need duplicative federal rule-making authority over matters already addressed by tribal law and the tribal-state compact process,” says Stevens, whose group represents 184 Indian nations involved in tribal gaming.

The Arizona tribe that challenged the NIGC's authority, the Colorado River Indian Tribes, says the NIGC never had the power to regulate casinos.

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"The federal court's decision was an important and necessary victory for tribal sovereignty," says Jason Rose, spokesman for the tribe.

State regulators defended their oversight of Indian casinos. Arizona's Department of Gaming, which helps 21 tribes oversee gaming operations that produced $1.7 billion in revenue in fiscal 2006, said the court decision would not affect casino regulation in Arizona.

"We modeled our regulatory process on the … National Indian Gaming Commission," says Seena Simon, spokeswoman for the Arizona agency.

Simon says the agency has agreed to contribute $300,000 in each of the next five years to pay for a full-time federal prosecutor in the local U.S. attorney's office dedicated to Indian gaming matters and to train tribal gaming authorities. "This is an agency with teeth," Simon says.

However, Thomas Heffelfinger, a former federal prosecutor in Minnesota whose office has dealt with regional tribal issues, says the court's decision likely will "make it that much more difficult for the federal government to respond when there is evidence of misconduct."

During the past three years, the NIGC has referred more than 30 cases of suspected criminal activity related to Indian gaming operations to federal law enforcement agencies, the commission says.

Twenty-five of the cases involved casino operations, says Joseph Valandra, the commission's chief of staff.

Last year, the NIGC was praised by U.S. prosecutors in New York for its work in a probe of alleged organized crime ties to international gambling activities with links to operations on the Tonkawa Indian Reservation in Oklahoma. The inquiry produced an 88-count indictment charging 17 defendants in a $200 million illegal gambling enterprise that involved wagering on horse races and other sports events.

Heffelfinger says the ruling could undermine partnerships between the NIGC and federal law enforcement aimed at fighting corruption in the growing Indian casino industry.

"The real losers are the tribes," he says.

Parks And Tribe Locked In Land Dispute (FINDLAW/AP)

By Rachel La Corte, Associated Press Writer

AP, November 30, 2006

(AP) - LA PUSH, Wash.-The small Quileute Indian reservation sits on a shoreline of storm-tossed driftwood and pebble beaches, with dramatic views of rock formations rising out of the Pacific Ocean.

But the same ocean that crashes daily on these beaches is at the center of a long-simmering boundary battle between the tribe and the National Park Service.

The tribe has closed public access to one beach, and threatens to close another if members don't get additional land on higher ground, fearing the sea will sweep away the tribe's lower village.

The tribe has offered a land swap - it will hand over eight acres of disputed land at Rialto Beach and reopen access to Second Beach if the park cedes - or buys for the tribe - enough land to more than double the size of the reservation.

"We don't have anything against the public," said James Jaime, the tribe's executive director. "It was the only way to get the federal government's attention."

The reservation is bounded on one side by the ocean and three sides by Olympic National Park. The tribe wants to move its school, senior center, tribal offices and some housing to higher ground as well as expand its reservation to build more housing developments.

"Our primary concern is the health, safety and welfare of not only the tribal members, but the entire community," said Jaime.

Tribal leaders originally sought 1,200 acres, but are now asking for about 800 acres to add to their one square mile reservation - 309 acres of park lands, and another 480 acres of private land that it wants the National Park Service to purchase for them.

The Quileute reservation was established in 1889 at the mouth of the Quillayute River; Olympic National Park has bordered the reservation since 1953.

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The tribe and the park have been debating the boundary at Rialto Beach for decades. The tribe argues that it owns most of Rialto Beach, but the park has built a parking lot and a restroom at the edge of the beach and both sides are disputing eight acres of land there.

The dispute came to a head last year after a tribal member was cited for collecting firewood near the disputed boundary. While charges were ultimately dropped, Jaime said that the tribe needed to take action.

To get the government's attention, the tribe closed off access to one of the most beautiful sections of Washington state's Pacific shore, Second Beach, in October 2005. The beach is public, but the parking lot and access to the trail to the beach is on tribal ground.

Olympic National Park Superintendent Bill Laitner said that the park wants to make sure the tribe can move people out of the danger zone. Of the more than 700 members of the tribe, 350 live on the reservation - 250 in the flood zone.

"We feel that is of utmost importance," he said. "We believe we can do that. We don't believe we can solve all of the tribes' problems for all time."

After several meetings, the two sides remain at an impasse, and the tribe said that it's ready to raise the ante. The park service has offered 274 acres of park land.

"If there are no improvements to this offer and we do not resolve this issue, Rialto Beach will be closed next year," Jaime said.

Laitner said that while closing the beach would be inconvenient for park visitors, it would also be "devastating to the local economy" of the tribe.

"I don't think the tribe wants that," he said.

In October, the Quileute Tribe had a reservation-wide tsunami drill with a complete evacuation of the lower village, getting everyone to high ground in nine minutes - the amount of time tribal leaders have determined is necessary to prevent loss of life. The last time a tsunami hit the area was 1964.

"What I fear the most is at 3 o'clock in the morning, when we are all sleeping and not prepared," Jaime said. "Our exercises, our drills, they're structured, they're choreographed. It's the real event that's going to be unpredictable."

Any change in the boundary would have to be approved by Congress, but Rep. Norm Dicks said he worries that if the tribe doesn't accept the current offer, they may end up with nothing.

"We're all concerned about the safety of the tribe and the possibility of a tsunami," he said. The tribe has "to realize that they are running a risk by not accepting this offer."

On the Net:

Quileute Tribe: http://www.quileutetribe.org/

National Park Service: http://www.nps.gov/

FBI/DEA/ATF/USMS:

Bush Administration Takes Aim At Meth (GANNETT)

By Pamela Brogan, Gannett News Service

Arizona Republic/Gannett, November 30, 2006

WASHINGTON - A coalition of federal, state and local officials will lead a nationwide anti-methamphetamine campaign that kicks off Thursday to educate the public about the dangers of the highly addictive drug.

President Bush has proclaimed the day National Methamphetamine Awareness Day, and more than 100 events are planned to highlight the risks of meth use and the treatment available.

Participants include the Drug Enforcement Administration, Partnership for a Drug-Free America, National Association of Attorneys General and the Community Anti-Drug Coalitions of America.

advertisement

"Methamphetamine abuse shatters families and threatens our communities," Bush said.

This year, state and local communities said meth was the top drug problem, ahead of cocaine, heroin and marijuana, according to the Justice Department's National Drug Threat Survey.

Attorney General Alberto Gonzales says the health, community and environmental risks posed by meth "is nothing short of horrifying."

Here are some key facts about meth:

- An estimated 10.4 million Americans 12 or older have used meth.

- Meth is highly addictive can damage the brain. It can cause violent and psychotic behavior and mood disturbances.

- The number of meth lab seizures has decreased 42 percent from 10,015 in 2004 to 5,846 in 2005, but Mexican drug trafficking organizations have replaced local dealers and "greatly expanded their presence in drug markets across the country," according to the Justice Department.

Meth is a growing health and legal problem:

- Meth accounted for nearly 7 percent of all drug treatment admissions in 1994, up from 2 percent in 1994. Regional treatment data shows a much higher trend. In 2003, meth accounted for 20 percent of treatment admissions in eight states and more than 40 percent in Hawaii and Idaho.

- In 2003, meth accounted for 5,766 arrests made by the DEA, or 21.5 percent of all arrests.

Between 1992 and 2004, the number of meth lab cleanups increased from 394 to more than 10,000. State and local governments spent about $17.8 million in 2004 to clean up toxic wastes related to the labs, according to the DEA.

In 2002, more than 3,000 children were contaminated, neglected, injured or killed because of illegal meth production, according to the DEA.

Last year, Bush signed a federal anti-meth law that restricts the sale of over-the-counter cold medicines used to make the drug. It also imposed tougher penalties for those who smuggle or sell it.

AG Declares 'Meth Day' Thursday (AP)

By Bill Poovey, Associated Press

AP, November 30, 2006

CHATTANOOGA — Methamphetamine, an illegal drug, gets its own day and Tennessee law officers say the addictive stimulant deserves it.

U.S. Attorney General Alberto Gonzales declared Thursday as National Meth Awareness Day. In Tennessee, officials are observing "Stop Meth in Tennessee, Start Right Now," starting with a Grundy County news conference and enforcement promotional stops in Cleveland and Madisonville.

After ranking as a leader among states in meth-making operations seized, the work of the 7-year-old Tennessee Methamphetamine Task Force — now expanded statewide — along with new laws restricting products used to make the drug have helped the state reduce the number of labs.

Meth is produced in clandestine labs using relatively inexpensive over-the-counter medicines, such as cold tablets with pseudoephedrine, and household chemicals. Tennessee passed a law to keep pseudoephedrine behind pharmacy counters.

Since passage of the Meth-Free Tennessee Act of 2005 and the federal Combat Meth Act of 2005, lab seizures in Tennessee have dropped significantly.

Records show 55 labs seized in October, down by 25 from October 2005.

Hamilton County Sheriff's Department Lt. Tommy Farmer, the task force director, said the accomplishments are many but the new challenge of intercepting imported methamphetamine from Mexico is growing.

"We have to be flexible," Farmer said. "We are seeing some changes. We are seeing increases in availability of Mexican methamphetamine. It's a major problem."

Farmer said the reduction in labs "did not reduce the number of addicts."

Farmer said the task force has operated and grown largely on the back of federal budget appropriations, a total of about $10 million, secured largely with the help of Republican U.S. Rep. Zach Wamp of Chattanooga.

He said the effort started from a meeting in Grundy County, at the request of former Sheriff Robert Meeks.

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The task force co-sponsored a National Alliance for Drug Endangered Children conference in Nashville that ended Wednesday. Task force records show that since 1999, the task force and assisting agencies rescued 871 children from meth labs and drug addicted parents while also processing and dismantling 5,630 meth labs and dumpsites and arresting 2,867 meth offenders.

U.S. Attorney James R. "Russ" Dedrick of Knoxville said in a statement that "public awareness and education concerning the harmful effects of methamphetamine are the keys to protecting our children and stopping the spread of methamphetamine addiction."

Farmer said the battle against meth has helped change drug enforcement to a team effort with social agencies and the courts. He said there are also "protocols for how schools, hospitals, physicians, how everybody responds to children" exposed to meth.

"We are much better equipped," Farmer said. "We have to keep the focus. The war is not won by any stretch of the imagination."

He said "children are also coming from homes with parents addicted to marijuana, cocaine or pills. These children too are endangered."

"That includes the child riding around in a car while daddy is going to do a dope deal," Farmer said. "This whole meth scourge has brought a lot of things to light for us."

Study: Meth Use Climbs On East Coast (AP)

By Lara Jakes Jordan

AP, November 30, 2006

WASHINGTON - Methamphetamine use is increasing along the East Coast after years of largely being confined to rural areas west of the Mississippi River, a government report shows.

But officials nationwide are finding fewer meth labs where the highly addictive drug is cooked - a bright spot in the nation's war against a drug the White House describes as dangerous as cocaine and heroin.

Meth "is as bad, or worse, than most of those drugs for most of those people who have encountered it," John P. Walters, director of the White House Office of National Drug Control Policy, said Wednesday in an interview with The Associated Press.

"The good news is, at this point it looks like we have reacted before this became a bigger problem," Walters said. "But the onus is on us to follow through."

The number of workplace employees who tested positive for meth dipped dramatically in several Midwest and western states where the drug so far has provided the largest punch, including Missouri, Iowa and New Mexico.

But it surged along the East Coast, including in Connecticut and Maine, and by a whopping 115 percent increase in the District of Columbia.

The data by New Jersey-based Quest Diagnostics Inc. compared state-by-state drug tests from the first five months of 2006 to the same period last year, the most recent data available. Nationally, positive drug tests decreased by 12 percent between the two years.

The drug test results were included in a White House report titled: "Pushing Back Against Meth," to be issued Thursday as part of a government-wide awareness day to "underscore the dangers of methamphetamine and reaffirm our collective responsibility to combat all forms of drug abuse," President Bush said in a proclamation.

As part of the campaign, Attorney General Alberto Gonzales will lead a government discussion in Washington about stanching meth use with state and local health and law enforcement officials.

Justice Department officials cite mostly anecdotal evidence showing that meth use and cooking labs are spreading to inner cities. Walters said that's in part because drug traffickers, largely from Mexico, are now selling meth to cocaine and heroin customers in urban areas. Additionally, many East Coast states do not have state laws that require cold medicines containing pseudoephedrine - the ingredient used to cook meth with other household chemicals - to be placed behind pharmacy counters.

By contrast, some western states where meth has been a long-standing scourge have such laws on the books, making it harder for addicts to buy large amounts of pseudoephedrine. Walters attributed part of the drop in workers testing positive for

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meth in those states to the laws. Earlier this year, Congress approved a federal law to keep medicines containing pseudoephedrine behind pharmacy counters in all states. The federal law, however, was passed after the data for the new report was collected.

But nationwide, the number of meth labs that were busted or otherwise discovered by authorities dropped by 51 percent - from 6,472 in the first four months of 2005 to 3,160 in the same period of 2006, the report showed.

Experts believe people between ages 18 to 25 are the most likely to use meth, and women account for 45 percent of addicts seeking treatment - higher than for any other drugs. That's largely because women have reported to using meth to help lose weight while maintaining high energy levels.

Instead, it has made users' teeth and hair fall out, Walters said, and "turns you into the walking dead."

"Nobody has glamorized this drug," he said.

Meth Awareness Day Aims To Educate (GII)

By Sarah Schulz

Grand Island (NE) Independent, November 30, 2006

Observance focuses on dangers of drug addiction

Angela Fatino, an Iowa preteen, had her first hit of methamphetamine at age 12. By 15, she had taken her own life.

Fatino's story, along with shocking photos of how she transformed from a pretty child to a meth addict, are featured in an advertising campaign, "Meth: It's Getting Ugly," by the Partners for Methamphetamine Prevention.

The national organization is participating in education and public outreach kicked off on Wednesday, which was declared National Methamphetamine Awareness Day by President George W. Bush.

According to the Partnership for a Drug-Free America, meth is a powerfully addictive stimulant that has a high potential for abuse. It dramatically affects the central nervous system and leaves the user awake for hours or even days. At first, meth gives the user a rush, a sense of euphoria, feelings of confidence and a decrease in appetite.

However, the crash can leave a person severely depressed and suicidal. The addictive nature can also cause a user to turn to illegal means to pay for the drug, according to the Partnership for a Drug-Free America.

Meth is cheap and easy to obtain and can be manufactured with inexpensive ingredients, such as pseudoephedrine, a common ingredient in cold medication.

The program focuses on highlighting national efforts to increase awareness of meth use and aims to decrease demand for the highly addictive and dangerous drug, according to Partners for Methamphetamine Prevention.

Education and awareness are the only ways law enforcement will get the meth problem, and the general drug problem, under control, said Grand Island police Sgt. Clyde Church, a member of the Tri-City Drug Task Force.

"We can arrest people and send them to prison, but they get out and some go back to what they were doing before," he said.

Education can help stop that cycle, he said.

In Grand Island, the meth problem has remained steady over the last several years. The dozen or so law enforcement agents working with the task force address the issue at both the street level -- with users and small-time dealers -- and at the large, conspiracy level. Many of their cases result in federal charges, he said.

A variety of education events will be hosted nationwide by U.S. Attorney General Alberto R. Gonzales. In Nebraska, members of the U.S. attorney's office will conduct a series of education presentations to various colleges, high schools and community and civic groups.

"In Nebraska, we have been battling methamphetamine for the past 10 to 12 years on all fronts through prevention and awareness, legislation, enforcement, prosecution and treatment," U.S. Attorney Joe Stecher said.

"Nebraska has been at the forefront, addressing our communities' awareness regarding the destructive powers of methamphetamine."

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National Methamphetamine Awareness Day, and the programs that will follow, are a coordinated effort to reach potential meth users with a message of prevention, according to Stecher's office. However, the effort also aims to educate current users about the avenues available to them to deal with their addictions.

Two-thirds of the country's meth supply is produced in "super labs" in Mexico and Southern California. The remaining third is made in the United States in makeshift meth labs often found in homes, garages, storage units and the trunks of cars, according to the Partnership for a Drug-Free America.

Meth recipes are readily available, and the drug can be produced in six to eight hours. Small meth labs can be quickly dismantled, and a mere $200 can buy the ingredients to produce an ounce of meth. The drug is usually sold in one-eighth amounts, known as "eight balls." Cooking meth produces highly toxic waste, and there is a pending danger of explosion or fire at a meth lab, according to the Partnership for a Drug-Free America.

Meth use can lead to a person's death, and anyone suspected of meth use should be reported to authorities, according to the U.S. Department of Justice.

For more information on meth, its effects and to view photos and anti-meth use advertisements, visit the Justice Department's Web site, www.usdoj.gov/methawareness/

County Marks National Meth Awareness Day (NCT)

North County Times, November 30, 2006

SAN DIEGO COUNTY -- To commemorate National Methamphetamine Awareness Day today, authorities are urging residents to call the county's meth hotline or visit its Web site for information on abuse of the drug.

The hotline that the county introduced in 1996 can be reached at (877) NO2-METH. The Web site is www.No2Meth.org.

"(Residents) can call to seek help with meth-related problems or report criminal activity," said Jose A. Alvarez, a spokesman for the county Department of Health and Human Services.

"In 2005, (the hotline) received 457 calls, primarily from people seeking treatment or to report possible criminal activity, like meth labs," Alvarez said.

National Methamphetamine Awareness Day was established by President Bush this year to combat an addiction that "shatters families and threatens our communities," he said Tuesday in a proclamation.

According to a San Diego Association of Governments report released in late October, meth use is a growing problem in San Diego County. The report said that among people in custody at county jails between 2000 and 2005, usage of the drug increased from 28 percent to 44 percent among men, and 29 percent to 51 percent among women.

Placer County Joins National Methamphetamine Awareness Day (RRT)

Rocklin & Roseville Today, November 29, 2006

AUBURN, CALIF. -- Placer County is joining many other local, state and federal agencies to designate Nov. 30 as National Methamphetamine Awareness Day. The purpose of the day is to call attention to the damaging effects this illegal drug has on individuals, families, friends and the community.

"Methamphetamine not only impacts those who use it, the family, friends and the community that surrounds the individual," said Dr. Richard Burton, Placer County Health Officer. "Methamphetamine is one of the most addictive drugs that exists and is the No. 1 drug of abuse by those entering treatment."

Placer County is developing a program to help raise awareness of addiction to methamphetamine. Part of raising that awareness is to show the harm the addiction causes and the costs it exacts from the community. Some of the increased costs include the need for additional law enforcement to deal with drug production and distribution and the crimes committed by addicts needing money to fuel their habits, as well as increased medical, social and legal costs. Treatment, also an additional cost, can reduce the overall cost if persons are able to achieve recovery from their addiction.

"It's the fastest growing drug of abuse in all of our neighborhoods," said Ed Bonner, Placer County Sheriff. "It's easy to make, it's cheap, it's available, it's odorless and tasteless. It can be smoked and there's no odor. It can also be snorted, ingested or injected."

DOJ_NMG_0099924

The toll methamphetamine takes on families in Placer County is staggering. Of all the child abuse in Placer County, 85 percent to 90 percent is from drug abuse by parents. And methamphetamine is responsible for 60 percent of that abuse.

According to Dr. Burton about 4 percent of the teens in Placer County have used methamphetamine. That translates to about 600 kids. That figure becomes even more troubling when that statistic is paired with the fact that 73 percent of those in drug treatment for methamphetamine began using the drug prior to age 22.

The Placer County Board of Supervisors, Department of Health and Human Services and Sheriffs Department are all working together to address the disease and the impact it has on those affected by use of the drug. Community awareness, education and resource information are some strategies to address this issue.

Data To Be Used To Raise Awareness Of Meth Problem (RGJ)

Reno (NV) Gazette Journal, November 30, 2006

Marking the nation's first Methamphetamine Awareness Day, local law enforcement, education and treatment professionals will provide the public with a snapshot of how meth affects the community.

The point of gathering meth-related data today is to draw attention to a drug epidemic that knows no boundaries, said special agent Mark Snyder of the federal Drug Enforcement Administration in Reno.

"We want to show people the problem," Snyder said. "People think Reno is our little piece of paradise, but I am confident this snapshot will show what is occurring around the country is also happening here and that meth is a growing problem."

Snyder said although meth is not new to the area, it has emerged as the primary drug threat in Northern Nevada.

Tom Clark, spokesman for the Washoe County Meth Community Response Alliance, said the group has been struggling to demonstrate with statistics the scope of the meth problem and the financial impact. He said data gathered today would give a more accurate portrayal.

Law enforcement officers say meth is indirectly behind most crime in the area, and it contributes to hospital visits, child neglect and the burdening of the social services system.

Members of the regional undercover vice unit, the Street Enforcement Team, say that sales of powder methamphetamine have been replaced with sales of crystal meth, a highly potent and much more addictive form of meth.

How it works

Professionals dealing with meth will complete a survey that includes:

Police will record how many people they believed were under the influence of meth and were arrested for a meth-related crime.

Hospital staff who treated meth users.

Dentists who treated meth users.

Drug court staff who had meth clients.

School officials who spoke with parents or teens concerned about meth use and treatment staff who treated or counseled a person about meth.

Jail staff also will be able to show how many inmates were there because of a meth charge.

Snyder said when the community learns what a "day in the life of meth" is like, officials and citizens can try to come up with solutions.

Efforts in place include a 30-minute film by the anti-crime organization Secret Witness that will air on multiple local news channels in January. The show will feature local meth addicts and those affected by meth giving testimonials and information.

School involvement

The Washoe County School District plans to use its automated telephone system to contact parents and ask them to watch the Secret Witness video with their children.

The district also will film its own educational anti-meth video for middle and high school students that will be shown during the school day. The district's family magazine for December will feature an article on the meth problem.

Local school surveys done in 2005 say that 5 percent of middle school students and 10 percent of high school students in Washoe County said they had tried meth.

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When students returned to class this fall, they were greeted with graphic anti-meth posters provided by Secret Witness that were inspired by in-your-face posters and TV ads produced by the Montana Meth Project.

Other details

In September, Washoe County was designated as a "High Intensity Drug Trafficking Area" by the government and will receive $500,000 to fight drug trafficking, namely meth.

A key for the designation was the threat of Mexican traffickers using the interstates and the echo from law enforcement that meth is a serious problem here.

The alliance earlier this year played host to a series of town hall meetings at various schools and held a summit. Community leaders and others came together to make decisions on why, how and when to begin to address meth in Washoe County.

The group also sponsored law enforcement training by a nationally recognized meth expert.

TUSD Middle-schoolers Hearing Dangers Of Meth (TC)

Tucson (AZ) Citizen, November 30, 2006

Middle-school students in Tucson were to learn about the dangers of methamphetamine today from Drug Enforcement Administration officials as part of a nationwide awareness day.

Federal, state and local officials are reaching out to potential meth users to discuss prevention and to users about programs to help them. To look at a Web site designed by teens about the dangers of drugs, see this story at www.tucsoncitizen.com.

Department Of Justice Sponsors 'National Methamphetamine Day' Today (PDN)

Pacific Daily News, November 30, 2006

Governor Felix P. Camacho, U.S. Attorney Leonardo Rapadas and Tony Marquez, resident agent in-charge of the Drug Enforcement Administration, will host a public awareness outreach today at the Guam Premium Outlets from noon to 2 p.m.

The Department of Justice sponsored today as National Methamphetamine Day for Guam and the Commonwealth of the Northern Mariana Islands, to highlight nationwide efforts to increase awareness and decrease demand of the highly addictive drug.

Future plans of the U.S. Attorney's Office and DEA, with their partners, include Town Hall meetings at various villages and high schools in the upcoming year.

Everyone is invited to visit their display at the GPO Food Court.

Community Educated On Dangers Of Crystal Meth (KUAM)

KUAM-TV, November 30, 2006

Education and awareness of the dangers of crystal methamphetamine were the focus of a display in Tamuning this afternoon at the Guam Premier Outlets. Today is National Methamphetamine Awareness Day and members of the U.S. Attorney's Office, the Drug Enforcement Administration and the Guam Police Department were on hand during a static and visual display at the GPO food court.

Pamphlets were given to those visiting the outlet providing information about rehabilitation, prevention and education about the drug "ice".

METHAMPHETAMINE AWARENESS DAY (OREG)

The Oregonian

The Oregonian, November 30, 2006

A day to reflect on the fight against meth

T oday is National Methamphetamine Awareness Day -- the first time a president has designated a day to focus national attention on methamphetamine, an extremely destructive and harmful drug.

For parents, today is a reminder of the importance of talking to our children about dangerous drugs. For our youth, it is an opportunity to reaffirm a commitment to a drug-free future. For those struggling with addiction, it is an occasion to seek treatment. And for all Americans, it is an opportunity to thank law enforcement officers, treatment counselors and prevention advocates whose efforts have contributed to a nearly 20 percent decline in drug use among American youth over the past four years.

Today is also an occasion to reflect on the progress our nation has made in attacking methamphetamine. In 2005, the number of methamphetamine laboratory incidents in America declined by 29 percent from the previous year and is continuing to decline this year. And there is more good news: Methamphetamine use among youths is down 36 percent (from 2001 to 2005), and positive tests for meth in the workplace have declined 45 percent since 2004. In short, fewer people are making meth in America, and fewer people are using it.

This good news is proof that a balanced drug control strategy can yield meaningful results. But our fight against methamphetamine is not over. Earlier this year, the administration released the nation's first Synthetic Drug Control Strategy, a coordinated effort among government institutions at the federal, state and local levels that sets ambitious goals for America. The strategy calls for an additional 25 percent reduction in domestic methamphetamine laboratories (beyond the 29 percent reduction already seen last year), and a 15 percent reduction in methamphetamine use, both by the end of 2008. Again, the good news is that we are on track to meet these goals, with past year methamphetamine use declining 29 percent over the prior three years, and steady declines in the number of meth labs across our nation.

Meanwhile, we know that simply reducing the supply of methamphetamine is not enough. We also must reduce the demand for the drug. This means offering treatment opportunities to help heal those who are addicted. It means stopping use of methamphetamine before it starts by supporting the most effective drug-prevention initiatives -- especially those aimed at youth. That is why the president has requested that Congress provide historic levels of support for drug programs.

As our nation reflects on the progress we have made and the challenges that remain in reducing methamphetamine use, all Americans, especially our youth, should reaffirm their commitment to a drug-free future. The devastating effects of using any illicit drug -- on the individual, family and community -- cannot be overstated.

John Walters is director of the White House Office of National Drug Control Policy. For more information on methamphetamine, and how to help stop its spread, visit www.methresources.gov or www.usdoj.gov/methawareness/.

National Methamphetamine Awareness Day (ABOUT)

About.com, November 30, 2006

Today, November 30, has been declared National Methamphetamine Awareness Day as a part of a nationwide effort to further educate the American public about the effects of methamphetamine abuse on families and communities. The effort hopes to increase awareness and decrease demand of the highly-addictive drug.

More than 100 events are scheduled across the United States today by federal, state and local officials to highlight education and public outreach efforts about methamphetamine abuse. President Bush issued a proclamation declaring the first ever National Methamphetamine Awareness Day.

The awareness day is an effort to send a prevention message to potential meth users and to educate current users about programs that are available to them, according to a Department of Justice news release.

Attorney General Alberto R. Gonzales will host a panel discussion with leading experts to discuss the impact that meth production and use has on individuals, the environment and communities across the country.

Also participating in the National Methamphetamine Awareness Day efforts are the U.S. Department of Labor; U.S. Department of Health and Human Services; U.S. Department of Interior; Office of National Drug Control Policy; the Drug Enforcement Administration (DEA); the Partnership for a Drug-Free America; Boys & Girls Clubs of America; Community Anti-Drug Coalitions of America; Fraternal Order of Police; National District Attorneys Association; National Association of Attorneys General; National Sheriffs' Association; International Association of Chiefs of Police; National Organization for Victims Assistance; Inter-Association Task Force on Alcohol and Other Substance Abuse Issues; American Council on Education; National Association of Student Personnel Administrators; American College Health Association; Association of Fraternity Advisors; and the National Panhellenic Conference.

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National Meth Awareness Event On Campus Thursday (UKN)

University of Kentucky News, November 30, 2006

LEXINGTON, Ky. (Nov. 29, 2006) - The dangers and harmful effects of methamphetamine abuse, particularly on families, women, and children will be the focus of a special program Thursday, Nov. 30 at 7 p.m. in the small ballroom (third floor) of the University of Kentucky Student Center.

A proclamation issued by President George W. Bush has declared the date as National Methamphetamine Awareness Day. As part of this designation, the U.S. Attorney General's office is partnering with state and local organizations, as well as federal agencies and private groups to bring a concentrated, nationwide focus to educating the public about meth.

"The devastating effects of methamphetamine abuse, particularly on women and children in Kentucky, is well-documented," said Holly Hopper, Coordinator and Principal Investigator for the Drug Endangered Child Training Network, based within the UK College of Public Health's Center for Prevention Research. "Many labs used to manufacture methamphetamine are inside homes, exposing children living there to great risk."

A PowerPoint presentation followed by a question and answer session is planned for the Student Center event. The program is open to the entire campus community, and students, particularly women, are encouraged to attend.

Earlier in the day (Nov. 30), a news conference focusing on state initiatives in the battle against methamphetamine abuse is scheduled for the Capitol Rotunda in Frankfort.

Meth Awareness Day Set For Thursday (KCAL)

KCAL-TV, November 29, 2006

(CBS) LOS ANGELES President Bush has proclaimed Thursday as National Methamphetamine Awareness Day in an effort to bring attention to the challenges the nation confronts because of the drug.

Methamphetamine is a highly addictive central nervous system stimulant that can lead to brain damage and psychotic behavior, including auditory hallucinations, mood disturbances, delusions and paranoia, possibly resulting in homicidal or suicidal thoughts, according to the Office of National Drug Control Policy.

Users trying to abstain from use may suffer withdrawal symptoms including depression, anxiety, fatigue, paranoia, aggression and intense cravings for the drug.

An estimated 10.4 million Americans ages 12 and older have used methamphetamine at least once in their lifetimes for non-medical reasons, according to the 2005 National Survey on Drug Use and Health.

"While the number of teens who have tried this deadly drug and the number of people testing positive for methamphetamine in the workplace have decreased in recent years, methamphetamine use is still a dangerous public health problem," Bush said in his proclamation.

The Bush administration's Synthetic Drug Control Strategy released earlier this year set goals of a 15 percent decrease in methamphetamine use and 25 percent reduction in domestic methamphetamine labs over the next three

years.

Information on efforts against methamphetamine abuse is available online at theantidrug.com and methresources.gov.

National Methamphetamine Awareness Day Set For Tomorrow (KNX)

KNX Radio, November 29, 2006

LOS ANGELES, CA (CNS) -- Tomorrow has been proclaimed as National Methamphetamine Awareness Day by President Bush in an effort to bring attention to the challenge the nation confronts because of the drug.

Methamphetamine is a highly addictive central nervous system stimulant that can lead to brain damage and psychotic behavior, including auditory hallucinations, mood disturbances, delusions and paranoia, possibly resulting in homicidal or suicidal thoughts, according to the Office of National Drug Control Policy.

Users trying to abstain from use may suffer withdrawal symptoms including depression, anxiety, fatigue, paranoia, aggression and intense cravings for the drug.

DOJ_NMG_0099928

The Drug Enforcement Administration and the U.S. Attorney's Office plan to hold a Meth Awareness Exhibit for the media at a federal building in Los Angeles tomorrow to highlight the dangers of meth. It will include a mock meth lab, presentations by the DEA lab and may feature a former meth user, the DEA said in a statement.

An estimated 10.4 million Americans ages 12 and older have used methamphetamine at least once in their lifetimes for nonmedical reasons, according to the 2005 National Survey on Drug Use and Health.

" While the number of teens who have tried this deadly drug and the number of people testing positive for methamphetamine in the workplace have decreased in recent years, methamphetamine use is still a dangerous public health problem," Mr. Bush said in his proclamation.

The Bush administration's Synthetic Drug Control Strategy released earlier this year set goals of a 15 percent decrease in methamphetamine use and 25 percent reduction in domestic methamphetamine labs over the next three years.

Information on efforts against methamphetamine abuse is available online at theantidrug.com and methresources.gov.

Former Hockey Star On Ice For Three Years (KNOXNS)

By Jamie Satterfield

Knoxville News Sentinel (TN), November 30, 2006

Alepin sentenced for helping peddle marijuana

One of Knoxville's most popular hockey players will spend the next three years in a penalty box.

Those fan-favorite hard-hitting moves on the ice are not what put Alex Alepin, 30, there. It was marijuana - pounds and pounds of it.

Senior U.S. District Judge James H. Jarvis on Wednesday ordered Alepin to spend 38 months in a federal prison for conspiring with fellow Canadians to peddle hydroponic marijuana, a pricey and potent strain of the illegal drug.

Alepin played for the now defunct Knoxville Speed and, later, the Knoxville Ice Bears. He abruptly retired from the hockey scene in 2004.

As it turned out, he had been ensnared in a probe led by U.S. Immigration and Customs Enforcement Agent John Witsell III and U.S. Drug Enforcement Administration Agent Dave Lewis of a Canadian drug smuggling ring.

Defense attorney Jeff Whitt argued at a sentencing hearing in U.S. District Court Wednesday that Alepin actually quit the marijuana-pushing business in 2002.

"He voluntarily had left this criminal conspiracy four years ago," Whitt said. "He didn't get caught. Did he do it timely? No. Did he make a mistake? Yes. He knew it was wrong, and he quit."

"He didn't turn himself in, did he?" Jarvis responded.

"No, and he should have," Whitt conceded.

Instead, Alepin's name surfaced in 2004 as Witsell, Lewis and fellow agents were investigating a smuggling network in which hydroponic marijuana grown in Quebec was being sneaked across the border, largely through tractor-trailers, and distributed to customers along the Eastern Seaboard, Assistant U.S. Attorney Hugh Ward said.

"We approached him in our investigation," Ward told Jarvis. "He did cooperate."

Alepin helped authorities nab Sebastien Flocari, who is serving a 70-month prison term as one of the chief suppliers in the smuggling ring. However, Ward contended Alepin was no bit player in the illegal venture.

"You can look at Mr. Alepin's role as the Knoxville distributor of this drug trafficking organization," Ward said.

Court records show that Alepin bought hydroponic marijuana in lots of 20 to 50 pounds and then sold it to at least three Knoxville dealers.

Jamie Satterfield may be reached at 865-342-6308.

Blind Inmate's Medication Claim Revived (LAT/AP)

By Larry Neumeister, Associated Press Writer

The Los Angeles Times, November 30, 2006

NEW YORK — A California man who said he went blind in prison because he was denied medication can sue the prison officials he thinks are responsible, a federal appeals court ruled as it reinstated a lawsuit that had been tossed out.

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The decision by the 2nd U.S. Circuit Court of Appeals means Rodney Thomas can pursue his claim that authorities failed to ensure he received medication for glaucoma after he was arrested by Drug Enforcement Administration agents in Los Angeles on Sept. 7, 2001. Thomas' lawsuit was seeking $750,000 in damages.

The decision, handed down Tuesday but made public Wednesday, upheld a lower court's ruling that the DEA agents could not be held responsible in federal court in New York, but it reinstated the lawsuit against three prison officials.

The three-judge panel noted that a federal magistrate judge at Thomas' first court appearance in New York issued an order directing that he receive glaucoma medication. Present at the hearing were two of three prison officials named as defendants in the lawsuit -- the warden and the clinical director at the Metropolitan Correctional Center in Manhattan.

Thomas' lawyers told the appeals court that his vision was within normal limits when he was arrested but had deteriorated to legal blindness three months later because his prescription eye medications were not delivered consistently.

In court papers, lawyers for the government argued that the prison officials could not be held responsible because they did not directly administer health care to inmates.

Jon Romberg, a lawyer for Thomas, said he was pleased with the ruling.

"The court reinstated his case and most importantly recognized that prison supervisors can be liable if they know about a serious medical problem and fail to correct it," Romberg said.

He said Wednesday he had not been able to notify his client, who is incarcerated at a California prison where his telephone use is limited.

A spokeswoman for federal government lawyers handling the case said there would be no comment Wednesday.

Thomas was convicted of drug charges; Romberg said he didn't know how long his prison sentence is.

A Drug Bust Near Costa Rica Captivates Underworld Of Garage Tinkerers (WSJ)

By Jennifer Saranow

The Wall Street Journal, November 30, 2006

This month, the Coast Guard detained four men who were allegedly trying to smuggle 3.5 tons of cocaine meant for the U.S. News accounts of the Nov. 16 bust, about 90 miles southwest of Costa Rica, described their unusual vessel as a 50-foot homemade fiberglass submarine.

That caught the attention of a busy netherworld of hobbyists who build submarines in their garages.

"The captured drug-sub appears to be amateurish in construction and not nearly as seaworthy as the subs we have seen, designed and built," said Jon Wallace, a software engineer for Hewlett-Packard in Weare, N.H. In 1996 he cofounded the Personal Submersibles Organization, which now counts about 13,000 visitors per month to its Web site, psubs.org.

"Semi-submersible at best," sniffed another critic in a posting on the group's site.

After reading reports and seeing photographs of the captured vessel, hobbyists concluded that the gray drug craft was crudely constructed and not a serious attempt at building a submarine. Some said it was more a boat meant to blend into the water, skim just below the surface, travel long distances and avoid radar detection. A giveaway was that it was made of fiberglass -- which is generally not a good material for building a submersible vessel, they say. It also had a squarish design rather than the cylindrical shape required to withstand pressure and stress.

Law-enforcement agencies from Colombia to California are increasingly worried about drug-stuffed submarines slinking along beneath the seas. "We are out there actively searching for these," says Capt. Thomas Cullen, chief of response for the U.S. Coast Guard 11th District based in Alameda, Calif., which oversaw the boarding and seizing of the vessel off Costa Rica. It was the first manned sub-like vehicle seized by the U.S., according to Capt. Cullen. Authorities in Colombia have seized a couple of homemade subs in the past two years.

Costa Rican authorities say that the vessel seized this month was gasoline-powered, and that it traveled just below the surface with the crew using snorkel-type tubes to breathe. "Certainly these guys are not PSUBS regulars. Gasoline engines in a submersible are no-nos," wrote Ray Keefer, 45 years old, a computer test engineer in Gaston, Ore., and co-founder of the group. Gasoline engines would be dangerous in a submarine. The Coast Guard says its reports indicate the seized craft had a diesel engine.

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Mr. Keefer and others believe the captured vessel should more accurately be called a "David boat," a type of torpedo boat used during the Civil War that operated mostly underwater with only its smokestack and a few inches of hull visible above the surface. "Mostly underwater but not a submersible," he wrote.

James Huffman, 28, a warehouse laborer in Tacoma, Wash., and submarine history buff who first got interested in submarines while playing the "Up Periscope!" computer game in eighth grade, says the craft reminded him of the gasoline- and battery-powered USS Holland from around 1900, the U.S. Navy's first commissioned submarine.

Man's fascination with exploring the underwater world dates back at least to Alexander the Great, who according to legend descended beneath the waves in some kind of glass globe. Experimentation with underwater craft continued in the 1500s through the 1700s.

U.S. Coast Guard officers board a vessel they say was carrying drugs meant for the U.S., off the coast of Costa Rica, earlier this month.

In more recent history, sub-like craft were first used militarily in the U.S. during the Revolutionary War. Modern diesel and battery-powered designs appeared during the two World Wars, and in 1954, the era of true submarines that can stay submerged for long periods emerged with the nuclear-powered USS Nautilus.

Hobbyists have been building homemade subs for years with the help of plans in magazines like Popular Mechanics and designs from men like former naval submarine captain George Kittredge, whom some hobbyists consider the founder of the homemade-sub craft. The advent of the Internet brought sub fans together and let them share designs and tips.

Enthusiasts liken their submarine-building work, which can cost $15,000 or more and take many years, to building an airplane or a boat from scratch. While it is possible to buy design plans, no catalogs exist for parts. Builders have to cook them up at home. For prices ranging from about $70,000 to $1 million or more, companies like U.S. Submarines Inc. and Netherlands-based U-Boat Worx offer ready-made submarines that are popular with yacht owners looking for another toy.

Some sub enthusiasts question why smugglers would use a submarine in the first place since subs are slow and must surface. "I could see somebody towing a submersible below a cargo ship," wrote one on the psubs.org Web site and electronic mailing list. George Slaterpryce, 28, a software engineer in Ocala, Fla., suggested that "a true smuggling submarine" would "have to be something that cruises at 60 feet or so (just deep enough not to be easily noticed)," be constructed of lightweight materials and powered by a relatively silent motor and have enough air for days of submersion.

Members of the Personal Submersibles Organization recognize that the submersibles they build are not technically submarines, according to some definitions. Most homemade-sub hobbyists build one- and two-passenger steel subs that resemble 10-foot- to 15-foot-long propane tanks in shape with view ports. These subs are called 1ATMs, or 1 atmosphere subs, because they, like military subs, maintain basically the same air pressure inside as at sea level. Depending on the design, 1ATMs can descend 350 feet or more, travel at speeds up to about five miles an hour and stay underwater for at least an hour.

Alec Smyth, 42, of Alexandria, Va., a director of client services at software company Compuware Corp., has two subs of his own, one that descends to 250 feet and the other, still in construction, to 700 feet. He says sub hobbyists have one thing in common: "We all watched way too many Cousteau movies as kids."

Absurd Reality: Drug Wars Rewriting The Rules In Mexico (DMN)

The Dallas Morning News, November 30, 2006

The news that popular banda musician Valentín Elizalde was gunned down Saturday in Mexico near the Reynosa fairgrounds stunned many residents on both sides of the border. The 27-year-old's black Suburban was sprayed with more than 70 bullets; also killed were his driver and manager – all just minutes after he performed at the annual fair.

Such is the surreal world of the Mexican drug trade, a world in which newspapers are silenced by gunfire and a drug cartel takes out advertising blaming its rivals for the mayhem.

The traffickers don't seem the least bit put off by increased federal efforts and more soldiers on the ground. After all, they've succeeded in pressuring newspapers to stop investigative coverage of cartels and to give little attention to drug-related violence. And when stories aren't reported in the Mexican press, it's even more difficult for the media in the U.S. to know what's really going on just across the border.

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Attacks against Mexican reporters are routine. In February, at least three masked gunmen barged into Nuevo Laredo's El Mañana newsroom and unloaded 30 rounds and a hand grenade, injuring the police reporter.

Reporting on the cartels may be scarce, but not so with advertising. Just days before Mr. Elizalde's death, The Family, a group believed to be associated with the Tamaulipas-based Gulf drug cartel, took out a half-page ad in Michoacán newspapers, blaming rival cartels for all the bloodshed.

Mr. Elizalde was himself no stranger to the drug world, with songs detailing the bloodshed of innocent lives and immortalizing one of Mexico's most notorious drug lords, Joaquín "El Chapo" Guzmán of the Sinaloa cartel, still on the run after his 2001 prison escape. Probably no coincidence that the singer was killed on rival Gulf cartel turf.

It's increasingly difficult to make sense of what's going on in Mexico, but the drug cartel exploits are certainly terrorizing top law enforcement officials. As one of them recently told a reporter from the San Antonio Express-News when questioned about the Elizalde death: "I don't want to say. I like my life too much. You should, too."

Colombian Intelligence Agency Leaked Information To Drug Traffickers (MHCA/MCT)

By Gerardo Reyes, McClatchy Newspapers

Monterey (CA) Herald, November 30, 2006

BOGOTA, Colombia - The former director of Colombia's FBI, known as DAS, ordered that information compromising agents of the U.S. Drug Enforcement Administration be leaked to drug traffickers, former DAS official Rafael Garcia has told government investigators.

Garcia, once chief of DAS' computer systems, confirmed to El Nuevo Herald in a telephone interview from prison that he has told Supreme Court investigators that Jorge Noguera ordered him to deliver the information to the traffickers.

"I carried the information in hard disks or in USB memory, per instructions from Noguera," said Garcia, who this month was sentenced to 18 years in prison for corruption.

Garcia has made several allegations against Noguera, who resigned from the DAS last year. Prosecutors are investigating Noguera, but he has been out of the country.

According to Garcia, he delivered the top-secret information to intermediaries for Rodrigo Tovar Pupo, an alleged trafficker and one of the top leaders of Colombia's illegal paramilitary groups.

Garcia said he specifically remembered delivering details of a vast operation being prepared by the DEA, together with Colombian antidrug agencies, to tap the telephones of drug traffickers.

He delivered the information from late 2002 until late 2004, Garcia said, when he was fired from the DAS on charges that he had deleted the records of drug traffickers from DAS computers.

While testifying before the Supreme Court, Garcia said that Noguera "almost made me feel that Colombian President Alvaro Uribe knew of and approved what we were doing," according to records.

Uribe has denied knowing of the alleged DAS corruption.

Noguera, who is now in the United States, last week declared through his lawyer that he does not have the financial means to return to Colombia to face the charges filed by prosecutors on the basis of Garcia's accusations.

TAX:

Another Galante Defendant Pleads Guilty (DANNT)

Danbury (CT) News Times, November 30, 2006

NEW HAVEN — A New York state woman who prosecutors said had a "no-show" job at Danbury's Automated Waste Disposal pled guilty Wednesday to one count of conspiring to defraud the Internal Revenue Service.

Her plea is the seventh taken by a federal judge in connection with an extensive racketeering case centering on Danbury trash magnate James Galante.

Anna Priskie, 45, of Cortland Manor, N.Y., accepted the plea deal in front of Senior U.S. District Judge Ellen Bree Burns.

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"The core of it is she admitted that for the period of 2000 through 2004 she received a modest salary from AWD, a company partially owned by her father, Thomas Milo, where she did not in fact perform the day-to-day job," said her lawyer J. Bruce Maffeo, of New York City.

Her father has also been indicted in connection with this case and his charges are pending.

Milo, Galante's silent partner, is alleged to be an associate of the Genovese organized crime family of La Cosa Nostra.

According to court records, from January 2000 through July 2005, Priskie received employee compensation and health insurance benefits from AWD, even though she provided no work to AWD or any related company.

Her family also received the free use of a Lexus during part of this time. While a no-show employee of AWD, Priskie falsely reported to the IRS that the $90,458.80 she received from AWD for the tax years 2000 through 2004 was earned income, according to government prosecutors.

Priskie also failed to report to the IRS the value of the health care benefits and the free use of the car.

She and 29 others were indicted in June in connection with the racketeering case centering on the garbage industry in Connecticut and New York state.

Her sentencing is set for Feb. 16. She faces up to five years in prison and a fine of up to $250,000.

Galante is charged with conspiring with other trash companies to carve out territories in the region where they would not compete for business. The indictment against Galante includes allegations of threats of violence, extortion, bribery and tax evasion.

Galante's case is still pending. He is at home under house arrest in New Fairfield.

CONGRESS-ADMINISTRATION:

Rep. Silvestre Reyes A Contender To Head House Intelligence Committee (MCT)

By Maria Recio

McClatchy Newspapers, November 30, 2006

WASHINGTON - Rep. Silvestre Reyes has an unusual pedigree for a member of Congress: He was a Border Patrol agent for 26 years before being elected in 1996.

Reyes, 62, can point to that law enforcement background, along with his work on defense, veterans and immigration issues, as the Texas Democrat emerges as the leading contender to become the chairman of the House Intelligence Committee.

"Silver," as the silver-haired El Pasoan is known, isn't campaigning for the post, a tactic that backfired on Florida Rep. Alcee Hastings, whom Speaker-elect Nancy Pelosi rejected as chairman Tuesday. The speaker handpicks the chairman of the committee.

But Reyes, who's served almost six years on the Intelligence Committee, definitely is interested. Reyes isn't talking now, but when McClatchy Newspapers asked him earlier this month whether he wanted the chairmanship, he said, "Of course. That would be a tremendous challenge that I would look forward to."

Rep. Jane Harman of California, the current ranking Democrat on the committee, also was passed over as chairman, making Reyes next in line.

Pelosi and Harman have a frosty relationship, and Harman bucked Pelosi by not aggressively opposing the Bush administration on Iraq.

Reyes has the backing of congressional Hispanics, which may quell the unhappiness of the Congressional Black Caucus over Hastings being denied the job. Congress removed Hastings as a federal judge in the late 1980s after he was accused of taking a bribe. He was acquitted of the bribery charges, and was elected to Congress in 1992.

"I am 100 percent behind Silvestre Reyes," said Democratic Rep. Charlie Gonzalez of Texas. "He's highly respected and everyone gets along very well with him, Democrats and Republicans, and I think that's what we're trying to achieve."

Reyes would be the only Hispanic chairman of a major committee. New York Rep. Nydia Velazquez is in line to become the chairman of the House Small Business Committee.

The Intelligence Committee job is highly visible and secretive at the same time. The committee oversees and approves the approximately $40 billion budget for all U.S. government intelligence programs. The chairman of the panel in a Democratic-majority House automatically becomes a counterpoint to the Bush administration over the unpopular Iraq war - and the intelligence used to justify it.

Reyes' background is a big factor in his favor.

"Reyes would be a good compromise candidate," said Loren Thompson, a national security expert at the Lexington Institute, a Virginia research center.

"Intelligence is a black art and a black science that is technical and has a human side," Thompson said. "This is very complicated specialized knowledge that very few people in Congress possess."

El Paso's regional military facilities include the Army's Fort Bliss, the White Sands Missile Range and Holloman Air Force Base.

Reyes, who retired as the sector chief of the Border Patrol in El Paso, was a supporter and helped secure funding for the Drug Enforcement Administration's El Paso Intelligence Center in his district. The center provides a multi-agency approach to fighting drug and border violations. It has more than 300 analysts and agents from 15 federal agencies.

Texas Republican Sen. Kay Bailey Hutchison has worked closely with Reyes on border and international issues.

"I think he would be an excellent choice," she said. "He knows the importance of intelligence, the use of intelligence and the need for confidentiality. I think he'd be a good fit."

The ability of the even-tempered Reyes to work with Republicans will help, as will his solid Democratic credentials.

"You need somebody who's a pretty capable operator at the nexus of partisanship and bipartisanship," said John Plebani, a lobbyist and former top House Democratic staffer.

Reyes has been looking forward to being in the majority for the first time since being elected. "All I've known is minority status," he said earlier this month.

Reyes is in line to be the chairman of the House Armed Services Committee's subcommittee on strategic forces. It's unclear whether he'd have to give up the subcommittee chairmanship under Democratic House rules.

Reyes' low-key style belies his reputation as a jokester and prankster. In one favorite tale told by staffers, lawmakers including Reyes and Rep. Solomon Ortiz, D-Texas, were at a party in the late 1990s at then-Vice President Al Gore's home. Gore spoke to the crowd and pointed out members he'd served with in Congress and greeted Ortiz "and his new wife." The divorced Ortiz was on a first date and turned several shades of red, staffers say, as he saw Reyes laughing in the corner.

Harman Still The Right Choice (LAT)

The Los Angeles Times, November 30, 2006

NANCY PELOSI HAS wisely decided not to appoint Rep. Alcee L. Hastings (D-Fla.), who as a federal judge was impeached and convicted by Congress in the 1980s, as chairman of the House Intelligence Committee. At a time when intelligence issues — including warrantless wiretapping by the National Security Agency — loom large on Congress' agenda, Hastings simply carried too much baggage.

Unfortunately, Pelosi has yet to bestow the chairmanship on the obvious alternative: her fellow Californian, Rep. Jane Harman of Venice, the current ranking Democrat on the Intelligence Committee. Instead, Pelosi is scrambling to find an alternative to Harman, even if it is someone with no recent experience on the panel.

Pelosi's problem with Harman is reminiscent of her ill-fated endorsement of Rep. John P. Murtha (D-Pa.) to be House majority leader. In both cases, her attitude seemed to be shaped by personal considerations — friendship with Murtha, rivalry with Harman — and tunnel vision induced by the war in Iraq. Pelosi voted against authorizing the use of force against Saddam Hussein, but Harman voted for it. (So did Murtha, before his reincarnation as a war critic.)

Whatever the explanation, Pelosi's reluctance to appoint Harman raises the question of whether the incoming speaker of the House is ready to be a national leader as well as a party boss. A boss' priority is to settle scores and reward supporters; a leader has higher obligations — especially now.

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In the case of the Intelligence Committee chairmanship, those obligations make the selection of Harman a no-brainer. Far from being a disqualification for the chairmanship, her eight years on the panel constitute the sort of institutional memory the 9/11 commission said was desirable.

Equally important, on one of the most pressing issues before the committee — NSA surveillance — Pelosi and Harman are on the same page. To her credit, Pelosi raised questions about the NSA wiretapping program after being briefed on it. Harman voted against a House bill that would have legalized the program without subjecting it to the warrant requirements of the Foreign Intelligence Surveillance Act. Moreover, the fact that Harman is a centrist who is respected by Republicans is an advantage, not a liability, in any effort by Democrats to rein in the NSA in a way that balances the real need for vigilance and the privacy of Americans.

Until this week, the biggest political obstacle to Harman's ascendancy was the bid by Hastings, the next most senior Democrat on the committee and an African American whose candidacy was popular in the Congressional Black Caucus. With Hastings no longer a factor, Pelosi faces a simple choice. Which will it be, Madame Speaker: leader or boss?

Senate G.O.P. Leader Adapts To An Unexpected Role (NYT)

By Carl Hulse

The New York Times, November 30, 2006

WASHINGTON, Nov. 29 — Senator Mitch McConnell, the Republican whip, had always planned to spend the days after the November elections preparing for a new leadership role. Now he is preparing for a role he had not planned on.

Mr. McConnell, a tough Kentucky legislative operator best known for intense opposition to the campaign finance changes enacted in 2002, saw his hope of becoming majority leader fall victim to an Election Day outcome that handed Senate control to the Democrats. So he is instead the incoming leader of the new Senate minority, albeit one who, with 49 votes in his pocket, will have the ability to block Democratic initiatives more or less at will.

"There will be nothing here they can do without some degree of cooperation from a very robust 49-vote minority," he said in an interview this week.

Despite his reputation for partisanship, Mr. McConnell said he accepted the judgment of a frustrated electorate, and expressed optimism for cooperating with Democrats, most quickly on an ethics overhaul. He also said the new sharing of government power could give the two parties an opening to take on some of the most difficult issues, including changes to Social Security.

"The question is, Are you going to work together and try to do good things for the country or not?" he said. "I would like to see us quit playing games with Social Security. They know and we know it is a huge problem. This is the kind of thing divided government might be able to conquer."

Given the divisiveness that has defined Washington in recent years, Mr. McConnell acknowledged that his overtures were likely to be met with some skepticism: is he being sincere or instead trying to lure Democrats into a political trap by getting them to agree to changes in an entitlement program enormously popular with their constituents?

Democrats, though cautious, say he deserves the benefit of the doubt.

"We want to work with them, and we hope they work with us," said Senator Charles E. Schumer of New York, who will be the No. 3 Senate Democrat in the new Congress. "You have to take an offer to sit down and discuss things on its face."

Mr. McConnell, first elected to the Senate in 1984, has been positioning himself for the role of Republican leader the last four years. When Senator Bill Frist of Tennessee took on the post in 2002 after the ouster of Senator Trent Lott of Mississippi, Mr. Frist had already indicated that he would leave Congress at the end of 2006. Almost immediately Mr. McConnell, as the No. 2 Republican, began working behind the scenes to sew up the top job. There was no opposition when his efforts resulted this month in his selection as leader.

Earlier, even as it became clear that Republicans would take significant losses in the elections, Mr. McConnell and his Republican colleagues fully expected to retain Senate control, and their demotion to minority status came as a jolt.

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Still, Mr. McConnell is in a pivotal spot. Not only will he be the nexus between his party and Senate Democrats, and between Senate and House Republicans, he will also be a main conduit between Congressional Republicans and President Bush, making him responsible for managing a relationship that has been altered and complicated by the election.

After working in near lockstep with the White House for six years, some Senate Republicans are unhappy with the administration, attributing much of the blame for their party's defeat to the president and his political strategists. In addition, Mr. Bush will not face the voters again, while Republicans will be trying to regain their majority in two years, making those on Capitol Hill more inclined to protect their own interests.

Lawmakers and others note that Mr. McConnell will most likely be more independent than his predecessor. Mr. Frist, who became Republican leader amid the turmoil of racially insensitive remarks by Mr. Lott and his subsequent resignation from the post, often struggled against the perception that the White House had in effect installed him in that role.

"Senator Frist came in during a very difficult situation," said Senator Robert F. Bennett of Utah, who will serve as a special adviser to Mr. McConnell. "Senator McConnell comes in with a long background of understanding how this place works and what he is going to have to do."

Mr. McConnell — whose wife, Labor Secretary Elaine L. Chao, will be the last remaining member of Mr. Bush's original cabinet upon the departure of Defense Secretary Donald H. Rumsfeld — said he did not foresee a major transformation in the relationship between Congressional Republicans and the White House.

"The president is personally popular with Republicans in the House and Senate," he said, "and we are generally philosophically in tune with the president."

But the senator also made clear where his first obligation resides: "I am a friend of the president, but I am a product of the Senate."

Mr. McConnell said that he would like to reach some early legislative agreements with Democrats and that he saw an increase in the minimum wage as one possibility, as long as it is tied to tax breaks for small businesses that would bear new costs. And he indicated a strong willingness to work with Democrats on changes in rules governing lobbying contacts, as well as new disclosure of earmarks — spending provisions inserted by individual lawmakers.

"We should have done it this year," he said. "I think it was a failure of the current Congress not to do that."

He also said he hoped both parties saw the new Congress as a chance to move beyond early legislative goals and find consensus on broad immigration policy and Social Security.

"If it is a little controversial," he said, "I would tell my Democratic friends, 'You can always blame it on President Bush if it makes you feel better.' "

Touch Screens? Vote Yes Or No (WSJ)

By June Kronholz

The Wall Street Journal, November 30, 2006

The election's over, but the debate about touch-screen voting isn't -- and is likely to get even louder when a new Congress takes office in January and the run-up to the 2008 contest begins.

The electoral system didn't fail under new voting equipment, concludes a report by electionline.org, a nonpartisan research group. But it also wasn't put to the test of a presidential election year, when turnout and tensions are higher, the group adds.

With 2008 on the horizon, the House seems likely to quickly pass a long-stalled bill that would tighten the security of touch-screen voting. California Sen. Dianne Feinstein, who will head the rules committee in the new Democratic-controlled Senate, has announced hearings on an identical measure.

That legislation would require that touch screens provide a paper record of each ballot and a random audit of a fraction of those records to verify that votes are being counted correctly. Seventeen states already use paper trails, and a dozen require random audits. But some of this month's closest elections -- including for House seats in Florida, Pennsylvania and Indiana -- were in states that don't use either.

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Both Sen. Feinstein and Rep. Rush Holt, the New Jersey Democrat who was author of the House bill, also would require voting-machine makers to disclose to a government commission the software code that records the ballots. Voting-machine vendors say the software is proprietary, and they already submit it to private labs for testing.

That has fanned suspicion among election activists and some technology experts, who want broader access to the software to test for security holes that they claim could leave it susceptible to hackers.

State legislatures are likely to wade into the voting-equipment debate when they convene in January. Some states, including Maryland and Colorado, are having second thoughts about their touch screens. Commissioners in Cuyahoga County, Ohio, yesterday said they are considering getting rid of their touch screens. Sarasota County, Fla., voters passed a referendum this month requiring the county to dump its touch screens and revert to paper ballots. That vote came in the same election where touch-screen problems may have affected the outcome of a congressional race.

And Georgia and Utah have funded research labs at their state universities to monitor voting-equipment standards and security -- areas where the federal government has been slow to act.

There are practical limits to most legislation, though. A paper-trail law probably wouldn't have prevented the Sarasota mishap, where about 18,000 voters apparently didn't notice that they hadn't voted in the House race, even though a summary page at the end of the ballot flagged their oversight. A paper record would have carried the same information and could also have been ignored.

Moreover, all but two states -- New York and Connecticut -- have spent their share of the $3.1 billion that the 2002 Help America Vote Act offered them to replace their old punch-card and lever voting machines, and make other electoral changes. Election Data Services, a political consulting firm that tracks election administration, says more than half of U.S. counties used the money for optical scan voting machines, which read a voter's marks on a paper ballot and have been largely trouble free.

About 36% of jurisdictions chose touch screens, which prompt a voter through an on-screen ballot, like an ATM. David Magelby, a Brigham Young University professor who ran exit polls on voter attitudes toward touch screens, says voters trust the equipment, but "it's a fragile trust." Because the machines weren't an issue in most of this year's close elections, many reports of touch-screen glitches attracted little attention.

States or counties that want to switch equipment will probably have to pay for it themselves. "If I were a county election official, I would not be budgeting any more federal money for voting equipment," says Douglas Chapin, director of electionline.org.

Congress might have to pay for any modifications it mandates, like printer attachments to collect backup paper records. Diebold Inc. of North Canton, Ohio, says its touch screens could be fitted with printers and the software that runs them for about $400 to $500 each. But any supplemental money is likely to be modest because of competing priorities, Democratic staffers predict.

With only a few buyers left in the market, the dozen-or-so voting-machine vendors are likely to consolidate, eventually leaving only three or four, says Doug Lewis of the Election Center, an association of election officials. They're also unlikely to devote time or resources on new touch-screen models if they expect few new sales.

Instead, Diebold will concentrate on new products, including an electronic poll book that replaces paper lists of voters' names, says Mark Radke, marketing manager for Diebold's election unit. Diebold also plans to begin marketing a "vote remote product" that it says verifies a voter's signature on an absentee ballot and a voting machine accessible to the disabled that casts a ballot when a voter puffs or draws air or toggles a switch with a foot.

Meanwhile, Congress is likely to go way beyond voting machines in debating changes in election procedures. Both the House and Senate are likely to consider rules that would allow each party to have poll watchers in voting places and that would prohibit state election chiefs from serving on political campaign committees. The latter rule, if in force in 2000, would have precluded Katherine Harris from simultaneously overseeing the Florida election recount and serving on President Bush's campaign committee.

Still smarting from close losses in the 2000 and 2004 presidential elections, the Democratic-controlled Congress also may push for changes in voter-registration and voter-ID laws. As it is, states set their own identification requirements, and this year, four

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passed laws requiring voters to present a photo ID. Different state or federal courts blocked those laws in Georgia and Missouri but let them stand in Arizona and Indiana.

Democrats generally feel they lose votes if voters have to produce a driver's license or other photo ID or must show identification with their current address. They could push for legislation that limits the kind of identification required in federal elections, Democratic staffers say.

Republicans generally favor tough ID laws because their voters typically move less often and have drivers' licenses that they can easily produce. Republicans would oppose any legislation that sets minimal identification requirements, which they say would encourage ineligible voters to cast ballots.

Any changes to voting laws or touch-screen regulations would need Republican support to pass, and that could stall or derail action. With the 2008 election expected to be as contentious as this year's, neither party will want to pass anything that could hurt its electoral chances, or help the other party.

Republicans Want Vote On Abortion Bill (AP)

By Laurie Kellman

AP, November 30, 2006

While they still can, House Republicans are looking at scheduling a vote next week on a fetal pain abortion bill in a parting shot at incoming majority Democrats and a last bid for loyalty from the GOP's base of social conservatives.

The measure is tentatively on House GOP leaders' list of bills to be considered in a lame-duck session before Democrats assume control of Congress. It has no chance of passing the Senate during the waning days of Republican control. But, with Democrats ascending to agenda-setting roles, passage isn't the point, said one conservative leader.

"Next year, the leadership of the House will be hardcore pro-abortion loyalists," said Douglas Johnson, legislative director of the National Right to Life Committee. "They will block votes on even modest pro-life measures like this one."

The vote would be the first on the measure, which was introduced in September and referred to a health subcommittee, where no action on it was taken. Johnson said his group wants a House vote to test support for the measure.

The bill, by Rep. Chris Smith, R-N.J., defines a 20-week-old fetus as a "pain-capable unborn child" — a highly controversial threshold among scientists. It also directs the Health and Human Service Department to develop a brochure stating "that there is substantial evidence that the process of being killed in an abortion will cause the unborn child pain."

Abortion providers would be required to inform the mothers that evidence exists that the procedure would cause pain to the child and offer the mothers anesthesia for the baby. The mothers would accept or reject the anesthesia by signing a form. The bill allows for an exception for certified medical emergencies.

When fetuses can feel pain — versus a reflexive drawing back from stimuli — has been the subject of heated debate. Researchers at the University of California, San Francisco last year reviewed dozens of studies and medical reports and said that fetuses likely are incapable of feeling pain until around the seventh month of pregnancy, when they are about 28 weeks old.

That report hardly settled the issue for Johnson's group. The legislation would enshrine other evidence that fetuses "would experience great pain during abortions by 20 weeks," the Right to Life Committee said in a letter this week to House members.

Hedging On Hedge Funds (NYT)

The New York Times, November 30, 2006

In October, a month after the Amaranth hedge fund lost $6.6 billion — the most ever by a hedge fund — Henry Paulson Jr., the Treasury secretary, spoke with Bloomberg News about the importance of “transparency” at hedge funds and “liquidity” in the system. His remarks were interpreted at the time as a warning, perhaps even a harbinger of more oversight.

What a difference a month makes.

In what was billed as a major economic address last week, Mr. Paulson devoted less than one-tenth of his speech to hedge funds, leaving the impression that he is basically satisfied with the regulatory status quo.

No one wants the Treasury secretary to be an alarmist. But other officials, notably at the Federal Reserve Bank of New York and the Securities and Exchange Commission, have gone further than merely acknowledging “potential risks” and pledging more “deliberations,” as Mr. Paulson did in his speech. Without pushing any panic buttons, they have broached the need for more

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collateral and better risk controls at banks that deal with hedge funds and greater oversight of hedge funds that solicit investments from pension plans.

Currently, some 9,000 hedge funds manage $1.3 trillion of investors' money and control trillions of dollars more through their use of loans and derivative financial tools. They invest in all major sectors and operate through banks and securities firms, affecting the economy as a whole. And yet, they remain largely beyond the reach of federal overseers, a holdover from the days when they were much less ubiquitous. In 1990, only a handful of hedge funds existed, and altogether they managed just $39 billion.

Opponents of regulation routinely note that hedge funds are indirectly supervised because the banks they do business with are regulated. According to that logic, banks guard against excesses by their hedge fund clients to protect themselves from losses and regulatory problems. That reasoning also assumes that bankers are free of conflicts that might impair their judgment. But as hedge funds have grown, banks have earned increasingly larger commissions, fees and trading profits from them, a development that could induce some bankers to err on the side of recklessness.

There's also an issue of practicality. As hedge funds become more numerous and complex, it is simply not feasible for banks to stay on top of their activities. And then there's the matter of responsibility. It's not a banker's job to protect the public interest. It's the job of regulators.

Mr. Paulson was right when he noted in his speech that the need for regulation must be balanced against the benefits of flexibility. But the challenge of striking a balance is beginning to sound like an excuse for delay. It's time to move the discussion beyond whether hedge funds require more regulation to how they should be regulated.

Not So Grand Bargain (WSJ)

The Wall Street Journal, November 30, 2006

The Bush Administration has been around long enough that by now we can smell a retreat in the making. To wit, the White House is getting ready to throw personal retirement accounts over the side in an attempt to cut a Social Security deal with the new Democratic Congress. Will a tax increase be the next concession?

President Bush has made no secret of his desire to claim some kind of Social Security deal as a legacy before he leaves office. Asked last week about possible negotiations, Treasury Secretary Hank Paulson declared there would be "no preconditions." Without quite admitting that personal accounts have to go, White House aides say dropping them is the price Democrats will demand even to discuss Social Security. While an attempt at bipartisanship is fine, the contents of the potential deal are worrisome. * * *

The evident White House hope is that, in return for this retreat on personal accounts, Democrats would agree to reduce the growth of future Social Security benefits. Specifically, that means some form of "progressive indexing" that Mr. Bush endorsed in a failed attempt to coax Democrats from their just-say-no Social Security strategy in 2005.

Promoted by financier Robert Pozen, "progressive indexing" would adjust future Social Security benefits according to a cost-of-living index. Currently, benefits rise each year based on the increase in average wages, which over time has meant about 1% a year faster than general price inflation. This wasn't part of Social Security's original plan but became law in 1977 as politicians sought to buy off the senior lobby by increasing benefits. This means retiree benefits will double in inflation-adjusted dollars by 2077 -- so changing to an inflation standard certainly makes fiscal sense.

The Pozen plan is also "means-tested," meaning that the wages standard would change to the inflation standard on a gradual basis as retiree incomes rise. Lower-income workers would see no change in their benefit formula. Estimates are that the Pozen plan would nonetheless save enough money to eliminate about 70% of Social Security's current unfunded future liabilities. The White House hope is that if Democrats agreed to "progressive indexing," they and the President could then declare a bipartisan political triumph of having "saved" Social Security. * * *

We endorsed the Pozen proposal last year, but that was when it was floated as a tradeoff for personal Social Security accounts. If those accounts are now off the table, then this kind of "grand bargain" is no bargain at all.

It is true that the Pozen plan would reduce future taxpayer liabilities on paper, but the key words are "on paper." No one can guarantee that future Congresses won't turn around and promise greater benefits once again as Congress did in 1977 and many

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other times over the years, even if the 110th Congress agrees to the Pozen formula. Al Gore used the temporary budget surplus as an excuse to promise more benefits as recently as the 2000 Presidential campaign.

More broadly, genuine Social Security reform is about more than federal accounting and "solvency." It ought to be about individual ownership and retirement independence. Personal accounts are a way to let younger workers -- especially lower-income workers -- put some of their payroll taxes into accounts that they would own and could grow over time. They would build wealth, and their future benefits wouldn't depend on the whims of future politicians. The Pozen plan by itself merely reduces their benefits and maintains Social Security as a cross-generational income transfer program.

As for "bipartisan" politics, Democrats cynically refused even to discuss Social Security reform last year, though they well know that benefits will soon start exceeding payroll tax revenues. Now that Democrats run Congress, they can reduce future benefits if they want to. But if they now want Republicans to give them political cover for doing so, at least the start of personal accounts should be part of the price.

There is also the issue of that 30% of future liabilities that would remain unfunded even under Pozen. Odds are that Democrats will pocket Mr. Bush's concession on private accounts and then move the goal posts. In return for even the modest Pozen reductions in benefit growth, they'll demand that Mr. Bush agree in the name of "fairness" to raise taxes too. And if Mr. Bush does that, his own political coalition will splinter like a tree hit by lightning. * * *

We wish we were confident that Mr. Bush will resist this temptation, but Presidents on a legacy hunt are hard to predict. The Beltway press corps and many of his own advisers will also be cheering him on. His former White House economic adviser, Lawrence Lindsey, warned on these pages recently that the White House is contemplating precisely this kind of deal.

On Social Security, Mr. Bush fought the good fight, only to be foiled by Democratic intransigence and troubles in Iraq that slashed his approval rating and thus his power to persuade. His achievement has been to offer a framework for reform that will be vindicated by some future President. He shouldn't tarnish that by signing onto one more temporary Washington fix that trades an immediate tax increase for the promise of future benefit cuts.

OTHER NEWS:

US Economic Growth Beats Forecasts (FT)

By Eoin Callan And Krishna Guha

Financial Times, November 30, 2006

The US economy grew at a rate of 2.2 per cent in the third quarter, faster than previously thought, while wage growth earlier this year was revised down on Wednesday, adding to evidence that the economy is on track for a soft landing.

This picture was reinforced by the latest Fed Beige Book survey of economic conditions, which offered little sign of a deterioration in the US economy during October and early November.

Most regional Fed districts “reported continued moderate growth.” In spite of “continuing softness in automobile and housing-related sales”, most districts said customer spending increased over the period.

Demand for services was seen as “healthy, according to most reports” while even manufacturing activity – which data suggests has seen some weakness – was “generally positive in most districts.”

The Beige Book highlighted continued pressure in the jobs market, with a number of districts continuing to report “that labour markets were tight, especially for high-skilled occupations.” Wage growth, though, was characterised as still “generally moderate.”

The improved estimate for third-quarter growth is significantly higher than the government’s initial estimate of 1.6 per cent annualised and well above Wall Street’s expectations of 1.8 per cent, though still lower than the 2.6 per cent growth in the second quarter.

The growth rate underlines the Federal Reserve’s optimistic view that the US economy is expanding at a moderate rate, in spite of the drag from a severe correction in housing.

The stronger growth estimate makes it more likely that the Fed will continue to keep interest rates on hold as it continues to monitor inflation, which remains “uncomfortably high” in the view of Ben Bernanke, chairman.

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Price pressures were fractionally more muted than previously thought in the third quarter, with the Fed's favoured measure – the core personal consumption expenditure deflator – easing to an annualised rate of 2.2 per cent from an earlier estimate of 2.3 per cent.

Wage and salary growth in the second quarter was much slower than previously thought, information that will partly ease Fed concerns about inflation pressures arising from the tight labour market.

The government statistics showed considerable strength in the business sector as commercial investment rose at a 10 per cent annual rate – higher than the previous estimate of 8.6 per cent – while corporate profits grew much faster than earlier estimates suggested with a rise in pre-tax earnings of 4.6 per cent to $46.3bn.

The housing sector remained one of the weakest, with investment in homes falling by 18 per cent during the quarter, the biggest decline in 15 years - in line with earlier estimates.

Separate data released on Wednesday showed that sales of new homes fell 3.2 per cent in October, while supplies of unsold houses remained stubbornly high, though new house prices ticked up. The biggest drop was in the North-East, where purchases fell 39 per cent from the previous month, according to the National Association of Realtors.

Haseeb Ahmed, an economist at JP Morgan Chase, was sanguine about the housing data, saying: "We would regard the trend over the past few months as essentially flat, consistent with what we have been seeing in mortgage applications for home purchase."

Economy's Growth Outpaces Predictions (WP)

By Nell Henderson

The Washington Post, November 30, 2006

The U.S. economy grew considerably faster than initially thought in the three months that ended in September, the government said yesterday in a report that underscores Federal Reserve fears about the risk of inflation.

The nation's gross domestic product, which is the value of all goods and services produced, rose at a 2.2 percent annual rate during the July-through-September quarter, the Commerce Department said. That was a modest growth rate, but it was significantly better than the department's initial estimate of 1.6 percent, which would have been the weakest pace in more than three years.

The new figures still show the economy has slowed this year, after expanding at a torrid 5.6 percent annual rate in the first three months and at a moderate 2.6 percent pace in the second quarter.

But the revised figures show an economy that continues to expand, not sputter toward a recession as many analysts had feared after seeing estimates of third-quarter growth. Consumers increased their spending at a faster rate in the third quarter than in the previous quarter, while business investment and exports also rose more briskly.

Those gains were enough to more than offset a steep plunge in home building. Spending on residential construction fell at an 18 percent annual rate, the fastest drop in 15 years and a slightly steeper decline than the Commerce Department's 17.4 percent estimate.

"The only reason the economy has slowed down is because of the housing markets," said Eugenio J. Alem?n, a senior economist with Wells Fargo Economics. "But that's it. There is no other sign the economy is weak."

Rather, Alem?n said, the Commerce Department report shows "the economy is doing better than the markets and some analysts are saying. The slowdown is there, but the sky is not falling."

That fits with Federal Reserve Chairman Ben S. Bernanke's remarks Tuesday indicating the central bank is more confident the economy is headed for a gentle slowdown that should cause inflation to fall without triggering too severe of a downturn.

Bernanke said Tuesday that he expected inflation to decline over the next year as the economy grows at a moderate pace. Analysts peg that at an annual rate of about 2.5 percent, or slightly less than the fastest speed at which experts believe the economy can expand over time without spurring inflation. Bernanke made it clear, however, that he continues to see inflation, not recession, as the biggest risk facing the economy.

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A separate Fed survey of regional conditions released yesterday concluded that the economy has kept to that pace in recent weeks. The report said most of the 12 Federal Reserve regional banks reported "moderate growth" in their districts since the preceding survey, in mid-October, despite continued weakness in housing-related industries.

Economic growth even picked up speed in the districts overseen by the Federal Reserve Bank of New York and the Fed Bank of Richmond, which serves the Washington area. The Richmond bank was also among several regional Fed banks that reported tight labor markets, particularly for workers with skills in finance, health care, engineering, legal services, oil field work and trucking.

The housing figures since September have been mixed. New-home sales fell 3.2 percent in October, the Commerce Department reported yesterday. But sales of previously owned homes, which account for most of the market, rose 0.5 percent last month, the National Association of Realtors said yesterday. Inventories of unsold homes keep climbing, while prices have fallen in many markets.

Meanwhile, consumers kept spending this month and last, benefiting from lower fuel prices, falling mortgage rates, low unemployment and rising incomes, according to the Fed regional survey and other recent retailers' reports.

The Commerce Department also gave the Fed some good news by slightly lowering its estimate of inflation in the third quarter. Consumer prices rose at a 2.4 percent annual rate, just below the 2.5 percent previously reported. After excluding volatile food and energy prices, core consumer prices rose 2.2 percent in the third quarter, compared with the estimated 2.3 percent.

Pace Of Economy's Growth Is Revised Upward (NYT)

By Jeremy W. Peters

The New York Times, November 30, 2006

The rough patch that the American economy hit in the third quarter was not quite as rough as the government first estimated.

New figures released yesterday by the Commerce Department showed that gross domestic product expanded at a 2.2 percent annual rate from July through September, notably more than the 1.6 percent reported last month.

But new signs surfaced yesterday suggesting the economy may be headed for a steeper decline during the rest of the year, with corporate inventories bulging and home sales deteriorating further.

Economists said that the slide in growth had still not bottomed out on its way down from the lofty 5.6 percent expansion in the first quarter.

"Things kind of tailed off in the third quarter, so you entered the fourth quarter without much momentum," said Joshua Shapiro, chief United States economist with MFR, an economic research firm. "We're not off to a great start."

A separate report from the Commerce Department yesterday said that sales of new homes dropped in October for the fifth time in 10 months, falling 3.2 percent from September. Compared with a year earlier, new home sales plunged 25.4 percent. It was the ninth consecutive month of year-over-year declines of more than 10 percent — the longest such string since 1991.

The housing sector, by far the biggest drag on growth in the third quarter, wilted at a slightly faster rate in the third quarter than the government initially reported. In all, the contraction in the housing market subtracted 1.16 percentage points from the annualized growth rate, compared with the 1.12 percentage points reported last month.

Two main factors led to the upward revision in the third-quarter figure: Americans purchased fewer goods from overseas than initially thought, and businesses added to their inventories more quickly.

On Wall Street yesterday, investors bid stocks upward on news of the stronger growth figures. The dollar, which has declined in recent days because of fears about the United States economy starting to slide, retraced some of its losses.

While increasing purchases by businesses bode well for the economy in the short term, they could drag down growth in the future if inventories pile up, economists said.

"A classic sign of an economy that's going to have trouble is an inventory accumulation," said David Kelly, an economist with Putnam Investments. "If companies don't sell as much stuff as they bought in one quarter, then they don't produce as much in the next quarter."

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One benefit of the slowing economy has been lower inflation. The revised G.D.P. report showed that the pressure from inflation also eased more than the government first estimated. A broad index of consumer prices rose at a 2.4 percent annual rate, compared with an initial estimate of 2.5 percent. And a gauge of inflation, closely watched by the Federal Reserve, that strips out volatile food and energy prices posted an annualized "core" rate of 2.2 percent, compared with 2.3 percent reported last month.

The figures were consistent with other recent economic reports that have showed price increases starting to slow recently. Yesterday the Federal Reserve released its beige book report, which said that most regions of the country saw prices moderate from the beginning of October through Nov. 20.

While the Fed has held rates steady since August, its members have repeatedly cautioned that any resurgence of inflationary pressure could prompt it to start raising them again. On Tuesday, the Fed chairman, Ben S. Bernanke, warned in a speech in New York that inflation remained "uncomfortably high," signaling that future rate increases have not been ruled out. He identified pressure from rising wages and income as a potential threat because employers could pass their rising labor costs onto customers.

Indeed, the beige book showed that wages were rising quickly in some parts of the country. It cited "more rapid" wage gains in the San Francisco district, especially for skilled workers in health care, finance and construction. And it noted that employers were "increasingly reliant" on hiring bonuses to recruit skilled workers. Similar patterns were reported in the New York district.

The beige book largely depicted an economy that was moderating as the slowdown in housing weakened overall economic growth. "Most districts cited declining sales and rising home inventories," the report said.

The situation seemed particularly bleak in the San Francisco district, where banks were beginning to report that some builders had been delinquent in repaying loans.

The unsold inventory of new homes continued to mount, according to the Commerce Department's report. There is now a seven-month supply on the market, compared with 6.7 months' worth in September.

Even so, median prices for new homes ticked up in October to $248,500, 1.9 percent higher than a year earlier. Economists attributed the price jump to regional variations, and said it was not an indication that prices had bottomed out.

"Mix and location of home sales is clearly impacting the overall median price," Stuart Hoffman, chief economist with PNC Financial, said in a research report.

Sales in the West, where houses are more expensive on average than elsewhere in the country, actually rose last month. It was the only region of the country where sales increased.

Fed Report Shows Economy Grew Modestly (USAT)

By Barbara Hagenbaugh And Sue Kirchhoff

USA Today, November 30, 2006

WASHINGTON — The economy grew moderately across much of the USA in October and November despite softness in housing and car sales, the Federal Reserve said Wednesday.

In its regular "beige book" report, an anecdotal look at the economy named for the color of its cover, the Fed said consumer spending had increased and labor markets remained tight, leading to some wage gains.

The beige book will be used by Federal Reserve policymakers when they next meet on Dec. 12 to discuss interest rates.

Investors in a market in which participants bet on future Fed moves predict the Fed will not change interest rates for the fourth-consecutive meeting next month. After raising interest rates 17 times over two years, the Fed's target for short-term interest rates is at 5.25%, the highest level in nearly six years.

Stocks Sustain Rally On Bright GDP Report (WSJ)

By Peter A. Mckay

The Wall Street Journal, November 30, 2006

A government report showing surprisingly strong economic growth helped stocks finish higher for a second straight day, as investors played down the possibility of higher interest rates.

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On the heels of Tuesday's 14.74-point gain, the Dow Jones Industrial Average jumped 90.28 points, or 0.7%, to 12226.73, up 14.1% on the year. The Standard & Poor's 500-stock index rose 0.9%, or 12.76 points, to 1399.48, up 12.1% on the year. The Nasdaq Composite Index gained 0.8%, or 19.62 points, to 2432.23, up 10.3% on the year.

The Commerce Department revised its earlier estimate of third-quarter gross domestic product -- essentially, the U.S. economy's bottom line. The agency said GDP grew 2.2% in the period, compared with its initial estimate of 1.6%.

Wall Street analysts had expected the new estimate to come in at 1.8%, a far more modest rise than what was announced. Some said the higher estimate lent credence to Federal Reserve Chairman Benjamin Bernanke's comments Tuesday that the threat of inflation remains so intense that the central bank's primary worry is whether to raise interest rates again to slow runaway price increases throughout the economy.

Although the prospect of another Fed rate increase generally makes investing pros jittery, in recent days many have embraced the idea that a steadily growing economy bolsters corporate profits and stock prices.

"There are certainly some risks ahead, but I think there's a lot of reason to feel good about the market right now," said Michael Cuggino, president and portfolio manager for the Permanent Portfolio Family of Funds. He said he believes the central bank could hold its key interest rate steady for as long as another 12 months. "There's nothing that says you have to go up or down," he said. "You can be neutral for a while."

On a downbeat note for stocks, crude-oil prices rose for a third straight day after weekly data from the Department of Energy showed a surprisingly large drawdown in U.S. energy inventories. Futures contracts for January delivery jumped $1.47, or 2.4% , to a two-month high of $62.46 a barrel, up 2.3% on the year at the New York Mercantile Exchange.

In major U.S. market action:

Stocks rose. Total trading volume for stocks listed on the New York Stock Exchange was 2.77 billion shares, as 2,665 stocks advanced, and 675 fell.

Bond prices fell: The 10-year note fell 5/32 point, or $1.56 for each $1,000 invested, pushing the yield up to 4.525%. The 30-year bond fell 10/32 to yield 4.614%.

The dollar strengthened. Against the Japanese currency, the dollar rose to 116.41 yen, compared with 116.09. The euro fell to $1.3146, compared with $1.3198.

Housing Slump Likely To Take Toll On 4th-Quarter Growth (WSJ)

By Rafael Gerena-morales

The Wall Street Journal, November 30, 2006

New-home sales fell in October, suggesting that the housing sector will continue to hamper economic growth in the fourth quarter at a time when business investment is also weakening.

Sales of single-family homes declined last month to a seasonally adjusted annual rate of 1.004 million, down 3.2% from September and 25.4% from a year earlier, the Commerce Department said yesterday. At the same time, the number of new homes on the market climbed to a seven-month supply, based on the current sales rate, up from a 6.7-month supply in September.

Analysts say the high inventories suggest that builders are likely to curtail new construction in the current quarter, which will further damp economic growth.

A separate report underscored the housing slump's toll on the economy. The Commerce Department said yesterday that the nation's economy grew at a seasonally adjusted annualized rate of 2.2% in the third quarter, up from its initial estimate of 1.6%.

The upward revision, which reflected a stronger-than-expected buildup in business inventories and slower-than-expected import growth, cheered investors, helping send the Dow Jones Industrial Average up 90.28 points to 12226.73 (See related article2).

However, residential fixed investment -- a component of gross domestic product that reflects the nation's spending on housing -- plunged 18% during the quarter, the sharpest drop in 15 years, shaving 1.16 percentage points off overall growth.

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"The drag from housing is going to get bigger," said Brian Bethune, U.S. economist at consulting firm Global Insight, who expects economic growth to slow to between 1.5% and 2% in the fourth quarter. "We're losing steam."

While most economists agree that the economy is cooling in the current quarter, as housing sales and construction activity decline, there is considerable debate about the extent of the slowdown. Earlier this week, Federal Reserve Chairman Ben Bernanke said that growth outside housing and autos remains "solid," and that the Fed is more inclined to raise short-term interest rates than to cut them.

That put Mr. Bernanke at odds with bond-market investors, who point to the cooling housing market, moderate consumer-spending gains and a recent report showing that business orders fell sharply in October as signs that the threat of inflation is easing.

David Seiders, chief economist at the National Association of Home Builders, said demand for homes appears to be stabilizing, a point that Mr. Bernanke made in explaining his upbeat view of the economy. Although new-home sales have slipped, Mr. Seiders notes that October's annualized sales rate of 1.004 million units was roughly equal to the 1.005 million average for the three months through September.

That suggests the housing market is "stabilizing when you consider the kind of downswings" occurring earlier this year, Mr. Seiders said. He expects new-home sales to level off at an annualized rate of roughly one million units in the fourth quarter and to "gradually improve" in 2007.

Although housing inventories rose last month, based on the current sales rate, the Commerce Department said that the median sales price of new homes climbed to $248,500, up nearly 14% from September. Mr. Seiders said home builders are showering buyers with sales incentives, such as paying $5,000 toward closing costs or upgrading amenities, which has helped some builders sell homes at high prices.

The Federal Reserve's latest survey of economic conditions, which was released yesterday, suggests that consumer spending is weathering the housing slump. "Despite continued softness in automobile and housing-related sales, most districts reported that consumer spending increased during October and early November," according to the Fed's "beige book," which added that the economy continues to experience "moderate growth." Labor markets remained tight, especially for the high-skilled, and wage growth was "generally moderate," the Fed said.

For now, other readings suggest inflation isn't flaring, despite signs of climbing wages. Excluding food and energy, inflation rose 2.2% in the third quarter, down from 2.7% in the second quarter, according to the personal-consumption expenditures index, the Commerce Department's inflation measure, which it updated yesterday.

Still, some economists said core inflation remains a problem, because its current level is above the Fed's perceived comfort zone of 1% to 2%. "It's good to see the inflation numbers down, but it's too early to declare victory," said Joel Naroff, chief economist at Naroff Economic Advisors. "While we may have passed the peak in inflation, it doesn't mean we're on a clear, downward slope as far as inflation goes."

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As Housing Goes, So Goes The US Economy? (CSM)

By Mark Trumbull

The Christian Science Monitor, November 30, 2006

Evidence keeps piling up that the housing sector, after fueling the American economy with its historic boom, is now in a recession.

Usually, housing downturns precede broader recessions in the whole economy. But this time, forecasters say that, for a range of reasons, the economy may continue on a path of growth.

The decline in home prices and sales volume has ripple effects, to be sure. Wednesday, the Commerce Department reported that the economy grew at a 2.2 percent annual pace in the quarter from July through September, a slower pace than earlier this year. A main reason was the slump in residential construction.

But housing and the rest of the economy may be traveling on divergent tracks. In 2001, the last time the nation was in recession, housing did well as home prices continued to climb. Now, the reverse appears to be occurring.

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"Typically in the past when housing fell into a recession so did the economy," says Ed Yardeni, chief economist at Oak Associates, an investment firm in Akron, Ohio. This time, "the rest of the economy is growing quite well.... There seems to be a certain amount of resilience."

Weathering the housing slump won't necessarily be easy.

This week, the median sales price of previously owned homes took its biggest tumble ever, falling 3.5 percent in October from the level one year ago to $221,000, according to the National Association of Realtors.

The housing slump hurts the economy in several ways.

There's lower construction spending, falling purchases of appliances, paint, and other home-related goods, and a negative "wealth effect" that affects consumer spending. As home prices dip, homeowners have less equity in their homes, or less money to spend.

Of the 13 occasions when residential construction turned negative on a year-over-year basis, recessions followed 10 times, according to research by the investment firm Merrill Lynch in New York.

Several factors, though, suggest that the current housing downturn may not drag the wider economy into recession:

• It usually takes more than just a housing contraction to cause an economy-wide recession. Although construction and home sales have often preceded past recessions, some other factors - a drop in government spending on defense, a jump in oil prices - have also contributed to a wider slump.

• The Federal Reserve is learning more about what it takes to guide the economy to a "soft landing." The Fed's goal is to remove inflationary pressures from the economy while not causing a recession by squeezing the credit environment too much.

As in the past, interest-rate hikes by the Fed over the past two years have cooled the housing market. The policymakers have stopped raising rates for now, watching to see whether they can thread the needle just right. Often past efforts have failed, but most economists think the Fed will avoid causing a recession this time.

• The market for home mortgages is very different than in 1990, when the last big housing crunch occurred. Now, when people get a mortgage, the loan generally doesn't stay with the bank that originated it. Instead, loans are packaged in bundles and sold to investors who reap the stream of monthly income from homeowners.

The upshot: The housing market's risk is diffused more widely, so banks face less pressure to cut back on lending during housing downturns.

"One of the important developments on the capital markets since the mid-1980s is securitization" of loans, Mr. Yardeni says. In this housing slump, banks are still lending, and their stocks are doing well on Wall Street.

• While the housing downturn is steep, its effects on consumers may be smaller than many fear. Surging home prices have added trillions of dollars in wealth to homeowners. That won't all be wiped away by a 3.5 percent decline in home values, or even by a 10 percent decline, which some forecasters say is possible.

Moreover, any negative "wealth effect" from home values promises to be offset by rising incomes. In the current job market, with unemployment near record lows, wages are on the rise. It's hard to know how long that pattern will continue, but it will help offset the impact of home prices.

"Income is 10 times more important than wealth" as driver of the economy, says Richard Berner, US economist at the investment house Morgan Stanley in New York.

That's a key reason he expects the economy to escape a recession next year.

"This isn't bulletproof," he says.

The risks are that the housing recession could fall deeper than analysts expect, or that energy prices could spike higher again.

Oil has edged back above $60 a barrel this week, trading close to $62 Wednesday morning. That's still well below its peak of around $75 a barrel this summer.

The stock market shows little worry of recession among investors. Stock prices rebounded Wednesday despite the rise in oil prices, with the Dow Jones Industrial Average well above 12,200 in morning trading.

In a speech this week, Federal Reserve chairman Ben Bernanke described a generally strong economy, where inflation was a greater concern for policymakers than the risk that the housing sector will put too much of a drag on economic growth.

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"Although residential construction continues to sag," he said, "some indications suggest that the rate of home purchase may be stabilizing, perhaps in response to modest declines in mortgage interest rates over the past few months and lower prices in some markets."

For both new and existing homes, the pattern this year has been of sales volume declining and prices weakening - but not necessarily every month. Wednesday for example, the government reported that new-home prices rose in October even as sales fell sharply.

Why Globalization Fans Must Win The Middle (WSJ)

By David Wessel

The Wall Street Journal, November 30, 2006

But will any of that boost wages of laid-off factory workers in the Midwest? Or make them more optimistic about their children's chances for jobs that buy middle-class lifestyles? And what are the political ramifications if Democrats, so quick to criticize Republicans for tolerating stagnant wages, fail to offer workers cause for hope?

Part of the Democratic answer is to share the fruits of U.S. prosperity more evenly. Reader response to last week's column, which detailed options in the Democratic playbook, proves that's not universally popular: Many think government ought not to concern itself with the gap between winners and losers in the economy. Some think restraining inequality is impractical; they argue tax increases on the rich retard economic growth. Others think it's just wrong.

Yet some prominent fans of globalization -- Treasury Secretary Henry Paulson and Federal Reserve Chairman Ben Bernanke among them -- warn that widening inequality threatens the political consensus for globalization, deregulation and flexible labor markets, all of which they deem essential to economic growth. To them, responding to inequality isn't ideological; it's pragmatic.

What would they do? Improve education, mostly. But, as former Treasury Secretary Lawrence Summers, himself a cheerleader for globalization, put it in an op-ed piece last month: "Education is central to any economic strategy, but there is a limit to what it can do for workers in their 40s and beyond. Nor can education be a complete answer at a time when skilled computer programmers in India are paid less than $2,000 a month.

"What the anxious global middle is told often feels like pretty thin gruel," he argues. "The twin arguments that globalization is inevitable and protectionism is counterproductive have the great virtue of being correct, but do not provide much consolation for the losers."

Which brings us to what's preoccupying Gene Sperling, a Democratic cabinet-secretary-in-waiting firmly in the pro-globalization wing of the party. Democrats, he says, must figure out what government can do to encourage business to create more middle-class jobs in the U.S.

Robert Reich, the former Clinton labor secretary, gives Democrats similar advice: "Instead of framing basic economic questions as whether to roll back Bush's tax cuts, make it about how to re-create good jobs at good wages and rebuild the middle class," he says.

But how? Mr. Reich recites a familiar list: trade policy, industrial policy -- government attempts to influence the flow of capital toward promising industries and companies -- antitrust, publicly financed research and development, and stronger trade unions.

Mr. Sperling is reaching for something that sounds, well, less like tired Democratic rhetoric. "One of the great challenges for 'pro-growth progressives' is coming up with a vision of where middle-class jobs are coming from that doesn't rely on 'industrial policy' or public works," he says.

Pro-growth conservatives have a clear vision: Cut taxes, discourage lawsuits, push government aside and let American entrepreneurial dynamism flourish. Mr. Sperling derides that "field of dreams" approach as sitting back and hoping good jobs will come. He argues that recent history shows that approach is insufficient.

His goal is easily expressed: Make the U.S. "a magnet for high-value job creation." But the available options are limited. On the substance, he says, "It's tough to say with confidence what will work because, given the global labor market, jobs will go to

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where the lowest wages" are. And the politics are hard, too. "It's very abstract for people who are suffering to say: 'We're going to double the National Institutes of Health budget.' "

This is, however, the big question hanging over the U.S. economy: What will assure Americans there will be good jobs for their kids? Answering that is key to Democrats for partisan reasons. But it's increasingly clear to champions of globalization from both parties -- those in government and those in business -- that unless they can answer it, they're handing a cudgel to those who think they can stop the further integration of the world economy.

'Fair Trade' Foolishness (WP)

By Robert J. Samuelson

The Washington Post, November 30, 2006

We may be about to shoot ourselves in the foot -- or maybe the chest -- on trade. In the name of "fair trade," we may punish our own exporters. In 2005 worldwide exports exceeded $10 trillion. Since 1980 they've more than tripled while the overall global economy doubled. Like it or not, massive international flows of goods and services (aka "globalization") underpin all modern economies. Supply chains have dispersed. We can accept this reality and try to benefit from it. Or we can rail against it. We seem to be edging toward railing.

Just last week Democratic congressional leaders signaled that they may oppose new trade agreements with Colombia and Peru. Who, if anyone, would benefit is unclear. As The Post reported, the agreements' darkened prospects have already led to layoffs in Colombia. In the United States, manufacturers believe the agreements would expand their exports. Peru's tariffs average about 10 percent, Colombia's about 11 percent, says Frank Vargo of the National Association of Manufacturers. Most of these would go to zero under the agreements.

We are dealing with something new here. It transcends traditional protectionism, which tries to shield specific industries and workers from imports. It's trade obstructionism: a reflexive reaction against almost any trade agreement. The idea is that much trade is inherently "unfair." Multinational companies use it to ship U.S. jobs abroad; other countries compete unfairly with low wages and substandard labor practices. (Indeed, lax labor standards are cited to oppose the Peruvian and Colombian agreements.) Vast U.S. trade deficits measure the destructiveness. If trade is so unfair, why encourage more of it?

Much of this indictment is wrong or wildly exaggerated. For example, American trade deficits haven't destroyed U.S. job creation by sending work abroad. Consider: From 1980 to 2006, the trade deficit jumped from $19 billion to an estimated $786 billion, or from less than 1 percent of gross domestic product to about 6 percent. Still, employment in the same period rose from 99 million to 145 million. Job creation defies the trade deficits, whose causes lie largely beyond our control and have little to do with "unfair" trade practices.

Faster economic growth in the United States than in many of our major trading partners has stunted our exports and increased our imports. Likewise, the dollar's role as the main global currency -- used for trade and international investment -- has kept its exchange rate high. Companies, individuals and governments hold on to dollars rather than selling. This makes U.S. exports more expensive and imports cheaper. To be sure, that puts U.S. factory workers and farmers at a disadvantage on world markets. The disadvantage is compounded when some countries (China) keep their currencies artificially undervalued. Inevitably, some jobs move abroad and some factories close because of import competition.

But there are also larger truths. One is that China's surging exports have (so far) come mostly at the expense of other Asian countries. Goods once shipped from Taiwan or Thailand now arrive from China. Another truth is that U.S. jobs are destroyed for many reasons -- new domestic competition, new technologies, changing consumer tastes, the business cycle. A remarkable statistic: Every three months, 7 million to 8 million U.S. jobs disappear and roughly an equal or greater number are created. Trade is a relatively minor factor in job loss.

It is, however, an easy scapegoat. It enables critics to blame foreigners and suggest a solution: restrict trade. "Economic change is disruptive," says economist Douglas Irwin of Dartmouth College. "If the cause is technology, you can't do much about it." Globalization becomes a convenient explanation for many economic discontents, from job insecurity to squeezed living standards.

Hence, trade obstructionism.

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The timing could not be worse. The U.S. economy is moving away from growth led by housing and consumer spending. American consumers have borrowed heavily, if not overborrowed. The Federal Reserve reports that household debt is a record 134 percent of household disposable income. As Americans curb their borrowing, consumer and home purchases are slowing. Something will have to replace that spending if the economy is to continue to expand. The obvious candidates are exports and investment (in factories, machinery) related to exports.

Some of this shift may occur naturally from a cheaper dollar and faster economic growth abroad. But it would be insane to hamper our export prospects -- exactly what trade obstructionism threatens. The world is quietly retreating from a multilateral trading system, in which all countries simultaneously reduce trade barriers. The latest multilateral trade talks (the Doha round) are suspended, perhaps permanently; meanwhile, there are now more than 200 country-to-country and regional trade agreements. The United States has 13. But to negotiate more of them, the president needs "trade promotion authority," and President Bush's expires in June.

If it's not renewed -- a good possibility -- the United States will in effect prevent itself from negotiating new trade agreements while other countries are busily doing so. The European Union is negotiating with India. The 10 members of the Association of Southeast Asian Nations are negotiating with Japan, South Korea and Australia. The hallmark of these agreements is that they discriminate against outsiders. So American exporters would face higher tariffs than many of their international competitors. "If we take ourselves out of the trade negotiation game, U.S. exporters will be the losers," says Gary Horlick, a leading trade lawyer.

The next Congress must decide whether it embraces the symbolism or the reality of trade. If it chooses symbolism, it will perversely harm many of the workers it's trying to help.

Half In New Health Plans Want To Switch, Poll Shows (WP)

By Christopher Lee

The Washington Post, November 30, 2006

People in a new kind of health plan that makes consumers pay for a bigger share of their care appear to be more cost-conscious than those in traditional plans, but half say they would switch if they had the chance, according to a survey released yesterday.

The survey of 1,389 people by the nonprofit Kaiser Family Foundation found that 71 percent of those in the new "consumer-directed health plans" said the policies prompted them to consider cost when seeking health care, compared with 49 percent of those with more traditional employer-sponsored coverage.

For instance, people in the new plans were more likely to ask about the cost of a doctor's visit and inquire about the availability of lower-cost alternatives in treatments and tests. More than half, 55 percent, who sought care said the new plans have changed their approach to using health care.

Such findings are in line with assertions by the Bush administration and other advocates who say that the new plans will check spiraling health-care spending by giving consumers a financial incentive to shop around for the best care at a reasonable price -- and to get only the care they need.

"It's a cultural shift," said Devon Herrick, a health economist at the National Center for Policy Analysis in Dallas. "When you go to Wal-Mart you don't have to ask about price -- it's right there next to the good or service you are buying. Health care is not there yet, but it's getting that way. This is the early stages. We have the incentives to get people more responsible and asking about price."

In contrast with other plans that typically require $15 or $20 co-payments for visits to the doctor, the new plans can require consumers to shell out hundreds or thousands of dollars of their own money for medications, physicians' services and hospital care before most coverage kicks in. The plans have high annual deductibles, but their premiums tend to be lower.

Some consumers complain that the new plans are confusing, and the Kaiser survey found that the plans are not without problems.

More than 60 percent of people in the plans said it is hard to find good information about the cost of doctors' services and hospital care; and about 50 percent said information on quality of care is hard to come by. Half of those enrolled in the plans said

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they would switch out if given the choice, compared with a third of those in traditional plans. And they were twice as likely as those in traditional plans to say that they went without care because of cost.

Gail Shearer, director of health policy analysis at Consumers Union, noted that the survey found that people in the new plans tend to be wealthier, healthier and more educated than their counterparts in traditional plans, and were more likely to be white.

"Instead of our health system moving towards one where we're all in this together, this type of option is leading to more splitting the population into different segments and, to me, that's an unhealthy thing," Shearer said. She added that poorer, sicker consumers could get left behind.

The new plans are often coupled with special accounts that allow consumers -- or employers on behalf of their workers -- to set aside tax-free dollars to pay for medical expenses, with any unused money rolling over into the following year. About 3 million people are enrolled in such plans this year, and experts expect that number to grow.

"The folks in the programs now are early adopters, pioneers," said Greg Scandlen, president of Consumers for Health Care Choices, a Hagerstown, Md.-based nonprofit group that favors the plans. "And they are really testing the waters, and I think they are already forcing a lot of change. . . . With any kind of new insurance plan it takes a while to figure out what it's all about."

Dem. Challenger Concedes In N.C. Race (AP)

By Tim Whitmire

AP, November 30, 2006

Democrat challenger Larry Kissell conceded defeat Wednesday to Rep. Robin Hayes, after the initial phase of a hand recount showed the result was not likely to change.

Kissell conceded even though only five of the 10 counties in the district had completed the hand recount of sample precincts that he requested. He picked up 2 votes, but would have needed a total of about 10 votes to trigger a full recount.

"After today's recounts, I offer Congressman Hayes a belated congratulation for his victory now that the votes have been counted," Kissell said in a statement. He also said he was starting his 2008 congressional bid immediately.

The race, which Hayes led by just 329 votes out of 121,523 cast following a machine recount last week, is one of the nation's last unresolved elections for a U.S. House seat.

In the other races, Democratic Rep. William Jefferson, the subject of an FBI bribery investigation, will face fellow Democrat Karen Carter in a Dec. 9 runoff in Louisiana. In Texas, GOP Rep. Henry Bonilla will face Democratic former Rep. Ciro Rodriguez in a Dec. 12 runoff.

In Florida, Democrat Christine Jennings has contested her election loss to Republican Vern Buchanan, whom state officials certified as the winner of a race to replace Rep. Katherine Harris.

In Ohio, a recount is under way in the race between Rep. Deborah Pryce and Democratic challenger Mary Jo Kilroy. Pryce won the race by 1,055 votes, but the margin was small enough to trigger an automatic recount.

Frist Abandons 2008 Presidential Bid (AP)

By David Espo

AP, November 30, 2006

Senate Majority Leader Bill Frist renounced a bid for the White House in 2008 on Wednesday, an early dropout from the most wide-open presidential race in decades.

"In the Bible, God tells us for everything there is a season, and for me, for now, this season of being an elected official has come to a close," said the Tennessee Republican, a surgeon before he entered politics in 1994.

While the first national convention delegates won't be chosen for more than a year, jockeying among potential presidential contenders is well under way.

Frist made his announcement as several potential GOP hopefuls were descending on Miami for the annual meeting of the Republican Governors' Association. Among them were Massachusetts Gov. Mitt Romney, outgoing head of the group, and Arkansas Gov. Mike Huckabee. Sen. John McCain, R-Ariz., planned private meetings with governors Thursday followed by a reception.

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The roster of potential candidates in both parties is long in the first White House campaign since 1928 in which neither an incumbent president nor vice president is in the early mix of candidates.

Frist's brief statement did not specify a reason for dropping out of a race he had eyed for more than a year, and had included trips to the key early states of Iowa and New Hampshire.

In a statement, he said he "will take a sabbatical from public life" and "return to my professional roots as a healer and to refocus my creative energies on innovative solutions to seemingly insurmountable challenges Americans face."

His decision capped a 12-year career in politics marked by a speedy rise but an uncertain tenure at the peak of Senate power.

He won his Senate seat in 1994 and pledged to serve no longer than two six-year terms.

His launching pad to national power was the chairmanship of the Senate GOP campaign committee, which gained seats under his direction in 2002. That, in turn, positioned him to become majority leader when Mississippi Sen. Trent Lott made racially insensitive comments after the election and was forced to step aside.

As majority leader, Frist worked to implement President Bush's agenda, from passage of tax cuts to confirmation of conservative judges. He played a significant role in legislation that overhauled Medicare and created a prescription drug benefit.

His politics and his medical training collided in 2005 in the case of Terri Schiavo, and he was widely criticized for pandering to religious conservatives by injecting himself into the debate over the brain-damaged woman. Doctors in the case said she was in a persistent vegetative state. Frist, in his office in the Capitol, viewed a videotape of her, then publicly questioned the diagnosis.

An autopsy later confirmed their judgment, not his.

Frist also remains under investigation by the Securities and Exchange Commission on insider trading charges in connection with the sale of shares in HCA (nyse: HCA - news - people) Inc. Frist's father and brother founded the firm and it formed the foundation of the senator's considerable personal wealth. He has vehemently denied any wrongdoing, although his hopes for a speedy end to the investigation have not materialized.

Also embarrassing was a disclosure by The Associated Press in August that Frist had not met the continuing medical education requirement needed to remain licensed, although he submitted paperwork to Tennessee officials indicating that he had. He quickly complied with the requirements and retained his license.

Apart from McCain, Huckabee and Romney, other potential GOP contenders for the White House include Sens. Sam Brownback of Kansas and Chuck Hagel of Nebraska, Gov. George Pataki of New York; Rep. Duncan Hunter of California; former Wisconsin Gov. Tommy Thompson and former New York Mayor Rudy Giuliani.

Democratic Sens. Hillary Rodham Clinton of New York and Barack Obama of Illinois are the best known nationally; outgoing Iowa Gov. Tom Vilsack will be first to formally declare his candidacy, on Thursday, in his home state.

Indiana Sen. Evan Bayh and former Sen. John Edwards are expected to run, and Gov. Bill Richardson of New Mexico may, as well.

Former Democratic Gov. Mark Warner of Virginia has announced he will not run for the presidency in 2008. Warner, like Frist, had begun putting in place a campaign organization to raise money and line up supporters in early caucus and primary states, as well as nationally.

Frist Announces He Won't Run For President In 2008 (LAT)

By Joel Havemann

The Los Angeles Times, November 30, 2006

WASHINGTON — Sen. Bill Frist of Tennessee announced Wednesday that he would not run for president in 2008, a decision that may boost support for other Republicans who have courted the party's social conservatives.

Frist had advanced the key bloc's agenda during the four years he was Senate majority leader. With his withdrawal, several potential GOP candidates will have less competition wooing those voters.

They include Massachusetts Gov. Mitt Romney, Sen. Sam Brownback of Kansas, Arkansas Gov. Mike Huckabee and former House Speaker Newt Gingrich of Georgia.

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At this early stage in the campaign, polls show Sen. John McCain of Arizona and former New York Mayor Rudolph W. Giuliani leading the pack for the Republican nomination. But Giuliani has a liberal record on issues such as abortion and gay rights. And many social conservatives are skeptical of McCain's commitment to their causes.

As a result, some are pushing the movement to coalesce behind another candidate.

Frist, who did not seek a third Senate term this year, had only mixed success in attracting social conservatives to his side.

Tom McClusky, vice president for government affairs of the Family Research Council, praised him for helping confirm two of President Bush's Supreme Court nominees, John G. Roberts Jr. and Samuel A. Alito Jr.

Frist also was instrumental in securing tougher penalties for violating broadcast decency laws and in prolonging the life of Terri Schiavo, a brain-damaged Florida woman who died last year after a court ordered that she be removed from life support systems.

"But it is doubtful that we would have supported him," McClusky said. The reason: Frist's support for embryonic stem cell research.

Frist, 54, long had been viewed as a likely 2008 presidential contender. But his fortunes faded as criticism mounted that he was ineffective in his Senate leadership post.

His role in the Schiavo controversy also appeared to hurt his standing, with polls showing that many voters questioned the government's intervention in the case. He was assailed for publicly questioning the diagnosis that Schiavo was in a vegetative state after he viewed a videotape of the woman.

Despite such setbacks, it was assumed in most political circles that he would focus on building a presidential campaign upon leaving the Senate.

Instead, in a statement released Wednesday, he said, "God tells us for everything there is a season, and for me, for now, this season of being an elected official has come to a close."

A renowned surgeon before he became a politician, Frist said he needed "a sabbatical from public life."

Those close to him said they expected him to return to the practice of medicine in some capacity.

"This is a heart surgeon, and he wants to go back and reenergize those parts of him," said David Winston, a Republican strategist who worked frequently with Frist.

Winston added, "Even as Senate majority leader, he would do heart operations on gorillas at the zoo."

Frist's associates also said his decision not to run for president had nothing to do with a Securities and Exchange Commission investigation of insider trading charges in connection with his sale of shares in HCA Inc., the hospital chain that his father helped found.

Frist has denied any wrongdoing in the matter, which has been under federal scrutiny for more than a year.

His decision came less than two months after former Virginia Gov. Mark Warner, a Democrat, surprised many in his party by announcing that he would not run for president. Warner said he was unwilling to make the family sacrifices demanded by a White House campaign.

The GOP race already had been reshaped by this year's midterm campaign. Six months ago, Sen. George Allen of Virginia was seen as a potential strong contender. But he stumbled as he sought reelection to the Senate, losing the race and effectively ending his presidential chances.

Frist Won't Seek Presidency In 2008 (TNN)

By Bill Theobald

Tennessean, November 29, 2006

Sen. Bill Frist, Republican majority leader from Tennessee, announced this morning that he will not be running for president in 2008.

"In the Bible, God tells us for everything there is a season, and for me, for now, this season of being an elected official has come to a close. I do not intend to run for president in 2008," Frist said in a statement released by his office.

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The announcement comes after Frist spent several years laying the groundwork for a presidential bid. Frist had spent much of the past two years visiting key presidential states, including Iowa, creating a field operation and raising money for national, state and local candidates in these states.

Frist said he and his wife, Karyn, "will take a sabbatical from public life. At this point a return to private life will allow me to return to my professional roots as a healer and to refocus my creative energies on innovative solutions to seemingly insurmountable challenges Americans face," Frist said.

The statement makes unclear Frist's plans for the future.

"Karyn and I will seek the best opportunity to serve," Frist said. "I may eventually return to what I've done for most of my adult life, heal through medicine and health.

"In the short term, I will resume my regular medical mission trips as a doctor around the world to serve those in poverty, in famine, and in civil war. I will continue to be a strong voice to fix what is broken in our health care system and to address the issues of clean water and public health globally. We will stay actively engaged in policy issues affecting the lives of Americans."

Frist, who retires this year after two six-year terms, struggled at times as majority leader to move legislation through the complex political processes of the Senate.

He took a further blow when Republicans lost control of both the House and Senate in the November election.

Tennessee Republicans praised Frist's role in state politics.

"It was absolutely unbelievable to have what was arguably the second-most powerful man in the world being so involved in state politics as he has been," said Ron Ramsey, Republican majority leader in the state Senate.

Ramsey said he is disappointed -- but not surprised -- by Frist's decision

"You can see a trend that when you become the majority leader in the U.S. Senate that you have to make tough decisions, and sometimes those aren't the decisions you have to make to run for president," he said.

Tennessee Republican Party Chairman Bob Davis said he doesn't think Frist's future in politics is over.

"I think it's more of a 'Let's take a rest,'" Davis said. "You know he's a young man, and he's got plenty of time if he wants to do something like this down the road, and the sky's the limit for Sen. Frist."

Frist Says He Does Not Intend To Run For President In 2008 (WP)

By Michael A. Fletcher

The Washington Post, November 30, 2006

Senate Majority Leader Bill Frist announced yesterday that he will not run for president in 2008, saying that he plans to "take a sabbatical from public life" and return to his Tennessee home and professional roots as a doctor.

Long viewed as a potentially formidable candidate for the GOP nomination, Frist seemed to be positioning himself for a presidential run earlier this year. He traveled to the early primary states of New Hampshire, Iowa and South Carolina to test the waters, and he used his political action committee to spread campaign contributions -- and sow goodwill -- among GOP candidates around the country. Meanwhile, he worked to cultivate an image as a staunch and thoughtful conservative.

But bruised by a series of political stumbles, Frist, 54, decided that now is not the time to run for higher office. "In the Bible, God tells us for everything there is a season, and for me, for now, this season of being an elected official has come to a close," he said in a written statement. "I do not intend to run for president in 2008."

Frist's decision creates an opening on the right flank of the GOP political spectrum, while still leaving a broad field of potential presidential candidates for 2008, which will mark the first time since 1952 that an incumbent president or vice president will not be vying for the nation's highest office.

His decision comes as part of an early winnowing of the field of potential presidential contenders. Former Virginia governor Mark R. Warner (D) said recently that he will not run, and two potential GOP candidates, Sens. George Allen (Va.) and Rick Santorum (Pa.), were defeated in their reelection bids earlier this month.

Frist, a pioneering heart-lung-transplant surgeon, never voted until age 36 and had no previous political experience when he was elected to the Senate in an upset in 1994. At the time, he promised to serve no longer than two terms, a vow he fulfilled when he decided not to run for reelection this year.

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"I said I'd come to the Senate with 20 years' experience in healing, spend 12 years serving in Washington, then go right back to Tennessee to live where I grew up," stated Frist, who was said by his staff to be unavailable for interviews. "I've never deviated from that commitment."

Frist's background as a surgeon, his frequent work in Washington health clinics and his repeated travels to Africa to care for needy patients seemed to give him an image that added an unusual dimension to his conservative politics.

"What facilitated his rapid rise among the ranks was the fact that he was and is a conservative but came across as a very common-sense, reasonable conservative," said Jim Dyke, a communications consultant who has worked for VOLPAC, Frist's political action committee. "People think differently about him than the trademark conservative."

But Frist began to lose some of that aura after a series of politically damaging events, including an on-going investigation by the Securities and Exchange Commission into allegations of insider trading in his sale of shares in HCA Inc., a hospital chain founded by his father and his brother. The sale was completed just weeks before the company issued an earnings estimate that fell short of analysts' expectations, causing a drop in HCA's stock price.

Frist has also faced questions about his role on the board of a charitable foundation that paid consulting fees to some of his close political allies.

Last year, Frist injected himself into the legislative drama over Terri Schiavo, the brain-damaged and bedridden Florida woman who died after her husband decided to have her feeding tube removed, despite congressional efforts to reverse his decision.

After viewing a videotape of the woman, Frist, a surgeon, publicly questioned the diagnosis that said Schiavo would never recover. That action was widely viewed as a sop to religious conservatives. An autopsy later proved Frist wrong.

Also, Frist has been drawn into caustic confrontations with Senate Democrats since being elevated to majority leader in 2002, reinforcing the view of him as an intense partisan. Although friends and colleagues say he never violated his principles, they note that the job of majority leader obscured what they say is Frist's true character. Moreover, he was politically weakened when Republicans lost control of both chambers of Congress in the midterm elections earlier this month.

"Being majority leader, you become defined more by the job than by who you are," Dyke said.

Frist was not specific about his future plans other than to say that he wants to return to Tennessee and "refocus my creative energies on innovative solutions to seemingly insurmountable challenges Americans face." In the short term, he said, he plans to resume his trips to impoverished corners of the world to "serve those in poverty, in famine and in civil war" as a doctor. He also said that he plans to advocate reforming the nation's health-care system.

"He is intellectually curious and has a lot of ideas that he wants to pursue, and that is hard to do if you are running for president," said Amy Call, a Frist spokeswoman. "He needed to reconnect with himself and his vision and ideas before going forward with a presidential race."

Frist's Exit Creates Void For Southern Republicans (WSJ)

By David Rogers

Wall Street Journal, November 30, 2006

Leaving a Republican void in the South, Senate Majority Leader Bill Frist announced he won't run for the White House in 2008 and plans to return to the medicine and health-care fields that helped launch his political career 12 years ago.

The Tennessee Republican said he wants a "sabbatical from public life," suggesting he could eventually return to politics. But in an interview with The Wall Street Journal, Mr. Frist said he first needs time to reconnect with himself before plunging into a presidential race so soon after leaving the Senate next month.

"It's a tough decision that I thought a lot about but in the final analysis, for right now, it doesn't feel right inside," he said. "There's that little bit of hesitation, and I'm afraid that hesitation will come across as a lack of passion."

For Republicans, Mr. Frist's departure underscores the absence of any major center-to-right Southern figure in the party's presidential field thus far. Virginia Sen. George Allen had been in position, but he lost his seat in November's elections. Among the remaining contenders, Arizona Sen. John McCain, Massachusetts Gov. Mitt Romney, and Rudolph Giuliani, the former New

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York City mayor, all are outsiders to the region and each could face problems reaching out to the Christian conservative voters who have been such a force behind President Bush.

Arkansas Gov. Mike Huckabee could try to fill the gap, and Newt Gingrich may emphasize his Georgia bona fides. "A candidate from the South brings a certain advantage," said Mr. Huckabee, who isn't expected to make any final decision until after leaving office in January. "For me it's a double benefit. I am from the South and a governor has an executive viewpoint compared to a senator with a legislative mindset."

In Florida, where the legislature is already talking about moving up the primary to give voters more say in picking presidential candidates, there is sure to be more speculation about the future of Gov. Jeb Bush, the president's brother.

"We all know small-state governors from the South can't win the presidency," joked Republican strategist Whit Ayres, who nonetheless cautioned about overstating the region's impact. But the idea of having no one in the field riles Southerners, who have long dominated Republican circles. "That won't cotton well down here," said David Hill, a Republican pollster from Texas. "Southerners will wake up one day and realize they don't have a horse in the race."

Having pledged to serve just two terms in the Senate, Mr. Frist, who was a heart surgeon before entering politics, planned to leave Washington this year and had begun building a presidential campaign structure in key states such as South Carolina, New Hampshire and Iowa. But after early successes in the Senate, he has taken a beating in the press in recent years, and at 54 years old, he seems to acknowledge he had lost some of his own identity.

"Starting fund raising for a presidential race in January really doesn't leave time to re-energize and be myself, a self stripped away a little by being majority leader," he said. "I really do need to re-energize in terms of who Bill Frist is."

Within the Senate, the man who could most gain from Mr. Frist's departure is Sen. Sam Brownback, a Kansas Republican with strong ties to social conservatives. But Mr. Brownback, who will soon make an announcement about his own presidential intentions, lacks the fund-raising ability of Mr. Frist and risks being more easily typecast as a product of the far right.

Mr. Frist's appeal, which he didn't always sustain, was as a more centrist figure. He is very much the product of two Southern families. His father, a more conservative Mississippi-born figure, rose to become a prominent Nashville doctor, while his more-liberal Methodist mother's intellectual curiosity had a lasting impact on her youngest son.

Instead of Iowa and New Hampshire this winter, Mr. Frist said he hopes to go back to medical missions in Africa, in which he spends several weeks at a time treating rural patients, sometimes with surgery. And though he has no firm plans in medicine yet, he said he hopes to pursue innovations in health insurance to try to address the lack of coverage for millions in the U.S.

"I really do think I would be the only person in the presidential campaign who would go to bed every night and get up in the morning worried about addressing health care," he said. "And from a global competitive standpoint, someone has to address it."

As a senator, his imprint on health-care policy has been significant. Mr. Frist was the Senate's single-biggest force behind the new Medicare prescription-drug benefit in 2003. With his active encouragement, Congress has nearly tripled U.S. funding since 2001 to fight the spread of infectious diseases overseas, including funds for AIDS and clean water, two Frist priorities. And as much as he irritated both sides in the debate over embryonic stem-cell research, he took some political risk by breaking with the White House and social conservatives to support a more aggressive approach to federal funding.

But in the four years as Senate majority leader, Mr. Frist never seemed to find his footing. He was both the youngest leader since Lyndon Johnson and one of the least prepared for the job. Even today, his restless intellect and awkward speaking style make him something of a mystery and frustration to his colleagues.

Early gains under Mr. Frist in the 2002 and 2004 elections were wiped away with the loss of the Senate this month. He has been hurt politically by his close association with the White House as well as HCA Inc., the Nashville hospital chain founded by his family and a source of much of his wealth.

After divesting himself of stock in the company in 2005, Mr. Frist found himself caught up in an SEC investigation of alleged insider trading. He has denied any wrongdoing and no charges have been brought against him by the SEC, but the investigation could have been fodder for opponents in a presidential campaign.

Even as he was testing the waters, Mr. Frist often appeared torn between public life and giving up medicine entirely. "I admire him enormously," said Mr. McCain, who amid all the sparring has maintained a personal relationship with Mr. Frist. "Anybody who flies to Africa in the summer and treats children is a wonderful person."

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Sen. Frist Will Not Run For President In 2008 (HILL)

By Elana Schor

The Hill, November 30, 2006

Senate Majority Leader Bill Frist (R-Tenn.), who will step down from his seat this month with an uneven record at the chamber's helm, announced Wednesday morning that he would forego a White House run to take a hiatus from politics.

Frist's decision comes as little surprise to Washington prognosticators who saw scant opportunities for Frist to overcome his lackluster showing in early straw polls.

"In the Bible, God tells us for everything there is a season, and my season of being an elected official has come to a close," Frist said in a statement released by his office. "I do not intend to run for president in 2008."

Frist ascended to the Senate's top-ranked post with the Bush administration's blessing in 2002, just two years into his second term, after then-majority leader Trent Lott (R-Miss.) became mired in controversy over a racially insensitive comment. Lott, who this month capped his political resurgence with a victory in the GOP whip race, acknowledged lingering resentment at Frist's move in his 2005 biography.

In his statement, Frist said he would adhere to his plan for two terms in the Senate followed by a return to his home state, where he will resume his medical practice and focus on humanitarian concerns through overseas medical missions.

"At this point a return to private life will allow me to return to my professional roots as a healer and to refocus my creative energies on creative solutions to seemingly insurmountable challenges Americans face," Frist said.

Frist's reign was marked by the tense standoff over the "nuclear option" to curb judicial filibusters as well as a focus on social issues highly prioritized by conservative groups, from lawmakers' intervention in the case of brain-damaged Floridian Terri Schiavo to contentious floor debates on banning gay-marriage and flag desecration. Frist had no experience as a committee chairman or appropriator before leading the Senate, causing some hiccups in his attempts to unite centrists and conservatives within the conference.

Despite his mixed success as majority leader, Frist leaves the Capitol with his seat safely in Republican hands. Sen.-elect Bob Corker (R-Tenn.), who lost a 1994 primary bid to Frist, staved off a strong challenge from Rep. Harold Ford Jr. (D-Tenn.) this month to become the only GOP victor among this cycle's contested Senate races.

Frist Will Not Seek Republican Presidential Nod (CQ)

By Rachel Kapochunas

Congressional Quarterly, November 30, 2006

Republican Sen. Bill Frist of Tennessee took his name out of the running for the 2008 presidential campaign, announcing Wednesday that he and his wife, Karyn, will be taking a “sabbatical from public life.”

The outgoing Senate majority leader’s decision comes after he received some blame for his party’s drubbing in this month’s midterm elections that saw Republicans lose six Senate seats, allowing Democrats to win a 51-seat majority — a feat once thought highly improbable.

“In the Bible, God tells us for everything there is a season, and for me, for now, this season of being an elected official has come to a close,” Frist said in a statement. “I do not intend to run for president in 2008.”

Frist’s decision to retire this year after two terms, combined with successful fundraising for his Volunteer Political Action Committee, signaled to many that he was setting the stage for a presidential bid.

Frist had promised to serve only two terms when he was first elected to the Senate in 1994 and now says he plans to return to the medical profession where he worked as a transplant surgeon.

“I will resume my regular medical mission trips as a doctor around the world to serve those in poverty, in famine, and in civil war,” said Frist, who added he will continue to advocate for overhauling health care as well as securing clean water and public health internationally.

Frist’s medical background put him in a controversial position during the congressional intervention into the case of Terri Schiavo, a Florida woman whose parents were challenging her husband’s wish to have her feeding tube removed because

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Schiavo was in a persistent vegetative state. Frist reviewed videotape and read court affidavits that led him to conclude Schiavo's diagnosis may not have been correct.

Schiavo died despite congressional intervention, but Frist's involvement earned him praise from conservative groups while others in the medical community questioned his actions.

While Frist has generally backed the Republican Party's conservative tenets, his leadership in the Senate has drawn harsh criticism from some quarters. In 2005, his plan to change Senate rules to stop Democratic filibusters of judicial nominees fell apart after the bipartisan "Gang of 14" thwarted his efforts.

House Republicans were infuriated in early 2003 when he moved forward with tax cut legislation that was not nearly as robust as conservatives had hoped.

Frist's Senate seat will be filled by Republican former Chattanooga City mayor Bob Corker, who bested Democratic Rep. Harold E. Ford Jr. of the Memphis-area 9th District.

Frist's announcement was not expected despite the fact he has been ranking below other contenders in national polls.

Quinnipiac University conducted its latest "thermometer reading" of national leaders the week following the Nov. 7 election. In that survey, Frist was ranked near the bottom of a list of 20 national figures, some with reported presidential aspirations: Republican former New York City mayor Rudolph Giuliani led the poll, followed by Democratic Sen. Barack Obama of Illinois and Republican Sen. John McCain of Arizona.

Jonathan Allen contributed to this report.

Frist Announces He'll Forgo A Run For The White House (NYT)

By Kate Zernike

The New York Times, November 29, 2006

Bill Frist of Tennessee, retiring from the Senate as majority leader, said Wednesday that he would not run for president in 2008.

Mr. Frist, a second-term Republican who had long been considering a race for the White House, said he would instead take a "sabbatical" from politics and focus on work related to health care.

"In the Bible," he said in a statement from Nashville, "God tells us for everything there is a season, and for me, for now, this season of being an elected official has come to a close."

Mr. Frist had acknowledged that any campaign for the presidency would be uphill. But his party's loss of the Senate majority in the elections this month, on his watch, would have made it all the more difficult.

The senator alienated some moderate voters last year with his push for federal intervention to maintain life support on Terri Schiavo, a brain-damaged Florida woman. A heart-lung transplant surgeon before he ran for the Senate, Mr. Frist said he had viewed a videotape of Ms. Schiavo and believed that she had not suffered irreversible damage, contrary to what her doctors and husband believed and to what tests later confirmed.

But Mr. Frist had also created problems for himself on the right, considered his natural constituency, with his support for legislation expanding federal financing of embryonic stem cell research, a measure that President Bush vetoed this summer.

Aides said Mr. Frist had relished the idea of running from behind. (He won his Senate seat 12 years ago in a long-shot race against Jim Sasser, a Democrat who himself had been in line to be majority leader.) But in the end, they said, he decided that he simply did not have the fire to run.

"He in his heart knew that if he did this he'd have to spend a year and a half on a campaign," said Amy Call, a spokeswoman for the senator. "He wanted to get back to something more basic."

Mr. Frist leapt to the leader's role with the help of the White House in 2002 when Senator Trent Lott of Mississippi resigned from the post under pressure after making racially charged remarks. He had known all along, associates said, that it would be hard to run for president from the Senate, and particularly from the leadership.

"It didn't work for Bob Dole, it didn't work for Howard Baker as minority leader," said Bob Stevenson, a former longtime aide to Mr. Frist. "It's very difficult to let yourself shine through, because you're leading other members of your party."

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Mr. Frist said in his statement that he would "return to my professional roots as a healer" and "refocus my creative energies on innovative solutions to seemingly insurmountable challenges Americans face."

"In the short term," he said, "I will resume my regular medical mission trips as a doctor around the world to serve those in poverty, in famine and in civil war. I will continue to be a strong voice to fix what is broken in our health care system and to address the issues of clean water and public health globally."

Though Democrats successfully campaigned this year on complaints that this had been a "do-nothing Congress," Mr. Frist's staff and supporters pushed back Wednesday against the idea that he had not been an effective majority leader. They issued a "fact sheet" that included a list of his accomplishments, among them legislation on energy, highway spending and bankruptcy and class-action reform, as well as the confirmation of two Supreme Court appointees.

"I think the leader gets high marks," said Senator Mitch McConnell of Kentucky, who has been Mr. Frist's No. 2 and will succeed him as Republican leader when the 110th Congress convenes in January.

If Mr. Frist's withdrawal has any effect on the race for the Republican presidential nomination, it is likely to be to clear more room for other candidates to run to the right. On Wednesday, he was praised by a leading Republican candidate, Senator John McCain of Arizona, who saluted his medical work in Africa "to improve the lives of those in poverty."

"We are lucky to have had Dr. Frist," Mr. McCain said, "as a principled leader, a true humanitarian and a respected colleague who worked every day to advance the causes most important to our nation."

GOP Plans Straw Poll Convention In Fla. (SPT)

By ADAM C. SMITH

St. Petersburg Times, November 30, 2006

MIAMI – Tired of playing second fiddle to the likes of Iowa and New Hampshire in picking presidential nominees,

Florida Republicans are positioning the Sunshine state to play a potentially huge role in the 2008 presidential race.

Not only are state legislative leaders working on moving Florida's primary to be one of the earliest in the country, but the state GOP is planning a straw vote convention for October 2007.

If the plan moves forward, next year the state would be crawling with Republican presidential contenders wooing 3,500 party activists in hopes of getting a big, early shot of momentum from America's biggest battleground state.

The state GOP has already blocked hundreds of rooms in Orlando for the non-binding "Presidency IV" gathering Oct. 17-20, hired a consultant to organize it, and briefed potential presidential candidates about an event that could cost the campaigns hundreds of thousands of dollars to organize for a strong showing.

"I'd certainly be comfortable with it,'' Arkansas Gov. Mike Huckabee, one of several potential Republican contenders for president, said Wednesday of the prospective early Florida popularity contest.

"Florida's a great state. It would be a great bellwether state, representative in many ways of a lot of different cultures and views from around the country.''

The nation watched as Florida Republicans held straw polls before the competitive 1980, 1988 and 1996 presidential primaries and Democrats held one in before the 1992 race.

In each unpredictable contest, delegates picked the country's eventual nominee – Ronald Reagan, George Bush, Bob Dole, and Bill Clinton, who credited the Florida contest with playing a crucial role in his winning the nomination.

The results are officially meaningless, but they play a big role in the crucial expectations game – who does surprisingly well or unexpectedly poorly — and campaigns work feverishly to win over delegates.

But frontrunners don't necessarily relish such events, because they have the most to lose.

So Republicans are closely watching how Governor-elect Charlie Crist handles the "Presidency IV" idea. While Crist has not endorsed anyone, he is widely seen as an ally of Sen.

John McCain, the presumed GOP frontrunner for 2008 and the only presidential prospect who endorsed Crist during his gubernatorial primary.

Crist did not respond to requests for comment Wednesday, and a spokeswoman said only that at this point, he's not focused on presidential politics.

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Florida Democrats aren't talking about a straw vote for the Democratic primary, but the GOP event would be even more influential than past straw polls if the Florida primary moves from March to January or February.

That move has bipartisan support in Tallahassee, though the national parties bar most states from holding primaries before the first week of February.

Florida could lose some delegates at their national convention if they buck the national parties, but the state still could be the first huge primary prize on the calendar – delivering more delegates than Iowa, New Hampshire and South Carolina combined.

Republican state House Speaker Marco Rubio has spearheaded the push for an early primary, and a spokeswoman for Senate President Ken Pruitt said he's on board too.

"Sen. Pruitt understands this is a priority of Speaker Rubio,'' spokeswoman Kathy Mears said of an early primary.

"He is very receptive to the idea and wants to be of assistance, and he believes this would be a good change for Florida."

As for the "Presidency IV" straw poll a state GOP spokesman Jeff Sadosky said no final decision has been made but the party has been working to lay the groundwork.

Critics say non-binding straw polls eat up vast energy and resources for what amounts to little more than a pointless popularity contest.

But supporters say they energize party faithful and also help raise big money. In 1996, candidates ponied up $100,000 to the state GOP for the privilege of participating in "Presidency III."

Republican consultant Sally Bradshaw of Tallahassee who has worked on prior straw polls in Florida and is working with the political action committee of Massachusetts Gov. Mitt Romney, said such events can help parties recruit grass roots volunteers and help parties start organizing early.

Famed Pastor Defends Invitation To Obama (AP)

By Nedra Pickler

AP, November 30, 2006

Famed pastor and best-selling author Rick Warren on Wednesday defended his invitation to Sen. Barack Obama to speak at his church despite objections from some evangelicals who oppose the Democrat's support for abortion rights.

Obama is one of nearly 60 speakers scheduled to address the second annual Global Summit on AIDS and the Church beginning Thursday at Warren's Saddleback Church in Lake Forest, Calif.

Obama, who is mulling a run for president, plans to take an HIV test during his appearance Friday and encourage others to do the same. The Illinois Democrat will be joined by a potential 2008 White House rival — Republican Sen. Sam Brownback of Kansas — and is urging unity to fight AIDS despite differences on other issues.

Conservative evangelical Rob Schenck, president of the National Clergy Council, e-mailed reporters Tuesday to protest the visit because of Obama's support of abortion rights. "Senator Obama's policies represent the antithesis of biblical ethics and morality, not to mention supreme American values," Schenck wrote.

Saddleback responded with a statement acknowledging "strong opposition" to Obama's participation. The church said participants were invited because of their knowledge of HIV/AIDS and that Warren, author of "The Purpose Driven Life," opposes Obama's position on abortion and other issues.

"Our goal has been to put people together who normally won't even speak to each other," the Saddleback statement said. "We do not expect all participants in the summit discussion to agree with all of our evangelical beliefs. However, the HIV/AIDS pandemic cannot be fought by evangelicals alone. It will take the cooperation of all — government, business, NGOs and the church."

Obama declined an interview request. But in a statement, he said while he respects differing views on abortion, he hopes for unity "to honor the entirety of Christ's teachings by working to eradicate the scourge of AIDS, poverty and other challenges we all can agree must be met.

"It is that spirit which has allowed me to work together — and pray together — with some of my conservative colleagues in the Senate to make progress on a range of key issues facing America," Obama's said.

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Brownback, who has close ties to conservative Christians, responded to the dispute with a statement also calling for unity. "To win the fight against AIDS we must each set aside our differences and join together as human beings from all political, religious, and nonreligious walks of life, fighting for the lives of people who are suffering and dying," he said.

Though still in his first term in the Senate, Obama has attracted national attention for his fresh face, commanding speaking style and compelling personal story. He also has encouraged liberals to engage in religious discourse and not leave the topic to conservatives to claim as their own.

While in California, Obama also plans a Friday night appearance on "The Tonight Show with Jay Leno" to promote his best-selling book, "The Audacity of Hope."

As part of his consideration for a presidential run, Obama will make his first political visit to New Hampshire on Dec. 10 for a celebration of the state Democratic Party's victories in the congressional, gubernatorial and legislative races.

Obama has traveled to Iowa, site of the leadoff presidential caucuses, but New Hampshire hasn't been on his itinerary.

The race for the 2008 Democratic nomination is considered wide open, and at least a dozen potential contenders are weighing formal bids, including front-runner Sen. Hillary Rodham Clinton of New York.

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On the Net:

Global Summit on AIDS and the Church: http://www.purposedriven.com

Church Is Urged To Disinvite Obama (WP)

By Alan Cooperman

The Washington Post, November 30, 2006

Antiabortion groups are assailing one of the nation's most influential evangelicals, the Rev. Rick Warren, for inviting Sen. Barack Obama (D-Ill.) to speak at a conference on HIV/AIDS at his Southern California megachurch this weekend.

In a statement, 18 antiabortion leaders called on Warren to rescind the invitation because Obama supports keeping abortion legal.

"You cannot fight one evil while justifying another," says the appeal, whose signers include Phyllis Schlafly of the Eagle Forum, Judie Brown of the American Life League and Tim Wildmon of the American Family Association.

Warren, author of the bestseller "The Purpose Driven Life," responded yesterday by asserting that he and his wife, Kay, are "staunchly pro-life" and "completely disagree" with Obama's position in favor of abortion rights.

Obama was one of 60 speakers invited to "share his views on AIDS, not abortion or any other issue," the Warrens said in a statement issued by their Saddleback Valley Community Church. They added that Obama and Sen. Sam Brownback (R-Kan.) will "present two different political perspectives" at the weekend "Summit on AIDS and the Church."

"Our goal has been to put people together who normally won't even speak to each other," the Warrens' statement said. "We do not expect all participants in the Summit discussion to agree with all of our Evangelical beliefs. However, the HIV/AIDS pandemic cannot be fought by Evangelicals alone. It will take the cooperation of all -- government, business, NGOs and the church."

A spokesman for Obama said he has no intention of withdrawing from the conference, where he is expected to take a public HIV test.

"While we will never see eye-to-eye on all issues, surely we can come together with one voice to honor the entirety of Christ's teachings by working to eradicate the scourge of AIDS, poverty and other challenges we all can agree must be met," a statement from the senator said.

Christian Conservatives Vs. AIDS (LAT)

The Los Angeles Times, November 30, 2006

OF ALL THE international forums and events to mark World AIDS Day on Friday, what may be the biggest will happen in an unlikely place: little Lake Forest, Calif., just north of Mission Viejo. Its coming signals a shift in political momentum as AIDS awareness is promoted not just by Hollywood celebrities and gay activists but by conservative evangelical Christians.

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The Rev. Rick Warren and his wife, Kay, will host their second annual summit on AIDS starting today. Warren, author of the bestselling book "The Purpose-Driven Life," is among the most influential evangelical leaders in the United States, and his summit will attract such politically diverse figures as Sens. Barack Obama (D-Ill.) and Sam Brownback (R-Kan.).

The focus on AIDS by evangelicals isn't new, but Warren is taking it to a new level. Though churches were initially and inexcusably silent on AIDS, attitudes began to shift as AIDS declined in the United States while growing in Africa. Pressure from his Christian base may have been a factor in President Bush's 2003 decision to start an initiative against AIDS, devoting $15 billion over five years to fight the disease. Now, Warren aims to increase church involvement.

All this religious intervention in the traditional province of doctors and scientists hasn't been entirely positive. Bush's anti-AIDS money comes with morality-based strings attached that infuriate secular health advocates. The most self-defeating is a directive forcing recipients to sign a statement that they will not use the money to aid any group that "does not have a policy explicitly opposing prostitution and sex trafficking."

This pledge has little practical effect; it doesn't prevent those who agree to it from treating sex workers for AIDS. But many potential recipients fear that it will, so they either stop working with prostitutes or decline U.S. funds.

About 7% of the AIDS initiative money, meanwhile, must be spent on abstinence programs. Though these programs may help lower AIDS rates, it's questionable whether they're more effective than other prevention methods such as distributing condoms. At any rate, U.S. bureaucrats should consider regional health needs before politics when setting funding formulas.

Yet these troublesome policy issues are also relatively minor. Bush and his Christian supporters seldom get the credit they deserve for their role in the global fight against AIDS. U.S. spending on the disease overseas has risen more than tenfold under Bush, while Christian groups have given unselfishly to the cause. Churches, in fact, run health clinics in much of rural Africa; without them, stemming AIDS would be all but impossible. So praise the Lord and pass the antiretrovirals.

More Muslims Gaining Political Ground (WP)

By Michelle Boorstein

The Washington Post, November 30, 2006

Since Gaithersburg software engineer Saqib Ali was elected to the Maryland House of Delegates this month, he has been flooded with calls and e-mails from across the country asking: How'd you do it?

The calls come from American Muslims like Ali, who, longtime political watchers and Muslim activists in the area say, is the first Muslim elected to a statewide -- or districtwide -- office in Maryland, Virginia or the District.

Although the 31-year-old made little of his faith during the campaign -- in fact, he bucked those who said he should put it on his campaign literature -- he is part of a concerted march of Muslims into civic and political life. His campaign was part of a push that began after Sept. 11, 2001, with worries about civil liberties and immigration policy and has blossomed this year.

Minnesota Democrat Keith Ellison became the first Muslim to be elected to Congress. In the D.C. area, eight Muslims ran for office in Maryland this year, significantly more than in previous years, although only Ali won. And initial polling data and anecdotal evidence suggest that significantly more Muslims in Virginia registered and voted this month than in previous elections.

According to data gathered by the Muslim American Society and the Virginia Muslim Political Action Committee, the number of Virginia Muslims who voted was up 13 percent from 2005. The vast majority of the estimated 51,000 Muslims who cast ballots in Virginia voted for Democrats.

There are no statistics from previous years on Muslim voters in Maryland, but according to a post-election poll done by the Muslim American Society and the Virginia Muslim Political Action Committee, there are about 50,000 Muslim voters in Maryland, three-quarters of whom voted Nov. 7. A large majority voted for Democrats, the groups' data show. The Virginia Muslim PAC is gathering voting data throughout the country.

Data collection on U.S. Muslims is relatively new and imprecise, and even estimates of the community's size range from 1 million to 7 million. However, the available data mirror what activists and scholars of U.S. Islam say is indicated in anecdotal evidence: Muslims are quickly moving into the public sphere.

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"It's very obvious that there is more involvement," said Zahid H. Bukhari, director of Georgetown University's Project MAPS, a long-term research project on American Muslims that estimates there are 1.5 million to 2 million registered American Muslim voters. "More Muslims are running for office; Islamic centers are becoming more of community centers; everybody is much more involved," Bukhari said.

Ali, whose parents were born in India and Pakistan, said he comes "from a family where they were always having political debates around the house, but then I found out that among all these family members who had all these grand ideas, none of them ever voted. There was a sense that, 'I don't like the way things are, but there's nothing I can do about it.' I thought: I'm going to show these people."

Starting in January, Ali will represent District 39, a horseshoe-shaped swath of land in Montgomery County. The area has a growing community of newly arrived South Asians and Latinos, and Ali said he focused on courting immigrants during his campaign in part because he thought they might not have voted before. He supports driver's licenses for residents regardless of their immigration status and in-state tuition for people who graduate from Maryland high schools; he opposes provisions of the federal Patriot Act.

"His pro-immigrant priorities completely jumped off the map for us," said Kim Propeack, advocacy director at CASA of Maryland, an immigrant rights group. "When I met him, I told him how happy I was to see someone with an unabashedly pro-immigrant attitude."

Ali did not talk much about his faith, however, which bothered some Muslims and non-Muslims, he said.

"I'm not hiding anything, but it didn't seem relevant. It doesn't make sense; no one advertises their church," he said.

In fact, candidates for public office often make faith part of their political identities. Maryland candidates Michael S. Steele, Douglas M. Duncan and Benjamin L. Cardin all spoke about their religious beliefs during their campaigns.

But running as a Muslim has its challenges. A Montgomery man was given a police warning during the campaign after he sat outside Ali's home with a sign saying "Islam sucks."

Amaney Jamal, a Princeton University political scientist who is working with the Pew Research Center on a survey of American Muslims, said that although civic engagement has been increasing, there has been a shift in focus from influencing Middle East policy to strengthening domestic institutions.

Muslim donors gave approximately $200,000 to Virginia candidates, up from $40,000 in 2002, said Mukit Hossain, director of the Virginia Muslim Political Action Committee.

Attendance at Muslim-oriented political events was also up, activists said. More than 600 people attended the Virginia Muslim Civic Picnic this summer, an event held for state candidates that has grown since it began in 2001. About 1,300 people attended a candidates' night a few weeks before the election at Falls Church mosque Dar Al Hijrah, Hossain said.

And last December, the Maryland Muslim Council formed to help field and promote candidates, among other things. Since the election, Hossain said, he has received phone calls from Richmond, Harrisonburg and Fredericksburg, as well as from other states where Muslims want to know how to form local political action committees.

"In this election, we saw a level of mobilization and engagement of Muslims that has never happened before," said Ibrahim Ramey, director of the Muslim American Society's human and civil rights division, at a news conference after the Nov. 7 election.

Activists at the news conference said they were celebrating the high turnout and the fact that Muslims apparently influenced a key election with national implications: James Webb's successful Democratic bid for the U.S. Senate seat from Virginia. The partisan leanings also were clear from the Webb lapel pin that Hossain wore.

Now that Muslims are starting to figure out how to turn out their vote, the horizon is becoming more complex. Heated debates are beginning over how prominent a role mosques will play in organizing people, whether Muslims will focus on civil liberties to the exclusion of social and economic issues, and whether they will remain a Democratic bloc, as they have since 2004.

"I don't want us to become overly dogmatic and introverted or to become a ghetto, as has happened in European countries," Hossain said. "I think the Muslim community can do a great job of bringing focus to social issues, whether they belong to the Muslim community or not. I hope, as we mature, we become a progressive force for other issues, not just civil liberties."

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Since Ali won his race, he has been busy answering those requests for advice. "What I tell them is, know your community well, work hard and don't be a one-issue candidate," he said. "And don't let anyone paint you as 'the Muslim candidate.' "

Honey, I Shrunk The GOP (WSJ)

By Vincent J. Cannato

The Wall Street Journal, November 30, 2006

ALBANY, N.Y. -- The recent midterm election was bad news for Republicans, but it was even worse for New York Republicans. The GOP lost all three statewide offices by wide margins; its gubernatorial candidate did not even break 30%. Its sacrificial lamb for Senate did only slightly better, and representation in the state's 29-seat congressional delegation fell from nine to six seats. The most prominent state Republican is New York Mayor Michael Bloomberg, a former Democrat who, shall we say, wears his party affiliation lightly.

What a contrast with 1994, when George Pataki, a little-known Republican legislator, defeated three-term incumbent Gov. Mario Cuomo, one of the nation's leading liberal voices. Mr. Pataki, a social moderate and a fiscal conservative, rode into office on that year's Republican wave.

New York City's first Republican mayor in 30 years, Rudolph Giuliani, had strangely endorsed and campaigned for Mr. Cuomo. At the time, the move looked like political suicide. It is 12 years later and both Messrs. Giuliani and Pataki are making noises about running for president. Given the events of 1994, it is hard to believe that Mr. Giuliani is leading in some polls for the Republican nomination, while Mr. Pataki's ambitions are stuck in the low single digits.

What happened? In many ways, the open pit in Lower Manhattan is a depressing symbol of the Pataki years: That five years after 9/11 Ground Zero is still unbuilt is a sad testament to the political paralysis currently afflicting New York. This inability to provide leadership was coupled with an inability to change fundamentally the way business is done in Albany, reform the state's political culture and revive its economy. Mr. Pataki's tenure has too often been marked by a sleepy indifference to public policy and governance. And that has cost Republicans dearly.

Early in his first term, Mr. Pataki did cut income taxes and institute spending control. But as time passed, so did fiscal discipline. Today, the state's fiscal health and its overall economy are not much better than when Mario Cuomo left office. Spending has nearly doubled in the Pataki years, well above the rate of inflation. To support that spending, New York has the highest state and local tax burden of any state in the nation.

This has done little to spur economic growth. Since 1990 New York has consistently lagged behind the rest of the country in job creation. In the last 10 years, it ranked 41st among states in private-sector job growth. It still has not gained back all of the jobs it lost in the 2001 recession.

With high taxes and weak job prospects, the state's population is only barely growing. While New York City and its suburbs are muddling through, upstate New York is really being affected. Since 1990, a weak upstate economy has meant a decline of more than 25% in the population of 25- to 34-year-olds, as young, educated people flee for the South and West.

New York is now the nation's third largest state and is destined to fall to fourth soon as Florida's population continues to boom. While New York's population grew by 5.5% in the 1990s, Florida's increased by a whopping 23.5%, a trend that has kept pace in the last five years. If demography is destiny, New York will continue to see its political influence wane on the national scene. It has already lost almost a quarter of its congressional seats to reapportionment since 1980.

Mr. Pataki and Albany Republicans have been powerless to do anything about this. Though the governor's school tax relief program has helped reduce the property tax burden for some, it has failed to rein in local school spending, and overall property tax rates continue to climb. Meanwhile, Mr. Pataki's blatant attempt in his 2002 campaign to win the endorsement of Dennis Rivera -- the head of the leftward health-care workers union -- will cost New York taxpayers for years to come.

None of this amounts to fiscal conservatism and Mr. Pataki will have a difficult time explaining his record to Republican presidential primary voters if he chooses to run. His odds of becoming the fifth New Yorker to make it to the White House are very long indeed.

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The New York Republican Party is at its lowest point in decades. The title of a new book by Conservative Party stalwart and former Pataki appointee George Marlin says it all: "Squandered Opportunities." The phrase aptly sums up not only the Pataki years, but also the fortunes of Republicans in Washington, for whom Mr. Pataki's governorship provides useful lessons.

Though the Iraq war and President Bush's low approval ratings helped drag down the party, there was something deeper going on. Republicans grew too comfortable with power and in so doing often forgot why they were elected in the first place. What happens when a party, whose central philosophical principle is that of limited government and the attendant preference for the free market over state bureaucracy, takes the reins of power? Unfortunately, we now have a good idea what the answer is. With few exceptions, we have gotten bigger government and more spending, and few reforms of already existing programs.

This kind of dissonance between the ideological beliefs of the Republicans and the way they govern has been a big reason for the morass in which the GOP now finds itself. If Republicans hope to succeed in New York and elsewhere, they need to figure out what a governing conservatism should look like.

They are either going to have to find a way to make their rhetoric match their actions or they are going to have to retool their ideological message. The party's future political success will depend on how its members reconcile their attitudes toward government with their desire to stay in office.

Mr. Cannato, a professor of history at the University of Massachusetts, Boston, is author of "The Ungovernable City: John Lindsay and his Struggle to Save New York" (Basic, 2001).

Waiting To Be Wooed (NYT)

By David Brooks

The New York Times, November 30, 2006

I've never been a swing voter before. For most of my adult life I've felt the Republicans tended to have the best approaches to expand economic opportunity, meet foreign threats and restore a culture of personal responsibility. But over the past few years I've grown estranged from many Republicans, especially the ones leading the House. I'm one of those suburbanites who thought the G.O.P. deserved to lose the last election, and now I find myself floating out there in independent-land, not a Democrat, just looking for something new.

It's like being the belle of the ball, because the Republicans really need to woo back people like me. I hope they won't mind if I offer a little advice on how to do it.

First, don't listen to your consultants. Over the next few months, pollsters are going to pick out the key demographic groups (left-handed Catholic orthopedists) and offer advice on how to kiss up to those people. Majorities are never built that way. You end up proposing inconsequential micropolicies and selling your soul.

Don't focus on groups, focus on problems. If you have persuasive proposals to address big problems, the majority coalition will build itself.

Second, be policy-centric, not philosophy-centric. American conservatism grew up out of power and has always placed great emphasis on doctrine. Today, in the wake of this month's defeat, Republicans are firing up the old debate among social conservatives, free-market conservatives and others about the proper role of the state. This stale, abstract debate will never lead anywhere and only inhibits creative thinking.

The Republican weakness is not a lack of grand principles, it's a lack of concrete policies commensurate with the size of 21st-century problems. If they would shelve the doctrinal debate for a second, Republicans — while not doing violence to their belief in the market, traditional values or anything else — could find plenty of policy ideas to deal with China and India, the entitlement crisis and so on.

Third, create a Republican Leadership Council. In the realm of ideas, Democrats own the center. Moderate Democrats have the Democratic Leadership Council, the Third Way and various cells within the Brookings Institution, such as the Hamilton Project. Republican moderates are intellectual weaklings. They have no independent identity, so it's no wonder centrist voters prefer Democrats on one domestic issue after another.

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Fourth, support stem cell research. This has become a symbolic issue denoting fundamental attitudes about science and progress. Moderates can understand why somebody is anti-abortion. But opposing stem cell work seems to close off research that could alleviate human suffering for the sake of a theoretical abstraction.

Fifth, support free trade, while responding to the downside of globalization. When the industrial age kicked in, many European nations built an elaborate welfare state, but didn't aggressively expand educational opportunity. Americans didn't build as big a welfare system, but, as the blogger Reihan Salam pointed out recently, we spent a lot on schools to foster social mobility.

The American way is to help people compete, not shield them from competition. Today that means nurturing stable families in which children can develop the social and cultural capital they need to thrive. (A significant expansion of the child tax credit would ease the burden on young parents.) It means publicly funded, though not necessarily publicly run, preschool programs in which children from disorganized homes can learn how to learn. It means radical school reform: performance pay for teachers, an end to the stupid certification rules, urban boarding schools where educators can set up local cultures of achievement, locally run neighborhood child centers to service an array of health and day-care needs.

Sixth, spread assets. Every citizen, from birth, should have an I.R.A.-type savings account. The tax code should encourage personal and employer contributions. These accounts would enhance savings and encourage an investor mentality, and once Americans became comfortable with them, they could be used as tools to reform Social Security and health care funding.

Seventh, raise taxes on carbon emissions and use the revenue to make the tax cuts on capital gains and dividends permanent. This would spur energy innovation and encourage investment more generally.

Over the past few years, the G.O.P. has become like a company with a great mission statement, but no domestic policy products to sell. Now's the time to get granular. And the thing to remember is, we disaffected voters are easy. We want to go home with you if you'll give us a reason.

A Veteran Moderate Moves On (WP)

By David S. Broder

The Washington Post, November 30, 2006

The House of Representatives wastes no sympathy on defeated members. So at the beginning of this week, Jim Leach of Iowa sat in an office almost devoid of furniture, the walls stripped bare of the mementos of his 30 years of service -- with just a few hours remaining before the painters moved in to prepare his domain for its new occupant.

Leach, who once was chairman of the Banking and Financial Services Committee, would have been in line to head the Committee on International Relations in the next Congress, had Republicans maintained their majority and had he been reelected.

But he lost, 51 percent to 48 percent, to college professor David Loebsack, as Democrats won top-to-bottom victories in Iowa this month.

Leach, noted for his independence, was the only Iowa legislator to oppose going to war in Iraq. That kind of record helped him prevail in past races despite his heavily Democratic district, which gave a higher percentage of its presidential vote to John Kerry than any other district held by a Republican.

But this year two special factors helped tip the balance against him. First, he became a target for crafting the Unlawful Internet Gambling Enforcement Act, which passed Congress as part of a larger bill in October and was signed into law just before the election.

The Poker Players Alliance, which had fought the measure banning banks and credit card companies from servicing Internet gambling firms, targeted Leach and other sponsors with e-mails to its members and publicity in poker magazines. A post-election survey paid for by the gambling group found a net 5-point swing against Leach attributable to that issue.

John Pappas, the spokesman for the alliance, said it is putting together a presentation for the new members of Congress using Leach's experience to show that "this issue is not a winner for them; in fact, the main proponent was hurt by it." The alliance wants poker exempted from the Internet gambling ban or the ban lifted in favor of government regulation and taxation.

In addition, the Christian Coalition criticized Leach for his support of embryonic stem cell research and for his insistence that the national GOP drop a planned mailing attacking Loebsack on the issue of gay marriage.

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"But the big force," Leach said in a conversation in his nearly empty office, "was the accountability thing -- the overwhelming dissatisfaction with the Republican Congress."

Because he can understand and even sympathize a bit with that feeling, Leach said, "I am probably the least disappointed defeated member" of the vanished Republican majority.

On the other hand, the man who was known as "the conscience of Congress" because of his personal high standards -- no PAC money or out-of-state contributions -- said he regrets not being part of the policymaking at "a really critical moment for the United States in its relations with a changing world."

And he worries about the political dynamics of a Congress that is more and more polarized -- and therefore less and less representative of the American mainstream.

Leach was one of eight members of the dwindling tribe of Republican moderates who lost their seats this election, unable to separate themselves from the public rejection of a conservative-dominated White House and Congress.

In Leach's view, while presidential races tend to pull candidates to the center, in Congress the abundance of "safe" seats, gerrymandered to guarantee victory to one party or the other, makes party primaries the critical elections. And in those low-turnout primaries, it is the activists -- usually no more than "one-quarter of one-third" of the electorate -- whose views prevail.

"The Republicans have been governing from within" their party base, rather than reaching out to the other party, he said, and now that Democrats have the majority, they will be tempted by electoral dynamics to do the same thing.

It is possible, Leach said, that a new president could change the pattern, and he is rather hopeful that his early picks for the nominations -- Mitt Romney and Barack Obama -- might do that.

Meanwhile, he is weighing academic offers from his alma mater, Princeton, and other schools and a possible diplomatic post from the State Department.

But given what he has seen on Capitol Hill in his 30 years, it is possible to believe Leach when he says, "I feel kind of relieved" to be moving on.

Already Too Busy For Civility (WP)

By George F. Will

The Washington Post, November 30, 2006

That was certainly swift. Washington has a way of quickly acculturating people, especially those who are most susceptible to derangement by the derivative dignity of office. But Jim Webb, Democratic senator-elect from Virginia, has become a pompous poseur and an abuser of the English language before actually becoming a senator.

Wednesday's Post reported that at a White House reception for newly elected members of Congress, Webb "tried to avoid President Bush," refusing to pass through the reception line or have his picture taken with the president. When Bush asked Webb, whose son is a Marine in Iraq, "How's your boy?" Webb replied, "I'd like to get them [sic] out of Iraq." When the president again asked "How's your boy?" Webb replied, "That's between me and my boy." Webb told The Post:

"I'm not particularly interested in having a picture of me and George W. Bush on my wall. No offense to the institution of the presidency, and I'm certainly looking forward to working with him and his administration. [But] leaders do some symbolic things to try to convey who they are and what the message is."

Webb certainly has conveyed what he is: a boor. Never mind the patent disrespect for the presidency. Webb's more gross offense was calculated rudeness toward another human being -- one who, disregarding many hard things Webb had said about him during the campaign, asked a civil and caring question, as one parent to another. When -- if ever -- Webb grows weary of admiring his new grandeur as a "leader" who carefully calibrates the "symbolic things" he does to convey messages, he might consider this: In a republic, people decline to be led by leaders who are insufferably full of themselves.

Even before his studied truculence in response to the president's hospitality, Webb was going out of his way to make waves. A week after the election, he published a column in the Wall Street Journal that began this way:

"The most important -- and unfortunately the least debated -- issue in politics today is our society's steady drift toward a class-based system, the likes of which we have not seen since the 19th century. America's top tier has grown infinitely richer and more removed over the past 25 years. It is not unfair to say that they are literally living in a different country."

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Well.

In his novels and his political commentary, Webb has been a writer of genuine distinction, using language with care and precision. But just days after winning an election, he was turning out slapdash prose that would be rejected by a reasonably demanding high school teacher.

Never mind Webb's careless and absurd assertion that the nation's incessantly discussed wealth gap is "the least debated" issue in American politics.

And never mind his use of the word "literally," although even with private schools and a large share of the nation's wealth, the "top tier" -- whatever cohort he intends to denote by that phrase; he is suddenly too inflamed by social injustice to tarry over the task of defining his terms -- does not "literally" live in another country.

And never mind the cavalier historical judgments -- although is he sure that America is less egalitarian today than it was, say, 50 years ago, when only about 7 percent of American adults had college degrees? (Twenty-eight percent do today.) Or 80 years ago, when more than 80 percent of American adults did not have high school diplomas (85 percent have them today), and only about 46 percent owned their own homes, compared with 69 percent today?

But notice, in the second sentence of Webb's column, the word "infinitely." Earth to Webb: Words have meanings that not even senators can alter. And he has been elected to be a senator, not Humpty Dumpty in "Through the Looking Glass." ("When I use a word it means just what I choose it to mean -- neither more nor less.") America's national economic statistics are excellent; Webb could actually tell us how much richer the "top tier" has become, relative to other cohorts, over a particular span. But that would require him to actually say whom he is talking about, and that takes time and effort, and senators -- Webb is a natural -- often are too busy for accuracy.

Based on Webb's behavior before being sworn in, one shudders to think what he will be like after that. He already has become what Washington did not need another of, a subtraction from the city's civility and clear speaking.

Abortion Foes Look To The Big Screen (WP)

By Robert D. Novak

The Washington Post, November 30, 2006

An invited audience that included Commerce Secretary Carlos Gutierrez gathered at National Geographic Society's auditorium Monday night for a screening of "Bella," an independently produced feature film. No mere movie, it offers hope for the beleaguered antiabortion movement to reverse the political tide running against it.

This was the eighth such screening in Washington. Monday night's audience reflected the reaction in more than 100 showings nationwide: an emotional experience for a stunning exhibition of cinema art that unexpectedly won a Toronto International Film Festival award. It is no propaganda film but a dramatic depiction of choices facing an unmarried pregnant woman.

"Bella," unknown to the general public, has generated excitement and anticipation in conservative Catholic and other antiabortion circles. The problem is getting the film in theaters around the country for its public premiere early next April. That is never easy for an independent film with no box-office names, but the problems are magnified when its message runs counter to the social mores of Hollywood.

"Bella" arrives in an environment that has grown bleak for enemies of abortion. The Democratic Party has become so much the party of abortion rights that, of 41 freshmen Democrats elected to the House, only three are antiabortion. Pro-life forces in the House suffered a net loss of about 13 members. That means statutory restrictions on abortion, which must be renewed by each Congress, are in serious jeopardy.

The loss of numerical strength on Capitol Hill reflects a public relations and political victory by the abortion lobby. Republican politicians tend to give only lip service to the issue, typified by President Bush's silence on abortion. Republican candidates have accepted support from pro-life forces -- and then kept quiet about abortion, leaving the field open to pro-choice advocates.

Thus, the antiabortion movement sees "Bella" as providential. It is entertainment, not propaganda. Although Monday's screening was sponsored by the National Council for Adoption, the word "adoption" is uttered only once in the film. There are no

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tirades against abortion. Indeed, it acknowledges a woman's pain of carrying a baby to term only to give it up for adoption. In the end, however, the film is a heart-wrenching affirmation of life over death.

"Bella" was conceived by three young Mexican men -- producer, director and lead actor -- who are conservative Catholics and want to make movies removed from Hollywood's culture of sex and violence. Bankrolled by a wealthy Catholic family from Philadelphia, they shot the film in 24 days in New York City.

The star is Eduardo Ver?stegui, a Mexican heartthrob as a lead performer in soap operas who now lives in Los Angeles. A devout Catholic, he told me he was tired of movies showing Hispanics as disreputable and immoral. In three years he has learned to speak English well enough to play the lead role mostly in English (with subtitles over the Spanish).

It was a stretch even to get "Bella" shown at Toronto, much less win an award. "Going into the festival," said the Hollywood Reporter, "absolutely no one, including the team of filmmakers that made 'Bella,' ever imagined it would capture the People's Choice Award, voted on by festival audiences."

But even with the Toronto prize, which in the past has led to Academy and Golden Globe awards, it is hard to get the film in movie houses, and it may be necessary for the filmmakers to form a distribution company. The avowed reason for the difficulty is the inexperience of the director and a cast with names unfamiliar to American moviegoers. But the film's producers say the same left-wing Hollywood establishment that attacked "The Passion of the Christ" is sniping at "Bella," which lacks a Mel Gibson in support.

If the crucifixion in "The Passion" was hard for non-Christians and some Christians to take, "Bella" on one level is a drama without religious overtones. But while the audience at Monday's screening was moved to tears, reaction from a commercial theater audience -- including women who have chosen an abortion -- could be different. The pro-life movement hopes, in the absence of effort by supposedly pro-life politicians, that it will point to a different way to deal with an unwanted pregnancy.

Iran's President Criticizes Bush In Letter To American People (NYT)

By Michael Slackman

The New York Times, November 30, 2006

BEIRUT, Lebanon, Nov. 29 — Iran's president, Mahmoud Ahmadinejad, told the American people on Wednesday that he was certain they detested President Bush's policies — his support for Israel, war in Iraq and curtailed civil liberties — and he offered to work with them to reverse those policies.

The call came in the form of a six-page letter in English, published online and addressed to "noble Americans" that discussed "the many wars and calamities caused by the U.S. administration." It suggested that Americans had been fooled into accepting their government's policies, especially toward Israel.

"What have the Zionists done for the American people that the U.S. administration considers itself obliged to blindly support these infamous aggressors?" Mr. Ahmadinejad wrote. "Is it not because they have imposed themselves on a substantial portion of the banking, financial, cultural and media sectors?"

This was the latest public step by Iran's president to promote a dialogue with the United States. He wrote a letter to Mr. Bush in May, calling on him to shift his policies and open a discussion, but it was dismissed by the White House as irrelevant to the central issue dividing them — Iran's nuclear program. Then Mr. Ahmadinejad challenged Mr. Bush to a public debate, also dismissed by the White House.

On Wednesday, the administration's reaction remained unchanged.

"This is a transparently hypocritical and cynical letter," Nicholas R. Burns, under secretary of state for political affairs, said in Washington about the latest letter. "It reflects a profound lack of understanding of the United States."

Still, at least tactically the letter seemed to take a page from Mr. Bush himself, who, speaking to the United Nations General Assembly in September, sought to bypass the Iranian government and address the people directly. The letter also distinguished between the administration and the people.

"Undoubtedly, the American people are not satisfied with this behavior, and they showed their discontent in the recent elections," Mr. Ahmadinejad wrote. "I hope that in the wake of the midterm elections, the administration of President Bush will have heard and will heed the message of the American people."

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But it was the emphasis on religious themes, specifically Shiite Muslim notions of justice and fighting oppression, that characterized the new letter as it did his letter to President Bush.

"Both our nations are God-fearing, truth-loving and justice-seeking, and both seek dignity, respect and perfection," the letter said.

The letter seemed directed at three audiences. It sought to reach out to Americans through religious values; to the Arab world, by emphasizing the Palestinian conflict with Israel; and to Mr. Ahmadinejad's political base at home, which includes the military, hard-line clerics and Ayatollah Ali Khamenei, the supreme leader.

The letter also employed an inferential, Iranian style of communication that experts say is likely to leave Americans cold.

"Americans are going to be very puzzled by it," said William Beeman, a linguistic anthropologist at Brown University who specializes in Persian. "People are simply not used to being talked to this way." He added, "It is almost a sermon, which is very much in keeping with his religious background. But I should also point out it is also a lecture."

The letter reminded Americans that "many victims of Katrina continue to suffer, and countless Americans continue to live in poverty and homelessness."

It also lamented: "Civil liberties are increasingly being curtailed. Even the privacy of the individuals is fast losing its meaning."

The president made no reference to the level of poverty, political freedom or judicial independence in his own country.

After referring to Abu Ghraib in Iraq and the prison at Guantánamo Bay, Cuba, he wrote: "I have no doubt that the American people do not approve of this behavior and indeed deplore it."

Since his election in June 2005, Mr. Ahmadinejad has pursued an aggressive and outspoken foreign policy, relying on the bully pulpit of his position to make up for the limited powers of Iran's presidency.

His refusal to end enrichment of uranium and his calls for the destruction of Israel have won him few friends in the West. But they have led to increasing popularity across the Muslim world.

Davoud Hermidas-Bavand, a professor of international relations at Tehran University, said the letter was mostly an effort to win the allegiance of Arabs. Iran has been trying to position itself as the pre-eminent power in the Middle East.

"His first objective is to get the sympathy of Arabs," said Dr. Hermidas-Bavand. "The letter makes Ahmadinejad a subject of international talks, particularly in the Middle East."

He said the letter gave insight into President Ahmadinejad's understanding of American society and governance as being driven largely by Christian beliefs and values.

"He has probably been told that American people are religious and that is how Mr. Bush won, by addressing people's sense of faith," he said. "Now he wants to capitalize on this sense of religiousness."

Iran finds its leverage rising, especially as Iraq struggles through bloody sectarian fighting. In Washington, there is increased pressure on the White House to open direct talks with Iran to help stabilize Iraq and Afghanistan.

Mr. Ahmadinejad offered a litany of sharp attacks on American policy — calling, for example, for withdrawal from Iraq. And he once again highlighted a central demand of Tehran: that it be treated as an equal by Washington.

But Professor Beeman also said that Americans should recognize that the letter did represent an overture. "Iran is saying, 'We want to have a dialogue with you,' " he said.

Iranian President Makes Direct Appeal To Americans (WP)

By Robin Wright

The Washington Post, November 30, 2006

In an unusual letter to the American people, Iranian President Mahmoud Ahmadinejad yesterday called for the pullout of U.S. forces from Iraq and charged that Bush administration policy is based on "coercion, force and injustice."

The five-page letter, which was both conciliatory in references to "Noble Americans" and scathing in lambasting Jewish influence in the United States, said there is an urgent need for dialogue between Iranians and Americans because of the "tragic consequences" of U.S. intervention abroad.

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In Iraq, he wrote, hundreds of thousands have been killed, maimed or displaced, while terrorism has grown "exponentially" and daily life has become a challenge. "With the presence of the US military in Iraq, nothing has been done to rebuild the ruins, to restore the infrastructure or to alleviate poverty," he wrote. ". . . I consider it extremely unlikely that you, the American people, consent to the billions of dollars . . . from your treasury for this military misadventure."

U.S. resources would be better spent at home, he added, to alleviate poverty and help the "many victims" of Hurricane Katrina.

Ahmadinejad also questioned whether terrorism can be defeated by traditional warfare. "If that were possible, then why has the problem not been resolved?" he wrote. "The sad experience of invading Iraq is before us all."

But the toughest language was reserved for Israel, which Ahmadinejad referred to as the "Zionist regime." The hard-line Iranian leader, who won an upset election last year, charged that Washington's "blind support" for Israel has allowed the nation to pursue policies against Palestinians without constraints. "No day goes by without a new crime," he said.

"What have the Zionists done for the American people that the US administration considers itself obliged to blindly support these infamous aggressors? Is it not because they have imposed themselves on a substantial portion of the banking, financial, cultural and media sectors?" he wrote. The letter was released by the Iranian mission to the United Nations.

The Bush administration dismissed the letter as a public relations stunt that included nothing new. "Actions speak louder than words, and I think if you look at the record of Iranian action, we, unfortunately, haven't seen any change in behavior that would indicate that they've got a new approach to things," said Tom Casey, a State Department spokesman.

The State Department also rejected calls for withdrawing U.S. troops, noting that the letter came one day after the United Nations, at Iraq's request, had renewed the mandate of the U.S.-led coalition force for another 12 months.

Casey told reporters that Iran has no credibility on Iraq, given Tehran's support for violence and the Shiite militias. "That includes its support for terrorism in Iraq. It includes its support for Hezbollah. It includes its support for Palestinianist rejection groups. It includes its continued defiance of the international community's efforts to deal with the Iranian nuclear program. . . . And that's why Iran finds itself in a very isolated place right now," Casey said.

In his letter, Ahmadinejad issued a warning to Democrats taking over the House and Senate that they would be "held to account" by history for their decisions.

"If the US Government meets the current domestic and external challenges with an approach based on truth and Justice, it can remedy some of the past afflictions and alleviate some of the global resentment and hatred of America," he wrote.

Iran's current positions on regional issues have taken on new importance in light of the debate over whether to include Iran and Syria in efforts to stabilize Iraq. The idea has been discussed within the Iraq Study Group, the bipartisan panel led by former secretary of state James A. Baker III and former representative Lee H. Hamilton (D-Ind.) that wrapped up deliberations yesterday on its policy recommendations for the White House.

This is not the first letter from the Iranian leader to the United States. In May, Ahmadinejad wrote a rambling 18-page letter to President Bush that reflected on common values between Christianity and Islam, then questioned how a "follower of Jesus Christ" could order countries to be attacked, lives destroyed and cities set ablaze. The White House did not respond.

Iran Leader Appeals To Americans On Iraq (AP)

By Edith M. Lederer

AP, November 30, 2006

Iran's president urged the American people in an open letter Wednesday to demand the withdrawal of U.S. troops from Iraq and reject what he called the Bush administration's "blind support" for Israel and its "illegal and immoral" actions in fighting terrorism.

President Mahmoud Ahmadinejad's letter to "Noble Americans," which was distributed by Iran's mission to the United Nations, also accused Bush of governing by "coercion, force and injustice."

Ahmadinejad appealed to the American people to work to reverse the U.S. leader's policies, and called on the Bush administration and the new Democratic-controlled Congress to heed the results of the recent midterm elections.

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He urged Bush to put the United States' "wealth and power in the service of peace, stability, prosperity and the happiness of all peoples through a commitment to justice and respect for the rights of all nations, instead of aggression and war."

In a message to Democrats, he said: "You will also be held to account by the people and by history."

"But if the approach remains the same, it would not be unexpected that the American people would similarly reject the new electoral winners," he said, adding that the recent elections did not reflect a victory but rather "the failure of the current administration's policies."

Ahmadinejad's letter also said the U.S. invasion of Iraq has led to hundreds of thousands of deaths, an exponential growth of terrorism and the destruction of Iraq's infrastructure.

"I consider it extremely unlikely that you, the American people, consent to the billions of dollars of annual expenditure from your treasury for this military misadventure," he said.

He suggested it would be beneficial for the U.S. to withdraw its troops from Iraq and spend its money instead on domestic problems, citing the "many victims" of Hurricane Katrina who continue to suffer and "countless" Americans living in poverty.

He also said the Bush administration's policies in its fight against terrorism were harming Americans directly.

"The U.S. administration's illegal and immoral behavior is not even confined to outside its borders. You are witnessing daily that under the pretext of 'the war on terror,' civil liberties in the United States are being increasingly curtailed," he said.

"I have no doubt that the American people do not approve of this behavior and indeed deplore it," he said.

Ahmadinejad focused some attention on the past good relations between the U.S. and Iran, and said both countries' people are "inclined towards the good, and toward extending a helping hand to one another, particularly to those in need."

Ahmadinejad has alienated many Americans by calling for Israel's destruction and repeatedly dismissing the Nazi Holocaust as a myth. He also strongly supports the Palestinian militant group Hamas and the Lebanese faction Hezbollah, which the U.S. considers terrorist organizations.

In his letter, Ahmadinejad accused the Bush administration of disregarding U.S. public opinion by supporting "the trampling of the rights of the Palestinian people" by Israel.

"What has blind support for the Zionists by the U.S. administration brought for the American people?" he asked. "It is regrettable that for the U.S. administration, the interests of these occupiers supersedes the interests of the American people and of the other nations of the world."

He urged Americans to support the right of the Palestinians to live in their own homeland.

Twice this year, Iran has proposed talks with the U.S. over the security situation in Iraq, but Ahmadinejad has said that for such negotiations to take place, Washington must change its behavior. On Sunday, he said Iran was ready to help the U.S. get out of the "Iraqi quagmire if the U.S. changes its bullying policy toward Iran."

Iran and the U.S. have had no diplomatic relations since 1979 when militants seized the U.S. Embassy in Tehran and kept 52 people hostage for 444 days.

Ahmadinejad wrote a rambling, 18-page letter to Bush in May, lambasting the U.S. leader for his handling of the Sept. 11 attacks and accusing the media of spreading lies about the Iraq war.

Washington dismissed the letter for also not addressing Iran's nuclear program.

Wednesday's letter also makes no mention of Iran's disputed nuclear program, which the U.S. alleges is geared toward secretly developing atomic weapons. The U.S. is leading the drive to impose U.N. sanctions on Tehran for its refusal to stop enriching uranium.

Americans Asked To Pressure Bush (WT)

By Betsy Pisik

The Washington Times, November 30, 2006

NEW YORK -- Iranian President Mahmoud Ahmadinejad appealed in a letter to the American people yesterday to pressure the Bush administration to leave Iraq and curtail its "blind and blanket" support for Israel.

Mr. Ahmadinejad said that since the U.S. invasion of Iraq terrorism has "grown exponentially" and Iraq's infrastructure remains in ruins.

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The presence of American troops, he said, has created hardship for Iraqi families and tarnished the image of the United States abroad.

"I consider it extremely unlikely that you, the American people, consent to the billions of dollars of annual expenditure from your treasury for this military misadventure," Mr. Ahmadinejad wrote in a letter distributed through the Iranian Mission to the United Nations.

He said that Iraq has a constitution and a government, and the U.S. military expenditures would be better directed toward the survivors of Hurricane Katrina.

The letter was released hours before Mr. Ahmadinejad and Iraqi President Jalal Talabani announced a new security arrangement for Iraq.

"We discussed in the fields of security, economy, oil and industry. Our agreement was complete," Mr. Talabani told reporters in Tehran after a summit with the Iranian president. "This visit was 100 percent successful. Its result will appear soon."

Iran, which is overwhelmingly Shi'ite, has longtime links to Shi'ite militias and political parties in Iraq and has been accused by the United States of fomenting sectarian bloodshed.

The nature of the security agreement between Baghdad and Tehran was not disclosed.

President Bush was to have met with Iraqi Prime Minister Nouri al-Maliki in Amman, Jordan, yesterday to discuss the training of Iraqi police and other security details.

Mr. al-Maliki did not show up. The United States said the meeting would take place today.

In his letter, Mr. Ahmadinejad implicitly urged the Bush administration to heed the wishes of the American voters who returned the House and Senate to Democrats' control, based largely on discontent over the Iraq war.

Mr. Ahmadinejad warned the Democrats: "If the approach remains the same, it would not be unexpected that the American people would similarly reject the new electoral winners."

The Iranian government has made several overtures to the United States in recent months. The Bush administration has rejected all of them and has demanded that Tehran halt nuclear weapon-related activities.

"We have common concerns, face similar challenges, and are pained by the sufferings and afflictions in the world," Mr. Ahmadinejad wrote. "Both our nations are God-fearing, truth-loving and justice-seeking, and both seek dignity, respect and perfection."

Iran's President Appeals To U.S. Public Via Letter (USAT)

By Barbara Slavin

USA Today, November 30, 2006

Iranian President Mahmoud Ahmadinejad said Wednesday that U.S. forces should leave Iraq and he praised American voters for defeating Republicans in this month's elections.

He made the remarks in a 12-page letter addressed to “Noble Americans” and released by Iran's mission to the United Nations.

Now that Iraq has an elected government, “would it not be more beneficial to bring the U.S. officers and soldiers home and to spend the astronomical U.S. military expenditures in Iraq for the welfare and prosperity of the American people?” Ahmadinejad asked. On U.S. elections, he said Americans had shown “their discontent” and that President Bush should “heed the message.”

The letter, a broad condemnation of U.S. Middle East policy, was similar to one Ahmadinejad sent to Bush in May. Bush has not replied.

State Department deputy spokesman Tom Casey said Wednesday that it is hard to take the latest comments seriously “when Iran continues to actively work in a negative way in Iraq.”

The United States has accused Iran of interfering in Iraq by fostering violence and undermining the U.S.-backed government there.

Karim Sadjadpour, an Iran analyst at the International Crisis Group, which aims to resolve conflicts, said Ahmadinejad was “trying to take a page out of George Bush's playbook” by appealing to Americans and bypassing the U.S. government.

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In his 2005 State of the Union address, Bush promised Iranians that, “As you stand for your own liberty, America stands with you.”

Ahmadinejad, who attracted world attention by questioning the Holocaust and Israel's right to exist, continued in that vein with remarks likely to alienate Americans. He asserted that “Zionists” had hurt the American people and asked whether that was because they controlled “the banking, financial, cultural and media sectors?”

Shaul Bakhash, an Iran expert at George Mason University in Virginia, said the language was designed to appeal more to Arabs than Americans and “to claim for Iran the mantle of leadership of those who oppose America's ambitions in the world.”

Iran's Nuclear Ambitions Seen Similar To Holocaust (WT)

By Abraham Rabinovich

The Washington Times, November 30, 2006

JERUSALEM -- Iran's reported drive to make an atomic bomb has become an existential threat to Israel that some Israelis are likening to the Holocaust -- especially with the United States appearing to back away from confrontation with Tehran.

The alarmists include Aharon Appelfeld, a leading Israeli author who as a child survived the Nazi killing of 6 million Jews.

"For the first time since I'm in the country, I feel that we face a real existential danger," Mr. Appelfeld said.

The memory of the Holocaust is a central element in Israel's collective consciousness, a memory made more acute by Iranian President Mahmoud Ahmadinejad's denial that the Holocaust happened.

"It's 1938," said former Israeli Prime Minister Benjamin Netanyahu, "and Iran is Germany, racing to arm itself with atomic bombs."

Addressing a Jewish audience in Los Angeles this month, Mr. Netanyahu added his voice to a growing sense of alarm in Israel about Iran's seemingly inexorable march toward nuclear capability.

In his address, Mr. Netanyahu referred to Mr. Ahmadinejad's repeated calls for wiping Israel off the map.

"Believe him and stop him," Mr. Netanyahu said in the speech. "This is what we must do. Everything pales before it."

Israel has half assumed, half hoped that if international pressure on Iran to halt its nuclear development fails, the United States would in the end use military force.

In recent weeks, however, a war-weary Washington seems to be backing away from a confrontation.

In a meeting with French President Jacques Chirac, President Bush said that he would "understand" if Israel chose to attack Iran's nuclear installations.

To Israelis, that sounded like he would prefer it over an American attack. There was likewise little comfort from Secretary of State Condoleezza Rice's remark that the U.S. lacked sufficient intelligence on Iran's nuclear facilities to carry out a strike at this time.

Former Secretary of State Henry Kissinger wrote recently that "military action by the United States is extremely improbable in the final two years of a presidency facing a hostile Congress."

He, too, raised the possibility of a unilateral Israeli air strike.

Israel has apparently long been preparing such a strike. It acquired a large fleet of F-16 and F-15 warplanes and held intensive training exercises in anticipation of a confrontation with Iran.

The appointment last year of former air force commander Lt. Gen. Dan Halutz as chief of staff of the Israel Defense Forces (IDF) was widely seen as preparing for that confrontation in which the air force would play a central role.

It has become increasingly clear in recent years, however, that an attack on Iran's nuclear facilities would be infinitely more difficult than the successful attack on Iraq's nuclear reactor by Israeli planes in 1981.

Tehran learned the lessons of that attack and scattered its facilities at scores of sites, burying many of them deep underground and defending them with modern Russian anti-aircraft missiles.

Analysts have suggested that only a superpower like the United States could mount the massive and sustained attack that would be necessary to do substantial damage by boring ever deeper into the underground sites with bunker-buster bombs on repeated runs.

Even then, some analysts say, an attack might succeed only in delaying the program by a few years.

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If Israel undertook the task alone, it would face not only uncertainty about the results of the air campaign but also the certainty of fierce Iranian retaliation, beginning with their long-range missiles and perhaps including attacks on Israeli targets around the world.

Prime Minister Ehud Olmert continues to hope for an international initiative.

"The big countries have to lead and we have to push them," he said. However, there is a realization in Jerusalem that there may be no one to push.

Deputy Israeli Defense Minister Ephraim Sneh said: "I am aware of all of the possible repercussions of a pre-emptive Israeli military action against Iran and consider it a last resort. But the last resort is sometimes the only resort."

Rice To Meet Israeli, Palestinian Leaders (WP)

By Glenn Kessler

The Washington Post, November 30, 2006

DEAD SEA, Jordan, Nov. 29 -- Secretary of State Condoleezza Rice will meet Thursday with Israeli Prime Minister Ehud Olmert and the Palestinian Authority's president, Mahmoud Abbas, as part of a U.S. effort to demonstrate progress on the Israeli-Palestinian peace effort.

Rice will travel to Israel and the Palestinian territories shortly after attending meetings between President Bush and Iraqi Prime Minister Nouri al-Maliki in Amman, Jordan. Then she will travel to this Jordanian resort for a conference designed to promote Palestinian democracy.

U.S. officials say the renewed attempt to promote peace between the Israelis and Palestinians is separate from efforts to bring stability to Iraq. But Rice's trip comes as U.S. officials have sought to persuade moderate Arab states to support U.S. endeavors in Iraq. Arab leaders have signaled that they expect the United States to demonstrate progress on building a Palestinian state, in part to assuage regional anger at the Iraq war.

In the past week, Palestinian factions have indicated support for a cease-fire intended to end rocket attacks on Israel, and Olmert outlined steps to foster peace. Under pressure from the United States, he offered to release hundreds of Palestinian prisoners if an Israeli soldier held in Gaza was released.

But U.S. officials predicted no major breakthroughs from Rice's visit. The Palestinians are pressing for a return to final-status negotiations, such as determining the border between the Israeli and Palestinian states, while Israelis are demanding that Abbas take action against armed Palestinian groups. Many nations, including the United States, have blocked funding for the Palestinian Authority until Hamas, the radical Islamic movement in control of the authority's ministries, agrees to recognize Israel.

The renewed emphasis on Middle East peace marks a shift for the Bush administration. Before the U.S. invasion of Iraq in 2003, some neoconservatives predicted that the fall of Saddam Hussein and the establishment of an Iraqi democracy would help foster peace in the Middle East, arguing that in effect the road to Jerusalem traveled through Baghdad. Now, experts say, the administration is acknowledging that the path toward stabilizing Baghdad leads through Jerusalem.

A senior State Department official, briefing reporters Wednesday night, said he felt uncomfortable with the nostrum that solving the Israeli-Palestinian crisis could be achieved by toppling Hussein -- and with the idea that the plights of Iraq and the Palestinians were still linked. "I don't like the idea of lumping these things together," he said on condition of anonymity under ground rules set by the State Department.

Still, the official acknowledged that there was a "core of moderate Arab support" for action on the Israeli-Palestinian front and that the administration was trying to exploit that.

After Rice talks with Israelis and Palestinians, she will meet here with foreign ministers from the predominantly Sunni Muslim countries that make up the Gulf Cooperation Council, including Saudi Arabia, and from Egypt and Jordan. The official said the interests of the United States and these nations are "broadly similar" on a range of issues, including concern about the growing power of Iran, a Shiite Muslim state.

Rice To Meet With Olmert In Jerusalem (AP)

By Anne Plummer Flaherty

AP, November 30, 2006

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Secretary of State Condoleezza Rice will meet Thursday with Israel's Prime Minister Ehud Olmert as the U.S. tries to pave the way for revived peace talks between Israel and the Palestinians.

Rice's trip to Jerusalem, announced Wednesday by State Department spokesman Sean McCormack, will follow a meeting Rice has scheduled for earlier Thursday with Palestinian President Mahmoud Abbas in the West Bank town of Jericho.

Rice is trying to cement a shaky cease-fire agreement between the two sides. While U.S. officials are reluctant to express optimism, a long-lasting political deal between Israel and the Palestinians — backed by several Arab countries — would be a considerable victory for the Bush administration and is considered a necessity to quiet violence throughout the region, including Iraq.

Rice also plans to meet with Israeli Foreign Minister Tzipi Livni while in Jerusalem.

Rice's three-day trip comes as President Bush meets with Iraq Prime Minister Nouri al-Maliki in Jordan's capital city, Amman. Bush is expected to press al-Maliki on a plan to train Iraqi forces faster so U.S. troops can come home sooner.

Rice's meeting with Abbas would offer U.S. heft to the cease-fire that ended a five-month Israeli military offensive in the Gaza Strip and was aimed at halting the firing of rockets by Palestinian militants into Israel.

The truce came as Abbas, a member of the Fatah party, is trying to assemble a more moderate Palestinian government after elections handed Hamas control. Hamas' support of terrorism and refusal to recognize Israel's right to exist prompted the West and Israel to impose crushing sanctions.

Rice's trip was initially centered on a Mideast democracy and development summit sponsored by Jordan and Russia at the Dead Sea. U.S. officials say they hope to gain momentum there for two U.S.-backed initiatives that would spend money in Mideast countries to aid small businesses and non-governmental organizations.

Rice still plans to attend the summit Thursday evening.

Peace Of The Weak? Olmert And Abbas Balk (NYT)

By Steven Erlanger

The New York Times, November 30, 2006

JERUSALEM, Nov. 29 — Under regional pressure to move the Israelis and Palestinians toward renewed dialogue, Secretary of State Condoleezza Rice is expected to meet their political leaders in a quick visit on Thursday. But with the Palestinians unable to agree on a new unity government, little significant movement is expected and Ms. Rice is likely to limit herself to public encouragement and private exhortation.

Weak governments are always in search of new agendas, but they are also prisoners of their weakness.

As much as the Bush administration would like to show serious progress in the Middle East, as a part of its effort to shore up support in the region for possible economic sanctions on Iran, both the Israeli and Palestinian governments are politically damaged by the summer's conflicts, with Hamas in the Gaza Strip and Hezbollah in Lebanon, and seem unable to make bold moves.

They have established a shaky cease-fire in Gaza. But they have been unable to agree even on a prisoner exchange, which is regarded as the minimum required before the Israeli prime minister, Ehud Olmert, and the Palestinian Authority president, Mahmoud Abbas, can meet.

Mr. Abbas was said by aides on Wednesday to be fed up with Hamas, the militant faction that controls the government, and to regard negotiations toward a national unity government to be at an end. There was a debate among those around him about whether even to meet with Ms. Rice, since he had made so little progress since their last meeting, on Oct. 4.

But he has been there before. On the day of their last meeting, Mr. Abbas, of the Fatah faction, said talks on forming a unity government had collapsed. "There is no dialogue at this stage," he said. Nearly two months later, the situation has barely shifted, with the Western world still waiting for a Palestinian government with which it can do business.

That would require the resignation of the Hamas government and agreement on a political program that at least can be interpreted to mean an acceptance of the West's three conditions: recognition of the right of Israel to exist, forswearing of violence and acceptance of previous Israeli-Palestinian agreements.

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Mr. Abbas has been making some progress on negotiating the political program, which would commit the new government — but not the Hamas movement itself — to those principles. Even so, Hamas does not like parts of the document. Prime Minister Ismail Haniya, of Hamas, says he will not resign until he and other leaders, including the group's exiled political director, Khaled Meshal, are satisfied with it.

Hamas and Fatah, which controlled the government before Hamas won the Palestinian elections in January, also remain at odds over ministries. Hamas insists on retaining the right to choose the interior and finance ministers and accuses Mr. Abbas of trying to veto its favored candidates for other posts.

On Tuesday evening Mr. Haniya went off on a monthlong trip to visit Arab allies, meaning that nothing substantive is likely to happen until he returns.

As for Mr. Olmert, he has a safe legislative majority but shrinking public support and a continuing conflict with his defense minister, Amir Peretz, the head of the Labor Party.

The Olmert government was badly hurt by perceptions of misjudgments made during the war with Hezbollah, and a broad offensive in Gaza did not secure the release of a captured soldier or end rocket fire into Israel until the cease-fire was put together by Mr. Abbas over the weekend.

Mr. Olmert's main political program, a unilateral pullback of thousands of Israeli settlers who live beyond the current route of the West Bank separation barrier, was suspended after the war.

Critics in the center and on the right contend that unilateralism has proved to be a bad idea, with Hezbollah in Lebanon and Palestinian militants in Gaza perceiving Israel's withdrawal from both areas as weakness. Israel's unilateralism in those withdrawals also did nothing to strengthen elected leaders, including Mr. Abbas.

On Monday, Mr. Olmert again appealed to Palestinians to choose the path of peaceful negotiations, promising numerous concessions. But the speech was judged to contain little new, a repackaging of his old campaign wine in a new, less unilateralist bottle.

Mr. Olmert said that if the Palestinians could meet international standards, return the captured soldier and end the warfare, he would meet with Mr. Abbas, release prisoners, ease travel restrictions and renew dialogue toward peace, including the withdrawal of an unspecified number of settlers in the West Bank.

But there were a lot of "ifs" in Mr. Olmert's speech, and many hurdles for the Palestinians to leap. So far Mr. Abbas has been unable to push or cajole Hamas into accepting what is required even to qualify for the race.

While Mr. Abbas talks sometimes of firing Mr. Haniya, the presidency lacks authority under the Palestinian basic law to dissolve the Hamas-dominated Parliament or to call new elections. Any new prime minister would have to be approved by Parliament, making any such exercise seem moot and likely to touch off new fighting between Fatah and Hamas.

But the Bush administration has been weakened by the Democratic victory in the elections this month. As Mr. Bush and Ms. Rice try to develop their own new agenda for the Middle East, they seem to be understanding a lesson from the Clinton administration: that Israeli unilateralism can be bad for America as well as for Palestinian leaders who favor talking rather than shooting.

When the United States is seen to be an active participant, pushing its ally Israel to make concessions to the Palestinians, Israeli leaders can deflect domestic criticism by blaming Washington, the United States can earn credit with the Arab world for pushing Israel, and the Palestinians will be seen as an active player at the table, boosting negotiators like Mr. Abbas over the rejectionists of Hamas.

Israel's Offer (WP)

The Washington Post, November 30, 2006

AFTER FIVE months of violence and political drift, there has been encouraging movement toward peace on the Israeli-Palestinian front this week. Much of it is because of Israel's prime minister, Ehud Olmert. Over the weekend Mr. Olmert agreed to a cease-fire in the Gaza Strip with Palestinian President Mahmoud Abbas, a deal Israeli governments had refused to make for the past several years. On Monday -- though a few Palestinian rockets were still falling in Israel in violation of the cease-fire -- the prime minister delivered a major speech in which he offered the release of "numerous" Palestinian prisoners, a significant

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reduction in controls on the movement of people and goods in Gaza and the West Bank, and a full reopening of negotiations to create a Palestinian state.

In exchange, Mr. Olmert asked for the release of Cpl. Gilad Shalit, the soldier whose abduction by Palestinian militants touched off the Middle East's summer war and spelled the end of Israel's plan to unilaterally withdraw from the West Bank. Mr. Olmert said that peace negotiations -- the first in six years -- would depend on success in Mr. Abbas's effort to form a new Palestinian government that, unlike the present administration of the Islamic Hamas movement, would recognize Israel and renounce violence. But Mr. Olmert was clear about what those talks could lead to: "an independent and viable Palestinian state, with territorial contiguity" in Gaza and the West Bank. To create that state, he said, "Israel will agree to the evacuation of many territories and communities which were established therein."

With Secretary of State Condoleezza Rice due to meet with Mr. Abbas today, it's easy to dismiss Mr. Olmert's initiative as a public relations effort aimed at helping the Bush administration gain support it desperately needs from moderate Arab governments on Iraq and Iran. Mr. Olmert took care to describe the Arab peace initiative led by Saudi Arabia, which calls for the normalization of relations with Israel as part of an Israeli-Palestinian settlement, as in part "positive"-- the first kind words an Israeli leader has had for the plan since it was proposed in 2002.

Yet whatever its strategic motive, the Olmert initiative represents a genuine opportunity for Arab governments and Mr. Abbas. The challenge for the Palestinian president, and the Arab leaders who support him, is to use Mr. Olmert's words to break the deadlock on forming a government that can release Cpl. Shalit and commit itself to a peaceful settlement. That would unlock Israel's concessions on prisoners and movement, renew frozen international aid, and allow -- at last -- discussions on a final settlement. But it will require Hamas to soften the intransigent policy of rejection it has held since taking office in March. Do Palestinians really want their own state, or an endless war of attrition against Israel? Arab and European governments that have been insisting an Israeli-Palestinian settlement is the key to stabilizing the region must now insist that Hamas answer that question.

Palestinians Seek Conference On Israel (AP)

By Edith M. Lederer

AP, November 30, 2006

Palestinian President Mahmoud Abbas called Wednesday for an international conference to solve the Arab-Israeli conflict and urged Israel to drop its opposition to a meeting that would address all outstanding issues.

He said the so-called Quartet of key international players trying to promote Mideast peace — the United Nations, the United States, the European Union and Russia — should "play the role of an honest intermediary and guarantor" of the agreements reached at the conference.

Abbas made the proposal in a speech to the U.N. General Assembly on the International Day of Solidarity with the Palestinian People. His speech was read by the Palestinian U.N. observer, Riyad Mansour.

A fragile cease-fire went into effect early Sunday between the Palestinians and the Israelis, ending a five-month offensive in Gaza that has killed hundreds. Abbas said more than 510 Palestinians have been killed since June, bringing the total since September 2000 to more than 4,300 people, about a third of them children.

"We call upon Israel, which did not commit itself to the cease-fire, to end all its aggressive military actions in order to reach a comprehensive and mutual cease-fire," he said. "This shall enable us to create the right atmosphere and provide the necessary groundwork for the resumption of negotiations and the attainment of a just solution."

Israel's deputy U.N. Ambassador Daniel Carmon stressed the importance of this week's speech by Israeli Prime Minister Ehud Olmert, who proposed that Palestinians return to peace talks, saying his country would be willing to leave most of the West Bank in exchange. He urged that it be read "very carefully and in the right context."

Asked about an international conference, Carmon said he was sure that in Abbas' speech "there were some very interesting and positive elements, but history has shown us that the best way to negotiate and to solve our problems is through direct talks between the parties."

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Abbas, however, said finding a just solution based on previous agreements, the Quartet's stalled road map to peace, and the goal of two states — Israel and Palestine — living side by side in peace, requires much broader international involvement.

He warned that Israeli measures to maintain control over large and important parts of the West Bank, East Jerusalem and the Jordan Valley" will undermine the two-state solution and force the Mideast "into further violence and chaos, the consequences of which will not be limited to the Middle East region."

If Israel continues to reject an international conference and a role for the United Nations, Abbas said the Palestinians will seek a General Assembly resolution.

He called the 1947 General Assembly resolution that partitioned Palestine "the beginning of our people's ongoing tragedy." But he said "the occupation of our land cannot continue forever, and the time has come to put an end to the bloodshed and to decades of hatred and hostilities."

Adding to Palestinian problems is a Western boycott of the current Hamas-led government over its refusal to recognize Israel.

Lebanese Think The Unthinkable: Another Civil War (LAT)

By Megan K. Stack

The Los Angeles Times, November 30, 2006

BEIRUT — For a glimpse into Lebanon's precarious, death-tinged mood, consider the words of two young men. Each hails from an extreme end of this nation's gaping political and religious divide. And both say they are willing to die fighting for power.

Electronics student Shadi Akouri, a 23-year-old Christian, says he would "pay in blood" for control of the Lebanese government. "Hezbollah has arms and [is] making clear [it] wants this. OK, we want it too. If their intention is to fight, we'll fight. If you don't defend yourself, what is the point of existence?"

Across town, 18-year-old Hezbollah supporter Mohammed Haidar also said he was willing to give up his life. "When you want to change the government, people always die," said Haidar, a Shiite Muslim who says the U.S.-backed Lebanese government is illegitimate. "I will be on the front lines. Why? Because I want to build a country where we can hold our heads up because we are Shia."

As recently as last year, many Lebanese emphatically stated that there would never be another civil war, that their nation had suffered enough, killed enough, paid enough. They had learned a bitter lesson during a conflict that erupted among religious groups in the mid-1970s and raged until 1990.

Since the civil war, talk of religious sects had almost been considered taboo, at least in public. It was common to hear people complain about the Shiite Muslim party Hezbollah, but not the Shiites; the powerful Sunni Hariri family, but not the Sunnis.

When Christians, Sunnis and members of the Druze sect united to demand Syria's ouster in 2005, many Lebanese rejoiced in the notion that, at last, patriotism was about to overcome religious divisions.

But with Shiite Hezbollah making a hard play for greater power, and with Sunni-Shiite warfare in Iraq exacerbating religious friction throughout the region, conventional wisdom among Lebanese elites has become bleak. On both sides, a tone of wary negotiation has been replaced by hardened faces and fiery pledges to risk death to ensure that their own vision of Lebanon, and their faction's political power, prevails.

On the street, politics are openly laced with religious prejudice. Christians and Sunnis fret about being overrun by Shiites. There is tension among rival Christian factions over Maronite Catholic Michel Aoun's affiliation with Hezbollah, which is seen by other Christians as a betrayal of his sect. Acute animosity has flared between Shiites and Sunnis, fed by the civil war in Iraq.

The summertime war between Hezbollah and Israel stripped many Lebanese of their livelihoods and drained them of hope. With the economy in shreds and sectarian splits cracking open, there is a sense that the status quo is not worth preserving.

"I can see it in the eyes of my students," said Walid A. Fakherddine, a media and communications professor at the American University of Science and Technology. "The people are ready to go to war, or they want to leave the country. They can't stay where they are."

Many Lebanese even describe a sort of nostalgia for civil war, especially among youths too young to remember the bloody horrors of street battles, kidnappings and mortar attacks.

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There is still hope the two sides can negotiate their way out of the crisis. But these days, many Lebanese bluntly say they expect to face another civil war; others just shrug and say "anything can happen."

Few rule out the possibility of further fighting.

Many people are afraid that if Hezbollah and its allies take to the streets in coming days to demand a change in government, as they have repeatedly pledged to do, clashes will erupt. Hezbollah members swear they will stay in the streets until the government falls. And their rivals have threatened to unleash security forces to defend government institutions attacked by demonstrators.

"We fear the reaction of the ruling majority when and if we decide to carry out these protests," said Trad Hamadeh, a Hezbollah member who resigned, along with other Shiite political officials, as labor minister this month. "They control security. They control the real power on the ground."

Lebanon's political woes deepened when Pierre Gemayel, the 34-year-old minister of industry and scion of a powerful Christian political family, was gunned down in the streets of Beirut last week.

Since Gemayel's death, the capital has become a montage of scenes of tension. Sunni and Shiite gangs have clashed in the southern suburbs. Rival Christian gangs brawled in the Christian neighborhood of Achrafieh.

During one recent rally, Christian electronics student Akouri stood on the gravel in a vacant lot during a rally in downtown Beirut. Nearby, college-age youths cupped hands around lit candles and chanted, "The one who killed Pierre, we want to drink his blood!" and, referring to Hezbollah leader Sheik Hassan Nasrallah, "Wait, Nasrallah, wait. We will dig your grave."

Messages of division, and a sometimes less-than-subtle call to arms, are blasting through Lebanon's many television channels. The antagonism is coming not just from the array of talk shows, but is implicit in carefully produced commercials.

The Future channel, owned by the Hariri family, has kept up relentless pressure on viewers to "remember the martyrs," or assassinated politicians. Cartoons show Lebanon as a prisoner with a ball and chain, presumably Hezbollah, around its leg, or as people choking on black fumes, also representing Hezbollah. "Let us live," runs the slogan.

On Hezbollah's Al Manar channel, the Lebanese government is routinely referred to as "Feltman's government" — a reference to U.S. Ambassador Jeffrey D. Feltman.

A commercial tells viewers: "We are the resisters. We are the ones whose homes were destroyed. We are the ones who were buried alive. We are the defenders of the nation. We are a sovereign Lebanon."

"I can't deny that Hezbollah is Lebanese, but they are supported by Iran. And I don't know what they are doing, where they are going," said Omar Alewian, a Sunni student. "If we have to do something … I'm ready to die."

Meanwhile, a handful of Cabinet ministers have taken up residence behind the gun-toting guards, high walls and armored personnel carriers that ring the prime minister's headquarters in downtown Beirut.

If any more ministers are killed, the government could collapse.

With rumors racing of a Syrian-backed plot to kill off opposition Cabinet members, the ministers are frightened for their lives.

"I'm nervous about my country blowing up," said Nayla Mouawad, the Christian minister of social affairs. "The people are put back with their old devils."

For ministers such as Mouawad, the sprawling hilltop headquarters has turned into a prison. Mouawad's hairdresser and secretary come through the checkpoints to visit her, but she refuses to leave. She knows well the dangers of political assassination; her husband, President Rene Mouawad, was killed in 1989. She blames Syria for the slaying.

Dressed neatly in a charcoal suit, smoking one Marlboro Light after another, Mouawad said she didn't anticipate getting her freedom back. Not any time soon.

"We expect the crisis will last," she said. "I expect violence."

U.S., N. Korea Reach No Deal On Talks (AP)

By Charles Hutzler

AP, November 30, 2006

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U.S. and North Korean diplomats failed to reach an agreement Wednesday on when to resume six-nation talks on Pyongyang's disputed nuclear program, but stressed their commitment to moving the process forward.

U.S. Assistant Secretary of State Christopher Hill left Thursday after two days of talks with North Korean Vice Foreign Minister Kim Kye Gwan, during which he said presented ideas on how the regime — which conducted its first nuclear test last month — could disarm.

"These are ideas designed to make rapid progress," Hill told reporters at the airport without elaborating. "We discussed them and they're taking them back to Pyongyang and we hope to hear from them soon."

The North said in its own statement that it "promised to study these ideas."

Hill also said dates for the next round of six-nation discussions were raised but gave no details. The China-hosted talks involve the United States, North Korea, Japan, South Korea and Russia, which has not sent an envoy to Beijing.

"The purpose is that when we start the talks, that we really do make progress," Hill said. "The purpose of the six-party talks is not to talk, it's to achieve the denuclearization of the Korean peninsula."

Hill and Kim also met with Chinese Vice Foreign Minister Wu Dawei during the talks Tuesday and Wednesday. The Chinese Foreign Ministry said in a statement on its Web site late that the parties "frankly and deeply exchanged views on the issue of promoting the process of the six-party talks and improve mutual understanding," without elaborating.

"The three parties also agreed to strive for the progress of the talks," the statement said.

Japan's Kyodo News agency cited unidentified officials at the talks as saying Kim had demanded the U.S. lift financial sanctions and freeze U.N. sanctions that were imposed after the October nuclear test.

Hill said the issue of the Washington-imposed sanctions was discussed but he made it clear that denuclearization had to be addressed first.

"The best way for them to get out of sanctions is to get out of nuclear programs," he said. "Unless they denuclearize, nothing is going to be possible."

Hill, who had been scheduled to fly to Seoul after Beijing, canceled the trip, said Susan Stevenson, spokeswoman for the U.S. Embassy in Beijing. She did not give a reason. In Tokyo, U.S. embassy spokesman Jeffrey Hill said the U.S. envoy was scheduled to arrive in Japan Thursday for further talks with Japan's representative Kenichiro Sasae.

Meanwhile, Yonhap news agency, citing an unnamed South Korean Foreign Ministry official, said South Korea's Chun Yung-woo and North Korea's Gwan were to meet in Beijing on Thursday.

North Korea agreed in September 2005 to abandon its nuclear program in exchange for security guarantees and aid. But Washington imposed the financial sanctions against a Macau-based bank on suspicions it was laundering counterfeit money for the North Koreans. Angered by the move, Pyongyang withdrew from the talks two months later.

State Department spokesman Sean McCormack in Washington said that the main goal of the Beijing meetings was to "make sure that everybody, at least, has a good, solid understanding of what might happen" when the six-nation talks resume.

Japanese Prime Minister Shinzo Abe said in Tokyo that just resuming the talks was not the main objective. "Our efforts are aimed at holding six-party talks that produce results," he said.

Kim's trip to Beijing — a rare overseas visit for a North Korean official — and the presence of other negotiators had lifted expectations that there could be a breakthrough in ongoing efforts to restart the talks.

An unannounced meeting between Hill and Kim last month in Beijing led to Pyongyang agreeing to return to the arms negotiations amid heightened tensions after the Oct. 9 nuclear test.

Meanwhile, a South Korean lawmaker said Wednesday he believed the North was making preparations to possibly conduct a second nuclear test next month or early next year unless the U.S. offers economic concessions, such as lifting financial restrictions against Pyongyang.

"I believe that there are specific movements in North Korea to prepare for a second nuclear test," lawmaker Chung Hyung-keun said, citing intelligence obtained by state intelligence agencies, according to Chung's office. He did not elaborate.

There had been speculation that Pyongyang was preparing for a second test after it conducted its first nuclear explosion Oct. 9. Last month, however, South Korean media reported that the U.S. military had not detected any signs of preparations for a second test.

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No Major Progress As US Holds Firm Against NKorea Nukes (AFP)

By Dan Martin

AFP, November 30, 2006

The United States has insisted North Korea must give up its nuclear weapons during two days of intensive closed-door talks in Beijing that ended without a major breakthrough.

US Assistant Secretary of State Christopher Hill said he presented North Korean envoy Kim Kye-Gwan with proposals on how Pyongyang could move forward toward scrapping its fledgling nuclear arms program.

He said the North was now considering the proposals, which he described as "ideas that are designed to make rapid progress (toward de-nuclearization)."

Hill, the US pointman on North Korea, was speaking before departing Beijing for discussions with Japanese officials in Tokyo.

He said he was "hopeful" full six-nation talks aimed at ending Pyongyang's nuclear program would resume in December, but he reported no major concessions from either side in Beijing this week.

"We hope to hear back from the North Koreans soon," he added.

Hill said the United States and other nations would not back down on their insistence that North Korea give up its nuclear arms, despite Kim saying this week that it would use its new status as a nuclear power as leverage.

During the Beijing talks Tuesday and Wednesday, Hill held several meetings with Kim and China's chief negotiator to the six-party forum, Wu Dawei.

Envoys from South Korea and Japan also gathered in the Chinese capital amid a renewed drive to jump-start the roundtable negotiations, which also involve Russia.

It follows North Korea's first ever nuclear weapons test on October 9 and its pledge at the end of that month, under heavy international pressure and UN sanctions, to return to talks on dismantling the military program.

Nevertheless a restart date has proved elusive.

The six-party talks, which started in 2003, broke down late last year when North Korea walked out over separate financial sanctions imposed on it by the United States for money laundering and counterfeiting.

Hill said here late Wednesday that North Korea was told it must abide by an agreement made in September last year at the forum that it would give up its nuclear program in return for security guarantees and aid.

"We worked very, very hard to achieve that September plan... We want to get on with implementing it," Hill said.

He reiterated Thursday that: "The main issue in Beijing was how to get the North Koreans to make some tough decisions to move out of the nuclear business and if they make those tough decisions we will respond appropriately".

He added "good things" could start to happen for the isolated state if it complied.

Hill said the North Koreans offered no proposals of their own here but took the US plans back to Pyongyang for consideration.

He also appeared to take a firm line against dropping UN sanctions imposed on North Korea, until Pyongyang abandoned its nuclear program.

"I made pretty clear that all these issues, the sanctions, are all related to their nuclear programs and that the best way to get out of sanctions is to get out of nuclear programs," he said.

However, a US State Department spokesman late Wednesday would not rule out eventually suspending sanctions when the full talks restart, saying that, "If circumstances change, then we'll see what happens."

While holding out hope of a December resumption to the talks, Hill said the most important thing was carefully preparing the groundwork for success.

However, he also said urgent progress must be made.

"We think it is important to get going as soon as possible. We agreed on that with the Chinese and in fact with the DPRK (North Korea) as well.

"We've lost a year. The decision to fire off missiles and to test a nuclear device was a very clear setback for the process, so we need to get moving quickly."

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Hill was to return to Washington after his Tokyo stop.

Hitting Kim Jong Il Right In The Cognac (WP)

By Elizabeth Williamson

The Washington Post, November 30, 2006

But effective this holiday season, there will be none of those things coming into North Korea, the United States hopes. After Pyongyang tested a nuclear bomb in October, the U.N. Security Council voted unanimously to deny the rogue nation and its leader, Kim Jong Il, foreign weapons, nuclear technology -- and luxury goods.

U.N. Resolution 1718 condemns North Korea's nuclear test and demands that the country return to six-nation talks aimed at ending the nuclear-weapons program. Until that happens, the United States says, there will be no Fender Stratocasters, Harleys, Ski-Doos or Marlboros.

Although the resolution spelled out the military hardware and technology that U.N. members will deny North Korea, it leaves the luxury category open to each country's interpretation for now. In Japan, a list of two dozen banned exports includes caviar and camcorders, wristwatches and cars.

The State Department's newly released list of no-go goodies blends knowledge and legend of the diminutive strongman's high-end tastes. Denying Kim what he craves, the theory goes, might prompt better behavior from a dictator who reportedly spends nearly a million dollars a year on rare cognac.

The resolution "reaffirms that proliferation of nuclear, chemical and biological weapons . . . constitutes a threat to international peace and security" and expresses the "gravest concern" at North Korea's claim to have tested a nuclear weapon Oct. 9.

The U.S. list of more than 60 items reads like a letter to Santa from the dictator who has everything. Yachts, water scooters, race cars, motorcycles, even station wagons and Segways won't be crossing the border this season. There shall be no more DVD players and televisions larger than 29 inches for the man whose film library of 20,000 titles betrays a yen for Bond and Rambo.

Kim's former chef has written that the man known as "Dear Leader" fancies sushi, Iranian caviar and shark-fin soup. He is said to have every grain of rice inspected for perfection. But he won't be served any of it on American china, which is on the list. After dinner, he often enjoys a glass of fine cognac -- so the United States put lead crystal and liquor on the list, too.

The U.N. resolution also freezes North Korean accounts in foreign banks that could be used to fund the weapons program. And it prohibits international travel by officials involved in the nuclear-weapons program and their families. That is ostensibly more bad news for Kim Jong Il's eldest son. Kim Jong Nam, who was then 29, was detained several years ago in Japan while reportedly trying to travel to Tokyo Disneyland on a forged Dominican passport.

The case against selling weapons and nuclear know-how to a bellicose government argues itself. Restricting designer duds, Chanel No. 5 and rare stamps involves subtler reasoning, said Jerrold M. Post, psychiatrist and director of the political psychology program at George Washington University. Post's book "Leaders and Their Followers in a Dangerous World" profiles Kim's eclectic tastes and includes a sales figure from Hennessy that puts Kim's annual cognac budget at up to $800,000 a year.

"It sounds very clever to me," Post said of the U.S. list. "It's designed only to frustrate the senior circle of cronies," he said, sparing most North Koreans, who survive on less than $1,000 a year.

Putting the kibosh on silk scarves, designer fountain pens, furs and leather luggage might inconvenience North Korea's leaders and their families, but Post doubts the luxury ban will inspire an institutional change of heart.

"Part of the support he musters with his followers is having the courage to stand up and forge forward," despite an iPod shortage, Post said. So lack of luxury won't end North Korea's weapons program "unless they use Hennessy to fuel their rockets."

The United Nations is still deciding whether to draw up its own list of banned luxury items, or leave the matter with individual member nations. The U.S. list, the most extensive so far, is also meant as a guide for nations that trade with North Korea more than the United States does. The government says U.S. trade with North Korea hovers in the $6 million range.

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The United States reserves the right to take even more privileges away, should Kim's bad behavior continue -- or should his tastes change. "Goods may be added to this list taking into account national discretion on what constitutes a luxury good," reads a caveat at the top.

So while another nation may help Kim indulge his hankering for French vintages, there will be no -- repeat, no -- Samuel Adams beer on Kim's table this season. He has ruined that for himself.

Strong Protests For Visa Changes (WT)

By David R. Sands And Jerry Seper

The Washington Times, November 30, 2006

President Bush's proposal to loosen U.S. visa rules for a select group of allies yesterday drew strong protests from security analysts and strong support from countries that hope to benefit from the liberalized rules.

The starkly different reactions underscored the political force of the immigration security issue five years after the September 11 attacks, an issue that will quickly confront the new Democratic Congress early next year.

While the Department of Homeland Security (DHS) said yesterday there is no firm list of countries that would be given the waiver privilege, Mr. Bush's proposal to ease travel curbs for select allies in Eastern Europe and East Asia "is absolutely the wrong thing to do," said Janice Kephart, former counsel to the September 11 commission.

"All this would do would be to open up another loophole for people to get into the country at a time when we have yet to secure our borders against possible threats," she added.

But Slovak Ambassador Rastislav Kacer, whose country is one of about a dozen allies hoping to qualify for the Visa Waiver Program, said the change would eliminate a major irritant in relations between the United States and string of close allies in Central Europe.

"People in Slovakia say, 'OK, we support America in Iraq and around the world. Why are we not included in this program? Where is the justice?' " he said.

Mr. Kacer said ambassadors from a number of European countries hoping to join the waiver program will meet today with officials from the Department of Homeland Security to learn more about the administration's plans.

Citizens of 27 countries -- most from Western Europe but also including allies such as Australia, Japan and Singapore -- now can travel to the United States for tourism or business for up to 90 days without a visa. No countries have been added to the list since the September 11 attacks.

Slovakia is one of about a dozen countries stuck on the doorstep for admittance, along with Bulgaria, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Romania and South Korea.

Mr. Bush said Tuesday in the Estonian capital of Tallinn he would soon send a proposal to Congress to "loosen" the visa-waiver requirements to allow the applicants to qualify.

One major change: allowing countries with a visa-rejection rate above 3 percent, the current cutoff, to obtain the waiver, if those countries agree to other new security measures.

DHS spokesman Jarrod Agen said yesterday there is no timeline for the proposed changes, which still must be approved by Congress. He said there was "maybe a handful of countries" that would qualify for the waiver if the changes are adopted, but said the administration is not ready to "name names."

Sen. George V. Voinovich, Ohio Republican, said he planned to introduce a bill next week to extend visa-free travel privileges to countries allied with the United States in the global war on terrorism. Mr. Voinovich had been drafting his bill separately from the administration proposal, an aide to the senator said.

But Michael W. Cutler, a retired senior agent with the now-defunct U.S. Immigration and Naturalization Service, said he was "outraged" by Mr. Bush's suggestion that the number of visa-waiver countries be expanded without hurting security.

"The president is apparently willing to ignore high refusal rates for visa applications and is claiming that because aliens from visa-waiver countries generally leave the United States within [the authorized period], it is reasonable to have the citizens of those countries participate in a program that creates inherent national security vulnerabilities," Mr. Cutler said.

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"He makes those assertions even though he knows our government lacks the ability to know when these aliens leave our country."

Daniel Griswold, a trade specialist at the libertarian Cato Institute, said Mr. Bush was apparently banking on a more friendly reception for the proposal with Democrats soon to be running Congress.

Mr. Griswold, who supports the change, predicted the visa waiver would be extended only to a tightly defined group of allies.

"I guarantee you the president was not talking about Saudi Arabia," he said.

Halliburton Unit To Pay $8 Million For Overbilling (WP)

By Griff Witte

The Washington Post, November 30, 2006

A Halliburton subsidiary agreed to pay the government $8 million to resolve accusations of overbilling related to the firm's work for the Army in the Balkans, the Justice Department said yesterday.

The allegations against KBR, formerly known as Kellogg Brown & Root, stemmed from orders placed with 10 foreign subcontractors that were working for KBR on military logistics support in 1999 and 2000. The accusations, made under the federal False Claims Act, included double-billing, inflating prices and providing products that didn't fit the Army's needs during the construction of Camp Bondsteel in Kosovo.

"The Department of Justice remains committed to vigorously pursuing allegations of procurement abuses affecting the military," Assistant Attorney General Peter D. Keisler said in a written statement.

KBR, which is being spun off by Halliburton, said in a written statement that the company was "pleased" with the resolution. "The government closed its investigations without making allegations of fraud or filing a complaint."

According to the company, it paid the government $2.1 million in 2001 as the result of an internal investigation.

The $8 million settlement is relatively small by the standards of other False Claims Act cases, said Patrick Burns, communications director of Taxpayers Against Fraud. Burns also noted that the settlement had been a long time coming, and said that the government needs to pay more attention to recent allegations of fraud in Iraq.

"At a certain point, justice delayed is justice denied," said Burns, whose nonprofit group promotes use of the False Claims Act, which dates to the Civil War. "People are going to say, 'When were we in the Balkans?' "

Several False Claims Act cases related to work in Iraq are pending, but none has resulted in a contractor having to repay money to the United States. In one lawsuit, whistle-blowers accused the firm Custer Battles of using its contracts in Iraq to cheat the government. A federal jury decided in March that the company should pay a $10 million penalty. But in August, a judge threw out the decision, ruling that the Coalition Provisional Authority, which ran Iraq at the time of the alleged fraud, was not a U.S. government entity.

KBR, the U.S. military's largest contractor in Iraq, is at the heart of several other pending False Claims Act cases, and its work is the subject of numerous federal investigations. Congressional Democrats have been particularly critical of Halliburton, which was run by Dick Cheney before he became vice president.

EU Struggles To Avoid Rift With Ankara (FT)

By George Parker In Brussels

Financial Times, November 30, 2006

Europe's leaders on Wednesday sought to prevent Turkey's troubled European Union membership bid from plunging into a full-blown crisis, as Ankara responded angrily to a call for much of the negotiations to be put on hold.

The events were sparked by a recommendation from the European Commission to freeze talks on almost a quarter of the negotiating topics because of a dispute between Turkey and Cyprus. Turkish officials expressed anger that they were not informed by Brussels in advance. One described the decision and its timing as "a bolt of lightning".

In meetings at a Nato summit in Riga, EU leaders pleaded with Recep Tayyip Erdogan, Turkey's prime minister, not to walk away from the membership talks. He later struck a more conciliatory tone in a news conference at Ankara airport, while insisting that there would be no more concessions on Cyprus.

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“Actually let us not view this as a suspension... There will be something of a slowdown,” he said. “We will continue on our path in the same direction... Our most important goal is to raise our country’s standard of living.”

Olli Rehn, EU enlargement commissioner, proposed on Wednesday that Turkey should be barred from opening detailed membership talks in eight out of the 35 policy areas.

The areas which related to items such as the free movement of goods, transport, customs and external relations consist of some of the biggest elements of EU policy.

The move was seen as too harsh by Britain, Spain and Italy, which argued that no more than three “chapters” in the membership negotiations should be put off limits.

But others like France and Germany wanted Mr Rehn to go further and Cypriot diplomats said his plan was “deeply disappointing”.

Cyprus wants the EU to set a date to review Turkish progress on the ports issue - the kind of new deadline Mr Rehn wants to avoid.

Mr Rehn hopes the EU’s 25 foreign ministers can bury their differences and agree to the new conditions for Turkey at a meeting on December 11.

He argues that the compromise plan would allow talks to continue on many other policy areas and keep the negotiations on track. “There will be no train crash,” he said.

But his officials admit the bigger concern is Ankara’s reaction to the conditions and the nagging fear that Mr Erdogan might eventually decide to walk away from the negotiating table.

The road to impasse

1999: EU declares Turkey is a ‘candidate’ for membership

2004: EU decides to begin negotiations with Ankara after concluding it has ‘sufficiently fulfilled’ human rights and democratic criteria

2005: Brussels approves negotiating mandate consisting of 35 topics or ‘chapters’ Ankara must fulfil, but warns ‘overall progress’ will be affected if Turkey refuses to open its ports to ships from Cyprus

June 2006: EU opens and closes chapter on science and research – the only part of the negotiations to date that has been concluded or even begun

September 2006 onwards: Progress on other chapters stalls as tensions rise over Turkish-Cypriot dispute. As an EU member state, Cyprus has a veto over all stages of the negotiations

November 2006: Commission recommends that the EU suspend negotiations on eight of the remaining chapters amid concerns that Turkey’s bid could be jeopardised. Several EU member states back Brussels’ stance. A decision is due to be taken next month

Turkey Set Back In Bid For E.U. Membership (WP)

By Molly Moore

The Washington Post, November 30, 2006

ISTANBUL, Nov. 29 -- The European Union's executive arm on Wednesday recommended cutting off talks with Turkey on several key issues in its efforts to join the 25-country bloc, a day after Pope Benedict XVI expressed support for the predominantly Muslim country's pursuit of membership.

"We confirm these negotiations must continue, although at slower pace," E.U. Enlargement Commissioner Olli Rehn told reporters in Brussels. "There will be no train crash. There is a slowing down because of works further down the tracks. However, the train continues to move."

Turkish Prime Minister Recep Tayyip Erdogan, attending a summit of the NATO alliance in Latvia, called the recommendation by the European Commission "unacceptable."

The latest rift between the European Union and Turkey came in the middle of Benedict's first papal journey to a Muslim country. The pontiff is using the visit to highlight secular Turkey's role as a bridge between the West and Islam. But the trip has come as tensions over possible E.U. membership have frayed relations between Turkey and its longtime Western allies.

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Erdogan, who met with the pope for 20 minutes Tuesday at the Ankara airport before flying to Latvia, said the pontiff expressed support for Turkey's efforts to join the European Union, reversing the position he had expressed as a cardinal.

A Vatican spokesman, the Rev. Federico Lombardi, issued a statement noting that the pope has no official role in determining E.U. membership but that he "views positively" Turkey's attempts to join.

The European Commission recommended suspension of talks with Turkey on eight of the 35 crucial policy areas judged for E.U. membership. The decision followed the collapse of negotiations over Turkey's refusal to open its ports to vessels from parts of Cyprus controlled by the island's internationally recognized government.

Cyprus has been divided since 1974, when Turkish troops invaded the northern portion of the island in response to a coup d'etat that was supported by Greece. Turkey is the only country to recognize that zone, as the Turkish Republic of Northern Cyprus. Turkey refuses to recognize the southern section of the island; the entire island has been admitted to the European Union.

The pope is using his trip to try to improve relations with the Muslim world after a September speech in which he angered many Muslims by quoting a Byzantine Christian emperor who criticized Islam as embracing violence.

Within Turkey, the pope's first visit has received favorable reviews. The Turkish newspaper Hurriyet declared in a headline Wednesday: "It started well."

A statement purportedly released by the insurgent group al-Qaeda in Iraq to several Islamic Web sites Wednesday denounced the four-day visit as part of a "crusader campaign" against Islam and said Benedict was trying to "extinguish the burning ember of Islam" in Turkey.

Lombardi, the Vatican spokesman, said the statement demonstrated the need for all religions to fight "violence in the name of God."

The pope spent the second day of his trip reaching out to Turkey's small Roman Catholic community and to the Vatican's centuries-long rival, the Istanbul-based patriarch of the Orthodox Christian church. The pope will spend much of the remaining two days as a guest of Ecumenical Patriarch Bartholomew I.

On Wednesday morning, the pope traveled up a dirt road on a forested mountainside near the Aegean Sea to say Mass in Ephesus, where many Christians and Muslims believe the Virgin Mary lived her last years.

In remarks directed at Turkey's treatment of Christians, Benedict said, "I have wanted to convey my personal love and spiritual closeness, together with that of the universal church, to the Christian community here in Turkey, a small minority which faces many challenges and difficulties daily."

He also paid homage to an Italian priest who was shot dead in February as he knelt in prayer inside his church in the Black Sea port town of Trabzon. His slaying by a Turkish teenager was linked to anger over publication in Europe of cartoons of the prophet Muhammad.

Pope Urges Religious Tolerance In Turkey (AP)

By Brian Murphy

AP, November 30, 2006

Pope Benedict XVI began his pilgrimage among Turkey's tiny Christian communities Wednesday by paying homage to an Italian priest slain during Islamic protests and expressing sympathy for the pressures facing religious minorities in the Muslim world.

The messages — made at one of the holiest Christian sites in Turkey — could set the tone for the remainder of Benedict's first papal trip to a Muslim nation as he tries to strengthen bonds with the spiritual leader of the world's Orthodox Christians.

The pope is expected to sharpen his calls for what the Vatican calls "reciprocity" — that Muslim demands for greater respect in the West must be matched by increased tolerance and freedom for Christians in Islamic nations.

But too much pressure by the Roman Catholic pontiff could risk new friction with Muslims after broad gestures of goodwill in the opening hours of the trip Tuesday that sought to ease simmering Muslim anger over the pope's remarks on violence and the Prophet Muhammad.

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A statement claiming to be from al-Qaida in Iraq denounced the pope's visit as part of a "crusader campaign" against Islam and an attempt to "extinguish the burning ember of Islam" in Turkey. Vatican spokesman the Rev. Federico Lombardi said the declaration — posted on several Islamic militant Web sites — shows the need for faiths to fight "violence in the name of God."

He said "neither the pope nor his entourage are worried."

Still Turkish authorities took massive security precautions for the Istanbul stop, with thousands of police on the street and roads cleared of all traffic for the papal motorcade.

The pope's deepening ties with Ecumenical Patriarch Bartholomew I — called the "first among equals" of the Orthodox leaders — also is watched with suspicion in Turkey as a possible challenge to state-imposed limits on Christian minorities and others. Benedict has declared a "fundamental" commitment to try to heal rifts between the two ancient branches of Christianity, which split nearly 1,000 years ago over disputes including papal authority.

At Bartholemew's walled compound in Istanbul, the pope stood amid black-robbed Orthodox clerics and urged both sides "to work for full unity of Catholics and Orthodox."

The pope began the day at the ruins of a small stone home at the end of a dirt road near the Aegean Sea — the site where the Virgin Mary is thought to have spent her last years.

At an outdoor Mass attended by 250 invited guests, the pope noted the challenges facing the "little flock" of Christians in Turkey.

"I have wanted to convey my personal love and spiritual closeness, together with that of the universal church, to the Christian community here in Turkey, a small minority which faces many challenges and difficulties daily," the pope said.

At times, he smiled and showed flashes of the pastoral flair of his predecessor, John Paul II, in one of the most intimate papal gatherings since John Paul's trip to remote Mount Sinai during a trip to Egypt in 2000.

Benedict went on to honor the memory of a Catholic priest who was slain in Turkey amid Muslim anger over the publication in European newspapers of caricatures of Muhammad.

"Let us sing joyfully, even when we're tested by difficulties and dangers as we have learned from the fine witness given by the Rev. Andrea Santoro, whom I am pleased to recall in this celebration," said Benedict, who later walked amid the crowd as they reached to touch his gold-and-white robes and cried "Viva il Papa" and "Benedetto," his name in Italian.

In February, a Turkish teenager shot the Italian priest as he knelt in prayer in his church in the Black Sea port of Trabzon. The attack was believed to have been linked to outrage over the cartoons. Two other Catholic priests were attacked this year in Turkey, where Christians have often complained of discrimination and persecution.

On Tuesday, the pope urged religious leaders of all faiths to "utterly refuse" to support any form of violence in the name of faith. He also said religious freedom was an essential element of democratic values.

He sought a careful balance as he held out a hand of friendship and brotherhood to Muslims, and expressed support for measures that Turkey has taken in its campaign to join the European Union.

But winning over Turkish sentiments may be easy compared with the complexities ahead.

The legacy of Christianity in Turkey is a tangle of historical and religious sensitivities.

Turkish armies captured the Byzantine capital Constantinople — now Istanbul — in 1453 to begin a steady decline for Christians, who had maintained communities in Asia Minor since the time of the Apostles.

As the Ottoman Empire collapsed in the early 20th century, large numbers of Armenian Christians perished in mass expulsions and fighting. Turkey vehemently denies that it committed genocide against Armenians, though many nations have classified the World War I-era killings as such.

Later, in the 1920s, Turkey and Greece carried out a massive population exchange under the treaty that established modern Turkey, with hundreds of thousands of Greek Orthodox sent to Greece and smaller numbers of Muslims going the other way.

Bartholomew heads the remnants of the Greek community in Istanbul that now number no more than 2,000 among about 90,000 Christians in Turkey.

But they still represent a powerful symbolic presence for the world's more than 250 million Orthodox, which often denounce Turkey for placing obstacles in the way of Bartholomew and his clerics.

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Turkey refuses to acknowledge the "ecumenical," or universal, title of the patriarch and instead considers him only the head of the local Greek Orthodox community. The Turkish worry is that granting wider status to the patriarch could undermine the idea of a single Turkish nationality — a pillar of the nation's secular system — and inspire demands for special recognition by minorities including Kurds and Muslim groups such as Sufis and Alevis, considered a branch of Shiite Islam.

Now, Turkish officials are concerned the papal visit and support for Christian minorities could embolden Bartholomew to press Turkey for concessions, including return of confiscated property and the reopening of a Greek Orthodox seminary that closed more than two decades ago after authorities blocked new students. The EU has also pushed Turkey for greater religious openness to help its faltering bid for membership.

"Against the backdrop of universal peace, the yearning for full communion and concord between all Christians becomes even more profound and intense," he said at the ancient Christian site.

Nestling on a mountain in woods between the ancient city of Ephesus and the town of Selcuk, near the Aegean coast, St. John the Apostle is believed to have brought the Virgin Mary to the house to care for her after Jesus' death. Another belief maintains that the Virgin Mary died in Jerusalem.

The ruins of the house, whose earliest foundations date to the first century, have become a popular place of pilgrimage for both Muslims and Christians since the 1950s.

A chapel was built over the ruins, and some believe in the healing powers of both the chapel and waters flowing from a nearby spring.

Of Turkey's 70 million people, some 65,000 are Armenian Orthodox Christians, 20,000 are Roman Catholic and 3,500 are Protestant, mostly converts from Islam. Another 23,000 are Jewish.

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AP writer Victor L. Simpson contributed to this report.

Turkey Lauds Pope's EU Support (WT)

By John Phillips

The Washington Times, November 30, 2006

ISTANBUL -- Turkey praised Pope Benedict XVI yesterday for dropping his opposition to Turkish membership in the European Union.

"It started beautifully," said the mass circulation Hurriyet newspaper, "the pope told the world from Ankara that Islam was a religion of peace."

Turkey's other biggest daily Milliyet concurred.

"This trip is important for Turkey's EU membership. This is a big warning for politicians who think the EU is a Christian club," it said.

Benedict on Tuesday began a delicate four-day trip to this Muslim NATO nation by meeting Turkish Prime Minister Recep Tayyip Erdogan who afterward quoted the conservative German pope as having dropped his previous well-known hostility to Turkey becoming an EU member. The Vatican did not confirm specifically the Turkish leader's remarks. However, Vatican spokesman the Rev. Federico Lombardi said the pope "sees positively and encourages the passage of dialogue for the inserting of Turkey in the EU, on the basis of specific common values."

Benedict began the second day of his remarkable first official trip to a Muslim country yesterday by celebrating a Mass close to the ancient city of Ephesus near the Aegean coast in a ceremony for Turkey's embattled Roman Catholic community. The service was held next to the ruins of a house where the Virgin Mary is thought by some scholars to have spent her last years after she was taken there by St. John the Apostle.

"I have wanted to convey my personal love and spiritual closeness ... to the Christian community here in Turkey, a small minority which faces many challenges and difficulties daily," the pope told an intimate congregation of just 250.

He also honored the Rev. Andrea Santoro, an Italian priest who was fatally shot by a Turkish teenager in February in his church in the Black Sea port of Trabzon. The attack was thought to be linked to Muslim outrage over the publication of caricatures of the prophet Muhammad in European newspapers. Two other Catholic priests were attacked in Turkey this year.

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Diplomats and commentators say in the first two days of his visit the pope has gone a long way toward reopening dialogue between Christians and Muslims who were angered over a speech he made in September in which he spoke of a medieval text that linked Islam and violence.

On Tuesday, in what some took as a rebuke of radical Islamists, Benedict urged religious leaders of all faiths to "utterly refuse" to support any form of violence in the name of their creeds.

The pope's schedule yesterday was highlighted by a meeting with Greek Orthodox Ecumenical Patriarch Bartholomew I, leader of the world's 300 million Orthodox Christians. The two major branches of Christianity represented by Bartholomew and Benedict split in 1054 over differences on the power of the papacy. The pope's deepening ties with Bartholomew, ... called the "first among equals" of the Orthodox leaders -- is watched with suspicion by authorities in Turkey as a potential challenge to state-imposed limits on Christian minorities and others. Benedict has declared a "fundamental" commitment to heal rifts between the two ancient branches of Christianity.

At Bartholomew's walled compound in Istanbul, the pope stood amid black-robed Orthodox clerics and urged both sides "to work for full unity of Catholics and Orthodox."

The Vatican yesterday dismissed a statement reportedly issued in Iraq by al Qaeda denouncing the pope's visit to Turkey as part of a "crusader campaign" against Islam.

"Neither the pope nor his entourage are worried" by the statement on a Web site, said Father Lombardi. Turkey's far-right Gray Wolves movement called a demonstration in Istanbul to be held today against the pope's visit but it was not clear whether authorities would allow the protest to go ahead.

British Find Radiation Traces On 3 Planes (NYT)

By Alan Cowell And Steven Lee Myers

The New York Times, November 30, 2006

LONDON, Nov. 29 — The case of the poisoned former K.G.B. agent took a bizarre twist when British Airways said that traces of radiation had been detected Wednesday on jets that flew between London and Moscow, establishing a possible Russian link and indicating that more than 30,000 people might have been exposed to the radiation.

The airline said tests had found “very low traces” of radioactivity so far on two of three Boeing 767s, which were singled out because the police suspected that passengers included people linked to the investigation. At least one of the planes flew between London and Moscow days before the former agent, Alexander V. Litvinenko, fell ill from the radioactive poison, polonium 210, that doctors say killed him.

The authorities did not say what substance was detected, but said the radiation posed little danger to the public.

In his last days, Mr. Litvinenko accused the Russian president, Vladimir V. Putin, of ordering his killing, a charge that Moscow has dismissed.

But the case, which has taken on cold war overtones, has clouded relations between Britain and Russia. On Wednesday, Prime Minister Tony Blair said his government was “determined to find out what happened” and stressed that “there is no diplomatic or political barrier in the way of that investigation.”

Willie Walsh, the chief executive of British Airways, said in a television interview that the three airplanes had made 221 flights, including trips to and from Moscow, since late October, carrying 33,000 people.

The airline said that, including more than 40 flights in both directions between London and Moscow, the planes had been used in flights between London and destinations including Athens, Frankfurt, Madrid, Istanbul, Stockholm, Düsseldorf, Germany, Barcelona, Spain, and Larnaca, Cyprus. The flights took place between Oct. 25 and Nov. 29, according to the British Airways Web site, www.ba.com.

While the airline said it had been told “the risk to the public is low,” it said it would contact all the passengers on the flights. Mr. Walsh encouraged them to consult health authorities if they had any concerns, adding that some 3,000 British Airways staff members would also be checked for radiation.

“The advice that we have is that the risk to public health is actually very, very low,” he said. “But I think it’s only right that we identify the flights that have been involved and make the information available to the customers.”

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It is impossible to know the exact level of the health risk, if any, as the airline released no information about what substance was detected or the level of the radiation. Radiation from polonium 210 is considered dangerous to human health only if particles of the rare substance are inhaled or ingested or otherwise enter the body. Since its radiation cannot penetrate the skin, an accidental exposure aboard an airplane is likely to prove insignificant.

Mr. Litvinenko, a harsh critic of the Kremlin, died in a London hospital late last Thursday, and an autopsy is to be carried out on Friday.

According to Mr. Litvinenko's supporters, he began to feel ill on Nov. 1, the same day he met an Italian contact in a sushi bar and two Russian men — including a former K.G.B. colleague — in a five-star hotel. Traces of radiation have been found in those and other places visited by Mr. Litvinenko on that day, according to the police.

According to the British Airways statement, however, eight of the Moscow trips flown by the three planes being examined took place before Nov. 1.

It was the first time that a physical link has been suggested with Moscow, and the first time that traces of radioactivity dating before Nov. 1 have been found. That could suggest that Mr. Litvinenko had ingested or breathed radioactive material before Nov. 1.

An official on duty at Domodedovo Airport in Moscow, Andrei D. Kositsyn, said in a telephone interview that a British Airways flight scheduled to leave Moscow around 5 p.m. on Wednesday was canceled Wednesday evening and that the aircraft was held at the airport. He said that the flight had been canceled for "technical reasons" but added that the airline had not informed airport officials of the exact reason for grounding the airplane.

He said he was not aware of any concern about radioactivity, which he said would have resulted in special precautions to quarantine the aircraft.

Another official, who spoke on condition of anonymity because of airport restrictions on contacts with news media, identified the plane as one that flew from Moscow to London on Oct. 31 and other dates.

Mr. Walsh of British Airways said the airplane grounded in Moscow would be tested there.

"Purely on a precautionary basis, scientific teams have been testing a number of locations identified as part of the police investigation over the last few days," a British Airways spokesman said, speaking on condition of anonymity under company policy. "Today they have started tests on two aircraft at Heathrow Airport and are making arrangements for a third plane to be tested."

It was not clear how the traces of radioactivity got onto the British Airways planes or whether polonium 210 had been found.

Last Friday, Andrei Lugovoi, a former K.G.B. associate of Mr. Litvinenko, denied in a radio interview that he or a colleague, Dmitri Kovtun, had any part in poisoning him when they met him in London on Nov. 1.

Speaking on Ekho Moskvy, an independent Russian radio station, Mr. Lugovoi said that he and Mr. Kovtun had met Mr. Litvinenko in a hotel on that day and had discussed business for 20 to 30 minutes.

Mr. Lugovoi later returned to Moscow but it was not immediately known how he had flown there.

An Italian consultant, Mario Scaramella, who met Mr. Litvinenko on Nov. 1 in the sushi bar, said Wednesday that he had been tested for radiation and had been cleared. Britain's Health Protection Agency said late Wednesday that 49 people working at two hospitals where Mr. Litvinenko was treated had been asked as a precaution to provide urine samples to establish whether they had been contaminated.

Spy Investigators Find Radiation On 2 British Jets (WSJ/AP)

The Wall Street Journal, November 30, 2006

LONDON -- Authorities found traces of radiation on two British Airways 767 jetliners yesterday as investigators widened their search for clues into the poisoning death of former Russian spy and Kremlin critic Alexander Litvinenko.

The airline said it would contact passengers who flew on the two jets.

Home Secretary John Reid disclosed the search following a meeting with Cobra, the government's emergency committee. Mr. Reid said two planes had been tested so far and that another would be.

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The initial results of the forensic tests had shown very low traces of a radioactive substance onboard two aircraft, British Airways said. The carrier said the investigation is confined to the three planes, which will remain out of service until further notice.

All three planes had been on the London-to-Moscow route, British Airways said. In the last three weeks the planes had also traveled to routes across Europe including Barcelona, Frankfurt and Athens. Around 30,000 passengers had traveled on 220 flights on those planes, said Kate Gay, a spokeswoman for the airline.

High doses of polonium-210 -- a rare radioactive element usually manufactured in specialized nuclear facilities -- were found in Mr. Litvinenko's body, and traces of radiation have been found at sites in London connected with the investigation of his death.

Meanwhile, an Italian security expert who was one of the last people to meet with Mr. Litvinenko said that tests cleared him of radioactive contamination.

Mario Scaramella came from Rome to meet with Mr. Litvinenko at a sushi bar in London Nov. 1, the day the former intelligence agent first reported the symptoms that ultimately led to his death in a hospital's intensive-care ward.

In a deathbed accusation, the harsh Kremlin critic blamed Russian President Vladimir Putin for his poisoning. Mr. Putin has strongly denied the charge.

Probe Of Spy's Death Finds Radiation On 2 British Jets (WP)

By Kevin Sullivan And Peter Finn

The Washington Post, November 30, 2006

LONDON, Nov. 29 -- British authorities investigating the death of former Russian spy Alexander Litvinenko have discovered low levels of radiation on two British Airways jetliners, prompting the airline to ground the planes and issue warnings to as many as 33,000 passengers who traveled in the past month on those aircraft and on a third plane grounded in Moscow, company officials said Wednesday.

Airline officials said "the risk to public health is low" from contamination found on the Boeing 767 planes, but they urged passengers to call Britain's National Health Service or their doctors if they have symptoms or want information. Health officials have said the radioactive material that killed Litvinenko, called polonium-210, would have to be ingested or inhaled to be dangerous.

All three affected planes flew on the London-Moscow route, but they also made a total of more than 220 flights that landed in Barcelona; Athens; Stockholm; Vienna; Istanbul; Madrid; Larnaca, Cyprus; and the German cities of Dusseldorf and Frankfurt, airline officials said. The airline posted on its Web site, http://www.britishairways.com, a full list of flights made by the grounded aircraft dating back to Oct. 25.

The radiation found on the planes is an important new clue for investigators who are trying to solve an extraordinary case that has caused political tensions between London and Moscow. It may help determine where the polonium-210 came from as detectives follow the trail of the radioactive substance.

Airline officials said they acted at the request of government officials who are investigating the mysterious death last week of Litvinenko, 43. His family and friends have alleged that he was murdered, but police have said only that his death is "suspicious."

Traces of radiation have also been found at Litvinenko's London home, as well as a central London restaurant, a hotel and two offices that he visited Nov. 1, the day he fell violently ill.

Litvinenko's supporters allege that he was killed on orders from Russian President Vladimir Putin, an assertion that Kremlin officials have labeled nonsense. British Prime Minister Tony Blair on Tuesday called Litvinenko's death "a very serious matter" and said, "We are determined to find out what happened and who is responsible."

It was unclear Wednesday night whether police suspect that polonium-210 was carried into Britain aboard one of the planes or whether they think that people who had been contaminated by it left the country aboard one of them, or both.

Former KGB agent Andrei Lugovoy and two other Russian men who met with Litvinenko at the Millennium Hotel bar in Grosvenor Square on Nov. 1 later returned to Moscow. Police said traces of radiation were found at the hotel bar, which has been closed to the public.

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Since the Litvinenko investigation started, more than 1,100 people have called a help line for those worried over possible exposure to the radioactive substance, health officials said. Eight people showing some symptoms were referred for further tests.

The two planes on which radiation had been detected were grounded at Heathrow Airport on Tuesday evening and a third remained on the ground in Moscow awaiting radiation testing, an airline spokeswoman said. A company spokesman said British Airways employees were attempting to reach all of the estimated 33,000 people who traveled on those planes, mainly by telephone and e-mail.

British Airways has also set up special telephone numbers, listed on its Web site, for people to call to determine whether they were on one of the planes in question.

Nancy McKinley of the International Airline Passengers Association in Dallas said the large number of passengers and flights involved over a relatively short time period illustrate the complexity of issues involved with airline security.

"This shows that you can't look at this industry without thinking about the global implications," she said.

In Moscow, officials reported that another prominent Russian had suddenly fallen ill. Former acting prime minister Yegor Gaidar became sick Friday at a conference in Ireland, vomiting and then losing consciousness for three hours, according to his spokesman.

Gaidar's daughter, Maria Gaidar, said that the incident had posed a serious threat to her father's life but that his condition was improving. He was transferred from Dublin to a Moscow hospital on Sunday.

Doctors have not identified the cause of the illness and are considering the possibility that Gaidar, 50, might have been poisoned, his spokesman said. Gaidar became ill in the afternoon.

Gaidar fell ill at a university just outside Dublin where he was answering questions about a new book he had written. He has been a critic of Putin's policies, particularly the increasing of state control over important sectors of the economy.

Valery Natarov, the spokesman for Gaidar, told news agencies here that "nobody has ruled out the poisoning version. It is being considered, and doctors are studying all the symptoms and consequences to cure Yegor and diagnose the causes."

A close colleague of Gaidar's, Anatoly Chubais, a deputy prime minister under Russian President Boris Yeltsin and now the head of the country's state electric company, said that Gaidar was "on the verge of death" Friday and that the symptoms did not appear to be the result of a natural illness.

Russian officials have argued Litvinenko's death stemmed from an overseas plot by disaffected exiles to discredit Putin, not an order issued by the Kremlin.

Gaidar, who served as acting prime minister under Yeltsin from June to December 1992, was one of the architects of the post-Soviet transition to a market economy. He was later reviled by many Russians who blamed him for their impoverishment during a time when favored tycoons enriched themselves from the privatization of state assets.

Finn reported from Moscow. Correspondent Mary Jordan in London contributed to this report.

Radiation Found On British Airways (USAT)

By Jeffrey Stinson

USA Today, November 30, 2006

LONDON — British Airways late Wednesday sought thousands of passengers who might have been exposed to a radioactive substance found aboard two jets by investigators looking into the poisoning death of a former Russian spy.

Britain's Health Protection Agency stressed that the risk to the public was slight.

British Airways said “very low traces” of a radioactive substance were found on two Boeing 767 jetliners in London. A third Boeing 767 was grounded in Moscow.

Law enforcement authorities and airline officials would not say whether the substance was polonium-210, a rare isotope found in the body of former KGB officer Alexander Litvinenko, who died in London on Nov. 23.

Litvinenko, 43, was living in London and had become a bitter critic of Russian President Vladimir Putin. From his deathbed, he accused Putin of masterminding his poisoning.

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The three British Airways planes have recently flown the London-Moscow route, and made other stops in Barcelona, Frankfurt and Athens, the carrier said. It said 33,000 passengers flew aboard 221 flightson the three jets in recent weeks; about 3,000 crewmembers and airport workers had contact with the aircraft.

The airline posted a list of the flights on its website. It asked passengers who flew them to call a help line. It urged non-British nationals to call their doctors.

Airport security screeners have equipment to check passengers and cargo for radiation, but generally use it only after terrorism warnings, said Stephen Luckey, an aviation security consultant.

Polonium-210 is used in nuclear weapons. The Health Protection Agency said in a statement, "It can only represent a radiation hazard if it is taken into the body — by breathing it in, by taking it into the mouth, or if it gets into a wound. It is not a radiological hazard as long as it remains outside the body."

British Home Secretary John Reid said radiation tests on the airliners were part of the Litvinenko investigation.

Russia has denied any role in Litvinenko's death, which has been classified by British police as "suspicious" but not a murder. The case has chilled relations between London and Moscow. Members of Prime Minister Tony Blair's Cabinet have criticized Putin as anti-democratic and authoritarian.

Before his death, Litvinenko said he met in London with Russians who had traveled from Moscow. Traces of polonium-210 have been found at six sites he visited, including a sushi restaurant and the London offices of Russian tycoon Boris Berezovsky, a Putin critic.

Dozens of people who worked at or visited the six sites and the London hospital that treated Litvinenko have been tested for radiation exposure.

Litvinenko's body is to undergo an autopsy Friday.

Putin Calls Gaidar After Mystery Illness (FT)

By Arkady Ostrovsky

Financial Times, November 30, 2006

President Vladimir Putin telephoned Yegor Gaidar on Wednesday as the former Russian prime minister recovered in hospital from a mysterious illness friends claim was an attempt to poison him.

Kremlin sources told the Financial Times Mr Putin was concerned about Mr Gaidar's health and wished him a speedy recovery from the violent attack he suffered in Ireland last week, the day after former Russian spy Alexander Litvinenko died in London from apparent radiation poisoning. The two men had known each other for many years and still met occasionally, the sources said.

A colleague of Mr Gaidar, Anatoly Chubais, a top government figure under the former president, Boris Yeltsin, and now head of the country's electricity monopoly, on Wednesday blamed Mr Putin's opponents for what he feared was a poisoning attack.

Mr Chubais said the sudden bleeding and vomiting Mr Gaidar suffered while attending a conference in Dublin should be considered in the same chain of events as Mr Litvinenko's death and last month's murder of Anna Politkovskaya, a journalist.

"The version of attempted poisoning, attempted murder should undoubtedly be considered seriously," Mr Chubais said.

Mr Gaidar, who heads an economic think-tank in Moscow, told the Financial Times he had felt ill after eating a simple breakfast and collapsed in the afternoon.

Mr Gaidar said doctors were concerned for his life and he had never felt so close to death.

The illness subsided after a few hours but doctors have been unable to identify the cause of his symptoms. Mr Gaidar was in a stable condition on Wednesday, undergoing more tests at a Moscow hospital. Maria Gaidar, his daughter, said: "Doctors still can't figure out a reason for what happened."

Mr Gaidar is a soft critic of Mr Putin and has repeatedly voiced his concern about the clampdown on democracy in Russia.

However, both Mr Chubais, who himself survived an assassination attempt last year, and other people close to Mr Gaidar have ruled out the possibility of a Kremlin-sponsored attempt on Mr Gaidar.

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Mr Chubais said: “For me there is no doubt that the deathly Politkovskaya-Litvinenko-Gaidar chain, which by a miracle was not completed, would have been attractive for the supporters of un unconstitutional, forceful change of power in Russia.”

Mr Chubais’ line corresponds with that of the Kremlin, which blamed opponents of Mr Putin for the murder of Ms Politkovskaya and Mr Litvinenko.

¦British Airways said on Wednesday that “very low traces of a radioactive substance” had been found on two of three Boeing 767 aircraft it had taken out of service after being notified by investigators probing Mr Litvinenko’s death.

New Leader Vows To Oust U.S. Anti-drug Squad (WT)

By Carmen Gentile

The Washington Times, November 30, 2006

MIAMI -- Ecuador's outspoken new leader has promised to end the U.S. military's counternarcotics operations in the South American country, saying it targets rebels from neighboring Colombia.

Even though his victory will not be official until later this week , Rafael Correa, the leftist economist with a doctorate from the University of Illinois, said shortly after Sunday's election that he would not renew the agreement with the United States.

The agreement, which allows the U.S. program to operate out of an airstrip in the port city of Manta, some 140 miles southwest of the capital, Quito, expires in 2009.

Leading up to Sunday's election, Mr. Correa said he hoped to have good relations with the United States "within a framework of mutual respect."

Ecuador granted the U.S. Air Force permission in 1999 to conduct its counternarcotics flyover operations and drug-seizure missions in the region.

The Manta Forward Operating Location houses up to 475 personnel and operates up to eight aircraft. All aircraft are unarmed and support counternarcotics operations only, the U.S. military said.

Ecuador is considered one of the world's leading producers of cocaine, after Colombia and Bolivia.

Last year, the U.S. operation out of Manta seized some $640 million in illegal drugs and so far this year has confiscated narcotics totaling $2.5 billion in street value.

The U.S. forces also have arrested some 260 suspected drug traffickers so far this year, said Capt. Nancy Kuck, a U.S. Air Force public-affairs officer stationed in Quito.

Since the program's inception, the United States said it has spent $71 million on construction at the base and contributes more than $6.5 million annually to the local economy.

However, Mr. Correa is firm on ending the program, claiming Washington uses the base to carry out attacks on Colombian rebels known to hide along the porous jungle border dividing Ecuador and Colombia.

Colombian rebels from the Revolutionary Armed Forces of Colombia (FARC) have been known to wage attacks on Colombian forces and then flee to relative safety across the border into Ecuador. They also are known to use revenue from the drug trade to fund their decades-long war.

The U.S. military denies Mr. Correa's claim, but adds that the Manta operation would not shy away from capturing traffickers on Ecuadoran soil that were associated with Colombian groups.

"We reject any implication that the aircraft are there for any other mission other than counterdrug missions," said Air Force Master Sgt. Jose Ruiz, a spokesman for the Pentagon's Southern Command in Miami.

Mr. Correa's distaste for the U.S. presence in the region is not unfounded, said Mark Weisbrot, co-director of the Washington-based Center for Economic and Policy Research.

"I'm not sure it's in Ecuador's interest to continue to have a foreign military presence in their country," Mr. Weisbrot said. "This U.S. war on drugs is a dubious proposition. ... It's not affecting the street price of drugs here [in the United States] or the quantity available."

Other disagree, noting that Ecuador's continued cooperation with U.S. efforts to counter drug trafficking would signal to Washington the country's willingness to cooperate on other issues as well.

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"Losing the Manta air base would be detrimental [to the U.S. drug program], but it would be more detrimental for Ecuador because it would confirm for Congress that Ecuador isn't keen on cooperating," said Stephen Johnson, a Latin America analyst at the Heritage Foundation.

Why Canada's Liberals Could Pick An Iraq-war Supporter As Their Leader (CSM)

By Rebecca Cook Dube

The Christian Science Monitor, November 30, 2006

TORONTO

It would be hard to imagine a more unlikely leader for Canada's Liberal Party than Michael Ignatieff, the Harvard professor-turned-politician.

He supported the deeply unpopular Iraq war, has less than a year's experience as an elected official, and has spent most of his adult life in Britain and the US.

And yet, Mr. Ignatieff is the front-runner going into this weekend's Liberal Party leadership election. With the Conservative minority government barely holding on to power, the contest's winner could be next in line to become the next prime minister of Canada.

Despite a campaign dogged by controversy, from the beginning Ignatieff has been compared to the legendary former Prime Minister Pierre Trudeau - not so much for his policies as for the aura of hope and charisma that surrounds him. Canada's liberals have been battered in recent years by scandal, allegations of widespread corruption, and a disastrous election last January in which they lost their 12-year grip on the prime minister's office.

"There's a real hunger for a more visionary, poetic leadership in Canada," says pollster Frank Graves, president of Ottawa-based EKOS Research Associates. "Michael Ignatieff is trying to tap into that. Whether he's successful remains to be seen."

At a recent campaign rally in a Toronto pub, Igantieff's fans talked about him as the Liberal Party's savior.

"I've been through them all: Pearson, Trudeau, Diefenbaker," said 75-year-old Irene Roth Romanowicz, naming Canada's most illustrious prime ministers in recent history. "His quality, his integrity - there is no man that I've met or any politician that I feel so strongly about," insisted Ms. Romanowicz, who has volunteered for Ignatieff's campaign ever since he moved back to Toronto in 2005 to run for Parliament.

Ignatieff does tend to inspire strong feelings wherever he goes. The son of a Canadian diplomat descended from Russian nobility, he first made a name for himself in England, as an academic, documentary filmmaker, and journalist. More recently, he served as director of Harvard University's Carr Center for Human Rights. While there, he dramatically split from the left with a 2003 essay in The New York Times Magazine supporting the US-led war in Iraq.

"Virtuous disengagement is no longer a possibility," Ignatieff wrote. "The disagreeable reality for those who believe in human rights is that there are some occasions - and Iraq may be one of them - when war is the only real remedy for regimes that live by terror."

Ignatieff, who met Kurdish survivors of Saddam Hussein's chemical-weapons attacks on a 1992 trip to Iraq, took pains to distance himself from the Bush administration, placing his views squarely in the frame of human rights.

But he didn't always distance himself from America, often using the pronouns "we" and "our" in essays about US foreign policy. Earlier this year, Ignatieff said he regretted his pronoun choice: "Sometimes you want to increase your influence over your audience by appropriating their voice, but it was a mistake."

While Ignatieff's decades-long absence from Canada is frequently noted, it hasn't killed his candidacy, as it might in other countries.

"Canada's colonial culture ... prizes those who have gone to the 'center' to learn," says University of Toronto political science professor Stephen Clarkson, referring to Ignatieff's sojourns in Canada's former colonial ruler, England, and its current dominant influence, the US. "It's not held against you in Canada the way it would be in the States or France or Britain."

What almost did kill off Ignatieff's run were several campaign gaffes. In August, he told the Toronto Star that he was not "losing sleep" over civilian deaths in Lebanon. Then in October, he told a French-language television show that Israel's July 30 missile strike on the Lebanese village of Qana, which killed dozens of civilians, was a "war crime."

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Ignatieff's opponents used the opportunity to paint him as a bumbling political neophyte.

Then Ignatieff jumped from the frying pan into the fire with remarks late last month supporting the Liberal Party's Quebec wing's quest to have Quebec recognized as its own nation.

"I speak for those who say Quebec is a nation, but Canada is my country," Ignatieff said. His comments sparked a hailstorm from critics from across the political spectrum who blamed him for reopening a painful, divisive debate 11 years after the latest Quebec referendum on secession was defeated.

But that criticism lost some of its sting when Parliament this week overwhelmingly passed a motion put forth by Conservative Prime Minister Stephen Harper declaring that Quebeckers "form a nation within a united Canada." All but one of Ignatieff's main rivals fell in line with it, making Ignatieff look like a leader on the Quebec issue.

The controversy around his comments, though, demonstrates Ignatieff's unusual approach to campaigning. "He's not running a front-runner's typical, cautious campaign," Professor Clarkson says. "He's been acting as an intellectual, not as a politician worried about not offending important sectors of the electorate."

Whether that approach will win over the delegates he needs to become the Liberal Party's next leader will become evident once voting starts Friday night. Ignatieff's main rival is Bob Rae, a political veteran and former premier of Ontario. They are trailed by Stéphane Dion, an experienced member of parliament from Quebec, and Gerard Kennedy, a former Ontario education minister.

"Anything can happen because it's so close," Clarkson says. "The speeches will be very important." Most of the delegates at this weekend's leadership convention in Montreal are committed to one politician on the first ballot - but after that, their allegiances may shift, and any of the candidates could win. In his own words

"The disagreeable reality ... is that there are some occasions - and Iraq may be one of them - when war is the only real remedy for regimes that live by terror."

"To defeat evil, we may have to traffic in evils: indefinite detention of suspects, coercive interrogations, even pre-emptive war.... The question is not whether we should ... but whether we can keep lesser evils under the control of free institutions."

"Congress failed to put the ... case for war to adversarial scrutiny and debate. The news media allowed itself to be managed and browbeaten. The war may or may not bring democracy to Iraq ... but it hasn't done democracy any good at home."

"[America] is the last nation left whose citizens don't laugh out loud when their leader asks God to bless the country and ... further its mighty work of freedom."

EU Aims To Toughen Approach On Emissions (WSJ)

By Jeffrey Ball And Leila Abboud

The Wall Street Journal, November 30, 2006

Toughened European restrictions on global-warming emissions mark the latest sign of the political and economic difficulty in addressing the environmental problem, and come at a time when pressure is mounting on the U.S. to adopt similar caps.

In an announcement that worried business leaders across Europe, European Union officials yesterday told some member countries to impose tougher curbs on industries starting in 2008 -- a move that could increase costs for businesses -- because the European system is failing to produce big-enough emissions cuts. Under a nascent system, governments require certain industries to cap their production of carbon dioxide, a gas produced by fossil-fuel combustion that is contributing to global warming.

The EU said nine of the 10 countries that had submitted proposals for capping emissions between 2008 and 2012 had been too generous to industry. The EU told those countries that during the 2008-12 period, they must cut the emissions of their industries covered under the cap by a collective 7% from the 2005 level.

Germany, the EU's biggest economy, was ordered to cut the emissions of its covered industries by 4.4% from the 2005 level, prompting complaints from some of the country's largest firms. "We find the EU target for Germany unacceptable," said Julia Scharlemann, a spokeswoman for German power company RWE AG. "The cap is going to be a considerable burden for our company."

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France withdrew its plan from consideration and plans to resubmit it in the coming weeks. Italy, the EU's fourth-largest economy, has yet to submit its plan.

The United Kingdom was the only country whose plan was approved by the EU without changes. Even in the U.K., the emissions caps are "a definite disadvantage for U.K. industry," said Clemens Huettner, a London-based emissions trader at German firm Heidelberg Cement. He said he's already seen increased imports of materials made from concrete in recent months from developing countries in Asia and Africa -- places that, unlike Europe, aren't subject to emission caps.

Yet EU officials said further emissions cuts are crucial to address global warming. "Our deeds must really match our words now," said Stavros Dimas, the EU commissioner for the environment.

The European dispute highlights the practical difficulties of implementing global-warming-emission constraints. Europe's system has often been held out as a model for the U.S., the world's biggest producer of such gases, as it comes under growing pressure to adopt a scheme to limit emissions.

The U.S. has rejected the Kyoto Protocol, the global-warming treaty whose mandated emission cuts are behind Europe's so-called cap-and-trade system. Citing potential damage to the U.S. economy, Washington also has declined to impose domestic caps on emissions of carbon dioxide.

But pressure on the U.S. government is increasing. Yesterday, the U.S. Supreme Court heard oral arguments in a lawsuit seeking to force the federal government to regulate carbon-dioxide emissions under the Clean Air Act. A Supreme Court decision isn't expected for several months.

U.S. states have begun moving to limit carbon-dioxide emissions, largely in an effort to pressure the federal government to impose a cap. Earlier this year, California became the first state to pass an economywide limit on carbon-dioxide emissions -- a law that could be affected by the Supreme Court's ruling. Meanwhile, some leaders of the Democratic Party, which won control of Congress in this month's elections, have said they will push for legislation imposing federal global-warming-emission constraints.

Much of industry remains opposed to a potential U.S. cap, noting that it would amount to a disadvantage against competitors in developing countries like China, which even under the Kyoto accord don't face emission constraints.

That kind of lobbying led to the current dilemma in Europe, whose system imposes emission caps on utilities and energy-intensive industries such as steel, cement and paper. Together, those industries account for about half the EU's total global-warming emissions.

Senator Wants Probe Into Chinese Logging (AP)

By Matthew Daly

AP, November 30, 2006

A Democratic senator Wednesday asked the Bush administration to investigate Chinese logging practices that he said have hurt U.S. producers of hardwood used in furniture.

In letters to the U.S. Trade Representative and other officials, Oregon Sen. Ron Wyden urged the administration to investigate practices ranging from subsidies of China's timber industry to possible fraudulent labeling of Chinese hardwood plywood and illegal logging.

"Over the past few years, the U.S. hardwood plywood sector has experienced a dramatic downturn, which has put the entire U.S. industry in jeopardy," Wyden wrote, citing declines since 2003 ins U.S. production, shipment volume and market share.

"At the same time, the Chinese hardwood plywood sector has been surging. This dramatic growth in the Chinese industry — at the apparent expense of U.S. industry — is extremely troubling because it may be based on a number of illegal trade practices," Wyden said.

Wyden, a member of the Senate Finance Committee, said he would seek to hold a hearing on the issue next year after Democrats take control of Congress.

A spokesman for U.S. Trade Representative Susan Schwab said her office will review the letter. A message left Wednesday with the Chinese Embassy in Washington was not immediately returned.

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Schwab, the Bush administration's top trade negotiator, said in a speech Tuesday that President Bush hopes to achieve bipartisan support for an aggressive trade liberalization agenda in the next Congress, even with Democrats in control.

Schwab warned against any move to erect protectionist barriers against imports, something that critics say are needed in the face of record trade deficits they contend are costing American jobs.

Many Democrats campaigned against Bush's trade policies this fall, saying the administration had failed to do enough to halt the loss of manufacturing jobs to low-wage foreign countries such as China. Since Bush took office in 2001, the United States has lost nearly 3 million manufacturing jobs.

Joseph Gonyea III, chief operating officer of Oregon-based Timber Products Co., said he and others in the U.S. support free trade — as long as it is fair.

"This is not a Republican or Democrat issue. This is about protecting good jobs in communities throughout our country, by ensuring that business is not only done in free trade but in fair trade," Gonyea said.

China is one of the world's fastest-growing producers of hardwood plywood, with total exports topping $13 billion last year.

A June report by the U.S. International Trade Commission said that "a relatively large portion of China's log imports may be from questionable sources." The report estimated that as much as half of China's hardwood log imports from Russia and West Africa are from suspicious or illegal sources.

For $150, Third-World Laptop Stirs A Big Debate (NYT)

By John Markoff

The New York Times, November 30, 2006

CAMBRIDGE, Mass. — When computer industry executives heard about a plan to build a $100 laptop for the developing world's children, they generally ridiculed the idea. How could you build such a computer, they asked, when screens alone cost about $100?

Mary Lou Jepsen, the chief technologist for the project, likes to refer to the insight that transformed the machine from utopian dream to working prototype as "a really wacky idea."

Ms. Jepsen, a former Intel chip designer, found a way to modify conventional laptop displays, cutting the screen's manufacturing cost to $40 while reducing its power consumption by more than 80 percent. As a bonus, the display is clearly visible in sunlight.

That advance and others have allowed the nonprofit project, One Laptop Per Child, to win over many skeptics over the last two and a half years. Five countries — Argentina, Brazil, Libya, Nigeria and Thailand — have made tentative commitments to put the computers into the hands of millions of students, with production in Taiwan expected to begin by mid-2007.

The laptop does not come with a Microsoft Windows operating system or even a hard drive, and the screen is small. And the cost is now closer to $150 than $100. But the price tag, even compared with low-end $500 laptops now widely available, transforms the economic equation for developing countries.

That has not prevented the effort, conceived by Nicholas Negroponte, a prominent computer researcher, from becoming the focal point of a debate over the value of computers to both learning and economic development.

The detractors include two computer industry giants, Intel and Microsoft, pushing alternative approaches. Intel has developed a $400 laptop aimed at schools as well as an education program that focuses on teachers instead of students. And Bill Gates, Microsoft's chairman and a leading philanthropist for the third world, has questioned whether the concept is "just taking what we do in the rich world" and assuming that that is something good for the developing world, too.

Mr. Negroponte, the founding director of the M.I.T. Media Laboratory, said he was amused by the attention his little machine was getting. It is not the first time he has been challenged for proclaiming technology's promise.

"It's as if people spent all of their attention focusing on Columbus's boat and not on where he was going," he said in an interview here. "You have to remember that what this is about is education."

Seymour Papert, a computer scientist and educator who is an adviser to the project, has argued that if young people are given computers and allowed to explore, they will "learn how to learn." That, Mr. Papert argues, is a more valuable skill than traditional teaching strategies that focus on memorization and testing.

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The idea is also that children can take on much of the responsibility for maintaining the systems, rather than relying on or creating bureaucracies to do so.

"We believe you have to leverage the kids themselves," Ms. Jepsen said. "They're learning machines." As an example, she pointed to the backlight used by the laptop. Although it is designed to last five years, if it fails it can be replaced as simply as batteries are replaced in a flashlight. It is something a child can do, she said.

That philosophy, at the heart of the project's world view, has stirred criticism for its focus on getting equipment to students rather than issues like teacher training and curriculum.

"I think it's wonderful that the machines can be put in the hands of children and parents, and it will have an impact on their lives if they have access to electricity," Larry Cuban, a Stanford University education professor, said in an interview. "However, if part of their rationale is that it will revolutionize education in various countries, I don't think it will happen, and they are naïve and innocent about the reality of formal schooling."

The debate is certain to enter a new phase when the machines go into full-scale production by Taiwan-based Quanta Computer, the world's second-largest laptop maker. (The manufacturer, unlike the project itself, will make a profit.) Overnight, even though it will not be available to consumers, the laptop could become the best-selling portable computer in the world.

The project now has tentative commitments for three million computers and will begin large-scale manufacturing when it reaches five million with separate commitments from at least one country each in Africa, Latin America and Asia. Based on current negotiations, Mr. Negroponte says he expects that goal to be reached by mid-2007.

It got a significant boost on Nov. 15 when the Inter-American Development Bank signed an agreement to supply both loans and grants to buy the machines.

"Several years ago, I thought it was an illusion or a utopian idea," said Juan José Daboub, managing director of the World Bank and an independent economic-development expert. "But this is now real and encouraging."

Mr. Negroponte said the manufacturing cost was now below $150 and that it would fall below $100 by the end of 2008.

One factor setting the project apart from earlier efforts to create inexpensive computers for education is the inclusion of a wireless network capability in each machine.

The project leaders say they will employ a variety of methods for connecting to the Internet, depending on local conditions. In some countries, like Libya, satellite downlinks will be used. In others, like Nigeria, the existing cellular data network will provide connections, and in some places specially designed long-range Wi-Fi antennas will extend the wireless Internet to rural areas.

When students take their computers home after school, each machine will stay connected wirelessly to its neighbors in a self-assembling "mesh" at ranges up to a third of a mile. In the process each computer can potentially become an Internet repeater, allowing the Internet to flow out into communities that have not previously had access to it.

"The soldiers inside this Trojan horse are children with laptops," said Walter Bender, a computer researcher who served as director of the Media Laboratory after Mr. Negroponte and now heads software development for the laptop project.

Each machine will come with a simple mechanism for recharging itself when a standard power outlet is not available. The designers experimented with a crank, but eventually discarded that idea because it seemed too fragile. Now they have settled on several alternatives, including a foot pedal as well as a hand-pulled device that works like a salad spinner.

Ms. Jepsen's display, which removes most of the color filters but can operate in either color or monochrome modes, has made it possible to build a computer that consumes just 2 watts of power, compared with the 25 to 45 watts consumed by a conventional laptop. The ultra-low-power operation is possible because of the lack of a hard drive (the laptop uses solid-state memory, which has no moving parts and has fallen sharply in cost) and because the Advanced Micro Devices microprocessor shuts down whenever the computer is not processing information.

The designers have also gambled in designing the laptop's software, which is based on the freely available Linux operating system, a rival to Microsoft's Windows. Dispensing with a traditional desktop display, the software substitutes an iconic interface intended to give students a simpler view of their programs and documents and a maplike view of other connected users nearby.

A video-camera lens sits just to the right of the display, for use in videoconferencing and taking digital still photos of reasonable quality. The computer comes with a stripped-down Web browser, a simple word processor and a number of learning programs. For e-mail, the designers intend to use Google's Web-based Gmail service.

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Only one program at a time can be viewed on the laptop because of its small 7.5-inch display.

Mr. Negroponte has been a globetrotting salesman for the project, winning Libya's participation when he was summoned by Col. Muammar el-Qaddafi to a meeting in a desert tent on a sweltering August night. But there have also been setbacks. The Indian Education Ministry rejected a proposal to order a million computers, noting that the money could be better spent on primary and secondary education.

Mr. Negroponte said he had been re-energized by the recent arrival of the first 1,000 working prototypes. The prototypes, he said, will give him new ammunition to convince government leaders that his tiny machines can be a positive force for social development. [On a visit to Brazil on Nov. 24, Mr. Negroponte presented one of the prototypes to President Luiz Inácio Lula da Silva.]

He said a program would be created to enable those in the developed world to underwrite a laptop for a child in a designated country and to correspond with the recipient by e-mail as a sort of "glorified pen-pal program." But however attractive the idea of a $100 or $150 laptop, he said there were no plans to make it generally available to consumers.

"They should buy Dell's $499 laptop for now," he said. "Ours is really designed for developing nations — dusty, dirty, no or unreliable power and so on."

In his two decades as director of the Media Laboratory, Mr. Negroponte often faced criticism because the institution's impressive demonstrations of technology only occasionally led to commercial applications.

"He has spent his whole career being accused of being all icing and no cake," said Michael Hawley, a computer scientist and one of Mr. Negroponte's former students. To that kind of scoffing, he said, the laptop's success would be Mr. Negroponte's best retort.

US Concerned By Kenya Political Upheaval Ahead Of Polls: Senator (AFP)

AFP, November 30, 2006

A top US senator voiced concern over political developments in Kenya ahead of next year's general elections, as the opposition warned of mass action to protest alleged government malfeasance.

A day after the son of Kenya's revered founding president Jomo Kenyatta, Uhuru Kenyatta, was ousted as opposition leader with reported government backing, US Senator Russell Feingold said the move was troubling.

"On the face of it, the decision raises questions for me about the rule of law and transparency," said Feingold, a Wisconsin Democrat set to be chairman of the Africa sub-committee on the Senate Foreign Relations Committee.

"I see a potential danger that this electoral experience could be different from the last one," he told reporters on a visit to Nairobi.

He referred to Kenya's much-hailed 2002 polls in which Kenyatta was defeated by current President Mwai Kibaki in what many observers believed was one of Africa's most and free and fair elections.

Kenyatta had been the hand-picked successor to former president Daniel arap Moi to lead the Kenya African National Union (KANU) party, which his father had founded and had ruled the country for nearly 40 years.

But on Tuesday, he lost that position when the government recognized a splinter KANU faction and named a scandal-plagued former minister close to Moi, Nicholas Biwott, as the new party chief.

Moi, who succeeded Jomo Kenyatta as president in 1978 and ruled the country with an iron fist for the next 24 years, endorsed the decision, denouncing Uhuru Kenyatta's decision to join a larger opposition alliance.

That coalition, the Orange Democratic Movement-Kenya (ODM-K), meanwhile warned of mass protests to protest Kenyatta's ouster as KANU leader and official leader of the opposition.

ODM-K chairman Henry Kosgey said it would mobilize demonstrations to ensure rule of law prevails in the run-up to December 2007 general elections, when Kibaki is expected to seek re-election.

"We are asking the government to revoke the decision to register Biwott as the KANU chairman with immediate effect," he told reporters. "If it fails to do so, we will resort to mass action to restore the rule of law in this country."

Kenyatta, who had allied his KANU wing with ODM, said Biwott's recognition was a clear sign that the government and former president Moi were conspiring to sabotage his faction ahead of the polls.

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"The impunity with which our government continues to subjugate and submerge multi-party democracy must now confound all of us," he said.

"We are an opposition party whose ultimate goal is to wrest power from the ruling party, but we did not expect the government of the day to employ crude and unorthodox means of vanquishing its opponents," Kenyatta told reporters.

Kenyatta's group voted Monday to join the ODM-K but retain its KANU identity, but the government went ahead and recognized Biwott's Moi-backed bid to register himself as the new party chairman.

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